



Current Market Scenario

09 Dec 2023

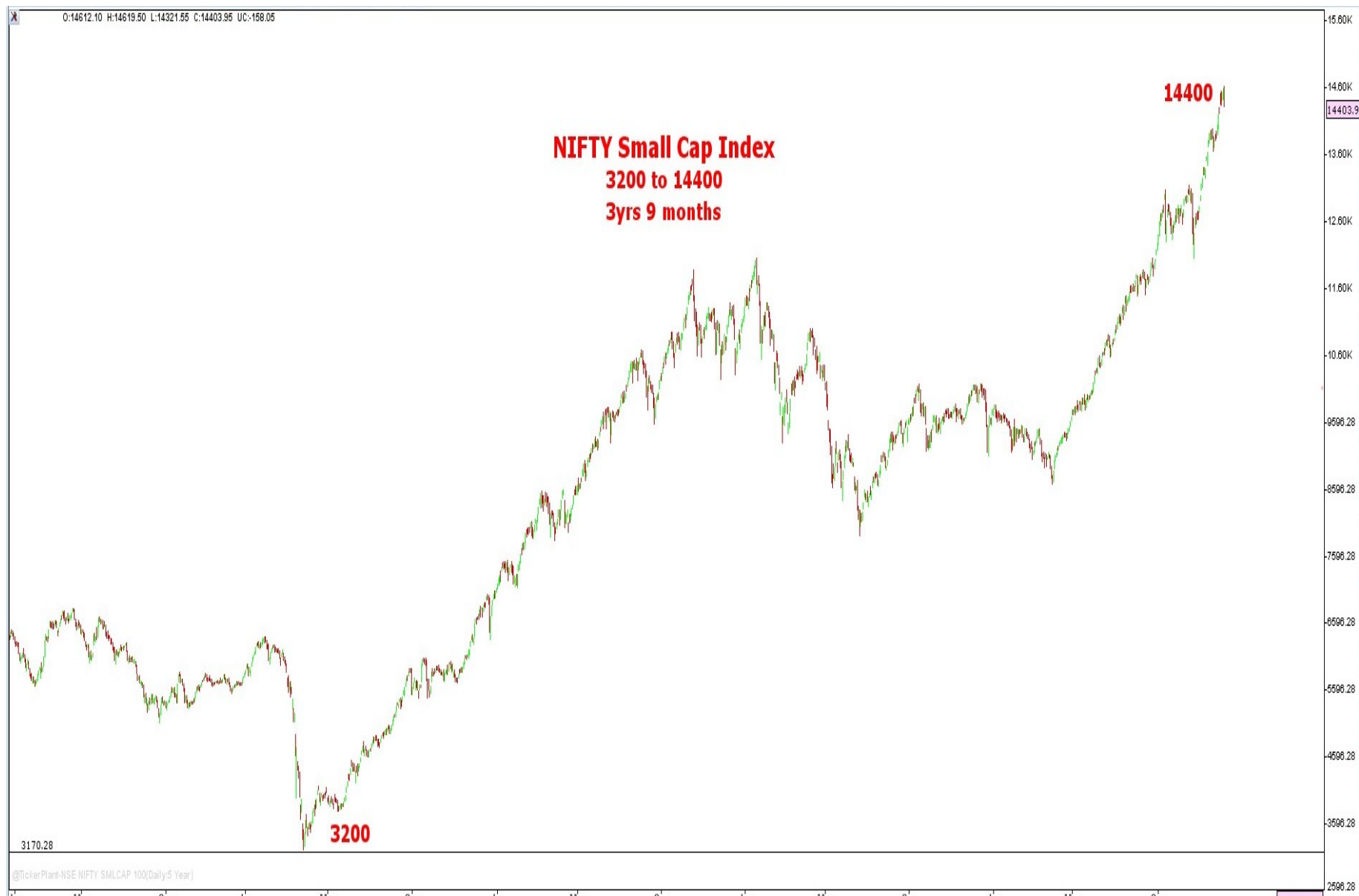
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O:44662.50 H:44758.35 L:44033.15 C:44400.20 UC:94.80





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Index Changes – Apr 20 to Dec 23

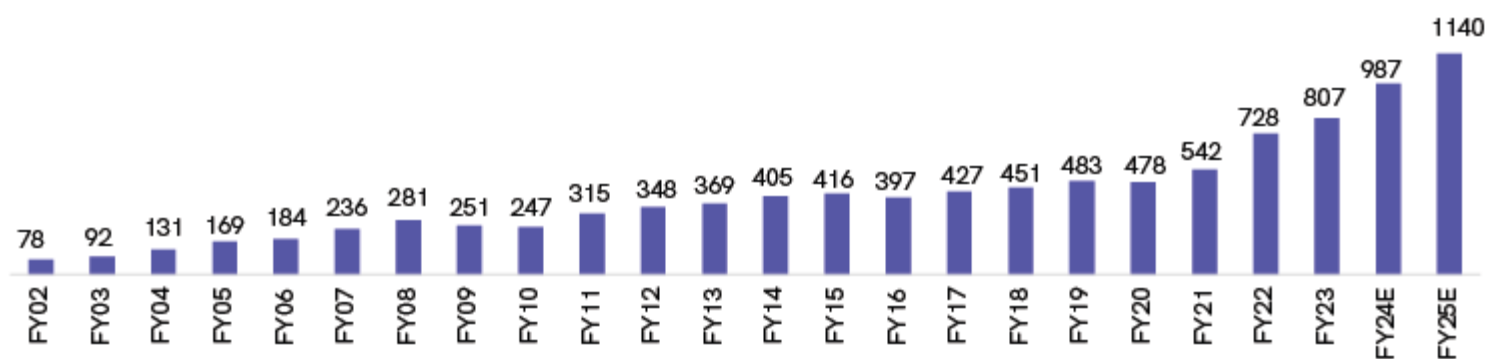


Nifty	7500 to 21000 = 13500	2.8 times	12 to 19 P/E	1.6 times
Nifty Mid Cap	10600 to 44000=33400	4.2 times	12.5 to 26 P/E	2.1 times
Nifty Small Cap	3200 to 14400=11200	4.5 times	8 to 21 P/E	2.6 times

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Nifty EPS



Source: Motilal Oswal Financial Services

*Excluding TATA Motors.

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Finbonacci Retracement levels for NIFTY



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O:20934.10 H:21006.10 L:20862.70 C:20969.40 UC:68.25

NIIFTY New Upward Channel

@TokerPlant-NSE NIFTY 50(Daily;1 Year)

Oct 18 Nov 17 Dec 18 Jan 17 Feb 15 Mar 17 Apr 24 May 17 Jun 18 Jul 18 Aug 17 Sep 15 Oct 17 Nov 16 Dec 8 Dec 2023

21.25K
21.00K
20.75K
20.50K
20.25K
20.00K
19.75K
19.50K
19.25K
19.00K
18.75K
18.50K
18.25K
18.00K
17.75K
17.50K
17.25K
17.00K
16.75K
16.50K

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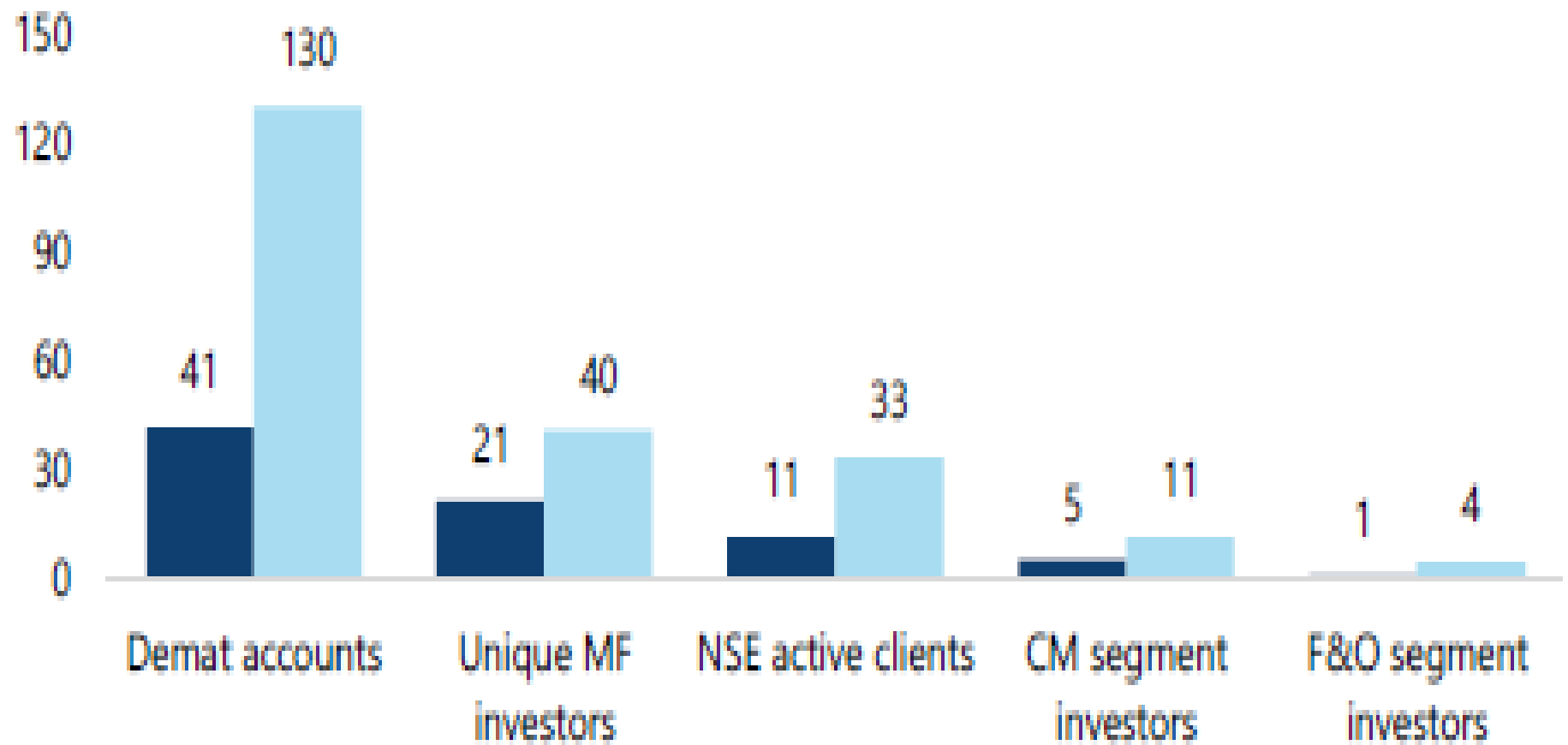
Covid – Turning Point for Indian Capital Market



