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INDEX

PCG Communique

From the Desk of the PCG Head

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PCG COMMUNIQUE – JAN 2024

Wish You all a Very Happy New Year!!!

The year 2024 witnessed significant geopolitical events that changed global dynamics. Donald Trump returned to the US presidency, Geopolitical tensions are on the rise, Bashar al-Assad's regime in Syria collapsed there were elections in the world two biggest democracy – US & India, our neighbouring country Bangladesh has seen its govt collapse with political turbulence, influencing the region's future. The Middle East, particularly with the ongoing Israel-Palestine conflict and rising tensions between Israel and Iran, remained a central focus.

In the same period the National Stock Exchange has set a record for the highest number of Initial Public Offerings and has also raised the highest equity capital in the primary market globally in 2024. In total, the exchange saw 268 successful IPOs, out of which 90 are in mainboard listing and 178 are the IPOs of small and medium enterprises last year and raised Rs. 1.67 lakhs crores. However, the biggest IPO at NSE remained that of Hyundai Motor India Ltd, worth over Rs. 27k CR, which was also the second biggest in the world. The record number of IPOs during this calendar year highlights the resilience and potential of the Indian economy. Companies across various sectors are recognising the value of public markets to support their growth strategies.

Macro Outlook For 2025:

The mother market which is the US looks to be going strong post Mr. Trump taking the Oath as their President. If we go as per the election promises then, tax rates will get cut, American First is the priority hence, tariffs will be imposed in few countries like Canada, Mexico, China etc. Tax rate cut will be add to the higher profits for the American companies which will give more money in the hands of the Americans, which can higher inflation and rather than Fed cutting rates, they might hold the cut or do reverse. Dollar will remain strong and bond yields will be high, which will have outflow from EMs, Tariff imposition will impact country by how much and will get imported inflation in US, this will also create uncertainties across the world market. Higher interest rates by Japanese Central bank will add fuel to fire. On the other side tapering off Russia-Ukraine conflict and reduced Middle East turmoil, are expected to bolster global growth.

Indian markets will participate along with the Global volatility and hence volatility will be ball game going forward in 2025 and many stock will go through time correction as well as price correction.

The Fed officials reduced their rate cut projection for 2025 to 50 basis points compared to 100 basis points projected in September. The central bank also raised inflation projection to 2.5% compared 2.1% earlier in its last policy meeting of 2024. "Rising USD demand, taking into uncertainties arising from expected Trump's policies, hawkish comments from the Fed towards rate cycle, expected foreign portfolio investors' outflows from domestic equity markets considering year-end, weak Indian macro numbers and sharp depreciation in Asian currencies are all pointing towards INR weakness,"

The worst is not over for rupee as volatility makes a comeback to India's foreign exchange markets, Uncertainty is expected to heighten in 2025 as US President-elect Donald Trump threatens tariff and adopts inflationary policies. The Indian currency is expected to move in the broad range of 83.20–87.00 against the greenback in 2025. Many of the analysts and economists expect the uncertainty to fizzle out once markets get a clear picture of Trump's economic agenda and policies. Hence, most of the depreciation is expected to be in the first half of 2025.

We have all had a good four years now of market rise, having moved from a low 7,500 in 2020 to a high of 26,000 by 2024. The current reaction in progress since October 2024 has run about three months. While liquidity overwhelmed the concerns on valuations earlier, the sustained three-month decline saw stock values getting smacked and portfolios whipped is now bringing the focus back on valuation once again.

But for the short term we believe the near-term outlook for Indian equities remains cautious. Weak earnings growth and high valuations are likely to keep the market range-bound over the next three months. From a valuation perspective, the Nifty currently trades at a 12-month forward P/E of 19.9x, slightly below its long-period average of 20.5x. The market capitalization-to-GDP ratio stands at 138%, reflecting the robust growth in India's equity markets. India's market capitalization surged 23.6% over the past 12 months, outperforming the global market cap increase of 10.9%. The MSCI India Index has maintained its strong performance, delivering a 14% return over the past year and outpacing the MSCI EM Index by a remarkable 168% over the past decade. The expectations have gone up and people think we should now get at least 25% return going forward. I don't think that is possible in 2025. The anticipation of higher return has to be trimmed quite a bit in 2025.

Looking ahead to 2025, we expect a gradual recovery in corporate earnings and consumption, driven by increased government spending and improving rural incomes following a successful kharif season.

Urban demand remains challenging due to low wage growth, high inflation, and increasing housing rental costs. We expect this urban slowdown to persist for another two to three quarters. Meanwhile, rural demand is showing signs of recovery, supported by good rainfall and government freebies.

Sector to Watch for 2025:

Tourism and Travel Growth: Rising income levels and experiential preferences of India's younger generation are driving domestic tourism growth. The large number of Indian tourists at key tourist destinations signals an increased domestic travel and the need for corresponding infra investments. the acceleration in government spending, expanded wedding season, and a strong summer crop to support near-term growth.

Capex: as a theme too is expected to outperform in 2025, and looks set to be in an early stage of a five-year cycle. The capex slowdown of H1FY25 was largely due to General and State elections, as well as a prolonged monsoon season. Now, it is expected that the capex spend by Centre should resume in 2HFY25, and project execution may accelerate. While the FY25 capex target of Rs 11.11 lakh crore is likely to be missed, but a strong growth compared to a year ago is expected after the slow first half. It will still be a 'significant increase' compared to last year's capex of Rs 9.5 lakh crore.

Defence: With the govt target of 50k CR of exports of Defence Equipment's. India is poised to me the Manufacturing hub and Made in India will be the central theme for making most of the Defence equipment's in India.

Housing: Real Estate and Ancillary will be the next sector to be watched in 2025.The rapidly growing segment of affluent consumers, which it believes will drive the next phase of real estate expansion in this sector with luxury segment will see the rise in sales with better margins for the real estate companies. This sector will go with the India becoming a $7 trillion economy by 2030 and per capita income will move from current $2522 to $5300 which result in discretionary spending of people buying better quality of housing and upgrading their current life style.

A Very Happy and Profitable New Year ahead for 2025

Happy Investing!

						FII Ownership OF BSE 500		BSE 500 Index(%)	
Start Period	**End Period**	**Event**	**FII OutFlows ($ Billion)**	**Avg Market Cap ($ Billion)**	**Out flows As% of Avg M cap**	**From start of Sell-off (%)**	**To end off Sell OFF(%)**	**Peak to Trough**	**12 Months from Trough**
Jan'08	Mar'09	Global Financial Crisis	-15.40	1000.00	-1.50	16.00	13.20	-66.00	127.60
Jul'11	Oct'11	US credit Rating Downgrade	-2.70	1315.00	-0.20	15.30	15.50	-13.10	18.60
Jun'13	Sep'13	Taper-Tantrum	-3.70	1033.00	-0.40	19.50	19.40	-10.10	59.70
Apr'15	Feb'16	Yuan Devaluation	-7.80	1500.00	-0.50	20.70	21.40	-16.40	32.50
Oct'16	Jan'17	Fed Hikes/ Demonetisation	-5.30	1604.00	-0.30	21.60	21.30	-10.80	43.00
Apr'18	Nov'18	NBFC crisis	-7.90	2139.00	-0.40	20.60	20.30	-7.80	15.10
Jun'19	Sep'19	Slow down	-5.00	2007.00	-0.20	21.10	20.80	-10.00	10.00
Feb'20	Apr'20	Onset Of Covid-19	-10.60	1669.00	-0.60	21.20	19.80	-37.30	98.80
Nov'21	Jul'22	Geopolitical Worries	-34.90	3315.00	-1.10	20.50	18.10	-16.70	24.70
Sep'24	Dec'24	Slow earnings, USD strength	-11.20	5300.00	-0.20	18.30	Ongoing	-11	Ongoing

Sources : ET

Market Commentary

The Nifty index ended the December month on a negative note as it closed at'23,644' as compared to 1st day of the month i.e '24,276',(-2.6%). Similarly, Sensex ended the December month at 78,139 fell by -2.6%.

