

PAISA VASOOL

June 2024 Newsletter

Gaurav Goel

Let's Begin....



LAMOKSH INVESTMENTS

World This Month



No Dark Clouds

- ▶ Tech stocks are back in favour and performed the best in last 1 year amongst all the major indices in US. Asian markets, barring China, performed well in June but European markets led by French index CAC 40 fell substantially.
- ▶ In their June Meeting, Federal Reserve officials indicated that inflation is moving in the right direction but not quickly enough for them to lower the interest rates.
- ▶ US June Unemployment rate was at 4.1% vs estimates of 4%. Non-farm-Payroll (NFP) number was at 2.06 Lacs against estimates of 1.3 lacs. Q1 GDP growth rate QOQ was recorded at 1.4%. Trade deficit in the US widened to USD 75.1 billion in May 2024, the largest since October 2022.
- ▶ In England, Labour Party regained power after 14 years with an overwhelming advantage. Sir Keir Starmer has become the new British Prime Minister replacing Rishi Sunak of the conservative party.
- ▶ In France, Marine La Pen's National Rally party rallied to a strong lead in the first round of snap legislative elections. She would be looking to gain an absolute majority in the decisive round on July 7.
- ▶ Japanese Yen depreciated above 160 per USD, the weakest since 1986, breaking the key level that previously led Japanese authorities to intervene in the currency markets.
- ▶ Brazilian financial markets have sold off sharply this year as investors grew increasingly anxious about the spending plans of the current government. Brazilian Real is the third worst performing emerging market currency against the US dollar this year.



