



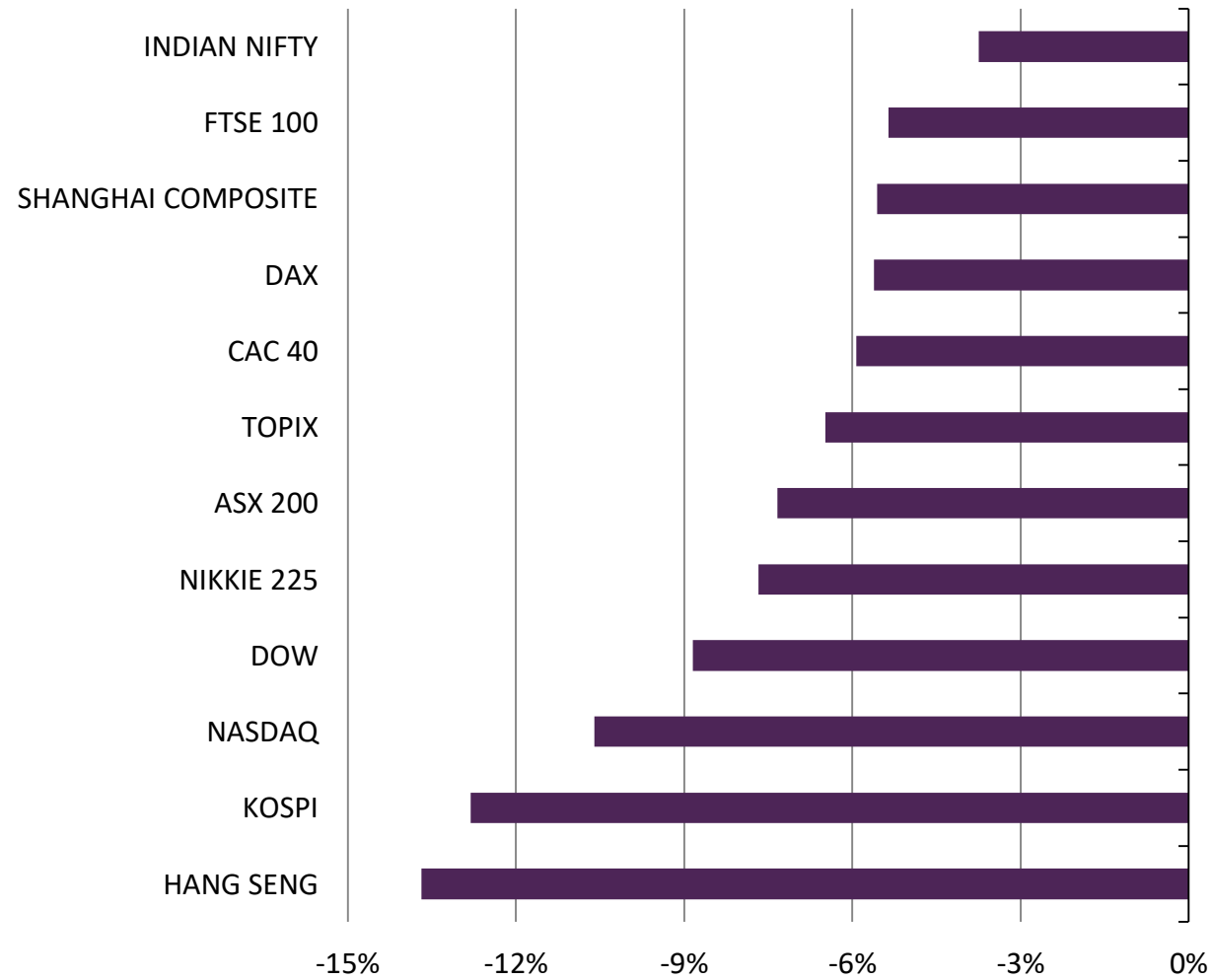
BESPOKE

Advice for a select few

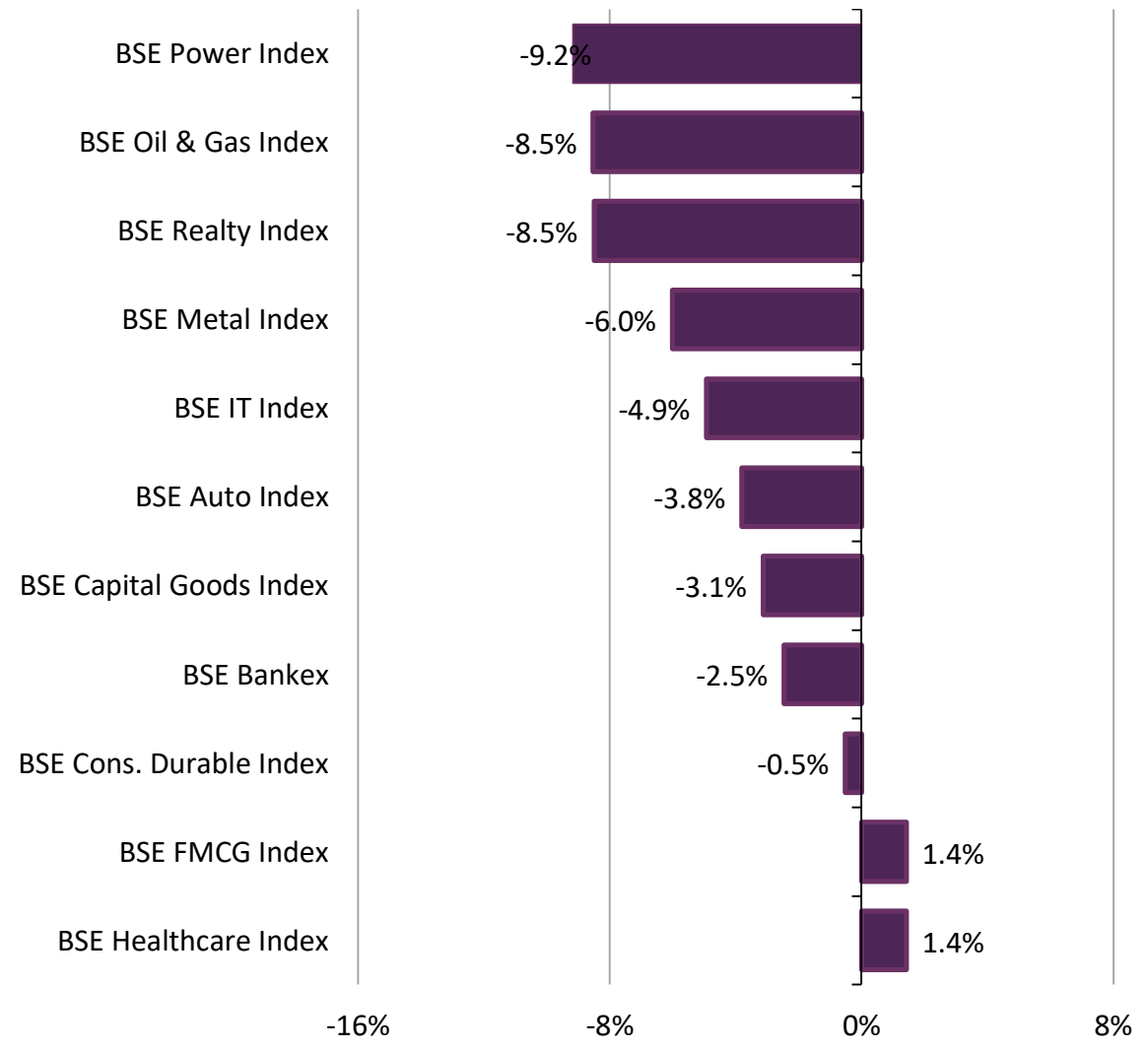
ANANDRATHI
PRIVATE CLIENT GROUP
EQUITY



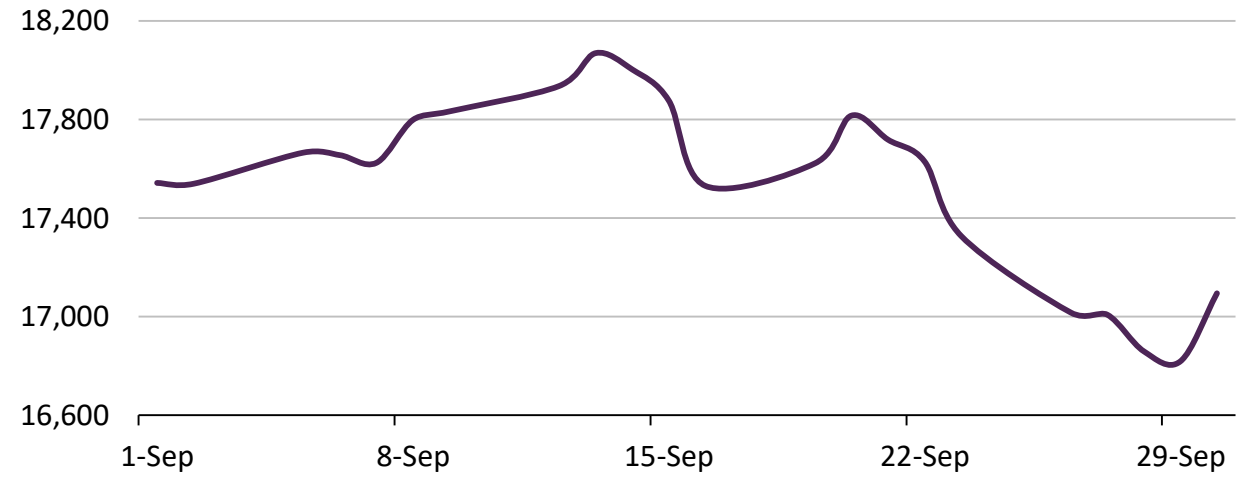
Global Markets performance in Sep-22



