



# Current Market Scenario

**CAPSTOCKS**

---

# Nifty Crosses 16000



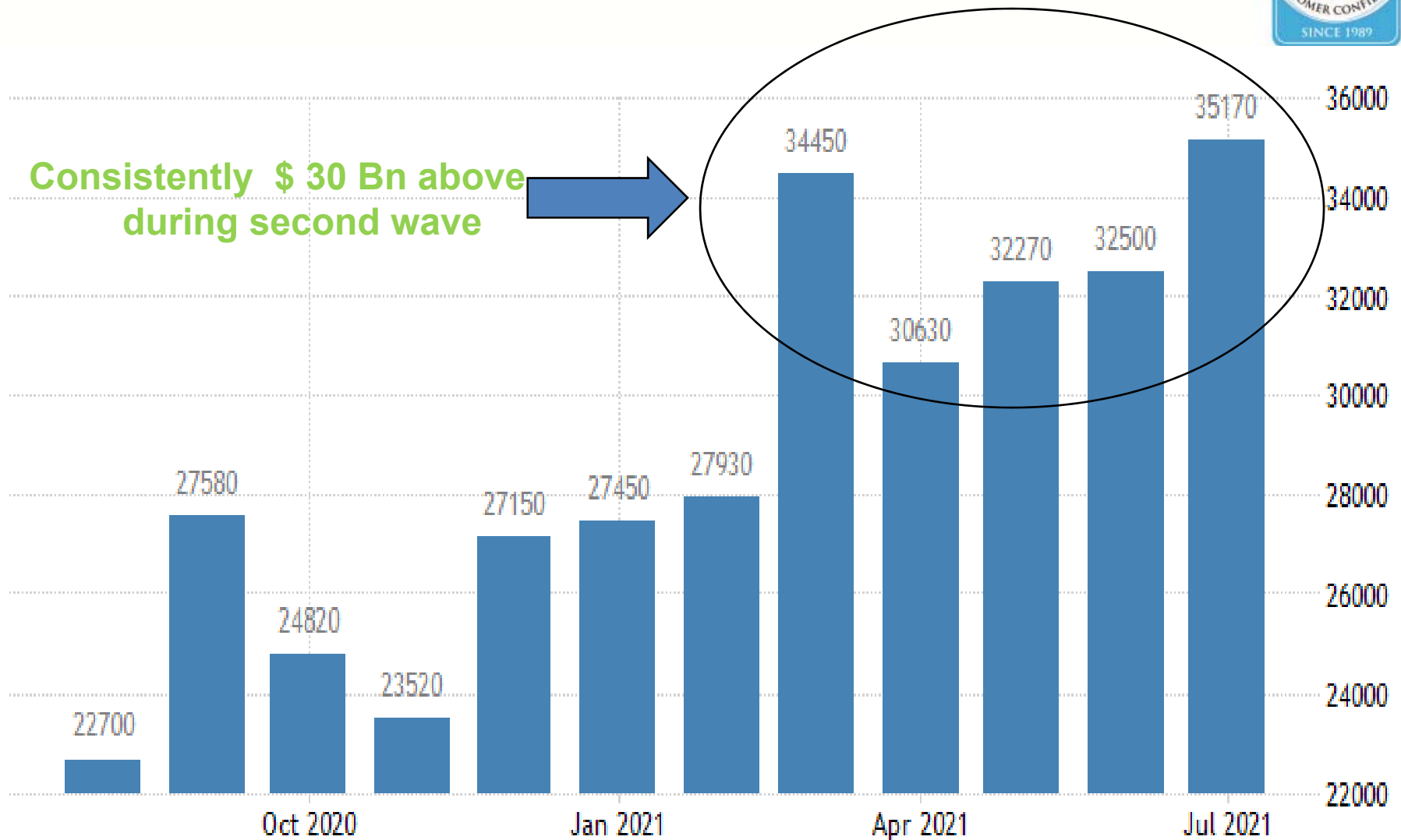
- Healthy Correction in broader market
- Recovery in economic activity to near precovid
- US market at record highs
- Hectic IPO Market

