



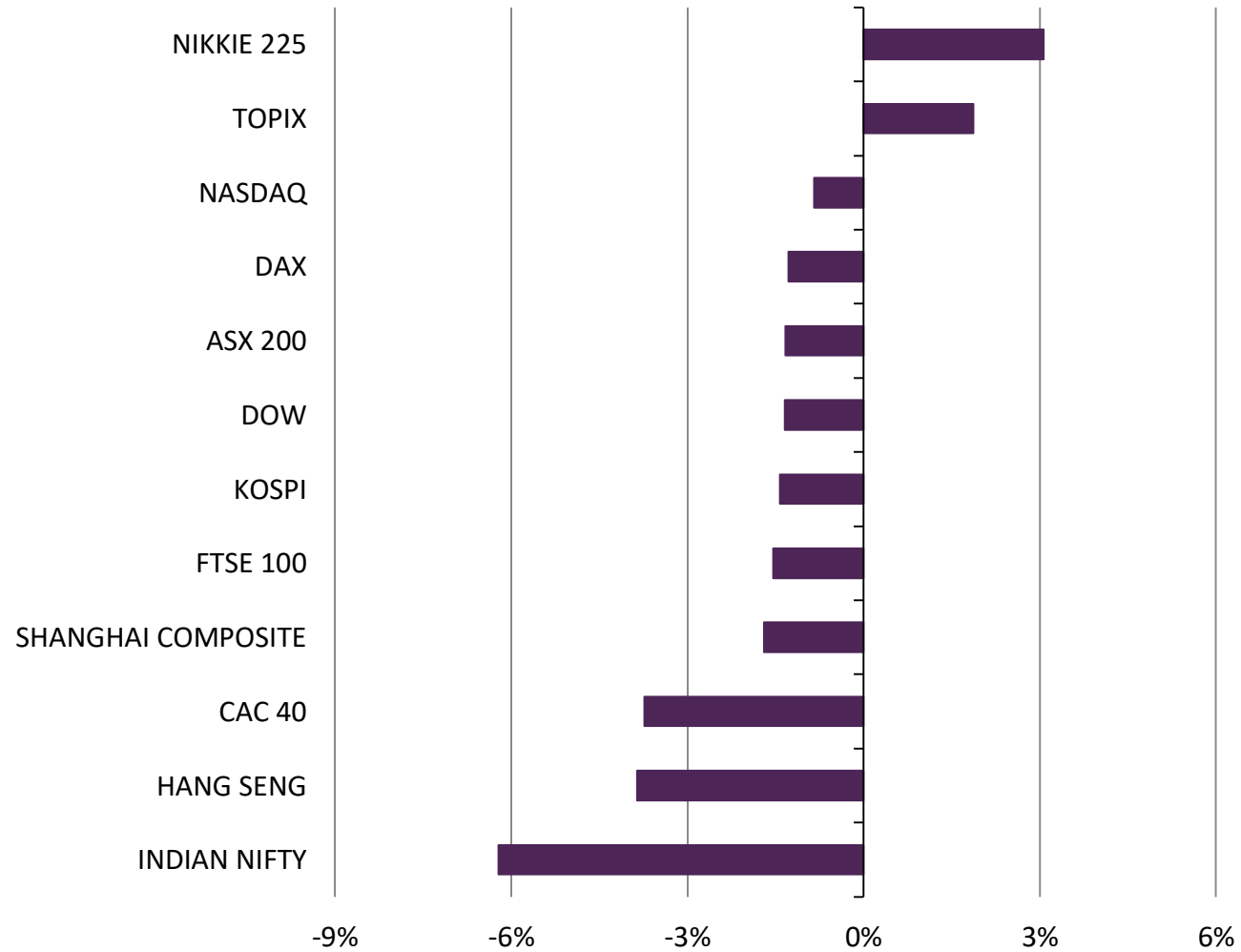
BESPOKE

Advice for a select few

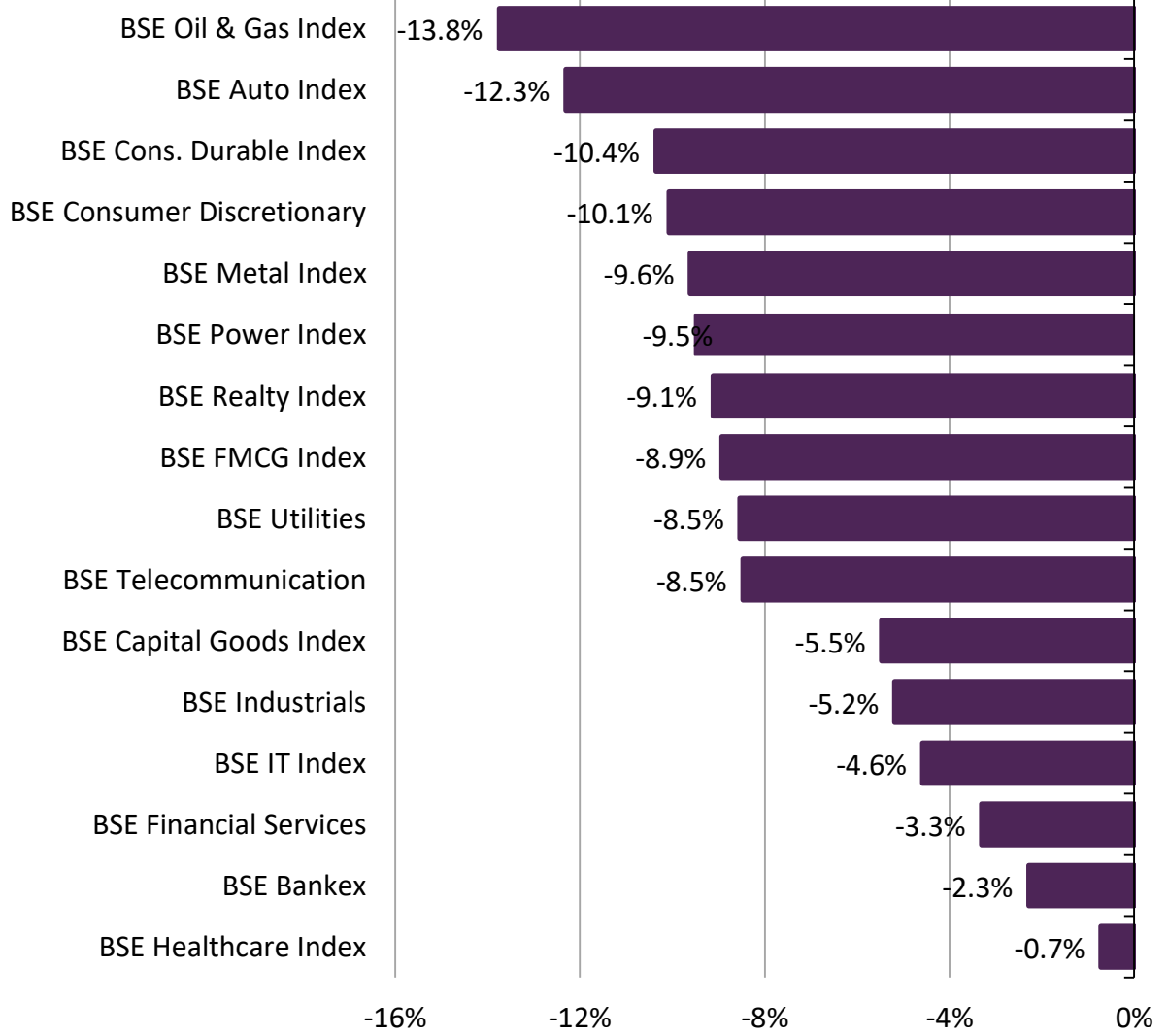
ANANDRATHI
PRIVATE CLIENT GROUP
EQUITY

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.

