

Monthly Review, Asset Allocation & Outlook July 2024



Highlights of the Month

- Global equities and fixed income rallied in July on inline inflation print
- In equities, MSCI All Country World Index increased 1.5% while MSCI EM Index declined by 0.1% in July
- 2-Year and 10-Year US Treasury yields fell 50bps and 37bps, respectively, on rising rate cut expectation
- In fixed income, Barclays Global Aggregate Index and Bloomberg EM Aggregate Index returned 2.8% and 1.8%
- Brent declined 6.6% MoM to close at USD 80.7/bbl on seasonality and concerns on global demand
- Base metals declined with aluminum down 10.4% during July; Bitcoin rallied by 4.3% during the month
- MENA equities sentiment remained positive during July with the S&P Pan Arab Composite Index up 4.5%
- We remain overweight on equities and underweight on cash, and upgrade fixed income to overweight



Global Review

July proved to be a volatile month as markets digested a number of notable economic and political developments. A weaker than expected US inflation print early in the month, combined with weaker US labor market data, reassured investors that the Federal Reserve will soon begin cutting interest rates. Expectations of rate cuts in 2024 further improved with fed fund futures indicating almost 3 rate cuts vs 1.8 rate cuts at the end of June. 2-Year and 10-Year US Treasury yields fell by 49bp and 36bp to close the month at 4.25% and 4.02% respectively.

Fixed income rebounded for the third month and equities market were mainly strong with a rotation from growth to value due to rate cuts expectations and moderation in macro factors. Growth stocks were particularly weak, falling by 1.0%, as investors grew more skeptical about the potential for future returns from investment in artificial intelligence. Despite the pullback observed throughout the month, growth stocks have returned 16% year to date, contributing to the 14% year-to-date gains in broader developed market equities. Against this backdrop, interest-rate sensitive asset classes outperformed. Small-cap returns were up 6.9% over the month, and the Bloomberg Global Aggregate Bond Index delivering 2.8%. Elsewhere, commodities lost ground, with the broad Bloomberg Commodity Index decreasing by 4.0% over the month. Oil prices contributed to the decline as the market weighed the impact of weaker demand from China against supply issues arising from tensions in the Middle East. Continued geopolitical tensions, particularly in the Middle East, contributed to volatility in certain markets, especially commodities like gold, which saw a slight increase of 5.2% due to safe-haven demand.

Global Equities:

Within equities, developed markets outperformed emerging markets with MSCI DM Index rising 1.7% while MSCI World Index gaining 1.5%. The underperformance of EM was driven by Chinese equity markets, due to continued challenges in the real estate sector and the spillover effects on the broader economy. UK stocks outperformed, with the FTSE All-Share rising by 3.1% over the month. European stocks lagged their US and UK counterparts, with the MSCI Europe ex-UK returning 0.6% over the month. The Japanese TOPIX index underperformed last month, falling 0.5%.

In the US, earnings season continued with four of the 'magnificent seven' reporting results for the previous quarter. Broadly, investors appeared underwhelmed by the releases, resulting in the tech sector coming under pressure for most of July before a rebound into month end. Overall, the S&P 500 gained 1.2% over the month. With over half of S&P companies having reported, more than two thirds have beaten analysts' expectations, suggesting a resilient US economy is contributing to a broadening of earnings. Concurrently, this year's laggards played catch up in July, with investors shifting towards small-cap equity stocks, which are more sensitive to interest rate cuts. This shift led to the largest one-month outperformance of the Russell 2000 versus the Nasdaq 100 in over 20 years.

US CPI YoY declined 0.1% from May, putting the 12-month rate at 3%, around its lowest level in more than three years, softer than expectations of 3.1% and the prior 3.3% print. The all-items index rate fell from 3.3% in May, when it was flat on a monthly basis. This was the first time since May 2020 that the monthly rate showed a decrease. Core CPI increased 0.1% monthly and 3.3% from a year ago, compared with respective forecasts for 0.2% and 3.4%.

ISM Manufacturing in June contracted further to 48.5 and the ISM Services also contracted unexpectedly to 48.8, only its second sub-50 print since June 2023.

Nonfarm payrolls increased by 206,000 for the month, better than the 200,000 forecast though less than the downwardly revised gain of 218,000 in May. The unemployment rate unexpectedly climbed to 4.1%, tied for the highest level since October 2021. Average hourly earnings increased 0.3% for the month and 3.9% from a year ago, both in line with estimates.

