



**Capital**  
— SPROUT —

# NEWSLETTER

December 2023

2023 | Year in review



# The Chairman's Message



Greetings from Capital Sprout!

It gives me pleasure to share with you the Dec-23 issue of Capital Sprout's Wealth Bulletin. Where this month's bulletin is about the 2023 Year-end Review of the overall economy and capital Market and how India is rapidly emerging as a Global leader in 2023.

In 2023, the global economy experienced unprecedented turbulence marked by inflation, rising interest rates, tight labor markets, a significant slowdown in Europe, and escalating geopolitical tensions. These challenges have defied forecasts and cast a shadow over the stock markets of some of the world's strongest economies.

Despite all the challenges, India has emerged as the clear winner, surpassing global, national, and regional challenges. The nation has experienced 360-degree growth across sectors, including Manufacturing, Infrastructure, Power and energy, Automobile, Information and technology, Artificial Intelligence, Agriculture, Health and pharma, and Tourism and hospitality. Through collective efforts, India secured its position as the world's 5th largest economy in 2023, with a GDP of US \$3.73 Trillion, surpassing the United Kingdom.

Entering a new era, economists forecast India's rise to the third-largest global economy in the upcoming decade. The Prime Minister's ambitious vision of a "5 Trillion \$ economy" is on the verge of realization, with the collective efforts of our nation in the years ahead. India is poised to embrace its economic potential and turn this dream into reality.

In this month's newsletter, discover key economic indicators for India, a comparison of its capital markets with some of the world's strongest counterparts, and other intriguing analyses from 2023.

I hope the readers find this month's newsletter valuable.

*CA DR Rajesh Khandol*

# Year in Review | How India's economic indicators fared in 2023



The finance landscape of the past year was shaped by significant global events. These included the U.S. reaching its debt ceiling in January, notable bank failures like the collapse of Silicon Valley Bank in March, the challenges posed by rising inflation and interest rates, Europe heading towards recession, and ongoing geopolitical tensions, such as the Israel-Hamas conflict

Domestically, the headlines featured surging commodity prices and the outcome of six Assembly elections. The imminent General Election has captured global attention, with economists and investors closely monitoring it in anticipation of maintaining a stable political government. The outcome is seen as crucial for fueling economic reforms and policies over the next decade.



# Year in Review | How India's economic indicators fared in 2023

Here are certain Key Economic Indicators which summarizes India's Growth story in 2023

<b>Gross Domestic Product (GDP) Of 2023</b>	<b>3732.22 Billion USD</b>
<b>Annual GDP Growth of 2023</b>	<b>6.50%</b>
<b>Growth of 8 key infrastructures sectors in year 2023</b> (Coal, Cement, Steel, Electricity, Fertilizers, Natural Gas etc)	<b>12.10%</b>
<b>Foreign Direct Investment (FDI) Inflow in India In Year 2023</b>	<b>70.97 Billion USD</b>
<b>UPI transactions</b> India has shared its UPI technology with many countries including France, Australia, Singapore, UAE, Saudi Arabia, Oman, Nepal, Bhutan, Sri Lanka and others.	<b>117.60 Billion (No. of transactions)</b> <b>Amount of Rs.183 Trillion</b>

Key Economic Indicators	2022	2023	Change	
<b>Foreign Exchange Reserve</b>	<b>562.4 Billion USD</b>	<b>620.4 Billion USD</b>	<b>58 Billion USD</b>	<b>+10.31%</b>
<b>Market Cap Of All Companies Listed In BSE (Bombay Stock Exchange)</b>	<b>3428.3 Billion USD</b>	<b>4461.41 Billion USD</b>	<b>1033.11 Billion USD</b>	<b>+30.12%</b>
<b>INR Vs USD</b>	<b>82.67</b>	<b>83.31</b>	<b>0.64</b>	<b>+0.77%</b>
<b>Domestic Intuitional Investors (DII) Net Inflow In Stock Market</b>	<b>Rs. 1.69 Lakhs Crore in 2023</b>			



# GDP Growth

India's economic growth prospects continue to remain strong. India's GDP is US\$ 3,732.224 Billion and its GDP Annual Growth rate is 6.50% (Y to Y) which is steady looking at the global scenario.

The below table shows the GDP of some of the strong economies, the GDP growth rate of the last 1 year & 5 years

Sl	Name of country	2023 GDP in Billion USD	GDP growth rate	
			Calendar year 2023	5 year average GDP
1	USA	26,949.64	1.50%	5.61%
2	China	17,700.90	4.20%	5.47%
3	Japan	4,230.86	1.00%	-2.93%
4	Germany	4,429.84	0.90%	2.03%
5	<b>India</b>	<b>3,732.22</b>	<b>6.50%</b>	<b>6.46%</b>
6	UK	3,332.06	0.60%	2.50%
7	France	3,049.16	1.30%	1.51%

Above table statistics clearly shows either there is a Negative GDP growth or Inconsistent GDP growth observed by most of country except India, where India has witnessed Steady & Strong GDP Growth in last 1 year & 5 years also.



# GDP

## Strong Capital Market

India's capital market has exhibited robust and consistent growth since the COVID-19 era in 2020. Currently, it ranks as the fifth country globally with an equity market capitalization of \$4 trillion, trailing only behind the United States, China, Japan, and Hong Kong. In 2023, a noteworthy infusion of USD 1,033.11 billion in fresh funds into the Indian stock market reflects the confidence and growth expectations from India's business conglomerates.

