



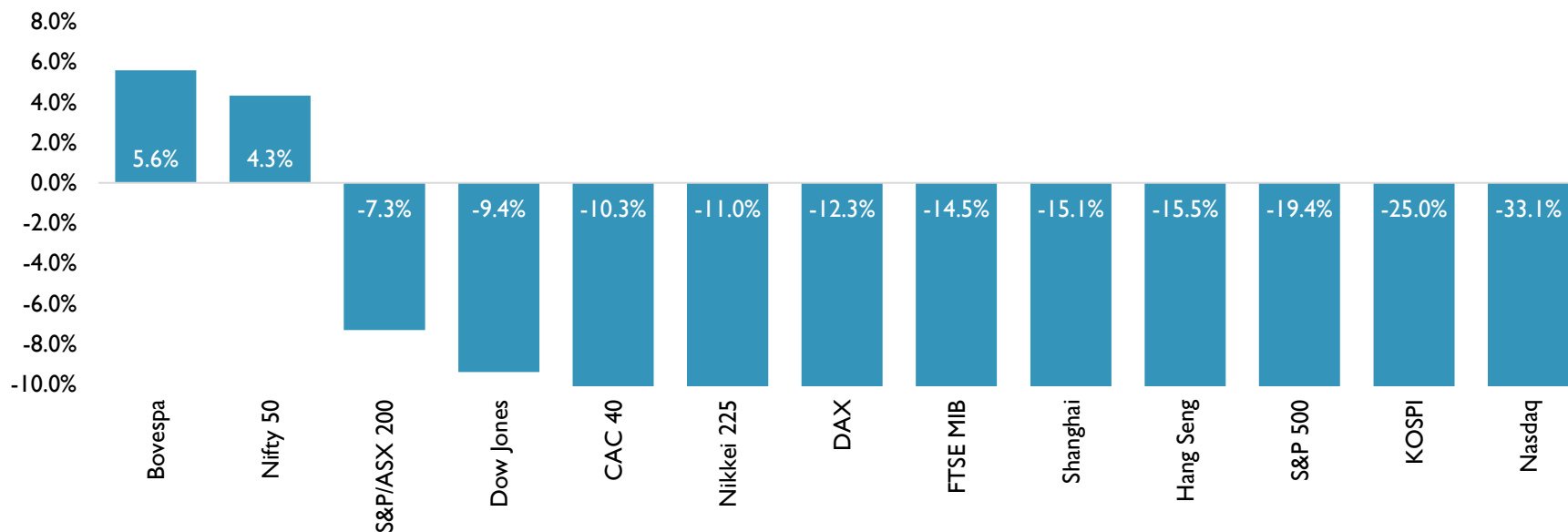
Pi Square Investments

The Market Compass

January, 2023

Global Equities Are Down \$14 Trillion

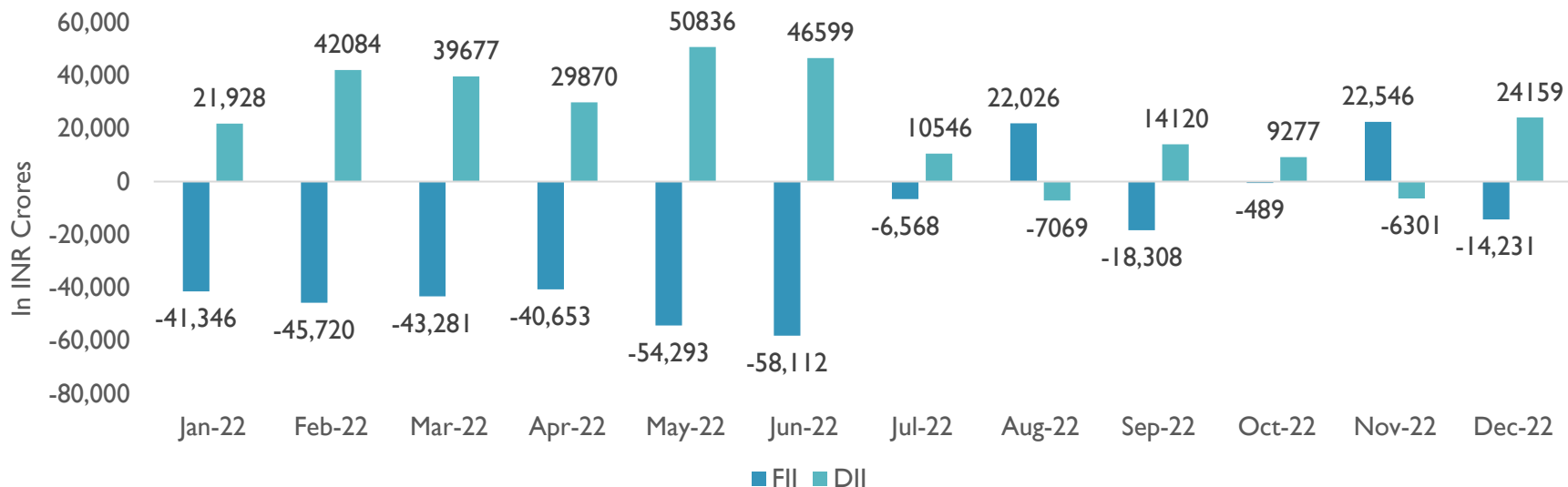
Global Indices Performance (YTD)



