

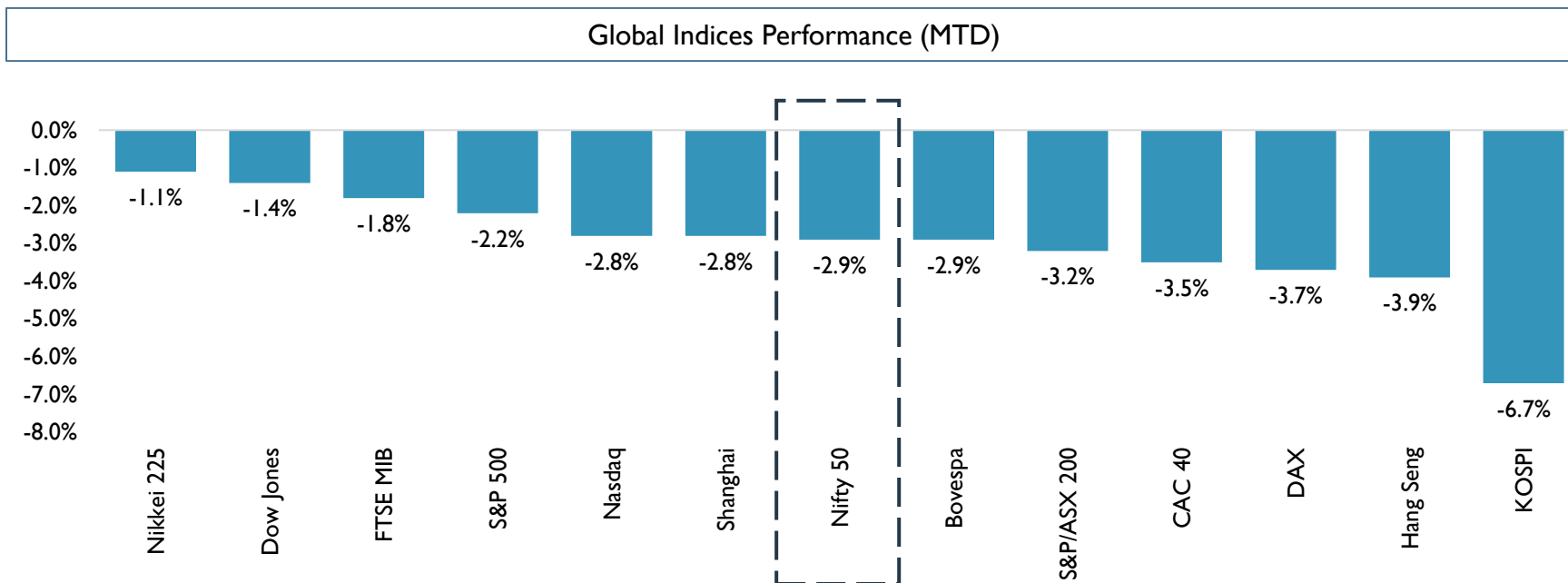


Pi Square Investments

The Market Compass

October, 2023

Global indices performance



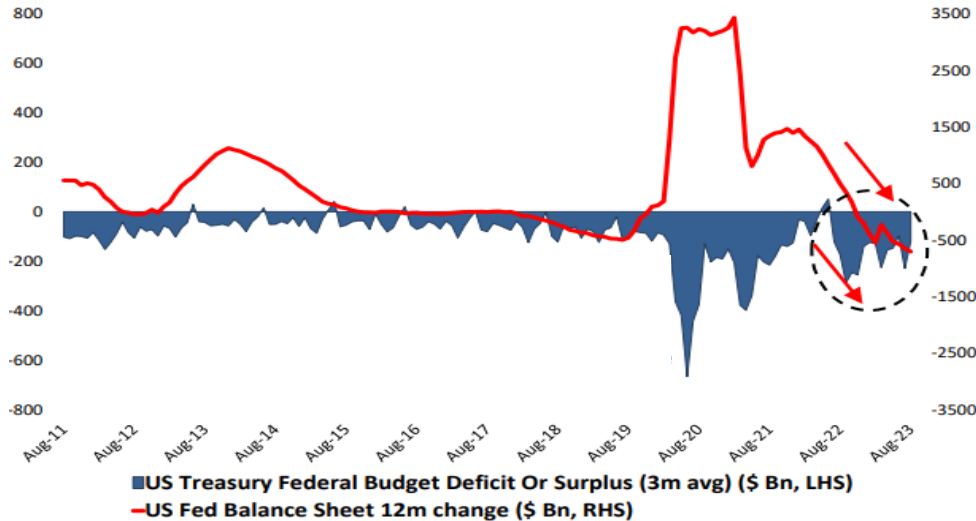
Note: Data as of 31st Oct, 2023

- The escalating Israel-Hamas conflict led to a disruption in global markets last month.
- Rising bond yields across the world also pushed the global markets down, the benchmark US treasury yields hit a 10-year high. The US Federal Reserve, the Bank of England, and other central banks in Europe have warned about more interest rate hikes to come further as inflation concern mounts.
- Nifty 50 had its first negative October since 2018

