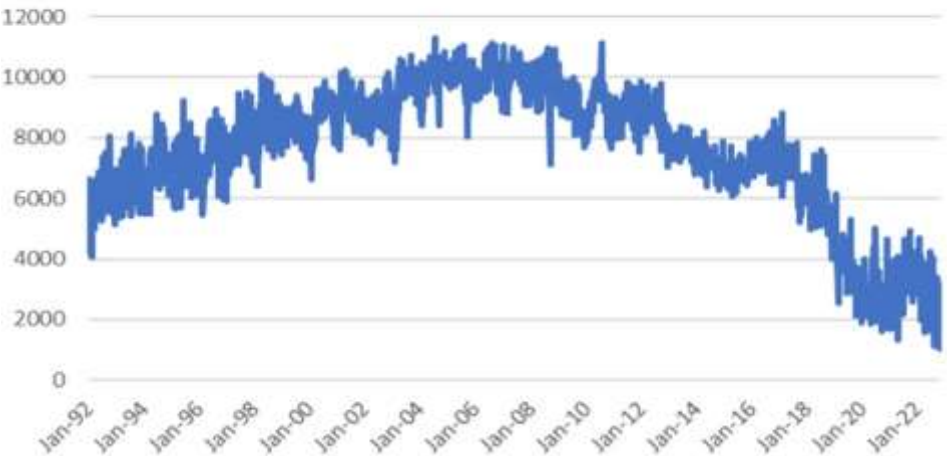




- Fall in the oil price this year has been accompanied by historic SPR release by US. Now, going by the books falling inventories are bullish as eventually the inventory will be refilled; but this time US SPR inventory might not be refilled..

US Net Imports Of Crude Oil



- Post Shale revolution, the growth of US oil production has led to a fall in net imports, from a peak of 10m barrels a day to around 2m at the moment.
- SPR was built by US so that they would have 90 days of crude oil imports on hand. US commercial sector did not hold that much inventory in 1980s & 2010s, so SPR was needed. Evolution of shale has revolutionized oil for US & now they are one of largest producers of oil which means SPR is no longer needed.
- In 2016, department of energy realized that SPR was not practical anymore & had planned to sell oil slowly to generate capital. In some way, Ukraine invasion has done SPR a favor. It allowed them reducing size of inventory that was looking like a stranded asset.

Oil Reserves as Days of Imports  
Most recent update: August 2022

	Total	Industry	Public
United States	2489	1655	834
Japan	219	87	132
Korea	194	98	96
United Kingdom	203	203	0
Total IEA Europe	140	81	58

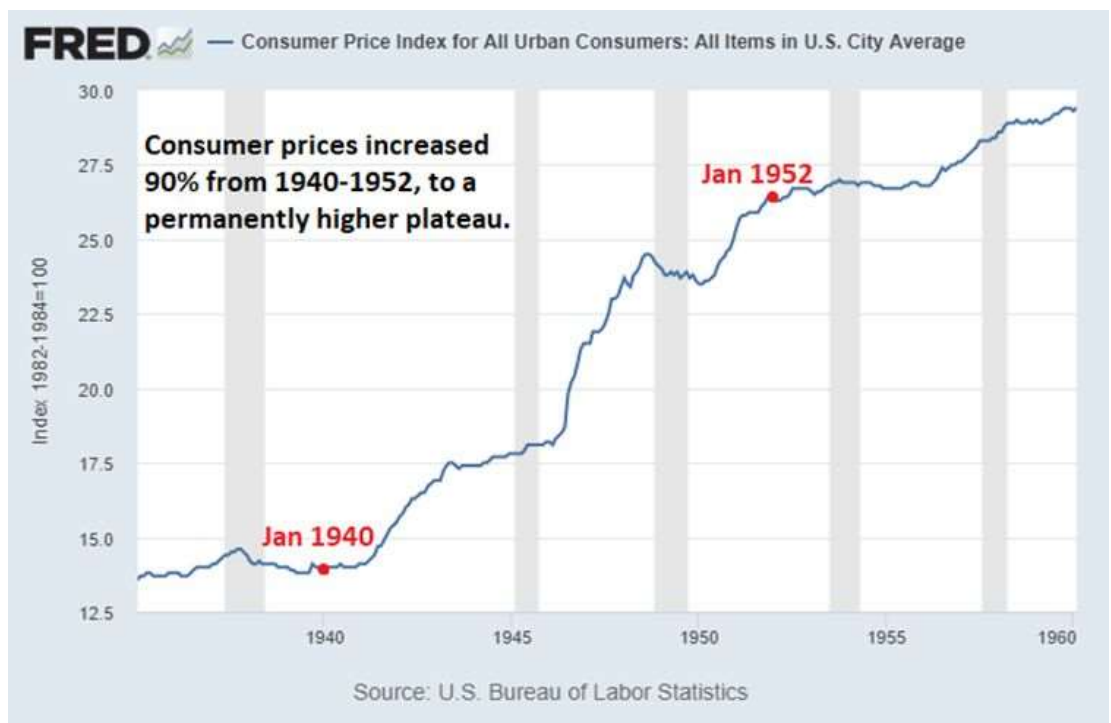
***The takeaway is SPR is no more important and may continue selling another 12 to 18 months as long as they realize good price for oil. This means Chinese demand is now much more important to the oil market, once SPR sell off is completed and investors need to start focusing on China for directions on the oil market.***



