



## 1-Market Highlights:

With the start of the year 2024, Indian markets showed resilience amidst the unstable global macroeconomic conditions. Indian markets reached its peak in the month of January and crossed 22000 for the first time. DII, following the past trend continued its spree of buying and bought 26,744 crore in the cash markets. Union Finance minister announced interim budget for FY24-25, With a key focus on infrastructural development, solarization, Defense. Government announced 11.11 lakh crore for infrastructure, 6.2 Lakh crore for defense. Government announced budgeted receipts and expenditure target of 30.8 Lakh crore & 47.66 Lakh crore. Government seek to reduce the fiscal deficit below 4.5% by 2025-26. Fiscal deficit in 2024-25 is estimated to be 5.1% of the GDP. Ministry of defense has been allotted ₹6.2 lakh crores, 4.37% up Y-o-Y. Railways has been allocated ₹2.55 lakh crores, 6.25% up Y-o-Y. ₹ 2.78 lakh crores assigned for Road Transport & Highways up by 2.80%.

### Market performance (%)

INDEX	1M	3M	6M	1Y
NIFTY 50	-0.03%	7.9%	9.9%	25.6%
SENSEX 30	-0.7%	7.1%	7.8%	21.7%
NIFTY MIDCAP 150	4.7%	12.0%	26.5%	56.7%
NIFTY SMALLCAP 250	7.3%	13.7%	32.7%	68.8%

Source: NSE

as of 31th Jan 2024

### FII/DII Activity

FIIs sold ₹35,978 crore worth of shares during the month of January while DII purchased 26,744 crore worth of shares. SIP, a prominent method to invest money in mutual funds, crossed the monthly ₹ 18,000 crore for the first time as people invested a record ₹ 18,839 crore through SIPs in January 2024.

INR cr.*	1M	3M	6M	1Y
FII	-35,978	-116	-76,486	-10,838
DII	26,744	52,406	1,22,841	1,74,814

Source: NSE \*FII Cash

as of 31th Jan 2024

### Global Market

The U.S. Economy added 353,000 jobs in January, nearly doubling expectations of 185,000. Unemployment and labor force participation remained unchanged at 3.7% and 62.5%, respectively.

INDEX	1M	3M	6M	1Y
DOW JONES	1.22%	15.42%	7.29%	11.92%
FTSE	-1.33%	4.22%	-0.89%	-1.82%
HANG SENG	-9.16%	-9.51%	-22.88%	-29.11%
DAX	0.91%	14.13%	2.78%	11.74%
NASDAQ	1.02%	18.00%	5.70%	30.90%

Source: Investing.com

as of 31th Jan 2024

### Sectoral Performance

On the sectoral front, Nifty S&P BSE Infra, S&P BSE Oil & Gas & S&P BSE Energy saw a forward movement in the month of Jan-2024. Strong corporate earnings, increased investment inflows, increased order book & government announcements brought growth in infrastructure space. S&P BSE Oil & Gas moved due to reduced windfall profit taxes on export, rising crude oil prices led the benefits for oil extraction and production companies. Increased focus on energy and government's incentive for rooftop solarization and increasing consumption of energy gave a boost to S&P BSE Energy. The table shows the top 3 and bottom3 sector performances.

TOP 3 (%)	1M	3M	6M	1Y
S&P BSE Infra	18.15%	49.84%	59.58%	94.51%
S&P BSE Oil & Gas	12.57%	42.14%	33.42%	39.92%
S&P BSE Energy	12.18%	36.61%	33.42%	41.51%

Source: BSE

as of 31<sup>st</sup> Jan 2024

BOTTOM 3 (%)	1M	3M	6M	1Y
S&P BSE FMCG	-2.81%	7.42%	4.77%	23.49%
S&P BSE Metal	-0.85%	20.33%	20.65%	26.51%
S&P BSE Cons. Disc.	0.70%	13.64%	17.77%	33.44%

