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SECTORAL NFO

Among sectoral/thematic NFOs, fund houses launched 5 NFOs focusing on innovation in the last one year. These funds are ICICI Prudential Innovation Fund, Nippon India Innovation Fund, Baroda BNP Paribas Innovation Fund, Bandhan Innovation Fund and UTI Innovation Fund.

At least 3 NFOs were launched in each of these themes - banking and financials, manufacturing, consumption, technology and business cycle.

Try to understand from MF industry experts to what makes these themes popular among AMCs and what the investors can expect from these sectors.

Anish Tawakley, CO - CIO Equity, ICICI Prudential MF said that in any industry, the market-share gainers are the companies which are innovating. He said, "If one invests in these companies at the right time, at a reasonable valuation, then the wealth creation can be significant. One of the sectors where innovation is the mainstay is healthcare – be it for increasing accessibility, diagnoses or treatments. The treatments that are available today are far more advanced than the treatments available earlier. Even when it comes to pharma, the non-generic aspect is innovation driven. So, there is remarkable innovation in every step of the way in certain industries."

Seconding his views, Vishal Kapoor, CEO, Bandhan MF said, "I think that innovation has consistently driven companies forward, and today, India's flourishing innovation landscape presents an exciting investment opportunity. There are ground-breaking transformations not only in technology but also in sectors like finance, auto, technology, healthcare, entertainment, retail, etc. With India's climb in the global innovation rankings and swift advancements in fields like digital media, e-commerce and electric vehicles, innovation funds are crafted to capitalize on these pivotal shifts."

On manufacturing, B. Gopkumar, CEO, Axis MF feels that the ruling government's focus on manufacturing can benefit the sector. He said, "There has been a lot of emphasis of the ruling government on the manufacturing sector which makes it very lucrative sector to invest in. Also, government schemes like Make in India and PLI schemes have further made it popular. Secondly, the manufacturing index is quite broad-based which further reduces the risk and make it suitable for investors to invest."

Mumbai MFD Sadashiv Phene feels that business cycle funds will do well in the days to come. He said that business cycle funds give exposure to multiple sectors and offer more diversified portfolios compared to other thematic funds.

Varun Gupta, CEO, Groww MF feels that financial services are closely coupled with the Indian economy and even in developed geographies such as US or China, banking assets have been closely linked with GDP. He said, "In India, historically bank assets have grown faster than the GDP. Given the positive medium to long term GDP growth projections of India, the next decade holds potential for the financial services sector. Also, stock prices of this sector have undergone a correction and therefore valuations are lower as compared to their historical averages making it a preferred category."

HERE IS THE LIST OF THE NFOS LAUNCHED BETWEEN APRIL 2023 AND APRIL 2024.

INNOVATION FUND

FUND	AUM in crore
ICICI Prudential Innovation Fund	4,718
Nippon India Innovation Fund	1,455
Baroda BNP Paribas Innovation Fund	1,021
Bandhan Innovation Fund	708
UTI Innovation Fund	645

MANUFACTURING FUND

Fund	AUM in crore
Axis India Manufacturing Fund	4683
Canara Robeco Manufacturing Fund	1242
Quant Manufacturing Fund	652

BANKING AND FINANCIALS FUND

Fund	AUM in crore
DSP Banking & Financial Services Fund	609
WhiteOak Capital Banking & Financial Services Fund	165
Groww Banking & Financial Services Fund	36

CONSUMPTION FUND

Fund	AUM in crore
Quant Consumption Fund	241
HSBC Consumption Fund	1,244
Kotak Consumption Fund	548

TECHNOLOGY FUND

Fund	AUM in crore
HDFC Technology Fund	969
Edelweiss Technology Fund	451
Kotak Technology Fund	314

BUSINESS CYCLE FUND

Fund	AUM in crore
Quant Business Cycle Fund	1237
Mahindra Manulife Business Cycle Fund	827
Union Business Cycle Fund	449

HEALTHCARE FUND

Fund	AUM in crore
Kotak Healthcare Fund	291
quant Healthcare Fund	279

Energy opportunities FUND

Fund	AUM in crore
SBI Energy Opportunities Fund	8350

PHARMA AND HEALTHCARE FUND

Fund	AUM in crore
HDFC Pharma and Healthcare Fund	831
WhiteOak Capital Pharma and Healthcare Fund	113

