



BlackCrescent Partners

Capital Management

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MONTHLY MARKET ROUNDUP

In December 2020, domestic market yet again made an all-time high with benchmark Sensex and Nifty Index ending the month up by 8.16% and 7.81% respectively as compared to appreciation of 11.05% and 11.14% respectively in November 2020. Market participants around the world were inspired by the success in the production of coronavirus vaccines. The wide market has recently started to perform better, including Mid & Small caps, which can continue in the short term.

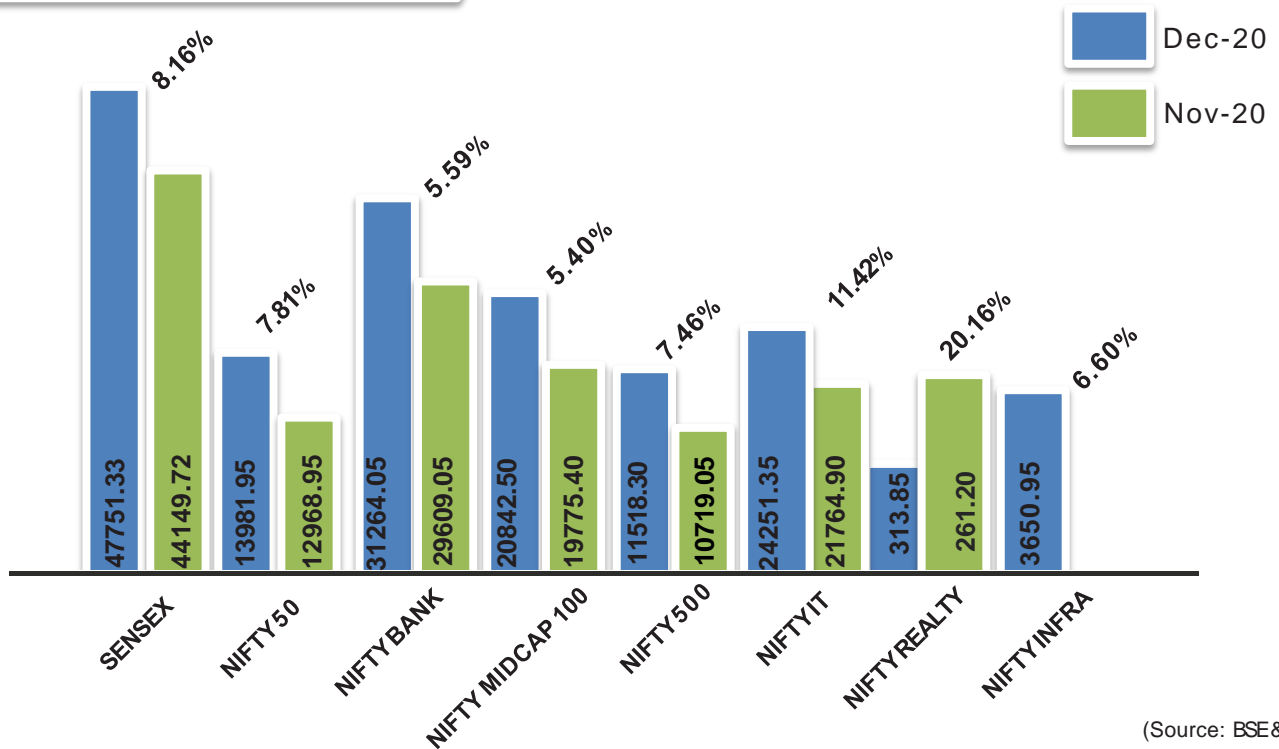
FPIs had furiously sold equity at the net tune of Rs 65,817 crore back in March 2020, which happened to be at the extreme bottom of the industry. We could see FPIs pumping over Rs 58,000 crore in December 2020, approaching its all-time high, making India, after Japan and Korea, the third most favoured investment destination in Asia.

Rupee appreciated in December 2020 by 0.4% to Rs. 73.34/ US \$ as compared to Rs. 73.57/ US \$ in November 2020, tracked by strong domestic equities and sustained foreign funds inflow.

