



# Current Market Scenario

# Markets At Record Levels



- Covid 2<sup>nd</sup> Wave Peaks Out
- Euphoric move in Mid and Small cap stocks
- Crude Oil rallies
- Cautious retail investors

## INDEX WATCH

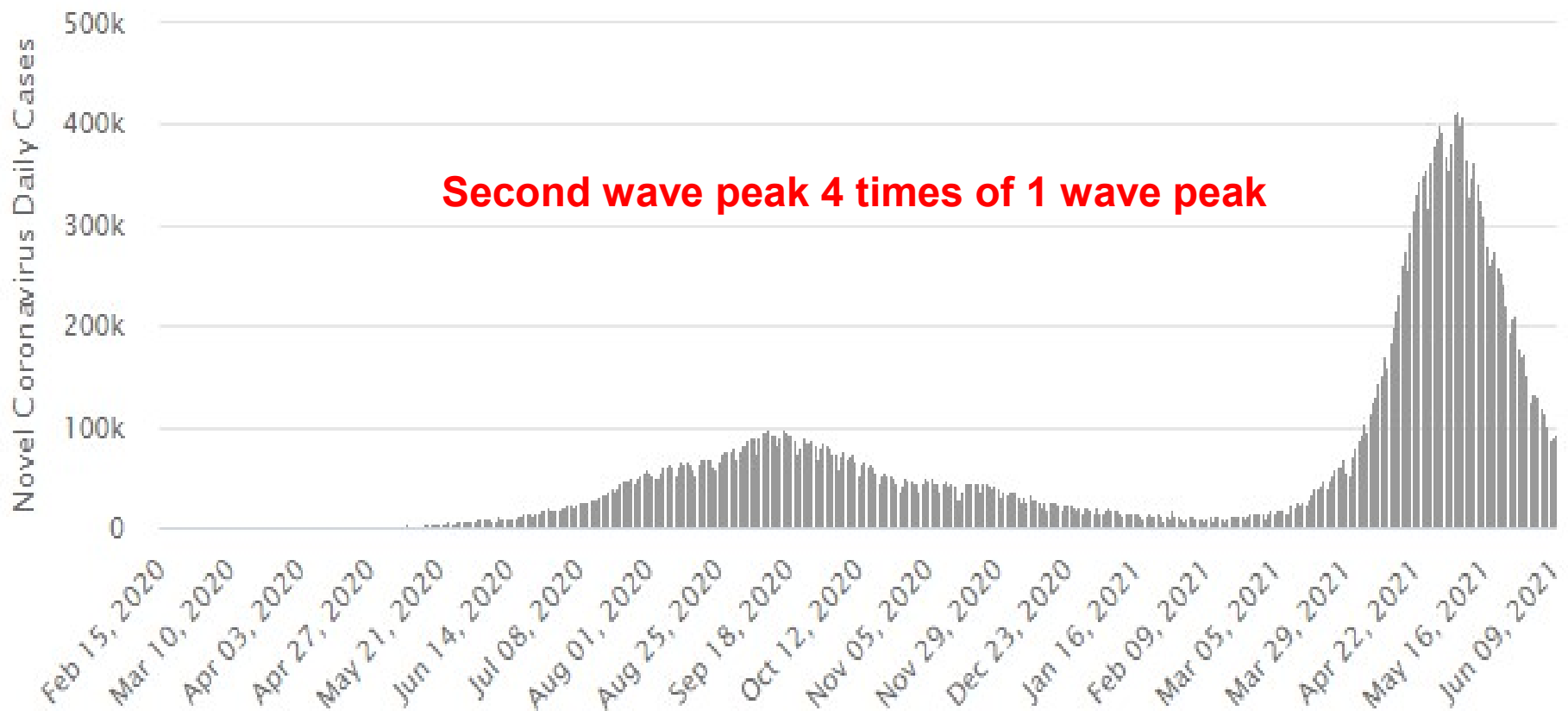
<b>INDEX</b>	<b>11, June</b>	<b>8, May</b>	<b>% Change</b>
Nifty	<b>15,799</b>	<b>14,823</b>	<b>6.5</b>
Sensex	<b>52,474</b>	<b>49,206</b>	<b>6.6</b>
Nifty Midcap	<b>27,329</b>	<b>24,545</b>	<b>11.3</b>
BSE Small Cap	<b>25,116</b>	<b>22,218</b>	<b>13.0</b>

