

Your Gateway To Financial Wellness

# WEALTH SOUVENIR 2024

A wrap up of asset classes & market events in the year



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# INDIAN INDICES IN 2024

Indices	1st Jan 2024	31st Dec 2024	Yearly Change %
Nifty 50	21,731.40	23,644.80	8.80%
Sensex	72,240.26	78,139.01	8.17%
Nifty MidCap 150	17,077.05	21,141.20	23.80%
Nifty Smallcap 250	14,041.30	17,752.25	26.43%
Nifty IT	35,515.00	43,337.80	22.03%
Nifty Bank	48,292.25	50,860.20	5.32%
Nifty Auto	18,618.20	22,834.00	22.64%
Nifty Healthcare	10,637.80	14,951.70	40.55%

## FII & DII INFLOWS (Rs in Cr)

Particulats	Gross Purchase	Gross Sales	Net Purchase/Sales
FII/FPI	4,162,278.93	4,466,496.18	304,217.25
DII	3,463,922.07	2,936,483.62	527,438.45

- The Indian markets continued the long stint of back to back positive return years for the 9th consecutive year though the final quarter of the year took back some of the gains.
- The momentum which was high in the early part of the year bowed down to reality of high valuations, low corporate earnings and FIIs sell off towards the end leading to consolidation.



# GLOBAL INDICES IN 2024

Indices	1st Jan 2024	31st Dec 2024	Yearly Change %
NASDAQ	15,011.35	19,310.79	28.64%
S&P 500	4,769.83	5,881.63	23.31%
FTSE	7,733.24	8,173.02	5.69%
Dow Jones	37,689.54	42,544.22	12.88%
Shanghai Composite	2,974.93	3,351.76	12.67%

- 2024 clearly belonged to the US and rewarded investors generously. US fired all cylinders in the year Equities, Bonds and Currency. Particularly towards the final months post the victory of Trump in Presidential elections, FIIs trusted bulk of the investments with the US.
- China got a lease of life through the stimulus announcements in the later part of the year and boosted the market sentiments there. This attracted FII inflows though the optimism diluted towards the end of the year as the latter tranche of stimulus announcements failed to impose faith that they would boost the long term economic growth.
- Geopolitical tensions and announcements by Trump post his inauguration would be big deciding factors for the US and equally for other global markets in 2025. Trade tariff announcements would impact the global markets the most, particularly China.



# COMMODITIES & CURRENCY

Particulars	1st Jan 2024	31st Dec 2024	Yearly Change %
10 Year - G Sec	7.144	6.759	5.39%
Gold (10gm)	65,220	78,580	20.4%
US/INR	83.26	85.78	3.02%
Brent Crude	6706.59	6402.61	4.53%

## REPO RATE

REPO RATE	As on 31st December	6.50%
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- Gold shined the maximum in 2024 outperforming most asset classes. It played more that the role of beating inflation and attracted investors heavily. Silver also had a good run in the year delivering close to 18%
- The US dollar remained strong throughout the year and maintained great strength over most leading currencies.
- The repo rate in India remained unchanged throughout the year despite the US, UK and many other countries resorting to rate cut. The expectation of a repo rate cut back home remained a hope due to high inflation caused by rising food prices.
- Crude had a roller coaster ride in the year remaining high in the first half of the year and falling low in the later half. The price per barrel of Brent Crude swung heavily from 91 to 71 during the year.



