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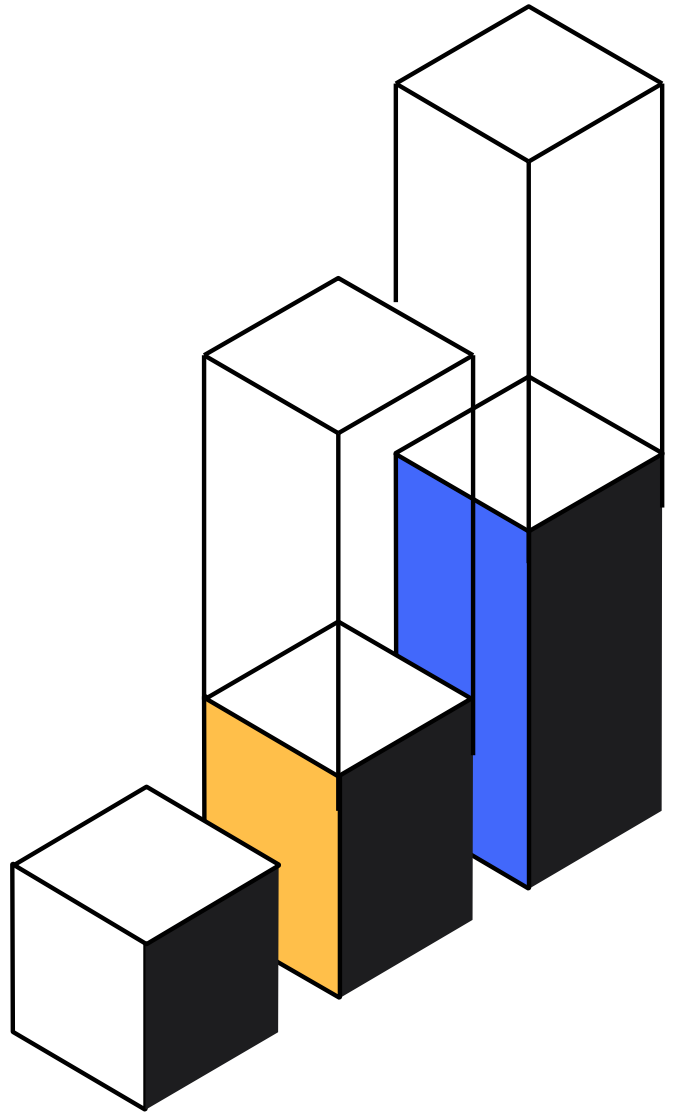
Simplicity is original

December 2023

The Efficient Frontier



Growthfiniti Wealth Pvt Ltd

Domestic Equity Market

Broader indices posted robust gains during the month

	Levels	1M	3M	6M	1Y		CYTD23	CY22	CY21	CY20	CY19
Broad Indices											
Nifty 50	21731	7.9%	10.7%	13.3%	20.9%		20.1%	4.3%	24.1%	14.9%	12.0%
S&P BSE Sensex	72240	7.8%	9.7%	11.6%	18.8%		25.8%	3.0%	30.2%	16.6%	7.7%
S&P BSE Mid Cap	36839	7.5%	13.9%	28.0%	45.7%		45.7%	1.4%	39.2%	19.8%	-3.0%
S&P BSE Small Cap	42674	5.7%	13.6%	30.9%	47.7%		18.8%	4.5%	22.0%	15.7%	14.4%
Nifty 500	19429	8.0%	12.4%	18.3%	25.8%		47.7%	-1.8%	62.8%	32.0%	-6.8%

- ✓ Domestic equity markets rose due to across the board buying by market participants which reflected the high-risk appetite of the investors driven by anticipation of robust domestic economic growth. The weakening of the dollar index and decline in U.S Treasury yields also reinforced optimism among market participants of foreign fund inflow into the domestic capital markets.
- ✓ The likelihood of global interest rate reductions which is expected to commence in the first half of 2024 further contributed to the market upside.
- ✓ Market sentiments were also boosted after the Reserve Bank of India in its monetary policy review kept the key policy repo rate unchanged for the fifth consecutive time and raised the GDP growth forecast for FY24.
- ✓ However, profit booking capped the gains. Domestic equity markets also came under pressure following increase in domestic inflationary pressures. Domestic retail inflation rose 5.55% on a yearly basis in Nov 2023.

