



Current Market Scenario

13 August 2022

CAPSTOCKS

Sharp Pull Back in Markets



- Market retraces 61.8% from recent lows
- Indian economy relatively looks better
- FII selling stopped
- Crude oil below \$100

INDEX WATCH

INDEX	12, July	9, June	% Change
Nifty	17698	16,220	9.11
Sensex	59462	54,481	9.14
Nifty Midcap	30806	27,649	11.42
BSE Small Cap	27905	25,640	8.83

CAPSTOCKS

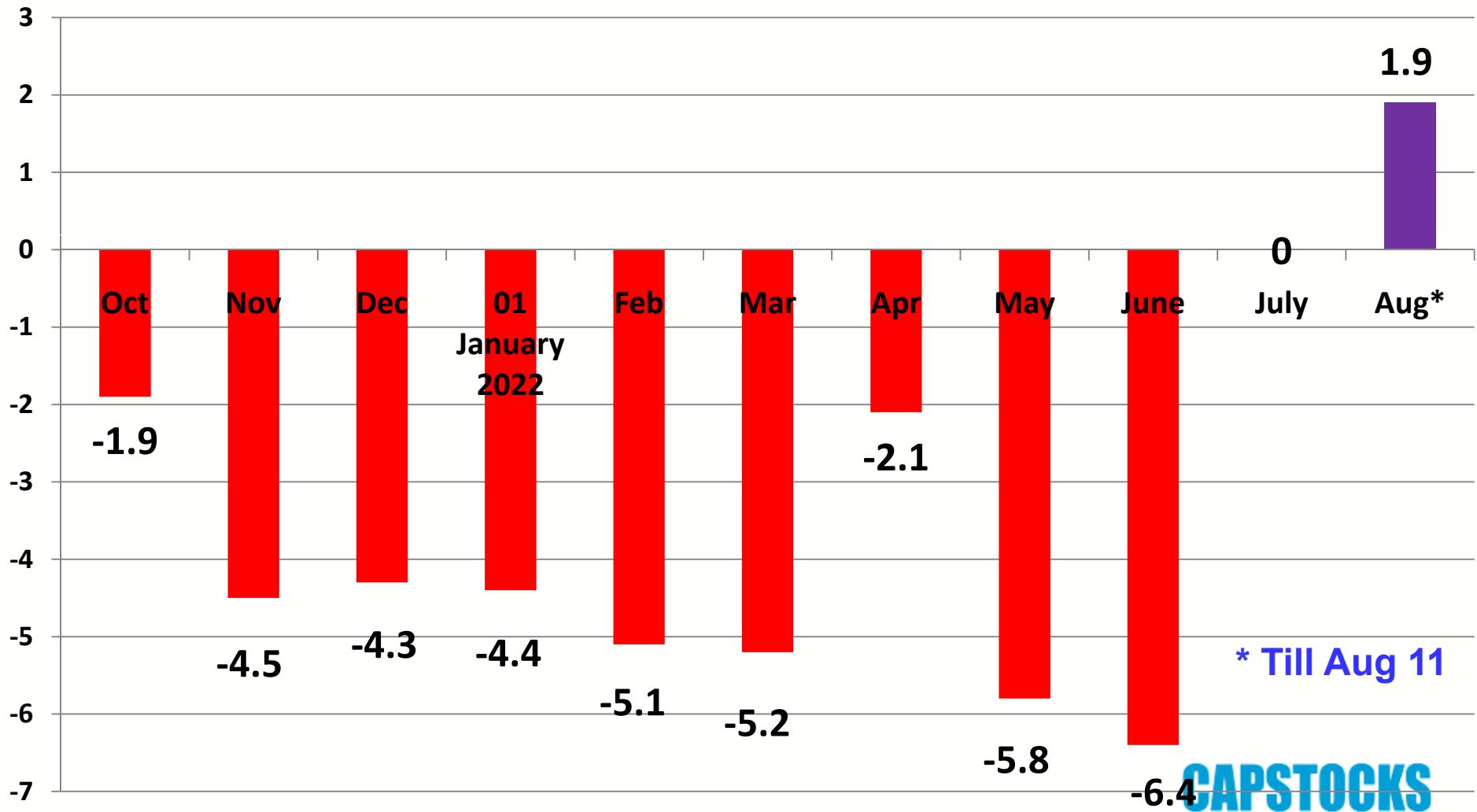
FII Selling Subsides



- FII turns buyers in August
- FII still relatively negative on India on valuation concerns



