



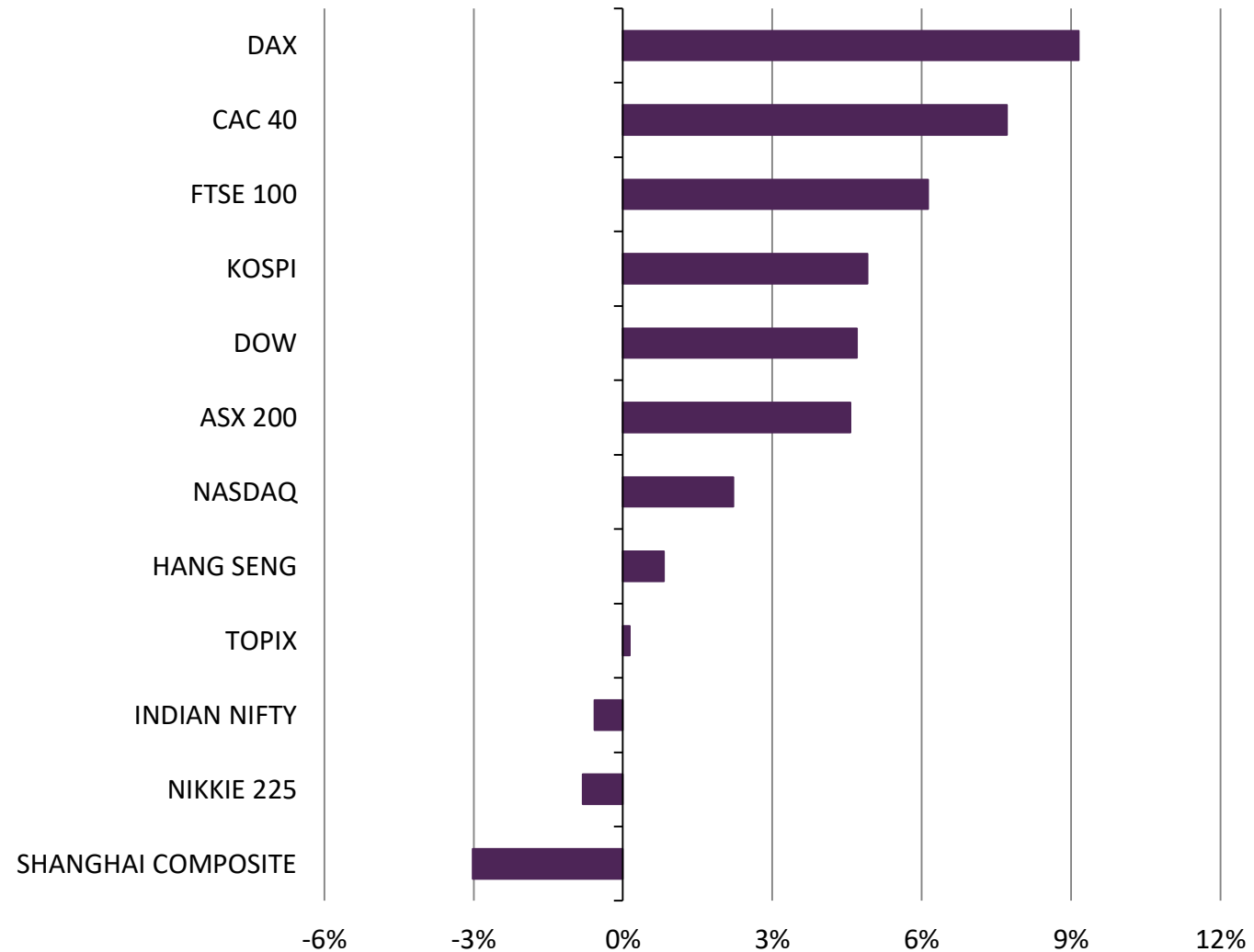
BESPOKE

Advice for a select few

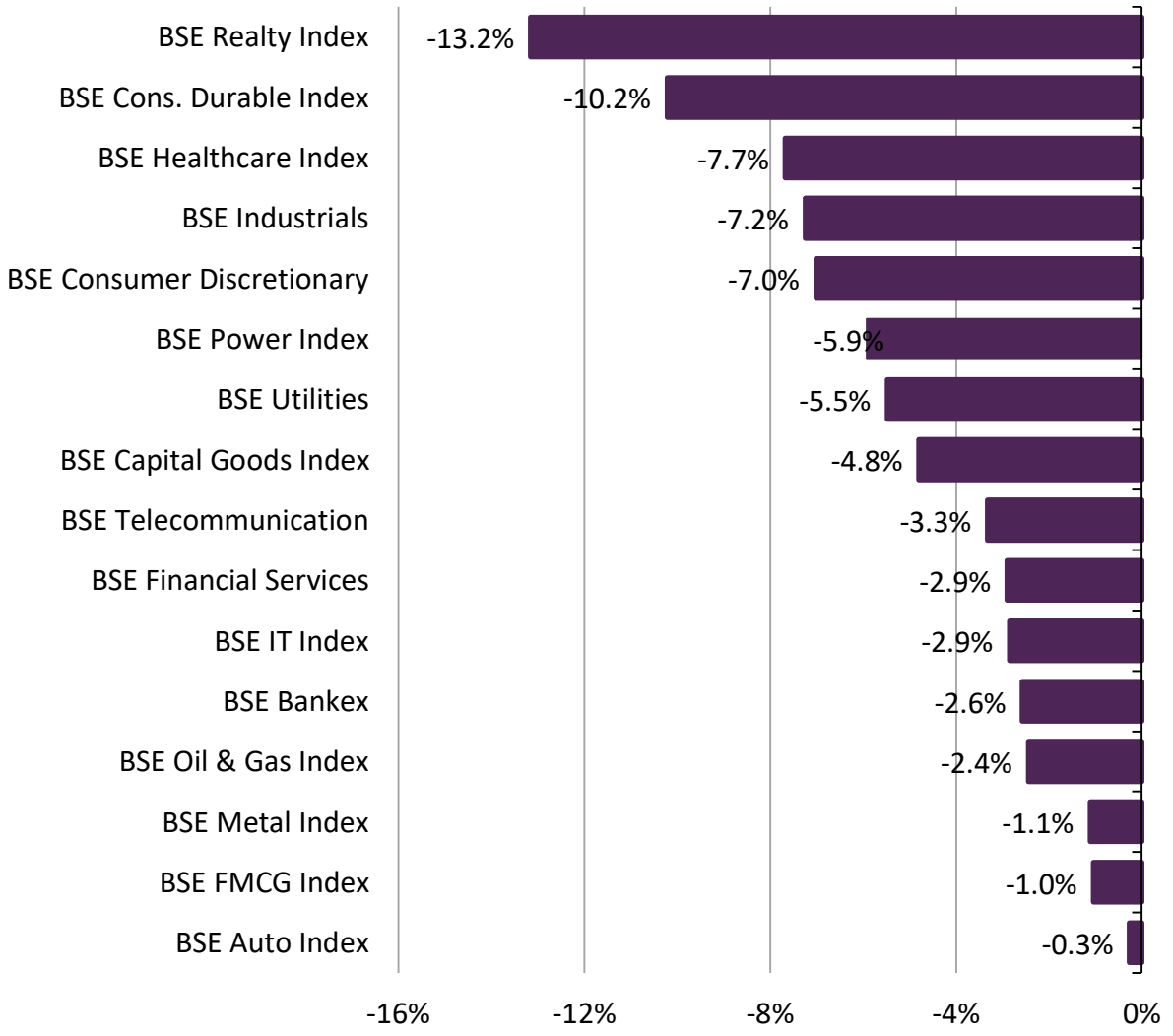
ANANDRATHI
PRIVATE CLIENT GROUP
EQUITY



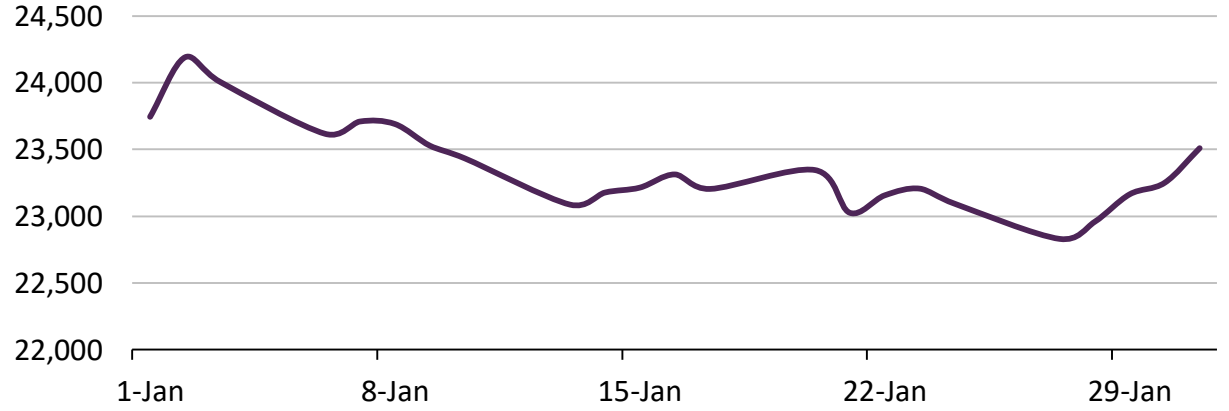
Global Markets performance in Jan-25



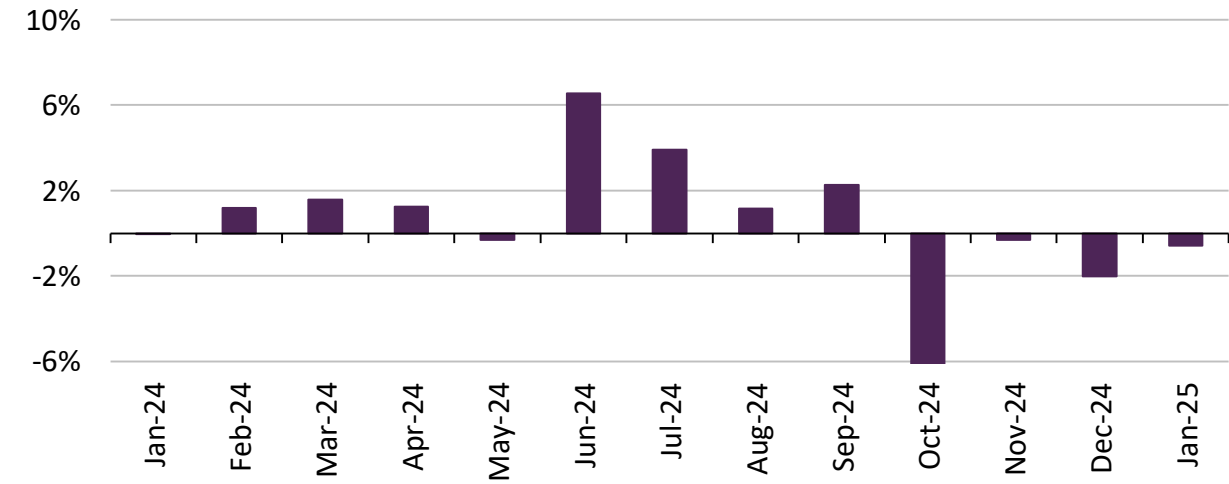
Sector wise performance during the month



NIFTY Performance in Jan 2025



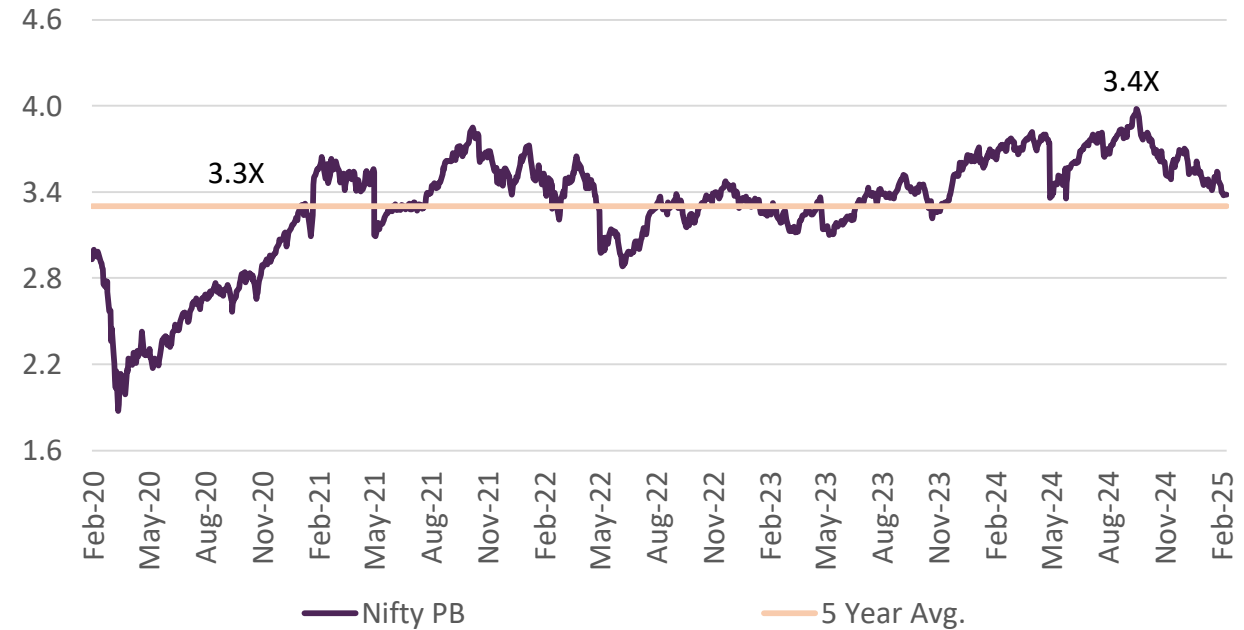
NIFTY monthly performance for trailing 12 months



