



BREAKING NEWS

U.S. Federal Reserve announced its decision to increase the federal funds rate by 25 basis points



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WHATSAPP NO.

98158-10172

Monday Chronicles: Reflections and Opportunities Post-Election

Dear Valued Clients,

I hope this message finds you well. Over the past two months following the elections, we have witnessed remarkable performance in our portfolios. I am proud to say that our portfolio stands among the top performers in India.

The recent budget has been favorable, and the outlook remains positive. While current market valuations are not inexpensive, we have seen a correction in our stocks, particularly in the railway and defense sectors, following the budget. We believe this correction presents a prime opportunity to add to the markets and capitalize on the leader sectors. As the markets become more expensive, we may consider increasing the cash component in your portfolio. The budget emphasizes fiscal prudence, with a disciplined approach targeting a reduction in the fiscal deficit to 4.9% of GDP in FY25 and aiming for 4.5% by FY26. This commitment to fiscal sustainability is crucial for long-term economic stability.

Sector-specific incentives, such as reduced customs duties on essential raw materials and capital goods, will enhance the competitiveness of key industries like manufacturing, technology, and agriculture. The focus on education, skilling, and employment is set to benefit over 4.1 crore youth in the next five years, driving job creation and improving workforce quality.

It's often said that a bull market feeds on bad news. When negative news emerges in a bull market, it typically presents an opportunity to buy. This is exactly what we are seeing with the recent budget. Although there has been a hike in long-term capital gains tax, the market has digested this news and is moving forward. The 2.5% increase in long-term capital gains tax is not expected to have a significant impact. In fact, it may encourage us to avoid short term decisions merely to save on capital gains.

The budget also places a significant focus on infrastructure, with an 11% increase in capital expenditure. This allocation of ₹11.1 lakh crore (3.4% of GDP) towards infrastructure will drive economic growth and create job opportunities, boosting consumption and demand. The rural economy receives a boost with ₹1.52 trillion allocated for agriculture and allied services, creating more rural jobs and reviving the rural economy.

Given this context, I believe it is a good time to top up your portfolio. According to our technical study, we foresee the Nifty reaching 26,300 levels. However, please treat this as a technical analysis and not as definitive guidance. Please remember, as your Portfolio Management Service (PMS), when your portfolio is held in cash and cash equivalent status, such as liquid and arbitrage funds with mutual funds, we do not charge any fees.

I hope your investment journey with us has been rewarding.

We are committed to living up to your expectations
by working diligently and giving our 100%.

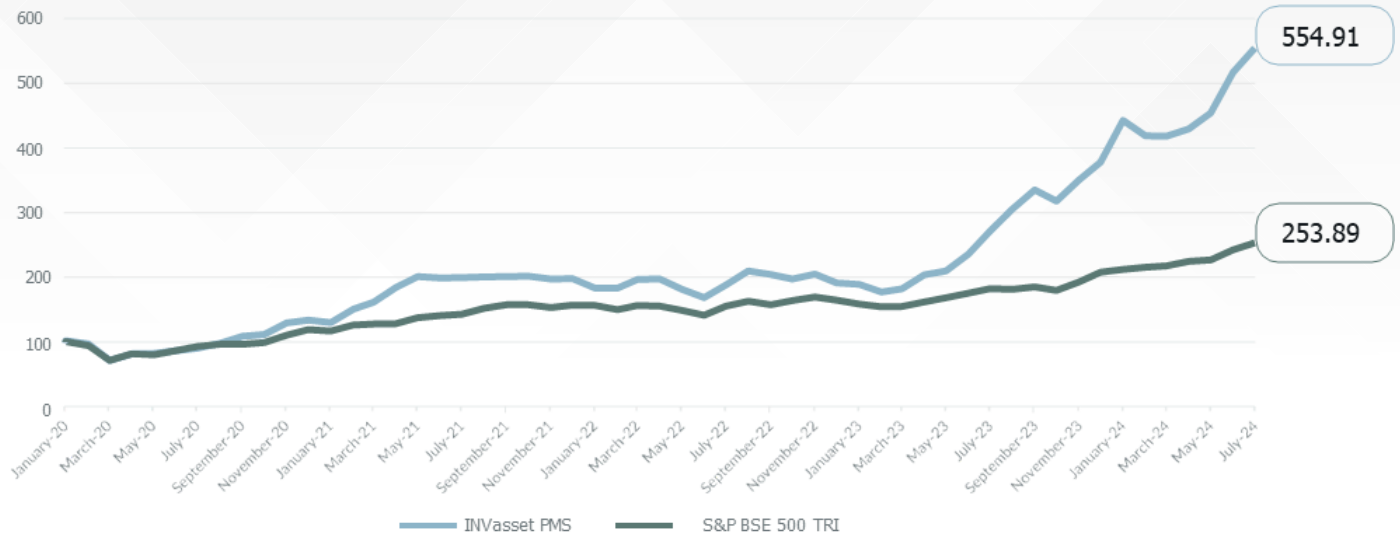
Thank you for your continued trust and investment with INVasset PMS.

