



1-Market Highlights:

September was a positive month for the Indian stock market, with most indices registering healthy gains. The Sensex and Nifty 50 showed strong performance, while the Smallcap and Midcap indices also contributed to the market's positive momentum, albeit slower. The large-cap segments were clear winners, driven by optimistic market sentiment and favorable macroeconomic conditions. Moreover, robust performance in the market was driven by strong liquidity inflows from both domestic institutional investors (DIIs) and foreign institutional investors (FIIs). The US Fed slashed interest rates by a half point, an aggressive start to its first easing campaign in four years, lowering the federal funds rate to a range between 4.75%-5%. The ECB reduced its policy rates by 0.25% pts while the Bank of England remained on hold. In the geopolitical sphere, hostilities in the Middle East spread to Lebanon, despite calls by Western nations for a ceasefire. Additionally, rate cuts and the outcome of the US Presidential Election will be keenly watched as they impact markets.

Market performance (%)

INDEX	1M	3M	1Y	FY25
NIFTY 50	2.3%	7.5%	31.4%	15.6%
SENSEX 30	2.4%	6.7%	28.1%	14.5%
NIFTY MIDCAP 150	1.8%	7.1%	47.4%	25.6%
NIFTY SMALLCAP 250	1.3%	7.6%	50.5%	28.5%

Source: NSE

As of 30th September 2024

FII/DII Activity

Foreign portfolio investors were net buyers after a break in August while DIIs continued their buying spree.

INR cr.*	1M	3M	6M	1Y
DII	30,857	1,04,518	2,33,071	3,92,274
FII	12,612	-2,320	-78,189	-1,20,010

Source: NSE *FII Cash

As of 30th September 2024

Global Market

Global stocks to fresh highs yet again, as the major central banks continued to ease their respective policy rates and as China unveiled new stimulus measures. The US Federal Reserve began its easing cycle with a larger-than-expected cut. China's stock market surged by almost a quarter (in US dollar terms), after authorities committed to further monetary and fiscal support towards the end of September. The conflict in the Middle East escalated, despite growing calls to end hostilities. There was also broad-based strength in commodities – gold notched another new high in US dollar terms – though Brent Crude oil continued to soften, falling below the \$70 mark momentarily.

INDEX	1M	3M	6M	1Y
DOW JONES	1.9%	8.2%	6.3%	26.4%
FTSE	-1.7%	0.9%	3.6%	8.3%
HANG SENG	17.5%	19.3%	27.8%	18.7%
DAX	2.2%	6.0%	4.5%	25.6%
NASDAQ	2.7%	2.6%	11.1%	37.6%

Source: Investing.com

As of 30th September 2024

Sectoral Performance

India is currently experiencing a multi-year capital expenditure cycle driven by investments in sectors like power, real estate, renewable energy, data centers, production-linked incentive (PLI) schemes, and export-oriented opportunities. Companies facilitating these investments are expected to reap significant benefits. Furthermore, defensive sector like FMCG could offer safer investment opportunities due to their stable valuations and upcoming festive season benefiting from increased consumer spending, better monsoon, and rural recovery from pandemic disruptions. The table shows the top 3 and bottom 3 sector performances in September 2024:

TOP 3 (%)	1M	3M	6M	1Y
S&P BSE Metal	6.6%	4.0%	18.7%	50.3%
S&P BSE Consumer Durables	6.4%	14.0%	29.5%	48.0%
S&P BSE Power	5.1%	9.1%	26.5%	87.2%

BOTTOM 3 (%)	1M	3M	6M	1Y
S&P BSE Oil & Gas	-3.5%	7.8%	14.5%	69.5%
S&P BSE Infra	-3.2%	7.2%	21.9%	82.8%
S&P BSE IT	-2.6%	12.6%	18.3%	32.4%