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

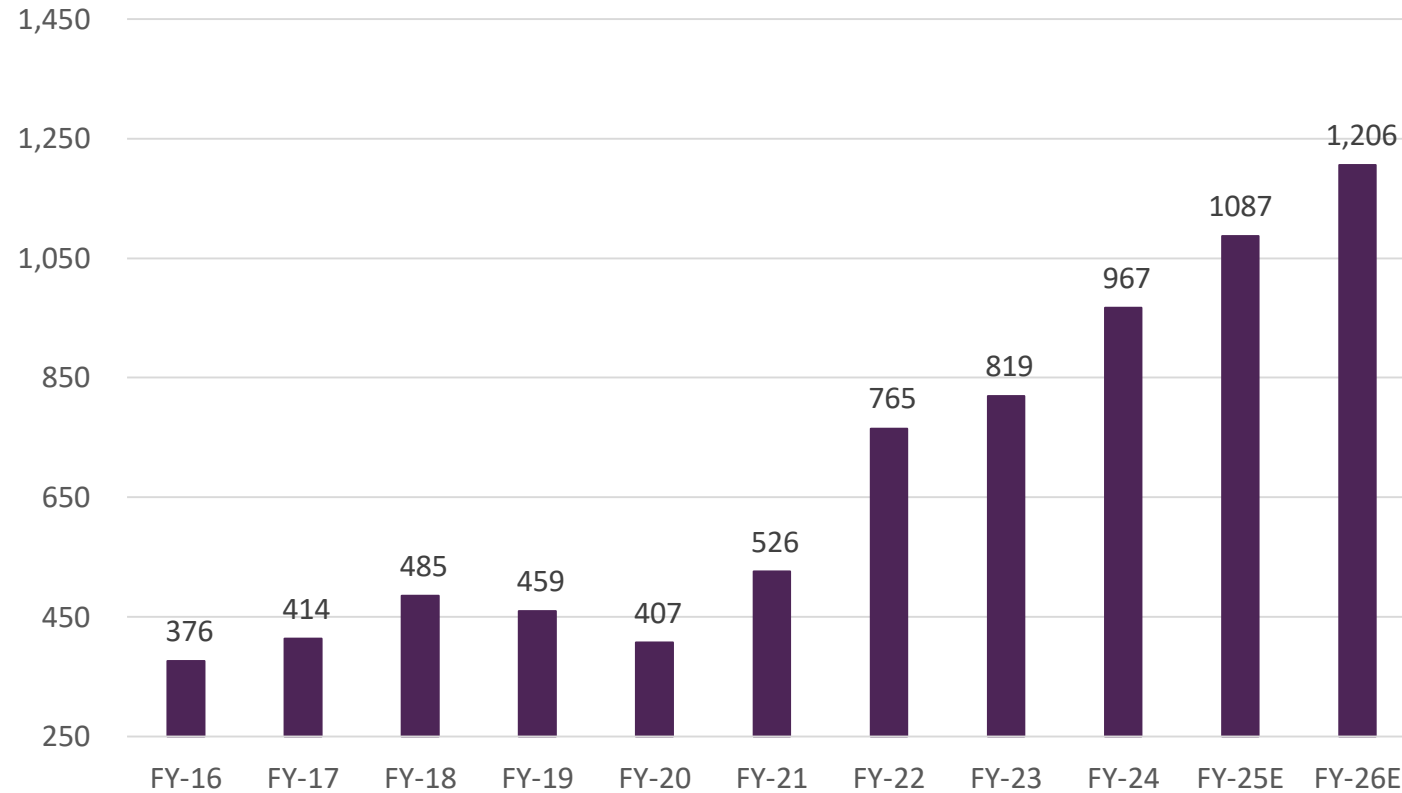


Nifty Trailing 12M P/B & 5 Yr. Avg. P/B



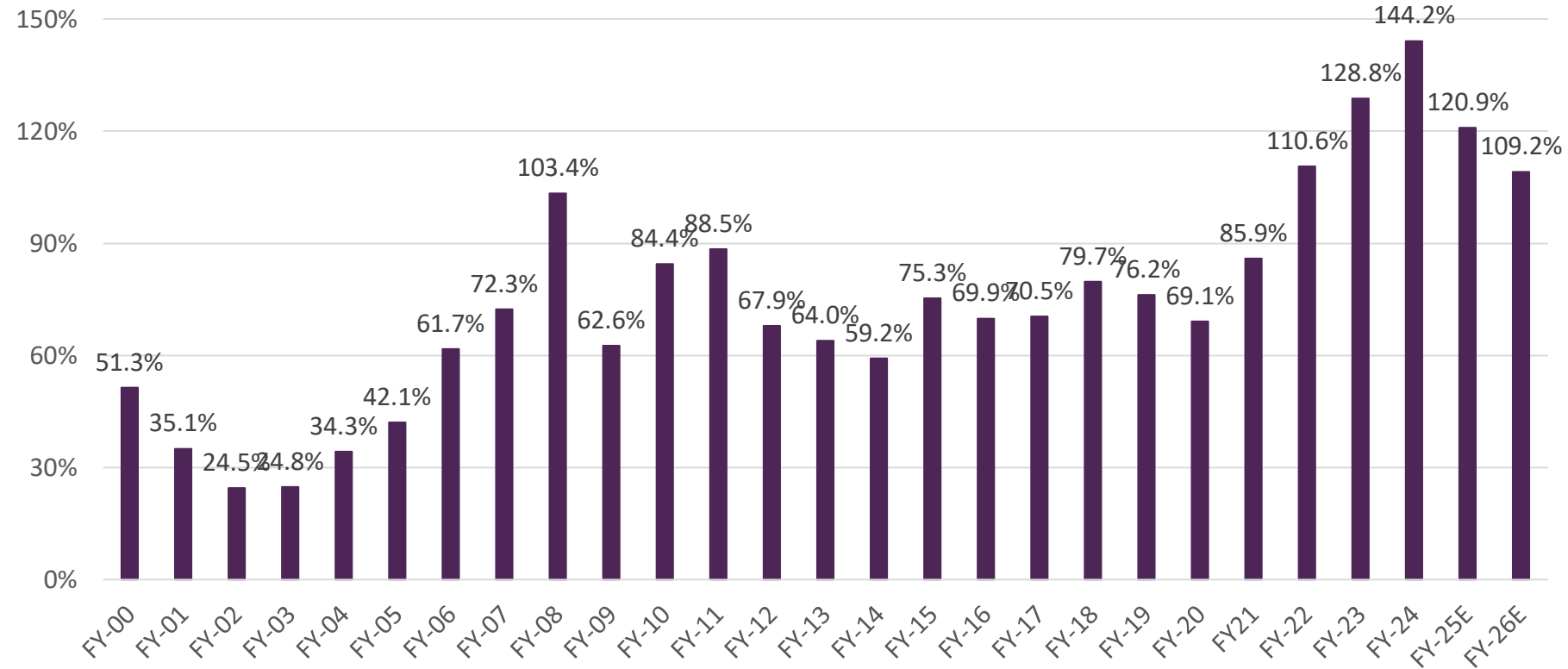
- Currently Nifty50 is trading at around 21.4x its trailing 12-month earnings while its five-year historical average price to earnings ratio stands at around 23.9x. A discount of 10.4% from its five-year historical average.
- In terms of price to book ratio, the Nifty50 is trading at around 3.4x its book value while its five-year historical price to book ratio stands at around 3.3x. Trading at premium of 2.4% to its five-year historical average.

Nifty Historical and Estimated EPS (Consensus)



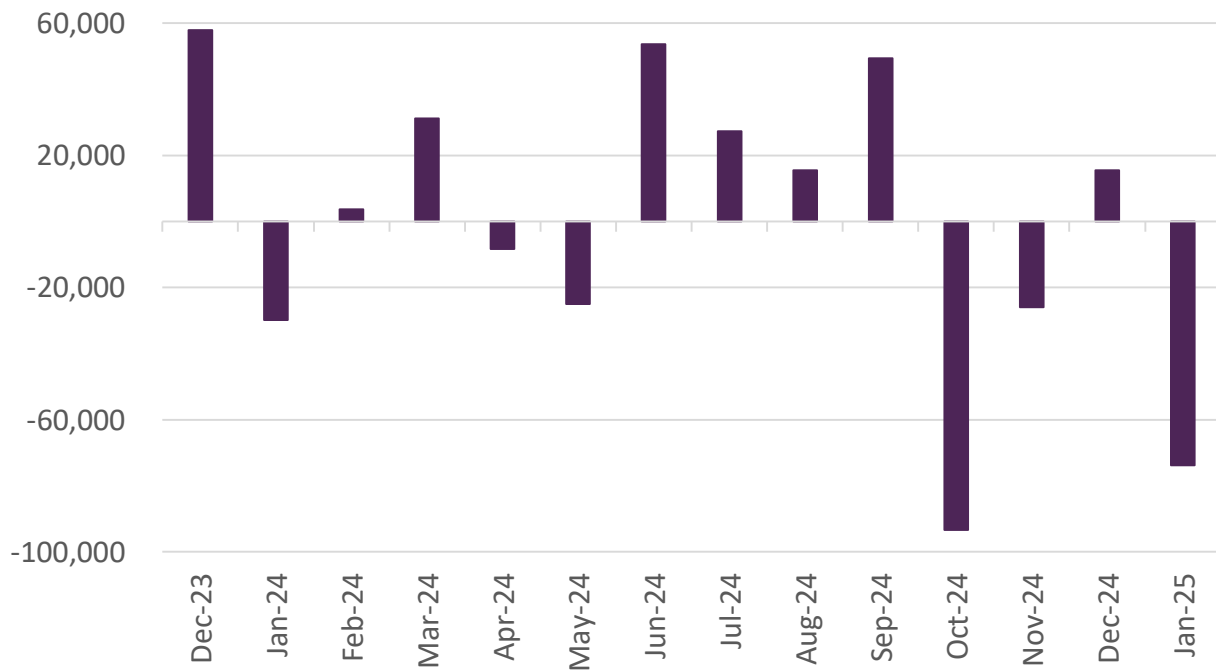
- From the financial year 2023 EPS the consensus estimates for Nifty50 from FY-24 to FY-26E expects earnings to grow at a CAGR of about 11.6%.

India Market Cap. to GDP Ratio

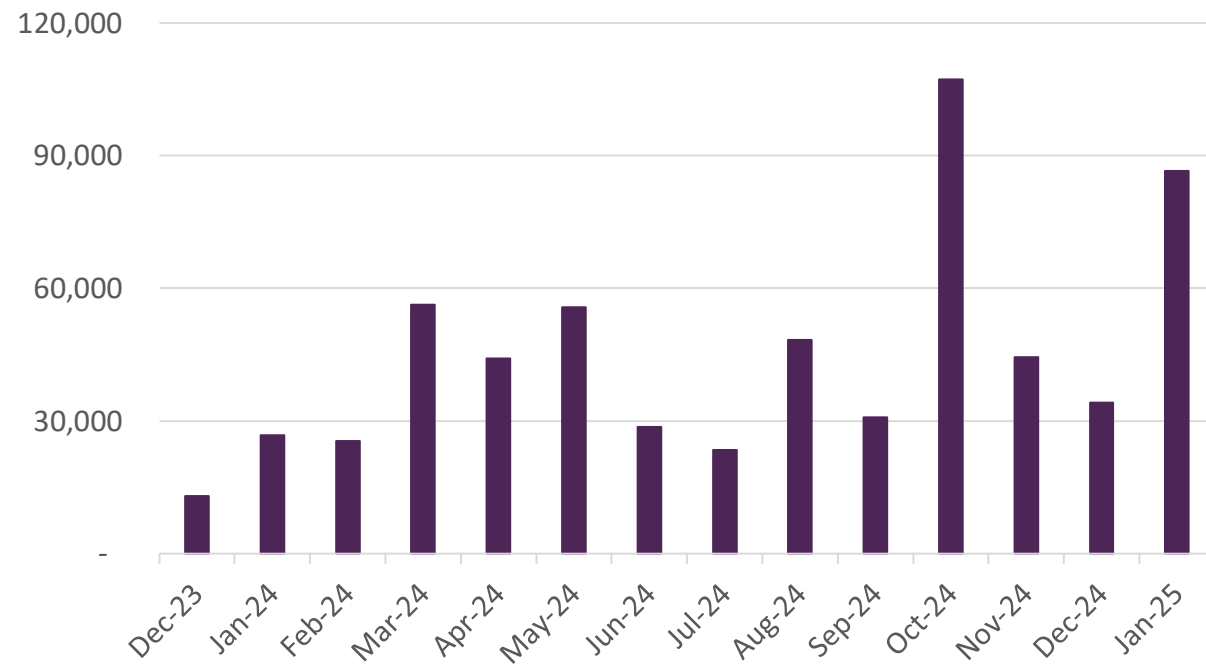


- Currently India's listed companies market capitalisation to GDP ratio stands at about 109.2 % (FY-26E). The ratio is considered an indicative of overall equity market sentiments and cycles.
- The ratio is considered an indicative of overall equity market sentiments and cycles.