FPI Secondary Market Activity in US \$ Bn



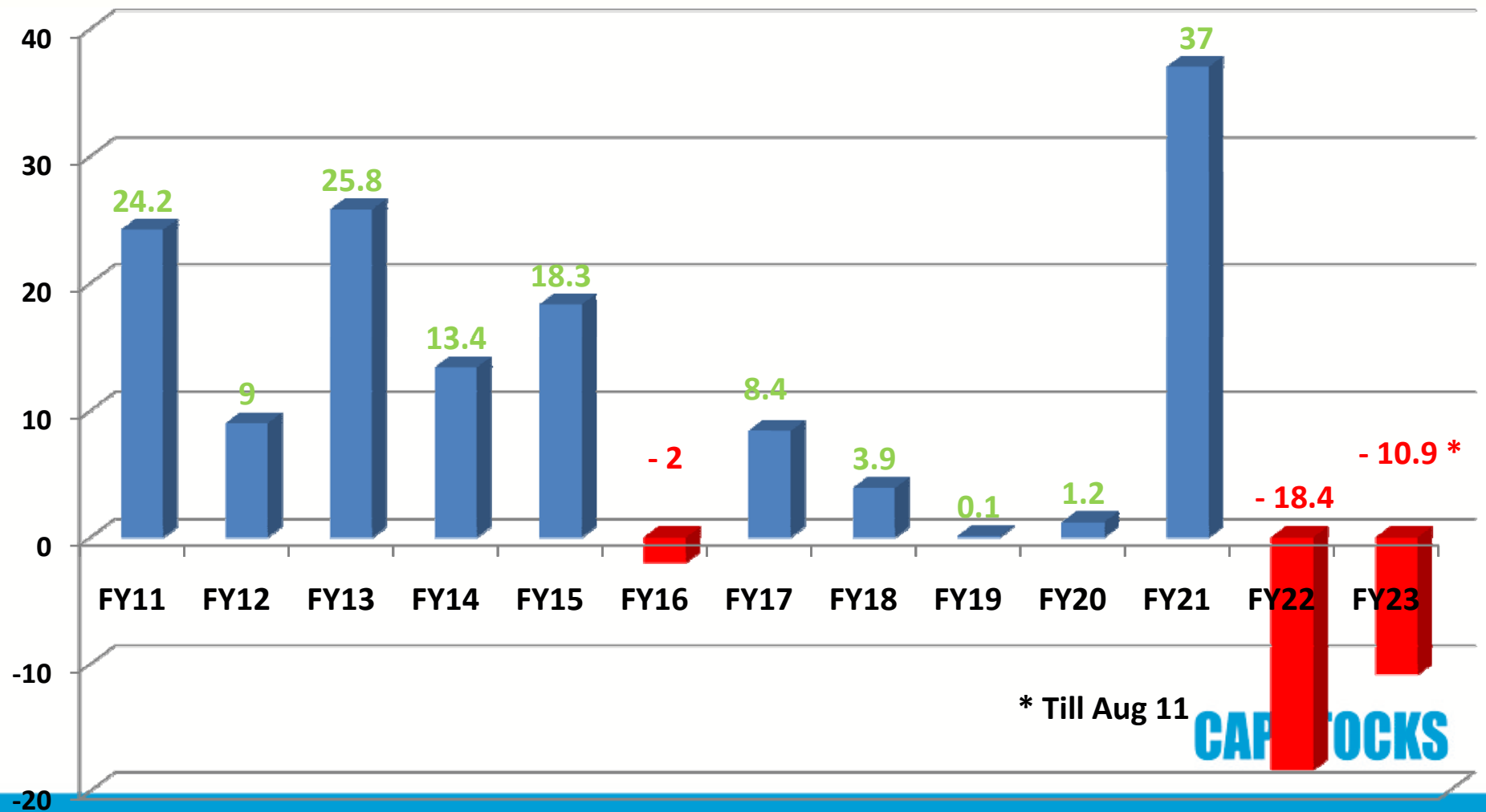
* Till Aug 11

CAPSTOCKS

FII Activity



