



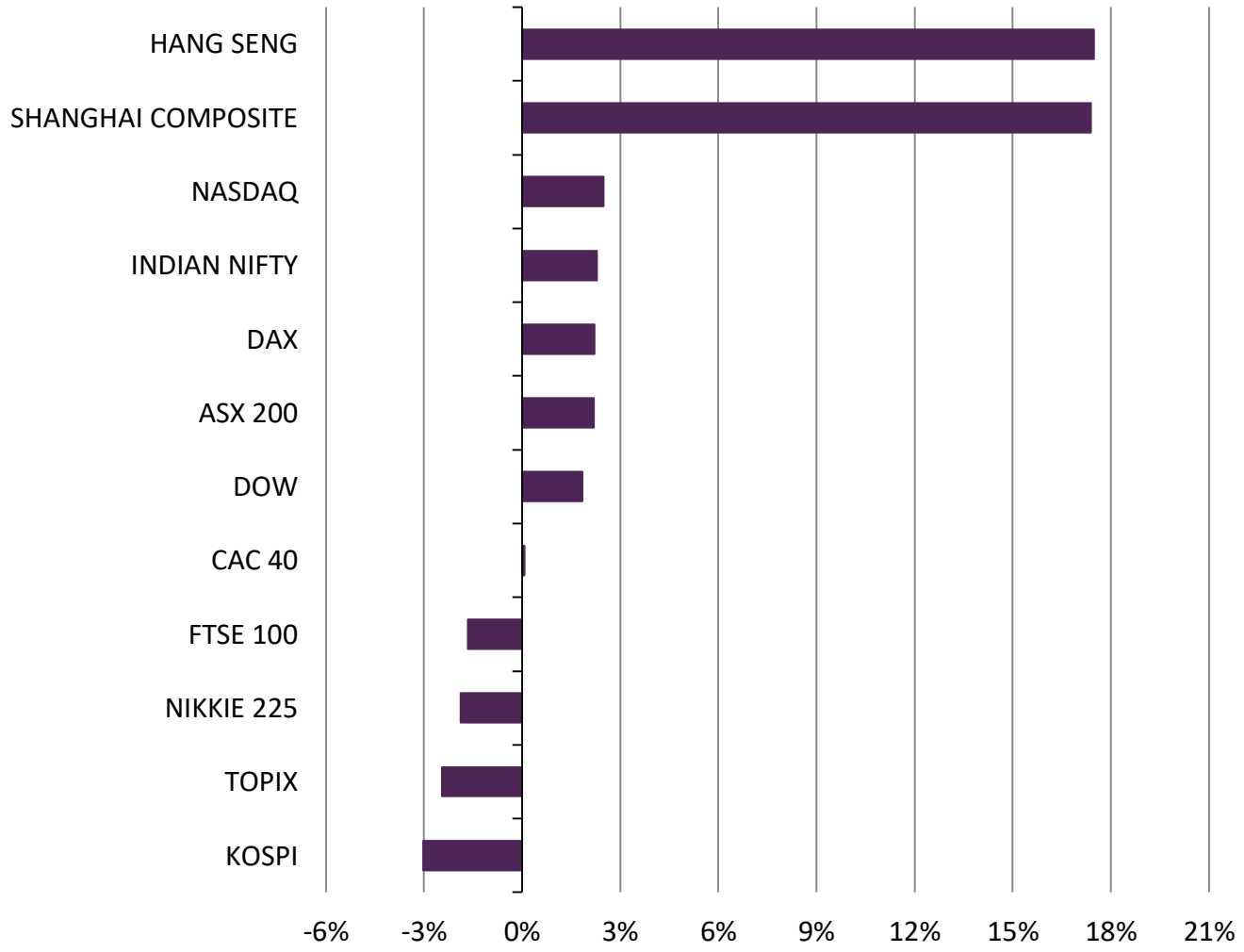
# BESPOKE

Advice for a select few

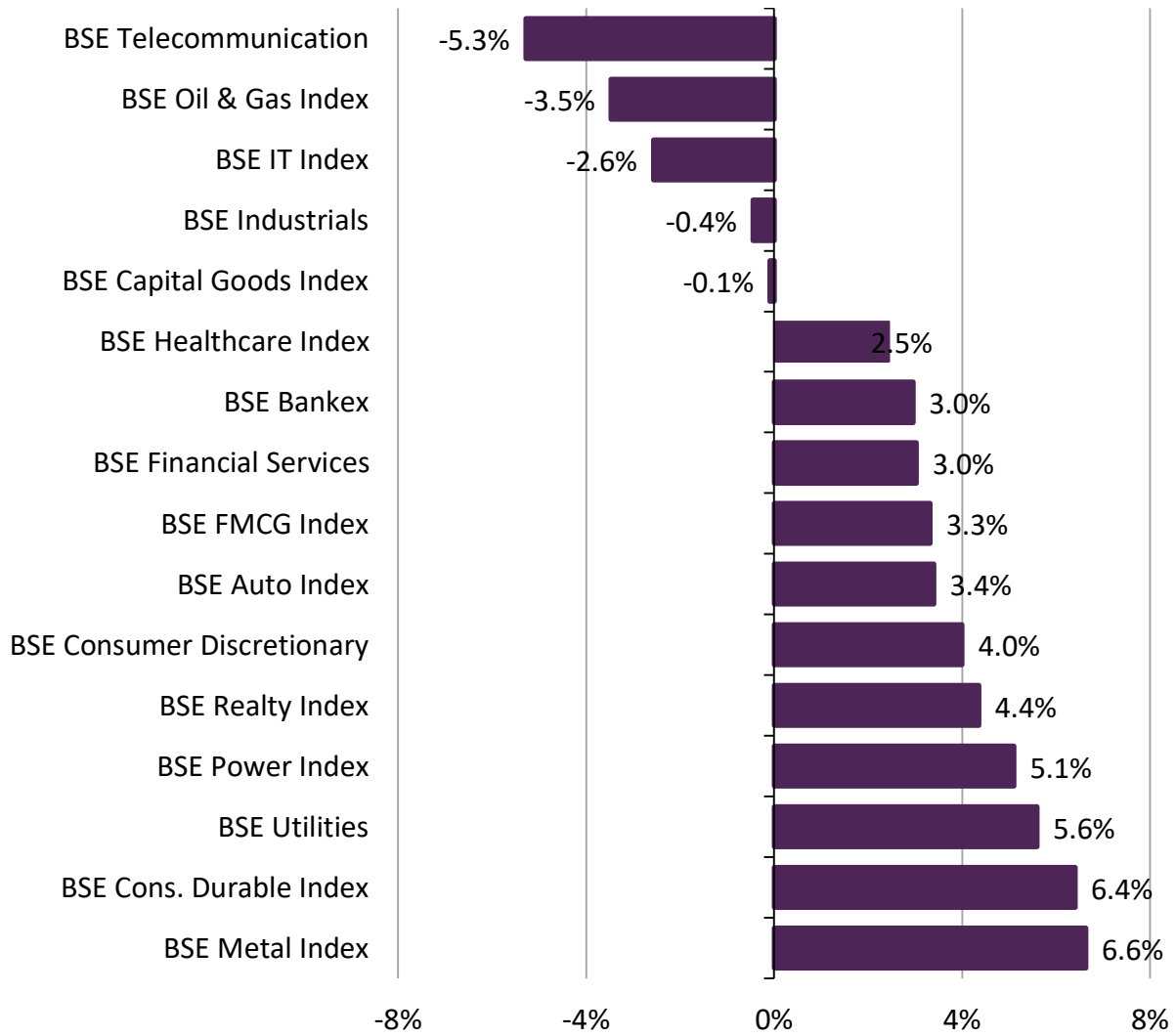
ANANDRATHI  
PRIVATE CLIENT GROUP  
EQUITY



