

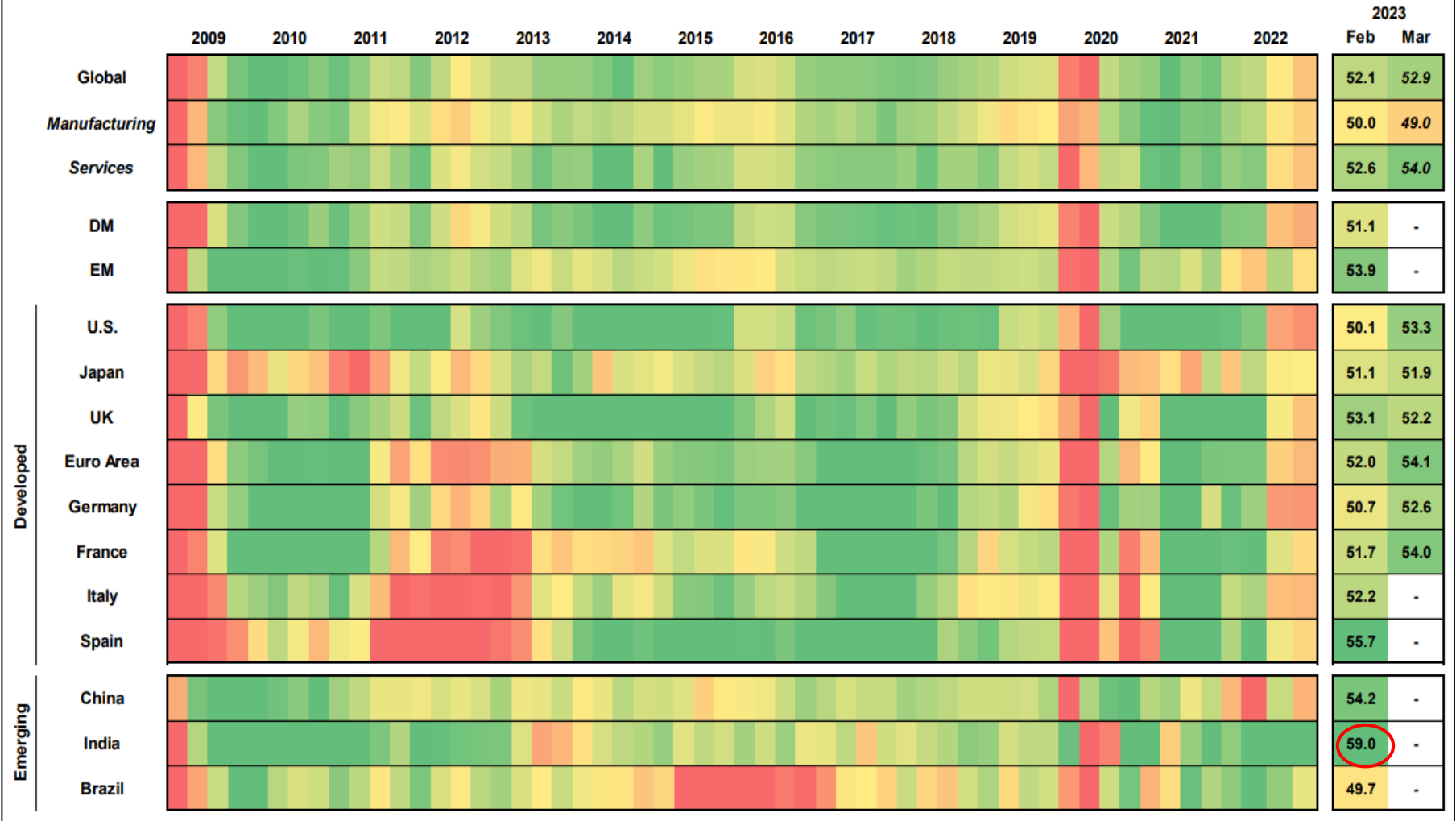
Brave New World

Edition 24



Global Economic Activity Momentum

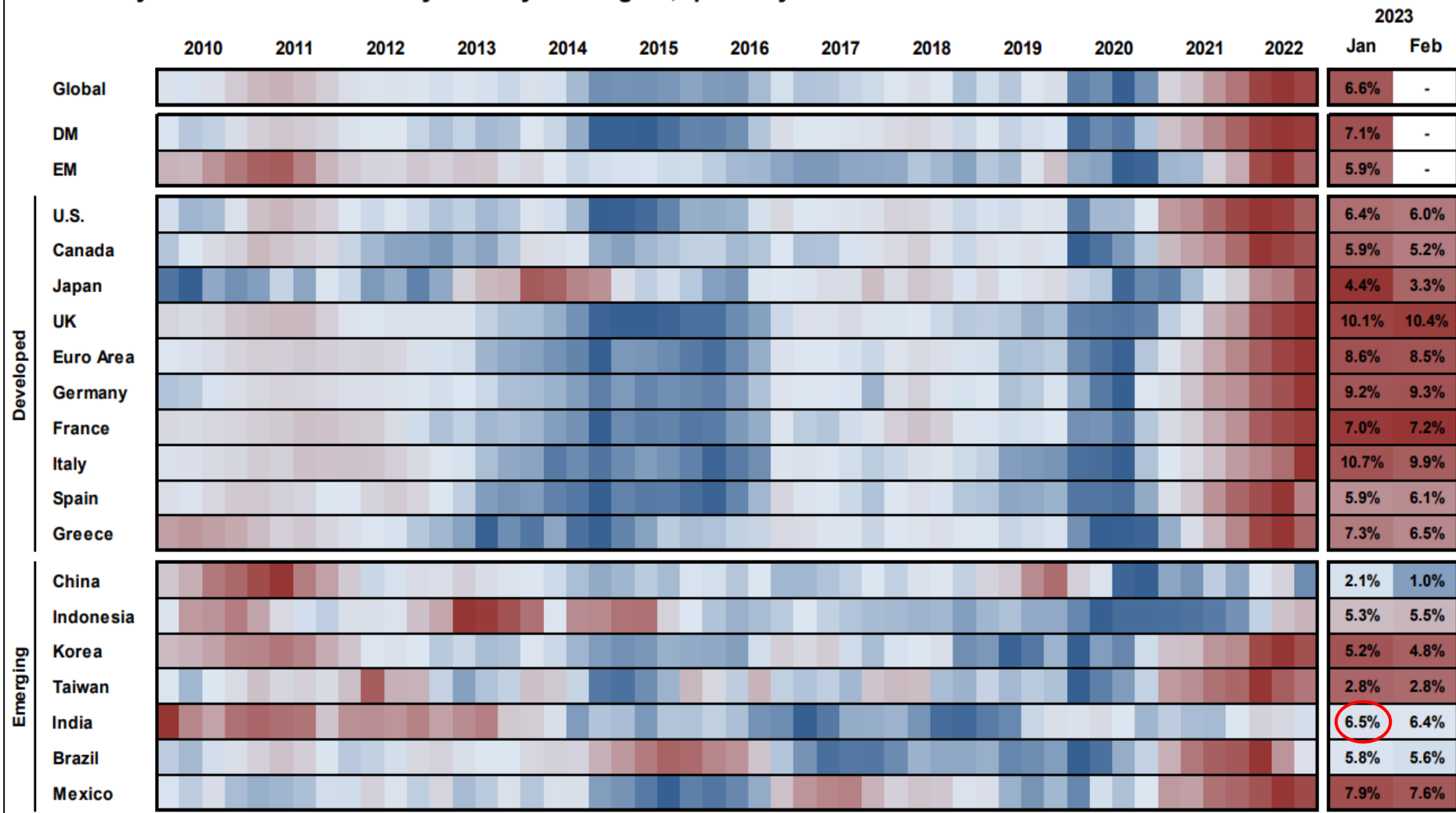
Global Composite (manufacturing & services combined) Purchasing Managers' Index, quarterly



Consistent and Fast paced economic growth for India vs. other Developed and Emerging Economies.

