

**SENSEX**  
58296.91

**NIFTY**  
17377.80

**USD**  
73.23

**GOLD (10 grams)**  
47246.00

**CRUDE**  
5041.00

## **Sensex tops 58K level, Nifty tests 17,300: Key factors driving the market**

Traders were cautious ahead of key jobs data from the US, but benchmark indices gained for a second straight day on Friday. Financials and auto stocks were in demand, while select IT names saw selling. The exuberant retail investors have been buying on every dip. This 'buy on dips' strategy has been rewarding retail investors and, therefore, they can be expected to continue with that strategy until there is a sharp correction and negative signals in the market, said an analyst.

"Sensex achieved another milestone of 58k and it is surprising the street by its ferocious move and creating new history almost every day. This bull run has more legs to go and it is just a matter of time when Sensex will cross the 60,000 marks," said Santosh Meena, Head of Research, Swastika Investmart. "Technically, 58700 is an immediate target level while 57500 is immediate support whereas 56300-56000 will be a strong demand zone at any correction."

### **FACTORS DRIVING MARKETS**

**Yields, dollar flat:** US treasuries have been cautious ahead of the data release, and in Asian hours on Friday the yield on benchmark 10-year Treasury notes was 1.2919 per cent compared with its US close of 1.294 per cent on Thursday. The dollar stayed pinned at month lows against a basket of currencies with the euro doing a fair amount of the work.

**US jobs data:** There is some caution ahead of the upcoming jobs data on Friday. The Labour Department will release the non-farm payrolls report for August at 1230 GMT. Solid jobs recovery is an important criterion for the US central bank to start paring pandemic-era stimulus measures.

### **Global markets**

MSCI's broadest index of Asia-Pacific shares outside Japan was broadly flat in early trading in Asia having posted gains in eight of the last nine sessions as the benchmark edges back towards its position in mid-July before Chinese regulatory crackdowns sent shares tumbling.

Japan's Nikkei rose 0.38 per cent, and MSCI's all-country world index edged higher having ended the previous session at its fifth consecutive closing high.

Australia was up 0.3 per cent and Korea rose 0.61 per cent while Chinese blue chips fell 0.27 per cent and Hong Kong dropped 0.6 per cent right after the bell, as traders try to balance weaker economic data out of China against the potential for future stimulus.

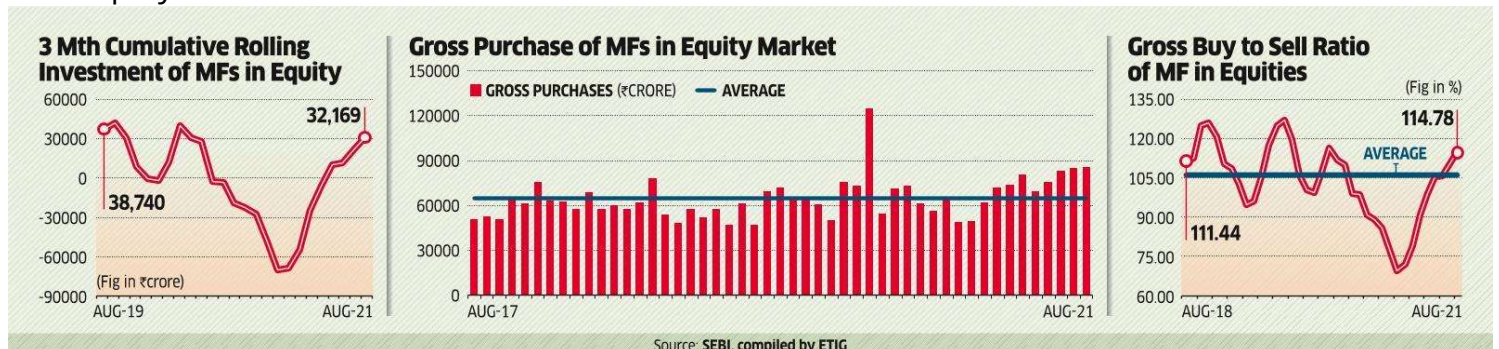
## **Rally in equities takes the shine off gold investment**

An astounding bull run in local equity markets amid the Covid-19 pandemic has taken the shine off gold — historically, one of the most in-demand assets during a crisis. Portfolio managers say there is no immediate trigger for a spike in gold prices and the yellow metal should ideally be not more than 10% in one's investment portfolio as the economy is showing signs of recovery.

