RNI No. MAHENG/2009/28962
Volume 15 Issue 12
16th - 31st December '23
Mumbai
Pages 52
For Private Circulation

SHAPING THE NATION

India's start-ups are brewing revolutionary solutions across industries

Beyond Market
it's simplified...
NIRMAL BANG
a relationship beyond broking
a financial magazine crossing horizons

Against A Storm
COP28 ended with a global consensus on transitioning from fossil fuels by 2050 but failed to come up with concrete agreements for it and provide adequate financing – Page 6

Hat-trick Triumph
Three state wins solidify BJP's 2024 hopes, paving the way for policy continuity – Page 14

Taking Flight
Innovation and export opportunities abound for the Indian drone industry – Page 26

Beyond Market

it's simplified...

NIRMAL BANG
a relationship beyond broking

a financial magazine crossing horizons

Volume 15 | Issue: 12, 16th - 31st December '23

C O N T E N T S

Editor-in-Chief & Publisher: Rakesh Bhandari
Editor: Tushita Nigam
Senior Sub-Editor: Kiran V Uchil

Art Director: Sachin Kamble

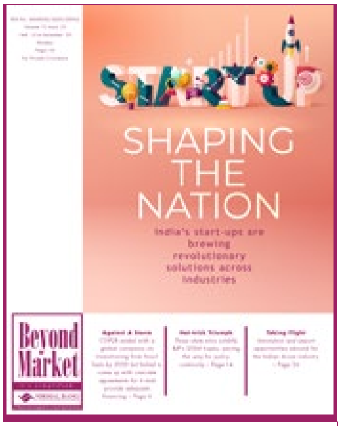
Operations: Namrata Sabbani

Research Team: Sunil Jain, Vikas Salunkhe, Swati Hotkar, Nirav Chheda, Amit Bhuptani, Ayush Mehta, Ritu Poddar, Uma Gouda, Chaitali Salve

Printed and published by Mr Rakesh Bhandari on behalf of Nirmal Bang Financial Services Pvt Ltd, printed at Uchitha Graphic Printers Pvt Ltd. 65, Ideal Ind. Estate, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 and published at Nirmal Bang Financial Services Pvt Ltd, 601/6th Floor, Khandelwal House, Poddar Road, Malad (E) Mumbai - 400097.
Editor: Tushita Nigam

REGISTERED OFFICE
Nirmal Bang Financial Services Pvt Ltd
601/6th Floor, Khandelwal House, Poddar Road, Malad (East) Mumbai - 400097
Tel: 022 - 6273 9600

Web: www.nirmalbang.com | beyondmarket@nirmalbang.com
Tel No: 022 - 6273 8047



Tushita Nigam
Editor

UPSCALING TO FLOURISH

The Indian start-up space has been ablaze for some time now, ignited by favourable government policies and a nurturing environment, boosting the prospects of both new and established players. In our cover story, we shine a light on the crucial factors propelling the growth of Indian start-ups, ably supported by digital transformation.

Also, this issue delves into a range of other interesting topics. A thought-provoking analysis of the recent Conference Of The Parties (COP28) climate conference in the UAE explores the preparedness of countries worldwide for looming environmental challenges.

Other articles include the daily expiry of derivatives, the implications of the Bharatiya Janta Party's (BJP's) victories in three state elections, the potential impact of the government's directive to sugar mills to refrain from using sugarcane for ethanol production, as well as the trends and challenges for the hotel industry in 2024 as the sector navigates the post-pandemic landscape.

You will also find articles on flourishing industries like diagnostics and drones vying for attention. A great piece on the growing importance of up-skilling and staying up-to-date with technological know-how for better job prospects in the future promises to be a rewarding read.

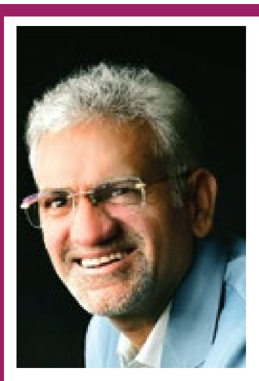
To further enhance your understanding of the digital world, dive into a Beyond Learning article that reveals the tactics of cybercriminals, empowering users to navigate the online world with confidence, and avoid falling prey to cyber frauds and scams.

The compilation of the list of holidays by leading stock markets across the world will be truly valuable.

On a closing note, Team Beyond Market extends warm wishes to all its readers for a Happy New Year filled with abundant health, wealth and happinesS.

"The Nifty Futures has support at the 21,650 level."

Nifty Futures: 21,930
(Last Traded Price As On 28th Dec '23)



After the Federal Reserve meeting in December, hopes for rate cuts have grown, with many expecting an announcement to come in as early as March.

Recent state election results in India have set the tone for the upcoming Lok Sabha elections in 2024, with growing expectations of the continuation of government policies over the next five years.

In the coming month, the Indian stock markets look good. The Nifty Futures has support at the 21,650 level. On the upper side, it is likely to touch the 22,500 level.

Pay close attention to two major developments in the coming weeks: on the geopolitical front, escalating tensions in the Middle East, mainly between Yemen and Israel due to increased Iranian backing for Houthi rebels; and on the domestic front, the release of corporate results from India Inc, as both these events are likely to impact the marketS.

Dilip Barg

COP28 UAE

UNITE.ACT.DELIVER.

AGAINST A STORM

COP28 ended with a global consensus on transitioning from fossil fuels by 2050 but failed to come up with concrete agreements for it and provide adequate financing

As Cyclone Michuang wreaked havoc on Chennai, leaving parts of the city submerged, a global climate change showdown unfolded in Dubai at the 28th edition of the Conference of the Parties (COP28). The sixth storm in the Indian Ocean this year served as a stark reminder of the urgent need for climate action.

The COP28 marked a watershed moment in the global fight against climate change, garnering international attention with the proclamation of a historic breakthrough - an agreement by 196 nations to signal the end of fossil fuels. For the first time in the history of climate negotiations, nations unanimously acknowledged the perilous impact of fossil fuels on the environment. The agreement, though not devoid of ambiguities, set a course for a transition away from fossil fuels by 2050.

As Michuang and other climate events show, the urgency of climate action is the need of the hour. The Intergovernmental Panel on Climate Change (IPCC) has warned that the world is already 1.2°C hotter than pre-industrial times, with projections indicating an overshooting of the 1.5°C limit by 2030 and 2°C by 2050.

The transition away from fossil fuels demands a colossal financial investment, estimated at a staggering $200 trillion by 2050. Rich nations, expected to contribute the most, have yet to fulfill a pledge made 14 years ago during COP15 in Copenhagen – a commitment to provide $100 billion annually to aid the Global South in adaptation efforts. However, this commitment remains largely unmet, with less than one billion dollars reaching developing nations.

The reluctance of the developed world, especially the US and Canada, and emerging economies, India and China, to phase out fossil fuels, the backbone of their economies, is a significant reason for the inability to achieve the target. The US and Canada want to continue with oil and gas usage while India and China are keen to exploit their huge coal reserves. Amid this background, the Dubai summit made some progress.

GLOBAL GOAL ON ADAPTATION

COP28's text on Global Goal of Adaptation outlined seven crucial targets slated for implementation both by and beyond 2030. Central to these goals is the overarching theme of enhancing global resilience to climate change impacts.

The outlined targets encompass a broad spectrum of challenges, including:
Water Scarcity Mitigation: Significantly reduce climate-induced water scarcity, emphasizing on the importance of ensuring access to safe and affordable potable water for all.

Climate-Resilient Agriculture:
Foster climate resilience in food and agricultural production, with a focus on sustainable and regenerative practices. This includes ensuring equitable access to adequate food and nutrition for all.

Healthcare Resilience:
Address climate change-related health impacts by promoting climate-resilient health services. The aim is to substantially reduce climate-related morbidity and mortality, particularly in vulnerable communities.

Ecosystem And Biodiversity Protection: Undertake measures to curtail climate impacts on ecosystems and biodiversity. This involves accelerating the adoption of ecosystem-based adaptation and nature-based solutions, coupled with the management, enhancement, restoration, and conservation of terrestrial, inland water, mountain, marine, and coastal ecosystems.

Infrastructure And Settlement Resilience: Increase the resilience of infrastructure and human settlements to climate change impacts. This is to ensure the provision of basic and continuous essential services for all while minimizing climate-related disruptions to infrastructure and human settlements.

Poverty And Livelihood Protection: Substantially reduce the adverse effects of climate change on poverty eradication and livelihoods. This includes promoting adaptive social protection measures for all segments of society.

Preservation Of Cultural Heritage: Develop adaptive strategies for preserving cultural practices, and heritage sites, and designing climate-resilient infrastructure. This initiative is to be guided by traditional knowledge, indigenous peoples' knowledge, and local knowledge systems.

The text urges developed countries and invites other parties to provide resources voluntarily. The text asks the United Nations, specialized agencies, and other relevant organizations, as well as bilateral and multilateral agencies, to mobilize support, including private finance, for developing nations for the implementation of the framework for the global goal of adaptation.

Expressing concern over the existing gap in adaptation finance, the text reiterates the call for developed countries to double their collective provision of climate finance for adaptation to developing nations from 2019 levels by 2025. This push aims to establish a balance between mitigation and adaptation, facilitating scaled-up financial resources for comprehensive climate resilience.

However, the effectiveness of these goals hinges on the availability of adequate funding, a point of contention between developed and developing nations. While developing countries assert that financial support from richer counterparts has been meagre, the text calls for a doubling of adaptation finance by 2025.

MEETING THE 1.5°C GOAL: KEY STRATEGIES OUTLINED IN THE GST

The Global Stocktake (GST), the first ever such exercise for climate change mitigation progress, outlined a comprehensive approach to align global efforts with the Paris Agreement's goal of limiting the rise in global temperatures to 1.5°C.

The global stocktake is about looking at everything related to where the world stands on climate action and support, identifying the gaps, and working together to chart a better course forward to accelerate climate action. The strategies, to be pursued by parties in a "nationally determined manner," are delineated into eight pivotal areas:

Renewable Energy Surge: Triple global renewable energy capacity and double the average annual rate of energy efficiency improvements by 2030.

Coal Power Phase-Down: Intensify initiatives aimed at reducing unabated coal power, reflecting a commitment to transitioning away from high-emission energy sources.

Net Zero Emission Systems: Globally accelerate endeavours towards achieving net-zero emission energy systems, employing zero- and low-carbon fuels well before or around mid-century.

Fossil Fuel Transition: Undertake a just, orderly, and equitable transition away from fossil fuels in energy systems. The focus is on expediting action in the critical decade to attain net-zero emissions by 2050, aligning with scientific recommendations.

Advancement of Low-Emission Technologies: Speed up the development and adoption of zero- and low-emission technologies. This includes renewables, nuclear energy, abatement, and removal technologies like carbon capture and utilization and storage, with a special emphasis on addressing challenges in hard-to-abate sectors. Additionally, promote low-carbon hydrogen production.

Non-Carbon-Dioxide Emission Reduction: Substantially decrease global non-carbon-dioxide emissions, with a specific emphasis on methane emissions, by the year 2030.

Emission Reduction in Road Transport: Accelerate efforts to reduce emissions from road transport, employing various pathways that include infrastructure development and rapid deployment of zero and low-emission vehicles.

Phasing Out Fossil Fuel Subsidies: A central aspect of the GST involves the phasing out of inefficient fossil fuel subsidies. This critical step aims to eliminate subsidies that do not effectively address energy poverty, emphasizing the need for an equitable and just energy transition.

TECHNOLOGY TRANSFER AND INNOVATION

An ongoing dispute revolves around the provision of fossil fuel replacement technologies patent-free. Developed nations argue that this would stifle innovation and efficiency in renewable technologies, especially solar and wind. On the other hand, emerging economies, including India and China, contend that the $100 billion climate finance commitment is insufficient for a just transition to cleaner fuels.

Developing countries, including India and China, resist abandoning fossil fuel-based power plants due to growing energy demands and national priorities.

For India, the second, third and eighth steps - covering rapid coal cuts, achieving net zero at mid-century, and stopping fossil fuel subsidies - are red lines.

THE LONG ROAD AHEAD

The summit was initially hailed as a historic breakthrough, with participating nations acknowledging, for the first time, the adverse impact of fossil fuels on global greenhouse gases. However, closer scrutiny reveals that there was no concrete agreement to end fossil fuels; instead, a vague commitment to transition away from them was made. The absence of a binding agreement and clarity on financing mechanisms for transitioning and supporting poorer nations was evident.

While the summit recognized the urgency of addressing climate change, especially considering the current 1.2°C temperature rise, it fell short of outlining actionable plans.

The Intergovernmental Panel on Climate Change's warnings about insufficient carbon emission reductions were reiterated, emphasizing the need for a 25% to 50% cut by 2030. However, the pledges made during COP28 were deemed inadequate, projecting only an 11% reduction.

Despite the acknowledgement of widening adaptation finance gaps, the financial pledges, including a few million dollars, were deemed far from meeting the trillions required for clean energy transitions and adaptation efforts in developing countries.

The summit concluded with a declaration expressing concern over the insufficient levels of climate finance, technology development, and capacity-building for adaptation.

Critics argue that the focus on promises, cash, and expensive alternative energy sources misses addressing the root causes of rising greenhouse gas emissions. The exponential rise in global energy consumption, driven primarily by fossil fuels, stems from population growth and increased energy usage.

