

PAISA VASOOL

April 2024 Newsletter

Gaurav Goel

Let's Begin....



LAMOKSH INVESTMENTS

World This Month



Reality Check

- ▶ April witnessed a reality check for the US stock market as stock markets tumbled from their all time highs. Worries around delayed interest rate cuts and persistent high inflation resurfaced. Dow Jones tumbled 5% while broader Russell 2000 fell by more than 7%.
- ▶ Federal Reserve sighted “lack of further progress towards the committee’s 2% inflation objective” as they removed explicit guidance towards rate cuts this year.
- ▶ The latest print in unemployment numbers (Non Farm Payroll) showed smaller addition than anticipated in job creation numbers. This gave some respite to treasury yields which had been firming up previously. US Q1 GDP increased by 1.6% vs estimates of 2.4%.
- ▶ While, most global markets followed American markets and corrected, Chinese equities sprang a surprise. There seems to be a hint of recovery in Chinese stock market in last 3-6 months. The valuations are extremely attractive but more data needs to be examined before drawing any conclusion.
- ▶ US dollar surged against major global currencies with DXY gaining 1.53% in April. Commodities have been declining as well barring copper and aluminum. Crude oil has also corrected from its recent highs. High volatility continued in cryptocurrencies and bitcoin tumbled 8.34%.
- ▶ The war in middle east escalated further. Iran attacked Israel which was averted with the help of US and other western allies. The crisis diffused towards the latter half of the month but is yet far from over.