## Equity mutual funds keep the tempo high in August amid moderation by overseas funds

The cumulative three-month rolling net investment by domestic mutual funds in the secondary equity market rose to ₹32,169 crore in August 2021, the highest since March 2020, data from Sebi showed. The figures include exposure to index funds, exchange traded funds (ETFs) and balanced funds. This offset the moderation in the inflow from foreign portfolio investors (FPIs) who had a rolling cumulative investment of ₹7,489 crore during the period, according to the NSDL data. The benchmark index Nifty 50 gained 10% in the past three months.

Local funds have been net buyers of equity in the secondary market in each of the past six months with a cumulative investment of around ₹42,944 crore. Inflow through systematic investment plans (SIPs) was ₹45,360 crore between March and July this year, reflecting no major lag between inflow and deployment.



The gross purchase by domestic funds was at ₹85,555 crore in August. The ratio of gross purchase and sale was 115% compared with the long-term average of 106%. Net investment of local funds in the secondary market was ₹10,295 crore in August. There are 18 instances since 2008 on a monthly basis when the net investment crossed ₹10,000 crore.

Total equity portfolio value of domestic funds rose by 52% year-on-year to ₹17.3 lakh crore in July following a sustained deployment and capital appreciation. Equity holding by local funds is 16.6% of the total institutional equity assets under management, the highest since June 2020, according to NSDL data.

## BSE StAR MF registers 1.41 cr transactions worth Rs 36,277 cr in August

Leading stock exchange BSE on Tuesday said its mutual fund distribution platform StAR MF has processed a record 1.41 crore transactions worth Rs 36,277 crore in August. It surpassed its all-time highest monthly record of 1.32 crore transactions achieved in July, the exchange said in a statement. The transactions come amid a devastating COVID-19 outbreak and distributors channelising their transactions through online platforms, the exchange added.

Besides, the platform registered 9.09 lakh new systematic investment plans (SIPs) amounting to 212 crore in this month, the exchange said.

## **SEBI asks AMCs to invest in schemes based on risk; quantify minimum amount to be invested**

Markets regulator Sebi on Friday asked asset management companies (AMCs) to invest in the range of 0.03 to 0.13 percentage of the asset base in their own schemes in a bid to align the interest of the fund houses with investors. The percentage that needs to be invested depends on the risk level of the scheme, which has been categorized into low, low to moderate, moderate, moderately high, high and very high.

The new framework is aimed at aligning the interest of asset management companies (AMCs) with the unitholders of the mutual fund schemes.

In a circular on Friday, Sebi said in case of scheme which comes under the low risk category, an AMC will have to invest a minimum of 0.03 percentage of the AUM in the scheme, while those under low to moderate category, 0.05 percentage of the asset base needs to be invested.

Further, in case of scheme which has been assigned moderate risk, 0.07 percentage of the AUM needs to be invested in the scheme, while the same for moderately high will be 0.09 percentage, 0.11 percentage for high and 0.13 percentage of the asset base for very high risk.

The risk value of the scheme as per the risk-o-meter of the immediate preceding month will be considered.

## **Franklin Templeton Mutual Fund gets Rs 149-cr from Vodafone Idea**

Franklin Templeton Mutual Fund has said it received a payment of nearly Rs 149 crore from Vodafone Idea Ltd as interest on its securities investment, which will be distributed among investors of the segregated portfolios.

"The interest amounting to Rs 148.75 crore due from Vodafone Idea Ltd on September 3, 2021 for the security... (non-convertible debenture /NCD) held in the segregated portfolio of five schemes has been received," a Franklin Templeton MF spokesperson said.