FPI Flows in US Bn \$

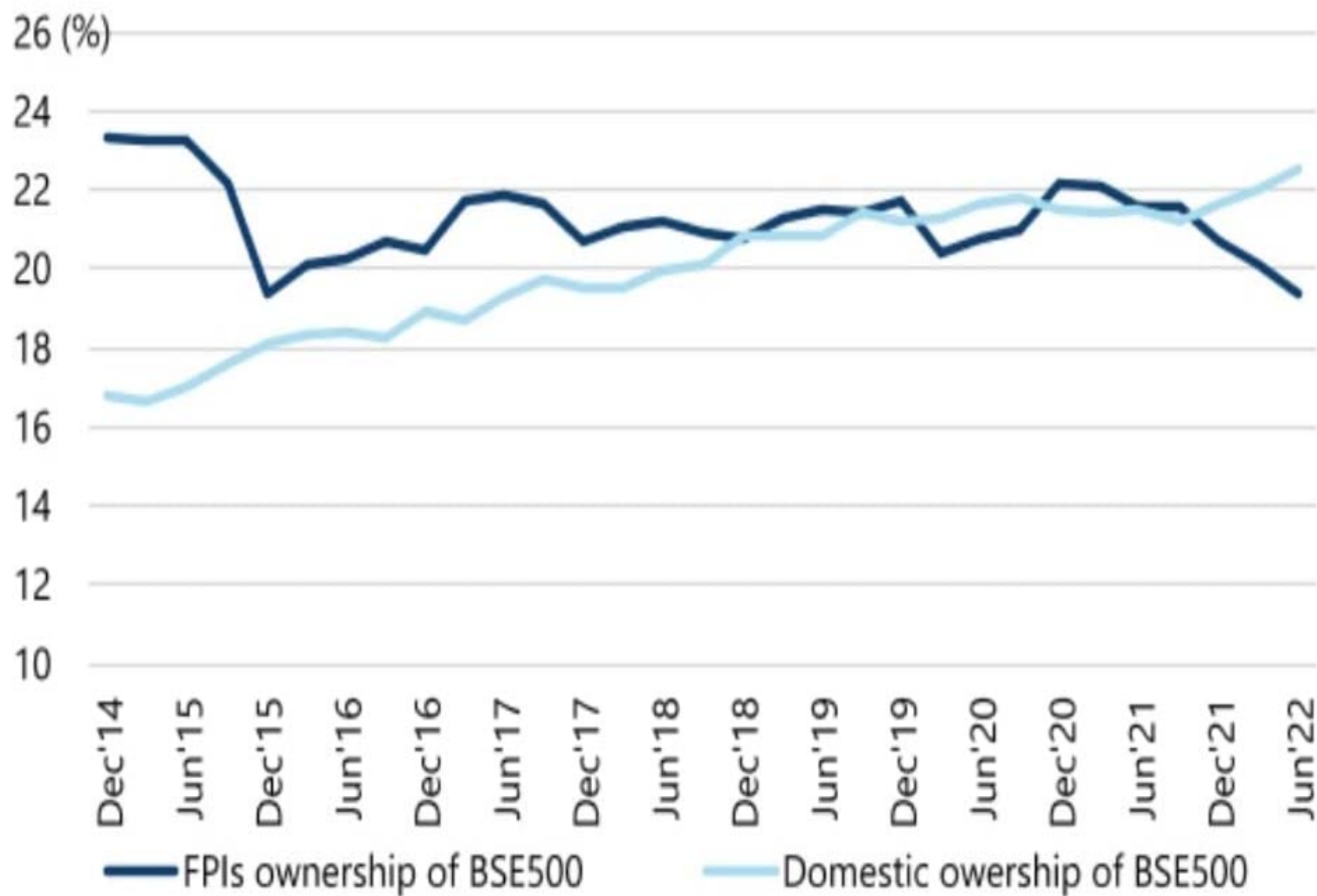


* Till Aug 11

CAPSTOCKS

Exhibit 1 - FPI vs domestic shareholding of BSE500

