



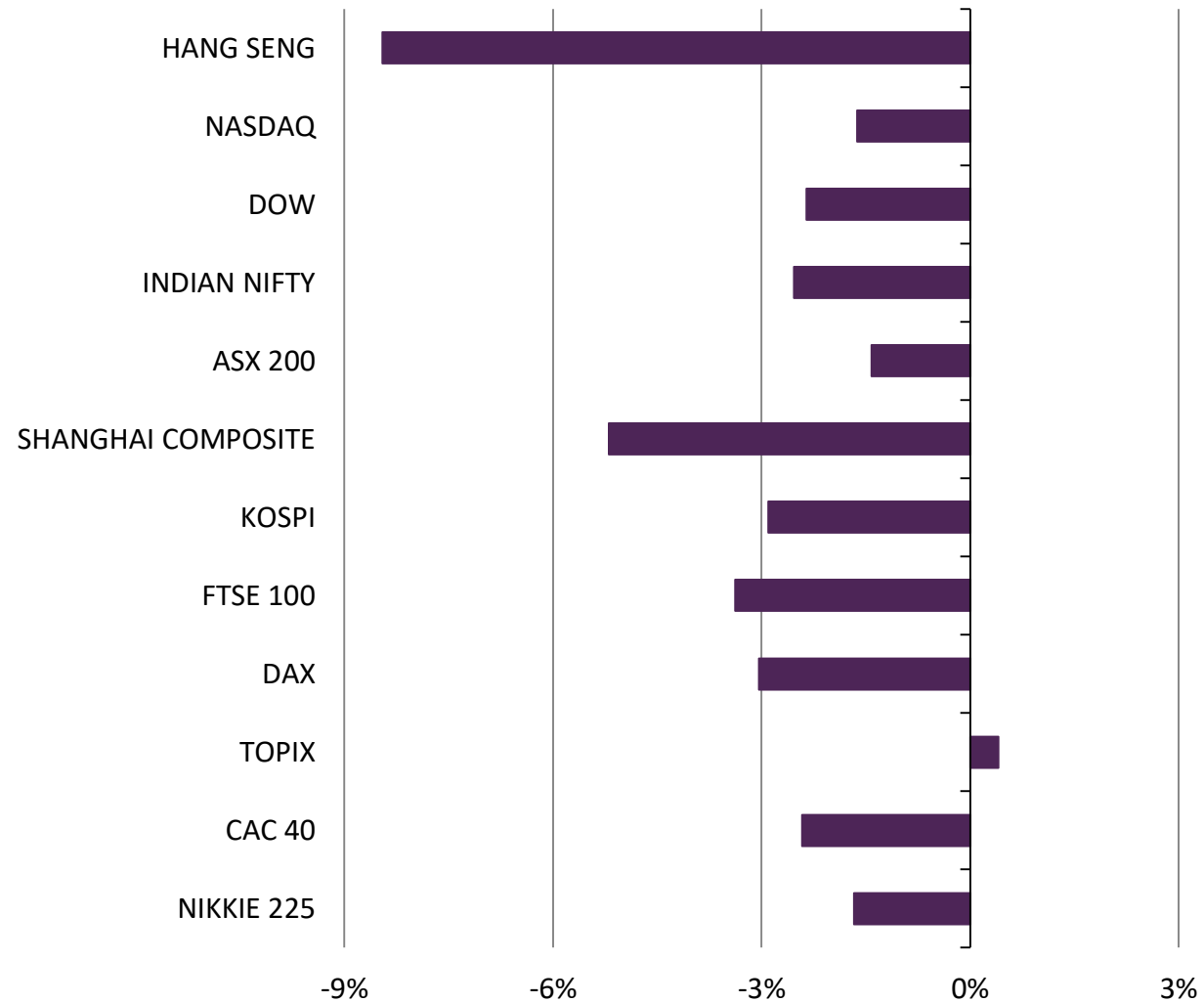
BESPOKE

Advice for a select few

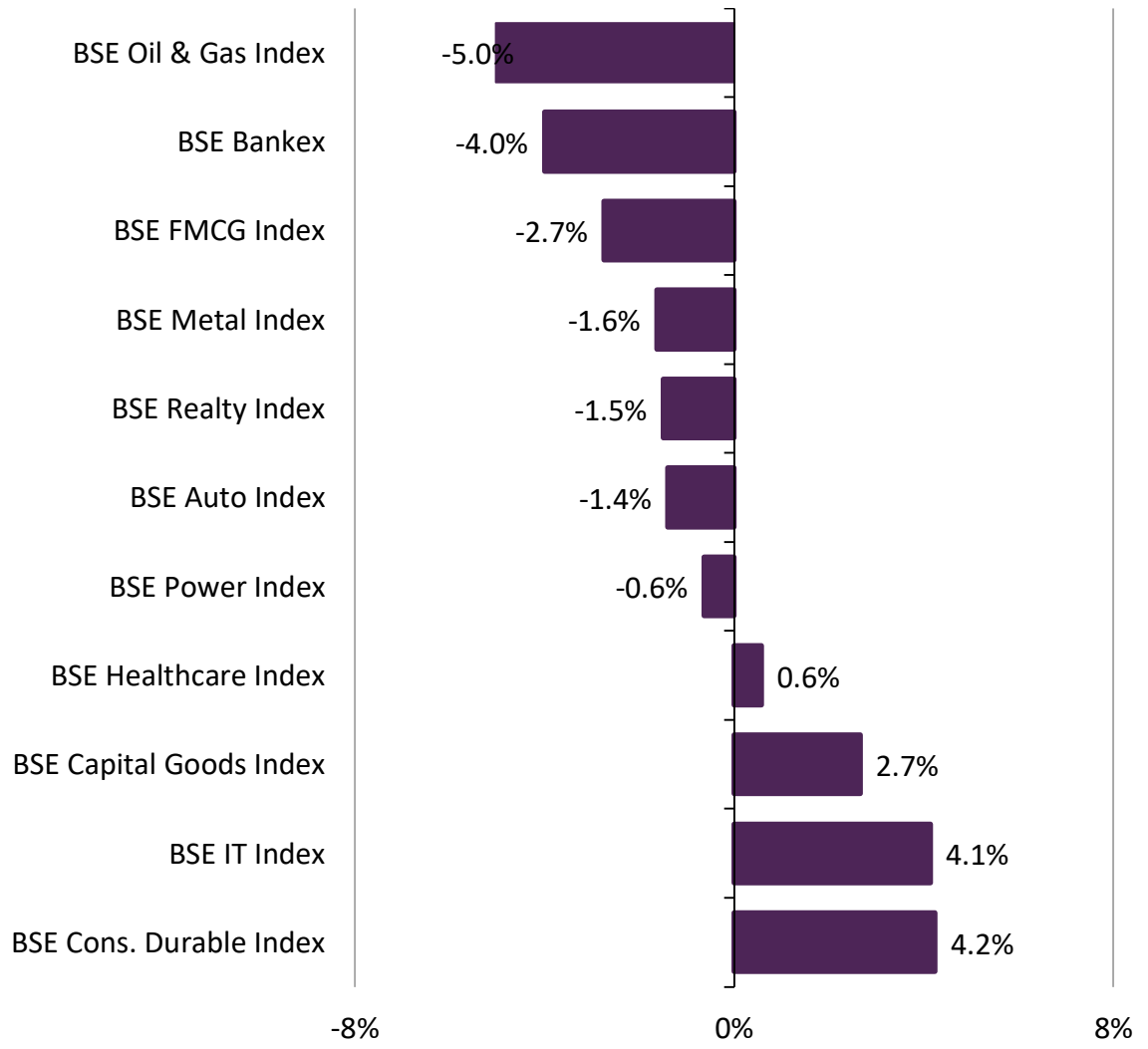
ANANDRATHI
PRIVATE CLIENT GROUP
EQUITY



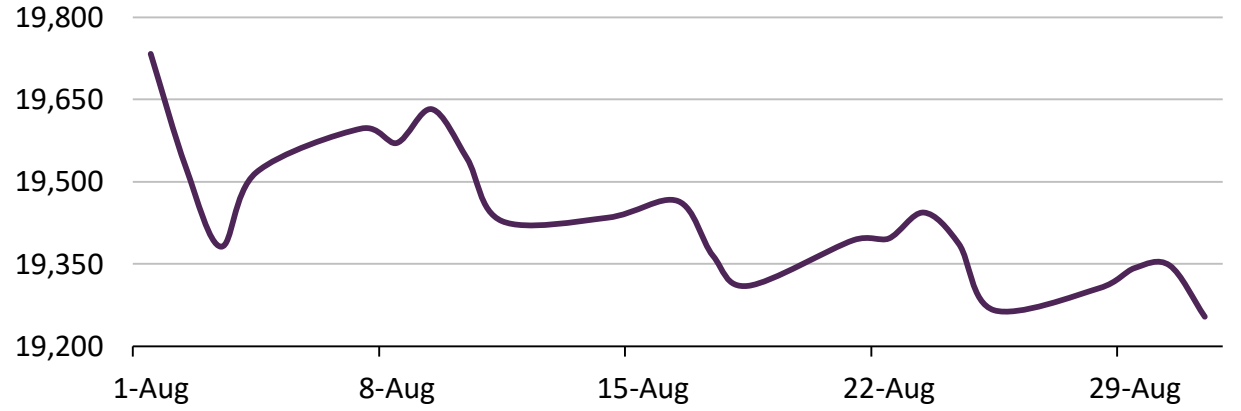
Global Markets performance in Aug-23



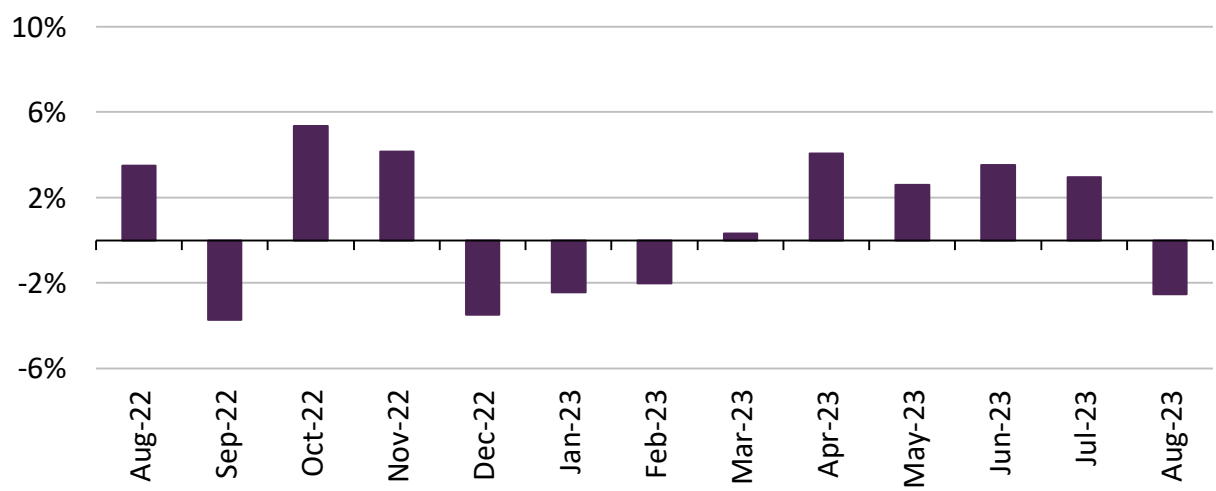
Sector wise performance during the month