FII Monthly Inflows in Equity (₹ Crore)

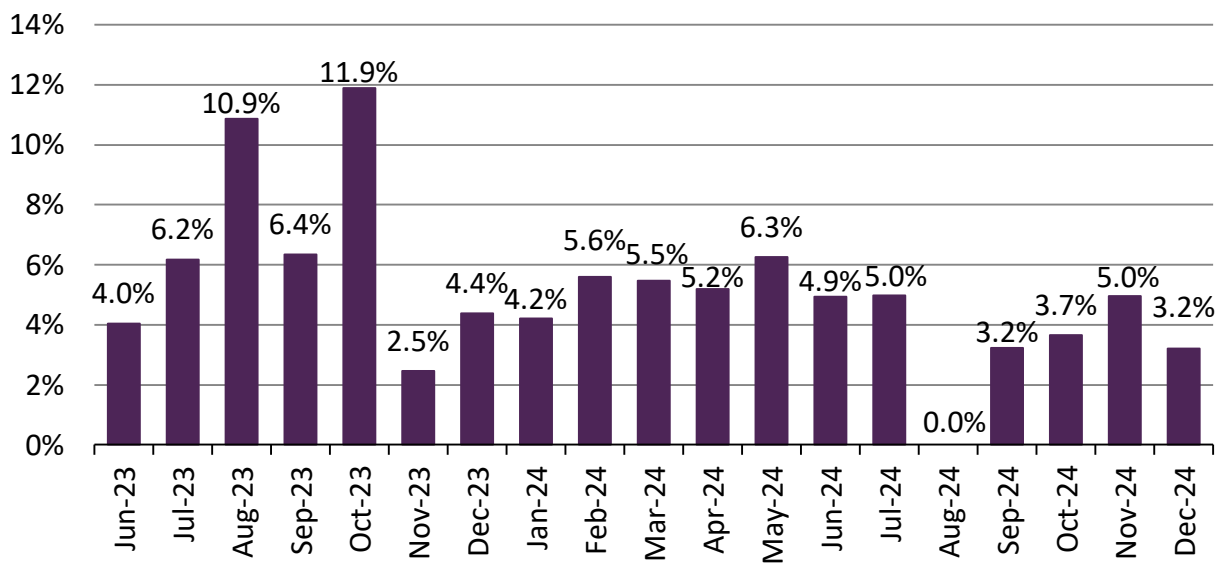


DII Monthly Inflows in Equity (₹ Crore)

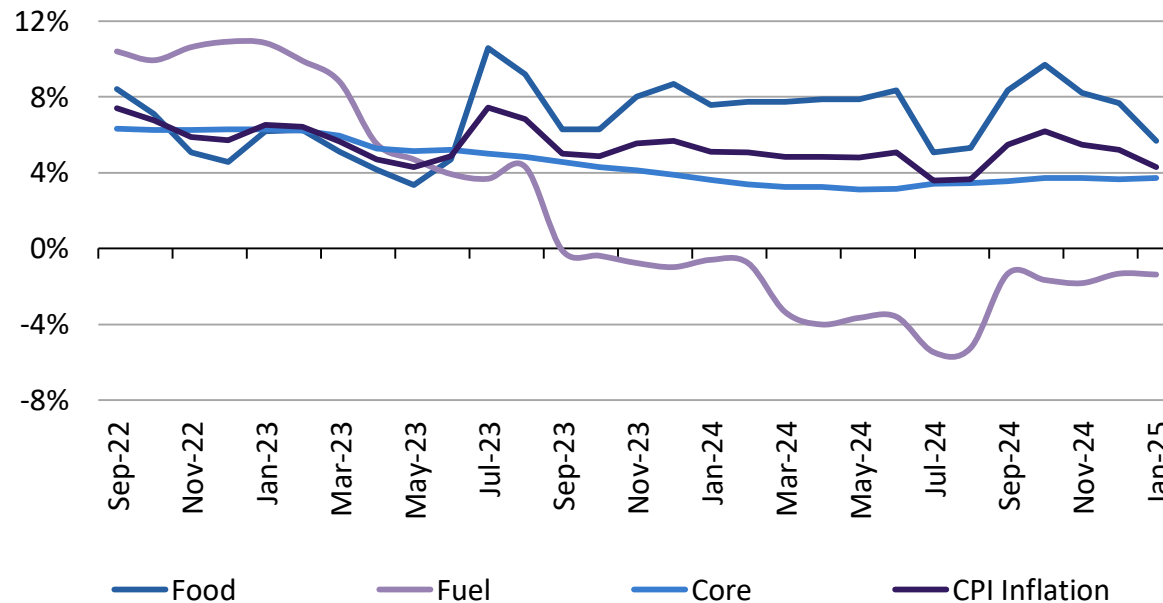


- FII monthly flows for the month of Jan-25 has seen net outflows of almost ₹73,861 crores, second largest outflow in last twelve months.
- On the other hand, domestic funds have seen monthly net inflows of around ₹86,592 crores, maintaining its positive flows for the last twelve months.

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



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



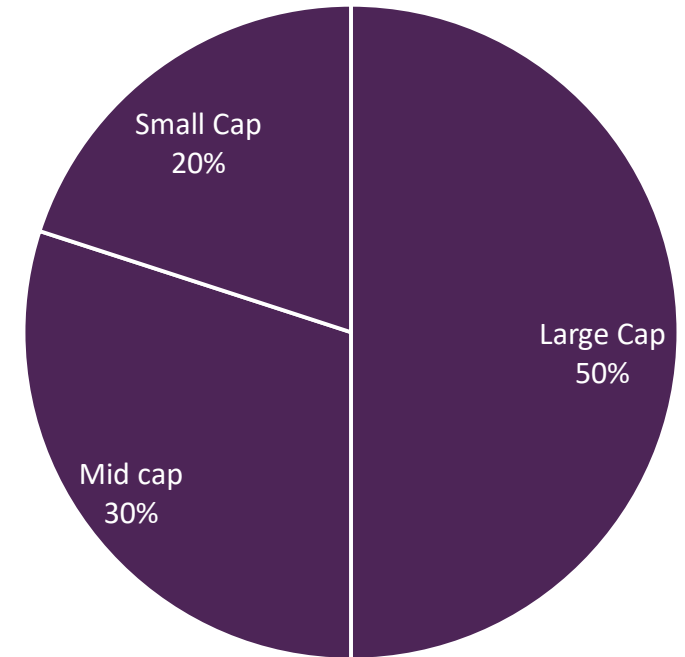
- Index of industrial production – Dec’24 - Industrial growth at a three-month low due to weakness in manufacturing. Mining and utilities production growth accelerates though manufacturing growth slowed. On the consumption side, non-durable goods production contracted while infra and capital goods saw healthy growth. Ahead we expect industrial activity to pick up, driven by two key factors pick-up in capital expenditure from both, states and the Centre and a cut in tax rates in the FY26 budget.
- Consumer price inflation in Jan’25 eases to a five-month low of 4.3%, vegetable prices soften. CPI inflation further eased to 4.3% in Jan’25, down from 5.2% in Dec’24. The moderation was in line with expectations of softer food prices. The RBI, too, had projected the CPI to average 4.4% for the final quarter of the fiscal.

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.

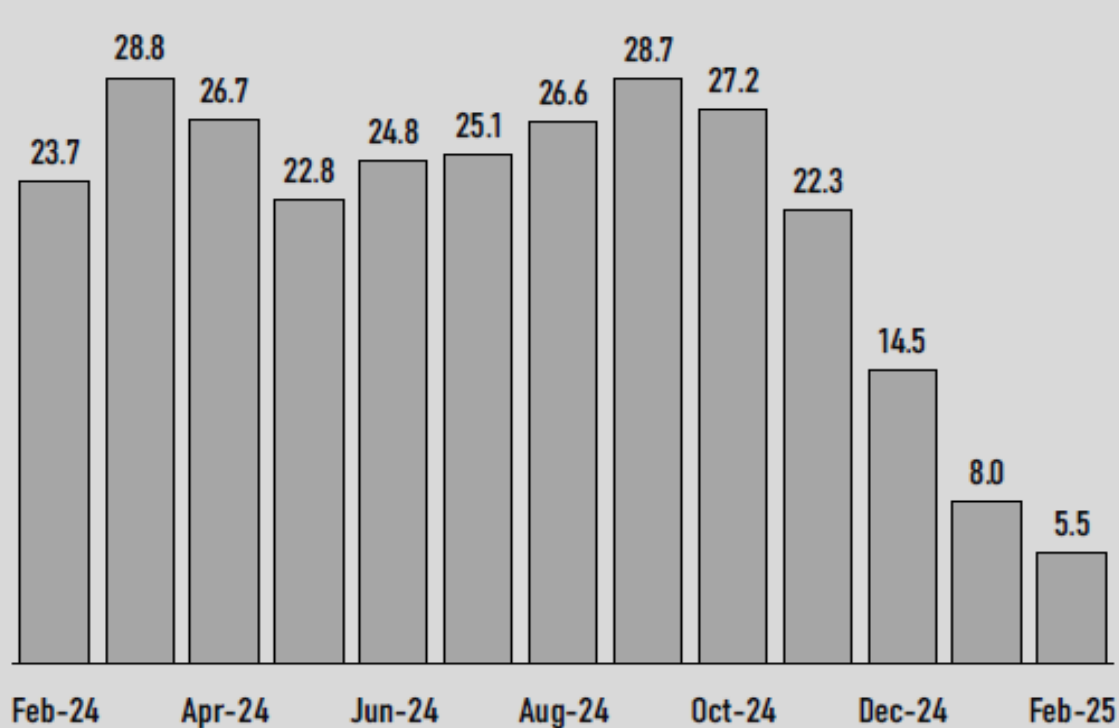
S.No.	Small Cap
1	Rainbow Children's Medicare Ltd.
2	Jyoti CNC Ltd.
3	Chalet Hotels Ltd.
4	Electronics Mart India Ltd.



