

INVESTONOMICS

INVESTING GUIDE | JULY 2019 to SEPTEMBER 2019

WE BRING OUR
SEVENTH EDITION OF
QUARTERLY INVESTMENT GUIDE
INVESTONOMICS

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MUTUAL FUND

YOGA :
PRACTITIONER'S
INSIGHT

7TH
EDITION
Jul to Sep



PMS AIF WORLD
Superior Investments | Informed Decisions



Dear Client,

The return to power of Prime Minister Narendra Modi sparked a buoyant rally in May, and Sensex touched new highs by crossing 40k level in first week of June'19.

All eyes were keenly looking forward to the budget rollout by the new FM Nirmala Sitharaman and there was an optimistic belief that this will lay down measures that will act decisively to revitalize a stuttering economy. However, this belief was shattered as budget was focused on long term visionary initiatives and nothing much was there to address the near term concerns of slowing economic growth and deteriorating liquidity condition.

Strong policy measures taken by government in last 5 years have squeezed the economy hard. Also, since 2019 was an election year, markets were waiting to see the results. Hence, it has been for quite some time that Indian markets have been uncertain.

Now, under the same leadership of decisive government, market is hopeful that India should achieve the target of \$5T economy by Year 24-25, but, at the same time it is waiting to see well thought economic measures and reforms with right execution.

Government must take real measures soon to improve the growth outlook for the economy.

Some Latest Data Points

- o India Manufacturing PMI decreased to 52.1 in June'19 after 52.7 in May'19
- o Auto Sales numbers both for passenger as well as commercial vehicles continue to remain very weak in June.
- o Bank credit growth has moderated to 12.7% in May'19 from 14% YoY growth in 4QFY19
- o Trade Deficit in May'19 remained US \$ 15.4 bn because oil and gold imports rose.
- o Monsoon Performance in June'19 ended on weak note with cumulative rainfall 33% below normal. As per IMD, recovery is expected in July and Aug month which together account for 62% of the season.

From investment stand point, one must remember that all these negatives are known to market. That is why, though Sensex and Nifty are closer to all-time highs, in last 18 months (January 2018-June 2019), barring select large cap stocks, market has seen broad based correction. Within the Nifty 50, top 15 stocks have delivered 30% returns, and rest are down 11% over this period. From December 2017 highs, Mid Cap & Small Cap indices are down 25% and 30% respectively.

One must also not miss that the RBI in its latest policy has clearly re-iterated its focus to reviving Growth as Inflation remains under control.

Additionally, India's foreign exchange reserves are at record high level led by higher net FPI and ECB flows in CY2019 till date



FII flows which had dried in last FY, have again started coming in after elections. And, FII flows should continue to come if the growth outlook for India improves meaningfully.

Inflation is largely in control and below the RBI's target levels. There is high likelihood of another rate cut. In fact, this is the trend for all major economies. Low inflation is giving central banks the room to lower rates and support growth. The U.S. core PCE price index, the Fed's favourite measure of inflation, has been below the bank's 2% target since January and was at 1.6% in May. Over the rest of the year, many central banks are expected to cut rates, including multi-moves from the #US (50 basis points), #China (50 bps), #Brazil (100 bps) and #Russia (75 bps).

This is the time to be patient and hold on. Being a long term investor is important. Below mentioned historical numbers speak for it-self in this regards.

India's GDP		
In 2009	In 2014	In 2019
\$ 1.3 Trillion	\$ 2.0 Trillion	\$ 2.85 Trillion

Index Absolute Performance	In Last 5 Years	In Last 10 Years
Indian Economy	43%	110%
Nifty 50	73%	281%
Nifty Mid Cap 150	138%	528%
Nifty Small Cap 250	104%	370%

We recommend investors to stick to asset allocation, and allocate new investments towards select Mid Cap Portfolios or Multi Cap Portfolios.

Debt allocations must be in low duration, and short term funds. One must stay away from credit risk funds.

We do unparalleled research, provide un-biased advice and do suitability analysis before recommendations. We have analysed consistency of performance across time, and have highlighted our choice of top equity, and debt mutual funds.

We do industry first of its kind in-depth 4P Analysis across Philosophy, Performance, Portfolio, and Price and have highlighted Top PMS products for investors who like to invest in Equity in a concentrated and focused manner.



Kamal Manocha
Chief Strategist and Advisor

He Comes with varied experience in investment advisory and wealth management domain. He has worked for 10 years with Citibank India as a Private Banker and Investment Counselor and was associated briefly for 18 months as a CEO and Business development head with a SEBI registered investment advisory company. He has pursued Honors in Economics & Master's in Business Administration.



