

# MONTHLY NEWSLETTER

SEPTEMBER 2023

RESEARCH  
& RANKING™



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**Vijay Kedia**

Indian Investor

"Investment is somewhat like cricket, where you change your game plan as per the format."



**Ravi Kumar**

Co-Founder & CEO, Upstox

"There's a paradigm shift underway in the Indian economy, and it is powered by the aam aadmi: Retail investors are taking over equity markets, building wealth for themselves and the country."

# Key Business Updates For Q2FY24

<b>Bajaj Finance</b>	AUM grew by 33% YoY to Rs 2,90,200 cr, the highest growth rate since Q3FY20. Customer franchise stood at 76.56 mn vs 62.91 mn, a strong growth of 22% YoY. New loans grew by 26% YoY to Rs 8.53 mn as compared to 6.76mn.
<b>Bank of Maharashtra</b>	Advances increased by 24% YoY and 4% QoQ while deposits grew by 22% YoY and down 2% on QoQ basis. CASA ratio stood at 50.71% down from 56.03% YoY and 50.97% QoQ.
<b>APL Apollo Tubes</b>	APL Apollo achieved volume growth of 12% YoY and 2% QoQ, recording the highest quarterly sales volume of 674,761 ton. The management expects an improved sales mix in the coming quarters driven by increased contribution of value-added products.
<b>Ultratech Cement</b>	Ultratech Cement reported robust volume growth of 16% YoY.
<b>CSB Bank</b>	Deposits grew by 21% YoY and 4% QoQ, reaching Rs 24,475 cr. Advances grew strongly by 32% YoY and 6% QoQ to Rs 10,618 cr.
<b>Avenue Supermarts</b>	Standalone revenue increased by 19% YoY to Rs 12,308 cr. During the quarter, expanded its network with addition of 9 stores(net) bringing the total number of stores to 336.
<b>HDFC Bank</b>	Merged gross advances grew 15% YoY and 5% QoQ while deposits saw a growth 18% YoY and 5% QoQ.
<b>AU Small Finance Bank</b>	Deposits surged by 39% YoY and 9% sequentially, while gross advances expanded by 24% YoY and 2% QoQ. CASA ratio stood at 33.9% vis-à-vis 42.3% YoY and 35% QoQ.
<b>Nykaa</b>	Nykaa has witnessed a strong quarter in all the verticals with strong performance in the Beauty and Personal care categories and significant momentum in Nykaa Fashion. The management expects Net Sales Value (NSV) growth to be in mid-twenties and revenue to increase in early twenties, similar to the trend observed in Q1FY24.
<b>Dabur</b>	Revenue growth as per management is expected to be within the mid to high single digit range, with a more significant expansion in gross margins compared to Q1FY24, led by moderating inflation and company's cost-saving efforts.
<b>Titan</b>	Titan reported revenue growth of 20% YoY driven by strong performance across all the verticals. Jewellery business expanded by 19% YoY while the watches and wearables segment surged by 32% YoY. During the quarter, expanded its footprint by adding 81 stores bringing the total number of stores to 2859.
<b>Tata Steel</b>	Tata steel domestic deliveries degrew by 2% YoY and were relatively stable on quarterly basis at 4.99 mn tons despite the seasonal weakness because of monsoons. Europe deliveries degrew by 4% YoY and 10% QoQ due to subdued demand.
<b>Bank of Baroda</b>	During the quarter, the total business achieved the milestone of surpassing Rs 22 trillion. Advances witnessed a strong growth of 17% YoY and 4% QoQ while deposits increased by 15% YoY and 4% QoQ.

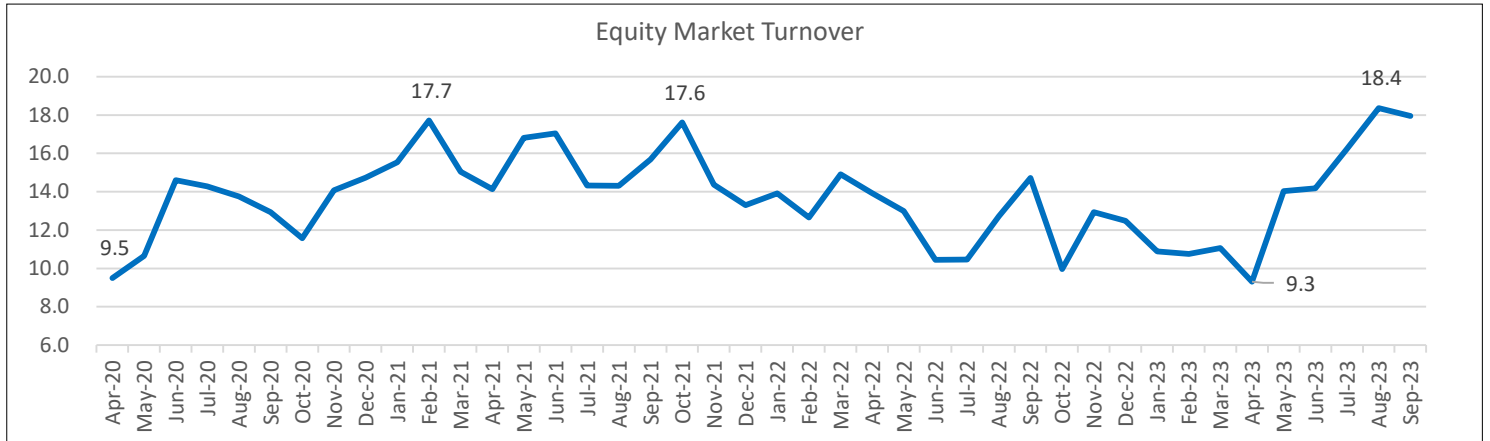
Source: Company Reports

"The securities mentioned above are for illustration & education purpose only and should not be construed as recommendation/advice."

