1-Market Highlights:

In November, politics took centre stage as the US saw one of the most closely contested and consequential presidential elections in the modern history. Trump 2.0 may bring higher tariffs (potentially slowing global trade), tax cuts for corporates and individuals (boosting consumption but also inflation and fiscal deficit) and increased US oil production (possibly lowering crude oil prices). For India, while falling crude oil prices would be a positive, higher tariffs, a slowdown in global trade, and a stronger dollar pose risks for other emerging economies as well. Meanwhile, the IMF's recent World Economic Outlook report forecasts global growth to hold steady at 3.2% in 2024 and 2025, but with risks skewed to the downside due to heightened policy uncertainty. In addition to global uncertainty, muted Q2FY25 corporate earnings, signs of growth slowdown, and stretched valuations contributed to the decline and continued FII selling spree in domestic markets.

Market performance (%)

INDEX	1M	3M	1Y	FY25
NIFTY 50	-0.3%	-4.4%	19.9%	8.1%
SENSEX 30	0.5%	-3.1%	19.1%	8.4%
NIFTY MIDCAP 150	0.1%	-4.7%	31.0%	17.7%
NIFTY SMALLCAP 250	-0.2%	-2.5%	33.7%	23.6%

Source: NSE As of 29th November 2024

- **FII/DII Activity**

Overseas investors continued their selling spree as they sold ~₹1.5 lakh crore worth of stocks in the last three months.

INR cr.*	1M	3M	6M	1Y
FII	-45,974	-1,47,808	-1,60,702	-2,55,275
DII	44,484	1,82,596	2,84,890	5,06,186

Source: NSE *FII Cash As of 29th November 2024

- **Global Market**

US markets soared to record highs in November as Wall Street looked ahead to a second term for President-elect Donald Trump boosted by expectations for faster economic growth and lower taxes under Trump and a Republican-controlled Congress. Market participants in December are likely to continue to pay special attention to Trump and his policy proposals. Though Wall Street will also be attuned to the near-term economic outlook, especially inflation and the labor market. The US dollar rally also had a significant impact on the relative performance of markets in November. The perception that Trump's fiscal plans could be inflationary and potentially cut short the Federal Reserve's (Fed's) rate-cutting cycle led to the strongest consecutive monthly gains for the dollar

INDEX	1M	3M	6M	1Y
DOW JONES	7.5%	8.1%	16.1%	24.9%
FTSE	2.2%	-1.1%	0.1%	11.2%
HANG SENG	-4.4%	8.0%	7.4%	14.0%
DAX	2.9%	3.8%	6.1%	21.0%
NASDAQ	6.2%	8.5%	14.8%	35.1%

Source: Investing.com As of 29th November 2024

- **Sectoral Performance**

Financials, capital goods and infrastructure segments, healthcare, real estate and ancillary segments and some select bottom-up consumption segments look attractive compared to other sectors. In the cement sector, there is expectation that the volumes will improve in the next two quarters, backed by higher government spending across sectors such as infrastructure and housing. Pharma, telecom and digital companies are the segments which are not impacted by the slowdown and those can be bought on declines. The table shows the top 3 and bottom 3 sector performances in November 2024:

TOP 3 (%)	1M	3M	6M	1Y
S&P BSE Industrials	5.1	-3.3%	3.0%	42.1%
S&P BSE Capital Goods	5.1%	-2.9%	1.4%	41.4%
S&P BSE IT	2.4%	-1.2%	25.1%	28.8%

BOTTOM 3 (%)	1M	3M	6M	1Y
S&P BSE Power	-4.6%	-8.5 %	-1.8%	52.2%
S&P BSE Energy	-3.5%	-17.8%	-7.6%	25.8%
S&P BSE Oil & Gas	-3.0%	-18.4%	-6.7%	30.5%