Best regards,

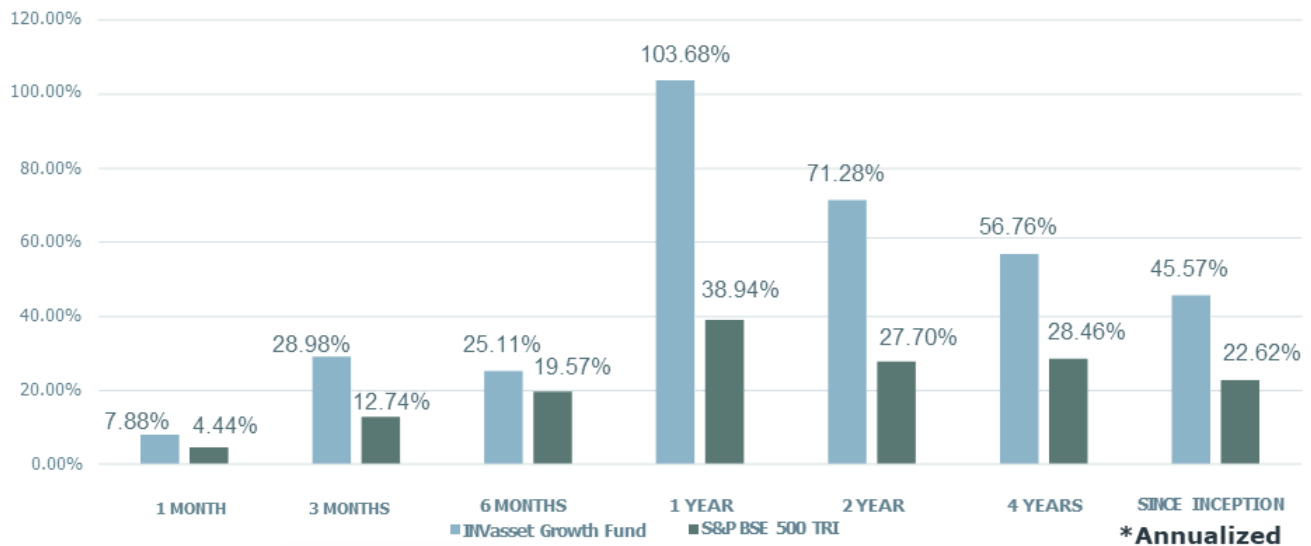
Anirudh Garg
Fund Manager,
INVasset PMS



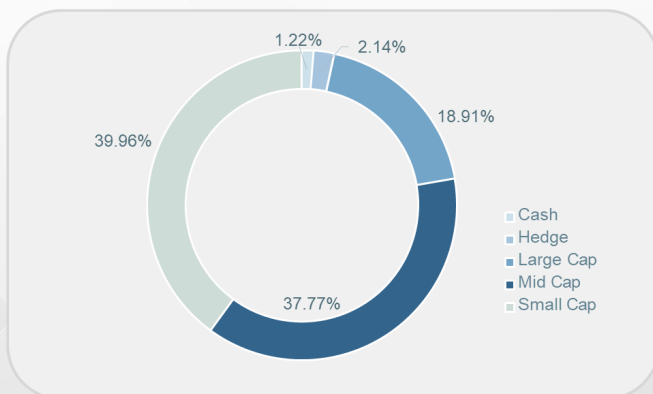
INVasset Growth PMS Fund Performance – Absolute Basis



