



Wealth India

# MONTHLY INVESTMENT PERSPECTIVES JAN-25

## GLOBAL MACRO: TRUMP CARD EFFECT – HOW LONG WILL IT LAST

Trump's initial euphoria following his victory may be short-lived, similar to the situation in 2017 when the dollar index reversed its gains after the initial excitement. After the U.S. elections, the dollar index has strengthened by 3.3%, reaching a peak of 108.41. However, a spike in U.S. bond yields in the fourth quarter of 2024 is not expected to last, as the inflation trajectory—while impacted by the Federal Reserve's recent adjustments in the December 2024 FOMC meeting—remains manageable—the announcement of Scott Bessent as the next Treasury Secretary has also contributed positively. Globally, three of the four major central banks have implemented interest rate cuts, while all are discreetly reducing their balance sheets—led by the Federal Reserve with a 22% decrease and the European Central Bank (ECB) with a 32% reduction. Additionally, the global money supply is moderating to avoid excessive easing that may arise from "pre-emptive" rate cuts.

Regarding trade policy uncertainties, while tariffs have been Mr. Trump's preferred fallback option, they may serve more as negotiation tactics than actual enforcement measures. A recent example is the highly anticipated U.S. Biosecure Act, which aimed to impose restrictions on China-based biotech companies involved in U.S. government-funded research. This proposal was notably excluded from the final Defense Authorization Bill. Despite the bipartisan support for the Act, it stalled due to concerns that its measures lacked adequate due process, potentially targeting foreign entities without the necessary judicial safeguards.

## GLOBAL EQUITIES: U.S. CONSENSUS VIEWS ON MACRO

Goldman Sachs (GS) has analysed consensus views on three key areas: immigration, fiscal policy, and tariffs. Regarding immigration, GS predicts that the pace will decrease to an annual rate of 750,000 by 2025, down from the recent level of 1,750,000. Nearly 50% of respondents expect immigration to fall between 500,000 and 1,000,000, while about 20% anticipate higher numbers and another 20% predict lower figures.

On the fiscal front, GS expects the 2017 Tax Cuts and Jobs Act to be fully extended when it expires at the end of 2025. Additionally, the firm anticipates a modest increase in federal spending, particularly on defence. It forecasts that the corporate tax rate will remain at 21%, except for manufacturers, for whom it is expected to drop to 15%. In contrast, approximately 60% of investors believe the corporate tax rate will decrease. Regarding tariffs, almost all investors foresee an escalation, with around 60% expecting that any tariff increases will apply only to imports from China.

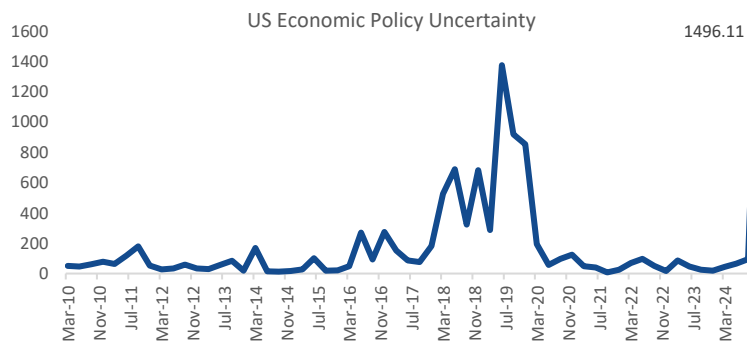
## GLOBAL FIXED INCOME: LATEST DEC-24 FOMC REVIEW

The U.S. Federal Reserve, in its latest policy update for December 2024, significantly revised its Personal Consumption Expenditures (PCE) inflation projections for the calendar year 2025. The forecast was raised by 40 basis points to 2.5%, attributed to recent high inflation readings and the potential effects of Donald Trump's tariff policies and any proposed expansionary fiscal measures, such as corporate tax cuts. Additionally, the Fed's dot plot for 2025 indicated fewer expected rate cuts—two instead of three compared to the previous Federal Open Market Committee (FOMC) meeting—with a median projection for the Federal Funds rate now at 3.9%, also an upward adjustment of 40 basis points. On the economic growth front, the Fed increased its estimate for real GDP by a modest 10 basis points to 2.1%. However, the statement did not address the rising twin deficits of the current account deficit and the fiscal deficit.

