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ABOUT COMPANY

Wisbees is a dynamic financial research company based in Bhubaneswar, Odisha, India. Founded by a team of finance enthusiasts, our mission is to satisfy the thirst of Indian readers for financial knowledge. We specialize in delivering valuable financial information in an easily understandable story format, ensuring that our clients gain a comprehensive understanding of the subject matter.

MISSION

To ensure ,“Right to Financial Information.”

& VISION

*Wisbees exists because we believe that everyone
deserves a better financial future.*



EDITOR STATEMENT

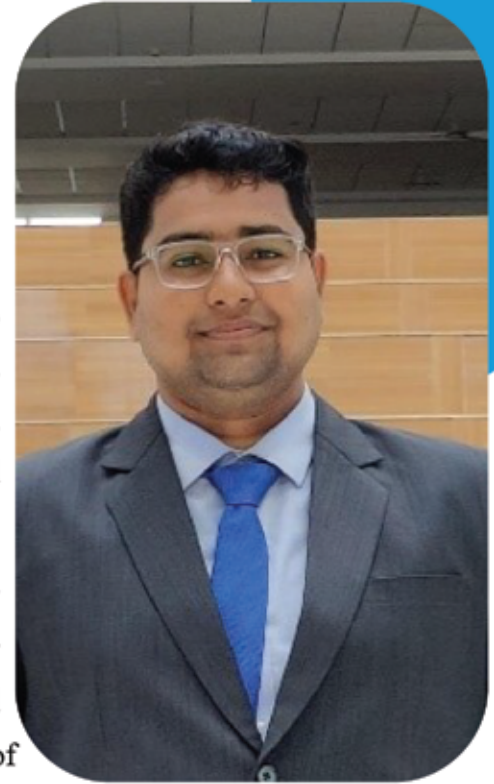
The saddening and repetitive episodes of my friends and relatives making poor financial decisions used to deeply affect me. As a student with a background in finance and a strong interest in all things related to the market, I would guide them on how to avoid such unfortunate circumstances.

Over time, I noticed many others in the neighborhood, particularly those from low-income backgrounds, who were also facing similar financial issues such as bad credit, losses in the stock market, and investments in fraudulent schemes. This became a common topic of discussion among my friends and me during gatherings. It was from these discussions that the idea for Wisbees began to take shape—a website where a group of like-minded enthusiasts and I could share our financial wisdom through articles aimed at boosting financial literacy.

We worked tirelessly to design the website and deliver quick and informative content under various sections such as Stock Reports, Newsletter, Market Dictionary, Wealth Help, and now, with great pride, we are unveiling the 3rd edition of our Investment Journal.

Through our biweekly Investment Journal, Wisbees continuously strives to provide readers with quality content covering various aspects of the finance world, incorporating witty articles and informative infographics. In this 3rd edition, we have curated exceptional segments on EIC analysis of InfoEdge, the story of the meat unicorn Licious, Impact investing, infographics on Influencer marketing in India, and much more.

So, stay tuned, stay informed, and make wise investment decisions.



A handwritten signature in black ink, appearing to read 'Gouri Sankar Dash', with a long horizontal line extending to the right.

GOURI SANKAR DASH
EDITOR-IN-CHIEF

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AVINASH ROUT



PRATIKHYA DAS



Purba Bhattacharjee

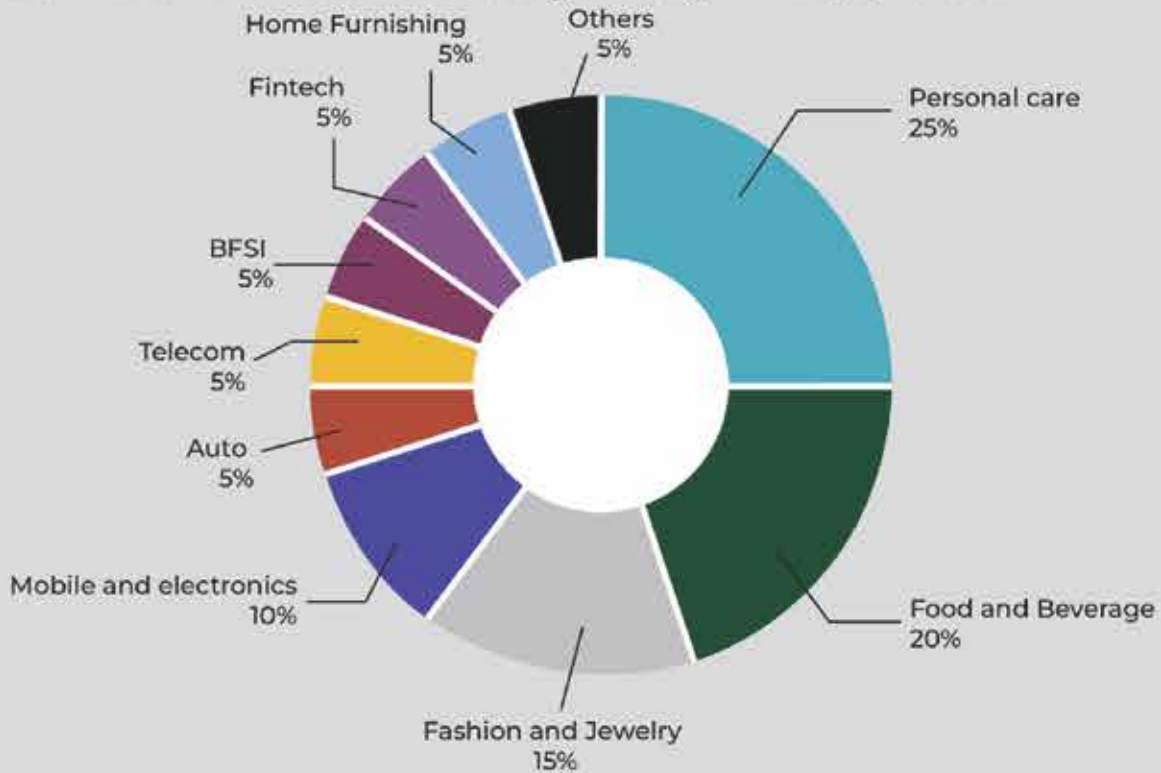


Which industry is most influenced by influencer marketing in India?

