



Current Market Scenario

11 December 2021

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Market Sees Profit Booking



- Heaving Selling by Foreign Investors
- Mixed broader market
- Consolidation in Global markets
- Crude Oil Volatile

INDEX WATCH

INDEX	11, Dec	12, Nov	% Change
Nifty	17,511	18,102	- 3.3
Sensex	58,786	60686	- 3.1
Nifty Midcap	31,203	31,925	- 2.2
BSE Small Cap	29,260	29,232	0.0

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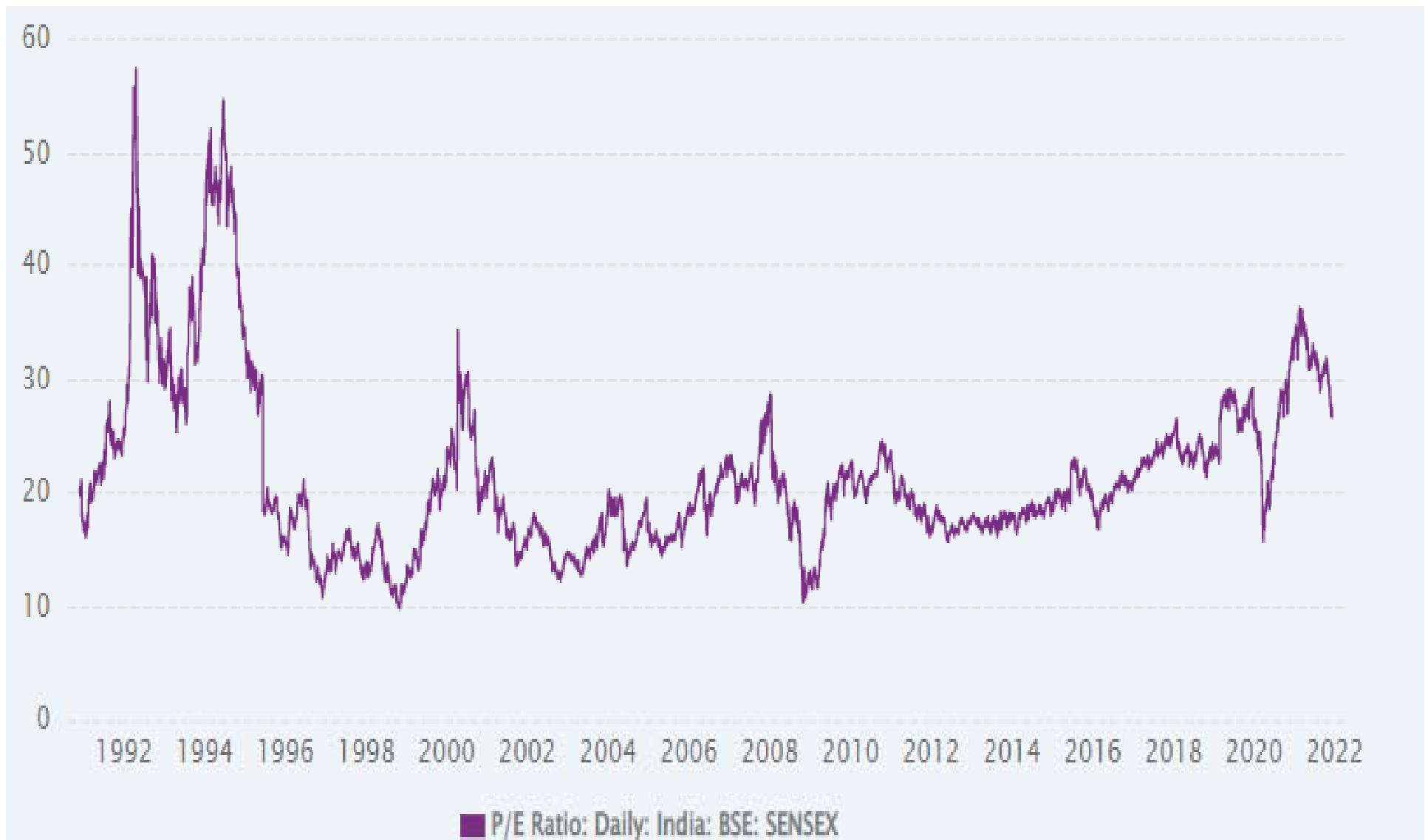
Market P/E Ratio



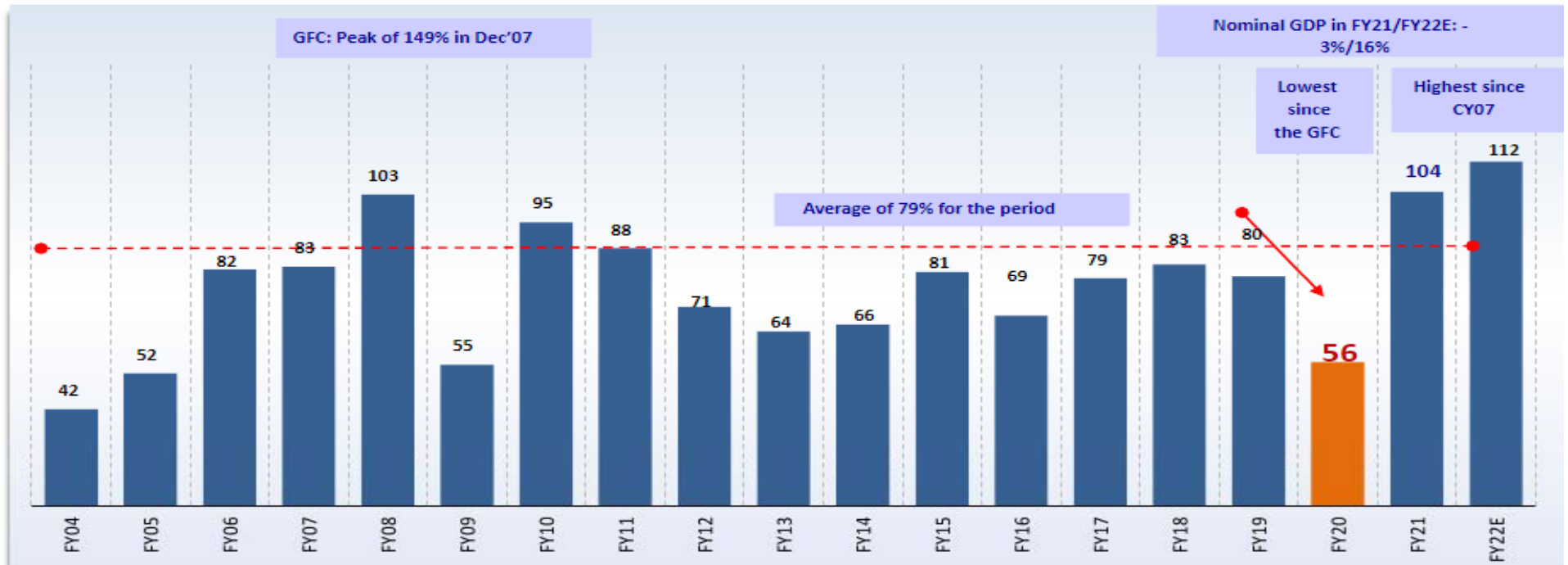
Date	Nifty P/E	SENSEX P/E
23 rd Mar 2020	17.1	15.6
30th Mar 2021	40.4	34.5
31st Mar 2021	33.2 *	34.3
9 th Aug 2021	26.5	29.8
8 th Dec 2021	24.1	27.4

