

THE WEALTHY TIMES

**ONLY AN INFORMED DECISION CAN MAKE YOU WEALTH.
STAY HUNGRY. STAY WEALTHY.**

***Navigating through Market
Volatility & Political Shifts***

Dear Patron,

The just concluded 1st Quarter of FY 2024 was full of action. It had something for everyone. The lengthy 7-phase General Elections culminated in somewhat surprising results on June 4th. This political activity led to a volatile equity market, with wild swings that would make even the most seasoned investors jittery. On the day of the results, as the numbers started rolling out, the markets reacted to the unfolding surprise for the previous ruling BJP government, which lost its majority and had to form a coalition government. The markets saw a sharp intraday fall of almost 1900 points (or -8.1%) on the Nifty 50. Thankfully, sanity prevailed, and the Nifty regained all its losses in the next 2-3 days, considering the continuity of the NDA government without any leadership change.

We are halfway through the calendar year 2024, and it's a good time to reflect on the year so far and focus on the remaining half. The Nifty 50 Index has generated a handsome **10.49%** return since January this year. Despite FIIs remaining net sellers so far, Indian investors have been holding the fort with strong inflows month on month. Monthly SIP inflows through MFs have grown consistently, reaching INR 20,904 Crore by the end of May '24. This demonstrates the immense faith our investors have in our economy right now, even though PE valuations are at 22+ levels, closer to or above the 15-year long-term moving average (LMA).

	January	February	March	April	May	June	CY24
Nifty	-0.03%	1.18%	1.57%	1.24%	-0.52%	6.57%	10.49%
FII	-28462.80	-735.36	24970.99	-21523.97	-30397.67	24145.45	-32003.36
DII	23010.60	14295.40	44233.40	30995.40	47666.20	20359.00	180560.00
Total	-5452.20	13560.04	69204.39	9471.43	17268.53	44504.45	148556.64
NIFTY PE	22.86	22.66	22.52	23.07	21.56	22.18	22.48

Events to watch out for

- The Budget – With the budget session kicking off on July 22nd, anticipation raises both hope and fear among investors. Some volatility is expected before the budget is released.
- The US Elections – This is a crucial year for elections globally, and the US elections are particularly significant. The race to the White House has never been watched as anxiously as it is now.
- The UK Elections – Although the impact on domestic markets may not be substantial, this is still an event to watch.
- The Rate Cuts – The Federal Reserve meeting at the end of July. Rumors of an anticipated rate cut are circulating, as always. We must adopt a wait-and-watch approach.

In discussions with many fund managers, there is a consistent message: CAUTION is definitely warranted. Some portfolio managers are becoming more cautious by increasing their cash positions or diversifying into large caps. We at PMStimes also believe it is time to practice caution while investing going forward. Staggered investing makes more sense than committing all at once.



Harbir Singh
CEO and Co-Founder
PMStimes.in

Markets At A Glance



DOMESTIC MARKETS		
INDICES	1 MoM (Dec'23)	1 YoY (1 Year)
SENSEX	6.86%	21.21%
NIFTY	6.57%	24.26%
NIFTY BANK	6.86%	15.91%
NIFTY MIDCAP 100	7.80%	55.50%
NIFTY SMALLCAP 100	9.71%	66.98%

COMMODITIES		
COMMODITIES	1 MoM (NOV'23)	1 YoY (1 Year)
GOLD \$	-0.29%	21.22%
SILVER \$	-2.89%	27.90%
CRUDE WTI \$	5.91%	16.84%
BRENT CRUDE \$	5.87%	15.75%
Natural Gas \$	0.54%	-3.99%

BOND	YTM	% Change (MoM)
INDIA 10 Yr	6.996	0.315%
INDIA 05 Yr	7.024	-0.454%
INDIA 03 Yr	7.002	-1.078%
U.S. 10 Yr	4.311	-2.012%
U.K. 10 Yr	4.147	-3.423%
JAPAN 10 Yr	0.995	-1.116%
HK 10 Yr	3.63	-8.060%
CHINA 10 Yr	2.275	-4.828%

GLOBAL MARKETS		
MARKETS	1 MoM (Dec'23)	1 YoY (1 Year)
DOW JONES	1.12%	13.66%
NASDAQ	5.96%	28.34%
S&P 500	3.47%	22.55%
FTSE	-1.34%	8.46%
SHANGHAI	-3.87%	-8.53%
NIKKEI	2.85%	17.27%
HANG SENG	-2.00%	-8.23%
DAX	-1.42%	13.40%
KOSPI	6.12%	7.51%

CURRENCY	1 MoM (Dec '23)	1 YoY (1 Year)
USD vs INR	-0.08%	1.72%

FII + DII ACTIVITY (Net)		EQUITY
FII (Rs Crore)	24145.45	
DII (Rs Crore)	20,359.00	
NET (Rs Crore)	44504.45	

FII + DII ACTIVITY (Net on 29/11/23)		DEBT
FII (Rs Crore)	17,823.40	
DII (Rs Crore)	-5,130.30	
NET (Rs Crore)	12,693.10	



BEST PERFORMING PORTFOLIO

Data as on May 2024

Portfolio Name	Portfolio Strategy	1 Yr Rtrn
G L Capital Growth Fund	MID & SMALLCAP	120.89%
Invasset LLP Growth Fund	MULTICAP	115.57%
ACMIIL ACE Midcap	MIDCAP	102.03%
ACMIIL ACE Multicap	MULTICAP	97.95%
CARNELIAN YnG STRATEGY	LARGE & MIDCAP	83.50%
G L Capital Alpha Fund	LARGE & MIDCAP	81.93%
Care PMS Large & Midcap	LARGE & MIDCAP	77.00%
EQUITREE EMERGING OPPORTUNITIES	SMALLCAP	76.75%
Turtle Profit Mantra	FLEXICAP	76.10%
ACMIIL ACE Regular Income	MULTIASSET	75.76%
BSE500 TRI		34.70%
Nifty 50 TRI		23.02%

Benchmark: BSE500 TRI & NIFTY 50 TRI

Data as provided by Fund house

PMStimes CONSONANCE 4th Edition



The 4th Edition of Consonance by PMStimes was successfully conducted at Ludhiana on 21st of June 2024. The event was in association with The Times Group and CICU (and Industry Body for SME).

