



Leveraged Growth

---

# MONTHLY REPORT

## August 2023

# C CONTENTS

	<b>Topic</b>	<b>Page No.</b>
1	Global.....	1
2	India Inc.....	2
3	Govt. Policies.....	3
4	Start-Ups.....	4
5	Global Indices.....	5
6	Equities.....	6
7	Nifty50.....	7
8	Sector Updates.....	8
9	IPO.....	11
10	Fixed Income.....	12
11	Risk.....	13
12	Derivatives.....	14
13	Commodities.....	15
14	Currency.....	16
15	Other Asset Classes.....	17
16	AMC.....	18
17	Mergers and Acquisitions.....	19
18	Strategy.....	20
19	Marketing and Branding.....	21
20	Opinion Poll.....	22

## Is Big Short 2.0 in the Cards?

Popular investor Michael Burry, known for "The Big Short," has taken a bearish stance, revealed by his company, Scion Asset Management's recent filings. Burry's actions could significantly impact the market, given his history of accurate predictions. During Q2, the AMC had bet against the S&P 500 and Nasdaq 100 with put options. Burry's past success, including accurately shorting the housing market prior to the crash, lends weight to his current stance, potentially forecasting wider market trends. Known for prior bold moves, Burry's historical success with short positions on various assets remains noteworthy. Exiting stakes in six banks accentuates his recent actions, evoking memories of his 2008 financial crisis wins. This bank stake exit signals Burry's anticipation of a potential banking sector downturn and caution across the financial community. If his prediction unfolds, it could resonate globally, affecting not only the financial sector but the entire economy. Scion's filings also disclose significant portfolio adjustments, including the liquidation of JD.com, Alibaba holdings, and new stakes in iHeartMedia and Warner Bros Discovery.



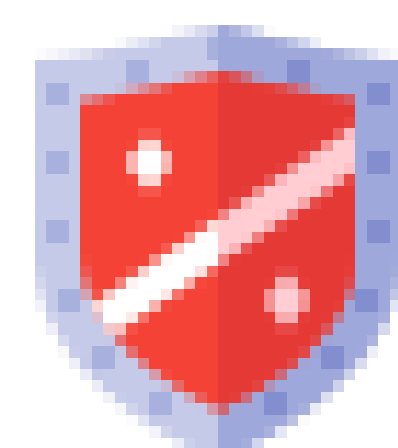
## More BRICS in the Wall?

In a landmark development, the BRICS consortium, encompassing Brazil, Russia, India, China, and South Africa, has revealed plans to expand its ranks, with six new countries joining next year. This strategic move is poised to significantly amplify the collective influence and economic prowess of BRICS on the global stage. The six countries - Saudi Arabia, Iran, Argentina, Egypt, Ethiopia, and the United Arab Emirates - represent a transformative shift in the geopolitical landscape, bringing together regions spanning the Middle East, Africa, and South America. Noteworthy is the inclusion of Saudi Arabia and Iran, eminent players in the Middle East, adding substantial economic and political weight to the alliance and further solidifying its position as a global economic powerhouse. Simultaneously, the entry of Argentina, Egypt, Ethiopia, and the United Arab Emirates introduces diverse perspectives, resources, and economic potential. This expansion underscores the rising recognition of emerging economies' significance in shaping the global economic order, potentially challenging traditional economic dominance while fostering enhanced cooperation and development.



## Tri-Nation Alliance Strengthens Defense Unity

In a historic gathering, U.S. President Joe Biden, South Korean President Yoon Suk Yeol and Japanese Prime Minister Fumio Kishida united at Camp David. Their joint condemnation of China's assertive actions in the South China Sea reflects an unwavering alliance against shared challenges. The summit yielded commitments to swift crisis consultation, coordinated regional responses, and joint military exercises. Real-time intelligence sharing on North Korean missiles will bolster defense capabilities. This bold partnership, overcoming historical tensions, underscores Seoul and Tokyo's determination to align interests. Marking the first independent U.S.-Japan-South Korea meeting, it emerges amid concerns about China, North Korea, and Russia's Ukraine intervention. The resolute stance on China, surpassing expectations, is poised to prompt a response. This unity redefines diplomatic dynamics, hinting at a more coordinated Asia-Pacific partnership. While a three-way defense pact isn't imminent, this trilateral commitment paves the way, transcending historical complexities.



## China Acts to Stabilize Yuan

Chinese authorities have issued directives to state-owned banks to play a more active role in stabilizing the currency market, according to Bloomberg reports. The move aims to curb yuan volatility after it declined to around 7.35 per dollar. To counter currency depreciation, high-ranking officials are considering reducing foreign exchange reserve requirements for banks and examining if domestic companies contributed to the yuan's decline. Despite efforts by Beijing to boost market sentiment, such as surprise interest rate cuts, stronger daily reference rates for the yuan, and injections of short-term liquidity, pessimism has gripped China's markets.

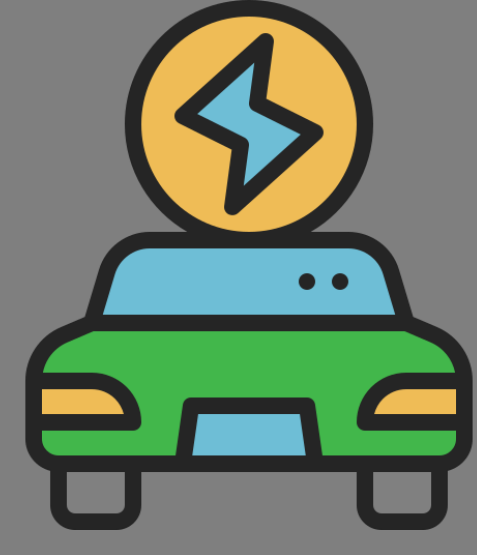


In its monetary policy report, the central bank affirmed its commitment to avoiding excessive yuan adjustments, noting alignment with economic fundamentals. Assuring the ability to maintain orderly foreign exchange market functioning, the bank stated that the Chinese government possesses the necessary tools and resources. As China navigates these challenges, the efficacy of these measures will undoubtedly shape the trajectory of its currency and broader economic landscape.

# INDIA INC.

## Tesla Suppliers Eye India

Tesla's Chinese suppliers are studying the potential of setting up production facilities in India, which might change the country's electric vehicle (EV) manufacturing scenario. According to sources, these vendors, who supply critical parts to Tesla's Shanghai Gigafactory, are looking at India as a prospective manufacturing base. The transition might not only strengthen India's standing as a global EV manufacturing player but also lessen the country's reliance on essential EV component imports. Suppliers of Tesla are alleged to be meeting with Indian officials to discuss the feasibility of their expansion plans.



This achievement is consistent with India's aim for cleaner transportation and manufacturing self-sufficiency. The government of India has been enacting numerous incentives to stimulate the use of electric vehicles and attract investment. However, problems such as infrastructural preparation and supply chain logistics must be addressed for the transformation to be effective. If these conversations come into action, it might be a big step toward strengthening India's EV ecosystem and building a more sustainable automotive future.

## India-ASEAN FTA Review

In a move set to impact the economic ties between India and 10-nation ASEAN countries, a crucial decision regarding the review of their Free Trade Agreement (FTA) in goods is anticipated. The outcome of this decision could have far-reaching implications for trade relations between India and the Association of Southeast Asian Nations (ASEAN). The review of the FTA aims to address various trade-related concerns and explore avenues for mutual benefit. This step comes amid evolving global trade dynamics and changing economic landscapes. Both India and ASEAN nations are eager to foster stronger trade ties and enhance collaboration. As the world watches closely, this decision underscores the significance of adaptive trade agreements in today's interconnected economies. Apart from the widening trade deficit, India has been worried about the routing of goods from third-world countries in India through ASEAN countries members by taking the duty advantages of the agreement. India and ASEAN countries have jointly agreed to conclude the review by 2025.



## RBI's UDGM: Empowering Regains

The RBI has taken a significant step toward enhancing financial transparency and assisting individuals in reclaiming their unclaimed deposits. The RBI offers these services through the newly-established consolidated online portal which is a convenient platform for searching unclaimed deposits across multiple banks. This innovative initiative, introduced on August 17, aims to simplify the process of locating dormant accounts and forgotten funds. UDGM enables users to search for unclaimed deposits by entering basic personal details, making it easier for account holders or their heirs to identify and retrieve funds that have remained untouched for various reasons. This move aligns with the RBI's commitment to fostering financial inclusivity and safeguarding customers' interests. The web portal's user-friendly interface signifies a stride in facilitating the reunion of individuals with their long-forgotten financial assets. More financial institutions that exhibit a dedication to diversity and financial transparency will be part of its expansion plan. With this, it is promoting a more proactive and knowledgeable financial ecosystem.



## Navigating Inflation: Debt Fund Strategies

RBI's concerns about inflation are sending ripples through the investment landscape, particularly impacting debt funds. Investors are now faced with considerations to navigate this economic landscape effectively. Inflationary worries can have direct implications for debt funds, affecting their returns and stability. Investors should adopt a cautious approach by diversifying their investment portfolios, considering instruments like short-duration funds. As the RBI considers measures, to put forward the inflation issue, interest rates may fluctuate, negatively impacting the cost of capital for companies. The central bank could also implement policies that alter borrowing costs for businesses. This, in turn, can lead to variations in companies' financial decisions and strategies. Diversifying portfolios and considering short-duration funds can mitigate risks associated with interest rate fluctuations. In essence, investors need to adapt to the evolving economic scenario by making informed choices. Keeping long-term goals in mind, investors can navigate the impact of inflation concerns on debt funds more effectively.



# GOVT. POLICIES

## Right to Privacy: Reinforced:

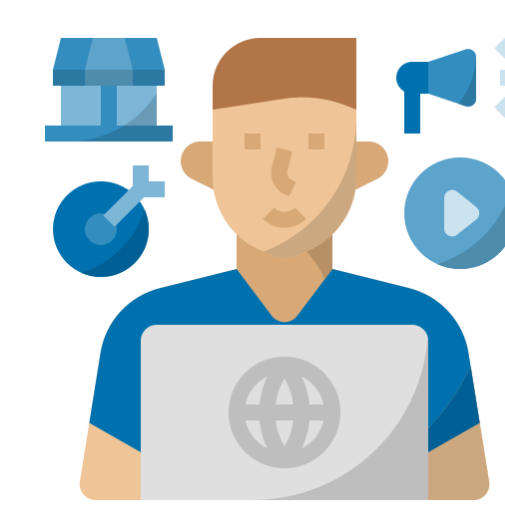
Data is the new oil, and to protect it, the central government has come up with The Digital Personal Data Protection Bill, 2023. The Bill aims to reinforce the 'Right to Privacy' of Indian citizens, placing a premium on individual consent for data collection, storage, and processing. The Bill seeks to make entities more accountable for their data practices, including internet companies, mobile apps, and businesses. The Bill provides for the processing of digital personal data in a manner that recognizes individuals' right to protect their data and the need to process such personal data for lawful purposes and for matters connected to that.

The Bill applies to the processing of digital personal data within India, where such data is collected online or offline and digitized. It will also apply to processing personal data outside India if such processing is in connection with offering goods or services to individuals in India.



## Gig Workers Got Recognized:

In a first in India, the Rajasthan Assembly has passed the Rajasthan Platform-Based Gig Workers (Registration and Welfare) Bill, 2023, aimed to extend gig workers social security benefits. The primary objective of this bill is to develop social security and welfare benefits for gig workers operating in the state. The bill mandates the registration of all gig workers with the state government to bring them under labor regulations. Gig workers will be granted access to various social security schemes, including health insurance, accident coverage, and other welfare measures to provide financial support during emergencies. Each gig worker will be assigned a unique ID, which will facilitate tracking their employment history and entitlements. Gig workers will be granted access to a range of social security schemes. These schemes may include health insurance, accident coverage, and other welfare measures to provide financial support during emergencies. The bill ensures that gig workers have the right to be heard and address any grievances. This provision seeks to protect gig workers' rights and provide them with a platform to resolve work-related issues.



## Finfluencers under SEBI Scrutiny:

The country's market regulator, SEBI has come down heavily on so-called "Finfluencers." It has proposed restricting the association of registered intermediaries (such as brokers, investment advisers, etc.) with unregulated financial influencers (or finfluencers) who offer stock tips and investment advice on social media platforms. Its latest circular states that registered intermediaries should not use the services of finfluencers who are not registered with SEBI or do not comply with the code of conduct and disclosure requirements prescribed by SEBI. The move aims to reduce conflicts of interest and protect investors from misleading or fraudulent information that may be disseminated by finfluencers who have vested interests or lack adequate knowledge or due diligence. SEBI has observed that some finfluencers may have received monetary or non-monetary benefits from registered intermediaries or issuers of securities for promoting their products or services without disclosing such relationships to the public. Now only time will tell if these measures are enough to bring transparency and accountability in the ever-growing finance space.



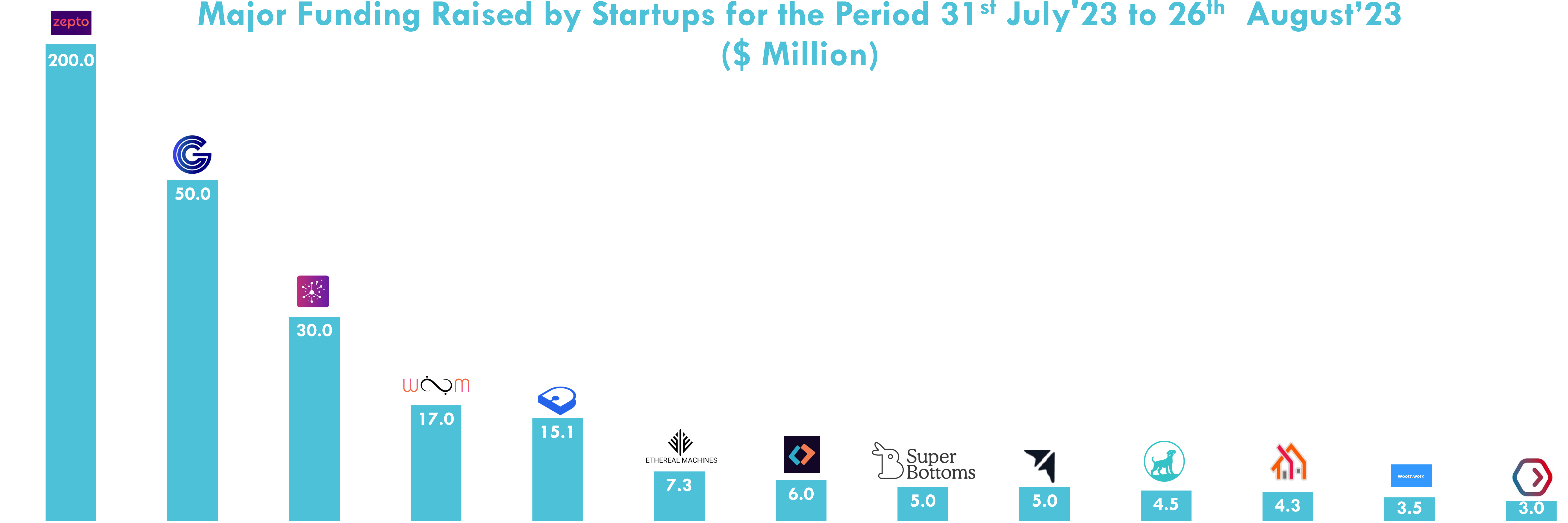
## The Mines and Amendment Bill, 2023:

The Mines and Mineral Amendment Bill 2023 aims to bring the private sector into critical mineral exploration in India. The Bill puts six minerals, including lithium — used in electric vehicle batteries and other energy storage solutions — into a list of "critical and strategic" minerals. The exploration and mining of these six minerals, previously classified as atomic minerals, were restricted to government-owned entities. The Bill aims to attract private sector investment in exploring critical and deep-seated minerals. Additionally, some pros of the Bill are that it seeks to attract private sector investment in exploring essential and deep-seated minerals, increase employment and investment in the mining sector, increase the revenue of the States, and help increase the production and time-bound operationalization of mines in the country. Perhaps everything is not goody-goody here are some of the limitations of the Bill for instance, it may lead to environmental degradation if not implemented properly, also it may lead to exploitation of natural resources if not appropriately regulated, and the displacement of local communities if not implemented properly.



# START-UPS

## Major Funding Raised by Startups for the Period 31<sup>st</sup> July'23 to 26<sup>th</sup> August'23 (\$ Million)



Source: Entrackr

In August, 53 startups majorly based out of Bengaluru raised an impressive \$ 414.6 mn in funding, showcasing the strength of the startup ecosystem. Fintech-based startups dominated fundraising activities, reflecting recognition and support for innovative solutions across industries through cutting-edge technology.

### Agnikul's Journey to Space

Agnikul Cosmos, a space tech startup, started by two young aerospace engineers, designs, manufactures, tests, and launches rockets for micro and nanosatellites. It is based out of IIT-Madras. Agnikul's approach to modular and flexible satellite deployment has garnered attention in the space industry. By seamlessly launching its vehicle from its private launchpad at Sriharikota. The startup is advancing its vision of democratizing access to space for a wide range of applications. As it inches closer to its inaugural spaceflight, Agnikul is not just building a launch vehicle, it's shaping the future of space accessibility, innovation, and exploration. Agnikul Cosmos is at the apex of a historic moment and taking a crucial step in its journey toward a maiden spaceflight. This landmark achievement underscores the Indian space startup's commitment to redefining satellite launches with innovation and precision.



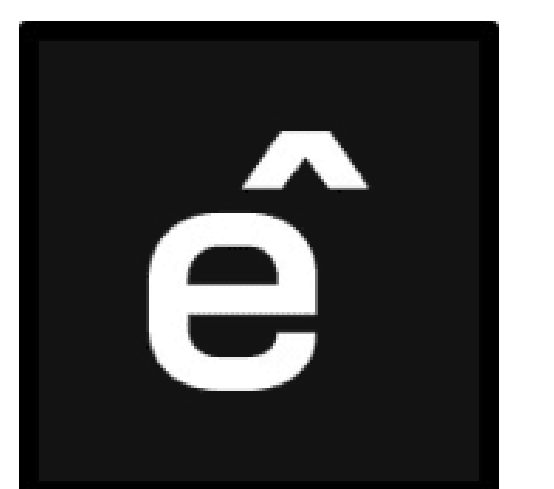
### Shipporocket and Skye: An Alliance

Shipporocket, a prominent Indian logistics aggregator, has partnered with Skye Air Mobility to introduce groundbreaking drone delivery services, with the initial launch in the city of Gurugram. This collaboration between Shipporocket, known for its robust logistics solutions, and Skye Air Mobility, for its drone technology, signifies a substantial leap in the delivery landscape. By leveraging Shipporocket's extensive reach and Skye Air's innovative approach, this partnership aims to revolutionize last-mile delivery. In an era of e-commerce, quick deliveries are of prime importance, this collaboration is capable of redefining industry standards. Skye Air's advanced drones coupled with Shipporocket's Logistical prowess could pave the way for faster, more sustainable deliveries. This strategic alliance exemplifies the fusion of expertise and innovation, setting the stage for efficient urban logistics and transforming customer experiences.



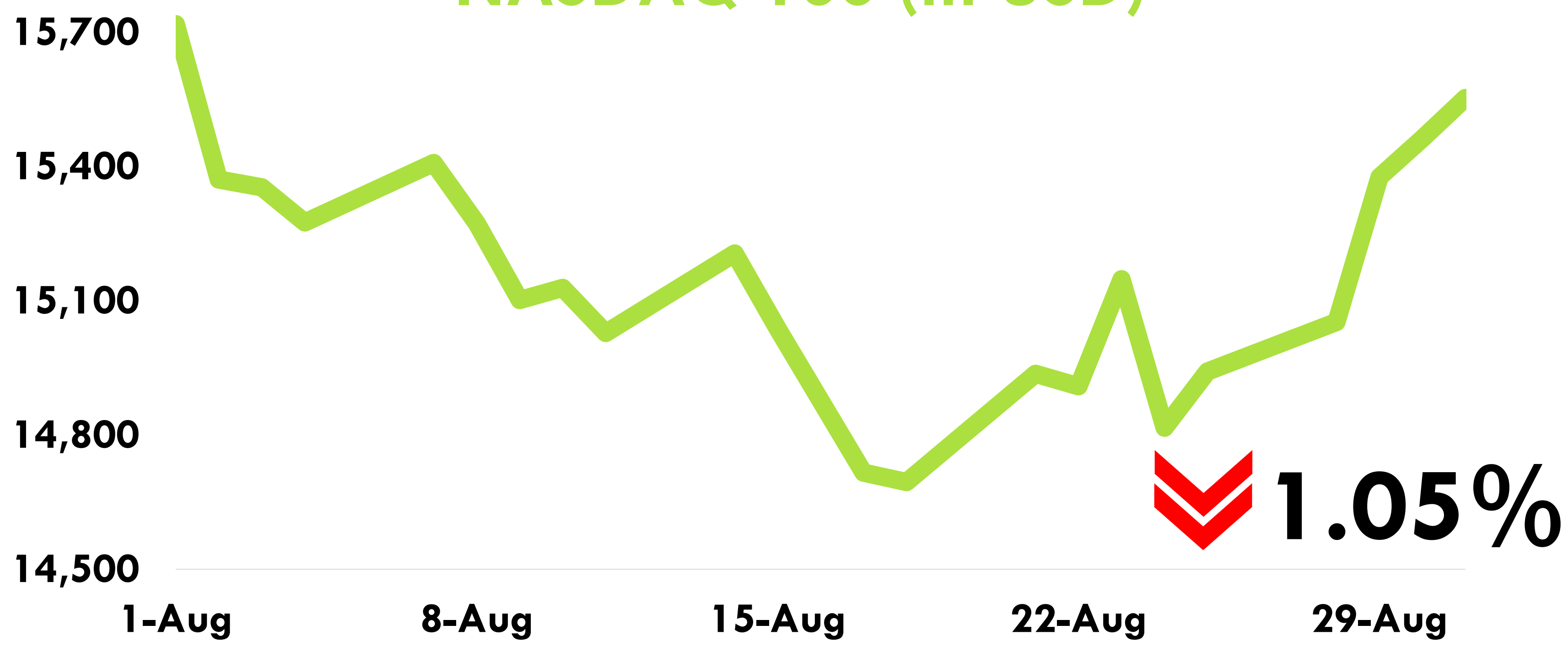
### Exponent Energy: Challenging Tesla?

