



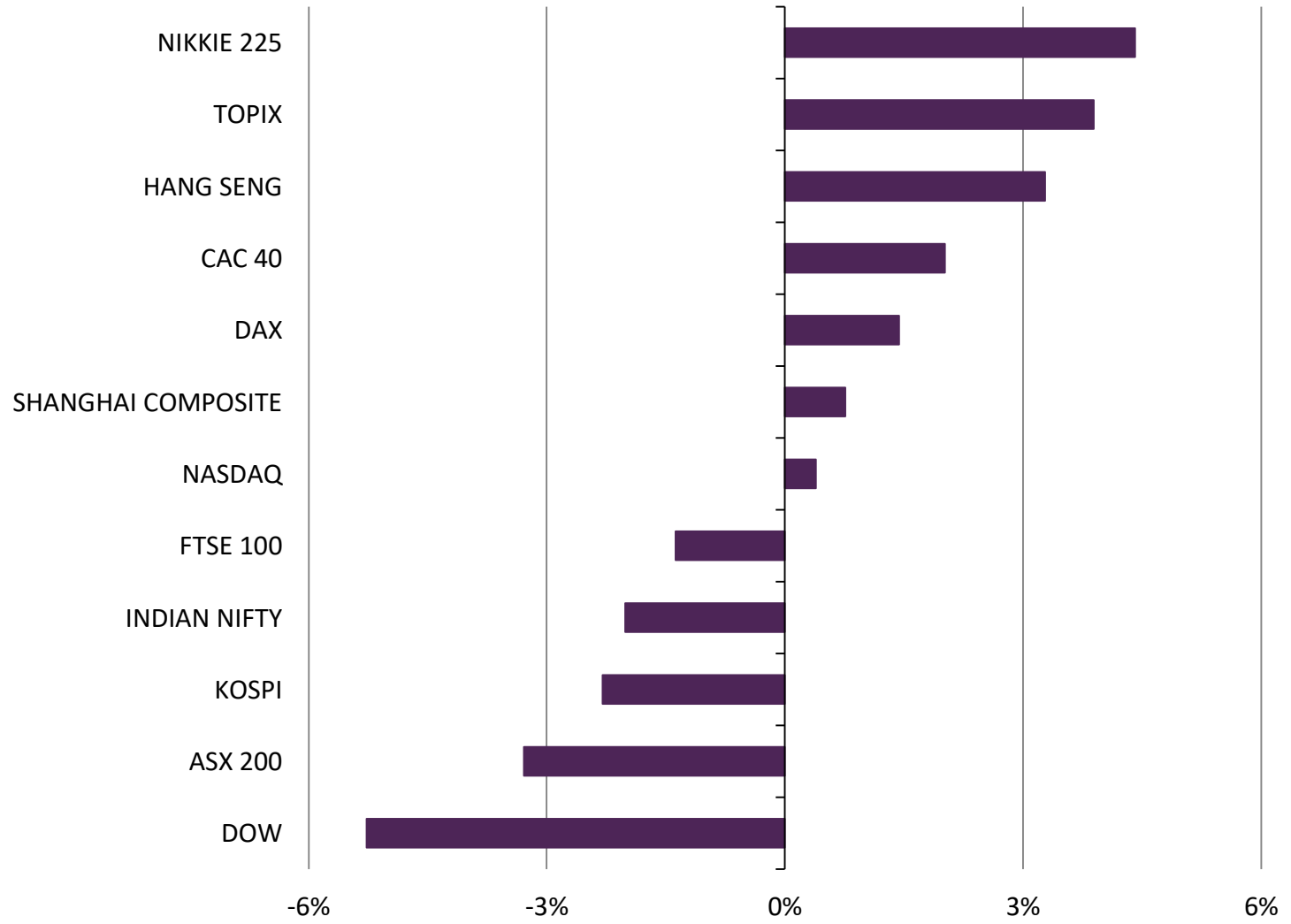
# BESPOKE

Advice for a select few

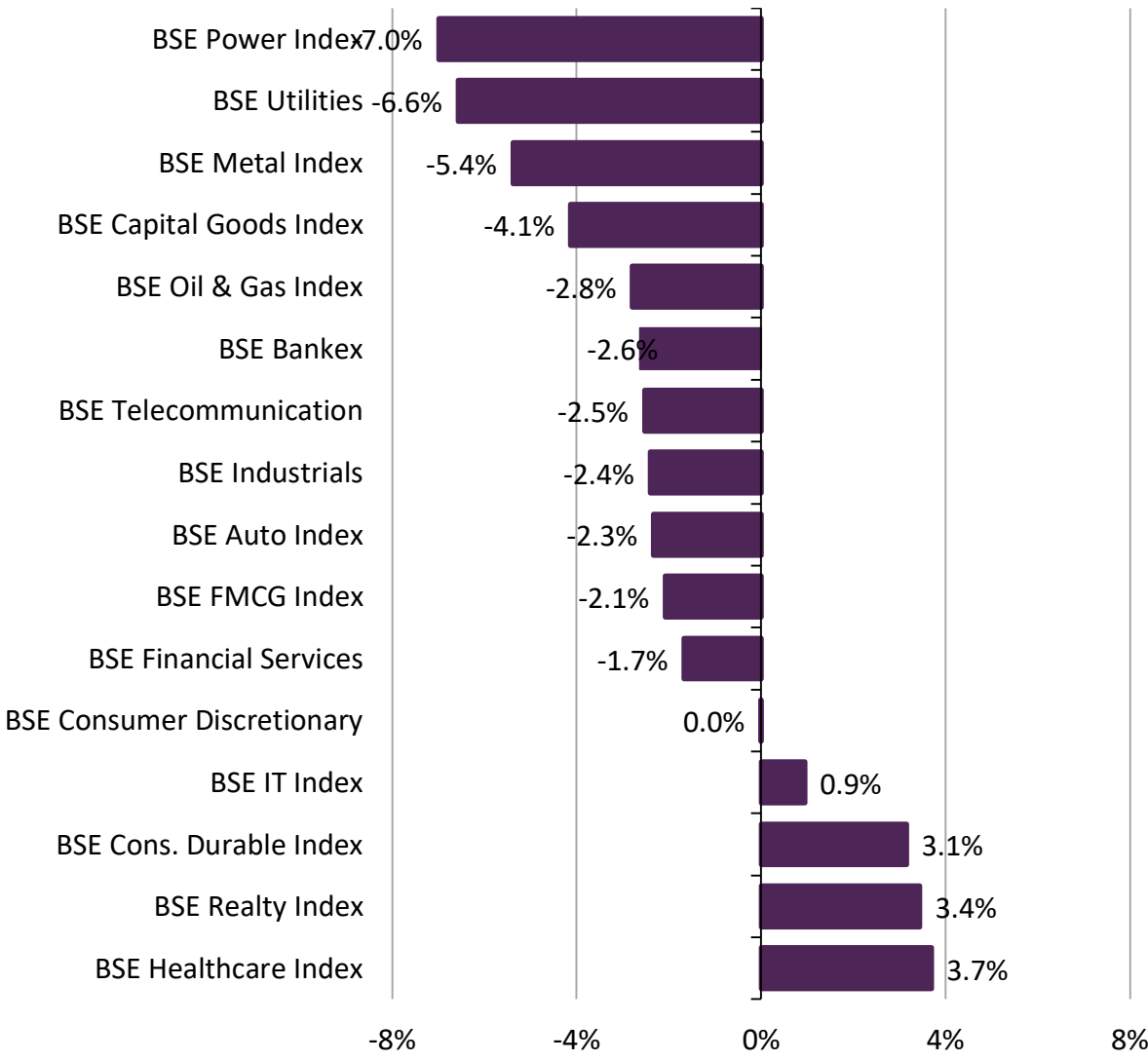
ANANDRATHI  
PRIVATE CLIENT GROUP  
EQUITY



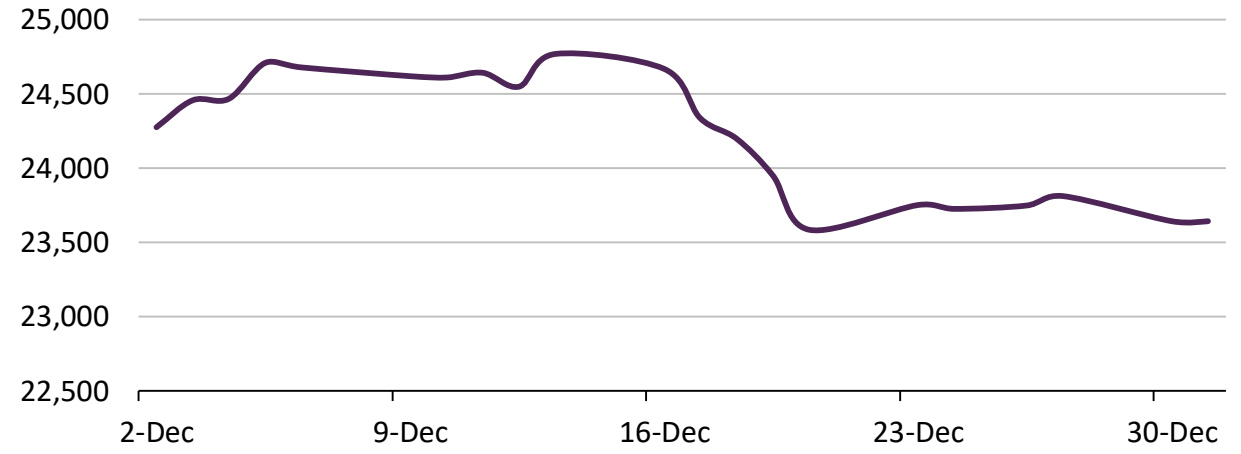
**Global Markets performance in Dec-24**



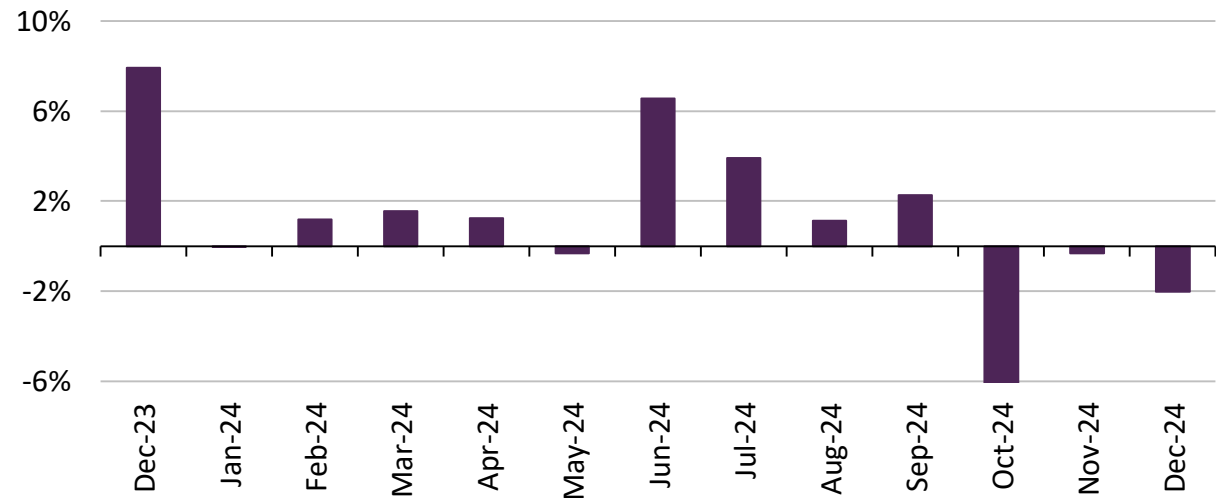
## Sector wise performance during the month