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

Historical Sensex P/E Ratio Chart



Market capitalization-to-GDP ratio (%)



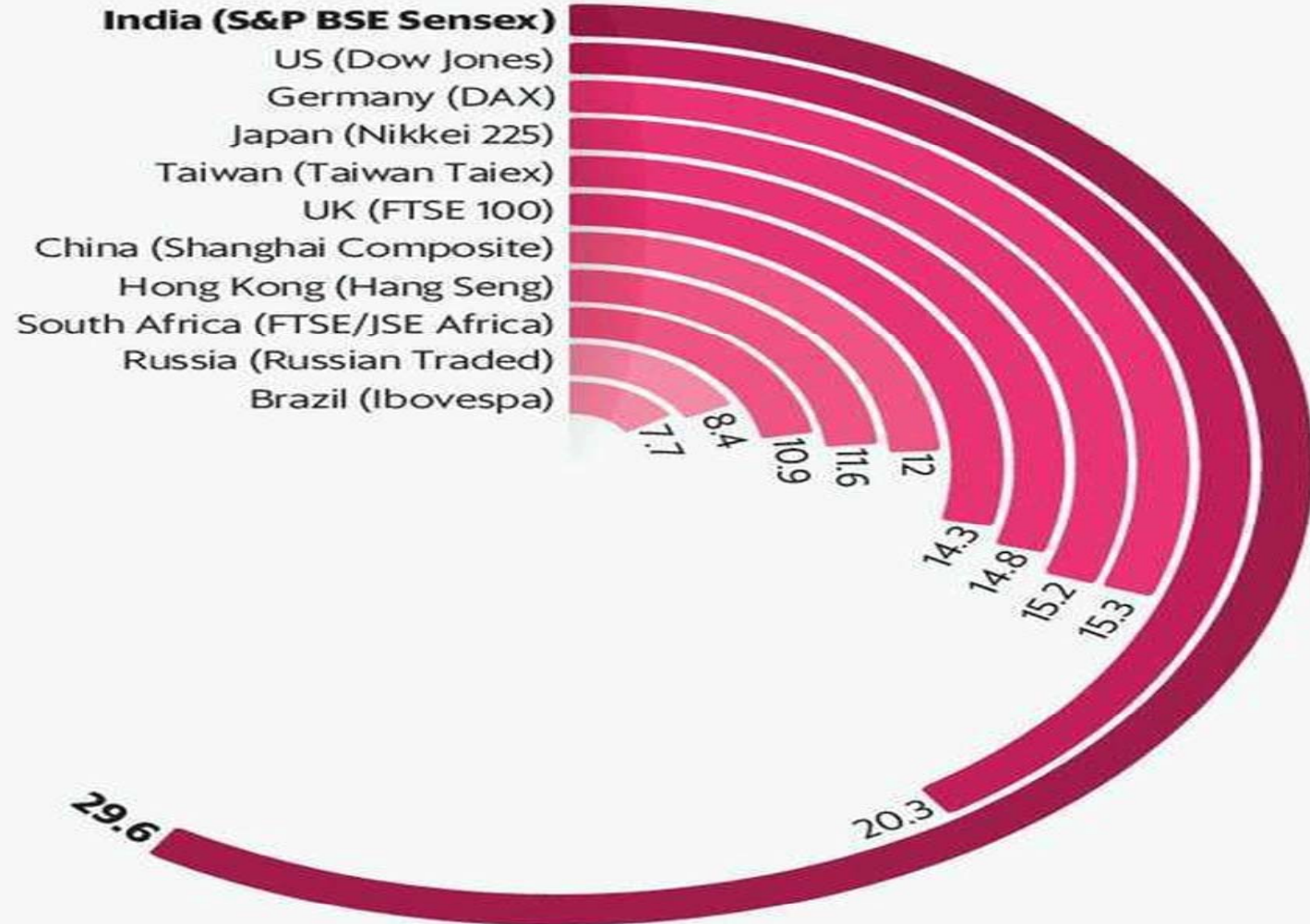
12-month forward Nifty P/B (x)