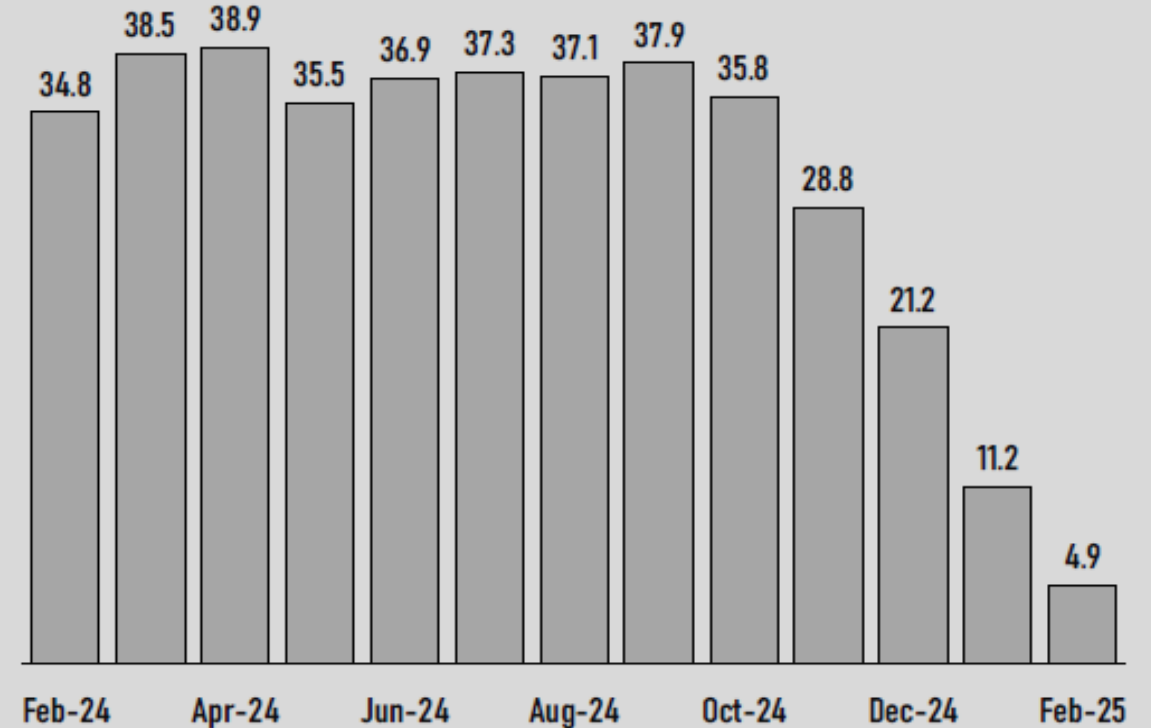
NOTE: The strategy has shifted from individual weight based to equal distribution.