- Domestic Retail investors turn to financial market for long term savings
- Record demat account opening and mutual fund SIP flows
- Markets no longer heavily dependent on foreign flows

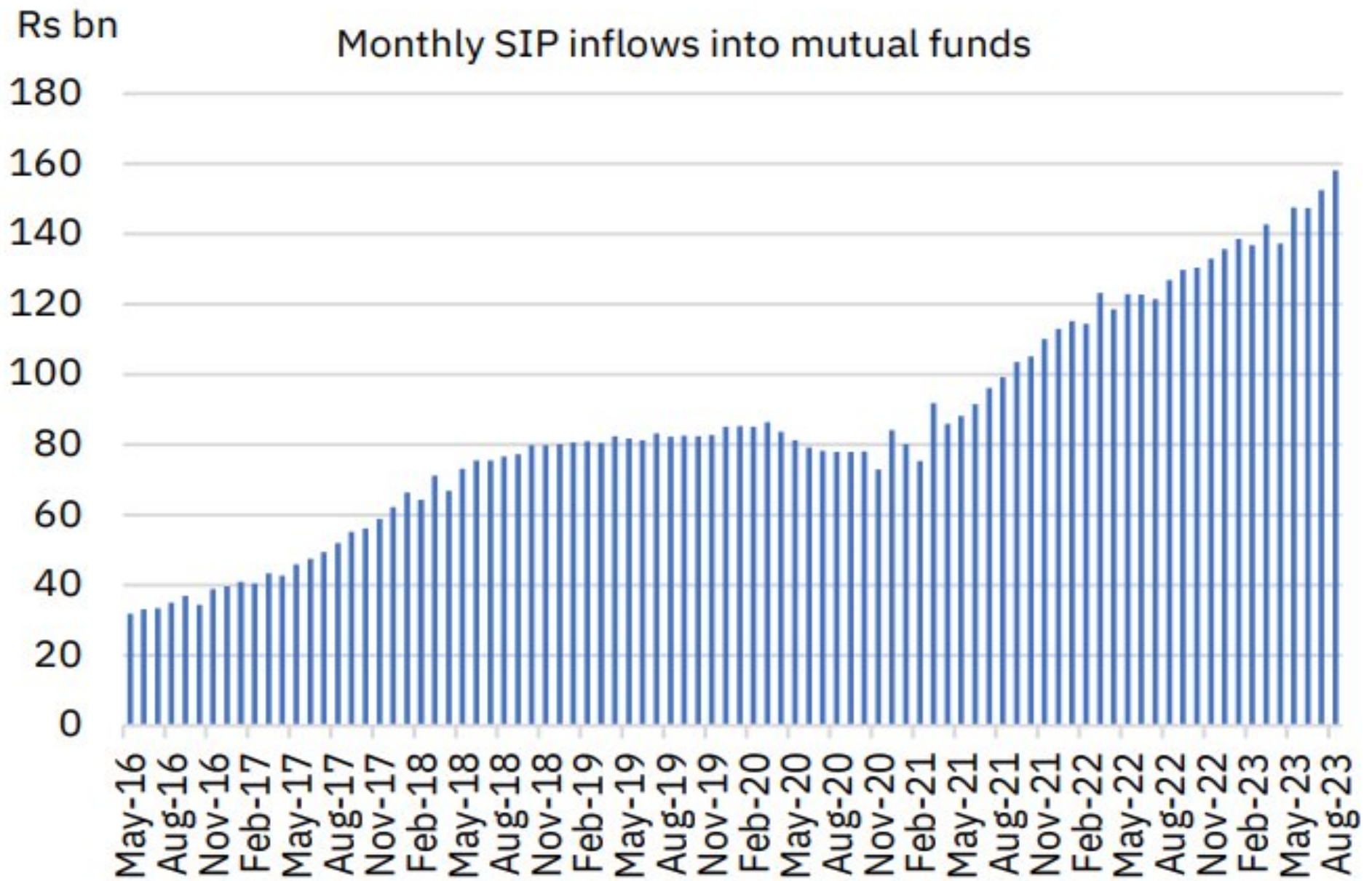
Key market statistics (mn)

■ Mar-20 ■ Sep-23



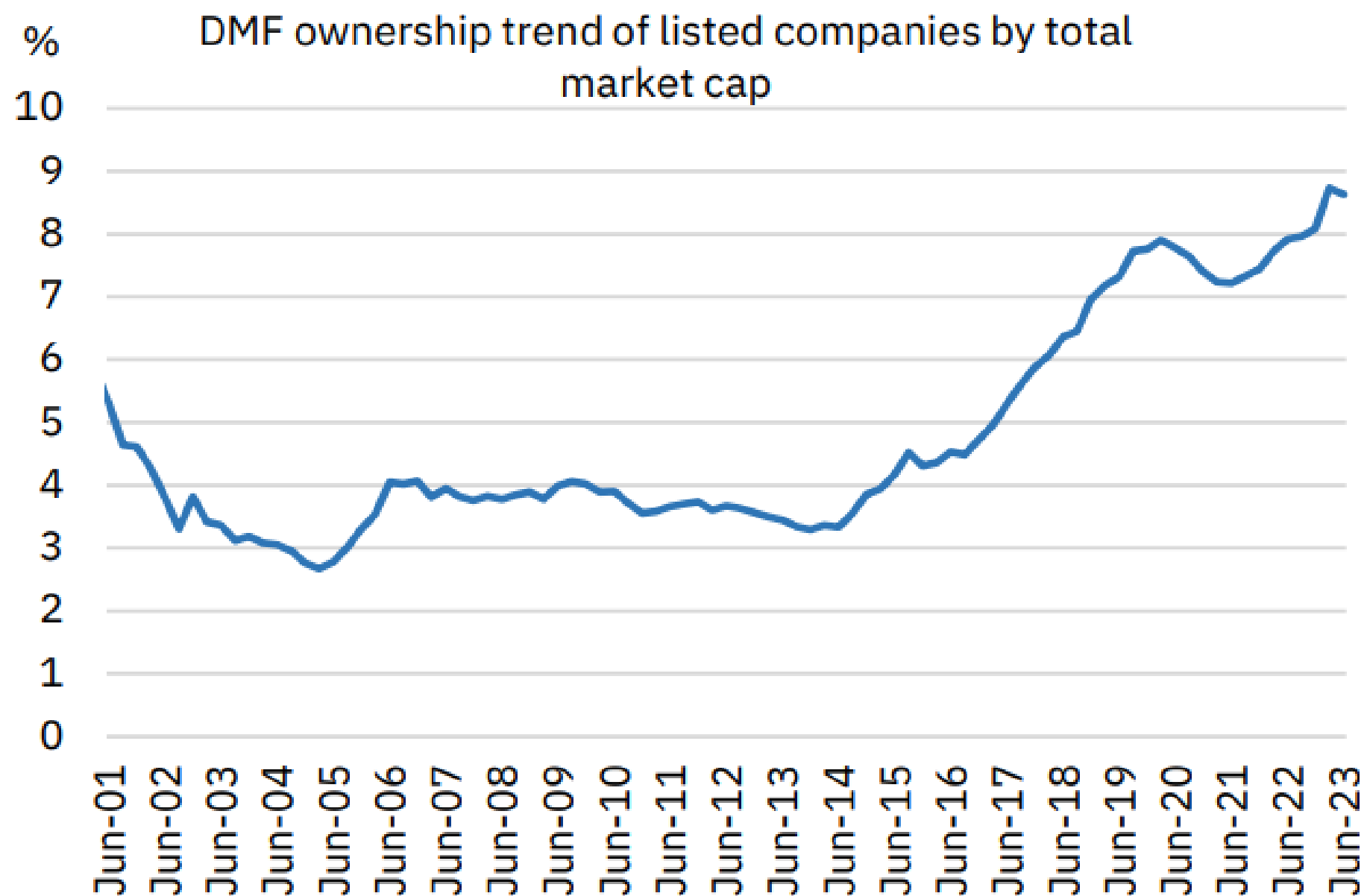
Source: NSDL, CDSL, CAMS, NSE, Jefferies

Figure 15: Monthly SIP inflows into mutual funds



Source: AMFI, NSE EPR.

