FINANCIAL

FLASH

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INDEX

PCG Communique

From the Desk of the PCG Head

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PCG COMMUNIQUE – DEC 2024

Volatile Market – The Greed & Fear Story

After the wake-up call in October, which underscored that equity markets are rarely a one-way street, November followed a similar trajectory. Though the market (Nifty) hasn't closed significantly in the negative, it also hasn't shown signs of a strong rebound, ending the month almost flat with a decline of less than one percent. November witnessed significant market volatility, with fluctuations persisting through most trading sessions before closing nearly flat. The primary drivers of this turbulence included Donald Trump's election as the next U.S. President, which fuelled expectations of trade tensions and a stronger dollar. Additionally, heavy selling by Foreign Institutional Investors (FIIs) due to global asset reallocation, combined with disappointing Q2FY25 earnings, contributed to the instability.

The GDP data was out which came 5.4% which was the lowest in the seven-quarter lead by slow growth in the manufacturing. Manufacturing, which accounts for over 17 per cent of the total Gross Value Added (GVA) output, grew by just 2.2 per cent in July-September. Cash Flow weakness was likely caused by delayed government payments and expects a recovery in the second half of this fiscal, while a pickup in capital expenditure remains a positive for long-term growth. Most of the analyst has downside their GDP projection for the year.

Rural Demand Continues to Outpace Urban as slowdown in urban demand is attributed to muted due to wage growth, higher interest rates, rising EMIs, and increased competition from D2C brands and quick commerce platforms. Urban areas, which account for over half of FMCG sales, faced significant challenges in discretionary spending.

Despite urban weaknesses, rural demand showed signs of recovery, supported by easing inflation, government spending, a good monsoon, and improved Minimum Support Prices. We expect rural growth to sustain in the coming quarters.

The weak earnings season has led to a 2.5% cut by most of the analyst and the EPS for FY26 has been revised from 1200 to 1170, so with a PE of 21x market should be trading anywhere between 24500-25000 and with a FY27 EPS projection @ 1300 where most of the analyst are estimating to be @ 27000 by Dec 26. The cut in earnings has been attributed to the disappointing second quarter earnings led by the discretionary and staples sectors, alongside worsening corporate cash flows. FPI's where continuously selling Indian Equity to a tune of INR 25,995CR while domestic have been the savers buying 44,483CR. For the FY FII's has been net seller to an extent of 6,792CR while DII has been Net buyer 3.82 lakh CR.

Aggregate net profits grew at a single-digit YoY which is the slowest pace since June 2020. This subdued performance dampened investor sentiment and hindered the equity market's recovery. Factors such as overvaluation and recent corporate setbacks. During Q1FY25, despite a subdued performance from India Inc, investors were optimistic, anticipating improvements in subsequent quarters. However, the persistence of lackluster earnings in Q2 led to profit-taking. Despite these challenges, some companies have delivered strong and unexpected results, inspiring confidence among investors. We remain optimistic about the potential of Indian companies. It's only a matter of time before the current hurdles are overcome, and the market resumes its upward trajectory.

With Mr. Donald Trump coming back to power US market is seeing huge enthusiasm on tax rate cut and with Feb rate cut, strong dollar, higher bond yields are not for Indian equity markets. This could lead to greater attraction to U.S. investments at the expense of emerging markets like India. Foreign portfolio investors (FPIs), vital to India's stock market, may redirect funds to the U.S., reducing investment in Indian equities.

What to expect in December:

Out of the last 20 years Dec has been mildly positive in the 15 years out of the 20 years. Mkt will be volatile and mkt will be looking forwards for the 3rd qtr results in Jan, the new US President joining office and announcements thereby and the Budget. These will be the triggers going forward.

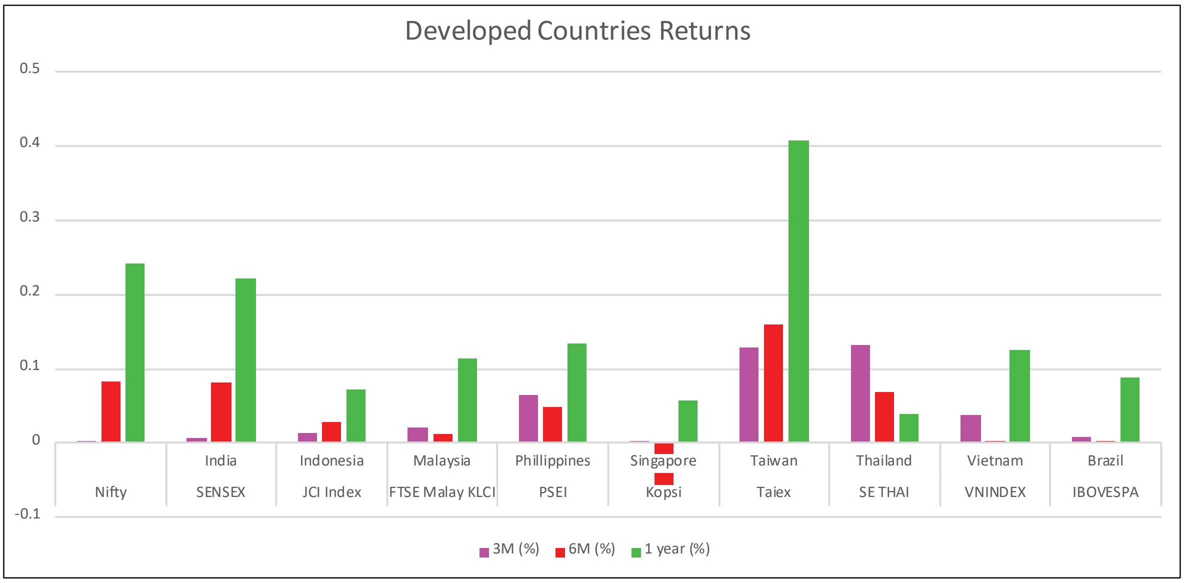
IT looks favourable with strong dollar and anticipation of Tax rate cut which will stimulus spending by most of the US giants. Pvt Sector Banks look favourable for the trade along with Pharma specially in the CDMO space. Defence has corrected quite a bit and can be a sector to watch out.

Look for companies – LTIM, Birla Soft, HAL, Data Pattern, BEL, Torrent Power, PFC, REC, Laurus, ICICI Bank.

Happy Investing!!!!

Developed countries

		Returns (%)		
Country	**Indices**	**3M (%)**	**6M (%)**	**1 year (%)**
India	SENSEX	-1.61%	8.74%	16.72%
Indonesia	JCI Index	-4.97%	5.07%	2.86%
Malaysia	FTSE Malay KLCI	-3.09%	0.30%	11.31%
Phillippines	PSEI	-2.91%	4.12%	6.31%
Singapore	Kopsi	-4.81%	-8.86%	-1.74%
Taiwan	Taiex	10.12%	8.60%	34.41%
Thailand	SE THAI	1.62%	9.21%	4.41%
Vietnam	VNINDEX	-1.69%	-2.92%	11.73%
Brazil	IBOVESPA	-7.30%	3.85%	-0.64%
China	Shangai Comp	20.87%	9.94%	13.39%
India	Nifty	-2.84%	8.00%	17.15%
India	Nifty Midcap 50	-2.93%	12.17%	29.64%
India	Nifty Midcap 100	-2.20%	13.41%	31.77%
India	Nifty smallcap 100	-1.40%	18.16%	33.17%



Market Commentary

The Nifty index ended the November month on a flattish note as it closed at'24,131' as compared to 1st day of the month i.e '23,995',(+0.6%). Similarly, Sensex ended the November month at 79,802 rose by 1.2%.

Indian markets ended higher for second straight week with gains of around a percent, following the Maharashtra and Jharkhand Assembly election results. Also, recovery in Adani Group stocks and rally in Reliance Industries stock prices also aided market sentiments. Though, gains remained capped ahead of key India's Q2 numbers.

Some of the major developments during the week are:

S&P Global Ratings revises down India's economic growth estimates to 6.7% for FY26, 6.8% for FY27: S&P Global Ratings has revised down its estimate for India's economic growth in the next two financial years. indicating high interest rate and lower fiscal impulse tempering urban demand.

India's economic outlook for coming months cautiously optimistic: The Finance Ministry said that India's economic outlook for coming months is 'cautiously optimistic', with agriculture likely to benefit from favourable monsoon conditions, increased minimum support prices and adequate supply of inputs.

Govt likely to register fiscal deficit at 4.75% in FY25, lower than budget aim: India Ratings and Research has said that the government will be able to register the fiscal deficit at 4.75 per cent in FY25, 0.19 per cent lower than the budget aim, by reigning in expenditure.

Decline in steel prices to impact operating profitability of domestic primary steel producers: Crisil Ratings has said the drop in the prices of steel will impact operating profitability of primary steel producers in domestic market. Early-stage steel produced from iron ore is referred as primary steel.

India climbs up 11 slots to be among top 50 countries in Network Readiness Index 2024: The Network Readiness Index 2024 (NRI 2024) report has showed that India improved its position by eleven slots and is now placed at 49th rank as against 60th rank scored in the NRI 2023 report.

The HSBC India Manufacturing PMI fell to 57.3 in November 2024, slightly down from 57.5 in October, a preliminary estimate showed. The latest reading indicates sustained strong performance in factory activity, partly driven by faster expansion in new orders and output. Manufacturing firms also recorded an increase in international sales, continuing their robust performance from the previous month.

