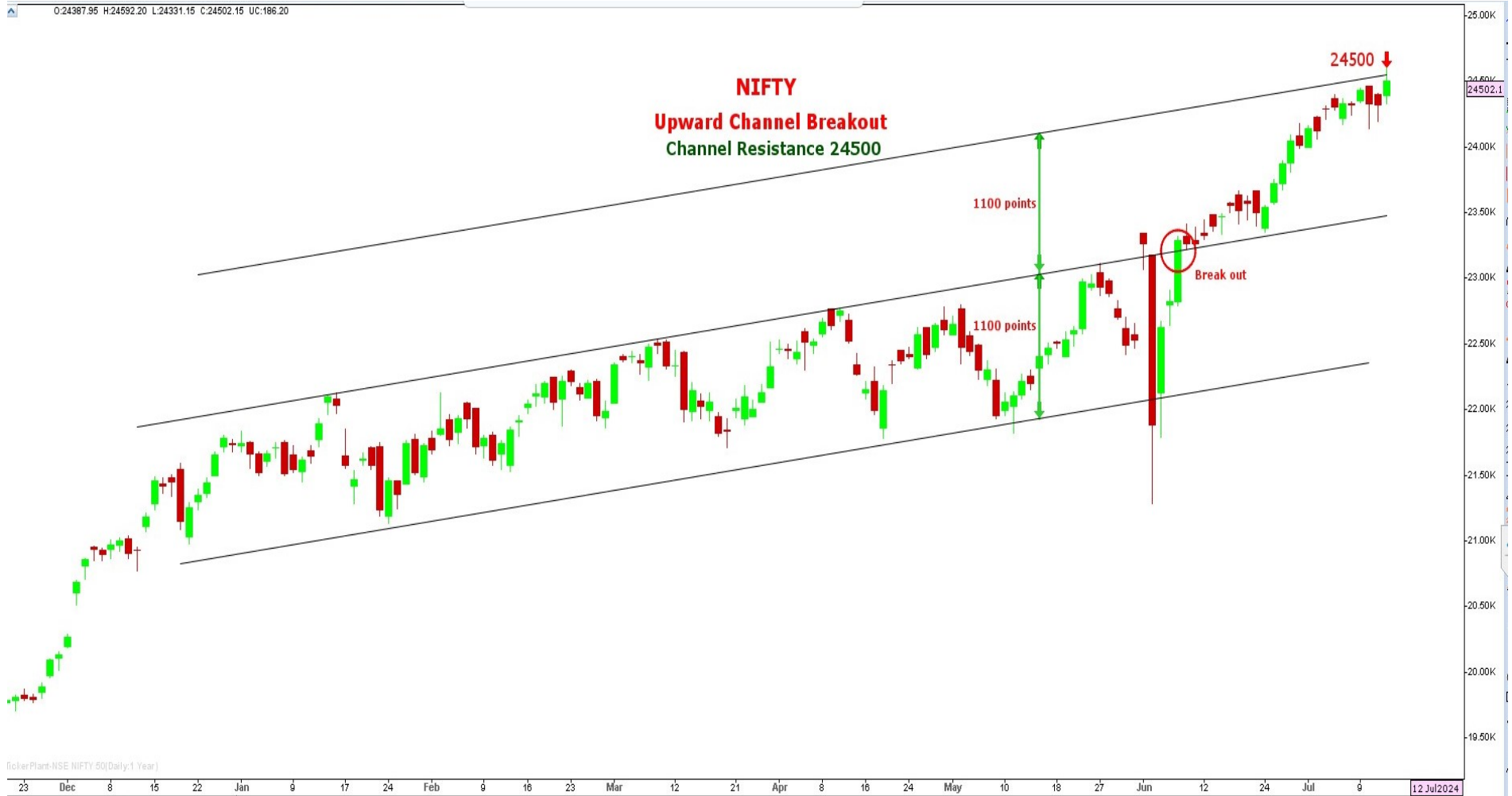


# **Current Market Scenario**

## **13<sup>th</sup> July 2024**

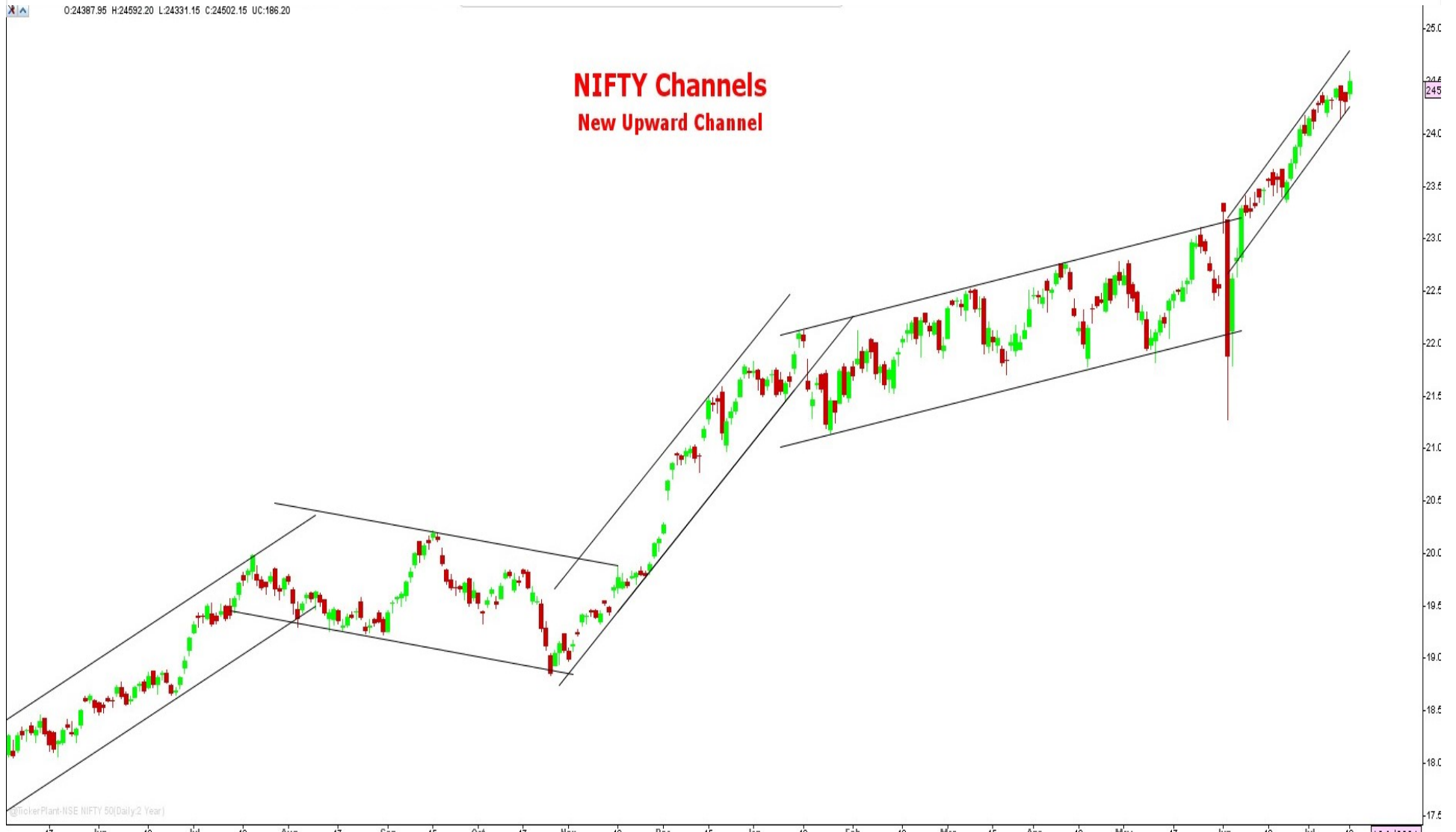
# CAPSTOCKS





O:24387.95 H:24592.20 L:24331.15 C:24502.15 UC:186.20

## NIFTY Channels New Upward Channel



UC:186.20

**NIFTY Channels**  
Channel Resistance 24800

