



FOCUS REMAINS ON PRUDENT ASSET ALLOCATION

Focus Remains on Prudent Asset Allocation

Union Budget 2024-25 – Something for Everyone; Level-playing Field for Major Asset Classes:

The Finance Minister has set the stage for "Viksit Bharat" through the comprehensive development of the Indian economy, emphasizing infrastructure enhancement, fiscal prudence, and welfare schemes for rural India. The focus is on inclusive growth, highlighting four major pillars: Youth, Women, Poor, and Farmers. The government's commitment to fiscal prudence is a significant signal to the markets, even with increased allocations to rural and welfare schemes. Allocations to Bihar and Andhra Pradesh also reflect political stability. The fiscal deficit for FY25 is now projected at 4.9%, compared to the 5.1% previously estimated in the interim budget.

High-Frequency Indicators: UPI transactions have shown a steady upward trend since their inception, reaching a record high in Sep'24, indicating a strong pace toward a digitized India. Moreover, rainfall over the country as a whole during monsoon season (Jun-Sep'24) stood 4% more than its long-period average (LPA). The country's power consumption for Sep'24 remained flat at 0.4% as above-normal rains across the country cooled India's power demand for the second consecutive month, leading to a fall in residential power consumption. Power demand as well as consumption is expected to see robust growth in the coming months with the rise of the country's economic growth and the onset of the winter season. Consumption demand for petrol in Aug'24 increased by 9% while that of diesel fell by 3%. Such changes in fuel consumption reflect the shifting dynamics of the Indian economy and global trends that impact oil and gas usage. Forex reserves surged to an all-time high in Sep'24, surpassing the previous high of \$684 Bn in Aug'24. In Sep'24, Forex reserves increased to \$704.4 Bn, thus becoming the fourth economy in the world alongside China, Japan, and Switzerland; to surpass the \$700 Bn mark.

Equities – Market Breadth Narrowing; Emphasis on Style & Sector Rotation: With the recent run-up in the market, we believe that most of the narrative is already priced in. In this context, we expect near-term consolidation, with market breadth likely to narrow further and the focus is expected to remain on style and sector rotation in the near term. Moreover, with a strong catch-up by Midcaps and Smallcaps in the last couple of months, we still believe the margin of safety (in terms of valuations) for these segments at current levels has reduced as compared to Largecaps. Keeping this in view, the broader market may see some time correction in certain pockets in the near term and flows will likely shift to Largecaps. Hence, we believe Nifty 50 could see a new high in the near term. In any case, the long-term story of the broader market continues to remain attractive and, in this context, two themes – 'Growth at a Reasonable Price' and 'Quality' look attractive at the current juncture.

With the expected recovery in China, some cyclical sectors are likely to see come back in the domestic market. However, Largecap private banks, Telecom, Consumption, IT, and Pharma provide more margin of safety in the near term. **We maintain our Mar'25 Nifty target at 24,600 by valuing it at 20x on Mar'26 earnings.** Hence, we recommend investors to remain invested in the market and maintain good liquidity (10%) to use any dips in a phased manner and build a position in high-quality companies (where the earnings visibility is quite high) with an investment horizon of 12-18 months.

Fixed Income: In a positive move, the RBI maintained the status quo in its Oct'24 MPC meeting and maintained the status quo and kept the policy rate unchanged for the 10th time at 6.5%. However, the RBI has change in stance from 'Withdrawal of Accommodation' to 'Neutral' was on expected lines. This has set the stage for a rate cut and we expect a rate cut announcement in the Feb'25 meeting. The regulator has maintained its growth and inflation forecast for FY25 with a few minor tweaks. RBI has maintained the FY25 GDP growth rate at 7.2% led by improved agricultural activities, and improvement in the prospects of rural consumption. Adding to that, government Capex and visible signs of a pickup in private investments would drive the fixed investment activities going forward. We expect the yield curve to flatten, with the shorter end of yields rising in FY25 relative to the higher end of yields. In addition, the upper end of yields will remain cautious due to policy normalization, rising inflationary pressures, and volatile oil prices. Keeping this in view, we recommend a 'Quality' approach to bonds with some non-AAA exposure based on risk appetite.

Gold continues to be a preferred asset class in 2024: Gold emerged as one of the best-performing asset classes for 2024, with prices rising by 14% in INR terms till the end of May'24. In the last one/three months, prices were volatile and recovery was seen in Sep'24, especially after the 50bps rate cut by the US FED during the mid-Sep '24. This strong rally pushed gold prices above \$2,672/oz (on 26th Sep'24) for the first time in recent months. The positive momentum in gold prices was driven by a 50 bps rate cut by the US FED and expectations of two additional 25 bps rate cuts for the remainder of 2024, along with increasing geopolitical tensions, central bank purchases, and rising volatility in equity markets. In the recent budget announcement, the customs duty on the import of Gold was reduced to 6% from 15% earlier, leading to price cuts in the domestic market. With this development, Gold prices declined by 4% in INR terms in Jul'24 but recovered by 4%/5% in Aug/Sep'24. Fundamentally, the price of Gold is inversely related to bond yields and any weakening in yields will continue to have a positive impact on its price. Given current macroeconomic developments, we believe Gold to remain a preferred asset class and will continue to attract investment as a proven hedge against other asset classes. **Hence, we continue our NEUTRAL stance on Gold and recommend a 'Buy-on-Dips' strategy.**

Currency: The Indian currency remained range-bound and relatively stable during the last three months as against the volatility seen in the earlier months. Some weakness was observed in the USD during mid-month due to expectations of a 50 bps rate cut, indicating potential weakness in the US economy. However, the US dollar gained some strength later during the month after the positive commentary by US FED on the US economy. The USD gained further strength in anticipation of two rounds of rate cuts for the remainder of 2024 and due to the escalation of tensions in the Middle East. The Indian currency has performed well recently, supported by all-time high levels of foreign exchange reserves compared to other emerging market countries. **Key events deciding the currency market direction moving forward are 1) Interest decision in the upcoming FOMC meeting; 2) Development towards US election; 3) Path towards fiscal prudence; 4) Direction of the Oil prices; 5) Direction of the commodity process; 6) Inflation and growth dynamics, and 7) The direction of the foreign flows.**

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Target Asset Allocation

Our Take:

Equity: **Overweight: Market Breadth Narrowing; Emphasis on Style & Sector Rotation**

Debt: **Neutral**

Gold: **Neutral**

Target Portfolio Allocation (%)

Asset	Risk Averse	Conservative	Balanced	Growth	Aggressive
Equity	0%	20%	50%	70%	90%
Debt	70%	70%	35%	15%	5%
Gold	30%	10%	15%	15%	5%
Total	100%	100%	100%	100%	100%

Performance of Asset Classes: Focus on Asset Allocation for FY25

While asset class leadership continues to change in different market cycles, Gold emerged as the best-performing asset class in 2022 due to geopolitical concerns and equity market volatility. Equities, on the other hand, were the best-performing asset class in 2021/2023 and on a YTD basis. Moreover, the Indian market has significantly outperformed the EM market till now in 2024 and the broader market has proven to be the best-performing asset class led by improvement in domestic fundamentals, improved liquidity and resilience of the Indian economy in a volatile world.

We maintain our confidence in the long-term growth story of the Indian equity market, underpinned by a favourable emerging structure. The increasing Capex is empowering banks to improve credit growth, further supporting the positive outlook for the market. However, with current valuations offering limited scope for further expansion, an increase in corporate earnings will be the primary driver of the market returns moving forward. Hence, we believe the style and sector rotation will play a critical role in alpha generation in FY25. Against this backdrop, we recommend staying invested in the market and maintaining good liquidity (10%) to gradually use dips in the market to build a position in quality companies (where earnings visibility is very high) with an investment horizon of 12-18 months.

While we maintain our 'Overweight' stance on equity, we have been recommending for the past couple of months that it is time to review the entire portfolio and recalibrate it to the initial target allocation. This approach will help reduce the overall portfolio risk.

Asset allocation and sector rotation will be keys to generating outperformance in FY25. Hence, we recommend investors to focus on asset allocation and proactively take advantage of volatility to build long-term positions in high-quality companies.

Rank	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
1	MCX Gold: 32%	Mid Cap: 39%	S&P 500: 30%	Mid Cap: 56%	Crisil comp Bond: 9%	Crisil comp Bond: 13%	SmallCap: 57%	MCX Gold: 8%	S&P 500: 29%	MCX Gold: 28%	SmallCap: 59%	MCX Gold: 14.3%	SmallCap: 55.6%	Midcap: 30.25%
2	Crisil comp Bond: 7%	SmallCap: 37%	Nifty 50: 7%	SmallCap: 55%	SmallCap: 7%	EM Index: 10%	Mid Cap: 47%	Crisil comp Bond: 6%	MCX Gold: 25%	Mid Cap: 22%	Mid Cap: 46%	Nifty 50: 4.3%	Midcap: 46.6%	SmallCap: 26.7%
3	S&P 500: 0%	Nifty 50: 28%	Crisil comp Bond: 4%	Nifty 50: 31%	Mid Cap: 6%	MCX Gold: 10%	EM Index: 29%	Nifty 50: 3%	EM Index: 17%	SmallCap: 21%	S&P 500: 27%	Mid Cap: 3.5%	S&P 500: 24.6%	S&P 500: 20.3%
4	EM Index: -21%	EM Index: 14%	Mid Cap: -5%	Crisil comp Bond: 14%	S&P 500: -1%	S&P 500: 10%	Nifty 50: 29%	S&P 500: -6%	Nifty 50: 12%	S&P 500: 16%	Nifty 50: 24%	BSE Bond index: 2.9%	Nifty 50: 20%	Nifty 50: 18.7%
5	Nifty 50: -25%	S&P 500: 13%	EM Index: -6%	S&P 500: 11%	Nifty 50: -4%	Mid Cap: 7%	S&P 500: 19%	Mid Cap: -15%	Crisil comp Bond: 11%	Nifty 50: 15%	Crisil comp Bond: 2%	SmallCap: -13.8%	MCX Gold: 14.9%	MCX Gold: 18.4%
6	Mid Cap: -31%	MCX Gold: 12%	MCX Gold: -8%	EM Index: -1%	MCX Gold: -7%	Nifty 50: 3%	MCX Gold: 6%	EM Index: -16%	Mid Cap: -4%	EM Index: 13%	EM Index: -2%	S&P 500: -19.2%	BSE Bond index: 7.9%	EM Index: 17.7%
7	SmallCap: -34%	Crisil comp Bond: 9%	SmallCap: -8%	MCX Gold: -6%	EM Index: -18%	SmallCap: 2%	Crisil comp Bond: 5%	SmallCap: -29%	SmallCap: -10%	Crisil comp Bond: 12%	MCX Gold: -4%	EM Index: -19.6%	EM Index: 5.7%	NSE G Sec composite: 8.6%

Source: Bloomberg, Axis Securities, Note: Midcap is NSE midcap 100, Smallcap is NSE smallcap100 index, EM is FTSE EM index

Key Highlights of Union Budget FY24-25

Key Announcements

- FY25 Capex target at 11.1 Lc Cr, up 17% from the FY24 Capex level of 9.5 Lc Cr.
- Higher capital spending for Railways and Infrastructure.
- Rs 2.55 Lc Cr announcement for railways up 5% from Rs 2.4 Lc Cr in FY24 RE.
- Allocation to PM AwasYojana increased to 84,670 Cr.
- STCG on financial assets increased to 20% from 15%. Similarly, LTCG on both financial and non financial assets increased to 12.5% from 10%. However, basic exemption limit for LTCG increased from Rs. 1 Lc to Rs 1.25 Lakhs.
- More relaxation given in the new Income tax regime by widening the tax slabs. Previous slab of 3 Lc-6 Lc changed to 3 Lc-7 Lc, 6 Lc-9 Lc changed to 7 Lc-10 Lc And 9 Lc-12 Lc changed to 10 Lc-12 Lc. Standard deduction for salaried employees increased from Rs 50,000 to Rs 75,000.

