

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 charts and data, overlaid with a network of blue lines and dots.

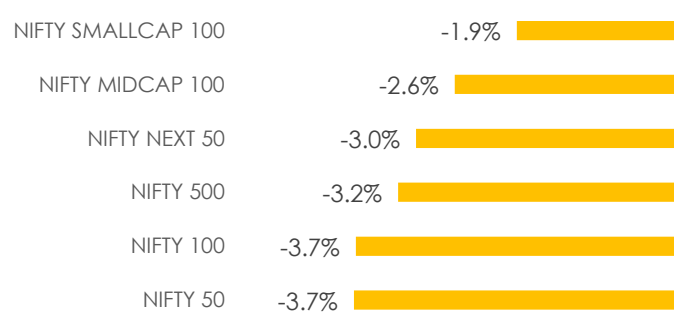
Equity Market Insight

October 2022

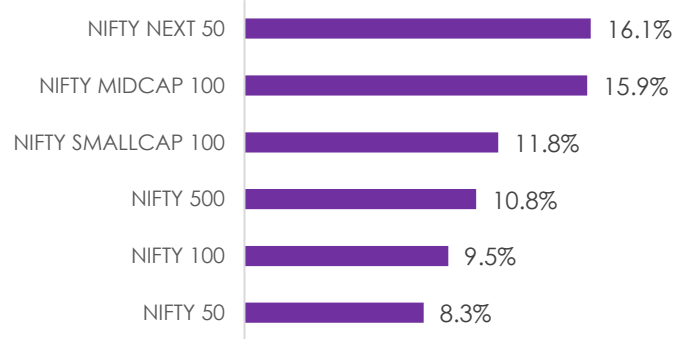
Domestic Sectors Performance

BROAD MARKET INDICES

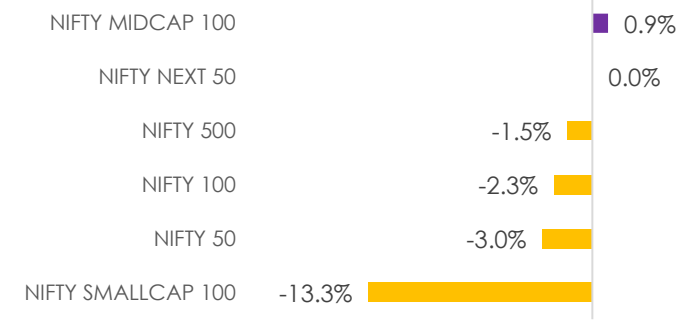
1 Month



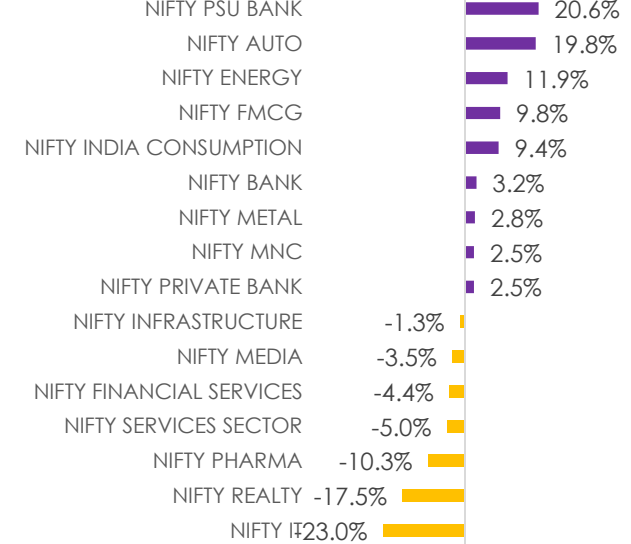
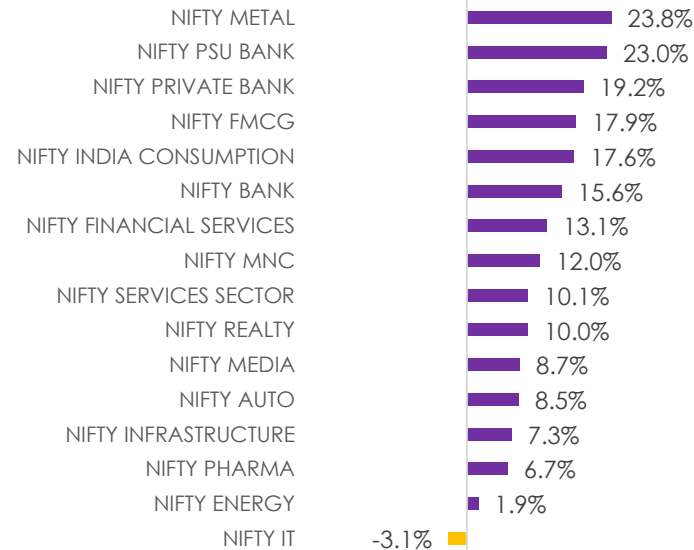
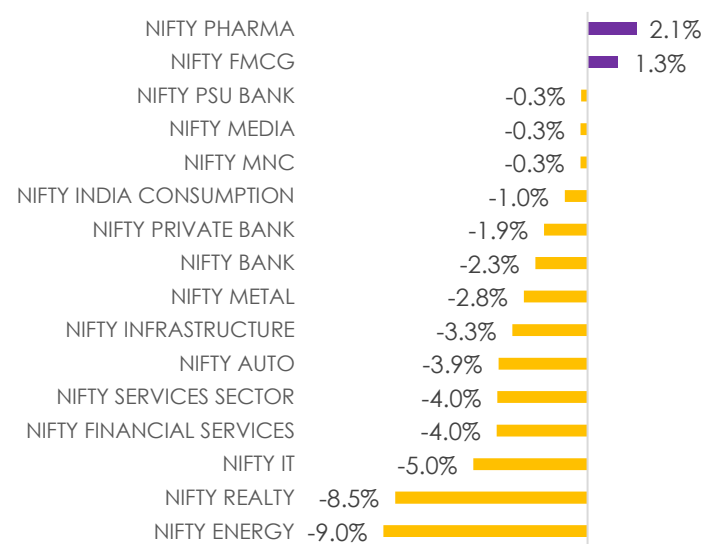
3 Months