Reality Check

American Benchmark Indices

Performance Chart Across Multiple Tenors

■ 1 Month ■ 3 Months ■ 1 yr ■ YTD

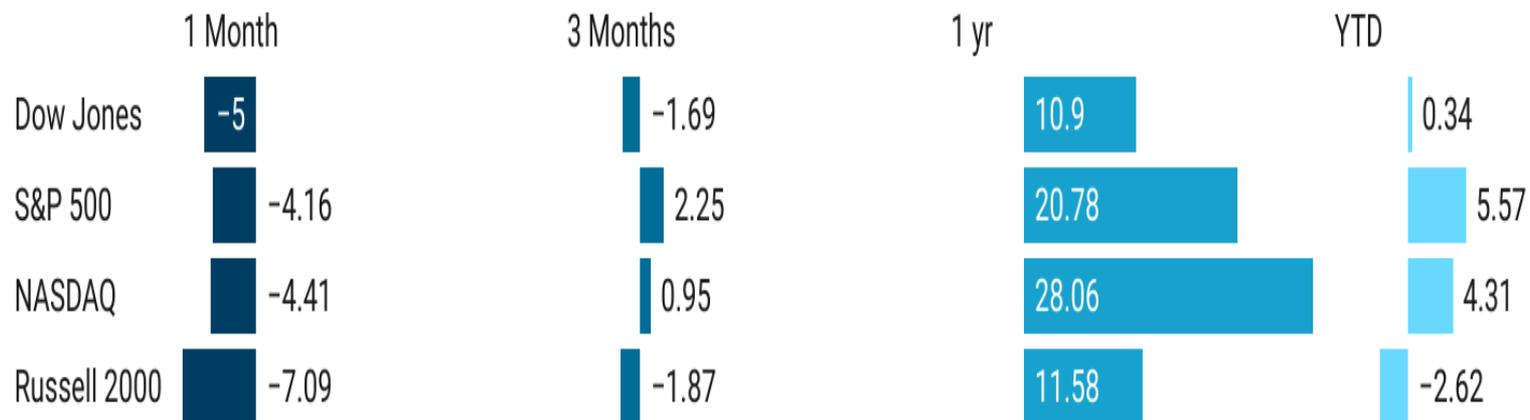


Chart: LaMoksh Investments • Source: Gaurav Goel • Created with Datawrapper

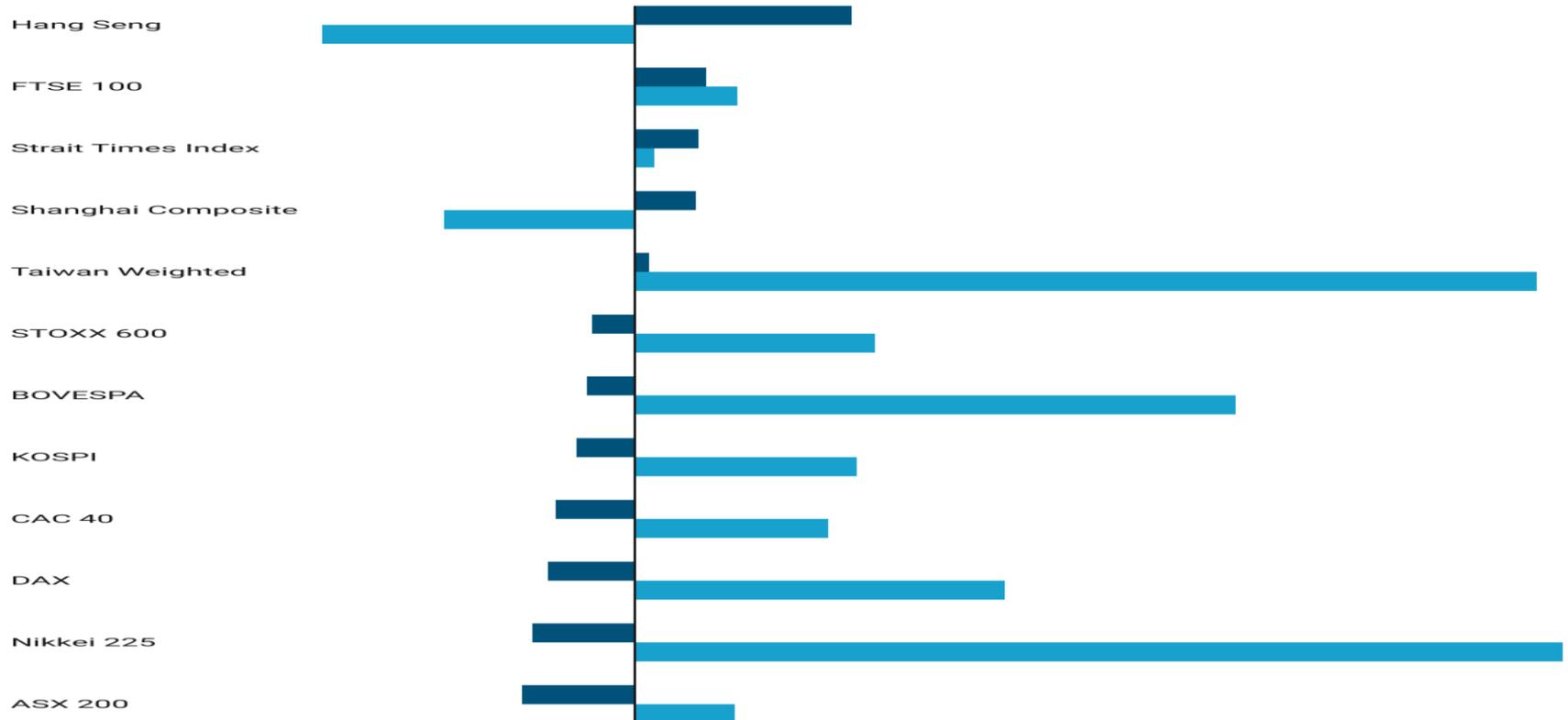


Hint Of Recovery In China

Global Markets

Monthly and Yearly Performance

■ Month ■ Year



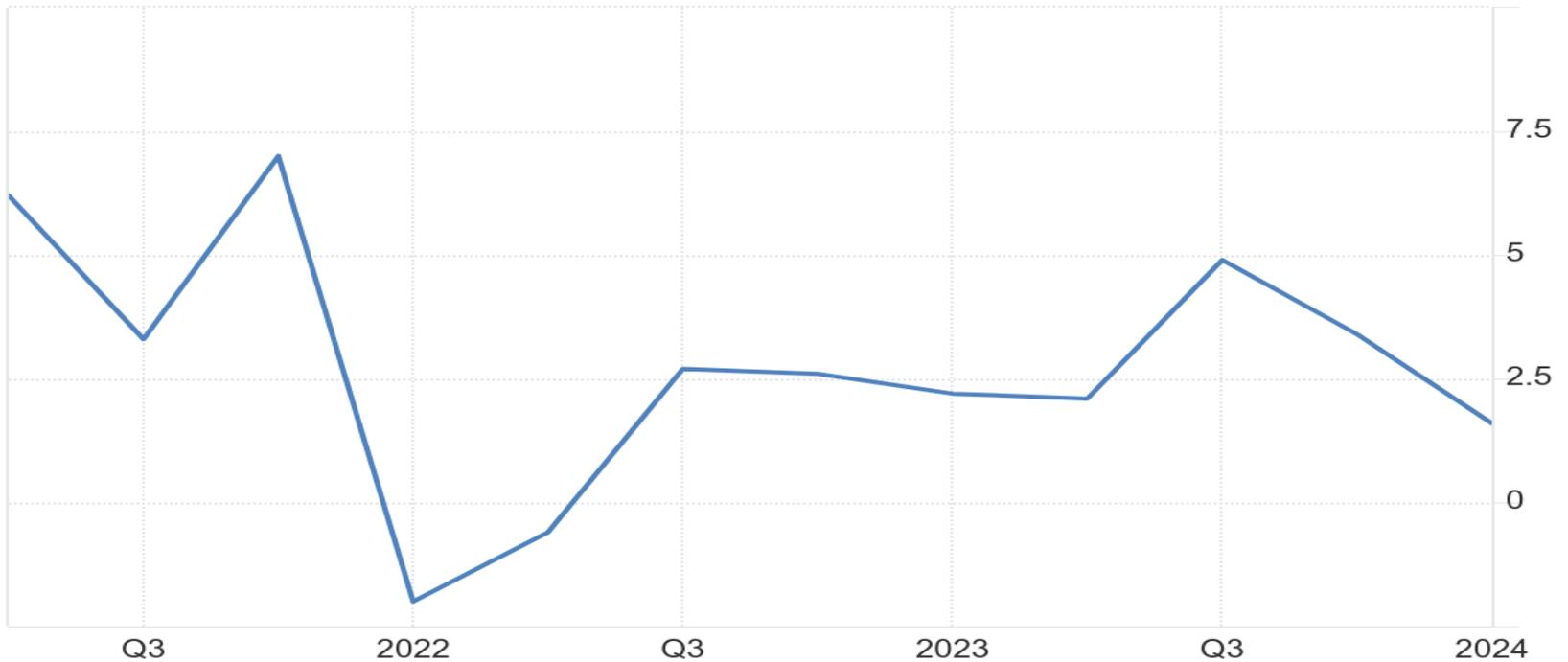
Key Global Economies

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



US GDP Growth Declining

US GDP Growth Rate - percent



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



US Inflation: Stubborn

US Inflation Rate - percent



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



Unrelenting: US 10 Yr Yield Curve