Fiscal Outlook

- Nominal GDP growth for FY25 is pegged at Rs 326 Lc Cr, up 10.5% over FY24 provisional estimate of Rs 295 Lc Cr.
- Total expenditure for FY25 is budgeted at Rs 48 Lc Cr, up 9% from the FY24 provisional actuals.
- **Gross revenue collection is expected to grow at 11% in FY25. The expectations are likely to be met.**
- The government is on the right track of fiscal consolidation path with a target of 4.9% for FY25.
- The gross borrowing target for the next year is set at Rs 16.13 Lc Cr (along the expected lines).

Specific Areas

- A notable thrust has been given to employment and skilling.
- Focus on MSME with Credit Guarantee Scheme for MSMEs in the Manufacturing Sector. Mudra Loan limit enhanced to Rs 20 Lc from Rs 10 Lc.
- Focus on Road connectivity projects at Bihar with total capex of Rs 26,000 Cr. . Power projects, including setting up of a new 2,400 MW power plant at Bihar, will be taken up at a cost of Rs 21,400 Cr.
- Provision of 2.66 Lc Cr has been done for rural development including rural infrastructure.

Fiscal Account FY24-25: Subsidy & Non-tax Receipt

Subsidy Budget Reduced in FY25 on Account of Normalcy: In line with our expectations, the overall subsidy budget has been reduced to 2.7% of GDP vs. 1.25% in the last year on account of the encouraging pace of the economic recovery. Allocation in the fertilizer subsidy is pegged at Rs 1.64 Lc Cr vs. 1.88 Lc Cr in FY24.

A Reasonable Disinvestment Target in FY25: In line with our expectations, the target for FY24 disinvestment has been revised to Rs 30,000 Cr and the same for FY25 has been set at Rs 50,000 Cr. Both seem reasonable. Estimates for the RBI dividends are set at Rs 1.5 Lc Cr in FY25.

Subsidy Budget FY25

Subsidy (in Cr)	2022-23 Actuals	2023-24 Budget Estimates	2023-24 Revised Estimates	2024-25 Budget Estimates
Food	2,72,802	1,97,350	2,12,332	2,05,250
Fertiliser	2,51,340	1,75,103	1,88,902	1,64,103
<i>Urea</i>	1,65,217	1,31,100	1,28,594	1,19,000
<i>Nutrition based</i>	86,122	44,000	60,300	45,000
Petroleum	6,817	2,257	12,240	11,925
<i>LPG</i>	6,817	2,257	12,240	11,925
<i>Kerosene</i>				
Interest Subsidies	41,676	27,565	23,980	29,550
Other	5,281	812	3,090	17,698
Total	5,77,916	4,03,084	4,40,536	4,28,423

Non-Tax Receipt

Non-Tax and Capital Receipt (in Cr)	2022-23 Actuals	2023-24 Budget Estimates	2023-24 Revised Estimates	2024-25 Budget Estimates
Interest	27,852	24,820	31,778	33,107
Dividends	99,913	91,000	1,54,407	1,50,000
<i>From Public Enterprises</i>	<i>59,953</i>	<i>43,000</i>	<i>50,000</i>	<i>48,000</i>
<i>From RBI & Financials Institutions</i>	<i>39,961</i>	<i>48,000</i>	<i>1,04,407</i>	<i>1,02,000</i>
Disinvestment	46,035	51,000	30,000	50,000

Source: Union Budget Document 2024-25, Axis Securities

Major Announcements for Infrastructure

- Allocation to Railways has been increased to Rs 2.55 Lc Cr for FY25, reflecting a 5% increase over FY24 RE.
- Allocation to Road & Highways (NHAI) has been increased to Rs 1.68 Lc Cr in FY25
- Allocation to the Power sector has been increased to Rs 20,502 Lc Cr in FY25.
- Urban development continues to be the focus area. Rs 10,400 Cr have been allotted to Smart cities and Rs 24,932 Cr have been allotted to Metro Projects.
- Allocation to Swachh Bharat Mission has been increased by 28% to Rs 12,192 Cr.

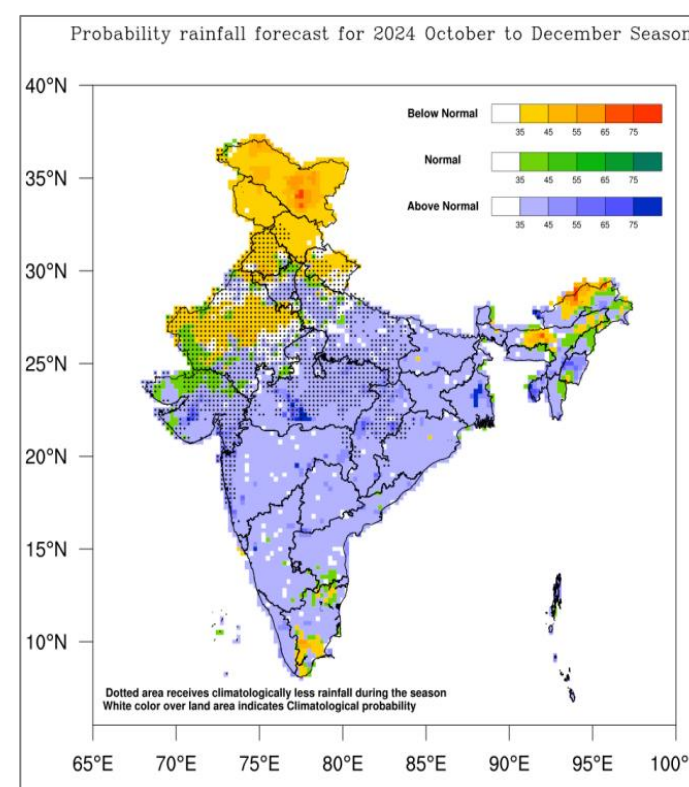
Infrastructure Budget (In Cr)	2022-23	2023-24	2023-24	2024-25	% Increase over FY24 RE
	Actuals	Budget Estimates	Revised Estimates	Budget Estimates	
Roads	2,17,089	2,70,435	2,76,351	2,78,000	1%
<i>NHAI</i>	1,41,661	1,62,207	1,67,400	1,68,464	1%
Railways	1,62,410	2,41,268	2,43,272	2,55,393	5%
Urban development	77,310	76,432	69,271	82,577	19%
<i>Smart Cities+AMRUT</i>	15,153	16,000	13,200	10,400	-21%
<i>MRTS and Metro Projects</i>	23,603	23,175	23,104	24,932	8%
Shipping	1,688	2,219	2,395	2,377	-1%
<i>Sagar Mala Port</i>	412	360	436	700	61%
Power	9,313	20,671	17,635	20,502	16%
Aviation	9,321	3,113	2,922	2,357	-19%
Jal Shakti	11,962	20,055	19,517	21,323	9%
Pradhan Mantri Awas Yojna (PMAY)	73,515	79,590	54,103	84,671	56%
<i>PMAY (Urban)</i>	28,553	25,103	22,103	30,171	37%
<i>PMAY (Rural)</i>	44,962	54,487	32,000	54,500	70%
Pradhan Mantri Gram Sadak Yojna	18,783	19,000	17,000	12,000	-29%
Swachh Bharat	6,851	12,192	9,550	12,192	28%

Source: Union Budget Document 2024-25, Axis Securities

End of Southwest Monsoon Season (June-Sep'24): 4% above the LTA

In this La Niña year, India experienced above-normal rainfall. Considering the all-India weekly rainfall anomalies, 8 of the 17 weeks of the monsoon season were negative, while 9 were positive. The increase in the weekly rainfall during the season was mainly associated with the low-pressure systems which moved along the monsoon trough. Rainfall over the country as a whole during monsoon season – June-Sep'24 was at a 4% excess from its long-period average (LPA). Rainfall over the monsoon core zone, which consists of most of the rain-fed agriculture regions in the country received 122% of LPA and thus was above normal. The 3 Meteorological subdivisions which got deficient rainfall are Arunachal Pradesh, Punjab, J & K and Ladakh.

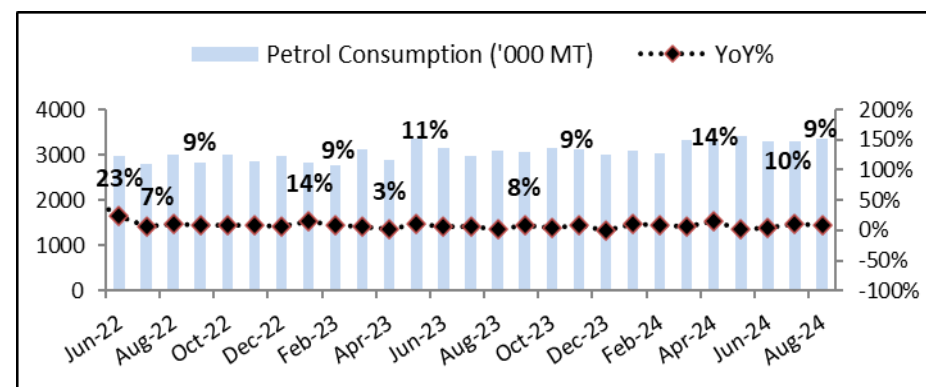
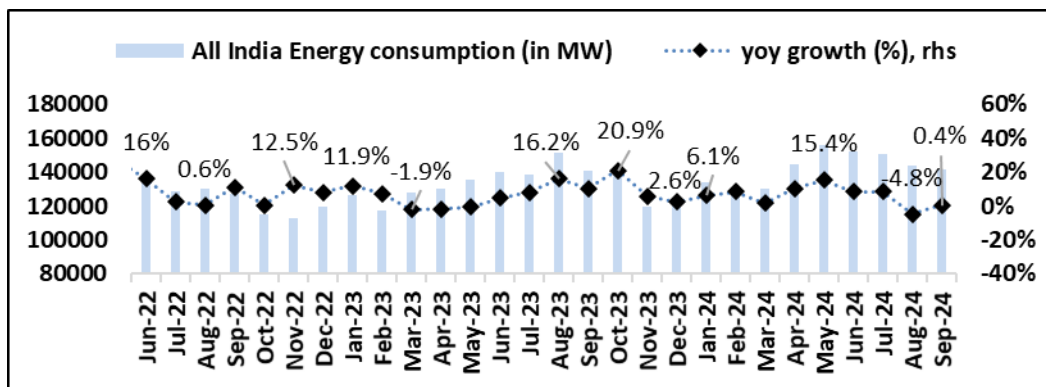
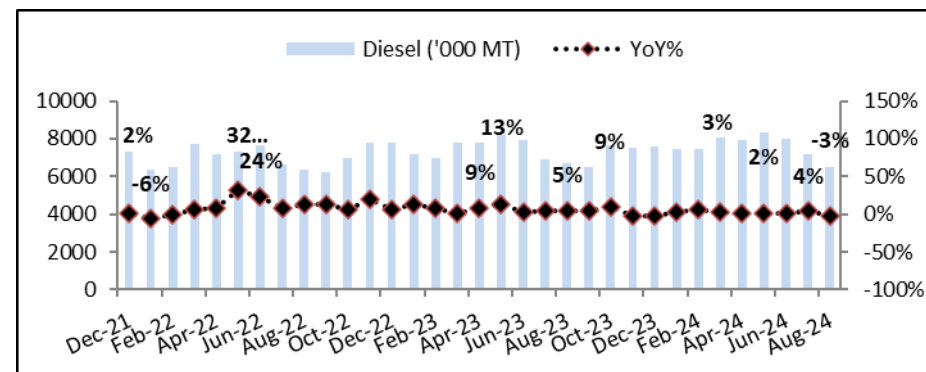
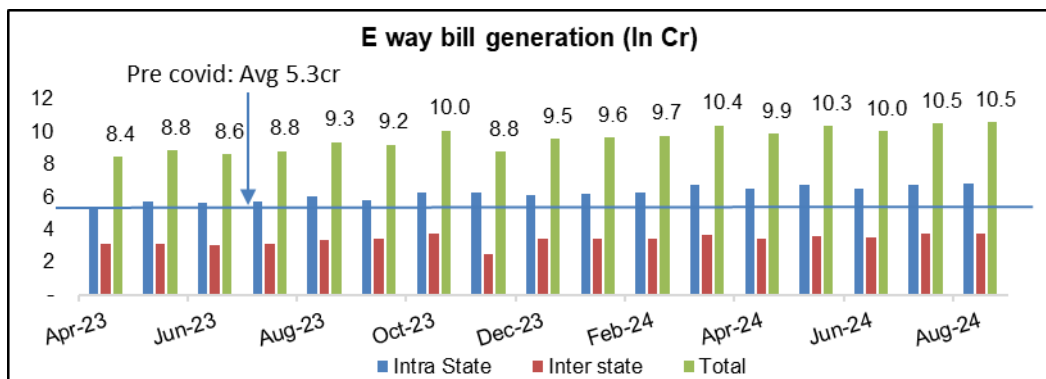
In the following spatial map, the orange shading represents areas with below-normal rainfall, while the green and blue shading represent normal and above-normal rainfall, respectively. During October-December (OND season) 2024, most parts of India are likely to receive normal to above-normal rainfall, and are most likely to be >112% of LPA.