MID-CAPS CALLING "APNA TIME AAYEGA"

GOVERNMENT IS DETERMINED TOWARDS LONG TERM MEASURES WHICH WILL EVENTUALLY TRICKLE DOWN IN CORPORATE EARNINGS SOONER OR LATER

- Additional capital infusion in PSU banks up to 70k Cr against the industry expectation of 40k Cr.
- 100 Lac Cr of infra spend in next 5 years (20K Cr every year). This should boost Cement, Metals, and other Infra related sectors.
- PSU Divestment Target at whopping 1.5 Lac Cr. This clearly implies govt wants to focus more on governance and is a capitalistic move towards privatization.
- Govt is giving push to auto sector by giving SOPs with respect to Electrical Vehicles. Almost 99% of companies in this sector are un-levered with huge cash on their balance sheets. Why Can't India be imagined becoming as one of worlds' manufacturing hubs for EVs? We have seen huge growth in China by it being similar hub for smart phones in last 10-15 years. It's very clear that government is determined and only thinking long term.
- Government has provided one time six months' partial credit guarantee to public sector banks (PSBs) for first loss of up to 10 per cent on purchase of high-rated pooled assets of financially sound NBFCs, amounting to a total of Rs 1 lakh crore during the current financial year. This move should provide confidence and support to NBFC space.

WHY MID CAPS MAKE A LOT OF SENSE

There is a famous saying, Big companies make small moves, but small companies make very big moves. This is what exactly happens when you hold a bouquet of high-quality small & mid cap companies as over long term some of them become large caps and giant companies.

Mid Caps and especially Small Caps have seen massive fall in past 18 months or so, because of three factors, 1) long term capital gain tax that was introduced in 2018 budget, 2) Re-categorization of mutual funds that was introduced in Mar-Apr, 2018, and NBFC crises that started with IL&FS default in Sep, 2018 leading to squeeze of liquidity.

AMBIT's Good and Clean is one of the best performing Mid Cap PMS and has been covered by economic times recently for its consistency of high performance during tough times. It comes with 0% Fixed Fee till 8% p a of hurdle rate, with high water mark and 20% profit sharing on incremental performance. High watermark means a performance less than 8% in any year is added to the huddle of next year. Absolutely investor friendly pricing

Clean Denotes : No political connectivity | High corporate governance | Clean accounting | High Promoters integrity | Ethics never compromised | No related party transactions | No favors to relatives | No linkages to bureaucrats

Good Denotes : Focused capital allocation | High ROE | High ROCE | Oligopolistic nature of business | High Earnings | High Cash flows

WHAT MARKETS DID NOT LIKE AS FIRST REACTION, BUT ARE ACTUALLY GOOD LONG-TERM INITIATIVES

Public Share Holding To Go Up From 25% To 35%

Increased public shareholding in long term brings more transparency. Promoters tend to influence the verdict whenever special resolutions are moved. If their shareholding moves below 74%, public shareholders will have relatively larger say in passing of special resolutions.

Buy Back Of Listed Equity To Be Taxed At 20% Which Earlier Was Only In Case of Unlisted Equity

Increased buy back tax on listed equities is more to bring buy back tax at par with dividend tax, and this will drive companies to take more public money, and operate with more equity capital over borrowed debt capital.

Higher Tax of 42.7% On Ultra Rich As Well As On Fpi Which Are In The Trust FORMAT.

Higher tax rates have been supplemented by 100 Lac crores of Infra Spend in next 5 yrs. And, keeping the fiscal deficit at targeted level of 3.2%.

The intelligent investor is a one who is a realist, who sells to optimists and buys from pessimists ~ Benjamin Graham





SCDV Framework:

An Insightful mechanism to dissect and navigate equity markets

Tough markets are the testing times that differentiate men from the boys. IIFL Multi Cap PMS is an apt equity product in this context. It has been consistently performing in short, medium and long term, inspite of correction in the broader markets. We have interviewed the fund manager and tried to understand what is it that the fund management team is doing differently. Different philosophy that is being followed over years is 'Sector Rotation. This works on an insightful mechanism called 'SCDV framework' where by whole market is divided on the basis of earnings in following four quadrants.

