



Monthly Newsletter

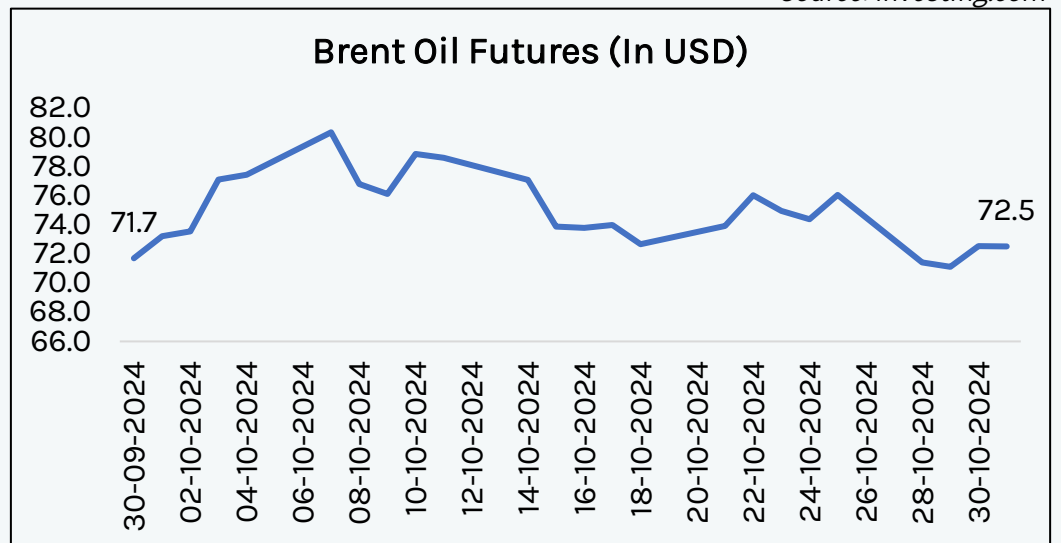
November 2024



Oil Prices Spike Amid Israel-Iran Tensions, Supply Fears

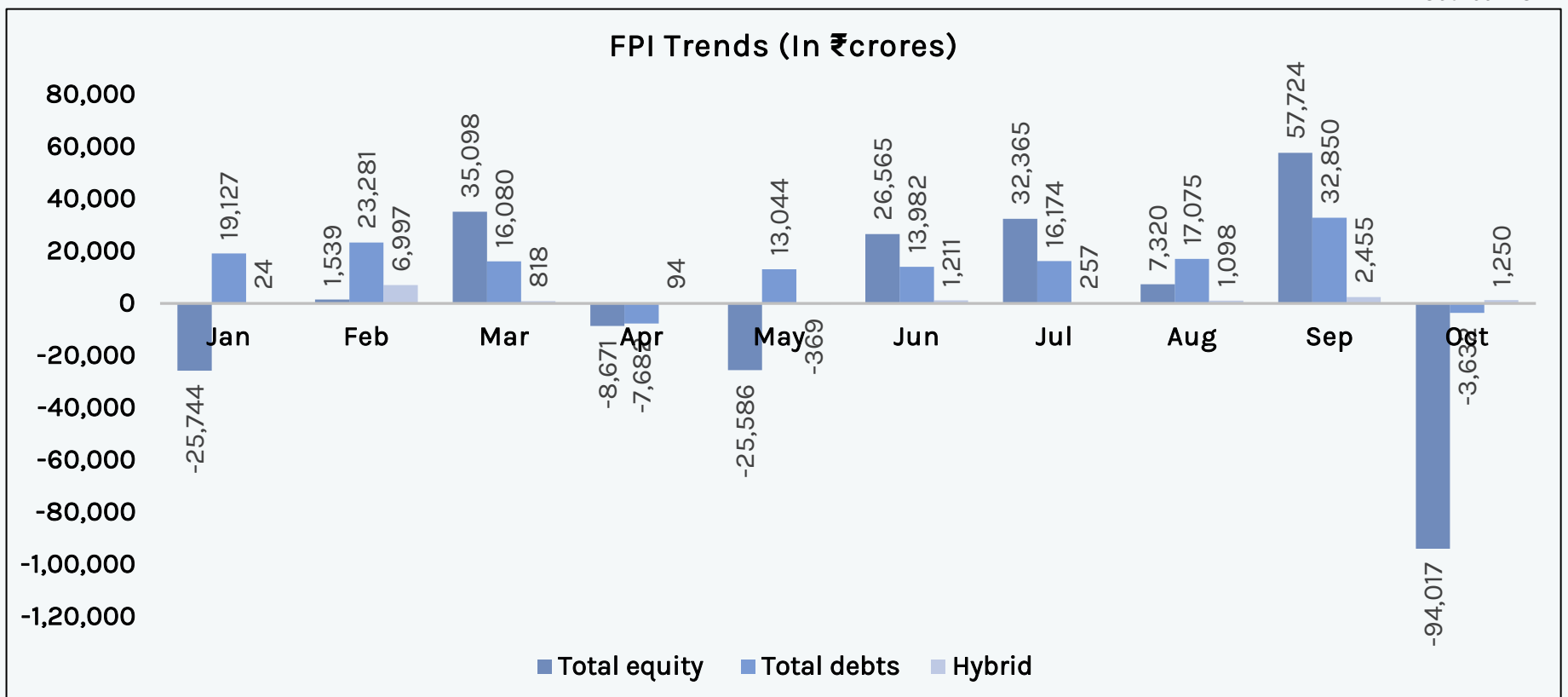
Source: Investing.com

Oil prices surged as escalating Middle East tensions raised fears of potential supply disruptions ahead of the U.S. presidential election. Brent crude rose 2.25% to \$76.05 per barrel, while WTI gained 2.27% to \$71.78 per barrel. Market anxiety heightened over concerns that conflict could impact Iran's oil infrastructure, though risks eased as Israel avoided key energy sites. Ongoing instability continues to drive oil price volatility and impact global supply chains.



Foreign Portfolio Investor (FPI) Trends

Source: NSDL

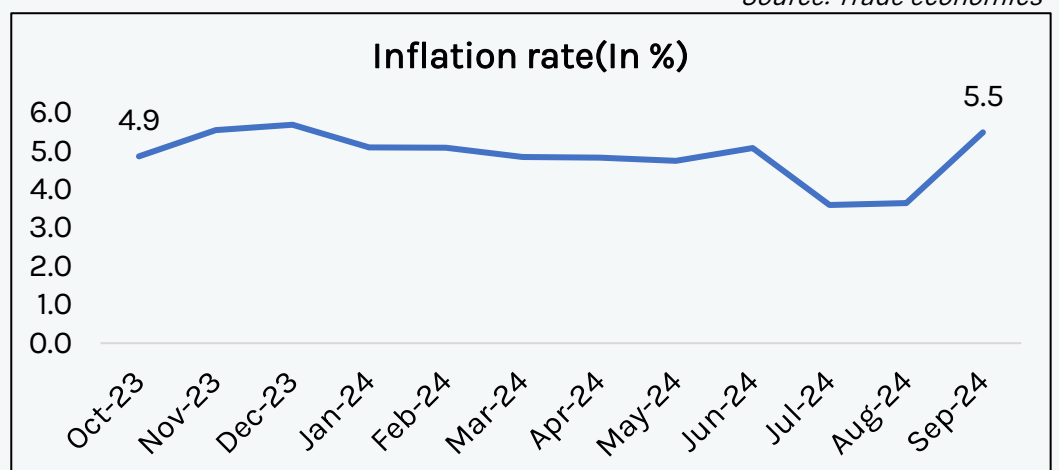


Foreign Portfolio Investors (FPIs) have been on a continuous selling spree, influenced by weak Q2 earnings and global uncertainties. This sustained FPI outflow is partially due to China's recent stimulus measures, which have redirected some emerging market investments away from India. Additionally, concerns over slowing urban consumption and demand growth in India are adding to the cautious investor sentiment. The graph below illustrates this trend, showing the persistent outflow of FPIs from Indian markets amidst shifting global investment priorities.

Monetary Policy Response

Source: Trade economics

Amidst the backdrop of persistent FPI outflows and global economic uncertainties, the Reserve Bank of India has responded with a steady economic outlook, underscoring its commitment to maintaining stability.



RBI's Policy amidst Investor Outflows: RBI Maintains Growth Forecast, Holds Inflation Line

The Reserve Bank of India (RBI) has maintained its real GDP growth forecast for the current fiscal year (FY25) at 7.2%. Despite revising quarterly projections, the overall outlook remains optimistic. The RBI also retained its inflation forecast at 4.5% for FY25, even with rising food prices and heightened geopolitical tensions, indicating confidence in managing inflation while supporting growth. Governor Das highlighted the economy's resilience, driven by strong private consumption and investment, giving the monetary policy committee flexibility to prioritize price stability.