## INDEX WATCH

<b>INDEX</b>	<b>14, Aug</b>	<b>10, July</b>	<b>% Change</b>
Nifty	16,529	15,689	+ 5.3
Sensex	55,437	52,386	+ 5.8
Nifty Midcap	27,600	27,382	+ 0.79
BSE Small Cap	26,355	25,874	+ 1.8

**CAPSTOCKS**

# Exports – Biggest Tailwind Now

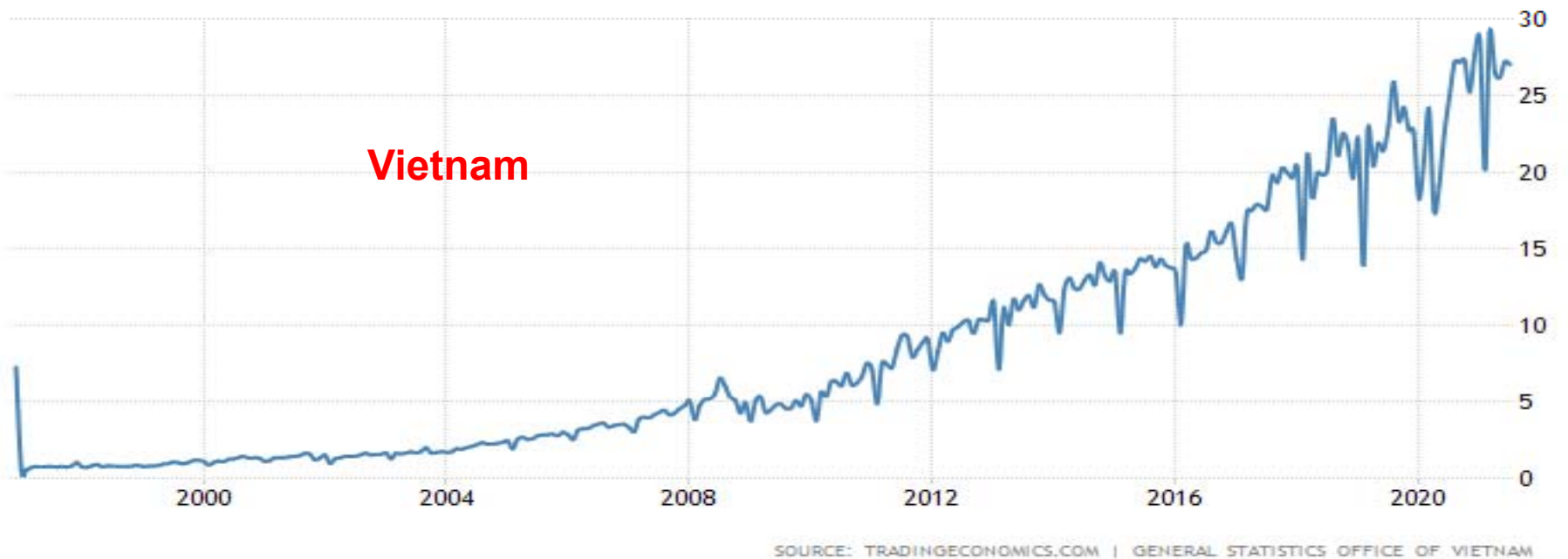
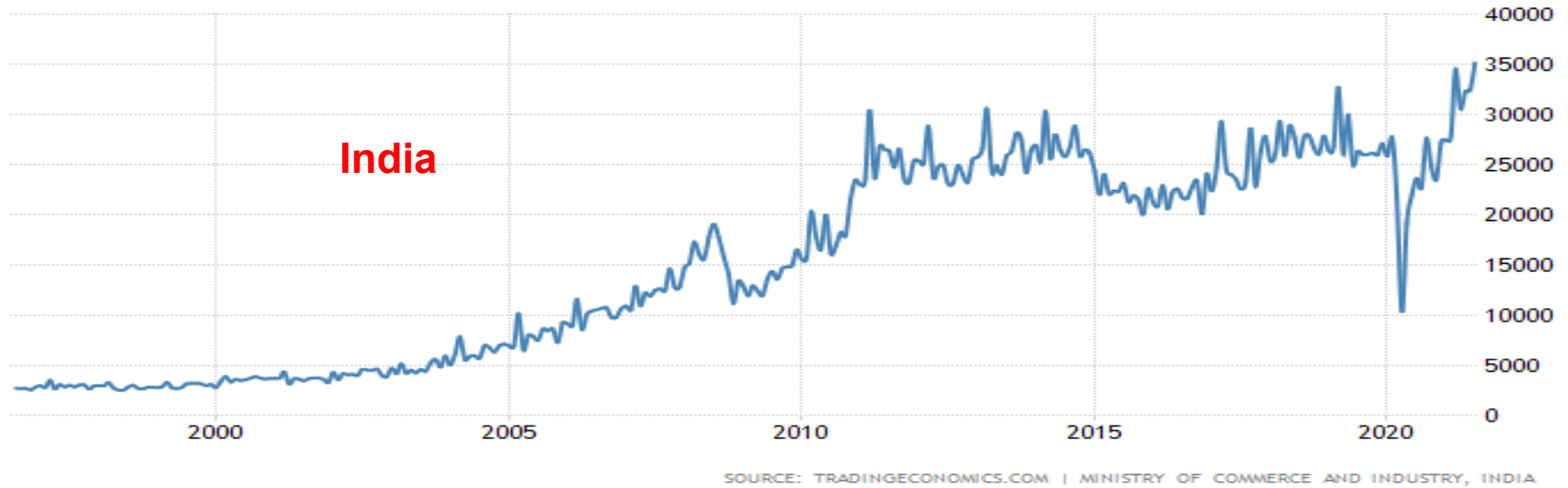