- In 2022, global markets faced challenges such as looming recession, high inflation, unresolved dispute between Russia and Ukraine and uncertainty over the global repercussions of rising Coronavirus cases in China.
- Indian equity has outperformed MSCI Emerging Markets by 26% YTD.

Despite Outflows, India Remains Outperformer

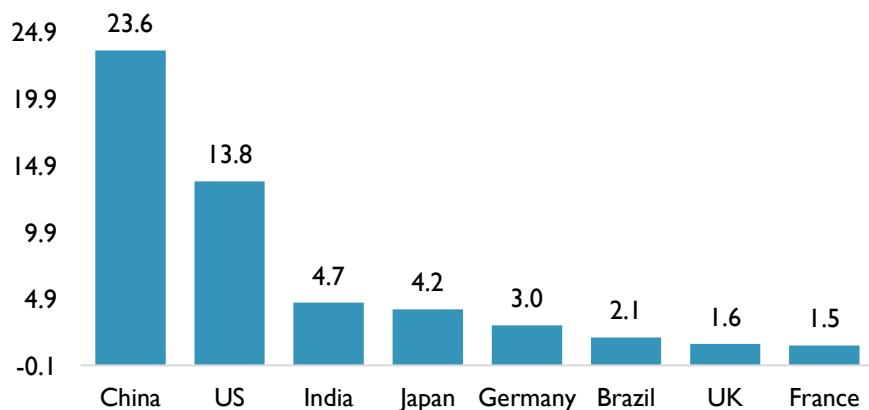
Institutional Inflows & Outflows



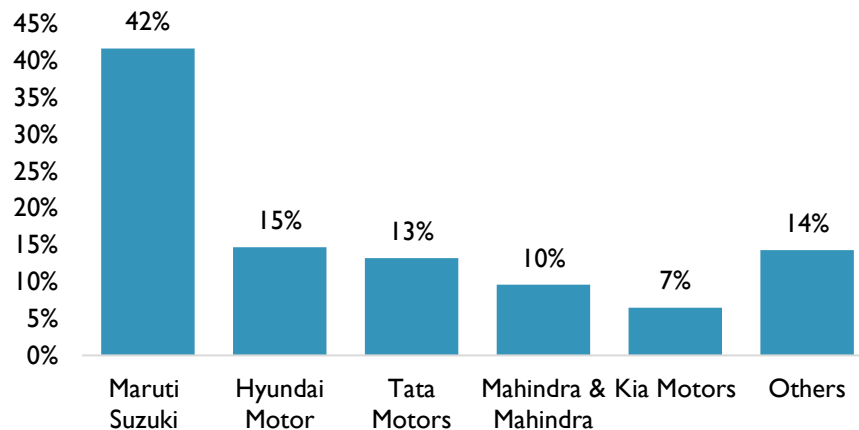
- Amid a rising interest rate cycle and depreciating rupee, FIIs have been net sellers of Indian equities to the tune of Rs 2.78 lakh crore in 2022 till date.
- FPI buying has been driven by domestic economy sectors such as financials, consumer discretionary, industrials, FMCG, healthcare and telecom. However, sectors driven by global factors such as energy and IT were sold by FPIs.