Tech Bounce

US Indices

Performance across time frames in last 1 year

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

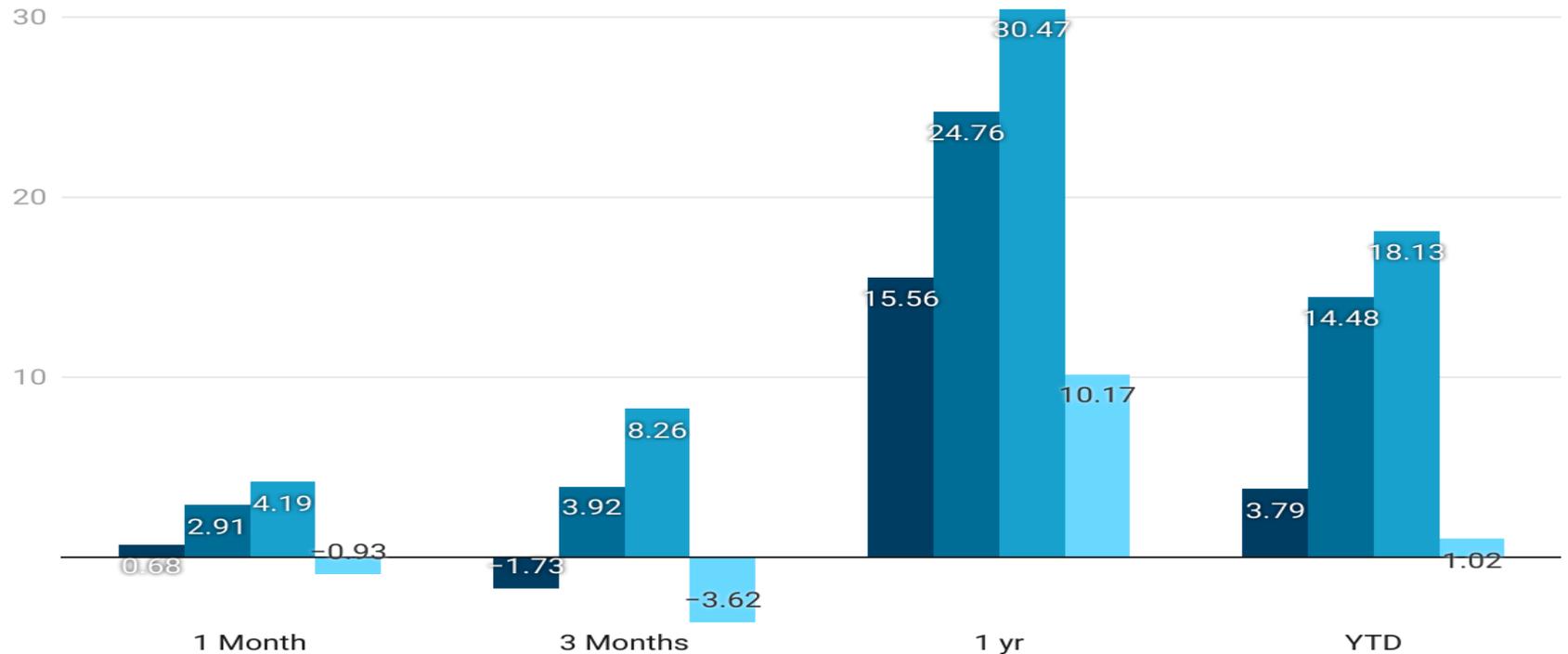


Chart: Gaurav Goel • Source: Lamoksh Investments • Created with Datawrapper

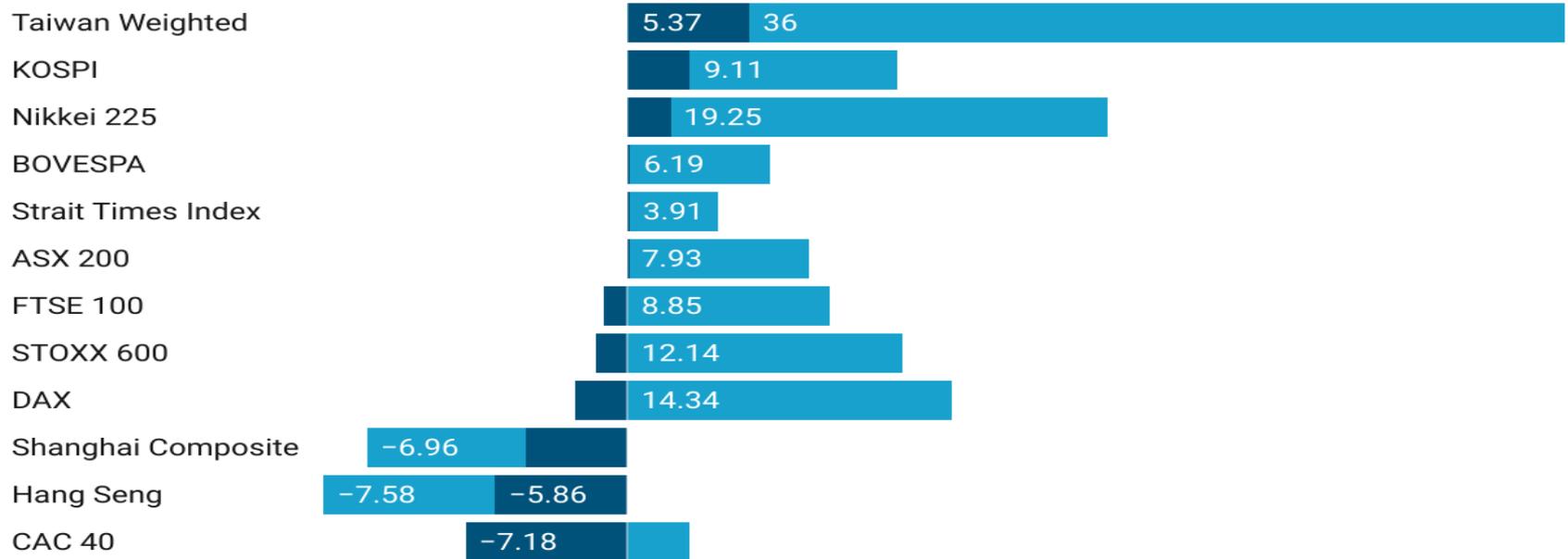


Asia Gains, Europe Declines

Global Equity Indices

Performance Chart

■ Month ■ Year



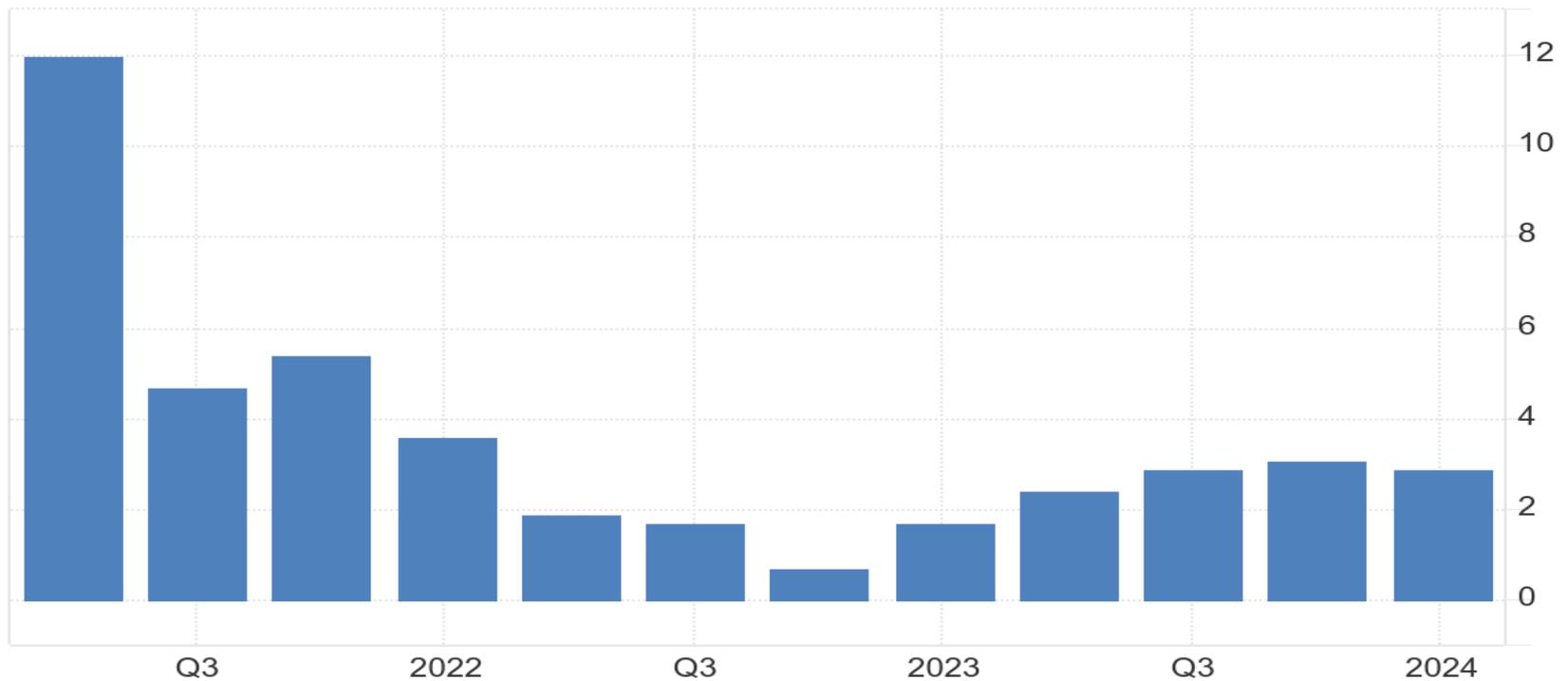
Key Global Equity Markets

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



US GDP Annual Growth Rate

US GDP Annual Growth Rate - percent

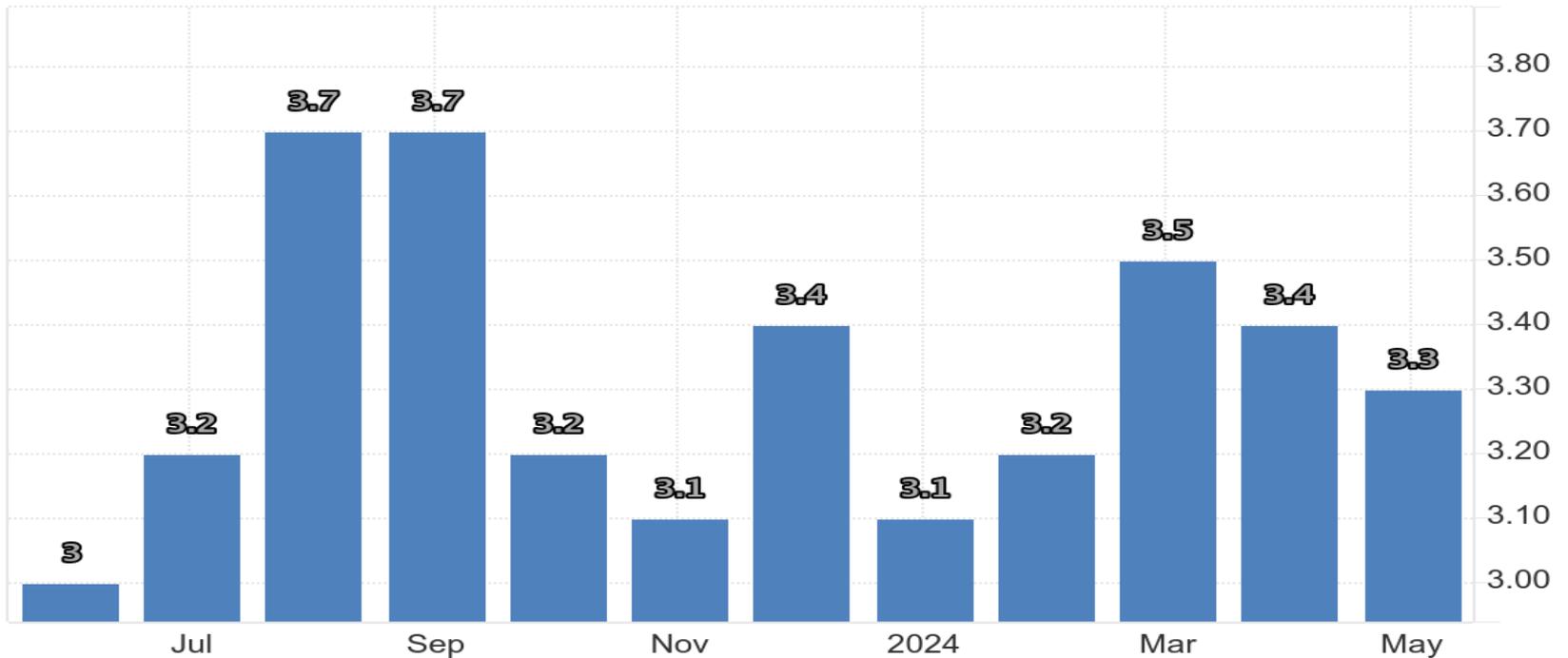


Source: tradingeconomics.com | U.S. Bureau of Economic Analysis



Sticky US Inflation

US Inflation Rate - percent



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



Unyielding: US 10 Yr Yield Curve

US 10 Year Note Bond Yield



source: tradingeconomics.com



Currencies & Commodities

Commodity	Month	Year
Brent	1.88%	14.12%
Gold	-0.51%	21.92%
Coffee	-2.65%	37.25%
Palm Oil	-2.90%	3.35%