INFLUENCER MARKETING IN INDIA

*Source: Statista

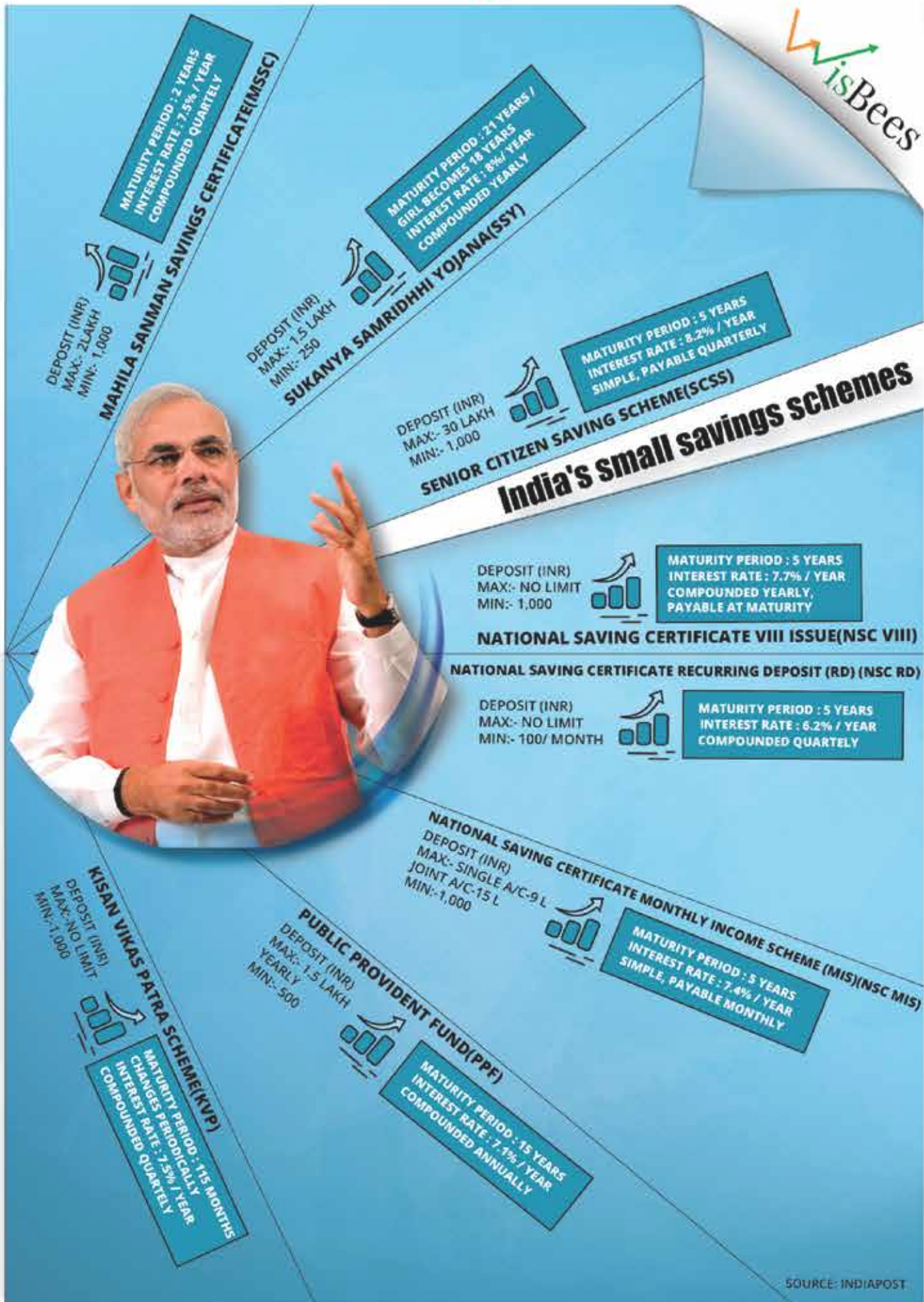
Distribution of influencer marketing industry in India, by vertical



Leading social media platforms for influencer collaboration across India



India's Small Savings Schemes



India's small savings schemes

EIC - Analysis of INFO EDGE. What Actions Should Investors Take?



Do you recall the days when we used to flip through the pages of the newspaper to find the "Classified section" and check for job opportunities? I vividly remember doing this during my childhood, searching for jobs for my brother as directed by my father. However, I haven't had to do that for a long time now, thanks to websites like "Naukri.com" and "Freshers.com." These digital classified websites have made it effortless to find both government and private job listings.

Yes, today, we will be discussing the "Badshah(King)" in India's digital classified platform for jobs- Naukri.com, owned by Info Edge. While Info Edge boasts a diversified business portfolio, including Naukri.com, 99acre.com, JeevanSathi.com, Shiksha.com, Zomato, and

PolicyBazaar, a significant portion of its revenue (approximately 75%) is generated by Naukri.com. The online job classifieds market has experienced significant disruptions due to various factors, including the COVID-19 pandemic, the Russia-Ukraine war, and the US-Europe banking crisis, the Recession in IT etc. But it's worth noting that India still has a relatively low penetration rate in the digital classified market compared to countries like China and the USA, which earn revenue amounts of 7,190 million and 2,570 million US dollars, respectively. In contrast, India's revenue in the digital classified market stands at 133 million US dollars/per year.

gsdsh94 published on TradingView.com, May 25, 2023 21:19 UTC+5:30

INFO EDGE, 1W, NSE O3829.05 H3580.20 L3806.65 C3900.35 +71.30 (+1.86%)



In the provided chart, it is evident that the price of "Info Edge" has experienced a significant decline of nearly 54% from its peak. This substantial drop could potentially instil fear in investors who entered the stock at a price exceeding 7000. It is worth noting that such a drastic fall is historically uncommon for this stock. Consequently, we must explore the possible reasons behind this decline and consider what lies ahead for the company. To gain deeper insights, let's conduct a comprehensive analysis of Info Edge's business fundamentals and growth prospects through our EIC analysis.

Economic Analysis:-

The Info Edge business is influenced by both headwinds (obstacles) and tailwinds (favorable factors) in line with macroeconomic concerns. However, it appears that there are more headwinds in the shorter term than tailwinds affecting the business. Let's discuss these factors individually.

Major concerns ahead(Head Winds):-

The growing concern of the declining growth of consumer ad spending in the "Global digital classifieds Market". Research conducted by Statista indicates that ad spending for digital classifieds is projected to experience a decreased annual growth rate (CAGR 2023-2027) of 2.16%.

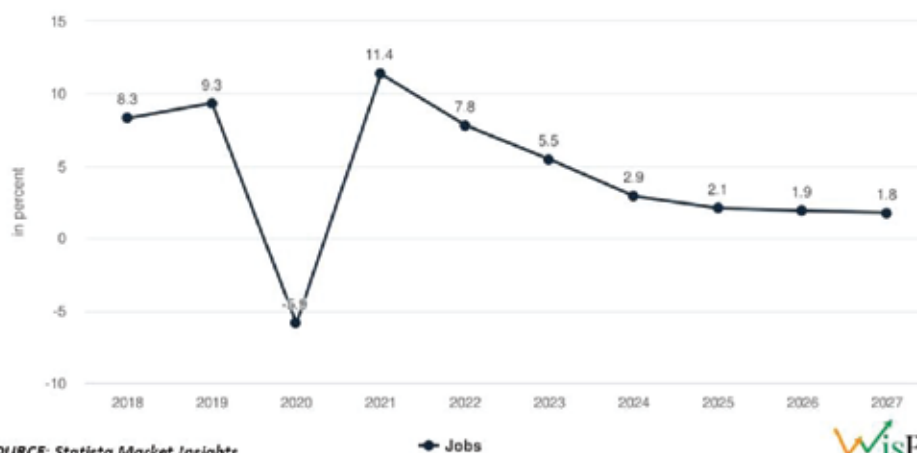
After initially recovering from the impact of the COVID-19 pandemic, the growth rate has faltered due to economic instability in Europe and other developed regions, as well as the ongoing Russia-Ukraine conflict. As a result, the growth trajectory has started to decline, and there are indications that this downward trend may persist for the next 2-3 years.

But India is underpenetrated in the staffing industry, so the above data may not give an accurate picture. The slight recovery in the global scenario can cause great demand and growth in India.

Global recession fears and a slowdown in IT sector hiring:- According to a report from Financial Express, the IT sector is projected to experience a significant decline in hiring growth rate, potentially reaching half of the current year's rate. This is causing major concerns for companies like Info Edge, as a significant chunk of their hiring comes from the IT sector. Furthermore, the leading staffing firm "Team Lease" anticipates a substantial 40% decrease in net hiring during FY24. Despite these facts, overall recruitment of Info Edge has shown good positive growth.

Increasing Interest rates:- The recent increase in the government repo rates has resulted in rising borrowing costs for real estate buyers. This development is proving to be a discouragement for companies such as 99acres.com(Infoedge subsidiary).