Exponent Energy, a pioneering startup, is revolutionizing electric-vehicle (EV) charging, directly challenging industry titan Tesla. With a focus on solving the time-consuming charging woe, they have achieved the remarkable feat of 15-minute charging, setting them apart from competitors who provide a 30-minute charge. Their cutting-edge technology and innovative approach have unwind the conventional charging limitations, effectively minimizing the downtime for users. Unlike Tesla's conventional charging stations, Exponent Energy employs advanced battery management and cooling systems, ensuring rapid yet safe charging. This remarkable achievement not only trims the hours spent on charging but also the anxiety of the power running down before reaching the station. Exponent Energy's visionary stride beckons a new era for sustainable transportation, solidifying their position ahead of competitors. Through imagination and efficiency, they've not just unlocked a solution, but a paradigm shift towards faster, hassle-free EV charging.



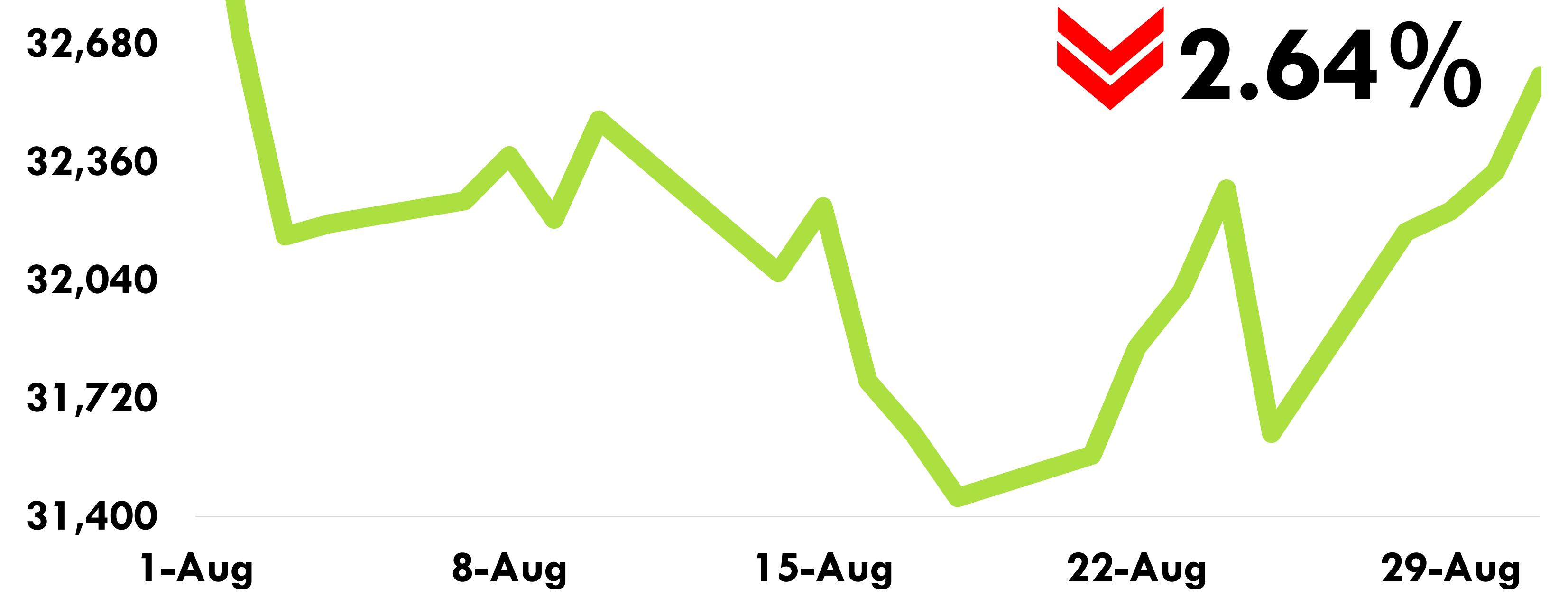
# GLOBAL INDICES

NASDAQ 100 (in USD)



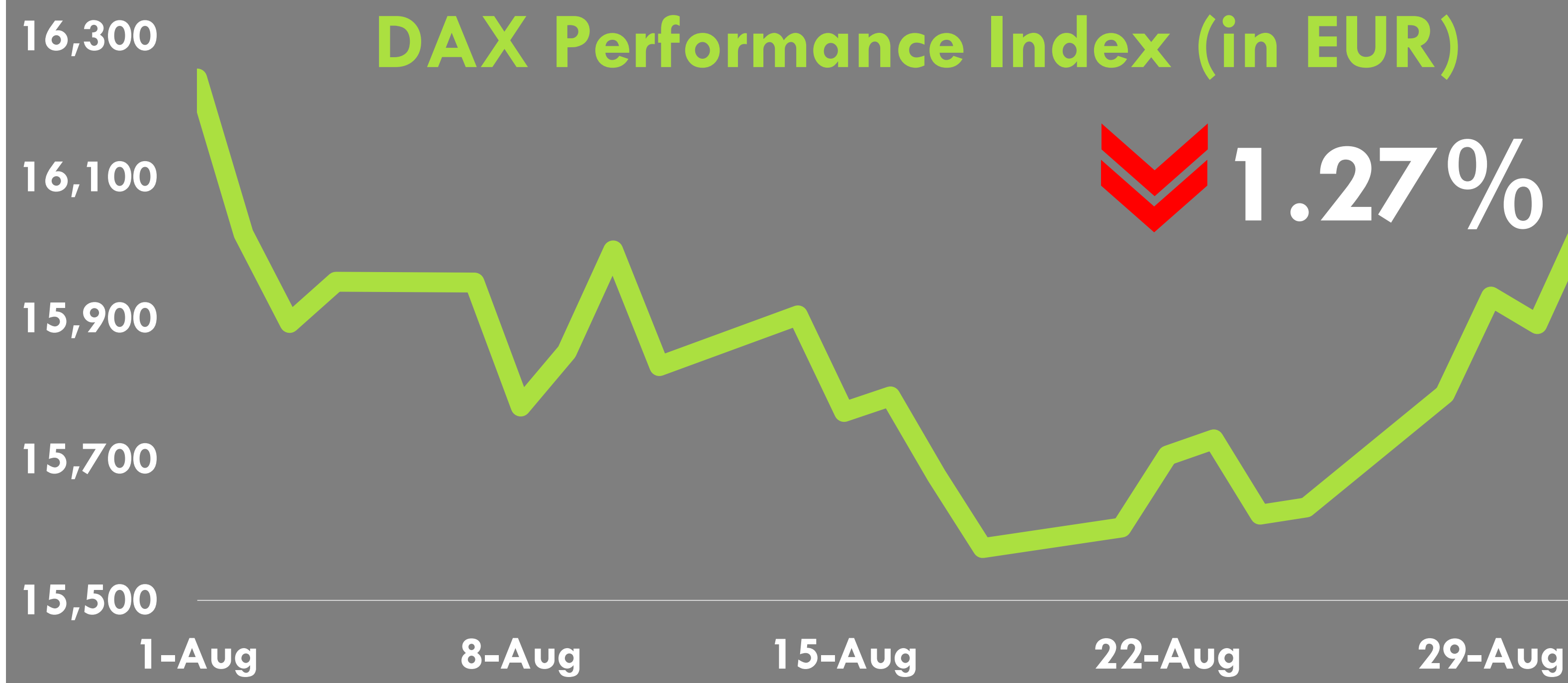
U.S. Treasury yields dropped to fresh three-week lows in the last week of the month after weaker-than-expected economic growth and labor market data reduced expectations of rising interest rates to balance out for inflation. Also, rising borrowing costs squeezed banks' profit margins and led to credit rating downgrades, which led to a significant shift, with the Nasdaq plummeting by 1.05%.

Nikkei225 (in JPY)



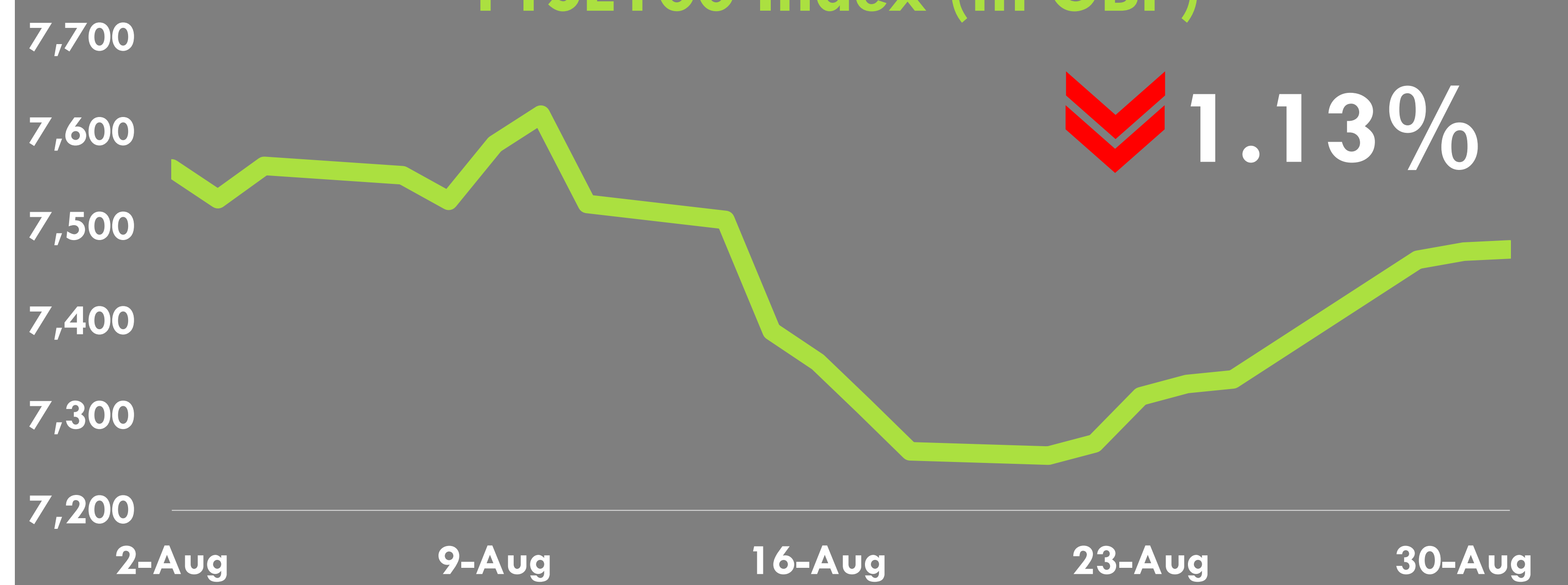
Japan's Nikkei 225 tumbled 2.67% this month as losses in the Shipbuilding, Trading, Chemical, Petroleum, and plastic sectors propelled shares lower. Advantest Corporation was one of the major losers, dropping 10.12%. Concerns regarding the Chinese economy also dampened market sentiment, and despite the yen experiencing a nine-month low of 145 per dollar, exporters didn't experience the expected boost.

DAX Performance Index (in EUR)



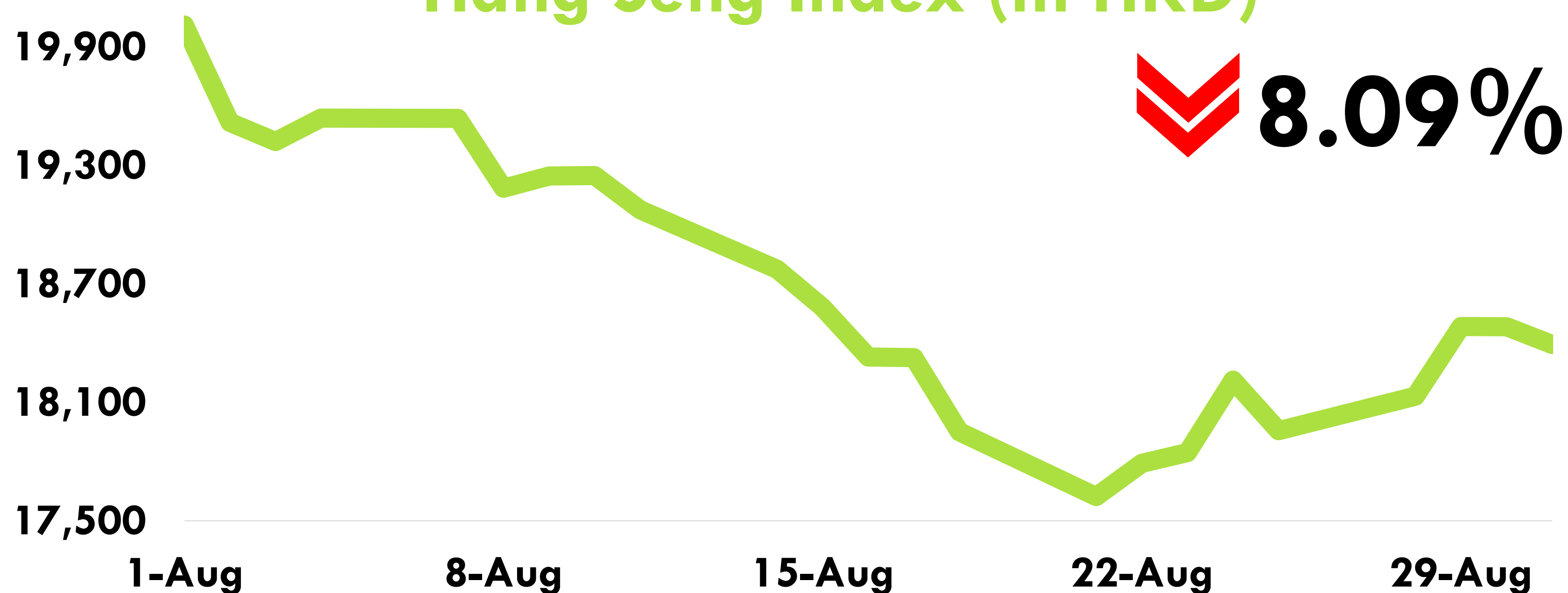
DAX index was among Europe's top fallers, with a 1.27% decline nearing the key support level because of the Hawkish central bank chatter testing buyer appetite amidst the rising expectations of a German recession. The economy stalled in the second quarter, with the German Business Climate Index falling for a fourth straight month to 85.7 in August, suggesting conditions will worsen.

FTSE100 Index (in GBP)



Downbeat earnings and a surprise US credit rating cut pressured FTSE 100's to drop in August. Mining sector losses pulled down the index post Glencore's steep earnings fall and grim trade data from China. Damp retail sales from wet weather and ongoing inflation also led to cautious consumer spending, pushing the FTSE 100 close to a nine-month low.

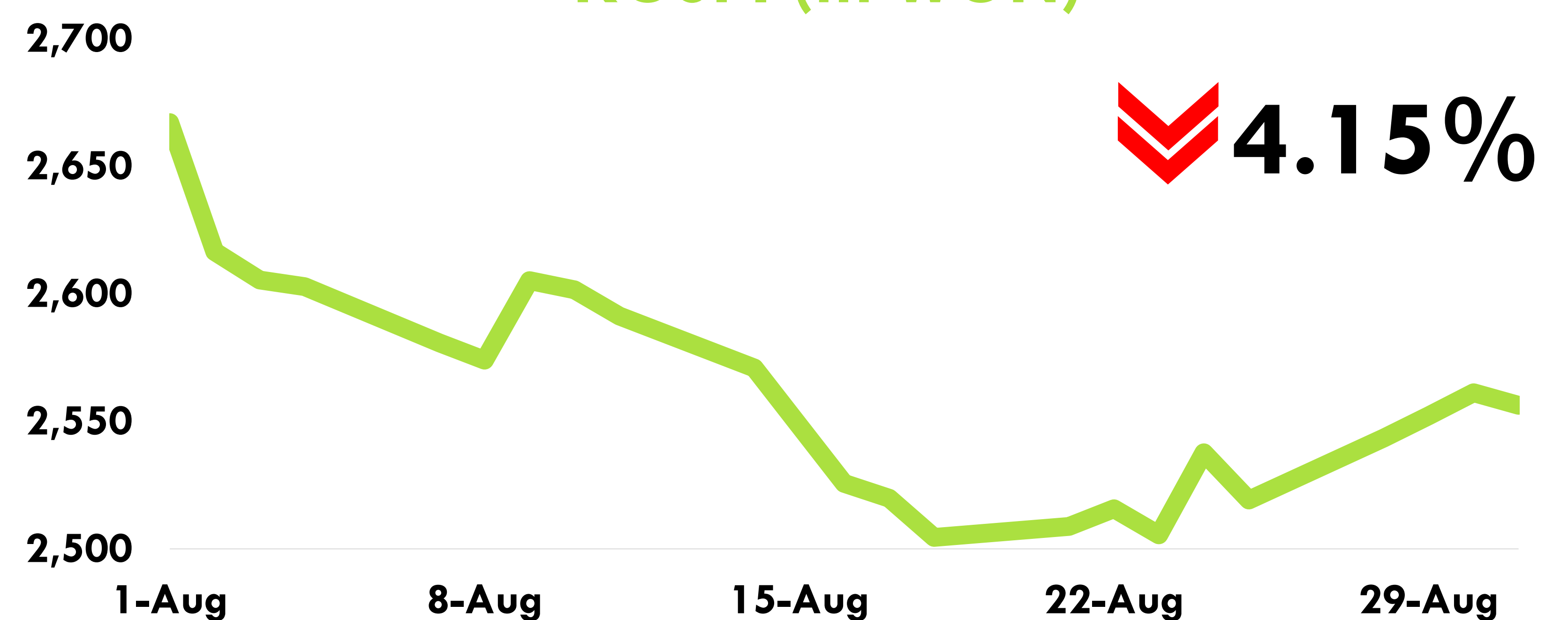
Hang Seng Index (in HKD)



Hong Kong's benchmark stock index experienced a bear market territory, dropping 8.09%, due to rising contagion fears around China's property sector and its future growth potential. Moreover, both Tencent and Alibaba's stocks experienced a major fall of 7.82%, dragging the index down. Adding to the market's woes, troubled Chinese real estate major Evergrande made headlines by filing for bankruptcy protection in a US court.

Source: Investing

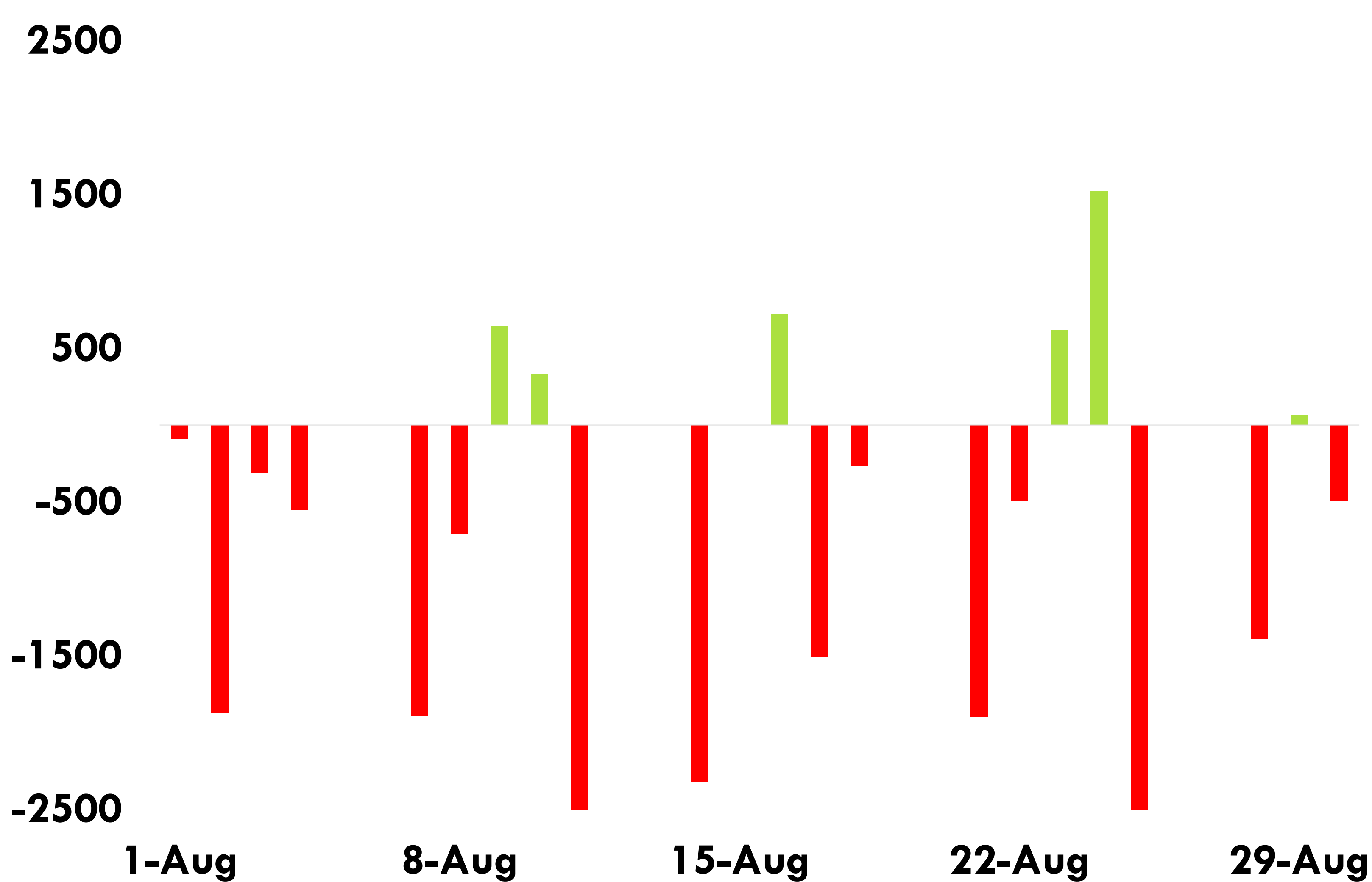
KOSPI (in WON)



The index dropped at 2500 as concerns over the staggering Chinese economy and continued rate hikes in the United States dampened investor sentiment. Moreover, South Korea's exports experienced sluggish shipments of chips and petroleum products and declined due to aggressive monetary tightening by major economies to curb high inflation and an economic slowdown.

