



Current Market Scenario

14 Oct 2024

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Volatility returns to Market



- Broader market still holding
- Global Economy slows
- FPI turns seller
- Monsoon Ends “Near Normal”

INDEX WATCH

INDEX	14, Oct	9, Sep	% Change
Nifty	19,751	19,819	- 0.3
Sensex	66,282	66,598	- 0.4
Nifty Midcap	40,453	40,977	- 1.2
BSE Small Cap	38,184	38,266	- 0.2

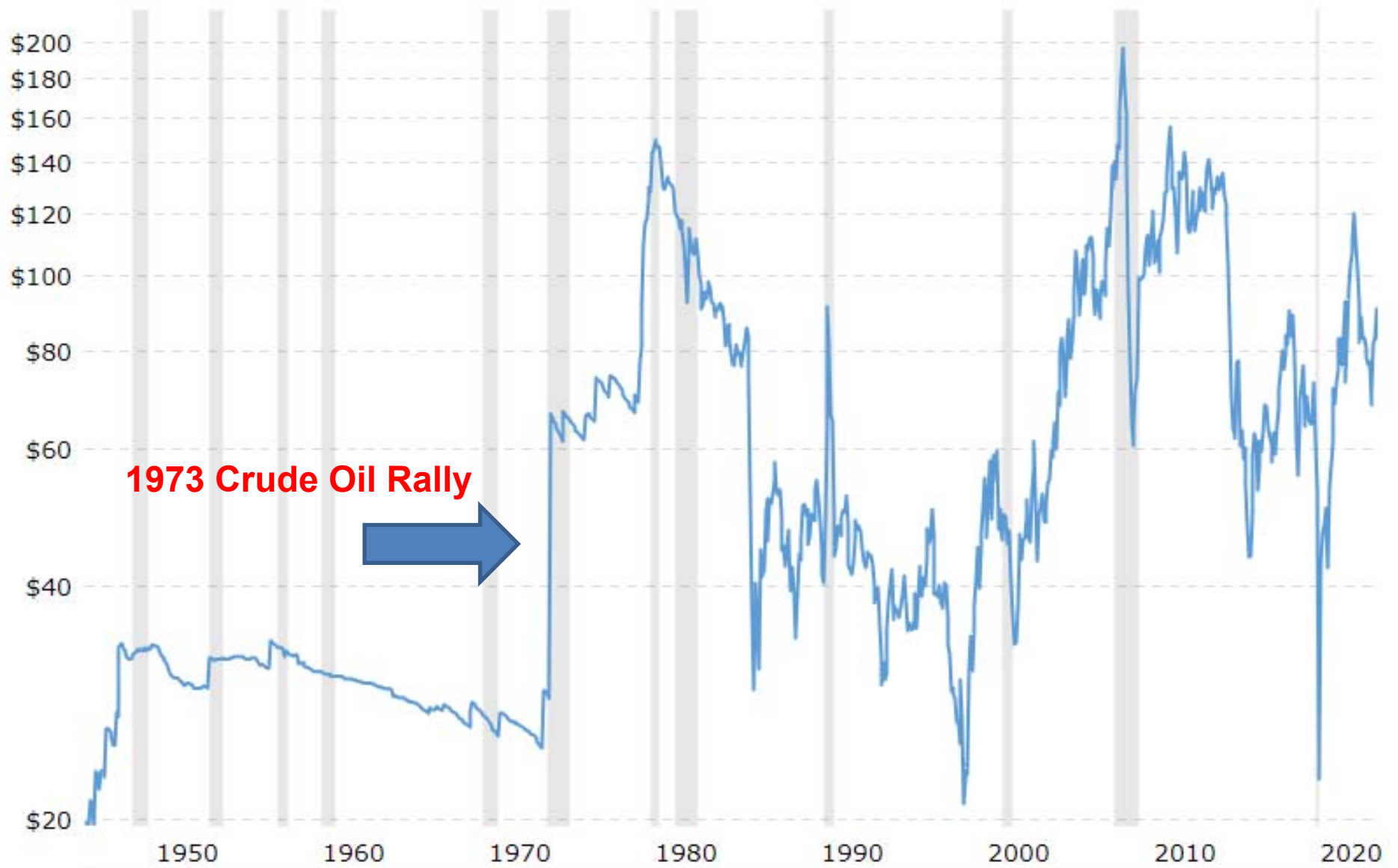
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West Asia Turmoil



- Israel – Hamas fight likely to be a localised conflict
- Impact on market to be limited unless more countries join directly
- Impact on crude oil prices has to be seen

