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July 2025

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# INDEX



# PCG Communique

## From the Desk of the PCG Head

**Rajesh Kumar Jain**

**PCG COMMUNIQUE – July 2025**

**The cloud of Geopolitics has Calmed !!!**

June has been month of high volatility. But with the rough weather of Geopolitics which started with Russia – Ukraine, Israel - Hamas, India – Pakistan, Israel – Iran, the rough weather has calmed with most of the war like situation has done with other then the Russia-Ukraine war which is continuing for the last 3 years but has lost the relevance and importance for the world economy.

Market doesn't like uncertainty and these turmoil create panic across the global mkts. With these geopolitics risk event, Indian market (NIFTY) has still able to give a positive return of 3.4% in the month of June. End of war and Rate cut by RBI has boosted the market sentiments and shed the black cloud over the India Market. FII's has been net buyer to the tune of INR20,423CR, while DII has been net buyer of INR 72,673CR. For the calendar year FII has been net seller of INR (76273CR) and DII has been buyer INR 3,75,579CR. In May 2025, SIP (Systematic Investment Plan) inflows reached a record high of ₹26,688 crore. This signifies a continued trend of strong investor participation in SIPs, despite a slight dip in equity mutual fund inflows. The total assets under management (AUM) for SIPs also reached a new peak of ₹14.61 lakh crore. SIPs accounted for 20.24% of the total mutual fund AUM in May, up from 19.57% a year ago.

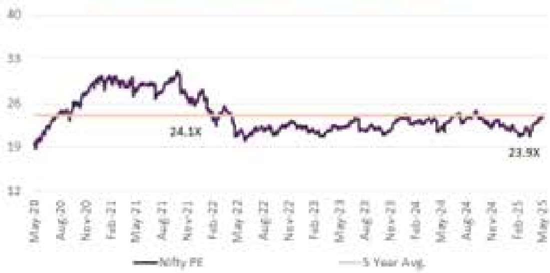
Monsoon has been early and Inflations is low. A good monsoon will create rural demand and a further rate cut in Sept will boost demand further, although the RBI has done enough with the 50 bps rate cut in June and a total 1000 bps rate cut till date in 2025 and govt new tax slab will leave more money in the hand of consumer for spending and saving. A further rate cut will add to discretionary consumption.

The central government collected Rs 1.54 lakh crore in advance income tax between April and June 16, official data showed on Tuesday. That marked an increase of 4.0 per cent over the corresponding period a year ago, modest growth attributed to a high base. Understanding this I perceive the numbers for most of the companies will be in line or below estimate for the 1st qtr. Mkt is also peaking at around 25500 levels and trading 21.38 P/E which is slightly above the long term avg. Corporate results and Tariff as on 9th June will decide the further course of action.

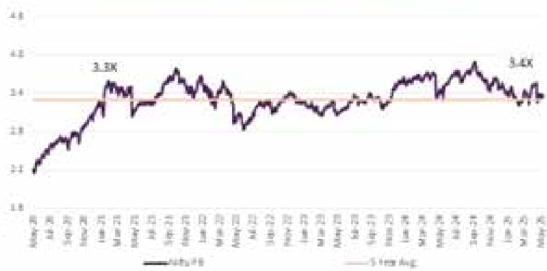
With the global uncertainty still persist round the corner, companies which are India centric can be the good bet to invest into. We believe Sectors in Telecom (Bharti), Banks (ICICI, SBI & BoB), Financial (Chola Fin), Capital Good (Siemens, TD Power) can be look as an opportunity to invest in. With Brent Crude trading @ $66, with further correction in oil prices, oil marketing companies can also be looked at. With real GDP @ 6.5% and the inflation @ 3.5%-4%, hence the Nominal GDP is between 10%-11%. This year mkt returns will be somewhere near to it. We see more of consolidation in near term.

## **Equity Investing:** *Index valuations*

Nifty Trailing 12M P/E & 5 Yr. Avg. P/E




Nifty Trailing 12M P/B & 5 Yr. Avg. P/B




- Currently Nifty50 is trading at around 23.9x its trailing 12-month earnings while its five-year historical average price to earnings ratio stands at around 24.1x. A discount of 0.6% from its five-year historical average.
- In terms of price to book ratio, the Nifty50 is trading at around 3.4x its book value while its five-year historical price to book ratio stands at around 3.3x. Trading at premium of 1.6% to its five-year historical average.

## **Equity Investing:** *Index valuations contd.*

Nifty Historical and Estimated EPS (Consensus)


- From the financial year 2024 EPS the consensus estimates for Nifty50 from FY-24 to FY-27E expects earnings to grow at a CAGR of about 10.7%.

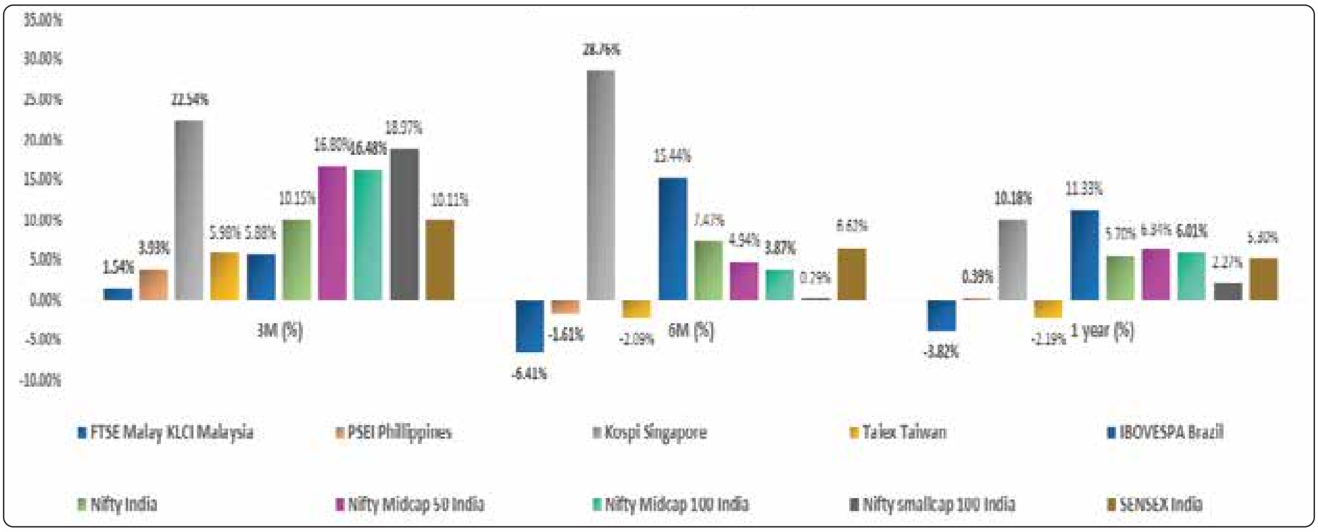
## **Equity Investing:** *Broader Market valuations*

India Market Cap. to GDP Ratio


- Currently India's listed companies market capitalisation to GDP ratio stands at about 120% (FY-26E). The ratio is considered an indicative of overall equity market sentiments and cycles.

| Developed countries | | | | |
|---|---|---|---|---|
| **Index** | **Countries** | **3M (%)** | **6M (%)** | **1 year (%)** |
| FTSE Malay KLCI | Malaysia | 1.54% | -6.41% | -3.82% |
| PSEI | Phillippines | 3.93% | -1.61% | 0.39% |
| Kospi | Singapore | 22.54% | 28.76% | 10.18% |
| Taiex | Taiwan | 5.98% | -2.09% | -2.19% |
| IBOVESPA | Brazil | 5.88% | 15.44% | 11.33% |
| Nifty | India | 10.15% | 7.47% | 5.70% |
| Nifty Midcap 50 | India | 16.80% | 4.94% | 6.34% |
| Nifty Midcap 100 | India | 16.48% | 3.87% | 6.01% |
| Nifty smallcap 100 | India | 18.97% | 0.29% | 2.27% |
| SENSEX | India | 10.11% | 6.62% | 5.30% |

**Developed countries**



# Market Commentary

**Monthly Market Commentary- 2nd June 2025**

The Nifty index ended the June month on a positive note as it closed at ’25,517’ as compared to May end ’24,750’. Similarly, Sensex ended the June month at 83,606 with a positive return of 2.6%.

Indian benchmarks ended the passing week with fabulous gains of 2% amid signs of easing tensions in the Middle East following a ceasefire between Iran and Israel. Besides, President Trump’s recent statement ‘America is going to have a very big trade deal with India’, kept the sentiments upbeat. Foreign fund inflows also aided domestic sentiments.

*Some of the major developments during the week are:*

**Net direct tax collection slips 1.39% so far in FY26:** The government data showed a decline of 1.39% in net direct tax collection to Rs 4.59 lakh crore so far (from April to June 19, 2025) this FY26, over Rs 4.65 lakh crore in same period of FY25, owed to slowdown in advance tax mop-up and higher refunds.

**Output of eight key infrastructure sectors slows to 0.7% in May:** The Ministry of Commerce & Industry in its latest data has showed that the output of eight key infrastructure sectors slowed down to 0.7 per cent, lowest in nine months, in May 2025 against 6.9 per cent in the same month last year.

**India’s flash PMI indicates strong growth in June:** The HSBC Flash India Composite Output Index climbed to a 14-month high of 61.0 in June from a final reading of 59.3 in May, as new export orders continued to fuel private sector business activity, especially in manufacturing.

**Icra retains India's GDP growth forecast for FY26 at 6.2%:** Rating agency Icra in its Macro Update June 2025 has retained India's Gross Domestic Product (GDP) growth forecast for fiscal 2025-26 (FY2026) at 6.2 per cent, assuming well-distributed monsoons and crude oil prices averaging around $70/barrel.

**Sales of listed manufacturing companies rise in FY25:** Reserve Bank of India’s recent data showed the sales of listed manufacturing sector companies grew by 6% during 2024-25 over 3.5% growth in preceding year, led by automobiles, electrical machinery, food and beverages, and pharmaceuticals industries.

The HSBC India Manufacturing PMI stood at 58.4 in June 2025, matching flash data and marking the highest print since April 2024. Output and buying activity rose the most in 14 months, while new orders grew at their quickest rate in almost a year, boosted by strong marketing efforts and a sharp rise in exports. Foreign demand gained solid momentum, with its growth reaching the third-highest rate since data collection began in March 2005, driven in part by robust orders from the U.S. Employment rose at a record pace, reflecting strong business confidence. On the cost front, input price inflation eased to a four-month low despite higher iron and steel prices.

However, selling prices rose markedly, as many firms passed on additional costs to customers. Meanwhile, average lead times shortened at the fastest pace in five months. Looking ahead, business optimism remained upbeat, though tempered by concerns over rising competition, inflation, and shifting consumer preferences.