# MUTUAL FUND INFLOWS

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- The Indian Mutual Fund industry witnessed significant growth in 2024 and as of 31st December 2024, the Assets Under Management (AUM) reached ₹66,93,032 crore. This marks a 31.8% increase from ₹50.78 lakh crore as of 31st December 2023.
- The AUM of the Indian MF Industry has expanded from ₹10.51 trillion on December 31, 2014, to ₹66.93 trillion on December 31, 2024, marking a more than sixfold increase over the decade. Additionally, the industry's AUM surged from ₹26.54 trillion on December 31, 2019, to ₹66.93 trillion on December 31, 2024, more than doubling in five years.
- The MF industry achieved several milestones over the years. It crossed the ₹10 trillion mark in May 2014 and doubled to over ₹20 trillion by August 2017. The AUM surpassed ₹30 trillion in November 2020 and reached ₹66.93 trillion by the end of 2024.
- The MF industry crossed the 10 crore folios milestone in May 2021. By December 31, 2024, the total number of accounts (folios) reached 22.50 crore (225 million). Of these, 17.90 crore (179 million) folios were under Equity, Hybrid, and Solution-Oriented Schemes, predominantly from the retail segment.
- SIP contributions for the year amounted to ₹268,323 crore, reflecting the robust participation and growing trust in systematic investment plans.



# Mutual Fund Category Returns

Category	1 Year Return	Category	1 Year Return
Equity : Large Cap	14.83%	Hybrid : Aggressive	16.79%
Equity : Large & Midcap	21.03%	Hybrid: Arbitrage	7.29%
Equity : Flexi Cap	19.43%	Hybrid: Dynamic Asset	13.07%
Equity : Multicap	23.46%	Hybrid: Multi Asset	13.86%
Equity : Midcap	26.58%	Debt : Long duration	10.77%
Equity : Smallcap	26.31%	Debt : Medium duration	8.04%
Equity : Value Oriented	20.18%	Debt : Short duration	7.58%
Equity : ELSS	19.52%	Debt : Ultra short	7.06%
Equity : Sectoral Banking	8.86%	Debt : Liquid	7.17%
Equity : Sectoral Infrastructure	26.57%	Debt : Money Market	7.35%
Equity : Sectoral Pharma	40.1%	Debt : Overnight	6.61%
Equity : Sectoral Technology	25.55%	Debt: Corporate Bond	7.94%
Equity : Thematic Energy	12.95%	Debt : Credit Risk	7.93%
Equity : Thematic PSU	22.96%	Debt : Gilt	8.78%
Equity : International	18.06%	Debt : Floater	8.12%