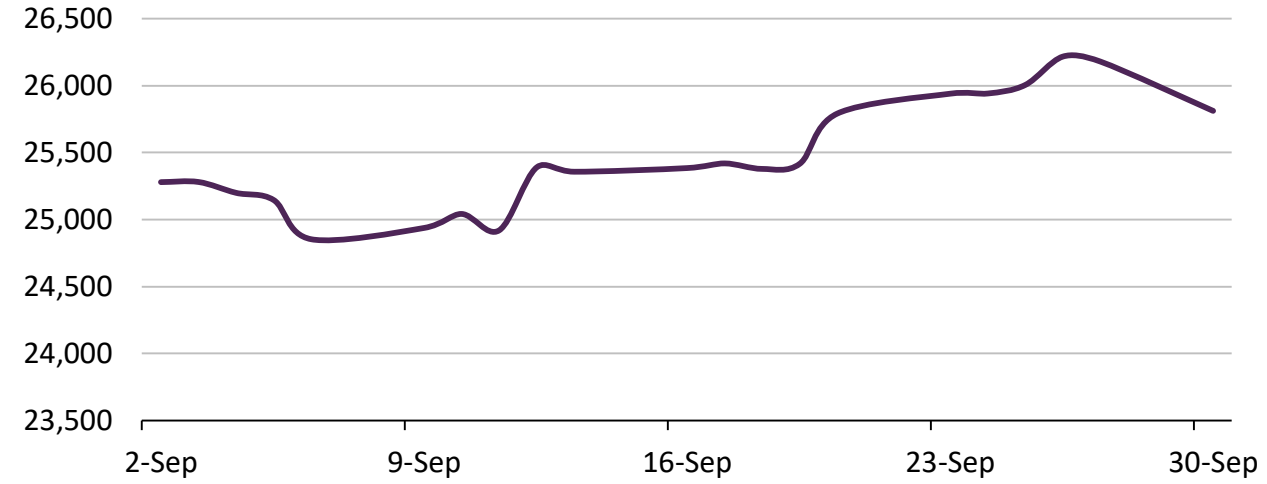
### Global Markets performance in Sep-24



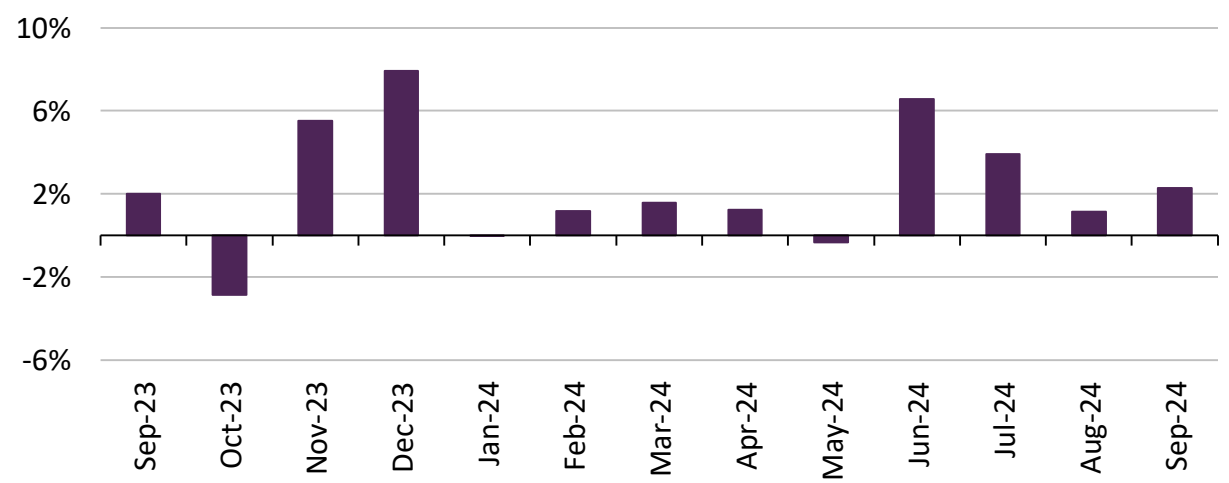
## Sector wise performance during the month



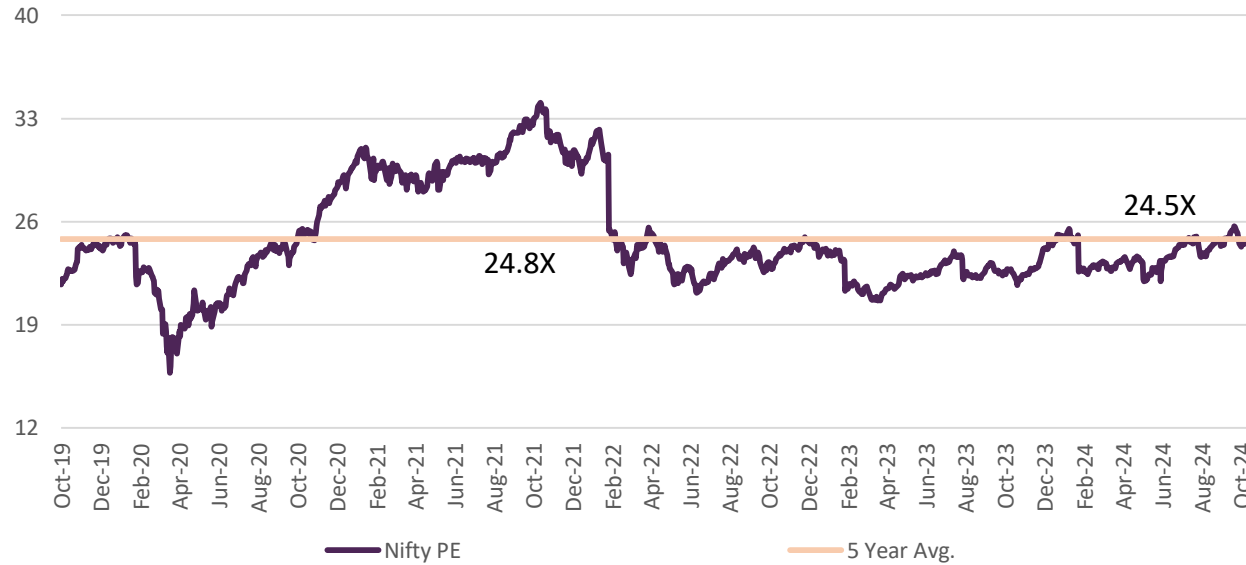
## NIFTY Performance in Sep 2024



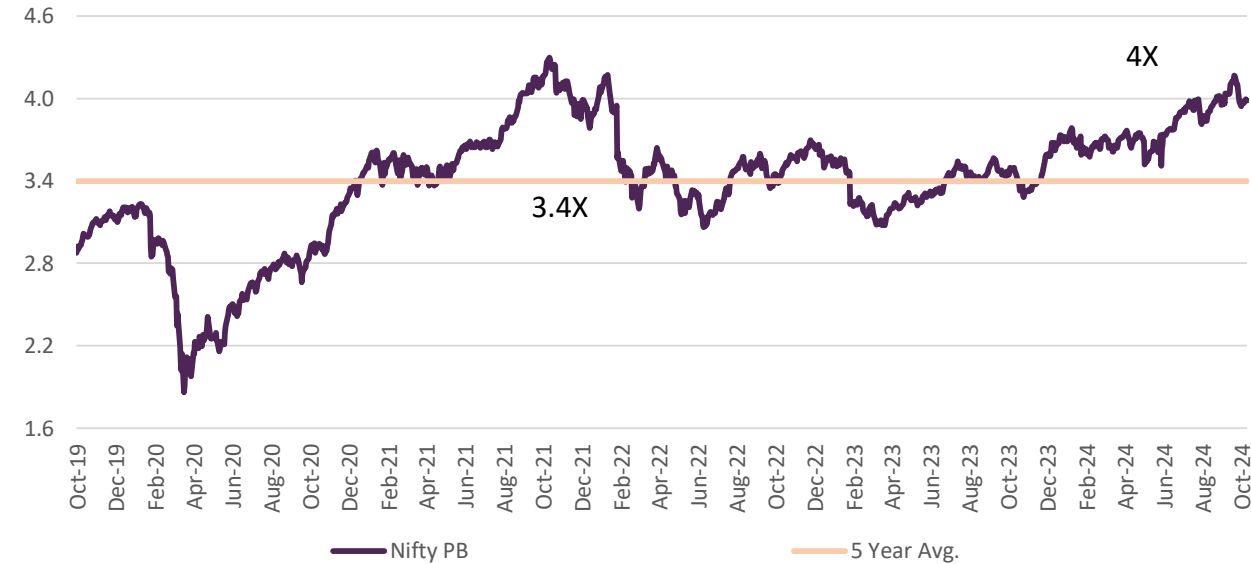
## NIFTY monthly performance for trailing 12 months