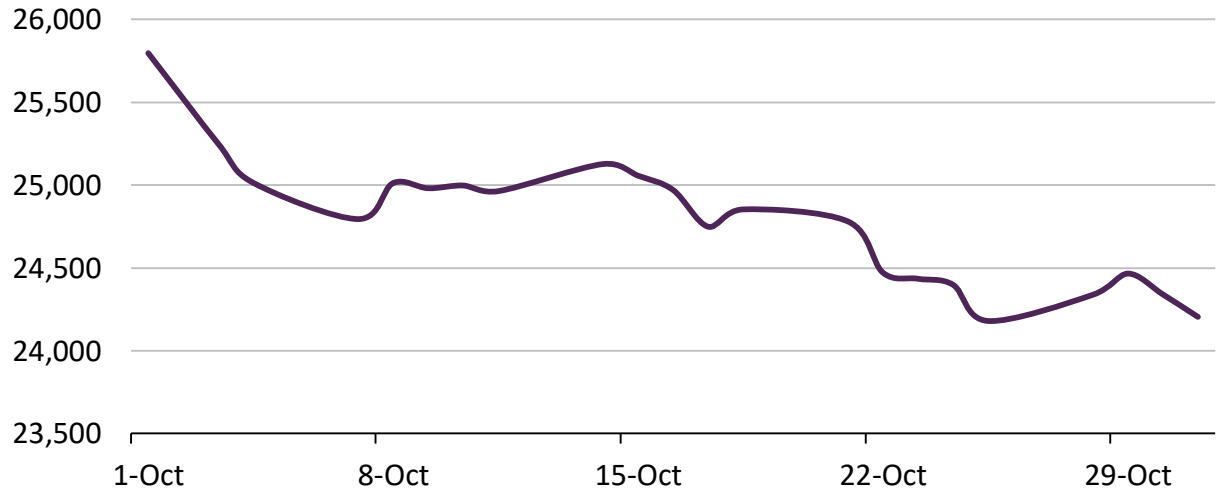
Global Markets performance in Oct-24



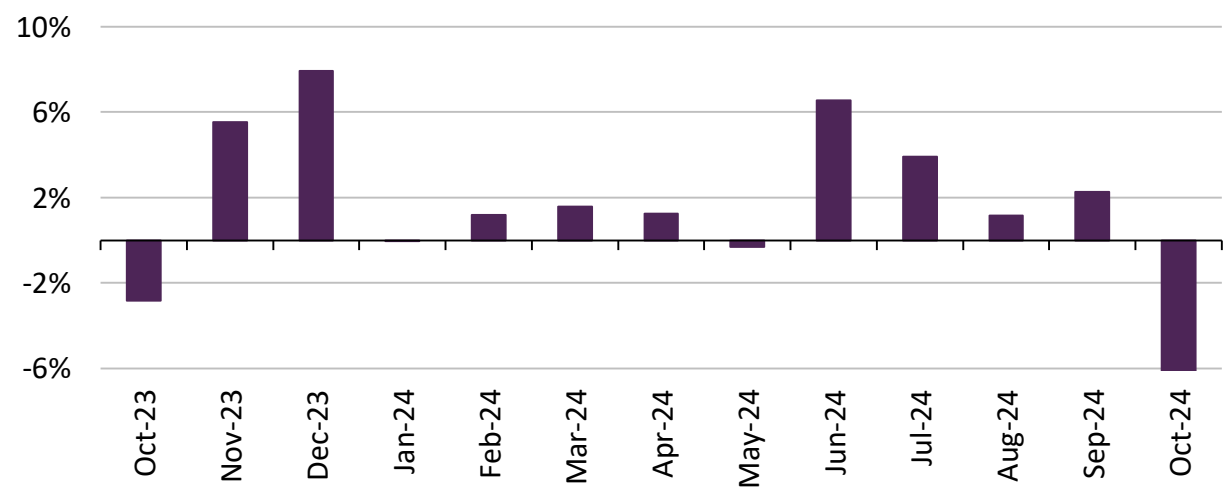
Sector wise performance during the month



NIFTY Performance in Oct 2024



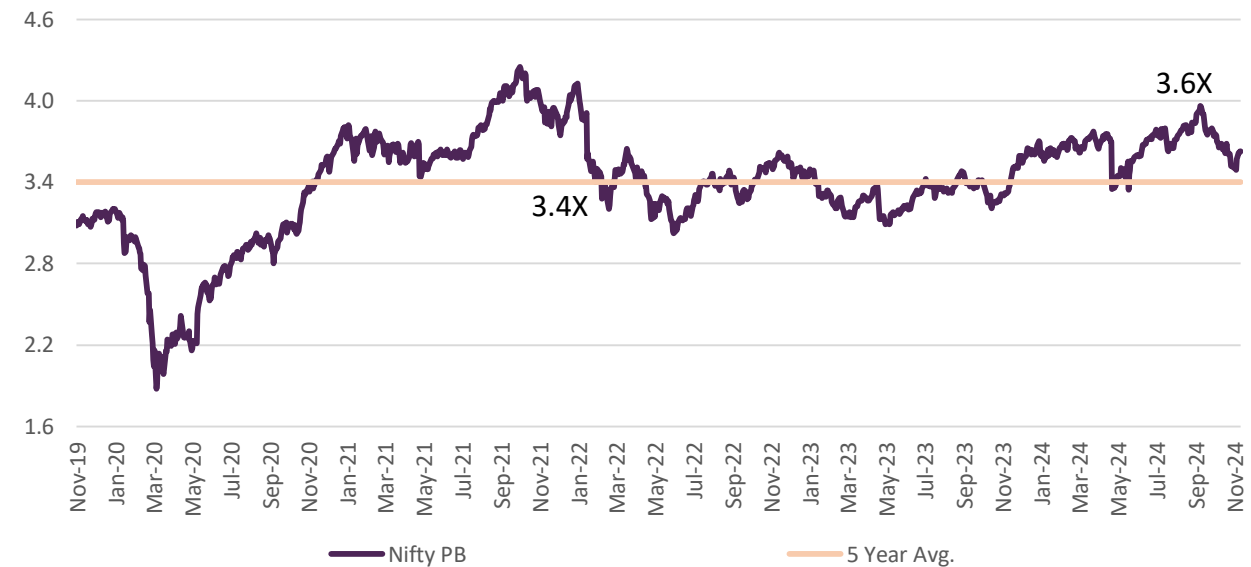
NIFTY monthly performance for trailing 12 months



