



Sanctum view

July 09, 2018

Investment Strategy

What's Leading to the Surprising Uptick in Growth | Quarterly PMS Performance

"Buy when most people, including experts, are pessimistic, and sell when they are actively optimistic"
– Ben Graham

Equities

What's Leading to the Surprising Uptick in Domestic Growth

While investors have been focusing on a slew of worries ranging from a U.S. China trade war, central banks withdrawing liquidity, FI outflows, a flattening yield curve in the U.S., to crude oil, a depreciating Rupee, RBI rate hikes, inflation and valuations, the recent economic data has been surprisingly resilient. PMI manufacturing and services are at multi-month highs, credit to the retail and services sector continues to grow double digits, automobile and commercial vehicle sales remain surprisingly strong, cement demand is surging and travel and consumption trends remain strong.

What's leading to the surprising uptick in economic data?

A Third Attempt at an Economic Growth Breakout

Structural forces clearly appear to be at play. The PMI Manufacturing chart below highlights that the two slowdowns in the past couple of years came due to demonetization and GST, and aborted smart pickups in growth each time. This is the third time in three years that economic growth is spurting ahead, this time aided by the reforms implemented by the government.

Despite growth in the global and domestic economy, **equity investors remain focused on the risks.** Are investors falling victim to negativity bias? Negativity bias is a human tendency to over-react to negative events, and studies have highlighted the human brain reacts more strongly to negative events than positive stimuli.

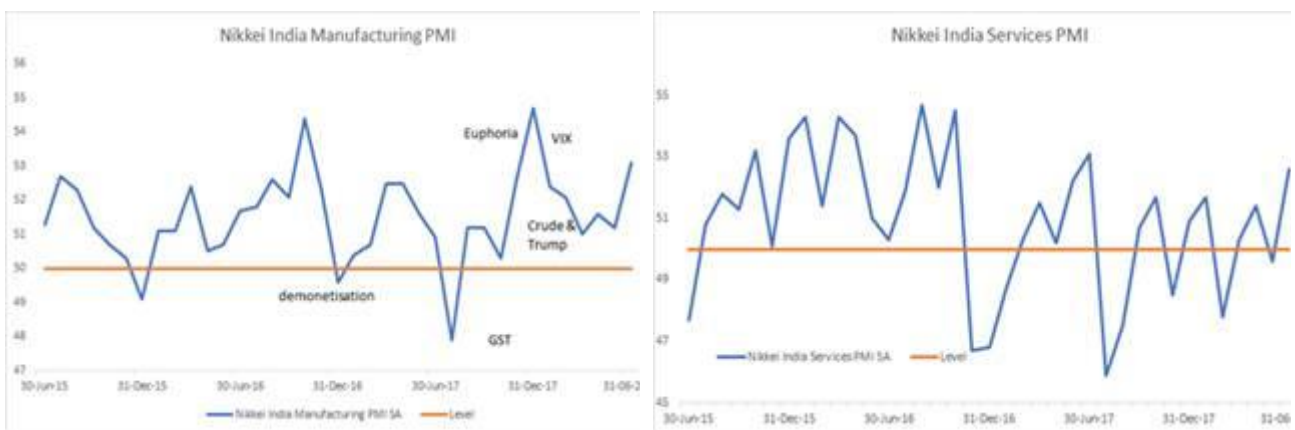
Structural Factors

What's clear is that consumption is driving growth in India. Drivers, maids and delivery boys are purchasing smartphones costing INR 10,000 and higher. This wouldn't have been possible as recently as 3 years back. It's safe to say this story is repeating itself around the country. Disposable income is rising for the BOP (bottom of the pyramid), alongside the availability of credit, and is expanding consumption. Emerging India has genuine aspirations and is now able to fulfill them.

The Jio Effect

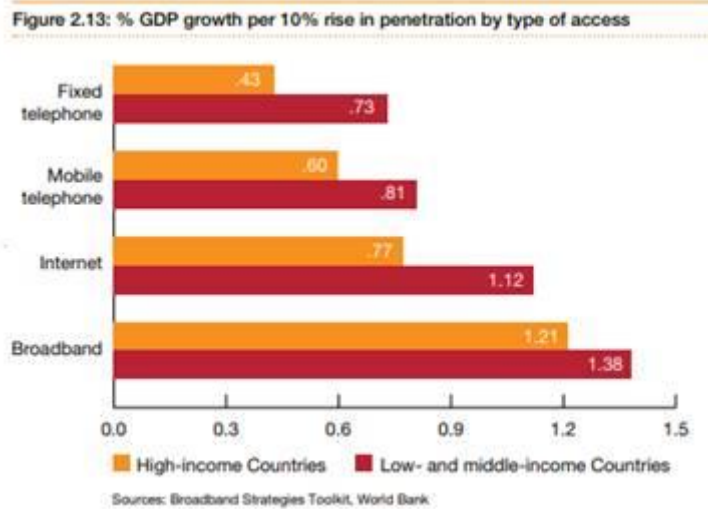
Access to smartphones has democratized access to information. We refer to this as the Jio Effect, and it has helped democratize access to information and drive consumption and economic growth. Rural consumers can order goods from e-commerce sites and the availability of online information is a great equalizer. While we may debate the job growth numbers, the workforce is growing and driving GDP growth.

Manufacturing and Services PMI Are in a Third Attempt in Three Years at an Upside Breakout... ...Hindered in the Past by Demonetisation and GST



Every 10% rise in penetration by smart phones, internet, and broadband raises GDP growth by an average of 0.8%, according to a PWC research report. We call this the Reliance Jio effect in India. Reliance has been a godsend in accelerating Indian economic growth.

Online penetration Is Contributing to GDP growth



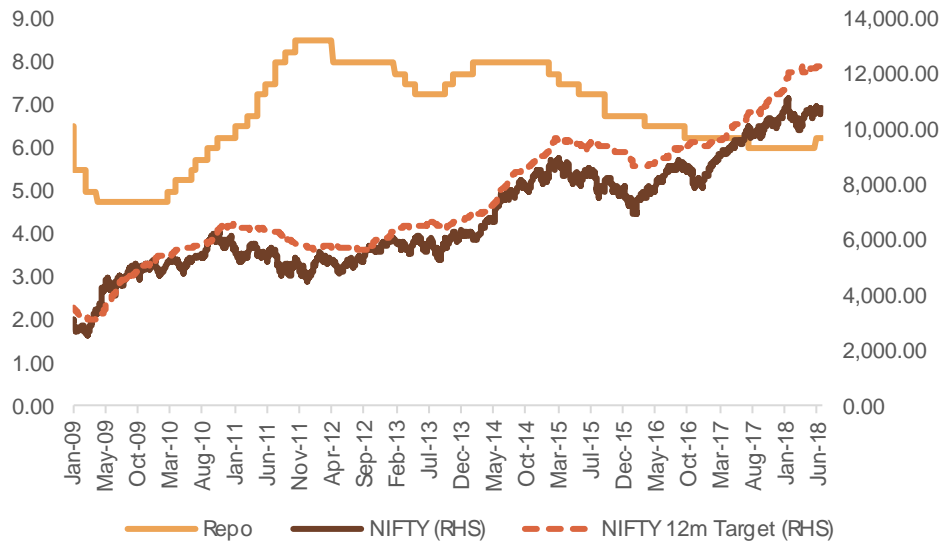
Highway connectivity is also correlated to growth. States with high connectivity such as Maharashtra, Tamil Nadu, Gujarat, Kerala, Karnataka experienced growth rates of 8.5% to 11% in the past decade, while states such as Assam, Himachal, Orissa, J&K, Uttarakhand with limited connectivity averaged less than 7.0%. A massive investment in infrastructure will yield benefits, alongside productivity benefits of GST and move to an organized economy.

Auto sales have surprised investors. When viewed from a demographic perspective, it's not surprising. Passenger car ownership in India is roughly 50 cars per 1000. China has 154 cars per 1000. It's bound to rise for many years. Home and appliance purchases are likely to follow similar trends. By 2025, India's workforce will be larger than China's.

