

Current Market Scenario
8th Mar 2025

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0.22508.65 H:22633.80 L:22464.75 C:22552.50 UC:7.80 %Change:0.03

NIFTY Corrections



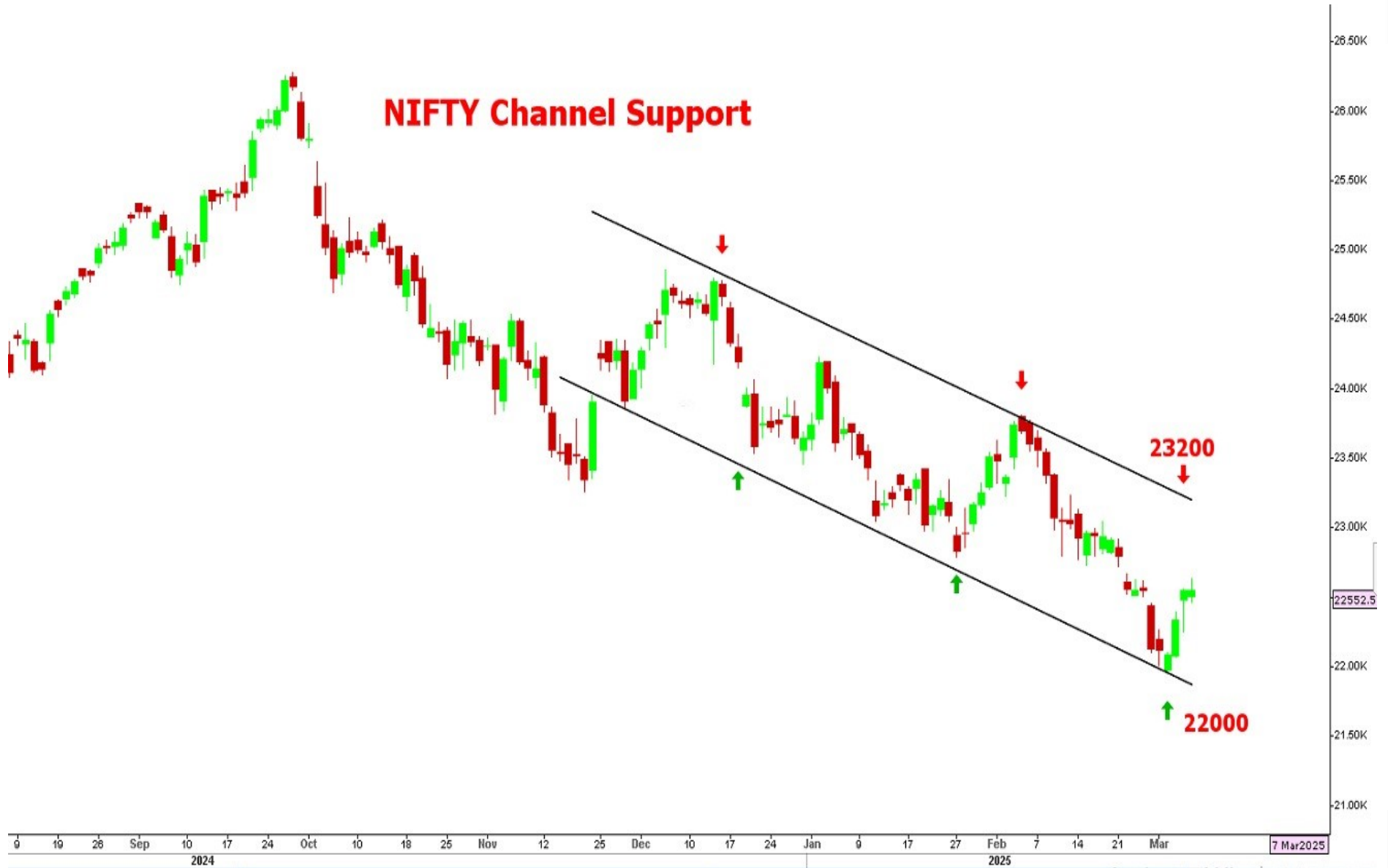
@TickerPlant-BSE NIFTY 50(Daily 5 Year)

2020 2021 2022 2023 2024 2025 7 Mar 2025

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Markets Falls Further

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- Foreign Selling continues
- Tariff war starts
- Crude oil price dips
- Geopolitical realignment to happen

INDEX WATCH

INDEX	8th Mar	8th Feb	% Change
Nifty	22,552	23,559	- 4.2
Sensex	74,332	77,860	- 4.5
Nifty Midcap	49,190	53,609	- 8.2
BSE Small Cap	45,606	50,164	- 9.0

Drawdown in Current Correction

Indices (3-Mar-2025)	Current Levels	Fall % from 52-Week Highs	52 Week High	30 Day Return % [29-Jan-25]	365 Days Return % [29-Feb-24]
<i>Website - Stable Investor.com</i>			<i>Twitter/X - @Stable Investor</i>		
NIFTY 50	22,119.3	-15.82%	26,277	-5.9%	-1.0%
NIFTY NEXT 50	57,646.8	-26.02%	77,918	-9.6%	-4.1%
NIFTY 100	22,514.2	-17.64%	27,336	-6.5%	-1.7%
NIFTY 200	12,134.7	-18.20%	14,834	-7.3%	-1.7%
NIFTY 500	19,897.0	-19.03%	24,573	-7.9%	-2.3%
NIFTY MIDCAP 50	13,602.9	-20.30%	17,067	-9.4%	-2.6%
NIFTY MIDCAP 100	47,984.2	-21.24%	60,926	-10.8%	-1.8%
NIFTY MIDCAP 150	17,778.6	-21.04%	22,515	-10.6%	-1.3%
NIFTY SMALLCAP 50	7,109.6	-25.21%	9,506	-11.9%	-3.9%
NIFTY SMALLCAP 100	14,660.9	-25.64%	19,716	-13.1%	-8.5%
NIFTY SMALLCAP 250	13,755.9	-26.39%	18,688	-12.7%	-8.1%
NIFTY MICROCAP 250	19,320.0	-27.03%	26,477	-14.3%	-4.2%

