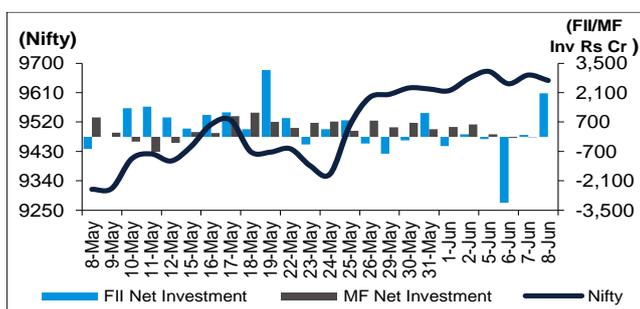


DOMESTIC EQUITY

- Indian equity indices put up mixed performance in the week. S&P BSE Sensex fell marginally, while Nifty 50 rose 0.2%.
- Sentiments were positive initially following the clearance of pending rules by the Goods & Services Tax (GST) Council.
- More gains were seen as rate-sensitive counters such as realty banking and auto rallied after the Reserve Bank of India (RBI) cut its projection of headline inflation to 2.0-3.5% for the first half of 2017-18 and announced reduction in the risk weights on some home loans.
- Gains were, however, cut short on intermittent profit booking and weak global cues such as escalating tensions in the Middle East and the prospects of a hung parliament in the UK.
- Selling pressure in information technology (IT) counter on the back of a strong rupee and weak commentary from a sector majors chipped off some gains from the market. S&P BSE IT was the biggest sectoral decliner - down 1.5%.

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	-0.04	8.06	16.81
Nifty 50	0.15	8.30	17.85
S&P BSE Midcap	0.50	11.01	30.24
S&P BSE Smallcap	1.55	14.16	36.58
S&P BSE Bankex	1.21	13.51	30.81
S&P BSE CG	-0.26	15.28	20.08
S&P BSE FMCG	-1.49	14.97	24.00
S&P BSE IT	-1.51	-3.04	-10.81
S&P BSE Healthcare	2.54	-6.53	-4.71

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US stocks posted varied performance with Dow Jones closing 0.1% lower, while Nasdaq edged 0.3% higher.
- The markets rose earlier led by gains in technology and financial stocks.
- Sentiments strengthened further after former Federal Bureau of Investigation (FBI) Director James Comey's testimony concluded without major revelations.
- Britain's FTSE fell 1.3% largely affected by a stronger pound, weaker-than-expected US jobs data, and decline in crude oil prices.
- Asia Pacific indices mostly ended in the green, except Japan's Nikkei, which fell 0.8% on the back of a stronger yen and on profit booking amid key global events including European Central Bank (ECB) policy meet and UK general elections.
- Hong Kong's Hang Seng rose 0.4% buoyed by gains in shares of property firms and upbeat Chinese trade data.
- China's Shanghai Composite (best performer) surged 1.7% in the week boosted by strong trade data, and as the country's central bank moved to ease liquidity worries.

DOMESTIC DEBT

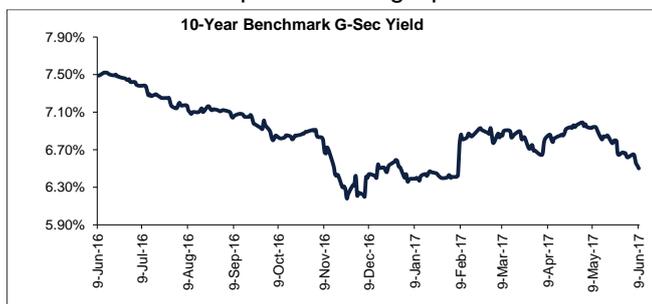
Indicators	June 9, 2017	Previous Week	Trend
Call Rate	6.00%	6.10%	↓
3 M CP	6.67%	6.73%	↓
1 Yr CP	7.31%	7.31%	↔
3 M CD	6.35%	6.38%	↓
1 Yr CD	6.65%	6.80%	↓
5 Yr AAA	7.13%	7.33%	↓
1 Yr G-Sec	6.36%	6.51%	↓
5 Yr G-Sec	6.68%	6.82%	↓
10 Yr G-Sec	6.50%	6.62%	↓
USD/INR	64.24	64.44	↓

Source: CRISIL Fixed Income Database, RBI

- Government bond prices ended sharply higher. The yield of the 10 year benchmark 6.79% 2027 paper

settled at 6.50% on June 9, 2017 as against 6.62% on June 2, 2017.