The HSBC India Services PMI increased to 60.7 in June 2025 from 58.8 in the previous month, according to preliminary estimates. This marked the fastest expansion since last August, as output and new orders continued to rise despite a slowdown in foreign sales growth. Employment also continued to increase, although it weakened slightly on a sequential basis from May to June. Turning to prices, both input and output price inflation eased, despite firms raising their fees in response to higher expenses. Finally, business sentiment for the year ahead weakened.

India’s consumer price inflation eased to 2.82% in May 2025, down from 3.16% in April and below market expectations of 3%. This marked the lowest reading since February 2019, bringing inflation close to the Reserve Bank of India’s lower tolerance threshold of 2% under its inflation-targeting framework. Food inflation—which accounts for nearly half of the CPI basket—fell sharply to 0.99%, the lowest level since October 2021, driven by easing price pressures in pulses and products, vegetables, fruits, cereals, sugar and confectionery, and eggs. Meanwhile, fuel and light inflation also moderated (2.78% vs. 2.92% in April). In contrast, inflation remained steady or edged higher in categories such as housing (3.16% vs. 3.06%), education (4.12% vs. 4.13%), health (4.34% vs. 4.25%), and transport and communication (3.85% vs. 3.67%).

India’s total exports (Merchandise and Services combined) for May 2025* is estimated at US$ 71.1 Billion, registering a positive growth of 2.7 percent as compared to May 2024. Total imports (Merchandise and Services combined) for May 2025* is estimated at US$ 77.7 Billion, registering a negative growth of 1.0 percent as compared to May 2024. Merchandise exports during May 2025 were US$ 38.7 Billion as compared to US$ 39.6 Billion in May 2024. Merchandise imports during May 2025 were US$ 60.6 Billion as compared to US$ 61.7 Billion in May 2024. India’s total exports during April-May 2025 is estimated at US$ 142.4 Billion registering a positive growth of 5.7 percent. Total imports during April-May 2025 is estimated at US$ 159.5 Billion registering a growth of 6.5 percent.

The Goods and Services Tax (GST) collections for the month of June 2025 stood at ₹1,84,597 crore which is 6.2% higher than the GST revenue in the same month last year, which itself was ₹1,73,813 crore. Domestic GST revenue (CGST, SGST, IGST & Cess) stood at Rs 1,38,906 crore in June 2025, compared to Rs 1,32,800 crore in the same month last year, registering a 4.6% rise. Import-based GST revenue grew at 11.4%, climbing from Rs 41,012 crore in June 2024 to Rs 45,690 crore in June 2025.

India's foreign exchange reserves have shown negative signs as it decreased by US$1.01 billion to $25.7 billion in the week through June 25. Foreign currency assets decreased by $0.35 billion to $26.0 billion for the week ending June 25.

The U.S. markets traded higher during the week following the release of a slew of U.S. economic data, including a Labor Department report showing an unexpected decrease by initial jobless claims in the week ended June 21, 2025.

*Some of the major developments during the week are:*

**U.S. weekly jobless claims fall to 236,000:** The Labor Department said initial jobless claims dipped to 236,000, a decrease of 10,000 from the previous week's revised level of 246,000.

**Pending home sales in U.S. unexpectedly rebound in May:** The National Association of Realtors said its pending home sales index jumped by 1.8 percent to 72.6 in May after tumbling by 6.1 percent to a revised 71.3 in April.

**U.S. durable goods orders soar much more than expected in May:** Durable goods orders soared by 16.4 percent in May after tumbling by a revised 6.6 percent in April. Street had expected durable goods orders to surge by 8.5 percent.

**New home sales in U.S. pull back more than expected in May:** New home sales plunged by 13.7 percent to an annual rate of 623,000 in May after spiking by 9.6 percent to a revised rate of 722,000 in April.

**U.S. economy shrinks more than previously estimated in Q1:** Real gross domestic product fell by 0.5 percent in the first quarter compared to the previously reported 0.2 percent dip. Street had expected the decrease by GDP to be unrevised.

European markets were sluggish during the initial days of the passing week but staged recovery towards the end of the week, reacting to the positive developments on the geopolitical front amid easing tensions between Israel and Iran.

*Some of the major developments during the week are:*

**Eurozone private sector expands for sixth straight month:** The flash purchasing managers' survey results from S&P Global showed that the flash HCOB composite output index remained unchanged at 50.2 in June.

**German Ifo business confidence strongest in 13 months:** The Munich-based ifo Institute revealed that the business climate index registered 88.4 in June, up from 87.5 in May.

**German GfK consumer confidence to drop in July:** The forward-looking consumer sentiment index fell unexpectedly to -20.3 in July from -20.0 in the previous month.

**Spain GDP growth confirmed at 0.6%:** The final data from the statistical office INE revealed that gross domestic product grew 0.6 percent sequentially in the first quarter.

**UK private sector grows at fastest pace in 3 months:** The flash survey results from S&P Global showed that the flash composite output index registered 50.7 in June, up from 50.3 in May.

Asian markets traded higher during passing week as the U.S. President Donald Trump announced a trade deal with China on rare earths and hinted at a major upcoming deal with India.

*Some of the major developments during the week are:*

**Japan manufacturing PMI rises for first time in 11 months in June:** The au Jibun manufacturing PMI rose 50.4 in the first three weeks of June, more than expectations of 49.5 and also picking up sharply from the 49.4 seen in May.

**Japan services sector rises for 3rd month:** The au Jibun Bank Japan Services PMI rose to 51.5 in June 2025 from a final 51.0 in May, according to a flash estimate.

**Japan producer prices climb 3.3% in May:** Producer prices in Japan were up 3.3% on year in May. That beat forecasts for an increase of 3.1% and was down from 3.4% in April.

**China's industrial profits plunge 9.1% in May:** China's industrial profits plunged 9.1% in May from a year earlier, in the face of deepening deflationary pressures and a persistent property crisis.

**South Korean consumer sentiment jumps in June:** South Korea's Composite Consumer Sentiment Index rose sharply to 108.7 in June 2025 from 101.8 in the previous month, reaching its highest level since June 2021.

The S&P Global US Manufacturing PMI rose to 52.9 in June of 2025 from 52 in the previous month, firmly above the flash estimate of 52 and the initial market expectations of 51 to reflect the sharpest expansion in US factory activity in over three years. Output rose for the first time in four months and at the second fastest pace since March of the previous year, supported by an improvement in new orders due to successful marketing campaigns and a jump in new export orders, despite tariffs. The higher demand for capacity drove firms to take increase their staff the most since September 2022. On the price front, input costs accelerated the most in nearly three years, driving output charges to jump the most since September 2022. Looking forward, businesses confidence for future sales was the highest in four months.

The HCOB Eurozone Manufacturing PMI inched higher to 49.5 in June of 2025 from 49.4 in the previous month, revised marginally higher from the flash estimate of 49.4, but remaining firmly below the initial expectations of 49.8. The result reflected the 35th consecutive month of contraction in the Eurozone's factory activity, albeit at the softest pace in 34 months to signal only a slight downturn in manufacturing conditions. New orders were broadly unchanged, driving firms to continue depending on their backlogs and increase production levels for the fourth straight month. In the meantime, staffing numbers edged down, while purchasing levels were cut back. The softer demand for inputs drove operation costs to ease, which led to a drop in output charges for factories. Looking forward, business confidence was the highest in over three years.

The au Jibun Bank Japan Manufacturing PMI was revised lower to 50.1 in June 2025, down from the preliminary estimate of 50.4 but up from May’s 49.4, marking the first expansion in the sector since May 2024. Still, the latest figure was the highest since that time, supported by renewed increases in output. Employment also rose, while backlogs of work declined solidly. However, demand conditions remained subdued, with both overall new orders and foreign sales falling again in June, amid newly imposed US tariffs. Purchasing activity declined, though at the weakest pace in the current nine-month sequence of contraction, while supplier delivery times lengthened slightly. On the price front, input cost inflation accelerated slightly after easing to a 14-month low in May, due to higher costs for raw materials, labor, energy, and transport. As a result, output price inflation accelerated to a three-month high. Lastly, business sentiment improved to a five-month high.

**Going Ahead**

June 2025 has been a testament to the resilience of global financial markets. The month witnessed its share of dramatic headlines—from military escalation in the Middle East and pivotal elections in Europe and Asia, to a flurry of policy actions by central banks worldwide. Oil prices surged and then retreated; major economies met at the G7.

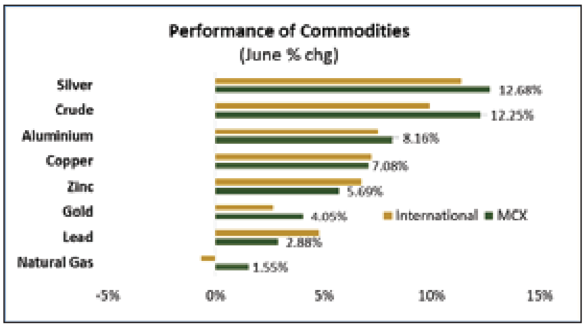
Yet, against this backdrop, the global economy and financial markets have displayed remarkable composure. Despite geopolitical uncertainties and short-term bouts of turbulence, equity markets in the US, Europe, and most emerging economies have proven robust. Investors have generally chosen optimism, buoyed by steady economic data and the expectation of easing monetary conditions in the months ahead.

India’s performance stands out as a beacon among major economies. With GDP growth continuing to outpace global peers, inflation softening to a multi-year low, and the RBI delivering front-loaded rate cuts, the domestic macro environment remains supportive. The rupee has stabilized, capital markets are vibrant, and marquee IPOs are attracting robust investor interest.

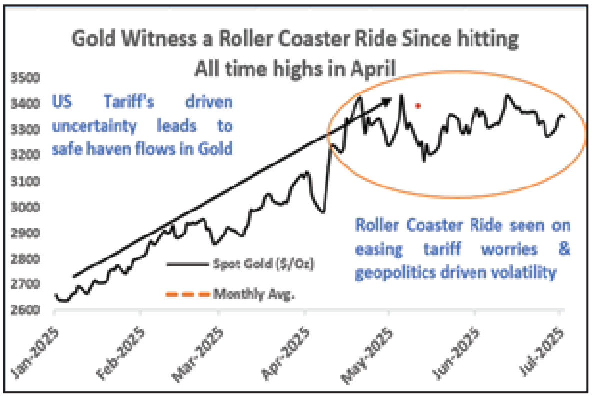
Indian equities, having weathered recent volatility, continue to reward those with a medium- to long-term perspective. As global headwinds ebb and flow, it is India’s structural growth story, healthy corporate earnings, and improving liquidity that give us enduring confidence. History repeatedly demonstrates that those who attempt to time markets or react impulsively to news flow rarely succeed over the long run. Instead, it is those with discipline—who stay the course with a strategic, diversified equity allocation—who build sustainable wealth.