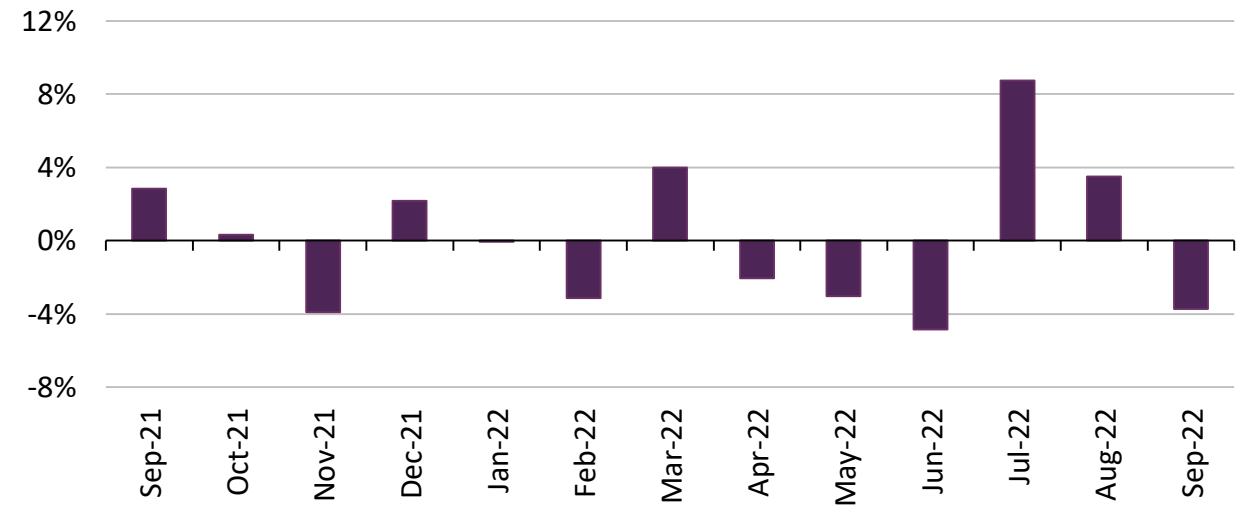
Sector wise performance during the month



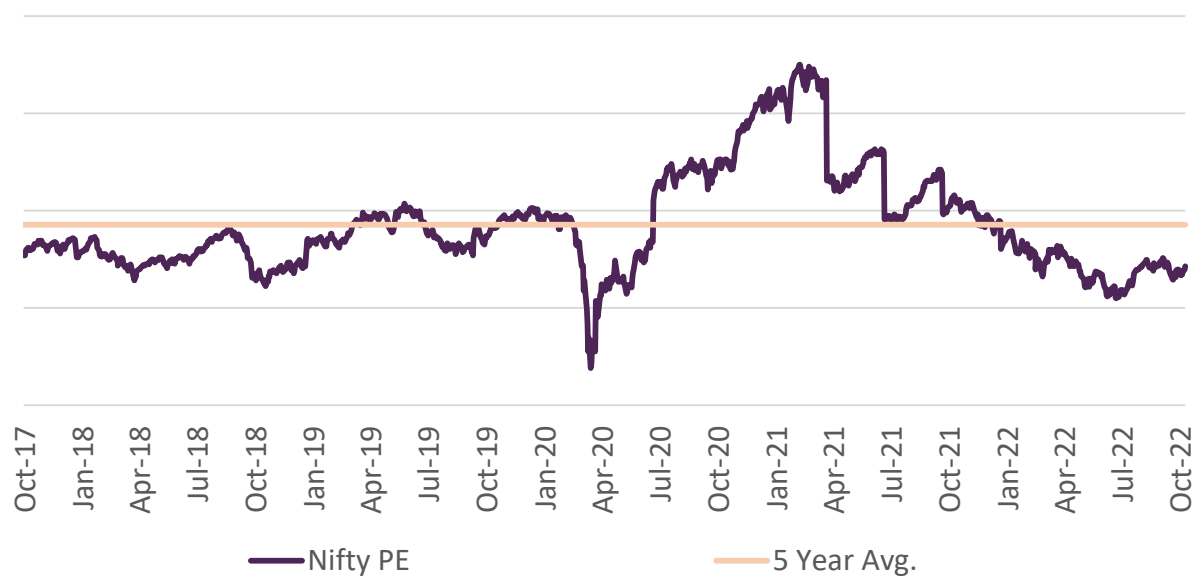
NIFTY Performance in Sep 2022



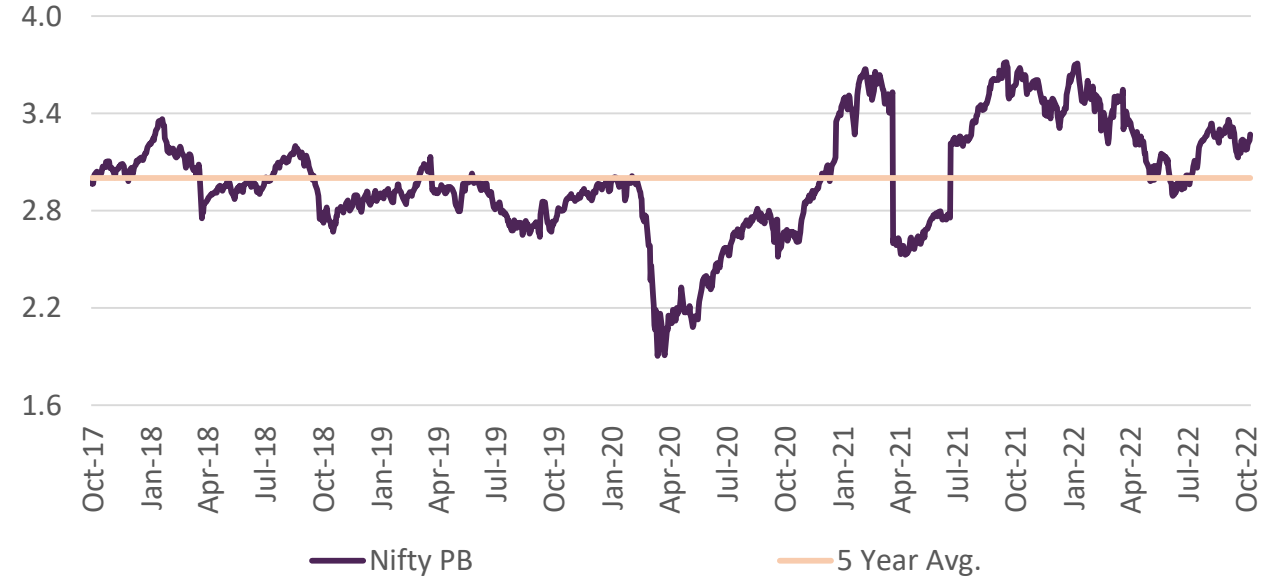
NIFTY monthly performance for trailing 12 months



