AnandRathi
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Equity

FINANCIAL FLASH

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INDEX

Market Commentary

The Nifty index ended the January month on a flat note as it closed at'23,508' as compared to 1st day of the month i.e '23,742',(-0.9%). Similarly, Sensex ended the January month at 77,500 fell by -1.2%.

Indian equity benchmarks continued their southward journey for third straight week and ended with cut of around half a percent each, amid concerns over Trump's trade policies coupled with foreign fund outflows. Investor also avoided to take risk ahead of the Union Budget 2025-26 to be tabled in parliament on February 01, 2025.

Some of the major developments during the week are:

IMF retains India's growth forecast at 6.5% for fiscal 2026, 2027: The global body noted a slowdown in the Gross domestic product (GDP) growth rate adding that 'growth in India also slowed more than expected, led by a sharper-than-expected deceleration in industrial activity.

Indian private sector companies start 2025 with slowdown in growth: The latest HSBC 'flash' PMI data report, compiled by S&P Global, has showed that Indian private sector companies started 2025 with a slowdown in growth, amid slower growth in new business intakes and aggregate output.

Retail inflation eases for farm, rural workers in December: The All-India Consumer Price Index for Agricultural Labourers (CPI-AL) and Rural Labourers (CPI-RL) for December 2024 eased to 5.01 per cent and 5.05 per cent from 5.35 per cent and 5.47 per cent, respectively, in November 2024.

Indian economy to grow by 7% in FY25: Moody's Ratings has projected the Indian economy to grow by 7% in FY25 and said robust economic expansion will drive growth in insurance premiums. It expects Indian insurers to benefit from sustained premium growth, helped by India's robust economic expansion.

EPFO adds 14.63 lakh net members in November: The Retirement fund body, Employees' Provident Fund Organisation (EPFO) in its latest report has showed that 14.63 lakh net members have been added in the month of November 2024, an increase of 9.07% as compared to the previous month of October 2024.

The HSBC India Manufacturing PMI rose to 58 in January 2025, up from 56.4 in December and above the expected 56.7, preliminary estimates showed. This marked the fastest expansion in the Indian manufacturing sector since July last year, as output and new orders rebounded from a relatively weak third fiscal quarter. Factory orders grew at its fastest pace in six months, and the growth in export orders was particularly notable. Job creation also strengthened, and firms increased input purchases, which supported a quicker rise in pre-production inventories as supplier delivery times shortened further. However, finished goods stocks fell, marking the largest drop in nearly three years. On prices, input cost inflation retreated to a ten-month low and remained modest by historical standards. Looking ahead, business confidence improved from December, reflecting more optimistic forecasts among manufacturing companies, who are at their most confident since May 2024.

The HSBC India Services PMI fell to 56.8 in January 2025 from the highest reading in four months in December of 59.3, below market estimates of 59.5, preliminary data showed. This marked the 42nd consecutive month of growth in services activity and the softest pace since November 2022, as outstanding business rose the least in 14 months. New orders grew, with foreign sales rising faster. On the price front, input cost inflation accelerated to the highest in a year and a half, due to higher costs in chemicals, labor, leather, meat, rubber, and vegetables. As a result, output cost inflation also accelerated. Lastly, sentiment weakened to a three-month low amid concerns about competition. "The cooling in growth in new domestic business in the services sector, however, highlights a potentially emerging weak spot in the economy. New export business for service providers, on the other hand, looks set to maintain its growing momentum," Pranjul Bhandari, Chief India Economist at HSBC, said."

The annual inflation rate in India eased to 5.22% in December of 2024 from 5.38% in the previous month, loosely aligned with market expectations of 5.3%, and remaining within the RBI's target of within 2 percentage points away from 4%. The slight deceleration in consumer prices was owed to a slower inflation for food (8.39% vs 9.04% in November), which takes up nearly half of the Indian consumer basket. In turn, prices eased slightly for housing (2.71% vs 2.87%), but deflation slowed for fuel and light (-1.39% vs -1.83%). On a monthly basis, Indian retail prices were 0.52% lower, the sharpest monthly decline in over one year.

India's total exports (Merchandise and Services combined) for December 2024* is estimated at USD 70.67 Billion, registering a positivegrowth of 0.92 percent vis-à-vis December 2023.Total imports (Merchandise and Services combined) for December 2024* is estimated at USD 77.44 Billion, registering a positive growth of 6.40 percent vis-à-vis December 2023

India's total exports during April-December2024* is estimated at USD 602.64 Billion registering a positive growth of 6.03 percent. Total imports during

April-December 2024* is estimated at USD 682.15 Billion registering a growth of 6.91 percent.

The Goods and Services Tax (GST) collections stood at Rs 1.96 lakh crore in the month of January, around 12.3% rise YoY, 10.7% QoQ.

India's foreign exchange reserves grew by US$5.5 billion to $629.55 billion in the week through Jan 31. Foreign currency assets grew by $4.7billion to $537.89 billion for the week ending Jan 31.

The U.S. markets traded higher during week as investors reacted positively to some upbeat earnings updates and corporate news, and on continued optimism about a few interest rate cuts by the Federal Reserve this year.

Some of the major developments during the week are:

U.S. weekly jobless claims inch up more than expected: Initial jobless claims rose to 223,000, an increase of 6,000 from the previous week's unrevised level of 217,000. Street had expected jobless claims to inch up to 220,000.

Trump plans to impose 25% tariffs on Mexico, Canada: President Donald Trump signaled plans to impose previously threatened tariffs of as much as 25% on Mexico and Canada by February 1.

Treasury announces details of two-year, five-year & seven-year note auctions: The Treasury revealed plans to sell $69 billion worth of two-year notes, $70 billion worth of five-year notes and $44 billion worth of seven-year notes.

Trump demands Fed cut rates: President Trump said he wants Federal Reserve to cut interest rates at a time the central bank has hit pause for an uncertain duration, arguing he understands monetary policy better than those charged with setting it.

Donald Trump considers 10% tariff on China: US President Donald Trump has said he is considering imposing a 10% tariff on imports of Chinese-made goods as soon as February 1.

European markets traded higher during the week amid continued optimism about further monetary easing by central banks. Despite worries about U.S. President Donald Trump's tariff fear, investors picked up stocks, focusing on earnings and other corporate news.

Some of the major developments during the week are:

Eurozone consumer confidence improves in January: Euro area consumer confidence grew for the first time in three months in January. The flash consumer confidence index for Eurozone rose to -14.2 from -14.5 in December.

UK manufacturers expect output to fall further: UK manufacturers are expecting output to decline further in the coming three months. The weighted balance declined to -13 percent in January from -25 percent in the three months to December.

French manufacturing confidence deteriorates: French manufacturing sentiment deteriorated more than expected in January on falling orders. The manufacturing sentiment index registered 95 in January, down from 97 in December.

UK budget deficit widens: The UK budget deficit more than doubled in December. Public sector net borrowing increased GBP 10.1 billion from the last year to GBP 17.8 billion in December. This was the highest December borrowing for four years.

German economic confidence weakens in January: German economic sentiment deteriorated more than expected in January. The ZEW Indicator of Economic Sentiment fell to 10.3 from 15.7 in December. The reading was expected to drop moderately to 15.2.

Asian markets remained mixed during the week as uncertainty about Trumps trade policies and tariff fears limited the upside. Some concern also prevailed on the street after the Bank of Japan hiked the short-term rate target by 25 basis points.

Some of the major developments during the week are:

Singapore industrial output grows 10.6% in December: Singapore's industrial production advanced 10.6 percent year-on-year in December, slightly slower than the 10.8 percent surge in November. The street expected increase of 6.4 percent.

Bank of Japan hikes interest rate: The Bank of Japan raised its short-term interest rate to to around 0.5 percent from 0.25 percent, aiming for a sustainable and stable achievement of the price stability target of 2.0 percent amidst rising wages.