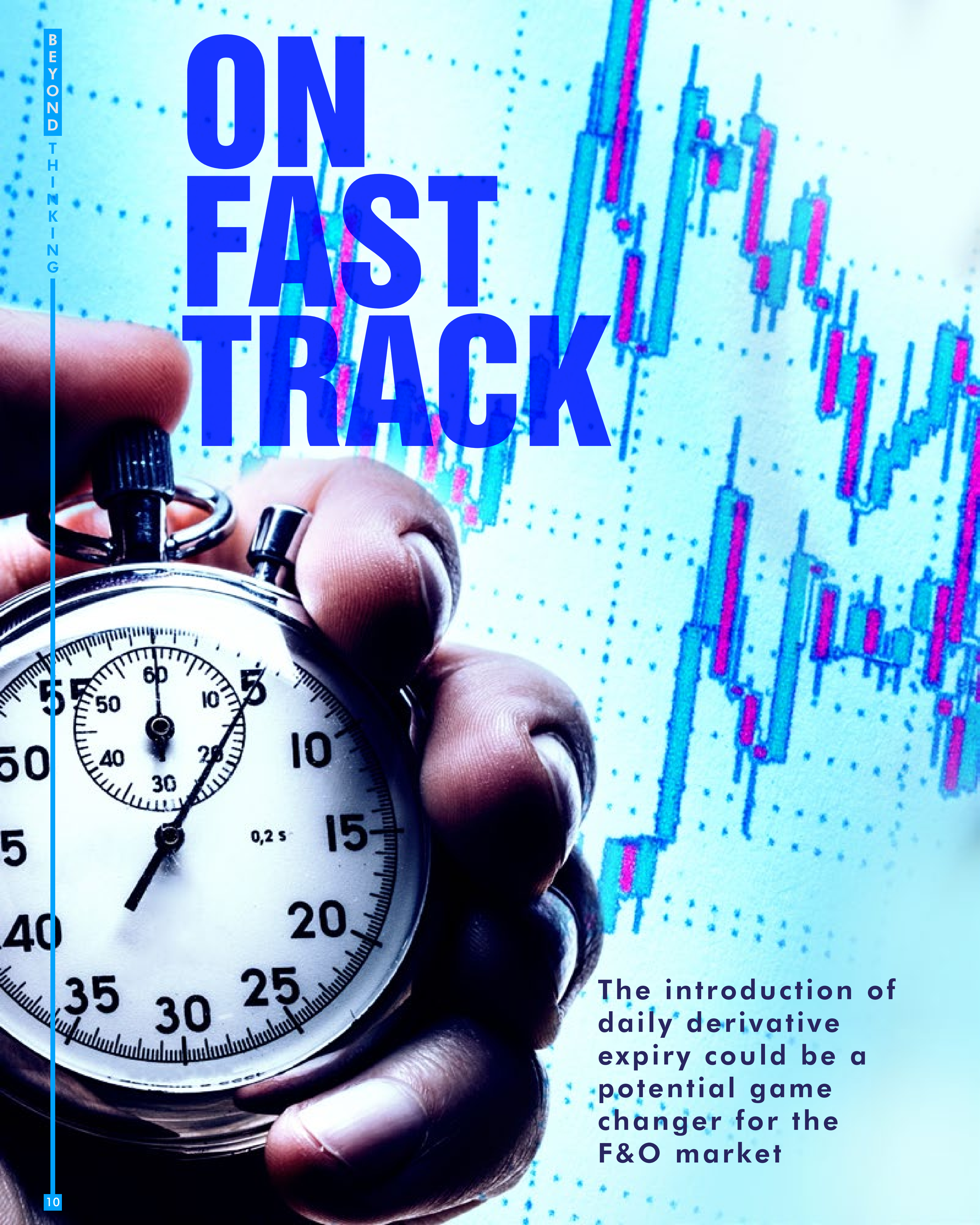
The failure to tackle consumption patterns and the exclusive focus on fossil fuels, neglecting other contributors like deforestation, animal agriculture, and fluorinated gases, is considered a flaw in climate change negotiations.

Developing countries have expressed dissatisfaction with the inadequate financial support from developed nations for adaptation efforts. The targets are laudable but would be difficult to achieve in the absence of adequate technology transfer and funding outside the $100 billion climate finance promised by the rich countries.

Despite recognizing the widening gap in adaptation finance, the text falls short of establishing decisive terms, urging developed countries to double their climate finance provision for adaptation by 2025.

Critics argue that the means of implementation, particularly funding, remains weak, lacking specific targets and relying on voluntary contributions.

Now, the focus shifts to COP29 in Azerbaijan, which is set to agree to a new global target on climate finance, but it may also face hurdles as rich countries want to avoid contributing their fair shar**E.**



ON FAST TRACK

The introduction of daily derivative expiry could be a potential game changer for the F&O market

In the wake of the Covid-19 pandemic, a major wave of new traders, particularly in day trading, flooded the market. This influx has been a result of various factors such as technological advancements, the pervasive influence of social media, a growing financial awareness, and the expanding landscape of financial inclusion. Impressively, from March '20 to September '23, the total number of demat accounts nearly tripled, reaching a staggering 12.97 crore.

Beyond the surge in traders and investors, the introduction of daily expiries has resulted in a dramatic increase in short-term trading volume, with intraday options activity seeing a particularly sharp rise. This shift (option expiries) has led to an important adjustment in the expiration schedule of market contracts, resulting in a more diversified distribution of expiry days throughout the weekdays. While monthly and quarterly contracts have remained largely unaffected, the impact has been most pronounced in the domain of weekly contracts, which now witness higher volume and shorter holding periods.

Notably, Bank Nifty's weekly contracts now expire on Wednesdays instead of the established Thursdays used for monthly and quarterly expirations. This change, implemented since October '23, creates a daily expiry scenario offering traders with five distinct expiry days each week. The main goal is to diversify trading opportunities beyond traditionally robust contracts like Bank Nifty and Nifty, potentially spreading risks across different expiry days.

The introduction of daily expiries goes beyond benefiting individual traders; it also enhances market liquidity and efficiency. By dispersing risks across more contracts and expiry days, it encourages diversification, attracting new participants and boosting trading volumes in different financial instruments. This dynamic environment offers unique advantages to market players like institutional investors, who gain access to a wider range of trading opportunities, and liquidity providers, who benefit from increased fee generation through higher trading activity. Ultimately, daily expiries contribute to a more vibrant and robust financial ecosystem for everyone.

The appeal of daily expiry of options lies in the promise of frequent trading opportunities, faster theta decay, and adaptability to heightened volatility. This has become an enticing gateway for the fresh influx of market participants, offering them the flexibility of quick turnarounds and efficient capital management without the need to endure overnight risks.

A WINDFALL FOR TRADERS

The advent of multiple weekly expiry days signals a favourable era for traders, promising an upswing in options volume. This alteration allows traders to exploit opportunities across various product expiries while maintaining consistent margin utilization. The shortened settlement period facilitates efficient margin churning, empowering traders to engage with different instruments on different days.

Notably, this new paradigm is poised to benefit expiry-day traders, particularly those inclined towards short-selling options to leverage theta decay. The strategic distribution of risks across contracts, extending beyond the traditionally robust Bank Nifty and Nifty, is expected to cultivate increased volumes in other contracts.

THE RENAISSANCE OF STRADDLES AND STRANGLES

The post-pandemic landscape, characterized by elevated volatility and inflated option premiums, has birthed a golden age for day trading, particularly within the realm of vanilla strategies like straddles and strangles. Driven by the allure of profit potential, investors have redirected their focus towards day trading.

These strategies involve capitalizing on temporary market inefficiencies, utilizing options Greeks to manage risk, and exploiting rapid price movements near expiry.

Despite the inherent volatility, savvy traders can harness it to their advantage. Strategies such as delta-neutral approaches, including straddles or butterflies, empower traders to profit from short-term price movements regardless of the direction the underlying asset takes. This affords an opportunity to capitalize on increased volatility without exposing oneself to directional risk.

NUMEROUS TRADING HORIZONS

Daily expiry transforms the trading landscape by providing daily opportunities for traders, allowing them to open and close positions multiple times each day, unlike the waiting game associated with weekly or monthly expirations. This flexibility enables the capture of more profitable opportunities within a condensed timeframe.

Imagine a scenario where a trader identifies a stock with robust upward momentum. With weekly options, there might be only one opportunity to capitalize on this move. However, daily expiry options offer multiple chances to enter long call positions throughout the week, potentially capturing a larger portion of the upward price movement.

RAPID THETA DECAY: A STRATEGIC ADVANTAGE

Theta decay, the natural erosion of an option's value as it approaches expiry, becomes a powerful ally with daily expiry options. Picture a trader implementing a short strangle strategy. As the days dwindle, the options' values decline swiftly, providing a distinct advantage to option sellers.

Theta decay, synonymous with time decay, is a pivotal concept in options trading and serves as a strategy employed by investors. Theta measures the rate at which the value of an option diminishes as time passes, all else being equal. This decay occurs due to options having a finite lifespan, with their time value diminishing as they approach expiration.

For instance, consider a trader selling a near-expiry call option on a stable stock. They can profit from accelerated decay, even if the stock price remains relatively steady. This exemplifies how the temporal element works in favour of option sellers, especially in the context of daily expiry.

The characteristic of accelerated theta decay can lead to options losing 5% to 7% of their value daily as expiry approaches, providing significant potential for profit for astute traders. The theta decay strategy involves capitalizing on this natural erosion of option value over time. Traders employing this strategy typically sell options, such as covered calls or naked puts, to benefit from the declining time value of these contracts. By selling options with a shorter time to expiration, they aim to capitalize on accelerated theta decay.

Consider a scenario where, on a Friday, a trader sells a call option of the Bank Nifty index (strike rate of 47,500, expiry 13 December 2023) at a premium of ₹ 225 a unit. Ideally, if the Bank Nifty goes up, the call option premium should increase. However, on next day, the Bank Nifty closed 52.25 points higher at 47,314.25. Despite the higher close, due to time decay, the call option premium (strike rate of 47500) collapsed by 36.9% to ₹ 142 a unit. This translates to profits of ₹ 1,246 on one lot of Bank Nifty.

SWIFT TURNAROUND: HARNESSING INTRADAY OPPORTUNITIES

Daily expiries serve as a dynamic tool for traders seeking rapid responses to market dynamics, enabling them to capitalize on short-term price movements during a single trading day. Day traders utilizing daily expiry can promptly seize numerous short-term opportunities arising from market inefficiencies, executing trades to benefit from the immediate surge in the index's value before the day concludes.

MITIGATING OVERNIGHT RISK: SAFEGUARDING AGAINST MARKET SURPRISES

The appeal of daily expiry extends to its capacity to shield traders from overnight risks. By closing positions before the market concludes, traders can navigate the unpredictable terrain of after-hours trading. Envision a scenario where a technology company unveils disappointing earnings after the market closes. Traders preferring daily expiry options can rest assured, knowing that their positions were closed during regular market hours, shielding them from potential overnight gaps or unforeseen events that could negatively impact their portfolios. This risk mitigation strategy aligns with the preferences of traders actively managing uncertainties.

LOWER CAPITAL REQUIREMENTS

Day trading with daily expiry demands modest capital commitment than longer-term strategies. Since positions are typically closed within the same trading day, traders can optimize the use of their funds more efficiently.

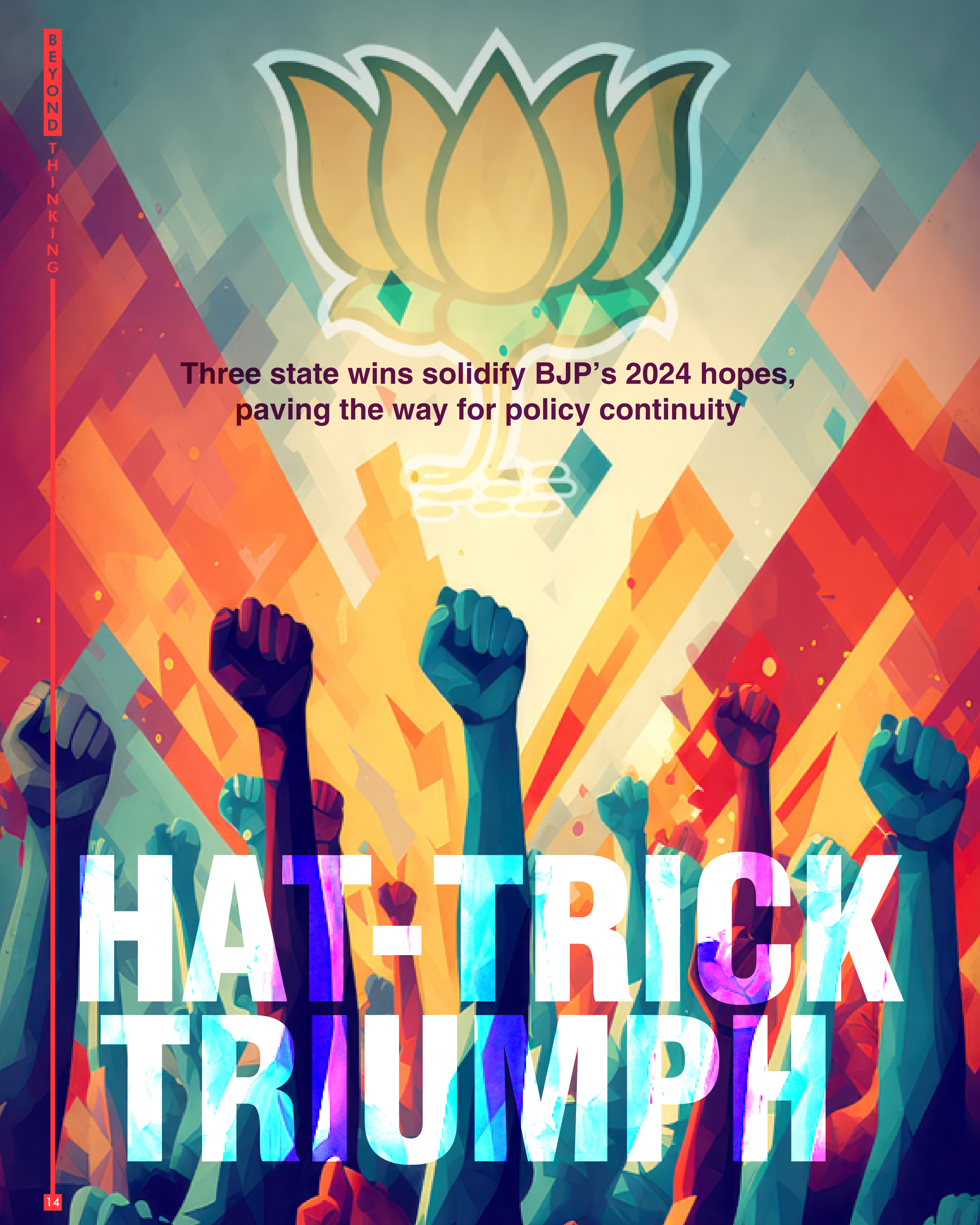
For instance, a trader with limited capital can initiate several trades throughout the day, leveraging their resources to capitalize on various market opportunities. This reduced financial barrier enhances accessibility, allowing a broader range of traders to participate actively in the market.

THE POTENTIAL PITFALLS

However, amidst the allure of daily expiries, traders should remain cognizant of potential pitfalls. The accelerated pace and constant trading cycles may lead to increased stress and burnout, affecting decision-making. Moreover, the susceptibility to intraday market volatility poses a higher risk of losses.

Daily expiries demand vigilant monitoring, leaving little room for error. Additionally, the rapid theta decay that can work in favour of sellers may pose challenges for buyers, potentially eroding the value of their options rapidly.

Traders must navigate these downsides, emphasizing the importance of a well-thought-out strategy and risk management approach in the realm of daily expirieS.



Three state wins solidify BJP's 2024 hopes, paving the way for policy continuity

HAT-TRICK TRIUMPH

The outcome of the recently held state elections in Madhya Pradesh, Rajasthan, and Chhattisgarh surprised the stock markets. The Bharatiya Janata Party (BJP) registered a landslide victory in these significant state elections. These states account for a substantial proportion of Lok Sabha seats. The elections in these large states were touted as a semi-final before the Lok Sabha elections of 2024. With this win, the markets expect the BJP to return to power in 2024. This would ensure policy continuity and is seen as beneficial for the country's long-term growth.

While Indian voters tend to vote differently in national and state elections, an increase in vote share in these states is seen as a morale booster for the BJP. This signals a firm standing of the political party in the 2024 elections. The election outcome also reinforces that the BJP's policies have a strong resonance among voters. Politically, this is significant as it will eventually translate into higher representation for the BJP in the Upper House (Rajya Sabha). This will ensure the faster passage of key legislation.

In a way, the markets felt relieved about the election results, as increasingly political parties have been relying on freebies to attract voters, which have often proven to be bad for fiscal math. Markets were worried that if the ruling BJP had put up a bad show in the state elections, the political party would have relied on appeasement politics ahead of the general election slated in May/June next year. Now, after positive state election results, there is no pressure on the central government to announce any large fiscal stimulus.

