Market Macroscope

May 2024

Investment Products

Index

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From the MD & CEO's desk

Dear Investors,

In light of the recent significant run-up in equity markets, we've received inquiries from investors concerned about whether they may have missed out on opportunities. However, we firmly believe that the journey is far from over. There are compelling opportunities, particularly when considering the enduring themes that are set to shape India's economic landscape for years to come.

It is natural to experience fluctuations and volatility in the short term. However, it is crucial to maintain a consistent focus on the long-term horizon, where the true potential for growth and returns lies. Trust Charlie Munger to say it as it is.

"This great emphasis on **volatility** in corporate finance we regard as nonsense."
- *Charlie Munger*

Despite any temporary market turbulence, history has consistently shown that equity markets have rewarded investors who remain patient and committed to their long-term investment strategies.

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Varun Lohchab, Head of Research of institutional equities at HSL, along with his team has diligently identified several long-term themes that are poised to shape India's market landscape positively well into the future, potentially extending beyond 2030. These themes represent structural shifts in various sectors of the economy, which are inherently aligned with India's growth trajectory. By pinpointing these trends, we have also identified companies positioned to thrive within these themes, thus offering our clients the opportunity to capitalize on these compelling investment prospects. We are confident that the companies we have selected not only stand to benefit from these long-term trends but also have the potential to deliver attractive returns for our clients over the years to come.

Additionally, you will find all our regular articles in this Macroscope:

- **Equity outlook:** Varun Lohchab shares the key long-term themes for India's growth trajectory and the investment ideas emerging from the same.
- **Macroeconomic and Equity Markets recap:** Summarizes key macroeconomic data published last month and a recap of the movements in the global equity markets.
- **Debt Outlook:** This section includes key inflation releases, central bank policy actions and bond market movements.
- **Reading Room:** Some of the interesting essays we read this month.
- **Research Spotlight:** Small selection of some of our best research.
- **Crossword:** A fun and exciting brainteaser to challenge yourself

We are confident that you'll continue to find immense value in our Macroscope as a tool for enhancing your investment endeavours. By leveraging the insights provided by the Macroscope, we're continually striving to enhance your investment returns and foster a deeper understanding of the dynamic forces shaping the investment landscape. Your success remains the key objective of our efforts.

Warm regards

Dhiraj Relli
MD and CEO – HDFC Securities

Equity outlook by Varun Lohchab, Head of Research, Institutional Equities at HDFC Securities:

I along with my team recently published a report titled **"Long term compounders: Decadal economic trends present opportunities".** It presents the long term bull case for investing in Indian equities as well as identifies stocks which will benefit from these secular themes. Do go through the detailed research report, to understand the rationale for the stocks benefitting from the above trends. Presented below are some excerpts from the report:

India's GDP is expected to double from its current level of USD 3.57 trn (in FY24E) to USD 7trn in 2030. This will be a result of inherent demographic advantages along with consistent policy support. We observe that there are decadal economic trends underway in the country, which are fueling the business growth of companies in various sectors. These trends are:

- **Rising discretionary spending pool and premiumization:** The middle class of the country is expected to get more populous and richer, driving demand for discretionary goods and services. From 158 mn households in 2018, the middle class is poised to grow to 300 mn by 2030, representing 78% of overall households.
- **Formalization of the economy:** Low-ticket discretionary sectors have a higher presence of unorganized players. However, consolidation is underway, led by factors such as rising affordability, technology upgradation, GST, RERA, e-way bill, internet penetration and the recently launched ONDC. This consolidation process is expected to benefit organized players across multiple sectors.
- **Digitization:** Internet penetration and data consumption in the country have climbed up very fast led by declining data costs. This has fueled the ambitions of aspiring entrepreneurs and given rise to a blossoming startup ecosystem (114 Unicorns so far). Policy supports such as UPI and ONDC are key reinforcing catalysts for these businesses. New age business models will continue to gain prominence and disrupt incumbents using the digital India stack.
- **Financialization of savings:** Rising financial literacy and pursuit of higher IRR with liquidity are leading investors to move away from real estate/ FDs to more sophisticated asset classes such as MFs, equity, LI, PMS/AIF/private credit and derivatives. Despite cyclical market volatility, Asset/wealth management, market intermediaries will continue to see healthy trend growth rates.
- **Capex/infrastructure investments:** The central government has been focusing on investment-led GDP growth in the country. Its impact can be witnessed in the sectors of defense, roads, railways, and renewable energy. Further, it aims to nudge the private sector to invest in capex, given their healthy balance sheets and optimistic long-term demand outlook. Electric vehicles, manufacturing, alternate energy and semiconductors are sectors with expected capex rise. Thus, sectors like capital goods, infrastructure and cement will benefit from the current capex cycle.
- **Green energy adoption:** India is on the cusp of shifting to a green energy ecosystem from a fossil fuels-dominated one. This will involve green energy capacity creation of 340 GW by 2030 at a projected expenditure budget of INR 20 trn. Renewables (Solar, Wind), Green hydrogen and EV are key beneficiaries.
- **Manufacturing/China plus one:** India can benefit immensely as global companies aim to diversify their supply chain and manufacturing away from China due to geopolitical tensions, trade war and rising labour costs. While it is a large lucrative growth opportunity, India must compete with other Southeast Asian countries to get its share in the business of the global giants. Auto ancillaries, Chemicals, Textiles, and Electronics manufacturing remain well poised to benefit from this trend.

To benefit from the tailwinds of the above-mentioned trends, we have identified a list of stocks from our coverage universe which can compound their earnings consistently over the next 3-5 years while maintaining healthy return metrics and balance sheets.

Recommended Stocks	
Multi- Cap Stocks	**Mega-cap Stocks**
SBI Life Insurance	Reliance Industries Ltd
Tata power company	ICICI Bank Ltd
Cholamandalam Investment & Finance Company	Larsen & Toubro Ltd
Voltas	Maruti Suzuki Ltd
Dalmia Bharat	NTPC Ltd
Brigade Enterprises	Ultratech Cement Ltd
MCX India	Siemens Ltd
Amber enterprises India	
Happiest Minds Technologies	
Neogen Chemicals	

Access the full report here: https://www.hdfcsec.com/hsl.docs//Long%20term%20compounders%20-%20HSIE-202404161446074848939.pdf

Macro Economic Updates:

Global Macro summary: Markets and the US Fed were concerned that inflation was not making progress towards the Fed's target of 2%. This resulted in an increase in US bond yields and a fall in equity markets. At the same time, US GDP growth numbers were weaker than expectations. Inflation made more progress in the Eurozone area and the ECB remains on track for a first rate cut in June. India's lead indicators including GST collections, power consumption, IIP and PMI readings remained strong in April. India election results will be declared on June 4, 2024 and may impact the future course of markets.

United States: GDP growth moderating but concerns emerged that US inflation may have stopped declining which led to higher bond yields and may force US Fed to defer rate cuts.

US GDP Growth: US GDP increased at an annualized rate of 1.6% QoQ in Q1CY24 vs 3.3% QoQ in Q4CY23. Economists polled by Reuters forecasted GDP advancing at an annualised rate of 2.4% QoQ in Q1CY24.

US Inflation higher than expected:

- US CPI came in at 3.5% in March 2024 after an increase to 3.2% YoY in Feb-2024 and was marginally higher than expectations of 3.4%. Core CPI also came in at 3.8% in Mar 2024, higher than expectations of 3.7% and but same as in Feb 2024.
- US PCE price index rose by 0.3% MoM in Mar-24 same as Feb-24 and in line with estimates. On a YoY basis, US PCE price index rose by 2.7% in Mar-24 vs 2.5% in Feb-24. Economists polled by Reuters forecasted the US PCE price index to rise by 2.6% YoY for Mar-24
- US Core PCE index rose by 0.3% MoM in Mar-24 same as Feb-24 and in line with estimates. On a YoY basis, US Core PCE price index rose by 2.8% in Mar-24 same as Feb-24. Economists polled by Reuters forecasted the US Core PCE price index to rise by 2.6% YoY for Mar-24

US Consumer spending and retail sales remain robust:

- US Consumer spending increased by 0.8% MoM in Mar-24 same as Feb-24. Economists polled by Reuters forecasted the US Consumer spending to rise by 0.6% MoM for Mar-24
- US Retail sales rose by 0.7% MoM in Mar-24 vs a rise of 0.9% in Feb-24. Economists polled by Reuters forecasted retail sales would rise by 0.4% MoM for Mar-24
- US Core retail sales rose by 1.1% MoM in Mar-24 - biggest gain since Jan-23 vs a rise of 0.6% in Feb-24. Economists polled by Reuters forecasted core retail sales would rise by 0.5% MoM for Mar-24

US flash Composite PMI Output Index fell to 50.9 in Apr-24 from 52.1 in Mar-24. US flash manufacturing PMI slipped to 49.9 in Apr-24 from 51.9 in Mar-24. US flash services PMI dipped to 50.9 in Apr-24 from 51.7 in Mar-24

US Monetary policy meeting: The US FOMC kept key policy rates unchanged at its April 30-May 1st meeting. The US FOMC noted "lack of further progress" on inflation towards its 2% objective and noted that the FOMC does not expect to reduce rates till it has greater confidence that inflation is moving towards its target. Federal Reserve Chairman Jerome Powell in an interview ruled out a rate hike as its next step and played down stagflation concerns.

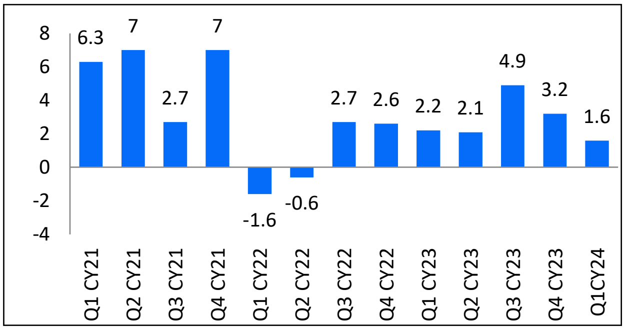
US treasury yield movement: US 10-year bond yields are currently trading at 4.59% (as of May 2, 2024) up from 4.21% as of March 29, 2024. Recent strong inflation readings and comments from US Fed's FOMC members suggested that rate cuts would be delayed resulting in a sharp increase in yields.

US unemployment rate dipped to 3.8% in March 2024 from the previous month's two-year high of 3.9% and surprising market expectations, which had forecasted the rate to remain unchanged.

ADP non-farm payrolls: Private payrolls increased 192,000 last month after an upward revision to the prior month, according to figures published by the ADP Research Institute. The median estimate in a Bloomberg survey of economists called for a 183,000 gain.

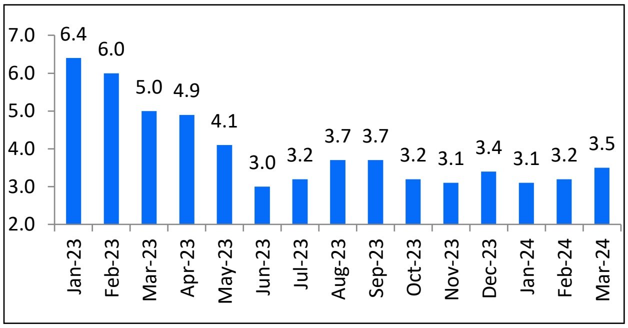
US job openings: The number of job openings declined by 325,000 from the previous month to 8.488 million in March 2024, reaching the lowest level since February 2021 and missing the market consensus of 8.690 million

US GDP increased at an annualized 1.6% QoQ, far lower than consensus expectation of 2.4%



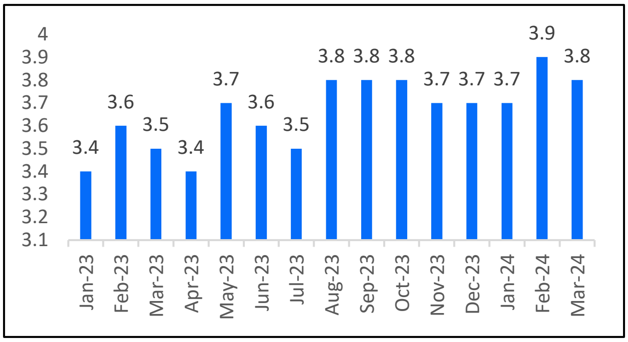
Source: US Bureau of Labor Statistics

US CPI increased marginally to 3.5% YoY in Mar'24, marginally higher than expectations of 3.4%



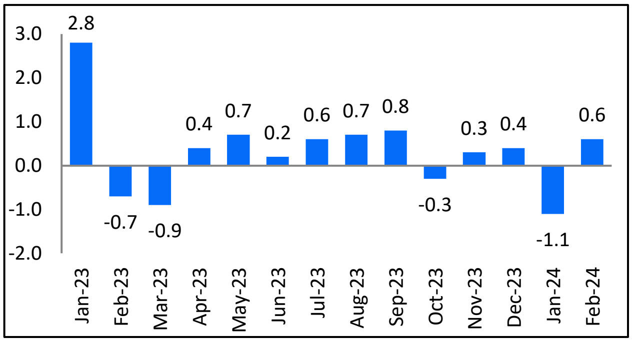
Source: tradingeconomics.com

US Unemployment rate came down after a surprise rise in Feb



Source: tradingeconomics.com

US Retail Sales MoM (%) : increased 0.7% MoM as compared to previous month's increase of 0.9%



Source: tradingeconomics.com

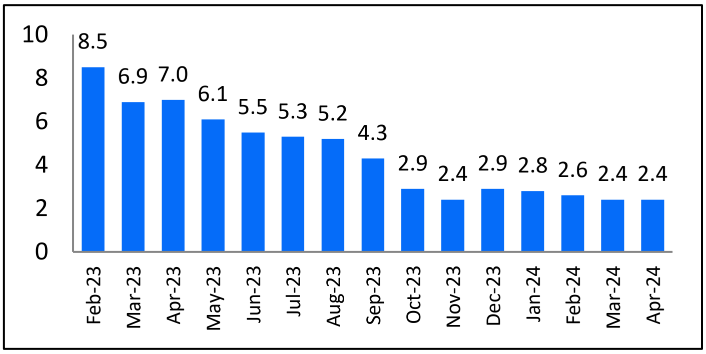
Europe:

Euro zone: Euro zone inflation continues to decline, Services activity rebounds even as manufacturing continues to struggle. ECB rate cut likely in June.

