

SENSEX: 34,153.85 | NIFTY: 10,558.85 | DOW JONES: 25295.87 | NASDAQ: 7136.56 | USD/INR: 63.34 | GOLD: \$1322.30 | OIL: \$61.44  
(Feb 2018 future contract) (Feb 2018 future contract)

## Stock Picks

Company Name	CPM (Rs)	Target (Rs)
InterGlobe Aviation	1201	1426
UPL	777	887
Can Fin Homes	470	612

Source: Geojit Financial Services Ltd.

## INR Fund Picks

Performance as on 02/01/18		Returns (CAGR)	
Company Name		3Yr	5Yr
Sundaram Select	Midcap	19.49	25.56
DSPBR Opportunities	Flexicap	17.19	19.86
ICICI Pru Balanced Fund	Balance	12.78	18.11
SBI BlueChip Fund-Reg	Largecap	13.13	18.03
Sundaram Rural India Fund	Thematic	20.22	20.46



## UAE Round Up

- UAE will see more energy needs met through renewables. Target is to have 44% of energy through renewables and 6% through nuclear energy for 2030
- Gold retailer in UAE absorbs VAT for January. With VAT introduced in the UAE on January 1, 2018, prices of most goods and services are set to rise by at least 5%
- UAE, Saudi Arabia's non-oil economies end 2017 on a high note. Business conditions in the UAE improved at the sharpest pace in 34 months in December

## MARKET UPDATE

### Global:

- # The stock market began 2018 with a bang, advancing to new record highs in each of this week's four trading sessions. The Nasdaq Composite jumped 3.4% to 7136.56, the S&P 500 climbed 2.6% to 2743.15, and the Dow Jones Industrial Average rose 2.3% to 25295.87.
- # This week's rally followed an impressive 2017 campaign for Wall Street, during which the S&P 500 surged nearly 20%, and defused the belief that the new lower tax rates, which took effect on Monday, would invite some profit taking at the start of the new year.
- # Cyclical sectors, which typically do well when the outlook for the economy is favorable, set the pace this week with the technology (+4.2%), materials (+4.0%), and energy (+3.9%) groups being the top performers.
- # Energy shares benefited from an increase in the price of crude oil, which touched a three-year high amid anti-government protests in Iran--although the protests weren't expected to have an impact on the country's oil production. Oil prices were also supported by the Department of Energy's weekly inventory report, which showed that U.S. crude stockpiles declined by 7.4 million barrels last week. West Texas Intermediate crude futures gave back some gains on Friday but still ended with a weekly gain of 1.7% at a price of \$61.47 per barrel.
- # Meanwhile, in the top-weighted technology sector, chipmakers had a solid week, bouncing back from some profit taking at the end of 2017; the Philadelphia Semiconductor Index ended the week higher by 5.8%. Intel (INTC) struggled, however, following reports that its chips contain security flaws. INTC shares finished the week lower by 3.1%.
- # The minutes from the December FOMC meeting were released on Wednesday, showing that most FOMC members backed a continued path of gradual rate hikes. Some members even saw the possibility for more aggressive tightening due to the new tax code, which Fed officials expect will boost consumer and capital spending. The market dialed up its rate-hike expectations following this week's economic data. The CME FedWatch Tool points to the March FOMC meeting as the most likely time for the next rate-hike announcement with an implied probability of 68.1%, up from 51.7% last week.

Index	Started Week	Ended Week	Change	Change%	YTD %
DJIA	24719.22	25295.87	576.65	2.3	28.0
Nasdaq	6903.39	7136.56	233.17	3.4	32.6
S&P 500	2673.61	2743.15	69.54	2.6	22.5

### India:

- # For the week, Nifty and Sensex both marginally gained by 0.2% each.
- # India's core infrastructure sectors during November grew 6.7% (yoy), the fastest pace of expansion in 13 months. Cumulative growth for eight core sectors during first eight months of this fiscal year (FY18) was reported at 5.3%, much higher than the reading of 3.9% during the same period last year.
- Finally, some New Year cheer on Dalal Street, as the Indian equity markets hit fresh lifetime highs, in-line with its US and Asian peers. The pre-budget rally also seems to have begun after consolidating for over eight weeks.