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

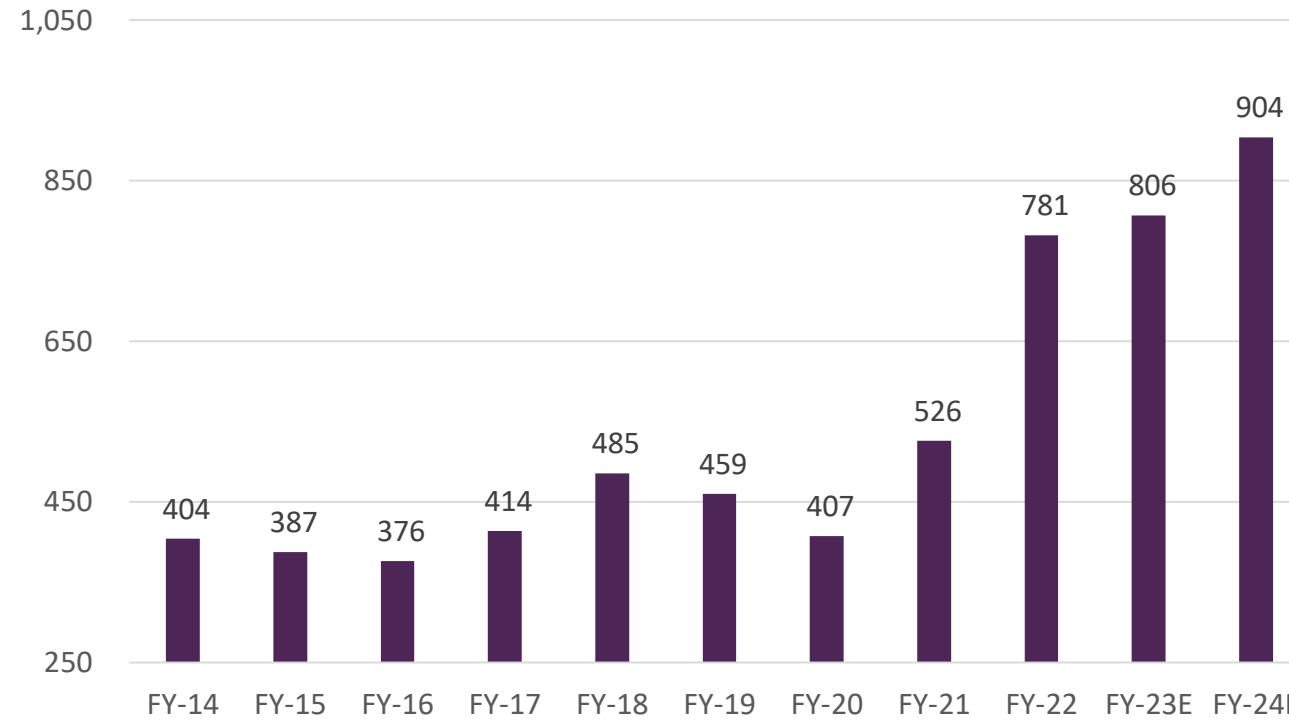


Nifty Trailing 12M P/B & 5 Yr. Avg. P/B



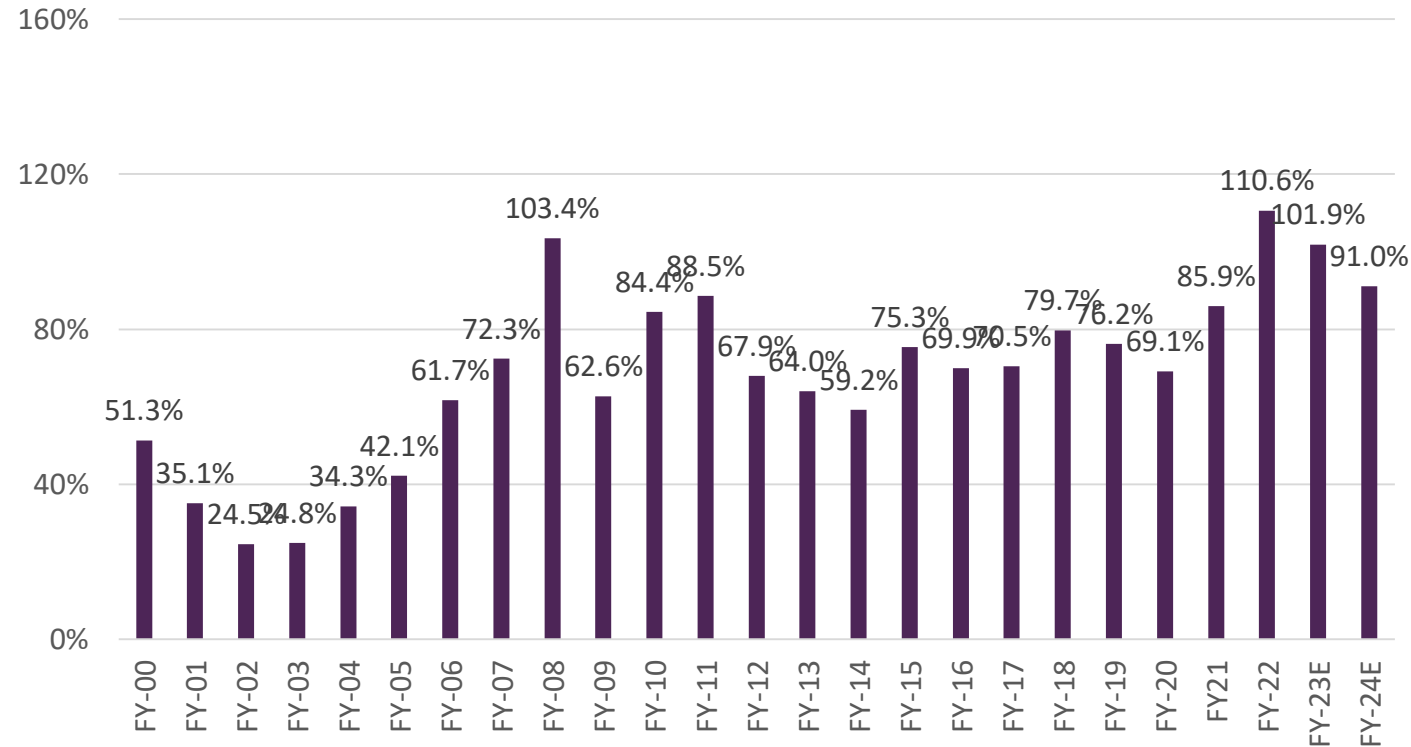
- Currently Nifty50 is trading at around 22x its trailing 12 month earnings while its five year historical average price to earnings ratio stands at around 25x. A discount of around 12% from its five year historical average.
- In terms of price to book ratio, the Nifty50 is trading at around 3.3x its book value while its five year historical price to book ratio stands at around 3x. A premium of about 9% to its five year historical average.