The Federal Reserve kept its key interest rate at 5.25% to 5.5%, citing "some further progress" toward its 2% inflation goal. At his press conference, Fed Chair Jerome Powell said a rate cut in September is "on the table," provided the inflation data continues to be encouraging. The comments propelled stocks to their highs of the day.



Fixed Income:

July 2024 was a strong month for bond investors with both Investment Grade and High Yield bonds witnessed solid performances as softening data and expectations of more rate cuts saw the Treasury curve shift lower. The Bloomberg Global High Yield Index (high-yield) gained 2.0%, while The Bloomberg Global Aggregate Index (investment-grade) delivered a stronger performance of 2.7%. Despite outperformance in July, high-yield bonds are still ahead of investment-grade bonds year-to-date, with the latter remaining in negative territory.

During the month, the US Treasury yield curve shifted lower with the 2Y and 10Y yields ending lower by 49bp and 36bp lower during the month, to 4.25% and 4.02% respectively. The US economy showed signs of moderation with some pockets of weakness as evidenced by data. US CPI YoY for June rose 3.0%, softer than expectations of 3.1% and the prior 3.3% print. Core CPI YoY rose 3.3%, again softer than expectations and the prior 3.4% print. Moreover, ISM Manufacturing in June contracted further to 48.5 and the ISM Services also contracted unexpectedly to 48.8, only its second sub-50 print since June 2023. While NFP in June rose by 206k, May's print was revised lower to 218k from 272k. Wage growth eased to 3.9% from 4.1% and the unemployment rate rose to 4.1% from 4.0%.

Comments from the Fed indicated that the rate cuts could come as soon as September. Before the month began, markets had already priced-in 25bp Fed rate cut each in September and December. However, fresh data flipped the narration such that expectations are set for 3.4 rate cuts, with an implied rate of 4.46% by year end.

The spread between high-yield (HY) and investment-grade (IG) bonds remained largely unchanged but tight during the month. Tighter spreads forces more cautious positioning in our portfolios. The focus still remains uncovering value, especially within the high-yield space. Further, within the investment grade space, we also favor long duration plays, reflecting our view of a higher probability of lower yields having increased compared to the past two years.

Global corporate dollar bond issuances stood at \$260bn in July, ~25% higher than June. As compared to July 2023, issuance volumes were up 85%. 87% of the issuance volumes came from IG issuers with HY comprising 10% and unrated issuers taking the remaining 2%. Asia ex-Japan & Middle East G3 issuance stood at \$31bn, up 31% MoM and a massive 2.3x YoY. 76% of the volumes came from IG issuers with HY issuing 17% of it and unrated issuers taking the rest.

Market Outlook: Yield curve normalization: We saw US treasury yield curve (2s10s) bull steepening with the trend to flatten more from its current level once the Federal Reserve initiates its easing cycle. We expect some volatility in the markets due to the upcoming US election, rising geopolitical risks, . The potential outcome of the faster than expected cooling down of the US economy and labor market can consequently trigger Fed to cut rates more aggressively, during the year.

Soft Landing Base Case: The primary scenario assumes a "soft landing" for the US economy. In this case, lower 10-year Treasury yields, and a weakening US dollar are expected. Under these circumstances, 10-year yields could drop below 3.50% in the near term.

Emerging market (EM) bonds delivered positive returns in June. Both the Barclays Emerging Markets Aggregate Index (EMUSTRUU) and the Bloomberg EM GCC Credit + HY Index (BGCCTRUU) generated returns of 1.8% and 1.3%, respectively.





EM Equities: MSCI EM Index was broadly flat MoM. MSCI Asia was down 0.8% MoM, offsetting gains of 0.9% in LATAM and 3.4% in EMEA. In Asia, MSCI China continued its downward spiral, with losses of 2.2% MoM while Taiwan was down 3.7%. In China, Q2 GDP growth slowed to 4.7% YoY, below estimates of 5.1% YoY. Investment in real estate dropped 10.1% during H1 2024, while home prices kept falling in cities across the country. Chinese manufacturing PMI contracted for a third month, with factory gate prices the worst in 13 months. MSCI India rallied 4.3% as foreigners piled into the market, with the second highest monthly inflows during 2024.

