



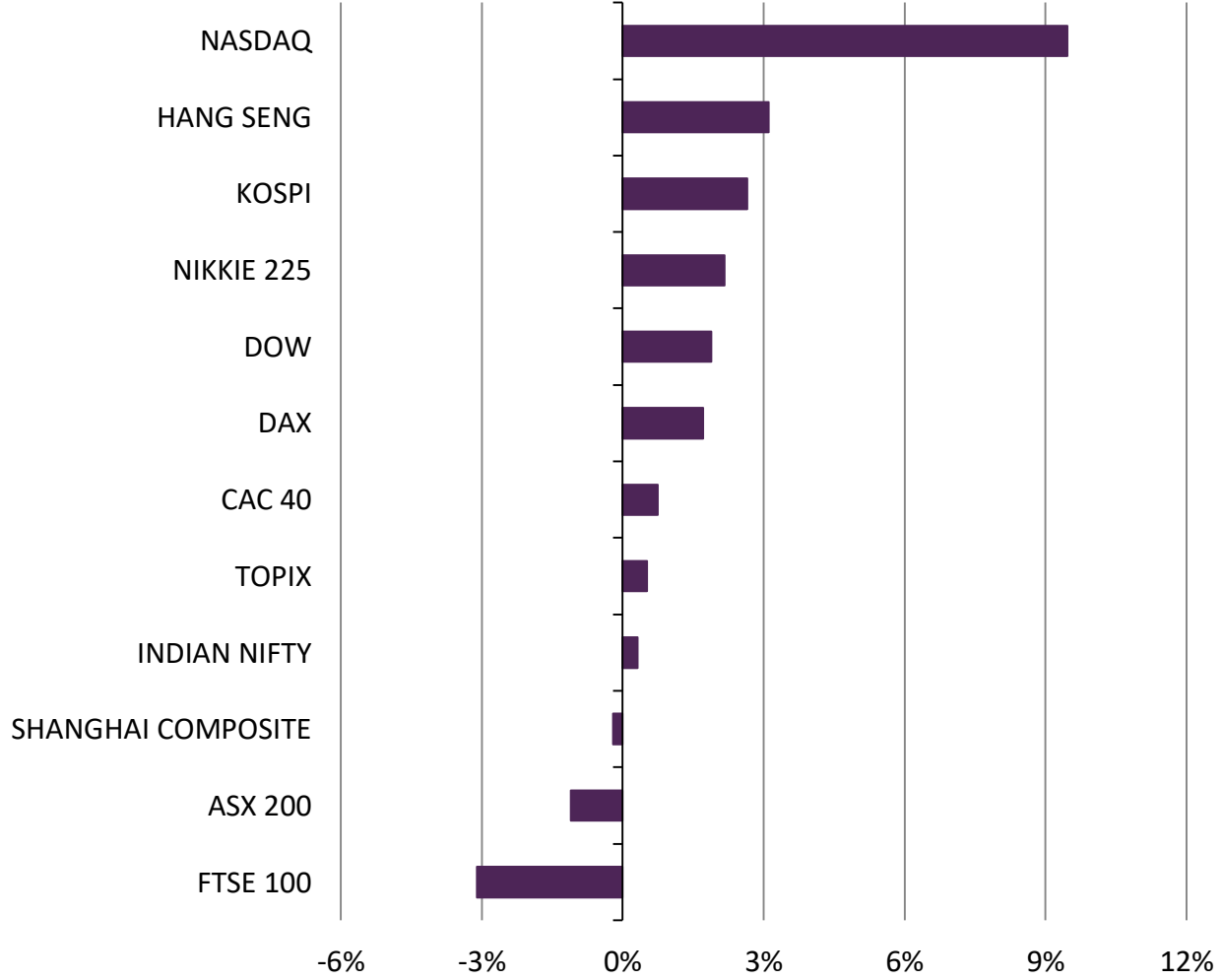
# BESPOKE

Advice for a select few

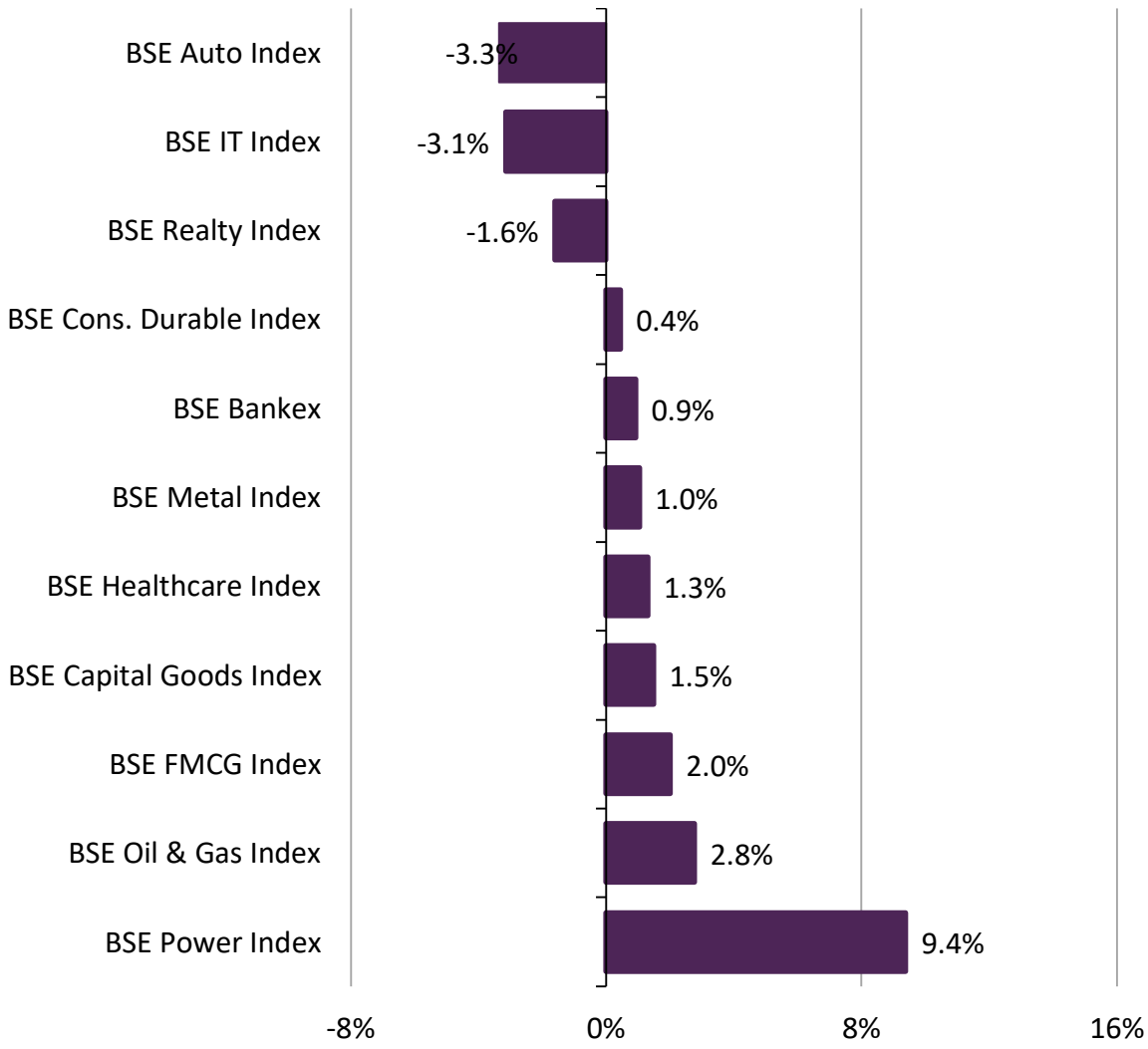
ANANDRATHI  
PRIVATE CLIENT GROUP  
EQUITY

The logo for AnandRathi Private Client Group Equity (PCCG) features the letters 'PCCG' in a large, stylized, purple font. The 'P' and 'C' are interconnected, and the 'G' is a simple, bold letter. The text 'ANANDRATHI PRIVATE CLIENT GROUP EQUITY' is positioned to the left of the logo.