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

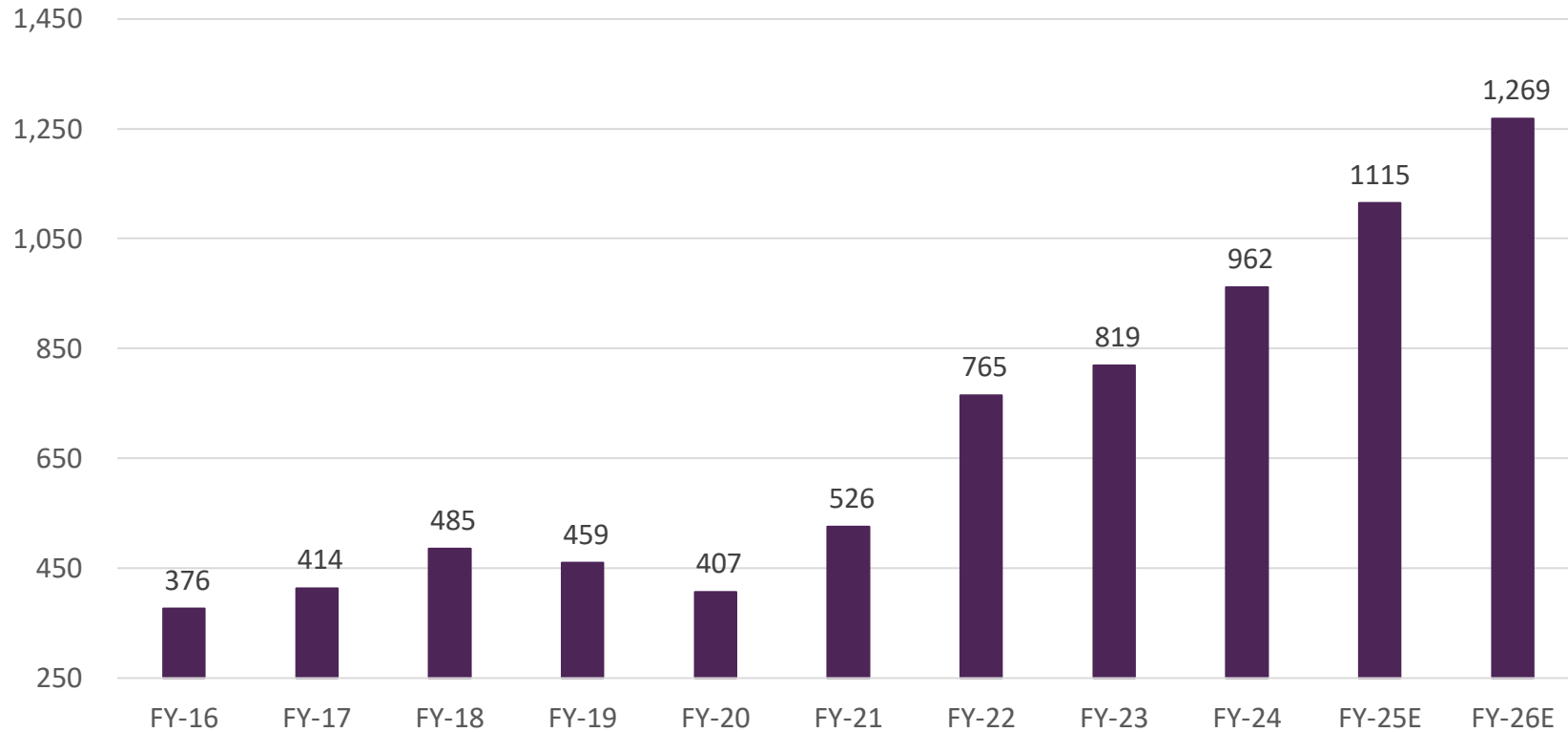


## Nifty Trailing 12M P/B & 5 Yr. Avg. P/B



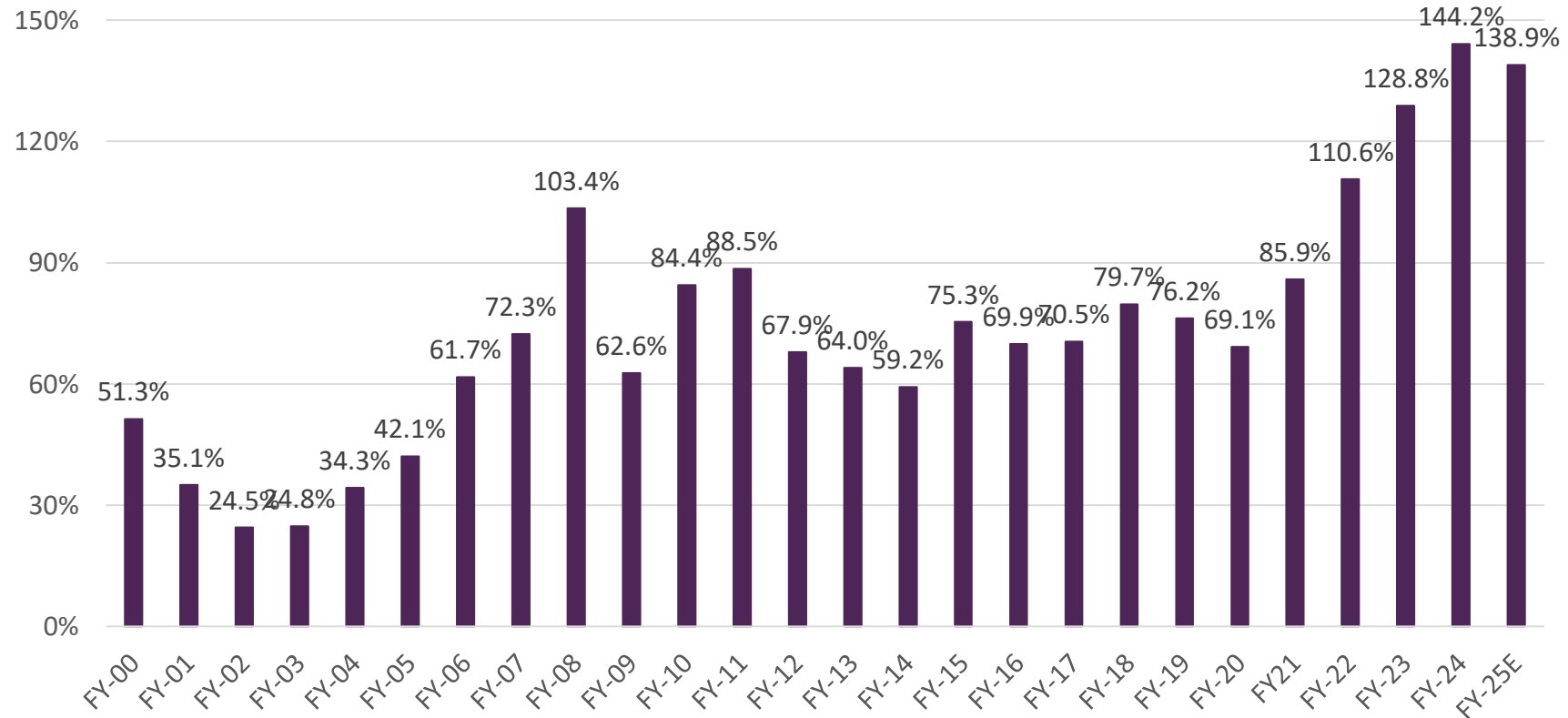
- Currently Nifty50 is trading at around 24.5x its trailing 12-month earnings while its five-year historical average price to earnings ratio stands at around 24.8x. A discount of 1% from its five-year historical average.
- In terms of price to book ratio, the Nifty50 is trading at around 4x its book value while its five-year historical price to book ratio stands at around 3.4x, a premium of 17.2% to its five-year historical average.