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

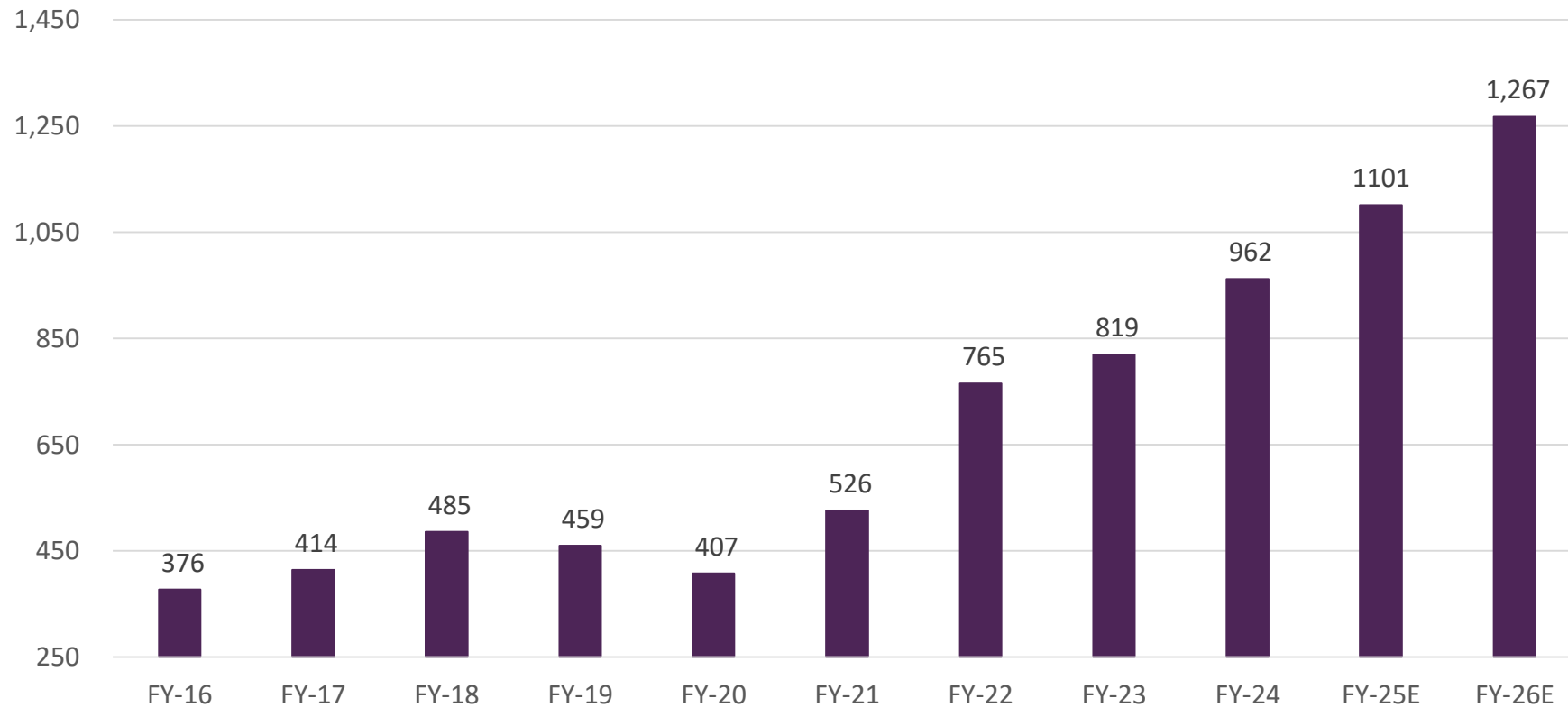


Nifty Trailing 12M P/B & 5 Yr. Avg. P/B



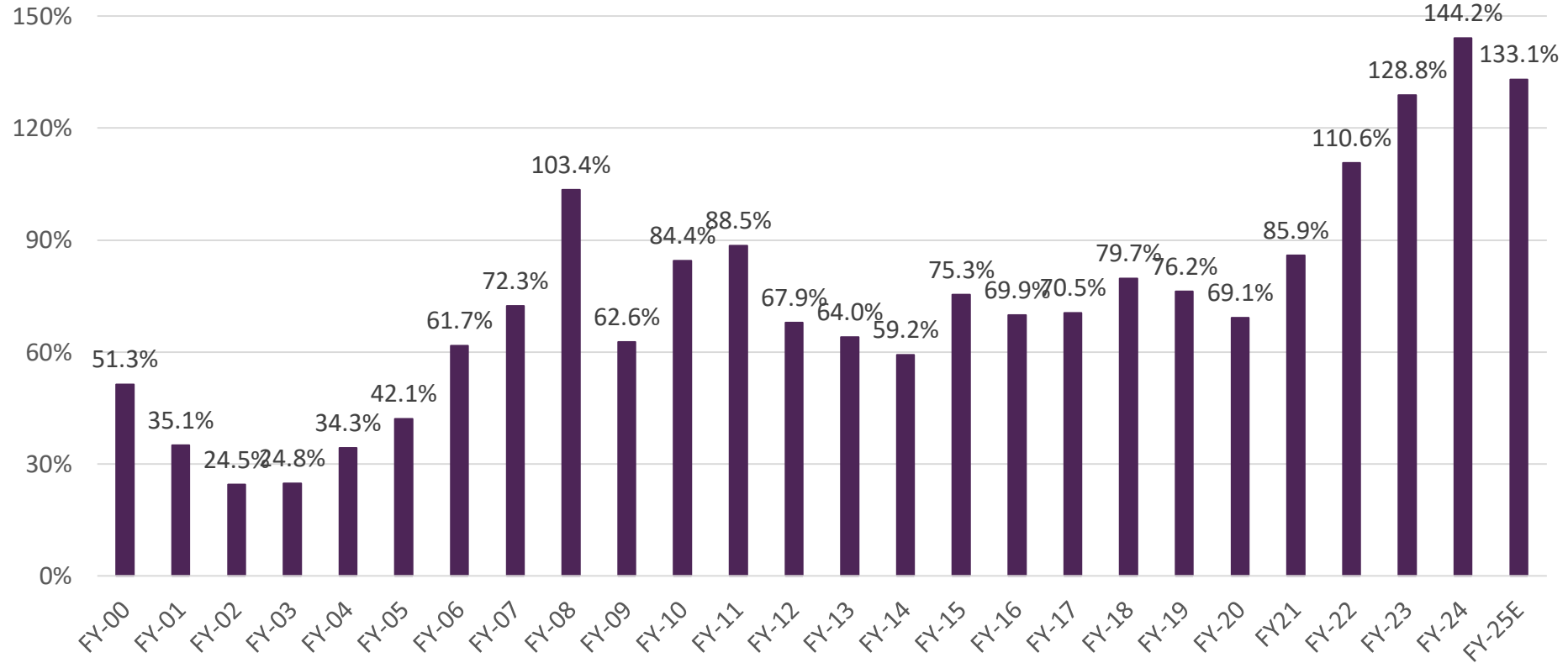
- Currently Nifty50 is trading at around 22.7x its trailing 12-month earnings while its five-year historical average price to earnings ratio stands at around 24.5x. A discount of 7.5% from its five-year historical average.
- In terms of price to book ratio, the Nifty50 is trading at around 3.6x its book value while its five-year historical price to book ratio stands at around 3.4x, a premium of 6.7% to its five-year historical average.

