



# Current Market Scenario

## 17 September 2022

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# Indian Markets Outperforms



- Hectic activity in broader market
- FII started buying
- Volatile crude oil
- Hawkish US Fed

## INDEX WATCH

INDEX	16, Sep	13, Aug	% Change
Nifty	17,530	17,698	- 0.9
Sensex	58,840	59,462	- 1.0
Nifty Midcap	31,460	30,806	+ 2.1
BSE Small Cap	29,199	27,905	+ 4.6

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# Global Markets YTD Performance



Markets	% Change
Nasdaq	- 26
Germany Dax	-18
Hang Seng	-18
Dow Jones	-14
France	-13
China Shanghai	- 12
Brazil	+ 4
India	+ 2
Indonesia	+ 10

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# Will Decoupling Theory Work This Time ?

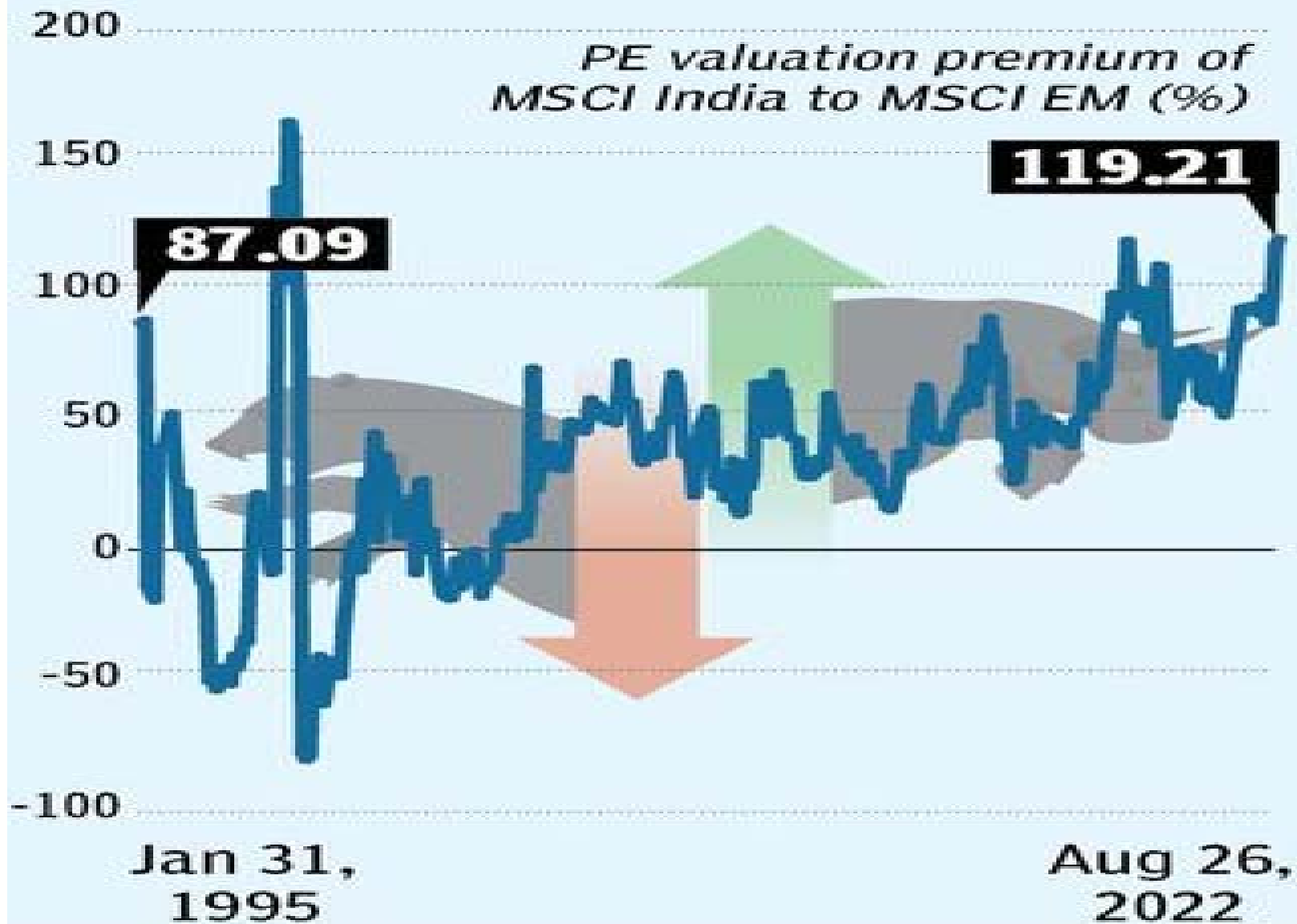


- Our markets are outperforming global markets
- Growth relatively looks better
- Markets at huge valuations premium
- Liquidity chases growth

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# Indian equities twice as expensive to EM peers



