

## WEEKLY SPOTLIGHT – 30<sup>TH</sup> SEPTEMBER 2024

### INDIAN MACRO NEWS:

- [India's forex reserves surged to a new record high as of the week ended September 20, 2024:](#)

India's foreign exchange reserves continued to rise for a sixth straight week to a record high of \$692.3 billion as of September 20. The reserves rose by \$2.84 billion in the reporting week, after having risen by a total of \$19.3 billion in the prior five weeks.

For the same period, the rupee saw its best week of 2024, to a more than two month high of 83.48, aided by the 50 basis-point rate cut by the U.S. Federal Reserve as well as inflows into local stocks and bonds.

- [September logs the highest FII inflow YTD:](#)

FPIs invested ₹57,359 crore worth of Indian equities, and the net investment stood at ₹91,702 crore as of September 27, taking into account debt, hybrid, debt-VRR, and equities. The month also witnessed key benchmarks marking new high on a consistent basis.

The interest rate differentials between US and India are expected to attract more FPI inflows. However, the monetary and fiscal stimulus implemented by China is expected to stimulate the Chinese economy and the Chinese stocks listed in the Hong Kong market. If the outperformance of Hang Seng continues, more funds may flow to Hong Kong since that market continues to be cheaper than India's equity market. The estimated P/E Ratio for Hong Kong Stock Market is 16.46 and that of India's is 27.7 (based on MSCI Hongkong and MSCI India Indices).

### INDIAN EQUITY MARKETS:

- [PB Fintech's foray into the healthcare sector:](#)

The company is evaluating some opportunities in the healthcare space but nothing has been finalised. Brokerage firms have given mixed reviews, some pointing out that the entry in the healthcare space marks a shift for PB Fintech from its current asset-light model into a more asset-heavy space and that the healthcare business is fragmented and has high operational costs. Meanwhile on the positive side, entry barriers for new entrants in the healthcare space remains low, hospitals can generate healthy returns of 15-25%, which is significantly higher than PB Fintech's current investment yield. The management is also expected to remain disciplined going by the limited cash burn undertaken by the company in the past.

However, the stock saw heavy selling in the last week, closed at Rs 1640 on Friday, down by 15%. 1 year stock price return is 106.5%.

- **SEBI's study outcome on F&O Trading in FY24:**

Sebi's study found that only 7.2% of individual F&O traders made a profit over the last 3 years, with the average per person profit at Rs 3 lakhs. The remaining 93% made an average loss of Rs 2 lakhs for the same period, a combined net loss of Rs 1.81 lakh crore.

In terms of future versus options traders, the options segment represents 99.4% of all F&O traders. The percentage of individual traders making losses in futures contracts is constantly lower than those making losses in options contracts. In FY24, about 60% of traders made net losses in futures, compared to 91.5% in options.

The number of retail traders on Dalal Street has almost doubled in two years from about 51 lakhs in FY22 to about 96 lakhs in FY24. The proportion of young traders (age of less than 30 years) has increased significantly from 31% in FY23 to 43% in FY24 and the percentage of loss-makers for this category was higher - 93% in FY24 as compared to other age groups.

The Sebi study is based on top 15 brokers, which account for nearly 90% of total individuals and about 75% of the individual client-level turnover in NSE equity F&O segment during FY24.

## GLOBAL NEWS:

- **China launches late stimulus push to meet 2024 growth target:**

The world's second-largest economy has been facing strong deflationary pressures due to a sharp property market downturn and weak consumer confidence with economic numbers failing to meet analysts' expectations in most periods.

The central bank, the People's Bank of China, has cut short-term interest rates by 20 bps and rates on existing mortgages, reduced minimum down payments for housing purchases, and freed the country's state-controlled commercial banks to lend a larger proportion of their assets. The reserve requirement ratio will be cut by 50 bps in the near future and would also lower the interest rates of existing mortgage loans and unify the down payment ratios for mortgage loans. The central bank also made it easier for banks to lend to companies to repurchase their shares, as well as to major shareholders to buy larger stakes in companies. Both moves typically bolster stock prices.

- **Commodity**

- **Gold** - International gold prices rose by 1.38% to close at \$2,659/Oz
- **Silver** - International silver prices rose by 1.49% to close at \$31.6/Oz
- **Brent Crude** - International crude oil prices fell by 2.81% to close at \$71.8/bl.

Key Benchmarks			
INDEX	27th Sep'24	20th Sep'24	Change%
SENSEX	85,572	84,544	1.22%
NIFTY 50	26,179	25,790	1.51%
NIFTY Bank	53,834	53,793	0.08%
NIFTY Mid Cap 150	22,361	22,256	0.47%
NIFTY Small Cap 250	18,399	18,464	-0.35%
US 10 Yr. bond yield	3.75%	3.74%	1 bps
India 10 Yr. bond yield	6.75	6.76	-1 bps
INR/USD	83.72	83.48	0.31%

Latest Indian Economic Numbers			
Name	Value	Name	Value
Nominal GDP- Q1FY25	Rs 82.50 lakh crore	Nominal GDP- Q4FY24	Rs 78.28 lakh crore
CPI (Aug'24)	3.65%	CPI (July'24)	3.54%
WPI (Aug'24)	1.31%	WPI (July'24)	2.04%
Mfg. PMI (August'24)	57.9	Mfg. PMI (July'24)	58.1