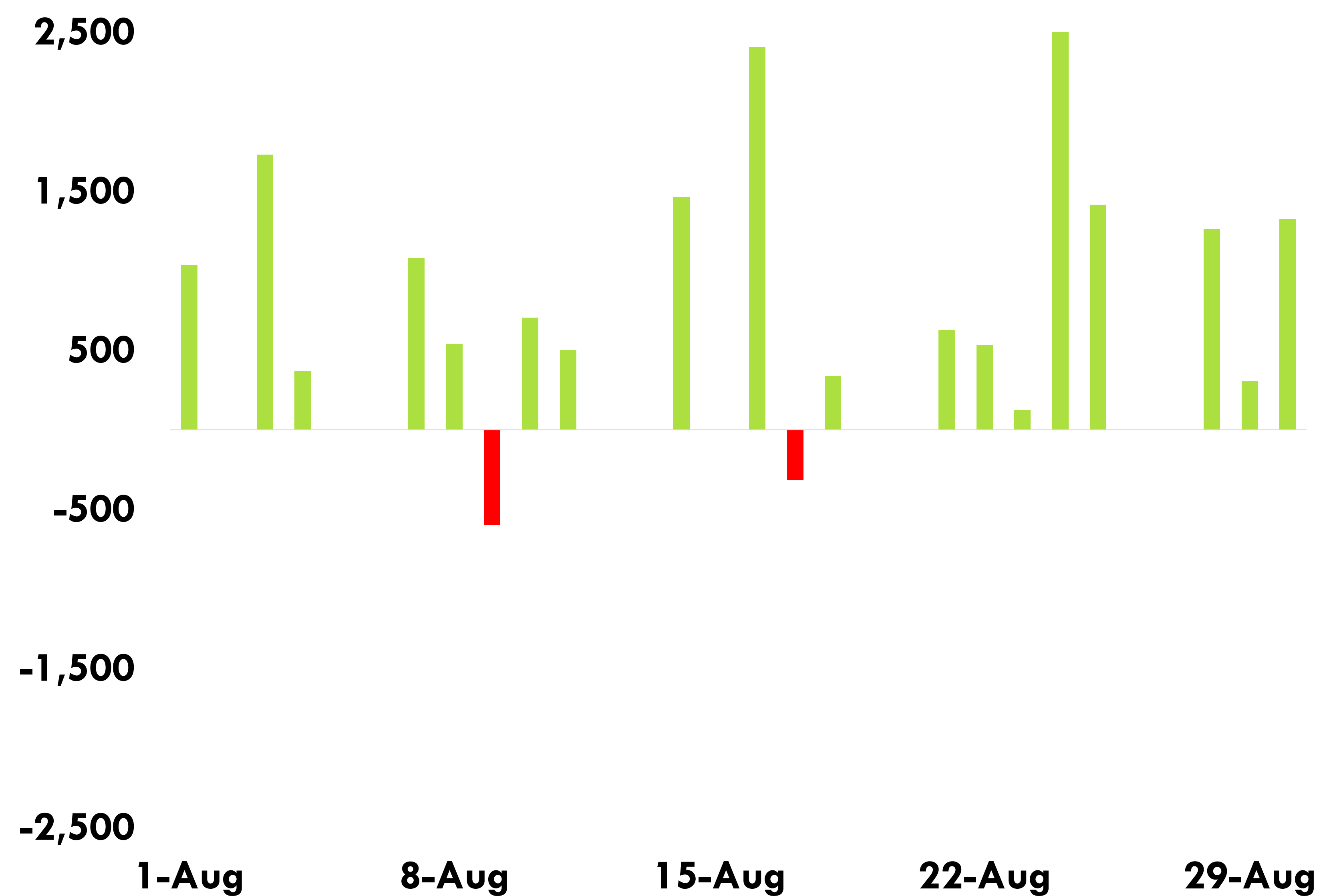
# EQUITIES

FII Net Investment in August'23 (₹ Crores)



Source: NSDL

DII Net Investment in August'23 (₹ Crores)



Source: NSDL

After 5 consecutive months of positive flows into the Indian equity markets, FIIs turned net sellers in August. The shift was, however, rational as some profit booking was expected. Further, a strong dollar and high US bond yield weighed on foreign capital entering India. Despite the recovery, concerns about rate hikes due to high inflation added to the outflows. Nonetheless, strong buying by DIIs countered the outflows.

## SEBI Cuts Listing Time to 3 Days

Securities and Exchange Board (SEBI) has accelerated the listing process for shares on stock exchanges after Initial Public Offerings (IPOs). The regulator has halved the timeline from six days to three, effective September 1. This change aims to boost business efficiency and benefit both issuers and investors. SEBI's recent circular outlined the transition plan: the new listing timeframe is initially voluntary and becomes mandatory for issues after December 1. The move facilitates faster access to raised capital for issuers and provides investors with prompt credit and liquidity. To ensure precision, the Registrar to an Issue will verify applications through third-party cross-referencing of PANs) between demat and bank accounts. Mismatched PANs will invalidate applications for allotment. SEBI's decision, approved during its June board meeting, is being implemented in phases to ensure a seamless shift to the revised timeline. Despite this positive change, SEBI postponed the anticipated overhaul of mutual fund house expense ratio regulation. SEBI's proactive approach reflects its commitment to optimizing market processes, underscoring its role in fostering growth and innovation in India's capital markets.

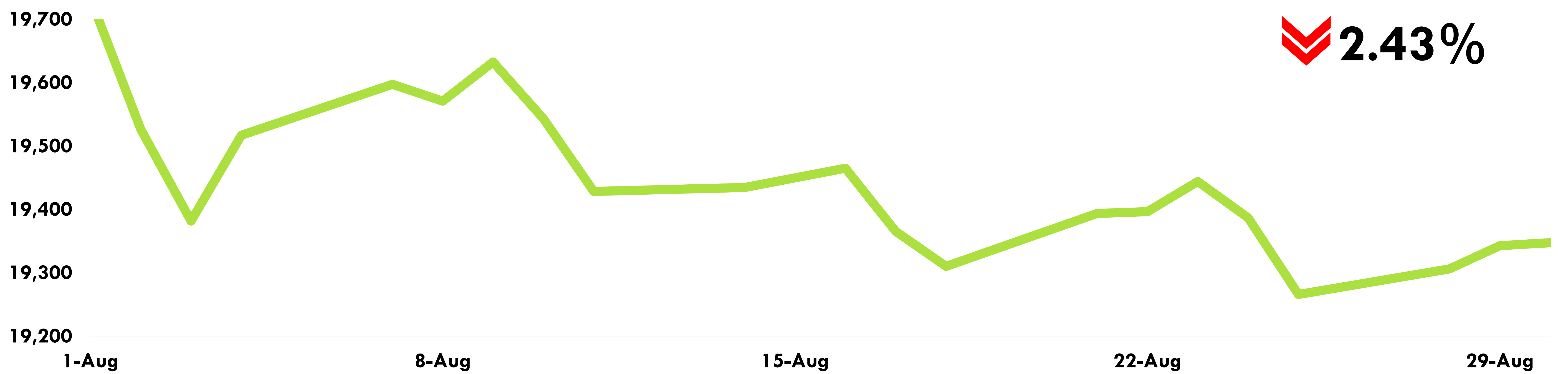


Index	1 <sup>st</sup> August'23 (In ₹)	31 <sup>st</sup> August'23 (In ₹)	Change (%)	Trend
NIFTY Auto	15,689	15,670	↓ 0.12	
NIFTY Bank	45,593	43,989	↓ 3.52	
NIFTY Consumer Durables	27,402	28,702	↑ 4.74	
NIFTY Financial Services	20,327	19,598	↓ 3.59	
NIFTY FMCG	52,501	51,093	↓ 2.68	
NIFTY IT	30,289	31,165	↑ 2.89	
NIFTY Media	2,059	2,293	↑ 11.39	
NIFTY Metal	6,770	6,659	↓ 1.64	
NIFTY Oil & Gas	8,110	7,729	↓ 4.70	
NIFTY Pharma	15,001	15,096	↑ 0.63	

Source: NSE

# NIFTY50

NIFTY50 August'23 (In ₹)



Source: NSE India

The Indian equity markets saw a decline as profit-booking led to a bearish tone amidst global uncertainty with a fall of about 2.43%. Factors including fluctuating US bonds, higher crude oil rates, and RBI's inflation concerns contributed to the volatile atmosphere. Foreign investments receded, while the rupee's decline against the US dollar exacerbated market sentiment.

## The Tech Titans

Infosys achieved its third major deal this year, partnering with Liberty Global to inject \$1.6bn for a visionary digital communications collaboration, showcasing resilience amid economic challenges. The partnership will develop cutting-edge entertainment and connectivity platforms in the next five years, solidifying the shared digital transformation vision that began with Infosys and Liberty Global in February 2020. Infosys aims to take control of constructing and managing Liberty Global's Horizon entertainment and connectivity systems, with plans to integrate Topaz AI solutions. The potential eight-year extension could elevate the deal's value to ~\$2.5bn. Endowed with an expansive technological vision, this partnership is poised to redefine connectivity and entertainment, leaving a mark on the digital landscape and helping the business scale across markets for Infosys.



## From Spectacles to Spectacular

Titan Eyecare, a division of Titan Company, has ventured into an emerging vertical through a pilot program. Partnering with WS Audiology, the company is entering into the audiology segment, leveraging its 15-year expertise in optometry. This exploration into sensory domains beyond vision showcases promising prospects, with successful intersections of audiology and optometry emerging in progressive global regions.



The partnership aims to pave the way for future expansion into this novel avenue. Titan Eyecare plans to focus on retail rather than manufacturing for its new domain. As evidenced by recent advancements in the lens domain and its entry into the field of audiology, Titan aims to harness innovation to its advantage and create a strategic moat around its business that sets it apart.

## Top Gainers | NIFTY50 | August'23



Company Name	Change (%)
Tech Mahindra	7.75
Cipla	7.03
M&M	6.79
LTIMindtree	6.17
Infosys	5.88
HCL Tech	4.97
Titan Company	3.34
Axis Bank	2.05
Maruti Suzuki	1.86
Adani Ports	1.84

Source: NSE India

## Top Losers | NIFTY50 | August'23



Company Name	Change (%)
BPCL	9.79
SBI	9.49
Hero Motorcorp	8.98
Power Grid Corp	8.08
Aplo Hospital	6.95
Bajaj Finserv	6.84
Britannia	6.80
Tata Motors	6.72
Bajaj Auto	6.44
ITC	5.58

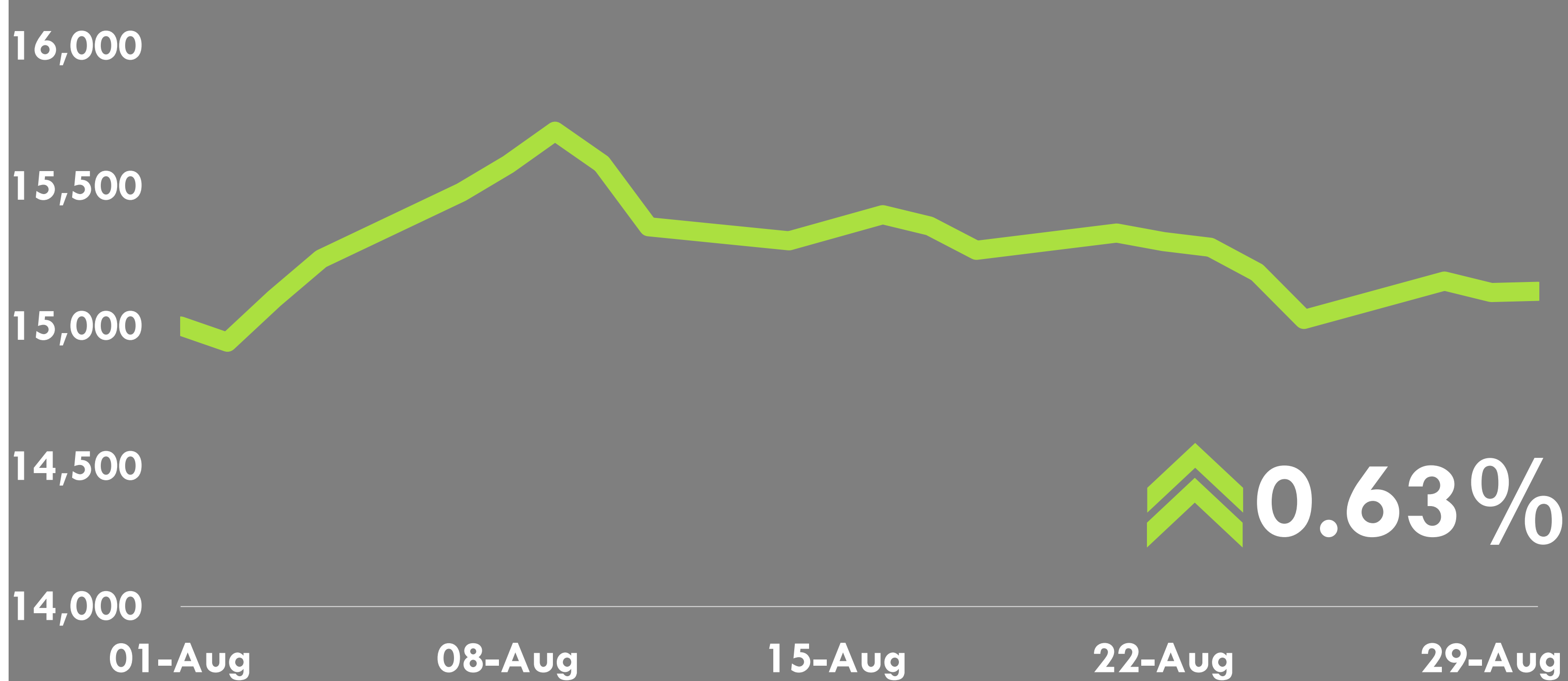
# SECTOR UPDATES

## Pharma Sector

The index embarked on an upward sentiment, gradually elevating to higher levels. Additionally, it also had received assistance from stocks like Gland Pharma and Lupin, which surged by a whopping 34% and 11%, respectively, due to rerating by global investment firms and new product launches. However, weak global scenarios and heavy selling by FIIs somewhat dampened the sentiments, squeezing out gains in the last leg of the month.



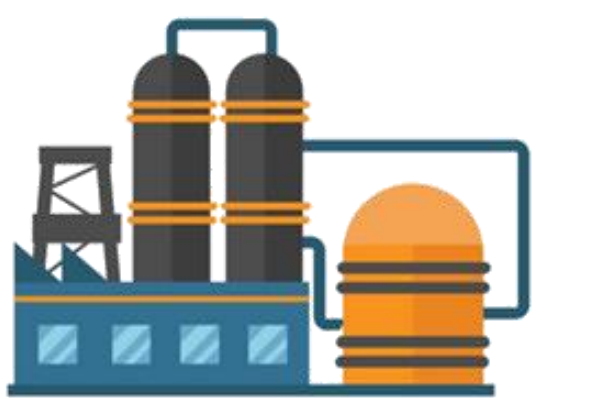
NIFTY Pharma August'23 (In ₹)



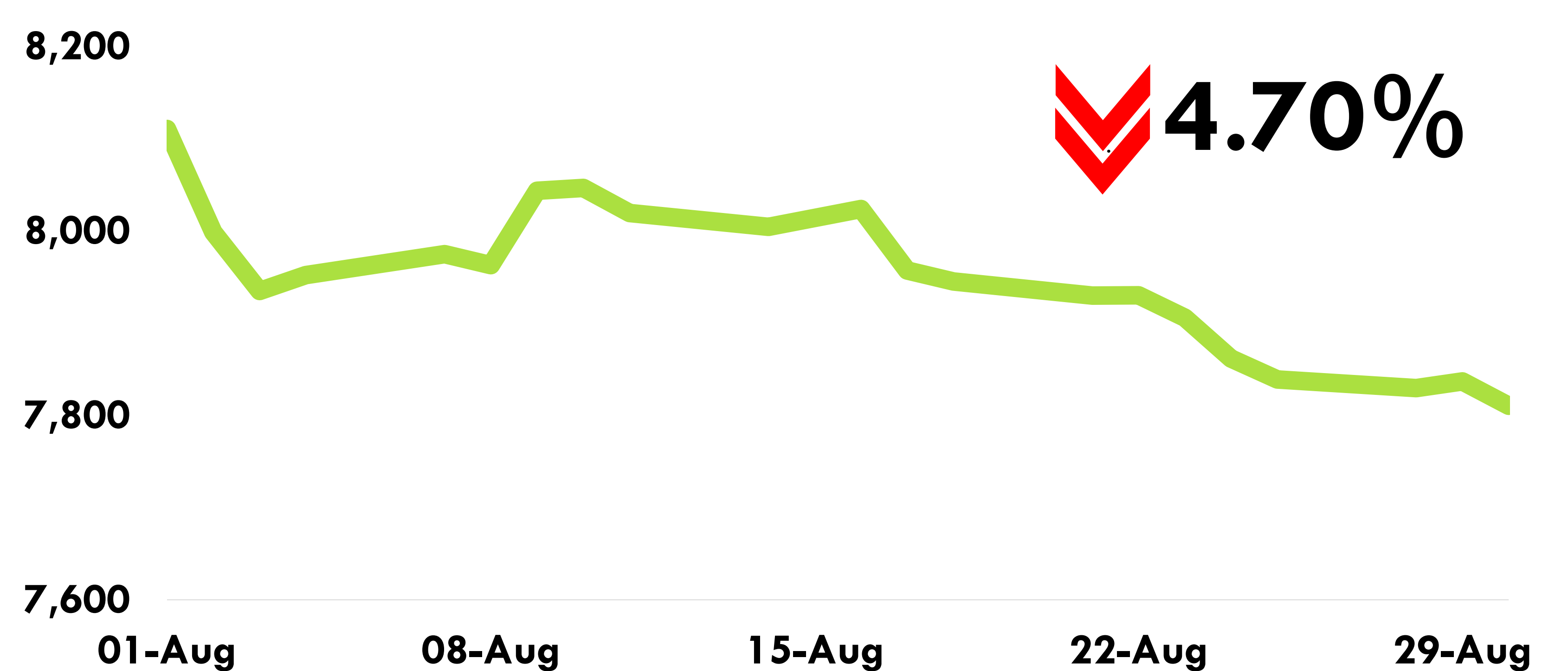
Source: NSE

## Oil and Gas Sector

This month, the oil and gas sector witnessed a significant downturn, experiencing a sharp 4.7% decrease. In a largely bearish market, only IGL managed a modest 1% gain, and Castrol followed with a slight 0.24% increase. However, the sector was marked by losses, with Hindpetro leading at 12.96% and BPCL close behind with a 9.79% decline. The prevailing bearish sentiment continued to shape the industry landscape throughout the month.



NIFTY Oil & Gas August'23 (In ₹)



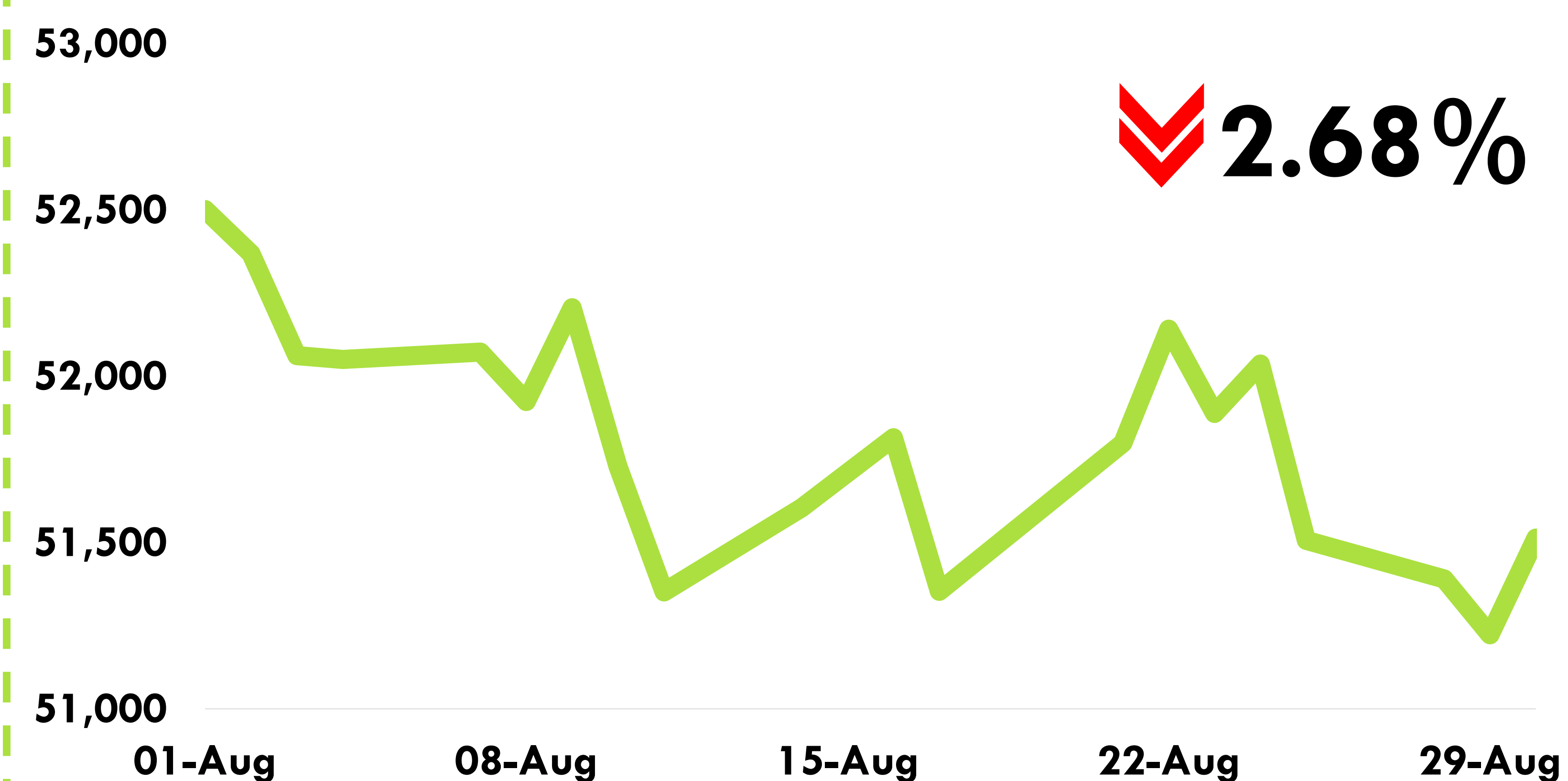
Source: NSE

## FMCG Sector

The FMCG sector experienced a notable decline of 2.68%. Amidst this trend, Emami Ltd stood out as a top gainer with an impressive 13.48% increase, closely followed by VBL with 12.34%. However, Radico faced a significant loss of 12.86%, while Britannia also encountered a downturn of 7.26%, contributing to a slightly bearish outlook for the sector. Investors and analysts kept a watchful eye on market dynamics throughout the month.