## NIFTY Performance in Dec 2024



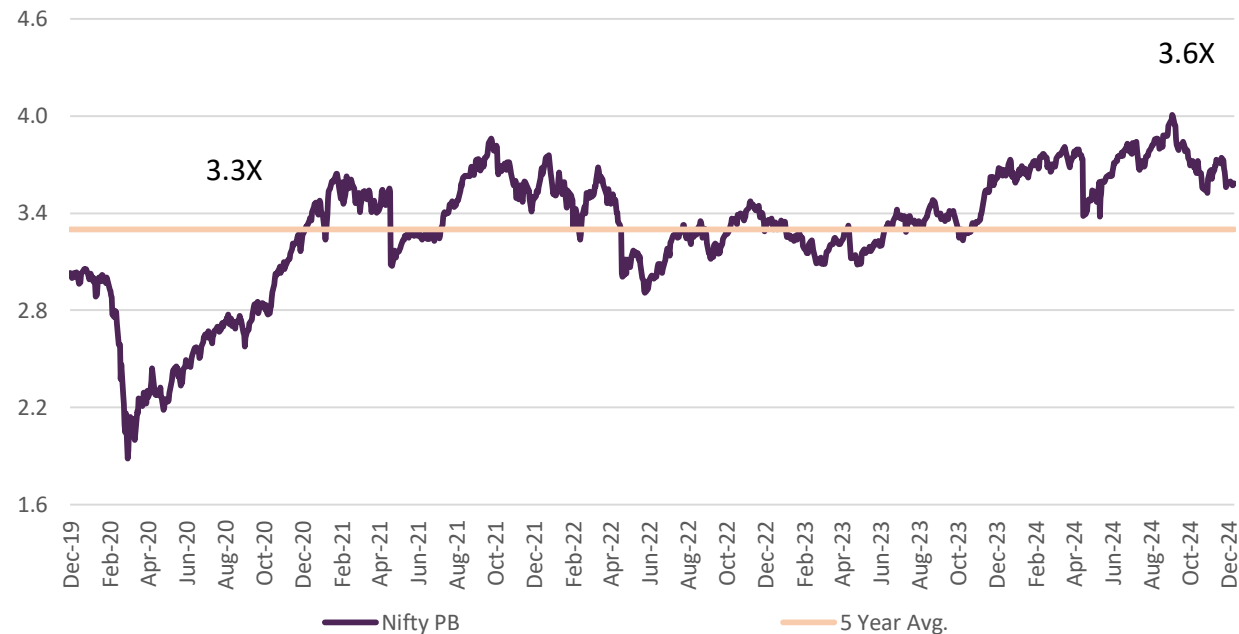
## NIFTY monthly performance for trailing 12 months



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

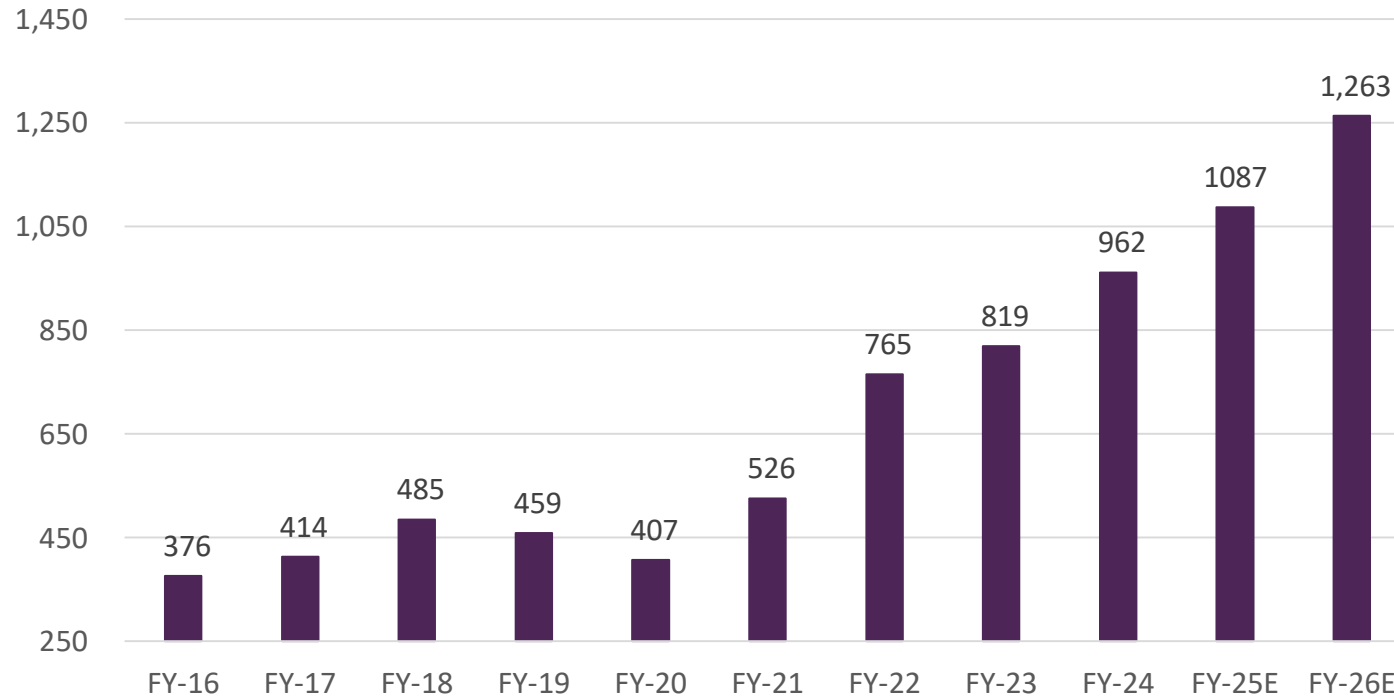


## Nifty Trailing 12M P/B & 5 Yr. Avg. P/B



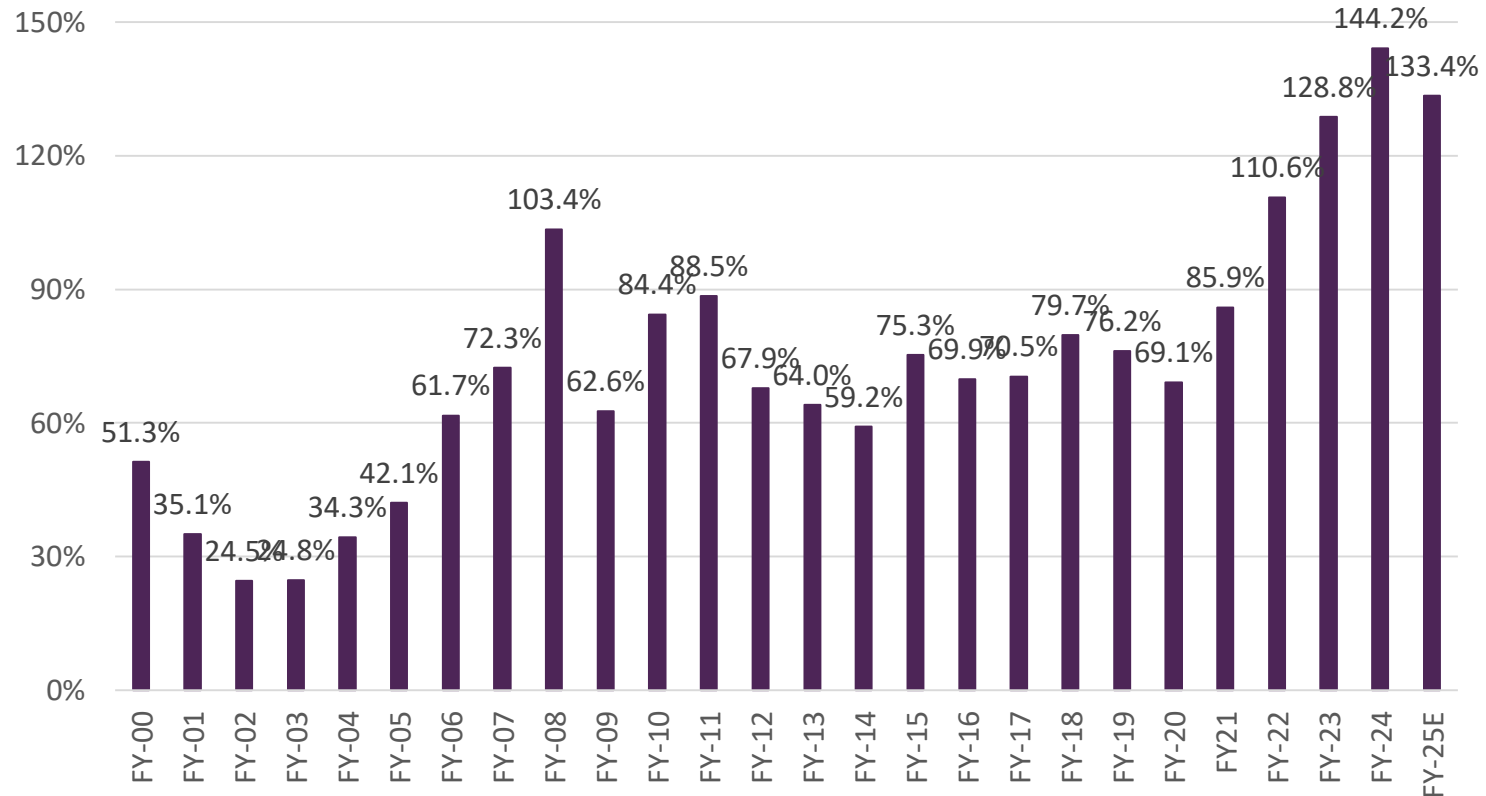
- Currently Nifty50 is trading at around 22.2x its trailing 12-month earnings while its five-year historical average price to earnings ratio stands at around 24.1x. A discount of 7.9% from its five-year historical average.
- In terms of price to book ratio, the Nifty50 is trading at around 3.6x its book value while its five-year historical price to book ratio stands at around 3.3x. Trading at premium of 8.6% to its five-year historical average.