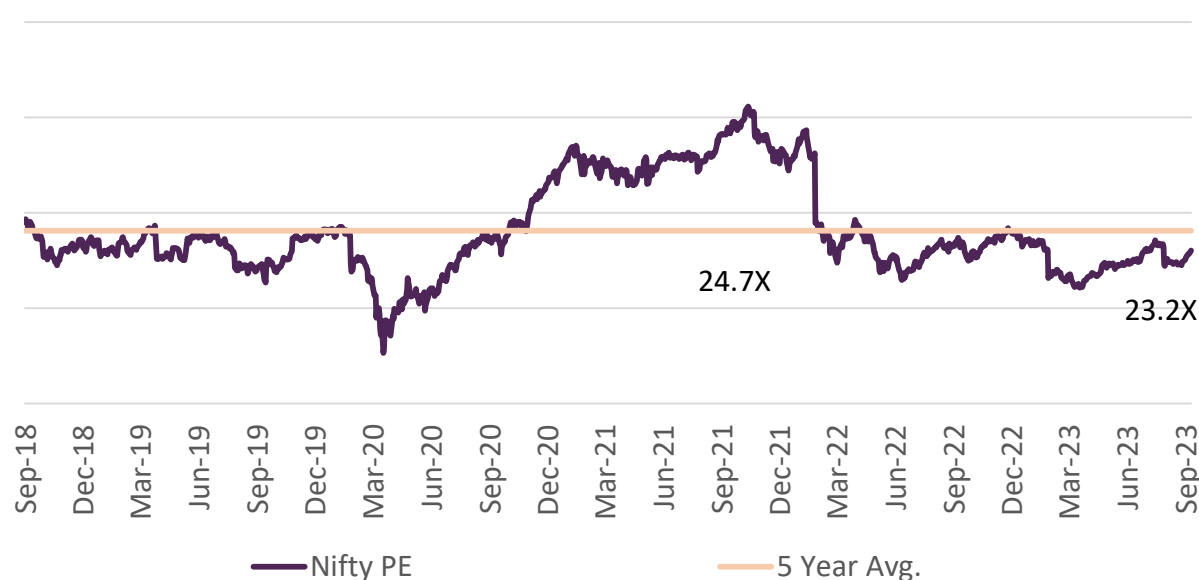
NIFTY Performance in Aug 2023



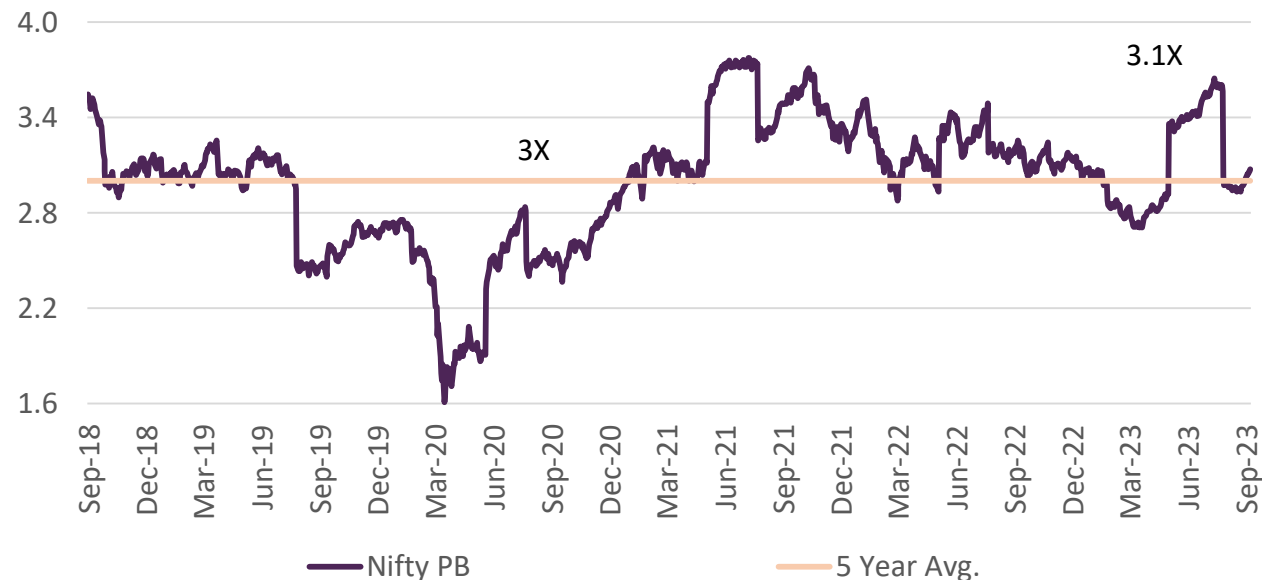
NIFTY monthly performance for trailing 12 months