Website - Stable Investor.com

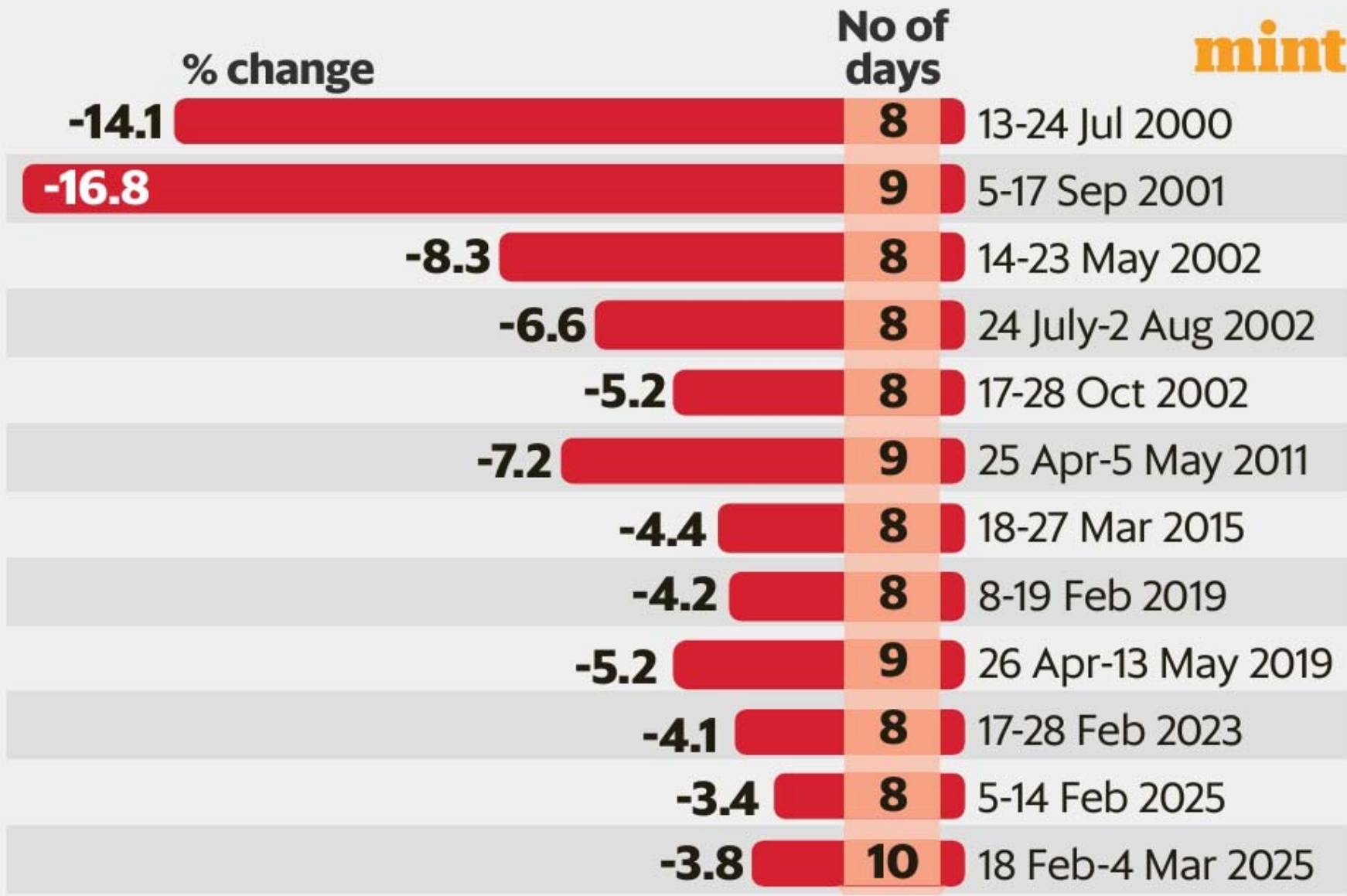
Twitter/X - @Stable Investor

Disclaimer - The indices shown above are for illustration only. It is not a recommendation to buy/sell/hold.

Recent Correction Breaks Multiple Records

- Continuous 10 days of negative closing for Nifty since 1996 (though just marginal negative in some days)
- Continuous five calendar month fall post 1996

Nifty 50's losing streaks since 1999 that lasted eight or more days



Source: Capitalmarket

Current Correction – Valuation Reset

- High valuations in many pockets of market coupled with slowdown in earnings led to correction
- Stocks ran up based on stories will soon reflect their real value
- Mutual fund inflows will give support to market once valuations becomes reasonable
- Foreign investors selling will taper if Govt. induce confidence to them

Stock Prices will Converge to its Value

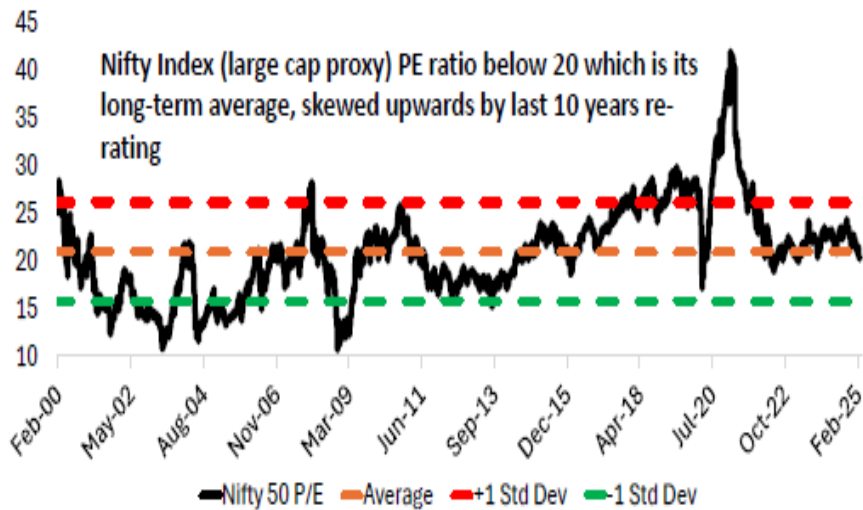
“That is one of the mysteries of our business, and it is a mystery to me as well as to everybody else. We know from experience that eventually the market catches up with value. It realizes it in one way or another”