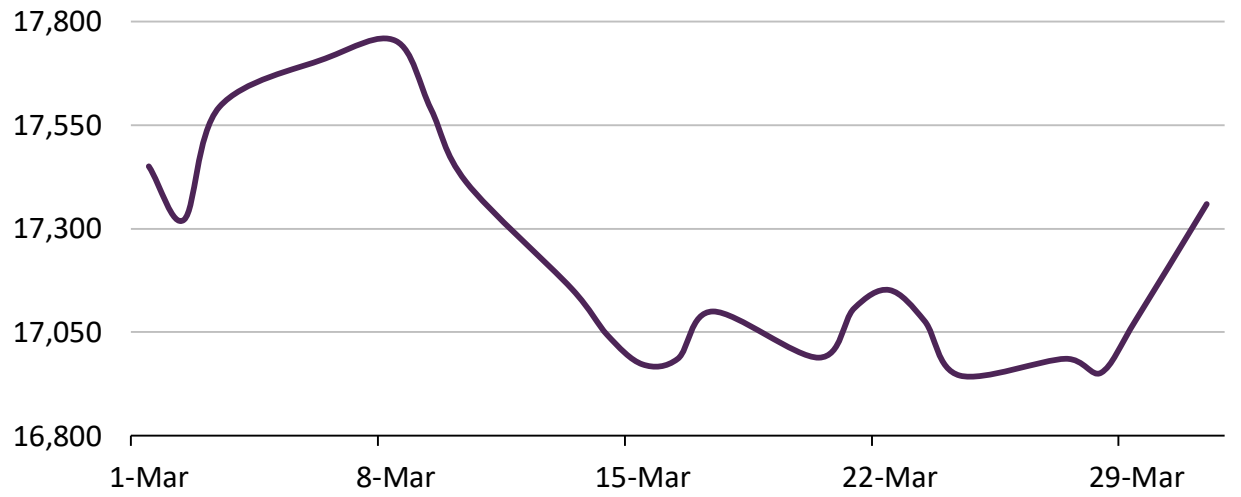
**Global Markets performance in Mar-23**



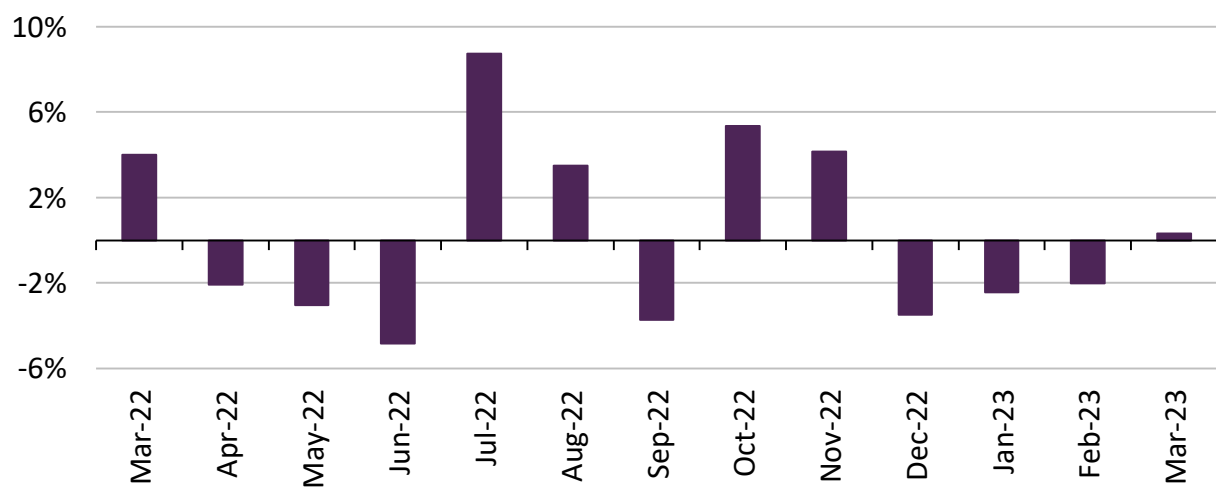
## Sector wise performance during the month



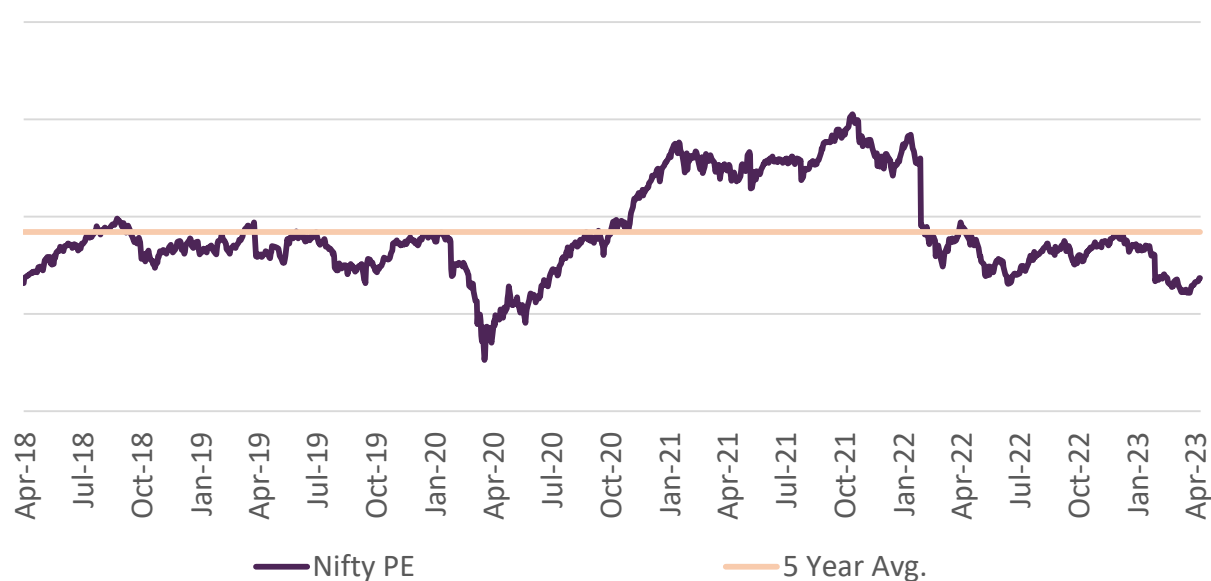
## NIFTY Performance in Mar 2023



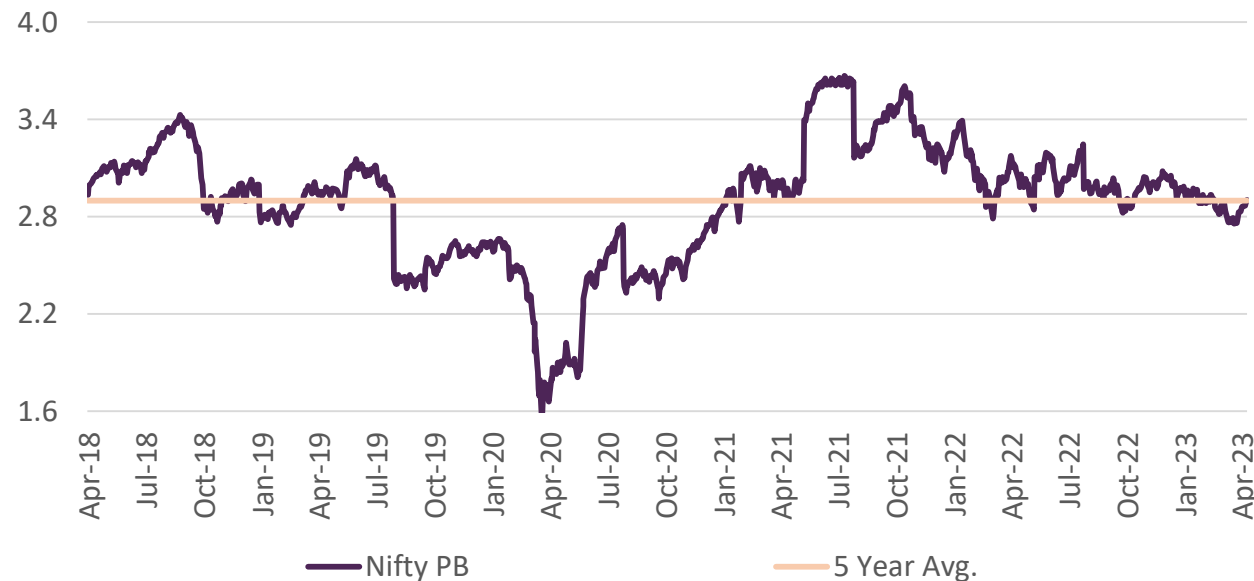
## NIFTY monthly performance for trailing 12 months



