



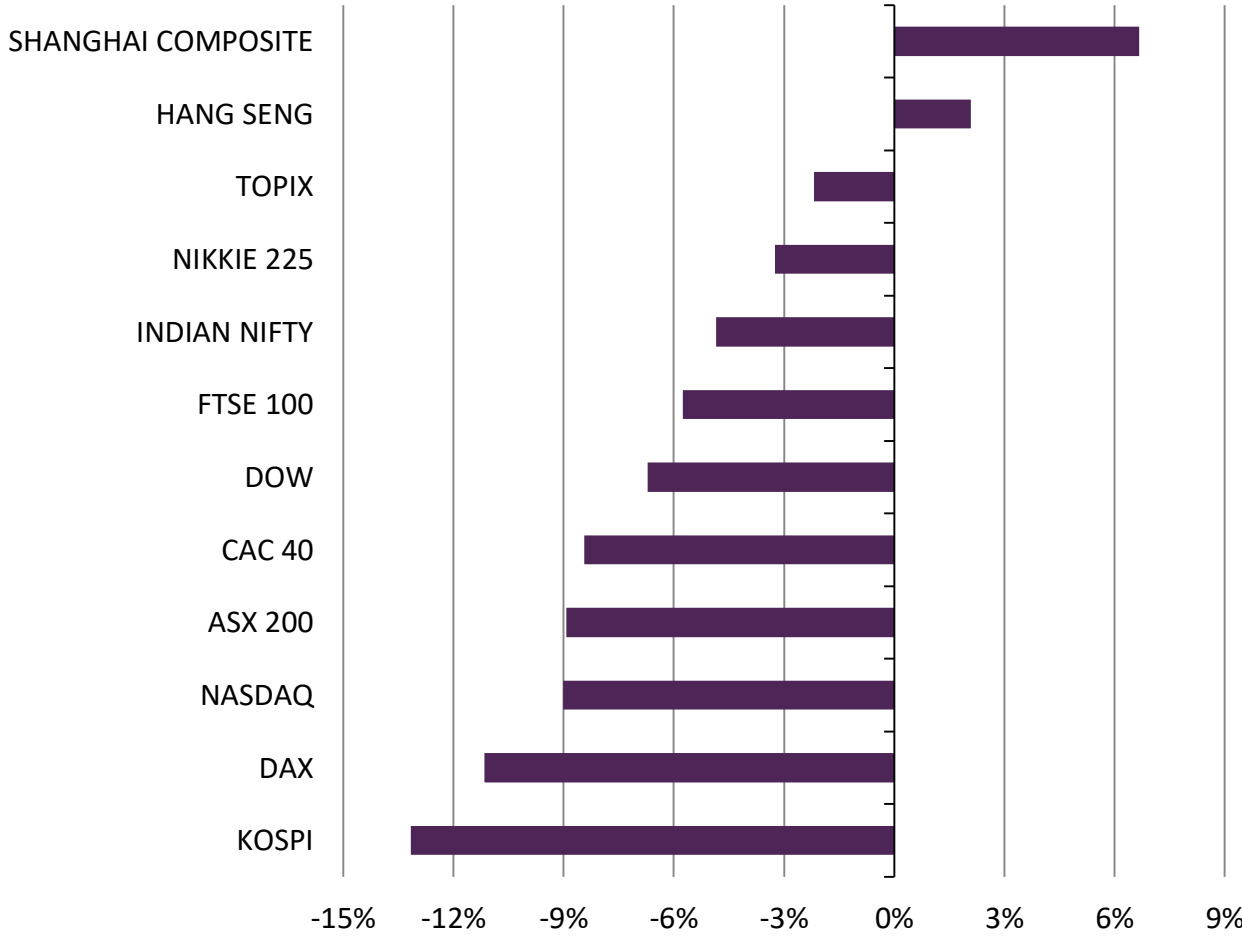
BESPOKE

Advice for a select few

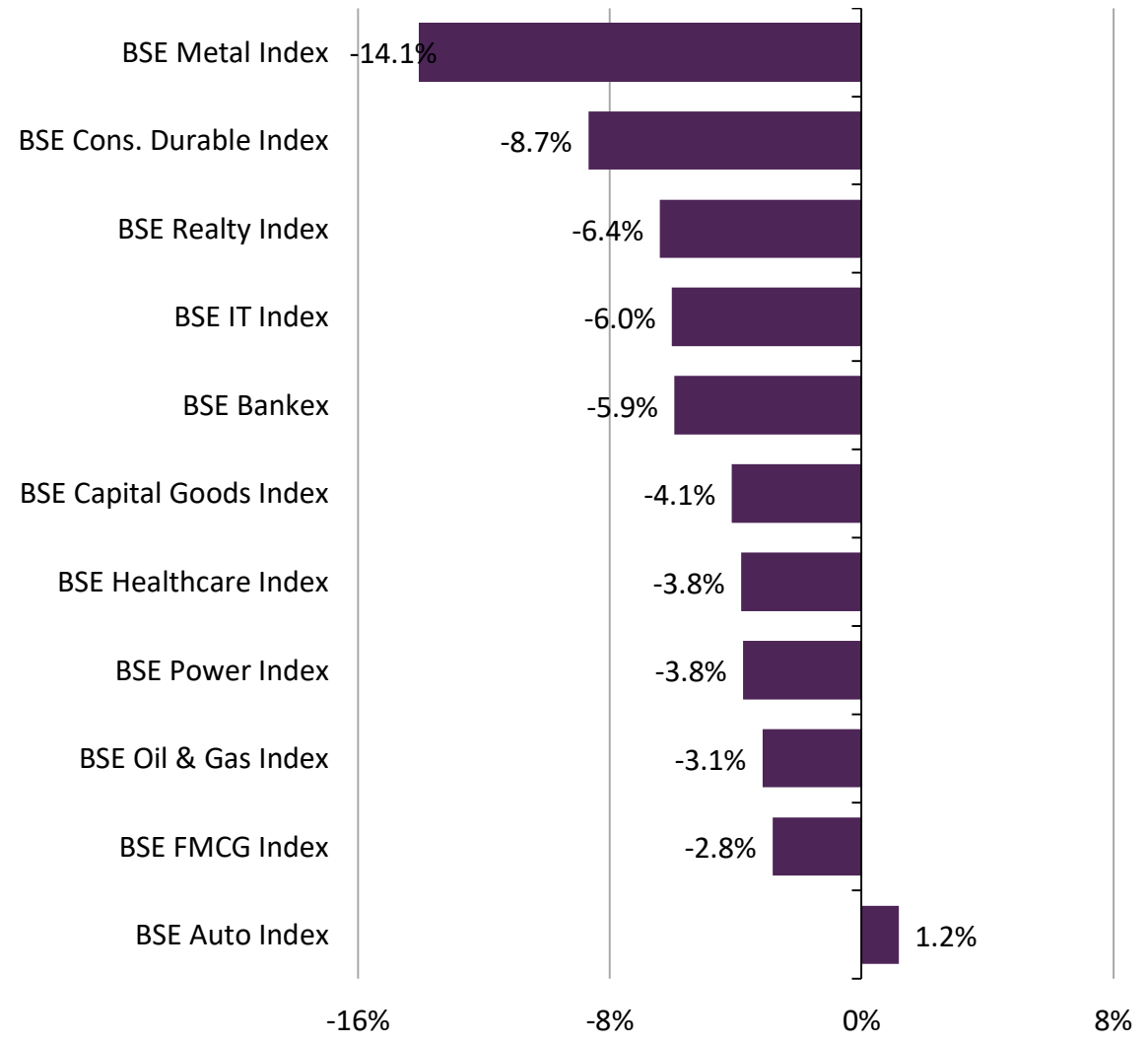
ANANDRATHI
PRIVATE CLIENT GROUP
EQUITY