# Commodities Outlook

**Gold witness Roller coaster ride in May - June Trade Tariff Concern's & Geopolitics keeps prices Volatile**




Gold prices witnessed best first half of the year since 2008 giving returns of more than 20 % also outpacing silver. However, in June, gold's momentum slowed with a gain of less than 1%, This along with a pullback in dollar from 3 year lows, and with declining Shanghai Exchange trading volumes weighed on bullion sentiments. Gold also took a hit, amidst a easing off in risk premium, ambiguity in rate cuts from the Fed, & breather in tariff & geopolitical tensions, putting a pause in bullion's rally.




Weakness seen in the dollar Index as the same fell to a fresh cycle low of 96.377, the lowest since February 2022, was the one of the only few factors that supported gold prices at lower levels. US 10-year yields, which slumped to 4.18 per cent on rate cut uncertainties also provided some support to yellow metal at lower levels. Total known global gold ETF holdings rose to 90.506 MOz on July 2 as holdings remain at nearly 2 month high and are up 9.24 per cent YTD. Investors priced in 51 basis points of Federal Reserve rate cuts by the end of the year, starting in October, down from around 66 basis points expected at the start of the June month. Central banks increased their allocations to global gold reserves in May with the National Bank of Kazakhstan leading the pack. Fresh tensions in the Middle East may have reinforced the strategic appeal of gold for central banks looking to safeguard reserves against geopolitical shocks.

**Outlook: Gold rally could face hurdles ahead as sideways moves to persist in July. Off season demand in India amid modest upside in dollar may limit prices towards hitting new all-time highs in spot**

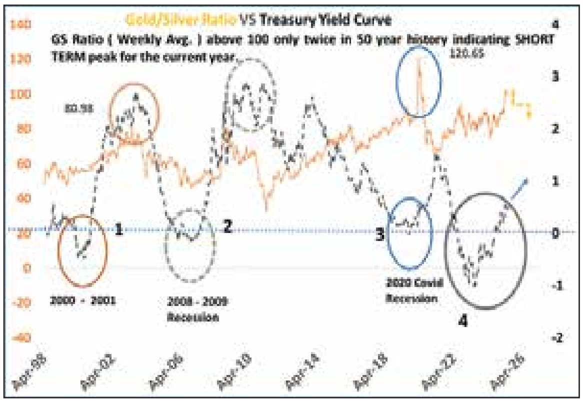

Gold prices have continued to show signs of fatigue in the month of June as rise towards despite marginal gains seen which were helped by a retreat in the U.S. dollar and safe-haven inflows as U.S. President Donald Trump's deadline for trade deals loomed in July. However providing a relief to rally have been ease in geopolitical tensions combined with lesser possibility of an interest rate cut in July. The apprehension about the fiscal situation in the U.S. (after Trump's sweeping tax-cut bill passed Congress) have also kept gold prices supported at lower levels. Overall with Gold entering a relatively off season in June – July period where Jewellery demand remains impacted in largest consumer India, gold might witness a phase of consolidation in prices in the current month with possibilities of a new high remains relatively dim.

Overall Spot Gold might continue to face strong hurdles in the range of $ 3450 – 3500 per oz in the current month. Rebound in the US Dollar Index and yields could continue to exert downside pressure on the metal, which would be boosted further due to healthy risk appetite as US stock Indices are at record highs. However, traders may also closely monitor trade deal developments as the July 9 deadline approaches. Friction arising between the US and its key trading partners during deal negotiations may support the metal. China has already expressed its concerns over the US-Vietnam trade deal. Thus, gold is presently caught between the impact of strong US data and the possibility of trade friction as trade negotiations continue.

**Silver Outperforms Gold in June; rallies 12 % MoM v/s 4 % rise seen in Gold**

While gold prices outpaced silver in the first half of 2025 with a nearly 25% rise, silver wasn't far behind, rallying about 20%. However, in June, as gold's momentum slowed with a gain of less than 1%, silver outshone with an impressive 8% jump, raising questions among investors about whether gold is showing signs of fatigue and if it's time to pivot toward Silver.

Overall Silver unique properties of both a precious and industrial metal, bolstered its appeal as Industrial demand prospects were seen rising in the second half of 2025. Silver supply was constrained due to underinvestment in mining since 2015 which it had continued to witness structural deficit for fifth consecutive year.  Silver outperformed Gold in June as seen from fall in gold-silver ratio from over 100 to around 92 – 93 levels by the end of the month. Going ahead for the July month as the outlook for gold remains challenging  as it requires fresh triggers for a further boost in prices, silver could continue to trade with a positive bias leading to further declines in ratio levels over the coming months.




**Copper & Base Metals Market Update: Key Highlights**

Rally Driven by Weak Dollar, Not Fundamentals: Over the past 10 weeks, base metals rallied sharply despite no major supply disruptions, no new Chinese stimulus, and downgraded global growth forecasts. The main driver: a weaker US dollar, which hit its lowest level since 2022, triggering short covering across the board not fresh investment inflows.

Copper Price Action & Supply Squeeze: LME copper gained 4% in June but slipped below $10,000/t amid concerns over demand and stronger-than-expected U.S. data supporting the dollar. The rally since April was initially fuelled by potential U.S. tariffs that triggered record copper shipments and drew down LME and Chinese inventories, setting up a major short squeeze last week.


Inventory Trends & China's Role: LME copper stockpiles have recovered slightly but remain at about half of Comex levels. Chinese smelters, pressured by delivery needs, were forced to close short positions. Meanwhile, China's share of U.S. imports fell to 7.1% in May 2025 the lowest since 2001—following renewed tariffs under Trump's second term.

**Forecasts & Production:** Goldman Sachs now forecasts copper to average $9,890/t in H2 2025 (up from $9,140), with a peak of $10,050 expected in August. The International Copper Study Group reported a 50,000-ton deficit in April, reversing a March surplus. Chile, despite long-running production challenges, posted its highest monthly output of the year in May 486,574 tons, up 9.4% YoY.

## From Squeeze to Standstill: Copper Awaits Trade Clarity

Copper's June rally appears to be running out of steam. The gains were largely driven by a short-covering squeeze amid a weaker U.S. Dollar, not fresh demand or supply shocks. Now, with short positions mostly closed and the Dollar rebounding, copper is struggling to hold above $10,000/ton. Without stronger fundamentals, the market may shift into consolidation mode. LME Copper (CMP: $9800 per tons) Key resistance levels at $10,200 and $10,350 per tons, while support sits around $9,800 and $9,650 per tons.

Without a meaningful pickup in demand or a fresh supply shock, copper's upside might remain limited. The key focus in early July will be the outcome of President Trump's tariff action, with letters going out to trade partners starting July 5. New unilateral tariffs of 10% to 70% are expected to be enforced from August 1, unless countries strike deals by July 9. While details remain vague, the potential for trade disruption could inject fresh volatility into the market.

## Oil's wild swings in June: Volatility Fuelled by Geopolitics, Reversed by Ceasefire

Crude oil prices experienced wild swings in June, rising sharply from $65 to $75 per barrel, only to retreat back to starting levels by month-end. Initially, the market was balanced between tight inventories, strong summer demand prospects, and falling rig counts on one side, and lingering oversupply concerns on the other.

Mid-month, prices spiked as the Israel-Iran conflict escalated, raising fears of disruptions to Iranian exports and supply through the Strait of Hormuz, a key global oil transit route. This added a $10 geopolitical risk premium to crude.


However, a surprise ceasefire quickly cooled tensions, leading to a swift unwinding of the premium. As market focus shifted back to fundamentals, oil prices reversed, ending the month near where they began. Overall, June highlighted the Oil's extreme sensitivity to geopolitical headlines and reaffirmed that underlying fundamentals continue to anchor long-term direction.

## Crude Catalysts: What Could Move Oil in July

### Tariffs and OPEC Strategy: Key Uncertainties for Oil Market

Tariffs and OPEC's supply plans are the two biggest wildcards weighing on the oil market right now.

Although Trump's tariff threats have eased, their impact is already seen on oil trade and Demand. China, the world's top oil buyer, hasn't imported US crude for three months, the longest gap since 2018. This has pushed US crude exports to a two-year low, adding pressure on already struggling US shale producers, especially with WTI prices below $70. Markets are now watching the July 9 deadline, when the 90-day pause on reciprocal tariffs is set to expire.

Meanwhile, OPEC+ has been raising output for three straight months, with another big hike expected in August, despite soft demand. Saudi Arabia is leading the charge to reclaim market share, particularly from US shale. Though actual production lags the announced targets, a supply build-up is expected later this year, marking a sharp shift from years of supply restraint.

### Oil Market Surplus Could Swell to 600,000 Barrels a Day in 3Q

OPEC+ might keep boosting supply in August and beyond following monthly increases from April through July, leaving markets with a surplus of up to 600,000 barrels a day (bpd) in 3Q and 850,000 bpd in 4Q. Non-compliance by Kazakhstan and Iraq might compel OPEC+ to keep pumping. However, if oil falls $55-$50 a barrel -- the average breakeven price for US shale producers -- US oil supply could shrink, helping to bring the market back into balance.

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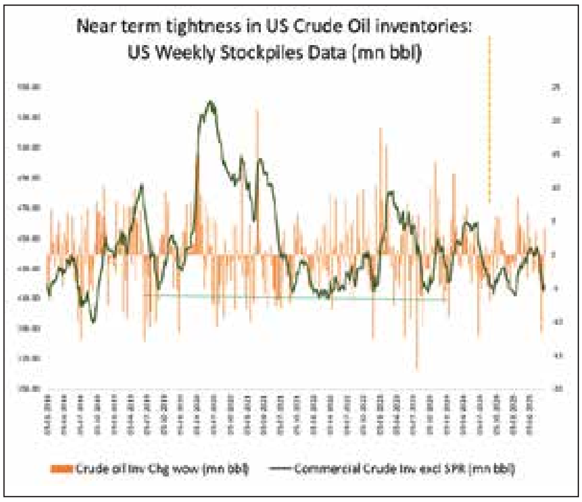
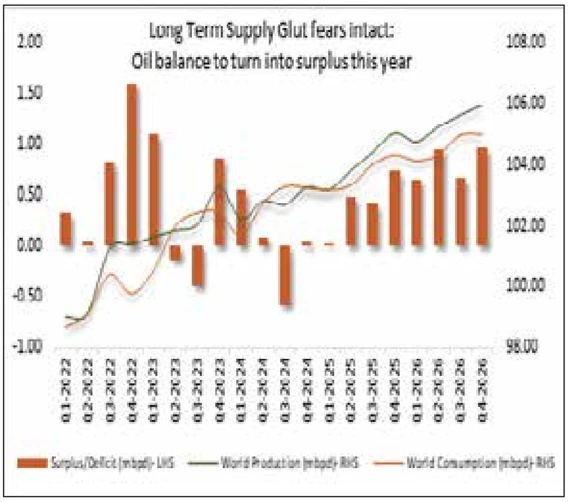
Although Trump's tariff threats have eased, their impact is already seen on oil trade and Demand. China, the world's top oil buyer, hasn't imported US crude for three months, the longest gap since 2018. This has pushed US crude exports to a two-year low, adding pressure on already struggling US shale producers, especially with WTI prices below $70. Markets are now watching the July 9 deadline, when the 90-day pause on reciprocal tariffs is set to expire.