## Nifty Historical and Estimated EPS (Consensus)



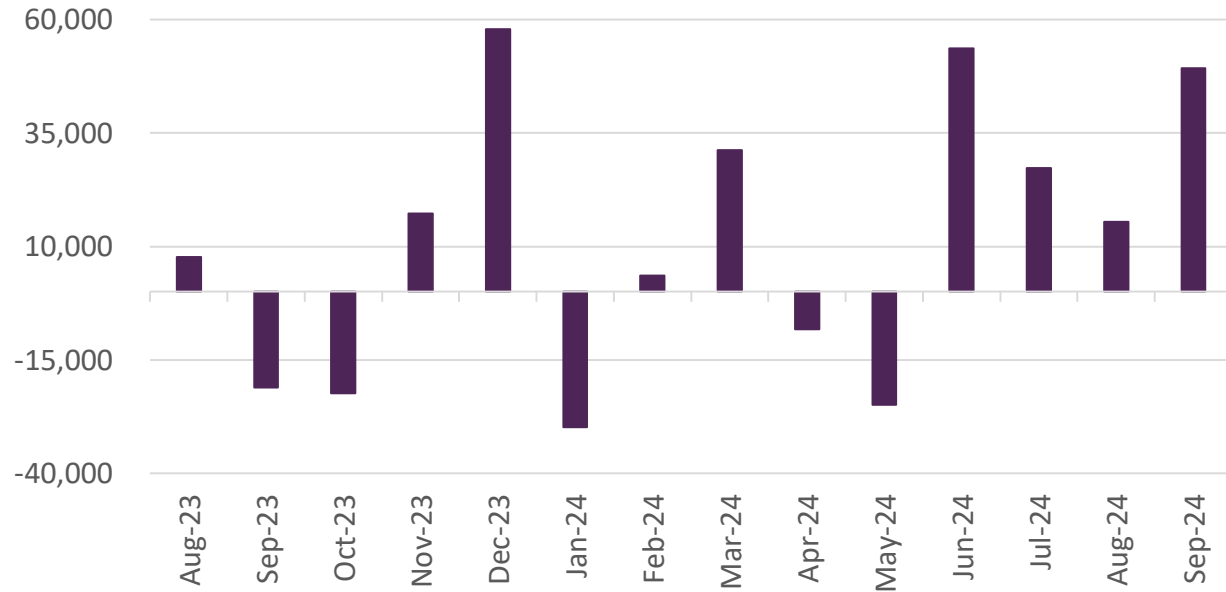
- From the financial year 2023 EPS the consensus estimates for Nifty50 from FY-24 to FY-26 expects earnings to grow at a CAGR of about 14.9%. The Index is trading at 22.2x FY25E and 19.5x FY26E consensus earnings.

## India Market Cap. to GDP Ratio

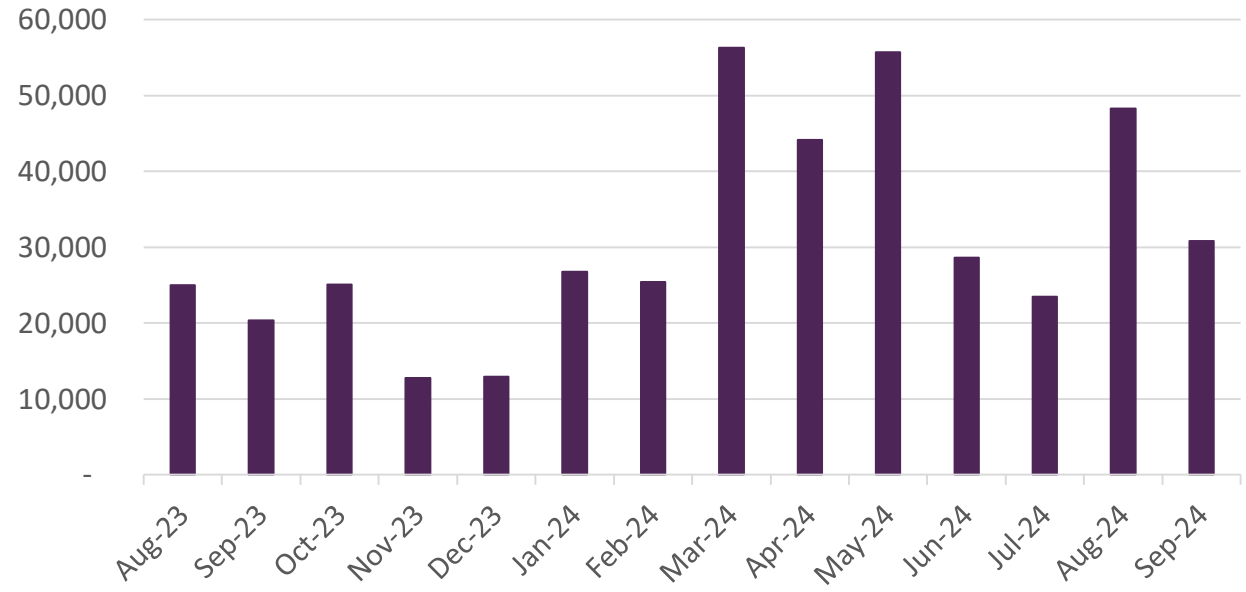


- Currently India's listed companies market capitalisation to GDP ratio stands at about 138.9% (FY-25E). The ratio is considered an indicative of overall equity market sentiments and cycles.
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### FII Monthly Inflows in Equity (₹ Crore)

