



Current Market Scenario

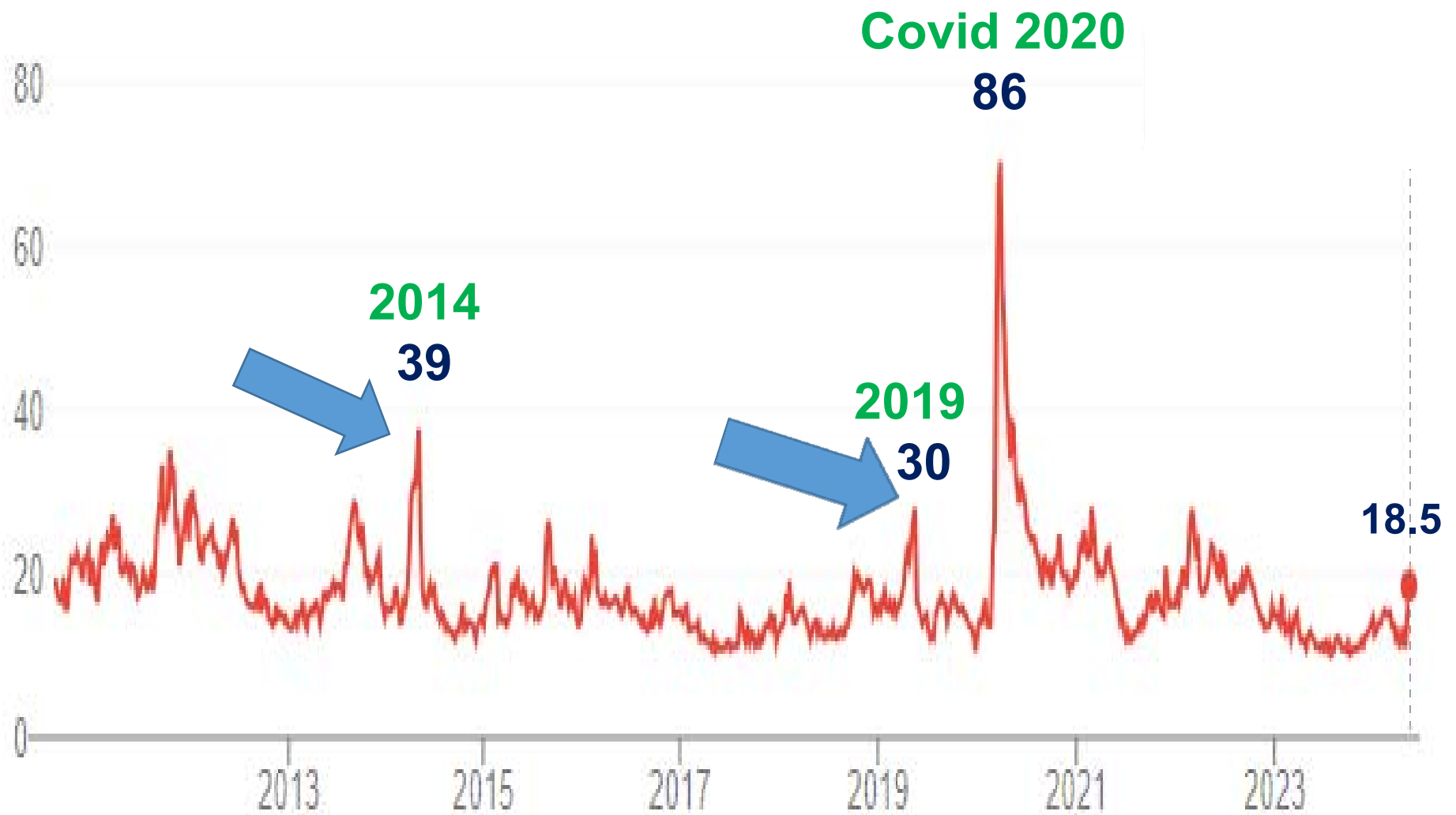
11th May 2024



IndiaVIX



India VIX



Nifty Channels



Nifty Channel



21950.30 C:22055.20 UC:97.70



Nifty Support & Resistance



Markets Cautious Ahead of Election Outcome



- Will remain volatile for next few weeks
- Domestic events will dominate near term
- US Fed rate cut to be back ended
- Stable Global markets