INVasset Growth PMS Fund Performance – Period Wise



MARKETCAP CLASSIFICATION



INVasset Growth PMS Fund Top 5 Holdings

Security	Assets%
Garden Reach Shipbuilders & Engineers Ltd.	11.98%
Mazagon Dock Shipbuilders Ltd.	11.84%
Cochin Shipyard Ltd.	5.49%
Hindustan Aeronautics Ltd.	5.11%
Rail Vikas Nigam Ltd.	4.40%

INVasset Growth PMS Fund Top 3 Sectoral Exposure

Security	Assets%
Defence	41.27%
Railways	19.85%
Power	19.37%

Disclaimer : Past Returns are not an indication of future returns. If you are investing in PMS or taking any financial decisions then please consult your financial advisor before investing.

Month	INVasset PMS % Absolute Return	S&P BSE 500 TRI % Absolute Return
January - 20	100	100
January - 20	2.97%	102.97
February - 20	-4.63%	98.20
March - 20	-25.98%	72.69
April - 20	14.42%	83.18
May - 20	0.79%	83.83
June - 20	4.88%	87.92
July - 20	4.51%	91.89
August - 20	8.34%	99.56
September - 20	10.55%	110.06
October - 20	2.70%	113.03
November - 20	15.73%	130.80
December - 20	3.40%	135.24
January - 21	-3.02%	131.16
February - 21	15.66%	151.70
March - 21	7.40%	162.93
April - 21	13.79%	185.41
May - 21	9.15%	202.36
June - 21	-1.06%	200.21
July - 21	0.34%	200.89
August - 21	0.51%	201.91
September - 21	0.14%	202.20
October - 21	0.25%	202.71
November - 21	-2.11%	198.42
December - 21	0.30%	199.01
January - 22	-7.41%	184.27
February - 22	0.09%	184.45
March - 22	7.41%	198.11
April - 22	0.16%	198.42
May - 22	-7.97%	182.62
June - 22	-6.89%	170.03
July - 22	0.09%	189.00

Month	INVasset PMS % Absolute Return	S&P BSE 500 TRI % Absolute Return
August - 22	11.65%	211.01
September - 22	-2.71%	205.30
October - 22	3.20%	198.73
November - 22	3.63%	205.30
December - 22	-6.47%	192.62
January - 23	-1.17%	190.36
February - 23	-6.19%	178.58
March - 23	2.64%	183.30
April - 23	11.82%	204.97
May - 23	2.93%	210.97
June - 23	12.21%	236.72
July - 23	15.09%	272.44
August - 23	12.36%	306.12
September - 23	9.83%	336.22
October - 23	-5.14%	318.93
November - 23	10.09%	351.10
December - 23	7.84%	378.64
January - 24	17.14%	443.53
February - 24	-5.40%	419.57
March - 24	-0.19%	418.78
April - 24	2.73%	430.23
May - 24	5.70%	454.77
June - 24	13.11%	514.38
July - 24	7.88%	554.91

Disclaimer : Investments in Portfolio Management Services (PMS) are subject to market risk, including the potential loss of principal. Past performance is not indicative of future results. Our PMS operates under SEBI regulations and all information provided is for informational purposes only, not to be construed as investment, legal or tax advice. Investors should consult their own advisors before making investment decisions. There is no guarantee or guidance of returns and the value of investments may fluctuate. For more information please visit our website or contact our customer service department.

