



Current Market Scenario

10th Feb 2024



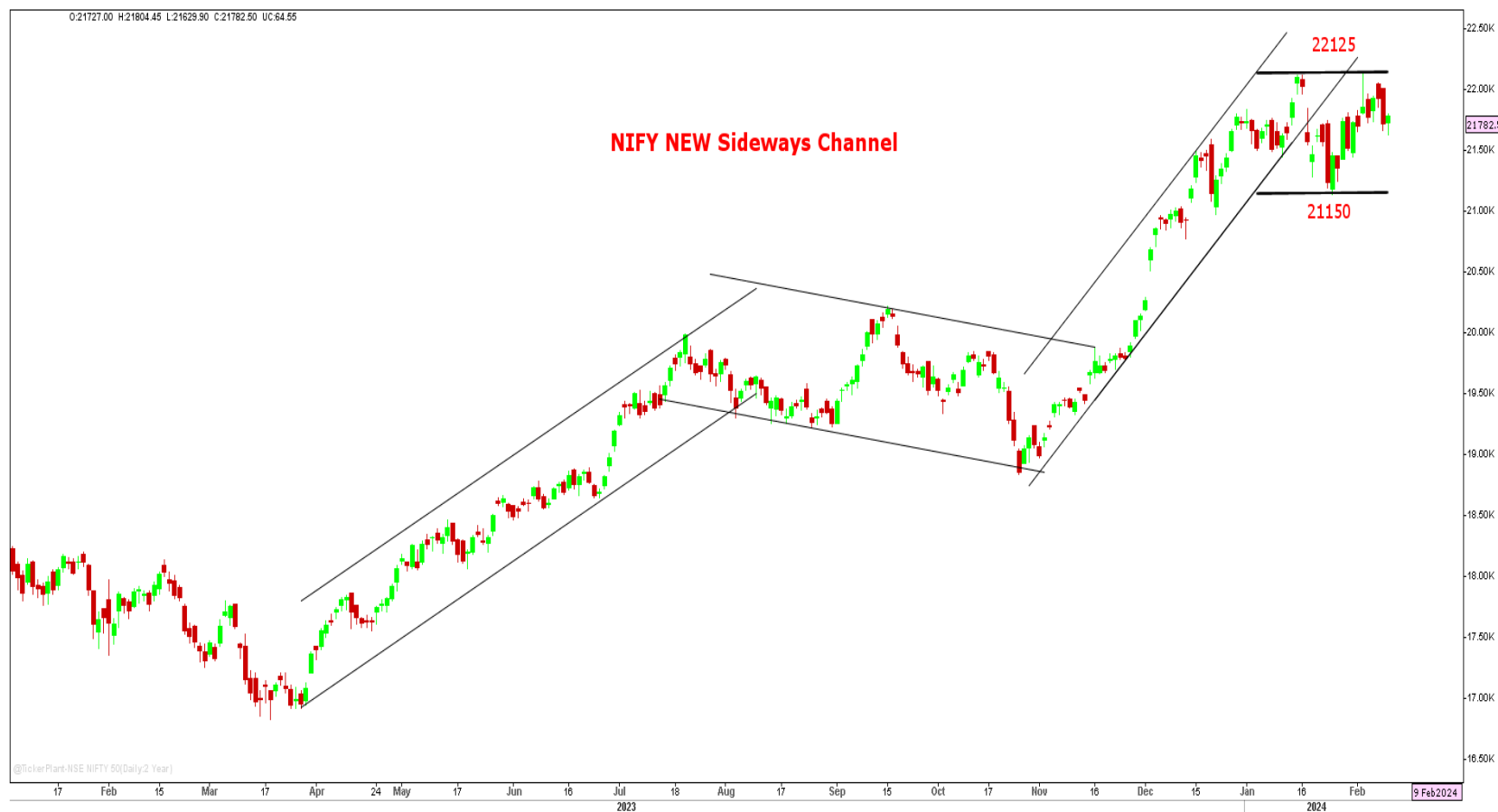
Nifty Bull Market from April 2020



Nifty MidCap Index



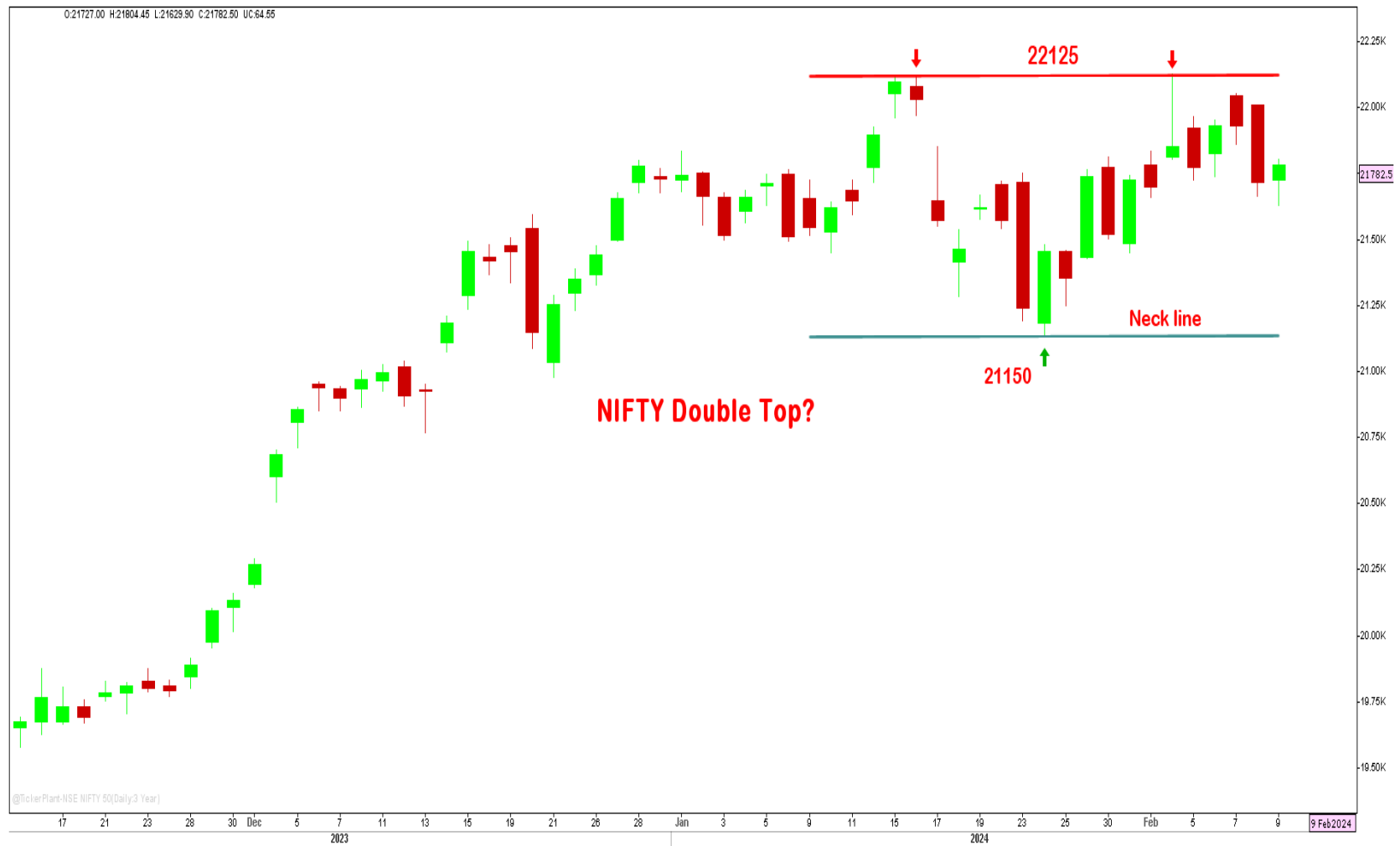
Nifty New Sideways Channel



Nifty New Sideways Channel



NIFTY Double Top



Support & Resistance



Volatility in Market



- Interim Budget presented
- Possibility of sector churning
- US markets positive
- PSU's in limelight

INDEX WATCH

INDEX	9, Feb	12, Jan	% Change
Nifty	21,782	21,894	- 0.5
Sensex	71,595	72,568	0.0
Nifty Midcap	48,889	47,512	+ 2.8
BSE Small Cap	45,650	44,503	+ 2.5

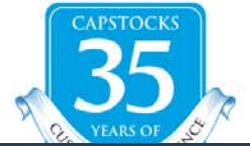
Interim Budget Key Points



- Govt. follows fiscal prudence
- No changes in Tax Structure
- No major increase in Expenditure
- Govt. hopes Private Capex will pick up



