



Current Market Scenario

11 September 2021

Nifty At Record Levels



- Large Caps lead the rally
- Mixed performance in broader market
- US market remain bullish
- Record flows in mutual funds SIP

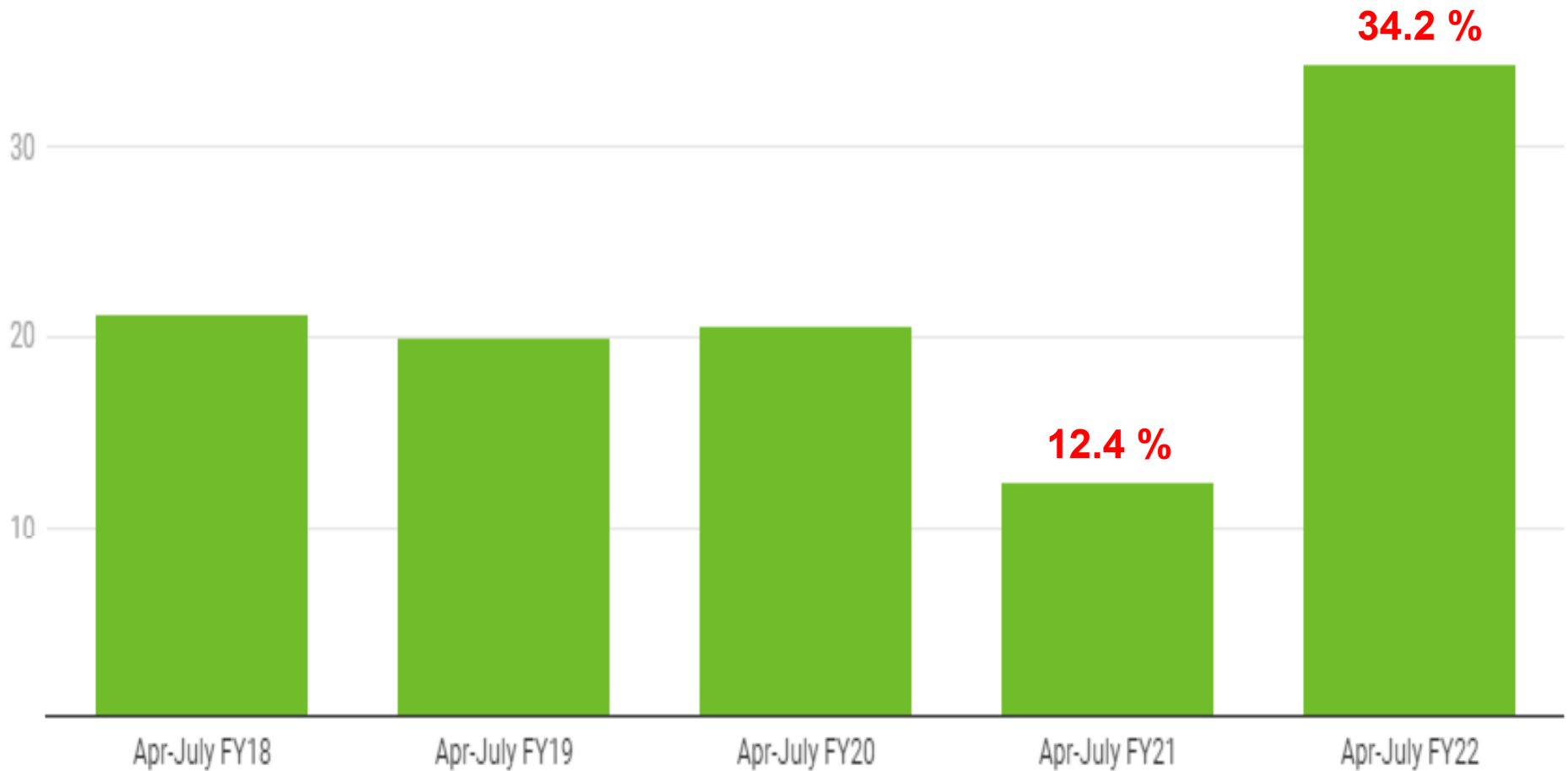
INDEX WATCH

INDEX	11, Sep	14, Aug	% Change
Nifty	17,369	16,529	+ 5.0
Sensex	58305	55,437	+ 5.1
Nifty Midcap	29,341	27,600	+ 6.3
BSE Small Cap	27,645	26,355	+ 4.8