Minimal Rate Hikes by RBI Looking More Like 2013 Than 2010-11

While rate hikes are a headwind for the economy, when hikes are pre-emptive on rising inflationary pressures, positive benefits accrue to investors and savers in real terms. It is sustained rate hike cycles such as those witnessed in 2007 and 2010-11 that lead to a marked slowdown in economic activity and a bear market, as witnessed in 2011 and 2008. By comparison, the Nifty 50 consolidated in late 2013 before exploding to the upside in 2014.

**While Sustained Rate Hike Campaigns Are Negative for Equity Markets...
...The Current Hiking Campaign Looks More Like 2013 Than 2010-11**



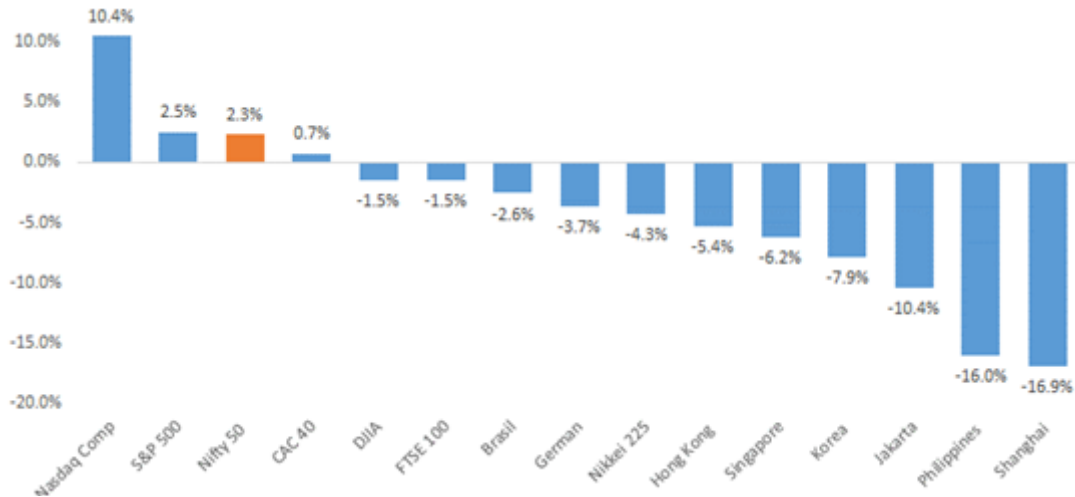
**The Nifty Small Cap Index is Down 24.4% From It's Highs in Late January...
...the Severity of the Selloff Is Approaching Past Cycle Troughs**



Midcaps Are Down 16.2% YTD But Up +176% Since 2014



Meanwhile, the Nifty 50 Remains Amongst the Top Performing Indices in the World...



Similar to 2013, We've Had A Sharp Selloff Already and a Bear Market in Small Caps

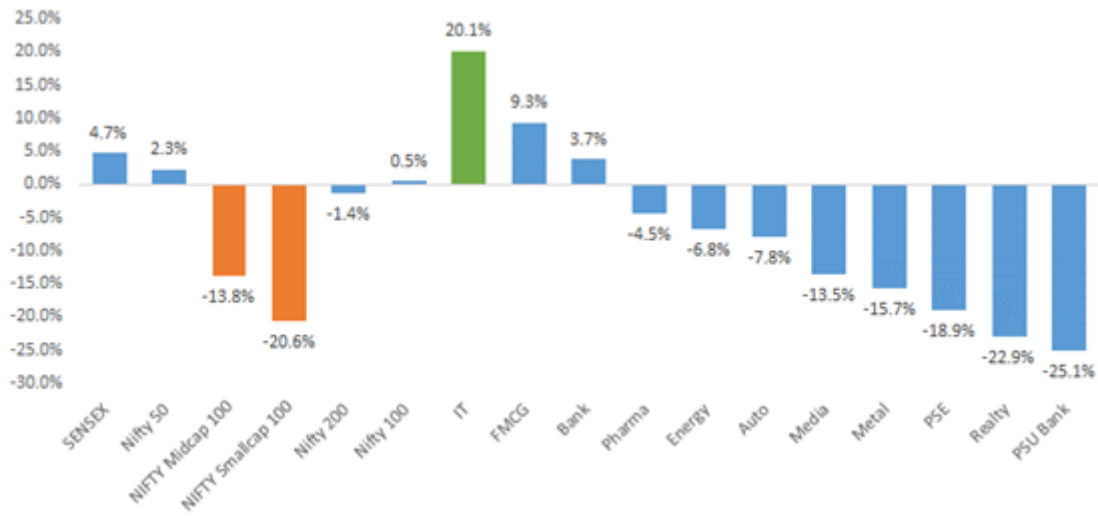
While it feels like the markets are at highs, the reality is quite different. **The market indices – Sensex or Nifty 50 - have diverged from the broader market in a manner that hasn't happened in the past 25 years.** We're in a bear market in small caps. The CNX Small Cap index made a high at 9559.15 in late January 2018. Today, at 7222.90, it's down 24.4%.

The Nifty Midcap 100 index is down 16.2% from its highs and close to a bear market as well. In comparing the current RSI of the small cap index, it's clearly approaching levels seen during previous selloffs in 2011, 2013 and 2015. We'd rather be thinking about buying the small cap index, not selling at these levels. (see chart below)

A Challenging Year for Fund Managers

The chart below highlights the difficult year that fund managers have had to navigate. Information Technology is the only sector with a meaningful positive return YTD, up 20.1%, and under-owned by most portfolios. PSUs, Realty, Metals, Media, Auto, Energy and Pharma have been significant negative contributors.

**IT is the Only Sector That's Made Investors Substantial Profits This Year...
...While Small Caps, PSUs, Realty, Metals, and Energy Have Delivered Losses**



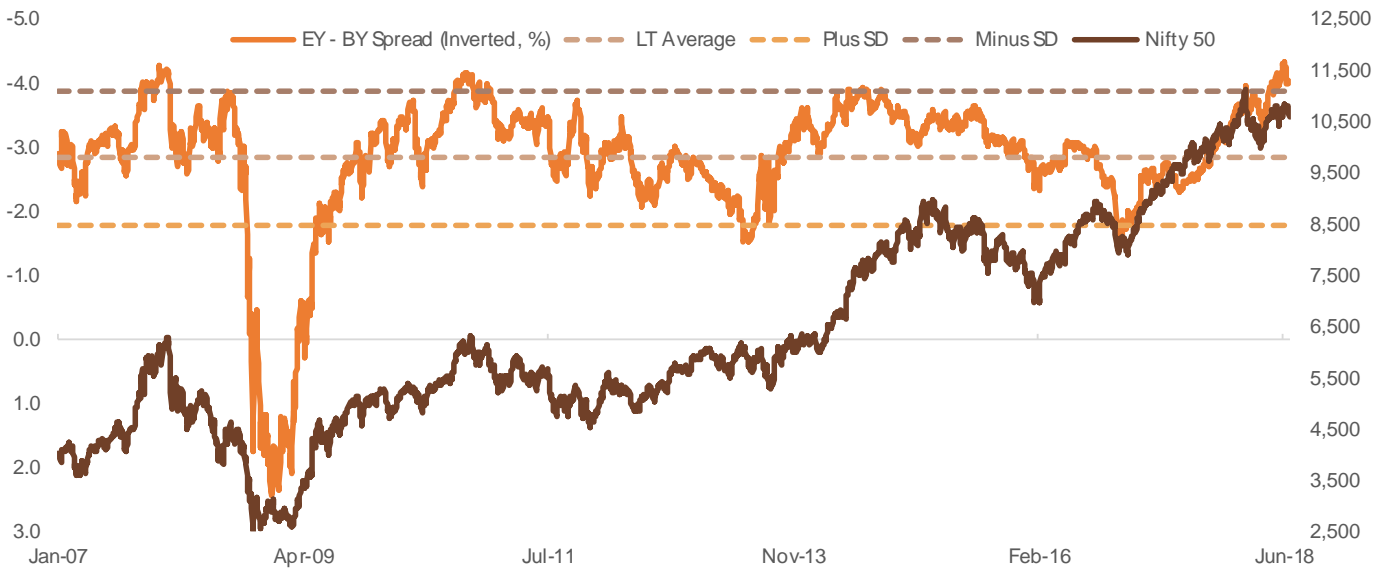
Fixed Income

Bonds Attractive with Yields at Historical Spreads Over Equities

The yield spread has been a reliable indicator for bond market entries over the past few years (see chart below). The absolute high level of yields are reasonably attractive as well. From an asset allocation perspective, we may well be revisiting 2013 with currency volatility, FI outflows, fears on inflation. Both bonds and equities performed well during the ensuing year.