Source: Bloomberg

PE: Price to Earnings

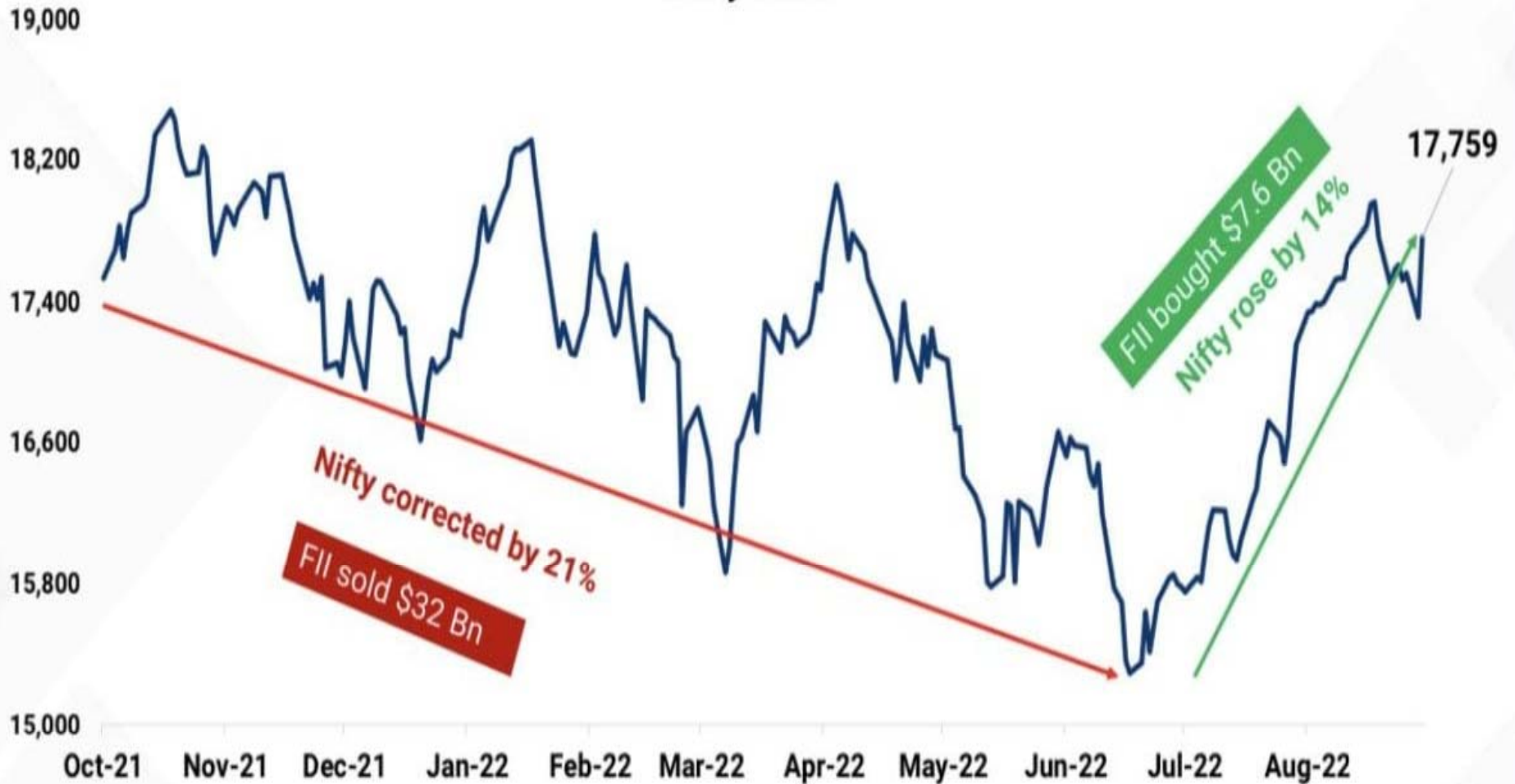
# Premium Valuations



- Premium valuations spreading to broader market
- Typical bull market action
- Stocks moving on narratives and stories
- Retail euphoria still lagging