Every Decade has new Winners! The chart lists out the top 10 companies by market capitalization in each of prior decade

The World's Top Ten Largest Companies by Market Capitalization (ex Aramco)									
1980: Peak Oil		1990: Japan will take over world		2000: TMT bubble		2010: China will take over world		2021: Only tech can deliver growth	
Malthusian Bull		Ricardian Bull		Schumpeterian Bull		Malthusian/Ricardian Bull		Schumpeterian Bull	
IBM		NTT		Microsoft		Exxon Mobil		Apple (US\$2.43tr)	
AT&T		Bank of Tokyo-Mitsubishi		General Electric		PetroChina		Microsoft (US\$2.25tr)	
Exxon		Industrial Bank of Japan		NTT DoCoMo		Apple Inc.		Alphabet/Google (US\$1.88tr)	
Standard Oil		Sumitomo Mitsui Banking		Cisco Systems		BHP Billiton		Amazon (US\$1.73tr)	
Schlumberger		Toyota Motors		Wal-Mart		Microsoft		Meta/Facebook (US\$975bn)	
Shell		Fuji Bank		Intel		ICBC		Tesla (US\$745bn)	
Mobil		Dai Ichi Kangyo Bank		NTT		Petrobras		Berkshire Hathaway (630bn)	
Atlantic Richfield		IBM		Exxon Mobil		China Construction Bank		TSMC (US\$602bn)	
General Electric		UFJ Bank		Lucent Technologies		Royal Dutch Shell		Tencent Holdings (570bn)	
Eastman Kodak		Exxon		Deutsche Telekom		Nestlé		Nvidia (562bn)	

When Inflation hits 8% through history, what happens next?