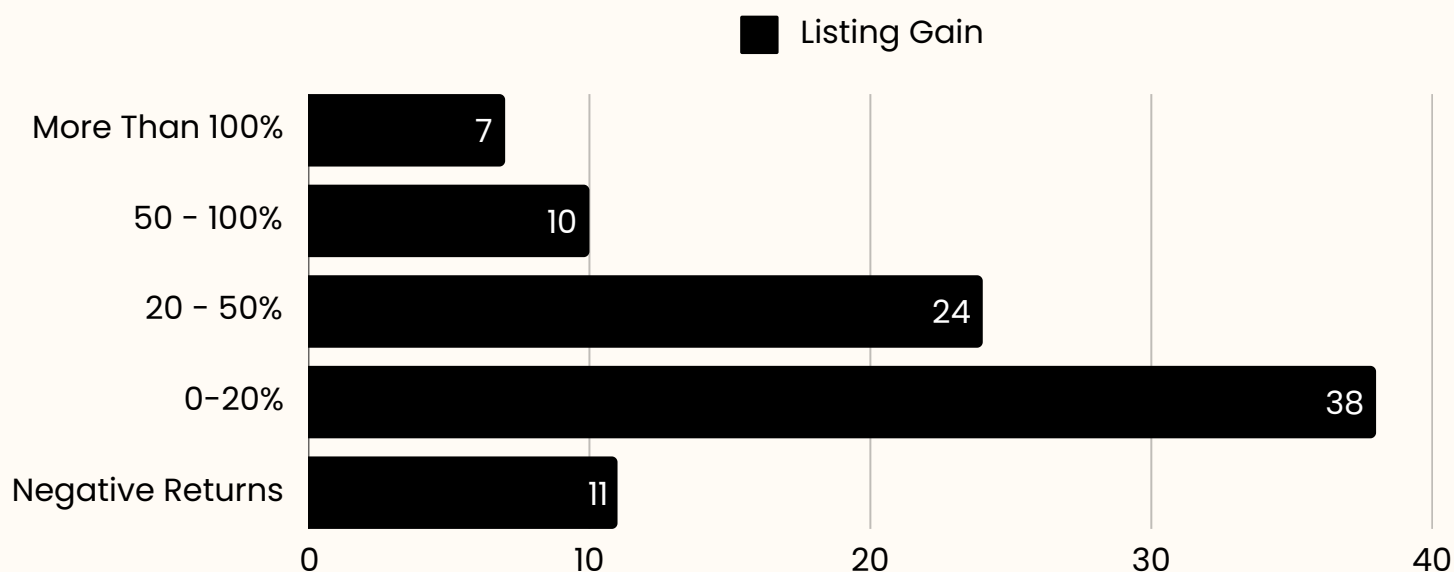
Returns as on 31st Dec 2024





## Mainboard IPOs with Highest Listing Gains

Company Name	Issue Price	Listing Price	Listing Gain %
Vibhor Steel Tubes Ltd	151	425	181.50%
Mamata Machinery Ltd	243	600	147%
BLS E-Services Ltd	135	309	128.89%
Bajaj Housing Finance Ltd	70	155	121.40%
Premier Energies Ltd	450	990	120%



- Indian companies raised ₹1.60 lakh crore (approximately \$19.2 billion) through 90 Mainboard IPO's.
- Among these, 7 IPO's delivered gains of over 100%, 10 saw gains between 50-100%, and 62 recorded gains up to 50%.
- 11 IPO's listed with negative returns.





# NEWS OF SIGNIFICANCE

## January

According to a document released by the finance ministry, India is projected to become the world's third largest economy with a GDP of \$5tn within three years and could reach \$7tn by 2030 .

## February

The Niti Aayog CEO highlighted that rural consumption has remained strong, narrowing the gap with urban areas. This indicates a significant reduction in poverty, with levels potentially below 5%, and rural deprivation nearly eliminated based on the latest household consumption data.

## March

The BSE and NSE rolled out T+0 settlement, allowing same-day trade settlements for select securities. This move aims to boost market efficiency and liquidity, providing faster access to funds and securities for investors.

## April

- The BSE's market cap crossed Rs.400 lakh Crores in the month of April. Adding a little over Rs 100 lakh crore in the last nine months.
- Hinduja Group's IIHL acquires 60% stake in Invesco India Asset Management.

## May

The RBI approved a ₹2.11 lakh crore dividend payout to the government for 2023-24, driven by higher interest on foreign securities and forex profits, potentially boosting India's credit rating.

## June

The general election results on June 4th saw the BJP falling 32 seats short of a majority, contrary to exit polls predicting a simple majority. Though BJP formed the government with NDA allies, markets plunged 6% on results day.



# NEWS OF SIGNIFICANCE

## July

The Union Budget presented on 23rd July made a slew of changes in taxation. Short term capital gains tax from Equities and Equity oriented MFs increased from 15% to 20% and Long term capital gains tax increased from 10% to 12.5%. The limit of exemption of capital gains on certain financial assets was increased to Rs 1.25 lakh per year in a FY from 1 lakh earlier.

## August

The Finance Ministry revised real estate tax rules announced in the budget. Buyers of property before July 23, 2024, can opt for either 12.5% LTCG tax without indexation or 20% with indexation. Properties bought after this date will face a flat 12.5% LTCG tax without indexation.

## September

SEBI's analysis revealed that 9 out of 10 retail traders in equity F&O faced losses, totaling ₹1.8 lakh crore between FY22–FY24. Despite setbacks, 93% of over 1 crore traders incurred average losses of ₹2 lakh each, including transaction costs.

## October

- S&P Global Ratings in October said, India is poised to be the third largest global economy by 2030 but rising population presents mounting challenges in basic service coverage and growing investment needs to maintain productivity.