Commodities: Oil: Brent oil closed at USD 80.7/bbl, down 6.6% MoM, on global growth worries. **Natural gas:** Henry hub prices fell 21.7% MoM to reach USD 2.0/mmbtu, with stockpiles sitting well above its five-year average.

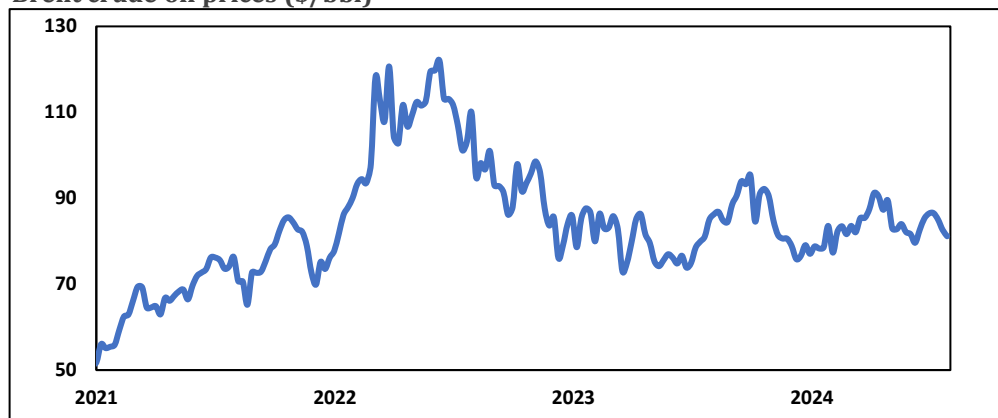
Petchems: SE Asia PP, LLDPE, HDPE and LDPE were all down MoM. YTD prices however continue to remain up for polyolefins due to growing demand and an uplift in oil prices.

Metals: Aluminum, nickel and copper fell 10.4%, 4.1% and 3.7% respectively on rising production and inventories.

Precious metals: Gold prices were up 5.2% MoM, taking its YTD gains to 18.6%. Gold has rallied this years on a strong demand from local central banks and Chinese investors.

Currencies: EM currencies (MSCI EM Currency Index) gained 0.3%, while the US Dollar (DXY Index) fell by 1.7%. The Mexican Peso (-1.6%) was the worst performing EM currency; Thai Baht (+3.4%) was the best performing one.

Brent crude oil prices (\$/bbl)



Source: Bloomberg, Daman Investments

MENA Equities: GCC markets continued their positive momentum in July, with the S&P Pan Arab Composite Large Mid Cap Index up by 4.5%. DFMGI was the best performer, surging by 5.9%. It was followed by Boursa Kuwait's All Share Index, which rallied 4.4%. Saudi's TASI gained 3.7% while Abu Dhabi's FADGI added 3.1%. Qatar's Exchange Index inched up 1.9% after a very strong June. Regionally, Egypt's EGX30 Index had a strong month, adding 5.8%.

In Dubai, Emirates NBD posted a strong set of results with earnings up 13% YoY. The growth in bottom line was driven mainly by growth in net interest income, which was up 10% YoY and 7% QoQ and a reversal in provisions of AED 1.35bn. NIMs QoQ were up 13bps, driven by a 114bps expansion for DenizBank's NIMs. Gross loans grew by 3% QoQ while deposits expanded by 2% QoQ. Management raised their loan growth guidance to high single digits, despite achieving YTD loan growth of 7%, as sovereign repayments remained robust. DIB's reported net profit was up 7% YoY on higher non-interest income and lower provisioning. NIMs were flat QoQ but contracted 10bps YoY. Loan book contracted 1% QoQ and become flat for the year but management remained confident of reaching their guidance of 5% loan growth for the year during H2 2024. In Abu Dhabi, ADCB's bottom line grew by 20% YoY on the back of a 16% growth YoY in operating income and a 21% drop YoY in impairment charges. Loan growth was strong, standing at 10% YTD, with GREs contributing 50% to that growth. Management also upgraded their loan growth guidance for the year to 15%. ADIB's earnings were up 29% YoY, on extremely strong growth in non-interest income, while net interest income declined after eight consecutive quarters of expansion. Loan growth was robust at 14% QoQ and 15% YTD, with management raising full year guidance to > 16%. FAB's net profit was broadly flat as a 14% YoY growth in operating income was offset by higher impairment charges and taxes.