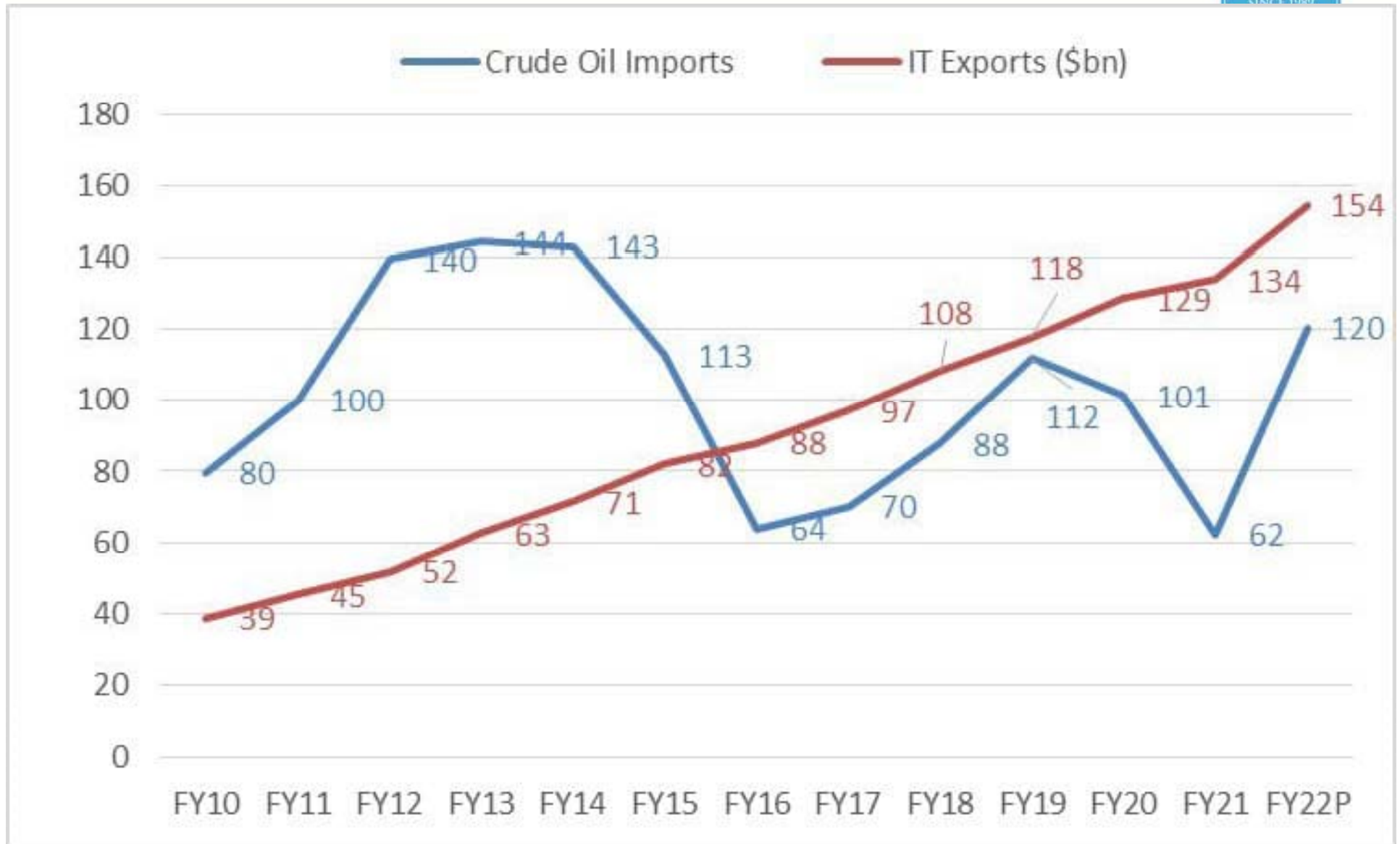
Domestic = Domestic Mutual Funds + Insurance + Small Retail + Large Retail



