



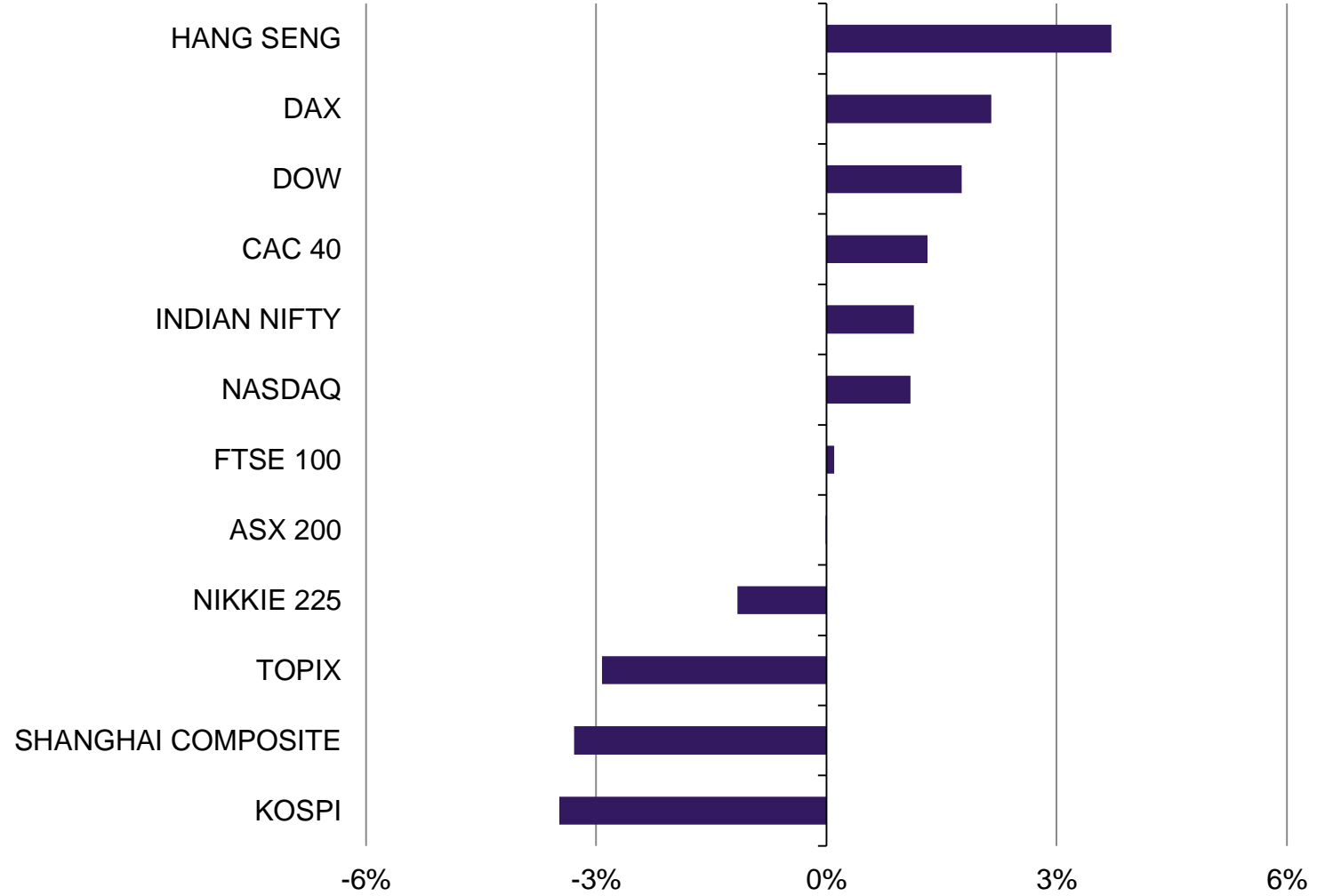
BESPOKE

Advice for a select few

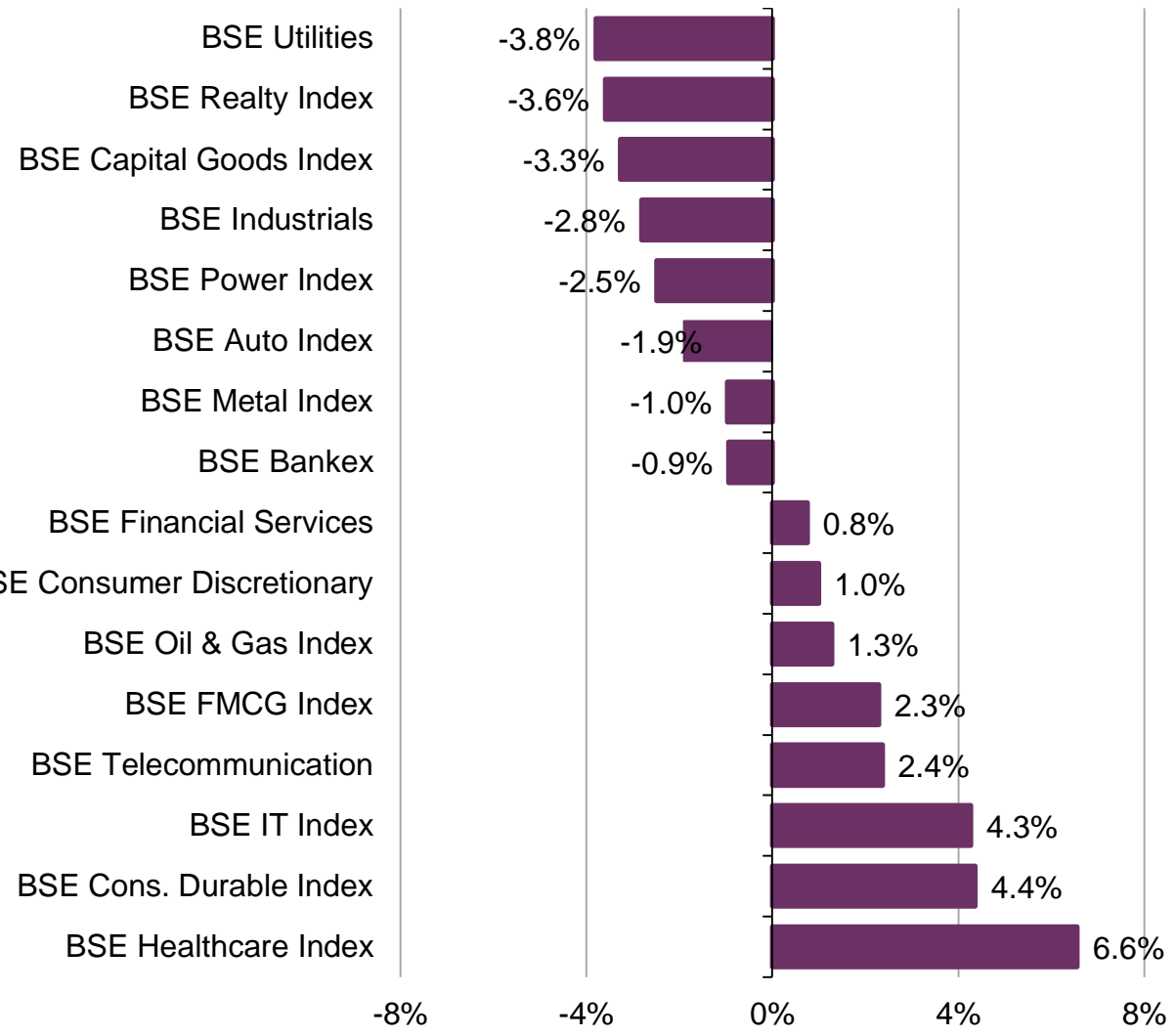
ANANDRATHI
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EQUITY