The yield differential between equities and bonds has fallen to 11-year lows. The 10y g-sec has risen on inflationary fears stemming from the rise in crude, fiscal concerns and MSP price increases. On the other hand, equity yields have not risen as much as the indices have held their ground. **From a medium term perspective, the relative – and absolute - yield on bonds has now reached levels that have traditionally led to attractive bond returns.**

Bonds Yields Are at Historically Wide Premium to Equities Signaling a Buy for Gilts...



Previous Buy Signals Have Been Meaningful in Terms of Entry Timing...



Outlook

Today Looks Somewhat Like 2013

The number of RBI hikes will be critical in determining the impact of rising interest rates on equities and the economy. It's looking a lot more like 2013 where a short rate hike campaign assuaged concerns around a weakening currency and markets had a short albeit painful correction.

Economic Growth Remains Healthy, With Signs of a Strong Pickup in India

Structural trends, government reforms and government stimulus seem to be having a beneficial effect on the economy. Meanwhile, central bank balance sheets contraction and Fed / RBI rate hikes are headwinds. This trend is likely to persist but reduction of leverage is a positive for the global economy.

Policy Risk Trifecta - Trade War, Crude Oil, and the Fed

The domestic economy remains in a structural bullish cycle; however, there are risks facing the markets in the near and medium term. The risks pertain primarily to **Fed policy, crude oil policy and trade war policy**. A trade war with China appears to have been unleashed by the U.S. Crude was headed lower until the U.S. imposed sanctions on Iranian oil exports. Finally, the Fed appears intent in raising interest rates possibly leading to a slowdown in the U.S. economy.

Cyclical Corrections Are a Part of an Ongoing Structural Bull Market

Many investors returned to equities in mid 2014, only to see a painful 2015. A new batch of investors – the SIP buyer - have entered in the past couple of years. Meanwhile, those that stuck it out in 2014-15 have reaped rich gains. The lesson remains the same: equities are a volatile asset class, but India is a fast growth story and time in the market with an acceptance of volatility reaps outsized rewards.

The longer term call is easy to make, which is that the track record of the past 20 years demonstrates clearly that the market has withstood a great recession, technology bubble, European crisis, Chinese crisis and all manner of worries and delivered outstanding returns despite it all.

We **remain in a structural bull market**, with a cyclical correction that is already underway in mid caps and a bear market sell off in small caps. Investors that ignore short term volatility, time and again, emerge the largest long term wealth creators.

Tactical Strategy for the Near Medium Term

For those investors seeking to optimize the medium term, it's always a trickier choice. On the one hand, the domestic economy is healthy, auto sales, consumption and credit trends are strong, and picking up speed, earnings are likely to be good in specific sectors and domestic flows continue to pile into equity markets. On the other, investors are faced with policy risks globally, with crude oil being a key risk. Macro trends seem to worsen and improve on a weekly basis and a tweet by tweet basis.

Ultimately, the appropriate asset allocation is the one that lets one sleep at night. Tactical asset allocation can be a particularly effective way to modify portfolio risk profiles. Portfolio protection should be viewed as portfolio insurance, a small cost that will deliver outsized protection benefits. Capital protection and hedged strategies are equally preferable. A tactical shift to fixed income is also a prudent choice.

At the portfolio level, returns will be driven by manager choice, cap choice and stock selection. We prefer diversified allocations primarily to large caps with some exposure to mid cap, as in our multi cap Titans portfolio: approximately 70% large cap, 10% cash and the balance in mid cap with minimal small cap exposure. Our sectoral preferences remain tilted towards domestic consumption, private financials, non cyclical, and healthcare.

Indian Titans: Portfolio Performance

Sanctum Indian Titans

The current Investment Team took over Titans in January 2017, and since that time Titans is up 46.9% in absolute return. Titans outperformed the NSE 200 by 18% in CY 2017, and is under-performing the NSE 200 by -0.9% YTD. Titans is a multi-cap growth portfolio with strong growth at reasonable valuations. The portfolio currently sports a weighted top line long term growth of 24% and stronger PAT growth above 33%. We prefer to look at valuations relative to growth rates. The preferred metric is PE to growth (PEG). The PEG ratio for Titans is at 1.1-14.x depending on the growth profile considered, while it is much higher for the index; in other words, the Titans portfolio is significantly cheaper than the index on a PEG basis. (See middle chart on page 2).

Monthly PMS Performance

Titans	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016									-0.2%	3.2%	-9.2%	-2.1%	-8.4%
2017	8.3%	3.8%	5.1%	4.4%	0.0%	0.6%	7.6%	1.2%	2.0%	2.7%	3.8%	2.8%	51.0%
2018	-1.6%	-2.2%	-2.8%	6.6%	0.3%	-2.7%							-2.7%

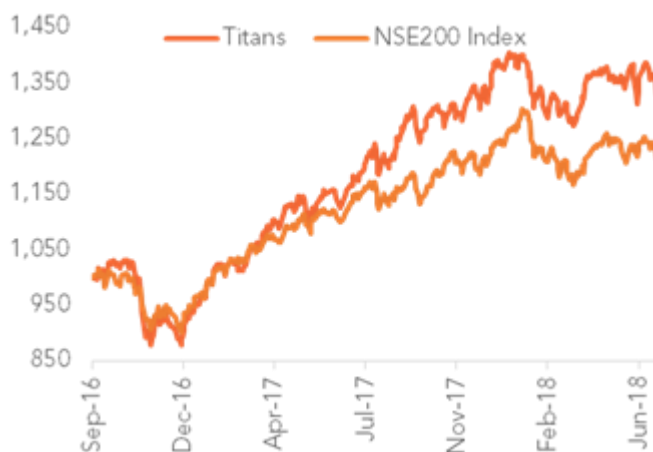
Absolute PMS Performance

Performance as on Month End	3 Month	6 Month	1 Year	CAGR				Std. Dev.	Sharpe Ratio
				3 Year	5 Year	Since Inc.*	Since PMS Launch*		
Indian Titans	4.1%	-2.7%	18.5%	14.1%	18.9%	15.1%	18.1%	15.3%	0.42
NSE200 Index	3.9%	-1.7%	11.0%	9.5%	14.4%	10.3%	12.1%	15.9%	0.19
Nifty Index	5.9%	1.7%	12.5%	8.6%	12.9%	9.6%	12.0%	15.4%	0.19
Relative to NSE200 Index	0.2%	-0.9%	7.5%	4.6%	4.5%	4.9%	6.0%	-0.6%	0.23
Relative to NIFTY Index	-1.9%	-4.4%	5.9%	5.5%	6.0%	5.6%	6.1%	0.0%	0.23

* PMS Launch = 15-Sep-16; Inc. = 30-Jun-11.