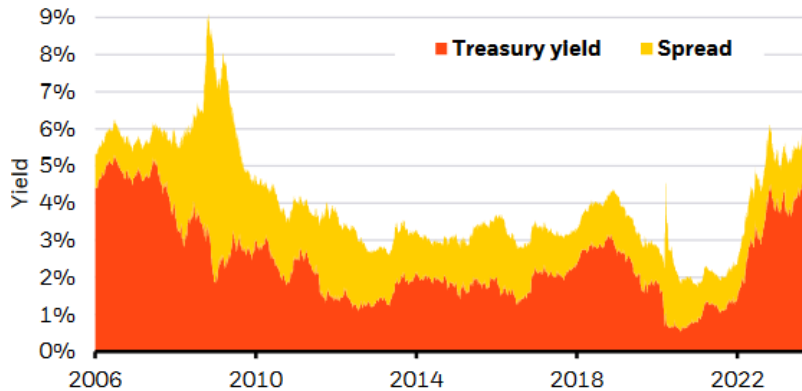
Source: Investing.com

U.S Yield Surges

US treasury Fed Budget & Fed Balance



US treasury yield & spread

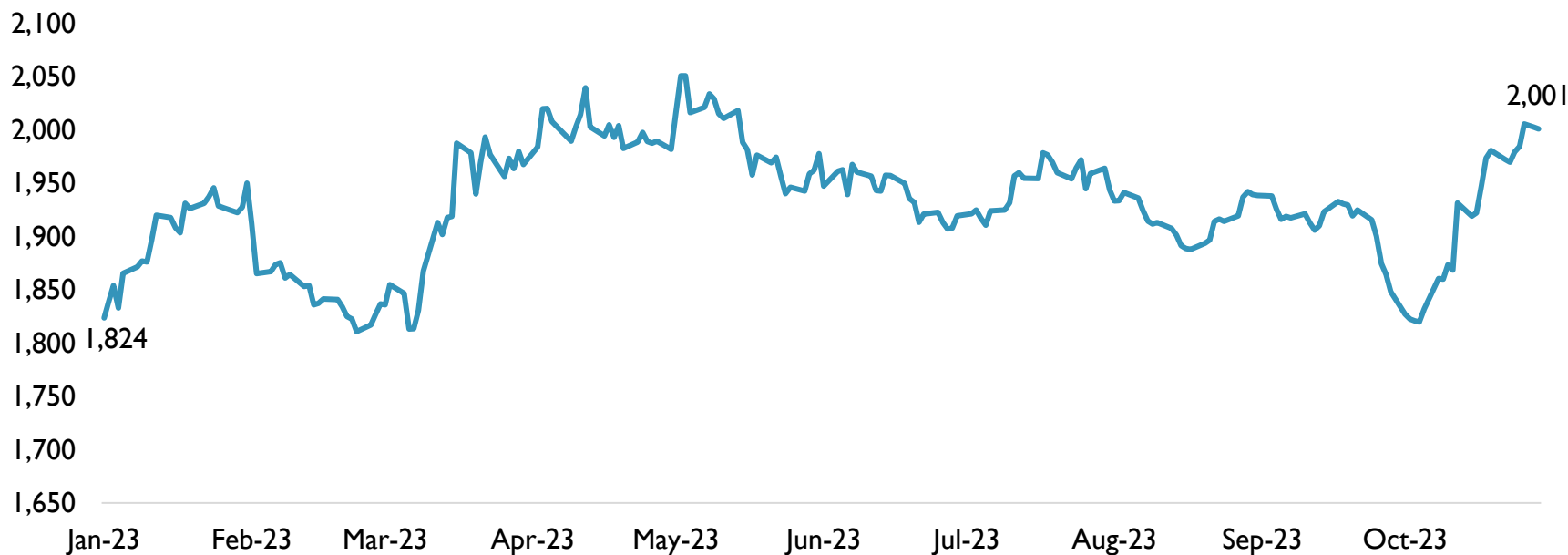


Source: Blackrock, FRED

- In the last 6 months US Treasury has borrowed ~\$801bn, while US Fed has reduced its balance sheet by \$584bn. One of the largest divergence on record since Fed began unconventional bond purchases in 2008.
- One reason why yields have risen and are volatile is that this is the first time US Fed is selling bonds via quantitative tightening when US fiscal deficit is high and borrowing is close to monthly records.
- The yield surge will be driven by expected policy rates nearing a peak and rising term premium, 10-year yields is expected to reach 5% or higher on a longer-term horizon.
- The Fed is likely nearing the end of its fastest hiking cycle since the 1980s after raising rates into restrictive territory.

