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Ideas for Wealth

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From the Author

Welcome to the February 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 bull case for India market is a well-worn story: political stability, stable crude prices, strong corporate earnings, falling interest rates, a strong working population, strong domestic and foreign fund flows

The impact of certain events over the past few weeks have heightened global economic uncertainties and Budget.

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 Gold & Silver.



WEALTH MANAGEMENT | MUTUAL FUND | INSURANCE | GOLD

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SHARE MARKET HIGHLIGHTS 29 JANUARY 2024: SENSEX, NIFTY SURGE NEARLY 2%; OIL & GAS, BANK STOCKS SHINE

Sensex, Nifty updates on 29 January 2024: Benchmark equity indices Sensex and Nifty rebounded sharply on Monday, surging nearly 2 per cent, on heavy buying in Reliance Industries and a rally in Asian markets.

The BSE Sensex jumped 1,240.90 points or 1.76 per cent to settle at 71,941.57. During the day, it soared 1,309.55 points or 1.85 per cent to 72,010.22. The Nifty climbed 385 points or 1.80 per cent to 21,737.60. Among the Sensex firms, Reliance Industries jumped nearly 7 per cent, contributing the most to the rally in markets

Tata Motors, Power Grid, Larsen and Toubro, Kotak Mahindra Bank, NTPC, Titan and UltraTech Cement were the other major gainers. ITC, Infosys, JSW Steel, Tech Mahindra and Tata Consultancy Services were the laggards.

CURRENCY MARKET TODAY: RUPEE FALLS 3 PAISE TO CLOSE AT 83.14 AGAINST US DOLLAR

The rupee depreciated 3 paise to 83.14 (provisional) against the US dollar on Monday, as rising crude oil prices in international markets and dollar demand from importers dented investor sentiments.

MUTUAL FUND AUM IN INDIA CROSSES RS 50 LAKH CRORE MARK

The jump in AUM from Rs 40 lakh crore to Rs 50 lakh crore took just one year with assets growing around six times in the last 10 years; December saw SIP flows touching a new high of Rs 17,610 crore 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.

The total assets under management (AUM) of the Indian mutual funds industry has crossed the Rs 50 lakh crore mark for the first time ever with flows coming through systematic investment plans (SIPs) touching a new record high in December.

According to the Association of Mutual Funds in India (AMFI), the total AUM of the industry was pegged at Rs 50.78 lakh crore as on December 31, 2023 – higher than the previous month's AUM of Rs 49.05 lakh crore.





Forex traders said the rupee traded in a narrow range as the support from positive domestic equities was offset by persistent foreign fund outflows.

At the interbank foreign exchange market, the rupee opened at 83.14 against the US dollar. During the day, it witnessed an intraday high of 83.13 and a low of 83.15 against the American currency.

INTERIM BUDGET FOR A VIKSIT BHARAT: IT'S FOR EVERYONE AND ALL

The Finance Minister on February 01, 2024, delivered a truly innovative interim budget. At first glance, it did not seem like an interim budget but looks more like the budget to drive further growth and continuum of inclusive growth oriented investments.

At the outset, this budget brings a wonderful balance between fiscal prudence and continued investment for growth.

The government has taken a bold step by elevating the capital expenditure for FY25 by 11% to ₹11.1 lakh crore, a significant increase from the ₹10 lakh crore earmarked in the previous budget.

This move unequivocally underscores the government's resolve to fortify infrastructure development as a cornerstone for sustainable economic growth. This critical investment is set to catalyse growth across a plethora of sectors, ranging from construction to technology, thereby not only generating a multitude of employment opportunities but also invigorating economic activity nationwide.

The substantial allocations for supporting research and innovation in the private sector represent a forward-thinking investment in India's future. As we look to the future, the 2024 Interim Budget lays a solid foundation for optimism and reflects a confident and fiscally prudent government. It is a budget that skillfully balances fiscal responsibility with the imperative for growth. It aims to empower the vulnerable while fostering innovation, and it underscores a steadfast commitment to inclusive development.



ECONOMIC HIGHLIGHTS –

FISCAL DEFICIT TARGET OF 4.5% OF GDP BY FY26 A CHALLENGE: FITCH

India's government faces challenges in meeting its fiscal deficit target of 4.5% of GDP in FY26, according to global ratings agency Fitch. The agency predicts a 6.5% growth in the Indian economy in FY25, supported by 11% growth in government capex. The government has set a 5.1% fiscal deficit for FY25, down from 5.8% in FY24. Fitch expects the new government to maintain the fiscal path laid down in the interim budget.

PAYTM PAYMENTS BANK: THE CONTROVERSIES AND CHALLENGES AHEAD FOR INDIA'S FINTECH POSTER BOY

The RBI's action prohibits the bank from accepting further deposits, conducting credit transactions, or carrying out top-ups on customer accounts after February 29. Paytm wallet users will still be able to use their existing balance until it is exhausted, but they will not be able to add any more money to their accounts. The RBI's move comes after concerns were raised about money laundering and questionable dealings within the bank.