Robust Tax Collections



April-July Collections As A % Of BE

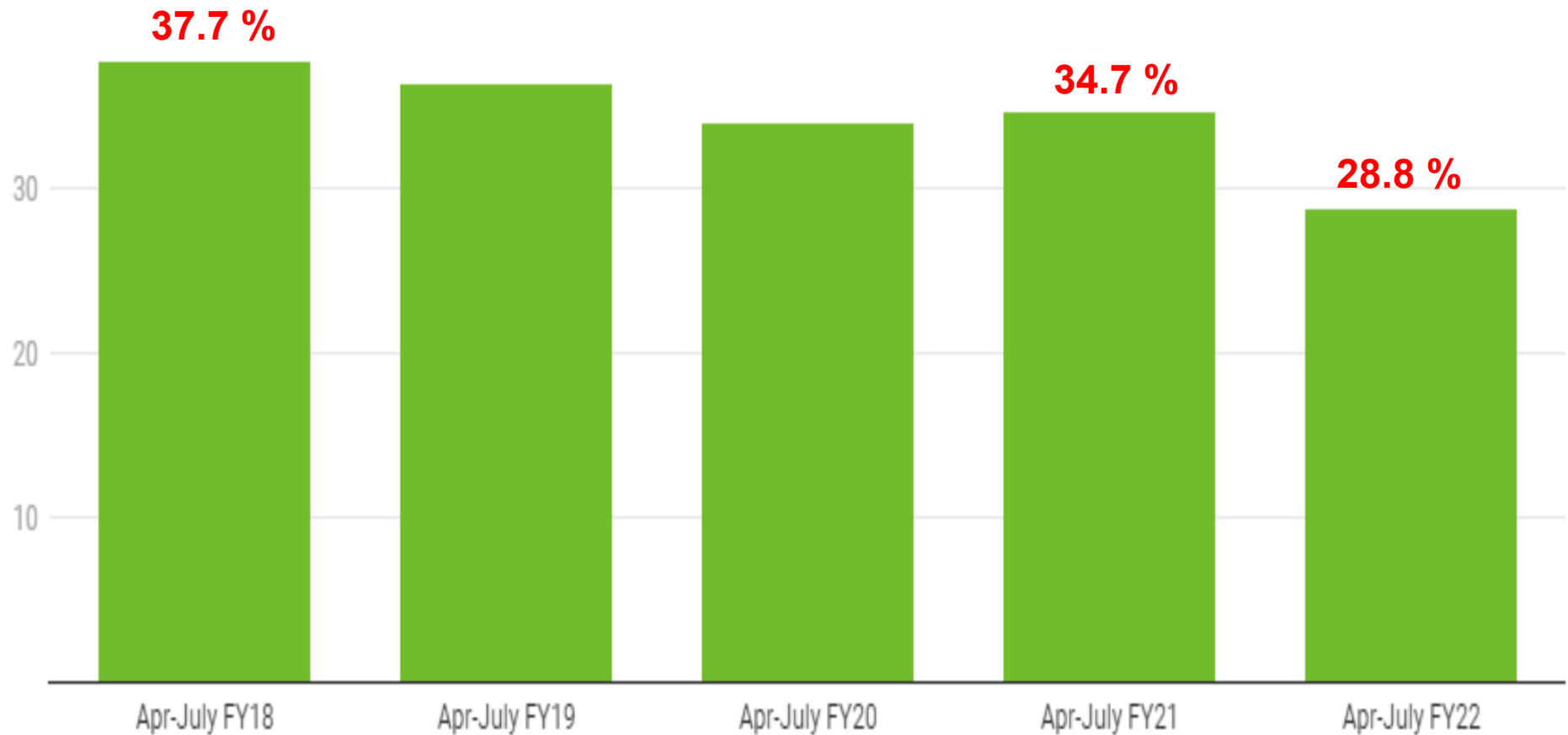


BE = Budget Estimate

Govt. Spends Less



April-July Expenditure As A % Of BE