Calendar Year Returns

	INVasset PMS	S&P BSE 500 TRI
Jan 20 to Dec 20	35.24%	19.39%
Jan 21 to Dec 21	47.15%	31.63%
Jan 22 to Dec 22	-3.21%	4.77%
Jan 23 to Dec 23	96.57%	26.55%
Jan 24 to July 24	46.55%	21.86%

Financial Year Returns

	INVasset PMS	S&P BSE 500 TRI
Jan 20 to March 20	-27.31%	-28.22%
April 20 to March 21	124.14%	78.63%
April 21 to March 22	21.59%	22.26%
April 22 to March 23	-7.48%	-0.91%
April 23 to March 24	128.47%	40.16%
April 24 to July 24	32.51%	16.62%

Ratios & Risk (as on July, 2024)

Standard Deviation	Beta	Sharpe Ratio	Treynor Ratio
7.96%	1.08	4.71	0.35

Fractured Union: The European Debt Crisis and the Struggle to Save the Euro"

"The European Debt Crisis, which unfolded between 2010 and 2012, was a dramatic test of the Eurozone's resilience, exposing deep structural flaws in its monetary union. It began in Greece, where years of excessive government spending, tax evasion, and unregulated borrowing came to a head when the global financial crisis of 2008 revealed the country's massive fiscal imbalances. Greece's budget deficit and national debt had ballooned to unsustainable levels, sparking fears of default. As panic spread, bond yields soared, and investors demanded higher premiums to hold government debt, making it nearly impossible for Greece and other affected nations, including Spain, Portugal, and Italy, to finance their obligations.

What began as a localized crisis quickly morphed into a continent-wide emergency, threatening the very survival of the euro. The European Union (EU), European Central Bank (ECB), and International Monetary Fund (IMF) scrambled to assemble massive bailout packages for Greece and other troubled economies. In return, these countries were forced to implement harsh austerity measures—spending cuts, tax hikes, and structural reforms—which, while necessary to restore fiscal order, deepened economic contractions and ignited public outrage. Protests and strikes became common as unemployment surged, wages were slashed, and social safety nets eroded.

The crisis also highlighted the inherent tensions within the Eurozone. Economies like Germany, with its strong fiscal discipline and export-driven growth, clashed with the more indebted southern European nations, creating a north-south divide. Critics pointed to the flawed design of the monetary union: while member states shared a common currency, they lacked a unified fiscal policy, leaving individual governments vulnerable to market pressures without the ability to devalue their currencies to regain competitiveness.

Ultimately, the ECB's intervention—through massive bond-buying programs and the promise to do "whatever it takes" to preserve the euro—helped stabilize the markets. However, the European Debt Crisis left a lasting legacy of economic disparity, political instability, and questions about the future of the European project.



Federal Reserve Rate Decision: July 2024 and Its Implications for Global Markets

In July 2024, the U.S. Federal Reserve announced its decision to increase the federal funds rate by 25 basis points, bringing it to a range of 5.5% to 5.75%. This move marks the Fed's continued effort to combat persistent inflation, which, despite earlier rate hikes, remains above its target of 2%. The decision reflects the central bank's commitment to maintaining price stability while managing the delicate balance between growth and inflation.

The rate hike comes amidst mixed economic signals. While the U.S. labor market has remained robust, with low unemployment rates and steady job growth, inflationary pressures continue to pose a challenge. Rising wages and sustained consumer demand have kept inflation at elevated levels, prompting the Fed to adopt a more aggressive stance. The decision signals that the Fed is not yet ready to ease its tightening measures, despite concerns about potential economic slowdown and market volatility.

Impact on Global Markets

The Fed's rate decision has significant implications for global financial markets. Higher interest rates in the U.S. typically attract foreign capital, strengthening the U.S. dollar. A stronger dollar can lead to capital outflows from emerging markets, putting pressure on their currencies and financial stability. Countries with significant dollar-denominated debt may face higher borrowing costs, further straining their economies.

For equity markets, the Fed's stance could mean continued volatility. Higher rates generally lead to tighter financial conditions, which can impact corporate earnings and valuations, particularly in interest-sensitive sectors like technology and real estate.