Nifty Trailing 12M P/E & 5 Yr. Avg. P/E

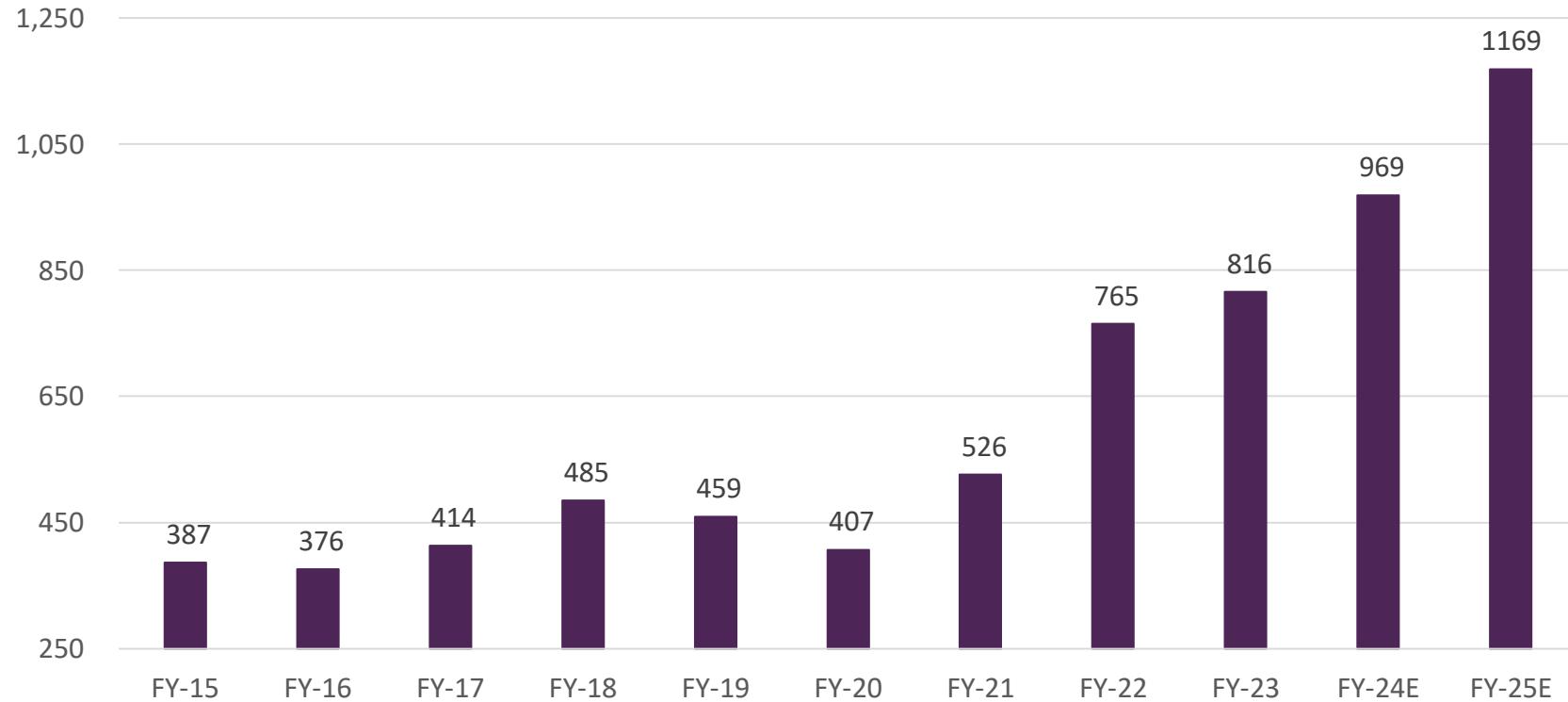


Nifty Trailing 12M P/B & 5 Yr. Avg. P/B



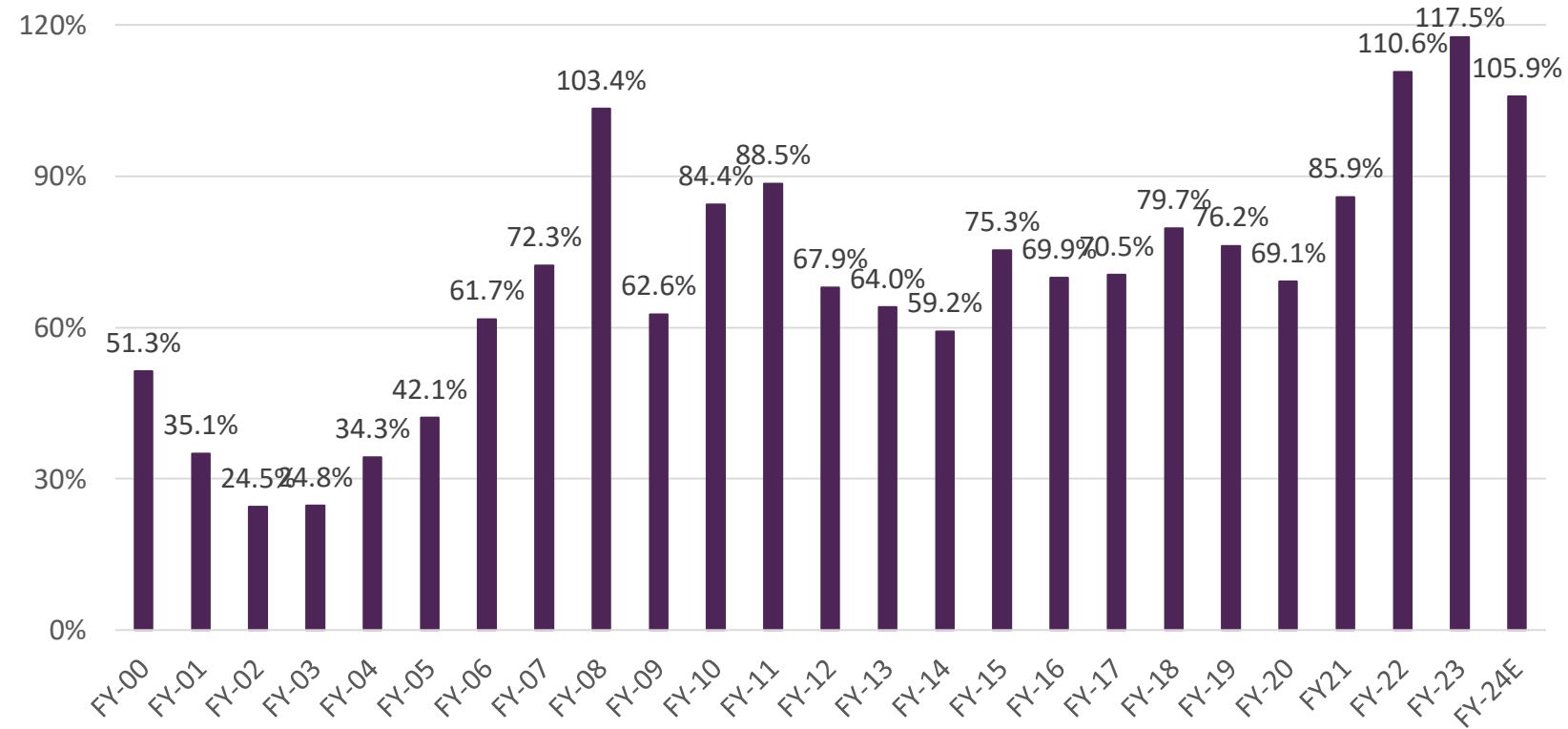
- Currently Nifty50 is trading at around 23.2x its trailing 12 month earnings while its five year historical average price to earnings ratio stands at around 24.7x. A discount of around 6% from its five year historical average.
- In terms of price to book ratio, the Nifty50 is trading at around 3.1x its book value while its five year historical price to book ratio stands at around 3x. Trading at a premium of 2.4% to its five year historical average.