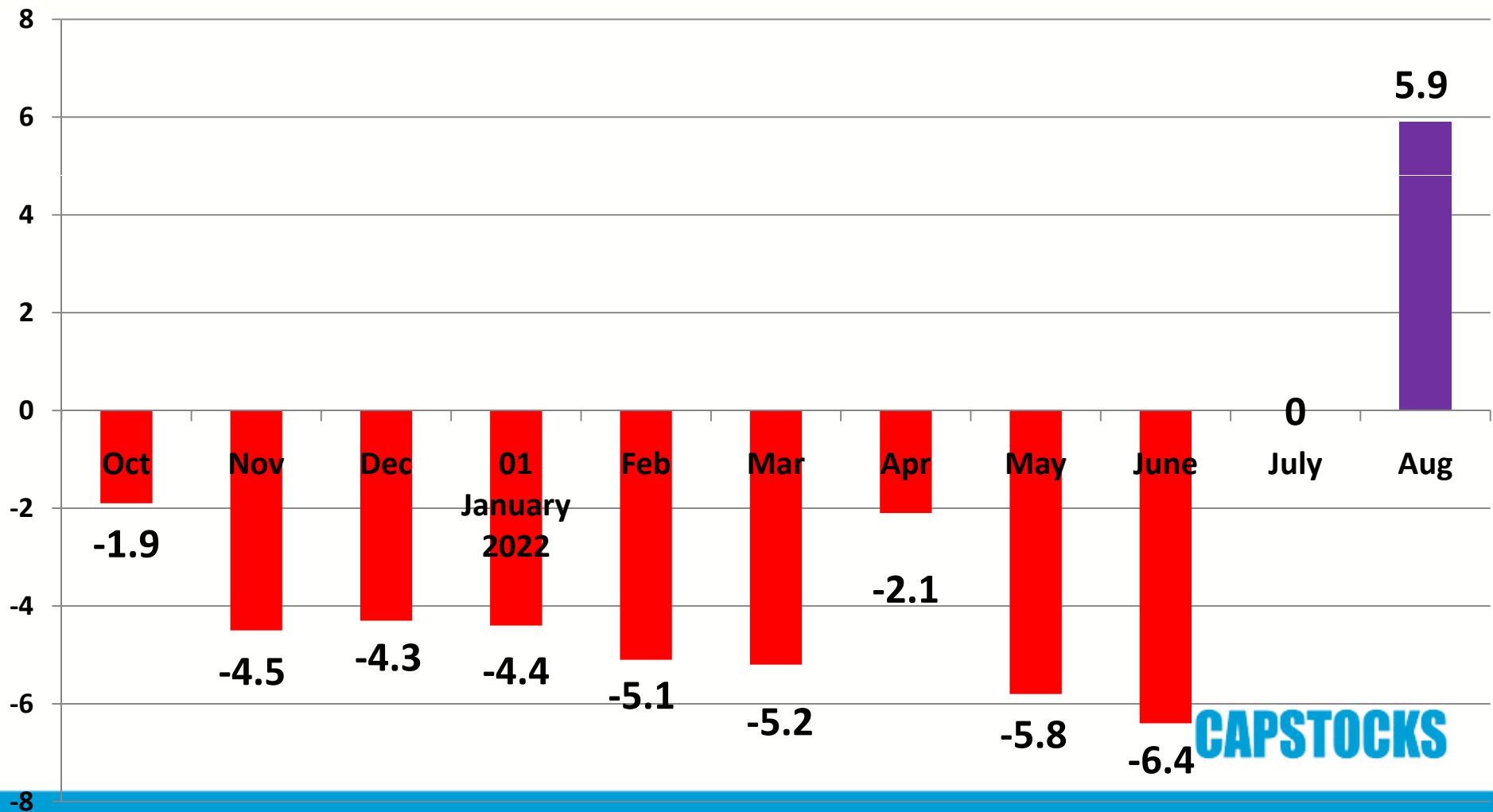
# Cost of Exiting India Is Very High

## Nifty Index





## FPI Secondary Market Activity in US \$ Bn

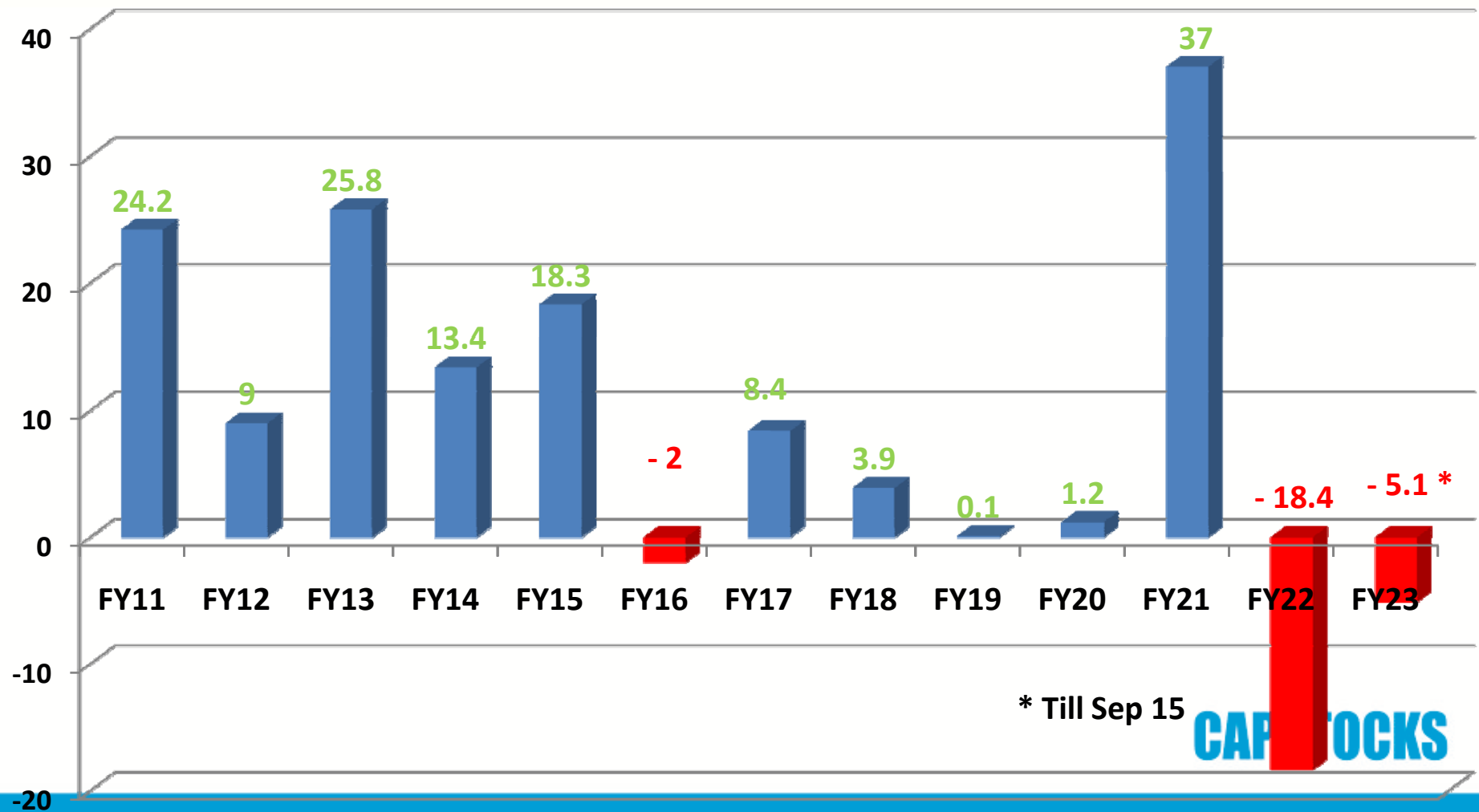




# FII Activity



FPI Flows in US Bn \$



\* Till Sep 15

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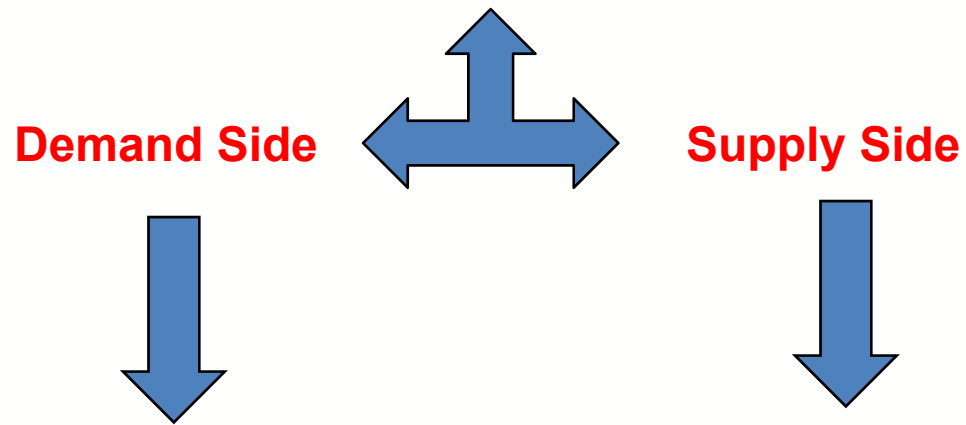
# US Fed – Very Hawkish



- Hawkish comments continues from US Fed. To hike rate by 75 bps on Sep 21
- Priority is to reduce inflation at expense of “some pain” in economy
- US Jobs market still very buoyant



