



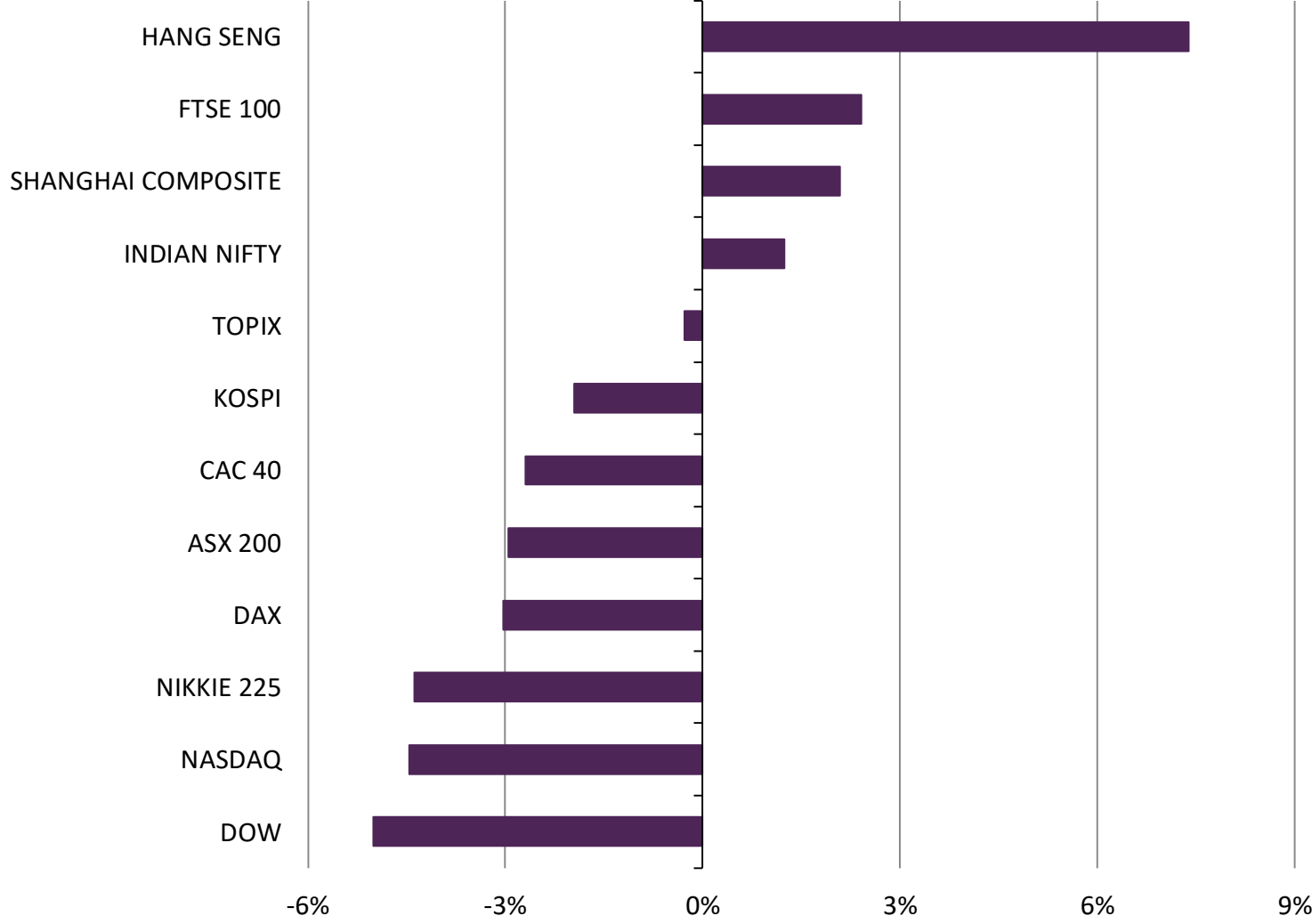
# BESPOKE

Advice for a select few

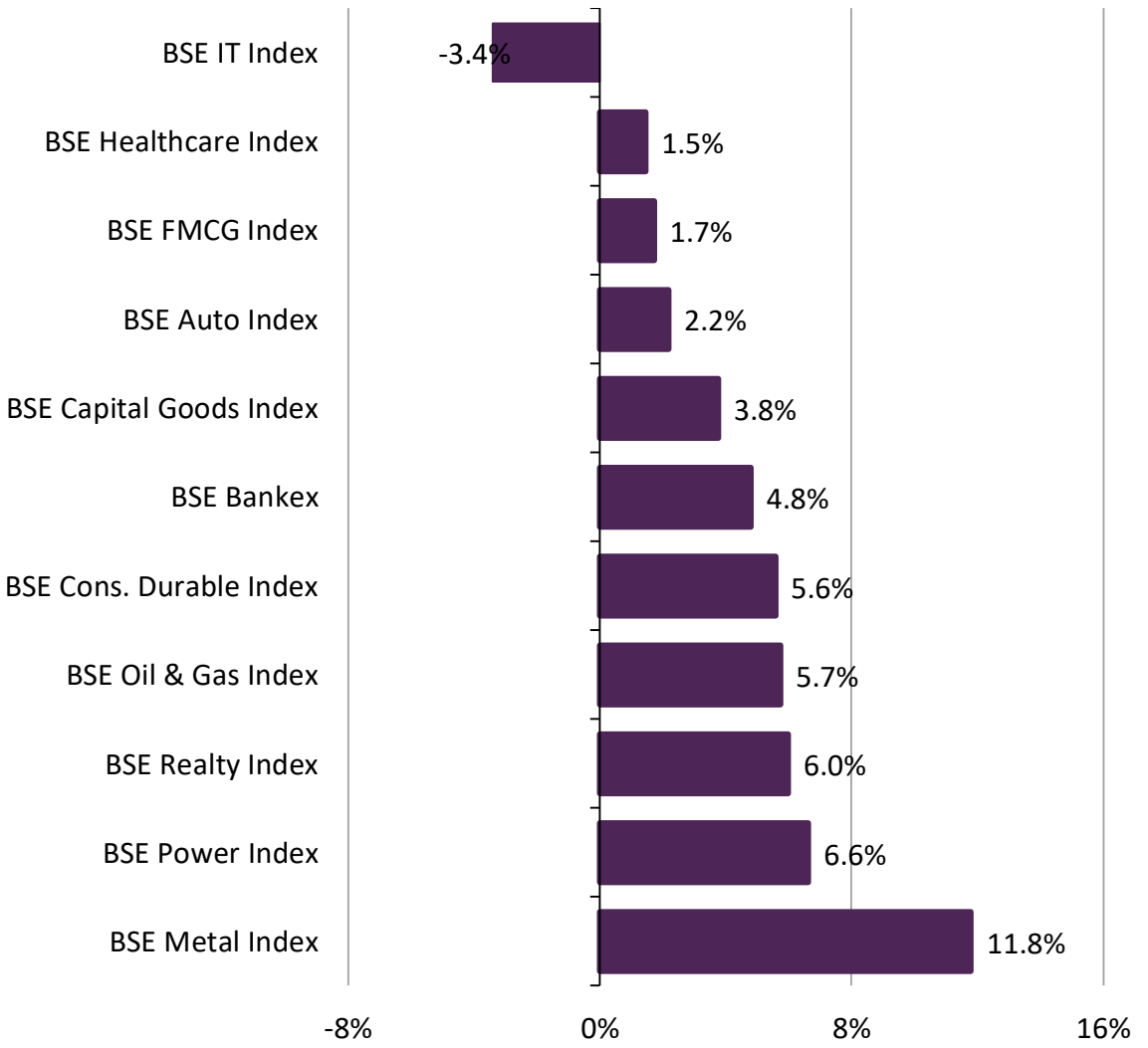
ANANDRATHI  
PRIVATE CLIENT GROUP  
EQUITY