Gold rises amid Israel-Hamas conflict

Gold prices are up 8% in the last month

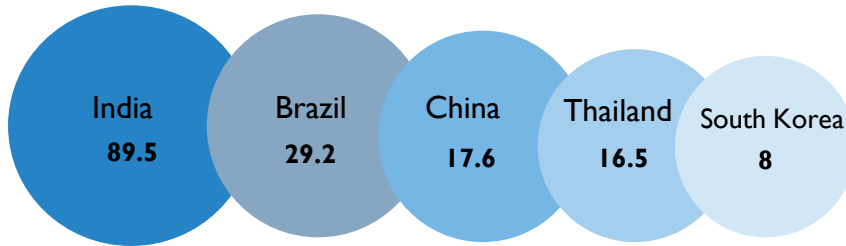


- The Israel-Hamas war has led investors globally to invest in safe assets like gold, and with the recent expectations of change in interest rates by the US Federal Reserve, gold prices have been on a rise.
- The gold market is expected to experience a shift, with prices likely to continue their upward movement as the conflict unfolds and global dynamics respond to this crisis.

Source: Investing.com

UPI is going places

Top 5 real-time payment markets by no. of transactions in bn



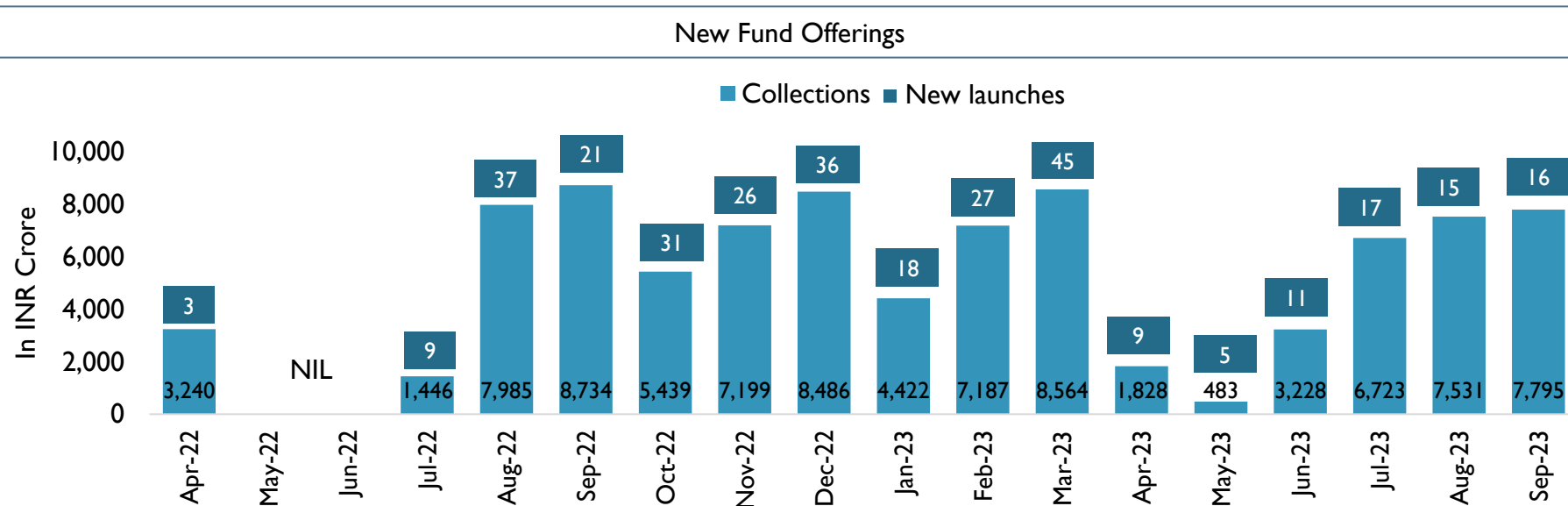
Use of UPI out of India



- Following UPI's local success, NPCI has set up "NIPL" to take payment system outside India. Since the NIPL & RBI has partnered with financial entities in over 30 nations to expand UPI-based transactions beyond India's borders.
- India falls behind on per capita terms due to high population but is close to top on per-capita real time transactions, ahead of Netherlands & the UK.
- In India real time transactions are projected to grow from 89bn in 2022 to 235bn in 2027.

