

India Quarterly GDP – a Positive Surprise

India's economy grew at 7.6% in Q2FY24, on a strong showing by the manufacturing sector. Yet again India's GDP growth justified its tag of "the fastest growing major economy", by showing its strength and resilience during testing times globally. The erratic and uneven monsoon resulted in the slower growth in agriculture, which in turn seems to curtail the growth in rural demand. Services sector too showed a poor performance. After the strong showing by the economy in the first half of the FY24, India's FY24 GDP is expected to grow at 6.7% - 7% for the full year, well above the Government's projection of 6.5%. RBI has estimated to grow at 7%, with potential upside risk!

NIFTY-50 companies registered Rs 15.87 Tr of revenue for the Q2FY24, +4.1% YoY and +2.1% QoQ, whereas PAT grew by 34.5% YoY to Rs 1.93 Tr on improved margin due to the downward correction in prices of commodities. Sectors including automobiles, FMCG, capital goods, pharma, cement, and retail have beaten the quarterly revenue forecast whereas NBFC, IT, metals and infrastructure have performed below expectations.

CPI inflation dropped to a 4-month low of 4.87% in Oct-23 from 5.02% in Sep-23 mainly due to the fall in core inflation whereas food inflation for October was 6.61% compared with 5.56% in September.

GST collection for Nov-23 went up by 15% YoY to Rs 1.67 Lakh Cr, supported by consumption growth and higher GST compliance. PMI for Nov-23 rose to 56 from 55.5 in Oct-23, reflecting the continued better performance of manufacturing sector helped by strong demand and better input availability, which resulted in slightly better employment situation.

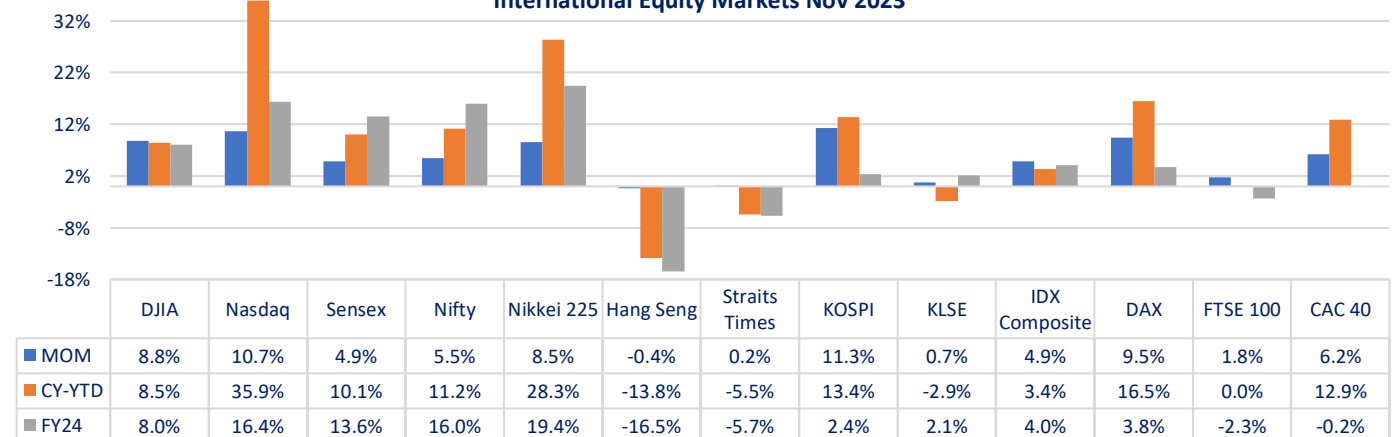
The FII turned net buyers of Indian equity in Nov-2023 with a net inflow of USD 1.08 Bn after being net sellers for the previous 2 months. Indian Markets are being preferred by most FPIs for being resilient despite being relatively expensive and for the clear certainty on the growth front. The recent elections too has given the confidence for the market players for the continuity of the reforms that bring about positive change.