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

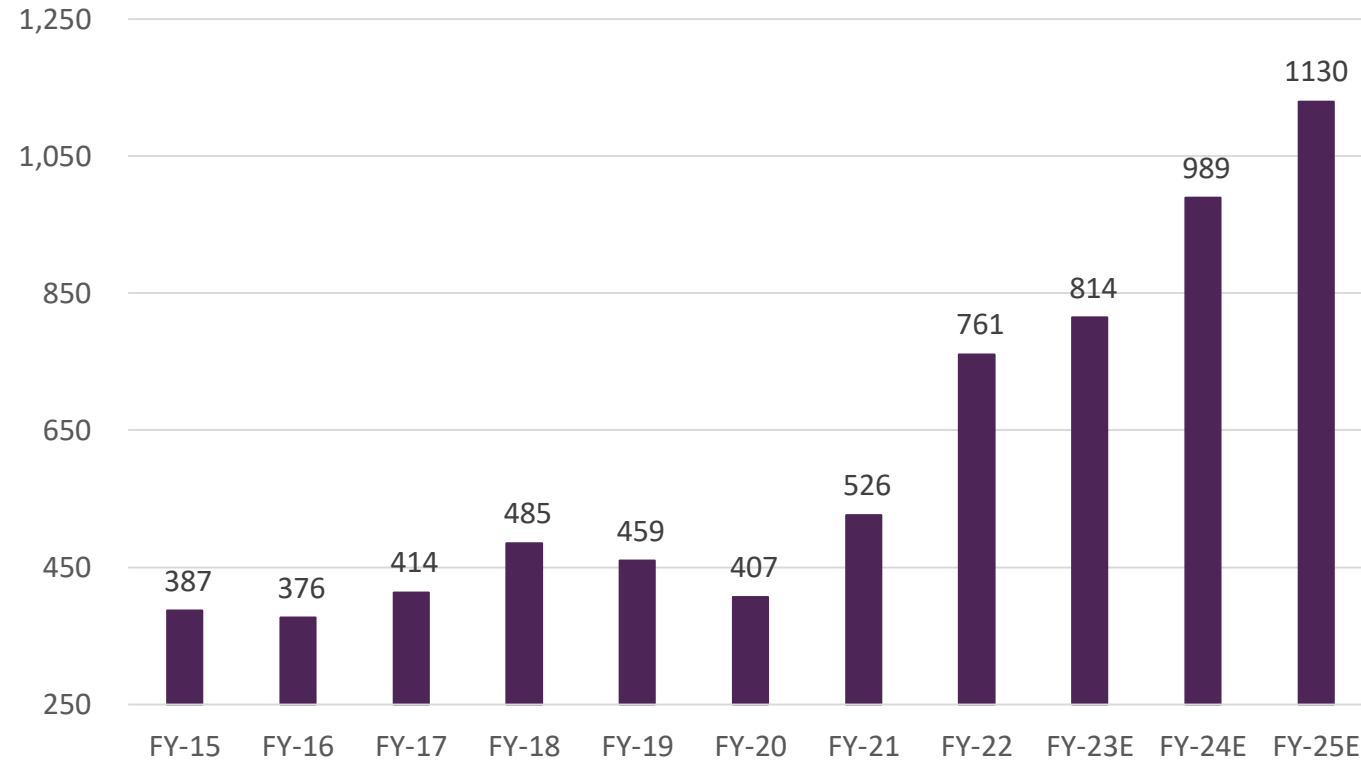


## Nifty Trailing 12M P/B & 5 Yr. Avg. P/B



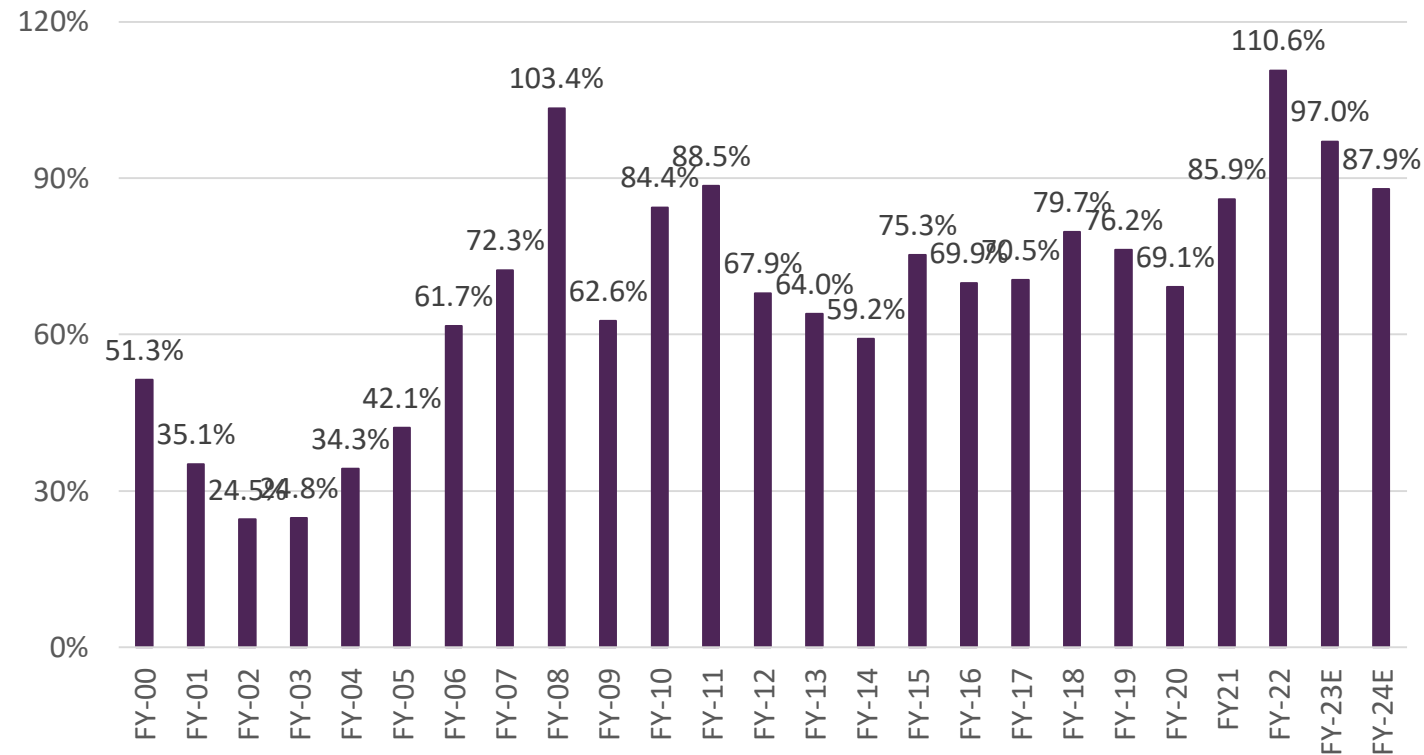
- Currently Nifty50 is trading at around 21.6x its trailing 12 month earnings while its five year historical average price to earnings ratio stands at around 24.9x. A discount of around 13% from its five year historical average.
- In terms of price to book ratio, the Nifty50 is trading at around 2.9x its book value while its five year historical price to book ratio stands at around 2.9x. Trading at almost parity to its five year historical average.

