

INVESTMENT OUTLOOK

Monthly Newsletter to manage your personal finances



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What's Inside

01 - Buzzing Story - Inflation

02 - Investment Gyan

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From the desk of author

Wealth creation is a critical objective for any long-term investor, but inflation can present a significant challenge along the way. In recent months, inflation has been a major concern across the globe, and it has become a key disruptor for investors worldwide. Even the Indian equity market has struggled to reach its previous peak of December 1, 2022. The Nifty, an index of the top 50 stocks based on market capitalization, has fallen from its peak of 18,758 to 17,080 as of March 29, 2023.

The United States is particularly concerned about its rising inflation, and the Federal Reserve has taken several steps to control it. These actions have ripple effects in almost every economy, including our own. In this issue of our newsletter, we aim to provide answers to some pressing questions.

How is our economy coping with rising inflation in the US and its ripple effect? How are our equity markets being affected by inflation control measures? How should a retail investor respond or evaluate their portfolio in the current situation? What are the best investment products or most suitable asset allocation strategies during this time?

We hope to provide you with the best guidance possible to help you maintain your investment confidence in the Indian financial markets. Happy investing!

Sincerely, Mr. Uddhav Tulshibagwale

Chapter - 01

Understanding Inflation



Inflation is when the prices of goods and services go up over time. This means that the same amount of money will buy you less than it used to. For example, if you used to be able to buy a Liter of milk for Rs 12, but now it costs Rs 14, that's a sign of inflation.

There are many factors that can cause inflation, including an increase in the supply of money, a decrease in the supply of goods and services, or an increase in demand for goods and services.

Inflation can be a problem because it can make it harder for people to afford the things they need. It can also make it harder for businesses to plan for the future, since they can't be sure how much their costs will be.

Governments and central banks often try to control inflation by adjusting interest rates or by managing the supply of money in the economy. However, there is often a trade-off between controlling inflation and other economic goals, such as promoting economic growth or reducing unemployment.

What are the major cause of Inflation?

There is no one single cause of inflation, as it can be influenced by a variety of factors. However, economists generally agree that the most common cause of inflation is an increase in the supply of money in the economy relative to the supply of goods and services available for purchase.

When there is more money available in the economy, people have more purchasing power and are willing to pay more for goods and services. This increased demand can drive up prices. In addition, when businesses have more money to spend, they may be willing to pay higher prices for the resources and labor they need to produce their goods and services, which can also contribute to inflation.

Other factors that can contribute to inflation include an increase in the cost of raw materials or energy, a decrease in the supply of goods and services due to natural disasters or other disruptions, or an increase in demand for goods and services due to population growth or changes in consumer preferences. Like, during the COVID crisis, most of the economy pumped in extra money in their respective system, by way of direct printing of currency or by way of subsidies etc.

**Net returns from
any investment =
Total ROI -
Inflation - Taxes**

Say example , your annual Returns from a Fixed Deposit is 7% p.a and you are in top Tax Slab of 30%.

In such case, your Net annual returns =

7% - Inflation - Tax

i.e 7 - 6 - 2.1 = -1.1 %

So practically you are loosing your capital ! This may not hurt you in short term due to your incoming cash flows but over a period you will feel the dent and feel cheated.

Hence you must plan your investments and make your product selection properly.

How does a government tame Inflation?

Governments and central banks take a variety of steps to try to manage inflation, depending on the specific situation and the underlying causes of inflation in the economy. **Here are some common steps that governments may take:**

- **Monetary policy:** Central banks can use tools such as changing interest rates or adjusting the money supply to try to control inflation. For example, if inflation is high, the central bank may raise interest rates to make it more expensive to borrow money, which can help to reduce demand and lower prices.
- **Fiscal policy:** Governments can use fiscal policy, such as increasing taxes or reducing spending, to try to reduce demand in the economy and control inflation.
- **Wage and price controls:** In some cases, governments may try to control inflation by imposing limits on how much businesses can raise prices or how much workers can earn. However, this approach can be controversial, as it can lead to shortages of goods and services and can be difficult to enforce.
- **Supply-side policies:** Governments can implement policies that aim to increase the supply of goods and services, such as investing in infrastructure or reducing barriers to trade. This can help to bring down prices by increasing competition in the marketplace.

Overall, managing inflation is a complex task that requires careful balancing of a variety of factors. The specific policies that governments and central banks use will depend on the unique circumstances of the economy and the underlying causes of inflation.

