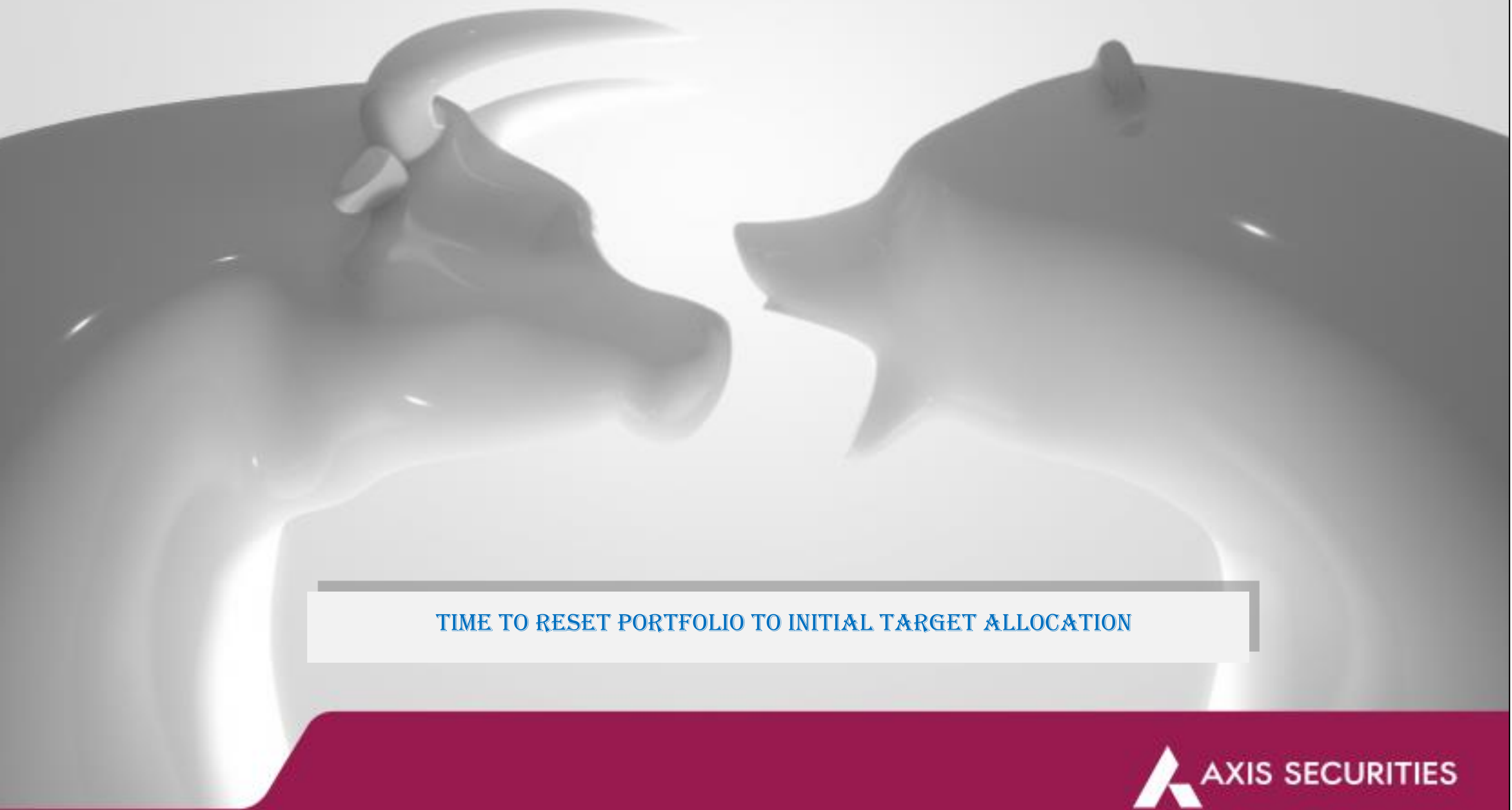
Multi Asset Strategy

September 2024



TIME TO RESET PORTFOLIO TO INITIAL TARGET ALLOCATION

AXIS SECURITIES

Time to reset Portfolio to Initial Target 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, the 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 Jul'24, indicating a strong pace toward a digitized India. The country witnessed a drop in electricity demand. The energy demand plummeted in Aug'24 by 4.8%. The dip in electricity usage was largely attributed to above-normal rainfall across the country, which reduced the need for cooling appliances like air conditioners and desert coolers. Healthy pick-up in the economic activities continued in Jul'24, making an all-time high record in E-way bill generation for Jul'24 at 10.5 Cr bills. The Services PMI recovered in Aug'24 to 60.9 making a five-month high as demand remained resilient amid easing inflationary pressures. Forex reserves surged to an all-time high in Aug'24, surpassing the previous high of $667 Bn in Jul'24. 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. Monsoon Rainfall is progressing well so far with an 8% excess till 4th Sep'24. This year, we saw 1.9% higher Kharif sowing till 27th Aug'24 owing to higher Pulses, Coarse cereals and Rice sowing.

Equities – Near-term Consolidation; Focus Remains on Style & Sector Rotation: We believe that with the recent run-up in the market, most of the narrative is already priced in. We see near-term consolidation in the market with style and sector rotation playing a meaningful role in alpha generation. 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. Based on these developments, some market positioning is likely to shift towards defensive names from the domestic cyclicals 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 Aug'24 MPC meeting and kept the policy rate unchanged at 6.5%. It has also maintained its stance on the withdrawal of accommodation while maintaining growth and inflation dynamics. The RBI governor also highlighted that the Indian economy has exhibited remarkable resilience over the past couple of months and the uptick is visible in most of the high-frequency indicators, thanks to the improved urban demand and the prospects of rural pickup. Furthermore, the RBI has maintained the FY25 GDP growth rate at 7.2%. The RBI remained consistent in its monetary policy statement and maintained its focus on removing the 'accommodation' stance in a calibrated manner. Inflation estimates have been retained at 4.5% for FY25. 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 in 2024, with prices rising by 14% in INR terms till the end of May'24. In the last three months, prices were largely flat vis-à-vis the positive momentum seen in earlier months. This strong rally pushed gold prices above $2,425/oz for the first time in recent months. The positive momentum in gold prices was driven by expectations of a rate-cut cycle, 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 has been reduced to 6% from 15% earlier, which has led to price cuts in the domestic market. With this development, Gold prices declined by 4% in Jul'24 in INR terms but grew by 5% in USD terms. However, in Aug'24, Gold prices went up by 4% in INR terms and by 2% in USD terms. 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, we believe that Gold will 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 Apr/May/Jun'24 in contrast to the volatility seen in the earlier months. However, some weakness was seen in INR during Jul'24 on account of the stronger dollar. In recent developments, the Bank of Japan (BOJ) increased its benchmark interest rate by 15 basis points to 0.25%. This move triggered the unwinding of carry trades in the global market, contributing to the further strengthening of the US dollar during the first week of Aug'24. Now, we are expecting one or two rate cuts in 2024, indicating a stronger USD for the remaining part of the year. As we approach the US election, scheduled in Nov'24, USD is expected to gain further momentum. **Key events deciding the currency market direction moving forward are 1) Interest-rate decision in the upcoming FOMC meeting, 2) Growth in the developed world, 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: Near-term Consolidation; Focus Remains 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 believe that it is time to review the entire portfolio and recalibrate it with the initial target allocation, which will help bring down 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: 28.3%
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: 27.5%
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: 17.2%
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: 16.1%
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: 14%
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: 8.9%
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: 7.2%

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**
Urea	1,65,217	1,31,100	1,28,594	1,19,000
Nutrition based	86,122	44,000	60,300	45,000
Petroleum	**6,817**	**2,257**	**12,240**	**11,925**
LPG	6,817	2,257	12,240	11,925
Kerosene				
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**

Source: Union Budget Document 2024-25, Axis Securities

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
From Public Enterprises	*59,953*	*43,000*	*50,000*	*48,000*
From RBI & Financials Institutions	39,961	48,000	1,04,407	1,02,000
Disinvestment	46,035	51,000	30,000	50,000

Major Announcements for Infrastructure

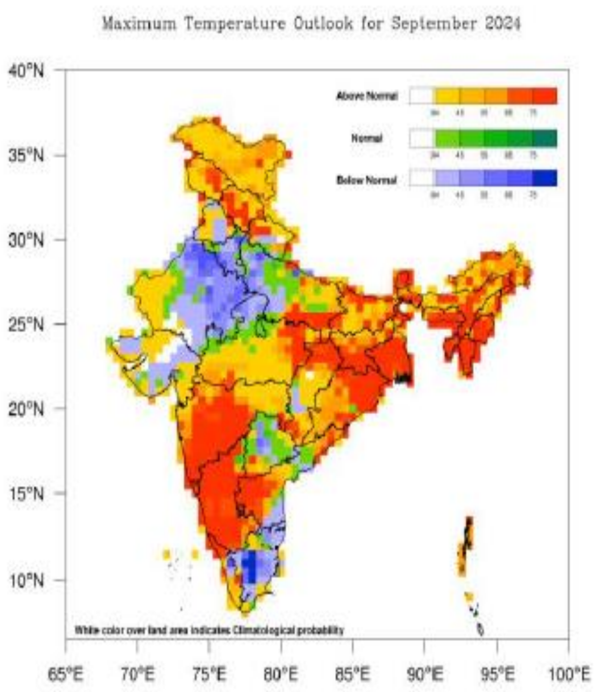
- Allocation to Railways has been increased to Rs 2.55 Lc Cr for FY25, reflecting a 5% increase over FY24 RE.
- Allocation to Road & Highways (NHAI) has been increased to Rs 1.68 Lc Cr in FY25
- Allocation to the Power sector has been increased to Rs 20,502 Lc Cr in FY25.
- Urban development continues 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.