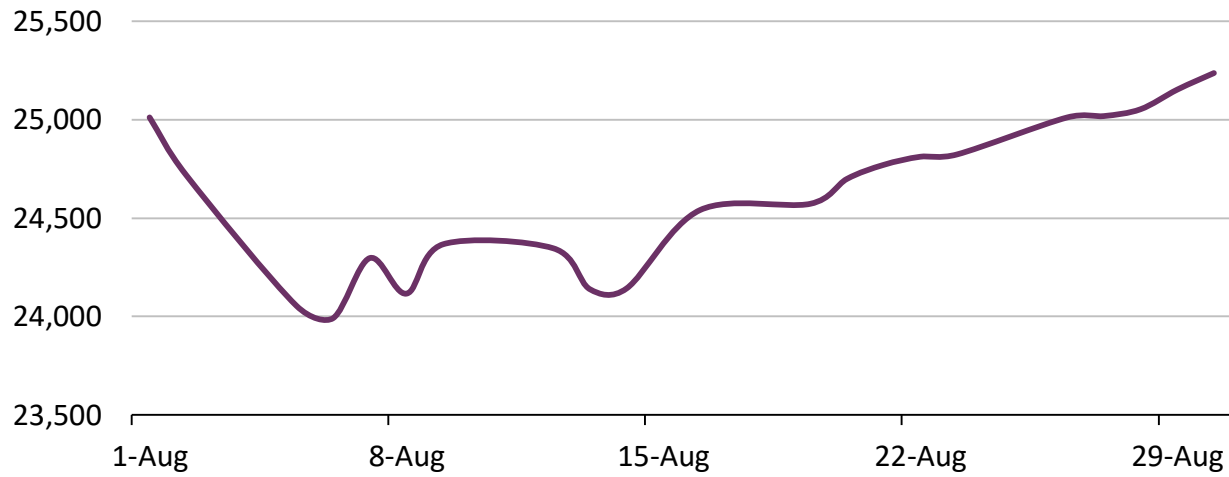
Global Markets performance in Sep-24



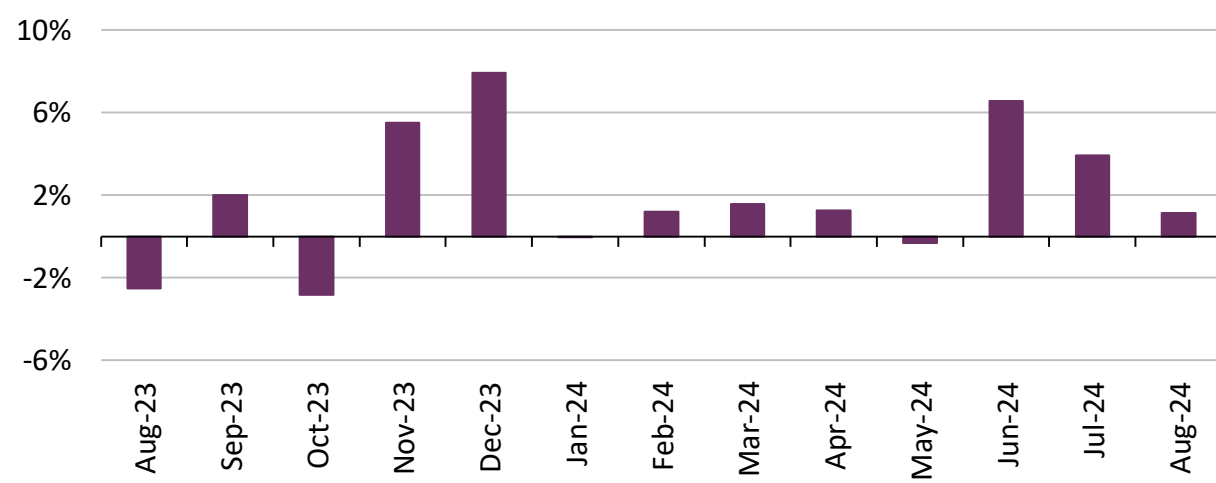
Sector wise performance during the month



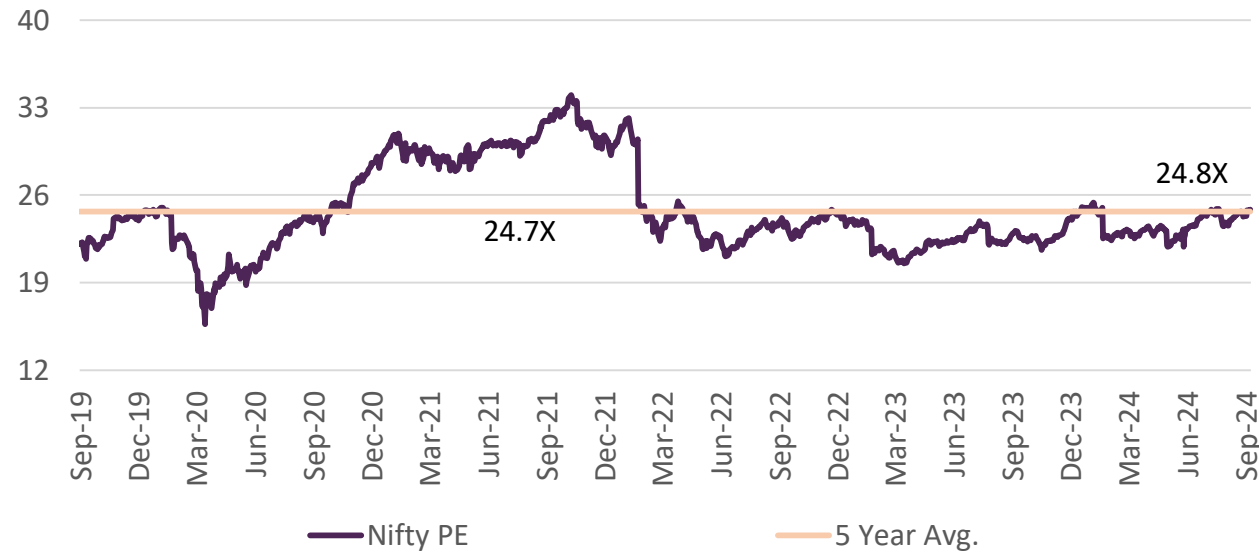
NIFTY Performance in Sep 2024



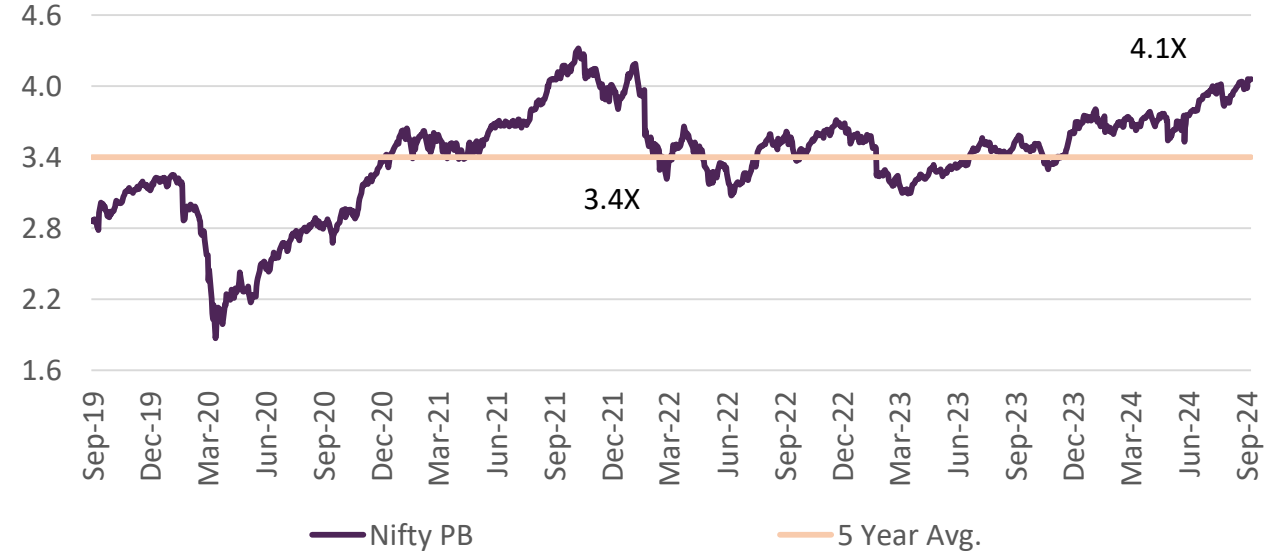
NIFTY monthly performance for trailing 12 months