Source: IMD, Axis Securities Research

Robust Demand for Energy Consumption to Continue in the Upcoming Months

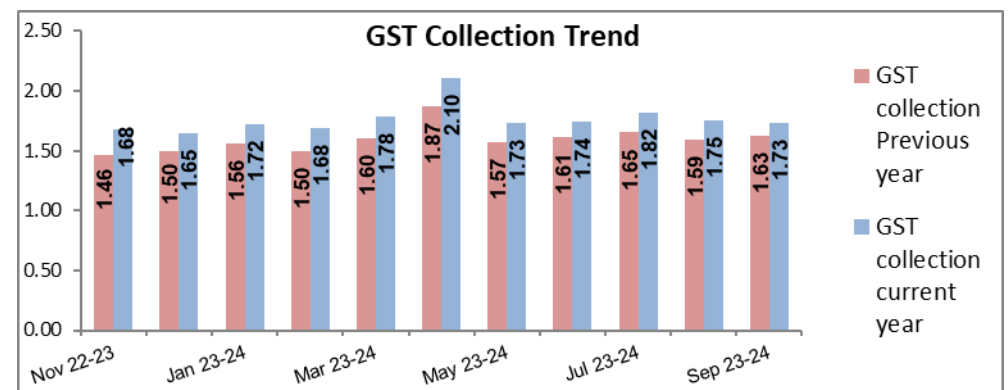
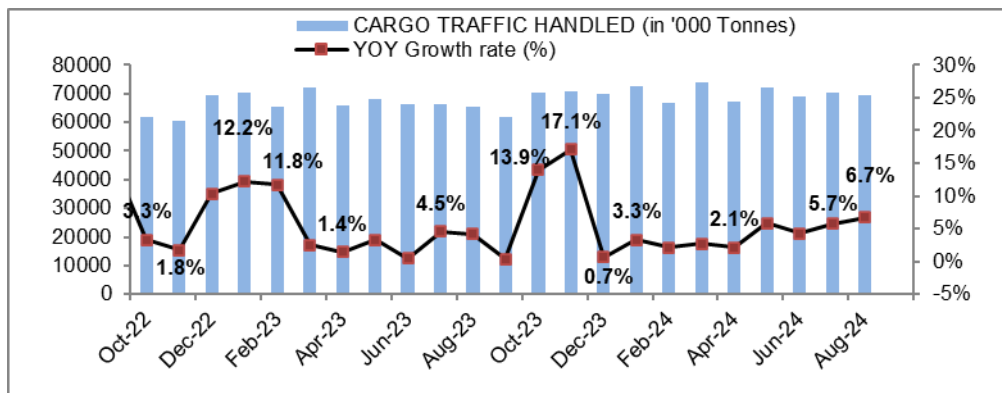
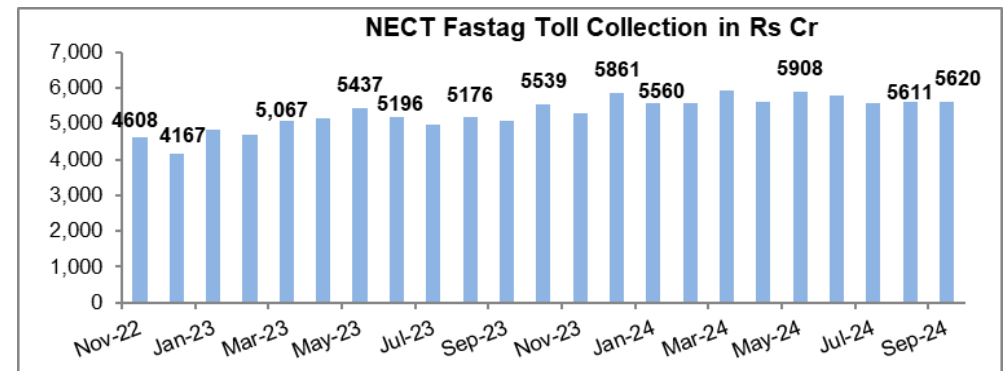
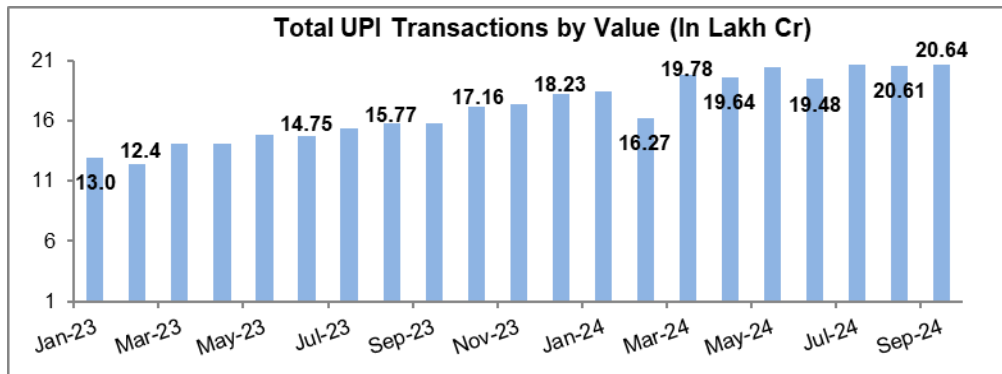
- The country's power consumption for Sep'24 remained flat at 0.4%, as above-normal rains across the country cooled India's power demand for the second consecutive month, leading to a fall in residential power consumption. Power demand as well as consumption is expected to see robust growth in the coming months with the rise of the country's economic growth and the onset of the winter season. Healthy pick-up in the economic activities continued in Aug'24, with E-way bill generation setting an all-time high record in Aug'24 at 10.5 Cr bills.
- Consumption demand for petrol in August 2024 increased by 9%, while that of diesel fell by 3%. These changes in fuel consumption reflect the shifting dynamics of the Indian economy and global trends impacting oil and gas usage. The expanding industrial base and growing demand for personal and commercial mobility keep contributing to the rise in fuel demand. Consumption levels are now above pre-COVID levels.



Source: Bloomberg, GSTN, POSOCO, PPAC, Axis Securities

Robust Momentum in UPI Transactions, GST Collections at a three-month low yet upward on a YoY basis

UPI transactions have shown a steady upward trend since their inception, reaching a record high in Sep'24, indicating a strong pace toward a digitized India. The recent upward trend in UPI transactions points to the opening up of the Indian economy, particularly the Services sector. Moreover, toll revenues on national and state highways through FASTag have also increased significantly, reaching Rs 62,293 Cr in 2023. This has been the highest annual figure which stands 24% higher than the 2022 levels. This indicates increased mobility and further economic opening as the industry and related economic activities have been on a roll since the relaxation of the lockdown. Cargo traffic increased by 6.7% YoY in Aug'24. Cargo traffic handled at India's 12 major ports in FY24 increased by 5% to 604.76 Mn tonnes from 576.11 Mn tonnes in FY23. The trend in the GST collection is steady and upward on a YoY basis. The month of Apr'24 recorded the highest-ever GST collection of 2.10 Lc Cr thus, beating the previous high in Apr'23 of 1.87 Lc Cr.



Source: NPCI, Ministry of Ports, Shipping & Waterways, Axis Securities

High-Frequency Indicators: Forex Reserves at an All-time High; Surpasses \$700 Bn Mark

