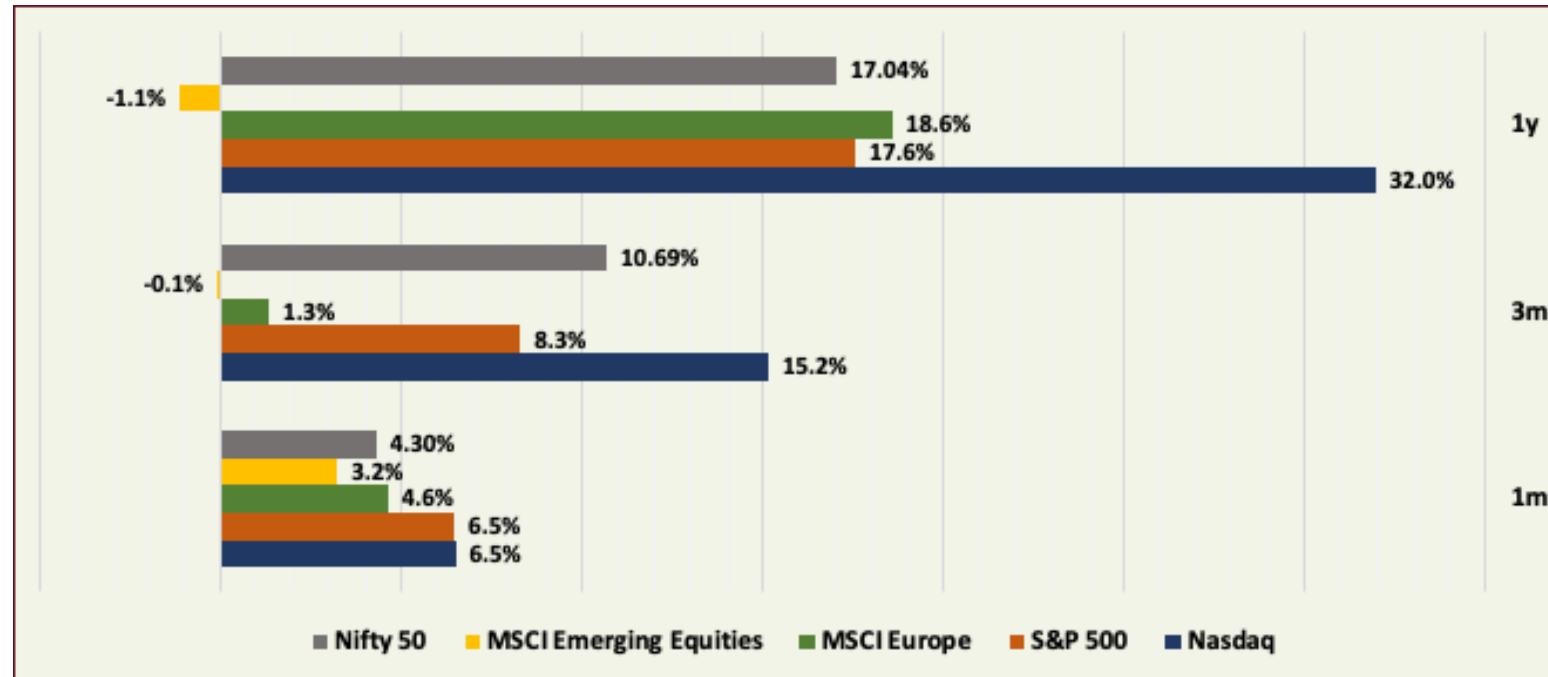




# **WEALTH FIRST**

**MONTHLY NEWSLETTER - JUL'23**

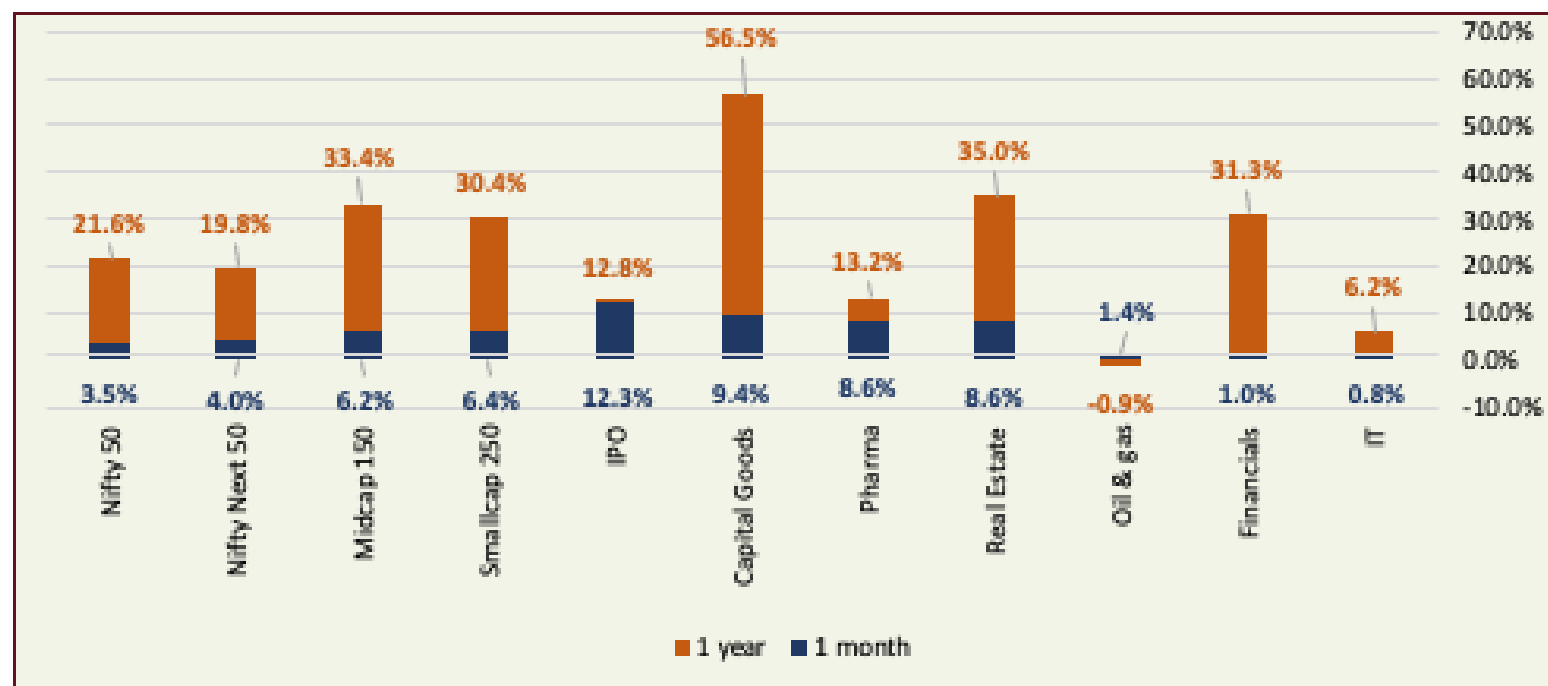
## Global Equities (in USD terms)