## GLOBAL COMMODITIES: BALANCING GEOPOLITICAL RISKS

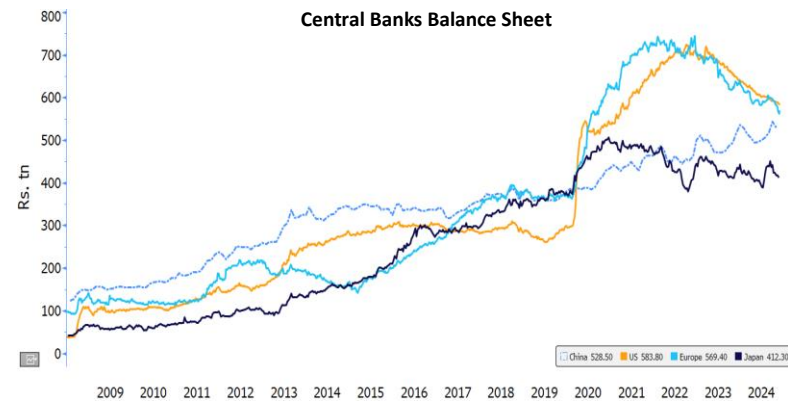
In 2024, crude oil markets remained resilient amid controlled supply, fluctuating demand, geopolitical tensions, and macroeconomic challenges. OPEC+ postponed production hikes until April 2025 and extended supply cuts through 2026 to stabilise the market. Shifts in U.S. policy under President-elect Donald Trump, particularly regarding Iran and a ceasefire in Ukraine, could significantly impact global oil dynamics. Geopolitical uncertainty and a polarised U.S. election drive increased investment interest in gold, with Western-listed gold ETFs reporting their first inflows since early 2022. The Federal Reserve's projected interest rate path and high fiscal deficits may further boost ETF demand. Despite a temporary pause in central bank buying in Q3, long-term interest in gold remains strong. **We maintain a neutral stance on gold.**