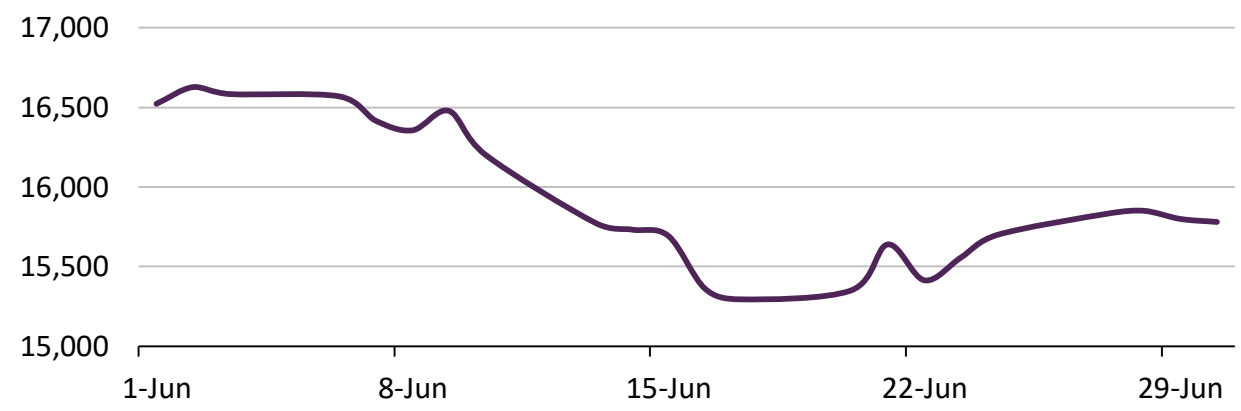
Global Markets performance in Jun-22



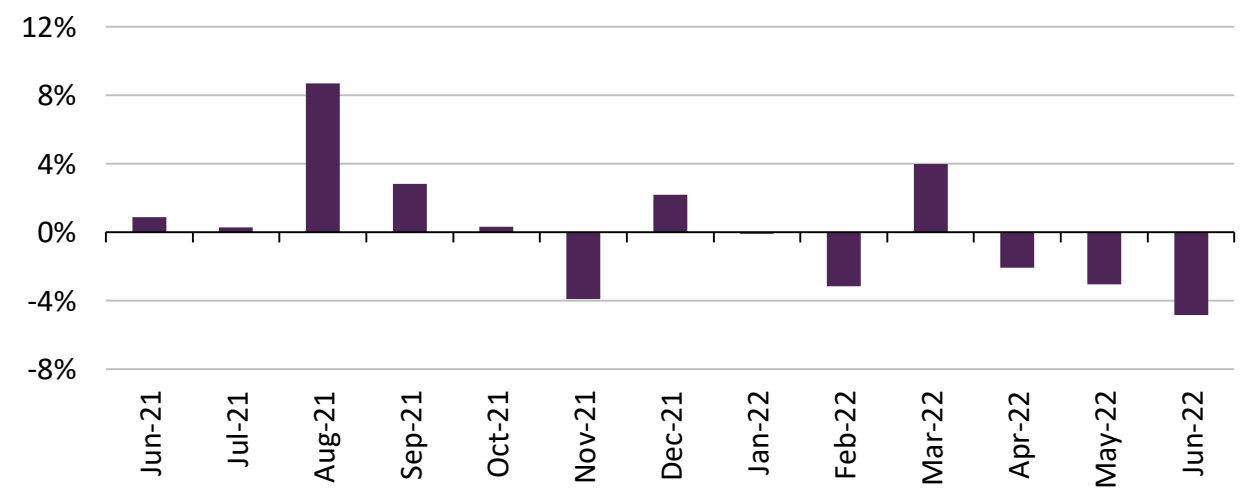
Sector wise performance during the month