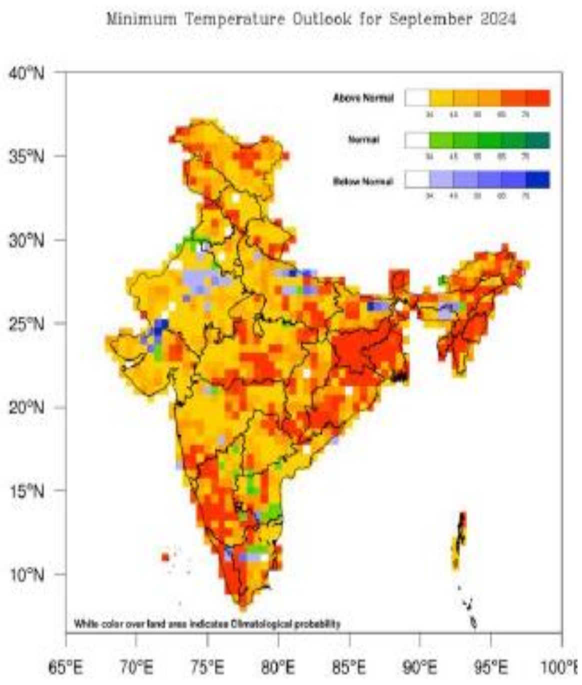
Infrastructure Budget (In Cr)	**2022-23 Actuals**	**2023-24 Budget Estimates**	**2023-24 Revised Estimates**	**2024-25 Budget Estimates**	**% Increase over FY24 RE**
Roads	2,17,089	2,70,435	2,76,351	2,78,000	1%
NHAI	1,41,661	1,62,207	1,67,400	1,68,464	1%
Railways	1,62,410	2,41,268	2,43,272	2,55,393	5%
Urban development	77,310	76,432	69,271	82,577	19%
Smart Cities+AMRUT	15,153	16,000	13,200	10,400	-21%
MRTS and Metro Projects	23,603	23,175	23,104	24,932	8%
Shipping	1,688	2,219	2,395	2,377	-1%
Sagar Mala Port	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%
PMAY (Urban)	28,553	25,103	22,103	30,171	37%
PMAY (Rural)	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%

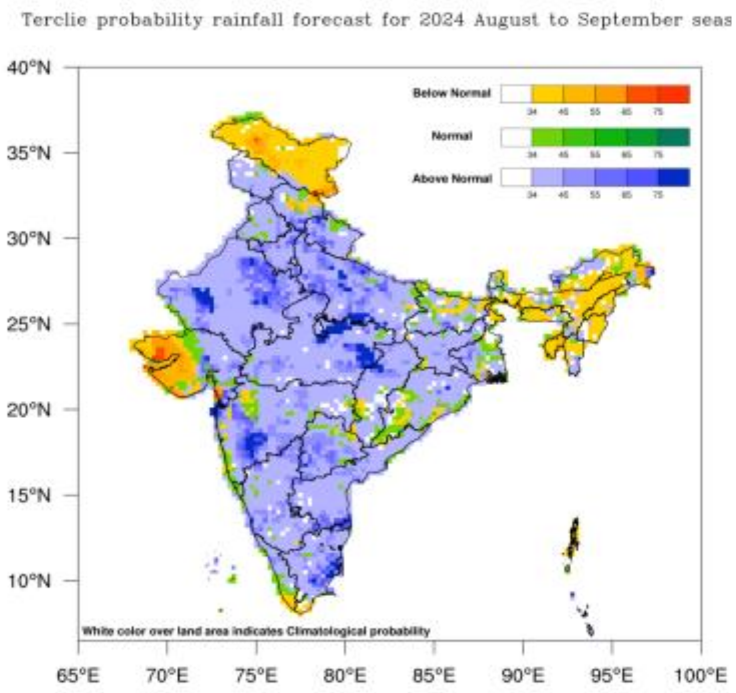
Source: Union Budget Document 2024-25, Axis Securities

Above-Normal Rainfall Expected During Aug-Sep’24

- The rainfall over the entire country during the second half of the southwest monsoon season (August to September) 2024 is most likely to be above normal, greater than 106% of the long-period average (LPA).
- In September 2024, IMD's latest forecast highlights that the maximum temperature is likely to be above normal over most parts of the country, except for some areas in northwest India, south peninsular India, and some pockets of east-central India, where normal to below-normal temperatures are likely. According to IMD forecasts, above-normal rainfall is most likely over most parts of the country.



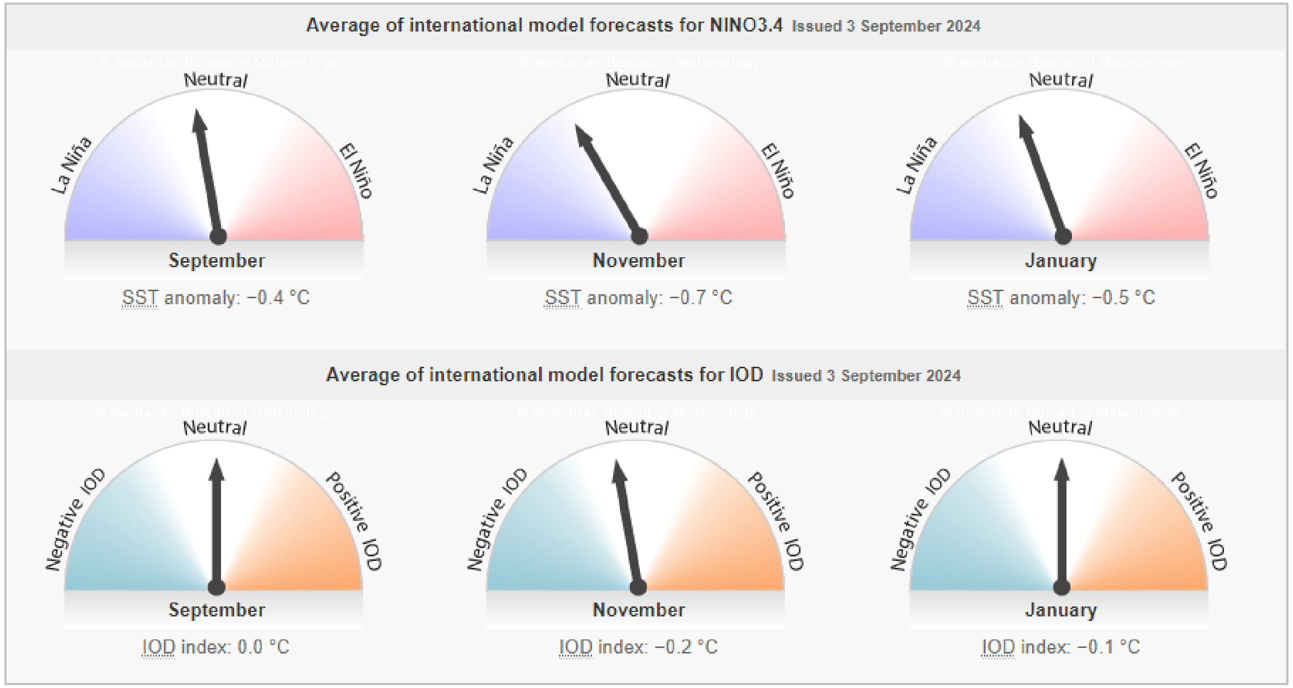


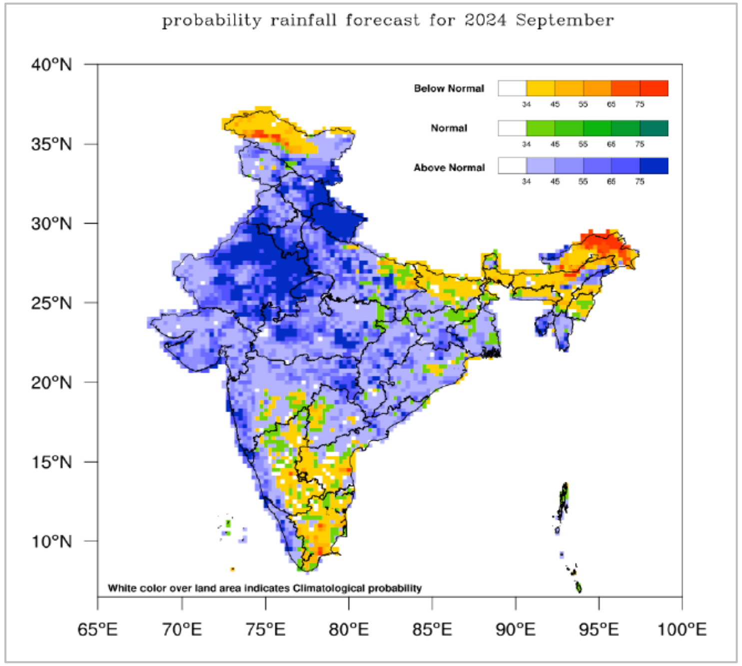


Source: IMD, Axis Securities

La Nina on the Horizon

- ENSO Outlook is at La Niña Watch due to some early signs that an event might form in the Pacific Ocean later in 2024. There is about an equal chance of neutral ENSO conditions in the same outlook period. Sea surface temperatures (SSTs) in the central Pacific have been steadily cooling since Dec'23. This surface cooling is supported by a significant amount of sub-surface cooling in the central and eastern Pacific. Recent cloud and surface pressure patterns are ENSO-neutral. The monsoon's performance is crucial for the Indian economy, particularly in rural areas, where the livelihoods of millions of farmers rely on monsoon patterns.
- La Nina refers to the periodic cooling of ocean surface temperatures in the central and east-central equatorial Pacific. Typically, La Nina events occur every 3 to 5 years or so, but on occasion can occur over successive years. La Nina represents the cool phase of the El Nino/Southern Oscillation (ENSO) cycle. The cooling of the tropical Pacific during La Niña events strengthens the southeast trade winds. These winds are a key factor influencing the Indian monsoon, which moves towards the inter-tropical convergence zone over India. Consequently, during a La Niña phase, above-normal rainfall is typically observed across the country.
- Based on data between 1951-2023, India experienced above-normal rainfall in the monsoon season on nine occasions when La Nina followed an El Nino event which occurred notably in 1950, 1973-76, 1988-2001, 2007, 2011and 2022 and had a significant impact on rainfall patterns in India. These events have often had a positive impact on crop harvests, consequently enabling stability in food prices.