Equity Market Returns Falling for the Fourth Successive Month

Nifty 50 Annualised Return, %

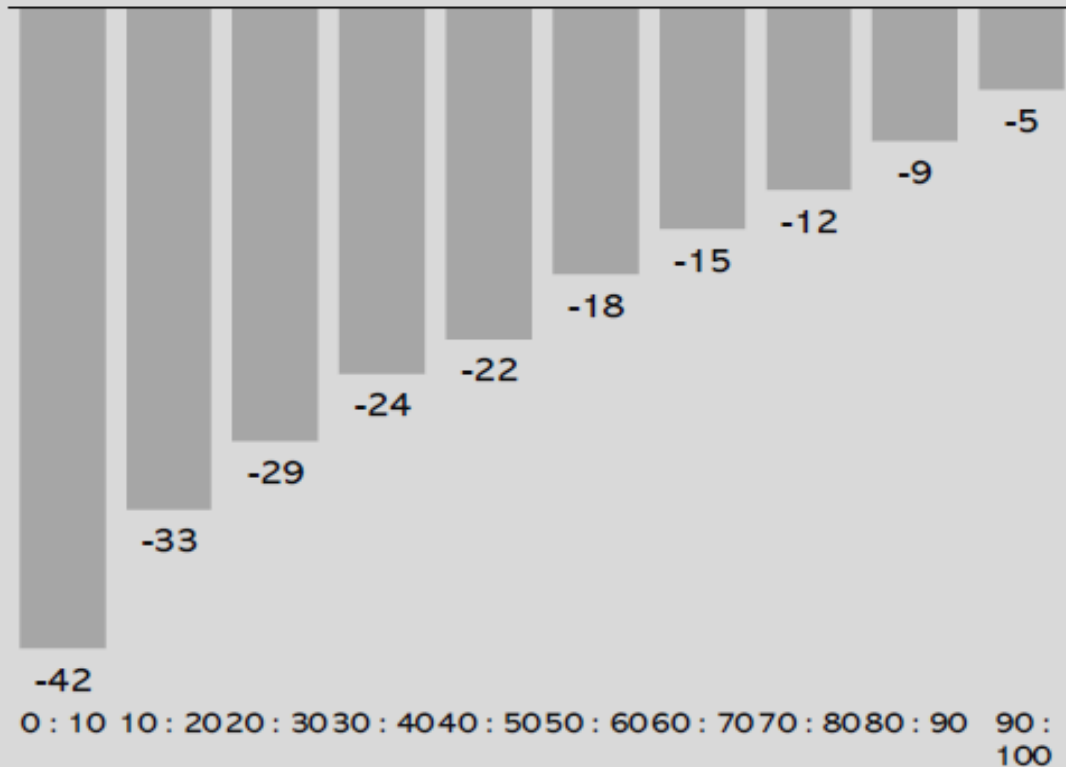


Nifty 500 Annualised Return, %

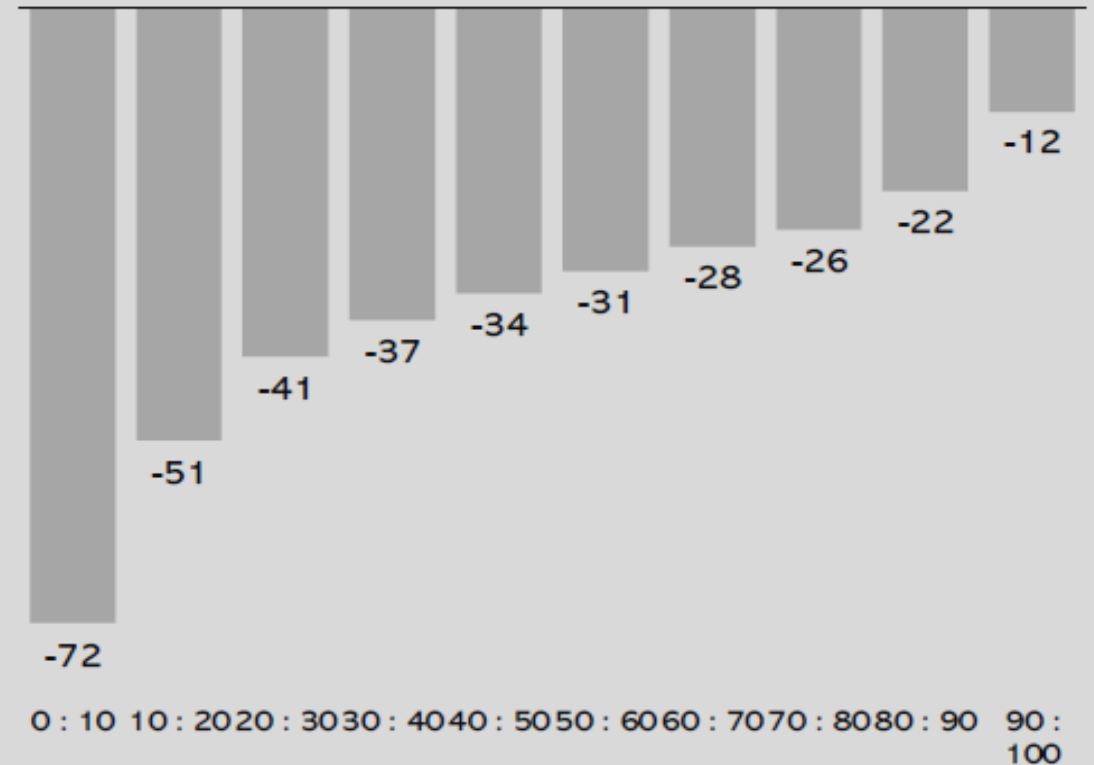


Stock Level Corrections Often More Mared

Down from All-Time High, Nifty 50, %

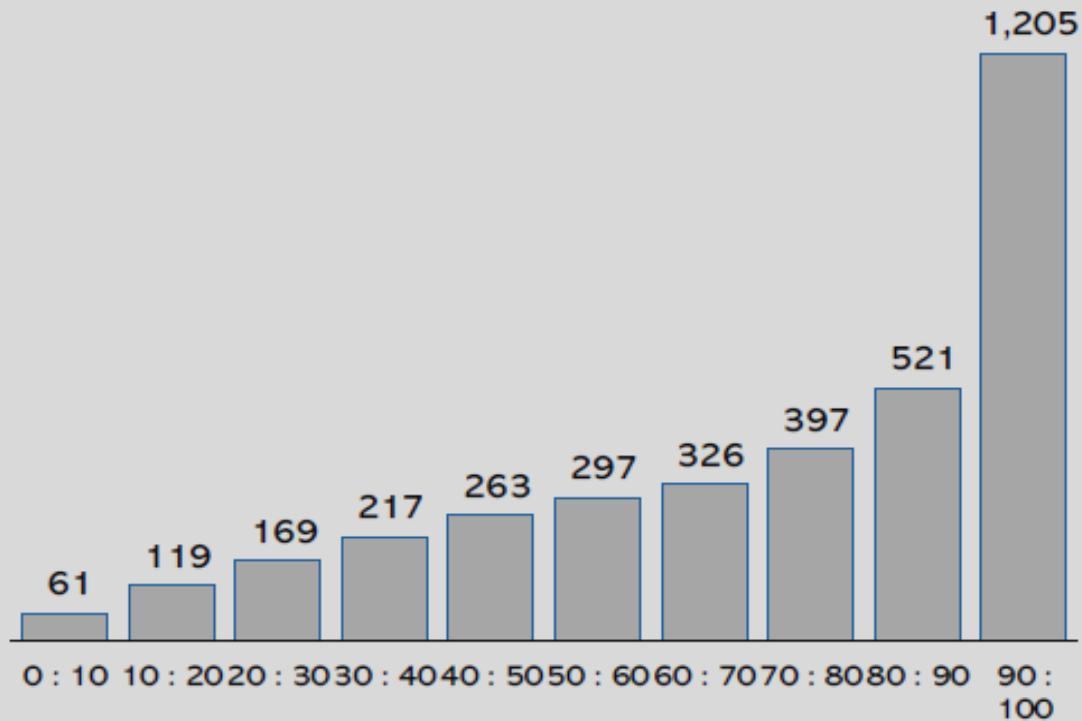


Down from All-Time High, Nifty Midcap 150, %

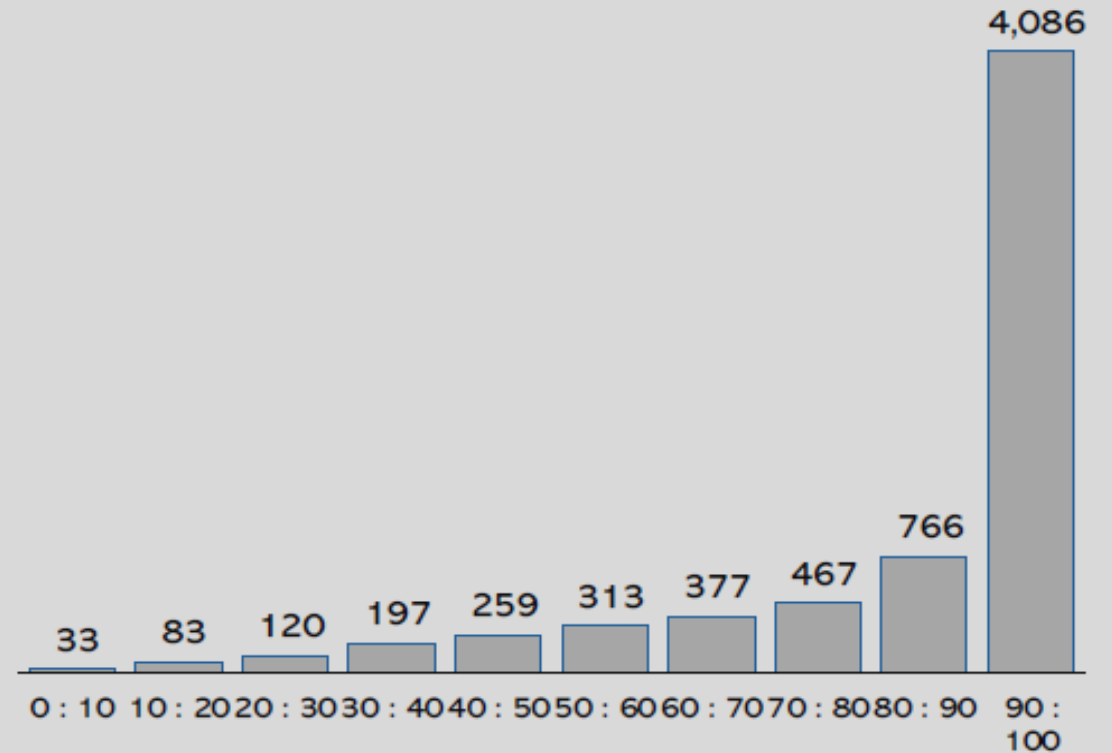


Yet, the return over the last 5-years are Still Very Large

Up from Mar'20 Lows, Nifty 50, %



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