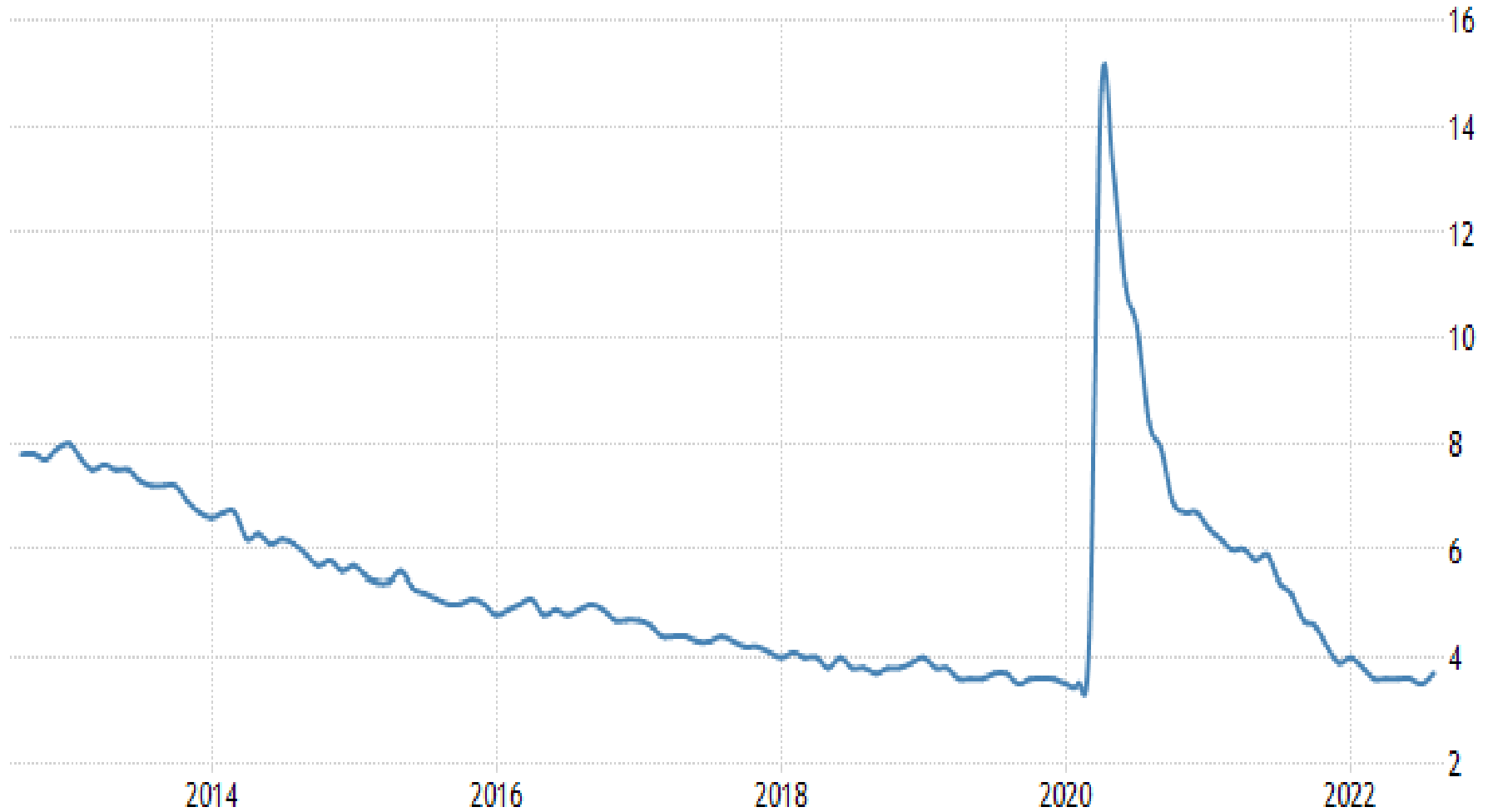
# High Inflation



Monetary Action (Interest Rate )  
Fiscal (Govt.)