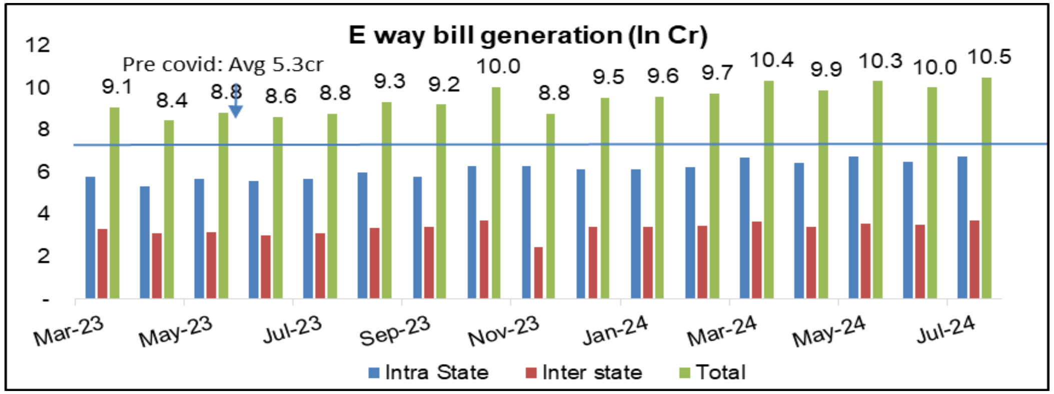


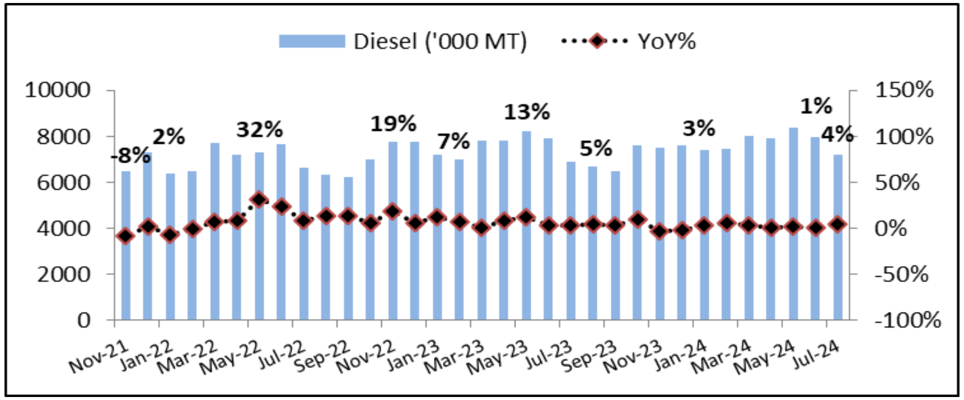


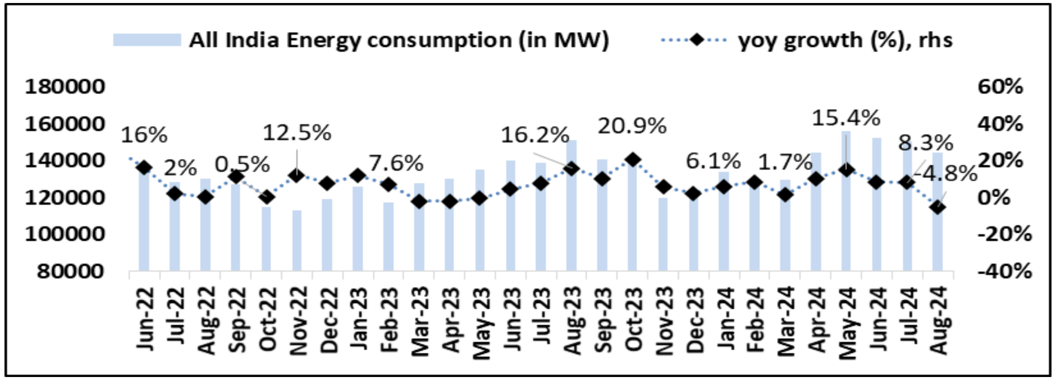
Source: Australian Bureau of Meteorology, IMD, Axis Securities

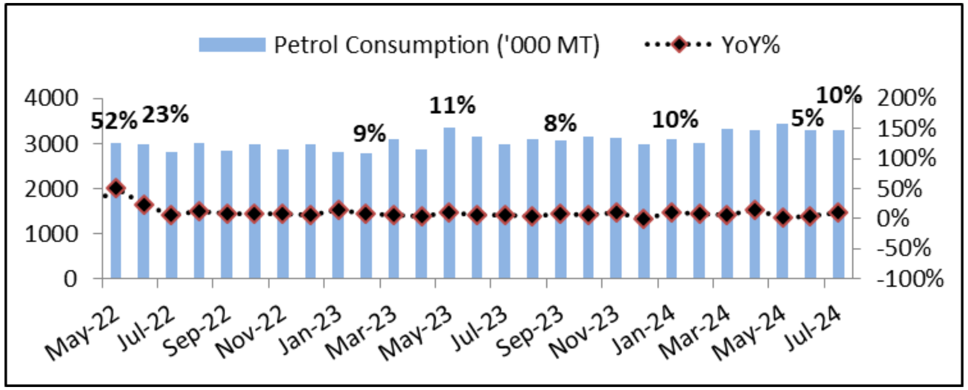
E-way Bill Generation at Record High, Healthy expansion in fuel consumption

- The country witnessed a drop in electricity demand with the energy demand plummeting by 4.8% in Aug'24. The dip in electricity usage was largely attributed to above-normal rainfall across the country, which reduced the need for cooling appliances like air conditioners and desert coolers. Healthy pick-up in the economic activities continued in Jul'24, making an all-time high record in E-way bill generation for Jul'24 at 10.5 Cr bills.
- Consumption demand for petrol and diesel in Jul'24 increased by 10% and 4% respectively. India's diesel and petrol consumption saw an uptick in Jul'24, reflecting the country's economic recovery and the growing industrial activities. Consumption levels are now above pre-COVID levels.





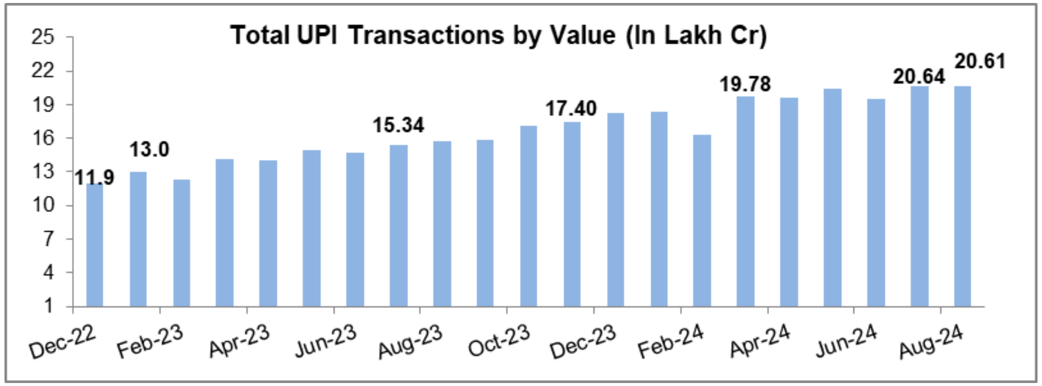


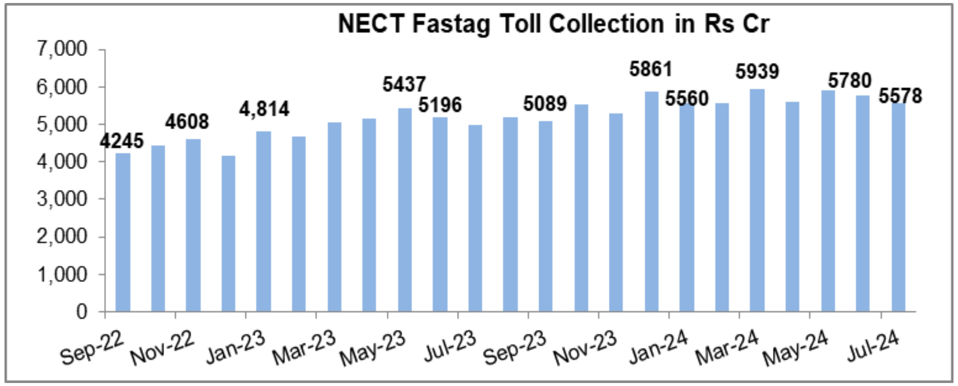


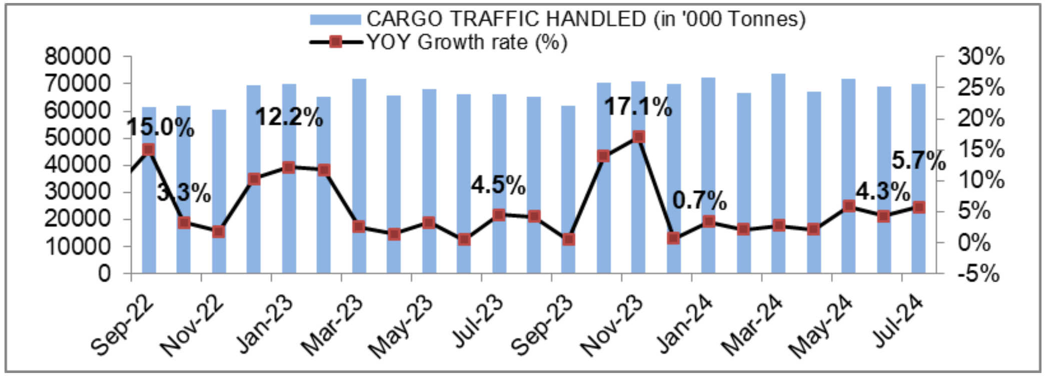
Source: Bloomberg, GSTN, POSOCO, PPAC, Axis Securities