NIFTY FMCG August'23 (In ₹)



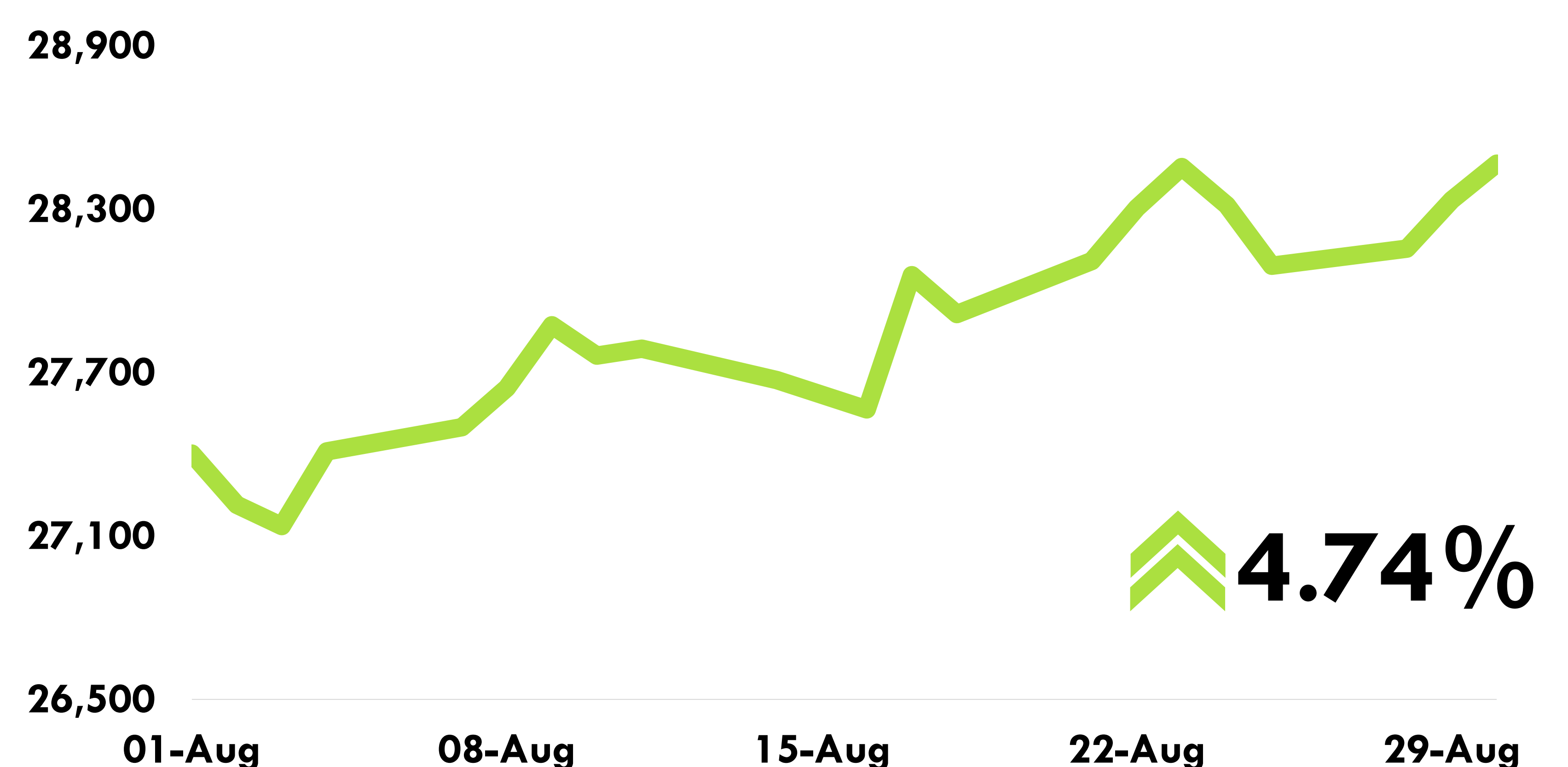
Source: NSE

## Consumer Durables Sector

This month, the consumer durables sector showcased impressive growth, surging by 4.74%. Dixon and Amber emerged as the top gainers, boasting significant increases of 21% and 19.80% respectively. On the flip side, Bluestarco faced a loss of 5.57%, while Bata India also experienced a dip of 4.19%. The sector's overall performance was positive, reflecting a buoyant market sentiment for consumer durables. Investors welcomed these gains and monitored further developments.



NIFTY Consumer Durables August'23 (In ₹)

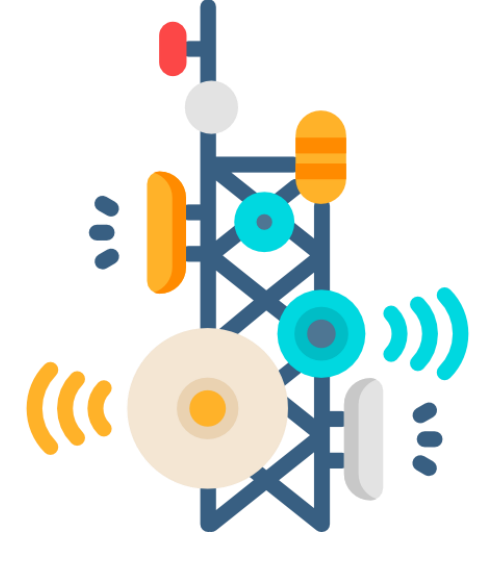


Source: NSE

# SECTOR UPDATES

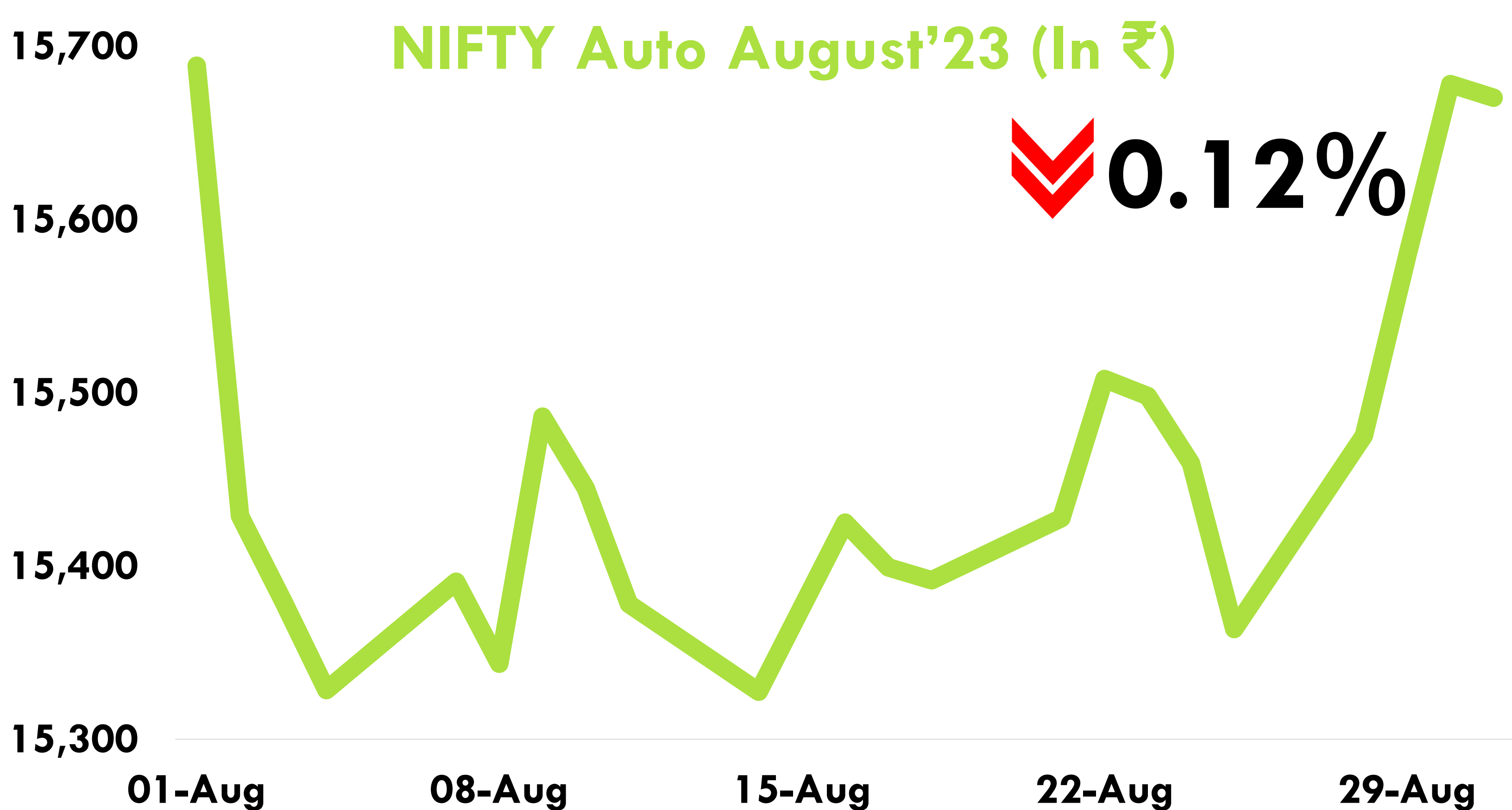
## Telecom Sector

The telecom sector has seen a lot of activity in the last month, with the latest data showing that Reliance Jio had the highest growth in AGR (adjusted gross revenue) in the March quarter of FY23, surpassing Bharti Airtel. On the other hand, Vodafone Idea, facing financial troubles, reported a decline in its AGR by 1.7% to Rs 7,210.63 crore, indicating its inability to compete with its bigger rivals. Airtel also added 0.8 million postpaid users in the June quarter. However, it is anticipated that Jio will soon launch Jio Airfibre, a wireless broadband service.



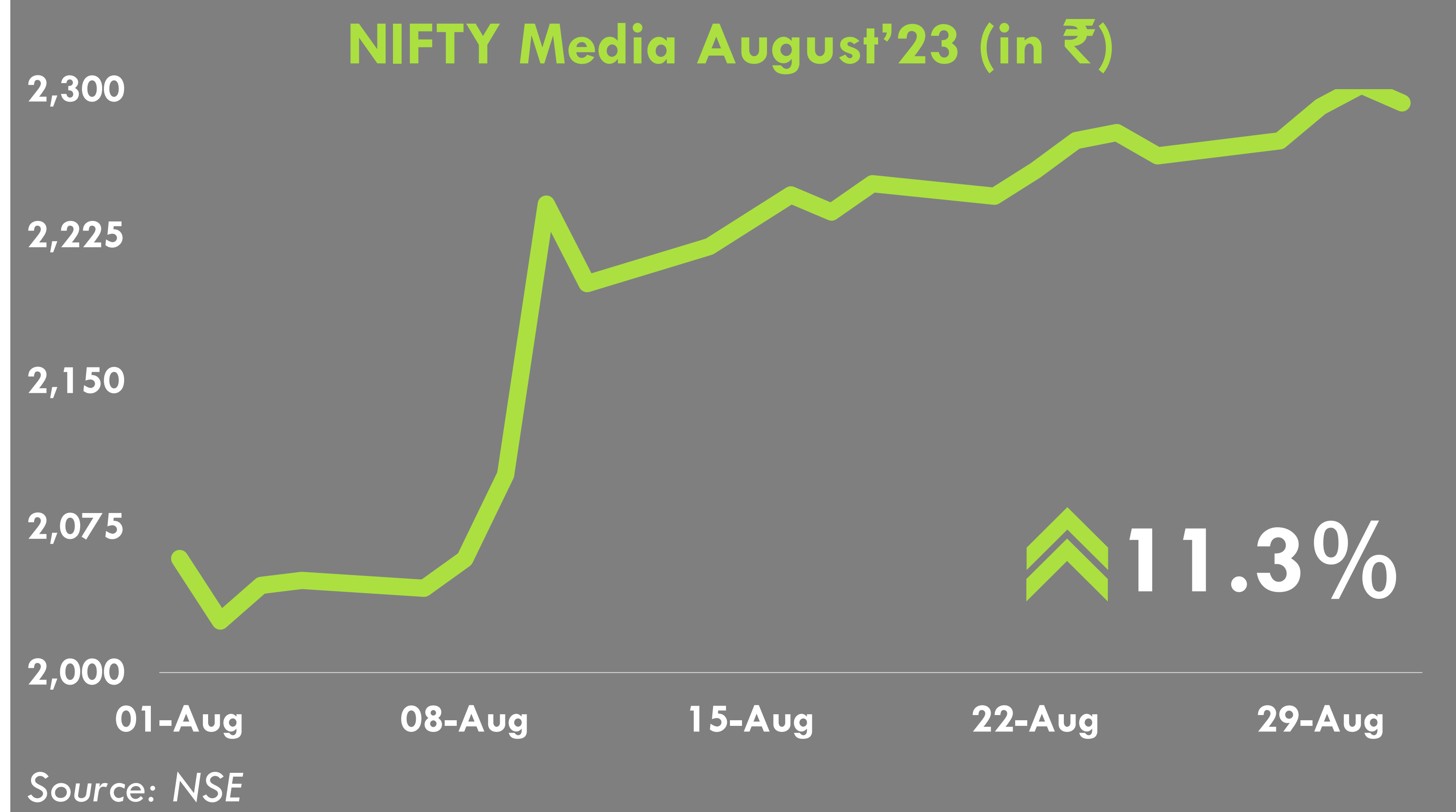
## Auto Sector

It's been a roller coaster ride for the auto index so far; the govt. notified that they will extend the sector-specific PLI Scheme for a year, which accounts for ₹ 26000 cr. Additionally, the disbursement of the incentives, which was settled yearly, will now be settled quarterly, giving the much-needed relief. Stocks like Bharat Forge surged by 14.6% on the backdrop of a new order book. However, the index remained flat.



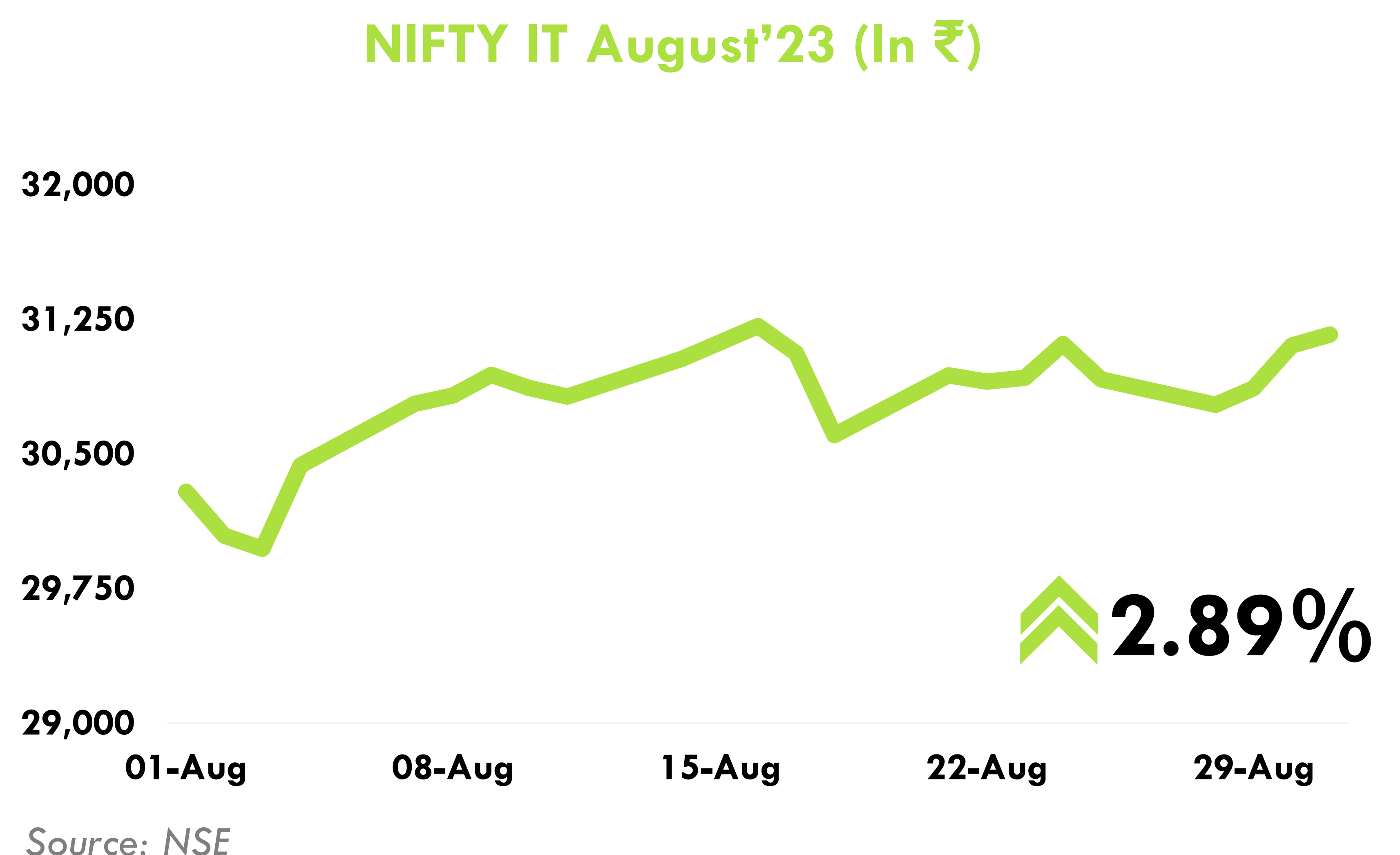
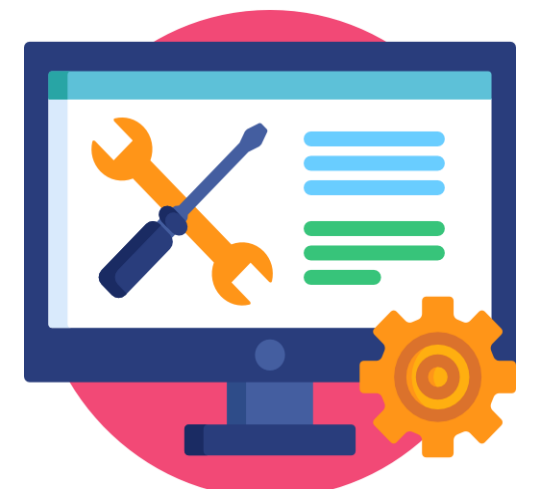
## Media Sector

It's been a consequent event-packed month for the media sector as a substantial amount of contribution came from desi movies doing fabulous, which has ended the drought in the industry; the footfalls have increased significantly; additionally, stocks like Zeel and Network18 surged 10.8%, and 22.8% on the backdrop sony-zeel getting the final nod by authorities and unsystematic factors which has led the index to move by 11%.



## IT Sector

The index opened flat but gradually ended up at a 3% high. However, this was possible on the backdrop of a rise in US dollars and positive global economic factors coming in the last leg of the month. Additionally, stocks like Coforge, HCL Tech, and Infosys have surged 12.8%, 3.7% and 5.1%, respectively, on the pretext of positive company specific factors.