- Seculars (PAT > 15%, ROE > 15%) – High Growth Companies / Sectors which show consistent growth across market cycles.
- Cyclical (PAT > 15%, ROE < 15%) – Companies / Sectors that show high growth, but are affected by market cycles, hence need to be timed for entry and exit.
- Defensives (PAT < 15%, ROE > 15%) – Companies / sectors that show consistent stable growth across market cycles.
- Value Traps (PAT < 15%, ROE < 15%) – Companies/Sector that at attractive valuations, but do not show commensurate growth.

Within the SCDV framework, navigating equity market becomes relatively easy. 40% portfolio sits in Secular basket which becomes Core of the portfolio and 50-60% is Tactical allocation between Cyclical, Defensives and some amount to Value Traps. Core portfolio provides stability and tactical portfolio is where alpha is sought.

- Example in Secular: - Companies like HDFC, Kotak, Bajaj Finance which are expected to give 15-18% of earnings growth.
- Example in Cyclical: - ICICI, AXIS Banks were added to the portfolio in line with NPA provisions decreasing, and new management coming. There was a hope for PE expansion which happens when the earnings profile of company has improved and market is willing to pay higher multiple. The call worked well.
- Example in Defensives: - 'Merck Limited' turned out to be an outlier in Pharma, as it was quoting 20-21 PE i.e. 40% - 50% discount to MNC peers which trade at 30 - 40 PE. It was found, company had done Capex in last couple of years, which had suppressed the margins. Parent of Merck was selling India OTC business to P&G, which in India has 4 times bigger sales force as compared to Merck Limited. There was a possibility of Increased Capacity of Merck Ltd getting benefited by Bigger Distribution capacity of P & G. So it was likely that ROE would expand, and hence, company would command higher PE multiples. The call worked well.
- More Examples :- Aavas Financiers was bought when its IPO got listed. It was at the same time when, IL & FS default got unfolded. So, Aavas being an NBFC, was seeing selling. All companies in NBFCs were looking weak, but everything cannot be painted with same ideology. Aavas which is backed by AU bank, was quoting at 2 times less price to book. It had earnings growth of 35% - 40% plus. And, NPA which is main issue for Housing Finance was extremely low for Aavas. The call worked well.

In the final words of the fund manager, Anirudha Sarkar, "Being agile in today's market is very important, holding a stock till eternity is not our approach" He adds, at the same time, entry in a company could be 'Tactical', basis stock appearing as outlier in its space but exit depends upon valuations and earnings growth. This is because, there are companies that strive to move towards secular basket by showing improvement and consistency in earnings.



4 P Analysis and Top Performers

We first perform following basic filters on 100+ PMS products

- Min 2 Year of performance
- Min 100 Cr of AUM
- Existence of Strong Term
- Not Taking Un-due Risk

This reduces the Universe to 35 names. On these PMS products we do 4P Analysis across Philosophy, Portfolio, Performance, Price.

- Philosophy : We meet with the team, understand their credentials and the philosophy. We do a thorough interview with the fund manager and/or key people in the team. We check whether the team has shown adherence to its philosophy during good and bad times in the past.
- Performance : We analyse period wise performance and compare it objectively. We give much higher weightage to long term performance and also allocate ranks on the basis of consistency.
- Portfolio : We check the construct, level of concentration, allocation to sectors, EPS and forward PE .
- Price : We are quite particular about understanding in detail the fee structure, expenses, and exit loads.

We avoid ones that are highly concentrated and select the ones that follow a min 12-15 stock portfolios. Where portfolio is highly concentrated, we pick the ones where percentage of mid and small cap is not high. For the ones that are highly concentrated as well as high on mid and small cap allocation, we are highly cautious and thoroughly understand the portfolio. Here, we give higher weightage to factors i.e. Higher Portfolio EPS, Low Portfolio PE, Boutique style of management with very strong philosophy, team and years of history.



Top Wealth Creators

PMSs that have generated maximum return in last 5 years

Strategy Name	Attributes					Returns			
	AUM (cr)	No of Stocks	Large Cap	Mid Cap	Small Cap	1Y	3Y	5Y	SI
Motilal NTDOP	9020	26	52.60%	43.80%	3.60%	-1.03%	11.96%	19.59%	16.19%
ASK IEP	8620	19	74.00%	25.00%	0.00%	3.40%	12.80%	17.10%	18.60%
Narnolia 3T	178	25	90.36%	1.63%	5.74%	3.10%	15.00%	17.20%	20.90%

Low Risk High Return

PMSs that follow primarily blue cap oriented portfolios with low standard deviation in performance

Strategy Name	Attributes					Returns			
	AUM (cr)	No of Stocks	Large Cap	Mid Cap	Small Cap	1Y	3Y	5Y	SI
IIFL Multicap	1000	27	63.98%	20.63%	10.11%	18.79%	17.80%	-	19.08%
Ambit Coffee Can	314	12	78.00%	20.00%	0.00%	4.10%	-	-	18.10%
ALFAccurate AAA	576	48	56.00%	18.00%	25.00%	-4.60%	10.80%	15.50%	18.80%

High Quality Mid Cap portfolios

PMSs that are a construct of 15-25 companies with high EPS, and low forward PE.

