

## Executive Summary of the 77<sup>th</sup> Global Investment Advisory Committee (GIAC) Meeting

7<sup>th</sup> January 2025

### Current stance

The committee continues to monitor the market closely, having increased its equity allocation from neutral to slightly overweight in the previous meeting. The slightly overweight equity positioning has performed favourably, especially given the volatility in December. The outlook remains cautiously optimistic, with the committee maintaining its current stance of a moderately aggressive approach to equity exposure. Despite the market being slightly overvalued, the strategy is to ride the current volatility, focusing on potential upside from a possible pre-budget rally over the next 10-15 days.

The committee's position, therefore, remains unchanged at present, with a view to assess the portfolio around key upcoming events, namely the US inauguration of Donald Trump and the Indian budget. The committee's approach remains focused on managing volatility rather than making drastic changes in allocation on a month-to-month basis. The committee's consensus is that, given the current positioning and market conditions, further equity exposure adjustments will be considered once these critical events unfold.

### Key variables to monitor:



US Dollar  
Strength



Pre-Budget  
Rally



Fiscal Policy  
& Budget

### What's changed since our last meeting:

US stocks dropped this week amid uncertainty, following mixed jobs data and a report suggesting President-elect Trump might declare a national economic emergency. The ADP report showed a sharp slowdown in private payroll growth for December, while a separate Labor Department report indicated a drop in jobless claims. Market sentiment was further strained by reports that Trump was considering using the International Economic Emergency Powers Act to implement new tariffs. Despite these concerns, recent data revealed resilience in the US economy, with December services sector activity accelerating and job openings rising in November. This suggests the Federal Reserve may not cut rates as aggressively in 2025.

Meanwhile, India's Ministry of Statistics released the first advance GDP estimates for FY25, projecting growth at 6.4%, a significant decline from 8.2% in FY24. This forecast is lower than the Reserve Bank's estimate of 6.6%. The data also indicated a slower growth in real Gross Value Added (GVA) at 6.4%, down from 7.2% in FY24, while nominal GVA is expected to rise by 9.3%. The estimate reflects a slowdown in economic activity, particularly after a weaker-than-expected 5.4% growth in the July-September quarter of FY24.

The committee remains bullish on the market's short-term trajectory, especially considering the potential for a pre-budget rally and favourable positioning. Despite volatility, there is a belief that the Indian market is poised to benefit from global market movements, with India standing out as a key beneficiary if global conditions stabilise. The committee's international and gold allocations are fully optimised, with 5% each in international equities and gold. The international allocation primarily focuses on the US market, which has shown resilience.

Given the positioning of both domestic and international markets, the committee is prepared to take advantage of potential upside. The overall market outlook remains positive, with volatility anticipated but manageable. The domestic market should benefit significantly if global conditions improve. The committee emphasised that these allocations will be re-evaluated once the US election inauguration and Indian budget announcements are made. While maintaining its current course, the committee is also aware of the risks posed by fiscal policy changes and the state of the dollar.

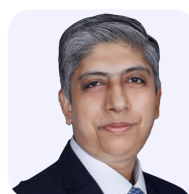
The committee will continue to closely monitor the evolving market landscape, focusing on the global economic indicators and domestic fiscal policy developments. With the upcoming Indian budget and the US elections inauguration, the committee plans a strategic review around these events, expecting that positioning will adjust accordingly. For now, the equity allocation remains at 55%, with international and gold allocations fully utilised.

## Co-Chair Committee member



**Shiv Sehgal**

President & Head  
Institutional Securities



**Alok Saigal**

President & Head  
Nuvama Private

## Other Committee members

- Amit Rajawat, Fund Manager, Infinity, Nuvama Private
- Ajay Marwaha, Head, Nuvama Fixed Income Advisory
- Ajay Vora, Head, Equities, Nuvama Asset Management
- Dhawal Dalal, CIO, Fixed Income, Edelweiss Asset Management
- Kapil Gupta, Executive Director, Equity Research, Nuvama Institutional Equities
- Onkarpreet Singh Jutla, Chief Product Officer, Nuvama Private
- Keyur Ajmera, Chief Risk Officer, Nuvama Group

## **Disclaimer:**

Securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Investment Approach will be achieved. As with any securities investment, the value of a portfolio can go up or down depending on the factors and forces affecting the capital markets. Past performance of the Portfolio Manager/Investment Approach may not be indicative of the performance in the future and no representation or warranty expressed or implied is made regarding future performance.

