



BREAKING NEWS

The Bull Run has come to an end!



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Anirudh Garg, Fund Manager, INVasset PMS in an exclusive interview with CNBC Awaaz - Discussing Market Dynamics

13th Nov, 2024



“ The Bull Run has come to an end ”

Anirudh Garg, our Fund Manager, appeared on CNBC Awaaz to discuss the burgeoning investor participation in Indian markets. He also tackled the recent Nifty corrections and how current inflation figures have posed challenges to the financial markets. Anirudh raised concerns about the high valuations of midcap and small cap stocks, suggesting a strategic pivot towards more stable large cap and low beta stocks to navigate the volatility. His insights reflect a deep understanding of market dynamics and the need for a cautious approach in today's economic climate.

for the complete interview click on the link - <https://www.youtube.com/watch?v=GOYomLThWhs&t=321s>

Small and Midcap : Rising Volatility Ahead ?

18th Nov, 2024

Anirudh Garg, Fund Manager, INVasset PMS in an exclusive interview with ET Markets Editor Mr. Kshitij Anand



“ Keep your Risk Reward Ratio in place and aim for Long Term Investing ”



for the complete interview click on the link - <https://economictimes.indiatimes.com/markets/etmarkets-live/small-midcap:-rising-volatility-ahead/streams/streamid-npnftqig66.cms>

Daily Voice: Anirudh Garg, fund manager, INVasset is strategically accumulating positions in healthcare, consumer staples in recent market pullback. Healthcare and consumer staples provide a cushion during downturns as their products remain essential regardless of economic swings, said Anirudh Garg of INVasset PMS.

November 06, 2024

Anirudh Garg in an interview with Sunil Shankar Matkar of Daily Voice

With the recent market pullback, "I'm strategically accumulating positions in sectors that historically show resilience, like healthcare and consumer staples," Anirudh Garg of INVasset PMS said in an interview to Moneycontrol.

According to him, these sectors provide a cushion during downturns as their products remain essential regardless of economic swings. He is cautiously optimistic about the banking sector. "With improving asset quality and easing NPA pressures, banks are positioned to benefit as credit demand picks up in a recovering economy. Recent corrections have also created appealing valuations in this sector, making it a good entry point," said the Partner and Fund Manager at INVasset PMS, who has over 17 years of research experience in the stock market.

