

BUDGET 2014: Next Big Trigger for Markets27st June, 2014

The first Budget of NDA is the next big trigger for the Markets. Our Budget expectations are on following lines:–

- Boost to Consumer spending: - The budget should rationalize Direct taxes and reduce Income Tax on Salaried class to boost consumer spending.
- Focus on infrastructure & Power:- The Budget should aim at increasing investments in Infrastructure by Tax Sops and creation of Investment vehicles giving the Government dual benefit of creating jobs as well as boosting economy. Separate investment vehicles may be created to help cash starved infrastructure developers raise long term capital at competitive rates.
- Positive & Proactive Time Frame for long pending issues i.e. Introduction of GST and introduction of new Direct Tax Code is expected to be announced in the Budget.
- Capital Market Boost by rationalizing Taxation on Investments, increasing amount of investment U/S Sec.80C and increasing thrust on Disinvestment.
- Rationalization of Subsidies and an overall containment of Fiscal deficits.

The Budget is expected to aim to give a boost our economy. After budget announcement, the markets may see an acceleration on the positive sentiment and it could lead to rerating of our markets. The downside being limited we expect that investments in diversified MF schemes as well as all class of mid & small cap schemes should give handsome returns to the investors.

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