- The annual inflation rate in the Euro Area remained at 2.4 percent in April 2024, in line with market expectations, preliminary estimates showed.
- The core inflation rate, a crucial underlying measure that filters out volatile food and energy prices cooled to 2.7 percent, down from March's 2.9 percent.
- Eurozone flash services PMI rose to 52.9 in Apr-24 from 51.5 in Mar-24, and against 51.8 expected. But, Manufacturing PMI dropped to 45.6 in Apr-24 from 46.1 in Mar-24, against 46.6 expected. It has been below 50 since mid-2022

- UK Composite PMI jumped to an 11-month high of 54.0 in Apr-24 from 52.8 in Mar-24. UK Services PMI rose to 54.9 in Apr-24 from 53.1 in Mar-24, while UK Manufacturing PMI unexpectedly fell to 48.7 in Apr-24 from 50.3 in Mar-24
- UK CPI rose by 3.2% YoY in Mar-24, down from a 3.4% increase in Feb-24. The Bank of England and economists polled by Reuters forecasted an annual rate of 3.1%. On a MoM basis, CPI rose by 0.6% in Mar-24 same as previous month
- UK Core CPI moderated to 4.2% YoY in Mar-24 from 4.5% in Feb-24. The Reuters poll forecasted an annual rise of 4.1%. On a MoM basis, core CPI rose by 0.6% in Mar-24 same as previous month

Euro Area Inflation remained at 2.4% YoY in April 2024 in line with expectations



Source: tradingeconomics.com

China:

- **China's Q1 GDP grows 5.3% y/y,** beating analysts' expectations**.** Analysts polled by Reuters had expected first-quarter gross domestic product (GDP) to expand 4.6% from a year earlier, compared to 5.2% in the previous three months.
- China's March industrial output grew 4.5% from a year earlier, slowing from the 7.0% pace seen in the January-February period and came in below expectations for an increase of 6.0% in a Reuters poll of analysts.
- China Retail sales, a gauge of consumption, jumped 3.1% in March, slowing from a 5.5% increase in the January-February period. Analysts had expected retail sales to grow 4.6%.
- China's Manufacturing PMI fell to 50.4 in Apr-24 from 50.8 in Mar-24 and above the median forecast of 50.3 in a Reuters poll. Non-manufacturing PMI fell to 51.2 in Apr-24 from 53 in Mar-24, below the median forecast of 52.2. Composite PMI fell to 51.7 in Apr-24 from 52.7 in Mar-24
- People's Bank of China (PBoC) kept the 1 yr Loan prime rate unchanged at 3.45% and 5 yr Loan prime rate at 3.95%

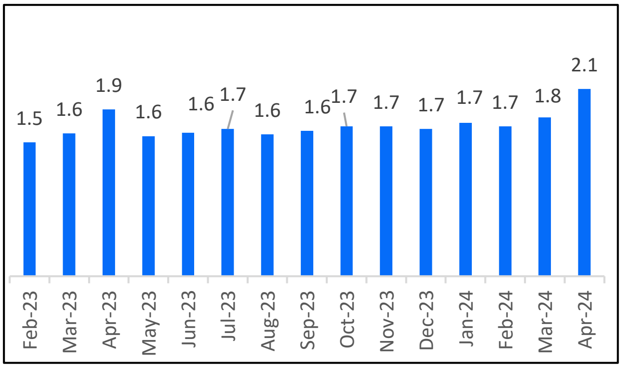
India:

Economic growth indicators remain strong even as inflation stays within the RBI's target band

- **GST collections hit a record** Rs. 2.1 lac cr, increasing by 12.4% YoY, compared to Rs. 1.78 lac cr in March. GST revenue net of refunds increased by 15.5% YoY.
- **India Inflation eases**: India's CPI inflation eased to 4.85% in March compared to 5.09% in Feb. This was the lowest CPI reading in 10 months. Core inflation, which excludes volatile food and fuel items, continued to decelerate in March to 3.25 per cent from 3.5% in Feb even as F&B inflation dipped only marginally to 7.7% from 7.8%. Retail inflation in the March quarter was the lowest in 12 quarters.

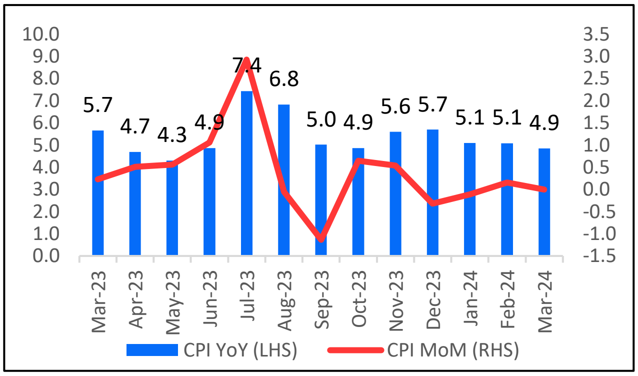
- **India's Wholesale Price inflation (WPI)** rose to a three-month high of 0.53% in Mar due to an increase in the prices of food, electricity, crude among others compared to 0.33% and 0.20% in Jan and Feb.
- **Reserve bank of India** kept its key policy rates unchanged at its meeting in early April and maintained its policy stance as "withdrawal of accommodation".
- The **Index of Industrial Production (IIP)** in India rose 5.7% in Feb as against a revised 4.1% in Jan. IIP in December 2023 was recorded at 4.2 per cent.
- The **HSBC Flash India Composite PMI** Output Index rose to 62.2 in April compared with 61.8 in the previous month. This reading was the highest in 14 years.
- HSBC India Services PMI was at 61.7 in April 2024 and compared to a reading of 61.2 in Mar'24.
- **Normal Monsoon projected:** Both the India Meteorological department (IMD) and SKymet predicted a normal monsoon for India in 2024 as La Niña kicks in. The IMD forecast "above normal" rain for the June-September monsoon, boosting prospects of a bountiful agricultural harvest that will likely ease inflationary pressure and bolster growth. **This follows uneven rain in 2023, mainly due to the El Niño effect, which led to patchy farm output, increased food prices, and kept the central bank from cutting interest rates.**
- **Bank loan growth** continues to be strong with value of loans increasing by 19.9% YoY in the fortnight to April 5, 2024 compared to 20.2% YoY growth in the fortnight to March 22, 2024

GST Collection (Rs Lac cr)



Source: PIB

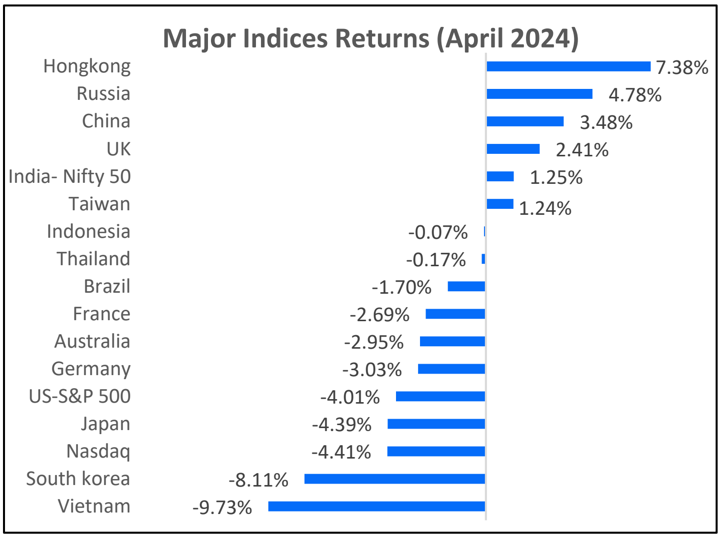
India's CPI Inflation monthly trend



Source: MoSPI

Global Equities Markets:

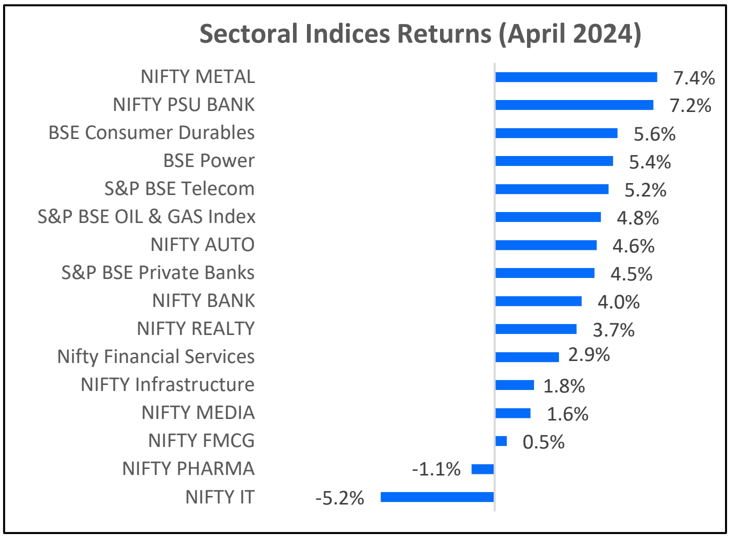
In the month of April 2024, global equity markets witnessed weakness across developed and emerging markets. Vietnam, Korea and Nasdaq were among the biggest losers declining by 9.7%, 8.1% and 4.4% respectively (local currency). The key concern for the markets was the recent inflation numbers in the US which had not declined as much as the market was hoping for. This pushed out expectations of a rate cut by the US Fed in June and the US 10-year bond yields spiked. Hong Kong, Russia and China bucked the trend with gains of 7.4%, 4.8% and 3.5%.



Source: investing.com. Returns in local currency

Indian Equities:

- Nifty-50 gained 1.25% in Apr'24 and outperformed major developed market indices like US S&P 500 (-4.0%), Nasdaq (-4.4%) and Japan (-4.4%). The broader markets were even stronger bouncing back form the correction witnessed in end Feb and early March. BSE Midcap and BSE Small cap indices rose by 7.1% and 9.6%, respectively during April;24.
- In April 2024 major sectoral gainers included Nifty Metal, Nifty PSU Bank and S&P BSE Consumer Durables which gained 7.4%, 7.2% and 5.6% respectively. Among sectoral losers, Nifty IT and Nifty Media fell by 5.2%, and 1.1% respectively.
- **Indian Sectoral Indices YTD**: PSU Banks, Oil & Gas and Realty indices have led the rally so far in CY24 while media, IT, FMCG and Private bank sectoral indices have underperformed the markets.



Flows:

DIIs remained net buyers of Indian equities in cash market for the ninth consecutive month in April 2024 with net purchases of Rs. 44,186 cr in Apr'24 following on from record purchases of Rs 56,311 crore in Mar'24. FIIs turned net sellers again in Apr'24 with net sales of equities in cash of Rs. 35,692 cr after being buyers in Mar'24 with net purchases of Rs. 3,314 cr in cash.

