

The logo for 'Market Insight Equity'. It features the word 'MARKET' in orange, 'insight' in blue with a lightbulb icon above the 'i', and 'EQUITY' in blue below it. The background of the image shows a hand holding a pen over a document with a network overlay.

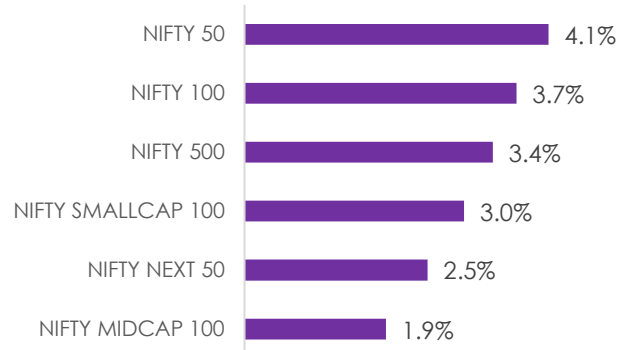
Equity Market Insight

December 2022

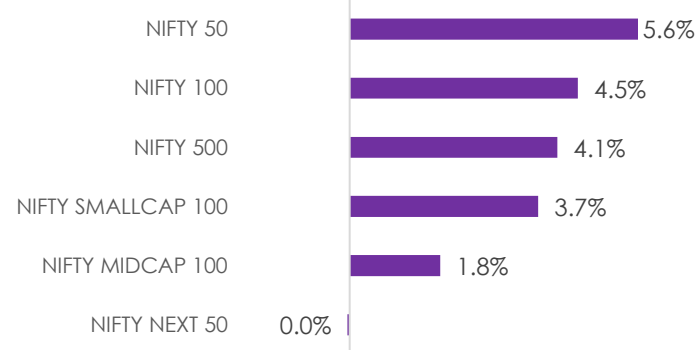
Domestic Sectors Performance

BROAD MARKET INDICES

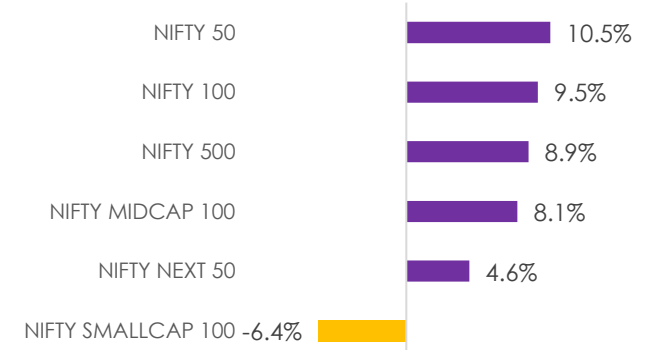
1 Month



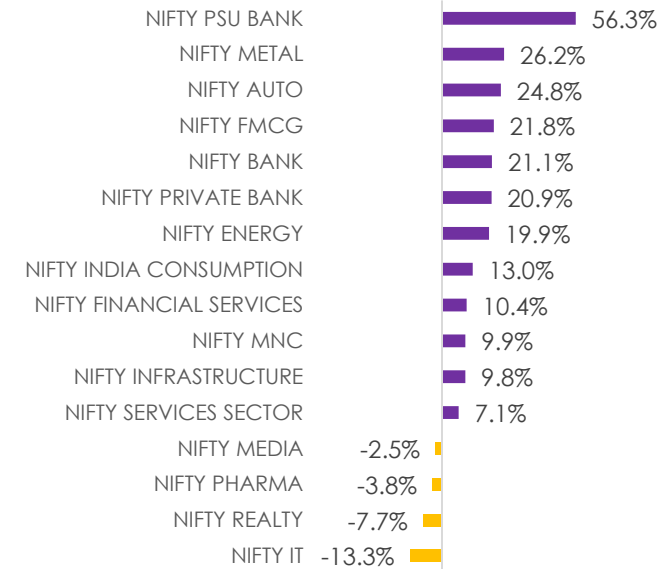
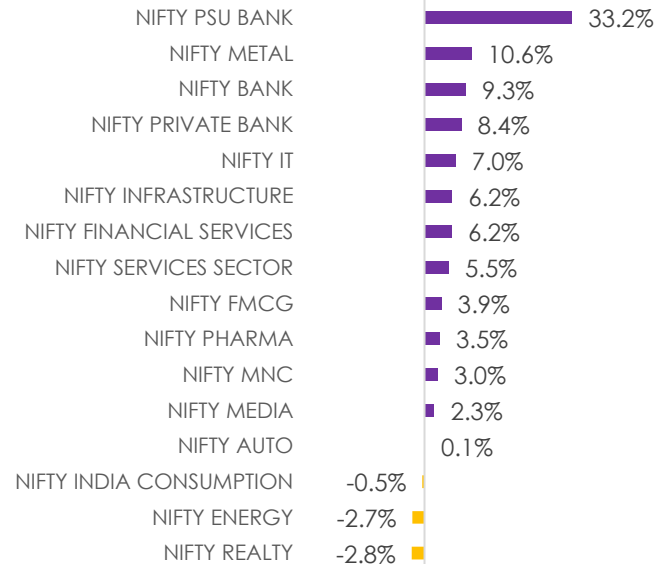
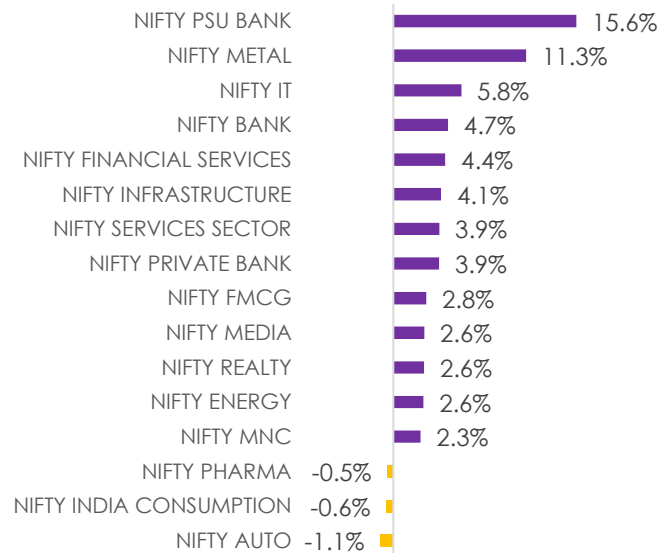
3 Months



