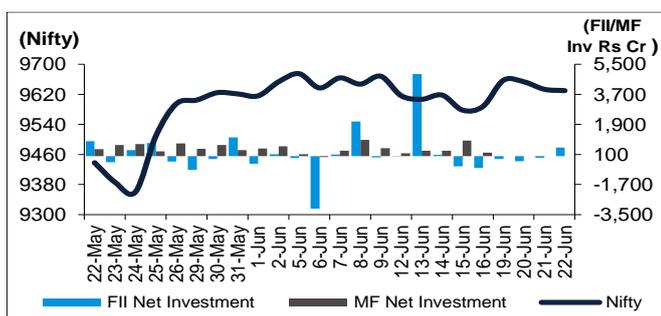


DOMESTIC EQUITY

- Indian equity indices posted mixed performance in the week. S&P BSE Sensex gained 0.3%, while Nifty 50 edged down 0.1%.
- Sentiments were boosted by the government's reassurance that the Goods and Services Tax (GST) will be effective from July 1, 2017.
- Buying interest in fast moving consumer goods (FMCG) and banking stocks supported the market. S&P BSE FMCG and S&P BSE Bankex were the only sectoral gainers – up 0.7% and 0.1%, respectively.
- Further gains were, however, cut short on tracking weak global cues in the form of a dip in oil prices on renewed concerns about a supply glut.
- Profit booking by investors pulled down the benchmarks further.
- Heavy selling in oil & gas, auto and realty counters also weighed on the market. S&P BSE Oil & Gas, S&P BSE Auto and S&P BSE Realty were the biggest sectoral decliners – down 2.8%, 2.1% and 1.9%, respectively.

Broad Indices	Week change%	3 month change%	1 year change%
S&P BSE Sensex	0.26	6.16	15.32
Nifty 50	-0.14	5.38	15.77
S&P BSE Midcap	-1.51	5.27	27.52
S&P BSE Smallcap	-1.82	9.65	34.38
S&P BSE Bankex	0.11	11.99	30.10
S&P BSE CG	-0.99	7.65	16.89
S&P BSE FMCG	0.72	11.36	23.73
S&P BSE IT	-0.30	-6.36	-14.70
S&P BSE Healthcare	-0.91	-8.97	-6.52

Source: BSE, NSE



Source: SEBI, NSE

GLOBAL EQUITY

- US stocks rose in the week, boosted by a rally in technology and healthcare stocks.
- Some gains were, however, cut short as energy stocks fell on tracking a dip in crude oil prices and owing to weakness in financials and consumer staples firms.
- Britain's FTSE fell 0.3% as earlier gains were outweighed by a fall in crude oil prices and as the pound rose on hawkish comments by a high-level Bank of England (BoE) official, thereby affecting exporters' shares.
- Asia Pacific indices posted positive performance. Japan's Nikkei ended around 1% higher as the exporters' heavy benchmark was supported by a weaker yen.
- Hong Kong's Hang Seng rose 0.2% in the week as a rally led by shares of information technology and financial firms.
- China's Shanghai Composite advanced about 1% on signs of tight liquidity easing and as investors lapped up consumer stocks after an index provider added some mainland large-caps to one of its key benchmarks for global investors.

DOMESTIC DEBT

Indicators	June 23, 2017	Previous Week	Trend
Call Rate	6.05%	6.10%	↓
3 M CP	6.69%	6.67%	↑
1 Yr CP	7.17%	7.17%	↔
3 M CD	6.30%	6.30%	↔
1 Yr CD	6.65%	6.65%	↔
5 Yr AAA	7.18%	7.19%	↓
1 Yr G-Sec	6.39%	6.35%	↑
5 Yr G-Sec	6.67%	6.68%	↓
10 Yr G-Sec	6.46%	6.49%	↓
USD/INR	64.52	64.43	↑

Source: CRISIL Fixed Income Database, RBI

- Government bond prices strengthened during the week. The yield of the 10-year 6.79% 2027 paper

settled at 6.46% on June 23, 2017 as against 6.49% yield on June 16, 2017.

- Prices rose as the underlying market sentiment remained upbeat on hopes of an interest rate cut by the Reserve Bank of India (RBI) in coming months, given the softening in consumer inflation data.
- Anticipation of positive cues from the RBI's monetary policy committee meeting minutes supported bonds. According to the minutes, the committee welcomed data showing inflation easing below its target, but wanted more assurance that the trend would continue before deciding whether to lower interest rates.
- An intermittent decline in global crude oil prices lent support to prices. Oil prices slumped midweek owing to signs of rising crude oil production globally.
- A sporadic fall in US benchmark treasury yields also provided positive cues.
- Some gains were erased towards the end of the week as market players trimmed holdings to absorb the fresh supply of debt from the domestic bond auction. In the auction, the RBI sold the 6.84% 2022 paper, the 6.79% 2029 paper, the 6.57% 2033 paper, and the 6.62% 2051 paper for a total notified Rs 15,000 crore.



Source: CRISIL Fixed Income Database

GLOBAL DEBT

- US treasury prices remained volatile in the week ended June 22, 2017 with prices rising earlier on weak domestic economic cues and falling later due

to hawkish comments from the US Federal Reserve (Fed) Officials.

