

# WEALTHWISE®

**Wiseinvest®**  
AMFI-registered Mutual Fund Distributor

## Inside Pg No.

Middle Of The Herd - Bajaj Finserv AMC 2

Market Outlook - SBI Mutual Fund 3,5&6

Performance Of Select Funds 4

## Wealthwise

“Wealthwise” is a monthly publication brought to you by Wiseinvest, an AMFI-registered Mutual Fund Distributor. Our CEO, Hemant Rustagi, is a well known personal finance expert. He brings with him an experience of more than 30 years in this field. He regularly writes articles for major national dailies and business magazines as well as appears as a personal finance expert on many investments related TV shows. Providing quality service is our top priority. In keeping with that, we constantly take steps to provide up-to-date information to our clients. In the last twenty one years, thousands of our clients have made mutual funds the mainstay of their portfolios. You can benefit too from our service support for your existing as well as new investments. All you need to do is to just call up any of the offices or email your requirements at [information@wiseinvest.co.in](mailto:information@wiseinvest.co.in).

Dear Investor,

Indian stock market under-performed in the month of October as Sensex was down 5.83%. However, markets in the US and Japan delivered positive returns and China and Hong Kong hugely out-performed. India's under-performance was mainly on account of lofty valuations, relentless FII selling, and concerns over slowing earnings growth. FIIs net sold shares worth ₹ 1,09,800 crore, whereas domestic institutions, including mutual funds and insurance companies, were buyers to the tune of ₹ 1,10,500 crore, cushioning the market from sharper declines.

One of the triggers for the sharpest drop in the benchmark indices in a month for four-and-a-half years was weaker-than-estimated earnings by companies in the quarter ended September 30. With many companies falling below the market expectations, the number of downgrades has outnumbered upgrades. This also resulted in a lot of re-allocations with investors moving out of themes/sectors whose earnings have disappointed.

Going forward, FII selling is expected to moderate. The strong retail and DII inflows could help the market find an interim support. The RBI, in its recent policy, kept its 7.2% real GDP growth forecast for FY25. The market expects India to grow at a base rate of 6% to 8% this decade.

The earnings growth in India can be expected to bounce back as global inflation and high interest rates ease in 2025. Some of the sectors to watch include consumption, FMCG, infrastructure, new-generation companies, manufacturing, and chemicals.

India's retail inflation rose to a nine-month high in September due to higher food prices. Annual retail inflation, based on the All-India Consumer Price Index (CPI), rose to 5.49% in September, higher than 3.65% in August. This is the highest retail inflation rate since December 2023, when it was 5.69%. However, the inflation was within the Reserve Bank of India's (RBI) medium-term target of 2-6%.

Goods and Services Tax collections rose to a six-month high of ₹ 1.87 lakh crore in October, staying above the ₹ 1.7 lakh crore mark for the eighth consecutive month. Tax collections were 8.1 percent higher sequentially and 8.9 percent higher than in October 2023, when it stood at ₹ 1.72 lakh crore.

Warm regards,



**Hemant Rustagi**  
Editor



Address to be affixed here

If undelivered, please return to:

### Wiseinvest Pvt. Ltd.

602, 6th Floor, Sri Krishna Complex,  
Opposite Laxmi Industrial Estate,  
New Link Road, Andheri (W),  
Mumbai 400 053.  
Tel : 6828 8947





## The Stock Market Performance During October 2024

| Indices | 30th September 2024 | 31st October 2024 | Change in (%) |
|---------|---------------------|-------------------|---------------|
| Sensex  | 84,299.78           | 79,389.06         | -5.83         |
| MIDCAP  | 49,351.91           | 45,966.71         | -6.86         |
| SMLCAP  | 57,130.93           | 54,982.87         | -3.76         |
| BSE-100 | 27,338.60           | 25,526.30         | -6.63         |
| BSE-200 | 11,926.92           | 11,120.83         | -6.76         |
| BSE-500 | 38,227.64           | 35,738.11         | -6.51         |

# SIP

Systematic Investment Plan

**It's a smarter way**  
to achieve all your dreams.

[www.kotakmf.com](http://www.kotakmf.com) | Toll free Number : 1800 309 1490 |    

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

 **kotak**  
Mutual Fund



## Middle Of The Herd



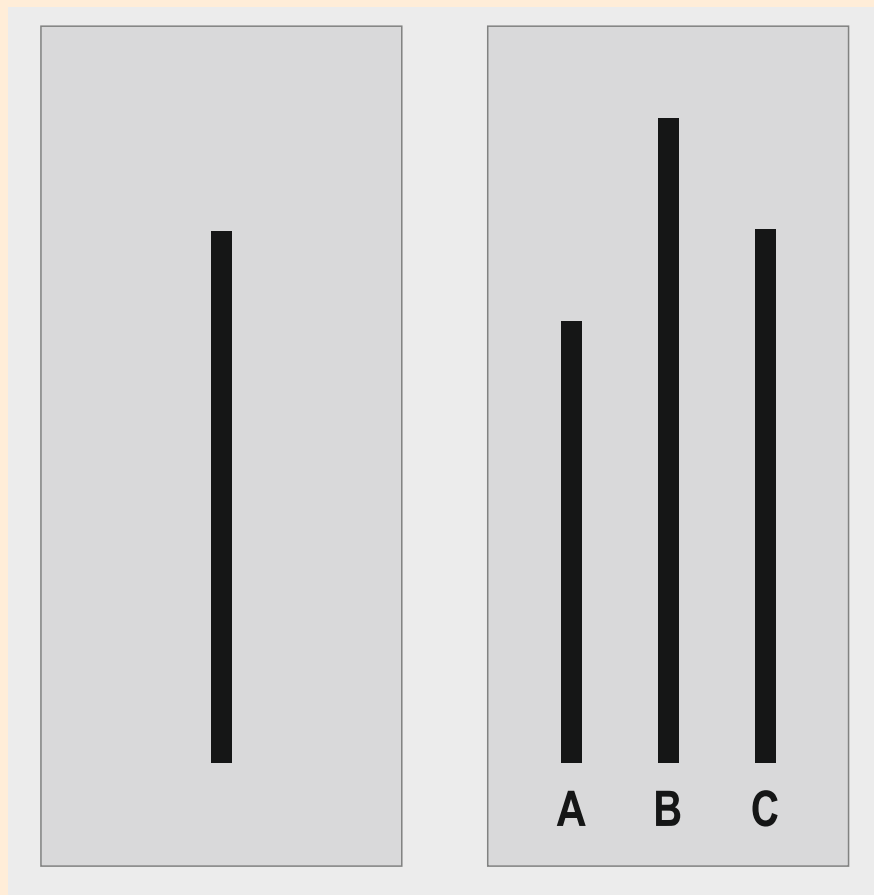
Imagine you are traveling to a new city. After a whole day of sightseeing, one of the most important decisions you need to make is which restaurant to dine in. You narrow it down to two restaurants located next to each other, which are quite similar in terms of cuisine and menu prices. One of them is empty and the other is crowded. Which one would you choose to dine in?