Portfolio Metrics

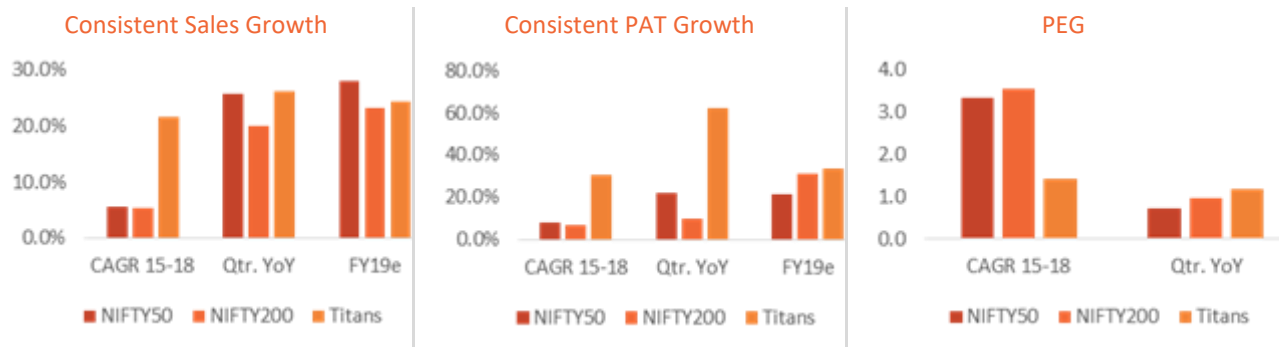
Live Cumulative PMS Performance



Sectoral Allocation

Sectoral Allocation	India n Titans	Nifty20 0 Index	Deviation
Consumer Discretionary	15.1%	11.3%	3.8%
Consumer Staples	6.7%	10.9%	-4.2%
Energy	4.3%	8.9%	-4.6%
Financials	34.9%	33.3%	1.6%
Health Care	5.4%	4.8%	0.6%
Industrials	18.2%	6.4%	11.8%
Information Technology	8.3%	11.6%	-3.2%
Materials	7.1%	8.7%	-1.5%
Real Estate	0.0%	0.4%	-0.4%
Telecommunication	0.0%	1.1%	-1.1%
Services			
Utilities	0.0%	2.7%	-2.7%

Fundamental and Valuation Snapshot



Source: Bloomberg

Sectoral Performance Attribution for the Month

Sector	Sanctum Indian Titans			NSE200 Index			Difference		Attribution		
	Weight	Return	Contr.	Weight	Return	Contr.	Weight	Perf.	Selection	Allocation	Interaction
Cons. Disc.	15.1%	-0.7%	-0.1%	11.3%	-1.4%	-0.2%	3.8%	0.7%	0.1%	-0.1%	0.0%
Cons. Staples	6.7%	4.9%	0.3%	10.9%	0.1%	0.0%	-4.2%	4.8%	0.5%	0.0%	-0.2%
Energy	4.3%	6.2%	0.3%	8.9%	1.2%	0.1%	-4.6%	5.0%	0.4%	-0.1%	-0.2%
Financials	34.9%	-0.9%	-0.3%	33.3%	-1.5%	-0.5%	1.6%	0.6%	0.2%	0.0%	0.0%
Health Care	5.4%	10.5%	0.6%	4.8%	10.0%	0.5%	0.6%	0.5%	0.0%	0.1%	0.0%
Industrials	18.2%	-10.2%	-1.9%	6.4%	-7.0%	-0.5%	11.8%	-3.2%	-0.2%	-0.8%	-0.4%
IT	8.3%	2.5%	0.2%	11.6%	5.5%	0.6%	-3.2%	-3.0%	-0.4%	-0.2%	0.1%
Materials	7.1%	-7.8%	-0.6%	8.7%	-3.3%	-0.3%	-1.5%	-4.4%	-0.4%	0.1%	0.1%
Real Estate	0.0%	0.0%	0.0%	0.4%	-8.1%	0.0%	-0.4%	8.1%	0.0%	0.0%	0.0%
Telecom	0.0%	0.0%	0.0%	1.1%	1.4%	0.0%	-1.1%	-1.4%	0.0%	0.0%	0.0%
Utilities	0.0%	0.0%	0.0%	2.7%	-7.0%	-0.2%	-2.7%	7.0%	0.2%	0.2%	-0.2%
Attribution									0.5%	-0.8%	
Active Manager Effect											-0.3%

Commentary

Indian Titans, Sanctum's multi-cap portfolio delivered a positive 4.1% return during the quarter, outperforming the benchmark NSE 200 by 0.2%. For the year, Titans remains comfortably ahead at 18.5%, 7.5% ahead of the NSE 200.

The portfolio remains anchored by high quality stocks that continue to deliver earnings growth. Bajaj Finance, Kotak Mahindra, Britannia and HDFC Bank were strong contributors. The portfolio's underperformance during the YTD period is due to the severe selling that has occurred in mid and small caps. While mid and small caps are down 15% to 20% YTD, the portfolio has managed a low downside capture ratio, and is down in line with the NSE 200 at -2.7%.

Overall, stock selection drove portfolio performance mainly driven by solid picks in the Financials space, but missed selection in Materials and IT. Portfolio stocks in the Consumer sector as well performed strongly.

On a sectoral basis, our underweight stance on Energy helped boost performance. However this was offset by a drag from Industrials where our overweight position slightly dented allocation contribution to overall return.

Sanctum Indian Olympians Performance

Sanctum Indian Olympians: Up 38.8% Since Jan 2017

The current Investment Team took over Olympians in January 2017, and since that time Olympians is up 38.8% in absolute return. Olympians outperformed the Nifty by 5.5% in CY 2017, and is outperforming the Nifty 50 by 2.0% YTD.

Monthly PMS Performance

Olympians	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016									-1.9%	-2.0%	-6.7%	-5.7%	-15.4%
2017	3.2%	3.9%	3.3%	2.3%	4.0%	0.1%	7.0%	2.3%	-1.5%	1.1%	1.4%	2.7%	33.9%
2018	-0.4%	-1.5%	1.3%	4.8%	-0.2%	-0.3%							3.7%

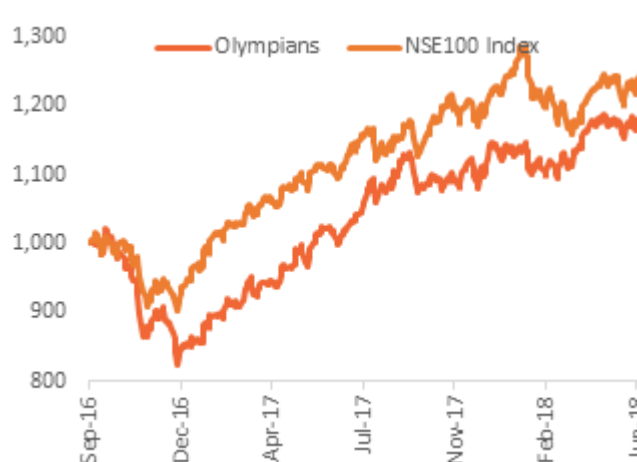
Absolute PMS Performance

Performance as on	CAGR					Std. Dev.	Sharpe Ratio
	3 Month	6 Month	1 Year	3 Year	5 Year		
Indian Olympians	4.3%	3.7%	17.8%	11.3%	17.8%	11.8%	0.88
NSE100 Index	4.9%	0.1%	11.8%	9.2%	13.9%	13.7%	0.35
Nifty Index	5.9%	1.7%	12.5%	8.6%	12.9%	13.5%	0.32
Relative to NSE100 Index	-0.6%	3.6%	6.0%	2.1%	3.9%	-1.9%	0.53
Relative to NIFTY Index	-1.6%	2.0%	5.2%	2.7%	4.9%	-1.7%	0.56