Source: BSE

as of 31th Jan 2024

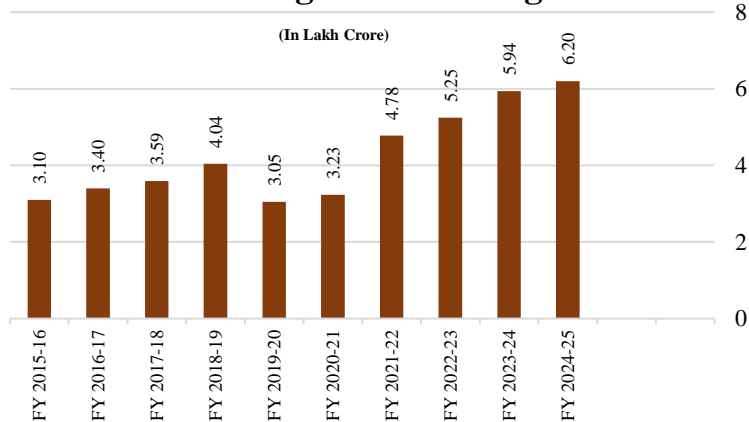
### Important Events

- In its most recent meeting Federal Open Market Committee (FOMC) held rates steady at 5.25% to 5.50% in January 2024. The probability of rate cut in Mar'24 is 36% and 60% chances of rate cut in May'24.
- The Reserve Bank of India's Monetary Policy Committee has decided to keep the policy repo rate unchanged at 6.5%. It is expected that RBI to ease liquidity over the next few months. This is likely to be followed by a change in stance to neutral and repo rate cut of 50 basis points. RBI has raised FY25 GDP growth to 7% and core inflation will average to 4.5%.
- On 22nd of Jan 2024, the inauguration of Ram mandir by the Hon'ble Prime Minister marked one of the most remarkable events of the century. This monumental occasion is expected to draw in a staggering 50 million tourists annually.
- During the inauguration of the second edition of India Energy Week 2024 Prime Minister Narendra Modi announced that India is set to witness an investment of USD 67 billion in the energy sector over the next 5 to 6 years.
- Sectors which outperformed in Q3 FY24 results are: Infra, Pharma, Auto, Steel.



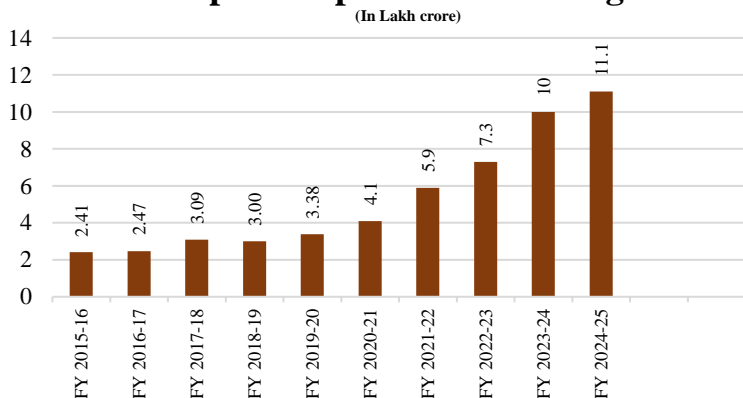
## 2- Economic Developments:

### Increasing Defence Budget



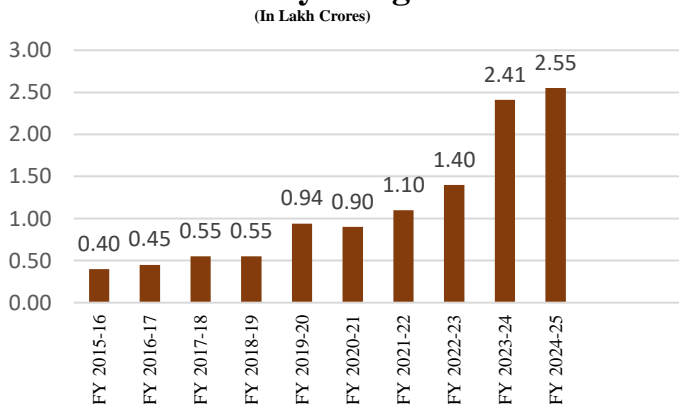
Source: indiabudget.gov.in

### Capital Expenditure in Budget



Source: indiabudget.gov.in

### Railway Budget



Source: indiabudget.gov.in

- The Ministry of Defense has been allocated ₹6.20-lakh crore by the Indian government. This accounts for 13 percent of the overall Budget expenditure. In addition, it represents 13.2 percent of the FY24 Budget and 2.08 percent of the GDP.
- The capital expenditure target for the upcoming fiscal year, commencing on April 1, has been increased by 11.1 percent to ₹11.1 lakh crore. This amount would account for 3.4 percent of the GDP.
- The Union Ministry of Railways has received a significant boost in funding for the financial year 2024-25, with an allocation of ₹2.55 lakh crore. This represents a 5.8% increase from the previous year's allocation of ₹2.41 lakh crore, highlighting the government's emphasis on investing in infrastructure development.