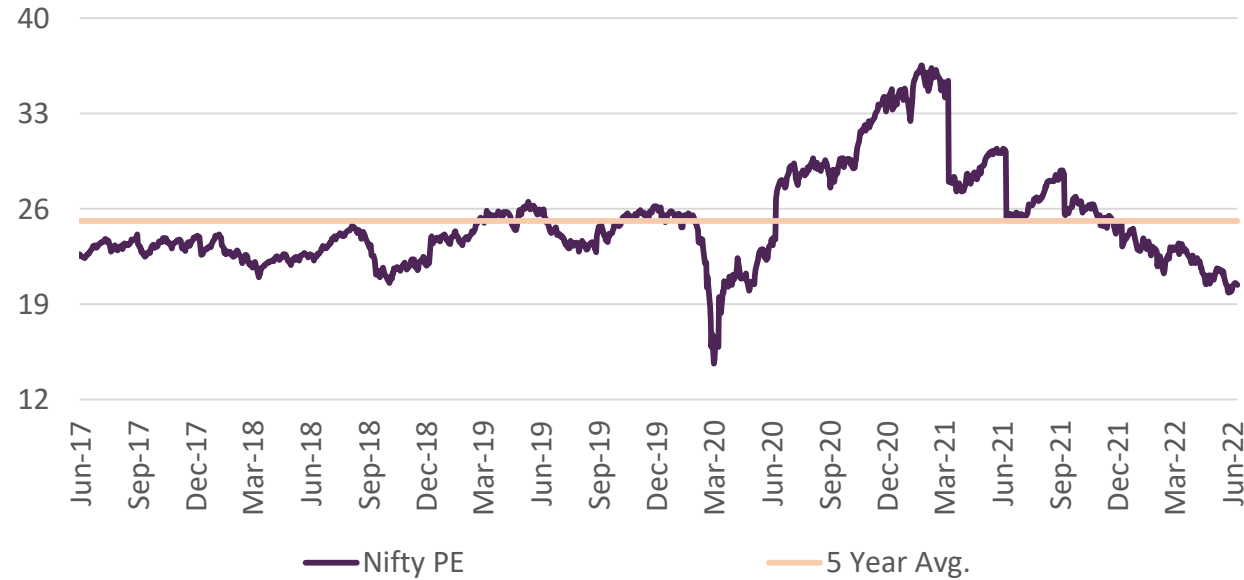
NIFTY Performance in Jun 2022



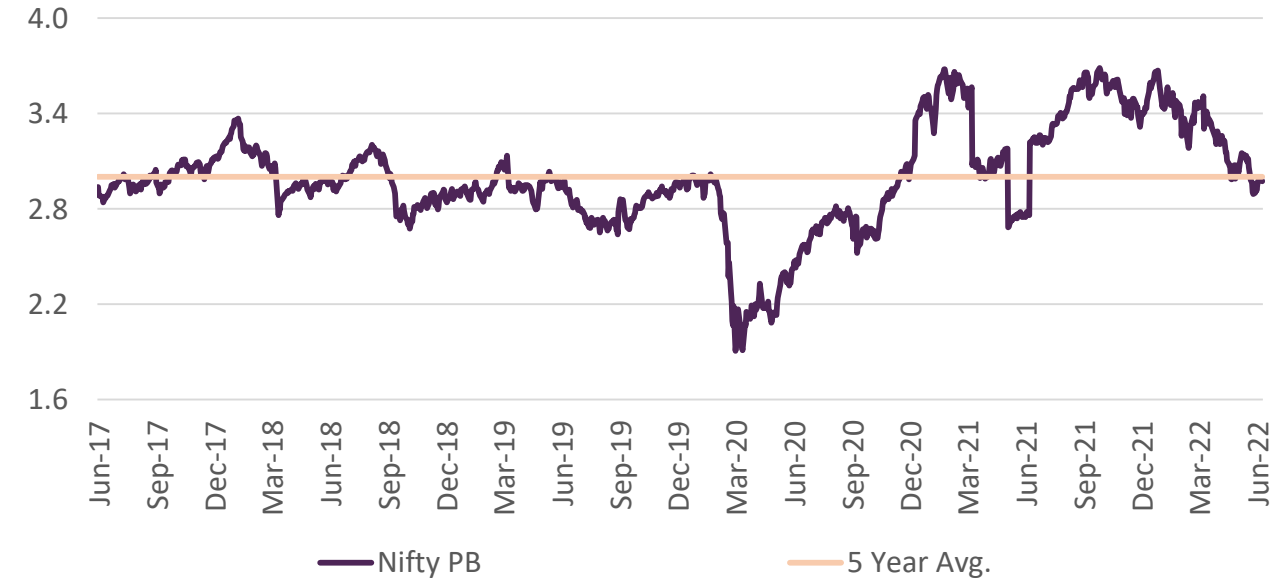
NIFTY monthly performance for trailing 12 months



