MONTHLY NEWSLETTER

MAY 2024

equentis Wealth Advisory Services

Making Equity Easy.

Vijay Kedia

Indian Investor

> Investing is like Yoga. Body, mind and soul have to be aligned.

Upasana Chachra

Chief India Economist, Morgan Stanley

> In our view, the playbook for the government is not going to change vs what we saw in the previous term. We do think that the focus will continue to be on capex and job creation, especially given the vast surplus of labour that India has.

WHAT'S INSIDE

KEY MONITORABLE POST 2024 ELECTIONS

Market has witnessed very high volatility for the past two weeks. Firstly, in the anticipation of the elections, and then with the election results. While the market is now back to all-time high, it is still not out of the woods. Post elections, following are the key monitorable.

Effect of a coalition government at the centre

Prior to the elections, a simple majority for the incumbent BJP government was indicated by most of the opinion polls and the same was priced in the Indian markets. After the seven phases of elections took place, the exit polls reconfirmed this trend causing the markets to rally 3.3% on 3rd June. But, as the counting began on 4th June, it became clear, the seat tally for the BJP-led NDA coalition will be a lot lesser than anticipated. Markets reacted negatively with Nifty correcting ~6% intraday.

While now the dust seems to be settled with the market back at its all-time high. The question remains - will there be policy continuity and roadblocks in the reforms envisaged? Historically, for 30 years, between 1984-2014, India has, for majority of the period, seen a coalition government at the centre. Despite this, India has witnessed good growth and reforms over the years. With Modi 3.0, BJP remains the single largest party, so the policy continuity and reforms should remain on the same trajectory. What could vary is the pace and intensity. The capex-led model of growth should see continuity along with reforms related to manufacturing, digitization, indigenization, ease of doing business, etc. Reforms related to agriculture, land and labor could see some difficulty, along with privatization and asset monetization.

Upcoming budget – will it switch from capex led to consumption-led?

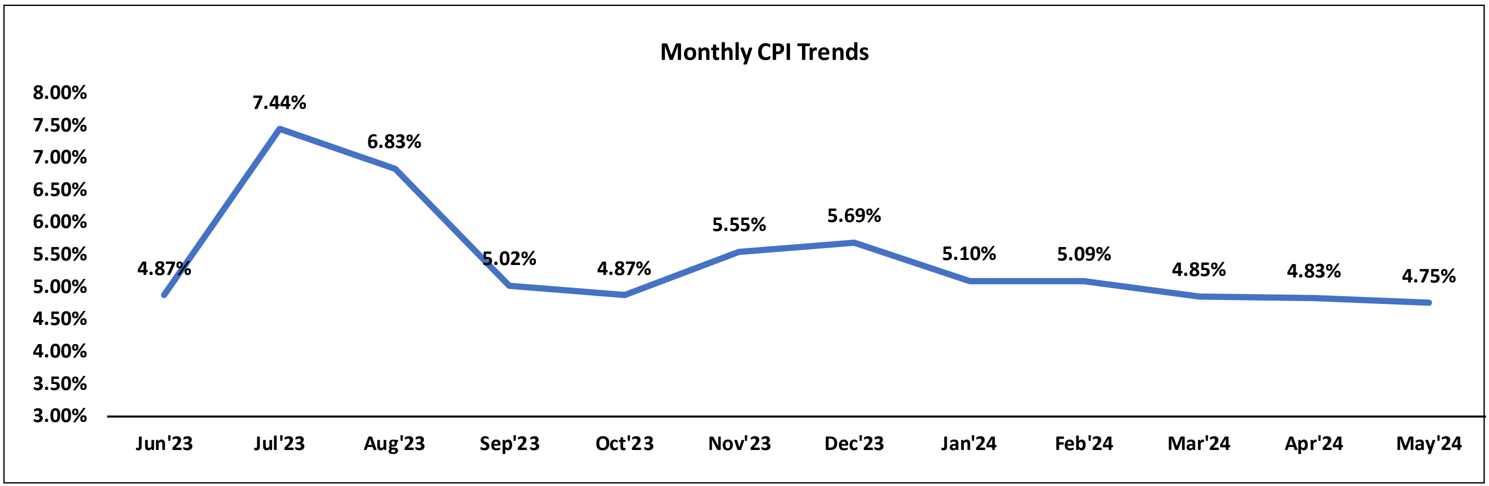
The Feb'24 interim budget was inline with the path of fiscal consolidation and macroeconomic stability. The government continued on the capex-led growth model Vs consumption--led. Even spending on subsidies were lowered in FY25 from Rs. 4.1 tn in FY24 to Rs. 3.8 tn. The fiscal deficit for FY25 was expected to drop to 5.1% from 5.8% in FY24 on the back of stable capital expenditure and increased tax and non-tax revenues.

With the coalition government coming in, some change in the budget allocation could be seen. Some increased allocation to subsidies and major schemes, along with higher outlay to some states could be seen. Also, some decline in the non-tax revenues on account of lower disinvestment can be expected. A slight shift from capex to consumption led outlay can be expected, but a complete 180-degree shift from Capex to consumption led outlays seem improbable.