Meanwhile, Indian manufacturers noted rising price pressures on raw materials such as aluminum, cotton, leather, and rubber. As a result, businesses passed on some of the costs to clients, leading to an acceleration in output charge inflation

The HSBC India Services PMI increased to 59.2 in November 2024 from a final reading of 58.5 in October, according to preliminary estimates. This marked the 40th consecutive month of expansion in services activity and the fastest pace since August, driven by strong end demand and improving business conditions. In response, firms raised employment to the highest level since the survey began in December 2005. On the pricing front, input cost inflation accelerated, primarily due to higher food and wage costs. Output cost inflation also increased as firms passed on additional cost burdens to their clients

The annual inflation rate in India soared to 6.21% in October of 2024 from 5.49% in the previous month, well above market expectations of 5.81% to mark the highest inflation rate in over one year. The result also marked the departure of India's price growth from the RBI's target of 2 percentage points away from the 4% level, further prolonging the expectations of eventual rate cuts. Inflation surged for food (10.87% vs 9.24% in September), which accounts for nearly half of the price basket, amid higher prices for and rose further for vegetables (42.18% vs 35.99%), oils and fats (9.51% vs 2.47%), and meat and fish (3.17% vs 2.66%). In turn, inflation also rose for housing (2.81% vs 2.78%), while deflation slowed for fuel and light (-1.39% vs -1.61%). From the previous month, the Indian CPI soared by 1.34%.

India's total exports (Merchandise and Services combined) for October 2024* is estimated at USD 73.21 Billion, registering a positive growth of 19.08 percent vis-à-vis October 2023.Total imports (Merchandise and Services combined) for October 2024* is estimated at USD 83.33 Billion, registering a positive growth of 7.77 percent vis-à-vis October 2023.

India's total exports during April-October2024* is estimated at USD 468.27 Billion registering a positive growth of 7.28 percent. Total imports during April-October 2024* is estimated at USD 531.51 Billion registering a growth of 7.05 percent.

The Goods and Services Tax (GST) collections stood at Rs 1.82 lakh crore in the month of November, around 8.2% rise YoY, also it rose by 3% QoQ.

India's foreign exchange reserves fell by US$1.3 billion to $656.58 billion in the week through Nov 22. Foreign currency assets fell by $3.0billion to $566 billion for the week ending Nov 22.

The U.S. markets traded higher during the week as the minutes of the Federal Reserve's latest monetary policy meeting revealed officials believe it will be appropriate to gradually lower interest rates.

Some of the major developments during the week are:

Pending home sales in U.S. unexpectedly increase in October: The National Association of Realtors said its pending home sales index jumped by 2.0 percent to 77.4 in October after soaring by 7.5 percent to an upwardly revised 75.9 in September.

U.S. consumer price growth matches estimates in October: The Commerce Department said its personal consumption expenditures (PCE) price index rose by 0.2 percent in October, matching the uptick seen in September as well as street estimates.

Chicago business barometer unexpectedly edges lower in November: Chicago business barometer slipped to 40.2 in November from 41.6 in October, with a reading below 50 indicating contraction.

Economic growth in U.S. unrevised at 2.8% in third quarter: The Commerce Department said gross domestic product surged by 2.8 percent in third quarter, unchanged versus advance estimate issued last month. The unrevised reading matched expectations.

U.S. weekly jobless claims unexpectedly edge lower once again: Initial jobless claims dipped to 213,000, a decrease of 2,000 from the previous week's revised level of 215,000. Street had expected jobless claims to rise to 217,000.

European markets garnered some gains during the passing week, amid positive economic data from the regions across the Europe. Investors digested Germany's consumer price inflation data and tracked corporate news for direction.

Some of the major developments during the week are:

Eurozone economic confidence rises unexpectedly: The survey results from the European Commission revealed that the economic confidence index rose slightly to 95.8 in November from revised 95.7 in the previous month.

Finland jobless rate stable at 8.1%: The figures from Statistics Finland showed that the jobless rate among the 15-74 age groups stood at 8.1 percent in October, the same as in September.

Eurozone lending to private sector rises in October: The data published by the European Central Bank showed that adjusted loans to the private sector grew 1.6 percent year-on-year in October, unchanged from the previous month.

German inflation rises to 2.2%: The provisional data from Destatis showed that the consumer price index registered an annual increase of 2.2 percent in November, following a 2.0 percent rise in October.

Italy producer prices rebound 0.7%: The data from the statistical office ISTAT showed that producer prices posted a monthly increase of 0.7 percent after a 0.6 percent fall in September, which was the first fall in five months

Asian markets, barring Straits Times Index, ended in green during the passing week despite much uncertainty about U.S. President-elect Donald Trump's tariff policies and the Federal Reserve's interest-rate path.

Some of the major developments during the week are:

Core inflation in Japan's capital accelerates in November: Core consumer inflation in Japan's capital accelerated in November and stayed above the central bank's 2% target in a sign of broadening price pressure.

Japan's industrial production rises for 2nd month: The seasonally adjusted industrial production index in Japan observed a monthly increase of 3% to land at 104.3 in October. Compared to the same month in 2023, the figure went up by 1.6%.

Retail sales in Japan rise in October: Retail sales in Japan rose by 1.6% Y/Y in October 2024, up from a revised 0.7% gain in September, below market expectations of a 2.2% increase.

Bank of Korea unexpectedly cuts rates to 3%: South Korea's central bank unexpectedly cut interest rates by 25 basis points to 3%, delivering its first back-to-back cuts since the global financial crisis of 2008-2009.

China’s industrial profits slump eases: China’s industrial profits dropped by 10% year-on-year in October, narrowing from a 27.1% slump the previous month and showing the first improvement since July, led by a recovery in the manufacturing sector.

The S&P Global Flash US Manufacturing PMI rose to 48.8 in November 2024 from 48.5 in October, matching market expectations. The reading signaled a deterioration in business conditions within the goods-producing sector for a fifth successive month but with the rate of deterioration moderating to the slowest since July. Although production fell at a sharply increased rate, all other PMI components moved higher. The rate of loss of new orders eased and employment rose for the first time in four months. Inventories meanwhile fell at a reduced rate and suppliers' delivery times lengthened to the greatest extent for 25 months. Longer delivery times were often linked to increased purchasing of inputs ahead of potential tariffs on imported inputs.

The HCOB Flash Eurozone Manufacturing PMI fell to 45.2 in November 2024 from 46 in October and well below forecasts of 46. The reading pointed to another deep contraction in the manufacturing sector. Output declined, sharper reductions were recorded for new orders and workforce numbers decreased markedly, and to the largest degree since August 2020. Also, firms scaled back their purchasing activity, stocks of both purchases and finished goods were also lowered. On the price front, both input and output costs declined. However, "manufacturing purchase prices didn't drop as much as the previous month. If the euro keeps weakening, purchase prices might even rise in the coming months, especially if the EU Commission imposes counter-tariffs in response to potential US tariff hikes”, Dr. Cyrus de la Rubia, Chief Economist at Hamburg Commercial Bank, said.

The au Jibun Bank Japan Manufacturing PMI unexpectedly declined to 49.0 in November 2024, the lowest figure since March, from a final 49.2 in October, missing market expectations of 49.5, according to preliminary data. This marked the fifth consecutive month of contraction in factory activity, as both output and new orders decreased, with the former experiencing the most significant drop since April. Additionally, foreign demand and purchasing levels remained weak, although the rate of their decrease slowed. Firms reduced employment levels for the first time since February, and backlogs of work fell significantly. Delivery times continued to lengthen, albeit at a slower pace. On the pricing front, input cost inflation eased to a seven-month low, while output cost inflation accelerated to its highest rate since July. Despite these challenges, business sentiment improved.

Going Ahead

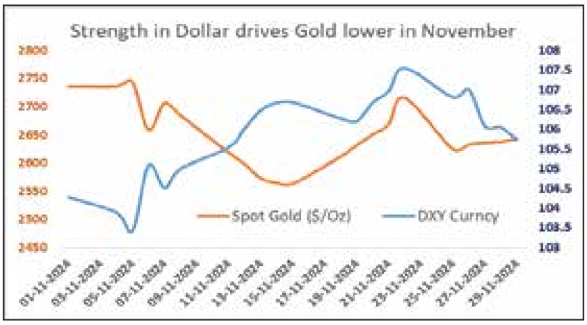
Despite these short-term headwinds, India's medium-to-long-term equity story remains robust. Anchored by sound economic fundamentals, fair valuations, and a rising trend in domestic equity allocations, the market outlook remains promising. With global uncertainties stabilizing, we anticipate FPI flows to reverse, reinforcing investor confidence in India's growth potential. On the domestic front, the economic narrative has been tempered by a confluence of factors. Political uncertainties due to the general elections, constraints on government spending, weather-related disruptions, and global volatility have all contributed to slowing growth and elevated inflation in FY25 so far. However, green shoots are visible.

High-frequency indicators suggest a revival in economic activity and a trajectory of moderating inflation over the next 12 months, setting the stage for a more stable growth environment. Amid this evolving backdrop, our Institutional Equity business achieved a milestone with the successful execution of the G-200 Annual Investor-Corporate Conference, held on November 18-19 in Mumbai. The event brought together a stellar ensemble of industry leaders, fund managers, and representatives from 200 corporates for a dynamic series of central-track discussions and over 7,000 meetings between the companies and fund managers were successfully organised.

As we approach the close of 2024, the economic environment demands a careful balance of vigilance and optimism. The challenges of today are shaping the opportunities of tomorrow, and India’s structural strengths remain a cornerstone of its growth narrative. With a committed team and steadfast resolve, we stand ready to navigate this complex landscape, driving sustainable value creation for all stakeholders.

Commodities Outlook

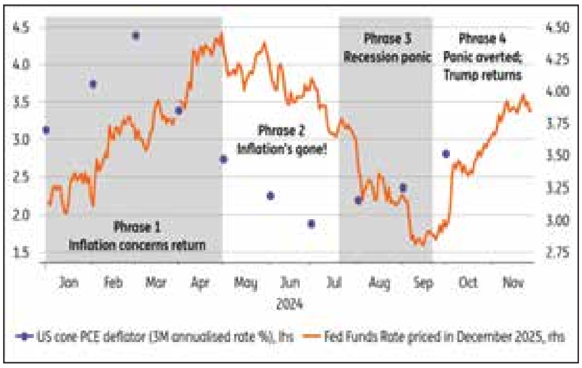
PRECIOUS METALS: Gold price records its sharpest monthly decline in more than a year, amid strength in dollar & easing geopolitics weighing on sentiments. ETF Outflows witnessed in November along with rising Inflation concerns to pressure the price on the downside.