Indian equity benchmarks ended the holiday shortened week notably higher with value-buying in select heavyweights after a sell-off in the previous week. Market sentiment also improved with rumours of potential income tax cuts in the upcoming February budget, aiming to bolster economic growth. Though, there was some volatility during the passing week in the absence of fresh triggers.

Some of the major developments during the week are:

Govt aims to bring down fiscal deficit to 4.5% of GDP in FY26: A finance ministry document has said that the government will continue its focus on improving quality spending, strengthening the social security net and bring down the fiscal deficit to 4.5 per cent of the GDP in FY26.

GST Council recommends changes in GST tax rates, measures for streamlining compliances in GST: The 55th meeting of GST Council resulted in several significant decisions aimed at tax rate changes, trade facilitation, and compliance streamlining under GST. The council has reduced the rate on FRK to 5%.

Telecom subscriber base in India sees decline in October 2024: The TRAI data has revealed a decline of 33 lakh active subscribers across the country. The total number of telephone subscribers, wireless and wireline, stood at 1,188.20 million as of October 31, 2024, reflecting a monthly decline rate of 0.21%.

EPFO adds 13.41 lakh net members during October: The Ministry of Labour and Employment in its latest data has showed that the Employees' Provident Fund Organisation (EPFO) recorded a net addition of 13.41 lakh members in October 2024. EPFO enrolled around 7.50 lakh new members in October 2024.

Depreciation of Indian rupee likely to push India's import bill by about $15 billion: The GTRI has said that the depreciation of Indian rupee against the US dollar is likely to push India's import bill by about $15 billion. Compared to December last year, the INR has depreciated 2.34% against the US dollar.

The HSBC India Manufacturing PMI rose to 57.4 in December 2024, accelerating from 56.5 in November, a preliminary data showed. This reading signals a strong year-end performance in factory activity, exceeding the historical average, driven by a faster increase in new business and export orders. As a result, firms expanded staffing levels, leading to a record increase in employment. Businesses also increased input purchasing in December, and with improved vendor performance, this contributed to a further rise in pre-production inventories. However, finished goods stocks contracted as companies drew from warehouses to meet rising demand. Meanwhile, manufacturers adopted more aggressive pricing. Looking ahead, businesses were more optimistic about the year-ahead output outlook.

The HSBC India Services PMI rose to 60.8 in December 2024, from 58.4 in the previous month, according to preliminary estimates. This marked the 41st consecutive month of growth in services activity and the fastest pace since August, driven by a continued improvement in demand, as seen from a sharp increase in new orders, the most significant since July. Subsequently, service providers experienced a notable rise in job creation, with overall employment growth reaching survey highs. Firms continued to expand their workforce in response to rising backlogs and new business opportunities. On the pricing front, a moderation in cost pressures helped ease charge inflation. Overall, business optimism among private sector companies strengthened for the second consecutive month, reaching its highest level since September 2023, as both manufacturers and service firms became more upbeat about the future outlook.

The annual inflation rate in India eased to 5.48% in November of 2024 from 6.21% in the previous month, loosely in line with market expectations of 5.5%, and remaining near the limit for the central bank's limit of 2 percentage points away from 4%. Despite easing back to the target range, the result showed that inflation remained firmly above the averages from earlier in the year, raising risks for the RBI to commence its rate-cutting cycle in the first quarter of 2025. Inflation remained elevated but eased for food (9.04% vs 10.87% in October), which accounts for half of the Indian consumer price basket. Price growth remained steady for housing (2.87% vs 2.81%) and slowed more for fuel and light (-1.83% vs -1.39%). From the previous month, consumer prices edged down by 0.15%.

India's total exports (Merchandise and Services combined) for November 2024* is estimated at USD 67.79 Billion, registering a positive growth of 9.59 percent vis-à-vis November 2023. Total imports (Merchandise and Services combined) for November 2024* is estimated at USD 87.63 Billion, registering a positive growth of 27.47 percent vis-à-vis November 2023.

India's total exports during April-November 2024* is estimated at USD 536.25 Billion registering a positive growth of 7.61 percent. Total imports during April-November 2024* is estimated at USD 619.20 Billion registering a growth of 9.55 percent.

The Goods and Services Tax (GST) collections stood at Rs 1.77 lakh crore in the month of December, around 7.3% rise YoY, also it fell by 2.8% QoQ.

India's foreign exchange reserves fell by US$8.4 billion to $656.58 billion in the week through Dec 27. Foreign currency assets fell by $6.0billion to $556 billion for the week ending Dec 27.

The U.S. markets traded higher during week after the Labor Department released a report showing first-time claims for U.S. unemployment benefits unexpectedly edged slightly lower in the week ended December 21st.

Some of the major developments during the week are:

Weekly jobless claims in U.S. unexpectedly edge slightly lower: jobless claims slipped to 219,000, a decrease of 1,000 from the previous week's unrevised level of 220,000. Street had expected jobless claims to rise to 224,000.

U.S. durable goods orders pull back more than expected in November: Durable goods orders tumbled by 1.1 percent in November after climbing by upwardly revised 0.8 percent in October. Street had expected durable goods orders to fall by 0.4 percent.

New home sales in U.S. show significant rebound in November: The Commerce Department said new home sales surged by 5.9 percent to an annual rate of 664,000 in November after plunging by 14.8 percent to a revised rate of 627,000 in October.

Atlanta fed Q4 GDP growth estimate steady at 3.1%: Atlanta Fed maintained the U.S. economic growth estimate for the fourth quarter at 3.1 percent, citing recent official data.

U.S. consumer confidence unexpectedly deteriorates in December: The Conference Board said its consumer confidence index tumbled to 104.7 in December from an upwardly revised 112.8 in November.

European markets garnered marginal gains during the passing week, as investors mostly remained on the sidelines ahead of Christmas holidays. Some major markets in the region were remained shut for Christmas Eve.

Some of the major developments during the week are:

UK economy flatlines in Q3: The Office for National Statistics reported that real gross domestic product remained flat in the third quarter, which was revised down from the 0.1 percent rise estimated initially.

Spain economy logs steady growth as estimated in Q3: The statistical office INE reported that gross domestic product grew 0.8 percent on a sequential basis, the same rate as seen in the second quarter.

Italy Non-EU trade surplus shrinks in November: The preliminary data from the statistical office Istat showed that the non-EU trade balance logged a surplus of EUR 5.90 billion in November, down from EUR 6.08 billion in the same month last year.

Dutch economy grows in Q3: The data from the Central Bureau of Statistics showed that gross domestic product rose 0.8 percent sequentially in the third quarter, though slightly slower than the revised 1.0 percent rebound in the second quarter.

Swedish trade surplus shrinks in November: The figures from Statistics Sweden showed that the trade surplus shrank to SEK 7.2 billion in November from SEK 10.4 billion in the corresponding month last year.

Asian markets ended in green during the passing week, as traders remained optimistic on an improved outlook for interest rates after data showing slower than expected rise in US inflation raised hopes for more interest rate cuts by the US Fed next year.

Some of the major developments during the week are:

Japan's industrial output falls 2.3% in November: Japan's industrial output in November 2024 fell 2.3% from the previous month, marking the first decline in three months, affected by slowing exports of semiconductor manufacturing devices and cars.