Global Inflation

Year-over-year headline inflation by country and region, quarterly

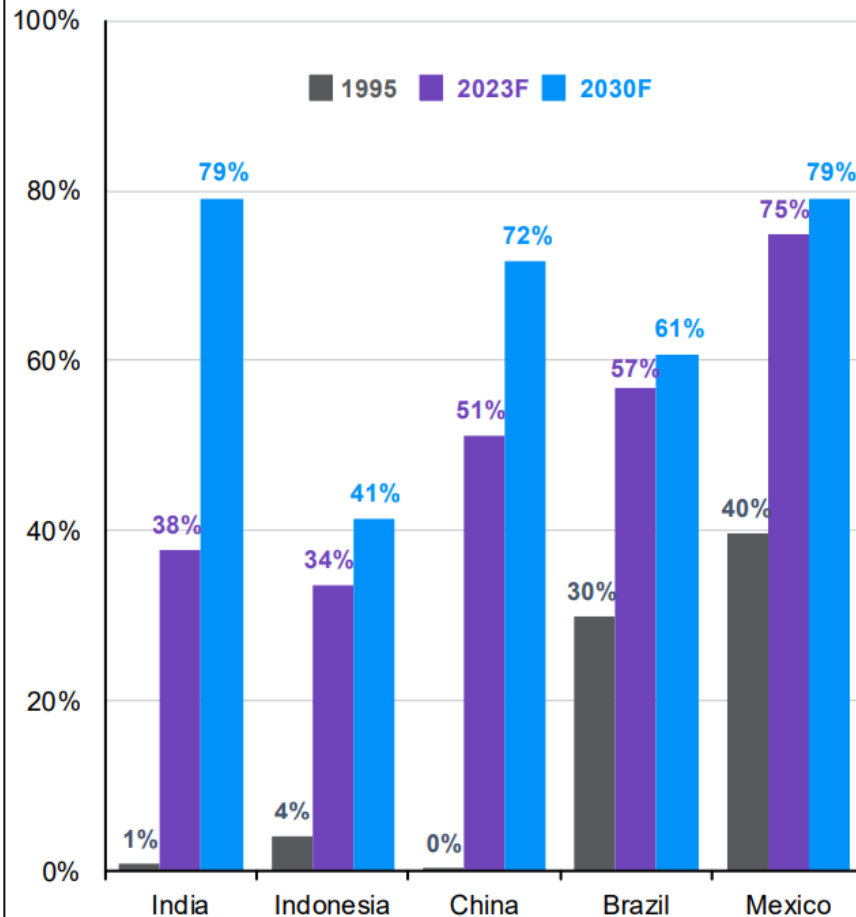


.....with broadly balanced Inflation. India is in a much better position vis-à-vis the last decade.

The Emergence of EM middle class

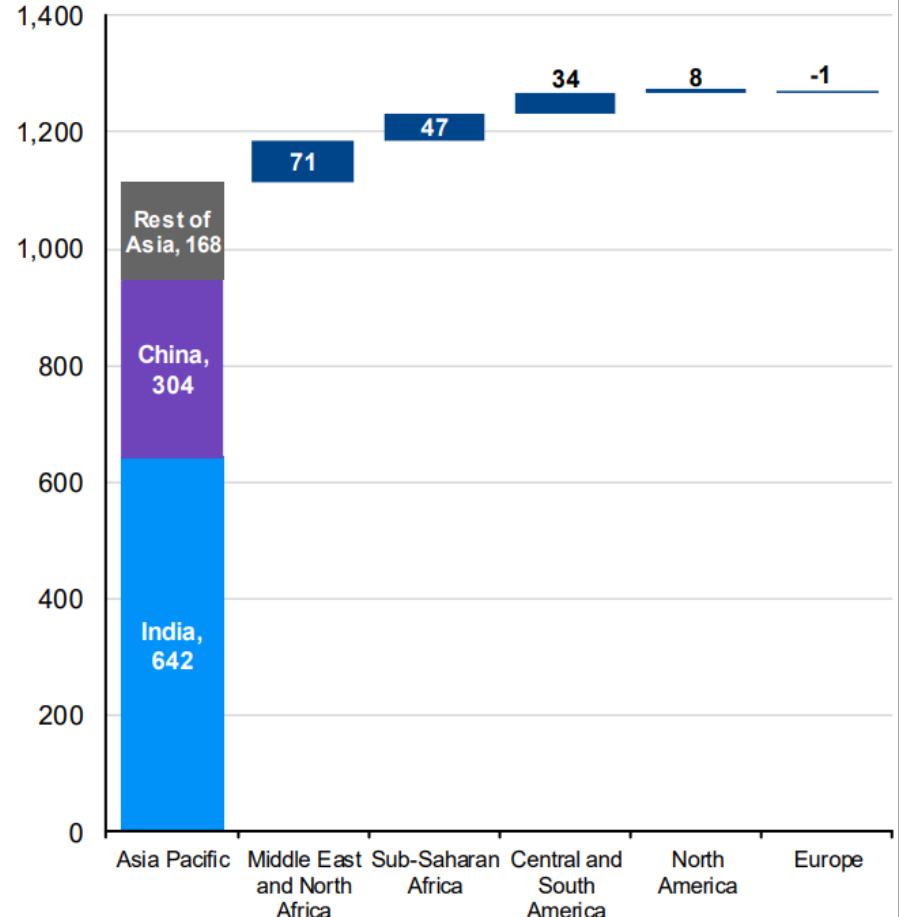
Growth of the middle class

Percent of total population



Regional contribution to middle class growth: 2023 to 2030

Millions of people



The middle class is claimed to be the 'bird of gold'. India would soon have a middle class that is proportionately as large as that of the US today. It is both private consumption and saving, fueled by the middle class, which drives growth.

