



Current Market Scenario

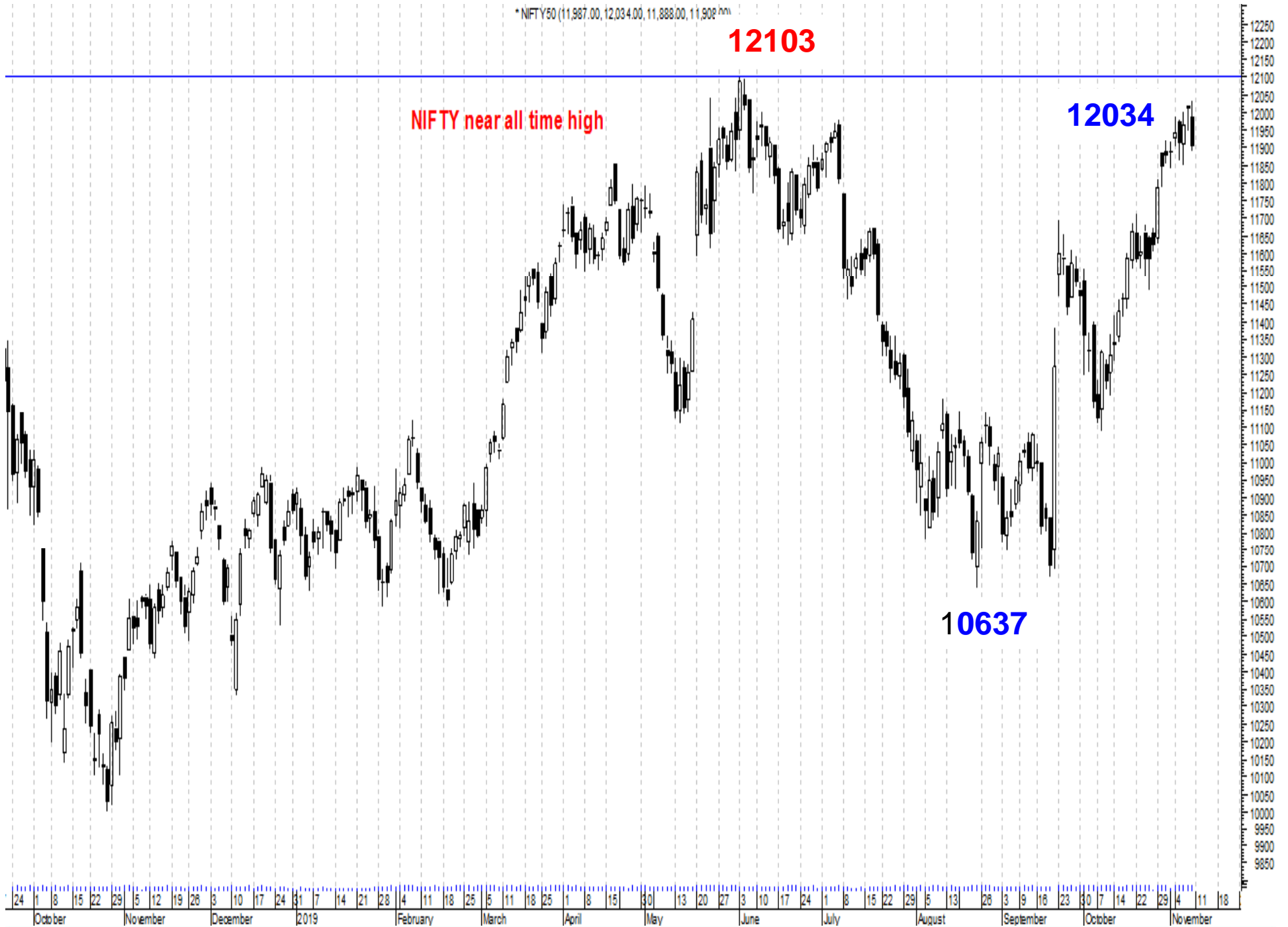
*NIFTY50 (11,987.00, 12,034.00, 11,888.00, 11,908.00)