On the sectoral front, Nifty Realty index has outperformed all other major indices with a strong gain of 16.28% followed by Nifty Consumer Durables at 12.05% gain and Nifty Metal at 9.43% gain. All the sectors have seen growth this month and have performed very well supporting the high level of Nifty and in acceleration to the high level of liquidity in the market. Nifty IT and Nifty PSU Banks also showed a very strong gain with an upward movement of 9.38% and 9.32% respectively. Comparatively, Nifty Pharma, Nifty FMCG, Nifty Media, Nifty Bank and Nifty Financial Services showed an average performance with an upward movement of 7.23%, 7.80%, 7.71%, 4.85% and 5.96% respectively. Other sectors such as Nifty MNC, Nifty Auto and Nifty Oil & Gas showed a significant gain of 4.61%, 2.30% and 3.89% respectively.

MONTHLY INDICES PERFORMANCE

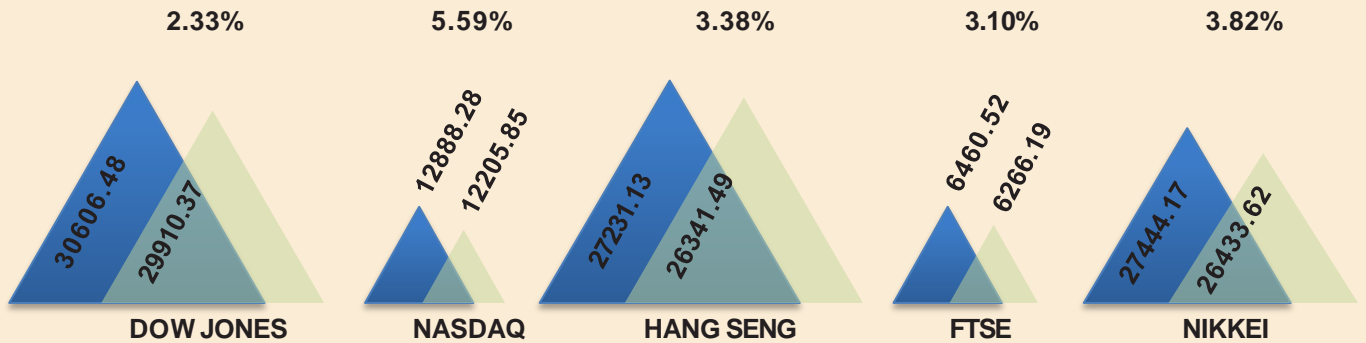
INDIAN INDICES



MONTHLY INDICES PERFORMANCE

GLOBAL INDICES

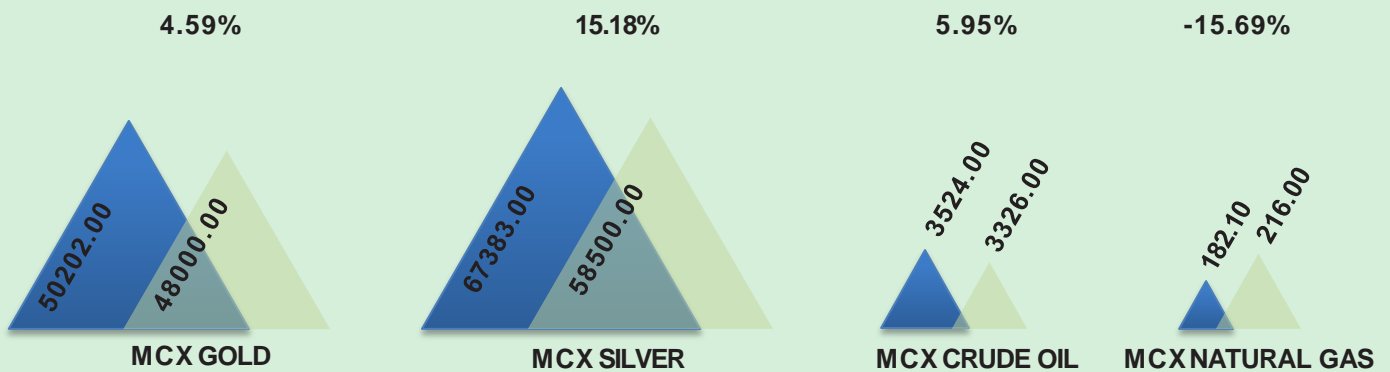
Dec-20 Nov-20



(Source: CNN)

Dec-20 Nov-20

COMMODITIES



(Source: Falcon)