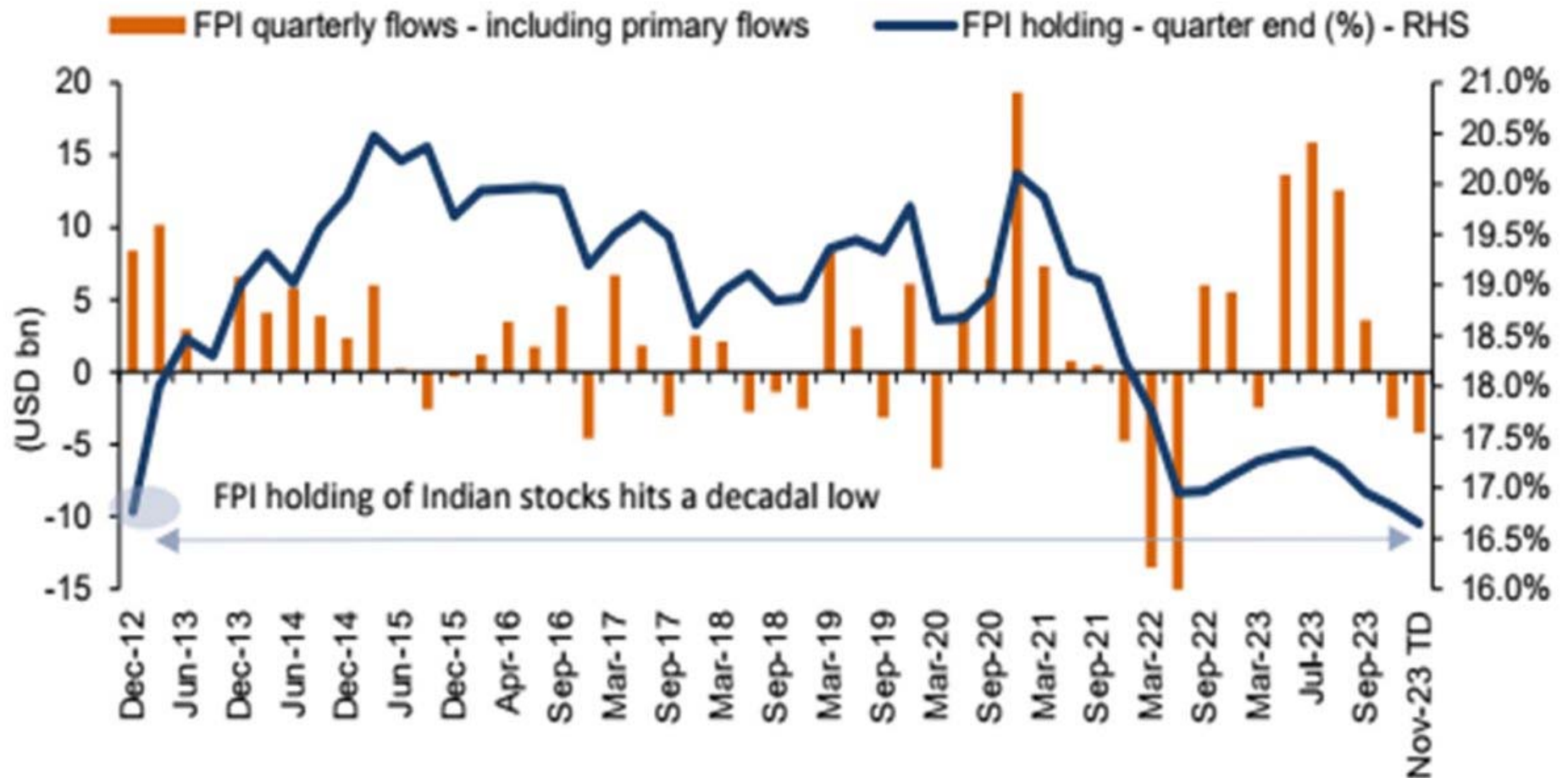
Figure 6: DMF ownership trend of NSE-listed companies by total market cap



FPI Ownership Falling



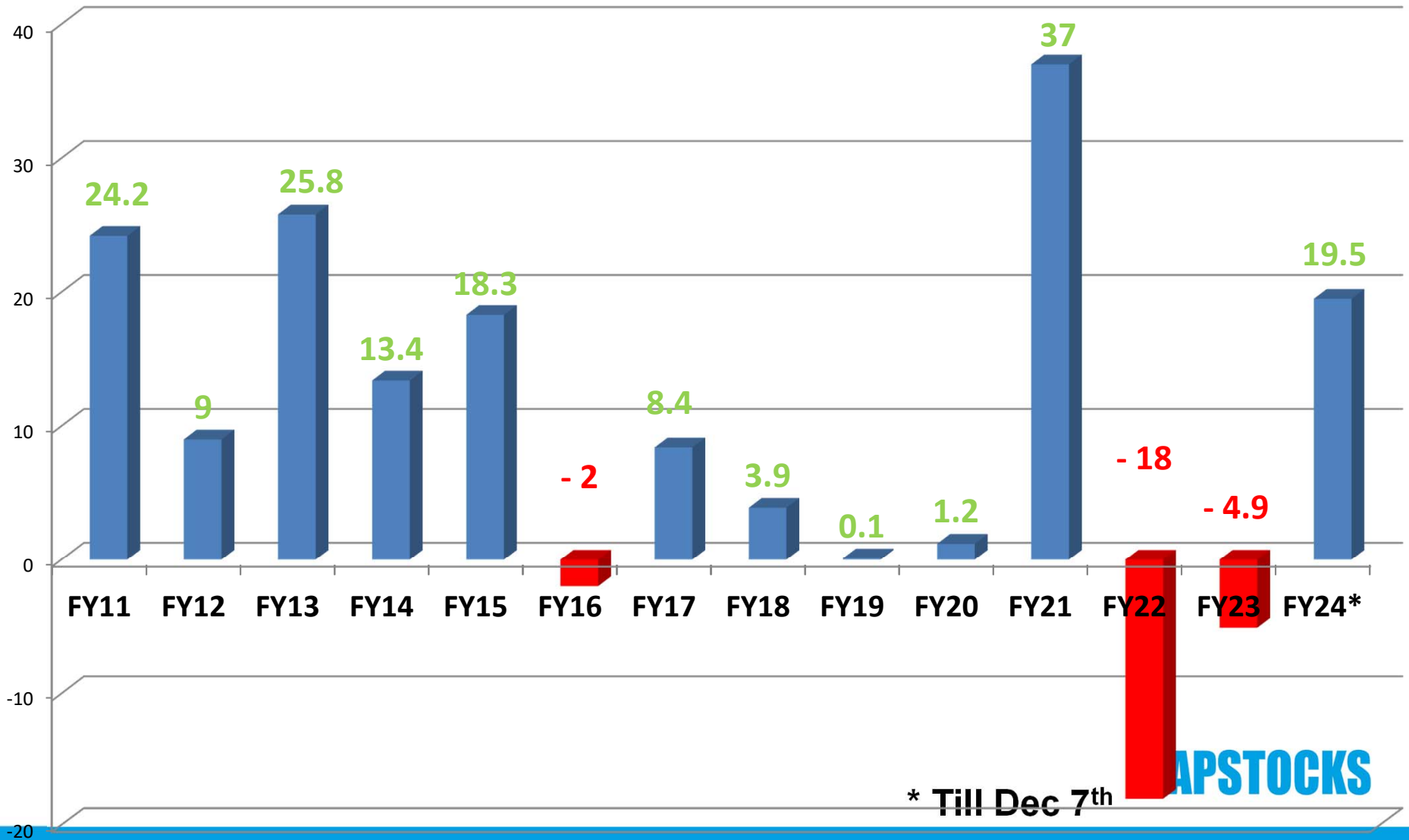
Exhibit 1: FPI holding of Indian equities hits decadal low even as fundamentals approach historical best



FPI Flows - Yearly

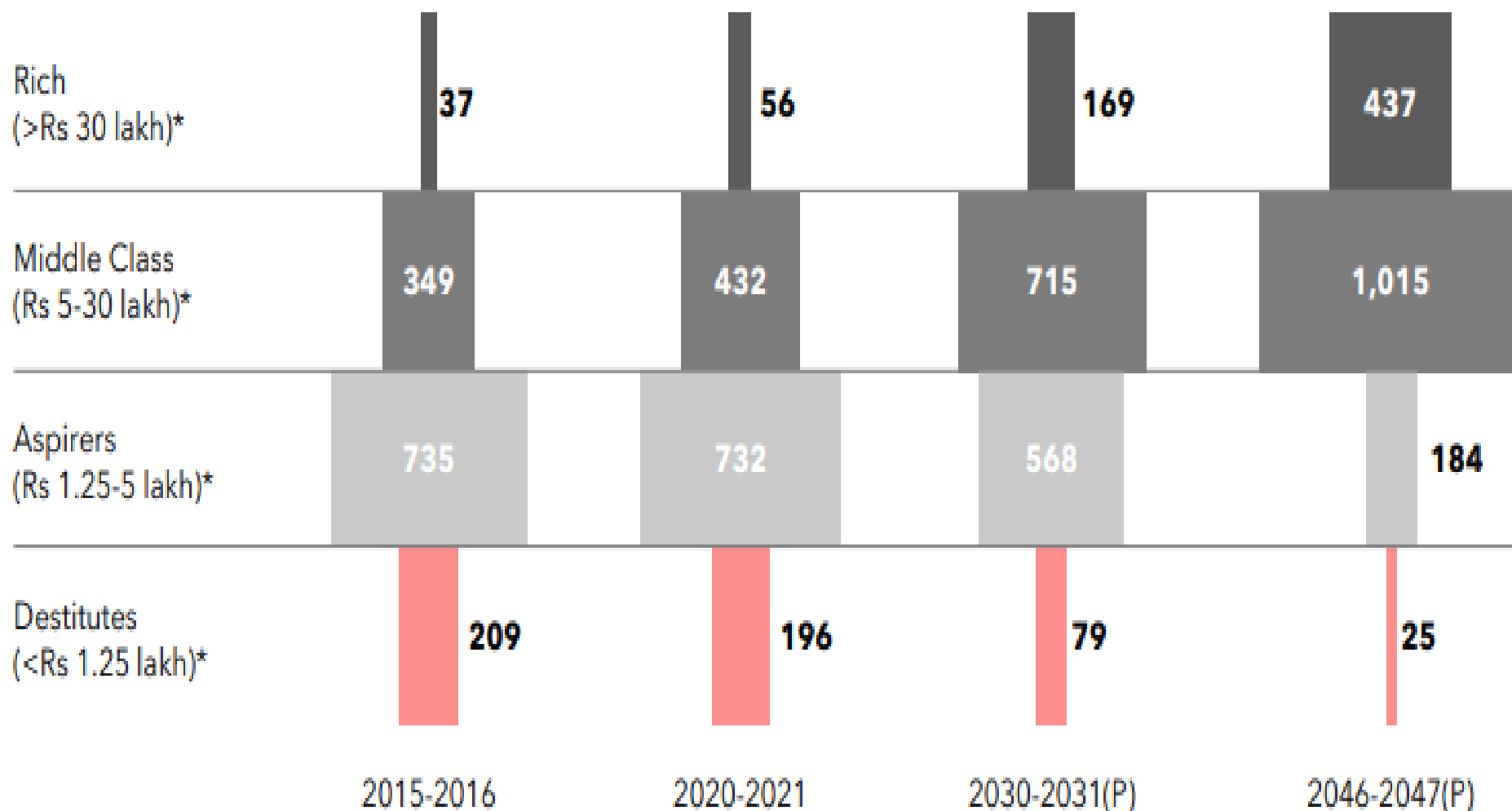


FPI Flows in US Bn \$



INDIA'S INCOME PYRAMID

(Population in million)