Inflation and rate cut cycle

Inflation since Dec'23 has been on a declining trend and its come down to 4.75% in May'24. This is in the RBI's targeted band of 2% to 6%. Core inflation eased further to 2.97%. Vegetable prices rose 3.2% Month on Month, and food and beverage index rose 0.68% MoM. The food basket creates an upside risk on the headline inflation numbers. While the inflation number is still above 4%, it is expected that as the inflation number eases in H2, a start to the rate cut cycle could be seen with 1 or 2 cuts in FY25.

In the rest of the world, Europe and Canada have announced rate cuts last week. European Central Bank (ECB) has cut its main lending rate from the 4% to 3.75%. Canada has reduced rates from 5% to 4.75%. While the rate cut cycle has already started in these regions, the inflation still remains above their targeted level. In the US, there is some softening in the inflation. US M2 (Money Supply) has contracted for the past 16 months with quantitative tightening. This should enable one to two rates in CY24 in the US. The inflation numbers and rate cut cycle in the US and India remain a key monitorable to determine liquidity and fund flows in the global markets.



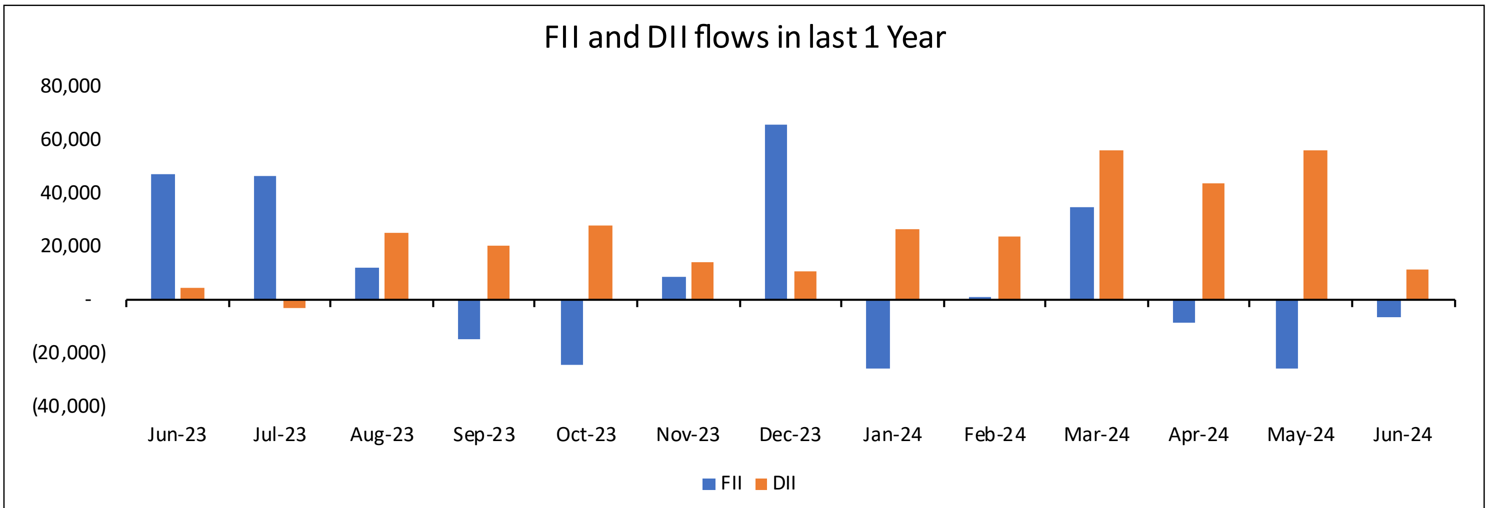
Source: CSO, Equentis Research

The US elections

The US is set to hold elections later this year in Nov'24. Trump remains the top contender, challenging Biden in the elections. While India may not be directly affected by the change in the presidency, It could be indirectly affected by changes in trade policies, duty structures, immigration policy, and stances on major geopolitical concerns, etc.

Effect on FII inflows due to valuation discomfort vs other emerging markets

FIIs have being net sellers for the past 3 months. The FPI holding in the Indian equities is at a decadal low. While this may be coinciding with the election period, there are macro-economic reasons attached to these outflows. The Indian market remains expensive when compared to the emerging market basket. Also, the higher yields in the US and the delay in the rate cut cycle are acting as a barrier for FII flows. While some large economies have started cutting rates, rate cuts by the Fed would be closely examined and can trigger the next leg of FII flows into India.



Source: Ace Equity, Equentis Research
Note: June'24 data as on 12th June

Conclusion

Apart from the known unknowns listed above. There could be many unknown unknowns specially with the geo-politics which could affect the economies and markets in the short term. The Russia-Ukraine war and the current Israel-Hamas war have ramification globally such as broken global supply chain, increased energy cost, trade wars, etc. While the major event for India in terms of the general elections is now behind us. The effects of the new coalition government along with other key monitorable such as Union budget, inflation, interest rate cycle, US elections and FII inflows need to be watched out for.