# Exports At Record High



- Highest every monthly merchandise exports of \$ 35.2Bn in July 2021
- Export figure indicates recovery in global economy
- Opportunity for India to grab business due to China +1 strategy adopted by many countries

# Historical Exports Chart



# Sectors That Can Boost Exports



<b>Sector</b>
<b>IT</b>
<b>Pharma</b>
<b>Speciality Chemicals</b>
<b>Auto and Auto ancillaries</b>
<b>Engineering</b>
<b>Textiles</b>
<b>Agri Products</b>

**CAPSTOCKS**

---

# Three Crucial Sector



- IT – Top IT companies are in hiring spree. Majority of engineering graduates to get job on completion of course
- Textiles – With exports looking up, sector to give job opportunity
- Agri – With many agri product prices higher, will be a boost to rural economy

# Change in China Strategy ?



- China developed its economy through exports
- Recent actions indicate China to focus on domestic consumption
- Chinese Govt. watching closely on housing, education and healthcare inflation which impacts majority of its population



# Hectic IPO Market



- Lot of companies lined up for listing
- Most of the issues are coming at high valuations and listing happening at huge premium to issue price
- Retail investors are showing good interest in IPO
- For oversubscribed issues in retail category no preference during allotment by applying more shares. Applying one lot is preferable

# IPO History



■ No. Of Issues 
 ■ Amount (₹ cr)



Source: Prime Database

Source: [Businesstoday.in](https://www.businesstoday.in)

# Fresh Issue Vs Offer For Sale



- OFS is the sale of shares by existing shareholders. Money raised will go to the selling shareholders
- Fresh issue is the issue of new shares and money will go to the company. Money raised can be used for growth or retiring debt
- Currently most of the IPO's are through OFS

# US Fed Taper



- Strong US Jobs Data coupled with high inflation may induce US Fed to taper its monthly asset purchase
- Currently US Fed is purchasing \$120 Bn of treasury and mortgage securities
- Any talk on taper may bring volatility in market

# US Unemployment



SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

# Q1 Results



- Q1 results were mixed
- Banks and NBFC see increase in NPA
- Covid second wave affected sales QoQ
- Steep increase in raw materials impacted margin
- Pharma companies see pricing pressure in US

**CAPSTOCKS**

---



# Q1 Result Performance

	% Change (YoY)	
	June 2021	June 2020
Sales	<b>45</b>	<b>- 27</b>
Net Profit	<b>193</b>	<b>- 51</b>