Nifty Historical and Estimated EPS (Consensus)



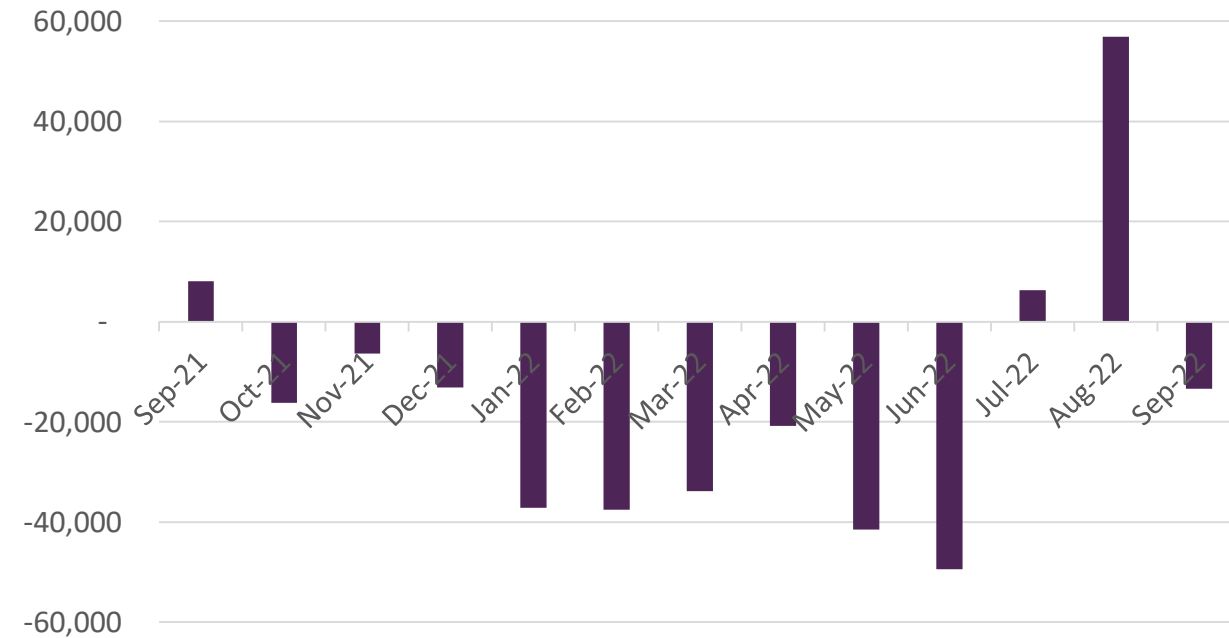
- Nifty50 earnings are estimated (consensus) to grow at a CAGR of about 19.8% in next three years from FY21 onwards till FY24.

India Market Cap. to GDP Ratio

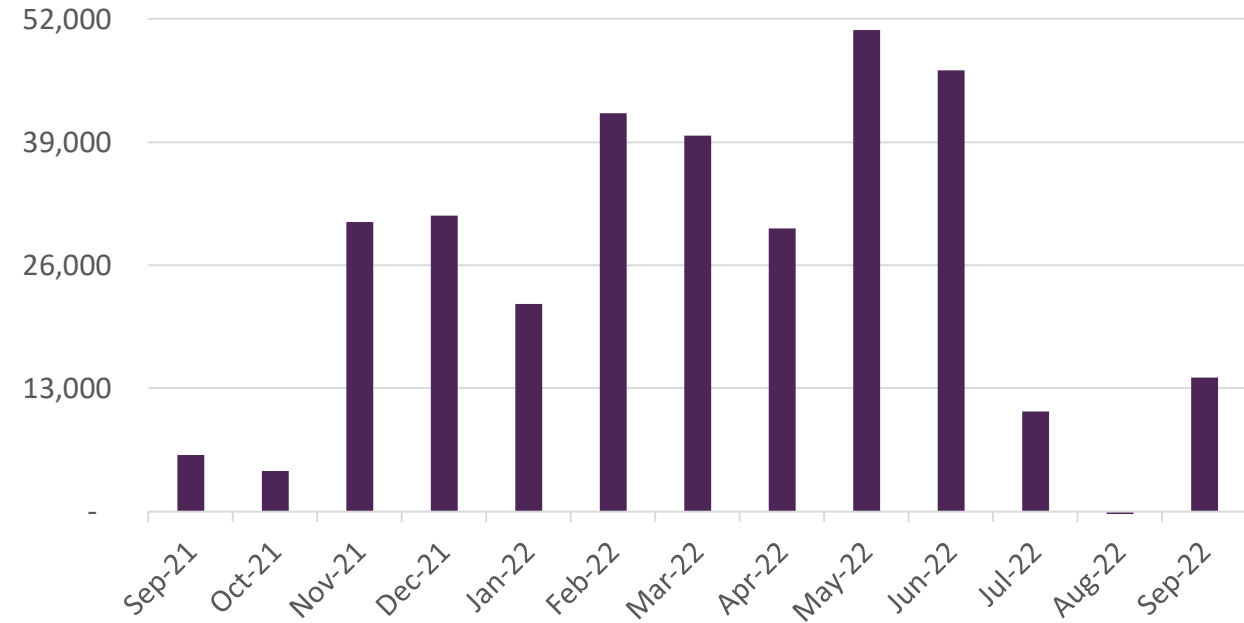


- Currently India's listed companies market capitalisation to GDP ratio stands at about 110.6% at month end while it was about 117.4% at the start of the Sep-22 month. The ratio is considered an indicative of overall equity market sentiments and cycles.
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FII Monthly Inflows in Equity (₹ Crore)

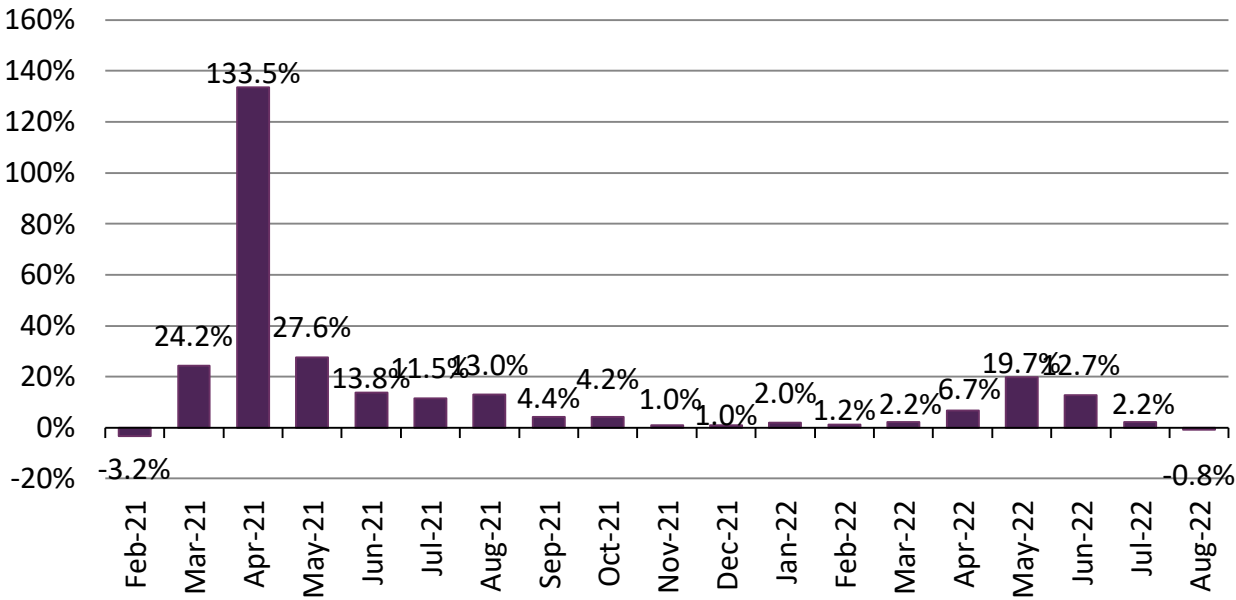


DII Monthly Inflows in Equity (₹ Crore)