## November

The Q2 GDP growth fell to a 7-quarter low of 5.4%, with only Agriculture and Services showing resilience, while other sectors decelerated.

## December

- Bank deposit growth in 2024 has slowed compared to last year. Outstanding deposits rose from ₹200.8 lakh crore on January 1, 2024, to ₹220.4 lakh crore in the year end, marking a growth of just 9.8%.
- Sanjay Malhotra took over the reins of the RBI from Saktikanta Das.



# TAX ANNOUNCEMENTS IN THE BUDGET

Short term capital gains tax increased from 15% to 20% and Long term capital gains tax increased from 10% to 12.5%. Listed financial assets like Mutual Funds and shares held for more than a year will be classified as long-term, while unlisted financial assets and all non-financial assets will have to be held for at least two years to be classified as long-term. Holding period lesser than this will be classified as Short-term. Equity investors who sell stocks within 1 year and arbitrage fund investments sold under 1 year will have a negative impact.

The above rates mentioned for non-financial assets apply to Real Estate too. Earlier long-term capital gains above 2 years from real estate was taxed at 20% with indexation. Now this becomes 12.5% without indexation benefit. This is a positive for real estate sold within short periods like 2 to 5 years and a big negative for ultra- long term real estate holdings sold as the indexation benefit goes. However, an amendment to the Finance Bill, allowed the benefit of indexation for properties bought before 23rd Jul 2024 and pay the lower of 20% with indexation or 12.5% without indexation as taxes.



**The limit of exemption of capital gains on certain financial assets has been increased to Rs 1.25 lakh per year in a FY from 1 lakh earlier.**



**STT on Futures and Options has been increased to 0.02% and 0.1% respectively.**



**The old regime of Income Tax continues without any changes. In the New Tax Regime, Standard Deduction has been increased from Rs.50000 to Rs.75000. Deduction on family pension for pensioners is proposed to be enhanced from ₹15,000 to ₹25,000 under the new tax regime.**



**Under Section 80CCD(2) the exemption on contribution to NPS(New Pension System) by the employee through the employer has been increased to 14% of Basic salary from 10% earlier. The additional sweetener is that the New Tax Regime which otherwise considers no exemptions, can provide for this particular exemption of 80CCD(2).**



## Outlook for 2025

2025 may have a bumpy road for equity investments though the long-term credentials are optimistic. Debt Funds are likely to have an even better year given that the cut in repo rates is expected anytime. The rate of FDs would start dropping due to this. Gold is expected to continue its good show though may not be as much as 2024. Real Estate prices may continue to go up though may be less than 2024.

Equity markets would witness sector rotation with sectors like IT, Pharma and Financials taking the lead. Venturing into sectoral/thematic funds may turn out to be hazardous for small investors. Investors took unwarranted exposure in sectoral/thematic funds in 2024 and such greedy chasing of returns can disappoint investors.

## Review Financial Planning & Asset Allocation

Investors who are moving into the next phase of life like getting married, with newborns, children getting closer to higher education, children about to get married, approaching retirement etc need to take a serious look at Financial Planning as a major shift in asset allocation may be required. Investors who have accumulated hefty returns from equity investments may have to employ portfolio rebalancing to realign asset allocation. Term Insurance and Health Insurance cover cannot be ignored, and their adequacy needs to be rechecked.

Global investing can be sharply focused this year as a diversification measure, particularly in US equities, as they could witness a good move in the year and further.

Just as Gift City Funds opened a new door of opportunity for NRIs in 2024, in 2025, a new Investment Class, Specialized Investment Funds(SIF), will be opened up for small investors who seek sophistication and can afford to invest 10 lacs in a single product. SIFs would offer a great mix of instruments across Equity, Debt, REITs, InvITs, and Derivatives.

**Invest wisely with discipline to achieve Financial Peace!**

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