### Nifty Historical and Estimated EPS (Consensus)



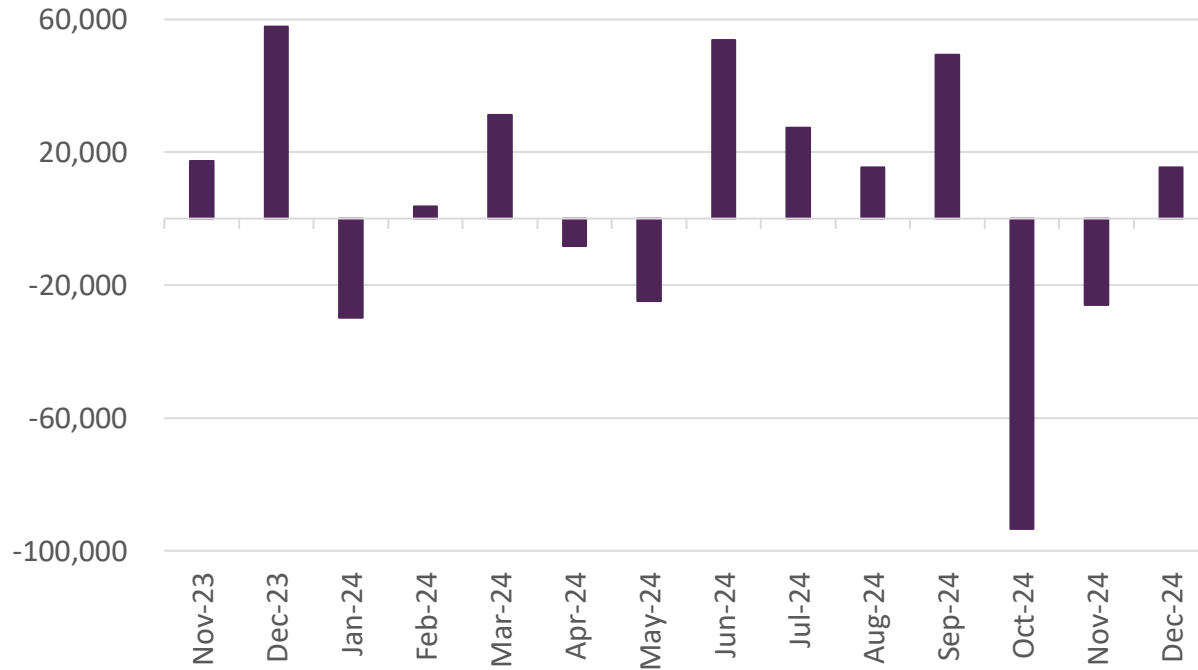
- From the financial year 2023 EPS the consensus estimates for Nifty50 from FY-24 to FY-26E expects earnings to grow at a CAGR of about 14.6%.

## India Market Cap. to GDP Ratio

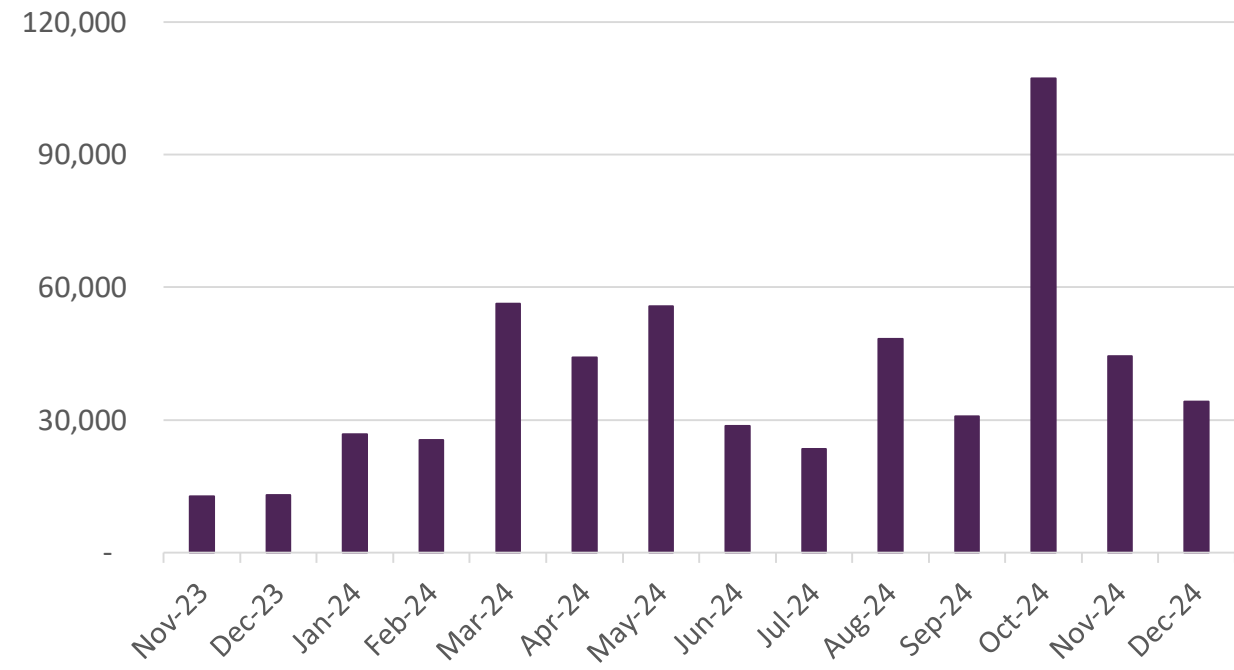


- Currently India's listed companies market capitalisation to GDP ratio stands at about 133.4% (FY-25E). The ratio is considered an indicative of overall equity market sentiments and cycles.
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### FII Monthly Inflows in Equity (₹ Crore)

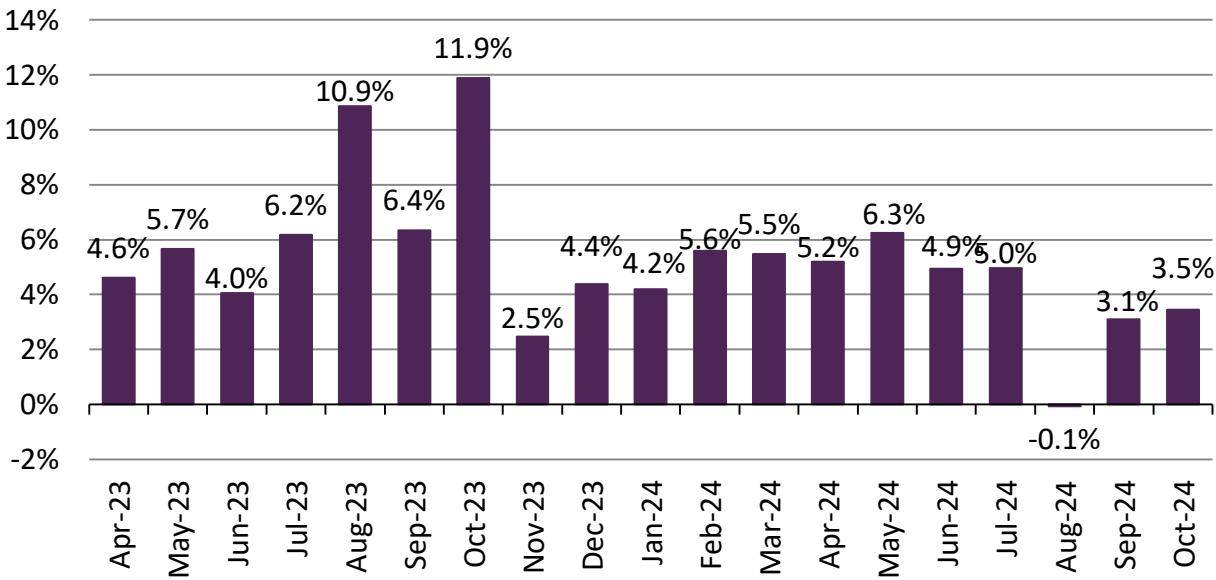


### DII Monthly Inflows in Equity (₹ Crore)

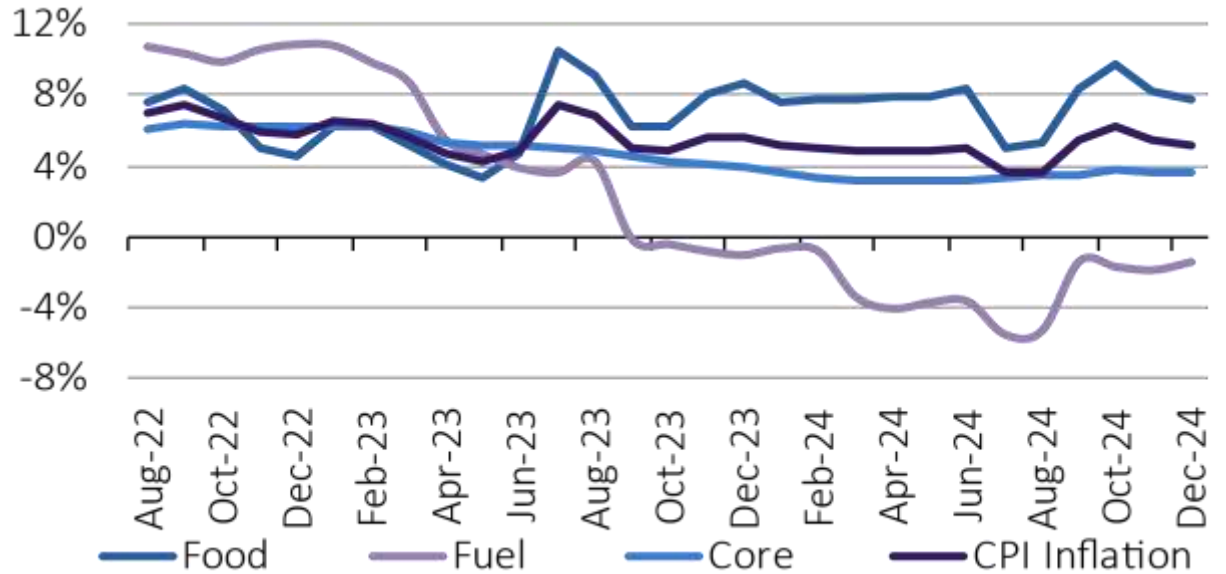


- FII monthly flows for the month of Dec-24 has seen net inflows of almost ₹15,448 crores
- On the other hand, domestic funds have seen monthly net inflows of around ₹34,195 crores, maintaining its positive flows for the last twelve months.

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



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



- Index of Industrial Production (IIP) data for the latest month Oct-24 witnessed a growth of 3.5% on an annual basis. The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of October 2024 are 0.9%, 4.1% and 2.0% respectively. Within the manufacturing sector, 18 out of 23 industry groups have recorded a positive growth YoY.
- CPI in Dec'24 eased to 5.2%, slightly above our estimated 5.1% and down from 5.5% the month prior. Average inflation for the quarter was 5.6%, in line with the RBI's 5.7% projection at its last Monetary Policy Committee (MPC) meeting. Food inflation moderated a further 50bps due to the sequential fall in vegetables and pulses inflation. Core inflation in Dec'24 held steady at 3.9% as most service category items were largely unchanged.