Nifty Historical and Estimated EPS (Consensus)



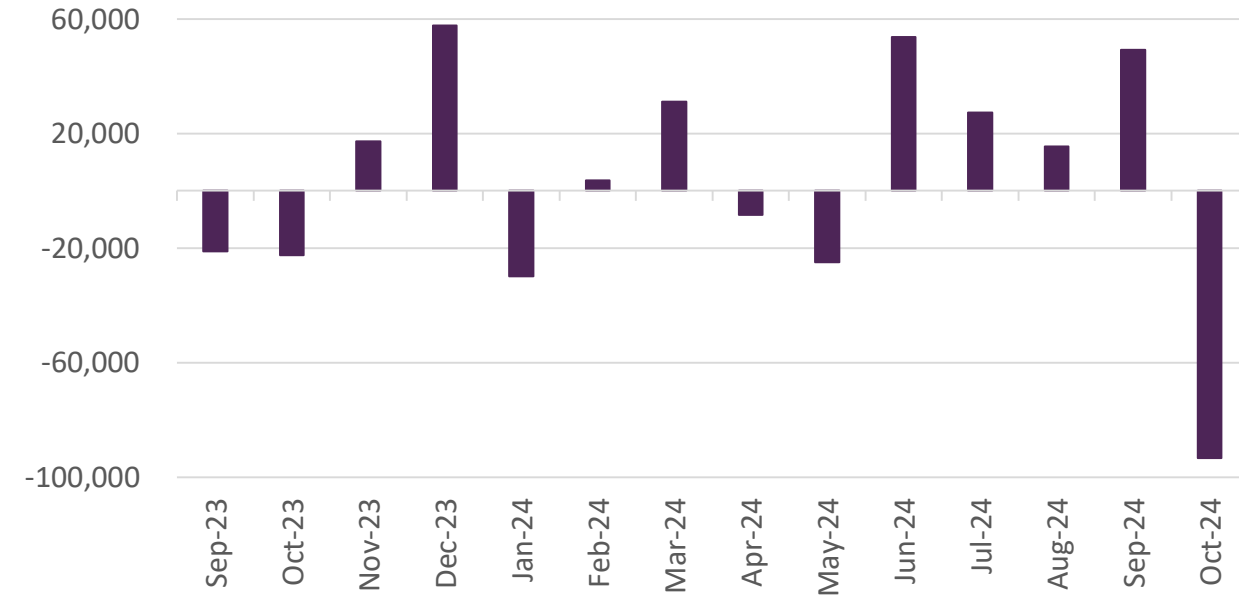
- The consensus estimates for Nifty50 from FY-24 to FY-26 expects earnings to grow at a CAGR of about 14.8%. The Index is trading at 21.9x FY25E and 19.0x FY26E consensus earnings.

India Market Cap. to GDP Ratio

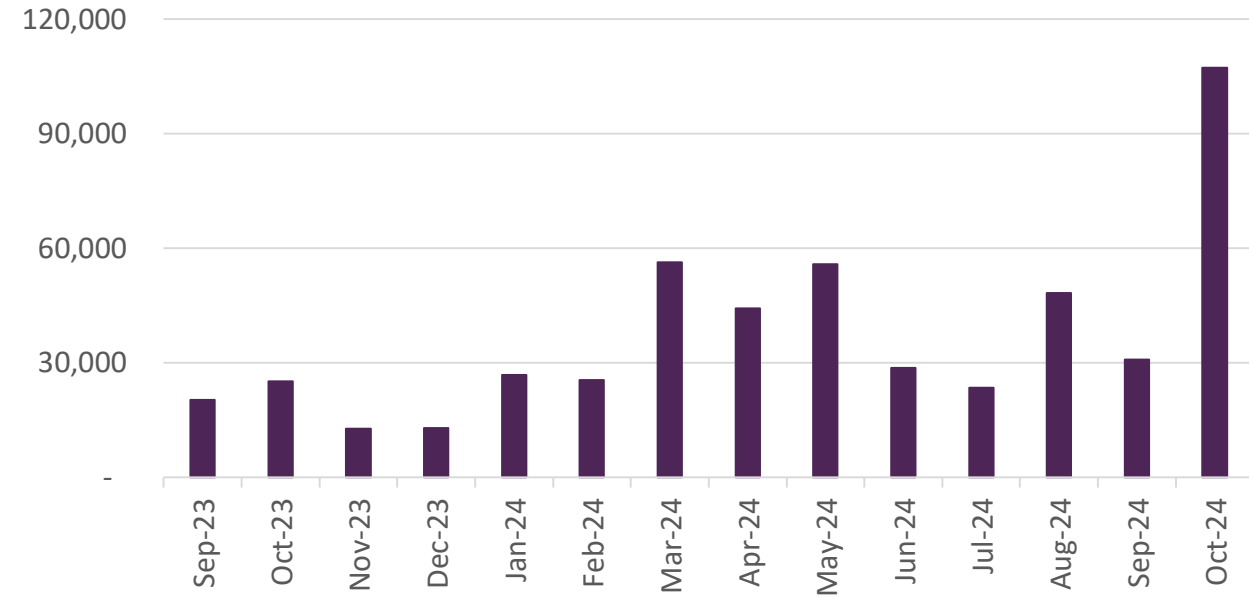


- Currently India's listed companies market capitalisation to GDP ratio stands at about 133.1% (FY-25E). The ratio is considered an indicative of overall equity market sentiments and cycles.
- The ratio is considered an indicative of overall equity market sentiments and cycles.

FII Monthly Inflows in Equity (₹ Crore)

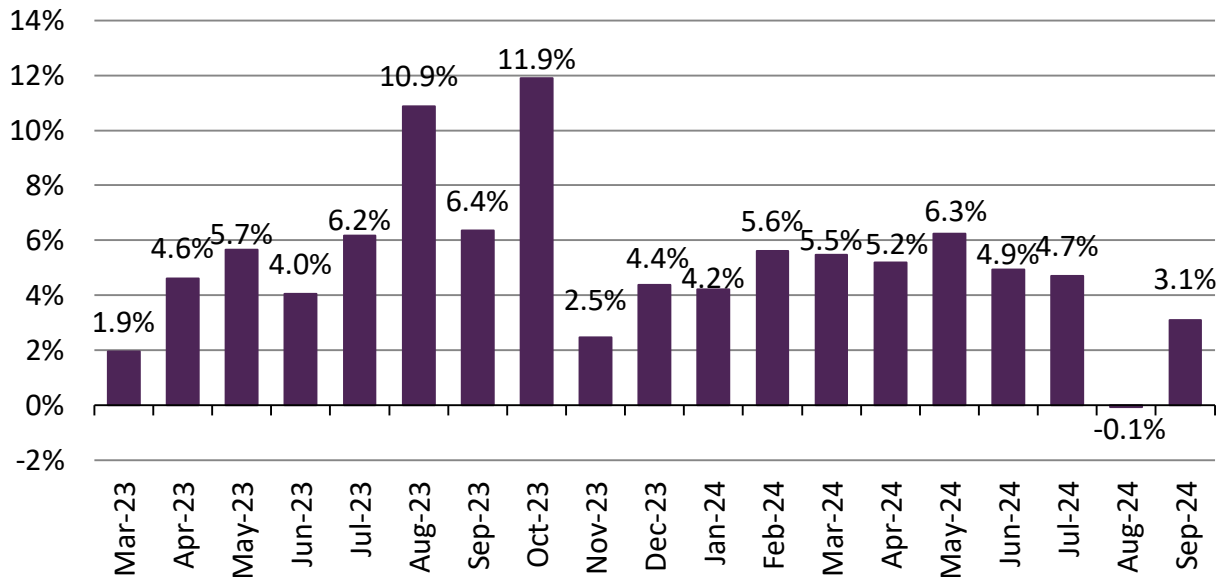


DII Monthly Inflows in Equity (₹ Crore)

