



Current Market Scenario

10 Dec 2022

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Indices Touches New All Time High



- Broader market started seeing action
- Portfolios underperforming
- US Bond Yield down
- Weak global economy

INDEX WATCH

INDEX	10, Dec	12, Nov	% Change
Nifty	18,496	18,349	+ 0.8
Sensex	62,181	61,795	+ 0.6
Nifty Midcap	32,325	31,381	+ 3.0
BSE Small Cap	29,558	28,985	+ 1.9

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Markets At All Time High



Nifty

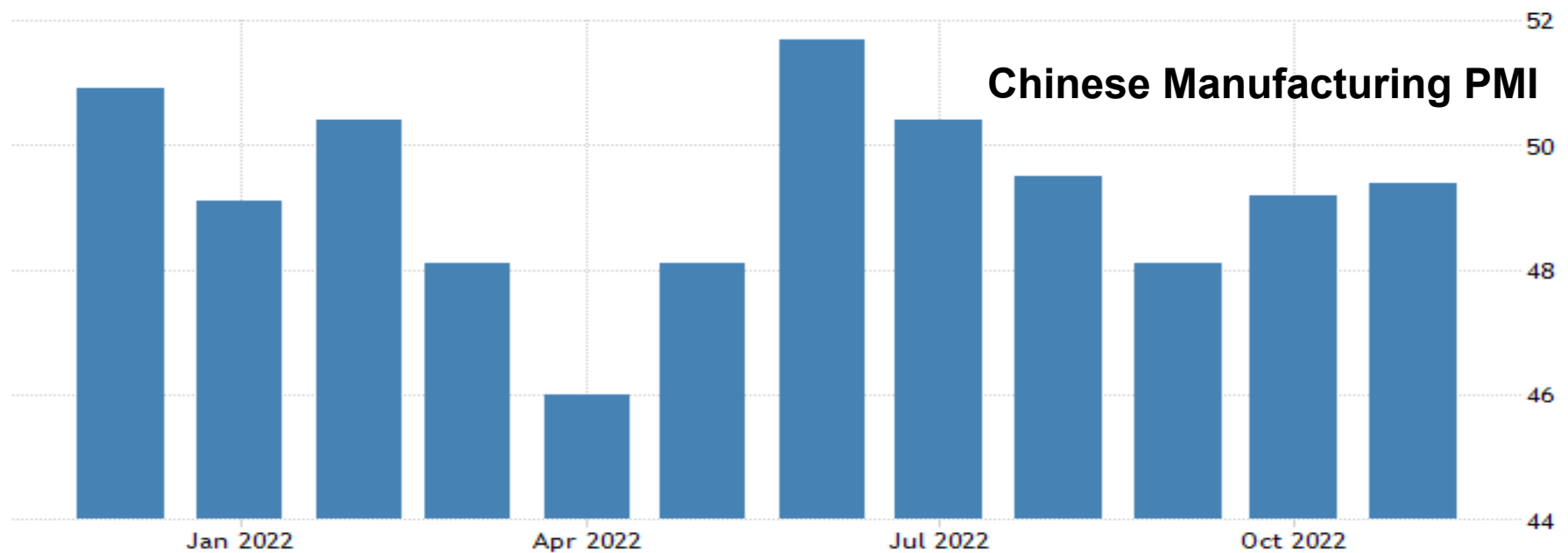


Gainers & Losers

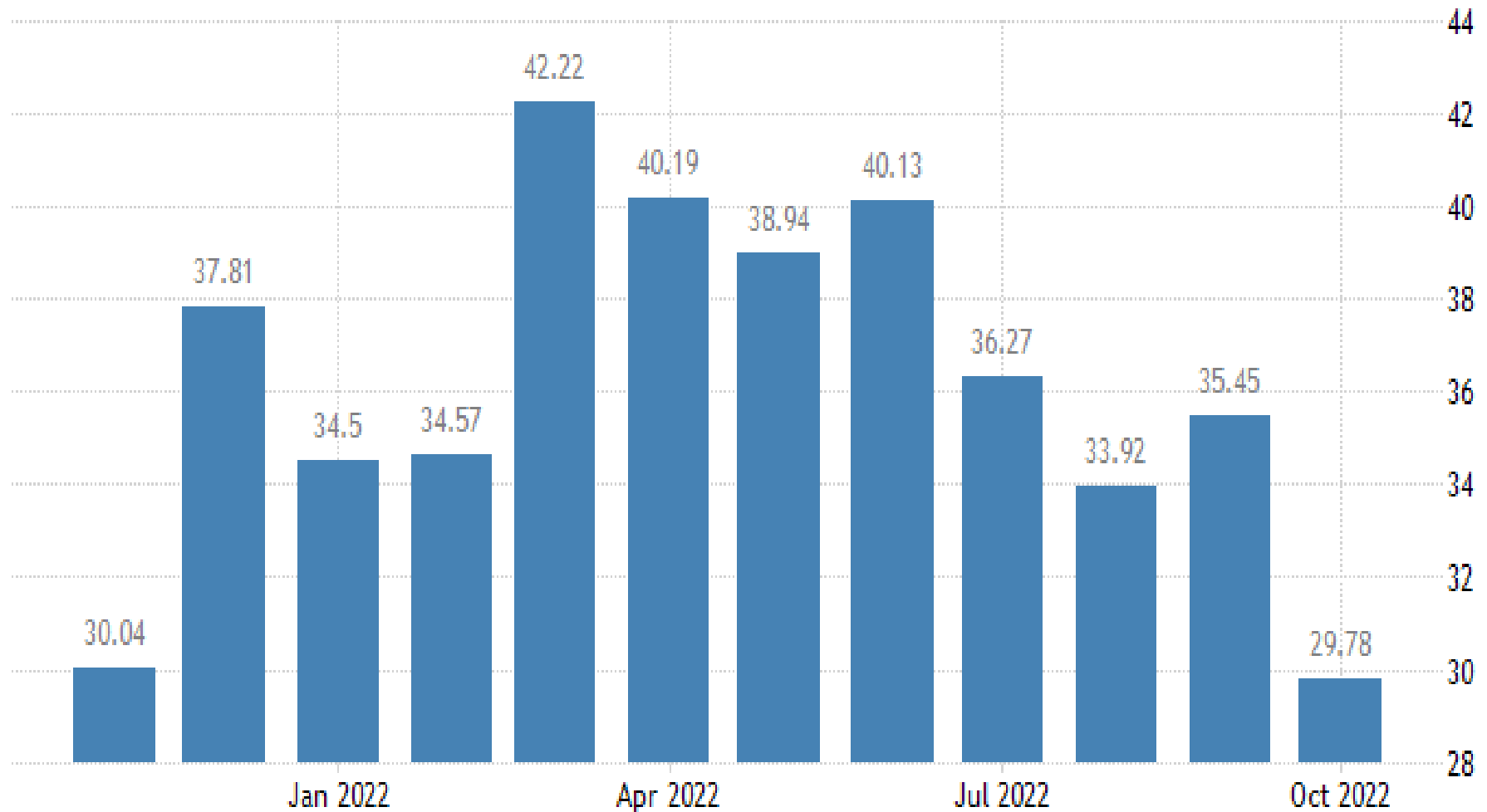


Out Performers	Under Performers
PSU Stocks	High P/E shares
Defence Stocks	New Gen companies
Adani Group	IT
Banks	Kotak Bank , HDFC Bank
ITC	