# India Second Covid Wave Turns Down



## Daily New Cases

Cases per Day  
Data as of 0:00 GMT+0



# India on Second Covid Wave



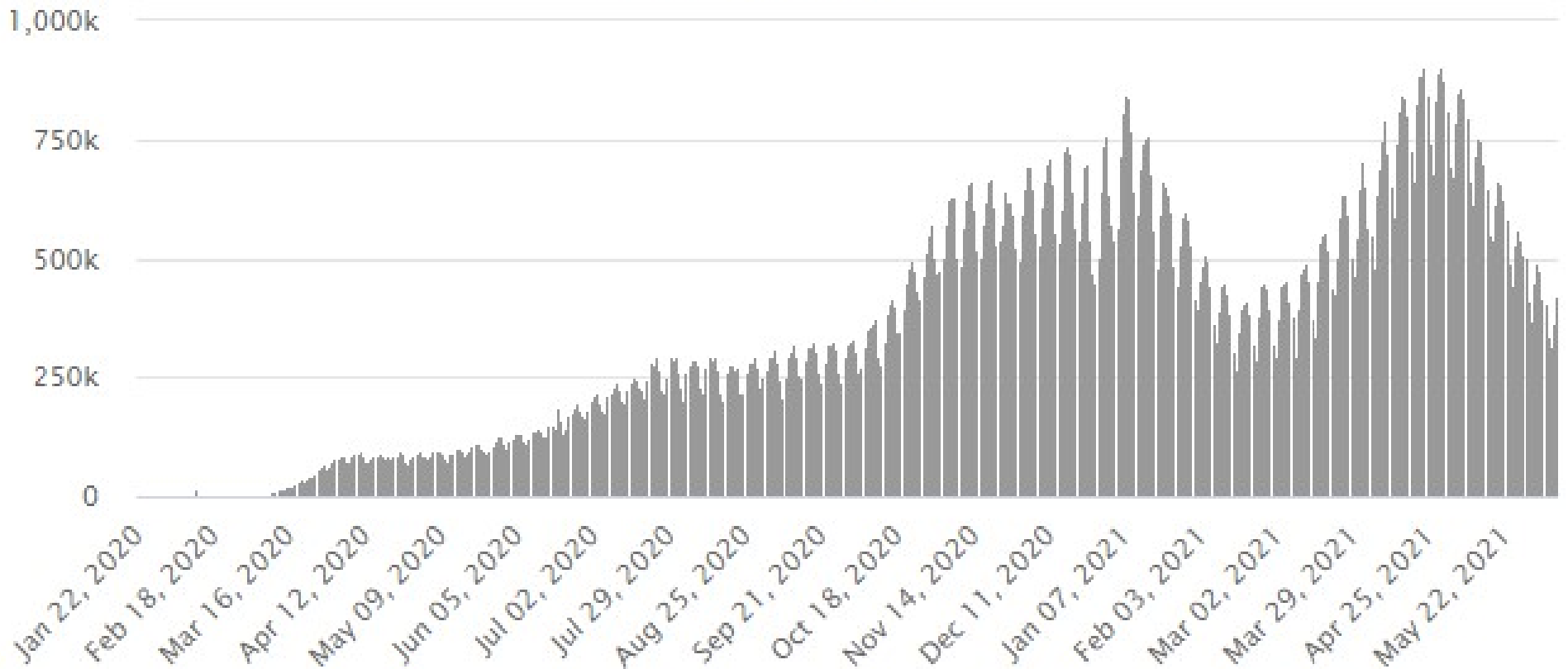
- Second wave turns down sharply
- High human fatality
- Impact on economy is less than first wave
- Severity of third wave if any will be less than second wave due to vaccination and presence of antibodies