Meanwhile, OPEC+ has been raising output for three straight months, with another big hike expected in August, despite soft demand. Saudi Arabia is leading the charge to reclaim market share, particularly from US shale. Though actual production lags the announced targets, a supply build-up is expected later this year, marking a sharp shift from years of supply restraint.

### Oil Market Surplus Could Swell to 600,000 Barrels a Day in 3Q

OPEC+ might keep boosting supply in August and beyond following monthly increases from April through July, leaving markets with a surplus of up to 600,000 barrels a day (bpd) in 3Q and 850,000 bpd in 4Q. Non-compliance by Kazakhstan and Iraq might compel OPEC+ to keep pumping. However, if oil falls $55-$50 a barrel -- the average breakeven price for US shale producers -- US oil supply could shrink, helping to bring the market back into balance.



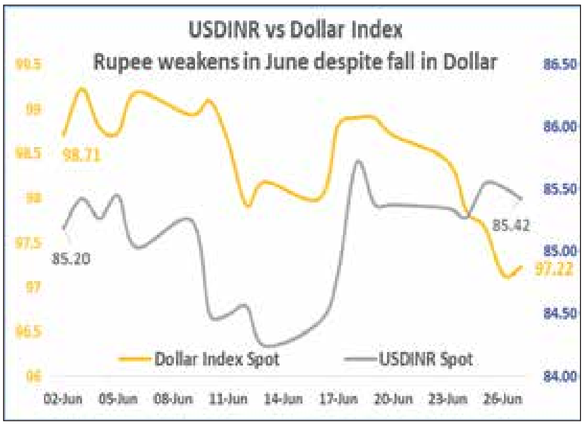

**Crude Oil Outlook: Volatility, Trade Risks & Supply Surplus Shape July Trend**

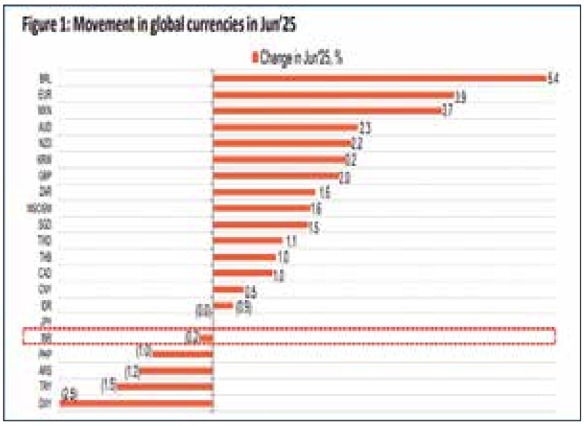
After a volatile June, crude oil prices are expected to trade in a range of $60–$70 per barrel in July. Several opposing forces are at play. On the supportive side, tight U.S. crude inventories, falling rig counts, and lingering geopolitical risks could trigger short-term price spikes.

However, the overall outlook remains bearish, as markets brace for a potential supply glut later this year, which may limit any sustained gains.

Beyond these, Trump's tariff stance, OPEC+ production decisions, and geopolitical headlines will continue to influence sentiment. Additionally, traders will be closely watching U.S. economic data and the Federal Reserve's rate signals, which could further sway oil prices.

Technically, WTI crude oil (CMP: $66.40 per bbl) has support at $62.50 and $60, while strong resistance is seen near $69.50. On the MCX (CMP: Rs 5680 per bbl), crude oil support is placed around ₹5,250 and ₹5,100, with resistance near ₹5,950 per barrel.




**Currency: Rupee remains Volatile but ends on a steady note in June**

Last month was marked by increased volatility in the rupee trade as hostilities between Iran and Israel erupted suddenly as the impact was felt on almost all asset classes, with oil prices and safe-haven assets noticing a significant upside. INR depreciated by 0.2% in Jun'25, following 1.3% depreciation registered in May'25. Rupee's performance rebounded (0.4% appreciation) in the second fortnight of Jun'25, as tensions in the Middle East eased.

The middle-east war lasted for almost 12-days reinforcing the fragility of the global trading system. However, a cease-fire deal was quickly negotiated which helped in calming investor sentiments. Countries continue to grapple with unique growth and inflation dynamics, which in turn is shaping their respective monetary policy decisions. In India, a favourable inflation outlook swayed the central bank to frontload its rate cuts. Further support has also been provided with proactive liquidity management and regulatory overhauls. Overall, rupee ended the month with a slight upside despite dollar weakening to a three year low as other factors remained in play.

Apart from dollar weakness, pick up in FPI inflows towards the end of the June quarter (helped by IPO listings), & declining oil prices due to easing geo-political tensions, supported INR in second half. In H1CY25, rupee's performance was steady (0.1%), despite FPI outflows of US$ 7.52bn so far. While INR's performance was weaker than the median appreciation of 6.1%, it was better than steep declines noted by Turkish Lira (TRY), and Argentine Peso.

**Outlook**

INR has so far held steady, despite raft of global shocks (tariff uncertainty, geo-political tensions). Due to significant weakness in US dollar, combined with% lower oil prices, rupee began its recovery in the second fortnight of Jun'25. Going ahead, major triggers for rupee could be the US tariff deadline looming (9 July 2025), amid volatility in the currency market is expected to increase in the –weeks ahead. In addition to this, investors would also keenly await Trump administration's spending bill to get passed in the Senate which may impact both treasury yields and confidence in US dollar. Domestically, macros cues remain favourable with FPI inflows may resume as risk appetite of investors improve. Overall, INR could likely trade in the range of 85.10 - 86.50 per dollar in the weeks ahead while trade deal between India and US happening before the tariff deadline will aid sentiments and remain positive for the rupee.

# Technical Analysis

**Market Overview – JULY 2025**

**LEVELS TO WATCHOUT FOR: 25,600-26,000 / 25,250 – 24,500**

Similar to May 2025, the month of June also witnessed a phase of consolidation for NIFTY and the broader markets. Despite persistent geopolitical tensions between Iran and Israel, the index neither faced a significant breakdown nor showed any meaningful upside for most of the month. However, sentiment improved sharply towards the end of June after Donald Trump announced a ceasefire agreement, which the markets welcomed positively. This triggered a breakout above the crucial 25,300 resistance, allowing NIFTY to end the month with healthy gains of nearly 3%.

Last month, we highlighted that a decisive breakout above the 25,300–25,600 resistance zone was crucial to reignite bullish momentum. While NIFTY did manage to break above the 25,300 mark, it has struggled to sustain above 25,600. Technically, the breakout is valid, but sustainability above 25,600 remains critical to confirm further upside. If the index manages to hold above this level, we anticipate a potential extension of the rally towards 25,800–26,000. However, a slip below 25,250 would negate the breakout, potentially trapping the bulls and leading to a corrective phase. Therefore, the coming weeks are crucial to observe whether the market delivers the required follow-through. For now, the undertone has turned bullish, but the tides can shift quickly. We continue to advise traders to remain highly stock-specific, stay light on positions, and strictly adhere to stop losses.

In Bank Nifty, we had previously mentioned that a breakout above 56,000 could trigger a sharp move of 1,500–2,000 points. Post the breakout, the index did rally towards 57,600 as expected. However, the daily chart has now formed a bearish engulfing pattern, indicating caution at higher levels. For further upside, a decisive close above 57,600 is necessary. Even then, the 58,000–58,500 zone poses a significant hurdle, being a major long-term trendline resistance — crossing this level won't be easy. On the downside, a slip back below 56,000 could invalidate the recent breakout and potentially trap bulls, leading to a corrective decline.

**Technical Pick – BUY VBL** **Potential Upside 10.50%- 16.67%**

- **VBL** has corrected ~22% from its recent high of ₹570 and is currently forming a bullish Gartley pattern near the ₹450 zone.
- The ₹450 level also acts as a neckline support and aligns with the S1 floor monthly pivot, strengthening the case for a reversal.
- Bullish divergence on the hourly RSI further supports the likelihood of an upward move.
- Thus, traders are advised to **buy VBL in the range of 460-445** with a stop loss of 415 on closing basis for an upside target of 500 and 528 in coming 1 – 3 months.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**Technical Pick – BUY OLECTRA** **Potential Upside 14.00%- 18.18%**

- **Olectra** has recently formed multiple bottoms in the ₹1000–₹1150 zone, which coincides with the S1 floor yearly pivot support as seen on the chart.
- Additionally, a bullish divergence on the daily RSI suggests the possibility of a bullish reversal and momentum building up in the coming weeks.
- Thus, traders are advised to **buy OLECTRA in the range of 1230-1190** with a stop loss of 1100 on closing basis for an upside target of 1380 and 1430 in coming 1 – 3 months.

# Fixed Income Services

## Monetary Policy Update

The Reserve Bank of India in its 55th meeting of the Monetary Policy Committee (MPC) scheduled on June 4th, 5th & 6th 2025, after a detailed assessment of the evolving macroeconomic and financial developments and the outlook, decided to:

1. **Reduce the policy repo rate by 50bps i.e. from 6.00% to 5.50%**
2. **Consequently adjusting standing deposit facility (SDF) rate to 5.25%**
3. **Additionally, marginal standing facility (MSF) rate and the Bank Rate reduced to 5.75%**

The MPC decided to change the stance from accommodative to neutral, as monetary policy is now left with very limited space to support growth. This follows a cumulative reduction of 100 basis points in the policy repo rate since February 2025.

Inflation has eased significantly over the past six months, falling from above the tolerance band to well below the 4% target. However, growth remains below desired levels amid a challenging global environment. This shift in growth-inflation dynamics calls for continued and frontloaded policy easing to support domestic demand. Going forward, the MPC will closely monitor incoming data and global developments to maintain the right balance between growth and inflation.

The provisional estimates by the National Statistical Office (NSO) place India's real GDP growth for 2024-25 at 6.5%. In 2025-26 so far, domestic economic activity has shown resilience. The agriculture sector remains strong, industrial activity is gradually improving, and the services sector is expected to maintain its momentum—reflected in a robust PMI services reading of 58.8 in May 2025. On the demand side, rural consumption remains steady while urban demand continues to improve. Merchandise exports saw strong growth in April 2025 following a period of subdued performance. However, trade policy uncertainty, along with prolonged geopolitical tensions and global trade and weather-related risks, continue to pose downside risks to growth.

