

PAISA VASOOL

May 2024 Newsletter

Gaurav Goel

Let's Begin....



LAMOKSH INVESTMENTS

World This Month



UP & DOWN

- ▶ From tumbles in April to sharp recovery in May, American equities are in dilemma. There is no clear direction in short term. Long term trends are a little different and point towards sustained recovery.
- ▶ US markets are yet to reconcile with the current inflationary trends and the way forward to deal with it. While Fed has unambiguously pushed towards taming inflation as their only priority, markets are totally confused with differing voices on interest rates.
- ▶ US Q1 GDP annualized (QOQ) grew by 1.3% as per estimates but lower than 1.6% in the previous quarter. ISM manufacturing PMI edged lower to 48.7 in May from 49.6 in April. The latest May print in unemployment numbers (Non Farm Payroll) showed higher than estimated addition of 272,000 jobs but unemployment rate edged higher up to 4%.
- ▶ Large global equity markets gained as well in May led by Europe and Taiwan. Brazil, Korea and India underperformed. Exports from China soared 7.6% YOY in May 2024 accelerating from 1.5% in the previous month and beating market expectations of a 6% growth. The Caixin general manufacturing PMI in China rose to 51.7 in May from 51.4 in April beating estimates slightly.
- ▶ ECB lowered the three key interest rates by 25 basis points in line with expectations making a shift from 9 months of stable rates after inflation declined by more than 2.5% since September 2023.
- ▶ Commodities surged led by precious metals and soft commodities. US dollar declined against major global currencies. On the other hand Bitcoin gained 16% in the month. OPEC+ agreed to extend most of their oil supply cuts into 2025 but opened the door to voluntary cuts from eight member countries.