Japan's retail sales rise 2.8% in November: Retail sales in Japan grew 2.8 percent year-on-year in November 2024, up from a downwardly revised 1.3 percent growth in October, beating market expectations of a 1.7 percent growth.

Japan's jobless rate, job availability unchanged in November: Unemployment rate in Japan came in at 2.5% in November 2024, matching the previous month and market expectations. Besides, the jobs-to-applications ratio was at 1.25% in November 2024.

China's industrial profits drop in November for fourth straight month: China's industrial profits fell 7.3% in November 2024 from the same month last year, following a 10% drop in October.

South Korea's consumer sentiment drops sharply in December: South Korea's composite consumer sentiment index stood at 88.4 in December 2024, down 12.3 points from the previous month's 100.7, according to the survey conducted by the Bank of Korea.

The S&P Global US Manufacturing PMI fell to 48.3 in December of 2024 from 49.7 in the previous month, well below market expectations of a slight improvement of 48.9, according to a flash estimate. The result extended the contractionary momentum for US factory activity for the sixth month in a row, a sharp contrast with the resilient services sector. New orders for manufacturers recorded another month of contraction, driving output to sink to its lowest since August of 2009 when excluding the pandemic shock during the second quarter of 2020. In turn, employment rose at a slower pace from the prior month, despite lack of staff being responsible for the lengthening of lead times. On the price front, higher costs for raw materials supported inflation for the sector. Looking forward, factories expressed concern over the ongoing lack of demand and higher input prices, tying the poor outlook to tariff threats from the Trump administration.

The HCOB Eurozone Manufacturing PMI was at 45.2 in December of 2024, remaining unchanged from the prior month and firmly below market expectations of 45.3 to extend the ongoing two-year streak of monthly contractions in the currency bloc's manufacturing activity. New orders continued to decline at a sustained pace, driving factories to drop output the most since the corresponding period of the previous year. The decline in output took place despite a fresh decrease in work backlogs. Consequently, lower demand for capacity drove manufacturers to reduce their workforce, especially in Germany and France. On the price front, input costs decreased at the softest pace in four months. Looking forward, manufacturer's confidence about future activity continued to be muted, albeit it improved from last month.

The au Jibun Bank Japan Manufacturing PMI stood at 49.6 in December 2024, slightly above the flash estimate of 49.5 and up from 49.0 in November. This was the highest print since September despite indicating the sixth straight month of fall in factory activity. Output shrank at a milder rate, with the fall becoming marginal. New orders moved closer to stabilization, with its reduction rate easing to the softest in six months. New exports stayed subdued while employment reversed a slight drop in November and backlogs of work continued to deplete. Buying levels fell for the third month, amid marginal lengthening in delivery times for inputs. On the cost side, input prices rose the most since August, on a weak yen and higher costs. Firms raised selling charges at the strongest rate in five months. Finally, sentiment was relatively strong, helped by bets for mass production of newly launched products, business expansion plans, and a continued recovery in the semiconductor and auto markets.

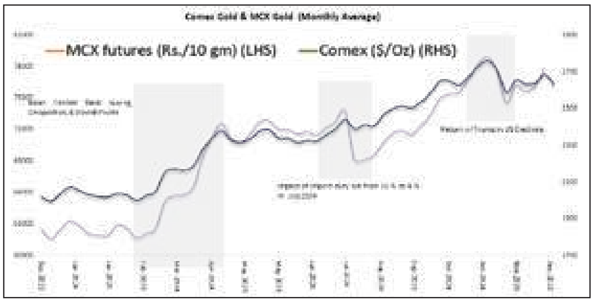
Going Ahead

Looking ahead, 2025 brings a mix of challenges and opportunities. On the global front, Donald Trump's return to the White House is creating policy uncertainty on trade, immigration, and more. Add to that the U.S.-China tensions, and the international picture gets murky. Closer to home, we're keeping an eye on GDP growth and corporate earnings, both of which have shown signs of slowing. The overvaluation in mid- and small caps also poses a challenge. On the brighter side, SIP flows continue to pour into equities, providing a steady stream of support.

Large-cap stocks, which form the bulk of our market, look better placed with reasonable valuations and stable earnings growth. If global and domestic interest rates ease, we could see a boost to investor sentiment and economic activity. There's even talk of possible resolutions to conflicts in Europe and the Middle East developments that could ease geopolitical risks significantly. So, what does all this mean for us? In simple terms, it's a reminder to stay focused on the fundamentals. Studies show that asset allocation not timing the market drives nearly 90% of portfolio performance over the long term. Equity markets will always have their ups and downs. The key is patience and discipline. Indian equities have consistently delivered some of the best long-term returns, and there's no reason to believe that will change. Large-cap stocks, in particular, offer a stable foundation for navigating volatility. As we step into 2025, let's embrace the opportunities and challenges with confidence. The Indian equity market has its share of uncertainties, but its strengths—solid GDP growth, resilient domestic investments, and a promising corporate sector—are reasons to stay optimistic.

Commodities Outlook

Gold witness record year in 2024 amid multitude of challenges seen ahead for continuation of sustained rally in H1 2025.



Gold continued its exceptional performance in 2024 while delivering almost 27 % YTD returns, which was highest since 2010 – 2011 period. Some key reasons influencing gold prices in H1 2024 were central bank buying especially from China, India & Eastern European economies. This buying momentum from central banks continued in second half of the year too except major Asian buyer China which paused its buying between May - Oct. Gold reached 40 new record highs in 2024 and total gold demand in the third quarter surpassed US$100 billion for the first time.

Investment demand, especially through over-the-counter transactions, was supported by an undercurrent of geopolitical risk and volatility in many regional financial markets. For most of the third quarter, Western investors flocked back to gold as central banks started cutting interest rates. Meanwhile rising geopolitical tensions in Middle East amid start of rate cutting cycle across globe in the second half of the year aided the sentiments as gold continued to hit multiple new all-time highs in Sep - Oct month. Behind this, central bank & investor buying were seen more than offsetting a notable deceleration in consumer demand in major Asian countries, as lower yields and a weakening US dollar in Q3 fueled Western investment flows.

Finally Gold unprecedented rally halted in November after return of Donald Trump as new president of US which fuelled speculation of a wave of inflationary policies in 2025 leading to cautious stance by US Fed. Meanwhile with 40 new all time highs witnessed in 2024 mostly seen in Sep-Oct month, it was the second highest annual tally. However this rally failed to drive higher ETF demand as was seen in previous rallies in 2020 indicating the rally was more speculative driven especially by western investors in Sep-Oct period of 2024.

Moving ahead the year 2025 comes with multitude of challenges for the safe haven metal to deliver similar kind of returns amid a slightly optimistic view still to persist for 2025 – 2026 period. With Trump starting his second term in late January the optimism had being reflected in the US stock market with a near 7 – 8 % increase in S&P returns since early November. A more business-friendly policy environment combined with an America-first agenda may likely improve sentiment among domestic investors & consumers in first quarter of 2025. Hence the sentiments could tilt more towards higher yields and dollar weighing on gold. Meanwhile Risk of trump policies resulting in inflationary pressures and disruptions to supply chains could also persist. However, concerns on European sovereign debt and continued geopolitical instability, could prove to be the positive trigger for gold in the current year. This along with Central banks strategy to continue to diversify into Gold needs to be closely watched out. Overall, a slightly dovish Fed may remain beneficial for gold, but a prolonged pause or policy reversal could likely put further pressure on investment demand in safe haven assets this year.

