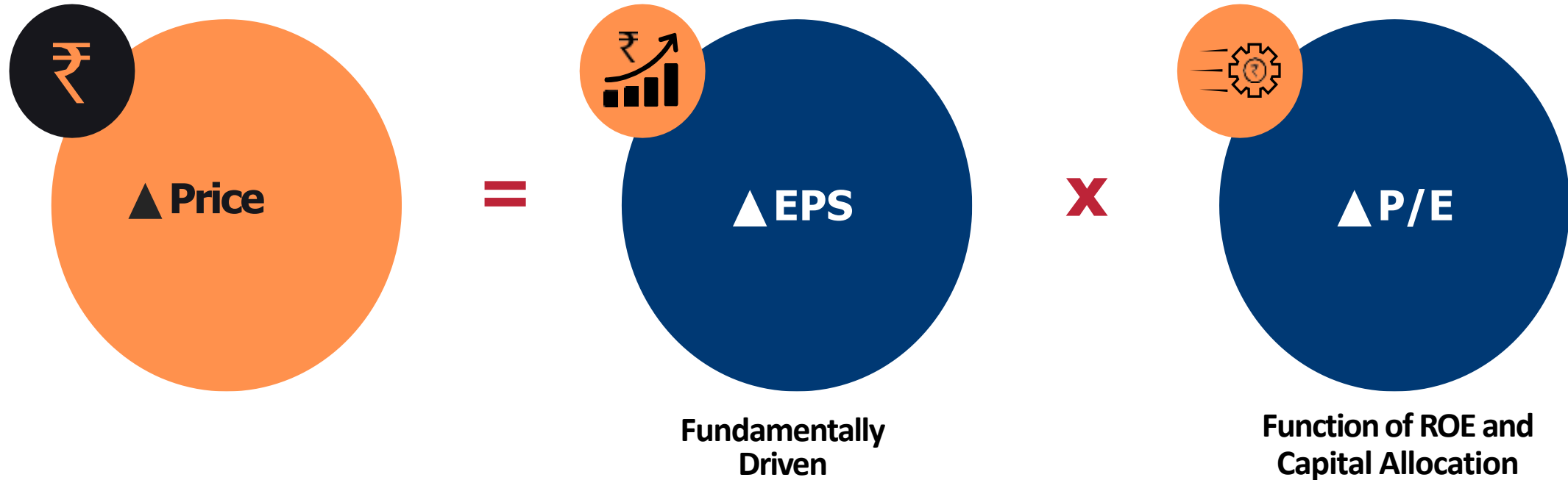


December 2024 Newsletter



Presented By:
Moneyvesta Capital

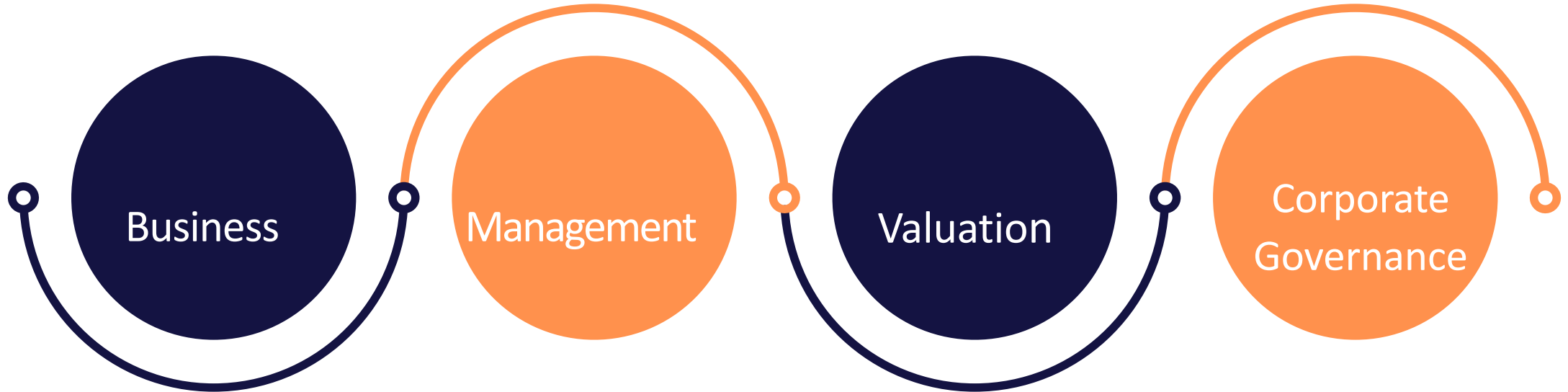
Drivers of Stock Price



Price Benefitting from Both Earnings growth & P/E rerating.
For earnings growth... Change in P/E is function of ROE and Capital Allocation.

Investment Framework

In search of companies with meaningful earnings growth and sustainable competitive advantage



Aims to Identify Prominent businesses, with Competent Management, at Reasonable Valuations

The strategies offered by the Investment Manager may or may not follow the above framework at all times. The framework is developed in order to select the right companies through a filtration process and endeavor the strategy to attain their investment objective. These models are based on various broad market parameters prevalent in the market and are dynamic in nature.

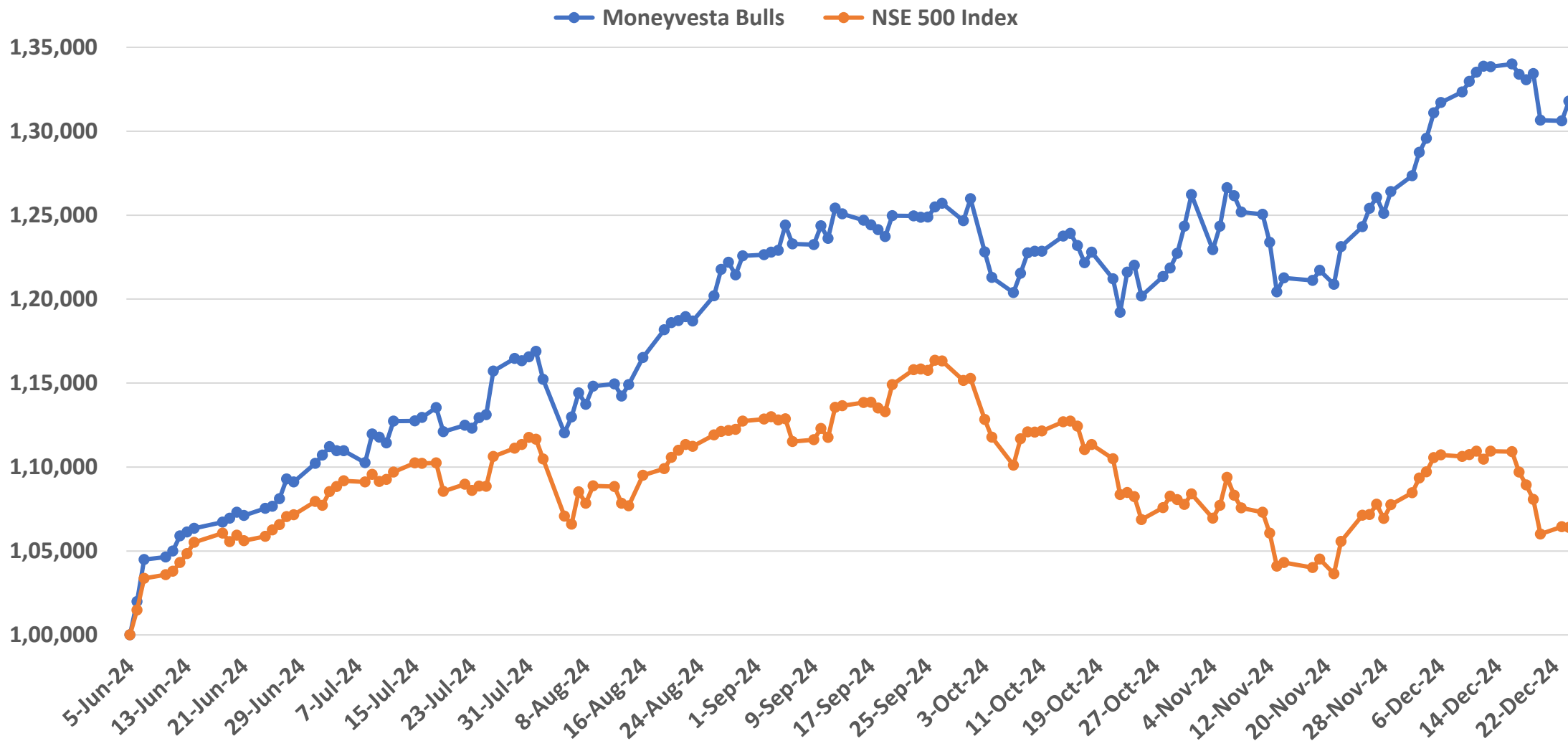
Moneyvesta Bulls

Returns

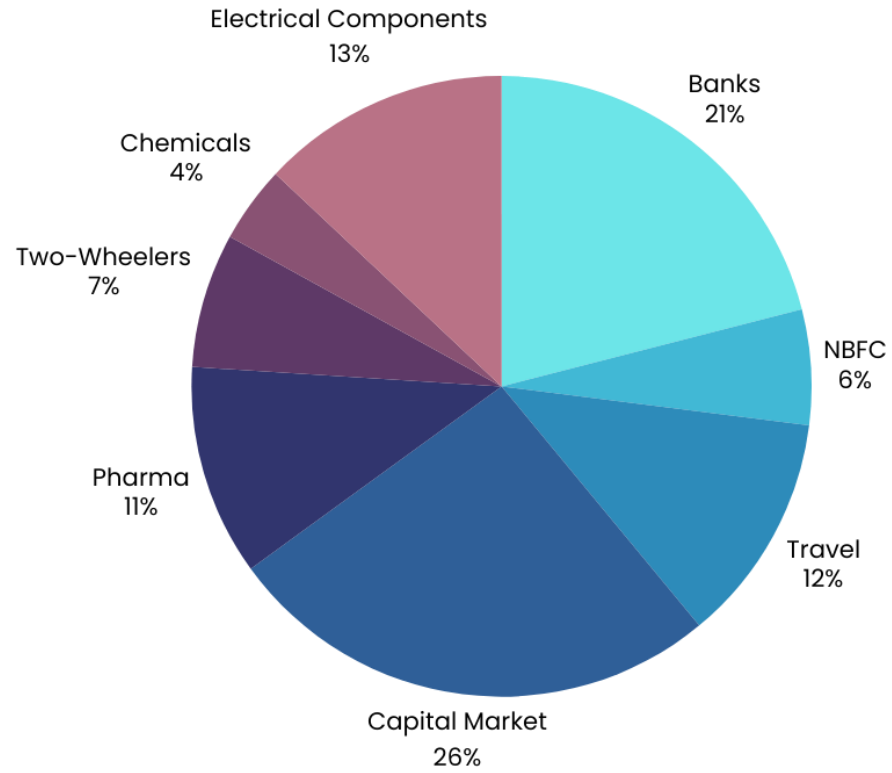
Moneyvesta Bulls Portfolio Since Inception: **+31.8%**

Nifty 500 Index Benchmark Since Inception: **+6.4%**

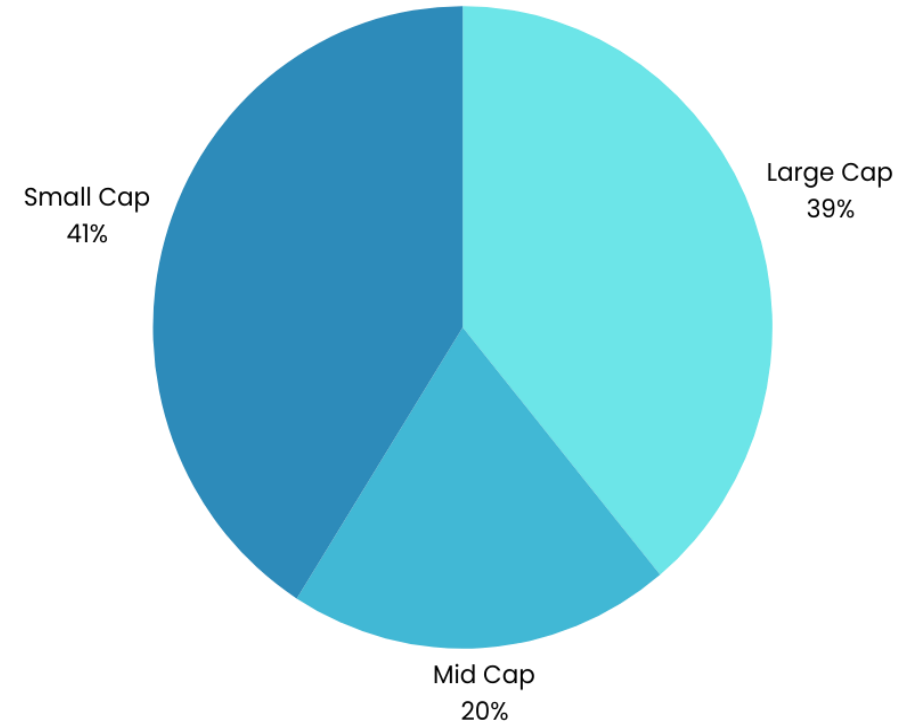
Inception Date: 5th June, 2024



Sector Allocation



Market Cap. Allocation



Moneyvesta Bulls

Portfolio Stocks (Strong Business at Reasonable Valuations)

S.No.	Company	10 Year Revenue CAGR (%)	10 Year PAT CAGR (%)	Debt/Equity	ROCE (%)	PEG Ratio
1)	[REDACTED]	23%	22%	#	22%	0.9
2)	[REDACTED]	11%	14%	#	21%	1.3
3)	[REDACTED]	18%	22%	#	15%	0.9
4)	[REDACTED]	29%	36%	#	22%	0.9
5)	[REDACTED]	15%	13%	0.2	28%	3.5
6)	[REDACTED]	16%	34%	0	31%	1.4
7)	[REDACTED]	29%	46%	0	43%	1.2
8)	[REDACTED]	13%	15%	0	31%	2.2
9)	[REDACTED]	17%	24%	0	24%	1.4
10)	[REDACTED]	11%	16%	0.1	38%	3.2
11)	[REDACTED]	25%	24%	0	40%	2
12)	[REDACTED]	26%	33%	0	27%	0.7
13)	[REDACTED]	8%	11%	0	27%	1.7
14)	[REDACTED]	17%	48%	0.1	27%	1.3
15)	[REDACTED]	16%	34%	0.02	31%	1.7
	Total	Median 17%	Median 24%	Median 0.1	Median 31%	Median 1.4

Note: # represent that Debt-to-equity ratio is not relevant for banks and financial companies.