## Sharp rise in Trade Policy Uncertainty Post Mr. Trump's terms



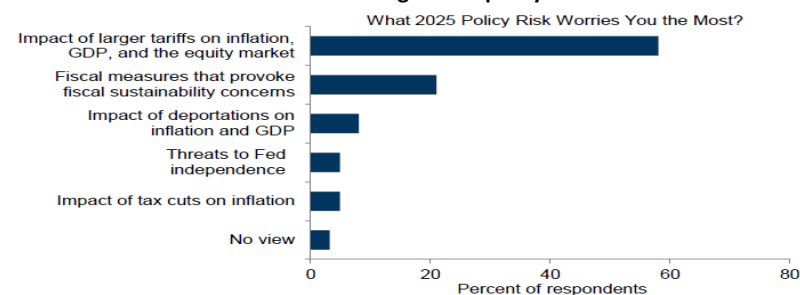
Source: Bloomberg

## Compression and Consolidation in Global Central Banks Balance Sheets



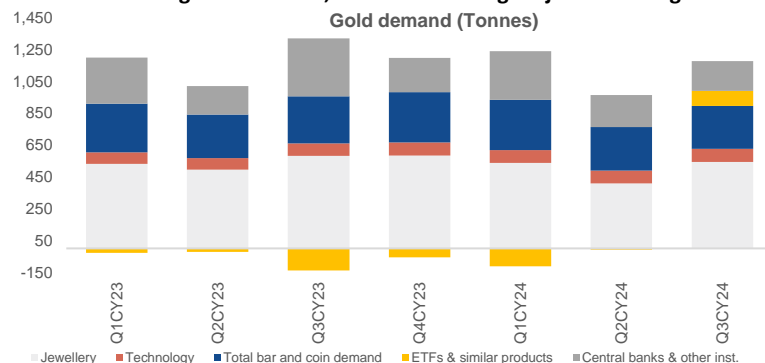
Source: Bloomberg

## Investors view tariffs as the greatest policy risk in 2025



Source: Goldman Sachs, November 2024

## Gold demand gained 5% YoY, ETF inflows being major driver of growth



Source: Bloomberg

## INDIA MACRO: TO CUT (RATES) OR NOT TO CUT?

India's fiscal situation has faced some pressure recently, primarily due to modest growth in corporate tax revenues. The GDP for Q2FY25 has come in at a low of 5.4%, significantly below the RBI's expectation of 7.0% during the MPC meeting held on October 7-9, 2024. The ongoing sluggishness in corporate tax collections poses a challenge, especially for the newly appointed Revenue Secretary, Mr Arunish Chawla. Unlike his predecessor, Mr Sanjay Malhotra (who is now the Head of the RBI), Chawla is expected to avoid making significant disruptive changes, such as the tough capital market tax decisions made previously, which included the removal of indexation benefits for real estate and debt mutual fund gains.

A resurgence in corporate borrowing could provide the necessary boost to stimulate investment in India's GDP, mainly since the industrial credit cycle has been relatively weak for some time, resulting in healthier corporate balance sheets for Indian companies. This could enhance corporate profitability in the medium to long term, benefitting gross value added (GVA) and, consequently, GDP. Meanwhile, consumer spending has also slowed down as the RBI has curtailed unsecured consumer lending, leading to a rise in household debt. However, specific sectors, such as jewellery, appear promising, as indicated by record-high gold imports reported in November 2024. On the political front, India is expected to experience a relatively election-free calendar year in 2025, with only two State Legislative Assembly Elections scheduled (in Delhi and Bihar) compared to eight states that held elections in 2024.

## INDIA EQUITIES: IN SEARCH OF CAPEX

Capex-related themes are likely to take center stage once again. From a forward-looking perspective, the capex process cycle appears to be well-balanced. Announcements, tenders, and awards have not only remained intact but have also grown healthily over the past few months. This momentum is expected to translate into an actual increase in the deployment of fixed assets over time, further bolstering capex. Additionally, the estimated government cash surplus has started to decline significantly. Consequently, the central government has begun using ways and means advances to address its cash flow needs for part of November 2024. This situation may lead to a sharp rise in government spending, likely resulting in substantial capex.

Furthermore, while the Center's State Capex loan scheme, launched in FY20 to stimulate state investments, has been in place, state-level capex in relation to Gross State Domestic Product (GSDP) has stagnated at about 2.1% since FY21, with a slight increase to 2.3% projected for FY24. This indicates that states have yet to significantly ramp up their capital expenditures. The Reserve Bank of India (RBI) has estimated states' peak capex multiplier to be approximately 3.8 times, compared to 1.4 times for revenue expenditure (excluding interest). Therefore, it is crucial for states to focus on enhancing capex while moderating revenue expenditure to foster medium-term growth.

We maintain our stance of being one notch Overweight (OW) on equities compared to bonds. Within the equities market, capex-related sectors, particularly in the private sector (such as semiconductors), are worth watching. Renewable energy opportunities—preferably indirect or secondary plays—are also attractive, especially in the Transmission and Distribution space. Certain segments within consumption, such as gold, jewellery, and hotels, may also draw attention. This interest was reflected in the record-high gold imports in November 2024 and the potential for increased revenue per available room (RevPar) and occupancy rates in some attractively valued hotels. Among large and mid-cap stocks, we are two notches Overweight on large caps compared to mid-caps, as the valuations for large caps appear more appealing.

## INDIA FIXED INCOME: 2025 – A YEAR TO CAPITALISE

Recent global and domestic factors have caused some volatility, leading to a slight increase in yields. As growth moderates, we expect inflation to follow suit in the coming months. This suggests that the Reserve Bank of India (RBI), under Mr. Sanjay Malhotra, may prioritise growth and initiate an easing cycle at the February 2025 policy meeting.