Japan Manufacturing PMI sinks to 48.8 in January: The manufacturing sector in Japan continued to contract in January, and at a faster pace, with a manufacturing PMI score of 48.8. That is down from 49.6 in December

Taiwan industrial output growth quickens: Taiwan's industrial production expanded at an accelerated pace at end of the year. Industrial production advanced 19.97 percent yearly in December, much faster than the 10.20 percent growth in November.

South Korea Q4 GDP climbs 0.1% on quarter: South Korea's gross domestic product improved a seasonally adjusted 0.1 percent on quarter in the fourth quarter of 2024. That was unchanged from the three months prior.

The S&P Global US Manufacturing PMI edged up to 50.1 in January 2025 from 49.4 in December, beating market expectations of 49.7 and signaling a slight improvement in manufacturing conditions after six months of decline. Factory production rose marginally for the first time in half a year, with new orders also returning to modest growth. Employment increased for the third consecutive month, with the fastest pace of job creation since July. Suppliers' delivery times continued to lengthen, reflecting busier supply chains, though the impact on the PMI was less pronounced than in December. On the downside, inventories fell at their sharpest rate in 17 months, partly due to higher-than-expected input use in production rather than cost-driven destocking.

The HCOB Flash Eurozone Manufacturing PMI rose to 46.1 in January 2025 from 45.1 in December and above forecasts of 45.3. The reading pointed to the smallest contraction in the manufacturing sector in eight months, although output, new business and employment continued to decline. On the price front, manufacturing input costs rose for the first time in five months. Meanwhile, manufacturing optimism strengthened to a seven-month high. “The manufacturing sector is still in recession, but the pace of decline eased a bit. The sector continues to shed staff rapidly, and new orders are falling too. On the flip side, companies are much more optimistic about the future, envisioning higher output a year from now. This might be an unexpected Trump effect or due to the view that the bottom has been reached after a near two-year recession", Dr. Cyrus de la Rubia, Chief Economist at Hamburg Commercial Bank, said.

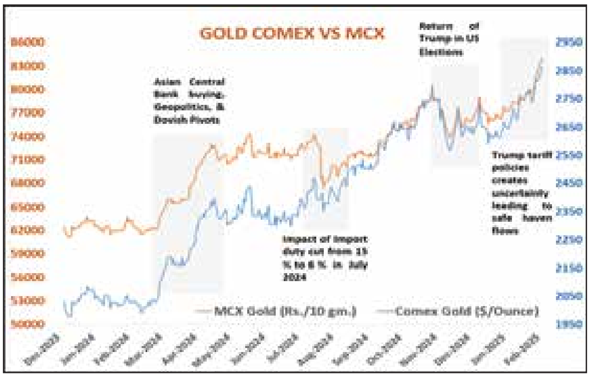
The au Jibun Bank Japan Manufacturing PMI unexpectedly declined to 48.8 in January 2025 from a final 49.6 last December, which was the highest reading in three months, a flash reading showed. It was the seventh consecutive month of contraction in factory activity and the steepest pace since last March, missing market forecasts of 49.7, as output fell the most since last April. Meanwhile, new orders continued to drop, marking the fastest decline in six months and buying levels shrank at a steeper rate. However, employment increased for the second month running, amid a sharp decline in backlogs of work. At the same time, suppliers' delivery times sharply lengthened. On the price front, input cost inflation eased slightly, while output cost inflation was unchanged. Finally, business sentiment remained positive.

Going Ahead

Despite recent volatility, India’s medium- to long-term equity outlook remains positive. India remains the fastest-growing major economy globally. Over the next five years, real GDP growth is projected at 6.5-7.5%, with nominal GDP growth at 10.5-11%. Nifty 50 earnings growth is expected to marginally exceed nominal GDP growth, supporting annualized returns of 11-13%—lower than the exceptional returns of the past five years but in line with historical averages and superior to most other countries and asset classes. Concerns over currency depreciation and foreign investor outflows persist but are expected to stabilize over the next three to six months. Domestic equity participation is poised to increase further, given India’s significantly lower household equity allocation compared to other major markets. With recent corrections, valuation concerns have eased. Current valuation multiples are now 5-10% below their 10-year average. If Indian equities revert to fair valuation, market returns over the next few years could exceed long-term averages. While short-term market trends remain unpredictable, we maintain a constructive medium to long-term outlook on Indian equities, backed by strong economic fundamentals, corporate earnings growth, and favourable structural trends.

Commodities Outlook

Gold reaches another record highs in January, benefits the most out of US Tariff concerns with Bullions moving from European & Asian destinations to US warehouses amid disparity in prices creating arbitrage opportunities.



Gold continued its exceptional performance in start of the year 2025 delivering new highs in February amid US tariff disputes and trade war with major trading partners led to heightened arbitrage activities in Gold. This came after it delivered almost 27 % returns in 2024, which was highest since 2010 – 2011 period. Some key reasons influencing gold prices since start of the year were heightened uncertainties as Trump planned to impose import tariffs on Major trading partners including Mexico, China & Canada. This lead to Gold being diverted away from European & Asian Locations to US warehouses as Comex Inventories rose to more than third since start of 2025.

With Gold reaching new highs in 2024, total gold demand rose 1% in Q4 reached a new quarterly high and contributed to a record annual total of 4,974t. Central banks continued to hoover up gold at an eye-watering pace: buying exceeded 1,000t for the third year in a row, accelerating sharply in Q4 to 333t. Annual investment reached a four-year high of 1,180t (+25%). Gold ETFs had a sizable impact: 2024 marked the first year since 2020 in which holdings were essentially unchanged, in contrast to the heavy outflows of the prior three years. Full-year bar and coin demand was in line with 2023 at 1,186t. The composition shifted as bar investment grew and coin buying reduced. Annual technology demand was also additive to the global total: it grew by 21t (+7%) in 2024, largely driven by continued growth in AI adoption. Gold jewellery was the clear outlier: annual consumption dropped 11% to 1,877t as consumers could only afford to buy in lower quantities. Nonetheless, spend on gold jewellery jumped 9% to US$ 144bn.

Outlook: Volatility is expected to persist in Gold amid arbitrage activities and safe haven flows; US Stance on interest rate cuts in 2025 to provide further direction to prices.

Gold stocks in COMEX approved warehouses jumped by more than a third in the past 6 – 8 weeks with lease rates in London having surged to almost 3.5% per annum, reflecting a significant tightening of short-term liquidity as physical gold moved to Comex-approved US warehouses. Rising lease rates indicated tight supply and highlighted strong hedging activity, further boosting demand and upward price momentum. On the other hand, silver & platinum inventories in CME-approved warehouses have also seen a significant increase with Bullion-dealing banks such as JPMorgan and HSBC playing a crucial role in maintaining price stability between London and New York. Along with high-frequency trading firms and hedge funds, often engaging in arbitrage activities to restore market balance. Meanwhile with prices rising to all-time highs in Gold on US Markets with Silver also witnessing a significant rise prices are bound to witness heightened volatility in the current month amid key tariff implementations on Mexico & Canada yet to take place. Overall we anticipate US Gold may extend its upside upto $ 2940 – 3020 per oz. levels in International Spot Markets. Meanwhile trajectory & expectations of US Interest rates cuts for the year needs to be watched out closely in the months ahead. With the US macro indicators continue to present resilient economic conditions could bring in significant intermittent corrections in prices in the weeks ahead. Overall trading range on MCX April futures could remain at around Rs. 79,500 – 87,500 per 10 gm levels.