India tops Japan to become world's 3rd largest auto market

Vehicle Sales in 2022 (in mn)



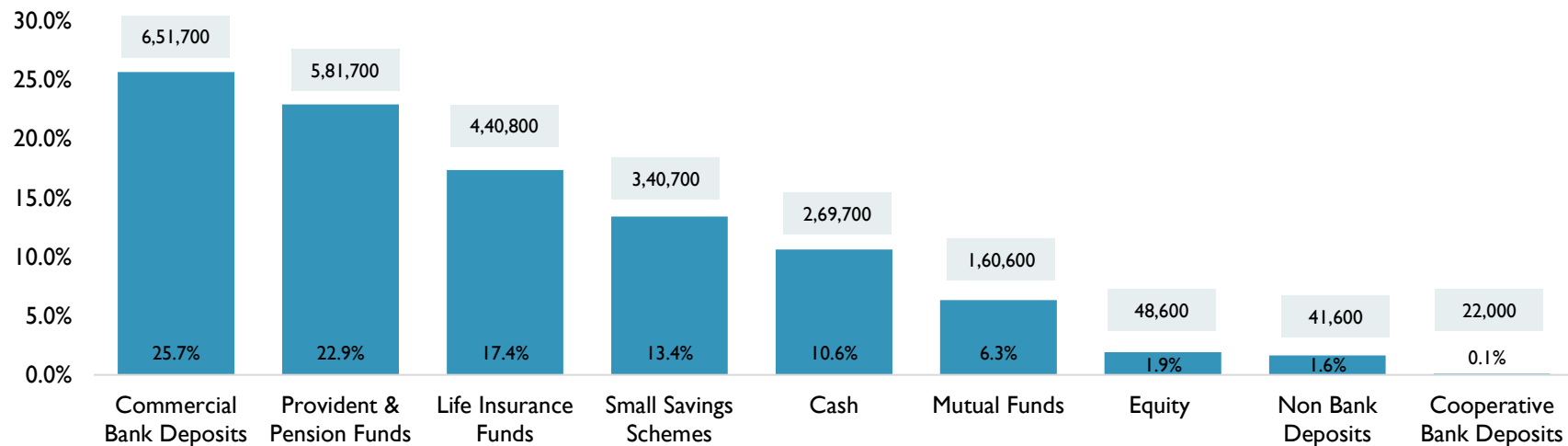
Indian Vehicle Retail Market Share



- As India's auto market grows, there appears to be a paradigm shift in motion, India is no longer a home just for small cars after pandemic, more expensive cars are growing faster in sales. India has 3,334 vehicles per million population.
- The value of the auto market in India lags behind other larger markets since vehicles here are far cheaper and the per capita vehicle ownership is low for India's population
- INR 65,000 crore investment is expected by passenger vehicle makers in India by FY25 to ramp up production capacity to cater to enhanced demand.

