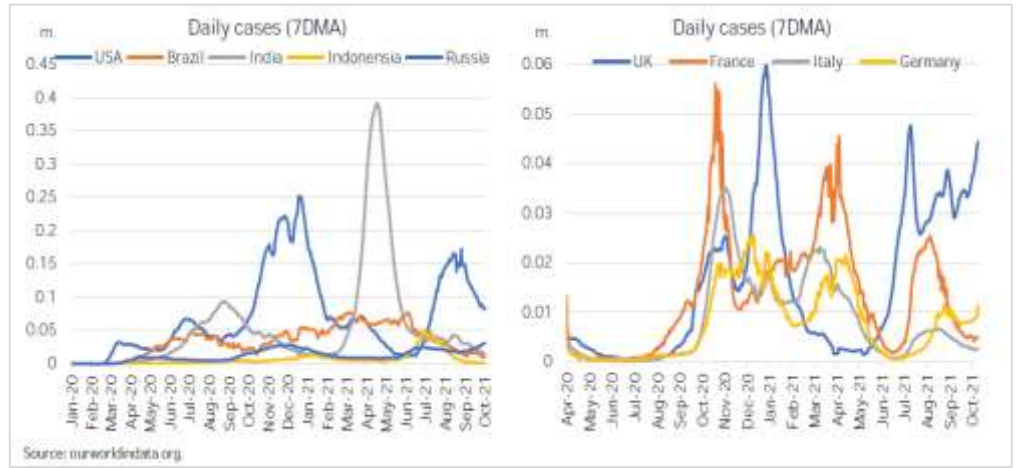
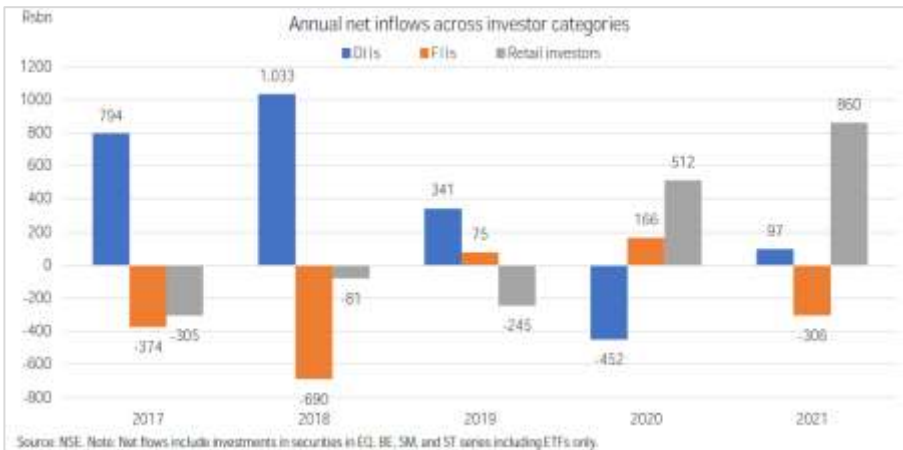


As we navigated through the month of October - Volatility we expected, volatility we got, as the markets gained ~5-6% during the first half of the month only to give up all the gains during the latter half of the month as a risk off mood overtook Indian markets. The COVID situation seems largely in control in India while the condition in many other countries is very different with rising case counts in spite of healthy vaccination status.