While making decisions, most of us love the warmth of the crowd. We trust the wisdom of a large group to choose the right restaurant, movie, music, phone, etc. Most of the time, this herd instinct works well for us. Herd instinct is a mentality that is distinguished by a lack of individual decision-making, causing people to think and behave in a similar fashion to those around them. Unfortunately, this behavioural bias has some serious consequences in the investing world.

One of the essential conditions of a well-functioning market is diversity of views. Investors, making unbiased assessments of the securities and acting independently, cause efficient price discovery. This is because even if their individual thinking is faulty, the mistakes would cancel each other out. This diversity is lost when investors follow what they perceive other investors are doing, rather than their own analysis. In other words, an investor exhibiting herd instinct will gravitate toward the same or similar investments based almost solely on the fact that many others are buying the securities. Herd instinct has a history of starting large, unfounded market rallies and sell-offs that are often based on a lack of fundamental support to justify either. This has been a significant driver of asset bubbles in financial markets.

### Solomon Asch Experiment

Solomon Asch conducted experiments to understand the degree to which a person's own opinions are influenced by those of groups. In one of the experiments, participants were called in groups of 8 and shown two cards. One card had one straight line which had to be matched with the 3 lines shown in the other cards.



Source: Wikipedia

Each participant was supposed to call out the answer in terms of A, B, or C. Asch designed the group in such a way that there was only one test subject in the group, others were confederates who were told to answer in a particular pattern. There were 18 trials, and the confederates were asked to answer 12 of them incorrectly.

About 75% of the actual test subjects (excluding confederates) went with the majority at least once and 32% of the test subjects went with the opinion of the majority all the time. Privately, these subjects were able to give the correct answers, but they preferred to conform to the crowd during tests. Asch experiments are important in understanding that people feel the need to fit into the group. In subsequent experiments, Asch was also able to prove that:

- Conformity increases if the group is large.
- Conformity increases when the subject is faced with higher uncertainty (difficult task).
- Conformity increases when members of the group are of higher status.

All these observations are extremely important to stock market investing. The crowd is obviously much larger, and the media also contributes to providing a high-pitched broadcast of popular ideas. Intrinsic values of companies are uncertain and don't have a definite mathematical formula. The influence of experts (who are also vulnerable to herding) is also high on individual investors' opinions.

### Contrarian Thinking Is Difficult But Necessary

It is tempting to be part of the crowd and indeed painful to avoid the herd instinct. Contrarian investing (going against the crowd) is more about emotional strength (Behavioural Edge) than knowledge (Information Edge). Neurologists have found that the parts of the brain that respond to exclusion were the same parts that responded to physical pain. In other words, the feeling of being excluded or rejected provoked the same sort of reaction in the brain that physical pain might cause. Standing against the crowd is hence extremely painful.

However, for successful investing, contrarian thinking is important. Swaying with the pendulum of market mood can compel the investor to buy during a bubble and sell during a crash. To take advantage of these market swings, an investor needs to design a good investment philosophy & process and follow the same with discipline to generate superior returns compared to the crowd.

It is equally important to have the right team or right set of people to discuss investment ideas with. In the experiment, Asch found that having one of the confederates give the correct answer while the rest of the confederates gave the incorrect answer, dramatically lowered the conformity of the test subject. It shows that most investors can improve their decision-making with the right support.

**Nimesh Chandan**  
Chief Investment Officer  
Bajaj Finserv AMC

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

## A Note To Our Esteemed Readers

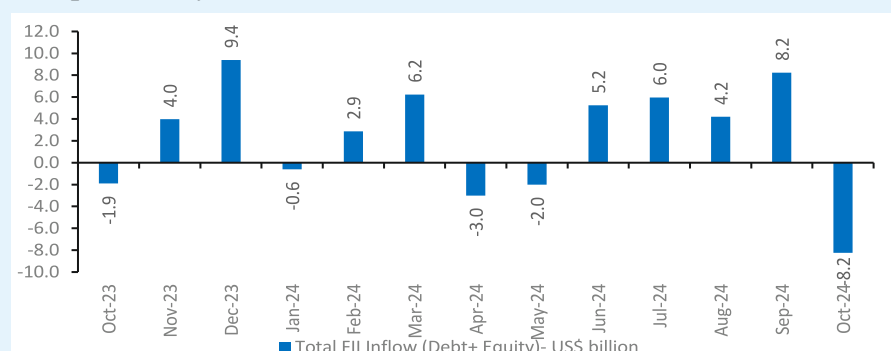
Wealthwise is being sent to some of you on a Complimentary basis as a part of our humble effort to ensure that more and more investors get the best from their investments. We sincerely hope that you would like the contents of Wealthwise and in some way benefit from it. However, if you do not wish to receive "Wealthwise" on a regular basis, please let us know by sending us a mail on [information@wiseinvest.co.in](mailto:information@wiseinvest.co.in). You can also write to us at our Corporate Office address mentioned on page number 6.

# Market Outlook - SBI Mutual Fund

Relatively stronger data and uncertainty surrounding the US election outcome has led to benchmark US 10Y yields moving up by around 70 bps since the rate cut in Sep24. While the outcome and the impact of the US elections are awaited, the fact remains that the global risk-free benchmark asset continues to remain a source of ongoing volatility across most other asset classes. The other factor impacting domestic markets last month was the stimulus measures undertaken by China, leading to portfolio flows back into Chinese assets and possibly some rotation out of India.

**Chart 1**

### FII pull money out of India in Oct 24



Source: Bloomberg, SBIFM Research

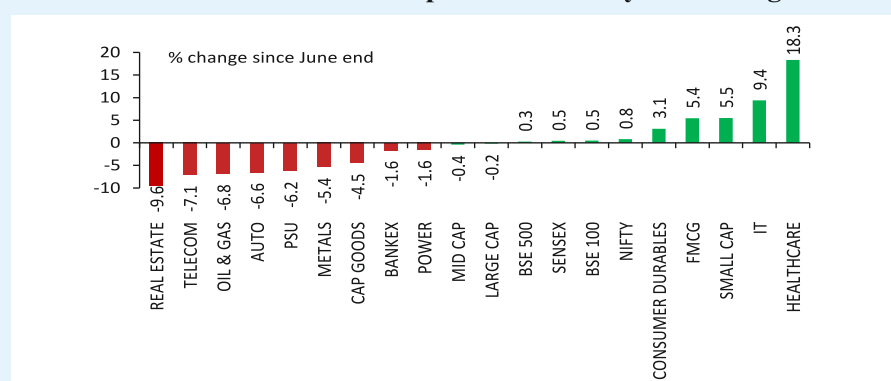
## EQUITY

Mean reversion has been at work in financial markets for the past few weeks and continued to work its way through in the month of October as well. Indian equities that have been amongst the best performing asset classes over the past few years, significantly underperformed. Similarly, US bonds plummeted as long end yields surged despite a rate cut by the US Federal Reserve. On the other hand, some of the laggard assets such as Emerging Market (EM) equities, especially Chinese equities, has started to outperform as have global commodity stocks.