Fiscal Deficit To Reduce Further



Govt. Capex Growth To Moderate



Rs Lakh Crore



Gross Borrowings



Rs Lakh Crore





Govt. Bond Yield Cools

CAPSTOCKS
35



No Major Increase in Ministry Allocation



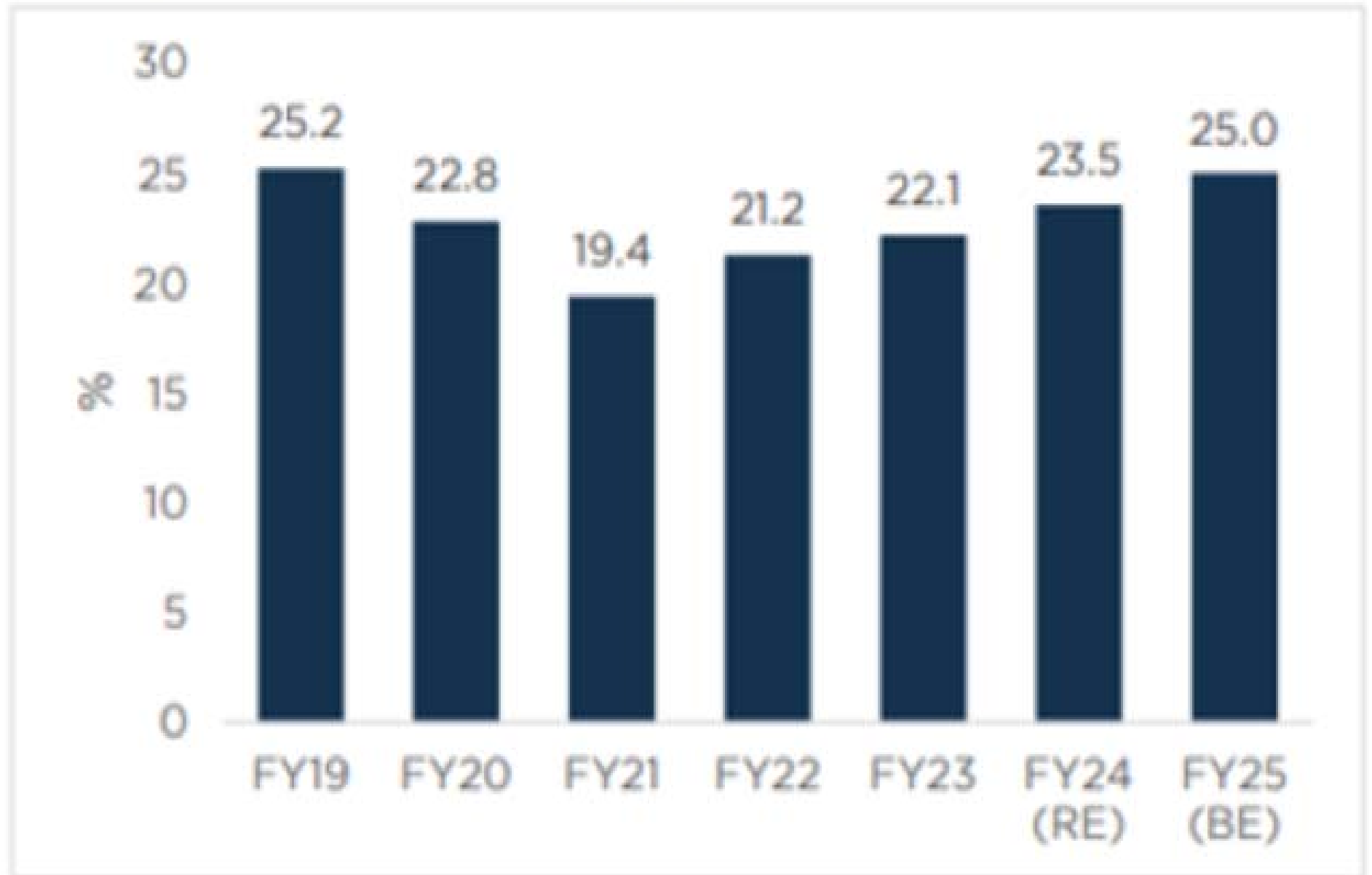
(In ₹ Lakh Crore)	FY24	FY25
 Defence	5.94	6.2
 Road Transport	2.70	2.78
 Railways	2.41	2.55
 Consumer Affairs, Food & PDS	2.06	2.13
 Home Affairs	1.96	2.03
 Rural Development	1.60	1.77
 Chemicals & Fertilizers	1.78	1.68
 Communications	1.23	1.37
 Agriculture	1.25	1.27

