



## 1-Market Highlights:

It was a no sell November for the domestic markets as they had another positive month as they kept moving northward with benchmark indices making new life-time highs. Sentiments remained upbeat in the absence of any negative triggers on the domestic as well as global front. However, in the coming weeks, investors will be keeping a keen eye on the developments on the growing unrest in China, the world's second largest economy, which has resulted in the development of a fresh set of uncertainties in the global economy along with commentary from global banks around the world.

### • Market performance (%)

INDEX	1M	3M	6M	1Y
NIFTY 50	4.1	5.6	12.6	10.5
SENSEX 30	3.9	6.0	12.8	10.6
NIFTY MIDCAP 150	1.9	1.9	14.0	7.8
NIFTY SMALLCAP 250	3.0	3.9	12.4	3.4

Source: Ace Equity

As of 30<sup>th</sup> November'22

### • FII/DII Activity

Overseas investors poured in funds during the month of November on the back of strong macroeconomic fundamentals. While domestic institutions were net sellers.

INR cr.*	1M	3M	6M	1Y
FII	22,546	3,749	-38,905	-2,99,692
DII	-6,301	17,095	67,172	2,82,798

Source: NSE \*FII Cash

As of 30<sup>th</sup> November'22

### • Global Market

Global markets extended their equity rally which started in the second half of October to November. The S&P 500 racked up its second consecutive month of gains as investors became positive that the Federal Reserve would deliver a smaller rate hike in December spurred by some very dovish words from Fed Chair Jerome Powell. Furthermore, the republicans regained control of the House of Representatives in the U.S. midterm elections in November.

(Returns in %)

INDEX	1M	3M	6M	1Y
DOW JONES	5.7	9.8	4.8	0.3
FTSE	6.7	4.0	-0.5	7.3
HANG SENG	26.6	-6.8	-13.2	-20.8
DAX	8.6	12.2	0.1	-4.7
NASDAQ	4.4	-3.0	-5.1	-26.2

Source: Investing.com

As of 30<sup>th</sup> November'22

### • Sectoral Performance

On the sectoral front, we believe that with the announcements of capex in railway sector, which has been back to pre-pandemic levels, the sector looks promising. Indian banking sector is also looking appealing with increased digital and financial inclusion. With aggressive central government capex in the second half, we are optimistic that private capex will also start kicking in. The table shows the top 3 and bottom 3 sector performances in November 2022:

TOP 3 (%)	1M	3M	6M	1Y
S&P BSE PSU Bank	15.6	36.7	55.3	56.3
S&P BSE Metal	11.3	12.9	23.1	26.2
S&P BSE IT	5.8	9.8	2.4	-13.7

BOTTOM 3 (%)	1M	3M	6M	1Y
S&P BSE Power	-3.5	-7.6	11.2	35.9
S&P BSE Consumer Durables	-2.8	-0.5	9.2	-3.7
S&P BSE Auto	-1.1	2.7	14.2	24.8

Source: NSE

As of 30<sup>th</sup> November'22

### • Events to be watched out for

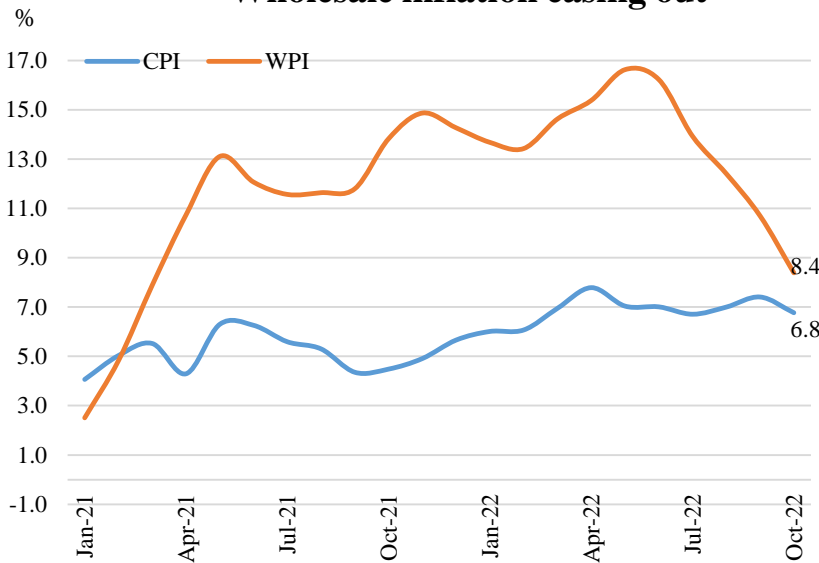
- 1- Inflation** – The headline CPI inflation dropped to a three-month low to 6.8% for Oct'22 from 7.4% in Aug'22, breaching the RBI's upper tolerance limit of 6% for the tenth consecutive month. Surge in prices of food and beverages (led by cereals & products, vegetables, and spices), fuel & light and clothing & footwear led to the spike in both headline and core inflation. WPI on the other hand, has been easing since May 2022 and further declined to 8.4% in October from 10.7% in Sept'22, primarily reflecting the impact of easing crude oil and commodity prices. On the global side, the annual U.S. inflation rate moderated last month in the latest sign that the inflation pressures that have gripped the nation might be easing as the economy slows and consumers grow more cautious.
- 2- US FOMC Meet** – So far this year, the US Fed has raised its benchmark interest rate six times in sizable increments, heightening the risk that prohibitively high borrowing rates for mortgages, auto purchases and other high-cost expenses will tip the world's largest economy into recession. In the last meeting, US central bank monetary policy committee said that they are trying to navigate a "soft landing" for the U.S. economy—that means they are attempting to reduce the rate of inflation to around 2% without triggering a recession. In the next meeting, which is scheduled to