Factors, Which are Keeping the Market Down



Trump Trade,
Global
Uncertainties



GDP Growth and
Corporate
Earnings



Regulatory
Changes in
Trading



Nine Successive
Years of Positive
Returns



Concerns on
Valuation of
Indian Equities

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



Economic
Fundamentals



Corporate
Earnings



Domestic
Liquidity



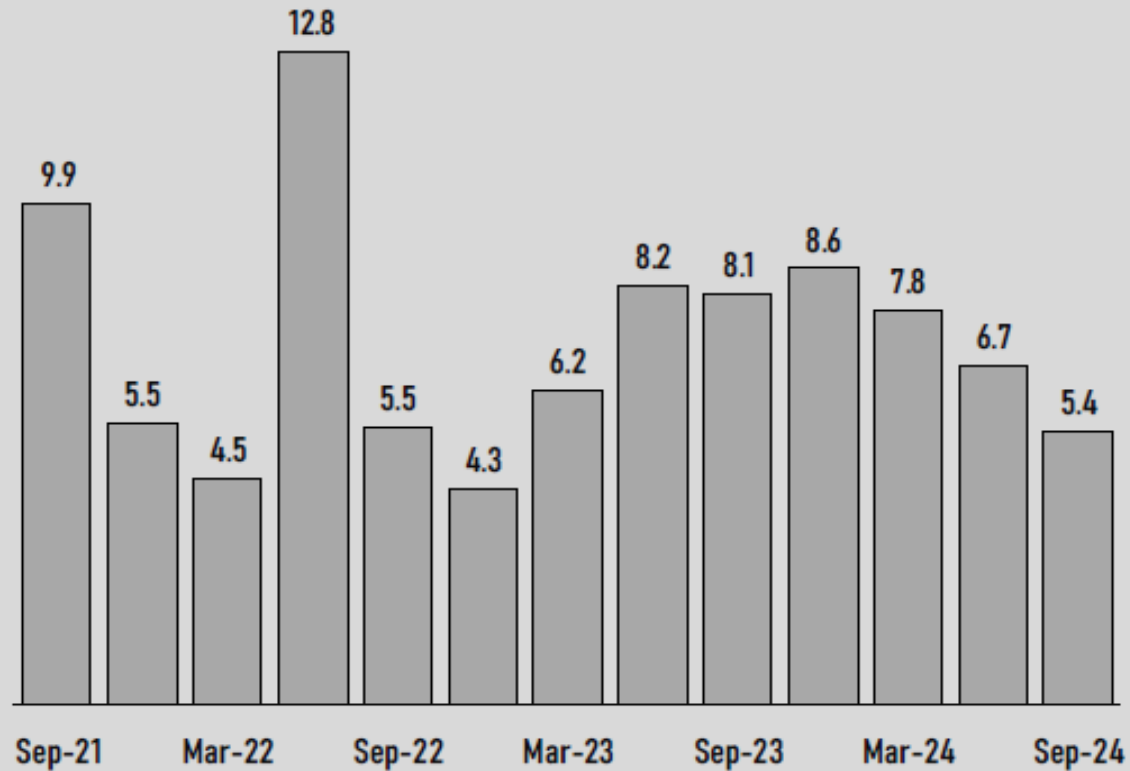
Foreign
Liquidity



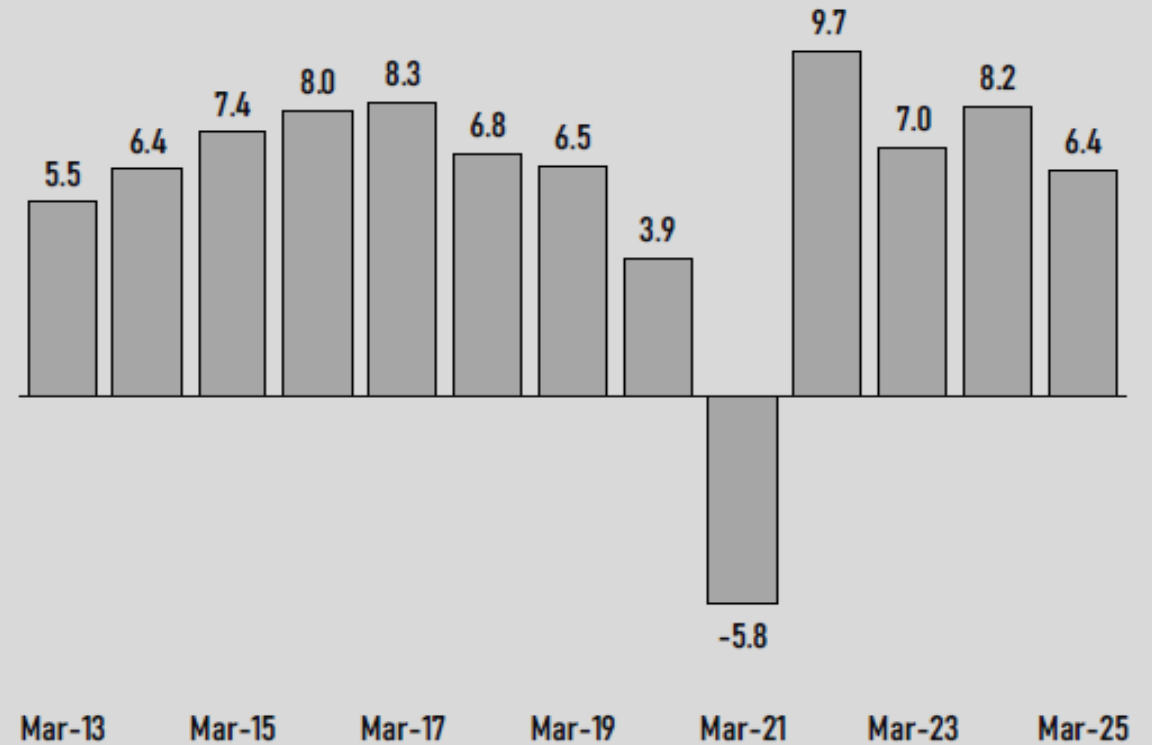
Equity
Valuation

Sharp Drop in Real Economic Growth