Daily Coronavirus cases across countries



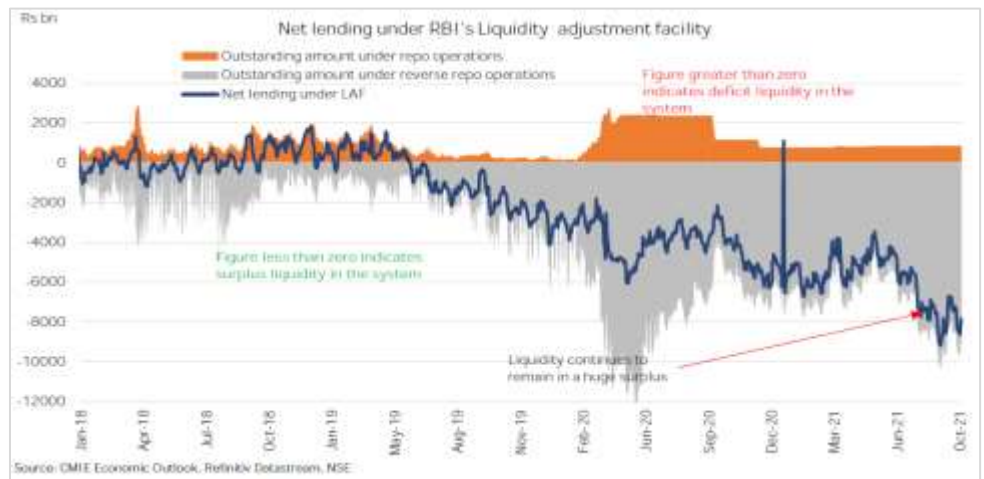
Net inflows (Rsbn) by FIIs, DIIs and retail investors in NSE's CM Segment



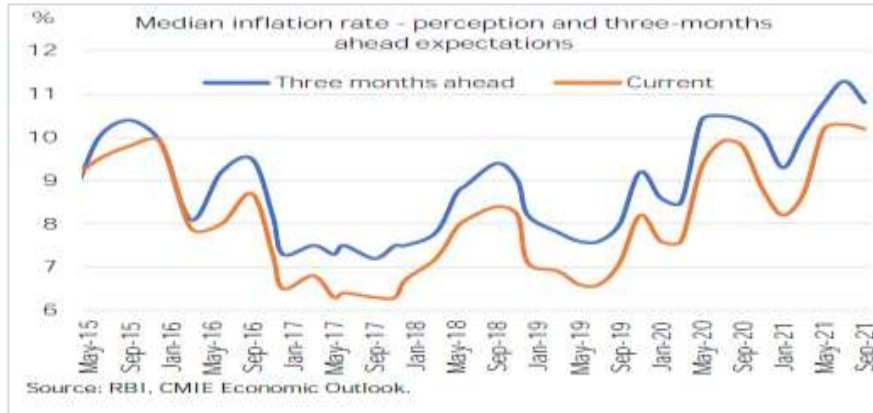
This market rally as known from number of new accounts opened is driven by retail, this is further solidified from the chart below which signifies the importance and resurgence of the retail investor in Indian markets – a story of larger participation we have been hearing for decades is finally unfolding right in-front of our eyes and taking the market into uncharted orbits while at the same time expanding the investor participation to a wider basket of stocks vis-à-vis the concentration of

institutional investors Net inflows (Rsbn) by FIIs, DIIs and retail investors in NSE's CM Segment.

RBI – Liquidity calibration underway - With the aim to gradually absorb excess liquidity from the system, the RBI announced a calibrated increase in 14-day variable rate reverse repo (VRRR) amount from Rs 4 trn currently to Rs 6 trn by December 6th. This may be accompanied with different tenor VRRRs as needed to absorb liquidity on a durable basis, even as the Governor emphasised on keeping system liquidity in adequately surplus position (~Rs 2-3 trn).