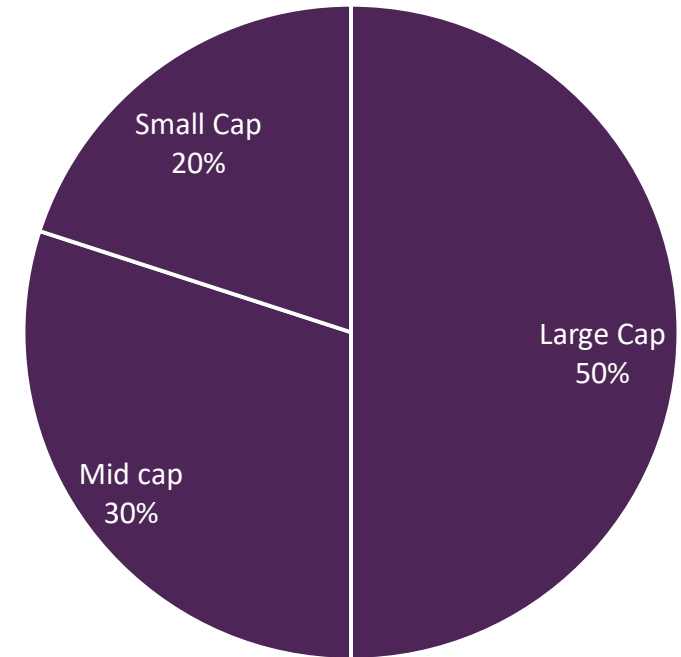


# Top Ideas

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	Mahindra & Mahindra 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	Tejas Networks Ltd.

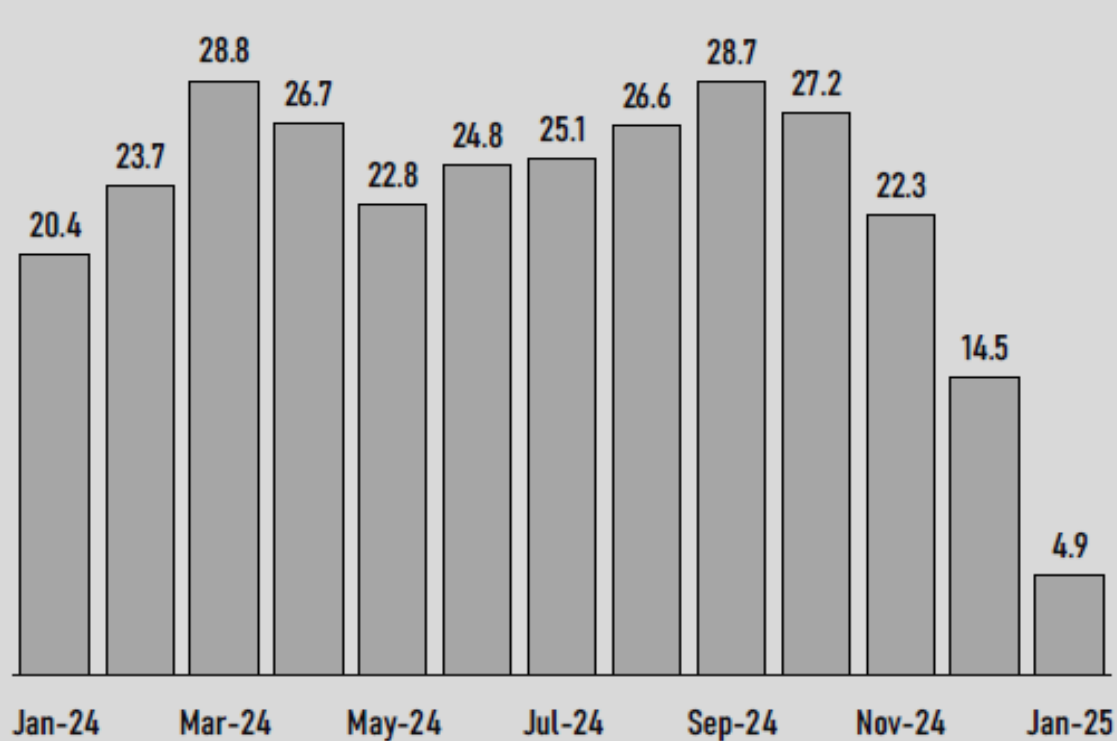
S.No.	Small Cap
1	Rainbow Children's Medicare Ltd.
2	Jyoti CNC Ltd.
3	Chalet Hotels Ltd.
4	Electronics Mart India Ltd.



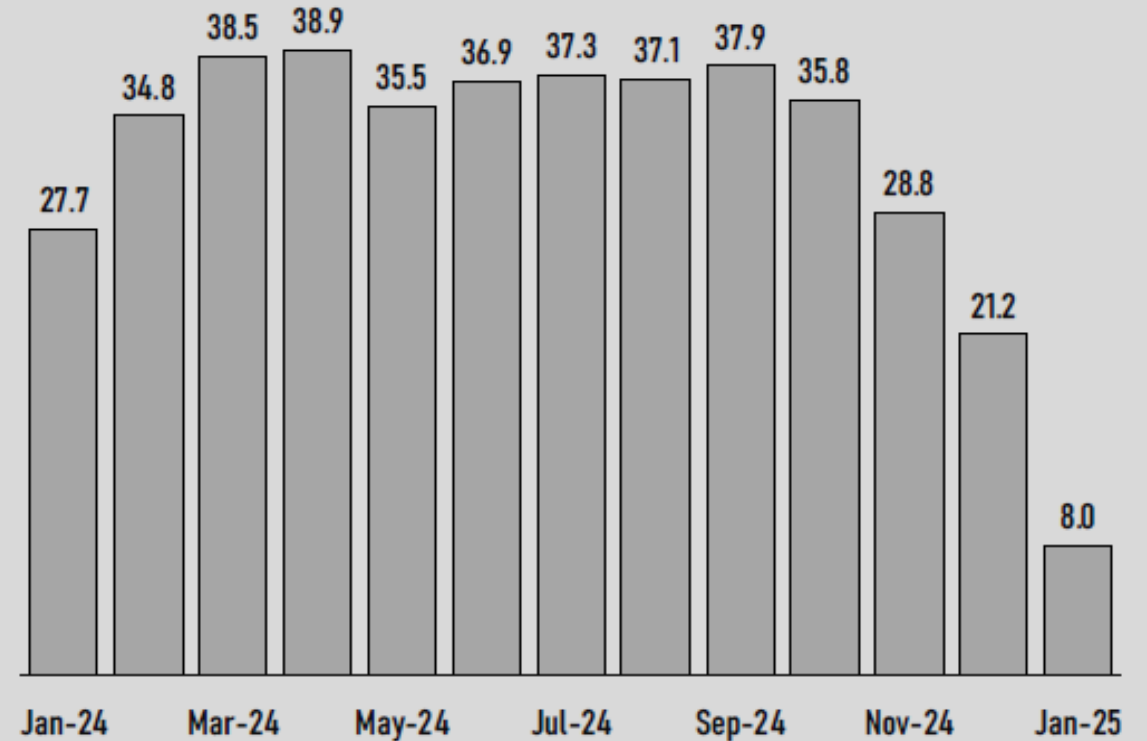
NOTE: The strategy has shifted from individual weight based to equal distribution.

# Equity Market Returns Falling for the Fourth Successive Month

Nifty 50 Annualised Return, %



Nifty 500 Annualised Return, %



## Factors, Which are Keeping the Market Down



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Trump Trade,  
Global  
Uncertainties



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GDP Growth and  
Corporate  
Earnings



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Regulatory  
Changes in  
Trading



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Nine Successive  
Years of Positive  
Returns



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Concerns on  
Valuation of  
Indian Equities