Currently, liquidity remains tight. After employing the Cash Reserve Ratio (CRR) tool, we anticipate open market bond purchases to infuse liquidity. In the near term, the 10-year government security (G-sec) yield is expected to trade between 6.60% and 6.75%, potentially dropping to 6.50% by the end of the fiscal year. The short end of the yield curve may be influenced by liquidity conditions, with no immediate rate easing expected. From a risk-reward standpoint, maintaining an overweight position in the 3-10 year range is advisable due to attractive carry and duration potential. Conversely, the short end is likely to remain anchored around the repo rate. We recommend favoring Government Securities (G-Sec) over Corporate Bonds based on current credit spreads and duration considerations.

## CURRENCY: FED CUT PUTS INR IN "UNEASY" POLE POSITION FOR HIGHER FOR LONGER

The Fed has taken decisive action by calling for a rate cut on December 18, 2024. This gives them flexibility to maintain **unchanged rates for a longer** period, particularly in light of the potential inflationary impact of Mr Trump's fiscal policies, such as potential corporate tax cuts and an increasing likelihood of higher tariffs.

Currently, the difference in interest rates between India (6.5%) and the U.S. (4.5%) is at its **lowest in a long time**, which limits the RBI from making significant cuts. Although U.S. GDP growth appears relatively strong, India may require a slight boost to address declining consumption, the most important contributor to GDP growth. The recent CRR cut by the RBI is a positive development, but further measures will be necessary. **If the RBI is slower to cut rates** compared to its Asian or emerging market peers, it may risk a slowdown in GDP growth. However, this could create potential carry trade opportunities for the INR. On December 31, the Bloomberg USD-INR carry trade index surged to a 52-week high. **Given the various factors at play, we remain neutral on the FX rate between the U.S. dollar and the Indian rupee.**

## Corporate tax collections have been sluggish – cautioning on GDP growth

| Particulars (Rs. Bn)                         | FYTD (Apr-Oct) |               | FY25 % of BE | FY24 % of P | FY25BE growth (%) | 7MFY25 growth (%) | Reqd growth rate (%) | 7M runrate   | Reqd runrate |
|--|----------------|---------------|--------------|-------------|-------------------|-------------------|----------------------|--------------|--------------|
|  | 2025           | 2024          |              |             |                   |                   |                      |              |              |
| Gross tax revenues                           | 20,326         | 18,345        | 53           | 53          | 11                | 11                | 11                   | 2,904        | 3,615        |
| Direct taxes                                 | 11,143         | 10,032        | 50           | 51          | 13                | 11                | 15                   | 1,592        | 2,214        |
| Corporate tax                                | 4,879          | 4,820         | 48           | 53          | 12                | 1                 | 24                   | 697          | 1,064        |
| Income tax                                   | 6,265          | 5,212         | 53           | 52          | 17                | 20                | 14                   | 895          | 1,121        |
| Indirect Taxes                               | 8,809          | 8,071         | 54           | 54          | 8                 | 9                 | 7                    | 1,258        | 1,476        |
| Customs duty                                 | 1,321          | 1,244         | 56           | 53          | 2                 | 6                 | -3                   | 189          | 211          |
| Excise duty                                  | 1,512          | 1,502         | 47           | 49          | 4                 | 1                 | 8                    | 216          | 336          |
| GST  | 5,976          | 5,325         | 56           | 56          | 11                | 12                | 9                    | 854          | 929          |
| Transfers to states, UTs, and national funds | 6,577          | 4,733         | 52           | 42          | 10                | 39                | -10                  | 940          | 1,198        |
| <b>Net tax revenues</b>                      | <b>11,200</b>  | <b>11,431</b> | <b>43</b>    | <b>49</b>   | <b>11</b>         | <b>-2</b>         | <b>24</b>            | <b>1,600</b> | <b>1,905</b> |