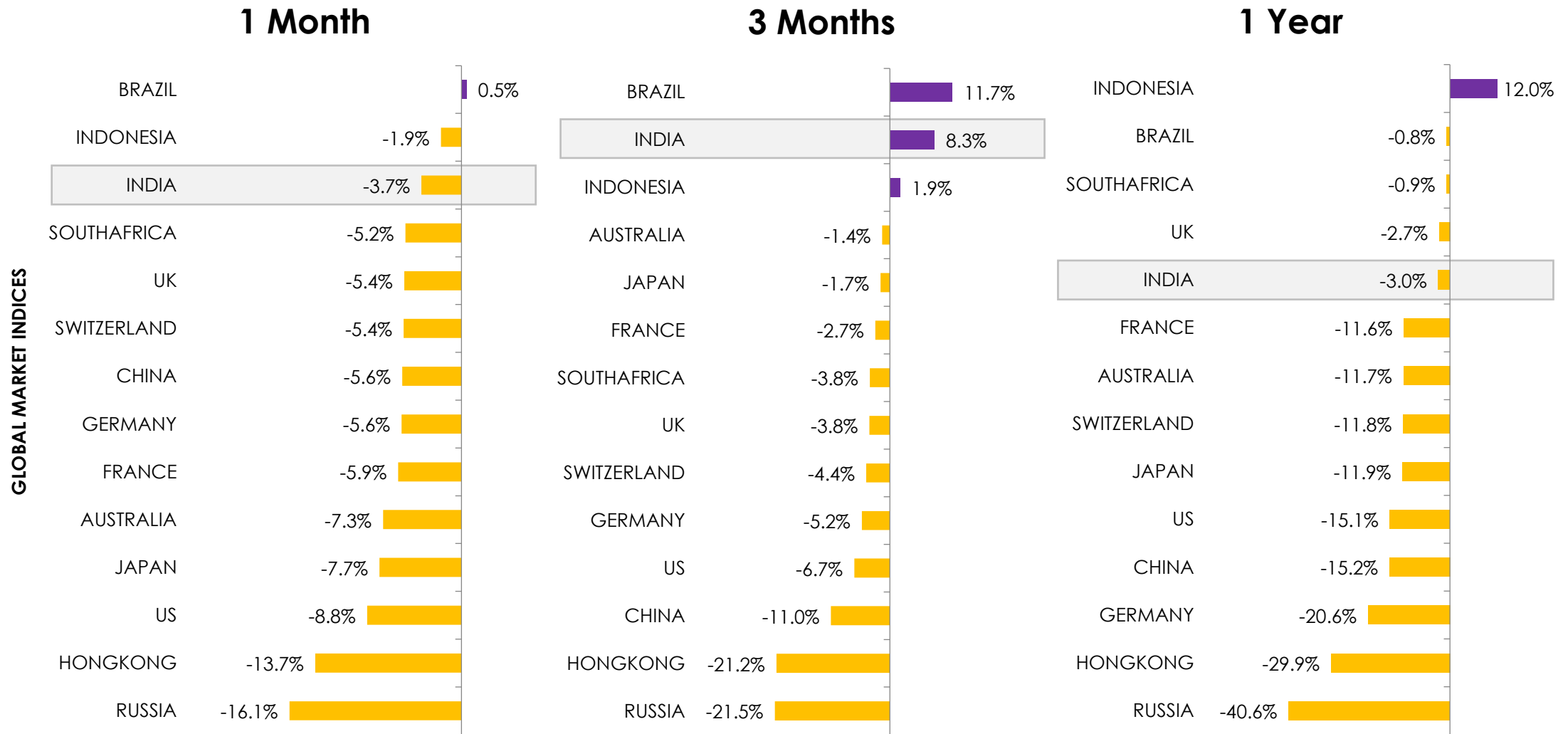
1 Year



SECTORAL/ THEMATIC INDICES



Global Markets Performance

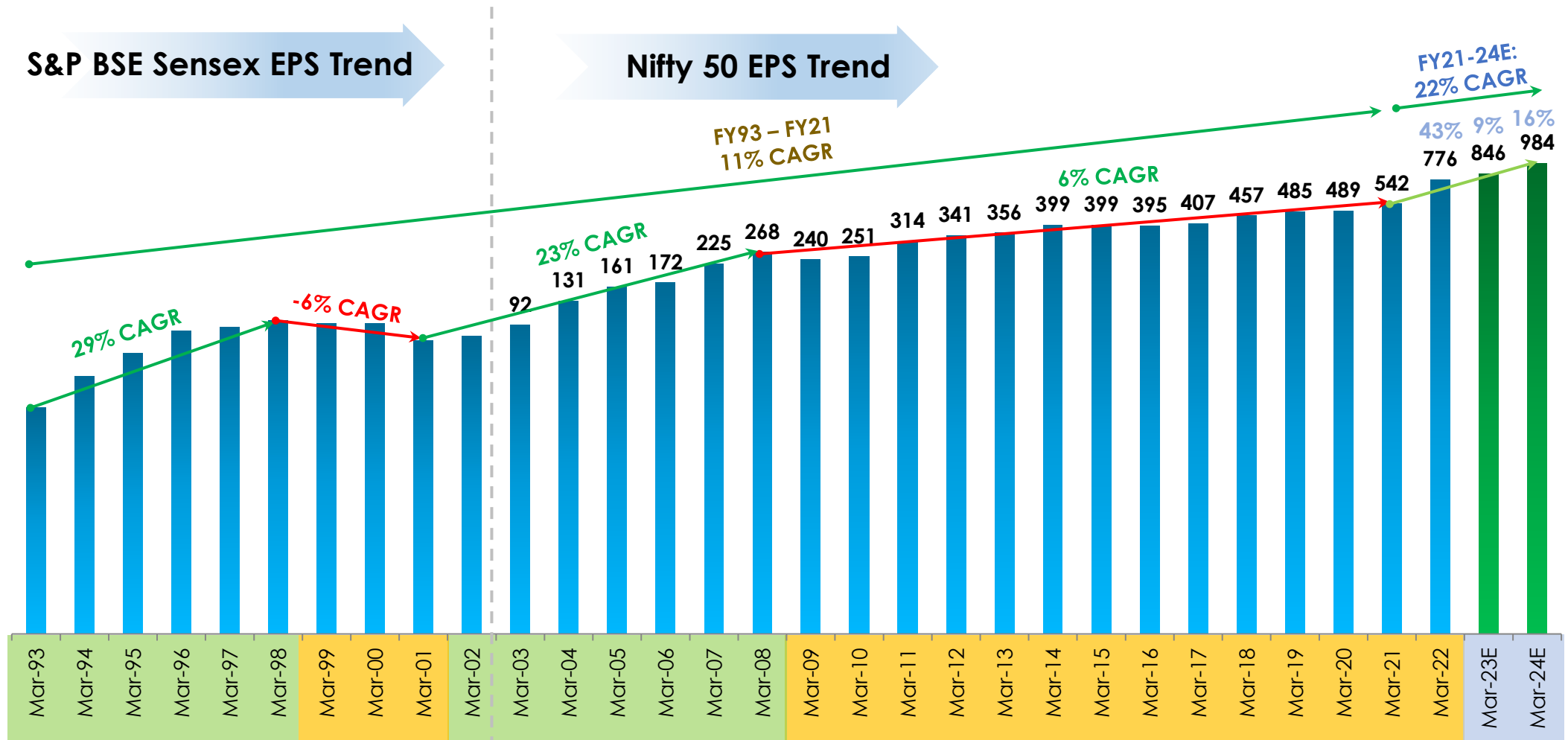


Data as of September 30, 2022. Source: Bloomberg; Returns are in absolute (point-to-point)
 Index representation: Brazil - Brazil Ibovespa Index; France - Cac 40 Index; Germany - Dax Index; US - Dow Jones Indus. Avg; UK - FTSE 100 Index;
 South Africa - FTSE/JSE Africa All Share; Hongkong - Hang Seng 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 Oct 4, 2022