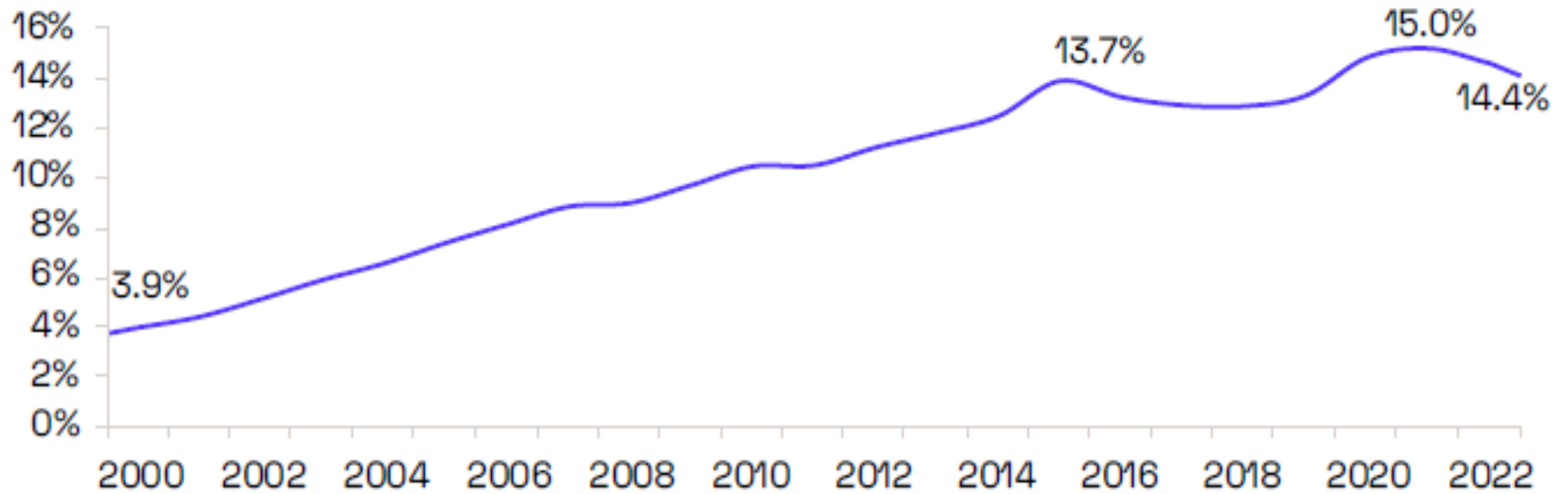


This represent people in each households

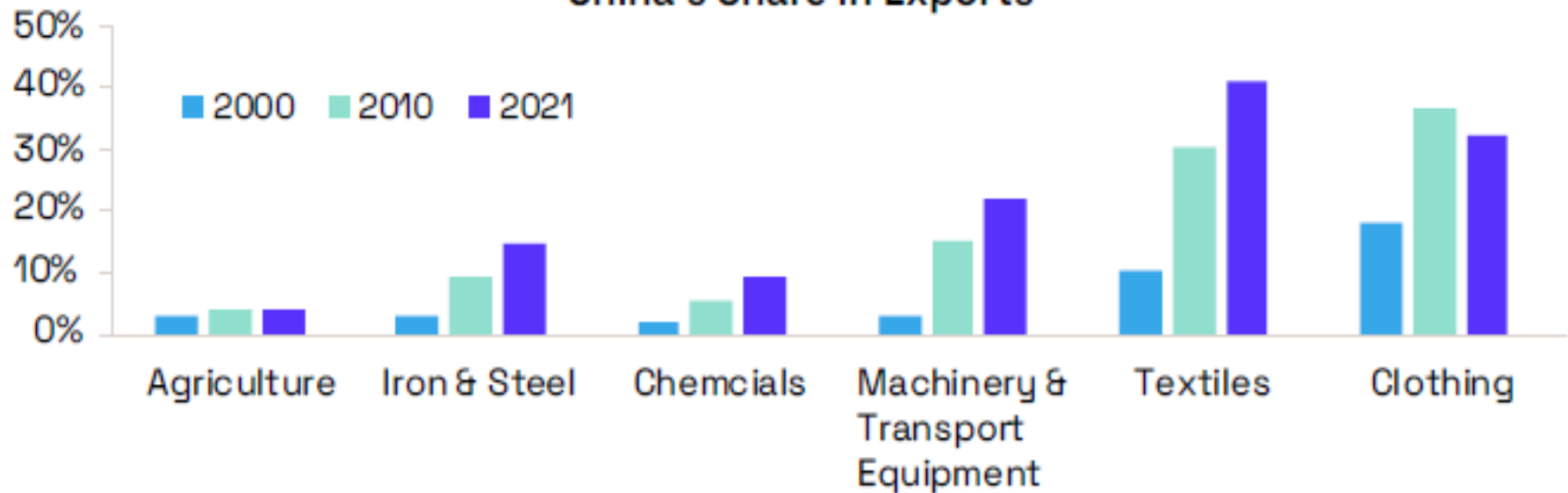
**Annual household income at 2020-21 prices*

Source: ICE 360

China's Share in Global Goods Exports



China's Share in Exports



China Population To Fall



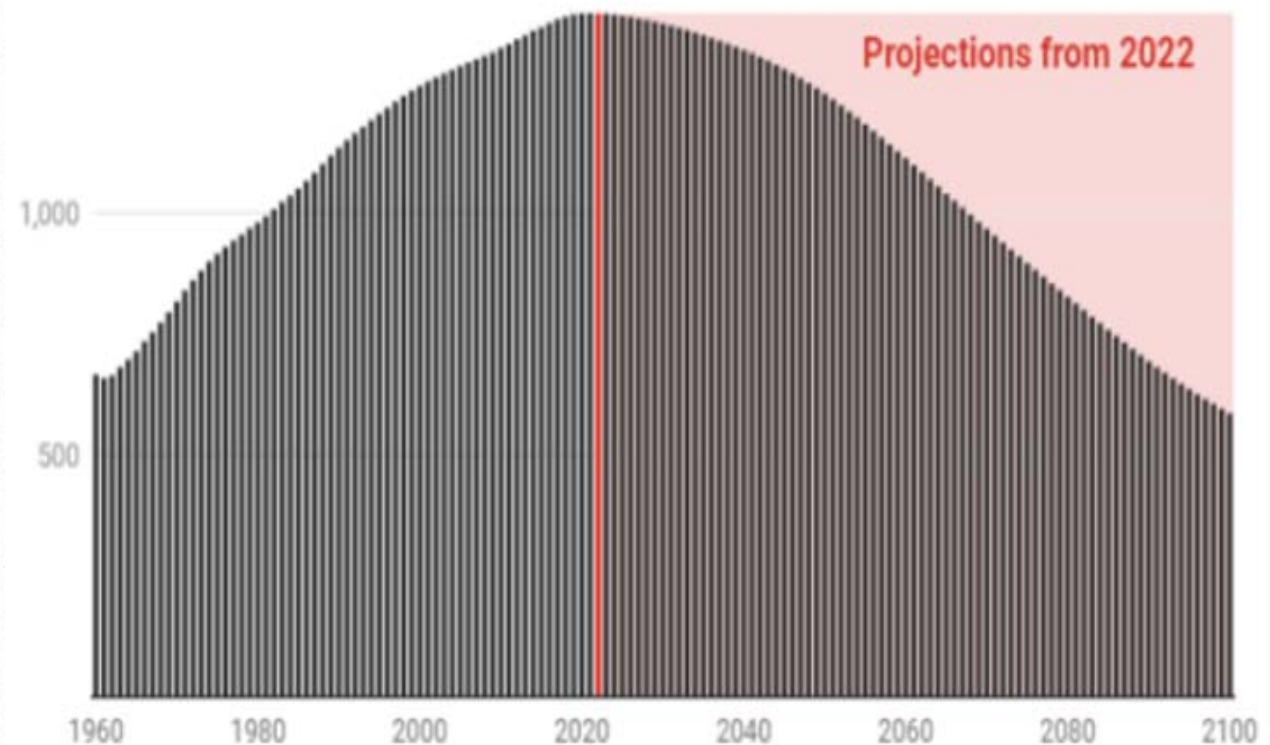
Global Labour trends

A billion consumers less in 75 years!!!

Source: WEF

China's population and projections

Total population, millions



Source: Shanghai Academy of Social Sciences • [Get the data](#)