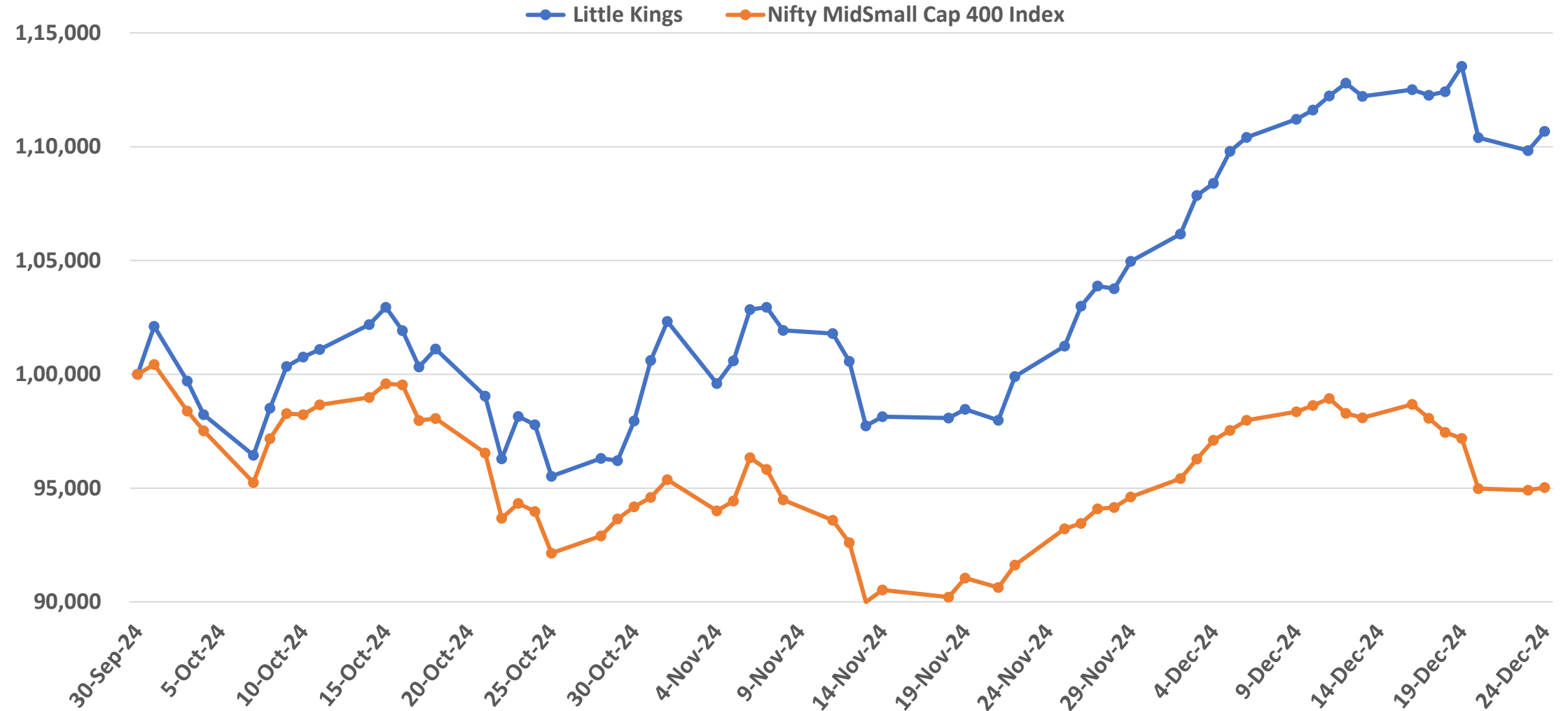
Moneyvesta Little Kings

Returns

Moneyvesta Little Kings Since Inception: **+10.7%**

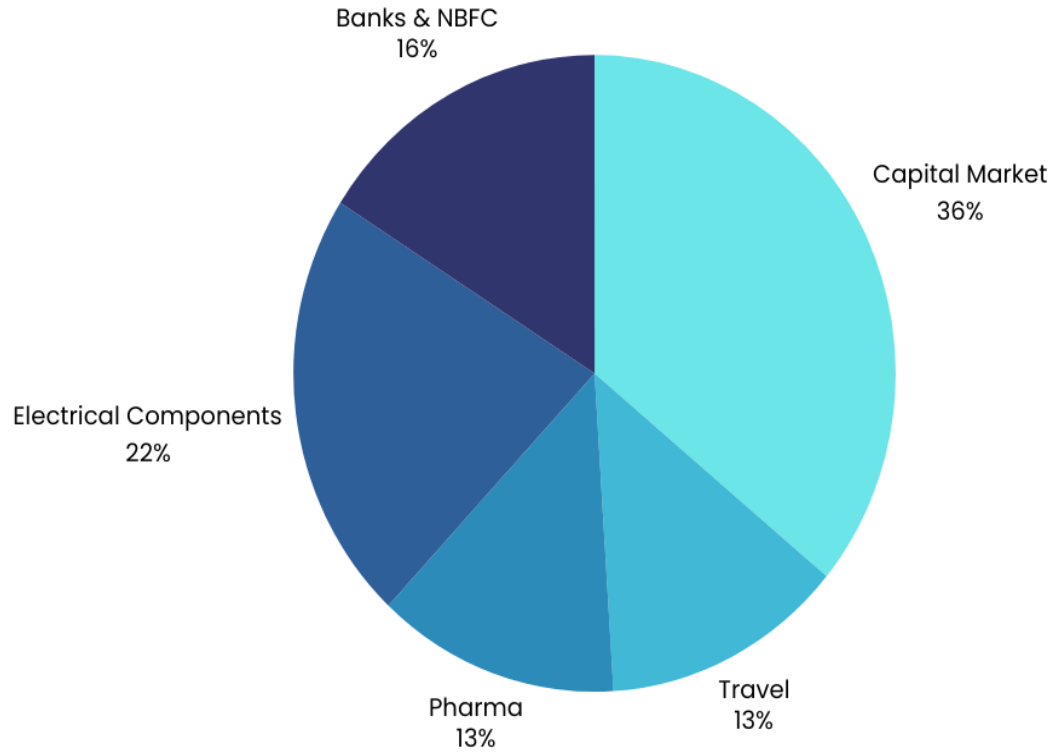
Nifty Mid Small Cap 400 Index Benchmark Since Inception: **-5.0%**

Inception Date: 30th Sep, 2024

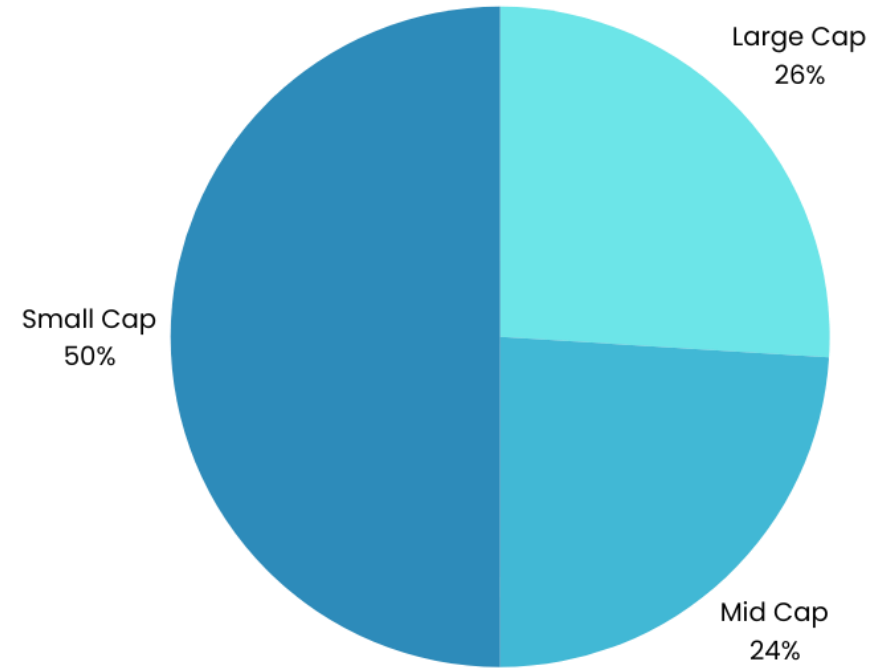


Moneyvesta Little Kings

Sector Allocation



Market Cap. Allocation



Moneyvesta Capital Services

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- 2) Indian Macros
- 3) Equity Market
- 4) Debt & Currency Market
- 5) Commodity Market

Few Rate Cuts Likely in CY2025, US Fed's Decision Hinges on Inflation and Labor Market Situation

1) GDP

At the December 2024 Federal Open Market Committee (FOMC) meeting, USA Fed lowered interest rates by 25 basis points. This lowers the target interest rate range to 4.25% to 4.50% and reflects the Fed's ongoing commitment to achieving its dual goals of maximum employment and price stability. Additionally, they also forecast two fewer rate reductions in 2025 than they had previously expected, as inflation remains elevated and unemployment rate remains steady.

India's GDP in Q2 FY25 fell to 5.4% attributing it to weaker consumption, subdued government spending, and adverse weather impacts on key industries.

The Bank of Japan kept its benchmark interest rate steady at 0.25%, opting to take the time to assess the impact of financial and foreign exchange markets on Japan's economic activity and prices.

China's top leaders have pledged additional stimulus measures to support the country's economy, building on previous actions to bolster growth. At an annual gathering of the Chinese Communist Party and the cabinet, led by President Xi Jinping, officials agreed to allow a larger budget deficit, increase borrowing, and cut interest rates.

Quarterly GDP (YoY growth)	Q2 CY2024	Q3 CY2024
U.S.A	3.0%	3.1%
China	4.7%	4.6%
UK	0.9%	1.0%
India	6.7% (Q1 FY25)	5.4% (Q2 FY25)
Japan	2.2%	0.9%

Source: HSBC Mutual Fund

2) Inflation

US inflation rate rose to 2.7% in Nov'24, from 2.6% in Oct'24, as rent prices remain high, used car prices have rebounded, and car insurance premiums are creeping up.

India's inflation eased down to 5.5% in Nov'24, as food inflation dropped to 9.0% in Nov'24 from 10.9% in Oct'24. The inflation have fallen within the RBI target range of 2-6%. Wholesale Inflation also eased to three-month low to 1.9% in Nov'24.

China's inflation down 0.2% y-o-y in Nov'24, vs. 0.3% y-o-y on Oct'24, as fresh food prices pulled back while factory deflation persisted.

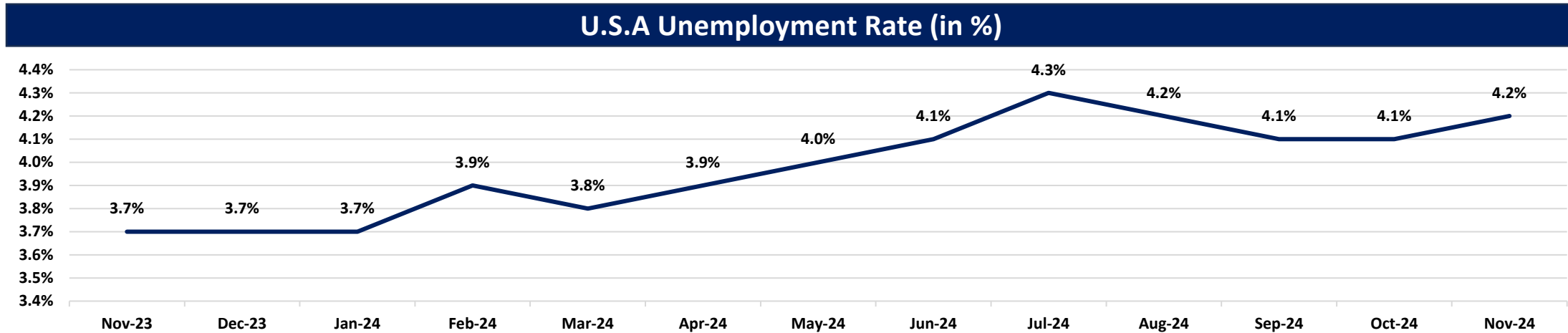
Japan's inflation rise to 2.7% in Nov'24, due to higher energy costs and rice prices continue to soar.

Inflation (YoY)	Oct-2024	Nov-2024
U.S.A	2.6%	2.7%
China	0.3%	0.2%
Japan	2.3%	2.7%
India	6.2%	5.5%
U.K.	2.3%	2.6%

Source: CPI data site of different countries

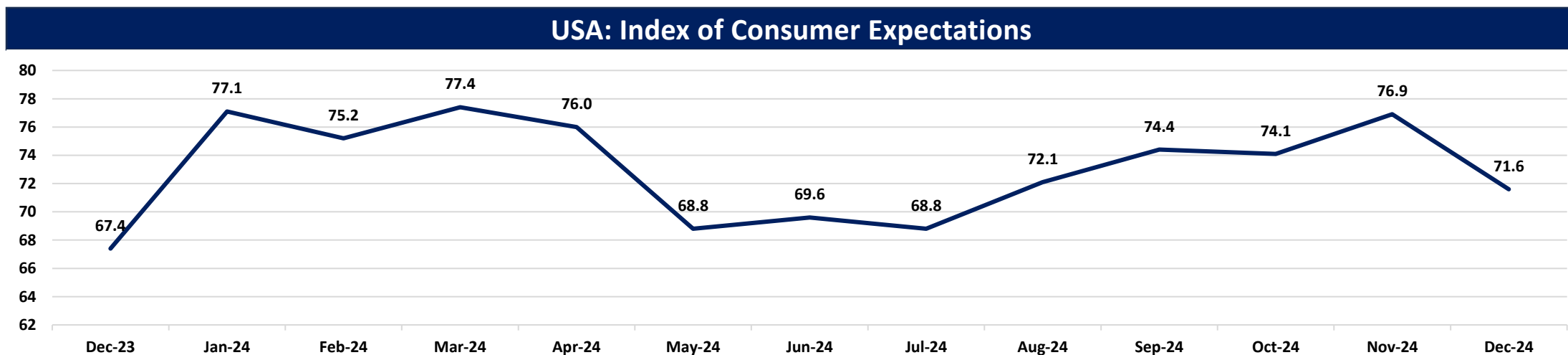
3) U.S.A Economy: Unemployment rate went up to +4.2% in Nov'24

Total nonfarm payroll employment rose by 227,000 in November, and the unemployment rate changed a little at 4.2%. Employment continued to trend up in health care, leisure, hospitality, government and social science. Retail trade lost jobs.



Source: Bureau of Labor Statistics

4) Index of consumer expectations: The index went down by -6.9% m-o-m and up by +6.2% y-o-y in December'24



Source: University of Michigan, Trading Economics

Manufacturing PMI slowed down due to pricing pressure

1) GST Collection: The GST collections for Nov'24 is approximately ₹1.82 lakh crore as reported on 1st Dec 2024, marking +8.5% YoY growth but down by -2.7% sequentially on the back of robust festive sales. The Central GST collection stood at Rs 34,141 crore and State GST at Rs 43,047 crore. During the month under review, GST from domestic transactions grew +9.4% to Rs 1.4 lakh crore. IGST, which includes revenue from imports, surged to Rs. 91,828 crore.

2) Manufacturing PMI and Services PMI: Manufacturing PMI fell by -1.7% from last month as the rate of output expansion is decelerating due to intensifying price pressure. Service PMI slightly down by -0.2% m/m, amid a consistent demand that led to a significant rise in business sentiments and record hiring.

3) Vehicle Registration: The Indian automobile sector displayed mixed trends in November 2024, with recent data indicating moderate growth across most segments, while highlighting distinct performance variations among different categories. PV sales drop by -14.0% y/y as wedding-related sales remained subdued for cars in Nov'24, while two-wheeler saw the highest ever number of 2.6 million sales, an increase by +16.0% y/y.

4) Unemployment: Unemployment Rate in India scaled down to 8.0% in November, 2024 from 8.7% in October 2024.

Particulars	Nov-23	Jun-24	Jul-24	Aug-24	Sept-24	Oct-24	Nov-24
1) GST Collection (Lakh Cr.)	1.72	1.74	1.82	1.74	1.73	1.87	1.82
GST Collection (YoY growth)		7.7%	10.3%	10.0%	6.5%	8.9%	8.5%
2) Manufacturing & Services							
Manufacturing PMI Index	56.0	58.3	58.1	57.5	56.5	57.5	56.5
Services PMI Index	56.9	60.5	60.3	60.9	57.7	58.5	58.4
3) Vehicle							
Two-Wheeler (YoY growth)	49.1%	4.7%	17.2%	6.3%	-8.5%	36.3%	15.8%
Passenger Vehicle (YoY growth)	1.8%	-6.8%	10.2%	-4.5%	-18.8%	32.1%	-13.7%
Light CV (YoY growth)	-2.7%	-6.5%	2.0%	-6.1%	-11.9%	9.1%	-4.5%
Medium CV (YoY growth)	-11.7%	-5.5%	9.5%	-0.6%	4.0%	6.4%	-0.1%
Heavy CV (YoY growth)	-7.7%	-6.0%	11.8%	-8.2%	-11.7%	-1.2%	-11.6%
Tractors (YoY growth)	-0.8%	-28.4%	-12.0%	-11.4%	14.7%	3.1%	29.8%
4) Unemployment %	9.2%	9.2%	7.9%	8.5%	7.8%	8.7%	8.0%

Source: Federation of Automobile Dealer Association (FADA) monthly reports

5) India Inflation: Moderation in Vegetable Prices eased down the Inflation in Nov'24, boosting hopes for RBI rate cut.