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

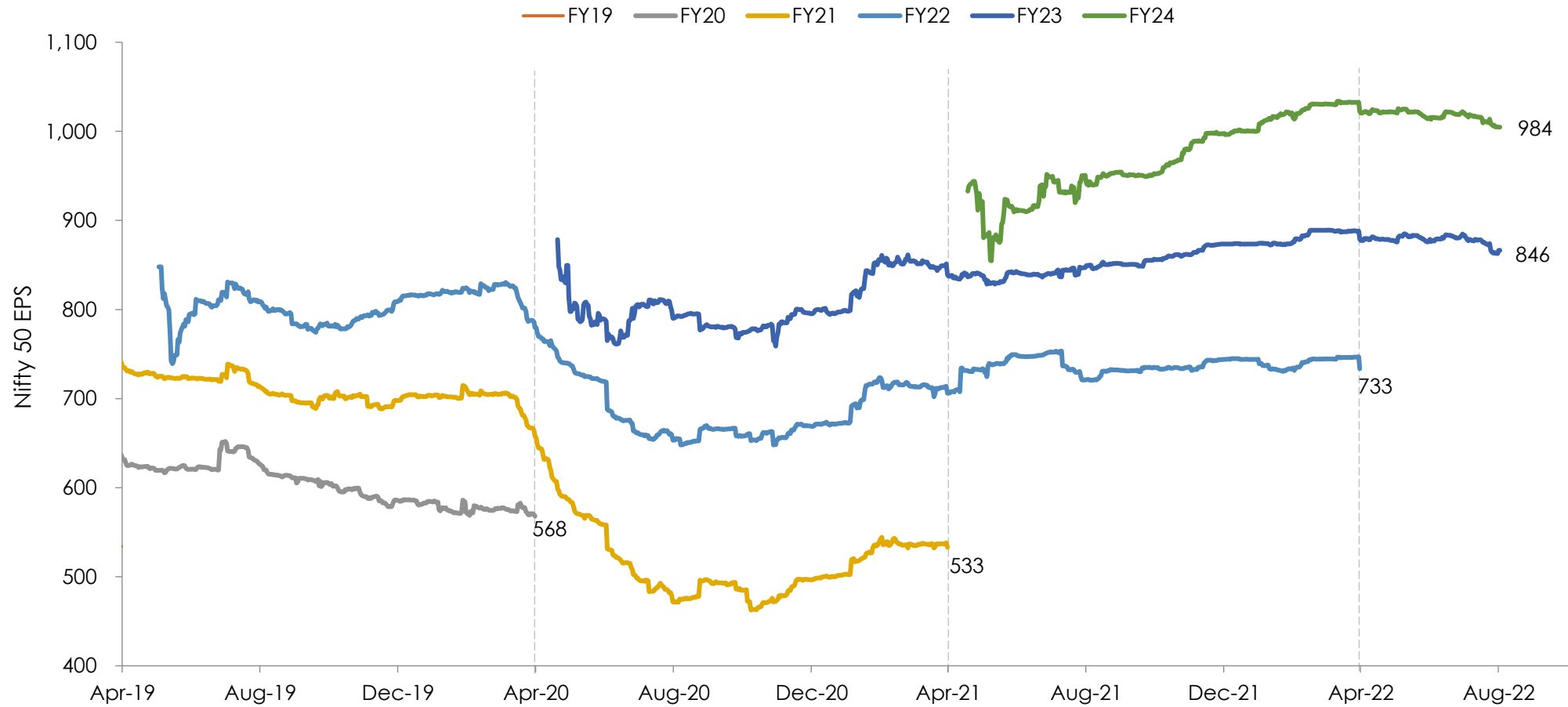
CAGR: Compound annual growth rate



Haq, ek behtar zindagi ka.