## **PhonePe mulls own mutual fund business application**

PhonePe, a payments platform backed by Flipkart and Walmart, is thinking of applying for an Asset Management Company (AMC) licence, which will allow it to sell its mutual funds, cofounder and CEO Sameer Nigam told ET.

Nigam did not disclose the timeline for the application but said PhonePe had a good chance of getting there at some point in time.

This is part of PhonePe's plans to build a wider financial services business beyond its payments business, which clocked over 3.94 billion transactions in the April-June quarter of this year.

## **Zerodha gets Sebi's in-principle nod to launch mutual fund business**

Zerodha has received a licence from capital markets regulator, the Securities and Exchange Board of India (Sebi), to set up an Asset Management Company (AMC).

The in-principle approval from Sebi will allow the Bengaluru-based start-up to launch its own mutual funds (MFs), founder and chief executive Nithin Kamath tweeted on Wednesday.

Zerodha is India's largest retail broker by registered users.

## **Sebi asks AMCs to share info on risk, scheme performance in promotional material**

Markets regulator Sebi on Tuesday directed asset management companies (AMCs) to disclose details of risk and performance of mutual fund schemes in all disclosures, including promotional material. In order to avoid overload of information on investors, Sebi in April had directed mutual funds to share details of risk, performance and portfolio with investors, only for the schemes in which they have invested. In addition, they were asked to disclose risk-o-meter of the scheme vis-a-vis benchmark while disclosing the performance of scheme in the fortnightly, monthly and half-yearly statement through e-mail.

In a circular on Tuesday, Sebi clarified that AMCs shall disclose "risk-o-meter of the scheme wherever the performance of the scheme is disclosed and risk-o-meter of the scheme and benchmark wherever the performance of the scheme vis-a-vis that of the benchmark is disclosed" in all disclosures, including promotional material. The regulator said portfolio disclosure on 'Go Green initiative in mutual funds' will also include the scheme risk-o-meter, name of benchmark and risk-o-meter of benchmark.

## **HSBC in talks to buy L&T Mutual Fund**

HSBC is in talks to buy the mutual fund arm of L&T Finance Holdings for Rs 2500 crore – Rs 3000 crore to grow its asset management business in India as part of its Asia strategy to double down on the wealth management business, said multiple sources aware.

Private equity firm Blackstone has been looking to acquire L&T Mutual Fund, but the deal has not fructified due to differences in valuations and pending regulatory approval. L&T has been looking to exit several of its non-core or sub optimal businesses to deleverage its consolidated balance sheet.

## **Not just equities, foreign investors bullish on Indian debt papers, too**

Global investors resumed buying after the central bank had hinted at retaining an 'accommodative' rate stance to drive growth. This is the largest single-month net purchase of debt papers since March 2019, when FPIs had bought \$1.74 billion. Foreign portfolio investors (FPI) turned net buyers of local debt securities for the first time this calendar year.

They purchased a net of \$1.635 billion worth of bonds in August, bucking the trend of monthly net sales in the first seven months of 2021, show data from the National Securities Depository (NSDL).

## KEY CONSIDERATIONS FOR FIRST-TIME MUTUAL FUNDS INVESTORS

While there are multiple investing avenues open for investors, mutual funds have the capability to provide you with a range of options varying in risk profiles, sectors you can invest in, investment strategies, investment horizons, etc. But if you're yet to invest in them, you may have concerns about exploring this new avenue. This article presents some considerations that you need to assess before you go ahead with that first investment.

### THINGS TO UNDERTAKE

There are many advantages of mutual funds. You get the benefit of professional money managers whose sole job is to search for suitable investment opportunities – something you may not have the time or the expertise to do. They are hassle-free to invest in and offer a convenient way to benefit from the financial markets. Facilities like systematic investment plans (SIPs) make you disciplined in investing and help you benefit from the power of compounding besides taking advantage of rupee cost averaging.

But to benefit from these advantages of mutual funds, you need to undertake some steps at your end.