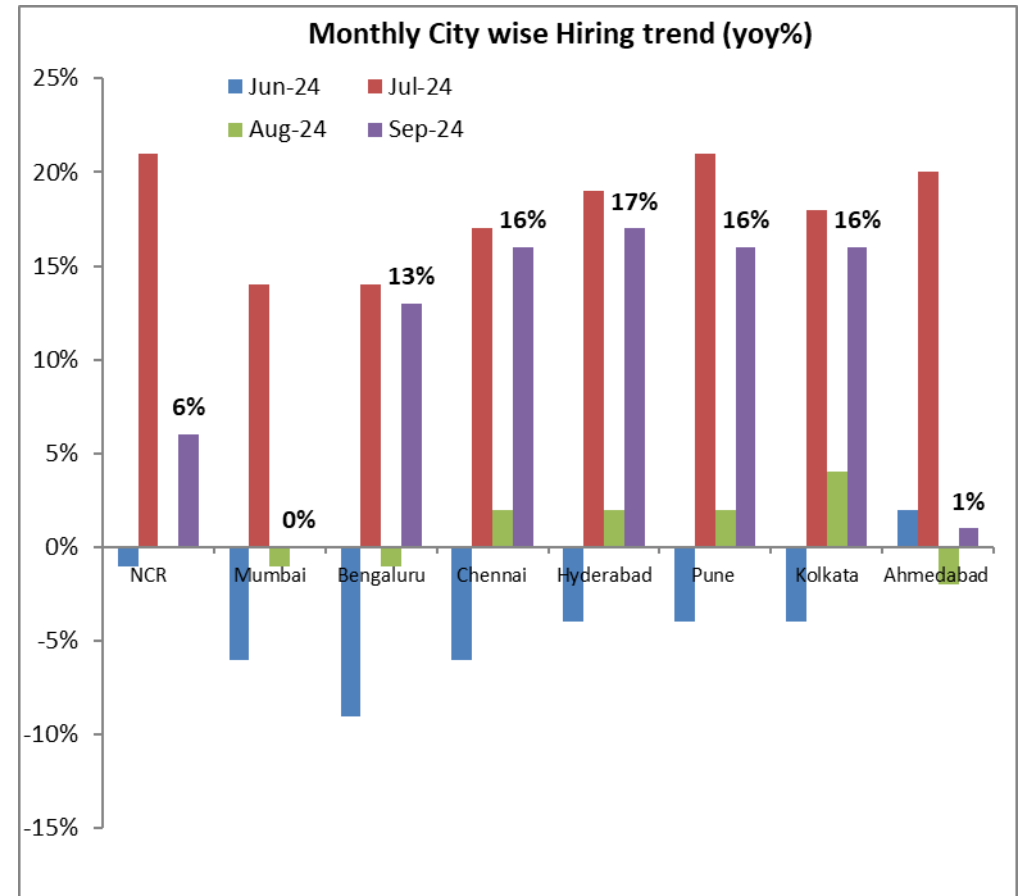
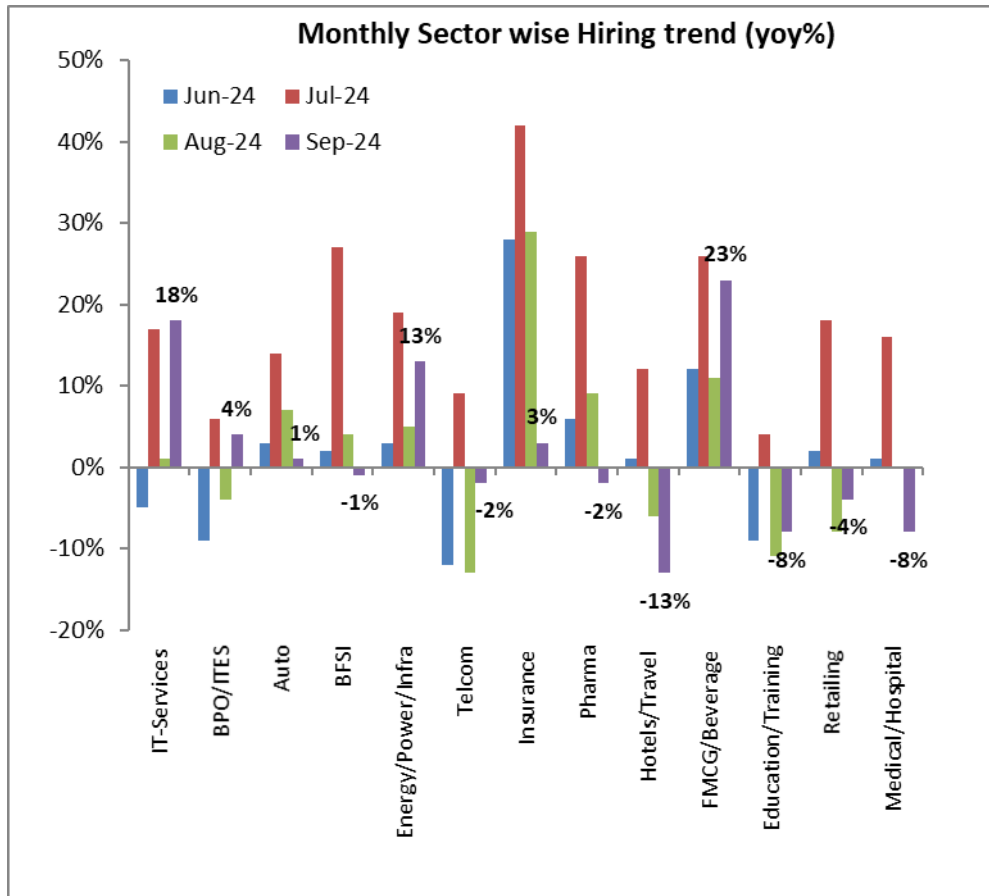
The Services PMI slightly slowed in Sep'24 to 57.7 after rebounding from a seven-month low in Aug'24 due to cost pressure and as domestic firms saw a subdued rise in international orders. Despite slow growth in Sep'24, major services firms saw solid job creation, strengthening of business confidence and the slowest uptick in selling prices in over two-and-a-half years during September. The services sector has consistently remained above the threshold of 50, which indicates an expansionary phase. Manufacturing PMI also mirrored the slowdown in services PMI and recorded a value of 56.5 in Sep'24 after hitting a sixteen-year high at 59.1 in Mar'24. This marked the softest expansion in factory activity since January as both output and new orders grew at a slower pace. GST revenues stood at 1.73 Lc Cr, making a three-month low, but remained above the 1 Lc Cr mark for 30 consecutive months – an impressive sign of the government's tax collection and overall fiscal position. Following a decline in Feb'23, Forex reserves surged to an all-time high in Sep'24, surpassing the previous high of \$684 Bn in Aug'24. In Sep'24, Forex reserves increased to \$704.4 Bn, thus becoming the fourth economy in the world alongside China, Japan, and Switzerland; to surpass the \$700 Bn mark. This rise can be attributed to the effect of appreciation in non-US currencies such as the euro, pound, and yen held in the reserves. This increase also reflects the impact of policy measures and vigilant monetary actions, which have provided the Reserve Bank with greater autonomy in managing currency amidst geopolitical challenges and global price fluctuations.

Macro	Month	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Forex reserves (\$ Bn)	Sep-24	586.1	597.9	623.2	616.7	619.1	645.6	637.9	651.5	652.0	667.4	684.0	704.9
FDI (\$ Mn)	Jul-24	7269	3696	-2159	6301	1544	-143	4880	4972	652	1285		
Exports (YoY%)	Aug-24	6.2%	-2.8%	1.0%	3.1%	11.9%	-0.7%	1.1%	9.1%	2.5%	-1.5%	-9.3%	
Imports (\$ YoY%)	Aug-24	12.3%	-4.3%	-4.8%	3.0%	12.2%	-6.0%	10.3%	7.7%	5.0%	7.5%	3.3%	
IIP YoY%	Jul-24	11.9%	2.5%	4.4%	4.2%	5.6%	5.5%	5.2%	6.2%	4.7%	4.8%		
CPI YoY%	Aug-24	4.9%	5.6%	5.7%	5.1%	5.1%	4.9%	4.8%	4.8%	5.1%	3.6%	3.7%	
WPI YoY%	Aug-24	-0.3%	0.4%	0.9%	0.3%	0.2%	0.3%	1.2%	2.7%	3.4%	2.0%	1.3%	
PMI Manufacturing	Sep-24	55.5	56	54.9	56.5	56.9	59.1	58.8	57.5	58.3	58.1	57.5	56.5
PMI Services	Sep-24	58.4	56.9	59	61.8	60.6	61.2	60.8	60.2	60.5	60.3	60.9	57.7
Industry													
Cement Production yoy%	Aug-24	17.0%	-4.8%	3.8%	4.1%	7.8%	10.6%	0.2%	-0.6%	1.9%	5.5%	-3.0%	
Steel Production yoy%	Aug-24	13.6%	9.7%	8.3%	9.2%	9.4%	7.5%	9.8%	8.9%	6.7%	6.4%	4.5%	
Electricity Gen yoy%	Aug-24	20.4%	5.8%	1.2%	5.7%	7.6%	8.6%	10.2%	13.7%	8.6%	7.9%	-5.0%	
Coal Generation yoy%	Aug-24	-5.7%	-5.7%	10.8%	10.6%	11.6%	8.7%	7.5%	10.2%	14.8%	6.8%	-8.1%	
Eight Core Industries yoy%	Aug-24	-9.6%	-9.6%	5.1%	4.2%	7.1%	6.3%	6.9%	6.9%	5.1%	6.1%	-1.8%	
GST Collection (RsCrores)	Sep-24	1,72,003	1,67,929	1,64,882	1,72,129	1,68,337	1,78,484	2,10,267	1,72,739	1,73,994	1,82,075	1,74,962	1,73,240
Tractor Sales YoY%	Aug-24	-5.3%	1.5%	-21.3%	-14.5%	-25.7%	-19.5%	-2.9%	0.5%	3.5%	1.4%	-5.5%	
Domestic Air Pass YoY %	Aug-24	10.5%	-1.5%	8.4%	4.4%	5.4%	3.7%	2.4%	3.9%	7.1%	6.6%	5.6%	
Passenger Vehicles YoY %	Aug-24	17.3%	4.3%	3.2%	13.9%	9.5%	8.9%	1.2%	4.2%	4.9%	-1.9%	-1.6%	2.0%
2 Wheeler's YoY %	Aug-24	20.2%	31.3%	16.0%	26.2%	34.6%	15.3%	30.8%	10.1%	21.3%	12.5%	9.3%	17.0%
Naukri Job Speak Index YoY%	Sep-24	1.2%	-23.3%	-15.6%	-11.1%	-7.5%	-10.8%	-2.7%	-1.8%	-7.6%	11.8%	-3.4%	-3.8%

Source: Bloomberg, RBI, MOSPI, * Provisional numbers, Axis Securities

Hiring Trends: Recovery Seen across Sectors and Geographies

In Sep'24, Sequential recovery was seen in the hiring activities. Recovery was commendable across sectors such as FMCG, Energy and IT services. A major recovery in hiring trends across regions was also observed, with Hyderabad, Chennai, and Kolkata posting the highest growth rates.

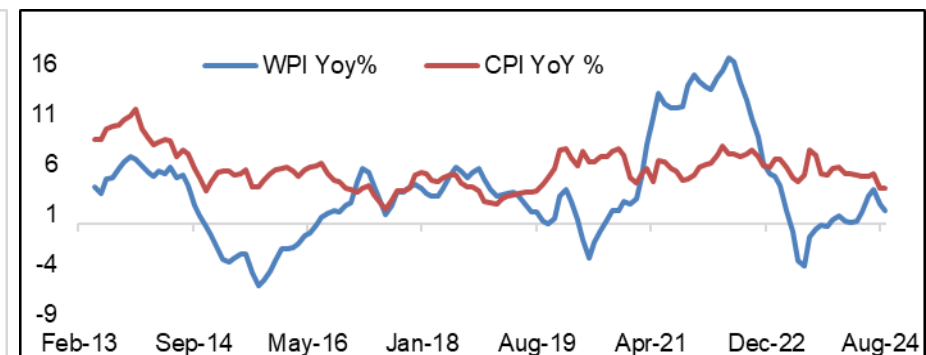
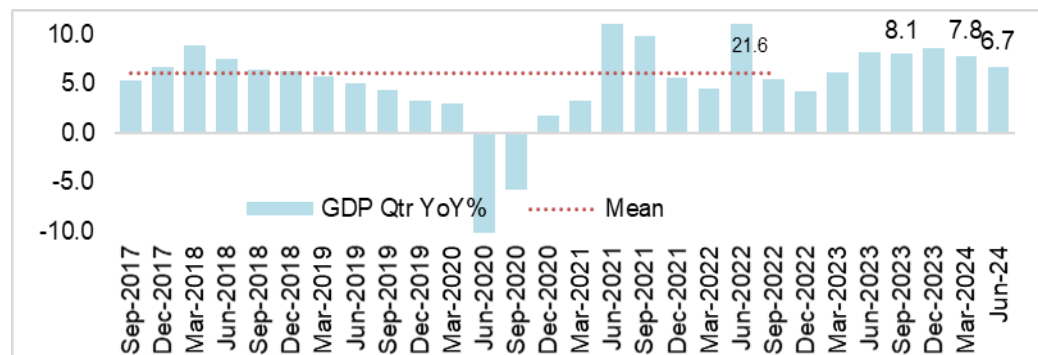


Source: Naukri Job speak Report, Axis Securities

High-Frequency Indicators: Healthy Pick-Up in Credit Growth

- **GDP:** The country's GDP in Jun'24 was at 6.7%, which stood similar to the consensus expectation. Elections and heat waves led to a sequential fall in GDP growth; however, it maintained the FY25 target at 7.2%.
- **CPI:** India's retail inflation slightly increased to 5.08% in Jun'24, after creating a one-year-low in May'24, primarily due to rising food and beverage prices. We believe the RBI will likely remain in the pause mode. It will continue to focus on curtailing inflation and bringing it down within the threshold band of 4.5%.
- **Non-food credit growth** remained robust in Sep'24, with healthy pick-up seen in both services and agricultural sectors. Credit growth is expected to accelerate further in the coming months as the entire system has been flooded with liquidity and the Union Budget is pushing for more investments. On a positive note, BFSI companies have posted a healthy balance sheet in Q1FY25, driven by a sequential improvement in their credit growth. Moreover, the trend of improving asset quality continued during the quarter, which will further boost confidence in the industry.

