



October 2022

# WealthDesk Monthly Newsletter

Hi Reader 🙌

Greetings and Welcome to our Monthly Newsletter!

We wish you and your family a very happy and prosperous Diwali. Just like the past four years, this year too, the Muhurat Trading day ended **green** for the index marking the culmination of Vikram Samvat 2078.

In this release, we take a deeper dive into why tech stocks are losing value, cover major news highlights, and share insightful commentary by SEBI registered professionals along with that one stock they added aggressively during monthly portfolio rebalances. We also discuss not-so-common investing terms along with a surprising “Did you know” and a featured question from a subscriber!

We are also proud to announce new partnerships we forged this month, increasing our conviction on building a platform to democratise investing and a sneak peek into what we are building!

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01

## UK markets take a breather as Sunak becomes 5th UK PM in 6 years

On 25th October, Rishi Sunak became the UK's prime minister following Liz Truss' departure. His predecessor's reign was short-lived and characterised by unpopular tax policies.

Since the beginning of BREXIT in 2016, the UK has seen five prime ministers. Political instability could be fatal when economies worldwide are trying to steer clear of a recession.

According to various reports, the arrival of Rishi Sunak was well received by the UK markets, with multiple publications calling him a 'calming presence'.

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02

## Govt might sell stakes in various listed railway firms

The Indian government is looking to sell its stakes in railway industry-related public sector units such as Rail India Technical and Economic Services, Indian Railway Construction and Rail Vikas Nigam.

The story breaks at a time when the government is running behind its disinvestment target for the year. In FY23, the government had targeted disinvestment of ₹65,000 cr, of which ₹24,543 cr has been achieved.

It is believed that listed companies like [Railtel Corporation of India](#), [Indian Railway Finance Corporation](#) and [IRCTC](#) might also be considered for disinvestment.

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03

## PLI scheme for power transmission being planned

According to reports, a production-linked incentive scheme is being planned for the [power transmission sector](#) as a part of India's push for self-reliance in the strategically important sector.

India currently uses Chinese power transmission equipment and recently had to thwart cyberattacks on its power grids, which, if successful, would have impacted water supply, telecommunications, healthcare, air travel and metro networks.

So far, PLI schemes for 14 sectors have been launched with a combined outlay of ₹2 trillion.

# BlogBaskets 🖋️



## INVESTMENT THEORY

# Have the angels fallen from heaven already?

In Abrahamic religions, fallen angels are angels who were expelled from heaven. The term describes the angels cast out of heaven for they have sinned.

FAANG, as an acronym, became famous in 2017, and since then, the entire world has been following these tech giants' incredible stock run. These stocks gained immensely post-Covid lockdown.

However, reality kicked in for most investors, and lately, the stocks have been on a significant downward trajectory.

These angels, which once resided in heaven, are now falling, but for what sins? [Read here to know why?](#)



**Did You**

**Know?**

On the last five occasions, NIFTY 50 closed in green every time on Muhurat Trading, while since inception, 68% of the Muhurat Trading days have been positive for the investors. [Read More](#)