LIFE TRANSPORTATION LOGISTICS FUND

Fund	AUM in crore
Aditya Birla Sun Life Transportation Logistics fund	1295
HDFC Transportation and Logistics Fund	919

DEFENCE FUND

Fund	AUM in crore
HDFC Defence Fund	8350

FINANCIAL SERVICES FUND

Fund	AUM in crore
Bandhan Financial Services Fund	802

COMMODITIES FUND

Fund	AUM in crore
Quant Commodities Fund	343

PSU FUND

Fund	AUM in crore
Quant PSU Fund	654

MOMENTUM FUND

Fund	AUM in crore
Quant Momentum Fund	1655

TECK FUND

Fund	AUM in crore
Quant Teck Fund	350

INNOVATION & OPPORTUNITIES FUND

Fund	AUM in crore
Union Innovation & Opportunities Fund	643

QUANT FUND

Fund	AUM in crore
Kotak Quant Fund	683

NON-CYCLICAL CONSUMER FUND

Fund	AUM in crore
HDFC Non-Cyclical Consumer Fund	662

ACTIVE MOMENTUM FUND

Fund	AUM in crore
Samco Active Momentum Fund	762

BFSI FUND

Fund	AUM in crore
Quant BFSI Fund	514

INFRASTRUCTURE AIF

Infrastructure funds raise capital by pooling investments from private investors and primarily invest in companies that develop infrastructure projects. Infrastructure has emerged as a compelling category within AIFs, which offers the possibility of stable and long-term returns while also contributing to economic development.

Infrastructure investments charter a broad spectrum of assets critical for economic activity and societal functioning. This includes transportation networks (roads, bridges, airports, etc.), utilities (water, electricity), telecommunications, and social infrastructure (schools, hospitals).

Since infrastructure is classified as Category 1 AIF, these investments are subject to stringent regulations that safeguard investor interest and ensure transparency.

CHARACTERISTICS

Longevity:

Infrastructure assets usually have a longer lifespan, spanning several decades. This longevity brings stable and predictable cash flows making infrastructure AIFs attractive to investors seeking consistent returns over the long term.

Inflation Hedge:

Infrastructure investments often showcase inflation-hedging characteristics. As the prices of goods and services rise over time, revenues generated by infrastructure assets tend to go up.

Essential:

Infrastructure assets support essential services crucial for economic growth and societal well-being, regardless of economic conditions, providing investors with insulation against market volatility.

Low Correlation:

Infrastructure AIFs have historically demonstrated low correlation with traditional asset classes such as stocks and bonds. The low correlation enhances portfolio diversification and reduces overall risk for the investor.

REGULATIONS

Eligibility:

SEBI regulations specify the types of investors eligible to invest in AIFs. Category I AIFs are typically open to institutional investors, high-net-worth individuals (HNIs), family offices, and other sophisticated investors.

Minimum Corpus:

Category I AIFs, including those focused on infrastructure, must have a minimum corpus of Rs. 20 crore from investors at the time of the initial closing of the fund.

Tenure:

Infrastructure funds come under category 1, they are generally close-ended in nature and come with a minimum tenure of three years, and can be extended by an additional two years. They must liquidate within one year following the expiry of fund tenure

Quantity:

Up to 1,000 investors per scheme allowed

Limitations:

Cannot invest more than 25% in one company. They can invest in their own sub-categories like venture capital, SME, and social venture. However, they cannot invest in funds of funds. They cannot borrow funds directly or indirectly to run their operations.

SIZE

AIFs launched in India back in 2012. Since then, the infrastructure fund category has reached Rs 18,738 crore becoming the highest in the AIF Category 1. Social venture and venture capital funds stand at the second and third spots respectively.

