



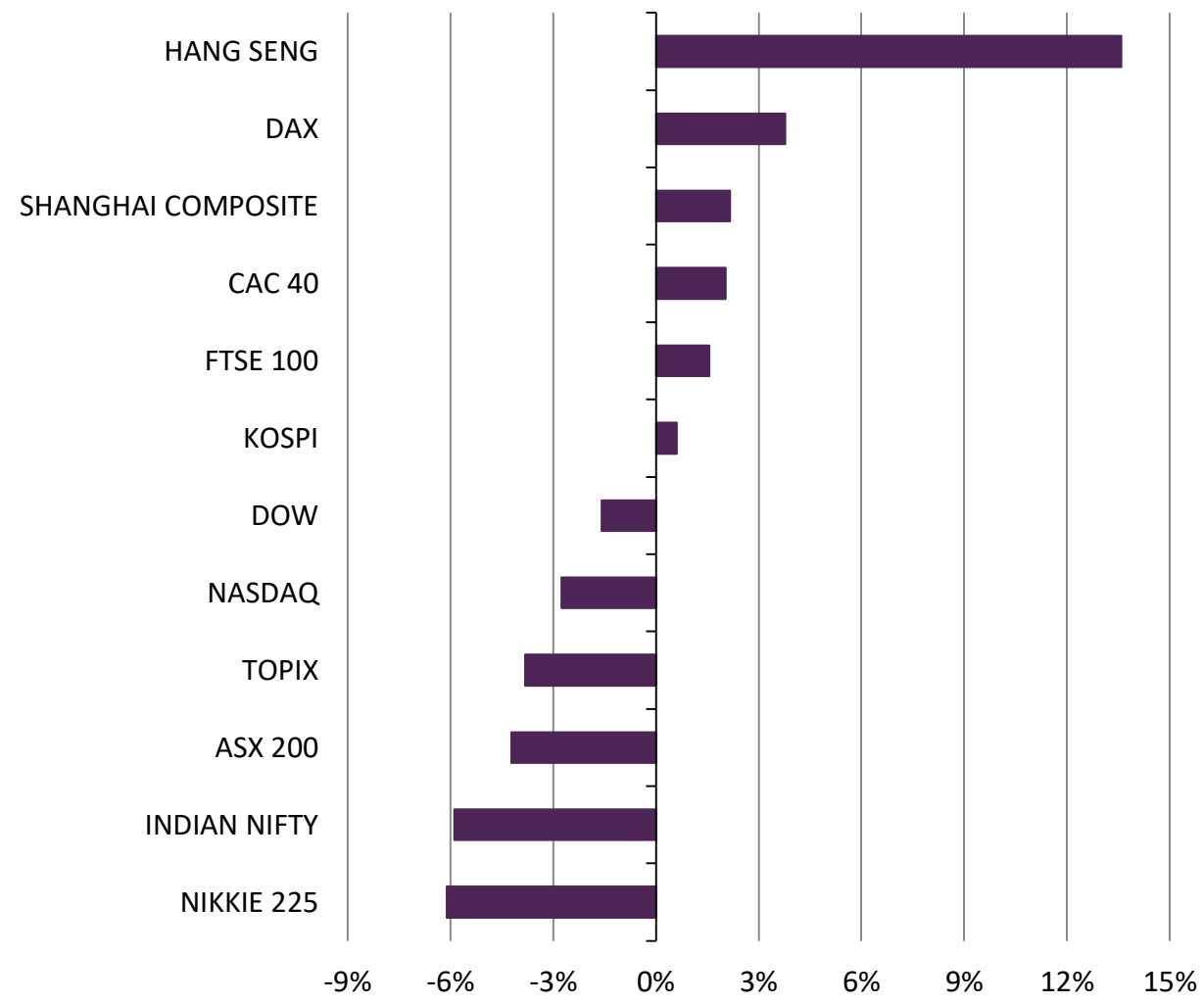
# BESPOKE

Advice for a select few

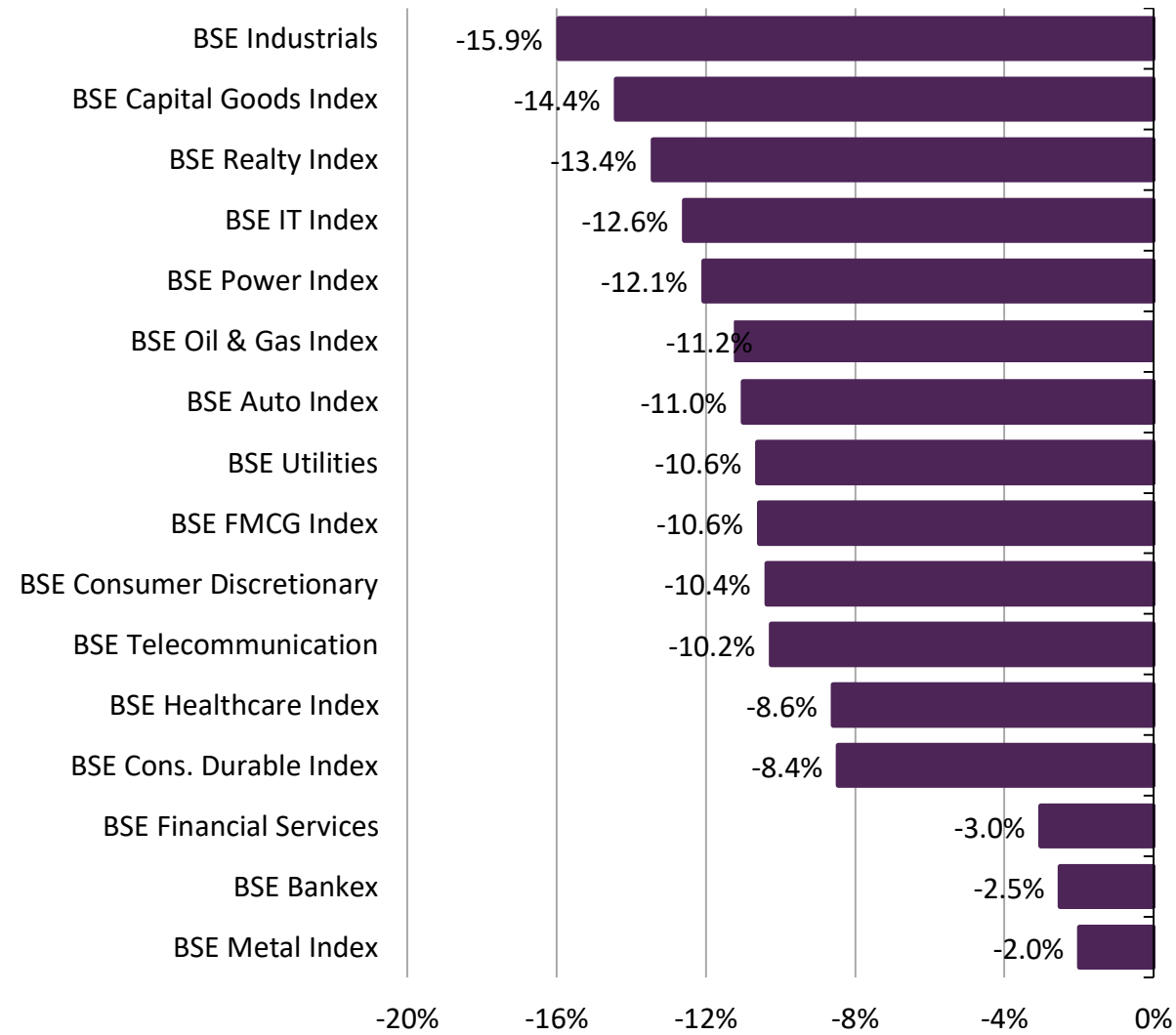
ANANDRATHI  
PRIVATE CLIENT GROUP  
EQUITY

PCG

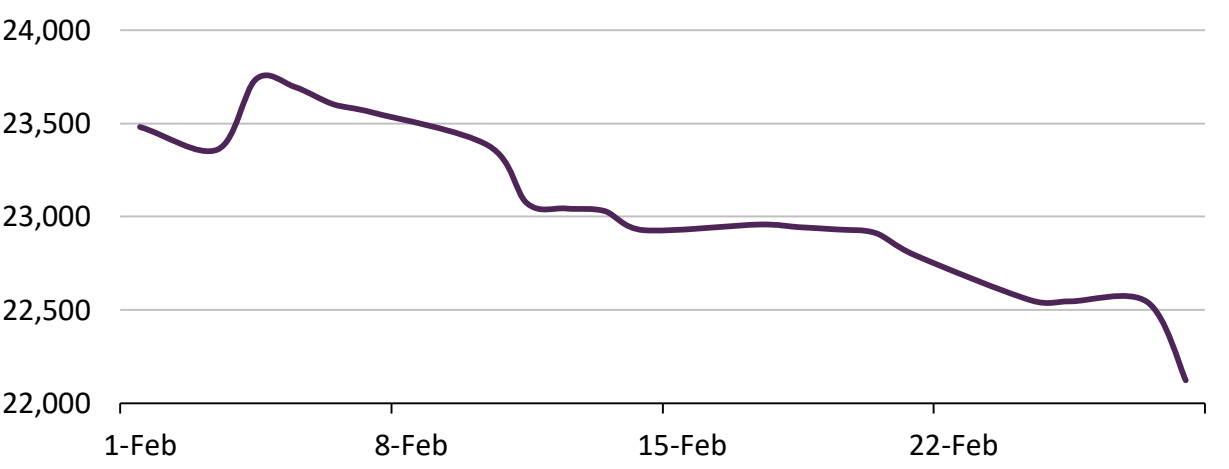
Global Markets performance in Feb-25



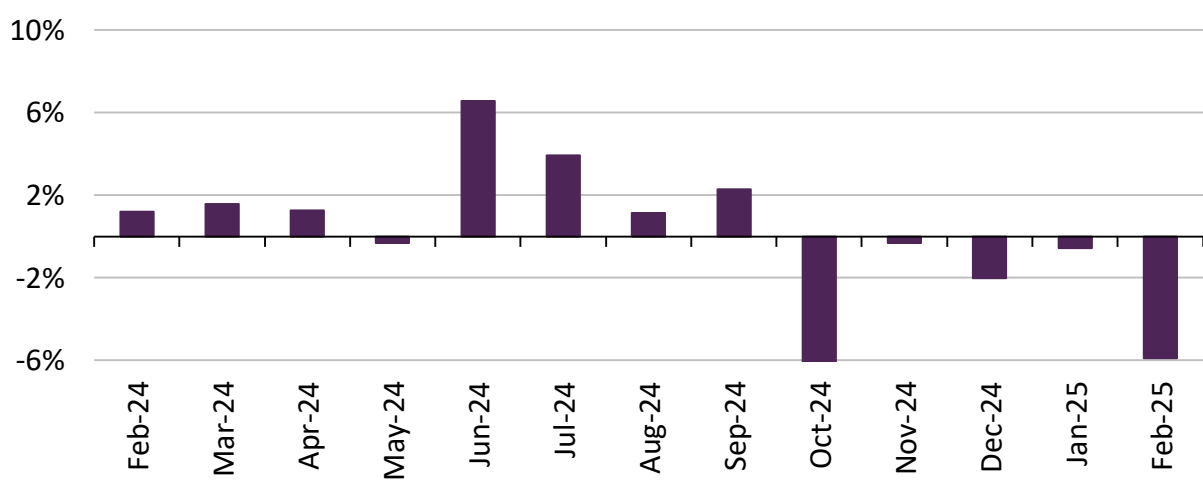
Sector wise performance during the month