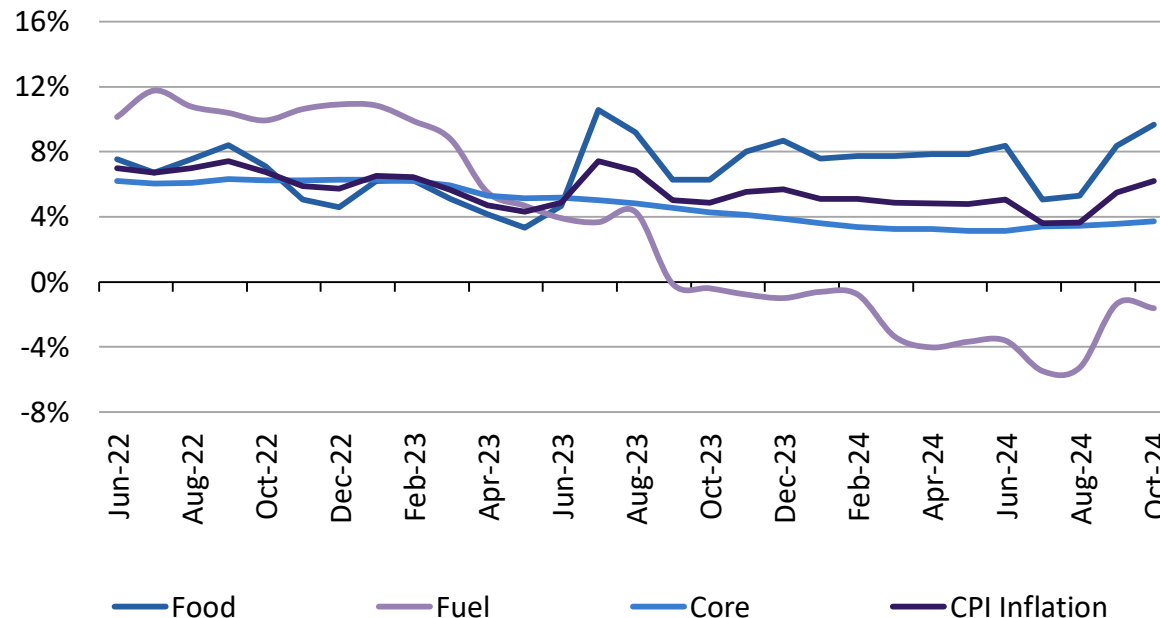


- FII monthly inflows for the month of Oct-24 has seen net outflows of almost ₹93,404 crores, which is largest negative monthly flow for the year.
- On the other hand, domestic funds have seen monthly net inflows of around ₹1,07,255 crores, maintaining its positive flows for the last twelve months.

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



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



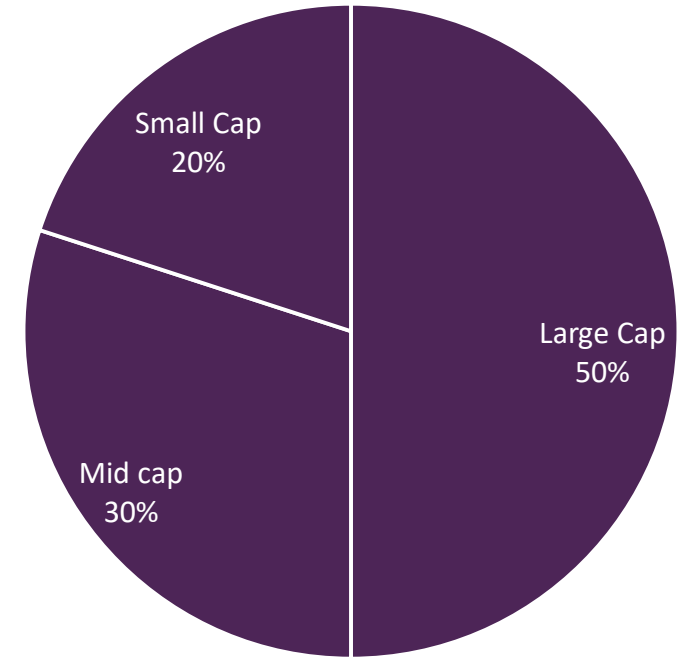
- Index of Industrial Production (IIP) data for the latest month Sep-24 witnessed a growth of 3.1% on an annual basis, after having contracted 0.1% the previous month as the impact of excessive rainfall fades. . In the use-based category, all sectors reported growth in Sep'24 Manufacturing rebounds with support from mining and electricity.
- India's CPI inflation rose to 6.2% in Oct'24, above our expectations, and from 5.5% in Sep'24. The figure is also above the RBI's average projection of 4.8% for the ongoing quarter. Core inflation rose to a 10-month high of 4% in Oct'24 as the base is turning unfavorable and inflation in service categories sees a modest rise. Food inflation rose over 130 bps due to a sharp rise in vegetable inflation.

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	Mahindra & Mahindra 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	Tejas Networks 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.

Global growth expected to remain stable, India to retain 'fastest growing major economy' tag

Actuals

	India	China	Indonesia	Mexico	Brazil	USA	South Korea	Russia	France	Canada	Australia	European Union	UK	Italy	Japan	Saudi Arabia	Germany	South Africa
2019	3.9	6.0	5.0	-0.4	1.2	2.6	2.3	2.2	2.0	2.0	1.8	1.9	1.6	0.3	-0.4	1.1	1.0	0.3
2020	-5.8	2.2	-2.1	-8.4	-3.3	-2.2	-0.7	-2.7	-7.4	-4.9	-2.1	-5.6	-10.3	-8.8	-4.2	-3.6	-4.1	-6.2
2021	9.7	8.4	3.7	6.0	4.8	6.1	4.6	5.9	6.9	5.4	5.5	6.3	8.6	6.8	2.7	5.1	3.7	5.0
2022	7.0	3.0	5.3	3.7	3.0	2.5	2.7	-1.2	2.6	4.1	3.9	3.5	4.8	5.0	1.2	7.5	1.4	1.9
2023	8.2	5.2	5.0	3.2	2.9	2.9	1.4	3.6	0.9	1.6	2.0	0.4	0.3	1.4	1.7	-0.8	-0.3	0.7
Median	7.0	5.2	5.0	3.2	2.9	2.6	2.3	2.2	2.0	2.0	2.0	1.9	1.6	1.4	1.2	1.1	1.0	0.7

IMF Forecasts

	India	Indonesia	China	Saudi Arabia	Brazil	Australia	South Korea	USA	Mexico	Canada	European Union	South Africa	UK	France	Russia	Germany	Italy	Japan
2024	7.0	5.0	4.8	1.5	3.0	1.2	2.5	2.8	1.5	1.3	1.1	1.1	1.1	1.1	3.6	0.0	0.7	0.3
2025	6.5	5.1	4.5	4.6	2.2	2.1	2.2	2.2	1.3	2.4	1.6	1.5	1.5	1.1	1.3	0.8	0.8	1.1
2026	6.5	5.1	4.1	4.4	2.3	2.2	2.2	2.0	2.0	2.0	1.7	1.5	1.5	1.3	1.2	1.4	0.7	0.8
2027	6.5	5.1	3.6	3.6	2.4	2.2	2.1	2.1	2.3	1.8	1.6	1.5	1.5	1.4	1.2	1.1	0.6	0.6
2028	6.5	5.1	3.4	3.5	2.5	2.3	2.1	2.1	2.1	1.8	1.6	1.5	1.4	1.4	1.2	0.8	0.7	0.6
Median	6.5	5.1	4.1	3.6	2.4	2.2	2.2	2.1	2.0	1.8	1.6	1.5	1.5	1.3	1.2	0.8	0.7	0.6