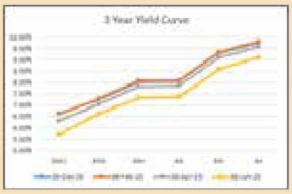
| GDP Growth | | | CPI Inflation | | |
|---|---|---|---|---|---|
| | MPC's Recent Projection (%) | MPC's Last Projection (%) | | MPC's Recent Projection (%) | MPC's Last Projection (%) |
| FY 26 | 6.50% | 6.50% | FY 26 | 3.70% | 4.00% |
| FY 26 Q1 | 6.50% | 6.50% | FY 26 Q1 | 2.90% | 3.60% |
| FY 26 Q2 | 6.70% | 6.70% | FY 26 Q2 | 3.40% | 3.90% |
| FY 26 Q3 | 6.60% | 6.60% | FY 26 Q3 | 3.90% | 3.80% |
| FY 26 Q4 | 6.30% | 6.30% | FY 26 Q4 | 4.40% | 4.40% |

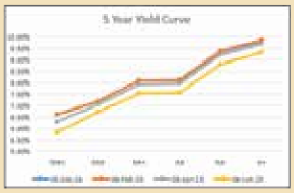
*Summary of projection on growth & inflation by the MPC*

*Headline CPI inflation continued to decline, easing to a nearly six-year low of 3.2% (y-o-y) in April 2025, driven largely by softer food prices. However, fuel inflation turned positive in March and April. The MPC remains watchful of weather-related uncertainties and evolving tariff concerns, given their potential impact on global commodity prices..*

*A total of ₹9.5 lakh crore of durable liquidity has been injected into the banking system since January. As a result, liquidity conditions shifted from deficit since mid-December to surplus by end-March. To further augment durable liquidity, RBI decided to reduce the CRR by 100 bps to 3.0% of NDTL in equal tranches from September to November 2025. This measure is expected to release around ₹2.5 lakh crore of primary liquidity by December 2025. The RBI will continue to monitor evolving liquidity and financial market conditions and take further actions as necessary.*

**The 3 Year & 5 Year Yield Curve below shows how yields have moved since the last review in Apr 2025:**




*Source: CRISIL Fixed Income Database*

- The 3-year G-sec curve saw an easing of ~57 bps and 5-year G-sec curve of ~48 bps. Additionally, the 3-year and 5-year AAA curves saw an easing of ~44 bps and ~33 bps, respectively.
- In 3-year space, the rest of the credit curve saw an easing of ~50 bps to ~44 bps. Similarly, the 5-year credit curve experienced an easing of ~41 bps to ~35 bps.
- The AAA spread over G-sec expanded by ~13 bps in the 3-year space and ~15bps in the 5-year space.

**Outlook:** The MPC kept the repo rate unchanged at 6.5% and maintained a "neutral" stance, with a dovish tone acknowledging the growth slowdown. The primary focus is on bringing inflation within the tolerance band while supporting growth. A rate cut is expected to begin in the February policy if inflation moderates in the coming months. However, if inflationary risks rise and the rupee depreciates further, the rate cut may be delayed until the April 2025 policy

# Secondary Market Bond Offers

| PSU Perpetual Quotes | | | | |
|---|---|---|---|---|
| Security | Maturity/Call | IP | Rating | Yield |
| 7.72% State Bank of India Perp | Call: 18-Oct-26 | Annual on 18-Oct | AA+ by CRISIL & IND | 7.12% |
| 8.57% Bank of India Perp | Call:02-Dec-27 | Annual on 01-Apr | AA BY CRISIL & AA+ BY ACUITE | 7.45% |

| PSU Quotes | | | | |
|---|---|---|---|---|
| Security | Maturity/Call | IP | Rating | Yield |
| 8.56% REC 2028 | 29-Nov-28 | Semi-Annual | AAA Stable by CARE & CRISIL | 6.75% |
| 8.42% NABARD 2029 | 13-Feb-29 | Semi-Annual | AAA By IND,AAA By CRISIL | 6.75% |
| 7.26% NHAI 2038 | 10-Aug-38 | Annual on 10-Aug | AAA by CRISIL,CARE, ICRA & IND | 6.90% |

| Corporate Bonds | | | | |
|---|---|---|---|---|
| Security | Maturity/Call | IP | Rating | Yield |
| 6.75% Piramal Capital & Housing Finance Ltd. 2031 | Staggered Maturity (28-Sept-31) | Semi - Annual | AA by ICRA & CARE | 9.45% |
| 7.30% HDB Financial Services Ltd 2030 | 01-Nov-30 | Annual | AAA by CRISIL | 7.80% |
| 7.45% MAHINDRA & MAHINDRA FINANCIAL SERVICES LTD. 2031 | 17-Nov-31 | Annual | AAA by CRISIL & IND | 7.35% |
| 9.32% Tata Capital Limited 2028 | 28-Dec-28 | Annual | AAA CRISIL & ICRA | 7.62% |
| 9.50% HINDUJA LEYLAND FINANCE LIMITED 2029 | 29-Nov-29 | Annual | AA+ BY CRISIL & AA BY CARE | 9.10% |
| 9.42% KIIFB 2029 | Staggered Maturity (30-Dec-2029) | 30TH MAR, 30TH JUN, 30TH SEP, 30TH DEC | AA (CE) BY IND RATINGS & ACUITE | 9.60% |
| 9.35% TSIIC 2030 | Staggered Maturity (31-Dec-2030) | 31ST MAR, 30TH JUN, 30TH SEP, 31ST DEC | AA (CE) BY IND RATINGS | 8.95% |

Anand Rathi PMS

# Impress Portfolio

## Objective & Investment Philosophy

**Objective**

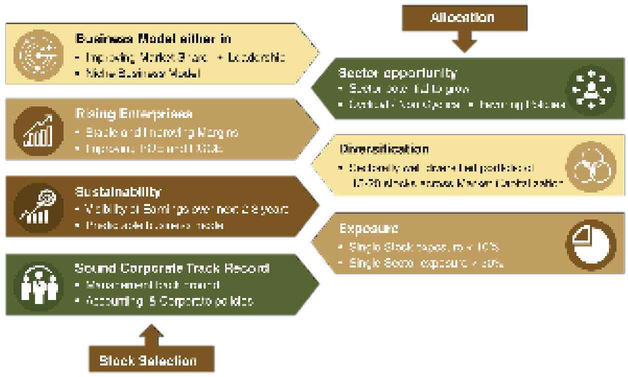
Focus on Return Optimization by investing in multicap portfolio of rising enterprises with sound corporate track record and sustainable business model keeping balance between value and growth strategy.

Value investing is the art of buying stock which trade at a significant discount to their intrinsic value. Portfolio Manager achieve this by looking for companies on cheap valuation metrics, typically low multiples of their profits or assets, for reasons which are not justified over the longer term.

Growth investing is a style of investment strategy focused on capital appreciation. Portfolio Manager invest in companies that exhibit signs of above average growth, even if the share price appears expensive in terms of metrics such as price-to earnings or price-to book ratios.

**Value** **Growth**

## Investment Process




## Re-VIEW Strategy

**V** — **Valuation Check**
A constant check is kept on the valuation of the companies so that any stock whose valuation becomes relatively high, due to any reasons like sentiments or increase in liquidity, is exited before any price correction comes to the stock. We then shift the money to a new stock with a reasonable valuation.

**I** — **Impact of Events**
A stock price can be highly affected by an event or series of events, recent examples: COVID crisis, Russia-Ukraine War, Increase in Crude Price, Interest Rates Hike etc. Our team actively tracks these events and makes timely modifications as per the situation's needs to minimize risks & optimize returns.

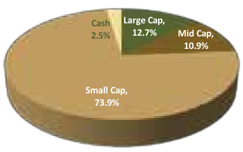
**E** — **Earnings Visibility Changes**
Our fundamental research team scrutinizes the quarterly results of the companies to understand the current & future estimated growth. If we are not satisfied with 2 or 3 quarterly results of the company & don't see growth, we take an exit to move to another stock.

**W** — **Weightage Check of the Holdings**
Every stock & sector has been capped to a certain percentage of the total allocation to limit downside due to any uncertainties and also diversify the portfolio. If any stock or sector reaches near to the decided percent of allocation, we book profits and reduce the weightage and invest into any other stock.

## Top Holdings & Market Cap Allocation

| Sr No | Top 10 Holdings | % Holdings |
|---|---|---|
| 1 | ITD Cementation India Limited | 10.1% |
| 2 | Bharat Electronics Ltd | 9.1% |
| 3 | Radico Khaitan Ltd | 6.9% |
| 4 | PG Electroplast Limited | 6.6% |
| 5 | KPI Green Energy Limited | 6.3% |
| 6 | KEC International Limited | 6.2% |
| 7 | Schneider Electric Infrastructure Limited | 5.9% |
| 8 | Coforge Limited | 5.7% |
| 9 | Titagarh Rail Systems Limited | 5.7% |
| 10 | Aarti Pharmalabs Limited | 5.2% |

**Market Cap Allocation**

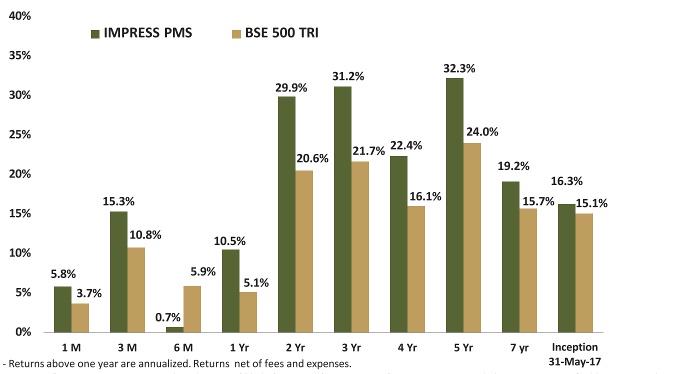



| | Avg Market Cap (cr) |
|---|---|
| Large Cap | 231423 |
| Midcap | 50300 |
| Small Cap | 19927 |
| Overall Portfolio | 53968 |

*Data as on 30th June 2025*

## Portfolio Performance

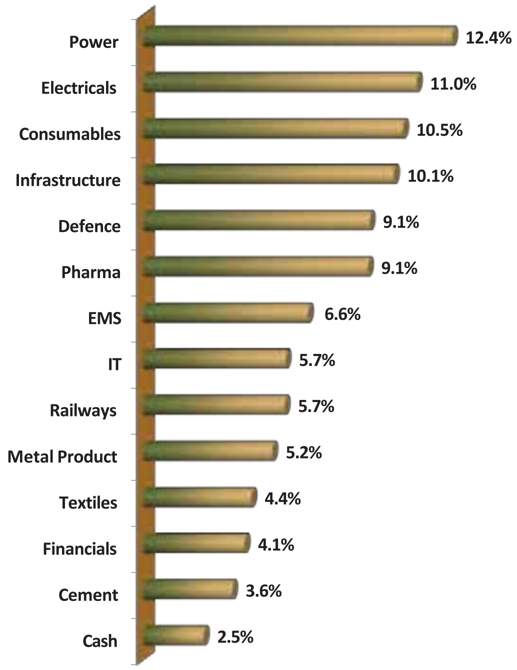
**Performance as on 30th June 2025**




**Note**: - Returns above one year are annualized. Returns net of fees and expenses.

**Disclaimer:** Past Performance is not necessarily indicative of likely future performance. Performance mentioned above are not verified by SEBI.
We have shown the performance as Aggregate performance of all clients on TWRR basis.