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

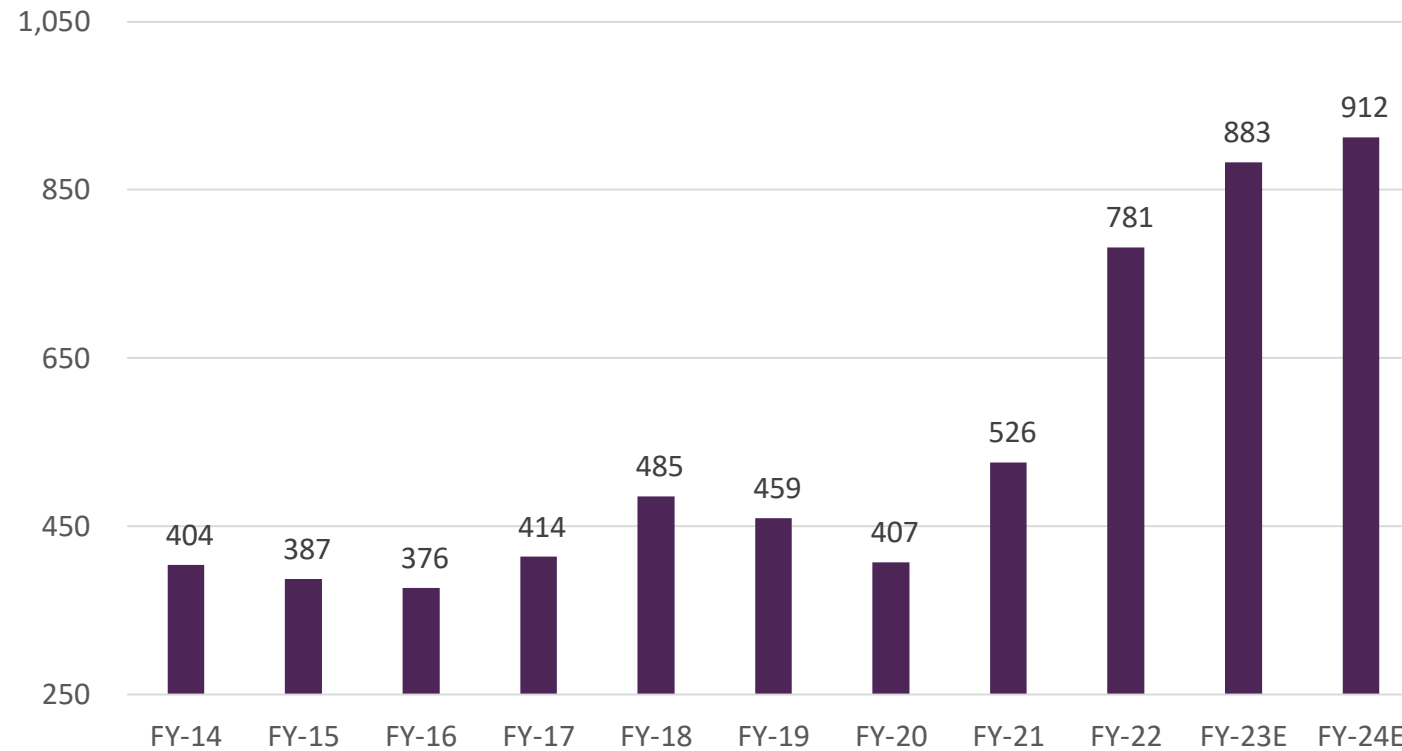


Nifty Trailing 12M P/B & 5 Yr. Avg. P/B



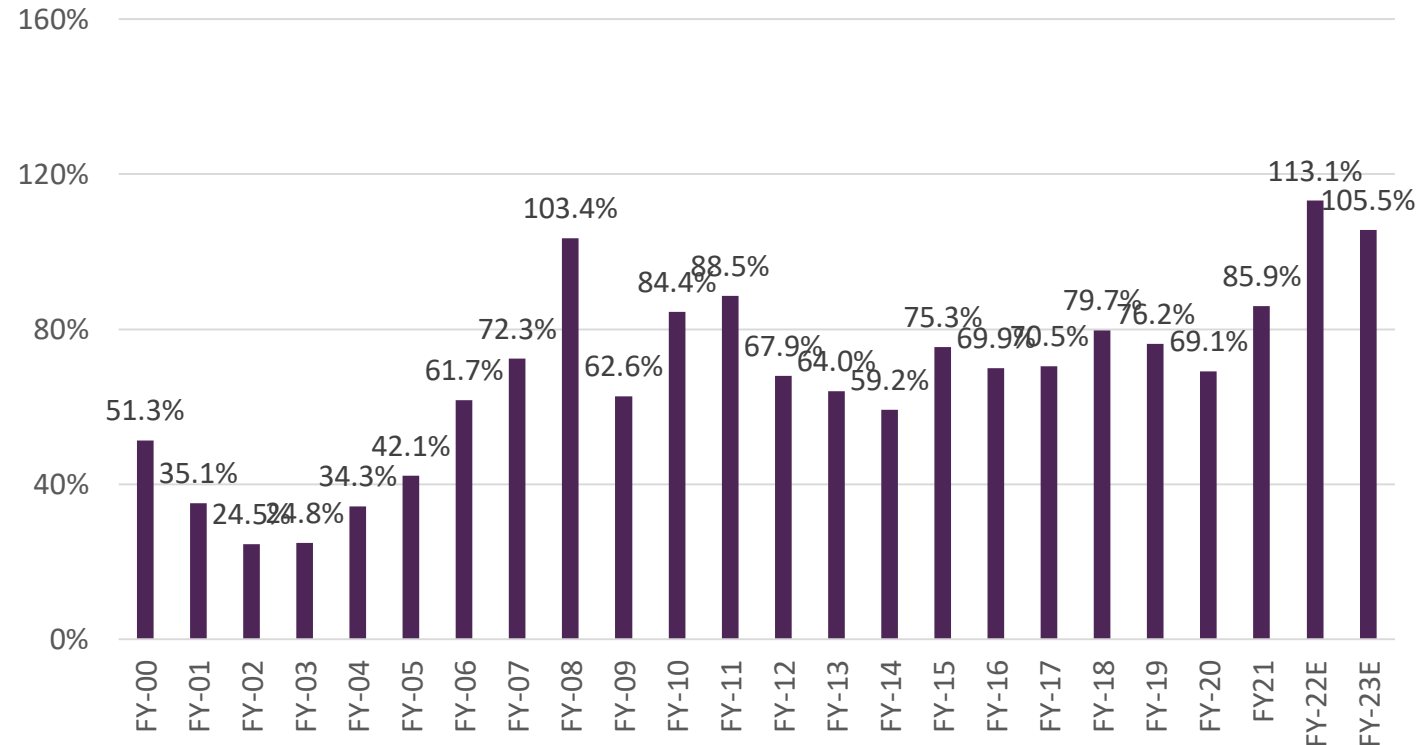
- Currently Nifty50 is trading at around 20.4x its trailing 12 month price to earnings ratio while its five year historical average price to earnings ratio stands at around 25.1x. A discount of around 18.6% from its five year historical average.
- In terms of price to book ratio, the Nifty50 is trading at around 3x its price to book while its five year historical price to book ratio stands at around 3x. Almost at par to its five year historical average.

Nifty Historical and Estimated EPS (Consensus)



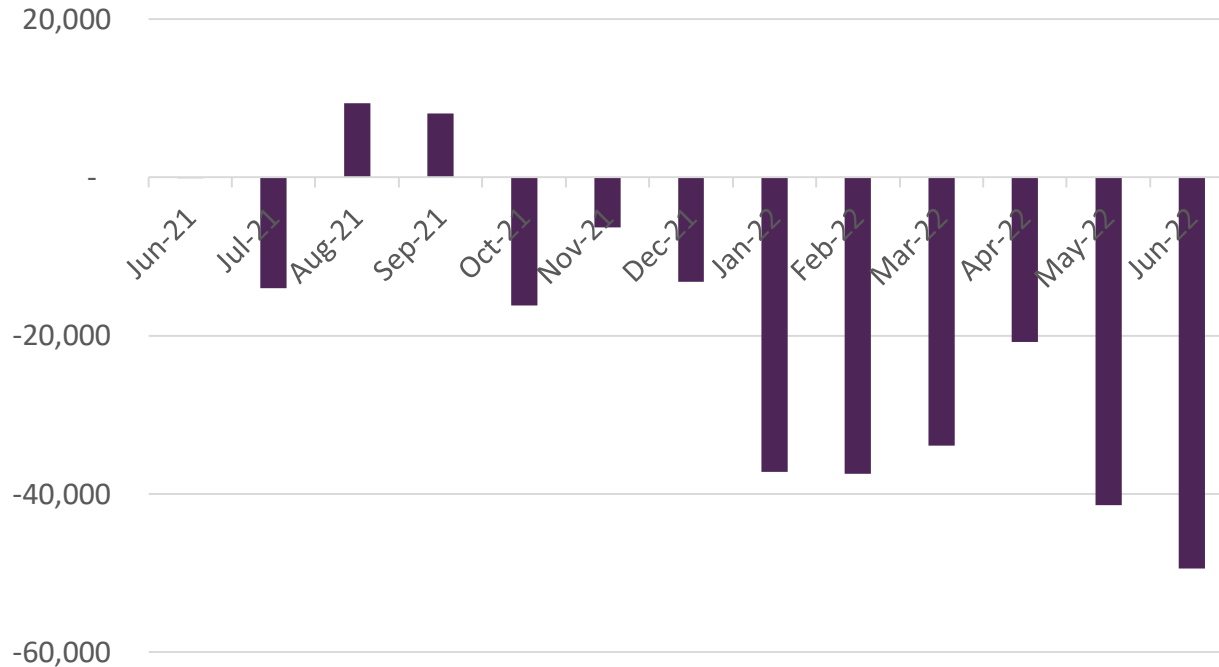
- Nifty50 earnings are estimated (consensus) to grow at a CAGR of about 20.2% in next three years from FY21 onwards till FY24.