Source: NSE, BSE; Data as on Dec 29, 2023

All Sectoral indices delivered strong returns during the month

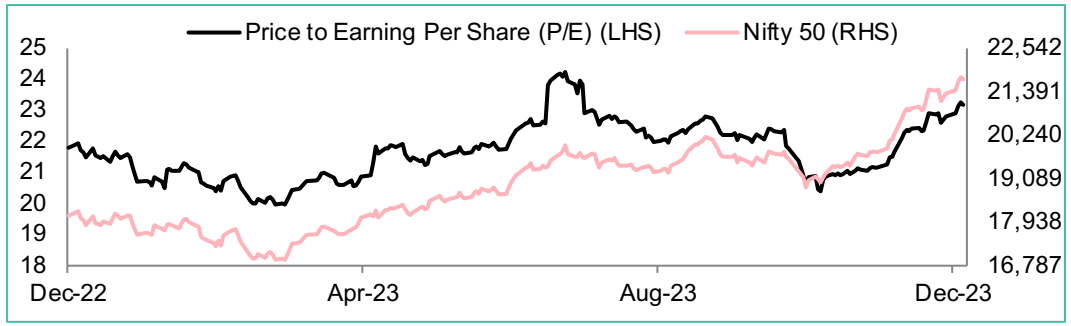
	Levels	1M	3M	6M	1Y	CY23	CY22	CY21	CY20	CY19
Sectoral indices										
S&P BSE Auto	42229	5.4%	15.3%	20.9%	46.2%	46.2%	16.6%	19.2%	12.5%	-11.3%
S&P BSE Bankex	54378	8.1%	8.4%	7.7%	11.2%	11.2%	21.1%	12.6%	-2.1%	20.7%
S&P BSE CD	50000	6.1%	10.2%	16.7%	26.0%	26.0%	-11.3%	47.3%	21.5%	20.9%
S&P BSE CG	55644	11.3%	16.6%	36.6%	67.1%	67.1%	16.0%	53.4%	10.6%	-10.0%
S&P BSE FMCG	20468	6.8%	9.6%	9.5%	27.4%	27.4%	16.7%	9.3%	10.5%	-3.6%
S&P BSE HC	31549	3.9%	10.7%	22.2%	37.1%	37.1%	-12.1%	20.9%	61.2%	-3.5%
S&P BSE IT	36011	8.4%	12.3%	20.5%	25.7%	25.7%	-24.3%	56.1%	56.5%	9.8%
S&P BSE Metal	26991	11.3%	16.3%	31.3%	29.5%	29.5%	8.4%	65.9%	11.2%	-11.9%
S&P BSE Oil & Gas	23021	12.0%	21.0%	26.4%	12.8%	12.8%	16.6%	24.3%	-4.4%	7.2%
S&P BSE Power Index	5819	18.2%	24.9%	45.1%	32.9%	32.9%	25.9%	68.8%	7.0%	-3.6%
S&P BSE PSU	15558	15.3%	23.0%	44.9%	55.5%	55.5%	23.1%	40.8%	-16.8%	-3.9%
S&P BSE Realty	6187	9.4%	34.3%	48.7%	79.8%	79.8%	-10.3%	55.0%	8.6%	26.8%
S&P BSE Teck	15938	7.2%	10.1%	18.7%	18.9%	18.9%	-19.3%	49.7%	43.7%	9.2%

- ✓ On the BSE sectoral front, S&P BSE Power Index rose the most by 18.24% followed by S&P BSE PSU and S&P BSE Oil & Gas which rose 15.34% and 12.02% respectively.
- ✓ S&P BSE Power rose on hopes of strong operational performance on the back healthy power demand due to improvement in economic activities.
- ✓ S&P BSE PSU benefitted on expectations of political stability and policy continuity in the upcoming General Elections of 2024.

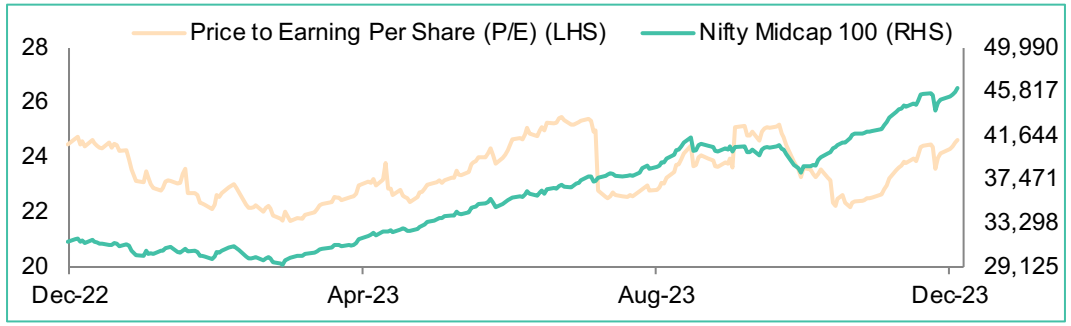
Source: BSE; Data as on Dec 29, 2023

Realty sector delivered best returns in 2023

During the month, S&P BSE Sensex and Nifty 50 rose 1.54% and 2.00% respectively to close at 65,828.41 and 19,638.3 respectively.



S&P BSE Mid-Cap and S&P BSE Small-Cap also went up 7.54% and 5.70% respectively during the month.



