

A month of consolidation but outlook remains positive

- Nifty 50 fell 2.5% in August, largely in line with other major global indices; Chinese Indices were the worst performers
- As we transition from Q1FY24 earnings, our analysis suggests results linked market momentum – positive or negative – is usually short lived
- We continue to prefer consumption and capital goods sectors, with a neutral stance on others, including IT

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Nifty50 largely in line with global indices in August, but remains a laggard YTD:

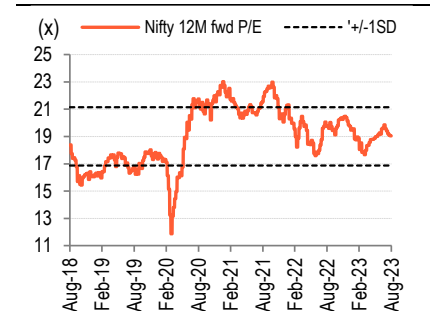
Most major global indices were under pressure during August with Chinese indices among the worst performing indices. Hang Seng and Shenzhen were down 8% and 6.5% respectively. S&P500 was down 1.6% while Nifty50 was down 2.5%. With this correction, now the one year forward PE multiple for Nifty50 is in line with its 5y average, which implies a fair valuation. Nifty50, up 6.3% YTD, has lagged the double-digit returns of other major indices.

Mid & small caps maintained momentum but most sectoral indices in red: Nifty mid & small cap indices were up ~4% during August. Nifty IT had a 3% recovery indicating bottoming out of the sector. Pharma sector also had a modest recovery given expectation of a milder pricing pressure in generic medicines in USA. That said, weakening INR also played part in the two sectors' recovery. Most other major sectors had negative return over the month though. Mid & Small cap funds continue to see disproportionately higher inflow which has created its own cycle of outperformance and resultant inflow.

Result-led market momentum short-lived: We further analysed the change in Nifty 50 P/E from start to finish of each quarterly result season for the past five years (Chart 1) and evaluated its correlation with market movement in each subsequent non-result period. We found 10 instances of expansion in one-year forward P/E multiple and 10 of contraction during earnings. However, the absolute index movement in the following non-result periods showed no correlation with earnings season valuation momentum (correlation coefficient of less than 0.11). Moreover, the valuation change during the Q1FY24 results (increase of 0.027 from 1-Jul to 15-Aug) was the lowest in five years.

Investment view: We remain constructive on the consumer and capital good sectors given their domestic focus, while staying largely neutral on other sectors. The Nifty 50's fair valuation in our view will likely mean that market will largely move in line with its nominal earnings growth for rest of CY23.