### Nifty Historical and Estimated EPS (Consensus)



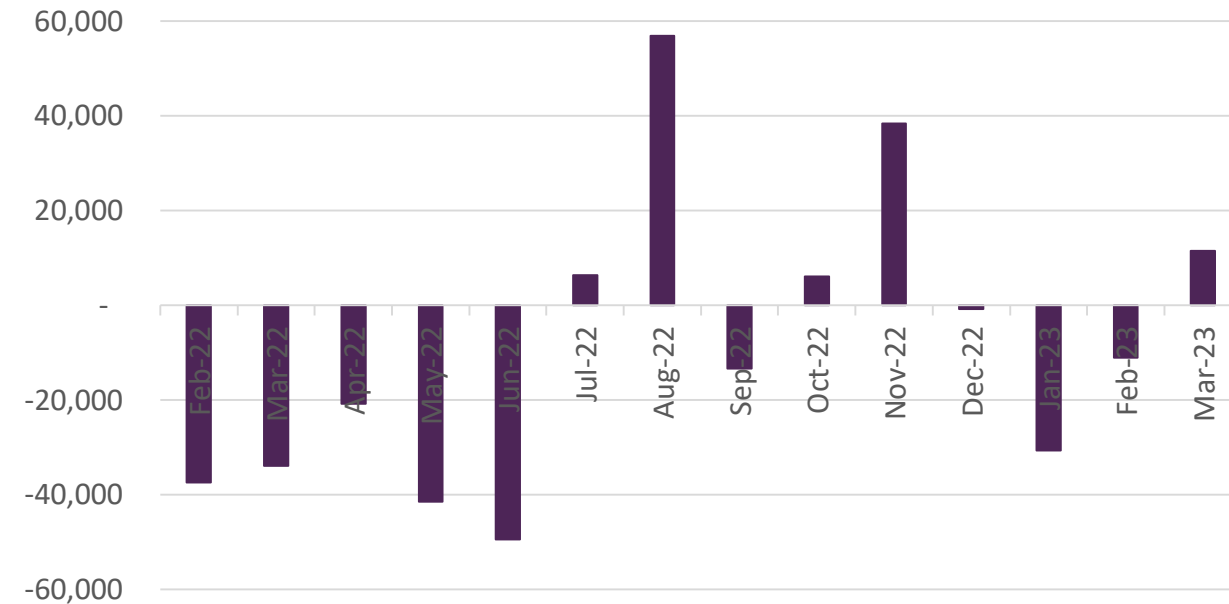
- Nifty50 earnings are estimated (consensus) to grow at a CAGR of about 23.7% in next three years from FY21 onwards till FY24.

## India Market Cap. to GDP Ratio

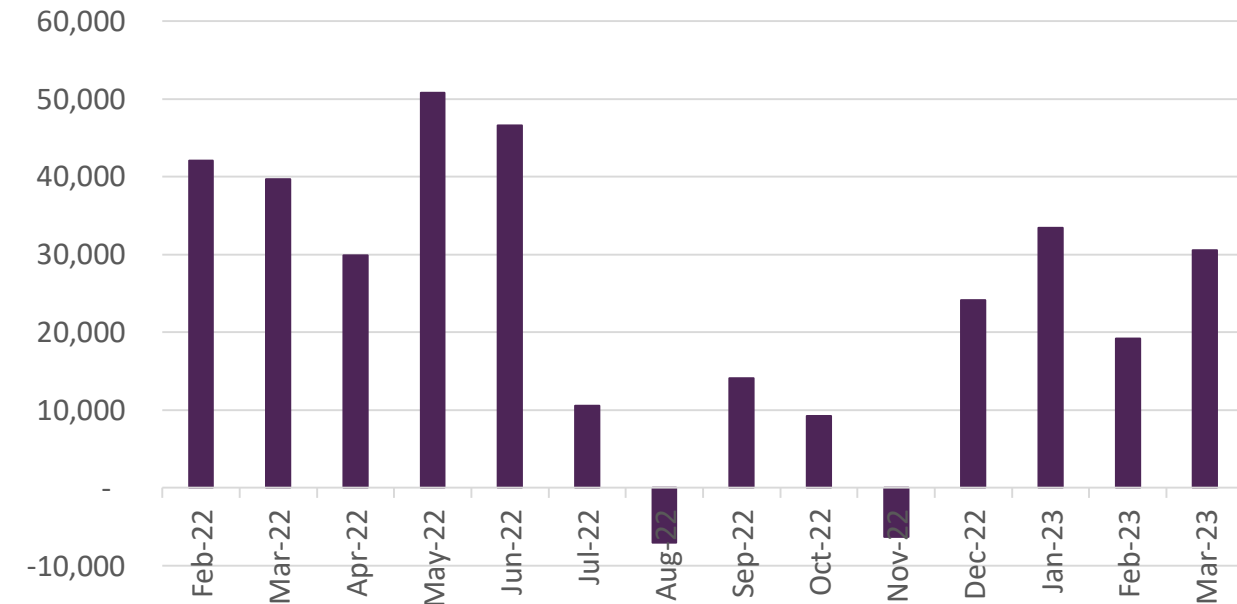


- Currently India's listed companies market capitalisation to GDP ratio stands at about 87.9% (FY-24E). The ratio is considered an indicative of overall equity market sentiments and cycles.
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### FII Monthly Inflows in Equity (₹ Crore)