Returns of Major NSE Indices

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	CYTD
IT 57.97%	Smallcap 69.57%	Media 10.30%	Metal 45.20%	Realty 110.22%	IT 23.64%	Realty 28.49%	Pharma 60.43%	Metal 69.66%	PSU Bank 70.92%	Realty 81.64%
Pharma 26.51%	PSU Bank 67.07%	Smallcap 10.20%	Auto 10.75%	Smallcap 57.47%	FMCG 13.57%	Finance 25.65%	IT 54.75%	Smallcap 61.94%	Metal 21.83%	Smallcap 48.26%
FMCG 12.18%	Midcap 60.26%	Pharma 9.26%	Midcap 5.41%	Midcap 54.53%	Finance 10.54%	Largecap 10.42%	Smallcap 25.02%	IT 59.58%	FMCG 17.59%	Auto 47.78%
Auto 9.41%	Finance 57.34%	Midcap 8.41%	Finance 4.93%	Metal 48.71%	Largecap 1.13%	IT 8.39%	Midcap 24.31%	Realty 54.26%	Auto 15.36%	Midcap 43.82%
Largecap 6.46%	Auto 56.69%	FMCG 0.33%	PSU Bank 4.11%	Finance 41.56%	Pharma -7.77%	Midcap -0.28%	Metal 16.14%	Midcap 46.81%	Finance 9.55%	Pharma 33.72%
Media 1.50%	Pharma 43.42%	IT -0.03%	Largecap 3.60%	Media 32.80%	Midcap -13.26%	FMCG -1.29%	Largecap 14.82%	PSU Bank 44.37%	Largecap 3.64%	PSU Bank 32.40%
Midcap -3.01%	Largecap 33.17%	Auto -0.32%	FMCG 2.78%	Auto 31.47%	PSU Bank -16.47%	Smallcap -8.27%	FMCG 13.42%	Media 34.56%	Midcap 2.97%	FMCG 29.10%
Finance -7.32%	Media 33.02%	Largecap -2.41%	Smallcap 0.36%	Largecap 31.15%	Metal -19.84%	Pharma -9.34%	Auto 11.43%	Largecap 25.04%	Smallcap -3.66%	IT 24.16%
Smallcap -8.14%	FMCG 18.22%	Finance -5.41%	Media -0.85%	FMCG 29.47%	Auto -22.99%	Auto -10.69%	Realty 5.11%	Auto 18.96%	Media -10.25%	Largecap 20.11%
Metal -14.26%	IT 17.84%	Realty -15.02%	Realty -4.20%	PSU Bank 24.17%	Media -25.80%	Metal -11.20%	Finance 4.46%	Finance 13.96%	Realty -10.84%	Media 19.94%
PSU Bank -30.44%	Realty 10.02%	Metal -31.35%	IT -7.25%	IT 12.21%	Smallcap -26.68%	PSU Bank -18.25%	Media -8.55%	Pharma 10.12%	Pharma -11.46%	Metal 18.72%
Realty -34.38%	Metal 7.02%	PSU Bank -32.91%	Pharma -14.18%	Pharma -6.32%	Realty -32.87%	Media -29.72%	PSU Bank -30.50%	FMCG 9.96%	IT -26.11%	Finance 13.24%

NIFTY IT
NIFTY Metal
NIFTY Realty
NIFTY Auto
NIFTY Pharma
NIFTY Media
NIFTY Finance
NIFTY FMCG
NIFTY PSU Bank
Nifty 100 (Largecap)
Nifty Midcap 150 (Midcap)
Nifty Small cap 250 (Smallcap)

Source: NSE; Data as on Dec 29, 2023

Global Equity Market

Global equity markets mostly rose during the reported month

	Levels	1M	3M	6M	1Y	CY23	CY22	CY21	CY20	CY19
Key Global Equity Indices										
Nasdaq 100 (U.S.)	16826	5.5%	14.3%	10.8%	54.0%	54.0%	-33.0%	26.6%	47.4%	38.0%
FTSE 100 (U.K.)	7733	3.7%	1.6%	2.7%	3.8%	3.8%	0.9%	14.3%	-14.3%	12.1%
DAX (Germany)	16752	3.3%	8.9%	3.7%	20.4%	20.4%	-12.3%	15.8%	3.5%	25.3%
Nikkei 225 (Japan)	33464	-0.1%	5.0%	0.8%	28.3%	28.3%	-9.4%	4.9%	16.0%	18.1%
SSEC (China)	2975	-1.8%	-4.4%	-7.1%	-3.7%	-3.7%	-15.2%	4.8%	13.8%	22.1%

Global Equity Commentary

- ✓ U.S. equity markets rose following the announcement of the U.S. Federal Reserve in its most recent monetary policy on Dec 13, 2023, that interest rates would remain constant, which was in line with market forecasts. Additionally, improvements in the market mood were supported by the U.S. central bank's comments that interest rate reductions would take place in 2024. The positive outlook for the U.S. markets was strengthened after data from the Commerce Department data showing Personal Consumption Expenditures Prices increased by less than previously estimated in the third quarter of 2023.

- ✓ European equity markets rose amid declining worries over higher interest rates following the U.S. Federal Reserve's dovish remarks. The upbeat mood in the European markets was further supported by the fact that private employment growth in the U.S. in Nov 2023 was not as strong as expected, which increased the possibility of a rate cut by the U.S. Federal Reserve in the near term. Gains were extended as investors responded favorably to the monetary policy decisions made by the Bank of England and the European Central Bank, where both the central banks kept interest rates unchanged. However, gains were capped after revised data from the Office for National Statistics showed that the U.K. economy shrank 0.1% in the third quarter because of decline in the service sector.

- ✓ Asian equity markets closed on a mixed note. Sentiments were hit after the GDP of Japan for the third quarter of 2023 was revised downwards. The mixed Chinese trade data added to the losses, with exports rising and imports falling in the month of Nov 2023, indicating a slow and sticky internal demand climate. However, losses were restricted after China's central bank increased the infusion of cash through medium-term policy loans while maintaining the same interest rate. Gains were further enhanced by expectations that major central banks across the world would relax their tightening of monetary policy to spur growth.