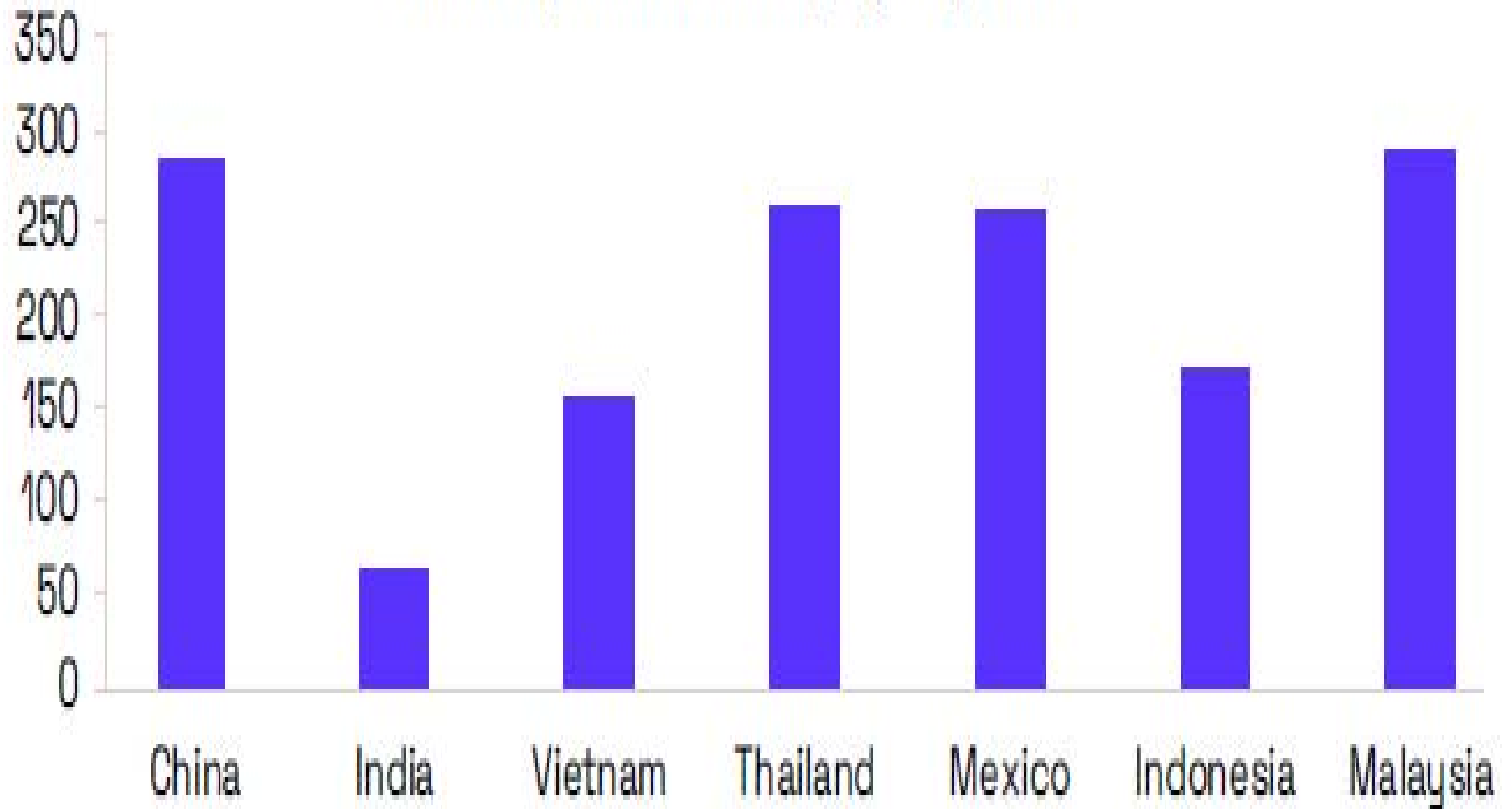
China's population is predicted to decrease to 587 million in 2100, less than half of what it is today. Image: Shanghai Academy of Social Sciences

Can India Seize China + 1 Opportunity?



- Indian labour cost lower than China but productivity is far less
- To increase productivity, Infrastructure should be improved

Monthly Minimum Wage (USD)-2021



Infra Spending Crucial for Productivity Increase



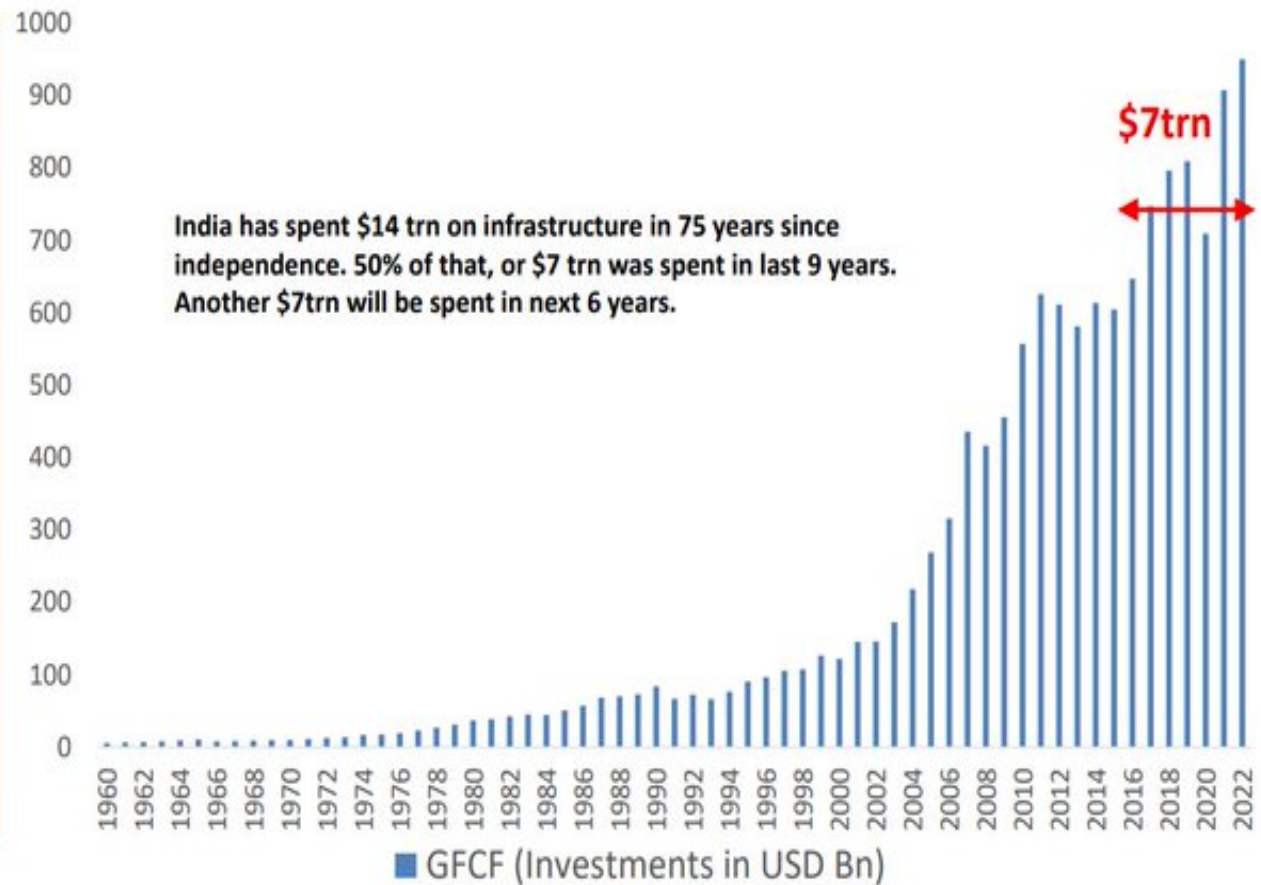
The Coming Investments Upsurge

India has come out of an investment winter. The investment to GDP ratio (measured by gross fixed capital formation to GDP) peaked in 2011 & remained low until COVID-led disruption upended the supply chains. Post COVID recovery & a large push through government expenditure, investments are making a come back.

There has been a spend of \$14 trn on investments since independence. This includes spending on housing by households, infrastructure creation by the government, & private capital expenditure.

In spite of poor investment growth over the last many years, India has spent \$7trn on new investments over the last 9 years. As the base becomes large this number will repeat itself in the next 6 years.

What does this mean? The capex cycle is likely to surprise on the upside in the next few years.



Govt. Focussing On Road & Railways



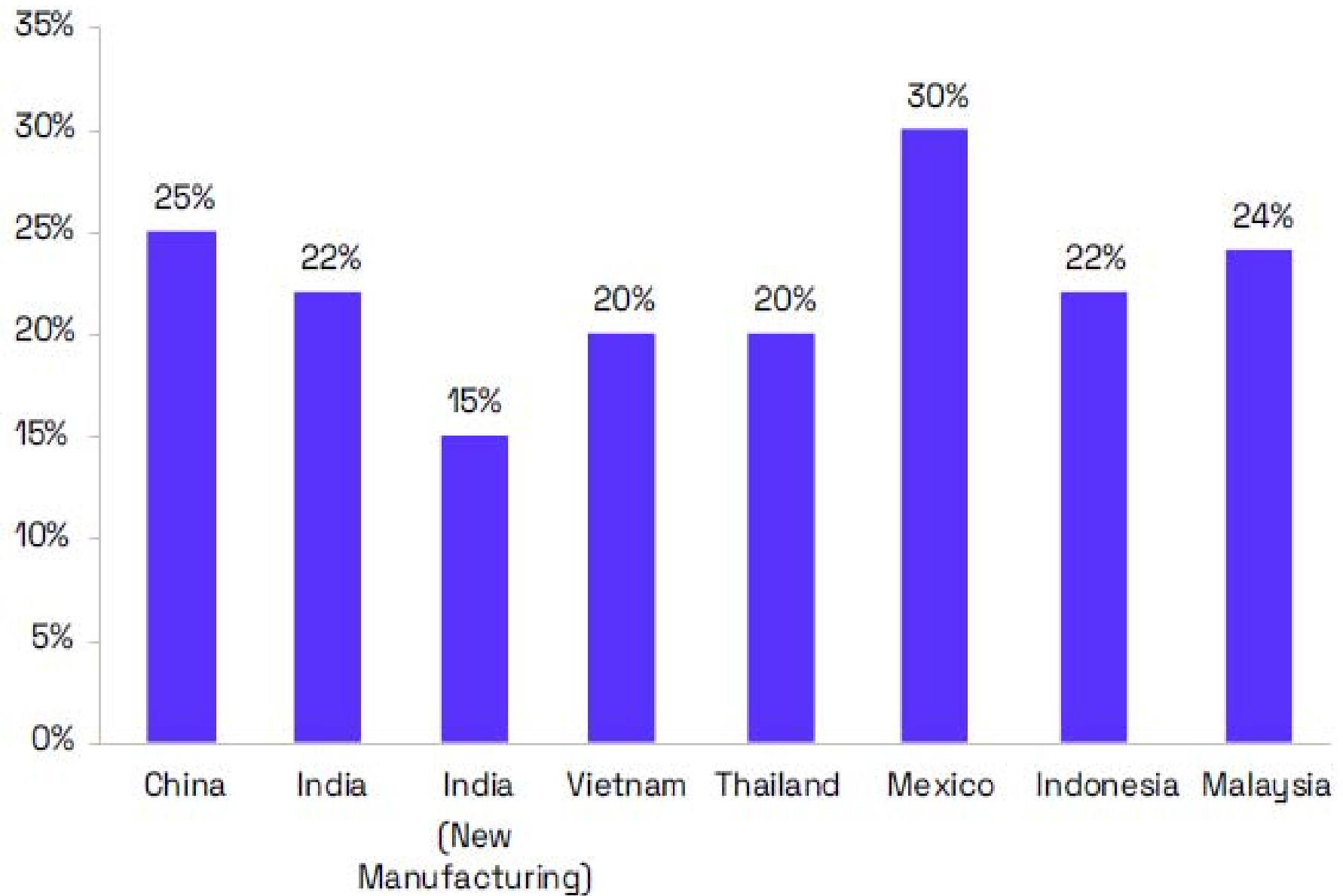
Table 4: Main Heads of Capital Expenditure (Rs Crore)

	Rs Crore		% of Budget Estimate		% Change*
	H1 FY23	H1 FY24	H1 FY23	H1 FY24	H1 FY24
Road Transport and Highways	1,21,893	1,56,383	64.9	60.5	28.3
Railways	88,548	1,42,603	64.6	59.4	61.0
Defence	64,075	67,394	39.9	39.3	5.2
Telecommunication	25,593	28,133	47.3	45.6	9.9
Housing and Urban Affairs	9,121	12,021	33.4	46.2	31.8
Total Capital Expenditure	3,42,889	4,90,628	45.7	49.0	43.1

Source: Controller General of Accounts (CGA); % Change is calculated over H1 FY23

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Corporate Income Tax Rates



Spot the Odd One Out!