Don't underestimate the Power of 'Interest Rates

Don't underestimate the extreme importance of interest rates.

Interest rates are extraordinarily important – they are the cosmological constant, or the mathematical certainty, that affect all things economic. Before I comment on that, I want to share some astounding numbers to illustrate this point:

Net present value (NPV) of \$1.00 annuity

	Lifetime NPV	% NPV in first 10 years
1% interest rate	\$100	9%
10% interest rate	\$10	61%

When you analyze a stock, you look at many factors: earnings, cash flow, competition, margins, scenarios, consumer preferences, new technologies and so on. But the math above is immovable and affects all.

In a rapidly rising rate environment, any investment where the cash flows were expected in the out years would have been dramatically affected – think venture capital or real estate development, for example. Any form of carry trade (effectively borrowing short and investing long) would be sorely disappointed. Carry trade exists not just in banks but is embedded and is silently present in companies, investment vehicles and others, including situations that require recurring refinancing.

What is the most important factor when analyzing a stock? Earnings? Margins? Competition? No. It's actually expected Interest rate in the economy.

In a rising rate environment, cash flows gets discounted at a higher rate thereby affecting their NPV i.e. Net present value.

Wondering what happened wrong with most start ups since 2021. Just one thing - their NPV declined in a rising rate environment and they were unable to raise funds at desired valuations.

(Source: Jamie Dimon's 2022 letter to Shareholders)

GLOBAL RUPEE TRADE

“ TRADE BETWEEN INDIA AND MALAYSIA CAN NOW BE SETTLED IN INDIAN RUPEE (INR) IN ADDITION TO THE CURRENT MODES OF SETTLEMENT IN OTHER CURRENCIES. THIS FOLLOWS THE DECISION BY THE RESERVE BANK OF INDIA IN JULY 2022 TO ALLOW THE SETTLEMENT OF INTERNATIONAL TRADE IN THE INDIAN RUPEE ”

STATEMENT BY MEA

The South Asian nation is prepared to trade in rupees with nations facing a shortage of dollars so as to "disaster-proof" them and effectively boost its exports. The move could help promote India's trade with South Asian countries like Sri Lanka and Bangladesh that are grappling with a shortage of dollars. India is also holding discussions on trading in rupees with larger trading partners, including key oil suppliers Saudi Arabia and United Arab Emirates. Trade experts say moves to promote the Indian rupee as an alternative to the dollar and currencies like the euro gained momentum after Western sanctions on Russia.

Team



Mr. Ritesh Jain

Director

Master of Business Economics (MBE)

Executive MBA - Haskayne School
(Calgary)

He has held many senior leadership roles including CIO – BNP Paribas Mutual Fund, where he was responsible for managing US\$1.2 billion of AUM and also has served as the CIO of Tata Mutual Fund, where he was responsible for managing AUM of 6 billion.

In 2019, LinkedIn rated him among the top three influencers in the world of Economy and Finance. He is also a recipient of numerous national and international awards in the field of fixed income and equity investments.



Ms. Chanchal Agarwal

Head - Products

Chartered Accountant

CFA Charterholder

She brings with her about 12 years of Industry experience spanning across verticals like Family Office Investment Advisory, Equity management, Investment banking, etc.

In 2020, AIWMI recognized her amongst the 'Top 100 women in Finance'. She has featured in the Audio talk series 'Show me the Money' by Meghna Pant (available on Audible Suno). Her article reflecting on 'What stops women from investing' was published in The Hindu Newspaper.

Management



Mr. Ajoy Agarwal

Founder, Chairman & Managing Director

One of the pillars of the Indian investment advisor's fraternity.

Over the last five decades, his contribution to the growth of financial literacy is immense, led by un-biased, focused and disciplined approach with strong emphasis on ethics and creating a sense of ownership amongst the employees.



Mr. Abhishek Agarwal

Director

Having started his career at the grass-roots level of the financial services industry, his dedication and strategic planning has enabled EF to enter into several remote towns across Eastern India, thus spreading its wings with a large network of company-owned branches.



Mr. Amrish Agarwal

Director

Aiming to change the speculative, traditional ways of trading by developing a sustainable, investment-based dealing platform.

His contribution helped catapult EF into the league of players actively catering to the discerning Institutional and High Net worth investors who are well aware of global developments and thus very demanding.

Thank You



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