Job Classified – Ad Spending Growth Rate-world wide

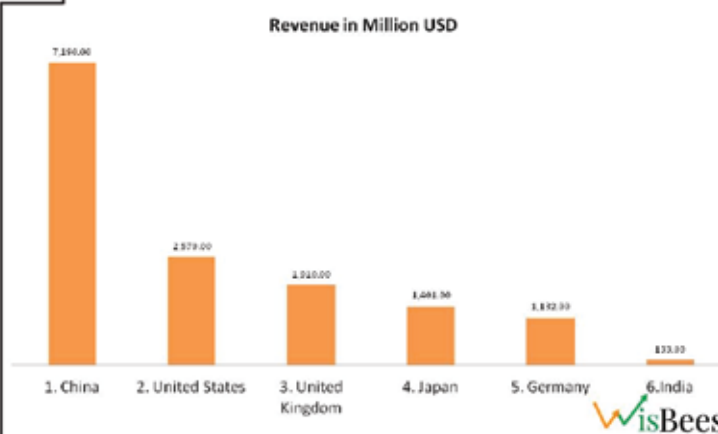


SOURCE: Statista Market Insights

What's in favour?(Tail Winds):-

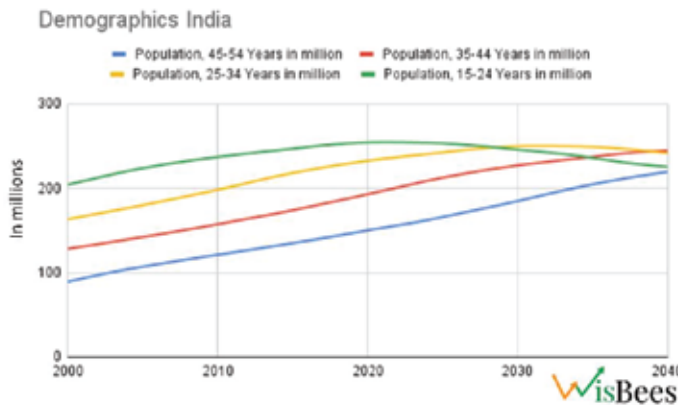
The favourable factors will help in the long term mostly. Such as:-

Under Penetration of Digital Classified Market in India:- India's digital classified market earns only 133 million USD in revenue, in contrast to China's substantial revenue of 7,190 million USD. Here is a comparison between the countries:



As there is a lot of ground to cover in India, so the opportunity seems big for Info Edge-like companies.

Indian growing population and **demographics**:- The median age of the Indian Population is 28yrs, and the working-age population is 65% of the total population. People aged around our median age generally use the job classified platform more.



According to data from the IMF, India is projected to maintain its youthful demographic profile for at least another decade, as depicted in the figure above. This demographic advantage is expected to provide a potential boost to the job classifieds market.

*Apart from this, the growing internet connection and smartphones may continue to fuel the strong demand for Infoedge's diversified online classified businesses.

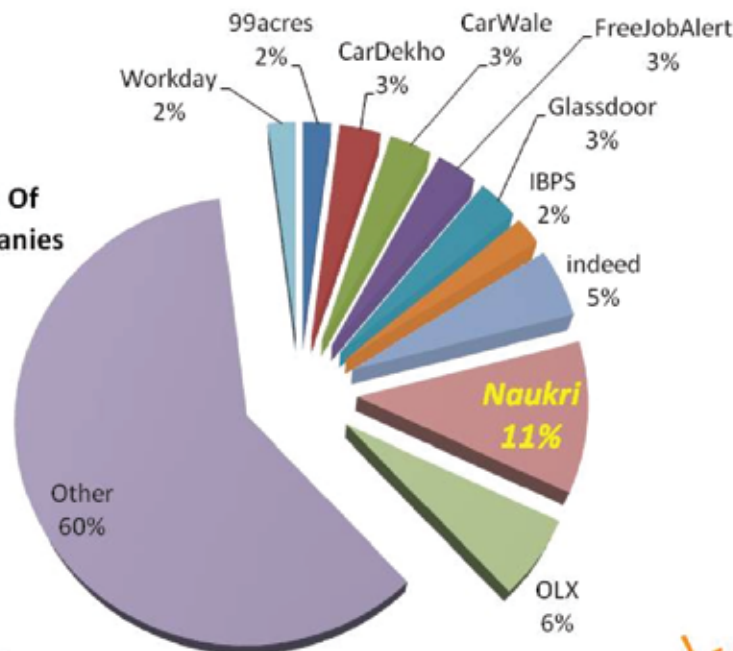
Industry Analysis

Info Edge is a leading player in the digital classifieds industry, with Naukri.com as its flagship holding, commanding the largest market share at 11%. OLX follows with a 6% market share, while Indeed holds 5%. As an industry leader in the recruitment business, Info Edge enjoys a competitive advantage. The online segments in which Info Edge operates are characterized by intense competition and constant evolution, with various players offering diverse services and features to their customers and users. Major competitors of

Naukri.com include platforms like LinkedIn and Indeed, whose increasing popularity are a threat to the business. The accompanying pie chart visually represents the distribution of market shares.

The growth rate of the digital classifieds industry appears uncertain, given the current economic scenario. As previously discussed, the industry is expected to continue growing, albeit at a slower rate of around 2% over the next two to three years.

Market Share of Digital Classified Companies in Percentage



Source: Statista Market Insights

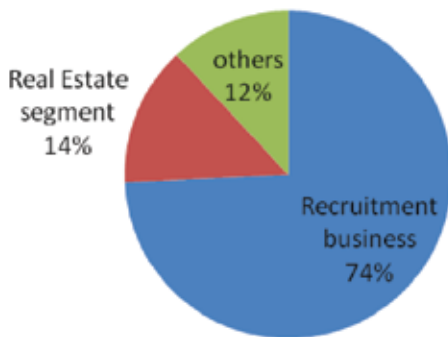
Company Analysis

Let's employ our questionnaire method to conduct a thorough analysis of the company.

What is the core business of the company and Revenue mix?

The core business of Info Edge is to provide online classifieds services in various segments such as recruitment, real estate, matrimonial, education and related services through its web portals and mobile applications such as Naukri.com, 99acres.com, Jeevansathi.com, Shiksha.com, etc. It also has investments in several start-ups and companies in the online space, such as Zomato, Policybazaar, Ustraa, Happily Unmarried, etc.

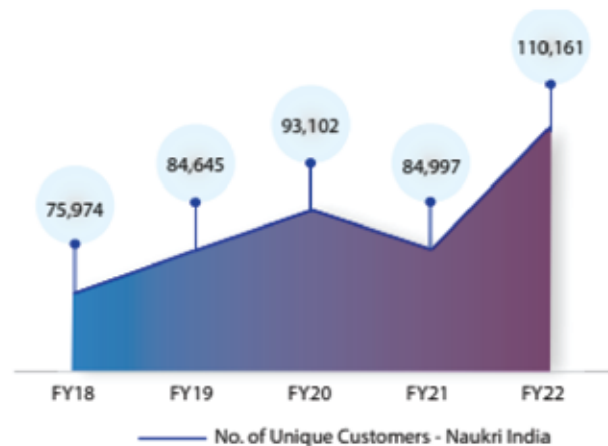
Revenue contribution Segment wise to the whole business



It's Recruitment Business

As almost 75% of the revenue comes from Recruitment Business, so let's discuss it more as per their latest annual report management discussion. According to a report by Nasscom-Zinnov, India is expected to experience a significant shortage of 14-19 lakh tech professionals by 2026. It is projected that the country will need to add approximately 52 lakh IT professionals to its current tech workforce over the next five years.

Despite a slowdown in IT hiring, there is strong demand for Non-IT hiring in key sectors like BFSI (Banking, Financial Services, and Insurance), Retail, Hospitality, and Media Entertainment. These sectors, which collectively account for 45% of Info Edge's overall revenue, continue to show robust growth.



Based on the above picture from Info Edge's annual report, it is evident that the company's new customer acquisition is increasing consistently each year for the recruitment business(Naukri). In the current year, there has been an addition of 1.10 lakh customers.

Real Estate Business(99 acres.com)

99 acres has not been a great contributor to Infoedge business because of prevailing high interest rates. To maintain the competitiveness, the company is heavily spending on its Marketing. Info Edge had made an investment in 4B Networks Limited, a company operating in the real estate broking sector. However, due to the high cash burn and losses incurred by 4B Networks, Info Edge has decided to write down the value of its investment to zero in its financial statements. This development has raised concerns about the real estate broking industry, highlighting the challenges and risks associated with certain players in the market.



Product Portfolio?

Promoter Holding?

The company's promoter holding has remained stable at approximately 38% for the past few years.

Competitors?

Info Edge faces competition from various companies in the digital classifieds sector, both directly and indirectly. Some notable examples of direct competitors include Monster Worldwide Inc, Indeed, IndiaMART, and Just Dial. These companies operate in similar domains and offer services that overlap with Info Edge's offerings in the recruitment, classifieds, and B2B sectors.

