



**MONTHLY
NEWSLETTER
JANUARY 2024**

**NEW YEAR,
AGED WISDOM**

MARKET DATA AND MACROS

Nifty 50: 21,742(7.27 % MoM)
Sensex: 72,272 (7.10 %MoM)
Nifty Bank: 48,234(7.63 % MoM)
Nifty Midcap: 46,472 (7.12% MoM)
Nifty Small-Cap: 15,226 (6.93% MoM)
Nifty PE Ratio: 23.18

Brent Crude: 77.04*
USD/INR: 83.24**
Gold(Rs/10 gms): 63352**
10-year G-sec yield: 7.20%**

**MoM" an abbreviation for "Month on Month Performance". Data as on 1st Jan, 2024

*Data as on 29th Dec
**Data as on 1st Jan, 2024



The global and Indian capital markets are currently navigating a complex landscape, marked by robust growth and emerging caution as we head into 2024. Mixed signals from core sector growth and inflation in India, along with international economic indicators, are reflective of the multifaceted economic environment.

Looking ahead, the Indian elections and global interest rates are pivotal for market dynamics. The 2024 Lok Sabha elections create political uncertainty, impacting sentiment, while global Central Banks' rate management shapes the economic outlook. Potential rate moderation is possible, but timing and extent are critical for market direction.

In a mix of optimism and skepticism, the prevailing sentiment urges balanced caution with lot of small-midcaps as well as select large caps getting into overvalued territory with lot of optimism already priced in. Emphasizing the importance of a diversified and informed approach, the market's future seems to hinge on a blend of solid domestic economic indicators and a keen eye on the unfolding political and economic events. As always, in such dynamic times, the value of thorough risk management and appropriate asset as well as sub-asset allocation cannot be overstated.



IN THE NEWS

- India's fiscal deficit grew to Rs 9.07 lakh crore by November from Rs 8.04 lakh crore by October.
- India's GDP growth for 2023-24 is expected to surpass the 6.5% estimate after strong mid-year data.
- Growth in India's eight core sectors cooled to 7.8% in November from 12.1% in October.
- India's retail inflation for industrial workers edged up to 4.98% in November from 4.45% in October.
- GST collections in India reached Rs 1.65 lakh crore in December, a change from Rs 1.50 lakh crore the previous December and Rs 1.68 lakh crore in November.
- The US Chicago PMI declined to 46.9 in December from 55.8 in November.
- China's Manufacturing PMI fell to 49.0, but the Non-Manufacturing PMI rose slightly to 50.4 in December.
- China's Caixin Manufacturing PMI ticked up to 50.8 in December from 50.7 in November.



REAL ESTATE DILEMMAS DECODED

In the vast expanse of personal finance, real estate holds a unique position. While traditionally hailed as a robust investment avenue, its actual journey is nuanced, especially in the context of India's diverse and ever-evolving real estate market. The allure of real estate extends beyond just monetary gains; it's about ownership, stability, and a personal space that resonates with one's lifestyle and aspirations.

To Buy or To Rent? The Personal Side of Real Estate: The decision to buy or rent transcends mere financial calculations; it mirrors one's lifestyle, career objectives, and personal aspirations. Examining the real estate journeys of two individuals, Arjun and Priya, and Nikhil, sheds light on the intricacies of this decision-making process.

Arjun & Priya's Journey: A Home of Their Own: Arjun and Priya, a couple residing in the suburbs of Mumbai, chose to buy a home not solely for high investment returns but to establish a stable environment for their growing family. Homeownership, for them, symbolized accomplishment, security, and a sense of belonging. Their home evolved into a cherished space, adorned with memories and personal touches that mirrored their journey and aspirations.

Nikhil's Story: Flexibility and Financial Agility: On the flip side, Nikhil, a software developer based in Bengaluru, opted for the flexibility of renting in the city center. He values the freedom to relocate as career opportunities arise and

appreciates the convenience of not dealing with maintenance issues. Nikhil strategically invests his savings across various financial instruments, seeking liquidity and better returns while enjoying the urban lifestyle that central rental living affords him.

The Asset-Rich, Cash-Light Dilemma: The challenge of being asset-rich but cash-light is common in personal finance, often due to a significant portion of net worth tied up in illiquid real estate. Addressing this involves a strategic approach to portfolio balance, with a general guideline suggesting allocating about one-third of net worth to real estate, including the primary residence. This allocation should be part of a diversified portfolio to ensure liquidity and mitigate risks against market fluctuations.

Making Informed Decisions in Real Estate Investment: Informed real estate investment starts with selecting the right location and thorough market research. Understanding long-term financial commitments, like down payments and maintenance costs, is crucial to avoid pitfalls such as over-leveraging. Seeking guidance from professionals tailored to one's situation aids in navigating complexities for sound decision-making. Real estate in personal finance, influenced by lifestyle and aspirations, requires a nuanced understanding, whether choosing homeownership for stability or rental flexibility. Successfully navigating real estate investment demands a balance between asset richness, liquidity, and informed decision-making.