Source: Refinitiv; Data as on Dec 29, 2023

FII, MF & DII Flows

Across the board buying in equity led by FIIs during Dec 2023

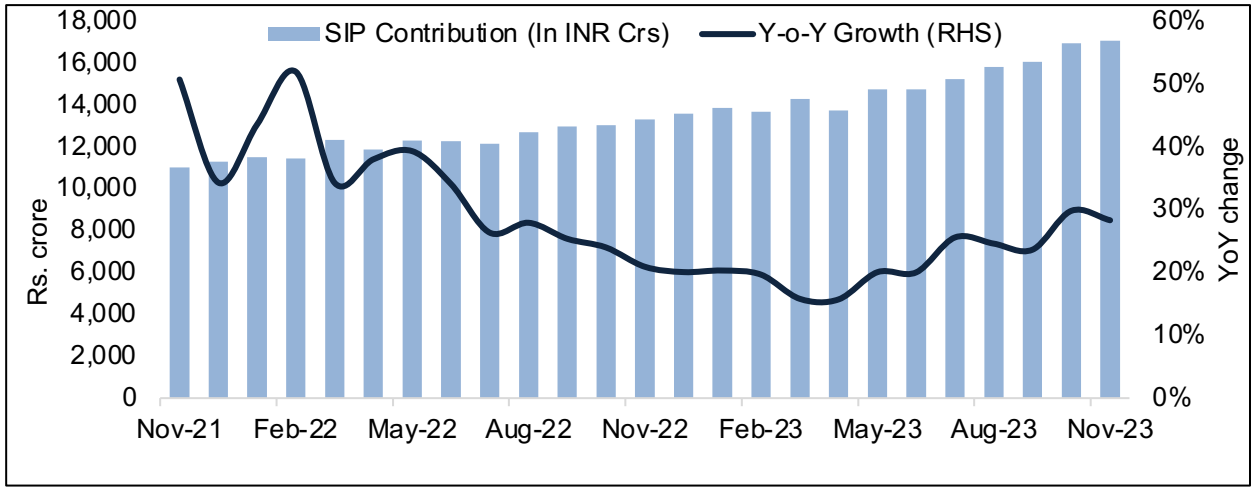
- Foreign portfolio investors (FPIs) were net buyer of domestic stocks worth Rs. 66,134.66 crore in Dec 2023 compared with net buy of Rs. 9000.78 crore in Nov 2023.
- Domestic mutual funds remained net buyer in the equity segment to the tune of Rs. 23,627.69 crore in Dec 2023.
- SIP contribution remained above the INR 16,000 crore mark for the third consecutive time and crossed INR 17,000 crore mark in November 2023. Net flows into equity MFs remained positive in November 2023, led by mid cap and small cap funds.

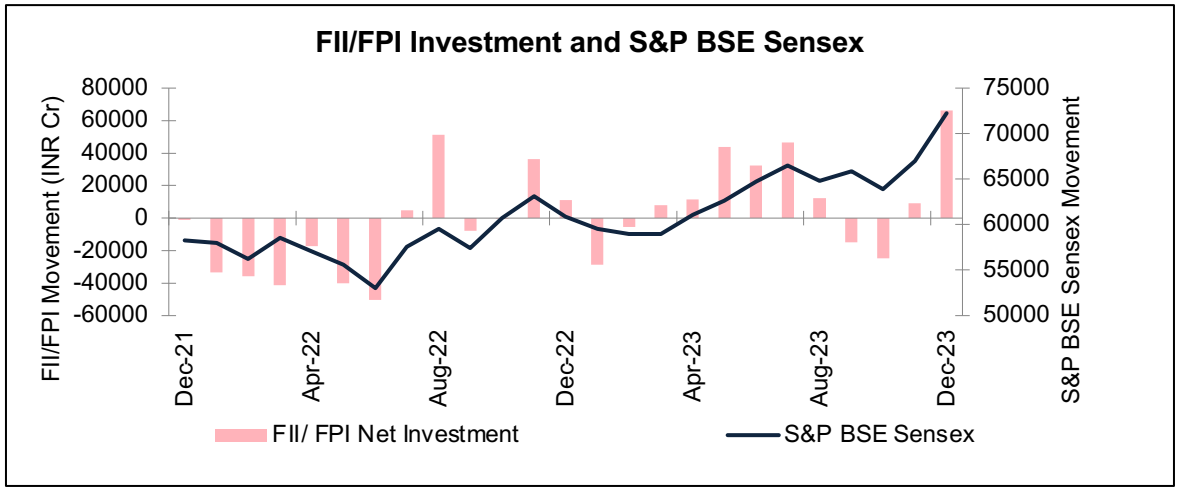
FIIs were net buyers in equity for the second straight month in Dec 2023

Net Equity Flow (INR Crore)	Dec-23	Nov-23	Year to Date
FII Flows	66,135	9,001	171,107
DII Flows	12,942	14,158	184,300
MF Flows	23,628	16,264	172,770