Global Economy

US economy surged in the 3rd quarter, growing at 4.9%, helped by strong consumer and Government spending. However, the Inflation expectation has declined to 3.1% in the recent survey showing signs of status quo by the Fed in the upcoming meeting. China's manufacturing activity shrank for a second straight month in Nov-23 as evidence by a fall in PMI for Nov-23 to 49.4 compared with 49.5 in Oct-23. Slower expansion in China's non-manufacturing index and declining new export orders for the 9th straight month imply the need of more stimulus from the Chinese Government.

Euro area inflation declined to 2.4% in November from 2.9% in October. The drop in inflation was fuelled by 11.5% fall in prices of energy and well supported by fall in prices of services, consumables, and non-energy industrial goods. All global markets read the inflation readings in the positive way inferring peak out of rate rise and reported good gains for the month.

International Equity Markets Nov 2023



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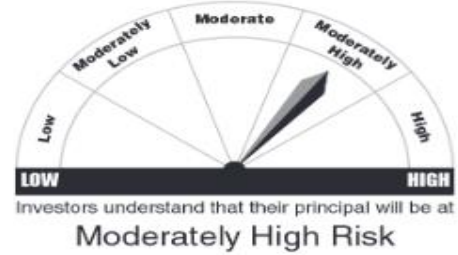
KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES

Nov 2023

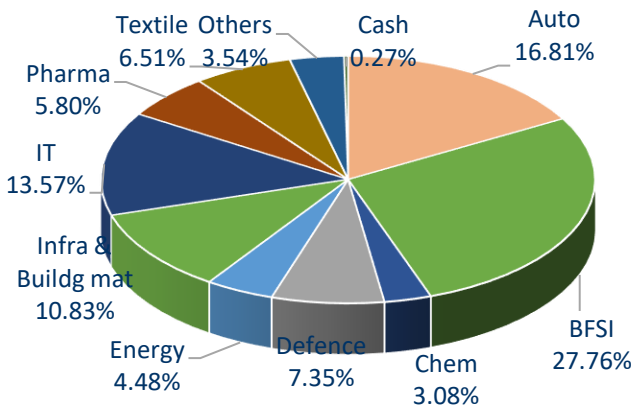
THEME

The fund seeks long-term capital appreciation by investing substantially in the equity securities of companies that are leaders in their industries/segment of industries, and which the managers believe are suitable for a buy-and-hold strategy.