Meet The Experts

In the 4th edition of Consonance, 4 Portfolio Managers participated sharing their insights about the Markets, Economy, Quant and AIML, and SME IPO Listings for the Audience which were Industrialists from Ludhiana. All four of them veterans from different Portfolio Management styles and varied backgrounds ensured the audience had a lot to take away home from the event.



***Learn as though you would never be able to master it;
hold it as though you would be in fear of losing it. ~ Confucius***



Mr. Upkar Singh Ahuja - President CICU
with Mr. Varun Pal - Co Founder
PMStimes



Mr. J R Singhal of Eastman Industries
with Team PMStimes and Mr. Iqbal
Singh



Mr. Anil Rego
Right Horizons



Mr. Gurvinderjit Juneja
Fortuna Advisors



Mr. Deepak Sheoy
CapitalMind Wealth



Mr. Iqbal Singh
IFM Wealth and Acepro PMS



Panel Discussion



Panel Discussion



Mr. Sarvjit Singh



A packed House



Mr. Surjeet Budhiraja



Team PMStimes

Dear Readers,

June proved to be a remarkable month for the stock markets, with the Nifty and broader markets soaring by over 7%. Initial concerns triggered by the election results were short-lived, as investors focused on the stability and potential for less aggressive tax policies, which bode well for growth and equity markets. Global markets were stable, with an upward trend, further supporting the Indian markets.

The elections were a significant event, influencing market sentiments. Post-elections, several states initiated competitive appeasement policies aimed at boosting consumption growth in the short term. However, these measures also suggest a return to fiscal profligacy and a reduction in funds available for development projects. Notably, the governments of Telangana and Maharashtra, from different political backgrounds, announced substantial giveaways worth Rs 31,000 crores and Rs 46,000 crores, respectively. This shift marks the end of a decade of relatively low populism and the start of a new cycle. While these policies might limit capital expenditure, they could also lead to a faster-than-expected recovery in consumption.

The sharp market rally in June has pushed gains to around 11% for the first half of the year, with the Market Capitalization to GDP ratio nearing 150%. As this ratio climbs, the potential for near-term returns diminishes, and we currently expect market returns of zero to 5% in the second half of the year. Despite muted overall returns, robust economic growth between 7.5% and 8% will present investment opportunities in specific stocks and sectors.

Another crucial development in June was the growing divergence among Monetary Policy Committee (MPC) members regarding interest rate direction. While the general direction remains clear, with interest rates appearing to have peaked, the timing and pace of easing are uncertain. Two MPC members now favor a change in stance, indicating that the rate cut cycle could commence soon.

June saw fewer corporate news updates as most company results were released earlier. Economic indicators like industrial production and CPI inflation met expectations. In terms of sector performance, there was a notable shift back to private sector banks from public sector banks. This trend may continue as the valuation gap between large private sector banks and smaller banks has significantly narrowed over the past two years. The government's emphasis on the defense sector, railways, manufacturing, and infrastructure will likely sustain and offer investment opportunities.

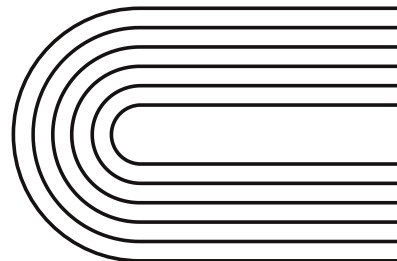
Recent state tax cuts, potential tax rate reductions in the upcoming budget, and moderating inflation create promising prospects for the consumer goods sector. The telecom sector is also expected to perform well, as the major companies in the industry focus on profitability.

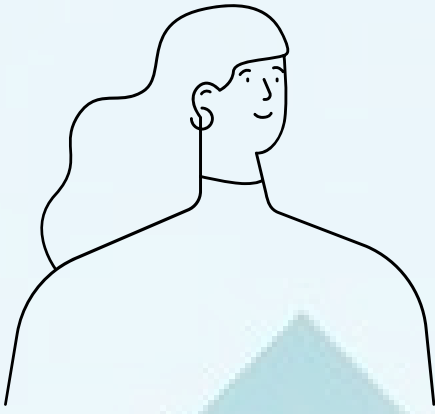
Corporate results for the ongoing quarter, to be reported from July, are anticipated to be weak due to the election-related slowdown. However, this impact should be short-lived. Historically, markets perform well from June to September, and significant corrections typically occur in October or November. Therefore, it's wise to be cautious with new investments while maintaining high-conviction ideas.

In conclusion, while the long-term market outlook remains bullish, high valuations may keep markets range-bound in the near term. Any substantial correction of 5% to 10% will present excellent buying opportunities. Keeping some cash on hand to invest during these corrections is prudent.



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**Only an Informed & Well-Researched
Decision will make Wealth.
Everything Else is a Fluke.**

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