Crude Below \$100



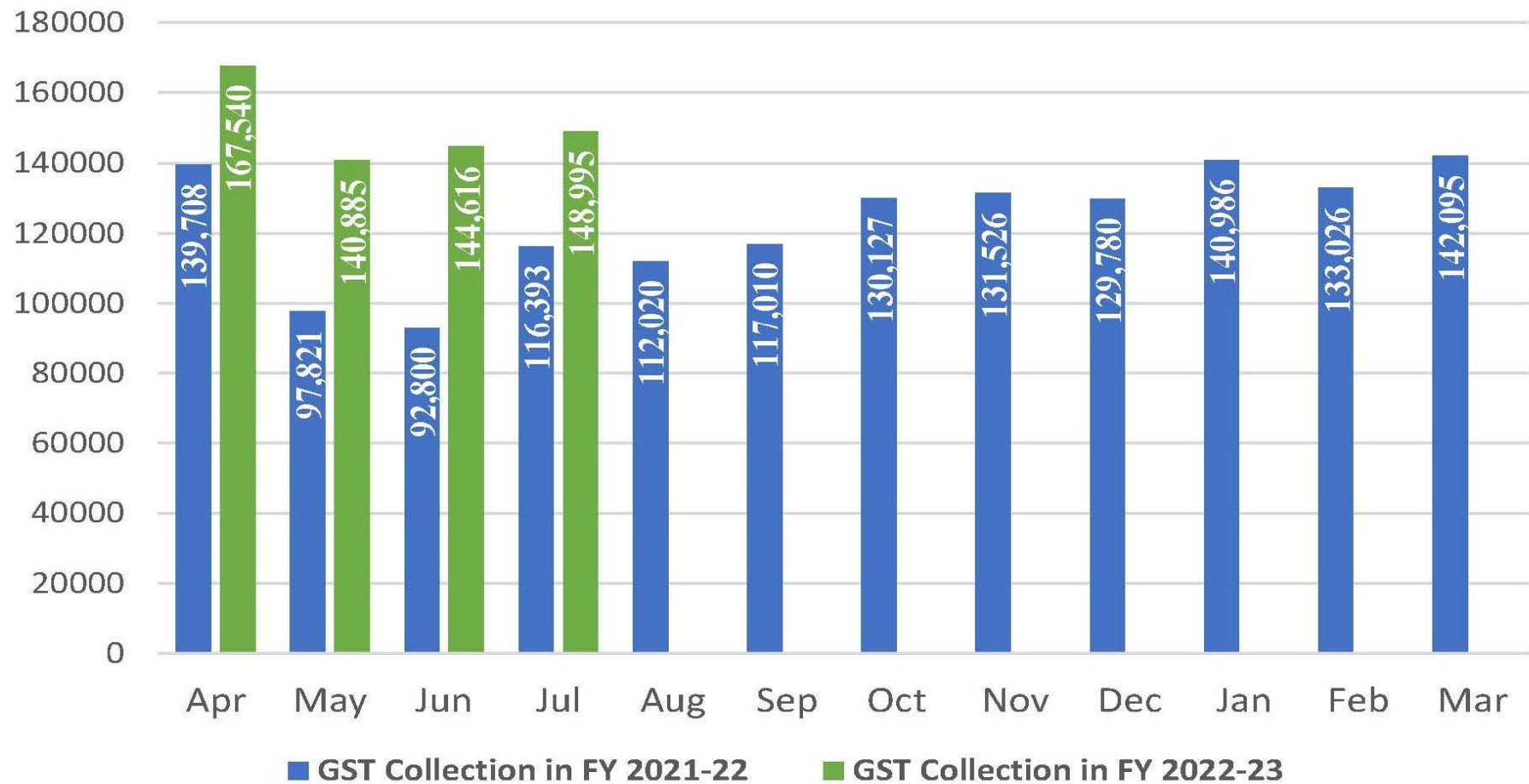
IT Sector – Lifeline of our Economy



Strong Tax Collection



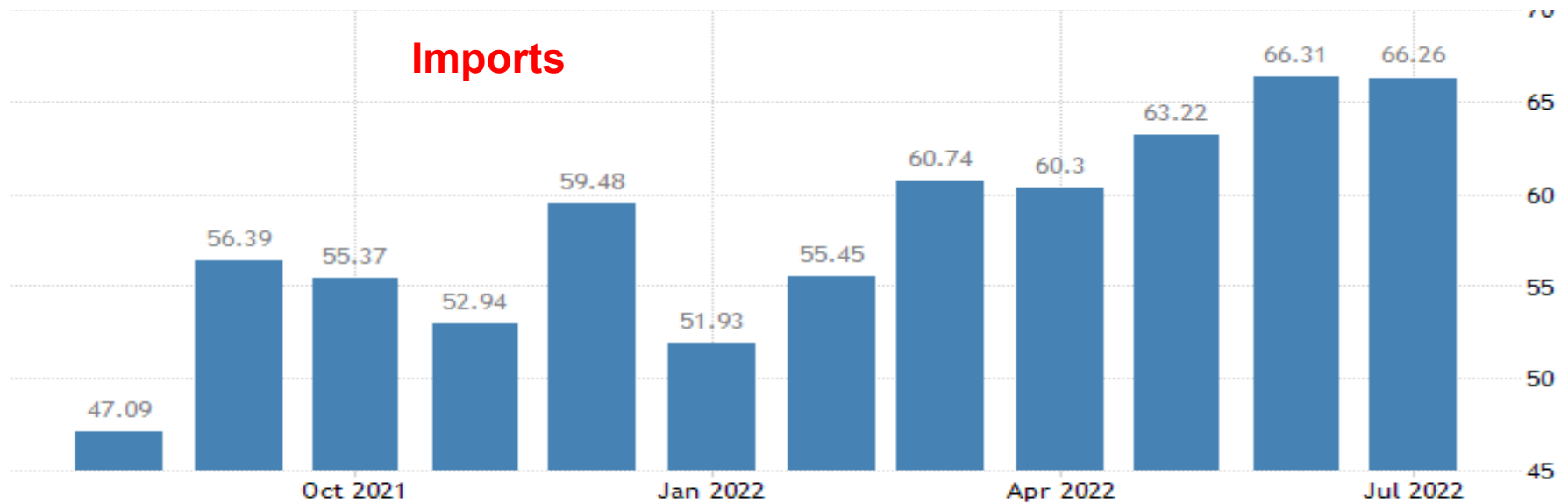
Trends in GST Collection (Rs. In Crore)