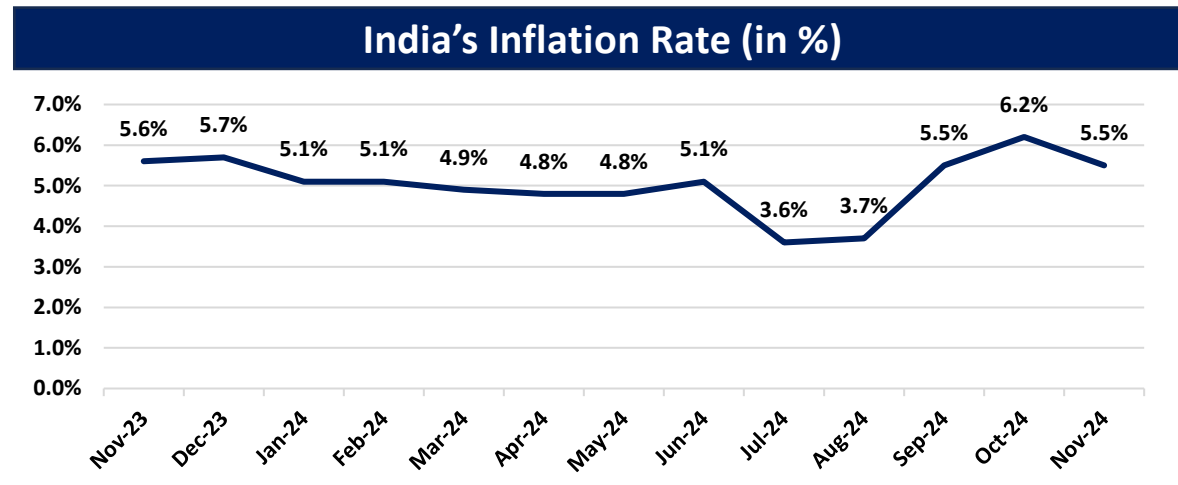
The consumer index for the month of Nov'24 eased down to +5.5% vs. +6.2% in Oct'24 as the arrival of fresh produce to markets moderated soaring vegetable prices and also, the inflation is within the RBI upper tolerance limit of 6.0%. Corresponding inflation rate for rural and urban are +9.1% and +8.7%, respectively.

India's food inflation (excluding beverages) eased to +9.0% in Nov'24, as against +10.9% in Oct'24, where the vegetable prices cooling off to 29.3% in Nov'24 vs 42.2% in Oct'24.

Wholesale price inflation down to 1.9% in November from 2.4% in October'24 due to fall in vegetable prices.

YoY%	Oct-24	Nov-24 prov.	Change in %
CPI	6.2%	5.5%	-0.7%
Food & Beverages	9.7%	8.2%	-1.5%
Fuel & Light	-1.6%	-1.8%	-0.2%
Housing	2.8%	2.9%	0.1%
Transportation & Communication	2.7%	2.6%	-0.1%
Core CPI	3.9%	3.7%	-0.2%

Source: Press Information Bureau



Source: Press Information Bureau

6) Central Government Finances: We are amidst the environment of fiscal consolidation

Fiscal Deficit: FY24 fiscal deficit narrowed to 5.6%. The Central's fiscal deficit at the end of the first seven months of FY25 touched 46.5% of the full year target. **The fiscal deficit for FY25 estimated to be 4.9% of the GDP. The government is targeting fiscal deficit of 4.5% by FY26.**

April-Oct'24: The government's fiscal deficit in April-October 2024 period came in at Rs.7.5 lakh crore- amounting to 46.5% of the budget estimates vis-à-vis 45.0% of BE reached during the same period last year.

Debt and Interest payment: Total market borrowings by GoI stood at Rs. 3.7 lakh crore, i.e. 33.0% of BE (compared to 68.0% last year), while the government's total financing (external & internal) amounted to Rs. 7.5 lakh crore or 47.0% of its annual target.

Subsidies: Total subsidy bill of the government increased to Rs. 2.5 lakh crore y/y in Oct'24, 65.0% of BE, compared to Rs. 2.3 lakh crore in the same period last year.

Capital Expenditure: The Union budget for FY25 allocated Rs 11.1 lakh crore for capex, indicating the government's continued emphasis on infrastructure spending. Capital expenditure dropped by almost +55.0% on a m/m basis in October 2024, amounting to Rs. 51,579.0 crore. The current growth momentum and anticipated rise in industrial activity as indicated by +3.1% y-o-y growth in core sector output in October 2024- the highest in 3 months, may see an upturn in capex going forward.

Particulars	Budget Estimates FY25 (Rs. Lakh crore)	Actuals Apr'24- Oct'24 (Rs. Lakh crore)	% of Actuals to Budget Estimate	
			Current Year FY25	Corresp. Period FY24
Revenue Receipts	31.3	17.0	54.5%	59.6%
Net Tax Revenue	25.8	13.0	50.5%	55.9%
Non-Tax Revenue	5.5	4.0	73.2%	88.1%
Total Receipts	32.1	17.2	53.7%	58.6%
Revenue Expenditure	37.1	20.0	54.1%	52.7%
Capital Expenditure	11.1	4.7	42.0%	54.7%
Total Expenditure	48.2	24.7	51.3%	53.2%
Fiscal Deficit	16.1	7.5	46.5%	45.0%
Revenue Deficit	5.8	3.0	52.2%	32.1%
Primary Deficit	4.5	1.5	34.3%	36.6%

Source: CMIE, PNB

7) Foreign Trade: Trade Deficit rose to \$38 bn due to major rise in Gold Imports

The widening goods trade deficit comes amid slowing economic growth, subdued urban consumption, persistent inflation, and a depreciating currency in India.

Gold imports accounted for about 21% of the total import bill in Nov'24, reaching its all time high of net import of \$14.9 bn.

Goods exports in Nov'24 declined -4.9% to \$32.1 bn from \$33.8 bn in Nov'23. Imports, however, surged by +27.0% to \$69.0 billion compared to \$55.1 billion in Nov'23

Foreign Trade	Oct-24 (USD Billion)	Nov-24 (USD Billion)	Change % (USD Billion)
Net Oil Imports	10.6	12.2	15.1%
Net Gold Imports	7.1	14.9	109.8%
Net Non-Oil Non-Gold Imports	9.4	10.7	13.8%
Trade Deficit	27.1	37.8	39.5%

Source: Ministry of Commerce.

Net Gold Imports includes gold, silver, and pearls precious & semiprecious stones adjusted for gems and jewellery exports.

India Faces Tariff Threat as Trump Signals Potential Trade Action

November'24:

- Economists predict that the Reserve Bank of India may postpone a rate cut until February. This delay is attributed to concerns about rising inflation and global market instability. A delay in monetary easing can hinder growth prospects and affect market liquidity, contributing to the current correction.
- In November, over 35 lakh new investors joined the stock markets, bringing the total to 10.85 crore, up from 10.5 crore in October, according to the NSE.

December'24:

The market correction continued in December'24 month can be attributed to several key factors:

- The U.S. has threatened a 100% tariff on BRICS nations, including India, in response to their plans to develop a unified currency aimed at reducing reliance on the U.S. dollar.
- The FMCG Index declined by 2.1% in November, reflecting a weak sector outlook. Concerns over subdued consumer demand and rising input costs have weighed on market sentiment, impacting stock performance across the sector.

Note: As on 24th Dec'24

Valuations:

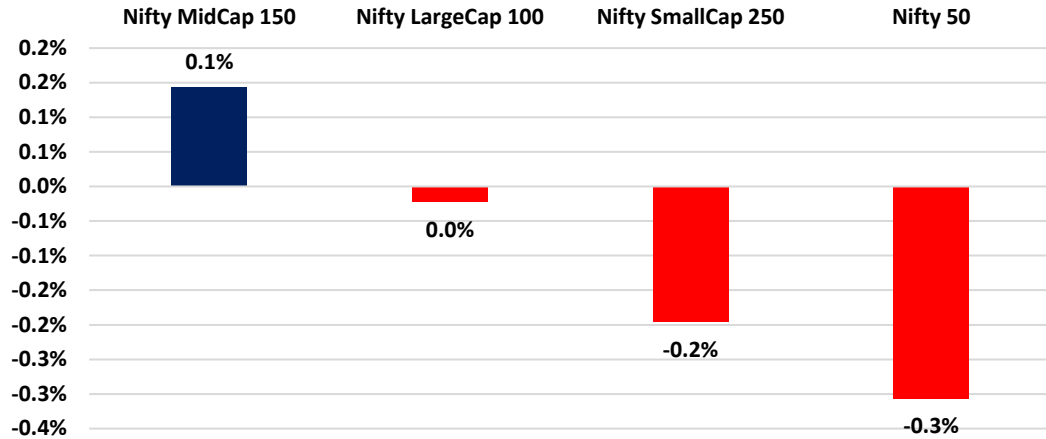
- The Nifty Index in November traded at a 1-year forward P/E ratio of 20.5, compared to its long-term average of 18.6. This indicates that the index is trading at a 10% premium to its historical average.

FII and DII:

- The markets were corrected by continued selling by foreign institutional investors (FIIs). FIIs sold Rs 26,000 crore worth of Indian stocks in November 2024, a slowdown from October's Rs 94,000 crore. FII buying through the primary market continued.

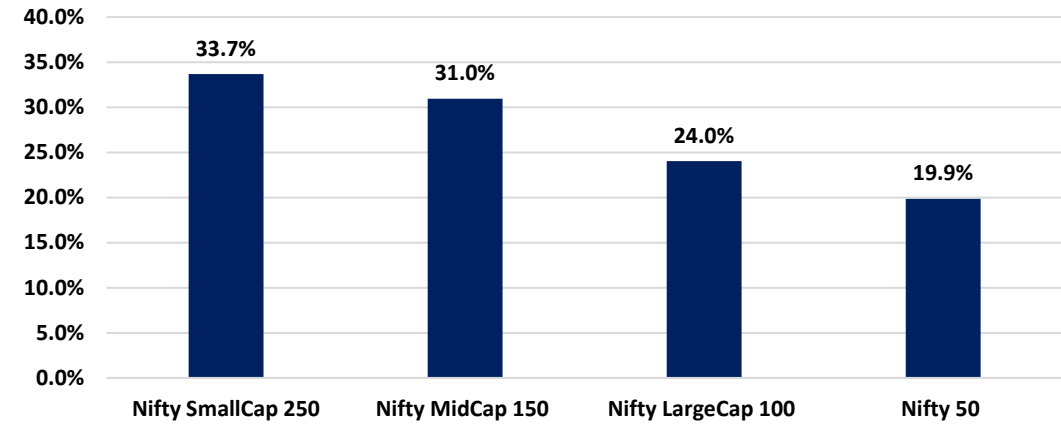
Indian Equity Market- Market Cap Based Indices

Nov'24 M/M % Change



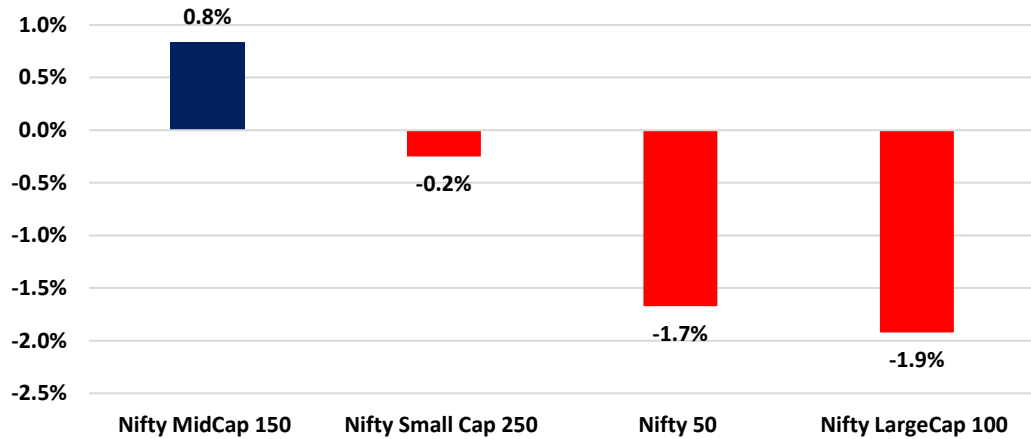
Source: Moneyvesta Capital

Nov'24 vs Nov'23 Y/Y% Change



Source: Moneyvesta Capital

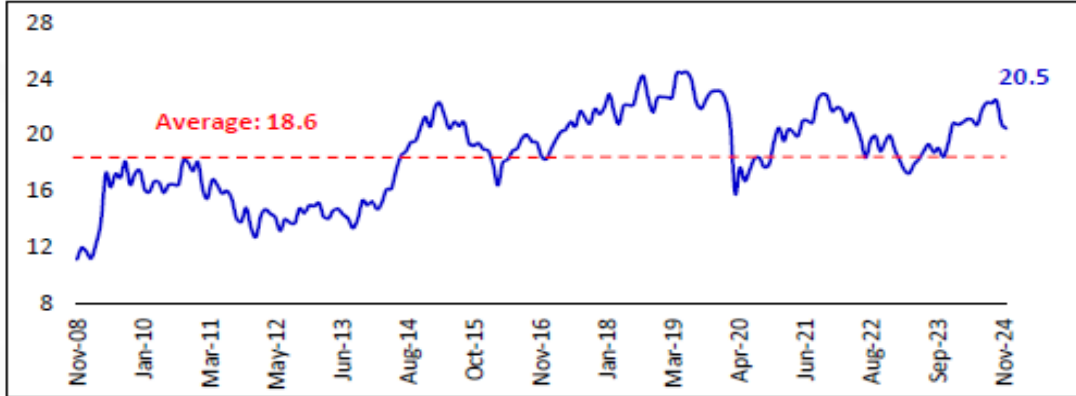
Dec'24 Month-to-Date % Change



Source: Moneyvesta Capital, (as on 24th Dec'24)

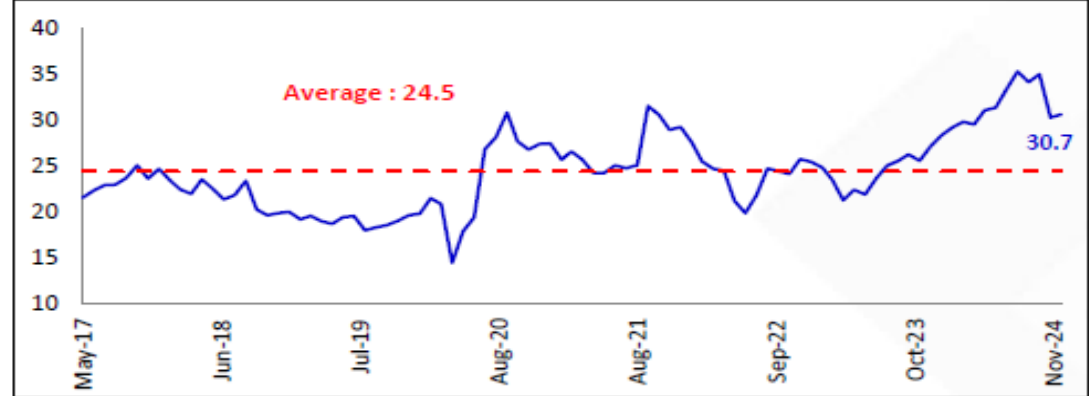
Indian Equity Market- Valuation Concerns Persist

Nifty P/E (x) – 1 Year Forward



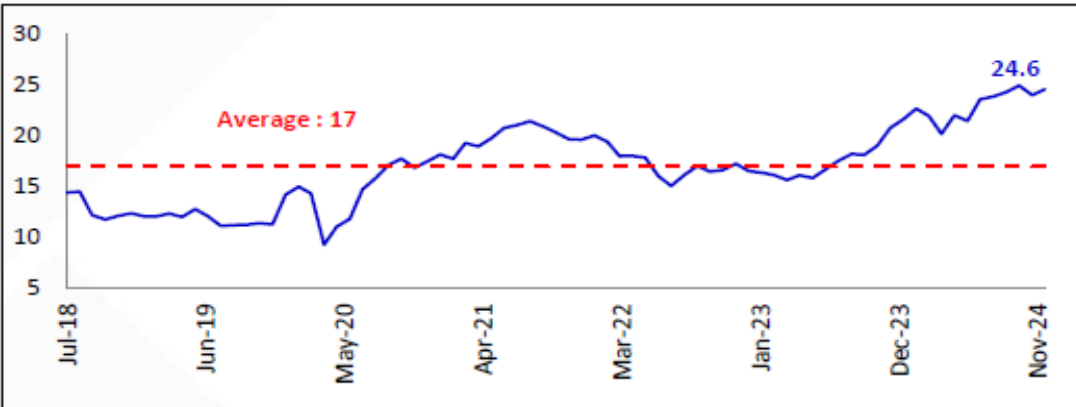
Source: Kotak Mutual Fund, Motilal Oswal, Bloomberg.

Nifty Midcap 150 P/E (x) : 1 Year Forward



Source: Kotak Mutual Fund, Motilal Oswal, Bloomberg.