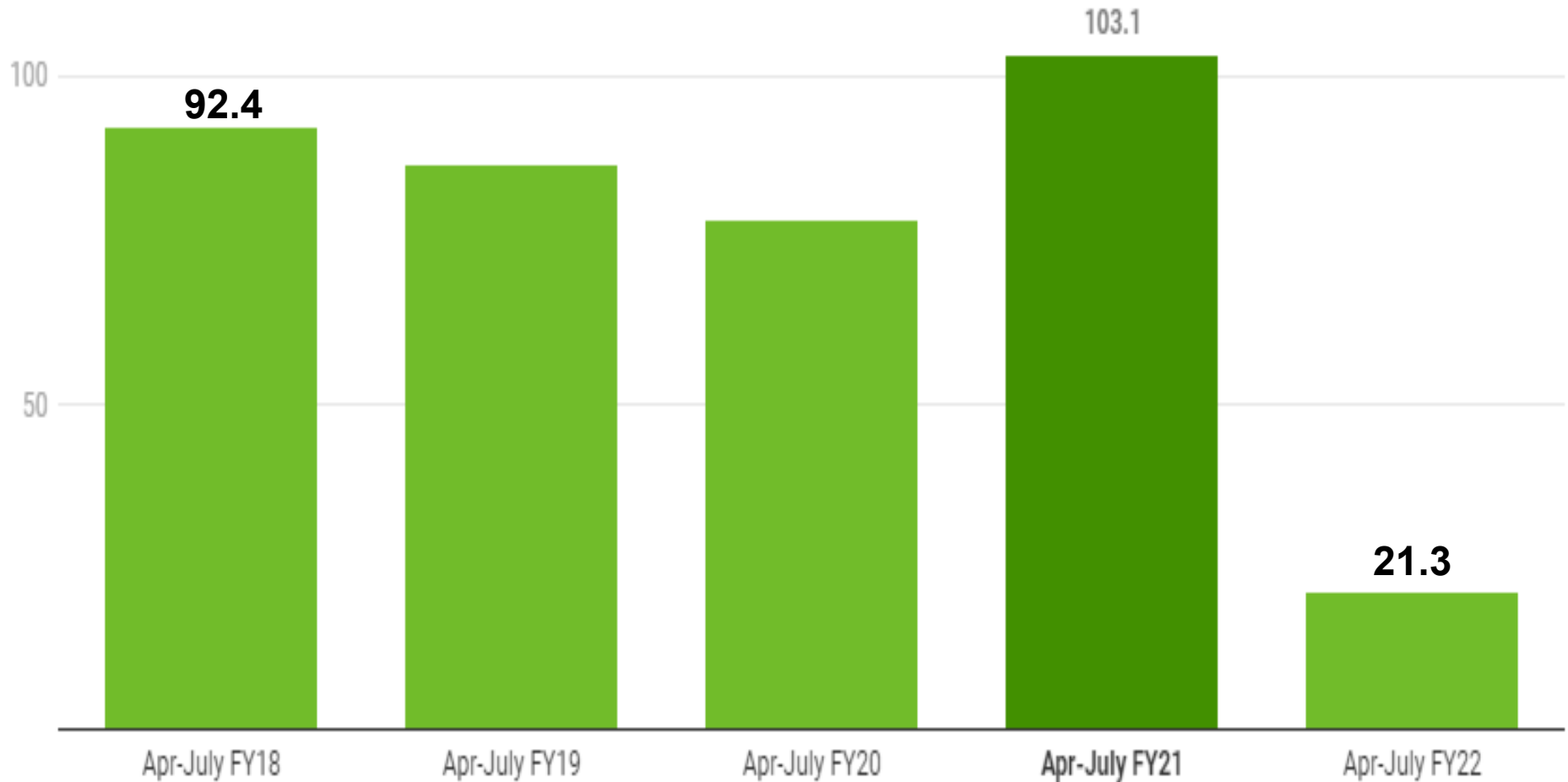


BE = Budget Estimate

Lower Fiscal Deficit



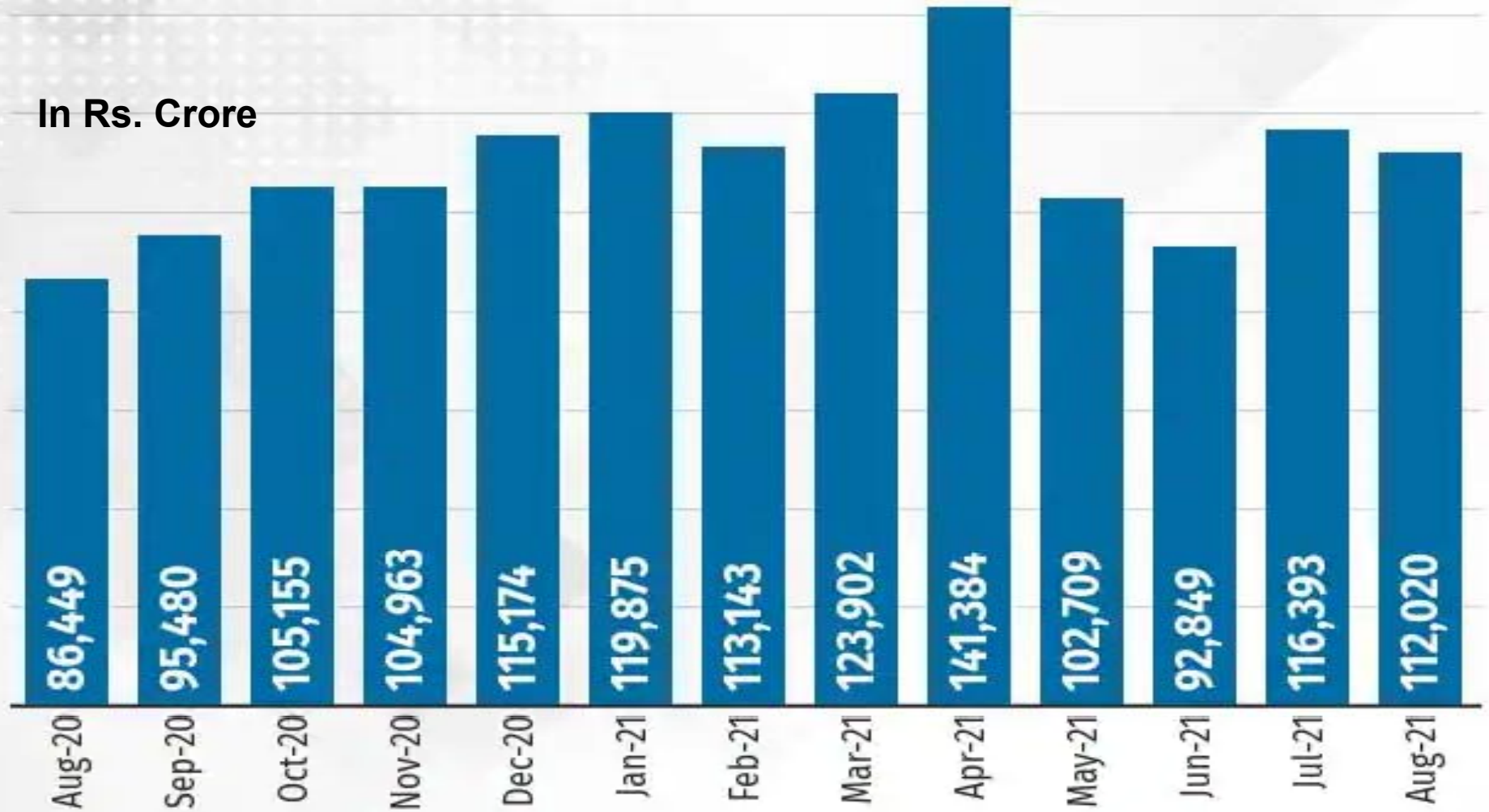
April-July Fiscal Deficit As % Of BE



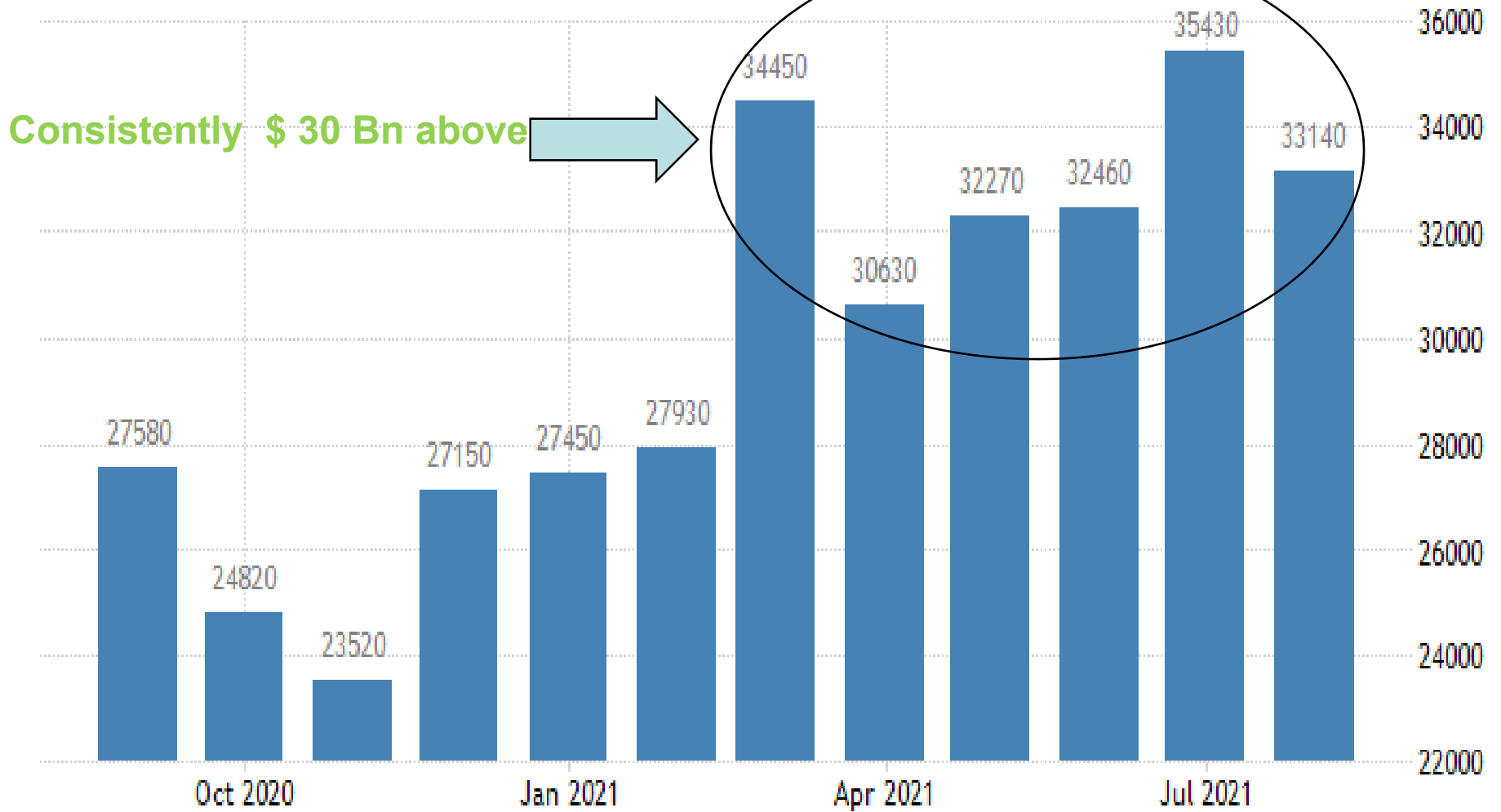