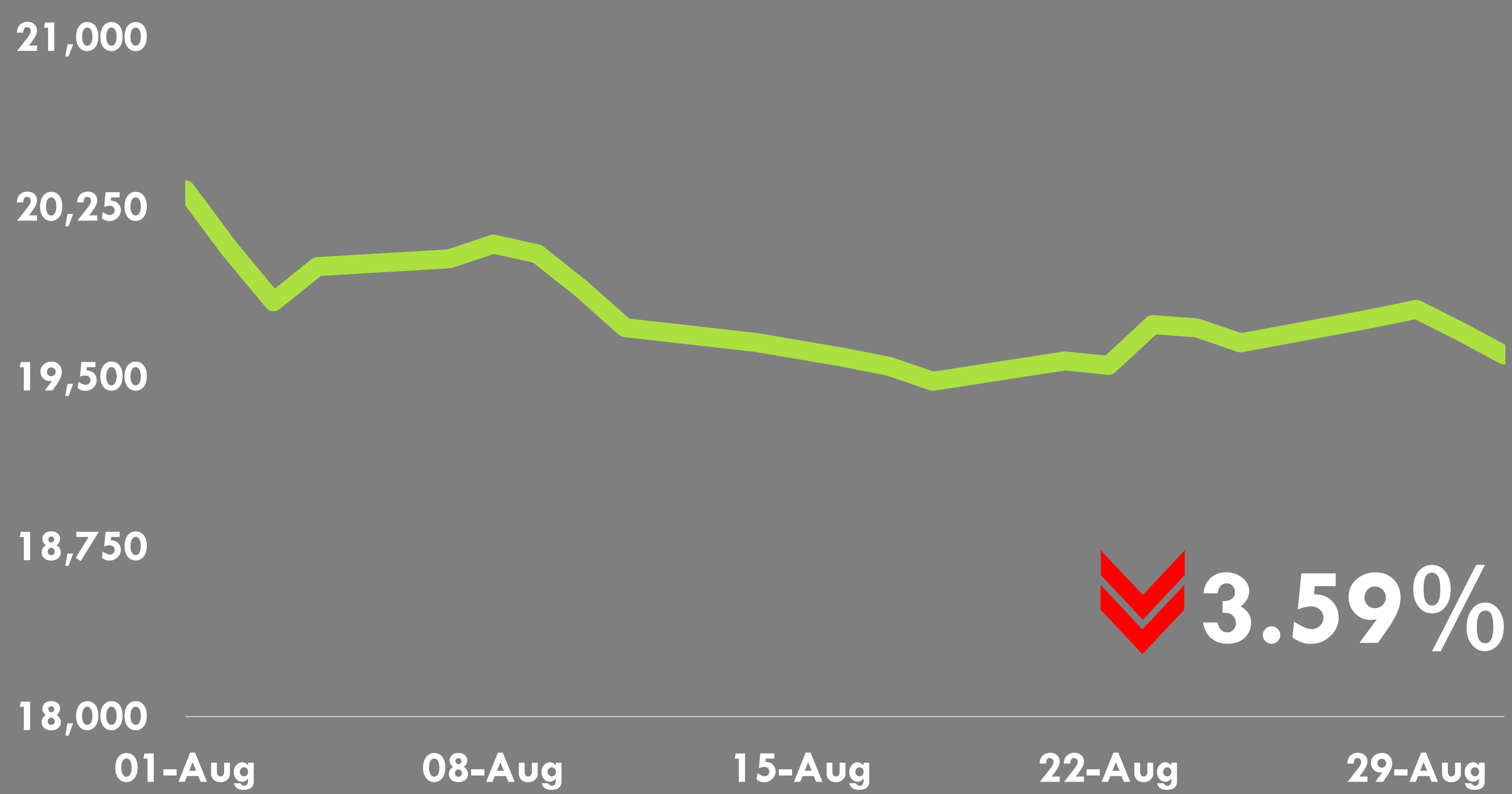
# SECTOR UPDATES

## Financial Services Sector



In August, the index experienced an average decline of around 3%, yet it maintained its position above the 19000 mark. Notable gainers during the month included ICICI Prudential, HDFC, and REC, whereas ICICI Lombard, Axis Bank, and Piramal Enterprises incurred losses. The index's downward trajectory persisted due to investor caution preceding the RBI's monetary policy and US inflation data release. Contributing factors were ongoing foreign fund outflows and a subdued performance in the Asian and European markets, dampening the domestic market sentiment.

NIFTY Financial Services August'23 (In ₹)



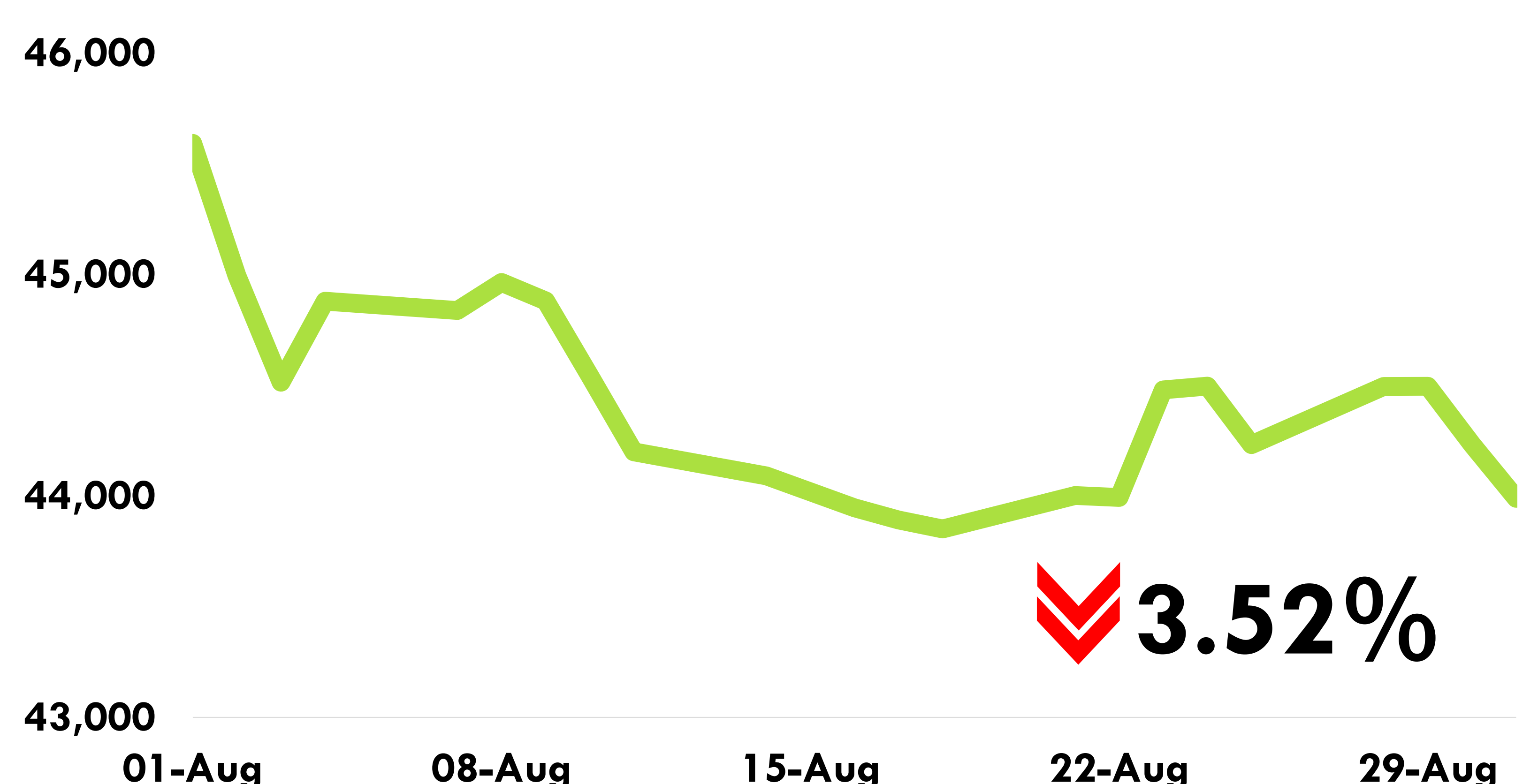
Source: NSE

## Banking Sector



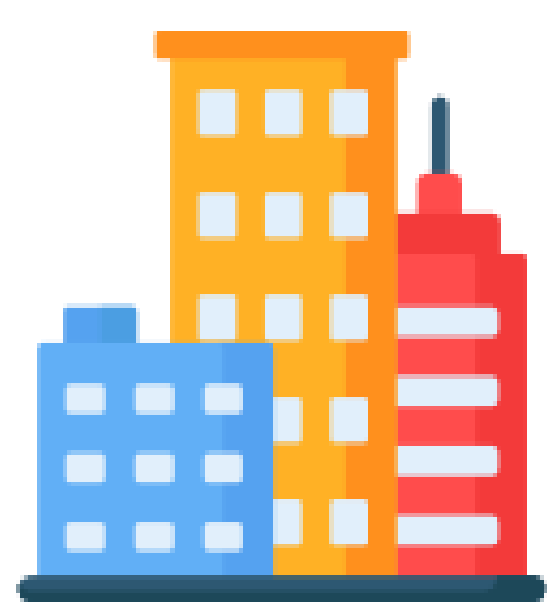
Based on apprehensions about whether non-performing loans (NPLs) had peaked and credit costs would increase again, the Bank Nifty index witnessed an ongoing struggle between bulls and bears. With rates stabilizing, asset yields peaked, though deposits continued to re-price upward to align with system rates, leading to some pressure on NIMs. Bandhan Bank and IDFC First Bank rose 0.83% and 1.3%, respectively, while SBI plunged 6%.

NIFTY Bank August'23 (In ₹)



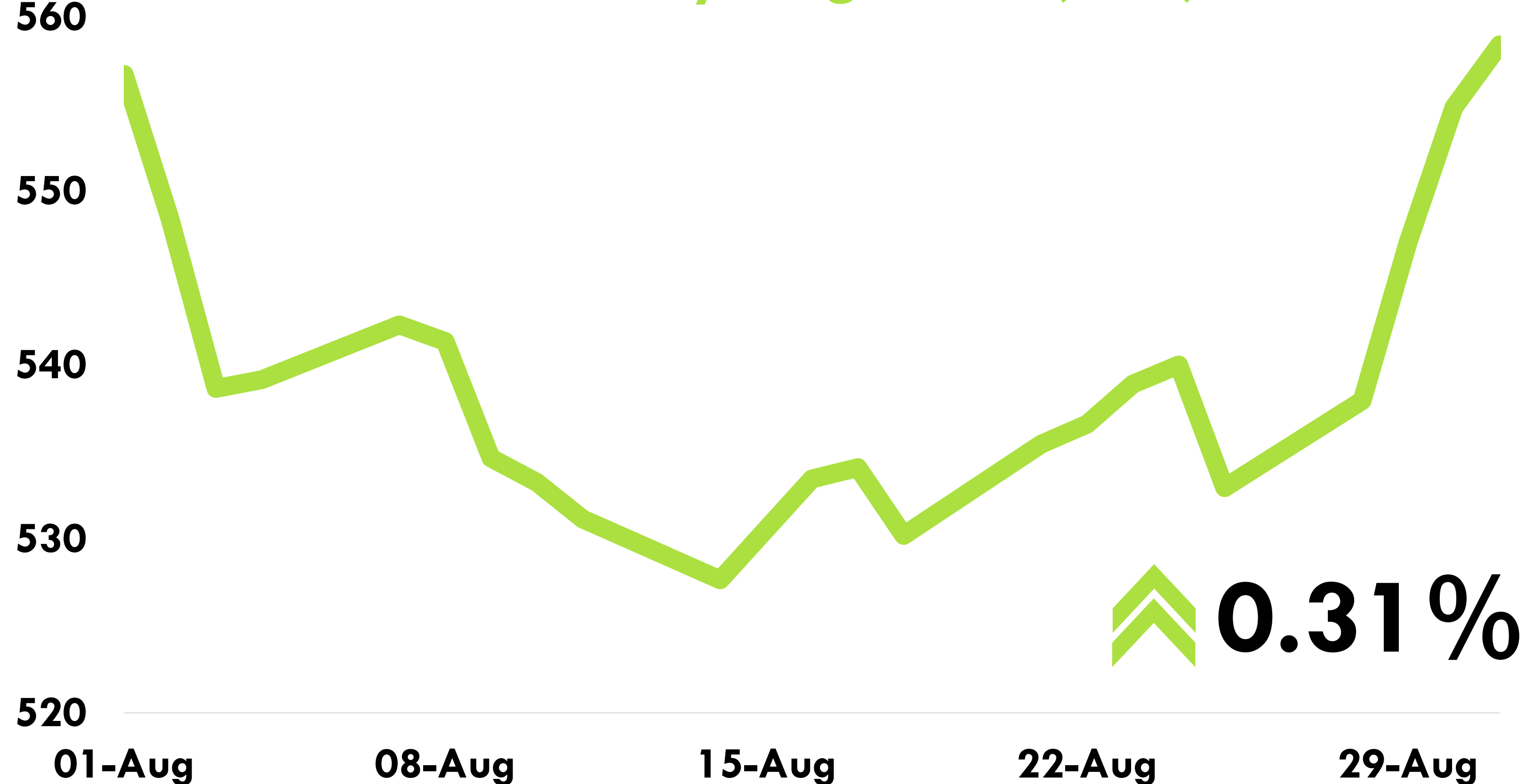
Source: NSE

## Realty Sector



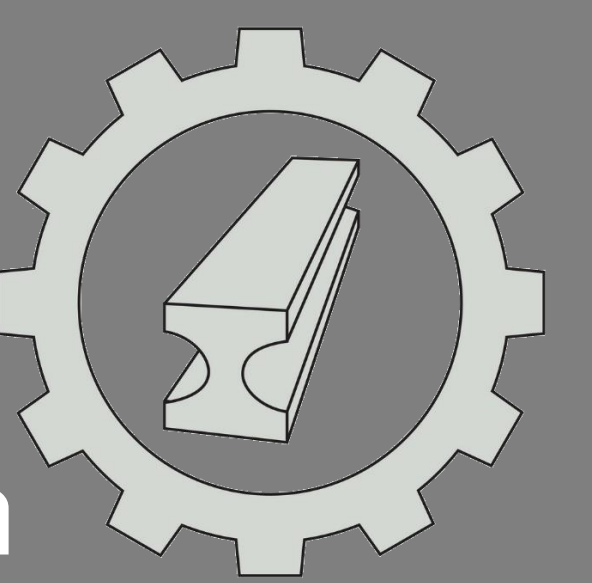
The realty sector experienced a modest yet positive growth, leading the gains, Mahindra Life spaces, India Bulls Real Estate and Prestige Estate, marked an impressive 14%, 38% and 9% respectively. Notably, Phoenix Mills and DLF also contributed to the sector's upward trajectory. The overall bullish sentiment underscores renewed investor confidence in real estate, suggesting a favorable outlook as the industry adapts to changing market dynamics and urban development trends.

NIFTY Realty August'23 (In ₹)



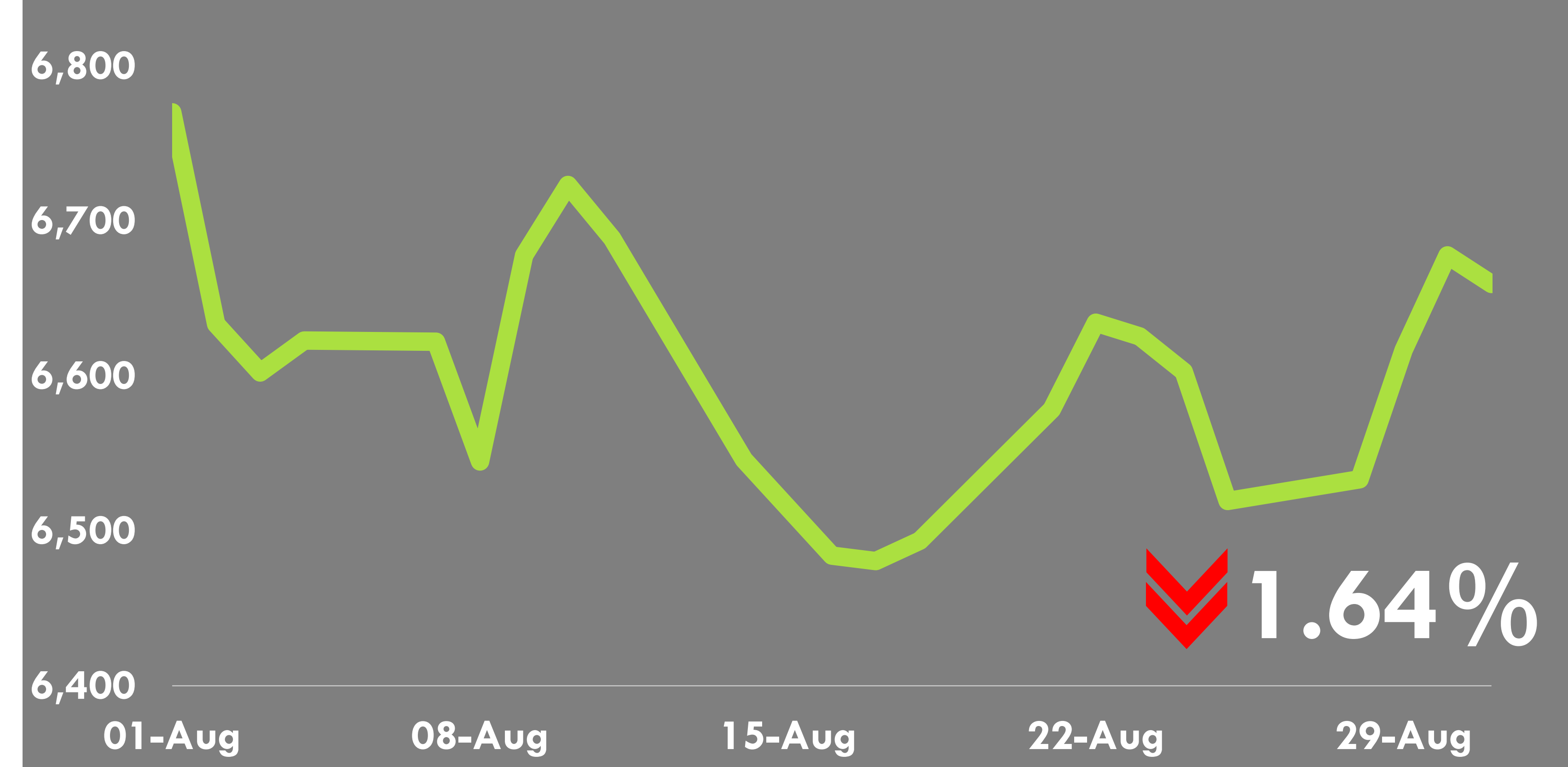
Source: NSE

## Metal Sector



It's been a roller coaster ride for the metal index a tug of war kind of situation between bear and bulls had let the index be indecisive. Stock like Vedanta has been blessed by more than 14% on the backdrop of allegations by OCCRP which is an global investigative body. However China stimulus has somewhat brought positive sentiment in the global metal space. Additionally going by the reports the metals sector is expected to benefit over fiscal 2023-2025 from a gradual economic recovery in China, rising private capex and recovery in realty sectors.

NIFTY Metal August'23 (In ₹)



Source: NSE

# IPO

## An IPO from TVS Group – TVS Supply Chain

TVS Supply Chain Solutions (TVS SCS), part of the TVS Mobility Group, is a prominent and swiftly expanding integrated supply chain solutions provider in India which came up with an IPO to raise capital. The public issue worth ₹880crs was a combination of a fresh issue of ₹600crs and an offer for sale (OFS) of 1.42cr equity shares translating to ₹280crs. The IPO, with a price band ranging from ₹187 to ₹197, was oversubscribed 2.85 times. The shares delivered a mild listing on August 23, at a premium of 5.1% on the NSE. The company has two distinct business segments: integrated supply chain solutions and network solutions. The funds raised from this endeavor are aimed at supporting the company's general corporate purposes and streamlining the settlement of designated existing debts held by the company and its subsidiaries, namely, TVS LI UK and TVS SCS Singapore.



### Upcoming IPOs

### IPO Size (Approx.)

EbixCash Limited	₹ 6,000 cr
Jupiter Life Line Hospitals	₹ 869 cr
Emcure Pharmaceuticals	₹ 5,000 cr
Doms Industries	₹ 1,200 cr

## BLS E-Services Gears Up for IPO

BLS E-Services, a subsidiary of BLS International and a visa and immigration services firm, is gearing up for an IPO as outlined in its draft red herring prospectus (DRHP). While the specific size of the IPO hasn't been disclosed in the DRHP, it is clear that the offering will involve issuing approximately 2.41cr fresh shares. BLS E-Services renders various citizen-centric services and has an all-encompassing web-based services portal tailored to access a wide array of offerings furnished by government entities and service partners. This portal stands as a unified solution, seamlessly addressing diverse services accessible through it from start to finish, and envisions expansion through acquisitions to achieve inorganic growth. The IPO's intended purpose is to bolster the company's technological infrastructure, facilitating the development of new capabilities. The company also has plans to establish BLS stores as part of its organic growth strategy, with the IPO proceeds contributing to this initiative.



## Rakesh Jhunjhunwala-Backed Concord Biotech Makes Stellar Debut

Concord Biotech, a research-focused biopharma firm, successfully secured ₹1,551crs. through a public offering, which was an offer for sale (OFS) that exclusively involved the sale of 2.09-cr equity shares. The IPO garnered substantial interest from investors during the bidding period, taking place from August 4-8, with the share price range set at ₹705- ₹741. Benefitting from its robust global presence, a diverse array of products, and extensive in-house research and development capabilities, Concord Biotech is strategically positioned to capitalize on the growth prospects within the fermentation-based Active Pharmaceutical Ingredients (APIs) market and thereby received an overwhelming response, being oversubscribed by 25 times the offered shares. The IPO made a strong market debut, boasting a remarkable 22% premium over the IPO issue price, and experienced robust demand during its initial trading session. Concord Biotech's dominance in fermentation-based APIs, particularly in immunosuppressants and oncology, positions it for substantial growth with a solid global presence and market share.