In November, the Gold price recorded its sharpest monthly decline in more than a year, falling by 3.7%. However, this was preceded by four months of stronger increases as, the fall in November started from a record level at the end of October. The price decline primarily occurred in the first half of the month because the US dollar appreciated significantly following Donald Trump's election victory. This was based on the expectation that inflation in the US would rise due to the expected policies of the US president-elect, probably prompting the US Federal Reserve to adopt a more restrictive monetary policy. The Gold price recovered somewhat in the second half of November due to increasing geopolitical risks but the same was seen fading towards the end of the month.

OUTLOOK: Spot Gold (03rd Dec close $ 2643.43 per oz) may remain confined in a range amid year end profit moves & strong dollar to limit sharp upside. Long term bias remains positive amid lower interest rate regimes to augment safe haven flows in H1 2025.

Due to the ongoing rate-cut cycle by the Federal Reserve, geopolitical worries in the Middle East, and expectations of increased festival demand in India, investors continued to build long positions in gold in October. However profit booking moves seen in November may continue in December amid year end positioning adjustment remains a concern for the prices. Investors with a longer term horizon may continue to adopt a "buy on dips" strategy before the end of the Q1 2025. Having said that, a consolidation phase expected in current month with a likely retracement up to $ 2,570 – 2,530 (Rs. 74,800 –

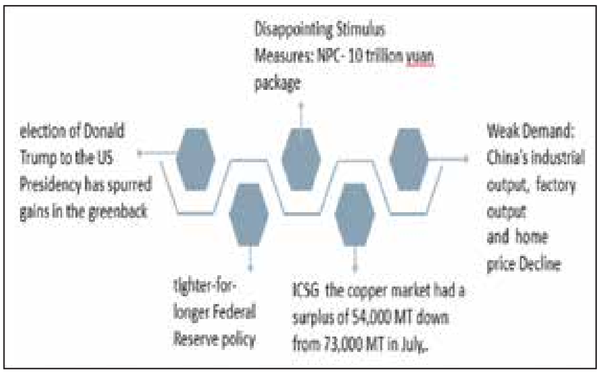


73,900 per 10 gm) may be seen in case US Fed resorts to hawkish guidance for next year leading to dollar strength on monthly basis. Any dips up to above mentioned levels could remain a long term buying opportunity in yellow metal amid the longer term outlook remains bullish through at least for next 5 - 6 months perspective and prices likely to test $ 2975 – 3050 per oz (Rs. 82,000 – 83,000 per 10 gm) by the end of H1 2025.

Copper Insights: Deficit, Dollar Strength, and Price Swings

Copper prices fluctuated in November, starting at $9,570/mt on November 1, peaking at $9,788/mt by November 5, and closing at $9,022, marking a ~5% correction. The decline was driven by weak Chinese stimulus, a stronger dollar, and an underwhelming demand outlook. Uncertainty over U.S. tariff policies under President-elect Trump added further pressure.

Despite this, manufacturing showed recovery, with PMI readings from both NBS and Caixin/S&P Global signaling expansion. China's removal of export tax rebates on copper is expected to tighten global supply. The ICSG reported a global copper deficit of 131,000 tonnes in September, driven by a 3.1% drop in refined production, its steepest since February 2020.



Aluminium Prices Hold Firm Despite Weak Demand and Dollar Pressure

Aluminium prices closed higher, supported by record-high alumina prices, anticipated lower Chinese exports next quarter, and Rusal's production cuts. However, prices struggled to stay above $2,700 due to weak demand, dollar strength, and producer selling. Rusal announced a 250,000-tonne output reduction to address margin pressure from sourcing over a third of its alumina at exchange prices. Despite the cuts, Rusal committed to retaining its workforce and maintaining social programs.

While Global primary aluminium output rose 1.3% year-over-year in October 2024, reaching a record high of 6.22 million tons, according to the International Aluminium Institute (IAI). This compares with 6.01 million tons produced in September 2023.

Zinc Prices Edge Up, Driven by LME Withdrawals and Supply Tightening

Zinc prices closed higher at $3,117, up nearly 2%, despite sluggish demand and tariff uncertainty in China. Lower-than-expected Chinese stimulus and concerns over potential higher tariffs capped gains. Prices rose after a surge in orders to withdraw zinc from London Metal Exchange (LME) warehouses, driven by Trafigura's large withdrawals.

According to the International Lead and Zinc Study Group (ILZSG) The global zinc market deficit narrowed slightly to 79,500 metric tons in September, while the global lead market deficit increased to 32,400 metric tons . By month-end, zinc prices gained from position unwinding, consumer buying, and warehousing activity, with forward spreads easing into contango and prices holding below the $3,150 resistance level.

Monthly Outlook for Base Metals

Base metals are facing a mixed outlook this month, influenced by both domestic challenges in China and global political developments. China's economy has shown tentative signs of recovery since October, driven by stimulus measures and interest rate cuts. However, the ongoing trade tensions, particularly with the U.S. under President-elect Donald Trump, pose risks to China's export sector. Trump's threats of steep tariffs on Chinese goods and potential actions against BRICS nations over a new currency could weigh on market sentiment. Markets look forward towards Politburo meeting over the next few days along with Central Economic Work Conference in mid-December.

For copper, prices continue to struggle above $9,000, with selling pressure and a potential decline toward $8,700 if support levels break. Zinc, while benefiting from supply tightness and mining disruptions, faces resistance around $3,150, with support at $3,000. In summary, while supply disruptions may support prices, the threat of additional tariffs and global economic uncertainties could cap further gains for base metals in the near term.

Oil Prices Stalled by Geopolitical Risks, Supply Cuts, and Soft Fundamentals

For yet another month, crude oil remains caught in a tight trading range, as geopolitical risks and persistent OPEC+ cuts offset weak oil fundamentals. Prices largely traded below the $70 level, although a temporary spike was seen following the escalation of Russia-Ukraine tensions.

The potential return of a Trump presidency with its pro-oil stance, along with a weaker dollar, has kept oil under pressure. However, a notable point is that despite the weakness in fundamentals, stemming from China's demand headwinds, prices have been unable to break the $65–$66 level. The key trigger behind this resilience is the ongoing OPEC+ cuts, which continue to maintain the oil balance sheet in a so-called 'designed deficit'.

Additionally, key barometers, including time spreads, briefly moved into contango for a day or two but quickly reverted to bullish backwardation, indicating near-term tight supplies.

WTI oil traded within a narrow $6 range of $66.2–$72.8 and ended the month 1.8% lower at $68 per barrel. Similarly, MCX crude oil closed the month marginally lower at ₹5,814 per barrel.

Oil may continue to waver in a tight trading range, $65 level still hold well for Oil

We have entered the concluding month of 2024 with fundamental triggers—including geopolitical tensions, OPEC+ cuts, rising non-OPEC supplies, and China's struggling economy—continuing to influence oil prices. The anticipated rate cut path also remains a significant factor, pushing or pulling prices higher or lower.

One important observation is that the extent of the risk premium has gradually faded over the year. There were no major disruptions to oil supplies from Middle Eastern conflicts, except for the Red Sea crisis at the beginning of the year. On the flip side, the fundamental outlook has deteriorated steadily, with OPEC+ and other energy forecasters, including the IEA and EIA, revising down their demand forecasts due to China's subdued growth. As a result, oil prices have seen a steady decline in their monthly average since peaking in April 2024 (As seen in the above chart).

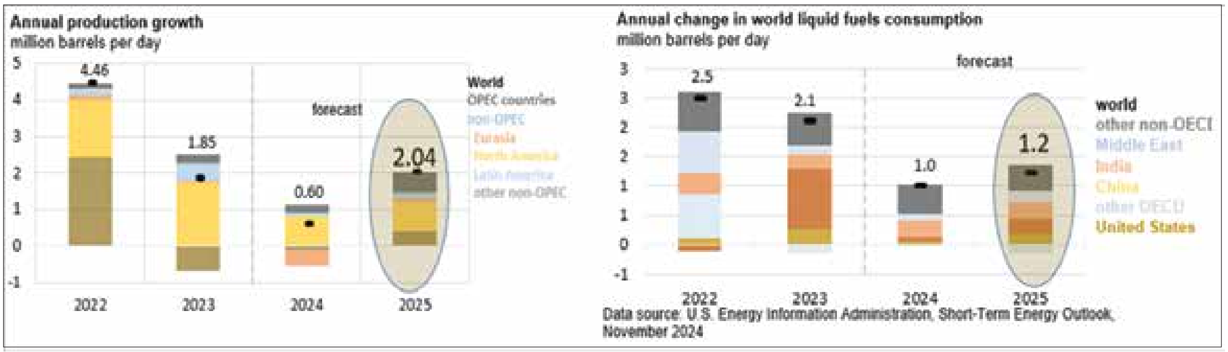
Adding to these factors, a new and critical trigger has emerged: the return of Trump's presidency in the U.S., which is expected to significantly impact oil market fundamentals. Whether through tariffs on China, sanctions on Iran, or boosting U.S. production, these policies are likely to have a substantial effect on oil's demand-supply dynamics in 2025.

Broadly speaking, global oil demand growth is losing momentum, while supplies are nearing record levels, driven by higher non-OPEC output. Trump's pro-oil policies are expected to further weaken the fundamental picture, keeping oil prices under pressure. As such, a sell-on-rise strategy is advisable for crude oil.

For December, we expect oil prices to remain in a tight trading range. Voluntary OPEC+ production cuts and ongoing geopolitical conflicts will likely provide a floor to prices, while weak fundamentals will exert pressure at higher levels. WTI Oil (CMP: $70): $74.50 remains the key resistance level, while $65–$66 will act as crucial support. MCX Crude Oil (CMP: ₹5,940): ₹5,500–₹5,600 is the critical support zone, with resistance at ₹6,140–₹6,350 per barrel.