NIFTY Performance in Feb 2025



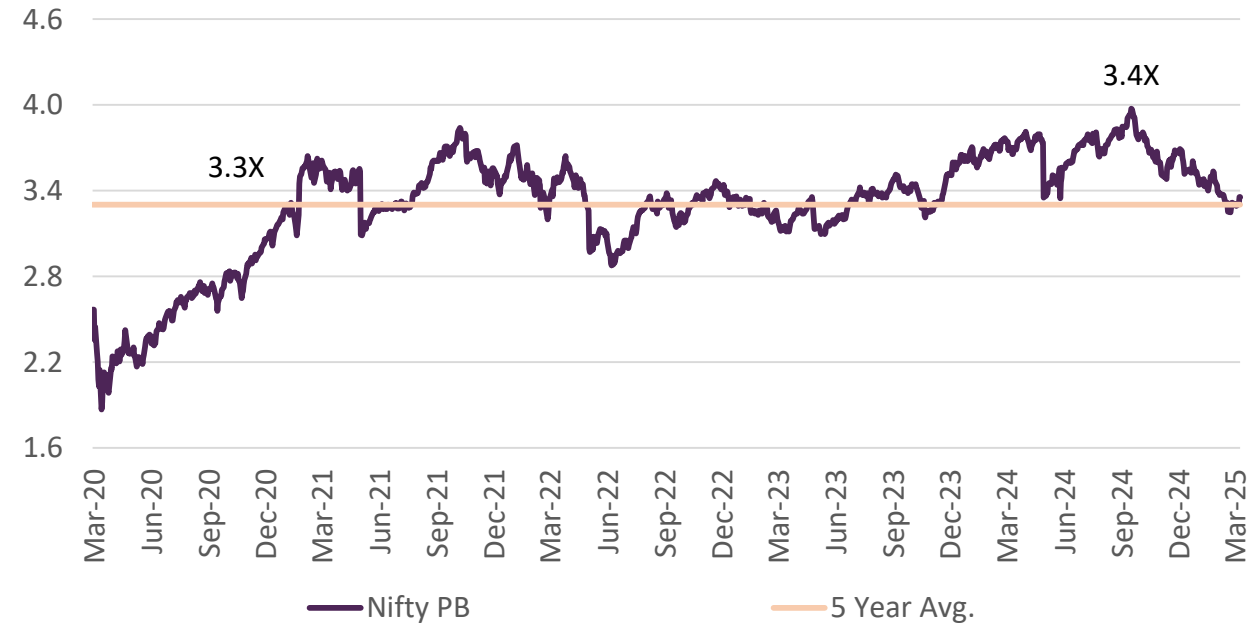
NIFTY monthly performance for trailing 12 months



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

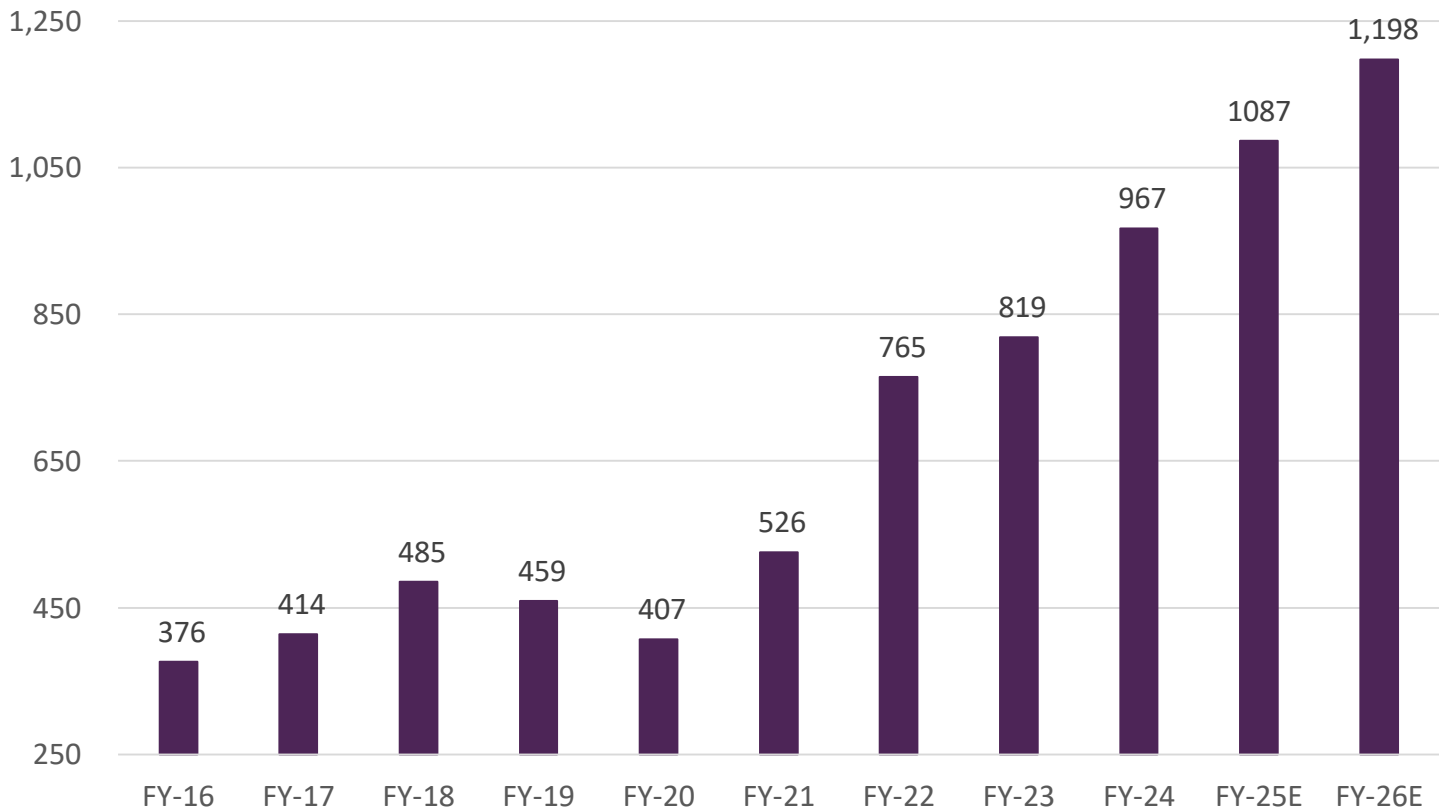


## Nifty Trailing 12M P/B & 5 Yr. Avg. P/B



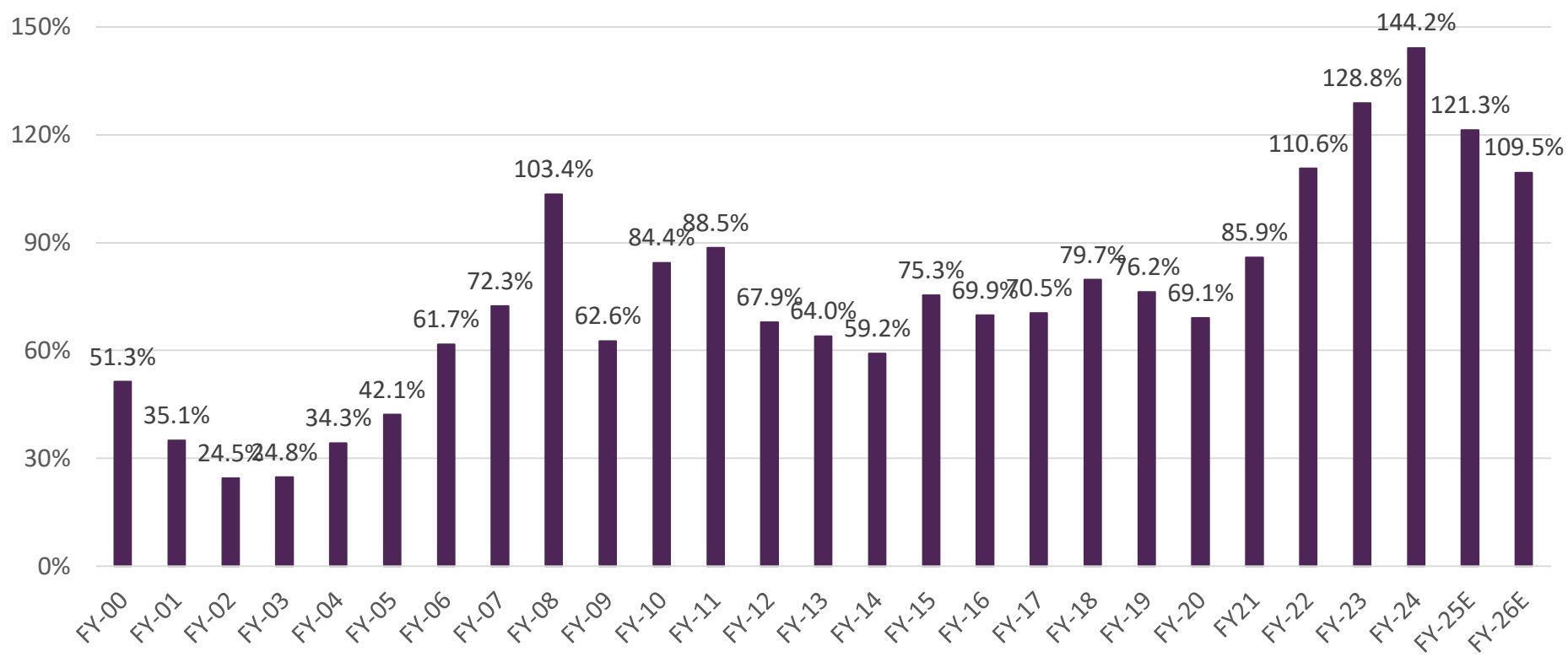
- Currently Nifty50 is trading at around 21.3x its trailing 12-month earnings while its five-year historical average price to earnings ratio stands at around 23.9x. A discount of 10.8% from its five-year historical average.
- In terms of price to book ratio, the Nifty50 is trading at around 3.4x its book value while its five-year historical price to book ratio stands at around 3.3x. Trading at premium of 1.7% to its five-year historical average.

Nifty Historical and Estimated EPS (Consensus)