US 10 Year Note Bond Yield



source: tradingeconomics.com



Dollar Surges

Commodity	Month	Year
Coffee	13.53%	16.39%
Copper	11.24%	17.66%
Aluminium	8.72%	9.34%
Coal	7.77%	-23.17%
Wheat	7.36%	-1.93%
Steel	4.89%	-2.76%
Uranium	3.74%	68.06%
Silver	0.89%	3.93%
Gold	0.18%	13.29%
Soybean	-2.68%	-20.63%
Brent	-3.70%	13.69%
Palm Oil	-13.22%	11.49%
Cotton	-16.48%	-3.51%

Commodities

Currency Pair	Description	Month	Year
USDJPY	Japanese Yen	4.14%	14.86%
USDBRL	Brazilian Real	2.75%	4.09%
DXY	Dollar Index	1.53%	4.38%
USDRUB	Russian Ruble	1.25%	15.79%
USDSGD	Singapore Dollar	0.95%	2.17%
USDCNY	Chinese Yuan	0.13%	4.75%
USDINR	Indian Rupee	0.09%	2.05%
AUDUSD	Australian Dollar	-0.37%	-2.50%
GBPUSD	British Pound	-0.63%	-0.19%
EURUSD	EURO	-0.83%	-2.94%
BTCUSD	BITCOIN	-8.34%	109.73%

