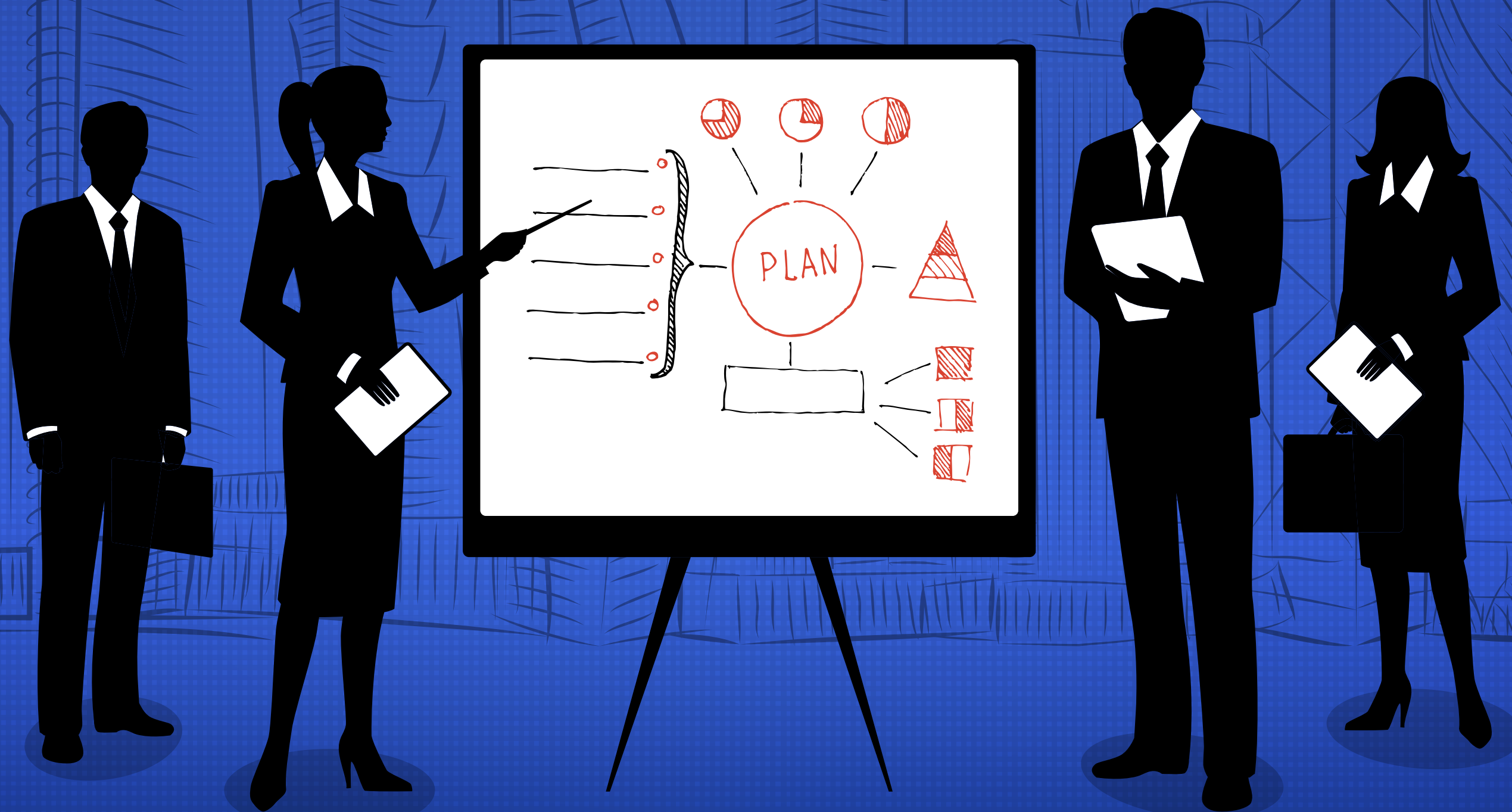



MONTHLY SPOTLIGHT


JANUARY 2024



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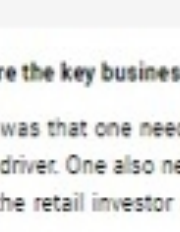
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

[MF News](#) > 'During euphoric markets, people avoid asset allocation; hence, MFDs have a big role here'

'During euphoric markets, people avoid asset allocation; hence, MFDs have a big role here'





Amitabh Mohanty, MD and CEO, JM Financial Mutual Fund shares his learnings and focus areas and talks about must have skills for MFDs to grow business.





 Team Cafemutual Jan 15, 2024







3 mins read

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2023 is coming to an end soon, what are the key business lessons that the year taught?

For AMC's, the biggest lesson of 2023 was that one needs to have multiple drivers of business and not be over dependent on any one driver. One also needs to understand the biggest story of possibly the next decade, the rise of the retail investor and the deepening and broadening of mutual funds across the country.

How to harness this growth would be the biggest challenge and opportunity for AMC's going forward. With the rise of technology, another area of opportunity would be how to synchronize, digital strategies with human interface. That will be the key to scale reach and engagement, both, with distribution partners and investors.

**‘വിപണിയുടെ മുന്നേറ്റം ഏറ്റവും
ഗുണകരമാകുക ചെറുകിട ഇടത്തരം
ഓഹരികൾക്ക്’**



സംസ്ഥാനിക്യുന

ഏകദേശം ൧൦൦൦൦൦൦൦
 തൊണ്ണൂറുകൾ വരെ
 അതിവേഗം കാര്യ
 കൈമാറ്റം എടുത്ത
 കാര്യം

ചെങ്കുടി, ഇടുങ്ങിയ
പോയി അനുകൂലപ്പെ
ടിക്കുമ്പോൾ അവ
എന്താണുണ്ടാക്കി ? ക
രുതാൻ ബുദ്ധിമുട്ട
കൊണ്ടാണ് ?