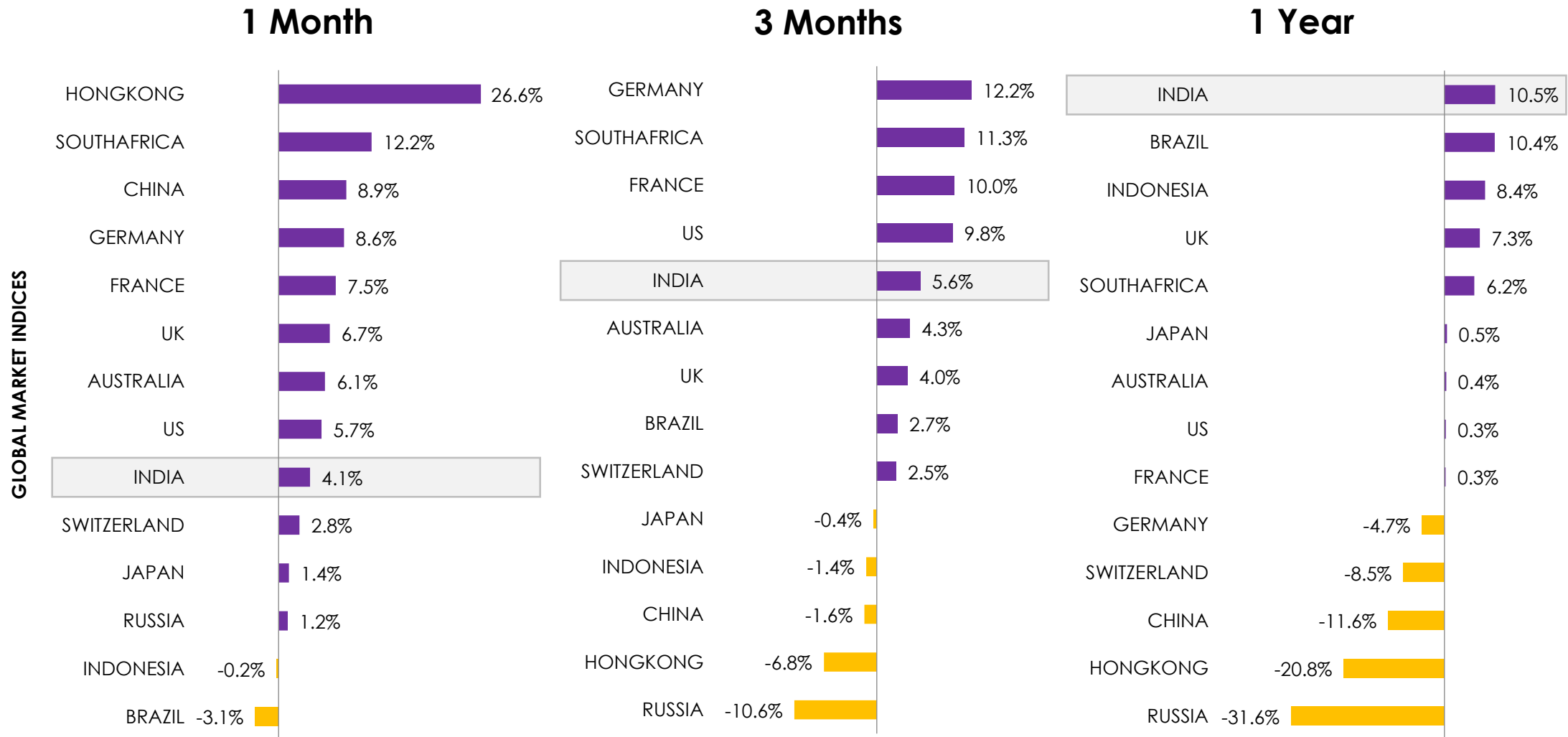
1 Year



SECTORAL/ THEMATIC INDICES



Global Markets Performance

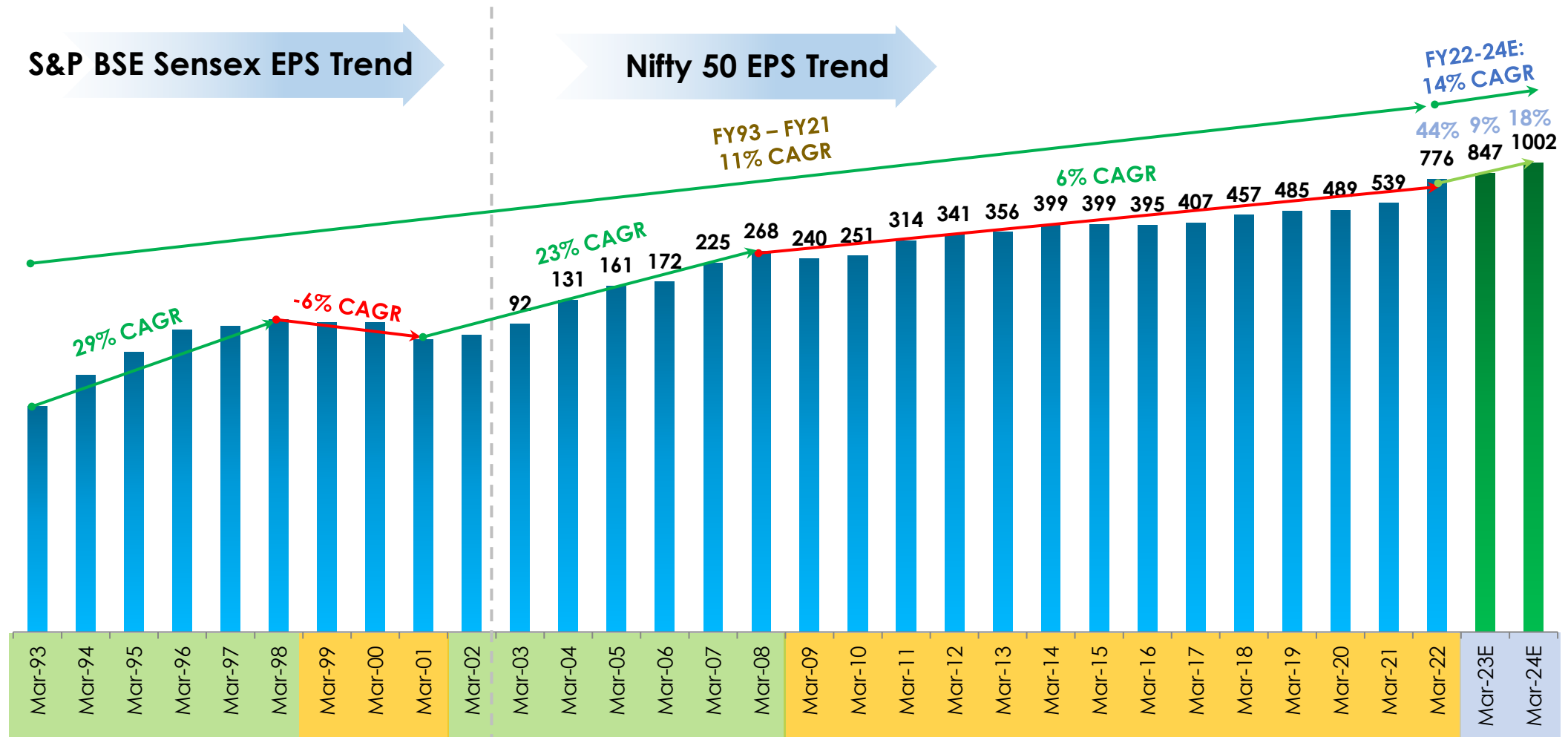


Data as of November 30, 2022. Source: Bloomberg; Returns are in absolute (point-to-point)
 Index representation: Brazil - Brazil Ibovespa Index; France - Cac 40 