Nifty valuation close to 5Y average



Source: Refinitiv, BOBCAPS Research

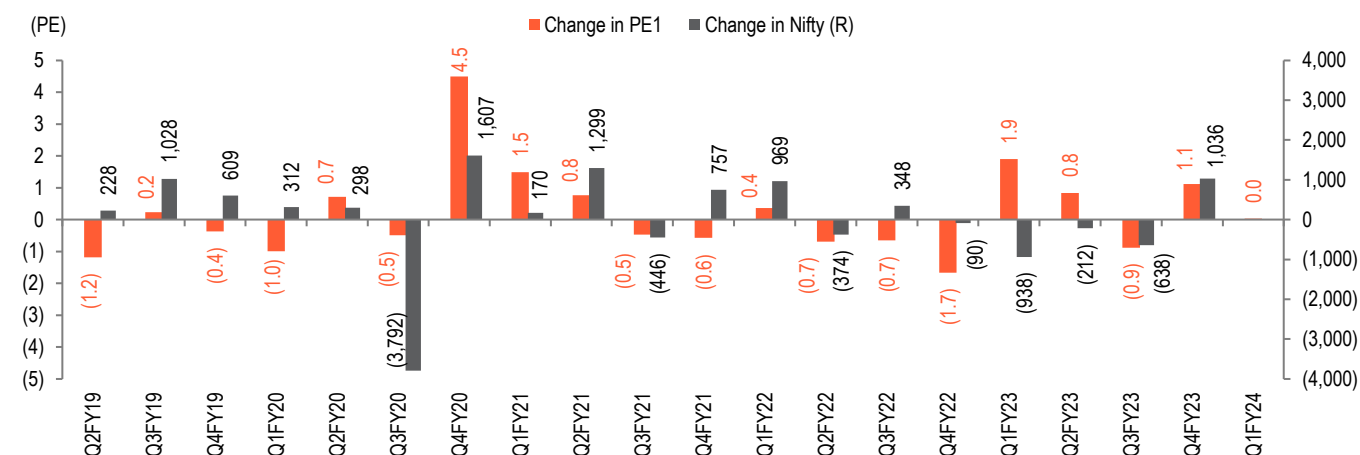


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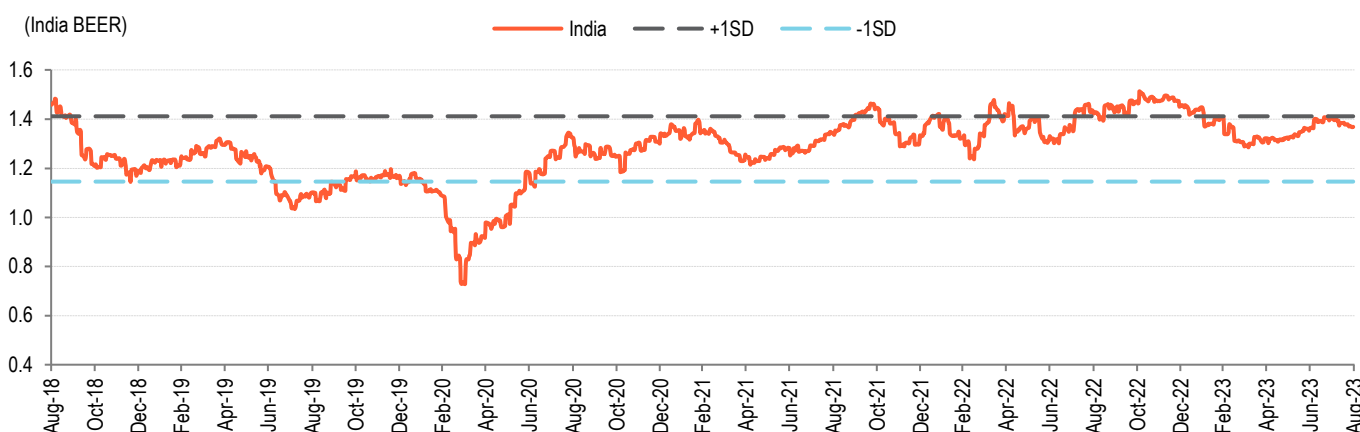
Focus chart

Fig 1 – Change in Nifty 50 1y forward PE during result versus change in Nifty 50 post result



Source: Refinitiv, BOBCAPS Research

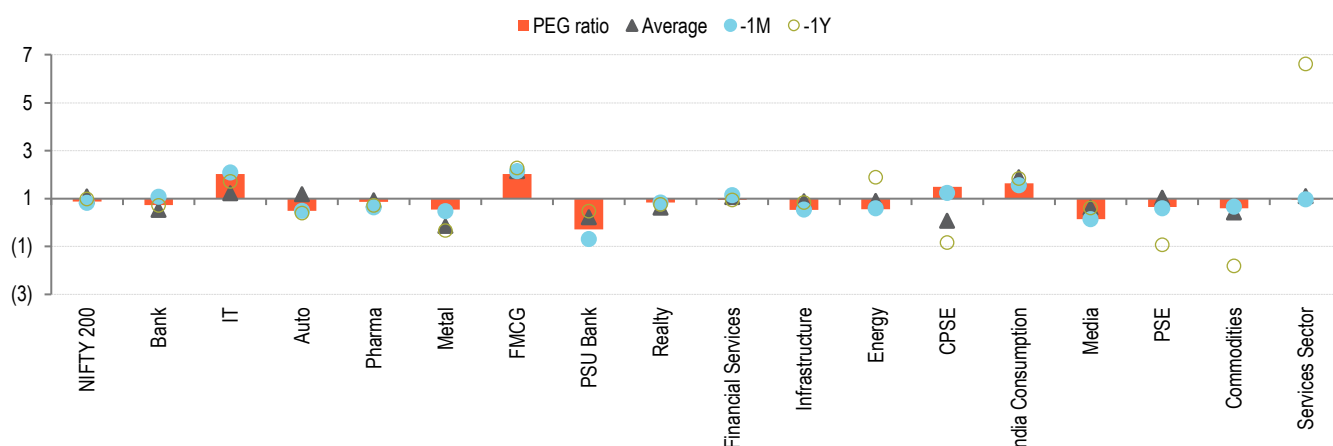
Fig 2 – India BEER (Bond Equity Earnings Yield Ratio) is moderately higher than its 5Y average



Source: Refinitiv, BOBCAPS Research

Valuations and Returns: August 2023

Fig 3 – Nifty: 12M forward PEG ratio



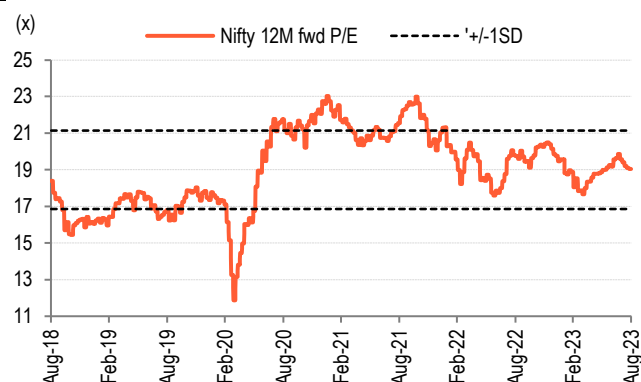
Source: Bloomberg, BOBCAPS Research | Note: We calculate PEG ratio as trailing 12M P/E divided by 12M forward earnings. We only consider numbers between -10 and 10 in our calculations.

Fig 4 – Returns across Nifty and global indices (in local currency)

| (%) | 1D | 1W | 1M | 3M | 6M | YTD | 1Y | 3Y | 5Y |
|------------------------|-------|-------|-------|------|-------|------|------|-------|------|
| Nifty 50 | (0.5) | (0.7) | (2.4) | 4.1 | 10.3 | 6.3 | 9.8 | 67.9 | 64.8 |
| Nifty Next 50 | (0.7) | (0.2) | (1.9) | 5.4 | 17.9 | 5.3 | 1.6 | 63.6 | 42.1 |
| Nifty 200 | (0.4) | (0.4) | (1.5) | 5.9 | 13.6 | 7.6 | 9.4 | 73.3 | 64.8 |
| Nifty 500 | (0.3) | (0.0) | (0.7) | 7.4 | 15.4 | 9.6 | 11.3 | 79.2 | 69.4 |
| NIFTY Midcap 100 | 0.1 | 0.8 | 3.7 | 15.7 | 27.9 | 24.2 | 24.1 | 132.6 | 96.4 |
| NIFTY Smallcap 100 | 0.8 | 2.7 | 3.9 | 19.2 | 32.0 | 25.8 | 27.1 | 118.3 | 59.7 |
| NSE NIFTY Smallcap 250 | 1.0 | 3.1 | 5.1 | 20.4 | 33.7 | 25.8 | 28.5 | 146.8 | 93.7 |
| Nifty Dividend Opp 50 | (0.6) | (0.6) | (1.4) | 7.0 | 13.2 | 16.0 | 20.2 | 80.8 | 56.5 |
| NIFTY100 ESG | (0.5) | (0.1) | (1.4) | 4.2 | 12.6 | 6.0 | 5.1 | 63.1 | 64.6 |
| S&P 500 | 0.4 | 1.8 | (1.6) | 8.0 | 13.7 | 17.6 | 14.2 | 29.0 | 55.6 |
| Stoxx 600 | 0.3 | 2.0 | (2.3) | 2.0 | (0.1) | 8.4 | 11.0 | 25.7 | 20.5 |
| Nikke 225 | 0.9 | 1.0 | (2.6) | 4.7 | 18.5 | 25.0 | 17.9 | 41.0 | 42.7 |
| FTSE 100 | 0.2 | 2.3 | (2.7) | 0.6 | (4.9) | 0.5 | 2.8 | 25.6 | 0.7 |