# Global Covid Cases

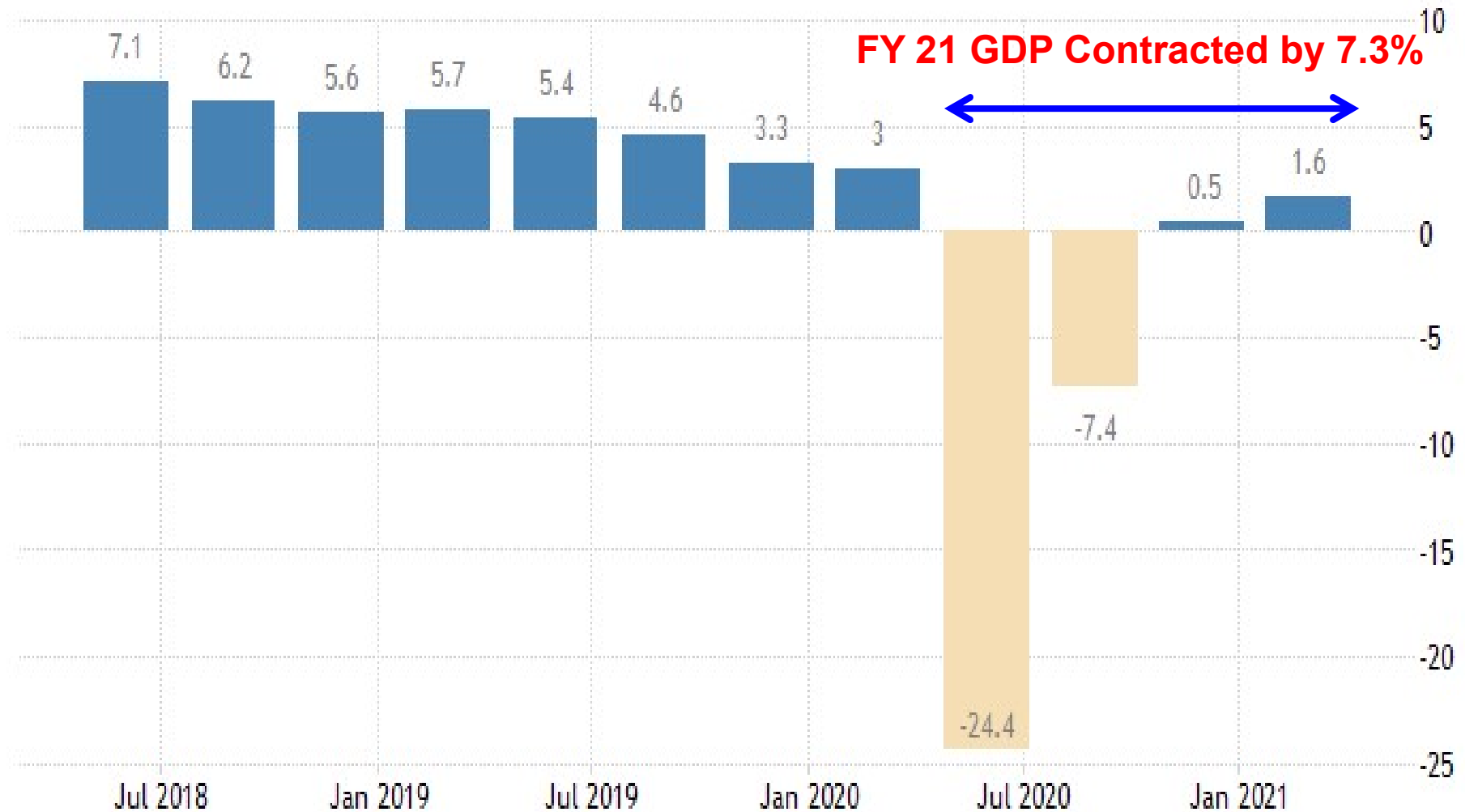


## Daily New Cases

Cases per Day  
Data as of 0:00 GMT+0



# Domestic Quaterly GDP Growth

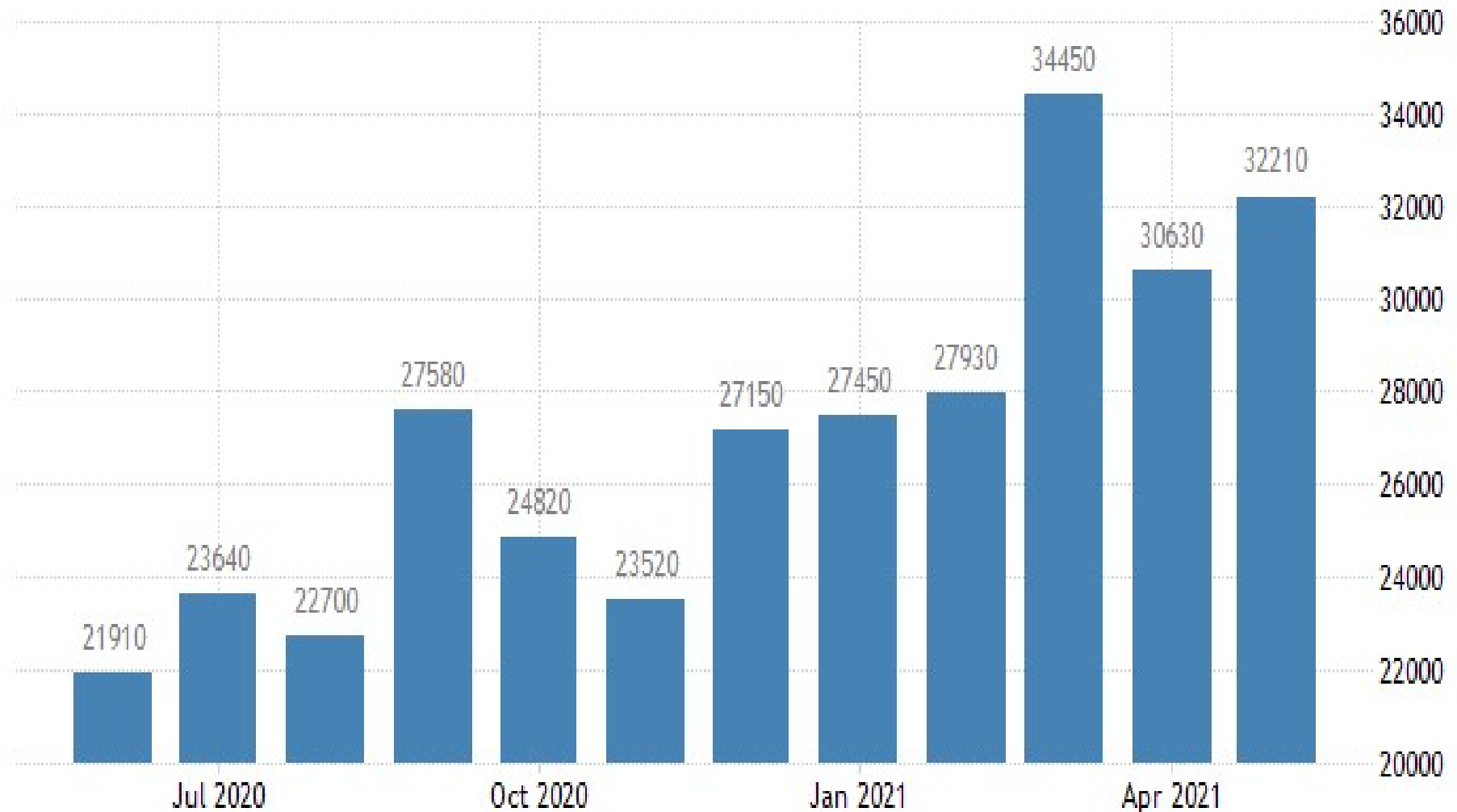


# Impact of GDP Contraction



- GDP seen contraction of 7.3% in FY21
- FY22 expected to see growth of around 8%
- Two years of economic growth lost due to Covid
- Debt to GDP ratio increasing sharply

# Exports Doing Well



SOURCE: [TRADINGECONOMICS.COM](https://tradingeconomics.com) | MINISTRY OF COMMERCE AND INDUSTRY, INDIA