INDEX WATCH

INDEX	10, May	12, Apr	% Change
Nifty	22,055	22,519	- 2.0
Sensex	72,664	74,244	- 2.1
Nifty Midcap	49,532	50,067	- 1.0
BSE Small Cap	45,396	45,872	- 1.0

Election Outcome Awaited



- Consensus expects 3rd Term for Current Government
- Number of Seats expectation for NDA coming down
- Section of investors are turning cautious
- Unanimous opinion mostly lead to volatility



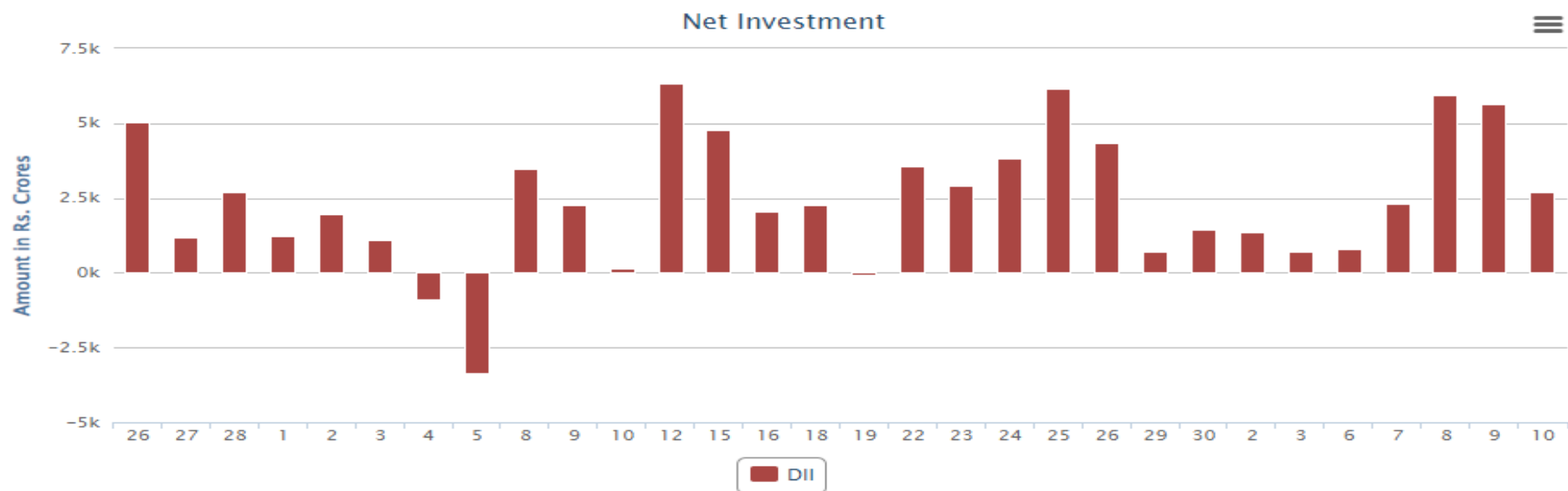
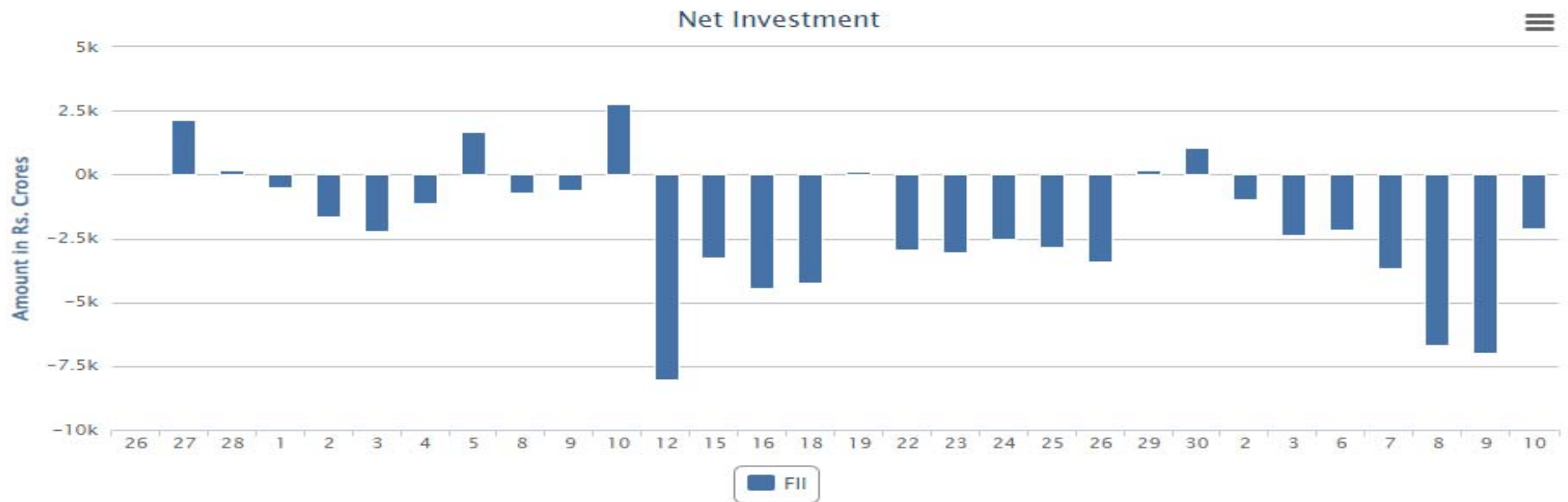
Election Outcome Scenarios