Importantly, for the markets, the timing of the BJP win couldn't have been better. Historically, Indian equities have yielded positive returns in December, a month that has seen the return of foreign portfolio investors after being sellers for most of 2023. The return of FPIs has been aided by expectations of peaking of interest rates globally, fading geopolitical uncertainties, and a slide in crude oil prices off their September peaks. Even fears of a hard landing of the US economy have eased in recent weeks.

Following the BJP's strong performance in the state elections, analysts are now expecting policy continuity to have an intensifying impact on the reforms undertaken by the current government since 2014. Over the past nine years (under the current political regime), India's GDP growth has averaged around 5.7%. This is below the 6% average growth over the past three decades.

But lower average growth in the last 9 years is partly because of the pandemic and, in part due to the impact of the government undertaking difficult structural reforms aimed at formalizing the economy. Reforms like demonetization, RERA and GST, among others, which acted as a drag on economic growth, will now serve as a strong foundation for India's economic growth in the future.

Also supporting India's economic growth in the future would be the global sentiment around the China+1 strategy and overhaul of the global supply chain. India too is willing to exploit the scenario by announcing schemes like the production-linked incentive (PLI) scheme and Make-in-India to support domestic manufacturing. Existing themes like formalization, financialization, and infrastructure development will continue to play key roles in boosting the Indian economy.

A testimony that the government's policies are on the right track is the increase in the global market share of high-technology goods like mobile handsets, drugs, and pharmaceuticals. This, along with the wide use of digital public infrastructure and artificial intelligence, will place the Indian economy on a higher pedestal. Importantly, recent investments by corporations in renewables, electric vehicles (EVs), battery technology, and hydrogen will ensure that the economy grows sustainably.

Currently, the Indian economy is trending higher and is projected to grow at around 7% in the present fiscal year, which will end on 31st Mar '24. The Indian economy is estimated to have doubled between fiscal year 2013-14 and fiscal year 2023-24 from US $1.8 trillion to US $3.6 trillion.

Now, with reforms in place, the economy could potentially be around US $10 trillion in the next decade. India's per capita income is also likely to double to US $4,500 by 2030. India is expected to become the third largest economy by size after the US and China, overtaking Japan and Germany by 2030.

Significantly, much to the current government's credit, inflation in India has been kept in check despite global supply shocks. CPI inflation has averaged around 5% over the past nine years. In this regard, avoiding excessive fiscal recklessness was a huge positive. The central government's fiscal deficit has averaged around 5% of the GDP between FY15 and FY23, even after accounting for higher spending during the pandemic period.

It is worth noting that, in the medium term, India is going to witness a stable interest rate scenario. This, along with a healthy banking system, will silently support the economy in the future. The current political regime has also shown an inclination towards internationalizing the Indian rupee, paving the way for a stable exchange rate regime in the future.

India's GDP growth will stand out among its peers in the future as it may be heading for a new upcycle lasting several years. While, so far, the higher share of government capex has played a major role in boosting economic activities in the country, there are now signs of private capex picking up rapidly. This will have a positive effect on the growth of corporates, which will eventually reflect on the equity markets as well.

Markets have already started to factor in BJP's win in 2024 and the subsequent reforms. Political capital will help the BJP pursue its reforms further. Post the election results, the 50-share Nifty index and the 30-share BSE Sensex have comfortably surpassed 21,000 levels and 70,000 levels, respectively.

These benchmarks have posted about 14% and 13% returns in the calendar year 2023 so far. It remains to be seen what the BJP's focus, in terms of announcements in the run-up to the union elections, would be. Markets are expecting a balanced approach to retaining a healthy fiscal math. These factors would decide the prospects of a pre-election rallY.

SUGAR STRAIN

Sugar-dependent mills face the brunt of temporary production curbs as government cracks down on ethanol use to tame inflation and bolster sugar stocks

On 7th December, the government came out with a notification asking sugar mills to not use sugarcane juice and sugar syrup for ethanol production in the ongoing ethanol supply year (ESY) 2023-2024. ESY runs from November to October. However, a week later, the government relaxed the curb allowing diversion of sugar cane juice and syrup for ethanol production, but capped the overall diversion at 1.7 million tonnes.

In recent years, sugar mills have built a huge ethanol capacity by setting up distilleries. In doing this, mills have sacrificed sugar production for higher ethanol production due to higher returns in the latter.

Ethanol is a biofuel, which has the potential to replace petroleum fuels. Currently, ethanol is used for blending with petrol and diesel to improve engine efficiency and also to lower imports as India relies on imports of petroleum products to the extent of around 85%. Till a few years back, sugarcane was used mostly to produce sugar. Now, sugarcane has become a key raw material for the production of both sugar and ethanol.

In light of diminished sugarcane production and sugar supplies, the government has started implementing several measures like banning sugar exports and curbing ethanol production. The steps from the government are to ensure that consumers do not feel the pain of rising sugar prices. This becomes even more important ahead of the general elections in May or June next year.

Currently, the government has only put restrictions on diverting cane juice and syrup towards ethanol production. Ethanol production from other feedstock like B-heavy molasses, C-heavy molasses and grains will continue as usual. Molasses are a by-product in the sugar refining process with varying degrees of sugar content.

SUPPLY CONCERNS

The demand-supply dynamics of sugar have been disturbed in recent years, mainly due to lower sugar production on the back of bad weather conditions and increased diversion towards ethanol. The ongoing sugar year (SS is from October '23-September '24) is likely to see a 10% fall in sugar production as compared to last year on the back of scanty rainfall in key sugarcane-producing states such as Maharashtra and Karnataka.

This year, sugar output is likely to be lower at around 32 million tonnes (before diversion for ethanol), around 3 million tonnes lower than last year. Domestic consumption is expected at 28 million tonnes - 29 million tonnes. Even closing inventory from the previous year (October '22 – September '23) was at a six-year low at 5.7 million tonnes. The current inventory stands at just 2 months' consumption nationwide as against an average of 4 months in the last 5 years.

In anticipation of lower sugar supplies, the commodity prices have already shot up. By the end of SS 2022-23, sugar prices had crossed ₹ 40 per kilogram, a multi-year high level. Sugar prices surged 7% and 5% in SS 2021-22 and SS 2022-23, respectively.

SETTING PRIORITIES

With rising sugar prices, the government has decided to prioritize sugar over ethanol. To ensure higher domestic supplies, the government has already banned sugar exports since May. Now, it has decided to minimize the diversion of sugar towards ethanol production. This way mills will produce more sugar.

Currently, ethanol is mostly produced from food grains (25%) and sugarcane (75%). Ethanol from cane juice and cane syrup accounts for 25%

to 30% while those from B-heavy molasses account for over about 60% to 65%. Ethanol from C-heavy molasses and grains account for the rest. Over the next few years the share of grains in ethanol production is likely to go higher.

Now, with limitations on ethanol production from sugarcane, supply of sugar is going to increase. This will also restrict any need to import sugar. In the previous sugar year around 3.7 million tonnes of sugar was diverted into ethanol production.

With the new mandate, around 2 million tonnes of additional sugar would be available in the market, which otherwise would have gone for ethanol production.

According to Crisil MI&A Research, following government restrictions on ethanol production, sugar supply is expected to increase by 2 million tonnes to 2.5 million tonnes.

Consequently, sugar prices are expected to experience a moderate 3% to 4% year-on-year rise in SS 2023-24. This expected growth in supply is predicted to result in a closing inventory that surpasses 3 months' consumption, ensuring ample availability in the country.

FINALLY – FUTURE OF BLENDING PROGRAMME?

It's worth highlighting that diversion of surplus sugar into ethanol production has improved the financial conditions of sugar mills in recent years.

Encouraged by supporting government policies like remunerative prices, expansion of feedstock for production of ethanol and lower GST rates, among other measures, the industry has built capacities for ethanol production.

The current ethanol production capacity of 1,364 crore litre is spread across most of the states of the country. It is estimated that ethanol requires 1,016 crore litres to achieve 20% blending targets in ESY 2025-26. There are a total of 157 mills that are engaged in the production of ethanol from sugarcane.

Out of this, about 20 mills manufacture ethanol from juice, which will be hugely impacted post the new mandate of lower ethanol production. According to one data, large companies in the sector have invested ₹ 14,000 crore to ₹ 15,000 crore in ethanol manufacturing from sugarcane in recent years.

With curbs on ethanol production, distillery verticals of integrated sugar mills are likely to witness lower revenue and reduction in margins.

However, since sugar prices are ruling higher, the margins could get compensated to some extent. But due to low profitability, the industry could face difficulties in timely payment to farmers.

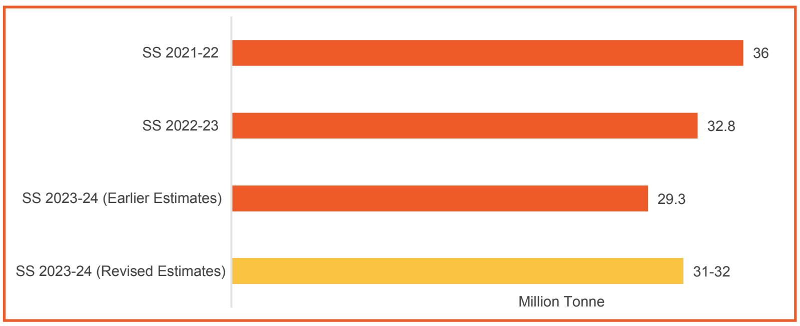
The government has set an ambitious target under its ethanol blending programme: 30% blending by ESY 2029-30 and 20% by EY 2024-25. In the 2022-23 supply year, the government achieved 12% blending of ethanol with petrol.

However, the new regulation is expected to keep the blending rate below 10% in EY 2023-24 as against a target of around 15%.

The industry is only hoping that the curb on ethanol production is a temporary blip so that the long-term growth prospects of the sugar sector stay intact.

Many analysts are of the opinion that once sugar inventory builds in the coming month, the government might reverse the decision. However, any delay in reversal could impact the prospects of the industry even in the medium terM.

SUGAR PRODUCTION



Source: Industry, CRISIL MI&A Research

BUZZING BUSINESS

Thriving demand and financial feast ignite a buzzing future for Indian hotels

India's hotel industry is surging after the pandemic, with booming demand outpacing supply and propelling optimism for continued growth in the second half of this fiscal year. Fuelled by this surge, analysts have significantly revised their earnings growth estimates for the industry. Several factors are responsible for this industry boom.

IMPROVING FUNDAMENTALS

The hospitality industry in India has witnessed massive growth in the past six years, with total investments nearing $1 billion. An average annual investment of $172 million underscores the industry's consistent appeal to investors. In 2022, the sector experienced a notable surge in room openings, adding 19,860 rooms.

A recent study by Hotelivate sheds light on the industry's dynamics, revealing a 10.3% growth in room supply to 1,65,172 rooms in FY23 from 1,49,722 rooms in FY22. Bengaluru has emerged as a new hotspot, surpassing the Delhi-NCR region in terms of inventory. This signals a shift in the industry's landscape, indicative of a robust and evolving market.

Analysts tracking the hotel sector suggest that the growth in room supply in FY23 has outpaced the industry's 10-year Compound Annual Growth Rate (CAGR), emphasizing the increasing demand for accommodations. Over the past ten years, the room supply in India's hospitality industry has seen a consistent 5% CAGR.

Since FY23, there has been a noticeable uptick, indicating a surge in industry investments. Analysts suggest additional investments are key to meet the growing demand for rooms. This positive trajectory is responsible for improved business fundamentals in India's hotels industry in recent years.

The September '23 quarter painted a glowing picture for the hotel industry: financial results of key players like Indian Hotels, EIH, Chalet Hotels, and Lemon Tree Hotels gleamed with Revenue Per Available Room (RevPAR) jumps of 15% to 30%, occupancy rates climbing 2% to 6%, and Average Room Revenue (ARR) soaring 7% to 45% in comparison with the September '22 quarter.

This robust performance across metrics signals a revitalized business environment, breathing optimism for continued growth and leaving no doubt – the hotel industry is buzzing back to life.

Fuelled by a stellar September '23 quarter, major hotel chains are announcing ambitious expansion plans across India.

Indian Hotels, leading the charge by room count, aims to open 20 hotels this year, backed by a robust pipeline of 82 hotels and 11,000 rooms.

Chalet Hotels joins the fray with a new hotel at the Delhi Airport hotel and a retreat at Lonavala in Maharashtra, while EIH aims to add 50 hotels and 4,500 keys over the next seven years.

Mid-segment player Lemon Tree Hotels isn't left behind, debuting Aurika at the Mumbai Airport in October and signing 11 new management contracts with 639 rooms in the September '23 quarter, pushing its FY24 target to 100 hotels and 10,000 rooms.

According to management commentaries of hotel companies, a large part of the pipeline - close to 73% of the inventory - is being developed in Tier-2 and Tier-3 cities in the country. This is because land prices are relatively lower in these locations.

Owing to this, hotels have a relatively shorter payback period and higher returns when compared to their investments in metros.

IN THE COMING QUARTERS

Riding a wave of success in the first half of FY24, India's hotel industry is poised for stellar average RevPAR growth in the second half of FY24.

Analysts predict a handsome 15% to 20% surge compared to the same period last year, building upon the already impressive 14% rise achieved in the first half.

This bullish outlook reflects the industry's robust recovery and its confident stride towards surpassing pre-pandemic levels.

Spurred by analyst optimism for a 15% to 20% surge in RevPAR during India's second half of FY24 is a potent cocktail: an ongoing demand boost and rising room rates.

The upcoming wedding season, estimated by CAIT to witness 38 lakh wedding extravaganzas worth ₹ 4.74 lakh crore, is expected to be a major driver.

Hotels are already capitalizing on the anticipated surge, quoting rates 10% higher for November '23 and January '24 compared to the previous year.

This forward-looking price hike further underscores the industry's confidence in a vibrant second half, potentially pushing RevPAR to greater heights.

Apart from this, there has been stable growth in air travel within India and arrivals of foreign tourists into the country.

According to data shared by the Directorate General of Civil Aviation (DGCA), the average number of passengers who travelled by air in the first half of FY24 grew by 20% when compared to the first half of FY23.

Increasing flight connectivity to leisure destinations is a key factor, which has boosted the demand for rooms.

India's hotel boom isn't solely boosted by weddings. Domestic tourism is soaring too, with DGCA data revealing a 20% increase in air travel during the first half of FY24 when compared to the previous year.

This surge, partly driven by expanded connections to leisure destinations, is further spurring hotel demand as vacationers hit the skies.

Boosted by record room rates, India's hotel industry is heading for a golden year in 2024. After averaging ₹ 6,869 per day in FY23, a new milestone set by February's peak of ₹ 8,300 (surpassing the FY08 high of ₹ 8,000), analysts predict an even brighter FY24.

They anticipate a solid 15% average year-on-year jump in room rates, led by factors like booming domestic air travel (up 20% in the first half of FY24) and a vibrant wedding season with countless ceremonies. planned.

Domestic skies are buzzing with activity, as October '23 saw a 10.5% surge in passenger traffic compared to last year. Even international arrivals are thriving, with a 27% increase in the first half of FY24.