കുറിഞ്ഞ പല ചരതി
മുക്കുമ്പോൾ ഇങ്ങ
നായി വളർത്താമെ
ന്നത്. വെറും വീടുക
ക്കാ. ഈ വളർത്ത
വെക്കുറി വേകുക
കൂടെ വെക്കുകയാണി
ക്കുന്നതുകൊണ്ട് വെക്കുക
വെക്കുകയാണി ഇ
തിലേക്കായി വെക്കുക
വെക്കുക കുറിവെക്കുക
കുറിവെക്കുക കുറിവെക്കുക
കുറിവെക്കുക കുറിവെക്കുക

തെലുങ്കിയിലെ അനൗപമ കവിതകൾ, മലയാളത്തിൽ വായിക്കുമ്പോൾ വൈകാരികതയോടെയാണ്. ഇത്തരം ആത്മീയതകളിൽ നിക്ഷേപിക്കുന്നതിനുള്ള ഏതൊരു നല്ല മാർഗ്ഗം എന്ന് ചെറുപ്പക്കാർ എന്ന് ചിന്തിക്കുന്നുണ്ട്. തിരക്കഥകൾക്ക് അനൗപമ കവിതകളോടൊന്നിച്ച് വായിക്കേണ്ടതാണ്.

ഈ പദ്ധതിയിൽ ഓഹരികളുടെ മൊത്തത്തിലുള്ള പ്രകടനത്തെ ബാധിക്കുന്ന വിധത്തിലുള്ള ട്രേഡ്ബാക്കുകളും അനുബന്ധകങ്ങളും ഉൾക്കൊള്ളുന്നതാണ് ?

[illegible]

അതിൽ കടന്നുവന്നപ്പോൾ അവിടെ
ആൾക്കൂട്ടത്തിൽ എണ്ണപ്പെട്ടവരിൽനിന്നും ഇ
പ്പോൾ പറഞ്ഞു കേൾക്കുന്നവർ, എന്നാൽ
ഈ എണ്ണപ്പെട്ടവർ പരസ്യപത്രം, ഇവരിൽ
പ്രസിദ്ധപ്പെടുത്തുന്ന കോളർ നിരക്കുകൾക്ക്
എന്തെങ്കിലും ഗുണമുണ്ടാകുമോ ?

ആർക്കുവേണ്ടി ഹോസ്റ്റൽ ഉണ്ടായിരുന്നുവെന്നും അതിനുള്ളിൽ എന്തായിരുന്നു നടന്നതെന്നും അന്വേഷിക്കുകയായിരുന്നു. അന്വേഷണത്തിന്റെ ഭാഗമായി വിവിധ സ്കൂളുകളിലും കോളേജുകളിലും സന്ദർശനം നടത്തി. അതിനിടയിൽ ഹോസ്റ്റൽ ഉണ്ടായിരുന്ന സ്കൂളുകളിലും കോളേജുകളിലും സന്ദർശനം നടത്തി. അതിനിടയിൽ ഹോസ്റ്റൽ ഉണ്ടായിരുന്ന സ്കൂളുകളിലും കോളേജുകളിലും സന്ദർശനം നടത്തി.

ഹബ്ബുകൾക്കു അനുപാദയിൽ നീക്കത്തിൽ കുറവായതിനാൽ.

[illegible]

ഇസ്രായേൽ-പാകിസ്താൻ സംഘർഷ ആഗോള വിപണിയിലെ അപകട സാധ്യതകളെക്കുറിച്ചും അപസന്ധങ്ങളെക്കുറിച്ചും ഏതാനോ മാർഗ്ഗരേഖകൾ തയ്യാറാക്കിയിട്ടുണ്ട്. തീർക്കപ്പെടാത്ത അഭിപ്രായങ്ങൾ സംരക്ഷിക്കുന്നതിന് ഏതു തരംപരികൂട്ടാണി അപകട തരംകൊണ്ടുണ്ടാകുന്നത് ?

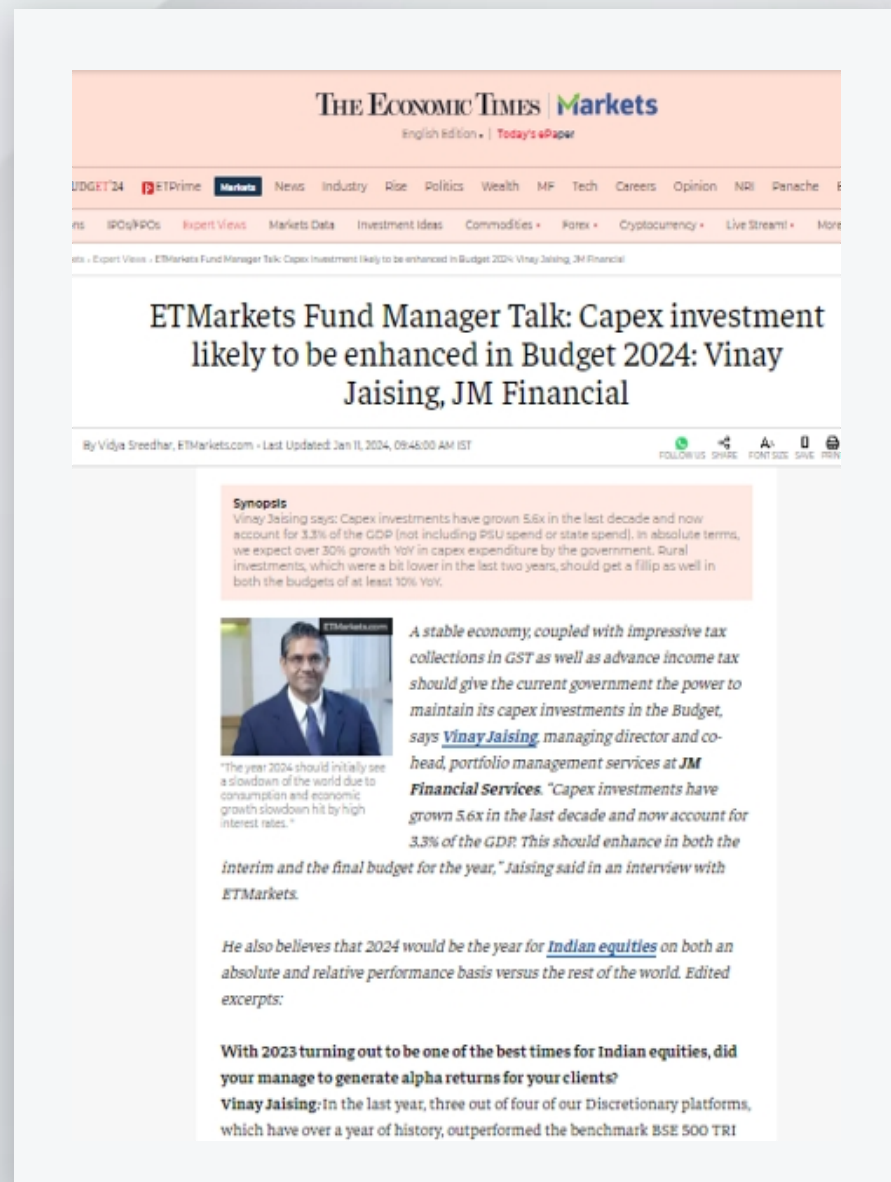
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(മുഖ്യമന്ത്രിയുടെ നിര್ದേശപ്രകാരം വിപണിയിൽ
ഈ ചായക്കുരുക്കുകൾ വിൽപനയാക്കി. എല്ലാ
പഞ്ചതീർത്ഥക്കാരും ബന്ധപ്പെട്ട ദൈവകൾ
നിര್ದേശപ്രകാരം ശ്രദ്ധയോടെ വായിക്കുക.)