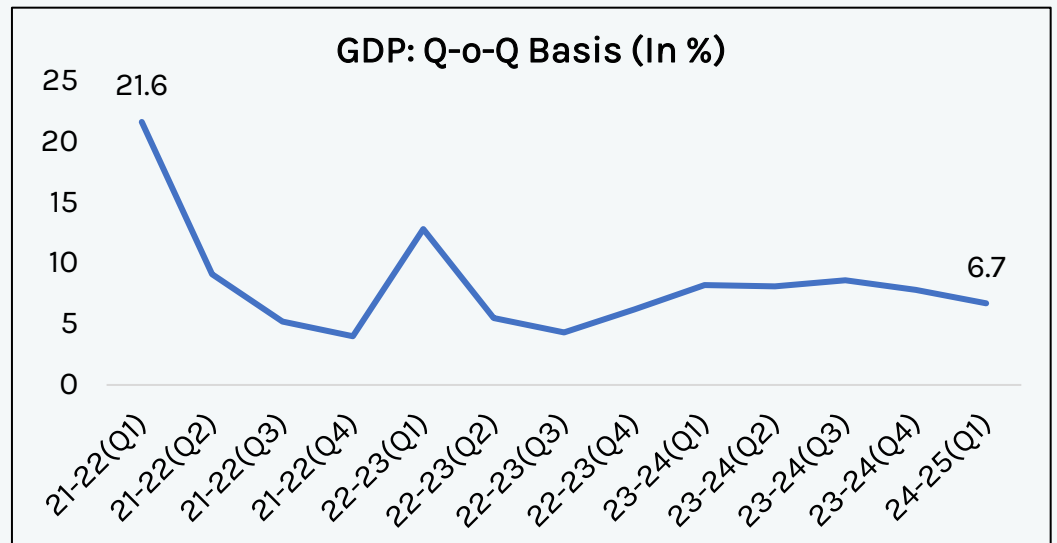
Signs of Economic Deceleration in 2024

However, India's economy has shown signs of slowing down in 2024, despite achieving a 6.7% growth rate in Q1 FY25, slightly below the RBI's 7% projection. This robust growth by global standards has nevertheless raised concerns due to signs of weakening in key economic indicators.

Source: MoSPI, India

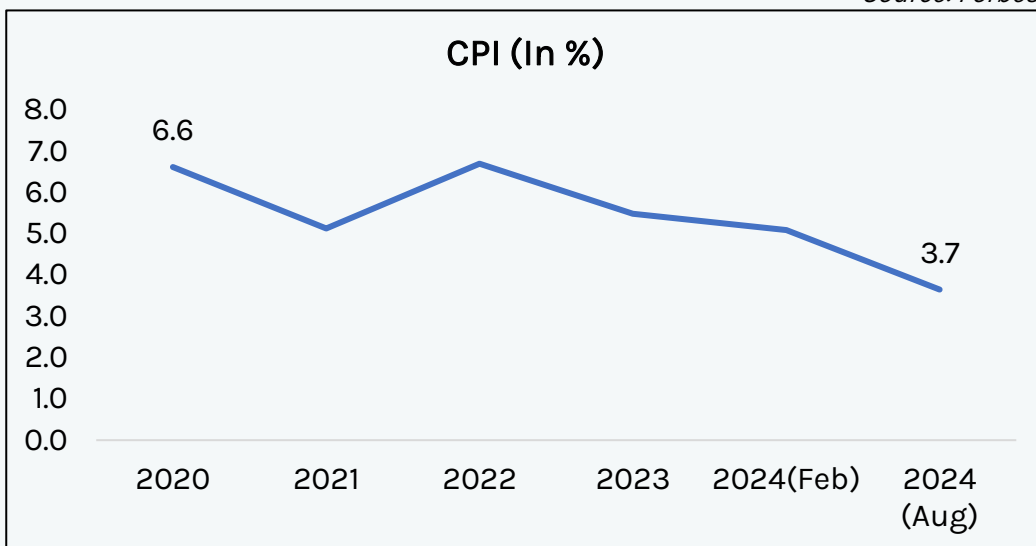
GDP Growth

While India recorded 6.7% GDP growth in Q1 FY25, falling slightly below the RBI's 7% projection, the figure hints at a cooling economy. Though still healthy by global standards, the dip is notable given India's need for high growth rates to support its large population. High interest rates and global economic challenges are contributing factors.