This explosion of travellers, both domestic and international, is creating a potent demand for hotel rooms, promising a bright future for the industry.

Hotels aren't just filling up with leisure travellers; they're also seeing healthy Meetings, Incentives, Conferences and Exhibitions (MICE) business, negotiating room deals 8% to 12% higher than earlier this year. And the upward trend looks set to continue, going forward.

Analysts predict thriving niche tourism segments - religious tours, cruise adventures, and medical journeys - to further boost room demand in the coming quarters.

Analysts insist India's hotel industry is entering a two-year bull run. They predict further surges in average room revenue and occupancy rates, led by an exciting demand explosion outpacing supply growth.

Hotel research firm, Hotelivate, in its report, forecasts a 5% to 6% CAGR increase in branded rooms reaching 2,20,000 by FY28.

Demand for rooms is expected to be in the range of 8% to 10% CAGR, significantly outpacing supply. And a large chunk of this expansion will be through asset-light management contracts, meaning even greater efficiency and growth potentiaL.

HEALTHY DIAGNOSIS

Organized diagnostic players thrive due to increasing health awareness

India's diagnostic sector has witnessed great progress over the years. However, the onset of the coronavirus pandemic has introduced new dynamics to the industry. In recent times, a substantial number of sector experts and analysts reassessed the diagnostic sector, considering it a potentially attractive investment option. Concurrently, amidst prices increases, the sector's array of services has evolved to align with the changing health preferences of consumers.

According to a report by CareEdge Ratings, India's diagnostic services sector is positioned for steady revenue growth of 12% to 14% in FY24. Furthermore, the report indicates that the sector's operating profit margins may return to pre-Covid-19 levels, and remain in the range of 23% to 25% in FY24. This forecast is quite optimistic.

Let's take a closer look at the changing business landscape of India's diagnostic sector, exploring the opportunities it offers and the shifts in consumer trends.

Low entry barriers characterize India's diagnostic sector, resulting in fragmentation and intense competition. According to a study conducted by market research and consulting firm Polaris, the value of India's diagnostic sector reached $14.57 billion in 2022. The study predicts that the industry's value will grow to $43.57 billion by FY32.

India's diagnostics encompass pathology testing and imaging services, with pathology tests accounting for 60% of the market share. In addition to this, the radiology market is growing rapidly due to the increasing demand for imaging services. Simultaneously, pathology testing is on the rise as more people undergo preventive health checks.

Now, let us understand the opportunities offered by the diagnostic sector:

• Organized Chains

The market share of diagnostic chains has improved in the past few years, with their share rising from 13% to 17% in FY20 to 16% to 20% in FY23. Several factors contribute to this growth, including quality testing, increased availability of highly specialized tests, significant expansion into regions beyond major cities, and the rapid adoption of digital operating modes and technology.

Analysts project that organized diagnostic chains are likely to outpace industry growth, estimating that their market share may increase by 3% to 4% more than the industry's overall growth, reaching 20% to 24% within the next three years. According to various estimates, organized chains are expected to experience volume growth of 10% to 12% in the next one to two years.

Additionally, these organized chains plan to raise their pricing by 1% to 2% over the next one to two years. Recently, after a five-year hiatus, they increased the pricing of their various product offerings.

• Pathology Segment

The pathology segment is a critical component of India's diagnostic sector. According to analysts' estimates, the segment's value grew at a Compound Annual Growth Rate (CAGR) of 10.5% between FY18 and FY22, reaching ₹46,600 crore. This growth was driven by factors such as growing population, the impact of the pandemic, an increase in non-communicable diseases, and heightened health awareness. Analysts estimate that the value of the pathology segment is expected to continue growing at a CAGR of 8% to 10% between FY23 and FY28, primarily due to increased awareness among consumers regarding disease prevention.

• Preventive / Wellness Packages Segment

In the post-pandemic era, a key trend in India's diagnostics sector is the increased demand for preventive health check-ups. This demand has risen considerably since the pandemic. According to analysts, the total market for wellness and preventive diagnostics accounted for nearly 19% of the total pathology segment in FY23. Over the next four years, the preventive or wellness packages segment is expected to grow in the range of 13% to 15.5%. On the whole, the preventive segment's contribution to the revenues of diagnostic chains is approximately 12%.

• Specialized Testing

Specialized testing has gained traction in recent years. According to ratings agency CRISIL's estimates, the share of the specialized segment in India's diagnostic sector was between 8% and 12% in FY23. Analysts estimate this share to increase to a range of 10% to 15% by the end of FY28.

Independently, the specialized testing segment is expected to experience growth in the range of 10% to 15% over the next four years. Several factors will contribute to this growth, including increasing awareness, technological advancements, and research and development. These factors have made specialized tests more accessible and cost-effective for consumers.

• Non-Metros: A Huge Opportunity

For India's diagnostic sector, the regions outside the metropolitan areas present massive business opportunities due to their limited presence in these regions. This is reflected in the number of tests conducted per 1,000 population. As of FY23, diagnostic test penetration in India ranged from 600 to 650 tests, with metro cities accounting for 1,500 tests to 2,000 tests, while non-metro areas conducted only 550 to 600 tests. It's worth noting that non-metro regions account for a share of 85% to 90% of the total tests. Therefore, the non-penetration in non-metro regions offers growth potential for the industry.

According to estimates, regions beyond metros, particularly the rural population, contributed close to 24% to the total revenues of India's diagnostic market in FY23. This highlights the significant room for growth in non-metro areas.

IN A NUTSHELL

One of the interesting developments in India's diagnostics sector is the theme of consolidation. This theme has gained momentum in the sector, evidenced by several acquisitions. These acquisitions primarily involve major players acquiring standalone entities or regional diagnostic chains. Besides this, there have been instances where two smaller players have merged.

Some notable deals in the sector include the acquisition of Thyrocare by API Holdings, the acquisition of 1mg by Tata Digital, and the acquisition of Suburban Diagnostics by Dr. Lal Pathlabs.

The cumulative value of these prominent acquisitions in the sector amounts to ₹6,989 crore. Through these acquisitions, large players are expanding their presence in different geographical areas.

On the whole, according to analysts' estimates, the valuation premium between diagnostic and hospitals have narrowed down. They believe that there is scope for price increases in the next two years. As a result of this, analysts estimate that the sector is expected to deliver reasonably good returns over this period.

Currently, organized players hold a market share of approximately 17% in India's diagnostics sector, leaving a significant portion of the market in the hands of unorganized players. This shows that there is ample scope for organized players to gain market share.

Additionally, the demand dynamics favour them. Factors such as increased healthcare spending by the aging population, rising income levels, growing awareness of preventive testing, the availability of advanced healthcare diagnostic tests, improved healthcare insurance penetration, and government healthcare initiatives are driving momentous demand for organized players.

In this landscape, consumers prioritize quality and relatively high accuracy in testing.

Organized players excel in these two aspects, making them likely candidates to gain market share in the years to comE.

TAKING FLIGHT

Innovation and export opportunities abound for the Indian drone industry

India's burgeoning drone industry has captured the attention of many investors, emerging as an attractive long-term investment opportunity due to its rapid evolution, fast growth, and expanding applications. The Indian drone industry is poised for significant growth, driven by the development of globally competitive and technologically superior drones by Indian companies, creating immense export potential.

Prior to the Covid-19 pandemic, the drone industry was on a steady growth trajectory. However, the industry was accelerated by the increasing adoption of drones across diverse sectors and regulatory advancements that have facilitated drone usage.

GOVERNMENT SUPPORT AND FAVOURABLE REGULATORY ENVIRONMENT

Recognizing the immense potential of drones, the Indian government has adopted a proactive approach, enacting supportive policies and regulations to nurture the industry's growth.

The National Drone Policy serves as a comprehensive framework for drone operations, ensuring adherence to safety, security, and privacy standards. Furthermore, the policy fosters innovation and entrepreneurship by streamlining the regulatory process for drone manufacturers and operators.

Additionally, the government has established dedicated drone corridors and testing facilities, creating a nurturing ecosystem for research, development, and innovation. These initiatives have catalyzed industry growth and provided the necessary support for the domestic drone industry, which is expected to witness accelerated expansion.

FINANCIAL PACKAGE FOR DRONE INDUSTRY

The Indian government has implemented several initiatives to support the growth of the drone industry:

- **Drone Shakti Scheme**

Launched in 2021, this scheme aims to promote drone manufacturing and innovation by providing financial incentives to start-ups and MSMEs. It offers grants of up to ₹5 crore for eligible projects.

- **PLI Scheme For Drones And Drone Components**

This Production-Linked Incentive (PLI) scheme incentivizes domestic manufacturing of drones and drone components by providing financial assistance to eligible manufacturers. It offers incentives of 4% to 15% of the incremental sales turnover over a five-year period.

- **Funding For Research And Development**

The government has allocated funds for research and development in drone technology, supporting universities and research institutions to develop cutting-edge drone solutions.

EXPANDING MARKETS AND APPLICATIONS

India's drone industry is one of the fastest growing in the world, projected to reach a value of US $2 billion by 2026, driven by the growing demand for drones across diverse sectors.

In recent years, India has seen a significant increase in drone adoption for a wide range of applications, including:

- **Agriculture**

Drones are being used to monitor crop health, spray pesticides, and collect data on soil quality.

- **E-commerce**

Drones are being used to

deliver packages to remote areas and to improve logistics efficiency.

• **Infrastructure Inspection**
Drones are being used to inspect bridges, power lines, and other infrastructure assets.

• **Emergency Response**
Drones are being used to assess damage after natural disasters and to search for missing persons.

• **Filmmaking**
Drones are being used to capture aerial footage for films and television shows.

• **Delivery Of Food And Other Goods**
Drones are being used to deliver food and other goods to customers in urban areas.

• **Surveillance**
Drones are being used to survey public spaces, such as airports and stadiums.

• **Wildlife Conservation**
Drones are being used to monitor wildlife populations and to combat poaching.

More importantly, drones are expected to be a disruptive force in the future, revolutionizing a number of industries, including the military, emergency services, aerospace, and potentially even the taxi industry.

The ongoing advancements in drone technology, including improvements in battery life, sensors, AI capabilities, and communication systems, are expanding the range of applications and increasing the efficiency and effectiveness of drone operations.

It is expected that these advancements will not only expand the traditional uses of drones but also open up new and innovative applications that were previously unimaginable.

Defence and healthcare, disaster management, for instance could present big opportunities in terms of providing scale and value.

However, these newer applications are costly. The ticket size of new drones is in the upwards range of several lakhs due to the criticality of the applications and the advanced technology involved.

India shares its border with several countries, including China and Pakistan, necessitating constant vigilance. In May '22 alone, there were approximately 53 drone incursions along the India-Pakistan border.

It is estimated that drone intrusions into India from Pakistan nearly doubled in CY22, as terrorist groups and drug smugglers based in Pakistan have increased their use of drones to transport weapons, explosives, and narcotics. The use of drones by terrorist groups and drug traffickers poses a severe threat to India's security.

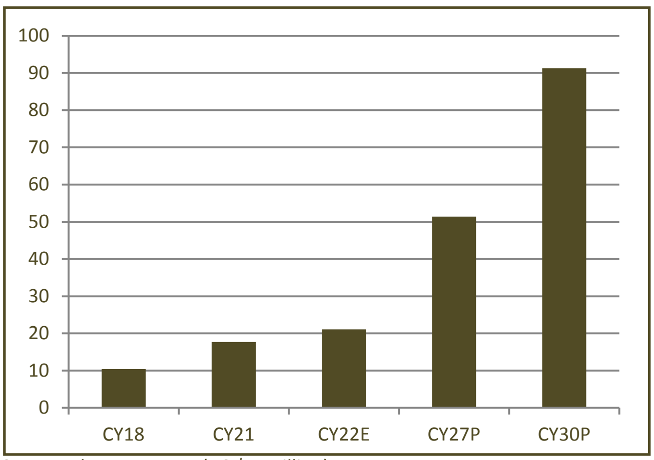
GLOBAL DRONE INDUSTRY AND OPPORTUNITIES FOR EXPORTS

India is the world's second-largest drone market after the United States, accounting for around 22.5% of global drone imports. With its strong manufacturing base, skilled workforce, and access to major markets, India has the potential to become a global leader in the drone industry.

As Indian manufacturers continue to innovate and provide affordable yet reliable drone solutions, they are well-positioned to capitalize on the growing global demand for drones and contribute significantly to the industry's growth and export potential.

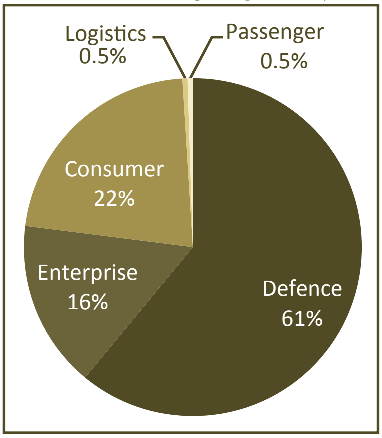
The global drone industry is poised for rapid growth, with a compound annual growth rate

Global Drone Market Size



Source: Idea Forge RHP (US $ In Billion)

Global Market By Segment (CY18)



Source: Idea Forge RHP

(CAGR) of approximately 20% from 2022 to 2030, reaching an estimated value of $91.3 billion by 2030.

The industry is currently valued at $21.1 billion in 2022 and has experienced significant growth at a CAGR of 19% from 2018 to 2022. This growth is expected to accelerate further, with the market reaching $51.4 billion by 2027 and then leaping to $91.3 billion by 2030.

INDIA'S ADVANTAGE IN GLOBAL DRONE INDUSTRY

The Indian government has recognized the export potential of the drone industry and has taken steps to support and promote exports, including the establishment of dedicated drone corridors and testing facilities, as well as the development of logistics and distribution networks.

Strong Research And Development (R&D) Ecosystem

India boasts a robust R&D ecosystem, with research institutions, universities, and start-ups dedicated to drone technology. Institutions such as the Indian Institutes of Technology (IITs) and the Defence Research and Development Organization (DRDO) have been at the forefront of drone R&D in India, driving advancements in flight performance, battery life, and payload capacity.

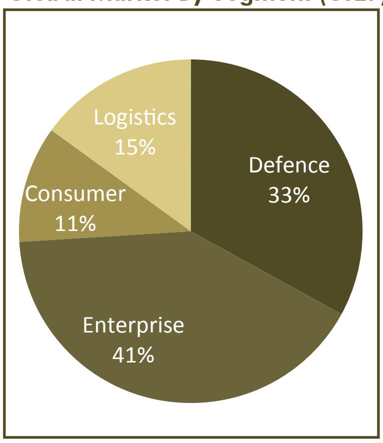
Collaborations between academia, industry, and government agencies have led to significant breakthroughs in drone technology. Start-ups focused on drone technology have also emerged, contributing to innovation and entrepreneurship in the industry.

Cost-Effective Solutions

Indian drone manufacturers have gained recognition for providing cost-effective solutions in the global market. This can be attributed to several factors.

Firstly, India's strong manufacturing base and skilled workforce enable efficient production processes and cost optimization. The availability of skilled labour at competitive wages helps keep manufacturing costs in check, allowing Indian manufacturers to offer affordable yet reliable drone solutions.