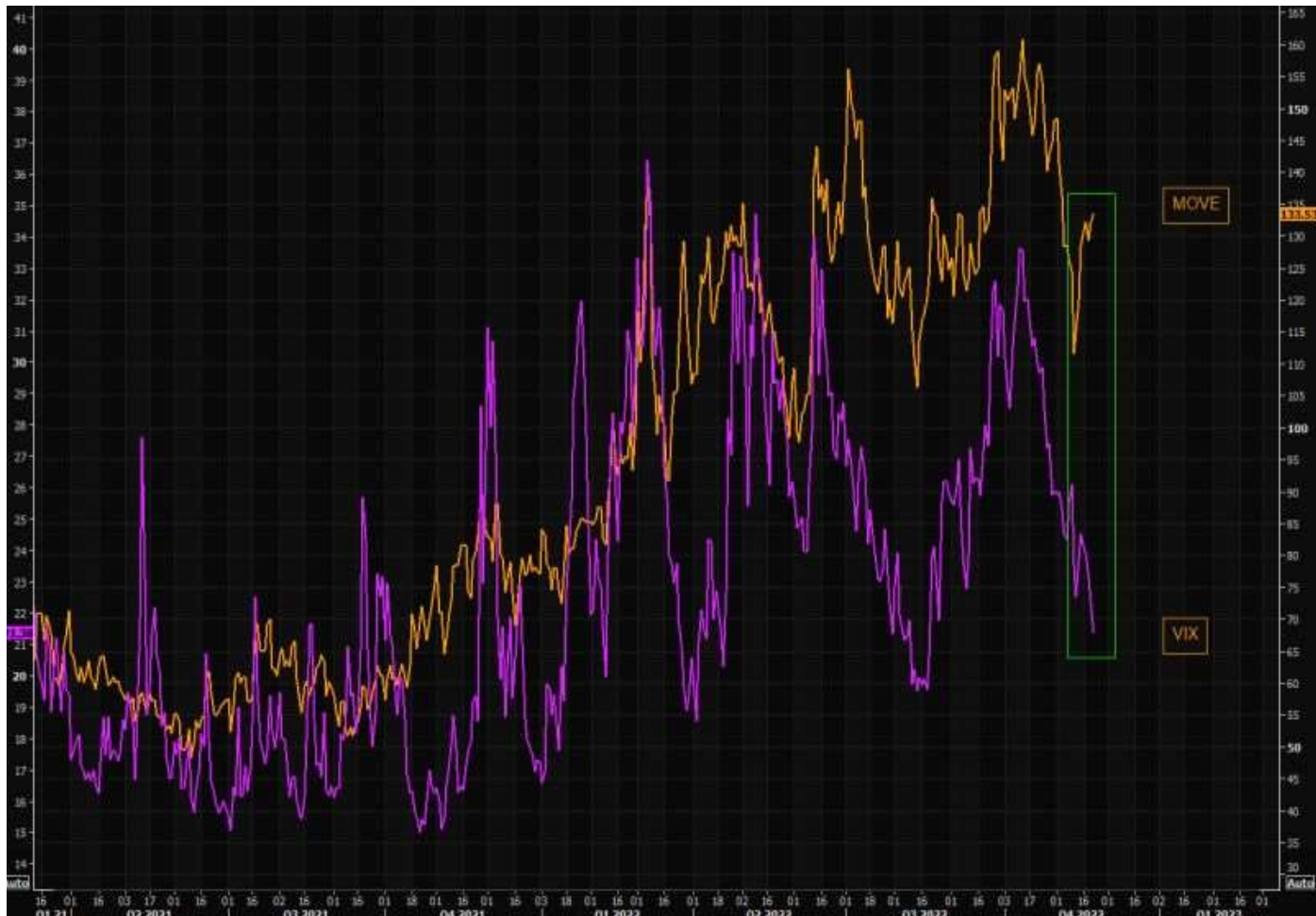
'Historically, once inflation spikes above 8%, median inflation takes about two years to fall beneath 6% before settling around that level out to five years. But, this time Inflation has entered a different league... Economic war has broken out and wars are inflationary. Fed may have to hike to 5% to 6% as Inflation is now structural



Whom should you trust - fearful bond traders or relaxed equity traders?

MOVE (tracks bond volatility) inched higher and VIX (Equity market volatility) preferred to lay low.

(Source: Refinitiv)

