

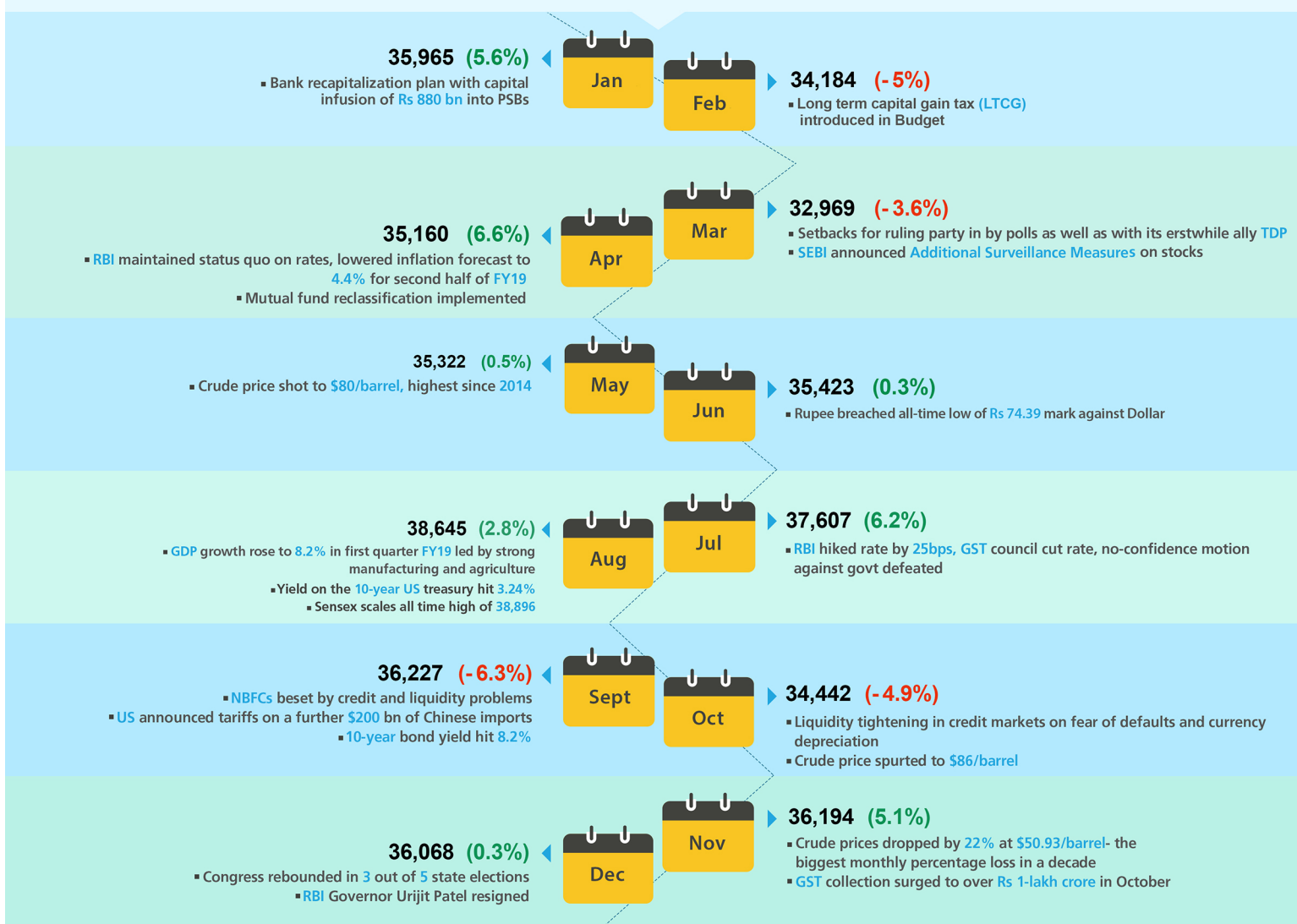
From the CEO's desk

Market Flashback 2018

Calendar year 2018 has been a volatile one for the Indian equity market with the Sensex gaining 7% and the Nifty rising 4%. Among broader market, BSE Midcap index fell 13% while the BSE Smallcap index dipped 24%. The market dealt with a lot of news like weakening rupee, sharply fluctuating crude oil prices, global tariff wars, liquidity crisis due to debt default in few companies, US-China trade tensions, the outcome of five states' assembly elections and sudden exit of the RBI Governor.



Here is a gist of the top events that shaped the market:



Outlook:

Near-term pressures could sustain both from global and domestic headwinds. Bottom-up stock picking with focus on earnings growth would continue to deliver better returns. We are expecting higher volatility in the short term with the general elections around the corner.

However, we have seen earnings growth pick up over the last few quarters across most sectors and companies which augurs well for the markets in the future. In the short term, the stock market may get swayed by various factors like liquidity, news flow, etc. But in the long run, corporate earnings trajectory and profitability are the key determinants of robust market returns.



L&T Financial Services
Mutual Fund

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Source: L&T Financial Services Mutual Fund Factsheet, BSE
Sensex value is calculated month on month basis