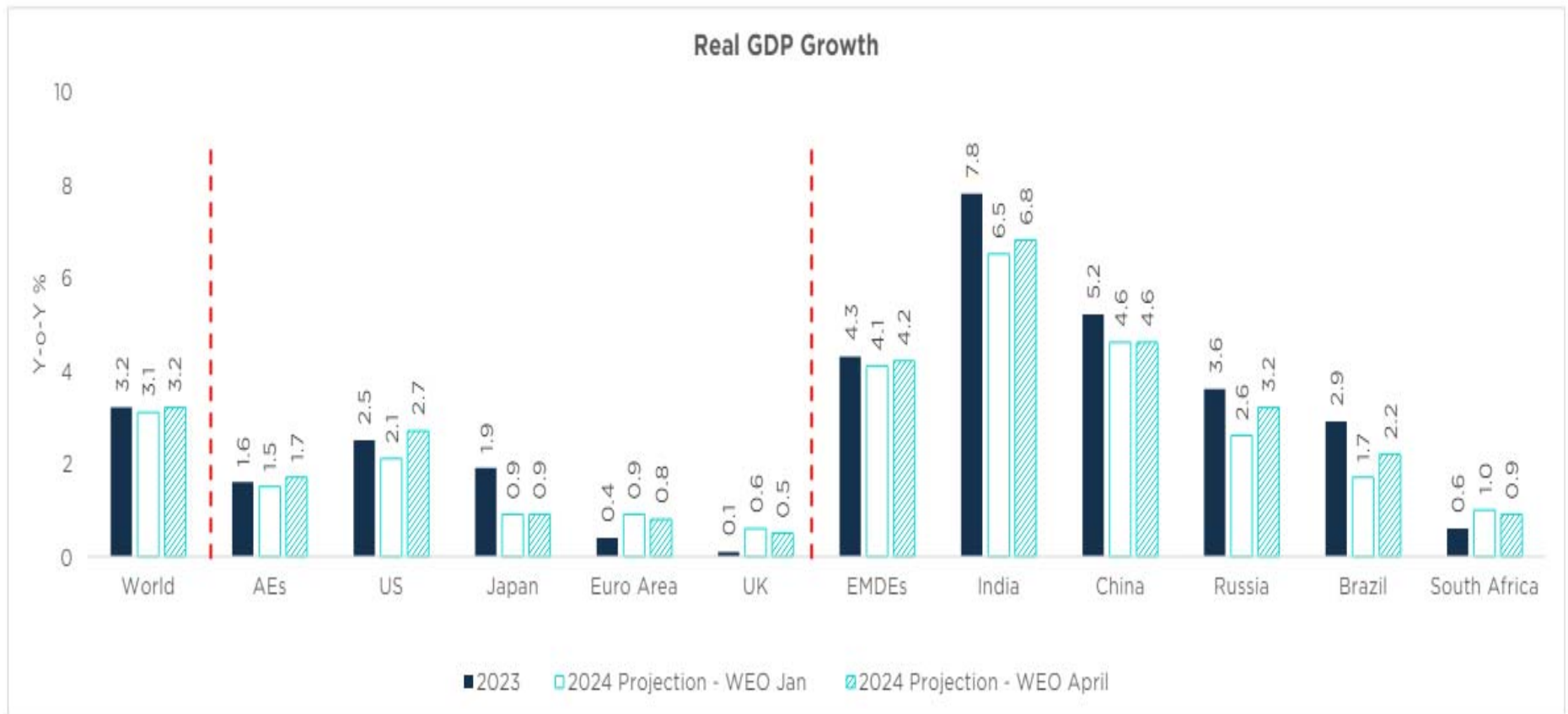
Scenario	Market Reaction
NDA comes back with 2/3 rd majority	Strong Positive action
NDA get seats like last time	Mildly positive
BJP shortfall of simple majority and forms Govt. with support of NDA	Mildly Negative
NDA unable to form Govt.	Huge negative action