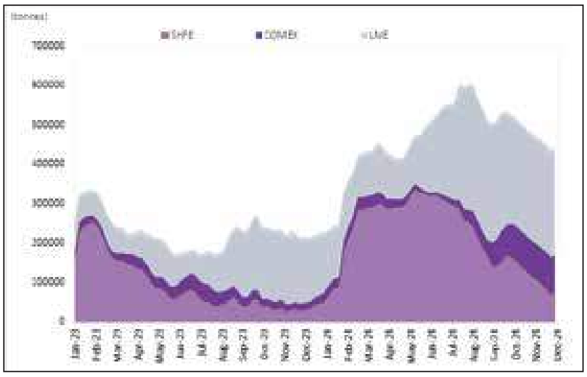
On Asian side with China and India remaining gold's largest markets, the risk of trade wars looming large could significantly lead to weakness in domestic currency pairs keeping domestic prices to trade with less downside as compared to international prices. Chinese consumer demand may likely depend on the health of economic growth in 2025 – whether through normal means or through government stimulus. Meanwhile the same factors that influenced investment demand in 2024 may still remain, but gold to face competition from stocks and real estate in 2025 which could limit similar kind of returns seen in 2024. Overall we see gold prices in the range of $ 2420 – 2750 per oz in Spot markets in Q1 2025 as we may remain cautiously positive on gold for H1 2025. Meanwhile buying momentum may pick up later in the year if global growth concerns intensify leading gold to deliver new highs towards the end of 2025 or in the start of 2026.

Copper: Global Trends and Production Insights - 2024

Factors Influencing Copper Prices: Since the start of the year, copper prices have been influenced by several factors, including hawkish statements regarding Federal Reserve rate cuts, the implementation of new US and UK sanctions on Russian metals, the closure of the Panama mine, a short squeeze on the COMEX, strong demand from the EV sector, and the largest stimulus package since the COVID-19 pandemic. This stimulus included interest rate cuts and targeted support for the property sector. Initially, the stimulus sparked a rally across industrial metals, with copper prices surpassing $10,000 per ton in May. Despite the increasing demand, copper has remained in a surplus position. The ICSG, an autonomous, estimated a surplus of 535,000mt during the first eight months of the year. Overall, the first half of 2024 was characterized by robust price increases for copper, driven by strong demand and speculative market activities.

- **China stimulus underwhelms**
- **China's property sector remains a drag on copper demand**
- **Trump's win adds uncertainty**
- **Global copper stocks remain elevated**
- **China copper exports surged this year**
- **China refined copper output hits record high**

High stockpiles underscore soft spot demand



Price Drop: After reaching a peak in May, copper prices pulled back significantly, dropping to lows of approximately $8,700 by early August due to concerns over weak demand and steady supply growth. Prices also faced upside pressure as copper markets experienced significant challenges despite China's large-scale stimulus efforts. A sluggish property market and weak domestic consumption in China, combined with high global inventories and record Chinese exports, dampened demand. The US presidential election added further headwinds, with a stronger dollar and potential tariffs weighing on the market.

Copper Outlook 2025

With Trump soon returning to the White House, the outlook for copper appears increasingly challenging. Geopolitical tensions, an uncertain trajectory for China's economic recovery (despite the recent stimulus boost), limited scope for central banks to implement interest rate cuts, global manufacturing activity struggling to transition from contraction to expansion, and rising protectionism remain the key downside risks to our copper outlook.

We expect copper prices to remain volatile, driven by geopolitics and tariff developments. A stronger-than-expected stimulus from Beijing presents an upside risk to our price forecast. Additionally, a drawdown in warehouse stocks in China—caused by higher exports ahead of a potential rise in tariffs next year and the expiration of the export tax rebate for copper products—could support prices in the first quarter. Overall, we anticipate prices to average between (CMP: $8790) $8,600 and $9,100 per tonnes on the LME in H1 2024.

ICSG Mining Output Growth YoY and Forecast

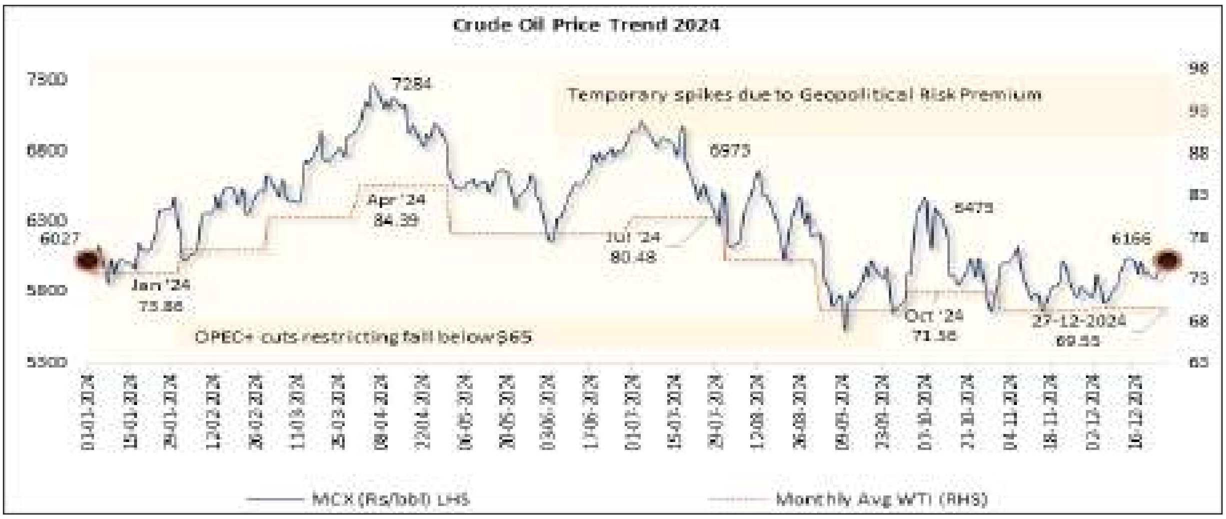
In the second half of the year, prices might trade in the range of $8,200–9,900 per tonne on the LME (CME: $8,790 per tonne). On the MCX, this could translate to an annual range of Rs. 720 – 920 per Kg in futures contract for 2025. While there is upside potential, the global copper market is influenced by much more than trade alone. China's efforts to support its economy, supply risks in refined production, and the demand boost from the energy transition are all critical factors. However, a flare-up in trade tensions could provide an advantage for copper bears.

Crude Oil

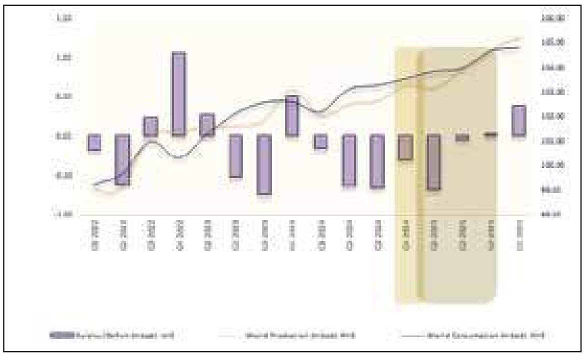
Crude oil wrapped up 2024 where it began

The year 2024 was marked by relative stability in crude oil prices, despite various geopolitical events that arose throughout the year. While these events caused temporary price spikes, the impact was short-lived as China's sluggish economic growth and rising U.S. oil production exerted downward pressure on prices. Nevertheless, the downside was limited, with persistent OPEC+ production cuts providing a price floor near the $65 level.

