

INVESTMENT OUTLOOK

A monthly wrap-up of Indian Financial Market

Month ending April 2024



Manufacturing

The Time has come

Convergence of Several Enablers to provide Multi Decadal Growth



OPPORTUNITY

- ▶ Large Consumer Base
- ▶ Large Export opportunity in the Multipolar World

+

CAPABILITIES

- ▶ Large & skilled Labour pool
- ▶ Cost advantages vs peers
- ▶ Improving infrastructure
- ▶ Service ecosystem to support high end manufacturing

+

FAVORABLE ENVIRONMENT

- ▶ Focus on Atmanirbharta
- ▶ Low leverage + higher capacity utilization
- ▶ Micro-economic stability + geopolitical factors

Make in India – a slogan in action !

The annual growth rate of Manufacturing Sector has now been in positive, after many years of negative zone. As per latest data our manufacturing growth has been more than 11% in 2023.

Government of India has undertaken various steps to promote manufacturing sector and to boost domestic and foreign investments in India. These include introduction of Goods and Services Tax, reduction in corporate tax, interventions to improve ease of doing business, FDI policy reforms, measures for reduction in compliance burden, policy measures to boost domestic manufacturing through public procurement orders, Phased Manufacturing Program (PMP), to name a few.

Government has Empowered the Group of Secretaries (EGoS) to boost key sectors of the Indian economy.

Do watch your investment portfolio and try to add this special theme in your portfolio according to your Risk appetite.
Happy Investing!

Read more...



Mr. Uddhav Tulshibagwale
Founder
Udyam Investments

What's Inside

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NIFTY IN APRIL 2024

Nifty ended at 22604 on 30th April 2024 with a modest rise of 0.006%. Overall index was very volatile during the month but it managed to end in positive. At one point of time it even breached 22000 mark on 18th Apr 2024. Despite being election month, overall Indian equity market remained in bull zone. There were some interim fears related to Israel and Iran war but it all ended with a positive tone.



BEST IS YET TO COME !

We are at an all-time high. Just now, we have reached an all-time high. So, it is a very special feeling. Clearly valuation in large caps is more comfortable than midcaps and small caps and microcaps. More than valuation, sentiment is the problem because India is one of the most structural stories over the next decade.

So, it is a sentiment which is more worrying that people are much more positive particularly on the direct equity side and derivative side. So, more than valuation, I would be more worried about sentiment that people are just too positive, and we have always seen that when people are too negative, it is a very good period to invest and when people are too positive, it is a time to be more circumspect.....as quoted by Mr. S Naren, CIO, ICICI Prudential MF in his interview to ET.

Experts believe that the best is yet to come; investors just need to be careful with their choice of schemes - flexi cap and diversified multi cap funds seems to be a better choice as compared to small cap funds or sectoral funds.



Financial growth requires stepping out of your comfort zone. Embrace the Challenge !

----- Dave Ramsey -----

INVESTMENT GYAN

What is the fact

COMMON INVESTMENT PITFALLS IN A BULL MARKET

A bull market, characterized by rising stock prices and widespread optimism, can be an exhilarating time for investors. The allure of substantial returns can often overshadow the potential risks, leading even the most seasoned investors to make costly mistakes.

Understanding these common pitfalls is crucial for capitalizing on a bull market without falling victim to its inherent risks. This article outlines key investment traps to avoid and strategies for maintaining a balanced portfolio during periods of economic prosperity.



Overconfidence & Speculative Investments

In a bull market, the pervasive optimism can lead to overconfidence among investors. This exuberance often results in an increased appetite for risk as investors anticipate continued market gains and underestimate potential threats. Many might find themselves drawn to speculative investments, lured by the promise of high returns.

These investments, however, are often high-risk and may not have the fundamentals to support their skyrocketing prices.

Strategy: To avoid this pitfall, investors should adhere to a disciplined investment approach that focuses on the long-term potential of their holdings and the fundamental value of their investments. Diversifying across different asset classes and sectors can also mitigate risk, ensuring that temporary downturns in speculative sectors do not disproportionately impact the overall portfolio.