Q4 FY24 REVIEW
EARNINGS GROWTH HEALTHY FROM SOFTER COSTS; REVENUE GROWTH REMAINS LACKLUSTRE

In Q4FY24, Nifty 50 (ex-financials) recorded single-digit revenue and PAT growth of 6% YoY and 7% YoY, respectively. Nifty200 Excl. financials, revenue growth continued to remain weak at 6% YoY, though earnings grew strongly at 22.8% YoY, driven by benefits from lower raw materials costs.

Auto and Auto Ancillaries' strong performance continued in Q4FY24, led by good volume growth (in 2W and PV segments), better realization and softened commodity costs. Pharma sector strong earnings performance was driven by costs of softer raw materials, healthy US business growth led by new launches & moderation in price erosion, though the Indian market was slightly impacted by slowdown in acute therapies. Consumer discretionary strong performance was led by apparel and groceries segment where volume growth was healthy and profitability margins expanded; however, jewellery & paints segment struggled. In the FMCG sector, margin pressure was observed as companies took price cuts to remain competitive in a challenging and demanding environment. Banks saw varied performance with growth momentum largely steady, while asset quality continued to remain strong, though NIMs remained under pressure. NBFCs earnings witnessed healthy growth backed by SME, retail and used CV financing. IT was slightly impacted by muted revenue growth, due to lower discretionary spends by clients, while operating margins remained under pressure due to high employee expenses.

Q4 FY24: NSE200 sectoral free-float earnings distribution

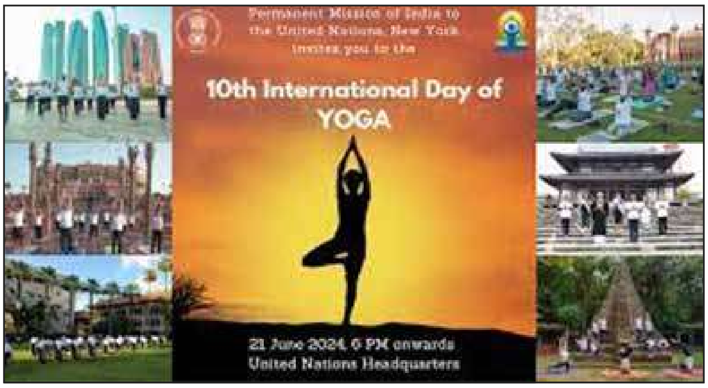
Free float, INR bn	NSE 200 Index	Sales			EBITDA			PAT		
Sector	**Weights**	**Q4FY24**	**YoY(%)**	**QoQ (%)**	**Q4FY24**	**YoY(%)**	**QoQ (%)**	**Q4FY24**	**YoY(%)**	**QoQ (%)**
Consumption										
Automotives	5.9%	1,170	13.8%	6.5%	167	28.4%	8.8%	98	43.6%	9.4%
Cigarettes	2.6%	118	1.1%	0.6%	44	-0.8%	2.3%	36	0.2%	-10.0%
FMCG	5.0%	227	6.1%	1.8%	42	10.3%	4.1%	28	10.7%	2.5%
Discretionary	3.7%	231	25.6%	-1.0%	27	20.3%	-8.4%	15	19.8%	-9.8%
Auto Ancillaries	1.1%	197	12.0%	2.6%	27	20.6%	0.7%	13	32.2%	11.7%
Real Estate	1.1%	36	6.4%	49.6%	11	31.0%	58.7%	9	12.8%	82.8%
Aviation	0.4%	66	25.9%	-8.4%	15	45.1%	-22.4%	8	209.2%	-32.4%
Paints	1.0%	47	-0.2%	-5.3%	9	-8.9%	-18.7%	6	1.4%	-13.7%
Agriculture	0.4%	109	-13.3%	36.1%	15	-29.7%	348.8%	2	-75.8%	LtoP
Media	0.1%	25	3.6%	6.0%	3	25.0%	-3.8%	1	NM	-34.5%
Internet	1.0%	43	38.0%	-3.1%	-2	lossmaker	lossmaker	-1	lossmaker	NM
Exports										
Technology	10.6%	861	3.6%	-0.6%	164	1.6%	-2.0%	145	16.3%	14.3%
Pharma*	5.3%	367	12.3%	0.8%	82	22.2%	-2.2%	54	42.7%	2.5%
Financials										
Banks (ex-HDFC bank)	12.4%	NM	NM	NM	NM	NM	NM	392	74.6%	22.4%
HDFC Bank**	9.6%	NM	NM	NM	NM	NM	NM	163	37.1%	0.9%
Other financial services	5.2%	NM	NM	NM	NM	NM	NM	76	31.1%	31.5%
NBFCs	2.9%	NM	NM	NM	NM	NM	NM	47	19.8%	-2.0%
Industrials and capex										
Reliance Inds	2.6%	1,945	0.0%	0.5%	169	-6.6%	1.9%	104	-12.6%	11.2%
Power/Mining	7.0%	1,183	11.1%	5.1%	213	10.6%	4.6%	95	-1.8%	9.7%
Cement	5.2%	601	6.6%	5.9%	197	10.5%	1.6%	94	-3.3%	-1.9%
Oil & Gas	3.3%	1,314	-2.7%	7.7%	181	0.9%	4.2%	52	-25.1%	-0.1%
Logistics	5.5%	756	13.6%	22.1%	83	5.5%	23.3%	51	13.0%	33.7%
Telecom	1.1%	97	26.7%	113.0%	32	55.1%	181.3%	24	44.3%	150.7%
Metals	2.2%	218	8.8%	13.5%	38	32.3%	8.4%	23	36.1%	23.8%
Building Material	1.0%	45	14.1%	-0.4%	15	66.0%	-13.9%	9	9.0%	-1.7%
Industrials	0.5%	50	-10.6%	3.3%	2	-86.3%	-78.1%	4	-54.5%	16.5%
Speciality Chemicals	0.7%	31	11.5%	11.8%	6	6.2%	9.2%	4	2.8%	10.1%
Defense	2.6%	225	6.1%	-0.5%	107	4.7%	-1.0%	3	-65.3%	-22.9%
Total NSE 200	**100.0%**	**9,961**	**6.1%**	**5.5%**	**1,645**	**8.0%**	**4.4%**	**1,553**	**22.8%**	**12.2%**
Ex-financials	69.9%	9,961	6.1%	5.5%	1,645	8.0%	4.4%	875	6.1%	9.8%
Ex-Commodity	94.0%	6,702	9.9%	6.6%	1,295	11.4%	4.8%	1,398	29.8%	12.8%
Ex-Financials & Ex-commodity	63.9%	6,702	9.9%	6.6%	1,295	11.4%	4.8%	719	13.1%	10.4%
Nifty 50 (ex-financials)	**100.0%**	**6,440**	**6%**	**5%**	**1,164**	**6%**	**3%**	**639**	**7%**	**8%**