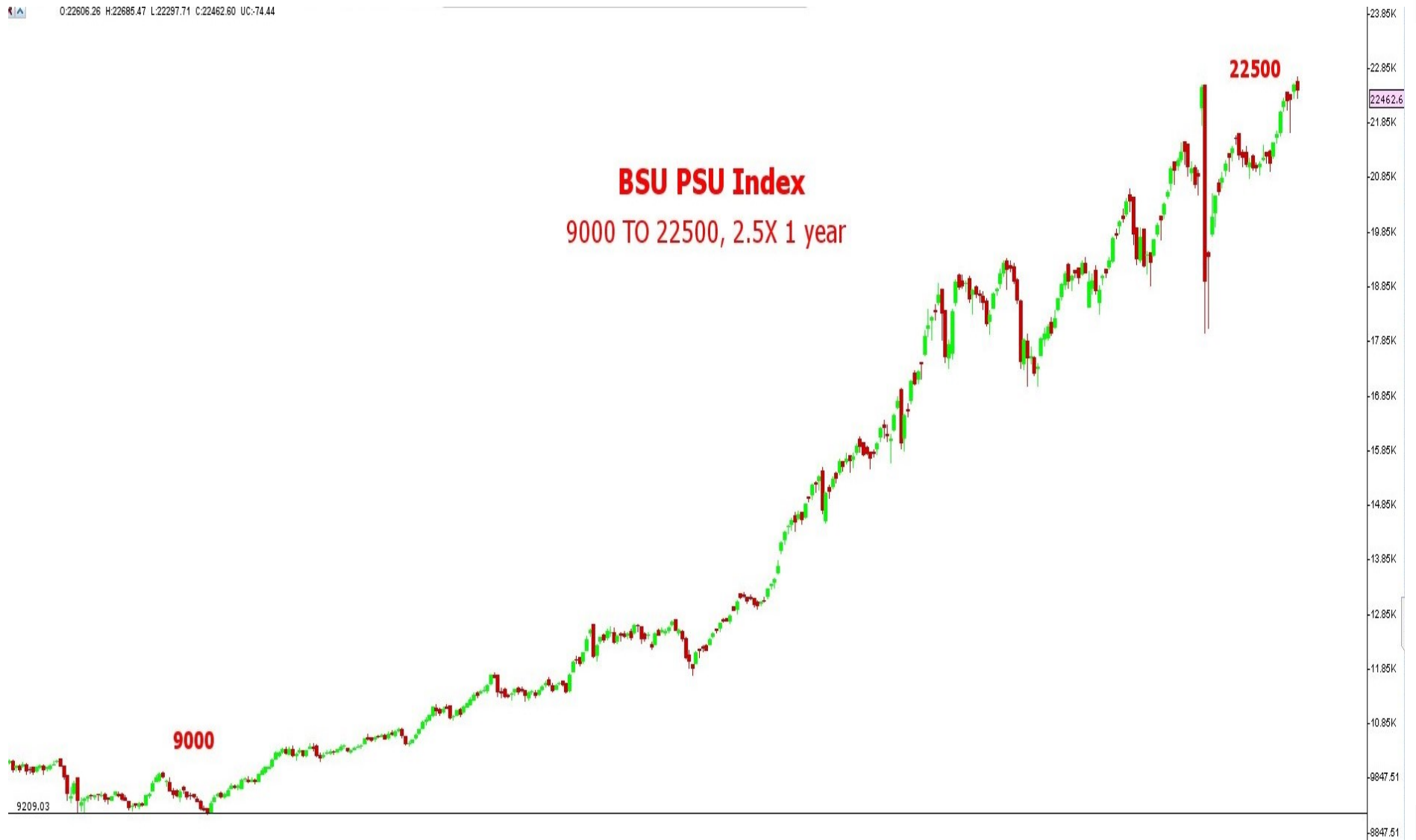


# CAPSTOCKS

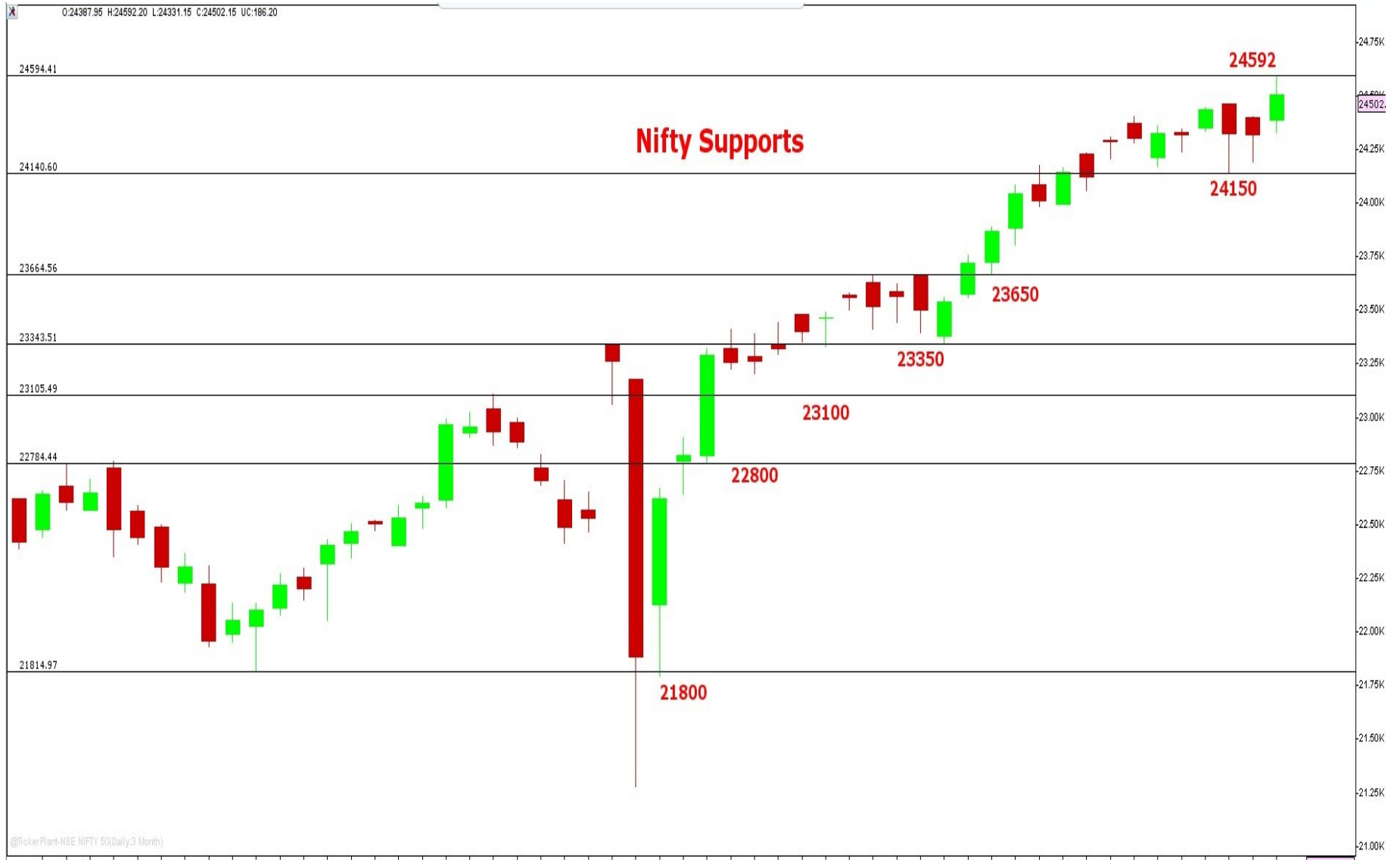


# CAPSTOCKS

0.22606.26 H:22685.47 L:22297.71 C:22462.60 UC:74.44



# CAPSTOCKS



# Bull Run Continues

**CAPSTOCKS**

- Classical Bull Market
- Strong macro data
- US markets are at record highs
- Union Budget in focus