Crude oil ended 2024 close to where it started in January, near $71.70 per barrel (MCX ₹6,166). WTI crude oil generally traded within a range of $65–$85 per barrel, with the first half of the year (1H) witnessing a 20% gain. However, significant pressure in the second half (2H) erased most of these gains. The annual average price of WTI crude stood at ~$75.78 in 2024, reflecting a slight decline of ~2% compared to $77.61 average in 2023.



Crude oil Outlook 2025- Surplus Set to Dominate Oil Prices



The global oil market is projected to shift into a surplus in 2025, despite recent efforts by OPEC+ to stabilize prices. Oil markets face a potential 1.4 million barrels/day (mbpd) glut if OPEC+ proceeds with planned supply increases starting in April 2024. Even without next year's OPEC+ hikes, there will still be an overhang of 950,000 b/d as per the International Energy Administration (IEA). Global oil consumption is expected to grow by 1.1-1.2 mbpd in 2025 (+1% YoY). Asia, particularly China, is expected to drive demand growth, but structural shifts, such as the rise of new energy vehicles and LNG-powered trucks, are tempering oil consumption. Supply outside OPEC+ will grow more than demand in 2025, led by the US, Brazil, Canada, and Guyana. As a result, oil prices are likely to face downward pressure, with WTI crude ranging from an estimated $62-$80/bbl in 2025.

OPEC+ adjustments and challenges

OPEC+ extended the return of 2.2 mbpd of voluntary supply cuts to start from April 2025, opting for a slower supply increase pace to stabilize markets. However, challenges persist. Prevailing low prices could strain OPEC+ compliance, as lower oil revenues impact member nations' budgets. Past events, like the 2020 Saudi-Russia price war, highlight how internal disagreements can disrupt markets. Despite this, OPEC's spare production capacity of over 5 mbpd provides a cushion against potential disruptions and cap price gains incase of any major conflict escalation.

Impact of US Policy and Geopolitical Factors

Donald Trump's return to the White House in 2025 may reshape the oil market. Stricter Iran sanctions could threaten 1 million b/d of supply, though most Iranian exports flow to China, limiting impact. His presidency could also boost U.S. oil production by easing regulations, but with current prices around $65, 2025 output growth may remain modest at 300,000 b/d. Geopolitical tensions, including trade disputes and Middle Eastern instability, remain key risks. For instance, during the 2018 US-China trade war, Chinese buyers cut US crude imports, widening the WTI-Brent spread.

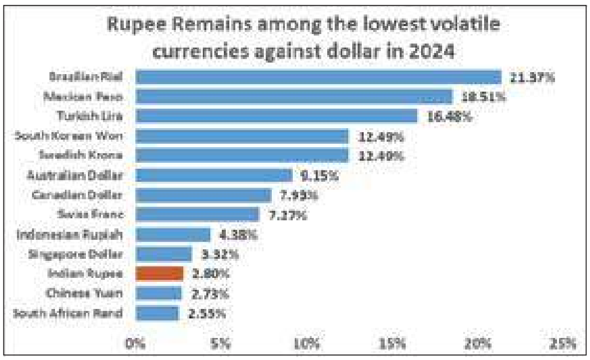
Outlook

After ending 2024 near $71 per bbl (MCX Rs 6,035), Crude oil may trend positive in 1Q 2025 as supply side remain restricted with OPEC+ cuts in place and potential tighter sanctions. Geopolitical tensions escalates from time to time while China's bolder stimulus expectations may add demand optimism. Thus, WTI oil may trade in the range of $66-$78 per bbl (MCX Rs 5,600-6700) in the next 2 months.

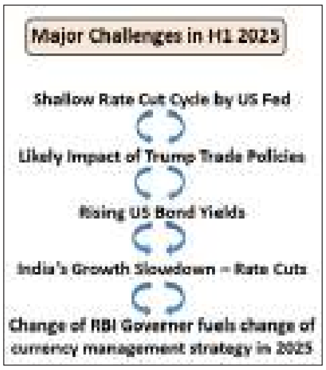
As Crude Oil enters 2Q 2025, focus will gradually shift to surplus Oil balances as OPEC might start unwinding cuts. Markets may also receive more clarity on Trump's policies by then. China's demand and import numbers needs to be watched closely as oil demand in the world's largest crude importer, may peak as early as 2025 due to rapid adoption of electric vehicles and LNG trucks.

Indian Rupee

Rupee ends the year at lifetime low though features among the least volatile currencies in Asia amid timely and strategic interventions by the RBI



Indian Rupee remained range bound in the initial half of 2024 to very turbulent since November last year It slipped 2.9% in 2024, from ₹ 83.23 to the dollar as of end-2023 to ₹ 85.66 on 31 Dec'2024. It took the rupee just over two months to breach the 85.50 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 2025 could remain influenced by a mix of positive and 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 from global factors with a cautious stance from the U.S. Fed, could keep the U.S. dollar strong against emerging market currencies in Q1 2025. 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.

This is also evident from the fact that Rupee's 40-currency trade-weighted real effective exchange rate (REER) remained at around 108.14 in November indicating currency overvalued by around 8 % the most since 2004. The rupee's overvaluation on a REER basis reflects its appreciation in nominal terms against its peers and the widening interest rate differentials. The former was due to RBI's regular intervention in forex market to slow the pace of rupee's decline keeping volatility in check.

Hence given the rise in rupee's overvaluation pace of RBI Intervention is seen to slow in 2025 which could keep Indian rupee to depreciate further toward 87 – 88.50 per USD in H1 2025. For FY'26, considering estimated GDP growth target 0f 6.5 – 7.2 % by RBI, steady yields, geopolitical headwinds, steady inflation & higher dollar along with continued but moderate RBI Intervention we may see rupee to trade in a broad range of INR 84.30 – 88.50 in the same period

Technical Analysis

Market Overview – January 2025

December 2024 proved to be a roller-coaster ride for the domestic markets. The month started with some optimism for the bulls, but this momentum was short-lived as bears firmly took control during the latter half. Being the final month of the calendar year, December closed on a sober note, with the NIFTY 50 ending in the red for the third consecutive month, losing around 2%. Nevertheless, the calendar year 2024 wrapped up with an overall gain of approximately 8%. During December, the NIFTY 50 made a high of around 24,850 but subsequently lost over 1,400 points, slipping below the 23,500 mark. In the final trading session of the month, the index breached the swing low of 23,537. However, this decline was accompanied by a positive divergence in the RSI on the daily scale, hinting at a potential reversal. Additionally, the NIFTY found support from a rising trend line, and the Foreign Institutional Investors' (FII) long-short ratio in index futures stood at around 14%, the lowest in recent times.

These factors triggered a relief rally of approximately 600 points from the lows, bringing the index back near the 24,000 mark. Despite this bounce, the FII long-short ratio remains below 20%, suggesting that NIFTY might not sustain at lower levels for long. Historical data adds further optimism: over the past 23 years, there have been 11 instances where NIFTY declined for three consecutive months. Interestingly, in each of these cases, the subsequent fourth month delivered an average positive return of 6.07%. Looking ahead to January 2025, there is cautious optimism. On the technical front, 24,200 remains a crucial resistance level on a closing basis. A decisive close above this mark could trigger a short-covering rally towards the 24,800 zone in the coming weeks. On the downside, the levels of 23,400–23,200 are expected to act as strong support. In summary, while caution is warranted, historical patterns and technical indicators suggest a promising start to the new year for NIFTY 50.

At the current juncture, Bank Nifty has found crucial support near 50,750, aligning with a long-standing trendline. Over the last two months, it has rebounded from this level four times, underscoring its importance. Adding to its significance, the 200-day Exponential Moving Average (DEMA) is positioned nearby at approximately 50,450. This confluence strengthens the likelihood of a reversal in the coming sessions. On the upside, resistance is expected around 51,700, followed by 52,000, which are previous swing highs on the hourly chart. A bounce from this support zone could set the stage for a potential upward move.