Exports Slows



TRADINGECONOMICS.COM | MINISTRY OF COMMERCE AND INDUSTRY, INDIA

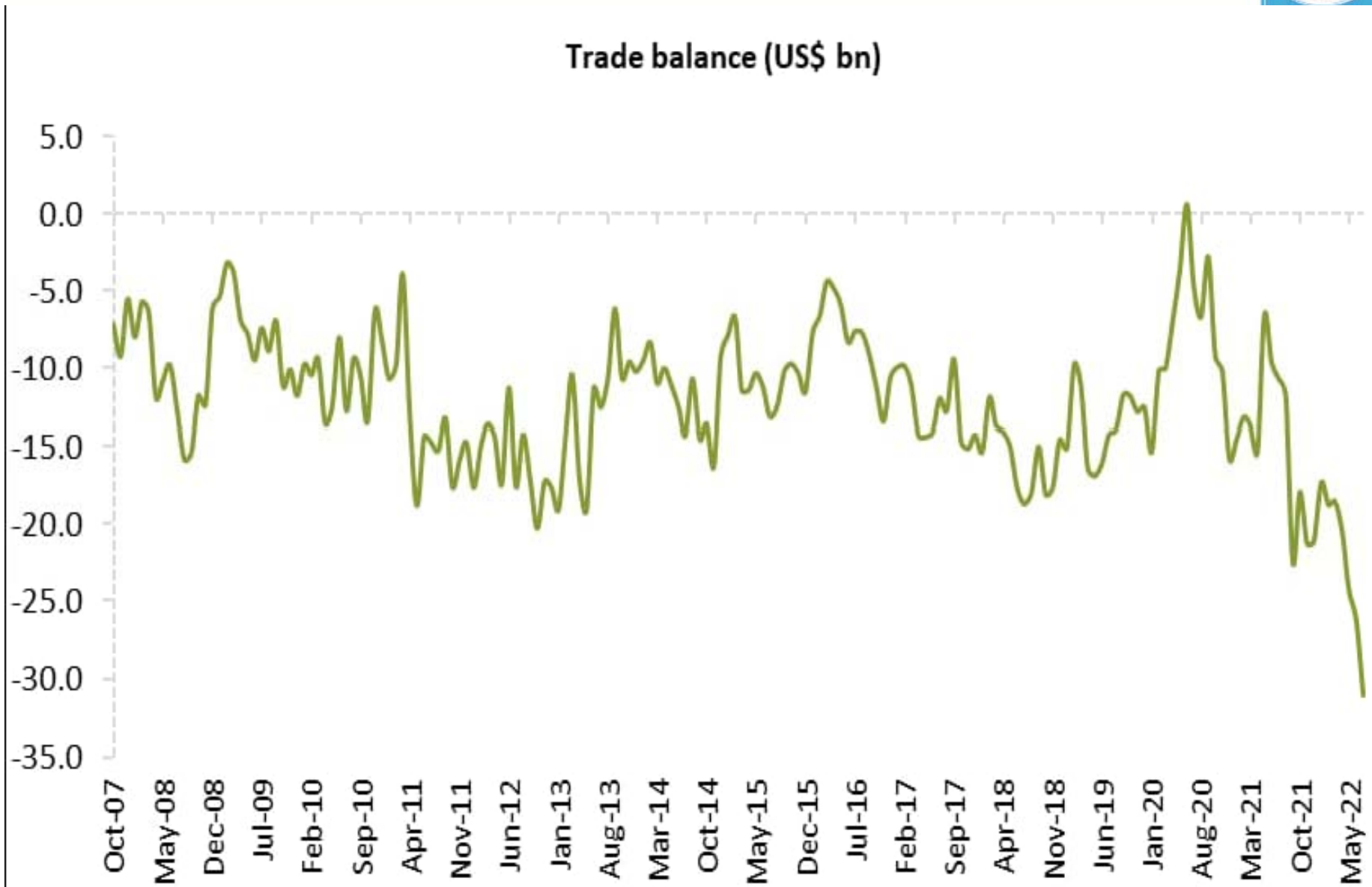


TRADINGECONOMICS.COM | MINISTRY OF COMMERCE AND INDUSTRY, INDIA

Trade Deficit Widens



Trade balance (US\$ bn)



Exports Dependent Countries Slowing Down



- PMI Manufacturing data showing weakness for countries like China, Taiwan, Germany
- Inventory are increasing in consuming countries like US
- Most of the data pointing towards recession in big economies

Monsoon Update



- Overall good Rainfall received till now
- Rainfall distribution uneven
- IMD maintains normal monsoon