Fiscal Deficit – Never Ending Burden



Year	Fiscal Deficit Lakh Cr.	% GDP
FY25(BE)	16.8	5.1
FY24(RE)	17.3	5.8
FY23	17.3	6.4
FY22	15.8	6.7
FY21	18.1	9.2
FY20	7.6	3.8
FY19	6.3	3.4
FY18	5.9	3.5
FY17	5.3	3.5
FY16	5.3	3.9
FY15	5.1	4.1
FY14	5.0	4.5

Interest (% Total Expenditure) Budgeted at a 6-Yr High in FY25



Message from Budget



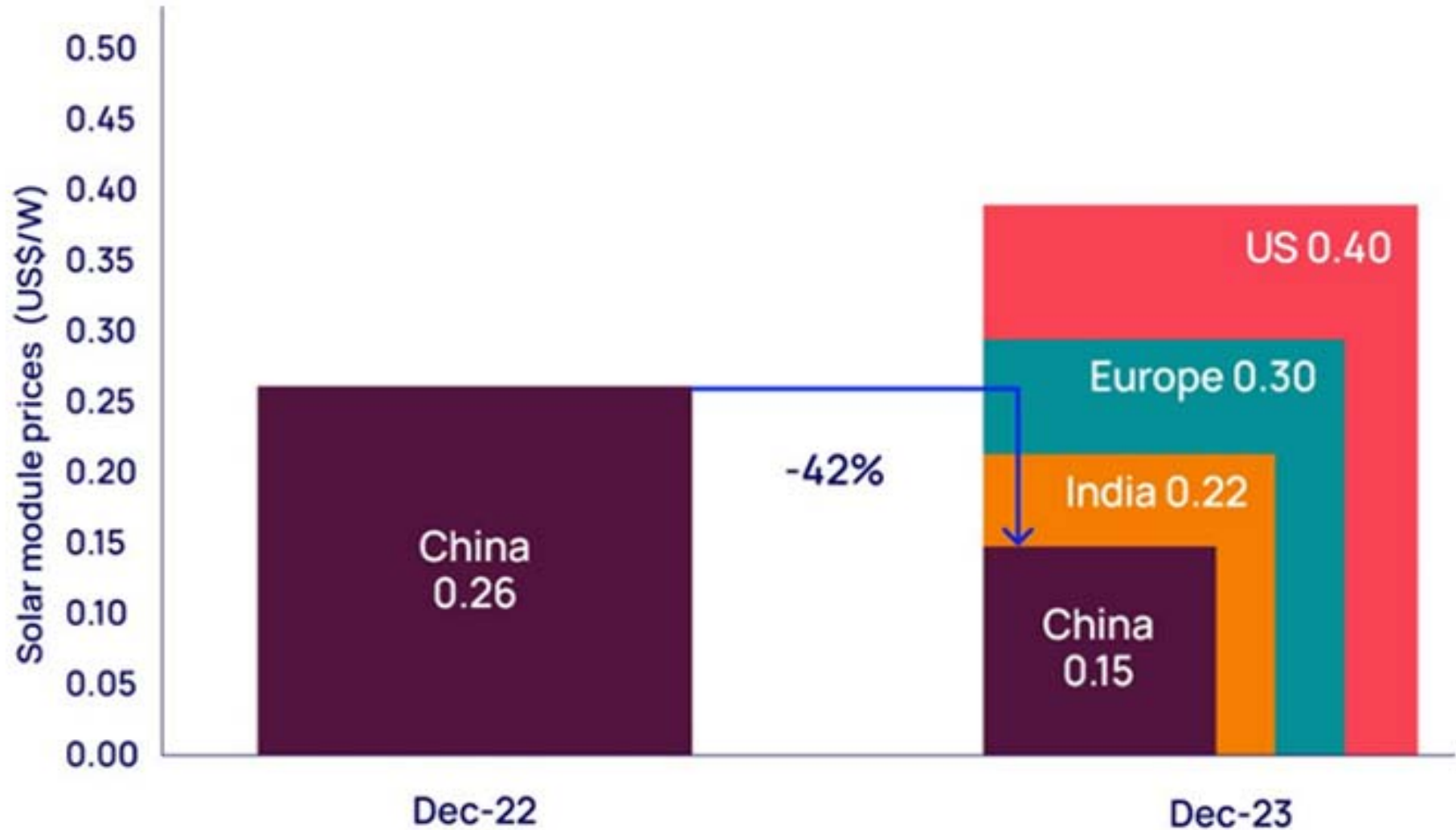
- Govt. heavily lifted economy through large capex during Covid and post Covid period (A typical Keynesian Theory)
- Now it is time for private sector to support economy through large capex
- Govt. expects the move will upgrade India's sovereign rating