VOLATILE

US Indices

Performance across time frames in last 1 year

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

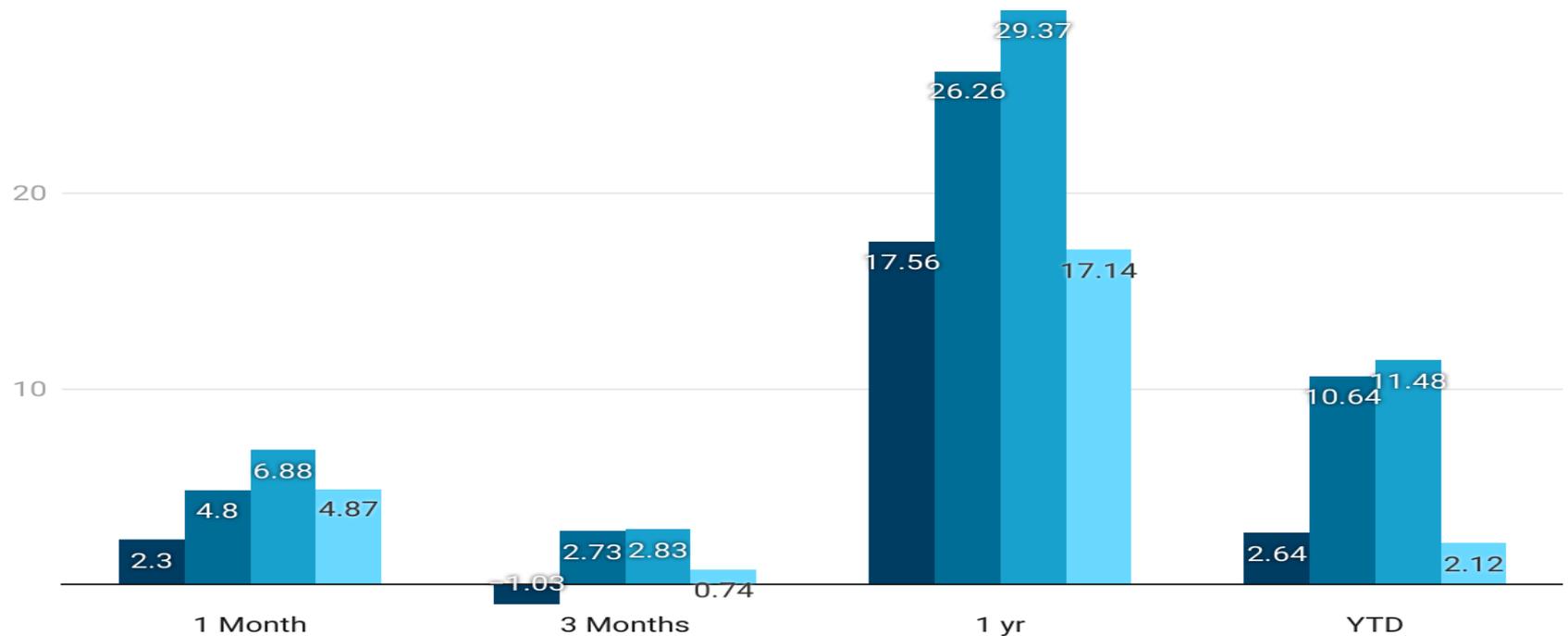


Chart: Gaurav Goel • Source: Lamoksh Investments • Created with Datawrapper

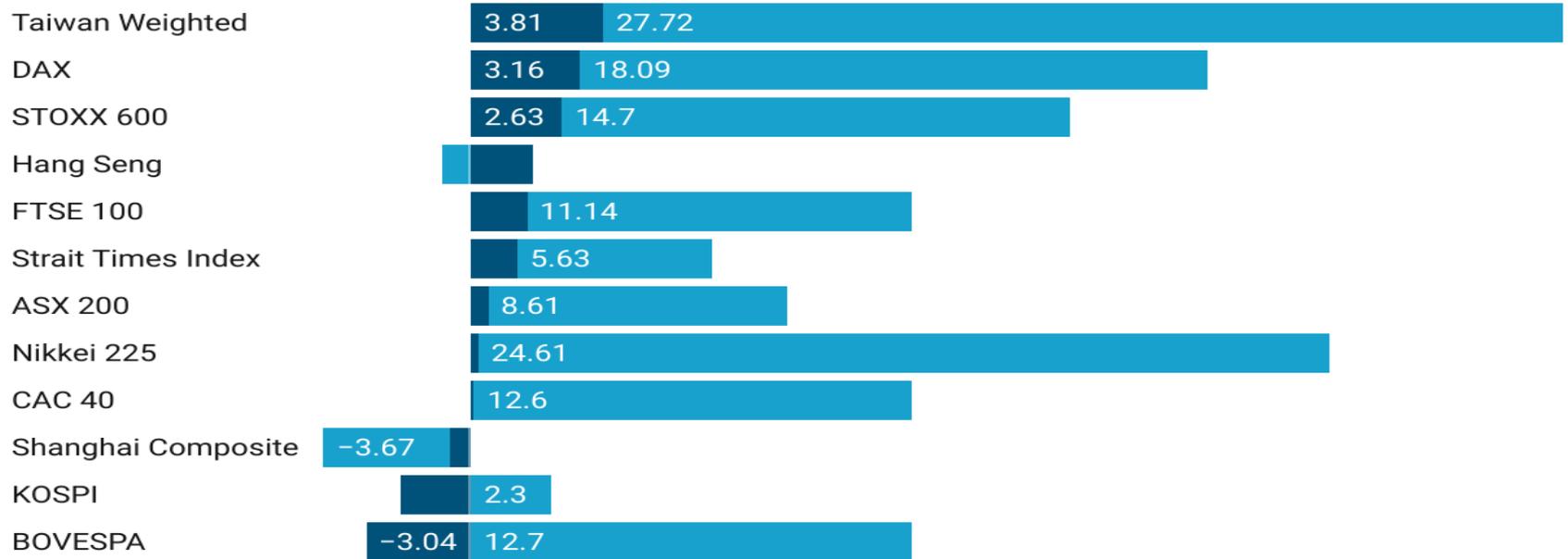


RISING AHEAD

Global Markets

Monthly and Yearly Performance