## Factor which Influence the Equity Market the Most in Medium/Long-Term



Economic  
Fundamentals



Corporate  
Earnings



Domestic  
Liquidity



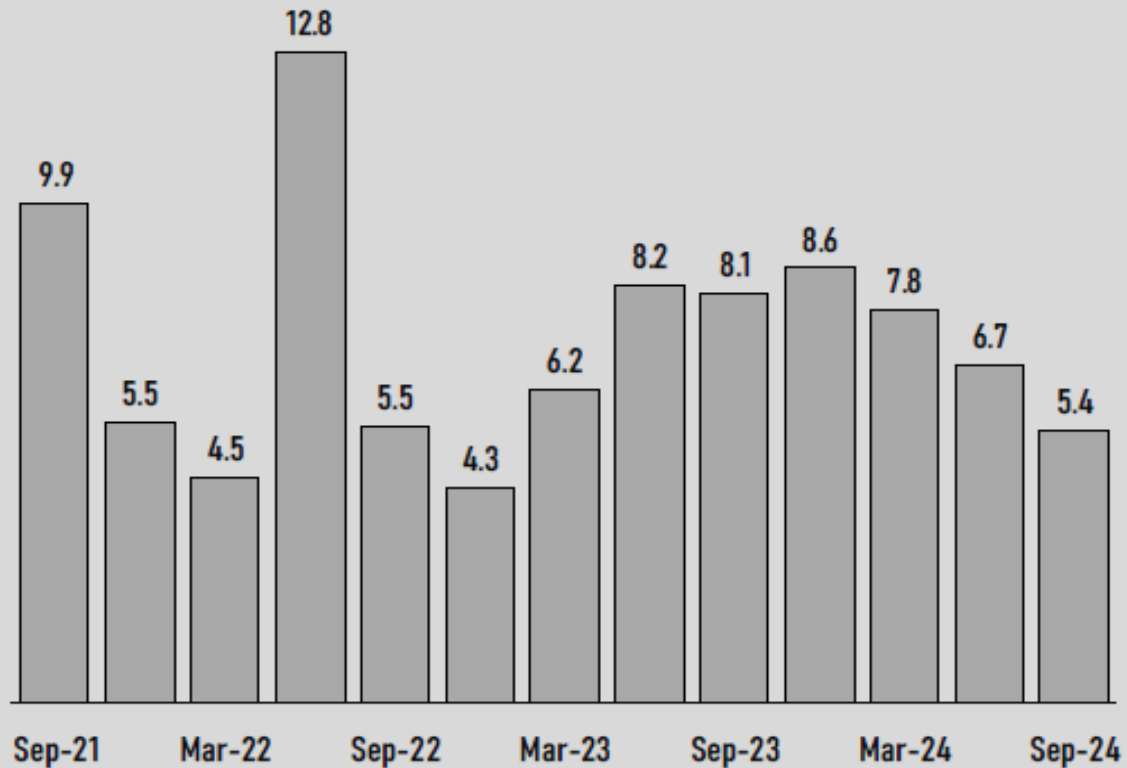
Foreign  
Liquidity



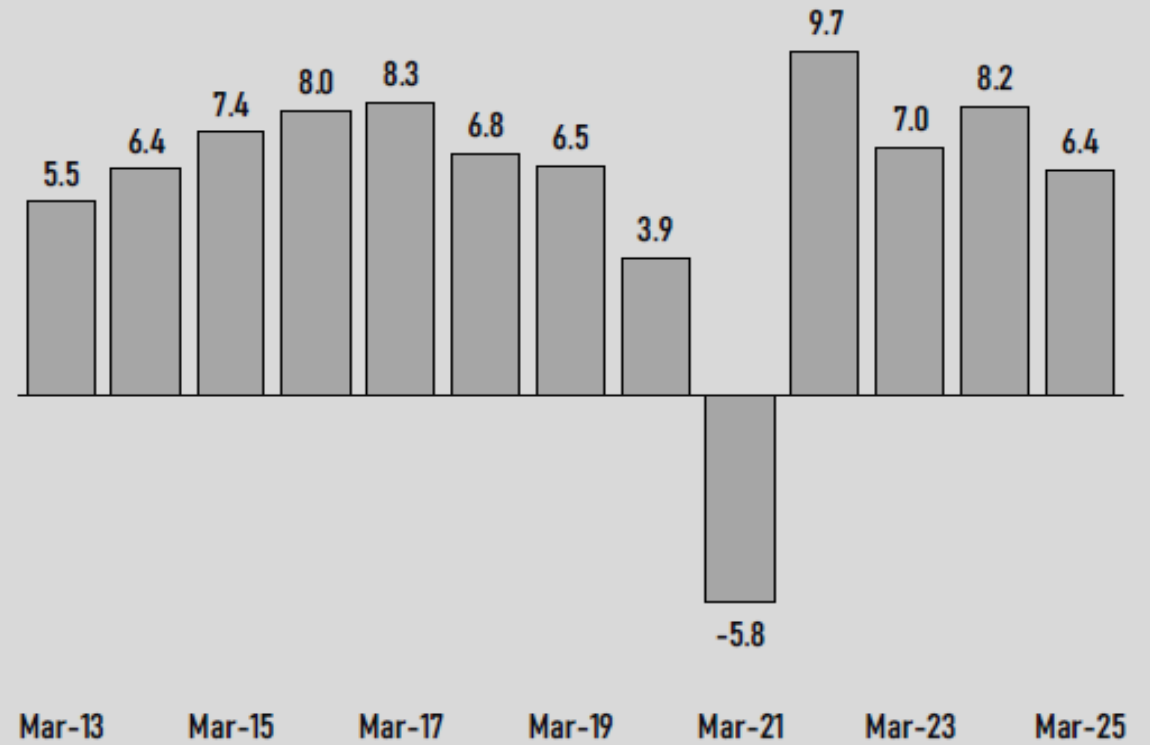
Equity  
Valuation

# Sharp Drop in Real Economic Growth

Quarterly GDP Growth, %

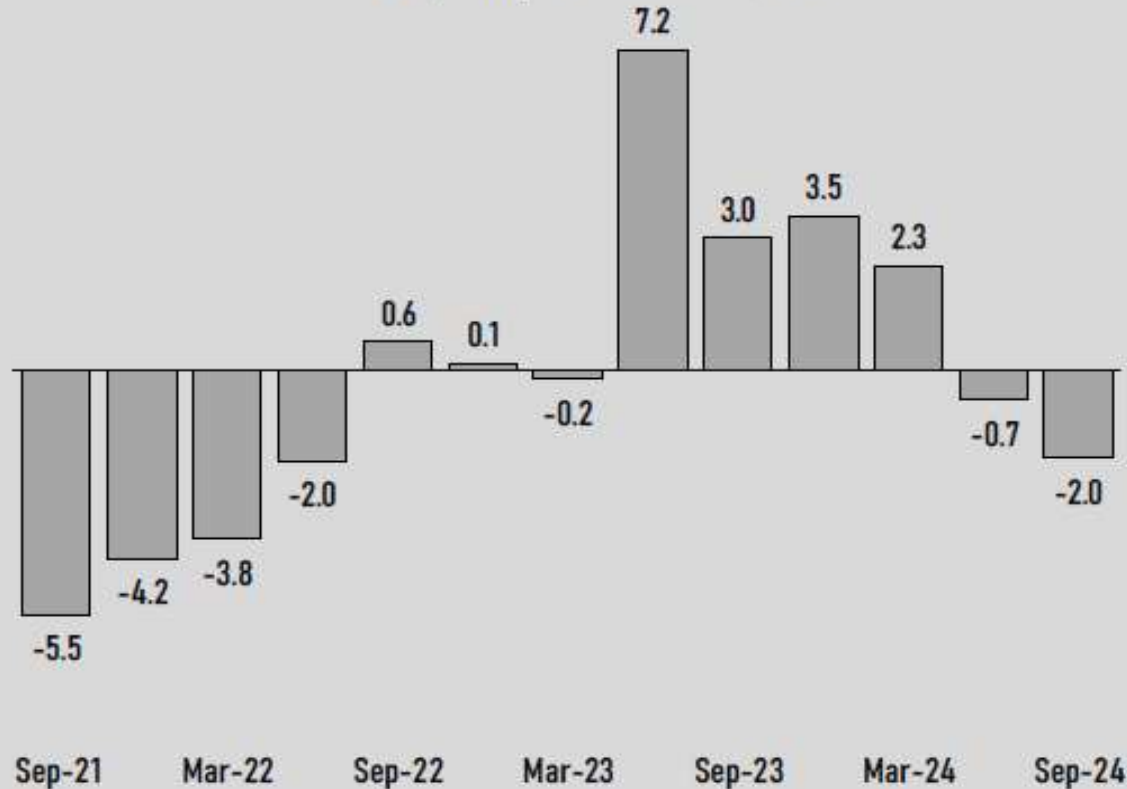


Annual GDP Growth, %

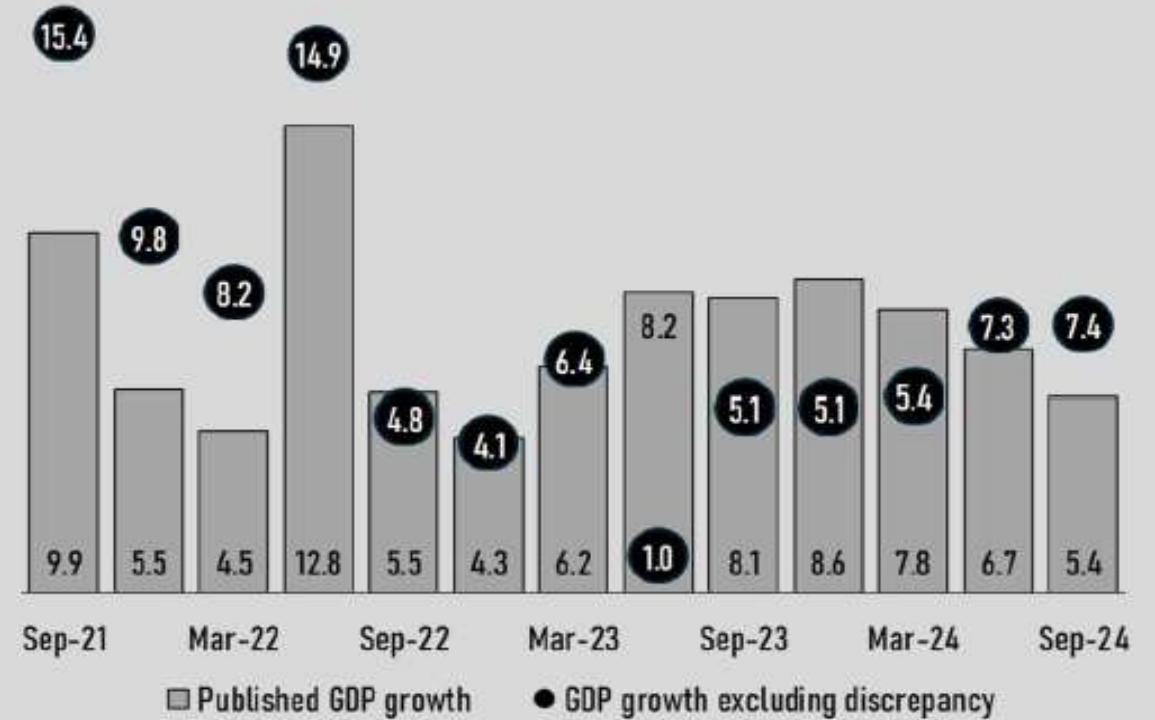


# Unexplained Factor Impacted GDP Growth in Latest Quarter











Discrepancy to GDP Ratio, %












GDP Growth with and without Discrepancy, %



## Investment Activities Looking Up









	Steel productio	Cement productio	Capital goods	Capital goods	Cargo traffic	Credit to industry	Diesel consumpti	Electricity generatio	FDI to India	Frieght traffic
12M trend										
Latest	4.8	13.0	9.0	12.8	3.4	8.0	6.0	5.3	-23.9	3.6
Previous month	5.2	3.1	3.1	-3.4	-5.0	7.9	8.5	3.8	-2.7	3.6
Two months ago	1.6	7.2	3.6	18.7	-3.4	8.9	0.1	0.8	73.4	3.1
FYTD25	5.9	3.1	4.5	8.2	2.7	8.7	2.2	5.3	15.5	3.3
FY24	12.5	8.9	6.3	-14.9	11.5	6.9	4.3	10.3	-0.1	5.7

## Urban Consumption Turning Around

y/y %	IIP Durables	Airport traffic	CPI Urban	Retail credit	Consumer imports	Petrol consumpti	PV sales	GST	Toll collection
12M trend									
Latest	13.2	13.2	4.6	10.6	96.7	10.8	4.0	7.3	13.3
Previous month	5.7	9.8	4.9	29.8	-30.9	9.6	0.9	8.5	14.5
Two months ago	6.5	8.1	5.6	19.6	-8.2	8.7	-1.4	8.9	10.4
FYTD25	8.7	8.6	4.3	20.3	12.1	8.0	0.9	9.1	10.9
FY24	3.6	15.0	5.1	22.8	6.2	6.4	8.3	11.6	19.7