Growth sans leverage

Source: HSBC

	Core debt of non-financial sector (Q1 2022, % OF GDP)				Change since Q1 2008			
	Household	Corporate	Government	Total	Household	Corporate	Government	Total
Debt/GDP (Avg %)	61	84	104	249	4	10	48	62
Australia	118	64	57	239	11	-13	49	47
Brazil	38	54	88	180	20	23	26	69
Mainland China	62	157	70	289	43	62	41	147
France	65	166	129	360	19	61	61	141
Germany	56	73	74	203	-4	5	9	10
India	37	51	85	173	-6	-12	11	-6
Italy	43	70	154	267	5	-8	58	55
Japan	60	119	249	428	2	20	82	104
South Korea	104	117	45	266	34	29	23	86
Mexico	16	24	40	80	2	10	20	32
South Africa	34	34	69	137	-10	-1	44	33
Spain	57	98	154	309	-25	-28	114	61
UK	84	70	119	273	-10	-15	79	54
US	76	82	124	282	-23	11	61	49

Conclusion



- Markets forecasting Multi year strong growth in Manufacturing sector
- Domestic savings in financial sector to go up

Markets At Record Highs



- State Poll Outcome triggers fresh rally
- US Fed rate further hike unlikely
- China slows down
- Retail investors participation increasing

INDEX WATCH

INDEX	9, Dec	11, Nov	% Change
Nifty	20,969	19,425	+ 7.9
Sensex	69,825	64,904	+ 7.5
Nifty Midcap	44,400	40,733	+ 9.0
BSE Small Cap	41,104	38,378	+ 7.1

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State Elections Outcome boost Market Sentiments

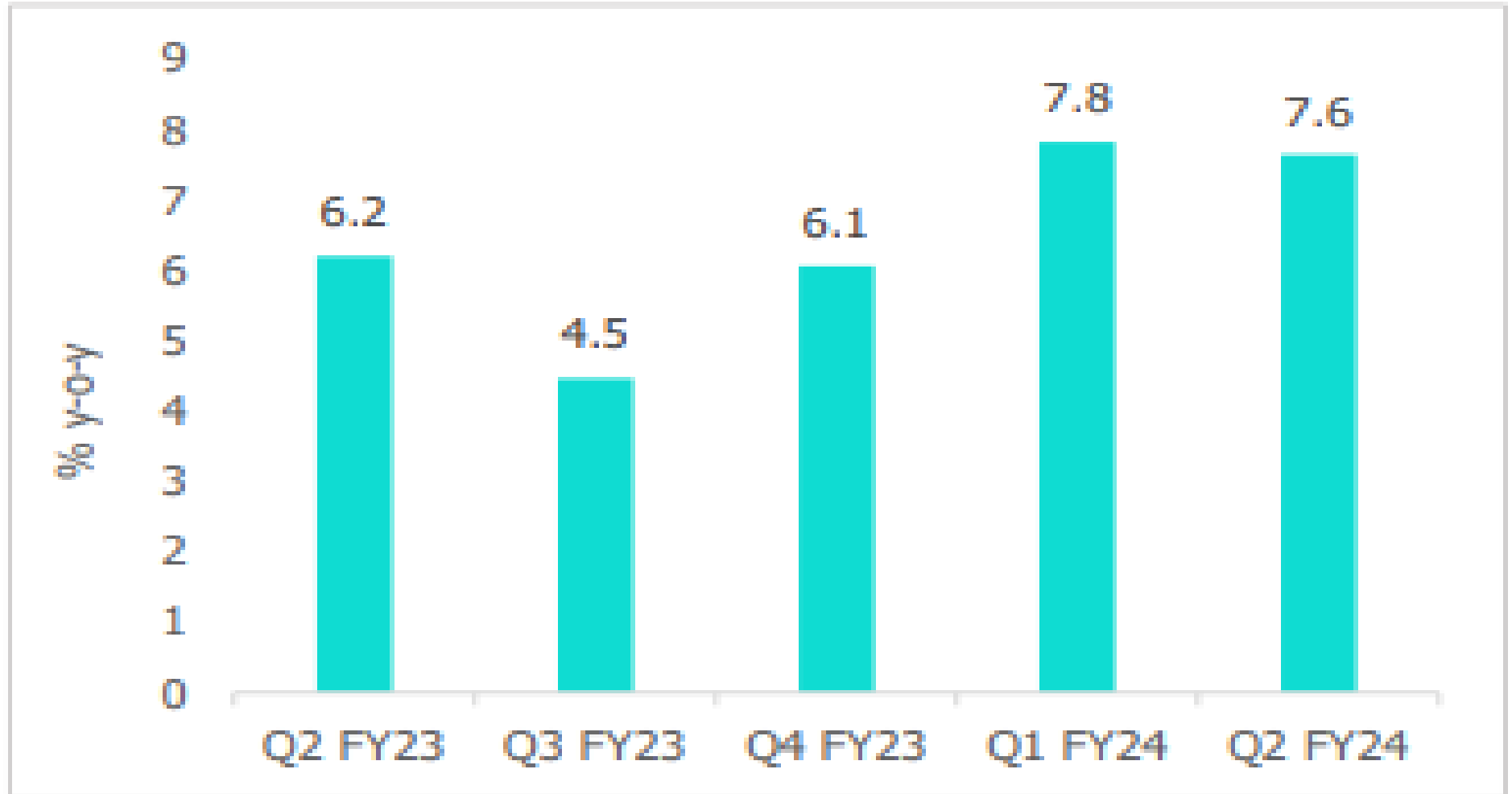


- Favourable poll outcome for ruling BJP in recent State elections
- Policy stability crucial for long term investors
- Markets will start discounting third term for Modi Govt.