■ Month ■ Year



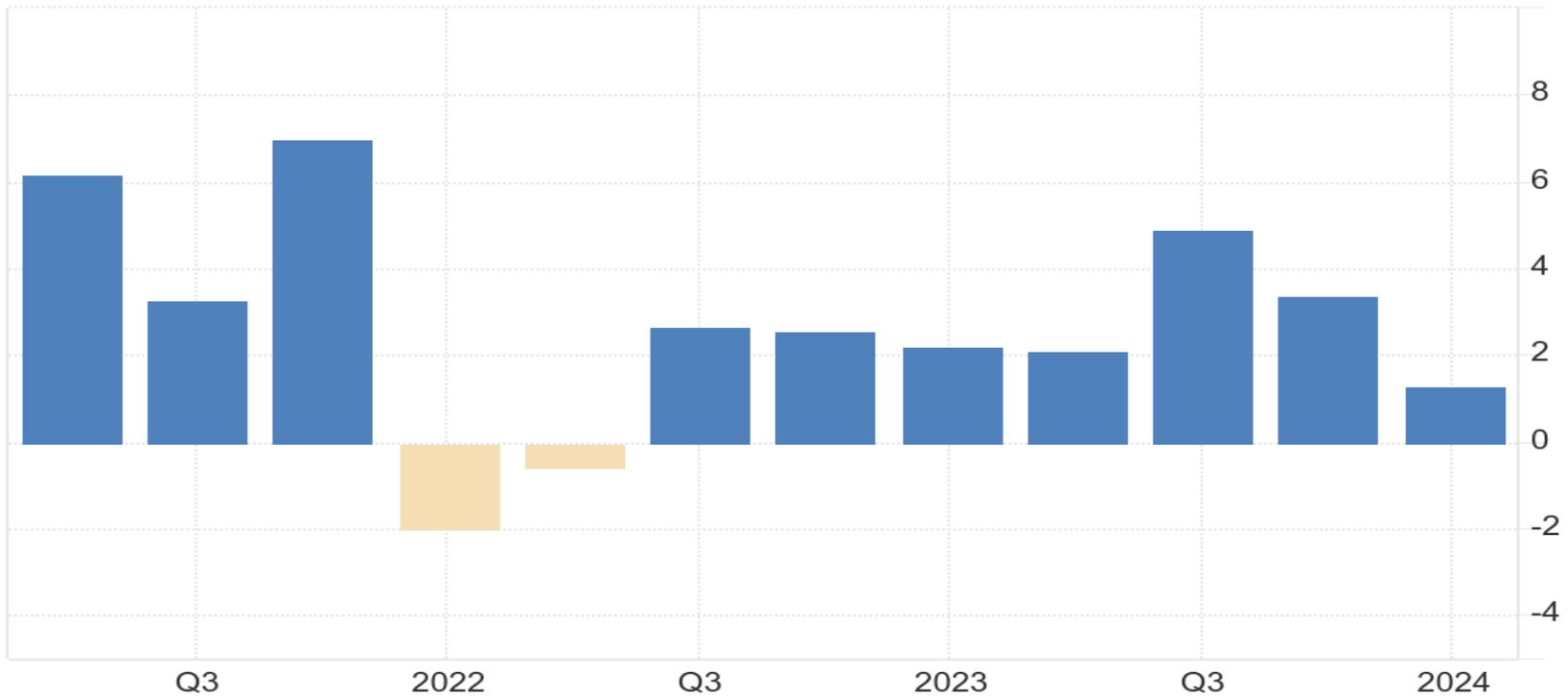
Key Global Economies

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



US GDP Growth Declining

US GDP Growth Rate - percent

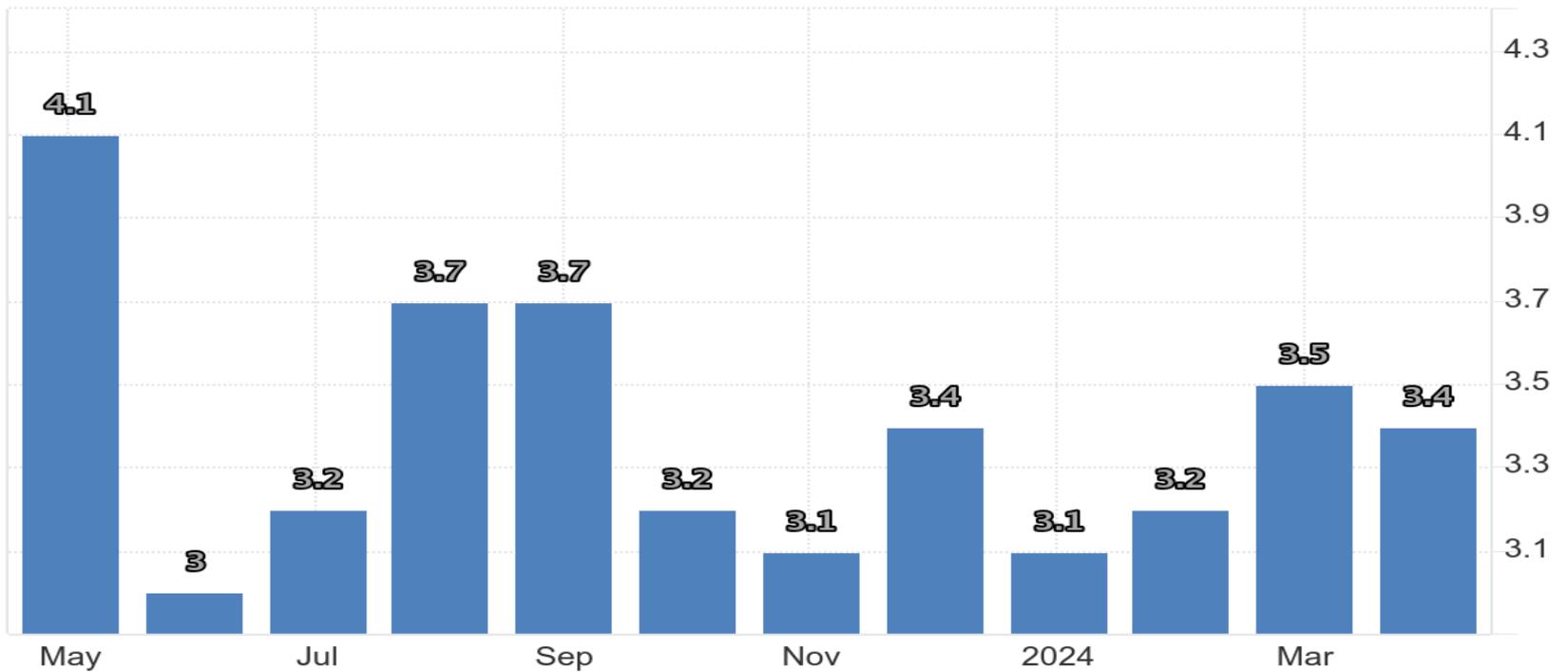


Source: tradingeconomics.com | U.S. Bureau of Economic Analysis



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 DECLINES

Commodity	Month	Year
Silver	13.84%	8.93%
Wheat	13.48%	8.93%
Palm Oil	6.95%	24.40%
Soybean	4.28%	-3.16%
Aluminium	3.36%	16.71%
Cotton	2.30%	-11.92%
Coffee	1.89%	20.53%
Copper	1.83%	24.74%
Gold	0.14%	17.65%
Steel	-0.90%	0.00%
Coal	-2.11%	10.56%
Brent	-2.55%	9.57%
Uranium	-2.60%	61.98%