MFs were net sellers in debt for the fifth straight month in Dec 2023

Net Debt Flow (INR Crore)	Dec-23	Nov-23	Year to Date
FII Flows	18302	14,860	68,663
MF Flows	-14,110	-30,843	-97,303



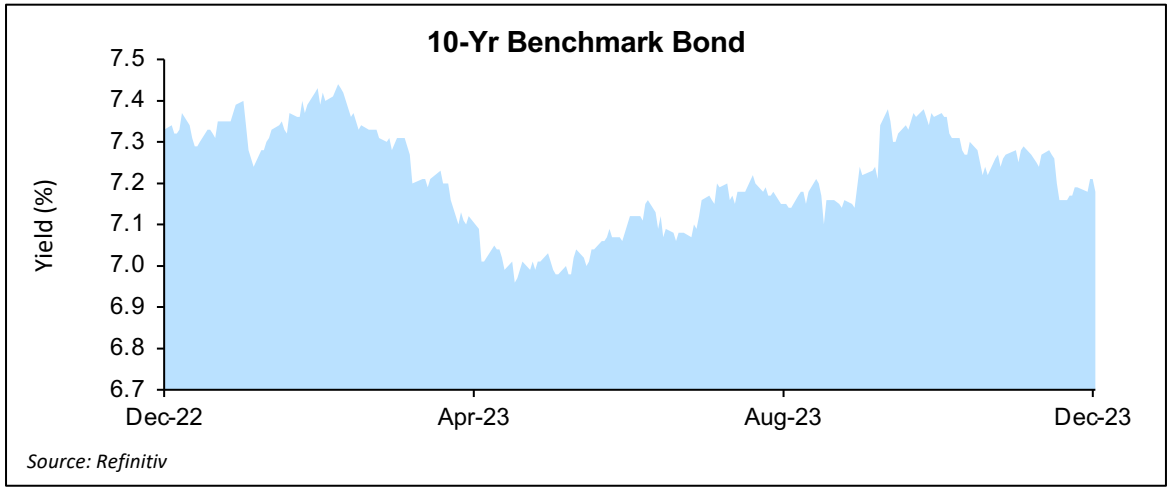


Source: BSE, NSDL, SEBI, AMFI

Fixed Income

Bond yields fell after U.S. Fed dovish commentary

- Bond yields fell during the month majorly tracking decline in the U.S. Treasury yields as U.S. Federal Reserve posted a dovish commentary and projected three rate cuts in 2024. Gains were extended as worries about the central bank draining liquidity were allayed by the RBI's support for the variable rate repo auction.
- Yields further declined as a result of high demand during the last weekly debt sale of Dec 2023. Gains were extended following the reports that the government might cut prices of petrol and diesel. However, overall gains were restricted after domestic retail inflation rose due to higher food prices, which led to concerns that the RBI would not lower interest rates anytime soon.



Source: Refinitiv

Category-wise Fixed Income Returns

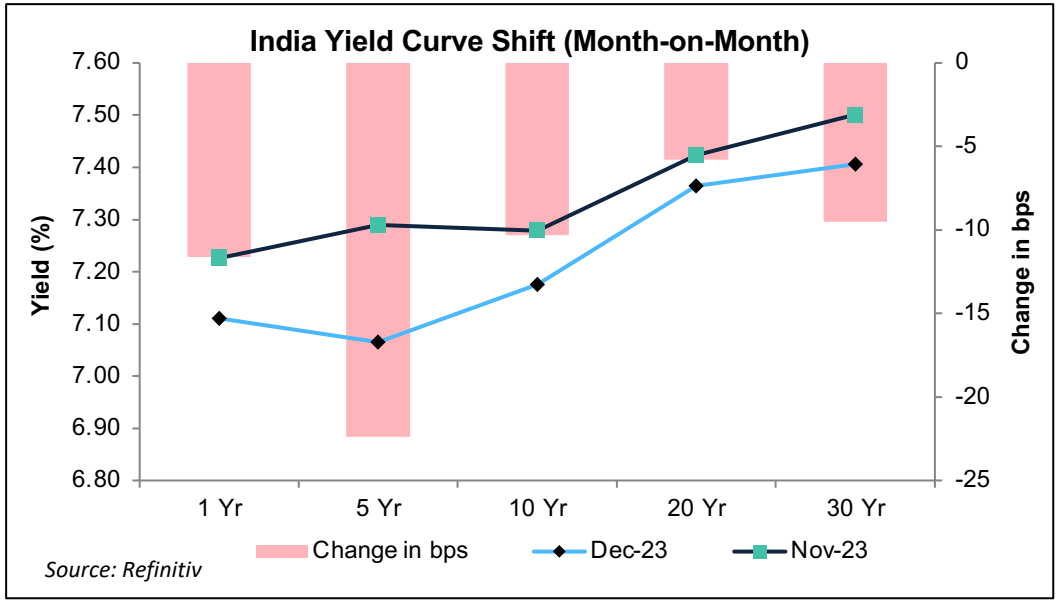
2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	CYTD
UST 9.43%	10 Y GILT 15.28%	LT 8.93%	10 Y GILT 14.24%	UST 6.86%	10 Y GILT 8.00%	LT 12.20%	LT 13.46%	LT 4.22%	UST 5.29%	UST 7.68%
LIQ 9.34%	LT 14.04%	UST 8.59%	LT 13.09%	LIQ 6.57%	UST 7.96%	10 Y GILT 11.34%	10 Y GILT 13.20%	ST 4.07%	LIQ 5.23%	10 Y GILT 7.67%
ST 8.03%	ST 10.47%	ST 8.55%	ST 9.28%	ST 6.35%	LIQ 7.25%	ST 9.15%	ST 10.13%	UST 3.93%	ST 3.75%	LIQ 7.35%
LT 5.11%	UST 9.52%	LIQ 8.30%	UST 8.04%	LT 5.55%	ST 6.65%	UST 7.84%	UST 5.58%	LIQ 3.56%	LT 2.71%	ST 7.22%
10 Y GILT 2.65%	LIQ 9.23%	10 Y GILT 8.17%	LIQ 7.45%	10 Y GILT 3.52%	LT 6.04%	LIQ 6.74%	LIQ 4.43%	10 Y GILT 3.13%	10 Y GILT 2.34%	LT 7.21%