Nifty Historical and Estimated EPS (Consensus)



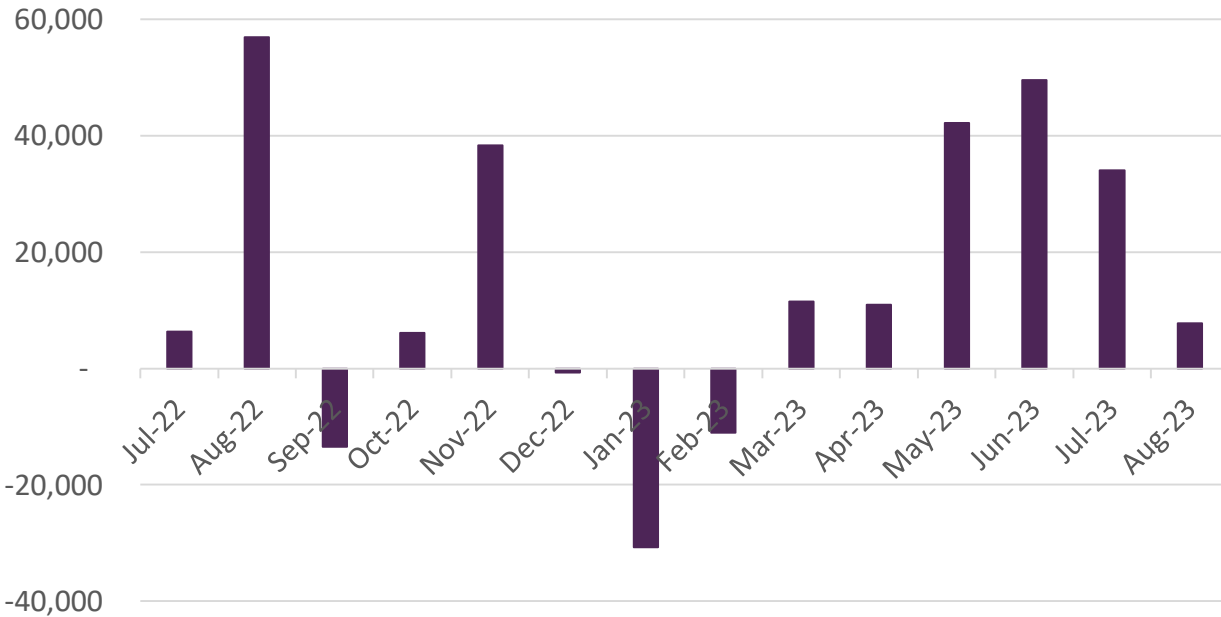
- From the financial year 2023 EPS the consensus estimates for Nifty50 from FY-23 to FY-25 expects earnings to grow at a CAGR of about 19%.

India Market Cap. to GDP Ratio

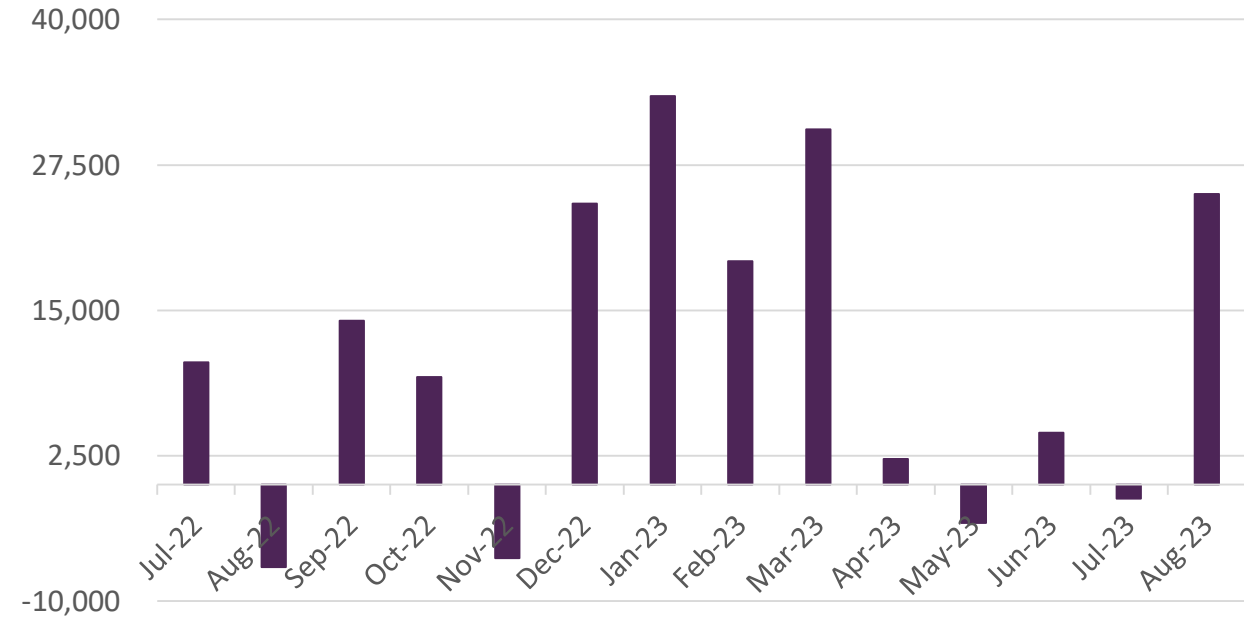


- Currently India's listed companies market capitalisation to GDP ratio stands at about 105.9% (FY-24E). The ratio is considered an indicative of overall equity market sentiments and cycles.
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FII Monthly Inflows in Equity (₹ Crore)