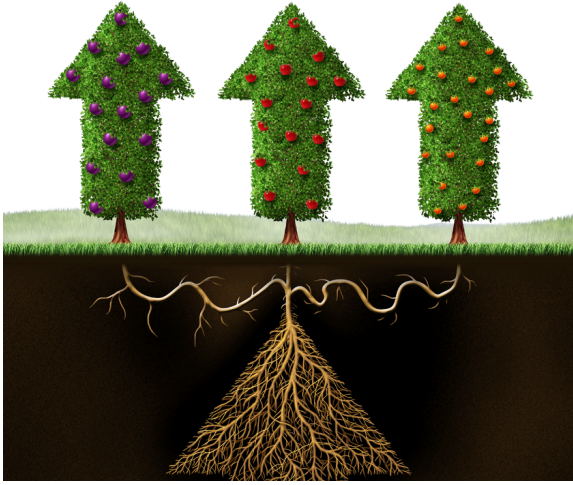
Ignoring Valuation Fundamentals

During a bull market, the prices of securities can rise beyond their intrinsic value, leading to inflated valuations that may not be sustainable.

Ignoring valuation fundamentals and investing based solely on price trends is a common mistake that can lead to significant losses when the market corrects itself.



Strategy: Investors should consistently perform due diligence and consider the price-to-earnings (P/E) ratios, among other metrics, to evaluate whether a stock is overpriced relative to its actual worth. Sticking to investments that offer a solid fundamental case for inclusion in one's portfolio, regardless of market euphoria, is advisable.



Neglecting Diversification

In the rush to capitalize on rising stock prices, investors may concentrate their funds in a particular sector or asset class, believing it will continue outperforming other markets. This lack of diversification increases the portfolio's vulnerability to sector-specific downturns.

Strategy: Maintaining a well-diversified portfolio that includes a mix of asset types, industries, and geographical regions can protect against significant losses. Asset allocation should be periodically reviewed and adjusted in response to changing market conditions and individual investment goals.

Poor Timing Decisions

Attempting to time the market is exceedingly difficult, even in a bull market. Investors might be tempted to enter the market in a surge or exit too early, missing out on potential gains.

Strategy: Rather than attempting to time the market, consider a dollar-cost averaging approach where investments are made in consistent intervals. This method reduces the risk of investing a large amount at a suboptimal time and can smooth out the purchasing price over time.



Complacency with Portfolio Review

Bull markets can create a sense of complacency among investors who see their portfolios grow without much effort. Regular reviews and rebalancing are often neglected during these times, which can lead to risk exposure that exceeds an investor's comfort level or financial goals.

Strategy: Regular portfolio reviews are essential to ensure that the investment mix remains aligned with one's risk tolerance and investment objectives. This may involve rebalancing to reduce positions in overvalued assets and increase positions in undervalued areas.


Conclusion:






While bull markets represent opportunities for growth, they also present unique challenges that require prudent investment strategies and a disciplined approach to risk management. By understanding and avoiding these common pitfalls, investors can better position themselves to benefit from a bull market without falling prey to its volatility. A strategic approach combined with regular portfolio assessments can lead to sustained success in any market condition.

MARKET UPDATE

Data & Reports

EQUITY MARKET SNAPSHOT - LAST ONE YEAR







Period	KEY INDIAN INDICES 					
	SENSEX	NIFTY 50	Nifty Next 50	Nifty Midcap 150	Nifty Smallcap 250	Nifty 500
30th April 2024	74482.78	22604.85	64900.50	18893.00	15833.40	20997.20
1 Month	1.13%	1.24%	7.05%	6.34%	10.49%	3.66%
3 Months	3.81%	4.05%	17.36%	5.64%	5.11%	6.04%
6 Months	16.61%	18.48%	47.44%	29.70%	31.68%	24.98%
1 Year	21.88%	25.13%	64.25%	58.19%	68.57%	37.96%
Current P/E	23.91	22	24.06	35.49	28.98	24.73
Current P/B	3.63	3.96	4.61	4.85	4.07	4.21

Period	KEY INTERNATIONAL INDICIES					
	USA 	UK 	HONG KONG 	JAPAN 	GERMANY 	
	NASDAQ 100	S&P 500	FTSE 100	Hang Seng	Nikkei 225	DAX
30th April 2024	17440.69	5035.69	8144.13	17763.03	38405.66	17921.95
1 Month	-4.46%	-4.16%	2.41%	7.39%	-4.86%	-3.09%
3 Months	1.77%	3.92%	6.73%	14.71%	5.84%	6.02%
6 Months	21.03%	20.07%	11.23%	3.80%	24.46%	21.01%
1 Year	31.67%	20.77%	3.48%	-10.71%	33.09%	12.56%
Current P/E	22.6	25.9	11.7	11.3	16.3	16.3
Current P/B	3.3	2.7	1.8	1.1	1.6	1.3