Earnings Expectations

Trend in Consensus Nifty 50 EPS0

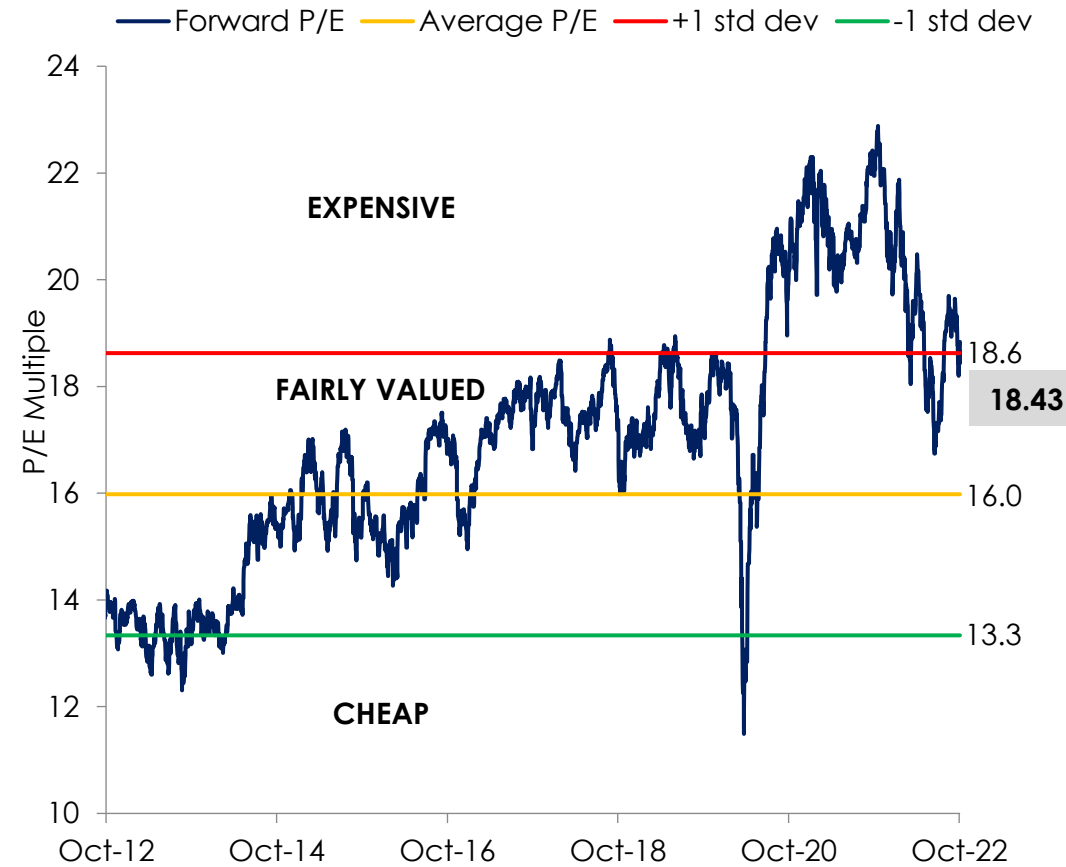


P/E valuations