This document is for informational purposes only and should not be regarded as an offer to sell or as a solicitation of an offer to buy the securities or other investments mentioned in it. Investors are advised to refer to the Disclosure Document for detailed risk factors/disclaimers. Securities referred to in this document are not an endorsement of their soundness or a recommendation to buy or sell. The same may or may not be a part of the PMS approach in future or any other PMS approaches launched from time to time.

The document is prepared on the basis of publicly available information, internally developed data and other sources believed to be reliable. All opinions, figures, charts/graphs, estimates and data included in this document are as on date and are subject to change without notice. Nuvama Asset Management Limited (formerly known as "ESL Securities Limited") ("NAML" or "Portfolio Manager"), its Holding Company, associate concerns or affiliates or any of their respective directors, employees or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information or any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way from the information contained in this material. Whilst no action has been solicited based upon the information provided herein, due care has been taken to ensure that the facts are accurate, and opinions given are fair and reasonable.

The views provided herein are general in nature and do not consider risk appetite or investment objective of any particular investor; readers are requested to take independent professional advice before investing.

NAML and its associate companies, officer, directors, and employees may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company(ies), held under the portfolio or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company(ies) or act as advisor or lender/borrower to such company(ies) or have other potential/material conflict of interest with respect to any information and opinions at the time of publication of document/report. NAML or any of its associate companies may have proprietary long/short position in the scrip(s) and therefore should be considered as interested.

The document is not directed or intended for distribution to or use by any person or entity who is a citizen or resident of or located in locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary views to local law, regulation or which would subject NAML and its affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdiction or certain categories of investors. Persons in whose possession this document are required to inform themselves of and to observe such restrictions.

## **Disclaimer for U.S. Persons:**

NAML is not a registered broker – dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition NAML is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by NAML, including the products and services described herein are not available to or intended for U.S. persons.

The details in this document does not constitute an offer or invitation to purchase or subscribe for any securities or solicitation of any investments or investment services and/or shall not be considered as an advertisement tool.

"U.S. Persons" are generally defined as a natural person, residing in the United States or any entity organized or incorporated under the laws of the United States. US Citizens living abroad may also be deemed "US Persons" under certain rules.

Transactions in securities discussed in this document should be effected through Edelweiss Financial Services Inc.

## **Disclaimer for U.K. Persons:**

The details in this document have not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 "FSMA". In the United Kingdom, this document is being distributed only to and is directed only at (a) persons who have professional experience in matters relating to investments falling within Article 19 (5) of the FSMA Financial Promotion Order 2005 the "Order" ; (b) persons falling within Article 49 (2) (a) to (d) of the Order (including high net worth companies and unincorporated associations ; and c any other persons to whom it may otherwise lawfully be communicated all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on neither this document nor any of its contents. This document must not be distributed, published, reproduced or disclosed (in whole or in part) by recipients to any other person.

## **Disclaimer for Canadian Persons**

NAML is not a registered adviser or dealer under applicable Canadian securities laws nor has it obtained an exemption from the adviser and/or dealer registration requirements under such law. Accordingly, any brokerage and investment services provided by NAML, including the products and services described herein are not available to or intended for Canadian persons.

This presentation and its respective contents do not constitute an offer or invitation to purchase or subscribe for any securities or solicitation of any investments or investment services.

NAML is registered with Securities and Exchange Board of India as a Portfolio Manager vide Registration Number INP000007207 and has its registered office at Edelweiss House, Off. CST Road, Kalina, Mumbai 400 098.

Corporate Identity No: U67190MH2019PLC343440