# The Indian Retail Investor

## Roaring again

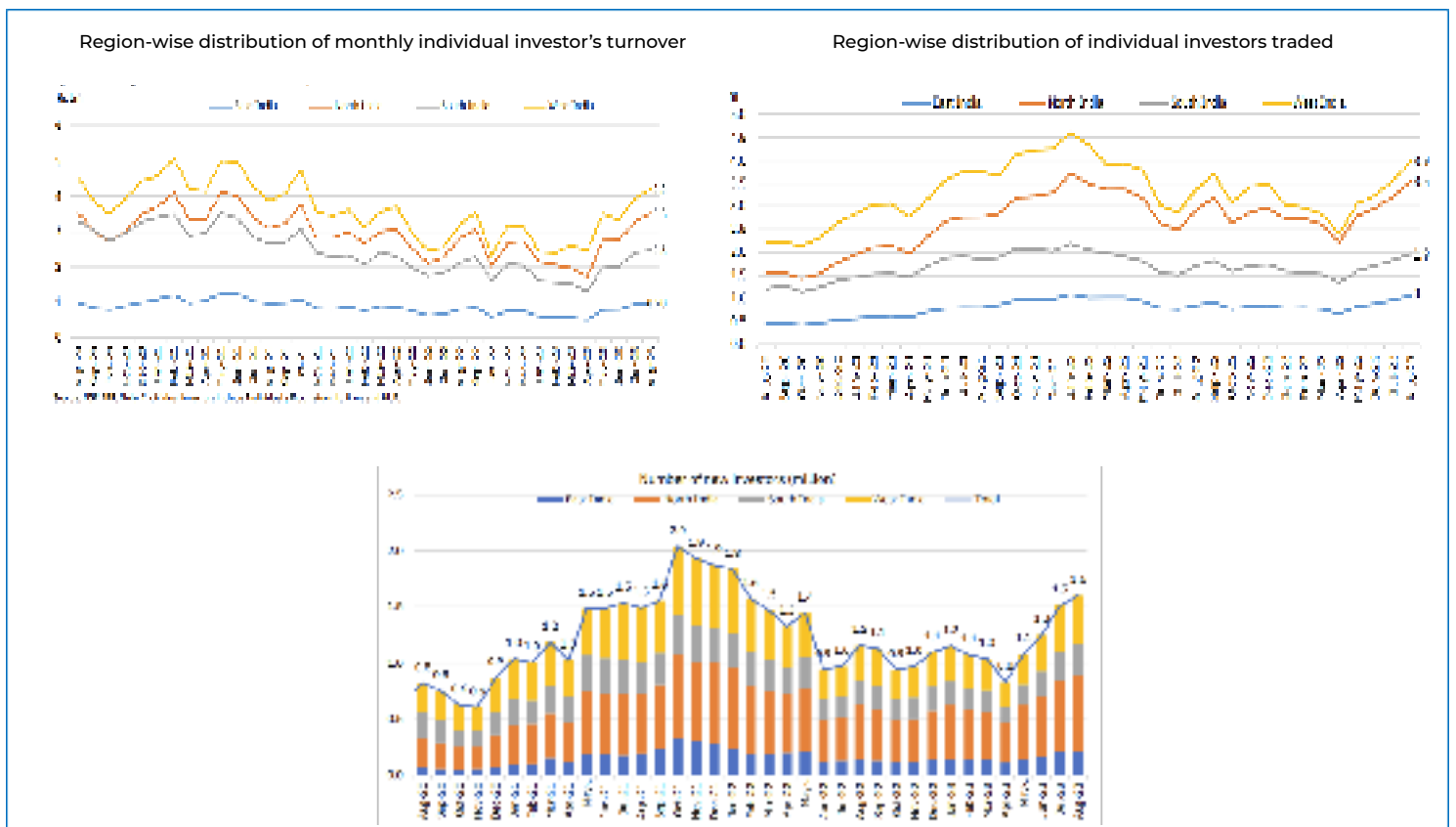
Since Oct-21, equity market performance has been muted, and that led to slowing down of equity market turnover as well. However, after months of decline, the month of Apr-23 marked a trend reversal. After hitting a 3-yr low of Equity Market turnover in Apr-23, the trading activity picked up sharply in the next few months, hitting an all-time high in Aug-23 and sustaining in Sep-23 as well. In this article, we look at how the retail investor has participated in this booming trend reversal phase.