Given below is the list of 10 Top Diversified Equity Mutual Funds which has clearly beaten inflation

(Last 15 Years returns as on 31st March 2023)

Funds	15 Yr Ret (%)
DSP Small Cap Fund - Regular Plan	17.24
HDFC Mid-Cap Opportunities Fund	16.97
ICICI Prudential Value Discovery Fund	16.89
Bandhan Sterling Value Fund - Regular Plan	16.06
Canara Robeco Emerging Equities Fund - Regular Plan	15.86
Franklin India Smaller Companies Fund	15.63
UTI Mid Cap Fund - Regular Plan	14.96
Invesco India Multicap Fund	14.58
Invesco India Mid Cap Fund	14.50
Kotak Small Cap Fund - Regular Plan	14.50

Disclaimer :

Mutual Fund investments are subject to market risks, read all scheme related documents carefully. The NAVs of the schemes may go up or down depending upon the factors and forces affecting the securities market including the fluctuations in the interest rates. The past performance of the mutual funds is not necessarily indicative of future performance of the schemes.

The schemes shown above are picked on the basis of the trailing returns of last 15 Years. We have just picked top 10 from the list for the purpose of presentation; however this should not be considered as our recommendation or preference of scheme. Readers are requested to invest as per their Risk suitability and investment objectives.

Chapter - 02

9 Financial lessons from Ramayana



1. Secure your life:

You are not Laxman, and there is no Hanuman to get Sanjeevani for you.... so get Health & Life insurance today.

2. Set your budget:

Set "Laxman Rekha" of your financial budget and make sure not to cross it due to luring online discounts. Understand the difference between need and want Be Financially Disciplined.



3. Contingency Fund:

Unexpectedly, Lord Ram was sent to 'Vanvas' for 14 Years and was forced to leave his luxurious Palace. Not everyone can live with such sudden changes in lifestyle. Have an adequate emergency fund to handle unforeseen circumstances.

4. Be Patient/Think Long Term:

During the 14 years of 'Vanvas', Lord Ram faced many ups and downs, including the kidnapping of Sita. Lord Ram patiently waited until the situation favorable, rather than choosing shortcuts. Stay invested for the long-term, there is no shortcut to success.





5. Choose advisers wisely:

Kaikeyi took Manthara's advice and Ramayana happened. Therefore, choose a right advisor who understand your Risk and your GOAL and guide you to a fruitful Investment Journey

6. Build a Corpus:

Lord Ram, Sita, and Laxman left Ayodhya with nothing. They patiently built their network and Vanar Sena over the years in order to reach the objective of defeating the Ravan. It takes patience to build a corpus, to defeat inflation in the long run.



7. Cultivate discipline:

Lord Ram practiced "Dharma" in order to be right, responsible and disciplined in life. Apply a similar theory to your life. Save judiciously, spend carefully and invest wisely for a disciplined financial life.

8. Wipe your slate & start over:

14-day Lanka War marked the defeat of evil and set the stage for a new path. Similarly, forget bad decisions that you made in the past and make informed decisions to streamline your financial journey.




9. Believe in karma:






Continue to do good things and karma will eventually reach you

Chapter - 03

Market Indicator

EQUITY MARKET SNAPSHOT - LAST ONE YEAR



Period	KEY INDIAN INDICES 					
	SENSEX	NIFTY 50	Nifty Next 50	Nifty Midcap 150	Nifty Smallcap 250	Nifty 500
31st March 2023	58991.52	17359.75	37797.75	11352.25	8787.90	14557.85
1 Month	0.05%	0.32%	1.46%	-0.52%	-1.53%	0.27%
3 Months	-3.50%	-4.12%	-10.41%	-4.49%	-7.31%	-5.77%
6 Months	2.72%	1.55%	-10.82%	-2.59%	-4.47%	-0.55%
1 Year	0.72%	-0.60%	-8.07%	1.99%	-6.92%	-2.26%
Current P/E	22.4	20.44	25.7	23.47	16.94	21.14
Current P/B	3.26	4.05	3.71	2.81	2.52	3.63

Period	KEY INTERNATIONAL INDICIES					
	USA 		UK 	HONG KONG 	JAPAN 	GERMANY 
	NASDAQ 100	S&P 500	FTSE 100	Hang Seng	Nikkei 225	DAX
31st March 2023	13181.35	4109.31	7631.74	20400.11	28041.48	15628.84
1 Month	9.46%	3.51%	-3.10%	3.10%	2.17%	1.72%
3 Months	20.49%	7.03%	2.42%	3.13%	7.46%	12.25%
6 Months	20.14%	14.61%	10.70%	18.45%	8.11%	29.01%
1 Year	-11.17%	-9.29%	1.54%	-7.26%	0.79%	8.42%
Current P/E	23.9	21.9	13.8	13	13.9	12.5
Current P/B	4.2	3.7	1.7	1.2	1.8	3.1