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

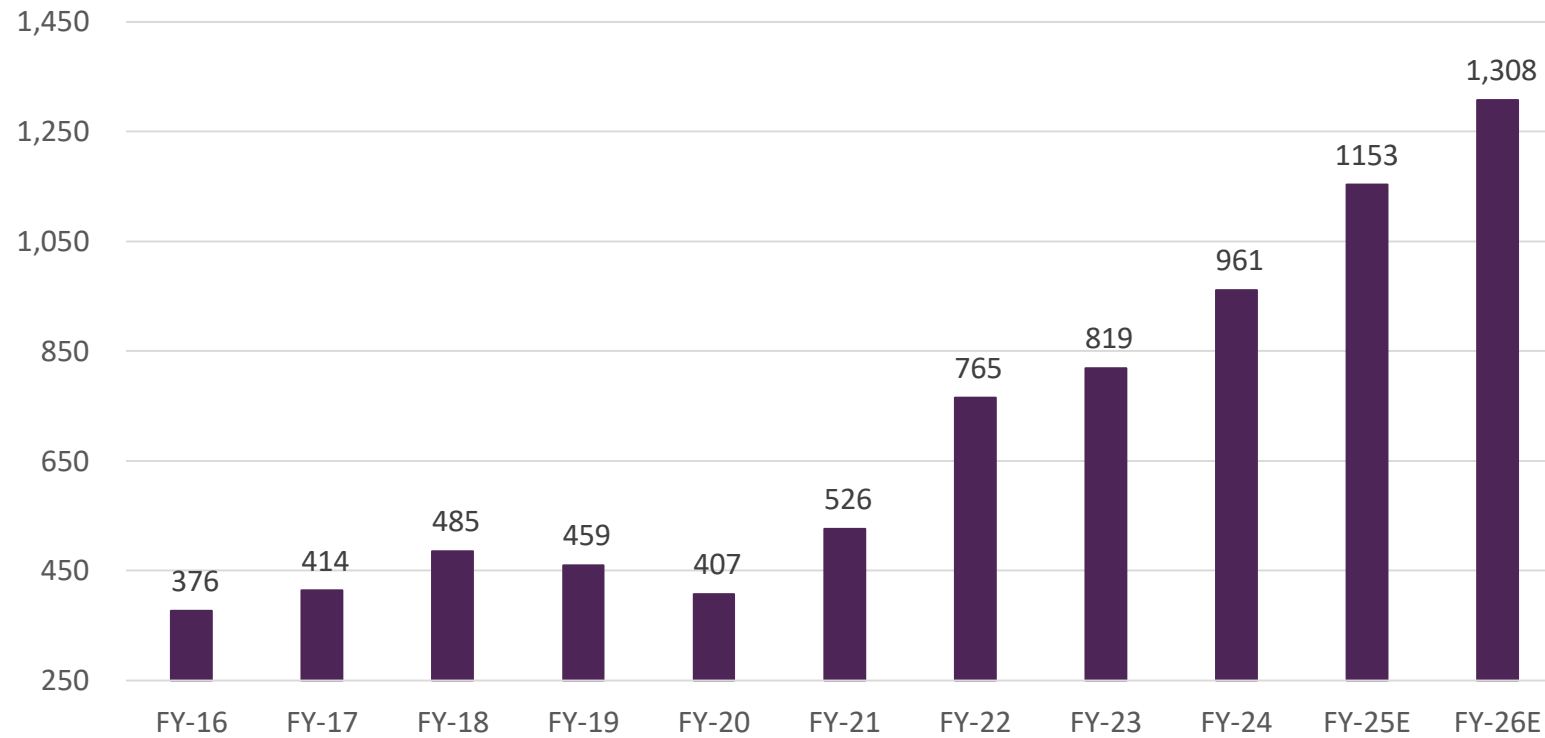


Nifty Trailing 12M P/B & 5 Yr. Avg. P/B



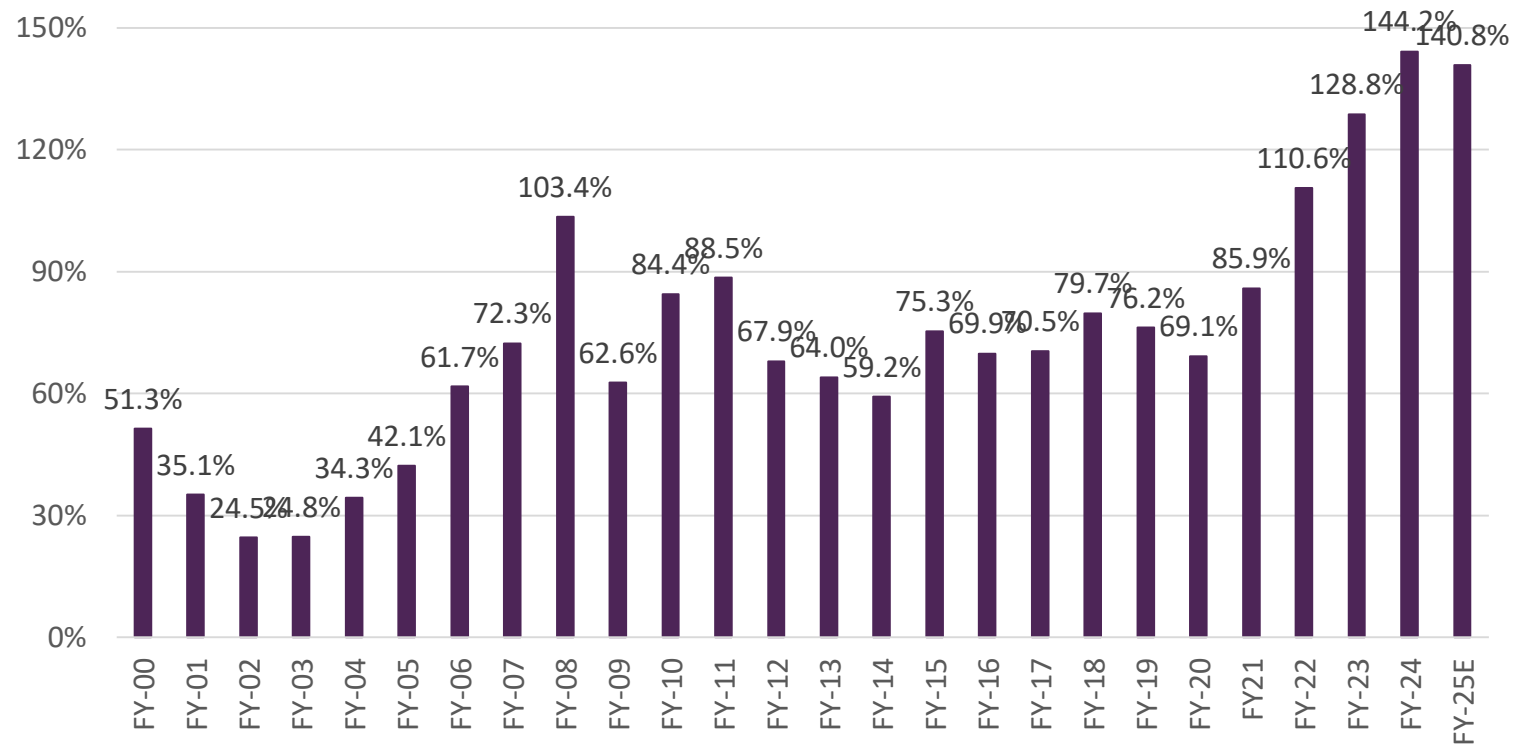
- Currently Nifty50 is trading at around 24.8x its trailing 12-month earnings while its five-year historical average price to earnings ratio stands at around 24.7x. A premium of 0.5% from its five-year historical average.
- In terms of price to book ratio, the Nifty50 is trading at around 3.4x its book value while its five-year historical price to book ratio stands at around 4.1x, a premium of 19.5% to its five-year historical average.

Nifty Historical and Estimated EPS (Consensus)



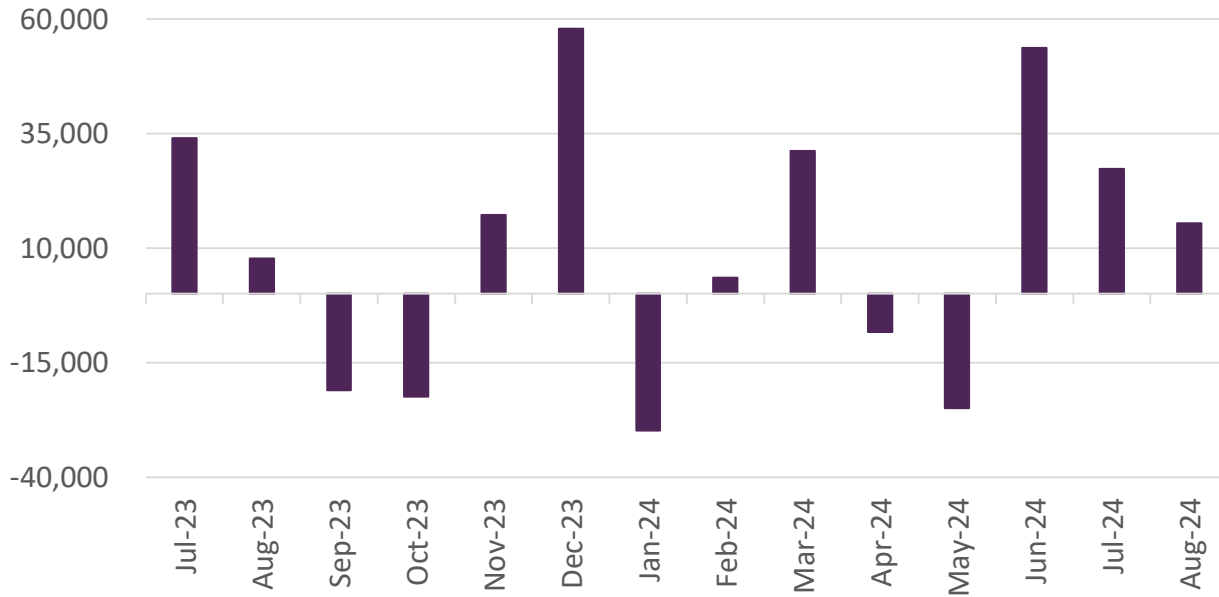
- From the financial year 2023 EPS the consensus estimates for Nifty50 from FY-24 to FY-26 expects earnings to grow at a CAGR of about 16.7%.

India Market Cap. to GDP Ratio

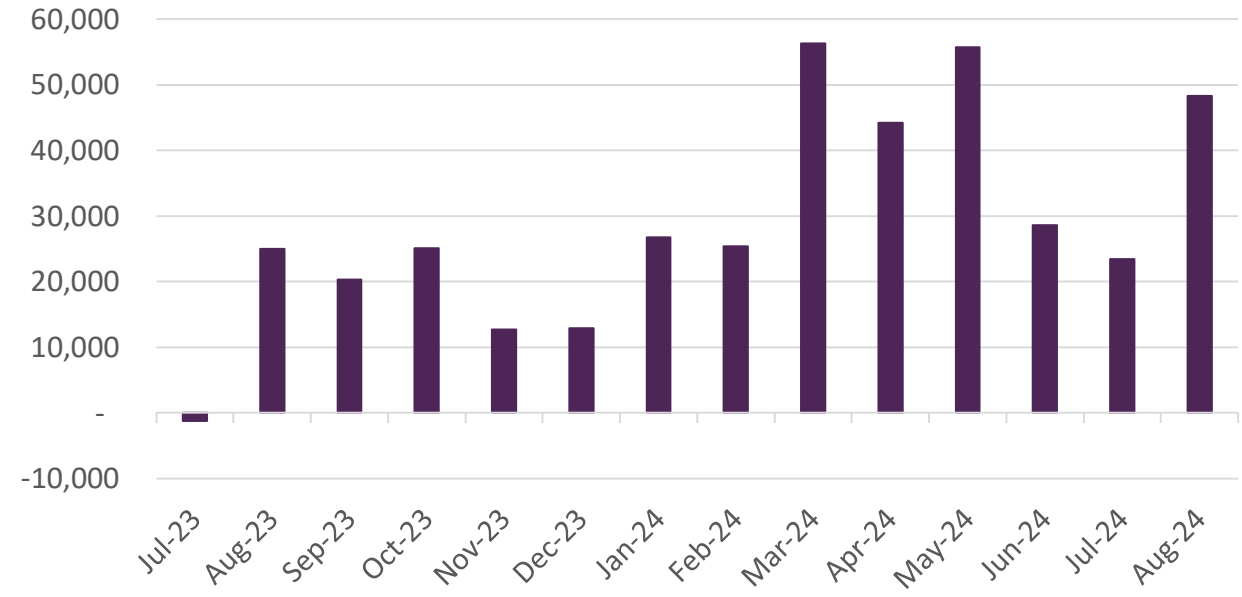


- Currently India's listed companies market capitalisation to GDP ratio stands at about 140.8% (FY-25E). The ratio is considered an indicative of overall equity market sentiments and cycles.
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FII Monthly Inflows in Equity (₹ Crore)