**Results of 1,544 companies**

**CAPSTOCKS**

---

# NIFTY P/E Ratio



Date	Nifty P/E	SENSEX P/E
9 <sup>th</sup> Feb 2021	41.9	35.6
30 <sup>th</sup> Mar 2021	40.4	34.5
31 <sup>st</sup> Mar 2021	33.2 *	34.3
9 <sup>th</sup> Aug 2021	26.5	29.8

\* FROM 31<sup>ST</sup> MARCH 2021 ONWARDS NSE STARTED CALCULATING P/E BASED ON CONSOLIDATED EARNINGS



# Monsoon Update



- Monsoon progress disappointing
- Gujarat rainfall deficit at **-64%**
- IMD forecasts normal monsoon

**Seasonal Rainfall (in mm) as on 11 August, 2021** (as per rainfall recorded from 830 IST of yesterday to 830 IST of today)

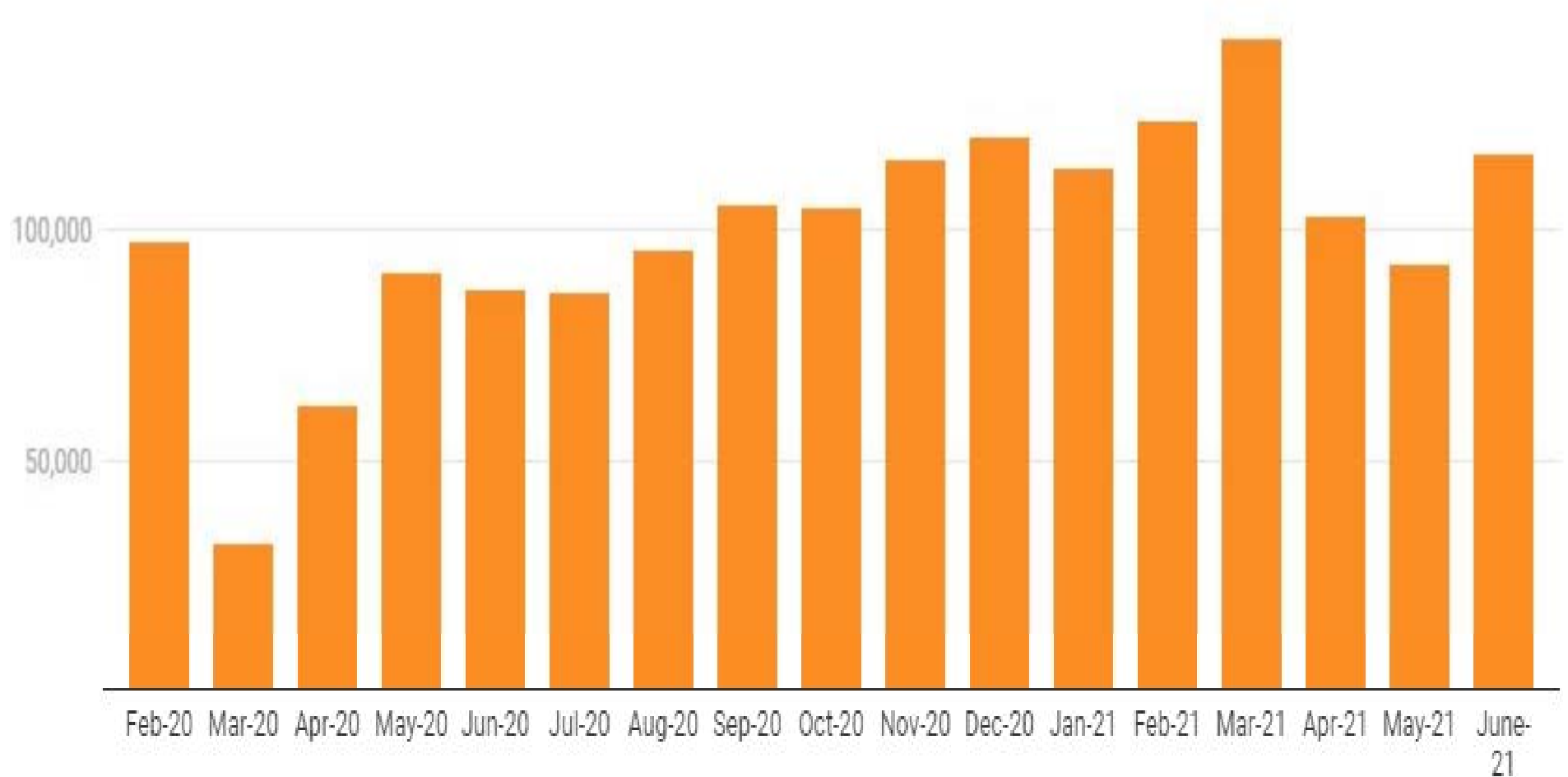
<u>Region</u>	<u>Actual</u>	<u>Normal</u>	<u>% Departure from Long Period Average</u>
EAST & NORTHEAST INDIA	785.6	898.5	-13%
NORTHWEST INDIA	357.5	366.0	-2%
CENTRAL INDIA	566.1	614.5	-8%
SOUTH PENINSULA INDIA	479.0	448.9	+7%
<b>COUNTRY AS A WHOLE</b>	<b>519.8</b>	<b>550.8</b>	<b>-6%</b>