Govt. To Focus on Roof Top Solar



- 1 Cr. house to have roof top solarisation
 - Govt. to give meaningful subsidy
 - Complete scheme will be announced in June Budget
 - Scheme will generate employment
 - Solar Module prices down sharply
-

China Solar Module Prices Plunges



Thermal Coal Prices



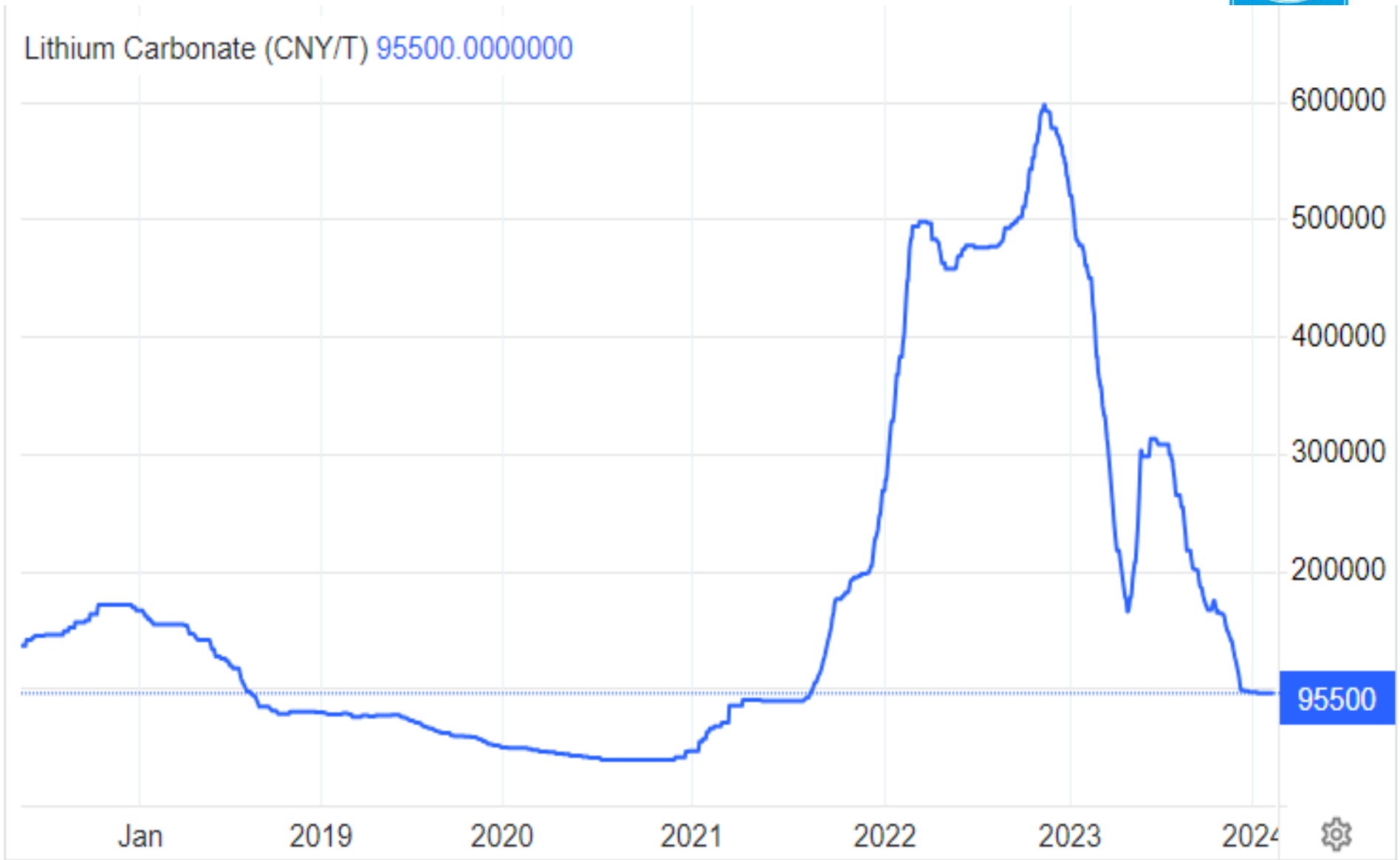
Coal (USD/T) 116.00 -11.10 (-8.73%)