MONTHLY INDICES PERFORMANCE

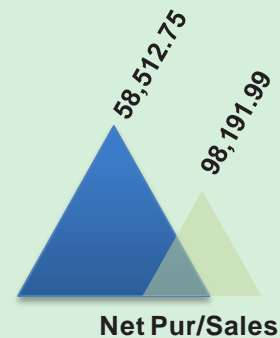
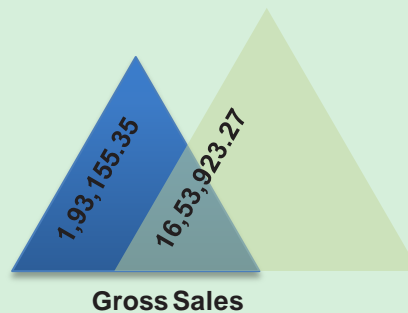
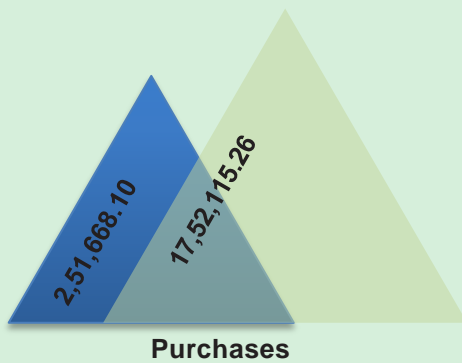
FII Activity (Rs cr)



Total for Dec 2020



Total for 2020*



*Till Dec 2020

(Source: SEBI)

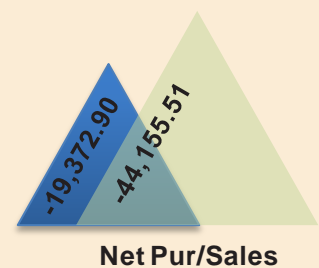
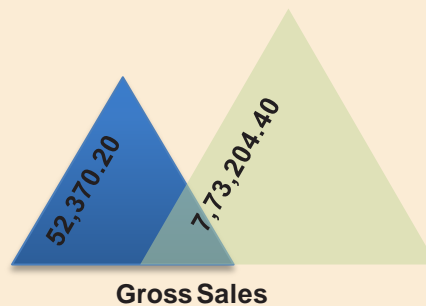
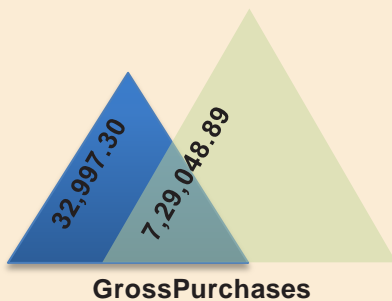


Total for Dec 2020



Total for 2020*

MF Activity (Rs cr)



*Till Dec 2020

(Source: SEBI)

LESSER KNOWN FEATURE OF CHILD INSURANCE PLAN THAT EVERY PARENT NEEDS TO KNOW

We both are working, and our priority is to save for our children”.

This is something most parents are concerned in today’s world. With this objective in mind, they start saving for their child among several products such as mutual funds, real estate or bank deposits. But is the approach fool-proof enough to meet children needs when the child actually requires the funds? Let’s see and find out if there’s an alternative.

No other investment avenue guarantees that the required sum of money is available for the child at a particular age. Various instruments like public provident fund (PPF), mutual funds, shares, gold and real estate are self-funded in nature.

One needs to be alive to make money grow through these instruments.

For example, one needs to accumulate a certain sum, say, Rs 20 lakh for a child aged 1 year when he/she reaches 21 years of age. Through mutual funds, at a conservative rate of 12 per cent, the parent will have to invest Rs 25,000 per annum.

However, to accumulate such an amount, one needs to remain alive through the time period. An untimely death can jeopardise this objective.