CPI (Consumer Price Index)

Source: Forbes

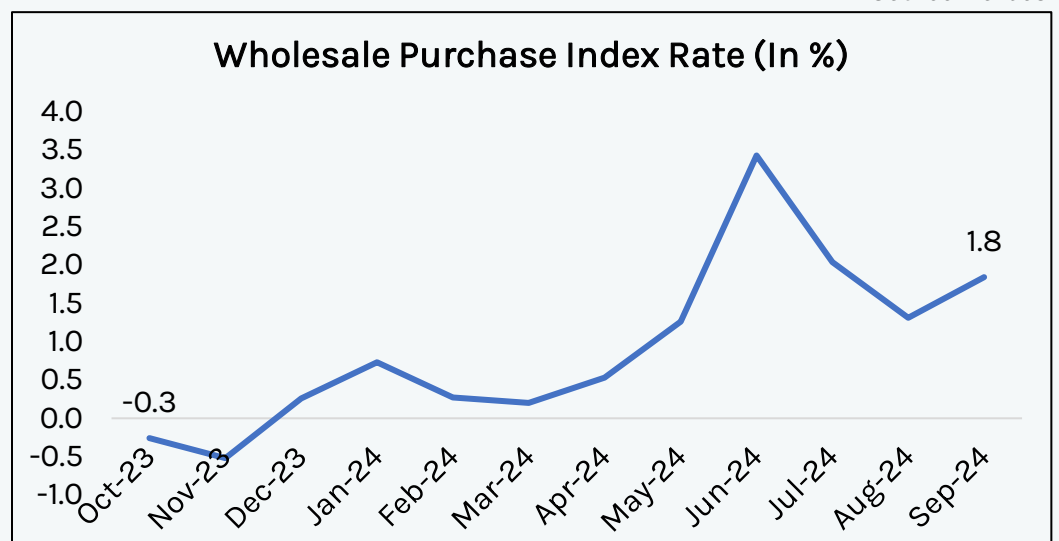


CPI inflation moderated to 3.65% in August 2024, a positive development for consumers as it increases purchasing power. However, the lower inflation rate may also indicate subdued demand, as inflation tends to be higher when demand is strong, suggesting cautious spending by consumers and businesses.

WPI (Wholesale Price Index)

Source: Forbes

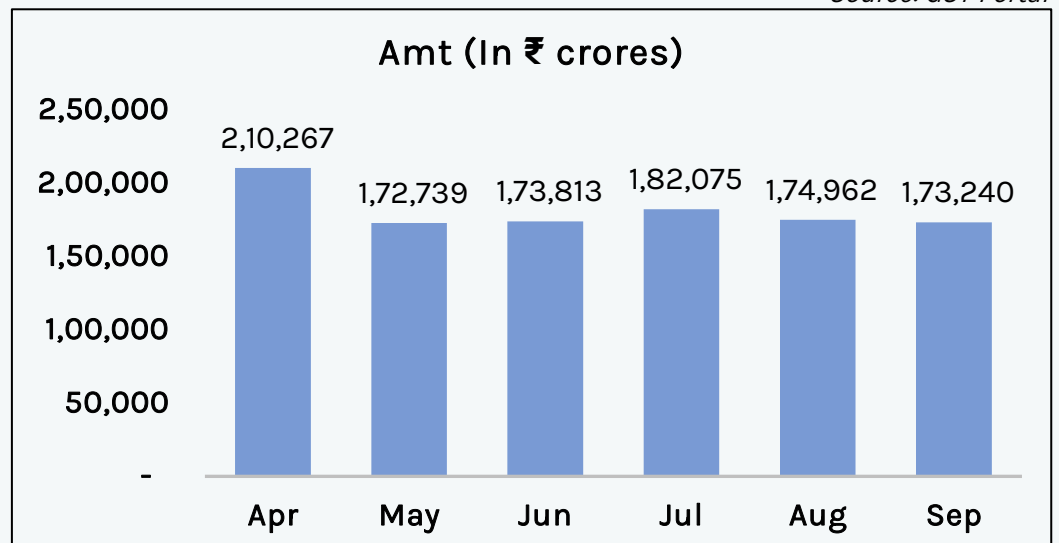
The Wholesale Price Index (WPI) has recently shown deflation, with a rate of -0.26% in October 2023, pointing to declining input costs due to weakened demand across sectors. Negative WPI rates could affect producers' pricing power, potentially squeezing margins and slowing down manufacturing and related investments.