Strategy Name	Attributes					Returns			
	AUM (cr)	No of Stocks	Large Cap	Mid Cap	Small Cap	1Y	3Y	5Y	SI
Ambit Good and Clean	115	15	20.00%	40.00%	35.00%	21.80%	16.10%	-	12.90%
Motilal IOP1	3406	26	1.60%	18.20%	79.60%	-6.17%	9.97%	12.79%	12.03%
Reliance Emerging India	110	20	3.00%	29.00%	67.00%	-0.62%	-	-	7.45%

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Performance up to 1 Year is absolute and above 1 Year is Annualized. PMS-AIF.com has taken due care in collating the data from respective providers. It has been done on best effort basis and the accuracy of the data cannot be guaranteed. PMS-AIF.com should not be held responsible for any errors for the results arising from the use of this data whatsoever. Past Performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Please read the disclosure documents carefully before investing. Portfolio Management Services are market-linked and do not offer any guaranteed/assured returns



Top 10 Equity Mutual Funds

1. Invesco India Contra Fund – The fund follows contrarian style investing. The aim is to have a first mover advantage by investing into out of favor sectors/stocks thus increasing out-performance prospects.

Fund Attributes	Market Capitalization			Returns							
	Corpus (cr)	Large Cap	Mid Cap	Small Cap	30 D	3 M	6 M	1 Y	3 Y	5 Y	SI
	3,929	66.42%	26.37%	7.21%	-1.23%	-1.07%	4.39%	4.91%	14.48%	14.18%	13.57%

2. Kotak Emerging Equity Scheme – The fund invests predominantly in midcap stocks and identifies those companies which are either at a very nascent stage or developing stage and are under researched.

Fund Attributes	Market Capitalization			Returns							
	Corpus (cr)	Large Cap	Mid Cap	Small Cap	30 D	3 M	6 M	1 Y	3 Y	5 Y	SI
	4,326	5.50%	80.80%	13.69%	-0.39%	0.39%	5.87%	3.07%	10.60%	16.21%	11.64%

3. Mirae Emerging Bluechip Fund – The fund invests in Large or mid cap companies. The aim of the fund is to invest in both, the current bluechip companies and the upcoming potential bluechip companies.

*This fund allows investment via either SIP or STP (25,000 pm per PAN)

Fund Attributes	Market Capitalization			Returns							
	Corpus (cr)	Large Cap	Mid Cap	Small Cap	30 D	3 M	6 M	1 Y	3 Y	5 Y	SI
	7,617	50.57%	43.00%	6.43%	-0.51%	1.52%	8.09%	13.50%	17.14%	20.07%	20.40%

4. Axis Focused 25 Fund – The scheme invests in a concentrated portfolio of high conviction ideas (up to 25). It focus on companies that have the capability to sail through their business cycles without being affected by short term market volatility.

Fund Attributes	Market Capitalization			Returns							
	Corpus (cr)	Large Cap	Mid Cap	Small Cap	30 D	3 M	6 M	1 Y	3 Y	5 Y	SI
	7,978	79.45%	20.55%	-	-0.17%	5.50%	6.56%	4.34%	15.87%	14.35%	16.07%

5. Motilal Oswal Multicap 35 – The fund invests in stocks across large, mid and small cap. It invests in maximum of 35 equity stocks (as the name suggests) across sectors and chooses stocks which are emerging and enduring wealth creators.

Fund Attributes	Market Capitalization			Returns							
	Corpus (cr)	Large Cap	Mid Cap	Small Cap	30 D	3 M	6 M	1 Y	3 Y	5 Y	SI
	13,635	81.91%	16.80%	1.29%	-0.70%	2.35%	5.96%	2.60%	13.60%	17.30%	20.83%

Source – <https://www.valueresearchonline.com> , <https://www.mutualfundindia.com>

Data is as on 30th June 2019

Fund have been selected based on past performance, fund expense and portfolio allocation.

Investments are subject to market risks. Please read all Scheme Information Documents (SID) /Key Information Memorandum (KIM), addendum issued from time to time and other related documents carefully before investing.