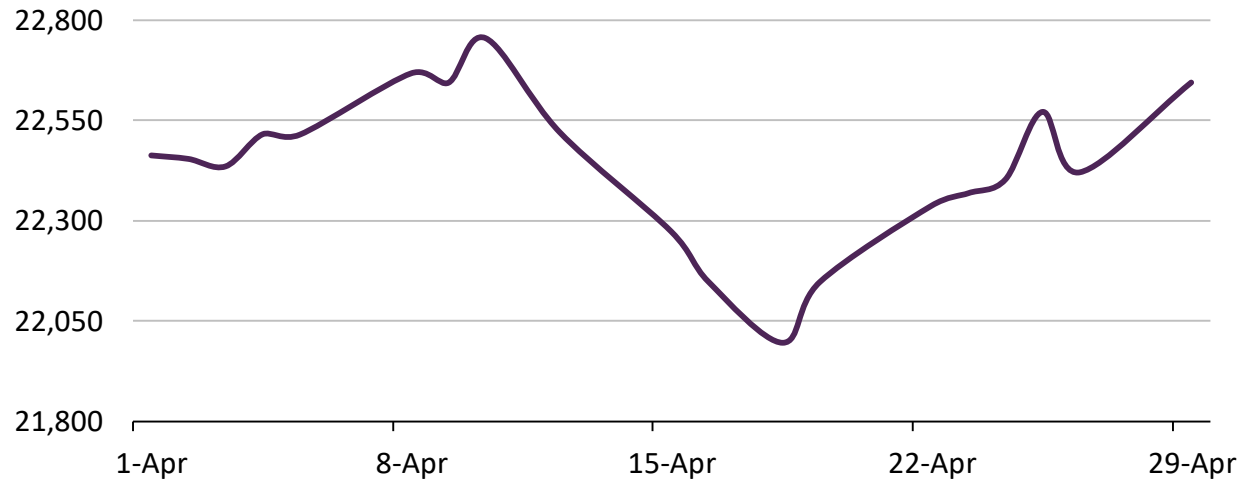
**Global Markets performance in Apr-24**



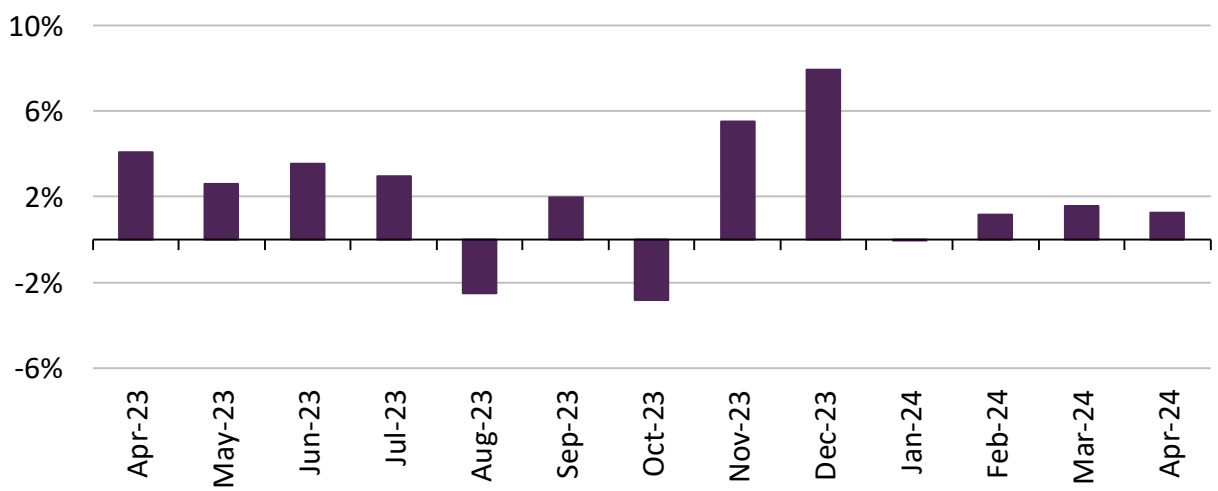
## Sector wise performance during the month



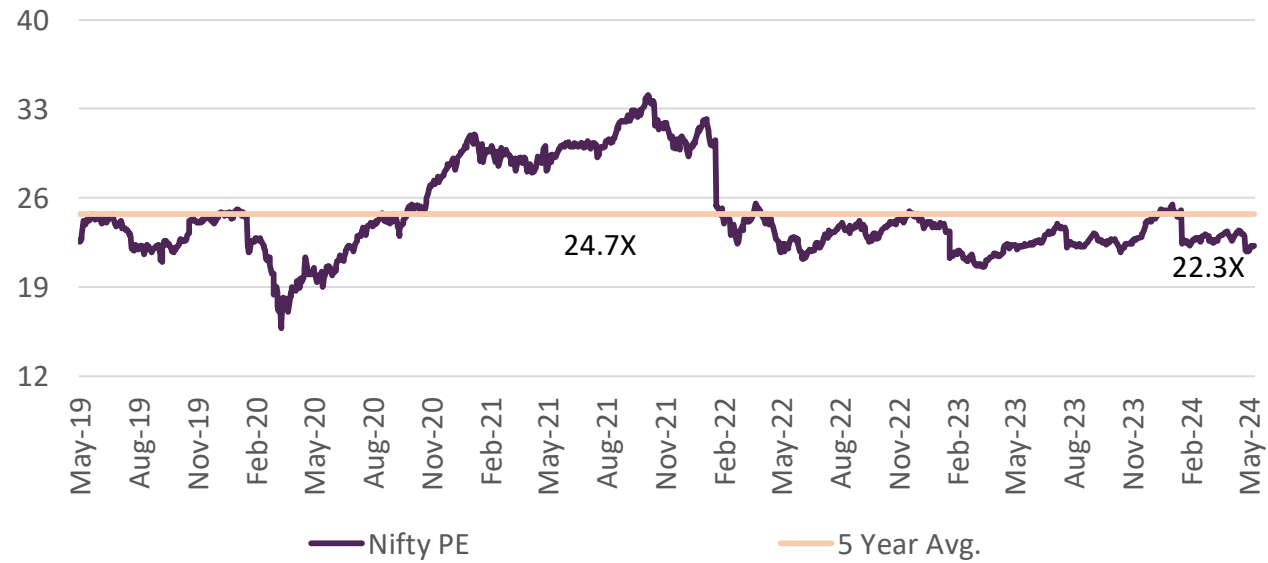
## NIFTY Performance in Apr 2024



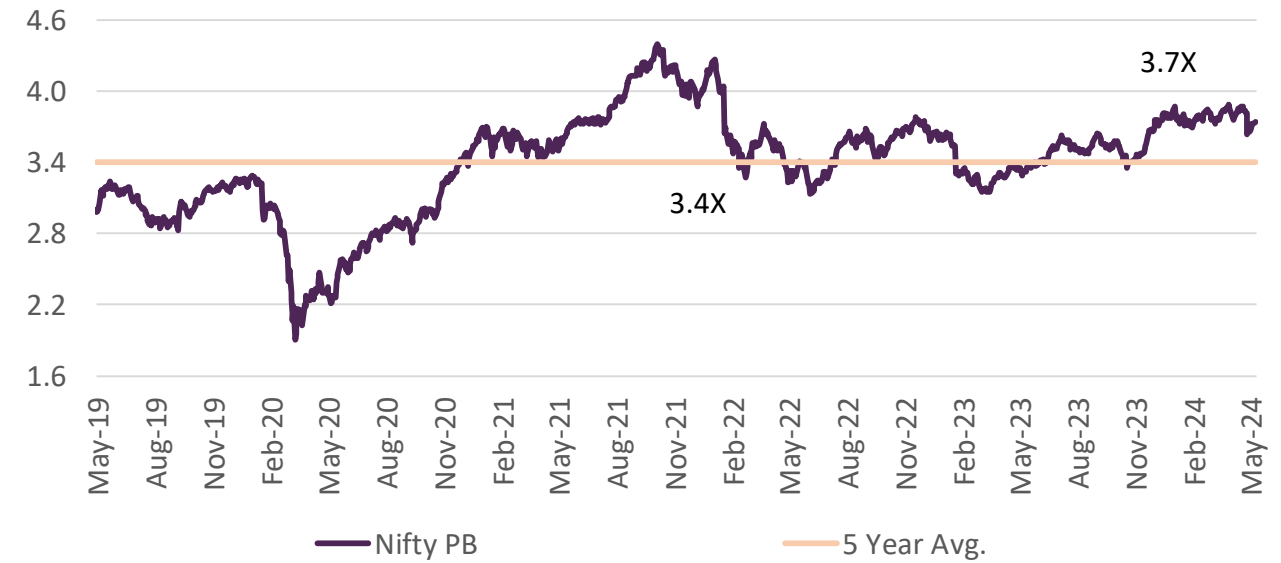
## NIFTY monthly performance for trailing 12 months