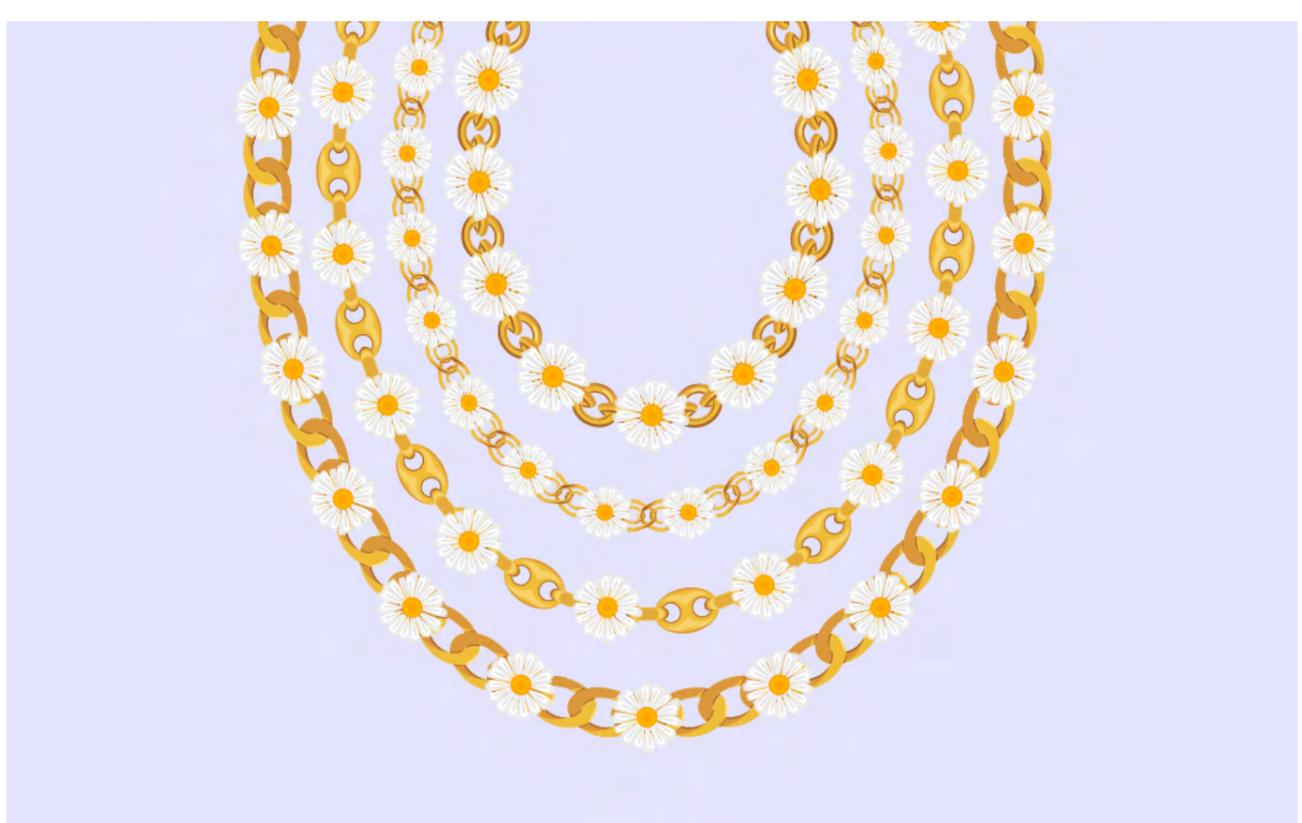


## BUSINESS STRATEGY

# Razorblade Model

Razorblade companies will sell the razors cheap but keep the price of blades above a certain level. Customers need to buy razors only once, but they must replace the blades often. A company following the razorblade business model will sell the long-lasting part of the product cheaply and try to profit from pricing the replaceable part of the product.

An example of the razorblade model would be printers and ink cartridges. By keeping low price of the printers, the manufacturers can lower the risk of trial for the customer and ensure regular revenue flow from cartridge sales.



## SCAM

# Daisy Chain

Daisy chain is a type of scam that involves a group of investors artificially inflating the price of a security by trading it amongst themselves, aiming to sell it for a profit later on. Daisy chains are similar to pump-and-dump schemes. Victims of a daisy chain fail to notice the stock prices rising because of artificially inflated stock volumes.

# WealthThoughts



Karan Aggarwal, CFA

Founding Member & CIO



“

Our conversations with big investors mostly revolve around concerns that Indian markets have not fallen enough to reflect the bloodbath in US and European markets. Moreover, they are spooked by a mainstream narrative that US and Indian markets have decoupled in 2022 and that decoupling is a new development that might not last long

In reality, US and Indian markets have been moving differently since time immemorial.

”

*(Click here to explore WealthBaskets by Elever)*



Sagar Lele, CFA

Founder



“

We've been adding exposure to banks over the last couple of months and continue to remain bullish on the sector.