Strong Domestic Q2 GDP Growth

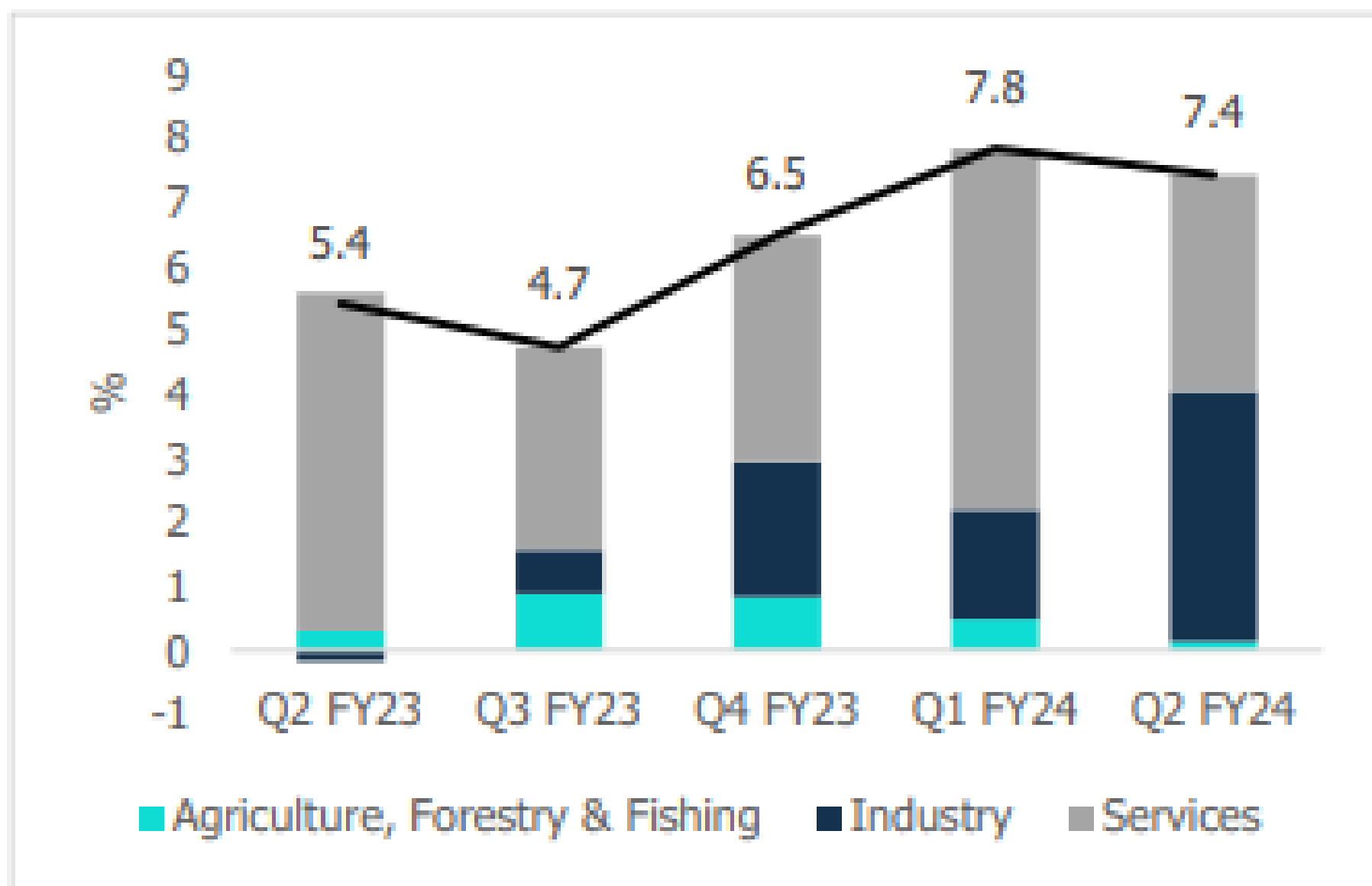


Quarterly GDP Growth



Source: MOSPI

Sectoral Contribution to GVA Growth



Source: MOSPI



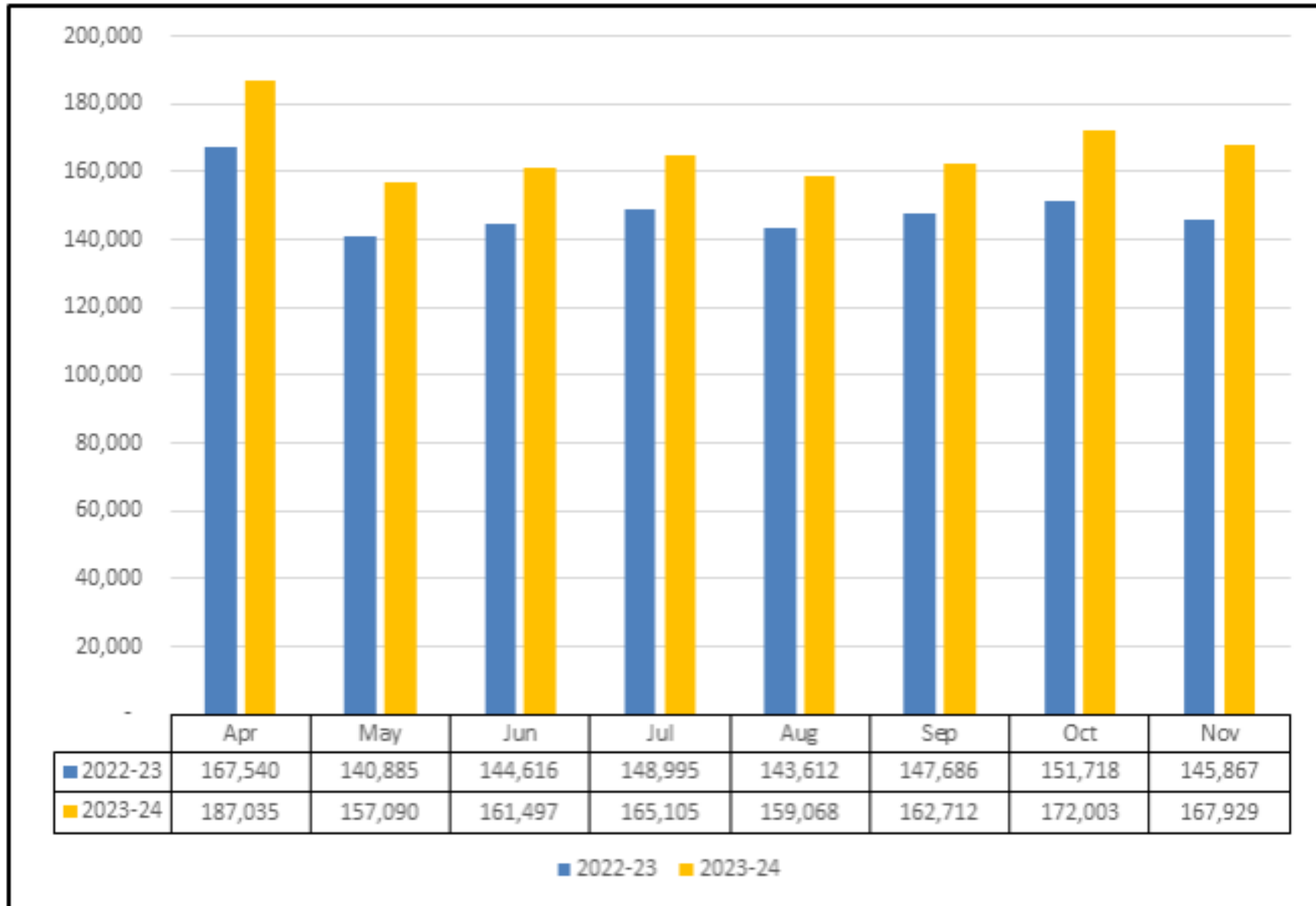
Growth in Consumption and Investment (% y-o-y)

	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
Government Final Consumption Expenditure (GFCE)	-4.1	-0.6	2.3	-0.7	12.4
Private Final Consumption Expenditure (PFCE)	8.3	2.2	2.8	6.0	3.1
Gross Fixed Capital Formation (GFCF)	9.6	8.0	8.9	8.0	11.0
GDP (at constant prices)	6.2	4.5	6.1	7.8	7.6