Lithium Carbonate Prices



Lithium Carbonate (CNY/T) 95500.0000000



95500



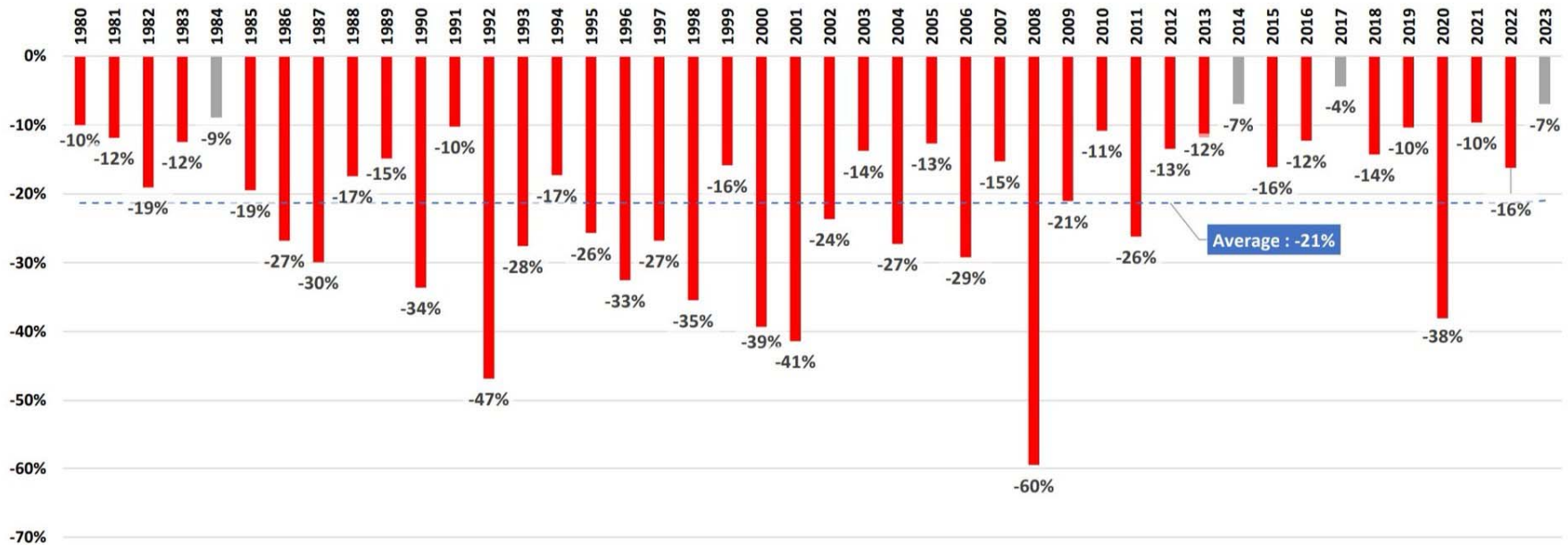
Market Volatility Reduced



Equity Markets witness 10-20% temporary declines almost every year



Sensex : Year-wise Drawdown (1980 to 2023)