GST Collections

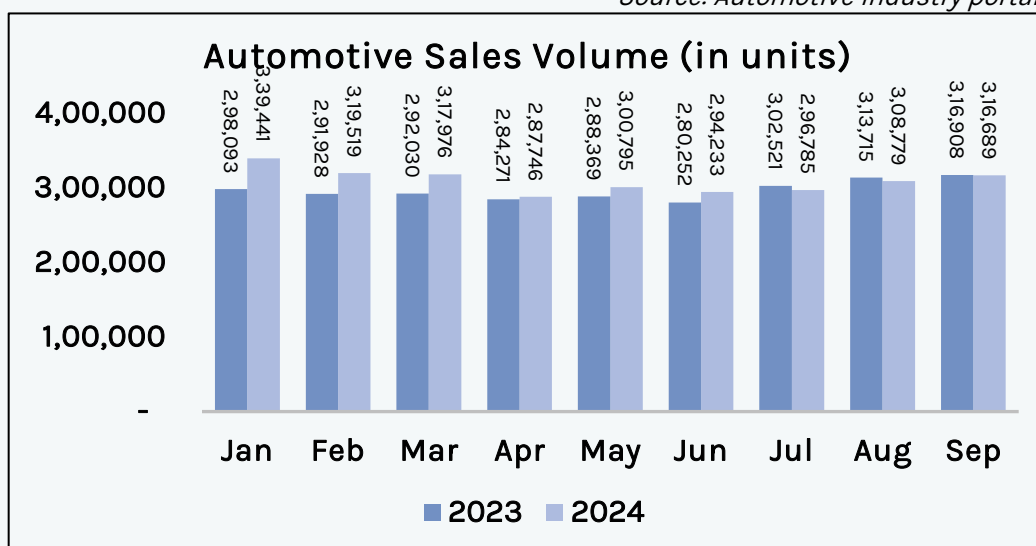
Source: GST Portal

Lower Goods and Services Tax (GST) collections indicate a dip in consumption and commercial activity, impacting government revenue and potentially limiting public spending on developmental projects. This downturn may signal restrained spending by consumers and businesses amid economic uncertainties



Vehicle Sales and Consumer Demand

Source: Automotive Industry portal



The automotive sector, a key indicator of consumer demand, has reported slowing sales, reflecting reduced consumer spending and potentially high financing costs. As vehicle purchases are significant consumer expenditures, a downturn in this sector often signals broader caution in household spending

Together, the deceleration in GDP growth, moderated CPI, deflation in WPI, and softened consumption indicators present a nuanced picture of India's economic environment in 2024. While the country continues to grow, these indicators suggest a cautious economic climate where both businesses and consumers are pulling back. Policymakers may need to balance growth-supportive actions with inflation control to sustain momentum and ensure resilience amid global challenges.

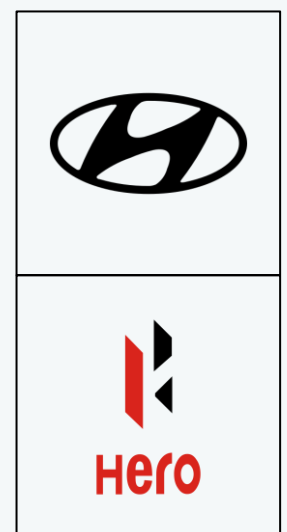
IPO Update: Market Debut and Delays

Hyundai Motor India Shares Slip 6% in Market Debut

Hyundai Motor India's shares listed at ₹1,934 (\$23), below the offer price of ₹1,960 (\$23.31), and dropped to ₹1,882.10, valuing the company at ₹1.53 trillion (\$18.2 billion) instead of the targeted \$19 billion. Although Hyundai's record \$3.3 billion IPO was oversubscribed, retail investors hesitated over pricing concerns, while institutional investors drove the volume. The dip mirrors a slowdown in India's auto sector as inflation concerns delay purchases

IPO Watch: Hero Motors Shelves ₹900 Crore IPO Amid Market Conditions

Hero Motors has withdrawn its Draft Red Herring Prospectus (DRHP) for its ₹900 crore IPO, citing current market conditions.



UPI's Surge: The Future of Digital Payments in India

UPI is set to surpass 1 billion daily transactions by FY 2027-28 and potentially 1.4 billion by FY 2028-29, driven by convenience and consumer preference for fast, seamless, and cost-effective digital payments.