Uranium	-5.04%	54.09%
Soybeaan	-5.05%	-15.74%
Coal	-6.26%	4.14%
Steel	-6.91%	-11.48%
Copper	-8.34%	18.98%
Aluminium	-8.78%	16.88%
Silver	-9.02%	29.20%
Wheat	-17.21%	-14.08%
Cottton	-22.22%	-22.22%

Commodities

Currency Pair	Description	Month	Year
USDBRL	Brazilian Real	7.47%	15.16%
USDJPY	Japanese Yen	2.33%	11.32%
DXY	Dollar Index	0.68%	2.42%
USDSGD	Singapore Dollar	0.49%	0.19%
USDCNY	Chinese Yuan	0.31%	0.31%
AUDUSD	Australian Dollar	0.26%	1.02%
USDINR	Indian Rupee	0.21%	1.62%
GBPUSD	British Pound	-0.42%	0.26%
EURUSD	EURO	-1.33%	-1.83%
USDRUB	Russian Ruble	-4.28%	-1.28%
BTCUSD	BITCOIN	-9.02%	102.28%

Currencies



INDIA: All Is Well

- ▶ India is on a roll once again. Election hiccups have been dismissed by dalal street. Equity markets are recoding new highs with every passing day. Leading the charge are the broader market indices and forecasts of their demise have been rejected outrightly so far.
- ▶ GST collections in India stood at INR 1.4 Lac crore, an increase of 8% over the previous year. India's PMI manufacturing index stood at 58.3 while service PMI was at 60.5 broadly in line with estimates. India's external debt stood at USD 663.8 billion at the end of March 2024.
- ▶ India registered the highest ever growth in the value of defense production in FY 2023-24 at INR 1,26,897 crore which is 16.8% higher than the previous year. India's mobile phone exports in FY 2023-24 was at USD 15.6 Billion up 40% over previous year.
- ▶ RBI Governor Shakti Kanta Das believes that India is at a cusp of a structural shift in its growth trajectory. He thinks that India can achieve 8% real growth on a sustainable basis.
- ▶ In more good news, India recorded a current account surplus of USD 5.7 billion in the quarter ending March 2024 swinging from a USD 1.3 billion deficit in the preceding quarter. In FY 2023-24 India's current account deficit stood at 0.7% of GDP vs 2% a year back. FPI's saw a net inflow of USD 44.1 billion against an outflow of USD 5.2 billion in FY 2023.



