

PAISA VASOOL

July 2024 Newsletter

Gaurav Goel

Let's Begin....



LAMOKSH INVESTMENTS

World This Month



Recession Fears

- ▶ Global economy went into a turmoil as recession fears emerged in US and unwinding of yen carry trades gained momentum. Tension in middle east also escalated creating uncertainty across the world.
- ▶ The US economy added 114,000 jobs in July 2024 well below the forecast of 175,000 jobs. The July unemployment rate was at 4.3% vs estimates of 4.1%. It was the lowest level in 3 months, below the monthly average gain of 215,000 over the prior 12 months signaling the cooling off the labor market.
- ▶ Earlier, Fed kept the rates unchanged and indicated that it will not be appropriate to reduce rates until it has gained confidence that inflation is moving sustainably towards 2%. Powell also said that he could imagine scenarios in which the Fed could cut interest rates several times this year or not at all.
- ▶ Japanese economy faced an economic crisis due to a potential collapse of its USD 20 trillion yen carry trade amidst rising inflation. BOJ increased the interest rates to around 0.25% from 0.1% leading to an appreciation of Japanese Yen triggering unwinding of the carry trades.
- ▶ China's trade surplus widened to USD 84.65 bn in July 2024 from USD 80.22 bn in the same period a year earlier but below the market expectations of USD 99 bn. Exports rose 7% year on year softer than the forecasts of a 9.7% gain. Imports rose 7.2% beating the consensus of a 3.5% rise.
- ▶ The bank of England slashed interest rates for the first time since early 2020 and signaled further caution reductions ahead.
- ▶ There was a meltdown in commodities market in July led by steep fall in the prices of metals.