COMMODITY MARKET SNAPSHOT - LAST ONE YEAR

Period	GOLD - MCX INR 10 GRAMS	%	SILVER - MCX INR 1 KG	%	CRUDE OIL USD / BRL	%
30th April 2024	71087	-	80900	-	86.33	-
1 Month	67592	5.17%	75040	7.81%	87.48	-1.31%
3 Months	62865	13.08%	72310	11.88%	81.71	5.65%
6 Months	62639	13.49%	71742	12.77%	87.41	-1.24%
1 Year	60057	18.37%	74180	9.06%	79.54	8.54%

OTHER MARKET INDICATORS

Country	India 	USA 	China 	Japan 	Germany 	UK 
GDP (USD Bil.)	USD 3730 Bn	USD 25462 Bn	USD 17963 Bn	USD 4231 Bn	USD 4072 Bn	USD 3070 Bn
10 yr Govt. Bond Yield	7.20%	4.69%	2.31%	0.89%	2.59%	4.35%
Global Currencies vs. INR	1.00	USD 1 / INR 83.49	Yuan 1 / INR 11.53	Yen 1 / INR 0.53	Euro 1 / INR 88.97	GBP 1 / INR 104.18
Current Inflation Rate	4.85%	3.50%	0.10%	2.70%	2.20%	3.20%

NIFTY EQUITY SECTORAL INDICIES 30th April 2024

INDEX 	CURRENT	1 WEEK%	1 MONTH%	1 YEAR%	52 W H	FALL FROM 52 WEEK HIGH
NIFTY AUTO	22,479.90	2.66%	4.95%	70.44%	22,634.05	-0.68%
NIFTY BANK	49,396.75	2.51%	4.82%	14.25%	49,974.75	-1.16%
NIFTY COMMODITIES	8,797.50	1.33%	5.59%	52.16%	8,892.00	-1.06%
NIFTY CONSUMER DURABLES	34,630.10	1.67%	7.09%	42.65%	34,778.50	-0.43%
NIFTY ENERGY	40,366.70	2.03%	3.45%	70.08%	40,771.35	-0.99%
NIFTY FMCG	54,240.60	0.57%	0.54%	13.44%	57,966.70	-6.43%
NIFTY HEALTHCARE INDEX	11,974.50	1.60%	-0.70%	49.43%	12,285.85	-2.53%
NIFTY INDIA CONSUMPTION	10,405.35	0.85%	2.73%	38.70%	10,481.60	-0.73%
NIFTY INDIA DIGITAL	7,701.65	0.47%	0.02%	46.76%	8,049.00	-4.32%
NIFTY INFRASTRUCTURE	8,575.25	1.01%	2.87%	60.10%	8,651.40	-0.88%
NIFTY IT	33,200.95	-0.72%	-4.86%	19.82%	38,559.85	-13.90%
NIFTY METAL	9,175.80	0.39%	11.12%	58.22%	9,377.10	-2.15%
NIFTY OIL & GAS	11,826.50	1.44%	3.37%	57.86%	12,074.30	-2.05%
NIFTY PHARMA	18,970.60	2.07%	-0.13%	50.39%	19,397.25	-2.20%
NIFTY REALTY	973.25	0.78%	8.06%	118.66%	983.1	-1.00%
NIFTY100 ESG	4,423.35	0.89%	1.30%	32.78%	-	-

Ratio of total market cap over GDP

Recent 10 Year Maximum - 142%

Recent 10 Year Minimum - 48.29%

Current Market Cap / GDP- 131%

Current Market Cap of India as on 30th April 2024 - INR 406.82 Lakhs CR.

Current GDP: \$3.73 TRLN US dollars or INR 310 LAKHS CR.

GDP Growth Figures**% of Growth**

LATEST QUARTER (OND 2023)

8.40%

PREVIOUS QUARTER(JAS 2023)

7.60%

YEAR AGO (OND 2022)

4.30%

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
Apr-24	-35692.19	44186.28
Mar-24	3314.47	56311.60
Feb-24	-15962.72	25379.30
Jan-24	-35977.87	26743.63
Dec-23	31959.78	12942.25
Nov-23	5795.05	12762.14
Oct-23	-29056.61	25105.86
Sep-23	-26692.16	20312.65
Aug-23	-20620.65	25016.95
Jul-23	13922.00	-1184.00
Jun-23	27250.00	4458.00
May-23	27856.50	-3306.40
Last 12 Months	-53904.40	248728.26