## INDEX WATCH

INDEX	12 <sup>th</sup> July	7 <sup>th</sup> June	% Change
Nifty	24,502	23,290	+ 5.2
Sensex	80,519	76,693	+ 4.9
Nifty Midcap	57,173	53,194	+ 7.4
BSE Small Cap	54,013	48,731	+ 10.5



# Characteristics of Bull Market

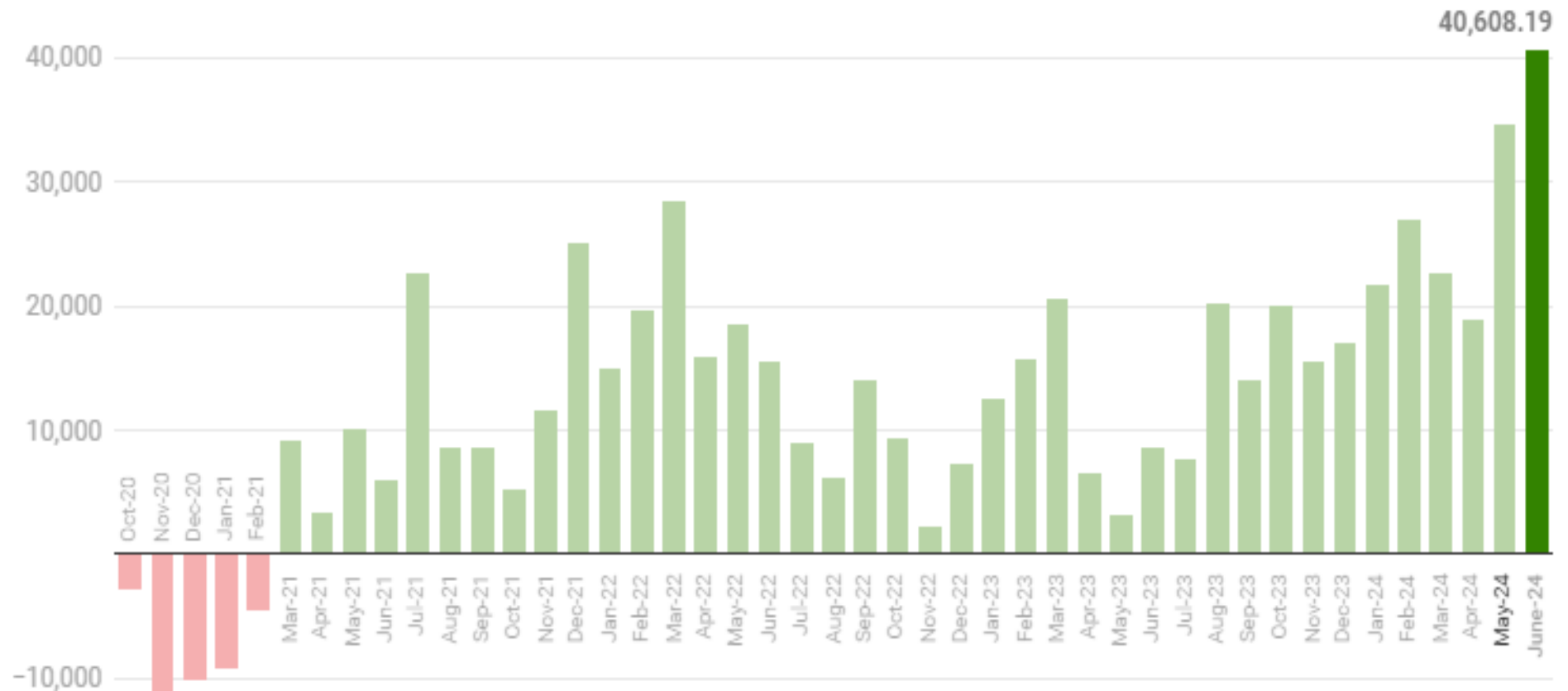
- Majority of stocks participate
- P/E Ratio will expand
- Retail Participants count will go up sharply
- Vibrant primary market
- Select theme will run up disproportionately

**CAPSTOCKS**

# Record Equity Mutual Fund Flows

## Net Equity Inflows

(Rs crore)

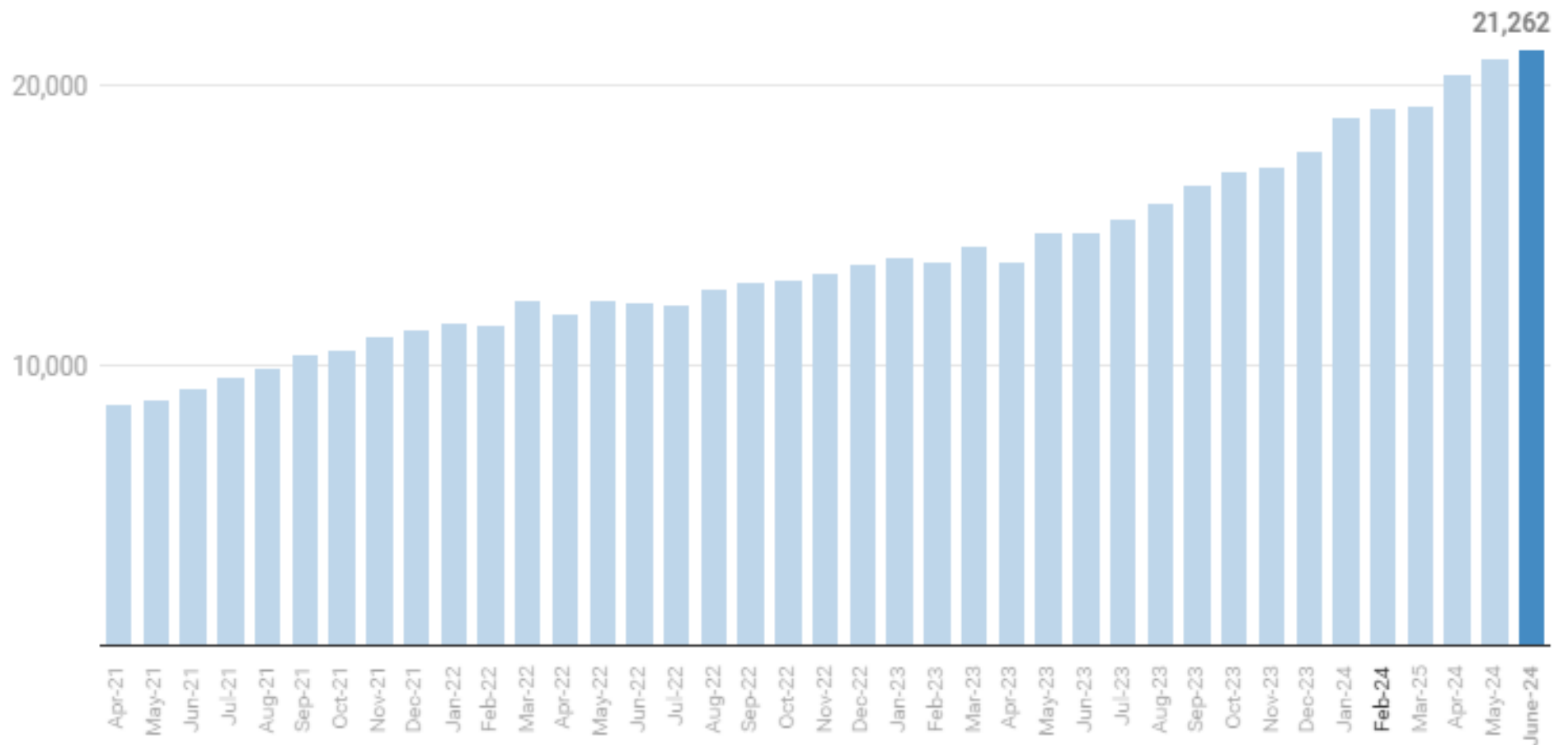


# SIP Flows

CAPSTOCKS

## SIP Contribution

Net investments (Rs crore)