Commodities

Currency Pair	Description	Month	Year
BTCUSD	BITCOIN	16.14%	151.90%
AUDUSD	Australian Dollar	2.77%	2.29%
GBPUSD	British Pound	1.99%	2.40%
EURUSD	EURO	1.65%	1.41%
USDBRL	Brazilian Real	1.00%	3.71%
USDCNY	Chinese Yuan	0.02%	1.83%
USDINR	Indian Rupee	-0.04%	0.89%
USDJPY	Japanese Yen	-0.33%	12.88%
DXY	Dollar Index	-1.03%	1.03%
USDSGD	Singapore Dollar	-1.06%	-0.05%
USDRUB	Russian Ruble	-3.29%	10.82%

Currencies



INDIA: ELCTION TANTRUMS

- ▶ Election dust has finally settled and the ruling NDA alliance has come back to power with Narendra Modi re-elected as the Prime Minister of the country for the third time in a row. However, their majority in Lok Sabha or the lower house has trimmed considerably and dependence on the allies for key structural reforms has increased substantially.
- ▶ India's GDP grew by an impressive 8.2% in FY 23-24 and 7.8% for Q4 of FY 2023-34. Real GVA grew by 7.2% in the same period. Manufacturing sector showed a commendable 9.9% growth. This remarkable GDP growth rate is highest all the major economies of the world.
- ▶ In another great news, rating agency S&P upgraded its outlook on India from stable to positive reflecting its solid growth performance and promising economic outlook for the coming years.
- ▶ In its latest monetary policy, RBI kept the repo rate unchanged at 6.5% and maintained withdrawal of accommodation stance. GDP growth target was revised from 7% to 7.2% and inflation target was maintained at 4.5% for FY 24-25.
- ▶ GST collections went up by 10% at Rs 1,72,739 crore in May as the growth from domestic sources (up 15%) made up for the shortfall in the import kitty (down 4.5%). India's fiscal deficit improved to 5.63% or 16.54 lac crore in absolute term in FY 24 lower than GOI target of 5.8%
- ▶ RBI's balance sheet size rose 11.08% to Rs 470.48 lac crore as of March 2024. RBI also approved a massive all-time high transfer of 2.11 lac crore surplus to Government for FY 24.