IPO Review:

April '24 witnessed muted primary market activity as only 3 companies came out with an IPO/ FPO to raise an aggregate amount of Rs. 22,924 cr. Vodafone Idea's FPO of Rs. 18,000 cr received strong response from institutional investors and was oversubscribed 7x. In terms of listing gains, JNK India listed with gains of 49% followed by Bharti Hexacom's listing gains of 32.5%

Name of the company	Size of IPO (Rs. Cr)	Issue close Date	IPO price (Rs./share)	Listing date open (Rs./share)	% Inc/ (Dec) from issue price	Overall Subscription (times)	QIP Subscription (times)
Bharti Hexacom Limited	4275	5-Apr-2024	570.0	755.0	32.5%	29.9	48.6
Vodafone Idea Limited FPO	18000	22-Apr-24	11.0	12.4	12.7%	7.0	19.3
JNK India	649	25-Apr-24	415.0	621.0	49.6%	28.5	74.4

Key Risks:

Geopolitical conflicts remain a key risk. Last month, Iran attacked Israel with over 300 missiles and drones in response to Israel's bombing of the Iranian consulate in Syria killing several members of the Iranian Revolutionary Guard including a senior commander. Israel was able to shoot down most of the drones and missiles and the attack did not result in any significant damage. In retaliation, Israel also launched several missiles on Iran. At the moment, the conflict appears to be contained with neither side trying to escalate the conflict.

Indian Election results will be declared on June 4th but the exit polls will likely be available from the evening of June 1st. The market is pricing in a return of the current government. Any surprising results in the elections could have an impact on the markets.

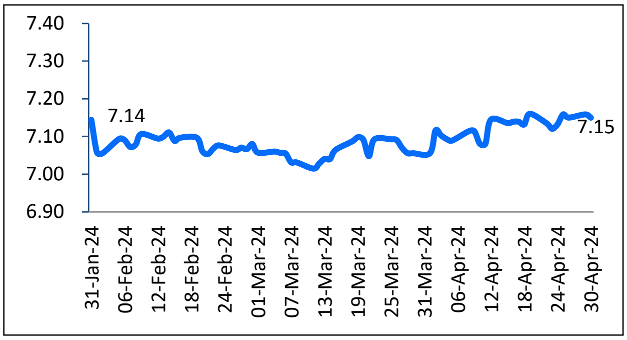
Elevated valuations remain a key risk particularly in the mid and smallcap stocks. Domestic inflows have taken the markets higher even as the FIIs continue to sell. Any change in domestic sentiment will have a sharp impact on the markets.

Fixed Income Outlook

India 10-Year G-Sec Yield Movement

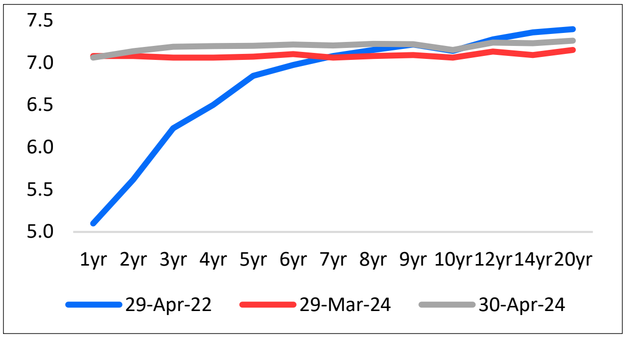
- 10yr G-sec yield rose by 9 bps to 7.15% in Apr'24 from 7.06% in Mar'24.
- During the month, 10yr yield traded in the range of 7.06-7.16%.
- RBI announced new 10yr G-sec in Apr'24 at a coupon rate of 7.1%.

India's 10 yr G-sec yield movement in last 3 months



Source: Investing.com

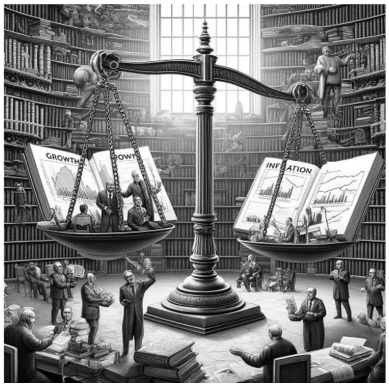
India's G-sec yield curve continues to remain flat



Source: Bandhan MF, Bloomberg

RBI's Monetary Policy Meeting: Key Highlights

- RBI's MPC decided to keep the repo rate unchanged at 6.5% with a 5:1 vote in Apr 2024 meeting.
- The MPC also kept the policy stance unchanged and decided to remain focused on "withdrawal of accommodation" with a 5:1 vote.
- RBI remained optimistic on growth and said this provides space for monetary policy to remain tight.
- RBI showed some comfort in the disinflationary process that is underway - particularly in core inflation.
- RBI's FY25 Projections: GDP growth – 7.0%; CPI inflation – 4.5%.



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Tracking India's Economic Pulse

- **GST Collection:** India's GST collection rose to a record high of Rs. 2.1 lakh cr (up 12.4% YoY) in Apr'24 vs. Rs. 1.78 lakh cr in Mar'24.
- **PMI:** India's Manufacturing PMI fell to 58.8 in Apr'24 from a 16-year high of 59.1 in Mar'24.
- **Core Sector Performance:** India's eight core sectors grew by 5.2% YoY in Mar'24 vs. 7.1% in Feb'24

Regulatory Announcement

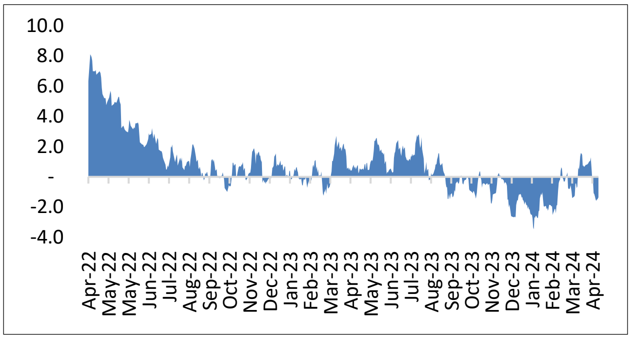
- SEBI has decided to reduce face value of corporate bonds to Rs. 10,000 from Rs. 1 lakh.
- Earlier in Oct'22, SEBI had reduced face value of corporate bonds to Rs. 1 lakh from Rs. 10 lakh.
- As per market experts, reduction in face value will make bond investments more appealing and attainable for a broader spectrum of retail investors.

Fixed Income Outlook

Banking System Liquidity Dynamics

- India's banking system liquidity largely remained in deficit in H2 FY24. However, the liquidity turned surplus in Apr'24.
- During Apr'24, average liquidity surplus stood at ~Rs. 24,500 cr vs. a liquidity deficit of ~Rs. 38,600 cr in Mar'24.

India's banking system liquidity (Rs cr)



Source: RBI

Global Perspective – US Yield, Fed's Stance, and Inflation

US Treasury Yield Movement:

- US 10yr yield rose sharply by 47 bps to 4.68% in Apr'24 from 4.21% in Mar'24.
- Higher than expected inflation print and resilient job market and economic growth has postponed rate cut expectations in US. This has led to sharp rise in US yields.
- US 10yr yield remained volatile during Apr'24 and traded in the range of 4.31-4.70%.

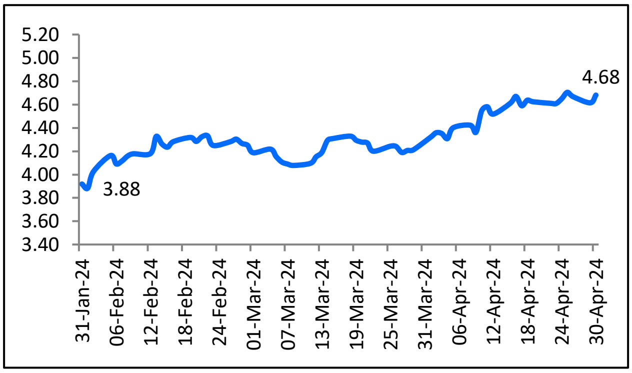
US Fed's FOMC Meeting:

- US Fed kept Fed Funds rate unchanged at 5.25-5.50% for 6th consecutive meeting in May'24, in line with market expectations.
- Fed signalled that interest rates could remain higher for longer amid stalling progress in bringing down inflation to its 2% target.
- Fed also said that it would slow the pace of its balance sheet reduction starting Jun'24.
- Market is expecting first rate cut to be delivered in Nov/Dec 2024 policy meeting.

US Inflation Overview:

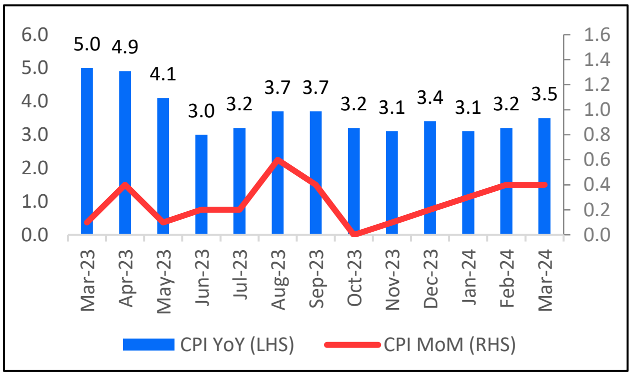
- In Mar'24, US CPI inflation surpassed market expectations for a 3rd consecutive month.
- US CPI inflation stood at 3.5% YoY in Mar'24 against market expectations of 3.4% and 3.2% in Feb'24.
- Core CPI (ex-food and fuel) was also higher at 3.8% YoY in Mar'24 vs. market expectations of 3.7%.

US 10 yr treasury yield movement in last 3 months



Source: Investing.com

US CPI inflation monthly trend

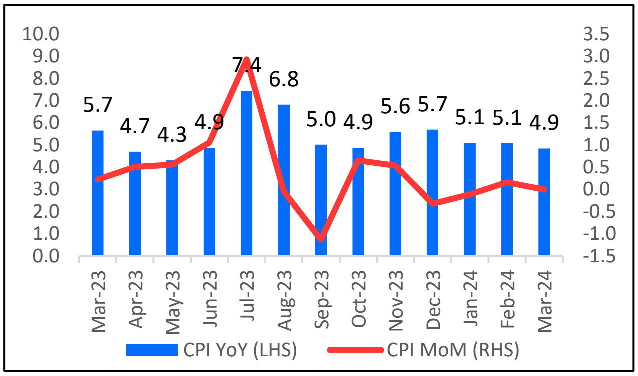


Source: US Bureau of Labor Statistics

India's Inflation Scenario

- India's CPI inflation eased to 4.85% YoY in Mar'24 vs. 5.09% in Feb'24.
- Moderation in CPI inflation was led by a fall in core CPI (ex-food and fuel) inflation.
- Core CPI eased to 3.3% YoY in Mar'24, the lowest print in the series.
- However, food inflation continued to remain high at 8.5% YoY in Mar'24 driven by higher vegetables and pulses prices in the month.

India's CPI inflation monthly trend



Source: MoSPI

Outlook

Interest Rates and Liquidity:

- We expect 50 bps of cumulative rate cuts in FY25, beginning in Q3 FY25.
- We expect improvement in liquidity balances once government spending picks up pace by Q2 FY25. Foreign inflows due to inclusion in the JP Morgan bond index is also expected to provide liquidity support.

Yield Curve Dynamics:

- In the near term, a flat yield curve is anticipated. Short-end yields remain elevated due to tight liquidity conditions and interest rate pause from RBI. Longer end of the yield curve remains supported by strong demand.
- Over the medium term, we might observe a steeper yield curve, influenced by rate cut from RBI and easing of banking system liquidity.

Investment Avenues:

- Given the flatness in the yield curve, 3-5yr segment of the yield curve appears promising, offering attractive risk-adjusted opportunities with moderate interest rate risk.
- Tactical allocation to long duration can be considered to benefit from expected interest rate cuts.

Driving Factors:

- Going forward, various factors such as global monetary policy decisions, geo-political situations, commodity prices, bond demand-supply scenario, and domestic growth-inflation dynamics will be pivotal in shaping the fixed income landscape.

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20 YEARS

10 April 2024 | Deep Dive

INSTITUTIONAL RESEARCH

BUY

CDSL

CMP *(as on 09 April '24)*	INR 1,866
Target Price	INR 2,360

CDSL growth is expected to resume led by a recovery in market-linked revenue (transaction, IPO, and KYC) and a strong annuity stream (annual issuer charges and e-CAS). Incremental revenue from compulsory Demat of new insurance policies (effective April 2024) and unlisted companies (Private Ltd) will provide a growth push in FY25E. The BO account addition is the core building block of the depository business and continued strong additions will support growth.