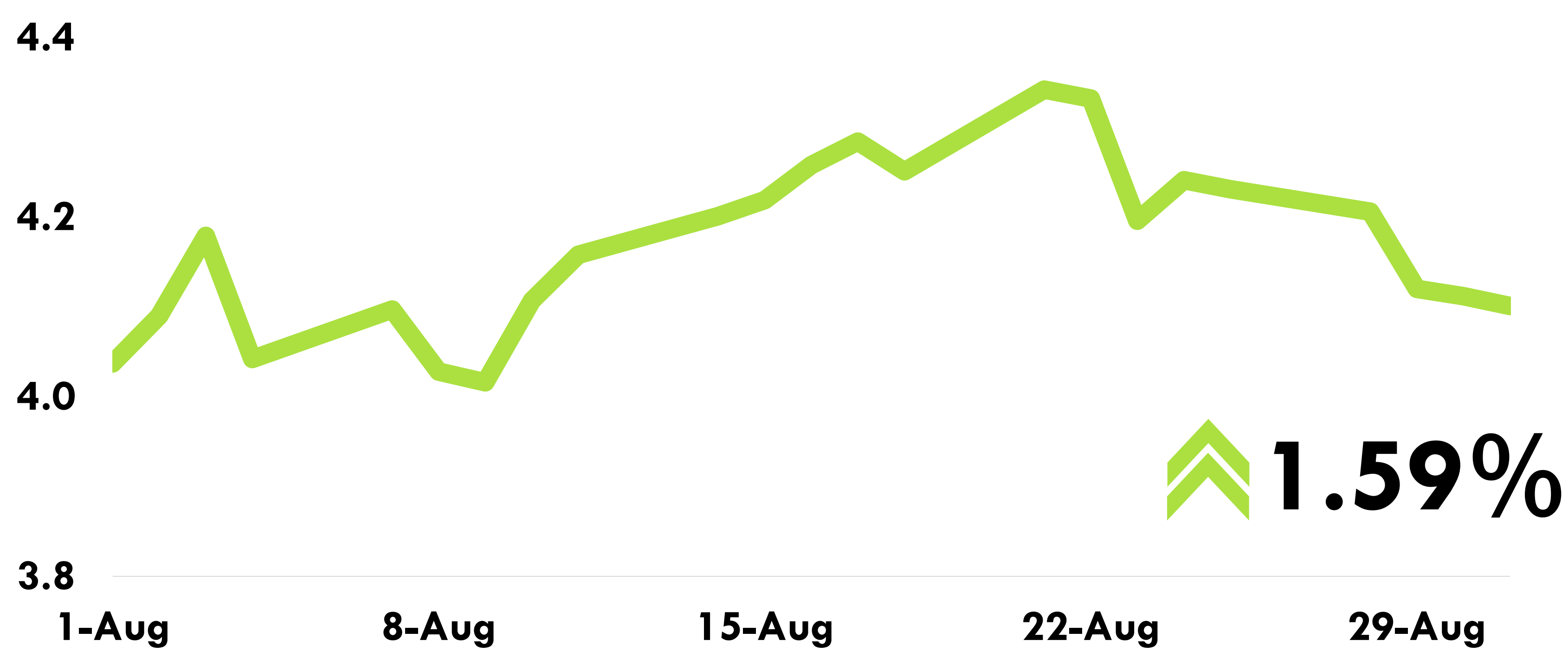
## Aeroflex Industries Rolls Out IPO

Aeroflex Industries Ltd, a Mumbai-based manufacturer of eco-friendly Metallic Flexible Flow Solution products, launched its IPO aiming to raise capital of ₹351 cr. Aeroflex boasts a strong global footprint, with products exported to over 80 countries, including key markets like Europe and the USA, driving over 80% of the company's revenue from exports. The diverse applications of Aeroflex's solutions span across various industries, enabling the controlled flow of substances, including air, liquid, and solid. The IPO had a price band ranging from ₹102 to ₹108 per equity share. It consisted of a fresh issuance of ₹162 cr, along with an OFS comprising up to 17.5 mn equity shares valued at ₹189 cr. The public issue subscribed 34.41 times in the retail category, 194.73 times in QIB, and 126.13 times in the NII category. The funds raised will be allocated towards the complete or partial repayment of existing debt, addressing general corporate objectives and supporting working capital needs, as a significant portion of it is consumed in trade receivables and inventories.



# FIXED INCOME

## US 10 Year Treasury Yield August'23 (In %)



Source: US Department of the Treasury

Throughout the month, 10-year Treasury yields kept fluctuating but ended flat. After declining for a short period, they surged to a 10-month high, reaching 4.342%, driven by concerns of prolonged U.S. interest rates elevation and China's economic challenges. While peak rate predictions stayed relatively stable, yield shifts stemmed from medium-term rate expectations. Unlike typical volatility pricing in higher fed funds rates, the market removed or postponed cuts instead. Elevated yields bolstered the dollar as well, while equities faced strain. The rates fell close to the opening levels towards the last week of the month.

### The Debt Market Debut

In recent years, India has come close to un \$1trn government debt market to a broad investor base. However, it has not fully met the index inclusion criteria, setting it apart from entering international benchmark. Notably, India's sovereign bonds are expected to be incorporated into the JP Morgan index around mid-2024 due to the strong emergence of the nation's bond market. Further, Morgan Stanley estimated that India's inclusion in two significant global bond indexes, including a JP Morgan developing market gauge, could lead to a substantial \$40bn influx of investments. Despite operational challenges, the provider might proceed with this inclusion as part of efforts to diversify index constituents. While Russia's invasion of Ukraine led to its removal from indexes, geopolitical tensions have similarly dampened the appeal of China's sovereign debt. Incorporation of the sovereign bonds holds significant promise, emerging as a pivotal stepping stone toward a robust growth trajectory for the nation. This move, complemented by increased foreign inflows that have effectively reduced borrowing costs and bolstered infrastructure spending plans, highlights strong economic progress.



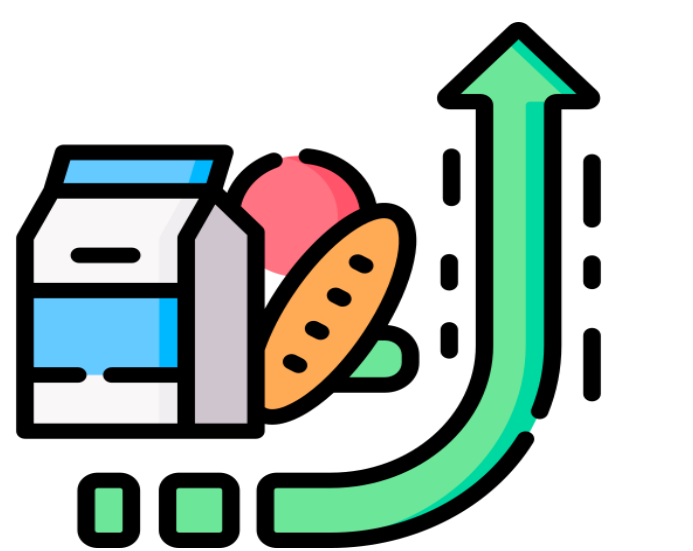
### Bonds, Boldness, and Beyond

In a robust counter move, the Adani Group is actively considering raising substantial capital through local currency bonds, with two of its units aiming to secure up to ₹15 billion each. This initiative is aligned with the conglomerate's ambitious goal of generating ₹100 billion this fiscal year. Leading the charge will be Adani Airport Holdings and Adani Ports and Special Economic Zone, anticipated to launch bond offerings ranging from ₹10-15 billion. The proposed bonds, potentially maturing within five years, are poised for issuance by September, contingent on gauging investor interest. While corporates, high net-worth individuals, and select banks are anticipated as initial demand drivers, domestic institutional investor participation might initially be subdued. The Adani Group is cautiously returning to the domestic bond market following a pause due to Hindenburg Research's governance concerns earlier this year. The group is awaiting the market regulator's report on these allegations before finalizing its plans. This approach ensures a thorough decision-making process, aiming to strengthen its position, enhance market presence, and solidify its standing.



### Veggie Shock

July witnessed a notable inflation surge, reaching 7.4%, primarily propelled by elevated food prices. Notably, vegetables and cereals surged to 37.3% and 13%, respectively, though this food-driven increase is anticipated to wane in the future. The timing is critical, given the recent US Fed rate hikes and firm stance on inflation targeting, influencing global exchange rates. Retail inflation in India breached the Reserve Bank of India's comfort zone, reaching the 15 month high of 7.44% in July due to food price spikes. Despite cooling tomato prices, households must brace for increased spending on food, considering potential rises in items like edible oil and onions, sustaining inflationary pressures. Core inflation, however, may remain contained.



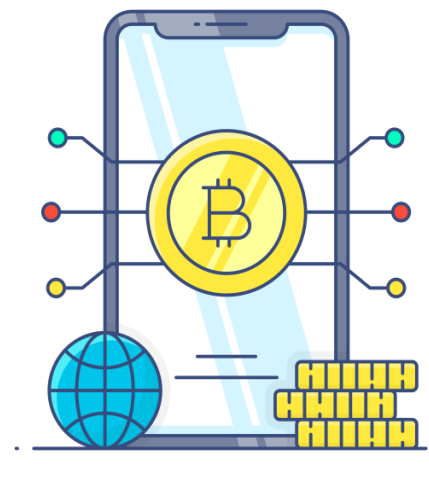
Month	Inflation (%)
March'23	5.66
April'23	4.70
May'23	4.25
June'23	4.81
July'23	7.44

Source: MOSPI

# RISK

## CBDC Fragmentation Dynamics

The evolution of technology in capital markets has historically enhanced market functionality by increasing transaction speed and reducing costs. However, the introduction of central bank digital currencies (CBDCs) could lead to unexpected consequences, potentially causing financial fragmentation on a global scale. Unlike previous innovations, CBDCs might not lead to greater financial integration. Instead, they could create obstacles and limitations for cross-border capital transactions. Now, the concept of CBDCs is not inherently bad. Rather, several countries have already launched or are testing CBDCs, marking a significant shift in the financial landscape. While sceptics consider CBDCs unnecessary due to existing digital payment solutions, the true potential lies in blockchain's ability to tokenize various assets, demanding corresponding blockchain-based digital central bank currencies. To establish cross-border CBDC arrangements, three potential models include: a Swift-like international body for payment mediation with limited functionality, a digital network linking CBDCs for potential securities transactions, and shared CBDCs for closely integrated political and economic unions. But these systems are in the nascent stage and only time will tell if CBDCs can in fact leverage the blockchain technology and lead to more efficient markets without adversely fragmenting the financial system.



## FDIC Accountability Concerns

The Federal Deposit Insurance Corporation (FDIC) was accused of issuing a "feeble response" after it was observed that some banks were undercounting their estimated uninsured deposits. In a letter to FDIC, the lawmakers urged the regulator to act aggressively to ensure that the largest banks in the U.S. accurately report their uninsured deposits and contribute their fair share to the Deposit Insurance Fund (DIF). The DIF is a private insurance provider devoted to ensuring the deposits of individuals covered by the FDIC. The Insurance Corporation is preparing to levy a special assessment fee on banks in an effort to replenish the DIF, which was depleted after the agency guaranteed support to several failed banks earlier this year. If left unchecked, the underreporting could lead to shortfalls in the DIF, which could threaten the stability of the entire U.S. banking system.

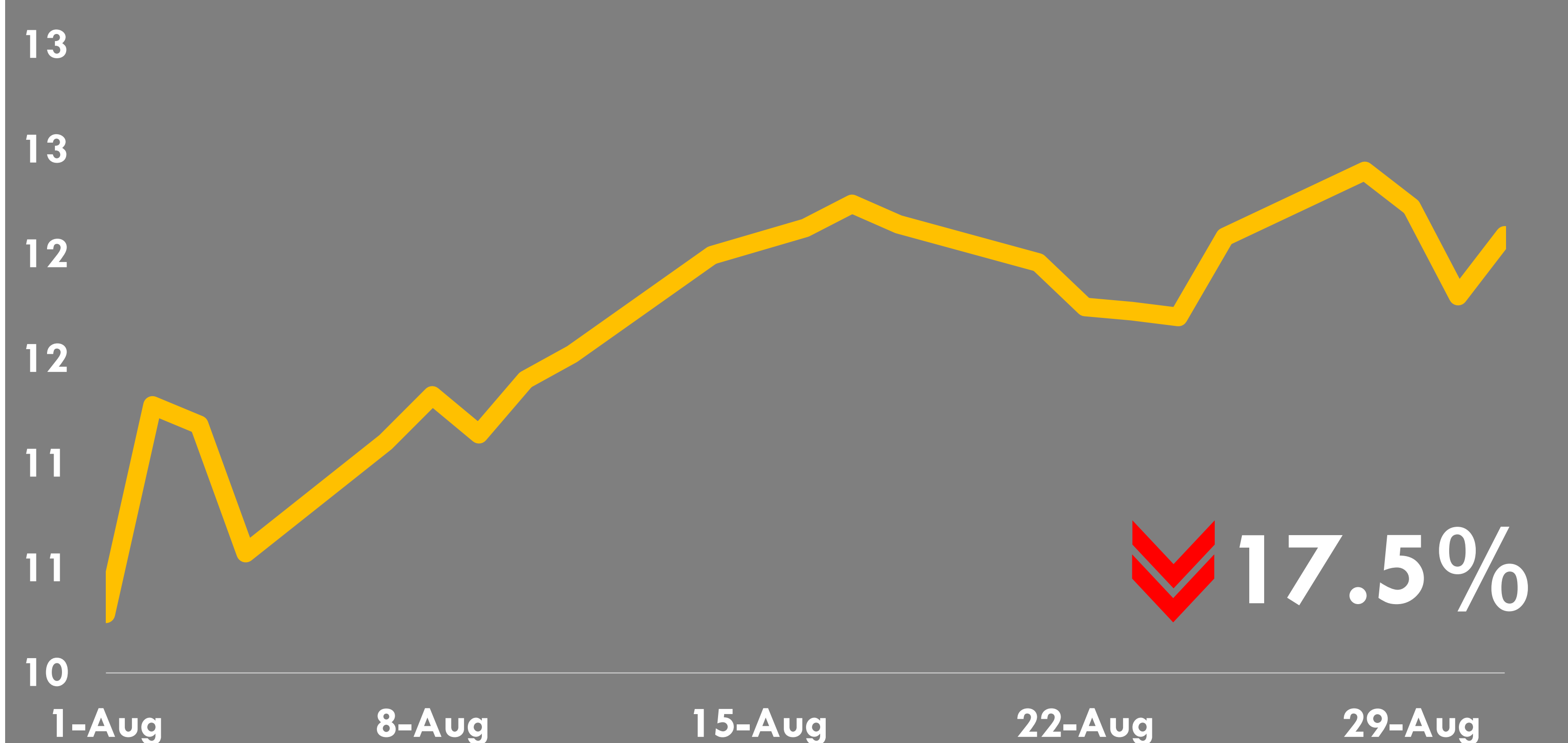


## Is China Facing a "Lehman Moment?"

Amid a rising shadow banking crisis in China, concerns are escalating about a potential "Lehman moment" due to the failure of a Chinese asset manager to fulfill interest payments on their wealth management products. This situation highlights deep-seated issues in China's real estate industry, particularly as property sales decline, straining private sector developers. The allure of Chinese equities is questioned as a potential value trap, and exposure in the real estate sector has led to a liquidity crisis, stopping payments to investors. The Three Red Lines policy, established in August 2020, aimed to limit excessive borrowing by property developers by capping new loans. It introduces limitations on debt-to-cash, debt-to-assets, and debt-to-equity ratios, compelling real estate developers to offer more comprehensive insights into their debt-related information. Despite attempts to ease this policy to provide relief to the developers, subsequent lockdowns led to a significant downturn in the residential property market, the worst since its privatization in the mid-1990s. This situation raises questions about lasting damage to China's command economy model and poses a potential risk of triggering another severe real estate downturn.



## India VIX August'23



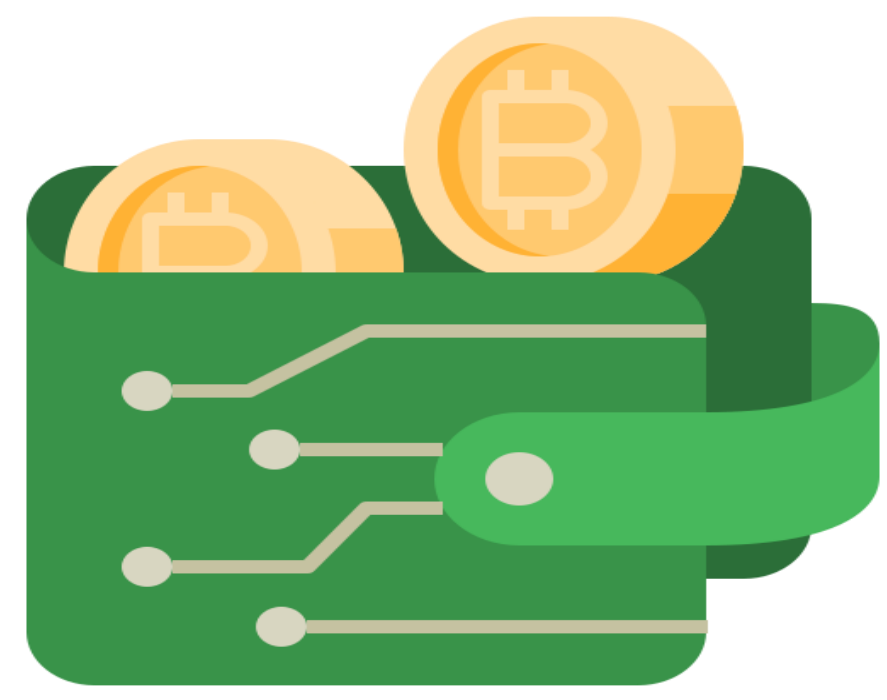
Source: NSE India

The NSE VIX reached the 12.04 level by the end of the month from around 10 in the last month. Global hawkishness and high inflation have continued to weigh on the markets. FIs were the net sellers of securities due to concerns about the US government's rising debt levels and the potential for a recession. The decline was triggered by a sell-off in global markets after the US credit rating was downgraded from AAA to AA+. Moreover, oil and the rupee remained a concern for the markets, which is amply reflected in the market volatility.

# DERIVATIVES

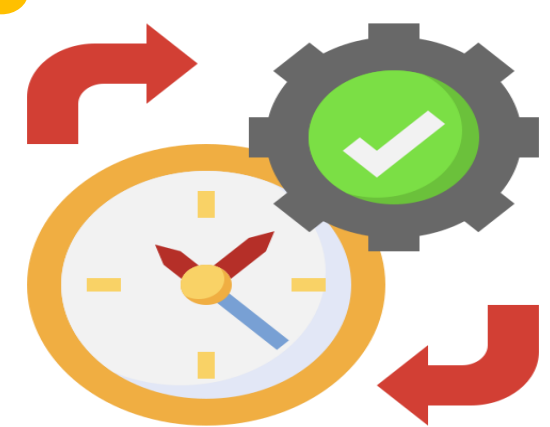
## Coinbase Secures FCM Approval

Coinbase has obtained regulatory clearance from the National Futures Association (NFA) to introduce federally regulated cryptocurrency futures trading to eligible U.S. customers. The announcement sparked a significant rise in Coinbase's shares before the opening bell on Wednesday. This development follows legal actions taken by the US Securities and Exchange Commission (SEC) in June against Coinbase and Binance. The SEC alleged that both platforms were operating as unregistered securities exchanges. Coinbase's recent NFA approval represents a noteworthy achievement. Consequently, eligible U.S. customers will soon have access to regulated derivatives products through Coinbase Financial Markets, overseen by the Commodity Futures Trading Commission and the NFA. The approved offering encompasses cryptocurrency futures contracts, involving bitcoin and ether. These futures contracts allow for the buying or selling of an asset at a predetermined price on a specified future date. The market responded positively, with Coinbase Global Inc.'s shares experiencing a surge, indicating optimism about the platform's regulatory compliance and its entry into the cryptocurrency futures trading sphere.



## NCDEX Revises Commodity Trading Hours

The National Commodity & Derivatives Exchange Ltd (NCDEX) has announced changes to its trading hours for the commodity derivatives segment, effective August 14. Previously, trading occurred between 9 a.m. and 5 p.m. However, the revised schedule will have trading between 10 a.m. and 5 p.m. Client code modification will now take place from 10 a.m. to 5:15 p.m., with a pre-open session from 9:45 a.m. to 10:00 a.m. for all commodities. Incorporated in April 2003, NCDEX began operations in December of the same year under The Forward Contracts (Regulation) Act, 1952. It primarily leads the agricultural commodity segments, distinguishing itself from the multi-commodity exchange of India (MCX), which dominates gold, metals, and oil trading. Their product lineup for future contracts includes cereals, pulses, oil, oil seeds, fibers, soft spices, guar seeds, among others. Trading for the Robusta Cherry (AB) coffee future contract will commence on September 30.



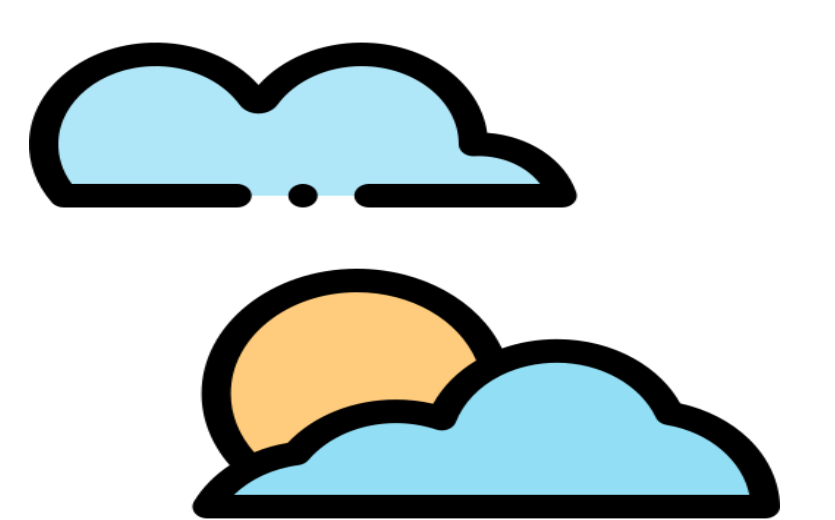
## Seamless Trading: India-Singapore Derivatives Link

India and Singapore have launched a trading link that allows offshore investors to trade Indian equity derivatives onshore. The NSE IFSC-SGX Connect was formally launched by Indian Prime Minister Narendra Modi on July 29, 2022, and is ready to clear Nifty equity derivatives. The move fully settles a five-year-old feud between the National Stock Exchange of India and SGX, which had been ongoing since 2018. The trading link is expected to increase liquidity in the Indian derivatives market and provide investors with more opportunities to hedge their positions. Derivative contracts with a notional value of about \$7.5bn traded in Singapore will shift to India due to the cross-border trading link. It will also enable investors to trade in Indian derivatives without having to set up a local subsidiary, which was previously required. The platform is expected to benefit both countries by increasing trading volumes and boosting their respective economies. The trading link marks a significant stride in bolstering India-Singapore economic ties, opening avenues for future collaborations.