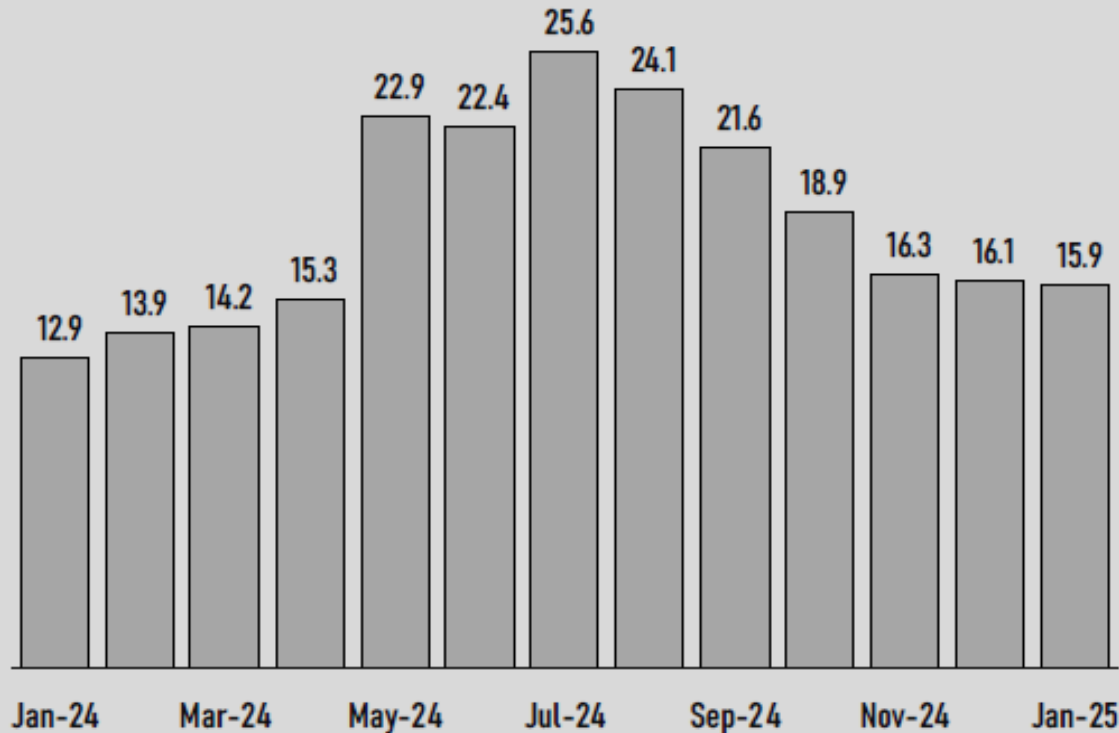


## Rural Consumption Slowed

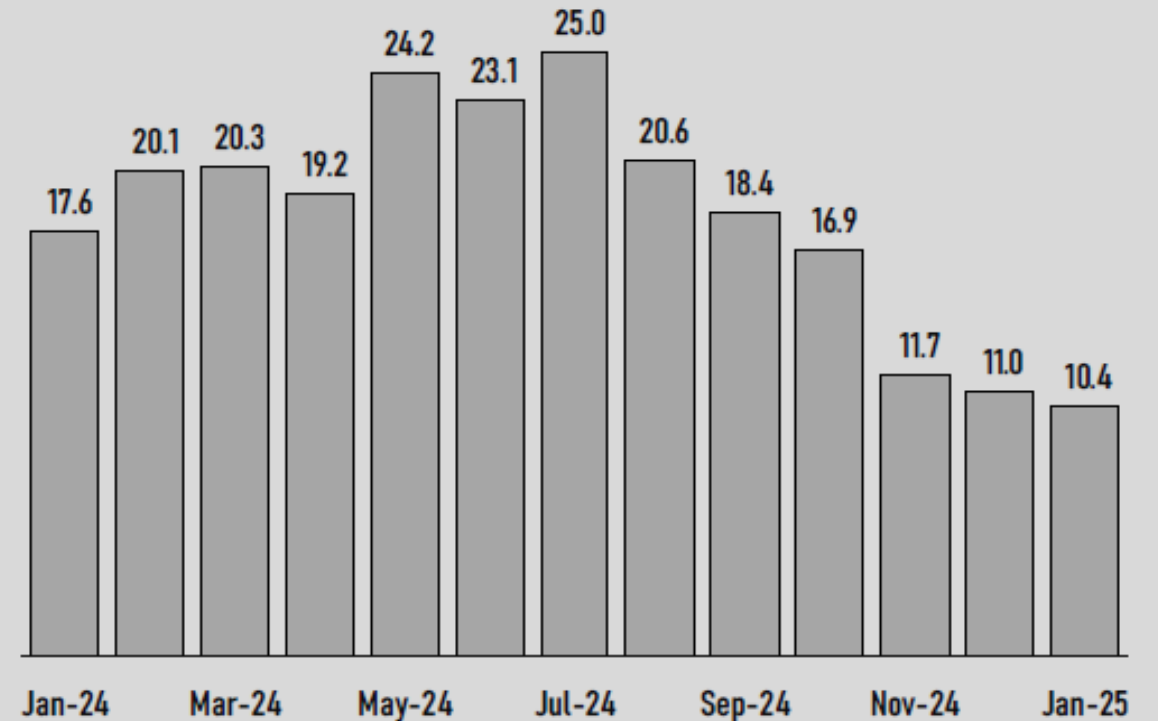
y/y %	IIP non-durables	Gov rural expenditure	AVG daily wages	MGNREGA work demand	DBT transfers	Two wheeler sales	Tractor sales	CPI Rural
12M trend								
Latest	0.6	-52.7	6.2	7.3	38.4	-1.2	-1.3	5.8
Previous month	2.6	361.8	6.4	3.0	84.0	14.2	22.4	6.0
Two months ago	2.2	89.2	6.4	-9.2	-6.4	15.8	3.7	6.7
FYTD25	-0.5	17.6	6.4	-11.4	19.8	13.7	4.3	5.4
FY24	4.1	-2.3	8.1	0.4	23.8	13.3	-7.4	5.6