Volatile Crude Oil Prices

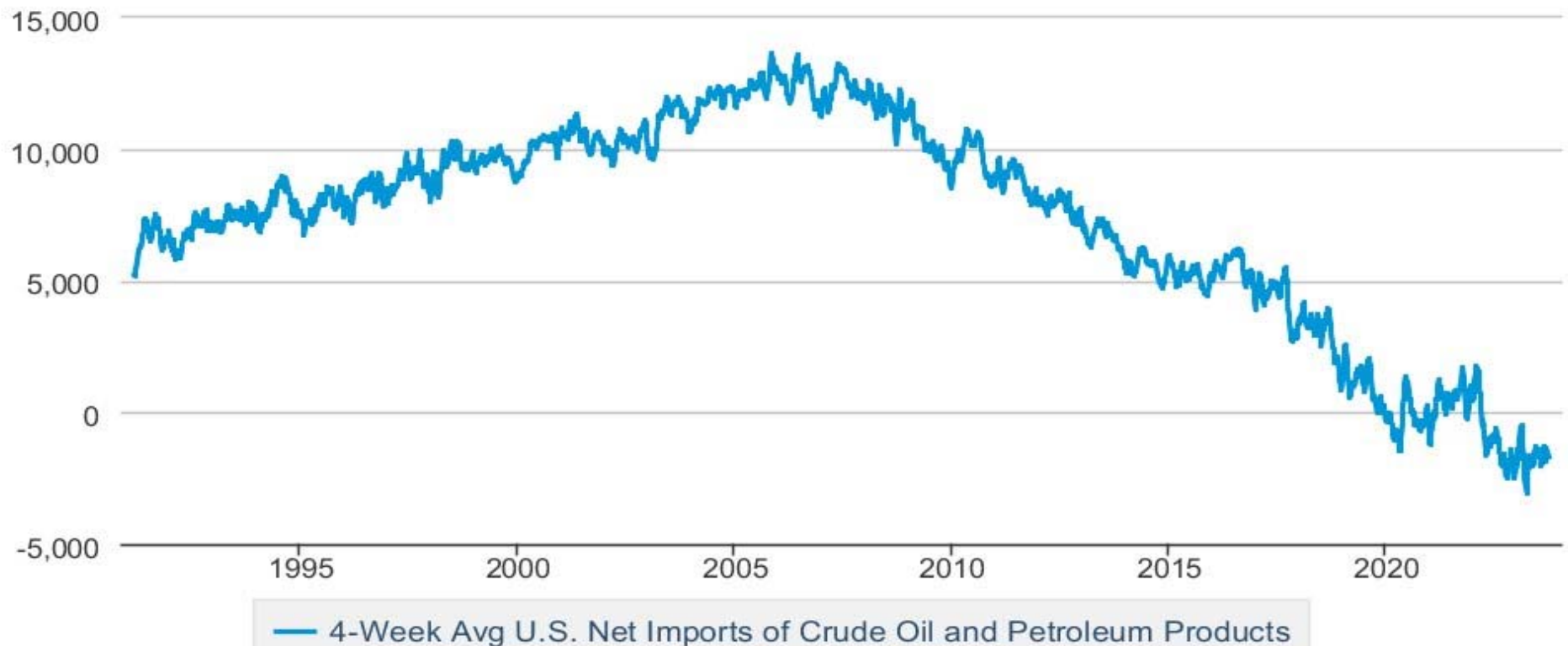


US No Longer Depends Upon Gulf Oil



4-Week Avg U.S. Net Imports of Crude Oil and Petroleum Products

Thousand Barrels per Day

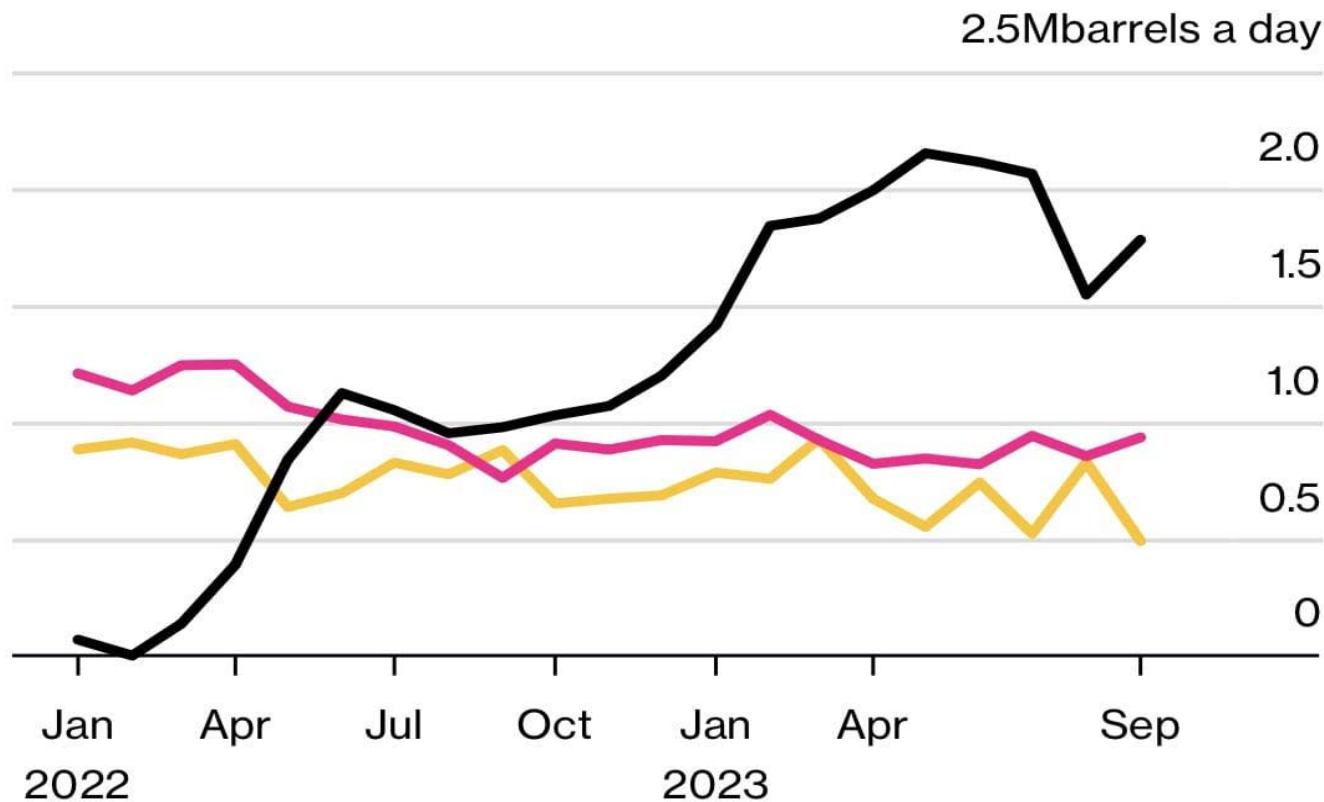


Data source: U.S. Energy Information Administration

India's Oil Imports from Russia Rebound in September

Moscow's surplus crude, discounts could nudge New Delhi to lift more

● Russian Federation ● Iraq ● Saudi Arabia



Source: Kpler



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Global Economic Slowdown To Come ?



- China already in slowdown due to real estate crisis
- US expected to slowdown on steep increase in interest rates
- IMF says US economy riped for Soft Landing
- Already our exports are weak for past few months indicating weaker global economy

