

MONTHLY NEWSLETTER

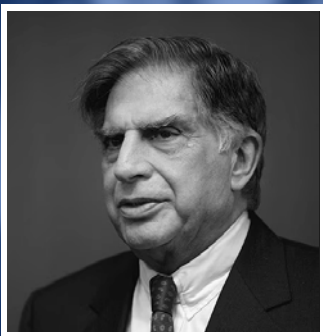
NOVEMBER 2024



R. Pallavarajan

Founder & Director, PMS Bazaar

The growth of PMS and AIF reflects a fundamental shift in how India's affluent investors approach their portfolios. The demand for tailored, high-return alternatives is expected to grow substantially in the coming years.



Ratan Tata

Former Chairman, Tata Group

The future of energy is in renewables, and India can make a big difference by scaling up its renewable energy capacity. The opportunities are immense, and we must seize them.

WHAT'S INSIDE

- **Trends That Could Dominate 2025**
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TRENDS THAT COULD DOMINATE 2025

As we enter 2025, India stands on the cusp of transformative changes that promise to redefine its economic landscape. From the Federal Reserve's strategic rate cuts aiming for a soft landing to the Reserve Bank of India's delicate balancing act between inflation and growth, global and domestic policies are set to play pivotal roles.

Meanwhile, Donald Trump's policies may pose mixed impacts on Indian sectors, creating both challenges and new opportunities. In this article, we delve into these trends and more, highlighting key sectors poised for significant growth, like data centers, retail, and wealth management.

Macro-economic

1. Fed's ambitious approach for "soft landing"

The Federal Open Market Committee (FOMC) opted for a 25-basis-point (bp) cut at its December meeting, bringing the federal funds rate down to **4.25–4.50%**, largely in line with market expectations. This move follows its bold 25-bp cut in November.

As we head into FY25, the market anticipates the Federal Reserve adopting a cautious approach with gradual rate cuts. Following a series of rate hikes to combat inflation, the Fed is now expected to lower interest rates incrementally, aiming for a 'soft landing' of the economy.

The terminal rate is projected to settle around **3.5%**, with two rate cuts throughout the year after a 25bps cut in December. This measured pace reflects the US Fed's intent to balance economic growth, and inflation concerns while navigating uncertainties in the labor market and global economic conditions.

2. RBI's attempt to finely balance inflation and GDP growth

RBI's Monetary Policy Committee (MPC) maintained a **status quo** at its December meeting, keeping the repo rate at **6.5%**. RBI cut the CRR by 50 basis points to support slowing credit growth.

As FY25 approaches, market analysts are divided on the Reserve Bank of India's (RBI) rate cut prospects. While the RBI has maintained the repo rate at 6.5% and adopted a neutral stance, some economists anticipate a potential rate cut around February 2025, contingent on improved inflation trends. The RBI revised its **GDP growth** forecast downward to **6.6% from 7.2%**, reflecting concerns over muted growth due to low investments. However, the central bank's cautious approach suggests that any rate adjustments will be data-dependent, balancing the need for economic growth with inflation control.

3. Trump's impact on the Indian sectors

Donald Trump's return to the White House is expected to have mixed impacts on Indian sectors. Historically, Trump's "America First" policies have favored protectionist trade measures, which could lead to increased tariffs on Indian exports like **Textiles, Pharmaceuticals, and IT services**. This might create headwinds for Indian companies with significant U.S. exposure. However, sectors such as **Defense** and **Manufacturing** could benefit from Trump's focus on reducing U.S. dependence on China, potentially opening new opportunities for Indian firms to become alternative suppliers. Additionally, Trump's tax cuts and business incentives could boost U.S. economic growth, indirectly benefiting Indian exporters. While some sectors may face challenges, others could find new avenues for growth.



1. Equity Market Outlook for FY25

The equity market outlook for FY25 is **cautiously optimistic**. Analysts expect moderate gains driven by government spending, consumer demand, and technological advancements. However, **global uncertainties**, sticky inflation, and geopolitical tensions could pose challenges. The RBI's interest rate stance and corporate earnings will be key factors to watch. Amid this, some sectors to watch out for are:

i. Data center

India's data center market is experiencing rapid growth. The capacity is projected to almost **double to 2,070 MW** by the end of 2025, up from **1,255 MW** in 2024. Major cities like Mumbai, Chennai, Delhi-NCR, and Bengaluru are leading this expansion. The growth is driven by increased digital transformation, cloud adoption, and the rollout of 5G technology. Investments have already reached \$60 billion and are expected to surpass \$100 billion by 2027.



ii. Retail

The Retail Sector in India is expected to witness **double-digit growth** in 2025, with the market projected to reach **\$2 trillion**. The organized retail segment is anticipated to grow significantly, driven by increasing consumer spending and the expansion of modern retail formats. In the first half of FY24, retail saw lower footfalls and sluggish demand due to shradh and fewer weddings and elections. However, there have been signs of positive retail uptake in October and November due to festivities and weddings.

iii. Wealth Management

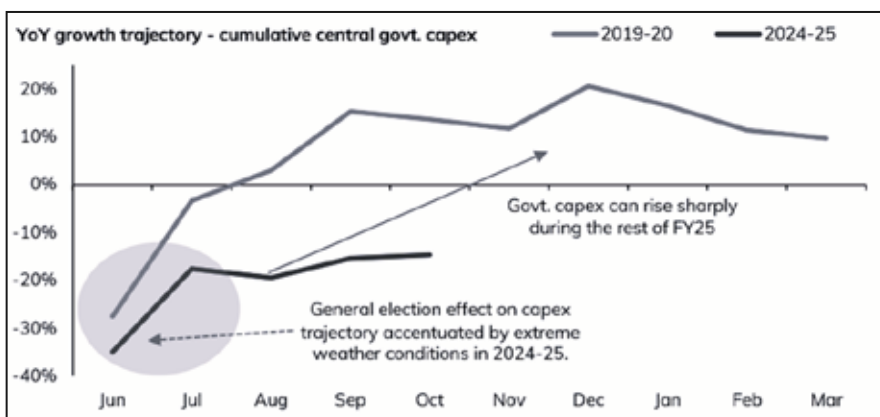
The Wealth Management market in India is projected to grow at a **CAGR of 10%** from FY2025 to FY2032, reaching \$330 billion by FY2032. This is because of the exponential growth in India's HNI and UHNI population, which grew at ~12% in FY23, while the world average grew at 5%. The market is driven by economic expansion, globalization, and technological advancements, catering to high-net-worth individuals and ultra-high-net-worth individuals.