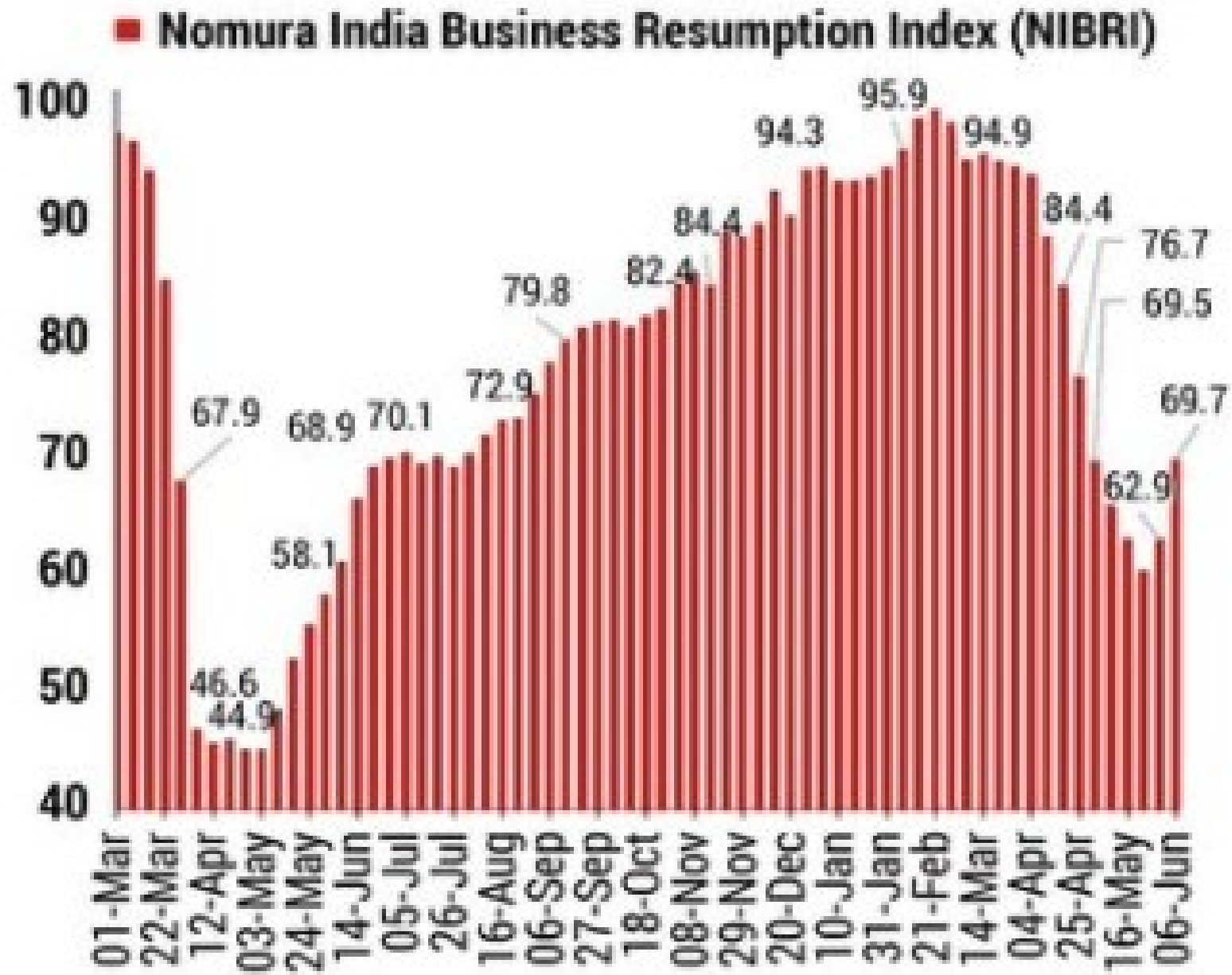
# Monsoon Expected To Be Normal

- IMD forecast normal South West Monsoon for 2021
- Third consecutive normal monsoon expected
- Normal monsoon positive for rural economy as agri product prices are rallying

## Seasonal Rainfall (in mm) as on 10 June, 2021 (as per rainfall recorded from 0830 IST of yesterday to 0830 IST of today)

<u>Region</u>	<u>Actual</u>	<u>Normal</u>	<u>% Departure from Long Period Average</u>
EAST & NORTHEAST INDIA	85.6	92.5	-8%
NORTHWEST INDIA	16.0	14.3	+12%
CENTRAL INDIA	42.7	26.9	+59%
SOUTH PENINSULA INDIA	59.0	43.7	+35%
<b>COUNTRY AS A WHOLE</b>	<b>44.5</b>	<b>36.8</b>	<b>+21%</b>