Post Election Surge

Indian Benchmark Indices

Performance Chart Across Multiple Tenors

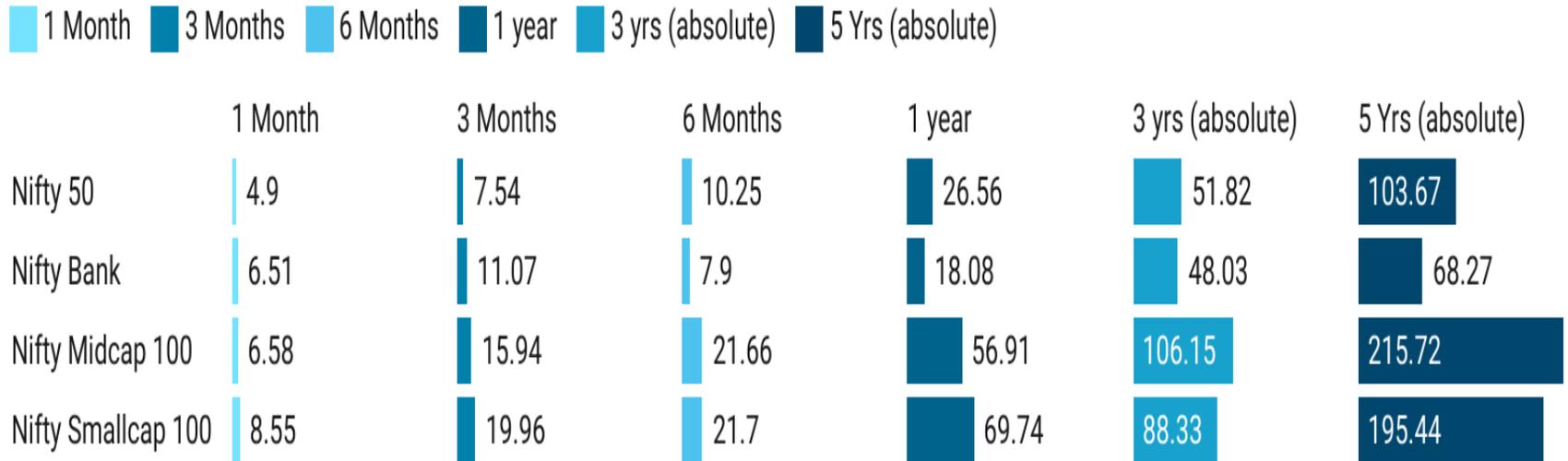


Chart: LaMoksh Investments • Source: Gaurav Goel • Created with Datawrapper



Sectoral Performance

Sectoral Performance

Equity Markets

■ 1 Month ■ 1 Year ■ 3 yrs ■ 5 yrs

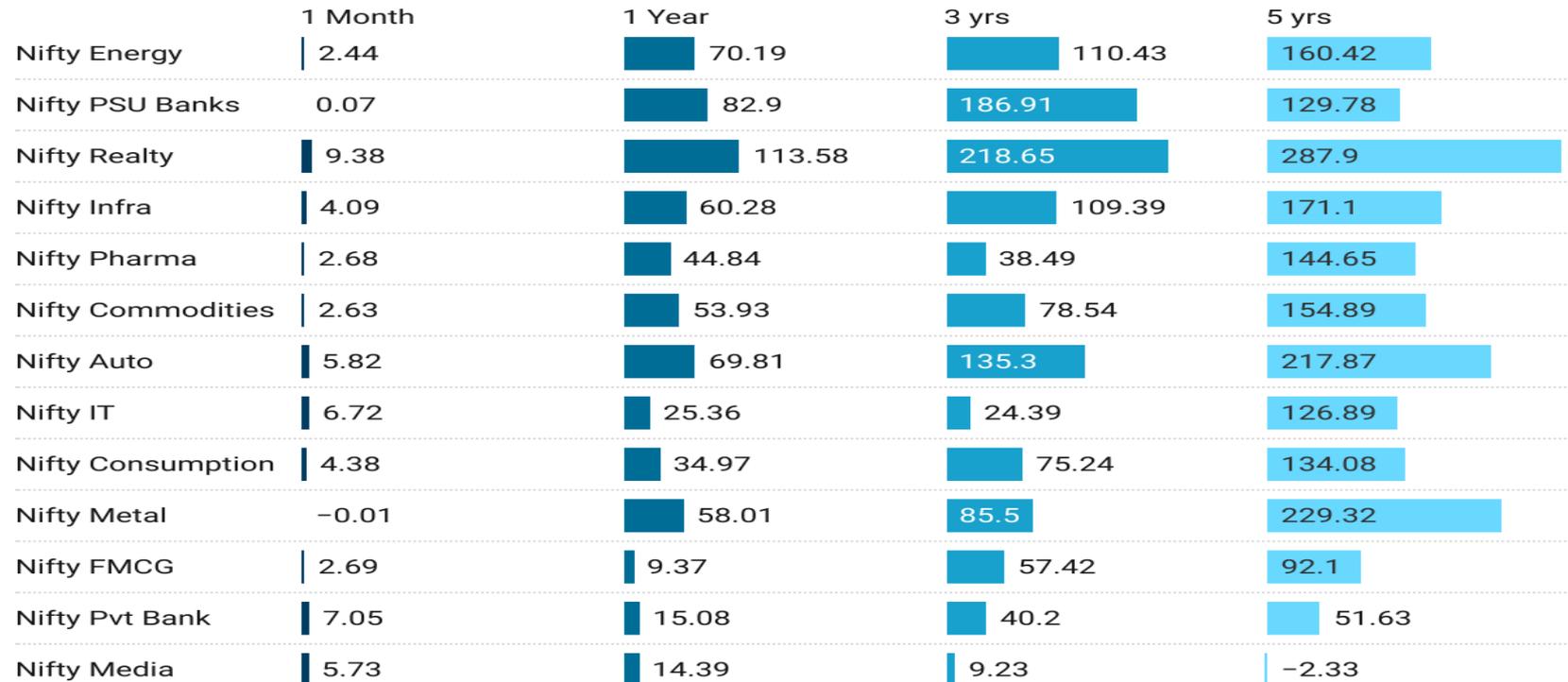


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Index Valuations

Index	Fall from 52 Wk Peak	EPS	PE	PB	Valuation Verdict
Nifty 50	-0.67%	1052.80	22.85	4.10	Neutral
Nifty Bank	-1.58%	3277.00	15.97	3.00	Under Valued