12103

NIFTY near all time high

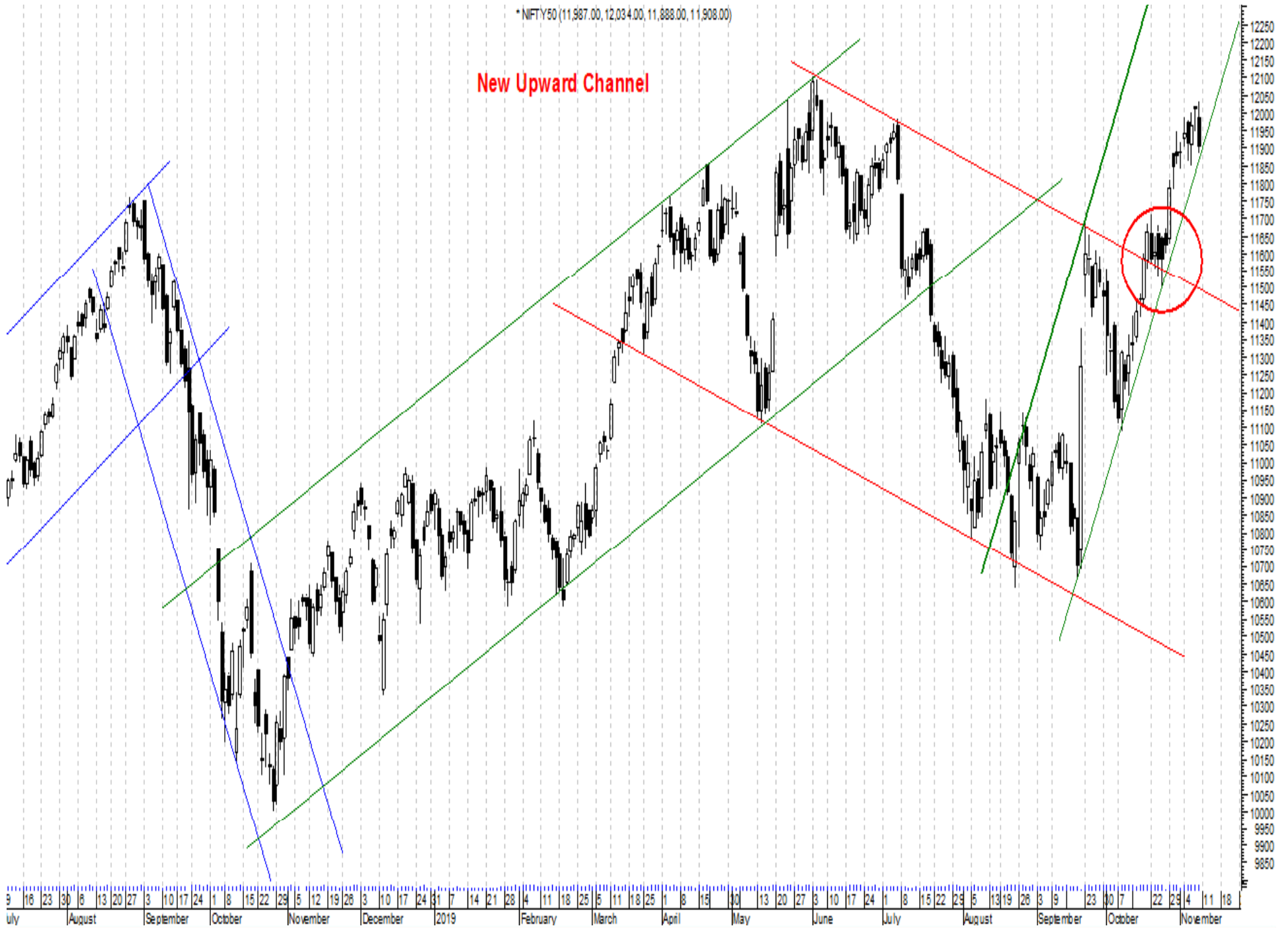
12034

10637



*NIFTY50 (11,987.00, 12,034.00, 11,888.00, 11,908.00)

New Upward Channel



Fall in Indices & rises from recent lows



Index	Current Index	Recent high	Fall from peak	Current fall from peak
Nifty	11908	12103	12%	2%
Nifty Midcap	16713	21841	31%	23%
Nifty small cap	5743	9656	47%	41%

O:11987.15 H:12034.15 L:11888.75 C:11908.15 UC:-103.90

Nifty 50

12103 June 2019

11760 Aug 2018

11171 Jan 2018

12.25K

12.00K

11908.1

11.75K

11.50K

11.25K

11.00K

10.75K

10.50K

10.25K

10.00K

9750.00

9500.00

@TickerPlant-NSE NIFTY 50(Daily:2 Year)

Oct 2017 Jan Apr Jul Oct Jan Apr Jul Oct Jan 2020

10 Mar 2020



O:16822.70 H:16901.40 L:16694.00 C:16713.35 UC:-82.65

21841 Jan 2018

Nifty Midcap



@TickerPlant-NSE NIFTY MIDCAP 100(Daily:2 Year)

Jan Apr Jul Oct Jan Apr Jul Oct Jan Apr Jul Oct Jan 10 Mar 2020
2017 2018 2019 2020

O:5760.85 H:5809.00 L:5738.50 C:5743.10 UC:-18.55



Nifty Small cap

9656 Jan 2018

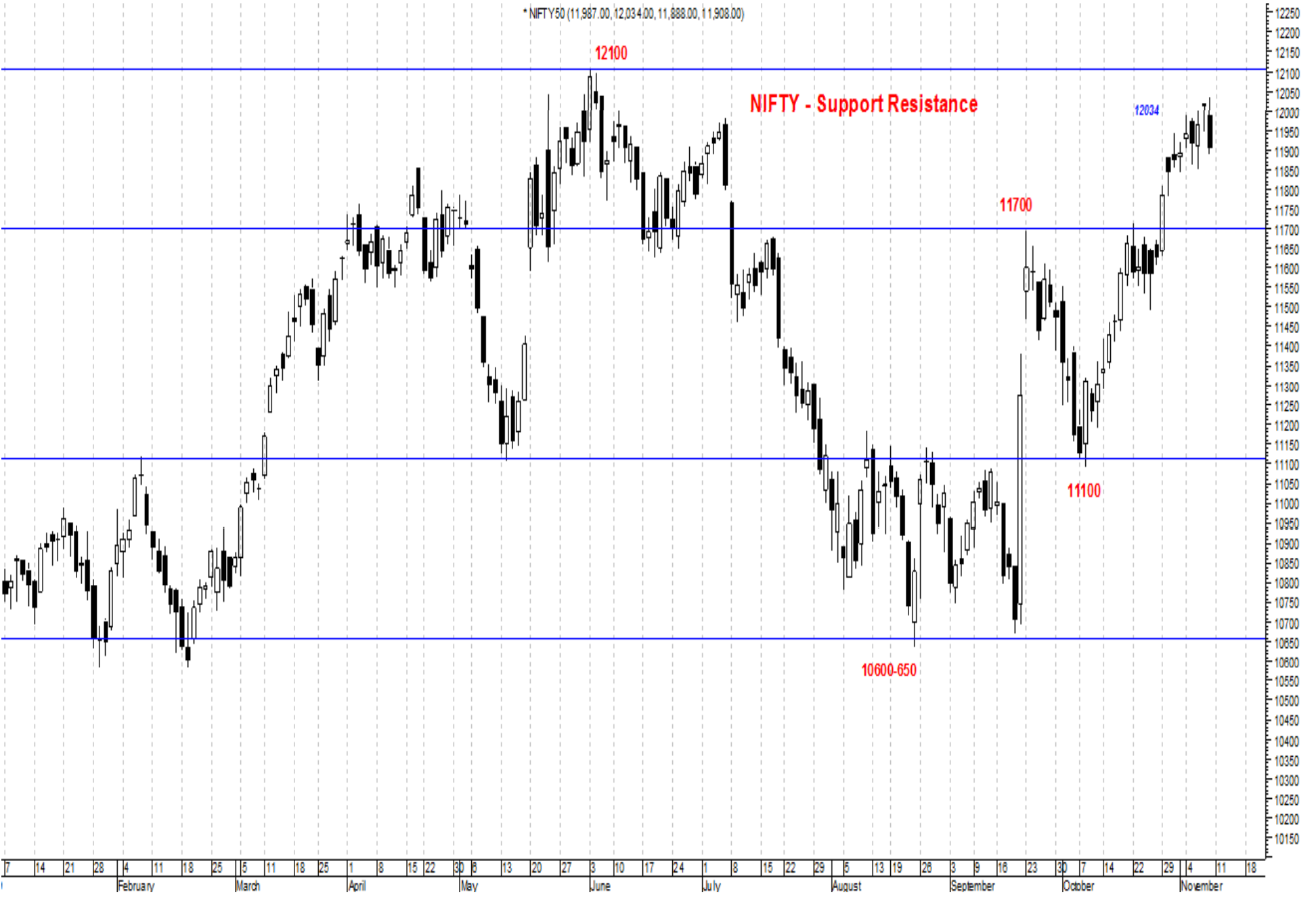
5743

5114

@TickerPlant-NSE NIFTY SMLCAP 100(Daily:3 Year)

22 Apr 2020

* NIFTY50 (11,987.00, 12,034.00, 11,888.00, 11,908.00)



Sensex At All Time High



- Mid and Small Caps showing uptrend
- FII started buying
- Macro data continue to disappoint
- US market at All time high

INDEX WATCH

INDEX	9, Nov	12, Oct	% Change
Nifty	11,908	11,301	5.3
Sensex	40,323	38,127	5.7
Nifty Midcap	16,713	15,558	7.4
BSE Small Cap	13,474	12,772	5.4



CAPSTOCKS AND SECURITIES (INDIA) PVT. LTD.