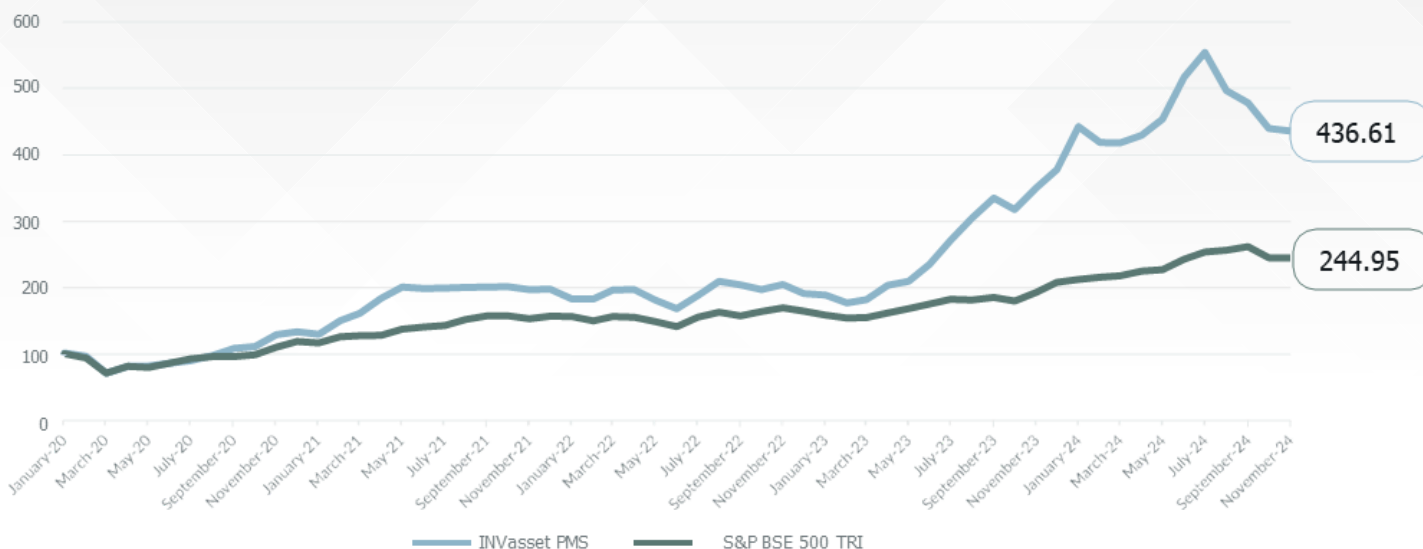
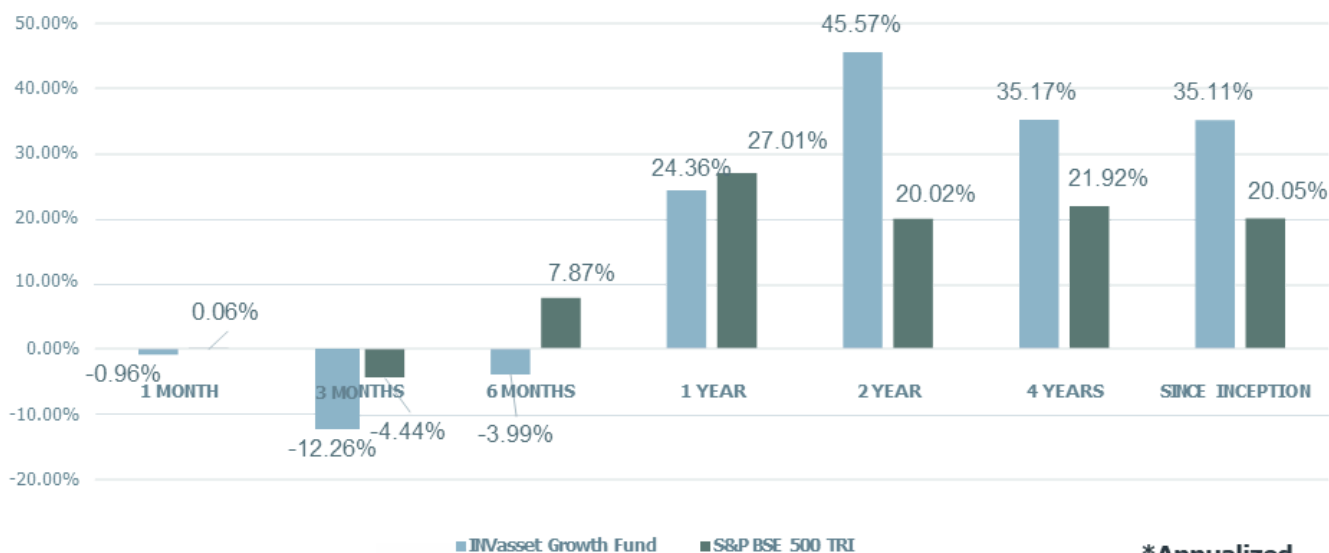
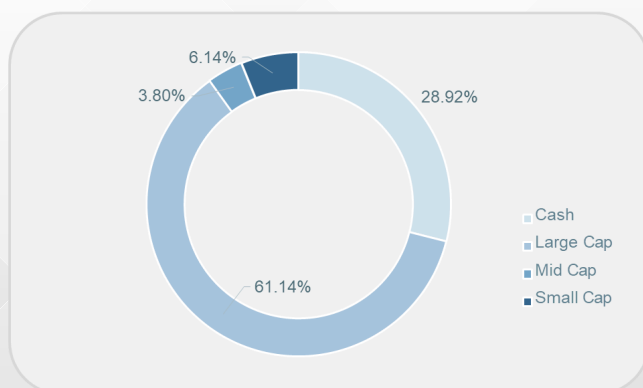
Which sectors have you started accumulating, given the significant correction since October?

With the recent market pullback, I'm strategically accumulating positions in sectors that historically show resilience, like healthcare and consumer staples. These sectors provide a cushion during downturns as their products remain essential regardless of economic swings. This defensive sector allocation helps balance the portfolio, positioning it for both stability and future upside as market conditions improve.

Do you expect the equity market to recover soon?