GST Collections



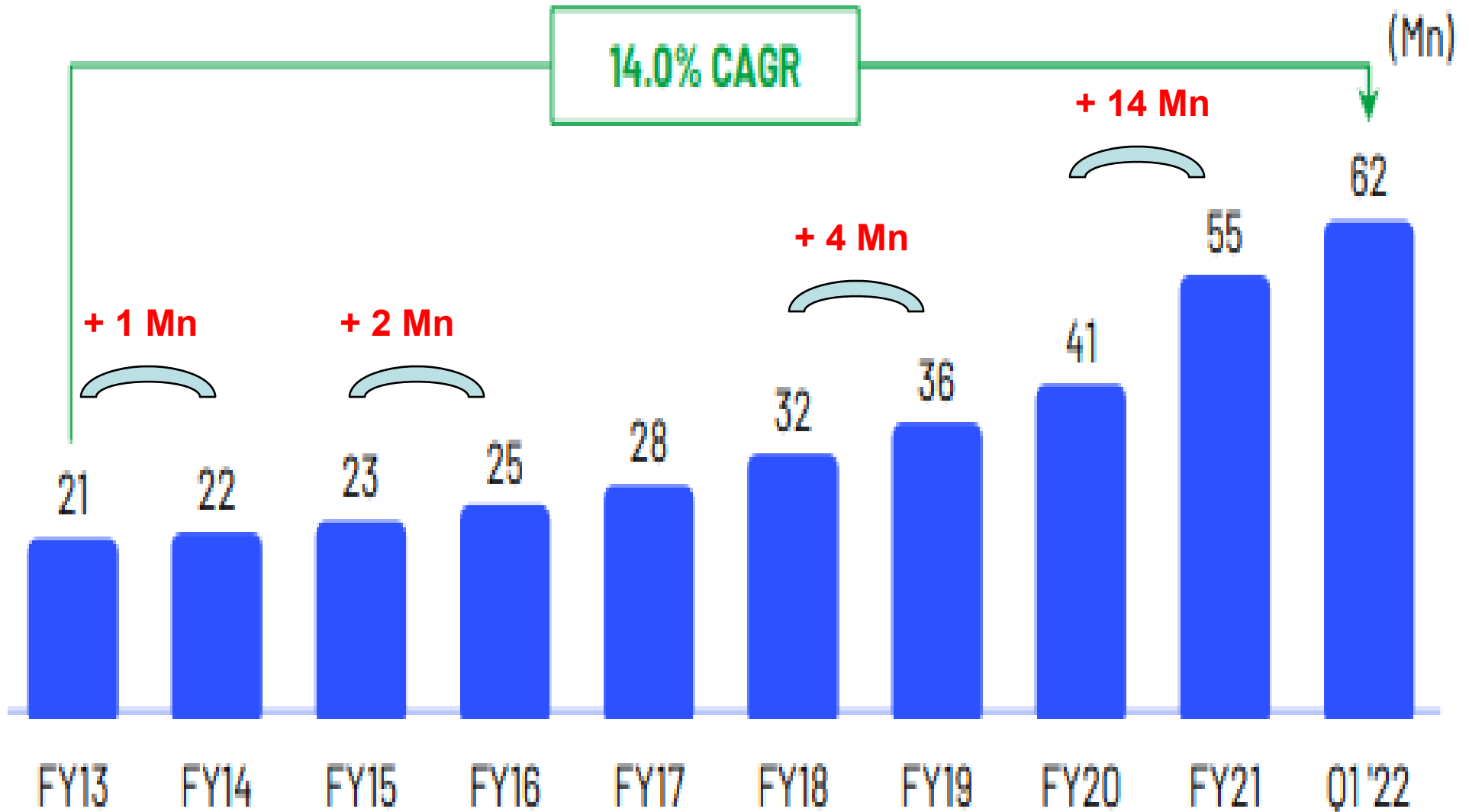
In Rs. Crore



Exports – Continue To Do Well



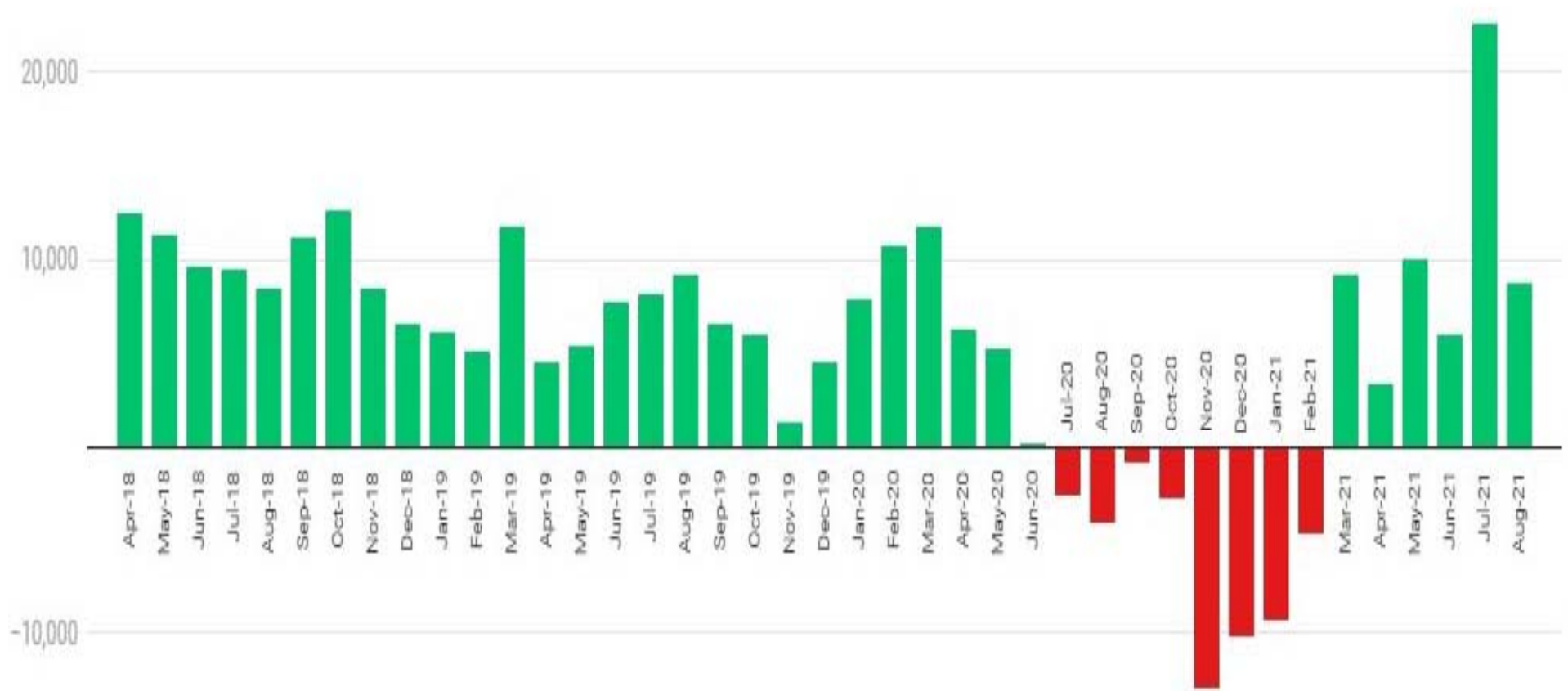
New Demat Accounts Adding At Record Pace