RBI Data	Month	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Deposit Growth YoY%	Sep-24	13.4%	13.6%	13.3%	13.2%	13.1%	13.5%	13.3%	14.8%	11.1%	10.6%	10.8%	11.5%
Credit Growth (YoY%)													
Non-Food Credit	Aug-24	19.8%	20.8%	20.1%	20.4%	20.5%	20.2%	19.1%	19.8%	17.4%	13.7%	13.6%	
Agri& Allied Activity	Aug-24	17.4%	18.1%	19.4%	20.0%	20.0%	20.0%	19.8%	21.6%	17.4%	18.1%	17.7%	
Industry	Aug-24	5.4%	6.1%	8.0%	8.0%	8.9%	8.5%	7.4%	9.4%	8.1%	10.1%	9.7%	
Services	Aug-24	24.0%	25.7%	23.3%	24.2%	24.3%	23.5%	22.0%	23.2%	17.4%	14.0%	13.9%	
Personal Loan (Retail)	Aug-24	29.6%	30.0%	28.4%	28.6%	28.1%	27.5%	26.7%	28.7%	25.6%	14.4%	13.9%	



Source: Bloomberg, RBI, MOSPI, Axis Securities

Cool-Off in Commodity Prices Takes a Hit Amid Geo-Political Tensions and Global Monetary Easing

Led by policy tightening and expectations of slowing global growth, commodity prices have been cooling down for the past several months. However, in recent times, with an aggressive rate cut by the FED coupled with the Bank of China's economic stimulus and rising geo-political concerns, prices of several commodities are now hovering near their 52W highs. Among base metals, the most notable rise has been observed in zinc and aluminium (both industrial metals), which are only 0%/3% below their respective highs. Oil prices have dropped below \$100/bbl; however, recent conflicts between Israel and Palestine, the involvement of Iran, and disruptions at the Red Sea have led to a price increase. However, it remains 16% below its peak. Gold and Silver prices being safe haven assets during war-like conditions are now 1% and 0% below their 52W highs respectively.

	Commodity	Unit of Measurement	CMP	52w High Price	% down from 52w High
Base Metals	Aluminium	\$/metric ton	2642	2721	-2.9%
	Copper	\$/metric ton	9796	10801	-9.3%
	Zinc	\$/metric ton	3144	3145	0.0%
	Lead	\$/metric ton	2103	2297	-8.4%
	Nickel	\$/metric ton	17743	21339	-16.9%
	Iron Ore	\$/metric ton	110	145	-24.2%
Energy	Natural Gas	\$/MMBtu	3	13	-79.2%
	Crude oil brent	\$/bbl.	78	92	-15.5%
	Heating OIL	\$/gallon	231	321	-28.0%
Precious Metals	Gold	\$/OZ	2654	2672	-0.7%
	Silver	\$/OZ	32	32	0.0%
Agricultural	cotton	INR/bale (170 kg)	57250	62820	-8.9%
	corn	\$/bu.	425	505	-15.9%
	Soybean Meal	\$/ton	331	474	-3.2%
	Soyabean oil	\$/lb.	44	57	-23.1%
	Soyabeans	\$/bu.	1038	1385	-25.1%
	Wheat	\$/bu.	590	700	-15.8%
	Sugar	\$/lb.	23	28	-17.7%
	Cocoa	\$/metric ton	7069	11878	-40.5%
	coffee	\$/lb.	257	274	-6.0%
	Rice	\$/cwt	15	20	-22.8%
Oats	\$/bu.	388	424	-8.4%	

Source: Bloomberg, NSE, Axis Securities, Data as of 4th Sep'24

Smooth Sowing in The Economy – Better-Than-Expected Monsoon Across the Country

- Monsoon Rainfall is progressing well so far with a 4% excess till 30th Sep'24.
- The monsoon is progressing well in the South Peninsula and Central India. 14% deficit is observed till now in the East & Northeast region. In the East & Northeast region, some pain can be seen in Bihar and Arunachal Pradesh. In the Northwest, Himachal Pradesh and Punjab are the pain points.
- As of 30th Sep'24, the live water storage of 155 reservoirs in different parts of the country was at 180.85 Billion cubic meters (BCM) vs. 178.784 BCM during the last year (150 reservoirs). In terms of utilization, storage is 70.15% vs. 69.35% in the last year.
- This year, we saw 1.5% higher Kharif sowing till 23rd Sep'24 owing to higher Pulses, Coarse cereals, Rice and Oil seeds sowing. However, delayed sowing is displayed in Jute due to delayed monsoon in key areas.
- Optimism can be observed in Pulses, Coarse cereals, Rice, and Oilseeds while pain can be seen in Jute and Meta.

	2024	2023	Change %
Rice	413.5	404.5	2.2
Pulses	128.6	119.3	7.8
Coarse Cereals	192.6	186.1	3.5
Oilseeds	193.8	190.9	1.5
Jute & Meta	5.7	6.7	-13.9
Total	1104.6	1088.3	1.5

Monsoon Rainfall

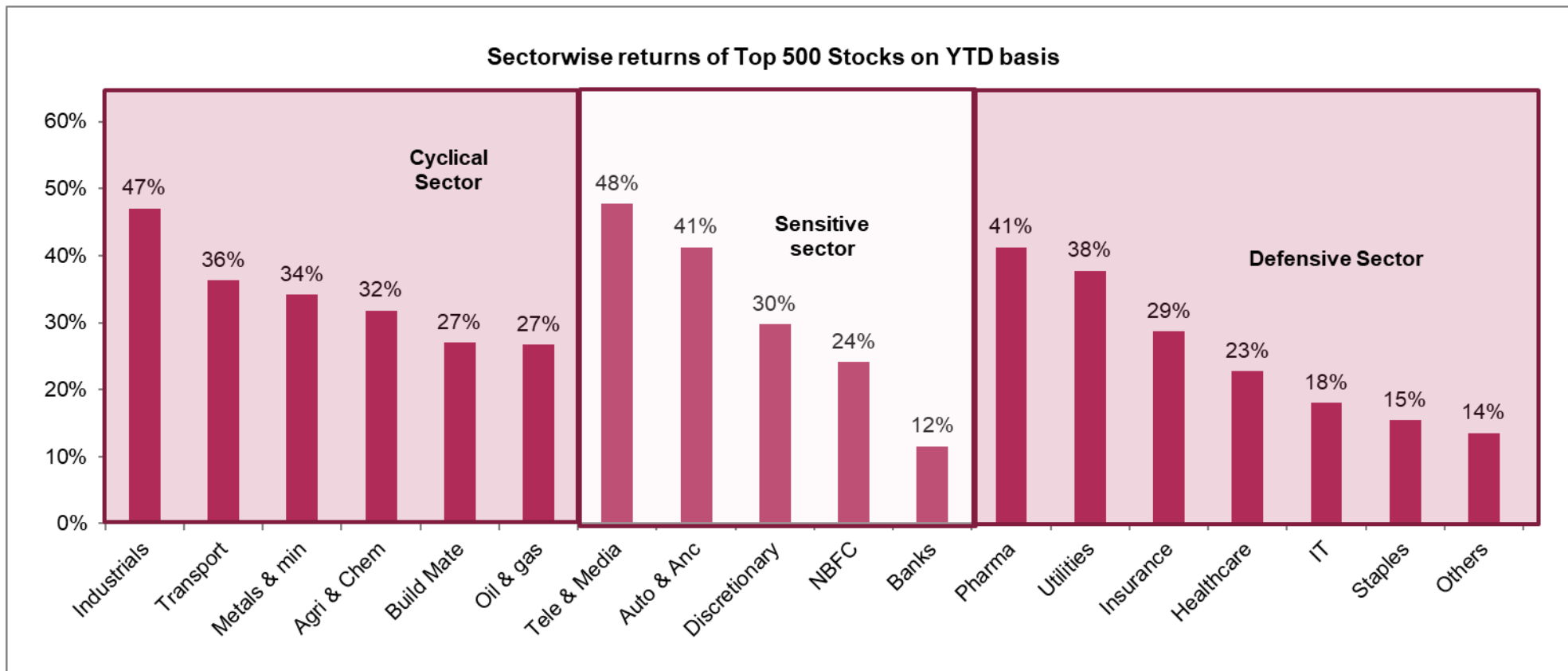
Regions	Actual Rainfall	Normal Rainfall mm	% from LPA
Northwest India	628.6	587.6	7
<i>Punjab</i>	314.8	439.8	-28
<i>Himachal Pradesh</i>	594.7	734.4	-19
Central India	1168.5	978	19
South Peninsula	815.5	716.2	14
East & northeast India	1178.7	1367.3	-14
<i>Bihar</i>	798.7	992.2	-20
<i>Arunachal Pradesh</i>	1200	1675.1	-28

Source: IMD, Department of Agriculture and Farmers Welfare, CWC

Equity Outlook: Market Breadth Narrowing; Emphasis On Style & Sector Rotation

What Has Happened in 2024 Till Now

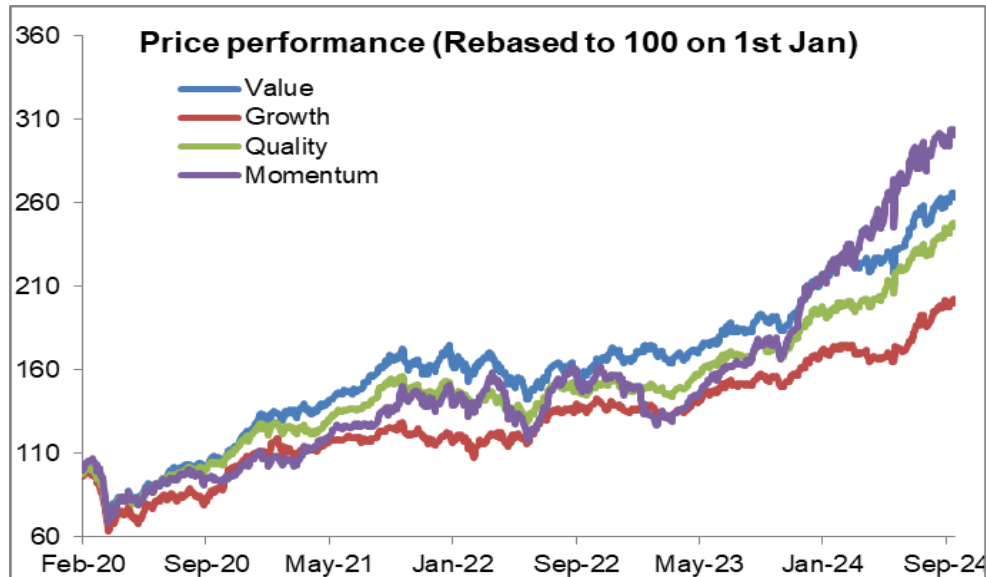
- Domestic cyclicals have outperformed the broader market; however, defensive sectors have seen a comeback in the last 1month/3month period
- Telecom and Auto have outperformed rate-sensitive plays
- Utility and Pharma are the clear winners in the Defensive sector