MR. AMITABH MOHANTY

MD & CEO, JM Financial Asset Management Ltd

interview featured in **Cafemutual** and **NewAge** wherein he talked about must have skills for MFDs to grow business and how mutual fund investments differentiate themselves in terms of stability and profitability.



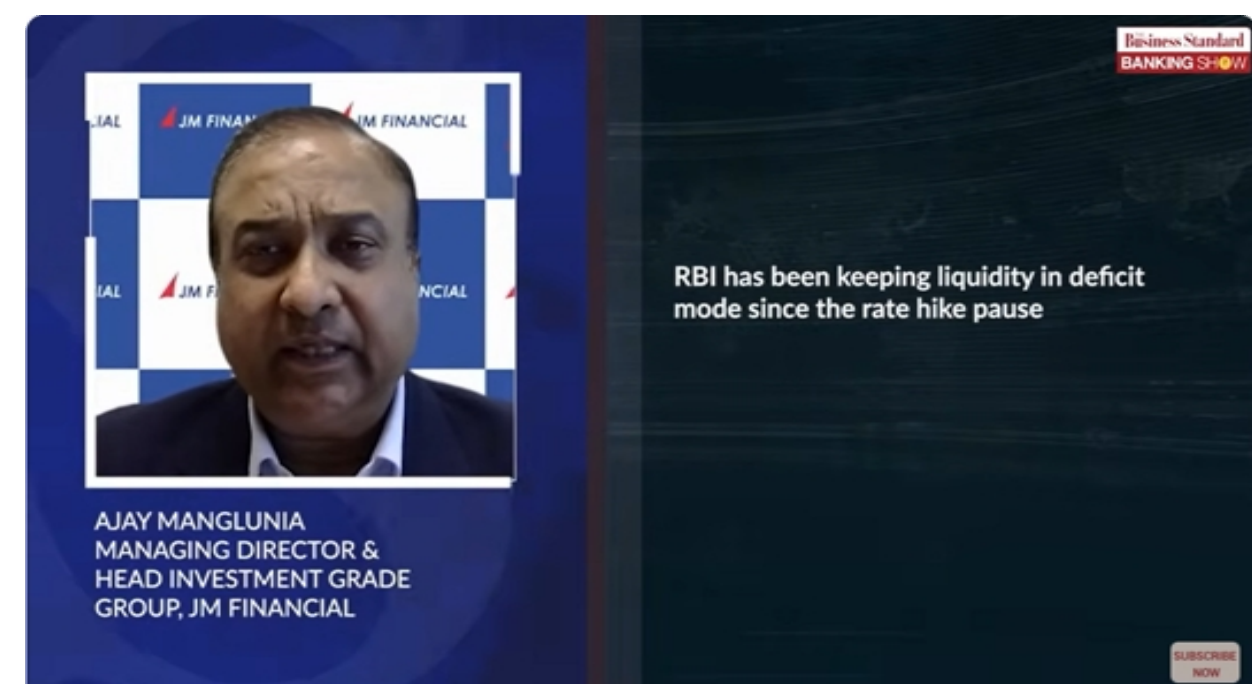
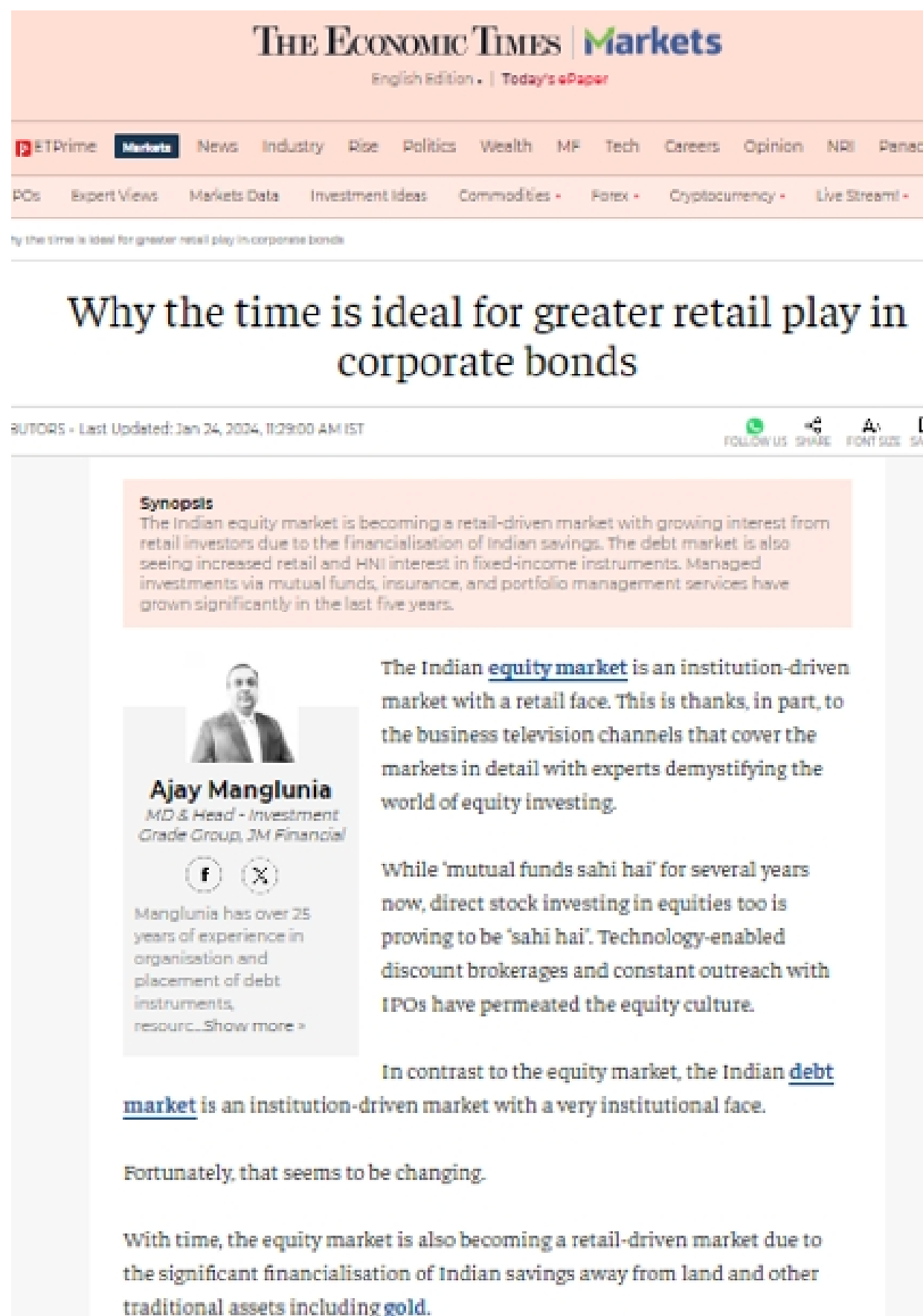
MR. VINAY JAISING