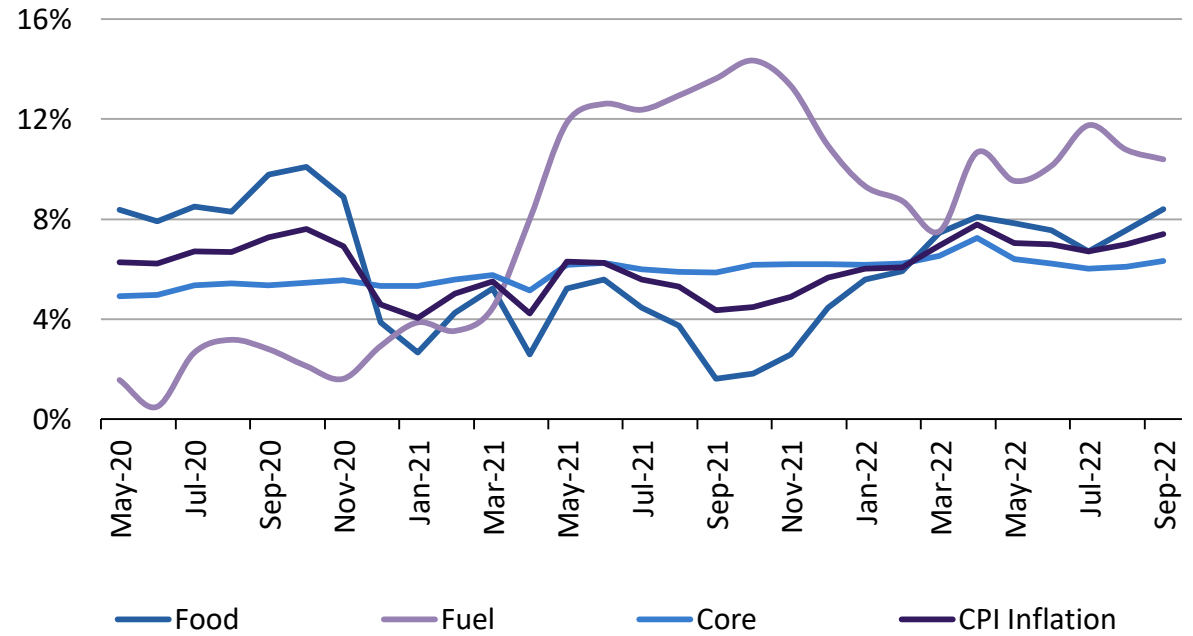


- FII monthly inflows for the month of Sep-22 has seen net outflows of almost ₹13,447 crores which is first negative month for Jul-Sep quarter.
- On the other hand, domestic funds have seen monthly net inflows of around ₹14,118 crores.

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



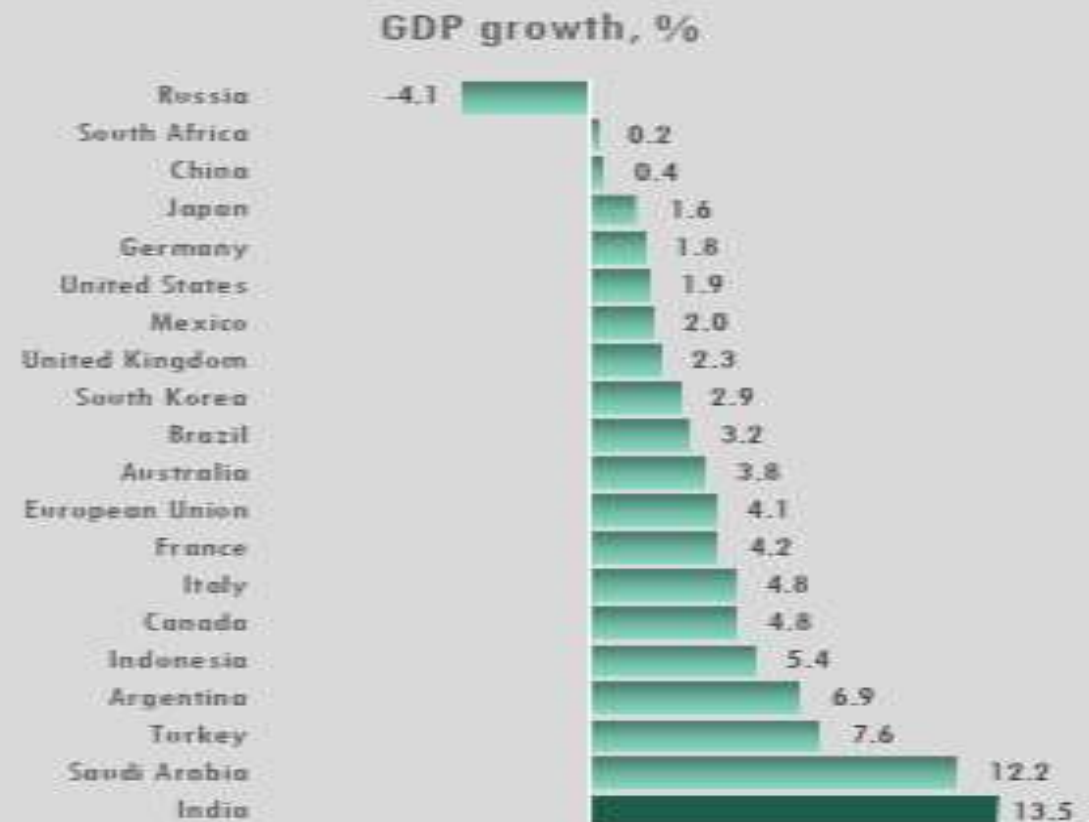
Food, Fuel, Core & CPI Inflation (%) YoY



- Index of Industrial Production (IIP) data for the latest month Aug-22 came in negative first time for the year. The index stood at -0.8% for the month.
- Latest inflation data released showed marginal increase in inflation except Fuel inflation which was seen declining to 10.4% while increase in inflation was seen in core inflation to 6.3%. The Food inflation for the Sep-22 month increased to 8.4% from earlier 7.6% in Aug-22.

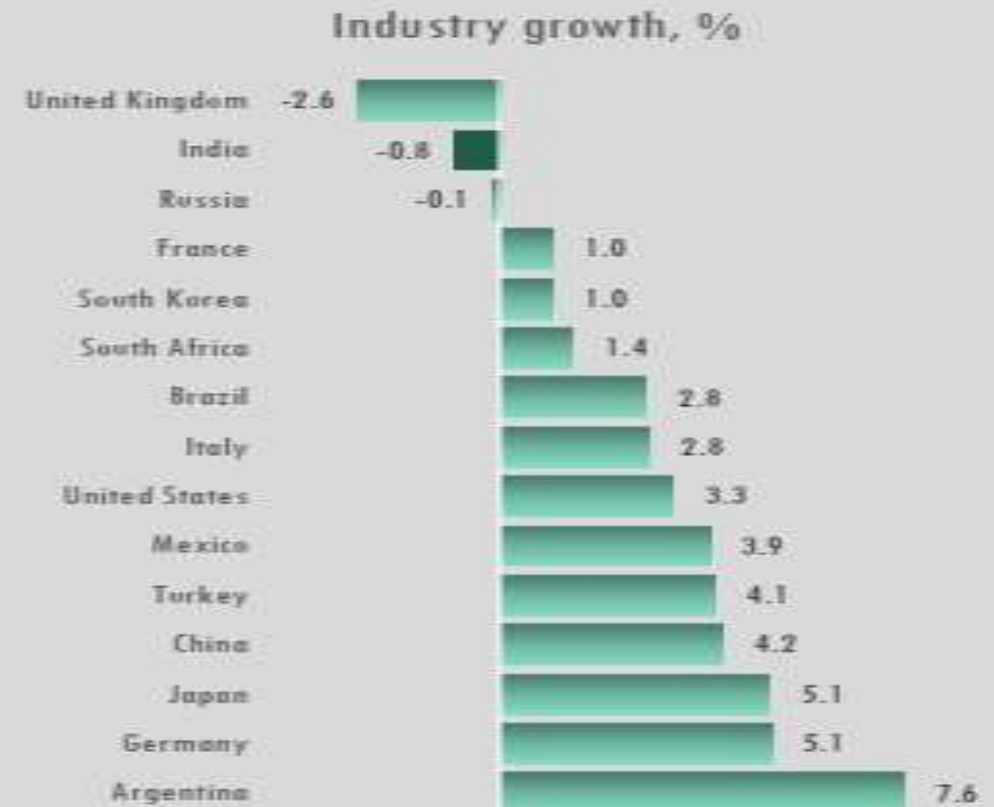
GDP: Sliding, back to pre-covid level for G-20