Currencies



India: Momentum Continues

- ▶ The heat of the general elections is rising more than the soaring summer temperatures across India. While the results will be known only in the first week of June 24, the rumor mill is keeping the stock markets on its toes.
- ▶ Despite this, stock markets in India defied the global trend and posted impressive gains in April. The performance of broader markets, particularly small cap index has been outstanding despite rich valuations.
- ▶ Inflation in India has come off a little, but still away from the comfort levels of RBI. Governor Shaktikanta spoke of inflation as one big elephant in the room which needs to be pushed firmly back in the forest before any rate cuts take place.
- ▶ A lot of credit for the gains in stock markets in last few years can be given to domestic investors. They have provided consistent, unwavering support through thick and thin even though FII's have blown hot and cold during the same period.
- ▶ GST collections stood at an impressive, highest ever INR 2.1 lac Cr for April 2024. Gross revenue reflected 12.4% and net revenues at 17.1% year on year growth.
- ▶ Indian Met officials indicated a normal monsoon this year with a better rainfall distribution exceeding the historical averages due to La Nina impact. On the other side, they also predicted maximum temperature to be above normal this summer.



Smallcaps Sizzle

Indian Benchmark Indices

Performance Chart Across Multiple Tenors

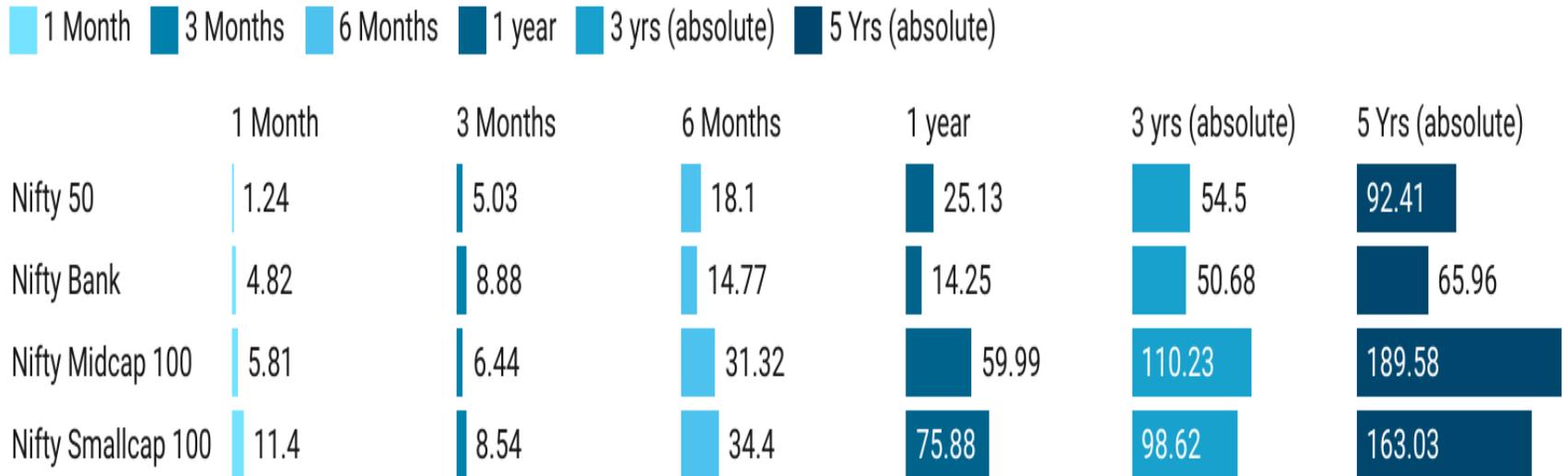


Chart: LaMoksh Investments • Source: Gaurav Goel • Created with Datawrapper



Sectoral Performance

Sectoral Performance

Equity Markets

■ 1 Month ■ 1 Year ■ 3 yrs ■ 5 yrs

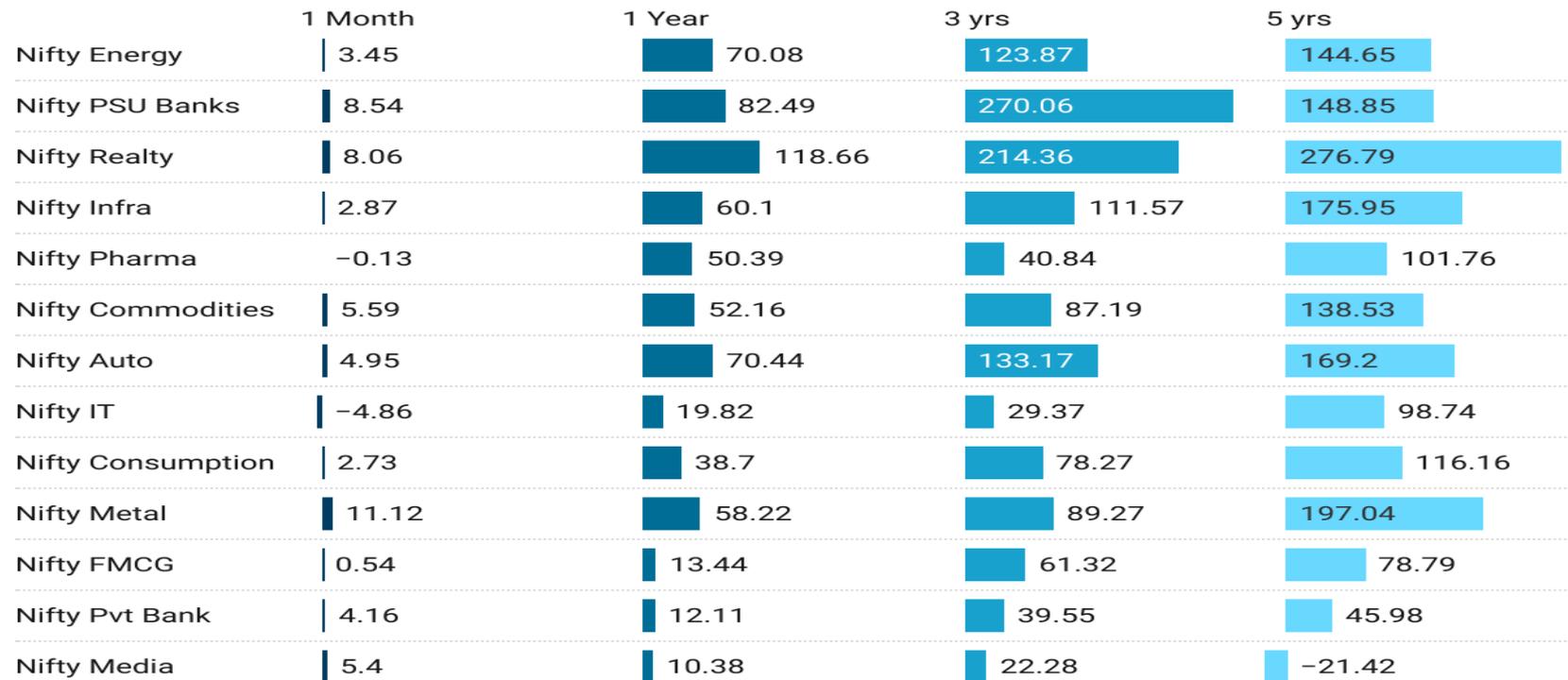


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Index Valuations

Index	Fall from 52 Wk Peak	EPS	PE	PB	Valuation Verdict
Nifty 50	-0.78%	1028.00	21.99	4.00	Neutral
Nifty Bank	-1.16%	3250.00	15.20	2.90	Under Valued
Nifty Midcap 100	-0.71%	1473.00	34.53	4.50	Expensive
Nifty Smallcap 100	-0.71%	605.60	28.09	4.10	Expensive



Index Forward Valuations

Index	1 Yr Fwd EPS	1 Yr Fwd PE	2 Yr Fwd EPS	2Yr Fwd PE	Valuation Verdict
Nifty 50	1182.2	19.1	1359.5	16.6	Neutral
Nifty Bank	3737.5	13.2	4298.1	11.5	Under Valued
Nifty Midcap 100	1694.0	30.0	1948.0	26.1	Expensive
Nifty Smallcap 100	696.4	24.4	800.9	21.2	Neutral