iv. Capex

Government back-ended capex

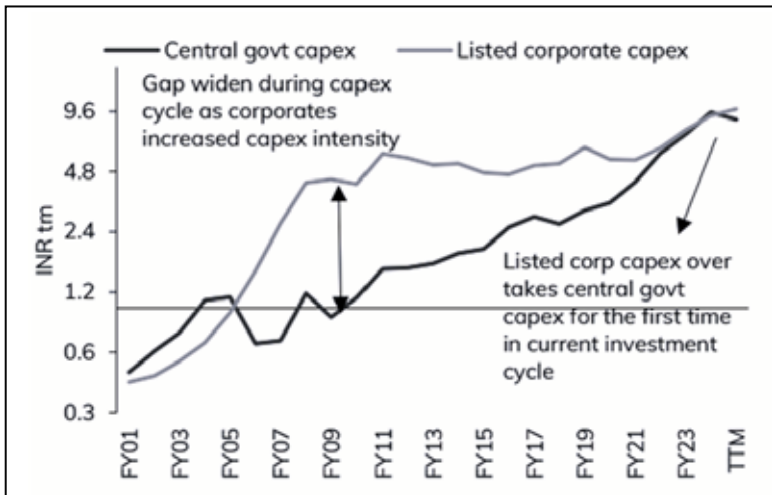
During election years, capex spending has been observed to be back-ended as it was in the FY20 (general election year), and hence, is likely to repeat in FY25 as well. The Central government capex during FY25 has been down, and the average monthly capex in Q1FY25 fell to Rs. 600bn vs Rs. 928bn in Q1FY24. However, the centre's capex for Sep'24 rose sharply to Rs. 1,140bn and is expected to remain elevated during H2FY25. Capex-driven stocks (**infra, manufacturing, commodities, utilities, etc.**) could be the biggest beneficiaries of a revival in investment demand in CY25.



Source: Isec, Equentis Research

Strong Private sector capex

Listed Corporate capex (which mirrors the private capex) is expected to rise and overtake the central government capex in the current cycle in FY25. This increased private capex is driven by old-economy sectors (**energy, metals, utilities, telecom, auto, industrials**, etc.), making them the beneficiaries in the following capex cycle.



Source: Isec, Equentis Research

"With improving capacity utilization rates and healthier corporate balance sheets, the private sector is well-positioned to accelerate capex growth."

-Anand Shah

Head PMS & AIF Investments

ICICI Prudential AMC Ltd.

Indian Government Bond inclusion in the JP Morgan Index

India's inclusion in the JP Morgan Government Bond Index-Emerging Markets began on June 28, 2024, and will be completed by March 2025. This inclusion is expected to attract significant foreign portfolio investments, with initial inflows projected to be between **\$20-30 billion**, potentially rising to **\$45-50 billion** over the next 12-15 months. The process will see Indian government bonds gradually increase their weight in the index from 1% to a maximum of 10% by March 2025. This move is anticipated to lower borrowing costs, enhance investment attractiveness, and provide an alternative funding source for India's fiscal and current account deficit.

CY25 IPOs outlook

The IPO outlook for CY25 looks promising, with a **robust pipeline** of companies planning to go public. 34 companies have already received SEBI approval to raise a combined Rs 41,462 crore, while 55 additional firms await clearance, targeting Rs 98,672 crore. The total IPO pipeline is projected to exceed Rs **1.5 lakh crore**. Some of the biggest IPOs companies like Zepto, Flipkart, HDFC Credila, and Indira IVF are expected to raise over \$1 billion each. Despite market volatility, investor confidence remains high, driven by strong domestic inflows and participation in primary market issuances.

Business

1. **Weddings to fuel Rs 6 trillion this season:** Confederation of All India Traders (CAIT), in November and December this year, expects India to witness an estimated **4.8 million weddings** planned across states. As per the reports, this year holds 18 lucky dates compared to 11 last year. The demand for gold jewelry in India may rise significantly in FY25. Gold jewelry consumption is projected to grow by **14-18%** in value terms, driven by favorable realizations and festive demand. Other sectors like **Hotels, Retail, and Travel** are also expected to benefit.



2. **Booming E-commerce:** It is set to play a crucial role, with the online retail market expected to grow at a **CAGR of 11.5%**, reaching **\$91.3 billion** by 2029. The sector is attracting substantial foreign investments, with companies like Amazon planning to invest \$15 billion over the next seven years. In Tier I cities like Mumbai and Bangalore, Quick commerce apps like **Zepto and Blinkit** are fuelling demand through the ease and convenience of 10-minute delivery service.



3. **Muted commodities prices:** World Bank in its October edition of Commodity Market Outlook has said that commodity prices in the international markets are expected to **decline by 5%** in 2025 and 2% in 2026. There is a chance that oil prices will decrease, which will cushion the commodity prices. The price drop is projected due to a combination of factors, including **slower global oil demand**, especially from China, diversified oil production, and an increase in OPEC's oil supply. However, the global oil markets will closely react to the geopolitical tensions.

Key events

1. **World Athletics Continental Tour:** For the first time in 2025, India will be hosting the World Athletics Continental Tour. It is an annual series of track and field competitions. India's 2025 domestic season will start with the national cross-country championships on **January 12** in Uttar Pradesh. The bronze-level Continental Tour athletics event is set to take place in Bhubaneswar. This will get India closer to its ambition of hosting the Olympics in 2036.



2. **The Maha Kumbh 2025:** It is set to be a grand spiritual and cultural event in Prayagraj from **January 14 to February 26, 2025**. This massive gathering, held every 12 years, attracts millions of devotees worldwide to the sacred Triveni Sangam, where the Ganga, Yamuna, and the mythical Saraswati rivers meet. **The event is expected to bring in Rs.2 lakh crore.** It will create jobs, help local businesses, and boost tourism.