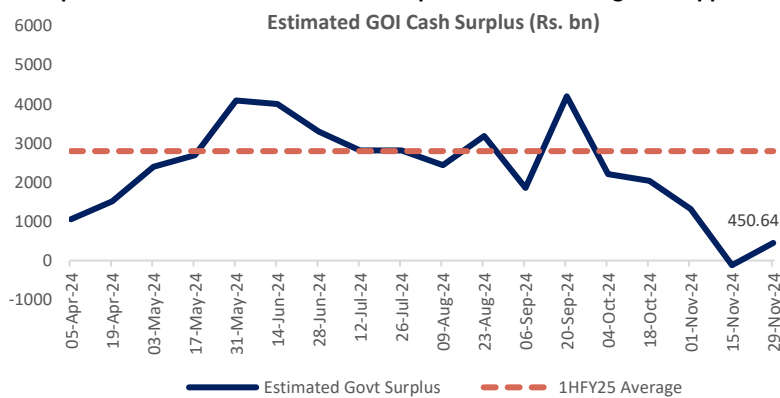
Source: CGA, Union Budget Documents

## Capex Waterfall: From Tender Announcements to on-ground deployment

| FY (Rs. Trn)    | Project announcement trend | Tendering activity | Awarding activity trend | Actual Capex |
|-----------------|----------------------------|--------------------|-------------------------|--------------|
| FY20            | 5                          | 5                  | 3                       | 8            |
| FY21            | 5                          | 8                  | 5                       | 8            |
| FY22            | 6                          | 9                  | 6                       | 11           |
| FY23            | 11                         | 14                 | 9                       | 13           |
| FY24            | 13                         | 14                 | 10                      | 18           |
| <b>YTD FY25</b> | <b>8</b>                   | <b>9</b>           | <b>6</b>                | <b>8</b>     |