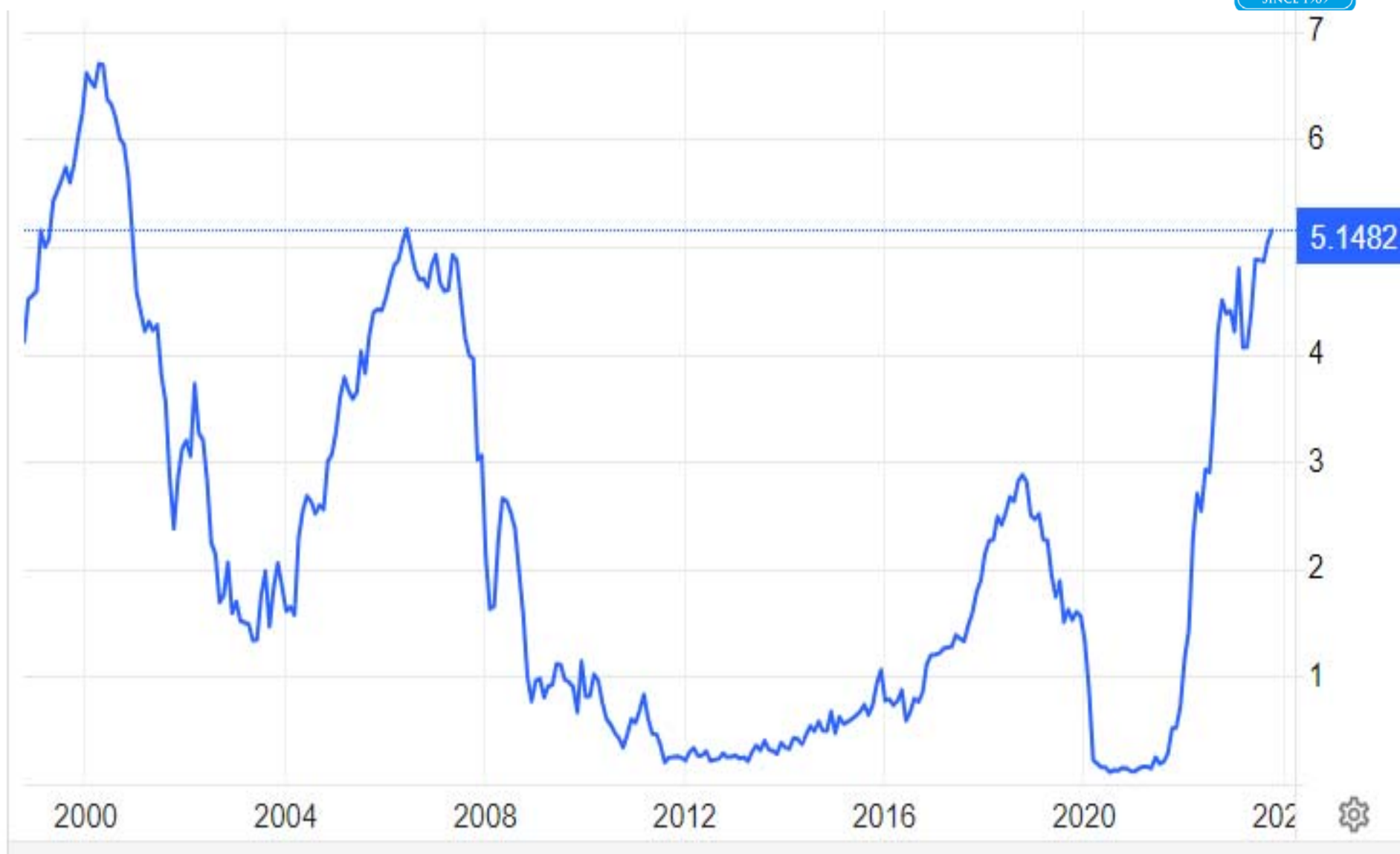
IMF GDP Growth Projections



(Real GDP, annual percent change)	PROJECTIONS		
	2022	2023	2024
World Output	3.5	3.0	2.9
Advanced Economies	2.6	1.5	1.4
United States	2.1	2.1	1.5
Euro Area	3.3	0.7	1.2
Germany	1.8	-0.5	0.9
France	2.5	1.0	1.3
Italy	3.7	0.7	0.7
Spain	5.8	2.5	1.7
Japan	1.0	2.0	1.0
United Kingdom	4.1	0.5	0.6
Canada	3.4	1.3	1.6
Other Advanced Economies	2.6	1.8	2.2
Emerging Market and Developing Economies	4.1	4.0	4.0
Emerging and Developing Asia	4.5	5.2	4.8
China	3.0	5.0	4.2
India	7.2	6.3	6.3

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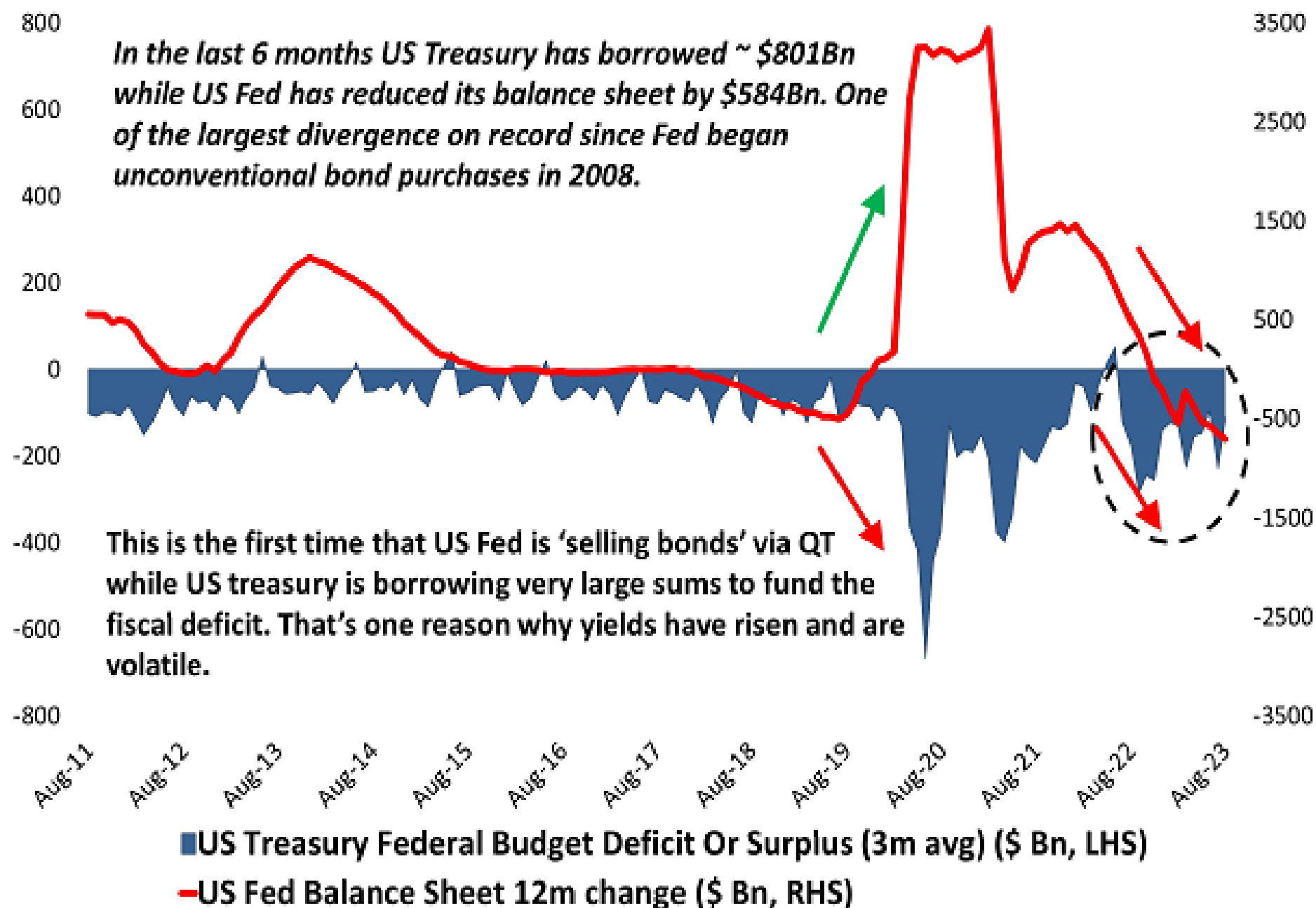
US 10 Yr Bond Yield