Within Indian equities, defensive sectors such as Consumer, Healthcare and Technology have started to outperform their cyclical counterparts such as Defense, Real Estate, Industrials and PSUs. From a style standpoint, Quality has started to outperform Value. Also, market breadth that had been exceptionally strong with broader markets outperforming large cap indexes over the past many quarters, has started to narrow.

**Chart 2**

### Defensive sectors have started to perform while cyclicals drag



Source: Bloomberg, SBIFM Research

**Chart 3**

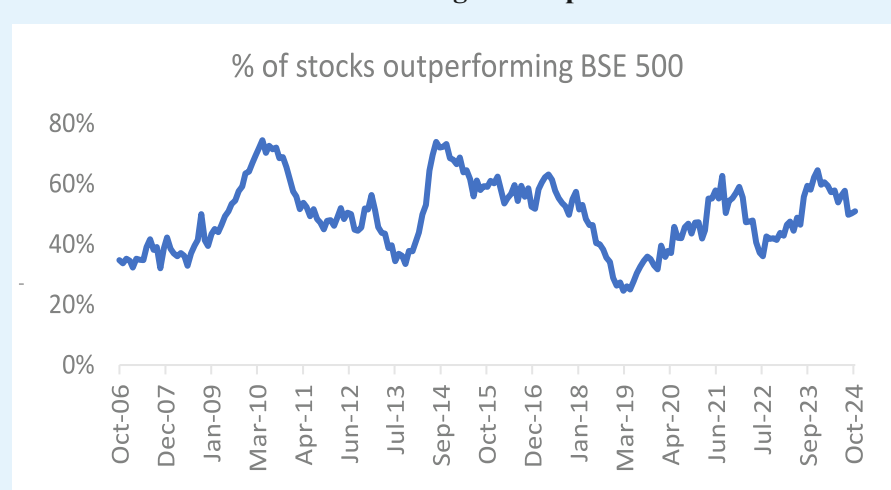
### Quality has started to outperform



Source: FactSet, SBIFM Research. Returns are the difference in rolling 3-year CAGR returns of the average of top 2 quintiles on the two styles. The classification into quintiles is based on SBIFM's definition of the respective style/factor.

**Chart 4**

### Market breadth has been narrowing for the past few months



Source: FactSet, SBIFM Research

As we have maintained for a while now, there is a confluence of factors that is leading to this, in our view. One, valuations have been rich for Indian stocks both on an absolute basis as well as relative to EM peers. Two, near term earnings have been slowing down and earnings revisions suggests more stocks are seeing earnings downgrades than upgrades. Three, our measure of equity market sentiment had stayed extremely stretched- this works as a contrarian measure, suggesting markets were vulnerable to an abatement in speculative activity from such elevated readings and hence pullbacks. While there has been some moderation in valuations as well as equity market sentiment, we think there may be more room for the current market turbulence to run before we reach saner levels on both.

Cont. on page 5...

**ACTION OF EQUITY,  
DANCE OF DEBT AND  
ROMANCE OF GOLD,  
DOESN'T THAT MAKE FOR A  
BLOCKBUSTER?**

**Introducing**

**ADITYA BIRLA SUN LIFE  
MULTI ASSET ALLOCATION FUND**

An open ended scheme investing in Equity, Debt and Commodities

Aditya Birla Sun Life Mutual Fund

**ADITYA BIRLA CAPITAL**

1800-270-7000

|  |   |  |
|--|---|--|
| <p><b>Scheme:</b></p> <p><b>Aditya Birla Sun Life Multi Asset Allocation Fund</b><br/>(An open ended scheme investing in Equity, Debt and Commodities)</p> | <p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>Long Term Capital Appreciation</li> <li>Investment in equity and equity related securities, debt &amp; money market instruments and Commodities</li> </ul> <p>*Investors should consult their financial advisors, if in doubt whether the product is suitable for them.</p> | <p><b>SCHEME RISKMETER</b></p> <p><b>RISKMETER</b><br/>Investors understand that their principal will be at Very High Risk</p> |
|--|---|--|

The Risk-meter specified will be evaluated and updated on a monthly basis. For updated Risk-meter study refer to latest factsheet.

<https://www.facebook.com/abslmutualfund> [www.twitter.com/abslmf](https://www.twitter.com/abslmf)