Equity Mutual Fund Flows

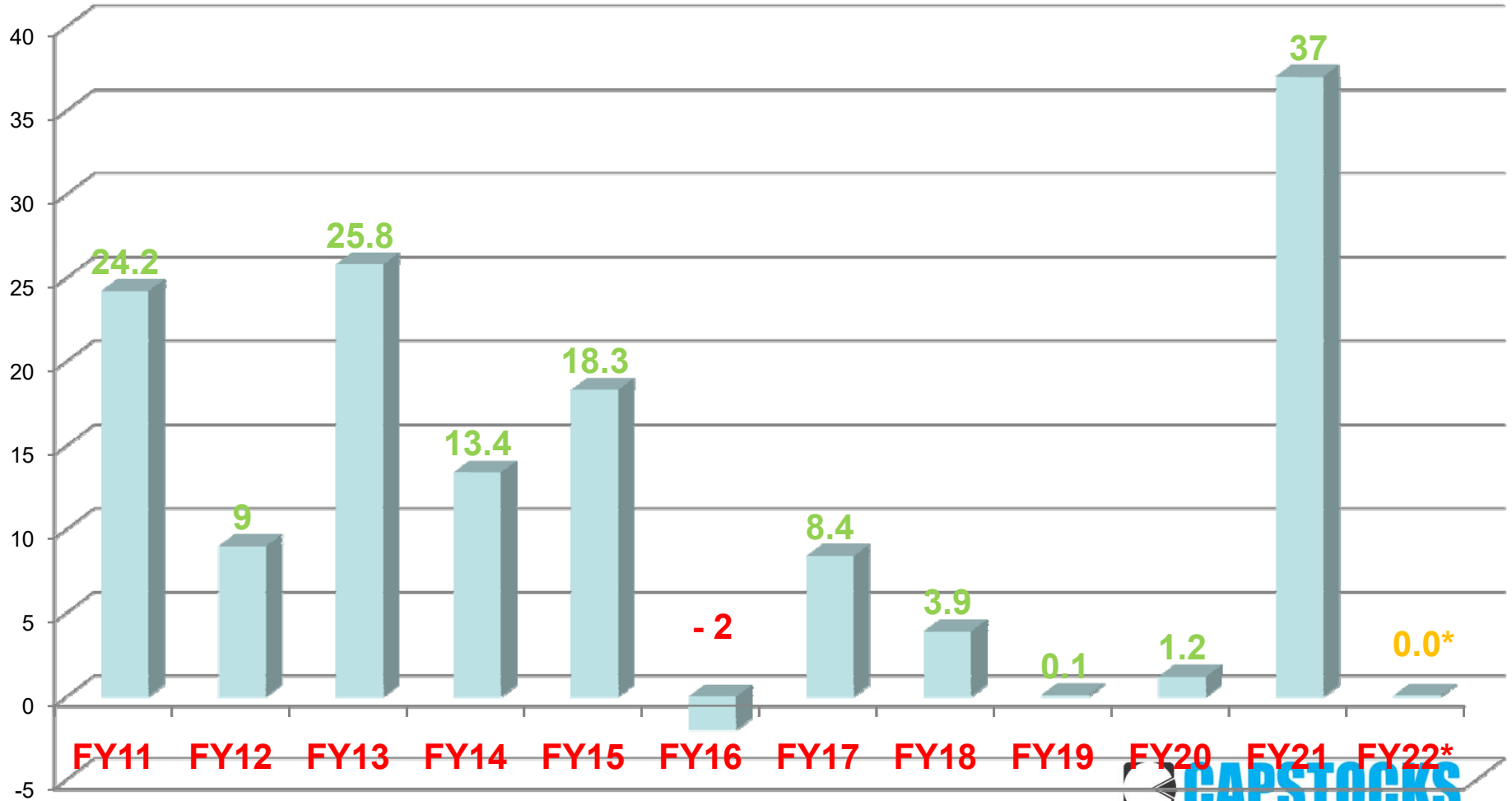


(Rs crore)