# Union Budget in Focus

**CAPSTOCKS**

- “No Negative” will be seen as a positive
- May see Income Tax relief
- Manufacturing sector will be in focus
- Fiscal consolidation path will continue
- As of now muted expectations from budget
- Govt. indicated it will be a “Historical Budget”

# Index Heavy Weights

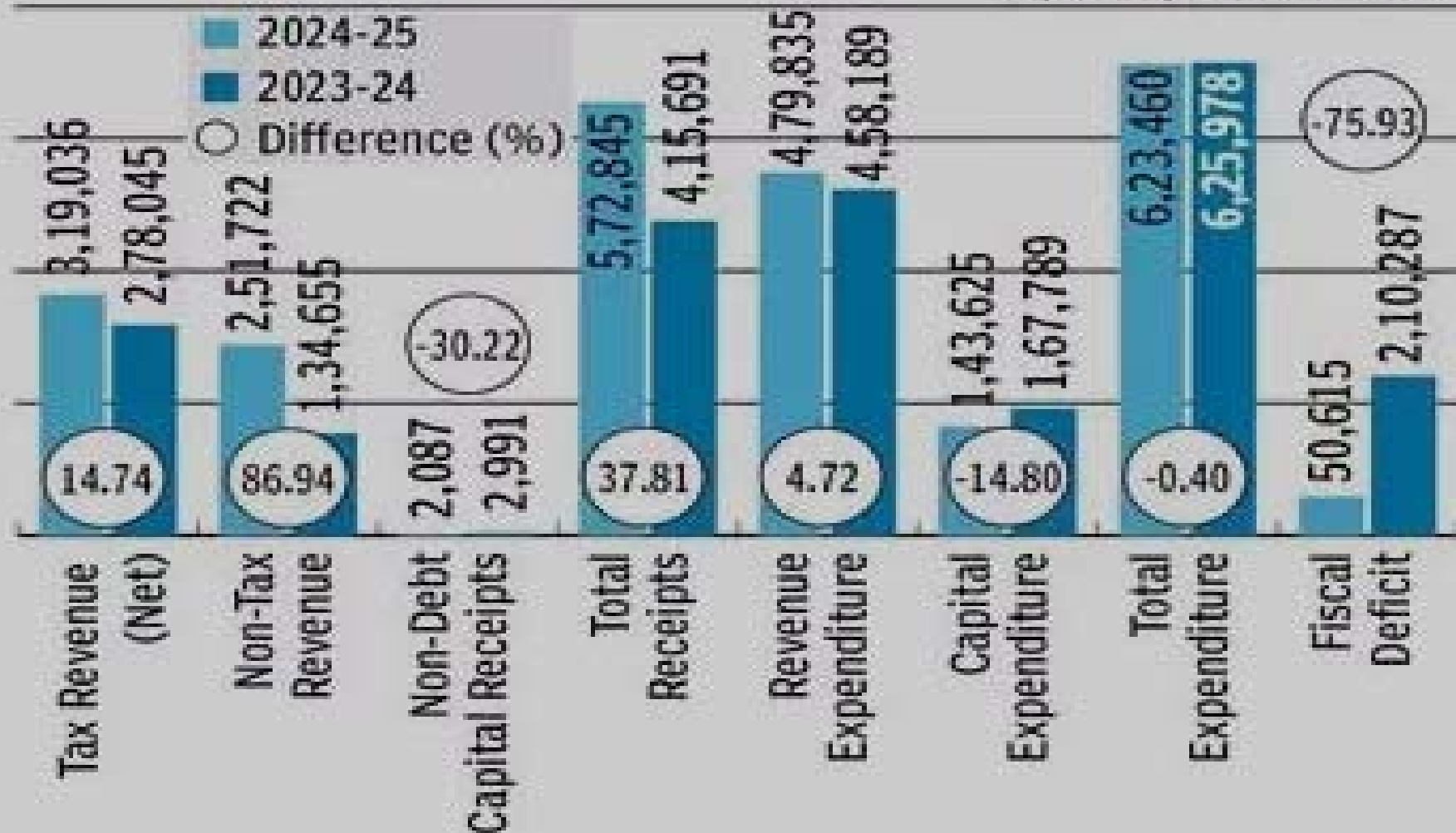
Company	Nifty 50 Weightage %	BSE Sensex Weightage %
HDFC Bank	11.1	13.0
Reliance	9.8	11.5
ICICI Bank	7.8	9.2
Infosys	5.3	6.3
ITC	5.1	5.9

# Fiscal Deficit Nosedives

CAPSTOCKS

## Centre's fiscal health

(April-May/Amount in ₹ cr)



# Current Account Deficit Narrows CAPSTOCKS

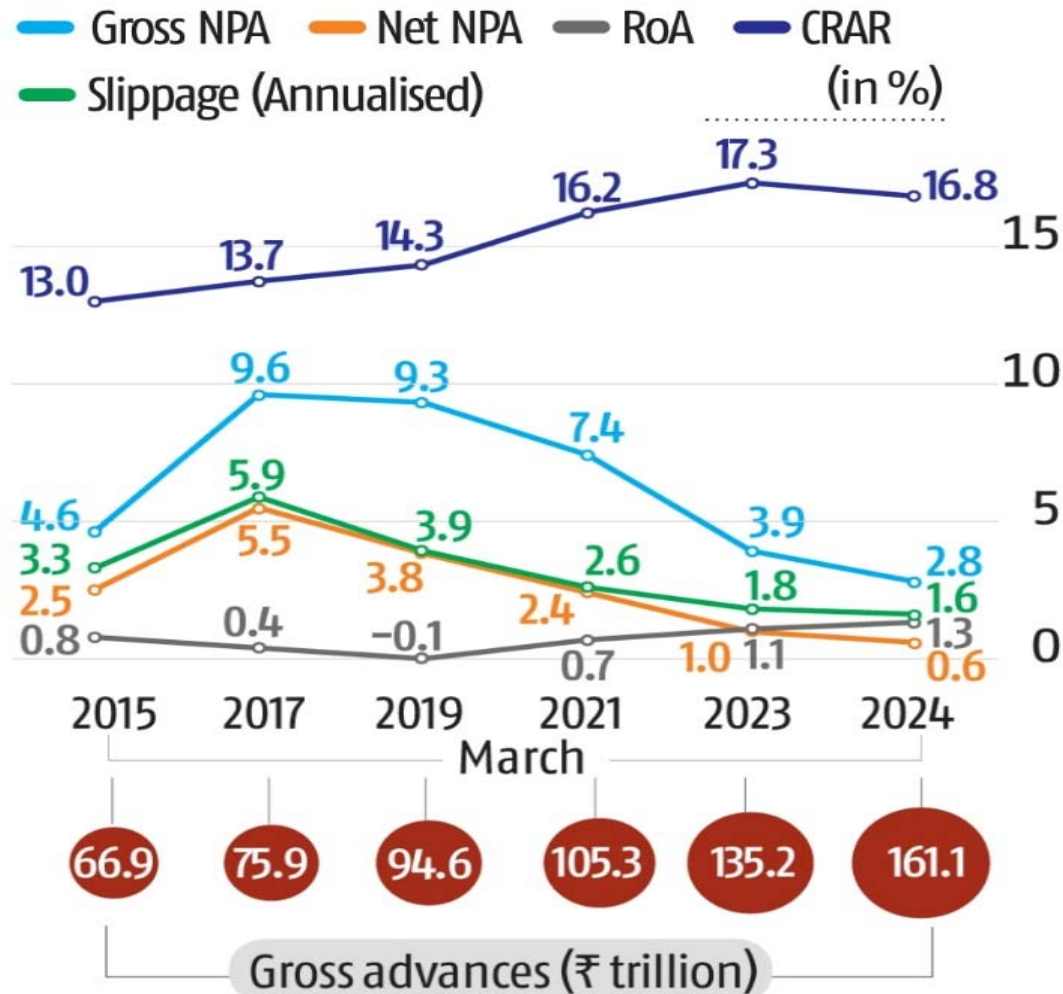
Balance of Payments (USD Billion unless specified otherwise)					
	FY20	FY21	FY22	FY23	FY24
Current Account (% of GDP)	-0.9	0.9	-1.2	-2.0	-0.7
Current Account	-24.7	23.9	-38.8	-67.1	-23.3
Merchandise Trade	-157.5	-102.2	-189.5	-265.3	-242.1
Invisibles	132.8	126.1	150.7	198.2	218.8
Services	84.9	88.6	107.5	143.3	162.8
Transfers	75.2	73.5	80.4	100.9	105.8
Income	-27.3	-36.0	-37.3	-45.9	-49.8
Capital Account	83.2	63.7	85.8	58.9	86.3
Foreign Investments	44.4	80.1	21.8	22.8	53.9
FDI	43.0	44.0	38.6	28.0	9.8
FPI	1.4	36.1	-16.8	-5.2	44.1
Loans	25.7	6.9	33.6	8.3	1.7
Banking Capital	-5.3	-21.1	6.7	21.0	40.5
Other Capital	18.5	-2.1	23.8	6.9	-9.8
Overall Balance	59.5	87.3	47.5	-9.1	63.7