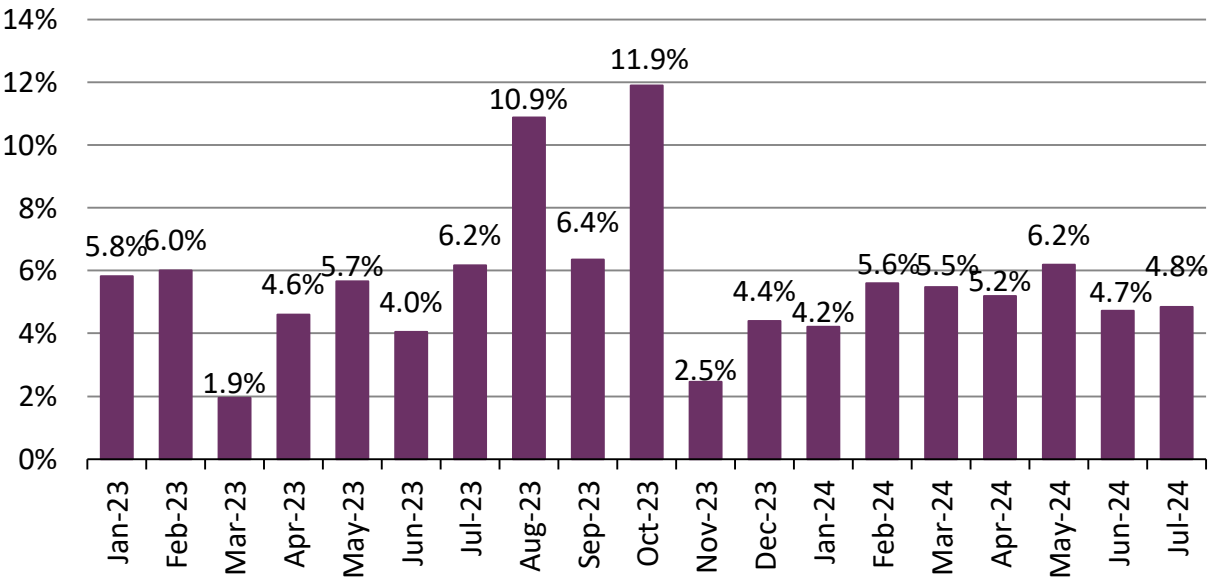


DII Monthly Inflows in Equity (₹ Crore)

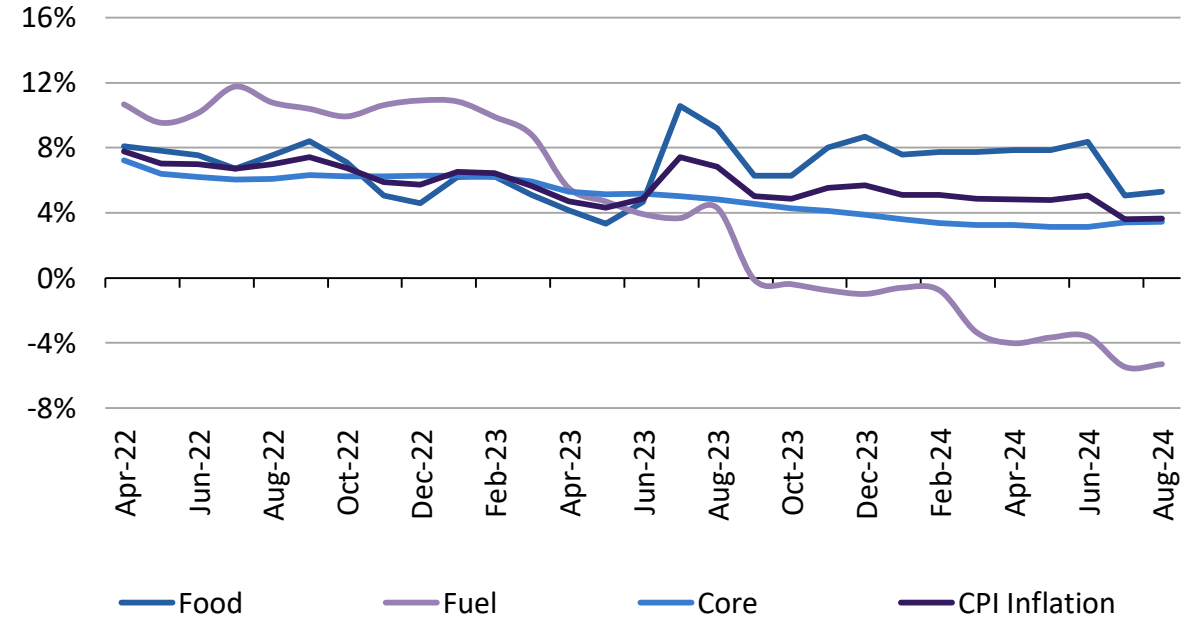


- FII monthly inflows for the month of Aug-24 has seen net inflows of almost ₹15,491 crores, which is third consecutive positive flow for the year.
- On the other hand, domestic funds have seen monthly net inflows of around ₹48,278 crores, a third largest net inflow in last 12 months.

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



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



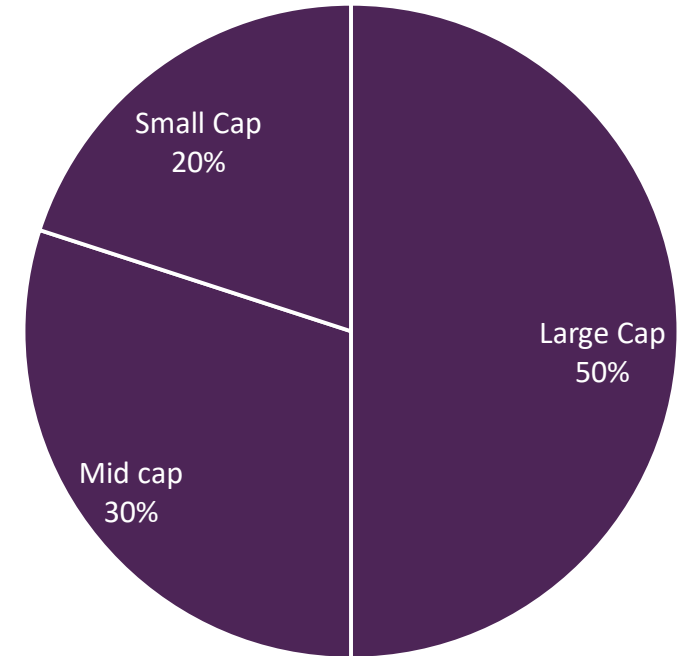
- Index of Industrial Production (IIP) data for the latest month July-24 maintained its positive momentum for the year. The index stood at 4.8% for the month..
- Latest inflation data released showed decrease in YoY CPI inflation. Food inflation remained largely stable at 5.3% while Core inflation remained at 3.4%. Fuel inflation slowed to -5.3%.

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.

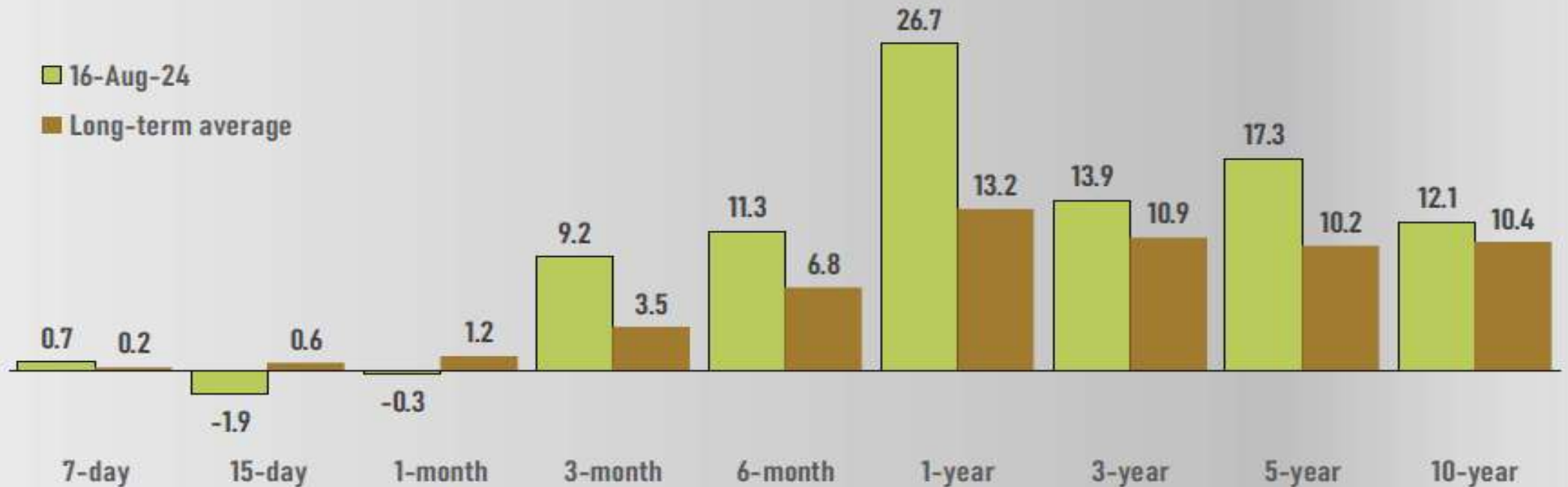


NOTE: The strategy has shifted from individual weight based to equal distribution.