Broader Weakness in Oil prices Persist

Global Oil production growth in 2025 to exceed demand



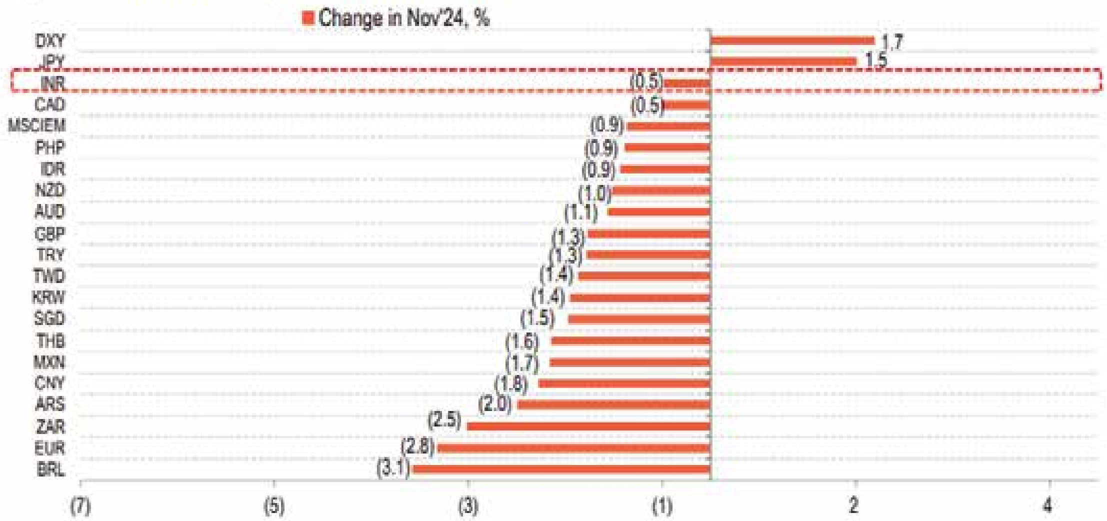
Currency Outlook:

Lower Growth Concerns, Trump tariff threats on BRICS nations & Dollar strength leads to new all-time lows in Indian Currency.

Currency	Price (03-12-2024)	WoW % chg	Nov % chg	YTD % chg
Dollar Index	**106.446**	**-0.55%**	**3.07%**	**4.80%**
Rupee Spot	**84.7038**	**0.29%**	**0.73%**	**1.76%**
EUR/USD	**1.0498**	**0.76%**	**-3.41%**	**-5.15%**
GBP/USD	**1.2655**	**0.99%**	**-2.43%**	**-0.60%**
USD/JPY	**149.6**	**-3.46%**	**-2.55%**	**5.72%**

INR continued to remain under pressure and traded at record low in Nov'24. It depreciated by 0.5% last month, following 0.3% decline in Oct'24. It has started Dec'24 also on a weaker note, as it has fallen even lower to 84.75/$ mark. Stronger US$ has been the key driver of this trend. In Nov'24 alone, DXY rose by 1.7%, following 3.2% rise in Oct'24. Significantly elevated US yields are supporting dollar strength. Even though US10Y yields cooled off a bit towards the end of the month, they still remained much above the 4% mark. Further, there appears to be increased likelihood that Fed will opt for gradual rate cuts in 2025, against the backdrop of President-elect Trump's continuous threats of tariff hikes for China, Mexico, and Canada (accounting for ~43% of US imports). All major currencies globally have been hit as a result. In comparison to this, INR has held ground and has depreciated the least. Slowdown in FPI outflows in Nov'24 compared with Oct'24 also helped. Investors will now focus on high frequency indicators to gauge prospects of growth in Q3. We expect the currency to trade in the range of 84.2-84.7/$ in the near-term.

Figure 1: Movement in global currencies in Nov'24



Source: Bloomberg, Bank of Baroda Research | Note: Data as of 29 Nov 2024 | Figures in brackets indicate depreciation against the dollar

Indian rupee is likely to remain under pressure in the near-term. This will be owing to continued US$ strength and FPI outflows. Fed in its minutes has signalled that the central bank may be more inclined towards reducing rates more gradually. President elect Trump has repeatedly warned that his administration is likely to announce substantial tariff hikes on imports from China, Mexico and Canada. US imports ~43% of its total imports from these countries. As a result, the impact of tariff hikes on domestic inflation is also expected to be significant. In addition, personal income and spending indicators are holding steady. Thus, investors now believe shallow Fed rate cuts in 2025, which in turn will be positive for USD. On the domestic front, with a setback to growth in Q2FY25, investors will now monitor high frequency indicators for Q3 to gauge if growth has rebounded. With monsoon retreating and festive season falling in Q3 this year, consumption indicators appear to have improved. Slack in government spending (centre and states) remains a risk to growth. Given the above backdrop, we expect INR to trade in the range of 84.25 – 85 /$ in the near-term with high volatility expected towards the end of the year.

Technical Analysis

Market Overview – December 2024

Past week started on a strong note, driven by the results of the 2024 Maharashtra Assembly elections. The BJP-led NDA (Mahayuti alliance) secured a decisive victory, winning over 220 of the 288 assembly seats, significantly surpassing the majority mark of 145. This political stability boosted market sentiment, propelling the NIFTY 50 to retest the 24,350 mark early in the week. However, mid-week developments brought some turbulence as geopolitical tensions between Russia and Ukraine escalated, leading to a market pullback that saw NIFTY touching the 23,900 level. Despite this, a sharp recovery on Friday reversed the downturn, with the index closing back above the 24,100 mark, reflecting resilience in market confidence.

We have been vocal about the market's potential recovery from the 23,500–23,200 zone, underpinned by various technical factors. As anticipated, the index has rallied over 1,000 points from its lows, with this week's movements resembling a consolidation phase. All major indices, including NIFTY 50, NIFTY 500, BANKNIFTY, MIDCAP, and SMLCAP, have rebounded from their respective 200-day exponential moving averages (DEMA), confirming a trend reversal in the short term. For NIFTY specifically, a breakout from the falling channel is evident, and the daily and weekly RSI levels are now in a comfortable range, signaling further upside potential.

The overall price action suggests the formation of an inverse head-and-shoulders pattern, which will be validated on a closing basis above 24,350. This could propel the index toward the 25,000 mark. Additionally, the FII long-short ratio in index futures remains at 33%, indicating a significant presence of short positions in the system. A decisive breakout could trigger short covering, providing further upward momentum. Looking ahead, we maintain an optimistic outlook as the market transitions into the December series. On the downside, immediate support levels are at 23,900 and 23,700, while a close above 24,350 could confirm the bullish trajectory.

Last week, Bank Nifty traded sideways within a defined range of 51,750–52,750, following a significant gap-up on November 25, 2024, and concluded with a weekly gain of 1.80%. Looking ahead, the level of 51,750 will serve as a key support, while resistance is expected near 52,750, which also marks the week's high. A breakdown below 51,750 could potentially lead the index to 51,300, where an unfilled gap remains, offering a possible downside target. On the other hand, a decisive breakout above 52,750 might push the index higher toward 53,300, signaling continued bullish momentum.

Technical Pick – BUY RELIANCE INDUSTRIES LTD

Potential Upside 10.38%- 13.85%

- **RELIANCE** has corrected around 25% from its peak of 1600 and has formed a reversal candlestick pattern.
- The stock found support exactly near the 78.6% Fibonacci retracement of the previous move. This support zone coincides with the previous demand zone.
- The OI of the stock is around 3.5 lac contract which is the highest since past 10 years. This indicates high possibility of short covering.
- Thus, traders are advised to **buy RELIANCE in the range of 1280 - 1320** with a stop loss of 1210 on closing basis for an upside target of 1435 and 1480 in coming 1 – 3 months.

Fixed Income Services

Monetary Policy Update

The Monetary Policy Committee (MPC) met on October 7th, 8th, & 9th 2024, to assess the evolving macroeconomic and financial conditions for the forward outlook. By a majority of 5 to 1 (The New external member, Dr. Nagesh Kumar, voted for a 25 bps rate cut), MPC decided to:

1. Maintain the policy repo rate at 6.50%
2. Retain the standing deposit facility (SDF) rate at 6.25%
3. Keep the marginal standing facility (MSF) rate and the Bank Rate at 6.75%.

The MPC unanimously changes its stance to neutral from withdrawal of accommodation, reflecting a balanced approach between managing inflation and fostering economic growth while maintaining a steady repo rate for the tenth consecutive time. This outcome aligns with expectations, and RBI will continue to rely on domestic factors for any rate reversal decision, despite rate cuts occurring in other parts of the world. The shift to a neutral stance was expected and is a positive step toward initiating a rate cut cycle, which could start sooner rather than later.

Global economy has remained resilient since the last MPC meeting, though it faces risks from geopolitical conflicts, financial market volatility, and high public debt. While manufacturing is slowing, services remain strong, and global trade is improving. Inflation is easing due to lower energy prices, but differences in inflation-growth dynamics across countries have led to varied monetary policy actions.

Domestic economic India's real GDP grew by 6.7% in Q1:2024-25, driven by private consumption and strong investment, which reached its highest share of GDP since 2012-13. However government spending, contracted. On the supply side, GVA grew by 6.8%, supported by industrial and services sector activity.

Agriculture benefited from favourable monsoon rainfall and better sowing, while manufacturing saw gains from domestic demand and lower input costs. Though core industry output dipped in August, manufacturing and services PMIs remained strong in September. Both rural and urban demand are firm, and private and government investment continue to grow. Looking forward, India's growth is projected at 7.2% for 2024-25, with robust consumption and investment demand driving the momentum with risks are balanced

Projection for FY 25	GDP Growth (%)		CPI Inflation (%)	
	MPC's Recent Projection (%)	MPC's Last Projection (%)	MPC's Recent Projection (%)	MPC's Last Projection (%)
FY 25 Q2	7.00%	7.20%	4.10%	4.40%
FY 25Q3	7.40%	7.30%	4.80%	4.70%
FY 25 Q4	7.40%	7.20%	4.20%	4.30%
FY 25	7.20%	7.20%	4.50%	4.50%
FY 26 Q1	7.30%	7.20%	4.30%	4.40%

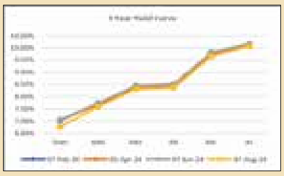
Summary of projection on growth & inflation by the MPC

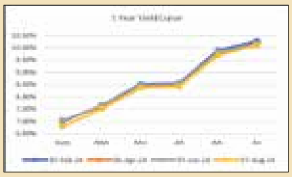
Headline CPI inflation softened significantly in July and August, partly due to base effects, with food inflation correcting somewhat. However, there was notable divergence within food sub-groups, and deflation deepened in the fuel group due to lower electricity and LPG prices. Core inflation rose in July and August. Inflation is expected to spike in September due to base effects and rising food prices from reduced production of certain crops.