Implications for Investors

For investors, the Fed's decision underscores the importance of adopting a diversified portfolio strategy. While volatility may persist, opportunities remain in sectors resilient to rising rates, such as consumer staples, utilities, and certain defensive stocks. As global markets adjust to the Fed's tightening cycle, a focus on quality assets and risk management will be key to navigating the months ahead.

Background:

Zee Entertainment Enterprises Ltd. (ZEEL) is one of India's leading media and entertainment companies, operating across television broadcasting, digital content, films, music, and live entertainment. Founded in 1992 by Subhash Chandra, Zee became a household name in India and has expanded its reach to over 190 countries.

**Company Profile:**

ZEEL is a major player in the Indian media landscape with a diverse portfolio of entertainment channels, digital platforms like ZEE5, and an extensive library of movies, TV shows, and music. The company also holds significant market share in several regional markets, making it a cornerstone of Indian entertainment.

Irregularities and Controversies:

Corporate Governance Issues: Zee has faced multiple allegations regarding weak corporate governance practices. The company came under scrutiny when its promoter group, led by Subhash Chandra, faced debt challenges, leading to a pledge of promoter shares and concerns over potential conflicts of interest in corporate decision-making.

Management Disputes: In 2021-2022, ZEEL faced significant management disputes when major shareholders, including Invesco, demanded the removal of certain directors, including the CEO, citing governance lapses. The ensuing legal battles and boardroom conflicts highlighted the fragility of its corporate structure.

Financial Irregularities: Zee has been under the radar for alleged financial irregularities, including questions about its related-party transactions, asset sales, and transparency in financial disclosures.

Delayed Merger with Sony: The long-pending merger with Sony Pictures Networks India has faced multiple regulatory and legal hurdles, adding to uncertainty over Zee's strategic direction and stability.

Share Price Movement of Zee Entertainment Enterprises Ltd. (ZEEL) Over Recent Years

Zee Entertainment's share price has faced significant volatility in recent years due to several factors, including corporate governance issues, management disputes, and the delayed merger with Sony Pictures Networks India. Over the past 12 months, the share price has decreased by approximately 50.36%, reflecting market concerns about the company's future strategy and stability. The stock hit a 52-week low of INR 125.50 in June 2024 and had a high of INR 299.70 in December 2023.



Share Price Movement of Zee Entertainment Enterprises Ltd. (ZEEL)

Conclusion:

Zee Entertainment's story provides a compelling case study in the challenges of balancing growth with governance, especially in a high-stakes industry like media. For investors, it emphasizes the importance of understanding both the business fundamentals and corporate governance framework when considering investments in publicly traded companies.

1. Which sector showed the strongest performance in the Indian stock market during July 2024?

- A) Information Technology B) Pharmaceuticals
C) FMCG D) Banking and Financial Services

2. Which is the bias in which investors experience a pain of loss more than joy in an equal gain

- A) Halo effect B) Loss aversion
C) Endowment bias D) Overconfidence bias

3. Which of the companies shall raise debt for expansion?

- A) Start up B) Matured company
C) Growing company D) Tech company

4. Which of the bonds is beneficial for the issuer?

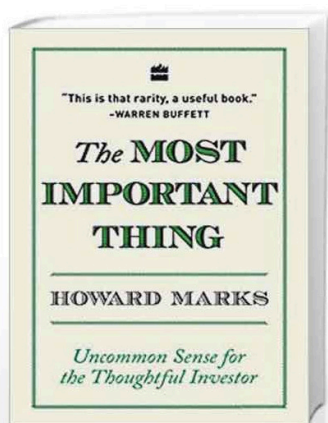
- A) Putable bonds B) Vanilla bonds
C) Callable bonds D) Zero coupon bonds

Question of month

Which of the following is a soft commodity

- a) Gold b) Crude oil
c) Aluminium d) Soyabean

Book of the Month !


INX
SSET

Answers to Quiz

Answer 1 : B) Pharmaceuticals

Answer 2 : B) Loss aversion

Answer 3 : B) Matured company

Answer 4 : C) Callable bonds

Answer to Question of the Month

A. d) Soyabean

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