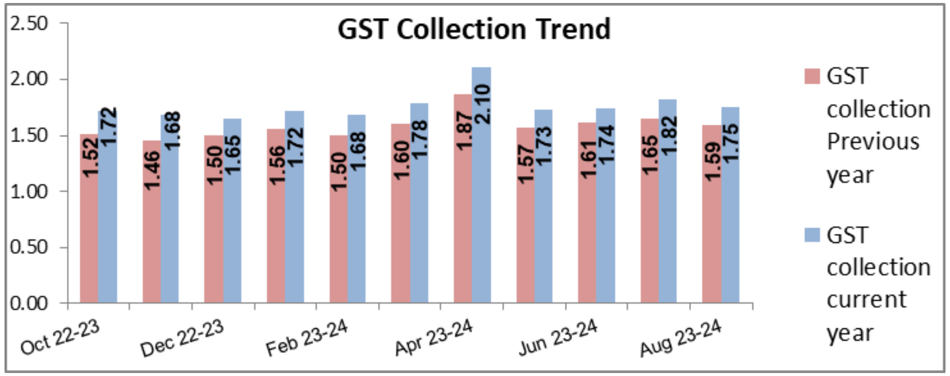
Robust Momentum in UPI Transactions and GST Collections

UPI transactions have shown a steady upward trend since their inception, reaching a record high in Jul'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 4% YoY. 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: PMI Services Remain Strong, Forex Reserves at an All-time High

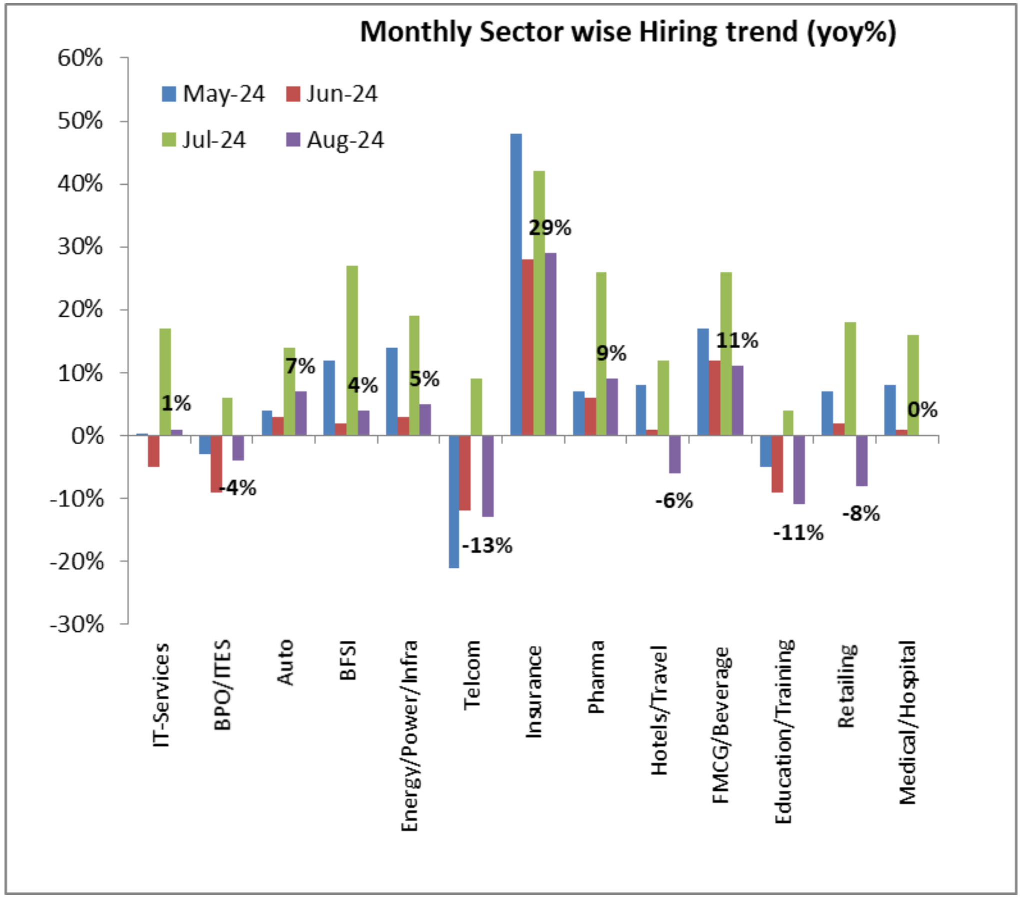
The Services PMI recovered in Aug’24 to 60.9 making a five-month high. This was due to resilient demand driven by easing inflationary pressures with input costs rising at their slowest pace in six months across both manufacturing and services sectors, which led to a deceleration in output price inflation. The services sector has consistently remained above the threshold of 50, which indicates an expansionary phase. Manufacturing PMI however, slumped further to 57.5 in Aug’24 after hitting a sixteen-year high at 59.1 in Mar’24. The slowdown can be attributed to Indian manufacturers recording softer increases in new orders and output during the month. The optimism has been maintained in Aug’24 due to softening of material costs and continued improvement in operations. GST revenues stood at 1.74 Lc Cr, thus remained above the 1 Lc Cr mark for 30 consecutive months – an impressive sign of the government's tax collection and overall fiscal position. GST made a record high of 2.10 Lc Cr in Apr’24. Following a decline in Feb’23, Forex reserves surged to an all-time high in Aug’24, surpassing the previous high of $667 Bn in Jul’24. In Aug’24, Forex reserves increased to $681.7 Bn, driven by the appreciation or depreciation of 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.