MD & Co-Head, Portfolio Management Services, JM Financial Services Ltd

interview featured in **ET Markets** which covered his views on how a stable economy, coupled with impressive tax collections in GST as well as advance income tax should give the current government the power to maintain its capex investments in the Budget.

authored article was also published in **ET Markets** wherein he shared his thoughts on the Indian economy, GDP growth and various industry sectors.

interview appeared on **ET Now** which covered his views on the market outlook.



MR. AJAY MANGLUNIA

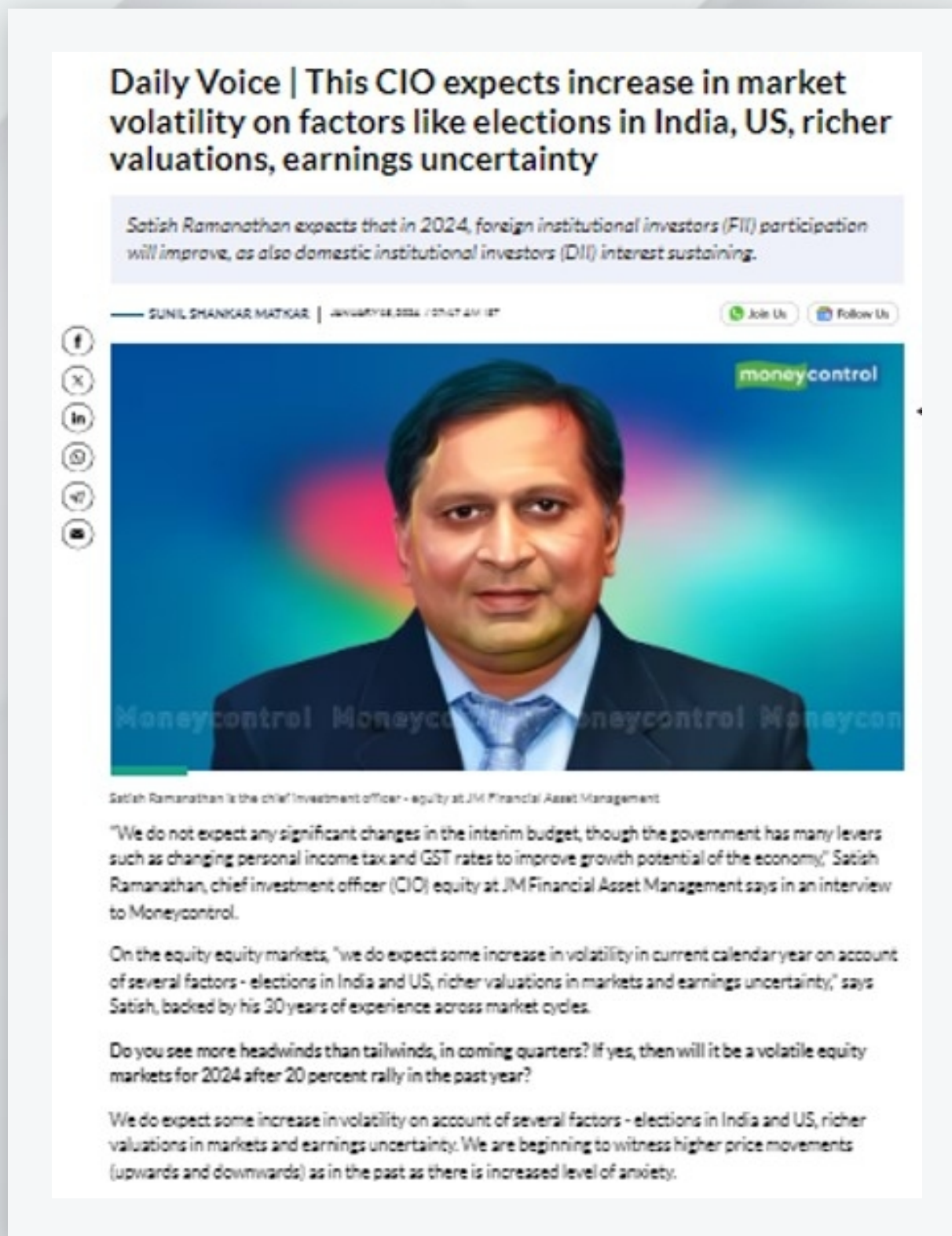
MD & Head – Investment Grade Group, JM Financial Products Ltd