LIQ	Liquid Returns represented by ICRA Liquid Index
ST	Short Term Returns represented by Nifty Short Duration Debt Index
LT	Long Term Returns represented by ICRA Composite Bond Fund Index
UST	Low Duration Returns represented by NIFTY Ultra Short Duration Debt Index
10 Y Gilt	10 Year G-sec Returns represented by ICRA Composite Gilt Index

Source: MFI Explorer

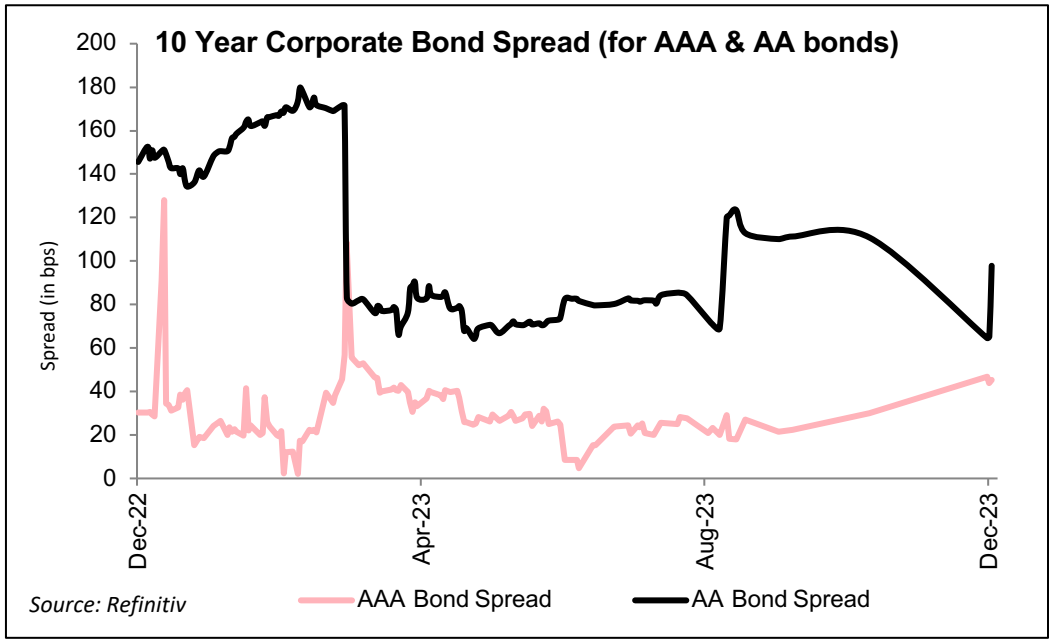
Yield on gilt securities fell across the maturities during the month

- Yield on gilt securities fell in the range of 2 to 23 bps across the maturities. Yield fell the most on 5 year paper and the least on 19 year papers.
- Yield on corporate bonds fell in the range of 4 to 22 bps across the curve barring 10 year paper that was steady while 15 year paper rose 12 bps.
- Difference in spread between corporate bond and gilt securities expanded in the range of 3 to 24 bps across the segments, barring 3, 4 & 6 year papers that contracted 2 or 4 bps while 1 year was steady.



10 Year Corporate Bond Spread (for AAA & AA bonds)

Date	Period	Spread	
		AAA	AA
31-Dec-23	1 Yr	64	97
	3 Yr	47	85
	5 Yr	30	92
30-Nov-23	1 Yr	64	93
	3 Yr	49	87
	5 Yr	27	82



