



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	11623.90	7.70%	6.48%
US	S&P 500	2834.40	1.79%	13.20%
Europe	Euro Stoxx 50	3351.71	1.62%	11.67%
Japan	Nikkei 225	21205.81	-0.84%	5.95%
China	Shanghai comp	3090.76	5.09%	23.93%
Bond				
India	10 yr G-Sec	7.35%	6 bps	2 bps
US	10 yr treasury	2.40%	31 bps	29 bps
Others				
Bullion	Spot Gold USD/ oz	1292.38	-1.59%	0.77%
Currency	USD/INR	69.16	2.24%	0.87%
Commodity	WTI Crude USD/ bbl	60.14	5.10%	32.44%

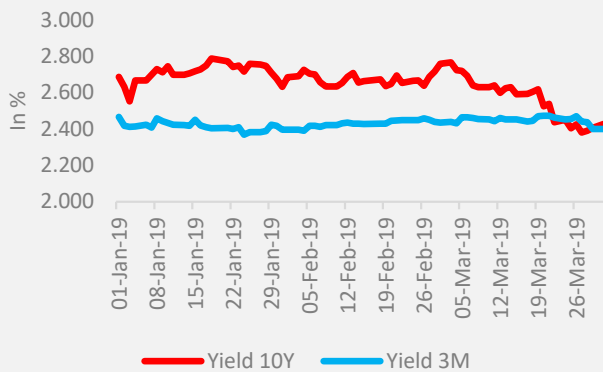
## Market Commentary

The month of March witnessed a phenomenal comeback on the Nifty with a rise of close to 8%. The Fed decided to halt its rate increases for the year which triggered an unprecedented inflow of funds into all emerging markets including India. The last two months saw Rs.500bn entering in via FII flows, providing the much-needed liquidity boost for the markets and eventually taking the indices to all-time highs. Banking stocks were the biggest gainer during the month as fears of delinquencies faded. On the global front except for Nikkei all major indices have remained positive this calendar year.

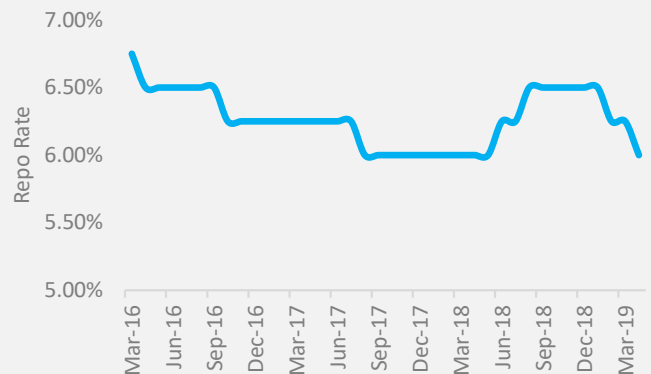
Crude appears to be creating a new normal near the \$60/bbl mark as major oil producers have religiously adhered to production cuts in order to taper the supply. Interestingly US yield curve has inverted with long dated papers trading lower compared to near dated ones exposing the economy to a recessionary risk. In the case of India, we currently trade at an all-time high of 29x and there appears little reason to pare exposure to equities currently.

## Charts for the month

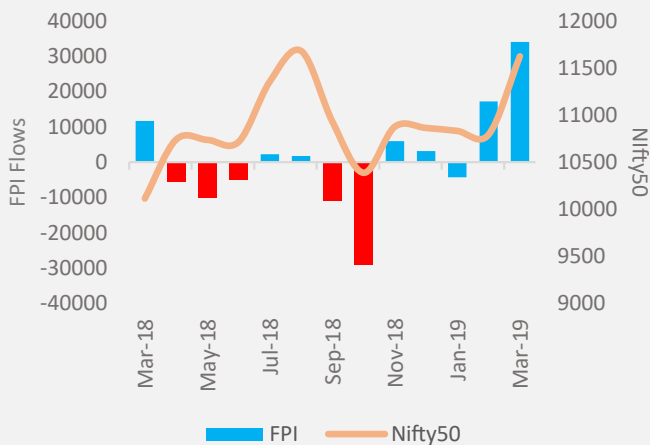
**US Yield curve invert: Recession?**



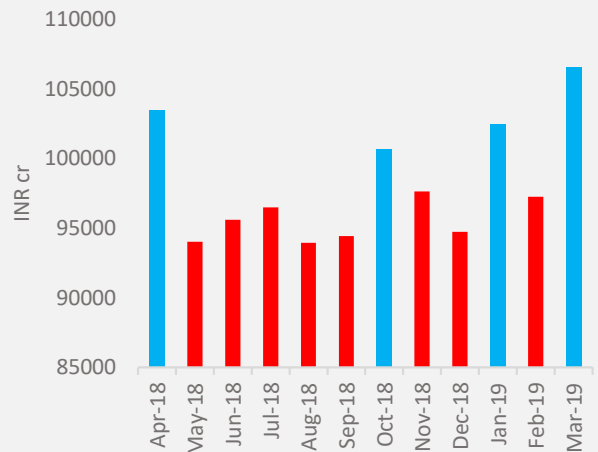
**RBI Repo Rate: Dove vs Hawk**



**FPI Flows: U-turn**



**GST collection: Record highs**



# 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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