- Prices were put under slight pressure early in the week as market players remained cautious ahead of the RBI monetary policy announcement.
- Prices rose sharply intraweek as the RBI Monetary Policy Committee's (MPC) decision to cut the 2017-18 consumer price index based inflation forecast raised hopes of a decline in interest rates in the coming months.
- The RBI cut its projection on headline inflation to 2.0-3.5% for April 2017 – September 2017 and 3.5-4.5% for October 2017 – March 2018.
- Prices dipped towards the end of the week as market players trimmed holdings ahead of the domestic bond sale. In the auction, the RBI sold the 6.79% 2027 paper, the 7.73% 2034 paper, the 7.06% 2046 paper, and the floating rate bond maturing in 2024 for a total notified Rs 15,000 crore.
- Among global cues, caution ahead of the testimony of former director of the FBI James Comey in the US and the outcome of the Parliamentary election in the UK also exerted pressure on gilt prices.



Source: CRISIL Fixed Income Database

GLOBAL DEBT

- US treasury prices ended higher in the week ended June 8, 2017 as the weaker-than-expected US monthly jobs data dimmed the prospects of the aggressive interest rate hike by the US Federal Reserve.
- Some of the other disappointing domestic economic cues such as 0.2% fall in the US Factory orders in April and the US Institute of Supply Management's

(ISM) non-manufacturing index dropped to 56.9 in May from the prior month's reading of 57.5.

- Bond prices rose as investors remained wary due to key economic and political events in the week including general elections in UK, the European Central Bank's policy meeting, and former FBI Director James Comey's testimony before a Senate panel.
- Demand for the bonds was also boosted further as Arab nations cut ties with Qatar and due to terror attacks in London.
- The yield on the 10-year benchmark bond fell to 2.19% on June 8, 2017 from 2.22% on June 1, 2017.
- Further gains were however capped after the European Central Bank upgraded its growth forecast for the euro zone and signaled that it planned no further interest rate cuts as euro zone prospects improved.

DOMESTIC NEWS

- RBI kept the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.25%. Consequently, the reverse repo rate under the LAF remained at 6%, and the marginal standing facility (MSF) rate and the bank rate at 6.5%.
- RBI reduced the Statutory Liquidity Ratio (SLR) by 50 bps to 20% with effect from June 24, 2017.
- Organization for Economic Co-operation and Development (OECD) expects India's gross domestic product (GDP) growth to hit 7.3% in 2017, and 7.7% the following year.
- RBI cut the economic growth projection to 7.3% for the current financial year from 7.4% earlier.
- RBI expects retail inflation to fall to 2-3.5% in the first half of current financial year and move up to 4.5% in the second half saying that rush for farm loan waivers may have inflationary spillovers.
- India's services purchasing managers' index (PMI) stood at 52.2 in May 2017, higher than the 50.2 figure seen in April 2017.
- India signed a uniform multilateral tax agreement to check abuse of double tax avoidance agreements (DTAAs) by multinational companies that shift profits

from high-tax jurisdictions to those with low or no taxes.

- The GST Council decided to tax gold at 3%, footwear below Rs 500 at 5% and biscuits at 18% under the GST regime.
- Government exempted genuine equity investments through initial public offers (IPOs), bonus or rights issues by a listed company from long-term capital gains tax even if no securities transaction tax (STT) was paid on the transfers.
- The Cabinet approved the proposed memorandum of understanding (MoU) between Export-Import Bank of India (EXIM Bank) and Export-Import Bank of Korea (KEXIM) for export credit of \$9 billion.
- The Cabinet approved the IPO of Indian Renewable Energy Development Agency (IREDA).
- Government to make Aadhaar, Permanent Account Number (PAN) or passport must for booking flight tickets.
- Government to go ahead with June 16, 2017 deadline of daily fuel price revision.
- Income Tax department rationalized 'safe harbour' rates for multinational companies.
- RBI reduced the risk weightage and the amount of money banks have to set aside as security on home loans.
- RBI revised norms for selling rupee-denominated bonds.

- Securities and Exchange Board of India (SEBI) made it mandatory for companies raising over Rs 100 crore through share sale to appoint a monitoring agency to keep tab on use of the capital.
- According to Association of Mutual Funds in India (AMFI) data, mutual fund industry's asset base fell 1.2% to Rs 19.04 lakh crore at the end of May 2017.