3. **NISAR satellite launch:** Union Minister Jitendra Singh has said that the most awaited **joint satellite project between the Indian Space Research Organization (ISRO) and NASA**, known, as the NASA-ISRO Synthetic Aperture Radar (NISAR) is scheduled to launch in **March 2025**. NISAR will provide data in understanding Earth's ecosystems, climate change, and natural disasters. The satellite will be able to do it by using advanced radar technology to study Earth's surface with exceptional accuracy.



THE EMERGING RENEWABLE LANDSCAPE IN INDIA

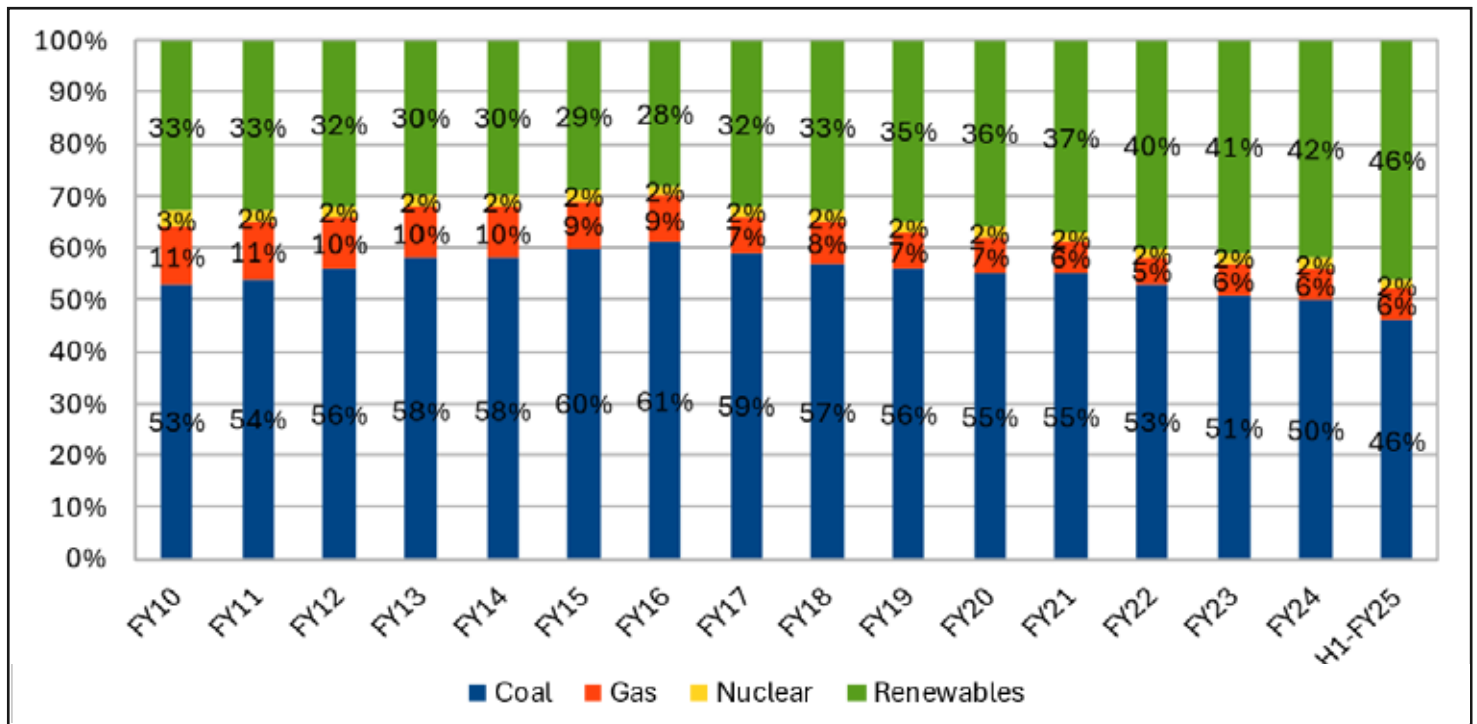
India is rapidly emerging as a one of the global leaders in renewable energy. It has set ambitious targets and is making significant strides towards a sustainable future. The country's commitment to renewable energy is driven by the need to reduce carbon emissions, enhance energy security, and meet the growing energy demands of its population.

Ambitious Targets and Progress

India has set ambitious targets for renewable energy deployment. The country aims to achieve **500 GW of non-fossil fuel capacity**, with **50% of its energy mix coming from renewable sources** by 2030. Remarkably, India has achieved a major milestone in its renewable energy efforts, with the country's total renewable energy capacity surpassing 200 GW. Renewable energy now contributes ~46% of the total installed capacity. This milestone comes as India added a record 18.4 GW of renewable energy in the first eleven months (Jan-Nov) of this year, the highest ever added since 2015, according to the Ministry of New and Renewable Energy (MNRE) data.

India aims to achieve 500 GW of installed non-fossil fuel capacity by 2030, which means the country needs to add 50 GW annually between now and 2030. Solar power will continue to lead and contribute over 60% of the total mix, i.e., 280 GW by 2030.

Exhibit no 1: India's installed Power capacity mix



Source: CEA, Equentis Research

Types of Renewable Energy

- **Solar energy** - Solar Power is the highest contributor to renewable energy and the installed capacity has increased to 92 GW as of Nov'24 from 22 GW as of FY19. According to CEA, Solar is expected to grow to 280 GW by FY30. It will continue to be the largest contributor to India's renewable energy as it has the lowest installation cost and takes less time to operationalize than Wind energy.
- **Wind Energy** - Wind Power is the second highest contributor to renewable energy; the total installed capacity has increased to 48 GW from 38 GW as of FY19 driven by the vast coastline of India. The total installed capacity is expected to grow 140 GW by FY30. The installation cost and maintenance of wind turbines are much higher than solar energy; hence it's growing slowly but is still expected to grow ~3X in 5 years.
- **Clean Hydrogen and Carbon Capture** - India has set a target to achieve a production capacity of **5 million metric tonnes (MMT) of clean hydrogen** by 2030. To support this goal, the country aims to build an electrolyzer manufacturing capacity of 40 GW by 2030. Additionally, India plans to achieve a **30 MMT capacity of carbon capture and storage** and **2 MMT of sustainable aviation fuels** by 2030.