MONTHLY GST MOP-UP FROM ONLINE GAMING COMPANIES JUMP 400 PC SINCE OCTOBER 1

Monthly GST collections from online gaming companies have surged by over 400% to Rs 1,200 crore since October 1 due to the implementation of a 28% tax on e-gaming platforms. The GST Council clarified last year that online gaming companies must pay 28% GST on the full face value of bets.

INDIA'S CRUDE OIL IMPORTS FROM RUSSIA HIT 12-MONTH LOW BUT LONG-TERM APPETITE REMAINS INTACT

India's crude oil imports from Russia dropped for the second consecutive month in January, reaching their lowest level in a year. However, experts believe that India's long-term demand for Russian crude remains strong. The decline in Russian imports was offset by increased sourcing from Iraq, while supplies from Saudi Arabia also decreased.

CABINET APPROVES SIGNING OF INDIA-UAE BILATERAL INVESTMENT TREATY

Government approved the signing and ratification of a Bilateral Investment Treaty (BIT) between India and the United Arab Emirates (UAE). This agreement is expected to facilitate and encourage investments between the two nations. The decision was taken at the cabinet meeting chaired by PM Modi.

FOREIGN INVESTMENT INTO INDIA TUMBLES EVEN AS ECONOMY BOOMS .

The pullback comes despite a wave of planned investments announced by foreign companies and investment funds. They include projects from semiconductor plants spearheaded by American firms to multibillion-dollar renewable energy projects drawing interest from Gulf countries.

WHY SIP?

A Systematic Investment Plan (SIP) is a method of investing a certain amount every month in Mutual Funds. SIPs are best suited for investors with a regular monthly income that they want to invest. Investing regularly helps you to build a corpus to achieve major financial goals in your life. Experts recommend that you can derive optimum benefits from SIPs if you invest for a tenure exceeding 5 years.

A SIP not only reduces the bulk investment burden on your pockets but also helps you to average out your cost of investment. This is one of the major benefits of SIP. The margins might look small, but the difference is noticeable in the long term.



BENEFITS OF SIP

• COMPOUNDING RETURNS

Compounding returns over a long tenure make SIPs very attractive. When you pay your SIP installment, your earnings get reinvested. This brings the compounding effect into play, which helps you create more wealth.

• LOW INVESTMENT

SIP is a fixed amount that you invest every month. This reduces the burden of lump-sum investment. You can decide to invest whatever amount you are comfortable with and still create your success journey using SIPs.

• COST AVERAGING

When you invest regularly during various market cycles, you get more units when the prices are low and fewer units when the prices are high. This helps in reducing your average cost.

• CONVENIENCE

SIPs are very convenient. They do not require detailed market research and being proactive for every market move. This helps small investors to get a hold of their investments without extra effort. You can indulge in your regular financial activities alongside SIP investments.

MUTUAL FUNDS

Large Cap Funds

Scheme Name	NAV	AUM (cr)	6 MONTH	1 Year	3 Year	5 Year
Nippon India Large Cap Fund (G)	75.8325	21,454	18.96	37.28	21.7	19.26
HDFC Top 100 Fund (G)	1,011.54	30,980	20.25	34.16	18.7	17.86

Mid Cap Funds

Scheme Name	NAV	AUM (cr)	6 MONTH	1 Year	3 Year	5 Year
Nippon India Growth Fund (G)	3,243.09	21,380	30.65	50.58	29.7	24.83
Motilal Oswal Midcap Fund Reg (G)	72.7724	6,060	25.01	45.86	33.53	24.84

Equity Small Cap Funds

Scheme Name	NAV	AUM (cr)	6 MONTH	1 Year	3 Year	5 Year
Nippon India Large Cap Fund (G)	139.326	41,019	26.21	50.56	38.51	28.69
HDFC Top 100 Fund (G)	217.1194	11,207	32.95	49.39	43.05	32.69

NFO

SBI Energy Opportunities Fund	Mirae Asset = Nifty Smallcap 250 Momentum Quality 100 ETF	Parag Parikh Dynamic Asset Allocation Fund	HSBC Multi Asset Allocation Fund	Axis S&P BSE Sensex Index Fund	HDFC NIFTY200 Momentum 30 Index Fund	Kotak Technology Fund	Mirae Asset Nifty Smallcap 250 Momentum Quality 100 ETF Fund of Fund
Equity-Sectoral /Thematic	Others-Index Funds/ETFs	Hybrid-Dynamic Asset Allocation or Balanced Advantage	Hybrid-Multi Asset Allocation	Others-Index Funds/ETFs	Others-Index Funds/ETFs	Equity-Sectoral Thematic	Others-Fund of Funds
Open 06.02.2024	Open 12.02.2024	Open 20.02.2024	Open 08.02.2024	Open 08.02.2024	Open 09.02.2024	Open 12.02.2024	Open 15.02.2024
Ended 20.02.2024	Ended 21.02.2024	Ended 22.02.2024	Ended 22.02.2024	Ended 22.02.2024	Ended 23.02.2024	Ended 26.02.2024	Ended 28.02.2024
Very High	Very High	Moderate	Very High	Very High	Very High	Very High	Very High