Technical Pick – BUY Life Insurance Corporation
Potential Upside 15.34%- 20.45%

- **LIC** has corrected around 30% from the peak of 1200 mark and that too without any respite.
- The stock seems to have found support near its previous demand zone which is around 850.
- We are witnessing positive divergence on RSI on the weekly scale and the stock is turning from the ICHIMOKU flat line support and that hints towards a bounce.
- Thus, traders are advised to buy **LIC in the range of 900 - 880** with a stop loss of 799 on closing basis for an upside target of 1026 and 1072 in coming 1 – 3 months.

Action	
Stock	**LICI**
Sector	Insurance
CMP	900
Average	890
Stop Loss	799
Target 1	1026
Target 2	1072
Stock Information	
Market Cap. (Rs)	5,75,574
52 weeks High/Low	1221 / 815
Face Value	10
O/S Shares	-
Beta (x)	1.33
Technical Parameters	
21 DEMA	442
100 DEMA	472
200 DEMA	509
Derivative Parameters	
OI	-
Change in OI	-
Rollover	-

Source: *Bloomberg, Trading View, Spider Software*

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	1	6,10,36,22,781	6,10,36,22,781	96.50	6,10,36,22,781	96.50	6,10,36,22,781
(B) Public	23,98,129	22,13,74,920	22,13,74,920	3.50	22,13,74,920	3.50	22,13,74,919
(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	23,98,130	6,32,49,97,701	6,32,49,97,701	100.00	6,32,49,97,701	100.00	6,32,49,97,700

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

Source: www.bseindia.com

Technical Pick – BUY Tata Consumer Products Ltd
Potential Upside 13.93%- 18.58%

- Even **TATACONSUM** has corrected around 30% from its peak of 1200 and has formed a reversal candlestick pattern.
- The stock found support exactly near the previous breakout zone which is now a demand area.
- The stock has turned from the 161.8% retracement of the previous move and that hints towards a bounce in the coming weeks.
- Thus, traders are advised to buy **TATACONSUM in the range of 930 - 900** with a stop loss of 830 on closing basis for an upside target of 1042 and 1085 in coming 1 – 3 months.

Action	
Stock	**TATACONSUM**
Sector	FMCG
CMP	930
Average	915
Stop Loss	830
Target 1	1042
Target 2	1085
Stock Information	
Market Cap in Cr. (Rs)	93,014
52 weeks High/Low	1254 / 884
Face Value	1
O/S Shares	-
Beta (x)	0.68
Technical Parameters	
21 DEMA	442
100 DEMA	472
200 DEMA	509
Derivative Parameters	
OI	-
Change in OI	-
Rollover	-

Source: *Bloomberg, Trading View, Spider Software*

Shareholding snapshot:

Summary statement holding of specified securities

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of shares underlying Depository Receipts	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	7	33,48,13,832		33,48,13,832	33.84	33,48,13,832	33.84	33,48,13,775
(B) Public	8,91,264	65,45,89,715		65,45,89,715	66.16	65,45,93,715	66.16	64,60,30,017
(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	8,91,271	98,94,03,547		98,94,03,547	100.00	98,94,07,547	100.00	98,08,43,792

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.

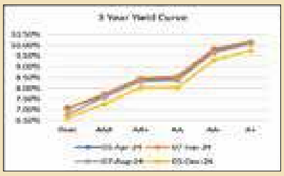
GDP Growth			CPI Inflation		
Projection for FY 25	MPC's Recent Projection (%)	MPC's Last Projection (%)	Projection for FY 25	MPC's Recent Projection (%)	MPC's Last Projection (%)
FY 25 ▼	6.60%	7.20%	FY 25 ▲	4.80%	4.50%
FY 25 Q3 ▼	6.80%	7.40%	FY 25 Q3 ▲	5.70%	4.80%
FY 25 Q4 ▼	7.20%	7.40%	FY 25 Q4 ▲	4.50%	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%	

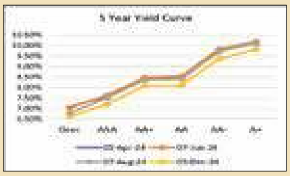
Summary of projection on growth & inflation by the MPC

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	7.72%
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**
7.62% NABARD 2028	31-Jan-28	Annual on 16-Jan	AAA by CRISIL & ICRA	7.19%
0.00% REC LIMITED 2034	03-Nov-34	NA	AAA BY CRISIL, IND RATINGS, ICRA & CARE	6.17%
7.15% PFC 2036	22-Jan-36	Annual on 22-Jan	AAA by CRISIL,CARE & ICRA	7.12%

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	10.29%
7.70% LIC housing Finance Ltd. 2031	19-Mar-31	Annual on 19-Mar	AAA by CRISIL & CARE	7.50%
8.40% HDB Financial Services Ltd 2033	22-Dec-33	Annual on 22-Dec	AAA CRISIL & CARE	8.12%
8.75% Shriram Finance Ltd. 2026	04-May-26	Annual on 4-May	AA+ Stable by CRISIL	8.52%
8.20% India Grid Trust 2031	06-May-31	Annual on 06-May	AAA by CRISIL & IND	7.85%
9.50% MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. 2029	18-Jan-29	Annual on 01-Apr	AAA by CRISIL & IND	7.80%
9.50% HINDUJA LEYLAND FINANCE LIMITED 2029	29-Nov-29	Annual on 29-May	AA+ BY CRISIL & AA BY CARE	9.72%
7.97% TATA CAPITAL LTD 2028	19-Jul-28	Annual on 19-Jul	AAA By CRISIL & CARE	7.48%
9.49% KIIFB 2028	Staggered Maturity (8-Oct-2028)	08 JAN, 08 APR, 08 JUL, 08 OCT	AA (CE) BY IND RATINGS & ACUITE	9.48%

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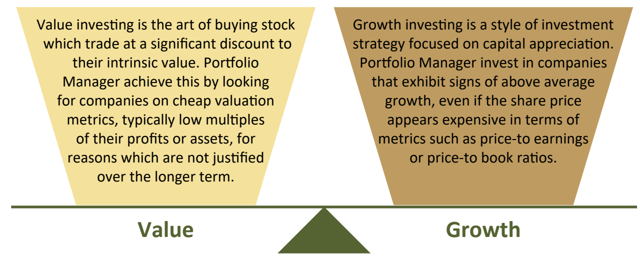
Anand Rathi PMS

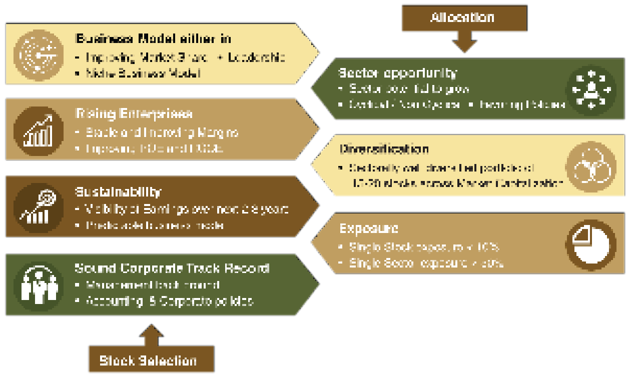
Impress Portfolio

Objective & Investment Philosophy

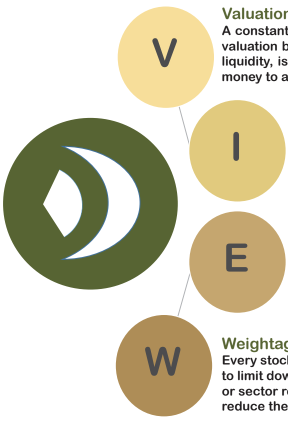
Objective Focus on Return Optimization by investing in multicap portfolio of rising enterprises with sound corporate track record and sustainable business model keeping balance between value and growth strategy.



