

KSEMA WEALTH PVT LIMITED

MARKET REVIEW & OUTLOOK - OCTOBER 2024

The month of October was marked by large selling from FPIs owing to various events including Israel War, China's troubles with revival of its economy, Japan electing out the ruling party, US Election swings and mixed Q2 corporate results announced so far.

Amidst this RBI's rate-setting panel kept the benchmark repo rate unchanged at 6.5% and shifted the policy stance to 'neutral'. However kept the FY25 GDP growth estimates at 7.2%. The FY25 CPI inflation forecast was also unchanged at 4.5%

India Manufacturing PMI: PMI rebounded to 57.5 in October rising from 56.5 in September reflecting recovery from 8 month low in September driven by a rise in both total new orders and international sales. Domestic festive season and forthcoming season in west fuelled the factory numbers.

- Companies reported a faster rise in order book volumes, surpassing the average growth observed over two decades of data collection. New export orders showed stronger growth from Asia, Europe, Latin America, and the US.
- In October, increased production volumes were driven by rapid consumer and investment goods sector growth. Input price inflation accelerated to a three-month high. Output prices rose at a robust pace that exceeded the series trend. Freight, labour, and materials were the main contributors to price pressures.

GST Collections: October's second-best GST mop-up at Rs 1.87 lakh crore, registers an 8.9 % YoY jump. During the month, GST from domestic transactions grew 10.6 % to Rs 1.42 lakh crore, while revenues from tax on imports rose about 4 % to Rs 45,096 Cr.

In 2024 YTD, the total GST collection was higher at 9.4 %, at Rs 12.74 lakh crore, compared to Rs 11.64 lakh crore mopped up in the corresponding period of 2023.

As stated, FII sold ₹1.14 lakh crore worth of Indian stocks in October, marking the highest monthly outflow on record. On the other hand, DII's purchased close to Rs 1.07 lakh crore of Indian stocks which mitigated the sharp correction.

Outlook: With the Q2FY25 earnings not matching estimates, there is a risk of earnings revision on the downside, and H2FY25 earnings will be in focus as most of the companies expect the growth to be better in H2. While the benchmark valuations look a bit stretched after the EPS cut stock-specific strategy will be the way forward. Gems remain in the broader basket as individual stories are emerging out of the weather. The rural economy is showing signs of recovery which is positive, and good monsoons should aid the recovery in the coming quarters.

International Markets

United States: Donald Trump's return to the White House as the 47th President of the United States could pose at least some direct challenges for India, including higher tariffs and restrictions on visas, as well as possibly more volatility in the foreign exchange markets. Concerns are also emanating over higher inflation in the US following his fiscal stance and fewer cuts by the Federal Reserve, which may have an indirect impact on monetary policy decisions in other countries including India.

China: Gross domestic data showed China's economy grew 4.6% year-on-year in the third quarter. China's gross domestic product (GDP) grew by 4.8 percent year on year in the first three quarters of 2024. Retail sales grew 3.2% from a year ago and Industrial production expanded 5.4% in September from a year ago. The announcement of stimulus package and its staggered implementation will provide relief for the economy.

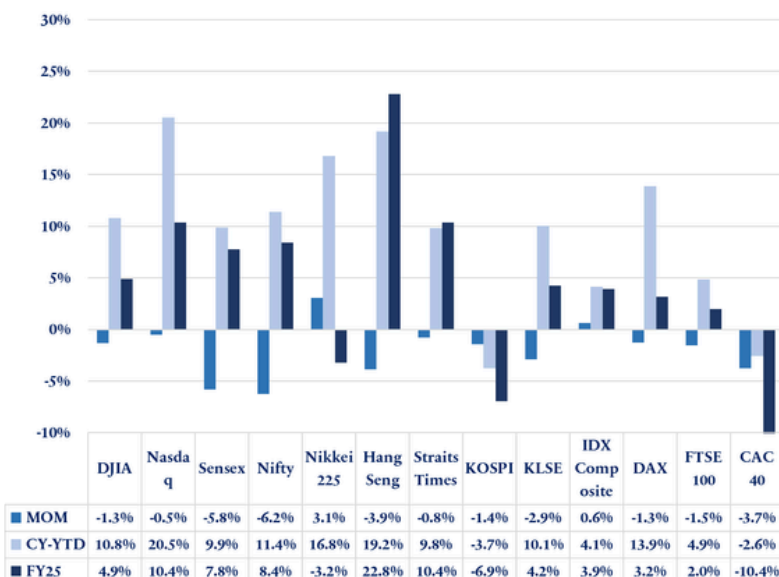
Markets across the globe reported losses except Japan post-election as expectations are building up for change in policies that will boost the economy.