Analysing Financials

Revenue and Operating Profit

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating revenue(Crs.)	611.58	723.48	802.11	915.49	1,098	1,273	1,099	1,562	2,158.62
Revenue growth in %		18.30	10.87	14.14	19.94	15.94	-13.67	42.13	38.20
Operating Profit -EBITDA(Crs.)	182.24	157.85	227.49	297.31	341.34	402.74	277.5	463.72	784.21
EBITDA growth in %		-13.38	44.12	30.69	14.81	17.99	-31.10	67.11	69.11

Despite facing challenges during the COVID-19 pandemic, Info Edge (India) Limited has demonstrated its ability to recover and adapt. The company's financials indicate a significant growth rate in revenue, although it is projected to decrease to around 15%-16% according to many brokers' valuation reports, considering the current outlook on a potential recession in the IT sector.

Revenue Segment wise	5-Yr CAGR
Recruitment	14.60%
Real Estate	12.50%
Matrimonial	9.90%
Education	20.80%

Over the past five years, the Recruitment business has experienced a compound annual growth rate (CAGR) of 14.6% in revenue.

In the table below, by examining the profitability of different business segments, it becomes apparent that only the Recruitment business and Education segments are generating profits. However, the Real Estate segment (99 acres) and Matrimonial segment (Jeevansathi.com) are operating at a loss after considering operating expenses.

Operating profit Segment wise	FY18	FY19	FY20	FY21	FY22	5Yr-CAGR
Recruitment	3,759	4,295	5,041	4,375	6,798	16.00%
Real Estate	-304	-222	84	-222	-782	NA
Matrimonial	-235	-338	-632	-956	-1,204	NA
Education	22	9	12	41	195	72.40%

(Figures in Crs)

Debt

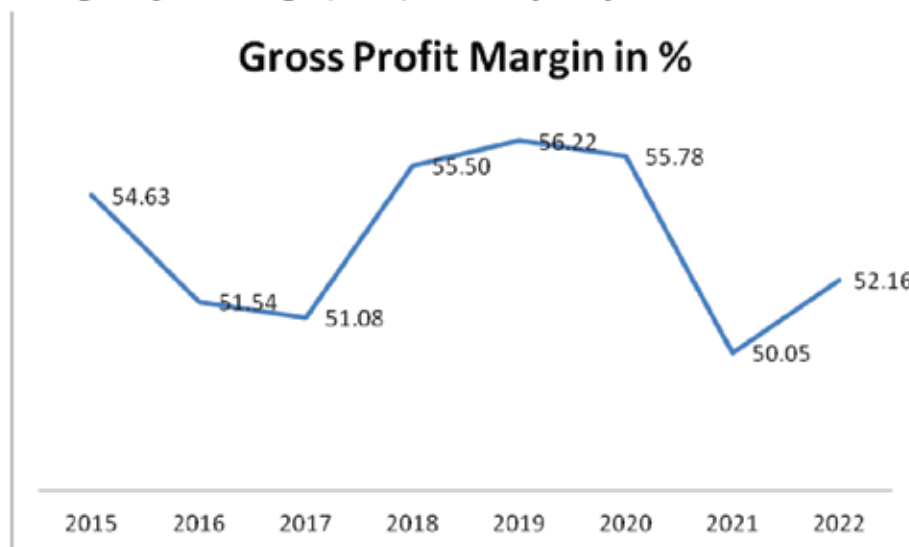
The company has been debt-free for a long time now, with a debt-to-equity ratio nearly equal to zero. Furthermore, the company has a robust surplus and cash reserve, which was further increased after the sale of its stake in Zomato in FY-2022. This strong liquidity position provides the company with the necessary financial flexibility to invest in new growth opportunities and withstand economic downturns.

The company has impressively maintained a strong gross profit, which represents the profit remaining after accounting for wages and deducting other operating costs. This indicates efficient cost management and sustained profitability for Info Edge.

	2015	2016	2017	2018	2019	2020	2021	2022
Sales	611.58	723.48	802.11	915.49	1,098	1,273	1,099	1,562
COGS	-277.49	-350.62	-392.42	-407.38	-480.7	-562.97	-548.99	-747.28
Gross Profit	334.09	372.86	409.69	508.11	617	710	550	815

(Figures in Crs)

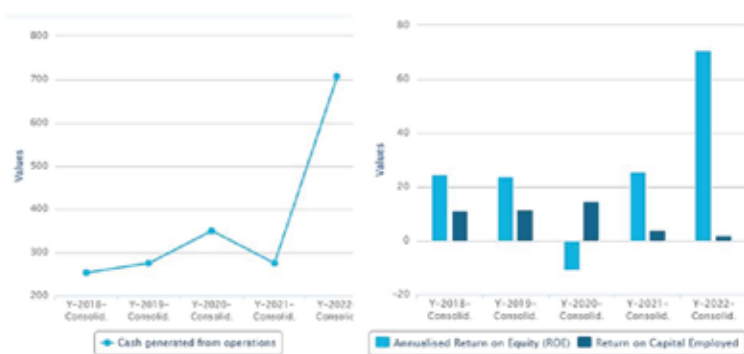
The gross profit margin(GPM) has always stayed above 50%.



The company has been able to maintain a healthy operating margin in the range of 24% to 27% continuously for the last five years.

Other Financials

The trade receivables, or credit sales, for the company, are minimal when compared to its overall sales. Additionally, Info Edge demonstrates a robust positive cash flow from its operations, indicating that the company is generating profits through its core activities.



Source: EMIS

Furthermore, it is worth noting that Info Edge has consistently maintained a Return on Equity (ROE) above 20%(refer above image), indicating strong growth in this area. However, the Return on Capital Employed (ROCE) has witnessed a significant decline due to the company's long-term investments in various subsidiaries and start-ups.

Technical Tadka:-

Although this analysis does not fall under the category of equity research, we still provide it for your consideration. Based on our assessment, Info Edge appears to be a fundamentally strong company. However, it's important to note that its business may be susceptible to economic factors. Now, let's explore the technical chart to identify potential support levels or demand zones for the stock.



In the weekly chart, the stock has never gone below its 200 Exponential Moving Average. Now it seems to be taking support on it. Additionally, there is a demand zone created at the 3300 price range where the price has taken support on multiple occasions. The stock gave a break out of a wedge pattern on 26th June. All these signals indicate a bullish momentum.

Disclaimer:-

We are not a SEBI registered Investment Advisor. This is not a recommendation but only a case of sample analysis that might help you to do fundamental research on various companies.

Conclusion

Based on our research, we believe that the current valuation of the stock is fair, and we maintain a neutral stance on its growth prospects until there is an improvement in the global economic scenario. It is unlikely to generate significant returns until the global conditions improve, but it is also not expected to decline significantly as it has already corrected to its base price. While the company does have numerous subsidiaries, we did not identify any major concerns in its financials. However, the extensive subsidiary structure makes financial analysis more complex. In equity research, when no significant negative aspects are found, we generally assume a positive outlook.. And based on our Technical(Bullish) and Fundamental analysis(-Neutral):-

Price, CMP:- 4197.75

Target:- 5500 and above.

The story of the Unicorn meat delivery brand “Licious” – touched the untouched industry.

When I was a boy, I used to go for meat shopping as I had gained fame in my home for bringing high-quality mutton, fish, and other non-vegetarian items. My father had a bad track record of buying spoiled meats, so my family relied solely on me for procuring non-vegetarian food. I used to pretend that I knew how to distinguish good meat from bad, but the truth was that I never really knew. Perhaps it was my innocent chubby face and sweet words that persuaded the shopkeepers to deliver good quality. However, nowadays, the younger millennials may not possess the same level of knowledge on how to assess freshness and quality. Nevertheless, they are digitally savvy, which leads them to seek out options for quality and online meat delivery. The processed meat industry remained untouched for a long time due to cultural barriers and beliefs, but it is no longer ignored. Mammoths are emerging to seize this significant opportunity. Does the image above ring any bells? The house? It's the Big Boss 16 house.

And there, by the window, stands the representation of "Licious," India's largest online meat and seafood delivery platform—a D2C farm-to-fork business. With unicorn status, the company has successfully disrupted the unorganized meat industry. Licious created quite a buzz when it became a part of the popular show, Big Boss, presented by Salman Khan.

“Today, this 1.7 billion-dollar company has disrupted the previously untouched processed meat industry in India.”