authored article was published in **ET Markets** which covered his views on how Indian equity market is becoming a retail-driven market with growing interest from retail investors due to the financialisation of Indian savings.

interview appeared on **CNBC TV18** and **BS Banking TV** which covered his views on the bond outlook.

JM FINANCIAL IN THE NEWS



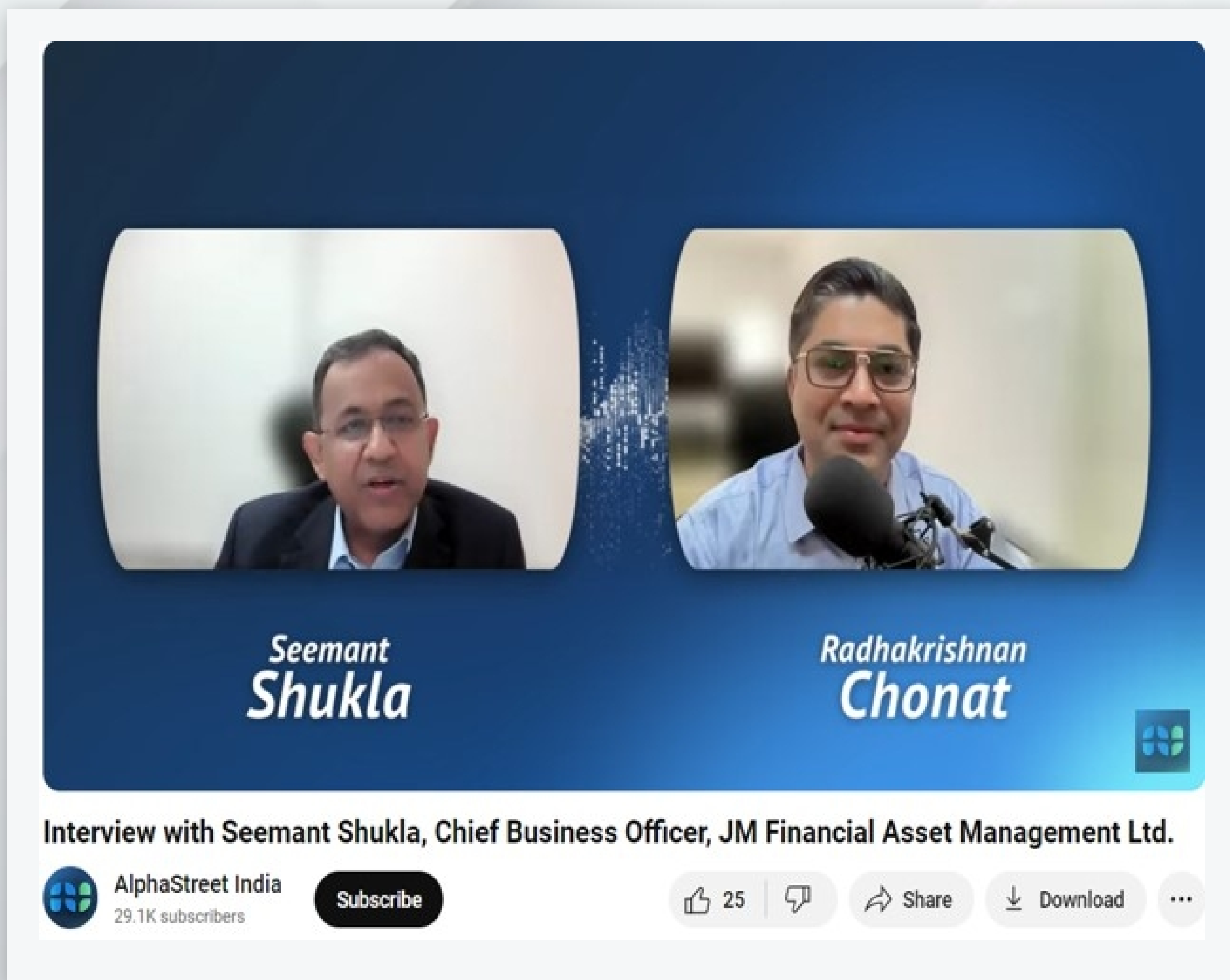


MR. SATISH RAMANATHAN

Chief Investment Officer – Equity, JM Financial Asset Management Ltd

interview featured in **Moneycontrol** which covered his views on how in 2024, he expects increase in market volatility on factors like elections in India, US, richer valuations in markets and earnings uncertainty.

interview featured in **Malayalam News Daily** which covered his views on how mutual funds are suitable for Non-Resident Indians and how JM Financial Asset Management Ltd. is adapting its strategies to optimize opportunities within the equity market.



MR. SEEMANT SHUKLA —

Chief Business Officer, JM Financial Asset Management Ltd

interview appeared in **AlphaStreet** wherein he discussed on how JM Financial Asset Management team is aligned with the vision of the fund and has broader business objectives.

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Demystifying the Fiscal Roadmap

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Share Market Highlights 29 January 2024: Sensex, Nifty surge nearly 2%; oil & gas, bank stocks shine

Updated - January 29, 2024 at 04:27 PM.