Bank Fixed Deposits Dominates Indian Household Savings

India's Household Investment in FY22

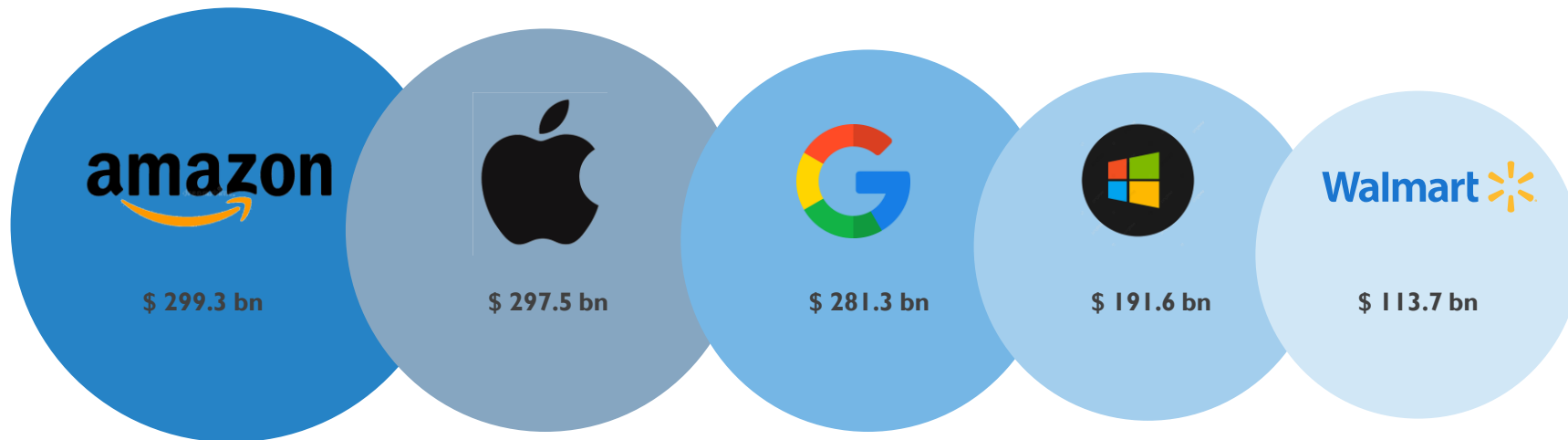


*Figures in INR crores

- India has been the fastest growing amongst the BRICS economies with a 5year average GDP growth rate of 6.1%. India's savings rate has been higher than global average with more household money flowing into the capital markets
- India's financial savings is expected to rise to INR 315 lakh crore (74% of GDP) by 2027 from INR 135 lakh crore (57% of GDP) in FY22

World's Most Valuable Brands

Top 5 Brands in the World in 2022



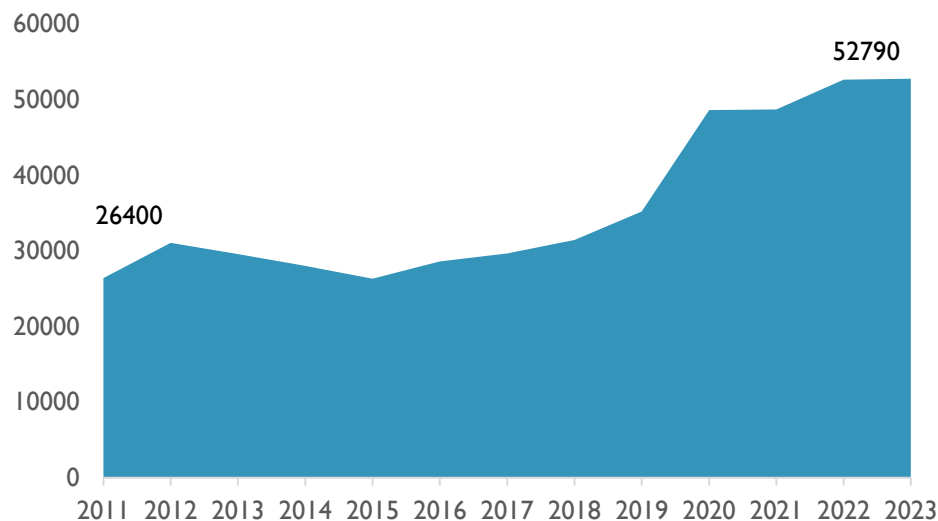
- Amazon has reclaimed the top spot as the world's most valuable brand despite its brand value falling 15% this year from \$350.3 billion to \$299.3 billion
- In all 48 tech brands featured in the ranking, two down from the 50 rated in 2022. This is after Snapchat and Twitter dropped out.
- The other tech-focused brands to lose value include Samsung Group (brand value down 7 per cent to \$99.7 billion), Alibaba.com (down 56 per cent to \$10.0 billion), Facebook (down 42 per cent to \$59.0 billion) and WeChat (down 19 per cent to \$50.2 billion).