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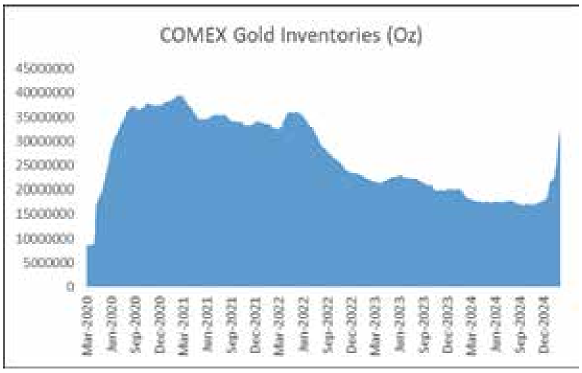

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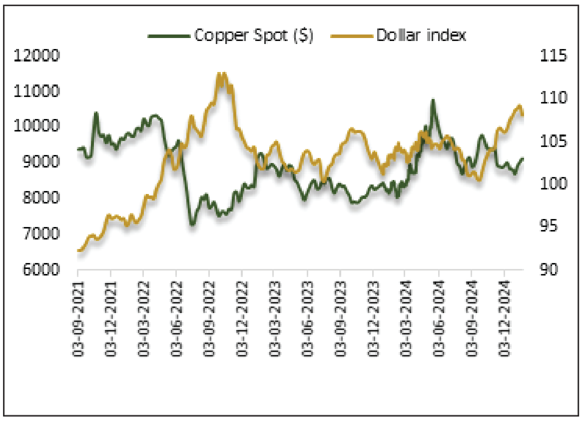
Copper Price Fluctuations Driven by Trade Uncertainty and Soft Chinese Demand

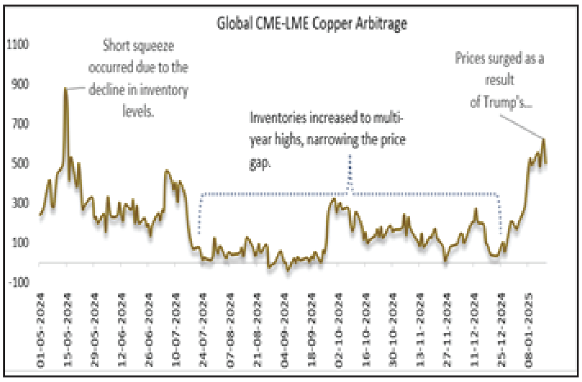
As of January 31, 2025, copper prices experienced fluctuations throughout the month. The LME Copper Cash-Settlement price dropped to $8,949.50 per metric ton from



$9,218.00 on January 24, reflecting changing market sentiment and trading activity. Concerns over global trade disruptions, fueled by U.S. tariff threats on copper, steel, and aluminum, contributed to uncertainty. Traders were cautious ahead of the February 1 tariff deadline on China. Weaker-than-expected Chinese manufacturing data further dampened demand, while the global refined copper market showed a 131,000 metric ton deficit in November, up from 30,000 tons in October, according to ICSG.

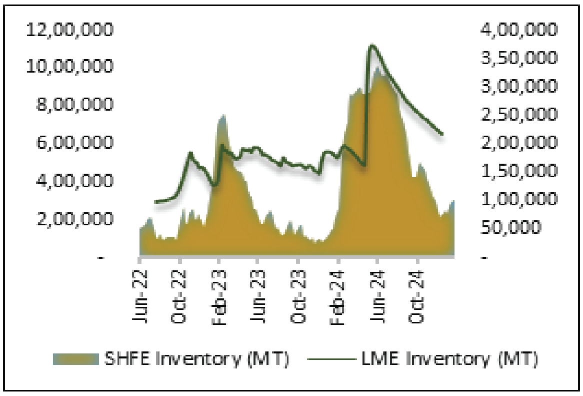
Prices also faced additional pressure at the month's end following news that Chinese AI Company Deepseek had developed an AI model superior to those of U.S. giants like OpenAI, Microsoft, and Meta, at a significantly lower cost.

CME-LME Copper Price Gap Widens Amid Tariff Concerns and Investor Speculation



The widening gap between CME and LME copper prices stems from concerns over potential U.S. import tariffs rather than a supply shortage. Last year, a short squeeze at CME, driven by low inventories, caused a sharp price surge, creating a major arbitrage opportunity. As inventories rebounded—rising over 76,000 mt between May and December 2024—CME prices normalized with LME. This time, however, Donald Trump's proposed 10-20% import tariffs on key commodities, including copper, have fueled investor speculation, pushing CME prices above LME.

Aluminium Market Overview: Price Fluctuations, Supply Challenges & Policy Shifts



In January 2025, aluminium prices opened at $2,635 per tonne, peaked at $2,691 mid-month, and declined to $2,576.55 by January 28, marking a 1.36% drop for the month. Supply constraints remained a key concern, driven by high alumina costs and Rusal's plan to cut production by 500,000 tonnes. In the U.S., where most aluminium imports come from Canada, the threat of tariffs has led consumers to scramble for supplies. Meanwhile, the European Union is considering a gradual ban on Russian aluminium imports as part of a new sanctions package ahead of the third anniversary of Russia's invasion of Ukraine. On the production front, global primary aluminium output in December increased by 3% year-over-year to 6.236 million tonnes, according to the IAI, while China's refined aluminium production reached a record 3.77 million tonnes, reflecting a 4.9% annual increase, according to the National Bureau of Statistics (NBS).

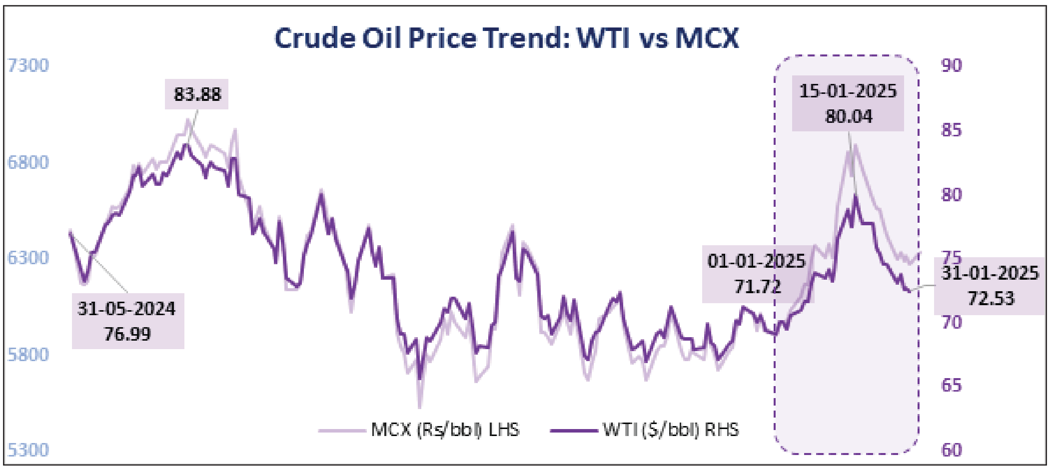
Monthly Outlook for Base Metals

Initial of the month Base metals are expected to trade range-bound with limited upside as disappointing Chinese PMI data for Jan 2025 and surprising slower GDP growth in EU and US in the last quarter set a poor macroeconomic backdrop raises demand concerns. With Lunar New Year holidays, trading volumes may stay subdued. On the supply side, Freeport-McMoRan's lower Q4 copper output and projected decline in Q1 2024 production may provide some support to prices. Later focus will be on geopolitical issues and demand from industries like electric vehicles and renewable energy, dollar index, inventories with potential fluctuations in pricing based on global economic conditions. For copper, prices continue to struggle above $9,000, with selling pressure and a potential decline toward $8,800 if support levels break and Resistance: $9350, and a move above this could push prices toward $9500.

Crude oil starts 2025 on a volatile Note on Tariff uncertainty

Crude oil had a volatile start to 2025, making January a month of two distinct halves. Prices initially rose toward $80 per barrel (WTI) before retreating to around $72, where they started. This volatility was driven by abrupt policy changes by U.S. President Biden in the final days of his tenure, including the toughest sanctions ever imposed on Russian oil. The uncertainty deepened as President Trump took office, introducing tariffs on Mexico, Canada, and China, which further unsettled oil markets.

