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Private Client Group
Equity

PCG

FINANCIAL

FLASH

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Index

PCG Communique

From the Desk of the PCG Head

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Will India de-couple or not?

This is one of the big question which is in the mind of most of the investors. My answer to this India cannot be in isolation to the world. We can't be decoupled to the global economy as we still have 21% of our GDP coming through goods & services exports. So any slowdown in US & Europe or if the world economy goes for any recessionary phase, Indian exports will get a jerk. The world is integrated and when the world is going through a worst phase of high & sticky inflation, Geopolitical uncertainty continuing and a China – Taiwan crisis which is prevailing in South Asia, along which high interest rate and world going through a slowdown, energy crisis in Europe. India can't remain isolated to all this and might have lesser scratches Vs rest of the other countries. It's like everyone is wearing a black shirt and my shirt is grey.

Higher Inflation is causing Central bank to increase interest rates aggressively. With this aggressive tone of interest rate hike world is poised to enter into a deflation scenario 6 months down the line with the real effect of these interest rate hike will be felt with creating lower demand of goods & services, result in lowering down manufacturing, resulting in job losses, household income will be saved which will result in lower consumption. I firmly believe this aggressive way of increasing interest rate has to be toned down. And somewhere central banks are realising that these aggressive interest rates are not taming down the inflation in a rapid way and hence there is a high probability that the pace of hike in interest rate will cool off in a quarter or so.

Rising dollar is also a pain for smaller countries where the reserves are getting lower and left with 1 week to 1 month of imports. Countries like India, Indonesia, Vietnam, Singapore, Malaysia has done better then rest of the countries but higher dollar will make countries to look for an alternate currency to trade in international mkt for commodity & crude with countries. Countries like China, Russia are already into trade in their local currency. China which is doing the BRI project with 143 countries are asking the countries to deal with the Yaun for the export & import with China. Russia is already doing trades with India in INR terms.

India will be much more in better shape in absorbing these uncertainties Vs the US, Euro Zone & North Asia. If we speak in terms of stock market parlance, India has performed better then post part of the world indices, where Nasdaq is down by 34%, Dow is down 11%, Chinese mkt is down by 14%. If we see MSCI India Vs MSCI Emerging mkt Vs MSCI China, India is down by 6.89% Vs MSCI Emerging Mkt down by 31% Vs China down by 42% in constant currency term. So in one way India is isolated by most part of the world but not as an economy as a whole.

Coming to FIIs & DIIs activity, FIIs has been marginally seller to a tune of 489CR in Oct whereas DII has been net buyer of 9276CR in equities. SIP flows has been setting new records and seen a high of 12,976CR in the month of Sept. The buoyancy of the retail has been very high. The gross GST collected in the month of October 2022 is Rs 1.51CR.

On currency front India’s Central bank has played a smart and conservative move is trying to arrest the fall in INR, which has depreciated 10.1% and has been one the stable currency with other Asian currencies like the Hong Kong Dollar, Malaysian Ringgit and South Korean Won. RBI has sold $100BN to arrest the fall. Today RBI is between the hard rock where it can’t increase interest rate too much as otherwise it would derail the recovery post covid but at the same time has to arrest the INR from further falling which will make import costly and BOP unhealthy.

Second Qtr results have set in where investor has been sceptical on IT but the results hasn’t shown any slowdown in the IT budget. TCS EBITDA came in at Rs.14,516 crores, up by 10.7% Y, profit after tax for the quarter came in at Rs.10,431crores, up by 8.4% YoY. For Infosys the management has given revenue guidance of 15.0%-16.0% in constant currency forFY23 and has maintained its operating margin guidance to 21.0%-22.0% forFY23. Banks has shown a resilience in their qtrly numbers where across bank has given a growth in NIM, profits growing anywhere between 20%-25%, Net NPA coming down for post of them. Reliance 2nd quarter results has been bit muted. While the revenues from oil-to-chemicals (O2C) business increased by 33% which is 69% of RIL's consolidated top-line in the quarter. EBITDA for the O2C segment dropped 5.9% on-YOY. Although the retail business' revenue grew by around 43% YoY & Reliance Jio registered a revenue growth of over 21%. FMCG companies has seen some margin pressure because of higher commodity prices. So far 34 of the Nifty companies has declared results and numbers has been large in expectations. Banks and Auto are beating the expectation, consumer and IT are in line with the expectation, metals, cement and commodity has shown they are all down by big margin.

Going ahead we firmly believe that India mkt will be volatile with global headwinds and lot to be looked on the Fed policy and their outlook on the future rate hikes. Inspite of all these uncertainties Indian mkt looks to be poised for a new up move. Looking forward the FY24 EPS estimate is at 940. Considering the last 5 years average mean PE stands @ 24 and the 10 year average mean PE stands @ 20. Going by the simple mathematics if price is EPS multiplied by PE we would see Nifty anywhere between 18800 and 22500 in time to come. Renewables, Defence, Discretionary spending, Auto & Financials are the area where investors should look to build in their portfolio for long term.

Market Commentary

The Nifty index ended the festive cheered October month on a very strong note as it hit the '18,000' mark after ending at 18,012 with a return of 6.7%. Similarly, Sensex ended the September month at 60,747 with a positive return of 7%.

Indian equity benchmarks continued to trade jubilantly post Diwali with both Sensex & Nifty testing previous record high levels. Markets started the holiday shortened week on an optimistic note on Muhurat trading session on Diwali as traders remained optimistic about Indian markets on the back of better than expected Q2 numbers by Indian companies. On the very next day, key gauges trimmed some of their gains as the Finance Ministry's Economic Review stated that inflation might witness another resurgence in case of deterioration of geo-political situation leading to higher global energy prices and supply chain pressures. Adding more worries among traders, the RBI said India's forex reserves dropped by $4.50 billion to $528.37 billion for the week ended October 14. Some cautiousness also came as foreign investors have pulled out close to Rs 6,000 crore from the Indian equity markets so far this month in the wake of strength in the US dollar against the rupee.

In terms of economic performances, the IHS Markit India Manufacturing Purchasing Managers' Index (PMI) in October 2022 came in at 55.3 as against 55.1 in September 2022 which was above its long-run average (53.7) indicating a stronger improvement in the health of the sector. The upward movement in the headline figure largely reflected stronger increases in employment and stocks of purchases. The October month data showed historically marked expansions in factory orders and quantities of purchases, while production growth outpaced its long-run average despite softening to a four-month low. At the same time, cost burdens rose at a broadly similar rate to September's 23-month low, while selling charge inflation moderated to the weakest since February.

The IHS Markit India Services PMI came in at 55.1 in October rising from September's six-month low of 54.3 as favourable demand for services continued to underpin increases in new business and output at the start of the third fiscal quarter. Moreover, rates of expansion quickened from September's six-month lows. Buoyed by the ongoing recovery in new work, service providers again took on extra staff, with an improvement in business confidence also supporting hiring activity. The latest results also showed mild accelerations in inflation rates for input costs and output charges. Services Business Activity Index pointed to a quicker and marked rate of growth. The headline figure was above the neutral 50.0 threshold for the fifteenth month running and outpaced its long-run average. According to survey participants, sustained increases in new business boosted output. October data showed an expansion in new work placed with Indian service providers, continuing the trend seen since August 2021. Moreover, the pace of growth was marked and accelerated from September.

India's retail inflation – as measured by the consumer price index (CPI) – surged to a five month high of 7.30% in September due to surging food prices, staying well above the Reserve Bank of India's (RBI) upper tolerance band for a ninth month mainly fueled by erratic rainfall and supply shocks from Russia's invasion of Ukraine, prices of daily consumables like cereals and vegetables which form the largest category in the inflation basket have climbed over the past two years.

India's merchandise exports grew by 4.82% in September on year-on-year basis to touch an eight month low of $35.45bn, while imports growth slowed to 8.66% y-o-y to a five month low of $61.16 bn during the month, narrowing the trade deficit to $25.71 bn, data released by the ministry of commerce and industry showed on Friday. The trade deficit, which is the gap between exports and imports, is 14.42% higher than $ 22.47 bn in September last year. Besides slowing demand, factors including export restrictions by India on segments including wheat, steel, iron and petroleum products have also contributed to the slowdown in exports.

The Goods and Services Tax (GST) collection in Oct 2022 came in at Rs. 1,51,718 crore which is second-highest since its inception and 16% higher on a YoY basis, Giving a break-up of the October GST collections, the government said CGST figure was at Rs.26,039 crore, SGST at Rs.33,396 crore, IGST at Rs.81,778 crore (including Rs.37,297 crore collected on import of goods) and cess at Rs.10,505 crore (including Rs.825 crore collected on import of goods). The October month also saw the second highest collection from domestic transactions, next only to April 2022. This is the ninth month and for eight months in a row now, that the monthly GST revenues have been more than the Rs. 1.4 lakh crore mark. During the month of September 2022, 8.3 crore e-way bills were generated, which was significantly higher than 7.7 crore e-way bills generated in August 2022.