Nifty 50 Market Performance

Top performing stocks		Worst performing stocks	
ICICI BANK	1.9%	INDUSIND BANK	-29.0%
HCLTECH	3.5%	BAJAJ AUTO	-22.2%
SBIN	3.7%	HEROMOTOC ORP	-19.6%
WIPRO	3.7%	MARUTI	-18.1%
TECHM	5.5%	TATACONSU MERS	-17.4%

Top performing Sectors	Worst performing sectors
<ul style="list-style-type: none"> ➤ Top performing Sectors ○ Nifty Mid small Healthcare ○ Nifty IT ○ Nifty PSU Banks 	<ul style="list-style-type: none"> ➤ Worst performing sectors ○ Nifty Oil & Gas ○ Nifty Realty ○ Nifty Consumer Durables

Top performing sectors

Nifty Mid Small Healthcare

The healthcare sector demonstrated strong performance driven by its essential nature, resilient demand, and an active innovation pipeline. Regardless of economic cycles, the demand for healthcare services and treatments remained stable, as people required ongoing medical care and solutions for chronic and acute health issues. Additionally, advancements in biotechnology and pharmaceuticals—particularly among small and mid-cap firms—sustained sector growth by addressing unmet medical needs and expanding into untapped markets. With significant investment in research and development, healthcare companies pioneered breakthrough treatments for major health challenges, which boosted investor confidence and provided a buffer against market volatility. Furthermore, healthcare’s high barriers to entry and regulatory protections sustained its value, offering a more defensive, resilient investment option even as other sectors experienced declines.

Nifty IT

The sector saw firms excel in cloud computing, AI, and digital transformation. Within AI, companies focused on managing and analysing large volumes of complex data tapped into significant opportunities. As applications multiplied and grew complex through cloud computing and AI, firms leveraging AI to enhance professional productivity and drive innovation attracted substantial market interest. Moreover, companies capable of replacing outdated, single-purpose solutions with these modern platforms gained an edge. As cloud computing became the dominant computing model, companies that adopted platforms with advanced functionality data integration strengthened the sector’s performance.

Worst performing sectors

Nifty Oil and Gas

The oil and gas sector underperformed due to rising import dependency and stagnant domestic production, as demand outpaced supply. Oil import reliance reached 88.2% in the first half of the year, and natural gas import dependency climbed to 51.5%. This dependence exposed the Indian economy to global price fluctuations, impacting the trade deficit, inflation, and currency stability. Despite government efforts to boost domestic production and expand natural gas use as a cleaner alternative, slow progress hindered sector performance in challenging market conditions.

Nifty Realty

The realty sector saw a downturn, as prior overvaluation and a strong run-up led to significant profit-booking. Initially performing well, the sector lost momentum as valuations became unfavourable, prompting investors to lock in gains. The correction reflected the impact of stretched valuations in a challenging market, leading to a pullback throughout the month.

Myth-Busting: Waiting for the Market to Drop Is Not a Winning Strategy

Many people believe that the best strategy is to wait for the market to drop before investing, but that approach can be as uncertain as trying to bake a perfect cake without a timer. You may think you'll get a better deal by waiting for prices to fall, but predicting the perfect timing is nearly impossible. If you have your eye on a stock and it's trading at a fair price, you're better off buying it now rather than risking an even higher price—or missing out entirely.

Just like with baking, successful investing doesn't rely on guesswork but on following a sound approach. Timing the market is a myth that leads many investors astray. Instead, a steady, strategic approach is your recipe for long-term success.

Tech Corner: Elevate Your Investment Strategy with Advanced Tools

Risk Profiler: Discover your unique risk profile with our cutting-edge psychometric questionnaire. This innovative tool assesses key factors like risk tolerance and return expectations, providing personalized risk scores (out of 100). Make informed decisions and align your portfolio with your preferences.

Portfolio Analyzer: a cutting-edge tool that elevates your investment strategy by combining advanced statistics and fundamental insights. This powerful solution helps you optimize portfolio performance, master risk management, and enhance factor scores. With features like diversification analysis, personalized optimization, scenario planning, risk analytics, and factor scoring, you'll be able to identify areas for improvement, maximize returns, and minimize risk. By leveraging our Portfolio Analyzer, you'll be empowered to achieve your long-term financial goals. Unlock your investment potential and transform your portfolio today. To learn more, [click here](#)

Economic calendar

November 01st: Deposit Growth YoY

November 13th: Passenger Vehicles Sales YoY

November 12th: Following reports will be published

November 14th: WPI Rate

- Manufacturing Production YoY
- Inflation Rate YoY
- Industrial Production YoY

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