



PELICAN PMS

THE MARKET'S WAY

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Cognizance

Monthly Market Outlook and Commentary

| Asset Class | Benchmark | Latest Value | MTD (%) | YTD (%) |
|------------------|--------------------|--------------|------------|------------|
| Equity | | | | |
| India | Nifty 50 | 11788.85 | -1.12% | 7.99% |
| US | S&P 500 | 2941.76 | 6.89% | 17.49% |
| Europe | Euro Stoxx 50 | 3473.69 | 5.89% | 15.73% |
| Japan | Nikkei 225 | 21275.92 | 3.28% | 6.30% |
| China | Shanghai comp | 2978.88 | 2.77% | 19.45% |
| Bond | | | | |
| India | 10 yr G-Sec | 6.90% | (0.13) bps | (0.47) bps |
| US | 10 yr treasury | 2.02% | (0.12) bps | (0.67) bps |
| Others | | | | |
| Bullion | Spot Gold USD/ oz | 1390.11 | 6.47% | 8.39% |
| Currency | USD/INR | 69.07 | 0.91% | 1.01% |
| Commodity | WTI Crude USD/ bbl | 60.07 | 12.28% | 32.28% |

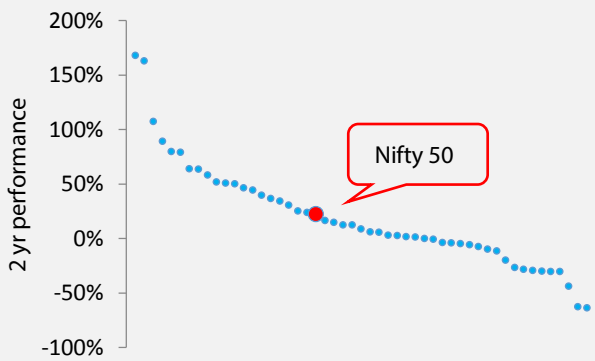
Market Commentary

June was a lackluster month after a steep rally and an all-time high in May. News flow remained dull as well with the results season behind. Election frenzy came to an end and plans for the first budget are being put in place. The crisis in the NBFC sector was one thing that continued as more companies have started reporting stress and encountering rating downgrades. RBI once again lowered the repo rate to augment growth and inject liquidity into the system. GDP estimates by RBI have been on a downward trend for the last six months clearly evidenced by the corporate earnings numbers for the fiscal. Globally the dilly dallying of US-China trade relations kept the markets chaotic, with nobody being able to predict Trump's next move.

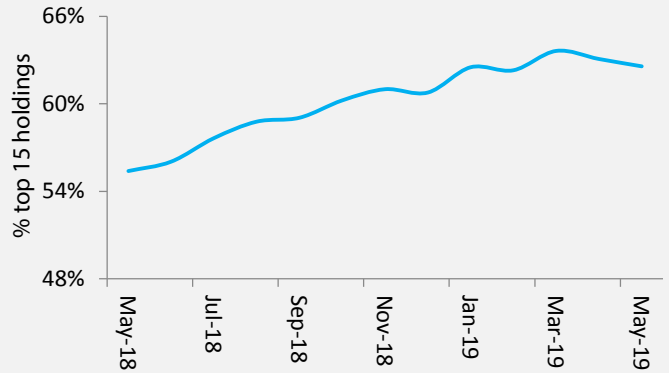
We have consciously remained invested in very short term debt funds considering the risk that prevails. Low corporate earnings, high valuations, impending liquidity crisis and other macro concerns do not favor investments into equities for now.

Charts for the month

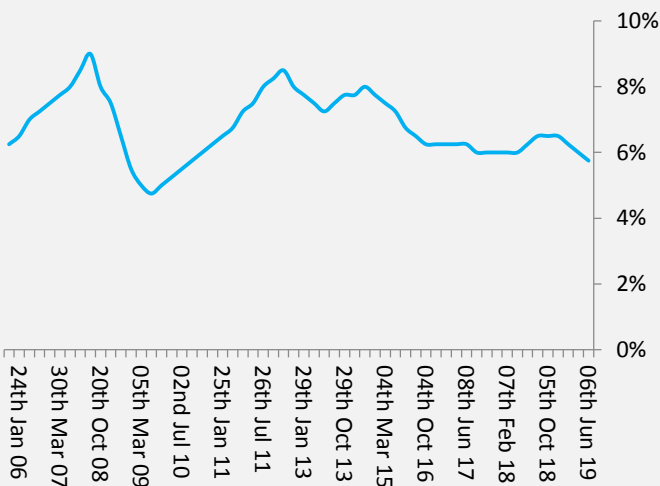
Nifty 50 stocks: **More than half underperform**



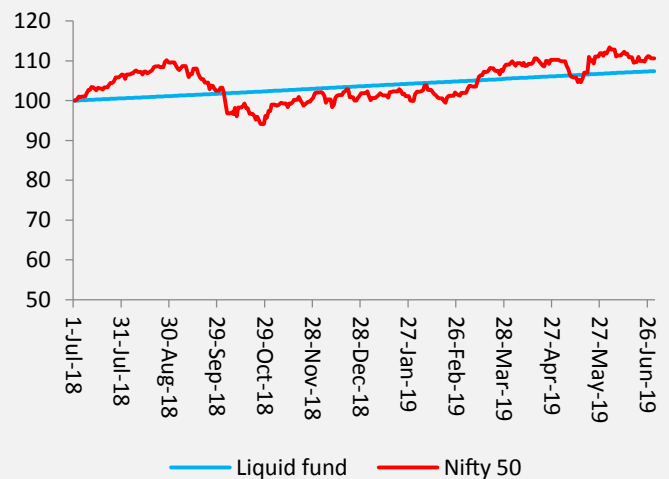
Concentration in MFs: **Less to buy**



Repo Rate: **nearing all time lows**



Liquid Fund vs Nifty 50: **No better**



About Pelican

GoCapital Finance Ltd was incorporated in Chennai, India during the year 1996 as a NBFC and a SEBI registered Portfolio Management Service provider. The company was taken over by Pelican Holdings Pvt Ltd in the October 2017. Post the acquisition, the Portfolio Management Service offered by GoCapital Finance Ltd has been re-branded as **Pelican PMS**.

Our investment strategy marries the concept of Dynamic Mean reversion with our understanding of the Equity Life cycle. We swim with the tide rather than against it. We join the Market leaders instead of trying to guess potential Unicorns. We offer an all seasons product which will move along with the market, perform better than the market, at much lower risk and at lower investment life-cycle cost.

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