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INDIAN & INTERNATIONAL MARKETS			



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### BITCOIN

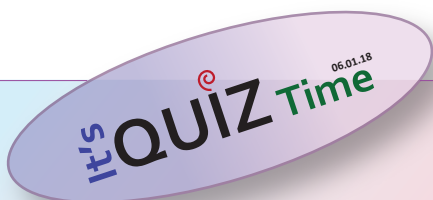
#### WHAT IS BITCOIN

Bitcoin is a form of digital currency, created and held electronically. Bitcoins aren't printed, like dollars or euros – they're produced by people, and increasingly businesses, running computers all around the world, using software that solves mathematical problems. Bitcoin's most important characteristic, and the thing that makes it different to conventional money, is that it is decentralized. No single institution controls the bitcoin network.

It's the first example of a growing category of money known as cryptocurrency.

#### Bitcoin futures

Bitcoin futures are now available for trading on the CBOE and CME Futures Exchange. They are monthly contracts denominated in U.S. dollars and are cash-settled.



A close-ended mutual fund has a fixed

- a) NAV
- b) Unit Capital
- c) Rate of Return

Answer to the last quiz, Q.Which one of these is an advantage of a mutual fund? is c) Instant diversification

Thank you for the quick responses. The right answer of the quiz was given by:

Mr. A.K.Prakashan

Share the answer at [reply@barjeel.ae](mailto:reply@barjeel.ae)



The answer to the question along with the **Winners Name** will be published in the next issue of Market Digest. All the best!



### VAT treatment on Real Estate

	VAT rate
Sale and rent of commercial buildings (not residential buildings)	5%
First sale/rent of residential building after completion of construction or conversion	0%
First sale of charitable building	0%
Sale/rent of residential buildings subsequent to first supply	Exempt
Hotels, motels and serviced accommodation	5%
Bare land	Exempt
Land (not bare land)	5%
UAE citizen building own home	5% (recoverable)

### Capital Gains Tax

A 'Short-Term capital asset' (ST) is a financial asset held for 36 months or less immediately preceding the date of transfer. The holding period is only 12 months for shares of a company, units of MFs, zero coupon bonds and listed scrips, bonds, debentures. An asset which is not ST is LT (Long-term).

The recent FA17 has amended Sec. 2(42A) to reduce the holding period of 36 months to 24 months in the case of immovable property, being land or building or both, to qualify as long-term capital asset. The holding period for all other assets remains unchanged.

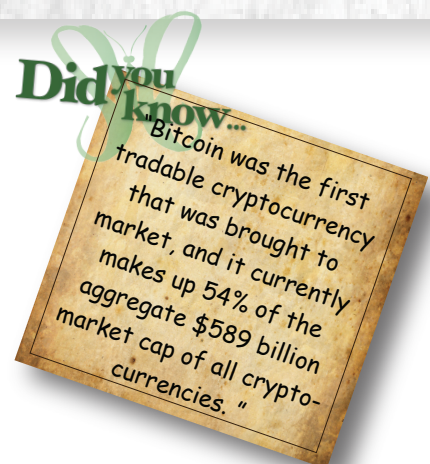
Sec. 112(1c) as amended by FA12 provided concessional tax rate of 10% on LTCG arising from the transfer of unlisted securities in case of non-resident. The ambiguity as to its applicability to shares of a private company was clarified by FA16 stating that the share of company in which public are not substantially interested shall also be chargeable to tax @10% w.e.f. 1.4.17. As the concessional rate was provided with effect from 1.4.13, there was uncertainty about the applicability of the amendment to the intervening period. The recent FA17 has further clarified that the effective date shall be 1.4.13 and not 1.4.17.

FA14 has taken away debt-based MF schemes from this concessional lower period of 12 months. The normal period of 36 months will be applicable.

Note the word 'held' in this provision. The assessee need not be an owner of the property and can hold it as a lessee, as a mortgagee, under a hire purchase agreement, or on account of part performance of an agreement.

In the case of other financial assets like houses, jewellery, etc., STCG is taxed like any other income at the rates applicable to the assessee. LTCG is taken as a separate block, charged to tax at a flat rate of 20% with indexation benefit.

Kindly post your queries if any here at [reply@barjeel.ae](mailto:reply@barjeel.ae)



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