Despite these short-term pressures, inflation is projected to moderate in Q4, supported by a good kharif harvest and ample cereal stocks. Risks to inflation include Unpredictable weather, geopolitical conflicts, and rising international food and metal prices. CPI inflation for 2024-25 is forecasted at 4.5%, with quarterly estimates ranging from 4.1% to 4.8%.

The Indian economy is currently stable and strong, with a balanced outlook on inflation and growth. While inflation is declining, challenges remain. India's external sector is robust, with rising forex reserves and ongoing fiscal consolidation. The financial sector remains resilient, and global investor confidence is at an all-time high. Despite this progress, India remains cautious of evolving global conditions. The MPC emphasizes flexibility in its approach to align inflation with targets while supporting growth, reflecting the need to adapt to changing circumstances.

The 3 Year & 5 Year Yield Curve below shows how yields have moved since the last review in June 2024:





Source: CRISIL Fixed Income Database

- The 3 year and 5 year Gsec curve saw easing of ~28 bps and ~26 bps respectively, while the 3 year and 5 year AAA curve have also experienced a easing of 15 bps & 11 bps respectively.
- In 3 year space, the rest of the credit curve saw a easing in the range of ~11 bps to ~17 bps & in the 5 year saw a easing in the range of ~8 bps to ~13 bps.
- The AAA spread over G-sec, in the 3 year & 5 year space saw expansion of ~13 bps to ~15 bps, from ~69 bps to ~82 bps in the 3 year space and from ~58 bps to ~73 bps in the 5 year space.

Outlook: MPC kept the repo rate unchanged at 6.5% and shifted to a "neutral" stance. The focus is on aligning inflation with the 4% target while supporting growth. Strong domestic growth allows the MPC to concentrate on inflation, though it remains watchful of potential risks in the months ahead.

Secondary Market Bond Offers

PSU Perpetual Quotes				
Security	Maturity/Call	IP	Rating	Yield
8.64% Union Bank of India Perp	Call : 11-Jan-26	Annual on 11-Jan	AA+ By IND, AA by BWR	7.75%
7.55% State Bank of India Perp	Call: 14-Dec-26	Annual on 14-Dec	AA+ by CRISIL & IND	7.72%
7.98% State Bank of India Perp	Call: 24-Oct-34	Annual on 24-Oct	AA+ By CRISIL & CARE	7.84%

PSU Quotes				
Security	Maturity/Call	IP	Rating	Yield
8.30% REC 2029	25-Jun-29	Annual on 25-Jun	AAA BY CRISIL, IND, ICRA & CARE	7.22%
0.00% REC LIMITED 2034	03-Nov-34	NA	AAA BY CRISIL, IND RATINGS, ICRA & CARE	6.17%
7.75% PFC 2030	11-Jun-30	Annual on 11-Jun	AAA by CRISIL,CARE & ICRA	7.22%

Corporate Bonds				
Security	Maturity/Call	IP	Rating	Yield
6.75% Piramal Capital & Housing Finance Ltd. 2031	Staggered Maturity (28-Sept-31)	28-Mar & 28-Sept	AA by ICRA & CARE	10.35%
7.70% LIC housing Finance Ltd. 2031	19-Mar-31	Annual on 19-Mar	AAA by CRISIL & CARE	7.60%
8.40% HDB Financial Services Ltd 2033	22-Dec-33	Annual on 22-Dec	AAA CRISIL & CARE	8.16%
8.75% Shriram Finance Ltd. 2026	04-May-26	Annual on 4-May	AA+ Stable by CRISIL	8.62%
9.30% L&T Finance Ltd 2026	23-Mar-26	Annual on 23-Mar	AAA by ICRA & CARE	7.62%
9.00% MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. 2026	6-Jun-26	Annual on 6-Jun	AAA by CARE & IND	7.82%
9.50% HINDUJA LEYLAND FINANCE LIMITED 2029	29-Nov-29	Annual on 29-May	AA+ BY CRISIL & AA BY CARE	9.70%
9.17% TATA CAPITAL HOUSING FINANCE LIMITED 2026	30-Mar-26	Annual on 30-Mar	AAA By CRISIL & CARE	7.76%
9.49% KIIFB 2028	Staggered Maturity (8-Oct-2028)	08 JAN, 08 APR, 08 JUL, 08 OCT	AA (CE) BY IND RATINGS & ACUITE	9.50%

The above mentioned offer(s) are indicative and subject to changes in market conditions.

‘Please note that investments in these bonds should not be construed as an advice or recommendation however we can facilitate the execution of the same. The bonds are tradeable on the Exchange platform, however we do not provide any assurance or guarantee on the liquidity of bonds. The investment decision shall at all times exclusively remain with the investor. The organisation shall not responsible or liable for any loss or shortfall incurred by the investors.

Anand Rathi PMS

Impress Portfolio

Objective & Investment Philosophy

Objective

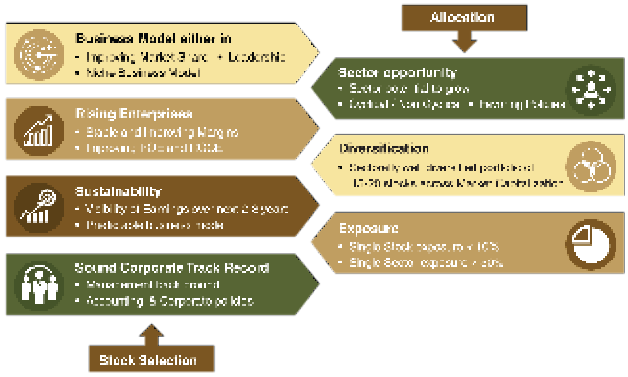
Focus on Return Optimization by investing in multicap portfolio of rising enterprises with sound corporate track record and sustainable business model keeping balance between value and growth strategy.

Value investing is the art of buying stock which trade at a significant discount to their intrinsic value. Portfolio Manager achieve this by looking for companies on cheap valuation metrics, typically low multiples of their profits or assets, for reasons which are not justified over the longer term.

Growth investing is a style of investment strategy focused on capital appreciation. Portfolio Manager invest in companies that exhibit signs of above average growth, even if the share price appears expensive in terms of metrics such as price-to earnings or price-to book ratios.

Value **Growth**

Investment Process



Re-VIEW Strategy

V

Valuation Check
A constant check is kept on the valuation of the companies so that any stock whose valuation becomes relatively high, due to any reasons like sentiments or increase in liquidity, is exited before any price correction comes to the stock. We then shift the money to a new stock with a reasonable valuation.

I

Impact of Events
A stock price can be highly affected by an event or series of events, recent examples: COVID crisis, Russia-Ukraine War, Increase in Crude Price, Interest Rates Hike etc. Our team actively tracks these events and makes timely modifications as per the situation's needs to minimize risks & optimize returns.

E

Earnings Visibility Changes
Our fundamental research team scrutinizes the quarterly results of the companies to understand the current & future estimated growth. If we are not satisfied with 2 or 3 quarterly results of the company & don't see growth, we take an exit to move to another stock.

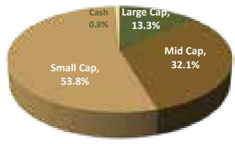
W

Weightage Check of the Holdings
Every stock & sector has been capped to a certain percentage of the total allocation to limit downside due to any uncertainties and also diversify the portfolio. If any stock or sector reaches near to the decided percent of allocation, we book profits and reduce the weightage and invest into any other stock.

Top Holdings & Market Cap Allocation

Sr No	Top 10 Holdings	% Holdings
1	PG Electroplast Ltd.	10.7%
2	ITD Cementation India Ltd.	8.4%
3	Bharat Electronics Ltd.	6.9%
4	Radico Khaitan Ltd.	6.6%
5	Varun Beverages Ltd.	6.4%
6	Ratnamani Metals & Tubes Ltd.	6.3%
7	KEC International Ltd.	6.3%
8	KEI Industries Ltd.	6.1%
9	Coforge Ltd.	5.4%
10	Glenmark Life Sciences Ltd.	5.3%

Market Cap Allocation

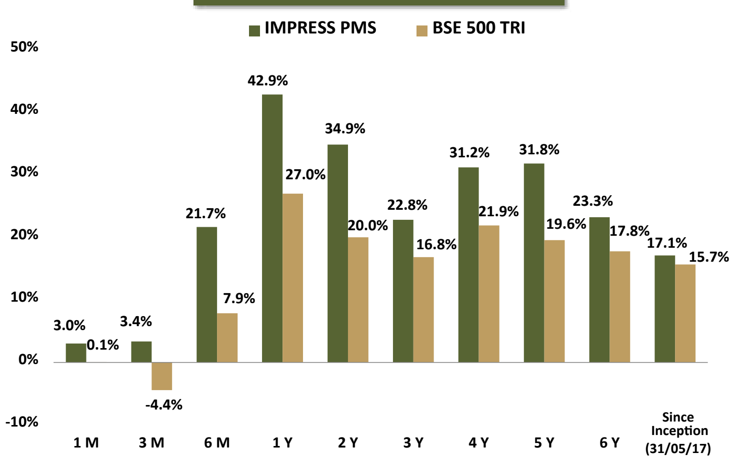


	Avg Mkt Cap (cr)
Large Cap	217599
Midcap	36911
Small Cap	13816
Overall Portfolio	48833

Data as on 30th Nov. 2024

Portfolio Performance

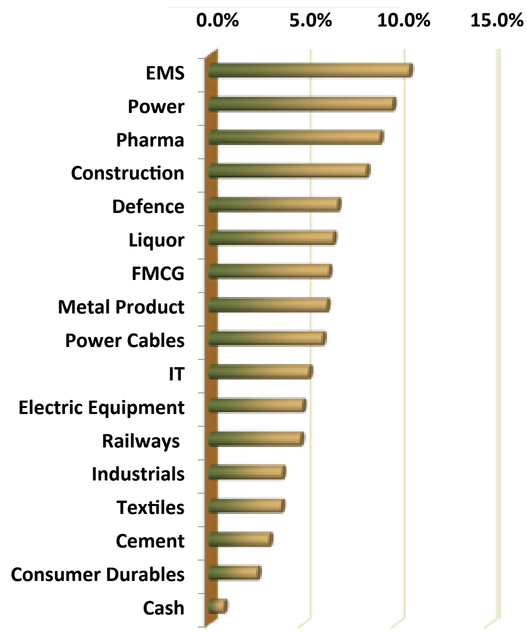
Performance as on 30th November, 2024



Note: - Returns above one year are annualized. Returns net of fees and expenses.