Source: Bloomberg, Axis Securities

After taking a backseat for a while, the 'Growth' style has come back in the last three months

- In the last three months, the 'Quality' and 'Growth' styles have outperformed the other styles by notable margins.
- In the last one year, Value, Quality and Momentum themes delivered the highest returns. However, Momentum was the dominating theme in the last 3-month and 6-month periods.
- Quality/Growth theme has made a comeback in the last 1/3 months.
- The theme 'Growth at a Reasonable Price' looks attractive on account of the robust growth expectation, the cool-off in commodity prices, lowering inflation, rural recovery, and the expectation of margin recovery in the upcoming quarters.
- The selected Value stocks from the PSU, Metals, Commodities, Utility, and Cement sectors are well-placed to deliver superior performance. Value stocks in the BFSI space have outperformed other themes for the last couple of months and their outperformance is likely to continue moving forward. Furthermore, a structural growth play offering long-term earnings visibility will continue to do well.



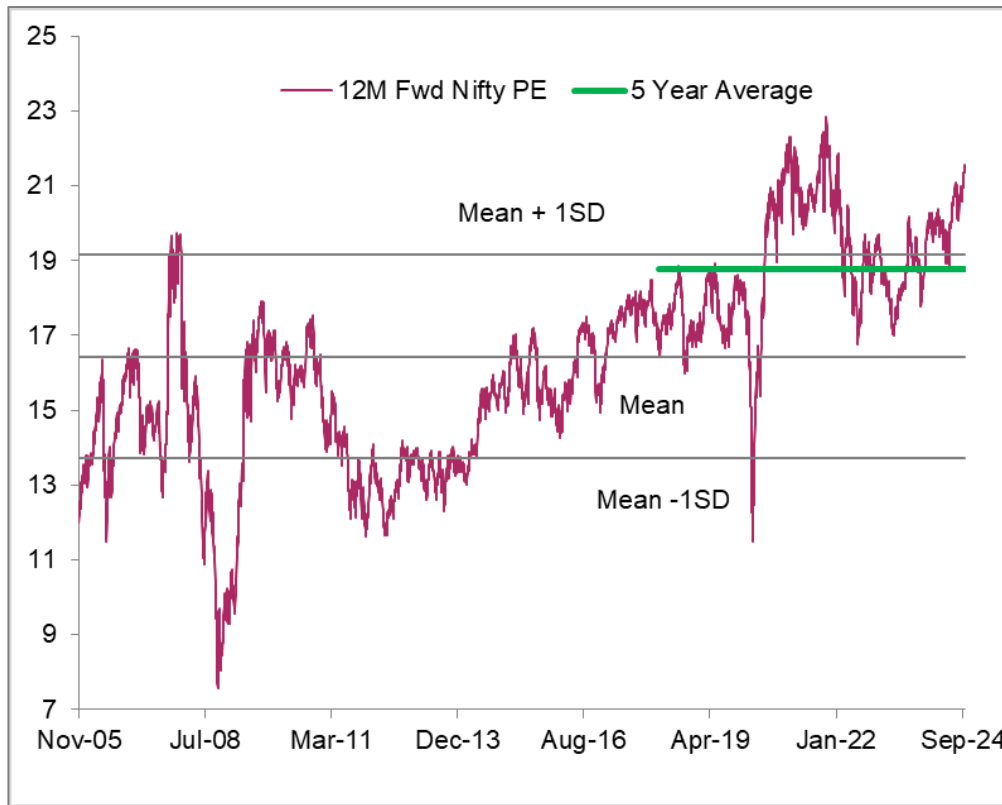
Source: Bloomberg, Axis Securities

Perf	Performance (%)			
	Value	Growth	Quality	Momentum
2020	24.9%	10.2%	22.6%	6.6%
2021	34.1%	8.8%	22.2%	32.6%
2022	-0.9%	12.4%	-0.9%	7.1%
1m	0.6%	1.0%	2.7%	-0.5%
3m	10.6%	15.5%	11.5%	9.7%
6m	18.2%	17.1%	23.6%	27.7%
1YR	38.8%	29.8%	43.4%	67.8%
2YR	68.8%	44.6%	67.2%	99.2%

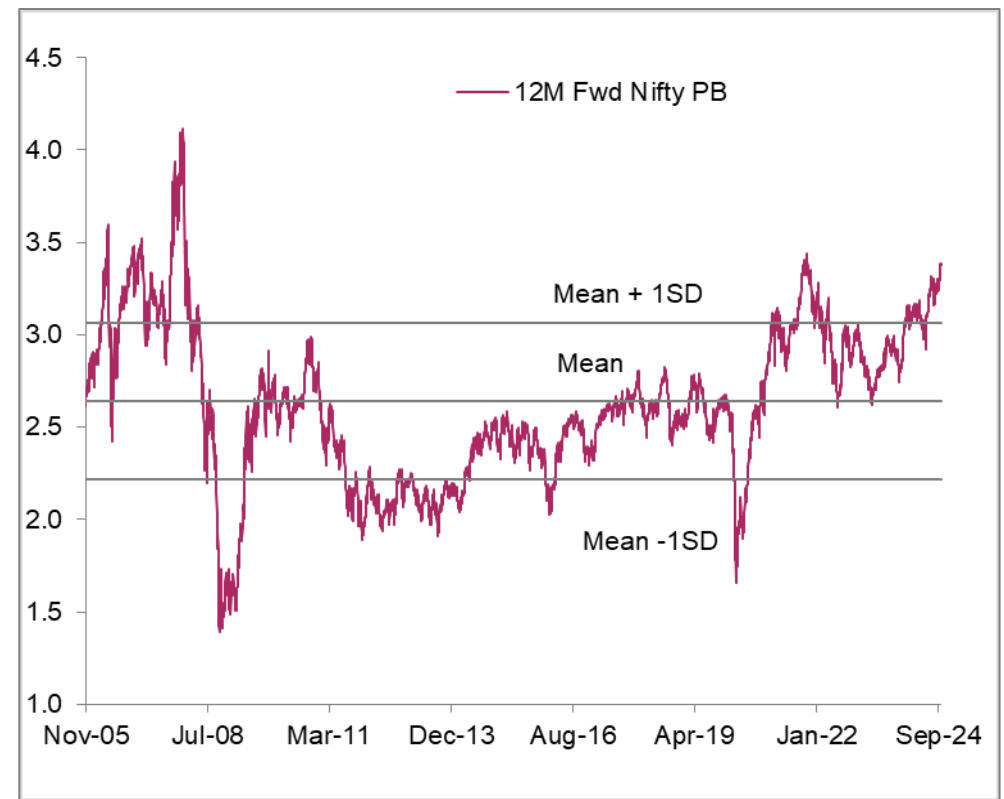
Market Valuations: 12M Fwd PE Now Trading at 21.5x

- NIFTY is currently trading at 21.5x on a 12M Fwd PE, which stands at 1.8std to its long-term average (16.2x). However, it is trading slightly above its long-term average of a 12M Fwd PB.
- Current valuations are slightly above its 5-year average (18.8x), providing a good entry point for long-term investors.
- Style rotation and sector selection are keys to generating alpha as earning expectations from the broader market remain intact.

Nifty 12M Fwd PE



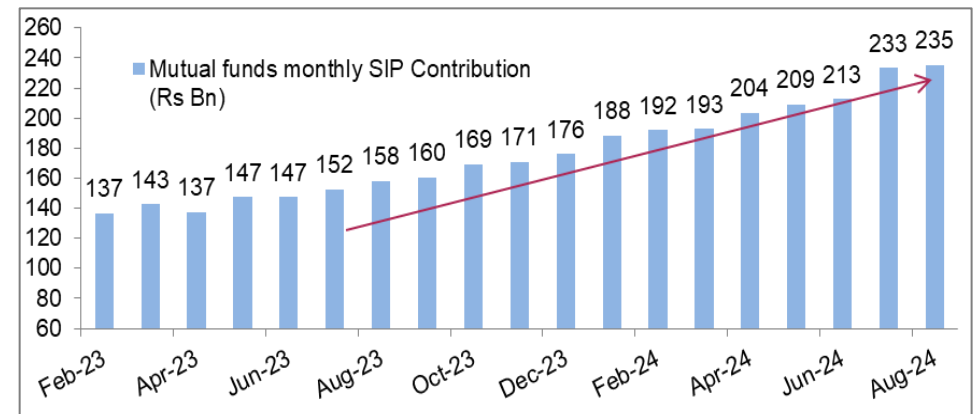
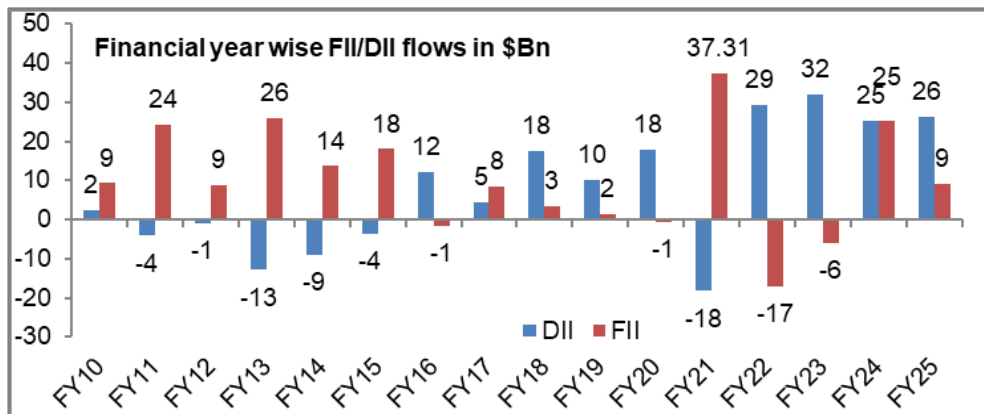
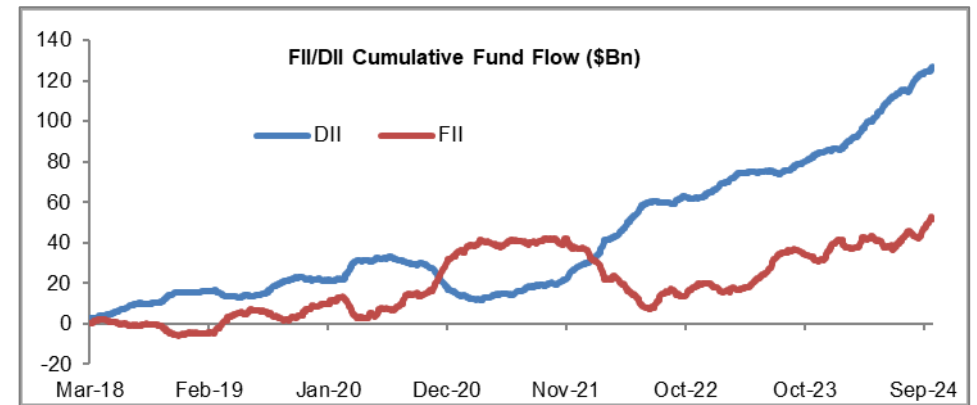
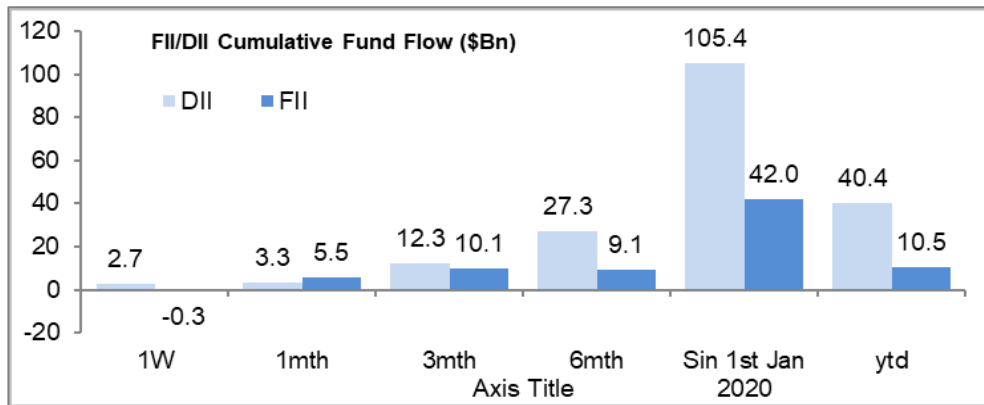
Nifty 12M Fwd PB