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

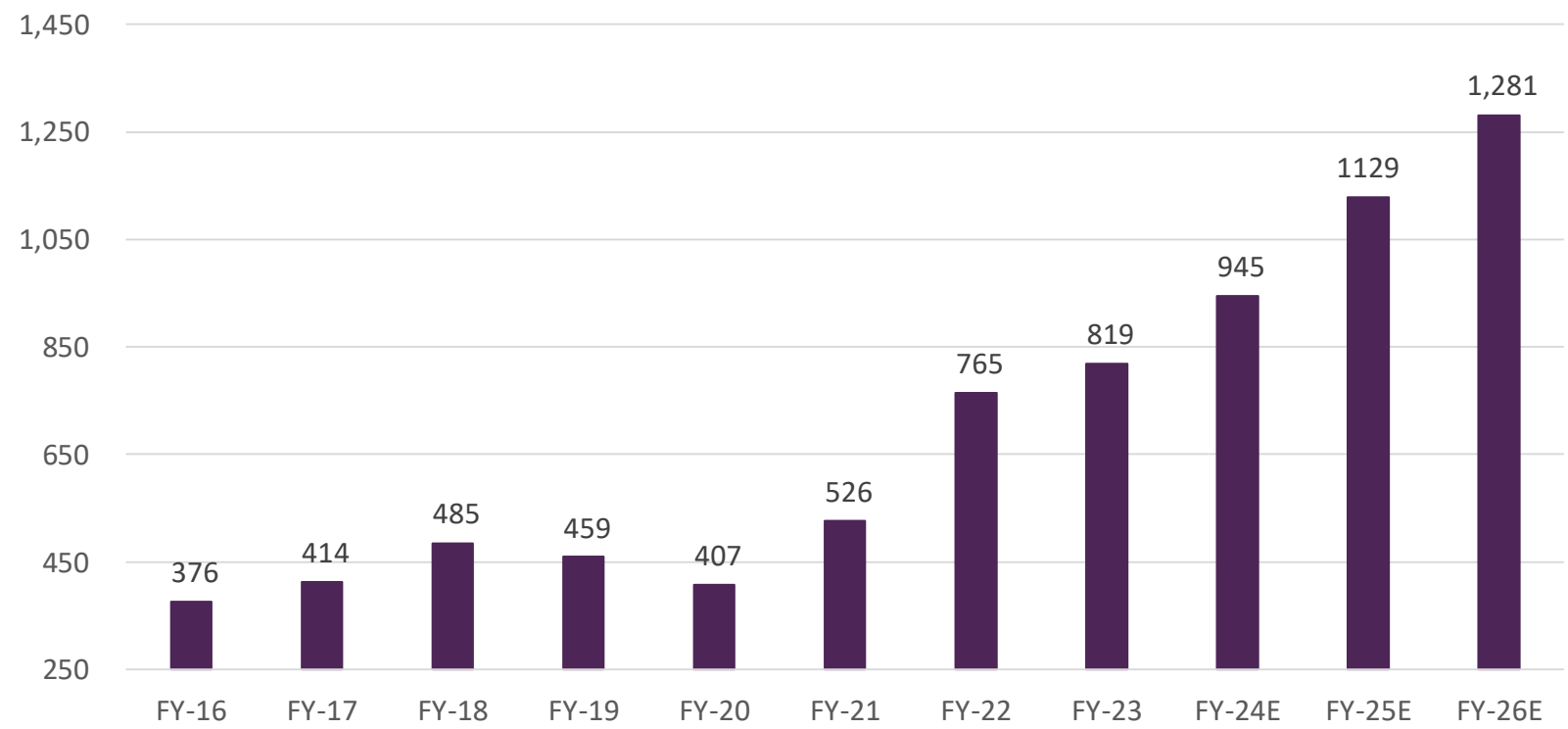


### Nifty Trailing 12M P/B & 5 Yr. Avg. P/B



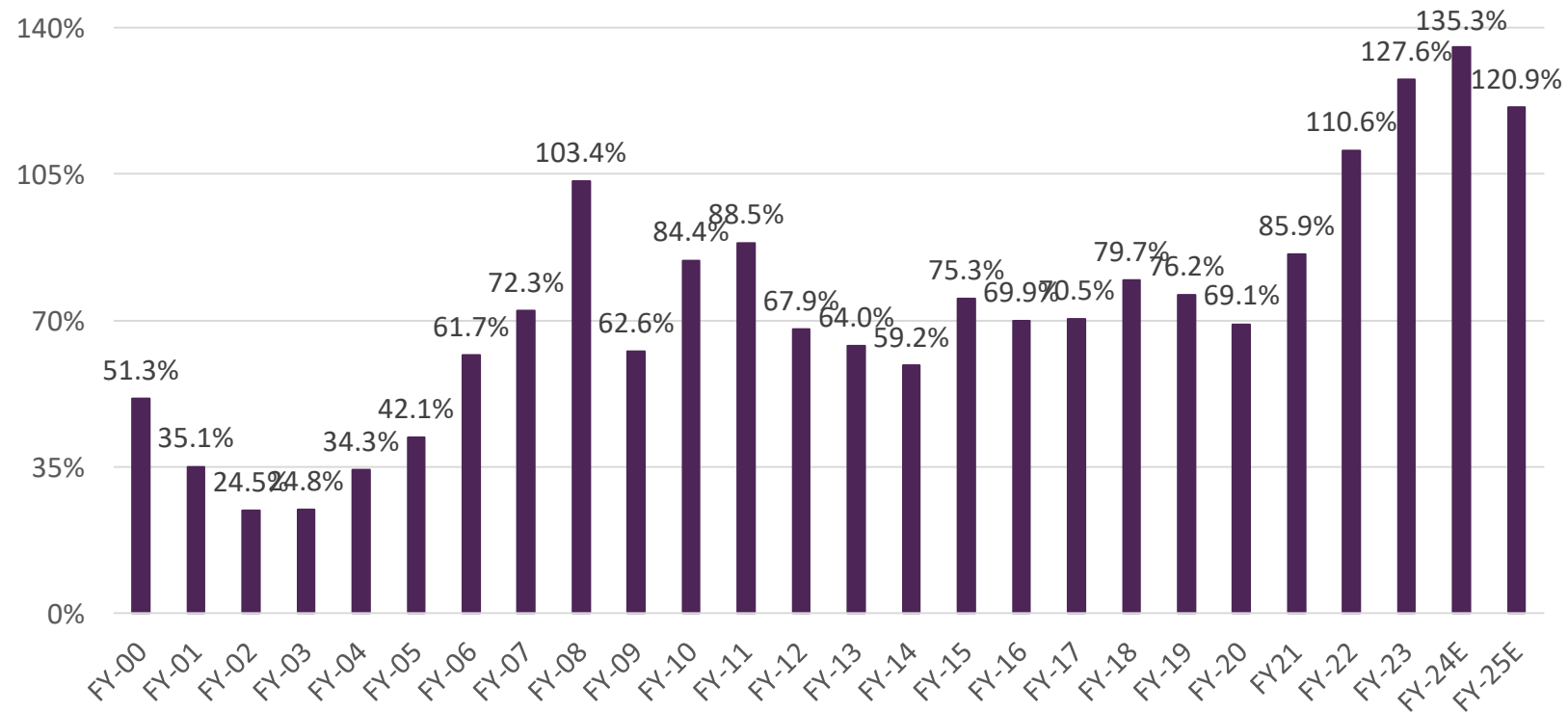
- Currently Nifty50 is trading at around 22.3x its trailing 12 month earnings while its five year historical average price to earnings ratio stands at around 24.7x. A discount of around 9.8% from its five year historical average.
- In terms of price to book ratio, the Nifty50 is trading at around 3.7x its book value while its five year historical price to book ratio stands at around 3.4x, a premium of 10% to its five year historical average.