Source: CMIE.

# Bank Strong Balance Sheet **CAPSTOCKS**

## SOUNDNESS INDICATORS

1



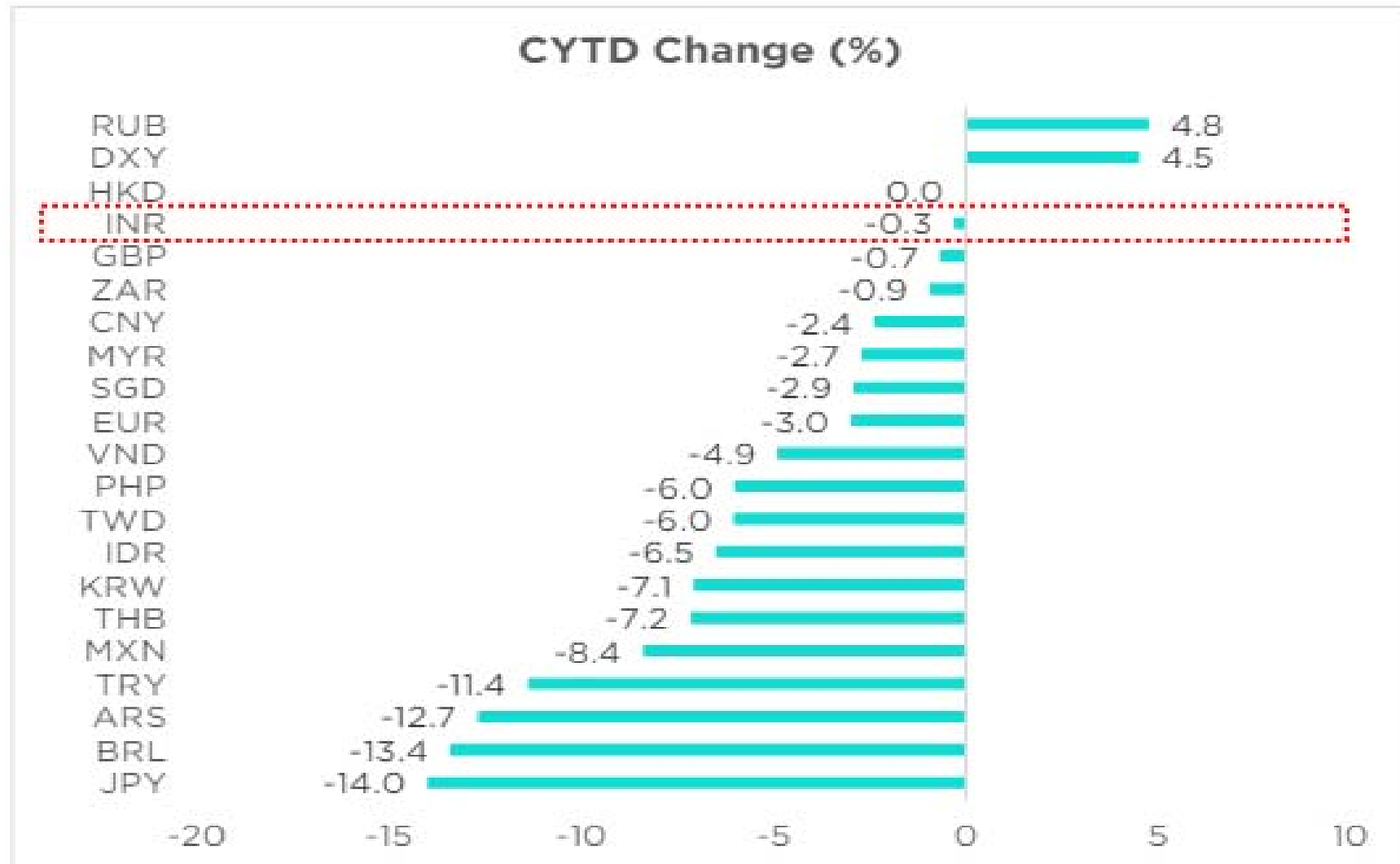
As on June 14

Source: RBI Financial Stability Report



# Stable Rupee

CAPSTOCKS



Source: Refinitiv. Note: (1) Positive values imply currency strengthened (2) Currency performance is against USD (3) Data as on Jun 27.

# Monsoon Progress

**CAPSTOCKS**

- Poor Monsoon progress in early period led to June rainfall deficit of 10%
- July rainfall expected to be good and to reduce June deficit
- Currently El Nino and IOD in neutral