Benjamin Graham

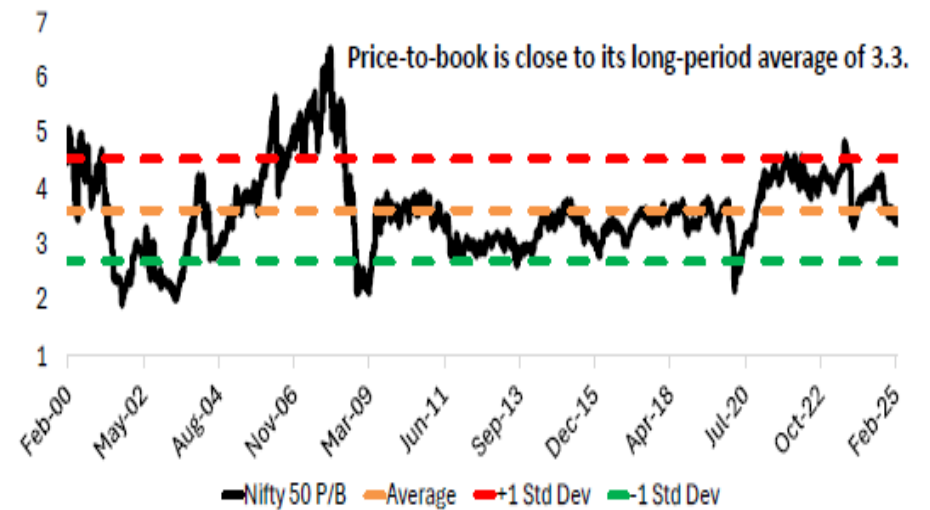
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Valuations At Long Term Average