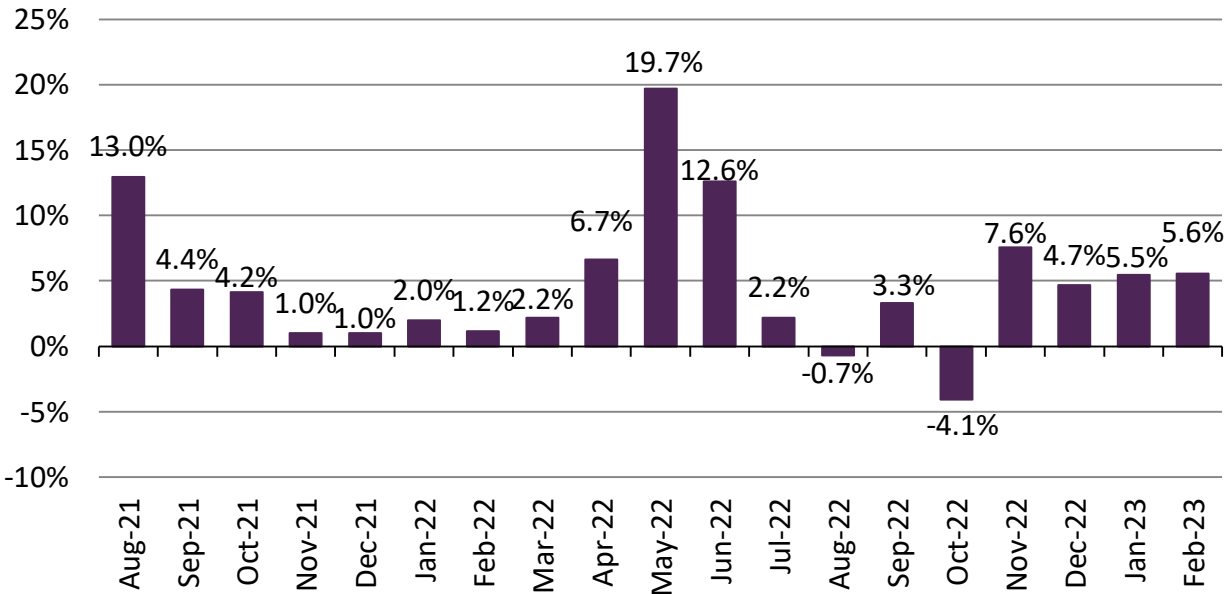


### DII Monthly Inflows in Equity (₹ Crore)

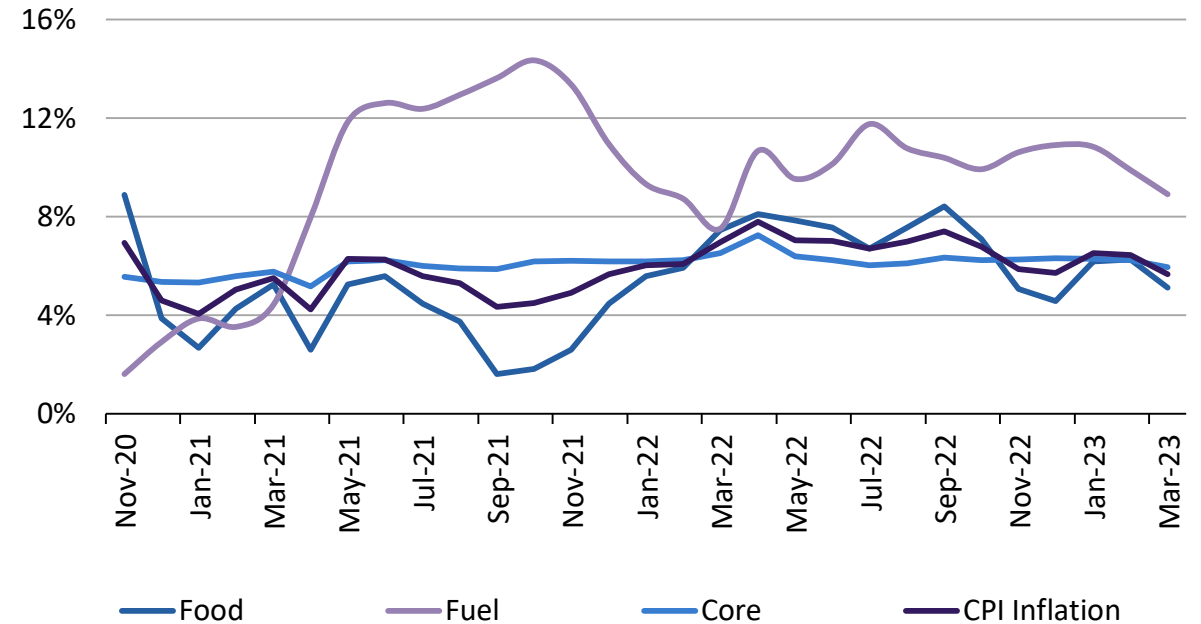


- FII monthly inflows for the month of Mar-23 has seen net inflows of almost ₹11,481 crores.
- On the other hand, domestic funds have seen monthly net inflows of around ₹30,550 crores which is second highest in CY23.

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



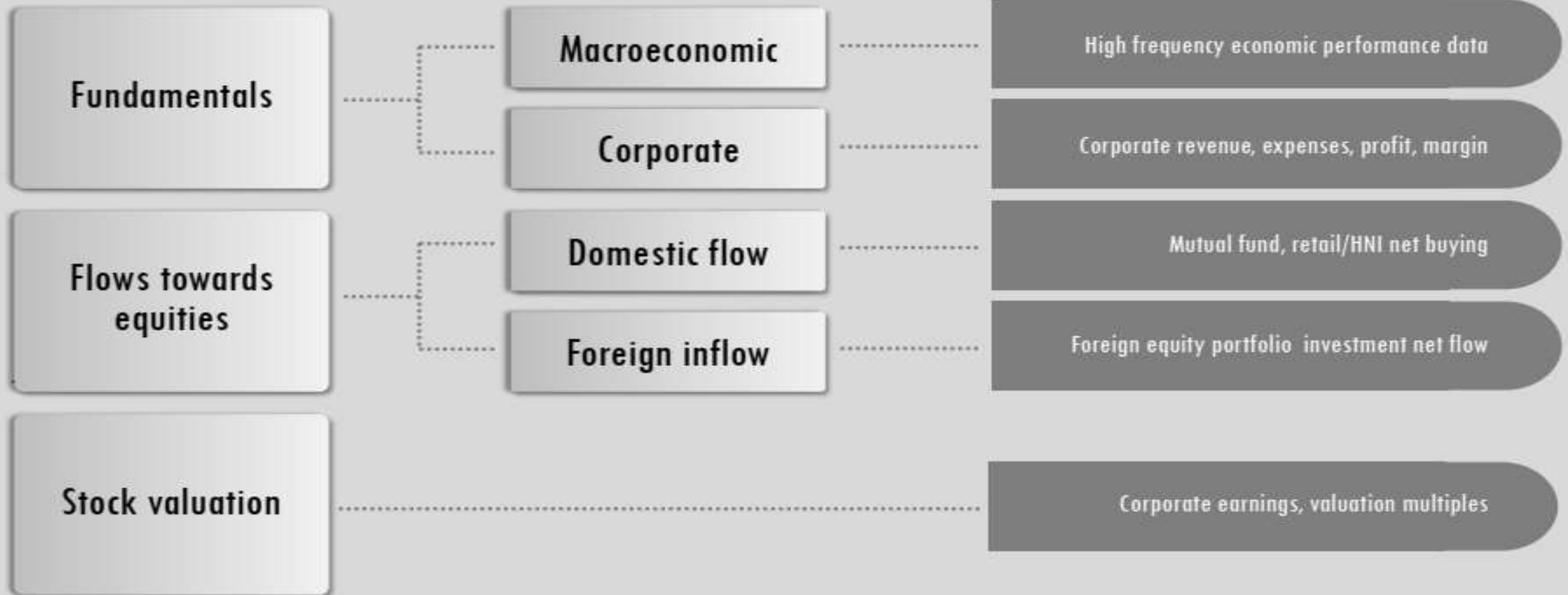
## Food, Fuel, Core & CPI Inflation (%) YoY