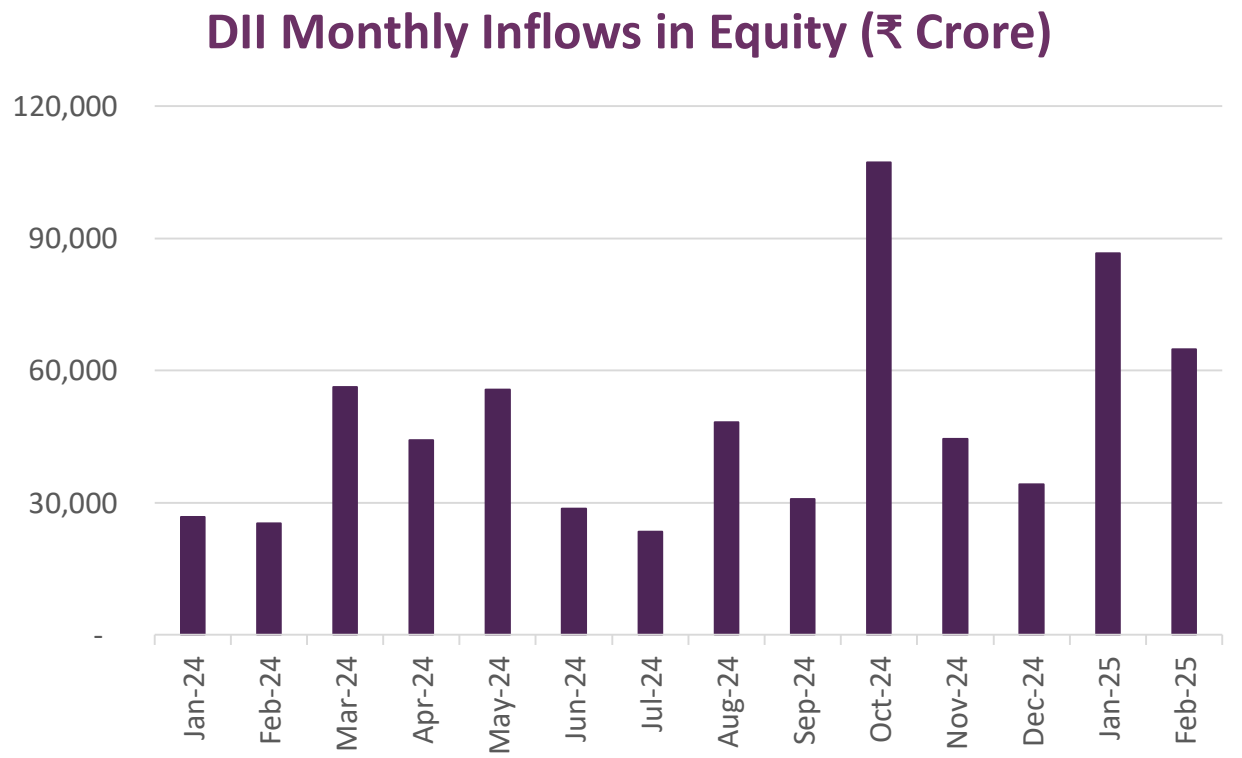
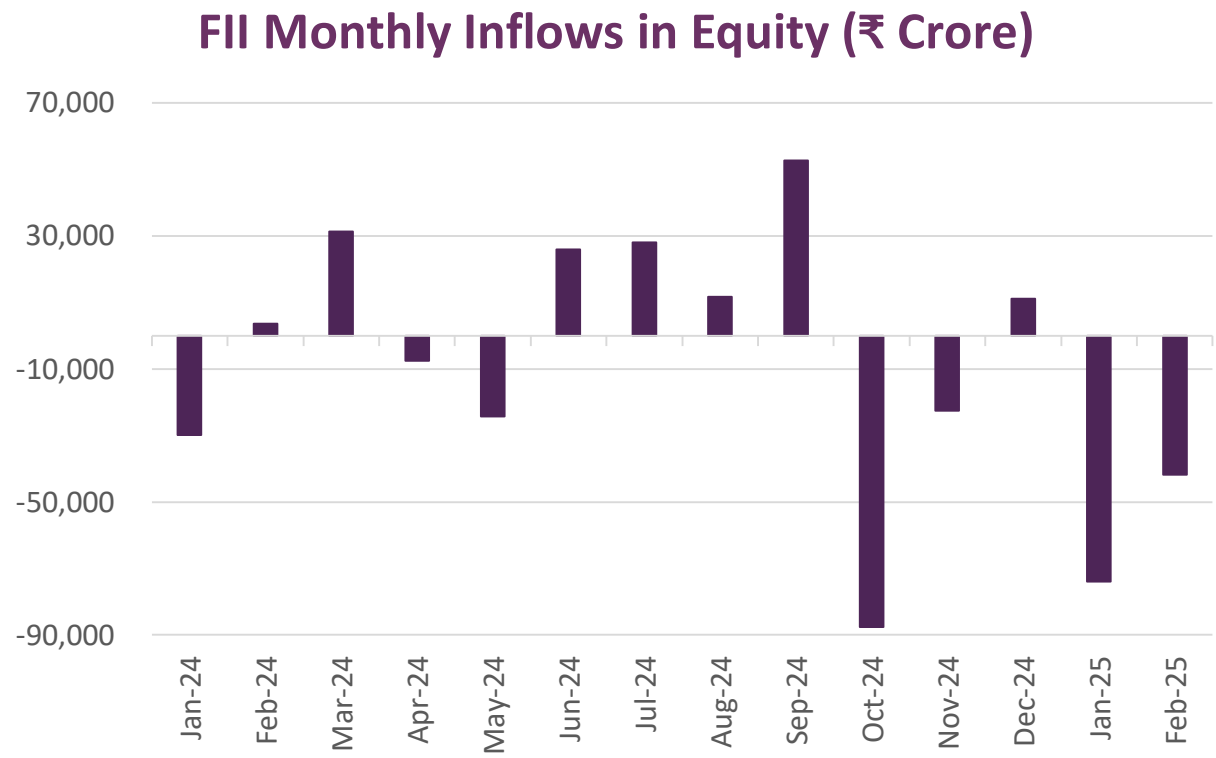


From the financial year 2023 EPS the consensus estimates for Nifty50 from FY-24 to FY-26E expects earnings to grow at a CAGR of about 11.3%.

India Market Cap. to GDP Ratio

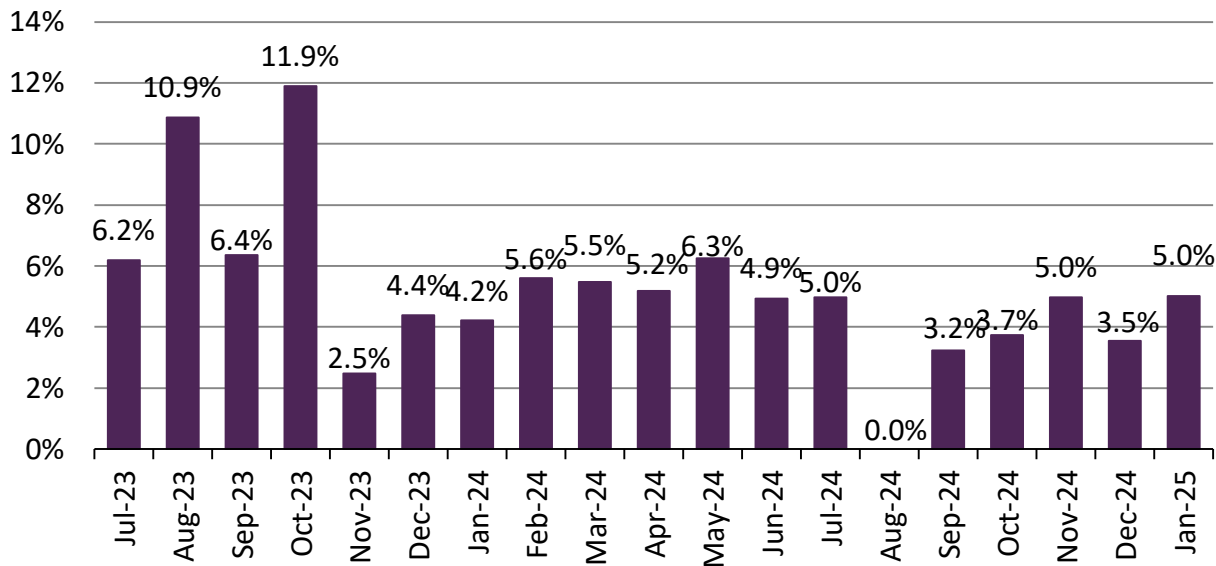


- Currently India’s listed companies market capitalisation to GDP ratio stands at about 109.5 % (FY-26E). The ratio is considered an indicative of overall equity market sentiments and cycles.
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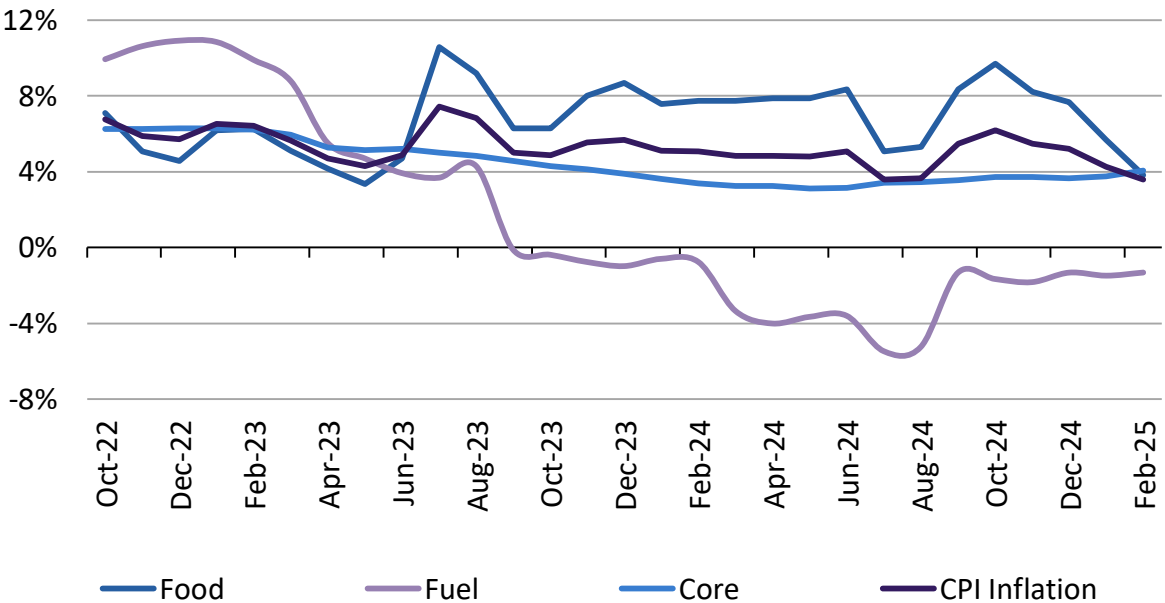


- FII monthly flows for the month of Feb-25 has seen net outflows of almost ₹41,814 crores, third largest outflow in last twelve months.
- On the other hand, domestic funds have seen monthly net inflows of around ₹64,855 crores, maintaining its positive flows for the last twelve months.

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



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



- Index of industrial production – JAN’25 - Industrial growth at a five month high led by manufacturing. Manufacturing and mining growth accelerated in Jan’25 while electricity production growth moderated. On the use-base front, since Nov’24 growth remains healthy for most segments while consumer non-durables continues to contract.
- Consumer price inflation – FEB’25 - Inflation eases to a seven-month low of 3.6%; vegetable inflation turns negative. CPI inflation moderated sharply to 3.6% in Feb’25, down from 4.3% in Jan. The decline was primarily driven by easing of food inflation, with vegetable inflation turning negative. The average CPI for the quarter is now expected to fall below the RBI’s initial projection of 4.4%.

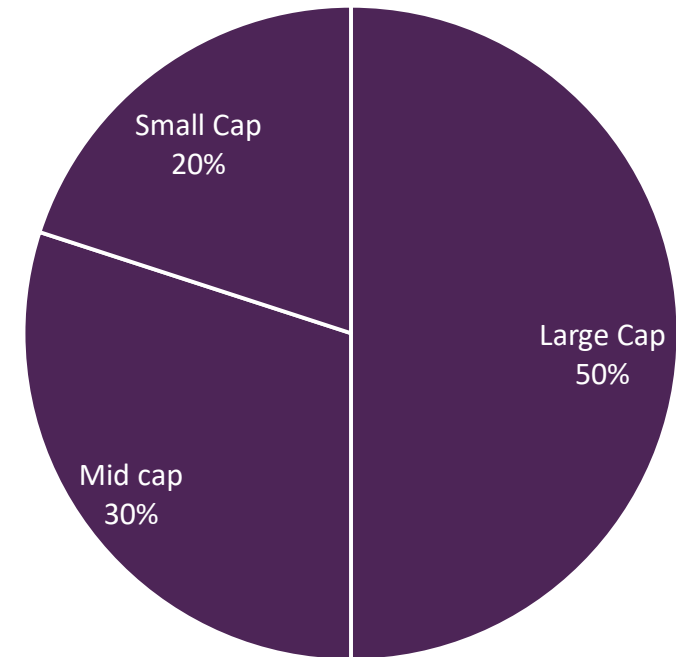


# Top Ideas

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	Voltas Ltd.
2	APL Apollo Tubes Ltd.
3	TVS Motor Company Ltd.
4	ITC Hotels Ltd.
5	Dixon Technologies Ltd.
6	Data Patterns (India) Ltd.