COUNTRY WISE FPI AUC (Asset Under Custody) IN INDIAN MARKET

Country Wise AUC (in cr.)	As on Mar 31, 2024	% of Holdings
UNITED STATES OF AMERICA	2678626	42%
SINGAPORE	489560	8%
LUXEMBOURG	458568	7%
MAURITIUS	360028	6%
UNITED KINGDOM	326265	5%
IRELAND	364975	6%
NORWAY	224137	3%
CANADA	170591	3%
JAPAN	169504	3%
FRANCE	152341	2%
OTHER	1021127	16%
Total	6415722	100%

SECTOR WISE FPI AUC (Asset Under Custody) IN INDIAN MARKET

Sector Wise AUC (in cr.)	As on Mar 31, 2024	% FPI Holdings
Financial Services	1860055	28.99%
Oil, Gas & Consumable Fuels	603522	9.41%
Information Technology	586165	9.14%
Automobile and Auto Components	483285	7.53%
Fast Moving Consumer Goods	403421	6.29%
Healthcare	378195	5.89%
Capital Goods	292688	4.56%
Power	279712	4.36%
Consumer Services	235318	3.67%
Telecommunication	202417	3.16%
Top 10 Sector Holdings	5324778	83.00%
OTHERS	1090944	17.00%
FPI HOLDING IN INDIAN EQ MARKET	6415722	100.00%

Mutual Fund CATEGORY AVG Performance across Industry - 30th April 2024

Equity Funds Category - AVG Performance across Industry				
Category Type	1 Month	3 Months	6 Months	1 year
Equity- Infrastructure	7.24	11.41	39.45	65.86
Mid-Cap	6.23	7.16	28.31	53.25
Small-Cap	8.34	4.43	23.76	52.29
Sector - Healthcare	0.67	4.8	28.95	50.14
Contra	5.3	8.51	31.74	49.40
Multi-Cap	5.37	6.83	27.03	48.09
Value	4.58	6.36	29.2	48.08
Dividend Yield	4.25	5.75	27.91	45.87
Large & Mid- Cap	4.83	6.45	25.8	42.80
Flexi Cap	4.23	6.32	24.44	40.23
ELSS (Tax Savings)	4.17	6.26	24.04	38.99
Focused Fund	3.86	6.32	24.01	37.15
Large-Cap	2.57	6.64	24.08	34.47
Equity - ESG	2.42	4.13	20.16	32.41
Sector - Technology	-3.34	-6.91	12.56	26.04
Sector - Financial Services	5.44	5.07	17.27	24.18
Sector - FMCG	4.18	7.86	2.8	19.46