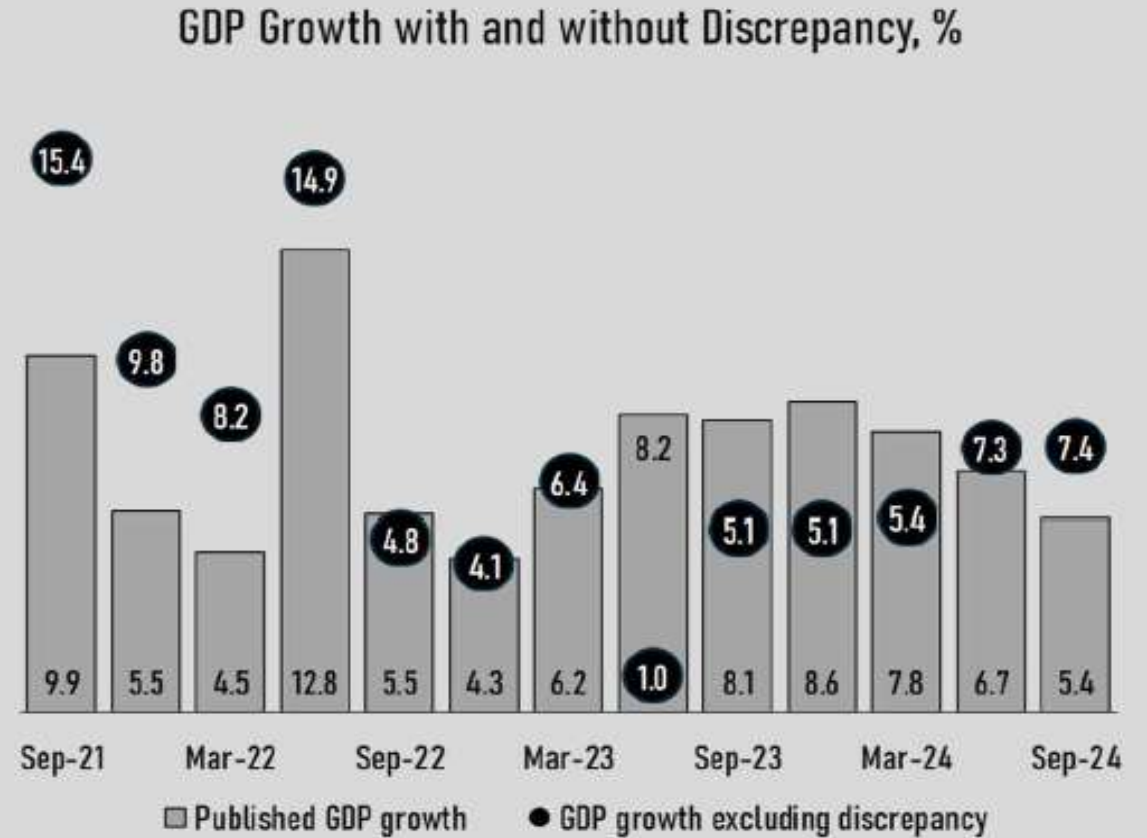
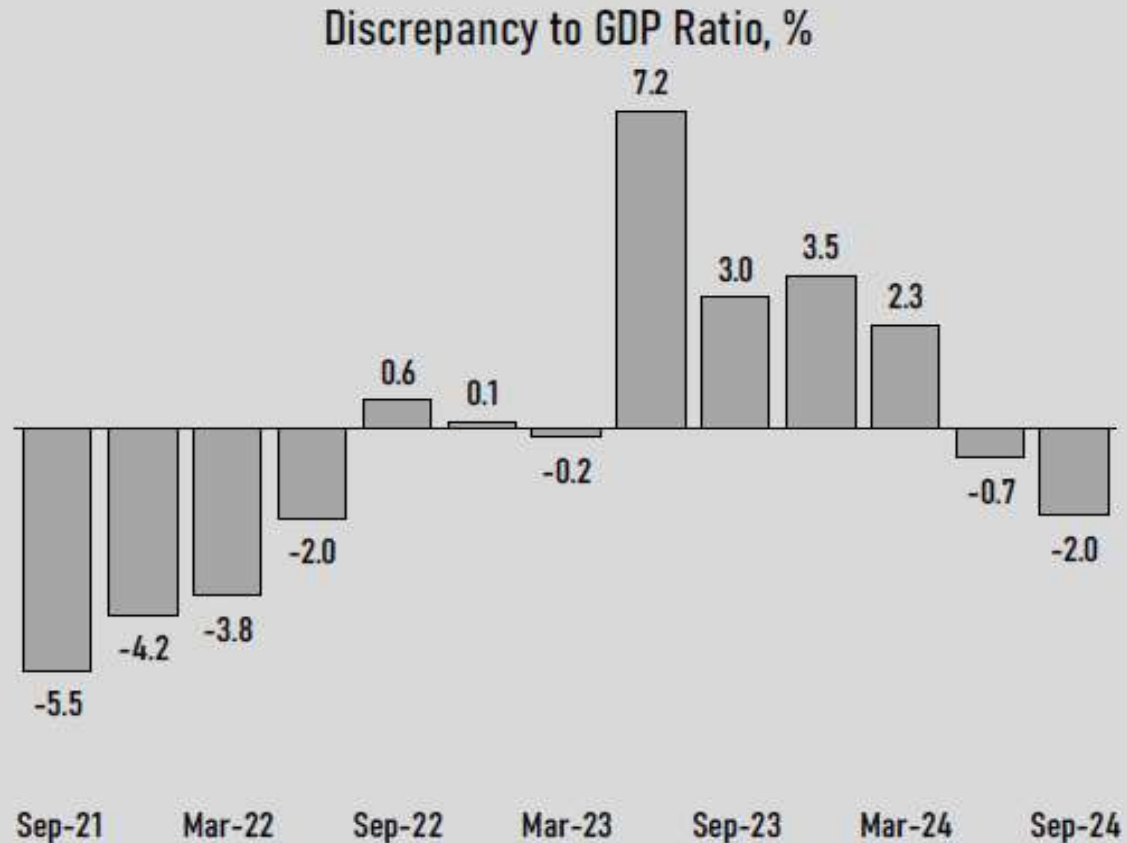
Quarterly GDP Growth, %




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

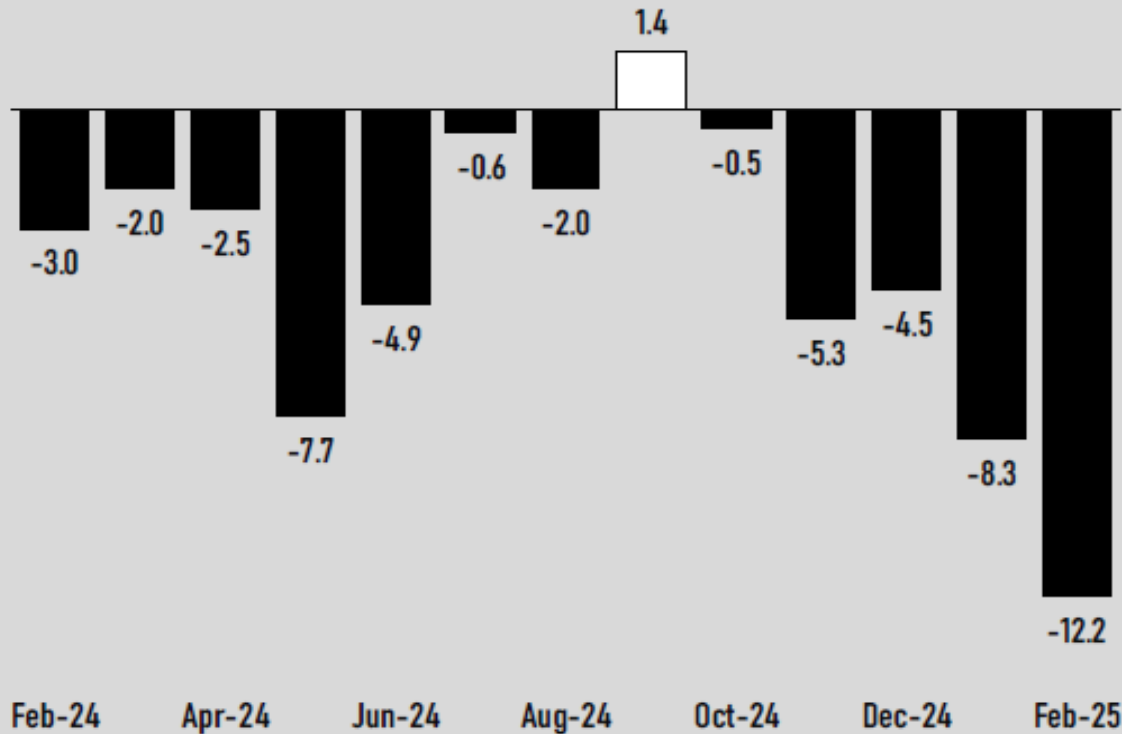
y/y %	IIP Durables	Airport traffic	CPI Urban	Retail credit transfers	Consumer imports	Petrol consumption	PV sales	GST	Toll collection
12M trend									
Latest	8.3	10.5	3.9	17.2	96.7	6.7	9.2	12.3	19.0
Previous month	14.1	13.2	4.6	10.6	-30.9	11.1	4.0	7.3	13.3
Two months ago	5.7	9.8	4.9	29.8	-8.2	9.6	0.9	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