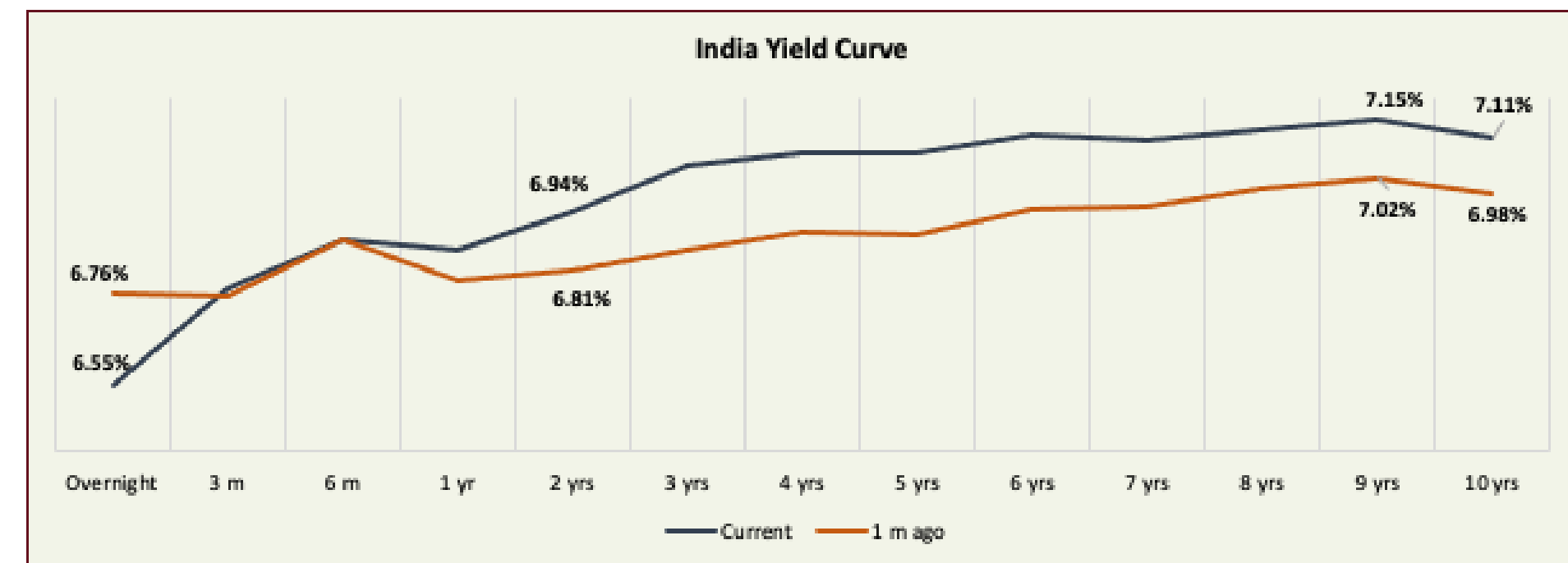
## Global Yields

| 10 Year Government Yields |       |       |       |      |       |
|---------------------------|-------|-------|-------|------|-------|
| Month                     | Japan | China | US    | UK   | India |
| Jul-22                    | 0.25% | 2.83% | 2.08% | 2.1% | 7.38% |
| Feb-23                    | 0.49% | 2.94% | 3.33% | 3.3% | 7.34% |
| Mar-23                    | 0.49% | 2.93% | 3.94% | 3.9% | 7.46% |
| Apr-23                    | 0.33% | 2.88% | 3.47% | 3.5% | 7.27% |
| May-23                    | 0.38% | 2.77% | 3.39% | 3.7% | 7.01% |
| Jun-23                    | 0.44% | 2.72% | 3.67% | 4.2% | 6.99% |
| Jul-23                    | 0.39% | 2.70% | 3.84% | 4.4% | 7.11% |

## Domestic Equities



## Domestic Yields



# Commodities & Currencies

| Commodities              | Returns |        |
|--------------------------|---------|--------|
|                          | 1m      | 1y     |
| Brent Crude              | 4.0%    | -28.6% |
| <b>Precious Metals</b>   |         |        |
| Gold                     | -2.2%   | 6.2%   |
| Silver                   | -3.1%   | 12.4%  |
| <b>Industrial Metals</b> |         |        |
| Steel                    | 27.1%   | -7.6%  |
| Iron Ore                 | 13.5%   | -7.3%  |
| Aluminium                | -4.0%   | -11.9% |
| Copper                   | 2.9%    | 0.8%   |
| Zinc                     | 6.5%    | -24.2% |
| Nickel                   | -0.4%   | -10.1% |
| Lead                     | 6.6%    | 12.6%  |

| Macro Trends                          | June   | May    |
|---------------------------------------|--------|--------|
| FII flows (in crs)                    | 47148  | 43838  |
| DII flows (in crs)                    | 4458   | -3306  |
| FII flows - Debt (in crs)             | 9178   | 3276   |
| New Corporate Bond Issuances (in crs) | 50407  | 34166  |
| Surplus Liquidity (in crs)            | 284219 | 89697  |
| GST Collection (in crs)               | 161497 | 157000 |
| CPI                                   | 4.25   | 4.70   |
| Manufacturing PMI                     | 57.80  | 58.70  |
| Services PMI                          | 61.20  | 62.00  |

