



Celebrating 12 years of Creating Wealth

I-CAN COMMUNIQUÉ

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MONTHLY NEWSLETTER – OCTOBER 2024

Sensex : Up 2.35 %	
Nifty : Up 2.28 %	
Best performing sector: Metal (8.43 %)	Worst performing sector: Telecom (-5.28 %)
Best performing Global index: Hang Seng (17.48 %)	Worst performing Global index: Nasdaq Bank (-3.49 %)
Indian Rupee: +0.24%	Gold (International): +5.71 %

MACRO ECONOMIC HIGHLIGHTS

The US Federal Reserve announced its sixth policy decision for 2024 on September 18, after a two-day Federal Open Market Committee (FOMC) meeting. For the first time in four years, US Fed chair Jerome Powell led rate setting panel slashed its benchmark interest rate by (50 bps) half a percentage point to 4.75 per cent-5 per cent.

The US central bank maintained the key borrowing rate elevated at the 23-year high for 14 consecutive months since July 2023 to combat the worst inflation outbreak in almost 40 years. In its policy statement, the Fed policymakers said FOMC gained greater confidence that inflation is moving sustainably toward the two per cent target level. It added that “risks to achieving its employment and inflation goals are roughly balanced.” “It is time

to recalibrate our policy to something more appropriate, given the progress on inflation and employment moving to a more sustainable level,” Fed Chair Jerome Powell told reporters in a post-policy press conference after unveiling the rate cut verdict. “This is the beginning of that process,” he added.

The Bank of England has kept its main interest rate unchanged at 5% despite a big cut from the US Federal Reserve, its first since the onset of the coronavirus pandemic more than four years ago. The decision was widely expected amid ongoing concerns about inflation within the bank's monetary policy committee, particularly the elevated levels in the crucial services sector, which accounts for around 80% of the British economy. Figures showed that inflation overall in the UK held steady at an annual rate of 2.2% in August, still above the bank's goal.

India's Consumer Price Index (CPI) based retail inflation rose marginally in August to 3.65 per cent from 3.6 per cent in July, yet remained below the Reserve Bank of India (RBI)'s medium-term target of 4 per cent for the second time in nearly five years, mainly because of a high base during the same period a year ago. Separately, the Index of Industrial Production (IIP) also rose slightly to 4.83 per cent in July from 4.72 per cent in June.

India's wholesale price index (WPI)-based inflation fell to a four-month low of 1.31 per cent on an annual basis in August from 2.04 per cent in July due to a reduction in the prices of manufactured products and food items,

according to data released by the Ministry of Commerce and Industry. Food prices inflation stood at 3.11 per cent in August as compared to 3.45 per cent in July, it said.

Growth in the Indian manufacturing sector slowed to a three-month low in August, as firms saw softer growth in new orders and output. The headline Purchasing Managers Index (PMI) figure released by HSBC stood at 57.5, down from 58.1 in July. A figure above 50 in the index denotes expansion and that below signifies contraction. However, cost pressures moderated and supported the rise in purchasing activity as the rate of input price inflation softened to the slowest in five months. "Indian manufacturers registered softer increases in new business and output during August, albeit with rates of expansion remaining elevated by historical standards. Business confidence retreated, but firms scaled up buying levels in a bid to safeguard against input shortages," the survey by the private agency noted.

Growth in India's dominant services sector rose to a five-month high in August as new businesses expanded amid easing inflationary pressure, said a private survey. The HSBC headline Purchasing Managers' Index (PMI), compiled by S&P Global, rose to 60.9 in August from 60.3 in July. The index was above the neutral 50-mark that separates contraction from expansion for the 37th month straight. Inflationary pressures retreated to their lowest in four years and job creation rose as companies said they are upbeat about the economy. "Indian service providers signalled that the strong start to the second fiscal quarter continued into August, with business activity expanding to the greatest extent since March as growth of incoming new business ticked higher," said the survey. Pranjul Bhandari, chief India economist at HSBC, said that services

growth was "largely fuelled by an increase in new orders, particularly domestic orders." "On a positive note, input costs rose at their slowest pace in six months, with both the manufacturing and service sectors exhibiting the same pattern. Consequently, output price inflation receded in August. However, the outlook for the Indian private sector over the next year has moderated, reaching its lowest level in 15 months due to competitive pressure," she said.

Goods and Services Tax (GST) collections in August went up by 10 per cent from the same period last year to Rs 1,74,962 crore, according to official statement of government. This growth was observed across all categories: Central GST (CGST), State GST (SGST), Integrated GST (IGST), and cess. A year before, the gross GST revenue collected in the month of August, 2023 was Rs 1,59,069 crore. For the month of July, the collections were totalled at Rs 182,075 crore. So far in 2024, the total GST collection has been 10.1 per cent higher at Rs 9.13 lakh crore, as against Rs 8.29 lakh crore mopped up in the corresponding period of 2023.