High Nifty return – renewed concerns of market correction

Long-term data since April 2006

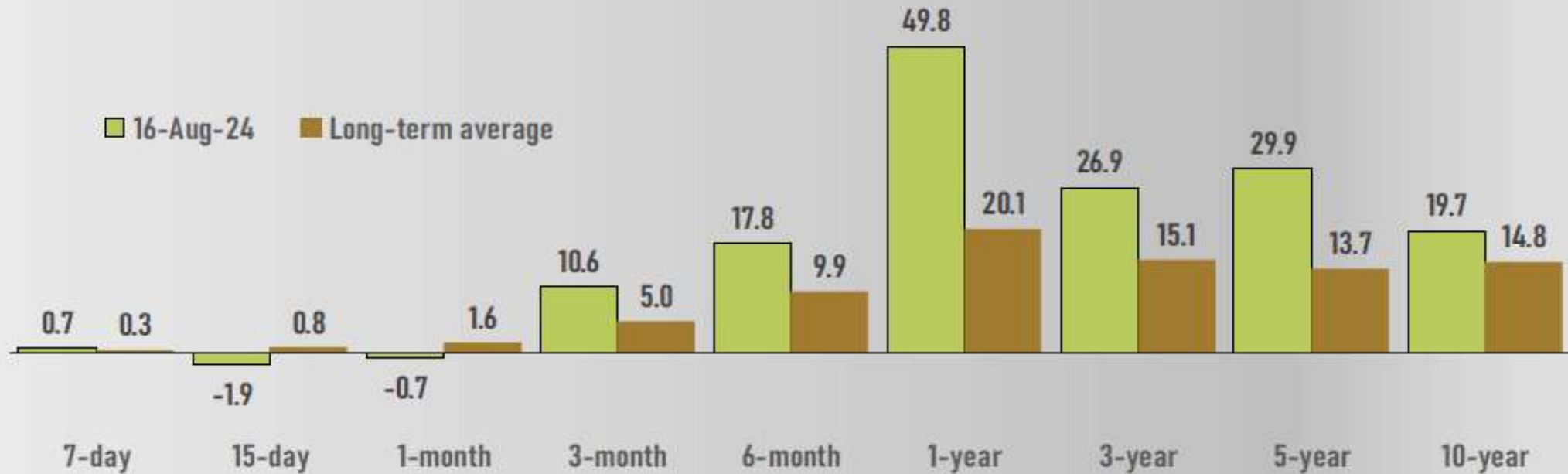
Nifty 50 return - Current vs. long-term average, %



Very high midcap return - nervousness about midcaps strong run

Long-term data since April 2006

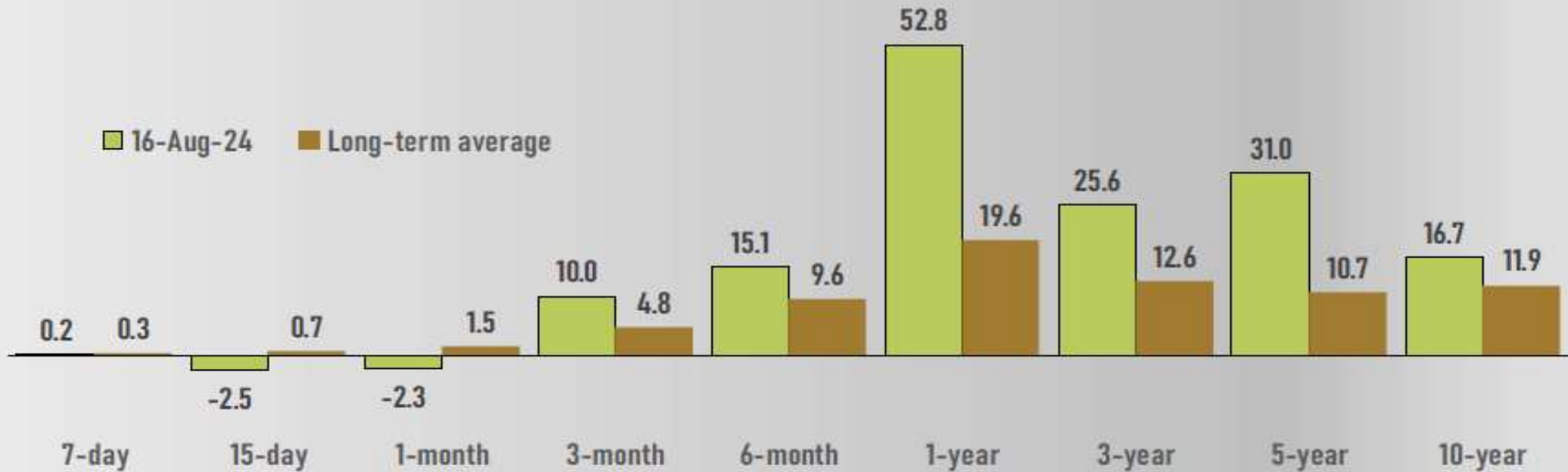
Midcap 150 return - Current vs. long-term average, %



Supernormal small-cap return – bracing for a deep correction

Long-term data since April 2006

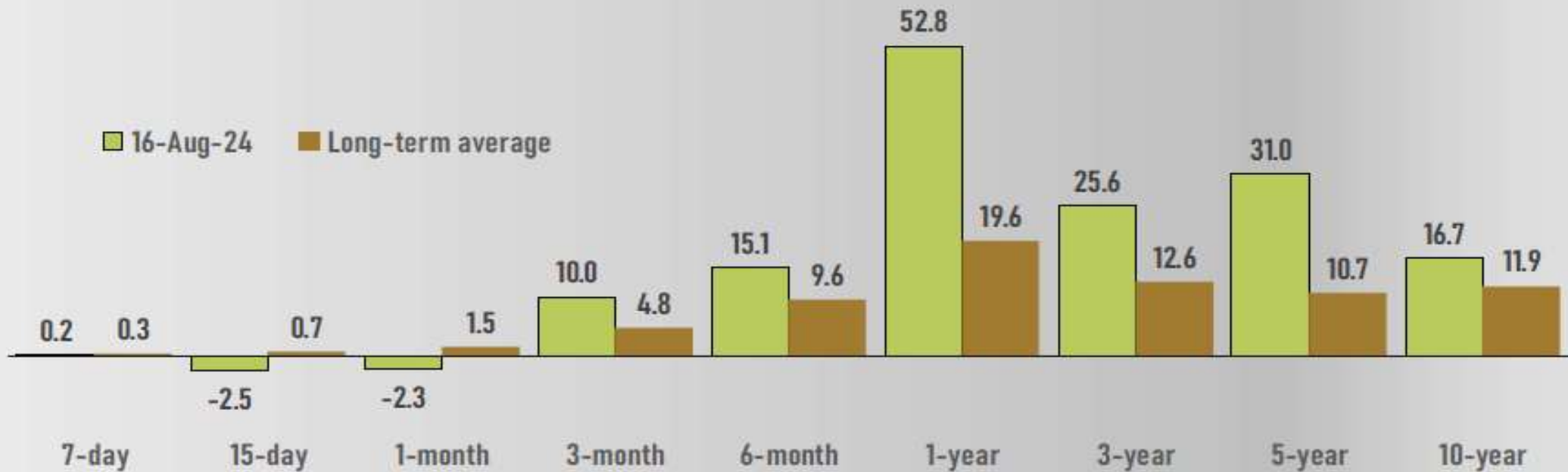
Smallcap 250 return - Current vs. long-term average, %



Supernormal small-cap return – bracing for a deep correction

Long-term data since April 2006

Smallcap 250 return - Current vs. long-term average, %



Earnings during Apr-Jun'24 were in-line with expectations

Index	Nifty 50	Largecap 100	Midcap 150	Smallcap 250
No. of companies	50	100	149	249
Weightage (%)	100.0	100.0	99.5	99.7
EPS (Rs)	262.3	262.7	131.4	142.8
Q/Q growth (%)	(8.2)	(7.9)	11.2	1.0
Y/Y growth (%)	4.1	3.2	6.0	16.7

Auto and Financials performed strongly, Oil & Gas and Metals did badly

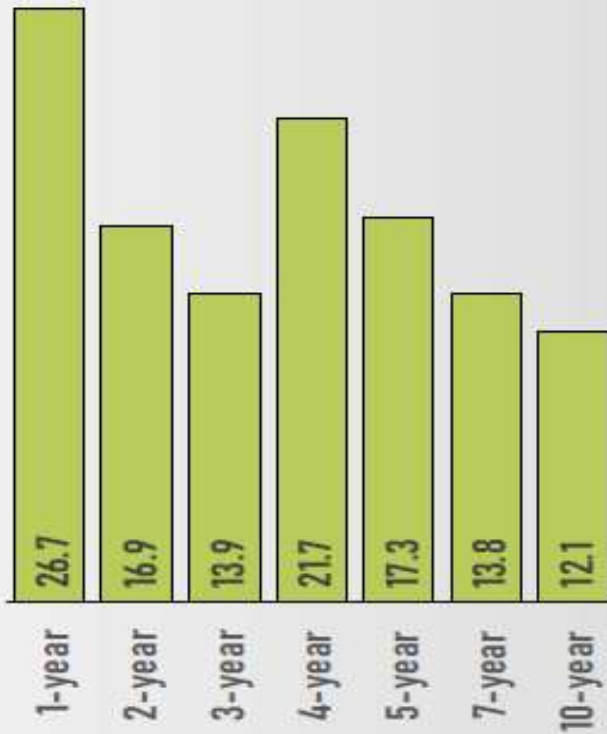
Sector	Sales			EBITDA margin			Adjusted PAT		
	Actual	Growth (%)		Actual	Change (bps)		Actual	Growth (%)	
	Rs mn	Q/Q	Y/Y	(%)	Q/Q	Y/Y	Rs mn	Q/Q	Y/Y
Nifty 50	16,522,582	(3.4)	7.2	22.9	0.1	(76.9)	2,060,004	(11.0)	1.4
Nifty 50 (ex-Oil & Gas)	11,213,580	(4.2)	8.0	27.8	78.1	86.1	1,759,628	(9.2)	11.8
Auto & Auto Ancs	2,075,810	(5.4)	8.2	15.8	49.7	167.5	164,092	(41.1)	27.4
Cements & Building Materials	180,696	(11.5)	1.9	16.8	(332.8)	(37.1)	16,680	(27.6)	(1.1)
Diversified	2,955,502	(3.9)	11.7	16.6	(78.7)	(111.9)	213,113	(14.5)	(0.8)
Financials	276,539	(39.4)	12.4				9,985	(18.3)	25.2
FMCG	581,226	2.6	4.3	25.3	(47.6)	(113.2)	105,693	(2.5)	(2.3)
Healthcare	342,464	5.4	9.7	25.6	231.4	25.4	61,680	6.9	19.2
Industrial/Capital Goods	551,198	(17.8)	15.1	12.8	(11.7)	(40.9)	34,401	(30.3)	10.4
IT	1,740,969	1.4	3.4	22.6	(14.1)	89.2	277,764	(4.6)	9.7
Metals & Mining	1,547,274	(3.9)	0.0	12.7	68.0	114.4	52,930	(4.8)	(7.3)
NBFC	417,788	(1.2)	29.9				100,969	1.8	14.5
Oil & Gas	2,946,831	(1.4)	0.9	9.3	(153.0)	(664.2)	125,896	(24.7)	(54.3)
Others	825,306	0.8	3.6	47.1	468.4	73.9	174,062	24.5	7.4
Power	595,268	(0.1)	10.0	39.7	(108.4)	(196.4)	91,165	(15.4)	5.8
Private Bank	887,634	3.5	24.8				427,616	(5.4)	20.5
PSU Bank	465,417	(0.6)	7.2				196,808	(9.5)	5.0
Retail	132,660	6.2	11.5	9.4	(13.3)	(5.6)	7,150	(7.3)	(5.4)