Gold To Emerge As A Safe Haven in 2023

Indian Gems & Jewellery Industry

Market Size in 2021	\$78.50 bn
Estimated Market Size by 2025	\$100 bn
Exports (FY22)	\$39.14 bn
Players	3,00,000+
Employment	4.64 mn
India's Gold Consumption (2022)	750 tonnes
Contribution to GDP	7%
No. of Gold ETF Folios	46.57 lakh

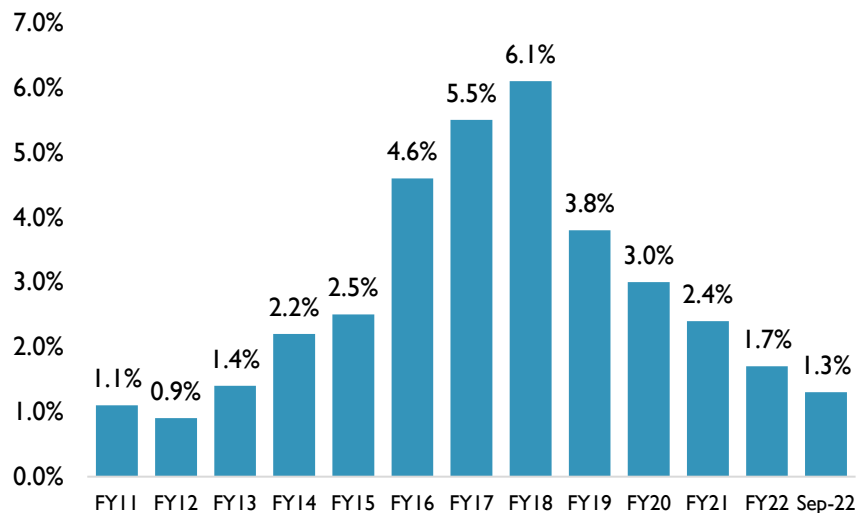
24 carat Gold Prices (Per 10gram)



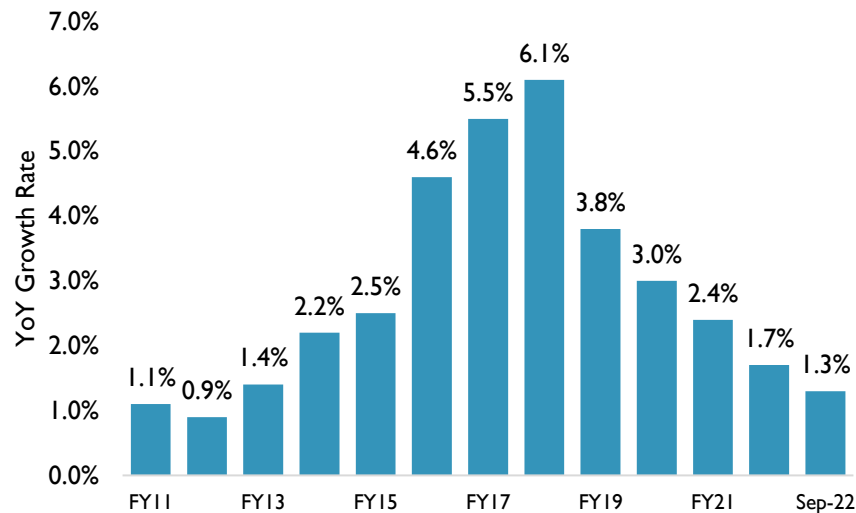
- Lingering geopolitical uncertainties driven by the Russia-Ukraine war and subsequent sanctions, rate hike in the U.S. and recession fears globally drove up international commodity prices in 2022.
- Historically, gold is seen as the safest investment during uncertain times. Gold is set to emerge as one of the most preferred savings instrument for 2023.
- India is currently the world's third-largest physical investment market for silver after the U.S. and Germany.