Source: BSE

As of 30th September 2024

Important Events

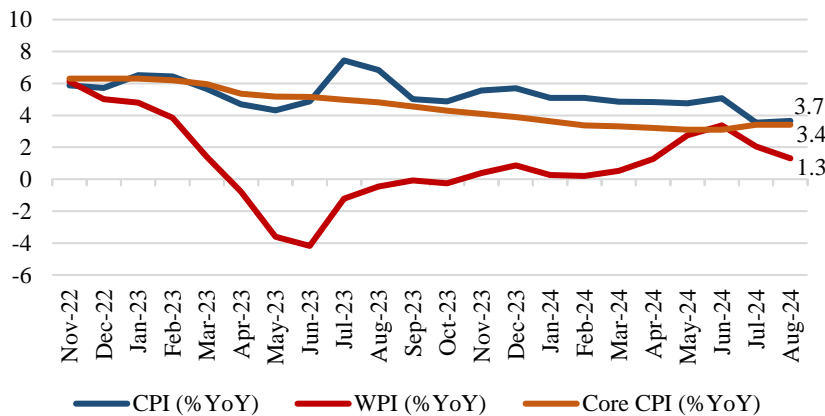
- The ECB slashed policy rates by 25 bps to 3.5%, marking the second rate cut in this calendar year as inflation is at a striking distance from the 2% target while economic growth remains tepid. The focus shifted to the US Fed which chose to lower its key overnight borrowing rate by a half percentage point, or 50 basis points, affirming market expectations that had recently shifted from an outlook for a cut half that size amid signs that inflation was moderating and the labor market was weakening. The US Fed Chair had signaled in his Jackson Hole speech that “the time has come” for the US Fed to adjust its monetary policy. It was the first interest rate cut since the early days of the Covid pandemic. In addition to this reduction, the committee indicated through its “dot plot” the equivalent of 50 more basis points of cuts by the end of the year. The matrix of individual officials’ expectations pointed to another full percentage point in cuts by the end of 2025 and a half point in 2026. In all, the dot plot shows the benchmark rate coming down about 2 percentage points. The next RBI MPC meeting is scheduled to be held from 7-9th October 2024.
- Retail inflation inched up marginally to 3.7% YoY in August led by higher food inflation at 5.3% YoY while core inflation remained steady and benign at 3.4% YoY. Food inflation has declined sequentially while the YoY growth uptick can be attributed to pulses and vegetables. On the other hand, the fuel & light segment continued to be in sustained deflation for the last 12 months. In the following months, the headline number could see a reversal of the high base-effect while



food inflation risks could persist with uneven rainfall distribution. Wholesale inflation moderated to a four-month low of 1.3% YoY led by subdued inflation in the manufacturing index, high base effect in the food index and deflation in the fuel component. The gap between CPI and WPI has widened to a five-month high.

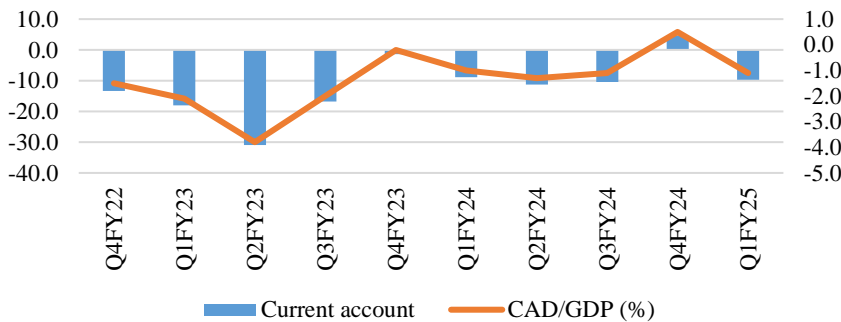
2- Economic Developments:

Inflation maintained within RBI's tolerance band



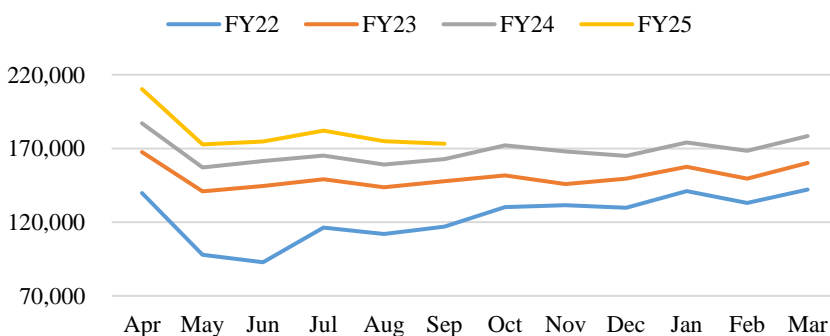
Source: Mospi

Quarterly current account balance



Source: CSO

Trends in GST Collection (Rs. In Crore)



Source: PIB

- a) India's current account deficit slipped back into deficit of US\$ 9.7bn (1.1% of GDP) in Q1FY25 after registering a downwardly revised surplus of US\$ 4.6bn (0.5% of GDP) in the previous quarter. This is primarily on the back of widening of merchandise trade deficit (+25.2% QoQ) and lower net service receipts (four-quarter low). The surplus in capital account nearly halved to US\$14.4 bn, thanks to lower banking capital inflows and foreign portfolio outflows from Indian equities, weighed down by geopolitical tensions and election-led uncertainty. This was partly offset by recovery in foreign direct investment (FDI), that rose to an eight-quarter high of US\$ 6.3bn.
- b) Merchandise trade deficit widened to a 10-month high of US\$29.6 bn in August'24, (+23.5% YoY) led by export contraction of 9.3% YoY and imports surging to a 26-month high of US\$ 64.4 bn (3.3% YoY). Gold imports have almost tripled sequentially to US\$ 10bn, primarily led by reduction in customs duty and higher demand amidst ongoing festive season. Oil trade deficit contracted to a three-year low of US\$ 5bn led by a sharp 32.4% YoY decline in imports, supported by benign crude oil prices while oil exports have also fallen by 37.6% YoY, led by the ongoing Red Sea crisis.
- c) The eight core industries' output declined 1.8 per cent in August 2024, weighed down by an adverse base effect. This is the first instance of contraction in output at an aggregate level since February 2021 and after a gap of 41 months. In July this year, core industries had recorded 6.1 per cent growth and in August last year, the aggregate output growth was 13.4 per cent. Six of the eight main industries were in negative territory during the month under review. Fertilizers and steel were the sectors that experienced positive growth.