While I avoid making short-term market calls, there are indications that the equity market could recover, supported by improving economic fundamentals and potential monetary adjustments. Historically, markets have tended to bounce back after corrections, especially when there's positive momentum in the economy. External factors like geopolitical developments and inflation trends will also play a role, so a cautious, long-term approach remains advisable. Staying diversified and focusing on quality investments is key during such uncertain times.

for the complete interview click on the link - <https://www.moneycontrol.com/news/business/markets/daily-voice-this-fund-manager-is-strategically-accumulating-positions-in-healthcare-consumer-staples-in-recent-market-pullback-12858940.html>

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%
Reliance Industries Ltd.	5.67%
Tata Consultancy Services Ltd.	4.99%
HDFC Bank Ltd.	4.23%
NTPC Ltd.	3.48%
Power Grid Corporation of India Ltd.	3.21%

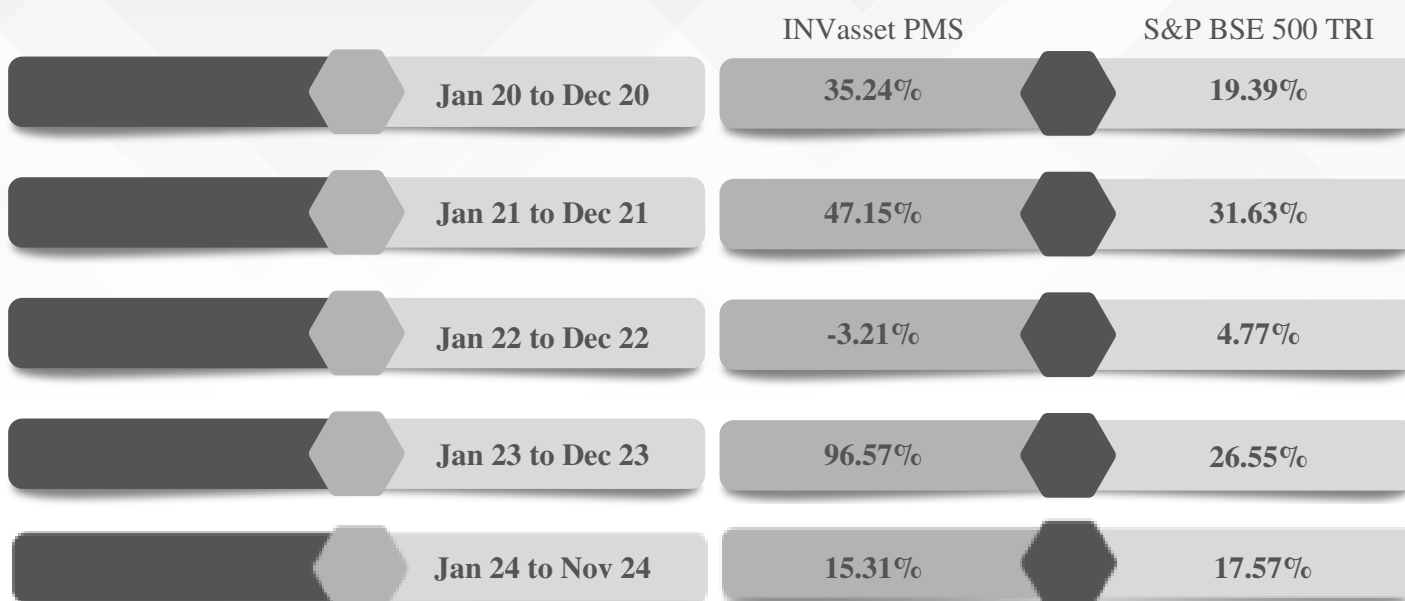
INVasset Growth PMS Fund Top 3 Sectoral Exposure