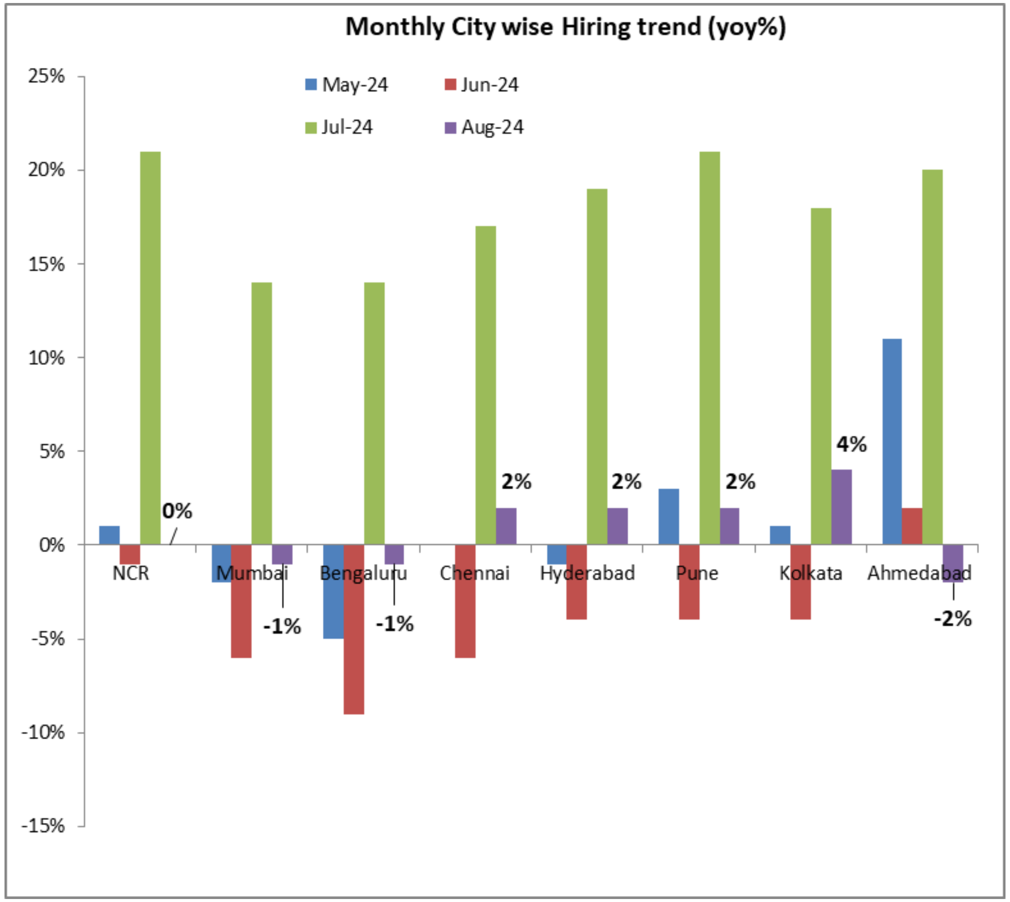
Macro	Month	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
Forex reserves ($ Bn)	Aug-24	586.9	586.1	597.9	623.2	616.7	619.1	645.6	637.9	651.5	652.0	667.4	681.7
FDI ($ Mn)	Jun-24	2780	7269	3696	-2159	6301	1544	-143	4880	4972	652		
Exports (YoY%)	Jul-24	-2.6%	6.2%	-2.8%	1.0%	3.1%	11.9%	-0.7%	1.1%	9.1%	2.5%	-1.5%	
Imports ($ YoY%)	Jul-24	-15.0%	12.3%	-4.3%	-4.8%	3.0%	12.2%	-6.0%	10.3%	7.7%	5.0%	7.5%	
IIP YoY%	Jun-24	6.4%	11.9%	2.5%	4.4%	4.2%	5.6%	5.5%	5.0%	6.2%	4.2%		
CPI YoY%	Jul-24	5.0%	4.9%	5.6%	5.7%	5.1%	5.1%	4.9%	4.8%	4.8%	5.1%	3.5%	
WPI YoY%	Jul-24	-0.1%	-0.3%	0.4%	0.9%	0.3%	0.2%	0.3%	1.2%	2.7%	3.4%	2.0%	
PMI Manufacturing	Aug-24	57.5	55.5	56	54.9	56.5	56.9	59.1	58.8	57.5	58.3	58.1	57.5
PMI Services	Aug-24	61	58.4	56.9	59	61.8	60.6	61.2	60.8	60.2	60.5	60.3	60.9
Industry													
Cement Production yoy%	Jul-24	4.8%	17.0%	-4.8%	3.8%	4.0%	7.8%	10.6%	0.2%	-0.6%	1.9%	5.5%	
Steel Production yoy%	Jul-24	14.8%	13.6%	9.8%	8.3%	9.2%	9.4%	7.5%	9.8%	6.8%	6.7%	7.2%	
Electricity Gen yoy%	Jul-24	9.9%	20.3%	5.7%	1.2%	5.7%	7.6%	8.6%	10.2%	13.7%	8.6%	7.0%	
Coal Generation yoy%	Jul-24	-5.7%	-5.7%	10.9%	10.8%	10.6%	11.6%	8.7%	7.5%	10.2%	14.8%	6.8%	
Eight Core Industries yoy%	Jul-24	-9.6%	-9.6%	7.9%	5.1%	4.1%	7.1%	6.3%	6.9%	6.4%	5.1%	6.1%	
GST Collection (RsCrores)	Aug-24	1,62,712	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
Tractor Sales YoY%	Jul-24	-15.6%	-5.3%	1.5%	-21.3%	-14.5%	-25.7%	-19.5%	-2.9%	0.5%	3.5%	1.4%	
Domestic Air Pass YoY %	Jul-24	18.9%	10.5%	-1.5%	8.4%	4.4%	5.4%	3.7%	2.4%	3.9%	7.1%	7.4%	
Passenger Vehicles YoY %	Jul-24	3.1%	17.3%	4.3%	3.2%	13.9%	9.5%	8.9%	1.2%	4.2%	4.9%	-1.9%	2.0%
2 Wheeler's YoY %	Jul-24	0.8%	20.2%	31.3%	16.0%	26.2%	34.6%	15.3%	30.8%	10.1%	21.3%	12.5%	17.0%
Naukri Job Speak Index YoY%	Aug-24	-8.6%	1.2%	-23.3%	-15.6%	-11.1%	-7.5%	-10.8%	-2.7%	-1.8%	-7.6%	11.8%	-3.4%

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

Hiring Trends: Major Recovery Seen across Sectors and Geographies

In Aug'24, Sequential recovery was seen in the hiring activities. Recovery was commendable across most sectors, especially in Insurance, Auto, Pharma, and FMCG, while Hotels, Education, and Retailing lost momentum and reported negative growth rates. A major recovery in hiring trends across regions was also observed, with Kolkata, Pune, Chennai, and Hyderabad posting the highest growth rates while the hiring in Mumbai, Bengaluru and Ahmedabad slowed down.



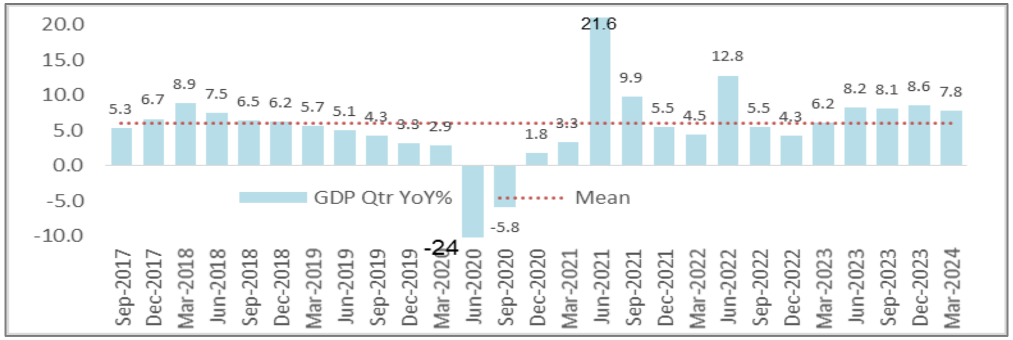


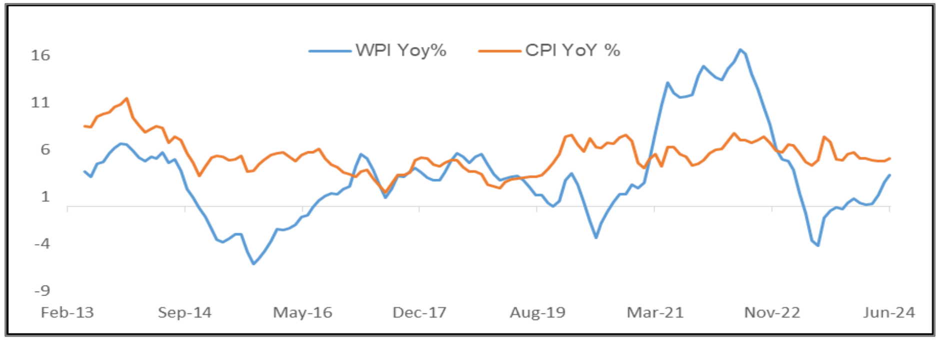
Source: Naukri Job speak Report, Axis Securities

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

- **GDP:** The country's GDP in Mar'24 was at 7.8%, which stood higher than the consensus expectation of 7%. GDP growth was led by robust expansion in investments and government revenue expenditure. FY24 full-year GDP now stands at 8.2% vs. the 7% growth registered in FY23.
- **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 Aug'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 has expressed its support 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	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
Deposit Growth YoY%	Aug-24	13.2%	13.4%	13.6%	13.3%	13.2%	13.1%	13.5%	13.3%	14.8%	11.1%	10.6%	10.8%
Credit Growth (YoY%)													
Non-Food Credit	Jul-24	20.0%	19.8%	20.8%	20.1%	20.4%	20.5%	20.2%	19.1%	19.8%	17.4%	13.7%	
Agri& Allied Activity	Jul-24	19.4%	17.5%	18.2%	19.5%	20.1%	20.1%	20.0%	19.8%	21.6%	17.4%	18.1%	
Industry	Jul-24	6.5%	5.4%	6.1%	8.0%	8.0%	8.9%	8.5%	7.4%	9.4%	8.1%	10.1%	
Services	Jul-24	28.3%	23.6%	25.4%	22.9%	24.9%	23.6%	23.5%	22.0%	23.2%	17.4%	14.0%	
Personal Loan (Retail)	Jul-24	33.2%	29.7%	30.1%	28.5%	28.8%	28.3%	27.5%	26.7%	28.7%	25.6%	14.4%	





Source: Bloomberg, RBI, MOSPI, Axis Securities

Cool-Off Continues in Commodity Prices

Led by policy tightening and expectations of slowing global growth, commodity prices continue to cool down. Among base metals, the most notable corrections have been observed in nickel and iron ore, which fell by 23%/33% respectively from their 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 20% below its peak. Natural gas has also experienced a sharp correction of 86% from its peak. Gold and silver prices have decreased by 1% and 11% respectively but are close to their 52-week highs in Aug'24. Agricultural commodities have seen significant declines in prices, with soybean oil, soybeans, sugar and wheat witnessing decreases of 36%, 29%, 31% and 24% respectively from their 52-week highs. Expectations of good monsoon conditions may enable further cooling down of prices in agricultural commodities.

	Commodity	Unit of Measurement	CMP	52w High Price	% down from 52w High
Base Metals	*Aluminium*	*$/metric ton*	2402	2721	-11.7%
	Copper	*$/metric ton*	9057	10801	-16.1%
	Zinc	*$/metric ton*	2790	3086	-9.6%
	Lead	*$/metric ton*	2025	2306	-12.2%
	Nickel	*$/metric ton*	16384	21339	-23.2%
	Iron Ore	*$/metric ton*	97	145	-32.9%
Energy	*Natural Gas*	*$/MMBtu*	2	13	-85.6%
	Crude oil brent	*$/bbl.*	77	97	-20.4%
	Heating OIL	*$/gallon*	229	348	-34.3%
Precious Metals	*Gold*	*$/OZ*	2505	2525	-0.8%
	Silver	*$/OZ*	28	32	-11.4%
Agricultural	*cotton*	*INR/bale (170 kg)*	59000	62820	-6.1%
	corn	*$/bu.*	378	505	-25.2%
	Soybean Meal	*$/ton*	310	474	-3.2%
	Soybean oil	*$/lb.*	42	67	-36.2%
	Soybeans	*$/bu.*	989	1385	-28.6%
	Wheat	*$/bu.*	533	700	-23.9%
	Sugar	*$/lb.*	19	28	-30.7%
	Cocoa	*$/metric ton*	9569	11878	-19.4%
	coffee	*$/lb.*	248	260	-4.7%
	Rice	*$/cwt*	15	20	-23.2%
	Oats	*$/bu.*	329	479	-31.4%

Source: Bloomberg, NSE, Axis Securities, Data as of 3rd Sep'24

Smooth sowing in the economy – Better than expected monsoon across the country

- Monsoon Rainfall is progressing well so far with an 8% excess till 4th Sep'24.
- The monsoon is progressing well across the country except for a 13% deficit 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 31st Aug'24, the live water storage of 155 reservoirs in different parts of the country was at 180.58 Billion cubic meters (BCM) vs. 178.184 BCM during the last year (150 reservoirs). In terms of utilization, storage is 70.15% vs. 69.35% last year.
- This year, we saw 1.9% higher Kharif sowing till 27th Aug'24 owing to higher Pulses, Coarse cereals and Rice sowing. However, delayed sowing is displayed in Jute due to delayed monsoon in key areas.
- Optimism can be observed in Pulses, Coarse Cereals, and Rice while pain can be seen in Jute and Meta.