Nifty Smallcap 150 P/E (x) : 1 Year Forward



Source: Kotak Mutual Fund, Motilal Oswal, Bloomberg.

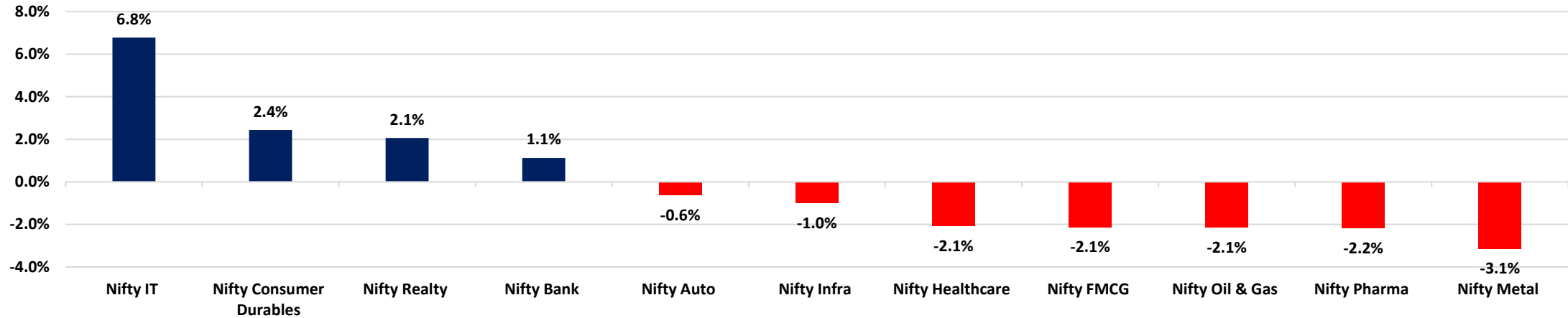
Valuations

Largecap	10% premium to historical average
Midcap	25% premium to historical average
Smallcap	45% premium to historical average

Source: Kotak Mutual Fund, Motilal Oswal, Bloomberg.

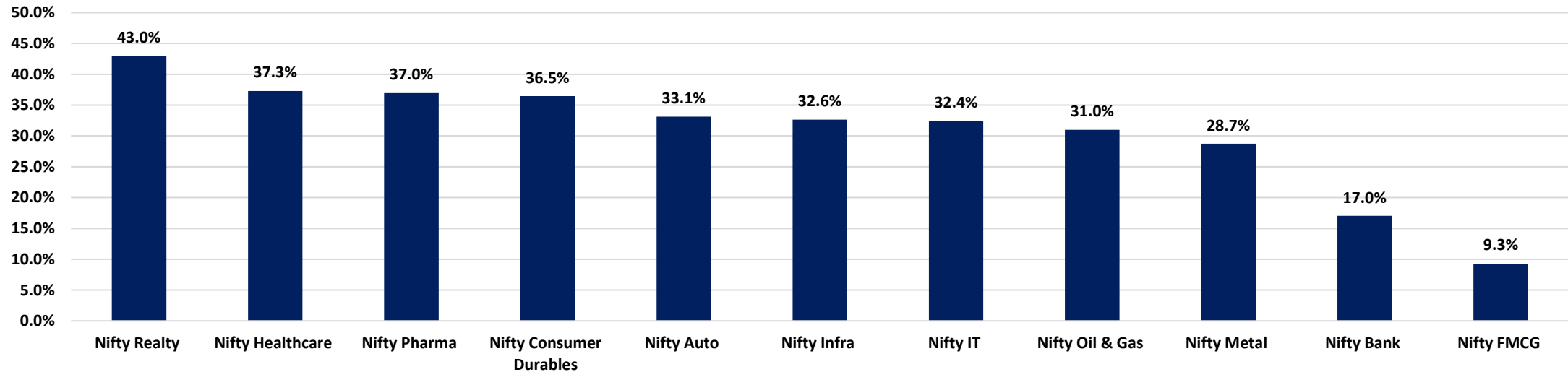
Indian Equity Market- Sectoral Indices

Sector based Indices M/M% Change – Nov'24



Source: Moneyvesta Capital

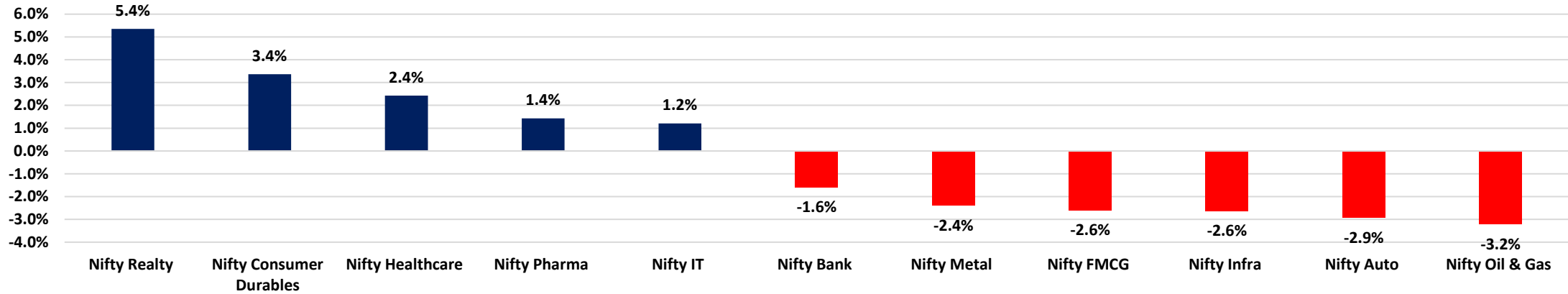
Nov'24 vs Nov'23 Y/Y % Change



Source: Moneyvesta Capital

Indian Equity Market- Sectoral Indices

Dec'24 Month-to-Date % Change



Source: Moneyvesta Capital, (as on 24th Dec'24)

Sectoral Indices Valuation vs. Long-Term Average

Sectoral Indices	P/E 30 th Sept 2024	Long Term Average P/E	Discount/Premium
IT Services	27.4	20.6	33.0%
Pharma	31.7	24.0	32.0%
Consumer Discretionary	69.6	53.6	29.8%
Metals	12.8	10.1	27.4%
Consumer staples	44.7	35.5	26.1%
Oil & Gas	15.3	12.3	24.1%
PSU Banks	1.3	1.1	20.3%
Auto	23.3	19.7	17.9%
Private Banks	2.5	2.6	-4.2%

Source: HDFC Mutual Fund

Indian Equity Market- Metals

Metal Industry: Copper prices plummeted from Nov'24 high following US Election Results

Nifty Metal Index: Nifty Metal Index, was down by -3.1% m/m in the month of November'24.

Current Scenario

- Revenue for the metals sector in Q2 FY25 remained flat, profits soared due to operational efficiencies, cost reductions, and improved EBITDA margins. The absence of abnormal losses from the previous year, combined with some one-time gains this quarter, contributed significantly to the sector's profitability.
- World crude steel production stood at 1,694.6 MnT in January-November 2024, registering -1.4% decline y-o-y, with November'24 production stood at 146.8 MnT.
- India was the 2nd largest producer of crude steel with an output of 135.9 MnT in January-November 2024, showing a y-o-y growth of +5.9%. The country accounted for 7.9% of world crude steel production during the period.
- Copper price loses -4.9% of its value in the month of Nov'24, following the US election results as China is one of the largest consumer of copper and Trump plans to potentially implement 60% tariff on all Chinese products.
- Zinc ended higher with an over +2% increase and a resilient move throughout Nov'24.

Outlook:

- Global zinc consumption will likely rise by +2.6% in CY2024 but it will be outweighed by sluggish growth in the world economy.
- India's steel demand is expected to grow at a CAGR of 7.0% to touch 190.0 Million tonnes (MT) level by CY2030.
- The demand for precision metals is expected to grow at 4% y/y increase in stainless steel in 2025 across sectors like construction, aerospace, and EV production.

Commodity	30 th September, 2024 Price USD	September % Change (m-o-m)	FYTD25 % Change
Steel (per tonne)	480	+2.1%	-5.9%
Aluminium (per tonne)	2,609	+7.6%	+13.7%
Copper (per tonne)	9,767	+6.0%	+11.9%
Zinc (per tonne)	3,076	+7.5%	+28.6%
Lead (per tonne)	2,071	+2.2%	+5.4%

Source: HDFC Mutual Fund

Auto Industry: Year-End Promotions Spark Optimism for Auto Sales Uptick in December

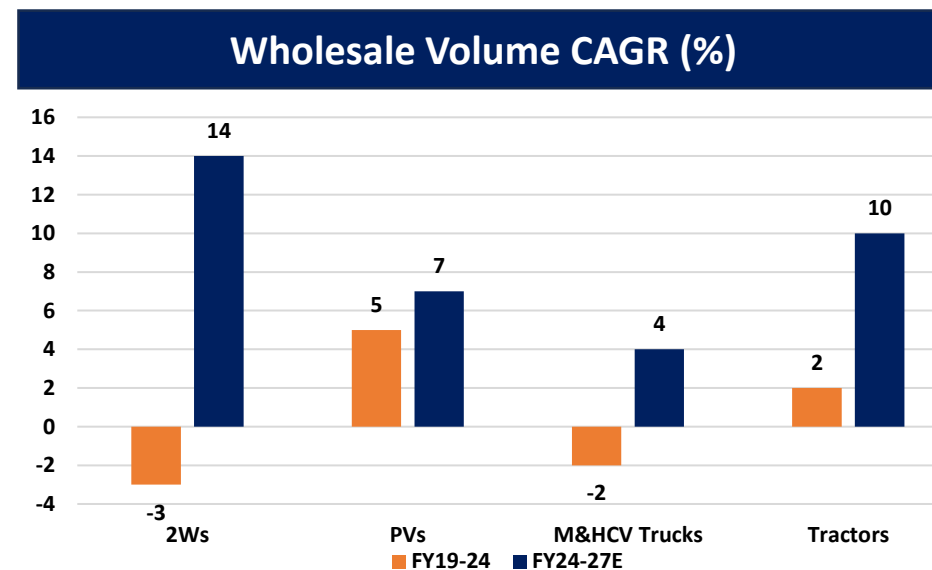
Nifty Auto Index: In November 2024, the Nifty Auto index fell by -0.6% m/m, due to weak demand.

Current Scenario

- The passenger vehicle (PV) segment experienced significant challenges in the November month, with sales witnessing a 33.37% MoM decline and a 13.72% YoY drop.
- Dealers attributed the sales decline to muted market sentiment, a restricted range of product offerings, and a lack of significant new launches.
- The post-COVID surge in car sales is on the wane due to urban market saturation and delays in new model launches. There's a shift away from entry-level cars, with some manufacturers halting production.

Segment wise performance in Q2 FY25:

- The passenger vehicle segment saw a decline of -1.8% in Q2 FY25 compared to the same period last year.
- Two-wheelers achieved sales of 51.8 lakh units in Q2 FY25, up from 46.0 lakh units in Q2 FY24, showing +12.6% growth.
- Three-wheelers recorded their highest Q2 sales ever, totaling 2.1 lakh units.
- Commercial vehicles experienced an -11.0% decline for Q2 FY25 vs. the previous year.



Source: CMIE, Moneyvesta Capital

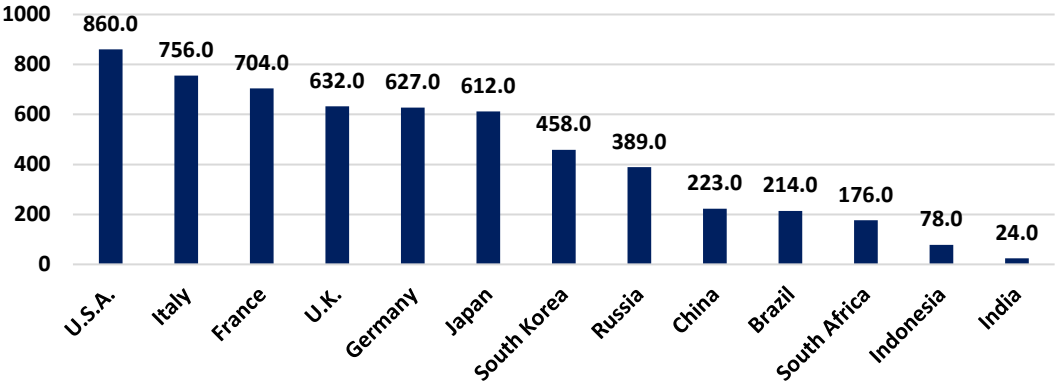
Tailwinds

- The share of SUVs in total revenue is increasing significantly. This trend reflects a growing desire among consumers to own higher-end vehicles, driving premiumization-led value growth in the market.
- EV GST rate at 5% vs 28% for ICE
- Over the last decade, average vehicle price growth has been lower than the rise in per capita income allowing for better affordability today. The future potential of upgradation by consumers is very much possible.
- Aggressive launch of new products by existing players spanning multiple price points and powertrains.

Indian Equity Market- Autos

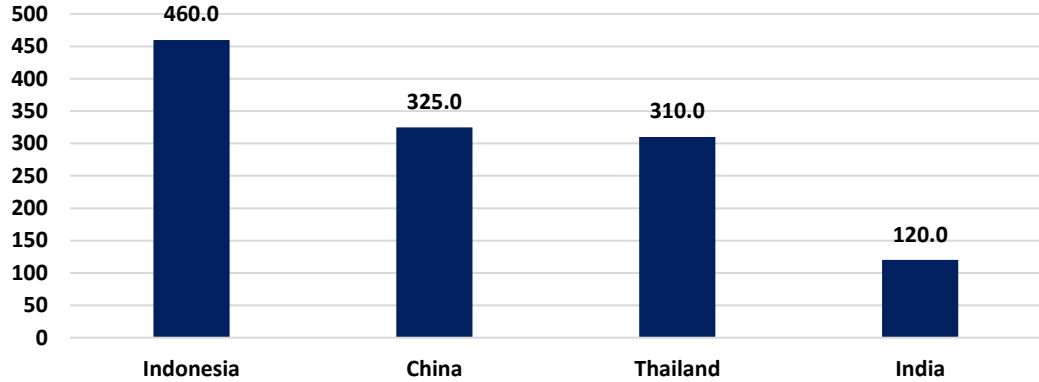
Two-wheelers and four-wheelers penetration: Penetration of 2W and 4W in India is significantly low vs. other economies, offering huge headroom for growth in future.

Four- wheeler per 1,000 population



Source: SBI Mutual Fund

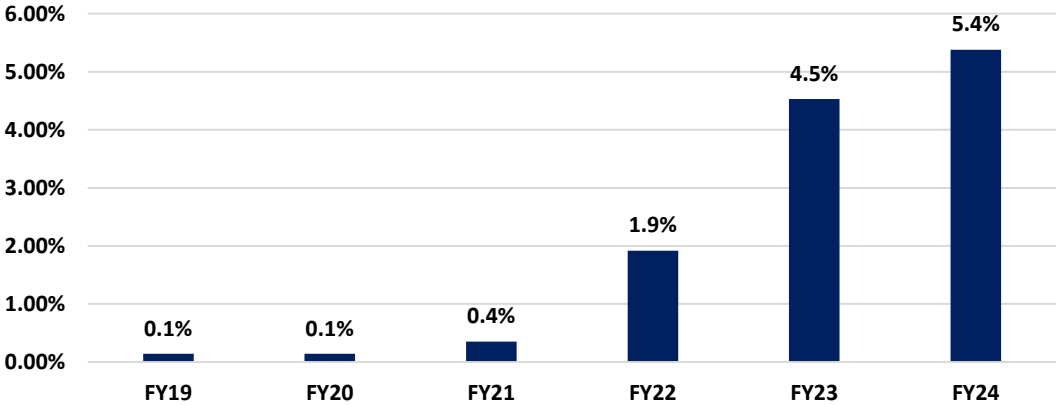
Two- wheeler per 1,000 population



Source: SBI Mutual Fund

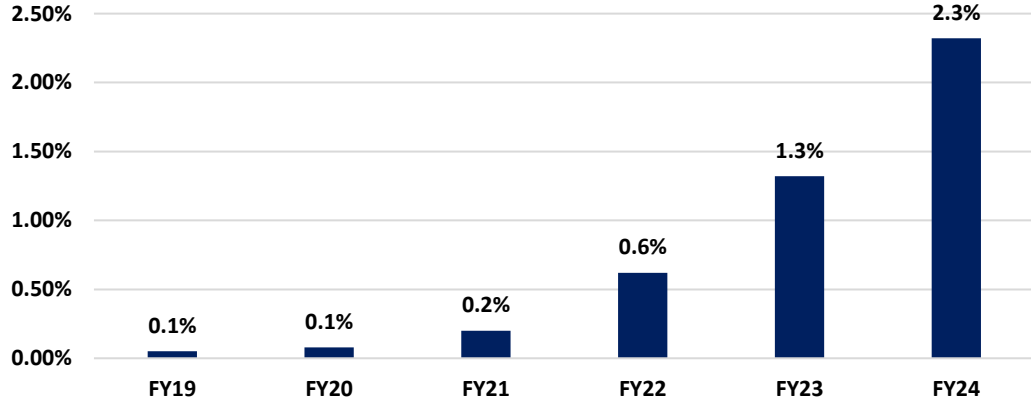
Electric Vehicles Penetration

E- Two-wheeler Penetration (% of units)



Source: SBI Mutual Fund

E- Passenger Penetration (% of units)



Source: SBI Mutual Fund

Indian Equity Market- Realty

Realty Industry: India's Home Prices to Rise by +6.5% in 2025, Boosted by Wealthy Buyers

Nifty Realty Index: The Index was up by +2.1% m/m in the month of Nov'24.