Source: ICICI Securities Strategy Report, June 2024, and Equentis Research
*Notes: *Pharma includes healthcare services companies. **HDFC Bank YoY and QoQ growth are not comparable due to merger.*

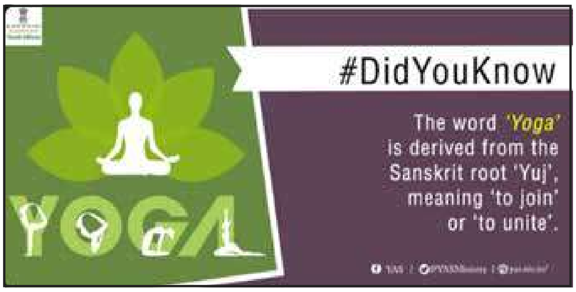
YOGA – SIP FOR HEALTH

International Yoga Day 2024: Official Theme is 'Yoga for Women Empowerment'

21 June was declared by the UN as International Yoga Day, driven by PM Narendra Modi's efforts, who inaugurated the first International Yoga Day in 2015. This year would mark the 10th year of celebration of International Yoga Day, a key milestone accentuating the rising awareness of numerous benefits of practising yoga, including cultivating mindfulness, reducing stress and enhancing overall health & well-being.



Growing acceptance of Yoga is revolutionising the global wellness industry



Yoga, an ancient practise which finds its origin in India about 5000 years ago, is a holistic system of physical, mental, and spiritual wellness focusing on all-round unification of body, mind and soul. Rising prevalence of chronic diseases such as obesity, diabetes, and heart disease is attracting people to adopt yoga as a way of managing these conditions.

Yoga has been gaining widespread recognition and is revolutionising the global fitness industry. Growing acceptance is fuelling its integration into wellness management and self-care programs, creating potential growth opportunities worldwide and becoming a multi-billion-dollar market. Global yoga market is expected to reach $66.2 billion by 2027, growing at a CAGR of 9.6% from 2021 to 2027, as per Allied Market Research 2020 report. The report further states that the Asia-Pacific region would exhibit the highest CAGR of 10.8% during the years 2021-27.

Yoga, a flourishing business in India

Yoga's rising prominence of going beyond physical exercise to effectively managing emotional well-being has resulted in mushrooming of several yoga-driven entrepreneurial start-ups within India. The market opportunities can be largely segregated around two categories – delivery formats (yoga centres & online platforms) and products (yoga mats, apparels, and accessories).

Indian Yoga Start-ups (Delivery Formats)				
Company / Founding Year	**Turnover**	**Total Funding**	**Valuation**	**Description**
Sarva (2013)	$1.9 mn (March 2019)	$12.3 mn (2020)	$14 mn as on Apr, 2021	Online yoga and fitness training platform
Ayur Universe (2014)	$21 k (March 2022)	$2.35 mn (2018)	$3 mn as on Apr, 2018	Online platform to book wellness programs
Yoganta (2019)	NA	Unfunded	NA	Video-based yoga programs, both online and offline
Habuild (2022)	$581 k (March 2023)	Unfunded	NA	Online platform offering yoga classes and membership plans
Shyft (2019)	Rs 85 lakhs (FY21)	$8.44 mn (2021)	NA	Yoga & nutrition programs focused on specific health conditions
Yogami (2020)	$4 mn (March 2022)	$267 k (2021)	$267 k (2021)	Live yoga sessions for individuals & corporates

Source:Tracxn and Secondary Research

Sarva, a digital consumer health platform, focused on holistic well-being through yoga, nutrition, breathing mindfulness practices, and more, is one of the early start-ups in this space which raised $12.3 mn over 5 rounds. It gained prominence due to its celeb-backed profile where early investors include pop artist Jennifer Lopez, Indian actress Malaika Arora, and over the years has seen names like cricketer Shikhar Dhawan and actor Shahid Kapoor.