Major Indices Performance

Major Indices Performance	Value	MTD Return	YTD Return	PE (x) 1Yr Fwd	PB (x) 1Yr Fwd	Div. Yield 1Yr Fwd
Saudi Arabia - TASI	12,110	3.7%	1.2%	17.2	2.3	4.5%
Dubai - DFMGI	4,268	5.9%	5.1%	7.8	1.2	6.1%
Abu Dhabi - FADGI	9,339	3.1%	-2.5%	15.0	1.9	3.9%
Qatar - DSM	10,154	1.9%	-6.2%	11.3	1.4	4.9%
Kuwait - All Share	7,239	4.4%	6.2%	12.0	1.4	3.3%
Oman - MSM30	4,662	-0.5%	3.3%	9.5	0.8	5.4%
Bahrain - BHSEASI	1,970	-2.7%	-0.1%	7.4	0.5	8.8%
Egypt - EGX30	29,379	5.8%	18.0%	6.7	2.1	4.3%
Morocco - MOSENEW	13,984	5.1%	15.6%	17.9	3.0	3.2%
S&P Pan Arab Composite	164	4.5%	-1.2%	13.9	1.9	4.5%
Israel - TA35	2,012	1.4%	7.9%	10.4	1.6	3.1%
Turkey - XU100	10,639	-0.1%	42.4%	5.1	1.0	4.5%
Pakistan - KSE100	77,873	-0.6%	24.8%	3.9	0.9	7.7%
S&P 500	5,522	1.1%	15.8%	21.6	4.3	1.5%
STOXX 600	518	1.3%	8.2%	13.8	1.9	3.5%
MSCI EM	1,085	-0.1%	6.0%	12.4	1.6	3.0%
MSCI All Country World	814	1.5%	12.0%	18.0	2.8	2.1%
MSCI World	3,572	1.7%	12.7%	19.0	3.1	2.0%