Source: FIS Worldplay's 2023 Global Payment Report

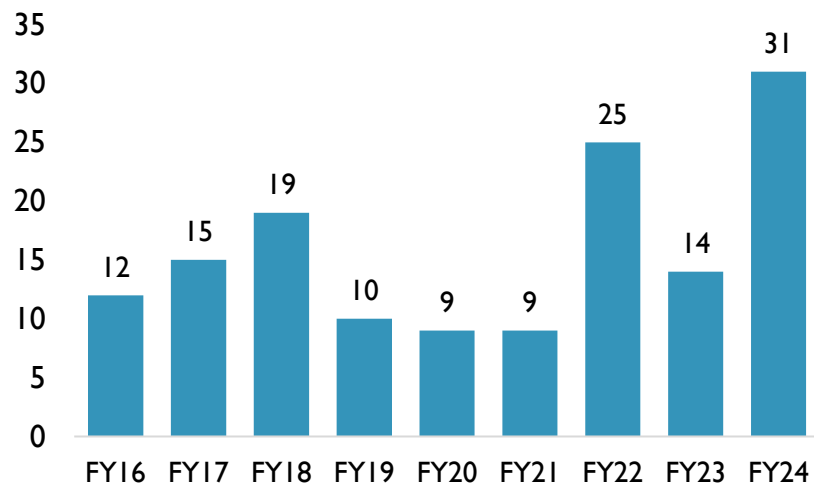
Launch of new schemes by mutual funds has decelerated



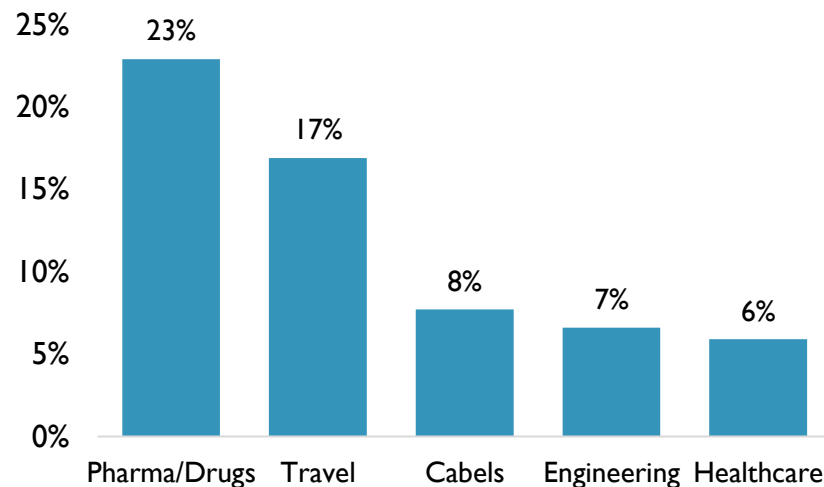
- The launch of new schemes by mutual funds has decelerated due to changes in debt fund taxation, from April this year. The indexation benefits available on LTCG generated from debt mutual funds (as well as all mutual funds with not more than 35% exposure to equity shares of domestic company) was scrapped.
- In FY23, there were a total of 79 active and 64 passive debt fund launches, in comparison, there have been only 7 debt fund launches in FY24 so far.
- With debt funds losing their tax advantage, MFs have been banking on higher offtake for hybrid schemes. MFs introduced 9 schemes in various hybrid categories, primarily in the balanced advantage, multi-asset and arbitrage spaces in FY24

India's IPO market rebounds in FY24

No. of IPOs in first half of every year



Top 5 sectors share in total IPO



- The demand for IPOs has seen a significant surge this year, in sharp contrast with the tepid response to public issues in 2022. India leads globally in IPO count and ranks 8th in issue proceeds in 2023, with no cross-border deals.
- 31% surge in retail participation was seen in H1FY24 as compared to the full year of FY23 with an average of 1mn applications.
- 100+ SMEs went public raising ~INR 2,825 Cr.

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

11+ Years

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.



ABHIJIT SINHA
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



HRISHIT JHAVERI
RESEARCH ANALYST

Hrishit is a certified financial planner and gold medalist in the field of commerce from Ahmedabad University. He has a prior experience of 1.5 years working as a quant analyst.



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.



DEEP SHAH
TECHNICAL ANALAYST

Deep is a B.Com (Hons.) graduate from GLS University. He has cleared Chartered Wealth Manager affiliated by the American Academy of Financial Management. He is skilled in technical analysis with over 2 years of experience in the Indian markets.

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