Disclaimer: Past Performance is not necessarily indicative of likely future performance. Performance mentioned above are not verified by SEBI.
We have shown the performance as Aggregate performance of all clients on TWRR basis.

Sector Allocation



Anand Rathi PMS

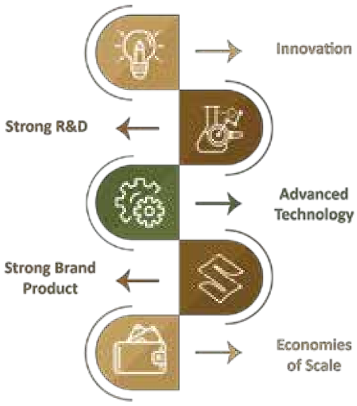
MNC Portfolio

Objective & Investment Philosophy

Objective Focus on consistency of return and risk moderation by investing in Multinational Companies listed in India.

Investments into listed companies in India in which the foreign shareholding is over 50% and/or the management control is bestowed in foreign company and/or the technological and managerial know-how brought in by foreign partner/investor.

Successful Business Model



- MNC's benefit from the economy of scales by spreading R&D expenditures and advertising costs over their global sales, pooling global purchasing power over suppliers, and utilizing their technological and managerial know-how globally with minimal additional costs.
- MNC's can use their global presence to take advantage of underpriced labor services available in certain developing countries, and gain access to special R&D capabilities residing in advanced foreign countries

Healthy Balance Sheet

Top Holdings and Allocation

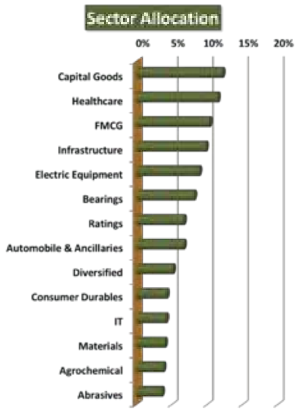
Sr No	Top 10 Holdings	% Holdings
1	Siemens Ltd	9.8%
2	ITD Cementation India Ltd.	9.2%
3	Suven Pharmaceuticals Limited	7.0%
4	Maruti Suzuki India Limited	6.8%
5	CRISIL Ltd	6.7%
6	Ingersoll-Rand (India) Ltd	4.7%
7	3M India Ltd	4.7%
8	Abbott India Ltd	4.5%
9	Mphasis Ltd	4.4%
10	KSB Limited	4.2%

Avg Mkt Cap (cr)	
Large Cap	303184
Midcap	47400
Small Cap	18214
Overall Portfolio	104627

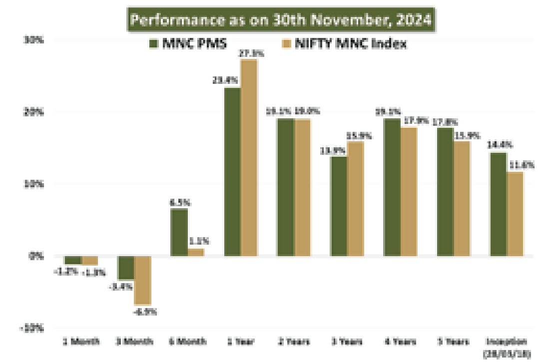
Data as on 30th Nov. 2024

Strong Corporate Governance

- MNC's are generally rated high for their corporate governance standard.
- MNC's depict high transparency and accountability with well laid out policies and regulatory framework, internal control and risk management.
- This provide good comfort for an investor who would not fall prey to any negative impact on investment due to corporate mis-management and fraud.



The current model client portfolio comprise of 20 stocks. Portfolio is well diversified across market capitalization and sector. We have shown top 10 stocks based on current portfolio. Most of the stocks are given more or less equal and sizable weightage in portfolio



Note: - Returns above one year are annualized. Returns are net of all fees and expenses.

Disclaimer: Past Performance is not necessarily indicative of likely future performance.
Performance mentioned above are not verified by SEBI.
We have shown the performance as Aggregate performance of all clients on TWRR basis.

Selection Process

Out of 4500 listed Company, there are only 90 odd MNC Companies which are own by Foreign Promoter with more then 1000 cr Market Cap which make the stock universe limited for further evaluation.

Anand Rathi PMS

Decennium Opportunity

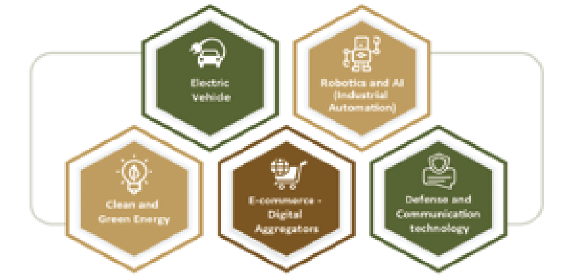
Focus on return optimization by investing in multicap portfolio of companies with good corporate governance, strong emerging business or companies entering into next business upcycle.

India Vision: Global Powerhouse with USD 5 Trillion dollar economy by 2025

Opportunities at every level of emerging business

The key to success is to adapt to the changing business dynamics

Emerging business of ongoing Industrial Revolution



Note: The above opportunity are given for illustration purpose there are many other emerging business in this ongoing industrial revolution, which could form a part of portfolio.

Stock Selection Process

Opportunity - Accelerated Growth from Business Upcycle

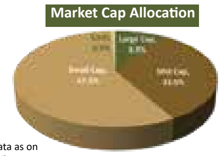
- Indian economy has found its place among the key global players in many of the sectors.
- India increasing its share and becoming a part of the global supply chain and also a reliable partner.
- Government focus on building capabilities, scale and good manufacturing practices.
- PLI, Export incentive and Atmanirbhar Bharat Initiative very well supportive to strengthen India's private players/ Enterpreneurs to scale up their business.
- With overall economic growth both at macro and micro level and favorable policy many sectors enters into their next business upcycle

Portfolio Synopsis

Sr No	Top 10 Holdings	% Holdings
1	Bharat Electronics Ltd	8.9%
2	Ethos Limited	8.4%
3	Caplin Point Laboratories Limited	8.3%
4	KEC International Limited	8.3%
5	Praj Industries Ltd	7.1%
6	Concord Biotech Limited	7.1%
7	Craftsman Automation Limited	6.2%
8	Techno Electric & Engineering Company Limited	5.8%
9	Global Health Limited	5.5%
10	Venus Pipes and Tubes Limited	5.3%

Sector Allocation

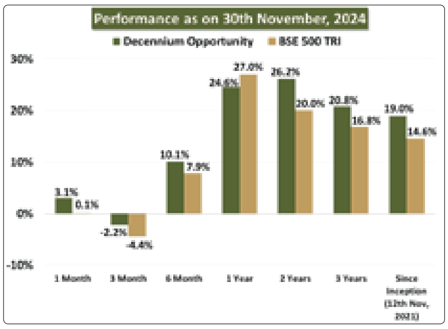
Market Cap Allocation



Data as on 30th Nov, 2024

	Avg Mkt Cap (cr)
Large Cap	225141
Midcap	37477
Small Cap	12684
Overall Portfolio	37442

The current model client portfolio comprise of 17 stocks. Portfolio is well diversified across market capitalization and sector. Most of the stocks are given more or less equal and sizable weightage in portfolio.



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Note: Returns above one year are annualized. Returns are net of all fees and expenses.

Structure Product Idea

Nifty Accelerator

Product Name	Nifty Accelerator– 100%	
Issuer	Anand Rathi Global Finance Limited	
Underlying	Nifty 50 Index	
Principal Protected	Principal is not protected	
Tenor(days)	1900 Days	
Initial Fixing Level	150 points contingent from closing nifty then rounded to next 100	
Final Fixing Level	Average of Closing NIFTY on last Thursday of 44^{th}, 47^{th}, 50^{th}, 53^{rd} & 56^{th} Month.	
Nifty Performance (NP)	(Final Fixing Level/Initial Fixing Level)-1	
Contingent Coupon (CC)	102% (IRR – ~14.52%)	
Participation Rate1 (PR1)	100% (From 115% to 134% of Initial Fixing Level)	
Participation Rate2 (PR2)	8350%(From 133% to 134% of Initial Fixing Level)	
Decay Multiple (DM1)® Knock-In Put @ 84.99%	1.4x (below -20% till -30% fall with catch-up)	
Decay Multiple (DM2)® Nifty @ 69.99% of initial	0.4x (Between -30% till -90% fall decay decreases)	
Payoff	If Final Fixing Level is at or above 134% of Initial Fixing Level	Contingent Coupon
	If Final Fixing Level is above 115% & below 134% of Initial Fixing Level	(NP-15%)* PR1+ Max(0%,(NP-33%)*PR2
	If Final Fixing Level is at or above 80% & at or below 115% of Initial Fixing Level	Principal Protection
	If Final Fixing Level is below 80% of Initial Fixing Level	MAX(-100%,MAX ((-30%* DM1), NP*DM1)+MIN (0%,(NP+30%)*DM2))
	If Final Fixing Level is below 10% of Initial Fixing Level	NP

NIFTY ACCELERATOR- 102.5%: PAYOFF (Structured Products Idea)