Good Going

US Indices

Performance across time frames in last 1 year

■ Dow Jones ■ S&P 500 ■ NASDAQ ■ Russell 2000

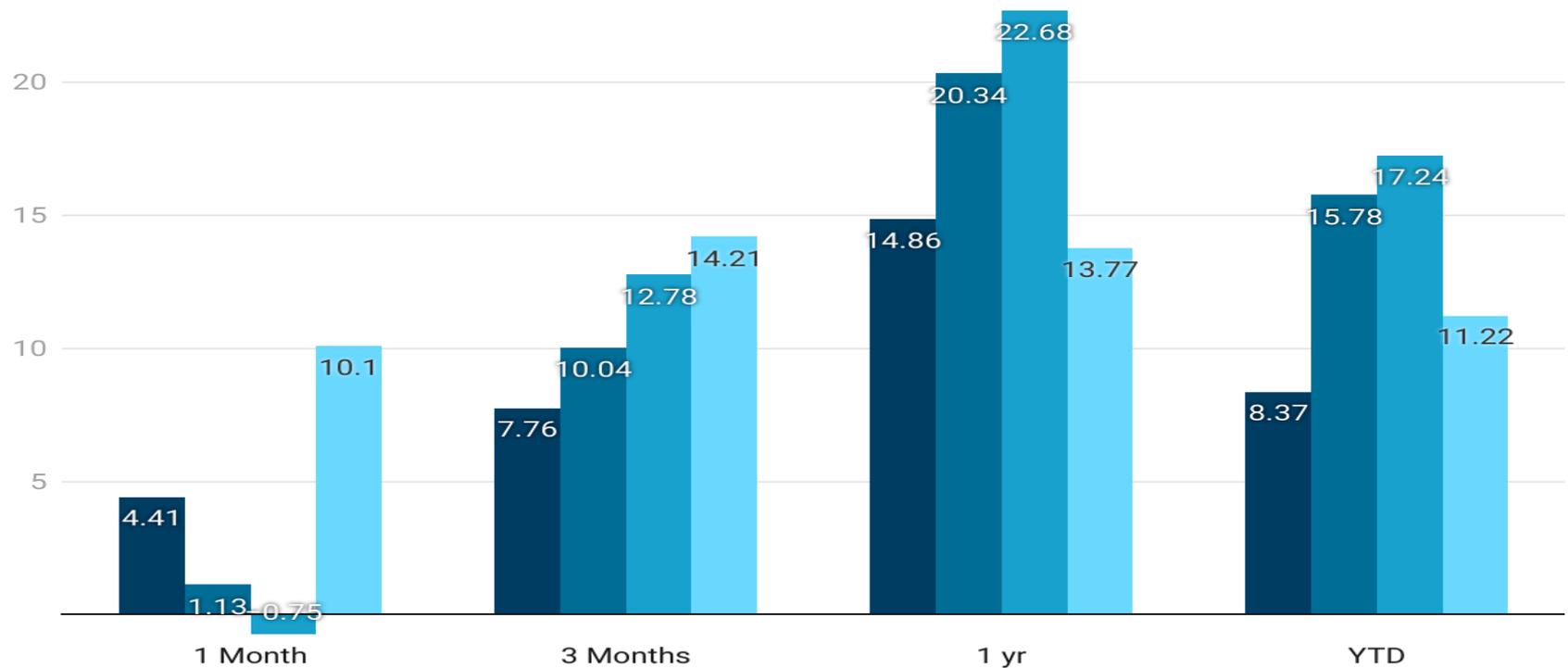


Chart: Gaurav Goel • Source: Lamoksh Investments • Created with Datawrapper



Global Markets

Global Indices

Monthly and Yearly Performance Chart

■ Month ■ Year

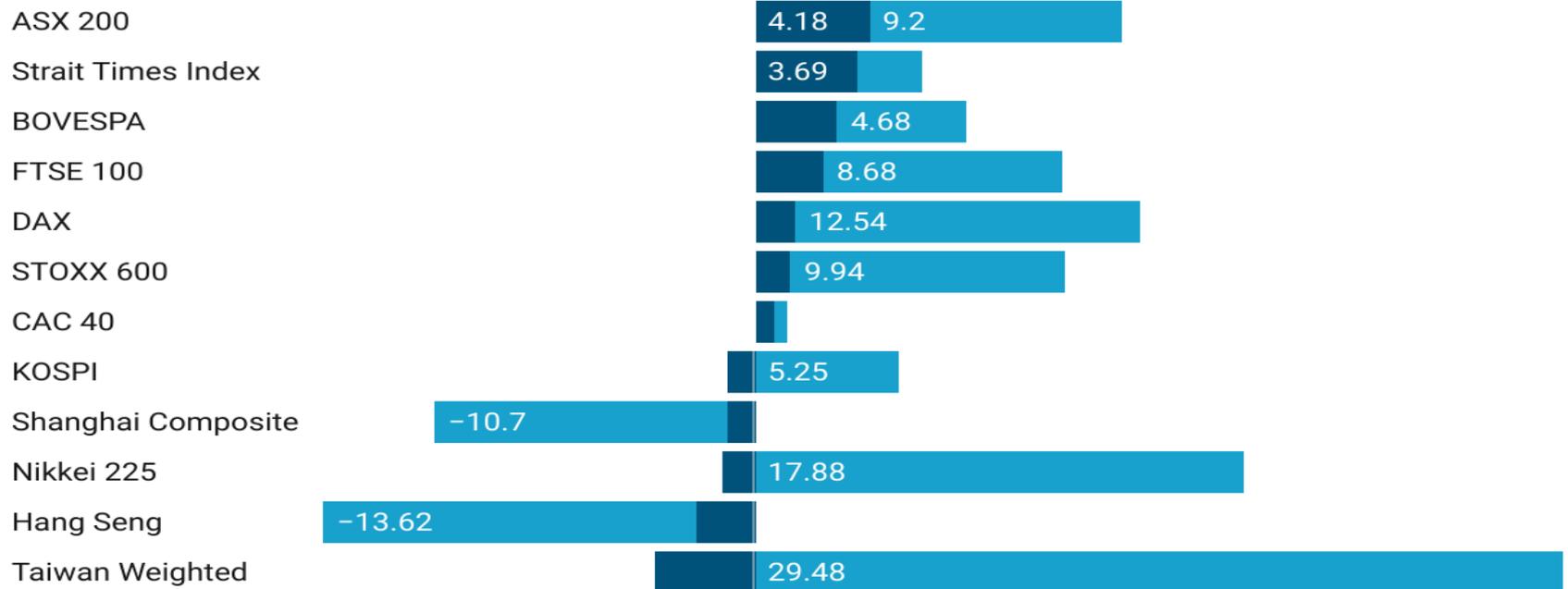
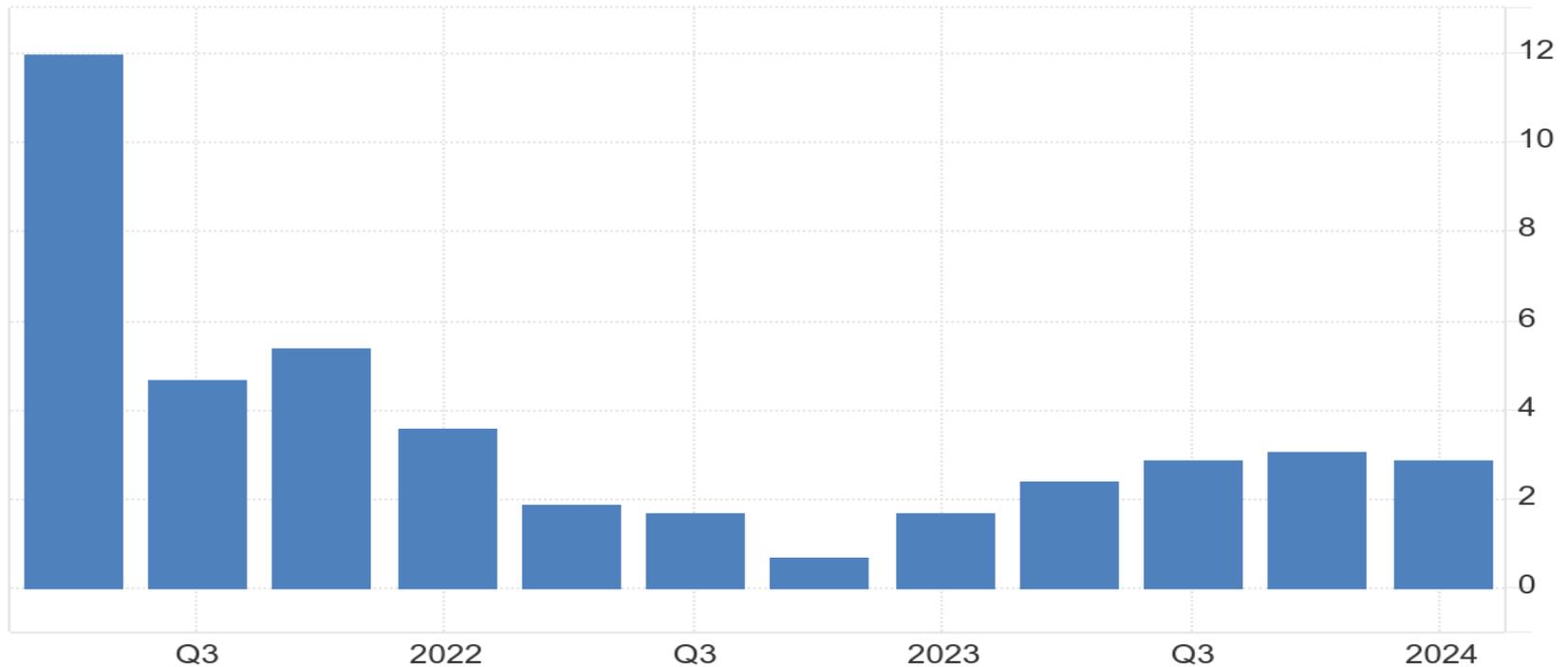