Is Worst Over For Mid and Small Caps?



- Mid and Small caps see select buying interest
- Valuations are attractive in many cases based on Market cap basis
- Majority of stocks has bottomed out
- Economic and Earnings recovery needed for sustained rally

Institutions Chasing Top 50 Companies



INR mn; BSE500 analysis	One year before 2014 elections	Three years before now	Last one year
	Jun13-Jun14	Jun16-Jun17	Jun18-Jun19
Mutual Fund, Insurance and FI investments	5,526,932	11,962,284	18,451,251
Incremental investment during the year	1,390,945	2,202,188	1,778,169
Fresh investment directed towards:			
Top 50 companies	16%	36%	77%
51st - 100th companies	15%	14%	7%
101st- 200th compnies	32%	21%	12%
201st - 300th company	13%	13%	3%
301st - 400th company	8%	6%	1%
401st - 500th company	16%	9%	-1%
FII + FPI investments	11,196,351	20,604,892	28,466,113
Top 50 companies	25%	35%	63%
51st - 100th companies	23%	13%	25%
101st- 200th compnies	29%	30%	8%
201st - 300th company	7%	9%	3%
301st - 400th company	5%	4%	2%
401st - 500th company	11%	9%	-1%

Source: ACE Equity

Infosys Whistle Blower Complaint – Will Fizzle Out ?



- Anonymous group of Infosys employees filed complaint that CEO took unethical steps to boost short term profits
- Expenses like Visa cost not fully recognised
- Recent orders were taken at zero margin
- Complaint was given on Sep 20, but company didn't reported to exchanges
- Law Firm Shardul Amarchand Mangaldas to conduct independent investigation

Q2 Result Performance



	% Change (YoY)	
	Sep 2019	Sep 2018
Sales	0.7	25.5
Profit Before Tax	14.1	5.3
Net Profit	26.0	3.3

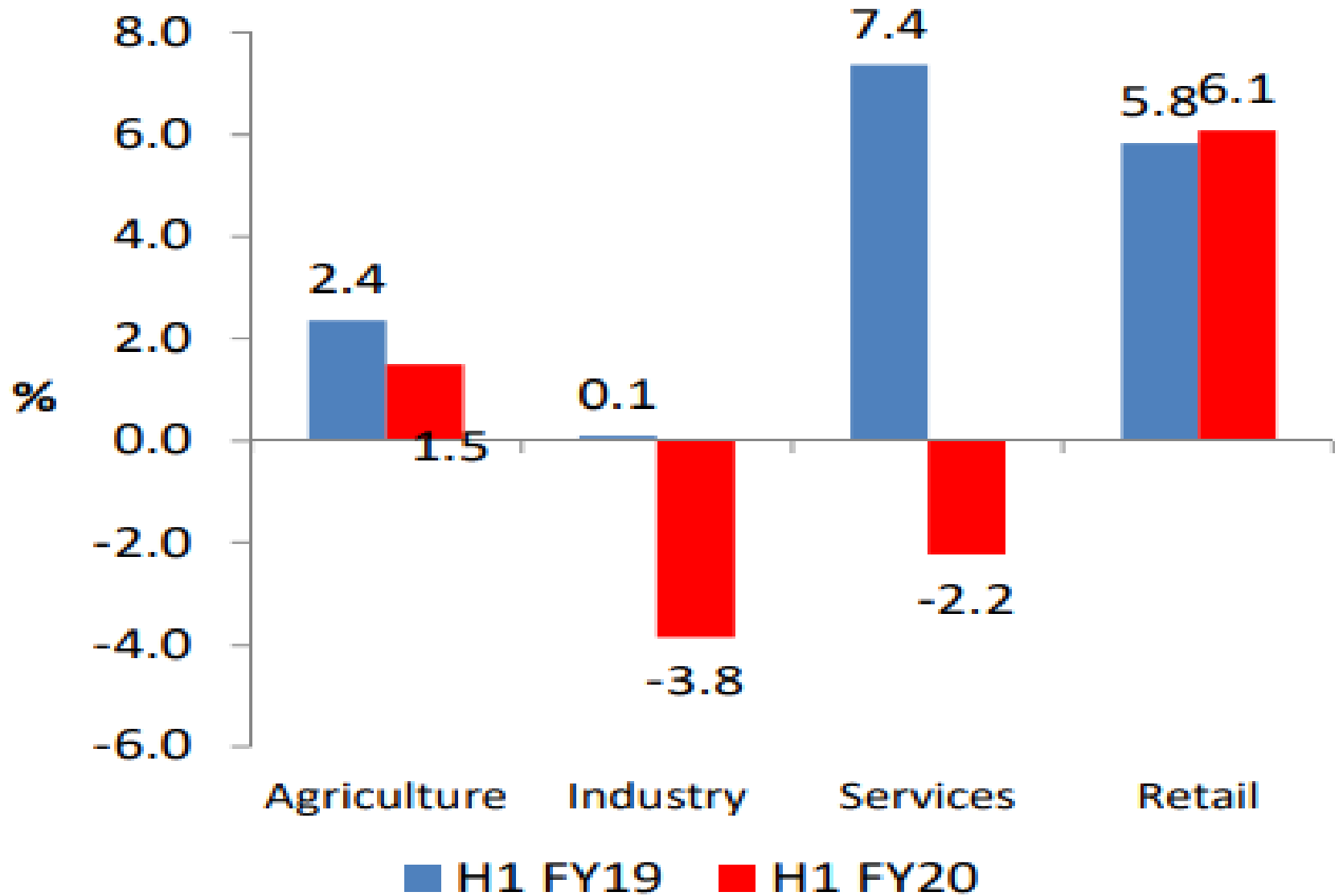
Results of 715 companies

Result Analysis



- Profit after tax boosted by lower corporate tax
- Healthy cash flow
- Lack of demand forcing companies not to go for capex