For Banks and NBFCs, Sales = NII, EBITDA = PPOP

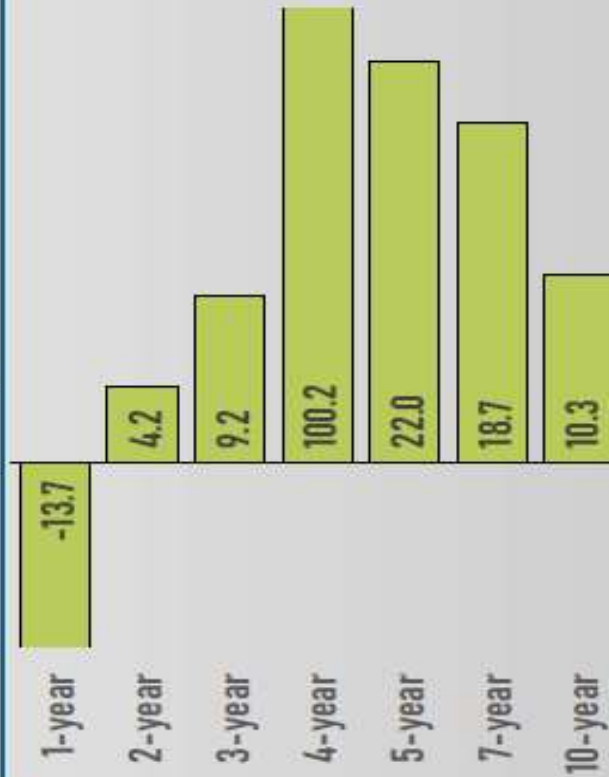
Different earnings expectations about large, mid and small cap indices

Long-term data since April 2006

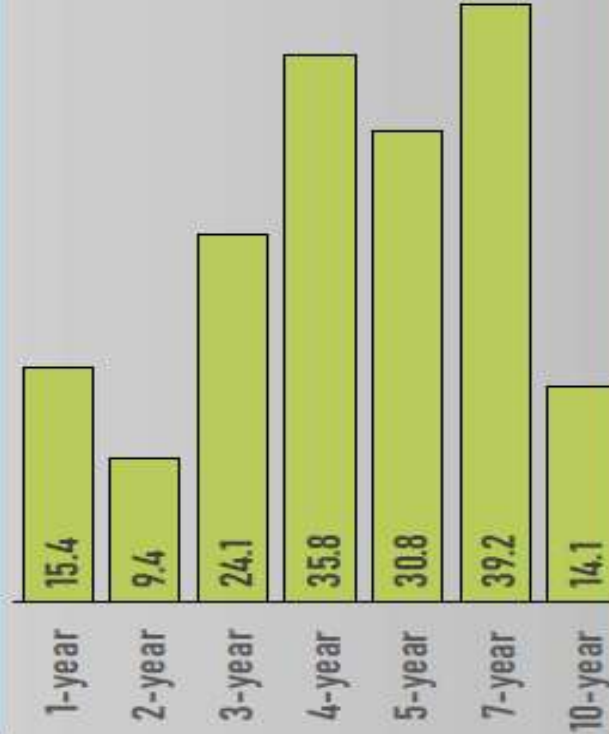
Nifty 50 earnings growth, %



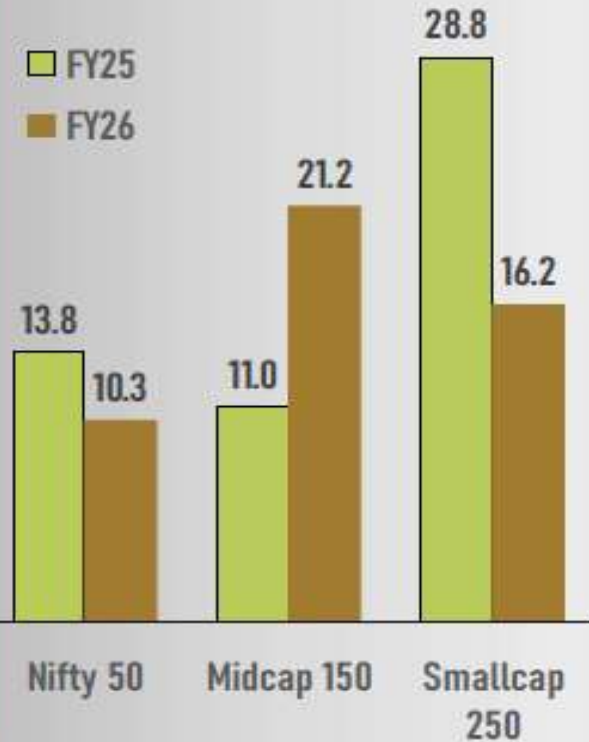
Midcap 150 earnings growth, %



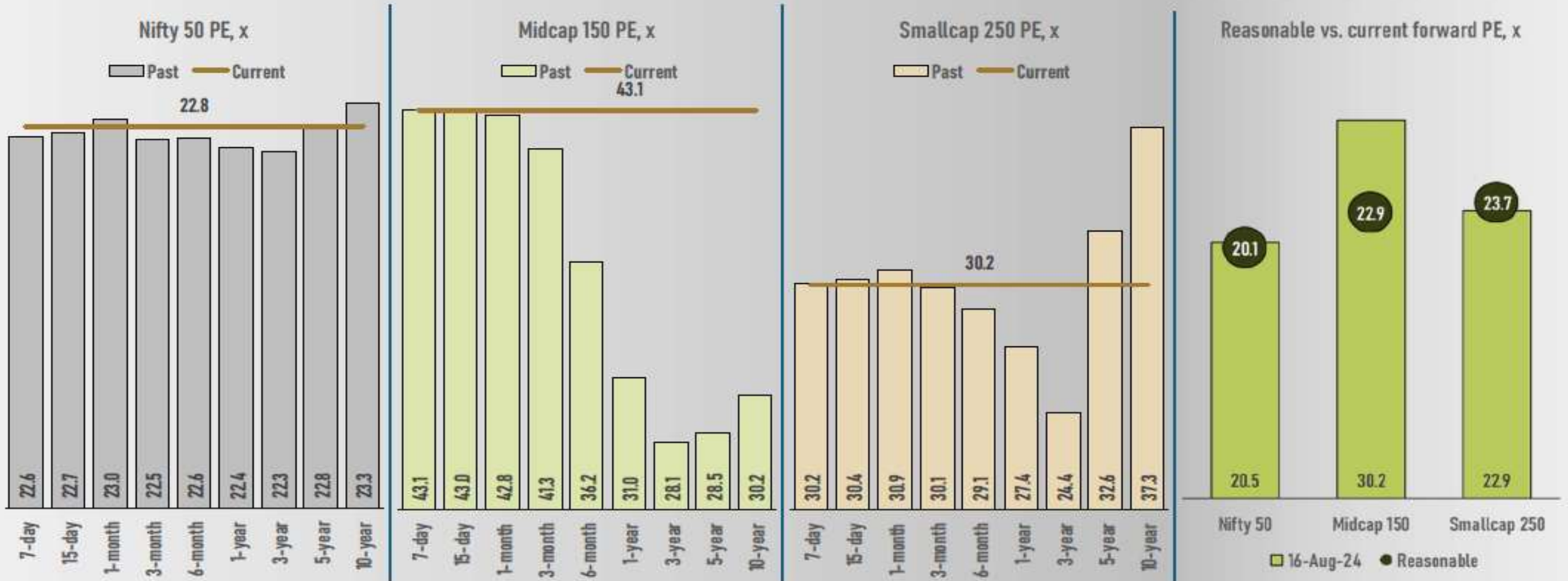
Smallcap 250 earning growth, %



Expected earnings growth, %



The valuations of Indian equities high – yes and no

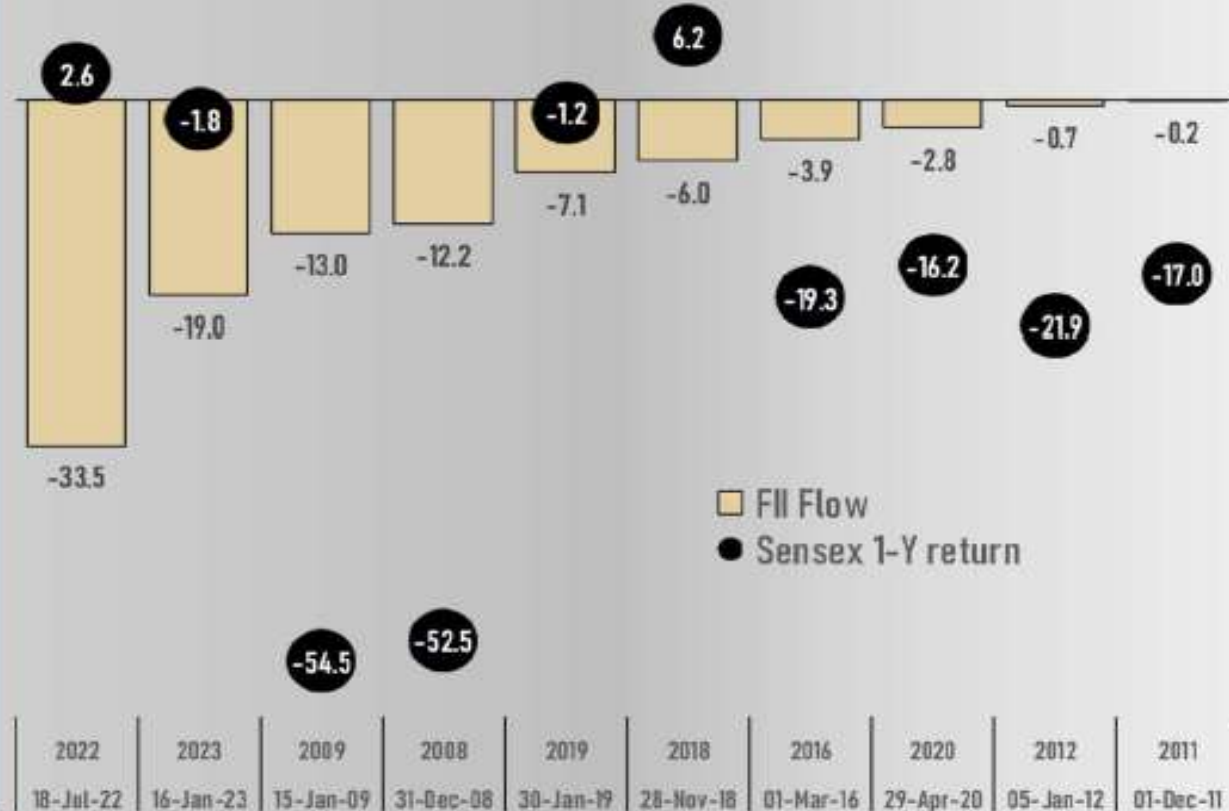


10 largest inflows & outflow – Falling impact of FII outflow on Indian market

FII inflow (US\$ bn) and sensex return (%)