**Sector Allocation**



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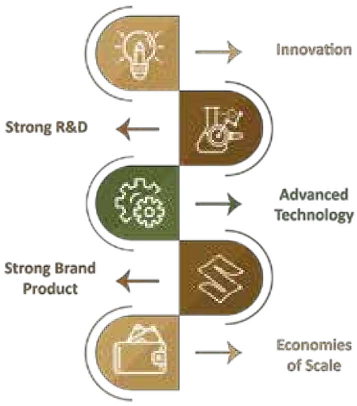
# MNC Portfolio

## Objective & Investment Philosophy

**Objective** Focus on consistency of return and risk moderation by investing in Multinational Companies listed in India.


Investments into listed companies in India in which the foreign shareholding is over 50% and/or the management control is bestowed in foreign company and/or the technological and managerial know-how brought in by foreign partner/investor.

## Successful Business Model



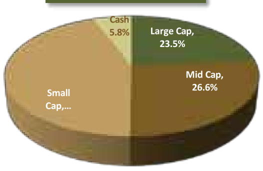

- MNC's benefit from the economy of scales by spreading R&D expenditures and advertising costs over their global sales, pooling global purchasing power over suppliers, and utilizing their technological and managerial know-how globally with minimal additional costs.
- MNC's can use their global presence to take advantage of underpriced labor services available in certain developing countries, and gain access to special R&D capabilities residing in advanced foreign countries

## Healthy Balance Sheet


## Top Holdings and Allocation

| Sr. No. | Top 10 Holdings | % Holdings |
|---|---|---|
| 1 | Glaxosmithkline Pharma Ltd | 7.4% |
| 2 | KFin Technologies Limited | 6.9% |
| 3 | Maruti Suzuki India Limited | 6.4% |
| 4 | ITD Cementation India Limited | 6.0% |
| 5 | CRISIL Ltd | 5.6% |
| 6 | Nippon Life India Asset Management Limited | 5.3% |
| 7 | Cummins India Ltd | 5.2% |
| 8 | Nestle India Ltd | 4.4% |
| 9 | Cohance Lifesciences Limited | 4.4% |
| 10 | Vesuvius India Ltd | 4.3% |

Market Cap Allocation



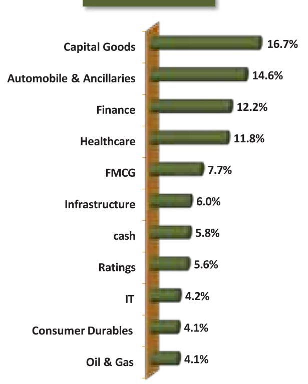

| Avg Mkt Cap (cr) | |
|---|---|
| Large Cap | 275397 |
| Mid Cap | 50799 |
| Small Cap | 25953 |
| **Overall Portfolio** | **86897** |

*Data as on 30th June 2025*

## Strong Corporate Governance

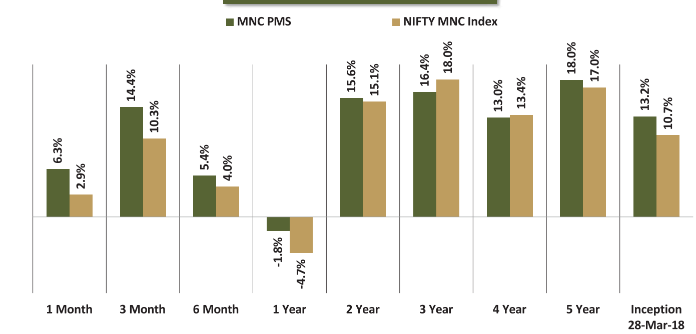

- MNC's are generally rated high for their corporate governance standard.
- MNC's depict high transparency and accountability with well laid out policies and regulatory framework, internal control and risk management.
- This provide good comfort for an investor who would not fall prey to any negative impact on investment due to corporate mis-management and fraud.

Sector Allocation




The current model client portfolio comprise of 20 stocks. Portfolio is well diversified across market capitalization and sector. We have shown top 10 stocks based on current portfolio. Most of the stocks are given more or less equal and sizable weightage in portfolio

Performance as on 30th June, 2025




## Selection Process

Out of 4500 listed Company, there are only 90 odd MNC Companies which are own by Foreign Promoter with more then 1000 cr Market Cap which make the stock universe limited for further evaluation.


**Note:** - Returns above one year are annualized. Returns are net of all fees and expenses.
**Disclaimer:** Past Performance is not necessarily indicative of likely future performance.
Performance mentioned above are not verified by SEBI. We have shown the performance as Aggregate performance of all clients on TWRR basis.

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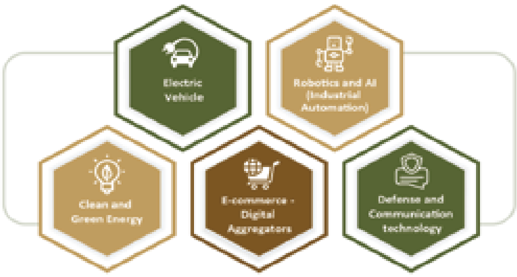
# Decennium Opportunity

Focus on return optimization by investing in multicap portfolio of companies with good corporate governance, strong emerging business or companies entering into next business upcycle.


India Vision: Global Powerhouse with USD 5 Trillion dollar economy by 2025

## Emerging business of ongoing Industrial Revolution




Note: The above opportunity are given for illustration purpose there are many other emerging business in this ongoing industrial revolution, which could form a part of portfolio.

## Opportunity - Accelerated Growth from Business Upcycle


- Indian economy has found its place among the key global players in many of the sectors.
- India increasing its share and becoming a part of the global supply chain and also a reliable partner.
- Government focus on building capabilities, scale and good manufacturing practices.
- PLI, Export incentive and Atmanirbhar Bharat Initiative very well supportive to strengthen India's private players/ Entrepreneurs to scale up their business.
- With overall economic growth both at macro and micro level and favorable policy many sectors enters into their next business upcycle

## Opportunities at every level of emerging business

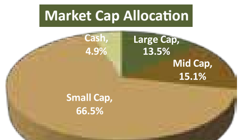

The key to success is to adapt to the changing business dynamics

## Stock Selection Process


## Portfolio Synopsis

| Sr No | Top 10 Holdings | % Holdings |
|---|---|---|
| 1 | Bharat Electronics Ltd | 8.88% |
| 2 | KEC International Limited | 7.81% |
| 3 | Ethos Limited | 7.34% |
| 4 | Interarch Building Products Limited | 7.27% |
| 5 | Techno Electric & Engineering Company Limited | 6.88% |
| 6 | Indian Renewable Energy Development Agency Limited | 5.97% |
| 7 | Venus Pipes and Tubes Limited | 5.83% |
| 8 | Praj Industries Ltd | 5.69% |
| 9 | Craftsman Automation Limited | 5.65% |
| 10 | Caplin Point Laboratories Limited | 5.27% |

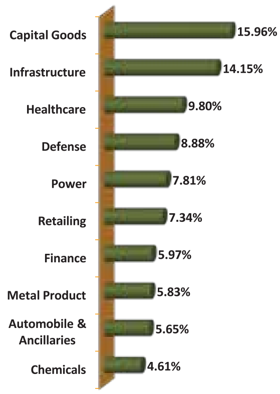
### Market Cap Allocation



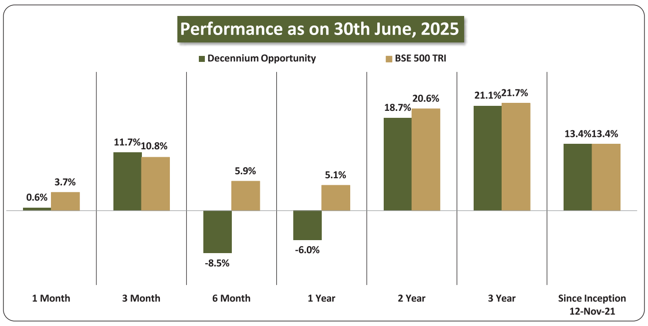

Data as on 30th June, 2025

| | Avg Market Cap (cr) |
|---|---|
| Large Cap | 1,85,635 |
| Midcap | 35,374 |
| Small Cap | 13,603 |
| Overall Portfolio | 43,360 |

### Sector Allocation




The current model client portfolio comprise of 17 stocks. Portfolio is well diversified across market capitalization and sector. Most of the stocks are given more or less equal and sizable weightage in portfolio.




**Disclaimer:** Past Performance is not necessarily indicative of likely future performance. Performance mentioned above are not verified by SEBI. We have shown the performance as Aggregate performance of all clients on TWRR basis.

**Note**: Returns above one year are annualized. Returns are net of all fees and expenses.

Structure Product Idea

# Nifty Accelerator

| Product Name | Nifty Accelerator– 102.5% |
|---|---|
| Issuer | Anand Rathi Global Finance Limited |
| Underlying | Nifty 50 Index |
| Principal Protected | Principal is not protected |
| Tenor(days) | 1910 days (~5.2 years) |
| Entry Level | Closing levels of NIFTY 50 Index as on primary trade date + 150 points, then rounded to next 100 |
| Exit Level | Average of closing levels of NIFTY 50 Index as on last F&O expiry of 38th, 41st, 44th, 47th, 50th, 53rd & 56th months |
| Contingent Coupon (CC) | 102.5% (IRR: ~14.43%) |
| Return Profile | If NIFTY 50 returns are:<br>Greater than or equal to 36% = 102.5% coupon<br>Between 35% & 36% = (NIFTY 50 Return – 20%) * 100% PR + (NIFTY 50 Return – 35%) * 8650% PR<br>Between 20% & 35% = (NIFTY 50 Return – 20%) * 100% PR<br>Between -20% & 20% = Principal Protection<br>Between -30% & -20% = NIFTY 50 Return * 1.6x Decay<br>Between -90% & -30% = Decay decreases to 0.6x<br>Less than or equal to -90% = NIFTY 50 Return |

Note: Investment Value per debenture: 1,25,000/-(It may be issued at a premium)
The product has a lock-in for first 365 days.