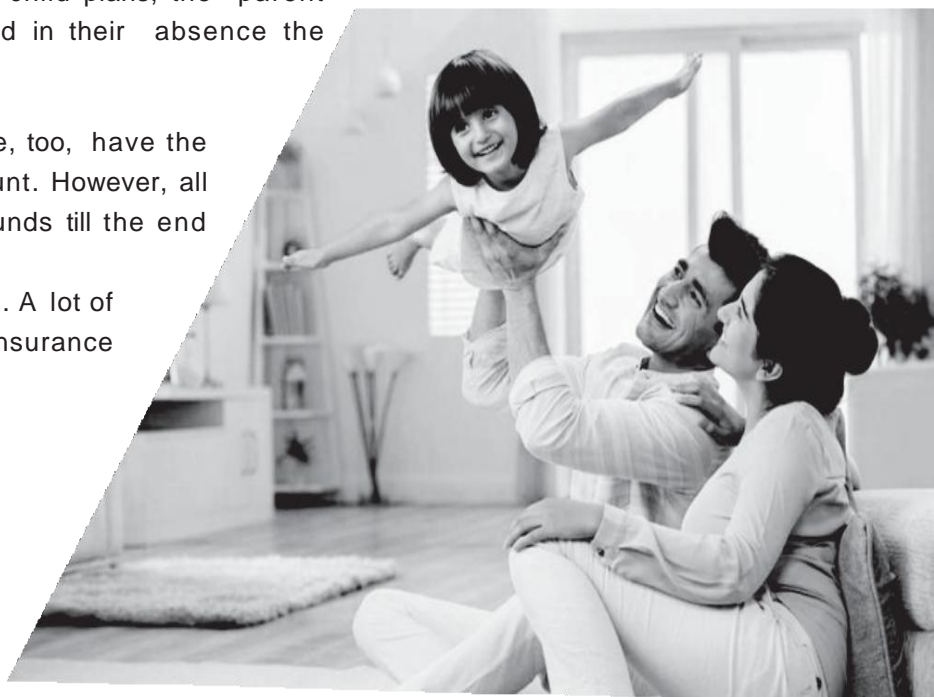
The alternative: The alternative lies in child insurance plans available with life insurance companies. In child plans, the parent can fund it till the time they are alive, and in their absence the insurer takes care of the remaining funding.

Other investment avenues mentioned above, too, have the potential to deliver a higher maturity amount. However, all the instruments need a regular influx of funds till the end of the term. If

the investor dies, the process gets hampered. A lot of people would argue that a pure term insurance plan would satisfy the remaining objective.

Agreed, that a combination of a term plan and mutual funds investing is a nice idea, but it can’t cater to all the needs. There is a higher probability that the sum assured of, say, Rs20 lakh—when the child is still small—gets spent on other expenditures rather than on his financial needs.

To ensure that the right amount is there for the kids at the right time, a child plan is the perfect answer.



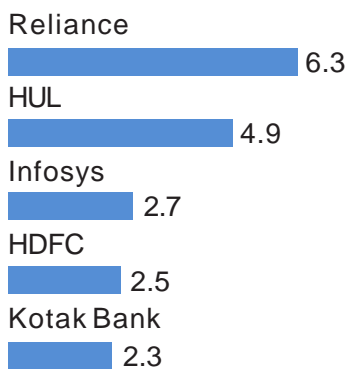
RIL TOP WEALTH CREATOR, INFY FASTEST OVER 25 YEARS

India's top wealth creators are a mix of old and new cos, from RIL to Kotak Bank, unlike in the US, where newer ones generated most wealth. A study showed that just 2% of 5,000 cos outperformed the sensex over 25 years, and indicated that growth stocks, rather than value, create wealth over the long run...

Between March 1995 and March 2020.....

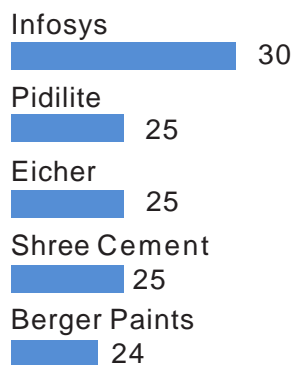
Top wealth creators

(in lakh cr)



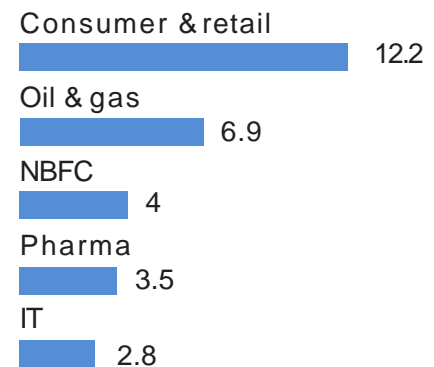
Fastest money machines

(CAGR %)



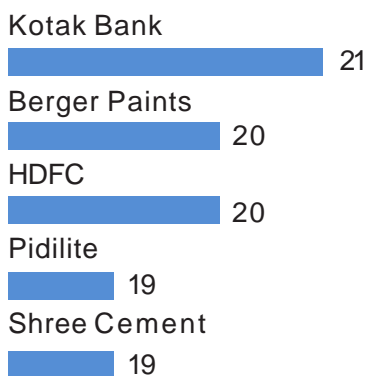
Consumer and retail sectors created the most wealth

(in lakh cr)



Most consistent players

(No. of years outperformed)



These top cos from 1995 grew at less than sensex's CAGR (9.2%)