Nifty Midcap 100	-0.34%	1335.00	41.75	5.00	Very Expensive
Nifty Smallcap 100	-0.65%	625.60	29.28	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	19.8	1392.3	17.2	Neutral
Nifty Bank	3768.6	13.9	4333.8	12.1	Undervalued
Nifty Midcap 100	1535.3	36.3	1765.5	31.6	Very Expensive
Nifty Smallcap 100	719.4	25.5	827.4	22.1	Expensive



US Vs Indian Equity markets

Performance Comparison Chart

Indian Indices Vs US Indices

■ 1 Month ■ 1 year

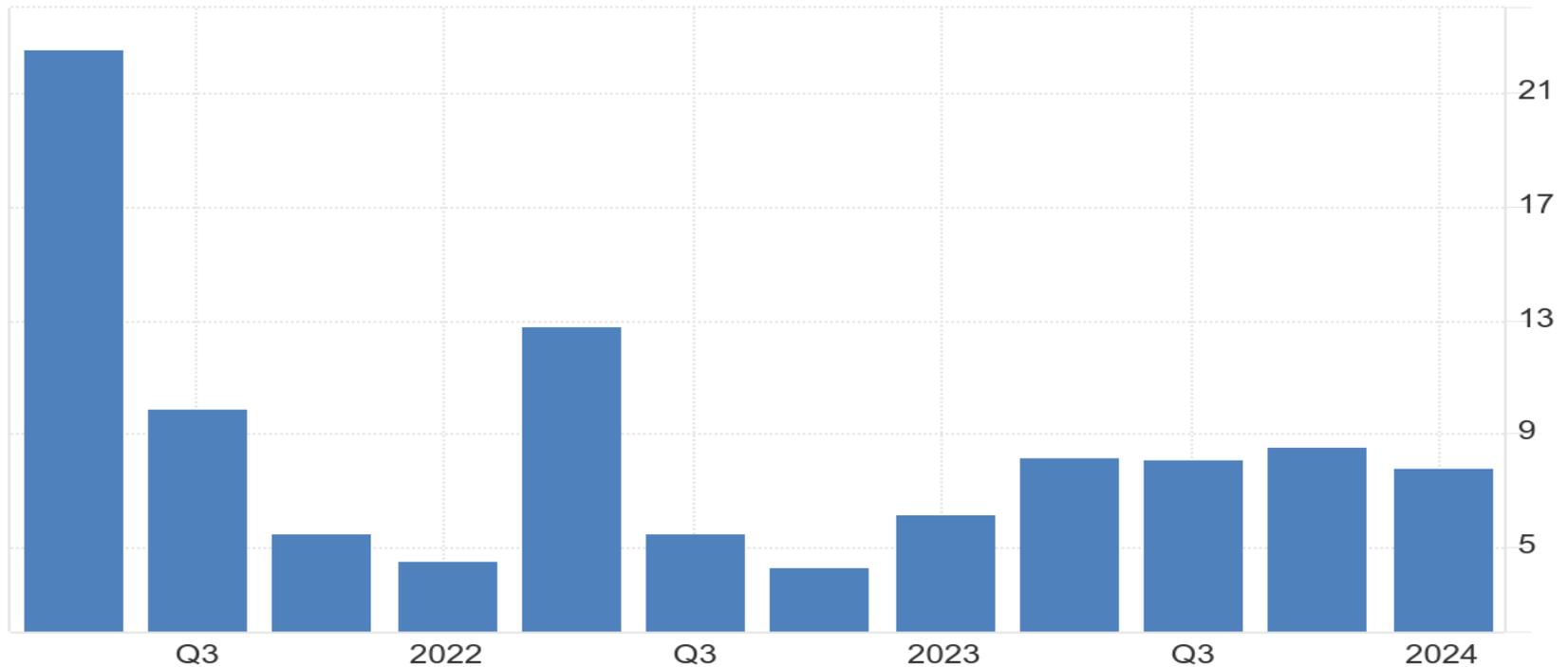


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India GDP Yearly Growth Chart