AyurUniverse is another prominent wellness platform that allows customers to discover, consult, compare and book all-inclusive wellness programs for Ayurveda, yoga and meditation, under one roof. Its offerings of 3,000 plus health solutions are offered from 300+ breath taking exotic locations across India, exotic Bali, sunny Sri Lanka and picturesque Nepal.

Technology-infused modern yoga

Technology is playing an important role in revolutionising yoga where with the advent of smartphones, there has been a considerable surge in demand for online yoga and related content. And this can be done from the comfort of homes at one's convenience. PM Narendra Modi had launched WHO's mYoga app to mark International Yoga Day in 2021 which contains easy-to-use videos and audio files teaching Yoga.

Indian Yoga Start-ups (Products)

Company / Founding Year	Turnover	Total Funding	Description
Yoga Jal (2015)	NA	Unfunded	Makes natural and herbal drinks, free of artificial additives
YogiFi India (2017)	NA	$152.4 k in 2020	Develops intelligent yoga mats for personalised yoga sessions
Art of Living Digital (2020)	$22 mn (2024)	Unfunded	Mobile-based app offering meditation & mindfulness activities
WiseLife (2020)	$385 k (March 2023)	$145 k in 2024	Online platform offering fitness equipment & accessories

Source: Tracxn and Secondary Research

Usage of advanced technologies is not limited to only delivery of online yoga modules, but is fast advancing to adjacent categories such as yoga mats and wearables, to overcome challenges of practising online yoga. This aids in correcting postures, tracking key vitals etc. to ensure an individual's wellness goals are met. Intelligent AI-powered yoga mats are equipped with motion sensors and are experiencing rising interests within Indian markets as well. YogiFi from Wellnesys is one such company that has inculcated artificial intelligence (AI) in its yoga mats, which uses deep-tech and AI to provide an immersive yoga experience at home. The mat itself acts as a personal trainer and assists the user with posture and breathing techniques through an app. WiseLife, another yoga & wellness start-up, saw an exponential 5x jump in its sales after receiving funding from Shark Tank India 3.

YogiFi Smart Yoga Mat

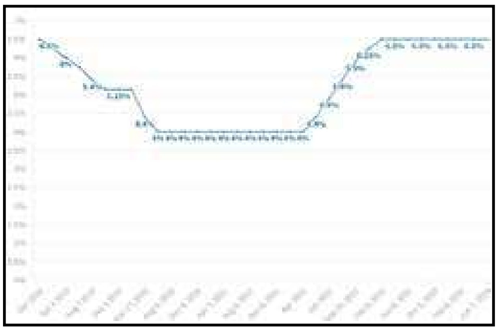
WearableX NADI X Smart Digital Yoga Pants

On similar lines, Digital Yoga pants is another category seeing high demand, apart from other wearables such as watches and headbands. India's yoga clothing market is pegged around $3 billion and is growing at a CAGR of ~15-20%, driven by growing fitness awareness, rising disposable income, e-commerce booming and increasing influence of celebrities.

Conclusion:

Yoga, though an ancient practise, is finding growing acceptance globally. In India, it is a fast growing mainstream driven by its being holistic with benefits to mind, body, and spirit. With the growing popularity of virtual yoga classes, smart mats, wearables, and other such tech-intensive solutions, the yoga industry is growing digitally, too. It is rapidly transforming with high investments being made towards innovative solutions using advanced technologies, to meet the demands from increasing tech savvy consumers. India's changing lifestyle and urbanisation will continue to act as a catalyst for the steadily growing yoga industry.

WHAT CAUGHT OUR ATTENTION THIS MONTH!



Source: Hindu Business Line

RBI keeps key lending rate unchanged at 6.5% for 8th time in a row

RBI has maintained the repo rate at 6.5%, for the 8th consecutive month in a row.

RBI Governor stated, "In India, with growth holding firm, monetary policy has greater elbow room to pursue price stability to ensure that inflation aligns to the target on a durable basis".

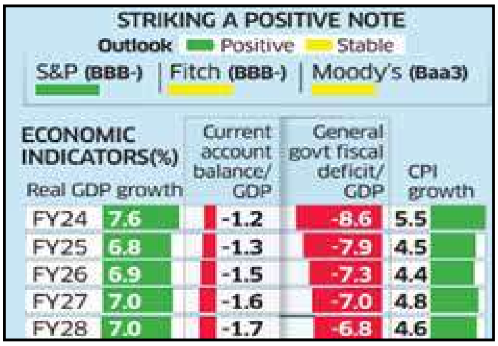
The Monetary Policy Committee (MPC) has revised the real GDP forecast for FY25 to 7.2%, up from the previous 7%, citing improved rural and urban demand prospects supported by favourable monsoon predictions.