Why US Bond Yields Going Up



- US Deficit is at higher level and to be financed through issuance of more bonds
- High Dollar reserves holders like China, Saudi Arabia not interested in adding more Dollars to their reserves
- US Fed selling bonds on “Quantitative Tightening”
- US Jobs data continue to remain strong indicating higher rates for long



Consumption Vs Capex



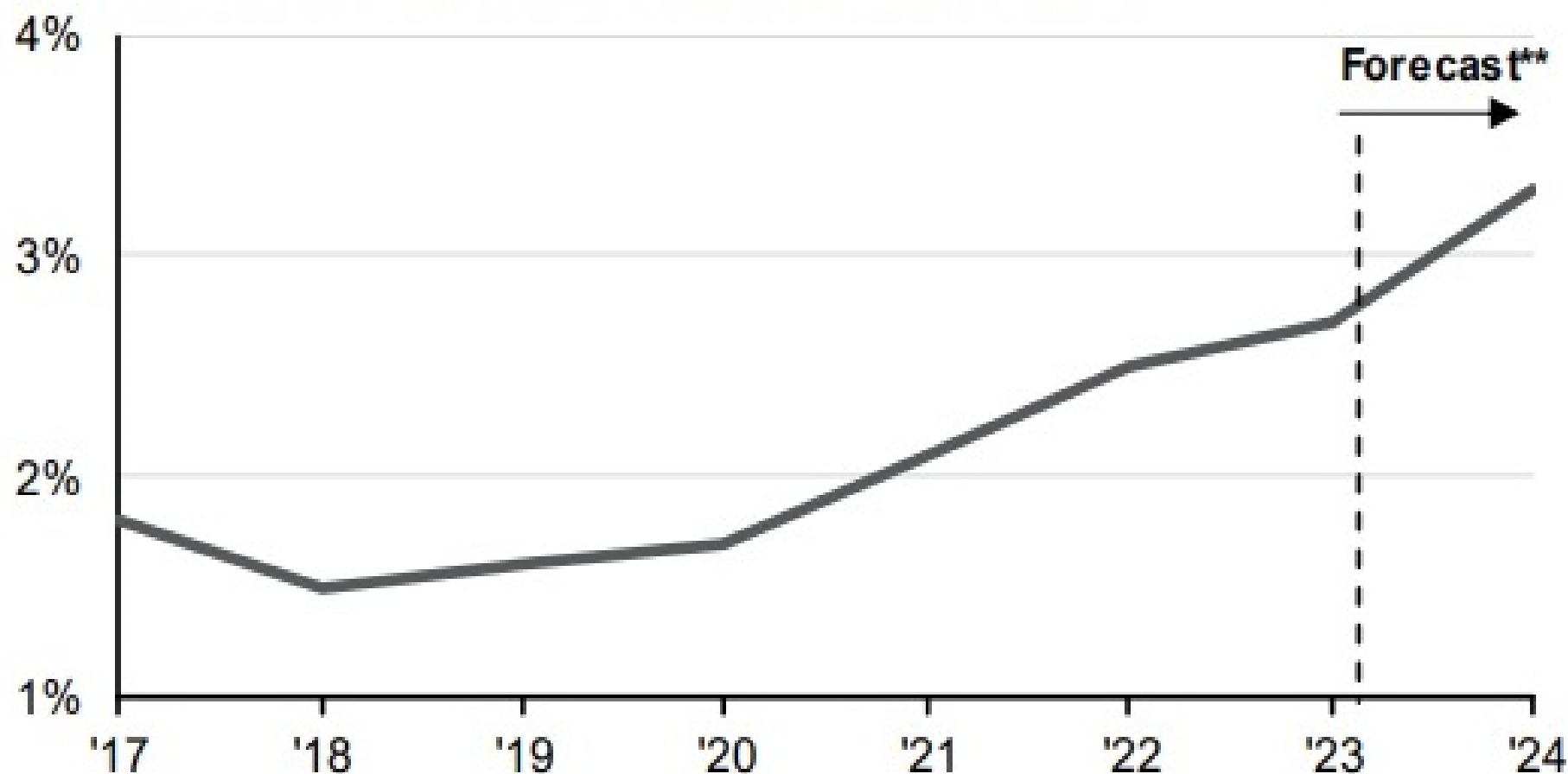
- FMCG companies volume data indicate Consumption is weak
- Investment continue to remain strong backed by Govt. Capex

Govt. Spending To Strong



Indian government capital spending

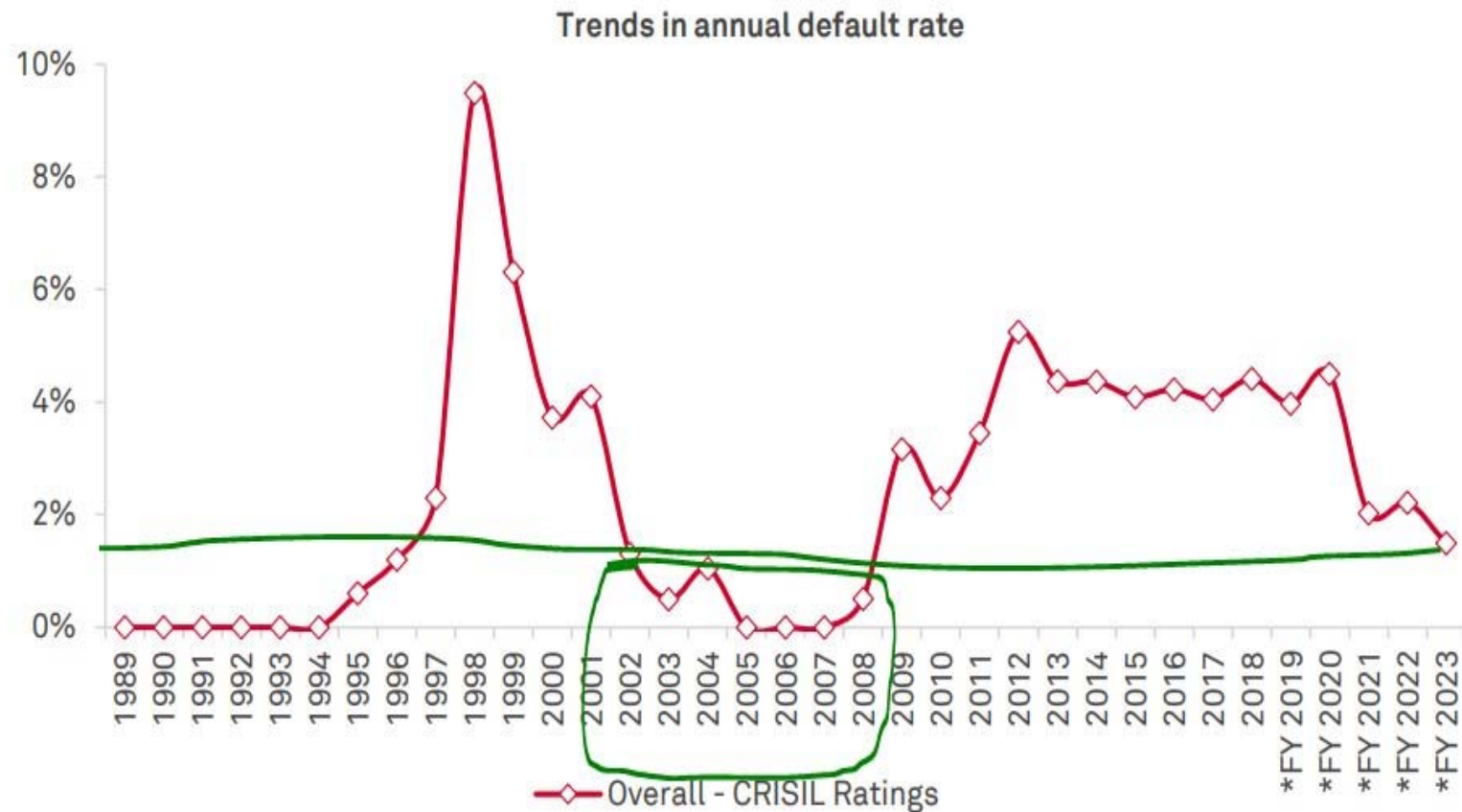
% of GDP, current prices, budget per fiscal year