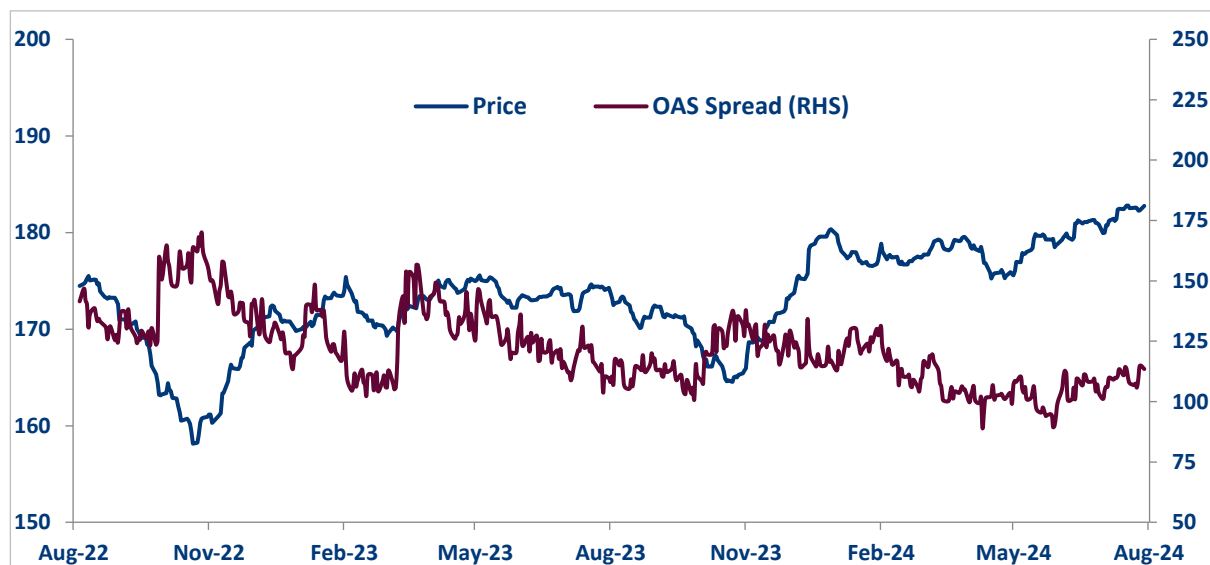
Major Indices Performance	Value	MTD Change	YTD Change
Barclays GCC Credit +HY Index	183	1.3%	1.6%
FTSE MENA Broad Bond Index	168	1.7%	2.5%
Dow Jones Sukuk	98	0.9%	-0.4%
Barclays Global Aggregate Index	469	2.8%	-0.5%
Barclays Global High Yield Index	1,601	2.0%	5.2%
Barclays US Treasury Index	2,307	2.2%	1.3%
Barclays US Corporate Index	3,282	2.4%	1.9%
Barclays US Corporate High Yield index	2,594	1.9%	4.6%
JPM EM Global Bond Index	593	1.9%	4.1%
Bloomberg Barclays Emerging Markets Hard Currency Aggregate Index	1,219	1.85%	4.1%
Bloomberg Barclays US Aggregate Bond Index	2,197	2.3%	1.6%
Markit CDX Emerging Markets Index	97	0.3%	0.0%
Barclays EM High yield	1,503	1.8%	7.8%
Barclays EM Corporate Index	294	1.8%	5.3%
10-year US Treasury yield* (%)	4.03	-37	15
30-year US Treasury yield* (%)	4.30	-26	27
US Treasury 2-10 Spread*	-22.99	13	14
US Treasury 2-30 Spread*	4.42	24	27
10-year US Treasury Real yield* (%)	1.80	-31	9
10-year Germany Treasury yield* (%)	2.30	-20	28
US Breakeven 10 Year*	2.23	-6	6
10-year Saudi Arabia Govt USD Bond yield* (%)	4.99	-28	42
8-year Abu Dhabi Govt USD Bond yield* (%)	4.49	-33	31
4-year Kuwait Govt USD Bond yield* (%)	4.70	-31	47
9-year Oman Govt USD Bond yield* (%)	5.52	-23	13
10-year Bahrain Govt USD Bond yield* (%)	6.72	-19	-13
7-year Qatar Govt USD Bond yield* (%)	4.47	-20	28
10-year Egypt Govt USD Bond yield* (%)	10.62	-35	-302
EIBOR 3M* (%)	5.23	-7	-10
QAIBOR 3M* (%)	6.00	0	-25
Dubai 5 Year CDS* (bps)	61	-4	25
Qatar 5 Year CDS* (bps)	39	-4	-6
2-year US Treasury yield* (%)	4.26	-50	1

Source: Bloomberg, Daman Investments AssetManagement

Note: *In basis points



Barclays GCC Credit +HY Index



Source: Bloomberg, Daman Investments Asset Management

Major Commodities and Currencies

Performance

	Value	MTD Change	YTD Change
Brent crude oil (USD/bbl)	80.72	-6.6%	4.8%
Natural Gas (USD/mmbtu)	2.04	-21.7%	-19.0%
Gold (USD/Ounce)	2,448	5.2%	18.6%
Copper (USD/MT)	9,102	-3.7%	7.5%
Aluminium (USD/MT)	2,228	-10.4%	-5.0%
Nickel (USD/MT)	16,336	-4.1%	-0.2%
Urea Middle East (USD/MT)	343	0.0%	6.2%
Methanol China (USD/MT)	292	-0.3%	3.5%
SE Asia Polyethylene (USD/MT)	1,030	-1.0%	5.1%
Polypropylene (USD/MT)	1,010	-1.9%	6.3%
US Dollar Index	104.10	-1.7%	2.7%
MSCI EM Currency index	1,727.92	0.3%	-0.7%
JPM EM Currency index	45.86	-0.1%	-4.7%
EGP/USD	0.021	-1.0%	-36.4%
TRY/USD	0.030	-1.1%	-10.9%
PKR/USD	0.359	-0.1%	1.0%
ILS/USD	0.264	-0.2%	-4.3%
EUR/USD	1.08	1.1%	-1.9%
GBP/USD	1.29	1.7%	1.0%
USD/JPY	149.98	-6.8%	6.3%



Global Asset Allocation and Outlook



Global Asset Allocation and Outlook

Over the last 6 months, given inflation being a key concern, any bad news linked to the economy was considered as a good news. However, as inflation has moderated with June CPI coming in flat MoM, focus has shifted from inflation to the strength of the economy and labor market. Hence the investors have started to consider bad news linked to the economy as bad news.