NERVY MARKETS

Indian Benchmark Indices

Performance Chart Across Multiple Tenors

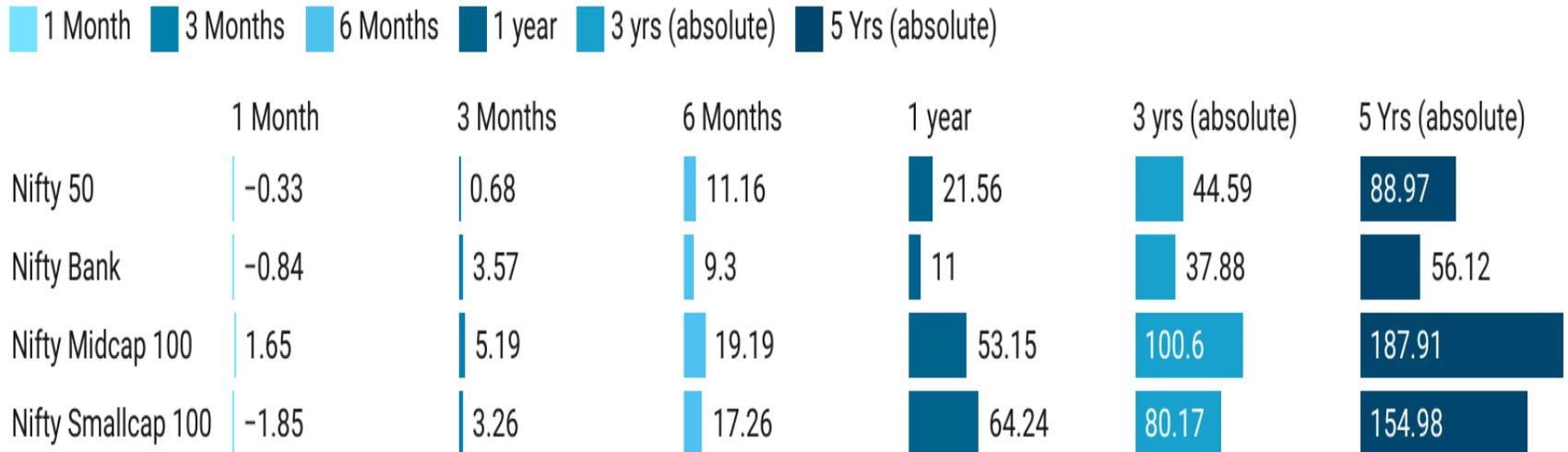


Chart: LaMoksh Investments • Source: Gaurav Goel • Created with Datawrapper



Sectoral Performance

Sectoral Performance

Equity Markets

■ 1 Month
 ■ 1 Year
 ■ 3 yrs
 ■ 5 yrs

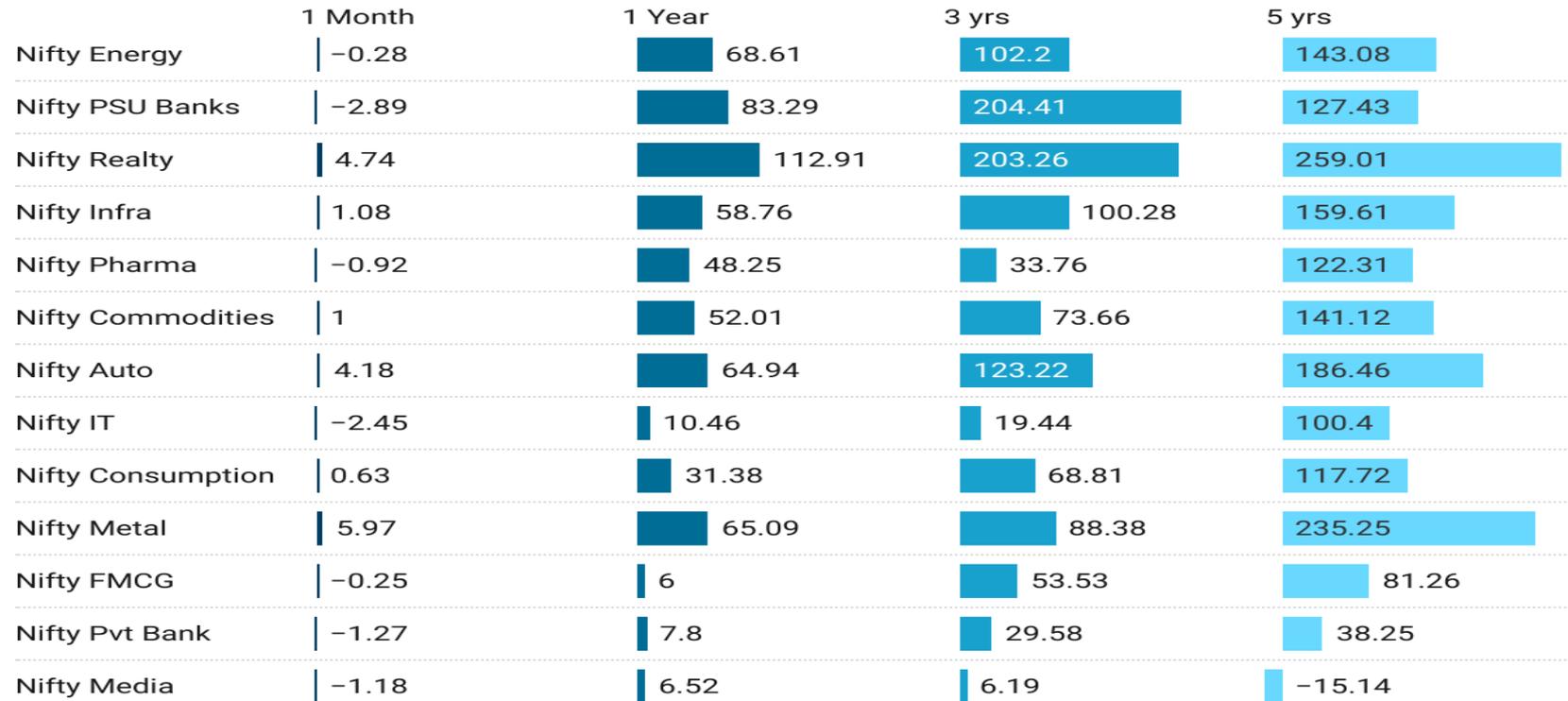


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Index Valuations

Index	Fall from 52 Wk Peak	EPS	PE	PB	Valuation Verdict
Nifty 50	-2.51%	1052.80	21.40	4.00	Neutral
Nifty Bank	-1.98%	3272.00	14.97	2.90	Under Valued
Nifty Midcap 100	-2.52%	1326.80	38.97	4.70	Very Expensive
Nifty Smallcap 100	-2.56%	634.10	26.33	4.00	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	18.6	1392.3	16.2	Neutral
Nifty Bank	3762.8	13.0	4327.2	11.3	Undervalued
Nifty Midcap 100	1525.8	33.9	1754.7	29.5	Very Expensive
Nifty Smallcap 100	729.2	22.9	838.6	19.9	Expensive