Narendra Modi takes oath as PM for third straight term

Narendra Modi was sworn-in as the Prime Minister of India for the third consecutive time by President Droupadi Murmu at Rashtrapati Bhavan in Delhi.

With 293 seats won in general elections, the BJP-led National Democratic, under the leadership of PM Modi, will be establishing the government at the Centre for the third consecutive term.

There will be 72 ministers in the Modi 3.0 cabinet, comprising of 30 other Cabinet Ministers, 5 Ministers of State with Independent Charge and 36 Ministers of State.



STRIKING A POSITIVE NOTE

Outlook: Positive, Stable

S&P (BBB-) | Fitch (BBB-) | Moody's (Baa3)

ECONOMIC INDICATORS(%) Real GDP growth		Current account balance/ GDP	General govt fiscal deficit/ GDP	CPI growth
FY24	7.6	-1.2	-8.6	5.5
FY25	6.8	-1.3	-7.9	4.5
FY26	6.9	-1.5	-7.3	4.4
FY27	7.0	-1.6	-7.0	4.8
FY28	7.0	-1.7	-6.8	4.6

Source: Economic Times

After 14 years, India gets a rating outlook upgrade form S&P

Rating firm S&P Global Ratings has revised its outlook for the Indian economy from 'stable' to 'positive' while affirming the overall rating at 'BBB-', citing robust growth and improved quality of government expenditure. This marks the first upgrade in the rating outlook since 2010, when it shifted from negative to stable.

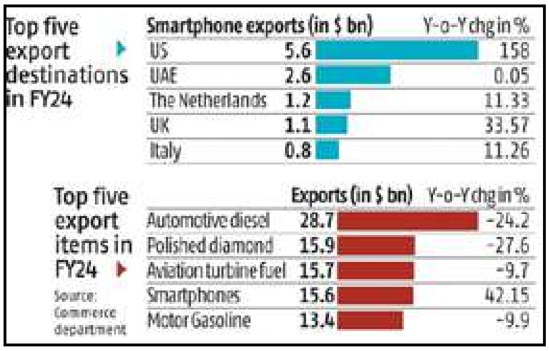
S&P stated that it might upgrade India's sovereign rating within the next two years if the country adopts cautious fiscal and monetary policies that reduce the government's elevated debt and interest burden while enhancing economic resilience.

Smartphones become India's fourth largest export item with 42% growth

Smartphones have become the fourth-largest export item from India, experiencing a 42% growth to reach $15.6 billion in FY24, climbing one spot in the rankings from the previous year.

As per commerce department data, this surge in smartphone exports was fuelled by a 158% increase in shipments to the US, totalling $5.6 billion.

Apple has been at the forefront of this export growth, with the value of its outbound mobile device shipments expected to exceed Rs 1.2 trillion ($14.39 billion) in FY24, a 33% increase from Rs 90,000 crore in FY23.



Top five export destinations in FY24

Smartphone exports (in $ bn)		Y-o-Y chg in %
US	5.6	158
UAE	2.6	0.05
The Netherlands	1.2	11.33
UK	1.1	33.57
Italy	0.8	11.26

Top five export items in FY24

	Exports (in $ bn)	Y-o-Y chg in %
Automotive diesel	28.7	-24.2
Polished diamond	15.9	-27.6
Aviation turbine fuel	15.7	-9.7
Smartphones	15.6	42.15
Motor Gasoline	13.4	-9.9

Source: Commerce department

Source: Business Standard

Union Cabinet clear way for building 3 crore houses under PMAY

The Union Cabinet, under the chairmanship of PM Narendra Modi, has approved government assistance for the construction of 3 crore houses under the Pradhan Mantri Awas Yojana (PMAY).

Launched in 2015-16, PMAY has played a crucial role in helping eligible rural and urban households build houses with essential amenities. Over the past decade, a total of 4.21 crore houses have been completed for eligible poor families under this scheme.

Number of frauds in banking sector rises in FY24, amount declines 47%

The number of frauds in the banking sector increased up to 36,075 in 2023-24 from 13,564 YoY, though the amount involved decreased by 46.7% to Rs 13,930 crore, as per the RBI's annual report.

Most frauds, by number, occurred in the digital payments category (card/internet). However, in terms of value, frauds were primarily reported in the loan portfolio (advances category).

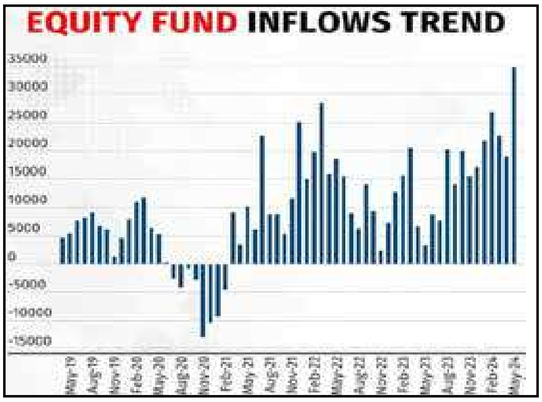
An assessment of bank group-wise fraud cases over the past three years reveal that the private sector banks have reported the highest number of frauds, while public sector banks have accounted for the largest amount involved.