Past performance is not indicative of future returns.



Top 10 Equity Mutual Funds (Contd...)

6. Mirae Asset Focused Fund – The fund's investment strategy is to invest in equity or equity related instruments of up to 30 companies. It follows focused approach of investment and is flexible to invest across market capitalization. It aims to build a portfolio of strong companies and created a robust portfolio.

Fund Attributes	Market Capitalization			Returns							
	Corpus (cr)	Large Cap	Mid Cap	Small Cap	30 D	3 M	6 M	1 Y	3 Y	5 Y	SI
	949	56.70%	41.52%	1.78%	-0.83%	-	-	-	-	-	6.84%

7. Franklin India Focused Fund – The fund seeks to achieve capital appreciation through investing predominantly in Indian companies / sectors with high growth potential. Such companies tend to grow earnings at a fast pace and offer a trade-off between growth, risk and valuation.

Fund Attributes	Market Capitalization			Returns							
	Corpus (cr)	Large Cap	Mid Cap	Small Cap	30 D	3 M	6 M	1 Y	3 Y	5 Y	SI
	8,653	71.49%	11.20%	17.31%	-1.59%	2.91%	12.14%	14.43%	12.49%	14.49%	12.75%

8. Kotak Standard Multicap Fund – The fund aims to identify sectors that are likely to do well over medium term and take focused exposure on stocks within these sectors.

Fund Attributes	Market Capitalization			Returns							
	Corpus (cr)	Large Cap	Mid Cap	Small Cap	30 D	3 M	6 M	1 Y	3 Y	5 Y	SI
	26,010	76.03%	22.87%	1.09%	-1.36%	2.35%	9.21%	10.78%	14.20%	14.95%	13.85%

9. L&T Midcap Fund – The fund primarily invests in companies whose market capitalization falls between the highest and the lowest constituent of the Nifty Free Float Midcap 100 Index.

Fund Attributes	Market Capitalization			Returns							
	Corpus (cr)	Large Cap	Mid Cap	Small Cap	30 D	3 M	6 M	1 Y	3 Y	5 Y	SI
	4,880	5.65%	81.85%	12.50%	-1.29%	-2.70%	-0.42%	-2.64%	12.26%	15.00%	18.92%

10. HDFC Smallcap Fund – The Scheme maintains a minimum exposure of 65% to small cap stocks. The main aim is to build a portfolio of companies which have: a) reasonable growth prospects b) sound financial strength c) sustainable business models d) acceptable valuation that offers potential for capital appreciation.

Fund Attributes	Market Capitalization			Returns							
	Corpus (cr)	Large Cap	Mid Cap	Small Cap	30 D	3 M	6 M	1 Y	3 Y	5 Y	SI
	8,403	5.67%	40.18%	54.15%	1.94%	-3.96%	-5.13%	0.21%	-2.1%	14.81%	14.93%

Source – <https://www.valueresearchonline.com> , <https://www.mutualfundindia.com>

Data is as on 30th June 2019

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Top 5 Debt Mutual Funds

1. Franklin India Ultra Short Term Bond Fund Super Ins – The fund endeavors to strike optimum balance between regular income and high liquidity. This is achieved through a judicious mix of short term debt and money market instruments.

Fund Attributes					Fund Performance						
CATEGORY	Corpus (cr)	YTM	Mod Duration	Quality	30 D	3 M	6 M	1 Y	3 Y	5 Y	SI
DEBT: ULTRA SHORT DURATION	19,569	9.60%	0.46	Medium	0.53%	2.09%	4.71%	9.57%	8.86%	9.91%	8.93%

2. Kotak Low Duration Fund – The fund seeks to generate income through investments primarily in low duration debt security and money market securities. It aims for regular income over short term. The average duration of securities in this portfolio is 6 to 12 months.

Fund Attributes					Fund Performance						
CATEGORY	Corpus (cr)	YTM	Mod Duration	Quality	30 D	3 M	6 M	1 Y	3 Y	5 Y	SI
DEBT: LOW DURATION	5,018	8.97%	0.77	Medium	0.09%	1.37%	3.66%	7.62%	7.59%	8.29%	7.68%

3. Aditya Birla SL ST Opportunities Fund – The fund aims to generate income over short to medium term by investing in debt and money market instruments. It invests in those instruments that offer superior yield at acceptable levels of risk.