Indian Banks Profitability Will Remain High



Chart 2: Annual default rates in the past decade



There has been a change in reporting of default statistics by CRISIL Ratings from the calendar year to the fiscal, and the default rates from 2019 are on fiscal basis. Refer to CRISIL Default Study FY20 for a detailed comparison of the previous and current methodologies.

Source: CRISIL Ratings

Corporate Credit Quality



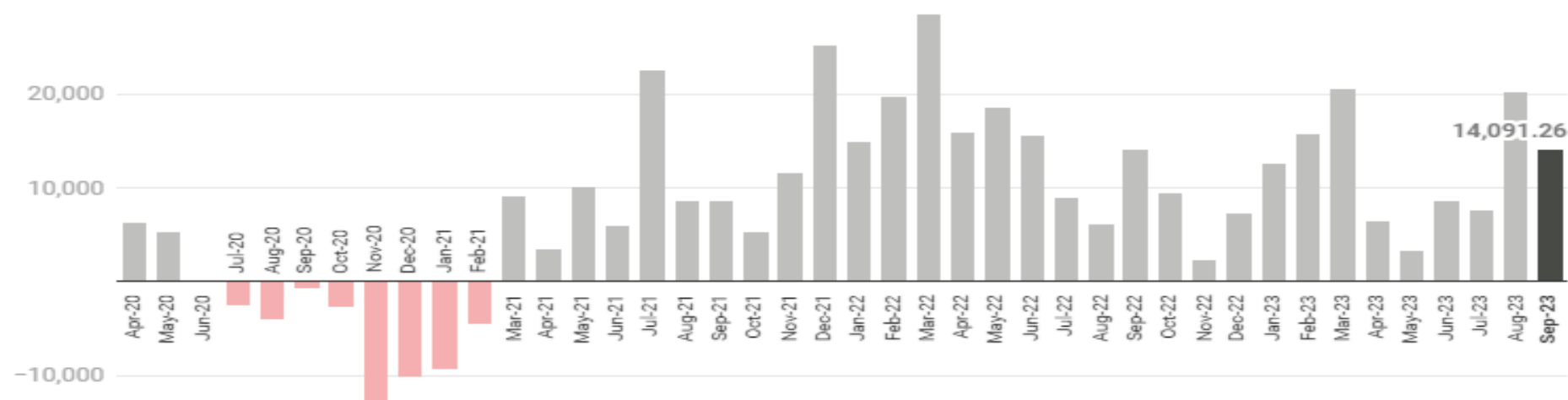
	Upgrades	Downgrades	Credit ratio
CARE	217	130	1.98
India Ratings	146	55	2.65
ICRA	165	83	2.00
CRISIL	443	232	1.91

Mutual Fund Inflows



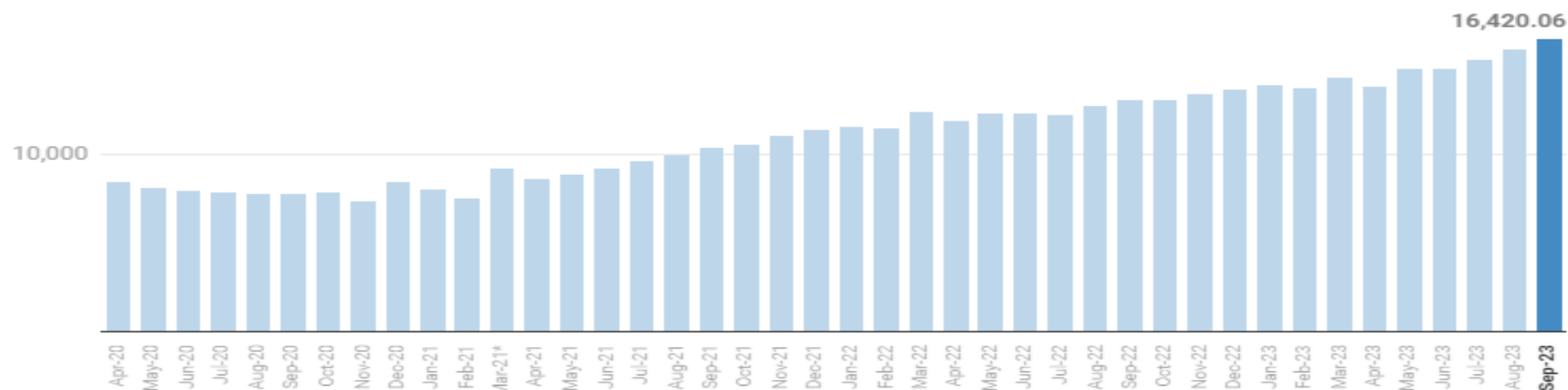
Net Equity Inflows

(Rs crore)



SIP Contribution

Net investments (Rs crore)