Index; Germany - Dax Index; US - Dow Jones Indus. Avg; UK - FTSE 100 Index;
 South Africa - FTSE/JSE Africa All Share; Hongkong - Hang Seng Index; Indonesia - Jakarta Composite Index; India - Nifty 50; Japan - Nikkei 225;
 Russia - Russian RTS Index; Australia - S&P/ASX 200 Index; China - Shanghai Se Composite; Switzerland - Swiss Market Index



Haq, ek behtar zindagi ka.

Earnings Trend



Source: Bloomberg. Data as of Dec 6, 2022

The vertical axis is on a logarithmic scale Nifty 50, EPS: Earnings per share.

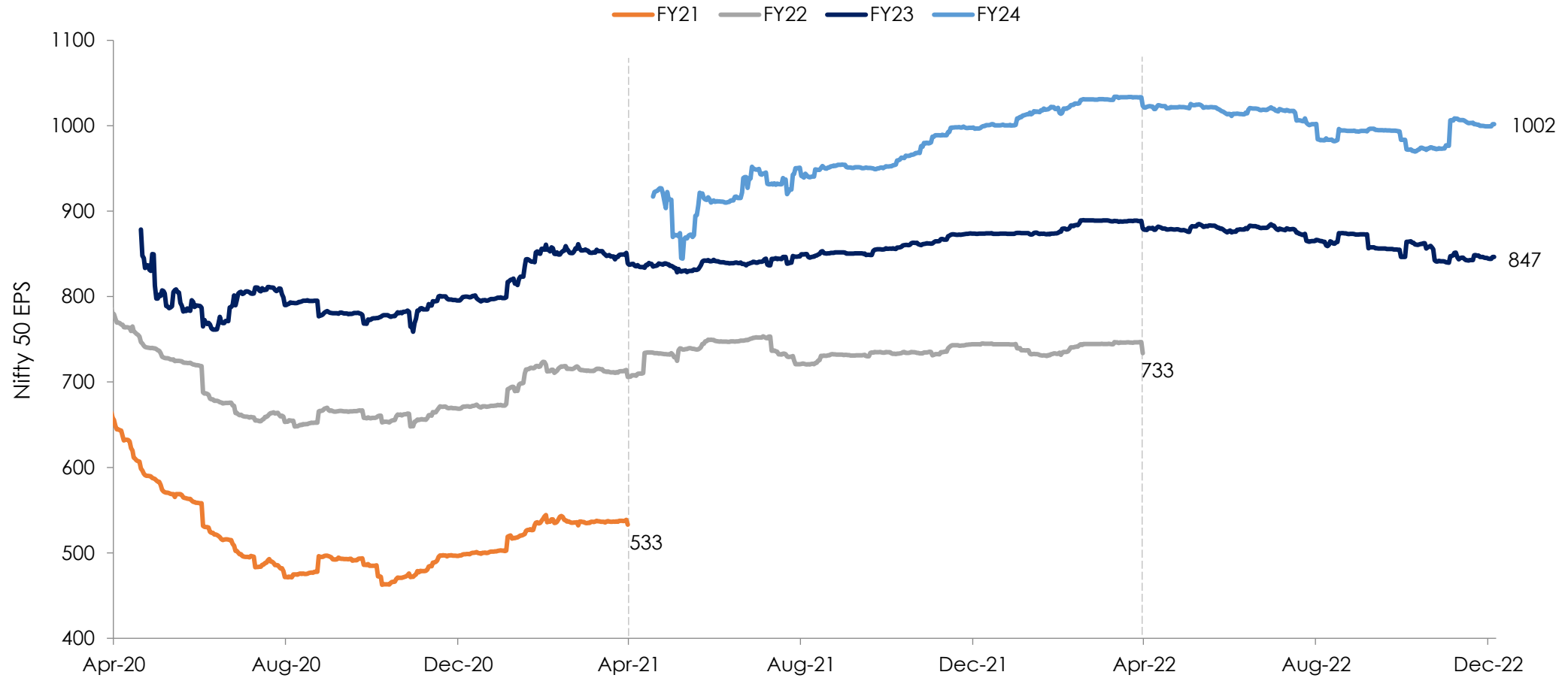
CAGR: Compound annual growth rate



Haq, ek behtar zindagi ka.