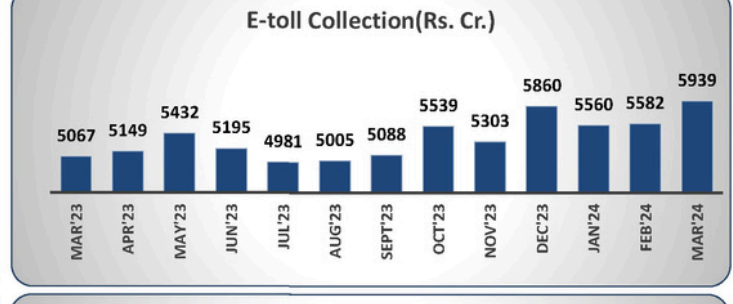
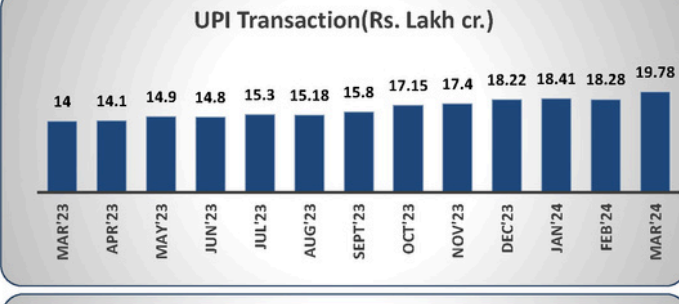
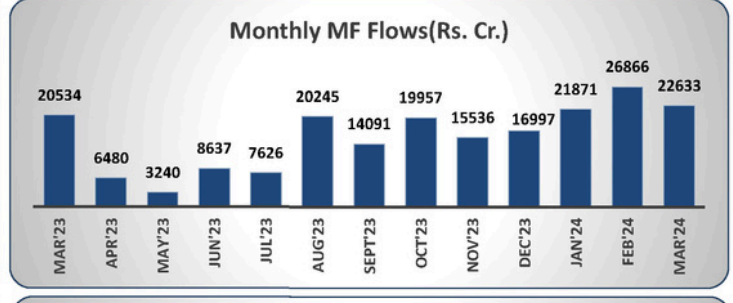
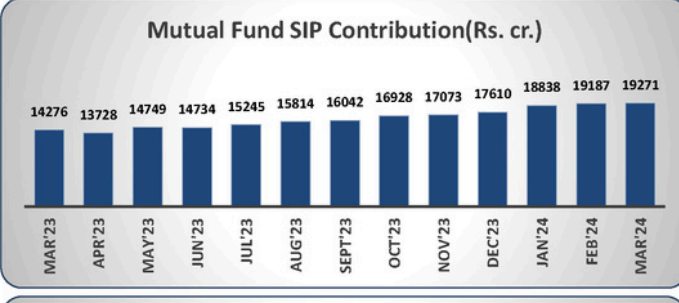
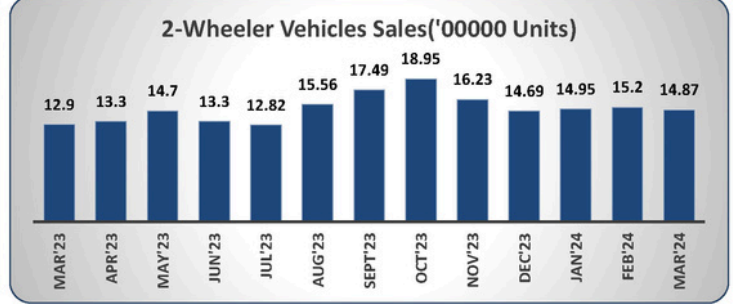
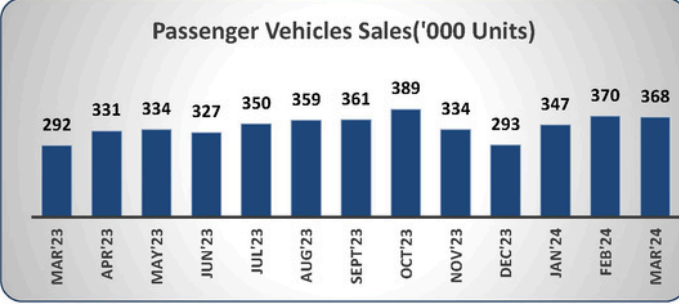
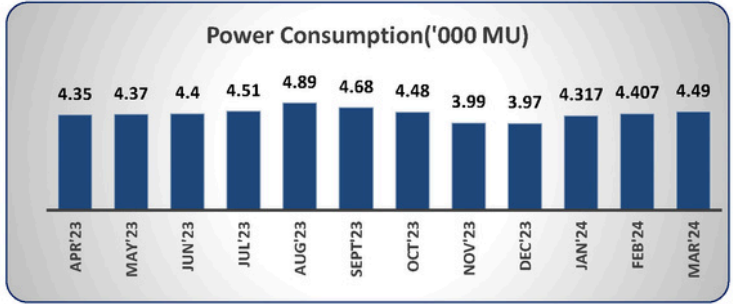
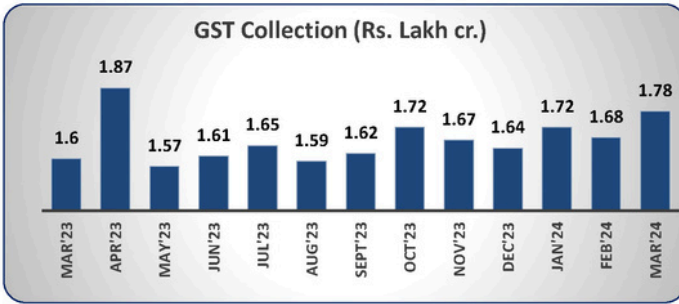
Fixed Income Category- AVG Performance across Industry				
Morningstar Category	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR
Arbitrage Fund	0.6	1.66	3.52	7.23
Floating Rate	0.41	1.63	3.29	6.6
Credit Risk	0.01	0.99	2.77	6.27
Ultra Short Duration	0.39	1.54	3.06	6.18
Low Duration	0.36	1.39	2.93	6.09
Money Market	0.36	1.46	2.92	5.99
Liquid	0.37	1.35	2.82	5.93
Banking & PSU	0.06	1.31	3.13	5.7
Government Bond	-0.49	0.87	3.82	5.61
Corporate Bond	0.09	1.07	2.96	5.5
Short Duration	0.1	1.01	2.73	5.23
Medium to Long Duration	-0.27	0.95	3.54	5.12
Long Duration	-1.02	1.04	4.48	5.01
Medium Duration	-0.06	0.98	2.93	4.95
Dynamic Bond	-0.54	0.63	3.09	4.89
10 yr Government Bond	-0.77	0.54	3.5	4.54