** PMS Inc. = 15-Sep-16; Inc. = 14-Feb-12.

Portfolio Metrics

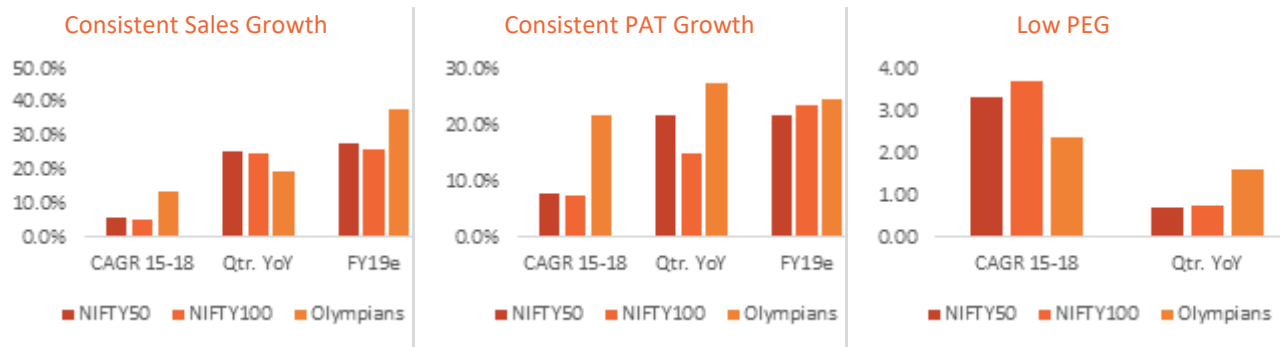
Live Cumulative PMS Performance



Sectoral Allocation

Sectoral Allocation	Indian Olympians	Nifty100 Index	Deviation
Consumer Discretionary	17.3%	9.9%	7.3%
Consumer Staples	4.2%	11.7%	-7.5%
Energy	8.3%	10.1%	-1.8%
Financials	43.3%	33.7%	9.6%
Health Care	5.5%	3.9%	1.6%
Industrials	9.3%	6.3%	3.0%
Information Technology	6.7%	12.2%	-5.5%
Materials	5.4%	8.6%	-3.2%
Real Estate	0.0%	0.2%	-0.2%
Telecommunication	0.0%	1.2%	-1.2%
Services			
Utilities	0.0%	2.1%	-2.1%

Fundamental and Valuation Snapshot



Source: Bloomberg

Sectoral Performance Attribution for the Month

Sector	Indian Olympians			NSE100 Index			Difference		Attribution		
	Weight	Return	Contr.	Weight	Return	Contr.	Weight	Perf.	Selection	Allocation	Interaction
Cons. Disc.	17.3%	0.9%	0.1%	9.9%	-1.3%	-0.1%	7.3%	2.2%	0.2%	-0.1%	0.2%
Cons. Staples	4.2%	1.6%	0.1%	11.7%	0.3%	0.0%	-7.5%	1.3%	0.2%	0.0%	-0.1%
Energy	8.3%	6.2%	0.5%	10.1%	1.3%	0.1%	-1.8%	4.9%	0.5%	0.0%	-0.1%
Financials	43.3%	1.9%	0.8%	33.7%	-1.2%	-0.4%	9.6%	3.1%	1.0%	-0.1%	0.3%
Health Care	5.5%	17.4%	1.0%	3.9%	14.3%	0.6%	1.6%	3.1%	0.1%	0.2%	0.1%
Industrials	9.3%	-9.8%	-0.9%	6.3%	-7.2%	-0.5%	3.0%	-2.6%	-0.2%	-0.2%	-0.1%
IT	6.7%	8.7%	0.6%	12.2%	5.4%	0.7%	-5.5%	3.3%	0.4%	-0.3%	-0.2%
Materials	5.4%	-8.1%	-0.4%	8.6%	-2.9%	-0.2%	-3.2%	-5.3%	-0.5%	0.1%	0.2%
Real Estate	0.0%	0.0%	0.0%	0.2%	-10.1%	0.0%	-0.2%	10.1%	0.0%	0.0%	0.0%
Telecom	0.0%	0.0%	0.0%	1.2%	1.4%	0.0%	-1.2%	-1.4%	0.0%	0.0%	0.0%
Utilities	0.0%	0.0%	0.0%	2.1%	-6.5%	-0.1%	-2.1%	6.5%	0.1%	0.1%	-0.1%
Attribution									2.0%	-0.3%	
Active Manager Effect											1.7%

Contribution from Sectoral and Stock Selection

A Sector overweight in Financials aided performance as did the overweight in Consumer Discretionary. Underweight positions in Consumer Staples and IT proved to be a drag on performance.

Stock selection delivered positive contributions in Energy and Consumer Staples. Olympians outperformance was driven by pure stock selection, as opposed to many large cap fund managers that have drifted towards mid caps for alpha. Olympians remains a concentrated 12-15 stock strategy that is well positioned to perform in the current market environment.

Valuation

Olympians sports a higher bottom line growth than benchmarks as a result of which the portfolio trades at inline to reasonable discount to indices, particularly on long term PEG multiples.

Performance Attribution Q2 CY 2018

A deeper analysis of the two flagship indices, the Nifty 50 and CNX 500 across stocks, sectors, industries and market caps reveals insights and implications in terms of portfolio performance.

Nifty 50 Performance – Quarter, YOY and YTD

NIFTY50 - 1 Quarter % Return (3m)			
Numb./NAME	SECTOR	QTR % Return	
1	Tata Consultancy Services Lt	Information Techn	30.8%
2	Bajaj Finance Ltd	Financials	29.9%
3	Kotak Mahindra Bank Ltd	Financials	28.2%
4	Hindustan Unilever Ltd	Consumer Staples	24.0%
5	Lupin Ltd	Health Care	22.8%
6	Mahindra & Mahindra Ltd	Consumer Discreti	21.5%
7	Infosys Ltd	Information Techn	18.3%
8	Sun Pharmaceutical Industrie	Health Care	13.9%
9	Asian Paints Ltd	Materials	13.4%
10	Cipla Ltd/India	Health Care	13.1%
11	Bajaj Finserv Ltd	Financials	12.6%
12	HDFC Bank Ltd	Financials	12.5%
13	Yes Bank Ltd	Financials	12.3%
14	Reliance Industries Ltd	Energy	10.8%
15	IndusInd Bank Ltd	Financials	7.5%
16	Hindalco Industries Ltd	Materials	7.4%
17	Dr Reddy's Laboratories Ltd	Health Care	7.4%
18	ITC Ltd	Consumer Staples	6.2%
19	Adani Ports & Special Econ	Industrials	5.4%
20	Housing Development Finar	Financials	4.5%
21	State Bank of India	Financials	3.8%
22	GAIL India Ltd	Utilities	3.6%
23	Tech Mahindra Ltd	Information Techn	2.6%
24	Bajaj Auto Ltd	Consumer Discreti	2.4%
25	Eicher Motors Ltd	Industrials	0.8%
26	Axis Bank Ltd	Financials	0.1%
27	Maruti Suzuki India Ltd	Consumer Discreti	-0.4%
28	Tata Steel Ltd	Materials	-0.6%
29	ICICI Bank Ltd	Financials	-1.1%
30	Hero MotoCorp Ltd	Consumer Discreti	-2.0%
31	Larsen & Toubro Ltd	Industrials	-2.7%
32	Power Grid Corp of India Ltr	Utilities	-3.3%
33	UltraTech Cement Ltd	Materials	-3.3%
34	HCL Technologies Ltd	Information Techn	-4.2%
35	Grasim Industries Ltd	Materials	-4.2%
36	Bharti Airtel Ltd	Telecommunicatio	-4.2%
37	Zee Entertainment Enterpris	Consumer Discreti	-5.5%
38	NTPC Ltd	Utilities	-5.9%
39	Coal India Ltd	Energy	-6.7%
40	Titan Co Ltd	Consumer Discreti	-6.8%
41	Indiabulls Housing Finance L	Financials	-6.9%
42	Wipro Ltd	Information Techn	-7.0%
43	Bharti Infratel Ltd	Telecommunicatio	-10.6%
44	Oil & Natural Gas Corp Ltd	Energy	-10.9%
45	Indian Oil Corp Ltd	Energy	-11.7%
46	Bharat Petroleum Corp Ltd	Energy	-12.7%
47	Vedanta Ltd	Materials	-15.0%
48	UPL Ltd	Materials	-15.3%
49	Tata Motors Ltd	Consumer Discreti	-17.6%
50	Hindustan Petroleum Corp L	Energy	-24.2%