Source: Motilal Oswal

India is at present one of the most richly-valued stock markets

Price-to-earnings (PE) ratio on 29 October



Don't use P/E alone in below Cases



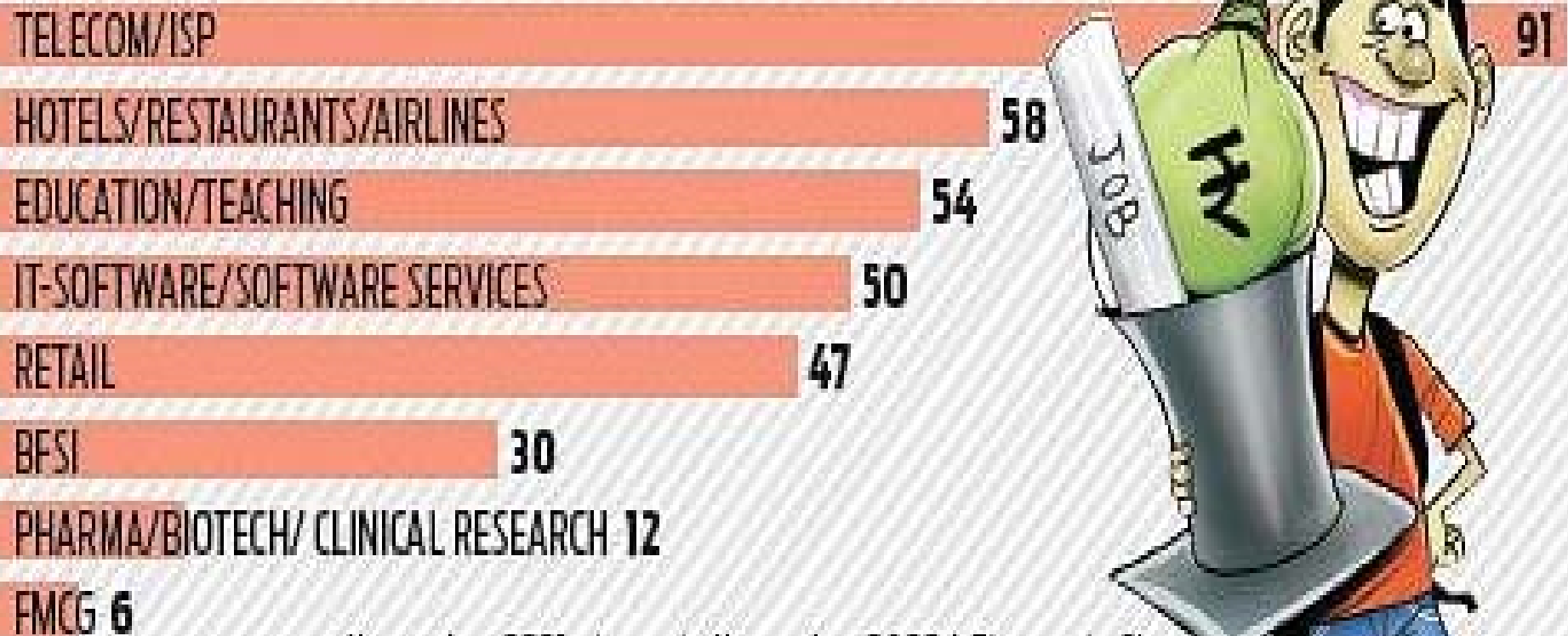
- Cyclical stocks
- Financials
- Companies in emerging business
- Completed huge capex

Earnings To See Recovery



- Strong employment generation
- Good monsoon
- Most of the sectors to do well and Covid affected sector like hotels to improve from here on

Hiring growth across key industries



November 2021 vis-a-vis November 2020 | Figures in %

Source: Naukri Jobspeak Index

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Theme To Focus – Capex Revival



- Low Capex spending during 2010 - 20 leading to higher capacity utilisation
- Strong corporate balance sheets
- Govt. PLI Scheme
- Huge investments in emerging business verticals like Electric vehicle , Green energy

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Playing Capex Theme



- Corporate Banks
- EPC Players
- Equipment Suppliers
- Industrial products
- Consumables

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New Emerging Business



- Electric Vehicle
- Green Energy

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Retail Auto Sales Weak



VEHICLE REGISTRATION

Category	Nov 2020	Nov 2021	YoY%	
2W	1,444,762	1,433,855	0.75	
3W	24,269	40,493	67	
PV	298,213	240,234	-19	
Tractor	50,180	45,629	-9.07	
CV	50,644	57,389	13.32	
Total	1,868,068	1,817,600	-2.7	