India Market Cap. to GDP Ratio

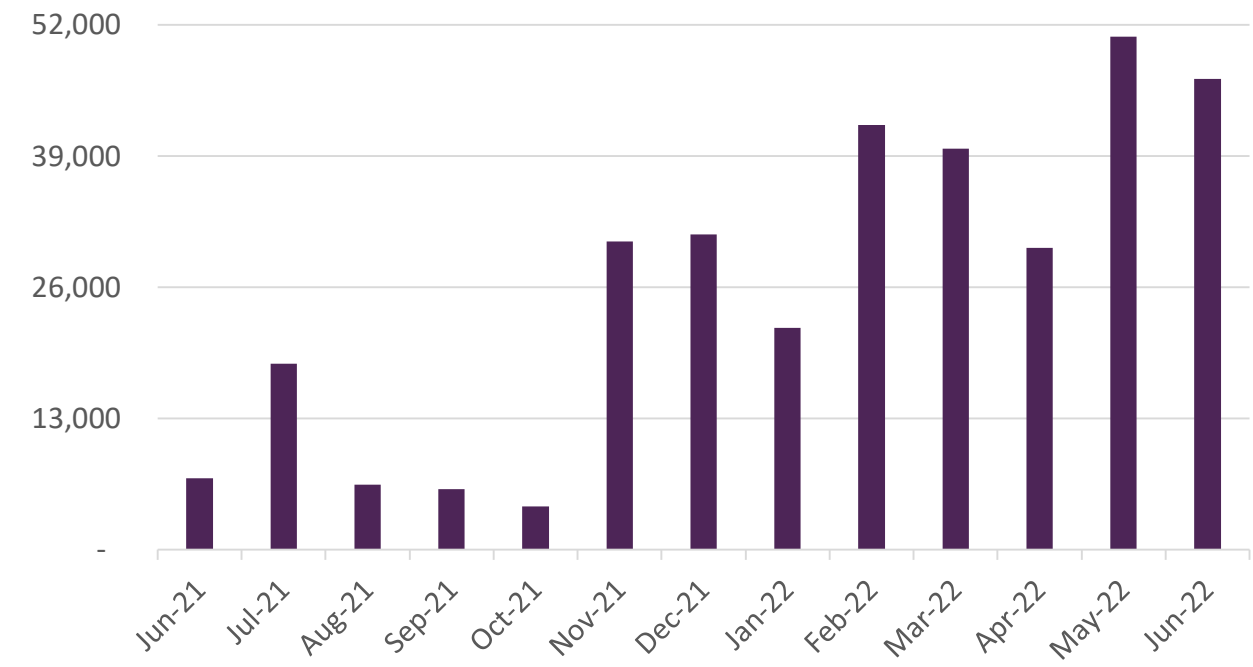


- Currently India's listed companies market capitalisation to GDP ratio stands at about 105.5% at month end while it was about 108% at the start of the Jun-22 month. The ratio is considered an indicative of overall equity market sentiments and cycles.
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FII Monthly Inflows in Equity (₹ Crore)

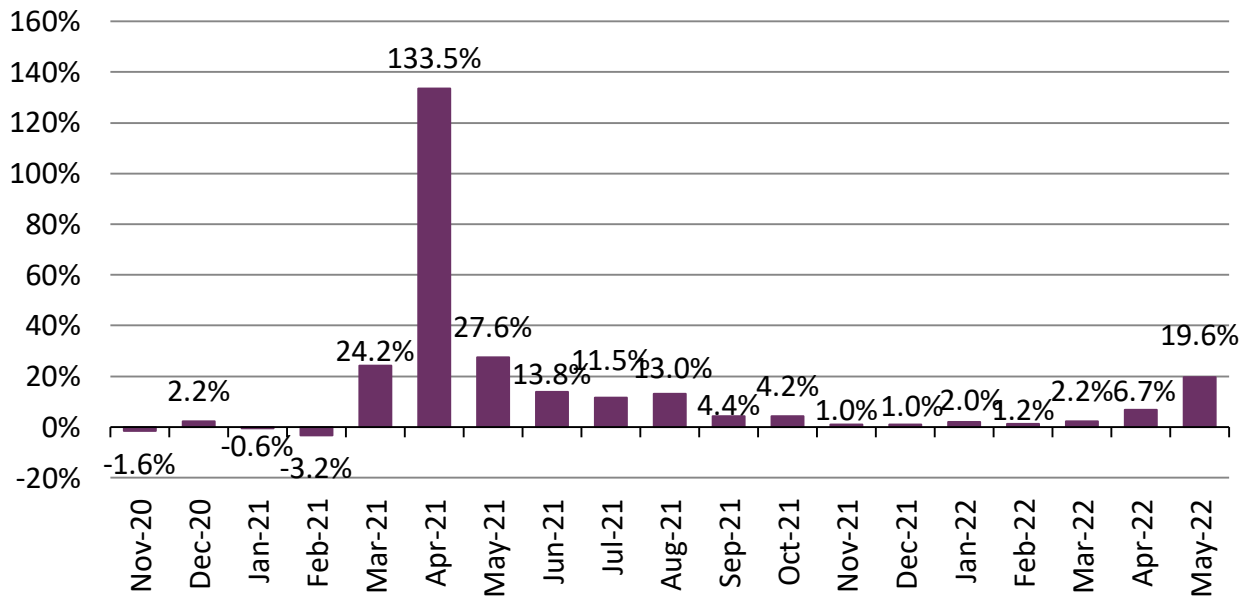


DII Monthly Inflows in Equity (₹ Crore)

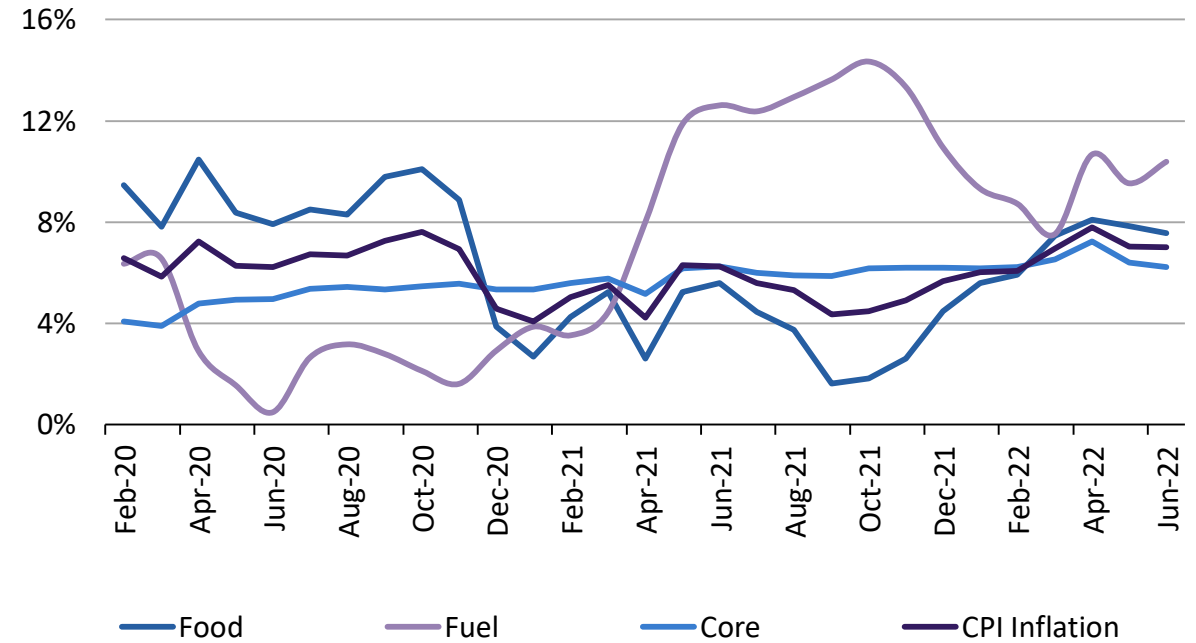


- FII monthly inflows for the month of Jun-22 has seen net outflows of almost ₹49,470 crores which is ninth consecutive outflow month.
- On the other hand, domestic funds have seen monthly net inflows which stood at around ₹46,598 crores.