On the fundamental front, supply tightness persisted in January due to intense cold weather in the U.S. and Europe, ongoing OPEC+ production cuts, and nearly nine consecutive weeks of declining U.S. stockpiles. This was evident in WTI spreads, which remained in bullish backwardation. However, concerns over Trump's tariff policies and broader demand challenges led to a significant price decline in the latter half of the month.



On the price front, WTI crude oil closed the month 1% higher at $72.53 per barrel. On a monthly average basis, prices stood around $74, compared to $69 in December. In India, MCX crude oil prices ended 1.8% higher at ₹6,279 per barrel.

Let's now consider how the Trump's action would pan out for the oil prices here onwards and how far will the OPE be able to provide floor to the prices.

Trump's Policies and Their Implications

Trump has outlined a clear agenda for energy markets. On February 1, he announced new tariffs on goods imported from Canada, Mexico, and China, including oil and gas. These tariffs were initially set to take effect on February 4 but were delayed by a month for Canada and Mexico after both countries agreed to implement stricter border controls. However, the 10% tariff on Chinese imports has been enforced, prompting retaliatory measures from China.

In terms of oil, the 10% tariffs imposed on imports from Canada, Mexico, and China have heightened volatility in global energy markets. These tariffs impact not only the oil and gas supply chain and trade flows but also broader economic factors such as inflation and global growth.

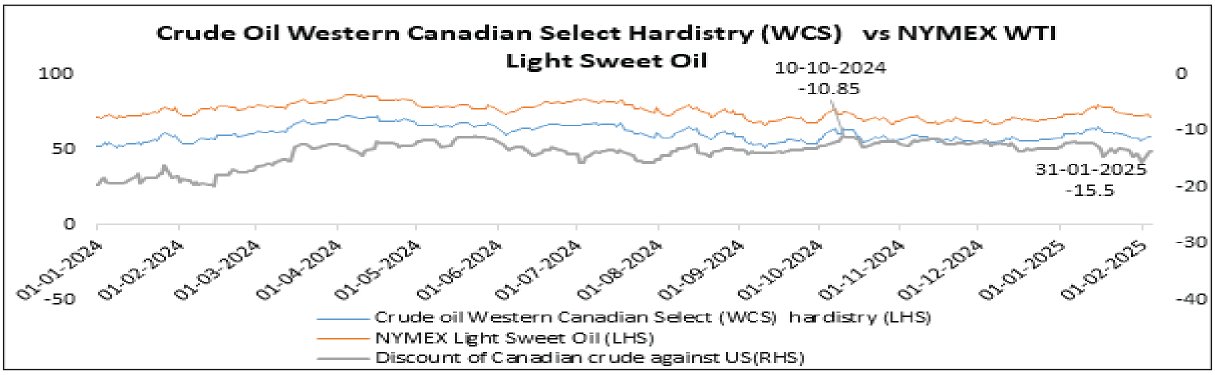
Impact of Tariffs on Crude Oil

Despite the tariffs, U.S. energy trade with Mexico and Canada is unlikely to undergo major changes in the long run. While there may be some minor shifts, most shipments will continue because the additional cost is manageable compared to sourcing oil from alternative suppliers. Additionally, Canada supplies a substantial portion of U.S. oil imports, making replacement difficult.

US Total Crude oil and Product imports (000 bpd)						
	2018	2019	2020	2021	2022	2023
Total US Imports (In Thousand barrel per day)	9,943	9,141	7,863	8,474	8,329	8,526
Total US Imports (In Thousand barrels)	36,29,042	33,36,563	28,77,890	30,92,978	30,40,020	31,12,016
Imports from Canada (In Thousand barrel per day)	4,292	4,432	4,125	4,340	4,365	4,435
Imports from Canada In thousand barrels (Total annual)	15,66,500	16,17,636	15,09,646	15,84,210	15,93,250	16,18,681
Canada's % share in total US imports	***43***	***48***	***52***	***51***	***52***	***52***
Imports from Mexico (In Thousand barrel per day)	719	650	751	711	808	910
Imports from Mexico In thousand barrels (Total annual)	2,62,613	2,37,390	2,74,757	2,59,500	2,94,883	3,32,254
Mexico's % share in total US imports	***7***	***7***	***10***	***8***	***10***	***11***

Source: EIA

Canada and Mexico account for over 52% and 11% of U.S. oil imports, respectively. The U.S. primarily imports heavy crude oil from Canada, especially Western Canadian Select (WCS), along with some lighter grades. U.S. refineries—particularly those on the Gulf Coast and in the Midwest—are optimized for processing heavy crude, making Canada the largest and most reliable crude supplier to the U.S.



If Canadian oil producers bear the full cost of Trump's tariff, they could see revenues drop by up to 10%, translating to about $7 per barrel. However, in reality, some of these costs will likely be absorbed by U.S. consumers. As a result, the U.S.-Canadian crude price differential may widen by $3–$5 per barrel, compared to the average discount of $13.50 per barrel over the past 12 months. These tariffs are also subject to negotiations between the U.S. and Canada, which may lead to adjustments. (Bloomberg)

Developments pertaining to oil other than Tariff in the Trump's Era

Apart from tariffs, Trump is also considering boosting U.S. oil production and imposing tighter sanctions on Iran. While increasing production may take time, stricter sanctions could immediately impact the global supply. Trump is expected to enforce stricter measures to cut Iran's oil exports, primarily to China, in an effort to prevent Iran from developing nuclear weapons.

If U.S. sanctions are strictly enforced, Iran's exports—currently around 1 million barrels per day (mbpd)—could decline, tightening global supply. Possible Iranian retaliation, such as disrupting the Strait of Hormuz, could lead to a significant spike in prices. If prices rise too much, Saudi Arabia and Russia might step in to stabilize markets by increasing production. However, broader demand concerns, including China's struggling economic growth, may limit sharp price gains.

Outlook

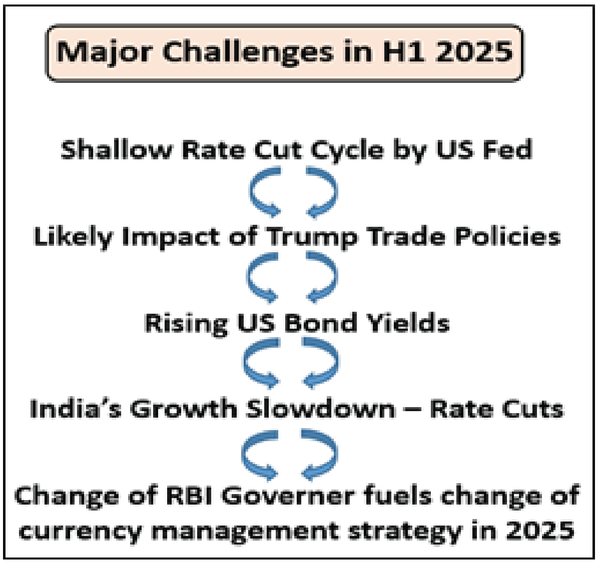
In summary, tighter sanctions on Iran could push oil prices higher due to supply fears, but increased production from OPEC+ and U.S. shale may cap the upside. OPEC+ has maintained its production stance and plans to begin a gradual unwinding of cuts from April onwards. However, the biggest risk remains Iran's potential disruption of shipping in the Strait of Hormuz, which could lead to a sharp price surge.

Overall, considering the highly uncertain market conditions, we expect volatility to persist in the Oil with broader range of $66-$80 persisting for WTI oil. However, the short term range in case of no immediate disruptions, prices may trade between $70 and $75 per bbl. On the MCX the broader range for Oil is Rs 5,750- 7000 while the short term range is Rs 6,100-6550 per bbl.

Indian Rupee

Rupee continues to witness all-time lows depreciating by over 1 % in Jan 2025 on rising global trade tensions. Challenges remain for the currency pair in H1 2025.