July's weaker than expected nonfarm payroll print and increase in unemployment rate to 4.3% spooked investors during early August and led to a strong correction in equities with investors rushing to buy long duration IG bonds. Recession being imminent and fed being behind the curve became the market rhetoric. This led investors to price in more than 4 rate cuts by the end of the year.

However, July's services PMI continued to reflect that the economic growth is moderating but is still strong, Rise in unemployment rate in July from 4.1% to 4.3% was tied to temporary job loses due to the hurricane in Texas and a strong rise in immigration.

A faster than expected Moderation in labor market is sending a strong signal for the Fed to start cutting rates in September, especially if inflation continues to moderate. A delay in cutting rates can lead to a hard landing instead of a soft landing.

With soft landing as our base case scenario, we continue to advocate an overweight allocation to equities and high-yield credit. We upgrade fixed income to overweight and downgrade cash to underweight We also continue to increase the duration of our portfolios. At the same time, we are actively monitoring the risks tied to the US election.



Asset Allocation

	Underweight	Neutral	Overweight
By Asset class:			
Equities			
Fixed Income			
Alternatives			
Cash			
Equities - by region:			
DM			
US			
Japan			
Euro Area			
EM			
EM Asia			
EM Europe			
EM MENA			
EM LatAm			
Fixed Income - by region:			
South Asia			
Far East Asia			
Latin America			
MENA			
Sub-Saharan Africa			
Central & Eastern Europe			
Fixed Income - Rates vs Spreads:			
Rates			
Spreads			
Fixed Income - Credit:			
Global Investment Grade			
Global High Yield			



Global Asset Allocation and Outlook

Global Equities:

- In equities, we believe a proper bottom-up analysis is important to own quality stocks with solid balance sheets, high operating cash flows and contained leverage to protect from market volatility tied to fluctuation in macroeconomic data and reset of rate cut expectations
- We see a diversified portfolio with a dividend yield cushion to be better equipped to face market volatility. We see a barbell portfolio split between technology and cyclical sectors as well placed to navigate macroeconomic and geopolitical uncertainties that we may face in 2024
- Performance to broaden out with cyclical sectors, healthcare and utilities participating which were laggard in 2023
- We downgrade tech to underweight given stretched valuations and on an expected deceleration in earnings of technology sector names and in acceleration in earnings in other sectors
- We avoid names on higher risk sides of the capital structure such as unprofitable tech and biotech names, etc. We would prefer to wait till the 3Q 2024 to get further clarity on path of monetary policy.

We maintain overweight on US on better than earnings and economic growth. We see the US economy holding up much better than Europe given relatively stronger consumer spending and consumer confidence. US will continue to be the driver of innovation in sectors such as AI, semiconductors, clean energy, biotech, etc. We downgrade Japan to underweight given higher rates expected to hurt the exporters and market sentiment

Preferred Picks:

Technology and communication services: Alphabet, Microsoft, Nvidia, AMD, Amazon, Adobe, Sales Force, META, Netflix

Healthcare: Pfizer, Merck

Industrials/Auto: GM, Ford, Caterpillar, Deere

Financials: Visa and Mastercard

Airlines: Delta Airlines, United Airlines

Utilities: Nextera Energy

Consumer Staples: Walmart

We stay underweight on Europe as we expect earnings growth to struggle on a weaker macro - economic growth environment despite lower relative valuation vs US (14.3x vs 22.9x). We remain overweight on Japan given the start of a strong capex cycle - driven by both domestic and foreign driven investment, and expectation of strong corporate profit growth.

We keep EMs to neutral. However, there are strong structural domestically driven economic growth stories such as India, Indonesia, Mexico and Brazil, which we continue to remain overweight on.

MENA Equities:

We have barbelled our equity portfolio by adding high dividend yield names with high beta names to provide defense to our portfolios given increased volatility. We advocate a quality bias and strong active management approach to take benefit of market volatility and selective security picking, focusing on balance sheet quality and cash flows visibility. We have continued to deploy cash in quality name to take advantage of the recent market correction.