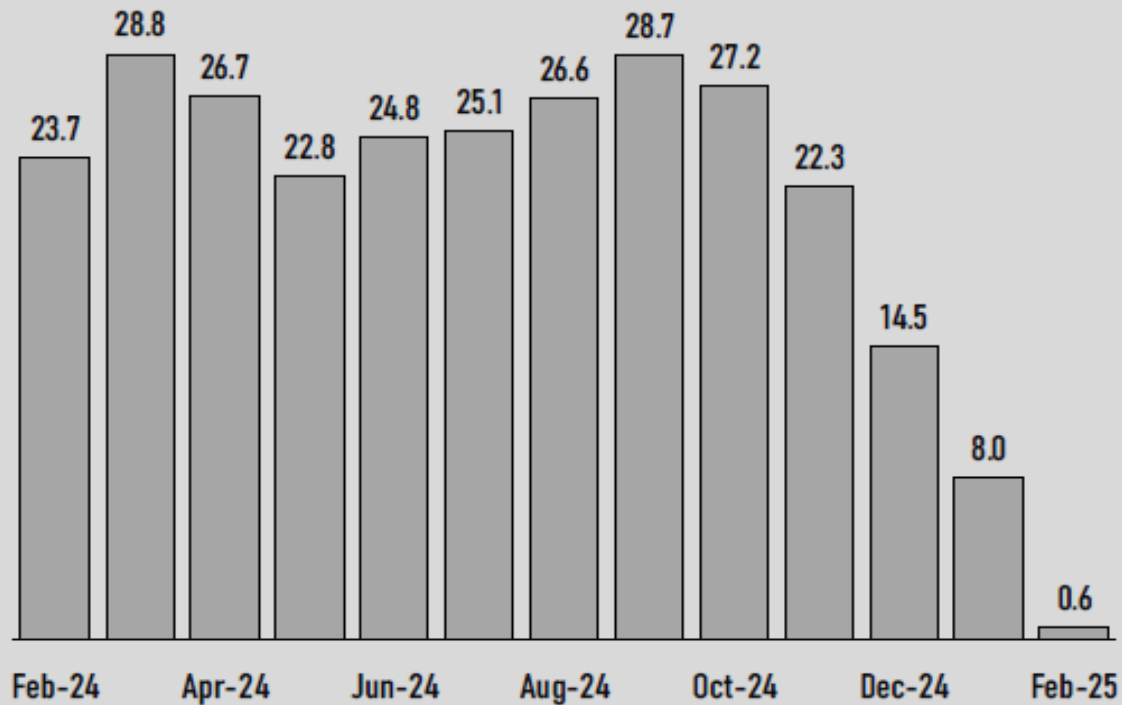
S.No.	Small Cap
1	Rainbow Children's Medicare Ltd.
2	Jyoti CNC Ltd.
3	Chalet Hotels Ltd.
4	Transrail Lighting Ltd.



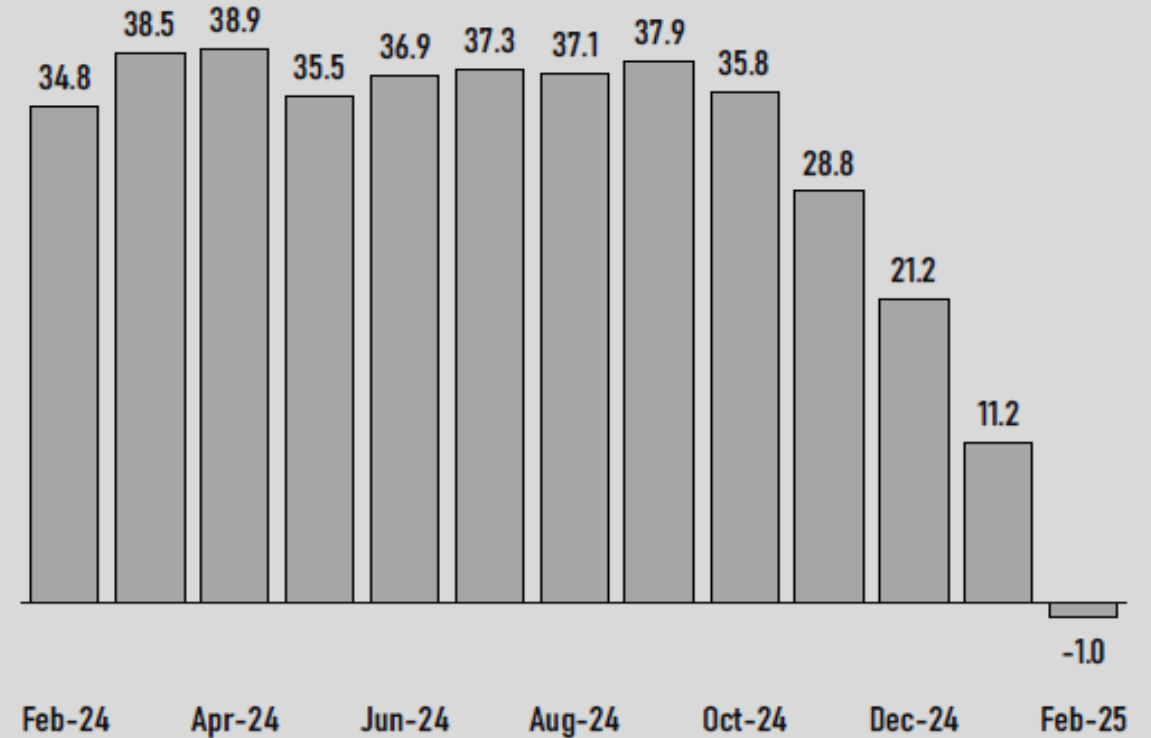
NOTE: The strategy has shifted from individual weight based to equal distribution.