# Performance Of Select Funds

Data as on October 25, 2024

## EQUITY FUNDS

### Large Cap, Large & Midcap, Multi Cap

| Fund                                  | Launch | 6 Mth* | 1 Year* | 2 Year** | 3 Year** | 5 Year** | 7 Year** | 10 Year** | 15 Year** |
|---------------------------------------|--------|--------|---------|----------|----------|----------|----------|-----------|-----------|
| ABSL Frontline Equity Fund            | Aug-02 | 10.45  | 33.19   | 20.99    | 12.94    | 18.02    | 13.01    | 13.22     | 13.61     |
| ICICI Prudential Bluechip Fund        | May-08 | 9.09   | 37.12   | 24.52    | 16.32    | 20.03    | 15.19    | 14.53     | 15.00     |
| Kotak Bluechip Fund                   | Dec-98 | 10.32  | 33.02   | 20.71    | 12.38    | 18.07    | 14.23    | 13.65     | 12.69     |
| Nippon India Large Cap Fund           | Aug-07 | 7.49   | 35.46   | 26.01    | 18.58    | 20.65    | 15.40    | 14.83     | 14.52     |
| ABSL Flexi Cap Fund                   | Aug-98 | 11.69  | 37.88   | 23.67    | 13.45    | 19.10    | 13.62    | 14.88     | 14.25     |
| Bajaj Finserv Flexi Cap Fund          | Aug-23 | 12.96  | 39.04   | -        | -        | -        | -        | -         | -         |
| Bandhan Focused Equity Fund           | Mar-06 | 14.87  | 44.47   | 26.09    | 14.81    | 18.17    | 12.30    | 12.47     | 11.12     |
| HDFC Flexi Cap Fund                   | Jan-95 | 13.31  | 44.47   | 29.34    | 22.41    | 23.79    | 16.84    | 15.43     | 15.42     |
| Invesco India Focused Fund            | Sep-20 | 14.85  | 65.71   | 35.81    | 19.94    | -        | -        | -         | -         |
| Kotak Flexicap Fund                   | Sep-09 | 7.28   | 32.64   | 21.44    | 13.84    | 17.27    | 13.52    | 14.72     | 14.56     |
| Motilal Oswal Flexi Cap Fund          | Apr-14 | 20.88  | 57.50   | 32.39    | 18.86    | 17.84    | 13.03    | 16.05     | -         |
| Parag Parikh Flexi Cap Fund           | May-13 | 12.09  | 36.39   | 28.31    | 15.90    | 25.12    | 19.94    | 18.53     | -         |
| Quant Flexi Cap Fund                  | Oct-08 | 2.10   | 47.16   | 27.21    | 20.72    | 32.36    | 20.86    | 20.03     | 12.88     |
| SBI Focused Equity Fund               | Oct-04 | 9.69   | 27.50   | 18.59    | 10.45    | 17.52    | 15.31    | 15.15     | 17.30     |
| Axis Growth Opportunities Fund        | Oct-18 | 13.45  | 40.00   | 27.32    | 14.76    | 22.64    | -        | -         | -         |
| Bandhan Core Equity Fund              | Aug-05 | 11.58  | 48.55   | 32.91    | 21.71    | 23.85    | 16.31    | 16.32     | 13.39     |
| HDFC Large and Mid Cap Fund           | Feb-94 | 9.50   | 39.26   | 29.16    | 19.87    | 24.26    | 16.87    | 14.40     | 12.64     |
| HSBC Large and Mid Cap Fund           | Mar-19 | 12.61  | 44.97   | 28.63    | 19.19    | 20.97    | -        | -         | -         |
| ICICI Prudential Large & Mid Cap Fund | Jul-98 | 9.90   | 41.36   | 27.95    | 19.65    | 24.17    | 16.39    | 15.16     | 14.97     |
| Kotak Equity Opportunities Fund       | Sep-04 | 9.69   | 38.99   | 26.70    | 19.14    | 22.43    | 16.23    | 16.42     | 15.02     |
| Motilal Oswal Large and Midcap Fund   | Oct-19 | 19.58  | 58.65   | 39.29    | 24.86    | 25.74    | -        | -         | -         |
| SBI Large & Midcap Fund               | Feb-93 | 11.44  | 35.43   | 22.00    | 17.47    | 22.05    | 15.91    | 16.05     | 15.30     |
| UTI Large & Mid Cap Fund              | Feb-93 | 14.97  | 45.28   | 31.35    | 19.55    | 24.54    | 15.70    | 14.80     | 13.52     |
| Invesco India Contra Fund             | Apr-07 | 16.78  | 49.76   | 29.25    | 18.86    | 23.06    | 17.30    | 17.14     | 16.23     |
| HSBC Multi Cap Fund                   | Jan-23 | 9.70   | 47.11   | -        | -        | -        | -        | -         | -         |
| Kotak Multicap Fund                   | Sep-21 | 10.28  | 45.41   | 31.92    | 22.66    | -        | -        | -         | -         |

### Midcap & Smallcap

|                                 |        |       |       |       |       |       |       |       |       |
|---------------------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|
| HDFC Mid-Cap Opportunities Fund | Jun-07 | 13.79 | 43.99 | 35.69 | 25.96 | 28.85 | 18.63 | 19.03 | 20.29 |
| Kotak Emerging Equity Fund      | Mar-07 | 20.43 | 44.13 | 30.85 | 22.38 | 27.60 | 18.81 | 19.81 | 18.56 |
| Motilal Oswal Midcap Fund       | Feb-14 | 26.21 | 69.93 | 41.66 | 34.79 | 32.05 | 22.44 | 21.03 | -     |
| Nippon India Growth Fund        | Oct-95 | 16.84 | 48.58 | 36.14 | 24.83 | 29.95 | 19.96 | 18.79 | 16.60 |
| Bandhan Small Cap Fund          | Feb-20 | 19.35 | 62.83 | 44.18 | 26.06 | -     | -     | -     | -     |
| HDFC Small Cap Fund             | Apr-08 | 6.45  | 31.49 | 31.70 | 22.56 | 28.11 | 18.53 | 19.11 | 17.35 |
| Kotak Small Cap Fund            | Feb-05 | 16.49 | 39.59 | 27.88 | 18.84 | 30.81 | 19.90 | 19.77 | 18.70 |
| Nippon India Small Cap Fund     | Sep-10 | 11.96 | 43.49 | 35.96 | 28.79 | 35.40 | 22.27 | 22.62 | -     |
| Quant Small Cap Fund            | Nov-96 | 3.70  | 48.92 | 38.36 | 25.99 | 45.43 | 26.03 | 20.66 | 18.76 |

### Sectoral / Thematic Fund & Tax Saving

|  |        |       |       |       |       |       |       |       |       |
|--|--------|-------|-------|-------|-------|-------|-------|-------|-------|
| ICICI Prudential Banking and Financial | Aug-08 | 11.01 | 25.33 | 18.04 | 10.23 | 13.77 | 10.52 | 14.16 | 15.22 |
| ICICI Prudential Pharma Healthcare     | Jul-18 | 23.16 | 60.48 | 39.45 | 22.60 | 31.06 | -     | -     | -     |
| Nippon India Banking & Financial       | May-03 | 8.32  | 26.03 | 20.44 | 14.22 | 16.75 | 11.76 | 13.64 | 14.25 |
| Nippon India Pharma Fund               | Jun-04 | 18.42 | 48.76 | 33.09 | 19.03 | 28.36 | 21.26 | 15.57 | 19.08 |
| Nippon India Power & Infra Fund        | May-04 | 5.72  | 53.00 | 42.59 | 29.91 | 29.80 | 17.17 | 16.99 | 10.46 |
| SBI Healthcare Opportunities Fund      | Jul-99 | 18.89 | 52.90 | 35.50 | 22.54 | 29.30 | 18.55 | 14.16 | 18.08 |
| ABSL PSU Equity Fund                   | Dec-19 | -4.26 | 56.92 | 42.50 | 31.77 | -     | -     | -     | -     |
| Bandhan Transportation and Logistics   | Oct-22 | 6.99  | 40.32 | -     | -     | -     | -     | -     | -     |
| Kotak Pioneer Fund                     | Oct-19 | 16.39 | 45.10 | 31.40 | 16.18 | -     | -     | -     | -     |
| Bandhan ELSS Tax Saver Fund            | Dec-08 | 6.20  | 29.14 | 21.80 | 15.05 | 22.98 | 15.42 | 16.24 | 15.70 |
| Kotak ELSS Tax Saver                   | Nov-05 | 7.70  | 34.78 | 23.55 | 17.21 | 20.81 | 15.59 | 15.69 | 13.94 |
| Nippon India ELSS Tax Saver Fund       | Sep-05 | 9.62  | 39.33 | 25.51 | 16.47 | 19.27 | 9.81  | 11.24 | 14.35 |