Source: CMIE; CAG States' budget documents. Includes State + Central activities

## Capex Indicator: Government cash-surplus balance starting to disappear



Source: Bloomberg

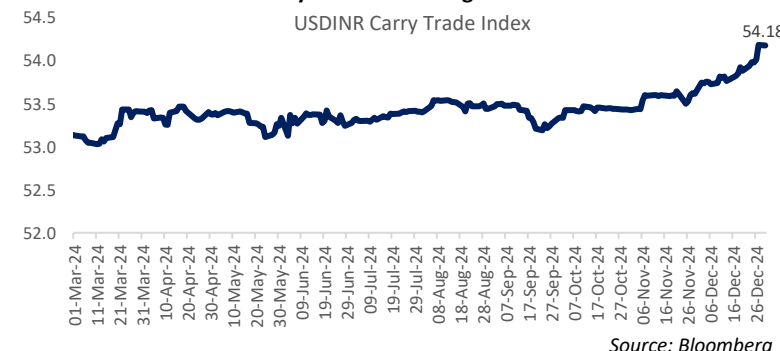
## Debt Market Snapshot

### Yield Levels as of December 31, 2024



Source: Bloomberg

## INR Carry Trade Becoming Attractive



Source: Bloomberg

## TACTICAL ASSET ALLOCATION (TAA) VIEWS & PERFORMANCE

| Asset Class Pairs       | View     | Favouring  | Start Date | End Date / Open | Call Status | Alpha Return |
|-------------------------|----------|------------|------------|-----------------|-------------|--------------|
| Equities Vs Bonds       | Positive | Equities   | 31-Dec-18  | 30-Apr-19       | Close       | 5.90%        |
| Large Cap Vs Mid Cap    | Negative | Mid Cap    | 31-Dec-18  | 31-Jan-20       | Close       | -8.00%       |
| Short Term Vs Long Term | Positive | Short Term | 30-Nov-18  | 31-Dec-21       | Close       | -6.00%       |
| USD / INR               | Positive | USD        | 30-Nov-18  | 31-Jan-19       | Close       | 2.20%        |
| USD / INR               | Positive | USD        | 31-Mar-19  | 30-Apr-19       | Close       | 0.60%        |
| USD / INR               | Positive | USD        | 31-Jul-19  | 31-Dec-19       | Close       | 3.70%        |
| Gold Vs Cash            | Negative | Cash       | 30-Nov-18  | 28-Feb-19       | Close       | -7.60%       |
| Gold Vs Cash            | Positive | Gold       | 31-Mar-19  | 30-Jun-21       | Close       | 32.00%       |
| Equities Vs Bonds       | Positive | Equities   | 30-Nov-20  | 30-Apr-21       | Close       | 11.80%       |
| USD / INR               | Negative | INR        | 31-Dec-20  | 31-Jan-21       | Close       | 0.20%        |
| USD / INR               | Positive | USD        | 28-Feb-21  | 31-May-21       | Close       | -1.20%       |
| USD / INR               | Negative | INR        | 31-Aug-21  | 30-Sep-21       | Close       | -1.70%       |
| Large Cap Vs Mid Cap    | Negative | Mid Cap    | 31-Oct-20  | 30-Nov-21       | Close       | 26.70%       |
| Equities Vs Bonds       | Positive | Equities   | 31-May-21  | 30-Nov-21       | Close       | 8.90%        |
| Short Term Vs Long Term | Positive | Short Term | 30-Nov-18  | 31-Dec-21       | Close       | -5.90%       |
| USD / INR               | Positive | USD        | 31-Oct-21  | 31-Dec-21       | Close       | -0.70%       |
| Gold Vs Cash            | Positive | Gold       | 31-Jul-21  | 31-Jan-22       | Close       | -2.60%       |
| Large Cap Vs Mid Cap    | Positive | Large Cap  | 31-Dec-21  | 30-Apr-22       | Close       | 0.90%        |
| Gold Vs Cash            | Positive | Gold       | 28-Feb-22  | 31-May-22       | Close       | -1.80%       |
| Short Term Vs Long Term | Positive | Short Term | 28-Feb-22  | 30-Jun-22       | Close       | 2.20%        |
| USD / INR               | Positive | USD        | 31-Jan-22  | 31-Jul-22       | Close       | 6.20%        |
| Large Cap Vs Mid Cap    | Positive | Large Cap  | 30-Jun-22  | 31-Jul-22       | Close       | -2.80%       |