ANATOMY OF BANKING FRAUDS

	AMOUNT (In ₹ cr)	PSU banks	Pvt banks
FY20	1,85,468	1,48,224	34,211
FY21	1,32,389	77,879	45,515
FY22	45,358	32,288	10,653
FY23	26,127	18,750	6,159
FY24	13,930	10,507	3,170

	NUMBER OF FRAUDS	PSU banks	Pvt banks
FY20	8,703	4,410	3,065
FY21	7,338	2,888	3,705
FY22	9,046	3,044	5,312
FY23	13,564	3,392	8,979
FY24	36,075	7,472	24,210

Source: Business Standard



Source: Money Control

Equity mutual funds see record Rs 34,697-crore inflows in May: AMFI data

Equity mutual fund inflows rose 83.42% to a record high of Rs 34,697 crore in May, as per the data by the Association of Mutual Funds of India (AMFI).

Net inflows into equity mutual funds surpassed the Rs 30,000 crore mark for the first time in May 2024, breaking the previous record of Rs 28,463 crore set in March 2022.

The increase in net investments into open-ended equity funds was driven by sectoral and thematic funds, which saw net buying of Rs 19,213.43 crore during May.

Summer, and elections impact auto sales in May 2024, says FADA

The Indian automotive retail sector increased 2.61% YoY in May 2024, though, its MoM sales declined 5.28%, as per FADA data.

The sector's retail data showed two-wheeler (2W) sales rising by 2.5% YoY, three-wheeler (3W) sales increasing by 20% YoY, passenger vehicle (PV) sales declining by 1% YoY, tractor (Trac) sales decreasing by 1% YoY, and commercial vehicle (CV) sales growing by 4% YoY.

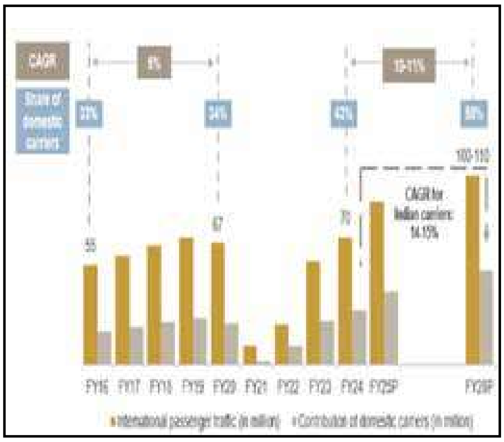
FADA stated that extreme heat and elections significantly impacted footfall, with showrooms witnessing an 18% drop in walk-ins. Elections and related uncertainties affected customer sentiment, leading to delays in purchasing decisions.

HITTING SPEED BUMP

Retail sales data

	May '24	% chg Y-o-Y
Two-wheelers	1,534,856	2.48
Three-wheelers	98,265	20.09
Passenger vehicles	303,358	-0.96
Tractors	70,065	-1.06
Commercial vehicles	83,059	4.07
TOTAL	2,089,603	2.61

Source: Business Standard



Source: Business Standard

Indian airlines to have 50% market share in international passenger traffic by FY28: CRISIL

The share of Indian airlines in international passenger traffic, including both originating or terminating and transitioning through the country, is expected to surge by 700 basis points to around 50% by 2027-28, up from 43% in the previous fiscal year, according to CRISIL.

India's international passenger traffic increased to around 70 million in FY24, up from a low of 10 million in the pandemic-hit FY21, surpassing pre-pandemic levels.

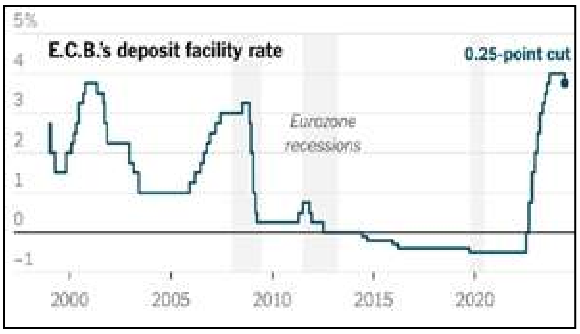
This surge is attributed by fleet expansion, new routes, and improved domestic connectivity, along with rising disposable incomes and government initiatives boosting international travel growth.

Global News Of This Month

European Central Bank cuts interest rates for the first time since 2019

The European Central Bank (ECB) reduced its key interest rate by a quarter point on Thursday, lowering it to 3.75% from the record 4% maintained since September 2023.

The ECB said in a statement that "price pressures have weakened, and inflation expectations have declined at all horizons," allowing it to start loosening credit.



Source: The New York Times

Source: Reuters

China's factory activity unexpectedly dips as property pain persists

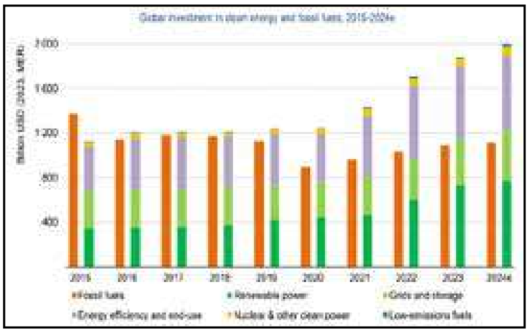
China's manufacturing activity witnessed an unexpected decline in May, as a prolonged property crisis in the economy continues to impact business, consumer and investor confidence.