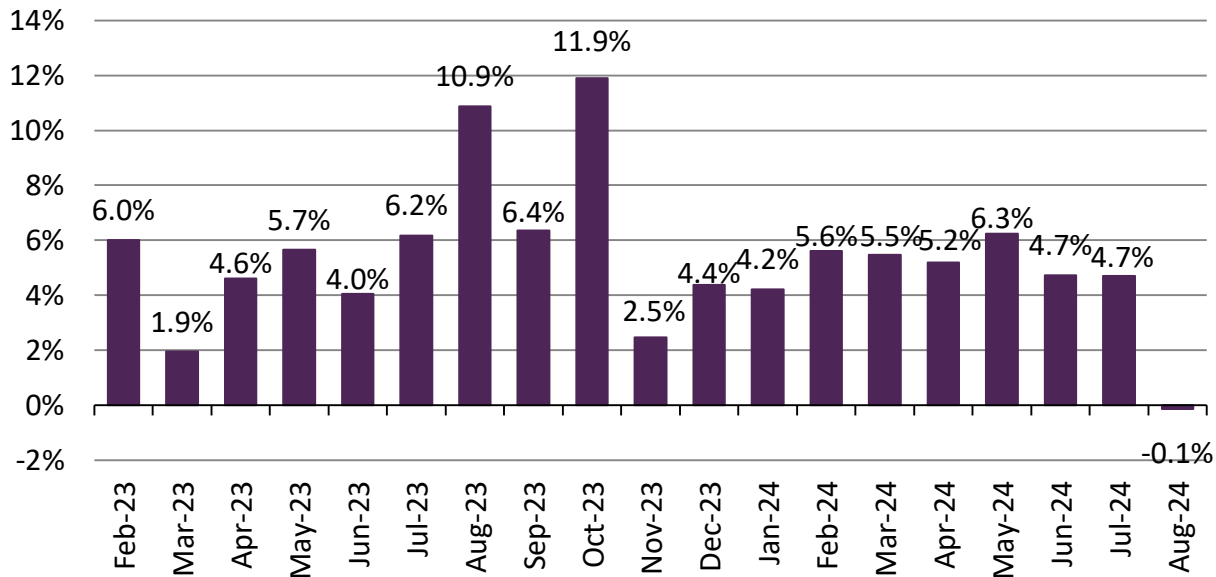


### DII Monthly Inflows in Equity (₹ Crore)

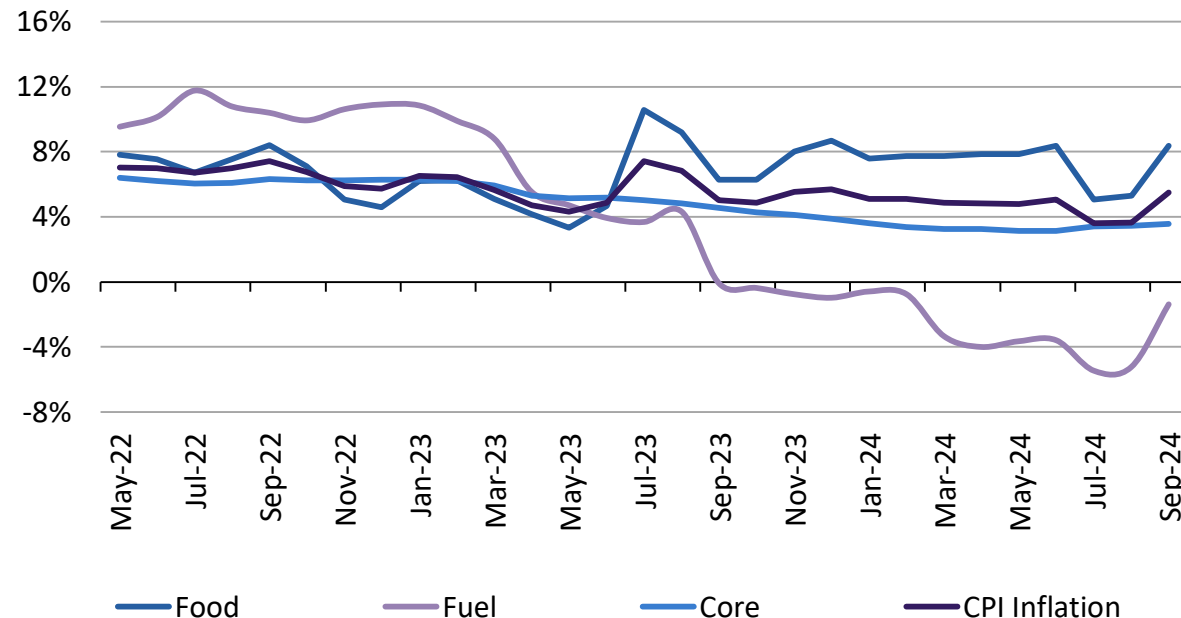


- FII monthly inflows for the month of Sep-24 has seen net inflows of almost ₹49,277 crores, which is fourth consecutive positive flow for the year.
- On the other hand, domestic funds have seen monthly net inflows of around ₹30,857 crores, maintaining its positive flows for the last in months.

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



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



- Index of Industrial Production (IIP) data for the latest month Aug-24 witnessed a contraction of 0.1% on an annual basis, the high base and excess rainfall led to industrial production decline. The index stood at 0.1% for the month.
- India's CPI inflation rose to 5.5% in Sep'24, from 3.7% in the previous month. Quarterly inflation averaged at 4.24%, above the RBI's projected 4.1%. Core inflation up. Core inflation rose to a seven-month high of 3.7% in Sep'24, as inflation across service categories increased on account of the low base effect.

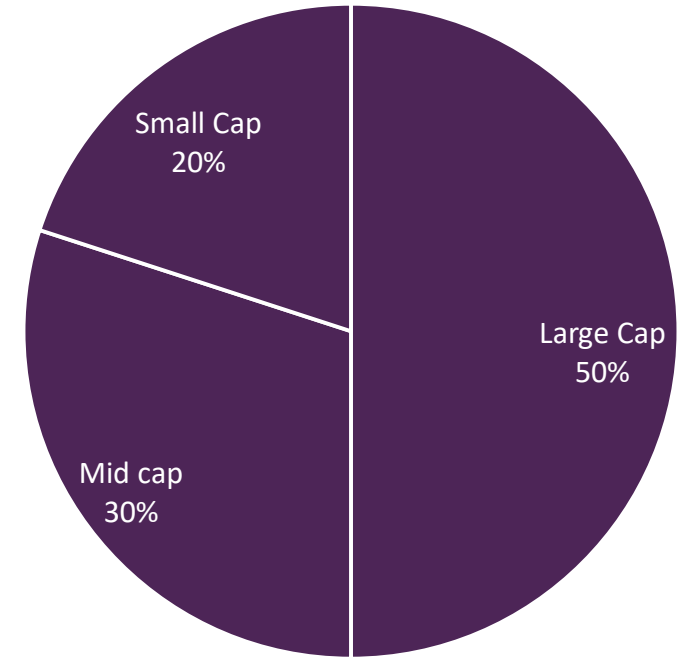


# Top Ideas

S.No.	Large Cap
1	ICICI Bank Ltd.
2	ITC Ltd.
3	Tata Steel Ltd.
4	Bharti Airtel Ltd.
5	Infosys Ltd.
6	Siemens Ltd.
7	Hindustan Unilever Ltd
8	Divi's Laboratories Ltd.
9	State Bank Of India
10	Tata Consumer Products Ltd

S.No.	Mid Cap
1	Astral Ltd.
2	APL Apollo Tubes Ltd.
3	TVS Motor Company Ltd.
4	KEI Industries Ltd.
5	Dixon Technologies Ltd.
6	Sona BLW Precision Forgings Ltd.

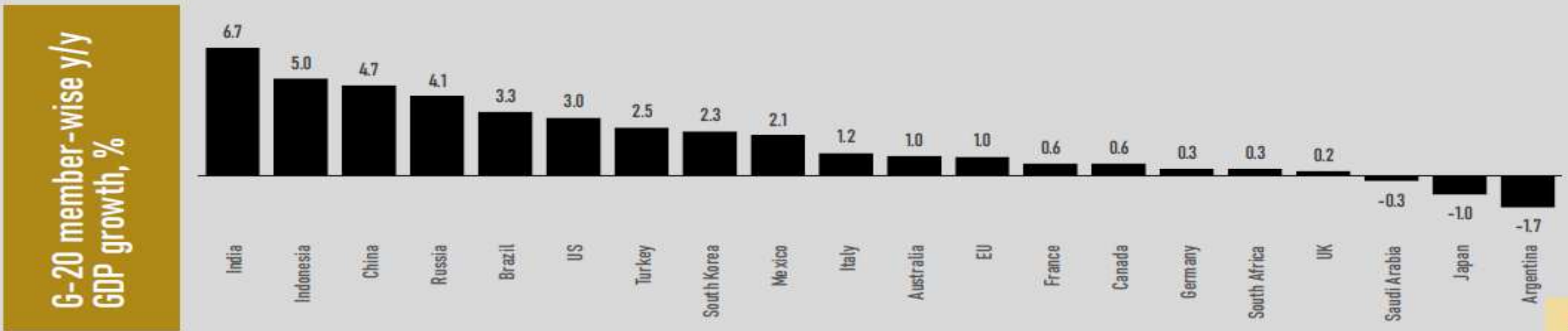
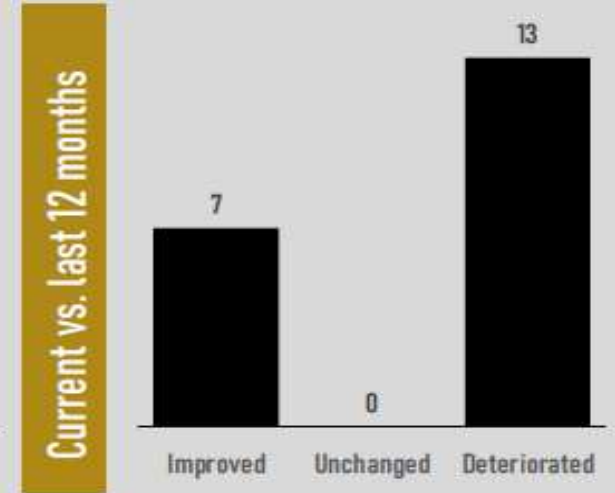
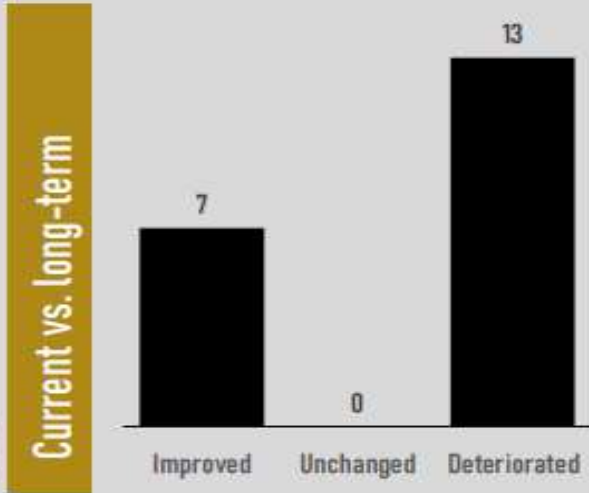
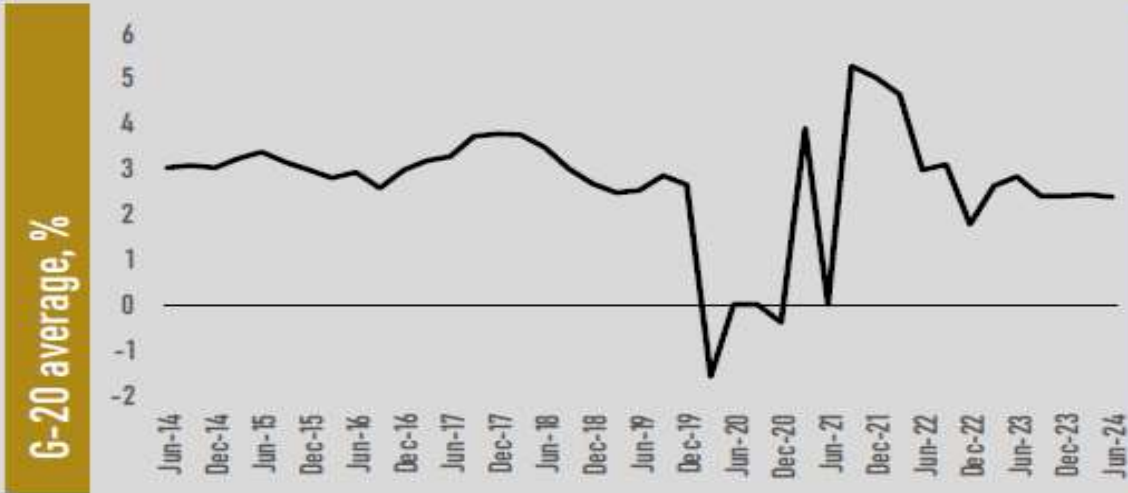
S.No.	Small Cap
1	Rainbow Children's Medicare Ltd.
2	CE Info Systems Ltd.
3	Chalet Hotels Ltd.
4	Electronics Mart India Ltd.