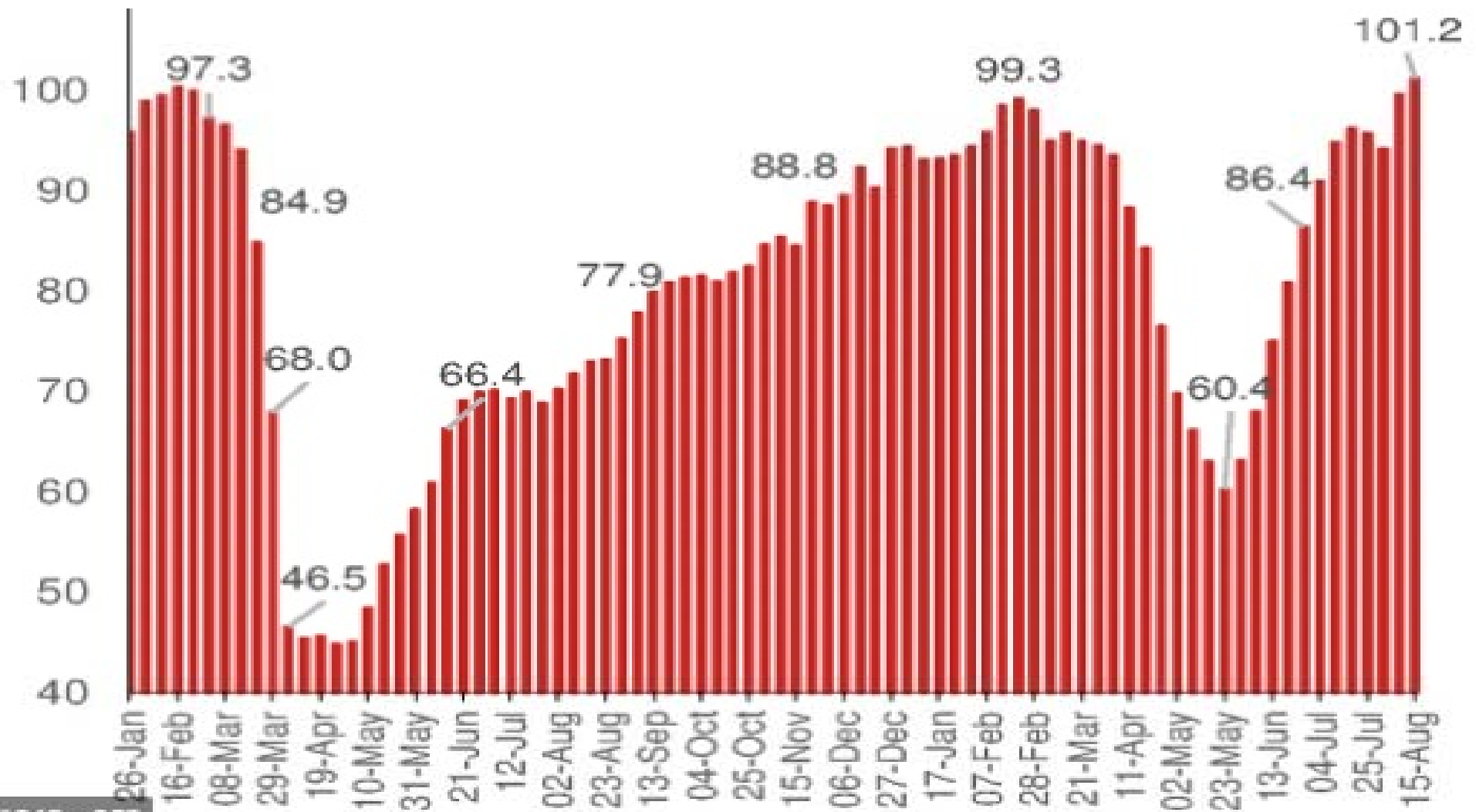
FPI Flows

FPI Flows in US Bn \$



* Till Sep 8th

Nomura India Business Resumption Index



Monsoon Update



- Monsoon to be lower end of normal
- Rains to improve in September
- Overall disappointing monsoon but nothing to worry

Seasonal Rainfall (in mm) as on 8 September, 2021 (as per RF recorded from 0830 IST of yesterday to 0830 IST of today)

REGION	ACTUAL (mm)	NORMAL (mm)	% DEPARTURE FROM LONG PERIOD AVERAGE
EAST & NORTH EAST INDIA	1083.6	1205.2	-10%
NORTH WEST INDIA	455.1	530.8	-14%
CENTRAL INDIA	770.0	862.5	-11%
SOUTH PENINSULA	688.6	605.1	+14%
COUNTRY AS A WHOLE	707.2	764.5	-7%

Turnaround for India in Sports



- Best ever performance for our country in Tokyo Olympics and Para Olympics
- Country which do well in economic growth has to do well in sports though direct link between two will be difficult to establish