Security	Assets%
FMCG	20.50%
Finance	13.59%
IT	9.41%

INVasset PMS		S&P BSE 500 TRI		INVasset PMS		S&P BSE 500 TRI	
Month	% Absolute Return	% Absolute Return		Month	% Absolute Return	% Absolute Return	
January - 20	100	100		August - 22	11.65%	211.01	4.81%
January - 20	2.97%	102.97	0.72%	September - 22	-2.71%	205.30	-3.22%
February - 20	-4.63%	98.20	-6.42%	October - 22	3.20%	198.73	4.09%
March - 20	-25.98%	72.69	-23.85%	November - 22	3.63%	205.30	3.46%
April - 20	14.42%	83.18	14.63%	December - 22	-6.47%	192.62	-3.15%
May - 20	0.79%	83.83	-2.32%	January - 23	-1.17%	190.36	-3.34%
June - 20	4.88%	87.92	8.30%	February - 23	-6.19%	178.58	-2.75%
July - 20	4.51%	91.89	7.10%	March - 23	2.64%	183.30	0.36%
August - 20	8.34%	99.56	3.91%	April - 23	11.82%	204.97	4.59%
September - 20	10.55%	110.06	-0.22%	May - 23	2.93%	210.97	3.77%
October - 20	2.70%	113.03	2.60%	June - 23	12.21%	236.72	4.28%
November - 20	15.73%	130.80	11.78%	July - 23	15.09%	272.44	3.80%
December - 20	3.40%	135.24	7.70%	August - 23	12.36%	306.12	-0.47%
January - 21	-3.02%	131.16	-1.75%	September - 23	9.83%	336.22	2.10%
February - 21	15.66%	151.70	7.93%	October - 23	-5.14%	318.93	-2.86%
March - 21	7.40%	162.93	1.27%	November - 23	10.09%	351.10	7.06%
April - 21	13.79%	185.41	0.47%	December - 23	7.84%	378.64	8.04%
May - 21	9.15%	202.36	7.07%	January - 24	17.14%	443.53	1.92%
June - 21	-1.06%	200.21	2.12%	February - 24	-5.40%	419.57	1.66%
July - 21	0.34%	200.89	1.52%	March - 24	-0.19%	418.78	0.86%
August - 21	0.51%	201.91	6.60%	April - 24	2.73%	430.23	3.44%
September - 21	0.14%	202.20	3.41%	May - 24	5.70%	454.77	0.83%
October - 21	0.25%	202.71	0.30%	June - 24	13.11%	514.38	7.05%
November - 21	-2.11%	198.42	-2.90%	July - 24	7.88%	554.91	4.44%
December - 21	0.30%	199.01	2.36%	Aug - 24	-10.32%	497.63	0.96%
January - 22	-7.41%	184.27	-0.38%	Sep - 24	-3.77%	478.87	2.09%
February - 22	0.09%	184.45	-3.94%	Oct - 24	-7.94%	440.83	-6.45%
March - 22	7.41%	198.11	4.24%	Nov - 24	-0.96%	436.61	0.06%
April - 22	0.16%	198.42	-0.57%				
May - 22	-7.97%	182.62	-4.16%				
June - 22	-6.89%	170.03	-5.08%				
July - 22	0.09%	189.00	9.76%				

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



Financial Year Returns



Ratios & Risk (as on Nov, 2024)



CAGR (since inception)



Physics Meets Economics, and the Results Are Spine-Chilling!

Imagine you're sipping your morning coffee, checking stock prices. Some are up, some are down—business as usual. But one headline stops you cold: **“Crude Oil Closes at -\$37.63 Per Barrel!”**. Negative oil prices? Is that even possible? Welcome to the eerie realm of commodity trading, where physics and economics collide to create something truly unnatural: negative prices. Grab your flashlight; we’re diving into the shadowy corners of the market to uncover how this happens and why it’s not as rare as you might think.

The Rules of Commodities: Physics Doesn't Care About Your Deadlines

Commodities are the lifeblood of our economy—crude oil fuels your car, natural gas heats your home, and electricity powers everything from your coffee machine to your Netflix marathons. But unlike stocks or bonds, commodities aren’t just abstract assets; they’re tangible goods with very real storage, transportation, and usage constraints.

Here’s the kicker: when supply exceeds demand, and there’s no room left to store these goods, the price doesn’t just drop—it can turn negative. Picture it like this:

The Creepy Case of Negative Oil Prices

The most infamous example of negative pricing came in April 2020, during the early days of the COVID-19 pandemic. As lockdowns froze economies worldwide, demand for crude oil plummeted. Producers, however, didn’t hit the brakes quickly enough. Oil rigs kept pumping, and tanker ships kept arriving. Storage hubs like the one in Cushing, Oklahoma, were bursting at the seams. Futures traders—those who had contracts to take physical delivery of oil—faced a chilling realization: they’d have to pay someone to take the barrels because there was literally nowhere to put them.

The Result? On April 20, 2020, the price of West Texas Intermediate (WTI) crude oil plunged to an unimaginable -\$37.63 per barrel. Traders who didn’t exit their contracts in time were stuck holding the bag—actually, the barrels.

Electricity’s Spooky Relationship with Negative Prices.

If crude oil’s story sent shivers down your spine, wait until you hear about electricity. Unlike oil, electricity is notoriously hard to store. Batteries exist, sure, but they’re expensive and limited in capacity. That means electricity has to be consumed the moment it’s generated. Now, imagine it’s a sunny, breezy afternoon, and solar panels and wind turbines are churning out power like there’s no tomorrow. The grid is flooded with electricity, but demand is low because everyone is out pumpkin picking. The only way to prevent the system from overloading is to lower prices—sometimes into the negatives. Yes, negative electricity prices mean that grid operators are effectively paying consumers to use power. So, next time you see a utility bill that’s higher than expected, remember: it could be worse—you could live somewhere with negative prices and not have taken advantage of it!