Global Market By Segment (CY27)



Source: Idea Forge RHP

Secondly, the supportive ecosystem in India fosters innovation and entrepreneurship. Government initiatives like the Make in India campaign provide incentives and support for domestic manufacturing, driving cost efficiencies.

Access to funding, tax incentives, and infrastructure development further contribute to the cost-effectiveness of Indian drone solutions.

Strategic Geographical Advantage

India's geographical location provides a strategic advantage for drone exports. Situated in South Asia, India serves as a gateway to markets in Asia, the Middle East, and Africa. Proximity to major Asian markets enables efficient transportation and reduced logistical costs for Indian drone manufacturers.

Additionally, India's location near the Middle East and Africa presents significant export opportunities, as these regions are experiencing rapid economic growth and a growing demand for drones.

Overall, the Indian drone industry is poised for higher and sustainable growth. India and Indian companies have distinctive and sustainable advantage, which will over a period of time reflect in their scale and earnings. While there are very few listed players, companies in this space could be exciting investments from a long-term perspectivE.

Adapt, Innovate, Thrive

Future-proofing India's workforce demands targeted investments in education, skills, and cutting-edge technology

India, the world's largest democracy and fifth-largest economy, has long been a hub of diverse economic activities. Despite grappling with the challenges posed by the Covid-19 pandemic, the country maintains its status as the fastest-growing economy globally.

The current unemployment rate in India stands at approximately 7.7%, similar to last year but significantly lower when contrasted with the alarming 23.5% rate observed at the onset of the pandemic, showcasing the resilience of the Indian economy.

The country showcases strong employment prospects, particularly in key sectors across Asia. Leading the hiring trends are the finance and real estate, healthcare and life sciences, information technology, transport, logistics, and automotive industries. In contrast, the communication services, energy and utilities, and consumer goods and services industries exhibit lower hiring activity.

India stands out among Asia-Pacific nations, securing the fifth position in global rankings for the most positive hiring outlook in the July-September quarter, as indicated by the Manpower Group Employment Outlook Survey. However, Australia precedes India in this ranking, indicating a robust hiring sentiment in the region.

The Asia-Pacific region, as a whole, demonstrates a positive inclination towards hiring, with employers anticipating a growth in headcount by 31%.

While this reflects an improvement from the previous quarter (+4%), there is a slight decrease year-over-year (-1%). This signals a cautiously optimistic stance as the region navigates through the ongoing economic uncertainties.

However, recent data from the November '23 Foundit Insights Tracker shows a 2% decrease in hiring compared to the previous month and a 10% decline year-on-year in India's job market.

Despite these growing challenges, India's economic outlook remains promising, particularly in the Public Sector Undertakings (PSUs) sector, which is expected to bridge the glaring employment gap.

INDIA'S JOB LANDSCAPE

In the context of expanding ESG standards, accelerated technology adoption, and widened digital access, India is positioned as a hub for significant job growth in the years ahead. The nation's hiring landscape, led by industries such as finance, real estate, healthcare, IT, and logistics, underscores its adaptability and resilience.

As hybrid work models gain prominence, dynamic sectors are witnessing substantial growth, offering abundant job opportunities.

Digital services, new technologies, e-commerce, fintech, healthcare (including e-health, life sciences, and pharmaceuticals), infrastructure, logistics, and renewable energy stand out among the sectors showing promising prospects for skilled professionals.

E-commerce, set to soar from US $55 billion to an impressive US $350 billion in the next seven years, offers many opportunities for job seekers. With a massive user base of over 907 million internet users and 800 million smartphone users, the sector promises significant expansion.

Investments in the healthcare sector, particularly in the flourishing e-health domain, are creating a wealth of job opportunities for skilled professionals. India's conducive regulatory environment and the escalating demand for financial services position the nation as fertile ground for the thriving fintech sector, resulting in an upswing of job opportunities.

Aligned with India's economic growth, infrastructure development propelled by initiatives like 'Make in India' and the Smart Cities Mission is fuelling demand for professionals across various sectors, including airports, hospitals, schools, and transportation systems.

The pharmaceutical, healthcare, and e-health sectors are experiencing unprecedented growth, driven by substantial investments in research and development (R&D). Specific skills in life sciences are increasingly in demand, contributing significantly to job growth in these fields.

Companies are actively embracing technologies such as AI, robotics, machine learning, and IoT, seeking professionals with expertise to stay at the forefront of innovation.

As the third-largest global producer of generic medicines, India's pharmaceutical sector, comprising over 3,000 companies, presents promising hiring prospects for both medical and non-medical positions.

India's commitment to environmental sustainability is reflected in substantial investments in green energies, particularly solar power. The government's significant investment in the manufacture of efficient solar panels signals a growing demand for professionals in the renewable energy sector, contributing substantially to bridging the employment gap.

KEY SKILLS FOR 2024

The intersection of Artificial Intelligence (AI), sustainability and decarbonization, and geopolitical dynamics is reshaping the skill landscape, requiring a fresh look at key competencies. While the AI revolution is in its early stages, sustainability is gaining momentum, and geopolitical influences are altering supply chains. Future leaders need expertise in these emerging areas alongside traditional leadership skills.

India's strong technology skills, particularly in AI, position it as a significant player globally. The organized sector's growing economic contribution emphasizes the need for formal CXO skills. Simultaneously, the nation is gearing up for a notable rise in fintech and digital government services, necessitating AI, CXO, fintech, and digital skills for job seekers.

The manufacturing sector is set for transformations driven by electrification, impacting areas like electric vehicles and green energy. AI and digital skills will be pivotal in shaping future job roles in the services sector. Public sector employees can expect opportunities in digital citizen services and sustainability, aligning with the government's commitment to a sustainable economy.

As we approach 2024, key skills extend beyond traditional leadership attributes. Future leaders must be adept in emerging domains like AI, sustainability, and geopolitics, recognizing their transformative impact on the professional landscape. In this evolving scenario, staying skilled in AI, CXO skills, fintech, and digital capabilities becomes crucial for individuals navigating India's dynamic job market.

ADDRESSING TALENT SHORTAGE

While opportunities abound, certain sectors in India face critical talent shortages, particularly in AI, cybersecurity, and blockchain. These areas considered the forefront of technological innovation, are experiencing a forecasted shortfall of more than 2 million jobs this year.

Within the next three years, the workforce will need significant reskilling in new technologies, with an estimated 30 million digitally skilled talents required to bridge the gap.

In addition to technical skills, the evolving nature of work in India increasingly emphasizes soft skills. As the engineering industry evolves, companies now seek engineers capable of technical prowess, effective communication, interpersonal skills, and project management abilities.

In the digital realm, IT professionals are expected to demonstrate teamwork, problem-solving and excellent communication skills, highlighting the importance of a holistic skill set.

India's job market, despite its challenges, stands at the crossroads of immense potential and transformation. Navigating this dynamic landscape requires a proactive approach to skill development, with an acute awareness of emerging trends and technological advancements.

As India continues its ascent as a global economic powerhouse, individuals equipped with the right skills will play a pivotal role in shaping the future of work in the country.

The path forward involves a collective commitment to fostering resilience and adaptability in the workforce. Governments and businesses must invest in supporting the shift to the jobs of tomorrow, emphasizing digital literacy, innovation, and sustainability. Education and training programmes must align with the needs of industries, so that the workforce remains agile and competitive.

Moreover, addressing the challenges within the job market requires collaboration between public and private sectors, creating an ecosystem that nurtures entrepreneurship and job creation. As India's job market transforms, inclusivity should be a central theme, ensuring that the benefits of economic growth reach all segments of society.

India's job market's evolution presents challenges and opportunities. Embracing change, investing in education and skills, and collaboration will be essential for individuals, businesses, and policymakers alike. This way, India can harness its potential, creating a workforce that adapts to change and actively contributes to shaping a prosperous futur**E.**

SHAPING THE NATION

India's start-ups are brewing revolutionary solutions across industries

India's thriving start-up scene is surging ahead at an astonishing pace, driven by a newfound confidence and actively nurtured by a supportive ecosystem. This is not a fleeting trend; it's a deep-rooted transformation fuelled by the collective aspirations of its people and the government's commitment to fostering innovation.

From a mere 450 in 2016, India's start-up numbers have skyrocketed to a staggering 1 lakh in 2023. Initiatives like Atal Innovation Mission (AIM), Multiplier Grant Scheme (MGS), Dairy Entrepreneurship Development Scheme (DEDS), Start-up India Initiative, and Start-up India Seed Fund Scheme have acted as potent catalysts, providing financial and logistical support to budding entrepreneurs. This surge has attracted a flood of investor interest, with an estimated $7 billion to $7.5 billion pouring into innovative Indian business models this year alone.

But what is truly fuelling this growth engine? It's the power of India's rapidly improving digital infrastructure.

SEEDS OF INNOVATION

The robust Digital Public Infrastructure (DPI) is empowering and propelling the burgeoning start-up ecosystem by serving as its catalyst. By offering secure platforms for digital identification, seamless payment infrastructure, and robust data exchange solutions, DPI is shaping the groundwork for success. As internet access expands and smartphone penetration deepens, the transformative impact of DPI is reverberating across diverse sectors, fueling exponential growth and innovation.

Aadhaar Card stands as a groundbreaking DPI innovation, revolutionizing compliance across sectors. From seamless e-KYC (e-Know Your Customer) eligibility to company registration, Aadhaar has streamlined processes and empowered the government to manage digital transactions efficiently, plugging potential leakages.

Another game-changer is the Universal Payments Interface (UPI). By democratizing digital payments, UPI has transcended geographical barriers with its effortless system. Its widespread adoption is a testament to its effectiveness. Beyond these pillars, the government has launched additional DPI solutions like Digilocker, Fastag, ONDC, AA, and Diksha. These platforms further ease business operations, particularly for small enterprises, by facilitating smooth digital interactions.

"DPIs have not only transformed governance but have also ushered in a plethora of new opportunities for the private sector, including start-ups," states Research and Consulting firm Redseer in its insightful study on the impact of DPIs.

"Start-ups have been among the early adopters of the 'digital' and 'public' nature of DPIs and leveraged it to create innovative services and process changes to lower costs and expand the reach of their services to all corners of the country. The speed of DPI adoption has helped them scale rapidly and, in many cases, upstage the traditional players in their sectors."

The study further states: "DPIs have helped unlock value of over US $100 billion in Indian start-ups across sectors. UPI has been the raison d'être for several large-scale payment platforms with hundreds of million users. e-KYC and UPI have democratized financial investments enabling customers from the remotest parts of the country to securely invest in financial assets. They have also transformed lending to the masses by easier access to and lower costs of loans through digital channels, driving a surge in small-ticket loans."

Redseer also predicts that the introduction of credit on UPI will facilitate even easier access to credit for a broad user base, paving the way for the development of innovative financial products. Beyond the realm of finance, UPI and e-KYC have played pivotal roles in propelling sectors that rely on customer verification, digital payments, or subscriptions. These include OTT audio/video platforms, online gaming, e-Commerce, and other subscription-driven businesses.

BLOSSOMING OF START-UP STORIES

With low-cost mobile data putting the internet within reach for millions, India's start-ups have access to a vast and diverse pool of potential customers, boosting their rapid growth and innovative spirit.

Ranked 6th globally, India boasts an impressive user engagement time on the internet, averaging five hours per day. This dedicated base forms the bedrock of its thriving digital landscape, with 800 million subscribers. Among them, 350 million are digital trailblazers – "mature users" who confidently navigate online transactions and embrace advanced services like e-learning, telemedicine, and UPI-based payments across both online and offline spheres.

This large, diverse and increasing internet user base has led to the emergence of internet start-ups with diverse business models, notes the report. According to the Redseer report, Indian start-ups have seen remarkable growth, amassing a total valuation exceeding US $600 billion. India's efficient digital infrastructure has contributed significantly to this growth.

An analysis of Redseer shows that DPIs have already created over US $100 billion of value in the Indian consumer internet ecosystem spanning sectors such as financial services, e-Commerce, gaming and entertainment, logistics and mobility, as well as subscriptions.

Now, let us understand how DPIs have helped in the emergence of start-ups across a few important sectors.

a) Wealth Management

A wave of innovative start-ups has recently risen in the wealth management space, where accurate and secure user information is paramount. Traditionally, collecting this data meant cumbersome paperwork and offline verification. However, the advent of e-KYC has revolutionized the process, streamlining registration and record-keeping with effortless efficiency.

The Redseer report says, "e-KYC reduced a 40-page form to an online, paperless process that can be filled by customers in a few minutes. It has significantly reduced the time taken for a demat account. The core premise of wealth management hinges heavily on user security and consent, necessitating a cumbersome Know-Your-Customer process in order to protect the identity as well as ensure the credibility of the user. The advent of e-KYC has expanded financial investments market by making it easy for the brokerages to onboard a wider clientele from any part of the country."

The report notes that new-age wealth management firms have particularly appealed to the tech-savvy younger users, enabling them to participate in financial markets by reducing entry barriers to the market and through better UI/UX. At present, over 85% of clients' base of brokers falls within the age bracket of 20 to 30 years as opposed to middle-aged investors in the past.

b) Lending

New start-ups have also emerged in the lending business thanks to efficient systems created by various DPIs. The Redseer report points out that fintech players are increasingly forging partnerships with Non-Banking Financial Companies (NBFCs) to enhance the availability of loans in the country.

The Account Aggregator initiative plays a crucial role in enhancing access to financial data. It establishes intermediaries that collect and share information between financial institutions based on user consent.

In the past four years, India has witnessed a remarkable surge in loan origination volume, expanding nearly sevenfold from 8 million to 63 million, with the corresponding loan values doubling. This indicates a significant shift in the credit market towards small-value loans, particularly those below ₹ 1 lakh, which have experienced exponential growth.

The report explains that over 75% of loans facilitated by digital players originate from locations beyond Tier-1 cities, indicating the reach and easy access to DPIs in facilitating business for start-ups.

c) e-Commerce

India's e-commerce space has become a magnet for start-ups, drawn by the fertile ground cultivated by Digital Public Infrastructure (DPIs). As the Redseer report reveals, this synergy bore impressive fruit in 2022, with the e-commerce sector – encompassing e-tailing, mobility, and foodtech – reaching a Gross Merchandise Value (GMV) of approximately US $80 billion.

Even within this digitally advanced industry, DPIs have played a pivotal role, not just in streamlining operations but also in boosting profit margins. The Redseer report highlights that nearly half of all e-commerce transactions now run on UPI, with its share in mobility, foodtech, and e-tailing reaching between 30% and 65%. This widespread adoption showcases just how effectively DPIs have fuelled the meteoric rise of e-commerce start-ups.