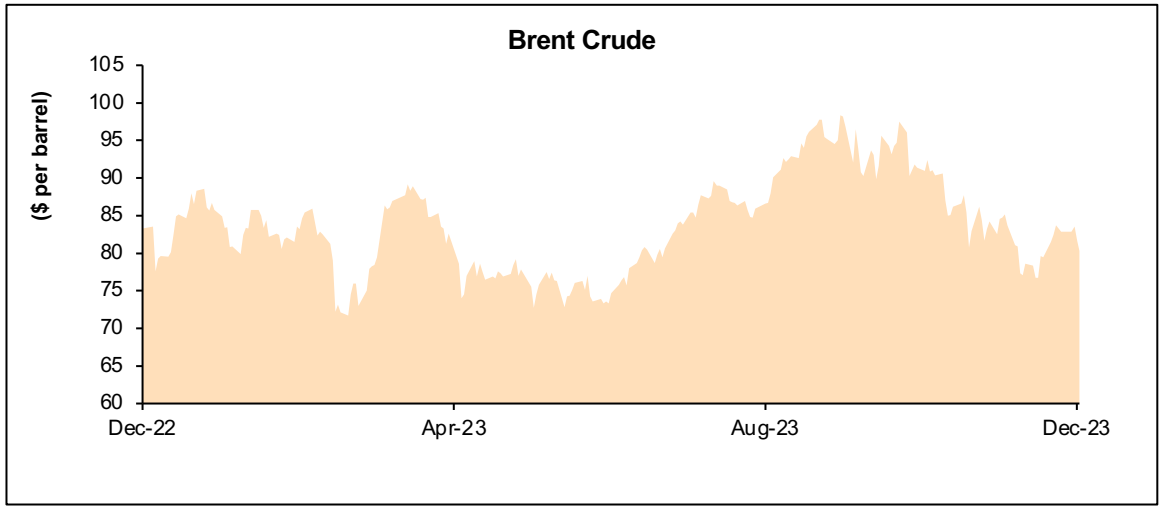
Commodity & Currency

Global oil prices fell, gold prices rose over the month

	Levels	1M	3M	6M	1Y	CYTD23	CY22	CY21	CY20	CY19
Brent Crude	80.3	-5.8%	-17.1%	7.5%	-3.6%	-3.6%	6.0%	54.5%	-26.2%	36.5%
Gold	2,062.6	1.3%	11.6%	7.5%	13.1%	13.1%	-0.2%	-3.8%	25.0%	18.3%
Dollar index	101.3	-2.1%	-4.6%	-1.5%	-2.1%	-2.1%	7.9%	6.7%	-6.7%	0.2%

Commodity Market - Brent Crude

- Brent Crude oil prices fell as investors started to worry about the unexpectedly high increase in gasoline stocks in the U.S. Further, worries that the market is oversupplied from record production outside OPEC and concerns over an economic slowdown in China added to the losses.
- However, losses were limited on worries that militant attacks on shipping in the Red Sea would disrupt global trade and crude supplies. Prices rose further on expectations that the U.S. Federal Reserve will probably lower interest rates in Mar 2024.



Movement of Major Currencies

Currency	31-Dec-23	Month Ago	Year Ago
INR/USD	83.12	83.35	82.79
INR/GBP	106.11	105.87	99.74
INR/EUR	92.00	91.48	88.15
INR/100 JPY	58.82	56.68	62.45

Currency Market

- Rupee rose against the U.S. dollar following weakness in the greenback demand and decline in treasury yields after the U.S. Federal Reserve's dovish policy rate announcement on 13th Dec 2023.
- Gains in the domestic equity market and decline in global crude oil prices also contributed to the upside.