India's foreign exchange reserves further fell to an over two-year low to $524.52 billion as of last week of Oct 22 down from $537.52 billion in September month's last week, The overall reserves had dropped by USD 4.50 billion to USD 528.37 billion in the previous reporting week, and have been declining for many months now. In October 2021, the country's forex kitty had reached an all-time high of USD 645 billion. The reserves have been declining as the central bank deploys the kitty to defend the rupee amid pressures caused majorly by global developments. Foreign currency assets (FCA), a major component of the overall reserves, saw a drop of USD 3.593 billion to USD 465.075 billion during the week to October 21.

The US markets ended the passing week in green terrain with the Dow reaching a two-month closing high. Buying interest have been generated in reaction to a Commerce Department report showing core consumer price growth accelerated by slightly less than expected in September. The Commerce Department said the annual rate of core consumer price growth accelerated to 5.1 percent in September from 4.9 percent in August. The street had expected the annual rate of growth in core consumer prices, which exclude food and energy prices, to accelerate to 5.2 percent. Markets extended rally amid a sharp pullback by treasury yields, with the yield on the benchmark ten-year note showing a steep drop after ending at a fourteen-year closing high. The pullback by treasury yields came as traders continue to express optimism the Federal Reserve will signal a slower pace of interest rate hikes following its meeting next week.

European counters ended in green during the passing week as investors digested the European Central Bank's interest rate decision. The European Central Bank today raised its interest rate by 75 basis points, the third consecutive increase this year. The bank also announced that it was changing the terms and conditions of its targeted longer-term refinancing operations, or TLTROs -- a tool that provides European banks with attractive borrowing conditions, designed to incentivize lending to the real economy. The ECB also signaled that policymakers look forward to hike rates more in the months ahead as inflation is expected to stay high for an extended period. Traders shrugged off report that the International Monetary Fund (IMF) cut Asia's growth forecast to 4.0 percent this year and 4.3 percent next year, down 0.9 percent points and 0.8 points from April, respectively citing a number of headwinds.

The S&P Global US Manufacturing PMI was revised higher to 50.4 in October of 2022 from down from 52.0 in September pointing to the slowest growth in factory activity since the sector contracted in the second quarter of 2020. Production rose at a marginal rate helped by easing supplier bottlenecks, while new orders declined the most in almost two-and-a-half years due to greater client hesitancy amid marked inflation. Also, new export sales dropped sharply as dollar strength and challenging economic conditions across key export markets dampened foreign demand. Elsewhere, employment rose only modestly, due to cost-cutting measures, uncertainty regarding future demand, and lower production requirements. On the price front, rates of input price and output charge inflation softened again, but remained high overall. Finally, business confidence weakened to the lowest since May 2020.

The S&P Global Eurozone Manufacturing PMI was revised slightly down to 46.4 in October of 2022 from a preliminary expectation of 46.6 down from 48.4 in September, pointing to a fourth straight month of falling factory activity and the biggest contraction since May of 2020. Output and new orders fell at near record rates and export demand also sank sharply as geopolitical uncertainty, high inflation and weaker economic conditions around the world weighed on foreign client spending. With output requirements rapidly diminishing, eurozone manufacturers reduced their purchases of inputs to the quickest extent since May 2020. A further easing of supply chain pressures was also recorded as more capacity was freed up at suppliers. Meanwhile, price pressures subsided but remained historically elevated. Looking ahead, manufacturers continue to expect falling output volumes over the next 12 months, due to high inflation, geopolitical uncertainty and worsening economic conditions globally.

The au Jibun Bank Japan Manufacturing PMI was at 50.7 in October of 2022, unchanged from the flash reading and after a final 50.8 in September. This was the softest pace in factory activity since a fall in January 2021, with output and new orders falling for the fourth straight month. Also, export sales shrank for the 8th month, due to worsening conditions in China and South Korea and stagnation across the automobiles and chip industries. Meantime, buying levels were down for the third month as firms downwardly adjusted their spending. Producers continued to cite difficulties in sourcing raw materials, as signaled by a further deterioration in vendor performance. On the cost side, input price inflation stayed well above the historical average; while output price inflation accelerated and was among the sharpest on record, reflecting the slump in the yen. Lastly, confidence hit a 9-month high, on hopes for stronger demand, easing supply pressure, and sustained COVID recovery.

Going Ahead

Despite significant slowdown, global growth is still holding above the pre-pandemic levels. The pace of growth for both exports and imports remain well above the past trends. Rates of credit growth are undergoing acceleration. Industrial production and retails sales in most countries remain positive. At the same time, inflation rates are close to several decades highs, especially in the advanced countries. Faced with such situations, central banks are raising policy interest rates rapidly and draining liquidity. Governments are reversing the accommodative fiscal policies initiated since the start of the pandemic.

Against the gloomy global backdrop, India is being seen as the brightest beacon of hope. A large number of macroeconomic indicators from new job creation to GST collection and credit growth to cargo carried by the railways and passenger car sales to electricity consumption suggest that India is travelling a very different growth path versus most peers. Both near term growth outlook, captured by the purchasing managers' index for manufacturing and services, and long-term forecasts, including by the IMF, testify to India's much stronger standing.

India cannot remain unscathed in a rapidly deteriorating world. With cooling down of global growth, India's export growth is slowing while due to high oil prices, import growth remains more resilient. This is resulting in large trade deficit, which, in turn, is playing a big role in substantial and rapid depletion of India's foreign exchange reserves. Despite RBI's interventions, rupee is hitting all-time lows. With the drying up of excess liquidity, bank deposit growth is decelerating. Barring a reversal, high credit growth is unlikely to continue and lending rates are likely to go up. With over 75% of exports being manufactured products, cooling off of exports contributing to contraction of industrial production. While off from the recent high, inflation continues to remain way above RBI's comfort zone.

Deterioration of economic situation, strong likelihood of continued and substantial worsening, rising cost of fund and declining investor risk appetite have rocked financial markets. Equity markets are in the corrective mode for over a year and equity valuation multiples have come down. A large part of the likely negative developments have already been captured by the markets. While possibilities of unexpected development led market movements cannot be ruled out, as during the last 12 months, in the near-term the market is likely to remain volatile without a definite directional trend. Indian equities have outperformed most markets in the last 3 years. This is likely to continue.

Fixed Income Services

Monetary Policy Update

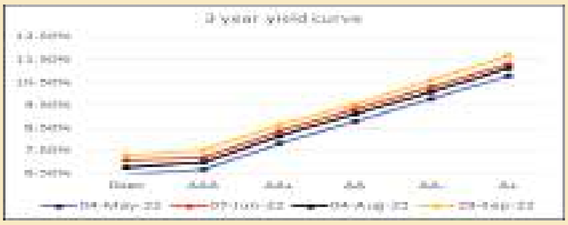
On 30th September, 2022, the Monetary Policy Committee (MPC), based on the prevailing adverse global environment increased the Repo Rate by 50bps to 5.90%, continuing the focus on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.

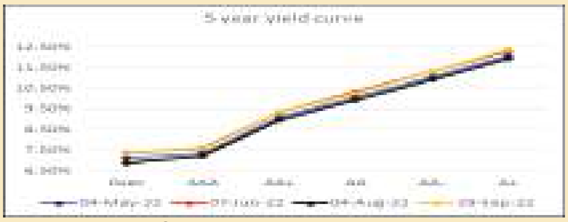
Key Rates:

- Repo Rate: 5.90% • Bank Rate: 6.15%
- Marginal Standing Facility (MSF) Rate: 6.15%
- Standing Deposit Facility (SDF) Rate: 5.65%
- Cash Reserve Ratio (CRR): 4.50%
- Statutory Liquidity Ratio (SLR): 18%

The expected rate hike was in response to continued inflationary risks, bleak global economic outlook and enduring effects of geo-political tension conflicts. This has been RBI's fourth consecutive rate hike in the past five months amounting to a raise of 190bps so far, still keeping the stance at withdrawal of accommodation. This continued stance was justified by elaborating on the ongoing surplus liquidity in the system as opposed to a deficit in liquidity back in 2019 when the repo rate stood at 5.75% which was higher than the inflation at that time. Having said that, RBI continues to see spill overs from prolonged geo-political tension, tightening global financial conditions and the upsurge in global financial market volatility as key risks to the growth and hence revised its growth projection downwards by 20 bps to 7% and kept the inflation forecast unchanged at 6.7%. The 10 Year Gsec remained flat around ~7.37% levels post the expected policy announcement.

The 3 year and the 5 year yield curve below demonstrates how yields have moved since the last review in August, 2022:





Source: RBI Press Release, Fixed Income Databases

- As seen above, the 3 year and 5 year yield curves saw hardening across credits over the August review, with the 3 year and 5 year AAA curves hardening by 55 bps and 40 bps, respectively.
- The AAA spread over G-sec has expanded by 3 bps in the 3-year space, from 24 bps to 27 bps, while the 5-year spread has contracted by 4 bps, from 35 bps to 31 bps.
- The 3 year AA+ and AA spread over AAA compressed by 6 bps and 11 bps, respectively, whereas the 5 year credit spreads have not seen as much compression.