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



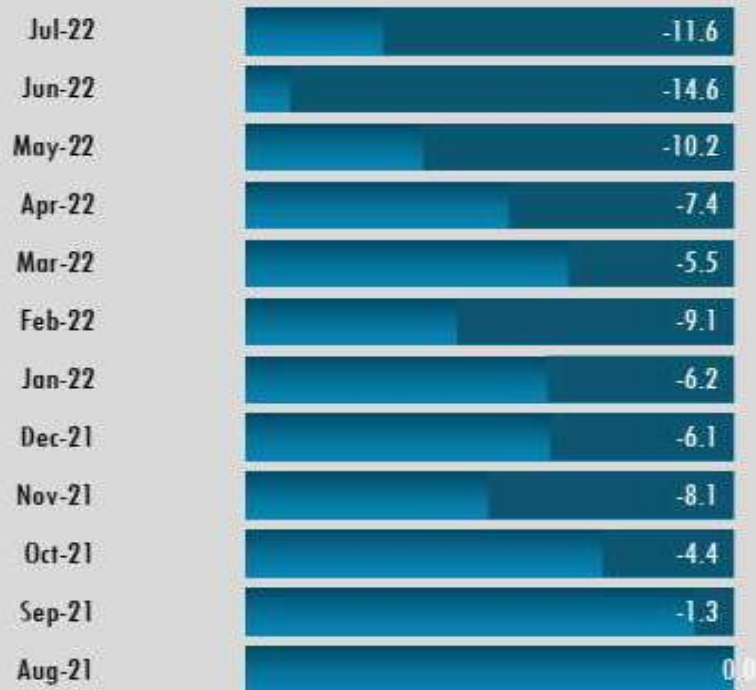
Food, Fuel, Core & CPI Inflation (%) YoY



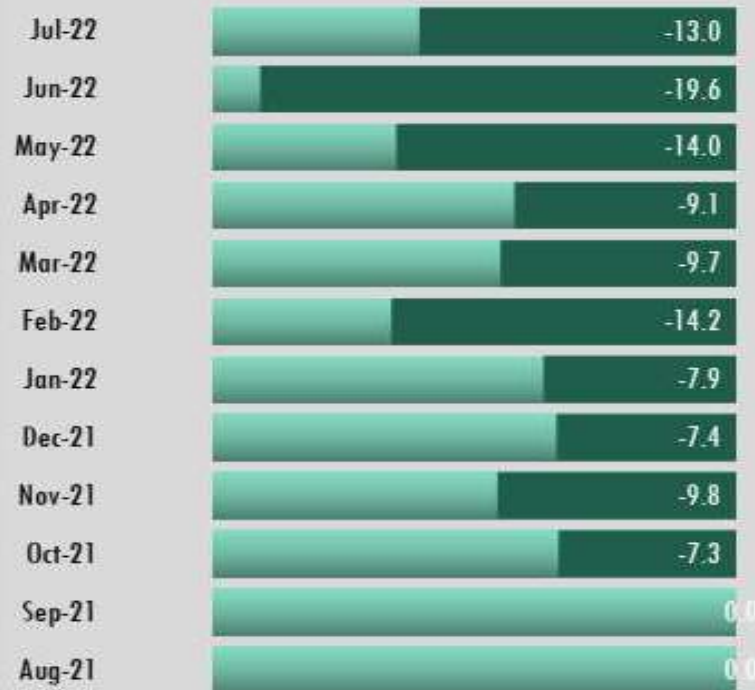
- Index of Industrial Production (IIP) data for the latest month May-22 maintained its positive momentum in industrial activity. The index stood at 19.6% for the month.
- Latest inflation data released showed overall flat inflation with Fuel inflation seen rising to 10.4% while decrease in inflation was in core inflation to 6.2%. The Food inflation for the Jun-22 month reduced to 7.6% from earlier 7.8% in May-22.