Moody's has revised its calendar year (CY) 2024 growth forecast for India to 7.1%, from its earlier estimates of 6.8% in June, as it expects growth in the Asia-Pacific region to outpace the global economy. It, however, kept its India growth forecast for CY 2025 unchanged at 6.5%. The World Bank raised India's growth forecast for FY25 to 7 per cent from 6.6 per cent earlier, while also noting that the economy's growth will remain strong over medium term.

REFORMS

SEBI has introduced new delisting rules allowing companies to delist shares through a fixed price mechanism as an alternative to the reverse book-building process. The fixed price must be at

least 15% above the floor price. Additional modifications include changes to the counter-offer mechanism and adjusted book value for determining floor prices.

SEBI has drastically cut the lot size for trading of units of privately placed InvITs on designated stock exchanges to ₹ 25 lakhs from ₹ 1 crore. This measure is expected to help increase the liquidity of privately placed InvIT units by allowing a broader base of investors to participate in the market and promote diversification of investment portfolios, enabling them to better manage risk, say industry experts. The latest relaxation is part of slew of changes now implemented by SEBI to its existing SEBI (Infrastructure Investment Trusts) Regulations 2014.

To streamline the application process for public issues of debt securities, SEBI asked individual investors applying for amounts up to Rs 5 lakh through intermediaries to use only UPI to block funds. Further, investors will continue to have the choice of availing other methods like applying through Self-Certified Syndicate Banks or the stock exchange platform for making applications, SEBI said in its circular. These provisions will apply to public issues of debt securities starting from November 1.

SEBI tweaked the framework for valuing the investment portfolios of Alternative Investment Funds (AIFs) whereby securities other than unlisted, non-traded, or thinly traded securities will now be valued in line with mutual fund rules.

This came after the SEBI received feedback from the AIF industry on challenges with the valuation framework and has made changes based on public comments and internal discussions.

SEBI has decided to shorten the time taken for credit of bonus shares and their subsequent trading to two days from the record date. This new rule will apply to all bonus issues announced from October 1. Currently, there is no specific timeline for the credit of bonus shares and their trading. Bonus shares will now be credited to investor accounts a day after the record date and will be available for trading on the second working day after the record date. As per the new norms, the company proposing a bonus issue of shares will be required to apply to the stock exchange for an in-principle approval under the SEBI regulations within five working days from the date of the board meeting approving the bonus issue. Additionally, when informing about the record date, companies must also specify the deemed date of allotment, which will be the next working day (T+1 day). The stock exchange will then confirm the record date and notify the number of shares involved in the bonus issue, including the deemed date of allotment. Following this, the issuer company will have to ensure submission of requisite documents to depositories for credit of bonus shares in the depository system by 12 pm on the next working day of the record date.

Investing Insights from Nav Durga

As we celebrate Navratri, it would be interesting to know what the nine manifestations of the Goddess Durga symbolise and what investing lessons we can draw from them.

1. Shailaputri- At the peak of any experience, there is Mother Divine. Shaila means the peak, that which is extraordinary and is rising to reach the heights. If we draw its analogy with investing, it immediately reminds us of equity investors consistently investing in the market with the hope of riding a bull run as the market reaches new peaks.
2. Brahmacharini- The second name of the Mother Divine is Brahmacharini. Brahma means infinity. Though all-pervading, it remains dynamic. Talking about the movement within infinity, we can relate it to the knowledge that investors need to gather to make sound decisions. Although knowledge is infinite, our experience of knowledge acquisition is dynamic.
3. Chandraghanta- The third form of the Mother Divine is Chandraghanta. Chandra means moon or that is related to the mind. We all know that a rational mind assumes paramount importance in investing, especially while dealing with volatile asset classes like equity. Only an investor who can keep his calm during down cycles can ultimately make superior returns and meet his long-term financial goals.
4. Kushmanda- The fourth form of the Mother Divine is called Kushmanda. The consciousness that forms the basis of all creation, and has itself become the creation, is Kushmanda. It is imperative that we make conscious choices without any past biases in investing, although we should draw lessons from the past. Knowing that the present can be different and analysing it with a conscious mind will surely help in making sound investment decisions.
5. Skandamata- The fifth form of the Mother Divine is Skandamata. She is that aspect of Durga which embodies protection for the entire universe. Capital protection is of utmost importance in investing, thus underlying the significance of various risk management techniques. Also, we can use financial instruments such as insurance to ensure protection for various aspects in life.
6. Kathyayini- The sixth form of the Mother Divine is Katyayani. Katyayan means seer when you become a witness. In equity investing, experience of an investor is considered very important since it is assumed that the greater the experience, higher the number of market cycles witnessed and the investing lessons learnt.
7. Kaalaratri- The seventh form of Shakti is Kaalaratri. Kaalaratri is that aspect of the Mother Divine that brings solace to every soul. When you sleep, you find inner peace. Drawing its parallel to the investing universe would once again highlight the importance of risk analysis and management such that one would not lose their sleep by taking undue risks.