# GST Collections



## GST Collections

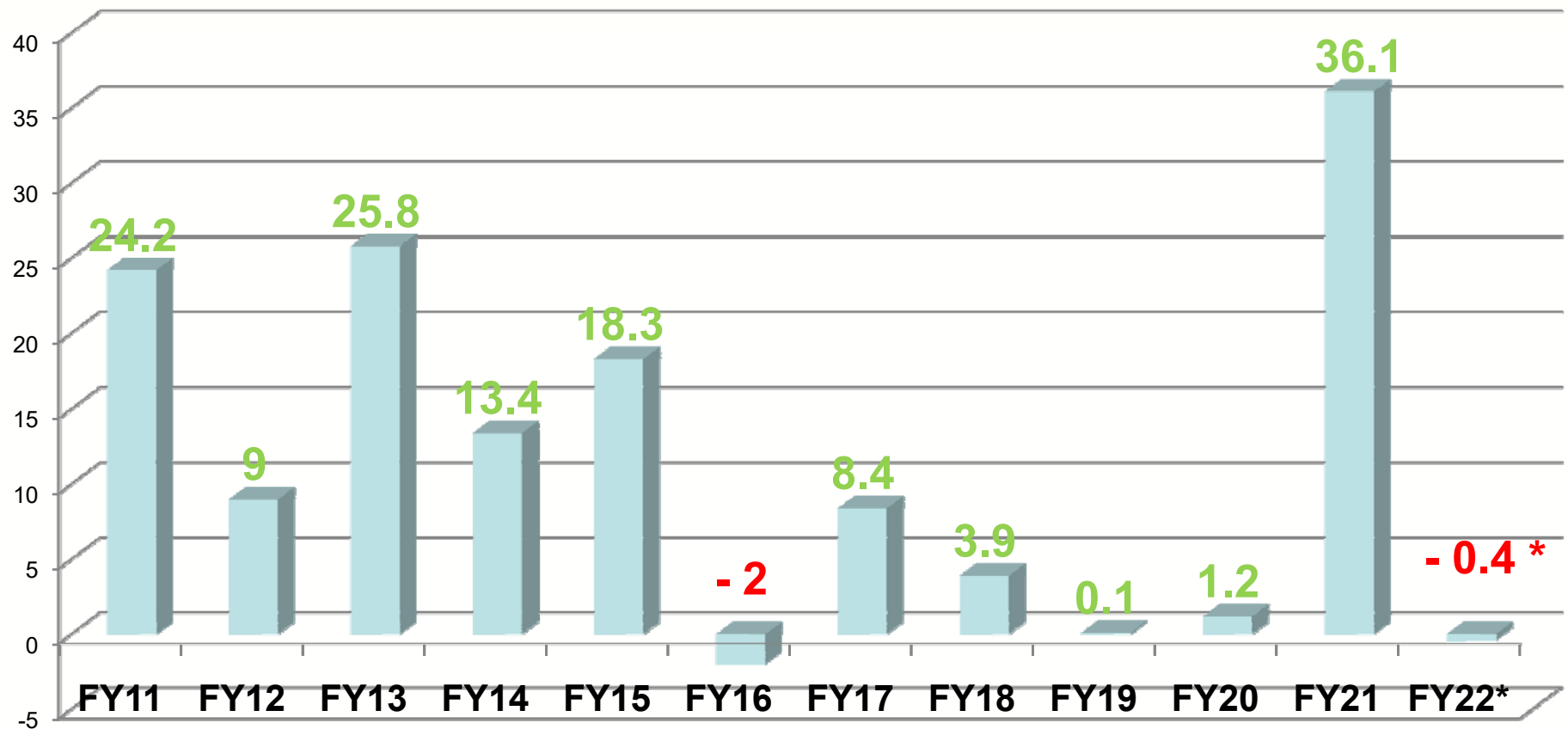
In Rs Crore



# FPI Flows



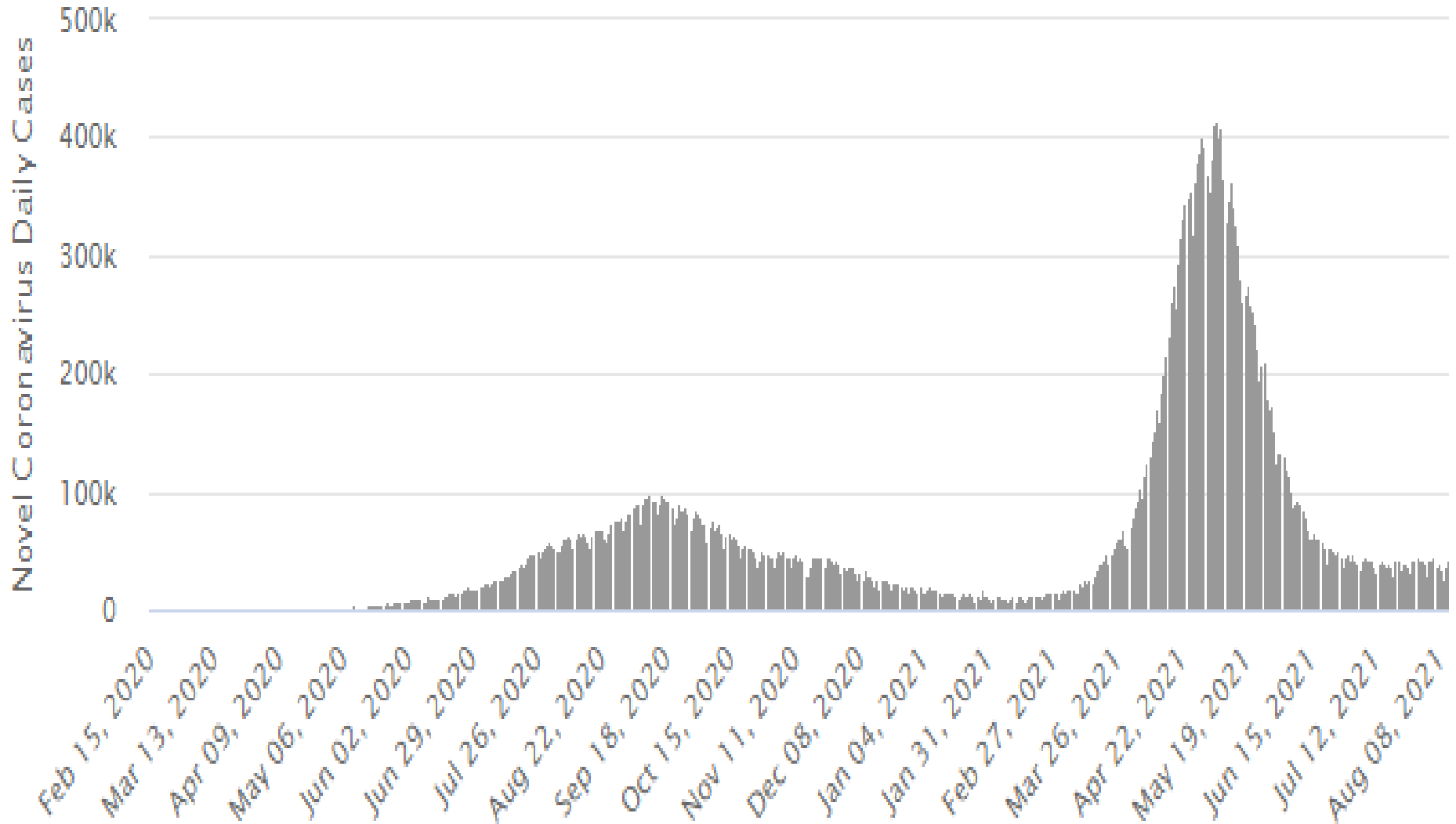
FPI Flows in US Bn \$