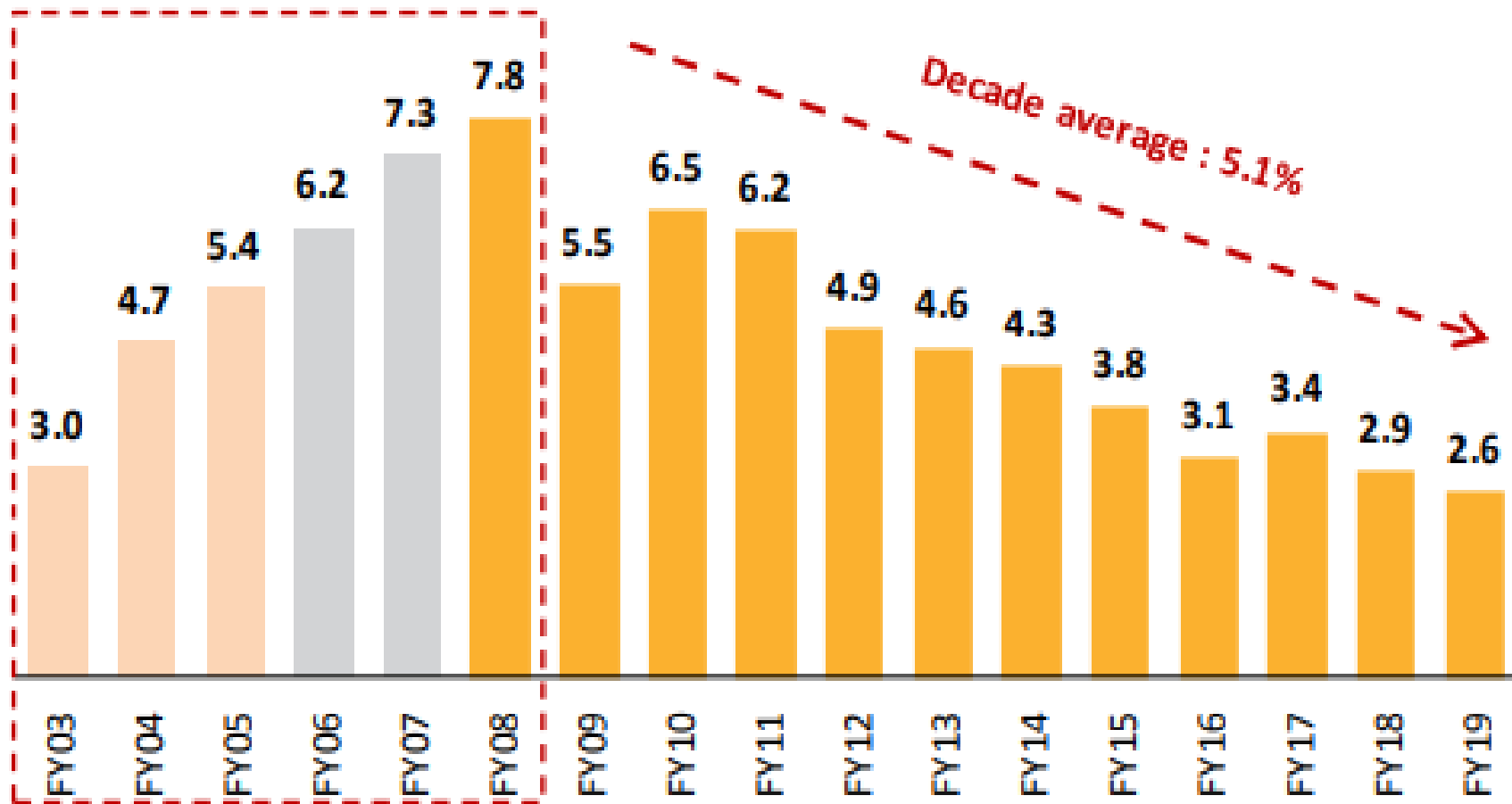
Growth in Credit



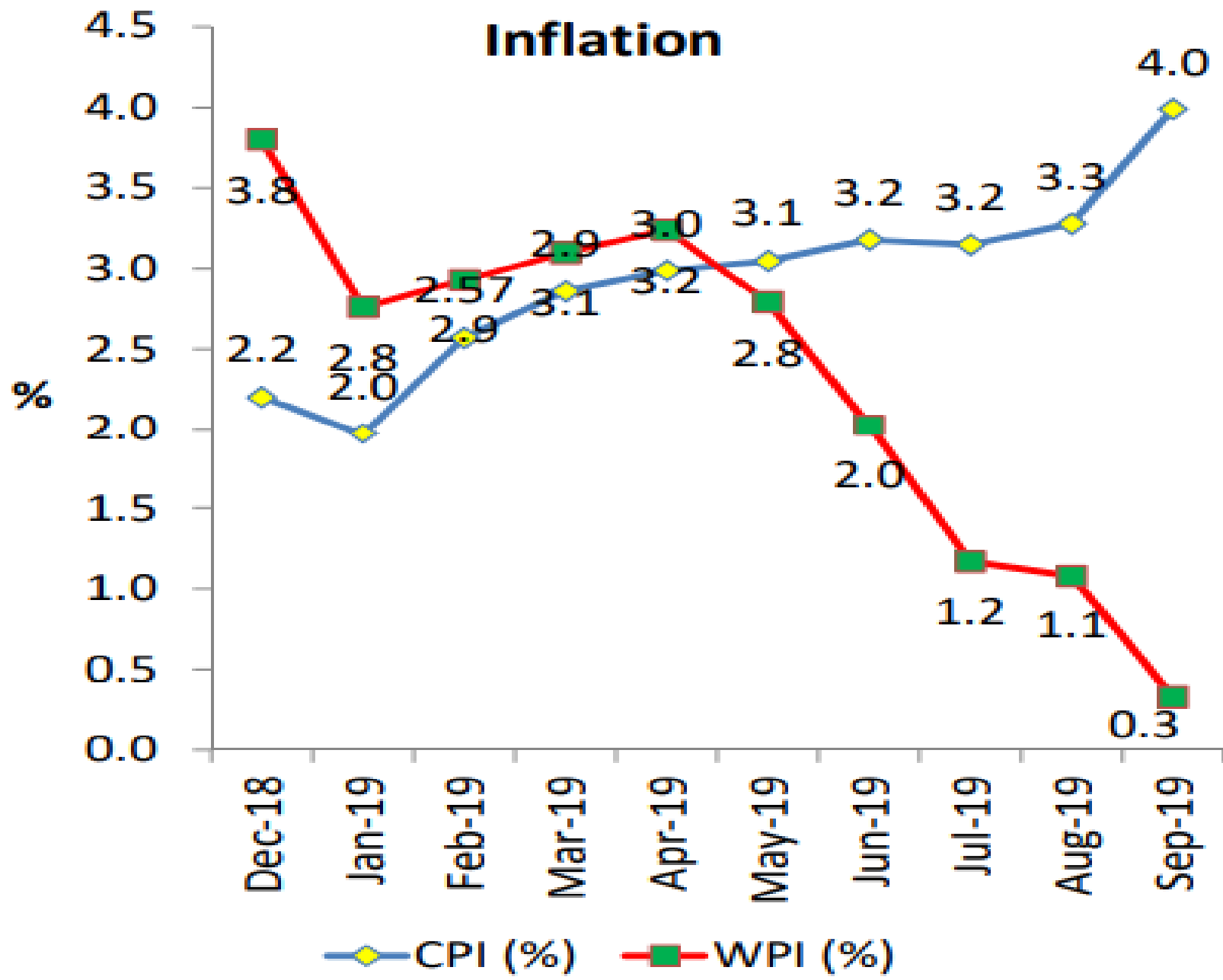