The Indian rupee breached the 87 per dollar mark for the first time ever in February 2025 weakening to over 87 levels. The decline came amid rising global trade tensions after US President Donald Trump imposed fresh tariffs on Mexico, Canada, and China. Trump's executive orders imposed a 25% tariff on Mexican and most Canadian imports and a 10% tariff on Chinese goods. Mexico and Canada retaliated, while China warned of countermeasures. For the first half of 2024 Indian Rupee remained range bound in the initial half of 2024 to very turbulent since November last year It took the rupee just over three months to breach the 87 per dollar mark from 84 per dollar, while rest of the year from Jan – Oct it remained in the range of 83 - 84 indicating the impact of global factors in past few months. Meanwhile the fall in 2024 was slower relative to other global currencies as was backed by RBI selling dollar through spot, over-the-counter (OTC) forwards and non-deliverable forwards (NDF) markets. RBI Intervention leading to a fall in foreign exchange reserves from 704.89 billion in last week of September to 644.39 billion USD as of December 20. The Yield on the US 10-year US treasury bonds rose from 3.7% on 18 Sep'24 to 4.57% on 31 Dec. despite 100 bps rate cuts in the same period by US Fed keeping the foreign investor inflows in debt and equity markets limited exerting downward pressure on rupee.



The outlook for the Indian Rupee in coming months could remain influenced by a mix of positive & negative factors. On one side, India's economic growth, projected between 6.5 to 7.2% for 2025, could keep uncertainty high, while on the other hand potential for further monetary easing by the RBI to stimulate growth could impact the rupee. Challenges also loom on global front which in case of further depreciation in Asian currencies. RBI Intervention may remain shallow to allow rupee to depreciate further to maintain export competitiveness against other trading countries especially China. Overall a further depreciative move towards 88 – 89 levels cannot be ruled out in near term while volatility in the currency pair may persist in medium to long term perspective.

Technical Analysis

Market Overview – Feb 2025

LEVELS TO WATCHOUT FOR: 23650 – 24000 / 23000 - 22800

After three consecutive months of declines, January 2025 brought some relief despite persistent selling pressure. The month was marked by significant volatility, with benchmark indices ultimately closing flat, registering a minor loss of just half a percent. The NIFTY 50 initially rallied toward 24,000 but later plunged below 23,000 before stabilizing near 23,500 by month-end. Then came the highly anticipated Union Budget on February 1, 2025. However, from a price-action perspective, it turned out to be a non-event, as the index closed with minor change.

Technically, we have consistently highlighted the rising channel and its support near 22,800. The NIFTY 50 respected this level precisely, reversing after making a low of 22,786. This underscores the significance of that support zone. On the daily chart, we now observe a breakout, which serves as the first indication of bottom formation. Additionally, the overall structure resembles a bullish Wolfe Wave pattern, which could be a game changer for the bulls. The FII long-short ratio in index futures remains at 12%, and just a few sessions ago, their total long contracts dropped to 25,000—a scenario last seen in October 2023, when NIFTY hit a low of 18,800 before staging a massive rally. We anticipate a similar price action this time, but one key confirmation is still required. Currently, the index is trading just below its 200-day exponential moving average (DEMA). A close above 23,650 would push the index back above the 200 DEMA, signalling strength. On the daily scale, we observe a breakout in RSI and a positive crossover in ADX (14)—both bullish signals. Price action suggests that a close above 23,650 could drive the index toward 24,000 and higher levels. On the contrary, a dip toward 23,000 might create anxiety among investors, while a breach of 22,800 would invalidate the bullish setup, potentially triggering panic selling. However, even in such a scenario, a sustained breakdown seems unlikely due to highly oversold F&O data.

Nothing out of the ordinary has been witnessed in the NIFTY BANK index either. As of now, a double-bottom formation appears to be taking shape near 47,800, making it a crucial support level for the index. On the upside, the immediate and significant hurdle is at 50,200, which coincides with the 200-day exponential moving average (DEMA). A decisive close above this level could instil confidence in banking stocks. Additionally, even in the NIFTY BANK index, we are witnessing a breakout in the daily RSI and a positive crossover in the ADX (14) indicator, further supporting the bullish outlook.

Technical Pick – BUY COLGATE-PALMOLIVE (INDIA) LTD

Potential Upside 14.97%- 20.00%

- COLPAL has been correcting from the top of around 3850 and recently went near 2600 mark.
- We are witnessing a double bottom formation near 2600 and then the stock has confirmed a breakout on the daily scale.
- The daily RSI is positively poised hinting towards a fresh round of pullback.
- Thus, traders are advised to buy COLPAL in the range of 2675-2775 with a stop loss of 2510 on closing basis for an upside target of 3133 and 3270 in coming 1-3.

Shareholding snapshot:

Summary statement holding of specified securities

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	3	13,87,12,672	13,87,12,672	51.00	13,87,12,672	51.00	13,87,12,672
(B) Public	2,65,334	13,32,72,962	13,32,72,962	49.00	13,32,72,962	49.00	13,12,23,935
(C1) Shares underlying DRs				0.00		0.00	
(C2) Shares held by Employee Trust				0.00		0.00	
(C) Non Promoter-Non Public				0.00		0.00	
Grand Total	2,65,337	27,19,85,634	27,19,85,634	100.00	27,19,85,634	100.00	26,99,36,607

ote:C=C1+C2

Source: www.bseindia.com

Technical Pick – BUY Mankind Pharma Ltd
Potential Upside 15.00%- 20.00%

- Even MANKIND has corrected decently from its peak of 3000 and sneaked below 2400 mark.
- The stock found support exactly near the previous swing low and also there is a placement of its 200 DEMA near 2400 mark.
- The stock has turned from the 61.8% retracement of the previous move and that hints towards a bounce in the coming weeks.
- Thus, traders are advised to buy MANKIND in the range of 2470 - 2530 with a stop loss of 2300 on closing basis for an upside target of 2875 and 3000 in coming 1 - 3 months.

Shareholding snapshot:

Summary statement holding of specified securities

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	13	29,99,60,612	29,99,60,612	72.71	29,99,60,612	72.71	29,99,60,612
(B) Public	1,71,268	11,26,06,287	11,26,06,287	27.29	11,26,06,287	27.29	11,26,06,287
(C1) Shares underlying DRs				0.00		0.00	
(C2) Shares held by Employee Trust				0.00		0.00	
(C) Non Promoter-Non Public				0.00		0.00	
Grand Total	1,71,281	41,25,66,899	41,25,66,899	100.00	41,25,66,899	100.00	41,25,66,899
Notes	A new entity namely 'Twin Roots Ventures LLP' was incorporated during the quarter which falls under the category of promoter group as per regulat						

Note:C=C1+C2
Grand Total=A+B+C

Source: www.bseindia.com

Fixed Income Services

Monetary Policy Update

The Monetary Policy Committee (MPC) met on December 4th, 5th, & 6th 2024, to assess the evolving macroeconomic and financial conditions for the forward outlook. By a majority of 4 to 2 (Dr. Nagesh Kumar & Prof. Ram Singh 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%.**
4. **Reduce the Cash reserve ratio (CRR) to 4.00% by the end of Dec 24**

The MPC unanimously decided to continue with the 'neutral' stance and to remain focused on a durable alignment of inflation with the target, while supporting growth & maintaining a steady repo rate for the eleventh consecutive time. The MPC revised the growth forecast downward due to the recent slowdown but assessed the outlook as resilient, also it would require a close monitoring.

Despite significant challenges, the **global economy** showed strong resilience in 2024. Inflation is easing from multi-decade highs, prompting central banks to adjust policies. While global trade remains robust, it's increasingly confined to geopolitical blocs. Financial markets have been volatile, with a stronger US dollar, rising bond yields, and capital outflows from emerging markets. Looking ahead, growing protectionism threatens global growth and could fuel inflation.