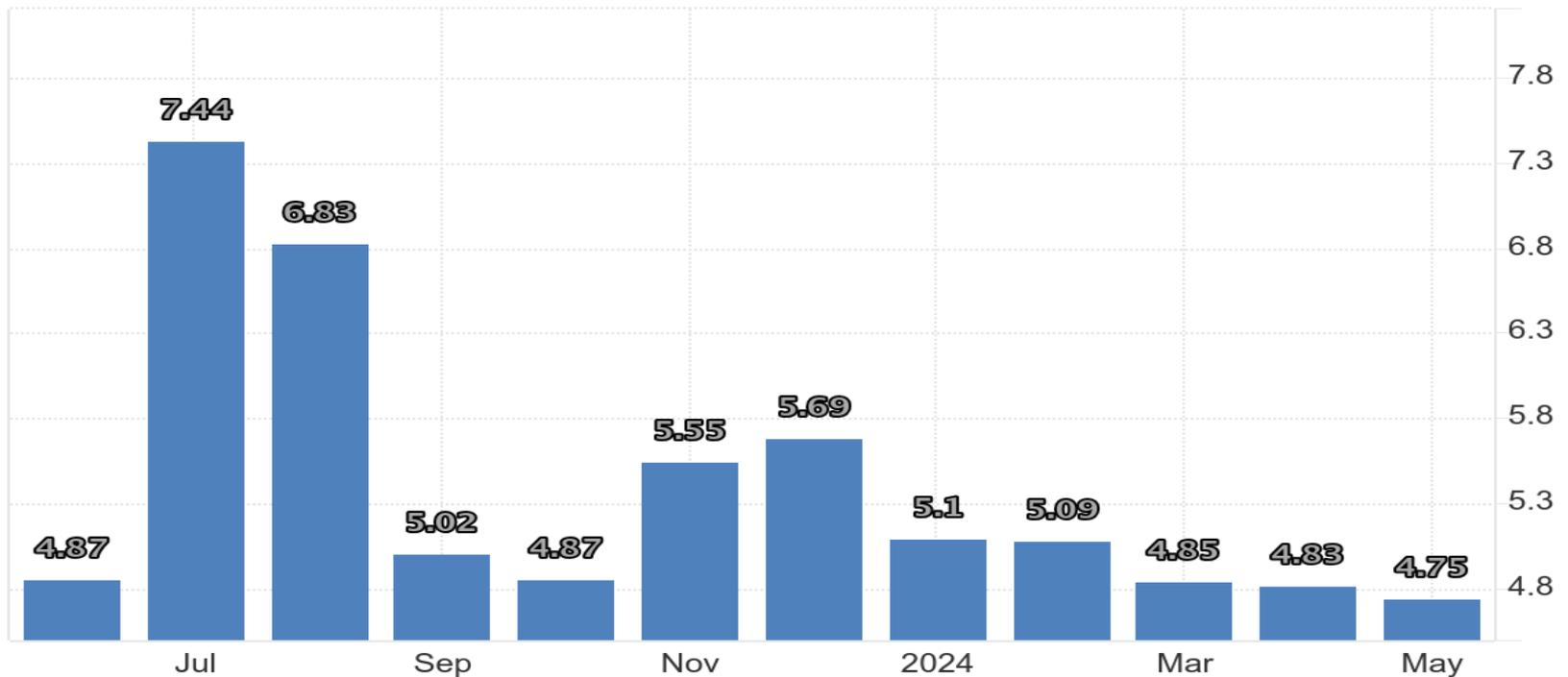
IN GDP Annual Growth Rate - percent



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



Crystal Ball

- ▶ Indian equity markets are cruising at the moment. Most indices are at their record highs. Economy too is galloping now. This calls for celebration but caution is advised to short term investors. In euphoric markets, all boats tend to rise. A smart investors should differentiate quality from crap.
- ▶ Long term investing should be the mantra for long term wealth creation. In short term we can see sharp and swift corrections. This is the nature of a true bull market. Prepare for such corrections now.
- ▶ In this bull rally in Indian markets, there are sectors which have been greatly ignored by the markets. Keep an eye on technology, pharma and consumption stocks going forward. We find greater value and more comfort in large cap and financial stocks. There is froth building in mid and small cap stocks. Remain vigilant over there.
- ▶ Remember, many global markets including US are at their record highs. India is not the only one. We have several advantages over others but we are not decoupled from global economies.
- ▶ US elections are bracing for a tight finish. Current president Joe Biden is facing challenges on health grounds and may drop out before the elections. This give Donald Trump and Republican Party a huge advantage.
- ▶ The rise of right wing political forces in Europe is creating uproar in the continent. Dismal economic growth rates and geo political challenges are getting too big to overcome. This space needs to closely watched out in coming months.