Earnings Expectations

Trend in Consensus Nifty 50 EPS0



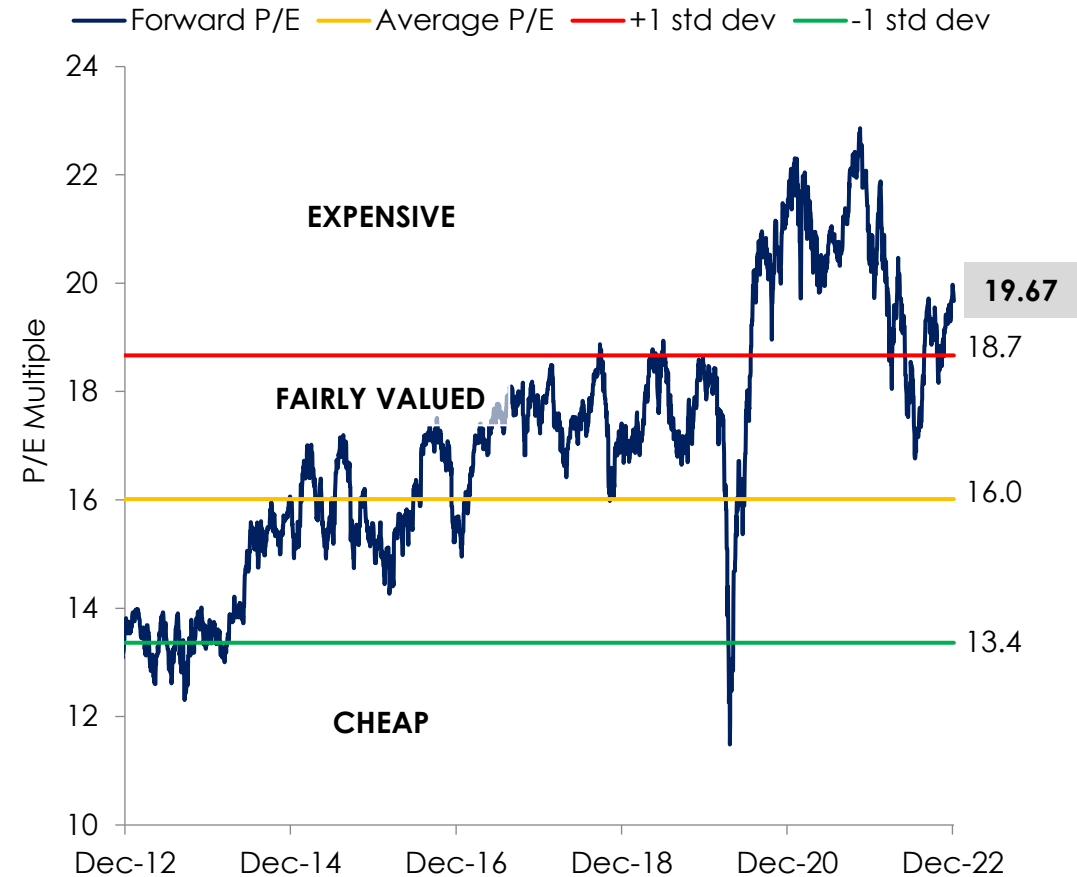
Haq, ek behtar zindagi ka.