In the next two years, India's internet users are likely to reach 90 crore, a noteworthy increase from the current 75.9 crore. According to a Redseer report, this surge is a precursor to the Indian internet economy's ambitious growth, projected to reach US $1 trillion by 2030. This substantial expansion not only signifies a burgeoning consumer base but also paves the way for new start-ups to target this growing market. Given these compelling factors, it is evident that the Indian start-up story is not just a trend but a lasting and promising narrativ**E.**

MUTUAL FUND BLACKBOARD

Large Cap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Invesco India Largecap Fund - Growth	55.0	25.8	18.9	15.5	15.1	14.6	837
UTI Mastershare Unit Scheme - Growth	230.9	18.6	16.2	14.9	14.8	14.3	11,673
Canara Robeco Bluechip Equity Fund - Growth	50.4	20.1	16.1	16.7	16.9	14.9	10,817
Kotak Bluechip Fund - Reg - Growth	462.0	20.7	17.7	16.1	15.3	14.9	6,870
Nifty 100 TRI	28,921.0	18.8	17.9	15.6	16.2	14.6	--

Mid Cap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Tata Mid Cap Growth Fund - Reg - Growth	343.2	39.6	26.6	21.1	19.2	20.9	2,853
Edelweiss Mid Cap Fund - Growth	71.5	36.9	29.9	22.9	20.3	22.3	4,267
Mirae Asset Midcap Fund - Reg - Growth	28.7	32.9	28.9	--	--	--	12,824
Nippon India Growth Fund - Reg - Growth	3,132.9	44.8	32.5	24.1	21.0	20.5	21,381
Kotak Emerging Equity Fund - Reg - Growth	99.0	30.4	27.7	21.8	19.2	22.6	36,528
Nifty Midcap 150 TRI	20,995.2	42.4	31.4	22.7	21.1	21.9	--

Small Cap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Kotak Small Cap Fund - Reg - Growth	217.4	34.7	32.7	25.8	21.0	22.7	13,377
Edelweiss Small Cap Fund - Reg - Growth	35.6	41.4	36.1	--	--	--	2,803
Nippon India Small Cap Fund - Reg - Growth	136.6	48.8	42.2	28.0	25.0	27.6	41,019
ICICI Prudential Smallcap Fund - Growth	73.6	37.8	34.4	25.9	19.9	18.7	6,608
Union Small Cap Fund - Reg - Growth	41.4	42.7	33.2	24.8	19.7	--	1,255
Nifty Smallcap 250 TRI	17,327.7	48.1	35.3	22.4	18.4	20.3	--

Large & Mid Cap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Tata Large & Mid Cap Fund - Reg - Growth	437.0	20.3	21.4	18.0	16.3	16.4	5,712
Canara Robeco Emerging Equities - Growth	197.1	21.5	19.4	17.4	17.6	21.7	18,845
Edelweiss Large & Mid Cap Fund - Growth	68.6	27.9	22.6	18.4	17.8	16.5	2,437
Kotak Equity Opportunities Fund - Reg - Growth	263.9	27.2	22.2	18.6	17.3	17.6	16,503
Mahindra Manulife Large & Mid Cap Fund - Reg	22.5	31.4	26.0	--	--	--	1,560
NIFTY Large Midcap 250 TRI	16,680.8	30.3	24.6	19.2	18.8	18.4	--

Multicap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Mahindra Manulife Multi Cap Fund - Reg - Growth	27.8	34.4	28.4	22.2	--	--	2,461
HDFC Multi Cap Fund - Reg - Growth	15.2	39.0	--	--	--	--	10,000
Kotak Multicap Fund - Reg - Growth	14.6	38.2	--	--	--	--	7,080
Nippon India Multi Cap Fund - Reg - Growth	225.4	36.8	34.1	18.9	18.4	17.3	22,695
S&P BSE 500 TRI	37,930.6	24.3	21.2	17.4	17.3	16.0	--

FlexiCap Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Canara Robeco Flexi Cap Fund - Growth	272.0	20.7	17.7	16.9	17.3	15.3	10,805
Mirae Asset Flexi Cap Fund - Reg - Growth	12.7	--	--	--	--	--	1,352
UTI Flexi Cap Fund - Growth	273.3	17.2	12.6	15.1	15.6	15.1	25,503
Union Flexi Cap Fund - Growth	42.6	25.5	21.0	18.3	16.4	14.1	1,747
Parag Parikh Flexi Cap Fund - Reg - Growth	64.6	34.3	23.5	22.7	20.1	19.3	48,294
S&P BSE 500 TRI	37,930.6	24.3	21.2	17.4	17.3	16.0	--

Focused Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
HDFC Focused 30 Fund - Growth	170.7	28.0	30.0	18.1	15.6	16.1	7,762
Nippon India Focused Equity Fund - Reg - Growth	101.2	24.1	24.2	18.0	16.3	19.4	7,384
ICICI Prudential Focused Equity Fund - Ret - Growth	66.0	26.3	23.5	18.1	15.9	14.9	6,117
Mahindra Manulife Focused Fund - Reg - Growth	20.7	27.7	26.0	--	--	--	938
S&P BSE 500 TRI	37,930.6	24.3	21.2	17.4	17.3	16.0	--

Dividend Yield Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
ICICI Prudential Dividend Yield Equity Fund - Reg	39.9	36.9	32.1	19.7	17.2	--	2,902
Sundaram Dividend Yield Fund - Growth	115.2	31.8	22.3	17.4	17.9	16.7	659
UTI Dividend Yield Fund - Growth	136.1	32.4	21.7	16.8	15.9	14.8	3,282
S&P BSE 500 TRI	37,930.6	24.3	21.2	17.4	17.3	16.0	--

Contra/Value Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Bandhan Sterling Value Fund - Reg - Growth	121.0	31.6	32.2	19.0	19.1	18.3	7,214
SBI Contra Fund - Growth	309.2	35.7	33.6	24.3	19.8	18.3	18,931
Nippon India Value Fund - Reg - Growth	177.3	39.3	28.3	20.2	19.0	18.6	6,193
S&P BSE 500 TRI	37,930.6	24.3	21.2	17.4	17.3	16.0	--

ELSS Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
UTI Long Term Equity Fund (Tax Saving) - Growth	173.1	21.6	17.7	16.0	14.8	14.6	3304
Canara Robeco Equity Tax Saver Fund - Growth	142.9	21.8	19.6	18.5	18.0	16.5	6,533
Kotak Tax Saver Fund - Reg - Growth	93.2	22.1	21.5	17.7	16.7	17.3	4,393
Mahindra Manulife ELSS Fund - Reg - Growth	23.8	24.2	22.4	16.2	13.3	--	703
Parag Parikh Tax Saver Fund - Reg - Growth	25.1	26.1	23.4	--	--	--	2,334
Tata India Tax Savings Fund - Reg - Growth	36.4	22.7	20.6	16.6	16.5	--	3,699
S&P BSE 200 TRI	11,936.2	22.1	20.1	16.9	17.1	15.7	--

Thematic / Sector Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Mirae Asset Great Consumer Fund - Growth	77.0	30.6	24.4	17.7	19.9	18.0	2,904
ICICI Prudential Banking and Financial Services Fund	106.1	17.4	19.1	12.1	14.5	17.1	7,022
Nippon India Pharma Fund - Reg - Growth	383.4	33.0	16.0	21.0	16.1	16.5	6,204
Quant Quantamental Fund - Reg - Growth	18.8	36.6	--	--	--	--	1,228
Tata Digital India Fund - Reg - Growth	41.4	31.5	22.9	24.5	24	--	8606
S&P BSE 500 TRI	37,930.6	24.3	21.2	17.4	17.3	16.0	--

Arbitrage Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	2 Years	3 Years	
Bandhan Arbitrage Fund - Reg - Growth	29.1	6.6	6.9	7.2	5.6	4.9	4,147
Kotak Equity Arbitrage Fund - Reg - Growth	33.5	6.8	7.3	7.5	5.9	5.3	31,453
Tata Arbitrage Fund - Reg - Growth	12.9	6.6	7.0	7.1	5.5	5.0	7,980
Invesco India Arbitrage Fund - Growth	28.6	6.8	7.2	7.4	6.2	5.3	10,232
Edelweiss Arbitrage Fund - Reg - Growth	17.4	6.5	7.0	7.2	5.7	5.1	7,671

Equity Savings Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Edelweiss Equity Savings Fund - Reg - Growth	21.2	12.7	9.6	9.5	9.5	--	333
HDFC Equity Savings Fund - Growth	57.1	13.1	12.6	10.1	9.6	9.9	3,335
Kotak Equity Savings Fund - Reg - Growth	22.4	15.1	11.2	10.2	9.9	--	3,658
NIFTY 50 Hybrid Composite Debt 65:35 Index	17553.4	14.8	13.4	13.5	13.5	12.5	--

Dynamic Asset Allocation Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Kotak Balanced Advantage Fund - Reg - Growth	17.2	14.9	11.0	11.5	--	--	15,225
Nippon India Balanced Advantage Fund - Reg - Growth	147.6	15.8	13.0	11.2	11.9	12.3	7,194
Tata Balanced Advantage Fund - Reg - Growth	17.8	15.5	13.2	--	--	--	7,909
Edelweiss Balanced Advantage Fund - Growth	42.9	17.2	13.3	13.6	13.3	12.1	9,724
Union Balanced Advantage Fund - Reg - Growth	17.6	14.4	9.3	11.5	--	--	1,596
NIFTY 50 Hybrid Composite Debt 65:35 Index	17,553.4	14.8	13.4	13.5	13.5	12.5	--

Hybrid Aggressive Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
Canara Robeco Equity Hybrid Fund - Growth	296.3	18.6	14.9	14.7	14.1	14.9	9,278
Kotak Equity Hybrid Fund - Growth	49.6	19.1	18.3	16.3	13.9	--	4,518
Mirae Asset Hybrid - Equity Fund - Reg - Growth	26.5	17.9	15.3	13.7	14.0	--	7,937
NIFTY 50 Hybrid Composite Debt 65:35 Index	17,553.4	14.8	13.4	13.5	13.5	12.5	--

Multi Asset Allocation Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
HDFC Multi - Asset Fund - Growth	58.2	16.5	13.8	13.8	11.1	11.1	2,151
Nippon India Multi Asset Fund - Reg - Growth	16.7	22.5	15.6	--	--	--	2,020
Tata Multi Asset Opportunities Fund - Reg - Growth	19.2	17.4	16.3	--	--	--	2,091
NIFTY 50 Hybrid Composite Debt 65:35 Index	17,553.4	14.8	13.4	13.5	13.5	12.5	--

Gold Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		1 Year	3 Years	5 Years	7 Years	10 Years	
HDFC Gold Fund - Growth	19.2	12.7	6.4	13.5	11.0	6.4	1,679
Kotak Gold Fund - Reg - Growth	24.8	12.4	6.3	13.7	11.2	6.4	1,588
Nippon India Gold Savings Fund - Reg - Growth	24.7	13.1	6.4	13.5	11.0	6.2	1,588
Prices of Gold	62,574.0	14.9	7.8	15.0	12.6	7.8	--

Overnight Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		2 Weeks	1 Month	3 Months	1 Year	YTM	
Bandhan Overnight Fund - Reg - Growth	1,247.1	6.6	6.6	6.7	6.6	6.77	1,744
Tata Overnight Fund - Reg - Growth	1,234.1	6.7	6.6	6.7	6.6	6.76	3,645
Nippon India Overnight Fund - Reg - Growth	125.6	6.6	6.6	6.7	6.6	6.84	8,534

Liquid Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		2 Weeks	1 Month	3 Months	1 Year	YTM	
Aditya Birla Sun Life Liquid Fund - Reg - Growth	378.0	6.8	6.8	6.9	7.0	7.38	39,102
Mirae Asset Cash Management Fund - Growth	2,460.1	6.8	6.8	6.9	7.0	7.27	11,788
Kotak Liquid Fund - Reg - Growth	4,743.4	6.7	6.8	6.8	6.9	7.33	27,427
Nippon India Liquid Fund - Reg - Growth	5,726.0	6.6	6.7	6.8	6.9	7.39	24,632
Mahindra Manulife Liquid Fund - Reg - Growth	1,526.6	6.9	6.9	6.9	7.0	7.27	794

Ultra Short Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
HDFC Ultra Short Term Fund - Reg - Growth	13.6	6.4	6.5	6.9	5.0	7.65	12,666
ICICI Prudential Ultra Short Term Fund - Growth	24.8	6.4	6.5	6.9	5.1	7.79	13,530
Kotak Savings Fund - Reg - Growth	38.5	6.1	6.4	6.8	4.8	7.63	12,471

Money Market Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
HDFC Money Market Fund - Growth	5,096.4	6.7	6.8	7.3	5.2	7.59	17,451
Tata Money Market Fund - Reg - Growth	4,207.4	6.9	6.9	7.4	5.3	7.61	15,940

Low Duration Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
HDFC Low Duration Fund - Growth	51.6	5.7	6.6	7.0	4.9	7.94	16,097
ICICI Prudential Savings Fund - Reg - Growth	482.7	6.0	7.3	7.6	5.3	7.85	22,540
Kotak Low Duration Fund - Std - Growth	2,992.3	5.6	6.2	6.7	4.7	7.89	11,206

Floater Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Kotak Floating Rate Fund - Reg - Growth	1,332.8	5.8	7.0	7.1	4.9	7.99	5,456
Tata Floating Rate Fund - Reg - Growth	11.3	5.9	6.6	7.0	--	8.03	260

Short Term Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
HDFC Short Term Debt Fund - Growth	28.2	6.3	6.5	7.1	4.9	7.88	12,285
HSBC Short Duration Fund - Reg - Growth	23.5	6.6	6.0	6.5	4.1	7.64	3,380
ICICI Prudential Short Term Fund - Growth	53.3	6.4	6.9	7.3	5.3	7.99	18,807

Corporate Bond Fund

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
ICICI Prudential Corporate Bond Fund - Reg - Growth	26.4	6.0	7.1	7.5	5.4	7.99	24,468
HDFC Corporate Bond Fund - Growth	28.6	5.5	6.5	7.1	4.8	7.84	26,901
Kotak Corporate Bond Fund - Std - Growth	3,323.7	6.0	6.3	6.8	4.8	7.93	10,653

Dynamic Bond Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
ICICI Prudential All Seasons Bond Fund - Growth	32.6	7.0	6.9	7.5	5.5	8.05	11,511
Nippon India Dynamic Bond Fund - Reg - Growth	32.6	4.8	4.9	6.9	4.1	7.75	4,461
Kotak Dynamic Bond Fund - Reg - Growth	32.9	6.2	6.1	6.2	4.1	7.86	2,451

Medium Duration Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
ICICI Prudential Medium Term Bond Fund - Growth	39.5	6.5	6.3	7.0	5.6	8.31	6,496
HDFC Medium Term Debt Fund - Growth	49.8	5.6	5.7	6.7	4.9	8.10	4,223
SBI Magnum Medium Duration Fund - Growth	45.2	5.9	5.9	7.2	4.9	8.13	6,895

Long Duration Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Nippon India Nivesh Lakshya Fund - Reg - Growth	15.4	2.2	3.1	6.8	3.5	7.57	6494

Gilt Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Kotak Gilt Fund - Growth	85.8	5.9	6.0	7.0	4.0	7.71	2,935

Gilt Fund With 10 Year Constant Duration

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
ICICI Prudential Constant Maturity Gilt Fund - Reg	21.4	5.7	5.0	7.5	3.9	7.41	2,302

Credit Risk Fund

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
ICICI Prudential Credit Risk Fund - Growth	27.9	7.4	7.0	7.1	6.1	8.69	7,410
HDFC Credit Risk Debt Fund - Reg - Growth	21.3	5.9	6.1	6.6	5.8	8.56	8,282
SBI Credit Risk Fund - Growth	40.3	6.3	6.4	8.3	5.9	8.44	2,661

Banking & PSU Bond Funds

SCHEME NAME	NAV	Historic Return (%)					AUM (Cr)
		3 Months	6 Months	1 Year	3 Years	YTM	
Edelweiss Banking & PSU Debt Fund - Reg - Growth	21.7	5.3	5.1	6.3	4.6	7.57	328
HSBC Banking and PSU Debt Fund - Growth	21.6	6.1	5.8	6.4	3.7	7.67	4483

Source: - ICRA MFI, NAV as on 26th December 2023.