Weak Global Economy



India Exports



Markets Betting on Capex Cycle Recovery

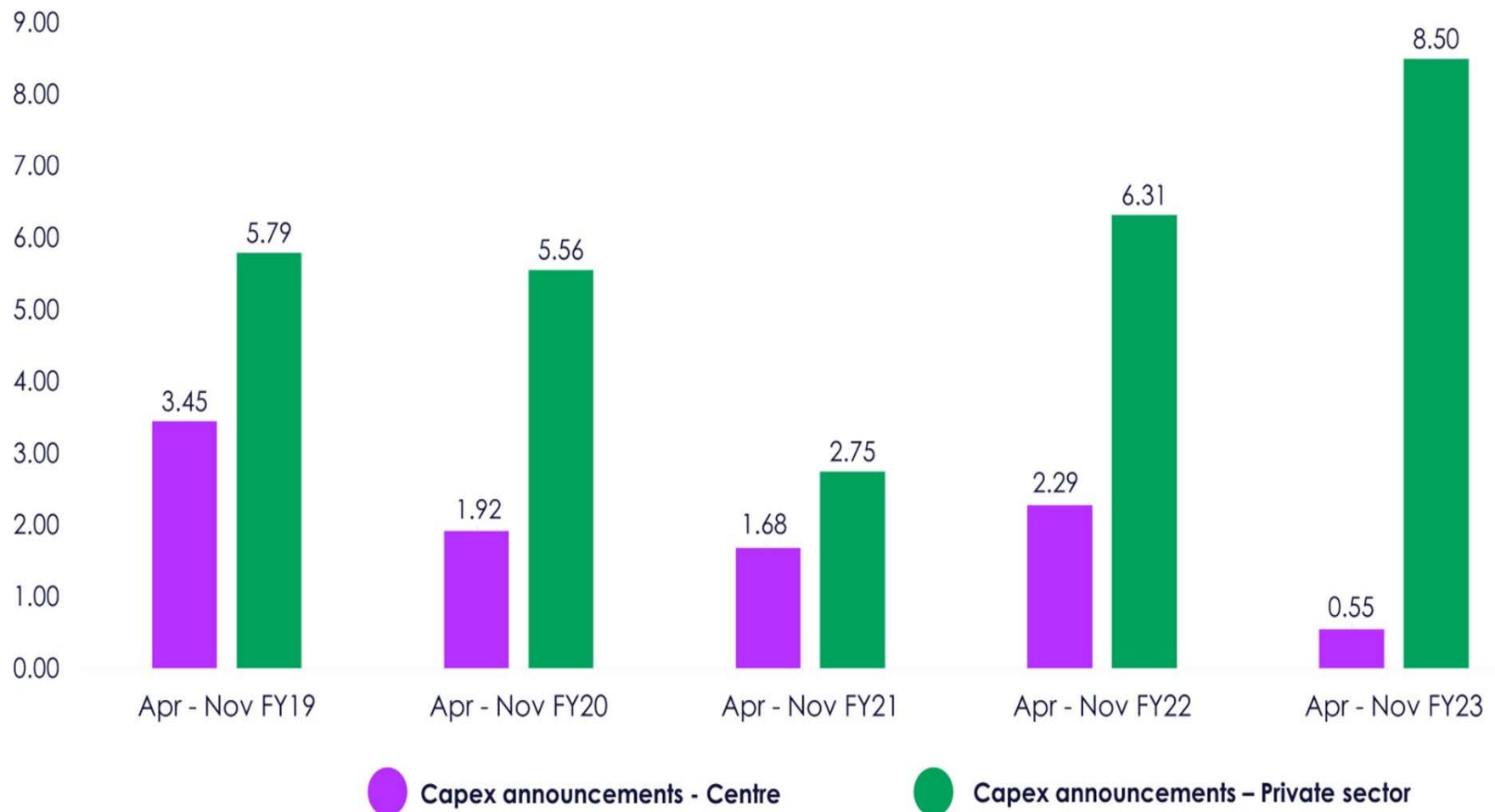


- PLI Schemes, China + 1 strategy , renewable energy investment leading to higher capex by corporate
- Next year will see visibility on ground level
- Public and Private capex is a good mix to propel economic growth



Private sector's new project announcements up 35% YoY and 53% over pre-covid era

(New capex announcements in Rs lakh crore)



Govt. Capex



Six Main Heads of Capital Expenditure (₹ crore)

	H1 FY22	H1 FY23	% Change
Road Transport and Highways	73,787	1,21,893	65.2
Railways	46,262	88,548	91.4
Defence	63,646	64,075	0.7
Food & public distribution	2,570	9,732	278.7
Housing and Urban Affairs	13,429	9,121	-32.1
Transfer to States	5,669	5,854	3.3
Total Capital Expenditure	2,29,351	3,42,889	49.5