Source: NSE, BSE

### Retail investors join the party

Akin to the overall equity market turnover, there has been increased participation in the retail investor's turnover as well. Rise in retail investor's turnover has been witnessed since Apr-23 and this trend is witnessed across India. The rise in turnover is accompanied by rise in number of retail investors traded. This implies a widening participation in equity markets. What is encouraging is the pace of new investor additions, which has also picked up since Apr-23 and is at its highest level since Jan-22 (19-month high). Thus, while existing retail investors continue to make hay in a rising market, the propensity of new investors coming in also continues to be robust.



Source: NSE

## Retail investor shareholding – a timeline

MCap	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18
Large	7.5%	7.1%	7.4%	7.4%	7.5%	7.6%	7.8%	7.6%	7.7%	7.8%	7.6%	8.1%	7.7%	7.9%	8.4%	7.6%	7.7%	7.9%	7.9%
Mid	10.3%	10.3%	10.5%	10.6%	10.8%	10.6%	11.0%	10.4%	10.4%	10.8%	11.0%	10.8%	10.9%	11.7%	11.7%	10.8%	10.7%	10.5%	10.4%
Small	15.2%	14.8%	15.1%	15.1%	14.6%	14.8%	15.5%	14.3%	13.8%	14.0%	14.1%	13.9%	13.8%	13.3%	13.7%	14.2%	13.8%	14.3%	14.1%
Micro	22.4%	22.3%	21.6%	22.2%	22.2%	22.1%	22.1%	21.1%	21.6%	21.7%	21.8%	22.0%	22.4%	21.8%	21.8%	21.5%	21.6%	21.1%	21.8%
NSE	8.6%	8.5%	8.8%	8.8%	8.9%	8.9%	9.3%	9.1%	9.0%	9.3%	9.3%	9.6%	9.4%	9.6%	10.0%	9.6%	9.5%	9.5%	9.4%

MCap	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23
Large	8.1%	8.0%	8.0%	8.1%	8.0%	8.4%	8.4%	8.7%	8.5%	8.4%	8.3%	8.6%	9.3%	8.8%	8.7%	8.5%	8.2%	8.7%	8.5%
Mid	10.7%	10.2%	9.8%	9.6%	9.9%	9.6%	9.8%	10.5%	10.8%	10.8%	11.1%	11.1%	12.0%	12.4%	11.9%	10.9%	11.0%	10.8%	10.8%
Small	13.9%	14.3%	13.9%	14.1%	14.0%	14.1%	15.3%	15.6%	15.3%	15.5%	16.7%	16.8%	15.8%	16.0%	16.4%	16.1%	16.2%	15.8%	15.9%
Micro	21.7%	21.2%	21.5%	22.3%	22.5%	22.8%	23.9%	24.2%	24.3%	24.2%	23.9%	23.9%	24.5%	24.7%	24.2%	24.3%	23.5%	23.7%	23.5%
NSE	9.5%	9.4%	9.2%	9.2%	9.2%	9.2%	9.5%	9.9%	9.8%	9.8%	10.1%	10.3%	11.1%	10.8%	10.6%	10.3%	10.1%	10.4%	10.5%

Source: Ace Equity

### Retail investor shareholding in companies across different Market Cap categories – Key Insights

- Retail shareholding in companies increases as we move from Large Cap (8.5%) to Small Cap (15.9%) and further into Micro Cap (23.5%) categories
- Retail shareholding has broadly increased across segments post COVID
- Maximum retail shareholding across segments was witnessed between Sep-21 and Mar-22, also coincides with peaking of monthly new customer additions and individual investors traded
- Since 2020 lows, all indices have delivered remarkable returns with Nifty Midcap (2.4x returns) and Nifty Small Cap (2.5x returns) indices outperforming Nifty 50 index (1.4x returns)
- Retail investors have made the most of this upmove, with their shareholding in Small Cap and Mid Cap segments increasing 120bps and 180bps to 10.8% and 15.9% respectively
- Retail shareholding has been quite resilient even through the fall in the Small and Midcap indices in 2018

## Conclusion

Equity Market turnover has significantly picked up from a 3-yr low in Apr-23 to an all time high in Aug-23, leading to sharp rally in the small and midcap indices. Mimicking the trend in the equity market turnover was the retail investor turnover which also rose from Apr-23 to hit a 2-yr high. The rise is supported by increase in retail investors traded and new investor additions which are at a 19-month high. An analysis of retail investor shareholding over the last 10 years reveals that retail shareholding increases as we move from Large Cap to Micro Cap companies and has broadly risen across various MCap categories. Small and Mid Caps have outperformed Large Caps from 2020 lows and retail investor shareholding has expanded well by 100-200bps in the small and mid cap segments during this period.