Chart: Gaurav Goel • Source: Lamoksh Fabric • Created with Datawrapper



US GDP Annual Growth Rate

US GDP Annual Growth Rate - percent

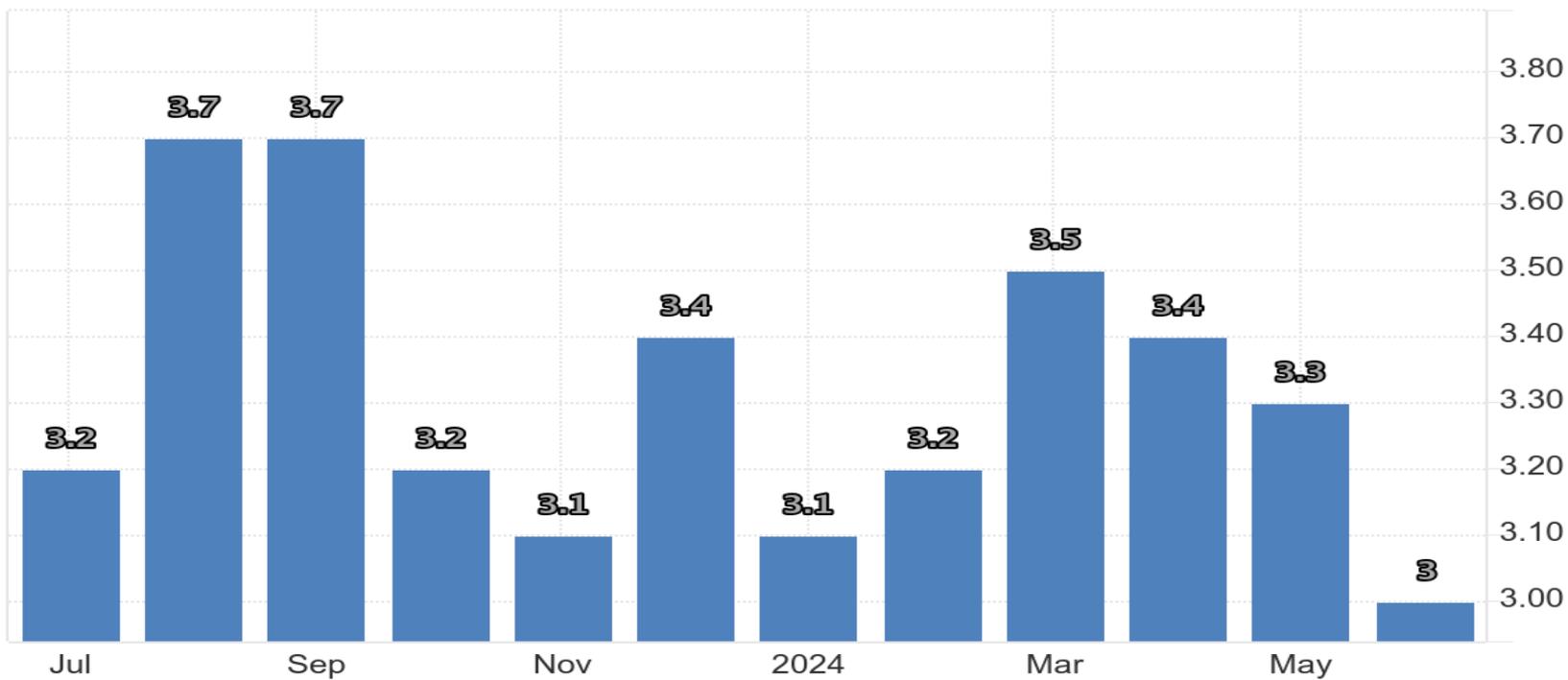


Source: tradingeconomics.com | U.S. Bureau of Economic Analysis



US Inflation

US Inflation Rate - percent



Source: tradingeconomics.com | U.S. Bureau of Labor Statistics



Relenting Finally

US 10 Year Note Bond Yield



source: tradingeconomics.com



Currencies & Commodities

Commodity	Month	Year
Coal	6.06%	3.78%
Gold	4.83%	26.33%
Coffee	1.44%	38.86%
Cotton	-1.71%	-21.17%
Silver	-2.48%	21.50%
Uranium	-3.62%	46.84%
Palm Oil	-5.31%	-1.07%
Copper	-5.73%	8.38%
Brent	-5.82%	-0.90%
Aluminium	-8.27%	4.75%
Wheat	-9.27%	-21.00%
Soybean	-11.90%	-22.52%
Steel	-12.12%	-22.01%

Commodities

Currency Pair	Description	Month	Year
BTCUSD	BITCOIN	3.03%	119.57%
GBPUSD	British Pound	1.32%	1.15%
EURUSD	EURO	0.80%	-0.94%
USDINR	Indian Rupee	0.24%	1.15%
USDBRL	Brazilian Real	0.03%	18.10%
USDCNY	Chinese Yuan	-1.04%	0.39%
USDSGD	Singapore Dollar	-1.52%	-0.42%
DXY	Dollar Index	-1.63%	1.33%
AUDUSD	Australian Dollar	-2.06%	-0.10%
USDRUB	Russian Ruble	-2.12%	-7.85%
USDJPY	Japanese Yen	-7.47%	4.27%

Currencies



INDIA: Onwards and Upwards

- ▶ India continued its onward and upwards journey and scaled new highs in the month of July. Most benchmark indices created their lifetime highs. However, there was a correction in early August due to international concerns.
- ▶ RBI in its latest monetary policy decided to keep the benchmark interest rates and its policy stance unchanged. The policy was slightly hawkish and was concerned more on inflation than growth. The current financial year estimates for inflation and GDP growth were both retained.
- ▶ Gross GST collections were recorded at 1.82 lac crore up 10.3% YOY. April-June fiscal deficit was at 1.36 lac crore vs 4.51 lac crore a year back.
- ▶ The union budget for FY 2023-24 was presented by the honourable finance minister last month. The focus of the budget was on generating employment for the citizens of the country and on fiscal prudence. Some relief was offered to the salaried tax payers. However, capital gains tax was raised by 2.5% to 12.5% for long term gains and by 5% to 20% for short term gains.
- ▶ As per the economic survey, Indian GDP is likely to grow by 6.5-7% in real terms. It gave a call for India Inc to ramp up capital expenditure and cautioned over rising investments in the speculative activities.
- ▶ India's forex reserves jumped by USD 9.69 bn to hit an time high of od USD 666.85bn as of July 12.