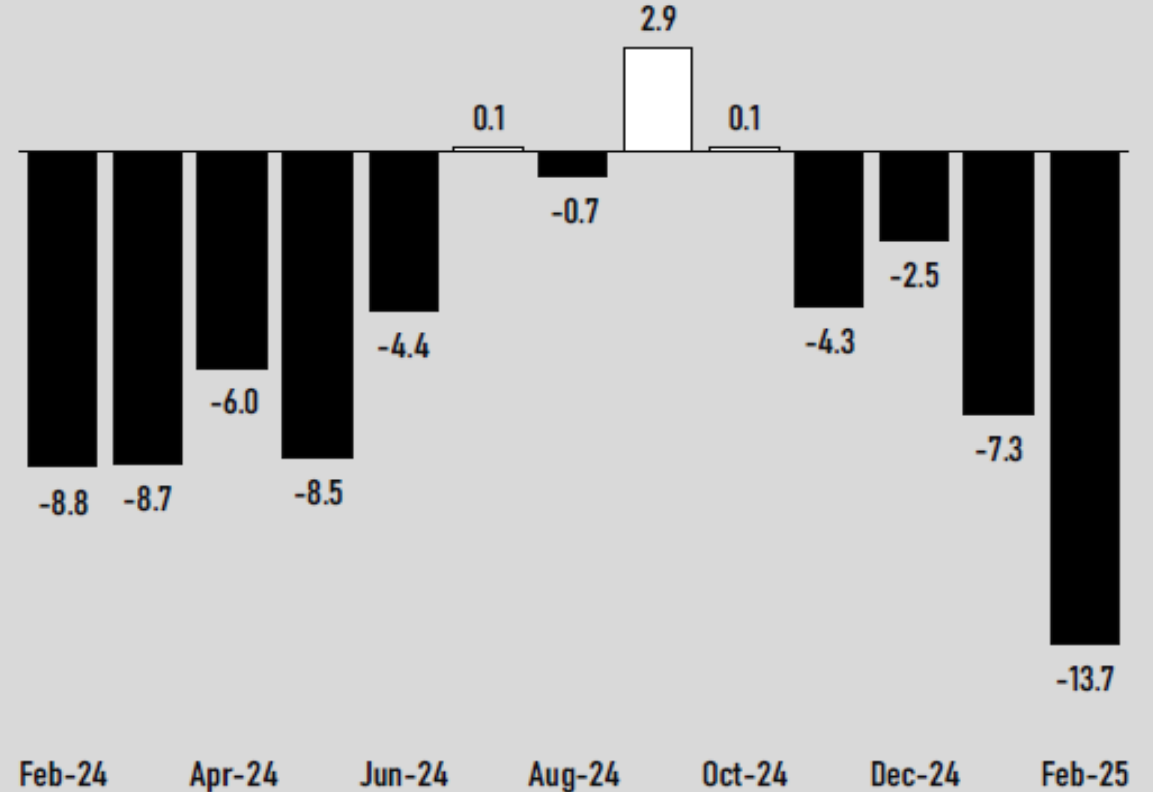
y/y %	IIP non-durables	Gov rural expenditure	AVG daily wages	MGNREGA work demand	DBT transfers	Two wheeler sales	Tractor sales	CPI Rural
12M trend								
Latest	-7.6	-46.7	6.2	13.5	57.9	-8.8	14.0	4.6
Previous month	0.5	-52.7	6.4	7.3	38.4	-1.2	-1.3	5.8
Two months ago	2.6	361.8	6.4	3.0	84.0	14.2	22.4	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

Equity Valuations at Discount Currently vs. Long-term Averages

Nifty 50 Over/Undervaluation, %

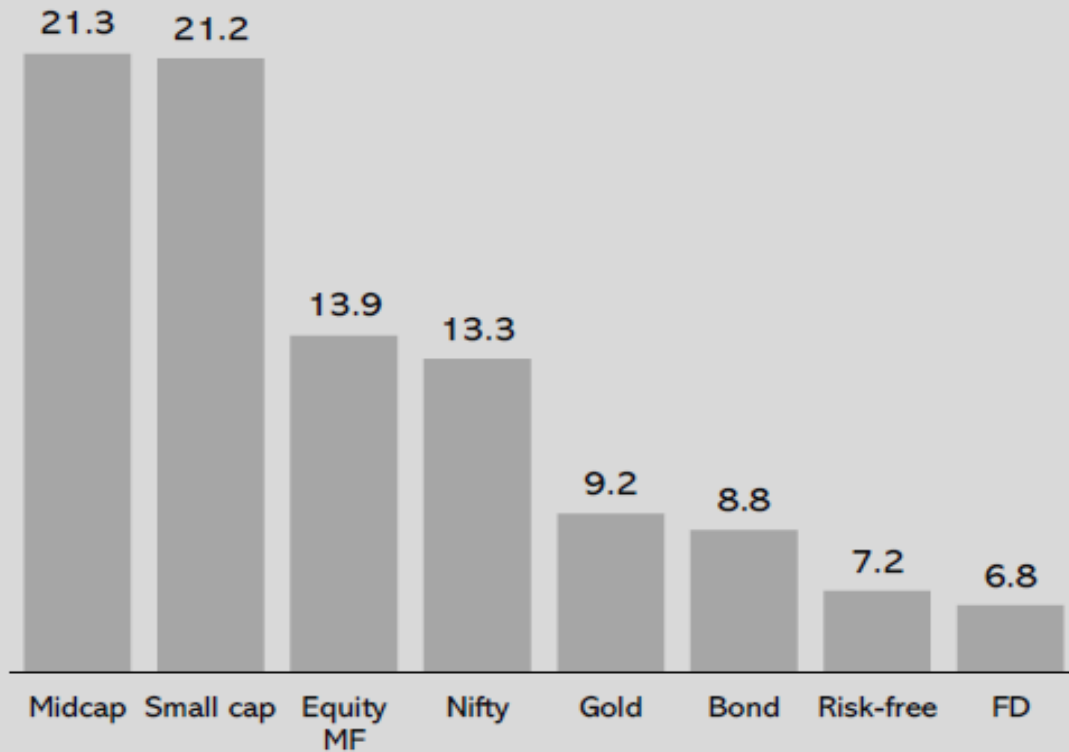


Nifty 500 Over/Undervaluation, %

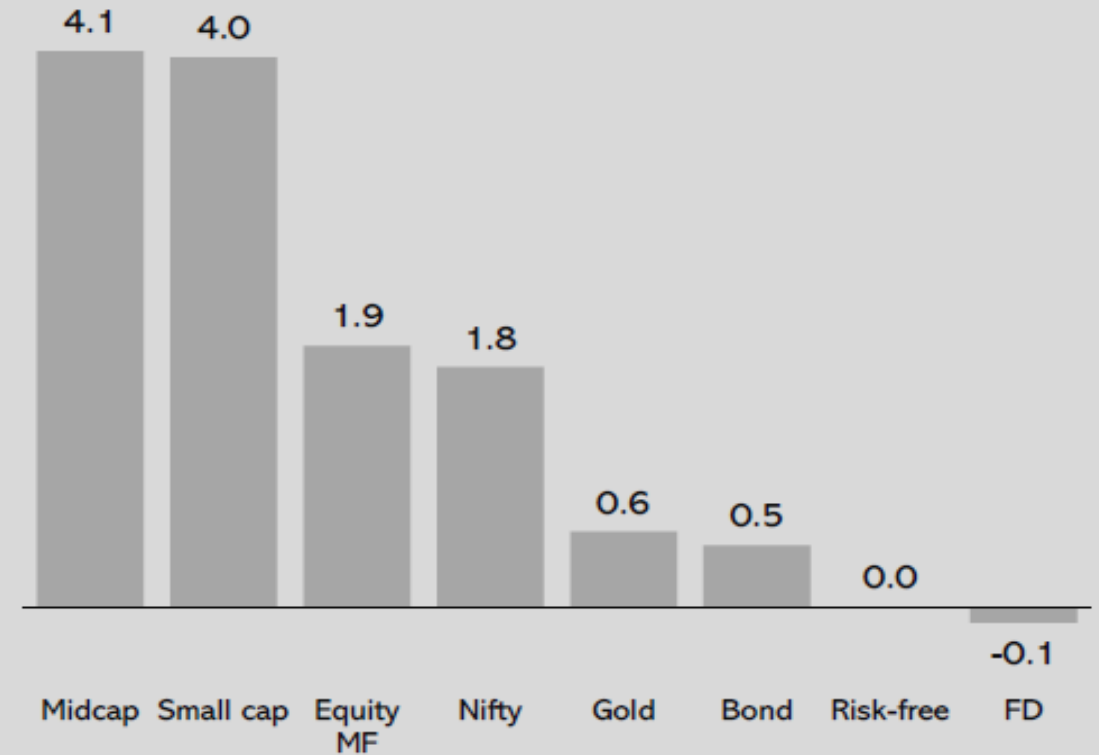


Equities Remain the Best Asset Class in India

Average Annualised Return 2014-24, %



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



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