Source: FADA

Covid Fear Resurfaces



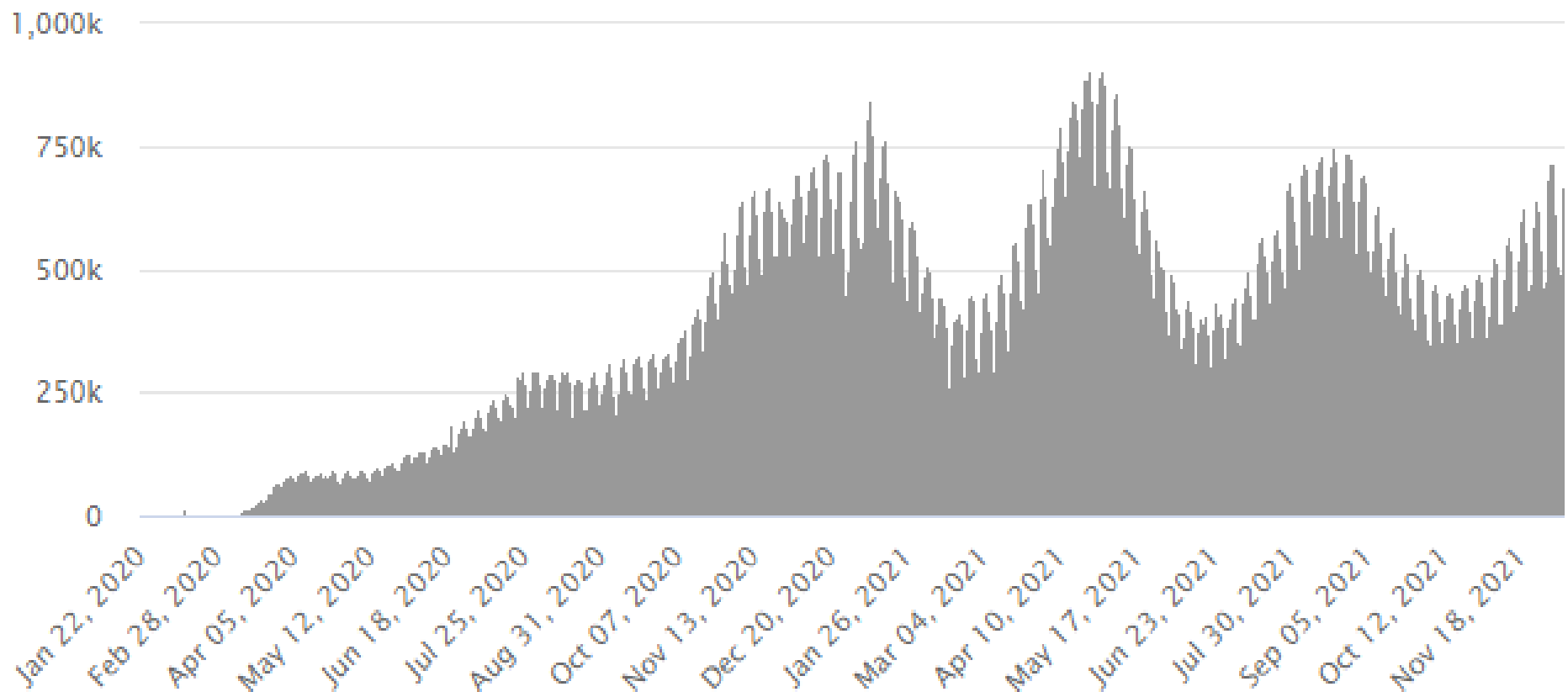
- Omicron Variant more contagious than Delta but till now less severe
- Healthcare authorities are cautious and taking precautionary steps
- Full lockdown unlikely unless hospitals see overflow of patients