Only 4 out of the last 44 calendar years, had intra-year declines less than 10%



Sector To Focus – US Generic Pharma Companies

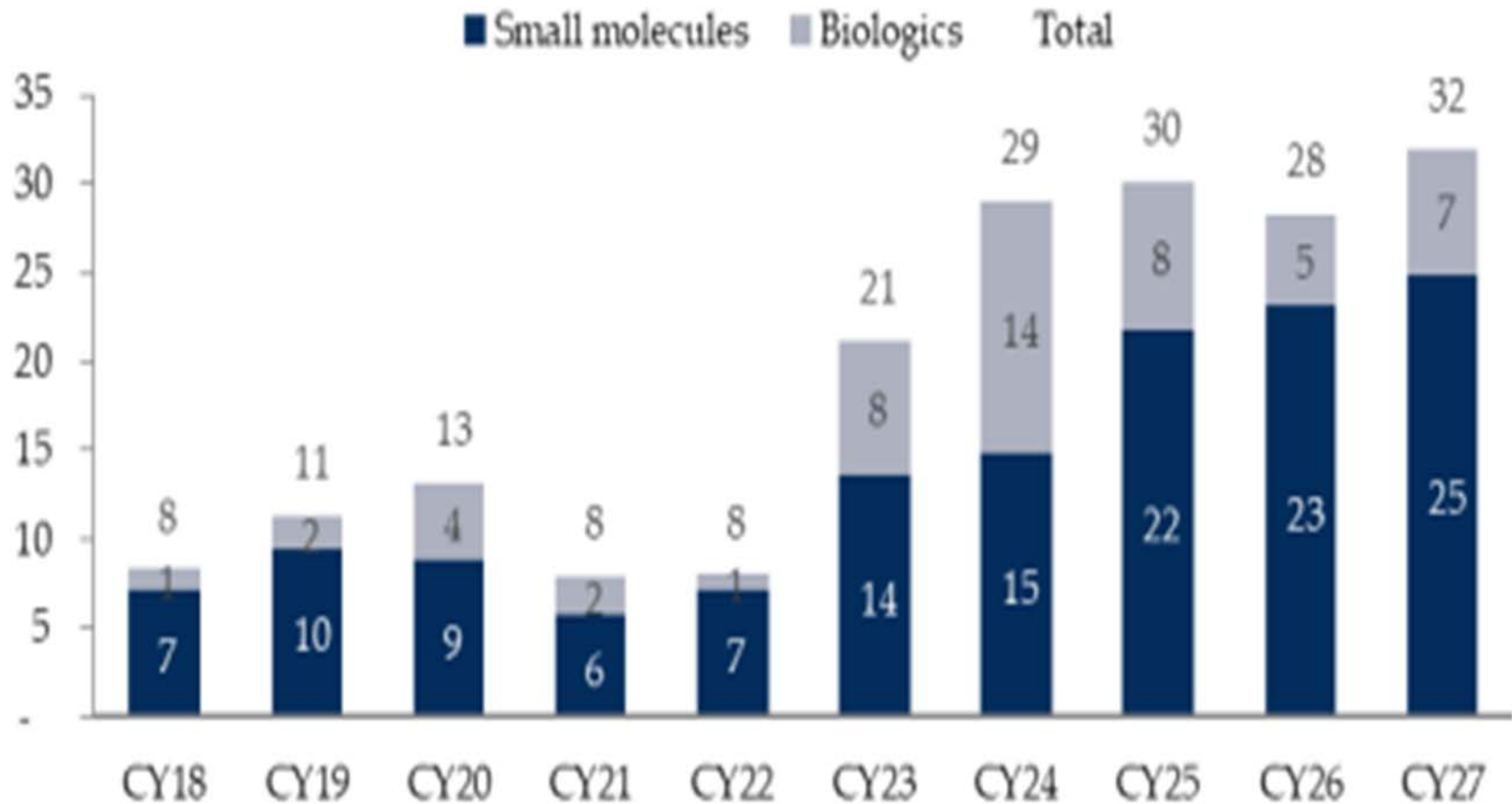


- US Generic pharma companies expected to do well in coming years
- “Patent Cliff” in coming years in US will be a big opportunity for Indian pharma companies
- Valuations are reasonable, Strong balance sheet
- Regulatory action and sharp price erosion are key risks
- Zydus Life, Lupin, Dr Reddy, Aurobindo, Sun Pharma are key players in US markets

US Generic Pharma Companies



Losses of exclusivity opportunity (USD bn)



Source: IQVIA, HSIE Research

Market Efficiency Or Over Reaction ?



474.99 USD

+307.66 (183.86%) ↑ past 5 years

Closed: 2 Feb, 7:59 pm GMT-5 • Disclaimer

After hours 472.90 -2.09 (0.44%)

Meta Platforms Inc.