The BO account addition is the core building block of the depository business and continued strong additions will support growth

growth to be supported by strong BO account additions, traction in market-linked revenue, a stable annuity revenue stream, and contribution from CIRL. T

share. We expect CDSL growth to be supported by (1) strong BO account additions, (2) traction in market-linked revenue, (3) a stable annuity revenue stream, and (4) contribution from CIRL. The insurance segment will contribute revenue of INR 0.31/0.35bn in FY25/26E assuming a 10/15% market share. We increase our EPS estimate by ~7/9% for FY25/26E, implying revenue/EBITDA/APAT CAGR of 21/24/23% over FY24-26E. We maintain our BUY rating and assign a TP of INR 2,360, based on 40x FY26E EPS. The stock has traded at an average 3Y/5Y 1-year forward P/E multiple of 42/35x. CDSL has a RoE of 32%, RoIC of 82%, 5Y average cash conversion is >80%, and net cash is ~6% of the market cap.

19 April 2024 | Company Update

INSTITUTIONAL RESEARCH

ADD

Angel One

CMP *(as on 18 Apr 2024)*	INR 2,793
Target Price	INR 3,580

Angel One beat estimates, driven by strong 31% QoQ growth in net revenues, on the back of increased activity, translating into higher ADTO and stronger ancillary transaction revenues (+28% QoQ). However, admin costs spiked again and are likely to stay elevated on the back of investments in brand visibility, additional tech talent, and new businesses. While Angel One has gone through

admin costs spiked again and are likely to stay elevated on the back of investments in brand visibility, additional tech talent, and new businesses

Angel One's moats are built on a near perfected digital-native acquisition engine, superior unit economics and other qualitative factors that are difficult to replicate.

needs to be weighed up against RoIC. Angel One's moats are built on a near-perfected digital-native acquisition engine, superior unit economics (although diminishing on a marginal basis), and other qualitative factors that are difficult to replicate. We value Angel One at 20x Sep-25 AEPS (0.7x PEG over FY23-26E) for its potent acquisition funnel and its relatively secular business model. We maintain ADD with a TP of INR3,580 (earlier INR3,510).

16 April 2024 | Deep Dive

INSTITUTIONAL RESEARCH

Tanla Platforms

BUY

CMP *(as on 15 Apr 2024)*	INR 937
Target Price	INR 1,300

Tanla Platforms in the Mobile World Congress held in February 2024 launched several products and platforms, which will set the path for the next phase of growth. Tanla is a market leader in the domestic messaging space with a 45% market share and it is now focusing on scaling revenue from WhatsApp, RCS and Truecaller. The partnerships with Meta (WhatsApp) and the launch of the MaaP platform for higher adoption of Google RBM (RCS business messaging) are promising. The adoption of conversation commerce by large enterprises is driving WhatsApp growth (OTT is ~13% of revenue and up 7x YoY in Q3). The

The partnerships with Meta (WhatsApp) and the launch of the MaaP platform for higher adoption of Google RBM (RCS business messaging) are promising

The growth in the platform segment will be powered by Wisely platforms and the launch of the Next generation DLT platform Trubloq.ai

Enterprise segment growth will be driven by (1) continued growth in transactional SMS traffic, led by UPI and digital transactions, (2) stable ILD, and (3) a surge in OTT revenue (WhatsApp, RCS and TC). The growth in the platform segment will be powered by Wisely platforms and the launch of the next-generation DLT platform Trubloq.ai. The Wisely anti-phishing platform

23 April 2024 | Results Review Q4FY24

INSTITUTIONAL RESEARCH

Persistent Systems

BUY

CMP *(as on 22 Apr 2024)*	INR 3,509
Target Price	INR 4,110

Persistent Systems (PSYS) ticked the box on growth and deal wins, while margins for the quarter faltered due to deal-specific dynamics. We expect PSYS' growth leadership to hold, supported by its pedigree in software product engineering, market-share gains from larger peers, and strong deal velocity – any recovery in discretionary is an upside risk to growth based on service portfolio and vertical mix.

PSYS ticked the box on growth and deal wins, while margins for the quarter faltered due to deal-specific dynamics

The margin improvement track for the company will continue—despite the Q4 miss on margin, the medium-term outlook on margin stays

The margin improvement track for the company will continue—despite the Q4 miss on margin, the medium-term outlook on margin stays. While PSYS' valuation multiples have rerated over the past few years and return potential is likely to be a function of superior earnings growth, the correction presents an opportunity—buy the dip. Maintain BUY on PSYS with a TP of INR 4,110, based on 35x FY26E, supported by 25% EPS CAGR over FY24-26E.

24 April 2024 | Results Review Q4FY24

INSTITUTIONAL RESEARCH

Tata Elxsi

SELL

CMP *(as on 23 Apr 2024)*	INR 7,395
Target Price	INR 6,435

Tata Elxsi (TELX) posted a soft quarter with a ramp-down in a Media & Communication client and a delayed program ramp-up in the Transportation vertical. TELX's growth has normalized, impacted by market-share loss in the transportation vertical (50% of its revenue) on account of a higher mix of Tier-1s vs. OEMs, increased captive intensity, business mix challenges in the Healthcare vertical and macro factors impacting media & telco enterprise client spend. The company has integrated the sales/front end of the erstwhile EPD and IDV business to drive larger annuity programs. TELX's ER&D credentials/niche remain favourable, but the hyper-accelerated growth trajectory (both revenue/margin) is very clearly behind – valuations remain high. We factor 15% EPS CAGR over FY24-26E following mid-single-digit EPS growth in FY24 after doubling of earnings over FY21-23. Maintain SELL on TELX based on 38x FY26E EPS - TELX trades at 54x and 44x FY25/26E.

TELX's growth has normalized, impacted by market-share loss in the transportation vertical (50% of its revenue) on account of a higher mix of Tier-1s vs.

TELX's ER&D credentials/niche remain Favorable, but the hyper-accelerated growth trajectory (both revenue/margin) is very clearly behind – valuations remain high.

02 May 2024 | Q4FY24 Result Review

INSTITUTIONAL RESEARCH

Havells India

ADD

CMP *(as on 30 Apr 2024)*	INR 1,663
Target Price	INR 1,625

Havells' Q4 revenue aligned with our estimate while it positively surprised operationally with EBITDAM expanding by 80bps to 11.7% (HSIE: 9.8%). While the B2B portfolio continues to sustain its momentum, the B2C portfolio witnessed early signs of a revival led by a positive start to the summer season and benefits from the real estate uptick. Lloyd reported a positive EBIT margin (+2.8% vs -1.8% YoY), led by cost savings and business efficiency measures. Lloyd is progressing well on its journey of growth and profitability and will continue to look to grow faster than the industry. Through its multi-product portfolio serving a diverse consumer base, we believe Havells remains well placed to capitalise from the current uptick seen in private/government capex and real-estate tailwind, given (1) it has a diverse product portfolio covering 70%+ of household electric sockets; (2) it is among the top 3 players in most product categories; (3) its Lloyd portfolio is gaining traction; and (4) it has an innovation focus and its GTM expansion to become more omnipresent. We raise our FY25/26 EPS by 4/3% to reflect Q4 performance and value the stock at 50x Mar26 EPS to arrive at a target price of INR 1,625. Maintain ADD.

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Havells remains well placed to capitalize from the current uptick seen in private/governme nt capex and real-estate tailwind

The Reading Room section of the Macroscope contains a collection of interesting articles we read this month. We hope you will find the articles as interesting as we did.

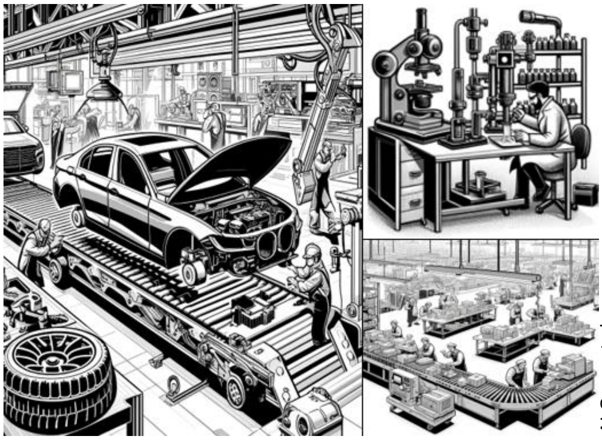
1. China Is Front and Center of Gold's Record-Breaking Rally

AI Generated

- Gold has surged to all-time highs above $2,400 an ounce, driven by global market interest. China, as both the largest producer and consumer of gold, is significantly contributing to this rise in demand.
- Geopolitical tensions and the prospect of lower US interest rates are further bolstering gold's appeal as an investment. People's Bank of China has been on a buying spree for 17 straight months, its longest run of purchases, as it seeks to diversify reserves.
- Chinese demand for gold, spanning jewellery and investment, is on the rise due to limited investment options, volatile markets, and currency concerns.
- Despite record prices and a weaker yuan, Chinese consumer demand for gold remains robust, unlike in previous instances when Chinese consumers have snapped up gold when prices drop. China's gold jewellery demand increased 10% while bar and coin investments surged 28% even as Indian demand was lower by 6%.

https://finance.yahoo.com/news/china-front-center-gold-record-010000954.html

2. PLI powers manufacturing



AI Generated

- Introduced by the Indian government to bolster manufacturing across various sectors such as pharmaceuticals, electronics, automobiles, textiles, and white goods, among others.
- Eligible manufacturers in these sectors stand to receive incentives based on their incremental sales over a specified period under the PLI Scheme.
- Data shows that the PLI Scheme has already yielded promising results, with significant increases in production and investment across multiple sectors. For example, in the electronics sector, the PLI Scheme led to a 40% increase in production and attracted over $20 billion in investment commitments within a short span.
- The article discusses how the PLI Scheme is expected to stimulate innovation, technology adoption, and job creation in multiple industries, thereby driving economic growth.
- Challenges related to infrastructure, logistics, regulatory compliance, and global supply chain disruptions are also addressed in the context of implementing the PLI Scheme effectively.

https://www.fortuneindia.com/long-reads/pli-powers-manufacturing/115322#:~:text=PLI%20Scheme%20for%20pharmaceuticals%20was,government%20update%20in%20February%2Dend.

3. India’s electric rickshaws are leaving EVs in the dust

- YC Electric, a significant player in India's e-rickshaw market, sold over 40,600 e-rickshaws in 2023. In a single month in 2023, over 44,000 e-rickshaws were sold by around 500 manufacturers. Electric rickshaws have a 60% market share in the segment compared to mid-single digits for electric 2 and 4 wheelers.
- YC Electric and other manufacturers maintain a minimal brand recognition, focusing on the utility and durability of vehicles rather than aesthetics.

AI Generated

- Government subsidies and exemptions from obtaining permits for EVs have spurred growth. Local manufacturing is encouraged through policies favoring domestic production.
- The company benefits from technological collaborations with Chinese partners, although geopolitical issues have occasionally hampered these relationships.

https://restofworld.org/2024/e-rickshaw-yc-electric-india/

4. Its too late to China-Proof the lithium supply chain

- “Big Mistakes”, authored by Michael Batnick, shows even the best investors make costly mistakes. It tells the stories about how some of the most famous, and infamous, investors failed miserably and the lessons we can learn from their biggest mistakes.
- The article has excerpts from the books with investors like Ben Graham, Jesse Livermore, John Merriwether, Jack Bogle among others recounting their mistakes.

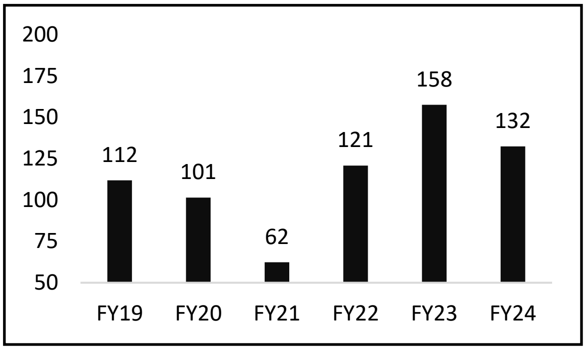
AI Generated

- Mistakes often teach us more about investing than successes. The mistakes need not be your own and learning from others’ mistakes can help. The author recounts some of the mistakes made by some of the greatest investors.
- The mistakes made by some of these famous investors included extreme faith in value investing (Ben Graham- crash of 1929-32), obsessive trading (Jesse Livermore), extreme leverage (LTCM- John Meriwether), trend following (Jack Bogle), extrapolating to other assets (Steinhardt) and much more.