Outlook: While the governor abstained from giving any forward guidance on policy rate and stance owing to the uncertain economic environment, he continued to show faith in India's performance parameters. We believe the market has already priced in future rate hikes; the extent and expectations, however, keep changing as their implications develop. The optimism from the index inclusion has already played out, with the inclusion being delayed by a few quarters. We believe that we are closer to the end of the rate hike cycle. The volatility in the debt market will continue for a couple of months, but the extent is expected to be limited.

Secondary Market Bond Offers

Tax Free Quotes

Security	Maturity/C	IP	Rating	Yield
7.35% IRFC Tax Free 2031	22-Mar-31	Annual on 15-Oct	IND AAA/Stable	5.10%
7.35% NABARD Tax Free 2031	23-Mar-31	Annual on 23-Mar	IND AAA/Stable	5.10%

PSB Perpetual Quotes

Security	Maturity/C	IP	Rating	Yield
7.75% SBI Perp 2027	09-Sep-27	Annual on 9-Sept	AA+ by CRISIL & IND	7.90%
7.74% SBI Perp 2025	09-Sep-25	Annual on 9-Sept	AA+ by CRISIL & IND	7.50%

PSU Quotes

Security	Maturity/C	IP	Rating	Yield
8.22% NABARD 2028	13-Dec-28	13-Jun & 13-Dec	AAA by ICRA & IND	7.50%
8.35% IRFC 2029	13-Mar-29	Annual on 15-Oct	AAA CRISIL, ICRA & CARE	7.49%

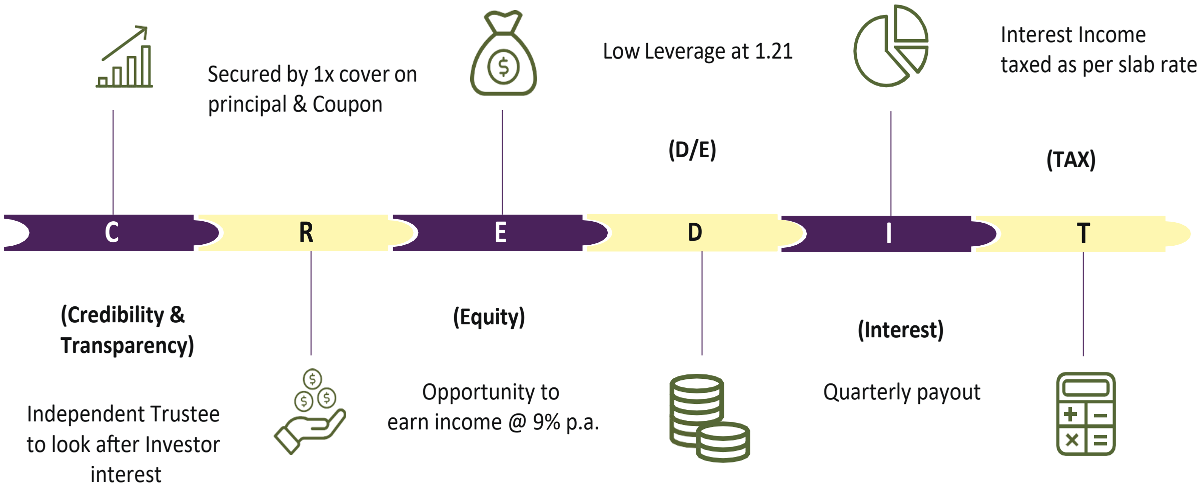
Corporate Bonds

Security	Maturity/C	IP	Rating	Yield
6.75% Piramal Capital & Housing Finance Ltd. 2031	Staggered Maturity (31-Sept-31)	28-Mar & 28-Sept	AA by ICRA & CARE	11.30%
8.05% Mahindra & Mahindra Financial Services Ltd. 2032	24-Jul-32	Annual on 01-Apr	AAA by IND Ratings & CARE	7.98%
7.80% HDFC Ltd. 2032	06-Sep-32	Annual on 06-Sep	AAA CRISIL & ICRA	7.90%
10.25% Shriram Transport Finance Corporation 2024	26-Apr-24	Monthly on 28th	AA+ CRISIL & IND	8.50%
7.82% Bajaj Fin 2032	08-Sep-32	Annual on 08-Sept	AAA by CRISIL	7.70%
9.20% Hinduja Leyland Ltd. 2024	13-Sep-24	Annual on 13-Sept	AA- by CARE	9.10%
8.15% Tata Capital Hsg Fin 2032	19-Aug-32	Annual on 19-Aug	AAA by CARE	7.82%
8.40% HDFC Credila Fin Ser Ltd. 2032	30-Jun-32	Annual on 04-Jul	AAA by CARE	7.90%
9.95% UP Power 2032	Staggered Maturity (22-Mar-32)	31 Mar, 30 Jun, 30 Sept, 31 Dec	A+ (CE) BY CRISIL & INDIA RATINGS	9.55%

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

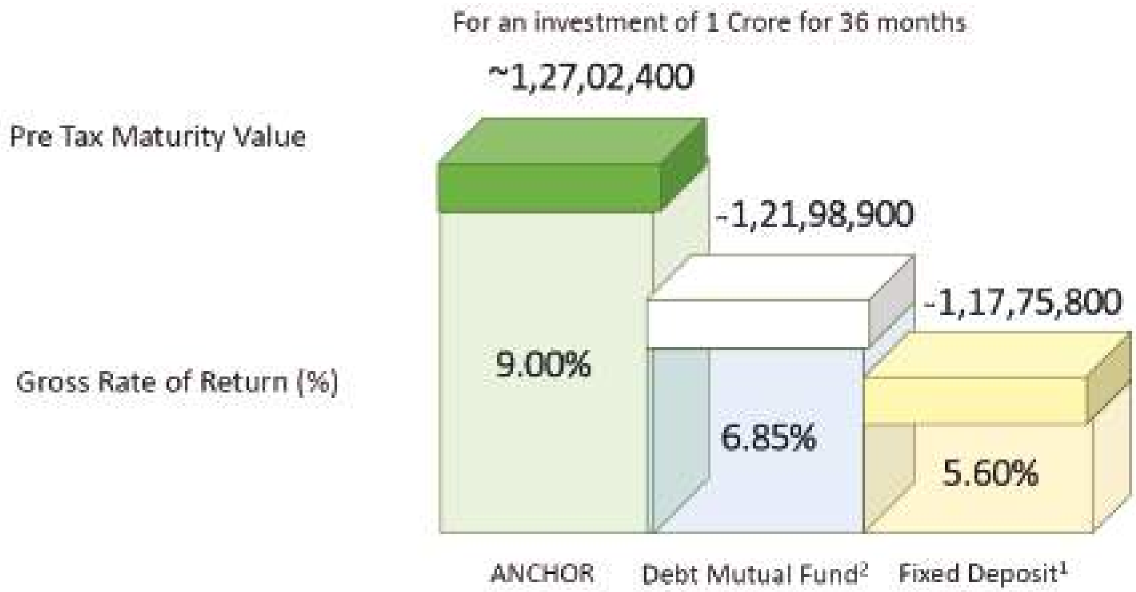
'Please note that investments in these bonds should not be construed as an advice or recommendation however we can facilitate the execution of the same. The bonds are tradeable on the Exchange platform, however we do not provide any assurance or guarantee on the liquidity of bonds. The investment decision 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.'

ANCHOR (Market Linked Debentures)



*Realized return on investment may differ depending on the investment timing, due to the difference in purchase value and face value ofthe security on the date of investment & Return is subject to the credit Risk of the Issuer.

What is ANCHOR?



1. 3 year Fixed Deposit rate effective 13th Aug, 2022, per SBI website https://sbi.co.in/web/interest-rates/deposit-rates/retail-domestic-term-deposits
2. Average Gross Yield to Maturity for Corporate Bond Fund Category as on 31st Aug, 2022

Key Terms of the Issue

Product Name	ANCHOR
Entity	Anand Rathi Shares & Stock Brokers
Listing/Secured	Unlisted/Yes, with a minimum 1x charge against receivables
Coupon/Type	Fixed @ 9.00% p.a.
Coupon Frequency	Quarterly
Redemption Tenor	36 Months
Redemption Date	29th September 2025
Face Value	Rs. 1,00,000 per bond
Minimum Subscription	Rs. 25 lakhs Multiple (25 bonds)
Taxation	Interest Income taxed as per Slab Rate
Issuance Mode	Demat Only

The information provided is this communication is reproduction of factual details. No part of information provided herein should be construed as investment advice by ARSSBL and/or its employee. Investor/Client must make their own investment decisions based on their own specific investment objectives and financial position. This communication does not constitute an offer or solicitation for the purchase or sale of any financial instrument/security.

