



## **From the Founders desk**

Planning of personal finances has and will always be important to each and every individual. Like all of us work the sweat out to earn our salaries through increase in the profitability of the organizations we work in, similarly one has to have a focus on his/her finances and work smart in order to achieve what he/she desires. We through this bulleting are trying to help you in working smart in achieving your goals through our financial bulletin.

The purpose of our organization has always been to support individuals through their financial journey and we live that through this bulleting to help reach our knowledge across a wide audience. In this bulletin we would be covering our view on the markets, informative articles on managing finances, Mutual fund performances etc and many more as we progress week over week. In the first issue we have included our view of the markets and informative article on personal finance. We would like to thank Dr Amiya Sahu for being part of this bulletin and sharing his insights on the market.

Stay tuned for our issues to follow and stay invested

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## **Weekly Market Forecast: 16 – 20 April 2018**

The week ended in green for the market. The NIFTY index closed at 10480.60 up 1.44% for the week and 3.63% since end of March. The BANK NIFTY also followed the boarder market index and closed at 25200.6 up by 1.32% for the week and 3.86% since end of March. The BSE Midcap index closed at 16677.76 up 0.49%, and BSE Small cap closed at 17982 up 0.55%. Although the monthly trend for the broader Indian markets is bullish, we advise to trade with caution in this week of financial results and expected more exposures of banking frauds.

Global markets have become volatile due to trade-war tensions between China & US. The US bourses closed in RED on Friday. Dow Jones fell 122.91 points for the day. NASDAQ and S&P 500 followed Dow and fell by 0.43% and 0.81% respectively.

In the next week, data on WPI index will have some effect on the market as it expected to be marginally higher 2.58% compared to 2.48% on a YoY basis.

**Infosys Results:** Infosys posted its Q4 results on Friday 13<sup>th</sup> April, 2018. It reported a revenue growth of 5.6% on YOY basis to INR 18,083 crores and only 1.6% on QoQ basis. The operating profit reported was INR 4,472 crores up by 6.2% compared to the previous year and by 3.5% on QoQ. The net profit reported was INR 3,690 crore which grew by 2.4% on YoY basis but it fell by 28.1% on sequential basis.

Infosys' share price closed at INR 1171.45, up 0.7% on Friday (NSE), its ADR listed on NASDAQ closed negative 7.72% at USD 16.62. A guidance of lower profit margins and softer revenue growth for FY19 could be the reason behind the sharp fall.

### **Events in the week:**

- Macroeconomic data:
  - Monday 12 noon: WPI Inflation
- The result season has begun. The result calendar
  - 16<sup>th</sup> - Monday: DCB Bank, RIL
  - 17<sup>th</sup> – Tuesday: ACC, Mind Tree
  - 19<sup>th</sup> – Thursday: TCS, IndusInd bank, Cyient

**Trading Ideas:** Based on technical analysis, we recommend the following trades for the week:

Lupin: BUY@ 747.55; **Stop Loss** 730.35; Target 799.15

LIC Housing Fin: BUY@ 524.45; **Stop Loss** 516.95; Target 547.05

Axis Bank: SELL@ 592.1; **Stop Loss** 611.6; Target 553.20

## **Investment Series 1: - Saving and Investing**

Saving and Investing are two different aspects in the financial world, but most of the time we end up using them interchangeably. Lets understand what these two words mean, 'Saving' in simple terms means the amount of income that is kept aside for consumption on a later date for eg money put in piggy bank. 'Investing' on the other hands is putting these savings into avenues which will help you grow your wealth. Everyone has to follow the latter approach with respect to their money they keep aside from their income for future consumption. I say this as there is a very important factor, which if not understood well can drain your wealth year on year. Yes, I am talking about Inflation. Inflation is general rise in prices of goods i.e in other words a fall in the purchasing value of money. If one doesn't understand inflation well and how it impacts his or her finances then he/she is in serious trouble. Hence when I say one has to always follow an investing approach and not savings approach for the income kept aside for later consumption, I mean something very important here. Let me explain this a short example, let us assume an individual A has delayed his current expenditure on purchasing a bike by one year of an amount let say 1.2 lakhs. Now A has two options either to save the amount of 1.2 lakhs or invest it.

<b>Mr A</b>		
	<b>Saving</b>	<b>Investing</b>
Amount kept aside	₹ 1,20,000	₹ 1,20,000
Assumed growth %	0%	7%
Value at the end of the year	₹ 1,20,000	₹ 1,28,400

If Mr A chooses to save his 1.2 lakhs will remain as 1.2 lakhs at the end of the year, but if he chooses to invest the same his 1.2 lakhs will grow to 1.28 lakhs. From the above it is evident that Mr A is better of investing than saving.

Now let us understand the impact of inflation in the above example, lets assume that the inflation is close to 6% per annum. So as per the definition, we know that it is the rise in prices of goods, considering this impact the price of the bike at the end of one year will be 1.27 lakhs and not 1.2 lakhs. Hence, we can now see that If Mr A had chosen to save 1.2 lakhs, purchasing the bike would have to be deferred or he would have to allocate further funds from his income, whereas, if Mr A chose to invest then he would comfortably meet his objective and have a surplus of Rs 1000.

Thus, we can now see that investing is the right approach to be followed in all the cases as long as inflation exists.

## **Disclaimer**

We would like to inform our audience that the view on the market is purely a view from our firm perspective and not a guarantee of any sought in generating wealth. The trading tips recommended are purely a view point and there is no assurance or guarantee of return is provided on the same. Hence all the readers are requested to apply their prudence and judge accordingly before acting on any of the recommendations provided on this site or any other mode or platform provided by the company. Neither, P3 Investment Solutions nor any of its Founders, Advisors, or employees holds any kind of responsibility for any loss incurred (if any), by acting as per the recommendations provided.

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