Global Covid Cases – Never Ending Woe



Daily New Cases

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

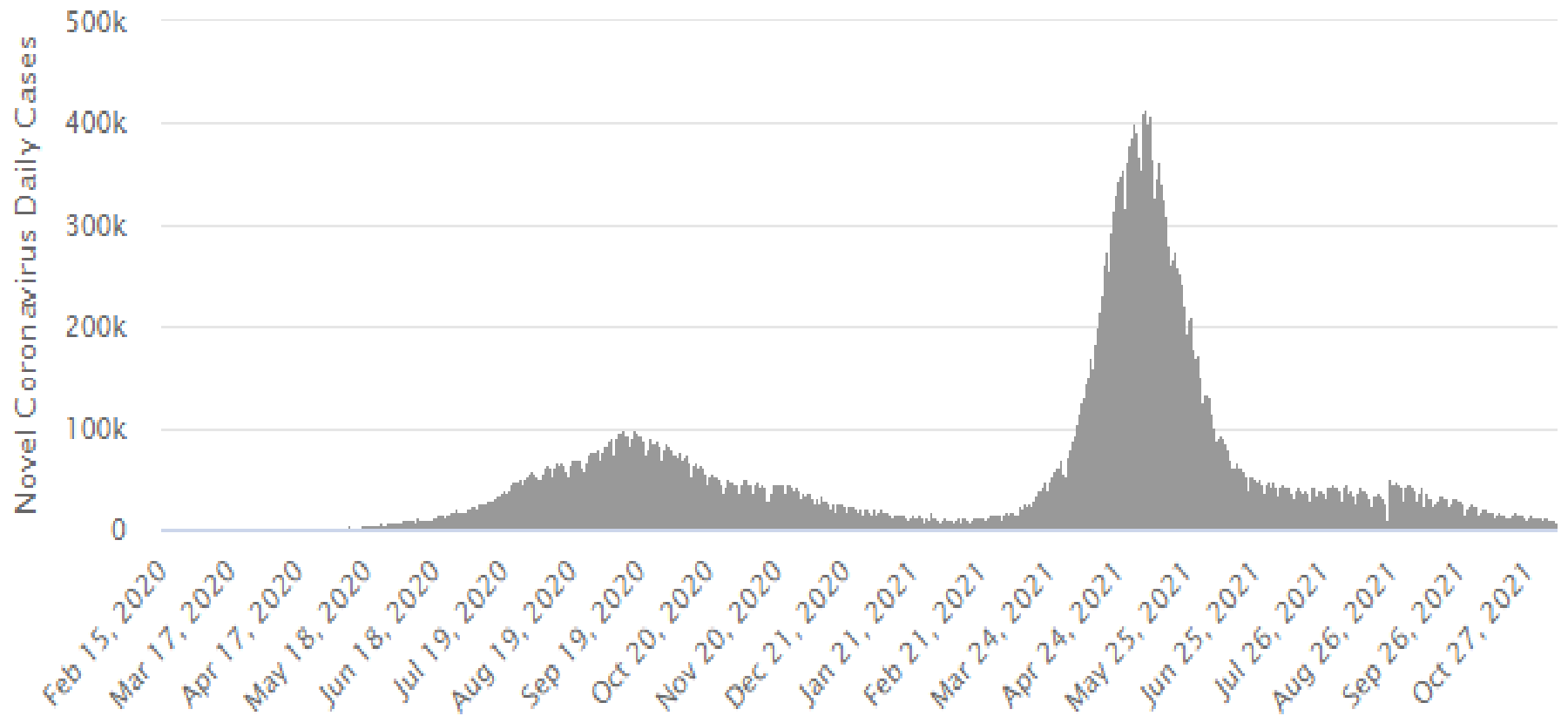


India Second Covid Wave Plateau

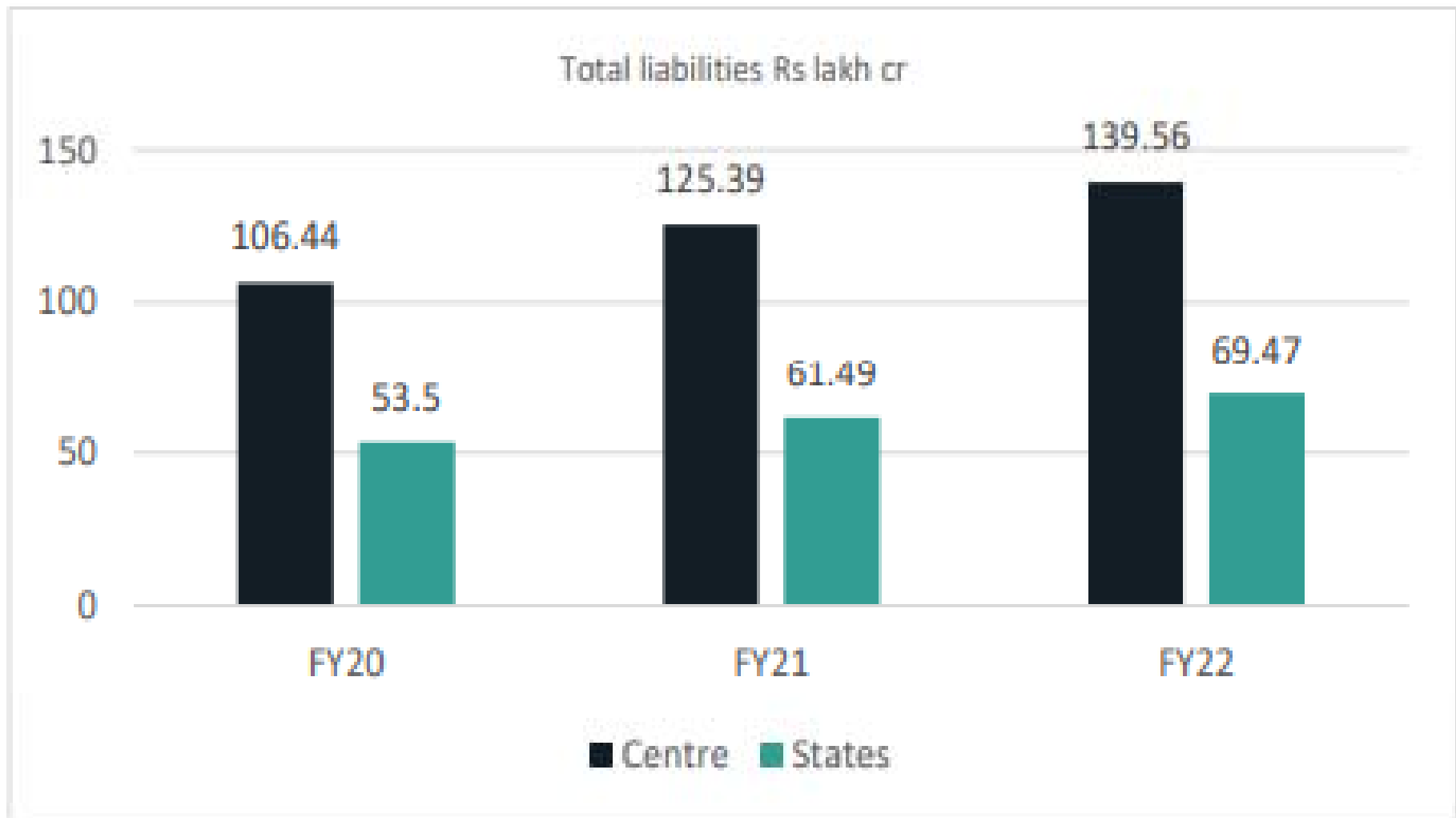


Daily New Cases

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



Govt. Debt – Getting Larger