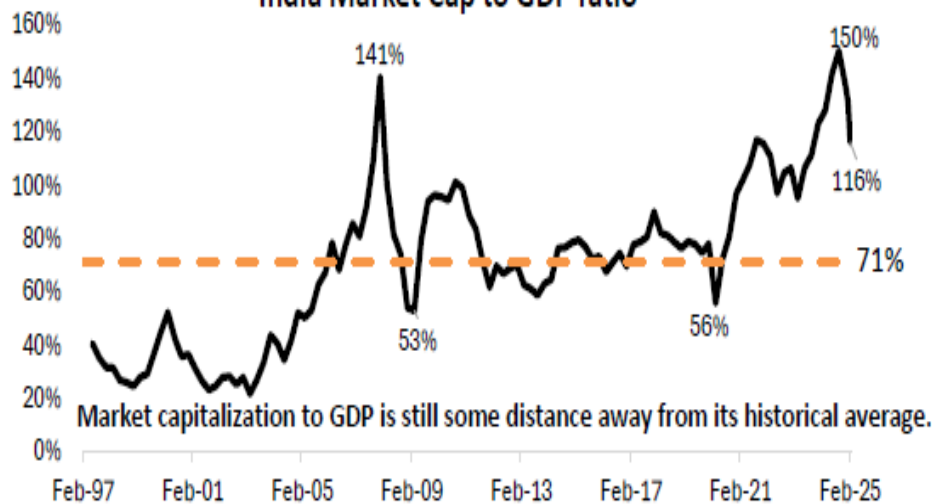
Nifty 50 P/E



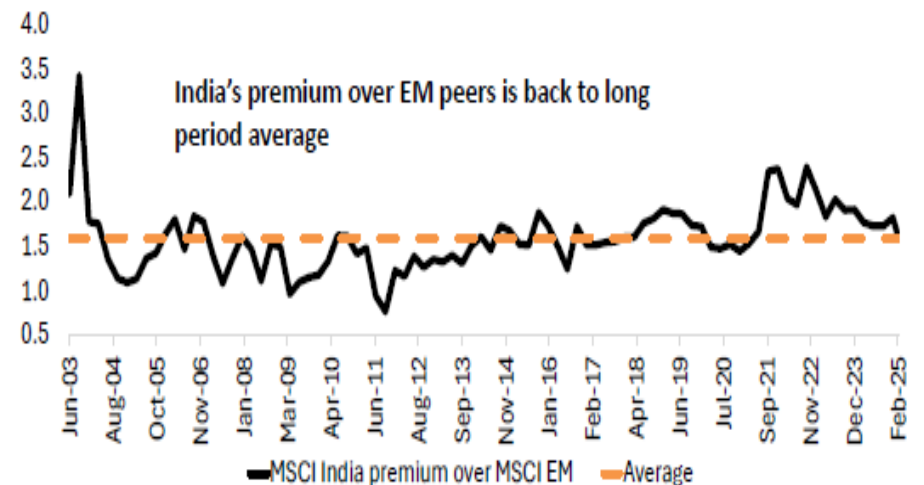
Nifty 50 P/B



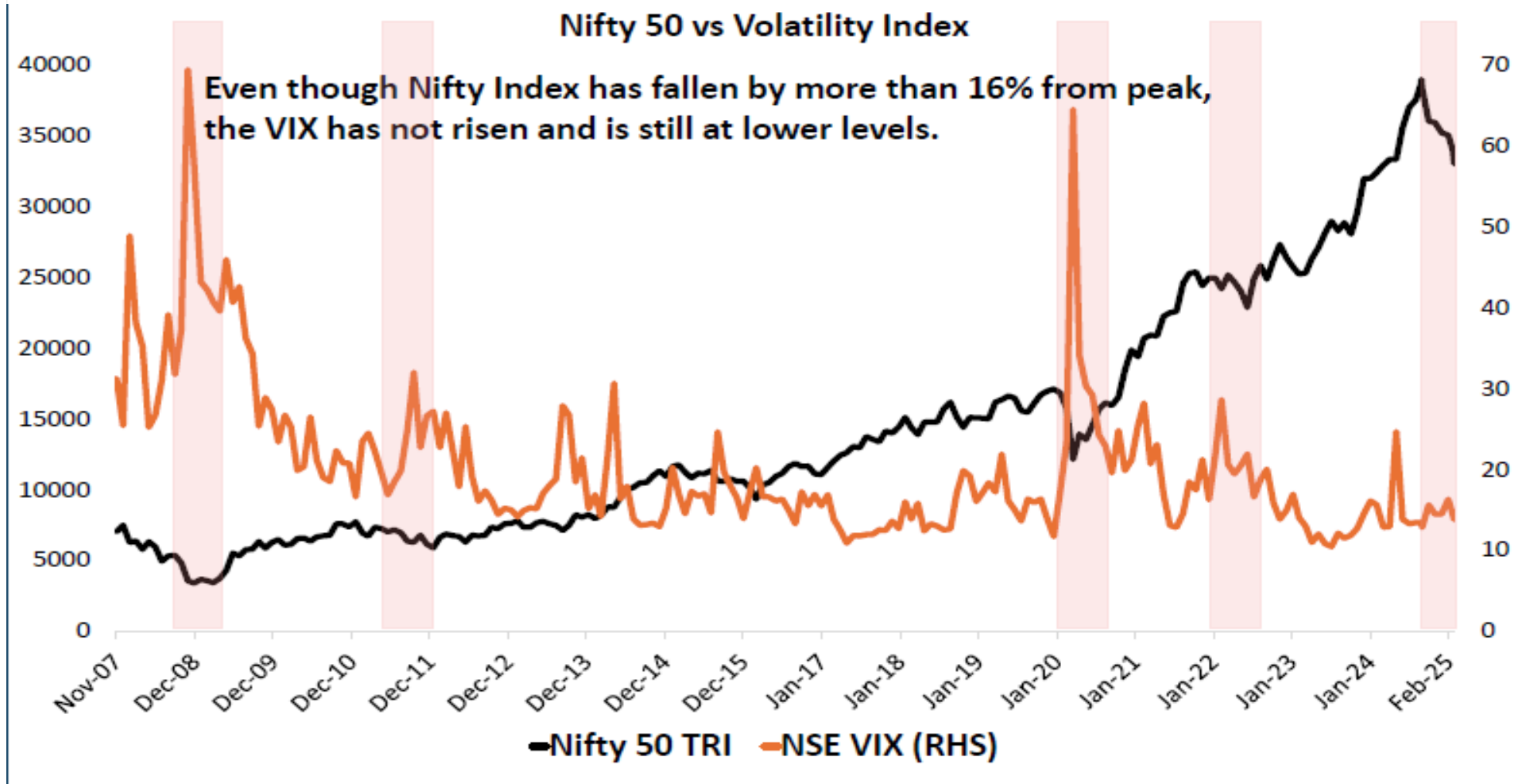
India Market Cap to GDP ratio



MSCI India premium over MSCI EM

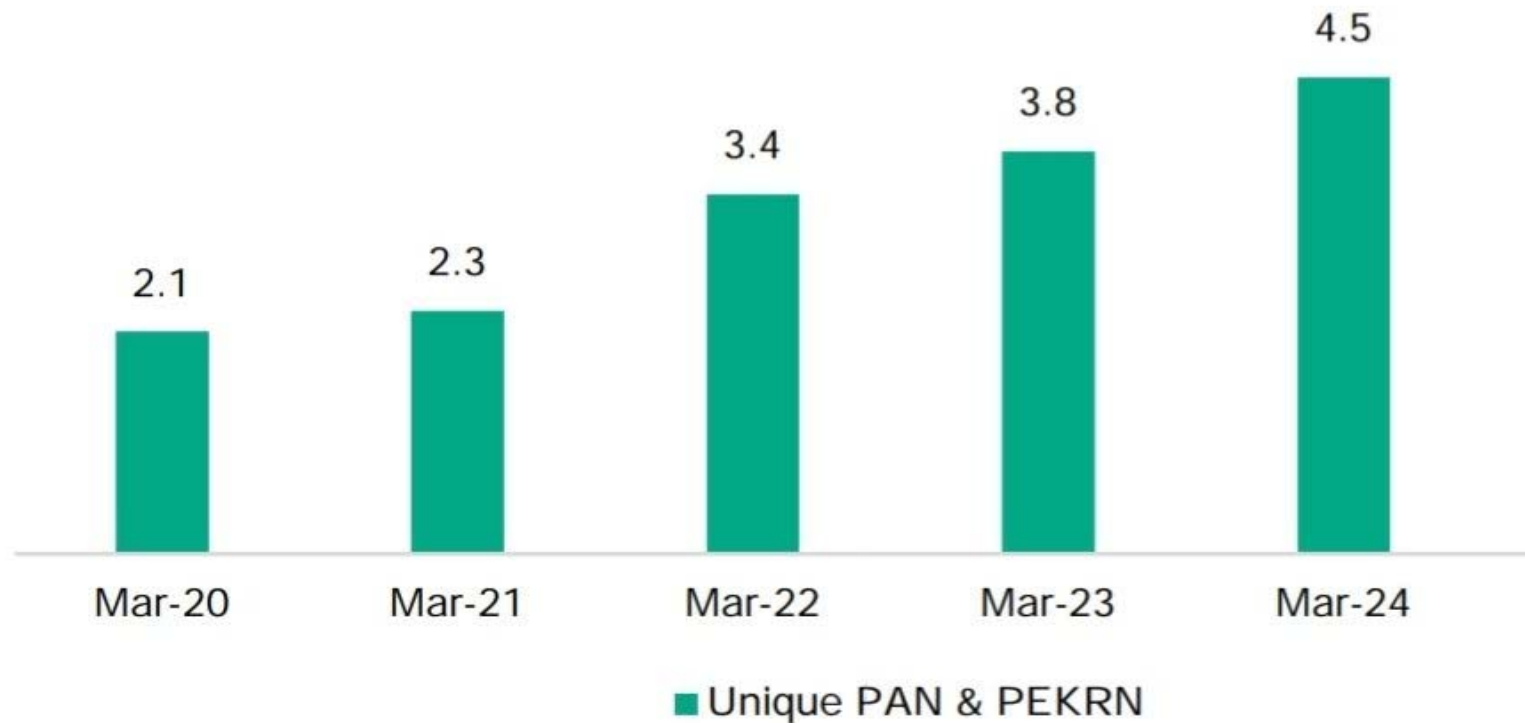


VIX Still At Lower Levels



Half of Investors Not Yet Seen Bear Market

Unique investor data



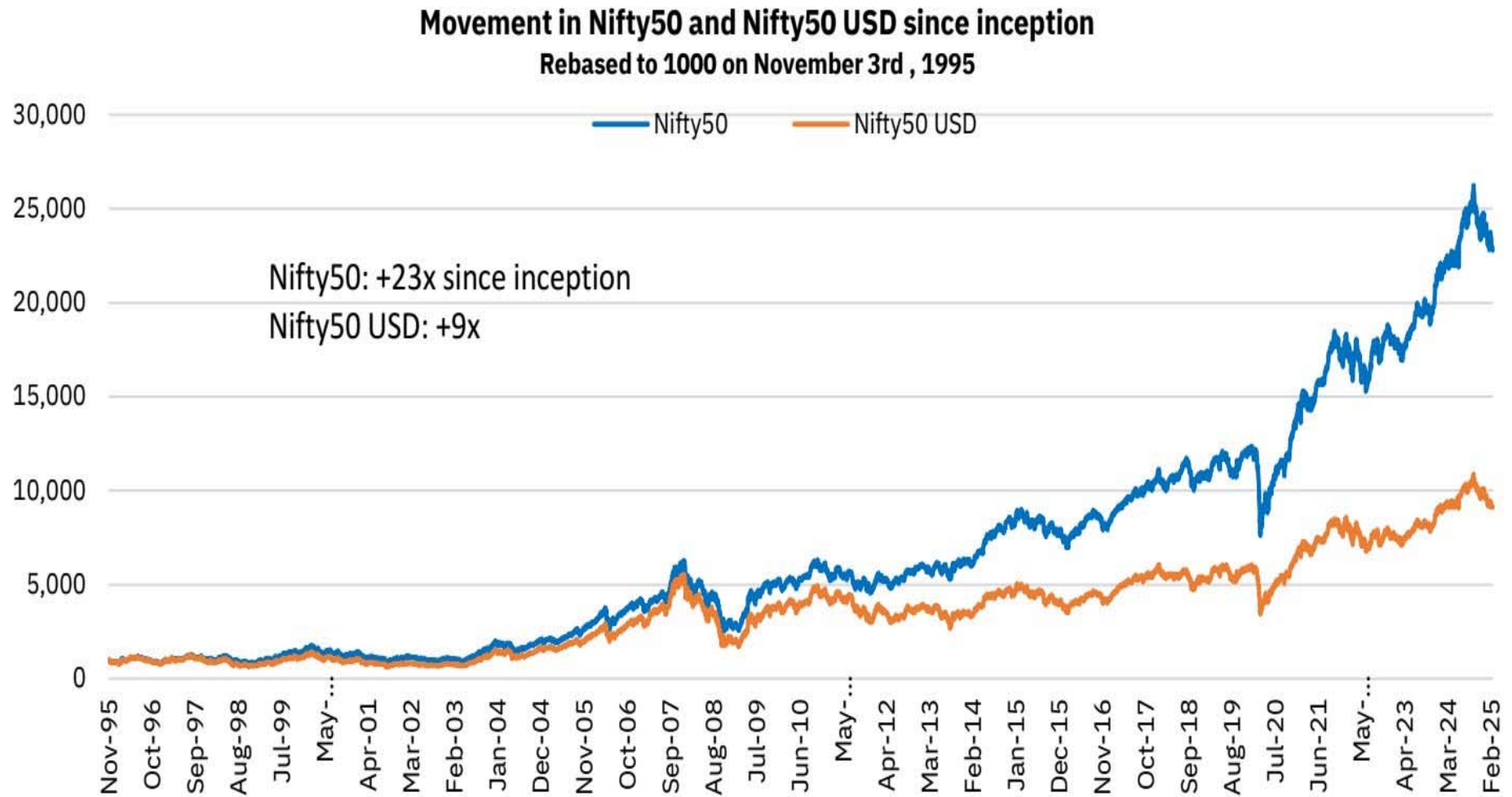
FPI Cash Market Actions

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Period	Net Flows Cr.
Feb 2025	- 58,988
Jan 2025	- 87,374
Dec 2024	- 16,982
Nov 2024	- 45,974
Oct 2024	- 1,14,445
Sep 2024	+ 15,423
Aug 2024	- 21,368
Jul 2024	+ 5,407
Jun 2024	+ 2,037
May 2024	- 42,214
Apr 2024	- 35,692
Mar 2024	+ 3,314
Feb 2024	- 15,962
Jan 2024	- 35,977

Rupee Depreciation Trims FPI Returns CAPSTOCKS

Figure 299: Nifty 50 and Nifty 50 USD since inception



Source: Nifty Indices, NSE EPR. As of February 21st, 2025.

Tariff War Started

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- US levies 25% tariff on Canada and Mexico and pauses till April 2nd