## Equity Market Returns Falling for the Fourth Successive Month

Nifty 50 Annualised Return, %

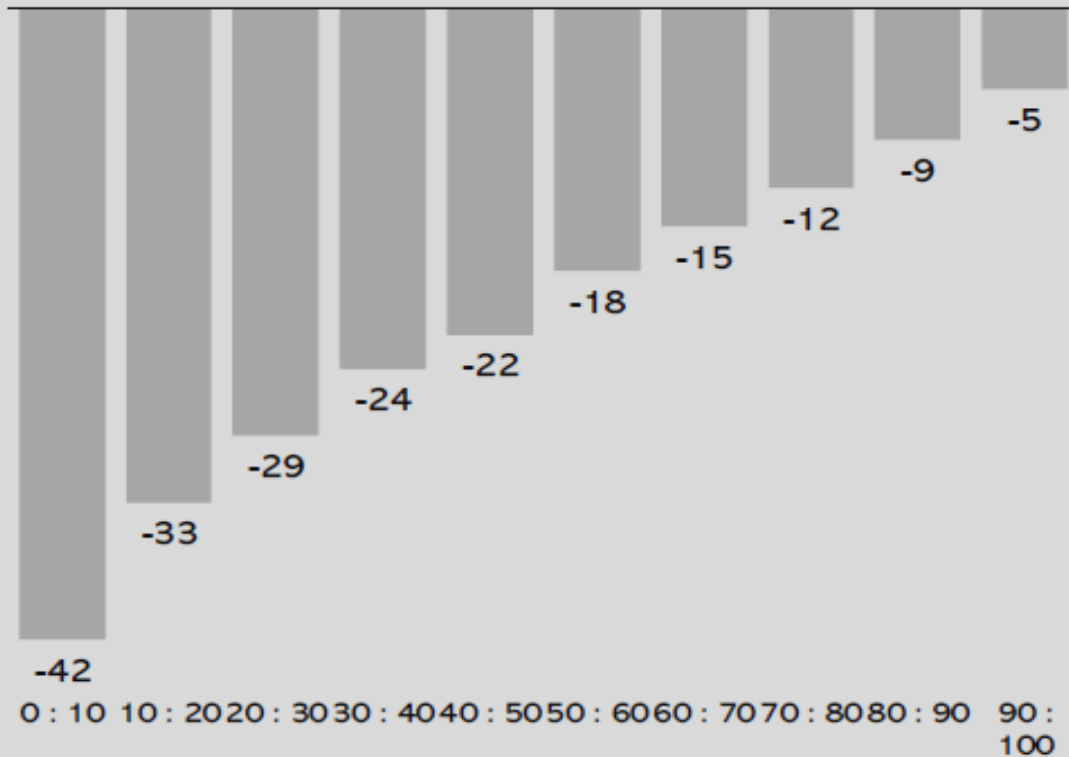


Nifty 500 Annualised Return, %

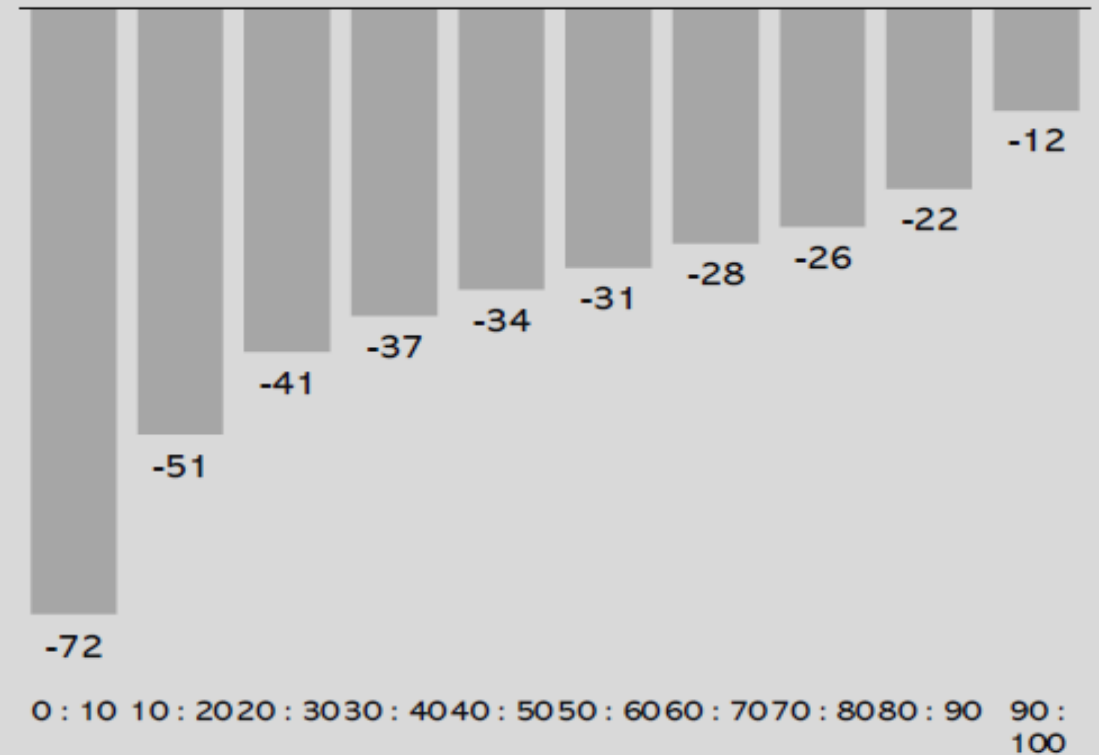


## Stock Level Corrections Often More Mared

Down from All-Time High, Nifty 50, %

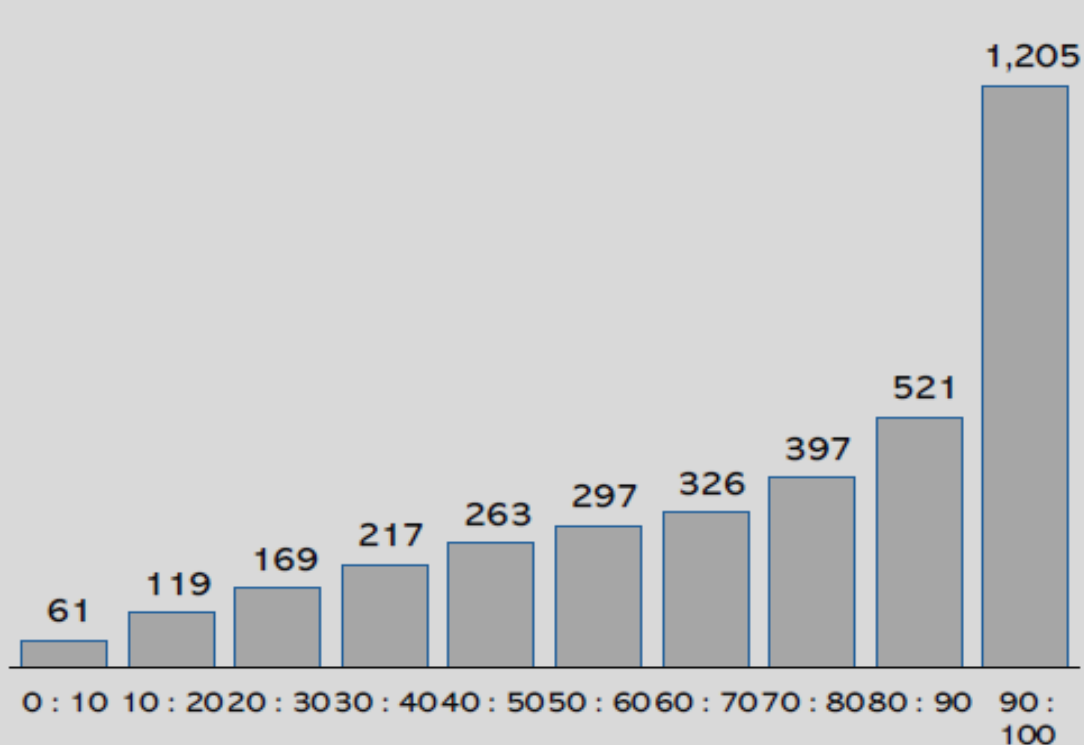


Down from All-Time High, Nifty Midcap 150, %

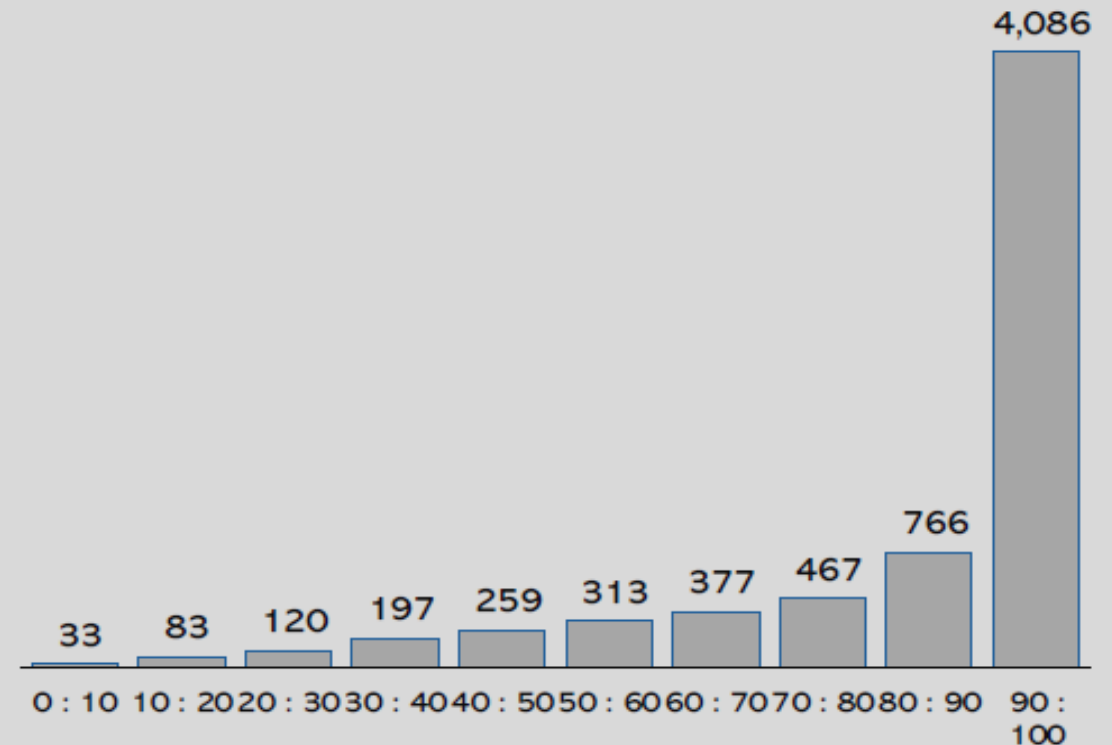


## Yet, the return over the last 5-years are Still Very Large

Up from Mar'20 Lows, Nifty 50, %



Up from Mar'20 Lows, Nifty Midcap 150, %



## Factors, Which are Keeping the Market Down



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Trump Trade,  
Global  
Uncertainties



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GDP Growth and  
Corporate  
Earnings



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Regulatory  
Changes in  
Trading



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Nine Successive  
Years of Positive  
Returns



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Concerns on  
Valuation of  
Indian Equities