Uprising

Indian Benchmark Indices

Performance Chart Across Multiple Tenors

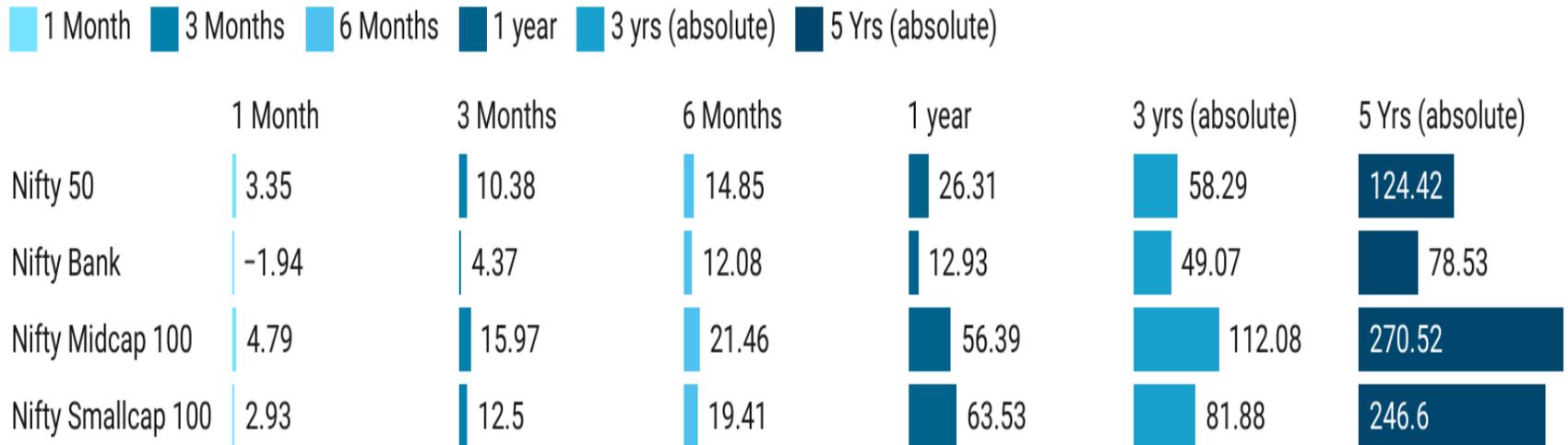


Chart: LaMoksh Investments • Source: Gaurav Goel • Created with Datawrapper



Sectoral Performance

Sectoral Performance

Equity Markets

■ 1 Month
 ■ 1 Year
 ■ 3 yrs
 ■ 5 yrs

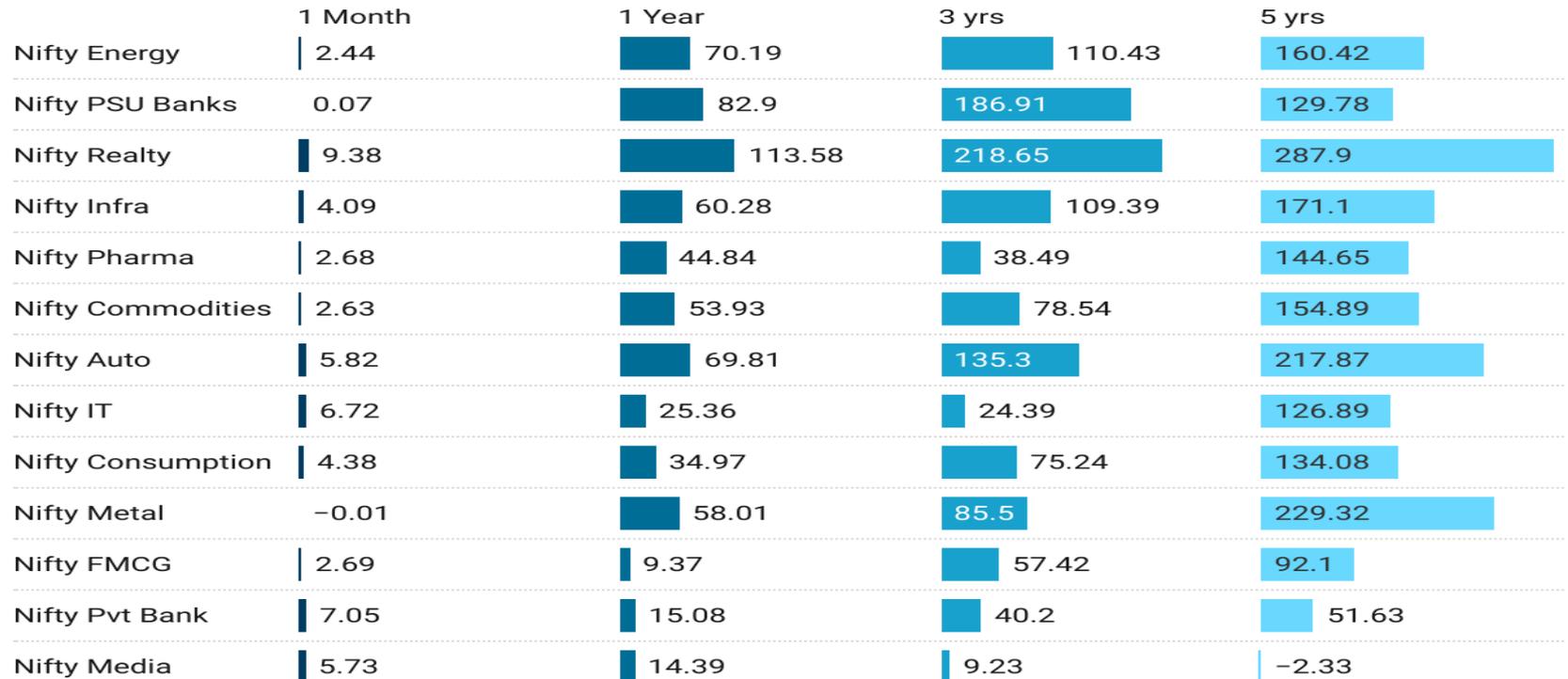


Chart: Gaurav Goel • Source: Lamoksh Investments • Created with Datawrapper



Index Valuations

Index	Fall from 52 Wk Peak	EPS	PE	PB	Valuation Verdict
Nifty 50	-0.14%	1052.80	23.40	4.20	Slightly Expensive
Nifty Bank	-3.74%	3434.60	15.01	2.90	Cheap
Nifty Midcap 100	-0.21%	1299.10	45.41	5.20	Very Expensive
Nifty Smallcap 100	-0.59%	630.80	30.34	4.40	Expensive



