

Market Outlook



JULY 14, 2023

What all happened in June 2023?

The month of June 2023 enjoyed being one of the good months of Q1 FY2324. Over all the Indian stock market saw a tremendous rally in the entire Q1. The broader market popular index NIFTY50 and BSE Sensex were seen to test their all-time highs, not just one but three times. The factors behind this un-disputed rally majorly remains to be the same as earlier months, as we saw continuous inflows from the FII's which remained bullish on India, fantastic corporate earnings and inflation numbers at moderate levels.

Nifty50 which opened at 18579 levels on June 1st 2023 closed above the magical 19000 level at 19189.05 on the last day of the month breaking its all-time highs during the whole month. Much of the sentiments remained positive soon after the RBI's monetary policy committee meeting held on June 8th 2023 where it declared no interest rate hike seeing at the controlled inflation data at the time. The repo rate remains unchanged at 6.5%. This was also supported by the US Fed's FOMC meeting held on June 13th & 14th where it continued to 'pause' and not increase the interest rates looking into account US's stabling economy, unemployment data getting better with more job gains, however an elevated inflation. Domestically almost all the broader market, thematic and sectorial indexes ended up with a green flag in June 2023.

Foreign portfolio investors (FPIs) have been on a purchase spree of the Indian shares worth Rs. 1 lakh crore as of March 23. The FII's data have been promising for four straight months with June recording a Net Purchase/sale of Rs +27,250.01 Cr in cash while DII's net Purchase/Sale was Rs +4,458.23 Cr. FII's desire is justified based on their optimism around the booming Indian economy as compared to other world economies. More specifically, the rate at which the growth is expected in coming time (projected GDP growth of 7.5% in 2023), forces them to bet even more on India. They believe that the Indian stocks are majorly undervalued in times today, especially because of the recent sell off and global cues like the ongoing trade war between the United States and China, and Brexit uncertainty.

It is important to remember that the Nifty's all-time high does not mean the index is unaffected by volatility. The index may face a short-term pullback, but it is expected to continue its long-term upward trend.

Disclaimer: "The securities quoted are for illustration only and are not recommendatory"

June 2023 monthly Index Performance

Performance of various indices as of end of June 2023 (in %)

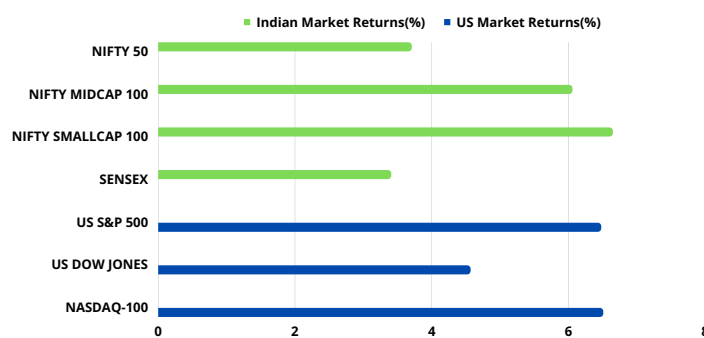


Source: www1.nseindia.com

A green month of majority of Indian indices in June 2023. The rally continued as almost all indices - sectoral and thematic gave positive returns. NIFTY PHARMA and NIFTY REALTY stood at +8.61% and +8.65%, others to catch up with the trend are NIFTY AUTO at +6.69% and NIFTY METAL at +5.42%.

The broader market index NIFTY 50 gained a +3.70% while NIFTY MIDCAP 100 at +6.05% and NIFTY SMALLCAP 100 a +6.64%.

Indian Indices V/s US Market (JUNE 2023 in %)



Source: www.moneycontrol.com, www1.nseindia.com, www.nasdaq.com

The interest rate 'pause' news created positive sentiments for the US markets in the month of June 23 and US markets gained significantly in the entire month. However, the US's Fed is likely to raise the interest rates one more time before closing 2023. We saw a decent run for NASDAQ-100 with NASDAQ settling at a staggering +6.5% while S&P 500 ended the month with another +6.47% gain along with DOW JONES closing at +4.56%. Domestically, the Sensex gained a +3.40% while Nifty 50 closed positive at +3.70%, Nifty Midcap 100 and Nifty Smallcap 100 at +6.05% and +6.64%.



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We have been keen about our investing bets and capital goods and utilities have been our top holdings. We strongly believe that Indian markets are well positioned in the world markets and following below principals, our long-term goal will be achieved.

✓ **Asset allocation:** This is the process of dividing the investment money between different asset classes, such as stocks, cash and gold/silver. A well-allocated portfolio will help you reduce your risk and maximize your returns.

✓ **Diversification:** This is the practice of investing in a variety of different securities. By diversifying your portfolio, we spread our risk across different companies, industries, and asset classes.

✓ **Rebalancing:** This is the process of adjusting our portfolio's asset allocation over time. As our investments grow, we need to rebalance our portfolio to ensure that it still aligns with our risk tolerance and investment goals.