# Food For Thought

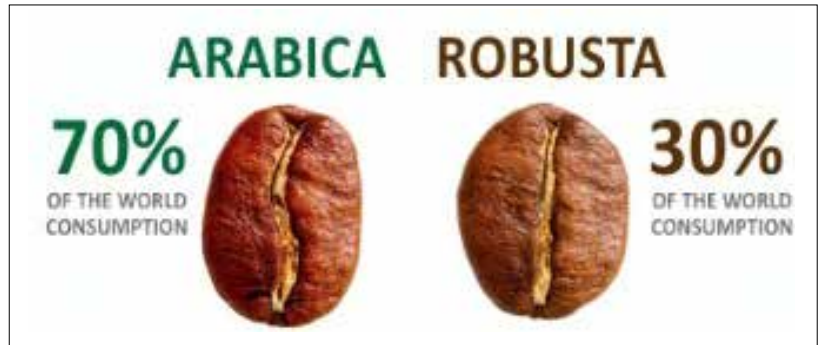
## Investments in the coffee space heating up - What's brewing?

**Did you know?** - Finland is the world's biggest consumer of coffee on per capita basis. On an average, each person consumes ~12kg of coffee a year!

### International Coffee Day

1st October is marked as international coffee day, to promote and celebrate coffee as a beverage. Arabica and Robusta are the popularly consumed coffee variants globally with Arabica constituting majority of consumption globally (70%).

The top coffee-producing countries are Brazil (2.6mn MT), Vietnam (1.7mn MT), and Colombia (0.8mn MT). India ranks 7th in global coffee production at ~0.4mn MT and largely produces Robusta coffee variant. India exports ~70% of its coffee production. In 2021-22, India was the 5th largest coffee exporter in the world with a ~6% share of global coffee exports.



Source: Beany coffee

	Arabica	Robusta
<b>Caffeine</b>	1% to 1.7%	2% to 4.5%
<b>Flavour</b>	Milder, smooth, fruity	Stronger, nuttier
<b>Cultivation climate</b>	15C to 25C	20C to 30C
<b>Production</b>	Low resistance to weather, disease, pests	Higher resistance to weather, disease, pests

Source: bestqualitycoffee.com

### India per capita coffee consumption at mere ~100gms

The International Instant Coffee market has been growing at low single digit while the coffee market in India is growing at an estimated ~10% p.a driven by the evolving trend of coffee drinking culture, gourmet coffee, cafés, and growing ecommerce penetration.

**India's per capita coffee consumption is ~100gms, which is significantly lower than several western countries like US, Canada, Finland, Norway, Denmark, where the per capita coffee consumption is around 4-12kgs. It is also a notable gap vs India's per capita tea consumption which is ~750gms.**

"India is one of the fastest growing markets for Nescafe and offers a huge opportunity for penetration-led growth, both through in-home and out-of-home consumption" - **Philipp Navratil, Head of Coffee SBU – Nestlé**

### Growing trend of cafés and specialty coffee

If we look at the café culture in India, one of the pioneers, Café Coffee Day opened its first outlet in 1996 and scaled to 1500+ stores in FY19. However, led by internal restructuring, the no. of outlets reduced to 469 as of FY23. Starbucks entered India in 2012 through a 50:50 JV with Tata group and scaled to ~330 stores and a revenue of Rs.10bn in FY23. The success of Starbucks and growing café culture in India has led to the entry of Global Chains like Tim Hortons and Pret-A-Manger in the last 12 months. Apart from global coffee chains and notable instant coffee brands like Tata Coffee, Bru (Hindustan Unilever), and Nescafe, **the last 7-8 years have seen a flurry of Direct-to-Consumer brands catering to the increasing coffee consumption in India and allowing consumers to experiment with flavours and varieties.**

## Coffee chains in India and robust expansion plans

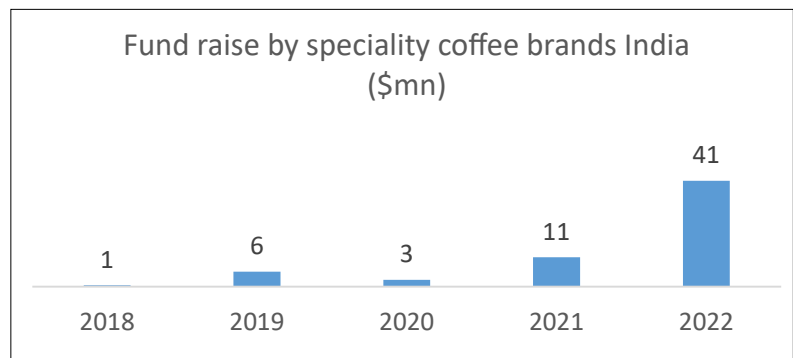
Prominent coffee chains	Country of origin	No. of cafés (India)	Planned additions
Starbucks	USA	348	70-100 stores in FY24
Café Coffee Day	India	469	NA
Barista	India	350	150 stores in FY24
Costa Coffee	UK	123	60-70 stores in FY24
Third Wave Coffee	India	104	50-60 stores in FY24
Blue Tokai	India	80	200 stores in 3 years
Tim Hortons	Canada	15	120 stores in 3 years
Pret A Manger	UK	3	100 within 5 years

Source: Press releases, Equentis research

### Investments brewing in the coffee space

The coffee space in India has become a lucrative segment attracting rising investor interest in the past few years.