Nifty Values	Nifty Perf.	Product Return	Nifty IRR	Product IRR
50625	**102.5%**	**102.5%**	**14.5%**	**14.5%**
37500	50.0%	102.5%	8.1%	14.5%
33500	**34.0%**	**102.5%**	**5.8%**	**14.5%**
33250	33.0%	18.0%	5.6%	3.2%
31250	25.0%	10.0%	4.4%	1.8%
29000	16.0%	1.0%	2.9%	0.2%
28750	**15.0%**	**0.0%**	**2.7%**	**0.0%**
27000	8.0%	0.0%	1.5%	0.0%
25000	**0.0%**	**0.0%**	**0.0%**	**0.0%**
24658	-1.4%	0.0%	-0.3%	0.0%
22500	-10.0%	0.0%	-2.0%	0.0%
20000	**-20.0%**	**0.0%**	**-4.2%**	**0.0%**
19998	-20.01%	-28.01%	-4.2%	-6.1%
18750	-25.0%	-35.0%	-5.4%	-7.9%
17500	**-30.0%**	**-42.0%**	**-6.6%**	**-9.9%**
13750	-45.0%	-48.0%	-10.8%	-11.8%
2500	**-90.0%**	**-66.0%**	**-35.7%**	**-18.7%**

Product IRR*
~14.52%

Tenor - **1900 Days**
Expiry - Avg. of 44 , 47, 50, 53, & 56 Months

**Standard Deviation
4.57%

Target Nifty Perf.
34%

Product Explanation

NP >= 34%	102.5% (Contingent Coupon)
33% < NP < 34%	Max(0%,(NP-32%)*PR2
15% < NP < 34%	(NP-15%)* PR1
-15% <= NP <= 15%	Principal Protection
-30% <= NP < -15%	1.4x Decay with Catch-up
-90% <= NP < -30%	Decay decreases to 0.4x
Nifty Falls Beyond -90%	Nifty performance

Source: Anand Rathi Internal Research.
Note: Such representations are not indicative of future returns.

***Product IRR assume to be Pre-Tax IRR**

NP: Nifty Performance

^ Initial Fixing Level is taken as 24761, adding 150 points contingent: 24911, rounded off to next 100: 25000.

****Historical Standard Deviation is calculated for 1710 days daily rolling NIFTY (Working Days Only) return from 1st Jan'2001 – 31st October 2024.**

Investment Value per debenture: 1,25,000/-(Issued at a premium)

IVen amplifi

India focused Venture Fund

Overview of ICICI Venture

ICICI Venture, established in 1988, is a pioneer in the Indian Alternative Assets market

ICICI Venture at a Glance

$6.25 Bn	610+	100+	80+	LPs
AUM/A since inception	Investments since 1988	Investments since 2002	Exits since 2002	Global and Indian

Our 5 Verticals

	Venture Capital	Private Equity	Real Estate	Infrastructure	Special Situations
AUM/A	USD 0.5 Bn[1]	USD 1.95 Bn[2]	USD 0.8 Bn[2]	USD 1.75 Bn[3]	USD 1.25 Bn[4]
Strategies	Growth Equity	Growth Equity	Equity	Energy	Debt, Mezzanine
	Early investing	Joint Control	Debt	Utilities	Distress Buyouts
		Buyouts	Mezzanine	Buyouts	Equity Recaps

[1] VC AUM (1988-2002); [2] Includes co-invest capital; [3] Through Resurgent Power which is co-sponsored by ICICI Venture and Tata Power Company; Figure represents an enterprise value of the current portfolio [4] Through AION which is in a strategic alliance between ICICI Venture and Apollo Global (US); As of April 2020, ICICI Venture and Apollo have jointly agreed to a revised format whereby AION will continue to be managed by Apollo and advised by ICICI Venture until the end of its term. Each of ICICI Venture and Apollo are free to pursue future investment opportunities independently

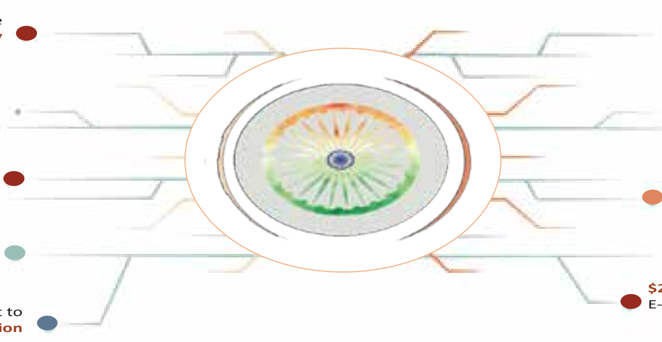
Evolution of ICICI Venture platform

During the last 30+ years, we have become one of India's most diversified Alternative Asset platforms

- **1988** Founded as TDICI
- **1998** Re-named to ICICI Venture
- **1988 - 2001** Focused on Venture Capital
- **2002** Private Equity vertical established
- **2005** Real Estate vertical established
- **2012** Special Situations Vertical established
- **2016** Infrastructure vertical established
- **2022** AUM/A since inception reaches USD 6 Bn
- **2023** Venture Fund IVen amplifi

INDIA 2030 Summary

Domestic consumption to remain, and digital to become, key drivers of the economy

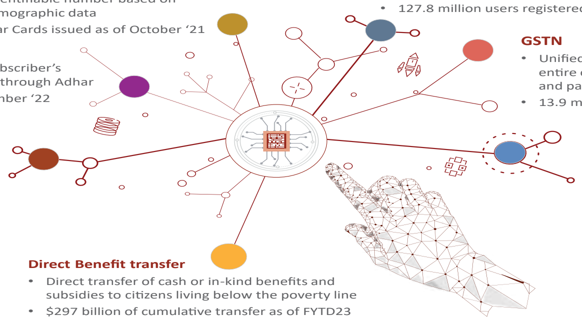


- India expected to become **3rd largest economy**
- **$5,242** Per-capita income
- GDP is anticipated to reach **$7.9 trillion**
- **1,083 million** Smartphone users
- IT services export to reach **$527 billion**
- **25.2 million** Households with income $>35,000
- **960 million** Internet users
- **700 million** online hoppers
- **$226 billion** E-commerce market

Source: Industry reports, IVEN estimates

Components of Digital India

Key layers include eKYC (biometric KYC), Unified payments interface (UPI), and GST network (GSTN)



Aadhar UID
- 12-digit unique identifiable number based on biometric and demographic data
- 1.32 billion Aadhar Cards issued as of October '21

eKYC
- Paperless KYC process, verifying subscriber's identity and address electronically through Adhar
- 13 billion transactions as of September '22

E-Rupi
- Prepaid Vouchers delivered to the beneficiary through an SMS or QR code, ensuring access to welfare benefits for unbanked population

Digi Locker
- Platform for issuing and verifying documents digitally using cloud storage linked to Aadhar
- 127.8 million users registered as of September '22

GSTN
- Unified indirect tax administration platform for the entire country to handle invoices, returns, registrations, and payments
- 13.9 million businesses registered as of September '22

UPI
- Enables all bank account holders to send and receive money instantly using Smartphones
- $133 billion transactions as of September '22

Direct Benefit transfer
- Direct transfer of cash or in-kind benefits and subsidies to citizens living below the poverty line
- $297 billion of cumulative transfer as of FYTD23

Source: Industry reports, IVEN estimates

1

Fund strategy

Tech-focused venture fund

- Rs. 15 Bn India focused fund; View on Digital India 2030
- Tap synergies across ICICI Group
- Sector agnostic; digital focus on Fintech, ConsumerTech and Enterprise
- Early-stage; late Series A / early Series B (Rs. 0.5 to 1 Bn per company across rounds), minority shareholding; typically, revenue < ~Rs. 1 Bn
- 10-15 investments; focus on portfolio diversification and risk management
- Best in-class Deal Sourcing capabilities; Early Identification of key trends
- Target Gross INR MoIC of 3.5x-4x at a Gross INR IRR of 30%-35%
- "No Go": Seed stage
- Provide strategic support to portfolio companies especially areas of corporate governance

IVen Amplifi's positioning

IVen Amplifi will focus on the under-served late Series A or early Series B stages

Target Return	Seed Stage	Early (Series A)	Scale (Series A+ to B-)	Late (Series B onwards)
30x / 10x / 5x / 2x	Friends & Family Angels Incubators and Accelerators Angel Funds Family Offices Micro VC Funds Seed Funds VC Funds	VC Funds Family Offices	IVen amplifi	Late-Stage VCs Private Equity Secondary Sales M&A Equity Markets (IPO)
Risk	Crowded	Owned by existing brand name VCs	Under-served	
Round	Up to USD 2-3 Mn	Up to USD 3-8 Mn	Up to USD 8-15 Mn	Over USD 15 Mn
#Players	Large number of players	>50	<10	Large number of players

The under-served late Series A to early Series B stages presents investment opportunities with ticket sizes of USD 5-8 Mn in USD 8-15 Mn rounds

Investment themes

Over 2x GDP growth in the next decade will create opportunities across sectors

Fintech

- Strong digital infrastructure for financial services
- Large financing gap across consumer and SMB
- Low-risk coverage (shallow insurance penetration)
- Embedded finance and cross-border financial services

Lending Tech | Payment tech | Insure Tech
Embedded Finance | Financial Infrastructure | Wealth Tech

Consumerisation

- Rapidly growing GDP per capita = disposable income
- Nearly a BILLION internet users by 2031
- Digital economy to reach USD 800 Bn i.e., 10x in the next decade
- Youngest population in the world

D2C | Food Tech | Social Commerce
Marketplace | Digital Content

India and the World

- Value chain disruption via marketplaces
- New-age technologies enhancing sustainability
- AI native applications
- Industrial automation driven by 5G

B2B Marketplace
SaaS

Illustrative ICICI Group Partnerships with Startups

Fingpay – AEPS based biometric payments and cash drop/withdrawals

Vernacular.ai – IVR Automation in vernacular language using voice bot

IndiaFilings – Support for SMEs with incorporation, tax, compliance and HR services