Cash-flow Illustration

Example: For an investment of 25 lakhs for 36 months at par

Date	Cash Flows at 9% p.a.
29-Sep-22	(2,500,000)
29-Dec-22	56,096
29-Mar-23	55,479
29-Jun-23	56,712
29-Sep-23	56,712
29-Dec-23	56,096
29-Mar-24	56,096
28-Jun-24	56,096
27-Sep-24	56,096
27-Dec-24	56,096
28-Mar-25	56,096
27-Jun-25	56,096
29-Sep-25	2,557,945
XIRR	**~9.31%**

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*Returns/IRR showcased are for illustrative purposes only. The returns are pre-tax.

Commodities Outlook

Precious Metals Update:

Gold witness resilience in October as Rupee weakness limits downside on MCX. Silver continues to outperform Gold for second month

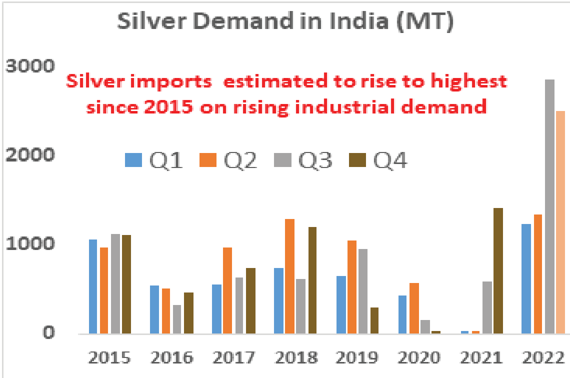
Bullions Prices			Other Indices	
	MCX Futures Prices (INR)			
Date	MCX Gold	MCX Silver	DXY	US 2 Yr Yields %
31-Oct-22	50185	57153	111.18	4.48
24-Oct-22	50580	57748	111.99	4.50
30-Sep-22	50094	56858	112.12	4.28
31-Dec-21	48099	62660	95.67	0.73
31-Dec-19	39108	46711	96.39	1.57
% Change				
Weekly	-0.79%	-1.04%	-0.73%	-0.50%
MTD	0.18%	0.52%	-0.85%	4.54%
YTD	4.16%	-9.64%	13.95%	83.67%
2020 Till Date	22.07%	18.27%	13.30%	64.99%

Spot Gold declined for the seventh month in a row. However, the fall was significant as it fell by around 0.79 % in October month despite the dollar staying subdued throughout the month. The limited upside was due to a rise in treasury yields, which soared on expectations of a 4th consecutive 75 bps rate hike by the US Fed in November. Spot Silver, however, closed almost flat as widening deficit concerns for 2022 along with Global ETF inflows seen since September month did offset pressure from rising short term US yields.

Precious Metal ETF Holdings		
Date	SPDR ETF (tonnes)	ISHARE ETF (Million tonnes)
31-Oct-22	922.59	13731.59
24-Oct-22	928.39	13825.57
30-Sep-22	939.7	13633.77
31-Dec-21	975.66	15048.99
1-Jan-20	893.25	10280.00
% Change		
Weekly	-0.63%	-0.68%
Monthly	-1.85%	0.71%
YTD 2022 % Chg	-5.75%	-8.75%
% Chg Since Jan'20	3.18%	22.94%

Outflows from SPDR gold-backed exchange-traded funds continued to go down, creating a bearish signal for bullion which was increasingly being shunned by western investors due to tighter monetary policy. However Ishare Silver ETF witnessed inflows in October that kept the price supported at lower levels as the white metal ended almost flat at $ 18.99 on 31st Oct as compared to $ 19.02 seen at the end of September month

Rising industrial demand from India drives up Silver Imports in Q3'22. ETF Holdings also rise in last 2 months as Silver remains relatively steady



In July alone, India imported a record 1,700 tonnes of Silver, while in 2021, in the first seven months silver imports were a meagre 110 tonnes. According to market participants, Silver imports are expected to bounce back to Pre-Covid levels of 6,500-7,000 tonnes this year as there is a strong demand for the metal. However holdings of I Share ETF fell on yearly basis by 6-7 % to 13,732 MT, but it remained above pre pandemic levels of 10314 MT seen in start of January 2020.

Outlook

Going ahead for the November month although Federal Reserve had delivered 4 consecutive rate hikes this year, expectations that interest rates to stay elevated for next year to combat inflation may keep short term treasury yields elevated above 4.5 % thus keeping upside limited for Gold for 1 - 2 months perspective. However, in the near term dollar index may consolidate further in a wide range with the recovery being data dependent which could provide near term upside especially in Silver prices. Meanwhile inflationary pressure to persist as US is due to report its inflation numbers in coming weeks which could pressure prices on the downside in the latter half of the month. Meanwhile any short covering moves could push gold as could witness a temporary bounce up to 1680 – 1690 $ per ounce levels in the initial half of the month. However prices are expected to average below $1660 per ounce levels in Spot for the current month.

On the other hand steady ETF holdings along with rising industrial demand might support Silver prices as the same could continue to witness relatively steady trade in November Month. Prices could average around $ 19.25 per ounce in Spot in current Month.

Base Metals Update:

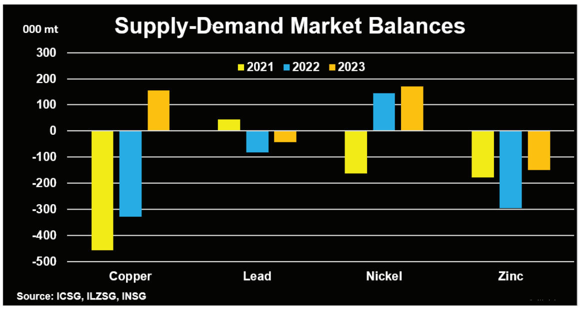
• Copper & Zinc trades lacklustre as Global slowdown & China worries persist.

• Seasonally strong quarter along with inclusion in Commodity Index lifts LME Lead.

• Speculation of potential LME ban of Russian metals supports Aluminium prices.

LME 3M Forward Prices ($/tonnes)					
Date	Copper	Aluminium	Zinc	Lead	Nickel
31-Oct-22	7467.5	2202.5	2742.5	1981	22050
24-Oct-22	7556	2175	2958	1888	22248
30-Sep-22	7560	2162	2968	1908	21107
29-Jul-22	7917.5	2488.5	3308.5	2034.5	23619
31-Dec-21	9720.5	2807.5	3534	2304	20757
% Change					
Monthly	-1.24%	1.84%	-8.22%	3.69%	4.28%
Quarterly	-6.03%	-12.99%	-20.64%	-2.70%	-7.12%
YTD 2022	-30.17%	-27.47%	-28.86%	-16.30%	5.86%

Base metals continued its lackluster trend seen since September as copper dropped above 1% in October and 10% in the third quarter with aggressive monetary tightening seen around the world that stoked fears of a global recession and dampened metals demand.



Zinc remained the worst performer of the month with concerns of slowdown in China property market slowdown weighed on demand for industrial metal. Copper market however remained in deficit during Jan-August 2022. In the first eight months, Copper supply growth was revised downwards following unexpected production constraints at a number of primary smelters and delays in ramp-up of capacity, said the industry body International Copper Study Group (ICSG) in its Copper Market Forecast 2022/2023 on 19 October.

The unexpected and longer-than-expected maintenance shutdowns in Chile, Brazil, Mexico, the US, Zambia and some EU countries have led to constrained output over the past year, ICSG noted. Despite the slowing global economy, ICSG forecast that copper demand will exceed production in 2022 and the world refined copper balance was expected to be in a 328,000 tonnes deficit. Copper market was forecast to swing back into a 155,000 tonnes surplus in 2023. ICSG said

Outlook

China Covid concerns have emerged as China recorded 3,200 daily local COVID-19 cases for Nov. 2, the highest in two-and-a-half months which could continue to keep base metals on the sideways on the backdrop of tighter supplies persisting in Copper, Zinc & Aluminum. Copper may continue to face headwinds on the upside in near term as tighter supplies to be offset by no significant signs of revival in demand is seen from China. Overall we may see supports for Copper prices in the range of $ 7200 – 7400 per tonne range in LME 3 month's forward contract. However strength in dollar index could continue to keep any sharp upside limited. MCX Copper could also face supports as could decline around Rs. 630 – 635 per Kg during the current month before rising towards the end of the month.

Crude oil rose on tightening supply outlook

WTI crude oil futures bounced back from lows and closed higher in the month of October, at $86.53 and up by 8.8%, as investors braced for tighter supplies going forward, though demand concerns persist. OPEC+ alliance agreed to the biggest production cut since 2020 and Russia reiterated a warning that it won't sell crude to any countries that adopt a price cap. Ministers from OPEC+ agree to cut production by 2 million barrels per day, despite pressures from the US to pump more. Still, the output cuts could have a smaller effect on global supply as several countries are already pumping well below their quotas. The real cut will be smaller in reality than on paper, at around 1 million barrels a day. In the monthly reports, all the major agencies trimmed oil demand growth. OPEC said in the October report that oil demand will increase by 2.64 million barrels per day, or 2.7%, in 2022, down 460,000 bpd from the previous forecast. That was the fourth time that the group cut the oil demand forecast. The cartel also trimmed its 2023 forecast by 360,000 bpd to 102.02 million bpd, which was expected after the announcement of output cut in last meeting. However, OPEC+ forecast downgrade can be seen as a move to support their output cut.