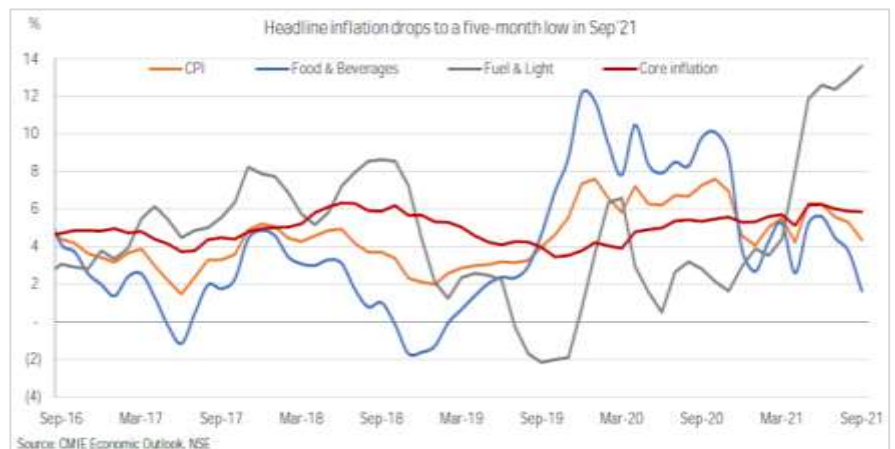


Median inflation rate: Perception and three-months ahead expectations



In-line with easing of retail and wholesale inflation trajectory over the last couple of months, household inflation expectations for three-months period fell in the latest survey. The three-month ahead inflation expectations declined by 50bps to 10.7%, even as the current inflation rate has remained broadly unchanged at 10.2%, marking the third consecutive month of a near 10% print.

Headline inflation drops to a five-month low in Sep'21



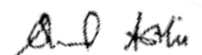
Oil remains the pivotal point with higher fuel prices inflation leading to higher crude and natural gas derivatives as well. The current prices across commodities have been linked to a logistical logjam which seems to be easing out as the BDI corrected more than 50% from the recent highs and expected to ease further. The chip shortage is also expected to ease going into the next few months.

The low base effect in IIP will further wean out over the next few months and beyond that most of the data will have normalised base and the YOY growth outcomes will be more reasonable. The quarterly numbers released till date largely point to some or the other margin pressure for a wide basket of companies a raw material prices spiralled higher.

The Chinese real estate issue though does not seem to be limited to Evergrande and is spreading into at least 3-4 major real estate companies that have high leveraging and may snowball into a larger global catastrophe. Bond yields have corrected form recent highs signalling that the markets may have overreacted on the rate cycle.

As on balance most domestic indicators seem to be pointing to improvements and laying of groundwork for a solid foundation and inflation and the pandemic largely under control, the markets could be largely stable after last months, volatility.

“You need a reasonable amount of intelligence, but the temperament is 90% of it.”- Warren Buffett

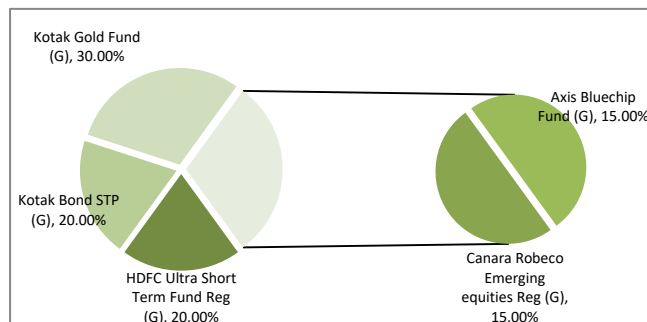


Sharad Avasthi

Vice President – PCG, SMIFS Ltd.

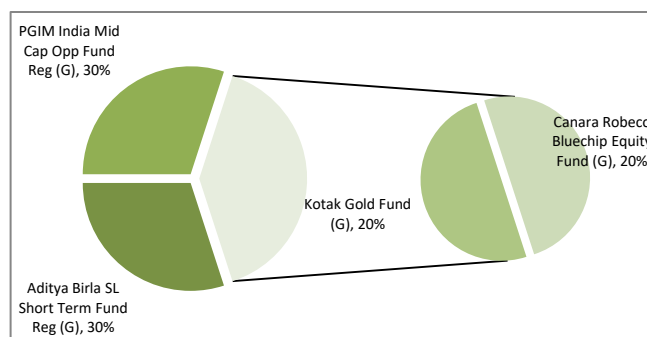
Profile: Conservative

Scheme	1 Yr Return(%)	3 Year Return(%)	5 Year Return(%)
HDFC Ultra Short Term Fund Reg (G)	3.54	6.19	0.00
Canara Robeco Emerging equities Reg (G)	55.57	24.46	18.59
Axis Bluechip Fund (G)	41.97	23.12	19.24
Kotak Bond STP (G)	3.76	8.10	7.08
Kotak Gold Fund (G)	-9.46	13.06	7.87