US Vs Indian Equity markets

Performance Comparison Chart

Indian Indices Vs US Indices

■ 1 Month ■ 1 year

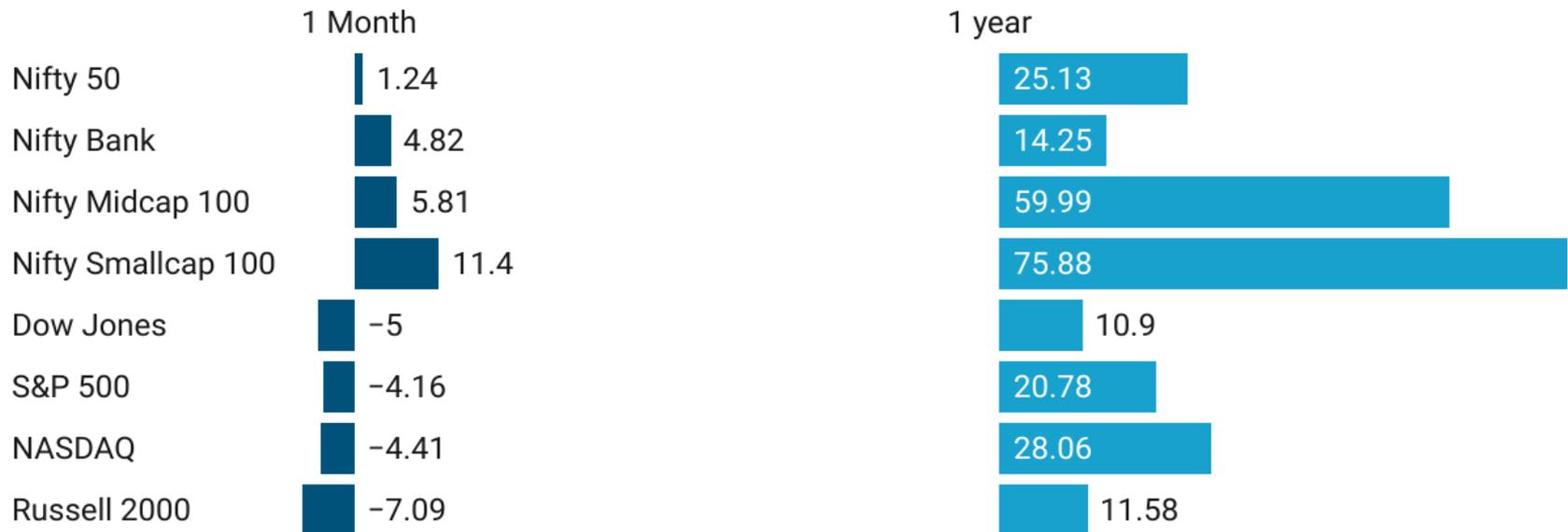
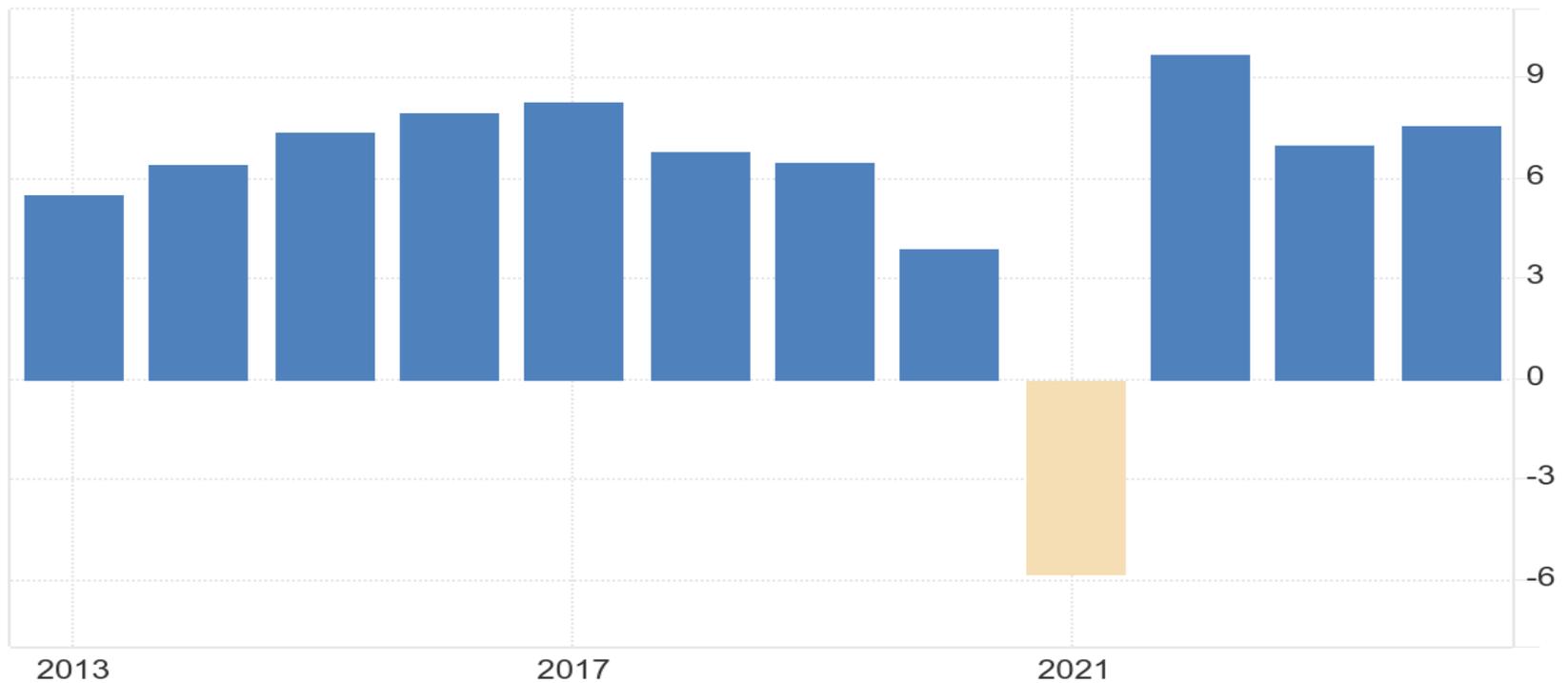