Fund Attributes					Fund Performance						
CATEGORY	Corpus (cr)	YTM	Mod Duration	Quality	30 D	3 M	6 M	1 Y	3 Y	5 Y	SI
DEBT: SHORT DURATION	3,193	8.76%	2.3	High	0.37%	1.99%	4.17%	8.81%	7.50%	8.31%	7.33%

4. Franklin India Corporate Debt Fund – The fund predominantly invests in AA+ and above corporate bonds with a moderate duration to provide investors regular income and capital appreciation.

Fund Attributes					Fund Performance						
CATEGORY	Corpus (cr)	YTM	Mod Duration	Quality	30 D	3 M	6 M	1 Y	3 Y	5 Y	SI
DEBT: CORPORATE BOND	870	9.44%	3.03	High	1.46%	1.99%	4.88%	9.99%	8.74%	8.89%	8.67%

5. ICICI Pru Savings Fund – The fund is low-duration low-risk debt fund. It seeks to generate income through investing predominantly in floating rate instruments while maintaining the optimum balance of yield, safety and liquidity.

Fund Attributes					Fund Performance						
CATEGORY	Corpus (cr)	YTM	Mod Duration	Quality	30 D	3 M	6 M	1 Y	3 Y	5 Y	SI
DEBT: LOW DURATION	18,724	7.74%	0.82	High	0.85%	2.29%	4.41%	8.85%	7.77%	8.29%	8.07%

Source – <https://www.valueresearchonline.com> , <https://www.mutualfundindia.com>

Data is as on 30th June 2019

Fund have been selected based on past performance, fund expense and portfolio allocation.

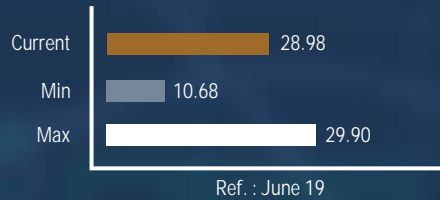
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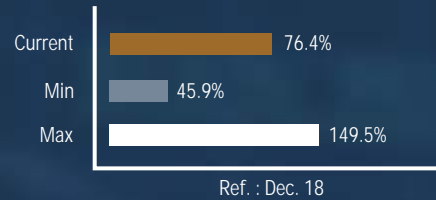


TEN INVESTMENT INDICATORS AND THEIR HISTORICAL MAXIMUM AND MINIMUM

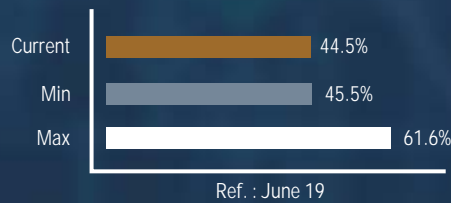
1 NIFTY PRICE TO EARNING RATIO



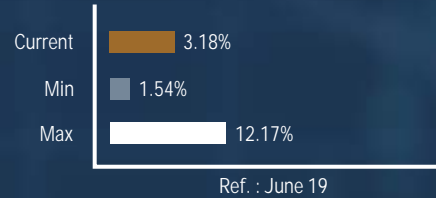
2 MARKET CAP TO GDP RATIO



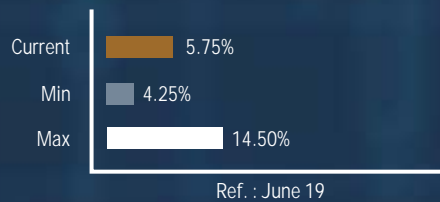
3 GOVERNMENT DEBT TO GDP RATIO



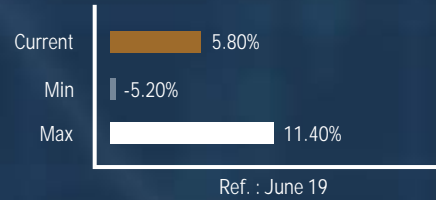
4 INFLATION RATE (CPI)