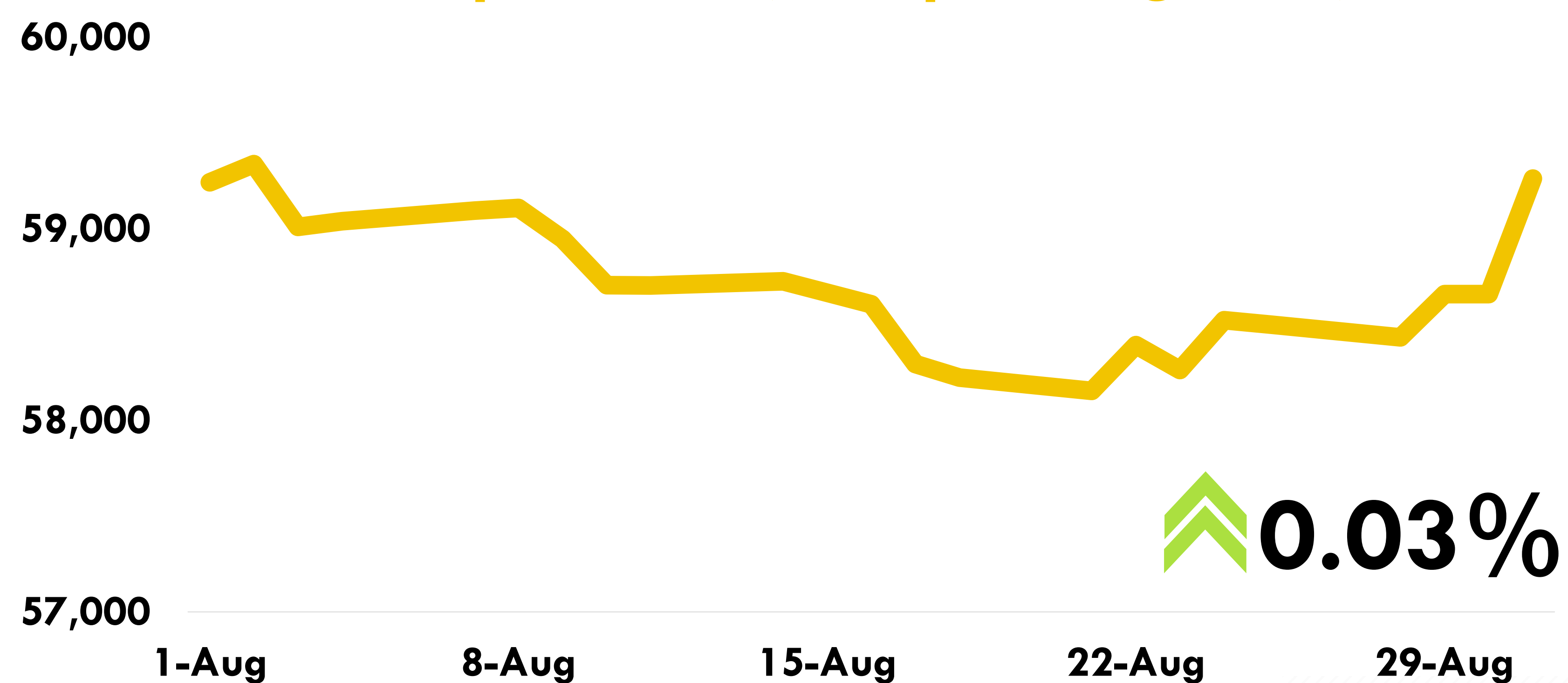
## Weather Index Derivatives Coming to NCDEX

India's NCDEX and Skymet Weather Services have partnered to introduce groundbreaking weather index-based derivatives. This alliance combines NCDEX's trading prowess with Skymet's meteorological expertise, empowering stakeholders to manage climate-related risks. Farmers, traders, and industry players can proactively mitigate losses caused by extreme weather events like droughts, floods, and temperature fluctuations. Pending regulatory approval from SEBI, this fusion seamlessly blends meteorological data with derivative trading, fortifying the agricultural sector and enhancing risk management. Ultimately, this collaboration fosters stability and growth in the agricultural marketplace, bolstering its resilience. The partnership revolutionizes insights into the weather's impact on agricultural commodities and introduces flexible weather index-based derivative trading as a tool to hedge against climate uncertainties, enriching trading insights.



# COMMODITIES

### Gold Spot Price (In ₹ per 10 grams)



Source: MCX

This month, gold prices fell and hit 59,262, which was affected by a number of reasons.



Gold prices decreased globally as interest rates in the United States rose, making other safe haven asset classes more attractive, thus reducing the demand for gold. Prices rose somewhat in the third week due to short covering, corrective rebounds, and perceived bargain buying. Later, advancements in economic indices and decreased demand triggered a negative correction. Geopolitical events and currency fluctuations also played an influence. August demonstrated gold's sensitivity to changing market attitudes and central bank measures, resulting in a month of mixed gains and losses.

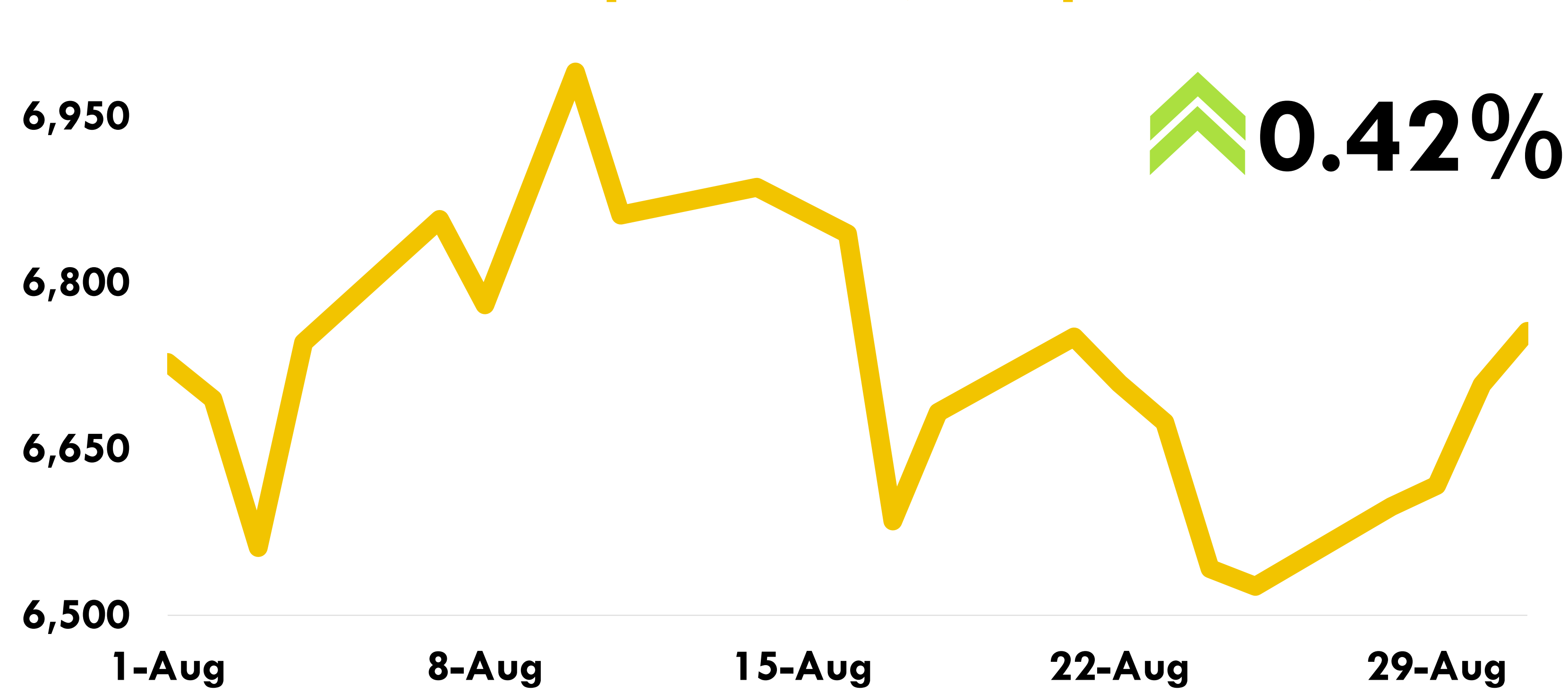
### India's Strategic Wheat Procurement

In an effort to stabilize domestic wheat prices, India is reportedly contemplating the possibility of importing wheat from Russia at a discounted rate. The move comes as part of strategic measures to counter rising wheat costs. This consideration highlights India's proactive stance in managing its food supply and addressing market fluctuations. Importing wheat from Russia, a major wheat-producing nation, could offer a potential solution to ease the pressure on domestic prices. This move aligns with India's commitment to maintaining a balanced food market and ensuring food security for its population.



The decision to explore discounted wheat imports showcases India's adaptability in managing its economy amid global market dynamics. By considering such measures, the country aims to mitigate the impact of rising prices and safeguard the interests of both consumers and agricultural stakeholders.

### Crude Oil Spot Price (In ₹ per barrel)



Source: MCX

This month's prices were marked by intricate dynamics. Initial gains stemmed from global supply concerns due to geopolitical tensions and the expectation of increased global demand. However, easing supply fears and indications of increased production weighed down on prices. The market closely monitored OPEC+ decisions, US inventory data, and economic recovery prospects. Fluctuating COVID-19 trends and their impact on energy demand also played a role. Oil prices showed a rise in the third week of August after China decided to take steps to support its flagging economy by increasing manufacturing facilities. With the anticipated inflation in the US, a stronger dollar can slow demand by making oil expensive.



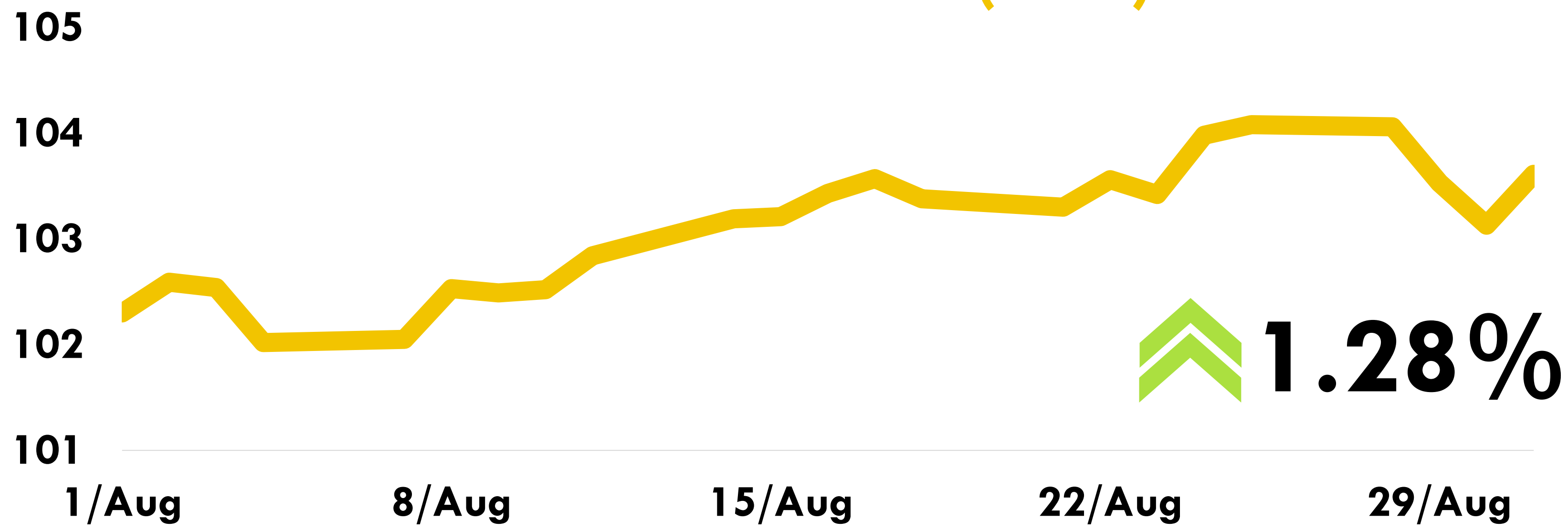
### Sugar Export Ban: A Strategic Move

In an unexpected move, India has unveiled a decision to prohibit the export of sugar for the first time in the last seven years, marking a significant shift in its trade strategy. This measure, attributed to the aim of safeguarding its domestic food reserves, underscores the nation's concern over potential supply shortages. Refined sugar sacks will now be channeled to reinforce local availability and produce ethanol from surplus sugarcane. The restriction arrives amid apprehensions about climbing food prices and underscores India's dedication to securing its citizens' sustenance needs. India's absence from the sugar market would likely increase benchmark prices in New York and London, which might trigger fears of inflation in global food markets. As a major sugar industry player, this action is projected to reverberate across global sugar markets, prompting discussions about potential trade repercussions. The world watches closely as India navigates this unprecedented step to prioritize its own food security.



# CURRENCY

## US Dollar Index (USD)



Source: Investing

During August, the US stock market index experienced notable fluctuations. Initial gains were spurred by robust economic indicators and strong corporate earnings. Mid-month volatility arose from apprehensions about inflationary pressures and speculation about potential shifts in monetary policy. The latter half witnessed a recovery driven by improved market sentiment following positive developments in trade talks. The index movement was influenced by a complex interplay of economic data, global events, and positive investor sentiments.

## India's Currency Partnership Expansion

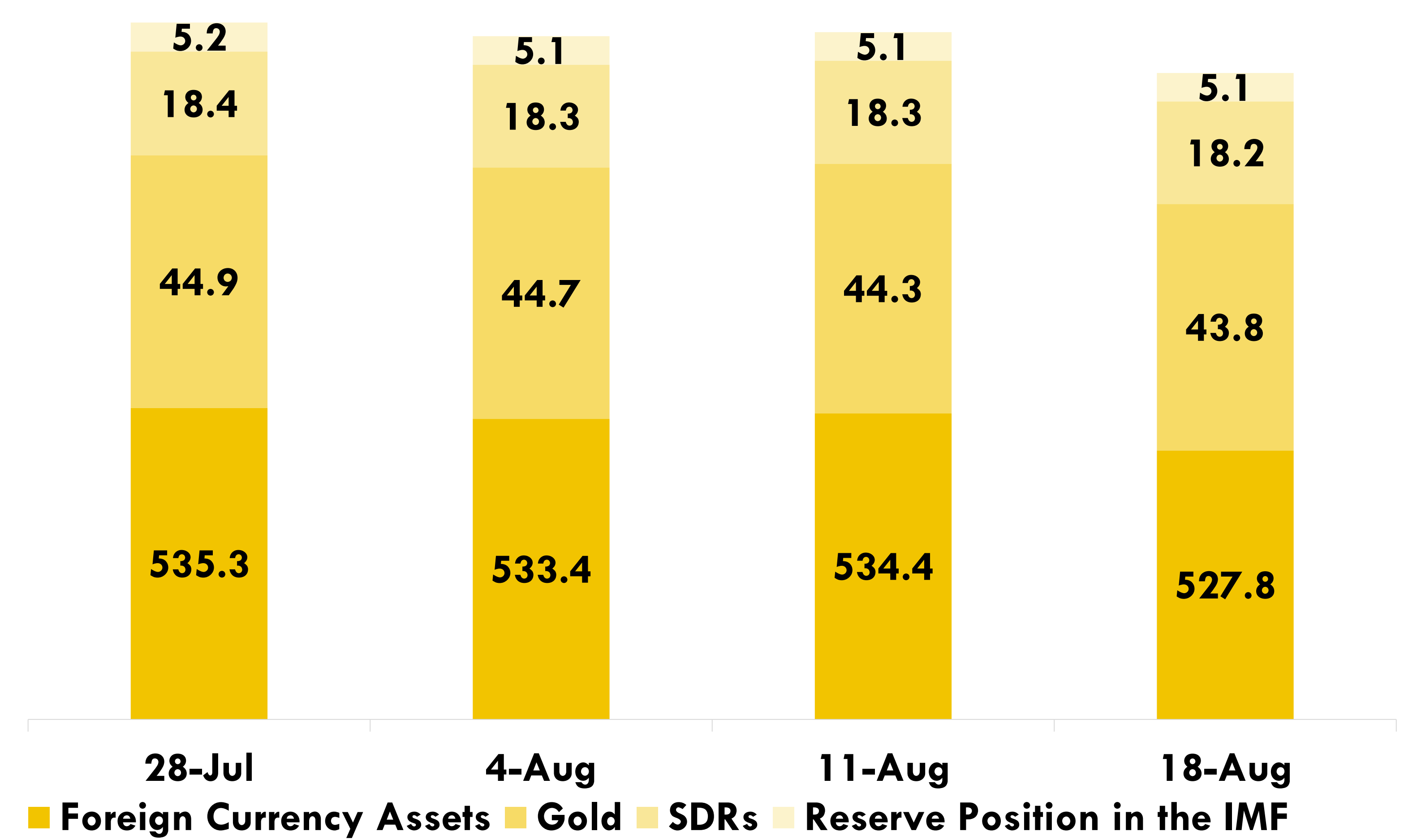
India's bilateral currency settlement plan is looking to expand and include countries like Brazil, Argentina, South Africa, Senegal, and Tanzania, following successful agreements with the UAE and Japan. This strategic move aims to bolster trade and investment by reducing reliance on traditional currencies for transactions and curbing currency exchange costs and risks. India's prior collaborations have demonstrated the benefits of this approach.

The products India and these nations import and export between them seem to play a role in the choice of partner countries. Senegal, for example, is a major exporter of rice, while Tanzania and Senegal both fulfill the requirement for gems and jewelry. As global economic dynamics continue to evolve, the bilateral currency settlement mechanism offers a promising pathway toward greater financial autonomy and international collaboration.

## Forex Surge: Onto Economic Resilience

As a consequence of variety of circumstances, foreign exchange reserves changed modestly in August. There was a slight fall in the first week whose movement was affected by economic indices, trade balances, and foreign investments. Positive trade balances and the Central Bank's desire to keep inflation under control resulted in greater reserves as international confidence soared, attracting investments. In contrast, reserves fell in the second part of the month as the central bank used them to defend the rupee against global pressures.

## FOREX Reserve (USD Bn)



Source: RBI

Currency	1 <sup>st</sup> August'23	31 <sup>th</sup> August'23	Change (%)	Trend
INR/USD	INR 82.345	INR 82.69	↑ 0.42	
INR/EUR	INR 90.426	INR 89.789	↓ 0.70	
USD/EUR	USD 1.0982	USD 1.0861	↓ 1.10	
JPY/USD	JPY 143.32	JPY 146.02	↑ 1.88	
CAD/USD	CAD 1.3279	CAD 1.3526	↑ 1.86	
USD/GBP	USD 1.2777	USD 1.2675	↓ 0.80	
USD/SEK	USD 0.0943	USD 0.0917	↓ 2.76	
USD/CHF	USD 1.1425	USD 1.1335	↓ 0.79	

Source: Investing

# OTHER ASSET CLASSES

## A Sip of Contrasts: India's Evolving Wine Market

Globally, the wine industry is facing diverse shifts, setting the stage for India's unique market. Unlike traditional wine regions, India's consumption patterns are distinct due to unique demographics and evolving preferences. The millennial seeks experience-over-intoxication, spiking demand for premium quality wines. The growth of India's wine market reflects this contrast. The Indian market, valued at ₹1,900crs, charts a trajectory toward a sophisticated consumer base. Unlike global norms, India's wine culture is nascent, fueled by its vast population and rising incomes. India's recent wine culture emergence showcases untapped potential. A surge of players, vineyards, and IPOs highlights this trend, opening avenues for wine tourism and catalyzing investments throughout the industry's supply chain and distribution channels. Remarkably, this trend extends to wine investing, gaining traction among Indian investors drawn by growth prospects. In the global context, India's wine market holds immense promise. The interplay of youth-driven demand, a growing middle class, and innovative Indian winemakers experimenting with local grapes paints a picture of impending transformation.



## X and the X Coin

In a significant development for the world of cryptocurrencies, X (formerly Twitter) has reached a pivotal moment for the crypto industry. Recently, X secured a cryptocurrency payments transmitter license in the state of Rhode Island, signaling its strong commitment to integrating cryptocurrencies into its platform. The granting of this license underscores X's growing interest in the crypto ecosystem. With this regulatory green light, X is poised to revolutionize the way cryptocurrencies are utilized. X has already taken a concrete step towards this integration by adding X Coin to its algorithm. X's foray into cryptocurrency payments has the potential to mainstream digital currencies. This strategic move means that X Coin will feature more prominently on the platform, exposing millions of users to the world of cryptocurrencies.

It's a clear indicator of the growing synergy between social media and digital currencies, which could lead to greater acceptance of cryptocurrencies as legitimate forms of payment, potentially influencing other tech giants to follow suit.



## Decoding Portfolio Management Services

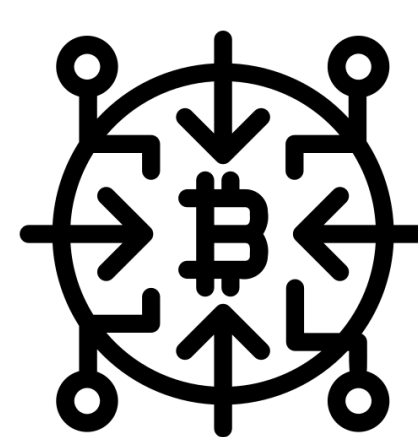
In the ever-evolving world of finance, exploring diverse investment avenues beyond the usual options becomes crucial. One such avenue that has gained prominence in India is PMS, experiencing a surge in popularity, with the industry's AUM tripling from March 2016 to March 2023. PMS is a personalized investment management solution offering a more individualized approach compared to mutual funds. It allows investors to have investment strategies tailored precisely to their financial goals and risk tolerance. What sets PMS apart is its ability to transcend conventional investment options, offering a broader spectrum of opportunities, including real estate and private equity. This diversification potential not only bolsters stability but also amplifies potential returns. However, delving into PMS demands prudent consideration of factors like the fee structures, the manager's philosophy, and the associated risks. To regulate the PMS sphere, the SEBI has instituted a minimum investment threshold of ₹50 lakhs. Aspiring investors in PMS usually need to exhibit a minimum net worth of ₹25 lakhs. This ensures that PMS remains an avenue accessible to investors equipped to navigate its intricacies and potential gains.