- Bond prices rose after the release of the weaker-than-expected US housing starts, fall in US retail sales and University of Michigan consumer sentiment index which raised hopes that US Fed may not raise interest rates again soon.
- Renewed slump in the crude oil prices also boosted bond prices and flattened yield curves as investors priced in lower inflation for longer.
- Demand for the bonds dented after New York Fed President William Dudley and Boston Fed President Eric Rosengren said that keeping interest rates low may pose risks to the economy and due to some recovery in the oil towards the end of the week.
- The yield on the 10-year benchmark bond fell slightly to 2.15% on June 22, 2017 from 2.16% on June 15, 2017.

DOMESTIC NEWS

- National Council of Applied Economic Research (NCAER) raised its projection for India's economic growth to 7.6% for the current fiscal from its earlier forecast of 7.3%.
- Fitch expects Indian economy to grow at 7.4-7.6% over the next two financial years, aided by the roll out of the GST and higher investments.
- The GST Council decided to introduce the new tax regime from the midnight of July 1, 2017, but gave a relaxed timetable and exemption from penalties and late fees to industry while filing returns in the first two months.
- Government notified sections in the GST Act dealing with mandatory registration of current indirect tax payers in the new regime; it also notified anti-profiteering rules to ensure businesses pass on the benefit of reduced indirect tax to customers once the GST comes into effect.
- Switzerland ratified automatic exchange of financial account information with India and 40 other jurisdictions to facilitate immediate sharing of details about suspected black money.

- Government notified provisions for fast-track resolution of insolvency proceedings; insolvency proceedings will be completed in 90 days.
- Government made quoting Aadhaar number mandatory for opening bank accounts as well as for any financial transaction of Rs 50000 and above.
- Finance Ministry rejected a Rs 20000 crore plan to support local solar gear manufacturers with incentives and subsidies to help them counter Chinese imports.
- Finance Ministry asked four large public sector banks to explore opportunities for acquisition of small and mid-sized banks.
- World Bank to extend \$240 million credit for Andhra Pradesh's power-for-all project.
- RBI asked banks to provide adequate details of transactions in the passbooks and statements of accounts so that customers can cross-check them.
- Securities & Exchange Board of India (SEBI) relaxed takeover norms for acquisition of stressed assets to help the government and the RBI in their efforts to tackle bad loans.
- SEBI to allow the Category-III Alternative Investment Funds (AIFs) to participate in the commodity derivatives market.
- SEBI tightened participatory note norms by levying a fee of \$1,000 on each instrument and barred their issuance for speculative purposes to check any misuse for channelising black money.
- SEBI proposed to more clearly segregate entities advising on investment products from those selling them in an effort to prevent conflicts of interest.
- SEBI asked municipalities to disclose all the price sensitive information and financial results to the stock exchanges, as a step to put in place the disclosure norms for municipal bonds.

GLOBAL NEWS

- US housing starts dropped 5.5% to a seasonally adjusted annual rate of 1.09 million units in May 2017 compared to April 2017's revised sales pace of 1.16 million units; building permits tumbled by 4.9% to a rate of 1.17 million in May 2017 from a revised 1.23 million in April 2017.
- US existing home sales climbed by 1.1% to an annual rate of 5.62 million in May 2017 after tumbling by 2.5% to 5.56 million in April 2017.
- Eurozone annual inflation was 1.4% in May 2017, down from 1.9% in April 2017.
- Japanese exports jumped 14.9% year-on-year in May 2017, up from 7.5% in April 2017, while imports rose 17.8% in May 2017, compared with 15.1% in April 2017, resulting in a trade deficit of 203.4 billion yen, compared with a trade surplus of 481.1 billion yen in April 2017.
- Japan's Nikkei manufacturing purchasing managers' index (PMI) fell to a seven-month low of 52.0 in June 2017 from 53.1 in May 2017.

DAY	ECONOMIC EVENTS IN THE WEEK AHEAD
Monday June 26, 2017	<ul style="list-style-type: none"> • US Durable Goods Orders, May 2017 • US Chicago Fed National Activity Index, May 2017 • US Dallas Fed Manufacturing Survey, June 2017 • Japan's Leading & Coincident Index, April 2017
Tuesday June 27, 2017	<ul style="list-style-type: none"> • US Consumer Confidence, June 2017 • US S&P Case-Shiller Home Price Index, April 2017 • China's Industrial Profits, May 2017
Wednesday June 28, 2017	<ul style="list-style-type: none"> • US Advance Goods Trade Balance, May 2017

	<ul style="list-style-type: none"> • US Pending Home Sales Index, May 2017 • US Wholesale Inventories, May 2017 • Japan's Retail Trade, May 2017
Thursday June 29, 2017	<ul style="list-style-type: none"> • US GDP (Final), Q1 2017 • UK GfK Consumer Confidence Survey, June 2017 • Japan's Consumer Price Index, May 2017 • Japan's Industrial Production, May 2017 • China's Official Manufacturing Purchasing Managers' Index (PMI), June 2017
Friday June 30, 2017	<ul style="list-style-type: none"> • US Personal Income & Spending, May 2017 • US University of Michigan Confidence, June 2017 • Eurozone Consumer Price Index, June 2017 • UK GDP (Final), Q1 2017 • India's Government Finances, 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 23, 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