Sensex, Nifty updates on 29 January 2024: Benchmark equity indices Sensex and Nifty rebounded sharply on Monday, surging nearly 2 per cent, on heavy buying in Reliance Industries and a rally in Asian markets. The BSE Sensex jumped 1,240.90 points or 1.76 per cent to settle at 71,941.57. During the day, it soared 1,309.55 points or 1.85 per cent to 72,010.22. The Nifty climbed 385 points or 1.80 per cent to 21,737.60. Among the Sensex firms, Reliance Industries jumped nearly 7 per cent, contributing the most to the rally in markets. Tata Motors, Power Grid, Larsen and Toubro, Kotak Mahindra Bank, NTPC, Titan and UltraTech Cement were the other major gainers. ITC, Infosys, JSW Steel, Tech Mahindra and Tata Consultancy Services were the laggards.

BY BL INTERNET DESK

Nifty, Sensex surge in Budget week; Q3 earnings, Fed meet to dictate trend

"Technically 21,750 is a strong resistance for Nifty around which we expect the current rally to cool off. Supports are placed at 21,137 and 20,870 on the downside," said Rahul Sharma of JM Financial Services.

HARSHITA TYAGI

JANUARY 29, 2024 / 03:40 PM IST

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TECHNICAL VIEWS

Nifty Looks Strong; Resistance at 21,800-21,850

The upward trend of Nifty is expected to persist in the near term, but the index may encounter resistance around 21,800-21,850 levels. Technical analysts suggest that a definitive move above 21,850-21,900 is necessary to unlock the next upside target of 22,200. Analysts recommend stocks like Axis Bank, Canara Bank, Div's Labs, Cipla, Coforge, Infosys, ITC, Dr Reddy's, HUL, L&T, and ITC for trading.

NAGARAJ SHETTI

TECHNICAL RESEARCH ANALYST, HOPE SECURITIES

Where is the Nifty heading this week?

After showing a sustainable upside bounce on Thursday, Nifty shifted into an up-move with volatility on Friday. An identical open and close pattern was formed on Friday, which indicates a type of doji pattern at the highs. Normally, doji formations at the highs call for

caution for longs. However, the formation of this pattern amidst range movement indicates consolidation movement. The short-term uptrend status of Nifty remains intact, but the market is likely to find resistance around 21,800-21,850 in the near term. A decisive move above 21,850-21,900 could only open the next target of 22,200. Any dips from here could find support around 21,500.

What should an investor do?

The near-term uptrend of the



Nifty is intact, and one may remain long on the index for the near term. On any dips to 21,500-21,400, one may look to

buy, and there is a higher possibility of an upside bounce from the lows. One may place a stop loss of 21,200 for trading longs. Any decisive up-move above 21,900 could give an opportunity for aggressive longs. Any break below the crucial support of 21,200 is likely to be a sign of exiting longs and creating shorts. Stocks with positive bias include Axis Bank, Canara Bank, Div's Lab, Cipla, Coforge, Infosys, and ITC.

APURVA SHETH

HEAD OF MARKET PERSPECTIVES & RESEARCH, SAMCO SECURITIES

Where is the Nifty headed this week?

Nifty has been consolidating in a range of 21,500 to 21,800 during the week. It has breached below the curved trendline drawn from the October low of 18,837. The daily RSI has slipped below 70 levels after trading in over-bought territory for more than a month. The month of January is one of the weakest months. Nifty has closed on a negative note in 13 out of the last 20 years in January. The index can likely continue to consolidate in a trading

range of 21,500 to 22,000 in the coming week. A breach below 21,500 could push the Nifty down to 21,000 levels.

What should investors do?

These days, several penny stocks with questionable fundamentals have started moving up. We recommend investors steer clear from such companies and focus on large-cap stocks, which are available at good valuations and are safe. Investors can go long on stocks from sectors like FMCG and pharma since they will offer protection in case the market falls. We prefer stocks like Cipla, Dr Reddy's, Div's Lab, HUL and ITC.

RAHUL SHARMA

HEAD, TECHNICAL & DERIVATIVE, JM FINANCIAL SERVICES

Where is the Nifty headed this week?

The key positive takeaway for Nifty is that it is still holding

above the major support zone of 21,450-500 on a closing basis. As long as Nifty is holding above the 21,500 level, there is no major reason for panic. The rally in Nifty is likely to continue, and it can test the crucial resistance zone of 21,800-850

on an immediate basis. Eventually, it is likely to test the next psychological resistance of 22,000. Support is at 21,650 and 21,450-21,500 levels.

What should investors do?

Investors are advised to hold long positions with a trailing stop loss of 21,630, while profit booking is advised as we move closer to the 22,000-22,200 zone. Bullish trades can be taken in IT and capital goods. We like Infosys and L&T. GAIL can be bought with a stop loss at ₹155 for a target of ₹177.

MR. RAHUL SHARMA

Director, Head- Technical & Derivative Research, JM Financial Services Ltd

technical views on where the Nifty is headed were published in **The Economic Times, The Hindu Business Line, Moneycontrol** and few other publications.

MARQUEE RESEARCH REPORTS



5 January 2024
INDIA ECONOMICS



2024 OUTLOOK
Monetary policy to set the tone;
India on a strong footing



Recession not in our
Base case for 2024

Markets fixated on timing of rate cuts,
but the underlying situation will
decide the course of monetary policy

Rural consumption
picking up pace

Prefer large caps
over SMIDs in 2024

JM Financial Institutional Securities Limited

2024 Outlook

Monetary Policy to set the tone; India on a strong footing

18 January 2024 | India | Automobiles | Sector Report



DEEP-DIVE



Automobiles

The Rush Factor: Fast Track to Product Launches & IPO

Ola Electric Mobility ('Ola Electric') has always been in limelight for various reasons (-ve as well as +ve), the current buzz is its upcoming IPO. While the company has taken an early lead in domestic E2W industry, [product-related issues continue](#). Given the industry is still in a nascent stage, focusing on market share may be misleading. 1) Recent introduction of lower ASP models, 2) adjustments for higher R&D capitalisation, 3) higher cost of operating sales and service network going ahead could reverse the recent improvement in profitability and continue the cash burn. Investments in R&D/product development, Gigafactory (with high technological and operational risk) may delay +ve FCF in the foreseeable future. The moot concern is the rushed approach to everything – be it product introduction (without thorough R&D/testing) or coming to the public markets (fastest among auto OEMs / new-age cos.) instead of first stabilizing internal operations (employee attrition at c.45%+).