Exhibit No 2: Solar Vs Wind Energy

Parameters	Solar Energy	Wind Energy
Current Capacity (H1FY25)	92 GW	47 GW
Future Capacity (FY30)	188 GW	93 GW
Plant Load Factor (PLF)	23%	38%
Installation Cost	~ Rs. 5 crores/MW	~9 crores/MW
O&M Cost	~ Rs. 2.5 lakhs/MW	~ Rs. 10 lakhs/MW

Source: Equentis research, public sources



Source: Public sources

To summarize, both solar and wind energy have their unique advantages and challenges. Many energy strategies include a mix of to capitalize on their respective strengths. Solar is easy and quick to set up; the installation cost is ~45% lower than Wind energy on a per MW basis. Whereas the PLF is ~15% higher in Wind compared to Solar. Similarly, solar panels can be installed on a rooftop or ground mounted at any location, whereas for wind energy, one must select a windy region to achieve higher PLF. The best choice depends on specific project goals, environmental considerations, and local conditions.

Government Support and Policies

The Indian government has supported the renewable energy sector through targeted policies, subsidies, and incentives. Initiatives such as production-linked incentives and tax credits have encouraged investment in renewable energy projects. The government's focus on advanced energy solutions, including clean hydrogen, energy storage, and carbon capture, is expected to drive significant investment in the sector.

Exhibit No 3: Major Policies by GOI to promote RE.

Policy/Support	Description
PM Suryodaya Yojana	The Pradhan Mantri Suryodaya Yojana seeks to outfit 10 million households with rooftop solar panels. The scheme will reduce the consumption of grid-connected electricity and save bills for consumers.
Production Linked Incentive (PLI) Scheme	It provides incentives to boost domestic manufacturing of high-efficiency solar PV modules, with a target of 39,600 MW capacity by 2026.
Grid-Connected Rooftop Solar Program	Encourages the installation of rooftop solar systems across residential, commercial, and institutional sectors.
National Bioenergy Program	It focuses on promoting bioenergy, including biogas and biomass, with a budget outlay of Rs. 858 crores for the period 2021-2026.
Green Energy Corridors	Develop infrastructure for the evacuation of renewable energy, ensuring efficient T&D.
Energy Storage Systems (ESS)	Supports the development of energy storage systems to address the intermittency of renewable energy.
Hydrogen Mission	Aims to establish India as a global hub for green hydrogen production and export, targeting 5 million metric tonnes of clean hydrogen by 2030.

Source: Government websites, Public Sources & Equentis Research

Investment and Growth

India's renewable energy sector has attracted substantial investment; India **plans to invest more than Rs. 30 Lakh crores** in renewable energy and infrastructure by 2030. Of this, Rs.16 -18 Lakh crores will be allocated to reach a 500 GW renewable capacity target, while an additional Rs. 13-14 Lakh crores will be required to upgrade existing transmission and storage systems.

MNRE has been actively promoting energy storage systems (ESS) to address grid stability issues and support the integration of renewable energy sources. The growth in renewable energy has also driven exponential demand for energy storage systems (ESS), with plans to build **~47 GW of battery storage capacity** by 2025-26 and **~411 GW** by 2031-32. India's energy storage landscape is poised for significant growth, driven by the increasing penetration of renewable energy and the need for reliable power supply. ESS helps in maintaining grid stability by balancing supply and demand. Energy can be stored during off-peak hours and used during peak demand periods.

Top 5 Players in the RE Sector

Rank	Company	Current Installed Capacity	Target Capacity	Expected Completion
1	Adani Green Energy Limited	11,184 MW	50,000 MW	FY30
2	ReNew Power	10,000 MW	19,000 MW	FY26
3	Greenko Group	5,857 MW	23,000 MW	FY27-FY29
4	Tata Power RE Limited	4,957 MW	20,000 MW	FY30
5	NTPC RE Limited	4,015 MW	19,000 MW	FY27

Top 5 Upcoming Projects in RE Sector

Sr.No.	Company	Type of the Upcoming Projects	Size of Project	Cost of Project (Rs. Cr)
1	Reliance Industries	Solar energy, Battery Giga Factory, Electrolyzer facility, Wind power	1,00,000 MW	75,000
2	Adani Green Energy Limited	(Khavda project – India's Largest RE Project (Solar/Wind Project)	30,000 MW	150,000
3	Tata Power Renewable Energy Limited	Captive/Floating/DC Solar Projects & Wind-Solar Hybrid Projects	26,300 MW	75,000
4	JSW Energy	Solar Power Project & Wind-Solar hybrid Project, Battery storage, Pumped storage	10,000 MW	115,000
5	ReNew Power	Wind & Solar Power Projects	9,000 MW	44,000

Surge in IPOs within the RE sector in India

The Indian government has been actively promoting renewable energy through various policies and incentives, creating a favorable environment for investment. Robust sector tailwinds have opened substantial opportunities for companies in the RE sector. In the last 12 months, Indian companies have raised ~Rs. 17,000 crores from primary markets, and NTPC Green was the major IPO in the last 12 months.

Several factors for the surge in IPOs are mentioned below:

- **Growing market opportunities:** India is one of the fastest-growing markets for renewable energy, with a significant increase in renewable capacity over the years. Robust tailwinds have attracted huge investments in primary as well as secondary markets.
- **Technological Advancements:** Innovations in renewable energy technologies, including solar and wind energy, have made these projects more efficient and cost-effective. This has attracted investors looking for sustainable and profitable ventures.
- **Environmental Concerns:** Increasing awareness of climate change and the need for sustainable energy solutions have driven public and private investments in renewable energy projects.
- **Strong Financial Performance:** Companies in the renewable energy sector have shown robust financial performance, with steady revenue growth and promising prospects. This has made them attractive to investors seeking long-term returns.