Source: Bloomberg, Axis Securities

FII's are Back with Positive Flows in the Last Three Months

Investors, both domestic and foreign, have actively demonstrated confidence in India's long-term growth narrative. In FY24, both FIIs and DIIs invested \$25 Bn each in the Indian equity market. After being net sellers in FY22 and FY23, FIIs regained confidence in FY24 and the sentiment was further reinforced by the BJP's big-bang performance in assembly elections in three out of four key states. Moreover, in FY25 so far, FIIs have invested \$9 Bn while DIIs have invested \$26 Bn over the same period. Mutual fund SIP contribution has crossed 23,000 Cr for the first time in Aug'24.



Source: Bloomberg, Axis Securities

Equity: Market Breadth Narrowing; Emphasis On Style & Sector Rotation

Our Take

- Macro factors continue to take centre stage
- Style rotation is the key; 'Growth at a Reasonable Price' might be the winner in the near term
- We roll over our base case Nifty target to Mar'25 at 24600

Sector View

Sectors	Current View
Automobile	Equal Weight
BFSI	Overweight
Capital Goods	Equal Weight
Cement	Equal Weight
Cons Staples	Equal Weight
Cons Disc	Equal Weight
IT	Equal Weight
Metals & Mining	Equal Weight
Oil & Gas	Equal Weight
Pharma	Equal Weight
Real Estate	Equal Weight
Sp Chemicals	Equal Weight
Telecom	Overweight

Our Top Picks: HDFC Bank, ICICI Bank, Dalmia Bharat, Nestle India, State Bank of India, HCL Tech, Lupin Ltd, Aurobindo Pharma, Federal Bank, Varun Beverages, TVS Motors, BhartiAirtel, J Kumar Infra, CIE Automotive India, WestlifeFood world, and Cholamandalam Invest and Finance

For detailed Note: [Click here](#)

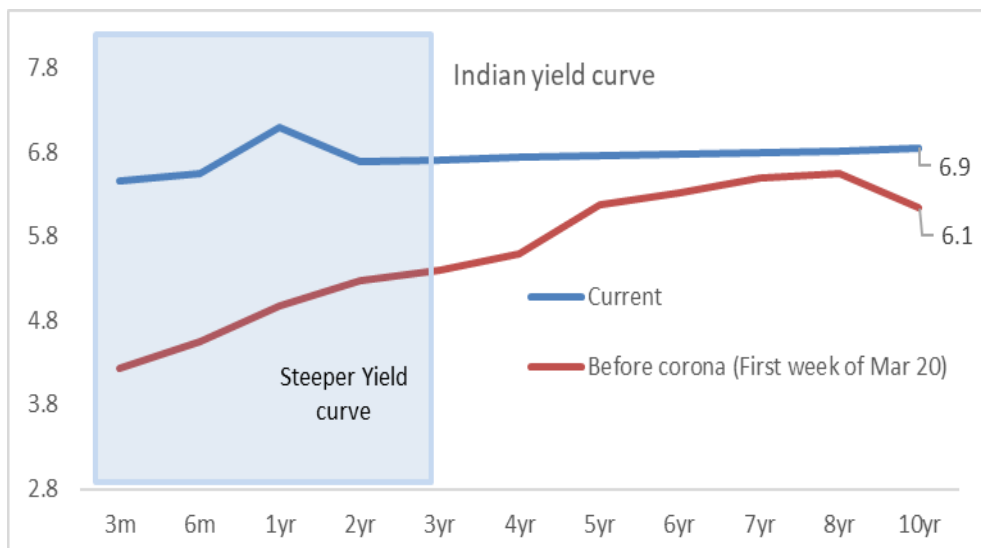
Fixed Income Outlook: Neutral

Thanks to monetary policy support, the slope of the yield curve has flattened since Oct'21, whereas it had been steep in the months before. On a positive note, in the MPC meeting of Oct'24, the RBI maintained the status quo and kept the policy rate unchanged for the 10th time at 6.5%. However, the RBI has change in stance from 'Withdrawal of Accommodation' to 'Neutral' was on expected lines. This has set the stage for a rate cut and we expect a rate cut announcement in the Feb'25 meeting.

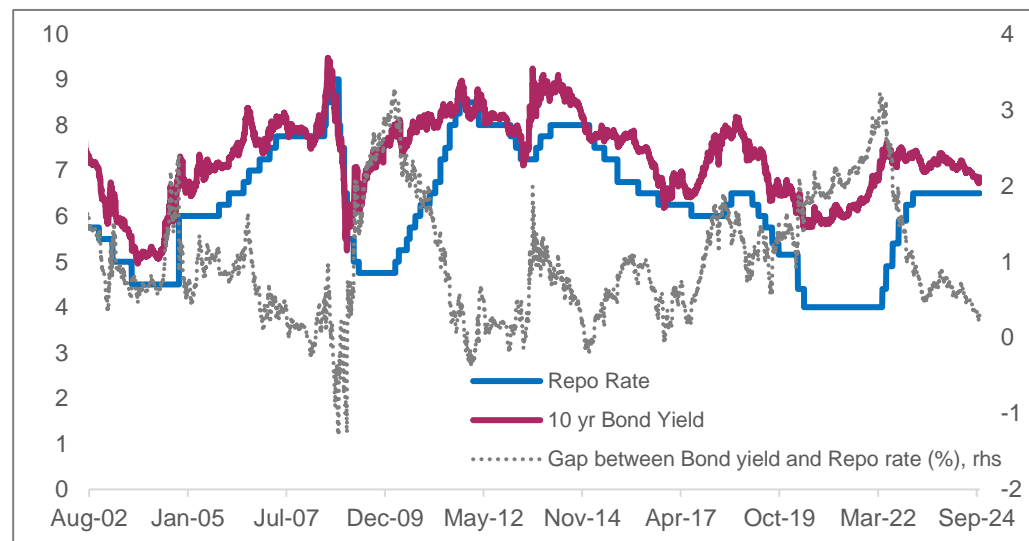
The regulator has maintained its growth and inflation forecast for FY25 with a few minor tweaks. While growth in Q1FY26 is expected to hold up well, inflation is expected to continue to hover over the targeted mark of 4%. RBI has maintained the FY25 GDP growth rate at 7.2% led by improved agricultural activities, and improvement in the prospects of rural consumption. Adding to that, government Capex and visible signs of a pickup in private investments would drive the fixed investment activities going forward. Governor also highlighted that with good extended monsoon the current moisture level is soil is high and the reservoir levels are also high as compared to the past indicating the possibility of good rabi crop.

We expect the yield curve to flatten, with the shorter end of yields rising in FY25 relative to the higher end of yields. In addition, the upper end of yields will remain cautious due to policy normalisation and volatility in the global market. Additionally, the market will continue to monitor the volatility in Brent Crude Oil and Commodity Prices, the direction of the dollar, and global policy changes in the near term.

India Yield Curve



Bond yields are trading at 49bps above the repo rate



Source: Bloomberg, Axis Securities, Data up to 7th Oct'24

Gold Outlook: Neutral

Gold Continues to be A Preferred Asset Class In 2024

Gold emerged as one of the best-performing asset classes for 2024, with prices rising by 14% in INR terms till the end of May'24. In the last one/three months, prices were volatile and recovery was seen in Sep'24, especially after the 50bps rate cut by the US FED during the mid-Sep'24. This strong rally pushed gold prices above \$2672/oz (on 26th Sep'24) for the first time in recent months. The positive momentum in gold prices was driven by a 50-bps rate cut by the US FED and the expectation of two rounds of 25-bps rate cuts in the remaining part of 2024, increasing geopolitical tensions, central bank purchases, and rising volatility in the equity markets. In the recent budget announcement, the customs duty on the import of Gold was reduced to 6% from 15% earlier; this has led to price cuts in the domestic market. With this development, Gold prices declined by 4% in INR terms in Jul'24 but recovered by 4%/5% in Aug/Sep'24.