NOTE: The strategy has shifted from individual weight based to equal distribution.

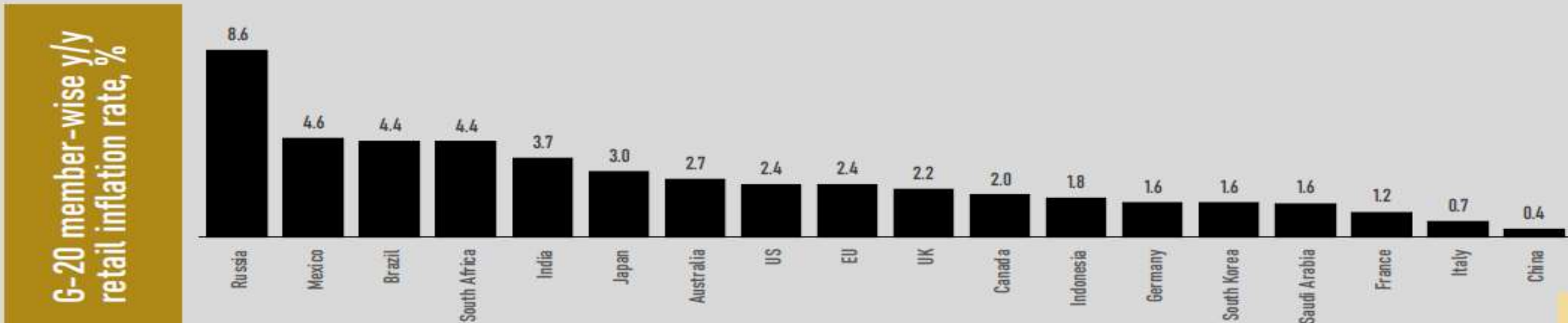
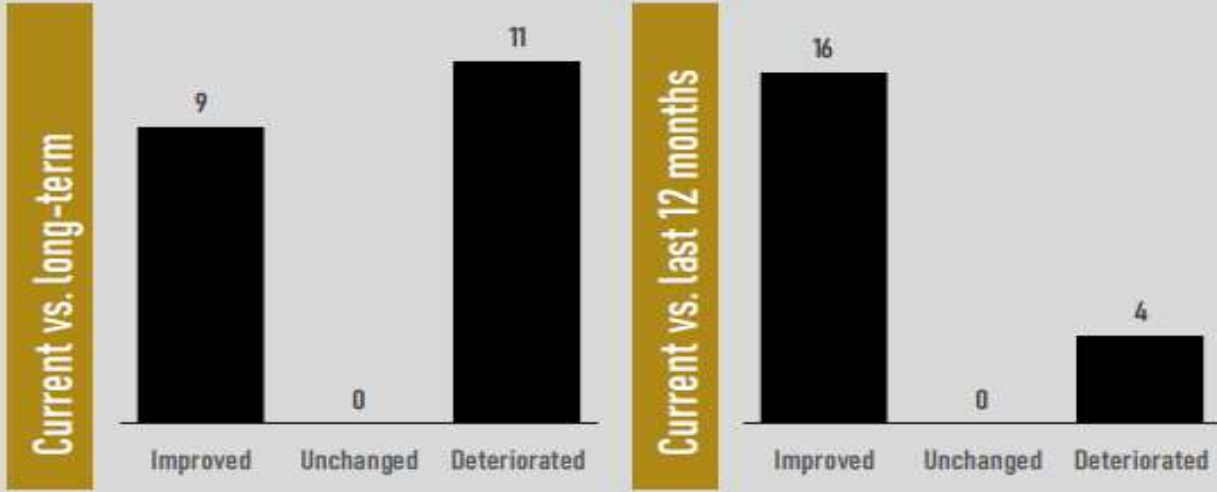
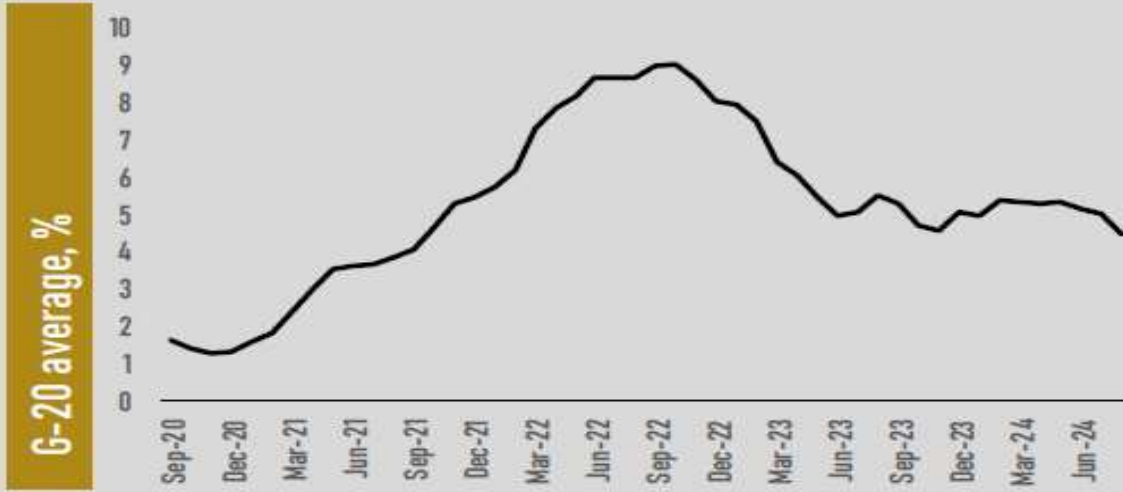
**GDP Growth Stable but below past average**

While the G-20 average GDP growth has stabilized over the past few quarters, it remains below long-run average. For most of the countries within the G-20 pack, growth has deteriorated compared to their respective long and short run average.