Currently, MENA markets trade at a 2% premium to the MSCI EM Index on a 1-year forward PE basis, which is below the long-term average premium of 10%. If oil trades above USD80/bbl, we believe the MENA market will continue to trade at a premium to EM. We continue to see compelling opportunities in Saudi Arabia and the United Arab Emirates due to their governments' commitment towards economic diversification. Our preferred plays include:

- Banks: Al Rajhi, NBK, SNB
- Capital Goods: Riyadh Cables, Shaker
- Consumer Staples: Spinneys, Tanmiah
- Energy: ADNOC Drilling, Gas and L&S
- Real Estate: Aldar, Emaar Dev, Emaar Prop, TECOM
- Financial Services: Al Ansari, Boursa Kuwait, Investcorp Capital
- Transport: AD Ports, Budget, DTC, Salik
- Utilities: AWPT, DEWA, Empower



Global Asset Allocation and Outlook

EM Fixed Income:

We continue to prefer duration as we see inflation inching downwards. Fixed income markets seem to be moving in the right direction despite macro challenges, tight monetary policy, geopolitical tensions, and rates and commodity volatility, among others. We have seen 10y yields close 44bp below at 4.03% during the month of July. Barclays Global Aggregate Index during the month was up by 2.8% led by falling yields. Despite, the gains in July, Barclays Global Aggregate Index is down 0.5% for the year. Meanwhile, High Yield Index continues to show resilience (+2.0% MTD and +5.2% YTD). We continue to position in quality issuers with stronger cash flow and balance sheet dynamics across both high yield and investment grade space. We believe regardless of economic expansion or mild recession fixed income tends to outperform lower parts in the quality spectrum and can represent a hedge for investors. We continue to hold duration via names like SECO 2053, PIF 2054, ARAMCO 2070 and QPETRO 2041.

Saudi Arabia. Saudi's USD yield curve inched lower across the curve during the past month. It is important to remember that debt issuance in the country has been the highest in the EM region in 2024. The Bloomberg Global Aggregate- Saudi Arabia (I14669US Index) gave a positive return of 1.3% in July marking the third consecutive month of positive returns.

What we like: ARACEN, DAR AL-ARKAN, SAUDI Govt, SECO, KSA Sukuk, ARAMCO, PIF

UAE. Abu Dhabi sovereign yield curve has one of the lowest spreads in the region. Investors will continue to look at non-oil GDP growth in terms of signs of diversification. There was new issuance worth USD 1bn dual-tranche 5Y and 10Y deal by Abu Dhabi GRE Masdar Future Energy during the month. Besides, Sharjah government tapped the sukuk market with USD1bn issuance priced at 5.5% in early July.

What we like: ABU DHABI Govt, ARADA Sukuk, DAMAC, DIB Sukuk, EIB, EMAAR Sukuk, ESIC Sukuk, FAB Sukuk, GEMS, PD Sukuk, Sobha Sukuk, ABU DHABI National Energy, UAE Govt, ADCBUH Perp, EBIUH Perp, DP World

KUWAIT –Budget deficit and lower share of non-oil revenues remain a cause of concern for the country. As of June 2024, the country has just one bond KUWIB 3 ½ 03/20/27 outstanding (USD4.5bn) currently yielding 4.5%.

MEXICO – In Mexico, market volatility has stabilized post the pickup in volatility created by domestic politics. All eyes going ahead will remain on US Presidential election as Mexico's export heavy activity is largely linked with US on the back of USMCA free trade agreement. Markets are currently pricing in 49bps from now until year end 2024 on the back of a dovish central bank, with four meetings remaining in the year.

What we like: PEMEX

INDIA –The central government came out with the budget on 23rd July with the focus largely remaining on fiscal consolidation path. The fiscal deficit at 4.9% of GDP in FY25 was largely in line with our expectation. Post the budget, Gsec yields rose 2-3bp higher in reaction to budget announcement. The government announced lower net (INR11.6trn versus INR11.8trn) and gross (INR14trn versus INR14.1trn) market borrowing estimates compared to the interim budget, led by the lower fiscal deficit estimate. Besides, the budget expects a nominal GDP growth for FY25 at 10.5% y-o-y.

What we like: INCLN, ADANI PORTS, INDIABULLS HOUSING, ADANI GREEN



About Daman Investments

Daman Asset Management is a dedicated MENA specialist offering mutual funds strategies and bespoke investment products, which have been built on our independent research insights and backed with a proven track record of delivering superior risk-adjusted returns which have substantially outperformed peers and regional benchmarks. Our experienced team manages investments on behalf of local and regional institutions, family offices and high net worth individuals.

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