### Nifty Historical and Estimated EPS (Consensus)



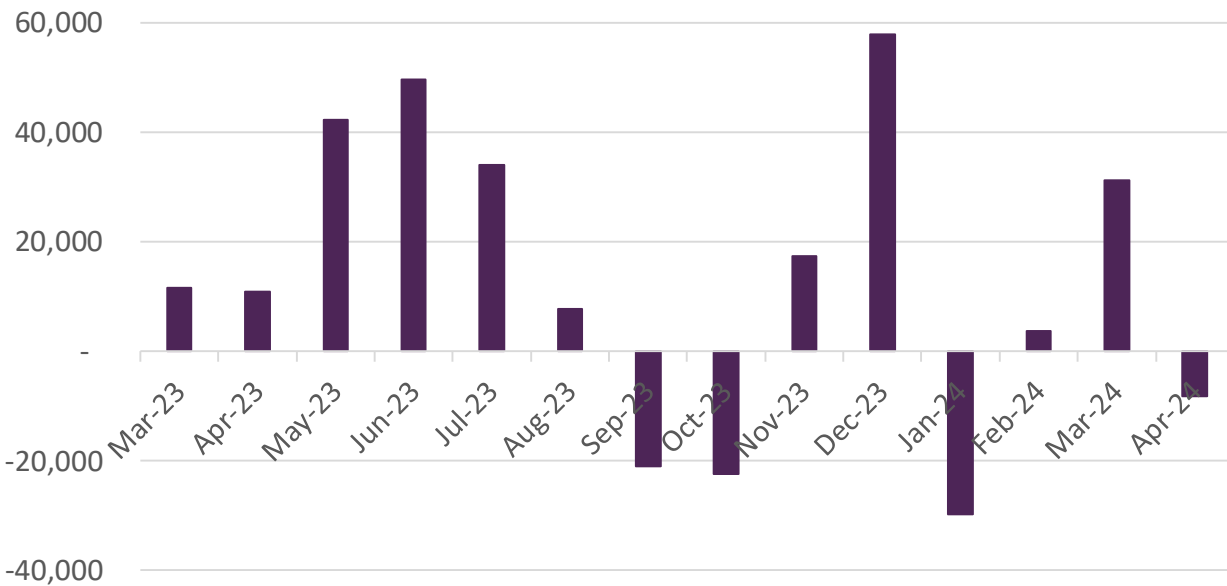
- From the financial year 2023 EPS the consensus estimates for Nifty50 from FY-24 to FY-26 expects earnings to grow at a CAGR of about 16.4%.

## India Market Cap. to GDP Ratio

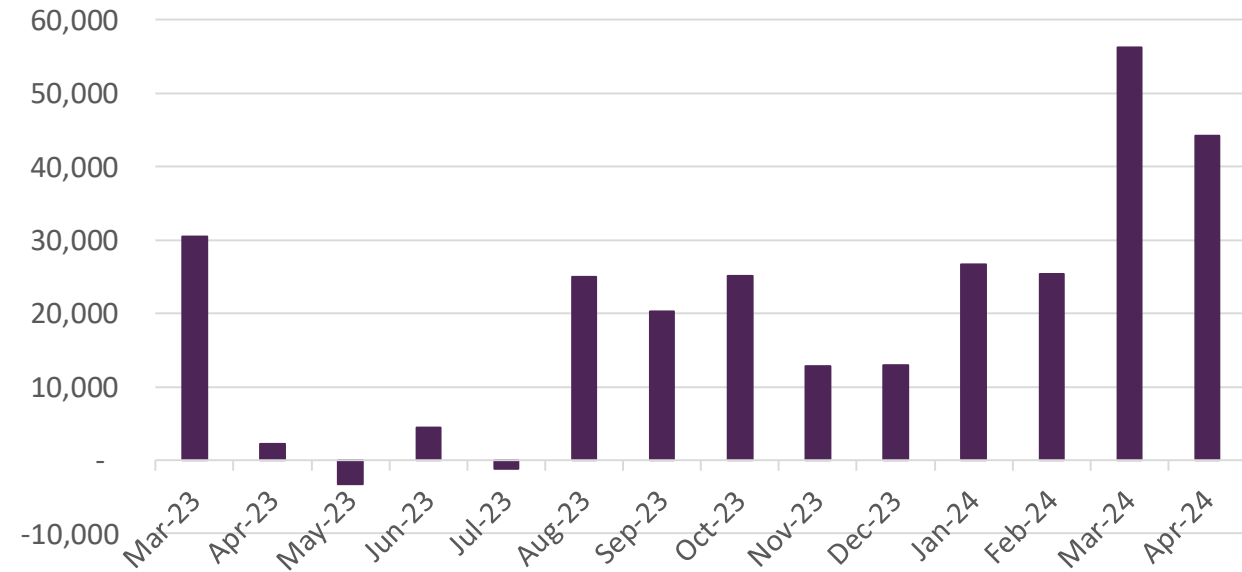


- Currently India's listed companies market capitalisation to GDP ratio stands at about 120.9% (FY-25E). The ratio is considered an indicative of overall equity market sentiments and cycles.
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## FII Monthly Inflows in Equity (₹ Crore)