## ARBITRAGE FUNDS

| Funds                                  | Launch | 3 Mth* | 6 Mth* | 1 Year* | 2 year** | 3 Year** | 5 Year** |
|--|--------|--------|--------|---------|----------|----------|----------|
| Bandhan Arbitrage Fund                 | Dec-06 | 1.72   | 3.70   | 7.54    | 7.31     | 6.05     | 5.12     |
| ICICI Prudential Equity Arbitrage Fund | Dec-06 | 1.75   | 3.69   | 7.54    | 7.31     | 6.12     | 5.31     |
| Kotak Equity Arbitrage Fund            | Sep-05 | 1.68   | 3.73   | 7.79    | 7.56     | 6.37     | 5.50     |

## HYBRID

| Fund                            | Launch | 6 Mth* | 1 Year* | 2 Year** | 3 Year** | 5 Year** | 7 Year** | 10 Year** | 15 Year** |
|---------------------------------|--------|--------|---------|----------|----------|----------|----------|-----------|-----------|
| ABSL Equity Hybrid '95 Fund     | Feb-95 | 9.64   | 28.05   | 18.08    | 10.48    | 14.48    | 10.14    | 11.36     | 12.24     |
| Canara Robeco Equity Hybrid     | Feb-93 | 9.88   | 29.40   | 18.25    | 11.77    | 16.25    | 13.44    | 13.19     | 13.66     |
| DSP Equity & Bond Fund          | May-99 | 14.11  | 30.88   | 21.91    | 12.45    | 16.30    | 13.14    | 13.56     | 12.76     |
| ICICI Prudential Equity & Debt  | Nov-99 | 7.77   | 33.77   | 24.80    | 18.61    | 22.73    | 16.53    | 15.94     | 16.39     |
| Kotak Equity Hybrid Fund        | Nov-99 | 13.59  | 31.82   | 20.95    | 14.74    | 18.66    | 14.22    | 13.36     | 12.39     |
| SBI Equity Hybrid Fund          | Dec-95 | 7.20   | 24.08   | 15.58    | 10.16    | 14.38    | 12.17    | 12.64     | 12.69     |
| ABSL Bal. Advantage Fund        | Apr-00 | 8.15   | 22.78   | 15.79    | 10.60    | 13.14    | -        | -         | -         |
| ICICI Prudential Bal. Advantage | Dec-06 | 6.99   | 21.17   | 15.25    | 12.10    | 13.48    | -        | -         | -         |
| Kotak Bal. Advantage Fund       | Aug-18 | 9.15   | 21.48   | 15.43    | 10.75    | 12.50    | -        | -         | -         |
| Nippon India Bal. Advantage     | Nov-04 | 6.67   | 23.03   | 15.56    | 11.18    | 13.13    | -        | -         | -         |
| Bandhan Equity Savings Fund     | Jun-08 | 4.42   | 10.46   | 8.75     | 6.61     | 8.20     | -        | -         | -         |
| Kotak Equity Savings Fund       | Oct-14 | 5.16   | 17.68   | 13.68    | 10.99    | 11.20    | -        | -         | -         |

## DEBT

### Debt Oriented & Ultra Short Term Debt Fund

| Funds                           | Launch | 1 Mth* | 3 Mth* | 6 Mth* | 1 Year* | 2 Year** | 3 Year** | 5 Year** |
|---------------------------------|--------|--------|--------|--------|---------|----------|----------|----------|
| ABSL Short Term Fund            | May-03 | 0.51   | 2.12   | 4.34   | 8.25    | 7.40     | 6.05     | 6.60     |
| Axis Corporate Bond Fund        | Jul-17 | 0.47   | 2.16   | 4.44   | 8.35    | 7.47     | 5.92     | 6.72     |
| HDFC Corporate Bond Fund        | Jun-10 | 0.58   | 2.41   | 4.68   | 8.79    | 7.98     | 6.09     | 6.93     |
| Kotak Banking and PSU Debt Fund | Dec-98 | 0.44   | 2.19   | 4.50   | 8.41    | 7.43     | 5.83     | 6.59     |
| Kotak Corporate Bond Fund       | Sep-07 | 0.48   | 2.29   | 4.59   | 8.59    | 7.60     | 5.97     | 6.41     |
| SBI Banking and PSU Fund        | Oct-09 | 0.42   | 2.10   | 4.29   | 7.89    | 7.23     | 5.43     | 6.02     |
| ICICI Prudential Savings Fund   | Sep-02 | 0.70   | 1.98   | 3.89   | 7.94    | 7.69     | 6.30     | 6.47     |
| Kotak Savings Fund              | Aug-04 | 0.61   | 1.73   | 3.48   | 7.16    | 6.99     | 5.93     | 5.46     |

\*Absolute \*\* Annualised. Past performance may or may not be sustained in future.

Source: Value Research

### Dividends declared by equity and equity-oriented funds during the month of October 2024

| Scheme name  | Date       | Dividend declared in ₹ Per unit |
|--|------------|---------------------------------|
| ICICI Prudential Balanced Advantage Fund - Monthly | 01-10-2024 | 0.07                            |
| ICICI Prudential Equity & Debt Fund - Monthly      | 01-10-2024 | 0.16                            |
| Sundaram Consumption Fund                          | 04-10-2024 | 2.45                            |
| Sundaram Financial Services Opportunities Fund     | 04-10-2024 | 2.42                            |
| UTI Dividend Yield Fund                            | 10-10-2024 | 0.80                            |
| Sundaram Mid Cap Fund                              | 11-10-2024 | 5.40                            |
| Sundaram Small Cap Fund                            | 11-10-2024 | 2.81                            |
| Motilal Oswal Balance Advantage Fund - Quarterly   | 14-10-2024 | 0.22                            |
| Nippon India Balanced Advantage Fund               | 15-10-2024 | 0.20                            |
| ICICI Prudential Bharat Consumption Fund           | 17-10-2024 | 1.80                            |
| UTI Large Cap Fund                                 | 22-10-2024 | 1.50                            |
| HDFC Balanced Advantage Fund                       | 25-10-2024 | 0.25                            |
| LIC MF Aggressive Hybrid Fund                      | 25-10-2024 | 0.10                            |
| Sundaram Large and Mid Cap Fund                    | 25-10-2024 | 2.45                            |
| Sundaram Infrastructure Advantage Fund             | 25-10-2024 | 4.61                            |
| Sundaram Flexi Cap Fund                            | 25-10-2024 | 0.73                            |
| Baroda BNP Paribas Aggressive Hybrid Fund          | 28-10-2024 | 0.14                            |
| DSP Equity & Bond Fund - Regular Plan              | 28-10-2024 | 0.20                            |
| DSP Dynamic Asset Allocation Fund                  | 28-10-2024 | 0.05                            |
| Edelweiss Aggressive Hybrid Fund                   | 28-10-2024 | 0.17                            |
| Axis Aggressive Hybrid Fund - Monthly              | 28-10-2024 | 0.10                            |
| Baroda BNP Paribas Multi Cap Fund                  | 28-10-2024 | 0.45                            |
| Invesco India Balanced Advantage Fund              | 31-10-2024 | 0.15                            |

