August 2019

**Summary**

- Broadly, global equity markets struggled in August, as U.S./China trade concerns combined with fears of slowing global growth to drive a flight to safety and weigh down riskier assets.

- Indian equities began the second fiscal quarter on the back foot; all of our broad Indian equities indices finished August with marginal declines.

- The blue-chip S&P BSE SENSEX declined 0.3% this month, while the S&P BSE SmallCap and S&P BSE MidCap fell 1.1% and 1.0%, respectively.

- There were gains to be found among Indian equity sectors and strategies. The S&P BSE Energy bucked the global trend, leading the way for sectors with a 4% gain, while among our Indian equity strategy indices, Quality and Momentum shine this month, both also rising 4%.

- Longer-dated Indian sovereign bonds diverged from the month’s global trend for rising government bond prices; the S&P BSE India 10-Year Sovereign Bond Index fell by 1%. However, the broader S&P BSE India Government Bond Index rose, along with the S&P BSE Corporate Bond Index.

- Indian equities could face a difficult start to September: Indian GDP growth was reported after today’s market close at 5% annualized for the previous quarter, below both the government’s projections and the market’s expectations.