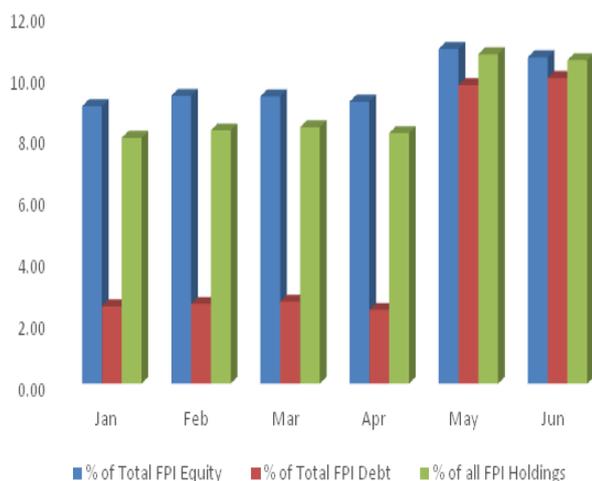
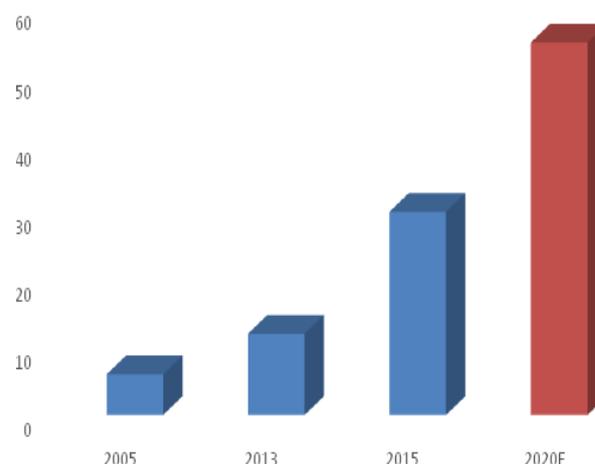


FPIs Of Indian investments -Sovereign Wealth Funds' assets under custody



Source: CDSL, UTI International

Revenue of India pharma sector (USD billion) – 2020 forecast



Source: IBEF, UTI International

1.Sovereign Wealth Funds maintain over 10% share of Indian Assets Under Custody in June

According to data from the CDSL, Sovereign Wealth Funds (SWFs) continued to maintain over 10% share of assets of FPIs (foreign portfolio investment) in June after hitting a record high in May. Debt holdings by SWFs continued to inch higher in June to 9.9% of total debt FPI, from 9.7% in May.

2.India's manufacturing sector shows further revival after strong PMI data

The purchasing managers' index (PMI) for India's manufacturing sector hit a four-month high of 51.8 in July (a reading above 50 indicates expansionary activity), led by strong new orders. Job creation was muted, input costs softened and firms were able to raise output prices slightly amid improving demand. Inflation rates remain below historical average, hence still providing the RBI (Reserve Bank of India) scope to lower rates.

3.Government passes GST bill, marking a significant milestone in economic reform

The heavily debated Goods & Services Tax (GST) bill was passed by the upper house in the monsoon parliamentary session, aimed to be implemented by April 2017. The exact tax rate (currently proposed at 18%) has yet to be decided but the bill will provide greater efficiency and standardisation of existing tax structures. According to Economic Affairs Secretary and former revenue secretary Shaktikanta Das, the GST could lead India's GDP higher above 8% in the next two years.

4.HDFC and NTPC among the first Indian firms to launch "masala bonds"

Masala bonds – rupee denominated bonds listed on overseas exchanges – have kicked off with India's largest mortgage lender HDFC (Housing Development Finance Corporation) opening subscription in July. The offer was oversubscribed four-five times with interest from various global institutional investors. Power firm NTPC also launched its "green" masala bond, raising INR 20bn.

5.Indian pharmaceutical industry forecast to grow at almost 16% (CAGR) to \$55bn by 2020

The Indian pharma industry is expected to outperform global pharma growth for the next four years. By 2020, India will likely be among the top three pharma markets in terms of incremental growth, and the sixth largest market globally in terms of absolute size. US FDA drug approvals to Indian companies have almost doubled to 201 in FY2015-16, from 109 in FY2014-15.

6.Trade deficit widens in June but is down for the full quarter, exports post a rebound

India's trade deficit widened to \$8.12bn in June versus \$6.27bn in May. Exports rebounded, posting 1.3% yoy growth versus a contraction of 0.8% in the previous month. For the full quarter, the trade deficit stands at \$19.23bn, lower than \$32.22 a year ago.

7.Fintech investment reaches an all-time high of \$186mn year-to-date

According to VCCEdge research, investment into Indian fintech firms are at an all-time high. The \$186mn pumped so far was helped by 24 deals mainly into wealth management, lending and credit services platforms. Several fintech companies continue to report interest from global investors such as private equity and venture capital firms.

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