TECHNICAL OUTLOOK

The Nifty witnessed a strong rally in December and reached a lifetime high. The sentiment on Dalal Street was positive, with buying observed across all sectors. Key sectors that performed well over the last month include Realty, Auto, and Healthcare. Over the year, Realty, Capital Goods, and PSU were major performers.

Looking at the technical set-up, the Nifty faces strong resistance between 21,740 and 21,870. Once the Nifty manages to trade above the 21,870 level on a closing basis for at least 2-3 trading sessions, we may witness an upward rally towards the 22,000-22,270 levels.

On the flip side, the immediate strong support is at 21,450, which is its support point as per the Fibonacci theory.

If it fails to hold this support level on a closing basis, then a further sell-off could occur, potentially taking the Nifty towards 21,000-20,800.

The daily momentum indicator, RSI is showing strength, indicating the potential for an upside in the index. The Nifty is continuously forming higher tops and higher bottoms, which is a positive sign. The overall market outlook remains optimistic, and some volatility can still be expected at higher levels.

Traders should avoid major short positions and look for opportunities to buy on dips. Any dip towards 21,000-20,800 will contribute to the strengthening of the Nifty.

Technically, the Bank Nifty has an immediate resistance at 48,800. A close above 48,800 may extend the rally towards 49,400/50,000. On the flip side, support is positioned at 48,000. Overall, the Bank Nifty's outlook is positive with some volatility at higher levels.

On the Nifty Options front for the January series, the highest Open Interest (OI) build-up is witnessed near 22,000 and 21,500 Call strikes, whereas on the Put side, it is observed at the 21,000 and 20,500 strikes.

December has shown positive strength in the market, with stock-specific movements dominating the market. Both Nifty and Bank Nifty, the indices, have seen major strength from their supportive bases.

Going forward, we expect select stocks from the Chemicals, Banking, and Metals sectors to outperform the broader markets.

India VIX, which measures the immediate 30-day volatility in the market, rose sharply to around 15 levels and has remained in range of 12.5-14 for whole of December (till date).

Going forward, VIX is likely to remain in the range of 13-17 for most of January, leading to heavy volatility in the market.

The Put Call Ratio-Open Interest (PCR-OI) for Nifty Options has been in the range of 0.80-1.40 in the month of December. Going forward, it is expected to remain in the range of 0.80-1.50 in the first half of January series.

The markets are believed to remain positive, with support levels at 21,200 and 21,000. However, markets will continue to witness some important resistances at 21,800 and 22,000 levels.

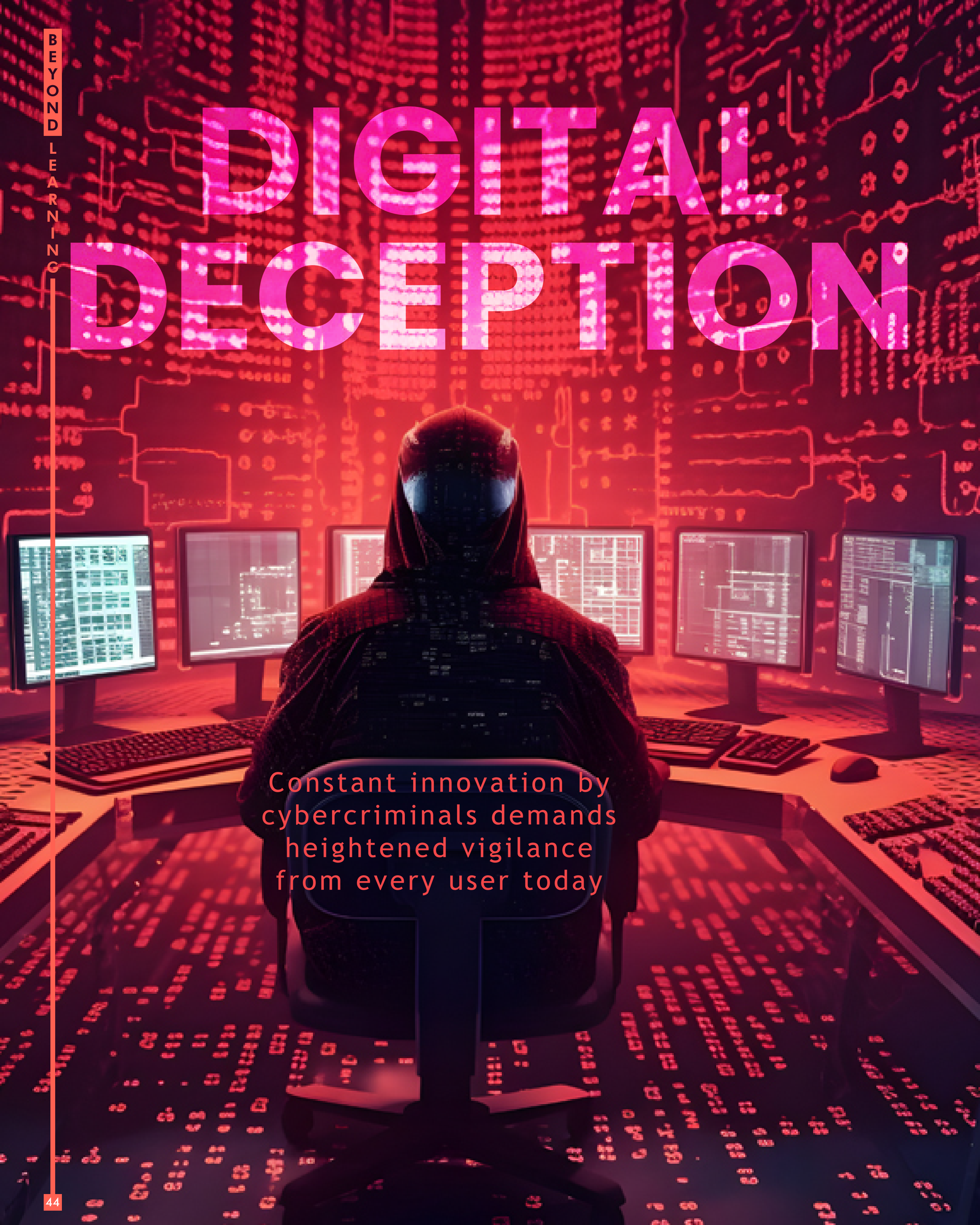
OPTIONS STRATEGY

Long Strangle

This strategy can be initiated by 'Buying 1 lot 11JAN 21900 CE (₹ 140) and Buying 1 lot 11JAN 21400 PE (₹ 150)'. The premium outflow comes to around 290 points, which also represents your maximum loss.

However, it is advisable to place a stop loss at 200 points (a 90-point loss). The maximum gain is unlimited, and one should set the target at 550 points (a 260-point gain).

A movement of 350 points in either direction will lead to decent gains for this strategY.



DIGITAL DECEPTION

Constant innovation by cybercriminals demands heightened vigilance from every user today

The widespread digitization, initially catalyzed by the demonetization drive in 2016 and further accelerated by the global pandemic, has become omnipresent. Individuals, driven by the necessity to seamlessly conduct day-to-day activities, have wholeheartedly embraced digital platforms.

From purchasing train tickets to acquiring vegetables from roadside vendors and even settling payments with a roadside vendor for a meal, every transaction can now be effortlessly executed through mobile applications, eliminating the reliance on a physical wallet. The convenience of conducting transactions on the go, at any time and place, has undeniably brought substantial benefits to users.

However, the ease and swiftness of digital transactions, while providing convenience, have also opened avenues for cybercriminals to perpetrate fraud over the internet. Exploiting this newfound convenience, they deceive unsuspecting customers who, even if they realize they have been duped, find themselves helpless in a split second.

Bringing these cybercriminals to justice poses a formidable challenge, exacerbated by the dynamic nature of fraudulent activities. This dynamism makes it arduous for cyber cell teams to effectively tackle and mitigate the growing threat, which is not limited to a specific location.

In contrast to traditional physical thefts, which have prompted people to adopt vigilant measures such as using bank lockers, safety doors, and opting for imitation jewellery, online thefts or frauds present a different challenge. They can occur anywhere in the world, with the sole requirement being access to the internet. This global accessibility has rendered users who lack awareness or vigilance about cybercrimes susceptible to online threats.

A survey conducted by the Future Crime Research Foundation (FCRF), an IIT Kanpur-incubated non-profit organization, stated that between January '20 and June '23, online financial frauds accounted for 77.4% of cybercrimes in India. Split by type, UPI fraud accounted for 47.3%, followed by debit card / credit card / SIM swap, which had a share of 11.3%, and internet banking-related frauds accounted for 9.3% of the total cyber frauds in India. The Reserve Bank of India stated that the quantum of debit and credit card frauds in India increased to ₹ 2,760 million in FY23 from ₹ 1,550 million in FY22.

As technology advances and becomes increasingly sophisticated, cybercriminals have also found complex ways and means to deceive the unsuspecting common man. Thus, educating people about how cyber theft has been committed is crucial, but even more critical is learning how to be vigilant to prevent becoming a victim of a new way of deceit.

The most common ways of deceiving users include sending a link and asking the user to put in the necessary details, asking the user to share his/her One-Time-Password (OTP), persuading the user to download a screen-sharing app to read his/her phone, getting the user to scan a QR code that debits money, requesting the user to make a token payment to access the password or the pin.

A brief description of some ways used by cybercriminals is touched upon below:

SHARING OF OTPs

OTPs are used for two-factor authentication, and are essential to carry out financial transactions, which is one of the most widely used ways by cyber criminals to dupe people. The fraudsters trick the user into disclosing the OTP by posing as an authorized party. The imposter may try to establish credibility by using some of the user's personal information, getting the person to believe that the call is coming from an authentic source. The need for updating the KYC, the imminent expiry of bank cards, and the cutting off of essential supplies such as power are a few scripts fraudsters use to deceive the public.

Talking to the user into believing that non-compliance will lead to suspension of the account, cancellation of the credit card, or shutdown of electricity is good enough to engage the user and get him to disclose the OTP and other details for siphoning off money.

As a case in point, a user received a call stating that the caller was from the bank and that the bank debit card would be deactivated if it wasn't updated to a new chip-based one. He asked for his card details and the OTP.

On sharing the OTP, the user received a message from the bank stating that his account had been debited. Even though he rushed to the bank and reported the fraud to the cyber cell, the damage was already done.

The number of frauds using OTPs has been rising, and in the year 2021, as many as 2,028 cases were reported pan India, compared to 1,093 in 2020. This number seems small as many people do not report the cases.

Financial institutions have been advising users to be suspicious if anyone asks for an OTP or personal details. The best way is to directly contact the bank or the service provider to check if there are any pending requirements.

MALICIOUS APP INSTALLATION ON THE PHONE

Installing malicious apps on the user's phone with the help of the user to access the OTP is also widely used by fraudsters. There was recent news of a man from Madhya Pradesh being swindled of ₹ 1 lakh from his bank account through a malicious app that was used to take over the user's phone, which enabled the cyber criminals to process and delete OTPs before the user saw them.

While the user is on the call, a malicious app can be installed if any button is pressed during the call, enabling the malware to read the OTP and immediately delete it. The best way to avoid falling prey to such cyber fraud is to avoid picking up calls from unknown numbers.

LINKS SENT ON THE PHONE OR EMAIL

Messages have been sent from unknown numbers asking users to update their KYC or to fill in details to prevent non-compliance. Users who fall prey have entered their bank account details and other information and have enabled the scamsters to execute transactions. A prominent Bollywood star fell prey to a message sent to him to update his bank account KYC, resulting in him losing money.

Another prevalent scheme involves tempting users with messages claiming they've won a phone or a gift, soliciting personal details for delivery. Entering the details provides the cybercriminals with armour to execute the fraudulent transaction.

A prudent approach is to exercise scepticism when confronted with unsolicited links, especially those promising gifts that seem too good to be true. If the imposter has sent it on behalf of a bank, it is advisable to independently verify the authenticity by contacting the institution directly.

SCANNING OF QR CODES

Enticing users to scan a QR code has been exploited as a way to deceive unsuspecting users. Upon scanning the QR code, rather than receiving the expected funds, the code is maliciously employed to withdraw funds from the victim's account.

It is strongly recommended to exercise caution and restrict the use of QR codes solely for initiating payments, refraining from accepting funds through this method. It is better to take precautions and opt for direct credit to the designated bank account, mitigating the risk of falling victim to fraudulent schemes.

POSING AS A FRIEND / FAMILY IN AN EMERGENCY

In some cases, impostors skilfully pose as a well-wisher or disguise themselves as a trusted friend or a family member facing a financial crisis - perhaps due to an unforeseen accident or urgent hospitalization. This manipulative tactic is designed to exploit the victim's emotions, inducing a sense of urgency that can lead them to succumb to the ruse.

In such a situation, exercise caution and employ measures to verify the legitimacy of the scenario.

Consider reaching out to the supposed family member or friend by phone or request details such as their address to corroborate the information before taking any action, thereby safeguarding yourself from potential deception.

WHAT SHOULD YOU DO IF YOU ARE A VICTIM OF CYBERCRIME?

The first step is to inform the bank that your account has been compromised and that there has been a financial fraud and block your bank account. Then, register a complaint on the National Cybercrime Reporting Portal (NCRP), an initiative by the GOI to facilitate complainants to report cybercrimes online.

There is also a helpline number to assist should one fall victim to financial fraud. In case of difficulty, contact the nearest police station and register a complaint. The police officials will help transfer the case to the cyber cell, which is adept at handling cyber fraud.

It is best to take precautions to avoid falling prey to cybercriminals. Bringing the criminals to task and recovering the money once lost is not common in cybercrime, making it even more vital to stay vigilant.

Some of the Dos and Don'ts are as under:

Dos

- Ensure all the details with the banks are updated so that you receive alerts instantly.
- Check the email address and the contact details of the sender with the official website of the company, to ensure authenticity.
- If the request is time-bound and a sense of urgency is being created, take a pause and assess the situation before responding.
- Do not click on any link sent, it may compromise the device.
- Keep yourself updated with the most recent tactics of cyber fraudsters so that you remain vigilant.
- Set daily limits for transactions on your cards and bank accounts.
- Ensure not to use the same passwords on e-commerce platforms and bank accounts.
- Never share confidential financial information with anyone, no matter the urgency.

Don'ts

- Do not entertain calls from unknown numbers.
- Do not disclose OTPs to anybody posing to represent a bank or any other company. Nobody should be asking a user to share the OTP in fact that is the first reason for suspicion.
- Never download any apps with the assurance that the issues will be resolved.
- Do not enter a UPI PIN or scan a QR code to receive payments.
- Do not store passwords in the web browser of the device used.