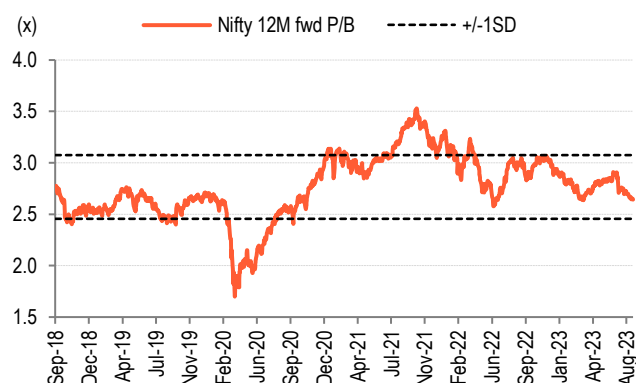
Source: Bloomberg, BOBCAPS Research

Fig 5 – Nifty50: 12M forward P/E is close to its 5y average



Source: Refinitiv, BOBCAPS Research

Fig 6 – Nifty50: 12M forward P/B

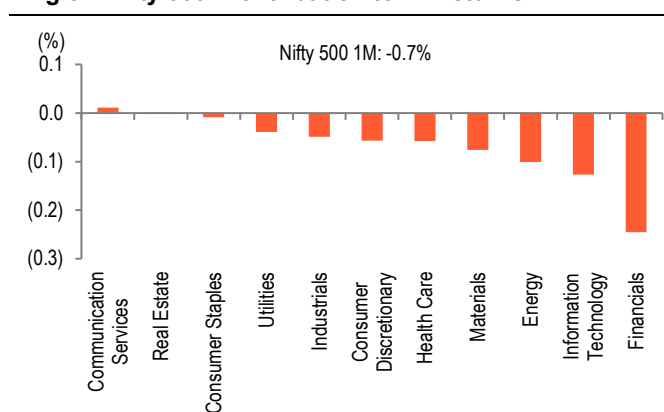


Source: Bloomberg, BOBCAPS Research

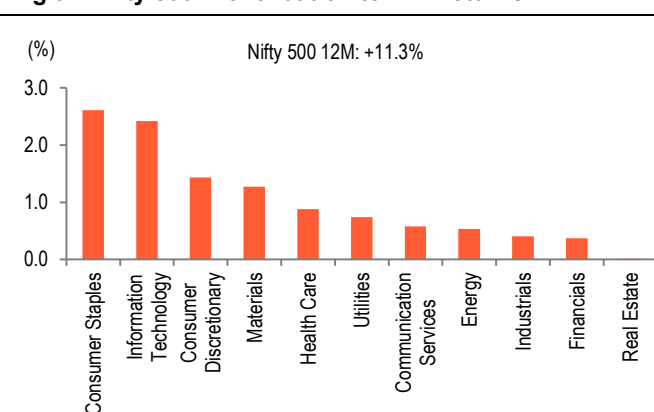
Fig 7 – Returns across sectoral Nifty indices