Seasonal Rainfall (in mm) since 01 June 2022 till 10 August, 2022

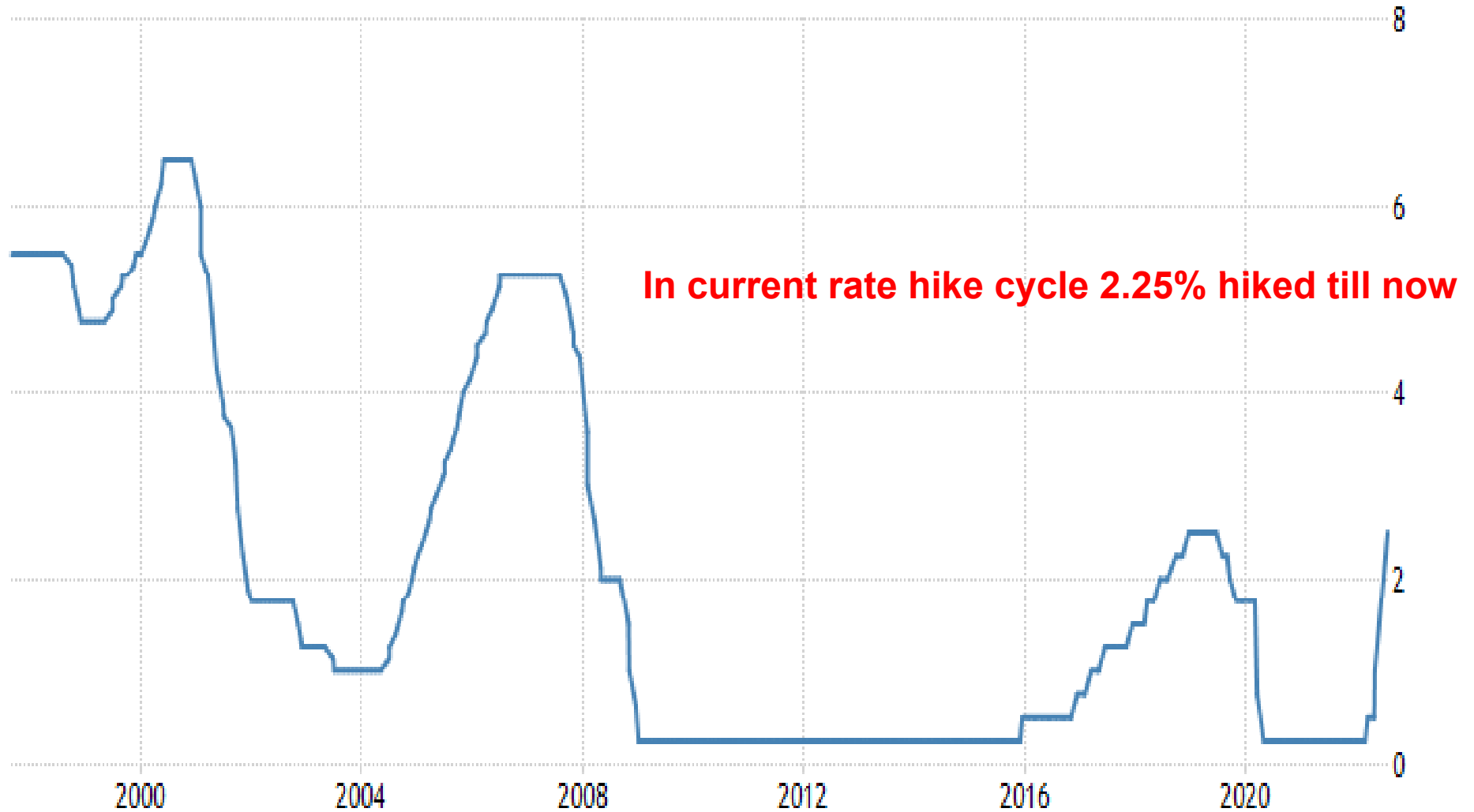
Region	Actual	Normal	% Departure from Long Period Average
EAST & NORTHEAST INDIA	718.5	854.0	-16%
NORTHWEST INDIA	356.8	358.5	0%
CENTRAL INDIA	700.8	606.7	+16%
SOUTH PENINSULA INDIA	593.2	432.4	+37%
COUNTRY AS A WHOLE	576.7	535.6	+8%

China – Known UnKnown



- Chinese home sales are down sharply
- Many large real estate companies in China facing liquidity crunch
- Chinese real estate and infrastructure are biggest consumer of commodities

US FED Rate on Upcycle



Central Bank Governors Very Hawkish



- US, UK, ECB central bank governors statement are hawkish
- Expects inflation will take time to come down
- In mean time either economy will slow significantly or recession will happen

Q1 Earnings



- Results are mixed
- IT companies results are below expected due to margin compression amid strong revenue growth
- Banks results are better due to strong credit growth
- Margin compression seen in FMCG, consumptions