be held on 13-14<sup>th</sup> December, it is estimated to deliver a smaller rate hike of half a percentage point when it gathers for its final meeting of the year. With that decision, it will cap the year off with seven straight increases worth a whopping 4.25 percentage points, moves the Fed made in just nine months — a pace unheard of since its last inflation fight in the 1980s. During the next meeting, the FOMC will also update its long-term U.S. economic growth projections, which include forecasts for gross domestic product (GDP) growth, unemployment rates, interest rates and inflation.

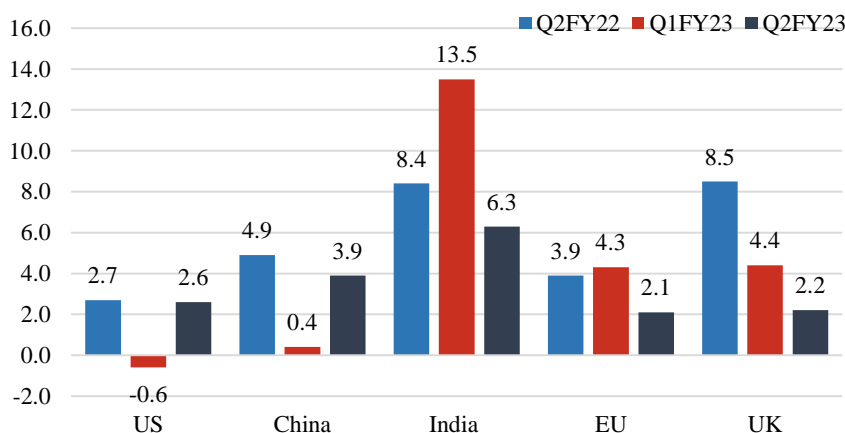
## 2-Major Economic Developments:

### Wholesale inflation easing out



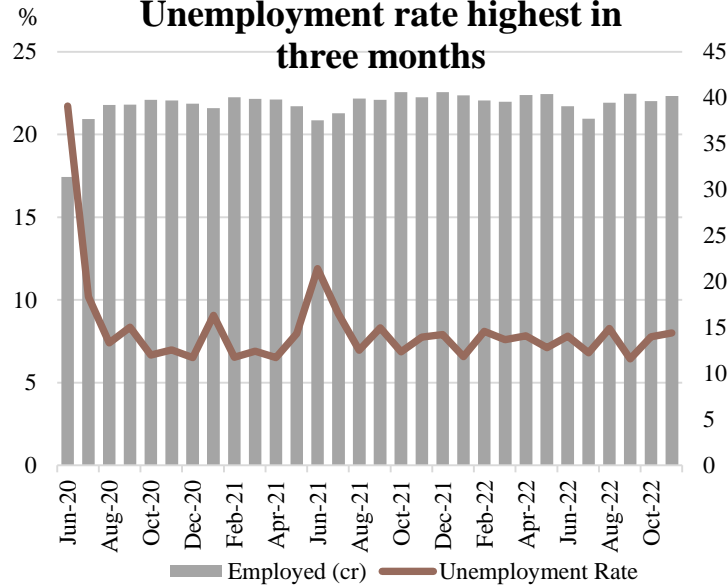
Source: Mospi

### GDP Growth for India continues to be highest



Source: Mospi, ONS UK

### Unemployment rate highest in three months



Source: Investing.com

- During the policy review meeting in December, the RBI's Monetary Policy Committee (MPC) expectedly decided to hike the policy repo rate by another 35 bps to 6.25%, while maintaining focus on withdrawal of accommodation. This has translated into a cumulative hike of 225 bps since May'22. The committee lowered GDP growth forecast for FY23 to 6.8% from 7% earlier. They also said that inflation is expected to be above 4% in the next 12 months
- The gross GST revenue collected in the month of November 2022 stood at ₹1,45,867 crore. Despite the fall in GST collections in November, they have now exceeded Rs 1.40 lakh crore for nine months in a row.
- Indian services firms continued to benefit from accommodative demand conditions in November as the S&P Global India services purchasing managers' index rose to 56.4 in November from 55.1 in October, remaining above the 50-mark separating growth from contraction for a 16th straight month. India's November PMIs for manufacturing and services rank among the highest in the world.
- Indian economy returned to a more normal 6.3% annual growth rate in Q2FY23 after double-digit expansion in the previous quarter. Gross Value Added (GVA) for Q2FY23 slowed to 5.6% as against 12.7% in Q1FY23. Among key sectors, agricultural output rose 4.6% while manufacturing fell 4.3% and the employment-generating construction sector saw a 6.6% annual increase in activity.



### 3-Market Outlook:

1. We believe that the macroeconomic fundamentals of the Indian economy help it to remain resilient. Our financial system is still dependable and secure. Despite challenges from global spillovers, the external sector is nevertheless strong in comparison to peer nations. The urban demand is holding steady coupled with strengthening in rural demand, pick up in manufacturing, rebound services, and strong credit expansion, are some parameters that support our view.
2. We remain optimistic about the market's situation going forward amid robust earnings and solid credit growth. It will be critical to look at the oil prices as developments in China could hurt demand and in turn result in lower prices which could in turn benefit India.
3. We believe that amid bouts of volatility in the near term due to recessionary fears and inflation, investors should focus on asset allocation for optimal results.

### 4-Our Portfolio Management Services:

#### Strategy 1: DREAM

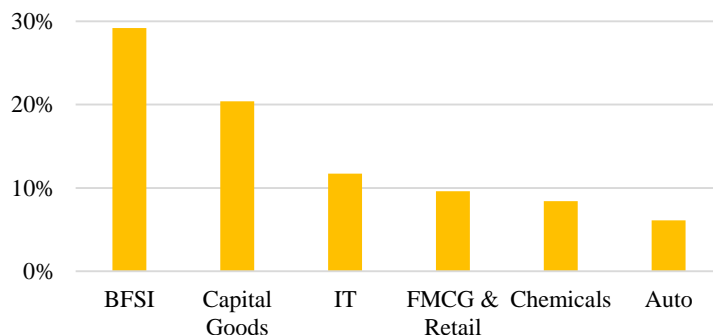
- Investments in equities cash segment with a mix of stable and growth-oriented companies having strong fundamentals.
- Our Multi-cap strategy rests on two pillars- Steady picks for large cap for resilience, stability, and long-term wealth and Growth for Small & Mid-caps for capturing new opportunities & potential multi-baggers.
- In order to minimize concentration risks, we believe in sector diversification. This has also resulted in achieving outstanding results by outperforming the markets by capturing opportunities across the board.
- We make dedicated efforts to find attractively valued firms with sustainable business models to capture new and dynamic opportunities.

#### Performance as on 30th November 2022:

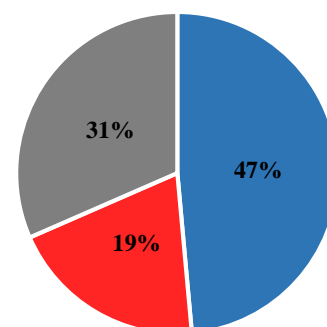
	1Y	2Y	Since inception (CAGR)	Since Inception (Absolute)
HEM PMS	10.1%	25.3%	25.9%	88.0%
Nifty500	8.9%	22.0%	21.6%	71.0%

Inception date: 4th March, 2020

### Sectoral Mix



### Market Capital Diversification



■ Large Cap ■ Mid Cap ■ Small Cap

### Our Top 10 Holdings<sup>#</sup>

State Bank of India Ltd.	Axis Bank Ltd.
Agarwal Industrial Corporation Ltd.	Mold-Tek Packaging Ltd.
ICICI Bank Ltd.	HDFC Bank Ltd.
Share India Securities Ltd.	Bajaj Finance Ltd.
Varun Beverages Ltd.	Larsen & Toubro Ltd.

# As of 30<sup>th</sup> November'22

#### Strategy 2: IRSS

- 1- India's Only SME & Small Cap based PMS launched in February 2022.
- 2- We were ranked No. 1 in India in terms of returns in month of August by delivering returns of 19.5%.
- 3- Exclusive selection of potential multibaggers from SME & Small cap space.
- 4- It is a high risk & high return strategy and therefore suitable for investors having high risk appetite.

	3M	6M	Since inception (CAGR)
HEM IRSS	12.6%	43.0%	40.7%
S&P BSE 250 SMALLCAP INDEX	4.3%	13.2%	4.3%



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