Current Scenario

- Reuters poll indicated that home prices in India are expected to rise by +6.5% in 2025, driven primarily by demand from wealthy individuals.
- The residential segment has seen a significant surge in demand post COVID pandemic, saw +40% growth in investments to \$384.8 mn from \$274.6 mn in Q2 FY25.
- Industrial & warehousing segment witnessed fall of -72.0% in fund inflow to \$95 mn from \$340 mn. Investments in mixed use projects almost doubled to \$52.4 mn from \$27 mn in 2Q25.
- Housing sales rose +5.0% y-o-y during July-September to 87,108 units in eight major cities as demand stayed strong in premium homes.

City-specific Insights:

- **Bengaluru:** Strong demand for industrial and warehousing space driven by sectors like 3PL (Third Party Logistics), retail, and manufacturing.
- **Mumbai:** Notable dip in quarterly residential launches, but improved connectivity is expected to boost capital values.
- **Indian Retail Sector:** Rise of omnichannel strategies as brands harmonize digital/physical shopping experiences, leading to higher customer engagement/satisfaction.
- **Key Real Estate Trends:** Technology and Engineering & Manufacturing sectors were key drivers of office demand in H1 CY2024. Flex space leasing reached 2.6 million square feet across the top six cities in Q2 CY2024, the highest in any quarter.

Indian Equity Market- Realty

Tailwinds for industry:

- Rising Urbanization
- Rising per capita income
- Benefit from the continued premiumization and formalization of the sector
- Introduction of the RERA act leads to separate escrow accounts that need to be maintained for each project where a minimum of 70% of the money from buyers will have to be deposited and proceeds can only be used for construction of the project and cost-borne towards the land, potential refunds with interest and Buyers' redressal mechanism including compensation in case of builders delaying possession.

Headwinds for industry:

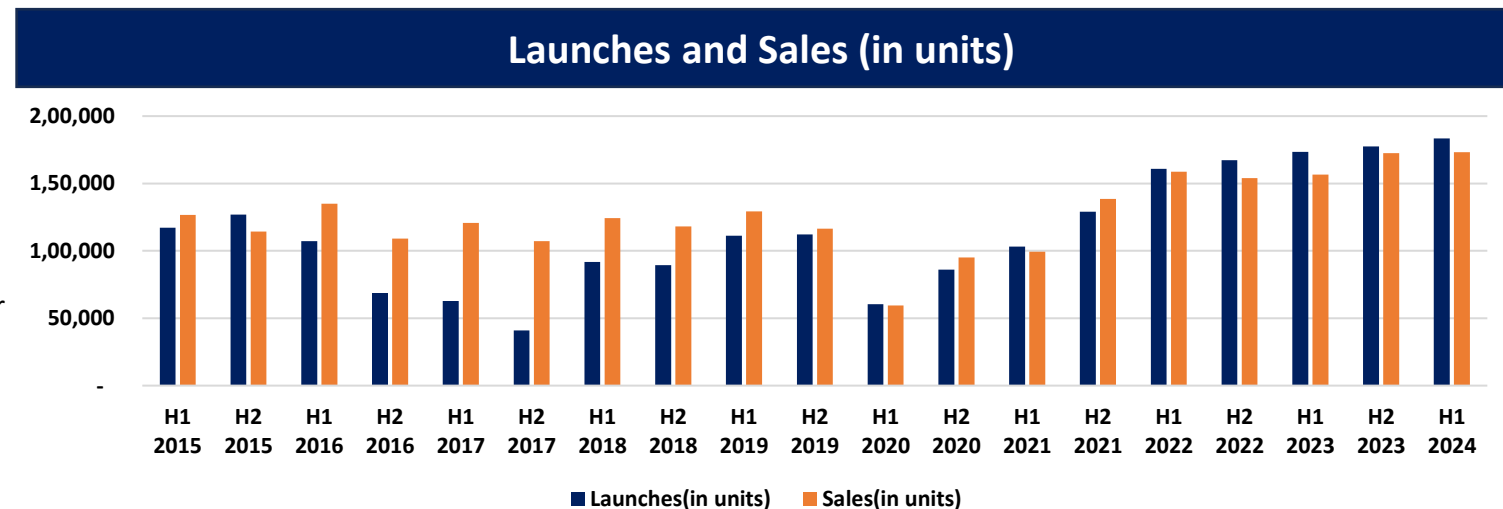
- The Real Estate sector is cyclical in nature.
- Rising inflation is driving up the cost of both construction materials and labor., putting pressure on developers' margins and making housing less affordable for buyers.
- The removal of the indexation benefit has led to higher capital gains tax on real estate investments, reducing investor returns and confidence. This policy change may slow down the property market, impact liquidity, and shift investments to other asset classes. Developers could face challenges in sales and may need to offer additional incentives to attract buyers. Overall, the change introduces uncertainty and potential negative effects on the real estate sector's growth and stability.

A) Residential Property

Three main indicators for residential property:

- New launches & Sales
- Inventory levels
- Price change

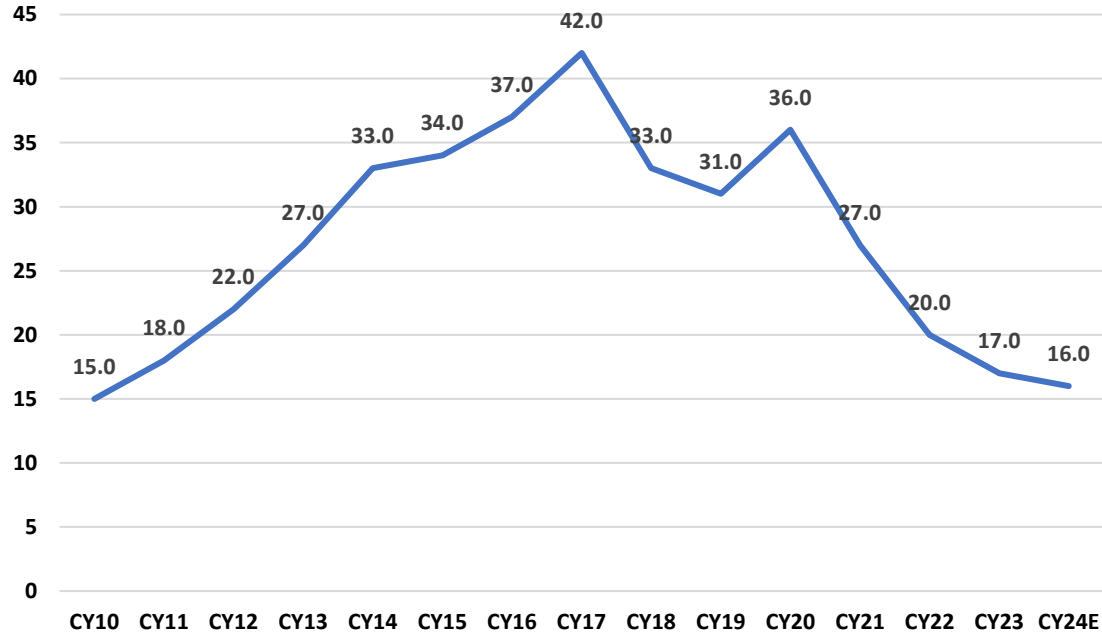
All three main indicators suggest that the realty sector made its bottom in 2017.



Source: Knight Frank, Moneyvesta Capital

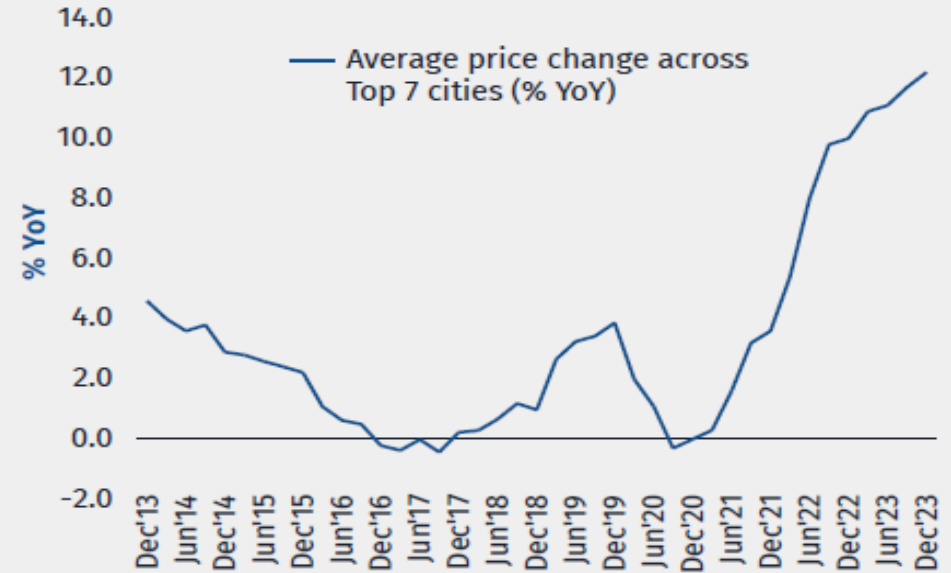
Indian Equity Market- Realty

Residential Inventory in Top-7 Cities



Source: HDFC Mutual Fund, Moneyvesta Capital

House Prices Recovery



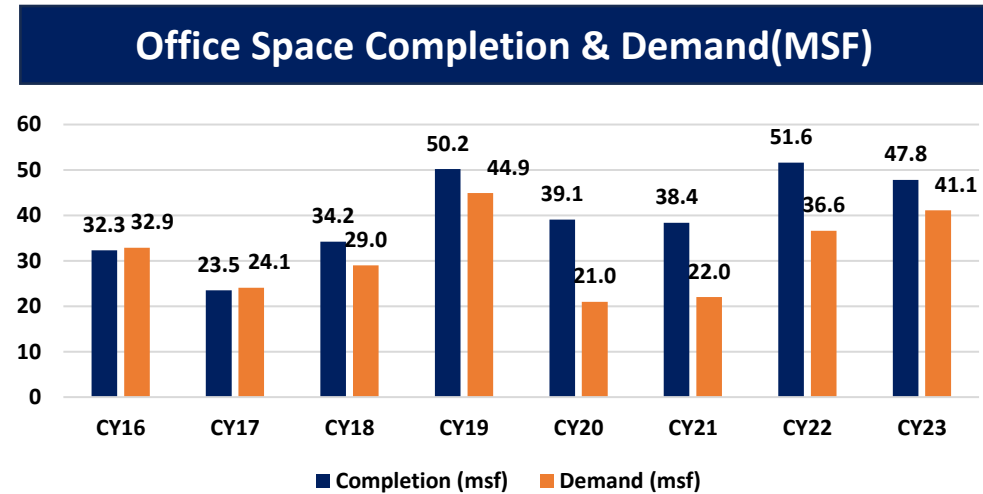
Source: HDFC Mutual Fund

- **Inventory levels declining:** Since 2016, there has been a notable decline in inventory levels, indicating faster sales and reduced unsold stock. This decline is consistent across all regions, reflecting a healthier demand-supply balance in the market.
- **House prices recovering:** house prices have been recovering significantly since 2021. This sharp increase suggests a resurgence in the real estate market, likely driven by various factors such as economic recovery, increased demand, and possibly supportive government policies.

Indian Equity Market- Realty

B) Office Space

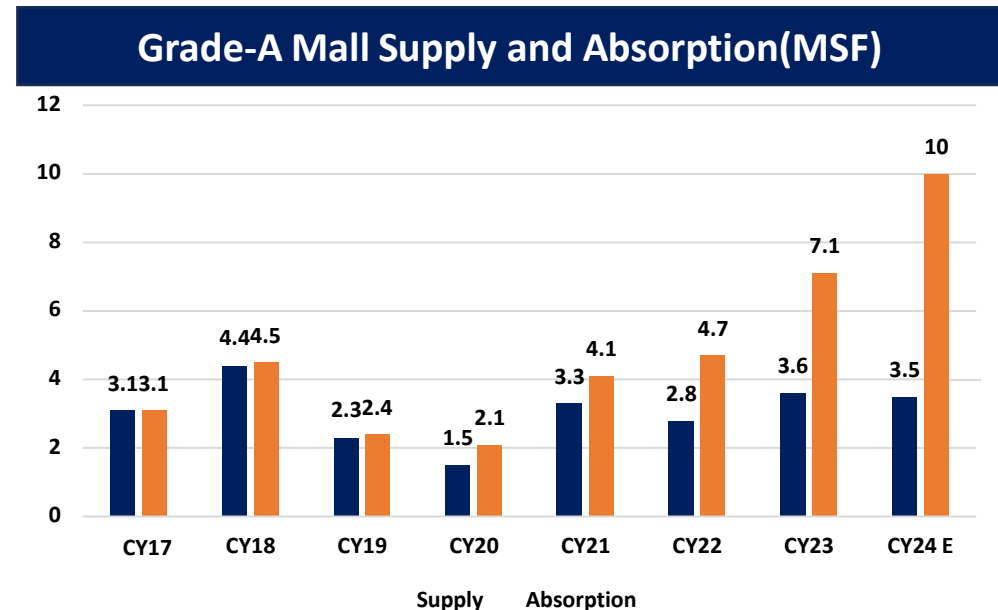
- After a decline in absorption during the peak of the COVID-19 pandemic (CY20) due to the work-from-home policy of offices, there has been a significant recovery.
- By CY23, both supply and demand have rebounded, with demand almost matching supply.



Source: HDFC Mutual Fund, IIFL, Moneyvesta Capital

C) Retail Space

- Demand (absorption) has consistently been outpacing supply in recent years, particularly notable in CY22 and CY23, where demand nearly doubled supply.
- The forecast for CY24 further accentuates this trend, with demand projected to be nearly three times the supply. This indicates a robust consumer market and a strong preference for high-quality retail spaces, driving growth in this segment.



Source: HDFC Mutual Fund, IIFL, Moneyvesta Capital

Infrastructure Industry : Rs. 2,236 crore cost Infrastructure Project e-inaugurated in October'24 by Rajnath Singh

The government have maintained a strong fiscal support for infrastructure over the next five years, while balancing other priorities and fiscal consolidation. An allocation of ₹11.1 lakh crore for capital expenditure, which is 3.4% of GDP, has been made for FY25.

Capital expenditure as a percentage of total budget increased to 22.0% compared with 12.0% in most of the last decade. India's government debt to GDP is lower than many developed countries and developing peers.

Current Scenario:

- Nifty Infra index was down by -1.0% m/m in the month of November.
- The infrastructure sector posted a disappointing Q2 FY25 quarter, with revenue increased by mere +3.0% in revenue y/y and profit plunging -34.0% y/y because of the slowdown in the Govt. project announcements and the monsoon season weakened demand for input materials like cement, leading to pressure on developers and producer alike.
- In October'24, defense minister Rajnath Singh e-inaugurated 75 infrastructure projects----- 22 roads, 51 bridges and two other misc. projects constructed by the Border Roads Organization at a cost of Rs. 2,236 cr. and spread across 11 border states and Union territories.