## 3-Market Outlook:

- In January 2024, Nifty 50 and Sensex have demonstrated their resilience by reaching all time high of ₹22,124 and ₹73,428. NASDAQ and DOW have also reached all-time highs, along with a record run up in Japanese markets. We expect India to outperform major developed & emerging markets in 2024 backed by multiple growth drivers.
- This Interim Budget has set the tone for Indian stock market where capital expenditure surged to 11.11 lakh crores. Sectors such as Solar, Energy & Renewables, Defense, Tourism and Infra will receive significant attention in the near future.
- The recent collaboration between NDA and Nitish Kumar in Bihar has instilled a greater sense of assurance among investors for the upcoming national election in May 2024, as it signifies a substantial political stability within the country. India is currently flourishing in the global market and reaping numerous benefits from the China+1 policy, with the ambitious goal of achieving a \$5 trillion economy by 2027.
- Given the aforementioned factors and the consistent political stability, our perspective on the Indian Economy remains positive. We recommend investors to uphold a diversified portfolio that includes a well-balanced exposure to thriving businesses across different sectors and market capitalizations.



## 4-Our Portfolio Management Services:

### Strategy 1: DREAM

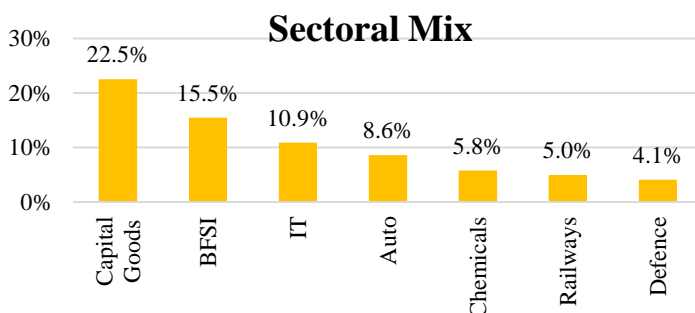
- Investments in equities cash segment with a mix of stable and growth-oriented companies having strong fundamentals.
- Our Multi-cap strategy rests on two pillars- Steady picks for large cap for resilience, stability, and long-term wealth and Growth for Small & Mid-caps for capturing new opportunities & 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 31<sup>st</sup> Jan 2024:

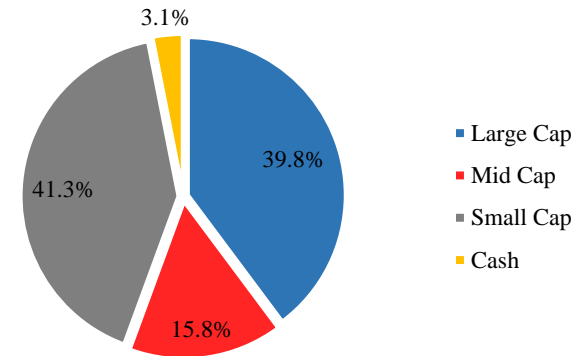
	3M	6M	1Y	3Y	Since inception (CAGR)	Since Inception (Absolute)
HEM PMS	17.47%	21.99%	50.97%	29.89%	29.29%	173.2%
BSE 500	17.66%	15.64%	31.65%	20.33%	21.14%	111.76%

Inception date: 4th March, 2020. Returns presented are not verified by SEBI

### Sectoral Mix as of 31<sup>st</sup> Jan 2024



## Market Capital Diversification



### Our Top 10 Holdings in DREAM

Agarwal Industrial Corporation Ltd.	Tata Motors Ltd.
SBI Ltd.	Titagarh Wagons Ltd.
ICICI Bank Ltd.	Narayana Hrudayalaya Ltd.
HAL	Carysil Ltd
Caplin Point Laboratories Ltd.	HCL Technologies Ltd.

### Strategy 2: IRSS

- Niche SME & Small Cap based PMS launched in February.
- We came No. 1 in India according to PMS Bazaar by delivering 34% returns in FY23.
- Exclusive selection of potential multi baggers from SME & Small cap space.
- It is a high risk & high return strategy and therefore suitable for investors having high risk appetite

### Performance as on 31<sup>st</sup> Jan 2024:

	6M	1Y	Since inception (CAGR)
HEM IRSS	30.26%	41.93%	49.25%
S&P BSE 500	15.64%	31.65%	15.77%

Inception Date: 17<sup>th</sup> Feb 2022. Returns presented are not verified by SEBI. Please read Disclaimer and T&C before investing.



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