2022 saw a sizable increase in funding to the coffee space and going by the recent funding rounds of Third Wave Coffee raising \$35mn (Sept'23) and Blue Tokai's \$30mn (Jan'23) among others, 2023 is likely to see higher funding than 2022.



Source: Economic Times, Tracxn

### Fund raise history of major speciality coffee brands in India

Brand	Funding raised (\$mn)	Last valuation (\$mn)	Investors	Revenue (Rs.mn)
Third Wave coffee	66	150	Creaegis, Westbridge capital, Nikhil Kamath etc.	3,000 (current annualized run-rate)
Blue Tokai	46	78	A91 Partners, DSP Blackrock, Negen Capital, Mauryan Capital, White Whale Ventures, Deepika Padukone etc.	1,500 (current annualized run-rate)
Sleepy Owl	9	29	DSG Consumer Partners, Rukam Capital and DS Group	240 (FY22)
Rage Coffee	10	23	Sixth Sense, Virat Kohli, Sigurd Ventures etc.	1000 (FY23e)
SLAY Coffee	4	10	Rebel Foods, Alteria Capital, Fireside Ventures	1000 (2023e)

Source: Tracxn

## Conclusion

India is predominantly a tea drinking nation; however, coffee consumption is on the rise among younger consumers given the variety and innovative choices, increasing availability and the rising trend of spending time in cafés. The ambitious store addition plans by domestic and global coffee chains and increasing investment to the coffee startups in India is an indication that the trend of noteworthy growth in coffee drinking culture is here to stay.

# What's Trending

## Host countries lifted WORLD CUP in past 3 editions - Will history repeat itself?

"MS Dhoni finishes off in style. A magnificent strike into the crowd! India lifts the World Cup after 28 years! The party starts in the dressing room". 12 years from this moment and India is once again hosting the World Cup. The 13th edition of the cricket World Cup is being hosted between 5th Oct and 19th November with 10 teams playing 48 matches across 10 different venues. India is hosting the ICC World Cup for the 4th time after previously hosting it in 1987, 1996 and 2011. In the previous editions India had co-hosted with countries such as Sri Lanka, Bangladesh, and Pakistan. In the 1987 World Cup, number of overs were reduced from 60 to 50 because of shorter duration of daylight in the Indian Subcontinent

### History of the past World Cups

West Indies was the first team to win the World Cup in 1975 under the captaincy of Sir Clive Lloyd. Consequently, they won the World Cup in 1979 as well. In 1983, their winning streak was broken by India in a thrilling final while defending a total of 183. In 1987 and 1996, India hosted the World Cup but were unable to reach the final after

Year	Host	Winners	Runners-up
1975	England	West Indies	Australia
1979	England	West Indies	England
1983	England & Wales	India	West Indies
1987	India, Pakistan	Australia	England
1992	Australia, New Zealand	Pakistan	England
1996	India, Pakistan, Sri Lanka	Sri Lanka	Australia
1999	England & Wales, Scotland, Ireland, Netherlands	Australia	Pakistan
2003	South Africa, Zimbabwe, Kenya	Australia	India
2007	West Indies	Australia	Sri Lanka
2011	India, Sri Lanka, Bangladesh	India	Sri Lanka
2015	Australia, New Zealand	Australia	New Zealand
2019	England & Wales	England	New Zealand

Source: [espncricinfo.com](https://www.espncricinfo.com), Equentis Research

qualifying for the Semi-finals. In 2003, India reached the final but lost against Australia after failing to score 360 runs in 50 overs. In 2011, India hosted the World Cup and also won in a thrilling final against Sri Lanka. While in 2015 and 2019, India reached the semi-finals, they were unable to reach the final. In the past 12 editions, Australia has won 5 times followed by West Indies and India each of whom have won 2 times.

### Australia is a winning machine

Among the countries that are playing the 2023 World Cup, Australia has the best win conversion rate. They have won 73% of the matches they played during the World Cup. They are followed by India which has won 64% of the matches. India is followed by New Zealand, South Africa, Pakistan and England each having win conversion rate between 57% and 60%.

Team	Matches	Matches Won	% Won
Afghanistan	16	1	6%
Australia	95	69	73%
Bangladesh	41	15	37%
England	84	48	57%
India	85	54	64%
Netherlands	22	2	9%
New Zealand	91	55	60%
Pakistan	80	46	58%
South Africa	65	39	60%
Sri Lanka	81	38	47%

Source: [espncricinfo.com](https://www.espncricinfo.com), Equentis Research

Number of Times in Semi-Finals/Finals/Winner			
Team	Semi-Finals	Finals	Winners
Australia	8	7	5
New Zealand	8	2	0
India	7	3	2
England	6	4	1
Pakistan	6	2	1
Sri Lanka	4	3	1
South Africa	4	0	0
West Indies	4	3	2
Kenya	1	0	0

Source: [espncricinfo.com](https://www.espncricinfo.com), Equentis Research

### Australia and India have the best record

Australia has the best World Cup record with the team qualifying in the semi-finals 8 out of the 12 World cups. Out of these they won 7 times and proceeded to final. In the final they have won 5 out of 7 times boosting an incredible win conversion ratio. New Zealand has qualified in the Semi-finals 8 times but have reached the final only 2 times and lost in the final on both occasions. India has done better by reaching the final 3 out of the 7 times they played in the Semi-finals. India won 2 out of the 3 times they played in the final. West Indies has won 2 out of 3 times they qualified in the final. After 1983, West Indies has been unable to enter the final. Others such as England, Pakistan and Sri Lanka have won only once in the past 12 World Cups.