Public Issues on Top Gear

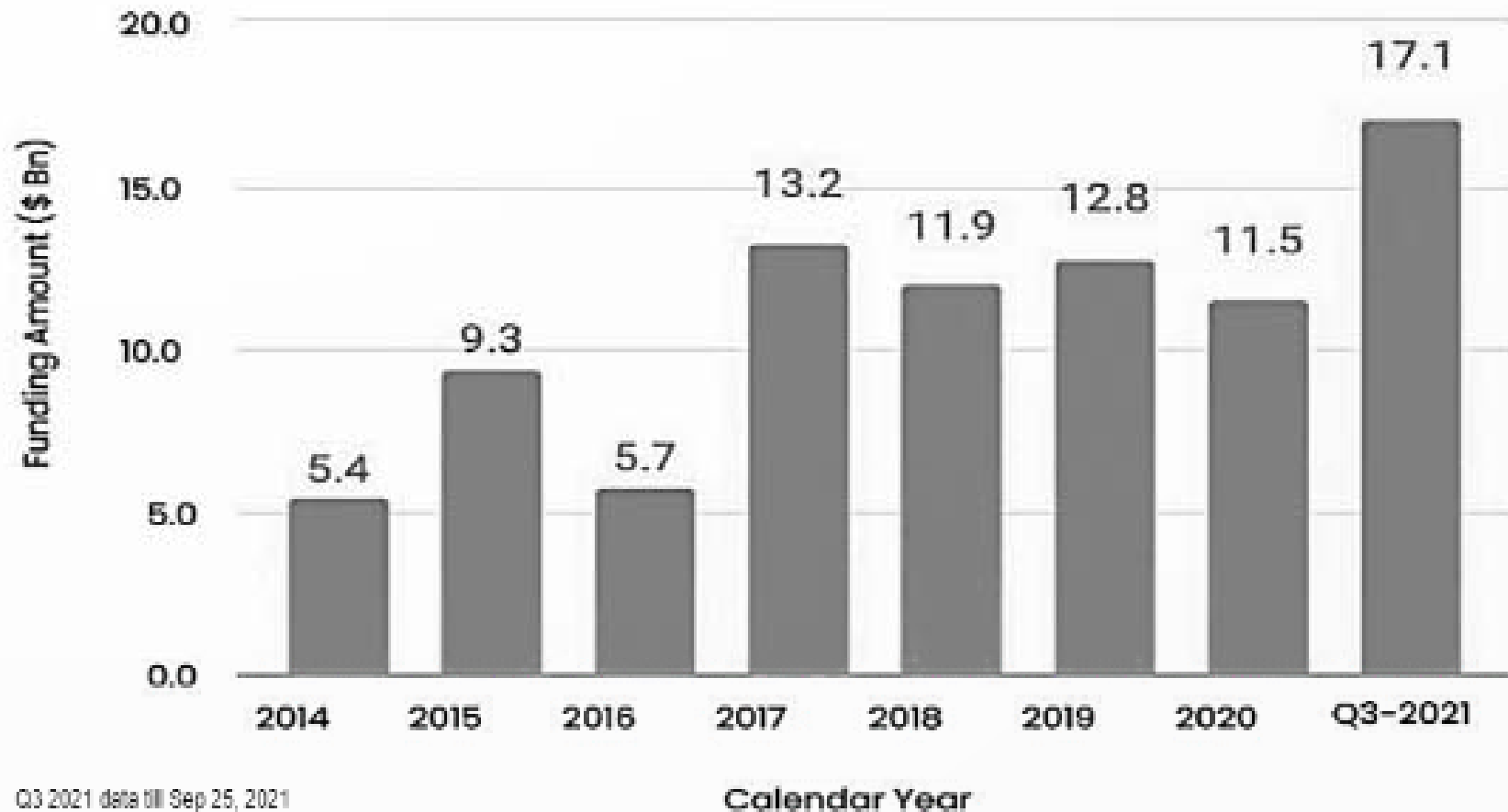


Financial Year	Amount Raised	No. Of Issues
2015-16	34,322	42
2016-17	36,615	53
2017-18	98,984	81
2018-19	36,405	42
2019-20	37,677	39
2020-21	74,707	69
2021-22 (as on 30/11/21)	1,06,761	56

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Indian Startups Raised Record Capital In Q3 2021