Index Forward Valuations

Index	1 Yr Fwd EPS	1 Yr Fwd PE	2 Yr Fwd EPS	2Yr Fwd PE	Valuation Verdict
Nifty 50	1210.7	20.6	1392.3	17.9	Neutral
Nifty Bank	3949.8	13.1	4542.3	11.3	Undervalued
Nifty Midcap 100	1494.0	39.5	1718.1	34.3	Very Expensive
Nifty Smallcap 100	725.4	26.4	834.2	22.9	Expensive



US Vs Indian Equity markets

Comparison Chart: US Equities Vs Indian Equities

1 Year and 1 month comparative chart of US benchmark Equity Returns against Indian Equity Markets

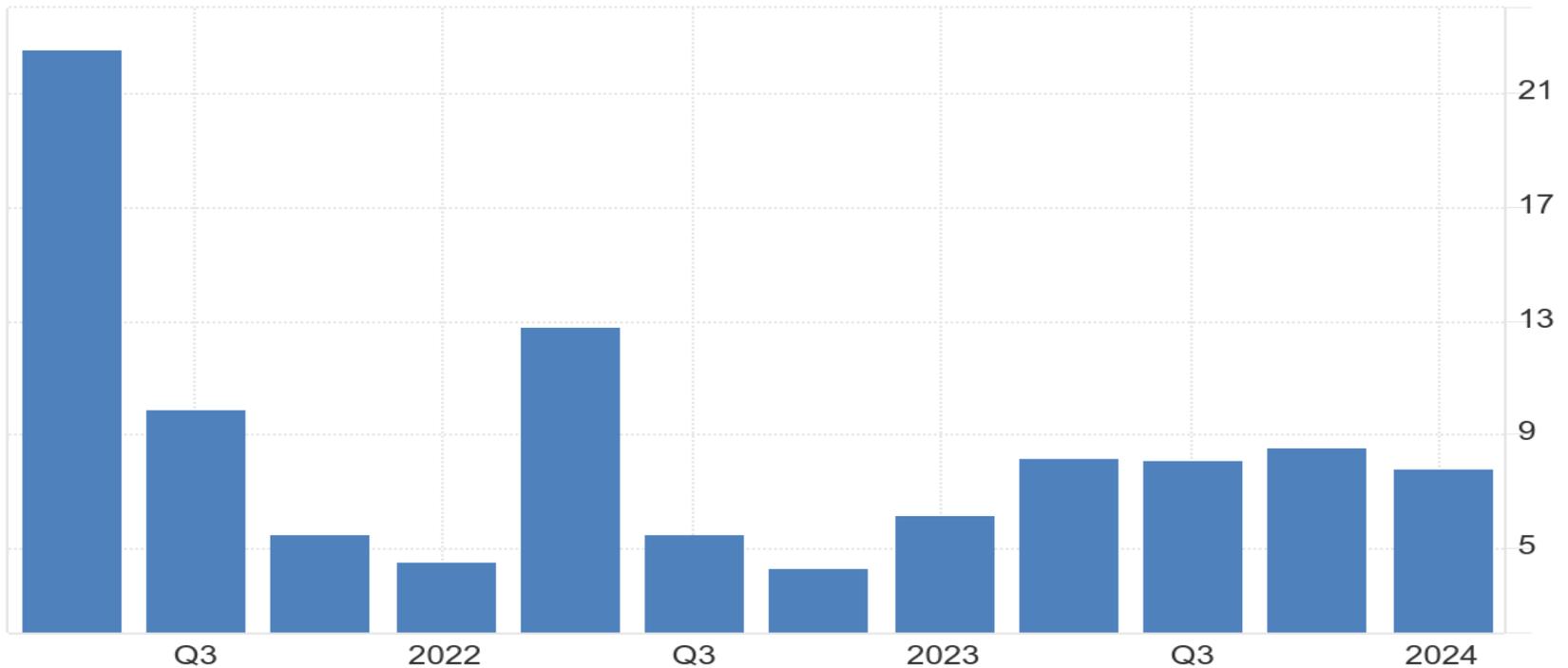


Chart: Gaurav Gioel • Source: Lamoksh Investments • Created with Datawrapper



India GDP Yearly Growth Chart

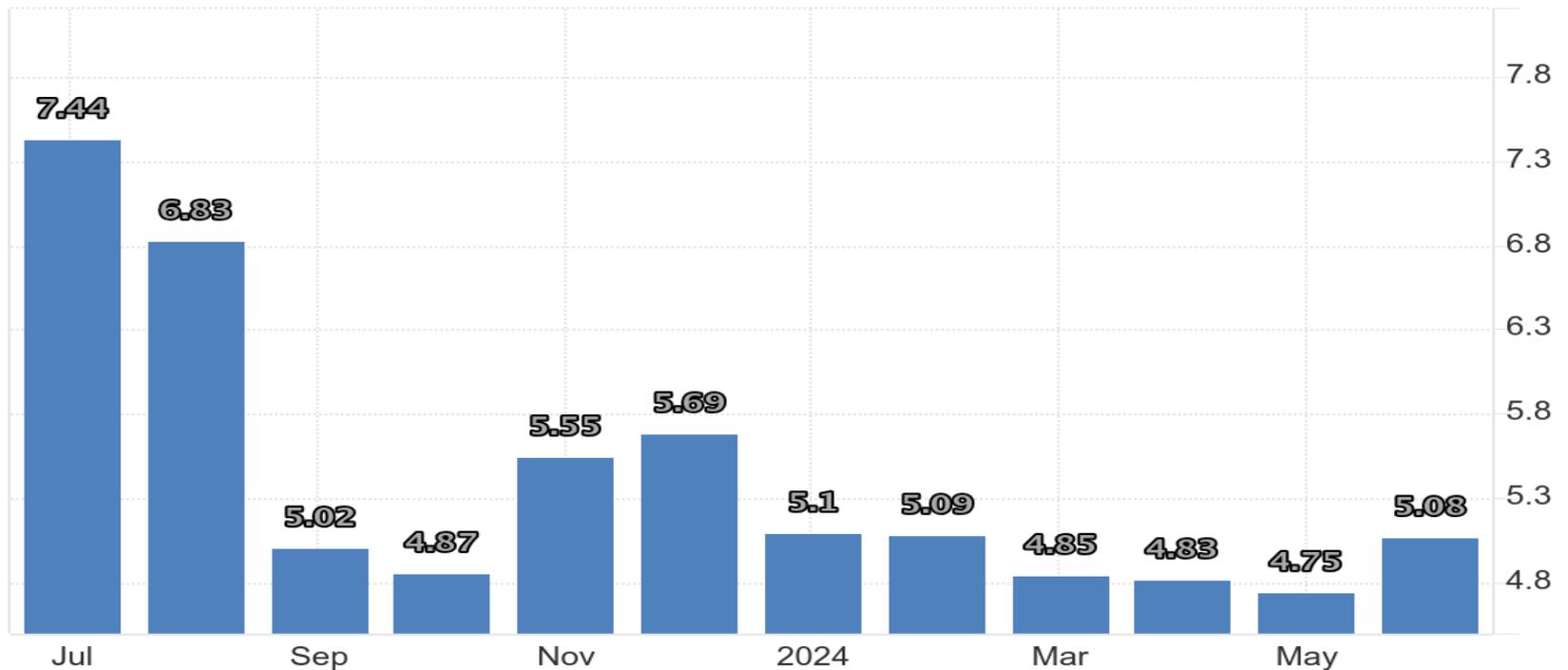
IN GDP Annual Growth Rate - percent



Source: tradingeconomics.com | Ministry of Statistics and Programme Implementation (MOSPI)

Indian Inflation Rate

IN Inflation Rate - percent



Source: tradingeconomics.com | Ministry of Statistics and Programme Implementation (MOSPI)

India 10 Year G-Sec Yield Curve

India 10Y Bond Yield



source: tradingeconomics.com



Crystal Ball

- ▶ The world is staring at a potential economic crisis. Some analysts believe that US is heading for a recession. This is based on the last non-farm payroll data which was poor. We think that this been blown out of proportion. One monthly reading cannot be extrapolated. Fed has done a reasonable job in last 1 year to tame inflation. Rate cuts would happen soon. Recession fears would be short lived.
- ▶ The unwinding of yen carry trades is a more serious issue. Japanese government and Bank of Japan were at cross roads. They finally decided to bite the bullet and increased the interest rates leading to currency appreciation and unwinding of large number of carry trades across the globe. The stock market reaction in Japan and neighbouring countries was terrible. We feel that BOJ would resist from taking any further hasty steps in raising interest rates. The stock market reaction was overdone.
- ▶ Indian equity markets valuations are expensive especially in the mid and small cap space against their historical averages. It must be however noted that they are not trading at their highest multiples. We have seen more crazy valuations before. We favour large caps against mid and small caps but do not advocate a full shift away from the broader markets.
- ▶ FII's have played truant in Indian markets lately. Rate cuts in US could trigger a potential inflows into emerging markets and more particularly in India. We remain bullish on India over long term and advocate staggered buying into Indian markets.
- ▶ Kamal Harris has eased into US presidential election race as a democratic nominee. The race to the top would be tighter than anticipated earlier. We still thing Trump would triumph ultimately creating disorder in geopolitical space thereafter.