## NIFTY ACCELERATOR- 102.5%: PAYOFF (Structured Products Idea)

| Exit Nifty Level | Nifty Return | Product Return | Product IRR[3] |
|---|---|---|---|
| 50018 | 102.50% | 102.50% | 14.43% |
| 37050 | 50.00% | 102.50% | 14.43% |
| **33592** | **36.00%** | **102.50%** | **14.43%** |
| 33345 | 35.00% | 15.00% | 2.71% |
| 30875 | 25.00% | 5.00% | 0.94% |
| 29887 | 21.00% | 1.00% | 0.19% |
| **29640** | **20.00%** | **0.00%** | **0.00%** |
| 27170 | 10.00% | 0.00% | 0.00% |
| **24700** | **0.00%** | **0.00%** | **0.00%** |
| 23465 | -5.00% | 0.00% | 0.00% |
| 22230 | -10.00% | 0.00% | 0.00% |
| **19760** | **-20.00%** | **0.00%** | **0.00%** |
| 19758 | -20.01% | -32.0% | -7.11% |
| 18525 | -25.00% | -40.0% | -9.30% |
| 17290 | -30.00% | -48.0% | -11.75% |
| 13585 | -45.00% | -57.0% | -14.89% |
| 2470 | -90.00% | -84.0% | -29.55% |
| 2468 | -90.01% | -90.0% | -35.61% |
| 0 | -100.00% | -100.0% | -100.00% |


## Overview of ICICI Venture

ICICI Venture, established in 1988, is a pioneer in the Indian Alternative Assets market

**ICICI Venture at a Glance**

| $6.25 Bn | 610+ | 100+ | 80+ | LPs |
|---|---|---|---|---|
| AUM/A since inception | Investments since 1988 | Investments since 2002 | Exits since 2002 | Global and Indian |

**Our 5 Verticals**

| | Venture Capital | Private Equity | Real Estate | Infrastructure | Special Situations |
|---|---|---|---|---|---|
| AUM/A | USD 0.5 Bn[1] | USD 1.95 Bn[2] | USD 0.8 Bn[2] | USD 1.75 Bn[3] | USD 1.25 Bn[4] |
| *Strategies* | Growth Equity | Growth Equity | Equity | Energy | Debt, Mezzanine |
| | Early investing | Joint Control | Debt | Utilities | Distress Buyouts |
| | | Buyouts | Mezzanine | Buyouts | Equity Recaps |

*[1] VC AUM (1988-2002); [2] Includes co-invest capital; [3] Through Resurgent Power which is co-sponsored by ICICI Venture and Tata Power Company; Figure represents an enterprise value of the current portfolio [4] Through AION which is in a strategic alliance between ICICI Venture and Apollo Global (US); As of April 2020, ICICI Venture and Apollo have jointly agreed to a revised format whereby AION will continue to be managed by Apollo and advised by ICICI Venture until the end of its term. Each of ICICI Venture and Apollo are free to pursue future investment opportunities independently*

## Evolution of ICICI Venture platform

During the last 30+ years, we have become one of India's most diversified Alternative Asset platforms

**1988** Founded as TDICI

**1998** Re-named to ICICI Venture

**1988 - 2001** Focused on Venture Capital

**2002** Private Equity vertical established

**2005** Real Estate vertical established

**2012** Special Situations Vertical established

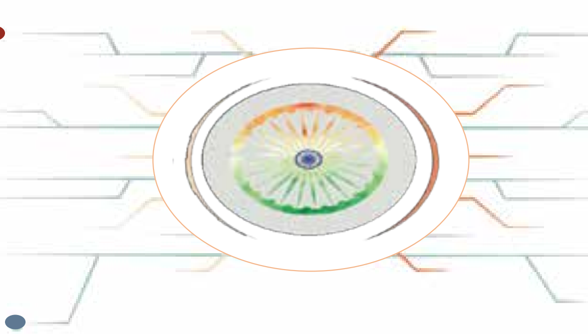
**2016** Infrastructure vertical established

**2022** AUM/A since inception reaches USD 6 Bn

**2023** Venture Fund IVen amplifi

## INDIA 2030 Summary

Domestic consumption to remain, and digital to become, key drivers of the economy



- India expected to become **3rd largest economy**
- **$5,242** Per-capita income
- GDP is anticipated to reach **$7.9 trillion**
- **1,083 million** Smartphone users
- IT services export to reach **$527 billion**
- **25.2 million** Households with income $>35,000
- **960 million** Internet users
- **700 million** online hoppers
- **$226 billion** E-commerce market

*Source: Industry reports, IVEN estimates*

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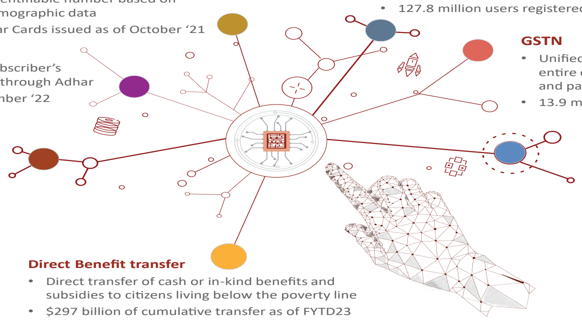
## Components of Digital India

Key layers include eKYC (biometric KYC), Unified payments interface (UPI), and GST network (GSTN)



**Aadhar UID**
- 12-digit unique identifiable number based on biometric and demographic data
- 1.32 billion Aadhar Cards issued as of October '21

**eKYC**
- Paperless KYC process, verifying subscriber's identity and address electronically through Adhar
- 13 billion transactions as of September '22

**E-Rupi**
- Prepaid Vouchers delivered to the beneficiary through an SMS or QR code, ensuring access to welfare benefits for unbanked population

**Digi Locker**
- Platform for issuing and verifying documents digitally using cloud storage linked to Aadhar
- 127.8 million users registered as of September '22

**GSTN**
- Unified indirect tax administration platform for the entire country to handle invoices, returns, registrations, and payments
- 13.9 million businesses registered as of September '22

**UPI**
- Enables all bank account holders to send and receive money instantly using Smartphones
- $133 billion transactions as of September '22

**Direct Benefit transfer**
- Direct transfer of cash or in-kind benefits and subsidies to citizens living below the poverty line
- $297 billion of cumulative transfer as of FYTD23

*Source: Industry reports, IVEN estimates*

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## Fund strategy

Tech-focused venture fund


Provide **strategic support to** portfolio companies especially areas of corporate governance

**Rs. 15 Bn India** focused fund; View on Digital India **2030**

**"No Go"**: Seed stage

Tap **synergies** across ICICI Group

Target Gross INR MoIC of **3.5x-4x** at a Gross INR IRR of **30%-35%**

Sector agnostic; digital focus on **Fintech, ConsumerTech and Enterprise**

Best in-class **Deal Sourcing** capabilities; **Early Identification of key trends**

Early-stage; late Series A / early Series B (**Rs. 0.5 to 1 Bn** per company across rounds), minority shareholding; typically, revenue < ~Rs. 1 Bn

10-15 investments; **focus on portfolio diversification and risk management**

IVen amplifi

## IVen Amplifi's positioning

IVen Amplifi will focus on the under-served late Series A or early Series B stages

| Target Return / Risk | Seed Stage | Early (Series A) | Scale (Series A+ to B-) | Late (Series B onwards) |
|---|---|---|---|---|
| 30x, 10x, 5x, 2x | Friends & Family<br>Angels<br>Incubators and Accelerators<br>Angel Funds<br>Family Offices<br>Micro VC Funds<br>Seed Funds<br>VC Funds | VC Funds<br>Family Offices | IVen amplifi | Late-Stage VCs<br>Private Equity<br>Secondary Sales<br>M&A<br>Equity Markets (IPO) |
| | Crowded | Owned by existing brand name VCs | Under-served | |
| **Round** | *Up to USD 2-3 Mn* | *Up to USD 3-8 Mn* | *Up to USD 8-15 Mn* | *Over USD 15 Mn* |
| **#Players** | *Large number of players* | *>50* | *<10* | *Large number of players* |

The under-served late Series A to early Series B stages presents investment opportunities with ticket sizes of USD 5-8 Mn in USD 8-15 Mn rounds

IVen amplifi

## Investment themes

ICICI Venture

Over 2x GDP growth in the next decade will create opportunities across sectors

### Fintech

- Strong digital infrastructure for financial services
- Large financing gap across consumer and SMB
- Low-risk coverage (shallow insurance penetration)
- Embedded finance and cross-border financial services

Lending Tech | Payment tech | Insure Tech
Embedded Finance | Financial Infrastructure | Wealth Tech

### Consumerisation

- Rapidly growing GDP per capita = disposable income
- Nearly a BILLION internet users by 2031
- Digital economy to reach USD 800 Bn i.e., 10x in the next decade
- Youngest population in the world

D2C | Food Tech | Social Commerce
Marketplace | Digital Content

### India and the World

- Value chain disruption via marketplaces
- New-age technologies enhancing sustainability
- AI native applications
- Industrial automation driven by 5G

B2B Marketplace
SaaS

IVen amplifi

## Illustrative ICICI Group Partnerships with Startups

ICICI V

**Fingpay** — AEPS based biometric payments and cash drop/withdrawals

**Vernacular.ai** — IVR Automation in vernacular language using voice bot

**IndiaFilings** — Support for SMEs with incorporation, tax, compliance and HR services

**Karza** — Digitization of due diligence process for retail loans

**SatSure** — Satellite data analytics for Agri business- Sat farm

**PropertyPistol** — Property tech platform aiding customers with B2C real estate sales

**RemitGuru** — Unified remittance solution for M21, Wire, Vostro, FDI and FCC

**CarDekho** — Dealer funding/ Inventory funding/ New car loans

**Credgenics** — Automated drafting of personalized legal notices & live tracking

**WorkApps** — Video KYC and video banking module

**Vanghee** — Current account opening & payment solution for MSME

**Advarisk** — Title search report for project funding & asset monitoring pre-lending and post disbursement

**More than 200 partnerships across ICICI Group**

IVen amplifi

## Illustrative Deal Pipeline

ICICI Venture

Focus on businesses which solve real problems

| Sr. No. | Project Name | Sector | Description | Potential Next Round Size |
|---|---|---|---|---|
| 1 | Project Ed | Fintech | Education Loans | INR 80 - 100 Crs |
| 2 | Project Real | Fintech | B2C PropTech platform with embedded home loan product | INR 50 - 80 Crs |
| 3 | Project Sauce | Consumer - D2C | Asian Food Brand | INR 50 - 80 Crs |
| 4 | Project Pet | Consumer - D2C | Pet Products and Marketplace | INR 80 - 100 Crs |
| 5 | Project Fashion | Enterprise | SaaS platform and B2B marketplace for fashion supply chain allowing brands to compete with the likes of Shein | INR 50 - 60 Crs |