Corporate Profit To GDP Ratio



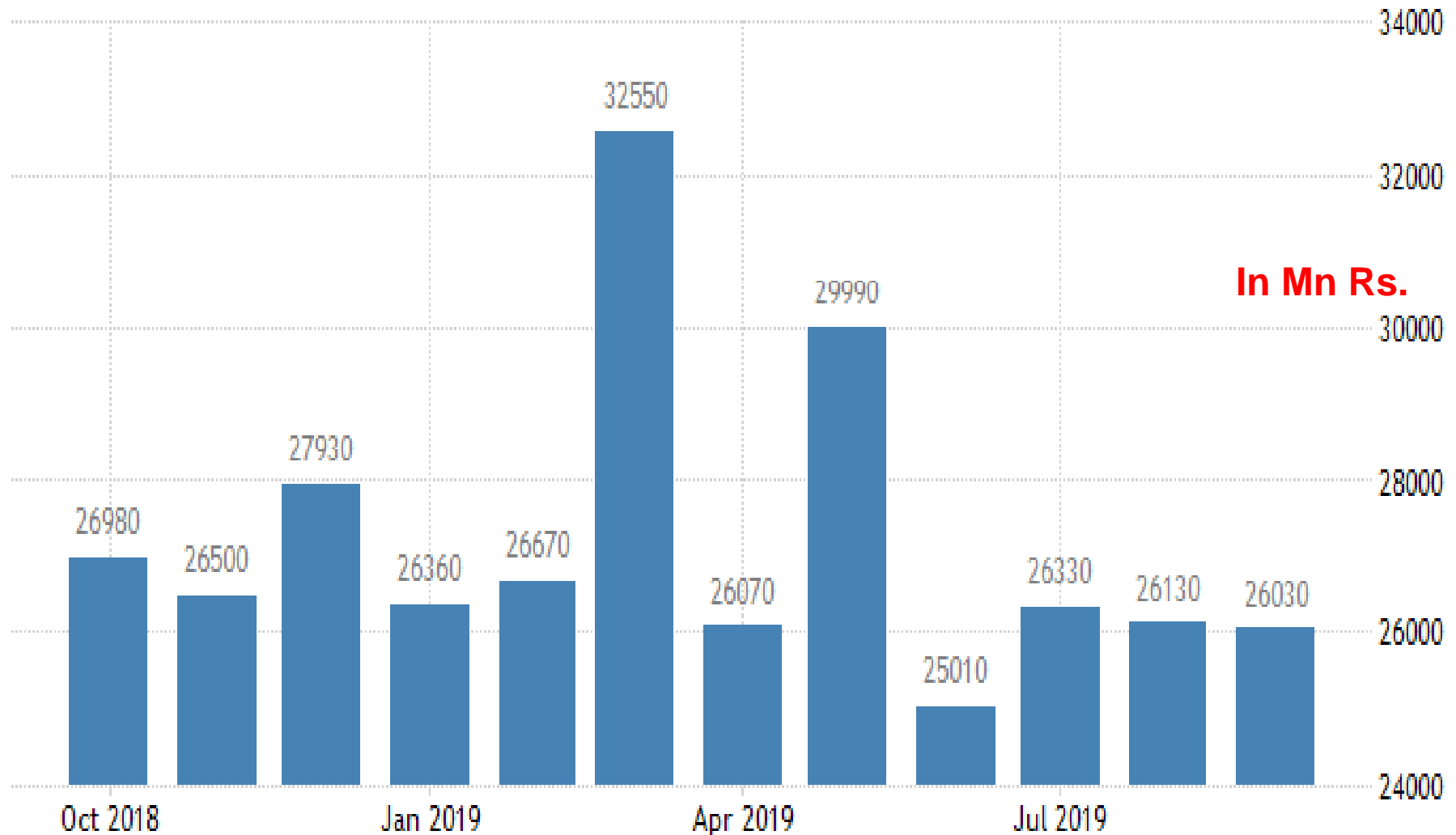
Corporate profit to GDP trend (%)