Boosting Supply

# US Unemployment Rate

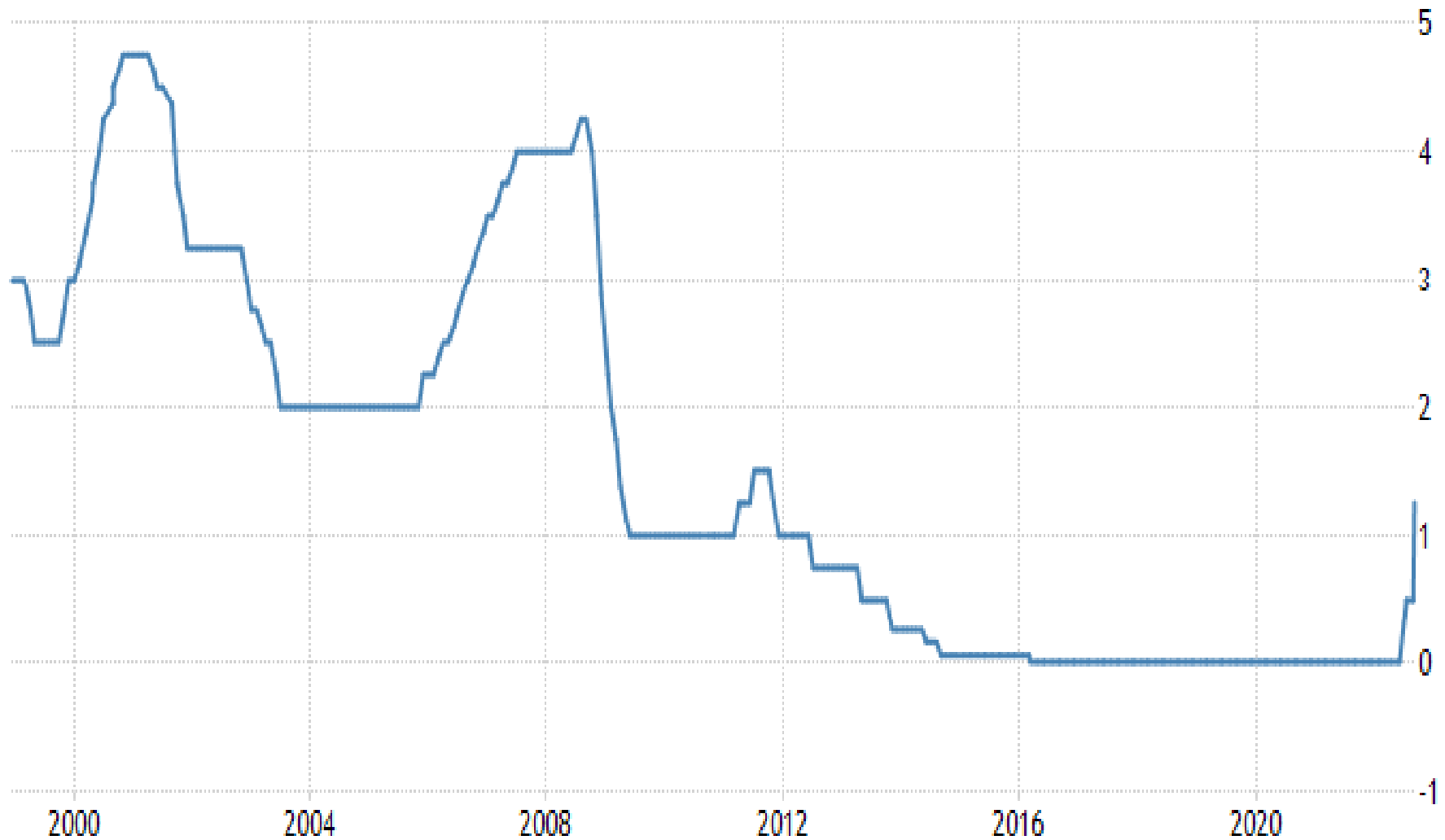


# Europe Energy Crisis

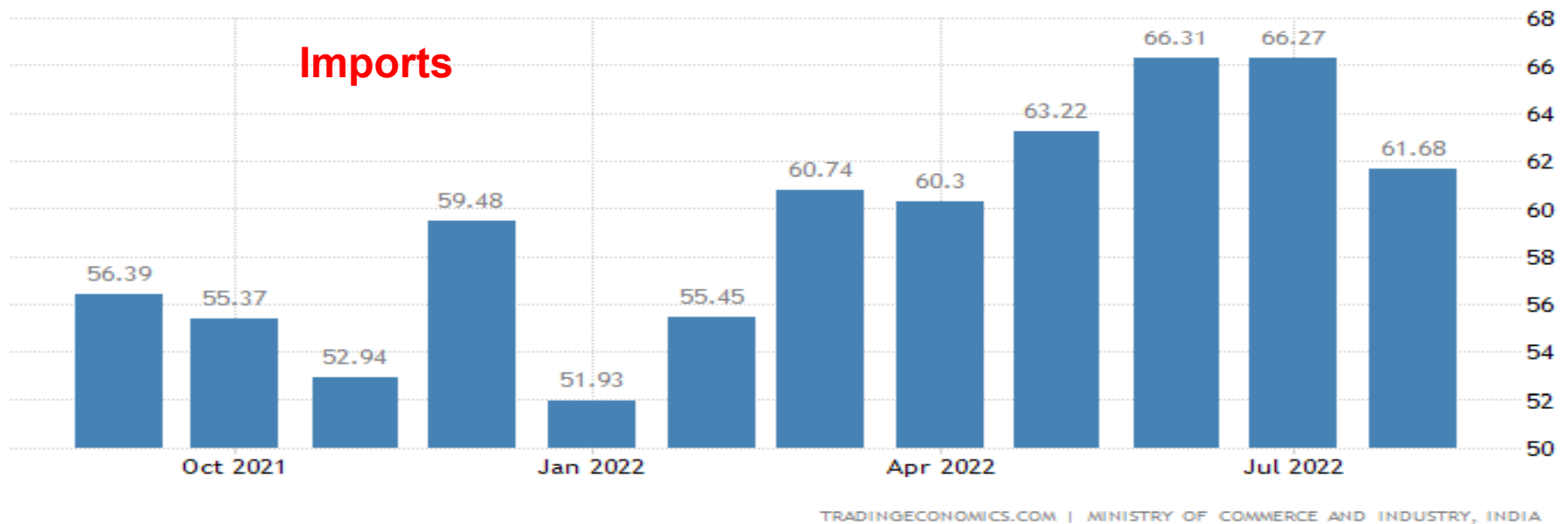
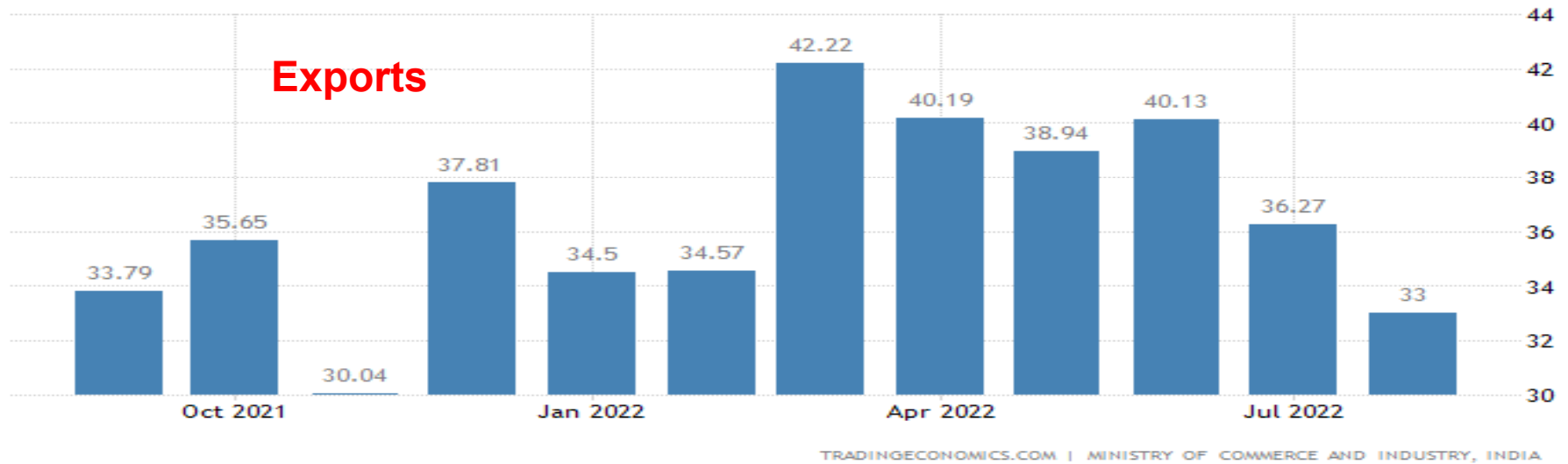