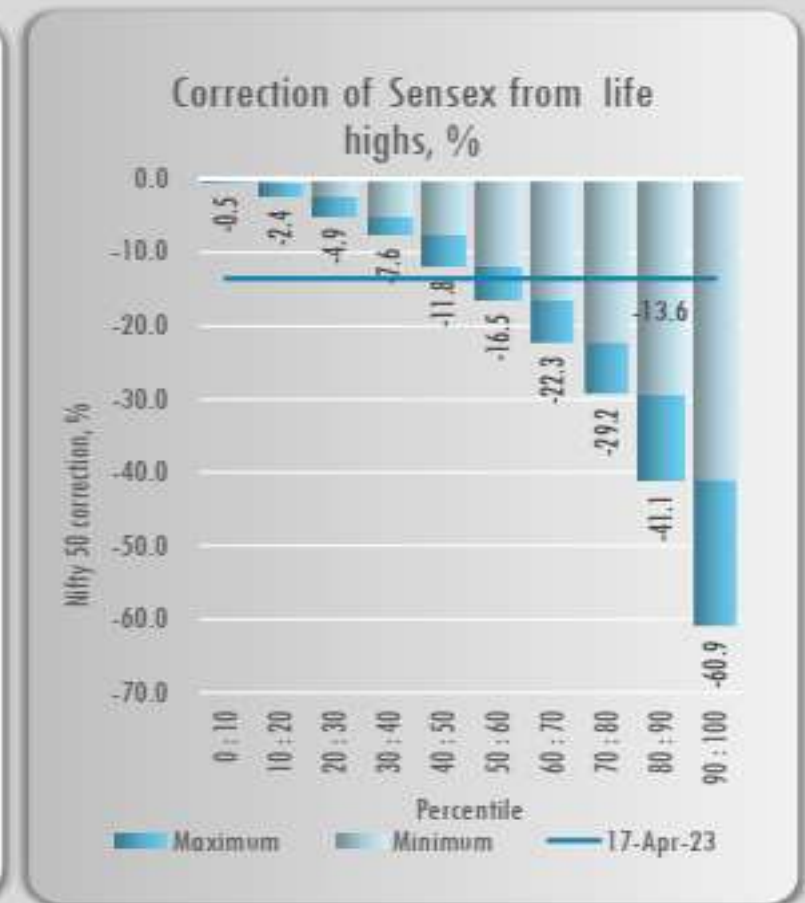
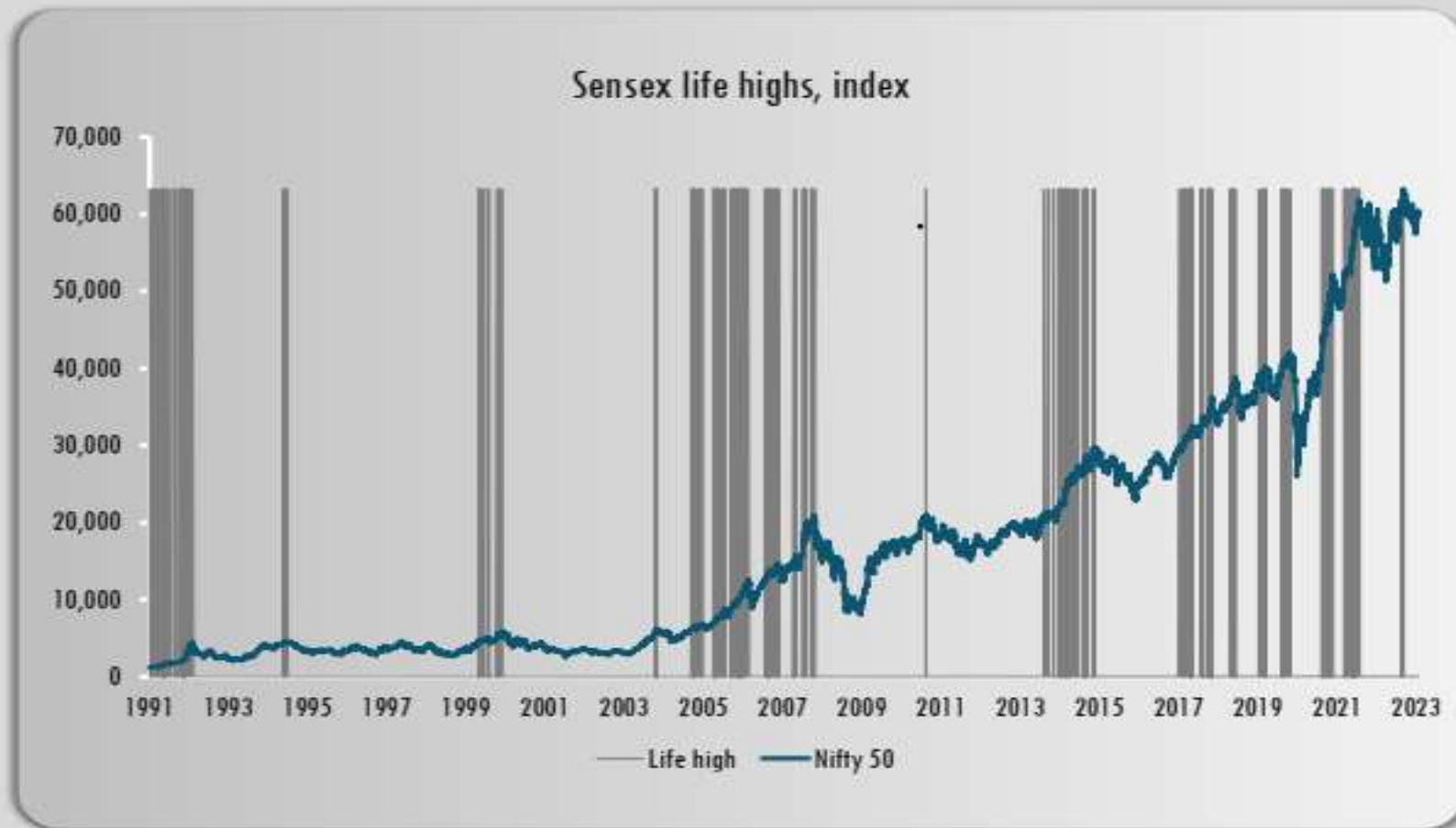
- Index of Industrial Production (IIP) data for the latest month Feb-23 maintained its positive momentum second time for the year. The index stood at 5.6% for the month..
- Latest inflation data released showed surprise decrease in inflation. Inflation was seen decreasing with Food inflation declining to 5.1%. The Core inflation for the Mar-23 month declined to 6%.



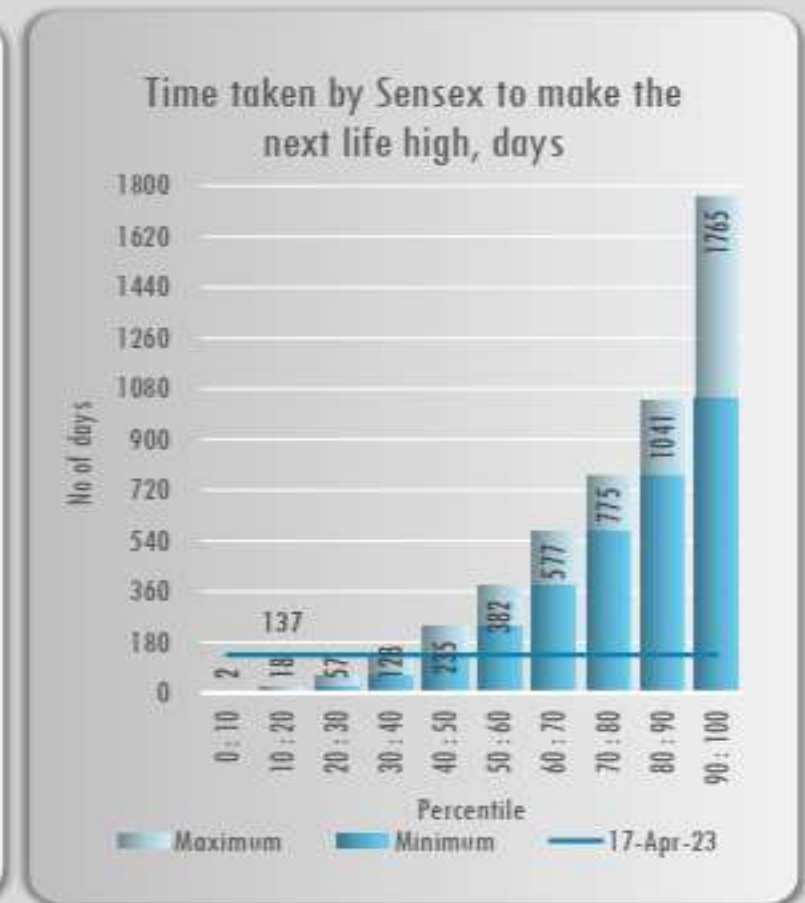
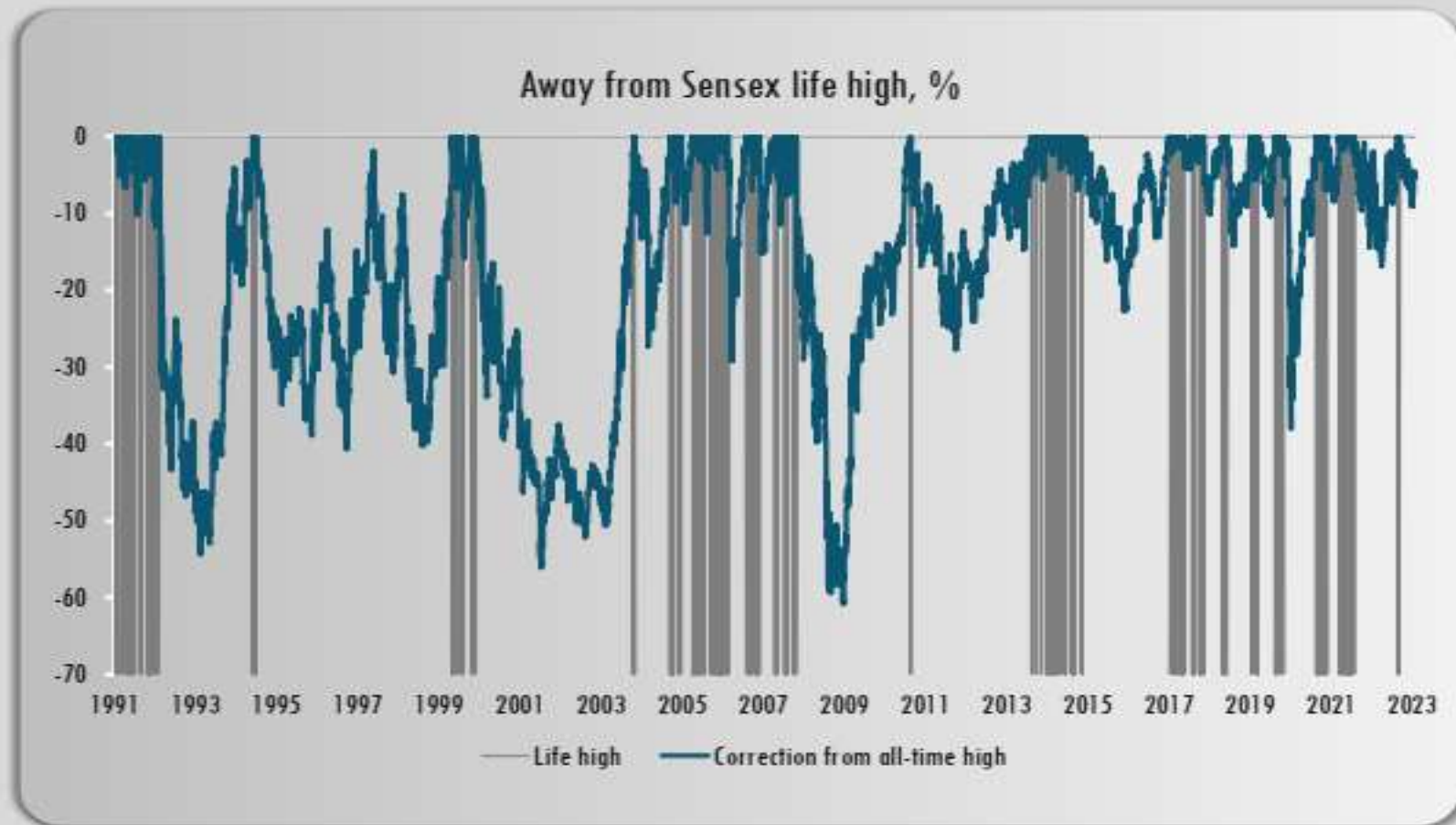
## Drivers of medium to long-term equity market