Source: CGA

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RBI Hikes Repo Rate



RBI Repo Rate



- Interest rate near peak in current rate hike cycle
- Monetary policy committee may wait for data for further changes
- Transmission of rates will happen in coming days

Brent Crude – At Pre War Level



Strong Credit Growth



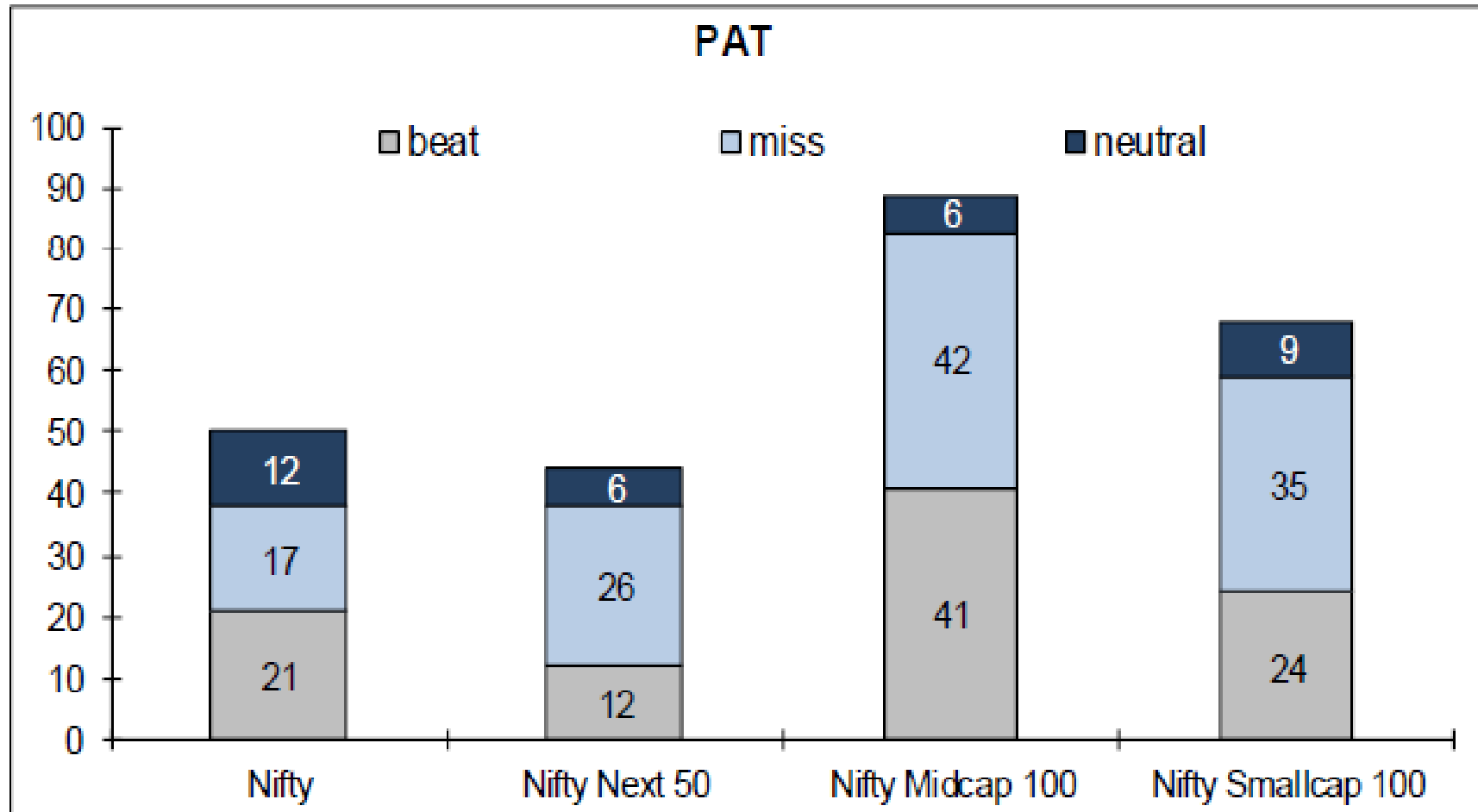
Long term YoY credit growth %



Q2 Results are Mixed



Chart 9: Beats and misses in Q2FY23 evenly poised



Source: Bloomberg, Capitaline, I-Sec research

Note – Within +/- 3% of consensus PAT is neutral while > +3% is beat and < -3% is miss.