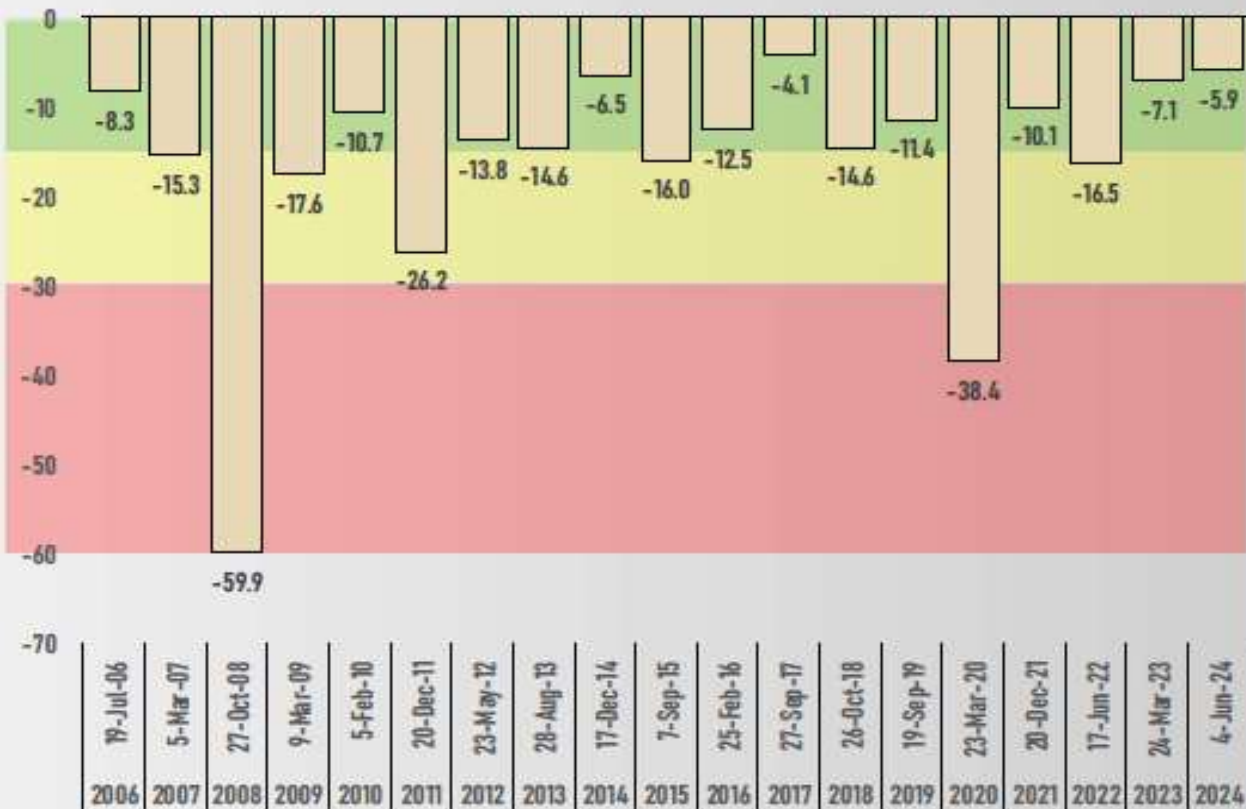


FII outflow (US\$ bn) and sensex return (%)

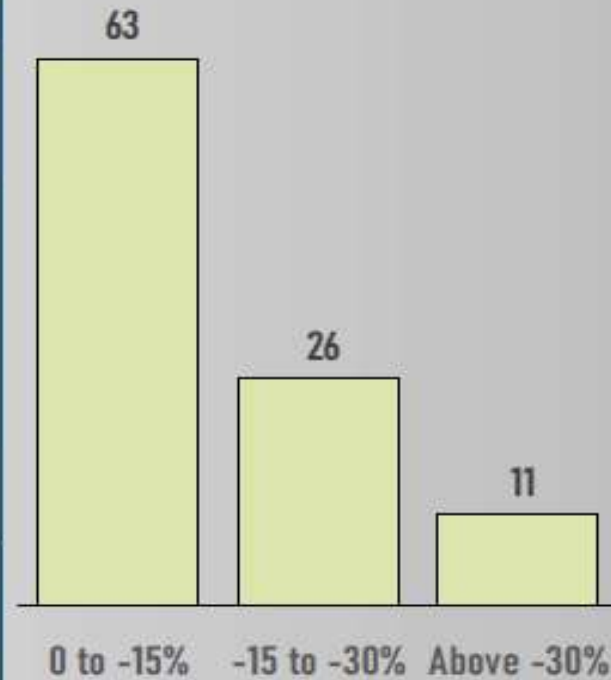


While up to 15% correction of Nifty 50 in a year is common, market rebounds w

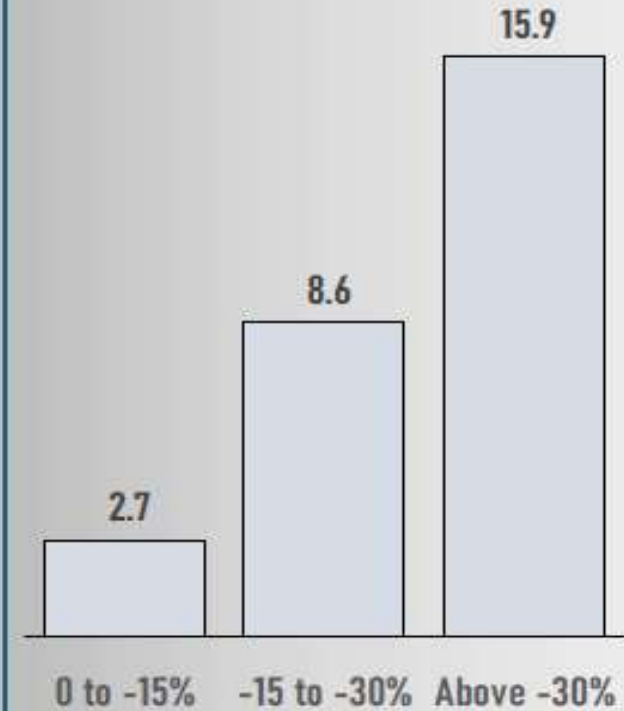
Nifty 50, intra-year maximum correction (draw down), %