Domestic economic India's real GDP growth slowed to 5.4% in Q2 FY2024-25, driven by weaker private consumption and investment, despite a rebound in government spending. GVA growth was supported by resilient services and agriculture, while industrial weakness held back overall performance. Looking ahead, strong kharif output, favorable rabi prospects, and continued service sector growth are expected to boost private consumption and investment. Resilient global trade should support exports, but risks from geopolitical uncertainties, commodity price volatility, and geo-economic fragmentation remain. On liquidity front, the RBI has aligned overnight rates with policy rates and will ease liquidity stress by cutting the CRR in two 25 bps tranches, aiming for 4.00% by Dec 2024, releasing ₹1.16 lakh crore into the banking system.

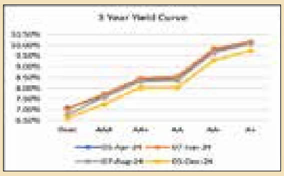
GDP Growth			CPI Inflation		
Projection for FY 25	MPC's Recent Projection (%)	MPC's Last Projection (%)	Projection for FY 25	MPC's Recent Projection (%)	MPC's Last Projection (%)
FY 25 ▼	6.60%	7.20%	FY 25 ▲	4.80%	4.50%
FY 25 Q3 ▼	6.80%	7.40%	FY 25 Q3 ▲	5.70%	4.80%
FY 25 Q4 ▼	7.20%	7.40%	FY 25 Q4 ▲	4.50%	4.20%
FY 26 Q1 ▼	6.90%	7.30%	FY 26 Q1 ▲	4.60%	4.30%
FY 26 Q2	7.30%		FY 26 Q2	4.00%	

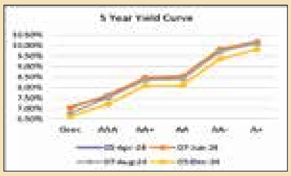
Summary of projection on growth & inflation by the MPC

CPI inflation surged above the upper tolerance band to 6.2 per cent in Oct, driven by significant rise in food prices and an uptick in core (CPI excluding food and fuel) inflation. A strong rabi season is key to easing food inflation, with early signs like good soil moisture and reservoir levels pointing to favorable sowing conditions. Food inflation is expected to remain elevated in Q3 of this FY, with relief anticipated from Q4 FY25, driven by corrections like seasonal easing of vegetables prices and kharif harvest arrivals. Risks to inflation include adverse weather events, heightened geo-political uncertainties and financial market volatility.

CPI inflation for 2024-25 is forecasted at 4.8%, with quarterly estimates ranging from 5.7% to 4.5%.

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





Source: CRISIL Fixed Income Database

- The 3 year and 5 year Gsec curve saw easing of ~6 bps and ~12 bps respectively, while the 3 year and 5 year AAA curve have also experienced an easing of ~24 bps & ~14 bps respectively.
- In 3 year space, the rest of the credit curve saw a easing in the range of ~6 bps to ~27 bps & in the 5 year saw an easing in the range of ~10 bps to ~17 bps.
- The AAA spread over G-sec, in the 3 year & 5 year space saw contraction of ~18 bps to ~2 bps, from ~81 bps to ~63 bps in the 3 year space and from ~61 bps to ~59 bps in the 5 year space.

Outlook: The MPC kept the repo rate unchanged at 6.5% and maintained a "neutral" stance, with a dovish tone acknowledging the growth slowdown. The primary focus is on bringing inflation within the tolerance band while supporting growth. A rate cut is expected to begin in the February policy if inflation moderates in the coming months. However, if inflationary risks rise and the rupee depreciates further, the rate cut may be delayed until the April 2025 policy

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.

Secondary Market Bond Offers

PSU Perpetual Quotes				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
8.40% Union Bank of India Perp	Call : 23-Dec-27	Annual on 23-Dec	AA+ by CRISIL & IND	7.70%
7.55% State Bank of India Perp	Call: 14-Dec-26	Annual on 14-Dec	AA+ by CRISIL & IND	7.70%
7.98% State Bank of India Perp	Call: 24-Oct-34	Annual on 24-Oct	AA+ By CRISIL & CARE	7.74%
PSU Quotes				
Security	**Maturity/Call**	**IP**	**Rating**	**Yield**
8.98% NABARD 2033	14-Oct-33	Annual on 15-Oct	AAA by CRISIL & IND	7.23%
0.00% REC LIMITED 2034	03-Nov-34	NA	AAA BY CRISIL, IND RATINGS, ICRA & CARE	6.35%
7.15% PFC 2036	22-Jan-36	Annual on 22-Jan	AAA by CRISIL,CARE & ICRA	7.10%

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	10.28%
8.40% HDB Financial Services Ltd 2033	22-Dec-33	Annual on 22-Dec	AAA by CRISIL & CARE	8.10%
8.75% Shriram Finance Ltd. 2026	04-May-26	Annual on 4-May	AA+ Stable by CRISIL	8.45%
8.20% India Grid Trust 2031	06-May-31	Annual on 06-May	AAA by CRISIL & IND	7.88%
9.50% MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. 2029	18-Jan-29	Annual on 01-Apr	AAA by CRISIL & IND	7.75%
9.50% HINDUJA LEYLAND FINANCE LIMITED 2029	29-Nov-29	Annual on 29-May	AA+ BY CRISIL & AA BY CARE	9.73%
8.22% TATA CAPITAL LTD 2028	13-Sep-34	Annual on 13-Sep	AAA By CRISIL & CARE	8.00%
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.

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Anand Rathi PMS

Impress Portfolio

Objective & Investment Philosophy

Objective

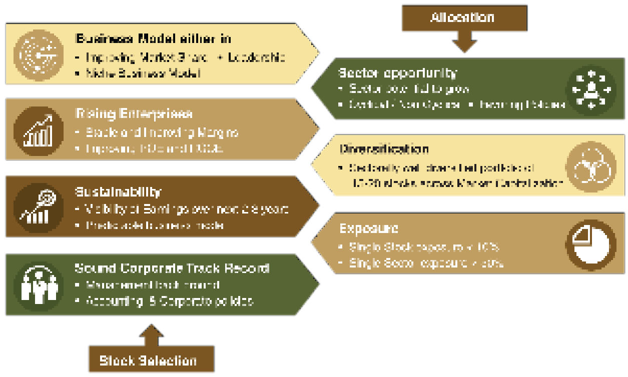
Focus on Return Optimization by investing in multicap portfolio of rising enterprises with sound corporate track record and sustainable business model keeping balance between value and growth strategy.

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.

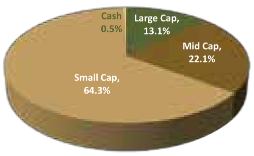
E — **Earnings Visibility Changes**
Our fundamental research team scrutinizes the quarterly results of the companies to understand the current & future estimated growth. If we are not satisfied with 2 or 3 quarterly results of the company & don't see growth, we take an exit to move to another stock.