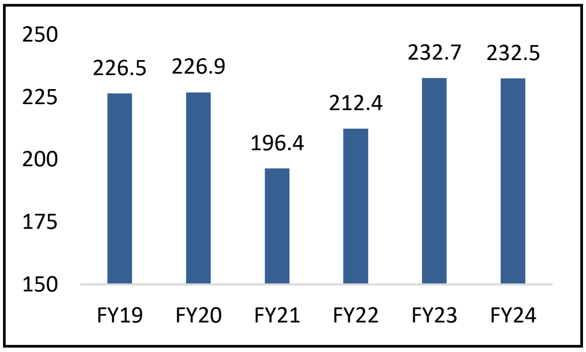
https://novelinvestor.com/notes/big-mistakes-the-best-investors-and-their-worst-investments-by-michael-batnick

1. Riding the Russian wave: Indian crude oil import bill drops 16% in FY24

India's crude oil imports ($bn)



India's crude oil imports (mn metric tons)

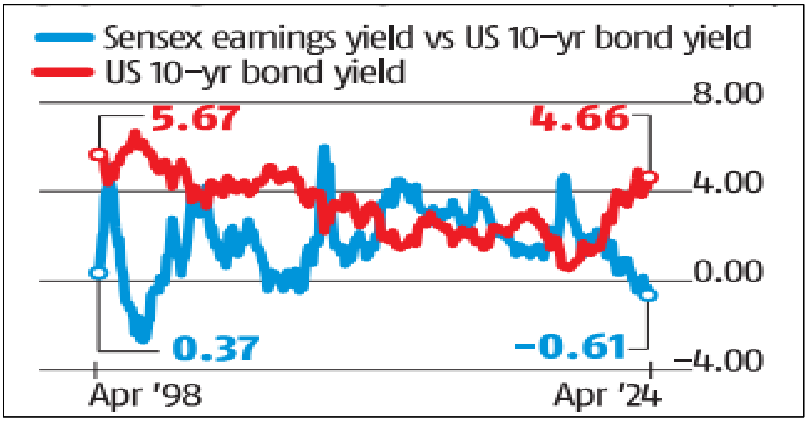


Source: Business Standard, Petroleum Planning & Analysis Cell

- India's crude oil import bill fell by **16% YoY** to **$132 bn** in FY24 from **$158 bn** in FY23
- However, import volumes remained flat at **~233 mn metric tonnes** in FY24
- Fall in crude oil import bill in value terms was led by **discounts on Russian crude**
- Russia has remained India's largest supplier of crude oil for **last 18 consecutive months**
- India's crude oil import dependency hit a **fresh high of 87.7%** in FY24, up from 85.5% in FY22

2. Sensex earnings v/s US bonds: Narrowest gap since 2000

Sensex earnings vs. US 10 yr yield gap (figures in %)

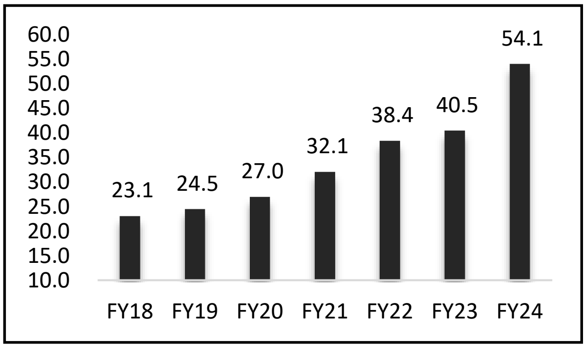


Source: Business Standard, Bloomberg, BSE Note: Data until Apr 22, 2024

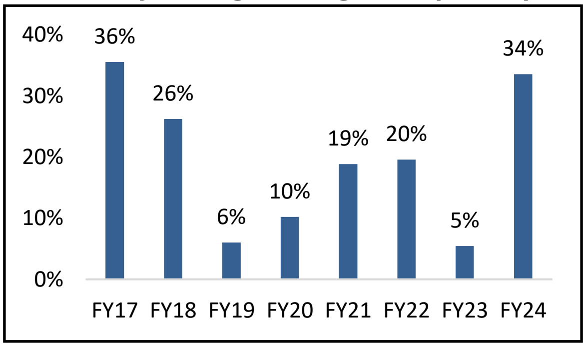
- Yield spread between Sensex earnings and US 10yr bond has now reached its **lowest point** since **2000**
- Yield spread narrowed to **-0.61%** as of 22nd Apr'24 vs. **a 20-year** avg. spread of **2%**
- Combination of **high equity valuations** in India and **rise in US bond yields** has led to this fall in spread
- During last 1 year (since Apr'23), Sensex earnings (inverse of P/E ratio) yield has fallen by **40 bps to 4%,** while US 10yr yield has risen by **120 bps to 4.6%**

3. Money in motion: MF assets soar to new heights, up 34% in FY 24

MF industry average AUM (Rs lac cr)



MF industry average AUM growth (% YoY)



Source: BS, AMFI. Note: Avg. AUM for Q4 of financial year

- Assets managed by domestic MFs rose by 34% YoY during FY24, highest growth since FY17
- Growth driven by sharp rally in equity market and robust inflows
- Average MF AUM for Q4 FY24 stood at Rs. 54.1 lakh cr vs. Rs. 40.5 lakh cr in Q4 FY23
- FY24 marked 12th consecutive year of AUM growth for MF industry
- Largest AMC – SBI with average AUM of Rs. 9.1 lakh cr in Q4 FY24

4. Fiscal fitness: GST-to-GDP ratio shows steady rise

Steady rise in GST-GDP ratio over the years

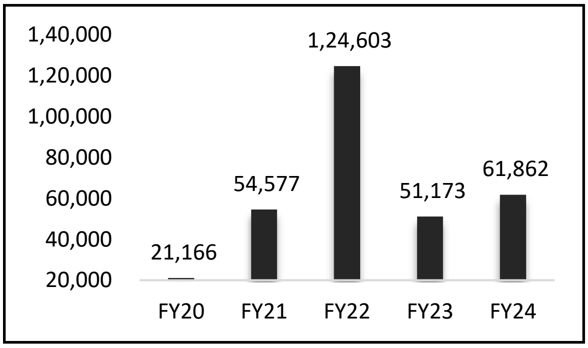
	Gross GST Collection (Rs. lakh cr)	GDP at Current Prices (Rs. lakh cr)	GST-GDP Ratio (%)
FY19	11.8	189.0	6.2%
FY20	12.2	201.0	6.1%
FY21	11.4	198.5	5.7%
FY22	14.8	236.0	6.3%
FY23	18.1	269.5	6.7%
FY24	20.2	293.9	6.9%

Source: Business Standard, Finance Ministry, MoSPI Note: FY24 GDP data as per 2nd advance estimates

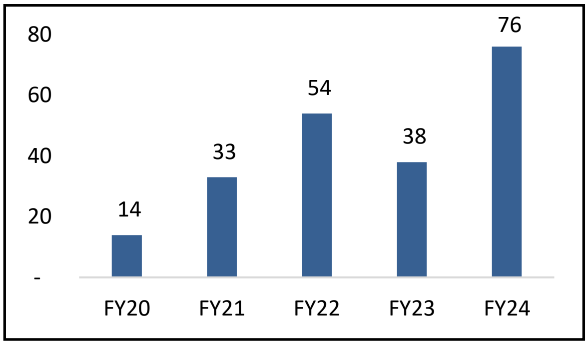
- Gross GST collection grew by 11.6% YoY to Rs. 20.2 lakh cr in FY24
- GST collection in Mar'24 was 2nd highest at Rs. 1.78 lakh cr
- GST collection as a share of GDP has been steadily rising over the years
- During FY24, GST-GDP ratio stood at 6.9%, up from 6.1% in FY20
- GST buoyancy (change in GST w.r.t change in GDP) in FY24 stood at 1.3 vs. 1.5 in FY23 and 1.6 in FY22

5. Capital crush: Companies flock to IPOs for record raises

Amount raised through IPOs in India(Rs cr)



Yearly trend of no of IPOs in India

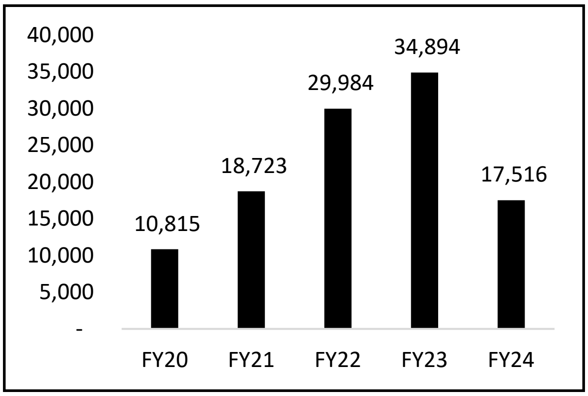


Source: BS, Pantomath Capital Report

- 76 companies raised Rs. 61,862 cr through IPOs in FY24, a rise of 21% YoY
- Avg. 1st day gains for companies that got listed in FY24 stood at 28%
- 55 out of 76 companies (over 70%) listed in FY24 are still trading above their issue price
- At present, 56 companies have filed their offer documents with SEBI, aiming to raise Rs. 70,000 cr
- Market experts believe that equity raise through IPOs in FY25 could exceed Rs. 1 lakh cr

6. Capital crossroads: Banks see 50% drop in AT-1 raise in FY 24

AT-1 bonds issued by Indian banks (Rs cr)



Source: Business Standard, Prime database

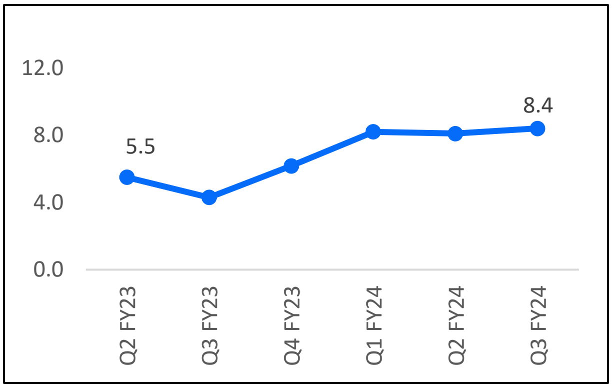
- Indian banks raised Rs. 17,516 cr via Additional Tier-I (AT-1 or perpetual) bonds in FY24, down by 50% YoY
- SBI accounted for the largest share at Rs. 8,101 cr (~46%) in FY24
- As per market experts, banks' dependence on AT-1 bonds reduced in FY24 supported by improved profitability and lower redemptions
- As per Care Ratings, median Capital Adequacy Ratio (CAR) of banks stood at 15.9% as of Dec 2023, comfortably above regulatory requirement of 11.5%

Index Performance (30-Apr-24)

Scheme Name	1 M	3 M	6 M	1 Y	2 Y	3 Y	5 Y	10 Y
NIFTY 50	1.2	4.0	18.5	24.9	14.9	15.6	14.0	12.9
S&P BSE SENSEX	1.1	3.8	16.6	21.7	14.2	15.1	13.8	12.7
S&P BSE 500	3.4	5.9	24.6	36.5	18.6	18.9	16.7	14.8
S&P BSE Mid-Cap	7.1	8.6	34.8	64.6	31.2	27.5	23.1	19.1
S&P BSE Small-Cap	9.6	3.5	28.2	63.0	28.5	29.7	26.4	20.2
NIFTY AUTO	5.0	16.9	41.2	69.7	42.3	32.6	21.9	14.4
NIFTY BANK	4.8	7.4	15.3	14.1	16.9	14.6	10.6	14.4
Nifty Financial Services	4.1	6.6	13.7	13.9	14.5	12.0	11.7	15.2
NIFTY FMCG	0.5	-1.5	5.8	13.3	19.1	17.3	12.3	11.9
NIFTY Infrastructure	2.9	9.1	40.7	59.5	29.2	28.3	22.5	12.6
NIFTY IT	-4.9	-9.4	8.6	19.6	2.5	9.0	14.7	13.6
NIFTY MEDIA	5.4	-12.0	-13.9	10.3	-6.1	6.9	-4.7	0.8
NIFTY METAL	11.1	15.1	42.2	57.6	20.4	23.7	24.3	13.9
NIFTY NEXT 50	7.1	17.4	47.4	63.6	23.5	23.1	18.5	16.9
NIFTY PHARMA	-0.1	5.8	29.2	49.9	18.7	12.1	15.1	8.9
NIFTY PRIVATE BANK	4.2	4.0	10.3	12.0	15.7	11.7	7.9	0.0
NIFTY PSU BANK	8.5	21.3	54.1	81.6	65.8	54.6	20.0	9.8
NIFTY REALTY	8.1	13.7	61.4	117.3	47.9	46.4	30.3	18.4
S&P BSE Consumer Durables	5.6	9.6	24.6	43.4	13.7	19.5	18.2	23.8
S&P BSE OIL & GAS Index	4.8	11.8	58.9	58.0	21.8	24.5	13.5	11.7
S&P BSE Power Index	7.7	14.3	62.9	91.8	22.9	42.7	29.6	15.6
S&P BSE Telecom	8.4	11.7	35.8	68.2	23.9	26.3	22.6	8.1