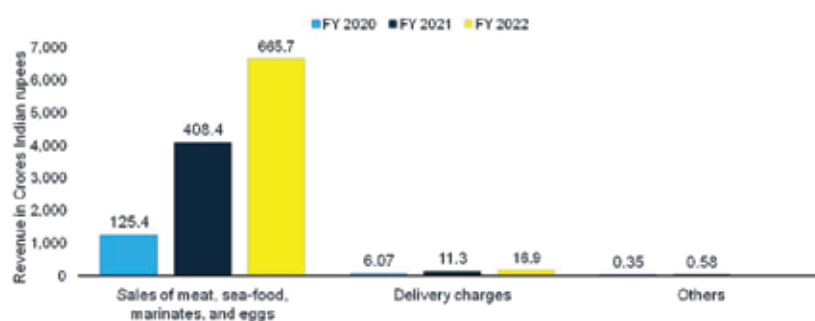
Before Covid, people had the habit of going to the wet market to purchase meat. However, when Covid emerged, people were unable to leave their homes, and hygiene became a significant concern. In metro cities like Bangalore, Hyderabad, Delhi, and Mumbai, individuals used to rely on purchasing frozen meats from nearby shops, which raised questions about hygiene. This led to the rise of online players such as Licious, FreshToHome, Zappfresh, and TenderCuts, who specialize in delivering fresh, hygienic, odor-free, and antibiotic-free meat products.



Do you remember during the Covid pandemic when people were fearful of consuming meat due to rumors spreading that it was a source of the Corona virus? However, these rumors were gradually debunked by numerous nutritionists, and government sources confirmed that consuming meat and fish is necessary for a well-rounded nutritional intake. As a result, the decline in revenue that occurred due to the fear of meat consumption was reversed, and companies like Licious experienced a significant increase in revenue.

The image below, sourced from Statista, illustrates this trend.

Breakdown of revenue of Licious for financial year 2020 to 2022 (in Crores)

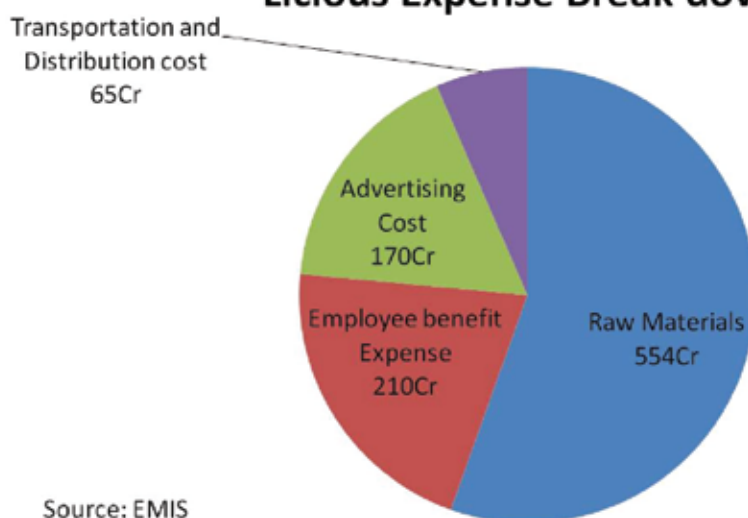


Source: Statista



In 2022, the sales increased by almost 64.6% compared to the previous year, with the majority of the increase coming from product sales, while service sales accounted for only 12 crores. The parent company of Licious is "Delightful Gourmet". Below is a pie chart depicting their expense patterns in 2022.

Licious Expense Break down



Source: EMIS



The company is not profitable overall; however, it has achieved a gross profit. The company is currently in a phase of growth and expansion, aiming to capture and penetrate the market, which has led to increased costs. Despite this, the long-term scenario appears promising. The question arises: why does it look good in the long term?

Let's explore how **Licious** operates and delve into their business model!

The Story of Its origin.

Before we delve into Licious' business model, let me share the story of its origin. Licious, India's first D2C unicorn brand, was founded by Abhay Hanjura and Vivek Gupta. Abhay Hanjura, an employee at an insurance broking firm, hails from a pure vegetarian family. When he decided to venture into the meat business, he faced the threat of being ostracized by his family. Despite the expected reaction, he proceeded to establish the startup with his friend Vivek Gupta and achieved unicorn status in this previously untouched market.

It's a Unique Business Model:

Farm to Fork Approach.

Licious follows a "Farm to Fork" approach, giving them control over the entire supply chain of their meat products. In this model, Licious ensures that the meat is sourced directly from trusted farms that uphold high standards of quality, animal welfare, and sustainability. They meticulously monitor the entire production process, including processing, packaging, and distribution, to maintain the freshness, safety, and traceability of their products. This approach aims to foster transparency and trust among consumers. The model is inspired by Amul, which owns its entire backend supply chain and eliminates the middleman costs. Around 50% of Licious' meat is sourced from their own farms and processed in their own centers.

Build the trust; everything else follows!

Licious made an innovative move to gain trust by replacing the traditional black plastic bags used in meat shops. The competition is intense, with the presence of other meat brands like TenderCuts, Zap-pFresh, and Fresh To Home. Fresh To Home, backed by a funding of 104 million USD from Amazon, has likely reached a valuation of 800 million USD. While Licious currently holds a valuation of 1.47 billion USD, the support from venture capitalists for these meat brands may trigger a price war, potentially affecting profit margins. However, it is worth noting that Fresh To Home has been recently focusing more on the UAE market.

Licious guarantees delivery within 90 minutes and boasts less than 5% wastage. According to co-founder Vivek Gupta, Licious has amassed approximately 2.8 million consumers to date, with around 1.1 million monthly transactions. The average order ticket size ranges between Rs 600 and Rs 650.

Indian meals often lack sufficient protein, with protein intake falling below the recommended levels by doctors. Post-Covid, people have become more health-conscious and are increasingly focusing on animal protein, leading to projected growth in this sector, along with the meat cravings of urban dwellers.

Another significant growth factor for online players like Licious is the large unorganized retail meat industry in India. Licious has the opportunity to cater to the entire segment, as the meat industry in India is mostly dominated by local players. With 73% of Indians being non-vegetarian, Licious can cater to the majority of the population, while also introducing plant-based meat alternatives to serve both vegetarians and core meat lovers. The demand for plant-based meat alternatives is increasing globally. However, Licious may face strong competition in the plant-based meat category from international brands like Tata simply better and Beyond Meat.

Licious boasts a high rate of repeat purchases, with 90% of its users making repeat orders, indicating a changing buying behavior among Indian customers towards buying meat. According to a survey, 88% of Licious users hold college degrees, suggesting that the brand attracts the educated masses and high-income individuals. Among the top 10 grocery delivery companies, Licious holds the 10th position, while Amazon hold's the rank 1.

To capture the market's attention, Licious adopts unique advertising approaches, such as their campaign slogan "Kyuki Khali ke paas hai Licious ka All You Can Meat Buffet!" They have also become an associate sponsor of the Big Boss with featuring "Nakhre" dialogue by Anil Kapoor.

Capturing a Growing Market.

Over the past six years, Licious has experienced a remarkable 300% growth in its meat product brands. The processed meat industry in India is projected to grow at a rate of 6.8% from 2022 to 2028, reaching a value of 3.61 billion USD by 2023. Licious aims to capture a significant portion of this market and currently leads the industry, striving to cover the

entire fragmented market. With substantial funding from venture capitalists, Licious has the advantage of capturing more market share.

According to Fresh to Home, the current size of the meat industry in India is 750 million USD. When combined, Swiggy, Licious, and BigBasket account for less than 1% of the entire industry, highlighting the immense untapped potential for these meat brands.

IPO kab ayega??