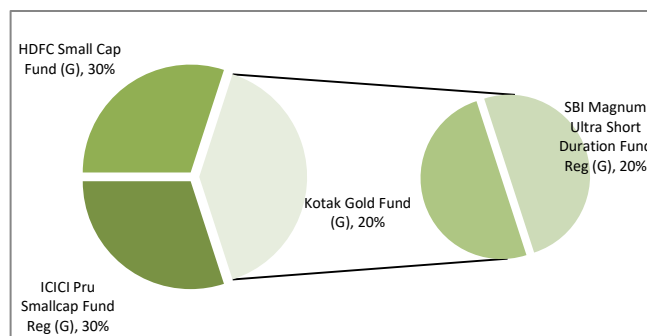
Profile: Moderate

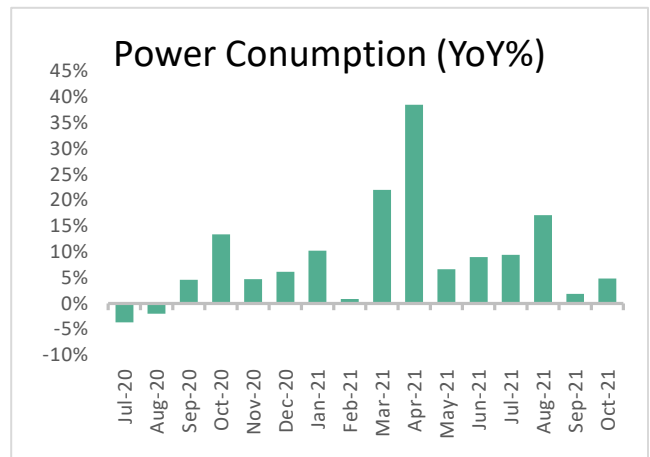
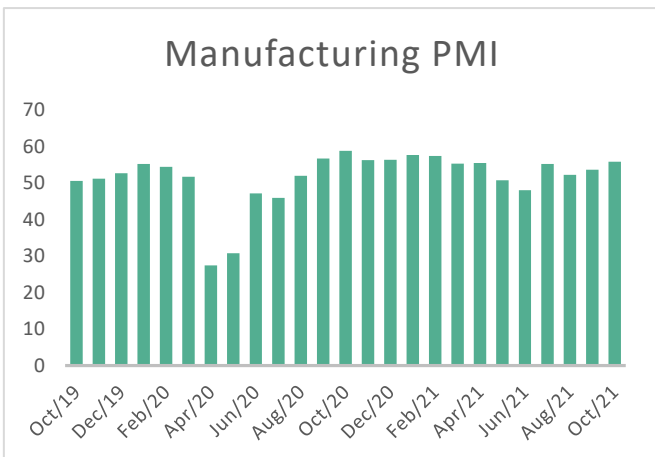
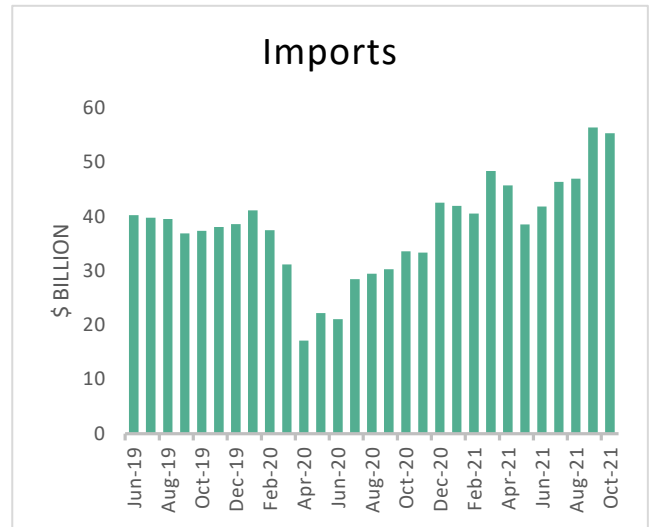
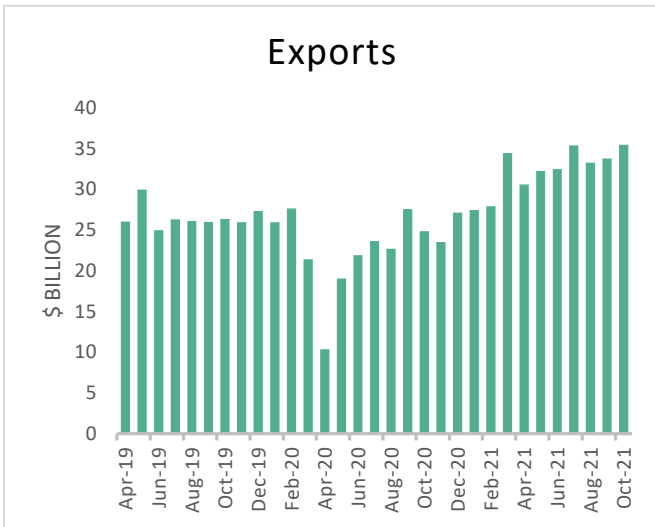
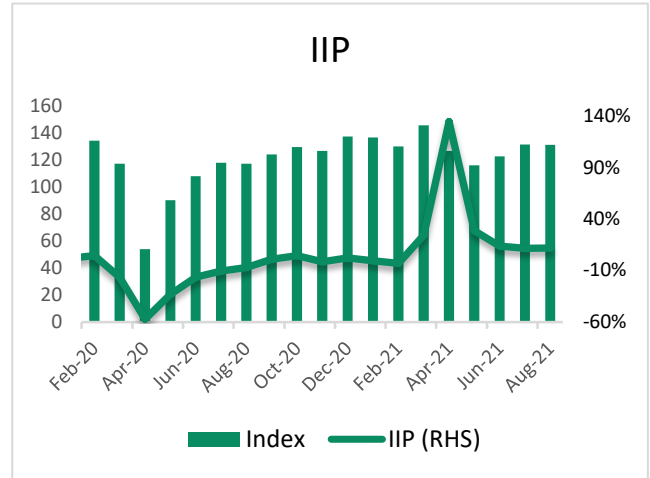