	2024	2023	Change %
Rice	394.3	378.0	4.3
Pulses	122.2	115.6	5.7
Coarse Cereals	185.5	177.5	4.5
Oilseeds	188.4	187.4	0.5
Jute & Meta	5.7	6.6	-13.1
Total	**1065.1**	**1044.9**	**1.9**

Monsoon Rainfall

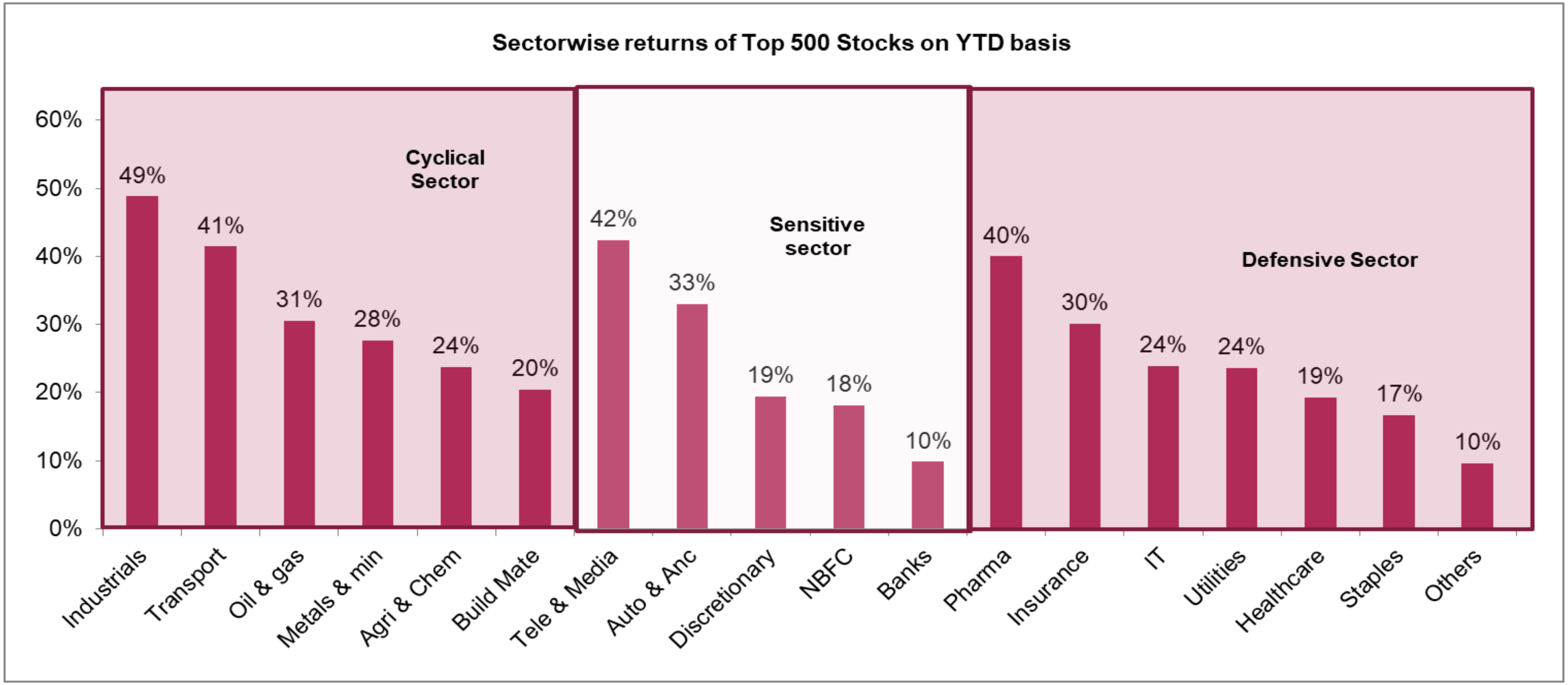
Regions	Actual Rainfall	Normal Rainfall mm	% from LPA
Northwest India	522.9	505.4	3
Punjab	294.7	378.6	-22
Himachal Pradesh	506.6	636.9	-20
Central India	972.8	832.3	17
South Peninsula	725.6	576.9	26
East & Northeast India	973.9	1122.8	-13
Bihar	588.9	803.7	-27
Arunachal Pradesh	1090.8	1371.3	-20

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

Equity Outlook: Near-term Consolidation; Focus Remains on Style & Sector Rotation

What Has Happened in 2024 Till Now

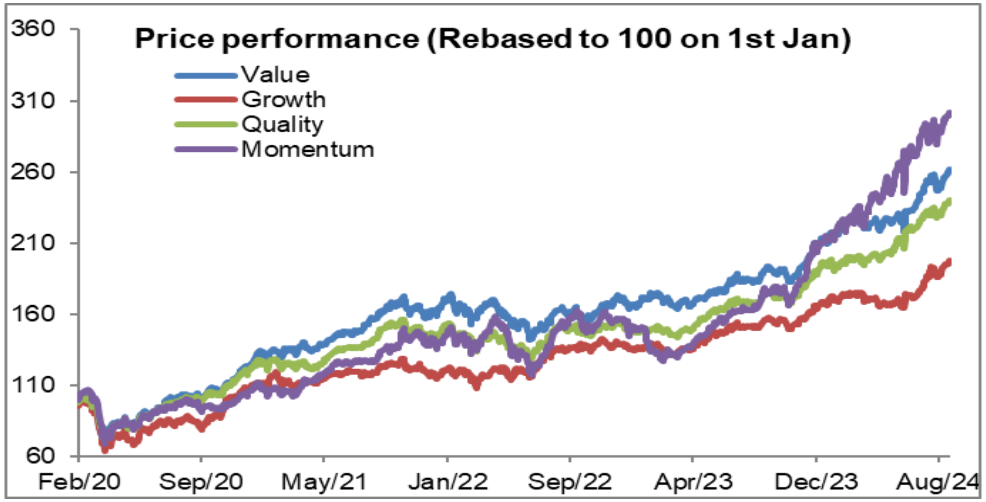
- Domestic cyclicals have outperformed the broader market
- Telecom and Auto have outperformed rate-sensitive plays
- Utility (due to Adani stocks) and Pharma are the clear winners in the Defensive sector



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 'Value' 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.
- Over the 2-year duration, Value and Momentum themes have been the most dominating themes in the market.
- 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.



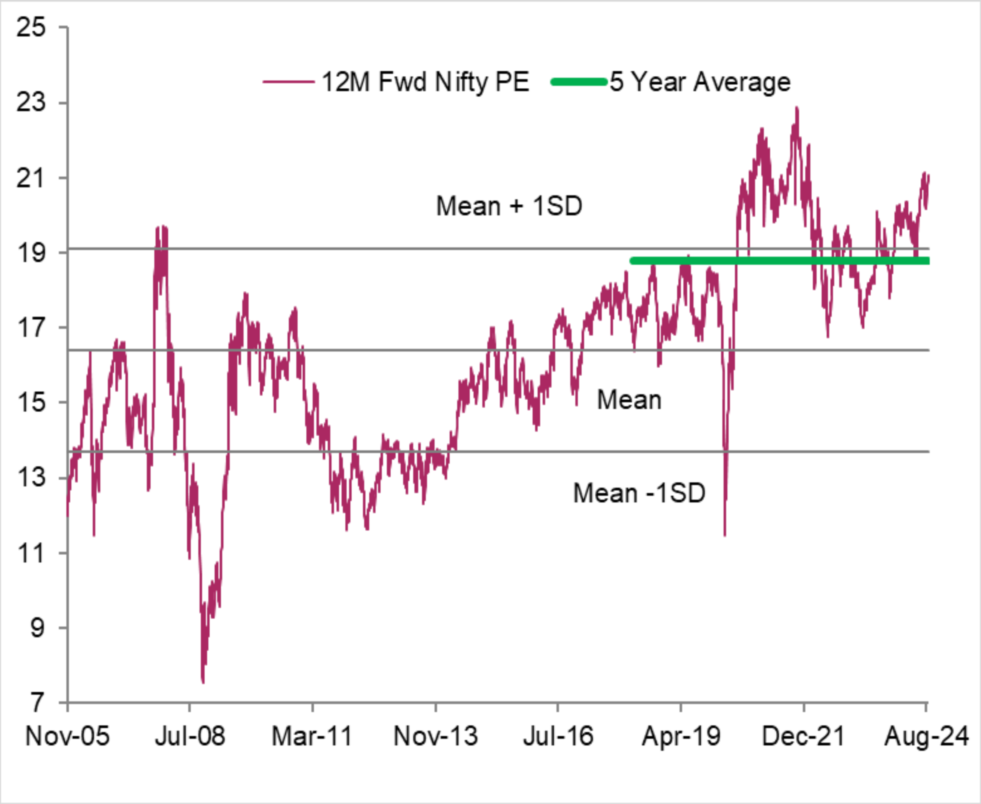
Source: Bloomberg, Axis Securities

	Performance (%)			
Perf	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	1.4%	2.7%	2.0%	1.7%
3m	16.8%	20.5%	14.6%	15.4%
6m	16.8%	13.8%	20.9%	33.1%
1YR	43.4%	31.4%	42.9%	81.6%
2YR	61.5%	44.2%	58.5%	91.1%

