

EQUITY FUNDS TO BE RECOMMENDED IN JUNE

Lok Sabha elections eclipsed other market news in May 2019. India's bell weather index Sensex, had an eventful month, closing at low of 36956.1 on May 14 on account of US China trade war and resultant FII outflows. In bounced back again post exit polls, breaching 40,000 level (intraday) on the election result day.

How did funds react?

Infrastructure sector, which rallied a post last election, ran up this time too followed by banking sector funds. Small caps, which had a tough last couple of months, zoomed ahead of large and mid-cap category.

We talked with a few fund managers to understand their expectation on near term market triggers and outlook expectation.



Ankit Jain Fund Manager, Mirae Asset MF

- RBI monetary policy Cabinet formation



Chandraprakash Padiyar Senior Fund Manager, Tata MF

Cabinet formation

RBI monetary policy



Lalit Nambiar Executive VP and Fund Manager (Equity), UTI MF

- Corporate earnings
- Cabinet formation and likely initiatives of the new government

We will soon find out if the Modi 2.0 cabinet lives up to his earlier promise of maximum governance and minimum government. According to fund managers, market participants will eagerly track cabinet formation to see who receives key portfolios. Another key trigger for the market will be RBI's stance on liquidity.





domestic manufacturing, exports and housing. While the earlier term was about structural reforms like GST, IBC and NPC this time we may see incremental



sustainable growth of the economy.

may be on government's radar.

Markets are hoping for quick decision-making, contributing to long-term

Lalit

Sectoral Preference

While the previous five years were about macro level reforms, the next five years

may be about making life easier for businesses. Exports, increasing private capex



 Retail oriented financial companies

Healthcare

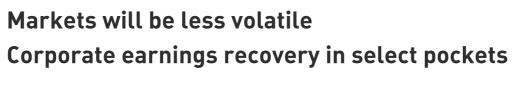
Consumer discretionary



What to expect?



consumption to investment themes



Economy growth to remain subdued due to tight liquidity Shorter term market outlook is range bound at best

Benign commodity prices

Chandraprakash



Ankit



- Slowdown in global growth

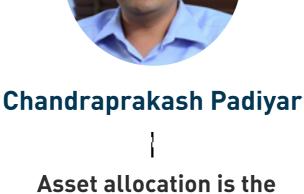
Market to remain stable in the near term





Increase allocation to mid and small cap funds





key, there is a role

play for each category

of funds

What should you recommend to