Karza – Digitization of due diligence process for retail loans

SatSure – Satellite data analytics for Agri business- Sat farm

PropertyPistol – Property tech platform aiding customers with B2C real estate sales

RemitGuru – Unified remittance solution for M21, Wire, Vostro, FDI and FCC

CarDekho – Dealer funding/ Inventory funding/ New car loans

Credgenics – Automated drafting of personalized legal notices & live tracking

WorkApps – Video KYC and video banking module

Vanghee – Current account opening & payment solution for MSME

Advarisk – Title search report for project funding & asset monitoring pre-lending and post disbursement

More than 200 partnerships across ICICI Group

Illustrative Deal Pipeline

Focus on businesses which solve real problems

Sr. No.	Project Name	Sector	Description	Potential Next Round Size
1	Project Ed	Fintech	Education Loans	INR 80 - 100 Crs
2	Project Real	Fintech	B2C PropTech platform with embedded home loan product	INR 50 - 80 Crs
3	Project Sauce	Consumer - D2C	Asian Food Brand	INR 50 - 80 Crs
4	Project Pet	Consumer - D2C	Pet Products and Marketplace	INR 80 - 100 Crs
5	Project Fashion	Enterprise	SaaS platform and B2B marketplace for fashion supply chain allowing brands to compete with the likes of Shein	INR 50 - 60 Crs

Key investment framework

The process to repeatably create value through a structured approach to investing

1. Back top founders – first-time as well as repeat
2. Focus on large markets – existing and new emerging markets
3. Sharp attention to unit economics and potential for operating leverage
4. Focus on innovation, product, business model moats, and fundamentals

5. Identify right to win and mitigate risks
6. Capital intensity of business model i.e., steady state ROCE potential
7. Focus on entry shareholding and entry price
8. Liquidity and exit opportunities

Fund's Investment Process

ICICI Venture

Deal Sourcing
- Team's network
- Prior investments
- Group and Investor references
- Investor / GPs / VC references
- Intermediaries
- Accelerators

Deal assessment
- Team's network
- Prior investments
- Group and Investor references
- Investor / GPs / VC references
- Intermediaries
- Accelerators

Investment with growth mindset
- Business evaluation
- Provide strategic support to portfolio companies
- Focus on Governance

Target returns within targeted holding period
- Multiplicity of exit options
- Ab initio alignment with promoters, teams
- Focus on execution excellence

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Key Fund Team Members

ICICI Venture

Experienced fund management team with significant investing experience

Mr. Subeer Monga
Director

Over 15 years of experience in Indian markets with a significant majority in venture investing

Previously worked at Mayfield India Fund for over 12 years. Prior to that was with HSBC and I&LFS Investmart

Subeer has been involved with ~20 investments

Deal Experience:*
- *Enkash – India's leading B2B cards payment business (~9x mark up from first investment to latest round)*
- *Strata – Leading fractional commercial real estate ownership platform (Follow on investment led by Kotak Bank)*
- *Knowlarity – Cloud communication platform (acquired by Gupshup)*
- *LEAP India – India's largest pallet rental business*

Mr. Sharad Malpani
Director

Extensive experience in investing and operating side of business, early and mid-stage investing

Part of the ICICI Group for 21 years of which 13 years of investing including with ICICI Venture

Sharad has been involved with ~10 investments

Deal Experience:*
- *Zopper –India's leading digital Insurtech Platform (assurance/ insurance)*
- *Go Colors – Leading women's fashion wear brand (IPO – ~6x exit)*
- *RBL Bank – Leading regional bank in India (IPO ~3x exit)*
- *Cello – Leading home products company*
- *Epack – Amongst the largest contract manufacturers for consumer durable*

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Portfolio management

ICICI Venture

ICICI Venture leverages its well-established network of external advisors for driving operational excellence

Accounting		
EY	KPMG	pwc
BDO	Deloitte.	Grant Thornton

Hiring		
native	MichaelPage	QUESS
Walker Telent Advisors	PURPLE QUARTER	seenrecruit

Services		
MyCFO	Aparajitha	protiviti

Products		
knowlarity	exotel	darwinbox
EnKash	freshworks	ZOHO

Digital Services		
Google	Microsoft	aws
Meta	Digital Ocean	Infosys

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PCG

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*Investment in Unlisted Shares**

What are Unlisted Shares*?

Unlisted shares is a financial instrument that is not traded on a formal exchange, Trading of unlisted shares is done in over-the-counter (OTC).

Reliance Retail	Retail
HDB Financial Services Ltd.	Financial Services
Chennai Super Kings	IPL Team
Mohan Meakin Ltd.	Beverages
(API holdings Ltd.)	Healthcare Product
Studds Accessories Ltd.	Helmet Accessories
Care Health Insurance	Insurance
Sterlite Power Transmission Ltd.	Power & Transmission
Phillips India Ltd.	Electronics
Kurlon Ltd.	Mattresses
Hero Fincorp Limited	Financial Services
Utkarsh Coreinvest Ltd.	Financial Services
Hexaware Technologies Ltd.	IT- Software
Sbi Mutual Fund	Mutual Fund
Orbis Financials Corporation Ltd.	Custodian
Bira	Beverages
Mohan Meakin Ltd.	Beverages
Oravel Stays Ltd.	Hospitality
Appollo Green Energy	Green Energy

To know more 8655240697

Product Note:

- Investing in Unlisted shares is risky and suitable to clients with high risk appetite
- Unlisted shares have lock-in period of 6 months after Listing of shares on stock exchanges
- All unlisted shares price are tentative price, before confirming with Client once check with Product team (Hardik Rabara)
- Final IPO & Listing price of a company is based on many factors beyond our control, we don't guarantee a confirm IPO of any unlisted company nor guarantee any listing gains/returns. Investors should use own judgment and adequate caution before investing in unlisted shares
- We do not conduct any research on unlisted shares, we are just a distributor of unlisted shares

*These are not Exchange traded products and all disputes with respect to the distribution activity, would not have access to Exchange Investor Redressal Forum or Arbitration mechanism.

Note

Note

Note

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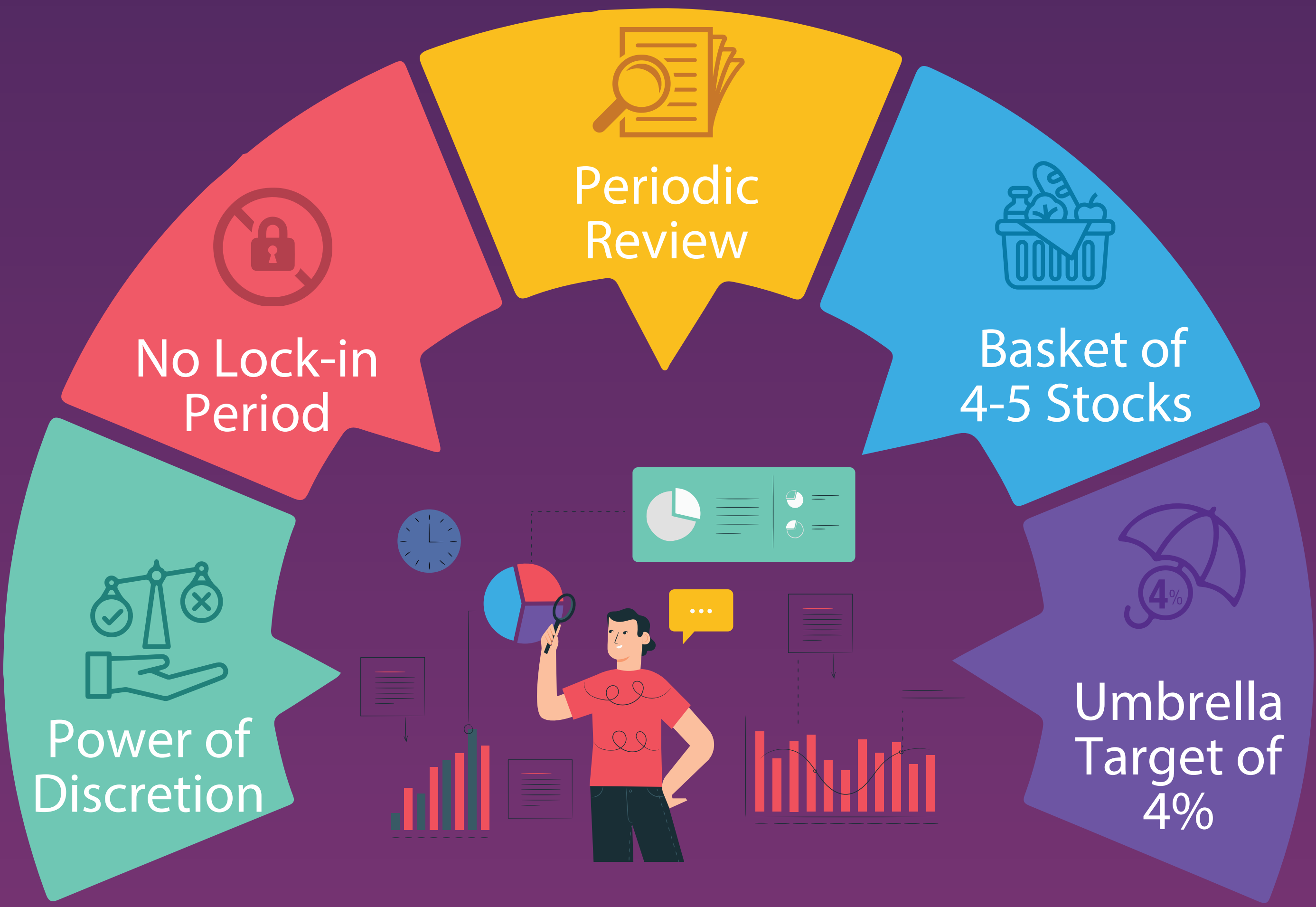
Quality Investing - Simplified!

ANANDRATHI PRIVATE CLIENT GROUP EQUITY PCG

Finkart offers benchmark-relative strategies across the market-cap spectrum of India. We believe the stock market is tremendously efficient to provide opportunities for the disciplined investor.



Dynamic Research Basket Stock Allocation

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