



January 2023

WealthBulletin

Hi Reader 🙌

Greetings and Welcome to WealthBulletin!

A wild start to the year for investors as the benchmark indices saw quite the roller-coaster ride, with Adani and Hindenburg Research serving up a juicy drama. All of this leading to **Nifty 50** closing in the red for the month. Talk about starting 2023 off with a bang!

In this release, we deep dive into the annual financial budget for FY 2023-24 from an investor's eye, insightful commentary by WealthBasket Curators on it and major news highlights of the month. We have also discussed some not-so-common investing terms along with a surprising "Did you know" and a featured question from a subscriber!

We are also proud to announce new partnerships we forged this month, increasing our conviction on building a platform to democratise investing.

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NewsBaskets

01

India became first country in the world to fully implement T+1 (Trade-plus-one) settlement cycle

India became the first country in the world to fully implement the T+1 settlement cycle for investors in top-listed securities. Aside from China which is partly under the T+1 settlement cycle, most international markets such as the US, Europe, and Japan are still under the T+2 settlement cycle.

The T+1 settlement cycle ensures that the stocks bought from Indian bourses will now be delivered into the demat account of investors within 24 hours of initiating a trade.

This move will improve liquidity, reduce transaction cost and the number of outstanding unsettled trades on the exchanges.

02

Adani Group stocks face huge sell-off after Hindenburg Research report

Hindenburg Research, a New York based investment research firm, released a report on 24th January alleging that the [Adani Group](#) of companies has been engaging in a brazen stock manipulation and accounting fraud scheme over decades.

After the release of this report, Adani group of companies lost a significant market share and Adani Enterprises cancelled its FPO. At the same time, Credit Suisse, a leading bank, has stopped accepting bonds of the Adani group for margin loans.

03

Major car manufacturers saw double-digit sales growth in the first month of the new year.

After a year of facing issues due to global supply chain disruption, major car manufacturers saw double-digit sales growth in January due to good demand from domestic consumers.

Amongst the listed players, [Maruti Suzuki](#) grew 11.7% YoY, and [Tata Motors](#) grew 18% YoY and [M&M](#) saw a growth of 65% YoY in sales for the month that went by.

BlogBaskets 🖋️



STOCK MARKET

Budget 2023: From an Investor's eye

Our honourable finance minister Smt. Nirmala Sitharaman presented the annual financial budget on 1st February 2023 with the vision of Amrit Kaal which is based on 3 pillars viz **Opportunities for citizens with focus on youth, Growth and Job Creation and, strong and Stable Macro-economic Environment**. The overall effect of these three pillars and its 7 priorities will eventually lead India to become a stronger economy with higher growth rate and domestic consumption in the upcoming future, thus vetting the earlier commitment by government to make India a \$5 Trillion economy by FY2026.

In this BlogBasket we will try to understand the implication of budget from an investor's point of view taking into account key sectoral outlays and policies and their implications on the broader economy and markets. Click [here](#) to read more.



Did You

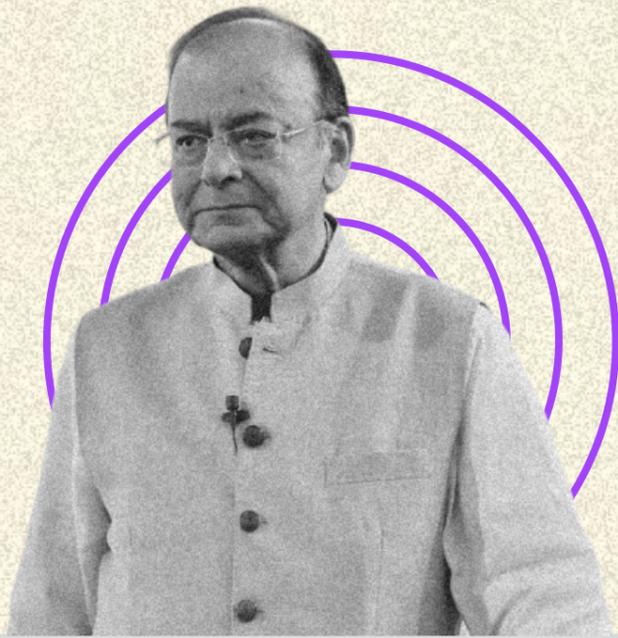
Know?

The volatility range in **Nifty** on the budget day between years 2013-2022 has been 1.5 times to 3.7 times that of the average volatility over 1 month period preceding the budget day.

Repeating the history once again this year, the benchmark index moved in a range 3.2 times that of average volatility over 1 month period preceding the budget. Click [here](#) to know more.



P. Chidambaram



Arun Jaitley



Niramala Sitharaman

Range = High minus Low of the day

2013

3.6x

2014*

2.8x

2015

1.8x

2016

2.4x

2017

2.9x

2018

3.0x

2019* 1.5x

2020

3.7x

2021

3.4x

2022 1.6x

2023

3.2x

*Full Year Budget presented in July

Source: Yahoo Finance, WD Research



FINANCE JARGON

BIFLATION

Biflation is a term coined in 2003 by Dr. F. Osborne Brown which refers to the phenomenon where prices rise in some parts of the economy but fall in others. In particular, biflation tends to see a simultaneous rise and fall in financial assets versus hard assets or commodities, as an uneven response to monetary policy changes.