| Equities Vs Bonds       | Positive | Equities   | 31-Dec-21  | 30-Sep-22       | Close       | 0.80%        |
| USD / INR               | Negative | INR        | 31-Jul-22  | 30-Sep-22       | Close       | -2.60%       |
| Large Cap Vs Mid Cap    | Negative | Mid Cap    | 31-Jul-22  | 30-Nov-22       | Close       | -0.60%       |
| USD / INR               | Positive | USD        | 30-Sep-22  | 30-Nov-22       | Close       | 0.10%        |
| Gold Vs Cash            | Negative | Cash       | 30-Jun-22  | 30-Sep-22       | Close       | 6.50%        |
| Equities Vs Bonds       | Positive | Equities   | 31-Oct-22  | 31-Dec-22       | Close       | -2.00%       |
| Large Cap Vs Mid Cap    | Positive | Large Cap  | 30-Nov-22  | 31-Dec-22       | Close       | -1.80%       |
| USD / INR               | Negative | INR        | 31-Dec-22  | 31-Jan-23       | Close       | 1.00%        |
| Large Cap Vs Mid Cap    | Negative | Mid Cap    | 31-Dec-22  | 31-Jan-23       | Close       | 1.00%        |
| Large Cap Vs Mid Cap    | Positive | Large Cap  | 31-Jan-23  | 28-Feb-23       | Close       | -1.10%       |
| USD / INR               | Positive | USD        | 28-Feb-23  | 31-Mar-23       | Close       | -0.60%       |
| Large Cap Vs Mid Cap    | Positive | Large Cap  | 31-Mar-23  | 30-Apr-23       | Close       | 1.70%        |
| Corp Bonds Vs G-Secs    | Positive | Corp Bonds | 30-Nov-18  | 30-Jun-23       | Close       | 7.80%        |
| Short Term Vs Long Term | Positive | Short Term | 30-Nov-22  | 30-Jun-23       | Close       | -0.97%       |
| Equities Vs Bonds       | Positive | Equities   | 31-Mar-23  | 30-Jun-23       | Close       | 8.10%        |
| Gold Vs Cash            | Positive | Gold       | 30-Nov-22  | 31-Jul-23       | Close       | 8.80%        |
| USD / INR               | Negative | INR        | 30-Apr-23  | 31-Aug-23       | Close       | -1.20%       |
| Large Cap Vs Mid Cap    | Negative | Mid Cap    | 31-Jul-23  | 31-Jul-23       | Close       | 6.10%        |
| Gold Vs Cash            | Negative | Cash       | 30-Sep-23  | 31-Oct-23       | Close       | -6.32%       |
| USD / INR               | Positive | USD        | 30-Sep-23  | 31-Dec-23       | Close       | 0.20%        |
| Gold Vs Cash            | Positive | Gold       | 31-Dec-23  | 30-Jun-24       | Close       | 10.14%       |
| USD / INR               | Negative | INR        | 31-Dec-23  | 30-Sep-24       | Close       | -0.71%       |
| Gold Vs Cash            | Negative | Cash       | 30-Jun-24  | 30-Sep-24       | Close       | -12.32%      |
| Short Term Vs Long Term | Negative | Long Term  | 30-Jun-23  | 31-Dec-24       | Open        | -4.19%       |
| Corp Bonds Vs G-Secs    | Negative | G-Secs     | 31-Jul-23  | 31-Dec-24       | Open        | 1.17%        |
| Large Cap Vs Mid Cap    | Positive | Large Cap  | 30-Sep-23  | 31-Dec-24       | Open        | -15.98%      |
| Equities Vs Bonds       | Positive | Equities   | 30-Nov-24  | 31-Dec-24       | Open        | -1.07%       |