Derivative Analysis

Increase in open interest with increase in price indicates long position in the stock Increase in open interest with decrease in price indicates short buildup in the stock

Symbol	Expiry Date	Last Price	Chg		High	Open	Increase in OI	Increase (%)	Symbol	Expiry Date	Last Price	Chg		High	Open	Increase in OI	Increase (%)
			(Rs)	(%)								(Rs)	(%)				
GMRINFRA	27-Jun-24	92.9	5.75	6.60%	93.6 87.75	24,70,61,250	2,58,86,250	11.70%	ITC	27-Jun-24	435.2	-2.05	-0.47%	438.2 432.65	9,94,32,000	22,70,400	2.34%
MANAPPURAM	27-Jun-24	183.9	6.15	3.46%	184.8 177.6	4,71,54,000	20,64,000	4.58%	INDIGO	27-Jun-24	4402	-169.45	-3.71%	4487 4374.3	71,65,500	19,00,800	36.10%
GAIL	27-Jun-24	209.5	1.15	0.55%	210.9 206.3	13,38,82,800	20,58,750	1.56%	KOTAKBANK	27-Jun-24	1732.6	-14.55	-0.83%	1747.9 1730.2	3,93,17,200	6,07,200	1.57%
ONGC	27-Jun-24	269	9.65	3.72%	271.35 265.3	7,60,41,350	18,78,800	2.53%	INDUSTOWER	27-Jun-24	346.8	-1.8	-0.52%	351.75 342.3	7,05,29,600	5,47,400	0.78%
NMDC	27-Jun-24	259.5	4.05	1.59%	260.4 253.3	7,34,62,500	17,64,000	2.46%	RELIANCE	27-Jun-24	2943.9	-1.9	-0.06%	2956.05 2920.7	3,76,24,500	4,82,000	1.30%
ABCAPITAL	27-Jun-24	237.35	3.8	1.63%	239.35 232.15	6,52,42,800	17,55,000	2.76%	AARTIIND	27-Jun-24	662.1	-3.75	-0.56%	670.35 657.9	1,15,00,000	4,24,000	3.83%
FEDERALBNK	27-Jun-24	167.6	2.65	1.61%	168.8 164.65	7,04,20,000	13,00,000	1.88%	APOLLOTYRE	27-Jun-24	486.35	-2.6	-0.53%	488.25 483.5	1,48,34,200	4,11,400	2.85%
NTPC	27-Jun-24	367	1.45	0.40%	372.15 365.2	9,37,51,500	12,64,500	1.37%	INDUSINDBK	27-Jun-24	1486.5	-1.4	-0.09%	1495.95 1480.5	2,12,36,000	3,26,500	1.56%

Derivatives are securities that derive their value from an underlying asset. Most common form of derivatives are future contracts.

Open interest refers to total number of outstanding derivatives contracts that have not been settled. For every buyer of a future contract there must be a seller. If a bought contract is not sold then it is considered open. When options have large open interest, it

indicates it has large number of buyers and sellers,

From the table above let us take an example of GMR Infra. The contract of GMR stands with an open interest of 24,70,61,250 which portray huge momentum and many players in the contract. The increase from the previous day in OI is 11.70%. One of the indicators to invest in contracts is when there is an increase in open

interest with an increase in price which indicates a possibility for price of the contract to grow further in the coming days and could be a good trading bet for short term.

In addition to, the stock is trading around its upward resistance and is about to break it. The stock is trading in a positive trend where from the low of 70.65 the following stock has made a high of 92.49 in the past 8 days, which means

that now both price and open interest are in a similar upwards positive direction and have prospective to be promoted even further.

This is one of the indicators to be studied and in the same way all the options can be analysed first and depending on results money could be invested as per individual requirement.

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Economic Calendar

Friday June 14 2024				Actual	Previous	Consensus	Forecast
12:00 PM	IN	WPI Food Index YoY MAY			5.52%		5.90%
12:00 PM	IN	WPI Fuel YoY MAY			1.38%		5.00%
12:00 PM	IN	WPI Inflation YoY MAY			1.26%	2.50%	3.00%
12:00 PM	IN	WPI Manufacturing YoY MAY			-0.42%		0.00%
5:00 PM	IN	Foreign Exchange Reserves JUN/07			\$651.51B		
	IN	Balance of Trade MAY			\$-19.1B		\$-21.0B
	IN	Exports MAY			\$34.99B		\$36.0B
	IN	Imports MAY			\$54.09B		\$57.0B
Friday June 21 2024				Actual	Previous	Consensus	Forecast
10:30 AM	IN	HSBC Composite PMI Flash JUN			60.5		60.3
10:30 AM	IN	HSBC Manufacturing PMI Flash JUN			57.5		57
10:30 AM	IN	HSBC Services PMI Flash JUN					56
5:00 PM	IN	Bank Loan Growth YoY JUN/07					
5:00 PM	IN	Deposit Growth YoY JUN/07					
5:00 PM	IN	Foreign Exchange Reserves JUN/14					

CREDIT RISK FUND

Credit Risk Fund : These mutual funds invest in bonds which are below highest grade rating. Higher the rating; Lower the possibility of default. However lower rated bonds offer higher interest rates , and thus returns.