P/E valuations

Nifty 50 Trailing P/E



Nifty 50 Forward P/E



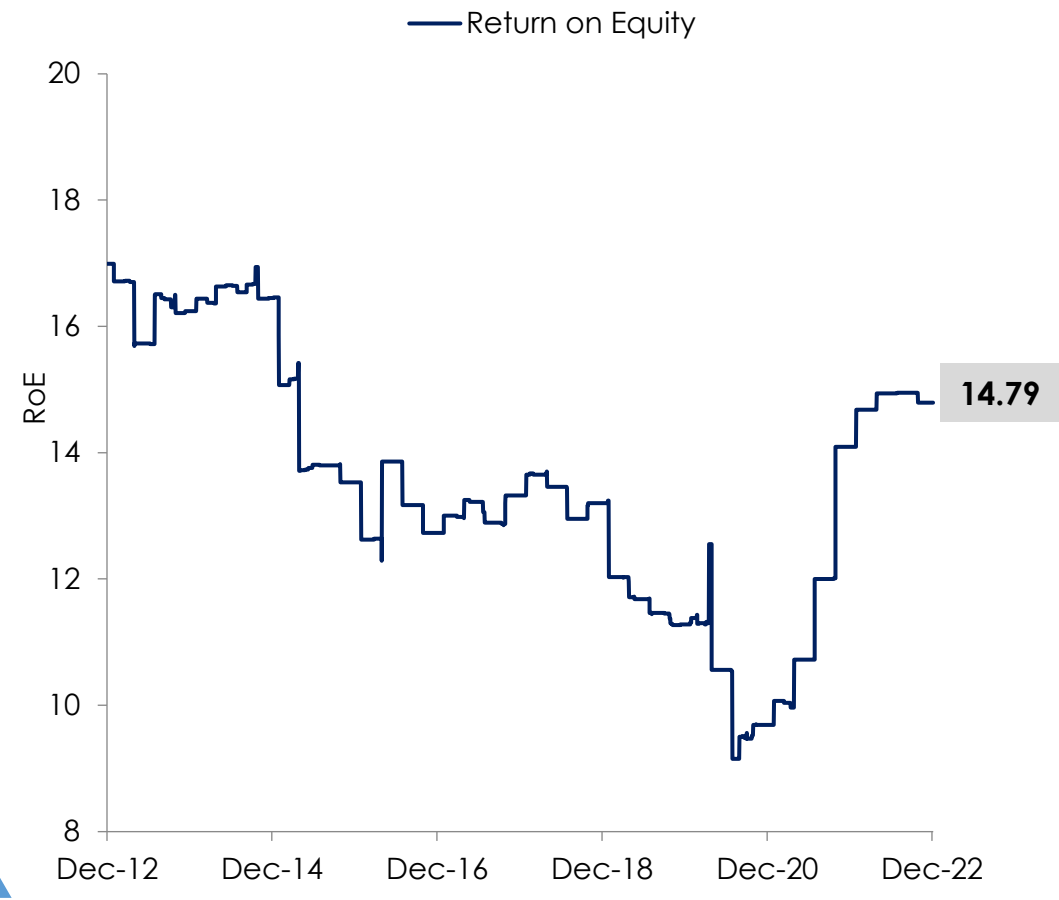
Haq, ek behtar zindagi ka.

P/B Ratio & RoE

Nifty 50 Trailing P/B



Nifty 50 Return on Equity (RoE)



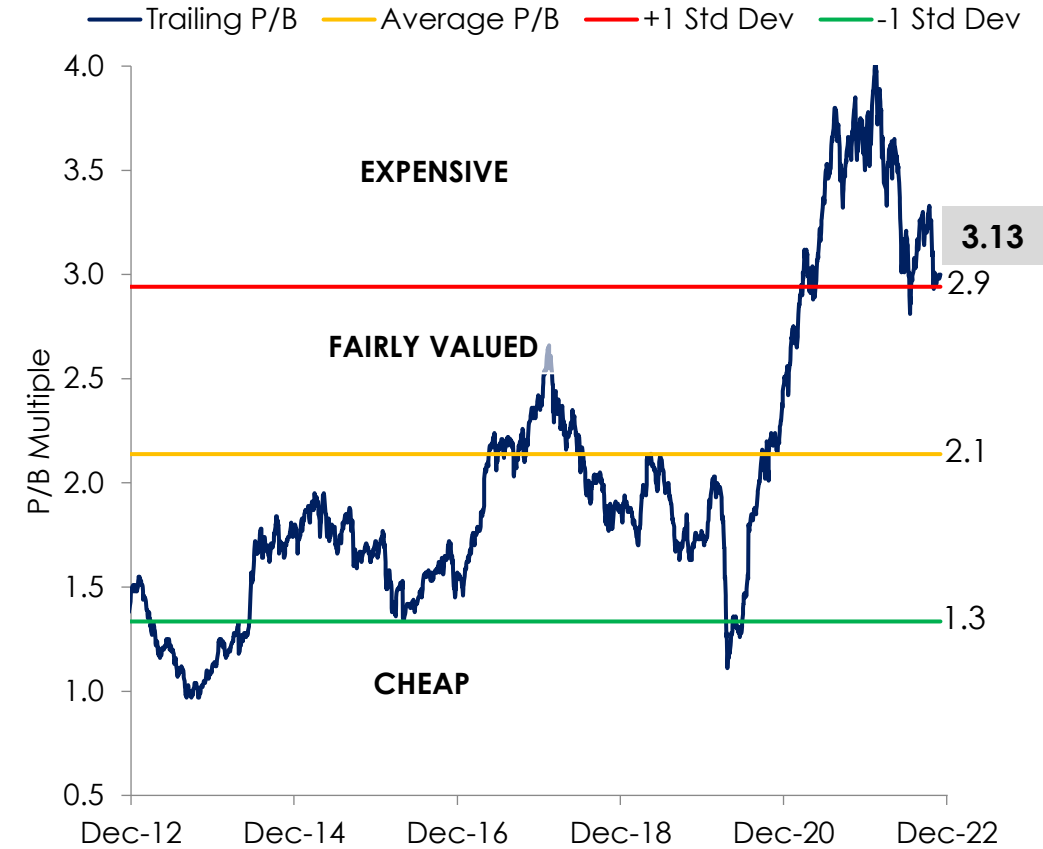
Haq, ek behtar zindagi ka.