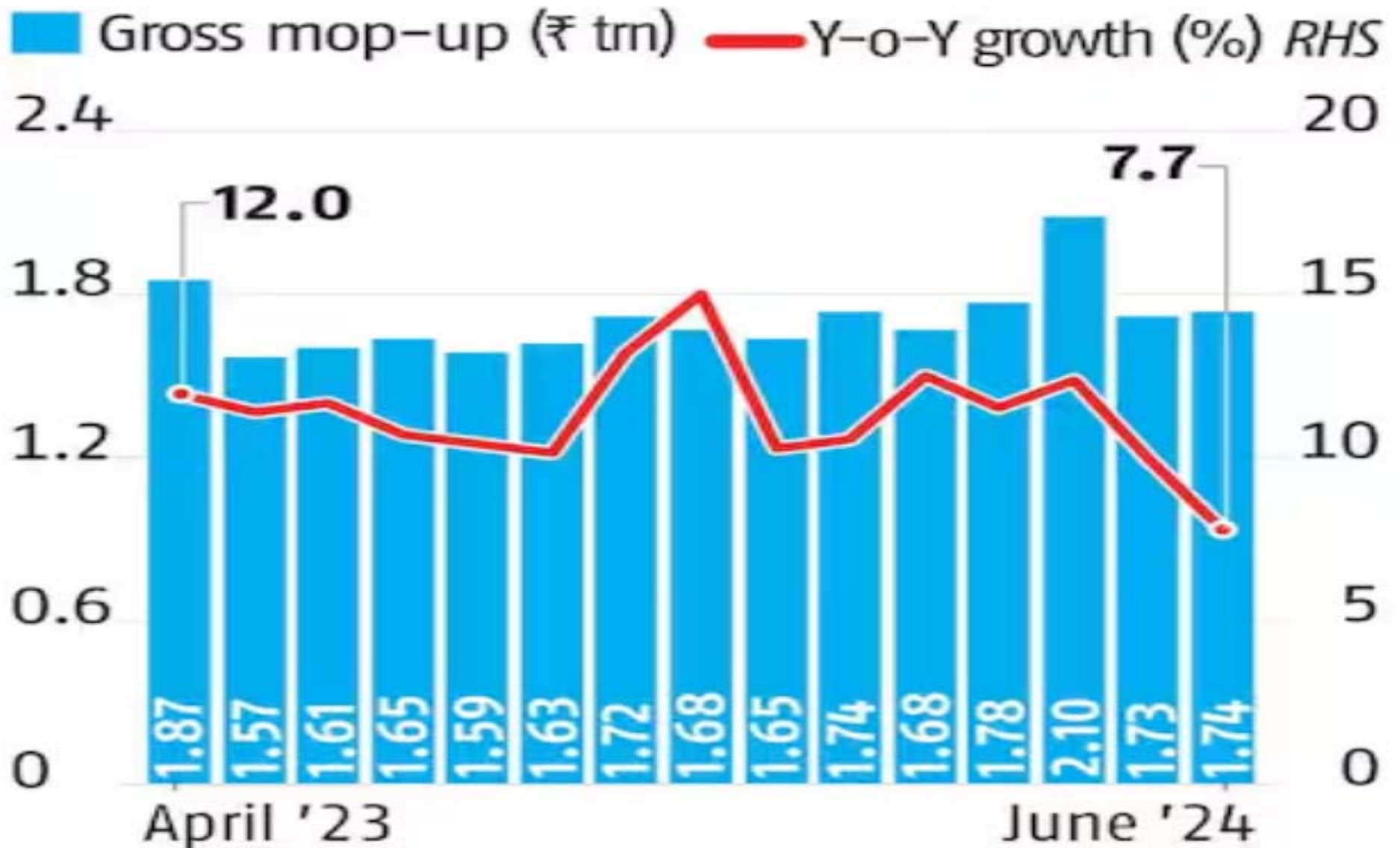
Rainfall (in mm) as on 10 July 2024

Region	Actual	Normal	% Departure from Long Period Average
EAST & NORTHEAST INDIA	451.6	469.6	-4%
NORTHWEST INDIA	139.0	132.0	+5%
CENTRAL INDIA	250.9	265.1	-5%
SOUTH PENINSULA INDIA	244.9	222.2	+10%
<b>COUNTRY AS A WHOLE</b>	<b>247.3</b>	<b>248.3</b>	<b>0%</b>

# Q1 Results Expectation **CAPSTOCKS**

- IT Sector to post muted results
- Banks to show decent growth
- Pharma results to be good
- Infra, FMCG, chemicals, cement to post mixed results

# GST Collections Growth Slows



# June Auto Sales – Muted Growth

Auto domestic sales for June 2024

(in units)

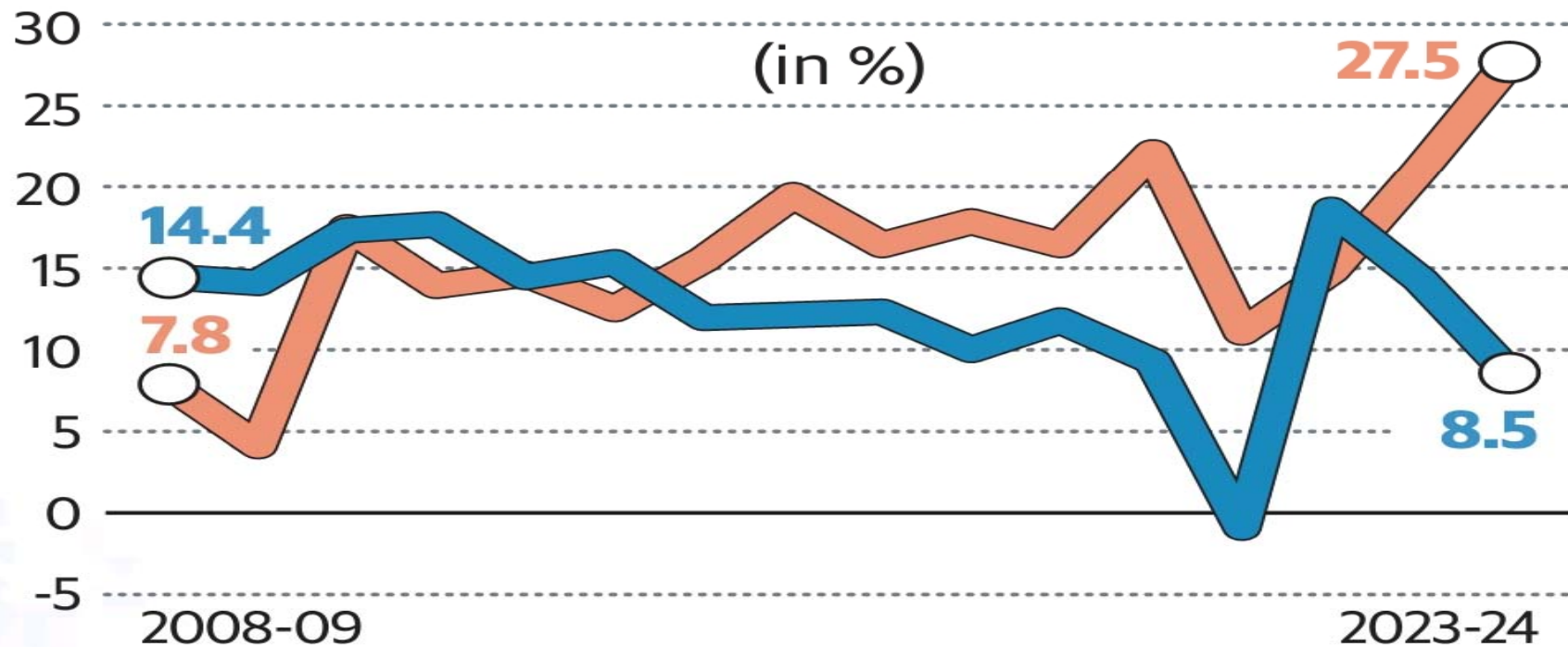
Company	Jun-24	Jun-23	% change
<b>Passenger vehicles</b>			
Maruti Suzuki India	1,37,160	1,33,027	3.1
Hyundai Motor India	50,103	50,001	0.2
Tata Motors	43,524	47,235	-8
M&M	40,022	32,588	23
Toyota Kirloskar Motor	25,752	18,237	30.25
Kia India	21,300	19,391	10
Honda Cars India	4,804	5,080	-5.43
JSW MG Motor India	4,644	5,125	-3.88
<b>Two-wheelers</b>			
Hero MotoCorp	4,91,416	4,22,757	16
HMSI	4,82,597	3,02,756	59.4
TVS Motor	2,55,734	2,35,833	8
Bajaj Auto	1,77,207	1,66,292	7
Suzuki Motorcycle India	71,086	63,059	13
<b>Commercial vehicles</b>			
Ashok Leyland	14,261	14,363	-1
Tata Motors	30,623	33,148	-8
M&M	20,594	20,959	-1.74
Volvo Eicher	6,893	6,277	10
Maruti Suzuki	2,758	2,992	-8
<b>Tractors</b>			
M&M	45,888	43,364	5.82
Escorts Kubota	9,359	9,270	1