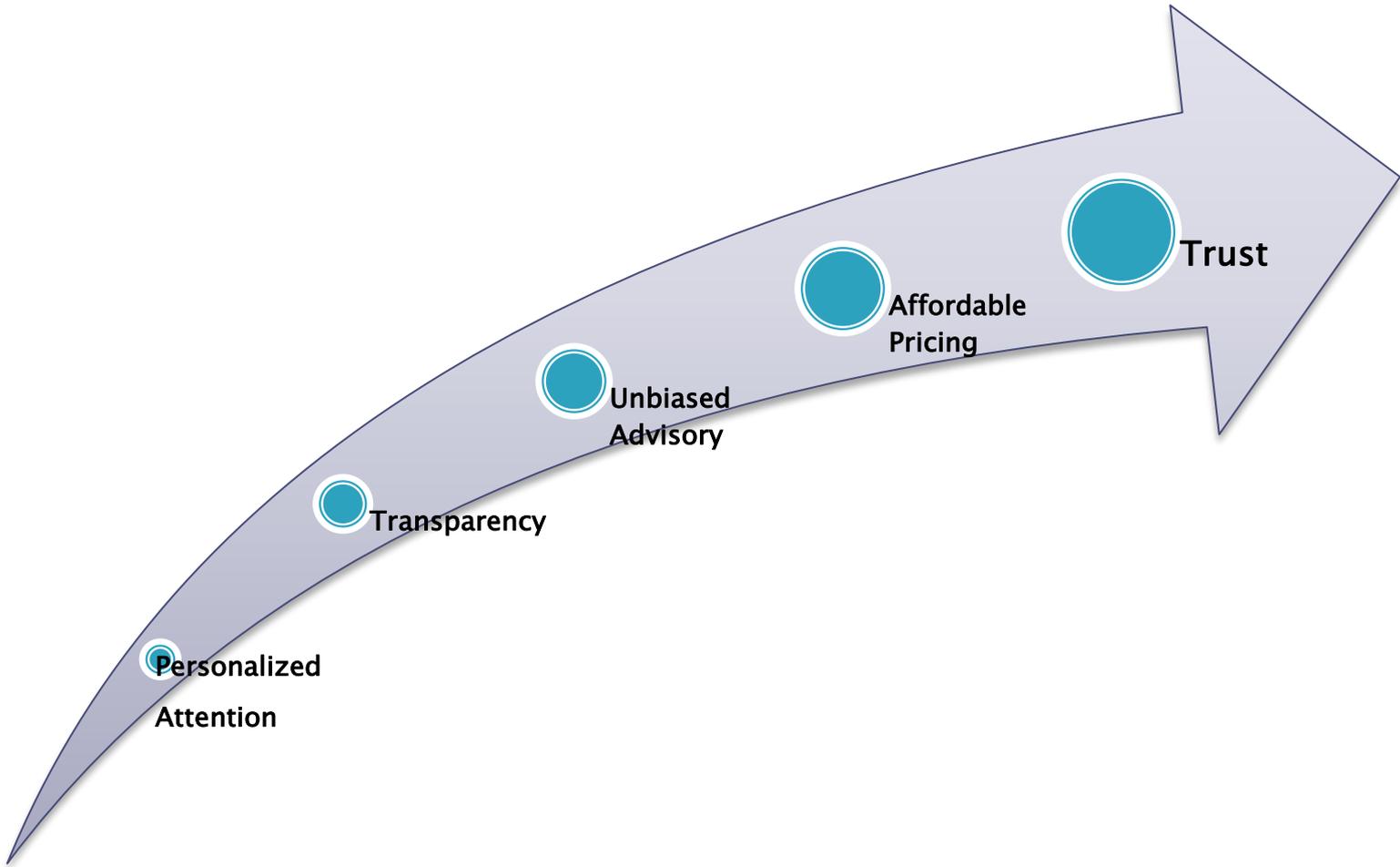
Portfolio Strategies & Performance- Pls Visit

<https://lamokshinvestments.smallcase.com>

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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



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