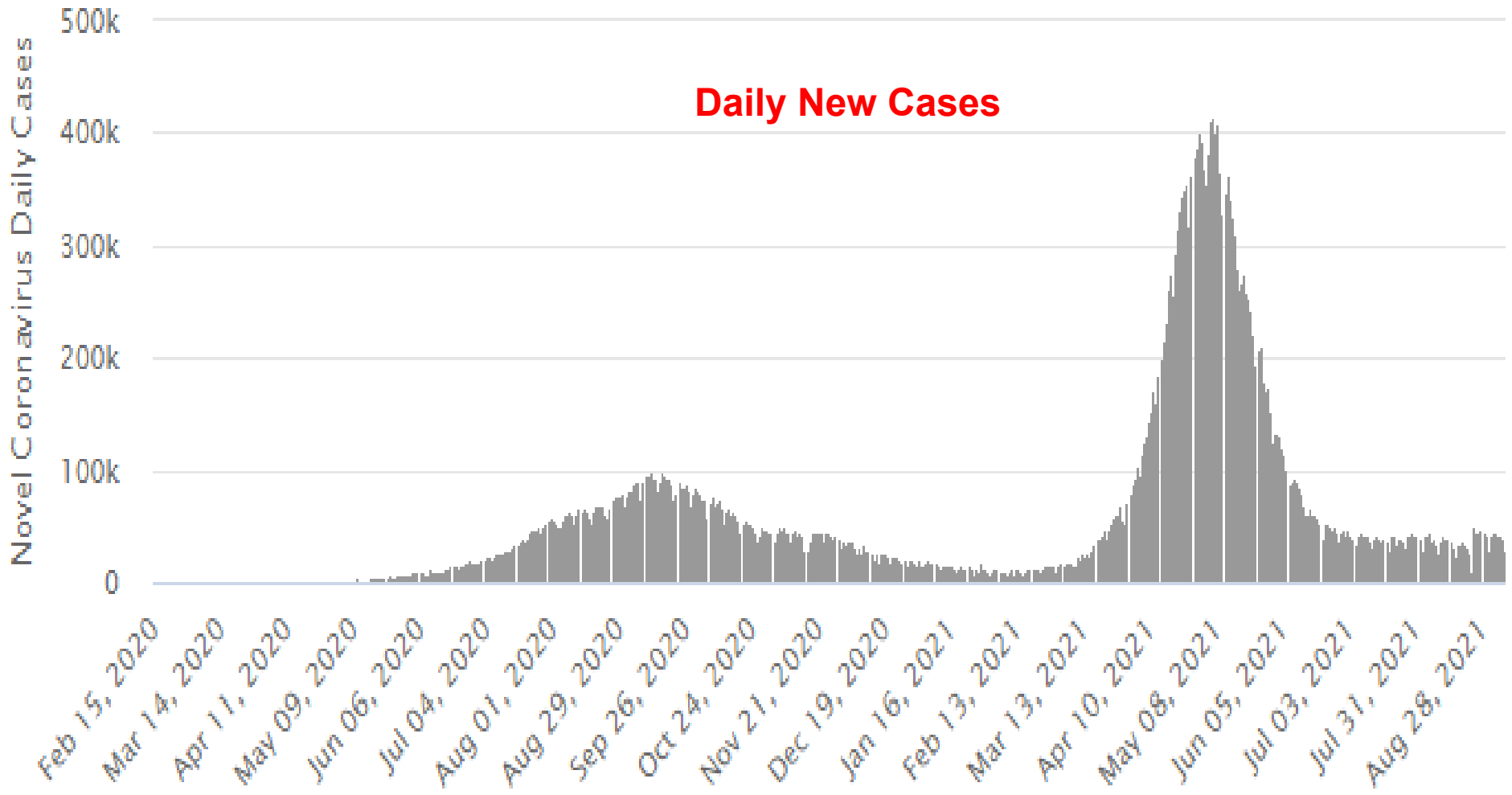
PSU Theme To Revive



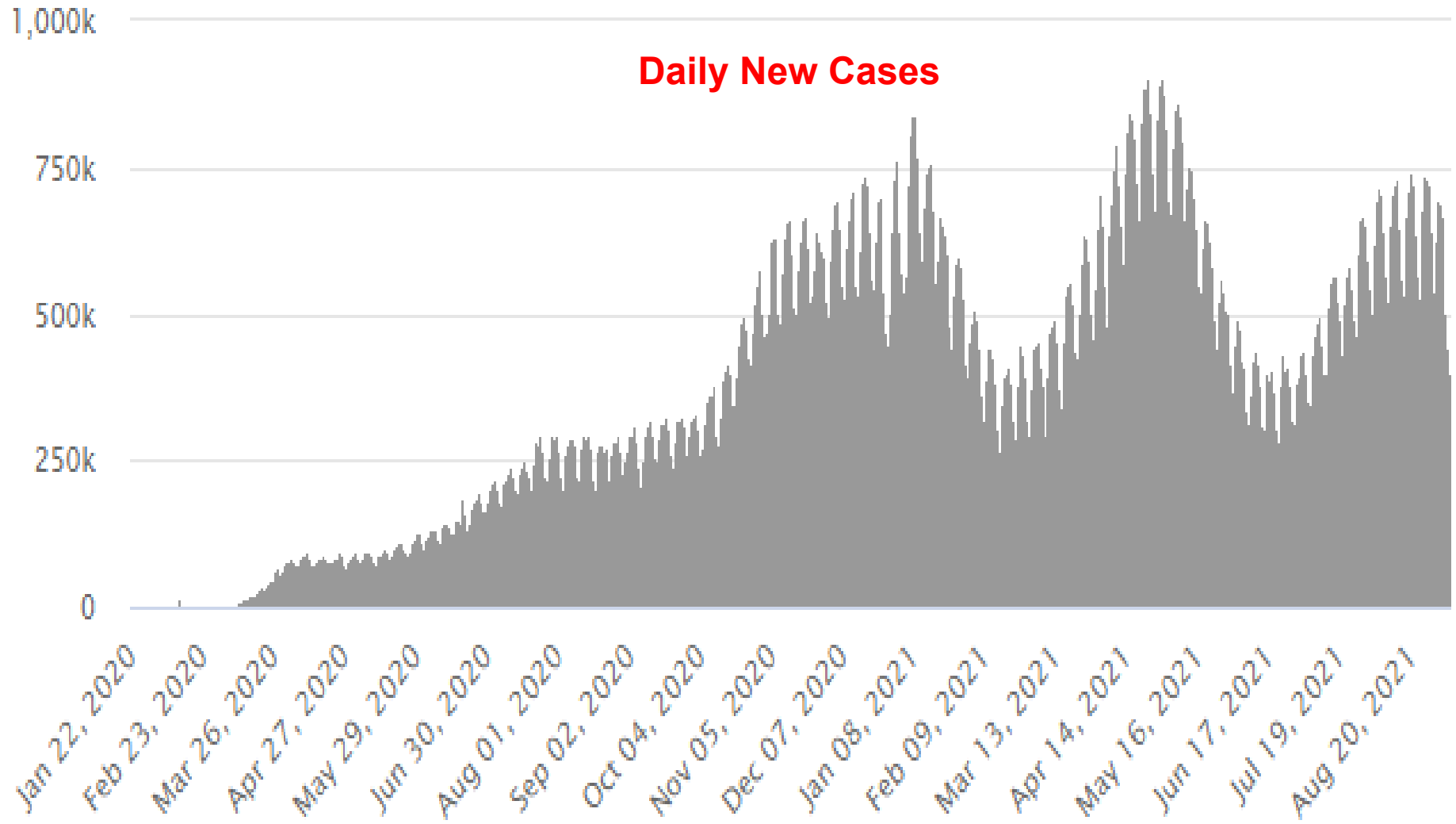
- PSU as a theme to do well in anticipation of Jumbo PSU LIC IPO
- PSU Theme should be seen as a tactical move