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	ITD Cementation India Ltd.	9.5%
2	PG Electroplast Ltd.	7.7%
3	Bharat Electronics Ltd.	7.1%
4	Radico Khaitan Ltd.	6.4%
5	Alivus Life Sciences Ltd.	6.4%
6	KEC International Ltd.	6.3%
7	KEI Industries Ltd.	6.2%
8	Titagarh Railsystems Ltd.	6.0%
9	Varun Beverages Ltd.	6.0%
10	Ratnamani Metals & Tubes Ltd.	5.7%

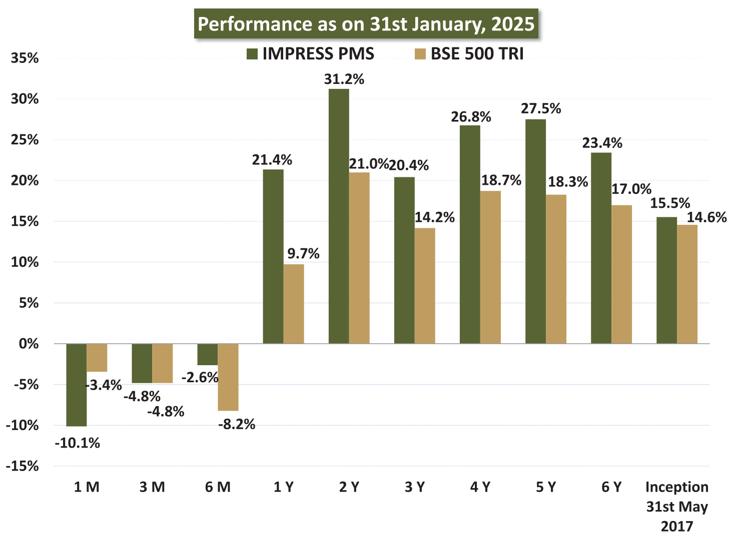
Market Cap Allocation



	Avg Market Cap (cr)
Large Cap	197758
Midcap	46885
Small Cap	16741
Overall Portfolio	44346

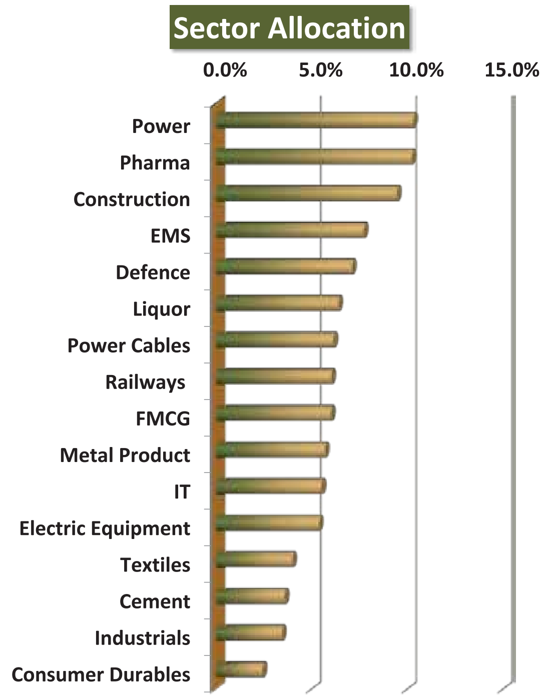
Data as on 31st January 2025

Portfolio Performance



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.



Anand Rathi PMS

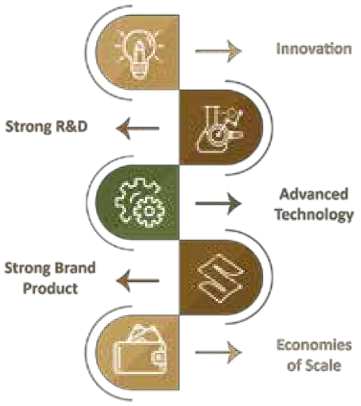
MNC Portfolio

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



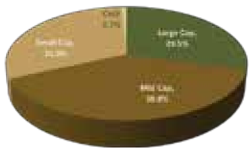
- MNC's benefit from the economy of scales by spreading R&D expenditures and advertising costs over their global sales, pooling global purchasing power over suppliers, and utilizing their technological and managerial know-how globally with minimal additional costs.
- MNC's can use their global presence 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	8.8%
2	Maruti Suzuki India Limited	8.5%
3	ITD Cementation India Limited	8.4%
4	CRISIL Ltd	7.6%
5	Suven Pharmaceuticals Limited	6.3%
6	3M India Ltd	4.9%
7	MPhasis Ltd	4.8%
8	Abbott India Ltd	4.8%
9	Nestle India Ltd	4.6%
10	Ingersoll-Rand (India) Ltd	4.4%

Market Cap Allocation



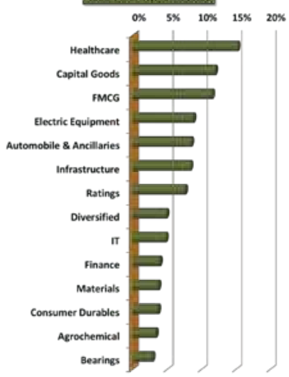
Avg Mkt Cap (cr)	
Large Cap	356128
Midcap	46026
Small Cap	14908
Overall Portfolio	108553

Data as on 31st January, 2025

Strong Corporate Governance

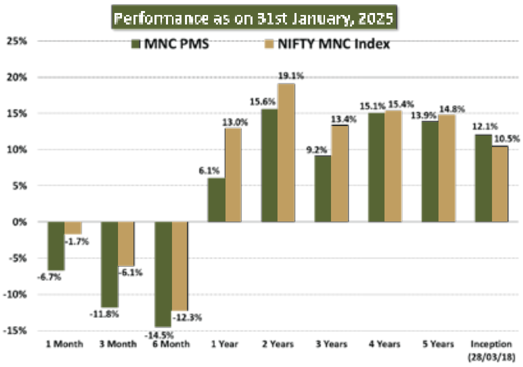
- MNC's are generally rated high for their corporate governance standard.
- MNC's depict high transparency and accountability with well laid out policies and regulatory framework, internal control and risk management.
- This provide good comfort for an investor who would not fall prey to any negative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

Sector Allocation



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

Performance as on 31st January, 2025



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.

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

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Performance mentioned above are not verified by SEBI.
We have shown the performance as Aggregate performance of all clients on TWRR basis.

Anand Rathi PMS

Decennium Opportunity

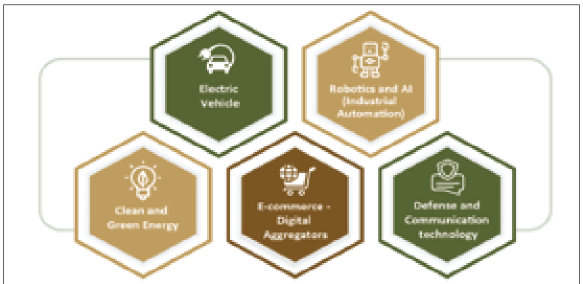
Focus on return optimization by investing in multicap portfolio of companies with good corporate governance, strong emerging business or companies entering into next business upcycle.

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.

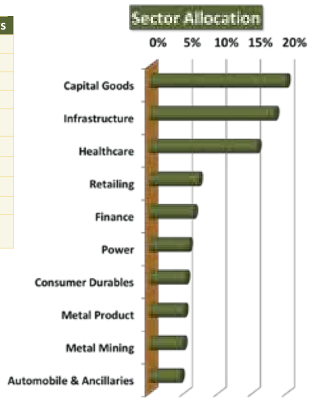
Stock Selection Process

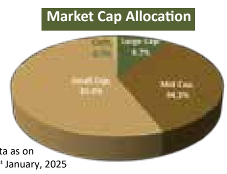
Opportunity - Accelerated Growth from Business Upcycle

- 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	9.7%
2	KEC International Limited	7.6%
3	Ethos Limited	7.2%
4	Caplin Point Laboratories Limited	6.7%
5	Indian Renewable Energy Development Agency	6.5%
6	EMS Limited	6.2%
7	Deepak Nitrite Ltd	5.7%
8	Blue Star Ltd	5.3%
9	Venus Pipes and Tubes Limited	5.1%
10	Techno Electric & Engineering Company Limited	4.9%

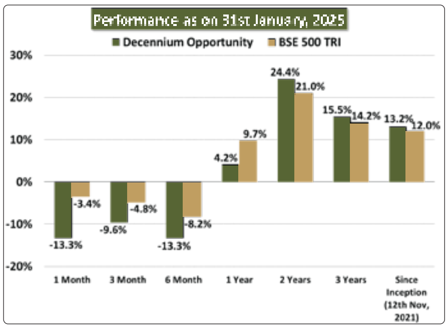




Data as on 31st January, 2025

	Avg Market Cap (cr)
Large Cap	213921
Midcap	37834
Small Cap	11172
Overall Portfolio	37024