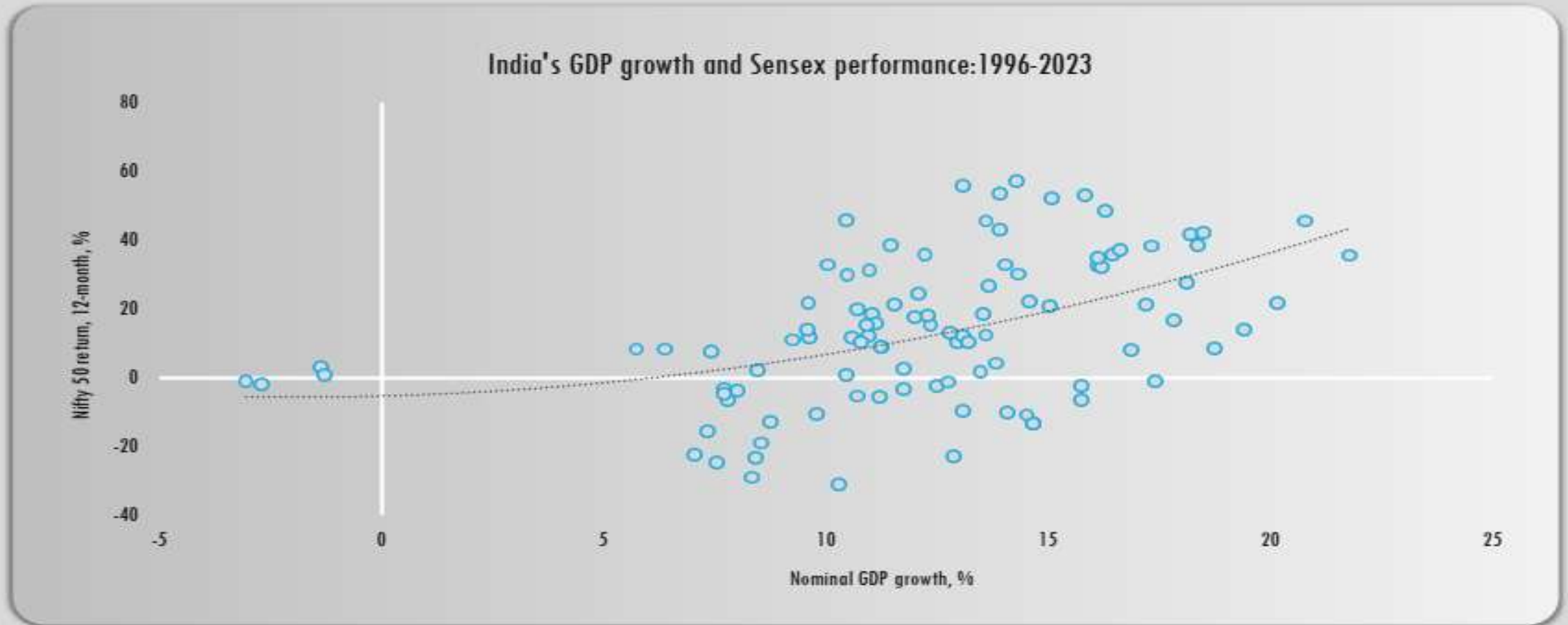
On annualized basis, Sensex down 14% from high