India Second Covid Wave Plateau



Global Covid Cases



Will Commodity Prices Decouple from Chinese Market

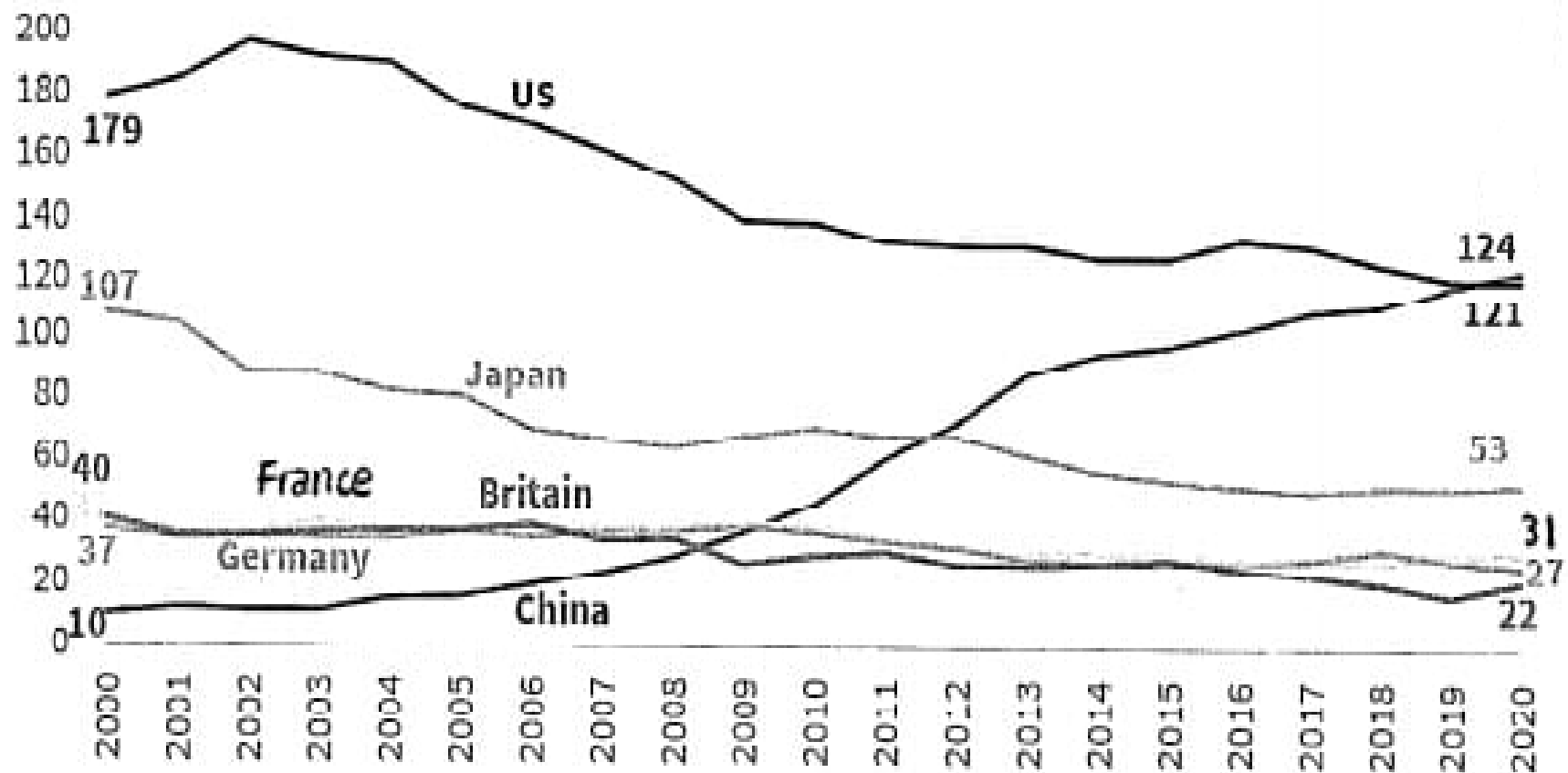


- Last two decades China was in driver seat to dictate global commodity prices
- Recent action from Chinese Govt. indicates they want lower commodity prices
- Govt. released metals from strategic reserves
- Market participant feel commodity prices no longer depend on China
- Once production normalises then only decoupling will be known

China Vs US



Fortune Global 500 Companies, 2000-2020



Source: Fortune Global 500

Afghanistan – Point of Start for Geopolitical Tension ?

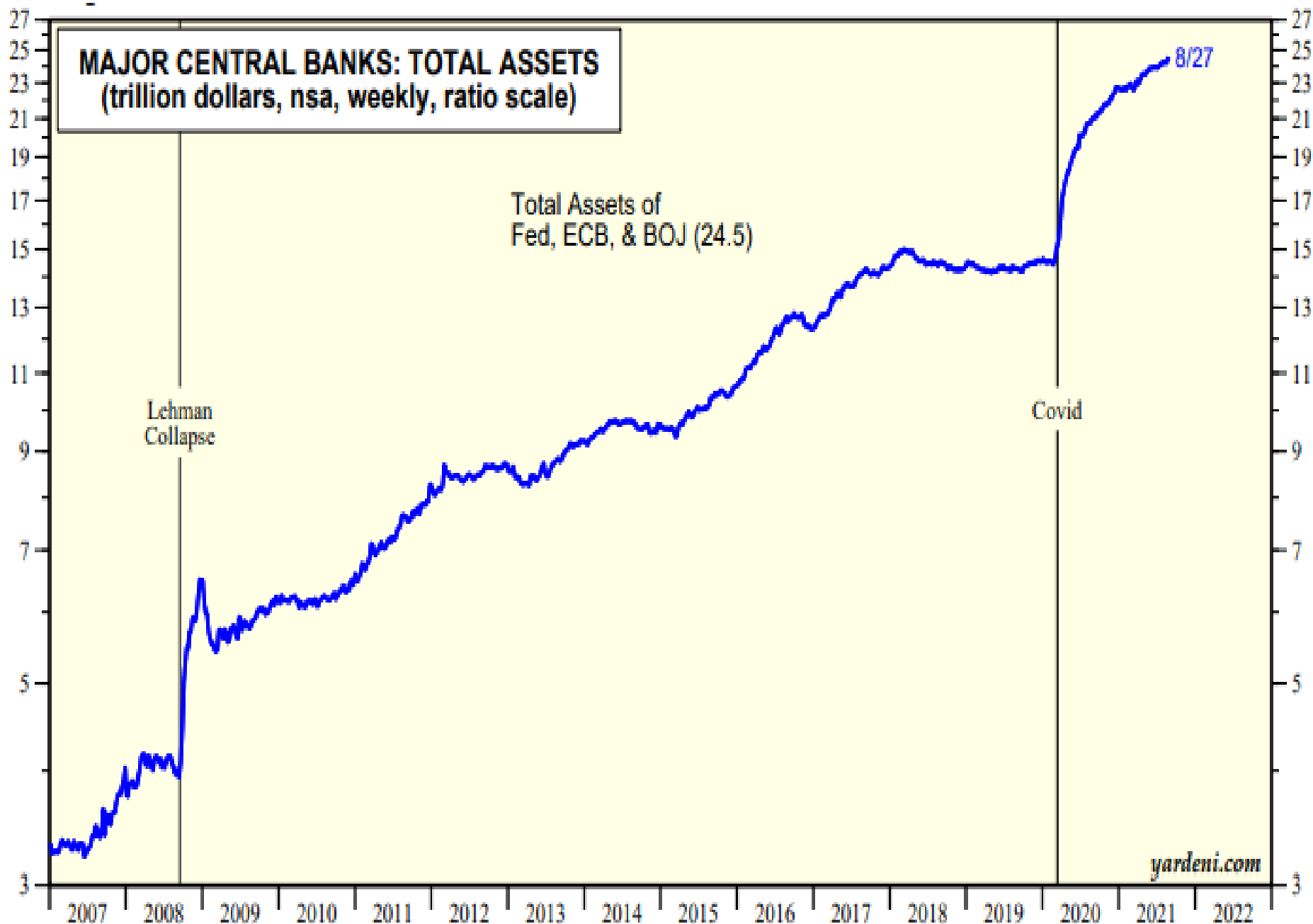


- Taliban forms Govt. in Afghanistan
- Afghanistan may be the starting point of new geopolitical tension
- China aggressively supporting Taliban
- To get global support, Taliban will initially be soft

Justification for High Valuations



- In every bull market high valuations were justified by citing some reasons
- In dotcom bubble it was high growth
- Now it is low global interest rate and high liquidity scenario
- Ultimately valuations cannot be anti gravity and will revert to mean fundamentals if global liquidity dries or earnings growth dissapoints



Note: Lehman collapsed 9/15/2008. WHO declared global Covid-19 pandemic on 3/11/2020.
Source: Haver Analytics.

Signals of Current Bull Phase Topping



- Private Equity Transactions will give first warning of market topping
- Currently successive transactions in unlisted space are happening at higher valuations
- If valuations fails to go up or falls below previous transactions that will be the first signal that will indicate market has topped

Conclusion



- Bull Market intact but Market expected to see consolidation in near term
- Stock specific opportunity still available

Events To Watch



- Covid Cases
- Foreign flows



Thank You