Inflation

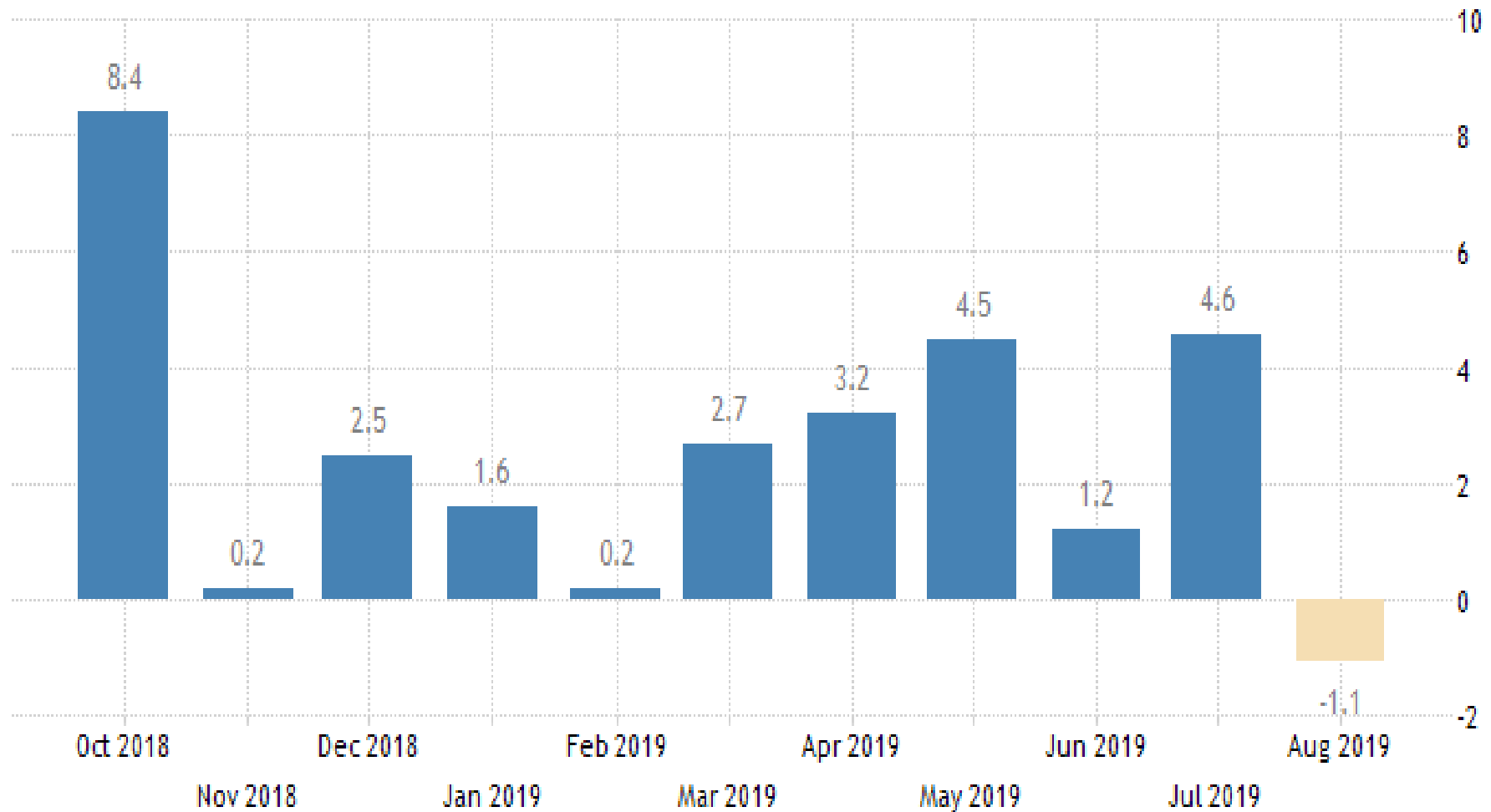


Stagnant Exports



SOURCE: TRADINGECONOMICS.COM | MINISTRY OF COMMERCE AND INDUSTRY, INDIA

Muted IIP Growth



SOURCE: TRADINGECONOMICS.COM | MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)

Auto Sales



MHCV & LCV				
Company	Category	Oct-19	Oct-18	YoY
Ashok Leyland	MHCV	4,565	9,062	-49.6%
	LCV	4,509	5,279	-14.6%
Eicher Motors (Volvo)	MHCV	3,755	5,980	-37.2%
Tata Motors	MHCV	4,983	13,185	-62.2%
	LCV	21,090	26,235	-19.6%
Mahindra & Mahindra	MHCV	402	683	-41.1%
	LCV	23,180	23,670	-2.1%
Maruti Suzuki	LCV	2,429	2,152	12.9%
	Vans	10,011	13,668	-26.8%
Two-wheelers				
Company	Category	Oct-19	Oct-18	YoY
Eicher Motors	Bikes (Royal Enfield)	71,964	70,451	2.1%
Bajaj Auto	Bikes (Domestic)	242,516	281,582	-13.9%
TVS Motor Company	Bikes	125,660	150,429	-16.5%
	Scooters	121,437	151,040	-19.6%
	Mopeds	61,064	82,838	-26.3%
Hero MotoCorp	Bikes	599,248	734,668	-18.4%
PV and UV				
Company	Category	Oct-19	Oct-18	YoY
Maruti Suzuki	PV	106,002	101,516	4.4%
	UV	23,108	20,764	11.3%
Mahindra & Mahindra	PV	18,460	24,066	-23.3%
Tata Motors	PV	13,169	18,290	-28.0%