On the supply side, US weekly output is hovering near 12 mbps and has fallen to 11.9 mbpd in the last week of October. Lack luster shale output is primarily due to lack of investment in the sector, rising cost of raw materials and surging interest rates. Meanwhile, OPEC's crude production held steady last month after the group pledged a symbolic cutback to stabilize market sentiment. The Organization of Petroleum Exporting Countries increased daily output by 30,000 barrels to 29.98 million barrels in October, according to a Bloomberg survey. It had agreed to make a token reduction of 100,000 barrels a day rescinding an increase made the previous month. With so many members already lagging behind their targets few needed to do any actual cutting, and overall output was well below the group's target even after the slight rise. Sharp fall in product inventories ahead of winter is also concerning oil markets. US Gasoline inventories are at the lowest levels since 2014 and distillate stocks are hovering near the lowest since 2005. While, nearing an end to US SPR sales, looming EU sanctions on Russian oil and prospects of price cap mechanism by US also aided the sentiments.

Limiting the upside in oil prices is the China factor and slowdown in Eurozone. Demand in China, the largest importer, remains subdued as the government presses on with its Covid-Zero policy. This was evident from the customs data. China's September crude imports of 9.79 million barrels per day were 2% below a year earlier, customs data showed on Monday, as independent refiner's curbed throughput amid thin margins and lacklustre demand. Recent data showed that European economies are slowing down, with contraction in PMI's and forecasts for recession in the upcoming quarters.

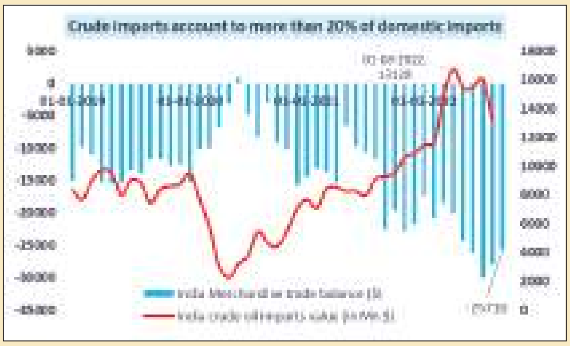
Outlook

Though oil demand is expected to stay subdued in the month of October, we believe prospects of tightening supply might aide prices. Rising geo-political tensions also put a floor on prices. Saudi Arabia has shared intelligence with the US, warning of an imminent attack from Iran on targets in the kingdom. US SPR sales are waning and is coming to an end, which might lead to drawdown in commercial inventories going forward. Supply is not catching up in US.
Seaborne crude shipments from Russia fell to a five-week low in the week ended 28th October. While flows to China and India remain stable, two key Indian refiners have halted spot purchases of Russian crude effective from 5th December, which will deprive vessels of insurance and other services. US is actively considering a price cap on Russian oil (to prevent supply disruptions due to sanctions) and Russia has clearly conveyed that they are not going to supply oil to countries agreeing to the price cap. The odds of a price cap triumph are very low, while that of Russian output falling is very high. We expect MCX Crude oil November futures to rise towards Rs. 6,900 – 7,750 per bbl with an upward bias.

Currency Outlook

Rupee fell on broad dollar strength, RBI's soft stance on rate hikes

The Indian rupee depreciated by 143 paisas and closed at 82.78 against the dollar in the month of October, completing its 10th straight monthly decline in the longest losing streak since 1991 on the back of broad dollar strength. Elevated domestic inflation, a slower pace of rate hikes from the RBI, and falling forex reserves continue to put upward pressure on the USDINR pair. Sentiments were further dampened after JPMorgan Chase & Co. said it is keeping Indian government bonds off its emerging-market sovereign bond index for now, citing investment hurdles that must be resolved for the inclusion to take place. Meanwhile, the World Bank downgraded India's FY23 GDP forecast from 7.5% to 6.5%.



Indian equity markets rose more than 5% in October, as the RBI supports growth. FPI net investments saw an outflow of Rs. 3,080 crore, which was mainly dominated by outflows from the debt market. Meanwhile, the recent data released by the RBI showed that India's forex reserves tumbled to a fresh multi-year low of $528.37 billion, down by $4.5 billion in the week ended October 14th, led by a decline in its foreign currency assets. In the October bulletin, the RBI said that they have intervened in the currency market, selling almost $70 billion in both spot and forwards, to prop up the falling rupee.

The dollar index hovered near 114 levels in the first half of the month, aided by hawkish comments from Fed officials on the back of a tight labour market coupled with elevated inflation. The headline inflation rate in the US slowed for the third month to 8.2% in September 2022; however, the core CPI rose to 6.6%, the highest since August 1982, in a sign inflationary pressures remain elevated and cementing expectations of a 75 bps rate hike for the November meeting. However, towards the end of the month, the greenback fell sharply amid concerns of policy pivot from Fed. There was speculation that some Fed officials were concerned about overtightening. San Francisco Fed President Mary Daly echoed this view, saying that the central bank should start discussing the potential of a smaller rate hike in December. Adding fuel to the fire, the Bank of Japan intervened in the forex market after the yen spot touched a fresh 32-year low of 151.94 against the dollar. Dollar came under further selling pressure as investors welcomed the news that former chancellor Rishi Sunak will become the new prime minister and the pound rallied.

Outlook

The Indian rupee might continue to depreciate amid broad dollar strength, rising US treasury yields, and elevated crude oil prices. India imports more than 85% of its oil needs. It's a double whammy for the domestic currency if the dollar and oil prices are rising together. On one side, it puts pressure on the trade deficit, while on the other, imported inflation presses the RBI to hike more at the cost of growth. However, we don't expect the RBI to hike much going forward and see terminal rates at 6.25% in this cycle. Narrowing yield differentials with the US also prompt outflows, as the Fed is front-loading rate hikes to tame inflation.

The dollar index might continue to stay elevated, underpinned by a hawkish Fed and a comparatively better US economy. The Federal Reserve raised the target range for the federal funds rate by 75 basis points to 3.75%–4% during its November 2022 meeting, while Powell said that the terminal policy rate could be higher than the committee expected in September when the dot plot showed fed funds rising to 4.50%–4.75% next year. US inflation and the labour market will be closely watched by investors for further cues on December rate hikes. Our base case is 50 bps for December.

We expect the rupee spot to decline towards 83.5–84 levels and the dollar index to edge higher towards 115 levels in November.

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.

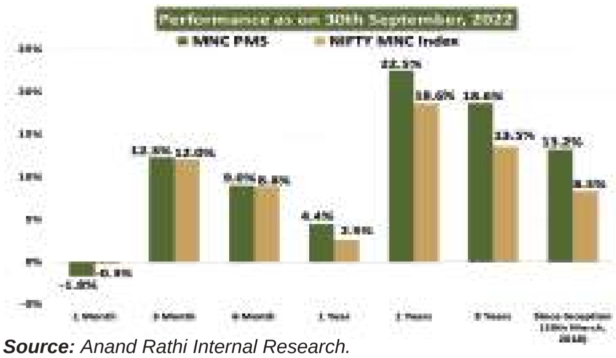
MNC's can use their global presence to take advantage of underpriced labor services available in certain developing countries, and gain access to special R&D capabilities residing in advanced foreign countries

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.



Source: *Anand Rathi Internal Research.*

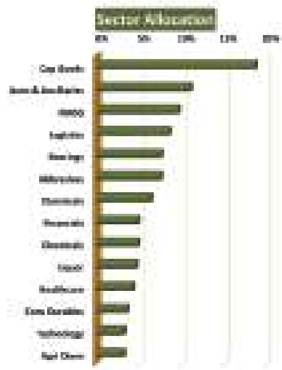
Healthy Balance Sheet

Top Holdings and Allocation

Sr No	Top 10 Holdings	% Holdings
1	KSB Limited	9.95%
2	Blue Dart Express Ltd	8.62%
3	SKF India Ltd	7.68%
4	Grindwell Norton Ltd	7.64%
5	Maruti Suzuki India Limited	7.60%
6	Siemens Ltd	6.46%
7	Hindustan Unilever Limited	5.43%
8	CRISIL Ltd	4.95%
9	BASF India Ltd	4.93%
10	Ingersoll-Rand (India) Ltd	4.80%

	Avg Mkt Cap (cr)
Large Cap	248880
Midcap	27146
Small Cap	8110
Overall Portfolio	85907

Data as on 31st October, 2022



The current model client portfolio comprise of 18 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

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 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

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

Emerging business of ongoing Industrial Revolution

Opportunity - Accelerated Growth from Business Upcycle

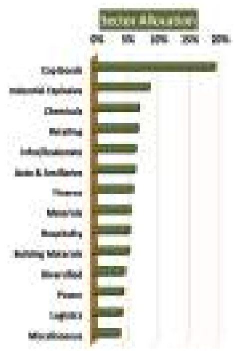
- Indian economy has found its place among the key global players in many of the sectors.
- India increasing its share and becoming a part of the global supply chain and also a reliable partner.
- Government focus on building capabilities, scale and good manufacturing practices.
- PLI, Export incentive 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