Balance Fund Category- AVG Performance across Industry				
Category Type	1 Month	3 Months	6 Months	1 year
Aggressive Allocation	3.00	5.30	19.11	30.02
Dynamic Asset Allocation	1.92	3.65	15.32	24.57
Balanced Allocation	2.29	4.21	12.08	17.74
Equity Savings	1.43	2.48	8.75	15.25
Conservative Allocation	0.64	1.98	7.00	11.21

Source - Morning Star as on 30th Apr2024

NOTE: This is not a single scheme fund performance. This is an average performance of all the funds in same category across the mutual fund 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



Source - Morning Star as on 30th Apr 2024

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INSPIRING INVESTMENT STORY

Rajesh Kumar

This is yet another inspiring story of a person Rajesh Kumar, a man with a vision, stood at the crossroads of financial planning. At the age of 48, with his daughter's wedding on the horizon, he sought to secure her future with a prudent investment.

Around 14 years ago, with maturity from a LIC policy in hand, Rajesh contemplated traditional avenues like fixed deposits or bonds for a 7 to 8-year horizon. His aim was clear: to accumulate funds for his daughter's special day. As a mutual fund distributor under advisory relationship, I recognized the potential for growth beyond the confines of conventional investments. With a fervent belief in the power of equity mutual funds, we painted a picture of possibilities before Rajesh.

Despite initial hesitation, Rajesh trusted our guidance and took the plunge into the world of equity after understanding his risk appetite. The journey was not without its uncertainties, but steadfast in his resolve, Rajesh weathered the storms of market fluctuations. 14 years later, as Rajesh sat down to review his investments, a sense of pride enveloped him. What began as a leap of faith had blossomed into a testament of wisdom. His investments had burgeoned nearly 2.5 times, a stark contrast to the stagnant returns of fixed deposits.

With each rupee multiplied, Rajesh's heart swelled with joy, knowing that his daughter's dreams were within reach. The decision to embrace equity had not only secured her future but also instilled in him a newfound confidence in the power of informed choices. Check the table of performance of his portfolio as on date :

Fund Name	Category	Investment Date	Invested Amount	Value as on 01-05-2024	CAGR Returns (%)	Absolute Returns (%)
HDFC Flexi Cap Gr	Equity: Flexi Cap	23/05/2018	300000	831358	18.71	177.12
ICICI Pru Large & MidCap Gr	Equity: Large & Mid Cap	23/05/2018	300000	830551	18.69	176.85
Invesco India Multi Cap Gr	Equity: Multi Cap	23/05/2018	300000	697786	15.26	132.60
Kotak Equity Opp Gr	Equity: Large and Mid Cap	23/05/2018	300000	823960	18.53	174.65
SBI Small Cap Reg Gr	Equity: Small Cap	23/05/2018	300000	858610	19.36	186.20
Total			1500000	4042265	18.11	169.48
Fixed Deposit		23/05/2018	1500000	2114534	6.0	40.97

As Rajesh stood on the precipice of his daughter's wedding day, he realized that the true wealth lay not in numbers but in the memories forged, all made possible by a journey of trust, resilience, and the belief that sometimes, the greatest rewards come to those who dare to venture beyond the ordinary.

Hence, it is advisable to understand your risk appetite properly and take your allocations accordingly. Equity has an element of volatility, but it is the best wealth creator in long term. Contact us freely to do your risk profiling with us.

Note: The above story is a real story of an investor. However, names and figures are calculated for the purpose of presentation. The schemes shown here are not to be treated as our recommendation. Investor should check their own risk return appetite before choosing any plan for investments.

Disclaimer: 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.

WE LOVE TO HEAR FROM YOU



AMFI Registered Mutual Fund Distributor



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.



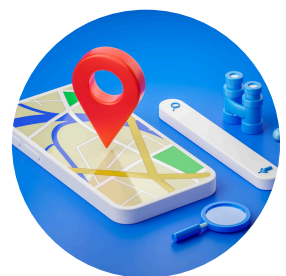
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