- Recent lower-ASP launches, normalised R&D and in-house D2C model may reverse the reported margin uptick.
- R&D spend appears insufficient given vertical integration strategy.
- Meeting cell PLI requirements look challenging without external customers, as per our calculations.
- Product-related issues continue even on the new Gen-2 platform.

Leadership is a fact, Incumbents (with sturdy products) catching-up is the reality: Ola Electric's electric two-wheeler (E2W) volume is expected to double to approximately c.300k units in FY24E, but this falls significantly short (2/3rd below) of the earlier target of around c.882k units (Exh.1). Despite this, the company maintains its leadership in the domestic E2W industry with a retail market share of c.32%. The strong growth is attributed to the rapid expansion of the distribution network (Exh.3-4). However, traditional two-wheeler OEMs like TVSL, BJAUT, HMCL, who were initially slow, focused on R&D, after-sales service and test marketed products in limited regions are now rapidly expanding across India (Exh.2).

Contribution per vehicle shows improvement but RM cost is still higher than ASP: DRHP reveals improvement in gross margin from -29% to +10.7% by 1QFY24 (Exh.7). The positive shift in the contribution per unit may be led by moderation in inflation, cost reduction, and economies of scale. However, the ASP of the top variant (Ola S1 Pro) is still lower than the per-unit RM cost, indicating that vol. growth has been fuelled by cash burn (Exh.6). Additionally, recently launched models at lower price points may impact profitability as the DRHP doesn't clearly specify whether the reported 18% cost reduction on the Gen-2 platform is based on the inflationary base of FY23. Despite these improvements, there is an increase in average monthly cash burn from ~USD9mn to ~USD15mn in FY23 (Exh.9).

EBITDA masks higher R&D & cost of D2C model: Ola Electric's EBITDA loss increased from ~INR 7.2bn in FY22 to ~INR 12bn in FY23, with a subsequent decline in 1Q (Exh.8). Notably, the company capitalizes R&D spends at a significantly higher rate of ~80%+, compared to 10-30% for industry peers (Exh.10). Adjusting for a normalized R&D capitalization rate of ~30%, Ola Electric's EBITDA loss in FY23 would have been higher by ~INR 2.7bn (Exh.11). Moreover, Ola Electric assumed control of the experience and service network from Jul'23, previously operated by Ola Fleet Technologies (promoter group co) at substantial losses until 1QFY24. This change may potentially add further pressure on profitability beyond 1QFY24.

Product related issues continue; R&D backed products need of the hour: [Recent channel checks](#) reveal that customers have experienced several issues with Ola Electric's E2Ws. Despite addressing some issues, challenges persist, and media reports suggest on-going product quality and safety concerns, even with the latest Gen-2 models (pg.7). The DRHP emphasizes Ola Electric's focus on R&D and technology, but the R&D spending when the company initiated deliveries of its first product, Ola S1 Pro (in Dec '21), was only ~INR 2bn. Although R&D spends increased in FY23, it appears insufficient vs. peers, considering vertically integrated business model & its status of a new entrant starting from scratch (pg.8).

Gigafactory targets: highly ambitious?: Ola Electric's subsidiary, Ola Cell Technologies (OCT), aims to establish in-house cell manufacturing and is approved for the Cell PLI scheme. However, meeting PLI scheme requirements, such as achieving 5GWh capacity (i.e. ~1.67mn E2W units) in FY25 or scaling up to 20GWh (i.e. ~5mn E2W units) by FY27, may be challenging without external customers for company's cells, as per our calculations (pg.6).

Operational risks are real: Risk factors in the DRHP highlight more internal/operational risks than external risks for Ola Electric. Right from high employee attrition rate (c.45%) to cautionary statements around product quality issues, D2C model, Gigafactory execution & ramp-up plan, consumer complaints, multiple business interest of founder, etc. are all high probability risks in our view (Pg.5; 9-11).

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We acknowledged the support service of Naman Shah in preparation of this report

JM Financial Research is also available on: Bloomberg - JMFR <GO>, Thomson Publisher & Reuters, S&P Capital IQ, FactSet and Visible Alpha