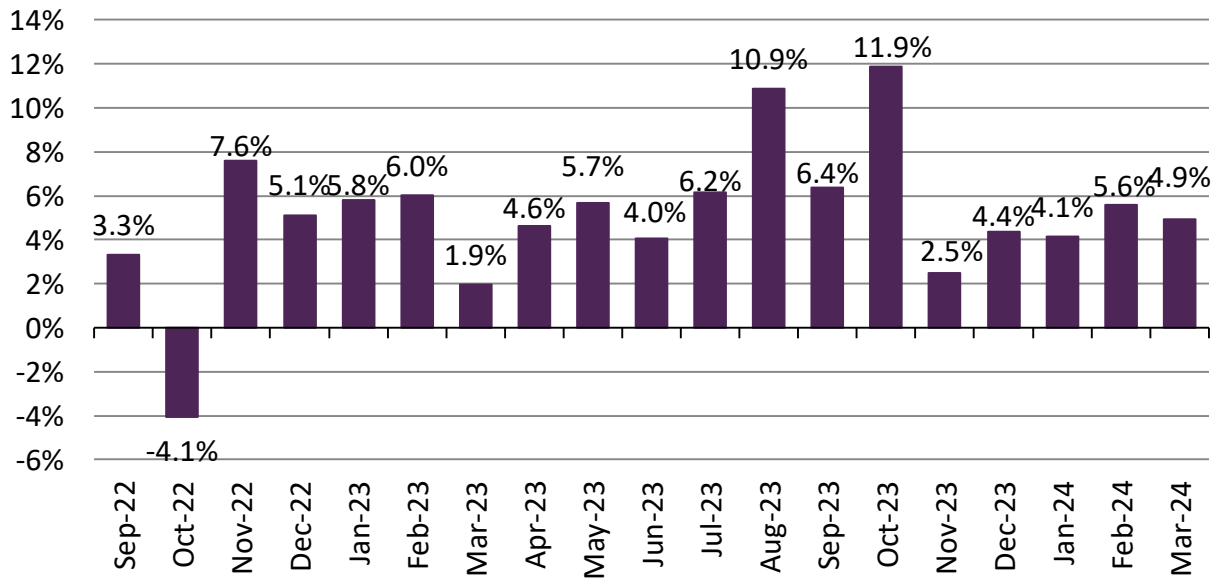


## DII Monthly Inflows in Equity (₹ Crore)

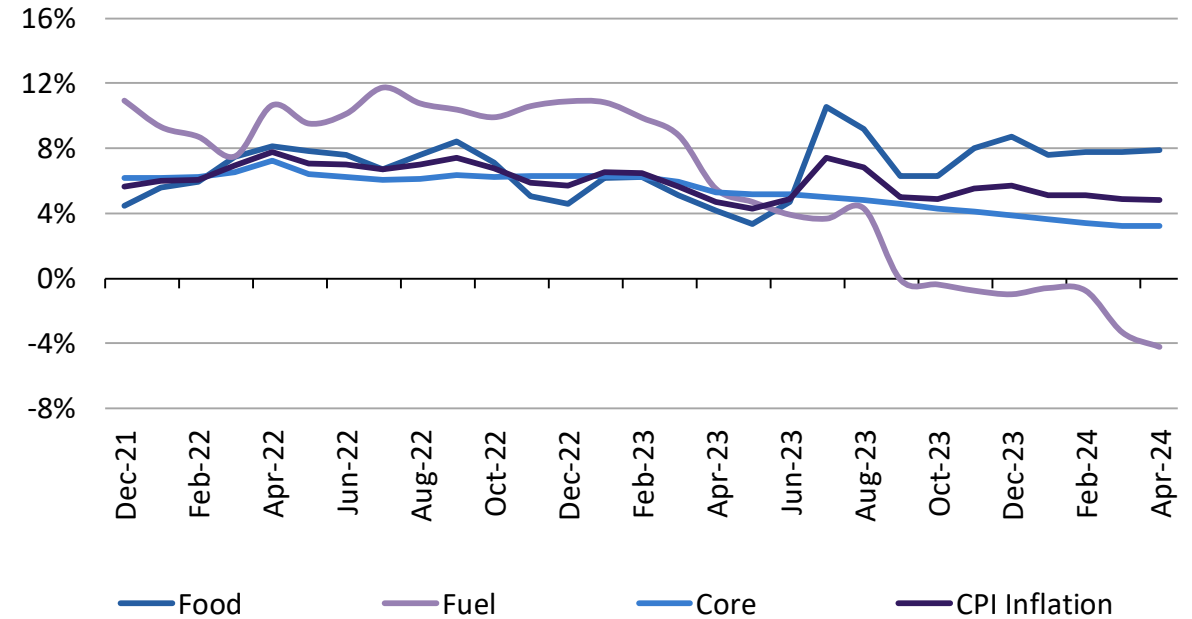


- FII monthly inflows for the month of Apr-24 has seen net outflows of almost ₹8,284 crores, which is second negative flow for the year.
- On the other hand, domestic funds have seen monthly net inflows of around ₹44,188 crores, a ninth consecutive net inflow in last 12 months.

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



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



- Index of Industrial Production (IIP) data for the latest month Mar-24 maintained its positive momentum for the year. The index stood at 4.9% for the month..
- Latest inflation data released showed decrease in YoY inflation . Inflation was seen largely stable with Fuel inflation slowing to -4.2%. The Core inflation for the Apr-24 month remained at 3.2%. Food inflation increased and stood at 7.9%.

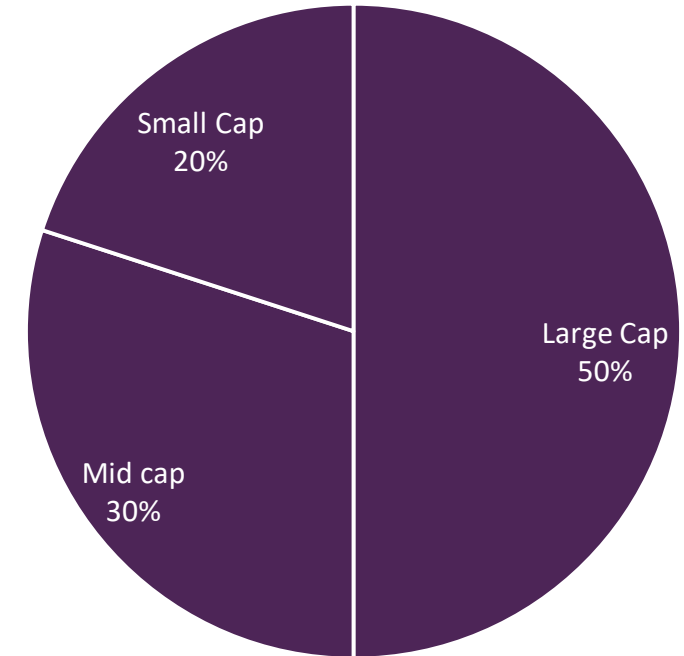


# Top Ideas

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	SBI Life Insurance Co. 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	Balkrishna Industries Ltd.
4	KEI Industries Ltd.
5	Dixon Technologies Ltd.
6	Sona BLW Precision Forgings Ltd.

S.No.	Small Cap
1	CIE Automotive India Ltd.
2	CE Info Systems Ltd.
3	Chalet Hotels Ltd.
4	Electronics Mart India Ltd.

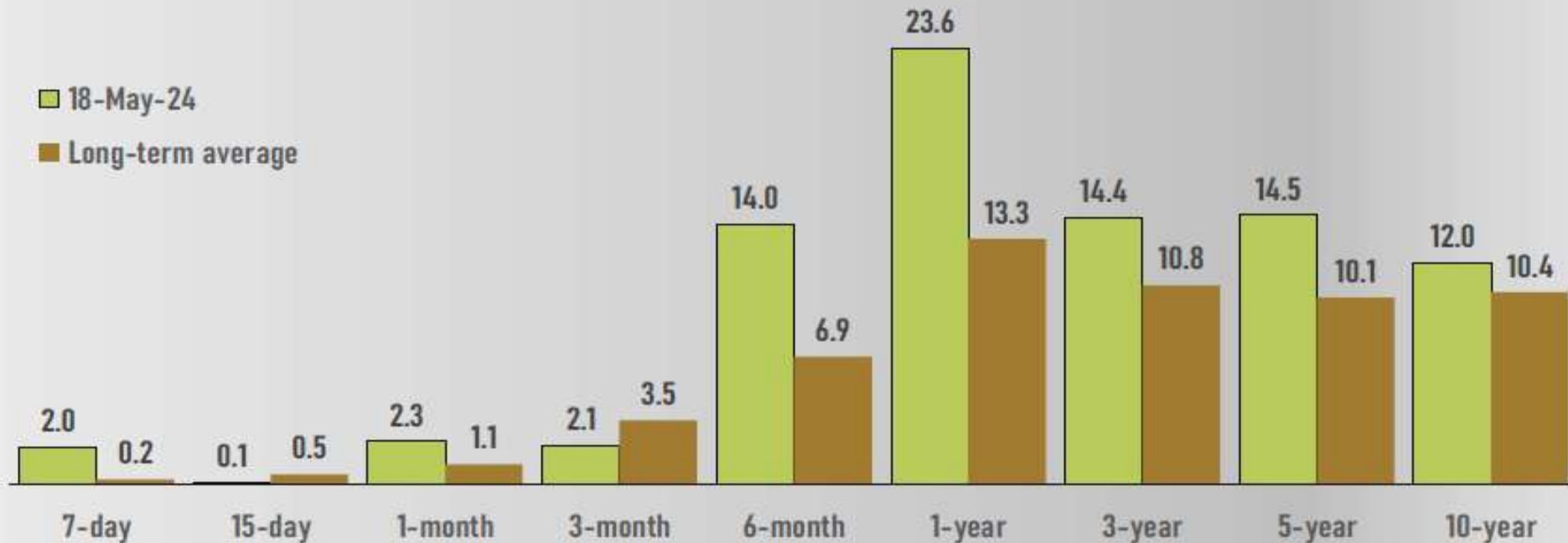


NOTE: The strategy has shifted from individual weight based to equal distribution.