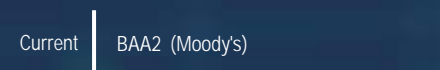
5 INTEREST RATE



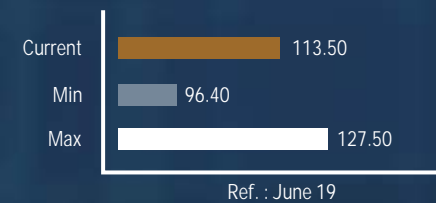
6 GDP ANNUAL GROWTH RATE



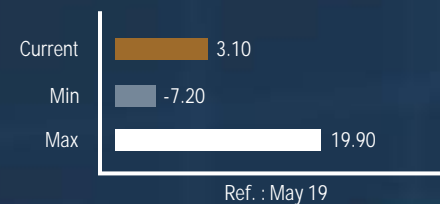
7 CREDIT RATING



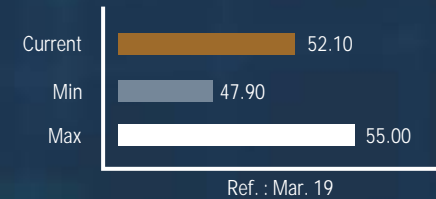
8 BUSINESS EXPECTATION INDEX



9 INDIA'S INDUSTRIAL PRODUCTION INDEX



10 MANUFACTURING PMI





Yoga means Union. The union of mind and body. And then, union of the mind-body entity with the Ultimate. Yoga is a path to self-realization and, in this context of Yoga was first described in Bhagwat Geeta. Patanjali has then transformed it to what is known as "Yoga Shastra", which is eight-fold steps of Yoga for ultimate and infinite experience. I am writing this article to explain the same and to show how Yoga is relevant and integral to our lifestyle whilst moving towards the goal of 'Union'.

The eight-fold path, as is known to most, has the first two most important steps: Yama and Niyama.

Simply put, the Yamas are things not to do, or restraints, while the Niyamas are the things to do, or observances. Together, they form a moral code of conduct for effective Yoga.

The five Yamas, self-regulating behaviours involving our interactions with other people and the world at large, include

- Ahimsa: No Violence
- Satya: Truthfulness
- Asteya: No Stealing
- Brahmacharya: No Excess (often interpreted as celibacy)
- Aparigraha: No Possessiveness, No Greed.

The five Niyamas, personal practices that relate to our inner world, include

- Saucha: Purity
- Santosha: Contentment
- Tapas: Self-Discipline, Training your Senses
- Svadhyaya: Self-Study, Inner Exploration
- Ishvara Pranidhana: Surrender

Building a capacity to go beyond, and then sustain needs both Asanas and Pranayama.

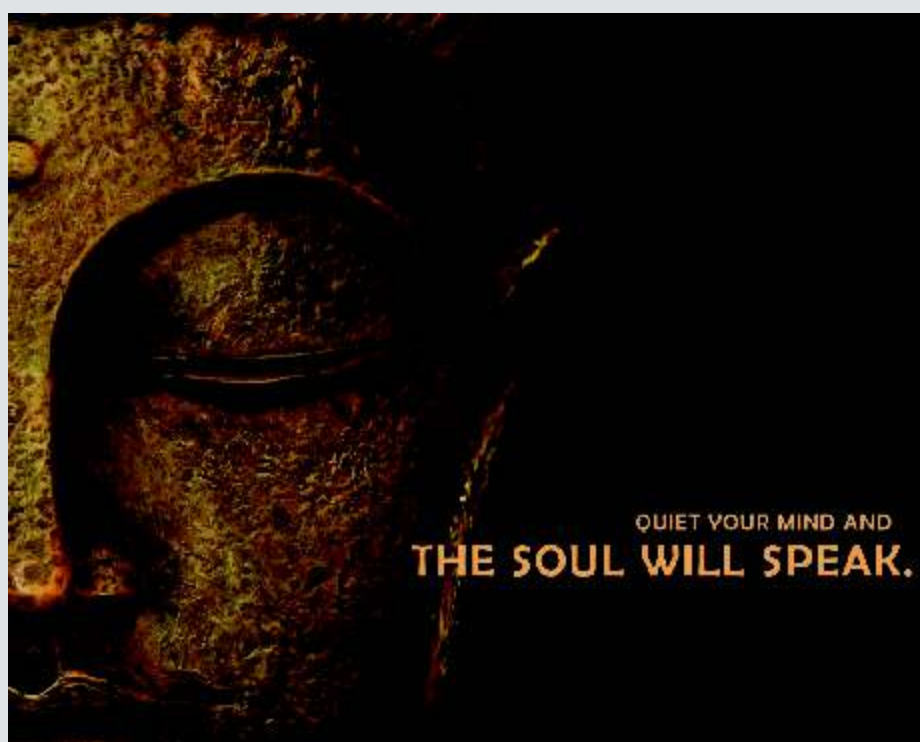
Asanas use various body postures, and Pranayama uses breath, both work on our internal system of 72,000 nadis (nodal points) in our body. Nadi is a term for the channels through which, the energies such as prana of the physical body, the subtle body and the causal body are said to flow. Within this philosophical framework, the nadis are said to connect at special points of intensity, the chakras. The three principal nadis are the ida on the left, the sushumna in the centre, and the pingala on the right; they run from the base of the spine to the head. The nadis play a role in yoga, as it is intended to unblock the nadis and force prana into the sushumna nadi, enabling kundalini to rise, thus bringing about higher experiences. In the yogic view, the body is a temple of spirit, the care of which is an

important stage of our spiritual growth. Through the practice of asanas and pranayam, we develop the habit of discipline and enhance the ability to concentrate, both of which are necessary for meditation.