GLOBAL NEWS

- OECD said the global economy is set to grow 3.5% in 2017, followed by an increase to 3.6% in 2018.
- US trade gap rose to \$47.6 billion in April 2017 from \$45.3 billion in March 2017.
- US Institute of Supply Management's (ISM) non-manufacturing index fell to 56.9 in May 2017 from 57.5 in April 2017.
- Eurozone GDP expanded 1.9% in Q1 2017 after expanding 1.8% in the previous quarter.
- European Central Bank (ECB) kept its main interest rate unchanged at 0% and reiterated its commitment to purchase assets of 60 billion euros a month until the end of this year.
- China's exports rose 8.7% from a year earlier in May 2017, while imports expanded 14.8%, thereby resulting in a trade surplus of \$40.81 billion in May 2017, compared with \$38.05 billion in April 2017.
- Japan's economy expanded at an annualized rate of 1% in the January-March 2017 period, less than the preliminary estimate of 2.2%.

DAY	ECONOMIC EVENTS IN THE WEEK AHEAD
Monday June 12, 2017	<ul style="list-style-type: none"> • India's Consumer Price Index Combined Inflation, May 2017 • India's Index of Industrial Production, April 2017
Tuesday June 13, 2017	<ul style="list-style-type: none"> • UK Consumer Price Index, May 2017 • China's Industrial Production, May 2017 • China's Retail Sales, May 2017 • Japan's Industrial Production, April 2017
Wednesday June 14, 2017	<ul style="list-style-type: none"> • US Federal Open Market Committee (FOMC) Rate Decision • US Consumer Price Index, May 2017

	<ul style="list-style-type: none"> • US Advance Retail Sales, May 2017 • US Business Inventories, April 2017 • Eurozone Industrial Production, April 2017 • UK ILO Unemployment Rate, April 2017
<p>Thursday June 15, 2017</p>	<ul style="list-style-type: none"> • US Industrial Production & Capacity Utilisation, May 2017 • US NAHB Housing Market Index, June 2017 • US Import and Export Prices, May 2017 • Eurozone Trade Balance, April 2017 • Bank of England (BoE) Monetary Policy Announcement • UK Retail Sales, May 2017 • Bank of Japan Monetary Policy Announcement
<p>Friday June 16, 2017</p>	<ul style="list-style-type: none"> • US Housing Starts & Building Permits, May 2017 • Eurozone Consumer Price Index, May 2017

Source: CRISIL

Disclaimer: CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this Report based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any company covered in the Report. CRISIL especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Limited (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published / reproduced in any form without CRISIL's prior written approval.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

Disclaimers: This document is for information purposes only and is not an offer to sell or a solicitation to buy any mutual fund units / securities or to have business relations with Union Asset Management Company Private Limited (formerly Union KBC Asset Management Company Private Limited) (the AMC) / Union Trustee Company Private Limited (formerly Union KBC Trustee Company Private Limited) (the Trustee Company) or any of its associates. The information in this document is as of June 9, 2017, unless stated otherwise, and may change without notice. The information in this document alone is not sufficient and should not be used for the development or implementation of an investment strategy. Neither the Sponsor/the AMC/ the Trustee Company/ their associates/ any person connected with it, accepts any liability arising from the use of this information.

This report and the views expressed in this report are that of CRISIL Research. The Sponsor/ the AMC/ the Trustee Company/ their associates/ any person connected with it, do not warrant the completeness or accuracy of the information and disclaim all liabilities, losses and damages arising out of the use of this information. The recipients of this material should rely on their investigations and take their own professional advice.

Statutory Details: Constitution: Union Mutual Fund (formerly Union KBC Mutual Fund) has been set up as a Trust under the Indian Trusts Act, 1882; Sponsor: Union Bank of India; Trustee: Union Trustee Company Private Limited (formerly Union KBC Trustee Company Private Limited), [Corporate Identity Number (CIN): U65923MH2009PTC198198], a company incorporated under the Companies Act, 1956 with a limited liability; Investment Manager: Union Asset Management Company Private Limited (formerly Union KBC Asset Management Company Private Limited), [Corporate Identity Number (CIN): U65923MH2009PTC198201], a company incorporated under the Companies Act, 1956 with a limited liability. Registered Office: Unit 802, 8th Floor, Tower 'A', Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400 013. Toll Free No. 18002002268 • Non Toll Free. 022-24833333 • Fax No: 022-24833401 • Website: www.unionmf.com • Email: investorcare@unionmf.com