Source: Moneycontrol

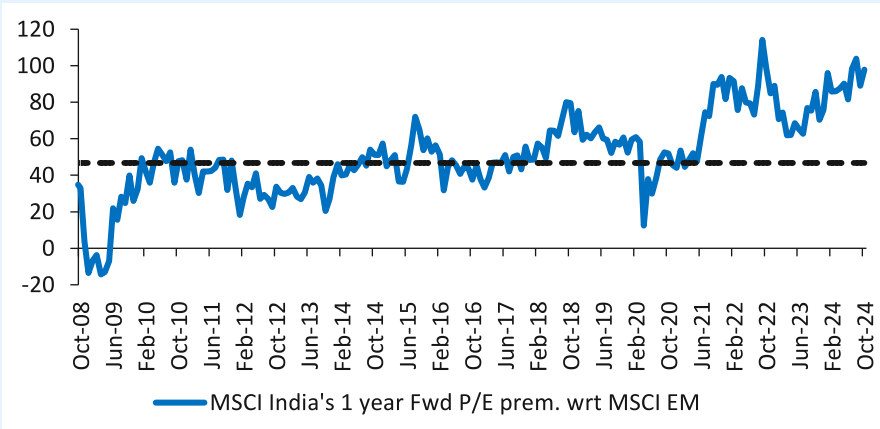
Please check whether you have received dividend for the fund/s that you may have in your portfolio out of this list. In case, you do not maintain any portfolio statement, Wiseinvest can do that for you free of charge. Once we have the details, we would send your updated statement every month. You can contact our corporate office or our branch to avail of this free service.

# Market Outlook - SBI Mutual Fund...

...Cont. from page 3

**Chart 5**

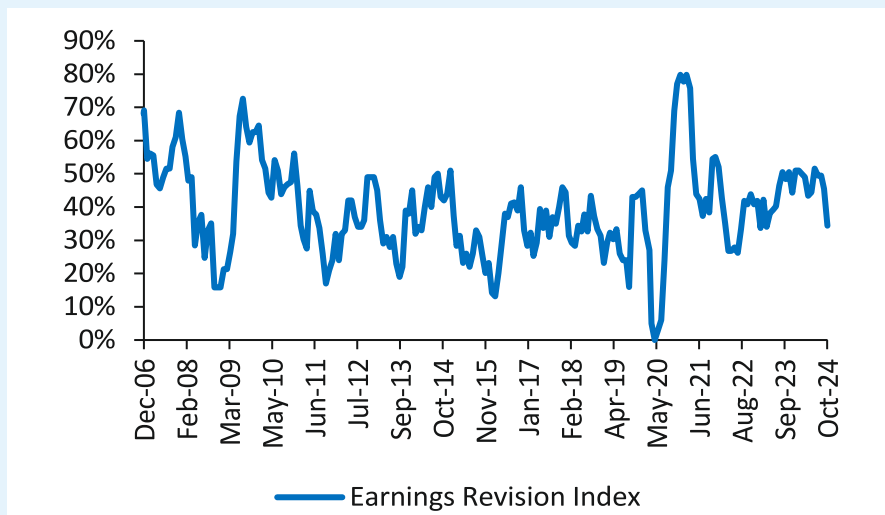
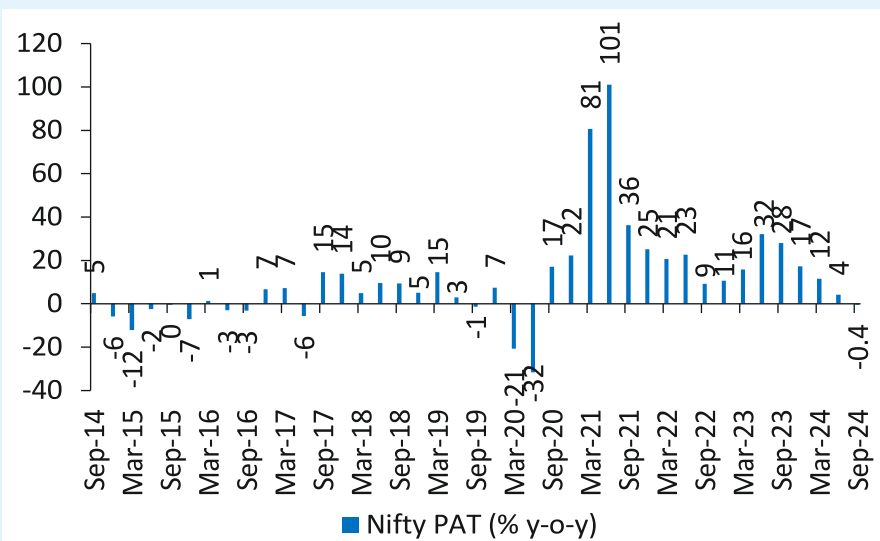
**Indian equities stay at elevated premium to the EM index on valuations**



Source: Bloomberg, SBIFM Research

**Chart 6**

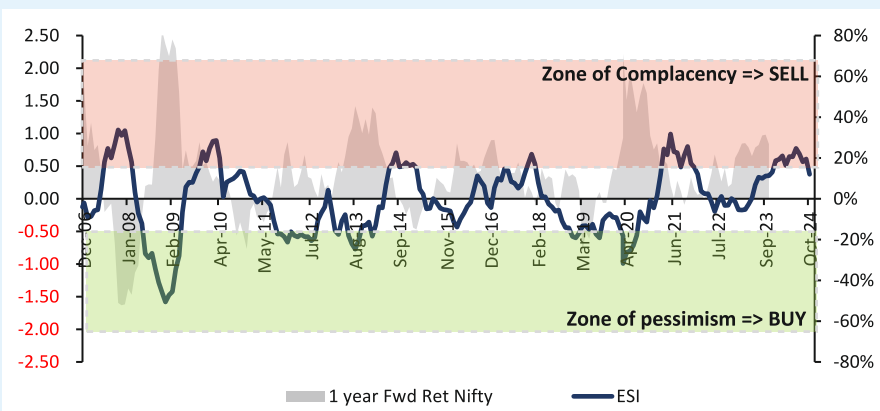
**Earnings in slow lane near-term; more downgrades than upgrades in earnings revisions too**



Source: FactSet, MOSL, Bloomberg, SBIFM Research. Results released for 33 Nifty companies for Sep 24 quarter, historical data is for all Nifty 50 companies.