- Despite fall, growth rate in most countries are on the top 50 percentile
- At the current level, the G-20 average growth is at the pre-covid level
- Yet, apprehension is that growth would fall sharply from current levels as policies focus on inflation control even if the same leads to temporary recession



Industry: Subdued but positive in most countries

- Industrial growth show large monthly volatility
- Despite low growth, industrial growth in the positive
- Indian industry among the worst three within G-20 countries



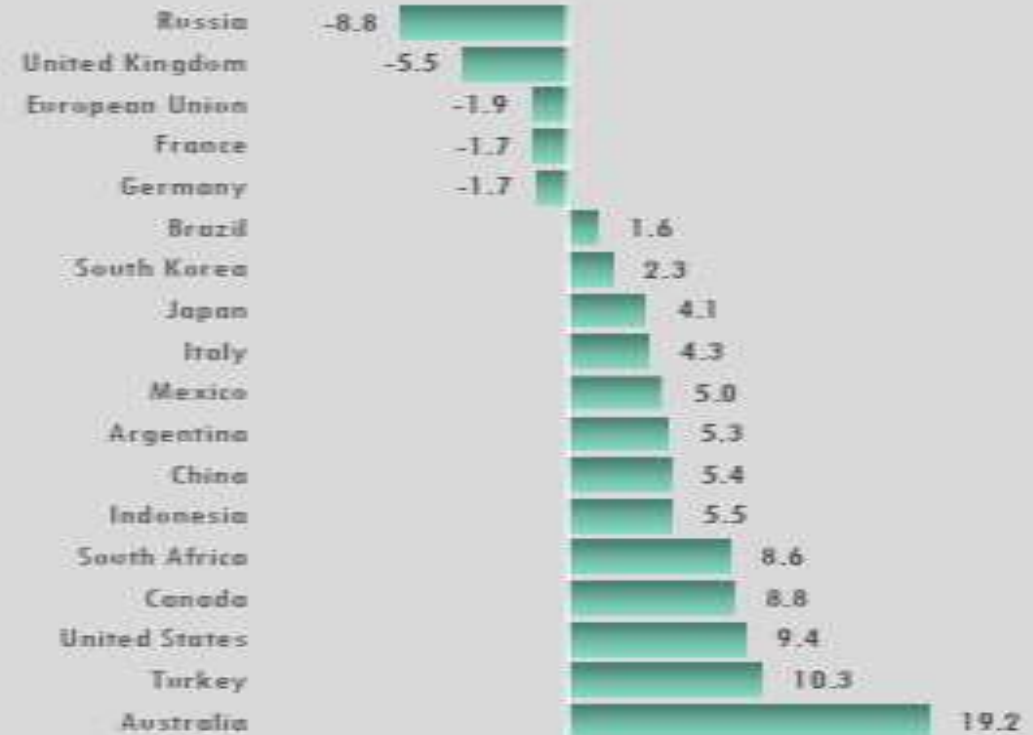
Retail sales: Sliding in Europe, holding up elsewhere

- With relatively strong GDP growth and strong labour market in most countries, retail sales relatively resilient in many countries outside the Europe
- High inflation also making retail sales high in nominal terms

G-20 retail sales, %

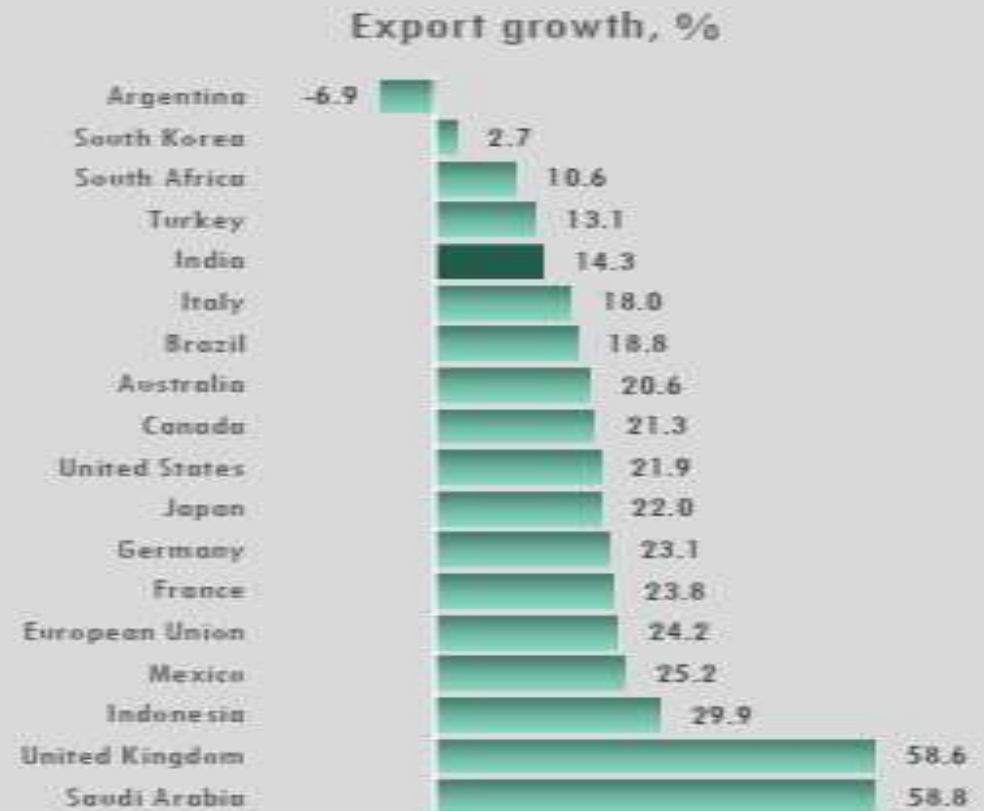


Retail sales growth, %



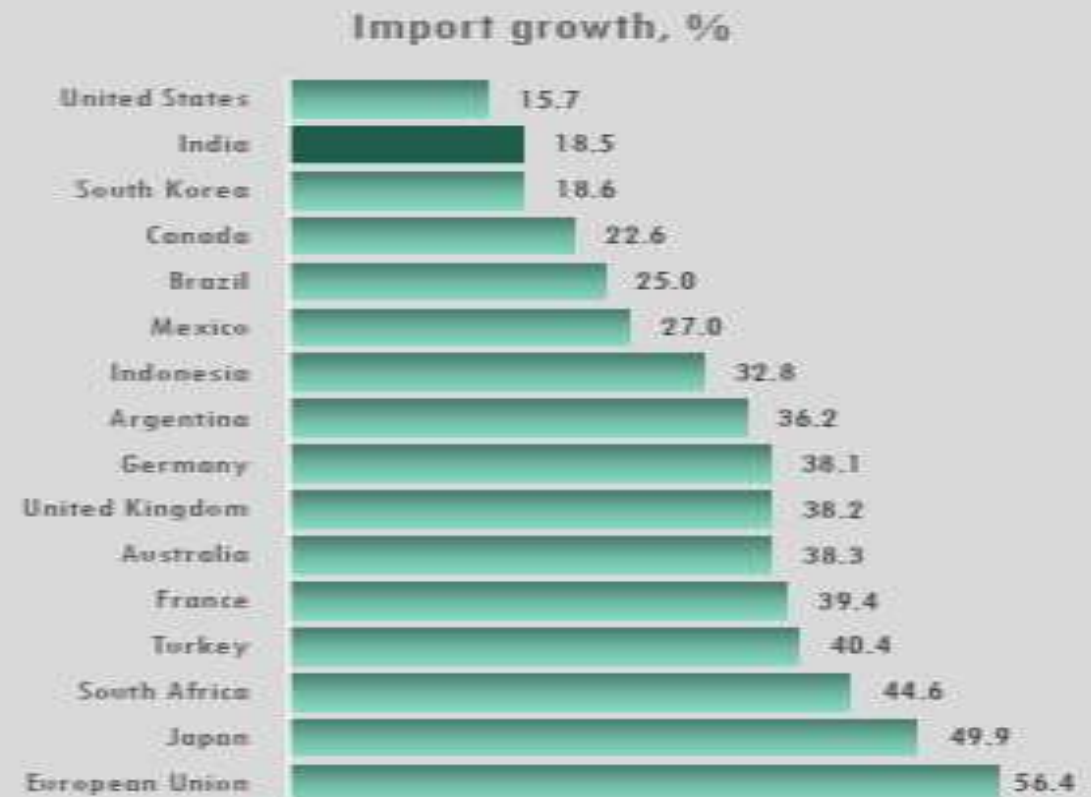
Export: Nominal export growth maintain momentum