US Vs Indian Equity markets

Performance Comparison Chart

Indian Indices Vs US Indices

■ 1 Month ■ 1 year

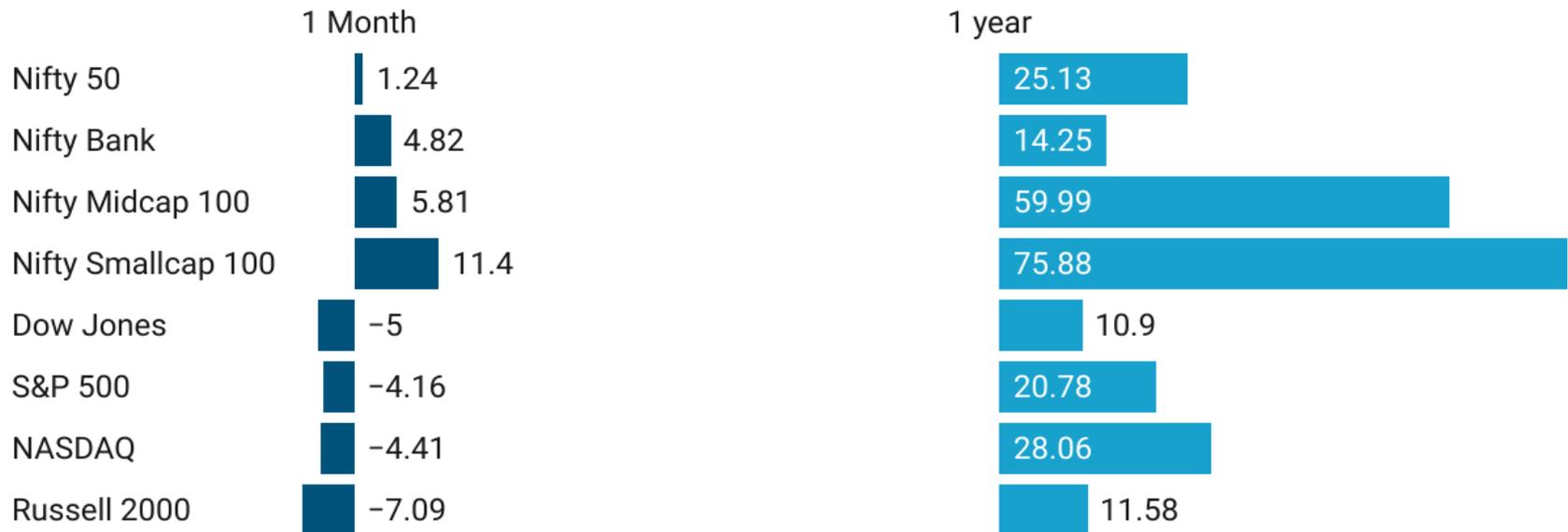
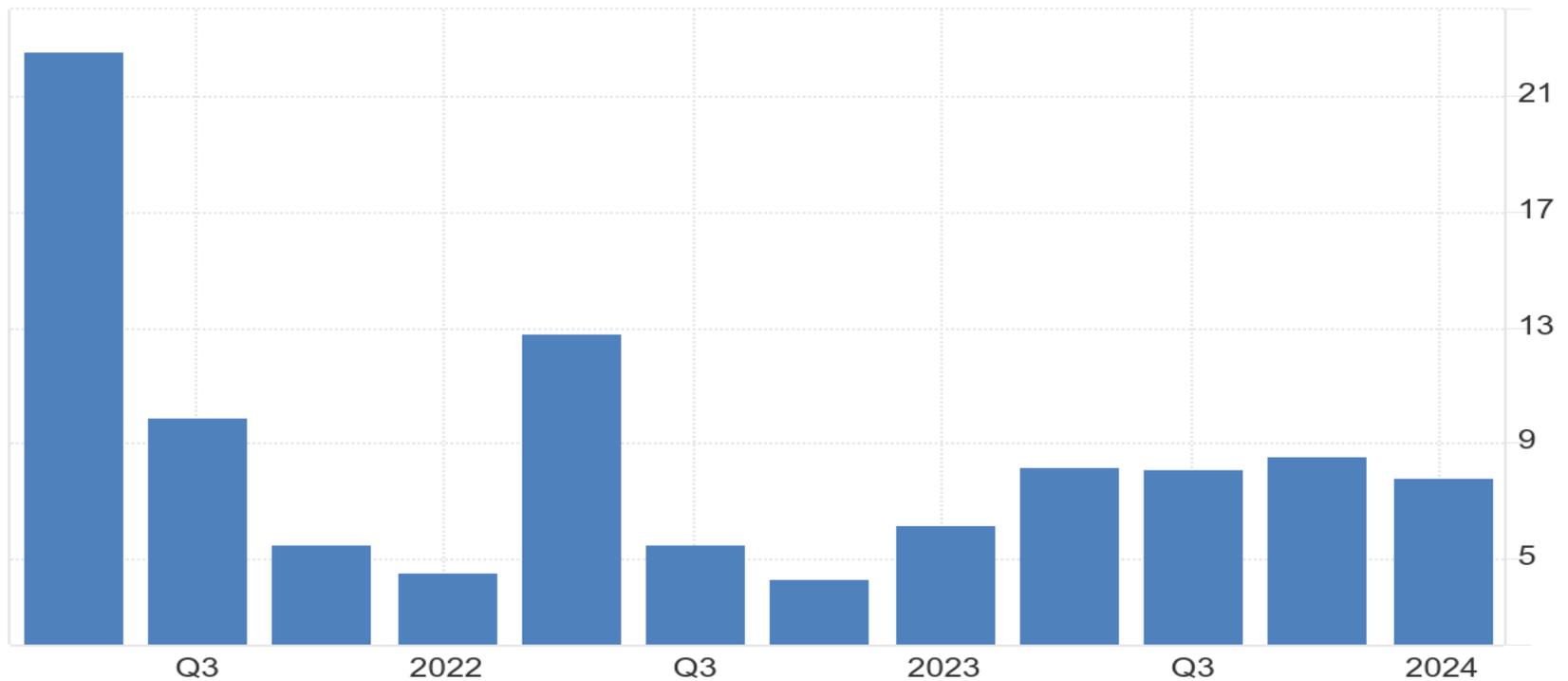