# Nomura India Business Resumption Index (NIBRI)

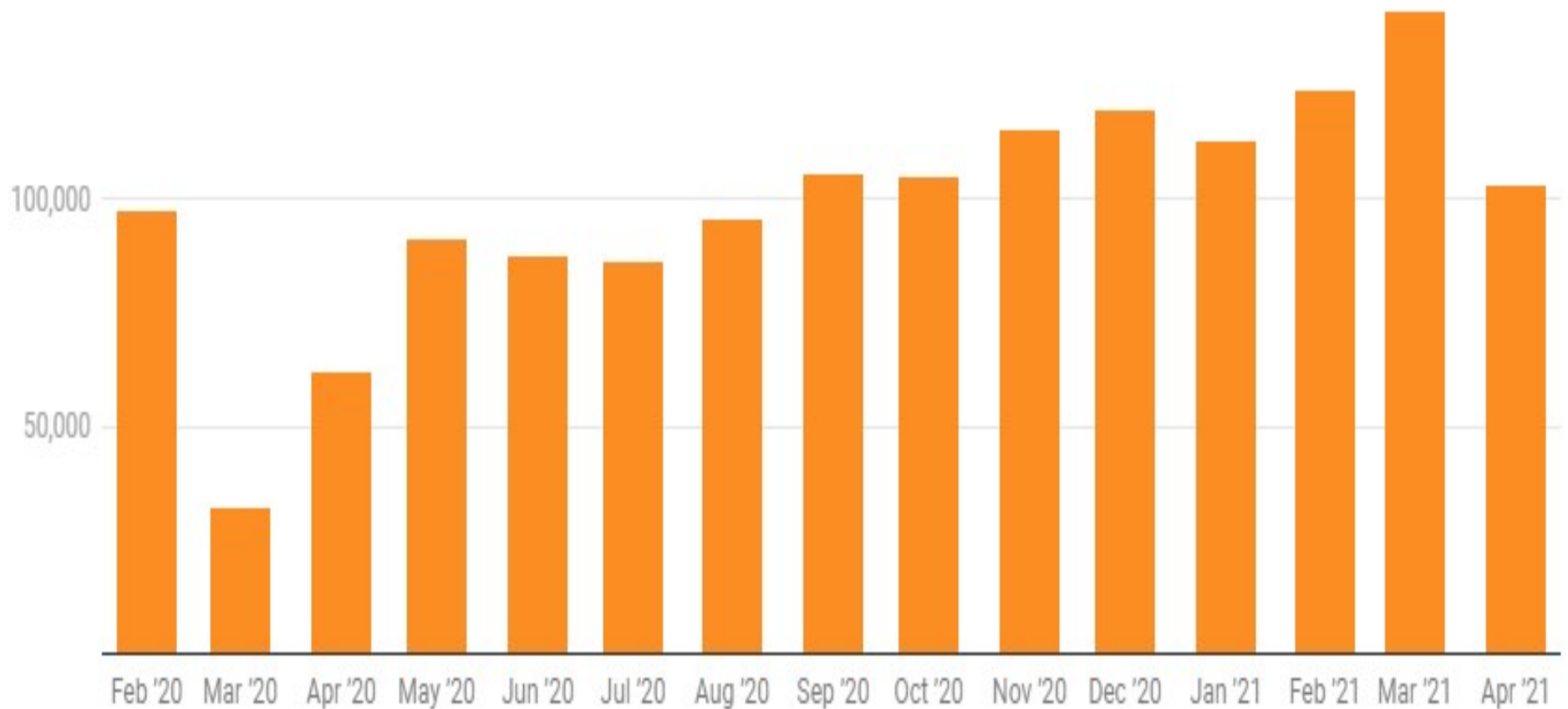


# GST Collections Relatively Good



## GST Collections

In Rs Crore