- G-20 average export growth continue to remain above 20% in most countries
- High commodity prices seem to be a key reason
- Indian export growth among the bottom -5 within G-20 countries



Imports: Import growth stronger than export

- Most G-20 countries are manufactured product exporters and commodity importers. High commodity prices are keeping import growth higher than export
- For almost all G-20 countries, import growth is in top 20 percentile



Retail inflation: More than doubled in a year

- Retail inflation continues to climb
- For most G-20 countries, retail inflation in top 10 percentile
- Inflation in India well below G-20 average



Commodity prices: Major softening underway, crude slight exception

- Despite fall, crude oil prices still elevated versus 2021. Overall commodity prices and shipping index have slid considerably in

Brent crude price index



CRB index (rebased)



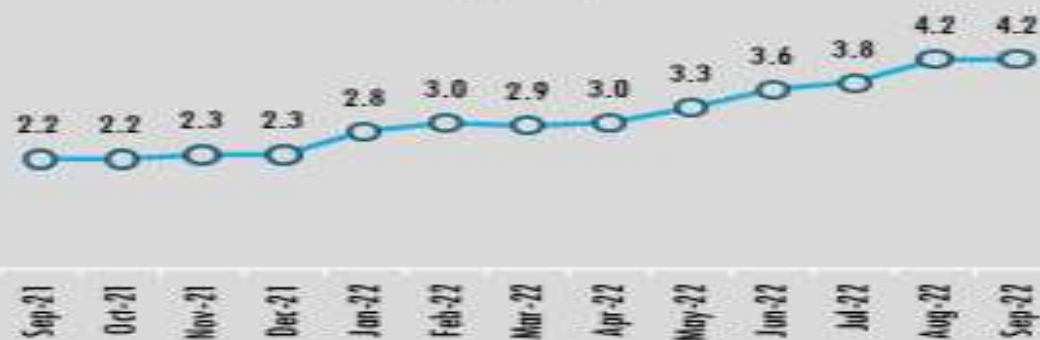
Baltic dry index



Policy rate: G-20 average nearly doubled in a year

- Policy rate in many countries in the top 20 percentile
- In relative terms (compared to own past) policy rates more elevated in advanced countries

G-20 policy rate



Policy rate, %



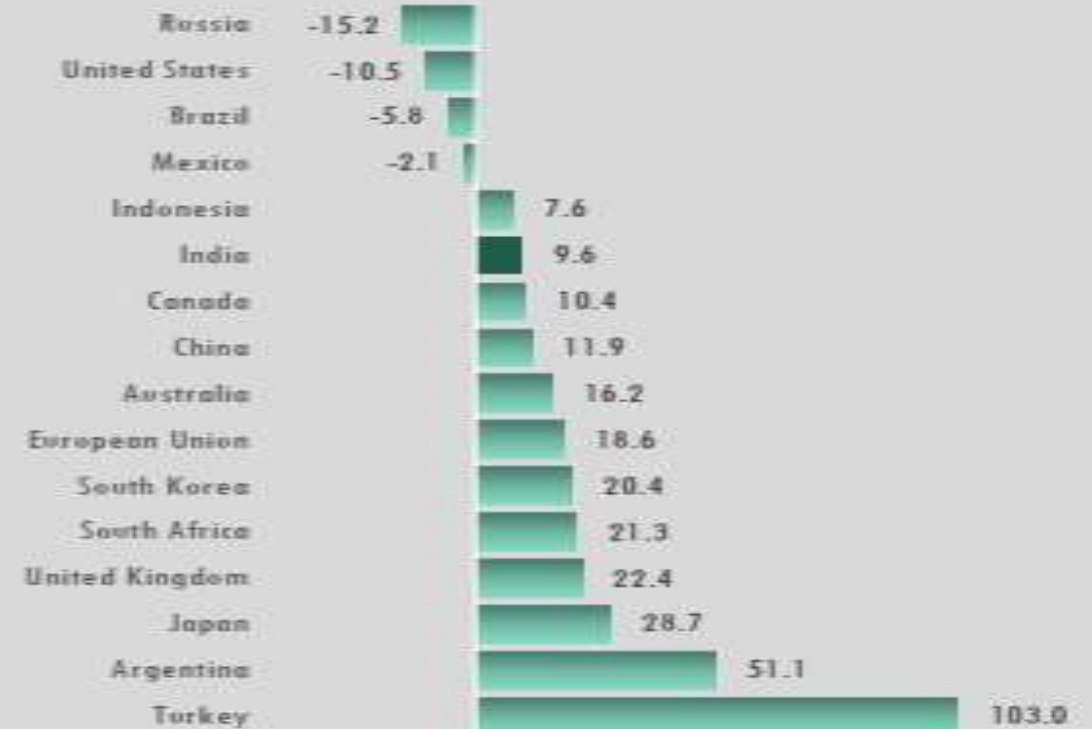
Exchange rate: Dollar strengthening continues

- With safe heaven demand and large interest rate differential, dollar continues to strengthen against most currencies
- Slide of rupee versus dollar relatively modest

App (-)/Dep (+) of US dollar, %



12-month app (-)/Dep (+) vs. dollar, %



Global equity: 12-month equity return negative in mo

- From 13% in last September, G-20 average equity return turned -14% in September 2022
- Indian equities relatively resilient



12-month equity return, %



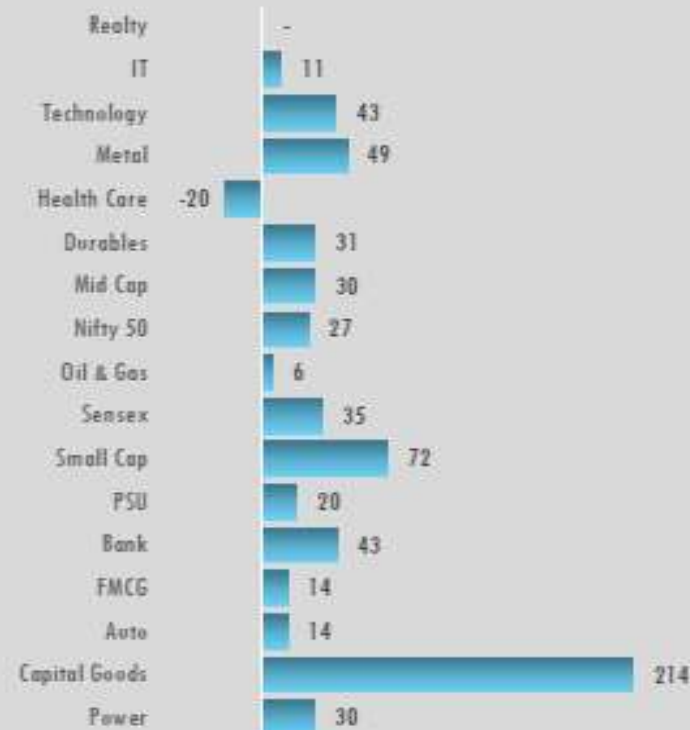
Indian equity: Strong earnings growth but most sectors recording negative 12-month return

- Most global and consumption-related sectors are doing worse versus the investment-linked sectors