## 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

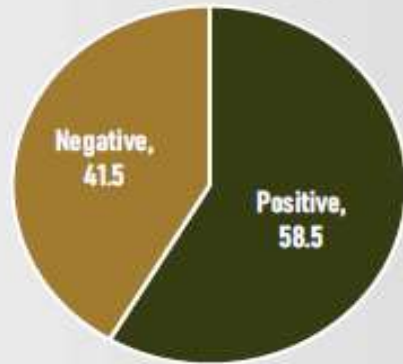
Long-term data since April 2006



## Going by the past – expectation about the next 12-month return

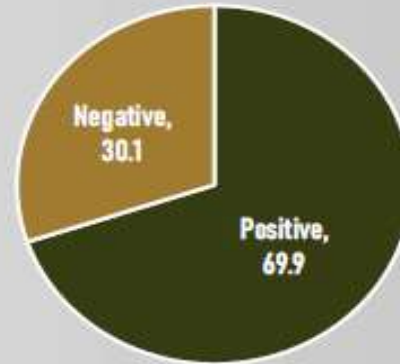
### Nifty 50

Next year return, %



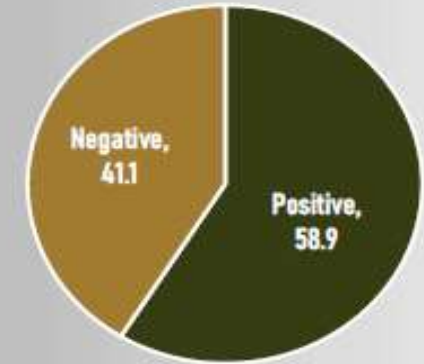
### Midcap 150

Next year return, %



### Small cap 250

Next year return, %



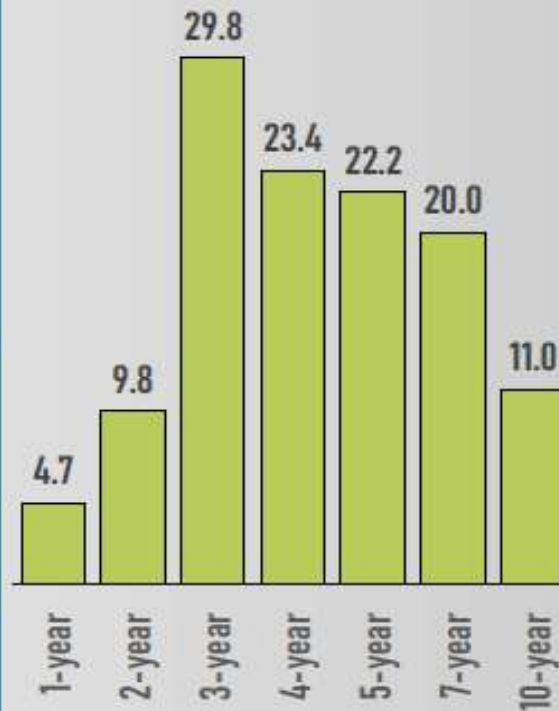
## Different earnings expectations about large, mid and small cap indices