These factors have created a conducive environment for renewable energy companies to go public and raise capital for expansion and new projects.

Recent completed IPOs

Company Name	Funds Raised (Rs. Cr)
NTPC Green	10,000
Waaree Energies	3,600
Acme Solar	2,395
Premier Energies	1,291
Total	17,286

Upcoming IPOs

Company Name	Expected Size (Rs. Cr)
Vikram Solar	1,500
PMEA Solar	600
G K Energy	500
Total	2,600

Source: Company RHP, Public sources, Equentis Research

Conclusion:

India's emerging renewable landscape is a testament to its commitment to sustainable development and energy security. With ambitious targets, government support, and significant investment, the economy is well-positioned to become a global powerhouse in renewable energy. The journey towards a sustainable future is challenging but achievable based on the recent milestone of achieving 200 GW, and India's progress will inspire other nations.

AIFs – GATEWAY TO LARGE PRIVATE MARKET OPPORTUNITY

SEBI recently released data that Alternative investment funds (AIFs) have crossed Rs 5 trillion in funds raised. In comparison, the investment commitments have surpassed Rs 12 trillion for the first time as of September 2024. This remarkable growth is eye-catching and has garnered considerable attention towards the AIF industry in the Indian financial markets. Despite global uncertainties, India is a prime destination for investment across various asset classes. Indian economy is experiencing robust growth, fuelled by favorable demographics, increasing income levels, significant investments in infra, and government-driven initiatives. Economic stability has unlocked a broader spectrum of investment opportunities in India.

AIFs are privately pooled investment vehicles that provide flexibility in investment strategies and access to alternative asset classes, unlike traditional funds like stocks, debts, and securities. AIFs caters to high-net-worth individuals (HNIs) and institutional investors seeking advanced investment strategies with a minimum commitment of Rs 1 cr.

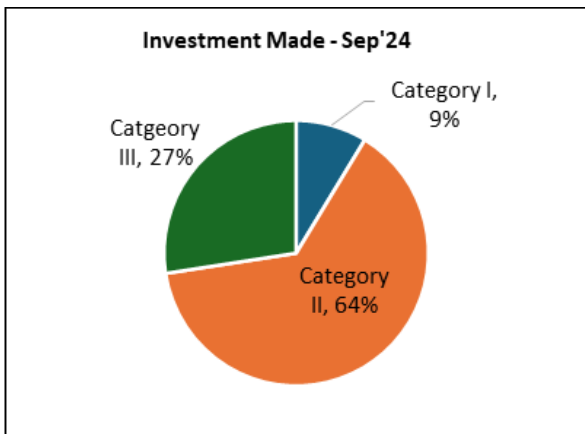
AIFs are classified into three categories:

Category I: Funds focused on investing in SMEs, start-ups, and new economically viable, high-growth businesses. E.g. VC funds, Angel funds, infra. funds, and social venture funds.

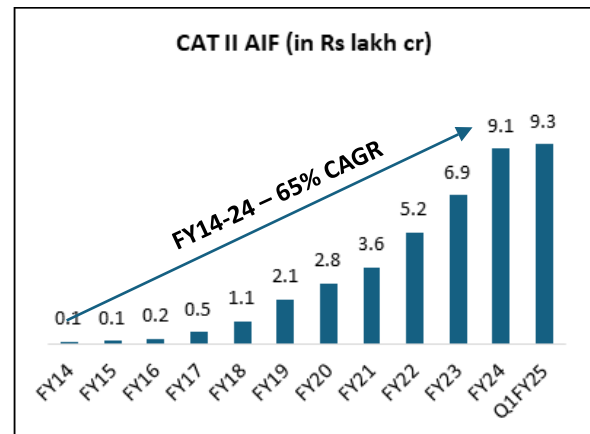
Category II: Funds investing in late-stage equity and debt securities. E.g., PE funds, debt funds, real estate funds, and fund of funds.

Category III: Funds that employ complex trading strategies, investing in listed and unlisted derivatives. E.g. Long-short Funds, Hedge Funds, PIPE Funds

Across the 3 categories, Category II AIFs have become the most popular and account for the largest share of the industry, aided by their broad investment scope and flexibility.

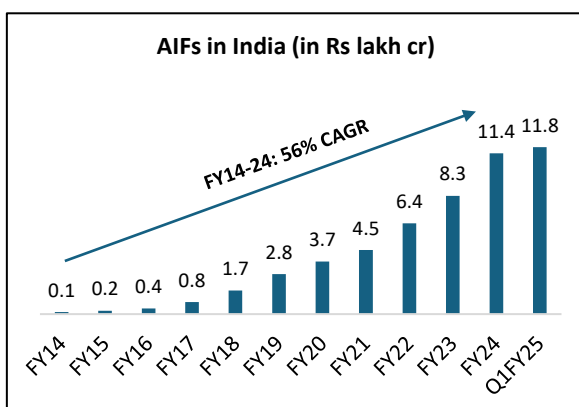


Source: SEBI, Equentis Research

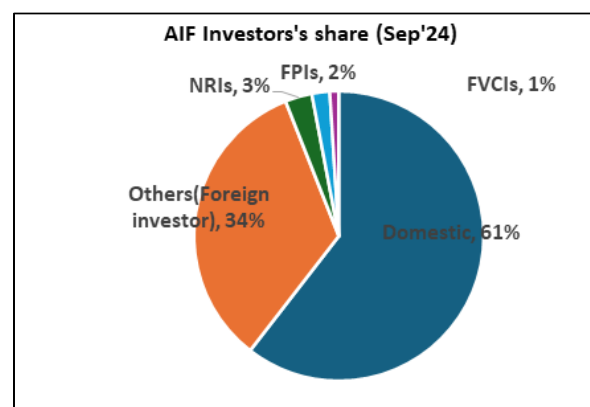


Source: PMS Bazaar, Equentis Research

With evolving investment preferences, AIFs have emerged as a powerful force in the Indian financial markets, offering distinctive investment opportunities. AIFs in India have witnessed exponential growth, achieving 56% CAGR growth over the past decade.