**Chart 7**

**Complacency stays high as Equity Sentiment stays stretched even with some moderation of late**

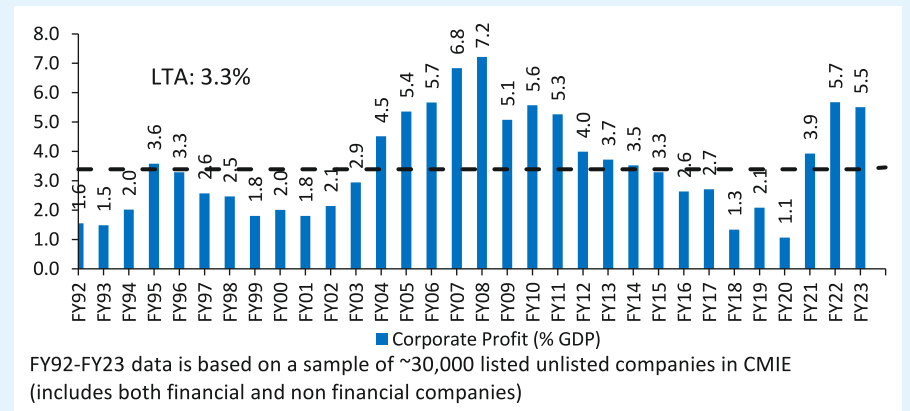


Source: Bloomberg, FactSet, SBIFM Research; Note: ESI stands for Equity Sentiment Index

From a longer-term standpoint, however, the Indian equity story continues to be underpinned by earnings upcycle, short term slowdown notwithstanding. India's corporate profits as a proportion of GDP have reverted higher over the past 4 years after secularly declining for 12 years between 2008-2020. We believe a revival in manufacturing, rising per capita GDP and an overall recovery in global Emerging Market economies should be tailwinds to continue supporting a constructive earnings growth outlook over the mid-long term. The current turbulence, however, should bring the focus back on fundamentals. We remain of the view that increasingly the market will become more discerning and move back towards companies which have strong business models, long-term earnings growth visibility and sustainable cashflows.

**Chart 8**

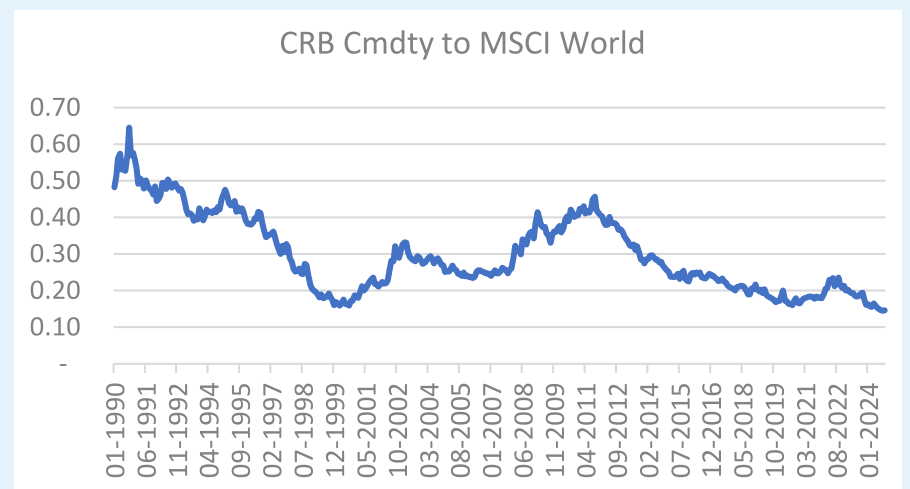
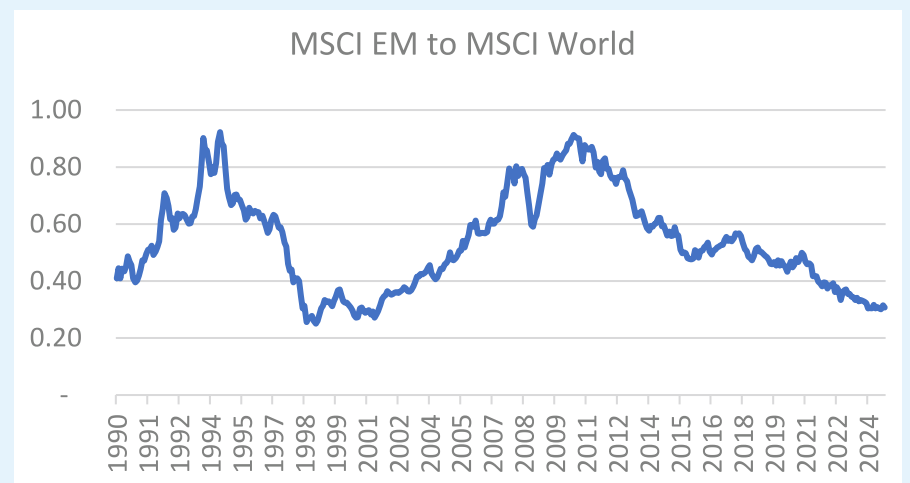
**Longer term earnings upcycle stays the base case; augurs well for long term investors**



Source: CMIE Economic Outlook, Bloomberg, SBIFM Research

**Chart 9**

**A revival of EM equities as an asset class after years of underperformance should augur well eventually, short-term portfolio readjustments led outflows notwithstanding**



Source: Bloomberg, SBIFM Research. A declining ratio means that the asset in the numerator is underperforming the asset in the denominator.

## Fixed Income

Bond yields broadly mirrored the directional trend of rising UST yields and had the added headwind of FPI outflows after a long stretch of positive flows. While there remains increasing appetite for Indian sovereign bonds from offshore investors, recurring volatility and upside bias in US yields would continue to impact the pace of ongoing flows.

Cont. on page 6...

## Market Outlook - SBI Mutual Fund...

...Cont. from page 5

| Gsec           | 30-Sep-24 | 31-Oct-24 | Change |
|----------------|-----------|-----------|--------|
| 3-year G Sec   | 6.66%     | 6.74%     | 0.08%  |
| 4-year G Sec   | 6.68%     | 6.77%     | 0.09%  |
| 5-year G Sec   | 6.67%     | 6.78%     | 0.11%  |
| 7-year G Sec   | 6.69%     | 6.81%     | 0.12%  |
| 10-year G Sec  | 6.75%     | 6.85%     | 0.10%  |
| 15-year G Sec  | 6.79%     | 6.87%     | 0.08%  |
| 30-year G Sec  | 6.89%     | 6.98%     | 0.09%  |
| <b>AAA-PFC</b> |           |           |        |
| 1Y AAA         | 7.67%     | 7.60%     | -0.07% |
| 2Y AAA         | 7.56%     | 7.52%     | -0.04% |
| 3Y AAA         | 7.41%     | 7.42%     | 0.01%  |
| 5Y AAA         | 7.28%     | 7.32%     | 0.04%  |
| 10Y AAA        | 7.20%     | 7.25%     | 0.05%  |
| INR/USD        | 83.8013   | 84.08     | -0.33% |
| DXY            | 100.779   | 103.976   | 3.17%  |
| UST            | 3.75%     | 4.29%     | 0.54%  |
| Brent          | 72.900    | 73.160    | 0.36%  |
| <b>Swaps</b>   |           |           |        |
| 1Y             | 6.39%     | 6.55%     | 0.16%  |
| 3Y             | 6.03%     | 6.30%     | 0.27%  |
| 5Y             | 6.03%     | 6.30%     | 0.27%  |