Nifty 50 - types of corrections and frequency, %

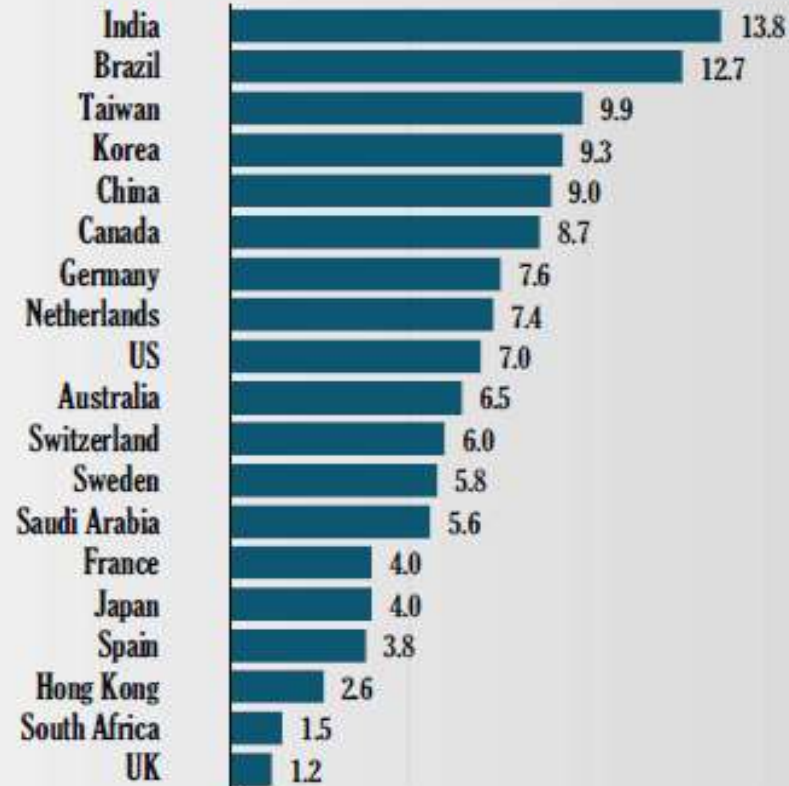


Nifty 50 - new high within, month

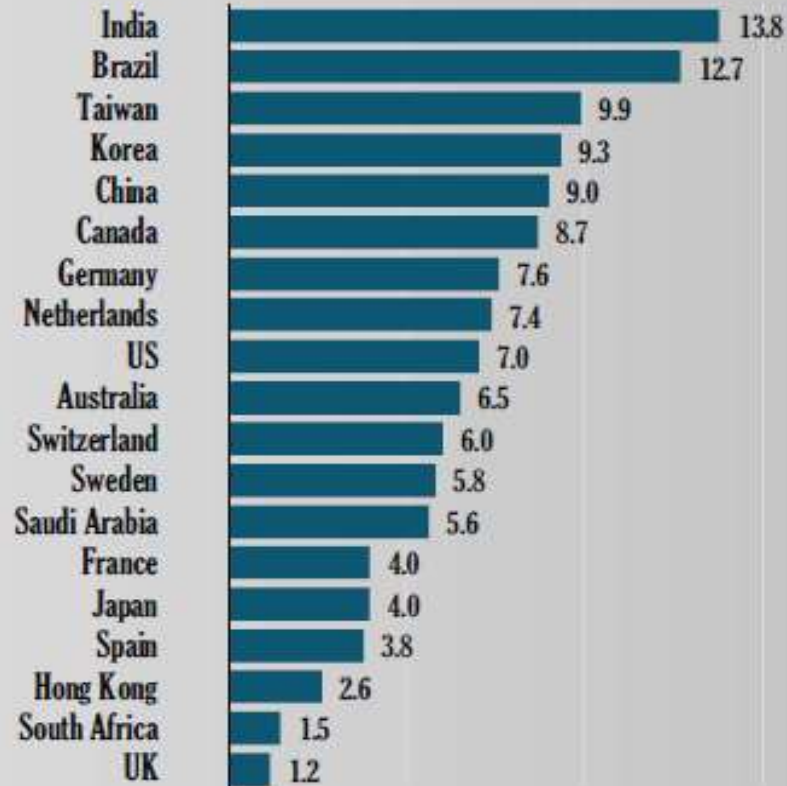


Indian equities is the best by medium-term US dollar return

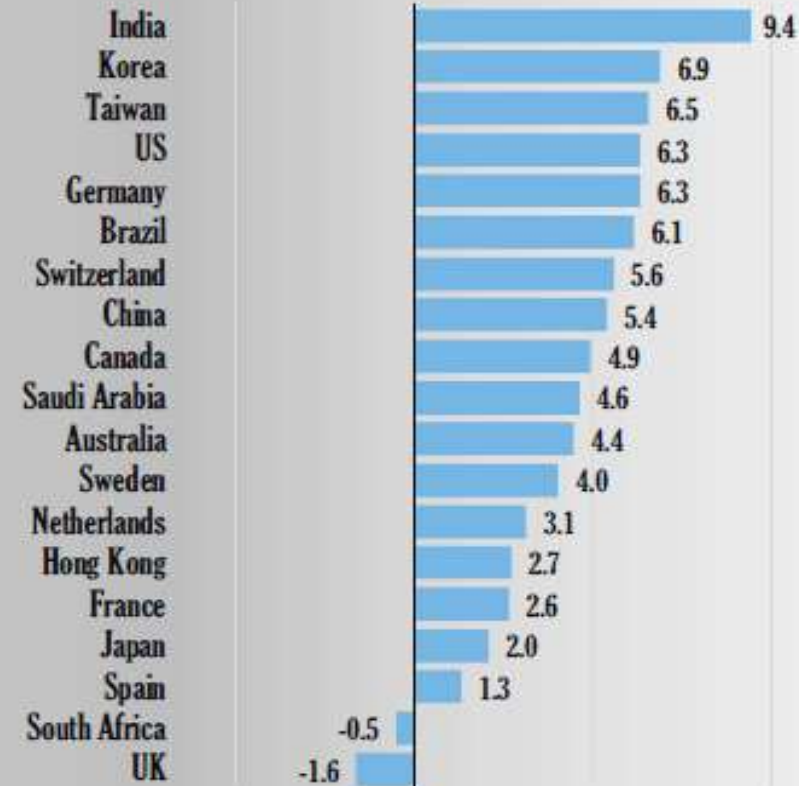
Average 1-year return, US\$, 2000-24, %



Average 1-year return, US\$, 2000-24, %

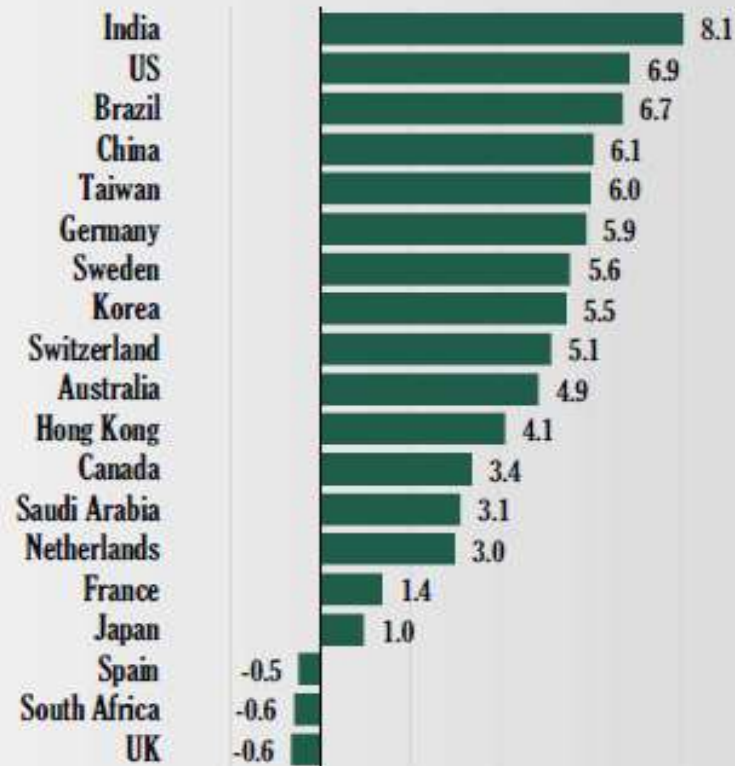


Average 5-year return, US\$, 2000-24, %

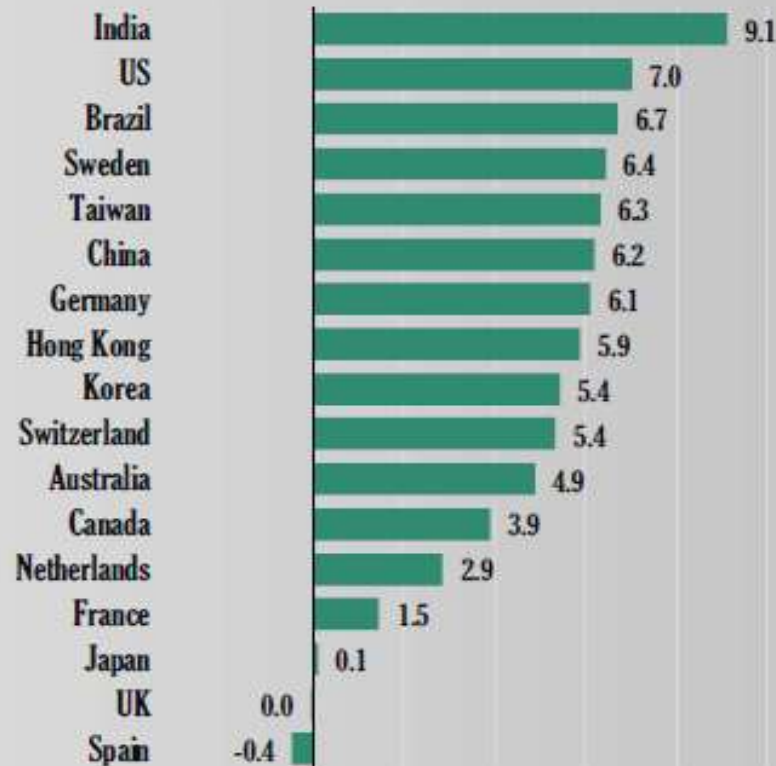


Indian equities is the best by long-term US dollar return as well

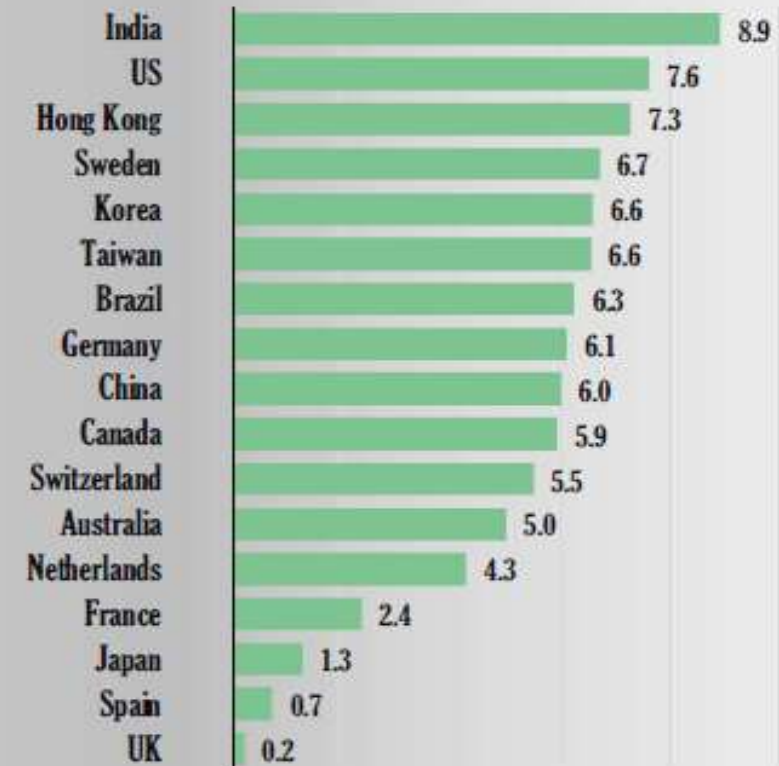
Average 10-year return, US\$, 2000-24, %



Average 15-year return, US\$, 2000-24, %



Average 20-year return, US\$, 2000-24, %



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