COMMODITY MARKET SNAPSHOT - LAST ONE YEAR

Period	GOLD - MCX	%	SILVER - MCX	%	CRUDE OIL	%
	INR 10 GRAMS		INR 1 KG		USD / BRL	
31st March 2023	59314	-	72095	-	79.89	-
1 Month	55714	6.46%	63232	14.02%	83.89	-4.77%
3 Months	54779	8.28%	69362	3.94%	85.91	-7.01%
6 Months	50029	18.56%	57274	25.88%	87.96	-9.17%
1 Year	51633	14.88%	67660	6.55%	107.91	-25.97%

OTHER MARKET INDICATORS

Country	India 	USA 	China 	Japan 	Germany 	UK 
GDP (USD Bil.)	USD 3176 Bn	USD 23315 Bn	USD 17734 Bn	USD 4940 Bn	USD 4259 Bn	USD 3131 Bn
10 yr Govt. Bond Yield	7.32%	3.47%	2.86%	0.32%	2.31%	3.49%
Global Currencies vs. INR	1.00	USD 1 / INR 82.18	Yuan 1 / INR 11.96	Yen 1 / INR 0.62	Euro 1 / INR 89.34	GBP 1 / INR 101.45
Current Inflation Rate	6.44%	6.00%	1.00%	3.30%	7.40%	10.40%

NIFTY EQUITY SECTORAL INDICIES 31st March 2023

INDEX	CURRENT	1 WEEK%	1 MONTH%	1 YEAR%	52W H	FALL FROM 52 WEEK HIGH
NIFTY BANK	40,608.65	3.08%	0.84%	11.76%	44,151.80	-8.02%
NIFTY AUTO	12,243.80	1.08%	-3.83%	16.14%	13,544.90	-9.61%
NIFTY FMCG	45,904.90	1.88%	2.15%	28.02%	46,398.70	-1.06%
NIFTY IT	28,698.60	2.73%	-3.25%	-21.30%	35,679.30	-19.57%
NIFTY METAL	5,497.45	2.32%	4.33%	-14.49%	6,919.60	-20.55%
NIFTY PHARMA	12,017.05	2.23%	2.30%	-12.58%	13,948.25	-13.85%
NIFTY REALTY	387.35	1.68%	-1.49%	-16.22%	483.55	-19.89%
NIFTY CONSUMER DURABLES	24,035.10	0.33%	0.24%	-11.40%	30,892.40	-22.20%
NIFTY OIL & GAS	7,148.85	1.14%	2.98%	-8.97%	8,671.35	-17.56%
NIFTY COMMODITIES	5,554.20	1.82%	3.39%	-7.50%	6,458.45	-14.00%
NIFTY INDIA CONSUMPTION	7,161.50	0.77%	0.63%	5.35%	8,146.95	-12.10%
NIFTY ENERGY	22,814.45	0.89%	5.22%	-11.76%	29,304.05	-22.15%
NIFTY INFRASTRUCTURE	5,090.95	1.33%	1.48%	1.22%	5,482.80	-7.15%
NIFTY INDIA DIGITAL	5,117.30	0.92%	-1.57%	-20.49%	7,313.70	-30.03%
NIFTY100 ESG	3,202.90	1.36%	-0.11%	-7.90%	-	-
NIFTY INDIA MANUFACTURING	7,948.10	1.85%	0.06%	-0.36%	-	-

Ratio of total market cap over GDP	
Recent 10 Year Maximum - 132%	
Recent 10 Year Minimum - 48.29%	
Current Market Cap / GDP- 95.30%	
Current Market Cap of India as on 31st March 2023 - INR 258.28 Lakh cr.	
Current GDP: \$3.3 TRLN US dollars or INR 271 LAKHS CR	

GDP Growth Figures		% of Growth
LATEST QUARTER (OND 2022)		4.40%
PREVIOUS QUARTER (JAS 2022)		6.30%
YEAR AGO (OND 2021)		5.20%