Opportunities at every level of emerging business

Stock Selection Process

Portfolio Synopsis

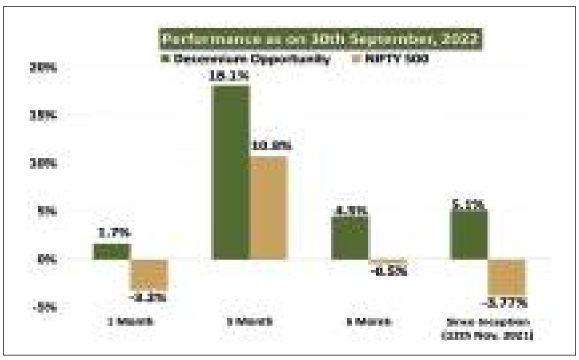
Sr No	Top 10 Holdings	% Holdings
1	Solar Industries India Limited	9.0%
2	Bharat Electronics Ltd	8.9%
3	Gujarat Fluorochemicals Limited	7.4%
4	Aditya Birla Fashion and Retail Limited	7.2%
5	Oberoi Realty Limited	6.8%
6	Craftsman Automation Limited	6.7%
7	Praj Industries Ltd	6.5%
8	Bajaj Finserv Limited	6.3%
9	Greenpanel Industries Limited	6.0%
10	Easy Trip Planners Limited	5.8%



	Avg Market Cap (cr)
Large Cap	412437
Midcap	33978
Small Cap	7089
Overall Portfolio	121282

Data as on 31st October, 2022

The current model client portfolio comprise of 16 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.



Structure Product Idea

Nifty Accelerator

Product Name	Nifty Accelerator : 100%	
Issuer	Anand Rathi Global Finance Limited	
Underlying	Nifty 50 Index	
Capital Guarantee	Principal is not protected	
Tenor(days)	1875 Days	
Initial Fixing Level	150 pointscontingent from closing nifty then rounded to next 100	
Final Fixing Level	Average of Closing NIFTY on last Thursday of 47th, 50th, 53rd & 56th Month.	
Nifty Performance (NP)	(Final Fixing Level/Initial Fixing Level)-1	
Contingent Coupon (CC)	100% (IRR – ~14.45%)	
Participation Rate1 (PR1)	100% (From 108% to 133% of Initial Fixing Level)	
Participation Rate2 (PR2)	2500% (From 130% to 133% of Initial Fixing Level)	
Decay Multiple (DM1)® Knock-In Put @ 84.99%	1.10x (below -15% till - 30% fall with catch-up)	
Decay Multiple (DM2)® Nifty @ 69.99% of initial	0.10x (Beyond -30% fall decay decreases)	
Payoff	If Final Fixing Level is at or above 133% of Initial Fixing Level	Contingent Coupon
	If Final Fixing Level is Above 108% & below 133% of Initial Fixing Level	(NP-8%)* PR1+ Max (0%,(NP-30%)*PR2
	If Final Fixing Level is above 85% & at or below 108% of Initial Fixing Level	Principal Protection
	If Final Fixing Level is below 85% of Initial Fixing Level	MAX(-100%,MAX((-30%*DM1),NP* DM1)+MIN(0%,(NP+30%)*DM2))

PAYOFF (100.0%: Market Linked Debentures Idea)

Nifty Values	Nifty Perf.	Product Return	Nifty IRR	Product IRR
38220	110.00%	100.00%	15.50%	14.40%
36400	**100.00%**	**100.00%**	**14.40%**	**14.40%**
27300	50.00%	100.00%	8.20%	14.40%
24206	**33.00%**	**100.00%**	**5.70%**	**14.40%**
24024	32.00%	74.00%	5.60%	11.40%
23842	31.00%	48.00%	5.40%	7.90%
23660	**30.00%**	**22.00%**	**5.20%**	**3.90%**
21840	20.00%	12.00%	3.60%	2.20%
19656	**8.00%**	**0.00%**	**1.50%**	**0.00%**
18200	**0.00%**	**0.00%**	**0.00%**	**0.00%**
18012	-1.00%	0.00%	-0.20%	0.00%
16380	-10.00%	0.00%	-2.00%	0.00%
15470	**-15.00%**	**0.00%**	**-3.10%**	**0.00%**
15468	-15.01%	-16.51%	-3.12%	-3.45%
14560	-20.00%	-22.00%	-4.30%	-4.70%
12740	**-30.00%**	**-33.00%**	**-6.70%**	**-7.50%**
10920	-40.00%	-34.00%	-9.50%	-7.80%
0	-100.00%	-40.00%	-100.00%	-9.50%

Product IRR* **14.45%**

Tenor **1875 Days**

Target Nifty Perf. **33%**

Product Explanation

NP >= 33%	100% (Contingent Coupon)
30% < NP < 33%	Max(0%,(NP-30%)*PR2
8% < NP < 33%	(NP-8%)* PR1
-15% <= NP <= 8%	Principal Protection
-30% <= NP < -15%	1.10x Decay with Catch-up
Nifty falls beyond -30%	Decay decreases to 0.10x
If NP = -100%	-40% (Max Loss in this product)

*Product IRR assume to be Pre-Tax IRR
NP: Nifty Performance
^ Initial Fixing Level is taken as 18012, adding 150 points contingent: 18162, rounded off to next 100: 18200.
**Historical Standard Deviation is calculated for 1710 days daily rolling NIFTY (Working Days Only) return from 1st Jan'2001 - 31st October 2022.

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

Structure Product Idea

Nifty Magnifier

Product Name	Nifty Magnifier : 80%	
Issuer	Anand Rathi Global Finance Limited	
Underlying	Nifty 50 Index	
Capital Guarantee	Principal is not protected	
Tenor (days)	1875 Days	
Initial Fixing Level	150 pointscontingent from closing nifty then rounded to next 100	
Final Fixing Level	Average of Closing NIFTY on last Thursday of 47th, 50th, 53rd & 56th Month.	
Nifty Performance (NP)	(Final Fixing Level/Initial Fixing Level)-1	
Contingent Coupon (CC)	80.0% (IRR – ~12.12%)	
Participation Rate1 (PR1)	100% (From 108% to 124% of Initial Fixing Level)	
Participation Rate2 (PR2)	2133% (From 121% to 124% of Initial Fixing Level)	
Decay Multiple (DM1)® Knock-In Put @ 84.99%	1.1x (below -15% till - 30% fall with catch-up)	
Decay Multiple (DM2)® Nifty @ 69.99% of initial	0.10x (Beyond -30% fall decay decreases)	
Payoff	If Final Fixing Level is at or above 124% of Initial Fixing Level	Contingent Coupon
	If Final Fixing Level is above 108% & below 124% of Initial Fixing Level	(NP-8%)* PR1+ Max (0%,(NP-21%)*PR2
	If Final Fixing Level is at or above 85% & at or below 108% of Initial Fixing Level	Principal Protection
	If Final Fixing Level is below 85% of Initial Fixing Level	MAX(-100%,MAX((-30%*DM1), NP*DM1)+MIN(0%,(NP+30%)*DM2))

PAYOFF (80.0%: Market Linked Debentures Idea)

Nifty Values	Nifty Perf.	Product Return	Nifty IRR	Product IRR
34580	90.00%	80.00%	13.30%	12.10%
32760	**80.00%**	**80.00%**	**12.10%**	**12.10%**
27300	50.00%	80.00%	8.20%	12.10%
22568	**24.00%**	**80.00%**	**4.30%**	**12.10%**
22386	23.00%	57.70%	4.10%	9.30%
22204	22.00%	35.30%	3.90%	6.10%
22022	**21.00%**	**13.00%**	**3.80%**	**2.40%**
20930	15.00%	7.00%	2.80%	1.30%
19656	**8.00%**	**0.00%**	**1.50%**	**0.00%**
18200	**0.00%**	**0.00%**	**0.00%**	**0.00%**
18012	-1.00%	0.00%	-0.20%	0.00%
16380	-10.00%	0.00%	-2.00%	0.00%
15470	**-15.00%**	**0.00%**	**-3.10%**	**0.00%**
15468	-15.01%	-16.51%	-3.10%	-3.50%
14560	-20.00%	-22.00%	-4.30%	-4.70%
12740	**-30.00%**	**-33.00%**	**-6.70%**	**-7.50%**
10920	-40.00%	-34.00%	-9.50%	-7.80%
0	-100.00%	-40.00%	-100.00%	-9.50%

Product IRR* **12.12%**

Tenor **1875 Days**

Target Nifty Perf. **24%**

Product Explanation

NP >= 24%	80.0% (Contingent Coupon)
21% < NP < 24%	Max(0%,(NP-21%)*PR2
8% < NP < 24%	(NP-8%)* PR1
-15% <= NP <= 8%	Principal Protection
-30% <= NP < -15%	1.1x Decay with Catch-up
Nifty falls beyond -30%	Decay decreases to 0.1x
If NP = -100%	-40% (Max Loss in this product)

*Product IRR assume to be Pre-Tax IRR
NP: Nifty Performance
^ Initial Fixing Level is taken as 18012, adding 150 point contingent : 18162, rounded off to next 100: 18200.
**Historical Standard Deviation is calculated for 1710 days daily rolling NIFTY (Working Days Only)return from 1st Jan'2001 – 31st October 2022.