Aggressive PSU Divestment Coming

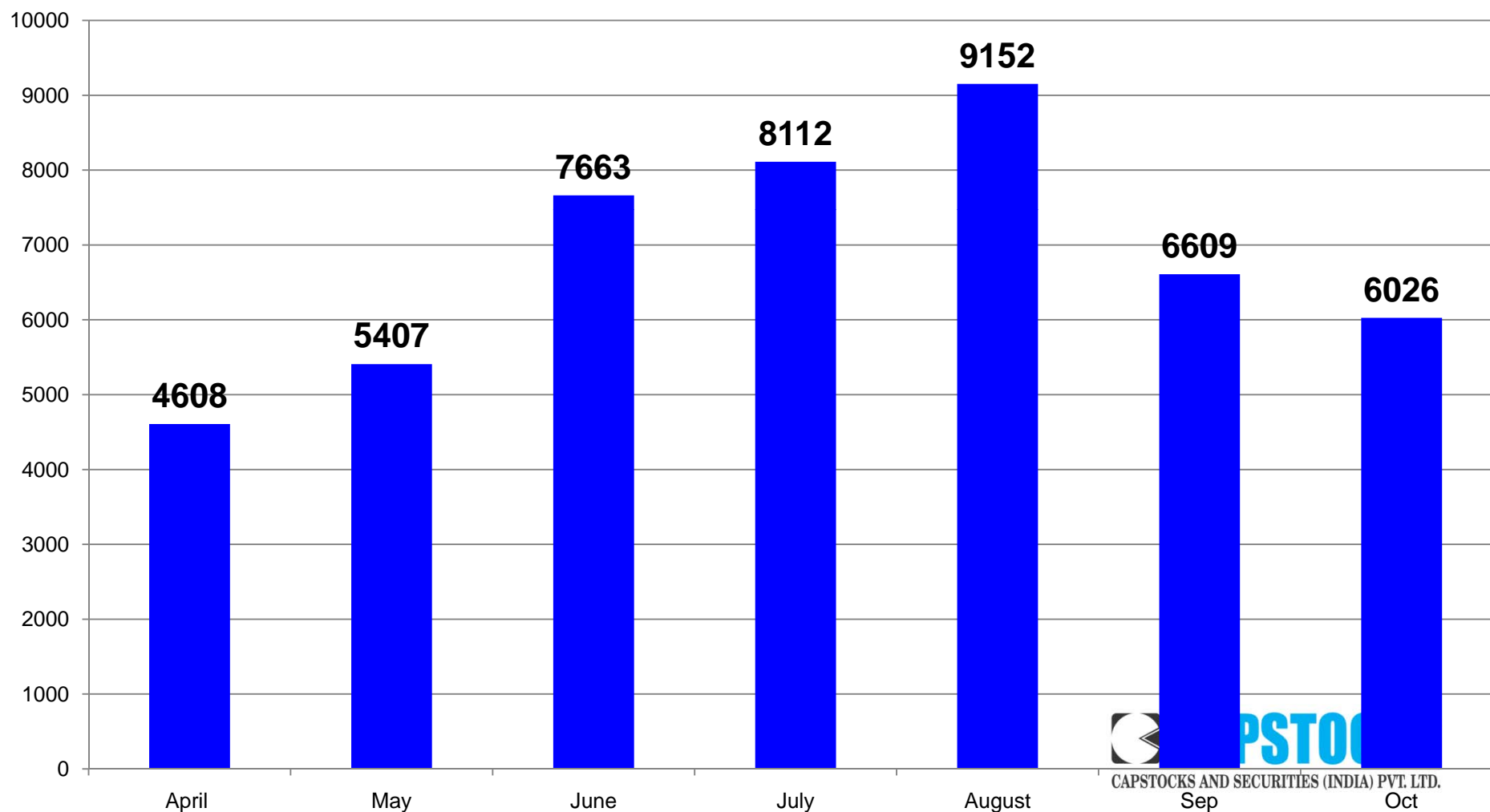


- Weak tax collections will force Govt. to go for aggressive PSU divestment
- BPCCL, Concor, SCI are top list for divestment
- More PSU companies will get divested in coming years

Equity Mutual Fund Inflows



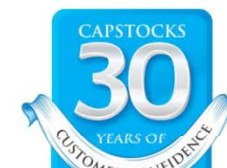
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CAPSTOCKS AND SECURITIES (INDIA) PVT. LTD.