IN A NUTSHELL

The internet has become a vital part of our daily lives, serving as an indispensable medium for banking, shopping, hospitality, entertainment, travel, and education, providing cybercriminals ample opportunities to deceive unsuspecting customers.

The sophistication of crime will increase and continue to evolve as technology evolves and artificial intelligence becomes more deeply integrated.

The cyber cell established to help ordinary citizens recover funds has been overburdened, and existing laws have struggled to act as effective deterrents. Staying informed and vigilant has never been more critical as cybercriminals continually devise innovative methods to deceive users.

Recognizing the dynamic nature of these threats, the only way to navigate them is by being vigilant and proactively staying informed in an ever-evolving digital er**A.**

IMPORTANT JARGON

MPC: STATUS QUO ON INTEREST RATES & SOME CAUTION

The Reserve Bank of India's six-member Monetary Policy Committee (MPC) left policy interest rates unchanged for the fifth time in a row at its December meeting. This was in line with the prevailing market expectations. However, the MPC was cautious of risks arising from food inflation. The RBI has also announced regulatory measures to curb credit excesses in certain fast-growing risky credit segments.

Q. What Is The Benchmark Interest Rate?

Different central banks have different benchmark interest rates. In India, the repurchase rate (repo rate) is the benchmark rate that the MPC tweaks to achieve its mandate of keeping 4% inflation for the medium term. The repo rate is the interest rate at which banks borrow from the RBI in times of liquidity crunch. This repo rate acts as a benchmark and influences other interest rates in the economy like banks' lending and savings interest rates, corporate bonds, government bonds, etc. The MPC voted unanimously to keep policy rates unchanged. The repo rate remains at 6.50%.

Q. What Is The Current Stance Of The Monetary Policy?

Along with the announcement of any tweaking of the policy rates, the MPC also comes out with a stance, which indicates the direction of the upcoming monetary policy reviews. The MPC has maintained the status quo on the 'withdrawal of accommodation' stance, with a 5-1 majority vote. This stance signals that the MPC will focus on withdrawing its loose monetary policy that it had undertaken post-Covid breakout to boost the economy.

Q. What Is The Backdrop To All The Recent Policy Meetings?

Following the Covid breakout, the RBI had cut the repo rate multiple times to ensure that the economy is not impacted due to the pandemic. However, a loose monetary policy, much like in other economies, led to a rise in inflation. CPI inflation stayed above the 6% target for many quarters forcing the MPC to undertake continuous rate hikes from May '22.

Q. Why Has The MPC Retained The Policy Rate?

There are two key factors: first, the cautious monitoring of ongoing transmission lags from previous rate hikes, and second, the concern for potential risks stemming from food inflation. Compared to the 250 basis points hike in repo rate by the MPC since April '22, banks have hiked lending rates by only 200 basis points till September, and deposit rates by 170 basis points until October. Typically, deposit rates get adjusted only with a lag. The inflation trajectory, especially food and fuel, is still uncertain.

Q. What Is The RBI's Current Assessment Of Inflation?

The MPC maintained its forecast of Consumer Price Index (CPI)-based inflation at 5.4% this fiscal. The RBI has a mandate to keep inflation in the band of 2% to 6%. The RBI expects CPI inflation to fall to 4% only in the second quarter and further to 4.7% in the third quarter of the next fiscal year.

Q. What Is The Latest Print On CPI Inflation?

CPI inflation for November, which was released after the MPC review, stood at a 3-month high of 5.6% from 4.9% in October. The November print has reversed the downtrend seen during the previous three months on the back of a spike in prices of certain vegetables and non-perishable food items such as cereals, pulses and spices.

Q. Why Is Food Inflation A Worry?

Food accounts for around 40% of the CPI basket. Food items have a significant bearing on the purchasing power of consumers in India. Uneven monsoon, reduced kharif production and lower water reservoir levels for rabi crops pose a threat to food inflation in the country. Global food supplies also face risks of adverse weather arising due to El Nino. All these factors pose risks to food inflation.

Q. What Is The RBI's Take On Economic Growth?

The RBI upward revised fiscal 2023-24 economic growth projection to 7%, up by 50 basis points from its earlier projection. The RBI has expressed a sense of optimism about India's growth momentum. A fall in crude oil prices to below US $75 per barrel is also positive for India. In a way, the Indian economy is resilient and doesn't need support from the RBI in the form of lower interest rates. High-frequency data like IIP, capacity utilization levels, resilient GST collections, and growth in private capex.

Q. What Is The Outlook On Monetary Policy?

Although the repo rate has been left unchanged, the RBI might be in a tightening mode as it continues to use liquidity tightening as and when needed. This is done to speed up the rate of transmission. It is also relying on macro prudential measures to manage risks to the financial system. Also, given the risks to food inflation, analysts expect a repo rate cut by the MPC only in the first quarter of fiscal 2024-2025.

Q. How Will Measures By Global Central Banks Influence The MPC's Decision?

Important global central banks such as the US Federal Reserve and the European Central Bank have signalled that interest rates are likely to stay higher, at least in the near term. Policy rates are already at the highest level since 2007. Most analysts don't see any rate cuts by these central banks before mid-2024. While India's monetary policy is not directly influenced by measures of global central banks, the MPC will keep a hawk's eye for any impact on India's capital flows and volatility in the currency market. There are also risks from rising geopolitical tensions, protectionism, elevated debt levels and extreme weather conditions.

Q. What Has The RBI Announced On The Regulatory Front?

The RBI said that it will come out with a unified regulatory framework for connected lending between its regulated entities - Banks and NBFCs. For digital lending, the RBI has proposed laying a regulatory framework for web aggregation of loan products.

Q. What Is The Context For Greater Oversight Of Loans By The RBI?

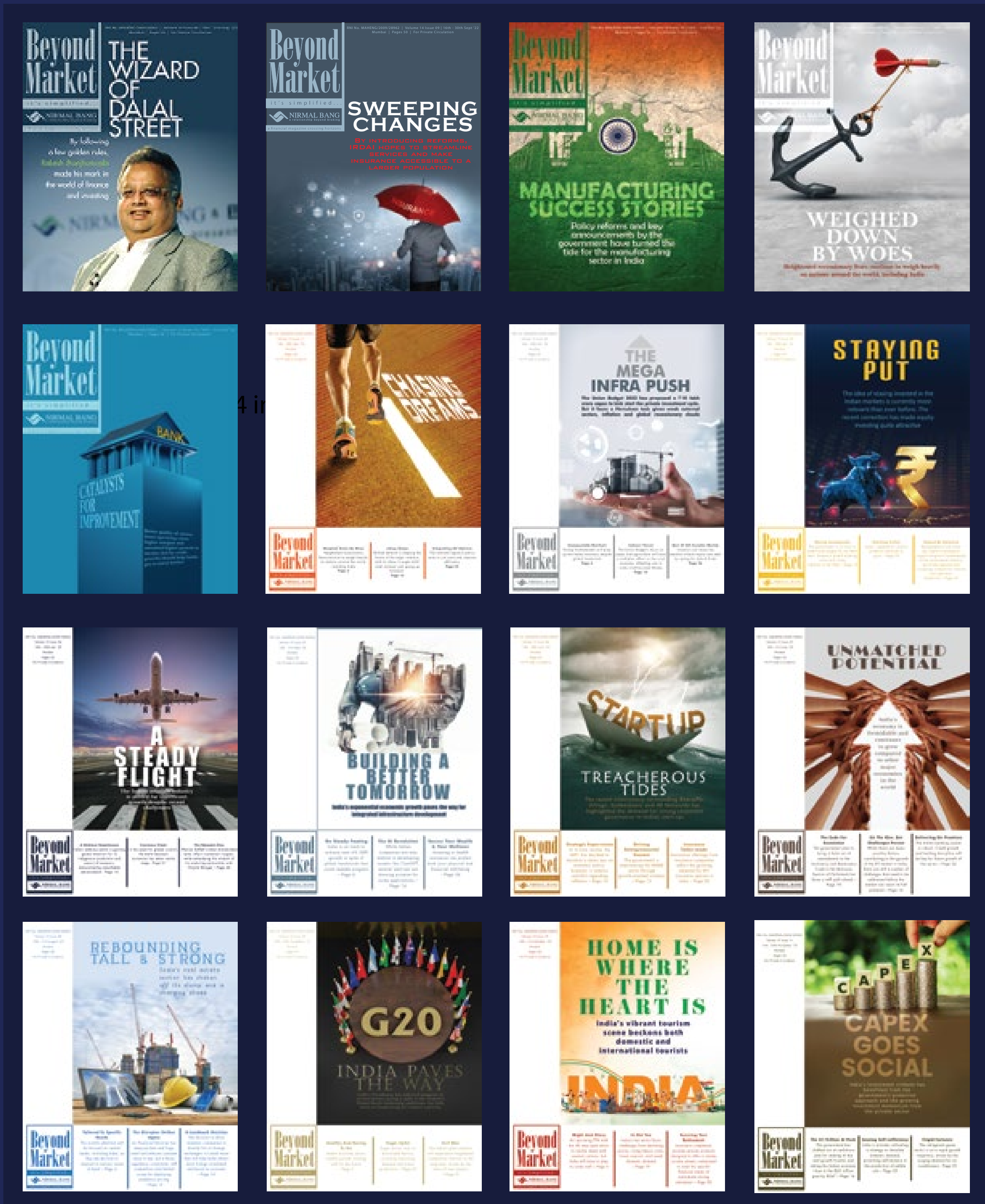
Last month, the RBI increased risk weights to unsecured consumer credit and bank credit to NBFCs. Now the RBI has announced more measures to increase its regulatory oversight on growing credit segments. Bank credit growth has grown over 15% in the ongoing fiscal year, the same as last year. There has been a strong credit offtake in risky segments such as unsecured consumer loans.

Credit offtake is despite rate increases in recent months by the RBI. There are also risks emanating from higher interconnectedness between banks and non-banks. With more regulatory measures the RBI wants to increase regulatory oversight on risky assetS.

INTERNATIONAL STOCK EXCHANGE HOLIDAYS FOR 2024

Month	Date	China	India	Japan	Singapore	UK	USA	Hong Kong	Taiwan	Korea
JAN	01-Jan-24	Holiday		Holiday	Holiday	Holiday	Holiday	Holiday	Holiday	Holiday
	02-Jan-24			Holiday						
	03-Jan-24			Holiday						
	08-Jan-24			Holiday						
	15-Jan-24						Holiday			
	26-Jan-24		Holiday							
FEB	06-Feb-24								Holiday	
	07-Feb-24								Holiday	
	08-Feb-24								Holiday	
	09-Feb-24								Holiday	Holiday
	10-Feb-24	Holiday			Holiday			Holiday	Holiday	
	11-Feb-24	Holiday		Holiday	Holiday				Holiday	
	12-Feb-24	Holiday		Holiday				Holiday	Holiday	Holiday
	13-Feb-24	Holiday						Holiday	Holiday	
	14-Feb-24	Holiday							Holiday	
	15-Feb-24	Holiday								
	16-Feb-24	Holiday								
	17-Feb-24	Holiday								
	18-Feb-24	Holiday								
	19-Feb-24						Holiday			
	23-Feb-24			Holiday						
	28-Feb-24								Holiday	
MAR	01-Mar-24									Holiday
	08-Mar-24		Holiday							
	20-Mar-24			Holiday						
	25-Mar-24		Holiday							
	29-Mar-24		Holiday		Holiday	Holiday	Holiday	Holiday		
	30-Mar-24							Holiday		
APR	01-Apr-24					Holiday		Holiday		
	04-Apr-24	Holiday						Holiday	Holiday	
	05-Apr-24	Holiday							Holiday	
	06-Apr-24	Holiday								
	10-Apr-24				Holiday					
	11-Apr-24		Holiday							
	14-Apr-24		Holiday							
	17-Apr-24		Holiday							
	21-Apr-24		Holiday							
	29-Apr-24			Holiday						
MAY	01-May-24	Holiday	Holiday		Holiday			Holiday	Holiday	Holiday
	02-May-24	Holiday								
	03-May-24	Holiday		Holiday						
	04-May-24	Holiday		Holiday						
	05-May-24	Holiday		Holiday						
	06-May-24			Holiday		Holiday				Holiday
	15-May-24							Holiday		Holiday
	22-May-24				Holiday					
	27-May-24					Holiday	Holiday			
JUN	06-Jun-24									Holiday
	08-Jun-24	Holiday								
	09-Jun-24	Holiday								
	10-Jun-24	Holiday						Holiday	Holiday	
	17-Jun-24		Holiday		Holiday					
	19-Jun-24						Holiday			
JUL	01-Jul-24							Holiday		
	04-Jul-24						Holiday			
	15-Jul-24			Holiday						
	17-Jul-24		Holiday							
AUG	09-Aug-24				Holiday					
	11-Aug-24			Holiday						
	12-Aug-24			Holiday						
	15-Aug-24		Holiday							Holiday
	26-Aug-24					Holiday				
SEPT	02-Sep-24						Holiday			
	07-Sep-24		Holiday							
	15-Sep-24	Holiday								
	16-Sep-24	Holiday		Holiday						Holiday
	17-Sep-24	Holiday							Holiday	Holiday
	18-Sep-24							Holiday		Holiday
	22-Sep-24			Holiday						
	23-Sep-24			Holiday						
OCT	01-Oct-24	Holiday						Holiday		
	02-Oct-24	Holiday	Holiday							
	03-Oct-24	Holiday								Holiday
	04-Oct-24	Holiday								
	05-Oct-24	Holiday								
	06-Oct-24	Holiday								
	07-Oct-24	Holiday								
	09-Oct-24									Holiday
	10-Oct-24								Holiday	
	11-Oct-24							Holiday		
	12-Oct-24		Holiday							
	14-Oct-24			Holiday						
	31-Oct-24				Holiday					
NOV	01-Nov-24		Holiday							
	02-Nov-24		Holiday							
	03-Nov-24			Holiday						
	04-Nov-24			Holiday						
	15-Nov-24		Holiday							
	23-Nov-24			Holiday						
	28-Nov-24						Holiday			
DEC	25-Dec-24		Holiday		Holiday	Holiday	Holiday	Holiday		Holiday
	26-Dec-24					Holiday		Holiday		
	29-Dec-24									Holiday
	31-Dec-24			Holiday						

Compiled From International Stock Exchanges


Beyond Market
THE WIZARD OF DALAL STREET
SWEEPING CHANGES
MANUFACTURING SUCCESS STORIES
WEIGHED DOWN BY WOES
CATALYSTS FOR IMPROVEMENT
CHASING DREAMS
THE MEGA INFRA PUSH
STAYING PUT
A STEADY FLIGHT
BUILDING A BETTER TOMORROW
STARTUP
TREACHEROUS TIDES
UNMATCHED POTENTIAL
REBOUNDING TALL & STRONG
G20
INDIA PAVES THE WAY
HOME IS WHERE THE HEART IS
INDIA
CAPEX GOES SOCIAL

RNI Reg. No. MAHENG/2009/28962

Beyond Market

it's simplified...

NIRMAL BANG

a relationship beyond broking

a financial magazine crossing horizons