Source: BSE As of 29th November 2024

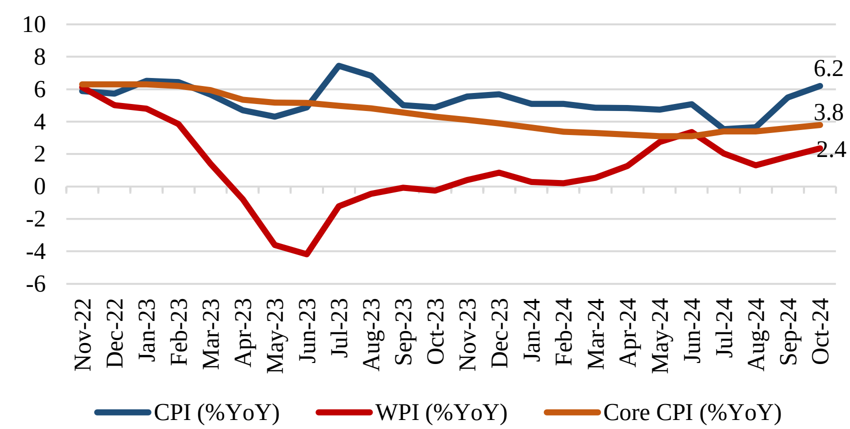
- **Important Events**

1- The RBI's MPC decided to retain the policy repo rate at 6.5% for the 11th consecutive time with a 4:2 majority and unanimously decided to retain the 'neutral' stance. The RBI's MPC acknowledged that the growth-inflation outcomes have turned adverse since October, and the medium-term focus on further realigning inflation to the target while ensuring pick-up in growth momentum remains imperative. The GDP growth forecast for FY25 has been trimmed by 60bps to 6.6%, with a stable prognosis for H2FY25 fuelled by strengthening agriculture outlook, revival in rural demand, increased government expenditure, pick-up in industrial activity and upbeat exports. Headline inflation estimates for FY25 have been revised upwards by 30bps to 4.8%, and a sharp upward revision of 90bps in Q3FY25 to 5.7%. Notwithstanding the near-term spike, the MPC expects food prices to soften, on record kharif output, higher mandi arrivals and better rabi crop prospects. To address the expected near-term tightening in liquidity conditions, the RBI announced a 50bps cut in the Cash Reserve Ratio (CRR) to 4%, to be implemented in two tranches of 25bps each from December 14th and 28th. This is likely to add nearly Rs 1.16 lakh crore to the banking system liquidity.

2- Headline retail inflation rose to 6.2% YoY in October, up from 5.5% in September, driven by higher food prices — specifically vegetables — and a waning favorable base effect. Core inflation also edged up to a 10-month high of 3.8% YoY, driven by personal care & effects, thanks to rising gold and silver prices. In the first seven months of FY25, headline retail inflation stood at 4.8% vs. 5.4% during the same period last year. Wholesale price inflation (WPI) also rose to 2.4% YoY in October from 1.8% in September, largely due to higher food prices, despite continued deflation in the fuel segment and subdued inflation in manufacturing products. The gap between CPI and WPI widened further to 3.9%, signaling persistent price pressures at the retail level.

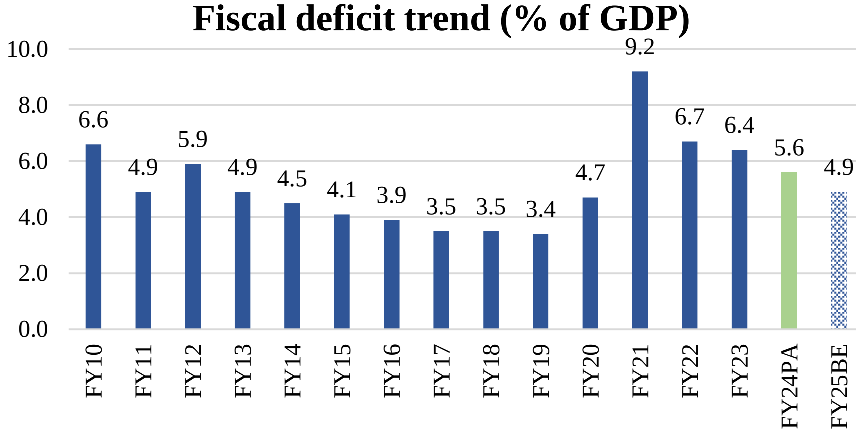
2- Economic Developments:

Headline inflation rises above 6% again



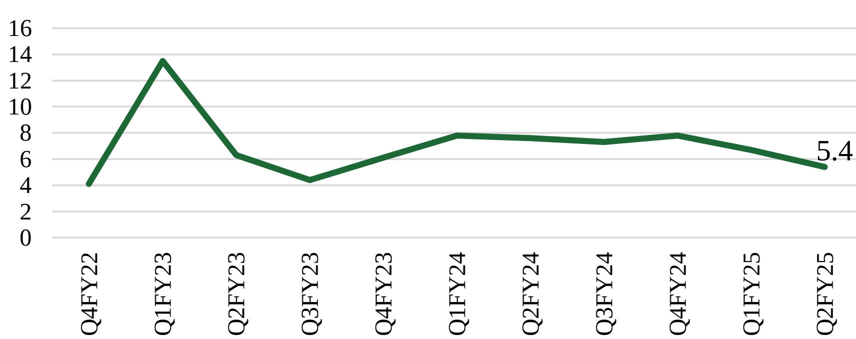
Source: Mospi

Fiscal deficit trend (% of GDP)



Source: CGA, PA= Provisional Actuals, BE = Budget Estimates

India quarterly GDP growth trend



Source: Mospi

a) The Centre's monthly accounts continued to reflect strong fiscal health, supported by a robust revenue growth and lower spending. Capital expenditure has picked up in Q2FY25 with a spending of Rs 2.4 lakh crore vs. Rs 1.8 lakh crore in Q1FY25The Centre's fiscal deficit remains in check, as the cumulative deficit decreased by 32.4% YoY to Rs 4.7 lakh crore (29% of FY25BE vs 39% of FY24BE) in the first half of this fiscal. This reduction is largely driven by robust tax revenues, an increase in RBI dividend proceeds at the start of the fiscal year, and lower capital expenditure. As a result, the fiscal deficit remains well within the budgeted target of 4.9%, underscoring the Union government's prudent fiscal management to date in FY25.

b) India's Q2FY25 real GDP growth slowed to a seven-quarter low of 5.4% YoY (vs. 6.7% in Q1), falling short of market expectations (Consensus/RBI's MPC estimate: 6.5%/7%). This translates into a growth of 6% in the first half of FY25. The moderation in Q2 growth, albeit off an unfavorable base (+8.1% in Q2FY24), has stemmed from subdued urban consumption demand, heavy rainfall, and softening investment and export activity amid a challenging global environment. That said, rural consumption showed signs of resilience, supported by robust prospects of *Kharif* output, while Government spending picked up post elections, capping the moderation to some extent. Nominal GDP growth also fell to a 15-quarter low of 8% YoY. By economic activity, Gross Value Added (GVA) growth decelerated to 5.6% YoY, led by muted industrial activity (3.6% YoY), corroborated by slowdown in corporate earnings, partly offset by strong growth in the services sector (7.1% YoY). The GVA growth continues to be higher than the GDP growth for the second consecutive quarter, indicating a higher subsidy outgo.

3-Market Outlook:

1. The combination of global and domestic issues is weighing on market sentiment, causing Indian markets to reach new monthly lows. Weak Q2 profits, along with current developments in China, have caused a major outflow of foreign investors. In December, markets will focus on the intensity of FII selling, pre-quarterly company commentary, and an increase in government expenditure. In December,

markets will look at the intensity of FII selling, pre-quarterly commentary from companies and the increase in government spending.