- On China till date 20% (10 + 10) tariff levied
- Reciprocal tariff from April onwards for all countries

Impact of Trump Tariff **CAPSTOCKS**

- Will slowdown global economy due to postponement of capex
- US inflation will go up
- Global trade war will start
- Trade war may lead to geopolitical tensions

Realignment of Geopolitics

- Germany to U – Turn on Fiscal Policy
- To Spend heavily on defense on infra
- Other European countries may follow Germany Policy
- US turning to be an unreliable partner may force many countries to realign their trade policies and geopolitics

What We Should Do Now

- Reasonable valuations throws opportunity for long term investors to build portfolio
- Stocks ran up on stories unlikely to see previous highs
- Portfolio churning may be necessary
- Gradual accumulation is advised

RBI Actions To Support Growth

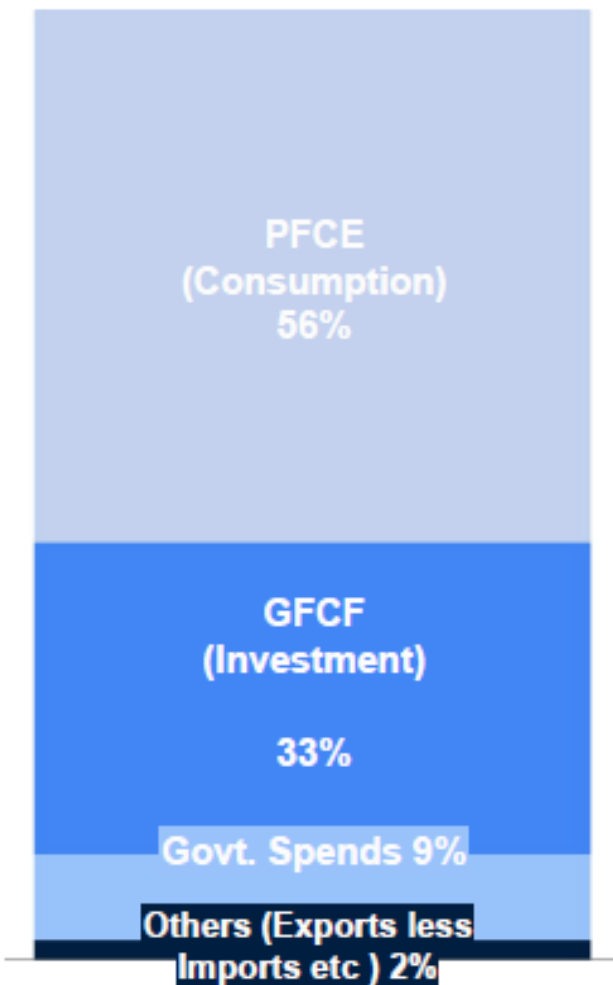
- Cuts Repo rate by 25 bps
- Injects huge liquidity through OMO, Forex Swaps
- Reduces risk weights on NBFC's and MFI's by 25 bps