NIFTY50 - 1 Year % Return			
Numb./NAME	SECTOR	1yr % Return	
1	Tech Mahindra Ltd	Information Techn	75.6%
2	Titan Co Ltd	Consumer Discreti	68.3%
3	Bajaj Finance Ltd	Financials	67.7%
4	Tata Consultancy Services Lt	Information Techn	59.0%
5	Hindustan Unilever Ltd	Consumer Staples	54.2%
6	Infosys Ltd	Information Techn	45.1%
7	Reliance Industries Ltd	Energy	42.8%
8	Bajaj Finserv Ltd	Financials	41.4%
9	Kotak Mahindra Bank Ltd	Financials	40.6%
10	Mahindra & Mahindra Ltd	Consumer Discreti	34.4%
11	IndusInd Bank Ltd	Financials	31.1%
12	GAIL India Ltd	Utilities	28.5%
13	HDFC Bank Ltd	Financials	28.4%
14	Maruti Suzuki India Ltd	Consumer Discreti	23.5%
15	Hindalco Industries Ltd	Materials	21.3%
16	Housing Development Finar	Financials	19.5%
17	Yes Bank Ltd	Financials	17.0%
18	Asian Paints Ltd	Materials	15.4%
19	Larsen & Toubro Ltd	Industrials	14.7%
20	Coal India Ltd	Energy	14.6%
21	Tata Steel Ltd	Materials	12.4%
22	Cipla Ltd/India	Health Care	11.4%
23	Zee Entertainment Enterpris	Consumer Discreti	11.3%
24	HCL Technologies Ltd	Information Techn	9.8%
25	Indiabulls Housing Finance L	Financials	9.7%
26	Eicher Motors Ltd	Industrials	6.1%
27	Oil & Natural Gas Corp Ltd	Energy	4.1%
28	NTPC Ltd	Utilities	3.4%
29	Adani Ports & Special Econ	Industrials	3.1%
30	Bajaj Auto Ltd	Consumer Discreti	2.7%
31	Sun Pharmaceutical Industrie	Health Care	2.2%
32	Vedanta Ltd	Materials	1.9%
33	Wipro Ltd	Information Techn	1.5%
34	Bharti Airtel Ltd	Telecommunicatio	1.5%
35	Axis Bank Ltd	Financials	-0.3%
36	Grasim Industries Ltd	Materials	-2.4%
37	UltraTech Cement Ltd	Materials	-3.3%
38	Hero MotoCorp Ltd	Consumer Discreti	-4.7%
39	ICICI Bank Ltd	Financials	-5.1%
40	State Bank of India	Financials	-5.2%
41	Power Grid Corp of India Ltr	Utilities	-8.7%
42	Bharat Petroleum Corp Ltd	Energy	-9.6%
43	Lupin Ltd	Health Care	-14.2%
44	Indian Oil Corp Ltd	Energy	-14.8%
45	ITC Ltd	Consumer Staples	-16.2%
46	Dr Reddy's Laboratories Ltd	Health Care	-16.3%
47	Bharti Infratel Ltd	Telecommunicatio	-19.0%
48	Hindustan Petroleum Corp L	Energy	-20.0%
49	UPL Ltd	Materials	-26.4%
50	Tata Motors Ltd	Consumer Discreti	-37.7%

NIFTY50 - YTD			
Numb./NAME	SECTOR	Returns in Perio	
1	Tata Consultancy Services Lt	Information Techn	38.3%
2	Kotak Mahindra Bank Ltd	Financials	32.9%
3	Bajaj Finance Ltd	Financials	30.7%
4	Tech Mahindra Ltd	Information Techn	30.0%
5	Infosys Ltd	Information Techn	28.5%
6	Hindustan Unilever Ltd	Consumer Staples	20.9%
7	Mahindra & Mahindra Ltd	Consumer Discreti	19.5%
8	IndusInd Bank Ltd	Financials	17.2%
9	HDFC Bank Ltd	Financials	13.3%
10	Housing Development Finar	Financials	11.8%
11	Bajaj Finserv Ltd	Financials	11.3%
12	Asian Paints Ltd	Materials	9.7%
13	Yes Bank Ltd	Financials	8.6%
14	Coal India Ltd	Energy	6.5%
15	Reliance Industries Ltd	Energy	6.2%
16	HCL Technologies Ltd	Information Techn	4.4%
17	ITC Ltd	Consumer Staples	3.1%
18	Titan Co Ltd	Consumer Discreti	2.4%
19	Lupin Ltd	Health Care	2.1%
20	Cipla Ltd/India	Health Care	1.3%
21	Larsen & Toubro Ltd	Industrials	1.3%
22	Sun Pharmaceutical Industrie	Health Care	-1.3%
23	Indiabulls Housing Finance L	Financials	-2.8%
24	Power Grid Corp of India Ltr	Utilities	-5.6%
25	Eicher Motors Ltd	Industrials	-5.8%
26	Zee Entertainment Enterpris	Consumer Discreti	-6.5%
27	Hero MotoCorp Ltd	Consumer Discreti	-6.8%
28	Dr Reddy's Laboratories Ltd	Health Care	-7.4%
29	GAIL India Ltd	Utilities	-7.7%
30	Adani Ports & Special Econ	Industrials	-8.0%
31	NTPC Ltd	Utilities	-8.3%
32	Maruti Suzuki India Ltd	Consumer Discreti	-9.3%
33	Axis Bank Ltd	Financials	-9.4%
34	UltraTech Cement Ltd	Materials	-11.6%
35	ICICI Bank Ltd	Financials	-12.3%
36	Grasim Industries Ltd	Materials	-13.6%
37	Bajaj Auto Ltd	Consumer Discreti	-15.7%
38	Hindalco Industries Ltd	Materials	-15.7%
39	Indian Oil Corp Ltd	Energy	-15.7%
40	State Bank of India	Financials	-16.3%
41	Wipro Ltd	Information Techn	-16.5%
42	Tata Steel Ltd	Materials	-17.7%
43	Oil & Natural Gas Corp Ltd	Energy	-17.8%
44	UPL Ltd	Materials	-18.9%
45	Bharti Infratel Ltd	Telecommunicatio	-20.6%
46	Vedanta Ltd	Materials	-23.1%
47	Bharat Petroleum Corp Ltd	Energy	-25.6%
48	Bharti Airtel Ltd	Telecommunicatio	-27.4%
49	Hindustan Petroleum Corp L	Energy	-35.1%
50	Tata Motors Ltd	Consumer Discreti	-37.6%

CNX 500 Performance – Quarter, YOY and YTD

NSE500 - 1 Quarter % Return (3m)