Q3 2021 data till Sep 25, 2021

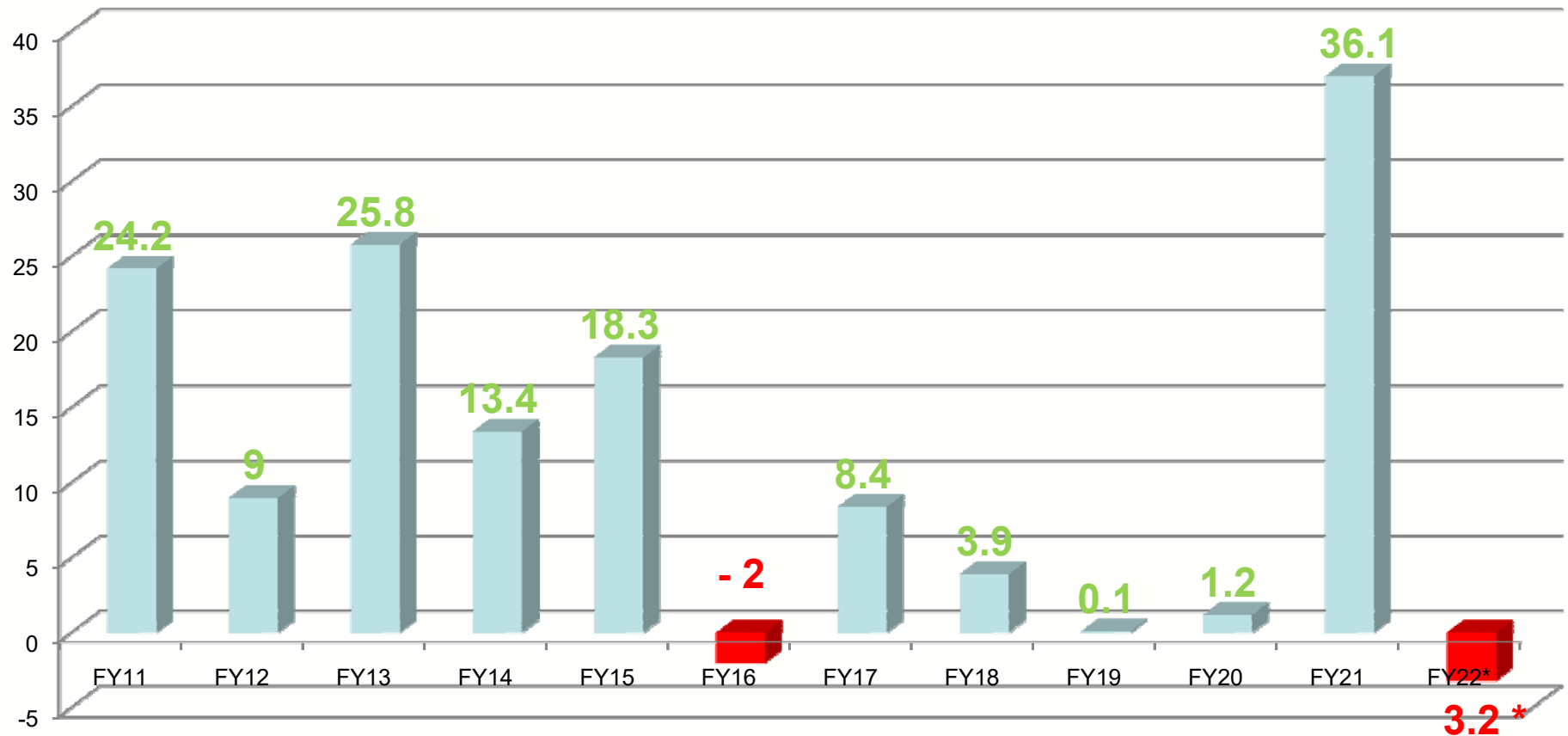
Volatile Crude Oil



FPI on Continuous Selling Mode



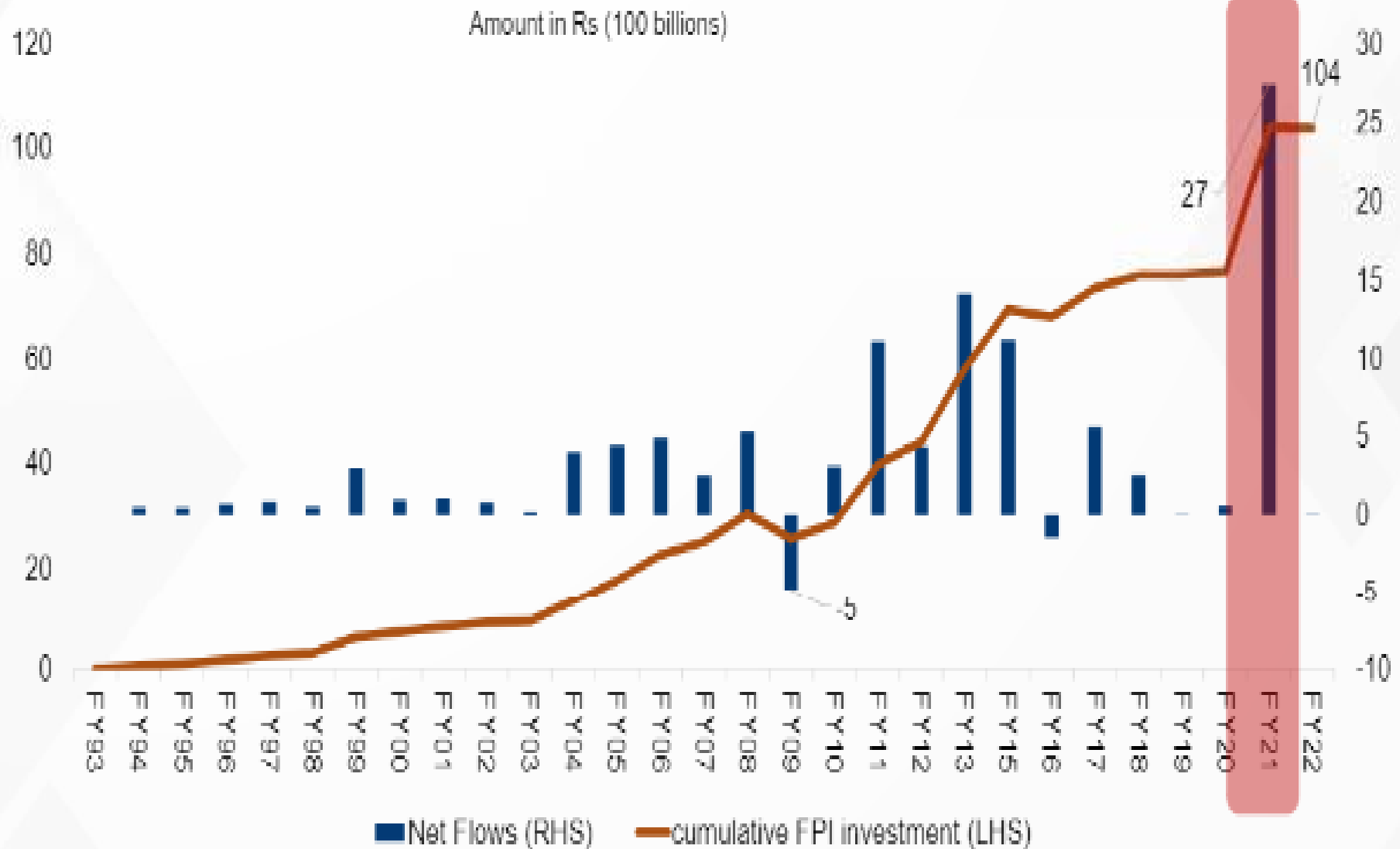
FPI Flows in US Bn \$



* Till Dec 7th



26% Of All FPI Equity Flows Invested In Last 30 Years Have Come In FY21

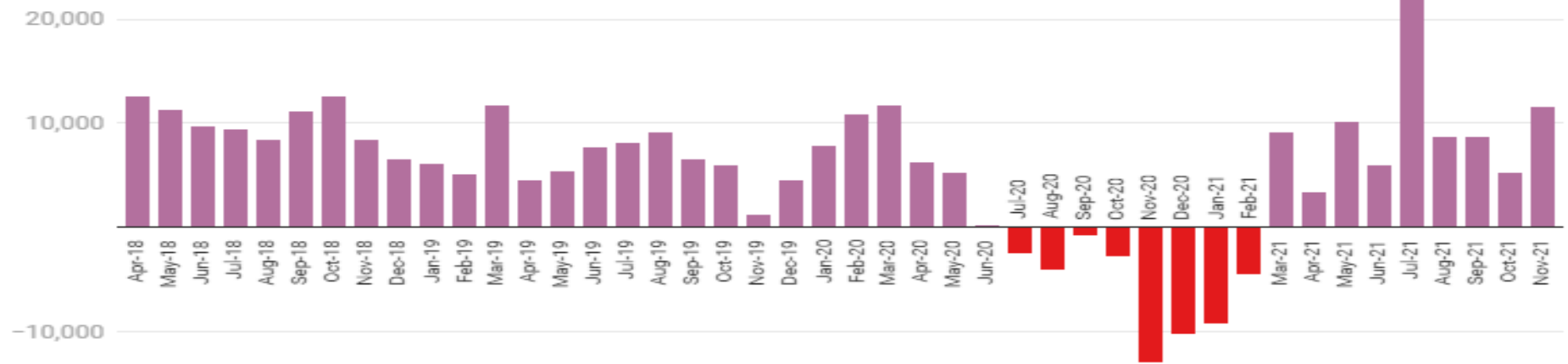


Equity Mutual Fund Flows



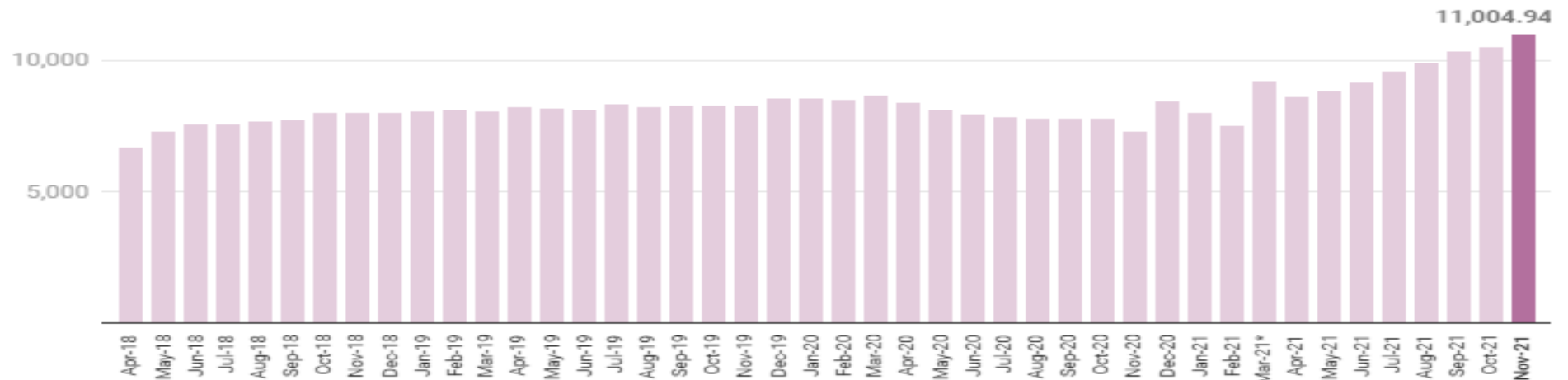
Net Equity Inflows

(Rs crore)