## Factor which Influence the Equity Market the Most in Medium/Long-Term



Economic  
Fundamentals



Corporate  
Earnings



Domestic  
Liquidity



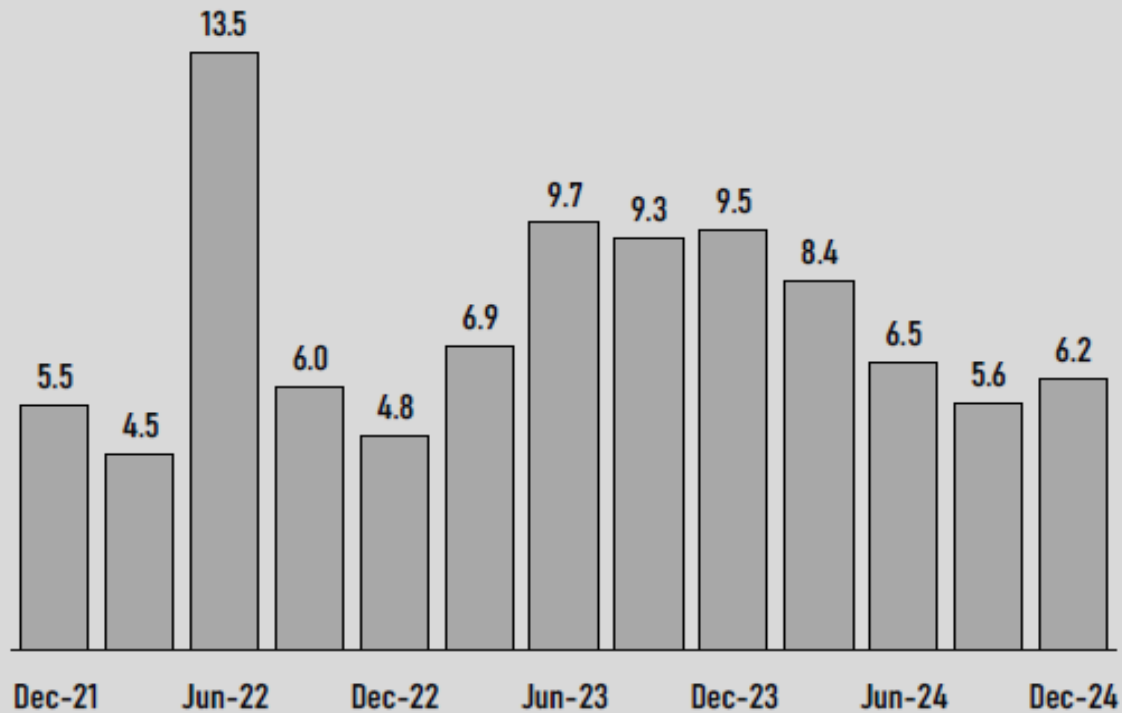
Foreign  
Liquidity



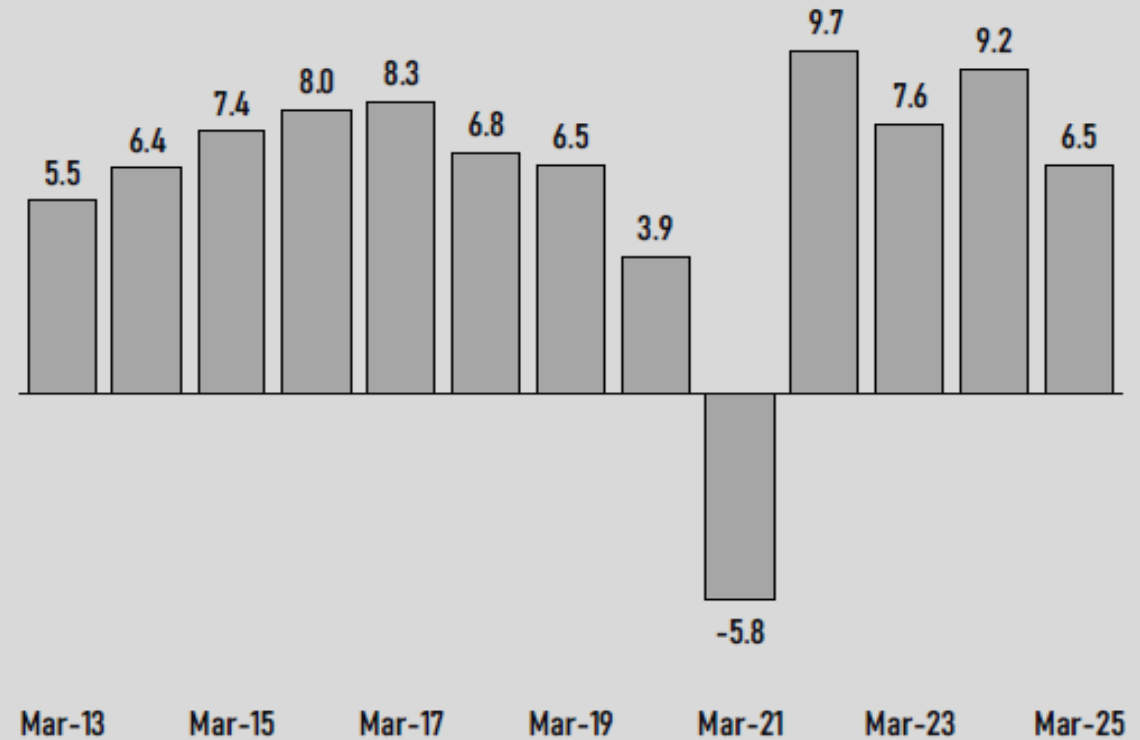
Equity  
Valuation

## Sharp Drop in Real Economic Growth

Quarterly GDP Growth, %

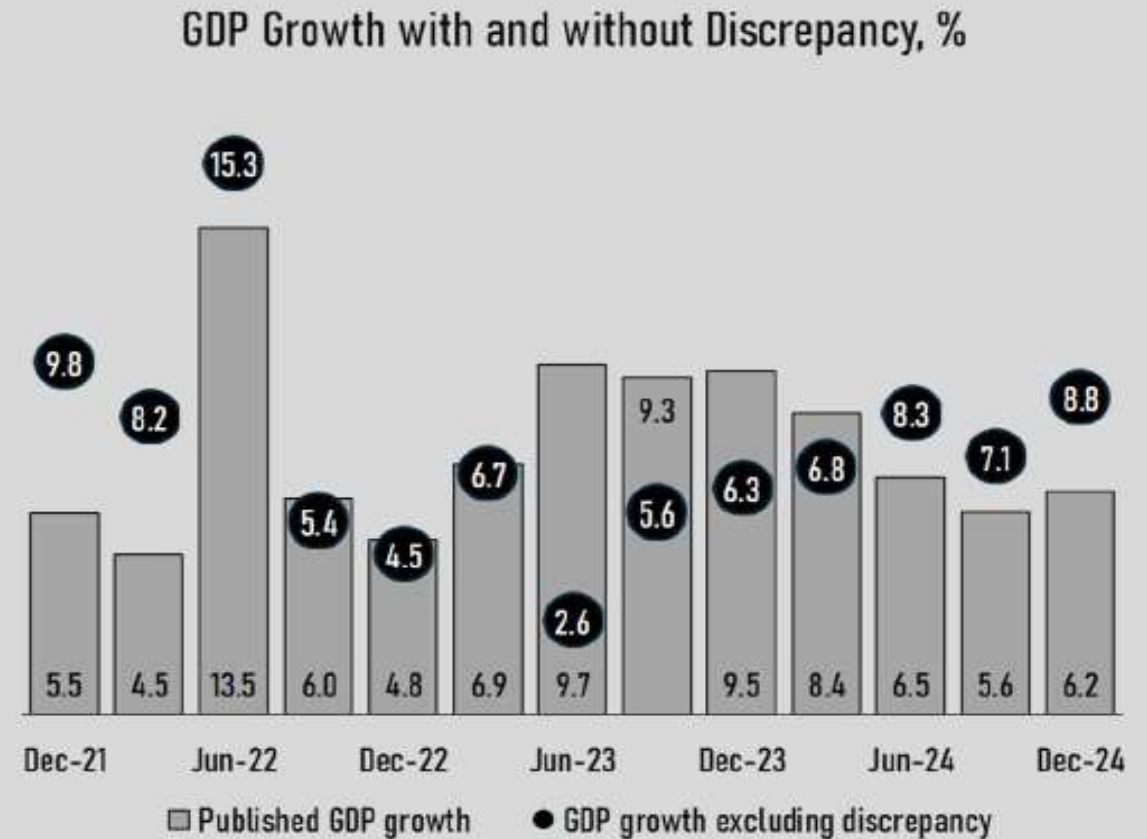
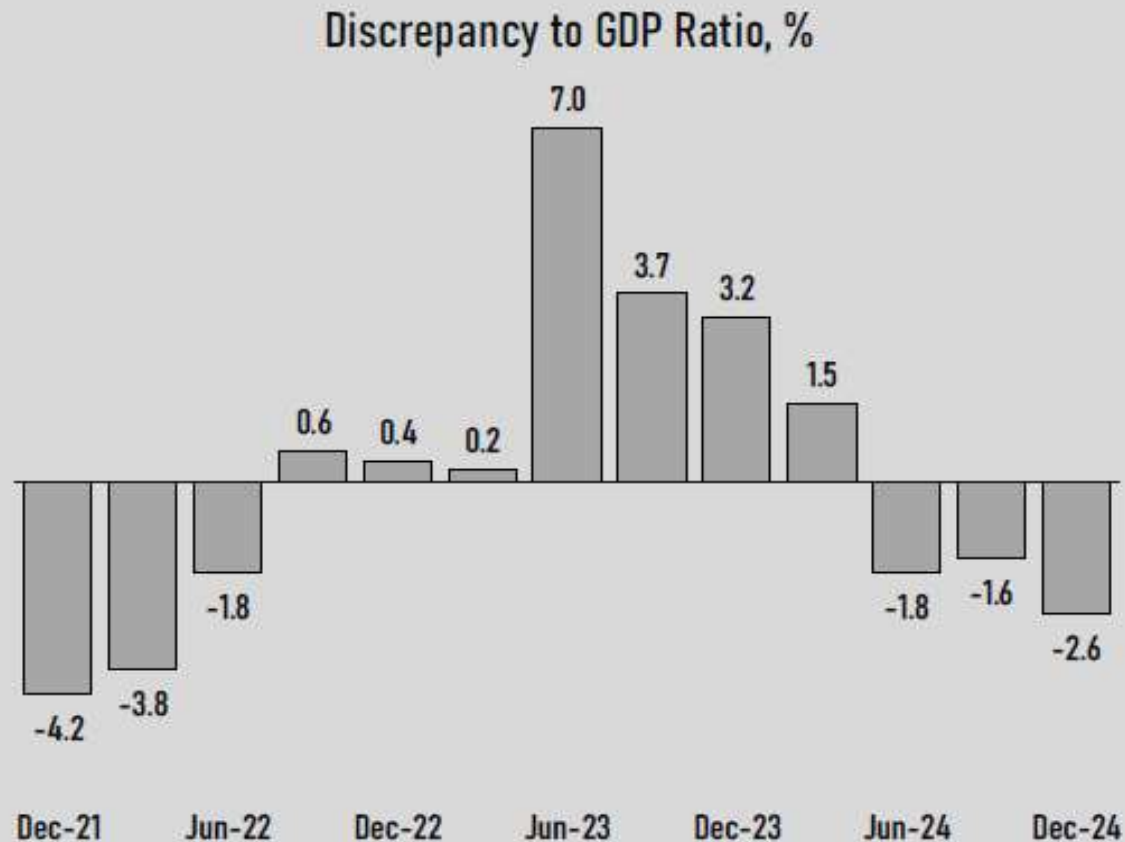


Annual GDP Growth, %





## Unexplained Factor Impacted GDP Growth in Latest Quarter














## Investment Activities Looking Up

	Steel production	Cement production	Capital goods production	Capital goods imports	Cargo traffic	Credit to industry	Diesel consumption	Electricity generation	FDI to India	Frieght traffic
12M trend										
Latest	5.1	4.0	10.3	12.8	6.2	7.2	4.2	2.4	5.6	0.9
Previous month	4.4	13.5	8.8	-3.4	3.4	8.0	6.0	5.3	-21.1	-4.3
Two months ago	5.2	3.1	3.1	18.7	-5.0	7.9	8.5	3.8	3.4	3.6
FYTD25	5.8	3.3	5.1	7.1	-6.5	8.5	2.4	5.0	17.9	4.1
FY24	12.5	8.9	6.3	0.0	11.5	6.9	4.3	10.3	-0.1	4.6

## Urban Consumption Turning Around

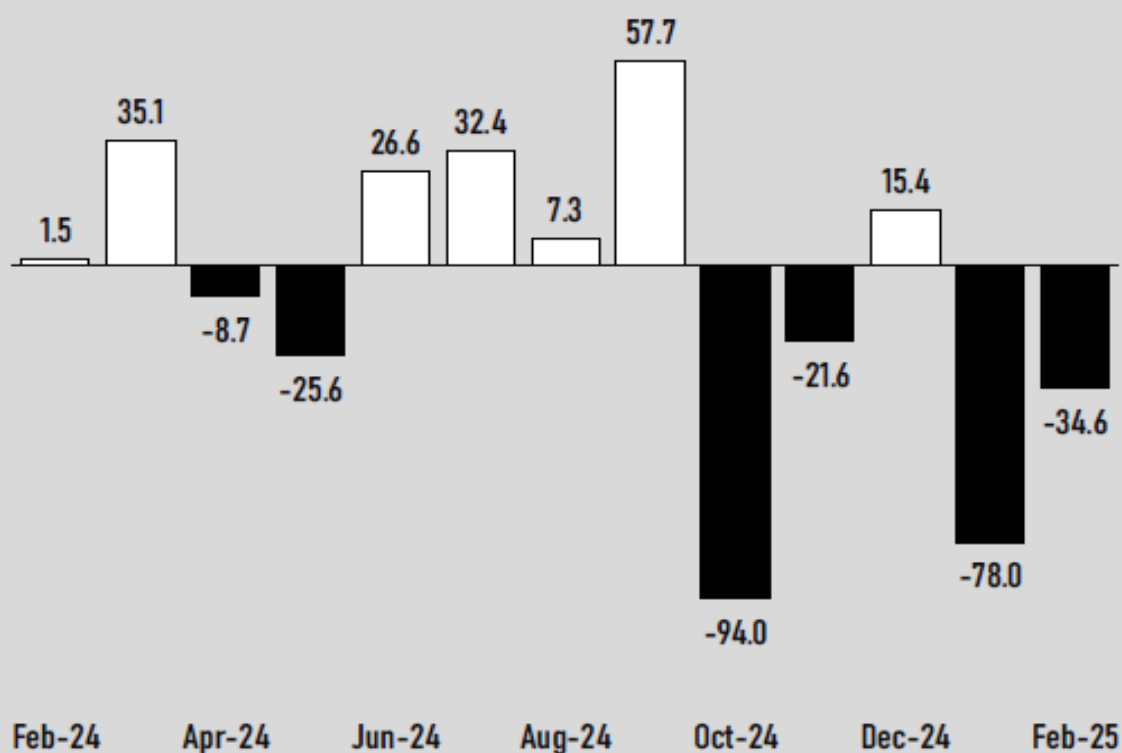
y/y %	IIP Durables	Airport traffic	CPI Urban	Retail credit transfers	Consumer imports	Petrol consumption	PV sales	GST	Toll collection
12M trend									
Latest	8.3	10.5	3.9	17.2	96.7	6.7	9.2	12.3	19.0
Previous month	14.1	13.2	4.6	10.6	-30.9	11.1	4.0	7.3	13.3
Two months ago	5.7	9.8	4.9	29.8	-8.2	9.6	0.9	8.5	14.5
FYTD25	8.8	8.8	4.3	19.9	12.1	7.9	1.6	9.4	11.7
FY24	3.6	15.0	5.1	22.8	6.2	6.4	8.3	11.6	19.7

## Rural Consumption Slowed

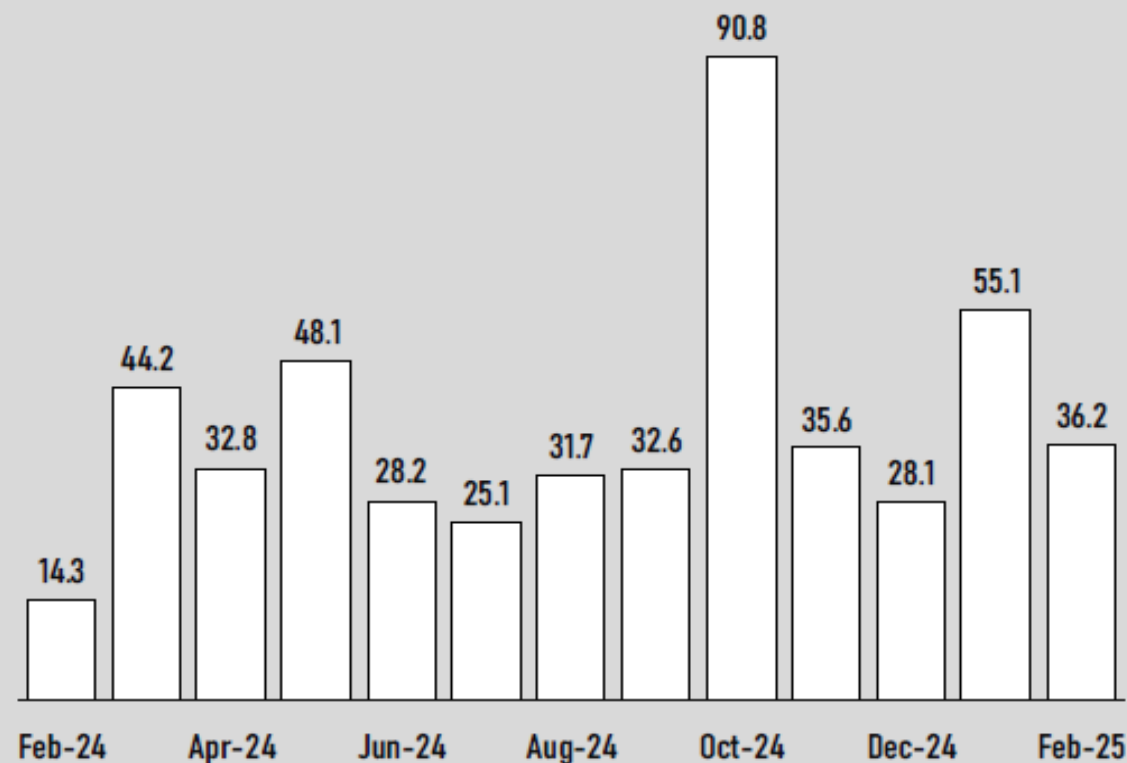
y/y %	IIP non-durables	Gov rural expenditure	AVG daily wages	MGNREGA work demand	DBT transfers	Two wheeler sales	Tractor sales	CPI Rural
12M trend								
Latest	-7.6	-46.7	6.2	13.5	57.9	-8.8	14.0	4.6
Previous month	0.5	-52.7	6.4	7.3	38.4	-1.2	-1.3	5.8
Two months ago	2.6	361.8	6.4	3.0	84.0	14.2	22.4	6.0
FYTD25	-1.5	6.5	6.4	-9.3	23.9	11.6	5.3	5.4
FY24	4.1	-2.3	8.1	0.4	23.8	13.3	-7.4	5.6