FII's/FPI's Activities in Indian Equity Markets

FII / DII - ACTIVITIES IN INDIAN EQUITY MARKET (CASH)		
Month- Year	FII (Rs Crores)	DII (Rs Crores)
	Net Purchase / Sale	Net Purchase / Sale
Mar-23	1997.70	30548.77
Feb-23	-11090.64	19239.28
Jan-23	-41464.73	33411.85
Dec-22	-14231.09	24159.13
Nov-22	22546.34	-6301.32
Oct-22	-489.06	9276.97
Sep-22	-18308.30	14119.75
Aug-22	22025.62	-7068.63
Jul-22	-6567.71	10546.02
Jun-22	-58112.37	46599.23
May-22	-54292.47	50835.54
Apr-22	-40652.71	29869.52
Last 12 Months	-198639.42	255236.11

COUNTRY WISE FPI AUC (Asset Under Custody) IN INDIAN MARKET		
Country Wise AUC (in cr.)	As on Feb 28, 2023	% of Holdings
United States	1863172	42.14%
OTHER	711641	16.10%
Singapore	335804	7.60%
Luxembourg	330486	7.48%
Mauritius	251139	5.68%
United Kingdom	250593	5.67%
Ireland	221706	5.01%
Norway	143252	3.24%
Canada	127471	2.88%
Japan	103516	2.34%
Netherlands	82,278	1.86%
Total	4421058	100%

SECTOR WISE FPI AUC (Asset Under Custody) IN INDIAN MARKET		
Sector Wise AUC (in cr.)	As on Feb 28, 2023	% FPI Holdings
Financial Services	1494557	33.81%
Information Technology	511446	11.57%
Oil, Gas & Consumable Fuels	450791	10.20%
Fast Moving Consumer Goods	323108	7.31%
Automobile and Auto Components	261143	5.91%
Healthcare	219723	4.97%
Consumer Durables	149407	3.38%
Capital Goods	135845	3.07%
Power	123729	2.80%
Metals & Mining	118822	2.69%
Top 10 Sector Holdings	3788571.00	85.69%
OTHERS	632487.00	14.31%
FPI HOLDING IN INDIAN EQ MARKET	4421058.00	100.00%

Mutual Fund CATEGORY AVG Performance across Industry - 31st March 2023

Equity Funds Category - AVG Performance across Industry				
Category Type	1 Month	3 Months	6 Months	1 year
Sector - FMCG	1.39	2.18	3.97	19.38
Sector - Financial Services	0.15	-6.88	4.42	11.19
Equity- Infrastructure	1.35	-1.47	1.98	8.51
Contra	0.19	-2.69	2.40	6.77
Dividend Yield	-0.11	-1.17	4.00	2.48
Value	-0.10	-3.42	2.82	2.33
Small-Cap	-0.85	-3.51	-2.87	1.35
Mid-Cap	-0.83	-4.25	-3.62	0.68
Multi-Cap	-0.07	-4.23	-1.86	0.63
ELSS (Tax Savings)	-0.36	-4.35	-0.87	-0.45
Large & Mid- Cap	-0.85	-4.61	-2.04	-0.54
Large-Cap	0.29	-4.91	-0.82	-0.75
Focused Fund	-0.16	-4.45	-1.41	-1.35
Flexi Cap	-0.37	-4.24	-1.70	-1.72
Equity - ESG	-0.62	-4.42	-1.35	-4.35
Sector - Healthcare	1.35	-4.24	-5.03	-7.74
Sector - Technology	-2.63	0.04	5.65	-17.98

Fixed Income Category- AVG Performance across Industry				
Morningstar Category	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR
Liquid	0.52	1.45	2.89	5.06
Floating Rate	0.63	1.52	3.17	4.95
Ultra Short Duration	0.59	1.50	2.96	4.92
Money Market	0.61	1.50	2.91	4.91
Arbitrage Fund	0.43	1.49	2.87	4.81
Low Duration	0.52	1.41	2.87	4.61
Credit Risk	0.75	1.54	3.03	4.12
Dynamic Bond	0.75	1.09	2.79	4.06
Short Duration	0.70	1.35	3.06	4.05
Medium Duration	0.80	1.29	2.98	3.99
Banking & PSU	0.72	1.34	2.78	3.72
Government Bond	1.14	1.52	3.15	3.69
Medium to Long Duration	0.97	1.37	3.02	3.69
Long Duration	1.06	2.01	3.89	3.56
10 yr Government Bond	1.26	1.60	3.60	3.17
Corporate Bond	0.39	1.04	2.53	3.06