G-20 economies have started to ease policy rates as inflation is now within acceptable levels for central banks, yet policy rates are still high in most countries

	Brazil	Mexico	South Africa	India	Indonesia	China	Saudi Arabia	United States	Canada	South Korea	Australia	United Kingdom	Euro Area	Japan
2019	5.96	8.00	6.63	5.73	5.63	3.29	2.73	2.13	1.75	1.56	1.17	0.75	0.00	-0.10
2020	2.81	5.31	4.21	4.26	4.25	3.01	1.21	0.33	0.50	0.67	0.31	0.21	0.00	-0.10
2021	4.81	4.42	3.54	4.00	3.52	2.95	1.00	0.07	0.25	0.65	0.10	0.11	0.00	-0.10
2022	12.63	7.88	5.29	4.96	4.00	2.81	2.63	1.85	2.04	2.13	1.31	1.54	0.67	-0.10
2023	13.25	11.17	8.00	6.48	5.81	2.63	5.73	5.06	4.77	3.50	3.89	4.73	3.88	-0.10
2024	10.80	10.93	8.20	6.50	6.13	2.36	5.90	5.23	4.68	3.48	4.35	5.18	4.23	0.11
Median	8.38	7.94	5.96	5.35	4.94	2.88	2.68	1.99	1.90	1.84	1.24	1.15	0.33	-0.10

Post Covid countries have shifted their focus towards fiscal consolidation

	United Kingdom	Russia	South Korea	Canada	Australia	Saudi Arabia	Indonesia	Germany	Mexico	China	European Union	France	Brazil	South Africa	United States	India	Italy	Japan
2019	0.0	1.9	-0.6	-0.6	-1.5	-4.5	-2.2	1.3	-1.6	-2.8	-0.5	-2.4	-5.6	-5.6	-4.6	-3.4	-1.5	-6.4
2020	-0.1	-4.0	-3.5	-17	-13.3	-11.2	-6.1	-4.4	-2.8	-3.7	-6.7	-8.9	-12.7	-9.5	-14.7	-4.6	-9.4	-14.7
2021	-0.1	0.8	-1.4	-14.6	-5.1	-2.2	-4.6	-3.2	-2.8	-3.1	-4.6	-6.6	-4.9	-5.4	-12.1	-9.2	-8.9	-12.6
2022	0.0	-1.4	-2.8	-3.5	-1.9	2.5	-2.4	-2.1	-3.2	-2.8	-3.2	-4.7	-4.7	-4.2	-5.4	-6.7	-8.6	-9.5
2023	0.0	-2.3	-1.5	-1.2	-1.1	-2.0	-1.6	-2.6	-3.3	-3.9	-3.5	-5.5	-7.1	-6.0	-6.2	-6.4	-7.2	-8.0
Median	0.0	-0.7	-1.5	-1.5	-1.7	-2.1	-2.3	-2.4	-2.8	-3.0	-3.3	-5.1	-5.2	-5.5	-5.8	-6.0	-7.9	-8.8

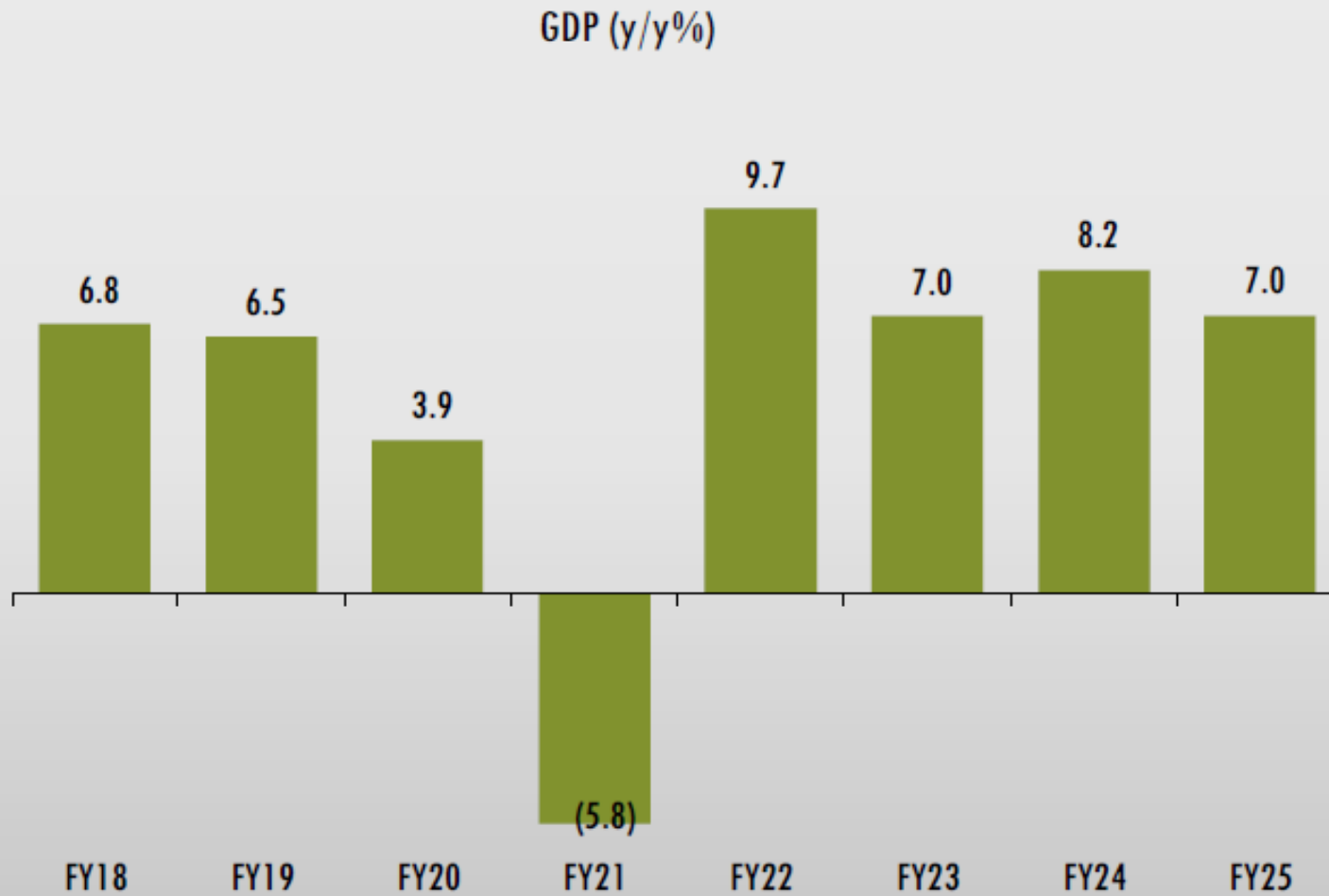
Dollar Index broadly continued to appreciate