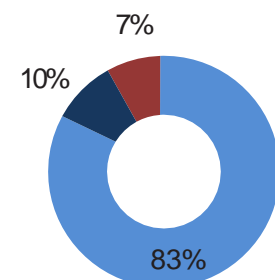
Company	Mcaprank in 1995	CAGR(%)
SAIL	1	-2
MTNL	3	-13
Tata Steel	6	3
HPCL	8	6

PSUs were insignificant in long-term wealth creation

(Sectors of PSU wealth creators)

PSUS share in wealth created fell from 51% in 2000-05 to just 3% in 2015-20

Of the 7 PSUs in the top 100 wealth creators, most enjoy virtual monopoly



Oil & gas Utilities Telecom

AN INJECTION OF OPTIMISM ON DALAL STREET

- The pan-global vaccine optimism' and foreign fund flow (over 21.5Lcr since Jan) continue to push the sensex to new highs, with the index breaching the 47k-pt mark on Friday. Well into its 40KS, the sensex is now taking less than 10 sessions to race past each successive 1,000-pt mark. But how does the sensex's meteoric rise stack up against other economic indicators? Here's a snapshot.

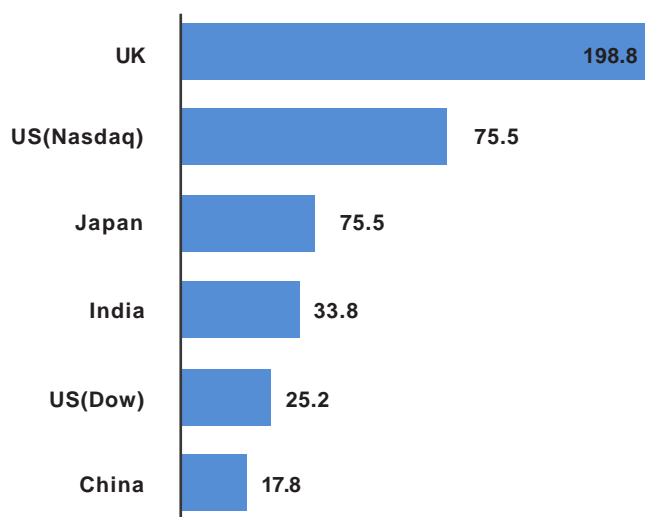
Economic growth has not kept pace with the sensex rise while per capita income' has grown steadily

Year	Sensex (inpts)	GDPgrowth (in %)	Forex(\$bn)	FII flow(\$bn)	Per capita income (\$)	Rupee (vs\$)
1990	982	6.1	<1	0.01	1160	17.32
1995	3110	7.3	25	1.2	1540	31.49
2000	3972	7.6	38	1.5	2061	43.6
2005	9398	7	141	9.5	2963	43.75
2010	20509	8.6	277	39.5	4554	45.13
2015	26118	6.9	334	10.6	5412	62.59
2020	46961	-7.5	579	21	6284	73.57

An all-time high price-to-earning ratio - the measure of how much investors are willing to pay for each rupee of earnings - is a sign to be cautious

Period	Sensex PERatio	
1998-00	Bull Period	28.5
2000-03	Bear	12.3
2004-08		28.6
2008-09		11.6
2009-10		24.2
2011-12		15.8
2013-17		20.2
2017-20	Bear & Bull	25.2
Current Level		33.8

Current PE ratios of Global indices

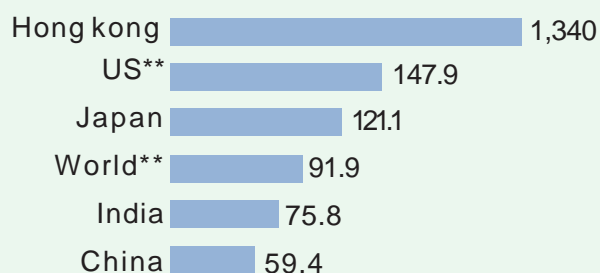


AN INJECTION OF OPTIMISM ON DALAL STREET

India's mcap is nearing the 200L cr mark & pulling the country's mcap-to-GDP ratio near parity