3-Market Outlook:

1. With the global economy struggling, Indian markets are still standing strong. However, the ongoing conflict between Israel and Iran could have significant repercussions for the Indian economy and stock markets in terms of higher crude oil prices inching up inflation, increased freight costs, etc. Investors should focus on sectors demonstrating resilience and growth potential while remaining cautious about those facing structural challenges.



2. A healthy monsoon will likely support a resurgence of rural demand, maintained urban demand ahead of the festive season, and increased government investment through various schemes will likely help the economy grow steadily. Additionally, a stable rebound in the private capex cycle is made possible by improved capacity utilization and strong corporate and bank balance sheets, all of which are reflected in the robust expansion of credit. Headwinds from geopolitical tensions and its related impact on inflation and rural incomes, and volatility in international commodity prices could pose risks to the growth outlook.
3. We advise sticking to a selective strategy in the large-mid-small cap companies that are sound fundamentals and are available at attractive valuations. Furthermore, investors should cut down their losers in the hopes of a recovery and add their winners in times of correction.

4-Our Portfolio Management Services:

Strategy 1: DREAM

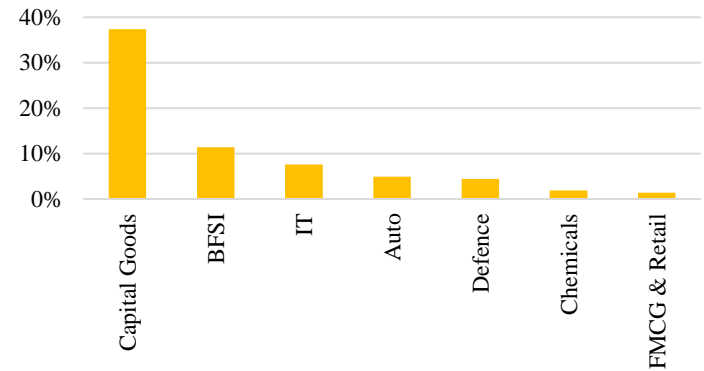
- Investments in equities cash segment with a mix of stable and growth-oriented companies having strong fundamentals.
- Our Multi-cap strategy rests on two pillars- Steady picks for large cap for resilience, stability, and long-term wealth and Growth for Small & Mid-caps for capturing new opportunities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

Performance as on 30th September 2024:

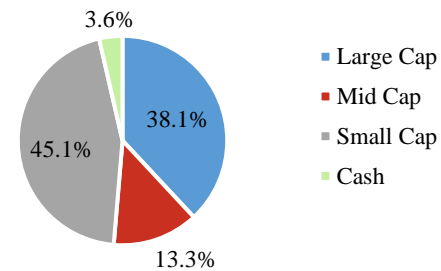
	1Y	2Y	3Y	Since inception (CAGR)	Since Inception (Absolute)
HEM PMS	43.49%	38.14%	26.15%	30.79%	241.73%
S&P BSE 500	39.48%	27.14%	16.88%	23.06%	158.56%

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

Sectoral Mix



Market Capital Diversification



Our Top 10 Holdings in DREAM

PG Electroplast Ltd.	KEI Industries Ltd.
Agarwal Industrial Corporation Ltd.	Titagarh Wagons Ltd.
Gravita India Ltd.	Goodluck India Ltd.
Hindustan Aeronautics Ltd.	Anant Raj Ltd.
ICICI Bank Ltd.	InterGlobe Aviation Ltd.

Strategy 2: IRSS

- 1- Niche SME & Small Cap based PMS launched in February 2022.
- 2- We came No. 1 in India according to PMS Bazaar in June 2024.
- 3- Exclusive selection of potential multi baggers from SME & Small cap space.
- 4- It is a high risk & high return strategy and therefore suitable for investors having high risk appetite

Performance as on 30th September 2024:

	1Y	2Y	Since inception (CAGR)	Since inception (Absolute)
HEM IRSS	52.66%	50.42%	49.45%	186.44%
S&P BSE 500	39.48%	27.14%	20.39%	62.59%

Inception Date: 18th Feb 2022. Returns presented are not verified by SEBI. Please read Disclaimer and T&C before investing.



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