Consumption To Revive

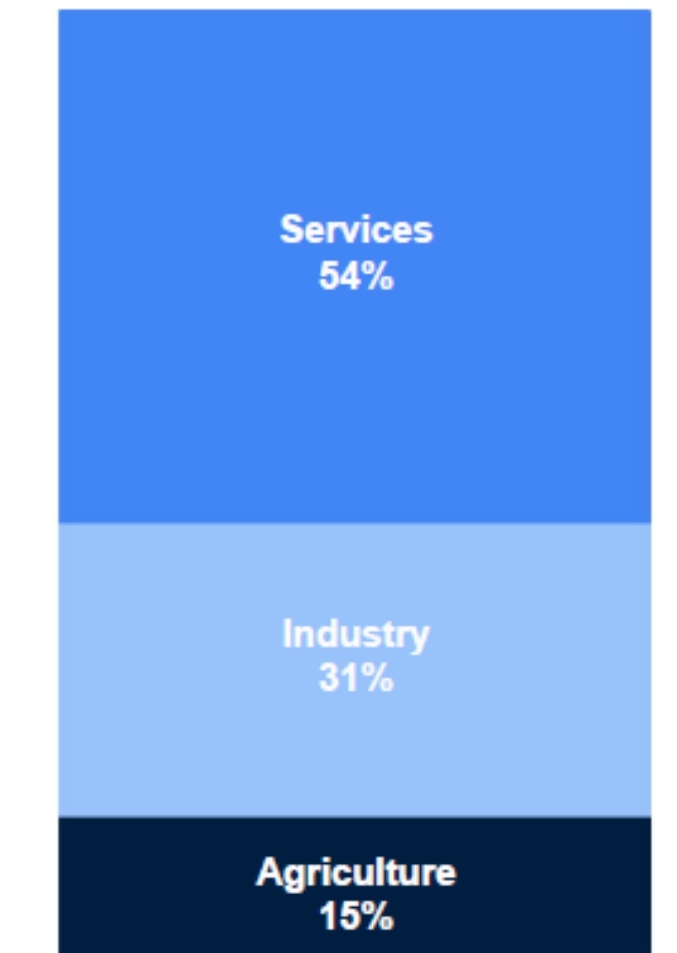
- Revision in Income Tax rates and slabs
- RBI actions