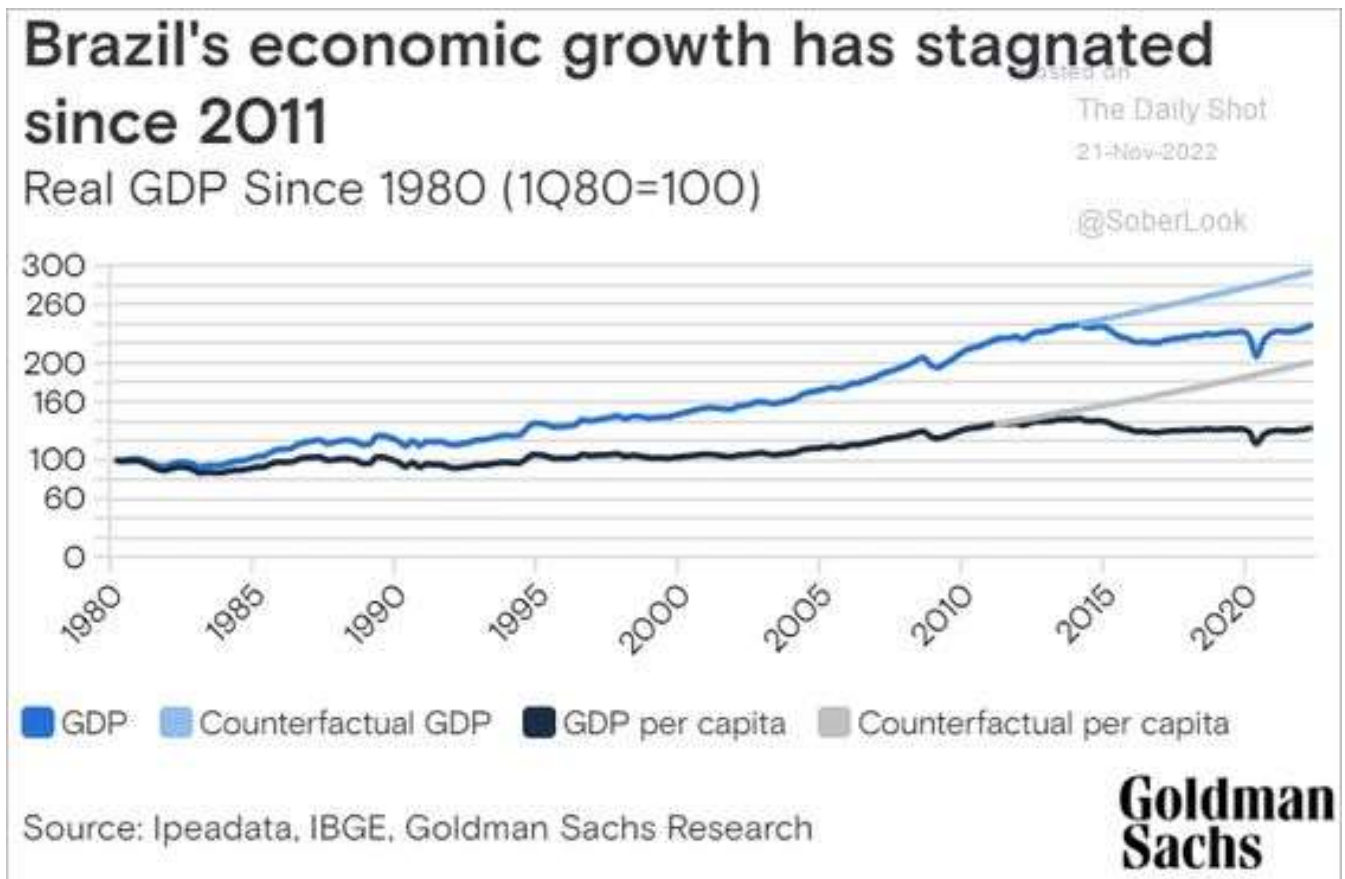




It's been a lost decade for Brazil, largely because commodity prices slumped which led to sluggish economic recovery.

But, past two years were different. High commodity prices and strong global demand for goods allowed Brazil's exports to surge since the pandemic hit.

Commodity surge, inflation & Politics aside; the differentiation now for this country is high real interest rates as they started their rate hiking journey earlier than most others. Infact, the country may look at trimming the rates from coming year onwards, if all stays stable.







Real Estate is the largest asset class and is generally the last man standing in times of crises.

Sales of existing homes in the US dropped 5.9% in October to -28.4% YoY (worst level since 2008).

Is this pain temporary or are we about to enter whole new world of deflationary pain.





## Mr. Ritesh Jain

*Co-Founder*

Master of Business Economics (MBE)

Executive MBA - Haskayne School (Calgary)

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He has held many senior leadership roles including CIO – BNP Paribas Mutual Fund, where he was responsible for managing US\$1.2 billion of AUM and also has served as the CIO of Tata Mutual Fund, where he was responsible for managing AUM of 6 billion.

In 2019, LinkedIn rated him among the top three influencers in the world of Economy and Finance. He is also a recipient of numerous national and international awards in the field of fixed income and equity investments.

## Ms. Chanchal Agarwal

*Head - Products*

Chartered Accountant

CFA Charterholder

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She brings with her about 12 years of Industry experience spanning across verticals like Family Office Investment Advisory, Equity management, Investment banking, etc.

In 2020, AIWMI recognized her amongst the 'Top 100 women in Finance'. She has featured in the Audio talk series 'Show me the Money' by Meghna Pant (available on Audible Suno). Her article reflecting on 'What stops women from investing' was published in The Hindu Newspaper.



## Mr. Rohit Pandey

*Global Macro Strategist*

Post – Grad in Economics & Finance

Bachelor of Economics - Symbiosis

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During his career span, he has gained experience working as a macro consultant and in creating products for algorithmic financial planning and healthcare analytics. He is currently pursuing a Masters in Data Science from Northwestern SPS.

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