Whatever election outcome , markets will discount within couple of weeks, post that Market movement will depend upon Govt. announcements

Institutional Activity



IMF GDP Growth Projections



Sources: IMF World Economic Outlook (WEO)

AEs = Advanced Economies. EMDEs = Emerging Market and Developing Economies. Note: India's data is for fiscal year.

Capital Formation – On Uptrend



India: A Trillion Dollar of Annual Investments

Gross Fixed Capital Formation in current US Dollars by country

1990	1995	2000	2005	2010	2015	2020	2023	CAGR
1269	1697	2373	2990	2756	4656	6240	8006	14.4%
1114	1594	1415	1251	2674	3778	4602	5774	4.7%
433	609	450	901	1303	1110	1289	1109	8.1%
297	321	395	543	664	672	837	1087	-0.1%
258	243	297	479	585	604	728	979	6.3%
148	238	294	447	557	524	616	620	2.3%
129	111	146	269	399	509	471	531	2.2%
95	92	122	256	379	371	384	490	4.1%
86	91	108	188	330	354	322	434	3.3%
84	83	44	136	311	281	301	416	4.9%

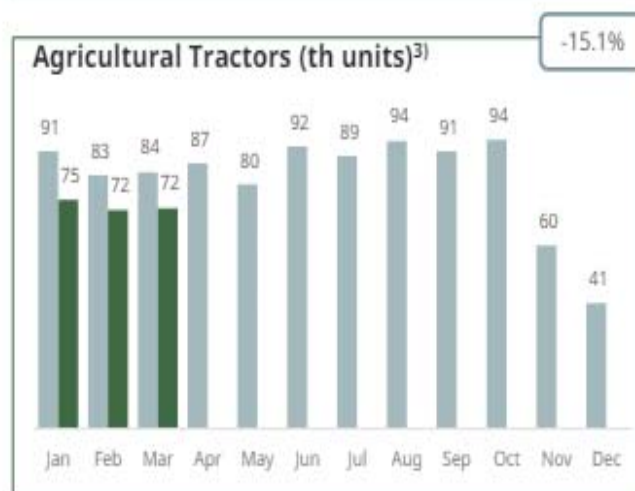
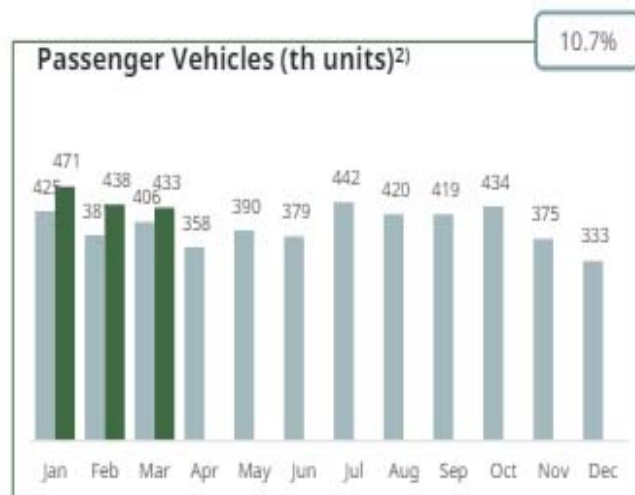
India	China	Russia	France	United Kingdom
Australia	Canada	Japan	Germany	United States