# Listed Company Earning Decelerating for Seven Successive Quarters

Nifty 50 Earnings Growth, %

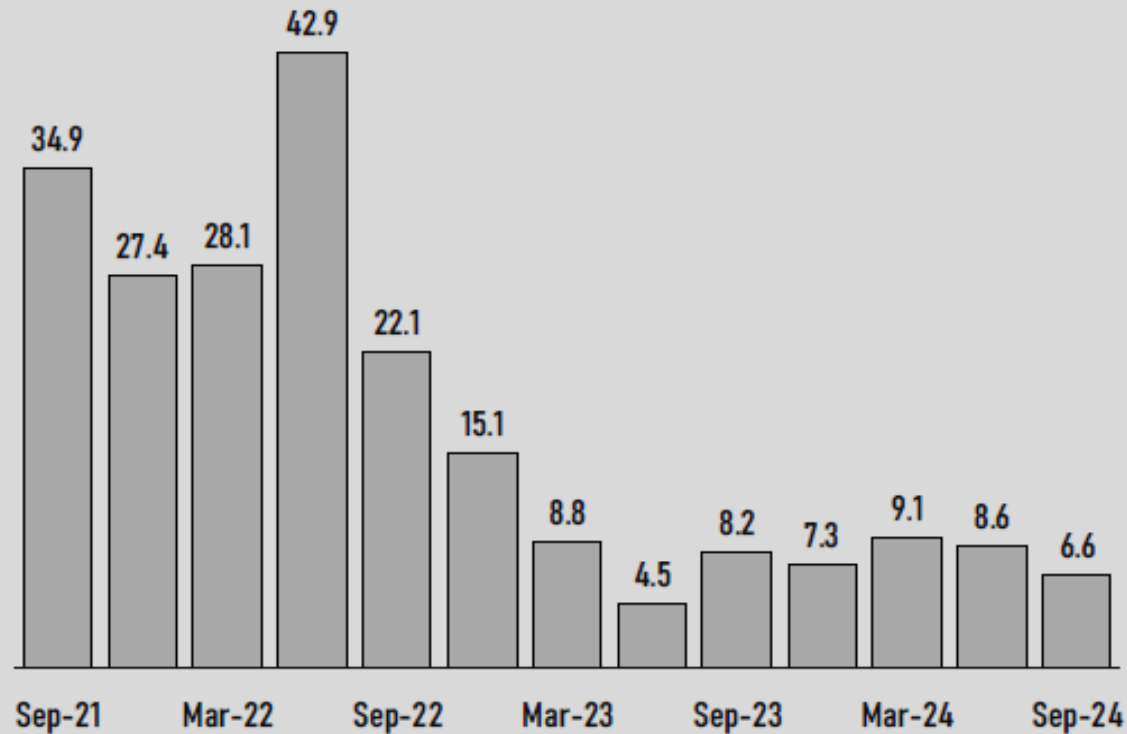


Nifty 500 Earnings Growth, %

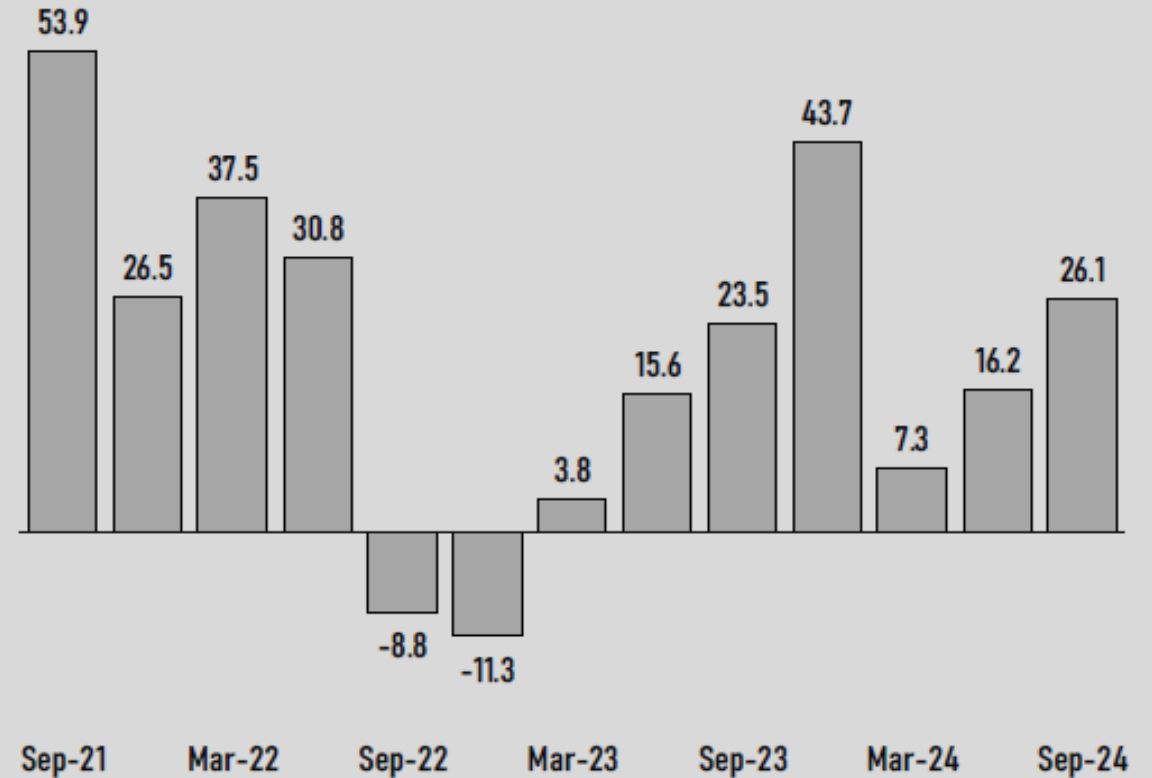


# Broad-based Corporate Data Show Depressed Sales for 7-Quarters

Corporate Sales Growth, %

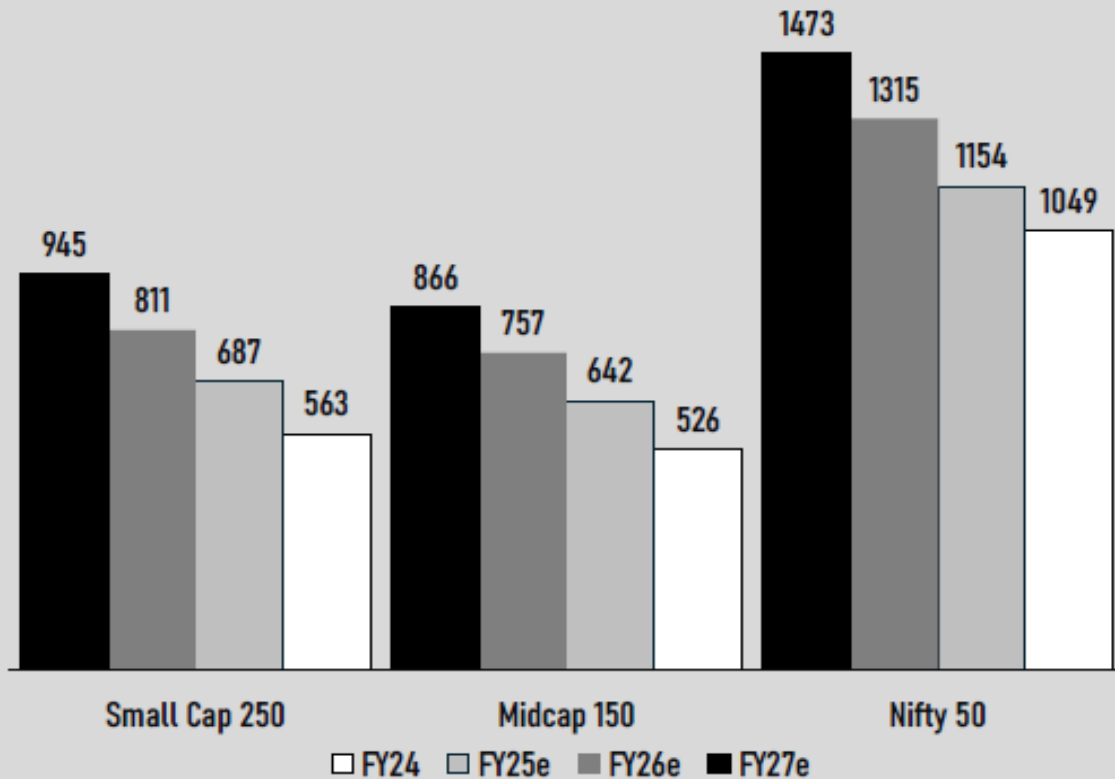


Corporate Profit Growth, %

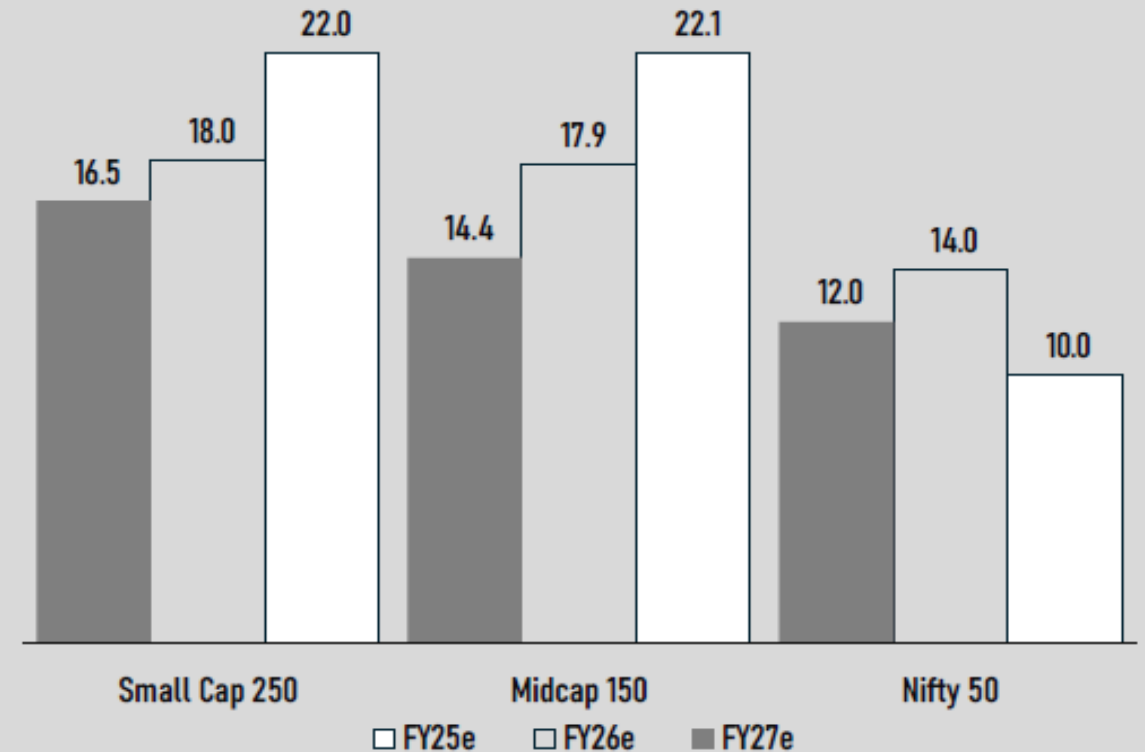


# Market Building in Strong Earnings Expectations

Corporate Earnings per Share (EPS), Rs.