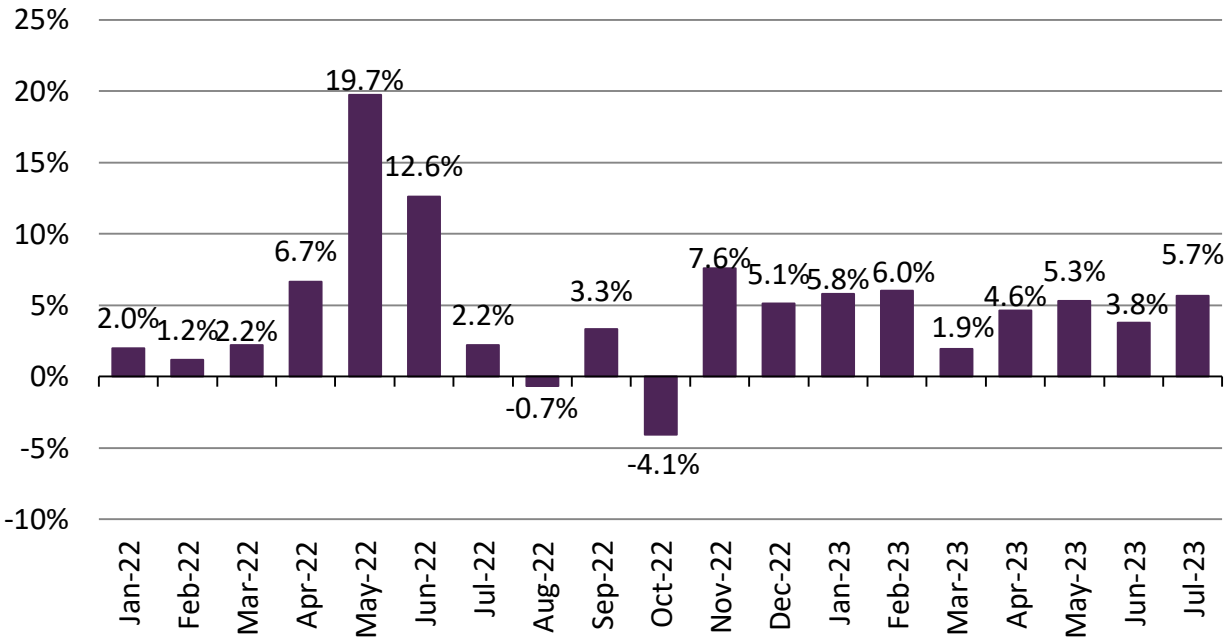


DII Monthly Inflows in Equity (₹ Crore)

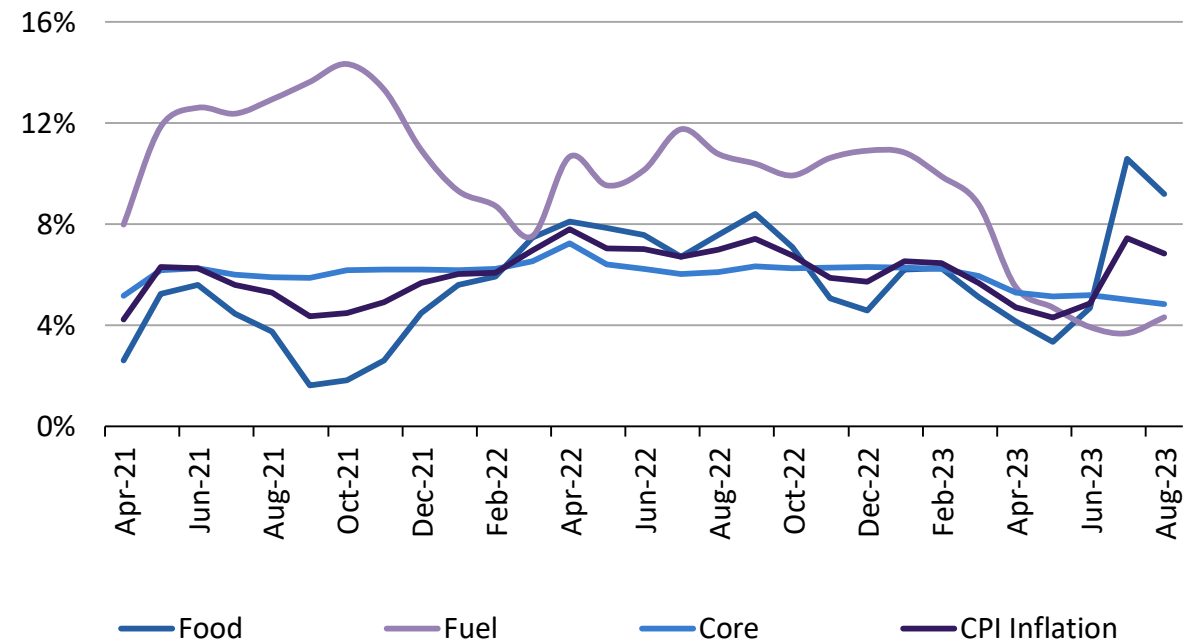


- FII monthly inflows for the month of Aug-23 has seen net inflows of almost ₹7,741 crores, which is sixth consecutive positive flows in current calendar year.
- On the other hand, domestic funds have seen monthly net inflows of around ₹25,017 crores, a third highest net inflow in current calendar year.

IIP Growth (%) trend (2011-12 base)



Food, Fuel, Core & CPI Inflation (%) YoY



- Index of Industrial Production (IIP) data for the latest month July-23 maintained its positive momentum for the year. The index stood at strong reading of 5.7% for the month..
- Latest inflation data released showed decrease in inflation. Inflation was seen decreasing with Food inflation slowing to 9.2%. The Core inflation for the Aug-23 month decreased to 4.8%. Fuel inflation showed increase and stood at 4.3%.