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

Technical Analysis

NIFTY: November 2022

LEVELS TO WATCH OUT FOR: 18100–18350 / 17900–17300

The auspicious month of October 2022 proved to be a month of blessings for the bulls on D Street. This Diwali, the benchmark index NIFTY managed to reclaim the 18000 milestone from the lows of 16750 (the September 2022 low). Initially, during the first half of October 2022, there were some hiccups, but in the second half, we witnessed a one-sided recovery in our markets. The positive price action in our markets was a kind of outperformance in comparison to the global markets. On the whole, NIFTY surged by over 5.5% during the month and settled above the 18000 mark.

In our previous monthly edition, we clearly stated that, till the time being, 16747 is not breached on the downside for NIFTY and the broader trend remains strong. Only a breach of the same might drag the index towards 16200–16000 levels. On the upside, 17400–17600 might be the zone from which we could again witness selling. So on the downside, markets respected the support of 16747, but the rally extended towards 18000 and more. Now, at this point in time, we are at a very crucial level. The move from here on might dictate a trend for the coming months. Well, it is for the fifth time in the year 2022; NIFTY is hovering near the 18100 mark. Above the 18100 mark, another resistance is at 18350. A move above 18350 on a closing basis would confirm a major range breakout, and that breakout has a theoretical target of around 21000. However, due to too many uncertainties in the global space, we don't expect the move to be one-sided. This is a broader picture, but for the short term, we remain cautious until 18350 is removed. Even the derivative statistics indicate that FIIs are now decently long in index futures (the long-short ratio is around 65%), and this opens up the possibility of their unwinding in longs. Thus, on the downside, 17900 would be an intermediate support, and a breach of the same might apply some brakes to the ongoing momentum. Ideally, we have a bullish opinion on the markets, but one considerable corrective move is quite possible looking at the global uncertainties. Thus, traders are advised to stay vigilant and follow strict stop-loss orders.

With regards to the NIFTY Bank Index, the low of September 2022, which was near 37000, remained intact during the month of October 2022. Then after we witnessed excellent recovery in the banking stocks, which pulled the index again above the 41000 mark but still the zone of 42000 is not yet breached. Since the past few sessions, we have been witnessing some kind of underperformance by the banking index, and that is a sign of discomfort. Going ahead, a fresh bullish trend would emerge only above the 42000 mark. On the downside, 40800 could be an important trigger point. A breach of the same might bring in fresh pessimism, which can drag the index towards 39000.

Technical Pick - PIRAMAL ENTERPRISES

POTENTIAL UPSIDE 15.43%-20.57% ▲

- The stock **PEL** has corrected around 50% from the peak of 1651 (adjusted price).

- At this juncture it is hovering at the 61.8% retracement of the previous rally and also we are witnessing a hammerformation on the monthly chart.

- This hammer formation indicates reversal and excellent risk reward to go long.

- Street is expecting value unlocking kind of move in the counter after it's demerger with the pharma entity named Piramal Pharma. Thus; traders are advised to accumulate the stock **in the range 885 - 865** with a stop loss of 785 on closing basis for the upside potential target of 1010 followed by 1055 levels in coming 3 - 6 months.

ICICI Venture

Overview of ICICI Venture

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

ICICI Venture at a Glance

$5bn	600+	100+	81+
AUM/A since inception	Investments since 1988	Investments since 2002	Exits since 2002

Our Existing 4 Verticals

		Private Equity	Real Estate	Infrastructure	Special Situations
AUM/A[1]		$1.6bn[2]	$700mn[2]	$453mn[3]	$1.25bn[4]
Strategies		Growth Equity	Equity	Energy	Debt, Mezzanine
		Joint Control	Debt	Utilities	Distress Buyouts
		Buyouts	Mezzanine	Buyouts	Equity Recaps

Sector Footprint

- Banking, Financial Services, Insurance
- Consumer, Retail/eTail Brands
- Healthcare, Pharmaceuticals
- Media & Entertainment
- Manufacturing, Industrials, Logistics
- RE & Infra

[1] Excluding IC 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 equity capital commitments; [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.

Overview of ICICI Group

ICICI Venture leverages ICICI Group linkages

Trusted Brand Name

- Strong brand identity in the Indian ecosystem
- Partner of choice for global and domestic investors

Access to Proprietary Deal flow

- Longstanding relationships across the ecosystem of Indian businesses: owners/promoters, bankers, regulators, policy makers and consultants
- Being one of India's largest banks, well connected across the spectrum of small, medium and large corporates

Deal lifecycle

- Sectoral expertise and information
- Institutional knowledge and experience
- Privileged market insights from networks with key stakeholders
- Relationships across the value chain

Access to a large pool of talent and infrastructure

- Support from the banking, insurance, capital markets intermediation and asset management teams
- Access to financing options / M&A advisory

Our PE exit track record (2009 onwards)

We have a proven, superior exit track record through diverse strategies

Realisation by exit strategy[1]

Examples of different exit strategies

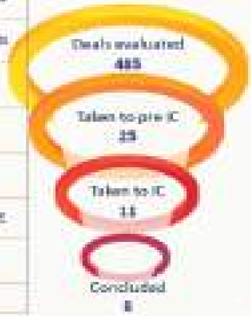
RFCL	GO COLORS!	KIMS	STAR	WABAG
Exit Strategy : Sum of parts sale	*Exit Strategy: IPO*	*Exit Strategy : Sale to PE*	*Exit Strategy: Sale to Strategic/PE*	*Exit Strategy : IPO*
Investment : Dec-2005	Investment : Jan-2018	Investment : Jun-2014	Investment : Mar-2010 (IAF3) / Aug -2016 (IAF4)	Investment : Apr-2005
Exit : Feb-2011	Exit: Nov/Dec 21 (Partial)	Exit : Jun-2018	Exit : Mar-2019	Exit : Jul-2011
Gross INR MOIC: 8.2x[3]	Gross INR MOIC : 6x	Gross INR MOIC : 2.8x	Gross INR MOIC :6.2x/3x	Gross INR MOIC : 29.8x
Gross INR IRR: 61.9%[3]	Gross INR IRR: 98%	Gross INR IRR: 29.6%	Gross INR IRR: 25% / 55%	Gross INR IRR: 118%

IAF4 Portfolio Overview

Backing leaders and emerging leaders in fast growing sectors in India

IAF4 Portfolio	Entry Year	Investment[1] (INR Mn)	Sector	Strategy	Stake	Exit/ Liquidity	Gross INR MOIC[2]	Exit Strategy
STAR	2016	1,000	BFSI	Growth PE	4.15%	Exited	3.03x	Sale to strategic/PE
GO COLORS!	2018	1,000	Consumer	Growth PE	13.79%[3]	Partially Exited	6x-8x	IPO, Capital markets
India1	2019	1,000	BFSI	Joint Control	21.48%[4]	2022-23	2.5x-3x	IPO / strategic
Ontheo	2016	1,650	Mfg	Growth PE	26.32%[4]	2022-23	2.5x-3x	Sale to PE / IPO
KIMS	2021	1,800	Healthcare	Growth PE	2.42%	Listed	2.5x-3x	Capital markets
[illegible]	2017	1,250	Consumer	Joint Control	40.59%	2024-25	5.5x-6x	Sale to strategic/PE
DCB BANK	2018	2,358	BFSI	Growth PIPE	4.36%	Listed	2x	Capital markets
[illegible]	2021	1,600	Mfg	Growth PE	25.3%-24.2%	2024-25	2.5x-3x	IPO

IAF4 deal log



Proposed key fund terms (India Advantage Fund S5 II)