| (%) | 1D | 1W | 1M | 3M | 6M | YTD | 1Y | 3Y | 5Y |
|--------------------------|-------|-------|-------|-------|------|-------|-------|-------|--------|
| Nifty 50 | (0.5) | (0.7) | (2.4) | 4.1 | 10.3 | 6.3 | 9.8 | 67.9 | 64.8 |
| Nifty Bank | (0.6) | (1.1) | (3.6) | (0.3) | 9.2 | 2.3 | 11.3 | 85.2 | 56.8 |
| Nifty IT | 0.2 | 0.2 | 4.1 | 6.3 | 5.1 | 8.9 | 9.7 | 73.8 | 97.1 |
| Nifty Auto | (0.1) | 1.4 | (0.1) | 9.9 | 22.0 | 24.3 | 18.1 | 98.7 | 42.3 |
| Nifty Pharma | (0.2) | (0.6) | 0.6 | 17.8 | 28.3 | 19.8 | 20.2 | 33.1 | 45.3 |
| Nifty Metal | (0.3) | 0.9 | (1.6) | 13.2 | 21.6 | (1.0) | 13.3 | 166.7 | 82.8 |
| Nifty FMCG | (0.8) | (1.8) | (2.7) | 0.2 | 13.4 | 15.7 | 17.5 | 64.9 | 55.2 |
| Nifty PSU Bank | (1.3) | (2.9) | (2.8) | 10.2 | 18.6 | 3.4 | 47.7 | 193.6 | 34.7 |
| Nifty Realty | 0.6 | 3.4 | 0.3 | 15.4 | 40.4 | 29.3 | 19.3 | 148.7 | 102.4 |
| Nifty Financial Services | (0.5) | (0.6) | (3.6) | 1.4 | 8.3 | 3.2 | 8.5 | 70.5 | 67.2 |
| Nifty Infrastructure | (0.6) | (0.7) | (2.1) | 9.2 | 17.7 | 13.2 | 16.8 | 85.7 | 80.8 |
| Nifty Energy | (0.9) | (1.7) | (4.0) | 8.0 | 17.6 | (0.6) | (6.7) | 64.1 | 63.2 |
| Nifty CPSE | (0.5) | (0.1) | (0.6) | 12.9 | 21.2 | 24.8 | 27.8 | 133.0 | 46.3 |
| Nifty India Consumption | (0.5) | (0.3) | (1.2) | 4.1 | 16.6 | 9.8 | 4.3 | 64.3 | 54.3 |
| Nifty Media | (0.4) | 0.7 | 11.4 | 29.7 | 32.0 | 15.1 | 10.7 | 43.8 | (19.3) |
| NIFTY Private Bank | (0.4) | (0.7) | (2.1) | 2.0 | 11.3 | 4.8 | 12.8 | 75.6 | 43.9 |
| Nifty PSE | (1.0) | (0.6) | (1.0) | 14.2 | 22.8 | 25.0 | 29.9 | 111.8 | 46.5 |
| Nifty Commodities | (0.7) | 0.0 | (2.8) | 6.8 | 14.1 | 4.8 | 7.3 | 94.8 | 61.7 |
| NSE Nifty Fin Services | (0.5) | (0.6) | (3.6) | 1.4 | 8.3 | 3.2 | 8.5 | 70.5 | 67.2 |
| Nifty Services Sector | (0.5) | (0.7) | (2.4) | 2.5 | 6.6 | (0.5) | 2.7 | 63.7 | 57.9 |

Source: Bloomberg, BOBCAPS Research

Fig 8 – Nifty 500: Contribution to 1M returns

Source: Bloomberg, BOBCAPS Research

Fig 9 – Nifty 500: Contribution to 12M returns

Source: Bloomberg, BOBCAPS Research

Fig 10 – Nifty valuation forecast (consensus estimates)

| Index | EPS Growth (%) | | | | P/E (x) | | | | P/B (x) | | | | Dividend yield (%) | | | |
|--------------------------|----------------|---------|--------|-------|---------|-------|-------|-------|---------|-------|-------|-------|--------------------|-------|-------|-------|
| | 5Y avg | FY23E | FY24E | FY25E | 5Y avg | FY23E | FY24E | FY25E | 5Y avg | FY23E | FY24E | FY25E | 5Y avg | FY23E | FY24E | FY25E |
| Nifty 50 | 11.3 | 13.8 | 16.1 | 34.3 | 19.5 | 20.0 | 17.2 | 14.9 | 2.9 | 2.9 | 2.5 | 2.2 | 1.5 | 1.6 | 2.3 | 2.9 |
| Nifty Next 50 | 13.7 | (21.3) | 27.9 | 28.3 | 24.0 | 24.4 | 21.9 | 19.0 | 3.3 | 3.7 | 3.4 | 3.1 | 1.6 | 1.7 | 1.7 | 1.8 |
| Nifty 200 | 10.8 | 6.8 | 18.0 | 35.8 | 20.3 | 21.5 | 18.3 | 15.8 | 2.9 | 3.0 | 2.7 | 2.4 | 1.5 | 1.5 | 2.1 | 2.6 |
| Nifty 500 | 10.9 | 7.9 | 19.3 | 35.5 | 20.2 | 21.7 | 18.4 | 16.0 | 2.9 | 3.1 | 2.7 | 2.4 | 1.5 | 1.5 | 2.3 | 2.5 |
| NIFTY Midcap 100 | 10.0 | (13.9) | 37.8 | 50.7 | 23.5 | 28.1 | 22.3 | 18.7 | 2.8 | 3.4 | 3.0 | 2.8 | 1.3 | 1.2 | 1.3 | 1.5 |
| NIFTY Smallcap 100 | 6.0 | 24.3 | 31.9 | 23.1 | 15.8 | 18.7 | 14.8 | 15.2 | 2.2 | 2.8 | 2.6 | 2.6 | 1.6 | 1.1 | 7.9 | 1.5 |
| Sectors | | | | | | | | | | | | | | | | |
| Nifty Bank | 17.1 | 25.7 | 25.7 | 37.1 | 17.2 | 14.3 | 12.2 | 10.4 | 2.3 | 2.0 | 1.7 | 1.7 | 0.9 | 1.2 | 1.1 | 1.6 |
| Nifty IT | 12.8 | 4.4 | 8.9 | 27.5 | 23.2 | 25.7 | 22.6 | 20.1 | 5.6 | 6.7 | 6.4 | 5.6 | 2.3 | 2.7 | 6.6 | 9.2 |
| Nifty Auto | 1.8 | 95.4 | 92.0 | 44.4 | 21.0 | 24.5 | 19.6 | 16.9 | 2.8 | 3.9 | 3.3 | 3.3 | 1.4 | 1.3 | 1.6 | 1.7 |
| Nifty Pharma | 5.9 | 28.7 | 13.4 | 35.4 | 22.9 | 28.3 | 23.7 | 20.9 | 3.1 | 3.8 | 3.4 | 3.0 | 0.7 | 0.8 | 0.8 | 0.9 |
| Nifty Metal | 20.1 | (31.7) | 3.3 | 30.6 | 9.3 | 12.7 | 10.6 | 9.7 | 1.3 | 1.6 | 1.5 | 1.3 | 3.4 | 3.3 | 2.8 | 2.8 |
| Nifty FMCG | 9.9 | 14.5 | 13.3 | 28.3 | 33.7 | 41.3 | 36.2 | 32.2 | 8.3 | 10.2 | 9.5 | 8.7 | 2.1 | 1.9 | 2.2 | 2.4 |
| Nifty PSU Bank | 23.9 | 22.7 | 10.3 | NA | 8.6 | 9.8 | 9.8 | NA | 0.8 | 1.0 | NA | NA | 2.0 | 2.7 | 2.6 | 3.3 |
| Nifty Realty | 12.4 | 49.4 | 18.8 | 74.6 | 30.6 | 44.7 | 32.7 | 25.6 | 2.4 | 4.0 | 3.7 | 3.3 | 0.6 | 0.4 | 0.4 | 0.5 |
| Nifty Financial Services | 17.1 | 14.0 | 21.9 | 42.0 | 20.7 | 17.2 | 14.6 | 12.1 | 3.1 | 2.4 | 2.0 | 2.0 | 0.9 | 1.1 | 1.0 | 1.5 |
| Nifty Infrastructure | 17.1 | (5.8) | 24.6 | 29.1 | 17.0 | 19.0 | 16.3 | 14.7 | 1.9 | 2.4 | 2.1 | 1.9 | 1.9 | 1.6 | 1.8 | 2.0 |
| Nifty Energy | 13.6 | (4.4) | 26.1 | 11.2 | 10.7 | 11.0 | 10.4 | 9.9 | 1.3 | 1.5 | 1.4 | 1.3 | 3.3 | 3.9 | 4.0 | 4.1 |
| Nifty CPSE | 17.0 | 23.8 | 3.0 | 5.0 | 6.8 | 8.3 | 8.0 | 7.9 | 1.0 | 1.4 | 1.3 | 1.2 | 6.6 | 5.4 | 16.2 | 5.9 |
| Nifty India Consumption | (16.1) | 5.7 | 24.6 | 35.0 | 27.8 | 39.0 | 33.4 | 28.9 | 4.7 | 6.5 | 5.9 | 6.7 | 60.5 | 1.3 | 1.5 | 1.7 |
| Nifty Media | (1.9) | (358.2) | (21.1) | 178.3 | 19.0 | 52.7 | 23.2 | 18.9 | 2.5 | 2.8 | 2.5 | 2.3 | 1.7 | 1.2 | 1.3 | 1.3 |
| Nifty PSE | 9.8 | (21.4) | 23.7 | 11.9 | 7.9 | 9.2 | 8.6 | 8.3 | 1.1 | 1.4 | 1.3 | 1.2 | 5.5 | 4.8 | 5.1 | 5.2 |
| Nifty Commodities | 13.4 | (16.5) | 6.9 | 20.5 | 10.9 | 13.2 | 11.7 | 11.0 | 1.4 | 1.7 | 1.5 | 1.4 | 2.8 | 2.8 | 2.7 | 2.7 |
| Nifty Services Sector | 13.0 | 16.5 | 13.8 | 39.4 | 20.5 | 19.0 | 16.2 | 13.6 | 3.3 | 2.8 | 2.5 | 2.0 | 1.4 | 1.6 | 2.7 | 3.6 |