India's equity market in corrective phase after mid-October 2021

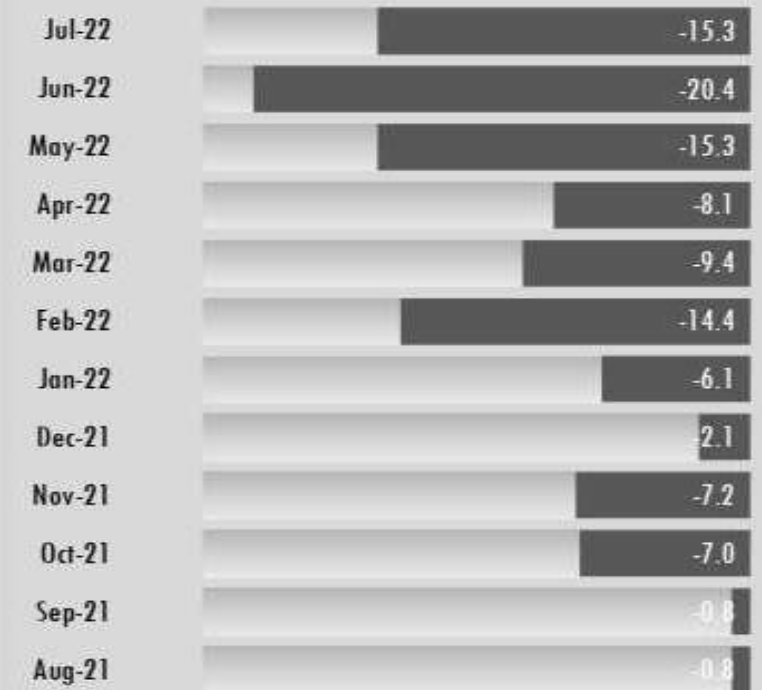
Large cap: Down from high %



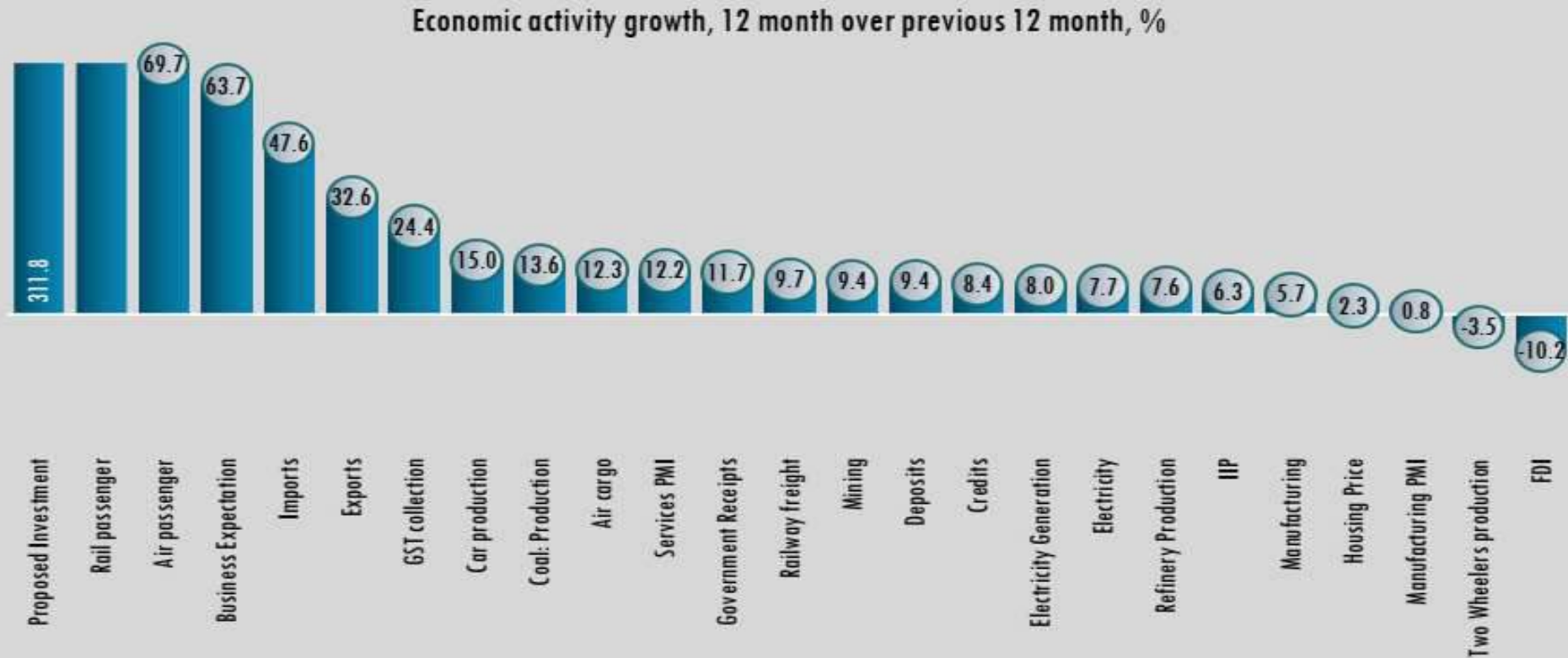
Mid cap: Down from high %



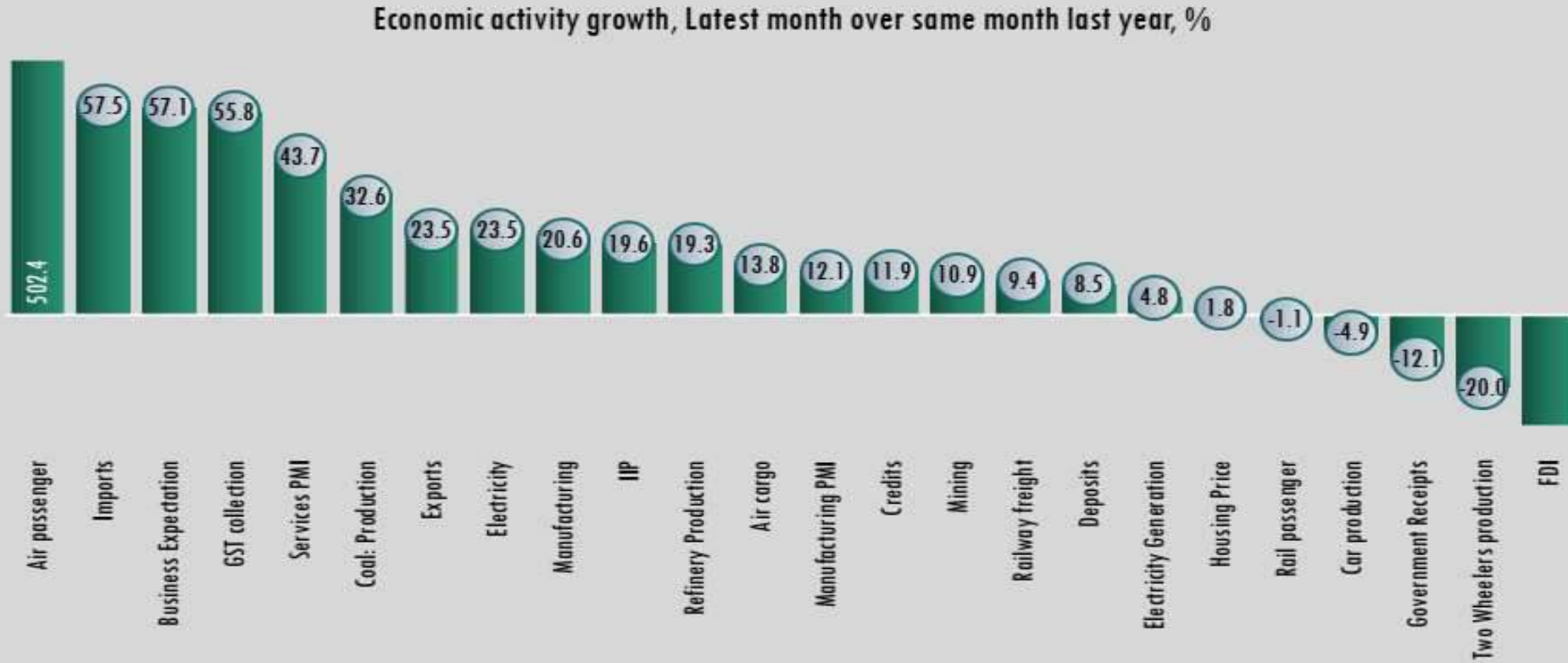
Small cap: Down from high %



Yet, macro in last 12-months has been much better versus previous 12



Latest monthly growth even better versus 12-month average for most



There is no major deterioration in economic or corporate fundamentals

Strong activities

Most economic activities, demand-supply, funding are in food shape



High corporate sales

Corporate sales continues to grow in almost all sectors



Record profit

Despite cost pressures, profit record high, most sectors doing well



Sentiments down

Adverse investor sentiments dragging market down



Foreign investment in Indian equity – Not a major concern, likely to improve

Record FPI outflow

US\$ 30 bn in 2022 so far.
Previous biggest outflow
\$12bn in 2008



In line with world

Money is being pulled out
from equities globally,
more in developed world



Jump in FDI

Longer-term investors
investing more/staying
invested in Indian equity



Outlook positive

Past trend suggest the FPI
flows are likely to turn
positive in next 12 month

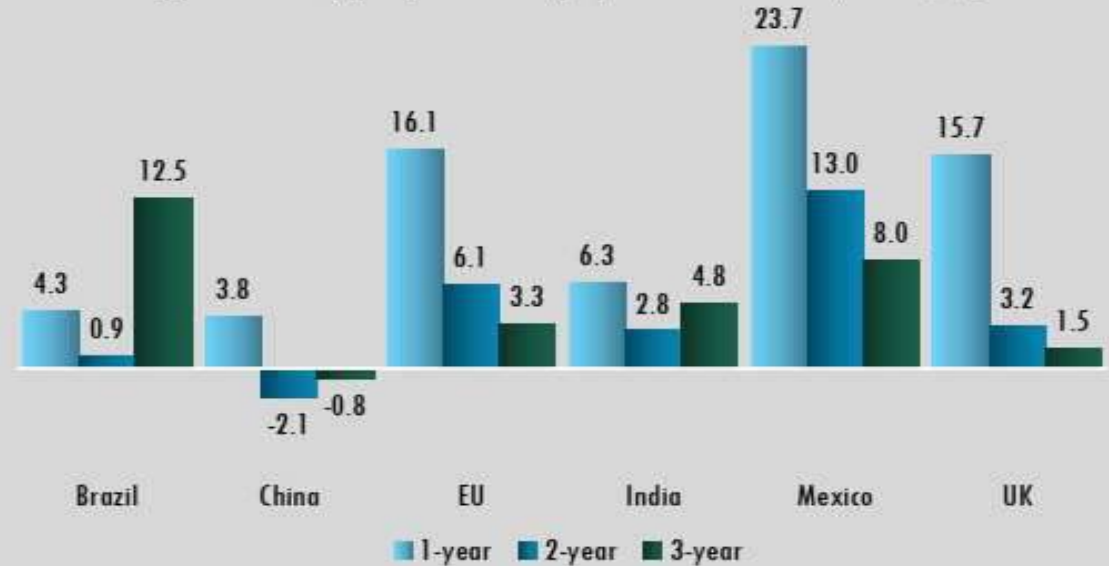


Despite the slide versus dollar, rupee more stable versus most peers

Rupee-US dollar exchange rate

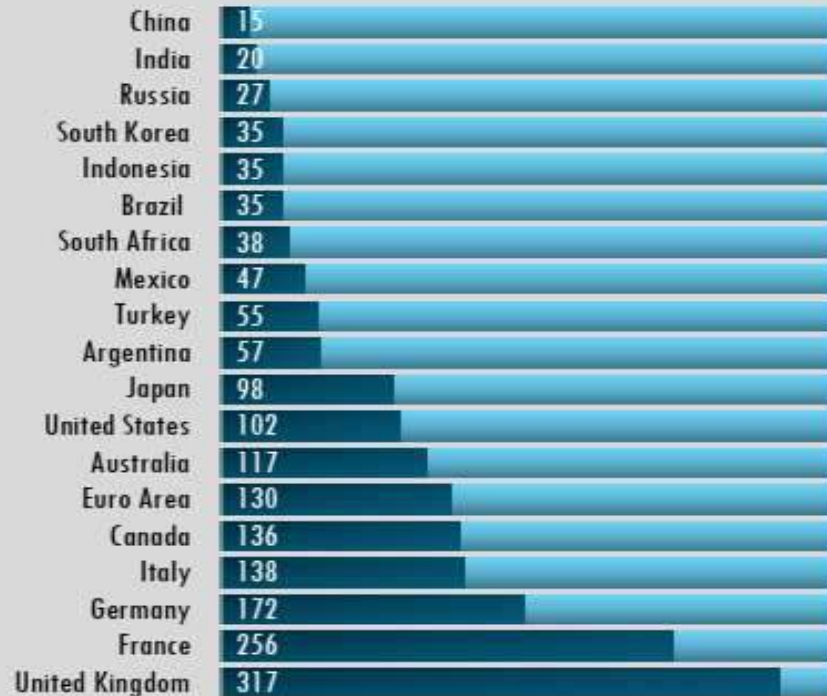