Chart: Lamoksh Investments • Source: Gaurav Goel • Created with Datawrapper



India GDP Yearly Growth Chart

IN Full Year GDP Growth - percent



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

Indian Inflation: Easing Slowly

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



Indian Currency Levels

Currency Pair	Description	Exchange Rate
USDINR	US Dollar	83.43
EURINR	Euro	88.93
GBPINR	British Pound	104.11
JPYINR	Japanese Yen	0.53
CNYINR	Chinese Yuan	11.52
AUDINR	Australian Dollar	53.95
SGDINR	Singapore Dollar	61.09



Crystal Ball

- ▶ The heat of general elections in India is at its peak. We expect the ruling National Democratic Alliance to return to power with a bigger mandate and Narendra Modi to embark on his third term as the prime minister of the country. We also expect, a series of economic reforms to be unleashed by the government starting with a progressive budget soon after the crowning of the new government. Foreign Institutional Investors will view this positively and return to Indian stock market with renewed vigour.
- ▶ Indian markets are trading at record highs. Yet we don't see a bubble building up in valuations. Nifty 50 valuations are in line with historical averages and robust corporate performance will bring further comfort. We remain most optimistic on Banking sector valuations. Smallcap and midcap are expensive and new fund allocation should be avoided.
- ▶ We are seeing a hint of recovery in Chinese equity markets for the first time after a long gap. The valuations are attractive and at almost rock bottom. The recovery theory has to be corroborated by more data though. However, we don't mind taking a small exposure in China at the moment and gradually increase if the data is positive.
- ▶ Rate cuts in US will now start only towards the end of this year. We expect one rate cut in Q4 and series of rate cuts subsequently in the next calendar year.
- ▶ In US presidential race, Donald Trump will emerge victorious but may face legal troubles in his ascent to the top position. Elsewhere, middle east crisis will diffuse and two nation theory will lead to a resolution, thought not an everlasting one.