Long-term data since April 2006

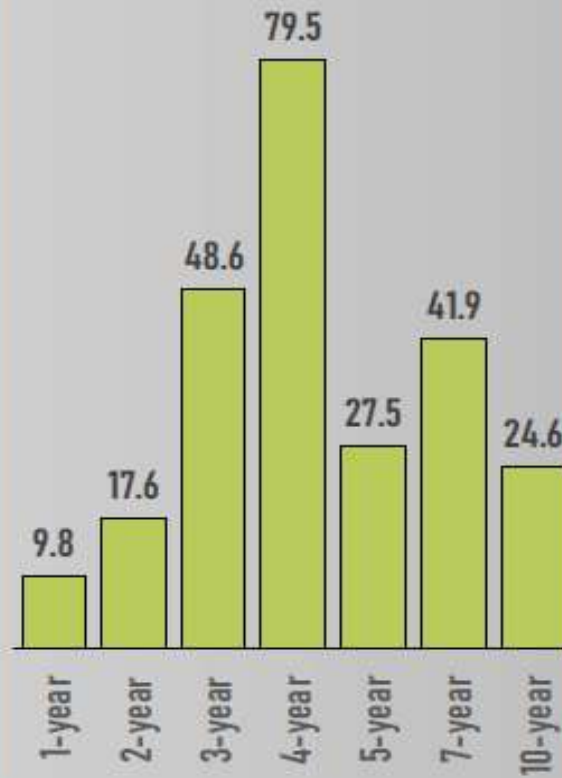
Nifty 50 earnings growth, %



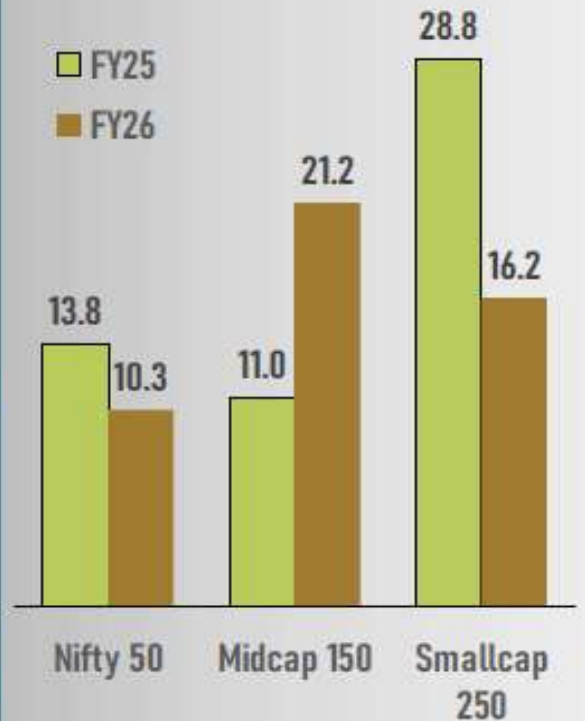
Midcap 150 earnings growth, %



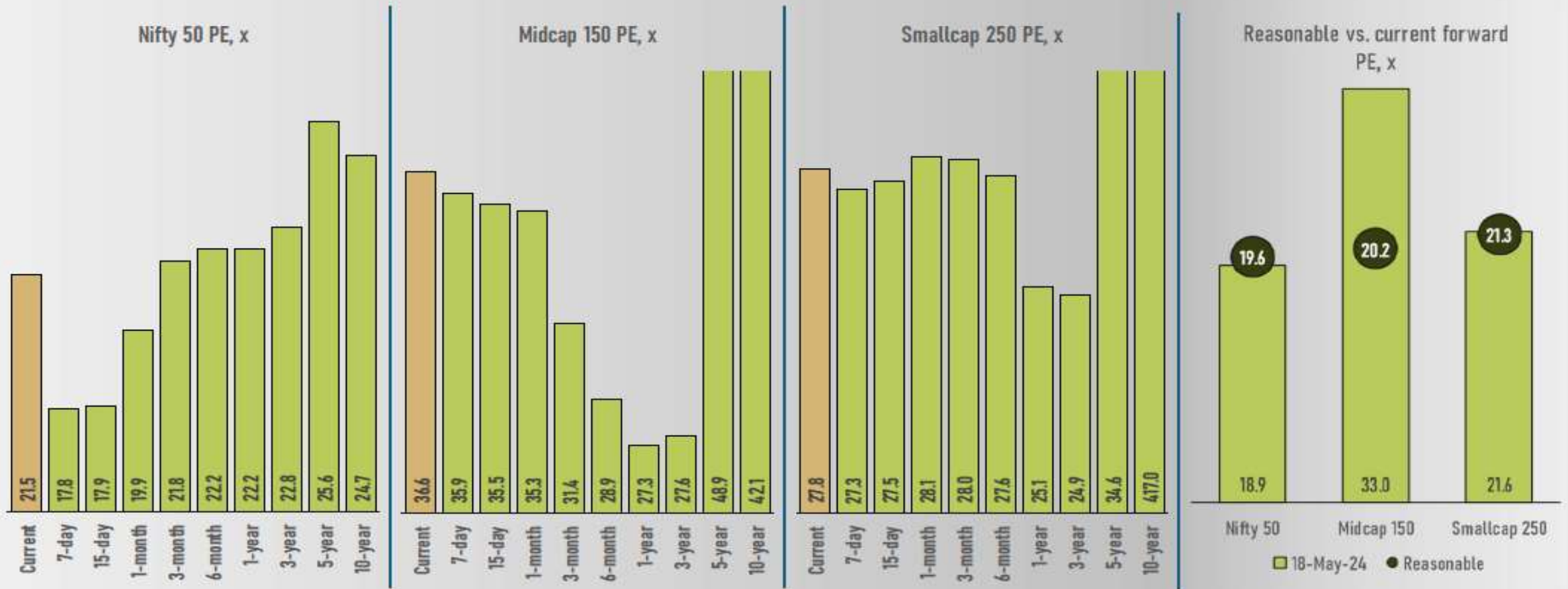
Smallcap 250 earning growth, %



Expected earnings growth, %

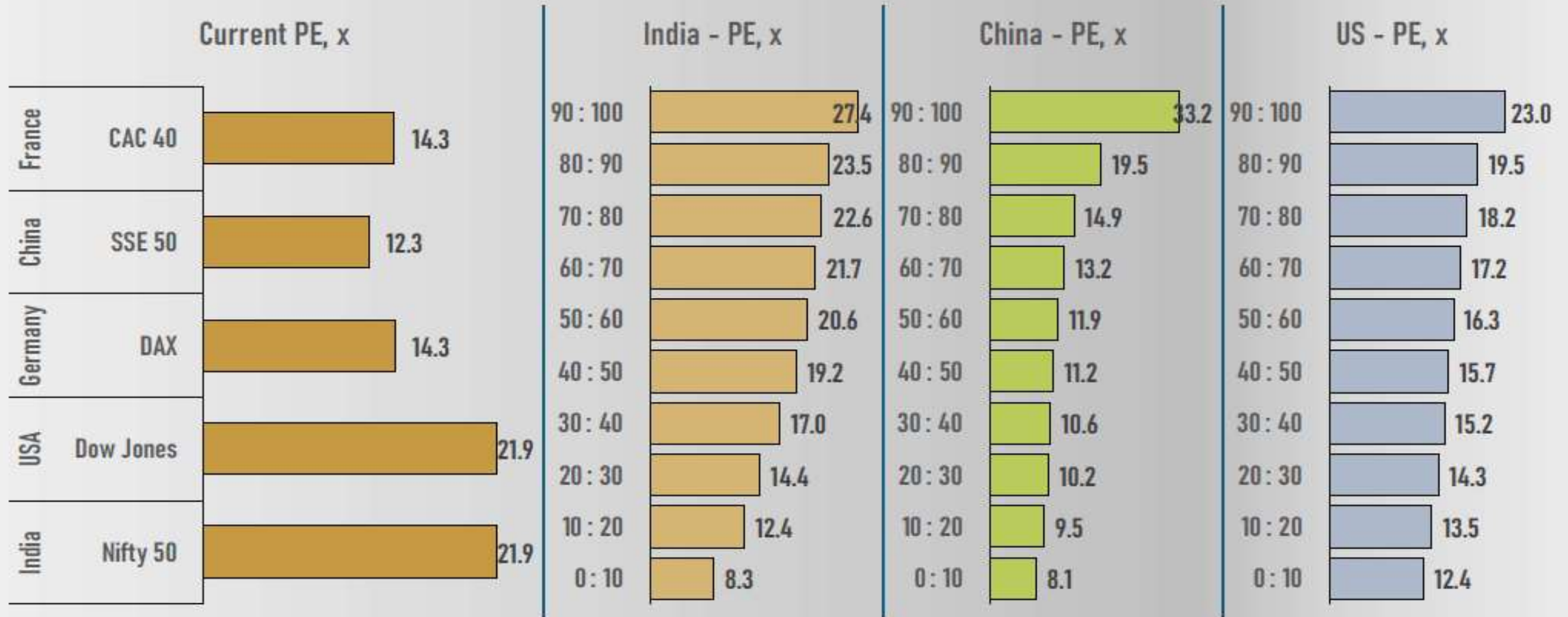


## The valuations of Indian equities high – yes and no



# Indian equities command better valuations versus most peers... always

Long-term data since January 2008

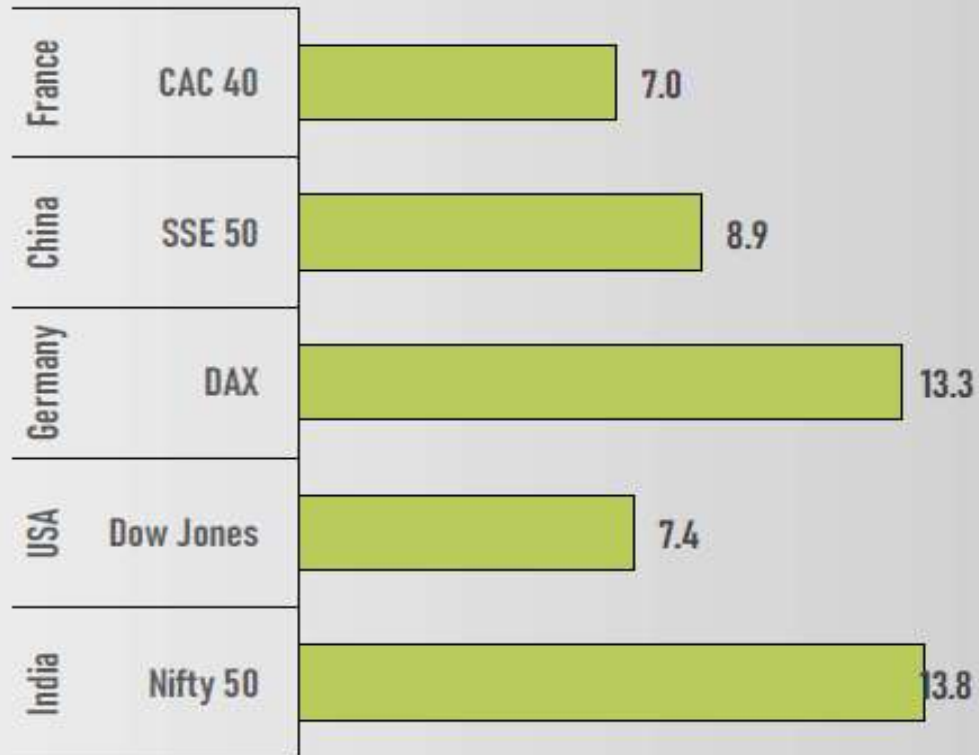




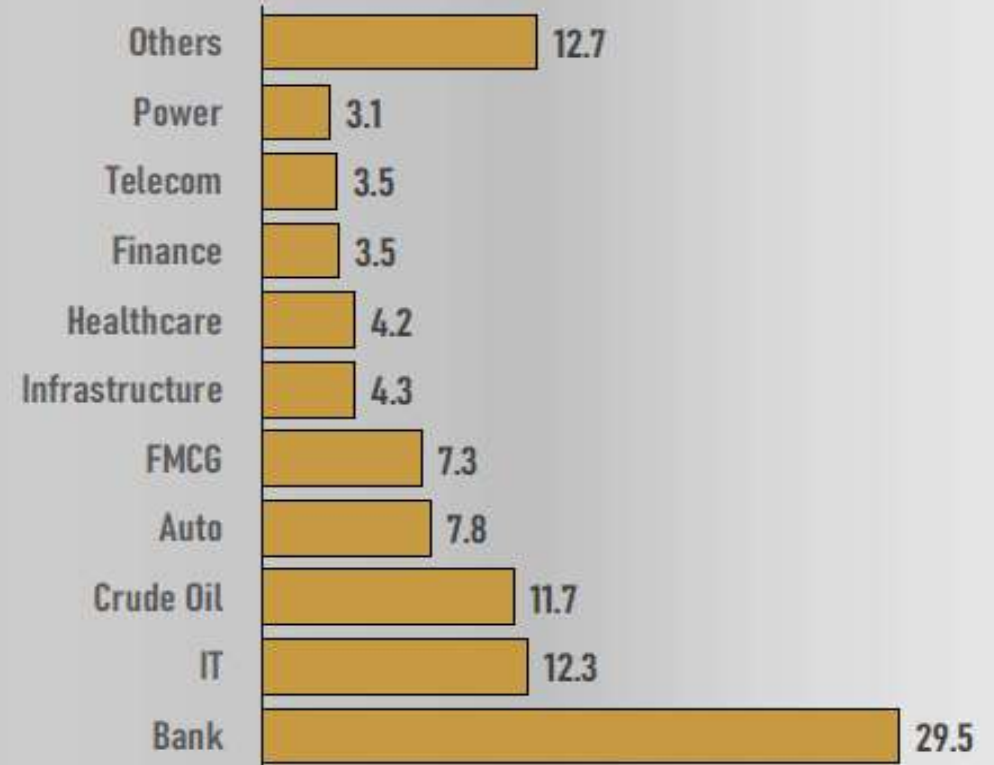