Scheme Name	AuM (Cr)	1Y	2Y	3Y	5Y	10Y
HDFC Credit Risk Debt Fund	7,980.05	7%	7%	6%	7%	8%
ICICI Prudential Credit Risk Fund	7,075.33	8%	7%	6%	8%	8%
SBI Credit Risk Fund	2,478.65	7%	8%	6%	7%	8%
Nippon India Credit Risk Fund	1,028.69	8%	8%	8%	5%	6%
Aditya Birla Sun Life Credit Risk Fund	927.05	7%	8%	7%	7%	-
Kotak Credit Risk Fund	822.11	8%	6%	5%	6%	7%
HSBC Credit Risk Fund	571.64	6%	6%	5%	5%	6%
Axis Credit Risk Fund	460.54	7%	7%	6%	7%	-
UTI Credit Risk Fund	389.99	7%	7%	11%	-1%	3%
Bandhan Credit Risk Fund	346.14	6%	6%	5%	6%	-
DSP Credit Risk Fund	194.02	15%	11%	10%	8%	7%
Baroda BNP Paribas Credit Risk Fund	149.05	7%	7%	9%	8%	-
Invesco India Credit Risk Fund	140.07	8%	9%	6%	5%	-

Chart Setup

Indian Energy Exchange Ltd



The Stock is continuously trading in a positive pattern while breaking the resistance upwards. Buy at CMP with SL at 170 and target around 190.

Hindalco Industries Ltd.



The stock has broken its long term resistance while crossing the all time high. Buy at CMP with SL at 640 and target around 750.

Divis Laboratories Ltd.



The Stock is trading in an upward channel pattern creating higher highs. Buy at CMP with SL at 4500 and target around 4500 and target around 4750

Cineline India Ltd.

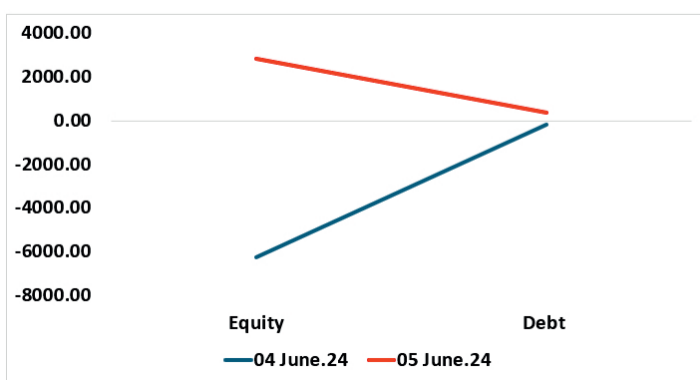


The Stock is about to break it's upward resistance. Buy above 135 and SL at 125 and target around 160.

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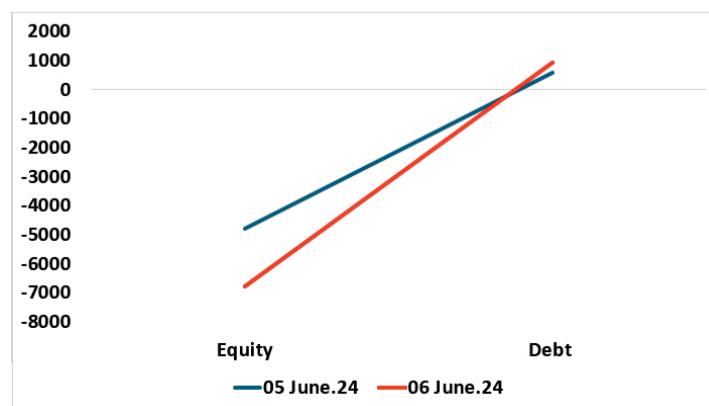
Mutual Fund Activity MF SEBI

Date	Value In Cr.	
	Equity	Debt
04 June.24	-6274.25	-166.17
05 June.24	2826.06	391.51



Foreign Institutional Investors FII SEBI

Date	Value In Cr.	
	Equity	Debt
05 June.24	-4804.4	601.04
06 June.24	-6770.7	941.35



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