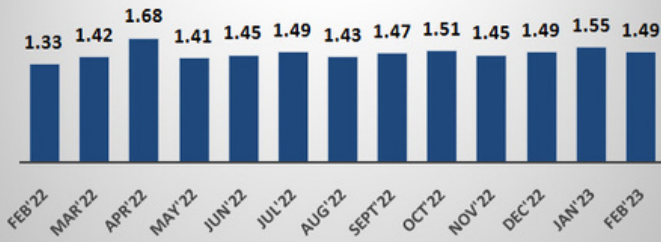
Balance Fund Category- AVG Performance across Industry				
Category Type	1 Month	3 Months	6 Months	1 year
Conservative Allocation	0.59	0.07	1.94	2.81
Dynamic Asset Allocation	0.12	-1.49	1.21	2.62
Equity Savings	0.06	-0.74	1.30	2.25
Aggressive Allocation	-0.11	-3.01	0.31	0.47
Balanced Allocation	0.08	-2.40	-2.19	-2.41

Source - Morning Star, as on 31st Mar 2023

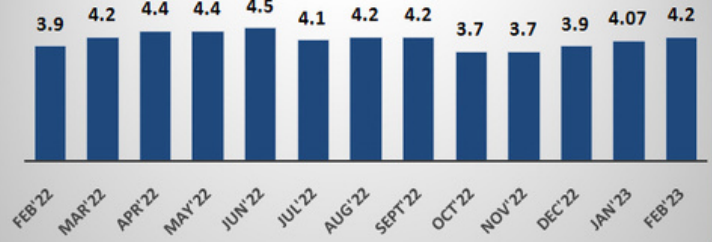
NOTE: This is not a single scheme Fund Performance, this is an Avg. Performance of all the funds in same Category across the MF Industry. However Performance may be different for different scheme under same category, Please check with your advisor for the TOP Performing funds in above category for last one year)

MACRO ECONOMIC INDICATORS

GST Collection (Rs. Lakh cr.)



Power Consumption('000 MU)



Passenger Vehicles Sales('000 Units)



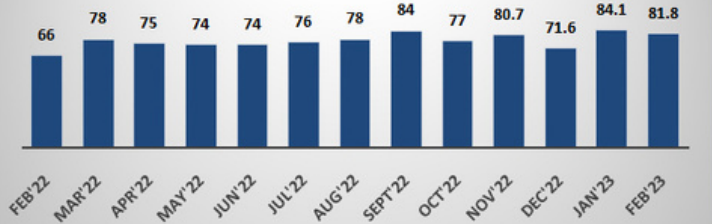
2-Wheeler Vehicles Sales('00000 Units)



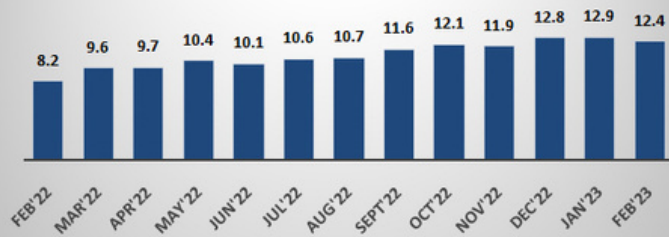
Electric Vehicles Sales('000 units)



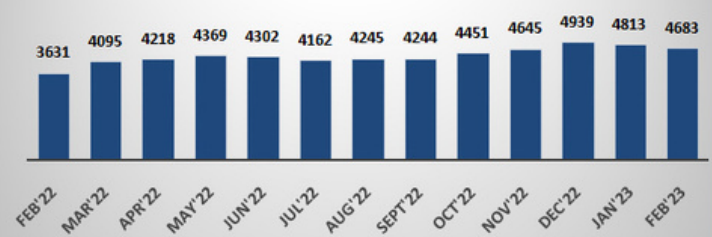
E-way bills(Mn.)



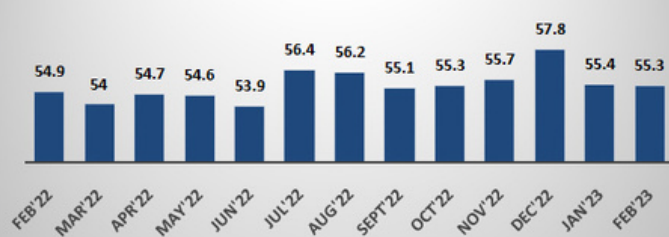
UPI Transaction(Rs. Lakh cr.)



E-toll Collection(Rs. Cr.)