2- The major events that affected equity markets in November were the quarterly results and the US presidential elections. One needs to be realistic about prospective returns as equity markets go through cycles. Investors need to look through short-term volatility and be disciplined in their asset allocation strategies to achieve their long-term financial goals. The current environment calls for a balanced approach—focusing on disciplined, long-term strategies while being mindful of short-term volatility. On the inflation front, looking ahead, while the arrival of the kharif harvest and strong rabi prospects from higher reservoir levels could ameliorate inflationary pressures, persistent food inflation and external uncertainties suggest headline inflation may remain elevated.

4-Our Portfolio Management Services:

Strategy 1: DREAM

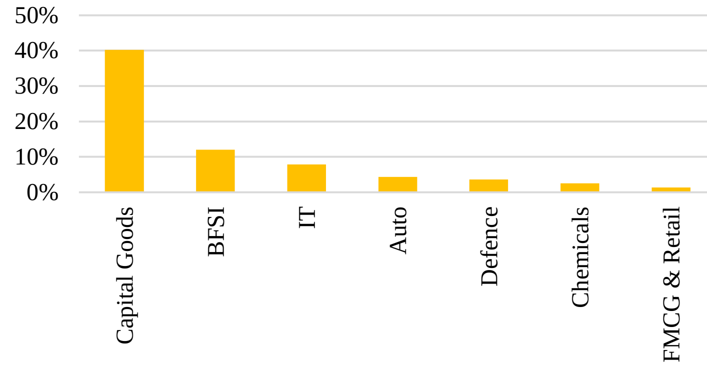
- Investments in equities cash segment with a mix of stable and growth-oriented companies having strong fundamentals.
- Our Multi-cap strategy rests on two pillars- Steady picks for large cap for resilience, stability, and long-term wealth and Growth for Small & Mid-caps for capturing new opportunities & potential multi-baggers.
- In order to minimize concentration risks, we believe in sector diversification.
- We make dedicated efforts to find attractively valued firms with sustainable business models to capture new and dynamic opportunities.

Performance as on 29th November 2024:

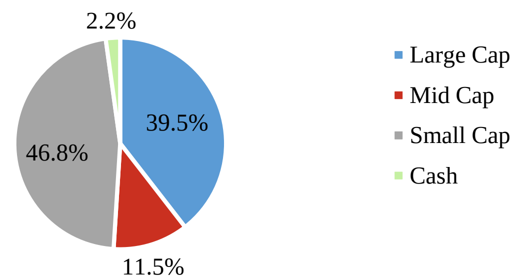
	6M	1Y	2Y	3Y	Since inception (CAGR)
HEM PMS	**18.47%**	**34.53%**	**34.36%**	**25.75%**	**29.39%**
S&P BSE 500	**7.15%**	**25.61%**	**18.57%**	**15.35%**	**20.44%**

Inception date: 4th March, 2020. Returns presented are not verified by SEBI

Sectoral Mix



Market Capital Diversification



Our Top 10 Holdings in DREAM

Hindustan Aeronautics Ltd.	Praj Industries Ltd.
PG Electroplast Ltd.	Gravita India Ltd.
Bharat Electronics Ltd.	Agarwal Industrial Corporation Ltd.
ICICI Bank Ltd.	Va Tech Wabag Ltd.
KEI Industries Ltd.	Titagarh Wagons Ltd.

Strategy 2: IRSS

1- Niche SME & Small Cap based PMS launched in February 2022.

2- We came No. 1 in India according to PMS Bazaar in June 2024.

3- Exclusive selection of potential multi baggers from SME & Small cap space.

4- It is a high risk & high return strategy and therefore suitable for investors having high risk appetite

Performance as on 29th November 2024:

	6M	1Y	2Y	Since inception (CAGR)
HEM IRSS	**36.41%**	**35.49%**	**40.98%**	**44.64%**
S&P BSE 500	**7.15%**	**25.61%**	**18.57%**	**16.20%**

Inception Date: 18th Feb 2022.Returns presented are not verified by SEBI. Please read Disclaimer and T&C before investing.

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