\* Till Aug 11<sup>th</sup>

**CAPSTOCKS**

# India Second Covid Wave Turns Down

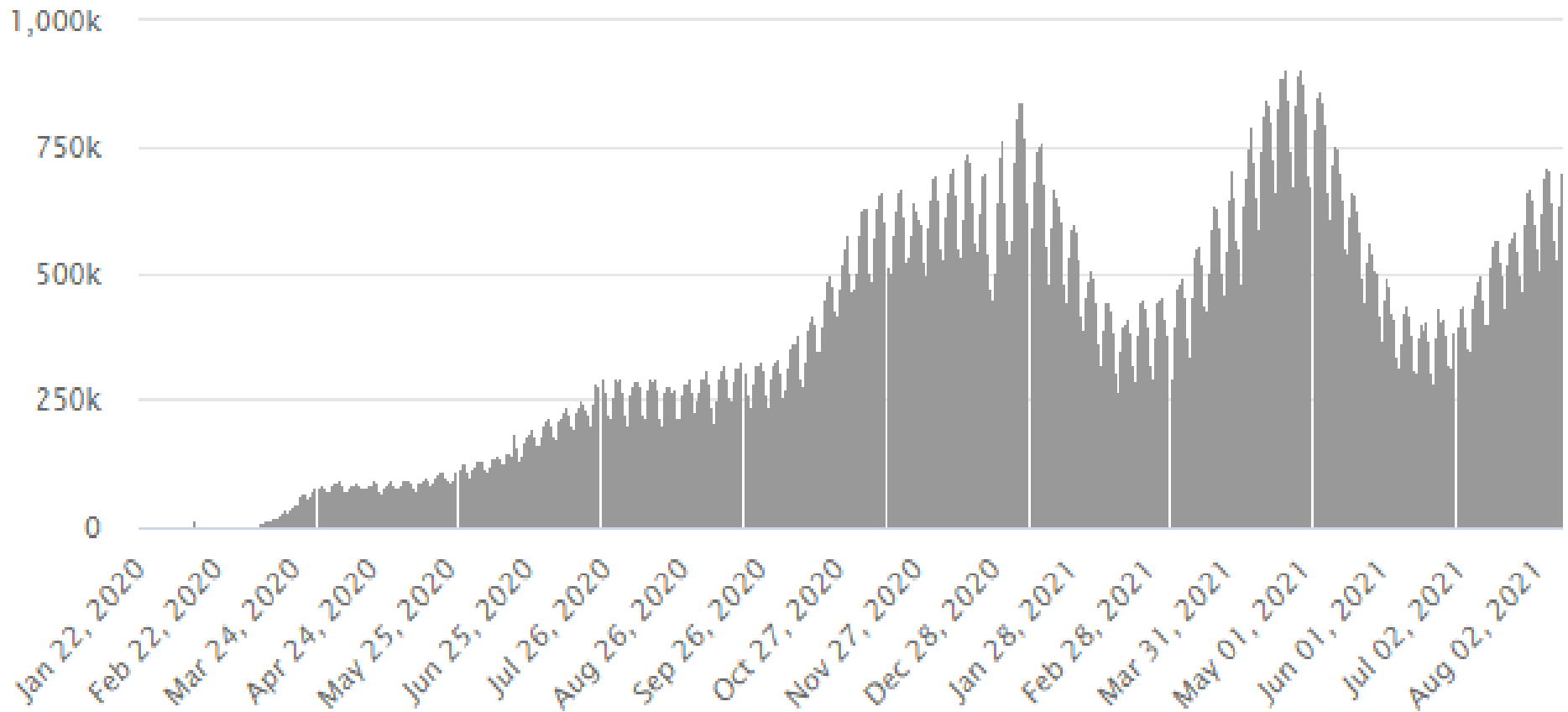


# Global Covid Cases



## Daily New Cases

Cases per Day  