The official manufacturing purchasing managers' index (PMI) decreased to 49.5 in May from 50.4 in April. Although the IMF revised China's growth forecast upward by 0.4% points to 5% for 2024 and projected 4.5% growth for 2025, it cautioned that the property sector continued to pose a significant risk to growth.

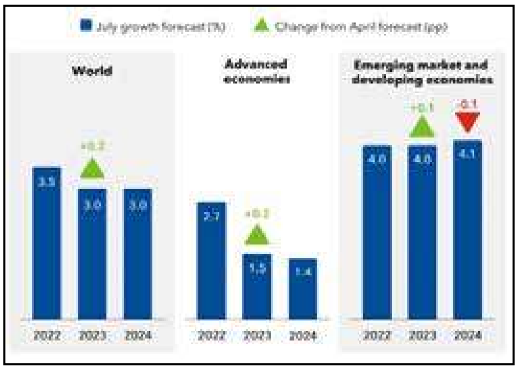
IEA expects global clean energy investment to hit $2 trillion in 2024

According to an International Energy Agency report, global investment in clean energy technology and infrastructure is projected to reach $2 trillion this year, doubling the amount allocated to fossil fuels.

In total, energy investment is forecasted to surpass $3 trillion for the first time in 2024, with $2 trillion allocated to clean technologies such as renewables, electric vehicles, nuclear power, grids, storage, low-emissions fuels, efficiency improvements, and heat pumps, while the remaining will be directed towards gas, oil, and coal.



Source: BBN



Source: BBN

Global economic growth stabilises after 3-year decline but still below pre Covid level: World Bank

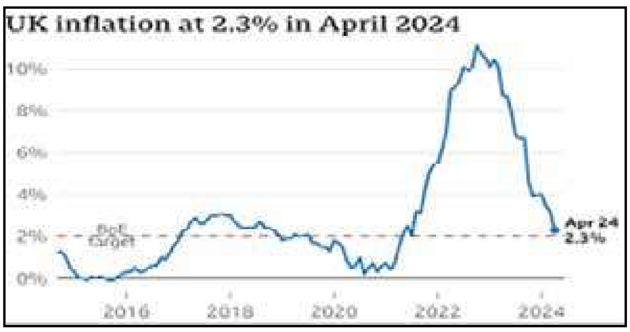
According to a World Bank report, the global economy is showing signs of stabilization in 2024 after three years. Global growth is projected to remain steady at 2.6% in 2024 and to slightly increase to an average of 2.7% in 2025-26. However, these rates are notably lower than the pre-pandemic average of 3.1%.

"Four years after the upheavals caused by the pandemic, conflicts, inflation, and monetary tightening, it appears that global economic growth is steadying," said Indermit Gill, the World Bank Group's Chief Economist and Senior Vice President.

UK inflation falls to 2.3%, lowest in 3 years but still above BoE's target

In April, inflation in the UK dropped significantly to its lowest level in almost three years, mainly due to substantial decreases in domestic bills. Consumer prices rose 2.3% in April from a year earlier, down from 3.2% in March.

Although inflation continues to decline, it remains higher than the Bank of England's target of 2% and was slightly above experts' expectations.



Source: CFI Financial

THANK YOU

Contact us at:

MUMBAI OFFICE
Contact No : 022-61013838

Marathon Futurex, A-603 6th Floor, Mafatlal Mills Compound,
N M Joshi Marg, Lower Parel East, Mumbai 400013

BENGALURU OFFICE
Contact No : 080-46013333

2nd floor, Attic Space – Moneta, 612, 80 Feet Rd, Koramangala
4th Block, Bengaluru – 560034

Equentis Wealth Advisory Services Limited
Investment Advisor
Registered Office: Marathon Futurex, A-603 6th Floor, Mafatlal Mills Compound, N M Joshi Marg, Lower Parel East, Mumbai 400013
Corporate Identification Number (CIN) - U74999MH2015PLC262812
Email: support@researchandranking.com **| Telephone:** +91 22 61013800
SEBI Registration No.: INA000003874 | Type of Registration – Non-Individual | Validity: Perpetual | Membership Number of **BASL -** 1816
Principal Officer: Mr. Manish Goel | Email: po@equentis.com, +91 22 61013800
Compliance Officer: Mr. Rakesh Gupta, Email: compliance@equentis.com, +91 22 61013800
Grievance officer: Mr. Swapnil Patil, Email: grievance@researchandranking.com, +91 22 61013800
SEBI Office Details: SEBI Bhavan BKC, Plot No.C4-A, 'G' Block Bandra-Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra | Tel : +91-22-26449000 / 40459000
SEBI SCORES: https://scores.gov.in/scores/Welcome.html | SMARTODR: https://smartodr.in/login

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