	DXY	Euro Area	Mexico	United Kingdom	Saudi Arabia	South Korea	Canada	Indonesia	Japan	Russia	China	Australia	Brazil	India	South Africa
2019	4.1	5.4	0.1	4.5	0.0	5.9	2.4	-0.6	-1.3	3.3	4.5	7.4	7.9	2.9	9.1
2020	1.6	-1.8	11.7	-0.5	0.0	1.3	1.1	3.1	-2.1	11.4	-0.1	1.0	30.8	5.3	14.0
2021	3.5	-3.6	-5.7	-6.8	0.0	-3.0	-6.5	-1.9	2.8	2.1	-6.5	-8.4	4.6	-0.2	-10.2
2022	12.4	12.5	-0.8	11.6	0.0	12.9	3.8	3.8	19.8	-7.0	4.4	8.3	-4.3	6.3	10.7
2023	0.5	-2.8	-11.8	-0.8	0.0	1.1	3.6	2.6	6.9	24.4	5.2	4.4	-3.3	5.1	12.7
Median	3.5	-1.8	-0.8	-0.5	0.0	1.3	2.4	2.6	2.8	3.3	4.4	4.4	4.6	5.1	10.7

Conclusion

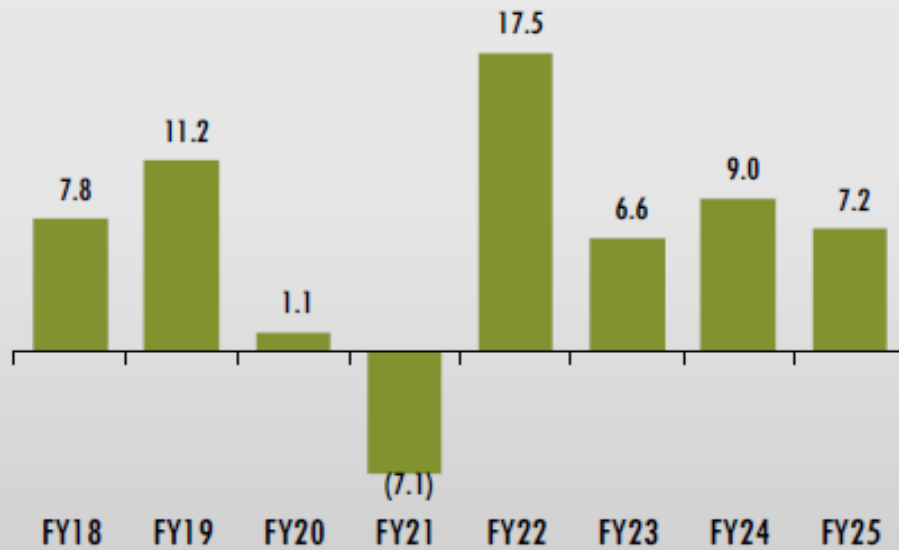
- The global economic outlook remains positive, with higher growth potential for the US on account of Trump taking office offsetting lower growth prospects in other advanced economies.
- India seems to be an outlier, showcasing high positive GDP growth rates. It is also projected to remain the fastest growing major economy.
- Despite the observed high inflation in India, the IMF does not forecast any further rise till 2029. Globally, disinflation is expected to continue following a drastic rise during the pandemic.
- As the supply shocks moderated post Covid, inflation has peaked causing major central banks to pivot from a rate hike cycle
- Post a jump in fiscal deficit during Covid period, most economies have reverted towards consolidation

India to continue as fastest growing major economy with 7% growth for FY25e

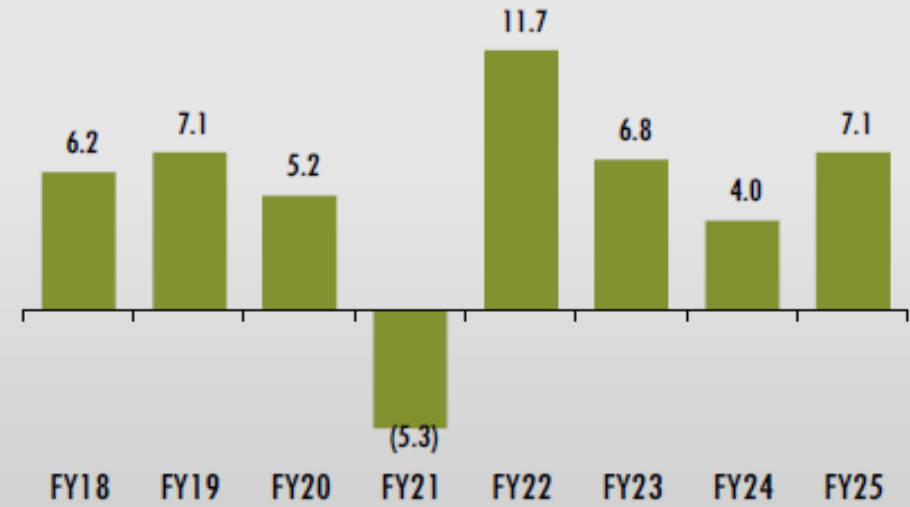


Private consumption to rebound supported by rural consumption uptick, investments to pick up in H2'FY25