Railways:

- Capex allocation of Rs. 2.6 lakh crore in union budget for FY25.
- The Cabinet Committee on Economic Affairs (CCEA), chaired by Prime Minister Narendra Modi, has approved three significant railway projects under the Ministry of Railways, with a total estimated cost of approximately ₹6,456 crore.
- The three projects span seven districts across four states- Odisha, Jharkhand, West Bengal, and Chhattisgarh and will expand the Indian Railways network by approximately 300 kms

Roadways:

- India has about 63.7 lakh km of road network, which is the second largest in the world
- 8 national high-speed road corridor projects of length 936 km with the investment of Rs. 50,655 crore to improve logistics and connectivity across countries.
- 17 times growth in capex on roads in the last 15 years.

Airways:

- The Cabinet Committee on Economic Affairs (CCEA), approved the proposal of Airport Authority of India for the development of a new civil enclave at Bagdogra Airport, Siliguri, West Bengal with an estimated cost of Rs. 1,549 crore
- Development of civil enclave at Bihar, Patna, at an estimated cost of Rs. 1,413 crore.
- Delhi, Bangalore, Hyderabad, Lucknow, Mangalore, Guwahati and Ahmedabad airports have earmarked a capital expenditure of Rs.10,550 crore (\$ 1.2 billion), Rs.13,552 crore (\$ 1.6 billion), Rs. 6,288 crore (\$ 759 million), Rs.1,383 crore (\$ 167 million), Rs.567 crore (\$ 68.4 million), Rs.1,232 crore (\$ 148.7 million) and Rs.376 crore (\$ 45.3 million), respectively for the period 2019-25.

Indian Equity Market- Infrastructure

Water Supply and Sanitation:

- The government allocated Rs. 1.0 trillion for FY2025 for water supply and sanitation capex.
- A massive water & sanitation project costing \$110.0 mn funded by India was delivered to Maldives across 28 islands & 7.0% of the archipelagic nation's population.

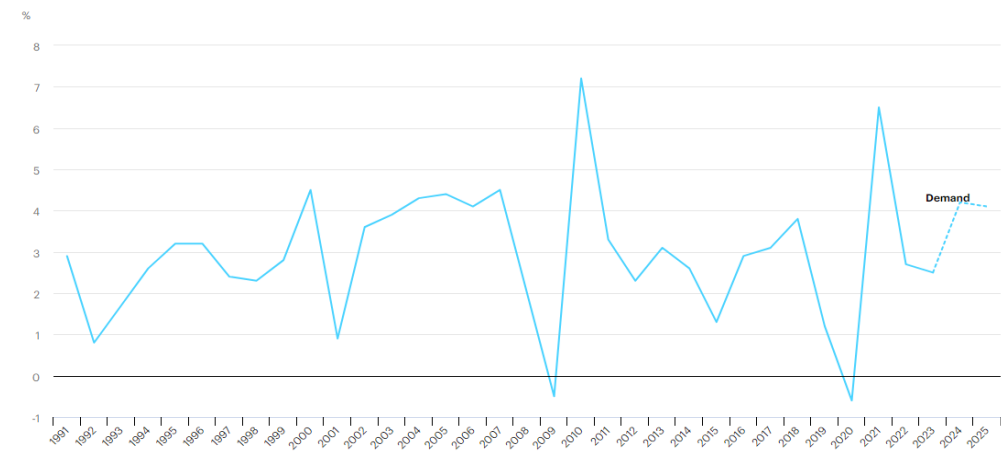
Electricity:

- The Indian national electric grid has an installed capacity of 442.0 GW as of FY24.
- India's power consumption dropped by -4.7% to 144.21 billion units in Aug'24 compared to the previous year, due to above-normal rainfall across the country. This reduced the use of cooling appliances like air conditioners.

Outlook:

- The infrastructure sector in India is poised to grow at a CAGR of 8.2% by CY2027. Despite India's significant infrastructure investments (about 3.5% of GDP), the government estimates that it requires \$1.5 trillion in infrastructure investments over the next decade.
- India, the fastest growing major economy in the world, is forecast to post an 8.0% rise in electricity consumption in FY25, matching the rapid growth it saw in FY24 supported by rapid GDP growth and increased cooling demand due to long and intense heatwaves.

Growth Rate(%) in Global Electricity Demand



Source: HDFC Mutual Fund

Pharma Industry: Indian Pharmaceutical Market Sees Strong Growth in Value and Volume for November'2024

Current Scenario

- The Indian pharmaceutical market (IPM) recorded a growth of +9.9% in value and +3.1% by volume in November, according to market research firm Pharmarack.
- The 2024 Access to Medicine Index highlighted a slowdown in voluntary licensing and technology transfers within India's pharmaceutical sector.

Tailwinds

➤ Domestic spending:

- The increasing elderly population and rising life expectancy are pivotal demographic trends that significantly impact the pharmaceutical industry.
- India's healthcare spending to GDP ratio is amongst the lowest. An increase in penetration will create an opportunity for the pharma sector.

➤ Exports opportunity:

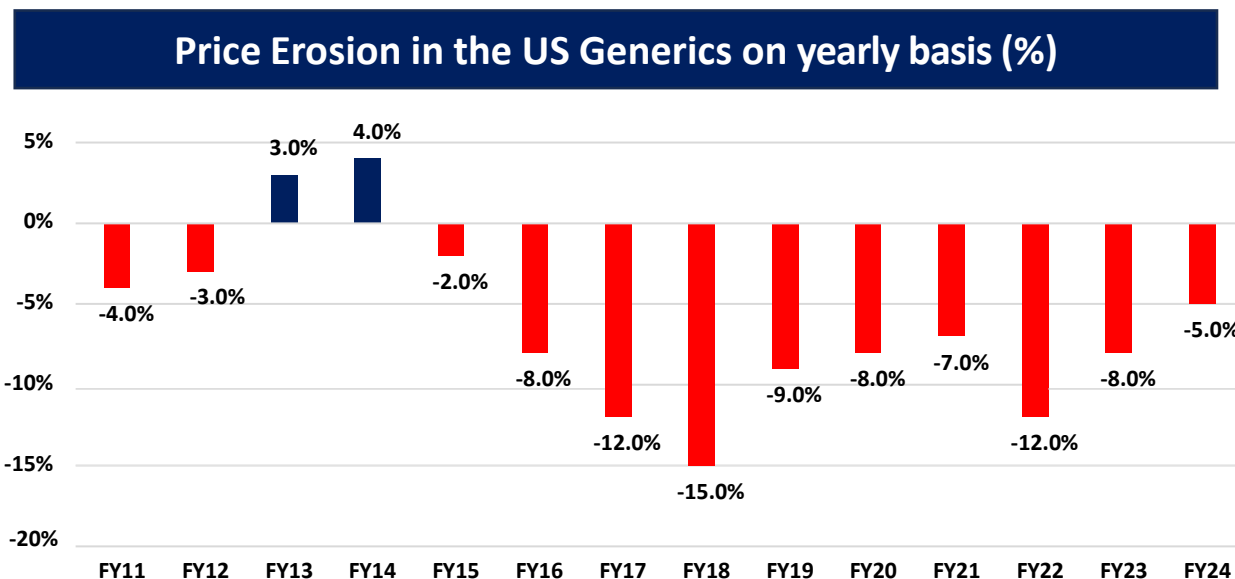
- India has export opportunities in generics, biosimilars, and CDMO.
- ~USD 98 bn worth of small molecules will go off-patent in the next 5 years vs ~USD 38.0 bn in the preceding 5 years.

Price Erosion in the U.S. Generics

Price erosion in the U.S. generics market is a significant challenge for Indian pharmaceutical companies.

Simple Generics continue to face high single-digit to double-digit price erosion, driven by increased competition, customer consolidation, and regulatory measures by the U.S. government to lower drug prices.

Outlook for complex generics, such as injectables and inhalers, is slightly more favorable, with some price recovery due to factors like drug shortages and manufacturing challenges.



Source: Jefferies, Moneyvesta Capital

Indian Equity Market- Healthcare

Healthcare Industry: Top Indian Hospitals Unveil Ambitious Expansion Plans to Stay Ahead in Intensifying Healthcare Competition

Nifty Healthcare Index: The index was down by -2.1% m/m in the month of Nov'24

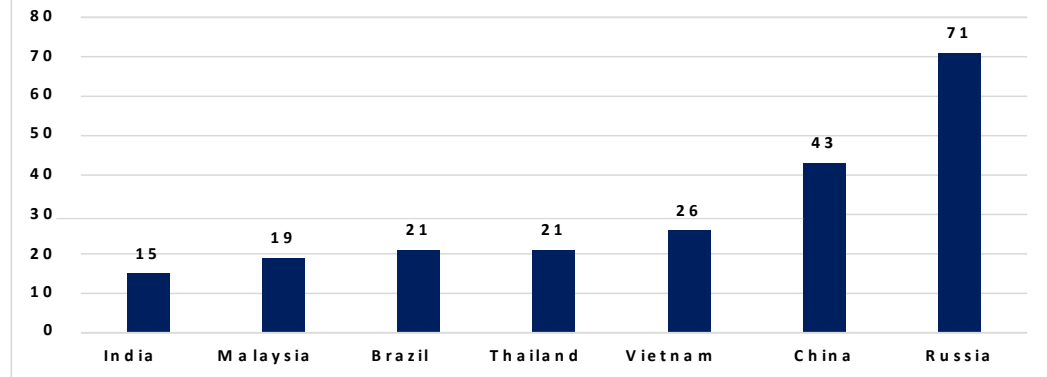
A) Hospitals

- India's hospital beds per 10,000 of the population are the lowest compared to other emerging markets, with significant under penetration.
- The hospitals segment is growing at 10.0-12.0% CAGR and has a Total Addressable Market (TAM) of ₹5.6tn as of FY23
- The hospital market in India is expected to grow at 10.0-12.0% CAGR.

B) Diagnostic:

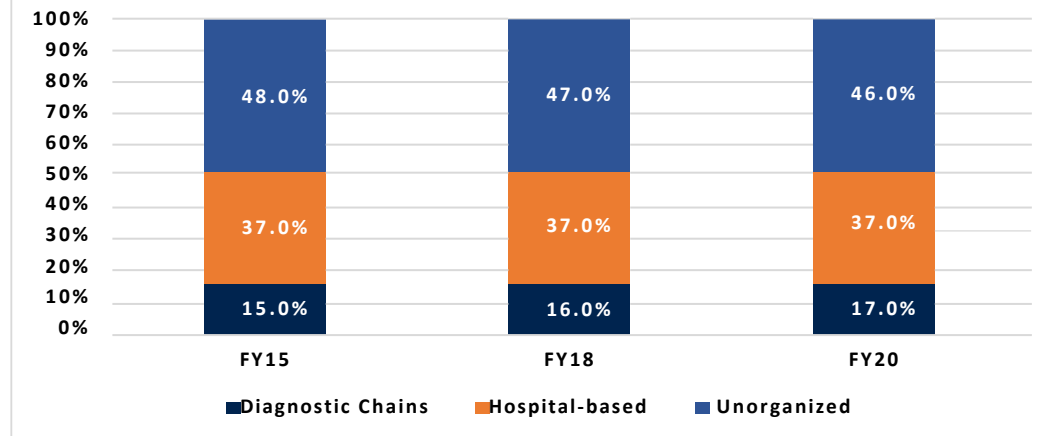
- Organized diagnostic chains are steadily gaining market share. Most organized diagnostic chains operate on hub and spoke business model, which brings economies of scale benefits.
- Diagnostic players are entering into outsourcing contracts with hospitals, whereby they would handle the entire diagnostic operations for them
- Around 150-200K labs in the country, the diagnostics industry in India is highly fragmented.

Hospitals Beds (Per 10,000 Population)



Source: HDFC Mutual Fund, Moneyvesta Capital

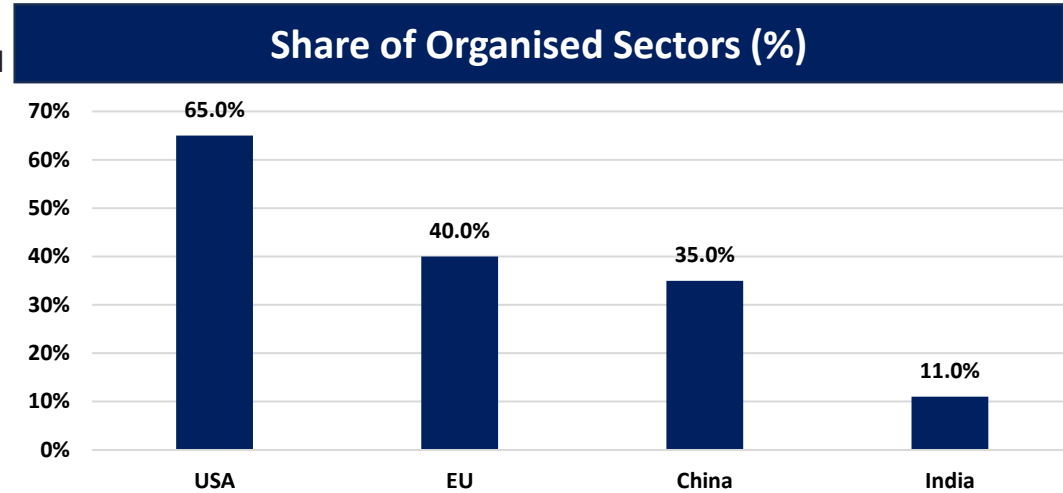
Market Share (%)



Source: HDFC Mutual Fund, Moneyvesta Capital

C) Retail Pharmacy

- The Indian Pharma sector has one of the lowest penetration of organized retail across all sectors.
- Unorganized small players still dominate the market with ~90.0% share. Organized players command 40.0%-60.0% market share in other countries like China, USA, EU.
- Moving from fragmented structure to consolidated structure.



Source: HDFC Mutual Fund, Moneyvesta Capital

Current Scenario

- The Healthcare sector in India grew strongly in Q2 of FY25, with revenue increasing by 17.6% YoY.
- Indian healthcare is entering a rapid expansion phase, with leading hospital chains strategically broadening their presence nationwide to cater to growing demand and heighten competition with regional hospitals.
- India's private hospital sector in CY2024 clocked single digit growth in average revenue per occupied bed (ARPOB), helped by improved operations and advanced medical treatment.
- Recovery in medical tourism and increased investment in advanced treatments also helped ARPOB growth in CY2024.

Indian Equity Market- Technology

Technology: Proposal of Corporate Tax Cuts and Increased US Discretionary Spending Boost Optimism in the Sector

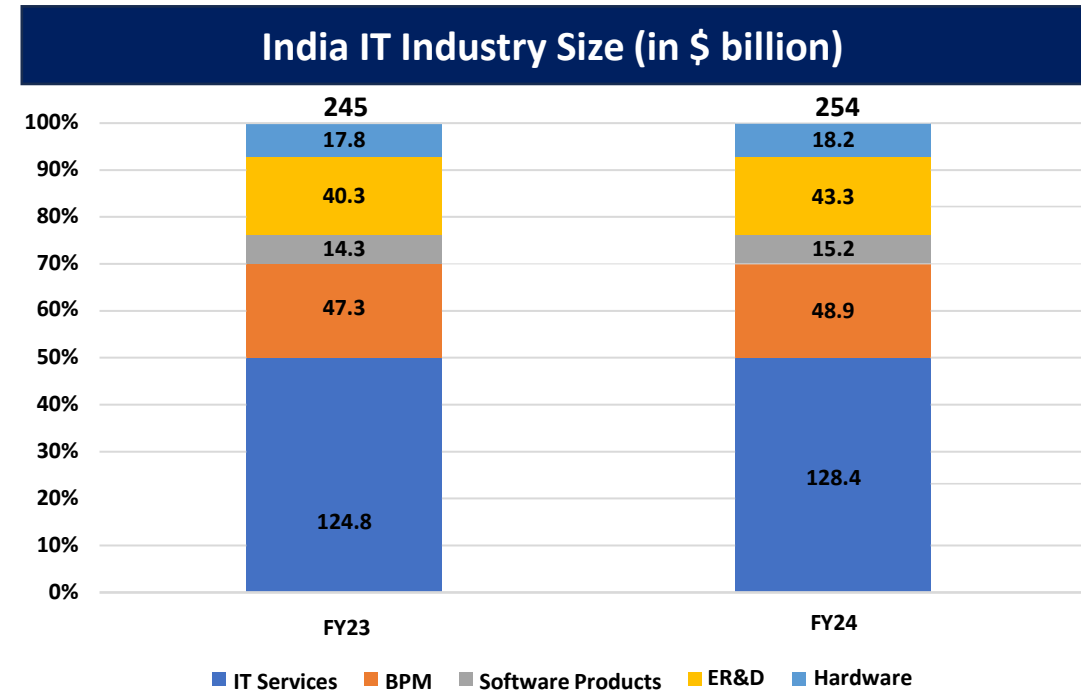
Nifty IT Index: IT index rose by, +6.8% m/m in the month of November'24 following Trump election victory.