## No FPI Equity Inflow in 2024, MFs Net Buyers of Rs. 4.35 Lakh Crore

FPI Flows into Equities, Rs.'000 crore

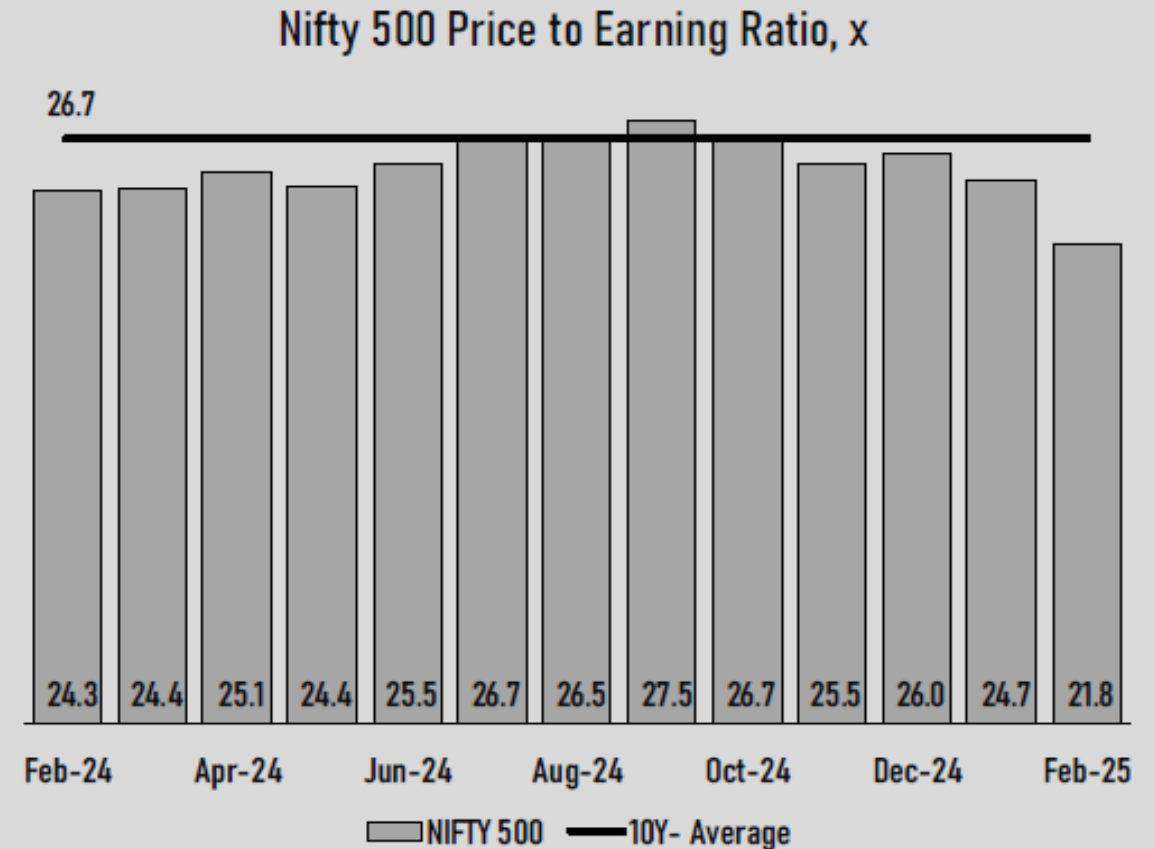
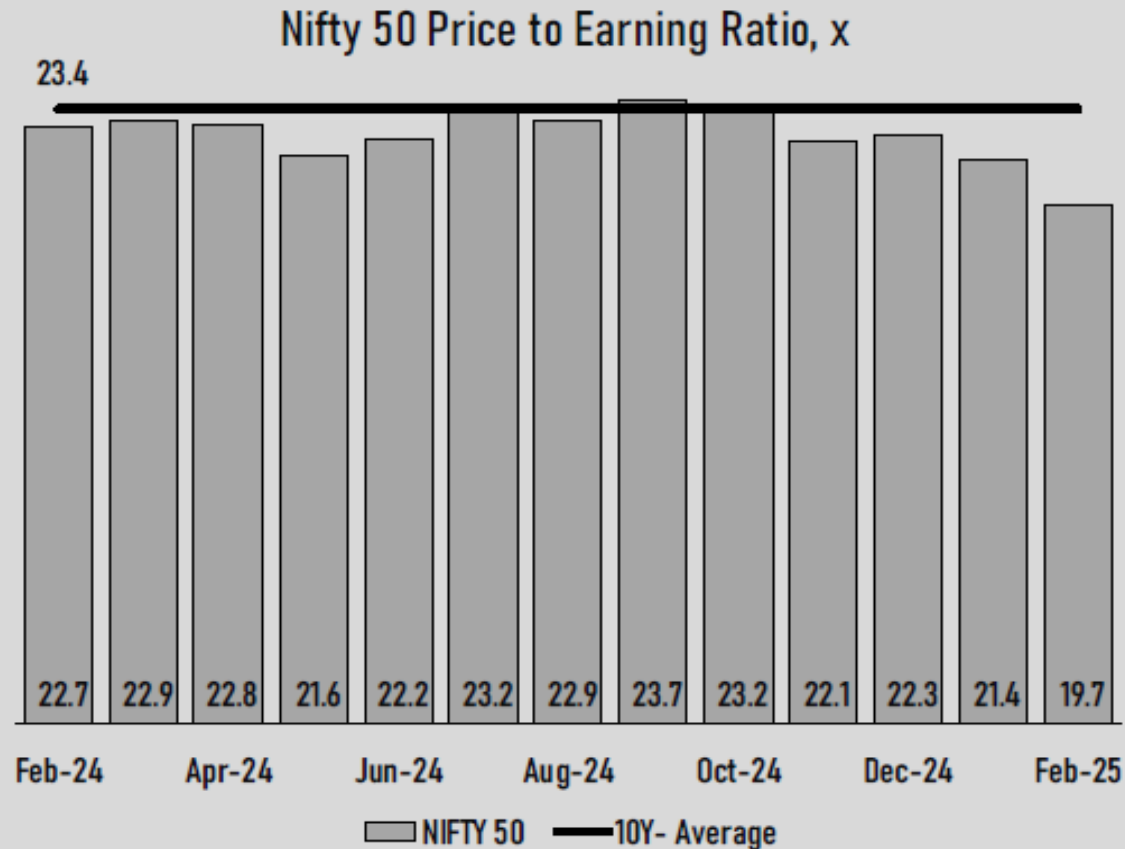