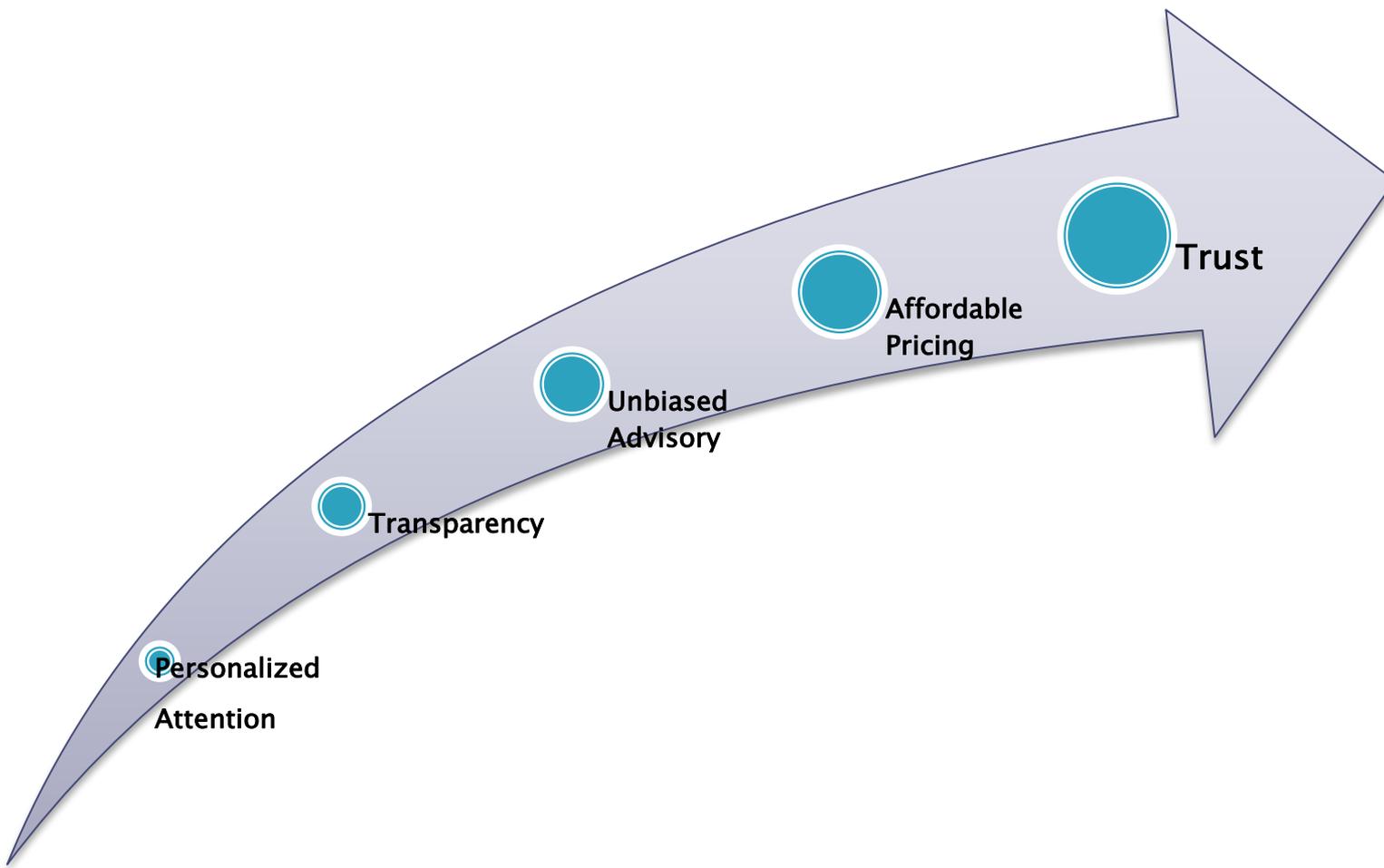
Portfolio Strategies & Performance- Pls Visit

<https://lamokshinvestments.smallcase.com>

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Our Commitment



Personalized
Attention

Transparency

Unbiased
Advisory

Affordable
Pricing

Trust



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



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