SIP Contribution

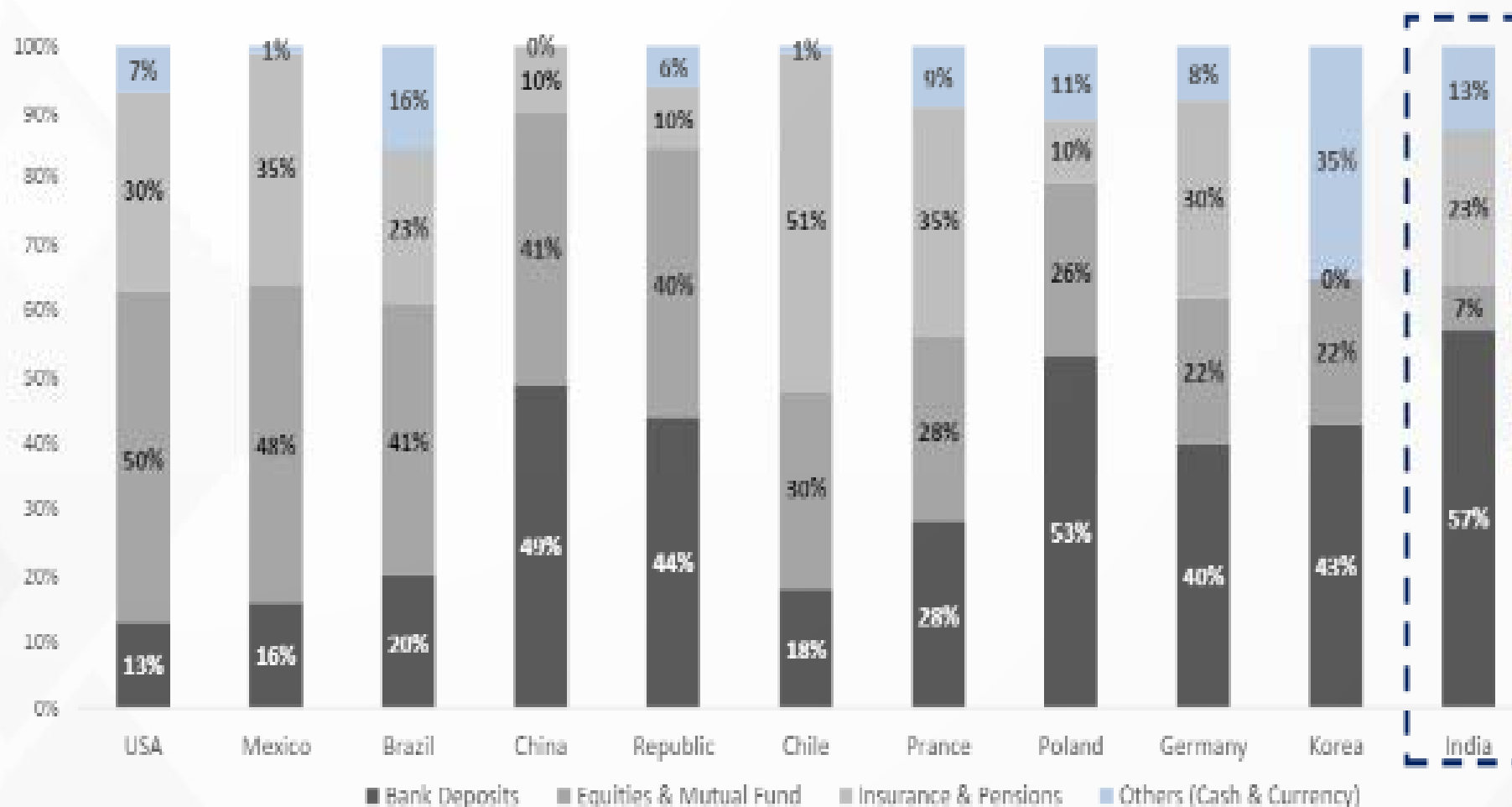
Net investments (Rs crore)



'Financialisation Of Savings' Has A Huge Potential Ahead



India's domestic equity holdings at 7% of financial assets vs 30% average of EMs.



Conclusion



- Market will see consolidation in December
- January likely to see pre budget rally

Events To Watch



- Foreign flows
- US Tapper



Thank You

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