Data as on 30th Apr 2024. Returns less than 1 year are in absolute terms and greater than 1 year are CAGR
Source: ACE MF

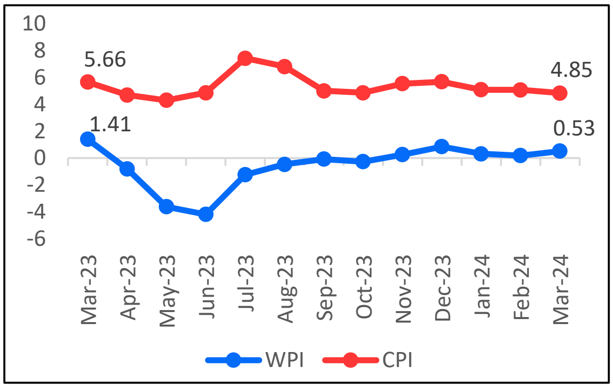
GDP Growth (% YoY):



	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24
GDP Growth (% YoY)	5.5	4.3	6.2	8.2	8.1	8.4

Source : MoSPI

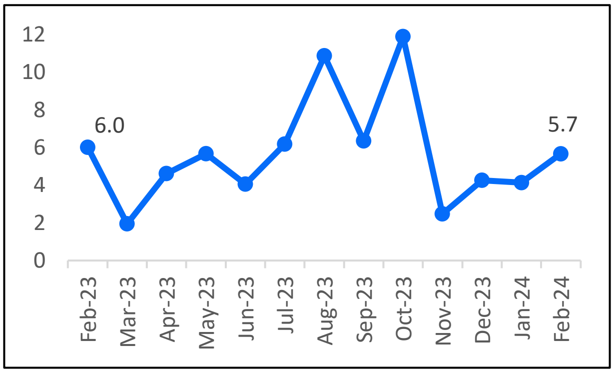
Inflation (% YoY):



	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
WPI (% YoY)	1.41	-4.18	-0.07	0.86	0.53
CPI (% YoY)	5.66	4.87	5.02	5.69	4.85

Source : MoSPI

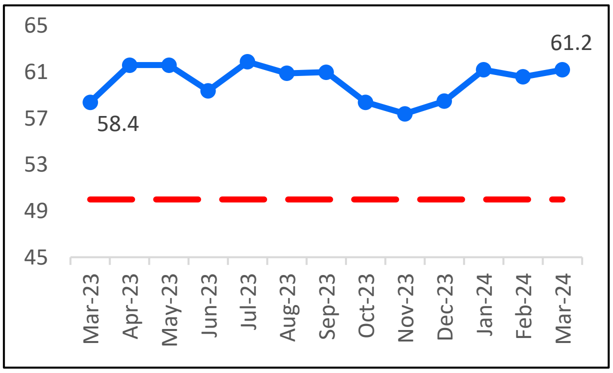
Industrial Production Growth (% YoY):



	Feb-23	May-23	Aug-23	Nov-23	Feb-24
IIP (% YoY)	6.0	5.7	10.9	2.5	5.7

Source : MoSPI

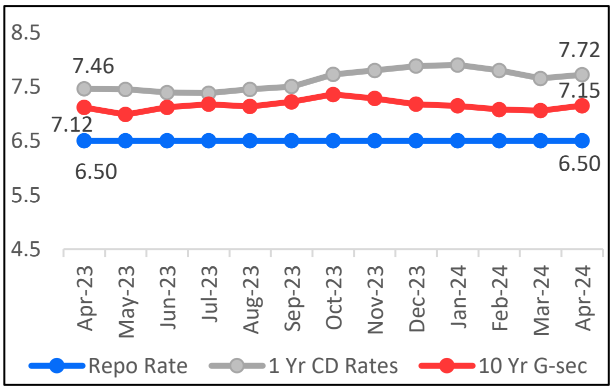
India Composite PMI:



	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Composite PMI	58.4	59.4	61.0	58.5	61.2

Source :S&P Global

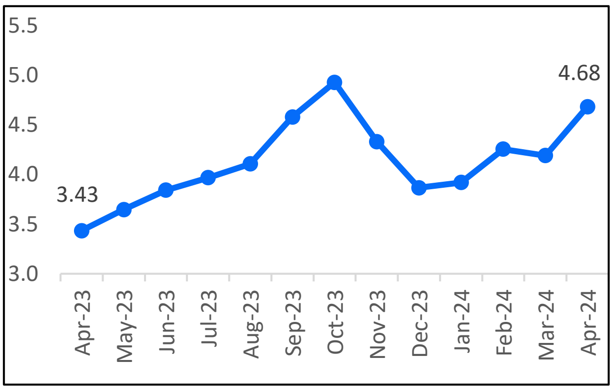
Domestic Yield Movement:



	Apr-23	Jul-23	Oct-23	Jan-24	Apr-24
Repo	6.50	6.50	6.50	6.50	6.50
1 Yr CD	7.46	7.38	7.73	7.90	7.72
10 Yr Gsec	7.12	7.17	7.36	7.14	7.15

Source : investing.com, RBI, Bloomberg

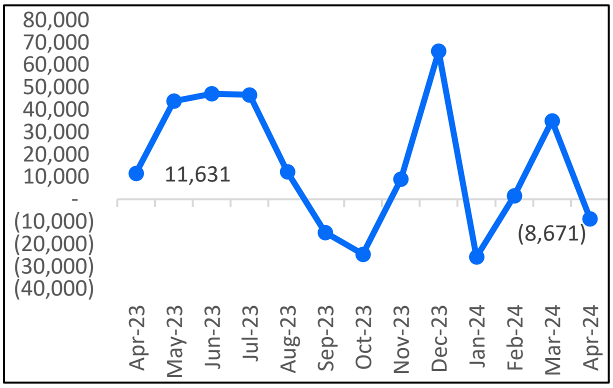
10 Year US Treasury Yield Movement:



	Apr-23	Jul-23	Oct-23	Jan-24	Apr-24
US 10Yr Yield	3.43	3.97	4.93	3.92	4.68

Source : investing.com

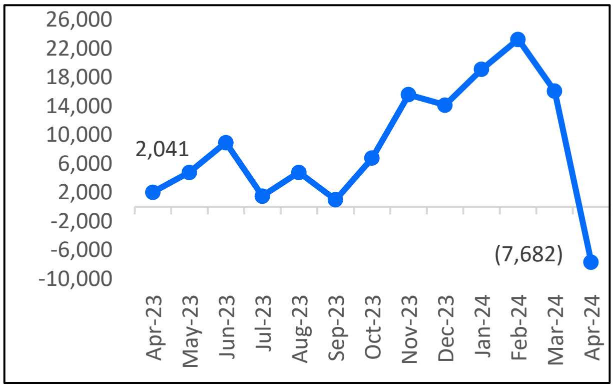
FII Equity Flows (Rs cr):



	Apr-23	Jul-23	Oct-23	Jan-24	Apr-24
FII Equity Flows	11,631	46,618	-24,548	-25,744	-8,671

Source : NSDL

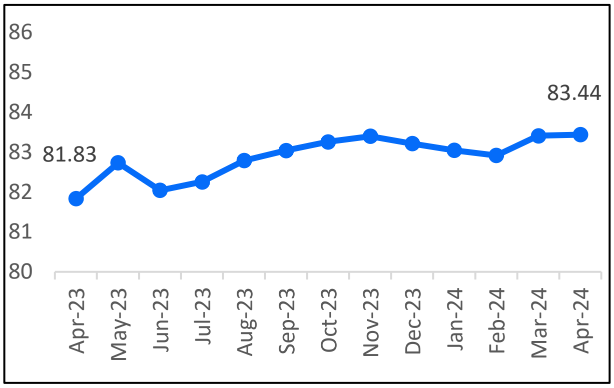
FII Debt Flows (Rs cr):



	Apr-23	Jul-23	Oct-23	Jan-24	Apr-24
FII Debt Flows	2,041	1,499	6,788	19,127	-7,682

Source : NSDL

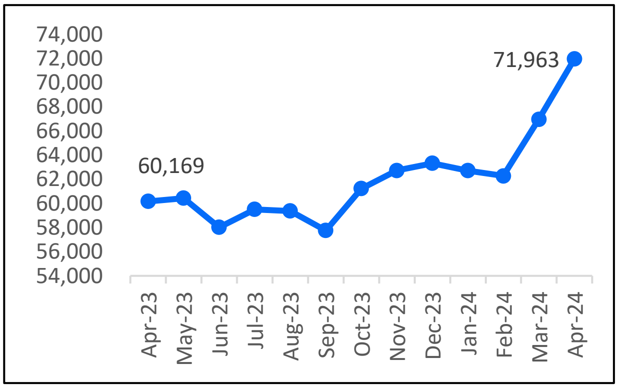
USD vs. INR:



	Apr-23	Jul-23	Oct-23	Jan-24	Apr-24
$ vs. ₹	81.83	82.25	83.26	83.04	83.44

Source : Bloomberg

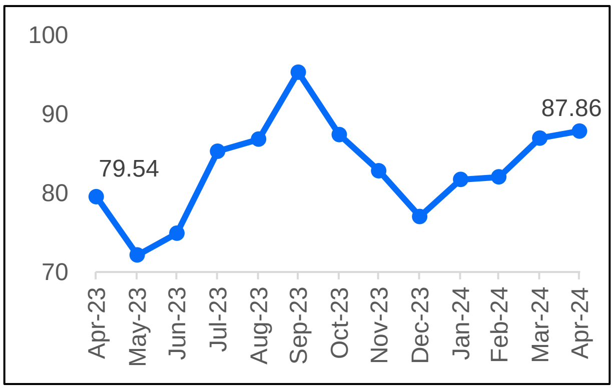
Gold Price (Rs/10gm):



	Apr-23	Jul-23	Oct-23	Jan-24	Apr-24
Gold Price	60,169	59,505	61,238	62,715	71,963

Source :IBJA

Brent Crude (USD/Barrel):



	Apr-23	Jul-23	Oct-23	Jan-24	Apr-24
Brent Crude	79.54	85.31	87.41	81.71	87.86

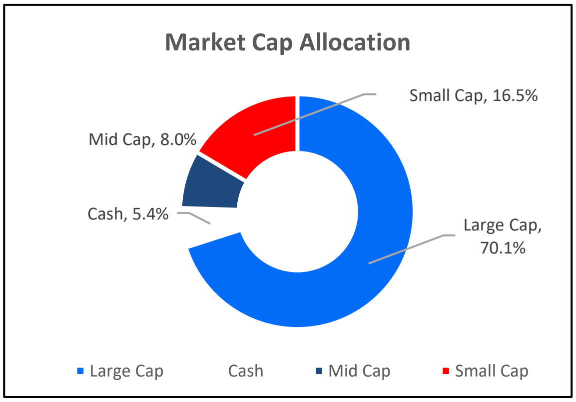
Source : investing.com

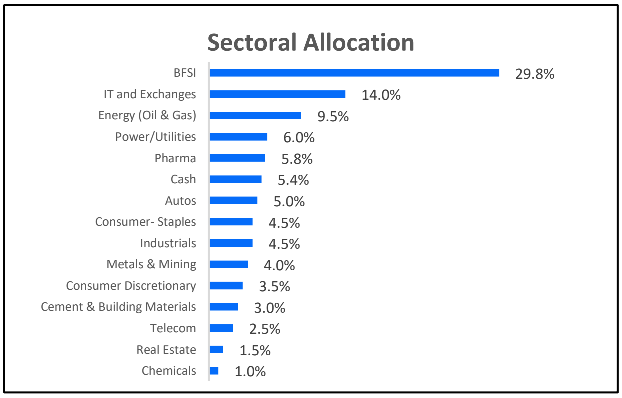
IE Model Portfolio

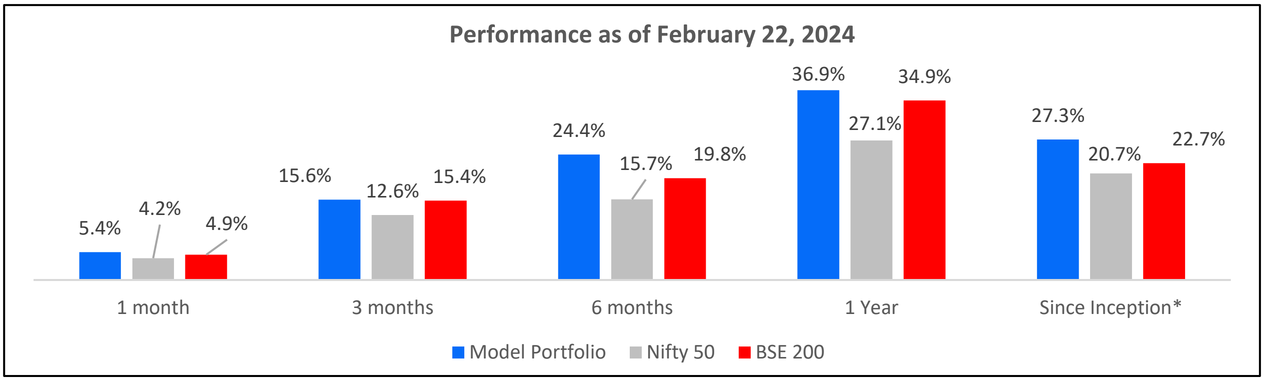
Portfolio Details:

Stock	%
HDFC Bank	11.6%
ICICI Bank	6.5%
Infosys	6.0%
Cash	5.4%
Reliance Industries	5.0%
Axis Bank	3.5%
ITC	3.5%
State Bank of India	3.0%
Larsen & Toubro	3.0%
Maruti Suzuki India	2.5%
Bharti Airtel	2.5%
Tata Consultancy Services	2.0%
Tata Steel	2.0%
NTPC	2.0%
PG Invit	2.0%
Federal Bank	1.5%
ICICI Prudential LI Co.	1.5%
Crompton Consumer	1.5%
Ashoka Buildcon	1.5%
Sobha	1.5%
Sun Pharmaceutical Industries	1.5%
Cipla	1.5%
SBI Life	1.2%
Mahindra & Mahindra	1.0%
Motherson Sumi Wiring India	1.0%
Canfin Homes	1.0%

Stock	%
United Spirits	1.0%
TV18	1.0%
PVRInox	1.0%
HCL Technologies	1.0%
Mphasis	1.0%
Tech Mahindra	1.0%
MCX	1.0%
BSE	1.0%
Teamlease	1.0%
Oil & Natural Gas Corp	1.0%
GAIL India	1.0%
Indraprastha Gas	1.0%
Mahanagar Gas	1.0%
Hindalco Industries	1.0%
SAIL	1.0%
J K Lakshmi	1.0%
Stylam Industries	1.0%
Dalmia Bharat	1.0%
Aarti Industries	1.0%
PGCIL	1.0%
CESC	1.0%
Torrent pharma	1.0%
Divis labs	1.0%
Dr Reddy's Laboratories	0.8%
Hero MotoCorp	0.5%
Bharat Petroleum Corp	0.5%





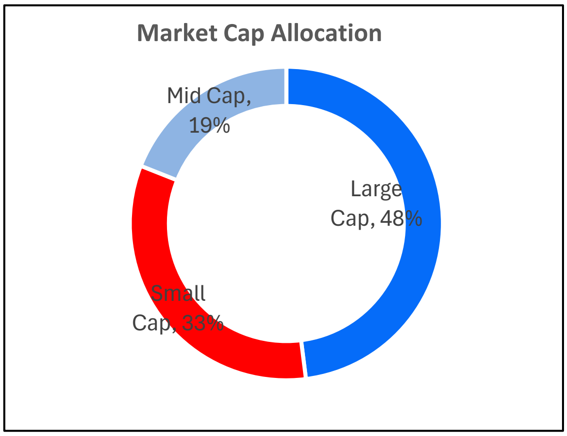


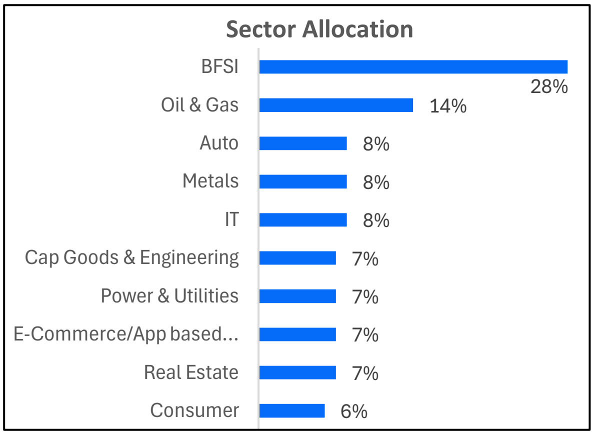
Details as of 22nd Feb, Returns in absolute terms except since inception. Inception date – 28-Feb-20, *Annualized

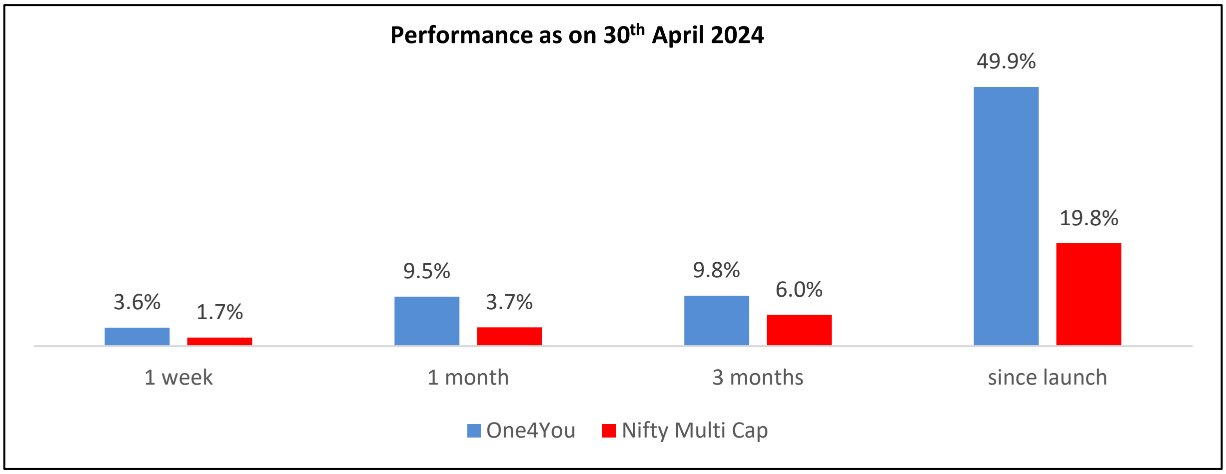
One4You

Portfolio Details:

Stock	%
Tech Mahindra	8.0%
Tata Steel	8.0%
Sobha Developers	7.0%
Info Edge (India)	7.0%
MCX	6.0%
Indraprastha Gas	6.0%
GAIL (India)	8.0%
ICICI Lombard General Insurance	8.0%
ICICI Bank	8.0%
Federal bank	6.0%
Hero MotoCorp	8.0%
Crompton Greaves Consumer Electricals	6.0%
CESC	7.0%
Ashoka Buildcon	7.0%







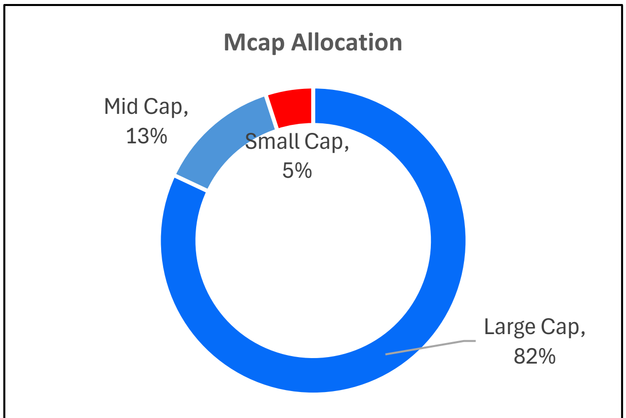
Details as of 30th April 2024, Returns in absolute terms. Inception date – 13-Sep-23,

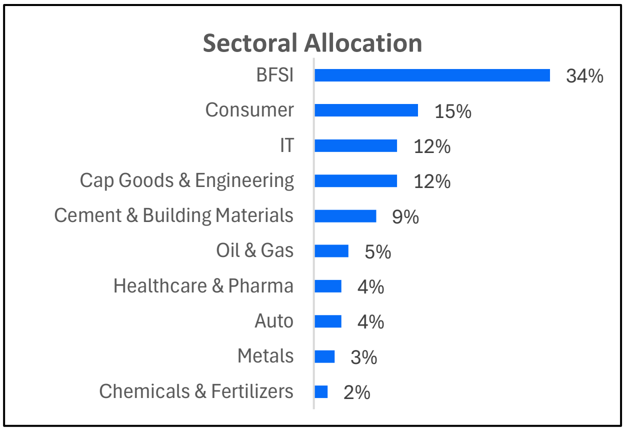
India Horizons - Bellwether Portfolio

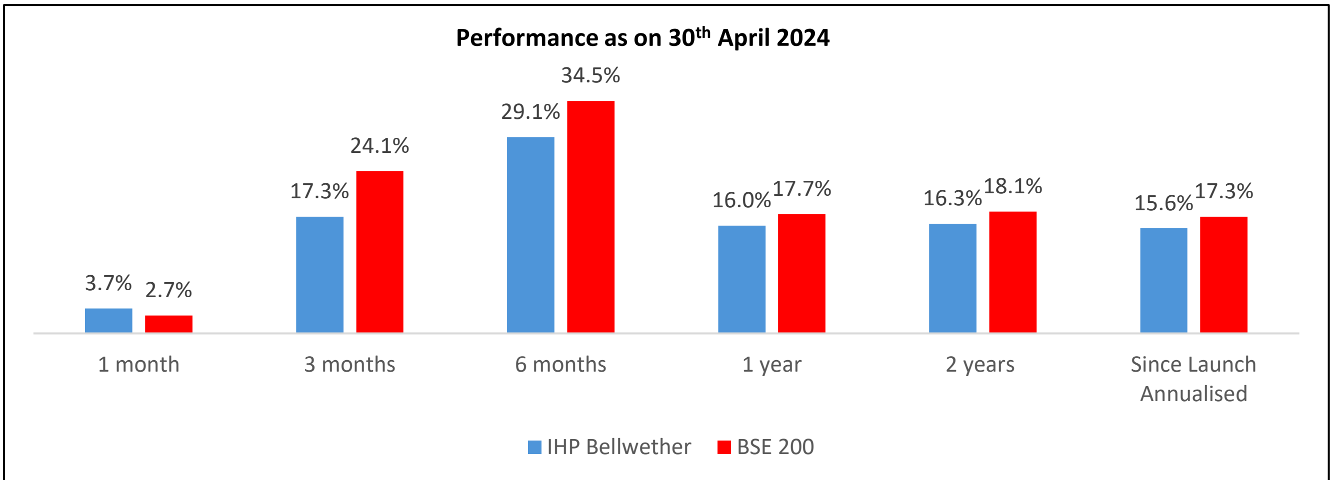
Portfolio Details:

Stock	%
SBI	6.0%
SBI Life Insurance	6.0%
ITC	5.0%
ICICI Bank	5.0%
Ultratech Cement	5.0%
Kotak Bank	5.0%
Marico	5.0%
United Spirits	5.0%
Reliance Industries	5.0%
Bank Bees	5.0%
L&T	5.0%
Maruti Suzuki	4.0%

Stock	%
Havells	4.0%
Kajaria Ceramics	4.0%
Infosys	4.0%
LTI Mindtree	4.0%
TCS	4.0%
Dr Reddy's Laboratories	4.0%
Bharat Forge	3.0%
Muthoot Finance	3.0%
Nippon Life AMC	3.0%
KNR Construction	3.0%
Sudarshan Chemicals	2.0%
Jio Financial Services	1.0%