MF Flows into Equities, Rs.'000 crore



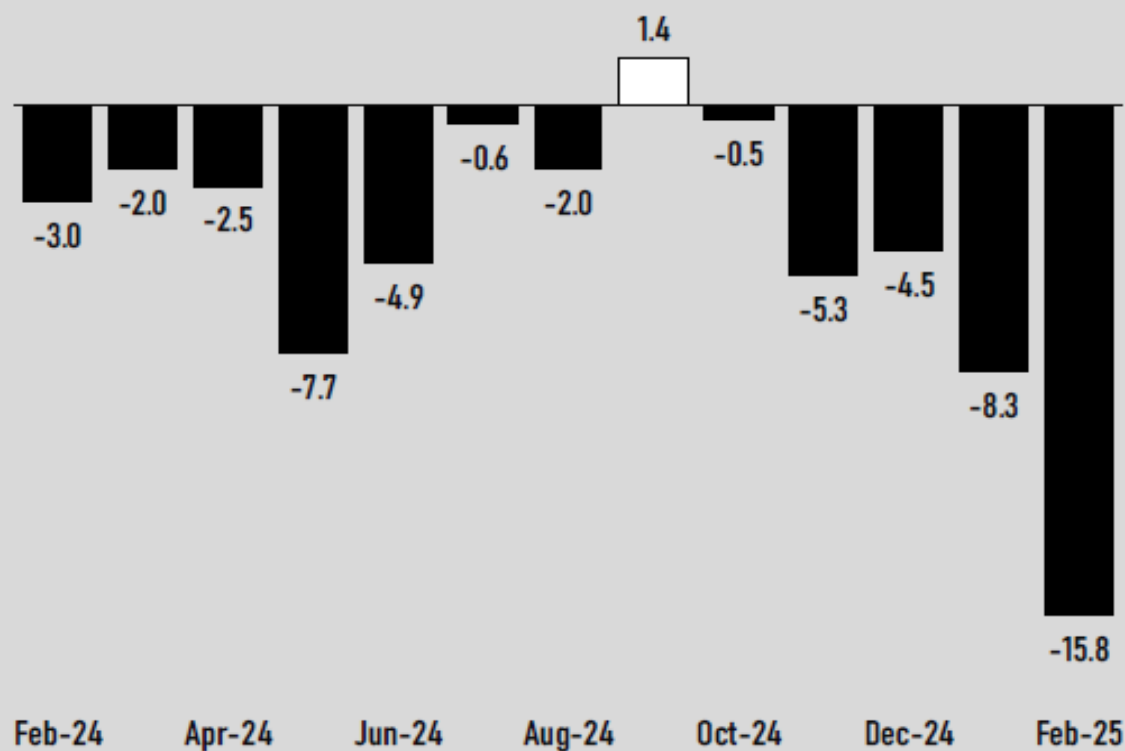


## Equity Valuations were Stretched in the Earlier part of 2024

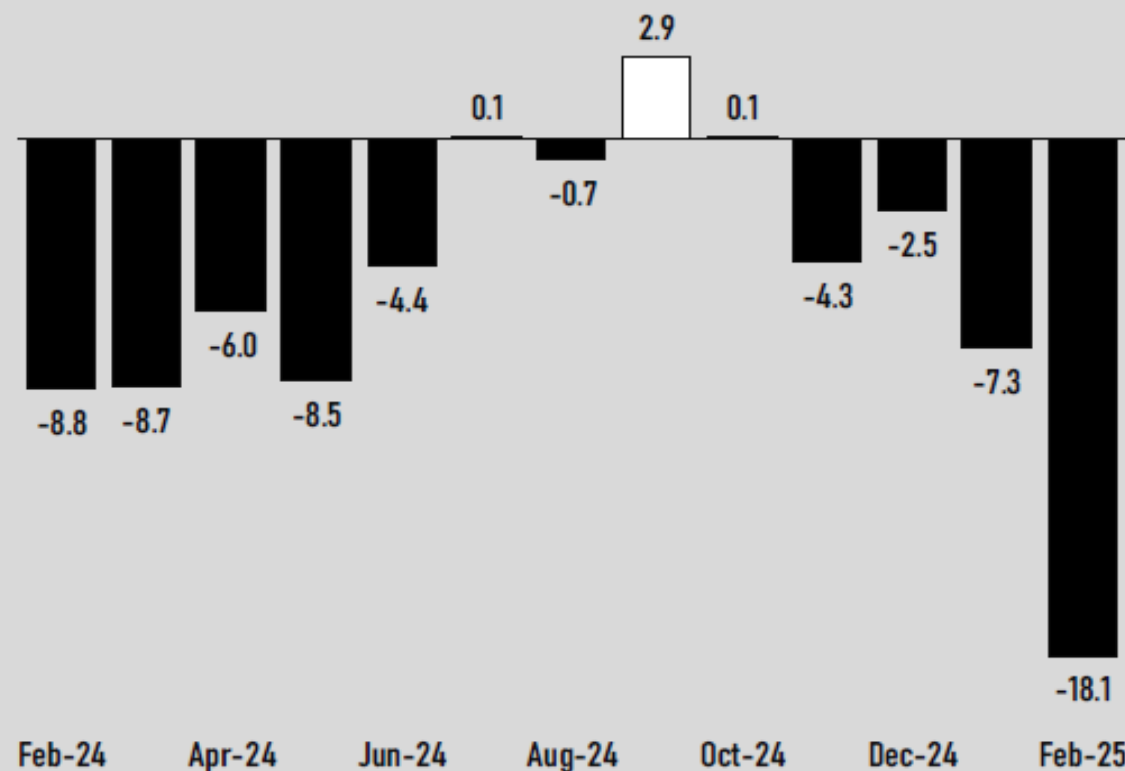


## Equity Valuations at Discount Currently vs. Long-term Averages

Nifty 50 Over/Undervaluation, %

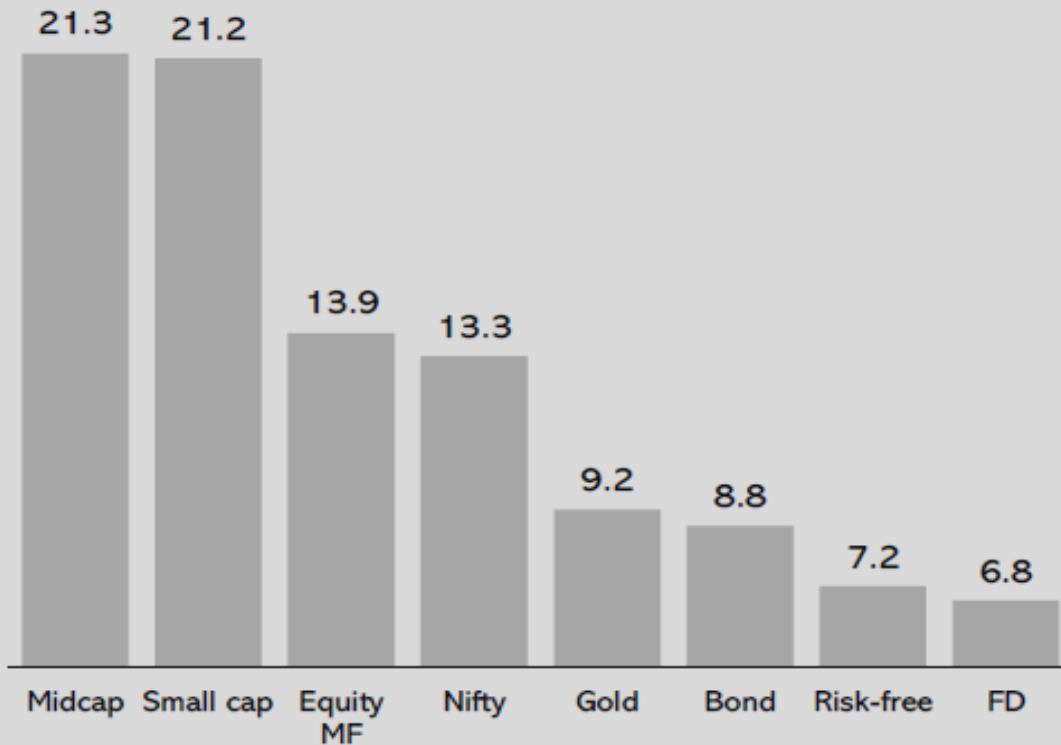


Nifty 500 Over/Undervaluation, %

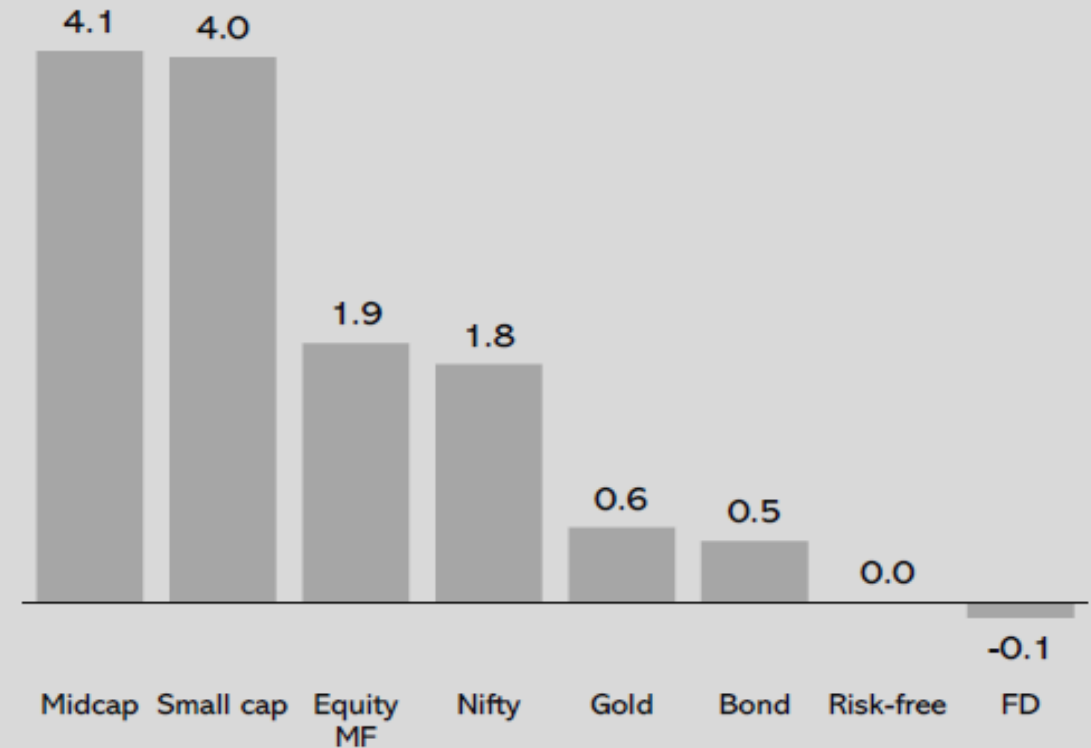


## Equities Remain the Best Asset Class in India

Average Annualised Return 2014-24, %

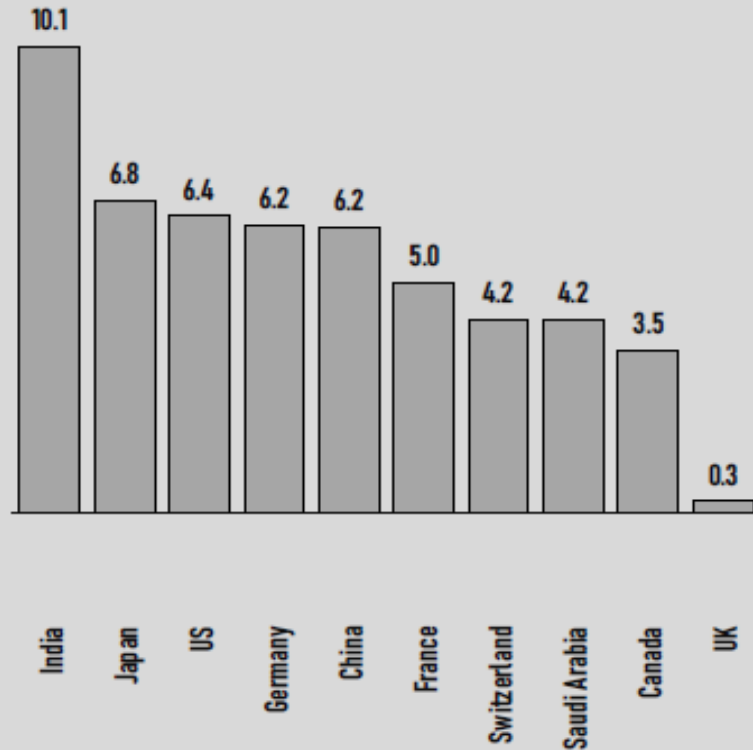


Annualised Risk-Adjusted Excess Return (Sharpe Ratio) 2014-24

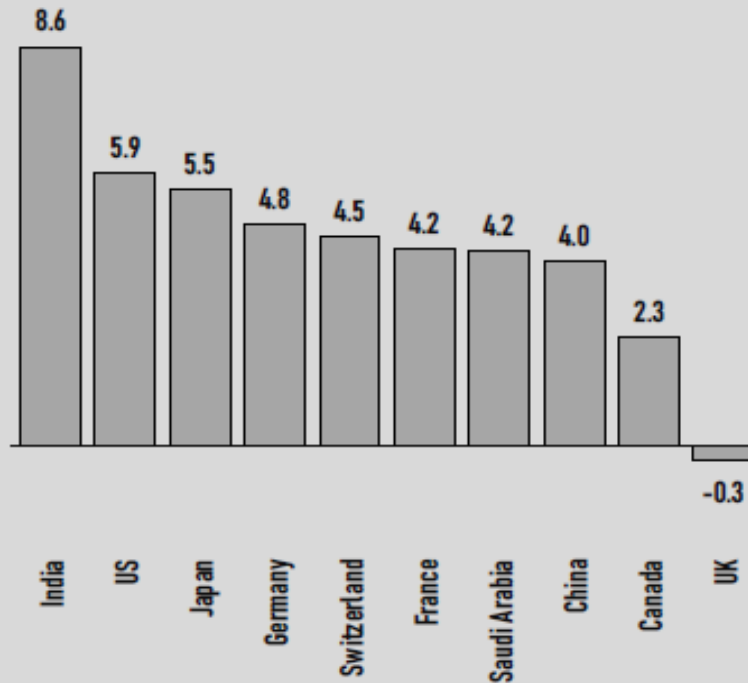


# India Best Performing Equity Market by US Dollar Return in Last 10 years

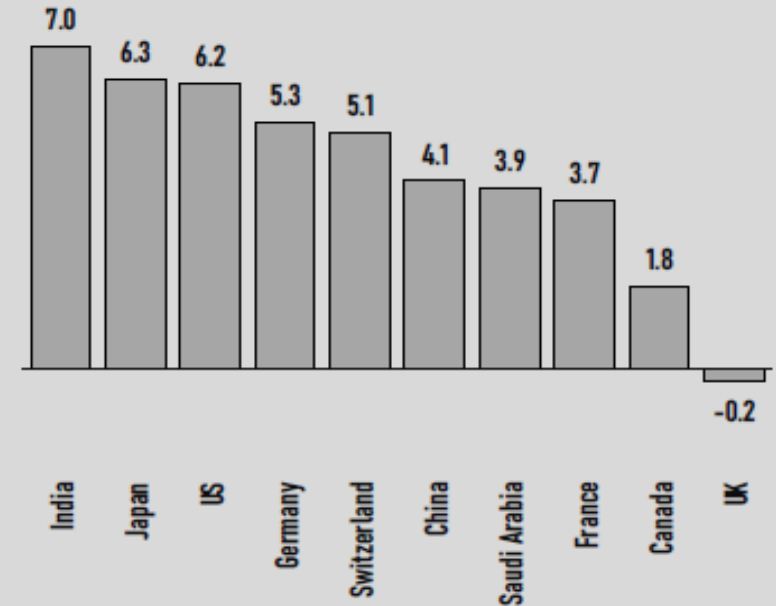
Average 1-year USD return - 2015-24, %



Average 3-year USD return - 2015-24, %



Average 5-year USD return - 2015-24, %





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