Source: Refinitiv

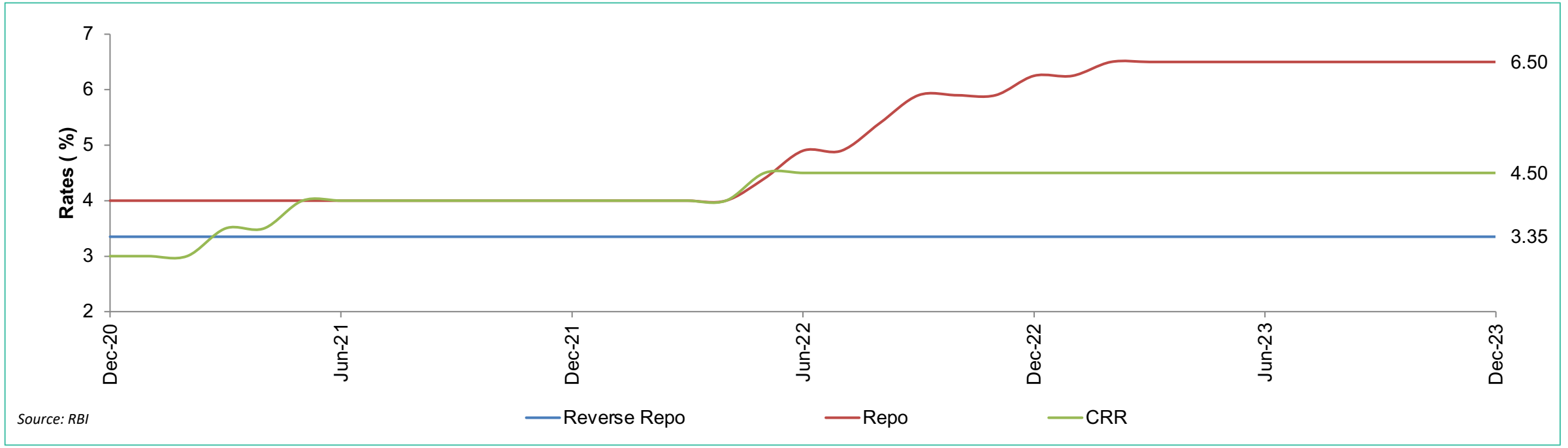
India Macroeconomic Indicators

Current account deficit narrowed to 1.0% of GDP in Q2FY24

Domestic Indicators	As of	Unit	Latest	Last	1 year back
GDP quarterly	Sep-23	yoy (%)	7.60%	7.80%	6.20%
Consumer Inflation	Nov-23	yoy (%)	5.55%	4.87%	5.88%
Wholesale Inflation	Nov-23	yoy (%)	0.26%	-0.52%	6.12%
Manufacturing PMI	Dec-23	Number	54.90	56.00	57.80
Industrial Production	Oct-23	yoy (%)	11.70%	6.20%	-4.00%
Trade Deficit	Nov-23	$USD billion	20.58	31.46	22.06

- Current account deficit (CAD) narrowed to US$ 8.3 billion (1.0% of GDP) in Q2 FY24 from US$ 30.9 billion (3.8% of GDP) in Q2 FY23 and it was also lower than US$ 9.2 billion (1.1% of GDP) in the preceding quarter. The improvement is attributed to a reduced merchandise trade deficit, which contracted to US$ 61.0 billion from US$ 78.3 billion in the same quarter of the previous year.
- Wholesale price index (WPI) based inflation rose to 0.26% in Nov 2023 as compared to -0.52% in Oct 2023, after remaining in negative territory for consecutive seven months. Positive rate of inflation is primarily due to increase in prices of food articles, minerals, machinery & equipment, computer, electronics & optical products, motor vehicles, other transport equipment and other manufacturing.
- The consumer price index-based inflation went up to 5.55% in Nov 2023 YoY compared to 4.87% in Oct 2023, due to an acceleration in the prices of vegetables, pulses and spices. However, the retail inflation remained below the central bank's upper tolerance level for consecutive three months. The consumer food price index climbed to 8.70% in Nov 2023 from 6.61% in Oct 2023.
- Industrial production in India (IIP) increased by 11.7% YoY in Oct 2023, as compared to 6.2% rise in Sep 2023. Production in the manufacturing industry increased by 10.4%, mining by 13.1% and in electricity by 20.4%.

RBI Maintained Status Quo

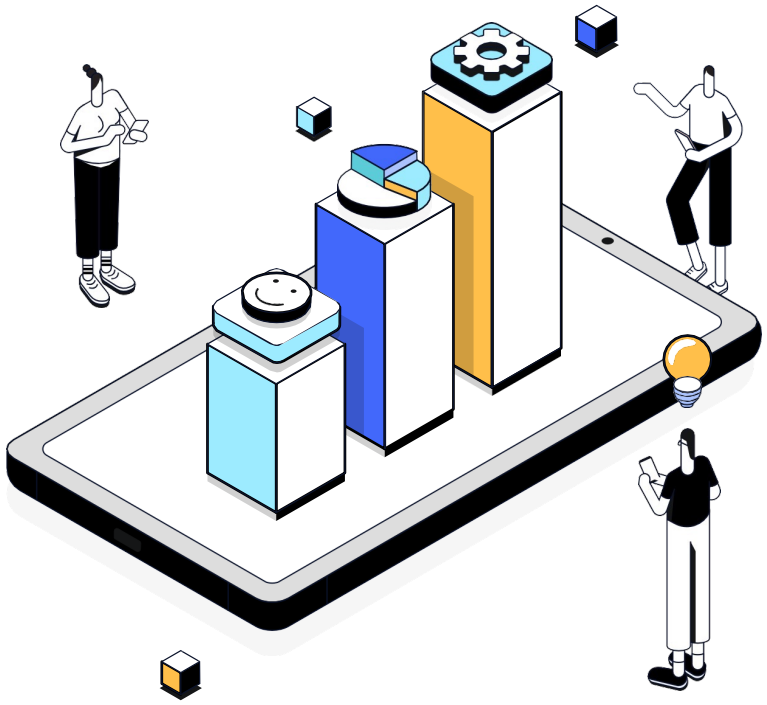


Source: RBI

Events for January 2024

Events	Date
India S&P Global Services PMI - Dec 2023	05-Jan-24
Industrial Production YY - Nov 2023	12-Jan-24
Manufacturing Production YY - Nov 2023	12-Jan-24
CPI Inflation YY - Dec 2023	12-Jan-24

Events	Date
CPI Food Inflation YY - Dec 2023	12-Jan-24
WPI Inflation YY - Dec 2023	15-Jan-24
Infrastructure Output YY - Dec 2023	31-Jan-24
Fiscal Deficit FYTD - Dec 2023	31-Jan-24



Who we are

A knowledge based private wealth services firm built to assist our private clients in preserving and growing their assets over time

Bhavesh Sanghvi

CEO

- CEO- Wealth - Emkay Global Financial Services (2018-2022)
- Executive Vice President & Head - Wealth Management - Aditya Birla Capital (2016- 2018)
- Head Group Business & Direct Marketing - Aditya Birla Capital (2002-
- 2016) Modi Xerox, Xerox-Oman, Canon India, baazee.com (1989-
- 2002)

Alumnus Columbia Business School, NMIMS

Our Core Competency

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