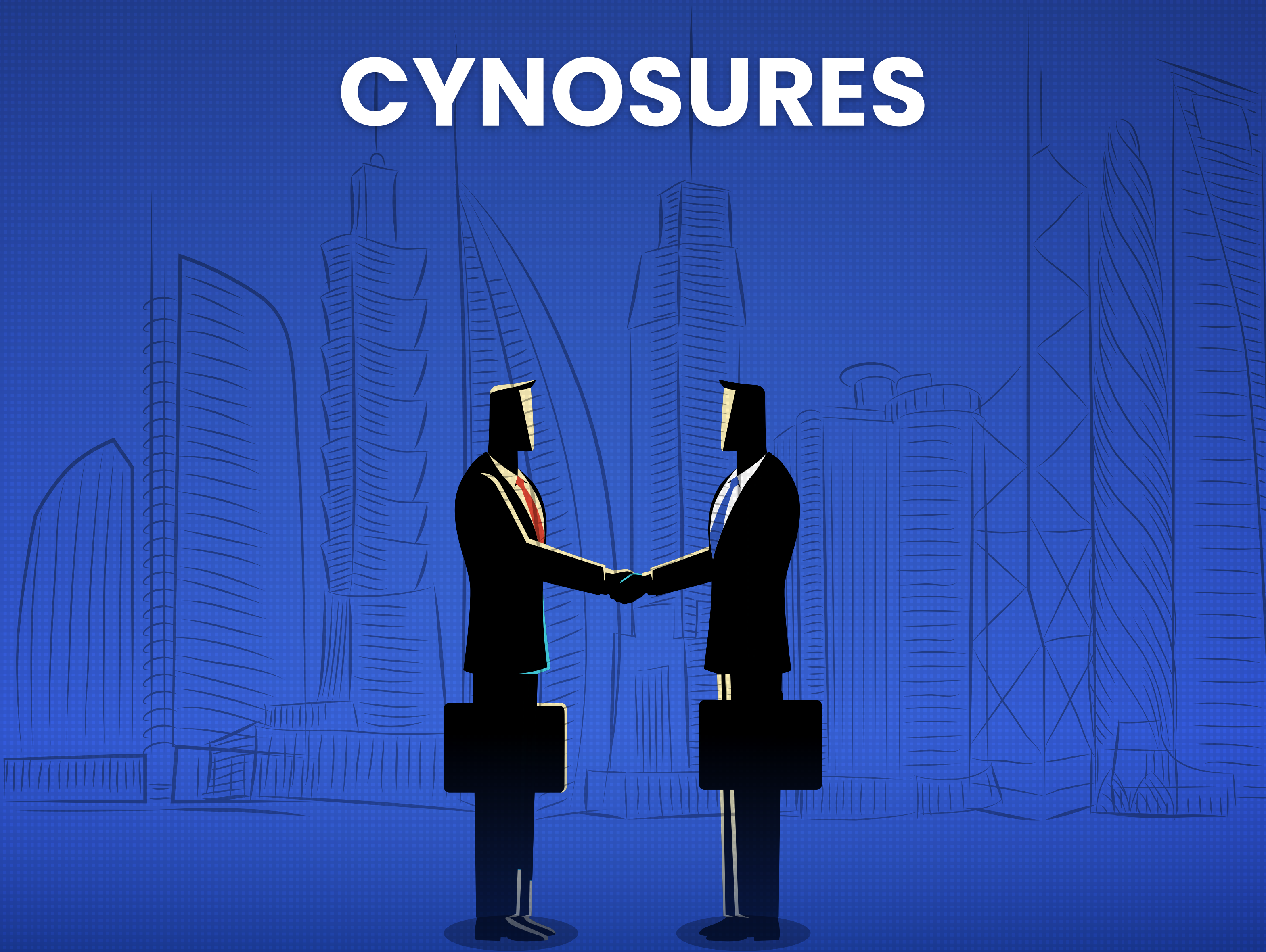
Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

JM Financial Institutional Securities Limited

Automobiles

The Rush Factor: Fast Track to Product Launches & IPO

CYNOSURES





Acquisition of 100% stake in Vidal Healthcare Services by Bajaj Finserv Health

January
2024

JM Financial Limited acted as the Exclusive Financial Advisor to Bajaj Finserv Health

Key Highlights

- ❖ On January 30, 2024, Bajaj Finserv Health Ltd (BFHL), a wholly owned subsidiary of Bajaj Finserv Ltd (BFS), announced the acquisition of 100% stake in Vidal Healthcare Services Private Ltd (VHC) for an Enterprise Value of 325 Crores.
- ❖ Bajaj Finserv Health is a digital-first health tech company having an extensive network covering over 1,00,000 doctors, 5,500 lab touch points, and 2,100 hospitals.
- ❖ VHC is among India's largest healthcare administrators. VHC's wholly owned subsidiary, Vidal Health Insurance TPA Pvt Ltd (VHITPA) services premiums of over Rs. 5,000 Crore, covering over 130 million lives.
- ❖ The acquisition enables BFHL to offer OPD, wellness, as well as hospitalization benefits to customers and also helps BFHL to play a pivotal role in various healthcare initiatives of the government and the insurance regulator.
- ❖ JM Financial helped BFHL engage with VHC, negotiate the deal, and devise a win-win transaction structure for BFHL and VHC stakeholders.
- ❖ The deal is subject to regulatory approvals as applicable.

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Acquisition of 100% stake in Vidal Healthcare Services by Bajaj Finserv Health – JM Financial Limited acted as the exclusive financial advisor to Bajaj Finserv Health

AT A FLASH





JM Financial Asset Management Ltd. recognized at BFSI Summit and Awards 2023 —

JM Financial Asset Management Ltd. won Platinum Awards for JM Flexi Cap Fund and JM Value Fund at Navbharat's BFSI Summit and Awards 2023. Mr. Satish Ramanathan, CIO-Equities and Mr. Seemant Shukla, Chief Business Officer graciously accepted the two awards. Additionally, Mr. Ramanathan shared his valuable insights as a panellist.

The company has also successfully achieved the Rs 5000 Crore mark in Assets Under Management (AUM).



Collections Meet – 2024 —

JM Financial Home Loans Ltd. organised a Collections Meet which was a dynamic two-day workshop, seamlessly weaving together team building activities and comprehensive training & chalking out the way ahead.

It helped teams to break down communication barriers, encourage open dialogue, and foster a sense of camaraderie among participants. Through group challenge, team members were able to connect on a personal level, laying the foundation for stronger collaboration in the future.



CHANNEL PARTNERS MEET - 2024 **Capturing Unity & Success**



www.jmflhomeloans.com

Channel Partners Meet – 2024 —

JM Financial Home Loans Ltd. organised Channel Partners Meet across all its PAN India branches where they invited their partners to its offices and introduced newly launched products & contest. In addition, the branch managers conducted a training session for the partners.



Republic Day Celebrations —

JM Financial Home Loans family came together to celebrate the Republic Day. The branch offices were decorated in tricolour and employees were seen wearing traditional outfits.



JM Financial Home Loans Cricket Championship —

JM Financial Home Loans planned a Cricket Championship for their employees, located across branches across the nation. During the event, the employees bonded with each other and thoroughly enjoyed themselves.

MAKING A DIFFERENCE





JM Financial Foundation organised a Haldi-Kumkum ceremony for the Covid-widowed mothers in Pune —

JM Financial Foundation (JMFF), the CSR arm of JM Financial Group, organized a Haldi-Kumkum ceremony for Covid-widowed mothers and their children on January 14, 2024, in Pune. The event, held on the occasion of Makar Sankranti, was part of JM Financial Shiksha Samarthan, a nationwide CSR project providing financial aid for school education to children who lost one or both parents to Covid.



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