1D | 5D | 1M | 6M | YTD | 1Y | 5Y | Max



Q3 Earnings



- IT earnings flat
 - Mixed results from FMCG
 - Pharma results are good
 - Chemicals were bad
 - Nifty 50 companies are expected to show around 13% growth in combined profits while sales in single digits
-

Q3 Result Performance



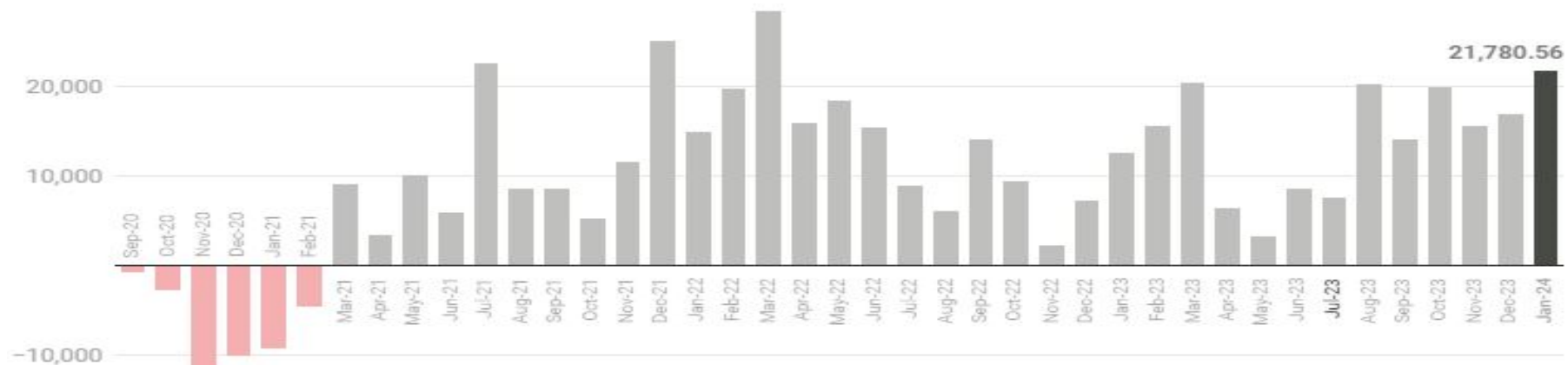
	% Change (YoY)	
	Dec 2023	Dec 2022
Sales	6.7	18.4
Net Profit	25.4	4.5

Results of 976 Companies

Mutual Fund Flows

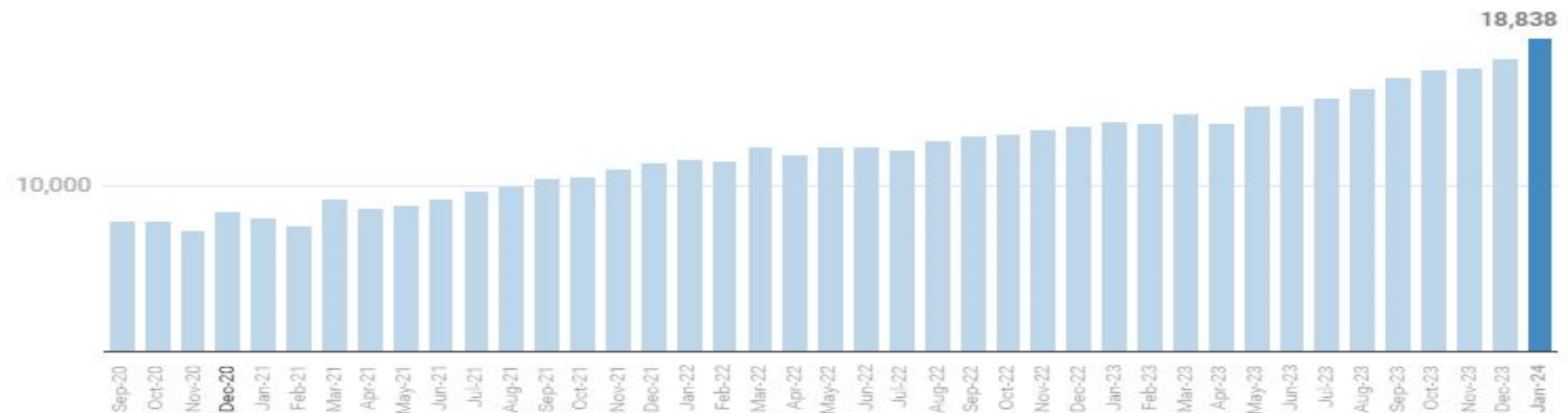
Net Equity Inflows

(Rs crore)



SIP Contribution

Net investments (Rs crore)



Road Ahead



- Momentum to moderate
- Possibility of sector and stock churning
- Distribution may happen in stocks seen sharp rally in recent past

Data To Watch



- FPI Flows
- Political Scenario





Thank You