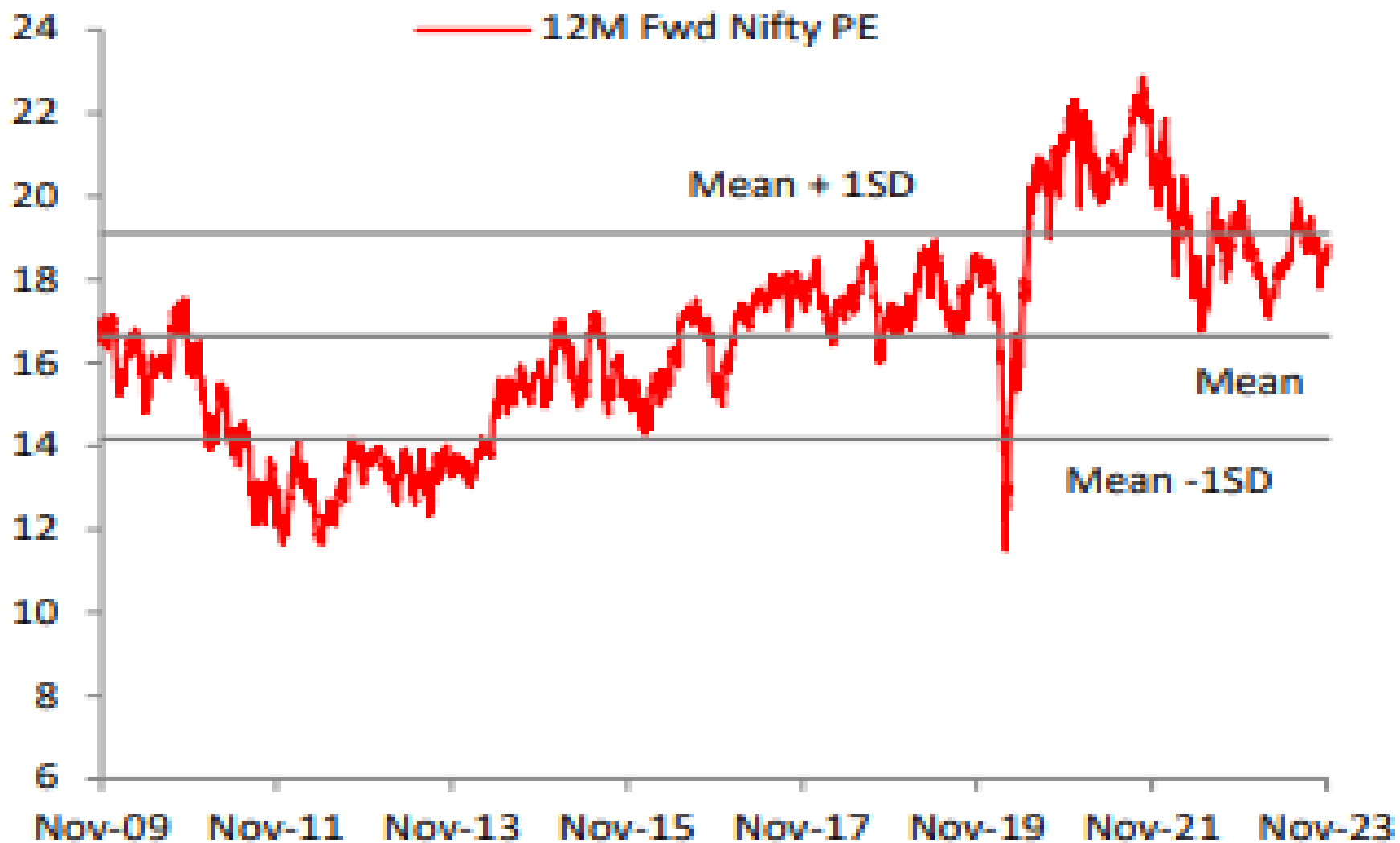
Source: MOSPI

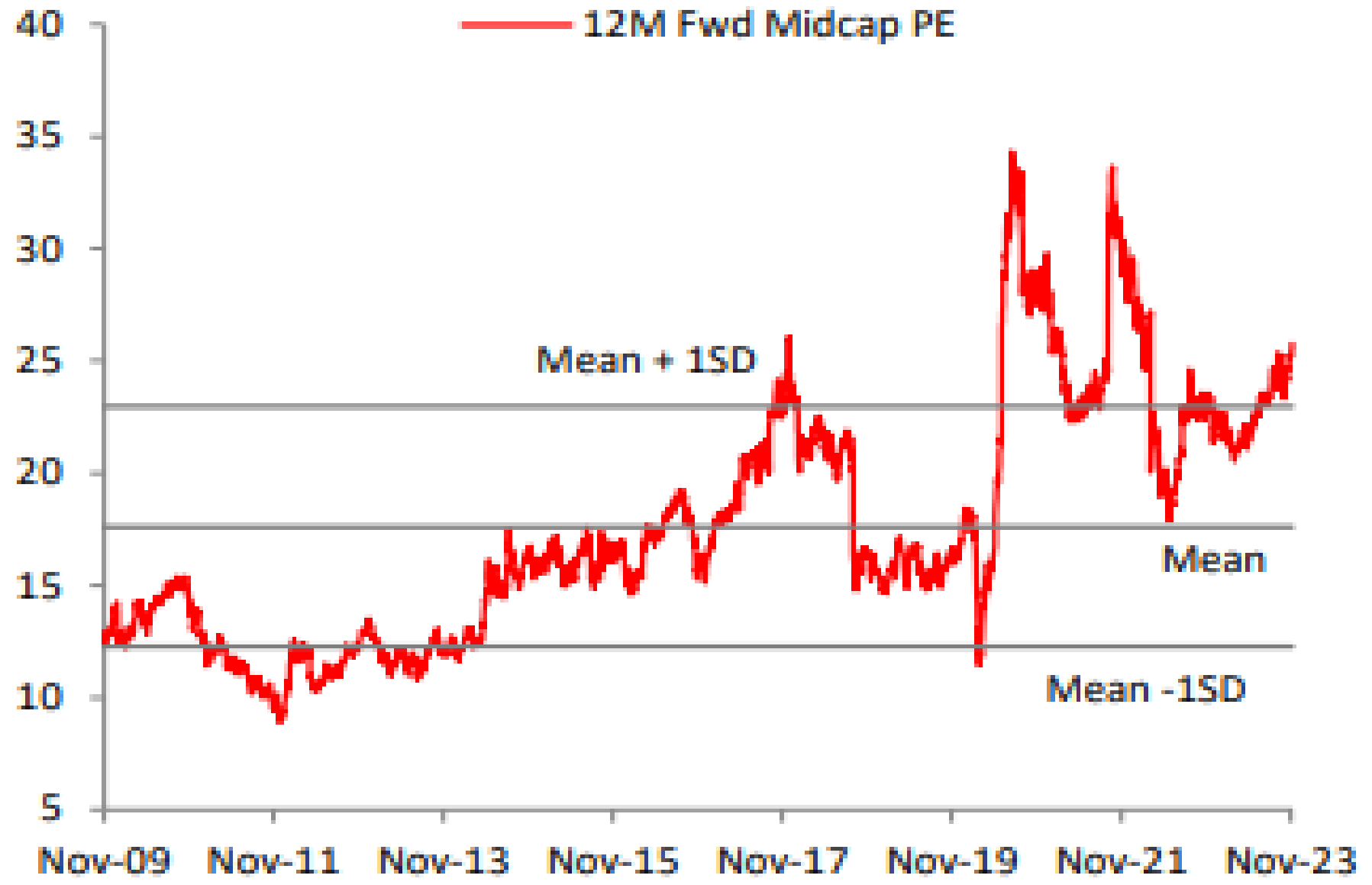
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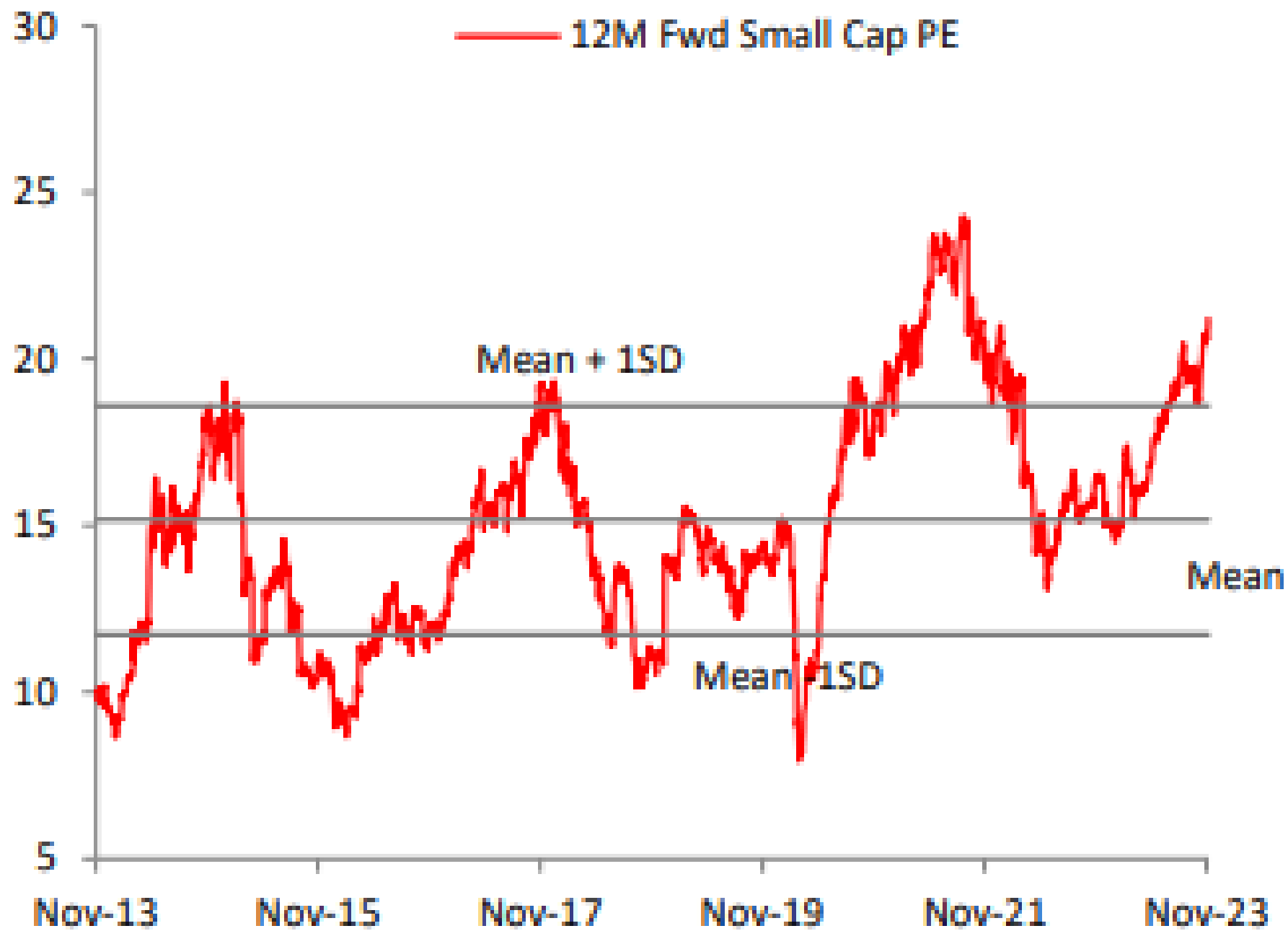
GST Collections



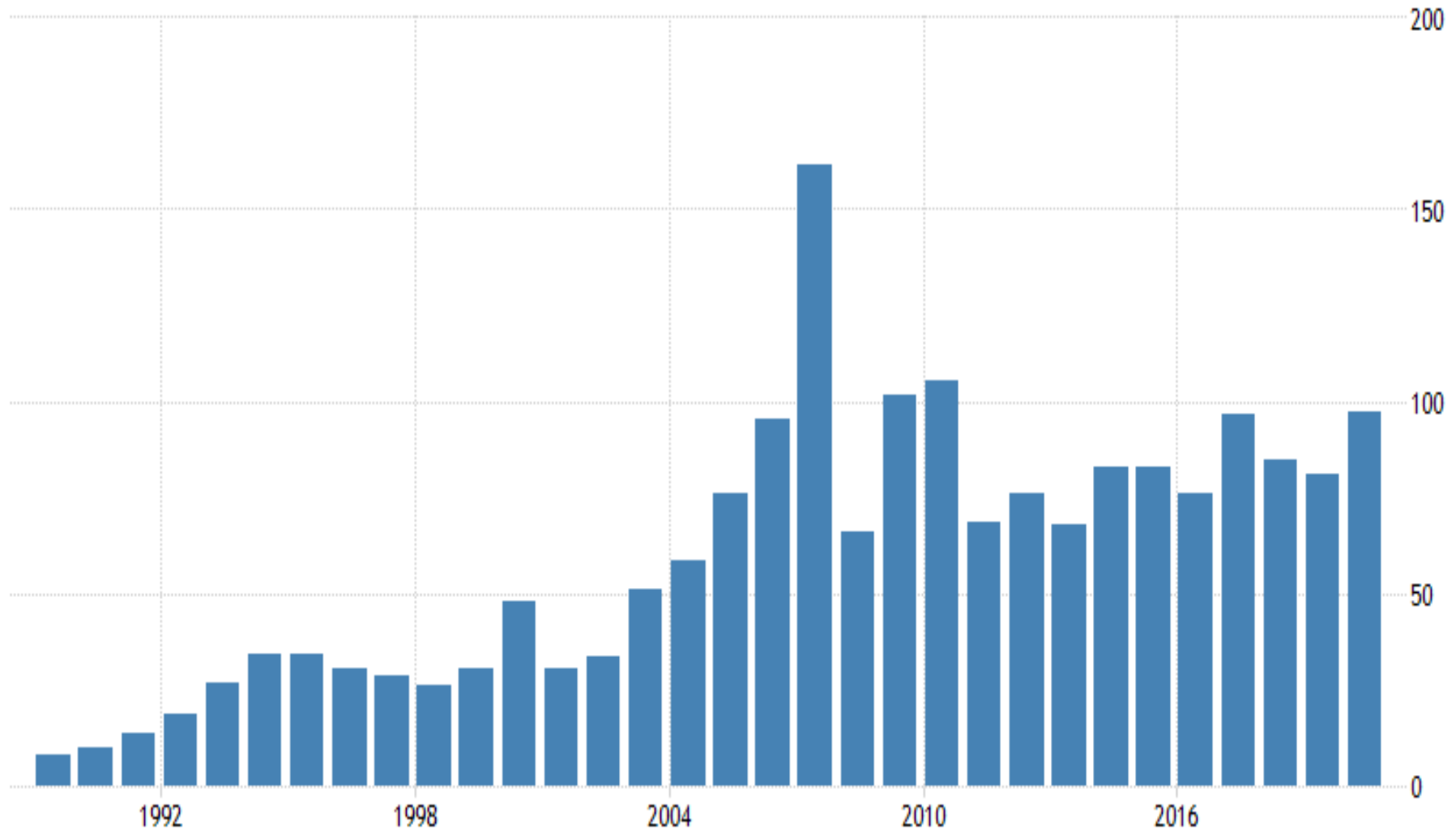
Nifty Valuations







Market Cap To GDP Ratio



Brent Crude Oil



Brent Crude Oil (USD/Bbl) 74.558 -4.305 (-5.46%)



What Investor Should Do



- Do due diligence before buying
- Entry of large number of new investors will surprise bears
- Be selective in buying mid and small cap space due to sharp euphoric move in many stocks
- Pockets of opportunities still available

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Data To Watch



- FPI Flows
- Crude Oil

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Thank You

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