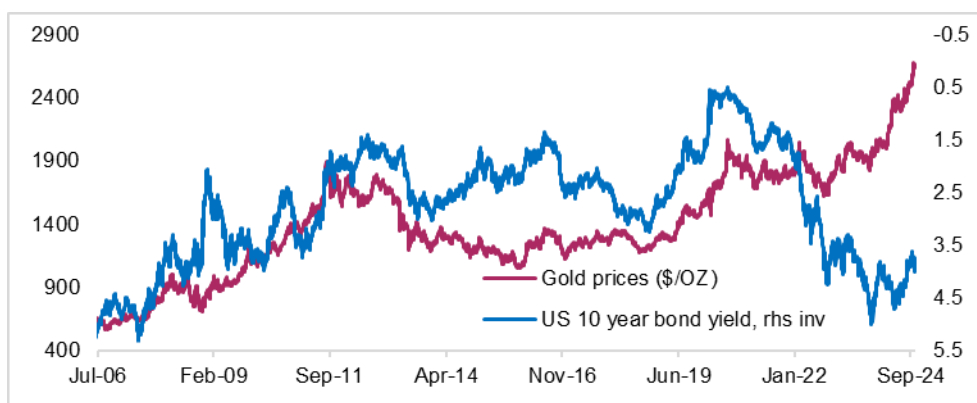
Going forward, we believe Gold will continue to have an edge over other asset classes in 2024. It will be seen as a tool to facilitate the flight to safety as the risk of a slowdown in the US market will continue to support the gold prices. **Fundamentally, the price of Gold is inversely related to bond yields and any weakening in yields will continue to have a positive impact on the price of Gold.**

Given current macroeconomic developments, Gold will remain a preferred asset class until uncertainties surrounding the Russia-Ukraine and Middle East crisis subside and will continue to attract investment as a proven hedge against other asset classes. Gold prices will continue to find support from prevailing geopolitical risks as well as concerns over growth and inflation pressures in the global environment. **We maintain our neutral stance on Gold and recommend a 'Buy on Dips' strategy.**

Why continue to remain invested in Gold

- **Low yield:** Low yields are the driving force for the Gold rally. With central banks at the peak of the rate hike cycle, Gold will continue to attract investments in the near future.
- **Slowdown risk** mounts over the US market and Gold will continue to look **attractive as a hedging instrument** to balance the risk.
- **Gold is the best anti-inflation asset.**
- **Gold provides 'flight for safety' given the recent geopolitical conflict.**

Gold vs. US 10-year bond yield



Source: Bloomberg, Axis Securities

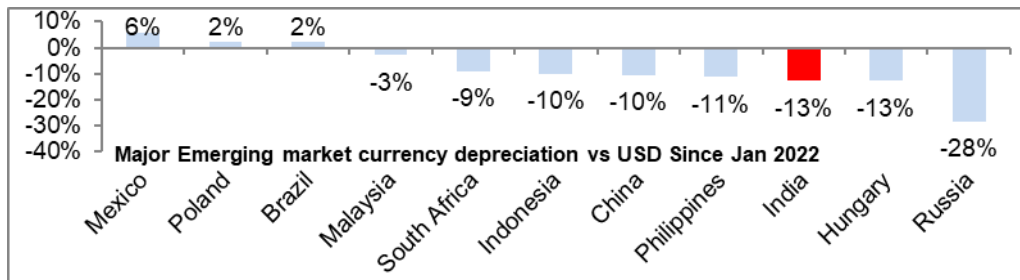
Gold Prices Performance

% Returns of Gold vs. Dollar			
	MCX Gold prices (INR/10gm)	Gold prices (\$/OZ), rhs	USDINR
Mar-24	8%	9%	1%
Apr-24	4%	3%	0%
May-24	2%	2%	0%
Jun-24	0%	0%	0%
Jul-24	-4%	5%	0%
Aug-24	4%	2%	0%
Sep-24	5%	5%	0%
2023	14.9%	13.1%	0.6%
2022	14.4%	-0.3%	11.3%
2021	-4%	-4%	2%

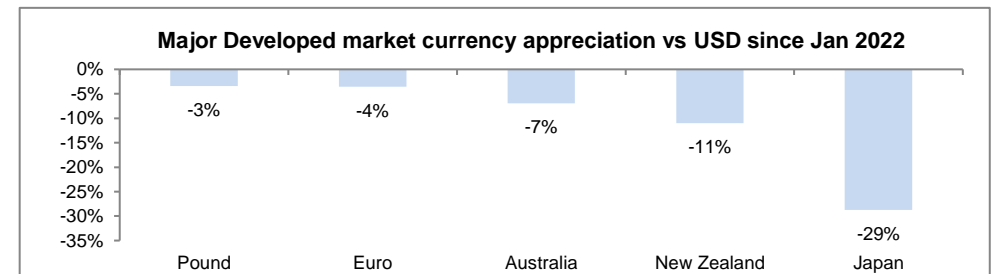
Currency Outlook

- The Indian currency remained range-bound and relatively stable over the past three months, in contrast to the volatility seen in earlier months. Some weakness in the USD was observed mid-month, driven by expectations of a 50bps rate cut, signaling potential weakness in the US economy. However, the USD regained strength later in the month following positive commentary by the US FED on the economy. Additionally, the USD strengthened further due to expectations of two more rate cuts in 2024 and escalating tensions in the Middle East. The Indian currency performed well recently, supported by an all-time high level of foreign exchange reserves compared to other EM countries.
- From now on, market commentary is likely to shift towards the softening of interest rates. Additionally, the direction of bond yields, the dollar index, inflation, developed market growth, and commodity price movements remain critical to the currency market. In the Oct'24 MPC, the RBI maintained the status quo, leaving the repo rate unchanged at 6.5% and changed the stance from withdrawal on accommodation to Neutral indicating RBI is preparing the market for Rate cut in next 6 to 12 months. As we approach the peak of the interest rate cycle, the currency market is anticipated to stabilize in the coming months, although this will remain contingent on evolving data.
- **Key events deciding the currency market direction moving forward are 1) Interest-rate decision in the upcoming FOMC meeting; 2) Development towards the US election; 3) Path towards fiscal prudence; 4) Direction of the Oil prices; 5) Direction of the commodity process; 6) Inflation and growth dynamics, and 7) The direction of the foreign flows**

Major Emerging Market Currency Depreciation vs. USD since Jan'22



Major Developed Market Currency Appreciation vs. USD since Jan'22



Source: Bloomberg, Axis Securities

Asset Allocation: Key for Long-Term Wealth Creation

Top performer

- Equity:9 years
- Gold:6 years
- Debt:3years

➤ *Asset diversification is the key to maximize returns*

➤ *Returns of asset classes vary in different cycles. Asset allocation is the key to maximize returns while reducing risk.*

Year	Calendar Year Returns (%)				Portfolio	Portfolio return rank among asset classes	Portfolio return > Equity Return
	Equity	Gold	Debt	FD			
2004	6.9%	0.8%	-0.4%	5.5%	3%	3	
2005	36.3%	21.1%	4.8%	5.5%	20%	3	
2006	39.8%	21.3%	4.0%	7.5%	21%	3	
2007	54.8%	14.4%	6.9%	8.3%	27%	2	
2008	-51.8%	28.6%	9.1%	9.5%	-12%	4	YES
2009	75.8%	22.4%	3.5%	6.0%	35%	2	
2010	17.9%	24.2%	5.0%	7.8%	13%	3	
2011	-24.6%	31.8%	6.9%	9.3%	-2%	4	YES
2012	27.7%	12.9%	9.4%	9.0%	17%	2	
2013	6.8%	-7.9%	3.8%	9.0%	3%	4	
2014	31.4%	-6.0%	14.3%	8.5%	18%	2	
2015	-4.1%	-6.6%	8.6%	7.8%	1%	3	YES
2016	3.0%	10.1%	12.9%	6.9%	8%	3	YES
2017	28.6%	6.2%	4.7%	6.8%	15%	2	
2018	3.2%	7.7%	5.9%	6.7%	5%	4	YES
2019	12.0%	24.6%	10.7%	6.7%	13%	2	YES
2020	14.9%	28.2%	12.3%	5.1%	15%	2	YES
2021	24.1%	-4.1%	3.4%	5.1%	11%	2	

➤ *Portfolio returns are greater than Equity returns for 7/18 years.*

➤ *Portfolio returns are on the second rank for 8/18 years.*

Note: Equity represents the Nifty index, Gold is MCX Gold spot prices, Debt is the Crisil Composite Debt Index, FD is SBI Fixed deposit rates (1Yr to 2Yr). The portfolio is made up of Equity (40%), Debt (40%), Gold (15%), and FD (5%)

Asset Performance: During Different Market Events

Returns of different asset classes vary during different market events one can manage downside risk through the right asset allocation. **Notably, Multi-asset portfolio returns have been better than equity returns for all correction events in the equity market.**

Year	Calendar Year Returns (%)					Equity Market phase Correction/Rally/Neutral	Portfolio return > Equity Return
	Equity	Gold	Debt	FD	Portfolio		
Event1	-59.1%	38.2%	7.8%	6.0%	-14%	Correction	YES
Event2	144.9%	34.2%	8.6%	7.8%	67%	Rally	
Event3	-19.3%	36.7%	8.6%	9.0%	2%	Correction	YES
Event4	7.6%	17.6%	8.3%	9.0%	9%	Neutral	YES
Event5	55.2%	-20.6%	11.0%	8.5%	24%	Rally	
Event6	29.9%	14.9%	8.2%	6.8%	18%	Rally	
Event7	-8.3%	1.3%	1.4%	6.7%	-2%	Correction	YES
Event8	-38.0%	4.8%	0.5%	6.7%	-14%	Correction	YES
Event9	45.5%	30.8%	8.6%	5.1%	27%	Rally	

	Period	Event	Equity Reaction
Event1	Jan-08 to Mar-09	GFC correction	Correction
Event2	Mar-09 to Nov-10	Post GFC rally	Rally
Event3	Nov-10 to Jan-12	Eurozone crisis	Correction
Event4	Jan-12 to Aug-13	UPA 2: Policy paralysis	Neutral
Event5	Aug -13 to Mar-15	BJP emerged as the biggest party, Oil price correction	Rally
Event6	Mar -15 to Jan -18	Global factor, Demon, Financialization	Rally
Event7	Jan -18 to Mar -18	Start of the US-china trade war, the LTCG tax	Correction
Event8	Jan -20 to Mar -20	Market correction due to pandemic	Correction
Event9	Mar -20 to Jul - 20	Post Lockdown rally	Rally

Note: Equity represents the Nifty index, Gold is MCX Gold spot prices, Debt is the Crisil Composite Debt Index, and FD is SBI Fixed deposit rates (1yr to 2yr). Portfolio is made up of Equity (40%), Debt (40%), Gold (15%), FD (5%)

Multi-Asset Portfolio: Rolling Returns

A multi-asset portfolio reduces the negative observations in three years. Volatility and Drawdowns also reduce post-diversification of equity investment into Debt and Gold.

1Yr Rolling Returns	Returns (%)			
	Equity	Gold	Debt	Portfolio
Average	16%	14%	7%	13%
Minimum	-57%	-18%	-1%	-37%
Maximum	99%	77%	16%	60%
Stdev	25%	17%	4%	14%
Max Drawdown	-60%	-18%	-9%	-38%
Negative observation	20%	23%	1%	11%
Return >10%	59%	52%	26%	55%

3Yr Rolling Returns	Returns (%)			
	Equity	Gold	Debt	Portfolio
Average	10%	11%	8%	9%
Minimum	-6%	-8%	5%	1%
Maximum	28%	36%	13%	22%
Stdev	6%	10%	2%	3%
Max Drawdown	-60%	-18%	-9%	-38%
Negative observation	4%	17%	0%	0%
Return >10%	46%	51%	12%	38%

5Yr Rolling Returns	Returns (%)			
	Equity	Gold	Debt	Portfolio
Average	10%	11%	8%	10%
Minimum	-2%	-3%	5%	3%
Maximum	21%	28%	10%	17%
Stdev	4%	9%	1%	2%
Max Drawdown	-60%	-18%	-9%	-38%
Negative observation	2%	9%	0%	0%
Return >10%	54%	49%	1%	32%

7Yr Rolling Returns	Returns (%)			
	Equity	Gold	Debt	Portfolio
Average	11%	12%	8%	10%
Minimum	4%	0%	5%	5%
Maximum	22%	26%	10%	17%
Stdev	3%	7%	1%	2%
Max Drawdown	-60%	-18%	-9%	-38%
Negative observation	0%	0%	0%	0%
Return >10%	54%	50%	0%	36%

Note: Equity represents the Nifty index, Gold is MCX Gold spot prices, Debt is Crisil Composite Debt Index, FD is SBI Fixed deposit rates (1yr -2yr). The portfolio is made up of Equity (50%), Debt (35%), Gold (15%)

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