Data as of 0:00 GMT+0

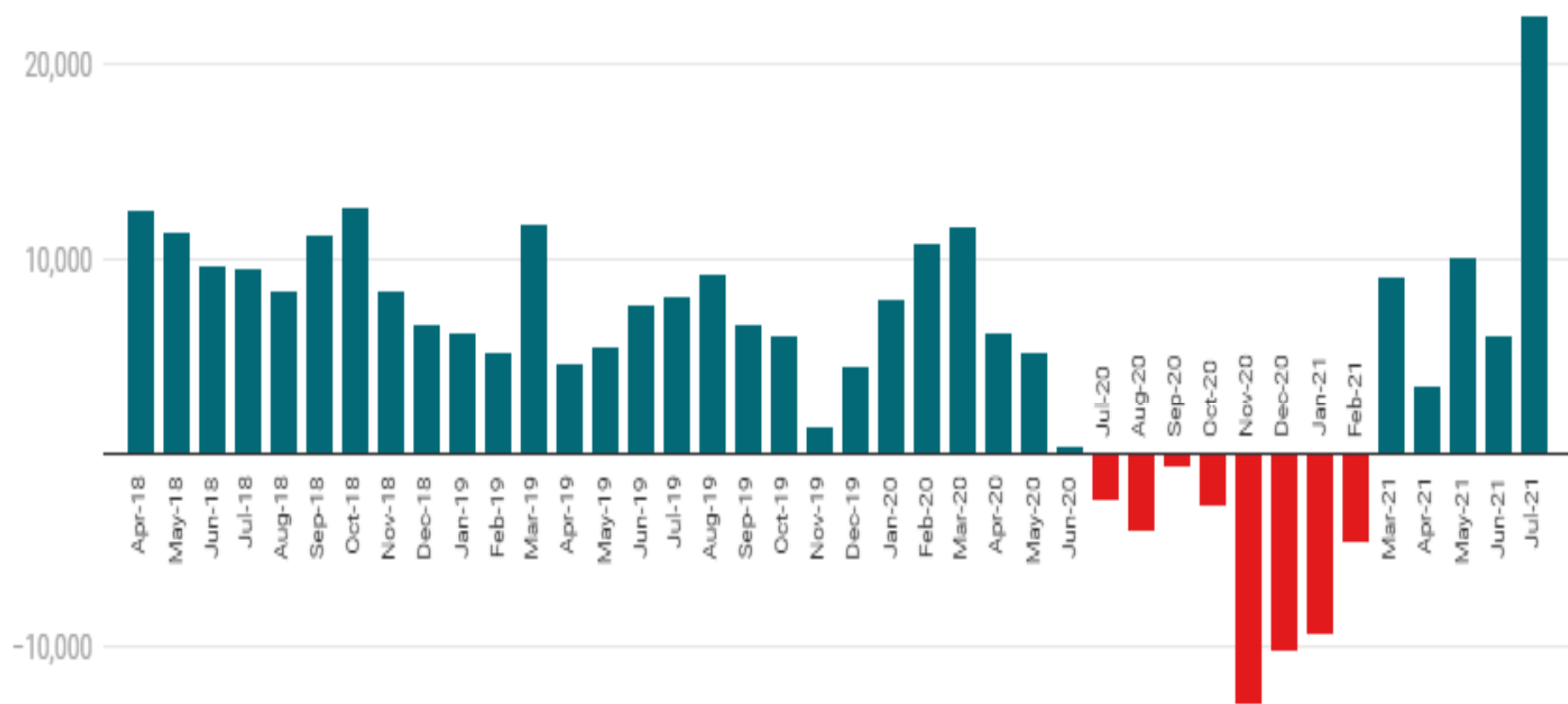


# Equity Mutual Fund Flows



## Net Equity Inflows

(Rs crore)



# Events To Watch



- Covid Cases
- Monsoon

**CAPSTOCKS**

---

# Conclusion



- Our market will see serious correction only if US market corrects sharply
- Stock specific opportunity available





**Thank You**

**CAPSTOCKS**

---