Resilience in Commodities



- Steel companies stock price holding in spite of poor Q2 results
- Weak Chinese economy failed to trigger negative sentiment
- Balance sheet are stronger than pre Covid levels
- Corporate focusing on price rather on volume

Nifty P/E – Elevated level



Nifty P/E



- Nifty P/E is calculated on consolidated earnings with effect from April 2021
- More over valued stocks getting added in index
- Valuation should be seen in context with interest rates

S&P BSE PSU Index



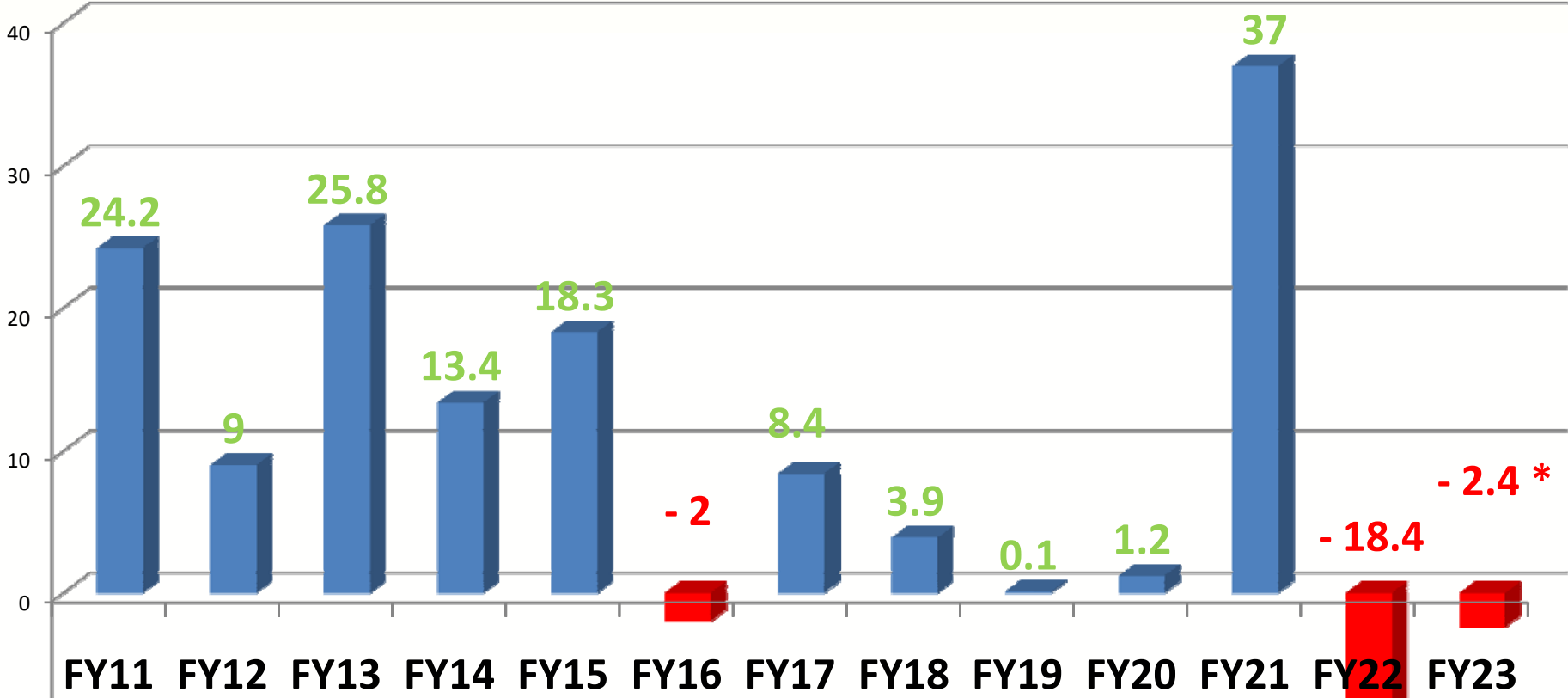