Chart: Lamoksh Investments • Source: Gaurav Goel • Created with Datawrapper



India GDP Yearly Growth Chart

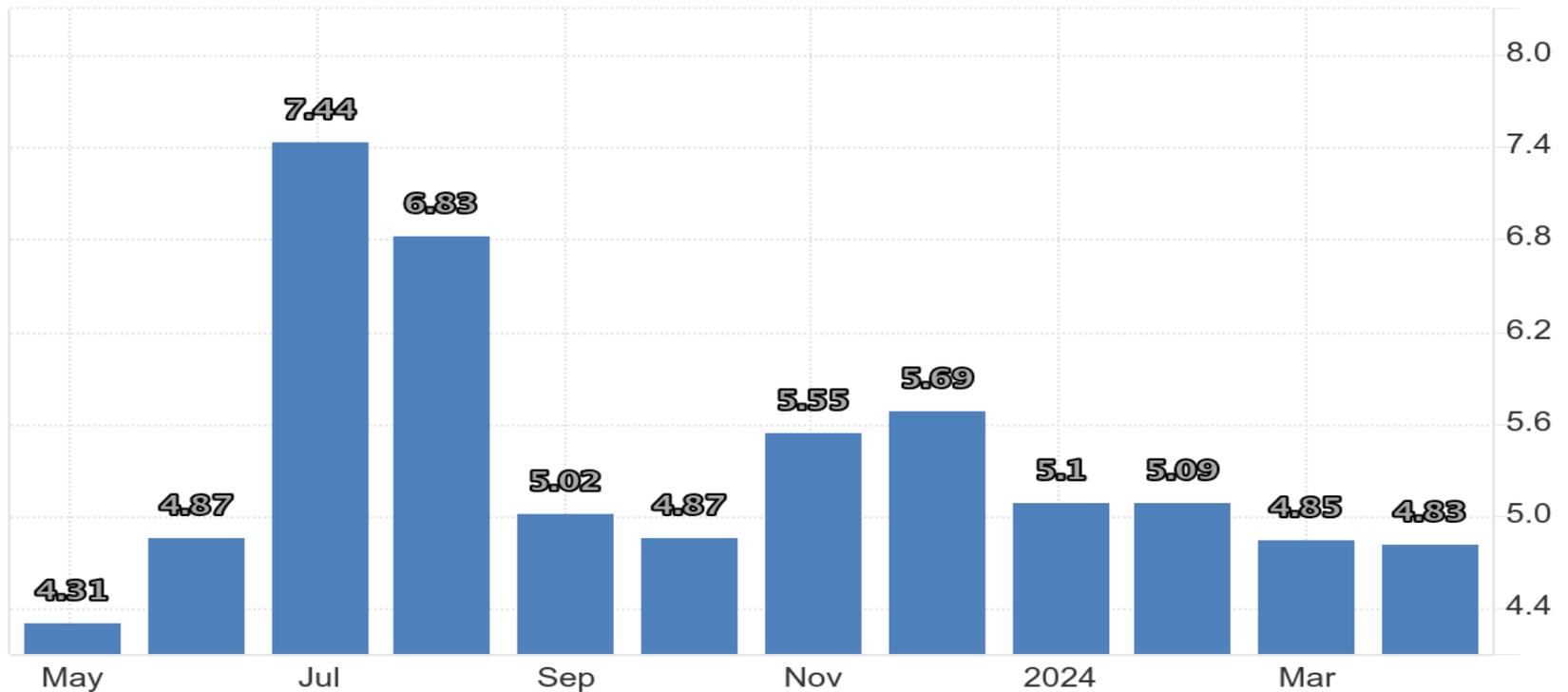
IN GDP Annual Growth Rate - percent



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

- ▶ On long term charts, events like elections and associated volatility pass off like a mere blip and perhaps not even get noticed. We must thank ourselves that we still have a government with full majority at the center. Indian democracy is flourishing and so is Indian economy.
- ▶ The 3rd term for the Modi led NDA government will see sharp acceleration in India's economy to become the 3rd largest economy in the world. India's GDP is likely to grow to 7 trillion USD in next 5 years.
- ▶ The hard line decisions on land and labour will take a backseat. Opposition will become stronger as well. Overall this is not a bad outcome for India.
- ▶ We have seen ECB and Canada resorting to rate cuts in last few days. We now expect one rate cut in both US and India as well this year.
- ▶ China will continue on a path of recovery as there is a little scope for and downward slip from this point. However, recovery will be marked with hurdles. For equity investors, there is an opportunity to make money as valuations are extremely attractive.
- ▶ US presidential race is becoming tighter. Joe Biden has an advantage over Donald Trump on paper at this pint of time. However, we expect Trump to gain advantage (barring any legal tangle) as time approaches. Biden is not in the best of his health and this may prove counterproductive for democrats.



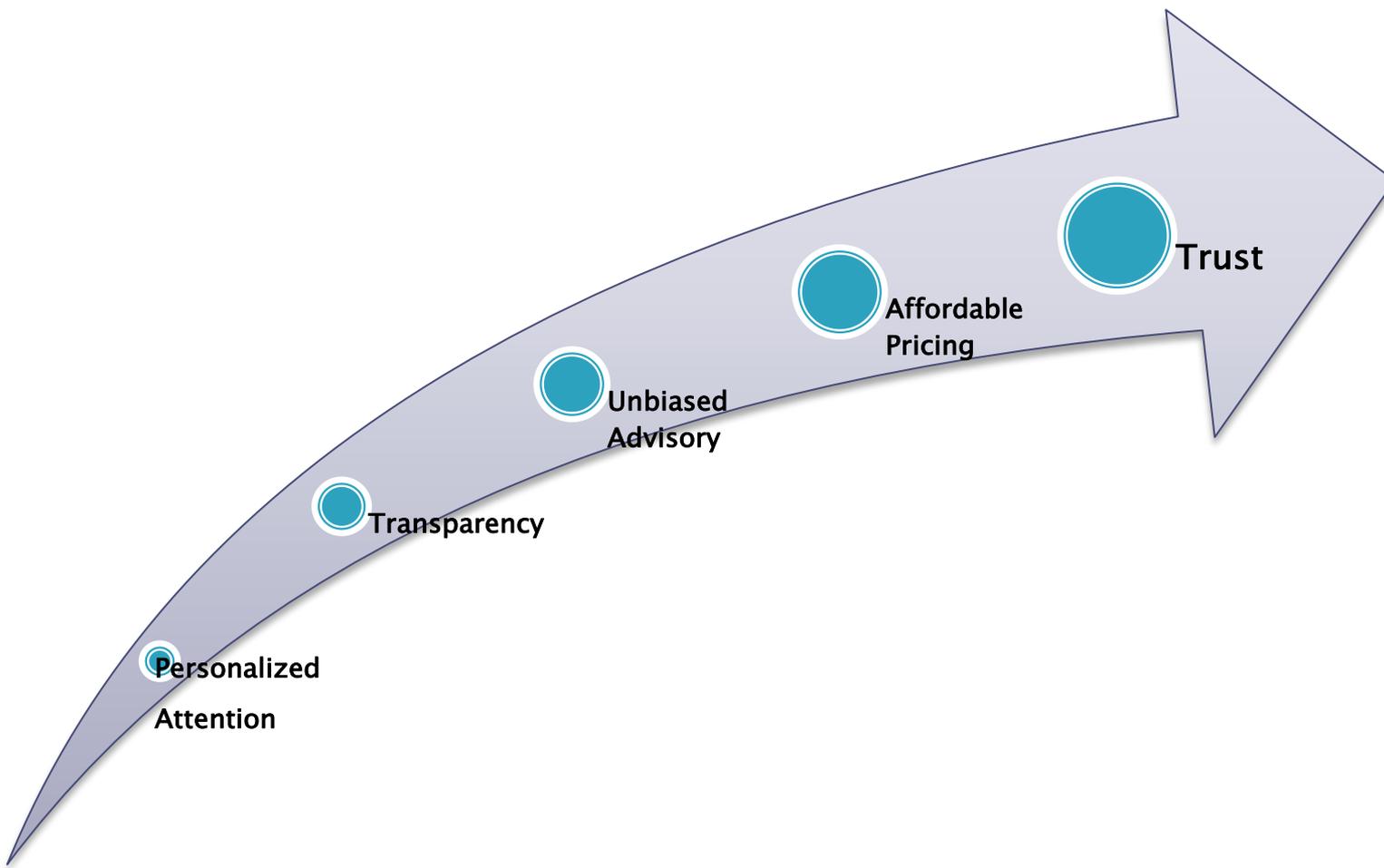
Portfolio Strategies & Performance- Pls Visit

<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



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>



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