| M-o-m Summary            | Equity vs Bonds | Large vs Mid | Corp. Bond vs. G-Secs | ST vs LT | USD vs. INR | Gold vs Cash |
|--------------------------|-----------------|--------------|-----------------------|----------|-------------|--------------|
| % of Months calls issued | 47.3%           | 82.4%        | 98.6%                 | 90.5%    | 63.5%       | 81.1%        |
| Success Ratio (%)        | 61.8%           | 45.0%        | 58.3%                 | 50.0%    | 55.3%       | 56.7%        |
| Avg. positive alpha      | 4.3%            | 2.2%         | 0.5%                  | 0.6%     | 1.0%        | 3.8%         |
| Avg. negative alpha      | -2.6%           | -2.3%        | -0.6%                 | -0.8%    | -0.7%       | -3.3%        |
| Avg. alpha               | 1.7%            | -0.3%        | 0.1%                  | -0.1%    | 0.2%        | 0.7%         |

Source: Bloomberg. Assuming a 6% annualised yield for cash. Note: Returns as of 31<sup>st</sup> December 2024.

## GLOBAL ASSET PERFORMANCE SNAPSHOT

| Asset        | Current                 | 1m     | 3m    | 6m    | 1y    | Current     | 1m                      | 3m      | 6m    | 1y     |        |        |
|--------------|-------------------------|--------|-------|-------|-------|-------------|-------------------------|---------|-------|--------|--------|--------|
| Equities     |                         |        |       |       |       | Commodities |                         |         |       |        |        |        |
| Global       | S&P 500 INDEX           | 5,882  | -2.5% | 2.1%  | 7.7%  | 23.3%       | TR Commodity CRB Index  | 296.7   | 3.4%  | 4.1%   | 2.2%   | 12.5%  |
|              | EURO STOXX 50 Price EUR | 4,896  | 1.9%  | -2.1% | 0.0%  | 8.3%        | Indian Crude Oil Basket | 75.1    | 3.2%  | 2.5%   | -12.7% | -2.8%  |
|              | FTSE 100 Index          | 8,173  | -1.4% | -0.8% | 0.1%  | 5.7%        | Brent                   | 74.6    | 2.3%  | 4.0%   | -13.6% | -3.1%  |
|              | Nikkei 225              | 39,895 | 4.4%  | 5.2%  | 0.8%  | 19.2%       | Gold                    | 2,624.5 | -0.7% | -0.4%  | 12.8%  | 27.2%  |
| India        | NSE Nifty 50 Index      | 23,645 | -2.0% | -8.4% | -1.5% | 8.8%        | Aluminium               | 2,536.5 | -1.9% | -3.2%  | 1.8%   | 7.9%   |
|              | NIFTY Midcap 100        | 57,199 | 1.4%  | -4.9% | 2.6%  | 23.9%       | Copper                  | 402.7   | -1.3% | -11.6% | -8.3%  | 3.5%   |
|              | NIFTY Smallcap 100      | 18,769 | 0.6%  | -2.1% | 2.5%  | 23.9%       | Corn                    | 458.5   | 8.4%  | 7.9%   | 15.4%  | -2.7%  |
|              | NSE Nifty 500 Index     | 22,375 | -1.4% | -7.7% | -0.8% | 15.2%       | Soyabean                | 1,010.5 | 1.5%  | -7.2%  | -10.0% | -19.2% |
| Fixed Income |                         |        |       |       |       | Currencies  |                         |         |       |        |        |        |
| Global       | US Generic Govt 10 Yr   | 4.57%  | 4.17% | 3.78% | 4.40% | 3.88%       | Dollar Index            | 108.49  | 2.6%  | 7.6%   | 2.5%   | 7.1%   |
|              | German Bunds            | 2.36%  | 2.09% | 2.12% | 2.50% | 2.02%       | EUR/USD                 | 1.04    | -2.1% | -7.0%  | -3.4%  | -6.2%  |
|              | JGB 10Yr Comp Yield     | 1.10%  | 1.06% | 0.89% | 1.06% | 0.65%       | USD/JPY                 | 157.20  | 5.0%  | 9.4%   | -2.3%  | 11.5%  |
|              | UK Gilts 10 Yr          | 4.57%  | 4.24% | 4.00% | 4.17% | 3.54%       | GBP/USD                 | 1.25    | -1.7% | -6.4%  | -1.0%  | -1.7%  |
|              | China 10Y               | 1.68%  | 2.03% | 2.21% | 2.21% | 2.56%       | USD/CHF                 | 0.91    | 3.0%  | 7.3%   | 1.0%   | 7.8%   |
| India        | India 10Y               | 6.76%  | 6.74% | 6.75% | 7.01% | 7.17%       | USD/CNY                 | 7.30    | 0.7%  | 4.0%   | 0.4%   | 2.8%   |
|              | FBIL FBTB12M            | 6.68%  | 6.60% | 6.55% | 6.93% | 7.09%       | USD/HKD                 | 7.77    | -0.2% | -0.1%  | -0.5%  | -0.5%  |
|              | India 10Y AAA           | 7.24%  | 7.28% | 7.31% | 7.55% | 7.76%       | USD/INR                 | 85.61   | 1.3%  | 2.2%   | 2.7%   | 2.9%   |
|              | India 1Y AAA            | 7.78%  | 7.63% | 7.69% | 7.74% | 7.91%       | USD/CAD                 | 1.44    | 2.7%  | 6.4%   | 5.2%   | 8.6%   |

Source: Bloomberg Equity/Fixed Income Returns/Yields in local currencies. Commodities in USD. Numbers for Fixed Income are Yields as of December 31, 2024.

### Glossary:

US: United States, CY: Calendar Year, FOMC: Federal Open Market Committee, ECB: European Central Bank, Fed: Federal Reserve System, CAD: Current Account Deficit, bps: Basis Points, OPEC: Organization of the Petroleum Exporting Countries, ETFs: Exchange Traded Funds, GDP: Gross Domestic Product, PCE: Personal Consumption Expenditure, GVA: Gross Value Added, RBI: Reserve Bank of India, GSDP: Gross State Domestic Product, G-sec: Government Securities, YTD: Year to Date, CRR: Cash Reserve Ratio, EM: Emerging Markets, USD: United States Dollar, INR: Indian Rupee

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