## Many factors help Indian equities command better valuation

Long-term data since January 2008

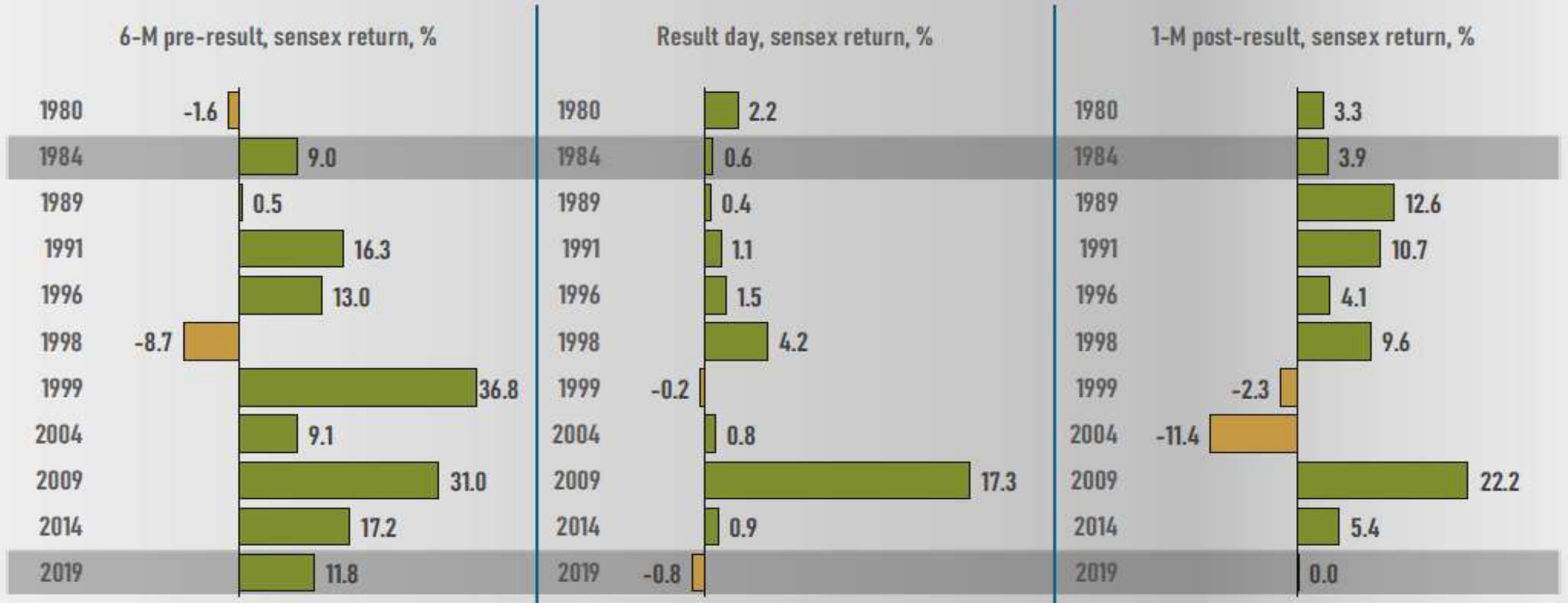
Average EPS growth- 2006-24, %



Index weight - Nifty 50, %



## Barring big surprises, election results unlikely to impact market much

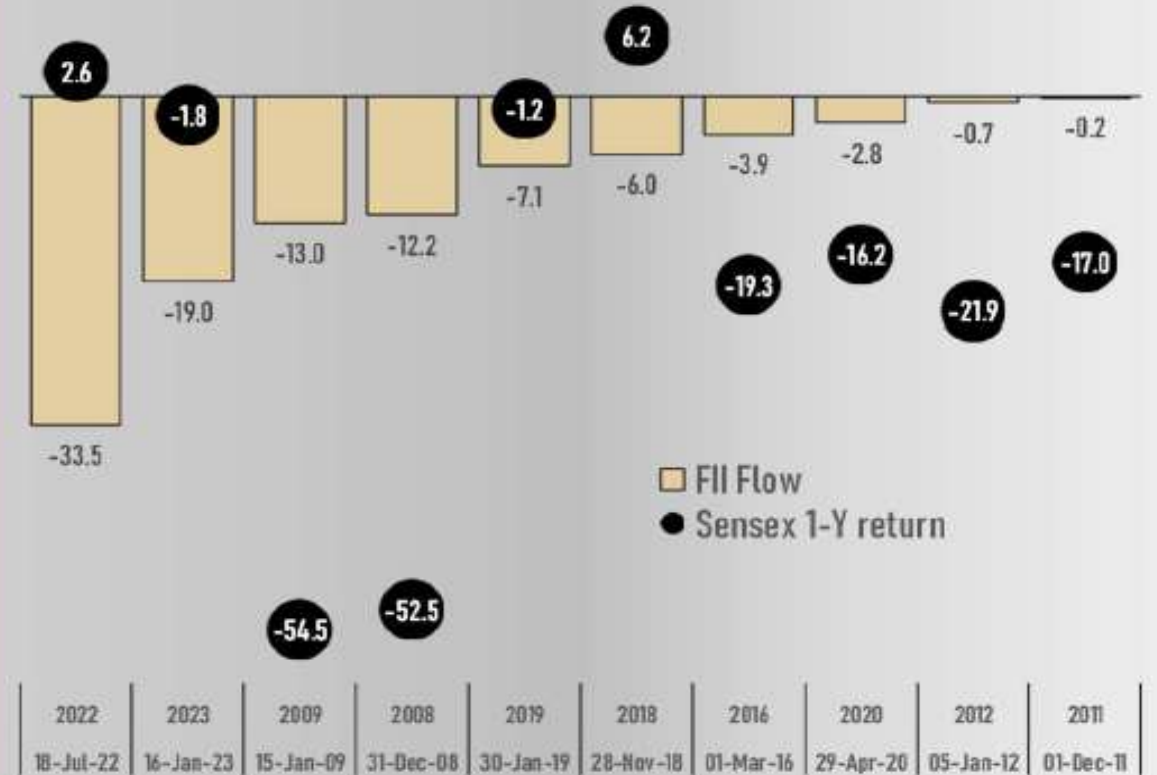


## 10 largest inflows & outflow – Falling impact of FII outflow on Indian market

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



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



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