Q1 Result Performance

	% Change (YoY)	
	June 2022	June 2021
Sales	37.6	48.0
Net Profit	25.1	135.7

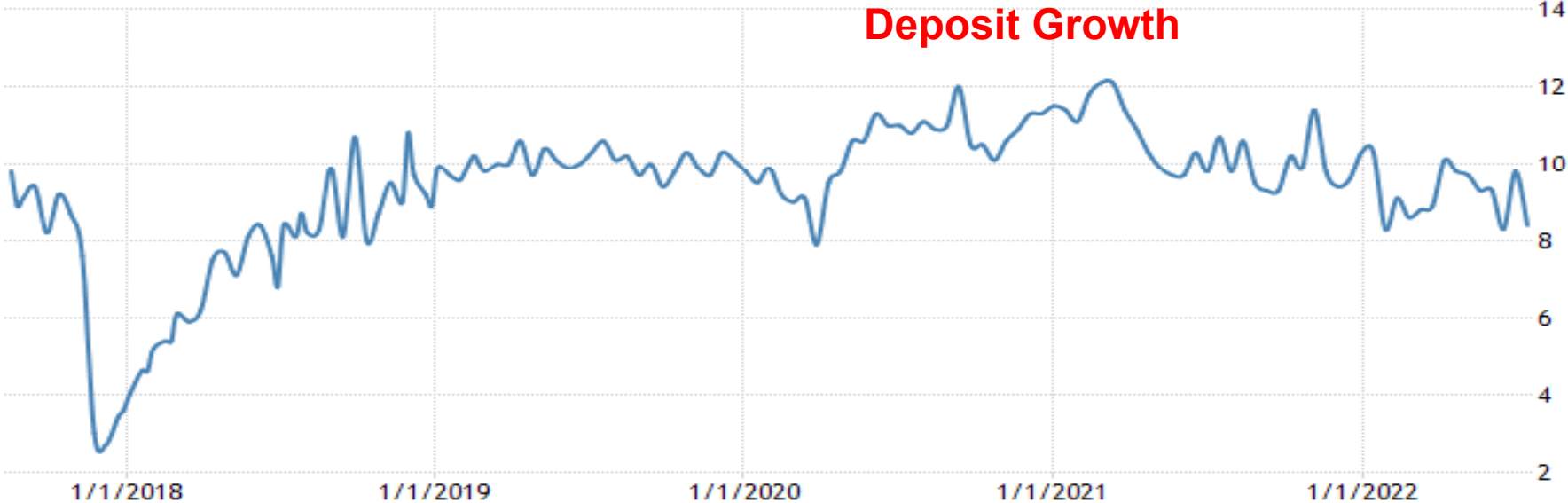
Results of 752 companies

CAPSTOCKS

RBI Hikes Repo Rate



Banks will Hike Deposit Rates

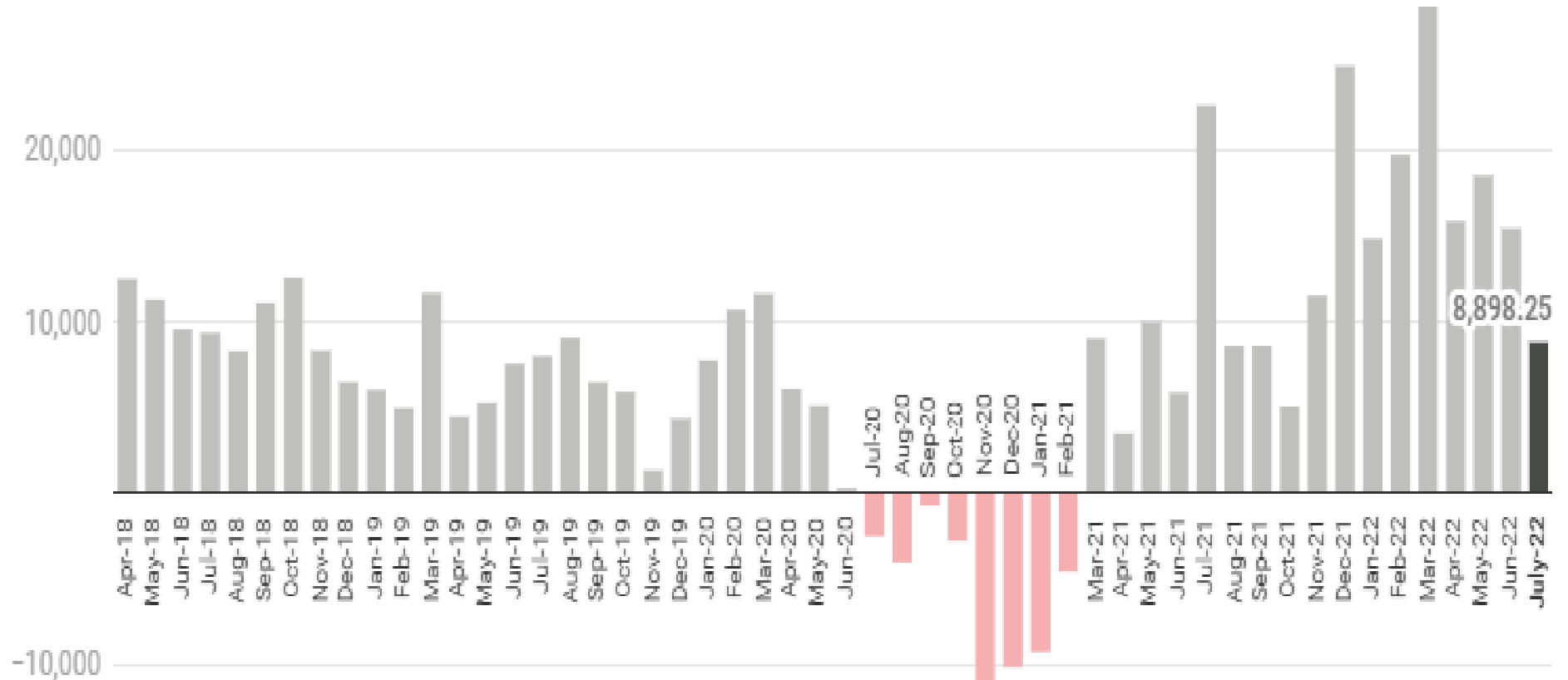


Equity Mutual Fund Flows



Net Equity Inflows

(Rs crore)



What Investors Should Do



- Huge price-wise correction unlikely
- Markets may consolidate in near term
- Stock and sector specific action expected
- Domestic inflows in stock market may slowdown if bank increases interest rates on deposits.

CAPSTOCKS

Events To Watch



- Geopolitical
- FII Flows
- Monsoon



Thank You

CAPSTOCKS