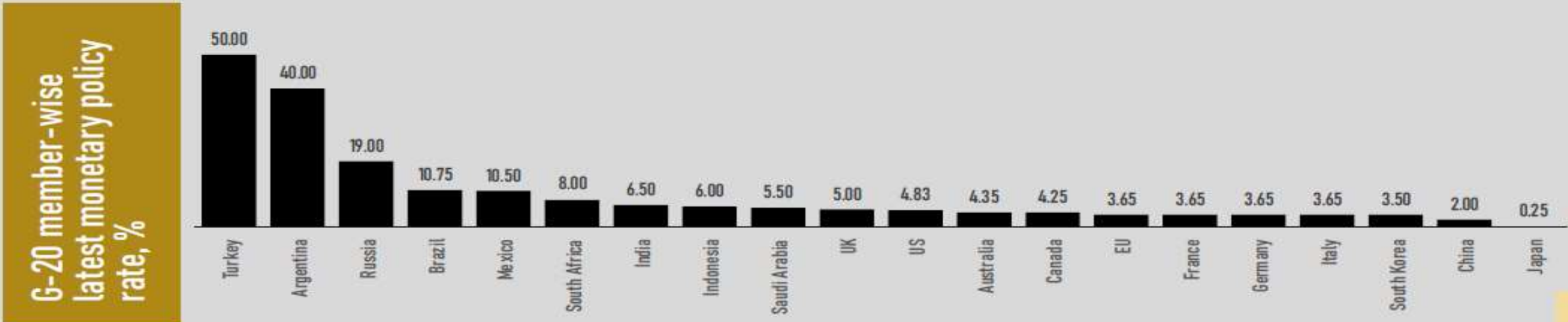
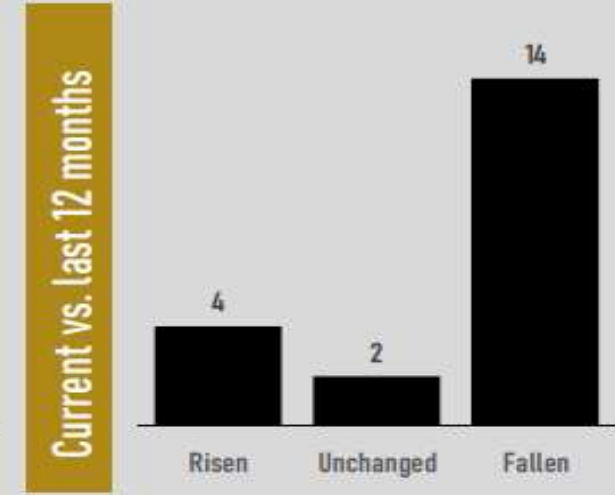
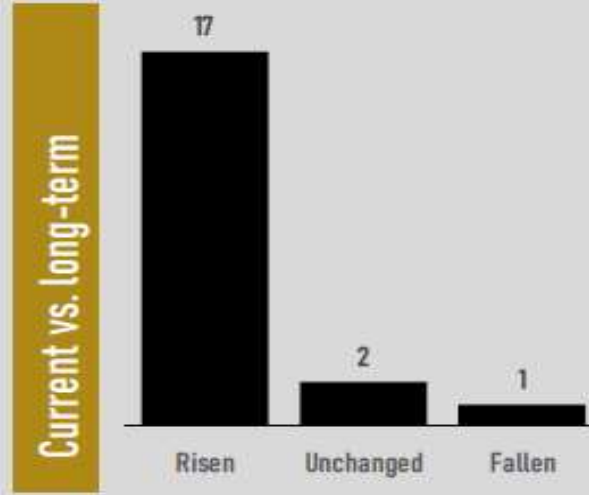
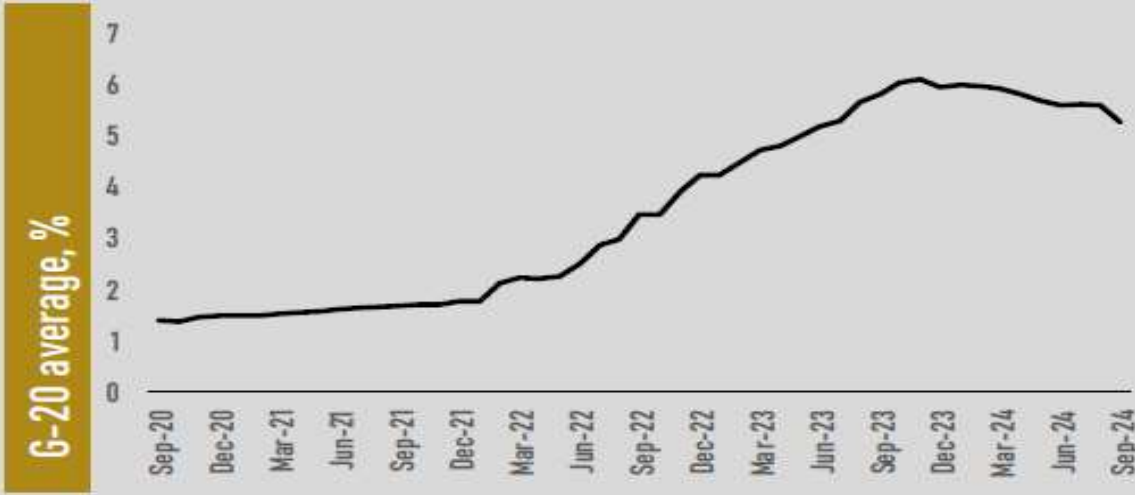
**Inflation: Stabilized but not falling further**

The average retail inflation for G20 countries down from the peak but the last mile of disinflation is turning to be difficult.



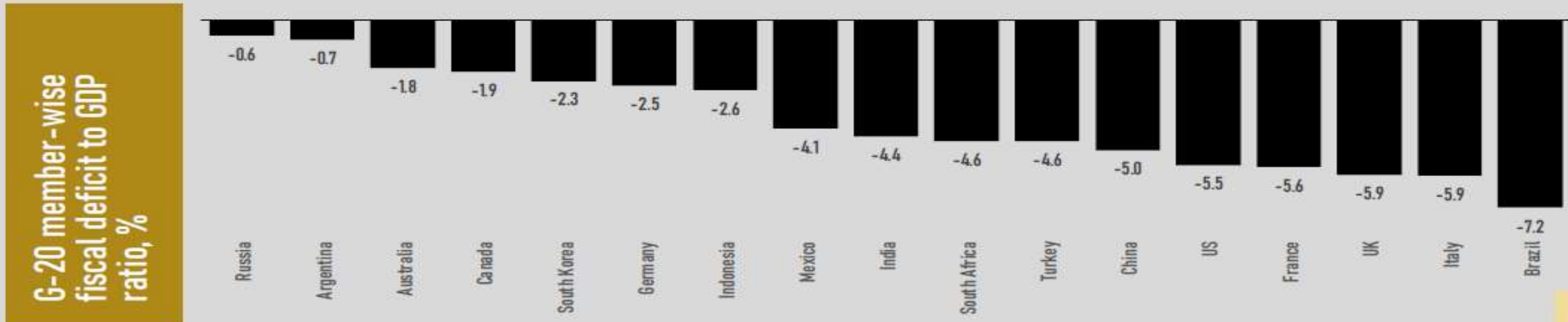
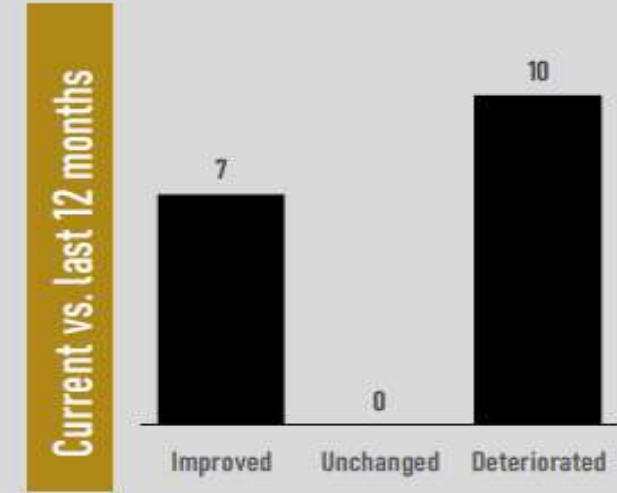
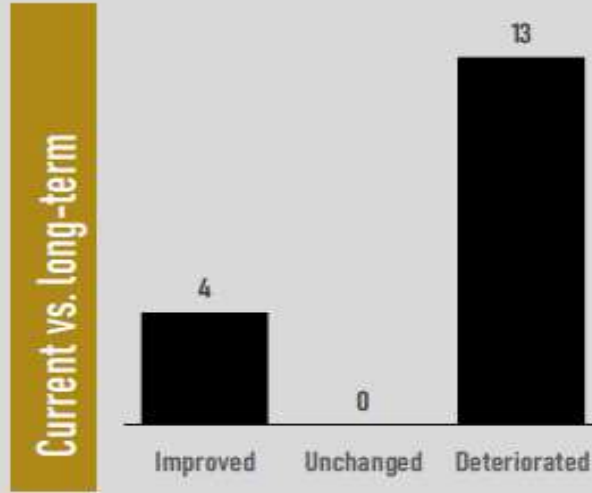
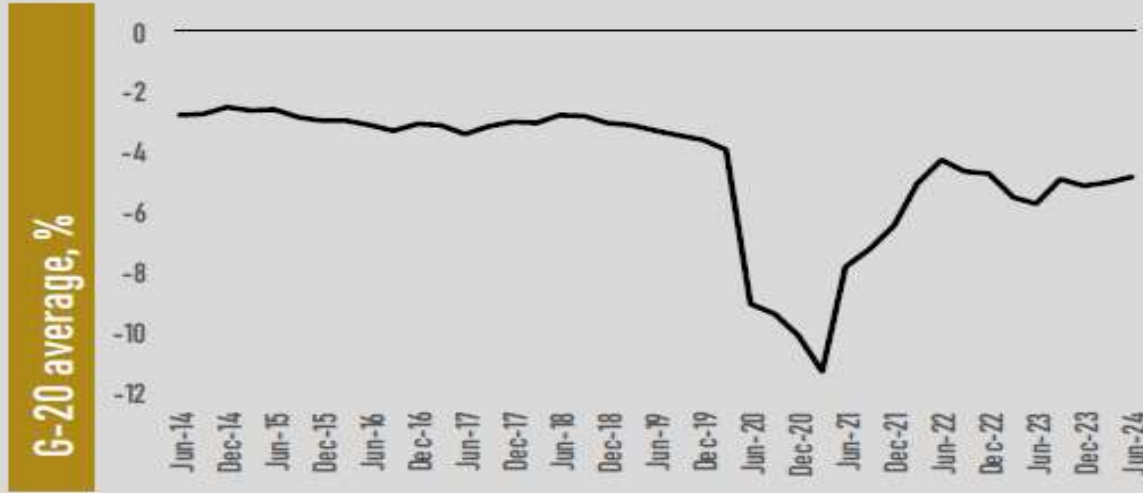
Monetary policy rate: Rate cuts starting