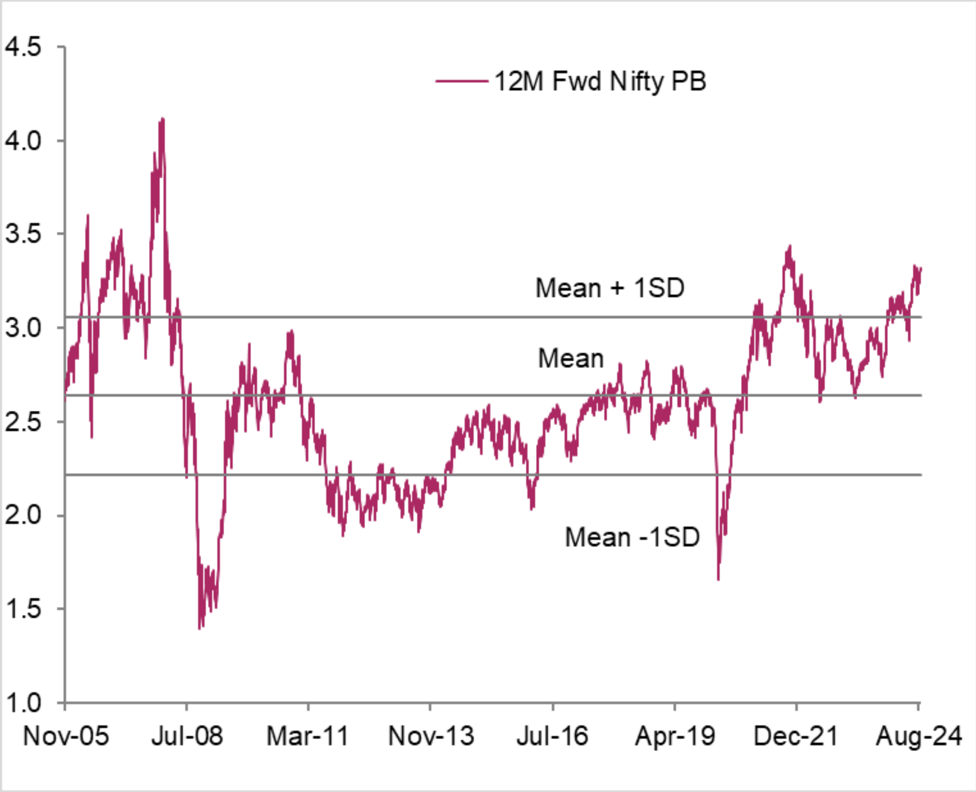
Market Valuations: 12M Fwd PE Now Trading at 21x

- NIFTY is currently trading at 21x on a 12M Fwd PE, which stands at 1.7std to its long-term average (16.2x). However, it is trading slightly above its long-term average on 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



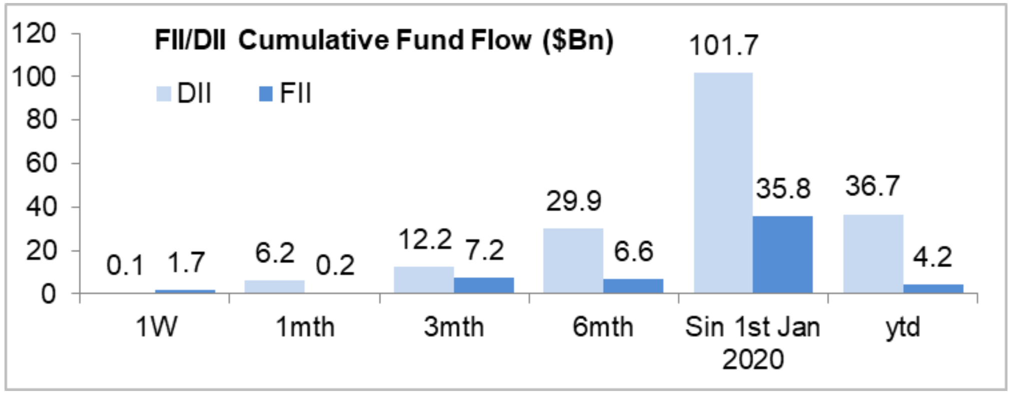
Nifty 12M Fwd PB

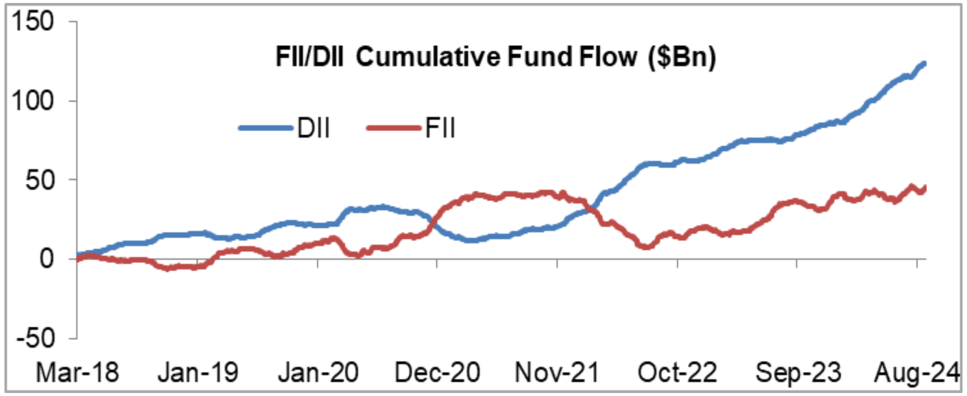


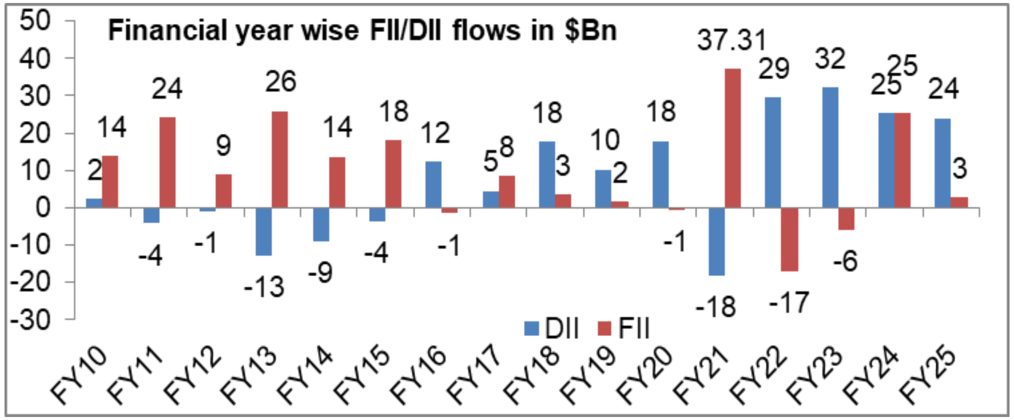
Source: Bloomberg, Axis Securities

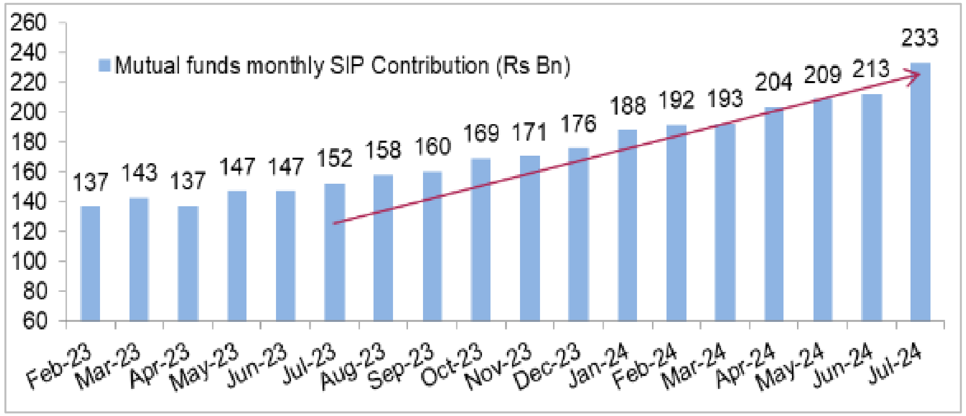
FIIs are Back with Positive Flows in the Last Three Months

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 across three out of four key states. Moreover, in FY25 so far, FIIs were neutral on the Indian market while DIIs have invested $ 24 Bn over the same period. Mutual fund SIP contribution has crossed 23,000 Cr for the first time in Jul'24









Source: Bloomberg, Axis Securities

Equity: Near-term Consolidation; Focus Remains 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 Maintain our base case Mar'25 Nifty Target at 24600

Sector View

Sectors	Current View
Automobile	Overweight
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, Bharti Airtel, J Kumar Infra, Prestige Estates, Sansera Engineering, and Cholamandalam Invest and Finance**