| Currencies |       |       |       |
|------------|-------|-------|-------|
| Country    | 1m    | 3m    | 1 yr  |
| India      | -0.7% | -0.1% | 3.9%  |
| AUD        | -1.3% | 0.2%  | -1.9% |
| Japan      | 3.6%  | 8.8%  | 6.4%  |
| Canada     | 2.0%  | 5.6%  | 8.2%  |
| Euro       | -2.0% | -0.6% | -3.9% |
| Pound      | -2.1% | -2.9% | -4.1% |



# At a Glance



- Nifty 50 crossed record high of **19000** on June 30, 2023 with markets posting highest quarterly gains of 10% in 2 years.
- Nasdaq Composite recorded its **best first half of the year in 40 years**, after investors flocked to companies in the tech-heavy index that they expect will benefit from the growth of artificial intelligence.
- FPIs have pumped in **more than 90000 crores** since January.
- India may not see further increase in policy rates while food inflation and **El Niño** remain key concerns.
- Brent remained below \$80 as economic worries outweigh supply cuts.
- Gold witnessed another month of losses while taking **support at the \$1896 levels**.
- Commodity prices increase in June in a reversal trend from May.
- INR has **appreciated 0.7%** against the dollar in June.



# Snippets

RBI model pegs India's Q1 GDP growth at 7.9%, which is quite favourable for the markets ahead.



## Banks

Non performing assets of Indian Banks have declined to a decadal low while the Net Interest margins improved 3.3% in the March Quarter.



## Growth

Core sector growth has slowed to 4.3% in May 2023 due to a decline in the production of crude oil, natural gas, and electricity while manufacturing is in expansion zone .



## Global

Greed/Fear Index stands at 74.4 signaling greed in the US Market. US PMI slumped for the 8th consecutive month on the back of weak demand.



# Key Takeaways

- SGX Nifty is rebranded as GIFT Nifty and started trading from July 3, with \$7.5 billion derivative contracts shifted to India.
- GIFT Nifty to attract a lot of capital from both foreign investors and NRIs due to its tax-neutrality.
- The advantage in this particular jurisdiction is that for non-residents, there are no capital gains. Secondly, no STT is applicable. There is no stamp duty. So effectively, tax wise, it becomes much more advantageous for non-resident players.
- All the entities from India, which set up a subsidiary, are treated as non-residents and are also exempted from this tax.





## Product Watch

- Multi Asset Funds set to replace Debt Funds in terms of tax incentives.
- Some MAFs to bridge gap between Equity Savings funds & BAF.
- Provide diversification across asset classes.

New Launch: Mahila Samman Savings Certificate

Blog



## Key Events

- Q1 Corporate Earnings
- Fed rate decision - July 26th
- TCS buyback - expected along with Q1 result.
- Unichem Open Offer

Book a Consultation



# Key Takeaways



# BEHAVIOURAL FINANCE

Humans feel better if risk is eliminated completely instead of being just reduced. This trait is due to a cognitive bias called Zero-Risk Bias.

Let us understand it with an example:

You are given two investment options:

- A. One that reduces your risk from 5%-0%
- B. One that reduces your risk from 50%-25%

Most would prefer A despite the fact the option B reduces risk by 50% while A reduces risk only 20%. This is how most retailers also lure customers with money-back guarantees. Customers prefer to purchase more expensive products with a money back as opposed to purchasing affordable ones without.

By trying to eliminate a risk completely, we make those options more appealing. However, we do not quantify risk in doing so and end up paying more than we really should.

This is especially true for investors who choose to ignore alternatives offering greater risk reduction for the preferred "0" risk.





# Get In Touch With Us



## Phone

+91-9979854908 (Ahmedabad),  
+91-9979854966 (Pune)



## Website

[www.wealth-firstonline.com](http://www.wealth-firstonline.com)



## Offices

Ahmedabad, Mumbai, Hyderabad &  
Pune





**THANK YOU**