### RBI Policy- October 24

A change in the Policy stance was effectively a validation of the operating stance being adopted by the RBI in recent months. Effectively the prevalence of surplus liquidity has anchored the overnight rates around the policy rate off late. In the above context, a change in stance was probably a live event over the coming months. In having shifted the stance to neutral in the October review, the RBI has effectively enabled itself to have more flexibility to address evolving macro-economic challenges.

With a change in stance to neutral, market expectation would eventually consider the timing and extent of policy easing. However, given the challenges in terms of incomplete passthrough of better liquidity into various segments of the money market, thereby hindering transmission, fixing this possibly would need to be prioritized. With higher CD issuances and bulk deposits being offered at higher rates, the full transmission of easier liquidity and potentially of any rate actions in the future also would remain constrained. The prevalence of larger Government balances on an average outside the banking system also may require ex ante tolerance of higher system liquidity.

### Expectations on RBI policy

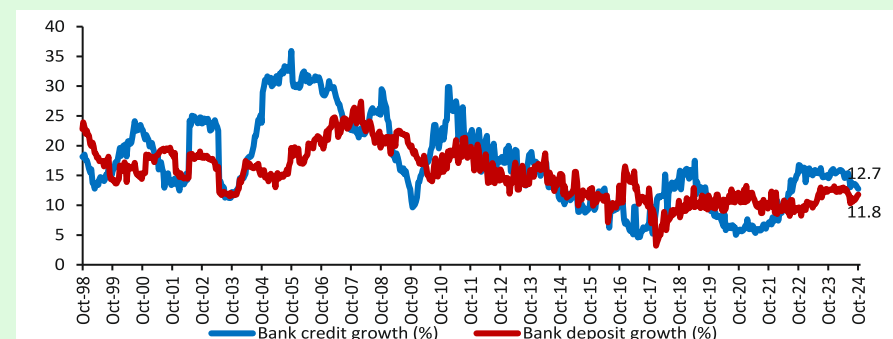
In this context, RBI actions on liquidity could possibly take the form of unsterilized forex intervention apart from the ongoing refinancing operations that target frictional tightness. With capital flows subject to external headwinds and seasonality in currency leakage in H2, maintaining a more durable surplus in core liquidity could possibly warrant additional measures including tweaks in CRR maintenance if needed.

Given the current estimates of FY25 real GDP growth at 7.2% and CPI at 4.50%, the RBI would quite possibly keep policy rates stable over the coming quarter at least. Emerging trends on the growth outlook would possibly determine the timing and extent of any policy easing. With near term CPI

numbers likely to stay elevated, it's premature to consider expectations on any easing in the December review. However, high frequency data do validate a softness in growth data on an incremental basis. Given the anticipated aligning of CPI closer to the target over H2, a shallow easing if any can be a reasonable possibility over H1 of CY 25.

### Chart 10

#### Better alignment between credit and deposit growth rates in recent quarter



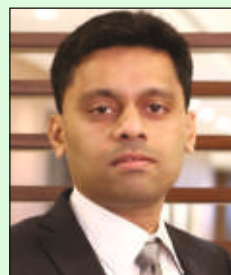
Source: Bloomberg, SBIFM Research

The challenges of the banking system clearly has kept a floor on short term rates. Recent data however shows a much-needed alignment between credit and deposit growth, helped by better growth in Term deposits and some slowdown in lending to certain segments. These trends if sustained could lead to a softening bias on short term rates over time.

### Portfolio strategy

With visibility emerging on the liquidity dynamics, the elevated levels at the front end of the curve should settle lower over the coming months. This should enable a better risk- reward equation for incremental investments at the shorter segment (up to 5y) of the curve. As seen in earlier cycles, as the market starts to price in policy easing, we could potentially see the benchmark yields aligning closer to the policy rates. Given the overall positive tailwind both in terms of strong demand and ongoing fiscal improvements, this scenario is likely to play out over H2 FY25.

Portfolio positioning is aligned towards a higher duration stance that seeks to benefit from the anticipated softening in market yields over the coming months. At the same time, given evolving external headwinds, portfolio stance needs to be continuously reassessed.



**Rajeev Radhakrishnan**  
CIO, Fixed Income



**Gaurav Mehta**  
CIO, Alternatives Equity

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

### WISEINVEST PRIVATE LIMITED

(CIN No.: U74140MH2003PTC142921)

#### Corporate Office

**Andheri :** 602, 6<sup>th</sup> Floor, Sri Krishna Complex, Opposite Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai 400 053.

Tel : 6828 8947 • E-mail : [information@wiseinvest.co.in](mailto:information@wiseinvest.co.in)

#### Branch

**Thane :** 502, 5<sup>th</sup> Floor, Pratibha Premises, Near Teen Petrol Pump, Panchpakhadi, Thane West - 400 602.

Tel : 2537 1567 • E-mail : [information1@wiseinvest.co.in](mailto:information1@wiseinvest.co.in)

[www.wiseinvest.co.in](http://www.wiseinvest.co.in)

**DISCLAIMER:** All reasonable care has been taken to ensure that the information contained herein is neither misleading nor untrue at the time of publication, but we make no representation as to its accuracy or completeness. All information is provided without any liability whatsoever on the part of Wiseinvest Private Limited.

**RISK FACTORS:** Mutual funds, like securities investments, are subject to market and other risks and there can be no assurance that the scheme's objectives will be achieved. As with any investments in securities, the NAV of units can go up or down depending on the factors and forces affecting capital markets. Please read the offer document before investing.

Edited, Published and Printed by Mr. Hemant Kumar Rustagi, on behalf of **Wiseinvest Pvt. Ltd.** (formerly known as **Wiseinvest Advisors Pvt. Ltd.**) from 602, 6th Floor, Sri Krishna Complex, Opp. Laxmi Ind. Estate, New Link Road, Andheri West, Mumbai 400053 at **AdvantEdge Offset Printers**, K-7 Rizvi Park, S V Road, Santacruz (W), Mumbai 400 054. Design by **Mosaic Design**. Copyright reserved © 2007. All rights reserved in favour of Wiseinvest Pvt. Ltd.