

Newsletter for Investor – June'2021

1. Index Movements:

Indices	30 th June'21	31 st May'21	% Change	International	30 th June'21	31 st May'2021	% Change
S&P BSE Sensex	52482.71	51937.44	1.05	Dow Jones	34502.51	34529.45	-0.08
S&P BSE Midcap	22535.95	21758.39	3.57	Nasdaq	14504.00	13748.74	5.49
S&P BSE Small cap	25232.17	23595.98	6.93	Dax Index	15531.04	15519.98	0.07
Nifty 50	15721.50	15582.80	0.89	Shanghai Composite	3592.37	3615.48	-0.64
Nifty 500	13473.55	13226.35	1.87	Hang Seng	28827.95	29151.80	-1.11
India VIX	13.05	16.85	-22.55	Nikkei	28791.53	28860.08	-0.24
				Kospi	3296.68	3203.92	2.90
				FTSE	7037.47	7019.67	0.25

2. Commodity Movements:

Commodity	30 th June'21	31 st May'2021	% Change
Gold (10gm)	46782	48541	-3.62
Silver (1kg)	67940	70611	-3.78
Crude Oil (Rs/barrel)	5406	4832	11.88

3. Flows for month of June'21:

Category	Net Equity	Net Debt
FII	11371.88	-4464.97
MF	-1120.40	4713.87

4. RBI Update on Monetary Policy

	30 th June'21	31 st May'2021
G- Sec 10Y	6.051%	6.022%

Action Points:

RBI left the policy rate unchanged (Repo rate at 4% and Reverse Repo at 3.35%) and guided for continuation of the accommodative stance till the prospect of sustained recovery are well secured.

RBI projects retail inflation at 5.1 per cent in FY 2021-22

5. Income Tax Update:

Return Filing	Original Due Date	Extended Due Date
Non Audit Case	31 st July'2021	30 th Sept'2021
Audit Case	31 st Oct'2021	30 th Nov'2021

Applicable to assesses having turnover more than 10cr:

Section 194Q- Purchase of any goods exceeds Rs 50 Lakhs @ 0.1% TDS to be deducted of the value exceeding 50 Lakhs.

6. Let us discuss what is Real Interest Rate and Inflation?

A real interest rate is adjusted to remove the effects of inflation and gives the real rate of a bond.

A nominal interest rate refers to the interest rate before taking inflation into account.

To calculate the real interest rate, you need to subtract the actual or expected rate of inflation from the nominal interest rate.

Below chart represent Global Central Bank Policy Rates:

Global Central Bank Policy Rates						
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	Last Move	Last Move Date
Switzerland	Target Rate	-0.75%	0.6%	-1.4%	Cut	Jan-15
Denmark	Deposit Rate	-0.60%	1.7%	-2.3%	Hike	Mar-20
Eurozone	Deposit Rate	-0.50%	2.0%	-2.5%	Cut	Sep-19
Japan	Policy Rate Bal	-0.10%	-0.4%	0.3%	Cut	Jan-16
Norway	Deposit Rate	0.00%	2.7%	-2.7%	Cut	May-20
Sweden	Repo Rate	0.00%	1.8%	-1.8%	Hike	Dec-19
Poland	Repo Rate	0.10%	4.8%	-4.7%	Cut	May-20
UK	Bank Rate	0.10%	2.1%	-2.0%	Cut	Mar-20
Australia	Cash Rate	0.10%	1.1%	-1.0%	Cut	Nov-20
US	Fed Funds	0.13%	5.0%	-4.9%	Cut	Mar-20
Canada	Overnight	0.25%	3.6%	-3.4%	Cut	Mar-20
Czech Republic	Repo Rate	0.25%	2.9%	-2.7%	Cut	May-20
Peru	Policy Rate	0.25%	2.5%	-2.2%	Cut	Apr-20
New Zealand	Cash Rate	0.25%	1.5%	-1.3%	Cut	Mar-20
Chile	Base Rate	0.50%	3.6%	-3.1%	Cut	Mar-20
South Korea	Repo Rate	0.50%	2.6%	-2.1%	Cut	May-20
Thailand	Policy Rate	0.50%	2.4%	-1.9%	Cut	May-20
Hong Kong	Base Rate	0.86%	0.7%	0.2%	Cut	Mar-20
Saudi Arabia	Reverse Repo	1.00%	5.7%	-4.7%	Cut	Mar-20
Taiwan	Discount Rate	1.13%	2.5%	-1.4%	Cut	Mar-20
Malaysia	Policy Rate	1.75%	4.7%	-3.0%	Cut	Jul-20
Colombia	Repo Rate	1.75%	3.3%	-1.6%	Cut	Sep-20
Philippines	Key Policy Rate	2.00%	4.5%	-2.5%	Cut	Nov-20
South Africa	Repo Rate	3.50%	4.4%	-0.9%	Cut	Jul-20
Indonesia	Repo Rate	3.50%	1.7%	1.8%	Cut	Feb-21
China	Loan Prime Rate	3.85%	1.3%	2.6%	Cut	Apr-20
Mexico	Overnight Rate	4.00%	5.9%	-1.9%	Cut	Feb-21
India	Repo Rate	4.00%	6.3%	-2.3%	Cut	May-20
Brazil	Target Rate	4.25%	8.1%	-3.8%	Hike	Jun-21
Russia	Key Policy Rate	5.50%	6.0%	-0.5%	Hike	Jun-21
Turkey	Repo Rate	19.00%	16.6%	2.4%	Hike	Mar-21