Appreciation (-)/depreciation (+) versus US dollar, CAGR, %



India has one of the lowest external and short-term debt to GDP among

External debt to GDP, %



Short-term external debt to GDP, %



India does not face any debt crisis



No debt build-up

India's debt level steady for several years



20% ST debt

Only 20% external debt short-term



\$100-125bn redemption

Yearly redemption of \$100-120 bn of long-term debt normal



High forex cover

2x cover of redemption; most debt rolled over

Positive of medium-term market outlook, like IT, banks

1 year return, %		Correction from 2021 peak, %		Current vs. LT earning growth, % point		Current vs. LT PE, x	
Metal	-14.2	Metal	-30.1	Metal	29.4	Metal	-3.4
Healthcare	-14.0	Healthcare	-15.7	Healthcare	-11.6	Healthcare	3.9
IT	-6.5	IT	-27.3	IT	1.9	IT	5.1
Tech	-2.0	Tech	-24.5	Tech	122.5	Tech	9.6
Small Cap	-0.1	Small Cap	-15.3	Small Cap	231.9	Small Cap	-10.8
Mid Cap	1.5	Mid Cap	-13.4	Mid Cap	33.5	Mid Cap	-8.5
Bank	3.8	Bank	-12.6	Bank	27.9	Bank	-6.9
Sensex	4.2	Sensex	-11.3	Sensex	37.8	Sensex	-1.3
PSU	7.1	PSU	-10.6	PSU	22.8	PSU	-4.9
Durables	9.1	Durables	-16.5	Durables	-28.5	Durables	19.7
Realty	9.6	Realty	-21.4	Realty	193.8	Realty	26.8
FMCG	11.1	FMCG	-1.3	FMCG	-2.5	FMCG	-1.1
Oil & Gas	16.8	Oil & Gas	-10.4	Oil & Gas	12.7	Oil & Gas	-3.6
Cap. Goods	19.2	Cap. Goods	-9.0	Cap. Goods	206.2	Cap. Goods	0.4
Auto	24.7	Auto	0.0	Auto	-57.9	Auto	38.4
Power	65.1	Power	-8.4	Power	15.1	Power	1.5

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