P/B Ratio: Mid caps & Small caps

Nifty Midcap 150 Trailing P/B



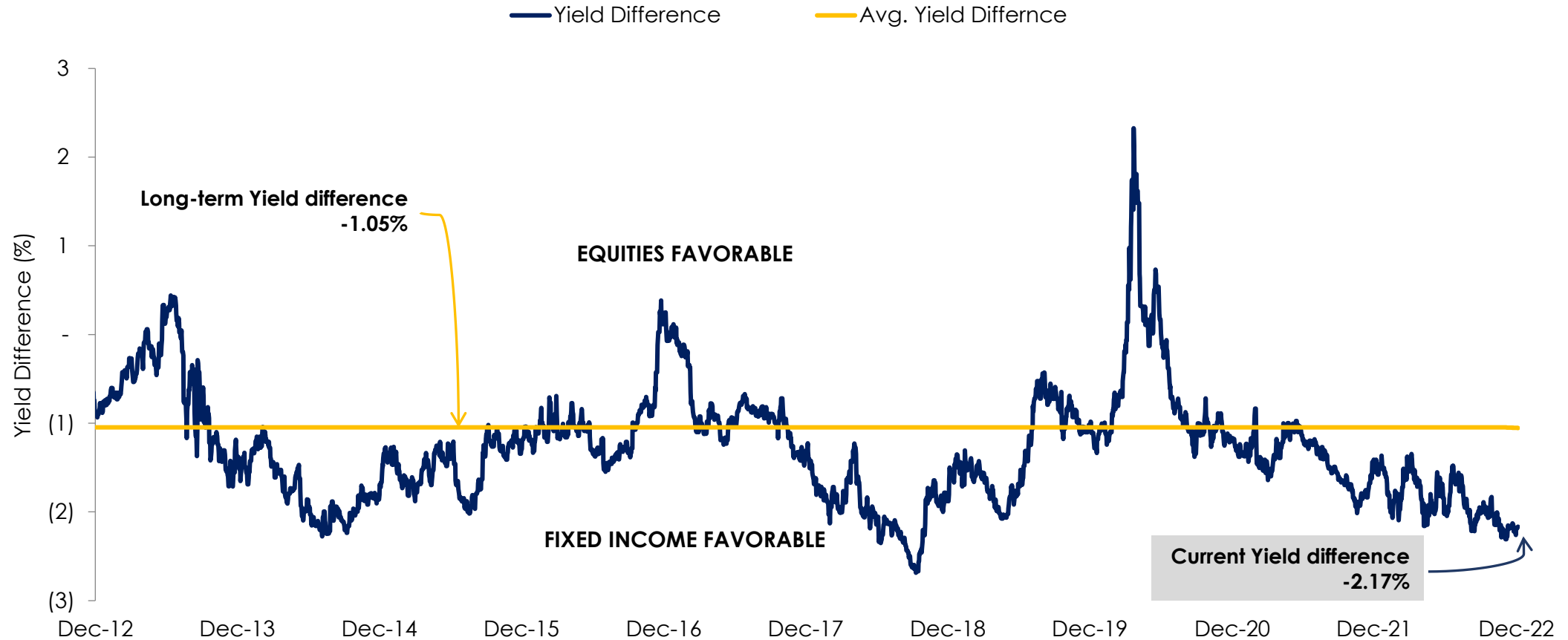
Nifty Smallcap 250 Trailing P/B



Haq, ek behtar zindagi ka.