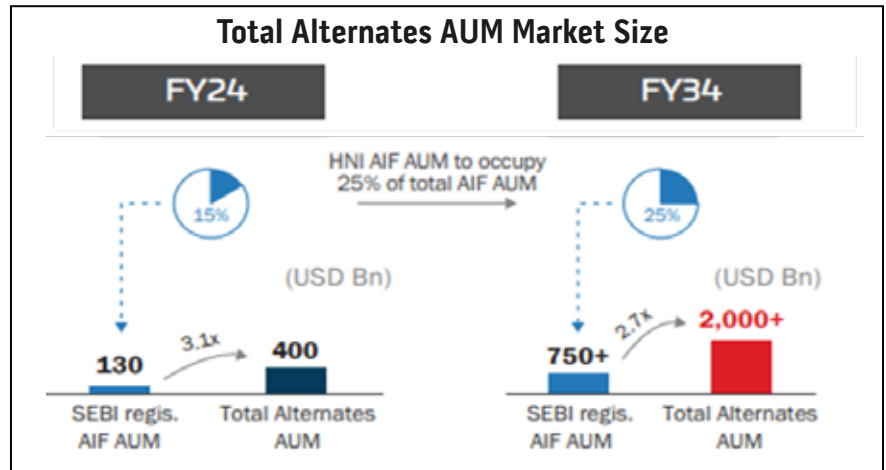


Source: PMS Bazaar, Equentis Research



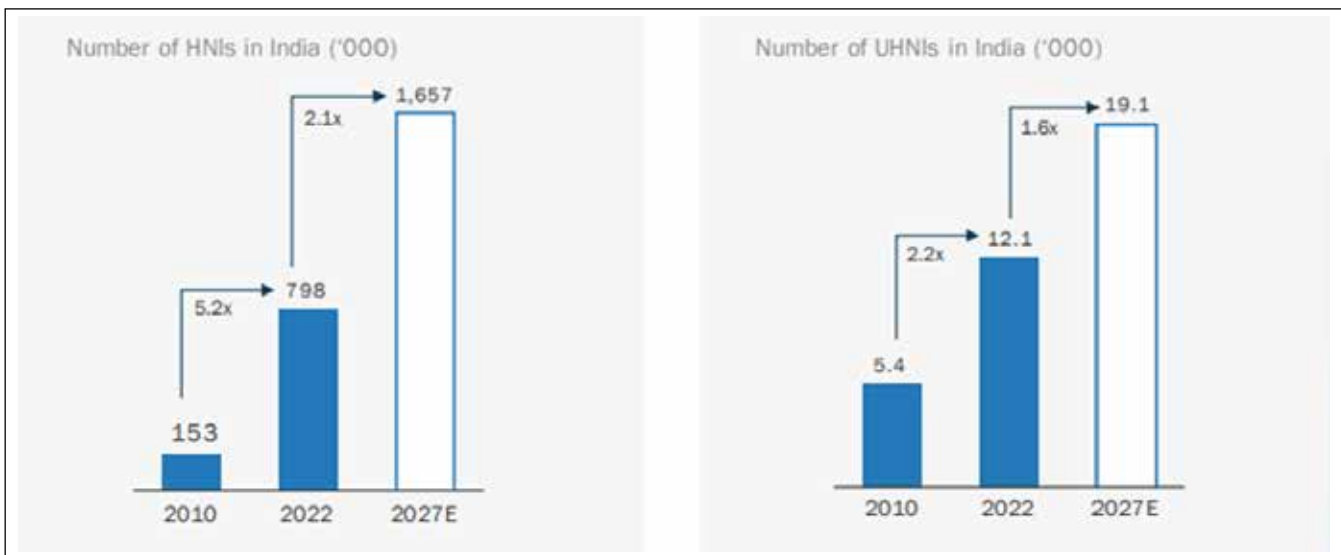
Source: Business Standard, Equentis Research

Avendus's latest report, released in December 2024, shows that the Total Alternates market is projected to expand fivefold, reaching a \$2 trillion market in the next decade. The current market size is worth \$400 billion, including SEBI-registered AIFs (\$130 billion) and other funds (\$270 billion).



Factors driving this growth are:

- Rising interest in differentiated investment avenues among HNIs:** Increased awareness of differentiated products, rising income levels, and focus on wealth optimization have led to a growing appetite for unique investment options such as AIFs among the HNIs. With the number of HNIs and UHNIs expected to double over the next five years, the AIF industry is well-positioned to benefit from this growth.



Source: Avendus Report, December 2024

- Diversification across different asset classes:** Investors are increasingly looking to diversify their portfolios to reduce risk, and AIFs offer a range of investment opportunities across different asset classes. This diversification strategy helps in building a well-structured portfolio and enhances potential returns.
- Flourishing start-up ecosystem:** India's startup ecosystem is currently one of the most vibrant and expansive in the world. As of 2024, there were over 128,000 startups, making it the third largest globally. In 2024, startups have already raised over \$10 billion, and projections are that they will exceed \$15 billion by year-end, presenting significant opportunities for AIFs.
- Strong macroeconomic factors:** India's strong macroeconomic fundamentals, rising prosperity, and favorable demographic profile are expected to drive the growth of AIFs.

"The growing wealth in India, coupled with the need for diversified asset allocation, is driving the AIF industry; this is further supported by enabling regulatory reforms".

- Rakshat Kapoor, Head of private credit and CIO at Modulus Alternatives.**

Risk adjusted superior returns

AIFs typically exhibit distinct risks and returns compared to traditional investments. However, they have consistently delivered strong returns, often surpassing the performance of traditional equity investments in the listed space, thereby providing investors with substantial gains. This is possible due to the growing unlisted market. The table below highlights the performance of India's top 10 Category 3 AIFs.