## Team that wins the toss loses the World Cup

In the past 12 World Cups, the team that has won the toss during the finals, 8 out of 12 times that team has lost the match. In the other 4 times, the team that won the toss and chose to bat won the World Cup 3 out of 4 times. Till 2007, the team that batted first during the finals have won have 7 out of 9 times. But the past three World Cups have been contrary to this trend with all the 3 team who have bowled first being the winners. While this trend is visible it is interesting to note that in all these past three World Cups the team that won the toss chose to bat first.

World Cup Winners Vs Final's Toss Won by		
Year	World Cup Winners	Toss Won by
1975	West Indies	Australia
1979	West Indies	England
1983	India	West Indies
1987	Australia	Australia
1992	Pakistan	Pakistan
1996	Sri Lanka	Sri Lanka
1999	Australia	Pakistan
2003	Australia	India
2007	Australia	Australia
2011	India	Sri Lanka
2015	Australia	New Zealand
2019	England	New Zealand

Source: [espnricinfo.com](http://espnricinfo.com), Equentis Research

Most runs scored in World Cup					
Rank	Player	Runs	100s	50s	Matches
1	Sachin Tendulkar	2278	6	15	45
2	Ricky Ponting	1743	5	6	46
3	Kumar Sangakkara	1532	5	7	37
4	Brian Lara	1225	2	7	34
5	AB de Villiers	1207	4	6	23

Source: [espnricinfo.com](http://espnricinfo.com), Equentis Research

## Sachin and Glenn top the charts

While we always look at team level performance what makes each of the teams unique are the players that are part of the squad. Coming to the players that have scored most runs. Sachin Tendulkar tops the chart at 2,278 runs with 6 centuries and 15 half centuries. He was the highest run scorer in both 1996 and 2003 World Cups with 523 and 673 runs respectively. He is followed by Ricky Ponting at 1,743 runs with 5 centuries and 6 half centuries. Also, both Sachin and Ricky have played one of the highest number of World Cup matches.

Coming to the bowlers, Glenn McGrath tops the charts with 71 wickets. He has bowled ~325 overs out of which 42 overs were maiden. Followed by McGrath is Muttiah Muralitharan with 68 wickets. He has bowled 15 maidens over out of the ~343 overs he bowled during the World Cups. Mitchell Starc is among the Top 5 wicket takers who is also playing the 2023 World Cup. He already has 50 wickets across all the World Cups and was the highest wicket taker during the last 2 World Cups.

Most Wickets taken in World Cup					
Rank	Player	Wickets	Overs	Maiden Overs	Matches
1	Glenn McGrath	71	325.5	42	39
2	Muttiah Muralitharan	68	343.3	15	40
3	Lasith Malinga	56	232.2	11	29
4	Wasim Akram	55	324.3	16	38
5	Mitchell Starc	50	164.1	8	19

Source: [espnricinfo.com](http://espnricinfo.com), Equentis Research



## Will Virat and Rohit play the next World Cup?

Coming to Team India, the average age of the players historically has been below 29 years with some World Cups having players average age at 26 years. The average age of the 2023 World Cup team is 31 years which is above the average age of 27 of the past 12 World Cups. We can also see a trend in other teams such as Australia, New Zealand, and South Africa with average age of the players ~31 years. In the past players such as Tendulkar, Sehwag, Dhoni, Gambhir, have retired in the age range of 37-40 which begs the question if players such as Rohit Sharma (36), Virat Kohli (34), R. Ashwin (37) and R. Jadeja (34) will play the 2027 World Cup. Also, the average number of matches played by the players before the World Cup has fallen considerably from the peak of 147 matches in 2007 to 97 in 2023. This fall can be attributed to the increasing popularity of the T20 matches and decline of the 50 over ODI matches.

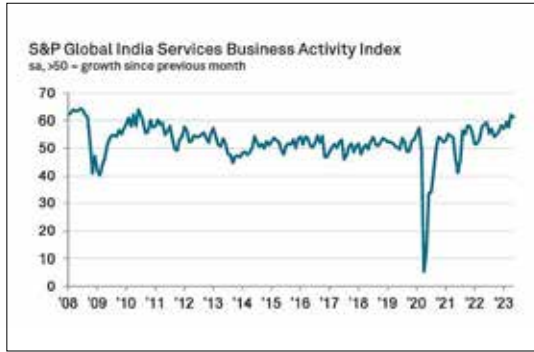
Indian Team		
Year	Average Age of Players	Average number of Matches before World Cup
1975	27	-
1979	27	-
1983	28	-
1987	27	-
1992	26	62
1996	27	68
1999	28	107
2003	26	110
2007	28	147
2011	28	138
2015	27	84
2019	29	97
2023	31	97