Despite retail inflation remaining higher than long period averages, some of the G20 members have started cutting rate to revive growth. With the Fed cutting rates by 50 bps, more EM countries will start cutting rates to support growth



The average fiscal deficit for G20 countries now reaching the pre pandemic level. However, despite some fiscal tightening in the recent past, as compared to long period averages, the deficit remains elevated

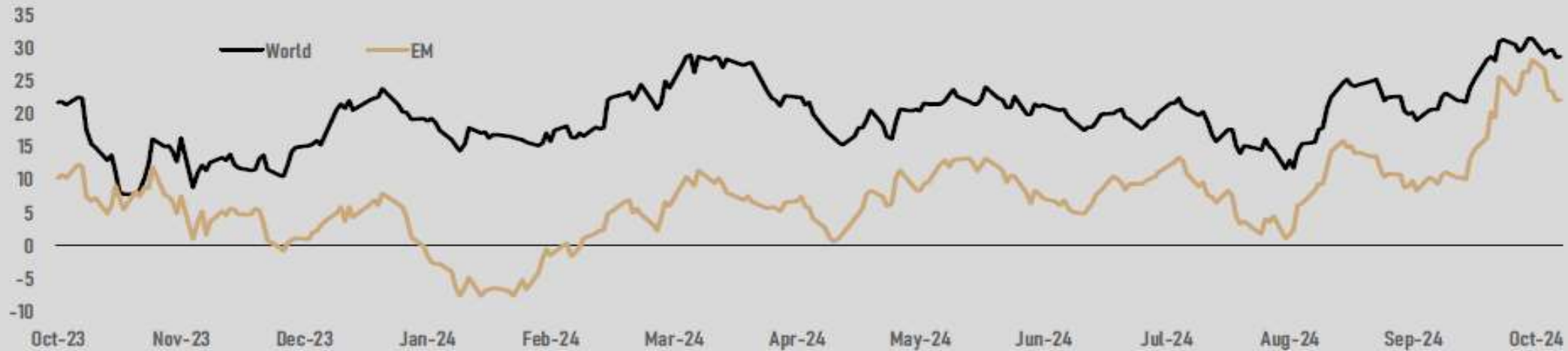
**Fiscal deficit: Improving but still elevated**



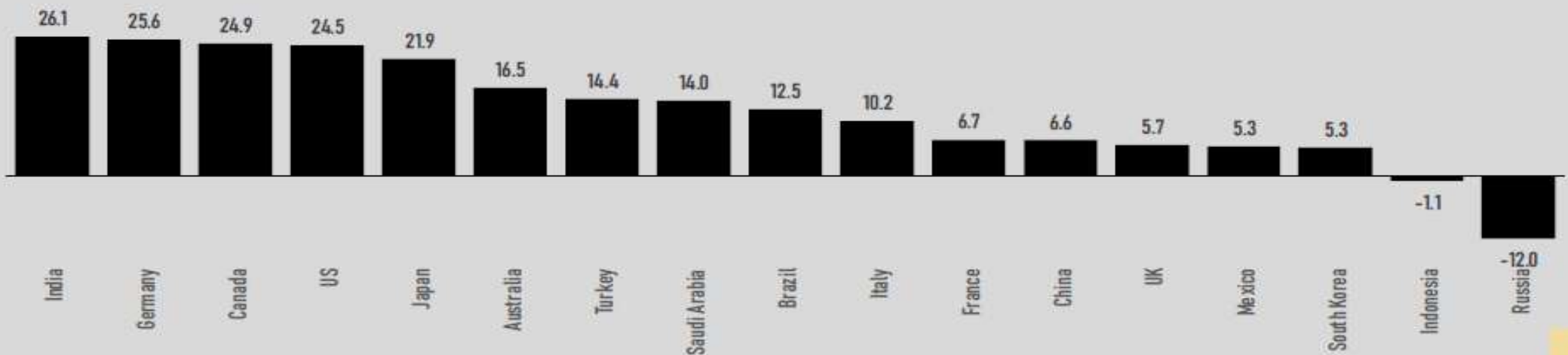
Developed country equities have continuously delivered considerable return in the last one year while emerging market equities have seen phases of negative returns. India continues to outperform all major markets

Global equities: EMs underperforming

Average return on global and EM equities, %



G-20 member-wise equity market return, %



## Sector Preference – We like Banks, Consumer Durables, Healthcare, PSUs

		Price performance, CAGR, %				PE ratio, x				EPS growth, %		
		1Y	3Y	5Y	Relative	Current	1Y	3Y	5Y	1Y	3Y	5Y
Power	●	85.2	35.3	34.4	62.6	33.8	19.5	19.9	18.9	6.3	12.8	19.2
Realty	○	66.9	24.2	33.7	44.3	62.3	97.5	83.5	25.3	158.5	36.4	11.5
PSU	●	64.8	32.4	26.2	42.2	12.8	9.0	9.5	11.6	16.3	19.8	23.5
Auto	○	61.6	32.4	29.2	39.0	26.4	25.8	52.1	1009.6	59.1	65.7	167.5
Oil and Gas	○	59.0	16.4	15.6	36.5	11.3	8.3	10.2	11.1	17.8	12.5	15.1
Health Care	●	57.5	19.1	29.6	35.0	47.4	38.6	34.9	24.7	27.1	7.1	13.5
Mid Cap	●	49.9	22.8	28.6	27.3	42.4	25.8	34.3	25.9	-9.4	14.0	16.3
Capital Goods	○	49.4	39.1	31.7	26.9	49.8	44.2	78.0	21.0	31.5	60.9	10.6
Small Cap	○	48.2	24.1	34.7	25.6	34.1	30.1	46.1	40.2	29.6	36.4	38.6
Metal	●	44.6	17.2	31.1	22.0	21.9	16.6	8.7	7.1	9.5	-14.3	4.2
Consumer Durables	●	41.8	13.0	20.6	19.3	106.7	72.6	85.6	48.0	-3.6	4.7	2.6
IT	○	32.1	7.6	22.6	9.5	34.9	27.6	33.5	19.5	3.1	6.0	9.0
Large Cap	●	22.5	10.5	16.4	0.0	23.9	24.2	24.2	25.9	25.2	20.7	19.1
FMCG	○	19.2	14.6	14.4	-3.3	47.3	41.2	42.8	34.1	6.2	11.5	7.5
Bank	●	16.2	9.9	12.9	-6.4	14.4	15.7	25.8	30.4	25.6	33.2	31.0

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