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From the Author

Welcome to the November edition of our 'Ideas for Wealth'. In this month's edition, we bring to you updates on the global economic scenario and how Indian markets are impacted by these developments.

The impact of certain events over the past few weeks have heightened global economic uncertainties. Conflict in the Middle East has boosted the price of oil and risk of further consequences remains.

Despite these challenges, we are upbeat on India's economy.

The medium to long-term growth outlook of the Indian economy is extremely strong.

The economic activity in Q2 remained healthy thanks to sustained demand for both goods and services, government's push to capital expenditure, recovery in real estate and boost in manufacturing sector likely due to festive season. On the other hand, the impact of uneven monsoon on agriculture and consequently on the rural demand and slowing external sector demand likely weighed on GDP growth for Q2.

In our continuing endeavour to keep our readers updated on investment opportunities, we have highlighted some of the new Mutual Fund offers that opened during the month.

Also with equity markets showing weakness, it would be a good opportunity to try out buying Digital Gold especially during the festive season and for this our readers could utilise our digital platform to invest in

WEALTH MANAGEMENT | MUTUAL FUND | INSURANCE | GOLD

CONTENT

MONTHLY MARKET REVIEW - 2023

Manufacturing and Services PMI data, have indicated continued economic contraction in the UK and Europe. Meanwhile, the PMI data from the US has reported better-than-expected numbers, and pointed to stable manufacturing activity and expansion in service activity.

Long-term interest rates in many countries, most notably the United States, has continued pace, pushing borrowing costs to 20+ year highs in some cases. Despite such policy tightening, core inflation rates remain well above their medium-term desired/targeted level. The US 10-year T-Bill is already at a 16-year high. Now, as the US is dragged into supporting / financing two wars, the fear is that, yields could rise further with the government borrowing more to fund war expenditures. If US bond yields continue to rise, foreign investors will sell their holdings in emerging markets and head back to dollar assets in pursuit of high returns in the US.

Fear of regional conflict in the Middle East and worries over more rate hikes by the U.S. Federal Reserve for an extended period were the major cause of concern in the market this month. They fear that the Hamas-Israel conflict may widen into a bigger conflict dragging Iran and other Arab nations into it. Crude oil quoting above USD 90 a barrel mark also played spoilsport for the markets.

MUTUAL FUNDS

Mutual funds continue to see healthy inflows through Systematic Investment Plans (SIPs). SIPs are long-term investment vehicles. Equities as an asset class beat inflation over the long term, so it is a must-have in your portfolio. It is better to choose large-cap diversified funds for a medium term perspective but one can also look at the Small caps and thematic funds as they too have corrected and will have more volatility in them in the coming days. Post-Covid, domestic institutional investors have been a strong force to counter selling by foreign investors but an important factor that has supported markets is the retail shareholders who directly buy into equities.

GOLD

The price of gold has stabilised as diplomatic efforts convinced Israel for a delayed assault in Gaza, while world leaders aim to prevent the spillover effect of the Israel-Palestine conflict in the Middle Eastern region.

While, participation in gold has been increasing the overall participation is still a relatively lower levels, which sets the stage for an extended rally in gold. We believe gold remains a favourable investment opportunity. Higher real rates and lack of demand from the investment sector remains a major headwind for gold prices.

MUTUAL FUNDS TOP PERFORMERS – OCT 23

Equity Large Cap Funds

Scheme Name	6M	1 Year	3 Year	5 Year
	Returns	Returns	Returns	Returns
JM Focused Fund (G)	18.76	18.31	20.26	13.54
Nippon India Large Cap Fund Regular G	13.96	16.79	27.31	15.96

Equity Mid Cap Funds

Scheme Name	6M	1 Year	3 Year	5 Year
	Returns	Returns	Returns	Returns
HDFC Mid Cap Opportunities Fund (G)	24.52	28.3	32.78	20.99
Nippon India Growth Fund (G)	25.64	24.83	31.99	22.44

Equity Small Cap Funds

Scheme Name	6M	1 Year	3 Year	5 Year
	Returns	Returns	Returns	Returns
HDFC Small Cap Opportunities Fund (G)	24.82	33.7	39.01	20.67
Nippon India Small Cap (G)	26.9	30.59	42.38	26.42

Hybrid Balanced Advantage Funds

Scheme Name	6M	1 Year	3 Year	5 Year
	Returns	Returns	Returns	Returns
HDFC Balanced Advantage Fund (G)	13.6	19.37	27.8	16.65
ICICI Prudential Balanced Advantage Fund (G)	7.73	9.70	14.01	12.08

Note – This data is based on 28th October 2023

NEW FUND OFFERINGS – NOVEMBER 23

Mutual Fund	Category	Launch Date	Closing Date
Aditya Birla SL Transportation and Logistics Fund	Thematic Fund	October 27, 2023	November 10, 2023
Kotak Consumption Fund	Sector Fund	October 25, 2023	November 8, 2023
Bandhan Nifty Alpha 50 Index Fund	Index Fund	October 25, 2023	November 6, 2023
Helios Flexi Cap Fund	Equity Flexi Cap	October 23, 2023	November 6, 2023
Quantum Samll Cap Fund	Equity Small Cap	October 16, 2023	October 27, 2023

EVOLVING INVESTMENTS AN INTERESTING READ

Investing is something that will keep evolving throughout your life. It's good to start as early as you can, and even if you haven't started, it doesn't matter how old you are because you can always start from today. In order to be a successful investor, you first need to make sure your spending habits are firm and fixed so that you can continuously contribute to your investments.

Once you have saved up a decent amount of money to begin, you can start deciding how you want to invest that money. You need to get clear on what your needs are and how much risk you're willing to take. You can divide this question into two parts: do you want money for growth or for income. That way you can decide if you want to put money into investments that will grow or that will produce income. This will depend on your goals. If you are investing for retirement then you don't need to produce an income right now. If you are investing to go on a vacation, then you do.

You will always have to tolerate some risk when you invest, but you can understand how much risk to tolerate depending on how you tolerate price changes in your investments and how that will balance with your rate of return goal. If you are planning to keep a specific investment for a long period of time, you can tolerate a higher level of risk because any losses can be made up, but if you want to save money for a car then you will not be able to sustain as much risk and need more liquidity on your investment. Investment decisions are personal, but there are some strategies everyone can follow.

Always make sure you have a cash reserve in any CD or savings account so you are always safe in case of emergencies (liquidity). If you can keep a long investment, then you can also have a part of your portfolio in stocks so your savings don't become low in value. Also try to visit a financial advisor at least yearly so you can review your investments and keep up to date on any issues.

Also always be well-informed on the taxable status of your investment because you need that information when you are putting together or going through a particular investment approach. A tax advisor can address any questions you have.

Your investing decisions will be based on where you are in life, and what life stage you are in. If you are in your 40s, investing for retirement will be important to you. If you have only just gotten your first proper job, then you will need to start a savings account and let that put up a cash store. If you get a higher salary, you can increase your cash store. When you get married, if your spouse also works, then you need to establish new investments after combining incomes. If you just had a kid, your focus will be on growing life insurance and opening a college fund. When you reach your 50s or retirement age, you will want to augment retirement savings contributions. When you finally retire, you should review your income after retirement and decide on

investments that will afford returns and allow for increase in assets to fund your future.