While some of the world's largest stock markets, including the USA, Japan, Hong Kong, Singapore, and China, have grappled with sustained bullish trends post-Covid turmoil, India stands out as the clear leader in maintaining a consistent bullish trajectory.



# Comparison of return of world's major stock markets

## Mid Cap Index

Index	Country   Stock Exchange	Dec-23	Jan-23	Return In %
S&P Mid-Cap Index	USA   NYESE	2,418.77	2,712.33	14.61%
Dow Jones U.S. Mid-Cap Index	USA   Dow Jones	2,430.24	2,772.13	14.07%
<b>Nifty Mid-Cap</b>	<b>India   NSE</b>	<b>31,860.00</b>	<b>46,257.65</b>	<b>45.19%</b>
FTSE Small & Mid Cap Index	Singapore   Singapore Stock Exchange	656.14	657.59	0.22%
MSCI China MIDI Cap Index (USD)	China   Shanghai and Shenzhen exchanges	2,430.24	2,772.13	14.07%

Above table statistics clearly shows the Average return generated by 100 Indian companies in MID-CAP Index is 3 times of Average return generated by similar index of USA & CHINA stock exchanges.



# Comparison of return of world's major stock markets

## Small Cap Index

Index	Country   Stock Exchange	Dec-23	Jan-23	Return In %
NASDAQ US Small Cap Index	USA   NASDAQ	2262.49	2619.24	15.77%
Dow Jones U.S. Small-Cap Index	USA   Dow Jones	11,982.63	13,950.82	16.43%
<b>Nifty Small-Cap</b>	<b>India   NSE</b>	<b>9,600.74</b>	<b>15,148.85</b>	<b>57.90%</b>
FTSE Small Cap Index	Singapore   Singapore Stock Exchange	6303.18	6425.03	1.93%
MSCI China Small Cap Index (USD)	China   Shanghai and Shenzhen exchanges	278.37	234.87	-15.63%

The Above table statistics clearly shows Average return generated by 250 Indian companies in the MID-CAP Index is 4 times of Average return generated by similar indexes of USA stock exchanges. The small-cap index of China has generated a Negative return.





## Sectorial index performance of India | 2023

It is not only MID-CAP & SMALL-CAP stocks that participated in the rally but a similar trend is observed across all sectors which is evident in the depth of the Indian Stock Market.

The below table shows the consistent performance of some of the Sectorial Mutual Funds of the last 6 months, 1 year & 3 years returns.

Index	Country   Stock Exchange	Dec-23	Jan-23	Return In %
NASDAQ US Small Cap Index	USA   NASDAQ	2262.49	2619.24	15.77%
Dow Jones U.S. Small-Cap Index	USA   Dow Jones	11,982.63	13,950.82	16.43%
<b>Nifty Small-Cap</b>	<b>India   NSE</b>	<b>9,600.74</b>	<b>15,148.85</b>	<b>57.90%</b>
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## Conclusion

Looking ahead, India has demonstrated exceptional resilience amid global economic struggles, standing strong like a "ONE MAN ARMY" or, in cricketing terms, batting throughout the challenging pitch when others struggled to stay. Our discussion so far encapsulates how India emerged as the Man of the Match in 2023 and the Man of the Series over the past three years, overcoming unprecedented global challenges.

Over the last decade, India has consistently surprised the world, compelling global attention with feats such as becoming the Fastest Growing Economy, robust Infrastructure development, successful implementation of the "Make in India" program for in-house manufacturing, transforming from the largest importer to an exporter of defense equipment, and managing the administration of 260 crore doses of Covid vaccines. Launching successful space programs, including CHANDRYAAN-3 and LUNAR-1, further highlights India's achievements.

Renowned economists, fund houses, broking houses, and financial institutions collectively predict that the next decade belongs to India, foreseeing its potential to surpass China. With the concerted efforts of business conglomerates, a stable government focused on pro-development policies, consistent growth in infrastructure and manufacturing, and a commitment to digitalization, India is poised to secure a place among the world's top three most developed economies.

# Performances



## Equity Market

Indices	01 <sup>st</sup> Dec, 2023	31 <sup>st</sup> Dec, 2023	High	Low
BSE S&P SENSEX	67,181.15	72,240.26	72,484.34	67,149.07
NIFTY 50	20,194.10	21,731.40	21,801.45	20,183.70

## Mutual Fund

### AUM Data of Mutual Fund for the Month of December 2023

(INR. In Lakh Crore)

Particulars	AUM As On 30-11-2023	Fresh Fund Mobilize During Dec- 23	Redemption During Dec - 23	AUM As On 31-12-2023
Total AUM of all mutual funds scheme	50.91	10.40	10.83	50.48
AUM of equity oriented (growth) schemes	21.62	0.51	0.34	21.79

Source: Association of Mutual Fund of India (AMFI)

# Performances

## SIP Contribution

(INR. In Crore)

Year	SIP Contribution	SIP AUM
December-2023	17,610	9,95,925

## FII & DII Inflow/Outflow Position

FII's buying in the month of December-23 is 0.32 Lakh.

DII's buying in the month of December-23 is 0.13 Lakh.

### Inflow/Outflow position in the month of December 2023

FII /DII	Gross Purchase	Gross Sale	Net
FII	2.99 Lakh	2.67 Lakh	0.32 Lakh
DII	2.25 Lakh	2.12 Lakh	0.13 Lakh

