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“Successful people always squeeze all that they can into today’s schedule, knowing that tomorrow will be equally full of new deadlines and challenges” – John Templeton

April 30, 2024

Dear Investor,

New beginnings are all around us, all the time and April 2024 marks the beginning of a new financial year. If you are looking to review and refresh your investment strategies, I would like to share with you the ‘Famous 5’ investment strategies to assist in your wealth creation journey:

- Review your portfolio with a fresh and unemotional mind. A comprehensive scan will enable you to assess your current financial status, understand key aspects such as your risk appetite, the need for diversification in this Volatile-Uncertain-Complex-Ambiguous (VUCA) world, and whether your current financial portfolio aligns with your medium and long-term goals.
- Manage liquidity efficiently: Money is a limited resource, and many small responsibilities can add up gradually. Keeping an eye on the bank balances and making sure it is enough for all spends is an essential skill. Make it a habit to keep track to always manage an emergency need.
- Set auto-pays, complete your KYC, update your contact information with your bank and other financial institutions, assign nominees, file income tax returns, track your provident fund balances, claim your reimbursements you are entitled to at work and overall take care of the paperwork. Many find organizing documentation cumbersome, time consuming and boring but it is an important personal finance skill.
- Make a will that will list all your assets to be distributed and liabilities to be discharged. Add the heirs as joint holders and or nominees and choose a close confidant who would be willing to be an executor of the will. It is also important to identify witnesses to the will and keep the will in a place so that it can be easily found.
- Set your financial goals and align your investments with these goals. Goals could be retirement, your child's education, going on an international holiday, buying a house or car, or any other financial goal. Set some time aside with your financial advisor and plan investments that coincide with these goals.

Carpe diem - make the most of 2024 by adopting these best practices. It's never too early or too late to start or re-start planning for a secure financial future. The choices you make today will flag the way for a happy tomorrow.

Global Markets Update:

In a recent survey**, the Franklin Templeton Institute sought views from over 300 investment professionals within Franklin Templeton about different asset classes. The survey serves as a starting point in understanding Franklin Templeton’s views on the economy, equities, fixed income, and alternatives. A few excerpts of the survey are as below:

- Global growth may be slower than consensus expectations across major regions.
- Inflation in the US may continue to moderate, but at a slower pace than consensus and could remain above central bank targets.
- The yield curve in the US could normalize as two-year treasury yields decline.



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- The US real GDP forecast calls for economic growth of 1.6%, which is below the 2.1% expectations from the International Monetary Fund.
- Geopolitics, earnings coming in below expectations, and recession are major concerns for global equity markets.
- Our global investment team foresees the US Fed Fund rate between 4.5% to 5% by the end of this year, which is consistent with two, at most three-quarter point reductions.

In recent days, the conflict in the Middle East has seen escalations and its ripple effects have been felt across global markets. What would be the market impact of these conflicts and what can investors expect? To get a regional perspective on the developments, market impact of these conflicts and what investors can expect, **Stephen Dover, Head of Franklin Templeton Institute** has shared thoughts in a recent blog post. Key insights are as below:

- Over the past two weeks, crude oil prices jumped roughly US\$10/bbl with escalations in the Middle East conflict.
- The Middle East accounts for nearly 36% of global oil production and possesses 52% of reserves.
- Crude oil prices could spike to between US\$130 to US\$150 per barrel (bbl), should the conflict expand.
- The United States, Arab allies and Iran prefer not to escalate the conflict.
- Supply-chain disruptions, particularly in strategic maritime choke points like the Red Sea and the Strait of Hormuz, pose additional risks to global trade and economic stability.
- Further escalation in conflict could result in a weaker US dollar, stronger gold, and corrections in global equities.

[Click here to read the blog post.](#)

India Markets Update:

Indian equities continue to benefit from strong domestic institutional flows compensating for cooling foreign portfolio investor flows. Valuations for Indian vs Emerging Market Equities have reverted to long period average levels. Indian market valuations are supported by sound macroeconomic fundamentals, potential political stability, and reasonably strong GDP growth projection over the next 3 years. Factors guiding domestic markets in the near term could include the outcome of Lok Sabha elections, global & domestic trend in interest rates cycle driven by inflation trends and supply chain dynamics. Mid and small cap schemes have seen a rally in the last 2 years fuelled by a better sectoral mix, particularly in high growth sectors like real estate and capital goods. Investors with a long-term horizon and high-risk tolerance may continue to consider systematic investing in these mid and small cap schemes. Given these dynamics, diversification continues to remain the cornerstone of sound investment strategy to build resilient portfolios capable of weathering various market conditions. While investors may continue to invest as per their specific risk appetite and investment goals, they may seek incremental diversification based on asset class, geographies, investment style and market capitalization segments for their portfolios.



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RBI Monetary Policy Committee review was along expected lines. On the dovish side, while growth has picked up, consumption is yet to catch up. Core inflation has been subdued and headline inflation is expected to move towards the target. External developments over the recent months have mostly been positive with global yields correcting from their peak alongside waning inflationary pressures. External flows have remained strong both on the equity and debt side with economic growth holding up and index inclusion. This, along with a strong services surplus, has meant that the external account is eminently manageable. Large forex reserves provide a strong buffer against any volatility. With RBI likely to remain on hold and real rates positive, investors based on their risk-return appetite, could look at short-intermediate debt products.

Hope you find these insights useful.

As always, you can directly write to me at avisatwalekar@franklintempleton.com with any feedback and questions. I value your questions, and feedback and look forward to the opportunity of continuing to meet your investment needs.

Sincerely,

Avinash Satwalekar
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**Franklin Templeton Institute Global Investment Management Survey, January 2024.

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