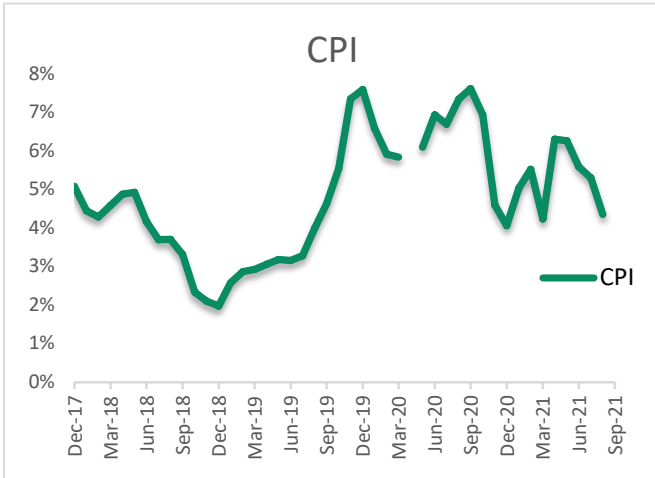
Scheme	1 Yr Return(%)	3 Year Return(%)	5 Year Return(%)
Aditya Birla SL Short Term Fund Reg (G)	4.34	8.23	7.27
PGIM India Mid Cap Opp Fund Reg (G)	87.69	36.13	21.39
Kotak Gold Fund (G)	-9.46	13.06	7.87
Canara Robeco Bluechip Equity Fund (G)	44.94	23.43	18.14