# Weak Private Consumption

CAPSTOCKS

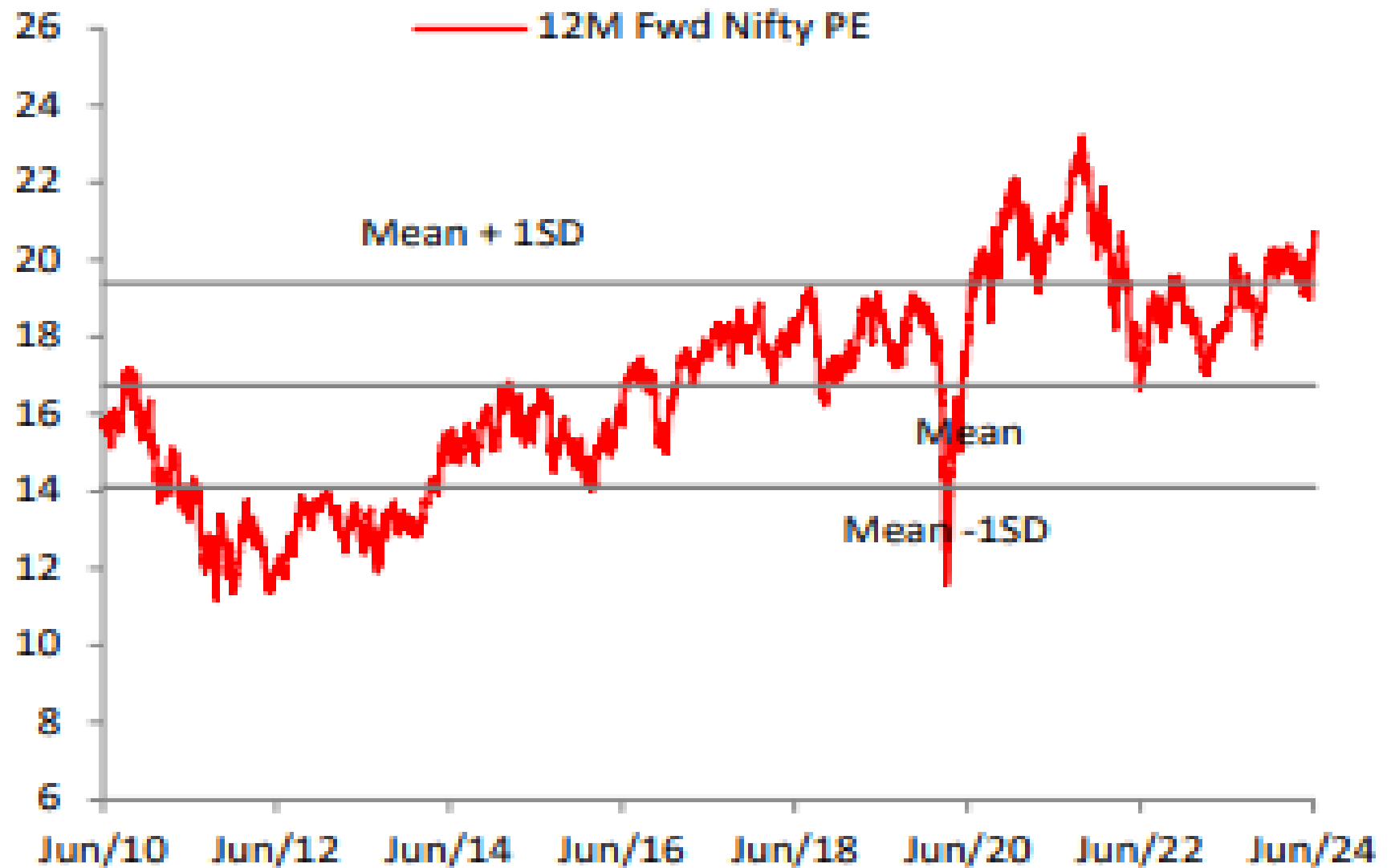
The gap between the growth of retail lending and private consumption has widened

- Growth in private consumption expenditure
- Growth in retail loans of banks



# Valuations

CAPSTOCKS





# Valuations On Uptrend

**CAPSTOCKS**

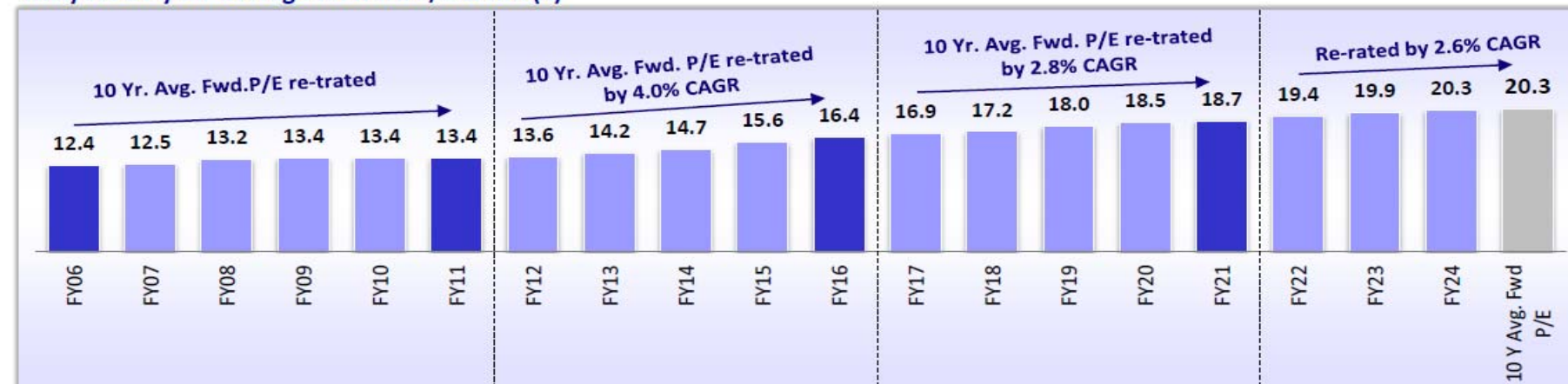
## Rerating of Nifty-50: A continuous trend

- ❖ The Nifty-50 index has seen significant re-rating in the past.
- ❖ The Nifty's 10-year average P/E on 12-month trailing basis rose ~39%/61% in the past 10/15 years. On 12-month forward basis, it rose 38%/64% in the same period.