”

*(Click here to explore WealthBaskets by Rupeeting)*

# One Stock that WealthBasket Managers can not get enough of

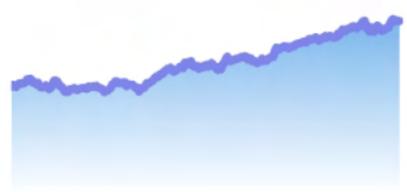
**ITC** BSE

**₹348.95**

31 Oct 2022, 3:30 PM IST

↑ ₹2.99 (0.72%) Prev. close

Past 1 year price trend



**Trade**

## Key Information

Sector

**FMCG**

Industry

**Cigarettes/Tobacco**

Capitalization Category

**Large Cap**

Dividend Yield

**4.34%**

ROE Ratio

**21.85%**

52 Week High/Low

**₹354.00 / ₹207.00**

## This stock is in 12 WealthBaskets



**LoWall**

Managed by Smartbox Advisors



**Monopolies**

Managed by Rupeeting



**Gulaq Gear 6**

Managed by Estee Advisors



**Alpha Momentum**

Managed by Renaissance Investment Managers



**Gulaq Gear 4**

Managed by Estee Advisors



**ABM Rule Based Strategy**

Managed by Aditya Birla Money



**Gulaq Gear 5**

Managed by Estee Advisors



**Alpha Dynamic Thematic**

Managed by Renaissance Investment Managers



**Gulaq Gear 3**

Managed by Estee Advisors



**Alpha Core & Satellite**

Managed by Renaissance Investment Managers



**Gulaq Wealth**

Managed by Estee Advisors



**XC Quant: Valuation**

Managed by Xumit Capital Private Limited



# WealthPulse



From 01-10-22 to 31-10-22



**+5.99%** 

NIFTY 50



**-1.31%** 

INR/USD



**-0.05%** 

Gold



## Most Bought WealthBasket



### Alpha Bluechip

By Renaissance Investment Managers

WealthBasket Returns (1M)

**5.06%**

Benchmark Returns (1M)

**4.35% (NIFTY 200)**

[Invest Now](#)



## Best Performing WealthBasket



### Lotusdew BSE Hidden Gems

Managed by Lotusdew

WealthBasket Returns (1M)

**10.69%**

Benchmark Returns (1M)

**1.06% (NIFTY Smallcap 50)**

[Invest Now](#)

# New Members of WealthDesk Ecosystem



 Eastern Financiers

 **AC Agarwal**  
Share Brokers Pvt. Ltd.  
NSE/BSE/CDSL/MUTUAL FUNDS/MCX

  
**ELEVER**

**BROKERS**

**ADVISOR**

  
**ANS** Adding edge  
to your  
investment

  
**Bonanza**  
make money. not mistakes.

  
**cherry**  
by  **kotak**

**DISTRIBUTOR**

# What are we building?

## Embedded WealthDesk Gateway (EWG)

EWG enables the users on a platform to execute buy/sell orders of stocks and ETFs without having to leave the app/website

### UPDATES

- Aditya Birla Money, JMFL, Jhaveri Securities, Bonanza, Eastern Financiers and AC Agarwal brokers are made available on the gateway. With that, the total brokers on the gateway stand at 26
- Enhanced post-order execution screens to keep the user journey simple and intuitive
- Users dropped off in the account opening journey of IIFL can resume their journey from the gateway

## Stocks to WealthBasket

Stocks to WealthBaskets allows investors to carry out an in-depth analysis of a listed entity, trade its stock using Embedded WealthDesk Gateway and keep track of WealthBaskets, which hold the stock

### UPDATES

Launched stock discovery page with the following fundamental filters:

- Market Cap
- Index
- Price Performance
- Sectors / Sub-Sectors

Enhanced company page by introducing “Financials” section providing following information to users:

- Profit & Loss Statement
- Balance Sheet
- Cash Flow Statement
- Financial Ratios

# FAQBaskets ?

9:41



**WealthBasket Investor**

tap here for contact info



Mon, Oct 31

What is the minimum amount I can invest in WealthBaskets?

The minimum amount varies depending on the WealthBasket, and respective SEBI registered professional.

It starts from as low as ₹2,000.

But we've ensured there's a WealthBasket within everyone's financial reach.

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See you next month.....

