



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	17759	3.50%	2.34%	18604	15183
US	S&P 500	3955	-4.24%	-17.02%	4793	3666
Europe	Euro Stoxx 50	3488	-5.94%	-18.86%	4388	3447
Japan	Nikkei 225	28091	0.44%	-2.43%	30669	24717
China	Shanghai Composite	3202	-1.73%	-12.02%	3715	2975
Bond						
India	10 yr G-Sec (%)	7.18	-1.93%	11.30%	7.54	6.13
US	10 yr treasury (%)	3.20	19.78%	111.79%	3.48	1.18
Others						
Bullion	Spot Gold USD/ oz	1711	-2.42%	-6.24%	2050	1711
Metals	LME metal index	3739	-2.81%	-17.93%	5505	3739
Currency	USD/INR	79.51	-0.37%	-6.37%	78.95	72.94
Commodity	WTI Crude USD/ bbl	89.21	-9.54%	17.69%	124.76	61.92

Market Commentary

Post a good recovery in July the markets moderated in August whilst holding above 17700 mark. Global indices ended negative on the back of an increasingly hawkish note by the Fed. Metals, crude and gold continued to decline during the month. Earnings season witnessed significant decline in profits for Oil and Gas, metals sector which had in the earlier quarters skewed the aggregate profits upwards. All other sectors reported profits that were in line or flat compared to the same period last year.

Our model is based on the PE levels. While the decline in June warranted an 75% deployment, post the recovery and at current levels we suggest exposure for fresh funds to be at 50%.

Update on portfolio companies:

1. **Reliance Industries:** Meta and Jio Platforms announced the launch of the first ever end-to-end shopping experience on WhatsApp, where consumers can shop from JioMart right within their WhatsApp chat.
2. **Ultratech cement:** As part of its ongoing expansion plan, Ultratech announced the commissioning of cement capacity of 1.3 mtpa at Dalla Cement Works, Uttar Pradesh, resulting in the Unit's capacity increasing to 1.8 mtpa. This is part of 1st phase of capacity expansion announced in December, 2020. With this commissioning, the Company's total cement manufacturing capacity in India now stands at 115.85 mtpa.
3. **HDFC Bank:** HDFC Bank received in-principle approval from Securities and Exchange Board of India (SEBI) for change in control of HDFC Asset Management Company Limited due to change in co-sponsor of HDFC Mutual Fund, on account of the proposed composite scheme of amalgamation (i) HDFC Investments Limited and HDFC Holdings Limited, wholly-owned subsidiaries of Housing Development Finance Corporation Limited, with and into HDFC Limited and (ii) HDFC Limited with and into HDFC Bank Limited.
4. **Larsen & Toubro:** The Hydrocarbon-Onshore division of L&T's Energy Business has secured a large contract from Indian Oil Corporation (IOCL). IOCL is implementing the Panipat Refinery Expansion (P-25) Project to enhance refining capacity from 15 MMTPA to 25 MMTPA to meet the growth in demand of petroleum products and to increase their profitability and competitiveness in the long run.
5. **Maruti:** The Company sold a total of 467,931 vehicles during the first quarter of this year. Sales in the domestic market stood at 398,494 units. Exports were at 69,437 units, the highest ever in any quarter. During the same period previous year, the Company sold a total of 353,614 units including sales of 308,095 units in domestic market and 45,519 units in export markets. Shortage of electronic components in this quarter resulted in about 51,000 vehicles not being produced. Pending customer orders stood at about 280,000 vehicles at the end of the quarter and the Company is making efforts to serve these orders fast.
6. **Hero Motors:** Further strengthening its digital journey towards enhanced customer experiences, Hero MotoCorp, the world's largest manufacturer of motorcycles and scooters, has introduced the company's two-wheeler resale platform "Wheels of Trust" in a phygital avatar. By offering an integrated omni-channel (digital and on-ground) exchange ecosystem, the company aims to strengthen its one-stop solution to exchange existing two-wheelers of any brand by providing the best resale value.

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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