- **Investing Objective** - Firstly, you need to have an objective or goal. To put it simply, you need to know what you're investing for. And this answer needs to be more specific than 'to grow my wealth.' A specific objective is buying a car or for retirement. Further, there needs to be a number attached to it. For example, 'I need to have Rs 15 lakhs 10 years from now for my child's college education.' The nature, tenure, and requirement of the goals help you or your financial advisor determine the right funds for you. Skip this step, and you'll not find investing very rewarding.

- **Risk Appetite** - Secondly, you'll need to see the level of risk you're comfortable taking. Alike any financial market security, mutual funds come with risk, including that of capital loss. The level of risk is not the same, though. Even among equity funds, there are funds of different grades of risk available. The reason this is important to know is so that there is parity between what you're okay with and the fund you've invested in. Too much risk and you'll want to move away, and too little risk and you'd be limiting the growth your money may have experienced otherwise.

- **Knowledge and Awareness** - Thirdly, even if you're taking professional help while investing, learn a bit about funds and investing yourself. Things like the expense ratio of a fund, its past performance, investment objective, among other details, are easily available for you to read. Knowing them would help you take better decisions. Being aware of facilities like SIP, systematic transfer plan (STP) etc., is also important.

**(Cont.)**

- **Patience** - Fourthly, give some time to your fund to perform. Mutual funds are market-linked instruments; they help you benefit from markets but do not control them. To see whether the investment is benefitting you, you'll need to be patient with the fund, and stay invested as per the investment horizon to really understand the benefits. Staying invested for a short time and moving on to another fund will not serve any purpose.

## **THINGS TO AVOID**

- **Patience Again!** - Well-managed mutual funds can be a great ally, but don't consider them as a quick fix. They are not designed to give phenomenal returns in a short time. Take your time in choosing your fund and have faith in its fund management team. Don't try to time the market; SIPs are designed so that you don't need to do that.

- **Avoid panic selling during difficult times** - As an investor, you will certainly experience uneasy times. Mutual funds are diversified to try to limit any decline. As an investor, you need to ride out the tough times to benefit the most from them.

- **Don't forget to rebalance** - Keep reviewing your funds' performance and suitability, given your goals, and if they don't fit anymore, choose other funds that do.

**We are very proud to announce that we have been awarded by HDFC Mutual Fund, for our business contribution during the financial year 20-21. We would like to take this opportunity to thank all our team members for their wonderful contribution!**



## New Fund Offer (NFO)

Presenting  
**AXIS VALUE FUND**

NFO period:  
2<sup>nd</sup> to 16<sup>th</sup> September 2021



**AXIS MUTUAL FUND**

**MIRAE ASSET**  
Mutual Fund

Invest in Top 50 Mega cap Companies of USA\*



**Mirae Asset S&P 500 Top 50 ETF**  
(An open-ended scheme replicating/tracking S&P 500 Top 50 Total Return Index)

**Mirae Asset S&P 500 Top 50 ETF Fund of Fund**  
(An open-ended fund of fund scheme predominantly investing in Mirae Asset S&P 500 Top 50 ETF)

Mirae Asset S&P 500 Top 50 ETF  
New Fund Offer opens on: September 01, 2021 | New Fund Offer closes on: September 14, 2021  
Scheme re-opens for continuous Sale and Repurchase: September 22, 2021  
ETF Listing on exchange: Within 5 working days from the date of allotment

Mirae Asset S&P 500 Top 50 ETF Fund of Fund  
New Fund Offer opens on: September 01, 2021 | New fund Offer closes on: September 15, 2021  
Scheme re-opens for continuous Sale and Repurchase: September 23, 2021

**Kotak**  
Mutual Fund

## Kotak Multicap Fund

**Get the power of all in one!**

A fund that is a right mix of large cap, mid cap & small cap stocks that work together as a dream team to create winning opportunities.

**NFO Date 8<sup>th</sup> – 22<sup>nd</sup> Sep 2021**



(Source: - AMFI, Economicstimes, Moneycontrol, IBA, Livemint, Cafemutual etc.)