Manufacturing PMI



Services PMI



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INCOME TAX GUIDE FOR FY 23-24

Income Tax Slabs For 2023-2024 (AY 2024-25)

The following tables show the Revised Income Tax Slabs, not the old tax regime. These new tax slabs were presented in the Budget 2023. The table for the new tax regime slabs-



Individuals Under 60 Years

New Tax Regime	Rate
Up to 3,00,000	Nil
3,00,001 to 6,00,000	5%
6,00,001 to 9,00,000	10%
9,00,001 to 12,00,000	15%
12,00,001 to 15,00,000	20%
Above 15 Lakh	30%

New Tax Regime	Rate
Up to 3,00,000	Nil
3,00,001 to 5,00,000	5%
5,00,001 to 10,00,000	20%
Above 10 Lakh	30%



Senior Citizen (60-80 Year)



Very Senior Citizen (Above 80 Year)

New Tax Regime	Rate
Up to 5,00,000	Nil
5,00,001 to 10,00,000	20%
Above 10 Lakh	30%

Income Tax Slab Rate for New Tax Regime

The HUF and Individual tax slab applicable in the New Tax regime

Slab	New Tax Regime (Before Budget 2023 - until 31 March 2023)	New Tax Regime (After Budget 2023 - From 01 April 2023)
Rs. 0 to Rs. 2,50,000	Nil	Nil
Rs. 2,50,001 to Rs. 3,00,000	5%	Nil
Rs. 3,00,001 to Rs. 6,00,000	5%	5%
Rs. 5,00,001 to Rs. 6,00,000	10%	5%
Rs. 6,00,001 to Rs. 7,50,000	10%	10%
Rs. 7,50,001 to Rs. 9,00,000	15%	10%
Rs. 9,00,001 to Rs. 10,00,000	15%	15%
Rs. 10,00,001 to Rs. 12,00,000	20%	15%
Rs. 12,00,001 to Rs. 12,50,000	20%	20%
Rs. 12,50,001 to Rs. 15,00,000	25%	20%
More than Rs. 15,00,000	30%	30%

Surcharge and cess changes w.e.f. from 1st Apr 2023:

For income between **₹50 Lakh** and **₹1 Crore**, the new surcharge will be **10%** of income tax.

For income between **₹1 Crore** and **₹2 Crore**, the new surcharge will be **15%** of income tax.

For income between **₹2 Crore** and **₹5 Crore**, the new surcharge will be **25%** of income tax.

For income above **₹5 Crore**, the new surcharge will be **37%** of income tax.

Note - In the Budget for the year 2023, the highest surcharge rate of 37% has been decreased to 25% under the New Tax Regime (Meant to be applicable from April 1st, 2023)

Tax on Mutual Fund Redemption 2023

Type of Fund	Short-Term Capital Gains STCG	Long-Term Capital Gains LTCG
Equity funds	15% + cess + surcharge	<i>Up to Rs 1 lakh a year is tax-exempt.</i> Any gains above Rs 1 lakh are taxed at 10% + cess + surcharge.
Debt funds	Taxed at the investor's income tax slab rate <i>From April 1st 2023, all capital gains will be taxed at the investor's income tax slab rate.</i>	Until March 31st 2023: 20% + cess + surcharge From April 1st 2023: No LTCG Benefit.
Hybrid equity-oriented funds	15% + cess + surcharge	Up to Rs 1 lakh a year is tax-exempt. Any gains above Rs 1 lakh are taxed at 10% + cess + surcharge
Hybrid debt-oriented funds	Taxed at the investor's income tax slab rate From April 1st 2023, all capital gains will be taxed at the investor's income tax slab rate.	Until March 31st 2023: 20% + cess + surcharge From April 1st 2023: No LTCG Benefit

Call at our helpline number or write us mail

We are happy to help you for mutual Fund investments.



Udyam Investments

We provide complete support to you in terms of fulfilling all your investment objectives or financial plans, by way of motivation - correct calculations and more !

Disclaimer: Mutual Fund investments are subject to market risks. Read all scheme related documents carefully. The NAVs of the schemes may go up or down depending upon the factors and forces affecting the securities market including the fluctuations in the interest rates. The past performance of the mutual funds is not necessarily indicative of future performance of the schemes. The Mutual Fund is not guaranteeing or assuring any dividend under any of the schemes and the same is subject to the availability and adequacy of distributable surplus.

Contact us today

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THE FOUR MOST DANGEROUS WORDS IN INVESTING ARE: 'THIS TIME IT'S DIFFERENT.'

-SIR JOHN TEMPLETON