Nifty 50 Trailing P/E



Nifty 50 Forward P/E



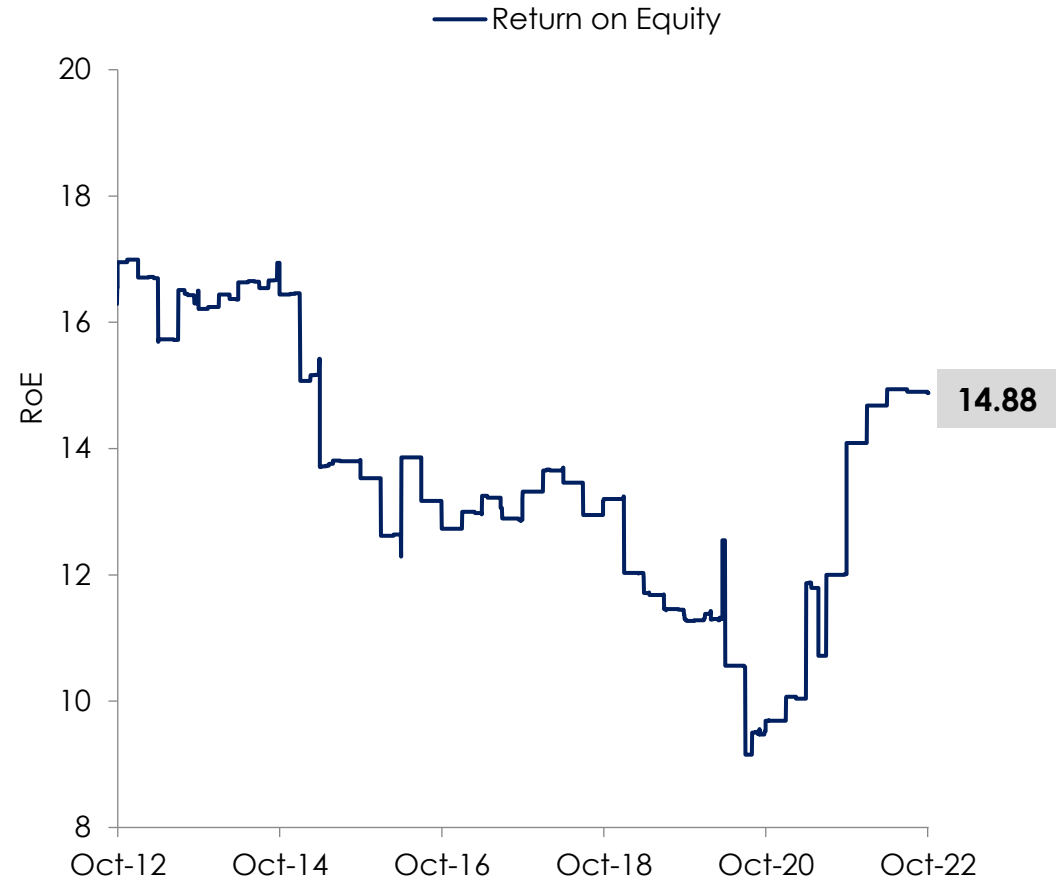
Haq, ek behtar zindagi ka.