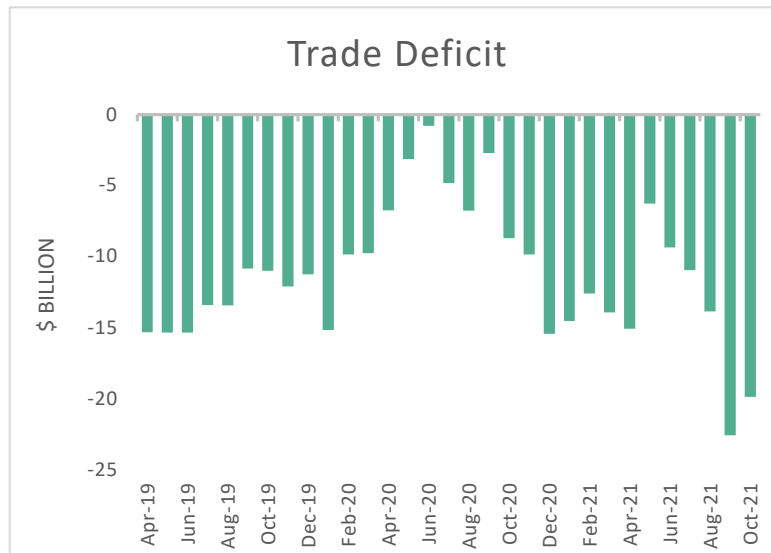
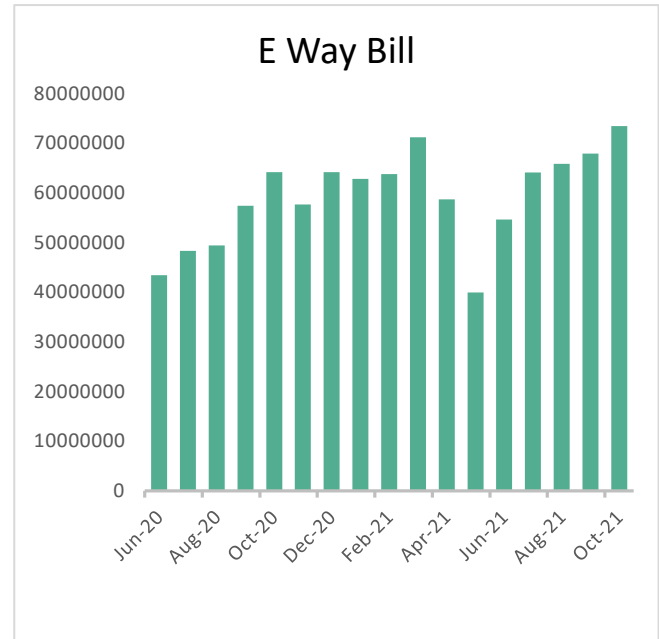
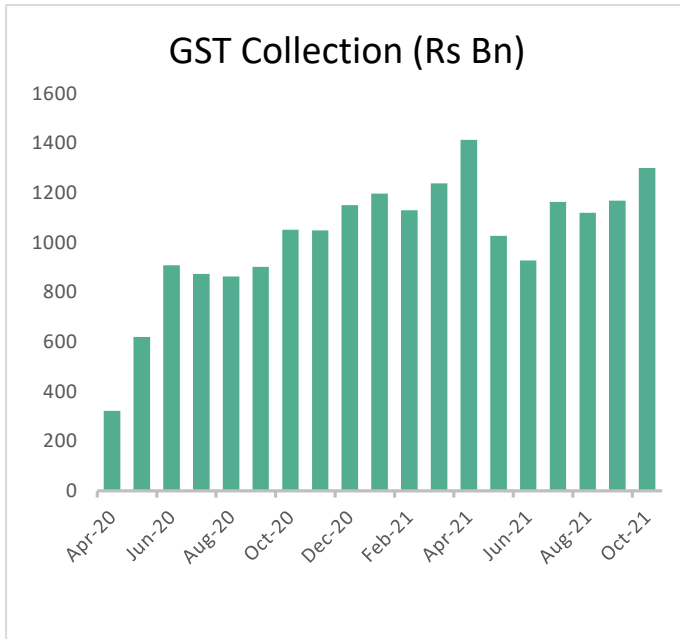


Profile: Aggressive

Scheme	1 Yr Return(%)	3 Year Return(%)	5 Year Return(%)
ICICI Pru Smallcap Fund Reg (G)	95.78	43.95	31.52
HDFC Small Cap Fund (G)	93.83	21.34	17.73
Kotak Gold Fund (G)	-9.46	13.06	7.87
SBI Magnum Ultra Short Duration Fund Reg (G)	3.32	6.02	6.43







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