Current Scenario

- In Q2 FY25, Indian top 5 IT companies shown the revenue growth of 5.8% y-o-y, with a profit growth of 7.6% y-o-y.
- Another 25-bps cut by Fed in its Dec'24 meeting, bringing the total rate reduction for 2024 to 1%. Additionally, the Fed's projection of fewer rate cuts in 2025 has sparked growing speculation about the future of the Indian IT Industry which heavily relies on exports to the US.
- Trump proposal of corporate tax cuts and increase US discretionary spending have showed some hope of optimism on Indian IT sector.
- Mid-tier IT companies in India are scaling back on volume growth to focus more on margins, that is likely to be value accretive for the smaller IT companies going ahead.
- India's tech landscape raised \$11.3 billion from investors in 2024, marking a modest 6.0% increase from \$10.7 billion raised in the previous year.

Outlook:

- Increased adoption of digital technologies like cloud computing and artificial intelligence with expected share of data annotation market to reach \$7.0 billion by CY2030.
- Quantum Computing, which was used in the development of vaccine, have also finds application to manage credit risk in BFSI is expected to cross \$8.6 billion by CY2027.
- RPA (Robotic process automation) have helped streamlines workflows, making the company more profitable, agile and responsive, and also improving employee satisfaction, with expecting good cost efficiency projects inputs in future.
- According to a survey by Amazon Web Services (CY2021), India is expected to have nine times more digitally skilled workers by CY2025. This increase in digital skills will support the industry's growth and enhance its global competitiveness.
- Spatial computing, is poised for growth as with the recent release of Apple's Vision Pro, as well as Microsoft's Hololens2 and Meta's Quest Pro, spatial computing devices are quickly gaining mainstream popularity.
- Hiring in the IT sector is set to see a growth of 8.5% in the FY25, owing to demand for skilled IT talent in the country, according to data from hiring platform Indeed.



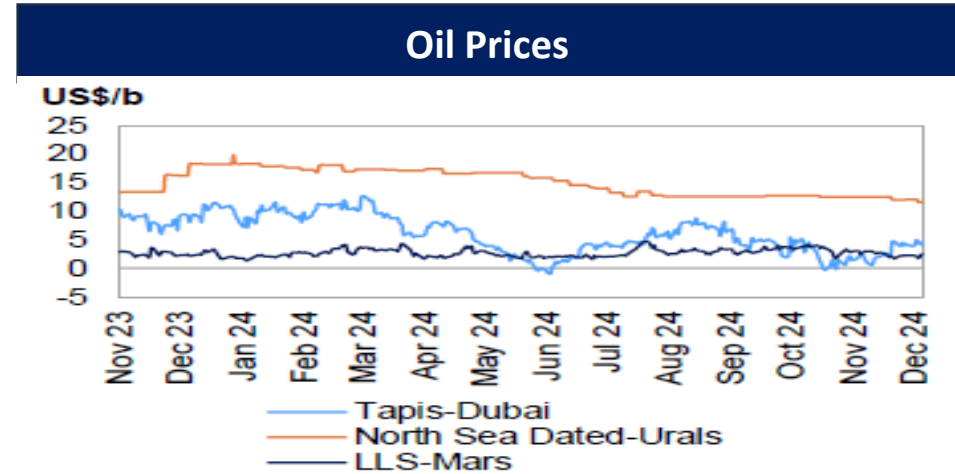
Source: Moneyvesta Capital, NASSCOM

Indian Equity Market- Oil and Gas

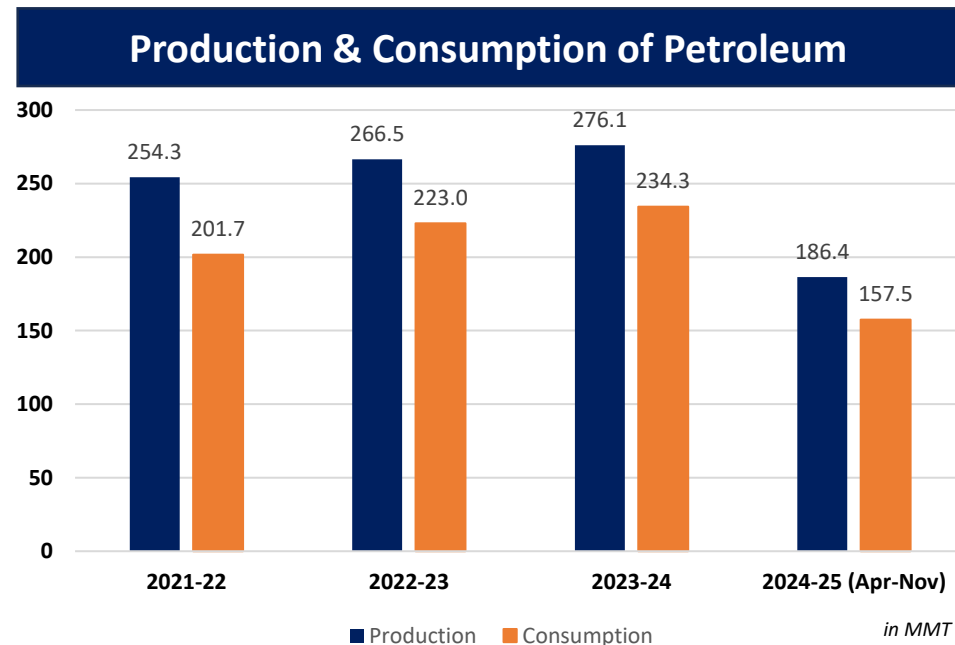
Oil and Gas: Opec+ delay the plan to raise output until April 2025

Current Scenario

- Oil and gas companies struggled in Q2FY25, with 43% earning down that was affected by lower gross refining margins, LPG under recoveries and weaker demand.
- With recent Fed rate cut of another 25 bps in Dec'24 and geopolitical tension, oil prices have been quite volatile.
- Brent crude oil prices averaged \$74.5/bbl. during Nov'24 against \$75.7/bbl. in Oct'24.
- Opec+ agreed to delay plans to raise oil output until April from January 2025 and the group will also add one extra year to fully unwind the cuts by CY2026.
- Total Crude oil processed in Nov'24 was 21.6 MMT, -0.1% as compared to Nov'23.



Source: Argus, OPEC and Platts



Source: Moneyvesta Capital, Ministry of Petroleum and Natural Gas, India

Outlook

- In light of the intensifying conflict in the Middle East, J.P. Morgan Commodities Research forecasts Brent could average \$80/bbl in the Q4 2024.
- Given the low levels of oil inventories, there could be sustained geopolitical premium in crude prices until the conflict is resolved.

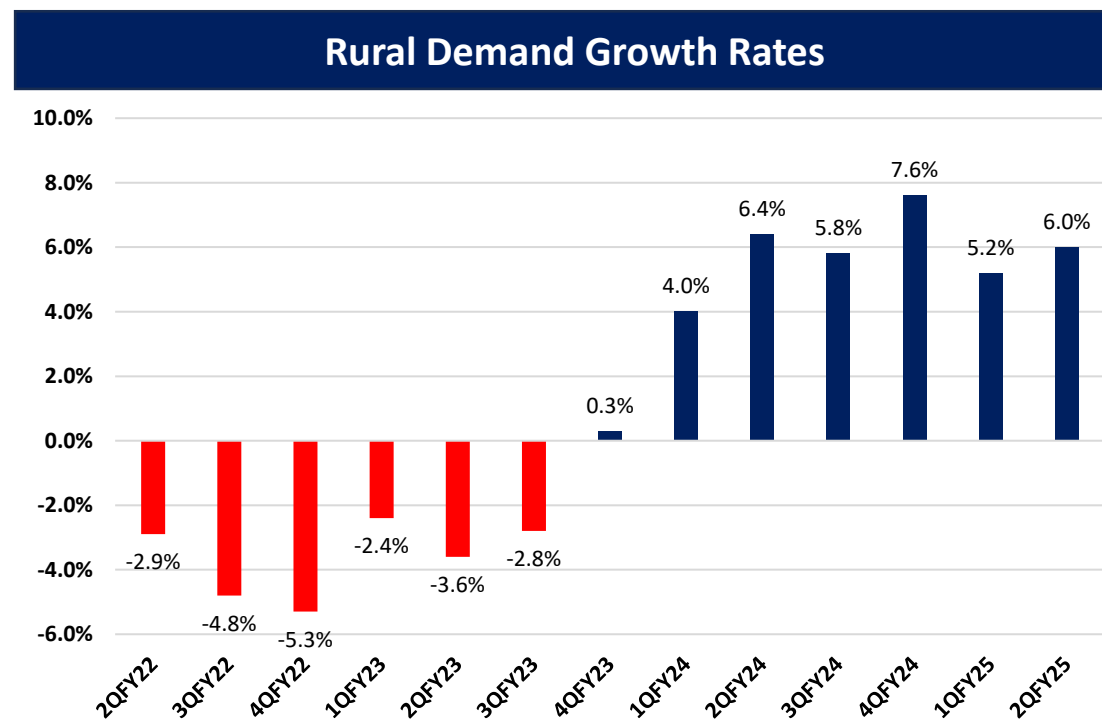
FMCG Industry: Demand remained subdued in Urban Segment in Nov'24

Current Scenario

- Nifty FMCG index fell by -2.1% m/m in the month of Nov'24, as consumption remained subdued.
- India's FMCG grew by +5.7% in value and +4.1% in volume in Q2 FY25, primarily driven by the demand in the rural segment. Rural demand grew at twice the pace of urban demand during the period.
- FMCG companies in India faced subdued demand in Nov'24, driven by a slowdown in urban demand, with management remained hopeful about the recovery in the sector by March.
- Competition has been intense with, retail feeling heat from quick commerce, jewellers from lab grown diamonds, and paint industries battling new competition.
- Despite several headwinds, the sector remains an attractive growth opportunity for medium to long term.

Outlook

- The FMCG industry's value is increasing, up by +6.0%, bolstered by a +6.4% rise in volume.
- To witness a growth rate ranging between +4.5% and +6.5% in CY2024, signifying some deceleration from the robust +9.3% growth experienced in CY2023, but the prospects are positive due to pick in rural demand as per market research firm Nielsen Report.
- India's quick commerce market will grow to \$6.0 billion by CY2025, a significant increase from its negligible level just three years ago.
- With growing demand of 10-minutes delivery, major players coming with Amazon taking the front seat to launch its quick commerce in India.



Source: NielsenIQ, Moneyvesta Capital

Indian Equity Market- Consumer Durables

Consumer Durables: +6.5% m/m growth in Nov'24 due to robust demand in urban and rural market.

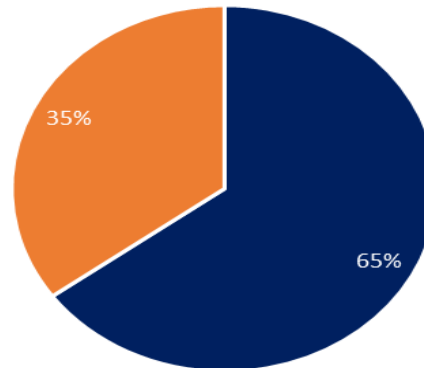
Current Scenario

- Nifty Consumer Durables was up by +2.4% m/m in the month of Nov'24, being the second-best performing index in the month of Nov'24.
- Consumer Durable grew by +6.5% m/m in the month of Nov'24, due to robust demand in urban and rural market.
- In the cables & wires segment, domestic wires growth outpaced cables across the board. Revenue growth of most players was driven by volumes and price increases.

Outlook

- Sales of consumer durables are predicted to rebound by +14.6% in CY2024, after a -9.2% decline last year. The recovery is driven by higher sales of domestic appliances and furniture (up +12.0% and +20.0% respectively).
- The cables and wires segment is poised to grow at 2 times GDP growth in FY24-FY30 due to increased capacities, robust household demand bolstered by capital expenditure in transmission and distribution.
- Personal Care Appliances (Dryers, Trimmers and Straighteners) Market in India to increase to \$1.4 Bn by FY26 from \$435.0 Mn in FY21 at a CAGR of 21%.
- With the demand recovery in rural areas, companies are increasing their distribution with Havells introducing a Rural Vistaar project to expand its reach in rural markets, while Crompton is working on growing its rural reach in FY25.

Market Share in Indian Consumer Durables



■ Rural ■ Urban

Source: Moneyvesta Capital

Indian Equity Market- Banks

Banks: Credit and deposit growth are in tandem for the fortnight ending 29th Nov'24

Current Scenario

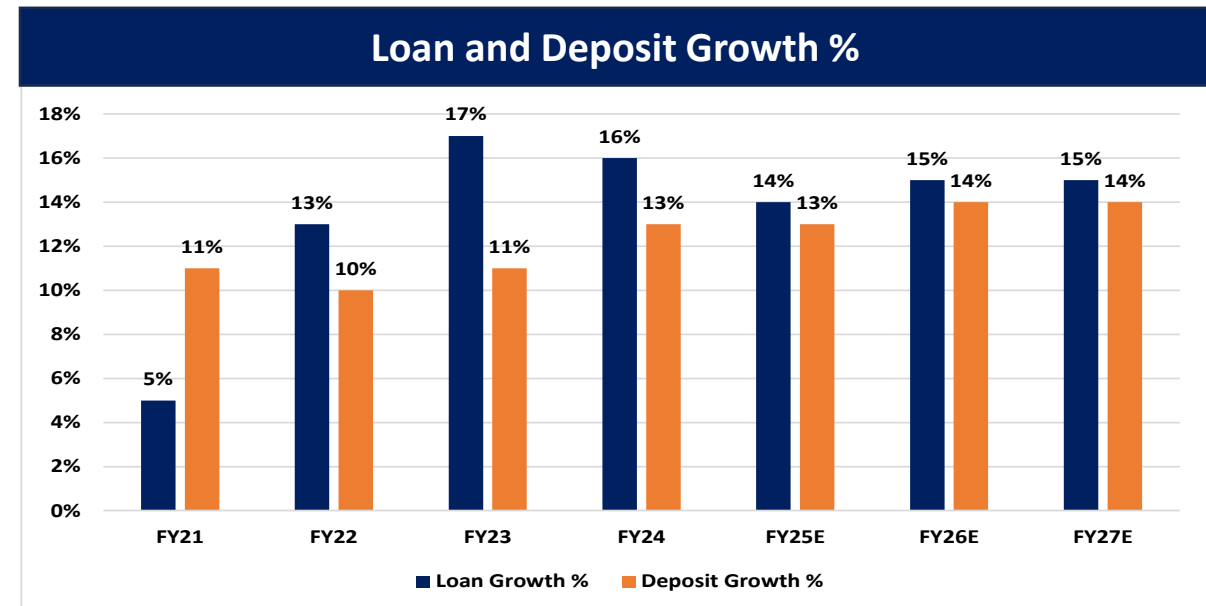
- Credit growth in the fortnight ended 29th November 2024, slowed to 10.6% y/y which was almost in tandem with deposit growth at 10.7% y/y in the same period.
- PSU banks will unveil new products in the next few months to improve credit growth in the banking sector.
- The deposit growth is mainly attributed to two key factors. First with markets became, more volatile in October and November, people have chosen not to risk their hard-earned money in equities, thus more money remained in their bank accounts. Secondly, bank lending has been losing steam with all the regulatory curbs on unsecured lending and also to bank lending to non-banks.
- The slowdown in credit growth is driven by several factors, including the RBI's increase in risk weights on unsecured loans and loans to non-banking financial companies, stress in the unsecured retail segment, and its directive for banks to reduce their high loan-to-deposit ratios.
- Outstanding deposits in the fortnight ending 29th November'24 stood at Rs 220.2 lakh crore, while outstanding credit stood at Rs 175.1 lakh crore.

Loan Growth and Deposit Growth

Over the next three years, Indian banks are expected to continue reaping the benefits of a buoyant economic environment, driven by an uptick in capital expenditure (capex) and rising demand for consumption credit.