These first four stages of yoga concentrate on refining our personalities, gaining mastery over the body, and developing an energetic awareness of ourselves, all of which prepares us for the second half of this journey, which deals with the senses, the mind, and attaining a higher state of consciousness.

With practice, the inward-looking processes become strong and slowly the mind begins to shed attachment with senses and their objects. This stage is called Pratyahara which simply means withdrawal or sensory transcendence. It is during this stage that we make the conscious effort to draw our awareness away from the external world and outside stimuli. Keenly aware of, yet cultivating a detachment from, our senses, we direct our attention internally. The practice of pratyahara provides us with an opportunity to step back and take a look at ourselves. This withdrawal allows us to objectively observe our cravings & habits that are perhaps detrimental to our health and which likely interfere with our inner growth.

The practice of pratyahara creates the setting for Dharana (concentration). This stage precedes meditation, and in this, we learn how to slow down our thinking process by concentrating on a single mental object which could be an image of a deity, or the silent repetition of a sound, a specific energetic centre in the body. We, of course, have already begun to develop our powers of concentration in the previous stages of posture, breath control, and withdrawal of the senses. In asana and pranayama, although we pay attention to our actions, our attention travels. Our focus constantly shifts as we fine-tune the many nuances of any particular posture or breathing technique. In pratyahara we become self-observant; now, in dharana, we focus our attention on a single point. Extended periods of concentration naturally lead to meditation.



This leads to 7th stage called Dhayana (or meditation), it's an uninterrupted flow of concentration.

Although concentration (dharana) and meditation (dhyana) may appear to be one and the same, a fine line of distinction exists between these two stages. Where dharana practices one-pointed attention, dhyana is ultimately a state of being keenly aware without focus. At this stage, the mind has been quieted, and in the stillness, it produces few or no thoughts at all.

Eighth and final stage which is achieved as a consequence is called, Samadhi, a state of ecstasy. At this stage, we gain a realization of a profound connection to the Ultimate, and an interconnectedness with all living things. The experience of bliss and being at one with the Universe. Each aspect in this eight-fold path has detailed explanations and commentaries. These help in understanding the concepts and applying them easily.

One of the first shlokas in the Patanjali Yoga Shastra says 'Yogasya chitta vritti nirodha' meaning the Yoga is about going beyond the distractions of the mind (simply put).

In Yoga, "Asanas are performed whereby we are in a stable, and comfortable pose, and then remain still, stable, effortlessly in that pose, with attention on the Infinite. This ensures that the body is in balance with the mind. And, when the mind – body system is united in the pose, then the attention is focused on the Infinite. Asanas so practiced, fulfil the definition of Yoga (the union with the ultimate). Of course, this would need practice. Gradually, mind becomes sensitive to the language of the body. This basic union of the mind and body itself brings huge benefits to our life. We can understand how much to eat, when to eat, when to take rest and for how long etc. This provides a right way life can be led with the body being looked after by a mind which in turn is 'aware of body and its sensations'.

Mindfulness is integral to the process of Yoga.

While we perform Yoga, our mind takes a flight, we lose touch with our body, and pretty soon we're engrossed in obsessive thoughts about something that just happened or fretting about the future. And that makes us anxious.

Our mind takes flight, we lose touch with our body, and pretty soon we're engrossed in obsessive thoughts about something that just happened or fretting about the future. And that makes us anxious.

Mindfulness is the basic human ability to be fully present, aware of where we are and what we're doing, and not overly reactive or overwhelmed by what's going on around us.

Yoga dwells on the journey. The goal remains unification with the Infinite and Ultimate

I am using the terms 'Infinite' and 'Ultimate' interchangeably, as what lie beyond the 5 senses and our thoughts is Infinite'.

The practice of yoga gets assisted by mantra jaaps, yagnas and anushthans etc. which are given by the Guru. These become part of the Yoga practices and help purify the body-mind ecosystem.

May there be grace for one and all!!!

Author - Rajan Swaroop
Independent Consultant
IIT Delhi (1979 Batch), IIM Ahmedabad (1983 Batch)



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