- Euro Zone Natural gas prices skyrocketed due to supply disruption from Russia
- Energy intensive industries like chemicals, paper are becoming unviable to run
- Power cost surge for domestic users too

# ECB Rate



# Exports Slows



# Monsoon Update



- Overall good Rainfall received
- Four consecutive year of good monsoon
- IMD forecast good rainfall in rest of September

## Seasonal Rainfall (in mm) since 01 June 2022 till 15 September, 2022

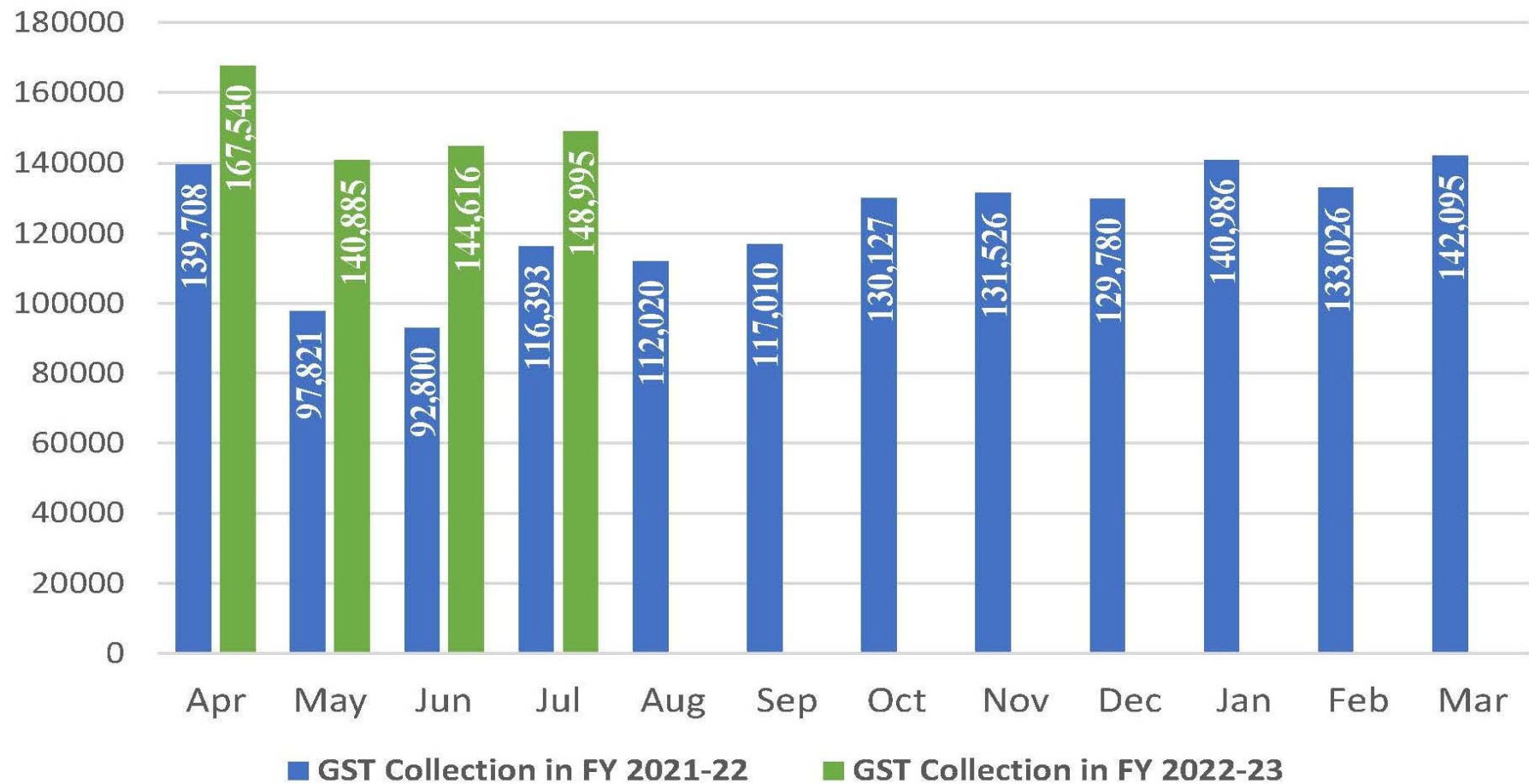
Region	Actual	Normal	% Departure from Long Period Average
EAST & NORTHEAST INDIA	1026.5	1233.9	-17%
NORTHWEST INDIA	517.5	552.5	-6%
CENTRAL INDIA	1079.9	906.8	+19%
SOUTH PENINSULA INDIA	834.4	631.5	+32%
<b>COUNTRY AS A WHOLE</b>	<b>850.2</b>	<b>795.9</b>	<b>+7%</b>