For detailed Note: ***Click here***

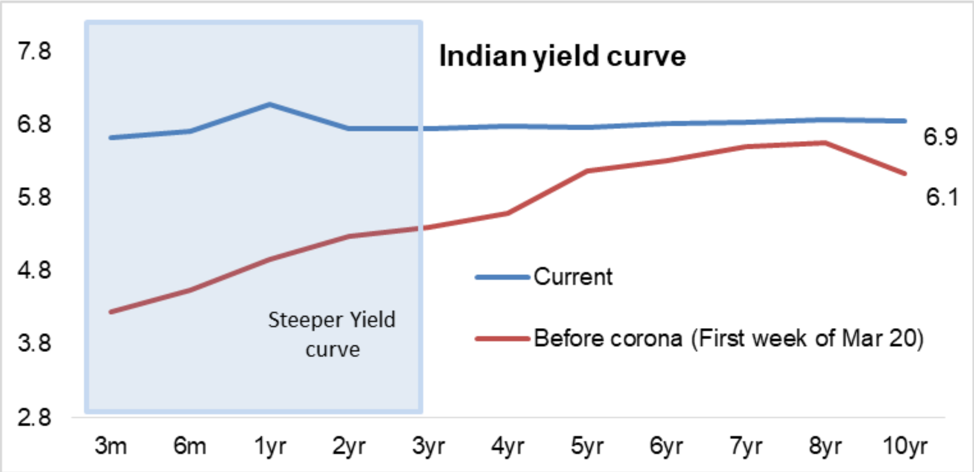
Fixed Income Outlook: Neutral

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 Aug'24, the RBI maintained the status quo and kept the policy rate unchanged for the 9th time at 6.5%. The RBI has maintained its stance on the withdrawal of accommodation by maintaining the growth and inflation dynamics with a 4:2 majority for the second time in a row. However, the majority has been reduced in the current MPC vs. the Mar'24 meeting in which the majority stands at 5:1. This indicates the RBI is preparing the market for a change in stance in the upcoming meeting. 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 pick-up in private investments would drive the fixed investment activities going forward.

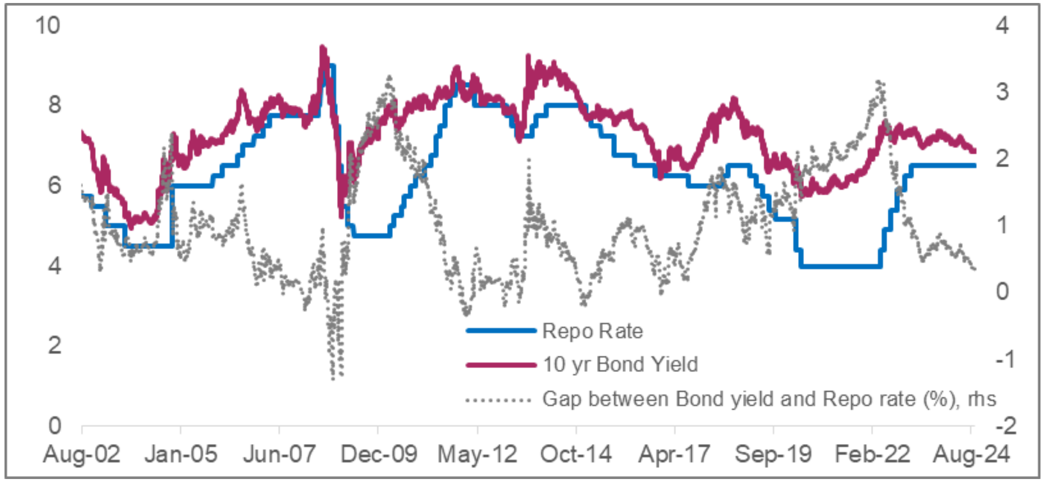
The RBI remained consistent in its monetary policy statement and maintained its focus on removing the 'accommodation' stance in a calibrated manner. While inflation estimates have been retained at 4.5% for FY25. Two out of six members were in favour of changing the stance. Hence, changing the stance to "Neutral" could be on the table in the next one or two quarters before considering the rate cuts in the latter part of FY25.

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 36bps above the repo rate



Source: Bloomberg, Axis Securities, Data up to 7th August'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 three months, prices were largely flat vs. the positive momentum seen in the earlier months. This strong rally pushed gold prices above $2425/oz for the first time in recent months. The positive momentum in gold prices was driven by expectations of a rate-cut cycle, 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 has been reduced to 6% from 15% earlier; this has led to price cuts in the domestic market. This development led Gold prices to decline by 4% in INR terms in Jul'24 but increase by 5% in USD terms. However, in Aug'24, Gold prices went up by 4% in INR terms and by 2% in USD terms.

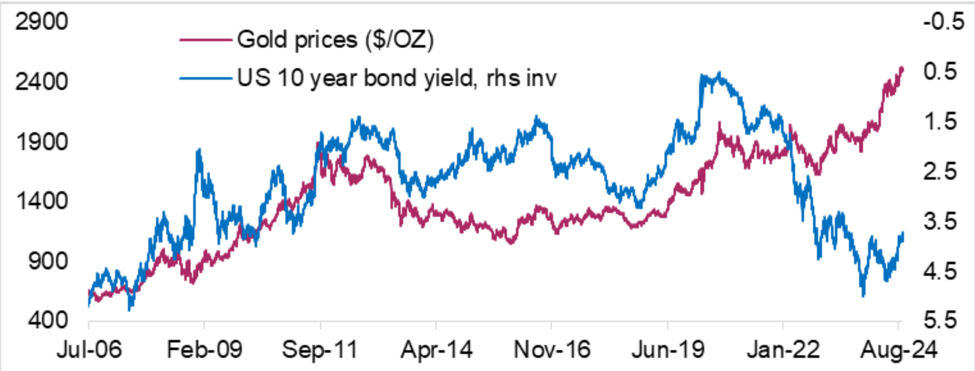
Going forward, we believe Gold will continue to have an edge over other asset classes in 2024. It will be seen as a tool to facilitate the flight to safety as the risk of a slowdown in the US market will continue to support the gold prices. **Fundamentally, the price of Gold is inversely related to bond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

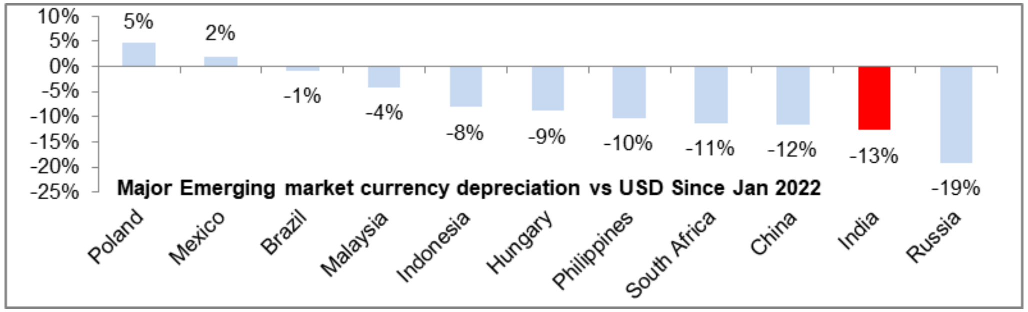
Gold Prices Performance

% Returns of Gold vs. Dollar			
	MCX Gold prices (INR/10gm)	Gold prices ($/OZ), RHS	USDINR
Feb-24	-1%	0%	0%
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%
2023	14.9%	13.1%	0.6%
2022	14.4%	-0.3%	11.3%
2021	-4%	-4%	2%

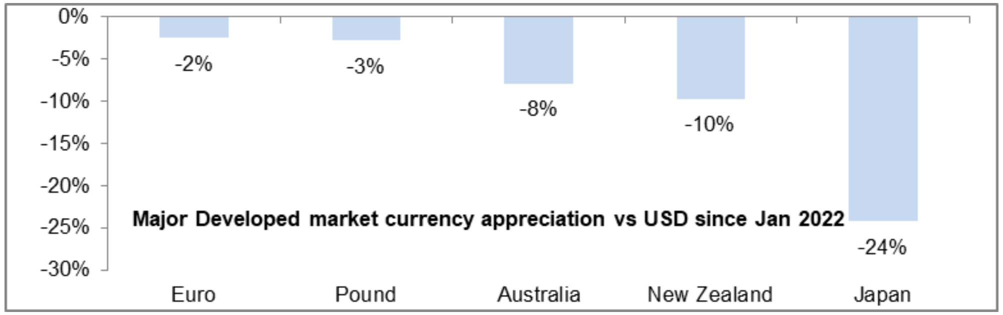
Currency Outlook

- The Indian currency remained range-bound and relatively stable during Apr/May/Jun'24 as against the volatility seen in the earlier months. However, some weakness was seen in INR during Jul'24 on account of the stronger dollar. In a recent development, the BOJ raised the benchmark interest rate by 15 bps to 0.25%. This decision led to the unwinding of carry trades in the global market, contributing to further strengthening of the dollar during the first week of August 2024. Now, we are expecting one or two rate cuts in 2024, indicating a stronger USD for the remaining part of the year. As we approach the US election, scheduled in Nov'24, USD is expected to gain further momentum.
- 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 Aug'24 MPC, the RBI maintained the status quo, leaving the repo rate unchanged at 6.5% and maintaining its stance on withdrawing accommodation. The RBI kept the FY25 inflation forecast unchanged at 4.5%. 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) Growth in the developed world, 3) The path towards fiscal prudence 4) The direction of the Oil prices; 5) The 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 diversificationis 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 (%) Equity	Gold	Debt	FD	Portfolio	Portfolio return rank among asset classes	Portfolio return > Equity Return
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 and 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.**

	Calendar Year Returns (%)						
Year	Equity	Gold	Debt	FD	Portfolio	Equity Market phase Correction/Rally/Neutral	Portfolio return > Equity Return
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.

	Returns (%)			
1 Yr Rolling 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%

	Returns (%)			
3 Yr Rolling 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%

	Returns (%)			
5 Yr Rolling 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%

	Returns (%)			
7 Yr Rolling 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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