Large cap return

NO MAJOR
DIFFERENCE WITH THE
LONG-TERM TREND



Mid-cap reurn

RETURN SEEMS
ABOVE AVERAGE



Small-cap return

RETURN WAY ABOVE
AVERAGE



Mid/small cap underperformed till early 2021

MID-CAP CAUGHT UP, UNDERPERFORMANCE OF SMALL CAP CONTINUES

Nifty 50, Nifty midcap 150 and Nifty small cap 250, rebased



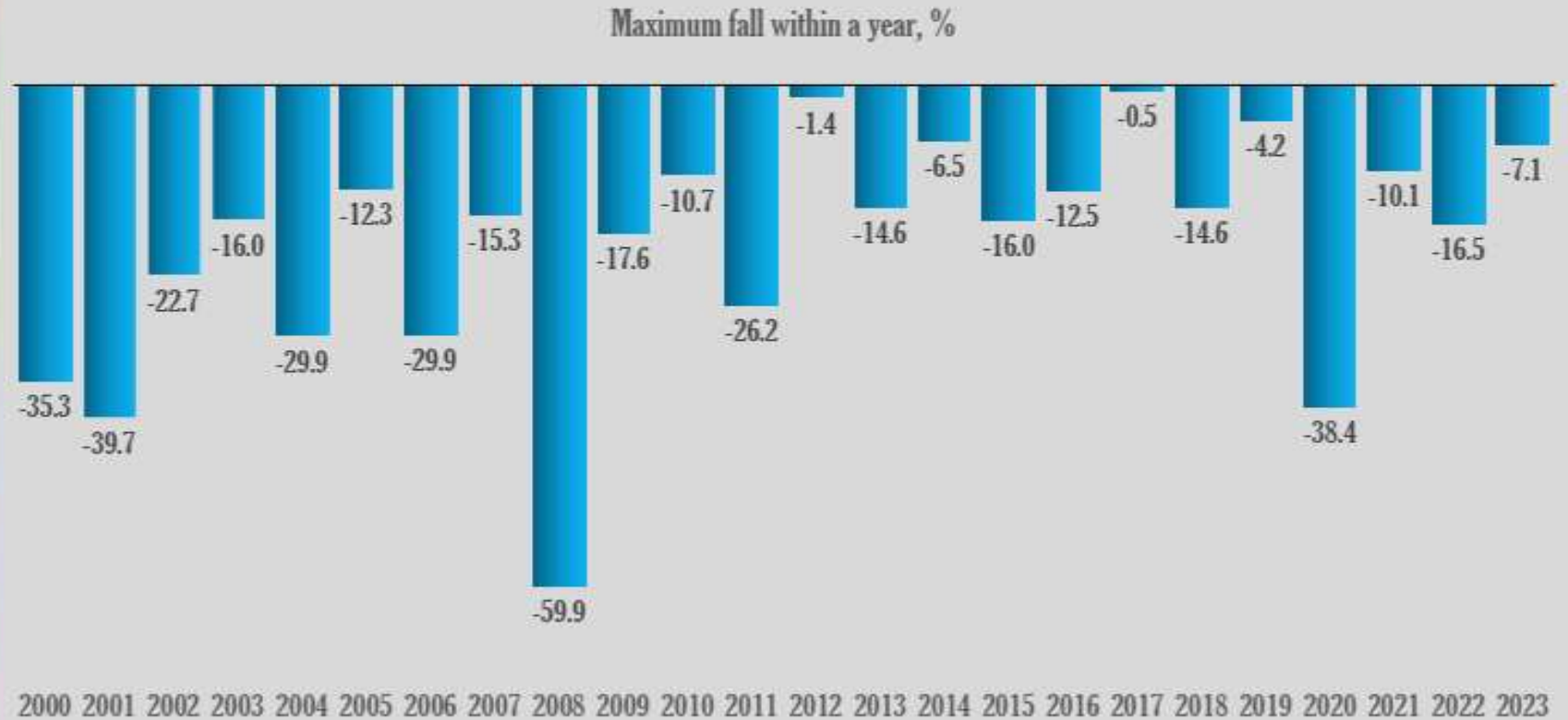
Better earnings growth for mid and small cap

MARKET RALLY
REFLECTING BETTER
GROWTH



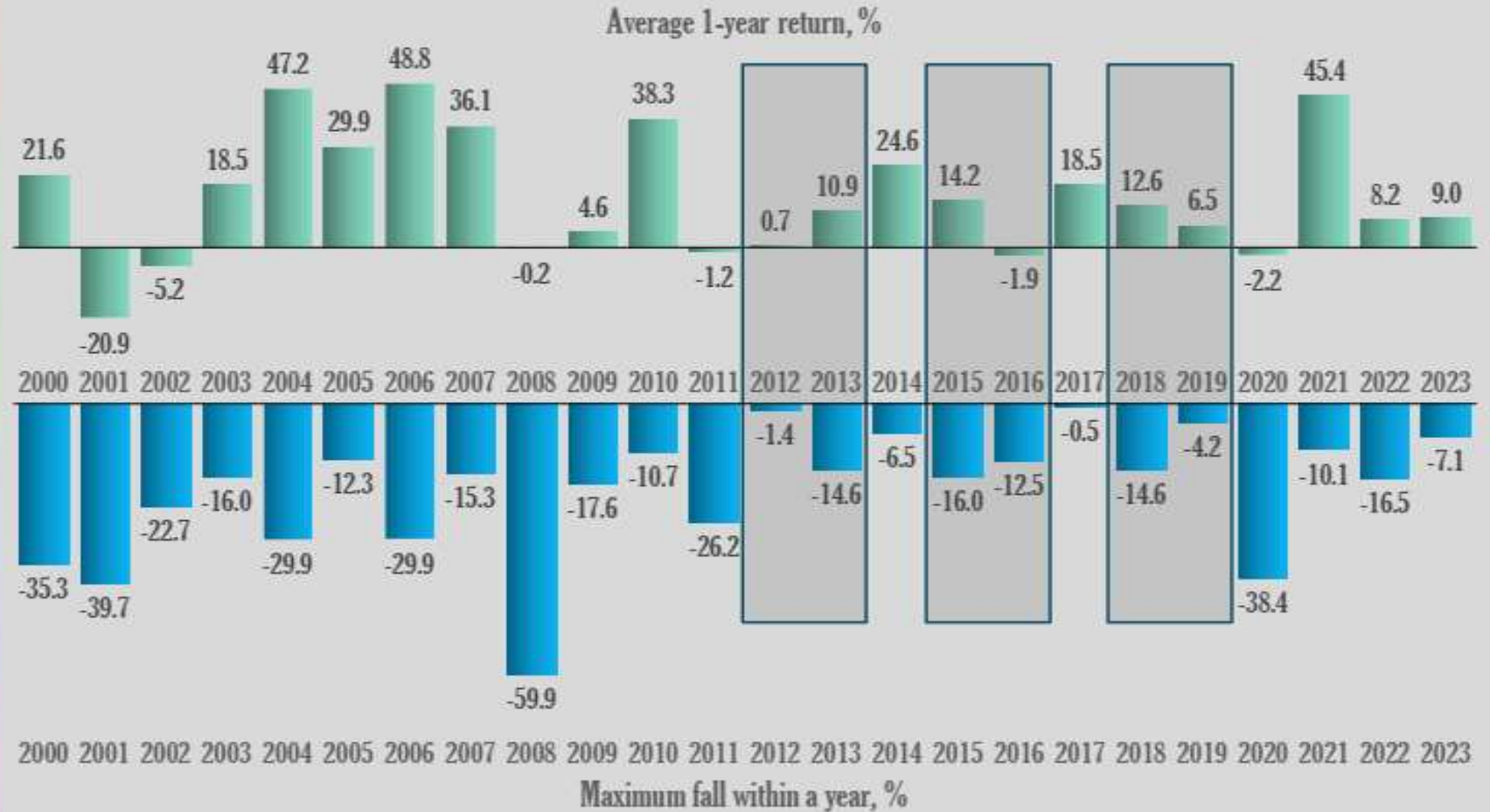
Can the market see a large correct from current levels

AVERAGE 16% YEARLY FALL SINCE 2000



Are the years seeing large falls necessarily bad years for equity?