Numb./NAME	SECTOR	QTR % Return
1 Indiabulls Ventures Ltd	Financials	100.3%
2 Merck Ltd/India	Health Care	59.4%
3 TAKE Solutions Ltd	Information Techn	38.7%
4 Tata Elxsi Ltd	Information Techn	35.5%
5 GlaxoSmithKline Pharmaceut	Health Care	33.9%
6 VIP Industries Ltd	Consumer Discreti	33.8%
7 Firstsource Solutions Ltd	Information Techn	33.0%
8 Tata Consultancy Services Lt	Information Techn	30.8%
9 Bajaj Finance Ltd	Financials	29.9%
10 Mphasis Ltd	Information Techn	29.4%
11 Kotak Mahindra Bank Ltd	Financials	28.2%
12 Mindtree Ltd	Information Techn	28.1%
13 Greaves Cotton Ltd	Industrials	27.2%
14 NIIT Technologies Ltd	Information Techn	26.9%
15 Parag Milk Foods Ltd	Consumer Staples	25.5%
16 KPPT Technologies Ltd	Information Techn	25.5%
17 Dewan Housing Finance Co	Financials	25.5%
18 Just Dial Ltd	Information Techn	25.3%
19 Britannia Industries Ltd	Consumer Staples	25.0%
20 Larsen & Toubro Infotech Lt	Information Techn	24.7%
21 Radico Khaitan Ltd	Consumer Staples	24.6%
22 Suven Life Sciences Ltd	Health Care	24.2%
23 Hindustan Unilever Ltd	Consumer Staples	24.0%
24 Edelweiss Financial Services	Financials	23.6%
25 Bombay Burmah Trading Co	Consumer Staples	23.3%
26 Lupin Ltd	Health Care	22.8%
27 Page Industries Ltd	Consumer Discreti	22.8%
28 Hexaware Technologies Ltd	Information Techn	21.8%
29 Mahindra & Mahindra Ltd	Consumer Discreti	21.5%
30 United Breweries Ltd	Consumer Staples	21.5%
31 Mahindra CIE Automotive Lt	Consumer Discreti	19.8%
32 Varun Beverages Ltd	Consumer Staples	19.7%
33 Jubilant Foodworks Ltd	Consumer Discreti	19.2%
34 Dabur India Ltd	Consumer Staples	19.2%
35 Jyothy Laboratories Ltd	Consumer Staples	18.6%
36 Minda Industries Ltd	Consumer Discreti	18.5%
37 Infosys Ltd	Information Techn	18.3%
38 Steel Authority of India Ltd	Materials	18.2%
39 Pfizer Ltd/India	Health Care	18.0%
40 Bata India Ltd	Consumer Discreti	17.7%
41 Intellect Design Arena Ltd	Information Techn	17.1%
42 Persistent Systems Ltd	Information Techn	16.9%
43 Exide Industries Ltd	Consumer Discreti	15.9%
44 Pidilite Industries Ltd	Materials	15.9%
45 Graphite India Ltd	Industrials	15.7%
46 Kaveri Seed Co Ltd	Consumer Staples	15.3%
47 RBL Bank Ltd	Financials	15.0%
48 Indian Bank	Financials	14.6%
49 Sundram Fasteners Ltd	Consumer Discreti	13.9%
50 Sun Pharmaceutical Industrie	Health Care	13.9%
51 Godrej Industries Ltd	Industrials	13.4%
52 JSW Steel Ltd	Materials	13.4%
53 Asian Paints Ltd	Materials	13.4%
54 Colgate-Palmolive India Ltd	Consumer Staples	13.1%
55 PVR Ltd	Consumer Discreti	13.1%
56 Cipla Ltd/India	Health Care	13.1%
57 Lakshmi Machine Works Ltd	Industrials	12.9%
58 Astral Polytechnik Ltd	Industrials	12.8%
59 Godrej Consumer Products I	Consumer Staples	12.8%
60 Phoenix Mills Ltd/The	Real Estate	12.7%
61 Bajaj Finserv Ltd	Financials	12.6%
62 HDFC Bank Ltd	Financials	12.5%
63 Torrent Pharmaceuticals Ltd	Health Care	12.5%
64 Yes Bank Ltd	Financials	12.3%
65 Avenue Supermarts Ltd	Consumer Staples	12.1%
66 Himachal Futuristic Commun	Telecommunication	12.0%
67 Havells India Ltd	Industrials	11.4%
68 BSE Ltd	Financials	11.0%
69 Quess Corp Ltd	Industrials	11.0%
70 Reliance Industries Ltd	Energy	10.8%
71 Tata Investment Corp Ltd	Financials	10.8%
72 Glenmark Pharmaceuticals Li	Health Care	10.8%
73 Gujarat Narmada Valley Fert	Materials	10.6%
74 Cyient Ltd	Information Techn	10.3%
75 Berger Paints India Ltd	Materials	9.5%

NSE500 - 1 Year % Return

Numb./NAME	SECTOR	1yr % Return
1 HEG Ltd	Industrials	802.6%
2 Graphite India Ltd	Industrials	420.6%
3 Radico Khaitan Ltd	Consumer Staples	242.4%
4 Indiabulls Ventures Ltd	Financials	202.0%
5 Jubilant Foodworks Ltd	Consumer Discreti	193.5%
6 Bombay Dyeing & Manufact	Consumer Discreti	175.3%
7 Himachal Futuristic Commun	Telecommunication	143.3%
8 VIP Industries Ltd	Consumer Discreti	136.8%
9 KPPT Technologies Ltd	Information Techn	125.7%
10 Merck Ltd/India	Health Care	124.2%
11 Larsen & Toubro Infotech Lt	Information Techn	116.6%
12 Sonata Software Ltd	Information Techn	115.5%
13 Firstsource Solutions Ltd	Information Techn	106.7%
14 Minda Industries Ltd	Consumer Discreti	97.9%
15 NIIT Technologies Ltd	Information Techn	95.0%
16 Shankara Building Products I	Consumer Discreti	92.2%
17 Hexaware Technologies Ltd	Information Techn	91.4%
18 Mindtree Ltd	Information Techn	90.1%
19 Sterlite Technologies Ltd	Information Techn	89.1%
20 Biocon Ltd	Health Care	87.6%
21 Mphasis Ltd	Information Techn	86.1%
22 Jai Corp Ltd	Materials	85.3%
23 Tata Global Beverages Ltd	Consumer Staples	83.1%
24 Avenue Supermarts Ltd	Consumer Staples	82.2%
25 Jindal Steel & Power Ltd	Materials	81.0%
26 TV Today Network Ltd	Consumer Discreti	77.9%
27 Tech Mahindra Ltd	Information Techn	75.6%
28 L&T Technology Services Ltc	Industrials	71.6%
29 Tata Elxsi Ltd	Information Techn	70.0%
30 IFB Industries Ltd	Consumer Discreti	69.6%
31 Britannia Industries Ltd	Consumer Staples	69.4%
32 Titan Co Ltd	Consumer Discreti	68.3%
33 Bajaj Electricals Ltd	Consumer Discreti	67.7%
34 Bajaj Finance Ltd	Financials	67.7%
35 Intellect Design Arena Ltd	Information Techn	67.6%
36 Rain Industries Ltd	Materials	67.4%
37 Page Industries Ltd	Consumer Discreti	67.2%
38 Future Consumer Ltd	Consumer Staples	65.0%
39 Bombay Burmah Trading Co	Consumer Staples	64.1%
40 Kolte-Patil Developers Ltd	Real Estate	64.0%
41 Divi's Laboratories Ltd	Health Care	62.3%
42 Shoppers Stop Ltd	Consumer Discreti	61.7%
43 Bata India Ltd	Consumer Discreti	61.0%
44 JSW Steel Ltd	Materials	60.7%
45 Bharat Financial Inclusion Ltc	Financials	60.5%
46 Himadri Speciality Chemical	Materials	60.3%
47 Tata Consultancy Services Lt	Information Techn	59.0%
48 Honeywell Automation India	Information Techn	57.3%
49 Future Retail Ltd	Consumer Discreti	55.7%
50 Lakshmi Machine Works Ltd	Industrials	55.3%
51 Cyient Ltd	Information Techn	54.7%
52 Edelweiss Financial Services	Financials	54.6%
53 Hindustan Unilever Ltd	Consumer Staples	54.2%
54 Minda Corp Ltd	Consumer Discreti	53.2%
55 Sunteck Realty Ltd	Real Estate	53.2%
56 Gujarat Narmada Valley Fert	Materials	52.8%
57 Just Dial Ltd	Information Techn	49.3%
58 Phoenix Mills Ltd/The	Real Estate	48.8%
59 Dilip Buildcon Ltd	Industrials	48.6%
60 3M India Ltd	Industrials	48.4%
61 Dewan Housing Finance Co	Financials	48.2%
62 Sundram Fasteners Ltd	Consumer Discreti	47.9%
63 United Breweries Ltd	Consumer Staples	47.5%
64 Astral Polytechnik Ltd	Industrials	46.8%
65 TV18 Broadcast Ltd	Consumer Discreti	45.9%
66 Parag Milk Foods Ltd	Consumer Staples	45.3%
67 Infosys Ltd	Information Techn	45.1%
68 Pfizer Ltd/India	Health Care	44.4%
69 Relaxo Footwears Ltd	Consumer Discreti	43.5%
70 Endurance Technologies Ltd	Consumer Discreti	43.1%
71 Reliance Industries Ltd	Energy	42.8%
72 Ipca Laboratories Ltd	Health Care	42.4%
73 Steel Authority of India Ltd	Materials	42.2%
74 Varun Beverages Ltd	Consumer Staples	41.6%
75 Bajaj Finserv Ltd	Financials	41.4%