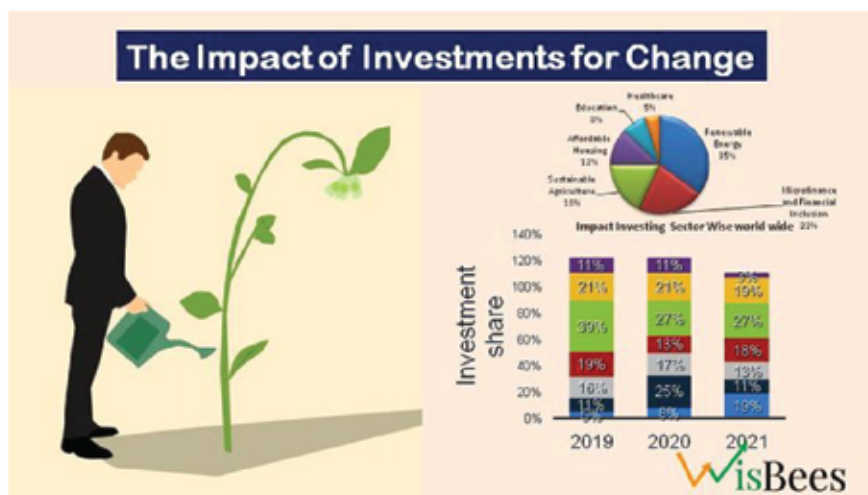
Once Licious achieves positive EBITDA and becomes profitable, the company may consider listing for an Initial Public Offering (IPO). Co-founder Hanjura has mentioned the possibility of an IPO in the next 3-4 years. Currently, Licious holds the prestigious status of being India's first D2C Unicorn, with a valuation of 1 billion USD or more. The company's latest funding round, led by IIFL's Late Stage Tech Fund, contributed to its unicorn status. Operating in 28 cities in India and fulfilling 2 million monthly orders, Licious secured a substantial funding round in July 2021, raising 192 million USD at an approximate valuation of 650 million USD. The company plans to achieve profitability and positive cash flow in the next few months before considering filing for an IPO.

Compared to more developed countries, online meat delivery is still in its nascent stages in India. However, this presents an opportunity for Licious, as an early player in the Indian market, to expand and make significant strides. With the increasing demand for online meat delivery services in India, Licious has a competitive edge in capturing a larger market share and establishing itself as a prominent industry player. As the industry matures and more consumers embrace the convenience of online meat ordering, Licious is well-positioned to tap into the untapped potential and drive further growth in India.



Driving Sustainable Development and Economic Growth: The Brunt of Impact Investments in India

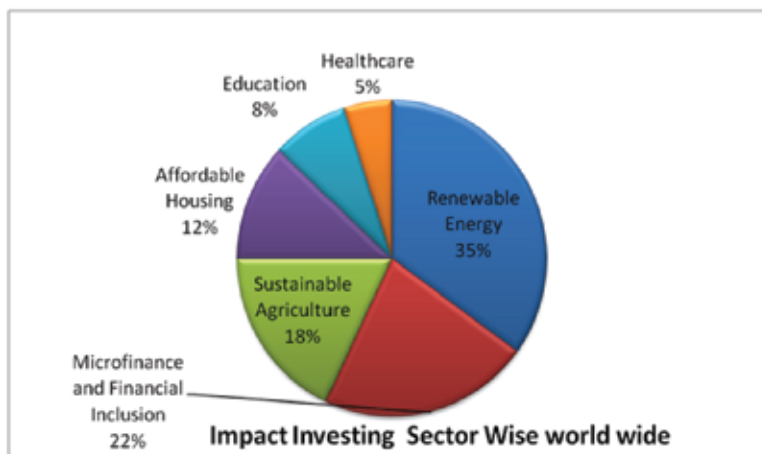
Impact investing has gained significant traction in recent years as investors seek to generate financial returns while making a positive impact on society and the environment. Impact investing refers to investments made with the intention of generating measurable social and environmental impact alongside financial returns. Unlike traditional investment approaches, impact investing focuses on aligning capital with purpose and fostering sustainable development. It encompasses a wide range of sectors, including renewable energy, affordable housing, healthcare, education, and sustainable agriculture.



across sectors provides insights into the areas attracting substantial funding and focus. The following data presents the sector distribution based on a comprehensive analysis of impact investment portfolios:

Global Growth of Impact Investing:

The growth of impact investing has been remarkable, with investors worldwide recognizing the potential to drive positive change. According to the Global Impact Investing Network (GIIN), the total market size of impact investing reached \$715 billion in 2020, representing a substantial increase from previous years. This surge in capital allocation demonstrates the growing commitment to addressing social and environmental challenges through investment.

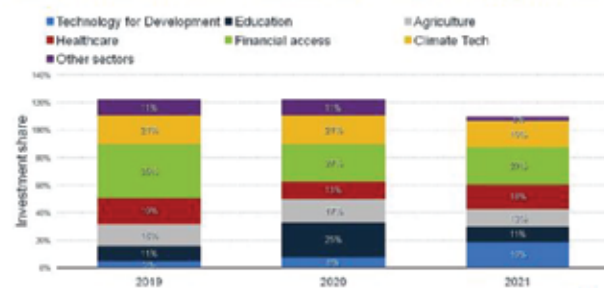


This data highlights the significant investment in renewable energy, underscoring the commitment to combating climate change and transitioning to cleaner and more sustainable energy sources.

Global Growth of Impact Investing:

Impact investing spans diverse sectors, each addressing specific social or environmental objectives. Analyzing the allocation of impact investment capital

Share of impact investments across India from 2019 to 2021, by sector



Source: Statista



Geographic Spread:

Impact investing is a global phenomenon, with investments made across various regions. The data below illustrates the geographic spread of impact investment capital, emphasizing the global reach and impact:

Share of AUM in impact investments worldwide, by region



Source: Statista



United States and Canada accounted for the largest share of impact investment in terms of assets under management.

The figures above demonstrate that impact investing is not confined to specific regions, but rather spans continents, reflecting the commitment to social and environmental progress on a global scale.

Social and Environmental Outcomes:

Beyond financial returns, impact investing aims to generate measurable positive outcomes. The following data showcases the social and environmental

outcomes achieved through impact investments:

- Number of individuals accessing affordable housing: 5 million
- Tonnes of CO2 emissions avoided annually: 10 million
- Small and medium-sized enterprises (SMEs) receiving financial support: 15,000
- Students benefiting from improved educational infrastructure: 2 million
- Farmers adopting sustainable agricultural practices: 500,000

These figures exemplify the tangible impact generated by impact investments, resulting in improved lives, reduced environmental harm, and sustainable economic development.

Impact investing has emerged as a powerful catalyst for positive social and environmental change. The raw data presented in this report provides compelling evidence of its global growth, sector distribution, geographic reach, and the significant social and environmental outcomes it has achieved. As investors increasingly embrace the concept of purpose-driven investing, impact investing will continue to play a crucial role in shaping a more sustainable and inclusive future for all.

However, Impact investing has gained significant momentum in India, playing a pivotal role in driving sustainable development and economic growth. This report aims to provide an overview of the impact of impact investments in India, highlighting its transformative effect on various sectors and showcasing the positive outcomes achieved. By mobilizing capital towards socially and environmentally

impactful enterprises, impact investments have emerged as a catalyst for change in the Indian economy.

Catalyzing Entrepreneurship and Innovation:

Impact investments in India have fueled entrepreneurship and innovation, particularly in sectors addressing social and environmental challenges. By providing capital, mentorship, and support, impact investors have nurtured a vibrant ecosystem of social enterprises and startups. These enterprises have introduced innovative business models, technologies, and solutions, creating employment opportunities, promoting inclusive growth, and spurring economic development.

Driving Financial Inclusion:

One of the key areas impacted by impact investments in India is financial inclusion. By investing in micro-finance institutions and fintech startups, impact investors have expanded access to financial services for underserved communities. This has empowered individuals, particularly in rural areas, to build assets, start businesses, and manage their finances effectively. Enhanced financial inclusion has contributed to poverty reduction, economic resilience, and improved livelihoods.

Advancing Sustainable Agriculture:

Impact investments have played a crucial role in advancing sustainable agriculture in India. By supporting initiatives focused on organic farming, farmer cooperatives, and sustainable supply chains, impact investors have helped improve agricultural practices, increase farmer incomes, and enhance food security. These investments have also driven rural

development, improved livelihoods, and promoted environmentally friendly agricultural practices.

Scaling Renewable Energy:

India's transition to a clean and sustainable energy system has been significantly supported by impact investments. Investments in renewable energy projects, such as solar and wind power, have accelerated the country's clean energy capacity. Impact investors have contributed to the development of solar parks, decentralized renewable energy systems, and innovative financing models. These investments have reduced carbon emissions, enhanced energy access, and stimulated job creation in the renewable energy sector.