### Nifty50: 10-year average trailing P/E trend



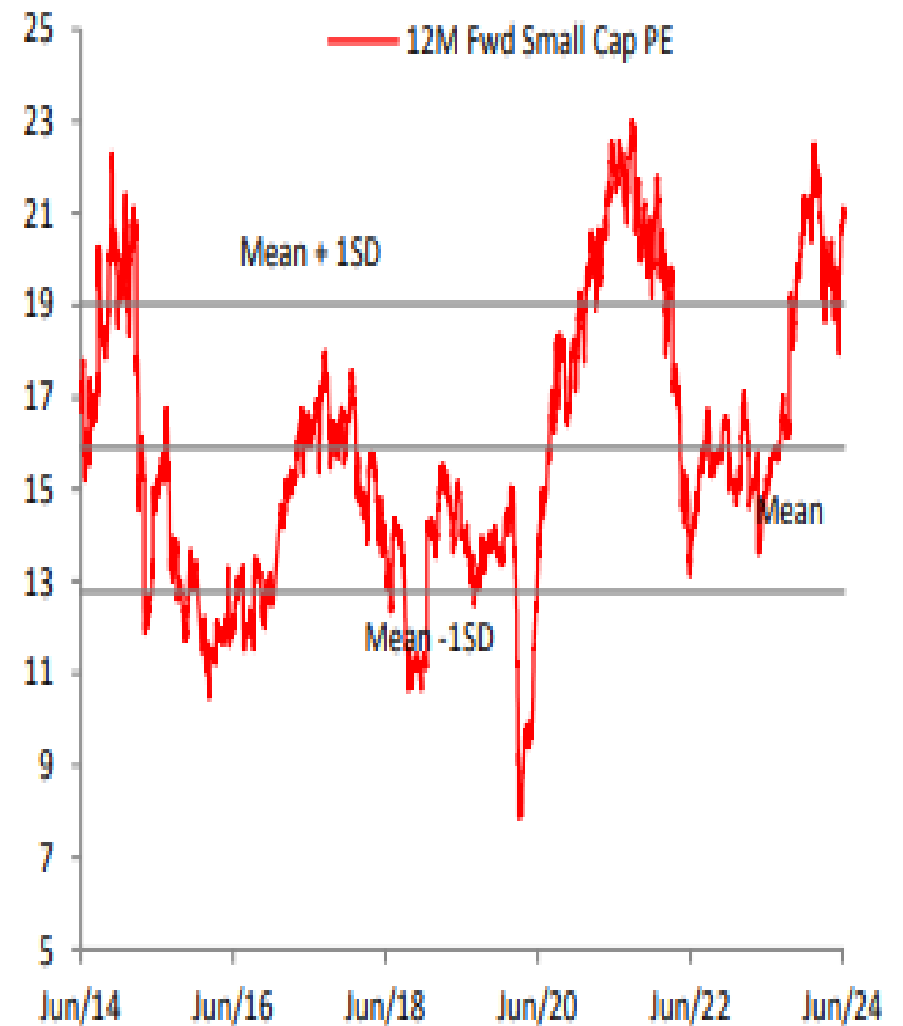
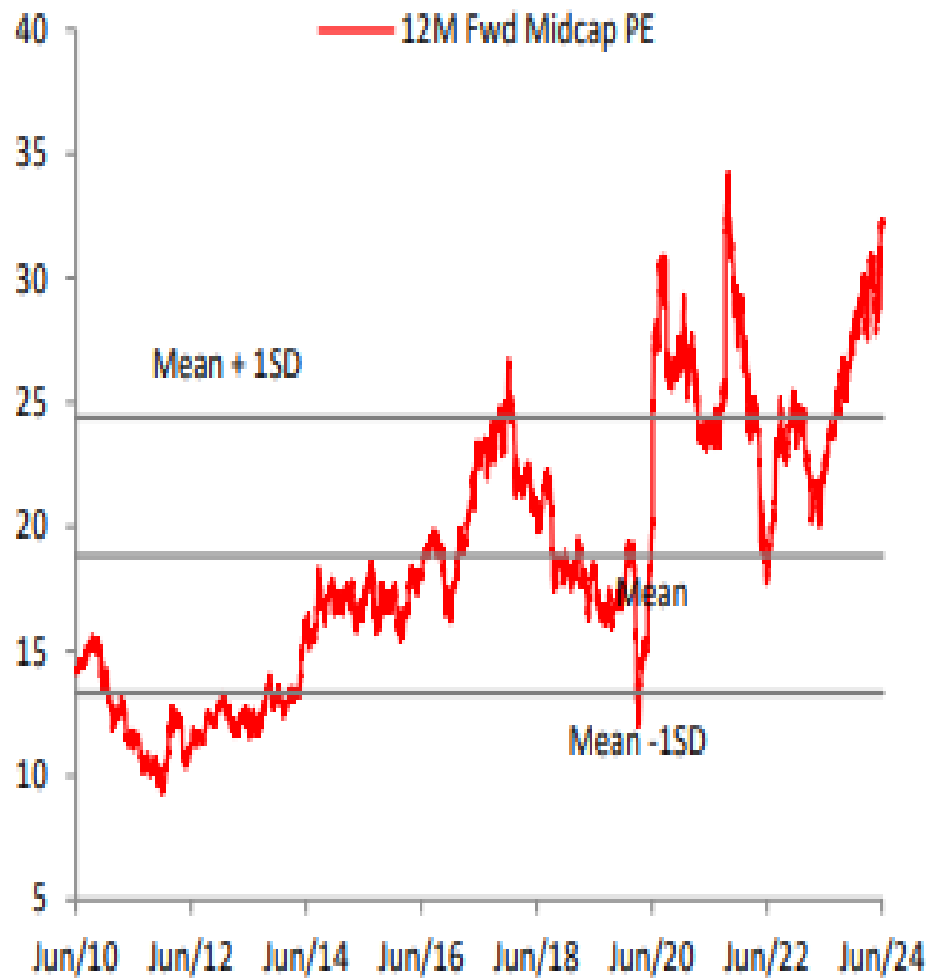
### Nifty50: 10-year average forward P/E trend (x)





# Valuations

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# FPI Flows

## CAPSTOCKS



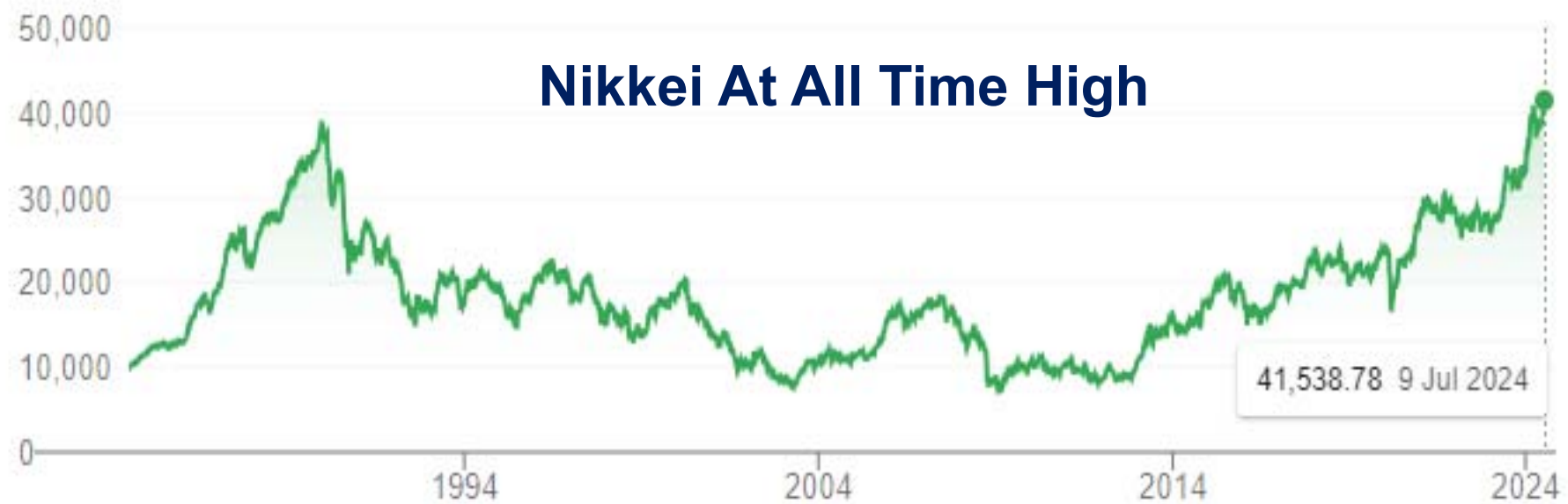
Sources: CMIE, NSDL. Data as on Jun 27.

## CAPSTOCKS

**Japanese Yen Depreciates Sharply**



**Nikkei At All Time High**



# Data To Watch

**CAPSTOCKS**

- Union Budget on July 23<sup>rd</sup>
- Q1 Results
- Monsoon progress

**Thank You**