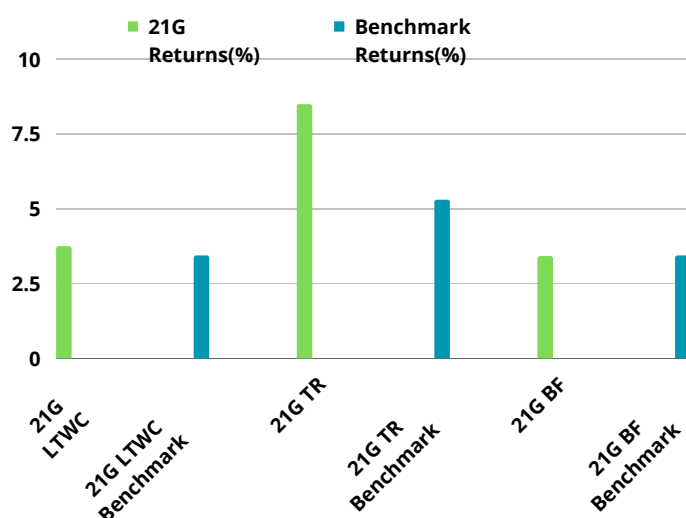
For the scope of this document, please note that 21G Long term Wealth Creation is referred as "21G LTWC", 21G Trend Rider and 21G Balanced Fund as "21G TR" and "21G BF" respectively.

21G LTWC gave a positive return of +3.72% return while 21G TR a +8.46% and 21G BF a +3.39% respectively.

21G LTWC comparative index (Equity Large Cap) gave a return of +3.41%. 21G TR comparative index (Equity Small Cap) gave a return of +5.27% and 21G BF comparative benchmark gave a +3.41% return.

21G Investments Smallcases

% Return in the last 1 Month (14.06.23 to 14.07.23)



Source: <https://21ginvestments.smallcase.com/> Data TF = 1M as on 14.07.2023

Disclosures – Returns shown here are based on the model portfolio as mentioned on the smallcase's microsite. It may vary from client to client due to SIP, reinvestment, and rebalance execution timings factors.

21G Dark Horse Update – Due to a recent demerger of a 21G Dark Horse stock, the exact performance return value can only be determined once the stock settles by the end of June 2023. Therefore, the returns for 21G Dark Horse is not presented in current newsletter

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About us

Formerly served the Indian retail investors under the proprietorship brand name - '21G Investments' since April 28th 2017, the Investment advisory firm is now a body corporate known as '**21G Investment Advisers Private Ltd**', registered as an Investment Advisor under SEBI(Investment Advisers) Regulations, 2013 via registration no. INA000017231 (Corporate, Non-Individual) dated October 7th, 2022 and is involved in technical research, fundamental research and trading consulting services.

Disclosures & Disclaimers

For the purpose of this Disclosure information, Investment Adviser is 21G Investment Advisers Private Limited) ("Investment Advisor")

A. Descriptions about "Investment Advisor"

- History, Present business and Background

Investment Advisor is registered with SEBI as Investment Advisor with Registration No. INA000017231. The firm got its registration on Oct 07, 2022 and is engaged in advisory services.

The focus of Investment Advisor is to provide investment advice to the clients. Advisor aligns its interests with those of the client and seeks to provide the best suited advice based on clients risk profile. Investment Advisor first tries to understand the client's return expectations, risk taking ability & goals, which in turn helps to arrive at an asset allocation suitable for the client. Investment Advisor conducts frequent portfolio reviews and suggests any corrective action/s if required.

- Terms and conditions of Advisory Services

Terms and conditions of advisory services are detailed in the client agreement. Please refer to the same for details.

- Disciplinary history

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ii. There are no pending material litigations or legal proceedings, findings of inspections or investigations for which action has been taken or initiated by any regulatory authority against the Investment Adviser or its Directors, or employees.

- Affiliations with other intermediaries

Investment Advisor has no affiliation with any other SEBI registered intermediaries.

B. Disclosures with respect to Investment Advisor's own holding position in financial products/ securities:

Investment Advisor may hold position in the financial products/ securities advised in its personal portfolio. Details of the same may be referred through the disclosures made at the time of advice.

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B. Disclosure of all material facts relating to the key features of the products or securities, particularly, performance track record, warnings, disclaimers etc.

Clients are requested to go through the detailed key features, performance track record of the product, or security including warnings, disclaimers etc before investing as and when provided by the Investment Advisor. Such product materials may also be available to www.sebi.gov.in or www.nseindia.com or respective issuers website.

C. Drawing client's attention to warnings, disclaimers in documents, advertising materials relating to investment products.

Investment Advisor draws the client's attention to the warnings, disclaimers in documents, advertising materials relating to an investment product/s which are being recommended to the client/s. A brief regarding the risk associated with the investment products are available in client agreement, same may be referred before investing in advised product or securities.

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Contact us

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(Type of Registration- Non-Individual, Validity of Registration- Perpetual).

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