Golden Period For Banks

Net NPA is on the mend



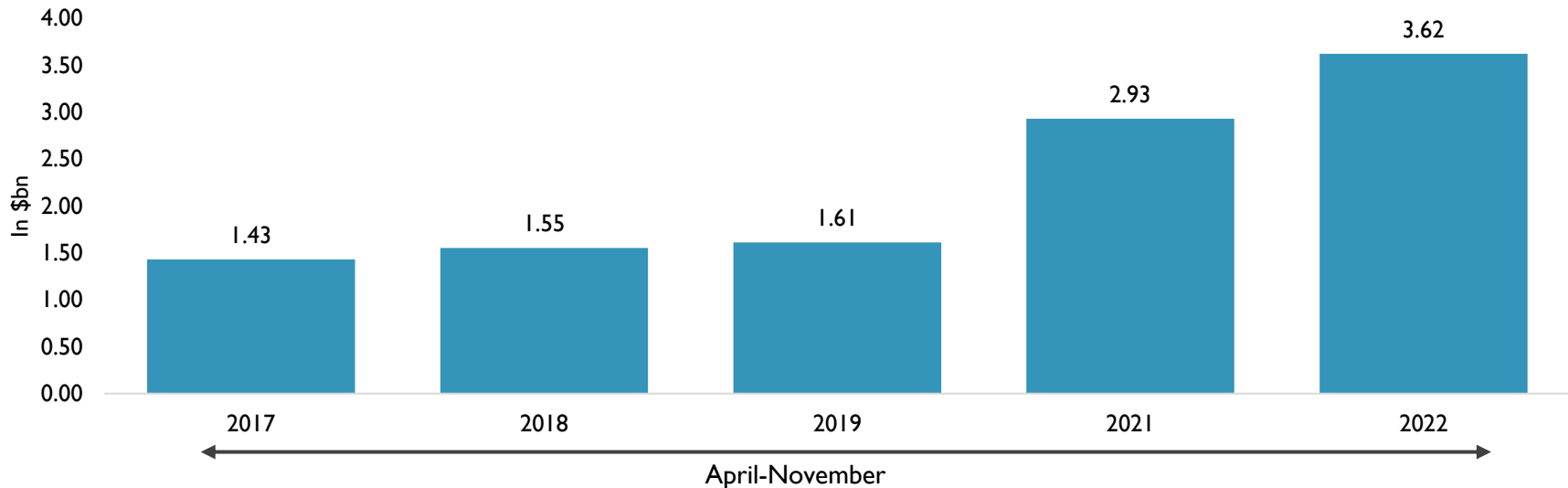
Banks Q3 Deposits Surged



- Banks reported strong growth in deposits in the December quarter following an increase in interest rates in past three months.
- Indian banks have reported an improvement in performance and a decline in bad loans following the COVID-19 pandemic. Now that the economy is recovering, credit offtake has improved significantly.
- As the numbers reveal, the banks are in a very healthy state both in terms of the book as well as the capital base. Growth rates will mimic the GDP growth, with about 20% higher numbers, so about 10-12% will be part of the course.

India's Refinery Products

Indian Oil Products Exports to US



- The US imported oil products worth \$588 million in November, raising imports to the highest levels this fiscal.
- Europe's November imports of petroleum products from India also showed significant changes, with the UK, Spain and Romania significantly reducing imports from India, while Portugal, Belgium, and Italy increased imports. The Netherlands, a hub for oil storage, imported 45% more petroleum products compared to October.
- India's purchases of Russian crude have soared after international prices surged since the start of the Russian invasion of Ukraine. As Russian oil is banned in the US and Europe, India is able to purchase it at a significant discount. India is a key Asian refining hub, with an installed capacity of nearly 250 million tonnes per annum across 23 refineries.