## Equities in the corrective mode in 2023

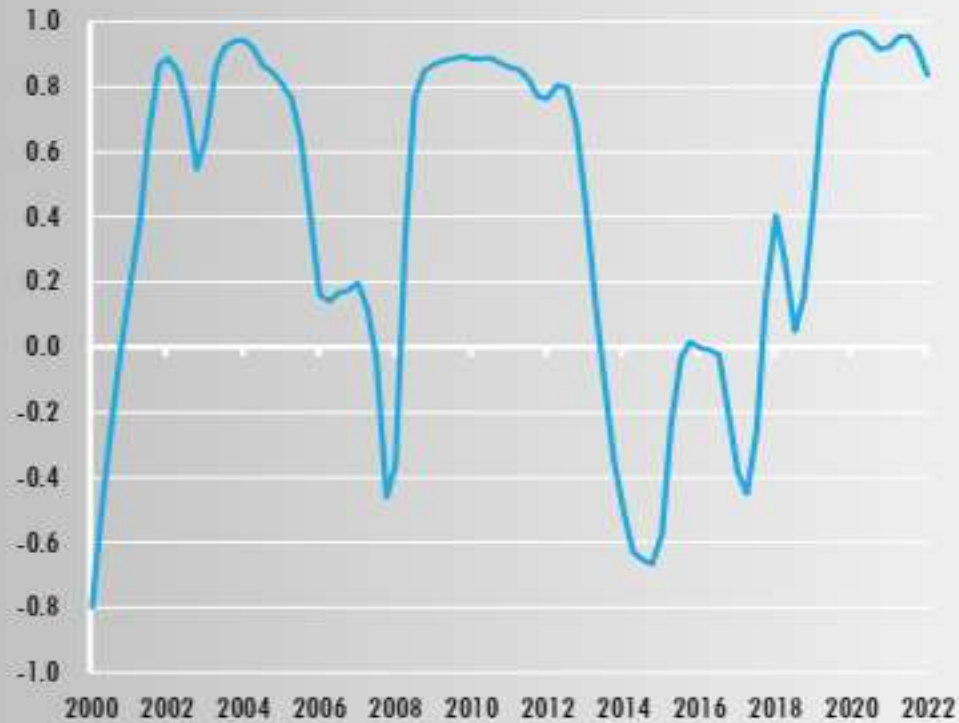


## Good growth rate brings in better equity market performance

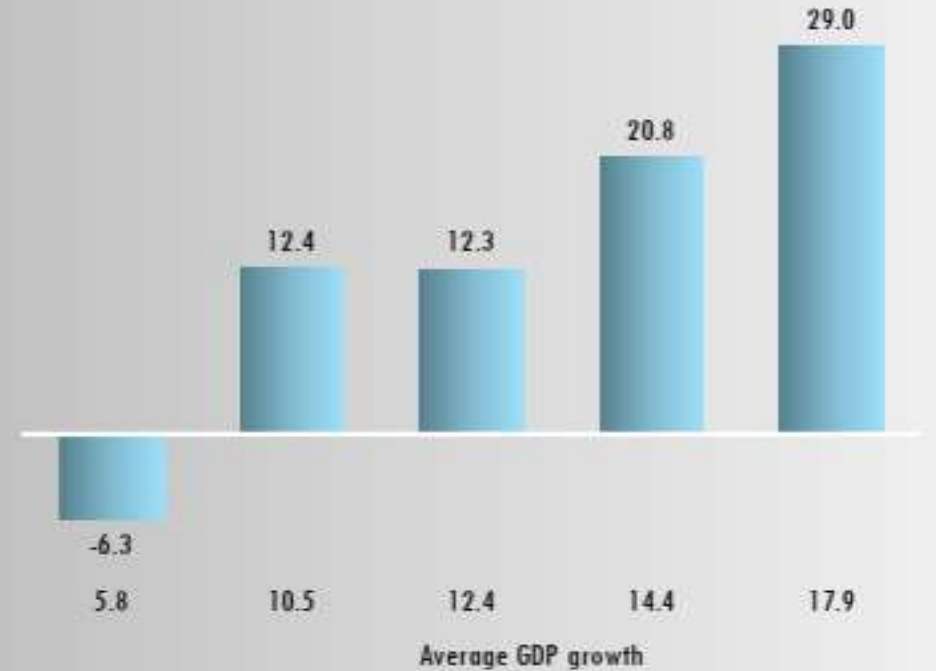


## The relationship fluctuates but generally plays out

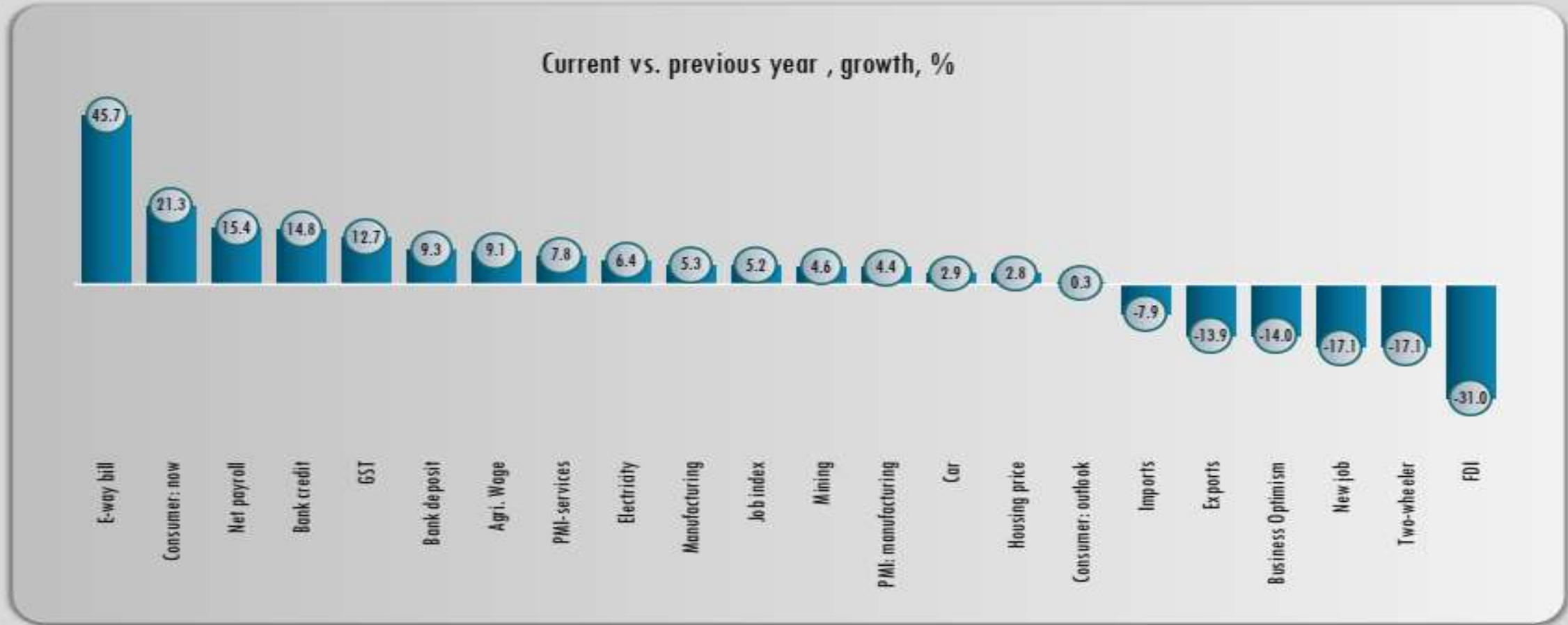
GDP growth, Sensex return correlation



Sensex annualised return, %

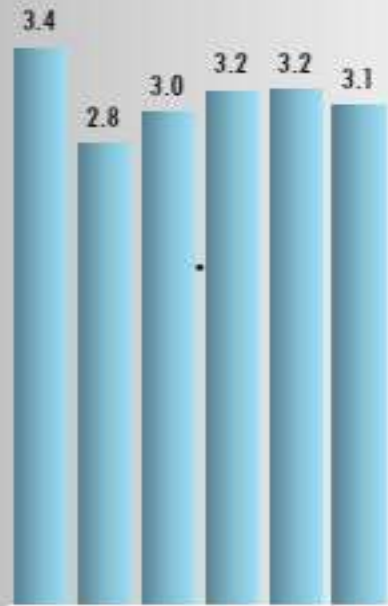


## Growth performance satisfactory for most parts of Indian economy



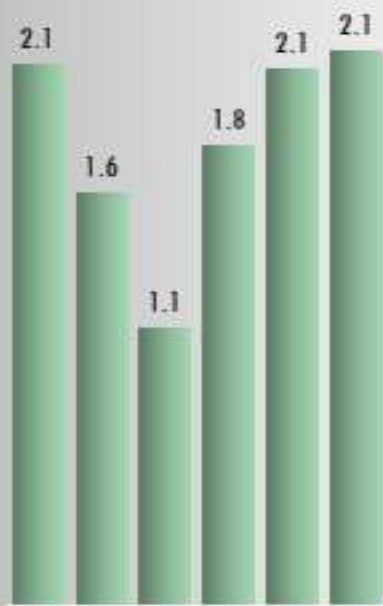
## Global economic slowdown in 2023, recession unlikely till 2027

GDP growth: World, %



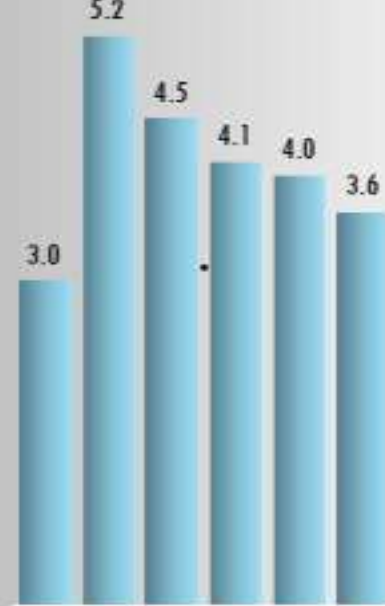
2022 2023 2024 2025 2026 2027

GDP growth: US, %



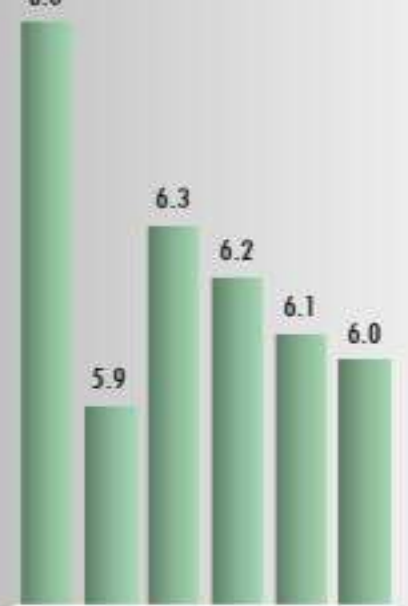
2022 2023 2024 2025 2026 2027

GDP growth: China, %



2022 2023 2024 2025 2026 2027

GDP growth: India, %



2022 2023 2024 2025 2026 2027

## Recommendation

**ADVANTAGE INDIA**  
Key drivers of Indian  
equity favourable



1

2



**GLOBAL RISK REMAINS**  
Recession, geo-political  
risks continue

**LOW DOWNSIDE RISK**  
Most known negatives  
seem to be in price



3

4



**UPSIDE MAY NOT BE LARGE**  
Next 12-month likely return  
11-13%, similar to average



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