## Decrypting the Fear and Greed Index

In the fast-paced realm of cryptocurrencies, market sentiments shift at the blink of an eye. Amidst this chaos, a captivating and insightful tool has emerged, the Crypto Fear and Greed Index. This index quantifies market sentiments and acts as a compass for crypto traders. Originally designed for traditional stock markets, the index has seamlessly transitioned into crypto markets. What sets it apart is its real-time responsiveness. Unlike conventional indices that lag behind, the Crypto Fear and Greed Index promptly updates with newly available data.

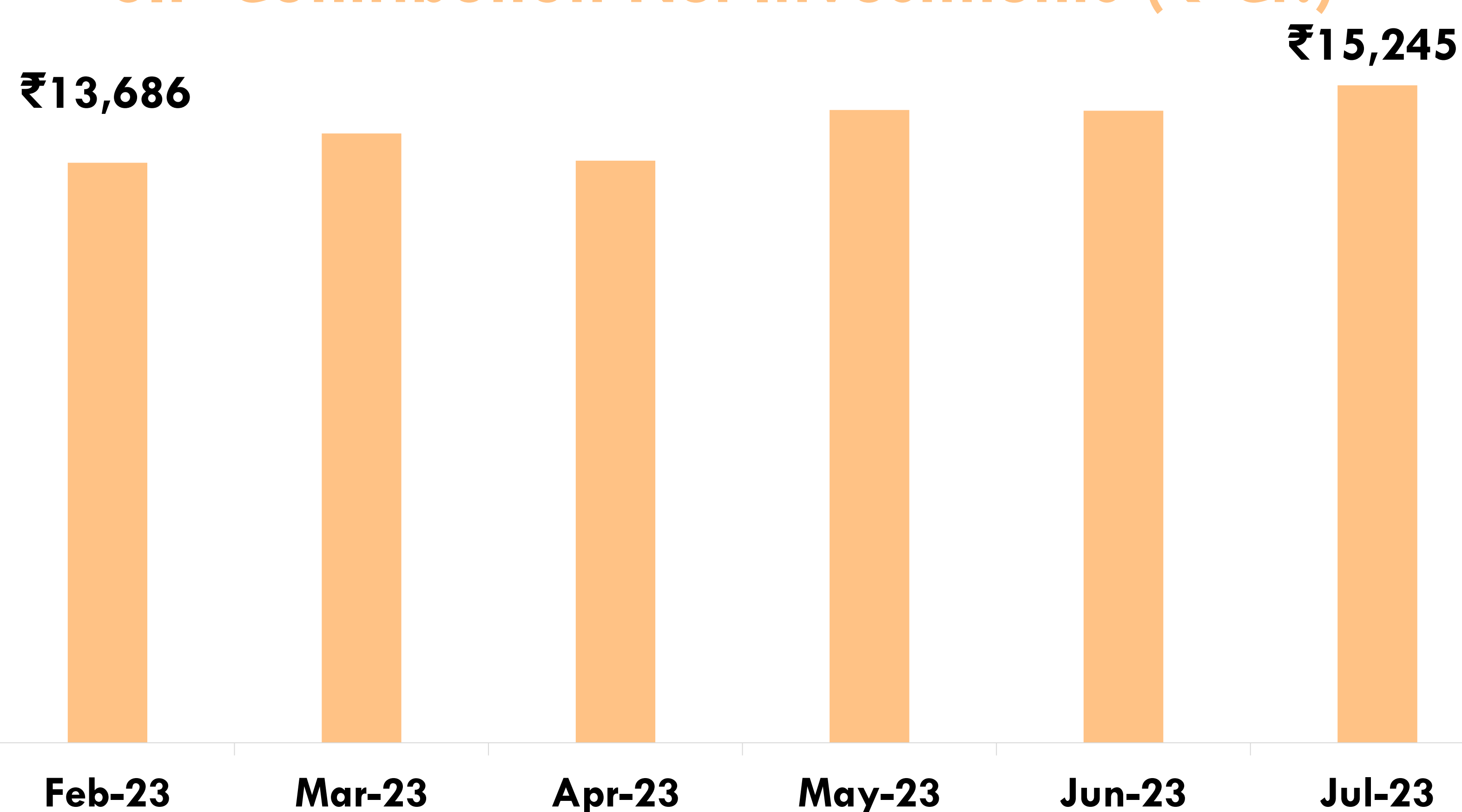
Delving into the mechanics, it analyses trends and market indicators to identify the sentiment. A score of 0 signifies extreme fear, while 100 indicates extreme greed. In times of fear, the market may hint at undervaluation, offering potential opportunities amidst panic-selling. Conversely, a greedy market highlights the potential for a market bubble, where the FOMO propels investors to inflate the value artificially. In essence, the index stands as a sophisticated guide for traders in the ever-metamorphosing crypto space.



## SIP Inflows

Retail investors' interest in mutual funds continues to rise as SIPs recorded an inflow of ₹15,245 cr, crossing the 15K mark for the first time. The number of new accounts registered rose to a massive number of 33 lakhs. The rise has been on account of a 63-fold surge in open-ended mutual funds that saw net inflows of ₹82,467 cr. The open-ended funds saw this fate owing to the surge in debt funds. Debt schemes had inflows of ₹61,400cr in July after facing outflows in June. The stellar performance was also due to five NFOs, which invited more than 3000 cr in July. The surge, although impressive, should be seen with some caution as the rise is not expected to continue, given the latest inflation data and the upcoming festive seasons.

### SIP Contribution Net Investments (₹ Cr.)



Source: AMFI

## Equity Inflow

Net inflows for July in equity funds fell marginally, although they stayed positive amid a bull run. The fall in the inflows could be attributed to two major reasons. Firstly, the drop is due to profit booking as markets traded near all-time highs. In July, Sensex rose 2.80%, while Nifty 50 climbed 2.94%. Second, the continued outflows from large caps also led to the fall in inflows. Investors increasingly look towards passive investing in large-caps, drawing funds away from related schemes. Nonetheless, small-cap and mid-cap remain the favorites, reflected by a sharp rise in the segments. The segment saw inflows of ₹1623 cr and ₹4,171 cr, respectively. The trend is expected to continue as investors prefer the fund route for the small and mid-cap segments.

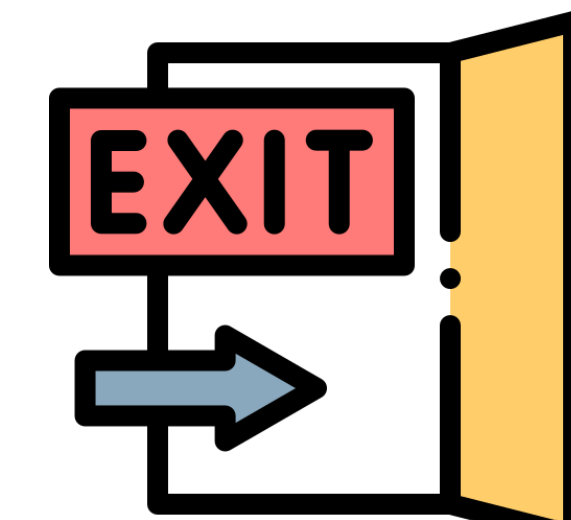
## Assets on One Shoulder, Dreams on the Other

Zerodha, the innovative stock broking startup, has received final regulatory approval to enter the asset management sector, as confirmed by the CEO. This strategic expansion stems from a partnership with Smallcase, nurtured within Zerodha's Rainmatter corporate fund. Their collaborative initiative for Zerodha AMC had been previously disclosed. Kamath elucidated two primary motivations behind this strategic pivot. Firstly, despite substantial growth, the equity investor count is at a mere 60-80 million, underscoring the need for heightened market participation. Secondly, the evolving market demands uncomplicated investment tools to accommodate the forthcoming wave of 10 million investors, with mutual funds aligning as an optimal solution. Zerodha stands on the brink of introducing its inaugural fund offer, marking a significant stride in their diversification efforts. This assertive move has stirred fintech rivals and peers like Groww, who are also eyeing an AMC venture through the acquisition of Indiabulls AMC, reflecting a dynamic shift in the financial landscape.



## SEBI revises AMC exit timelines

SEBI has introduced a revised timeline for the exit option window in cases of change in the control of an AMC that manages mutual funds. According to it, unitholders of mutual funds should be offered the choice to exit at the prevailing Net Asset Value (NAV) without incurring any exit load within a period of at least 15 calendar days from the date of communication. Earlier, this timeline was of 30 days. In scenarios involving consolidation or mergers of schemes however, investors are granted an exit opportunity at the prevailing NAV for a period of minimum 30 calendar days from the communication date. SEBI's decision to update the timeline was prompted by the evolving landscape of technological communication, which would facilitate quicker circulation of information to investors. To implement a change in control of a mutual fund, prerequisites include prior approval from trustees and SEBI, written communication about the proposed changes to each unitholder, and newspaper advertisements detailing the proposed modifications.



# MERGERS & ACQUISITIONS

## Blockbuster Entertainment

The NCLT's approval of the \$10 bn mega-merger between India's Zee



Entertainment Enterprises and Sony Pictures is poised to reshape the entertainment industry. The combined prowess of these giants heralds a new era of captivating entertainment, influencing India's entertainment landscape. ZEE has been granted a 30-day window to file with the registrar of companies. After this, the company's shares will undergo delisting from stock exchanges, and within another six weeks, the merged entity will be relisted. While the official completion timeline remains undisclosed, a possible conclusion in mid-November is expected. The amalgamation of Sony and Zee, accompanied by a suspension of Zee's shares and Sony's infusion of nearly \$1.5 billion, is expected to be transformative for the entertainment sector. Sony is poised to become the majority shareholder, marking a significant change. This merger, long delayed due to Zee's debt concerns, is anticipated to enhance its market image, boost investor confidence, and dispel past uncertainties with a broader consumer base.

## Cementing Success

Ambuja Cements Ltd. (ACL), part of Adani Group, announced the acquisition of a



majority stake in Sanghi Industries last month



at an enterprise value of ₹5,000crs, in the first major deal since allegations of financial misconduct by Hindenburg Research rocked Adani Group. The takeover targets the stake of current promoters, Ravi Sanghi & family. The company expects the acquisition to be completed within 3-4 months, facilitating ACL's expansion, and raising its capacity in the segment to 73.6 million tonnes per annum (MTPA) from the current 67.5 MTPA. By collaborating with SIL, Ambuja aims to broaden its market reach, diversify its product offerings, and strengthen its position as a leader in the construction materials sector. The company plans to invest in expanding the captive port at Sanghipuram to handle larger vessels and deepening and expanding the captive port capacity to accommodate larger vessel sizes of 8,000 DWT as well. This strategic maneuver propels Adani Group toward surpassing its goal of achieving a 140-MTPA cement manufacturing capacity by 2028 with a vision to make SIL the lowest-cost producer of Clinker in the country.

## Bidders Battle

During August, offers surfaced for the acquisition of Glenmark Life Sciences, a major player in producing active pharmaceutical ingredients supplying over 700 pharmaceutical companies across multiple countries. Three bidders, namely ChrysCapital, Nirma, and Sekhmet Pharmaventures, extended acquisition proposals, each eyeing a stake in the company. The expected cost for the acquisition currently hovers around ₹6,500-7,000crs. This stake sale within Glenmark Life comes against a notable decline in mergers and acquisitions throughout the current year. The global landscape of mergers and acquisitions, including the Indian scenario, contracted as elevated interest rates, inflationary pressure, and apprehensions of an impending recession dampened enthusiasm for deal-making. While domestic indicators maintain a positive stance, international uncertainties, including geopolitical tensions, have shadowed market sentiment. Furthermore, revelations of corporate governance concerns within several high-profile unicorns and valuation challenges in numerous emerging businesses have contributed to waning confidence levels. Consequently, overall deal-making activities involving India have entered a subdued phase, which this deal looks to change for the better.



## Lights, Camera, Merge

Viacom18's strategic merger of its OTT platforms, JioCinema and Voot, has achieved a significant milestone as 90% of Voot Select subscribers have seamlessly migrated to JioCinema. This successful transition marks the advanced stage of integration, with both platforms now operating under the JioCinema brand. The shift is also evident on app platforms, where only the JioCinema app is available, marking a cohesive user experience. The move, which follows Viacom18's merger involving Reliance Industries, Bodhi Tree Systems, and Paramount Global, consolidates its OTT presence and reinforces JioCinema as the go-to platform for premium content, including the coveted Indian Premier League (IPL) streaming rights. While Voot, launched in 2014, initially gained prominence, the synergistic merger enhances Viacom18's competitive edge. Voot Select's subscribers benefit from a smooth onboarding process onto JioCinema, maintaining uninterrupted access to their preferred content. Although a minority of users are yet to migrate, Viacom18's executives express confidence in a gradual transition within the coming months, underscoring their commitment to a seamless user experience across the consolidated platform.



# STRATEGY

## Beyond Brands!

The recent expansion of the Indian sports industry has underscored the need for accessible top-tier sports gear and kits to empower players. Players can be divided into four categories: hopeful aspirants (adept but budget-constrained athletes), beginners keen on exploring a new sport, the affluent yet skill-limited casual enthusiasts, and the elites (skilled athletes with financial flexibility). Established giants like Nike, Adidas, and Reebok have traditionally focused on the elites and casual enthusiasts, offering them premium-priced goods. Meanwhile, goods tailored for hopeful players and beginners found their place in local sports stores in the unorganized market with inferior goods. Enter the French sporting brand 'Decathlon' in 2009, which catalyzed a transformative shift in the Indian sports industry landscape. Surprisingly, the company rapidly emerged as the nation's predominant sporting brand, outpacing renowned global brands. In the fiscal year 2022, Decathlon achieved a staggering sales figure of ~₹3000cr, surpassing the combined sales of Nike, Adidas, and Reebok. What's truly intriguing is how this brand achieved a remarkable market capitalization without a pronounced marketing strategy or celebrity endorsements. Decathlon's success story is rooted in its commitment to catering to hopeful aspirants and beginners by providing superior quality products at reasonable prices. Their approach yielded significant results, as they disclosed a remarkable 37% walk-in purchase rate, contributing to expanding their consumer base. The brand's ascendancy can be attributed to its innovative strategies, setting it apart as a market leader. One particularly captivating blueprint is their unique 'store strategy,' characterized by spacious and expansive retail outlets encouraging prospective buyers to interact with products, for instance, test-swinging a badminton racket or a cricket bat. This approach capitalizes on the endowment effect, wherein consumers perceive ownership and amplify their product valuation, enhancing the likelihood of purchase. Furthermore, Decathlon employs a distinctive workforce approach by exclusively hiring sports enthusiasts as employees who are primed not merely to sell products but also to provide comprehensive information, ensuring a well-rounded perspective for customers. On the product front, they have introduced high-quality tents that can be effortlessly set up in mere seconds, a stark contrast to the 20-30 minutes typically required. The presence of such ingenious and high-caliber products inherently negates the necessity for extravagant marketing endeavors to capture and achieve consumer loyalty. Decathlon distinguishes itself by presenting goods priced 30-40% lower than comparable offerings from industry giants, yet it maintains a reputation for delivering superior quality merchandise. The brand's prudent approach includes leased retail spaces, curtailing overhead expenses, and low marketing expenditure, further contributing to its operational efficiencies. A pivotal element of their cost-effectiveness is their in-house manufacturing strategy, which helps them serve products at significantly reduced costs. The brand strategically targeted the unorganized market within the nation, opting to compete with local sports stores rather than directly competing with giant brands, further cementing it as the nation's go-to sports and lifestyle brand.



## 'Any Wear, Anywhere'

A revolutionary experience for fans of "travelling light" has been introduced by Japan Airlines (JAL), providing passengers with the option to ditch their suitcases and rent all their clothes on arrival in Japan which will be delivered to their respective hotels or place of residence. The innovative approach aligns with the airline's drive for sustainability, aiming to trim aircraft weight and, subsequently, fuel consumption and carbon emissions. The program offers diverse clothing options for various purposes, with packages starting at as low as 4,000 yen. JAL has partnered with Sumitomo, a major Japanese conglomerate, to develop the reservation system and manage clothing procurement, laundering, and delivery. Running until August 2024, the scheme's trial phase entails JAL assessing its ecological footprint through passenger bag weight data. Despite JAL's claims, there are reasons to be skeptical about the scheme due to potential environmental impacts of laundering and packaging. Renting clothes may not be entirely eco-friendly, posing water pollution and plastic usage concerns. Notably, if successful, the initiative could trim JAL's fuel costs and potentially spawn a profitable affiliated industry, akin to car rentals.



# MARKETING & BRANDING

## Sustainable Sneaker Delight

Future Farms, a plant-based trailblazer, unveiled a vegan running shoe that resembles a mouth-watering cheeseburger. The one-of-a-kind running shoe is a true work of art, with a cheeseburger color scheme complete with tomato slices and a bed of lettuce. Crafted in collaboration with renowned sneaker artist Matt B Customs, this unique couture shoe marks the launch of Future Farms' latest culinary creation, Burger 4.0. The company proudly touts its Burger 4.0 formula as a nutritionally elevated rendition, boasting higher protein content, reduced salt and fat levels, and an even juicier and more tantalizing flavor profile. Beyond its gastronomic appeal, this collaboration endeavors to underscore the alignment of plant-based products with both environmental well-being and enjoyable, innovative experiences. Only two pairs of these artistic sneakers exist out of which one was listed on eBay and successfully auctioned for £92.00, with all proceeds dedicated towards supporting the Rainforest Alliance, further reflecting the company's commitment to sustainable initiatives. In addition to this remarkable shoe creation, Future Farms' Burger 4.0 is now available for consumers seeking a novel culinary experience. Discovering a plant-based meat substitute that meets protein needs and offers incredible taste is a game-changer. It emphasizes the importance of adequate protein intake for fitness and muscle development.



## Sip, Swipe, and Spark Creativity

With its global recognition and deep connection to people, Coca-Cola has crafted a history of unforgettable advertising campaigns that transcend mere marketing by channeling emotions and shared moments, and solidifying Coca-Cola's status as an emblematic brand. One of Coca-Cola's most noteworthy campaigns was its collaboration with OpenAI and Bain & Company to launch "Create Real Magic," an AI platform that empowered global digital creators to craft original artwork using Coca-Cola's iconic assets. Developed exclusively for Coca-Cola, the platform merged GPT-4's text generation and DALL-E's image creation capabilities, allowing artists to experiment with iconic elements. The "Create Real Magic" contest offered the chance to feature AI-generated creations on digital billboards in Times Square and Piccadilly Circus. This innovative collaboration combined strategic expertise and digital implementation capabilities and represented an exciting leap into the next generation of marketing through cutting-edge technology. The initiative resonated with Coca-Cola's "Real Magic" global brand platform, celebrating the enchantment in everyday connections. It acted as an avenue to democratize brand assets and drive creative experimentation within the digital artist community. Seems like everybody is leveraging the never-ending possibilities of AI, eh?

## ASICS: Bridging the Gap Between Physical and Mental Health

Sportswear brand Asics undertook a groundbreaking initiative that challenged conventional thinking about exercising and mental health. To boost brand awareness, showcase their commitment to mental health, and drive sales growth, Asics partnered with Golin to devise an innovative campaign called "The Mind Race." The concept involved enlisting a multitude of runners, including an ex-Olympian, to employ "Mind Uplifter" technology to monitor their mental states throughout a week of complete physical inactivity. The real-time data was then translated into visual representations, revealing significant drops in key mental attributes like confidence, positivity, stress tolerance, and mental energy. This narrative was then brought to life through a compelling documentary. Its reach expanded as journalists, professional athletes, and influencers joined the initiative, sharing their results across social media platforms. Post this, A YouGov study recognized Asics as one of the UK's Top 10 Biggest Movers, attributing increases in brand recognition, reputation, and perceived quality to the campaign. Asics's identity was reshaped as a brand synonymous with mental well-being, with a striking 210% higher likelihood of choosing Asics's products by those exposed to the campaign. The "Mind Race" campaign revolutionized the conversation around exercise and mental health by employing innovative technology, captivating storytelling, and influencer engagement. It transformed perceptions and spurred individuals worldwide to prioritize their mental well-being through physical activity.

# PINION POLL

India is going from an offline, informal, low-productivity, multiple set of micro economies to a single online, formal, high-productivity mega economy. And this is the trend of the next 20 years...

- **Nandan Nilekani**  
**Co-founder & Chairman, Infosys**

We are proud of how India is shaping the global narrative & showcasing India's strength as the voice of the global south

- **Amitabh Kant**  
**G20 Sherpa, India**

India's position in the Quad and efforts to advance the Indo-Pacific Economic Framework present opportunities to build awareness among major economies and drive support for responsible AI development and deployment in the Global South.

- **Brad Smith**  
**Vice Chair & President, Microsoft**

# About Us

Leveraged Growth is a niche finance-based Business Consultancy firm. We are built around **four business verticals – Consulting, Research Advisory, Corporate Training and Learning and Development.** We provide customized solutions to leading businesses worldwide. Our team consists of experienced professionals having diverse skill-sets and a passion to excel



## Contact

[+91 98310 79737](tel:+919831079737)

## Website

[www.leveragedgrowth.in](http://www.leveragedgrowth.in)

## Social Media



## Address

Diamond Heritage, Suite 525  
16, Strand Road, Fairley Place  
B.B.D. Bagh, Kolkata 700 001  
West Bengal, India

# Disclaimer

The information and opinions contained herein have been compiled or arrived at, based on information obtained from reliable sources. Such information has not been independently verified and no guarantee, representation or warranty, express or implied, is made as to its accuracy, completeness, or correctness. All such information and opinions are subject to change without notice. Leveraged Growth, its directors, analysts, or employees do not take any responsibility, financial or otherwise, for the losses or the damages sustained due to the investments made or any action taken on basis of this report. Leveraged Growth and its directors, associates, and employees August or August not have any positions in any of the stocks dealt with in the report.

This report is only for PRIVATE CIRCULATION.

For suggestions, clarifications & your valuable feedback write back to us at [aswinibajaj.lg@gmail.com](mailto:aswinibajaj.lg@gmail.com)