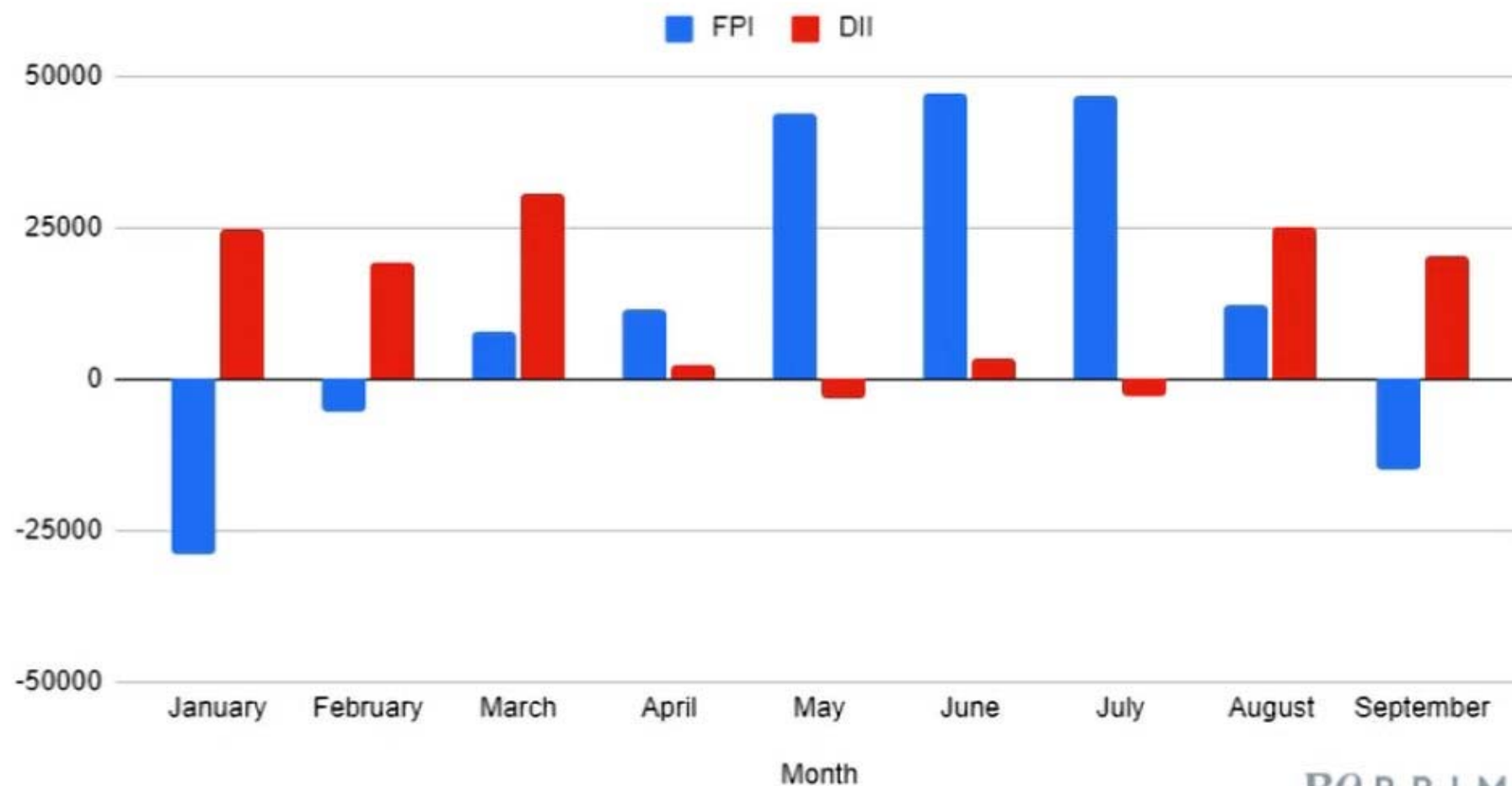


FPI Flows - Monthly



Foreign Portfolio Investors Break Six-Month Positive Streak

(Values in Rs crore)