US 10 Yr Bond Yield



FII Activity



FPI Flows in US Bn \$



* Till Dec 8th

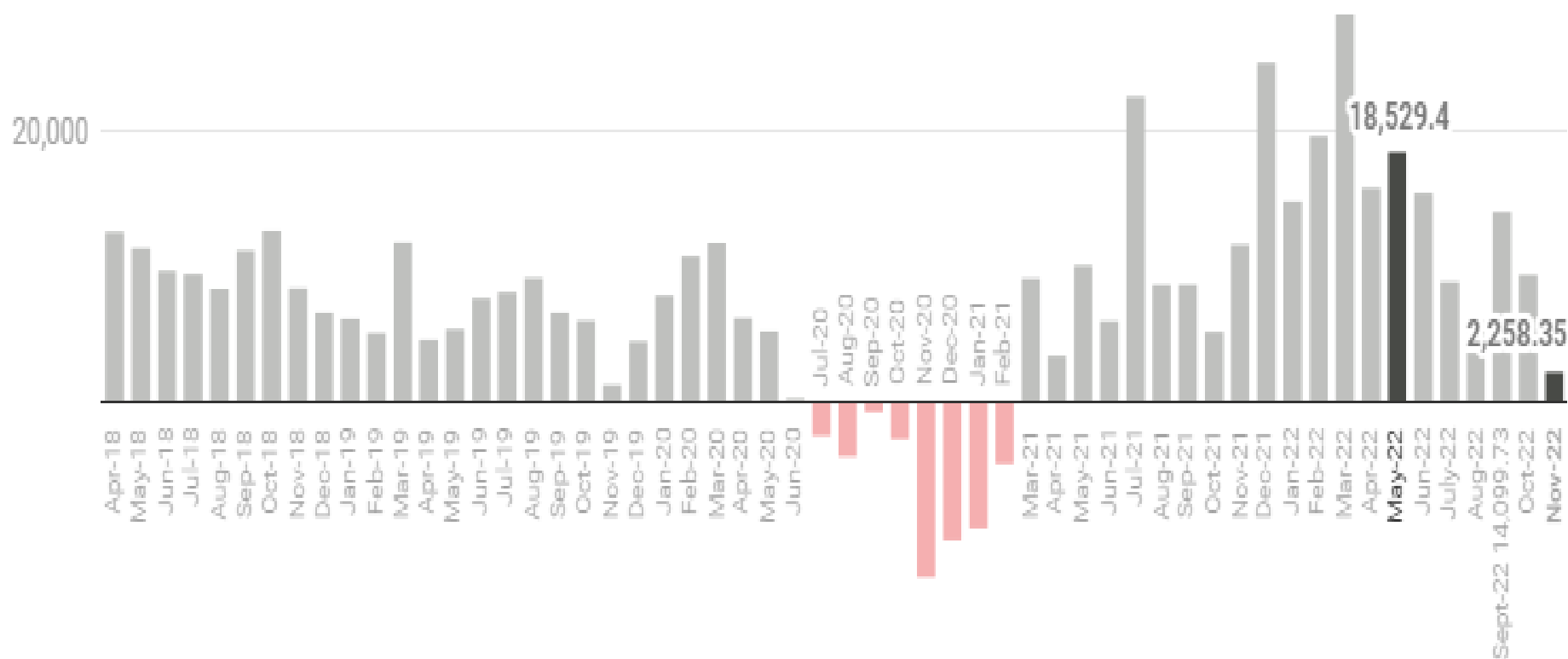
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Mutual Fund Flows



Net Equity Inflows

(Rs crore)



Stock Specific Action



- Markets are going to be divergent
- Going to be stock pickers market

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Events To Watch



- Geopolitical developments
- Pre Budget Action



Thank You

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