Source: [espncricinfo.com](https://www.espncricinfo.com), Equentis Research

## Conclusion

With the host country winning the World Cup in the past three editions one can wish this streak to continue and India to bring the World Cup home. While it is difficult to predict which team will win the World Cup with each data pointing to different teams, we would be supporting the Men in Blue. Apart from the men in blue the Indian economy is also going to hit it out of the stadium with the World Cup expected to boost Indian economy by \$2.6 billion. TV rights and sponsorship alone are expected to bring in \$1.3-1.5 billion in revenues. If we compare this with the FIFA World Cup played in Qatar in 2022, it is estimated that the World Cup helped generate \$17 billion for the Qatari economy. The World Cup schedule also coincides with the festive season helping boost demand during the last 3 months of the year. The World Cup will act as a catalyst for growth in India during a period where all the major economies are struggling and facing recessionary pressures.

# What Caught Our Attention This Month!



Source: The Print

## India's services sector activity touches 13-year high

India's services sector displayed continued growth momentum in September, driven by strong sales performances due to increasing demand and subsequent increase in sales and output.

In September, India's S&P Global's services PMI reached 61, up from 60.1 in August, one of the strongest in over 13 years.

India's services PMI has consistently remained in the expansion zone every month since Aug 2021.

## India to be added to JPMorgan's emerging market bond index, paving the way for billions in inflows

JP Morgan announced that it will include Indian government bonds in its widely tracked emerging market debt index, potential injecting billions in the economy.

A total of 23 Indian government bonds valued at \$330 billion are eligible for inclusion, starting the process on June 28, 2024, and extend over 10 months

JP Morgan revealed that India has been under their watch since 2021 for portfolio inclusion.



Source: The Times of India

## RBI keeps repo rate unchanged at 6.5%

The Reserve Bank of India has opted to maintain the repo rate- key lending rate- unchanged at 6.5% for the fourth consecutive time in a row.

The RBI Governor mentioned that "India is focused on macro stability and fundamental growth and further added that India is poised to become the new growth engine of the world".

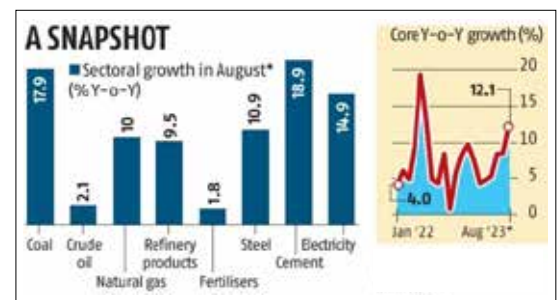
The RBI has also maintained its growth projection for the FY 2024 at 6.5%.

## India's core sector growth rises to 14-month high of 12.1% in August

In Aug 23, India's output of eight infrastructure sectors recorded a substantial growth of 12.1% vs. 4.2% a year ago, signalling strengthening economic activity.

The growth in India's eight key infrastructure sectors in Aug 23 is the highest in 14 months, primarily driven by a favourable base effect.

The increase in core sector growth in Aug can be attributed to double-digit increases in output of five of the eight sectors: cement, coal, electricity, steel, and natural gas.



Source: Business Standard



Source: CNBC -TV18

## Nomura upgrades stance on Indian market from 'neutral' to 'overweight'

Nomura, an international brokerage house has upgraded India from 'Neutral' to 'Overweight' based on its compelling top-down narrative and its potential to benefit from the China+1 theme.

However, is cautious about Asian stocks due to risks from the US Federal Reserve's prolonged interest rate policy and escalating commodity prices contributing to inflation in America.

**Mobile phone exports from India almost double to \$5.5 bn till Aug in FY24**

According to estimates from ICEA, mobile phone exports from India have nearly doubled, reaching approx. \$5.5 bn, or about Rs 45,700 cr, until August this financial year

ICEA Chairman commented on the overall mobile phone export - that mobile phone exports from India continue to buck the overall trend of subdued global trade by demonstrating an impressive growth of more than 80%.

The government has set the target of achieving \$300 bn worth of electronics manufacturing by 2025-26, with exports contributing an anticipated \$120 bn. Mobile phones are expected to contribute more than \$50 bn worth of exports by 2025-26.



**Unemployment rate declines to 1-year low of 7.09% in September: CMIE**

In September, India's unemployment rate reached to a one-year low as with a decrease in rural joblessness even in the face of subpar monsoon rains.

According to data from CMIE, the overall joblessness rate declined to 7.09% last month, from 8.10% in August, marking the lowest figure since September last year.

Rural unemployment reduced to 6.20%, from 7.11% in August, while urban unemployment rate decreased to 8.94% from 10.09% in the same period.

**Cricket World Cup may add \$2.6 billion to Indian economy: Report**

According to Bank of Baroda note, the Cricket World Cup has the potential to provide a substantial boost to the India's economy by as much as \$2.6 bn (Rs 220 bn).

The tournament is anticipated to draw large number of visiting fans domestically and internationally. With the matches being held in 10 cities it is expected to particularly benefit the travel and hospitality sectors.