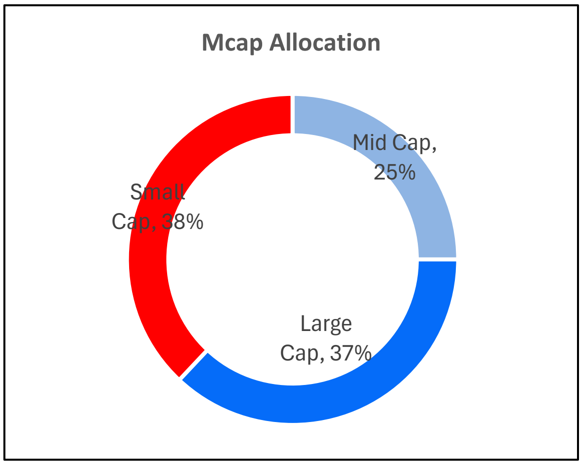


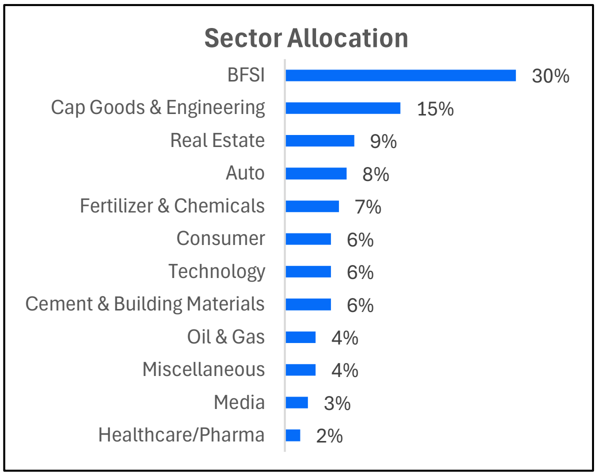
Details as of 30th April 2024, Returns in absolute terms except since inception. Inception date – 6-Apr-21, *Annualized Returns are provisional

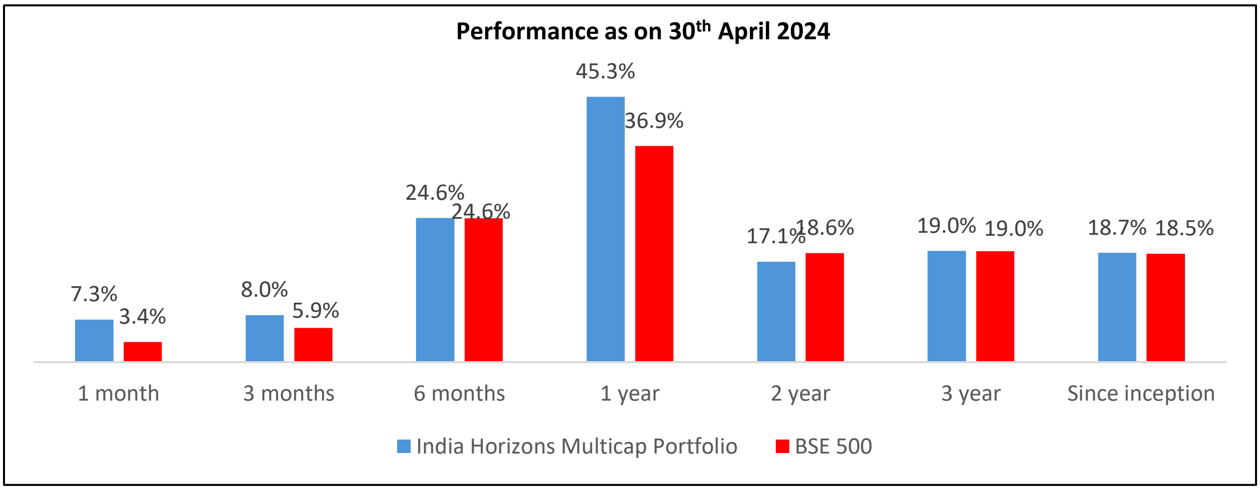
Portfolio Details:

Stock	%
Phoenix Mills	5.0%
Axis Bank	5.0%
Kotak Bank	5.0%
KEI Industries	5.0%
SBI	5.0%
Navin Fluorine	5.0%
Supreme Industries	4.0%
Uno Minda	4.0%
L&T	4.0%
Gabriel India	4.0%
Angel One	4.0%
Reliance Industries	4.0%
Godrej Properties	4.0%
ICICI Pru Life	4.0%

Stock	%
Bank of Baroda	4.0%
Birla Corporation	3.0%
Infosys	3.0%
PNC Infra	3.0%
Somany Ceramics	3.0%
Bank Bees	3.0%
Indiamart Intermesh	3.0%
Crompton Consumer	3.0%
GR Infra	3.0%
Saregama India	3.0%
Voltas	3.0%
Atul	2.0%
Laurus Labs	2.0%







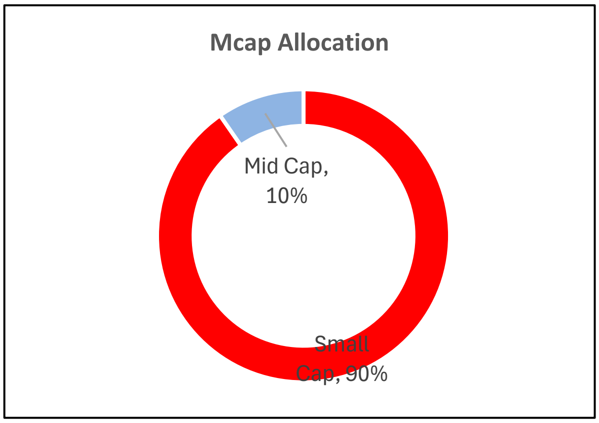
Details as of 30th April 2024, Returns in absolute terms except since inception. Inception date – 6-Apr-21, *Annualized Returns are provisional

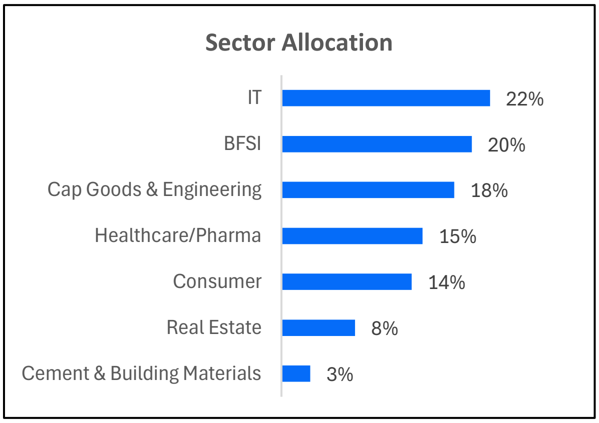
Nucleus Small Cap Portfolio

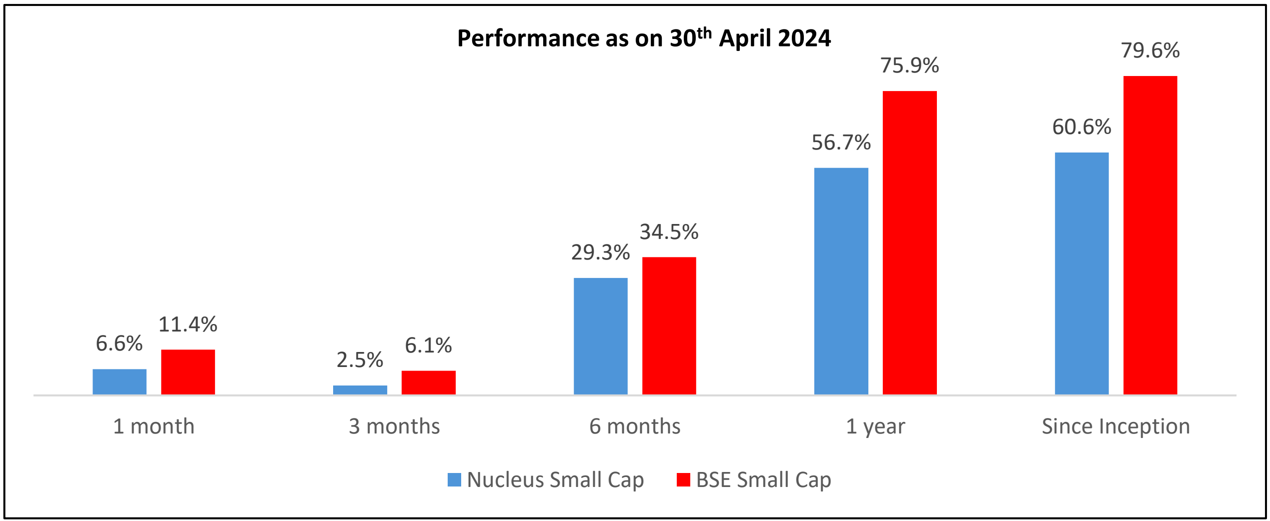
Portfolio Details:

Stock	%
MCX	8.1%
Brigade Enterprises	7.8%
J B Chem & Pharma	7.7%
Blue Star	7.6%
Krishna Institute of Medical Sciences	7.3%
Cyient	7.0%
Birlasoft	6.9%
KEI Industries	6.9%
Equitas SFB	6.7%
ratnamani Metals	6.4%

Stock	%
Cholamandalam Financial Holdings	4.9%
Westlife Foodworld	4.3%
JK Lakshmi Cement	3.1%
PNC Infra	2.9%
Can Fin Homes	2.9%
CreditAccess Grameen	2.7%
Karur Vyasya Bank	2.0%
Carborundum Universal	2.0%
Radico Khaitan	2.0%
BSE Ltd.	1.0%

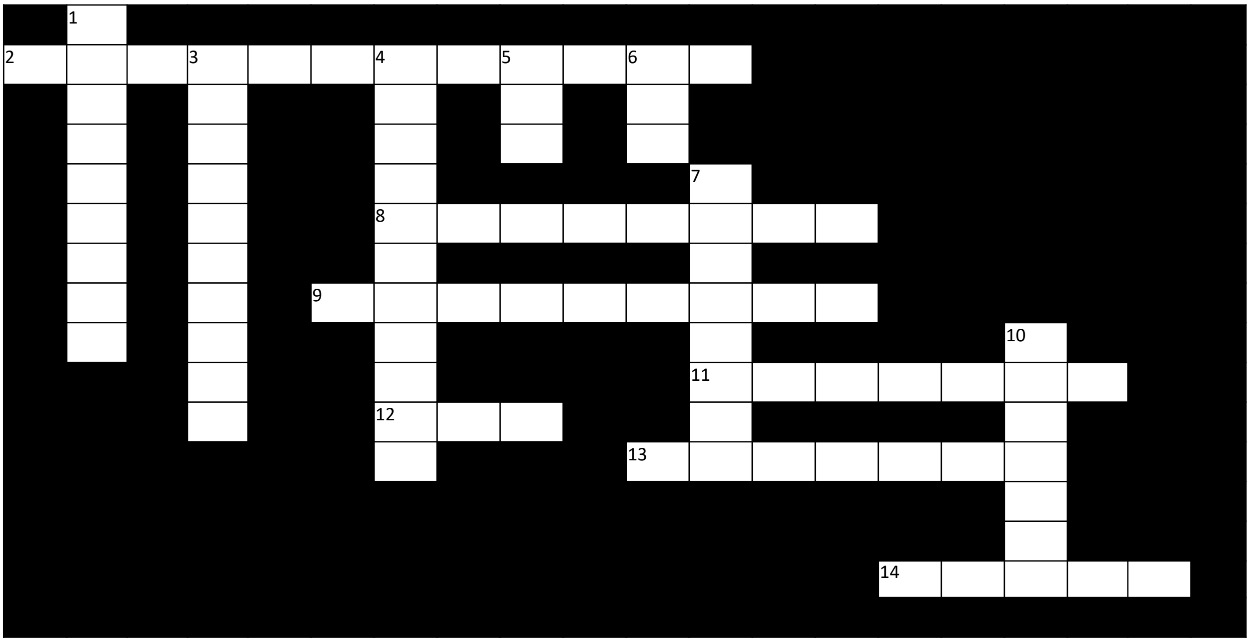






Details as of 30th April 2024, Returns in absolute terms. Inception date – 16-Feb-23

Crossword



Across

- **2** The difference in yield between different types of bonds.(6,6)
- **8** Use of borrowed funds to increase the potential return of an investment.(8)
- **9** To compensate for a damage or loss actually incurred(9)
- **11** Giving financial assistance to a failing business or economy to save it from collapse(7)
- **12** Bad Loans (Acronym)(3)
- **13** Money kept in any bank account(7)
- **14** Represents an economic resource that has value.(6)

Down

- **1** _______ funds leverage the price differential in the cash and derivatives market to generate returns(9)
- **3** ____ -____ ratio measures a company's financial leverage.(4,6)
- **4** When an economy slows its growth rate without entering a recession.(4,7)
- **5** Company's net income divided by its shareholders' equity(acronym)(3)
- **6** Price at which a dealer will sell a security(3)
- **7** Costs that vary with change in production or sales(8)
- **10** Duty charged on imported goods(7)

Note : Solution for the above crossword will be provided in next month's newsletter

CROSSWORDS

Where words meet wit

AI Generated

Answers to last month's crosswords:

Across		Down	
13	Fiscal Policy	5	Bonus
9	Guarantee	15	Intrinsic Value
10	Green Bond	3	ADR
5	SWIFT	10	Delinquent
11	Counterfeit	11	Yield curve
6	Sharpe	5	Crash
4	ELSS	5	CIBIL

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