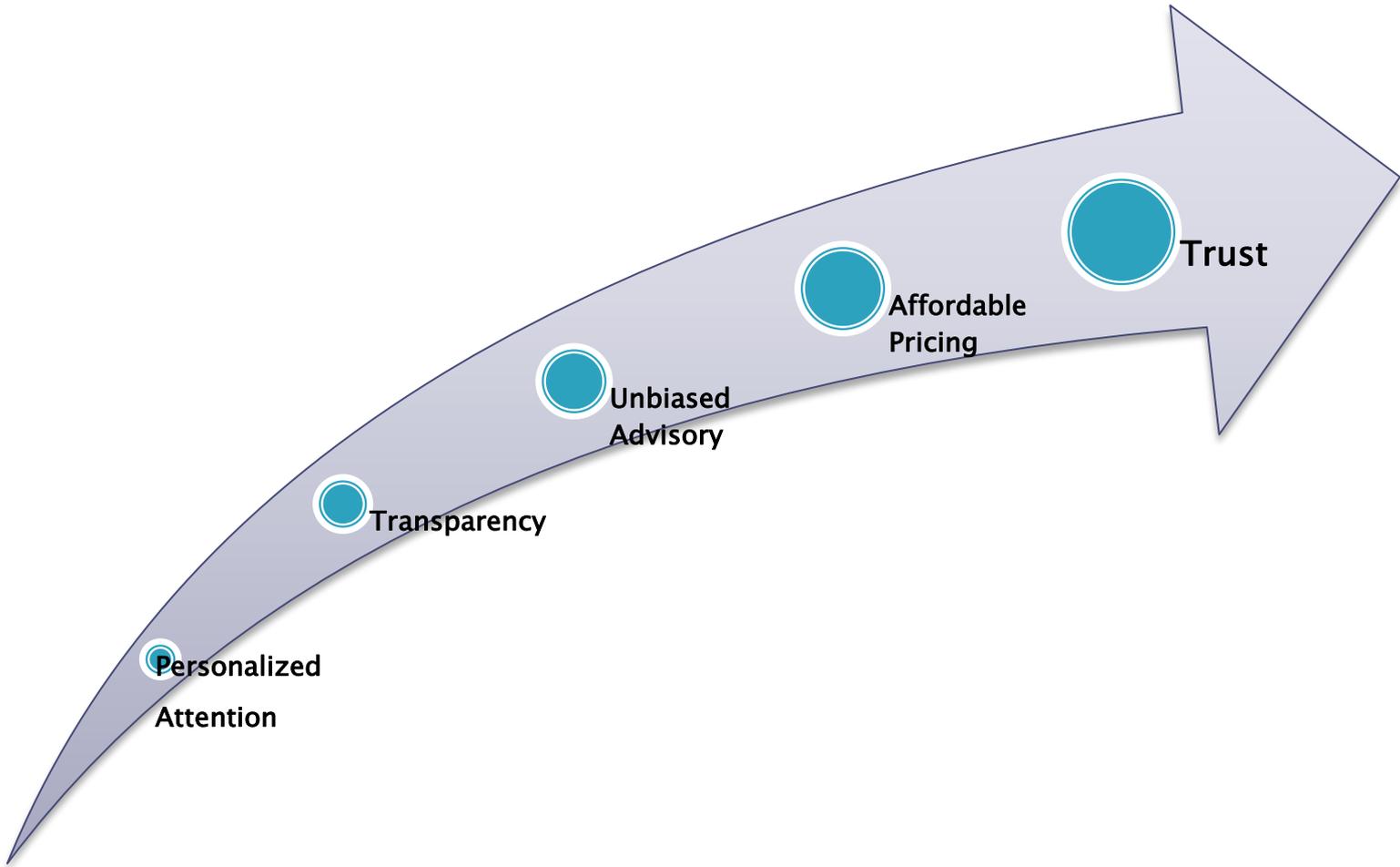
Portfolio Strategies & Performance- Pls Visit

<https://lamokshinvestments.smallcase.com>

(in compliance with SEBI advertising norms for Investment
advisers)



Our Commitment



Philosophy in Quotes

Warren Buffet:

Someone's sitting in the shade today because someone planted a tree a long time ago.

Sir John Templeton:

The four most famous words in investing are: this time it's different.

Charlie Munger:

The big money is not in the buying & the selling....but in the waiting!

Warren Buffet:

It's only when the tide goes out that you discover who's been swimming naked.



Yours Truly

- ▶ Around 2 decades of domestic and international experience in the financial sector.
- ▶ Worked with Barclays Wealth, IIFL Wealth and ICICI Bank Private Banking.
- ▶ Post Graduate Degree in International Business from IIFT, New Delhi.
- ▶ Certified NISM Series X-A and X-B Investment Adviser Examination.
- ▶ SEBI RIA Registration Number:INA100014426



You can reach Lamoksh Investments:

- ▶ Gmail: gauravgoelria@gmail.com
- ▶ Microsite: <https://lamokshinvestments.smallcase.com>
- ▶ You Tube Channel:
<https://www.youtube.com/channel/UCGLRb78-IqpO2YvDmT9TYPA>
- ▶ Twitter: @megauravgoel
- ▶ LinkedIn: <https://www.linkedin.com/in/gaurav-goel-15a5125/>
- ▶ Telegram: <https://t.me/LaMoksh>



Disclaimer

This presentation has been prepared exclusively for the purpose of information and discussion only and does not constitute an offer to sell or solicitation. Information contained here in is on a confidential basis which should not be disclosed to third parties or duplicated or used for any purpose other than the purpose for which it is provided.

This presentation does not contain any direct, indirect and/or deemed offer of any securities to the public as such or otherwise and does not constitute or form part of any offer or invitation to subscribe for, underwrite or purchase securities.

The information contained here in is proprietary and for the intended recipient's internal use only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