Promoting Affordable Housing:

Impact investments have made substantial contributions to promoting affordable housing in India. By supporting housing finance companies, social housing projects, and initiatives focused on slum rehabilitation, impact investors have helped address the country's housing shortage. These investments have improved living conditions for low-income populations, enhanced urban development, and stimulated economic activities in the construction sector.

Promoting Affordable Housing:

Impact investments have made a significant impact on the healthcare sector in India. By investing in healthcare delivery models, medical technology startups, and affordable healthcare providers, impact investors have improved access to quality healthcare services. These investments have led to enhanced healthcare infrastructure, increased availability of medical facilities, and improved healthcare outcomes for underserved communities.

The impact of impact investments in India has been substantial, driving sustainable development, social progress, and economic growth. By mobilizing capital towards impactful enterprises, impact investors have created a positive ripple effect across various sectors, addressing pressing social and environmental challenges. From promoting entrepreneurship and innovation to driving financial inclusion, advancing sustainable agriculture, scaling renewable energy, promoting affordable housing, and addressing healthcare challenges, impact investments have played a transformative role in shaping the Indian economy. As the momentum of impact investing continues to grow, its impact in India is expected to accelerate, leading to a more inclusive, sustainable, and prosperous future for the country.

basically what a trend-following trader does. Sounds easy, too, right?

So, how does a trend develop, and how to identify the same?

There are three types of market players (market participants) in the market such as retail traders, high-net-worth individuals/ investors, and Institutional investors.

Retail Traders/ Investors are the people who participate in the market with a small capital maybe in thousands or in few lakhs trying to earn some extra money. They are usually more in number.

High Net Worth Investors are those who enter the market for the purpose of investing for the long term and with a good sum (in crores). People with surplus cash in hand look forward to any opportunity to create wealth.

Mastering the Trend Following Trading Strategy

"Price is Supreme"

"This is a commonly used phrase among traders and investors in the stock market. In Hindi, they say 'Bhav hi Bhagwan hai,' which means that the price of an asset, commodity, stock, etc., is the paramount factor when making trading decisions, considering the market participants' supply and demand dynamics."

Markets tend to trend which means if they move up they tend to move up making a trend known as an up trend similarly if they move down they tend to move down making a trend known as a downtrend.

Well this concept is an easy and simple one, we just have to identify the trend and find the right opportunity to enter and exit when the trend reverses. This is

Institutional Investors are big organizations with a pool of money. Such as mutual funds, government companies, Asset Management Companies, hedge funds etc., and these companies are further segregated into two categories:

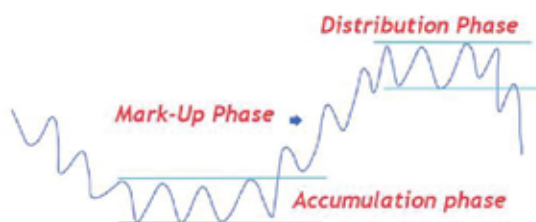
1. FIIs or Foreign Institutional Investors. These are foreign companies (outside India) who look forward to invest in a growing economy.
2. DIIs or Domestic Institutional Investors. These are companies that operate within the economy or sometimes foreign companies.

No more beating around the bush... Let's get back to our topic; just take a wild guess who among these three categories we just talked about have the maximum influence in the market movement? If your answer is retail traders/ investors, then you are absolutely wrong because though they are more in number but their money does not add up like the Institutional ones. They say when a big player makes a move the smaller ones are likely to follow them and bet in the same direction, which helps in increase in the price of an asset or stock gradually, which eventually results in the formation of a trend. So quarter after quarter when these institutions buy the stock due to its good performance which eventually forms a trend and vice versa.

Now that you know how a trend is developed, it's time to identify and take an entry into one. Well, there are various ways where one can identify a trend by using Dow Theory, Technical analysis, Candlestick Patterns, and Volume.

Dow Theory:

The accumulation phase where investors take their positions and gather a good number of shares. This phase is time-consuming as everyone aims to buy at the lowest possible price and sell at the highest possible price to maximize their gains. Furthermore, the trend during this phase remains sideways since individuals continuously adjust their average buy price.



WisBees

The subsequent phase is known as public participation, during which retail investors, including individuals like you and me, contribute to driving the price. When the price reaches its peak level, indicating increased supply, it can either continue to rise or undergo a breakout in a specific direction.

Technical Analysis:

You can use various indicators and oscillators on the price chart to identify a trend like MACD, RSI, Bollinger Band, and Moving Average. The most simple tool that can be used is a trendline which will tell you if it is an ongoing trend or if we are out of trend.

You are not alone in this.

Thousands of people see similar patterns or they tend to follow some of the few tools mentioned above and try their luck or bet on their analysis. They continue to buy and increase the demand and drive the price to reach its peak.

At times when the overall market is going down some fundamentally strong stocks continue to go higher & higher and vice versa.

Example



Let's consider the example of Reliance Industries Ltd. on a weekly timeframe. The image above represents the price chart of RIL, which perfectly aligns with our explanation. As you can observe, the rectangular box indicates the accumulation phase of the Dow Theory, where institutions gradually begin to take positions. It is important to note that aggressive buying may result in a higher price, as we previously discussed the concept of averaging. Additionally, within the box, you can see the three moving average lines of 21, 50, and 100, which were closely aligned or overlapping. However, as the prices started to rise and broke through the moving average lines, the trend changed. This shift could be attributed to aggressive buying by all participants, signifying the beginning of a new trend.

As we all know, at the beginning of 2020, all market participants tended to exit due to the pandemic. It is important to note that the price dropped below all the moving average (MA) lines, indicating that the upward trend had ended unless a reversal occurred. However, when the economy revived after the pandemic people were able to acquire stocks at a lower price. Consequently, the price swiftly rebounded, resuming the upward trend.



MARUBOZU- A single Candle Stick Pattern



Marubozu Candle

The term “marubozu” is a Japanese word, where “maru” means “bald,” and “bozu” means “priest.” It is a strong single candle stick pattern if confirmed by the volume and it does not depend on prior trends. Whatever the previous trend of the price, it will change if this pattern appears.

This is a single candle stick pattern formed by the formation of only one candle stick. If the right candle is identified, the trade can be very profitable.



Marubozu

There are two candle stick patterns: bullish marubozu and bearish marubozu.

Bullish Marubozu: - This candle stick forms when all the market participants are willing to pay whatever price is hovering in the market, resulting in the formation of a long green candle with no wick on either side. In technical terms, the open price will be equal to / very close to the low of the candlestick and the closing price will be equal / very close to the high of the candlestick.

This candlestick indicates that the bulls have control over the market and there is no selling pressure. Hence, the prices will go up till it faces any resistance.



Let's take an example, we have taken the Polycab India chart in 15 mins time frame, "Bullish Marubozu 1" marked by an arrow is a perfect example of a bullish marubozu candle, which was formed on 23rd FEB 2023. And you can see that the price went up till 3100. "Bullish Marubozu 2" is also considered the same but it has a very minute wick formed at its top noticeable if you zoom in to the chart of 24th FEB 2023.

Note: If you are wondering why after the bullish marubozu 2 the prices went down? This is because as the prices were increasing the volume was decreasing.

Bearish Marubozu: This candle stick forms when all the market participants are willing to sell at whatever price is available in the market, resulting in the formation of a long red candle with no wick on either side. In technical terms, the open price will be equal to / very close to the high of the candlestick and the closing price will be equal / very close to the low of the candlestick.

This candlestick indicates that the bears have control over the market and there is no active buying made by the bulls. Hence, the prices will go down till it finds any support.

Let's take an example, we have taken the Polycab India chart in 15 mins time frame, "Bearish Marubozu" marked by an arrow is a perfect example of a bearish marubozu candle, which was formed on 7th FEB 2023.

Note: The candle was not supported by volume. Hence, it will be considered as a 'false signal.'



Tip:

Notably, the absence of shadows or wicks on the candlestick chart indicates strong market sentiment, but it doesn't guarantee that the trend will continue. It's always essential to consider other technical indicators like volumes and chart patterns to confirm the trend.