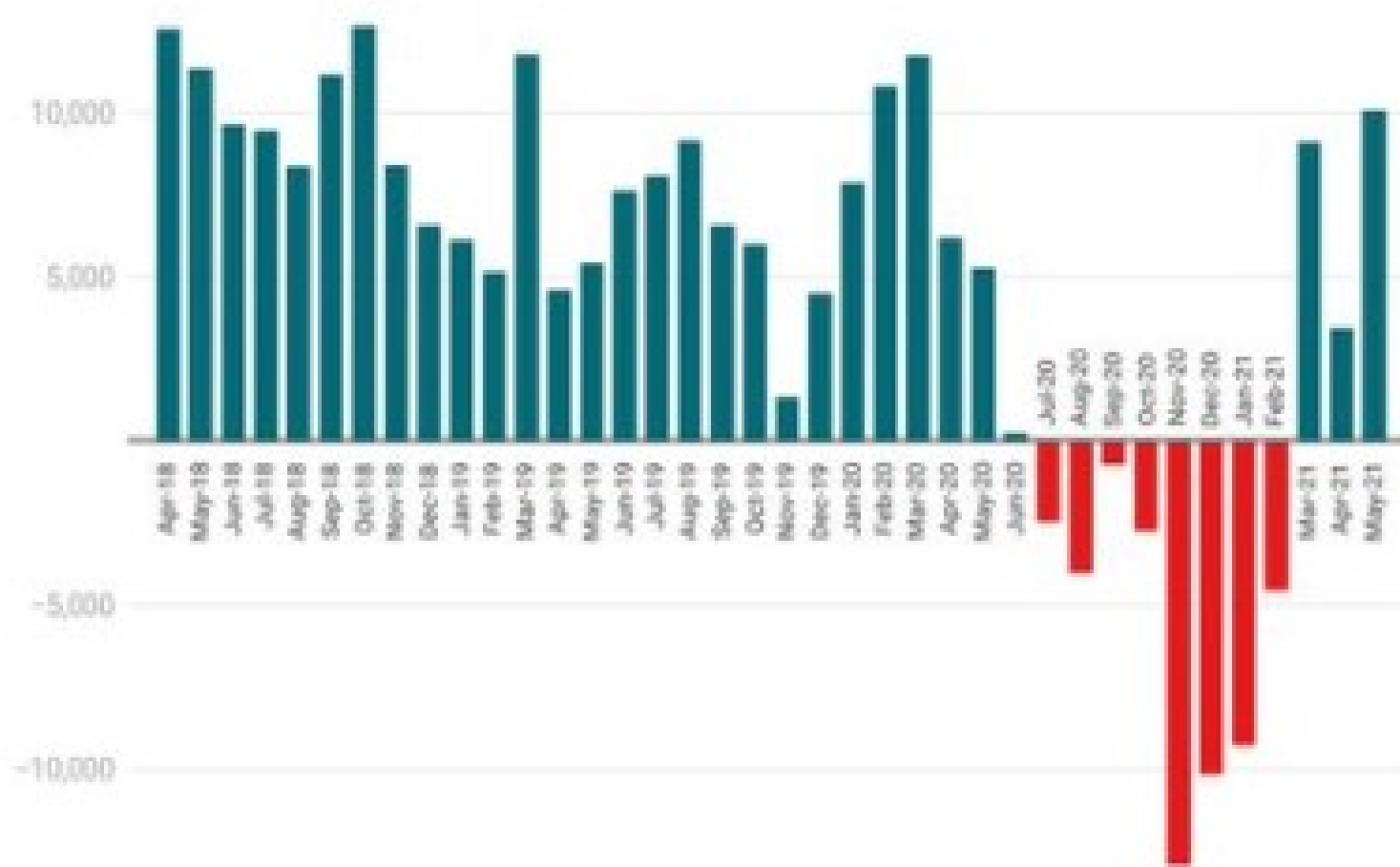


# Mutual Fund Flows



## Net Equity Inflows

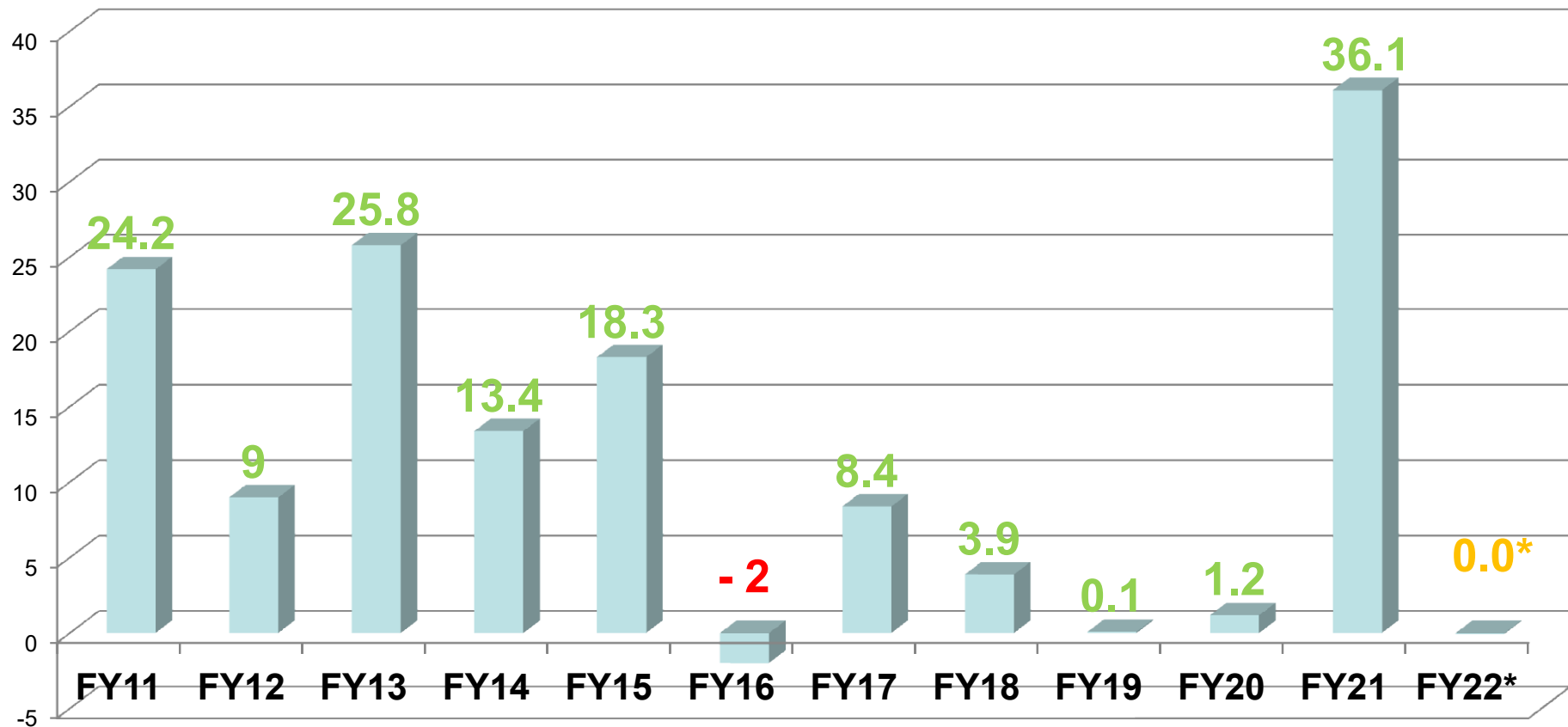
(Rs crore)