Source: Bloomberg, BOBCAPS Research | As on 1Sep23

Fig 11 – NSE 500: Best performing stocks in August 2023

| Company | Sector | Industry | Market cap (Rs mn) | 1M (%) | 3M (%) | 1Y (%) |
|------------------------------|------------------------|--------------------------------|-----------------------|-----------|-----------|-----------|
| Rattanindia Enterprises Ltd | Consumer Discretionary | Broadline Retail | 85,217 | 52.0 | 62.9 | 19.5 |
| Kalyan Jewellers India Ltd | Consumer Discretionary | Textiles, Apparel & Luxury Goo | 259,367 | 44.1 | 138.3 | 208.4 |
| Swan Energy Ltd | Consumer Discretionary | Textiles, Apparel & Luxury Goo | 80,363 | 38.8 | 27.3 | 49.6 |
| Indiabulls Housing Finance L | Financials | Financial Services | 93,518 | 37.9 | 72.2 | 45.1 |
| Cochin Shipyard Ltd | Industrials | Machinery | 119,136 | 35.4 | 82.5 | 140.5 |
| Gland Pharma Ltd | Health Care | Pharmaceuticals | 286,818 | 33.2 | 88.5 | -26.5 |
| Apar Industries Ltd | Industrials | Industrial Conglomerates | 191,666 | 32.4 | 80.2 | 275.1 |
| Indian Railway Finance Corp | Financials | Financial Services | 656,039 | 31.4 | 55.9 | 134.6 |
| Bse Ltd | Financials | Capital Markets | 143,963 | 31.3 | 90.6 | 63.2 |
| Suzlon Energy Ltd | Industrials | Electrical Equipment | 345,204 | 29.6 | 108.9 | 226.1 |
| Archean Chemical Industries | Materials | Chemicals | 82,501 | 28.8 | 22.9 | NA |
| Vaibhav Global Ltd | Consumer Discretionary | Textiles, Apparel & Luxury Goo | 73,095 | 28.1 | 46.9 | 27.1 |
| Solar Industries India Ltd | Materials | Chemicals | 437,818 | 27.3 | 28.9 | 45.2 |
| Jindal Worldwide Ltd | Consumer Discretionary | Textiles, Apparel & Luxury Goo | 78,554 | 26.6 | 14.7 | 87.2 |
| Linde India Ltd | Materials | Chemicals | 534,583 | 25.9 | 58.7 | 83.1 |
| Supreme Industries Ltd | Materials | Chemicals | 566,248 | 25.6 | 61.4 | 126.8 |
| Cera Sanitaryware Ltd | Industrials | Building Products | 123,649 | 25.6 | 26.4 | 90.6 |
| Escorts Kubota Ltd | Industrials | Machinery | 349,092 | 24.4 | 45.2 | 58.4 |
| Jubilant Ingrevia Ltd | Materials | Chemicals | 82,046 | 24.2 | 31.3 | 9.4 |
| Jubilant Pharmova Ltd | Health Care | Pharmaceuticals | 74,631 | 24.2 | 41.9 | 33.7 |
| Ksb Ltd | Industrials | Machinery | 97,180 | 22.9 | 32.5 | 45.9 |
| Tamilnad Mercantile Bank | Financials | Banks | 86,563 | 22.8 | 31.9 | NA |
| Beml Ltd | Industrials | Machinery | 102,727 | 22.4 | 71.7 | 65.5 |
| Jsw Energy Ltd | Utilities | Independent Power and Renewabl | 577,199 | 21.6 | 38.1 | 2.9 |
| Dixon Technologies India Ltd | Consumer Discretionary | Household Durables | 298,030 | 21.4 | 29.0 | 21.9 |