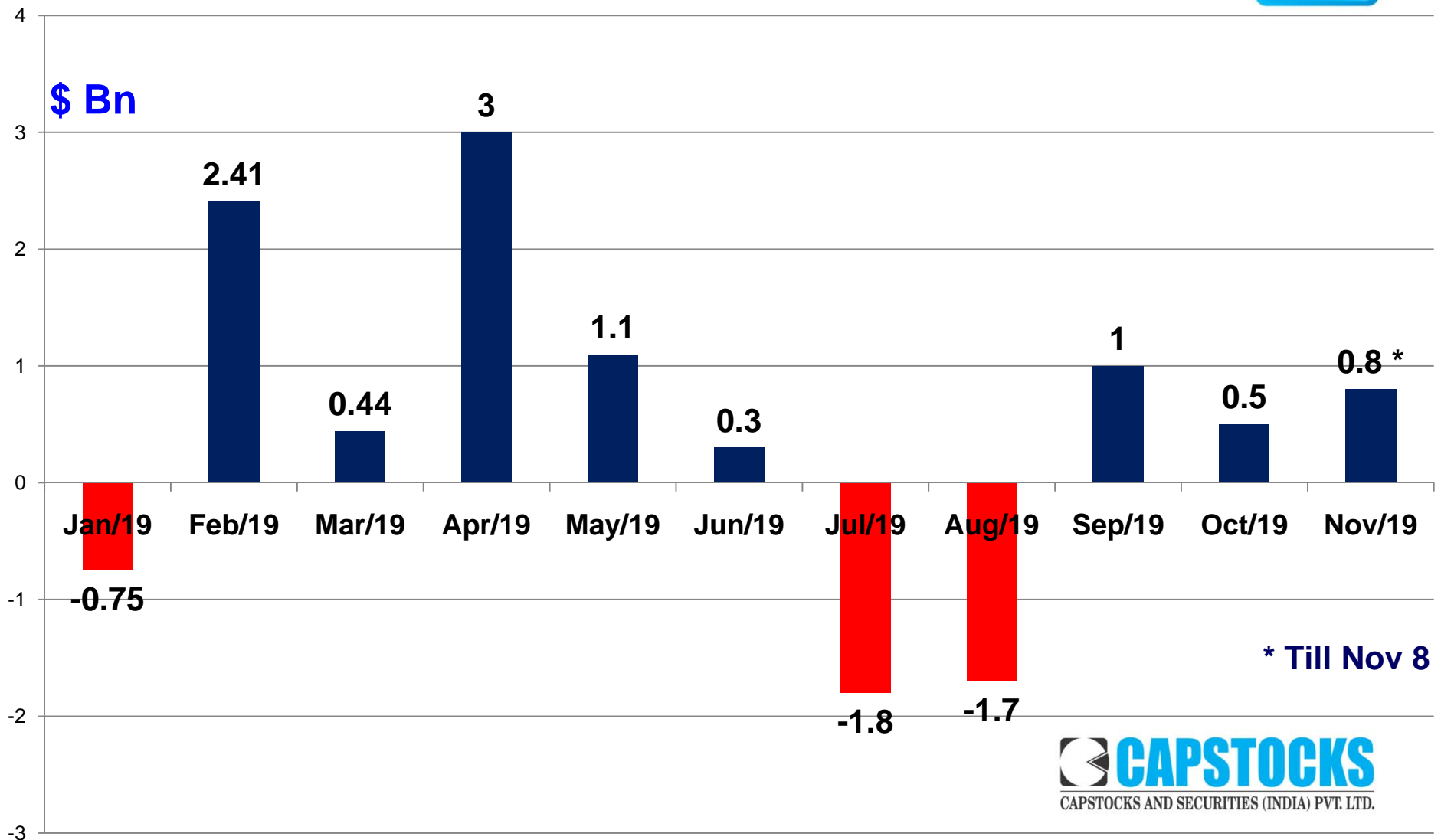
Mutual Fund SIP Flows



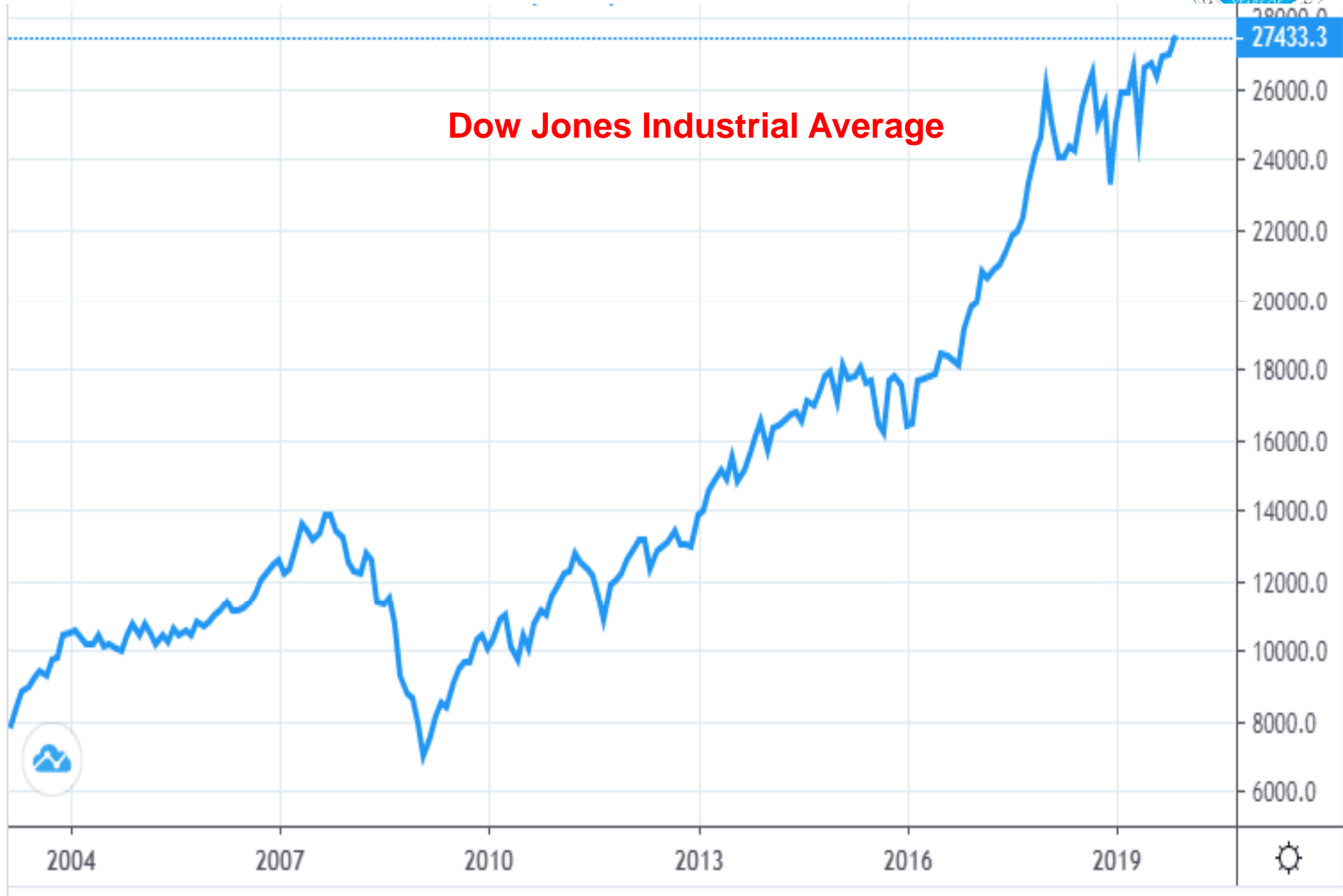
(SIP Count in Lakh)

Month	Total No. of outstanding SIP Accounts	No. of New SIPs registered	No. of SIPs discontinued	SIP AUM ₹ crore	SIP Contribution ₹ crore
Apr – Sep 19	283.95	55.45	33.75	2,88,735	49,361
Sep 19	283.95	8.50	5.63	2,88,735	8,263
Aug 19	281.08	8.80	5.83	2,71,105	8,231
Jul 19	278.11	10.19	5.63	2,68,864	8,324
Jun 19	273.55	9.29	5.40	2,81,393	8,122
May 19	269.66	9.65	5.86	2,79,629	8,183
Apr 19	265.87	9.02	5.40	2,69,621	8,238
Apr 18- Mar 19	262.25	109.54	58.75	2,66,815	92,693

FII Activity



US Market At All Time High



Emerging Markets – Lost Decade



Quality Vs Valuations – Debate Continues



- Quality companies (stable earnings, high return ratios, consumer oriented, no immediate treat of disruptions) are enjoying historic valuations premium
- Debate going on valuations sustainability
- Most of them expect time wise correction in the over valued companies

IMF Growth Projections



	Year over Year			
	2017	2018	Projections	
			2019	2020
World Output	3.8	3.6	3.0	3.4
Advanced Economies	2.5	2.3	1.7	1.7
<u>United States</u>	2.4	2.9	<u>2.4</u>	<u>2.1</u>
Euro Area	2.5	1.9	1.2	1.4
Germany ²	2.5	1.5	0.5	1.2
France	2.3	1.7	1.2	1.3
Italy	1.7	0.9	0.0	0.5
Spain	3.0	2.6	2.2	1.8
Japan	1.9	0.8	0.9	0.5
United Kingdom	1.8	1.4	1.2	1.4
Canada	3.0	1.9	1.5	1.8
Other Advanced Economies ³	2.9	2.6	1.6	2.0
Emerging Market and Developing Economies	4.8	4.5	3.9	4.6
Emerging and Developing Asia	6.6	6.4	5.9	6.0
China	6.8	6.6	6.1	5.8
<u> India⁴</u>	<u>7.2</u>	<u>6.8</u>	<u>6.1</u>	<u>7.0</u>
<u> ASEAN 5⁵</u>	<u>5.3</u>	<u>5.2</u>	<u>4.8</u>	<u>4.9</u>
Emerging and Developing Europe	3.9	3.1	1.8	2.5
Russia	1.6	2.3	1.1	1.9
Latin America and the Caribbean	1.2	1.0	0.2	1.8
Brazil	1.1	1.1	0.9	2.0
Mexico	2.1	2.0	0.4	1.3
Middle East and Central Asia	2.3	1.9	0.9	2.9
Saudi Arabia	-0.7	2.4	0.2	2.2
Sub-Saharan Africa	3.0	3.2	3.2	3.6
Nigeria	0.8	1.9	2.3	2.5
South Africa	1.4	0.8	0.7	1.1

Events to Watch



- Domestic Macro Data
- Q3 Results
- FII Activities



Thank You