Why Do Prices Go Negative?

If you’re still scratching your head, wondering how this bizarre phenomenon makes any sense, let’s break it down:

1. Storage Constraints:

When storage facilities are full, producers or traders have to pay someone to take the commodity off their hands. This is most common with oil and natural gas.

2. Transportation Bottlenecks:

In some cases, moving commodities to a new location is more expensive than the commodity itself. Negative prices can reflect this logistical nightmare.

3. Perishability:

Some commodities, like electricity, can’t be stored. When supply exceeds demand, negative prices act as an incentive to boost consumption or throttle production.

4. Market Mechanics:

Futures contracts often require physical delivery. If a trader can’t accept delivery and storage is unavailable, they’ll sell at any price—yes, even negative—to avoid penalties.

Other Spooky Stories from the Commodity World

It’s not just oil and electricity that have flirted with the dark side. Let’s dim the lights and recount a few more tales of terror

Natural Gas: In some U.S. regions with limited pipeline capacity, natural gas prices have dipped below zero. Producers essentially pay buyers to take excess supply.

Recycling Commodities: Sometimes, recycling companies face negative prices for materials like glass or paper, especially if processing costs exceed resale value.

What Can We Learn from This Horror Show?

Negative prices might sound like a freak occurrence, but they’re a perfectly rational response when physical constraints meet economic realities. Here are some lessons for those brave enough to venture into commodity markets:

- 1. Plan for Storage:** If you’re trading futures contracts, always know where you’ll store the commodity if you have to take delivery. Don’t be the trader stuck holding barrels of crude with nowhere to put them.
- 2. Watch Demand Trends:** Understanding the underlying supply and demand dynamics can help you anticipate market shocks.
- 3. Understand Market Rules:** Negative prices often result from specific market structures, like delivery obligations or regulatory quirks.

Q.1: 1. What is the primary purpose of diversification in portfolio management?

- | | |
|---|---|
| A) To maximize returns regardless of risk | B) To eliminate all types of risk in a portfolio |
| C) To reduce unsystematic risk in a portfolio | D) To achieve perfect correlation between asset returns |

Q.2. According to the semi-strong form of the Efficient Market Hypothesis (EMH), which information is reflected in stock prices?

- | | |
|---|---|
| A) Only historical price and volume information | B) Publicly available information and historical data |
| C) Insider information only | D) None of the above |

Q.3 In the context of Modern Portfolio Theory, the efficient frontier represents:

- | | |
|---|---|
| A) The set of portfolios that maximize risk for a given level of return | B) The set of portfolios with the highest Sharpe ratios |
| C) The set of portfolios that minimize risk for a given level of return | D) Portfolios with equal weights in all assets |

Q.5 What is the key distinction between strategic asset allocation and tactical asset allocation?

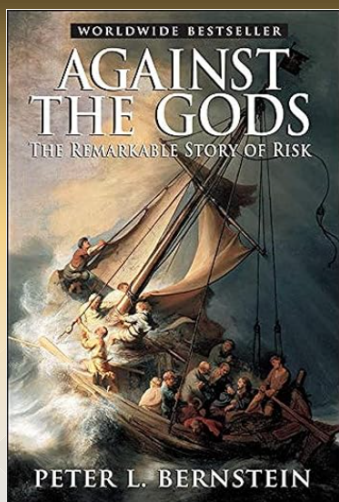
- | | |
|--|---|
| A) Strategic asset allocation involves short-term changes based on market conditions | B) Tactical asset allocation focuses on long-term investment objectives |
| C) Strategic asset allocation is static, while tactical asset allocation is dynamic | D) Tactical asset allocation ignores investor risk tolerance |

Question of month

Which of the following best describes the purpose of performance attribution in portfolio management?

- | | |
|--|---|
| A) To identify the specific assets that contributed most to overall portfolio return | B) To evaluate the impact of active management decisions on portfolio performance relative to a benchmark |
| C) To calculate the Sharpe ratio and other risk-adjusted performance metrics | D) To determine the optimal asset allocation for future periods |

Book of the Month !



Answers to Quiz

Answer 1 : C) To reduce unsystematic risk in a portfolio

Answer 2 : B) Publicly available information and historical data

Answer 3 : C) The set of portfolios that minimize risk for a given level of return

Answer 4 : C) Strategic asset allocation is static, while tactical asset allocation is dynamic

Answer to Question of the Month

B. To evaluate the impact of active management decisions on portfolio performance relative to a benchmark

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