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7. Interest Rates will remain muted for near sometime in future and debt investors should look beyond fixed numbers and take stake in Balance Advantage Funds / Dynamic Asset Funds which have low equity exposure and risk reward ratio is favourable for a three year investor in Debt Products –

Name of Fund	Current Equity Level	AUM (In Cr)	Date of Inception of Fund	As on 30 th June'2021	
				1 year Return	3 year Return
DSP Asset Allocation Fund	30.20%	3,778.82	06 th Feb'2014	20.23%	10.52%
IDFC Balanced Advantage Fund	37.50%	2,108.37	10 th Oct'2014	23.36%	9.68%
ICICI Balance Advantage Fund	39.00%	32,942.16	30 th Dec'2006	31.02%	11.49%
Kotak Balance Advantage Fund	33.75%	9,379.77	03 th Aug'2018	26.94%	N/A

8. Importance of Demat Account –

Primary Objective	The primary objective of opening a Demat account is to allow you access to the securities market in order to trade. A Demat account is backed by either the NSDL or CDSL which in turn are regulated by SEBI, and the account unique to each individual allows you to store your securities that you purchase.
Security of funds	Another objective of Demat account is to ensure that the securities it holds are protected. Due to it being digital, the risk of losing share or bond certificates, damage to the certificates as well as forgery is completely avoided.
Cost-effective	There are considerable economic benefits of a Demat account besides the returns you could make on the market.
Investing in IPO's / Gold Bonds / Sovereign Bonds/ Corporate Bonds	It allows to invest in IPO's of Companies being listed, Sovereign gold bonds , RBI Taxable Bonds and Corporate Bonds of Trusted and Established Business Houses.
Eligibility	Individual /HUF/Company / Firm/Trust

For Opening Demat Account in ICICI Direct you can get in touch with –

Name of Concerned Person	Location	Contact No.	Email ID
Sandeep Kumar	Gurugram	+91-8882394915	contact@cathukral.com
Tabish Mahmood	Varanasi	+91-9580625900	taabish@cathukral.com
Badri Sharma	Bhadohi	+91-9335481727	badri@cathukral.com

List of Upcoming Initial Public Offerings in July 2021

Upcoming IPO	Released/ Tentative Dates	Size
GR Infraprojects	07-09 July	₹963 Cr.
Clean Science & Technology	07-09 July	₹1400 Cr.
Glenmark Life Sciences	July 2021	₹1700 Cr.
Zomato	July 2021	₹8250 Cr.
Shriram Properties	July 2021	₹1250 Cr.

List of Upcoming New Fund Offer in July 2021

Scheme Name	Launch Date	Closure Date
ICICI Prudential Flexicap fund	28-Jun-2021	12-Jul-2021
ITI Dynamic Bond Fund	25-Jun-2021	09-Jul-2021
SBI ETF Consumption	30-Jun-2021	14-Jul-2021
Invesco India Medium Duration Fund	29-Jun-2021	13-Jul-2021

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9. Note from Founder's Desk –

It is no more an option for an individual to not own a demat account as almost all the financial securities such as corporate bonds, sovereign bonds, debentures, shares cannot be held in physical form and can only be bought in demat mode only. We feel that demat is as important as PAN, Aadhar and Bank Account in times to come as the digitalisation has increased pace and no one can live without it who saves and invest.

10. Basic Attributes of Great Investing –

- Invest with Discipline
- Do Not be Greedy When Everyone is Greedy
- Trust your advisor as you trust your doctor for medicines
- Avoid WhatsApp/ Social Media Forwards for Noisy News
- Fix a Frequency – Monthly / Quarterly For Results
- Seek Help for Behaviour Management in times of Correction
- Use Corrections for Value Buying

Illustration to Go Wealthy –

If you invest Rs 1,00,000/- per month @ 12% CAGR return over period of following years mentioned as below you can benefit from the power of compounding and accumulate huge sum of corpus.

Amount in Rs. Lakhs		
No. of Years	Investment Amount	Amount (In Rs)
5 years	60.00	82.48
10 years	120.00	232.33
15 years	180.00	504.57
20 years	240.00	999.14

Scheme Suitable for Long Term Investing:

Scheme Name	1Year	2Year	3Year	5Year	10Year
Canara Robeco Flexi Cap Fund (G)	55.02	21.24	17.56	17.25	13.72
Kotak Flexi Cap Fund Reg (G)	50.19	15.53	13.94	14.75	15.28
UTI Flexi Cap Fund Reg (G)	69.58	27.57	18.66	17.30	15.41

Thought of the Month:

“Our favourite holding period is forever”

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