RISKOMETER



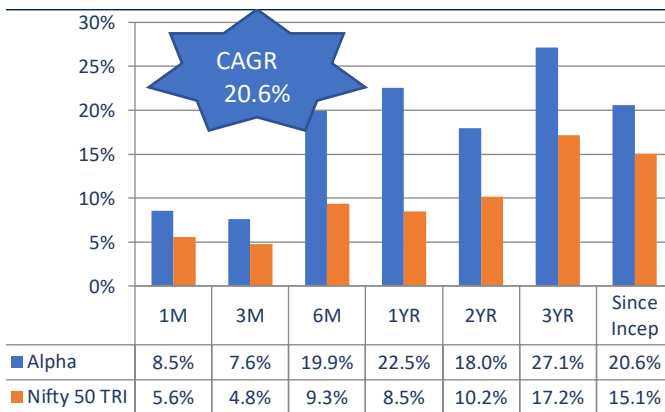
SECTORAL ALLOCATION



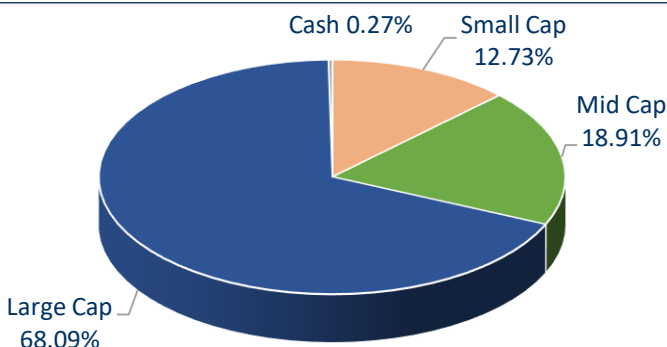
TOP HOLDINGS

Company Name	Holdings (%)
Larsen & Toubro Ltd	6.44%
ICICI Bank Ltd	6.18%
State Bank of India	5.16%
Canara Bank	5.04%
HDFC Bank Ltd	4.86%
Reliance Industries Ltd	4.84%
Axis Bank Ltd	4.60%
Tata Motors Ltd - DVR	4.48%
Infosys Ltd	4.47%
Hindustan Aeronautics Ltd	4.25%
Tata Consultancy Services Ltd	3.84%
Mahindra & Mahindra Ltd	3.74%
NITIN SPINNERS LIMITED	3.48%
HCL Technologies Ltd	2.86%
Sun Pharmaceutical Industries Ltd	2.60%
Monte Carlo Fashions Ltd	2.59%
Dishman Carbogen Amcis Ltd	2.38%
Bharat Forge Ltd	2.21%
Bharat Electronics Ltd	2.19%
Tata Motors Ltd	2.13%

PERFORMANCE (%)



MARKET CAPITALISATION (%)



REVIEW & OUTLOOK

Our Portfolio outperformed the benchmark significantly owing to sharp movement from defense and BFSI. FPIs bought in the Banking stocks as expected and enabled our portfolios to report good gains.

Going forward, with rates peaking out, the foreign flows will accelerate leading to emerging market equities to do well and India is well positioned to benefit. Our corporate profits are expected to grow by 18% for FY 2024 amidst earnings multiple of 20x FY 24 and 18X FY 25. This is a reasonable level for entry and fresh funds are likely to come in. Also the continuity of the regime will boost confidence for the players.

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KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES

Nov 2023

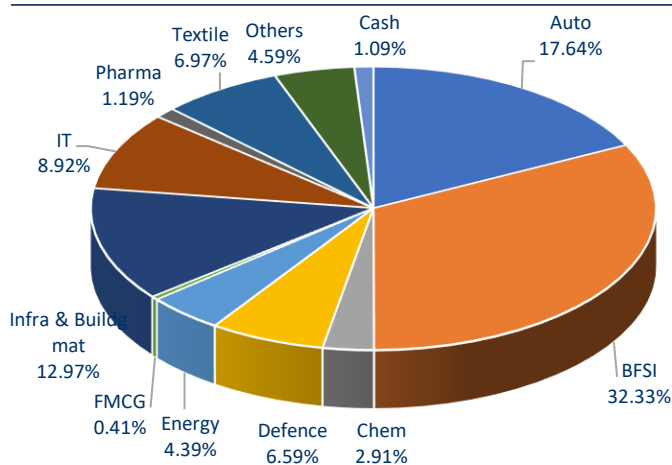
THEME

The fund seeks superior returns over long term by investing in high growth-oriented stocks that are sector agnostic.