The current model client portfolio comprise of 18 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– 102.5%	
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 @ 79.99%	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-33%)*PR2
15% < NP < 34%	(NP-15%)* PR1
-20% <= NP <= 15%	Principal Protection
-30% <= NP < -20%	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)

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

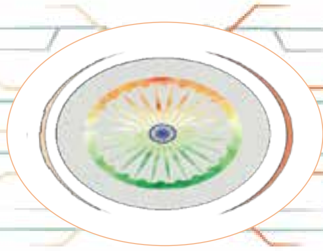
Evolution of ICICI Venture platform

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



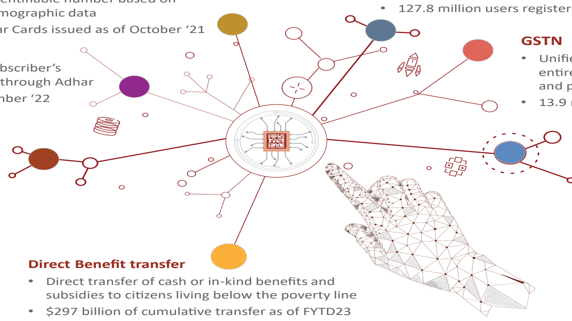
- India expected to become **3rd largest economy**
- **$5,242** Per-capita income
- GDP is anticipated to reach **$7.9 trillion**
- **1,083 million** Smartphone users
- IT services export to reach **$527 billion**
- **25.2 million** Households with income $>35,000
- **960 million** Internet users
- **700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

Source: Industry reports, IVEN estimates

IVen amplifi

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

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

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

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

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

IVen amplifi

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

IVen Amplifi's positioning

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

Target Return / Risk	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)
	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

IVen amplifi

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

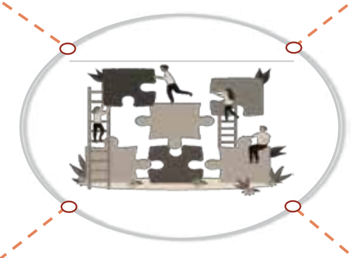
Focus on businesses which solve real problems

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 repeatedly 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

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

Key Fund Team Members

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*

Portfolio management

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

Accounting		
EY	KPMG	pwc
BDO	Deloitte.	Grant Thornton

Hiring		
native	Michael Page	Quess
Walkwater Talent Advisors	Purple Quarter	seenrecruit

Services		
MyCFO	Aparajitha	protiviti

Products		
knowlarity	exotel	darwinbox
EnKash	freshworks	ZOHO

Digital Services		
Google	Microsoft	aws
Meta	DigitalOcean	Infosys

Explore the

Hidden Treasure of **Unlisted Shares*** with

EQUITY UNICORN

*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
Care Health Insurance	Insurance
Sterlite Power Transmission Ltd.	Power & Transmission
Phillips India Ltd.	Electronics
Kurlon Ltd.	Mattresses
Hero Fincorp Limited	Financial Services
Hexaware Technologies Ltd.	IT- Software
Sbi Mutual Fund	Mutual Fund
Orbis Financials Corporation Ltd.	Custodian
Bira	Beverages
Oravel Stays Ltd.	Hospitality
Studds Accessories Ltd.	Helmet Accessories
Utkarsh Coreinvest Ltd.	Financial Services
Appollo Green Energy	Green Energy

To know more 8655240697

Product Note:

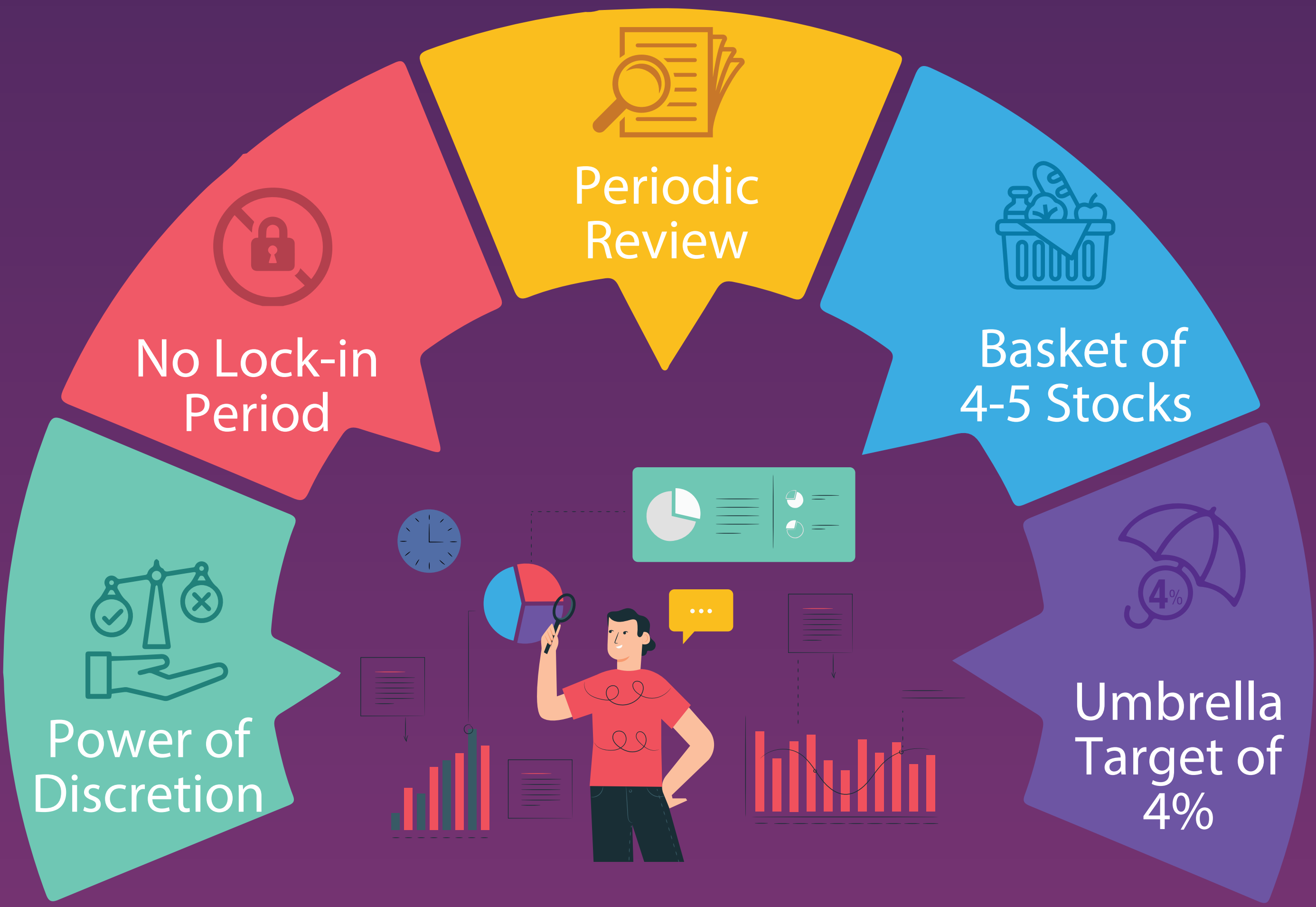
- Investing in Unlisted shares is risky and suitable to clients with high risk appetite
- Unlisted shares have lock-in period of 6 months after Listing of shares on stock exchanges
- All unlisted shares price are tentative price, before confirming with Client once check with Product team (Hardik Rabara)
- 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.

FINKART

Quality Investing - Simplified!

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

ANANDRATHI
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EQUITY
PCG

Feat Award Function 2023-24

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INVESTMENT SERVICES

The Investments recommended in News letter / research reports, may not be suitable for all investors. Investors must make their own investment decisions based on their own specific investment objectives and financial position and using such independent professional advisors as they believe necessary.