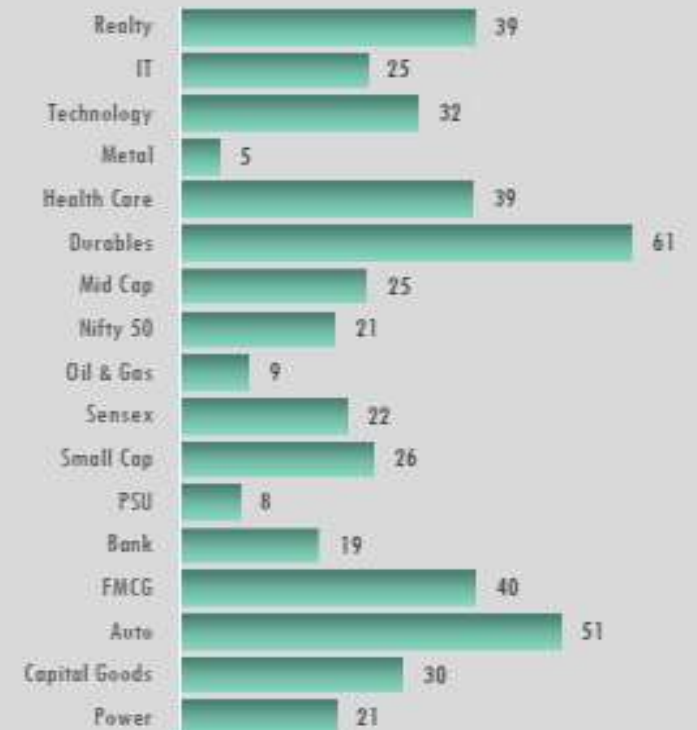
Last 12-month return, %



Last 12-month earnings growth, %



Price to earnings ratio, x



Top Ideas Holdings & Allocation

S.No. Large Cap

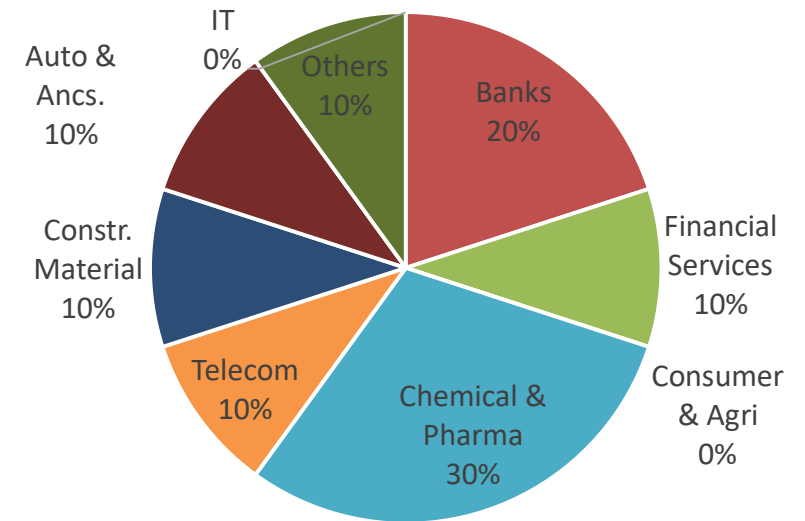
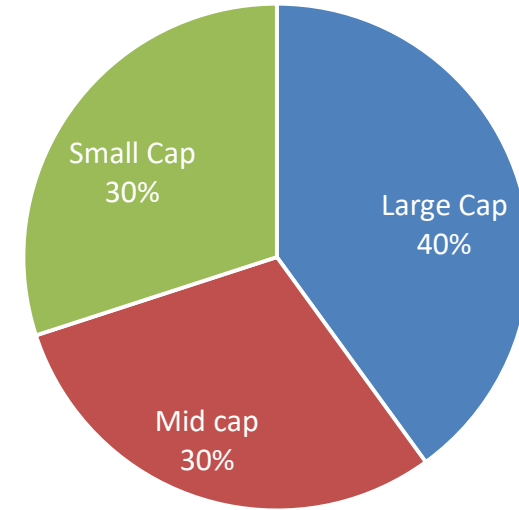
- 1 UPL Limited
- 2 ICICI Bank Limited
- 3 State Bank Of India
- 4 Bharti Airtel Limited

S.No. Mid Cap

- 1 Deepak Nitrite Ltd.
- 2 Cummins India Ltd.
- 3 Max Healthcare Institute Ltd.

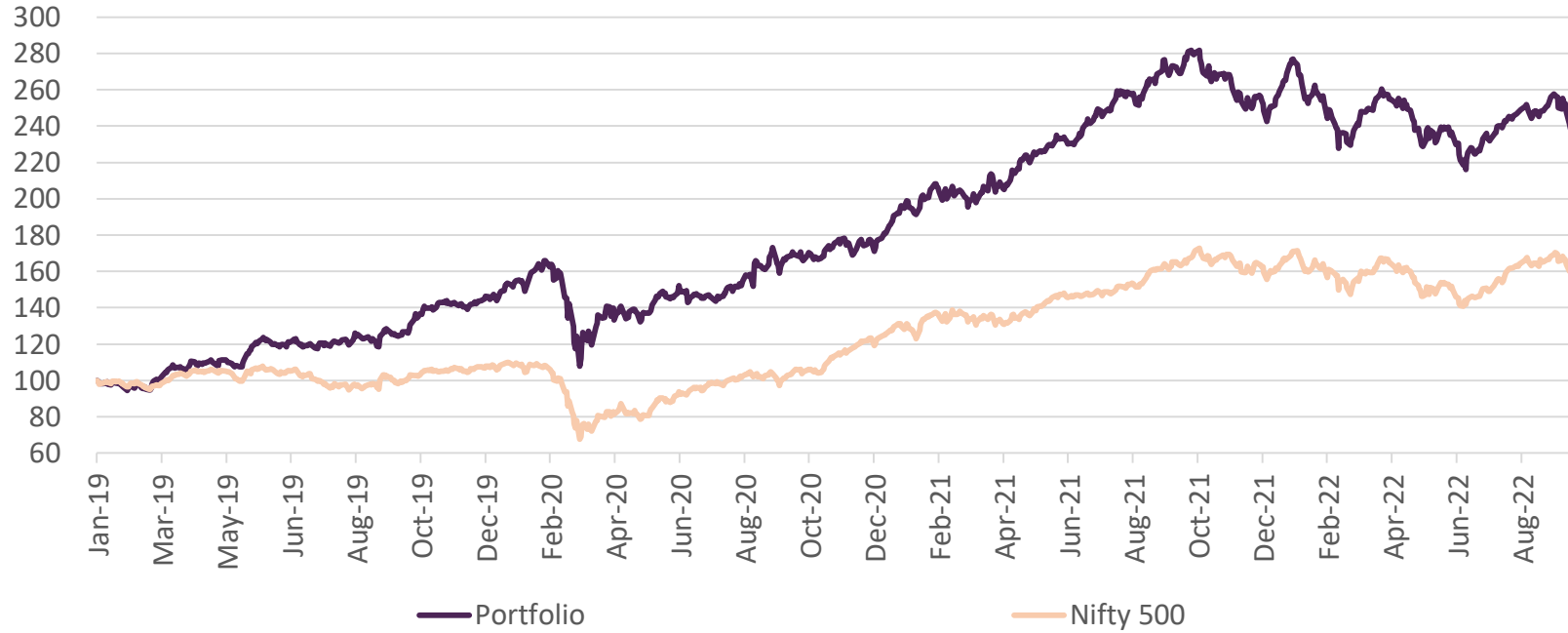
S.No. Mid Cap

- 1 Tarsons Products Ltd.
- 2 Heidelberg Cement India Ltd.
- 3 Anupam Rasayan India Ltd.



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

Top Ideas Performance



Period	Portfolio % Return	Nifty500 % Return
One month	-3.9%	-4.5%
Three months	6.1%	9.3%
Six months	-6.6%	-1.7%
One Year	-11.4%	-2.8%
Since Inception CAGR (Jan-19)	26.0%	13.2%

NOTE: Performance as of 30th Sep 2022.

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