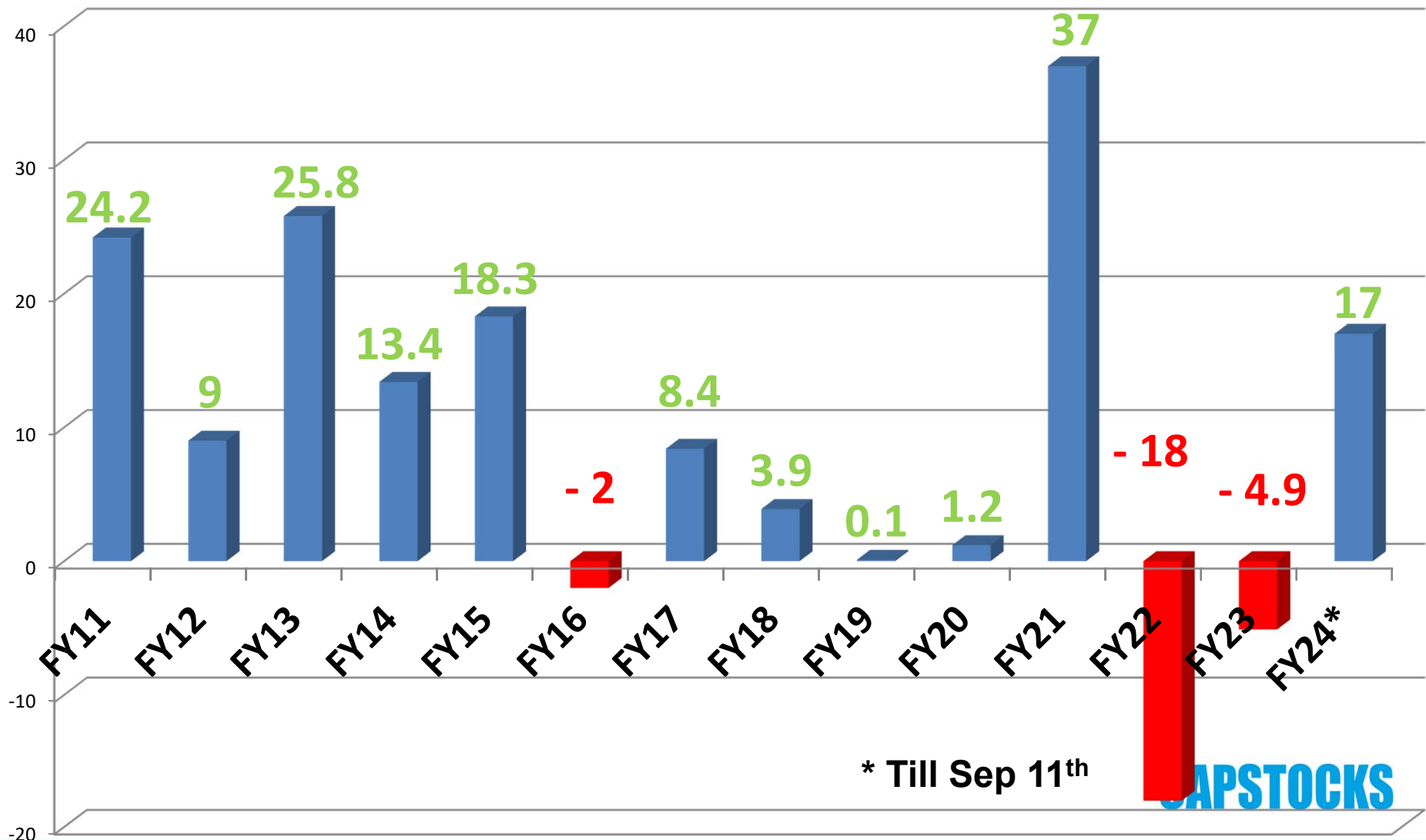


BQ PRIME

FPI Flows - Yearly

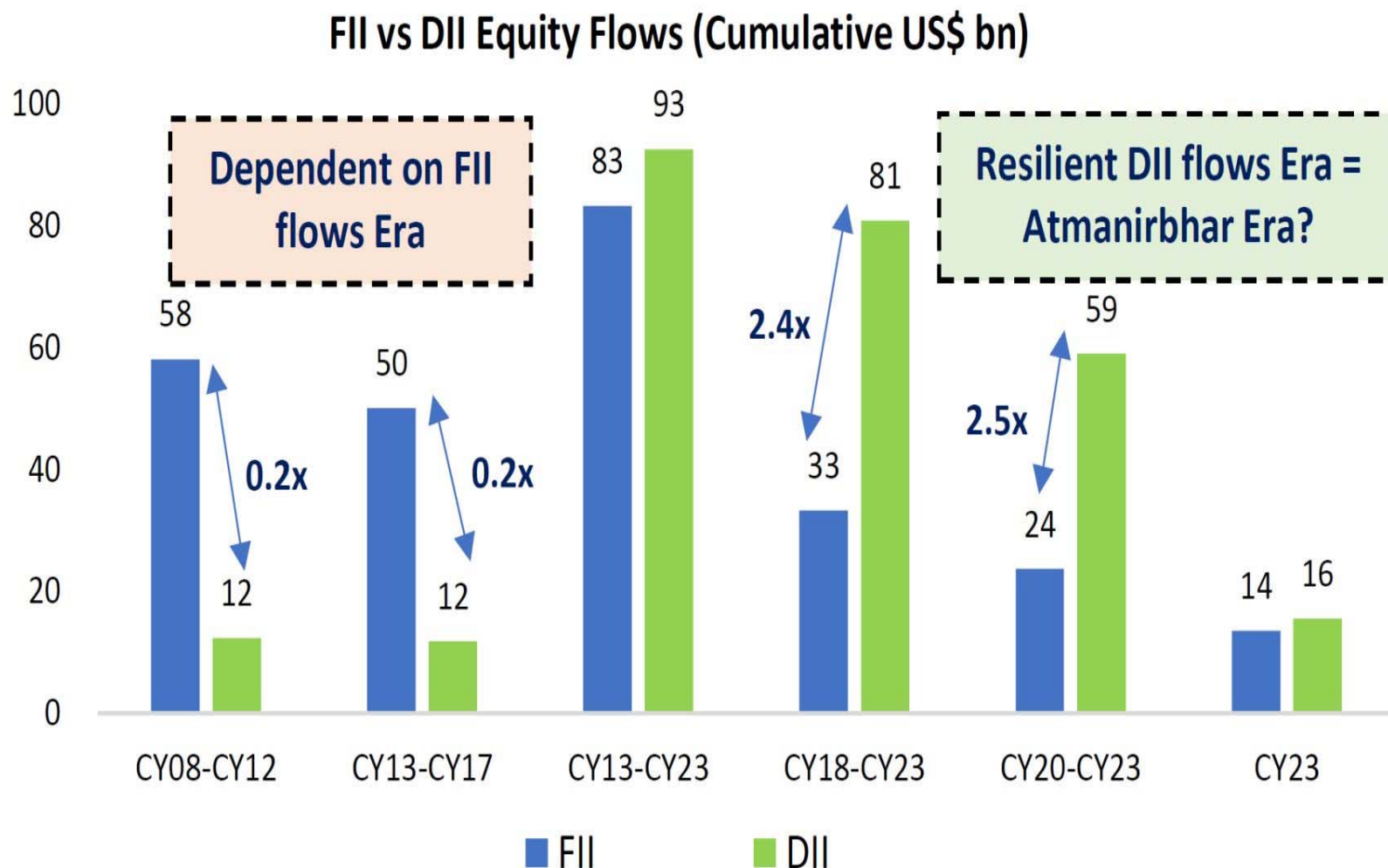


FPI Flows in US Bn \$



DII Vs FII

Exhibit 9: DII flows have trumped FII flows in last 3Y/5Y/10Y

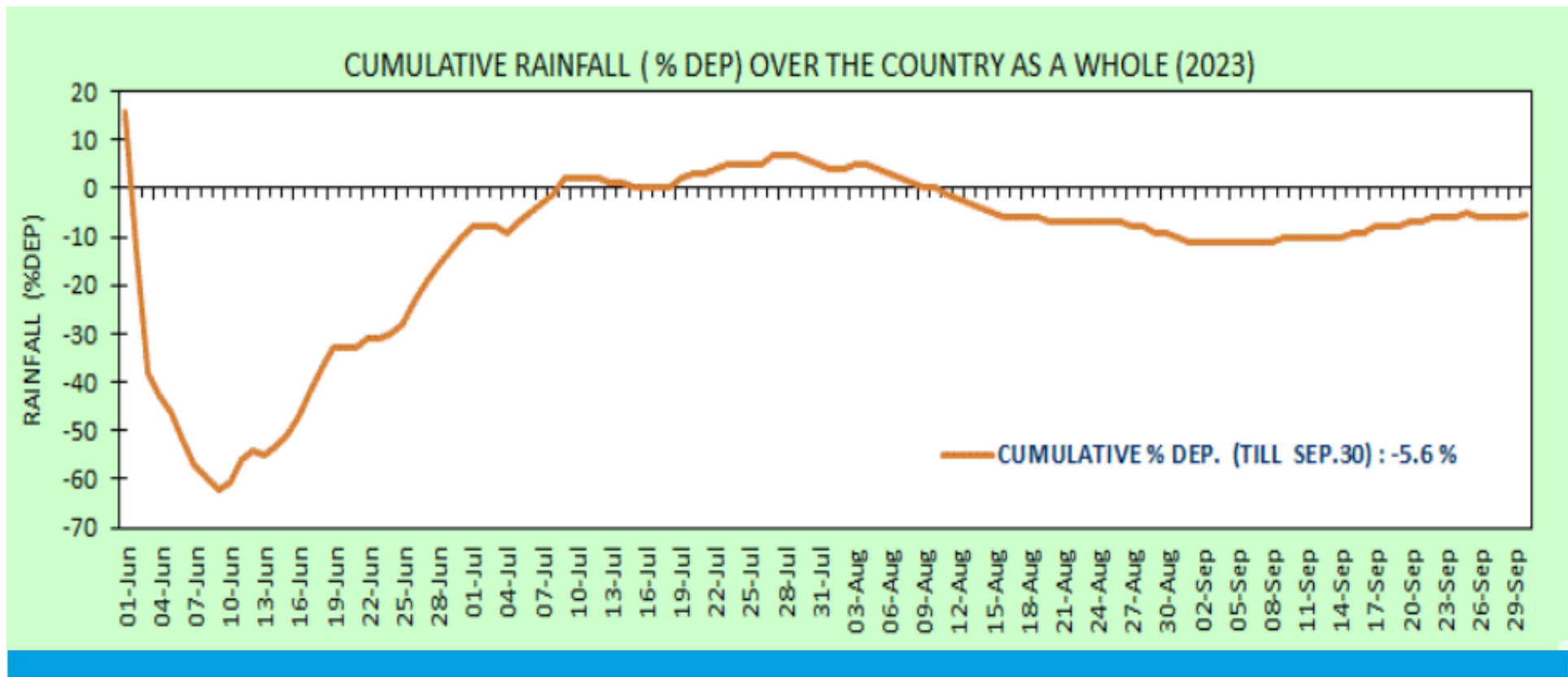


Source: SEBI, Bloomberg, Monarch AIF, CY23 data is for Jan-Sep'23

Monsoon Ends “Near Normal”



- Erratic Monsoon with June , August below normal while July, September saw good rainfall
- Overall Monsoon Not bad considering “El Nino”



Monsoon – Last Six Years Performance

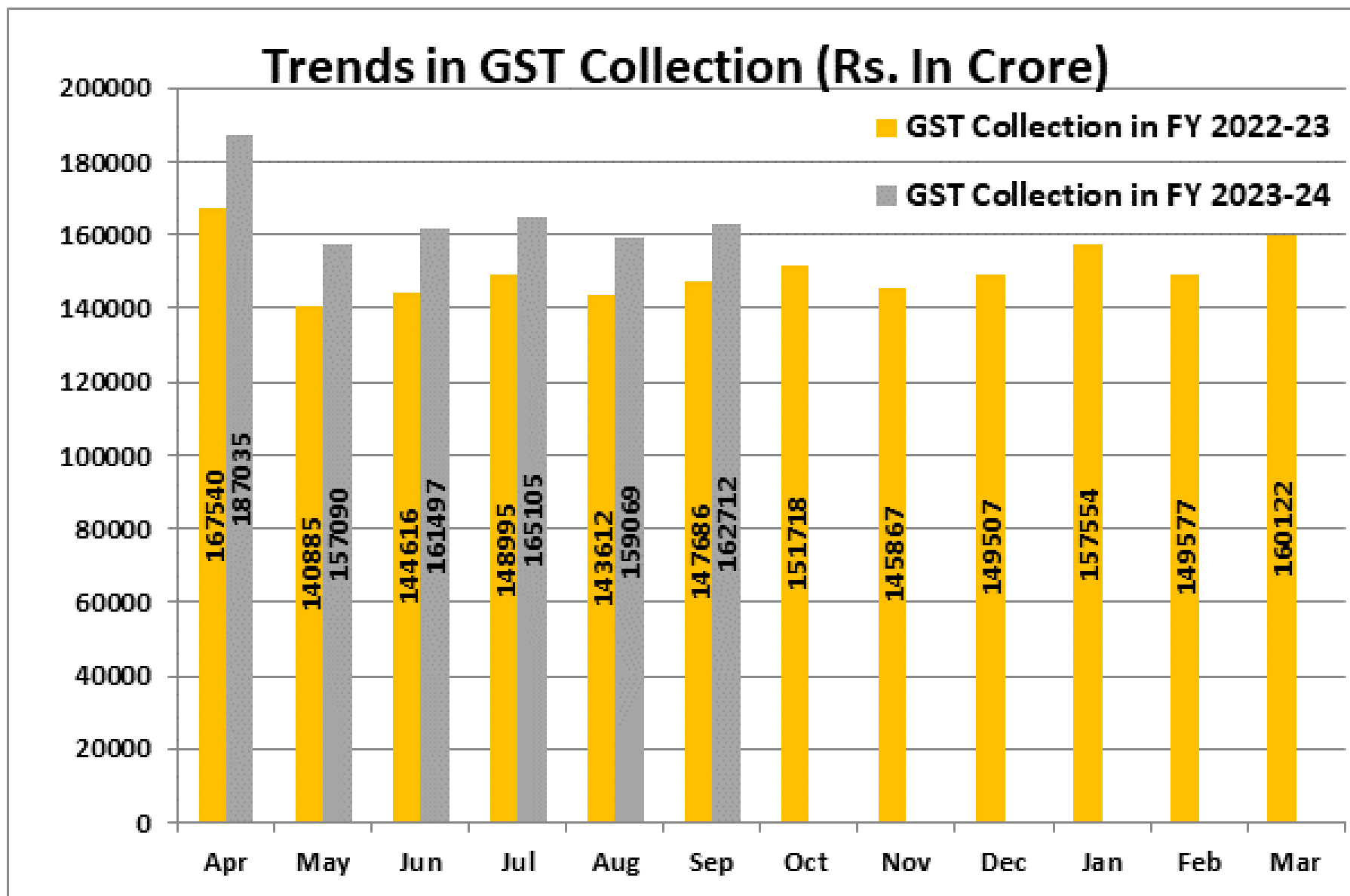


All India Southwest Monsoon Seasonal Rainfall Departure for this year and last five years

YEAR	ACTUAL (mm)	NORMAL (mm)	% DEPARTURE FROM LONG PERIOD AVERAGE
2023	820.0	868.6	-6%
2022	925.0	868.6	+6%
2021	874.6	880.6	-1%
2020	957.6	880.6	+9%
2019	968.3	880.6	+10%
2018	804.0	887.5	-9%

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GST Collections



Fund Raising Through IPO



Year	No of Issues	Issue Size (₹ Cr)	% Fresh Capital to Total
2012	11	6,835	65
2013	3	1,284	26
2014	5	1,201	42
2015	21	13,614	48
2016	26	26,494	35
2017	36	67,147	17
2018	24	30,959	24
2019	16	12,362	24
2020	15	26,613	13
2021	63	1,18,723	36
2022	40	59,302	30
2023	35	27,435	49

Source: Prime Database, DRHP

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What Investor Should Do



- Broader Markets to start to see volatility
- 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



- Q2 Results
- Crude Oil

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Thank You

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