Notably, the event, is being hosted in India for the first time since 2011, coincides with the three-month festive season that started in September and will be especially advantageous for the retail sector.

	Base case	Optimistic scenario
Ticket sales	16	22
TV rights and sponsorship	105	120
Team spending	1.5	2.5
Foreign and domestic tourists	6	8.5
Event management	7.5	10
Merchandise	1	2
Spectator expenses	3	5
Screenings and food delivery	40	50
<b>Total</b>	<b>180</b>	<b>220</b>

Note: All figures in billions of rupees.

Source: The Times of India



Source: CNBC- TV18

**Wholesale inflation remains in the negative territory for fifth straight month in August**

For the fifth consecutive month, Wholesale price inflation remained in the negative territory in August, stood at -0.52%.

The wholesale price index (WPI) based inflation rate has remained negative since April and was -1.36% in July while in August last year it was 12.48%.

The negative rate of inflation in August this year can be attributed to the decline in prices of mineral oils, basic metals, chemical products, textiles and food products when compared to the same month in the previous year.

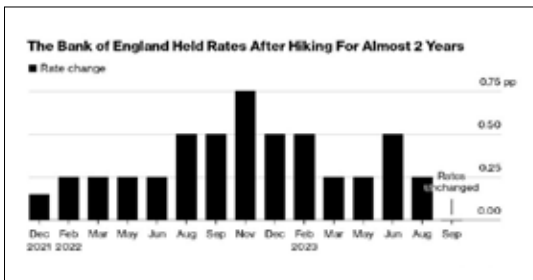
## Global News Of This Month

### The US dollar jumps to its highest level in 10 months versus rival currencies

On October 3, the US dollar reached a 10 month-high against a basket of rival currencies, while the euro, pound, and yen all fell to multi-month lows.

The US Dollar Index, tracking the dollar against six other currencies, surged by 2.76% over the past four weeks. On Oct 3, it was up to 107.16, a level unseen since last November.

This strength is attributed to the Federal Reserve's hawkish stance on interest rates and the 10-year US Treasury yield, which is at a 16-year high of 4.752%.



Source: Bloomberg

### Bank of England keeps interest rate unchanged for first time in nearly 2 years

Bank of England (BoE) decided to keep its key interest rate unchanged at 5.25% amid signs that inflation is moderating and the U. K's economy is teetering on the brink of contraction.

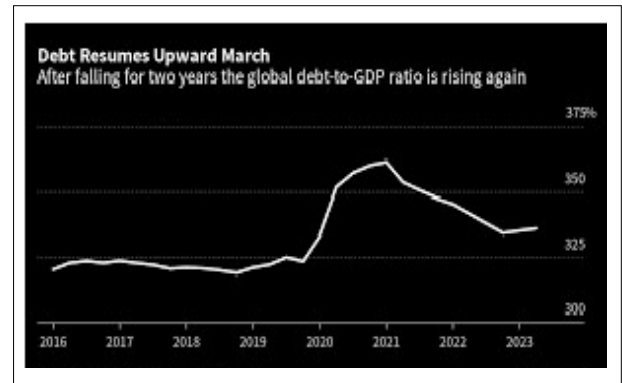
This decision follows a series of 14 consecutive rate hikes that began in December 2021, when interest rates were at a low 0.1%.

### Global debt hits record \$307 trillion, debt ratios climb - Institute of International Finance

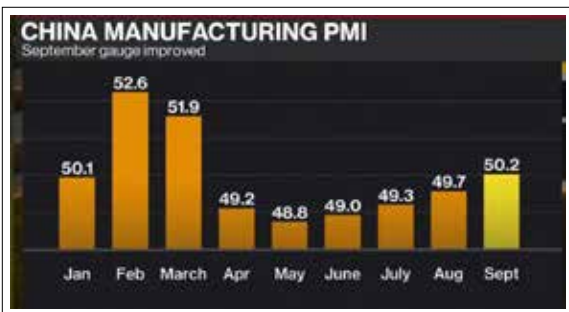
According to IIF, global debt reached a new high of \$307 trillion in the second quarter of the year despite rising interest rates curbing bank credit, leading this increase were countries such as the United States and Japan.

The report mentioned that global debt in dollar terms had surged by \$10 trillion in the first half of 2023 and by \$100 trillion over the past decade.

The recent rise has lifted the global debt-to-GDP ratio for a second straight quarter to 336%. Prior to 2023, the debt ratio had been declining for 7 quarters.



Source: Bloomberg



Source: Bloomberg

### China's factory activity expands for the first time in six months

In September, China's factory activity marked its first expansion in six months, indicating signs of certain sectors within the economy regaining stability.

The official manufacturing purchasing managers' index increased to 50.2 this month from 49.7 in August surpassing economists' expectations and climbing above the 50 level

### Israel formally declares state of war against Hamas

The Israeli government authorized "significant military steps" to respond against Hamas for its unexpected strike, and officially declared state of war.

The toll passed 1,100 dead and thousands wounded on both sides. Oil prices jumped more than \$4 a barrel on the concerns that the conflict in Israel and Gaza could disrupt output from Middle East.





# THANK YOU

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