While credit growth has been strong, it is projected to moderate to around 15.0%, as banks are likely to adhere to the Reserve Bank of India's (RBI) guidance, aligning credit expansion more closely with the pace of deposit growth.

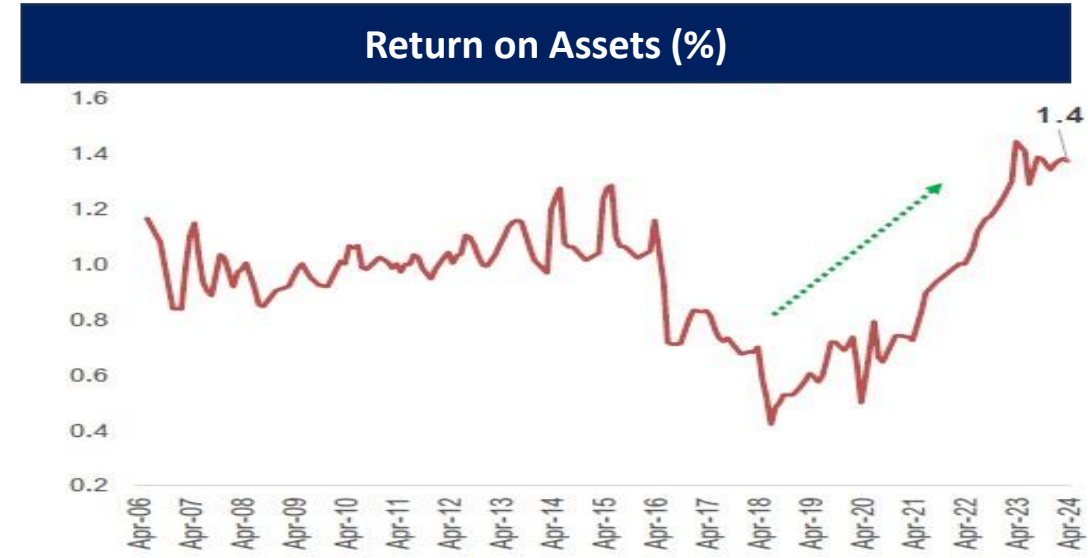
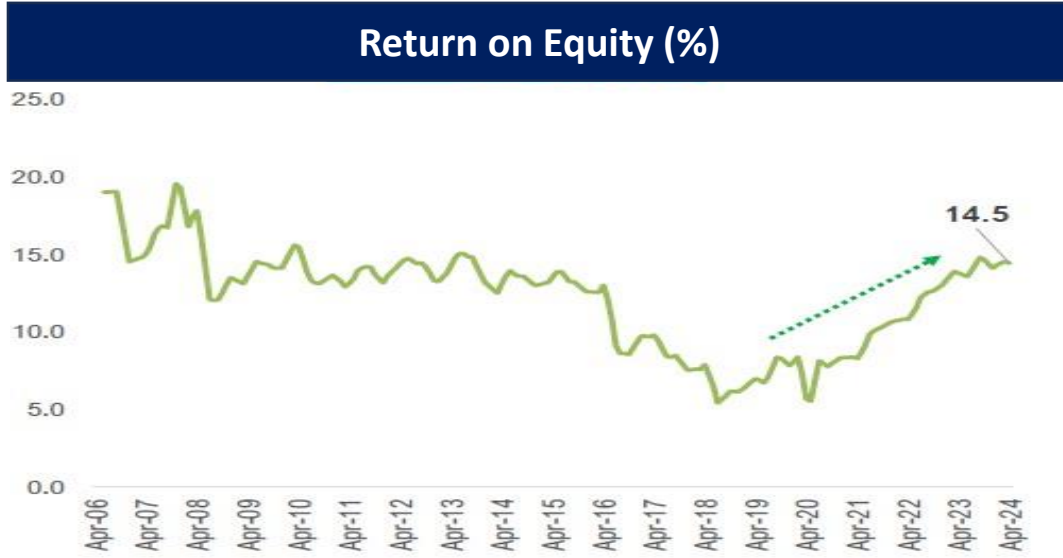
Additionally, improvements in asset quality, stable interest margins, and a robust focus on digital banking initiatives are likely to further strengthen the sector's performance during this period.



Source: Moneyvesta Capital

Indian Equity Market- Banks

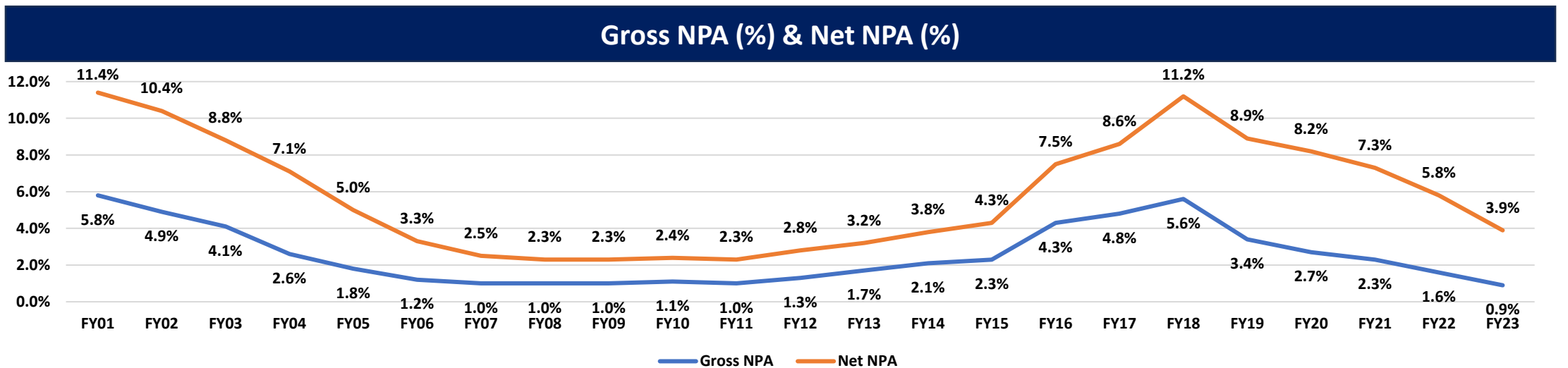
Banks: ROE% & ROA%



Source: DSP Mutual Fund

Source: DSP Mutual Fund

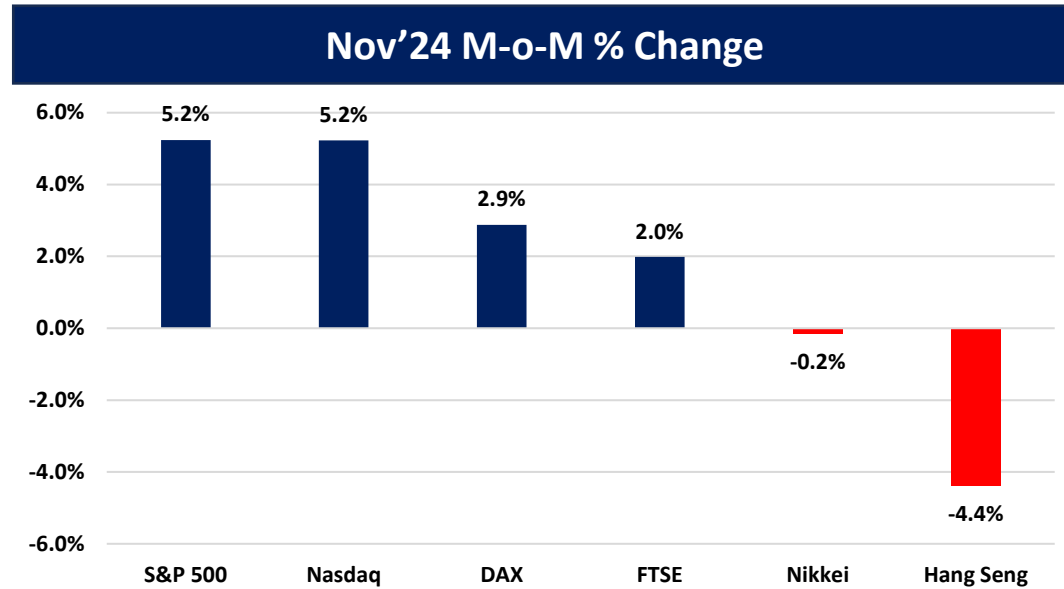
Gross NPA (%) & Net NPA (%)



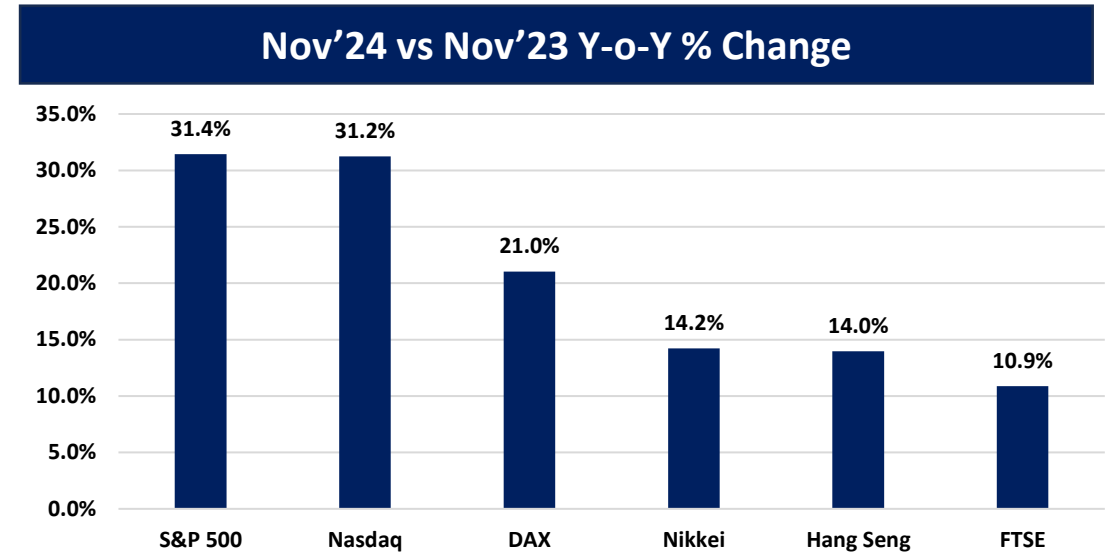
Source: Moneyvesta Capital

Global Equity Market

U.S. Markets Rally +5.2% in November 2024 Following Trump Election Victory



Source: Moneyvesta Capital



Source: Moneyvesta Capital

Equities:

- The Hang Seng Index tumbled -4.4% m/m in November 2024. China's capital markets outflow reached a record high of \$45.7 billion in November, according to official data tracking cross-border payments, as Donald Trump's U.S. presidential election win reignited fears of renewed U.S.-China trade tensions. Investors were particularly concerned about the potential reintroduction of tariffs and stricter trade policies, leading to heightened market volatility.
- The Nasdaq and S&P 500 indices rising by +5.2% in November 2024 reflects a positive market reaction, potentially influenced by the certainty and optimism following Donald Trump's election win.

Global Trend:

- The Bank of Japan (BoJ) unanimously maintained its benchmark interest rate at 0.25% during its December meeting, leaving it at the highest level since 2008.
- Donald Trump focus on corporate tax cuts may bolster U.S. business investment.

Government Bond Yields Fall in November on Fed Cut and Weak Growth Data

Particulars	October'2024	November'2024	27 th December'2024	Nov'2024 Change m/m	27 Dec'2024 Change MTD%
10 Year Benchmark G-Sec Yield (%)	6.84%	6.74%	6.90%	-10 bps	+16 bps
Repo Rate	6.50%	6.50%	6.50%	-	-
USD/INR	84.08	84.49	85.49	Rupee depreciated 0.5%	Rupee depreciated 1.2%

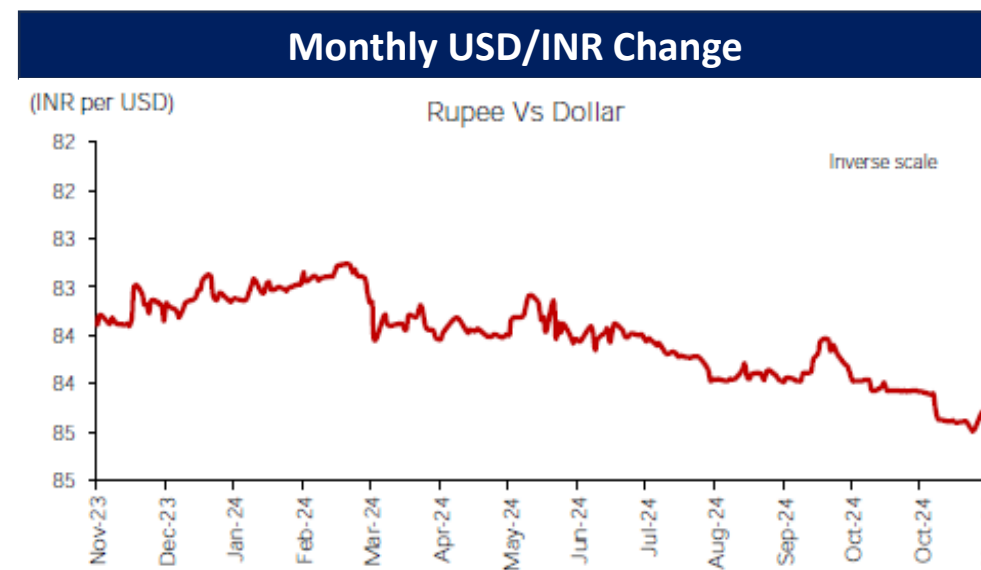
Source: HSBC Mutual Fund, Moneyvesta

1) Indian government bond yields fell in November'24. The yield ended at 6.74% on 29th November 2024, as against 6.84% on 31st October 2024. Early on during the month, Indian government bond yields declined, tracking a fall in the US Treasury yields, because of US Fed rate cut in its November meeting. Further fall in the bond yield was witnessed after the government data showed that domestic economic growth numbers came in weaker than expected, triggering speculations that RBI may cut rates sooner than expected.

2) On the domestic front, bond prices declined after the RBI Governor's comments on the need to realign inflation with the legally mandated 4% goal on a durable basis dashed expectations of a rate cut in the near future. Higher supply of bonds through weekly debt sales also kept bond prices under pressure.

3) The Indian rupee logged its weakest performance in eight months in November because of massive foreign fund outflows for the second month in a row. This was compounded by a rally in the US dollar and US bond yields following Donald Trump's victory in the US presidential elections. The domestic unit fell to as low as Rs 84.50 to the dollar on 22nd November 2024, before closing the month at Rs 84.49 on 29th November 2024.

4) The dollar firmed up considerably in the latter half of the month following strong signals of imminent trade restrictions, including the imposition of heavy tariffs on imports.



Source: HSBC Mutual Fund

Commodity Market

Commodity Market : Gold and Silver Drops in November

Precious Commodity	31 st October'24	29 th November'24	% Change m/m
Gold (INR/10 gms)	79,557	76,740	-3.5%
Silver Future-MCX (INR per kg)	94,631	91,209	-3.6%

Source: India Bullion and Jewellers Association

Gold: Gold prices ended at Rs 76,740 per 10 gram on 29th November 2024 , down 3.5% from Rs 79,557 on 31st October 2024, according to the India Bullion and Jewellers Association.

Prices declined tracking weak global cues after the US Federal Reserve cut interest rates at its November meeting. A strong dollar, following the US election results, further drove down prices of the safe haven.

Commodity	30 th September, 2024 Price USD	September Change % m/m	FYTD25 % Change
Steel (per tonne)	480	2.1%	-5.9%
Aluminium (per tonne)	2,609	7.6%	13.7%
Copper (per tonne)	9,767	6.0%	11.9%
Zinc (per tonne)	3,076	7.5%	28.6%
Lead (per tonne)	2,071	2.2%	5.4%

Source: Industrial Commodities: HDFC Mutual Fund

Crude oil: Crude oil prices on the New York Mercantile Exchange closed at \$68 per barrel on 29th November 2024, down 1.8% from \$69.26 per barrel on 31st October 2024. Weak economic data from the US and China weighed on demand and kept prices under pressure.

Industrial commodity: In Sep'24, industrial commodities experienced a notable increase, largely due to expectations of heightened demand from China following its government's latest stimulus announcements. China, a major consumer of industrial metals and other raw materials, implemented measures aimed at bolstering its economy, which has faced slowdown in growth.

Disclaimers

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