Key fund terms*

Indian Fund (Feeder Fund)	Organized as a close-ended, contributory, determinate trust, under registration with SEBI as a Category II AIF (Fund of Funds). ICICI Venture is Settlor, AIF Sponsor, Manager of the Feeder Fund. Will invest solely in India Advantage Fund S5 I which is organized as a close-ended, contributory, determinate trust, registered with SEBI as a Category II AIF (Master Fund). ICICI Venture is Settlor, AIF Sponsor, Manager of the Master Fund
Minimum Capital Commitment	INR 10 Million (or as per extant SEBI AIF Regulations)
Final Closing	18 months from First Closing (excluding extensions, if any)
Investment Period	5 years from First Closing (excluding extensions, if any) for Master Fund. Feeder Fund to be co-terminus with Master Fund
Fund Term	8 years from Final Closing (excluding extensions, if any) for Master Fund. Feeder Fund to be co-terminus with Master Fund
Management Fee	2% p.a. (net of GST) at Master Fund level plus INR 1 Mn p.a. (net of GST) at Feeder Fund level. Master Fund Management Fee to be charged on the basis of Capital Commitment made by Feeder Fund during Investment Period and net invested capital thereafter
Offering Expenses (Class FC1 Unit-holders)	Upto 2% (net of GST) of the capital commitment made by Class FC1 Unit holders. Will form part of overall Capital Commitment
Feeder Fund Expenses	Feeder Fund Set up Expenses and Operating Expenses shall be charged at actuals, subject to a cap of 0.25%^ per annum (net of GST) as percentage of aggregate capital commitments received by the Feeder Fund at it's Final Closing, on an annualized average basis over Feeder Fund's term, plus pro-rata share of Master Fund Expenses
Master Fund Expenses	Master Fund Set up Expenses and Operating Expenses shall be charged at actuals, subject to a cap of 0.75%^ per annum (net of GST) as percentage of aggregate capital commitments received by the Master Fund at it's Final Closing, as calculated on an annualized average basis over the Master Fund's Term or Extended Term as maybe applicable, excluding one-time acquisition and divestment expenses incurred by the Master Fund
Hurdle Rate of Return	Applicable at Master Fund level (12% IRR on INR basis, pre-tax with full catch up)
Additional Return	Applicable at Master Fund level only (20% on whole fund basis)
Application Money (Class FC1 Unit-holders)	10% of Capital Commitment. Will form part of overall Capital Commitment and shall be utilized towards first drawdown

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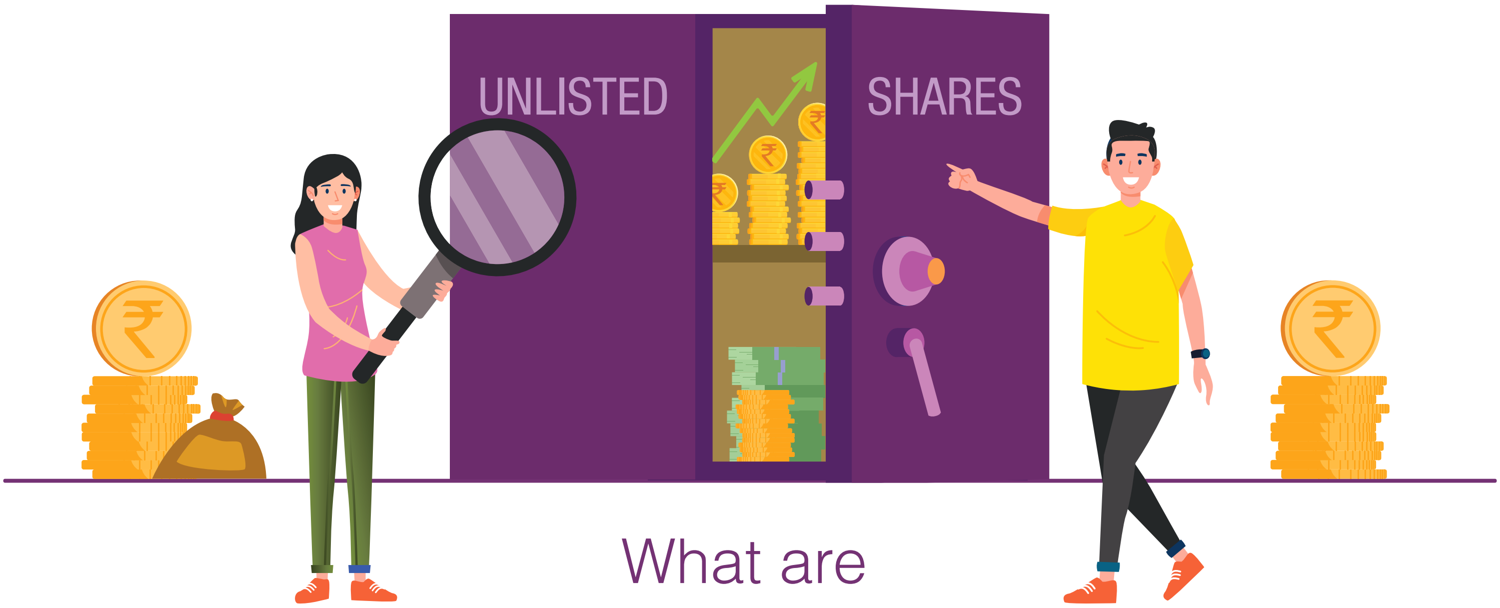
Investment in Unlisted Shares*



What are
Unlisted Shares*?

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

Reliance Retail	Retail
HDB Financial Services Ltd.	Financial Services
Chennai Super Kings	IPL Team
TATA Technologies Ltd.	Engineering
PharmEasy (API holdings Ltd.)	Healthcare Product
Studds Accessories Ltd.	Helmet Accessories
Care Health Insurance	Insurance
Sterlite Power Transmission Ltd.	Power & Transmission
Phillips India Ltd.	Electronics
Mohan Meakin Ltd.	Beverages
Kurlon Ltd.	Mattresses
Hero Fincorp Limited	Financial Services

*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.

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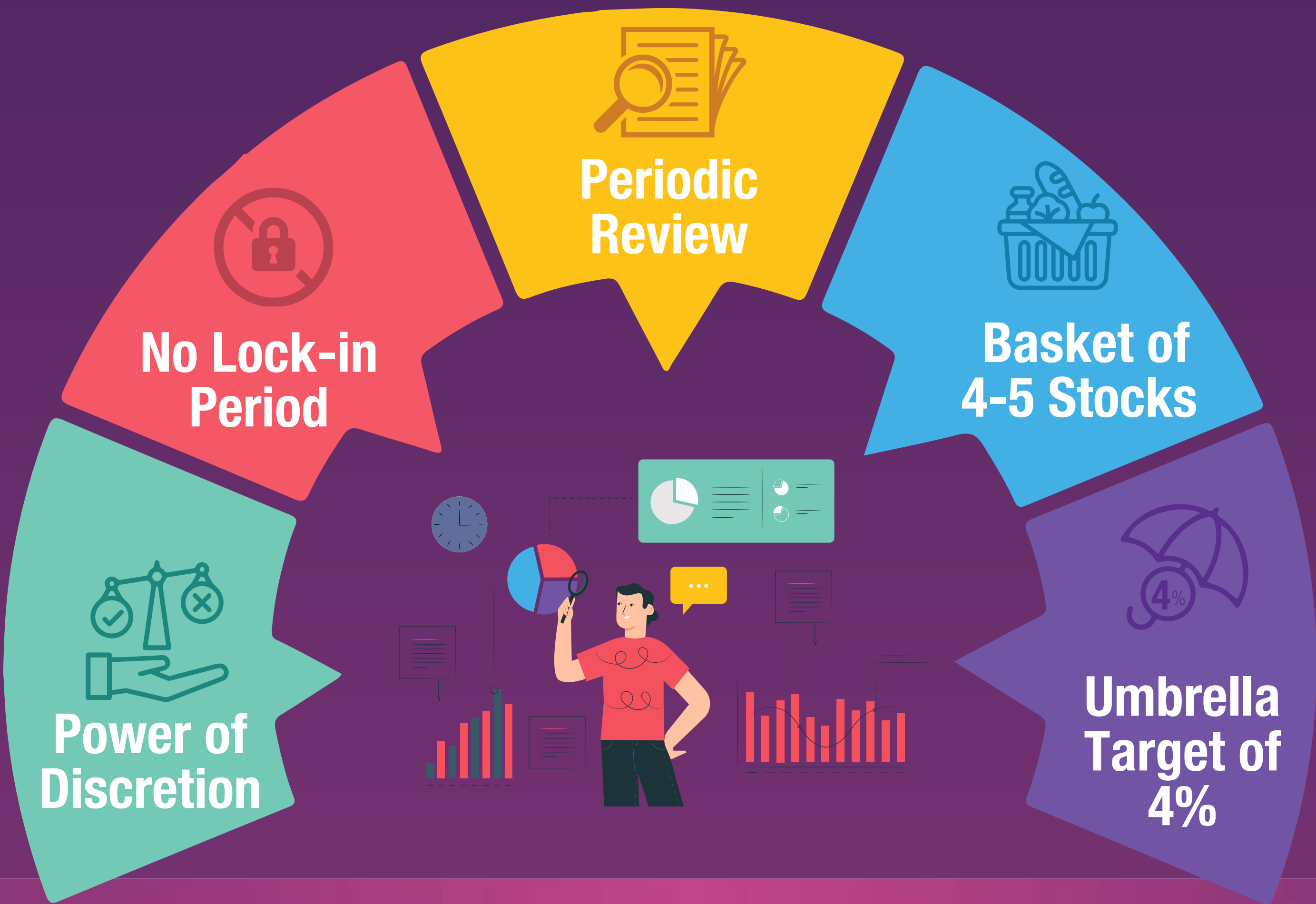
Finkart offers benchmark-relative strategies across the market-cap spectrum of India. We believe the stock market is tremendously efficient to provide opportunities for the disciplined investor.



Dynamic Research Basket Stock Allocation

The information is only for consumption by the client and such material should not be redistributed.

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November 2022

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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.