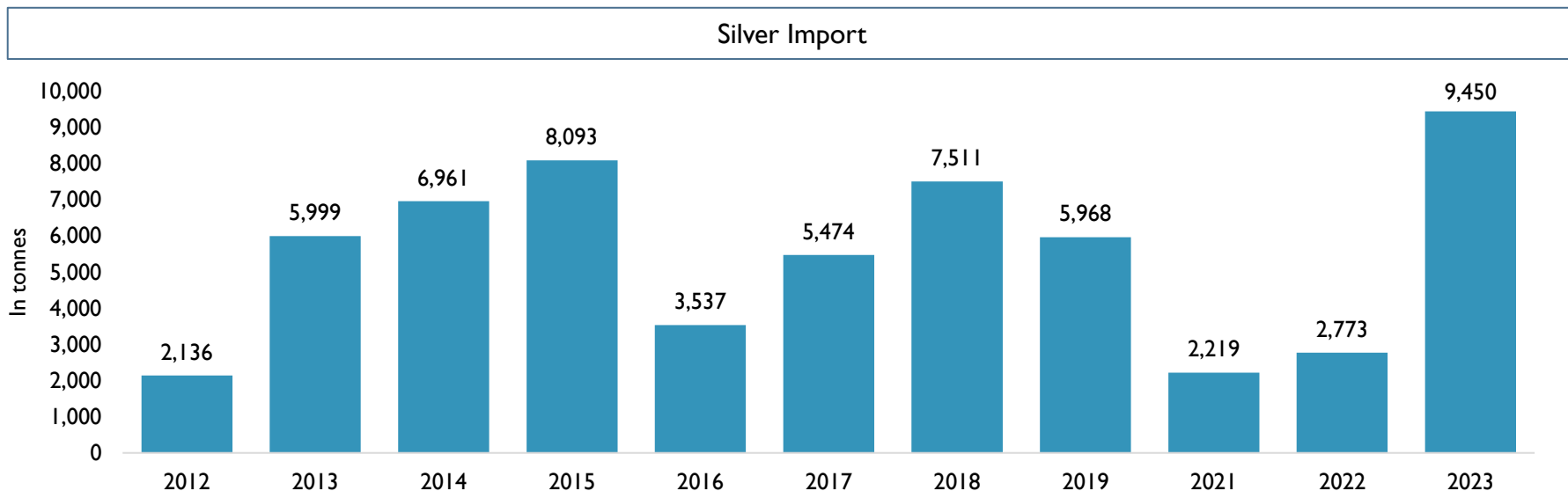
Source: Commerce & Industry Ministry

India's Silver Lining



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- https://www.business-standard.com/article/markets/india-s-silver-imports-hit-record-high-of-9-450-tonnes-in-2022-123012600638_1.html

India's Real Estate Sector



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- <https://www.siliconindia.com/news/general/indian-real-estate-investment-increased-by-32-nid-221099-cid-1.html>

About Us

Founded in 2011, Pi Square is a niche asset management firm with over a decade of experience in the listed equity space. Our fundamental, bottom-up research approach helps us identify the untapped growth opportunities. Catering to HNI, UHNI and family office clients with a wholistic approach to create consistent long-term wealth. Our research team strives to evaluate the businesses based on the 3P strategy: Product, Profits and Promoters

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Portfolio Managers Average Industry Experience

Over 600 Crore

Asset Under Management

10+

Multi-Family Office Clients

**Global Equity
Market Leader**

More than 300

Clients Pan India

10 Years

Proven Track Record

7+

Product Offerings

Strategic Allocation & Actively Managed

Asset Management Team



VISHRUT PATHAK
CHIEF INVESTMENT OFFICER

Vishrut completed MBA from St. John's University, with specialization in International Finance and has a PGD from New York university in Financial Statement Analysis. Over 20 years of investment management and corporate finance experience.



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SENIOR RESEARCH ANALYST

Abhijit is a finance graduate from the University of London. He has a history of working in the financial markets as well as the financial services industry for over 6 years.



HILONI GANDHI
RESEARCH ANALYST

Hiloni has an experience of 2 years working in financial services Industry. She has an internship experience at global firms like ANG advisors and Duff & Phelps



MAITRI PARIKH
RESEARCH ANALYST

Maitri has an experience of 4 years working in financial services Industry. She has a comprehensive understanding of financial statements.



MEGHA HARIRAMANI
FUND MANAGER




Megha has an experience of more than 9 years of progressive experience in portfolio management and investment analysis. She has a sound understanding of industry macros and works with fundamental research team build the GARV matrix.



PARTH RAVAL
TECHNICAL RESEARCH HEAD

Parth is a technical analyst with more than 7 years of experience in financial markets. He has a sound knowledge of portfolio performance reporting.

Reach out to us

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