



PriceBridge Newsletter 009 – September 2023

Greetings from PriceBridge,

This is the September 2023 Newsletter. We hope to continue extending our outreach and staying connected with you at every step as we navigate through an uncertain global business environment. Our monthly newsletter shall provide quick insight and perspective towards events in equity markets across India and globally while highlighting on key investment initiatives at PriceBridge.

The market movement in September was slightly volatile. The first 15 days of the month were full of strong green candles, and the next 15 days of the month were mostly red candles. One way move in each half of the month. What was made to seem like a slightly bearish month with a small correction was actually quite the opposite because the Nifty 50 delivered a notable 2% return for the month. Amidst all this volatility, Nifty 50 made a new all-time high of 20222.45 on 15 September.

The broader markets don't seem to be taking a pause either with the Nifty 500 delivering 2.18% for the month, whereas the Midcap and Smallcap indices have delivered 3.63% and 4.12% respectively.

Despite increased stock market volatility, systematic investment plans (SIP) have continued to gain momentum. The SIP in August 2023 set another new record at Rs 15,813.54 crore. In July, it was Rs. 15,245 crore, while in the same month last year was Rs. 12,693 crore.

Total SIP aum reached 8.47 lakh crore in August, compared to 8.32 lakh crore in July.

The number of SIP accounts stood at the highest ever at 696.85 lakh for August 2023, compared to 680.53 lakh in July. The number of mutual fund folios in August also reached an all-time high of 15,42,41,577 compared to 15,14,21,270 in July.

The entire country is backing India's economic ability and financial stability. Majority of the Indian population are turning to equity as an asset class with the aim to build wealth over the long term.

On the other end of the spectrum, after a sustained buying for 6 months, FII's have turned net sellers in September to the extent of approximately \$2 billion. India's FII withdrawals are a part of the larger sell-off that is occurring in other emerging markets. India had the second largest net outflow from EMs, trailing Taiwan. Increasing bond yields and a stronger dollar due to the fed rate hikes continue to make the US treasury bonds an attractive investment.

However, amongst the EMs, India still remains the preferred bet with a stable government and increasing earnings visibility. Since the beginning of 2023 India has seen the highest net inflows by FPIs at \$14.7 billion, more than double the second-ranking Korea at \$6.3 billion among Ems.

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STRATEGY WISE PERFORMANCE				
	1M	3M	6M	SI *
PRICEBRIDGE UPSWING	2.02%	6.16%	20.43%	13.61%
Benchmark - NIFTY50 TRI	2.00%	2.67%	14.02%	7.11%
PRICEBRIDGE HONEYCOMB	1.39%	4.87%	12.81%	8.66%
Benchmark - NIFTY50 TRI	2.00%	2.67%	14.02%	10.71%
AUM - At the end of September 2023 (IN CRORES)	140.05			

* UPSWING INCEPTION: 12/12/2022

* HONEYCOMB INCEPTION: 27/01/2023

In the first half of September, as the markets were making new highs, we booked some profits and increased our cash holding. But the fall in the second half of the month gave us an opportunity to redeploy at slightly lower levels.

The defence and PSU stocks in our portfolio - such as REC and BHEL continue to do well and outperform the markets month on month. Similarly, the real estate sector seems to show good strength and we continue to remain bullish on this sector - our investment in Oberoi Reality proved to do well.

Although our largest holding - Reliance with a 5.5% allocation, has been in the negative for 2 consecutive months, our portfolios are still outperforming the benchmark. Building a truly diversified portfolio with low beta has helped us generate alpha month on month.

As an exercise we benchmark ourselves not only to the Index, but also to other notable Mutual Funds in the industry, as you can see below -

Notable MF	1M	3M	6M
PriceBridge Upswing	0.51	9.25	16.77
Nifty 50 TRI	-2.31	4.38	12.15
Other Notable MF			
Quant Focused Fund	1.2	6.1	17.63
Canara Robeco Bluechip	0.93	1.97	13.55
Mirae Asset Emerging Bluechip	0.89	6.81	19.26
ICICI Pru Focused Equity Fund	0.53	5.4	17.39
Kotak Equity Opportunities	1.06	6.74	18.76
Mirae Asset Focused Fund	-0.34	2.83	13.96
(IIFL)360 ONE Focused Equity	1.08	4.41	17.59
PGIM India Flexicap	-0.43	1.18	12.74
Parag Parikh	1.6	4.33	16.72

A PMS offering by Ayan Analytics Pvt Ltd.
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The below three (02) strategies are currently active under our PMS –

Upswing

An absolute returns stock strategy that consists of a diversified portfolio of 20-30 low-risk and low-beta stocks. These portfolios follow a personalised/unique portfolio approach, which means each portfolio is tailor-made according to current market risk/reward scenarios. TimeMap along with rebalancing weights across sectors and market caps will play a crucial role in generating alpha consistently over the bench mark and delivering maximum returns with minimal risk.

Honeycomb

An index-based ETF (Exchange-Traded Funds) strategy that primarily focuses on dynamic asset allocation across asset classes, sectors and market caps. ETFs are a great low-cost passive investment tool that can be used to invest in diversified portfolio baskets.

The backbone of our strategies (and our USP) is the in-house **proprietary research software** that we have built over the span of the last 17 years, which focuses on fundamental screening along with **Quantitative Behavioural analysis** and **Time Mapping**.

Best,
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Disclaimer:

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