NSE500 - YTD

Numb./NAME	SECTOR	Returns in Perio
1 Merck Ltd/India	Health Care	85.7%
2 Indiabulls Ventures Ltd	Financials	84.3%
3 Firstsource Solutions Ltd	Information Techn	72.6%
4 NIIT Technologies Ltd	Information Techn	70.2%
5 Mindtree Ltd	Information Techn	61.9%
6 Jubilant Foodworks Ltd	Consumer Discreti	57.5%
7 KPPT Technologies Ltd	Information Techn	50.3%
8 Mphasis Ltd	Information Techn	49.4%
9 Larsen & Toubro Infotech Lt	Information Techn	49.4%
10 HEG Ltd	Industrials	43.2%
11 TAKE Solutions Ltd	Information Techn	41.1%
12 Radico Khaitan Ltd	Consumer Staples	40.8%
13 Tata Consultancy Services Lt	Information Techn	38.3%
14 Tata Elxsi Ltd	Information Techn	36.6%
15 Hexaware Technologies Ltd	Information Techn	35.2%
16 Lakshmi Machine Works Ltd	Industrials	33.6%
17 Kotak Mahindra Bank Ltd	Financials	32.9%
18 Cyient Ltd	Information Techn	32.2%
19 Britannia Industries Ltd	Consumer Staples	31.9%
20 Bajaj Finance Ltd	Financials	30.7%
21 Tech Mahindra Ltd	Information Techn	30.0%
22 Infosys Ltd	Information Techn	28.5%
23 Avenue Supermarts Ltd	Consumer Staples	25.7%
24 Pfizer Ltd/India	Health Care	25.0%
25 Future Lifestyle Fashions Ltd	Consumer Discreti	24.0%
26 Godrej Consumer Products I	Consumer Staples	23.6%
27 Jyothy Laboratories Ltd	Consumer Staples	22.8%
28 VIP Industries Ltd	Consumer Discreti	21.7%
29 GRUH Finance Ltd	Financials	21.5%
30 JSW Steel Ltd	Materials	21.1%
31 Hindustan Unilever Ltd	Consumer Staples	20.9%
32 Mahindra & Mahindra Ltd	Consumer Discreti	19.5%
33 Astral Polytechnik Ltd	Industrials	19.3%
34 Graphite India Ltd	Industrials	19.1%
35 L&T Technology Services Ltc	Industrials	18.5%
36 Pidilite Industries Ltd	Materials	17.9%
37 Sudarshan Chemical Industri	Materials	17.6%
38 Intellect Design Arena Ltd	Information Techn	17.5%
39 Indusind Bank Ltd	Financials	17.2%
40 EIH Ltd	Consumer Discreti	17.0%
41 Ipca Laboratories Ltd	Health Care	16.9%
42 Cholamandalam Investment	Financials	16.8%
43 Exide Industries Ltd	Consumer Discreti	15.6%
44 Bharat Financial Inclusion Ltc	Financials	15.6%
45 Varun Beverages Ltd	Consumer Staples	15.4%
46 Biocon Ltd	Health Care	15.3%
47 Bata India Ltd	Consumer Discreti	15.0%
48 Persistent Systems Ltd	Information Techn	14.0%
49 HDFC Bank Ltd	Financials	13.3%
50 Syngene International Ltd	Health Care	12.7%
51 Sonata Software Ltd	Information Techn	12.4%
52 GlaxoSmithKline Pharmaceut	Health Care	12.3%
53 Indian Hotels Co Ltd/The	Consumer Discreti	12.1%
54 Dabur India Ltd	Consumer Staples	11.9%
55 Housing Development Finan	Financials	11.8%
56 Bajaj Finserv Ltd	Financials	11.3%
57 Escorts Ltd	Industrials	10.7%
58 Sanofi India Ltd	Health Care	10.6%
59 Dewan Housing Finance Co	Financials	9.9%
60 Asian Paints Ltd	Materials	9.7%
61 Future Retail Ltd	Consumer Discreti	9.5%
62 GE Power India Ltd	Industrials	9.5%
63 Bajaj Electricals Ltd	Consumer Discreti	9.2%
64 Page Industries Ltd	Consumer Discreti	9.2%
65 Colgate-Palmolive India Ltd	Consumer Staples	9.2%
66 Greaves Cotton Ltd	Industrials	8.8%
67 Infibeam Incorporation Ltd	Consumer Discreti	8.8%
68 Jindal Steel & Power Ltd	Materials	8.8%
69 Dr Lal PathLabs Ltd	Health Care	8.7%
70 Yes Bank Ltd	Financials	8.6%
71 Aarti Industries	Materials	8.4%
72 RBL Bank Ltd	Financials	8.2%
73 Sundram Fasteners Ltd	Consumer Discreti	7.3%
74 Godrej Agrovet Ltd	Consumer Staples	6.9%
75 United Breweries Ltd	Consumer Staples	6.7%

Technical Outlook

The Nifty managed to post half a percent gain for the week to close at 10773 levels. In Friday's session index touched high of 10816, but failed to sustain above 10800 levels. Nifty is facing resistance at falling trend line connecting highs of 11172 and 10929 for last four weeks and trading below it. Sustaining above 10800 levels on sustainable basis expect rally towards 10929 levels on the upside. On the downside immediate support is seen at 10710 levels. Breaking below this next support is seen at 10600 levels. But now critical support for the market is 10550 levels from where bounce back was seen on multiple occasions in month of June. In Nifty options, good amount of open interest addition was seen in strike price 10800 and 10700 Puts suggesting writing activity which is positive for the market. India VIX measure of volatility has seen dip in last few day down to 12.44 which is supporting the market.

7-Nifty 50 - 06/07/18



Sanctum Wealth Management

Investment & Advisory

Sunil Sharma

Chief Investment Officer & Executive Director

97177 19898,

sunil.sharma@sanctumwealth.com

Ashish Chaturmohta

Chief Advisor – Technical Strategies

77386 48833

ashish.chaturmohta@sanctumwealth.com

Viraj Vajratkar

Investment Analyst, Investment Office

98334 95395

viraj.vajratkar@sanctumwealth.com

Hemang Kapasi

Portfolio Manager

983322 7605

hemang.kapasi@sanctumwealth.com

Rohit Laungani

Investment Analyst, Investment Office

93241 68860

rohit.laungani@sanctumwealth.com

Anway Bhujbal

Technical & Derivative Analyst

98702 12498

anway.bhujbal@sanctumwealth.com

Offices

Mumbai

Sanctum Wealth Management Private Limited

Unit 1501, Tower 2B, One Indiabulls Centre, 841, Jupiter Mills, Off Senapati Bapat Marg, Lower Parel, Mumbai – 400013

Telephone: +91 22 610648000

Bengaluru

Sanctum Wealth Management Private Limited

Unit 1102, 11th Floor, HMG Ambassador, 137, Residency Road, Bengaluru – 560025

Telephone: +91 80 67427900

Kolkata

Sanctum Wealth Management Private Limited

Regus Business Centre Office no. 131, The Legacy, 1st Floor 25-A, Shakespeare Sarani Kolkata – 700017 West Bengal

Telephone: +91 33 44000509

Delhi

Sanctum Wealth Management Private Limited

812 – 816, 8th Floor, Narain Manzil, 23, Barakhamba Road, New Delhi – 110001

Telephone: +91 11 66125713

Chennai

Sanctum Wealth Management Private Limited

Level 4, Suite no. 503, Apeejay Business Centre, 39/12, Haddows Road, Nungambakkam, Chennai - 600006

Telephone: +91 44 28224949

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