Manufacturing –Theme To Focus



Country	High growth phase	Average Real GDP growth in high growth phase	Manufacturing share at start of high growth phase	Manufacturing share at the end of high growth phase
Thailand	1985-1991	9.3%	21.9%	28.2%
China	1990-2005	9.8%	9.1%	32%
Indonesia	1983-1996	6.3%	13.4%	24.1
Vietnam	2010-2022	6.1%	19.2%	25.8%
India	2023-2030	??	15%	??

Auto Sales – Divergent Moves



Key Aspects

- 2W sector demand from both domestic and exports markets, coupled with higher EV sales
- PV segment growth from SUVs and growth in EV penetration
- Infrastructure push driving demand for the CV sector moderated by sluggishness in FMCG, Retail sectors
- Irregular monsoons, lower kharif yields and lower farmer income due to reduced subsidies led to the continued degrowth

Source of data :

¹⁾ SIAM : Society of Indian Automobile Manufacturers

²⁾ TMA : Tractor Manufacturers Association

³⁾ TW – Two wheelers, CV – Commercial Vehicles, PV – Passenger Vehicles,

Good Monsoon Rainfall Forecasted



- IMD forecasts above normal rainfall of 106% of Long Period Average
- Skymet forecasts normal rainfall of 102% of Long Period Average
- La Nina and Positive Indian Ocean Dipole will aid monsoon rainfall
- Currently India witnessing harsh Summer with above normal heat

Q4 Results in Focus



- Performing stocks results were mostly good
- No major positive surprise
- Chemicals QoQ improvement
- Muted results from IT sectors
- Banks posted decent results
- Capital goods companies posted good results

Q4 Result Performance



	% Change (YoY)	
	Mar 2024	Mar 2023
Sales	8.8	13.0
Net Profit	16.5	6.4

Results of 490 Companies

Coffee Can Portfolio – Underperformance Continues



- “Consistent Compounding Quality stocks” continue to under perform
- Current rally in sectors resembles bull market of 2003-07
- Mentally difficult for a fund manager to switch Coffee Can portfolio to current sectors in fancy

EV Theme – Mania Fizzling Out



- EV sales momentum is slowing down globally
- Lack of charging infrastructure, lower resale value and uncertain Government policies slowing down EV adoption
- Chinese companies are big winners in EV theme in providing high tech vehicles at affordable cost
- Sale of hybrid and plug in hybrid vehicles continue to increase
- EV adoption will continue to increase

Tesla Stock



Major beneficiary of US Rate Cut



This can turn out to be a major risk factor in the next few quarters. US Treasury market is the backbone of global liquidity and stability.