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



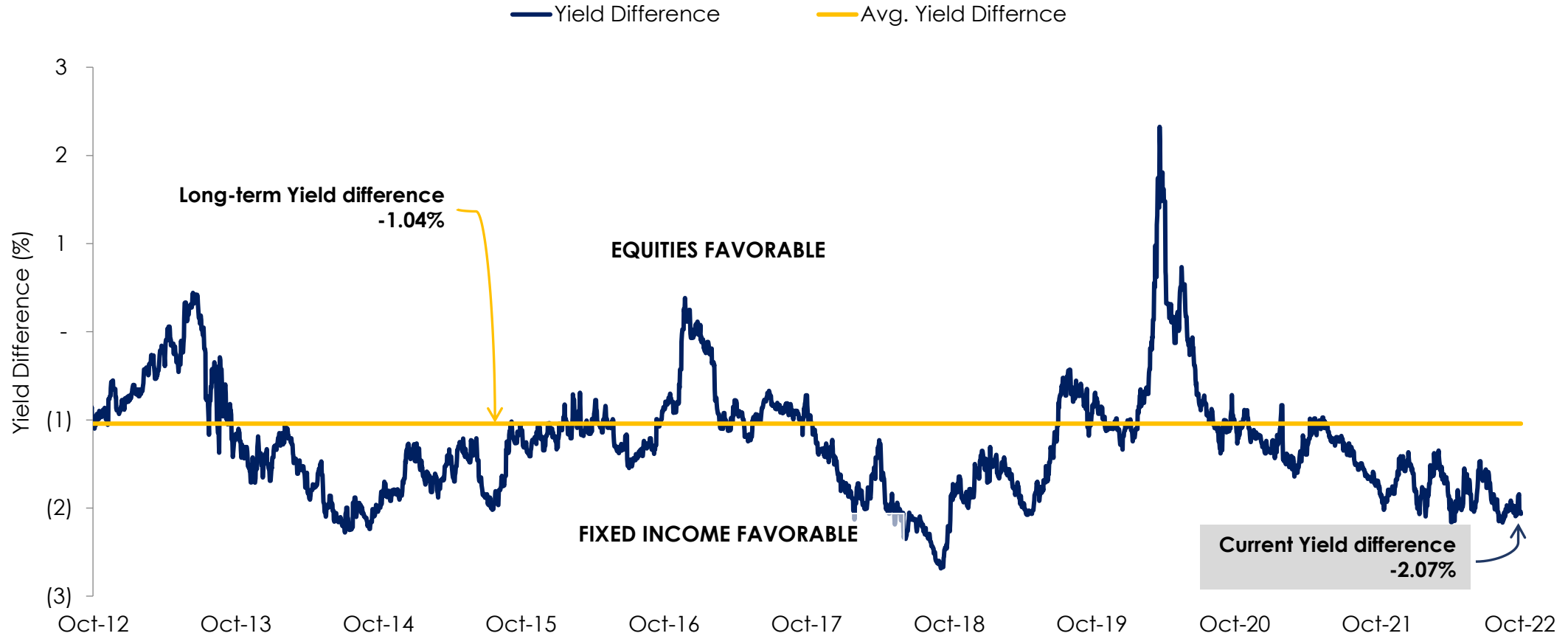
Nifty Smallcap 250 Trailing P/B



Haq, ek behtar zindagi ka.