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## Key investment framework

ICICI Venture

The process to repeatably create value through a structured approach to investing

1. Back top founders – first-time as well as repeat
2. Focus on large markets – existing and new emerging markets
3. Sharp attention to unit economics and potential for operating leverage
4. Focus on innovation, product, business model moats, and fundamentals

5. Identify right to win and mitigate risks
6. Capital intensity of business model i.e., steady state ROCE potential
7. Focus on entry shareholding and entry price
8. Liquidity and exit opportunities

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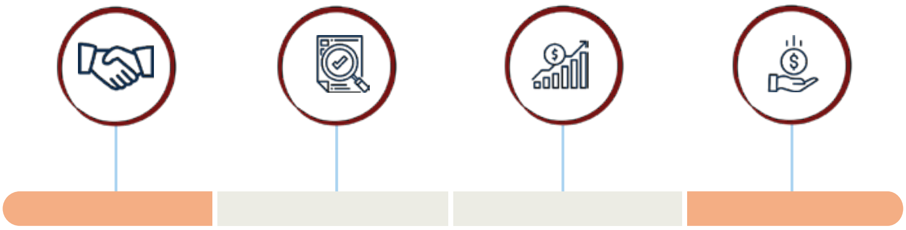
## Fund's Investment Process

ICICI Venture



**Deal Sourcing**
- Team's network
- Prior investments
- Group and Investor references
- Investor / GPs / VC references
- Intermediaries
- Accelerators

**Deal assessment**
- Team's network
- Prior investments
- Group and Investor references
- Investor / GPs / VC references
- Intermediaries
- Accelerators

**Investment with growth mindset**
- Business evaluation
- Provide strategic support to portfolio companies
- Focus on Governance

**Target returns within targeted holding period**
- Multiplicity of exit options
- Ab initio alignment with promoters, teams
- Focus on execution excellence

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## Key Fund Team Members

ICICI Venture

Experienced fund management team with significant investing experience

**Mr. Subeer Monga**
***Director***

*Over 15 years of experience in Indian markets with a significant majority in venture investing*

*Previously worked at Mayfield India Fund for over 12 years. Prior to that was with HSBC and I&LFS Investmart*

*Subeer has been involved with ~20 investments*

*Deal Experience*:*
- *Enkash – India's leading B2B cards payment business (~9x mark up from first investment to latest round)*
- *Strata – Leading fractional commercial real estate ownership platform (Follow on investment led by Kotak Bank)*
- *Knowlarity – Cloud communication platform (acquired by Gupshup)*
- *LEAP India – India's largest pallet rental business*

**Mr. Sharad Malpani**
***Director***

*Extensive experience in investing and operating side of business, early and mid-stage investing*

*Part of the ICICI Group for 21 years of which 13 years of investing including with ICICI Venture*

*Sharad has been involved with ~10 investments*

*Deal Experience*:*
- *Zopper –India's leading digital Insurtech Platform (assurance/ insurance)*
- *Go Colors – Leading women's fashion wear brand (IPO – ~6x exit)*
- *RBL Bank – Leading regional bank in India (IPO ~3x exit)*
- *Cello – Leading home products company*
- *Epack – Amongst the largest contract manufacturers for consumer durable*

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## Portfolio management

ICICI Venture

ICICI Venture leverages its well-established network of external advisors for driving operational excellence

| Accounting | | |
|---|---|---|
| EY | KPMG | pwc |
| BDO | Deloitte. | Grant Thornton |

| Hiring | | |
|---|---|---|
| native | MichaelPage | QUESS |
| Walker Tree Talent Advisors | PURPLE QUARTER | seenrecruit |

| Services | | |
|---|---|---|
| MyCFO | Aparajitha | protiviti |

| Products | | |
|---|---|---|
| knowlarity | exotel | darwinbox |
| EnKash | freshworks | ZOHO |

| Digital Services | | |
|---|---|---|
| Google | Microsoft | aws |
| Meta | Digital Ocean | Infosys |

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Explore the

# **Hidden Treasure** of **Unlisted Shares*** with

EQUITY UNICORN

*Investment in Unlisted Shares**

## What are Unlisted Shares*?

Unlisted shares is a financial instrument that is not traded on a formal exchange, Trading of unlisted shares is done in over-the-counter (OTC).

| | |
|---|---|
| Reliance Retail | Retail |
| Chennai Super Kings | IPL Team |
| Mohan Meakin Ltd. | Beverages |
| (API holdings Ltd.) | Healthcare Product |
| Care Health Insurance | Insurance |
| Sterlite Power Transmission Ltd. | Power & Transmission |
| Phillips India Ltd. | Electronics |
| Kurlon Ltd. | Mattresses |
| Hero Fincorp Limited | Financial Services |
| Veeda Clinical Research | Drug Development Services |
| Capgemini Technologies | Consulting Services |
| Sbi Mutual Fund | Mutual Fund |
| Orbis Financials Corporation Ltd. | Custodian |
| Bira | Beverages |
| Oravel Stays Ltd. | Hospitality |
| Studds Accessories Ltd. | Helmet Accessories |
| Utkarsh Coreinvest Ltd. | Financial Services |
| Appollo Green Energy | Green Energy |
| Indofill Industries | Chemical Company |

To know more 8655240697

**Product Note:**

- Investing in Unlisted shares is risky and suitable to clients with high risk appetite
- Unlisted shares have lock-in period of 6 months after Listing of shares on stock exchanges
- All unlisted shares price are tentative price, before confirming with Client once check with Product team (Hardik Rabara)
- Final IPO & Listing price of a company is based on many factors beyond our control, we don't guarantee a confirm IPO of any unlisted company nor guarantee any listing gains/returns. Investors should use own judgment and adequate caution before investing in unlisted shares
- We do not conduct any research on unlisted shares, we are just a distributor of unlisted shares

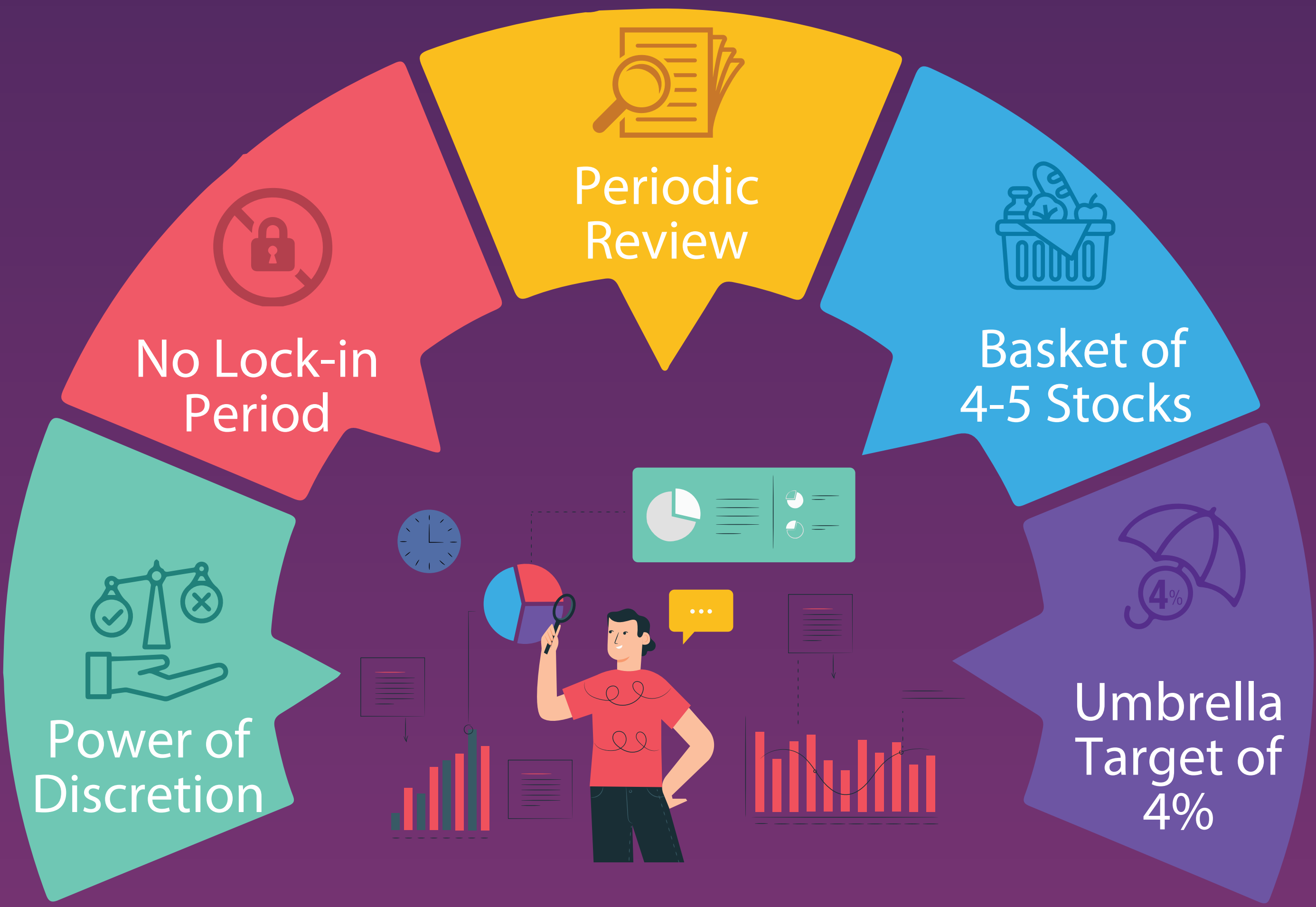
*These are not Exchange traded products and all disputes with respect to the distribution activity, would not have access to Exchange Investor Redressal Forum or Arbitration mechanism.

# Notes

FINKART

*Quality Investing - Simplified!*

Finkart offers benchmark-relative strategies across the market-cap spectrum of India. We believe the stock market is tremendously efficient to provide opportunities for the disciplined investor.




# Dynamic Research Basket Stock Allocation


ANANDRATHI PRIVATE CLIENT GROUP EQUITY PCG

## Feat Award Function 2023-24

ANANDRATHI
INVESTMENT SERVICES

***The Investments recommended in News letter / research reports, may not be suitable for all investors. Investors must make their own investment decisions based on their own specific investment objectives and financial position and using such independent professional advisors as they believe necessary.***