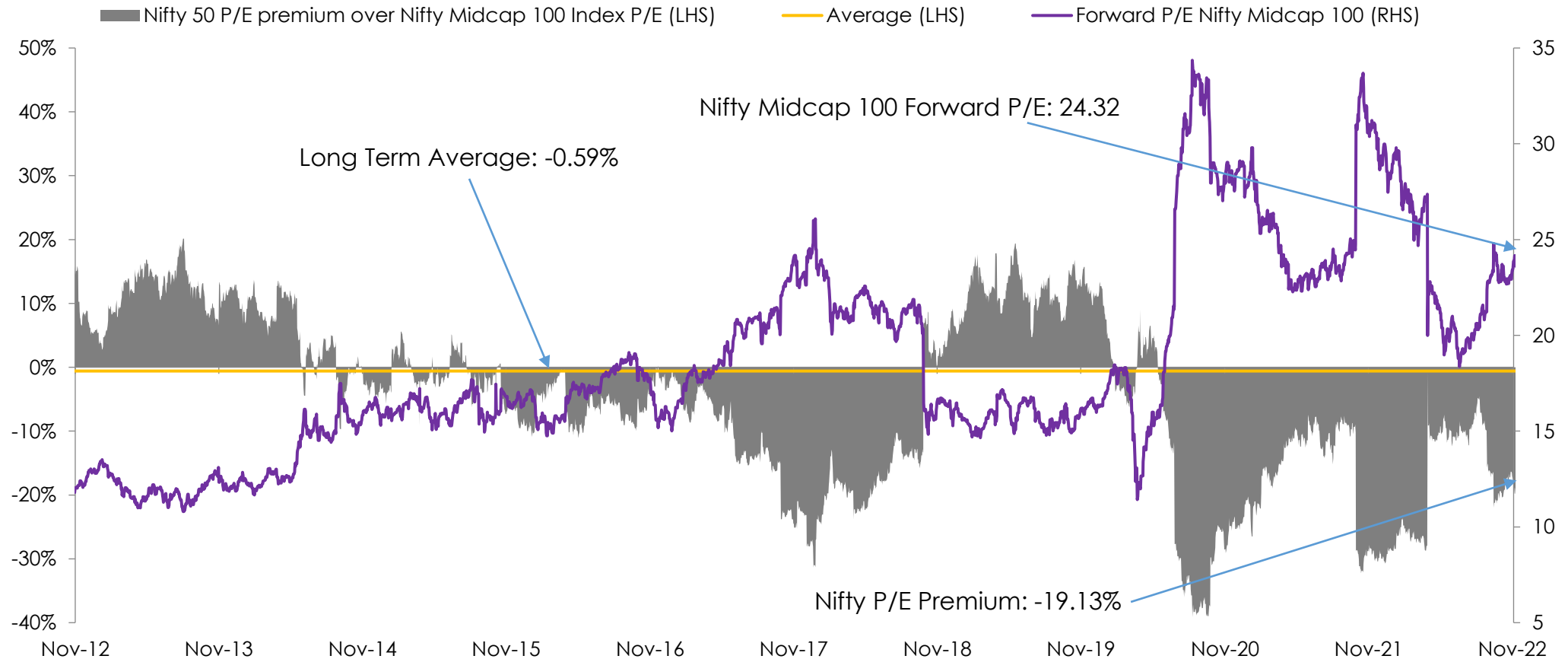
Equities v/s Bonds

Nifty 50 Yield vs 10 Year G-Sec Yield



Large caps v/s Mid caps

Nifty 50 valuations versus Nifty Midcap 100



Haq, ek behtar zindagi ka.

Key take away

- The US Fed funds rate is forecast to rise to 5% in Q1CY23; Probability of US recession has risen to 62%
- In China, there is moderation in the zero-COVID approach and signs of policy accommodation
- The Dollar has given back its gains, now up 10% CYTD vs 20% CYTD at peak. Commodity prices, shipping freight rates indicate concerns over global growth
- In India, MPC increased the policy rate by 35 bps to 6.25%; the policy rate is forecast to peak at 6.5% in Q1CY23
- India's macro indicators are in relatively better shape; focus is now on the fiscal approach in the Budget and management of CAD which is forecast at 3.4% FY23e
- Earnings estimates have continued to drift lower for FY23, but have been stable for FY24
- Equity valuations are above the long-term averages; Bonds appear attractive relative to equities
- Investors should adopt a staggered approach towards equity and review asset allocation relative to their targets

Thank You

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Haq, ek behtar zindagi ka.