

Energy Stock Bucket

Key Details:

- **Scheme: Energy StockBucket**
- **Managed By:** Elite Wealth Research
- **Volatility:** High Volatility
- **Minimum Investment:** ₹ 50000/-

Overview:

“Energy Then- Now -Forever” The investment objective of the energy bucket is to provide opportunities for long term capital appreciation by investing in companies engaging in businesses of exploration, production, distribution, transportation and processing of traditional & new energy including but not limited to industries such as oil & gas, utilities and power. The key factors why should you invest in energy stocks are-

- **Technology Advancements:** There are a lot of innovations that are shaping up in the energy sector. Emerging energy technologies are gaining traction, raising awareness about transitioning to cleaner alternatives such as green energy solutions. Many industries are implementing changes and focusing on creating more sustainable solutions from renewable energy sources like solar and wind power to energy storage, electric vehicles, innovative heat pumps, hydrogen technologies, smart electricity grids and more alternatives for coal, oil and gas.
- **Size of energy market:** The energy sector is valued at \$7 trillion globally, energy is the most valuable market segment on earth. Delivery of usable forms of energy to the world’s seven billion people is responsible for 10% of the world’s annual gross domestic product.
- **Demand: “There is no country with High GDP and Low Energy Consumption, Rise in the GDP, Rise in Energy Consumption”** The demand for energy is expected to grow further as the rapid growth of renewables. India has already set an ambitious target to achieve 50% of its energy needs from renewable sources by 2030 for which the sector is expected to get around 57\$ Billion Investments in the next 5/6Years. The increased use of AI has the potential to affect energy demand, primarily through its requirements for computational power and data storage in facilities like data centers. India will continue to post higher emissions from the power sector due to rising coal-fired generation. It is expected that India can have 11% power deficit by FY30 during Non-Solar Hours.
- **Protection from Inflation:** Another advantage of investing in energy stocks is protection from inflation. During the period of rising prices, the companies can pass on the effect to consumers, since energy consumption is a necessity these days which will not hurt their profitability.
- **Diversity:** Including energy stocks in a diversified portfolio can help spread risk across different sectors. There are various companies involved in the value chain of Energy, this would help in creating a diversified portfolio. Energy stocks often have low correlation with other sectors, providing diversification benefits. For instance, a portfolio of Energy equities may contain businesses in the oil & gas, power, renewable energy, solar energy and green energy.

To conclude, investing in energy stocks could help the investors achieve their financial objectives. The sector's essential role in global economies, coupled with advancements in technology and increasing demand for both traditional and renewable energy sources, presents avenues for profitability and growth. With the onset of “MODI 3.0” it is expected that the manufacturing sector will again experience robust growth due to “Make In India” initiative so it is expected that the energy sector will also get a major push in near future.

Methodology:

- **Defining the universe:** All publicly traded companies on the National Stock Exchange of India are included in the universe.
- **Research:** The Elite Wealth Research team does in-depth research, along with internal presentations, and decides the criteria to be used for constituent screening.
- **Historical back-testing:** Dividend Delight StockBucket by the Elite Wealth Research Team is checked for historical outperformance to ensure that only consistently outperforming strategies are selected.
- **Stock Screening:** The stock screening is done through the B.I.G.P.I.C. stock selection process which is as follows:
 - **Broader Markets:** No stock decision is taken without domestic and Global economic considerations
 - **Industry Analysis:** The focus is to follow a top-down approach to pick the Leaders from the outperforming Industries.
 - **Growth Trajectory:** Elite’s radar stretches to only those companies that have shown quarterly growth (y-o-y) as well exponential Annual Growth in EPS.
 - **Promoter and Management:** Study of the Promoters and the Board of Directors.
 - **Institutional Backing:** More weightage is given to sectors targeted by MFs, AMCs, Banks, etc.
 - **Charts and Technical:** Entry into positions will be well-timed and technical indicators will be used to support our investment theory
- **Weighting:** The list of selected stocks is weighted such that the risk contribution of each stock in the StockBucket is equal. By focusing on risk instead of market cap or value, this weighting scheme provides better diversification and protection against market volatility
- **Rebalance:** This StockBucket is rebalanced as and when required.

Stocks & %Allocation:

- **Stocks:** 13
- **Rebalance Frequency:** As per the requirement

Stocks & Segments	% Allocation	Number Of Shares	CMP
B P C L	7%	11	325
Coal India	7%	7	504
GAIL (India)	5%	11	232
H P C L	10%	13	374
I O C L	7%	20	177
NHPC Ltd	7%	33	105
Mahanagar Gas	7%	2	1790
O N G C	8%	12	332
REC Ltd	8%	7	613
Reliance Industr	12%	2	3014
Selan Expl. Tech	5%	3	766
SJVN	7%	23	152
Tata Power Co.	10%	11	438
	100%		

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Disclosure Appendix

Analyst Certification (For Reports)

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