Investment Process



Re-VIEW Strategy



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.

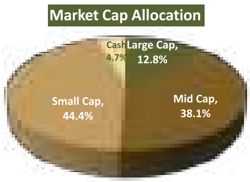
Impact of Events
A stock price can be highly affected by an event or series of events, recent examples: COVID crisis, Russia-Ukraine War, Increase in Crude Price, Interest Rates Hike etc. Our team actively tracks these events and makes timely modifications as per the situation's needs to minimize risks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

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.

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

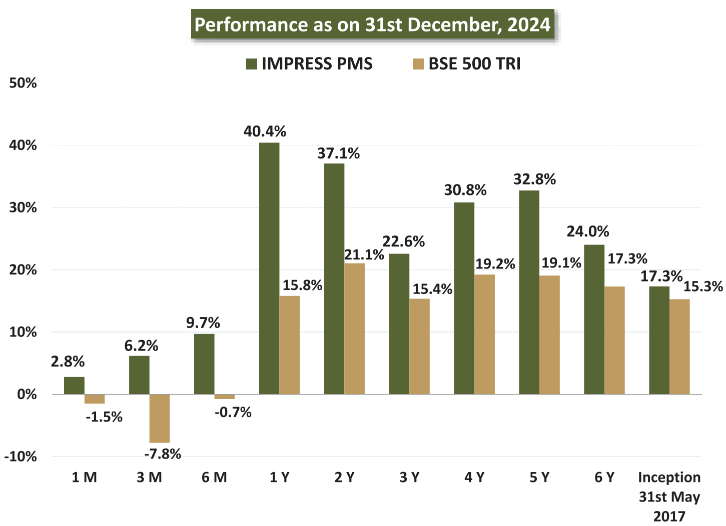
Sr No	Top 10 Holdings	% Holdings
1	PG Electroplast Ltd.	8.6%
2	ITD Cementation India Ltd.	8.4%
3	KEC International Ltd.	6.9%
4	Radico Khaitan Ltd.	6.8%
5	Varun Beverages Ltd.	6.4%
6	Bharat Electronics Ltd.	6.3%
7	KEI Industries Ltd.	6.0%
8	Coforge Ltd.	5.8%
9	Ratnamani Metals & Tubes Ltd.	5.6%
10	Glenmark Life Sciences Ltd.	4.7%

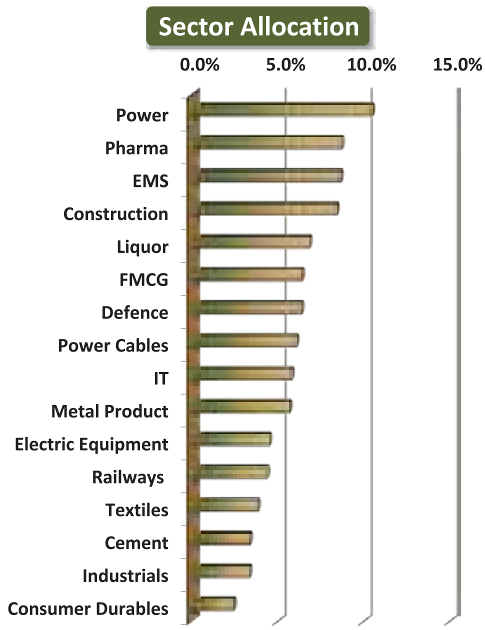


	Avg Mkt Cap (cr)
Large Cap	215053
Midcap	39250
Small Cap	13894
Overall Portfolio	47881

Data as on 31st Dec. 2024

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

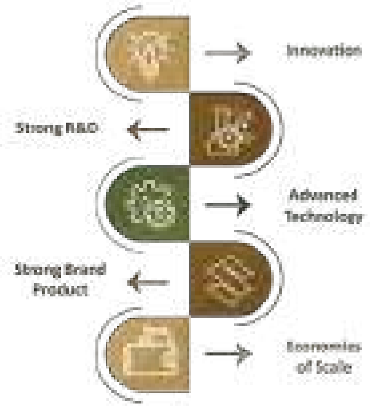
MNC Portfolio

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	ITD Cementation India Ltd.	9.9%
2	Siemens Ltd	8.8%
3	CRISIL Ltd	8.7%
4	Maruti Suzuki India Limited	7.0%
5	Suven Pharmaceuticals Limited	6.4%
6	Whirlpool of India Limited	5.6%
7	Abbott India Ltd	5.0%
8	3M India Ltd	4.6%
9	Ingersoll-Rand (India) Ltd	4.6%
10	Mphasis Ltd	4.4%

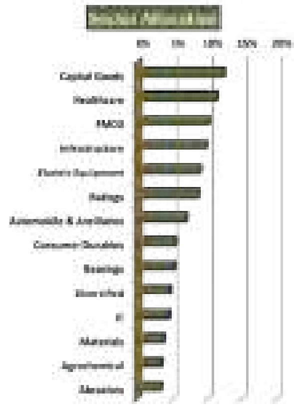
Market Cap Allocation

Avg Mkt Cap (cr)	
Large Cap	293986
Midcap	46913
Small Cap	17219
Overall Portfolio	100190

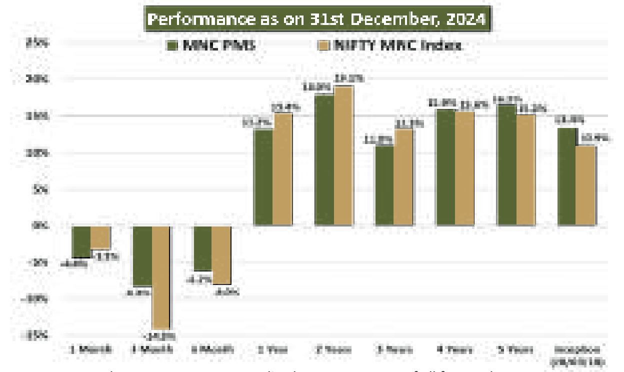
Data as on 31st Dec. 2024

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

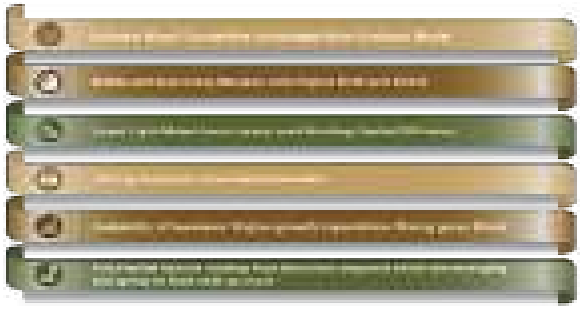
Opportunities at every level of emerging business

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

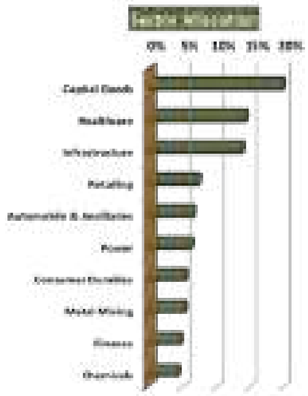


Opportunity - Accelerated Growth from Business Upcycle

- 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	KEC International Limited	9.4%
2	Bharat Electronics Ltd	8.4%
3	Caplin Point Laboratories Limited	8.3%
4	Ethos Limited	7.5%
5	Praj Industries Ltd	7.0%
6	Craftsman Automation Limited	6.6%
7	Techno Electric & Engineering Company Limited	6.2%
8	Concord Biotech Limited	6.0%
9	Blue Star Ltd	5.4%
10	Global Health Limited	5.3%

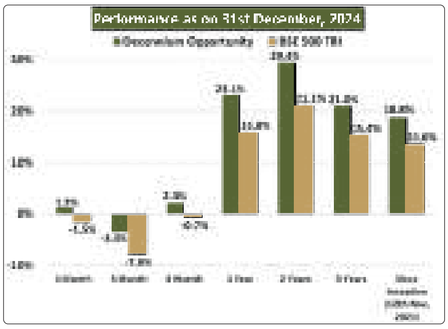


Market Cap Allocation

Data as on 31st Dec, 2024

	Avg Mkt Cap (cr)
Large Cap	214286
Midcap	39348
Small Cap	13006
Overall Portfolio	37463

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.



