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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
<b>Equity</b>						
India	Nifty 50	18758	9.7%	8.1%	18816	15183
US	S&P 500	4080	13.8%	-14.4%	4793	3579
Europe	Euro Stoxx 50	4003	22.2%	-6.9%	4388	3239
Japan	Nikkei 225	27969	7.8%	-2.9%	30669	24717
China	Shanghai Composite	3151	4.2%	-13.4%	3715	2863
<b>Bond</b>						
India	10 yr G-Sec (%)	7.31	-2.2%	13.3%	7.54	6.13
US	10 yr treasury (%)	3.68	-3.3%	143.7%	4.23	1.18
<b>Others</b>						
Bullion	Spot Gold USD/ oz	1768	6.5%	-3.1%	2050	1621
Metals	LME metal index	3924	10.8%	-13.9%	5505	3440
Currency	USD/INR	81.35	0.2%	-8.5%	83.28	72.94
Commodity	WTI Crude USD/ bbl	80.48	1.0%	6.2%	124.76	61.92

## Market Commentary

Nifty posted a good recovery once again in November, closing at the highest ever level of 18758. India is now a clear outperformer compared to all major markets in the world with a YTD performance of 8.1% vs S&P at -14.4%. Inflation fears have moderated, and investors are expecting the interest rate cycle to plateau from hereon. Crude prices declined sharply during the month below \$80/bbl mark which augur well for the import bill for India. No major negative surprises were reported in the corporate earnings for this quarter.

Our model is based on the PE levels. Nifty PE levels at the current peak prices are holding at around 22.54x levels, and we suggest exposure of 50% for fresh funds.

**Update on portfolio companies:**

- 1. Reliance Industries:** Rolled out 5G services to all 33 District capitals in Gujarat. 'Jio Welcome Offer' users to get unlimited 5G data with up to 1 Gbps+ speeds at no additional cost. It launched a series of True 5G-powered initiatives across Education, Healthcare, Agriculture, Industry 4.0 and IOT sectors. Reliance Foundation & Jio came together for the first initiative 'Education-For All' to initially digitize 100 schools in Gujarat with Connectivity and Education Platform. Jio is also now the only operator to provide True-5G services across entire Delhi-NCR region, including Delhi, Gurugram, Noida, Ghaziabad, Faridabad and other major locations. Earlier it had also launched the 5G services in Bengaluru and Hyderabad.
- 2. Ultratech cement:** Ultratech announced the commencement of the company's third Birla White Wall Care Putty plant at Nathdwara, Rajasthan with a capacity of 4 LMT per annum, at a total cost of Rs. 187 crores. The existing two plants are situated at Kharia in Rajasthan and Katni in Madhya Pradesh. The Company now has a Wall Care Putty capacity of 13.0 LMT per annum, further strengthening its position in the markets.
- 3. Larsen & Toubro:** The Hydrocarbon Business (L&T Energy Hydrocarbon – LTEH) of L&T has secured two prestigious offshore orders. It received India's first contract for decommissioning of offshore facilities from British Gas Exploration and Production India Limited (BGEPL, part of Shell Plc Group of Companies). The contract scope of work involves Engineering, Preparation, Removal and Transportation of five (5) offshore Wellhead Platforms and associated facilities at the Tapti field, off India's west coast, which is being operated by the Joint Venture of BGEPL, ONGC, and RIL. The Business has also secured an order from Oil & Natural Gas Corporation (ONGC) for balance works of Pipeline Replacement Project-VI Project (PRP-VI). The scope involves laying of approx. 42 kms subsea pipelines and associated subsea works across India's west coast offshore fields of ONGC.

The Heavy Civil Infrastructure Business of Larsen & Toubro has secured an order from the prestigious Greenko group, one of the world's leading renewable energy companies, for development of an off stream pumped storage project in Madhya Pradesh. The Civil and Hydromechanical works of the project will be executed through a Consortium led by Larsen & Toubro, under a stringent timeline of 30 months. Upon completion, the project will be one of the largest clean energy projects of its kind in India.

L&T Realty, the Real Estate Development arm of L&T and Singapore-listed CapitaLand India Trust Management Pte. Ltd., trustee-manager of CapitaLand India Trust (CLINT), have entered into a non-binding term sheet for a commercial platform to develop close to 6 million square feet (0.56 million square metres) of prime office spaces across Bengaluru, Chennai and Mumbai in India.

- 4. Maruti:** The Company continues to witness increased cost pressure driven by overall inflation and recent regulatory requirements. It has become imperative to pass on some of the impact through a price increase. The Company has planned this price increase in January, 2023 which shall vary across models.
- 5. Hero Motors:** VIDA V1, the brand's first electric vehicle (EV), made its global debut at the Hero World Challenge, an invitation only PGA TOUR tournament hosted by legendary golfer Tiger Woods at The Albany in the Bahamas. VIDA – which opened its first 'Experience Center' in Bengaluru in India

recently - will expand to select European, Asian and Latin American countries in the near future. The VIDA V1 also offers industry-leading features like Custom Mode (100+ combinations), Cruise Control, Boost Mode, Two-way throttle, Key-less access and an Over-the-air enabled 7" TFT Touch-Screen. The VIDA V1 is based on an intelligent platform that's modular, scalable & flexible, enabling it to learn and adapt on-the-go. The VIDA V1 evolves with the rider.

# 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.

## Reach Us:

**Pelican Holdings Pvt Ltd**

New No: 31, Old No: 15, T-2, 3rd Floor,  
Rajamannar Street, T.Nagar,  
Chennai – 600 017

**SEBI Reg no:**

**INP000006891**

 [reachus@pelicanpms.com](mailto:reachus@pelicanpms.com)

 +91 94983 03030

 +91-44-48570806

 @pmspelican

 pelicanpms

 pmspelican

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