It can be considered an example of the Cantillon effect, which refers to the idea that changes in money supply in an economy cause redistribution of purchasing power among people, disturb the relative prices of goods & services, and lead to misallocation of scarce resources. It is named after 18th century French economist Richard Cantillon.



ECONOMIC THEORY

LAFFER CURVE THEORY

The Laffer Curve theory posits that there are two impacts of tax cuts or increases: arithmetic and economic. According to arithmetic, tax rate reductions should lead to a decrease in tax revenue, and tax rate increases should result in an increase in tax revenue. However, the economic impact can be the opposite.

When people or companies receive a tax cut, they may use it to consume more, leading to increased demand and, ultimately, increased tax revenue. Conversely, tax increases may result in decreased demand and lower tax collection.

WealthThoughts



Sagar Lele, CFA
Founder



“ A big positive in the Budget was the continued building on the pillars of growth and structural reform. The massive increase in capex budget while showing progress on fiscal consolidation struck a good balance. Tailwinds from an expected reduction in subsidies have been well-utilised to push higher spending. ”

(Click here to explore WealthBaskets by Rupeeting)



Pawan Parakh
Portfolio Manager



“ Union Budget 2023 can be summed up as a pro-growth and prudent budget. The finance minister continued its focus on higher capital expenditure, support to rural economy and digitalisation of Indian economy. Key budget estimates like growth in tax collections and disinvestment targets amongst others appear reasonable and the roadmap towards towards fiscal consolidation is well articulated. Continuity in policy direction and realistic estimate provides much appreciated stable environment for long term investing in the country. ”

(Click here to explore WealthBaskets by Renaissance Investment Advisors)



Anmol Das
Head of Research



“ As expressed in our Budget Expectations, the FM scored in both the Economic expansion line as well as relieving common man with higher Personal Disposable Income in Hand. This budget enables domestic consumption growth while boosting business & investment sentiment for corporates. ”

(Click here to explore WealthBaskets by Tejimandi)

Stocks to WealthBaskets 🤖💰

Coal India Ltd. BSE

₹220.30

01 Feb 2023, 3:30 PM IST

↓ ₹-7.44 (-2.05%) Prev. close

Past 1 year price trend



Trade

Key Information

Sector

Mining

Price To Book Ratio

2.12

Capitalization Category

Large Cap

Dividend Yield

7.72%

ROE Ratio

43.65%

Price To Earnings Ratio

4.63

This stock is in 7 WealthBaskets



Alpha Momentum

By Renaissance Investment Managers



Alpha Dynamic Thematic

By Renaissance Investment Managers



XC Magic Formula

By Xumit Capital



XC Value Alpha

By Xumit Capital



XC Multi Factor Portfolio

By Xumit Capital



XC Pure Alpha Strategy

By Xumit Capital



FtM - Hidden Gems

By InvestorAi



WealthPulse



-2.45% ↓

NIFTY 50



+1.22%

INR/USD



+1.04%

Gold



Best Performing WealthBasket



Multi Asset Smart ETF

Compound Everyday Capital

WealthBasket Returns (1M)

4.37%

Benchmark Returns (1M)

-2.45% (NIFTY 50)

[Invest Now](#)



Most Bought WealthBasket



Alpha Bluechip

By Renaissance Investment Managers

WealthBasket Returns (1M)

-3.49%

Benchmark Returns (1M)

-3.48% (NIFTY 200)

[Invest Now](#)

New Members of WealthDesk Ecosystem 🤝

WEALTHBASKET CURATORS

The logo for tejimandi features the word "tejimandi" in a lowercase, sans-serif font. The letter "t" is green with a small upward-pointing arrow above it. The letter "i" is red with a small downward-pointing arrow below it. The remaining letters "ejimandi" are in a dark grey color.

tejimandi

The logo for compoundeveryday features a large blue "C" and a yellow "e" with a yellow arrow pointing upwards and to the right. Below the letters, the words "compoundeveryday" are written in a lowercase, sans-serif font, with "compound" in blue and "everyday" in yellow.

compoundeveryday

The logo for White Whale Partners features a stylized blue "W" composed of three vertical, slightly curved lines. Below the "W", the words "WHITE WHALE" and "PARTNERS" are written in a blue, uppercase, sans-serif font, with "PARTNERS" on a separate line below "WHITE WHALE".

WHITE WHALE
PARTNERS

FAQBaskets ?

9:41



WealthBasket Investor
tap here for contact info

Wed, Feb 1

Can I pledge the shares I have bought through WealthBaskets with my broker to avail collateral margin?

Yes, you can, since the shares bought through WealthBaskets are held in your own demat account.

Please note that the margin amount will reduce after portfolio rebalancing, as some pledged shares may be sold.

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See you next month.....