Source: Bloomberg, BOBCAPS Research

Fig 12 – NSE 500: Worst performing stocks in August 2023

| Company | Sector | Industry | Market cap (Rs mn) | 1M (%) | 3M (%) | 1Y (%) |
|-----------------------------|------------------------|--------------------------------|-----------------------|-----------|-----------|-----------|
| Brightcom Group Ltd | Communication Services | Interactive Media & Services | 34,305 | (32.1) | (9.1) | (58.6) |
| Tanla Platforms Ltd | Information Technology | Software | 131,173 | (18.5) | 23.8 | 35.5 |
| Vedanta Ltd | Materials | Metals & Mining | 863,505 | (15.8) | (16.5) | (14.0) |
| Medplus Health Services Ltd | Consumer Staples | Consumer Staples Distribution | 96,805 | (15.4) | (0.1) | 10.4 |
| Adani Green Energy Ltd | Utilities | Independent Power and Renewabl | 1,471,012 | (15.1) | (5.0) | (61.9) |
| Epl Ltd | Materials | Containers & Packaging | 62,510 | (13.7) | 8.3 | 15.3 |
| Tcns Clothing Co Ltd | Consumer Discretionary | Textiles, Apparel & Luxury Goo | 23,925 | (13.3) | (9.1) | (36.4) |
| Cummins India Ltd | Industrials | Machinery | 473,388 | (13.2) | (3.0) | 43.2 |
| Radico Khaitan Ltd | Consumer Staples | Beverages | 168,699 | (13.0) | 8.0 | 20.5 |
| Redington Ltd | Information Technology | Electronic Equipment, Instrume | 122,607 | (13.0) | (9.9) | 4.0 |
| Borosil Renewables Ltd | Information Technology | Semiconductors & Semiconductor | 57,213 | (12.8) | (19.7) | (22.8) |
| Adani Wilmar Ltd | Consumer Staples | Food Products | 467,234 | (12.7) | (17.6) | (48.1) |
| Hindustan Petroleum Corp | Energy | Oil, Gas & Consumable Fuels | 351,942 | (12.1) | (4.9) | 1.9 |
| Bombay Burmah Trading Corp | Consumer Staples | Food Products | 69,622 | (11.8) | 4.1 | 9.8 |
| Macrotech Developers Ltd | Real Estate | Real Estate Management & Devel | 646,437 | (11.7) | 22.9 | 22.2 |
| Tci Express Ltd | Industrials | Air Freight & Logistics | 53,838 | (11.6) | (11.5) | (20.5) |
| Apollo Tyres Ltd | Consumer Discretionary | Automobile Components | 246,673 | (10.3) | (0.5) | 54.5 |
| Bharat Petroleum Corp Ltd | Energy | Oil, Gas & Consumable Fuels | 738,739 | (9.8) | (6.3) | 3.6 |
| Delta Corp Ltd | Consumer Discretionary | Hotels, Restaurants & Leisure | 48,467 | (9.6) | (25.4) | (14.4) |
| State Bank Of India | Financials | Banks | 5,009,831 | (9.5) | (3.2) | 5.7 |
| Nuvoco Vistas Corp Ltd | Materials | Construction Materials | 120,540 | (9.3) | (0.3) | (6.2) |
| Hero Motocorp Ltd | Consumer Discretionary | Automobiles | 582,808 | (9.0) | 5.7 | 2.8 |
| Ceat Ltd | Consumer Discretionary | Automobile Components | 91,138 | (8.8) | 16.9 | 62.0 |
| Hle Glascoat Ltd | Industrials | Machinery | 39,802 | (8.8) | (5.6) | (17.7) |
| Balkrishna Industries Ltd | Consumer Discretionary | Automobile Components | 449,105 | (8.6) | 2.2 | 13.5 |