Domestic GDP Segments **CAPSTOCKS**

India's GDP by expenditure components

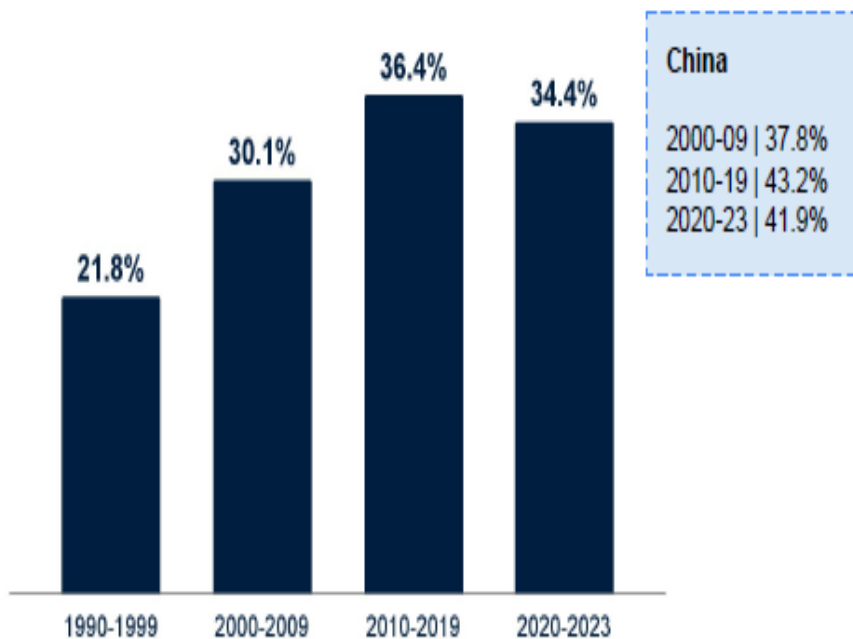


India's GDP by sectoral split

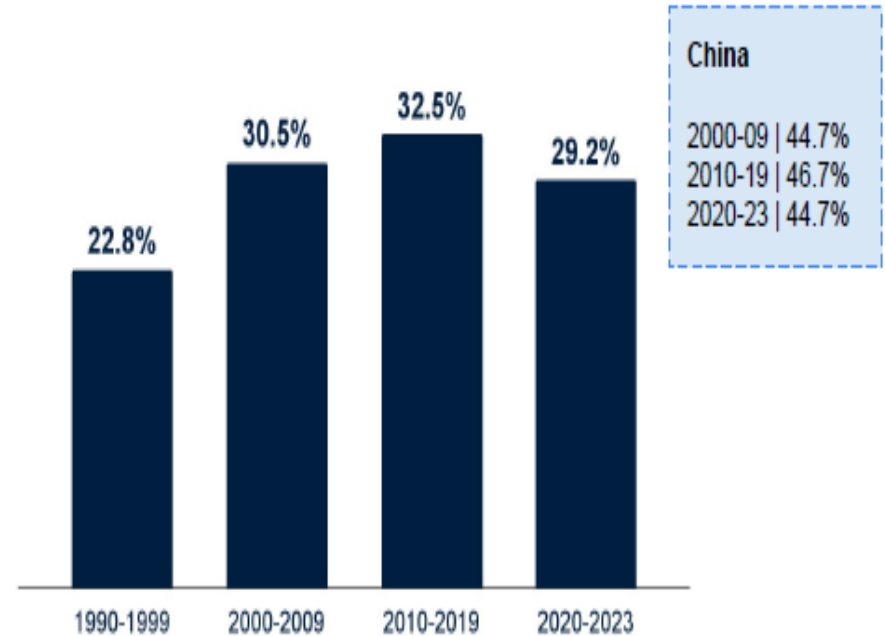


Investment Contributes Less in GDP

GFCF as % of GDP



Gross Savings Rate



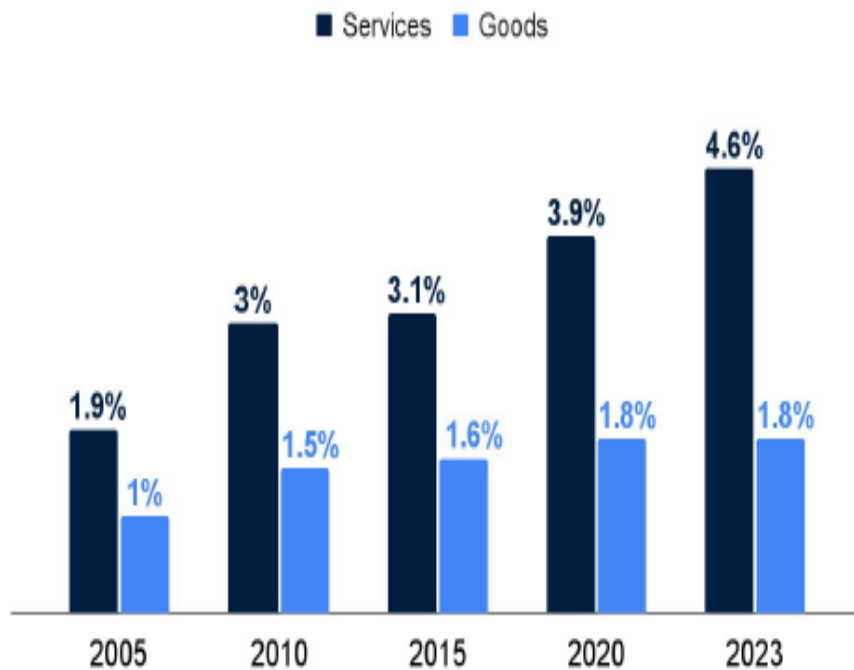
India's Strength is in Services Exports

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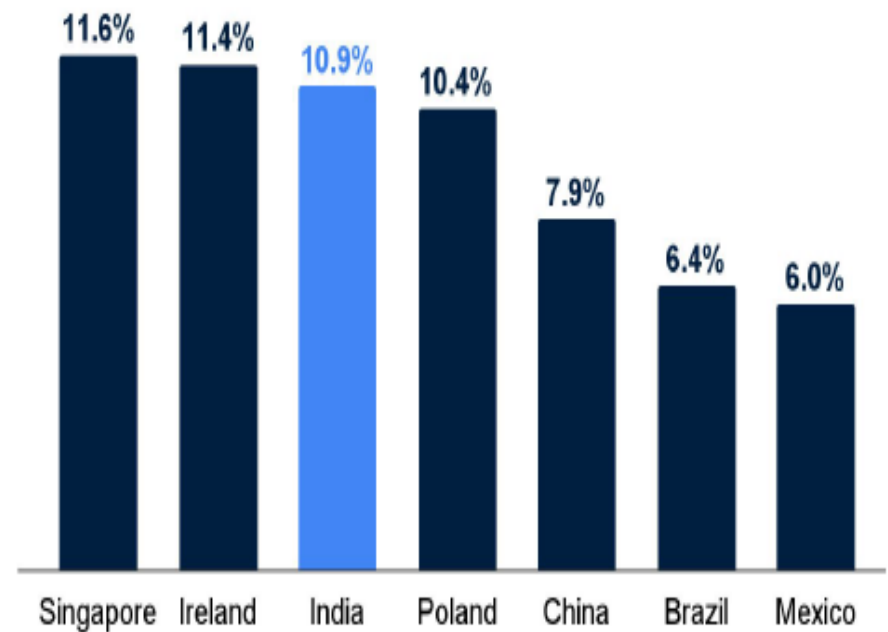
India's share of global services exports is up from 2% to nearly 5% of global trade over the past two decades

India's services exports has grown nearly 2x relative to peers like Brazil and Mexico

India's Share of Global Services and Goods Exports (in %)



India v Peers: Services Exports CAGR FY05-23 (in %)



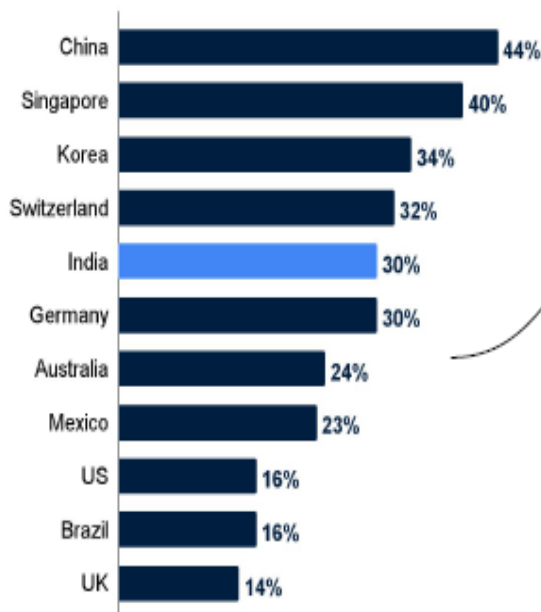
Household Savings Coming Down

India has a much lower savings rate than its Asian peers, especially China

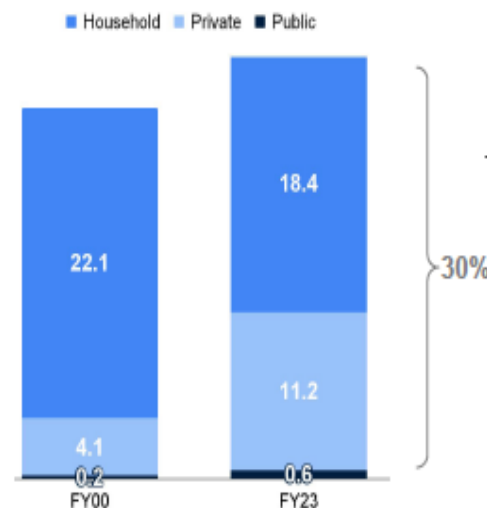
Household share of savings has dropped from 84% in FY00 to just 61% in FY23!