Investment asset class is growing fast driven by **VALUE MIGRATION** and has a **LONG RUNWAY**

Asset Class	AUM CAGR Last 10Y	AUM / Premium to GDP	
		India	US / Global
Mutual Funds	19%	16%	116%
AIF	61%	1%	13%
Insurance	12%	3%	11%

India to become the 4th largest private wealth market globally by 2028

Source: Nuvama wealth management company data

CAT 3 Alternate Investment Fund Performance Data as of 31st Oct 2024

Long Only AIFs

Sr No	Strategy	Inception Date	Since Inception (CAGR Returns)
1	Rational Equity Flagship Fund I	Mar-23	60%
2	Swyom India Alpha Fund	Sep-23	59%
3	Prudent Equity ACE Fund	Dec-22	54%
4	Motilal Oswal Growth Anchors Fund	Feb-23	51%
5	Alchemy Emerging Leaders of Tomorrow - 2	Mar-23	46%
6	First Water Capital Fund - II	Jul-23	42%
7	First Water Capital Fund	Aug-20	42%
8	Carnelian Structural Shift Fund	Apr-22	38%
9	Abakkus Emerging Opportunities. Fund	Jun-19	38%
10	Guardian Capital Partners Fund Opportunities Scheme	Jan-20	37%

Source: PMS Bazaar

Conclusion:

AIFs have experienced impressive growth over the last few years, reflecting a shift in investment preferences and increasing demand for unique products in the Indian financial market. With multiple factors in place, such as the doubling down of HNIs, a thriving startup ecosystem, robust economic growth, and an increased need for diversification, AIFs are poised for continued momentum. As India continues its upward growth trajectory and wealth generation accelerates, the AIF industry is well-positioned to thrive, providing investors with lucrative opportunities to optimize wealth and secure their financial future.

At Equentis Wealth Advisory Services Limited, we have launched our inaugural Category I Alternative Investment Fund (AIF)—the Equentis Angel Fund—with a target corpus of Rs 500 crore (\$60 million). The fund aims to back early-stage, high-growth Indian startups and will invest between Rs 4 and 10 cr. (\$500K and \$1.2 million) in pre-Series A and bridge-to-Series A funding rounds. Equentis will focus on startups operating with a Total Addressable Market (TAM) of Rs 8,000 cr. (~\$1 billion). Over the next 18-24 months, the Equentis Angel fund plans to invest in 40-50 startups, focusing on themes from defence, consumer tech, deeptech, logitech, fintech, and artificial intelligence (AI), seeking growth capital to scale their businesses.

For further information, please contact us at +91 – 9819310939.

WHAT CAUGHT OUR ATTENTION THIS MONTH!



RBI keeps repo rate at 6.5% for 11th time in a row

RBI decided to keep the repo rate steady at 6.5% for the 11th straight meeting due to ongoing concerns about inflation and the uncertain growth outlook.

It has also maintained its 'neutral' stance, which was adopted in the October meeting.

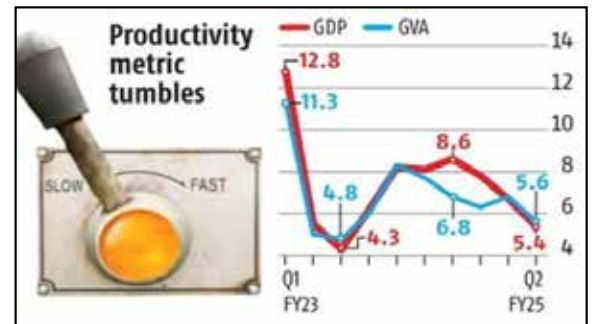
RBI lowered its GDP growth forecast significantly for the current fiscal year to 6.6%, down from the previous estimate of 7.2%, while increasing its inflation target to 4.8%, up from 4.5% for the current fiscal year.

GDP growth hits 7-quarter low of 5.4% in Q2

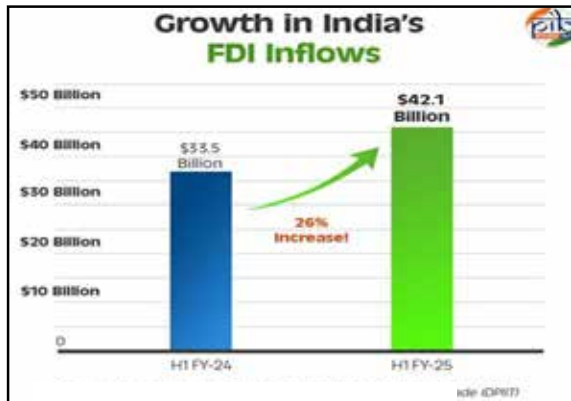
The country's economic growth in the July-Sept quarter of the current fiscal year hit a seven-quarter low of 5.4%.

This slowdown in growth was primarily driven by a decline in industrial activity and a slowdown in investment demand.

The second quarter's weaker-than-expected performance was due to softness in manufacturing, consumption, and weak corporate earnings.



Source: Business Standard



Foreign Direct Investment (FDI) inflows in India cross \$1 trillion

India has reached a significant milestone of \$1 trillion in cumulative FDI inflows since April 2000, driven by enhanced global competitiveness, a dynamic innovation ecosystem, and a favorable business environment.

This achievement was fueled by a 26% increase in FDI to \$42.1 bn during H1FY25, highlighting India's growing attractiveness as a global investment hub.

Taiwanese companies have been increasingly investing in India, with investments surpassing \$665 million between 2018 and 2024, largely due to global trade tensions.

Union Cabinet approves 'One Nation, One Election' Bill

The Union Cabinet has approved the "One Nation, One Election" initiative, a major step towards streamlining the electoral process.

The ONOE plan proposes holding synchronized elections for the Lok Sabha, state assemblies, urban local bodies, and panchayats, all within 100 days.

Following this decision, a detailed bill will be introduced, setting the stage for nationwide unified elections.



DAC approves ₹21,772 crore defence boost with ships, jets, and tank upgrades

The Defence Acquisition Council (DAC) has approved five major capital acquisition proposals worth over ₹21,772 crore.

This move enhances India's defence readiness across the maritime, air, and land domains.

The approved acquisitions include 31 new Water Jet Fast Attack Crafts and 120 Fast Interceptor Crafts for the Indian Navy, Electronic Warfare Suites for Su-30 MKI aircraft and six Advanced Light Helicopters for the Indian Coast Guard.