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.

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 44th, 47th, 50th, 53rd & 56th 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-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)

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

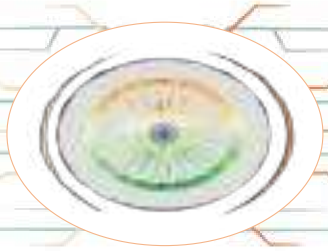
Evolution of ICICI Venture platform

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

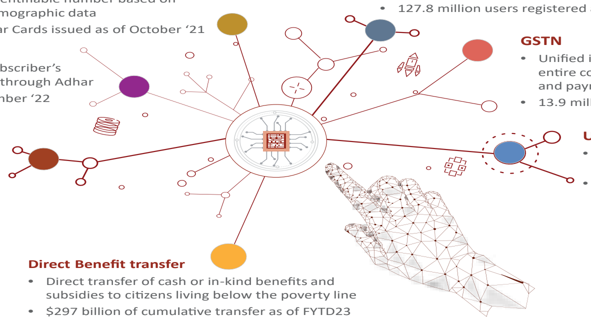
$226 billion E-commerce market

Source: Industry reports, IVEN estimates

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

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

IVen amplifi

1

Fund strategy

Tech-focused venture fund

Provide **strategic support to** portfolio companies especially areas of corporate governance

"No Go": Seed stage

Target Gross INR MoIC of **3.5x-4x** at a Gross INR IRR of **30%-35%**

Best in-class **Deal Sourcing** capabilities; **Early Identification of key trends**

10-15 investments; focus on portfolio **diversification and risk management**

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

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 Crowded	VC Funds Family Offices Owned by existing brand name VCs	IVen amplifi Under-served	Late-Stage VCs Private Equity Secondary Sales M&A Equity Markets (IPO)
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

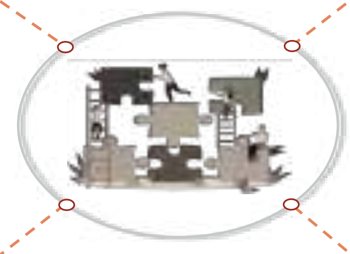
Focus on businesses which solve real problems

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 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

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

Products		
knowlarity	exotel	darwinbox
EnKash	freshworks	

Hiring		
native	Michael Page	QUESS
	PURPLE QUARTER	scorecruit

Digital Services		
Google	Microsoft	aws
Meta	Digital Ocean	Infosys

Services		
MyCFO	Aparajitha	protiviti

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EQUITY
PCG

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
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

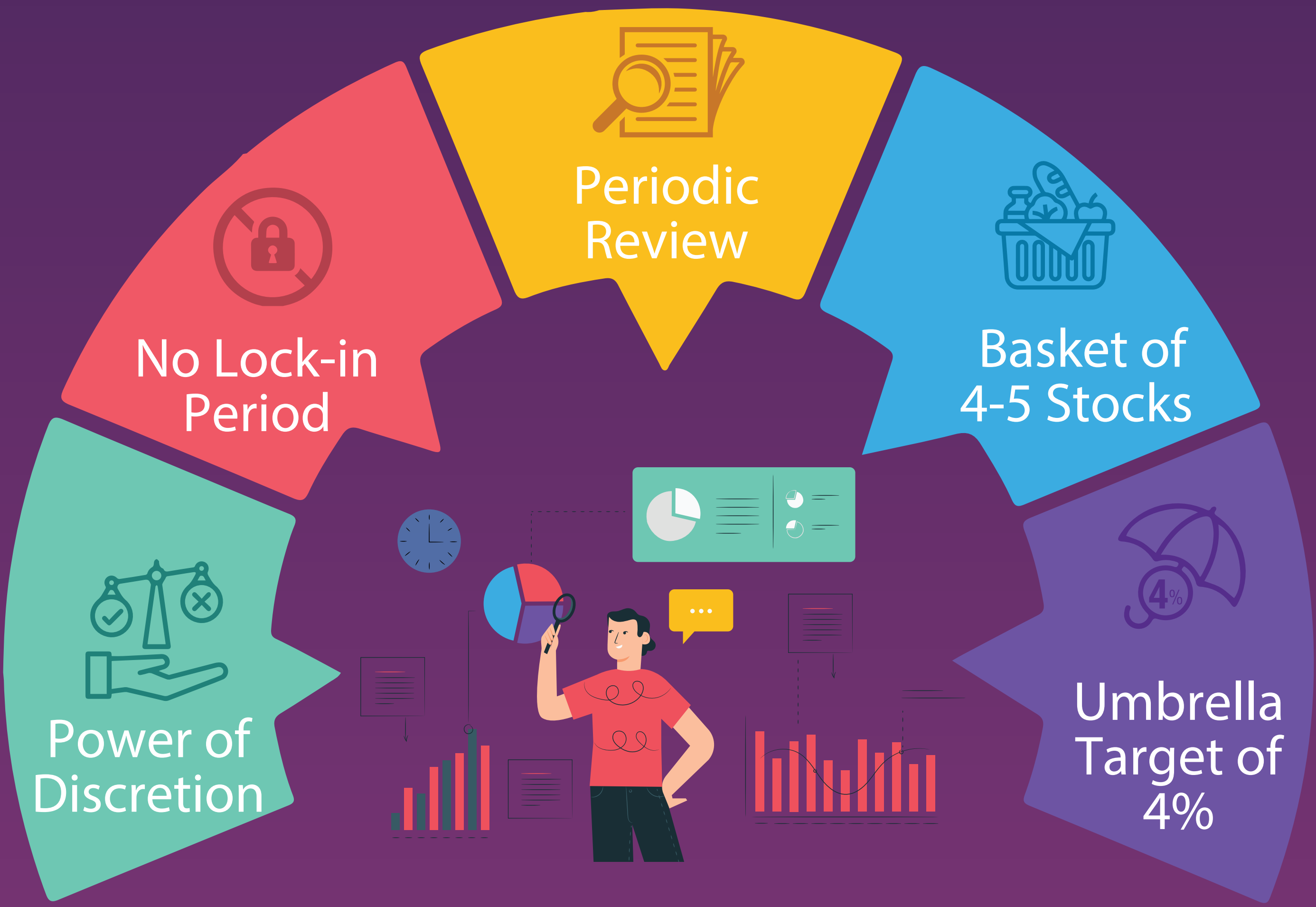
*These are not Exchange traded products and all disputes with respect to the distribution activity, would not have access to Exchange Investor Redressal Forum or Arbitration mechanism.

Note

Note

Note

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 PRIVATE CLIENT GROUP 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.