Bollinger Bands

John Bollinger introduced Bollinger Bands in the 1980s. It is one of the most widely used technical indicators, as the name suggests it is a band (over-bought and over-sold situation) within which the prices move.

A Bollinger Band consists of:

The upper band which is the +2-standard deviation of the middle line

The middle line which is nothing but a 20-period simple moving average of the closing price

The lower band is the -2-standard deviation of the middle line

Well, this is the standard setup in most of the terminals also it can be customized by the trader like any other indicator.

How does a BB work?

Let's take a scenario if you throw a ball toward the ground in an empty room what will happen? As soon as the ball hits the ground it bounces up. Similarly, if you throw the ball toward the ceiling of the room it bounces back and falls.

If you understand this you will understand how a BB works. Whenever the price touches or moves out of the upper band or the lower band there is a high chance that the price will move/bounce back into the band. Some of you might be thinking that, isn't it resisting the price to move further? Yes, you are right

it acts as resistance & support but we consider it as an over-bought and over-sold situation.



For example, we have taken Polycab India Ltd. and you can see the red arrow which shows that on 15th September 2022, the price tries to move above the upper band of BB but it bounced back into the BB. Also, on 18th November 2022, the price tries to move beyond the lower band limit of the BB and in the very next trading session the price moved into the band. Gradually, it started moving till it hit the upper limit of the BB again the cycle repeats.

Advice for traders

When the price reaches either of the ends then you can take an opposite position. If you are a risk taker or else you can wait for the price to confirm by giving a break out on the yellow line which is the 20-period SMA (SMA also acts as support and resistance) and if it doesn't 'no trade'. You can see that on 14th November 2022, the price gave a break-out at 2662 and went to 2508 on 22nd November.

Note: Bollinger's Band is not a standalone trading system but you can use MACD and RSI which will form a good trading system.

I won a Lottery of 25Lakhs at the age of 28. Let's know how I allocated that into Different Mutual Funds.

Ahh, It sounds good that I have won a lot of Money. But you will be amazed to know the story after I won that giant Lottery.

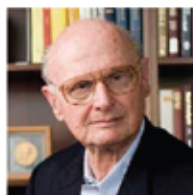
When I was a child, I bought candies that used to cost me around 0.25 Paisa. But today, when I go and buy the same candy, that costs me 1Rs. I did my engineering with a fee of 4Lakhs for four years, and now the same college is increasing fees by 10% yearly. Honestly, I felt cheated, and for the first time, it really struck me hard to think about the value of my 25Lakhs after 30 years when I retire. How can I beat inflation? A friend of mine suggested investing in Markets and Mutual Funds. There started my investment journey, and I did so much research on allocating my money to different asset classes.

***I choose to invest 70% in equity funds and 30% in Debt Mutual funds.
But why did I do so?***

When I thought of investing, the first thing that came to my mind was to invest in Fixed Deposits as any normal Indian guy would do. But the inflation rate in India has been fluctuating between 4% to 5%, and I get a 4% return in Bank FDs, which is not sufficient. The story doesn't stop there; they are very tax-inefficient products too. I have to pay the tax on my fixed deposit earnings as per my current tax slab, which is 30% (my income is above 15Lakhs per annum).

So my Net earnings from the fixed deposit (Let's say 4% is my FD return) will be $4 \times (1 - 0.30) = 2.8\%$.

Modern Portfolio By Harry Markowitz



So I thought instead of investing in FD, I could always invest in a similar safer instrument, that is, Liquid Mutual Funds, with better tax efficiency (20% tax with indexation benefit). Also, there is no lock-in period in Liquid Funds, and they can be withdrawn in 24 hours. So I had to prepare an Investment plan to create an efficient

Portfolio that could generate inflation-beating Returns and a Healthy- Wealthy Retirement Plan.

I came across a prevalent theory called "Modern Portfolio Theory" by Harry Markowitz. That said, investors should diversify their portfolios with Negatively correlated Assets.

What are negatively Correlated Assets?

Negatively correlated assets mean the assets have opposite sensitivities, which means if one falls, another will rise to some degree. Equity funds and Gold are negatively correlated as also Equity funds and Debt funds. Historically it has been seen when you have Debt assets mixed with Equity Funds, the risk is reduced during the market fall and gives decent Returns when the Market goes up.

So I knew I had to play safe and build a portfolio with negatively Correlated assets, a mixture of equity and debt or equity and gold or all three. But I choose Equity and Debt because I get to trade Debt easily and can have some regular income from Debt funds. Now the bigger question was the right combination of Assets.

How did I choose the Right Combination for my Portfolio?

I used a popular strategy which is Age based Asset allocation method. Equity gives the highest return among all asset classes, but it is also the highest risky asset class. Debt funds are usually a very less risky asset class but also provides a lesser return compared to equity fund.

Both the asset class are not risk-free; equities can be as bad as the “Satyam” incident, and Debt securities can default as severely as the “ILFS” incident. So it is always wise to have a mix of Asset Classes.

A younger person can take more Risk so that he can have more equity funds in his portfolio, but an old retired person can't have the same risk tolerance, so he has to allocate more towards Debt funds. So by the rule of Age based asset allocation, my equity allocation needed to be 72%

(100-My age. my age is 28yrs now) and the Debt component needed to be 28%. But I rounded the equity to 70% and Debt funds to 30%. 28yrs of Average age, whose future earning potential will flow towards the Stock Market, and hence the Equity market may grow more.

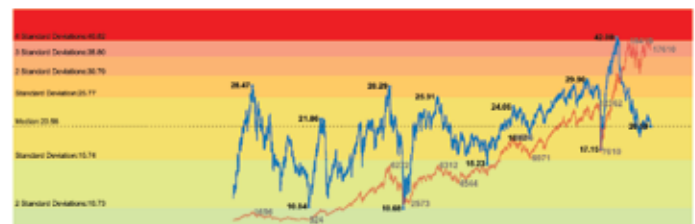
Another Strategy

Although one can also dynamically allocate funds as per the market conditions either by

Buying Hybrid Funds like Balanced advantage funds. Which shifts Equity and Debt as per the Market condition.

Or by manually timing the market to allocate debt using Nifty valuation Ratios(PE or PB ratios). At a high PE ratio, allocate high debt and low equity and at a low PE ratio, allocate low debt funds and High equity funds.

In the below image from nifty-pe-ratio.com, you can see nifty is trading at a 20.59 PE multiple. This is lying in the median Zone. So according to the strategy, one can allocate 50-50 into equity and Debt funds. I don't like to time the market and look for a long-term solution for retirement planning. So I used the Age based asset allocation strategy.

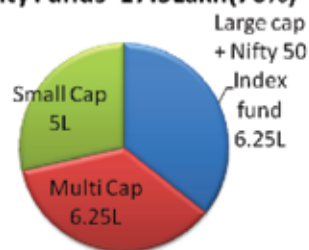


Are you still interested to know what funds I bought in Equity and Debt category?

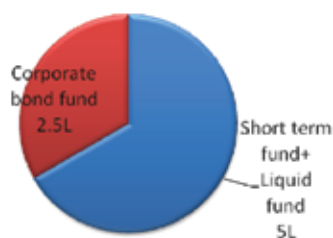
I bought four Equity funds and three debt funds. I will show you better in a pie chart.

Total Portfolio- 25Lakh

Equity Funds- 17.5Lakh(70%)



Debt Funds-7.5 Lakh(30%)



In my equity portfolio, I would like to have a Large Cap fund, a multi-cap and some amount of small-cap fund. Large-cap funds are generally stable, less volatile and give moderate returns. However, small-cap funds are risky and more volatile but generate more returns in the long-term time horizon.

In my debt portfolio, I have kept some money in the liquid fund that I can use in emergencies. It is better than a Bank Fixed deposit fund as there is no breakage fee, and I can withdraw at any point in time. Short-term funds also can be withdrawn in 6-12 months, which provides me with better liquidity. I also allocated some to corporate bond funds, which are a little risky but provide a better return.

I feel I have created a less risky, sound and perfect combination of the asset-class portfolio. Now you can create one for your savings and plan for your retirement accordingly.