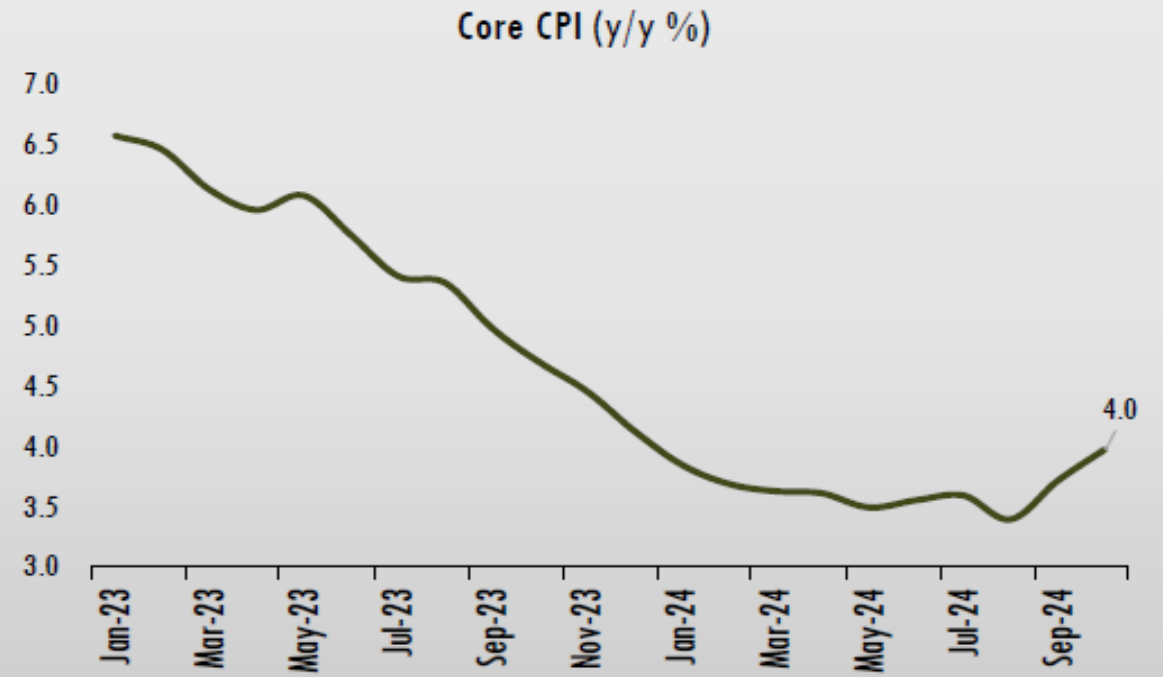
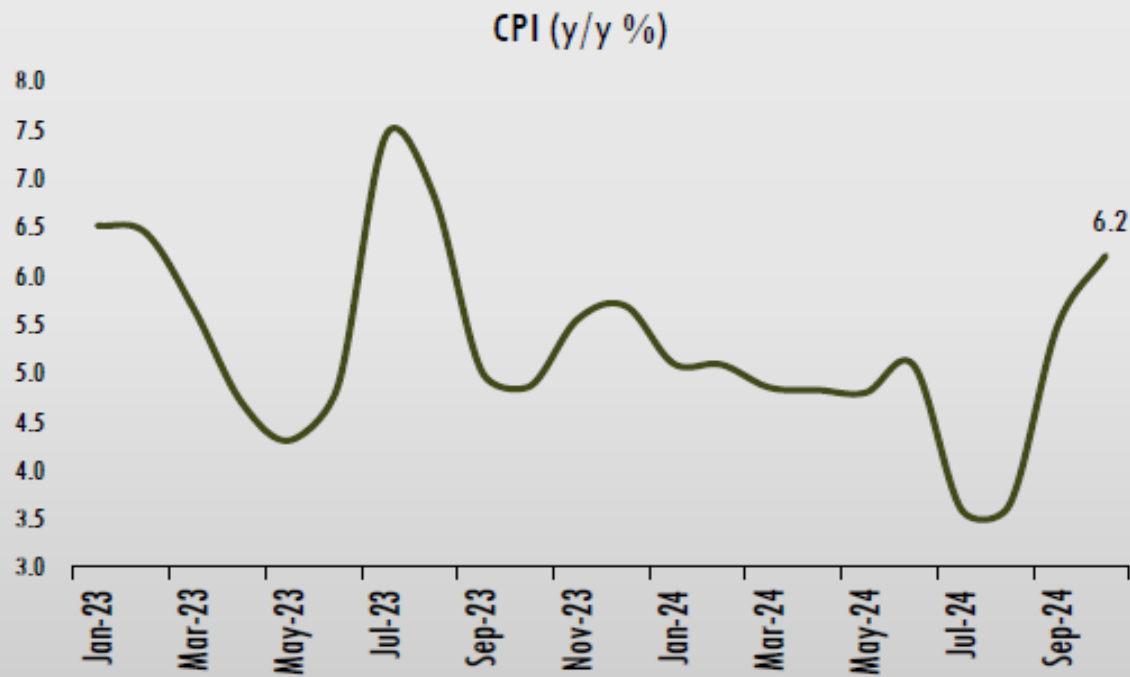
Investments (y/y%)



Private Consumption (y/y %)



CPI rises on account of food inflation, core inflation picking up due to base effect



Mixed signals - Rural consumption proxies like sales of two-wheeler and non-durables are seeing incremental pick-up. Urban indicators like petrol consumption, airport traffic, remain strong

	y/y %	Oct-24	Sep-24	Aug-24	Jul-24	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23
Consumption	PV sales	-0.9	-1.4	-1.8	-2.5	3.0	3.9	1.3	9.5	10.8	13.6	4.0	3.7	15.9
	2W sales	14.2	15.8	9.3	12.5	21.3	10.1	30.8	15.3	34.6	26.2	16.0	31.3	20.1
	Tractor sales	22.4	3.7	-5.8	1.5	3.6	0.1	-3.0	-23.1	-17.0	-15.3	-19.8	6.4	-4.3
	IIP Durables	-	6.4	5.2	8.2	8.7	12.3	10.0	9.5	12.6	11.6	5.2	-4.8	15.9
	IIP Non-durables	-	2.0	-4.5	-4.4	-1.2	2.3	-2.5	5.3	-3.2	0.3	3.0	-3.4	9.3
	Airport traffic	-	8.1	7.5	7.8	7.7	8.3	6.0	6.5	8.1	7.2	9.9	10.7	11.9
	Consumer goods imports	-	4.2	67.0	10.2	-14.7	3.3	42.6	-15.8	76.6	47.9	31.3	-6.7	50.5
	Petrol consumption	8.7	3.0	8.6	10.5	4.6	3.4	14.2	6.9	8.9	9.6	0.2	9.4	4.8
	Toll collection	10.4	10.4	8.4	12.0	11.2	8.7	8.6	17.2	19.2	15.5	18.6	14.1	24.4
	Vahaan registrations	32.4	-9.1	3.2	14.6	1.4	3.2	27.5	3.8	14.0	16.1	22.0	19.6	-6.6
	Electricity Generation	0.8	0.4	-4.7	8.3	9.0	15.2	10.4	8.3	8.2	6.5	4.8	10.7	24.8
	Retail payments	29.6	20.6	20.5	23.0	22.8	22.0	24.0	22.2	28.5	25.2	21.1	26.0	23.5
	GST Collection	8.9	6.5	10.0	10.3	7.6	10.1	12.4	11.2	12.5	10.4	10.3	15.1	13.4

With the withdrawal on monsoons, recovery in mining and manufacturing signals an improving investment climate. Public capex continues to remain healthy in core infrastructure sectors like road, railways and defense

	y/y %	Oct-24	Sep-24	Aug-24	Jul-24	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23
Investments	Steel production	-	1.3	3.8	6.4	6.7	8.9	9.8	7.5	9.4	9.2	8.3	9.7	13.6
	Cement production	-	7.1	-2.7	5.5	1.9	-0.6	-0.5	10.6	7.8	4.0	3.8	-4.8	17.0
	Capital goods production	-	3.0	0.7	12.0	2.4	3.3	2.7	6.6	1.7	3.2	3.7	-1.1	21.7
	Cargo traffic	-3.2	6.1	6.5	6.4	6.8	3.7	1.3	3.6	2.4	3.2	0.7	17.0	13.8
	Capital goods imports	-	18.8	9.0	4.4	15.8	0.3	-1.0	4.8	1.9	-7.0	3.2	6.8	19.6
	Non food credit	-	7.9	8.7	9.1	8.1	8.8	7.4	8.5	9.3	8.4	8.7	6.7	6.0
	Diesel consumption	0.1	-1.9	-2.5	4.5	1.0	2.3	1.4	2.7	6.3	3.4	-2.4	-3.1	9.3
	Electricity generation	0.8	0.4	-4.7	8.3	9.0	15.2	10.4	8.3	8.2	6.5	4.8	10.7	24.8
	FDI to India (Gross)	-	-	-	13.0	34.4	59.1	-1.8	30.3	0.3	28.6	-28.8	13.1	68.3
	Freight traffic	-	-	0.0	4.5	10.1	3.7	1.4	8.6	10.1	6.4	6.4	4.3	8.5

Conclusion

- With 7% growth in FY25 India continues to be the fastest growing major economy.
- With inflation expected to moderate in final quarter, the RBI is expected to cut the repo rates.
- The fiscal position of the government remain favorable with expenditure under check and meet the deficit target.
- Festive season has kept the demand conditions robust.
- The strong fundamentals shall position India as an attractive investment destination.

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