Source: Bloomberg, BOBCAPS Research

Index fundamentals

Fig 13 – Nifty: 12M forward net margin

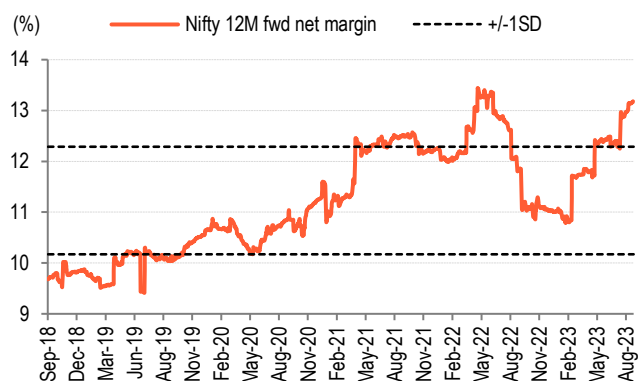


Fig 14 – Nifty: 6M change in EPS growth

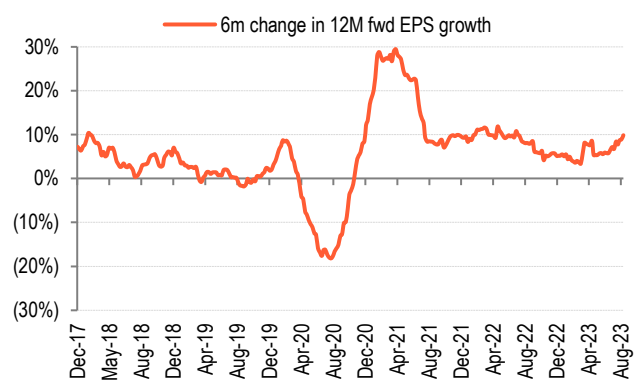


Fig 15 – Flows in India (5Y)

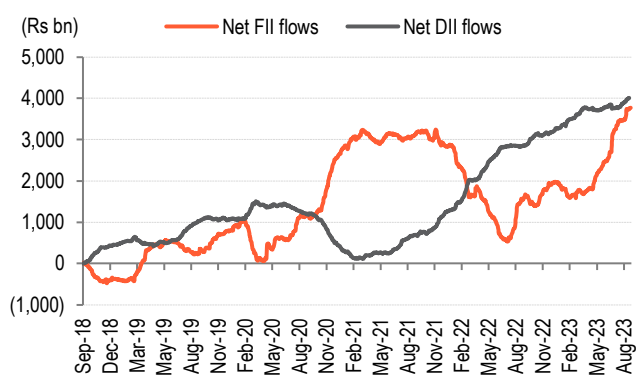
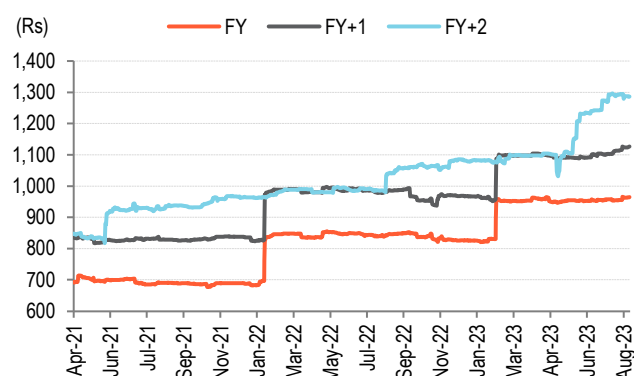


Fig 16 – Nifty50: EPS consensus forecast



Yields, Exchange rates and Commodities

Fed Chair Jerome Powell's Jackson Hole speech indicated that the Fed would likely remain data dependent in deciding its interest rate trajectory. Note, US 10-year yield, up 14 bp during August, remains elevated at 4.114%. The yield is moderately down since August 25 Jackson Hole speech.

RBI continued to maintain Repo rate at 6.5% in its last policy meet. Liquidity seems comfortable with RBI absorbing ~Rs.1.6tn over last five trading days. India 10y yield remained largely flat during the month at 7.18%.

The INR was largely flat against the USD during the month. The Dollar Index strengthened by ~1% during the month.

Fig 17 – Yields

| (%) | 1D | 1W | 1M | 3M | 6M | YTD | 1Y | 3Y | 5Y |
|---------------------------|-----|-----|-----|-----|-----|-----|-----|-------|-----|
| India 10y yield | 7.2 | 7.2 | 7.2 | 7.0 | 7.4 | 7.3 | 7.2 | 5.9 | 8.0 |
| India AAA corporate yield | 7.6 | 7.7 | 7.6 | 7.6 | 7.9 | 7.7 | 7.6 | 6.7 | 8.8 |
| India AA corporate yield | 8.3 | 8.3 | 8.3 | 8.3 | 8.7 | 8.5 | 8.4 | 7.5 | 9.3 |
| US 10y yield | 4.1 | 4.2 | 4.1 | 3.6 | 4.0 | 3.9 | 3.3 | 0.7 | 2.9 |
| EU 10y yield | 2.5 | 2.6 | 2.5 | 2.2 | 2.7 | 2.4 | 1.6 | (0.4) | 0.3 |
| Japan 10y yield | 0.7 | 0.7 | 0.7 | 0.4 | 0.5 | 0.4 | 0.2 | 0.0 | 0.1 |

Source: Bloomberg, BOBCAPS Research | As on 1Sep23

Fig 18 – Exchange rates

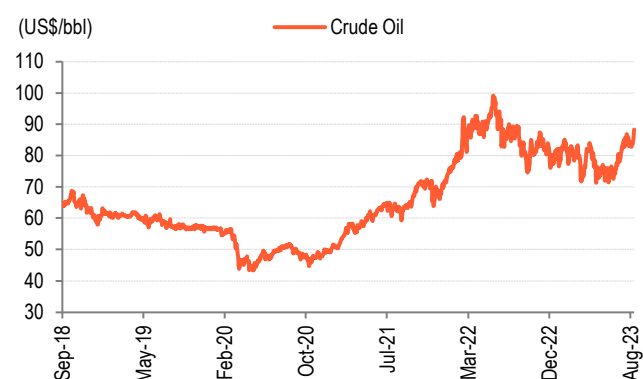
| (%) | Current | 1D | 1W | 1M | 3M | 6M | YTD | 1Y | 3Y | 5Y |
|--------|---------|-------|-------|-------|-------|-------|-------|--------|--------|--------|
| USDINR | 82.7 | 0.1 | (0.1) | (0.6) | (0.4) | (0.3) | 0.0 | (3.8) | (11.9) | (14.2) |
| EURINR | 89.8 | 0.3 | (0.6) | 0.6 | (1.7) | (2.2) | (1.8) | (11.1) | (2.7) | (7.9) |
| JPYINR | 0.6 | (0.4) | (0.7) | 0.6 | 4.1 | 7.0 | 10.2 | 0.1 | 20.9 | 12.3 |
| GBPINR | 104.9 | 0.2 | (0.8) | 0.5 | (2.2) | (5.0) | (5.1) | (12.0) | (6.7) | (12.0) |