# FPI Flows



## FPI Flows in US Bn \$



\* Till June 11<sup>th</sup>

# Commodity Rally

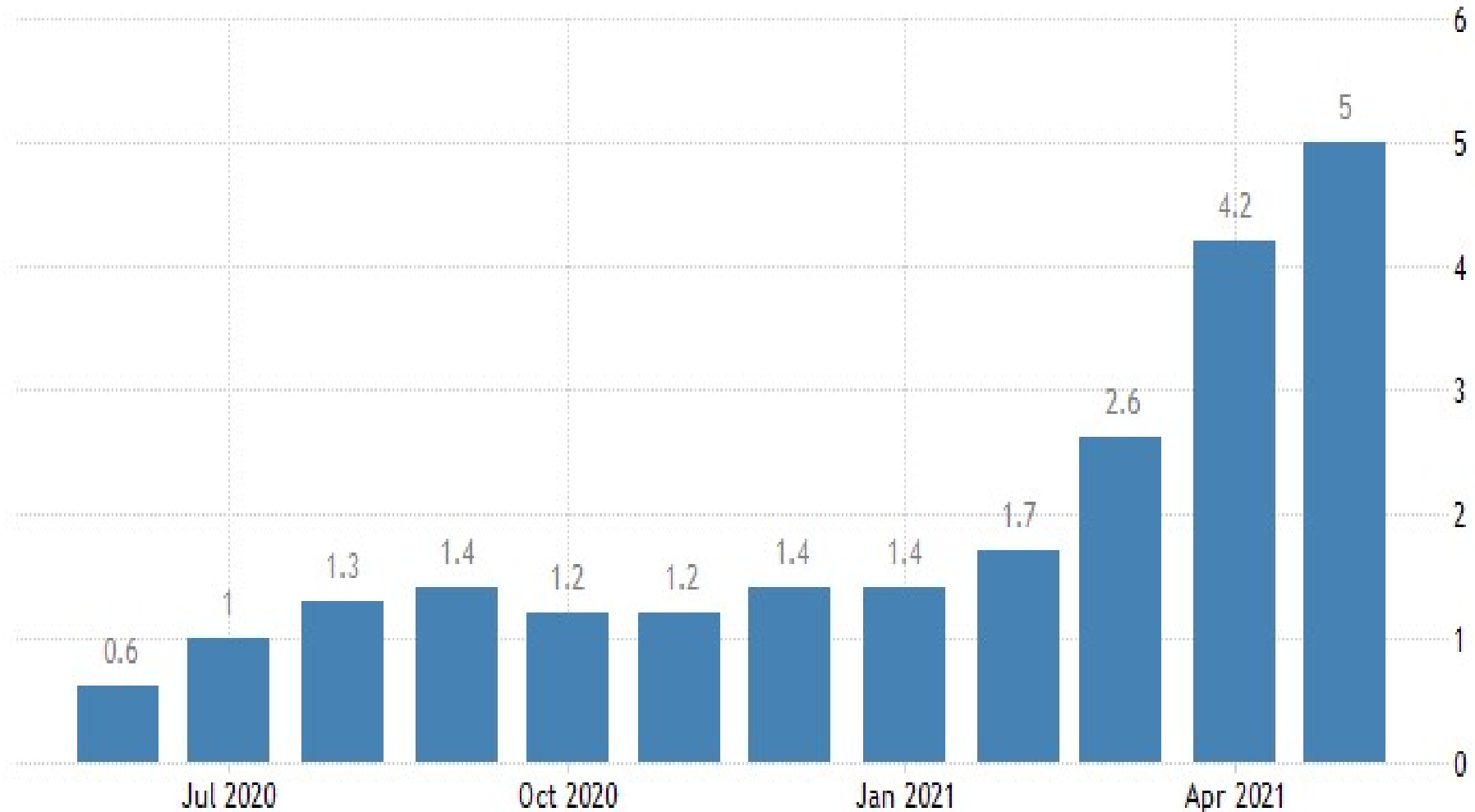


- Commodities across board see sharp up move in prices
- Supply disruptions, hope of economic recovery drives prices
- Higher commodity prices will lead to higher inflation but positive economic activities

# Brent Crude Oil



# One Important Data To Track – US CPI Inflation



SOURCE: [TRADINGECONOMICS.COM](https://tradingeconomics.com) | U.S. BUREAU OF LABOR STATISTICS



# Q4 Results



- Overall Q4 results in line with expectation
- Select Midcaps surprised on upside
- Higher profitability due to cost cutting, inventory gains and higher end product prices
- Healthy cash flows
- Balance sheets getting more stronger

# Q4 Result Performance



	% Change (YoY)	
	Mar 2021	Mar 2020
Sales	<b>19.5</b>	<b>- 7.2</b>
Net Profit	<b>453.3</b>	<b>- 69.6</b>

**Results of 1,108 companies**

# Why Profitability Improving



- Economy moving from unorganised sector to organised sector
- Pent up demand due to lock down
- Govt spending more money
- Commodity cycle turning
- Money saved from tours and travels spend for other purchases

# Typical Bull Market



- Majority of stocks seeing sharp rally
- Stock prices are not reacting to negative news
- Only exception : No Retail investor euphoria

# What Investors Should Do in Bull Market



- Bull Market always surprise on the upside without any rationale
- Retail Investors should not stay away from market waiting for correction to enter
- Can be cautious and increase cash position but not participating is not advisable
- Try to have diversified portfolio

# Events To Watch



- Global Markets
- Covid 2<sup>nd</sup> Wave Trend



**Thank You**