# Strong Tax Collection

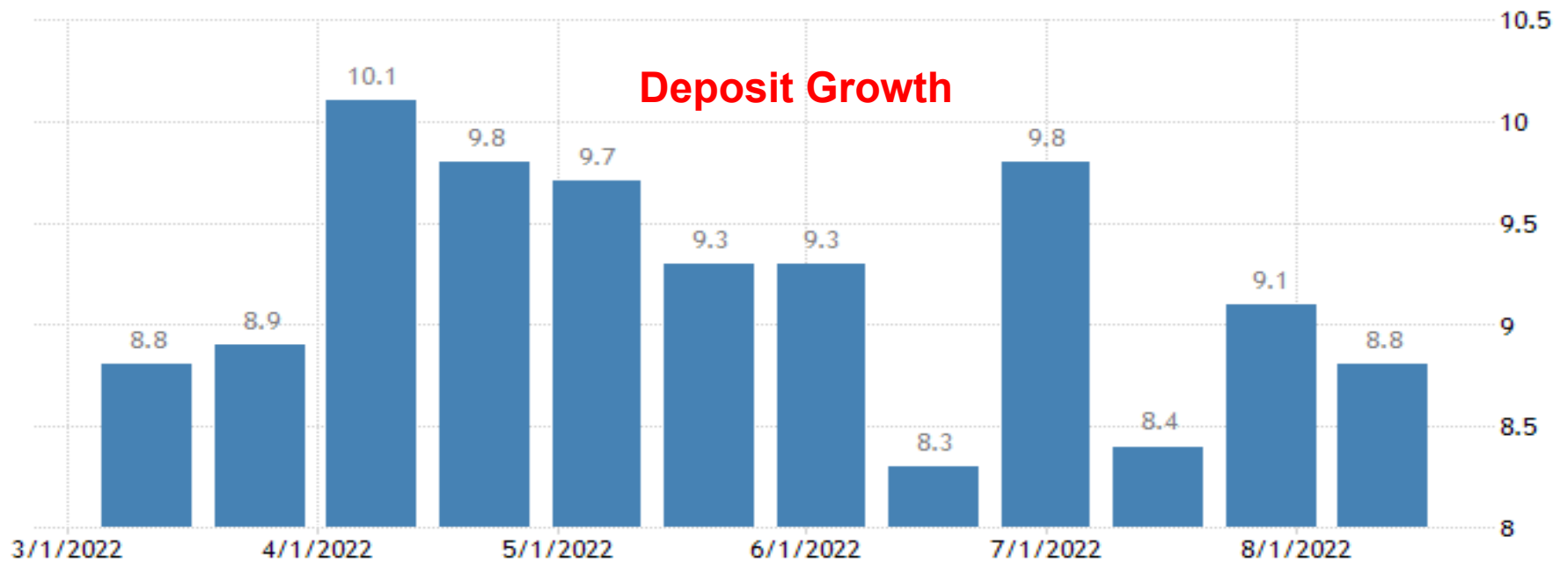


## Trends in GST Collection (Rs. In Crore)

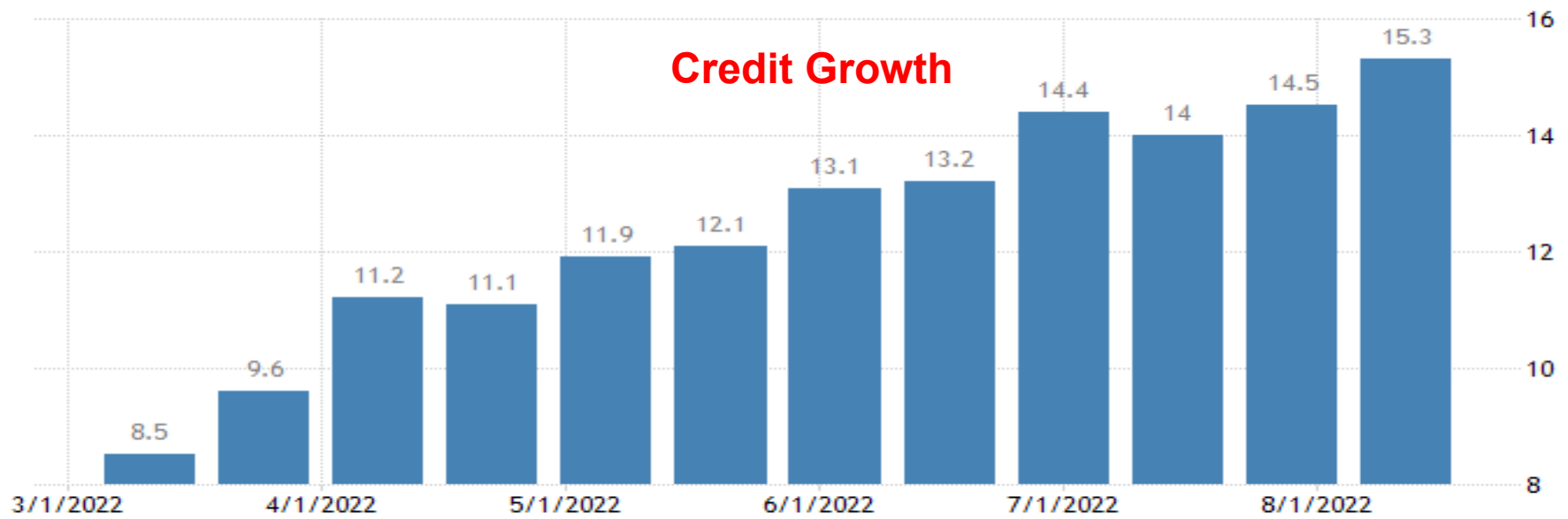


# Crude Below \$100



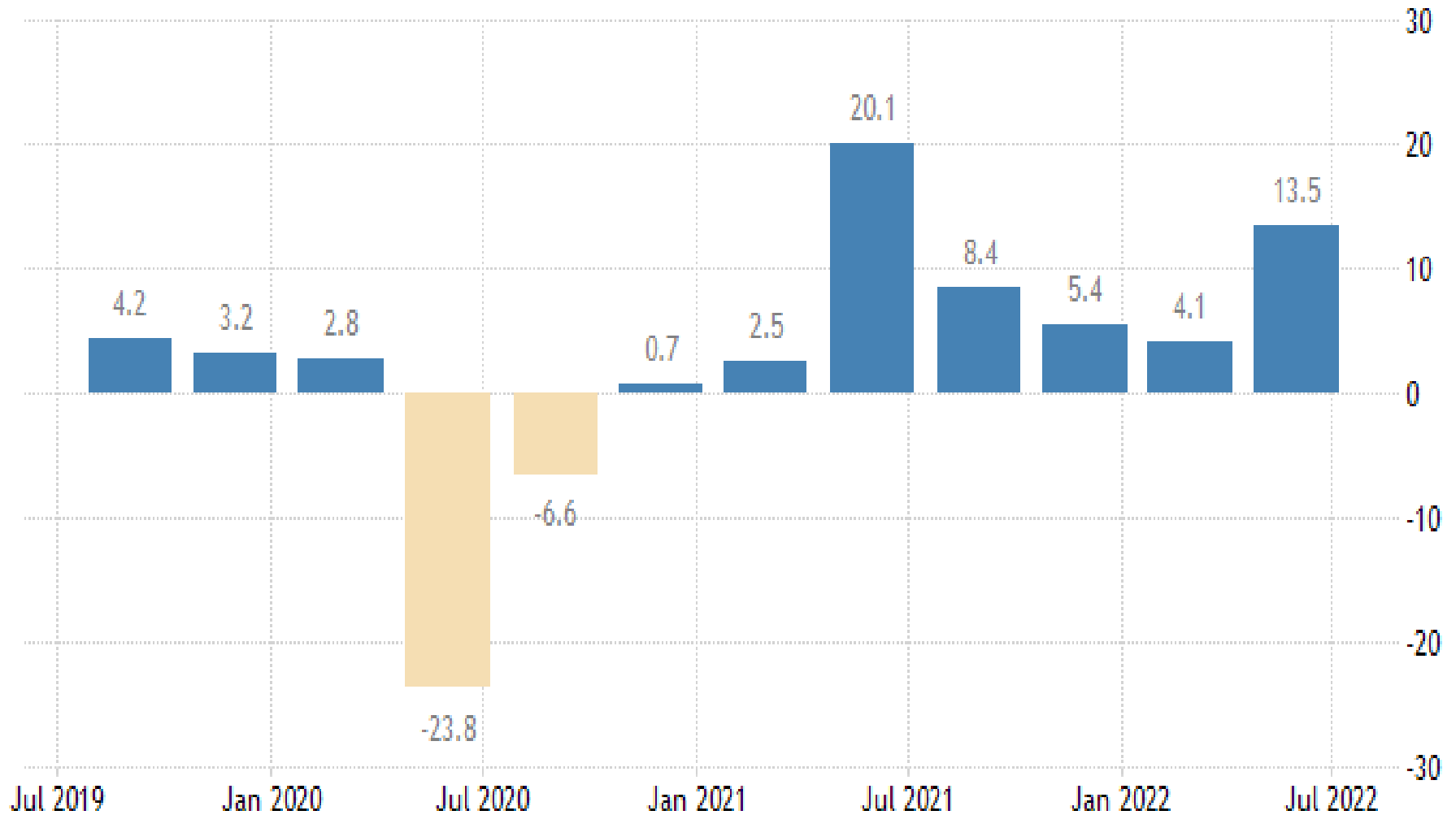


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# Domestic GDP Growth

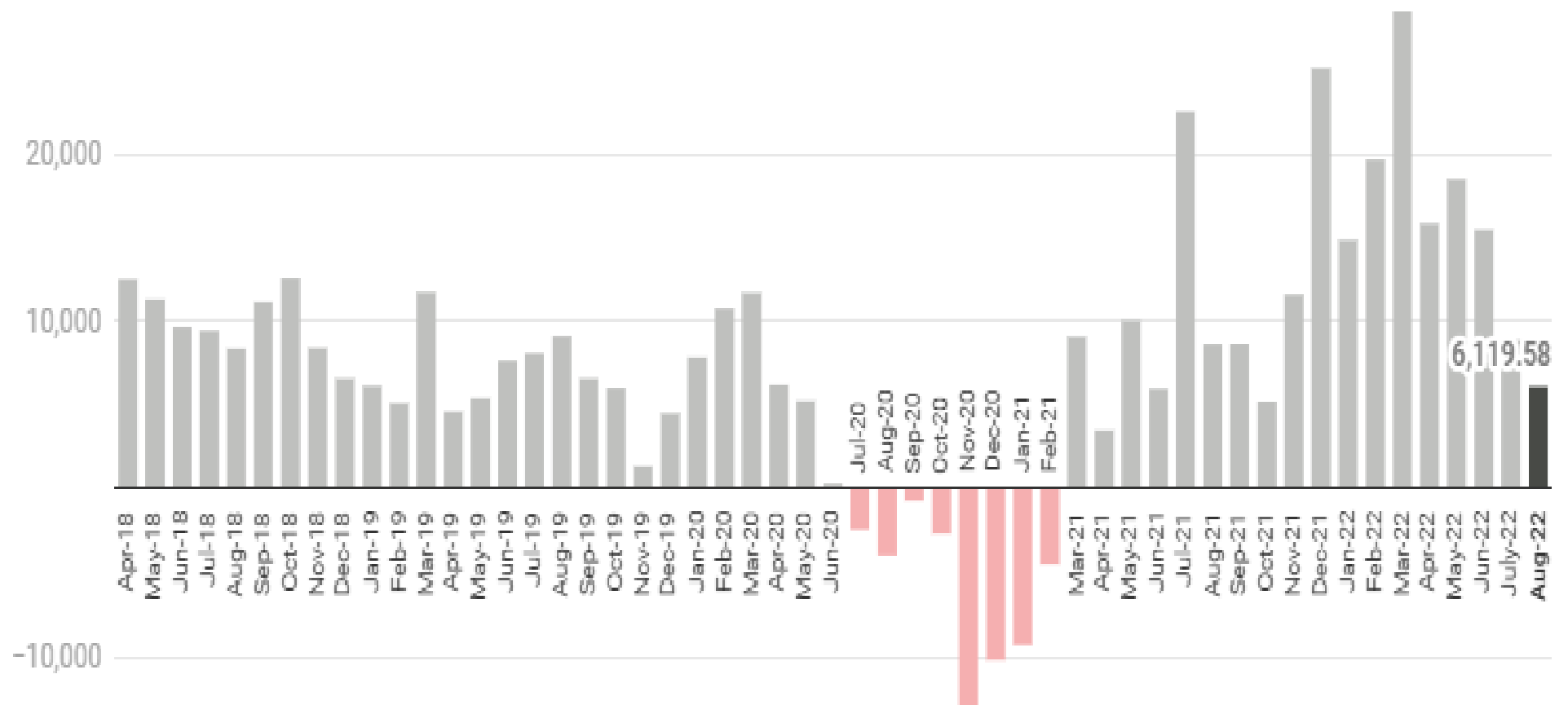


# Equity Mutual Fund Flows



## Net Equity Inflows

(Rs crore)



# Theme To Focus



- With central elections to be held in 2024, Govt may focus on spending more money on infra
- Infra spending will have multiplier effect on economy
- Spending will be visible to public as assets are created
- L&T will be our top bet

# What Investors Should Do



- Lot of individual stocks and sectors going up on euphoria
- Buy where conviction is there
- Don't mix trading and investment calls

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# Events To Watch



- Geopolitical events
- FII Flows
- US Fed meeting on Sep 21





**Thank You**

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