8. Maha Gauri- The eighth form of the Mother Divine is Mahagauri. Gauri means that which grants knowledge, brings movement to life, and liberates you. This itself seems to be a blessing for any investor without needing any further explanation.

9. Siddhidhatri- The ninth form of devi shakti is Siddhidhatri. She brings the blessings of the Mother Divine and manifests miracles in life. If we look at life, it is indeed full of miracles as it takes care of itself. It is this belief that encourages investors to invest in asset classes like equity, knowing that there will be prosperity in the long term.

Monthly Mantra

Your greatest weapon is your mind. Train it to see opportunity, not obstacles.

Cartoon of the Month



**“When I lose weight, I always gain it right back.
It’s the same for losing money, right?”**

Good News!

1. Advance tax collections in India increased by 22.61% to ₹4.36 lakh crore in the first half of the current financial year, indicating strong corporate performance and a robust economy. Net direct tax collections rose 16.12% to ₹9.95 lakh crore, with personal income tax showing significant growth over corporate income tax.
2. The net financial wealth of households has reached an all-time high of 115.9 per cent of India's gross domestic product (GDP) in the quarter ended June 2024 (Q1FY25), said Motilal Oswal in a research report. Households' gross financial assets have grown at a fast pace since the pandemic while household debt has remained consistent with the pre-pandemic period. According to the report, household gross financial assets reached a peak of 157.9 per cent of GDP in Q1FY25, surpassing the previous high of 152.9 per cent recorded in Q4FY21. Prior to the pandemic, household financial assets were 123 per cent of GDP.
3. The government is looking at a target of \$100 billion in foreign direct investment (FDI) inflows per annum in the coming years, in line with India's thrust towards the "Make in India" programme, Department for Promotion of Industry and Internal Trade (DPIIT) Secretary Amardeep Singh Bhatia said. "We are targeting much higher investment flows. We have about \$70-80 billion FDI inflows, which are coming in every year; we are expecting this to increase to at least \$100 billion a year in the years to come," Bhatia told reporters at a press conference on the completion of 10 years of the "Make in India" initiative.
4. Unless climatic shocks occur, food inflation will be milder in the short term, allowing rural incomes and demand to get stronger, the finance ministry said in its monthly economic report. "Most high-frequency indicators on the supply side suggest continuing economic expansion in the current quarter. Steady growth in GST collections, expansionary trends in purchasing managers' indices and growth in air and port cargo indicate vigorous economic activity," the report said. In the farm sector, higher kharif acreage is already visible. Adequately replenished reservoir levels will potentially give a fillip to the upcoming rabi crops as well.
5. The India Meteorological Department (IMD) announced the start of withdrawal of the southwest monsoon. Overall rainfall during the annual phenomenon this year has been 5% above benchmark long-period average so far. The overall rainfall this season since June 1 has been 5.1% above the benchmark long period average or 'above normal' range. According to IMD data, 76% of the 729 odd districts in the country have received rainfall in the range of surplus to normal range.

Top Personal Finance News – September 2024

1. Investors snap up unlisted shares of IPO-bound firms - The Hindu BusinessLine [Click here](#)
2. With 19 IPO filings in August, India Inc 'seizing the moment' to go public | IPO News - Business Standard (business-standard.com) [Click here](#)
3. The NRI's guide to choosing the right kind of account to invest in Indian stocks | Mint (livemint.com) [Click here](#)
4. Onboarding by P2P lenders plummets more than 90%; most platforms halt new user addition - Banking & Finance News | The Financial Express [Click here](#)
5. One in two IPO investors exits within a week of listing: SEBI - The Hindu BusinessLine [Click here](#)
6. Investors sell 54% of IPO shares within a week, finds Sebi study - The Economic Times (indiatimes.com) [Click here](#)
7. End of an era: Zero-brokerage model on last legs with new fee rules | Stock Market Today - Business Standard (business-standard.com) [Click here](#)
8. Bank locker rules 2024: Want to open a bank locker? How to choose, eligibility, cost, other details - The Economic Times (indiatimes.com) [Click here](#)
9. Payment aggregators plan negative database to combat frauds - Banking & Finance News | The Financial Express [Click here](#)
10. UPI numbers scale fresh peak in August; volume up, value dips marginally | Finance News - Business Standard (business-standard.com) [Click here](#)