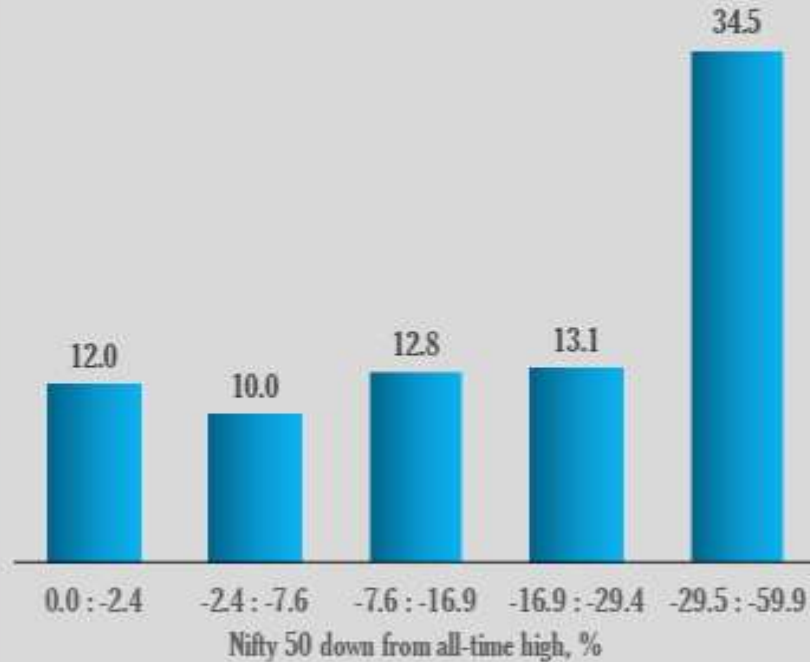
NO CLEAR RELATIONSHIP



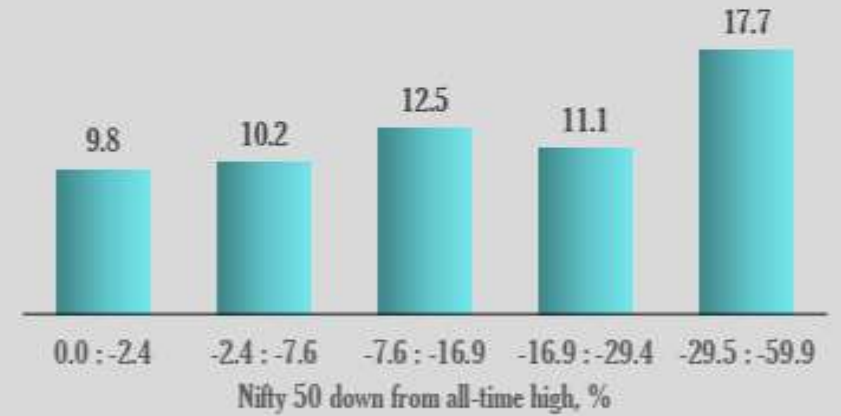
Even if one can time
the market, no clear
long-term impact

ONLY TIMING 30%+
CORRECTIONS MATTER

Next 1 year Nifty 50 return by entry point, %



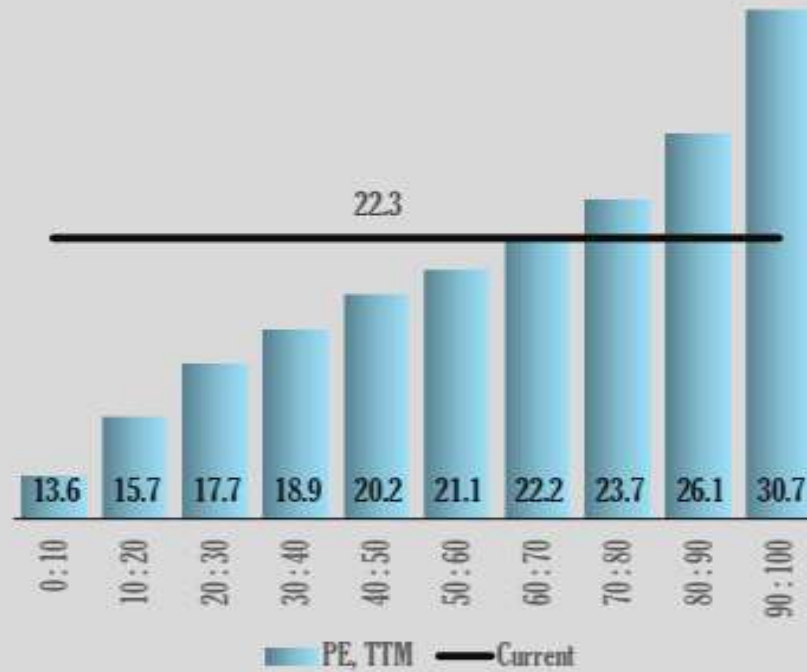
Next 3 year Nifty 50 return by entry point, %



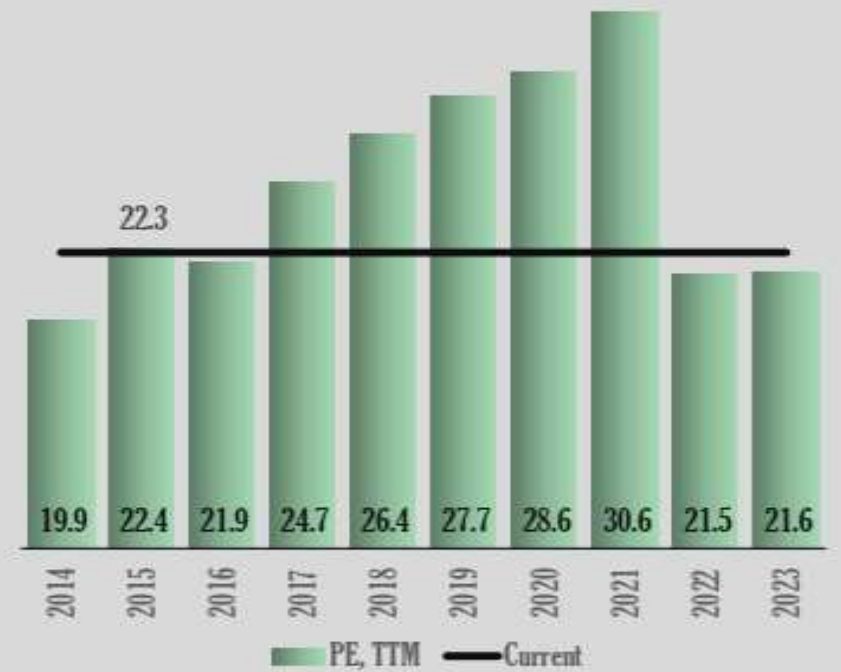
Equity valuations on trailing basis look expensive

