



## Equity Outlook

For the year ended March 31, the Sensex is down by 9% YoY. The expectations from the markets are low. Let's try and read the markets over a long period of time. Indian economy opened up in 1991, almost 25 years ago and it opened the doors to private sector and foreign companies. In this long journey lot of ills also mushroomed from the size of a peanut to that of a goliath. There was a significant relationship between corporate India and that in power. Various ways were mended to the benefit of business tycoons and their vested interest.

If we read between the lines in the pink papers – we will enumerate that the mission of “Clean Up India” or “Swachha Bharat Abhiyan” is being implemented in spirit as well. Over the last two years, Awarding of Coal Mines, Telecom Licenses, NHAI arbitration for roads, Defence contracts, Power sector mess, delays in environmental clearances etc have come in the clean up mode. NPAs of Bank need to be separately mentioned as business house are now serious towards retiring debt by putting their assets on block – Jindal, Essar, Tata, GVK, GMR, Videocon, Sahara, Mallya, Lanco Infra, JP Associates. A big bath will be taken by many corporate and banks when they announce their 4Q numbers. Corporate would want to keep it under wraps instead of washing the dirty linen in public.

Instead of setting up a new pipeline and chart the uncharted territory for growth, the focus is to cleanse the existing economy and hence the pain in terms of expectation v/s reality. On the positive side softening crude has helped India's Balance-sheet but two consecutive poor monsoons have kept rural India unhappy. The clean up in the basics of manufacturing namely – Power, Roads, Telecom, Coal, Banks, Infrastructure will eventually revive the corporate earnings. World is sitting on huge fund flow and limited growth options v/s India is providing growth opportunities but limited capital. Just as water flows from higher to lower levels – capital flows from stagnancy to growth opportunity. Time is the only medicine.

We will be in for a joyful ride in equities, provided we invest. A seed sown in summer grows, when the rain arrive. India is changing, its changing fast, the change is going unnoticed, visible to the visionary, let's stay put and enjoy the fruits later.

Bimal Choksi (Portfolio Manager)  
A C Choksi Share Brokers Pvt. Ltd.

### Disclaimer:

This report is for personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and A C Choksi Share Brokers Private Limited and its Associate or Group Company is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your information and should not be reproduced or redistributed to any other person in any form.

The information and views presented in this report are prepared by A C Choksi Share Brokers Private Limited. The information contained herein is based on study of available charts, statistical data and their interpretation of the same, our analysis and upon sources that we consider reliable. Accordingly the views and opinions expressed in the report may or may not match or may be contrary at the times with views, estimates, ratings, target price etc. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. The investments discussed or recommended in this report may not be suitable for all investors. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advice, as they believe necessary. While acting upon any information or analysis mentioned in this report, investors may please note that neither A C Choksi Share Brokers Private Limited nor any person connected with any associated companies of A C Choksi Share Brokers Private Limited accepts any liability arising from the utilization of information and views mentioned in the report. The research analyst(s) who prepared this research report hereby certifies that the views expressed in this research report accurately reflects the research analyst's personal views about all of the subject issuers and/or securities, that the analyst have no known conflict of interest and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific views or recommendations contained in this research report. The Research Analyst certifies that he /she or his / her family members does not own the stock(s) covered in this research report.

### Caution:

Risk of loss in trading can be substantial. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.