



PELICAN PMS

THE MARKET'S WAY

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Cognizance

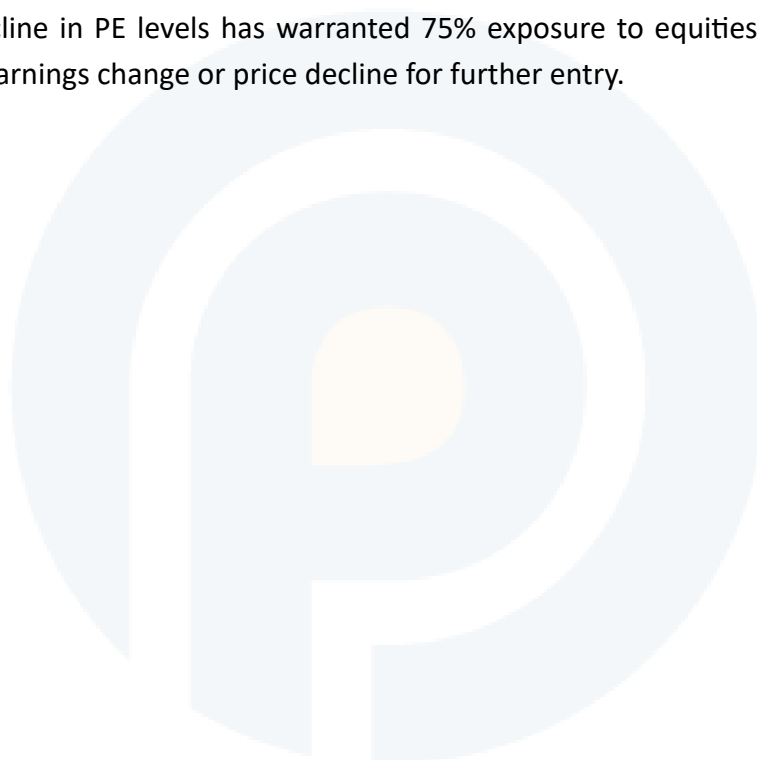
Monthly Market Outlook and Commentary

Asset Class	Benchmark	Latest Value	MTD (%)	YTD (%)	52 week high	52 week low
Equity						
India	Nifty 50	115781	-4.85%	-9.06%	18604	15183
US	S&P 500	3785	-8.39%	-20.58%	4793	3666
Europe	Euro Stoxx 50	3456	-9.13%	-19.61%	4388	3447
Japan	Nikkei 225	26393	-3.25%	-8.33%	30669	24717
China	Shanghai comp	3399	6.66%	-6.63%	3715	2975
Bond						
India	10 yr G-Sec	7.45	0.47%	15.50%	7.543	6.13
US	10 yr treasury	2.89	0.98%	91.39%	3.48	1.18
Others						
Bullion	Spot Gold USD/ oz	1807	1.58%	-0.96%	2050	1728
Metals	LME metal index	3878	-14.53%	-14.88%	5505	3878
Currency	USD/INR	78.95	-1.74%	-5.71%	-78.95	-72.94
Commodity	WTI Crude USD/ bbl	105.96	-8.07%	39.79%	124.76	61.92

Market Commentary

Nifty dropped to its lowest point in the year and touched 15183 in June. Global markets moved in tandem as investors battled high inflation, interest rates and war. In a turnaround high metal prices cooled off rapidly during the month, while Oil and Gold held steady. Earnings for the quarter indicated good growth in profits for most of the large caps leading the Nifty EPS to touch 809 (vs 761 in Mar 2022).

The significant decline in PE levels has warranted 75% exposure to equities as per our model. We closely watch for earnings change or price decline for further entry.



Update on portfolio companies:

1. **Maruti:** Toyota and Suzuki are promoting mutual supply of vehicles globally, which is one of the collaborations in the business partnership, and the two companies will now start production of a new SUV model developed by Suzuki at Toyota Kirloskar Motor Pvt. Ltd. (TKM) from August. Maruti Suzuki India Limited and TKM will market the new model in India as Suzuki and Toyota models, respectively. Furthermore, the two companies are planning to export the new model to markets outside India including Africa.
2. **Reliance Industries:** RELIANCE BRANDS LIMITED (RBL) and Plastic Legno SPA have signed a joint venture arrangement through which RBL will acquire a 40% stake in Plastic Legno SPA's toy manufacturing business in India. This investment by RBL serves a dual purpose, bringing in vertical integration for RBL's toy business and helping diversify the supply chain with a long-term strategic interest in building toy manufacturing in India.

Reliance Industries Ltd's gross refining margins are expected to fall from the current highs due to the windfall tax to be levied on fuel exports from July 1. The export levies could hit RIL's GRM by \$6-\$12 per barrel (the prevailing super-normal levels of \$25-\$30 per barrel is a result of an extremely tight global fuel market). Despite this, the company is expected to realise healthy refining margins (+\$15/bbl) over the course of the financial year.
3. **Ultratech cement:** The company approved capex of Rs. 12,886 crores towards increasing capacity by 22.6 mtpa with a mix of brown field and green field expansion. This would be achieved by setting-up integrated and grinding units as well as bulk terminals. The additional capacity will be created across the country.
4. **Hero Motors:** The Arbitration Tribunal ruled that the Hero ® trademark can be used by Hero MotoCorp Ltd. for selling its Electric Vehicles. Hero motocorp added tech-delight to the passion brand with the launch of passion 'xtec' with host of advanced 'connected' features.
5. **Larsen & Toubro:** The Hydrocarbon division of L&T Energy has secured three offshore packages from a prestigious overseas client. The scope of work comprises Engineering, Procurement, Construction, and Installation for various new offshore jacket structures. This is classified as a large order of size 2500-5000cr.

About Pelican

Pelican Holdings Pvt Ltd. (PHPL) was established in the year 2003 as part of the multi-faceted Pelican Group which has interests across Capital markets and Corporate advisory. For nearly two decades the Pelican Group and its Partners have served as successful advisors to clients investing across various asset classes.

Pelican PMS Portfolio Management strategy is developed based on the strong understanding of trends and solid backing of temperament. The robust process aims to reduce the component of subjectivity and minimizes the conventional errors committed by investors, while at the same time offering significantly higher risk adjusted returns.

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