KSEMA INDIA OPPORTUNITIES FUNDS VS BENCHMARK

(For the period: Jan-2019 to October-2024—Post exp)

Since Jan 2019	ALPHA	MULTICAP	NIFTY50TRI
Average Monthly Return	1.62%	1.87%	1.41%
Monthly Maximum Loss	-24.7%	-29.9%	-23.0%
Month of Maximum Loss	Mar-20	Mar-20	Mar-20
Annualized return	19.0%	21.9%	16.4%
Annualized Volatility	19.17%	21.7%	18.0%
% of winning months (against benchmark)	56.52%	58.0%	na
% of gained months	65.22%	66.7%	65.2%
YTD (FY25)	9.76%	9.9%	9.4%
Sharpe (RF 7%)	0.63	0.69	0.52
Alpha	3.77%	7.87%	na

INTERNATIONAL EQUITY MARKETS - OCTOBER 2024



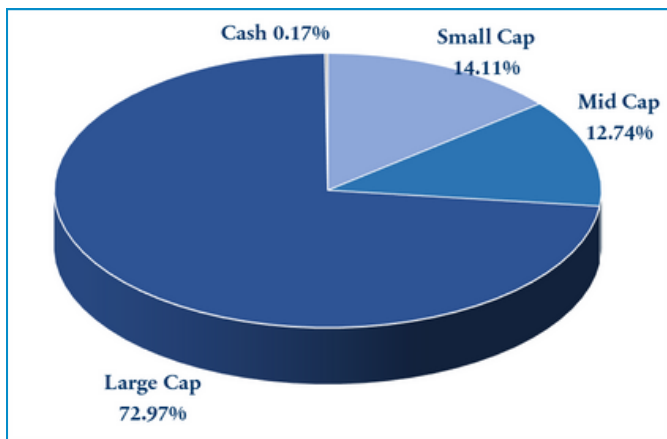
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KSEMA WEALTH – ALPHA INDIA OPPORTUNITIES OCTOBER 2024

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.

MARKET CAP ALLOCATION (%)

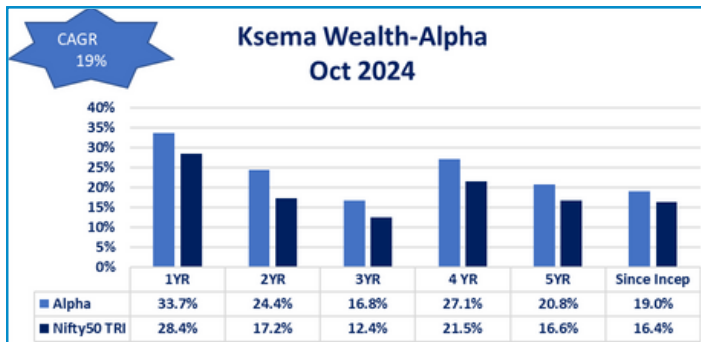
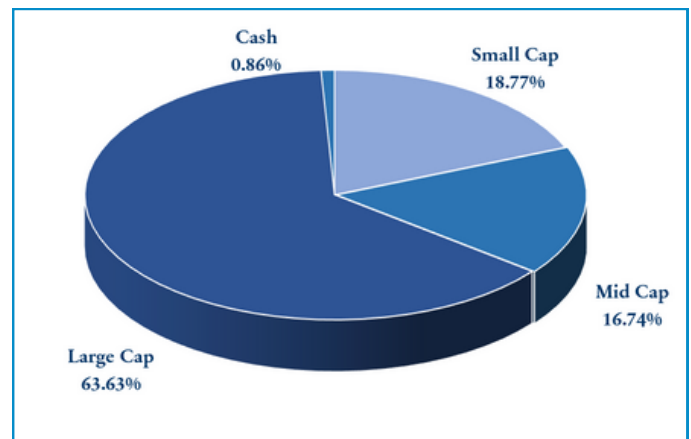