Auto retail sales up 11.21% in Nov riding on two-wheeler demand: FADA

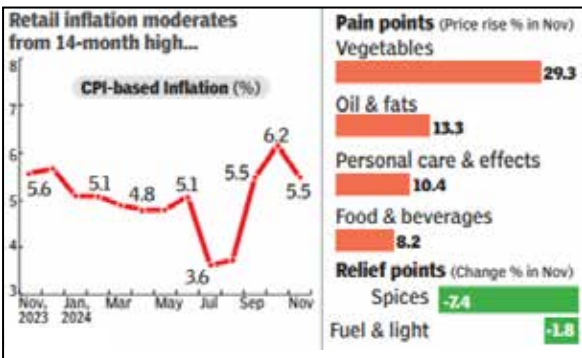
Retail vehicle sales across all categories in India rose by 11.21% YoY, reaching 32,08,719 units in November, driven by strong demand for two-wheelers.

2-W sales surged by over 15%, fueled by festive demand. However, passenger vehicle sales fell by 13.72% due to weak market sentiment and a lack of new launches. Sales of commercial vehicles also saw a slight decline.

On the near-term outlook, FADA stated, "while the near-term outlook for December is not overwhelmingly strong across segments, it leans towards stability with pockets of potential growth, underlining a sentiment that overall remains cautiously optimistic."



Source: Rediff



Source: Times of India

India's inflation slows from 14-month high to 5.5% in November

As food prices moderated, India's retail inflation slowed to 5.5% in November, down from a 14-month high of 6.2% in the previous month.

The food inflation eased to 9% in November, compared to 10.9% in October.

Looking ahead, RBI anticipates that food inflation will likely ease further in the fiscal fourth quarter, driven by the seasonal decline in vegetable prices and the arrival of the autumn harvest.

Govt mandates the use of locally made solar cells from 2026 to curb imports.

According to the Renewable Energy Ministry, clean energy firms in India will be allowed to use only locally made solar cells supplied by an approved list of companies in government projects from June 2026, to curb Chinese imports.

India currently has a solar PV module capacity of about 80 GW, but its cell-making capacity is just over 7 GW, with most modules relying on Chinese cells. Several Indian companies are already setting up or planning to establish solar cell manufacturing plants.



India's import of Russian oil drops in November on shrinking discounts

India's imports of Russian crude oil fell to their lowest level since June 2022 in November although Kremlin continues to be the biggest source of oil for India, as per monthly tracker report of a European think tank.

Since the Russian invasion of Ukraine in February 2022, India has become the second-largest buyer of Russian crude, with its share of total oil imports rising from less than 1% to nearly 40%.

As per the latest report from the Centre for Research on Energy and Clean Air (CREA), "India's imports of Russian crude oil dropped by a massive 55% in November - the lowest since June 2022".

Global News Of This Month

China vows to ramp up policy stimulus to spur growth in 2025

China will implement a "moderately loose" monetary policy next year, marking its first easing in about 14 years, with a "more proactive" fiscal policy to stimulate economic growth.

According to a report by state media Xinhua, the country plans to intensify "unconventional" counter-cyclical measures, with a focus on expanding domestic demand and boosting consumption.

Year	Stance	What prompted the change
2011-2024	Prudent	Rising inflation
Nov. 2008-2010	Moderately loose	Global Financial Crisis
Jan. 2008-Nov. 2008	Tight	Rising inflation
1998-2007	Prudent	Asia Financial Crisis
1993-1997	Moderately tight	Rising inflation

Source: BNN Bloomberg



US softens stance on Biosecure Act

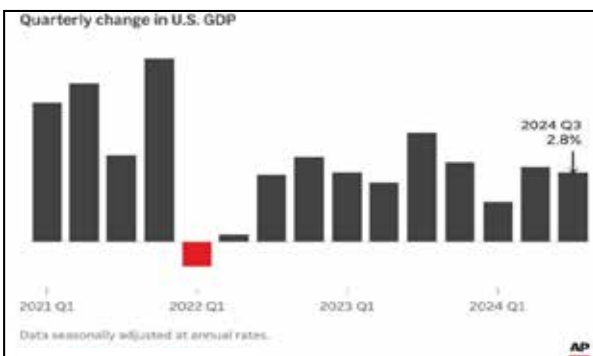
The US House earlier this year voted in favor of the blacklist legislation, known as the Biosecure Act, but it was excluded from a key defense bill.

The legislation aimed to blacklist certain Chinese companies from engaging in US-funded research and contracts. The defense bill was seen as the most likely avenue for its approval in 2024, and a failure to pass it this year would affect the Indian pharma companies.

Bitcoin hits US\$100,000 for the first time.

Bitcoin, the world's largest cryptocurrency, surpassed the \$100,000 mark on December 5, 2024, after several days of trading near this historic level. The surge was driven by optimism surrounding US President-elect Donald Trump's crypto-friendly policies.

Since Trump's election win, Bitcoin has reached new heights, climbing from \$69,374 on Election Day to as high as \$100,000 on December 5, just 2 years after falling below \$17,000 following the collapse of the FTX crypto exchange.



Source: Rocky Mountain Outlook

US economy grows at 2.8% in Q3 on consumer spending, exports surge

The US economy grew at a healthy 2.8% annual pace from July through September, driven by robust consumer spending and a surge in exports.

The Commerce Department reported that GDP growth slowed from 3% in April-July. However, the report highlights the surprising resilience of the American economy, with growth exceeding 2% in eight of the last nine quarters.

OPEC+ agrees to delay oil hike plans until April, extends cuts into 2026

OPEC+ has decided to delay its plan to increase oil output until April 2025 and extend the timeline to fully unwind production cuts by an additional year, now set for the end of 2026, according to OPEC sources.

Initially planning to begin easing cuts in October 2024, OPEC+ postponed the move several times due to a global demand slowdown and rising output outside the group.

OPEC agreed to extend the 2 million bpd and 1.65 million bpd cuts until the end of 2026, instead of 2025.



THANK YOU

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