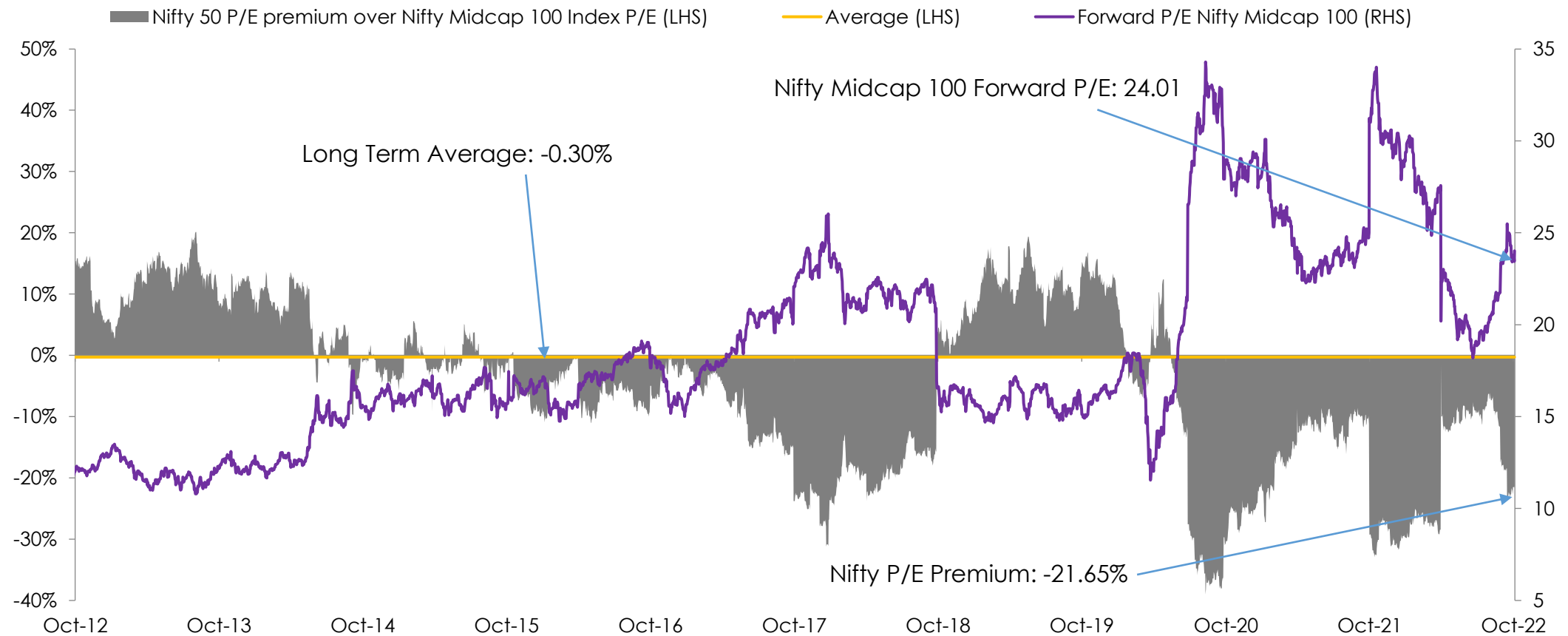
Equities v/s Bonds

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

- FED remains on the hiking path to counter record inflation, a recession in 2023 appears probable (50% probable as per Bloomberg consensus)
- Europe faces growth risks, inflation and an energy crisis; while China's growth is impacted by the zero-COVID approach
- The weakness in demand is being reflected in commodity prices and also the sharp drop shipping freight rates
- In India, inflation outside the upper bound of the MPC target zone; RBI hiked the repo further by 50bps to 5.9%
- India's macro indicators are in relatively better shape; the level of FX reserves and low FX debt provide comfort in the context of 3.4% CAD in FY23e (Bloomberg)
- Earnings estimates in sectors where volumes and pricing are sensitive to global growth trends could see challenges. Other sectors could experience second order impact
- Valuations are above the long term average but within the comfort zone; investors could adopt a staggered approach

Thank You

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Haq, ek behtar zindagi ka.