Japanese Yen – Sharp Depreciation



Pakistan KSE100



Karachi Stock Exchange KSE100 Index 72675.590 -78.58969 (-0.11%)

1 Yr Return 77%

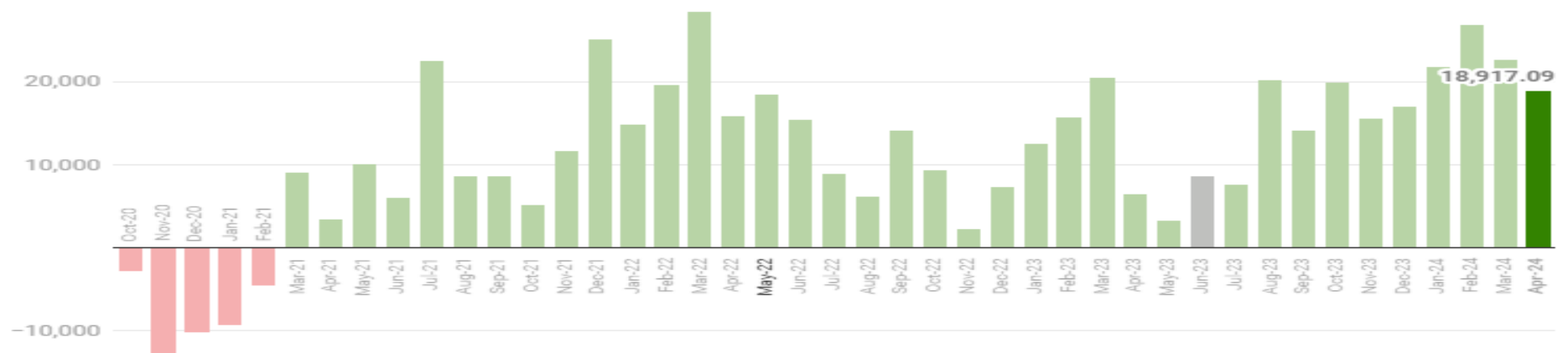


Mutual Fund Flows



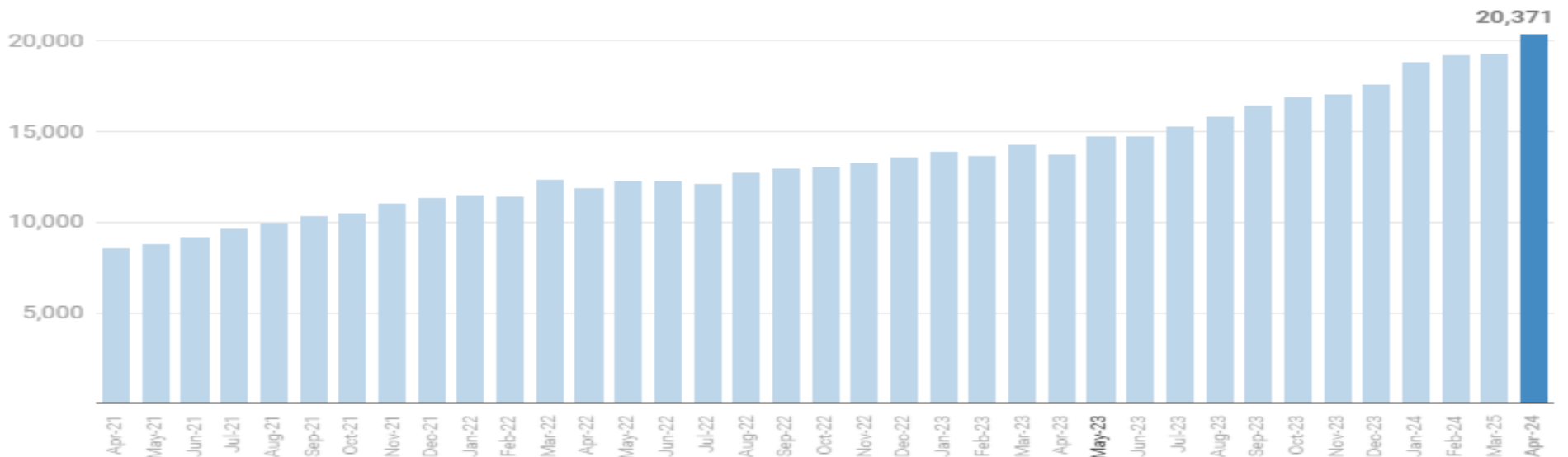
Net Equity Inflows

(Rs crore)



SIP Contribution

Net investments (Rs crore)



Data To Watch



- Election Outcome
- Monsoon forecast
- Q4 results



Thank You