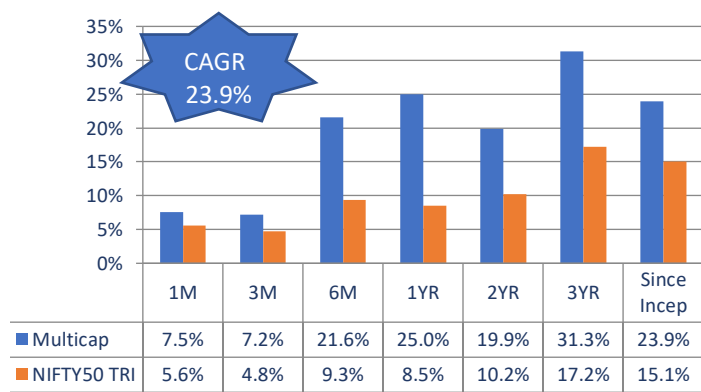
RISKOMETER



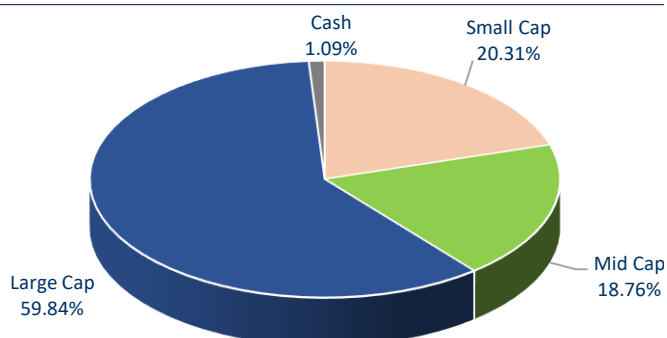
SECTORAL ALLOCATION



PERFORMANCE (%)



MARKET CAPITALISATION (%)



REVIEW & OUTLOOK

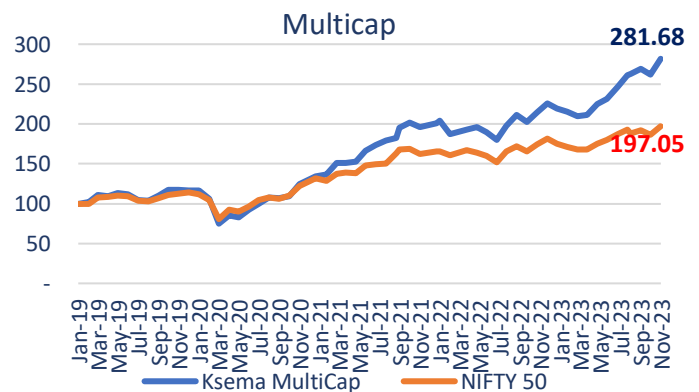
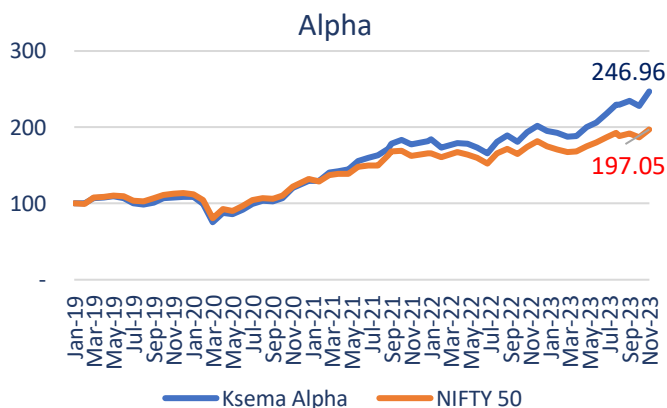
Multicap too outperformed the benchmark significantly thereby more than compensating the last month gap. The banking, textile, defense stock picks has enabled the outperformance.

As expected, the Federal eventual pause has enabled mood change in the markets including India. Our market will attract good inflow amidst good growth in the corporate earnings. We will be enhancing our holding in the cyclicals including banking and select stocks in infrastructure. IT is likely to recover the lost ground. We will increase our position in the same and also initiate mining related stocks.

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KSEMA INDIA OPPORTUNITIES			
Since Jan 2019	ALPHA	MULTICAP	NIFTY50TRI
Average Monthly return	1.74%	2.04%	1.33%
Monthly maximum loss	-24.3%	-29.6%	-23.0%
Month of Maximum loss	Mar-20	Mar-20	Mar-20
Annualized Return	20.6%	23.9%	15.1%
Annualized Volatility	20.1%	23.0%	18.9%
% of winning months (against benchmark)	63.8%	67.2%	na
% of gained months	67.2%	69%	61%
YTD (Jan'23- Nov'23)	26.6%	28.3%	12.4%
Sharpe (RF 7.5%)	0.65	0.71	0.40
Alpha	6.27%	10.68%	na



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