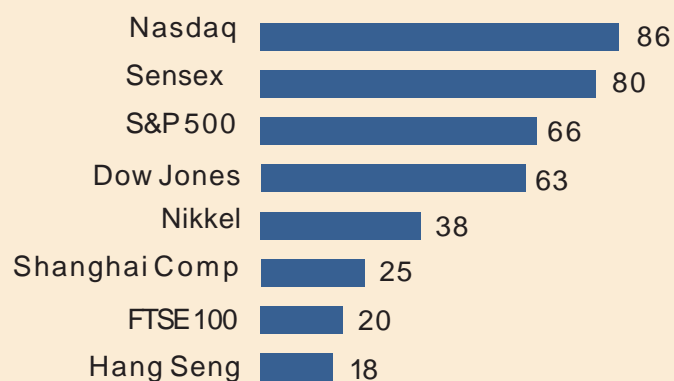
Year	% of GDP to mcap
2010	97.4
2011	55.2
2012	69.1
2013	61.3
2014	76.4
2015	72.1
2016	68.3
2017	87.9
2018	76.8
2019	75.8
2020	80 (estimated)

How other countries compare (2019 GDP to mcap ratios)



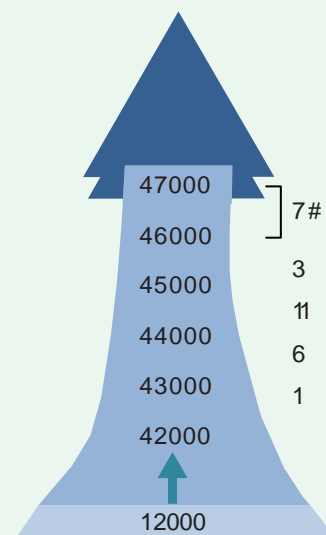
Globally, after Nasdaq, the sensex with 80% surge has recovered the most since March low

% growth since March 23, when sensex hit a low



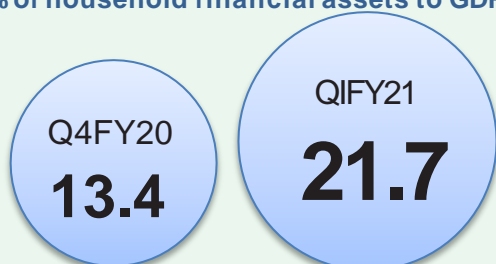
In 2020, the sensex has climbed from 12k to 47k pts despite the pandemic

(No. of sessions for each 1k-pt rally)



Retail participation in mkts has increased - either via direct stock buying or mutual funds

% of household financial assets to GDP



Total MF assets:

30 lakh crore, a new high

Total no. of demat accounts:

Nearly 5 crore

TECH REVIEW:

THE BEST GEAR & GADGETS OF 2020



THE BEST GEAR & GADGETS OF 2020

- The year 2020 has been like none other before. As the Covid-19 pandemic took its grip on every country, gadgets became the way for people to connect with the rest of the world, continue working and stay relevant in the changing economic scenarios.
- After a few months in which most companies lost their access to customers thanks to stringent lockdowns, the pent up demand of people trying to upgrade their devices for the new requirements of work from home resulted in an unprecedented spurt in sales of everything from smart phones to affordable laptops and personal audio devices.
- This year Apple surprised everyone by launching the iPhone 12mini. The small form factor of the iPhone 12 mini will be appreciated by those who thought the iPhones had become too big.
- Priced at Rs69,900, the iPhone 12mini does exactly look the same as the iPhone 12, but the 5.4-inch screen makes this iPhone almost invisible in the pocket. But don't call the iPhone 12mini "cheap". It is a flagship iPhone with just a smaller form factor. So you are not missing on the features like the new MagSafe charging, Face ID, and improved dual cameras.
- The iPhone 12mini has its market, and Apple should be credited for taking a risk and bringing the compact flagship back to the market. You can't go wrong with the iPhone 12mini.



The iPhone 12mini
Price Rs69,900/-

WHAT SHOULD YOU DO IN VOLATILE MARKET CONDITIONS?

Always aim to "buy low and sell high", redeeming now means you are doing exact opposite.

Despite short term volatility, markets have created wealth over the long term

Staying invested across market cycles helps you to reap the benefit of compounding

Spend more time in the market to create potential wealth than timing the market

Missing just a few best days in market can substantially reduce your returns potential as shown in the illustration below.

	Compounded Returns	Value of Rs. 10lakh invested on Jan 3, 2005 (Rs.)
Missed 5 Best Days	7.83%	31,74,400
Missed 10 Best Days	5.67%	23,29,210
Missed 15 Best Days	3.78%	17,65,313
Missed 20 Best Days	2.00%	13,53,776
No Missed Days	11.14%	50,48,152

So stay invested through market ups and downs and you could benefit over the long-term