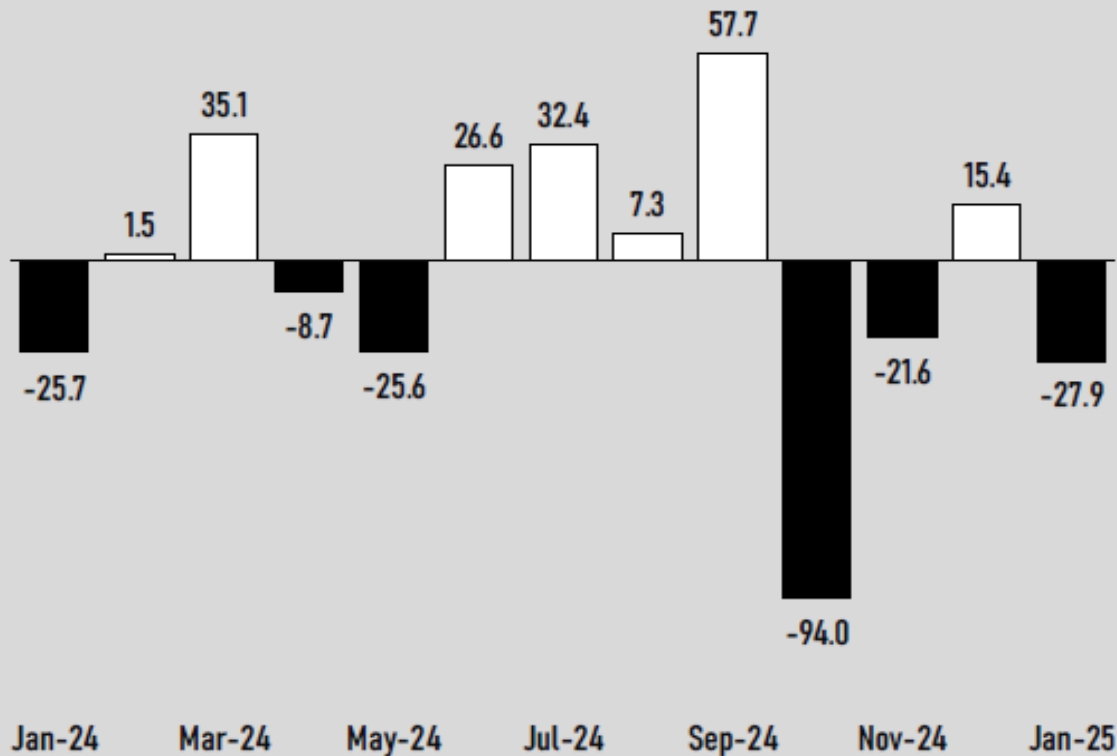


Corporate Earnings per Share (EPS) Growth, %

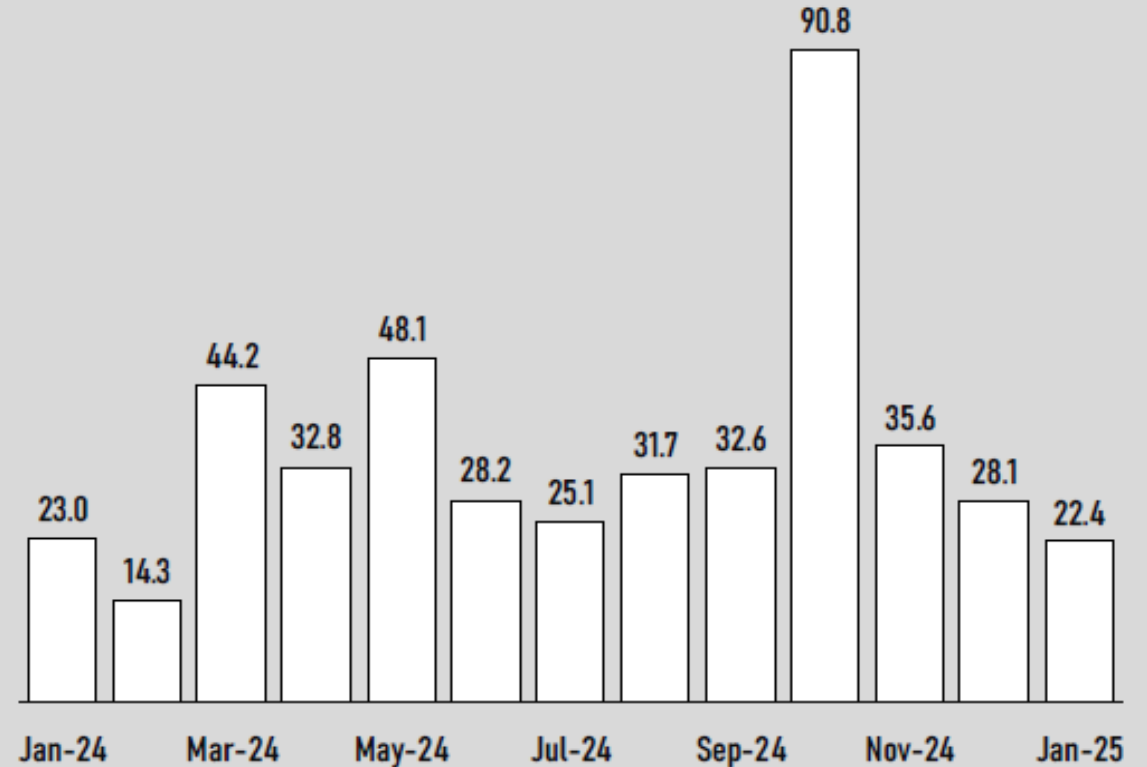


# No FPI Equity Inflow in 2024, MFs Net Buyers of Rs. 4.35 Lakh Crore

FPI Flows into Equities, Rs.'000 crore

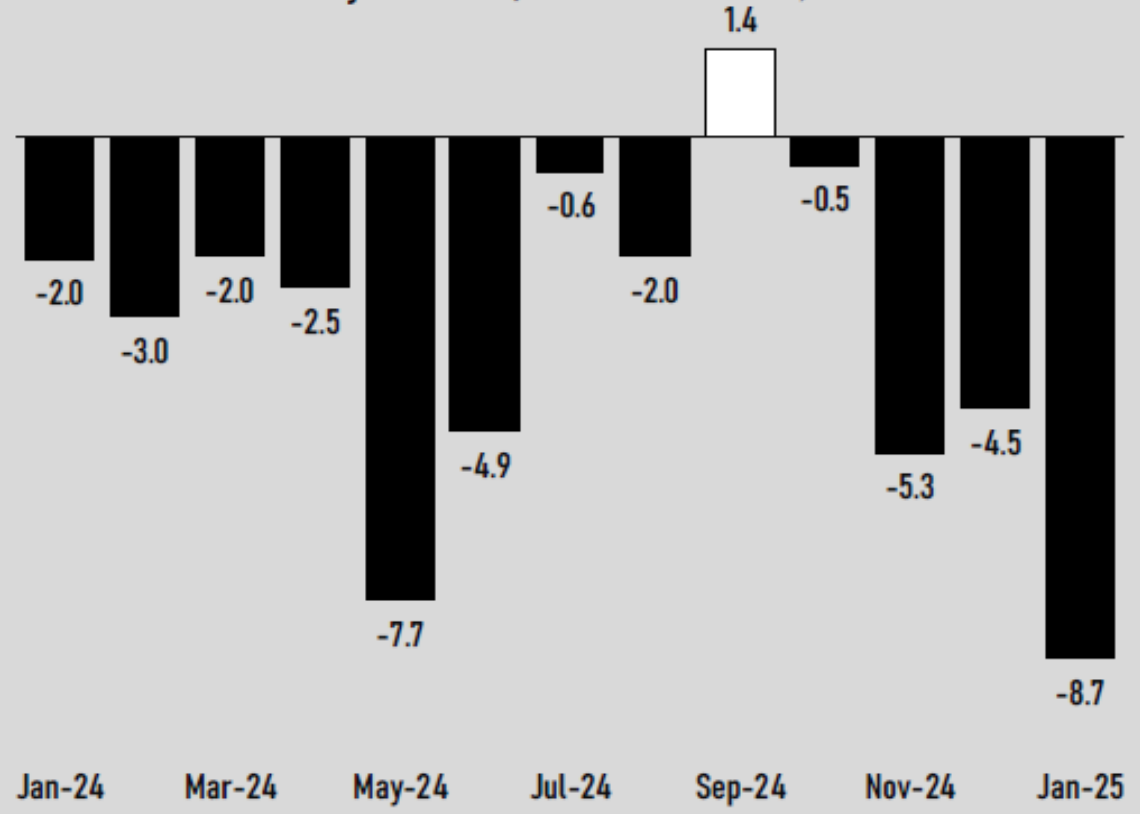


MF Flows into Equities, Rs.'000 crore

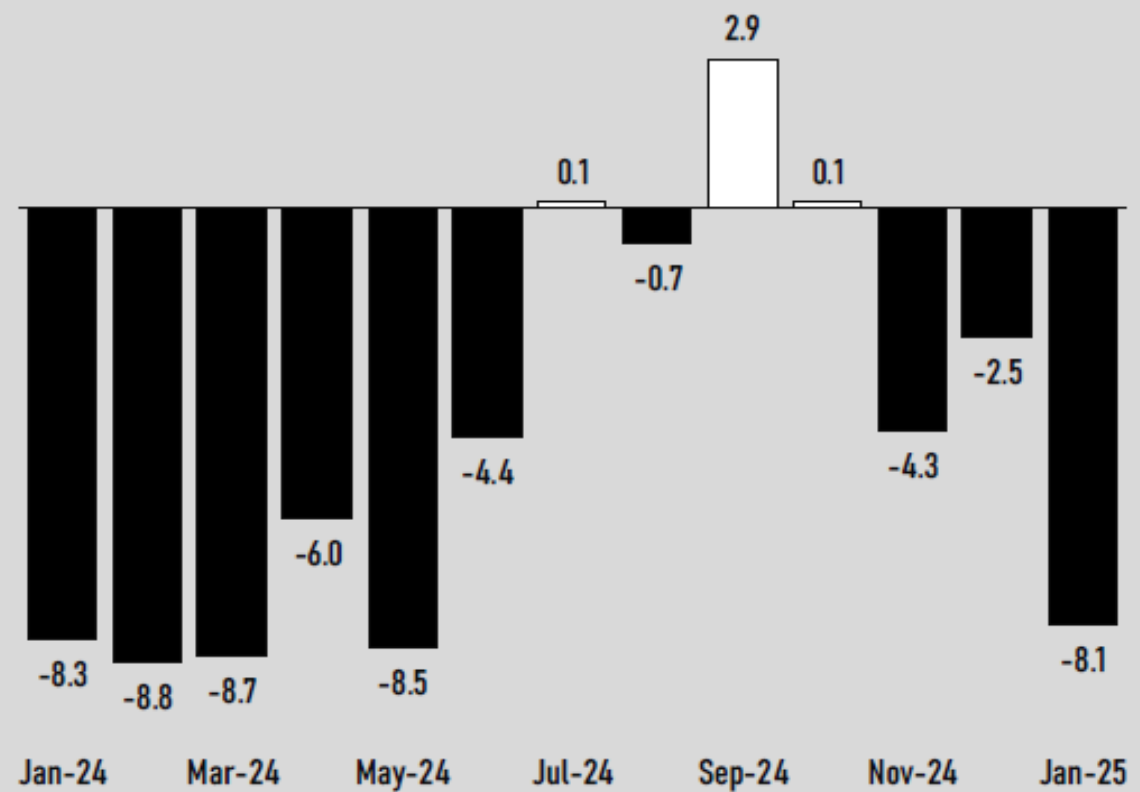


# Equity Valuations at Discount Currently vs. Long-term Averages

Nifty 50 Over/Undervaluation, %

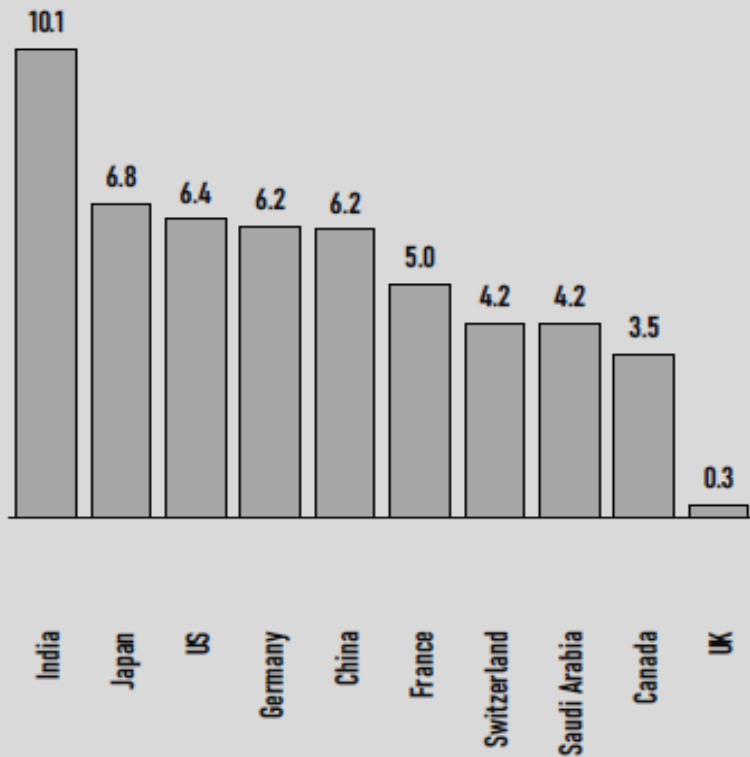


Nifty 500 Over/Undervaluation, %

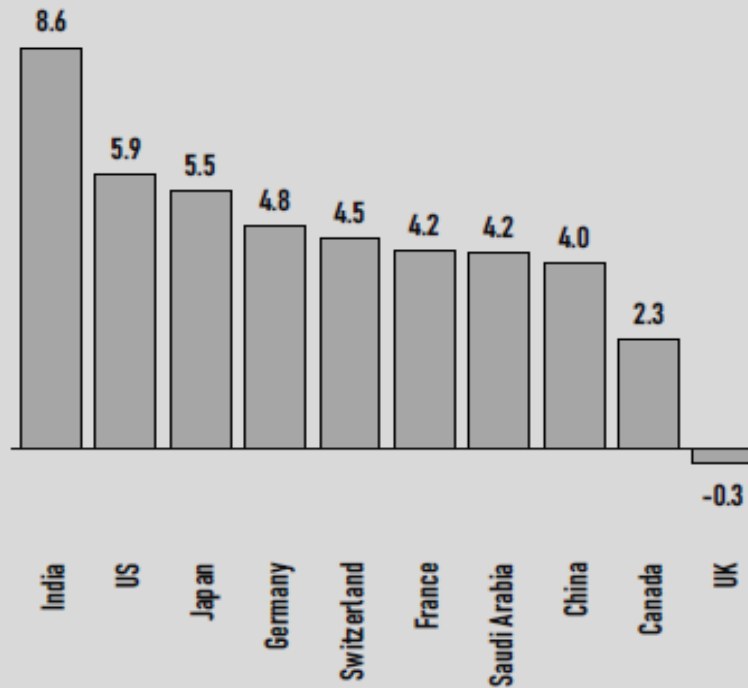


# India Best Performing Equity Market by US Dollar Return in Last 10 years

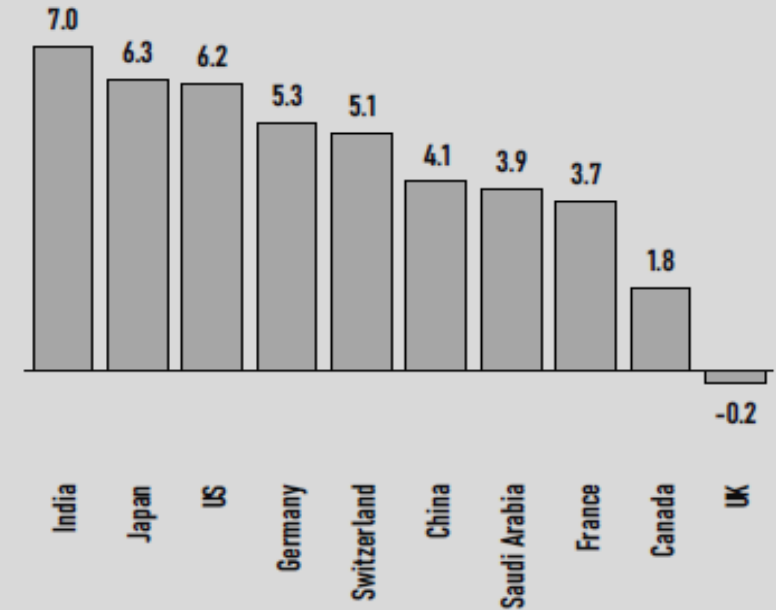
Average 1-year USD return - 2015-24, %



Average 3-year USD return - 2015-24, %



Average 5-year USD return - 2015-24, %



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