KSEMA WEALTH – MULTICAP INDIA OPPORTUNITIES OCTOBER 2024

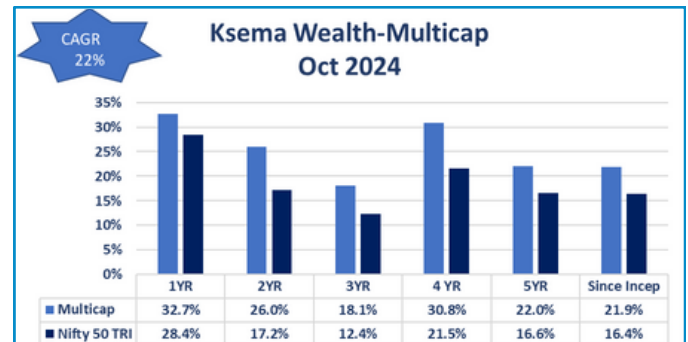
THEME

The fund seeks the superior returns over Long-term by investing in High Growth oriented stocks that are Sector agnostic

MARKET CAP ALLOCATION (%)

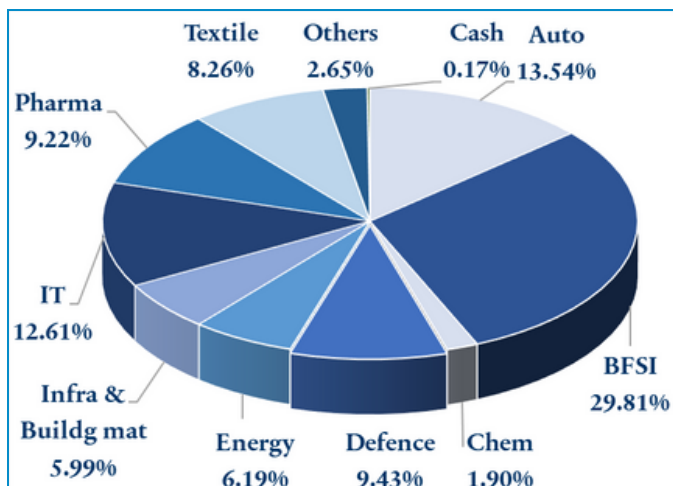


*Returns are annualized beyond 1 yr ; Post expenses

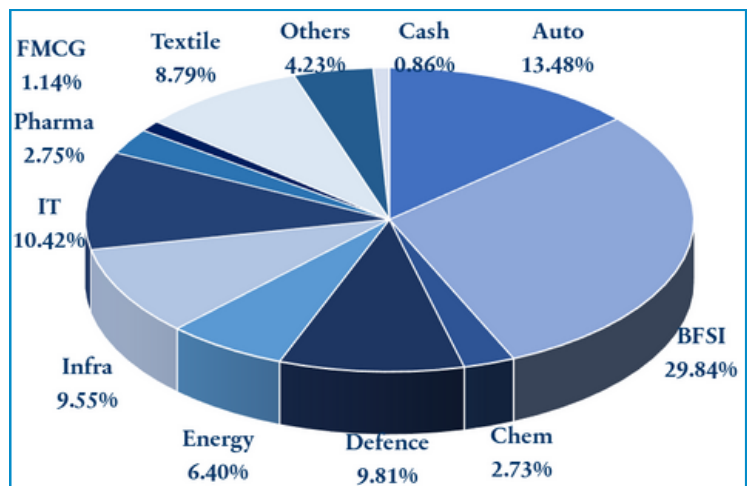


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SECTORAL ALLOCATION



SECTORAL ALLOCATION



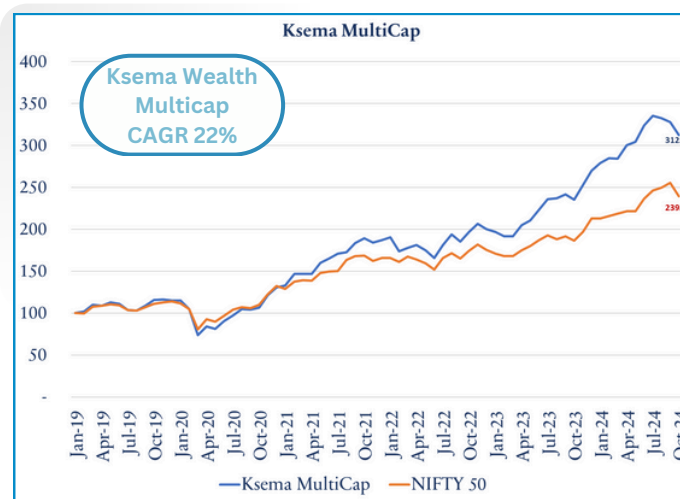
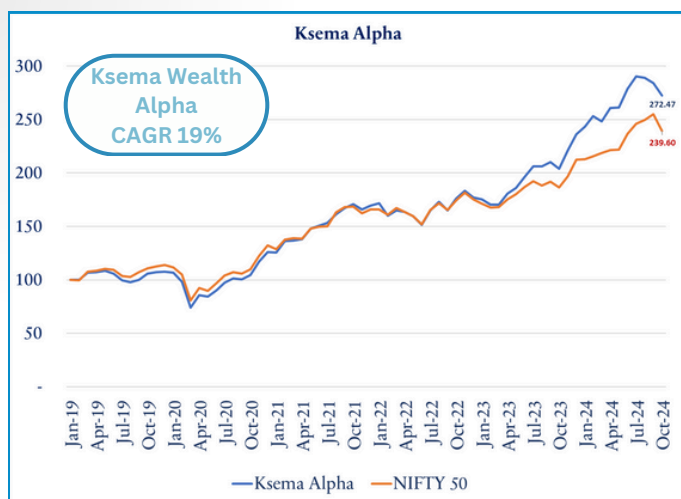
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ALPHA TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	7.33%
State Bank Of India	6.20%
Hindustan Aeronautics Ltd	5.88%
Mahindra & Mahindra Ltd	5.44%
Larsen & Toubro Ltd	5.16%
Reliance Industries Ltd	4.94%
HDFC Bank Ltd	4.77%
Infosys Ltd	4.72%
Canara Bank	4.30%
Tata Motors Ltd	4.12%

MULTICAP TOP HOLDINGS

Company	Holdings %
ICICI Bank Ltd	7.43%
State Bank Of India	5.16%
HDFC Bank Ltd	4.80%
Infosys Ltd	4.85%
Reliance Industries Ltd	4.68%
Tata Consultancy Services Ltd	4.60%
Hindustan Aeronautics Ltd	4.41%
Larsen & Toubro Ltd	4.33%
Canara Bank	4.11%
Axis Bank Ltd	3.67%



REVIEW & OUTLOOK

It has been a subdued month for the markets not only on geopolitical issues but also muted corporate performance compared to the expectations. Also, FPIs selling aggravated as Dollar index appreciated and expectation of deep interest rate cut withered away. Our portfolio outperformed the benchmark albeit reported losses for the month. The stock pick strategy worked well, and we will continue to pursue a similar strategy and rebalance the portfolio post correction.

REVIEW & OUTLOOK

The persistent selling by the FPIs impacted the broader market and the benchmark severely. Our portfolio outperformed the market backed by the bottom-up strategy that we adopted. The second quarter results of the banks were above par compared to the other sectors. IT & Pharma too show signs of sequential growth. We will mix our position by adding weight to these high growth banking and defensive Tech sectors for the coming period.

KSEMA WEALTH PVT LIMITED

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