A key reason for household savings share dropping is the drop in financial savings

Country-wise Gross Savings as % of GDP, 2023

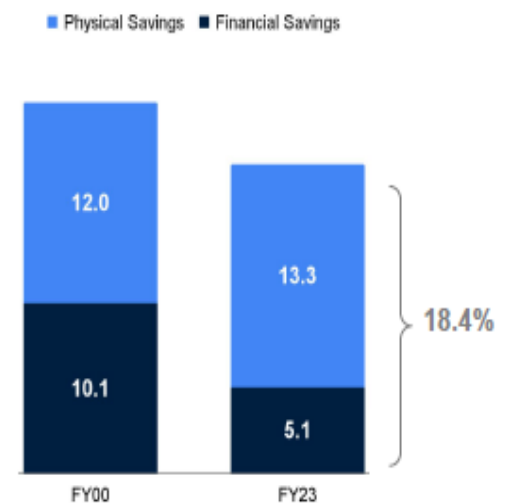


Savings as % of GDP by Type FY00 v FY23 (in %)



Household savings make up the majority of savings. They have been steadily declining (barring a pandemic-induced rise in '21)

Split of Household Savings FY00 v FY23 (in %)



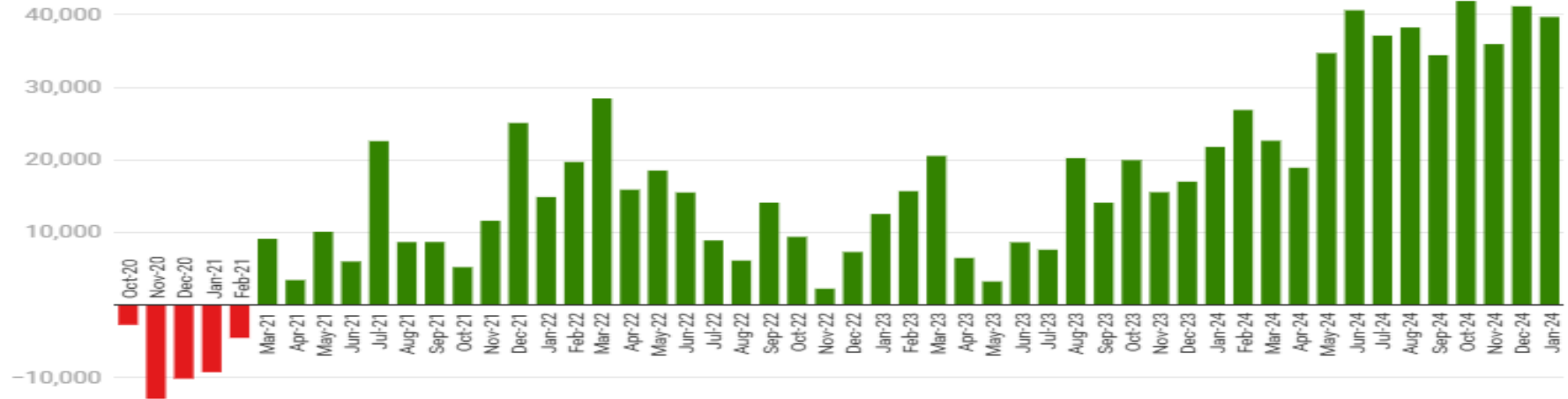
Household financial savings dropped from 10.1% to 5.1% primarily as a result of financial liabilities increasing from 2 to 5.8% in the same period.

Mutual Fund Flows

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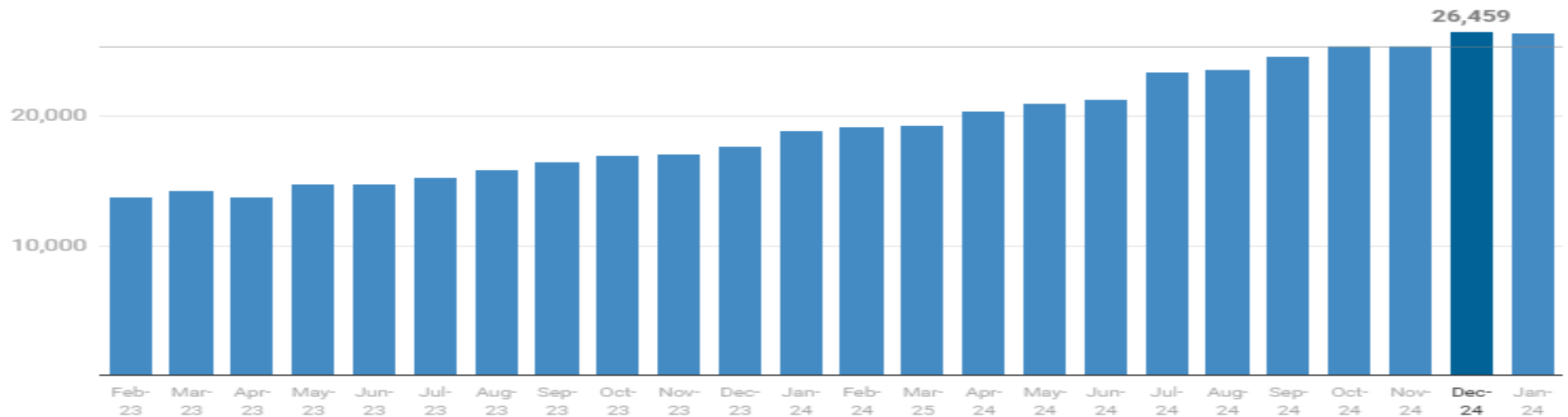
Net Equity Inflows

(Rs crore)



SIP Contribution

Gross investments (Rs crore)



Events To Watch

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- FPI actions
- Trump actions on Tariffs

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Thank You