BUILDING IN STRONG EARNINGS GROWTH EXPECTATIONS

Nifty 50 PE range 2003-23, x

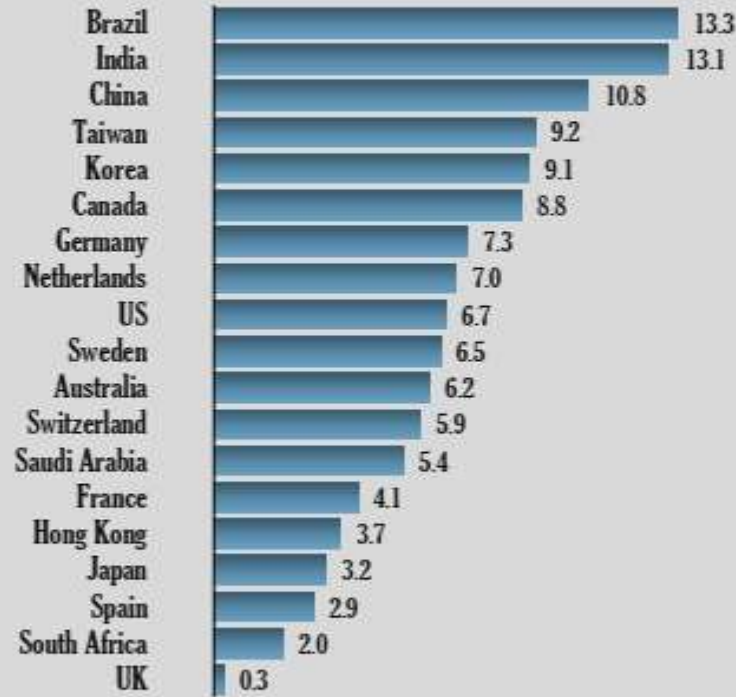


Nifty 50 PE range, x

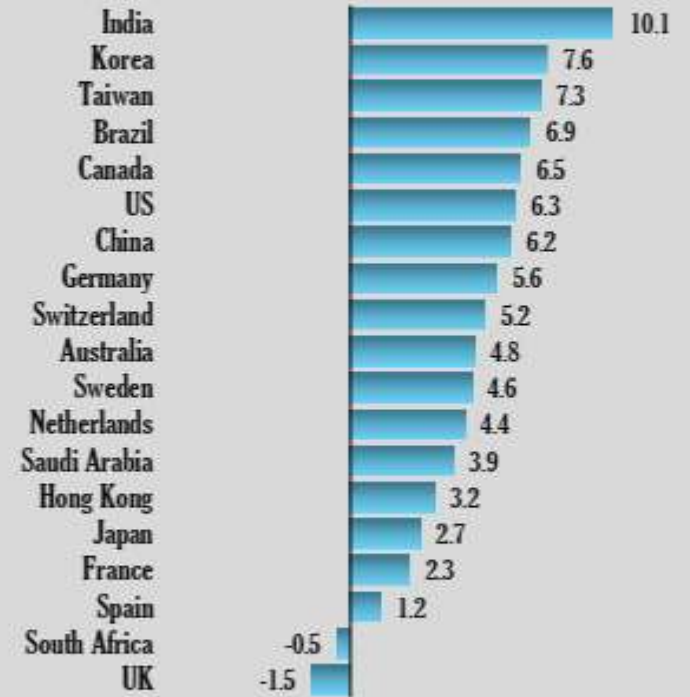


In dollar return, Indian equities within top-2 in the shorter-term

Average 1-year return, US\$, 2000-23, %

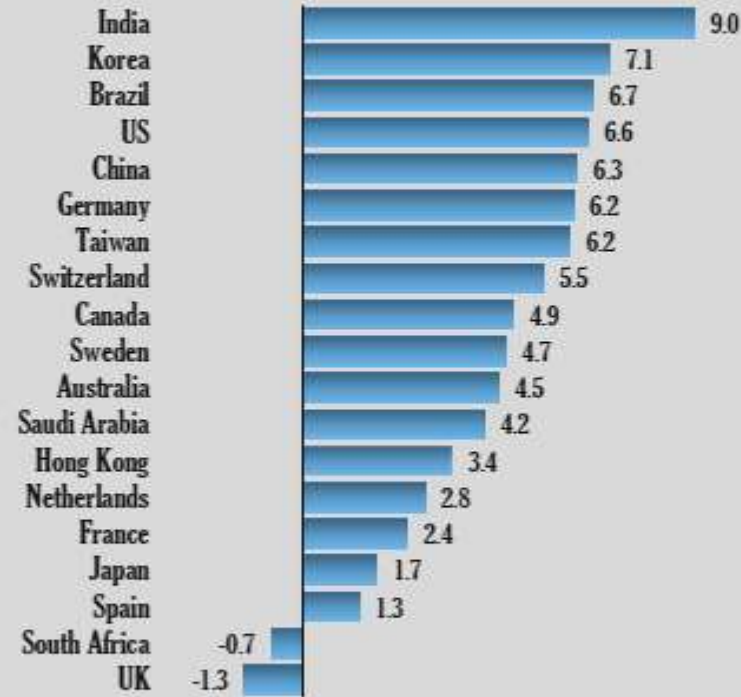


Average 3-year return, US\$, 2000-23, %

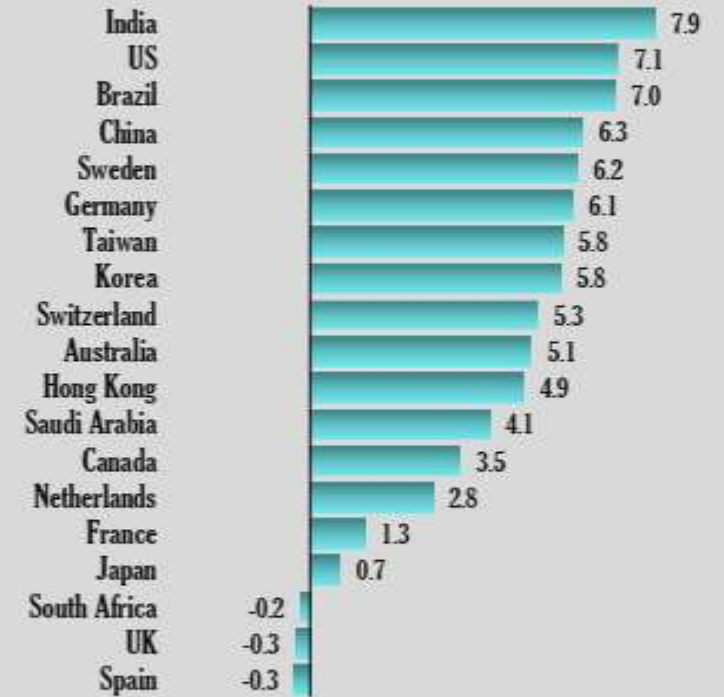


In dollar return, Indian equities at the top in the medium-term

Average 5-year return, US\$, 2000-23, %



Average 10-year return, US\$, 2000-23, %





**INDIAN EQUITY HAS BEEN
WORLD'S BEST WEALTH CREATOR
AND LIKELY TO REMAIN SO**

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