Source: Bloomberg, BOBCAPS Research | As on 1Sep23

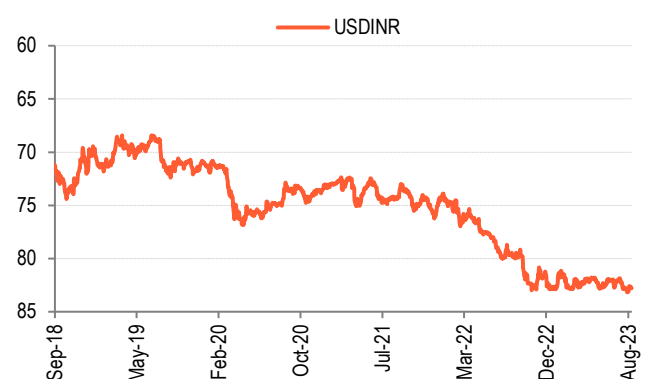
Fig 19 – Commodity price trend

| (%) | Current | 1D | 1W | 1M | 3M | 6M | YTD | 1Y | 3Y | 5Y |
|--------------------------------|----------|-------|-------|-------|--------|--------|--------|--------|--------|-------|
| Energy | | | | | | | | | | |
| NYM WTI Crude (USD/bbl.) | 84.8 | 1.4 | 6.3 | 4.8 | 21.6 | 11.3 | 8.3 | 7.7 | 79.7 | 50.8 |
| ICE Brent Crude (USD/bbl.) | 87.9 | 1.2 | 4.7 | 4.0 | 19.4 | 8.2 | 7.0 | 5.6 | 70.9 | 36.0 |
| ICE ARA Gasoil (USD/MT) | 914.5 | 2.1 | (3.0) | 2.5 | 35.8 | 16.4 | 14.2 | 7.4 | 97.2 | 48.0 |
| NYM NYH Gasoline (USD/gal.) | 258.4 | 0.7 | (2.3) | (1.1) | 20.9 | 10.8 | 11.0 | 17.9 | 96.2 | NA |
| NYM NYH Heating Oil (USD/gal.) | 311.7 | 0.1 | (4.6) | 4.3 | 34.3 | 14.8 | 8.7 | 7.8 | 99.3 | NA |
| NYM HH Nat Gas (USD/MMBtu) | 2.8 | 1.8 | 6.1 | 5.5 | 17.3 | (16.6) | (32.5) | (52.7) | 17.8 | 9.6 |
| ICE NBP Nat Gas (USD/MMBtu) | 86.5 | 0.9 | (1.8) | 6.7 | 10.9 | (32.3) | (57.4) | (81.1) | 90.0 | 59.2 |
| Metals | | | | | | | | | | |
| LME Aluminums (USD/MT) | 2,208.0 | 0.3 | 1.3 | (3.3) | (1.7) | (7.0) | (7.1) | (6.4) | 22.7 | 3.9 |
| LME Coppers (USD/MT) | 8,422.5 | (0.6) | (0.3) | (4.6) | 4.1 | (6.0) | 0.6 | 8.0 | 26.3 | 41.0 |
| SGX Iron Ore (USD/MT) | 114.3 | (0.2) | 3.7 | 14.2 | 16.4 | (5.1) | 3.3 | 28.4 | 42.7 | NA |
| LME Nickel (USD/MT) | 20,289.0 | (1.7) | (3.2) | (9.0) | (1.5) | (18.2) | (32.5) | (5.2) | 32.0 | 58.5 |
| Steel China (CNY/MT) | 3,965.0 | 0.5 | 0.8 | (2.4) | 6.2 | (9.2) | (4.4) | (0.3) | (1.1) | (8.6) |
| Spot Gold | 1,944.3 | 0.2 | 1.5 | (0.0) | (1.7) | 5.9 | 6.6 | 14.5 | (1.3) | 61.9 |
| Spot Silver | 24.5 | 0.3 | 1.2 | 0.9 | 2.7 | 16.8 | 2.3 | 37.6 | (12.8) | 68.6 |
| Agriculture | | | | | | | | | | |
| CME Live Cattle (USD/lb.) | 180.6 | (0.1) | (0.3) | (0.7) | 2.7 | 10.1 | 11.7 | 15.4 | NA | NA |
| ICE Coffee (USD/lb.) | 154.9 | 0.3 | 1.1 | (5.8) | (12.9) | (13.1) | (6.6) | (27.7) | NA | NA |
| CBT Corn (USD/bu.) | 484.5 | 1.3 | (0.7) | (4.5) | (8.6) | (14.9) | (20.7) | (20.4) | NA | NA |
| ICE Cotton (USD/lb.) | 89.0 | 1.4 | 2.0 | 3.3 | 9.1 | 4.4 | 10.1 | 5.8 | NA | NA |
| CBT Soybeans (USD/bu.) | 1,384.5 | 1.2 | (0.2) | 3.2 | 18.4 | 1.9 | (2.3) | 3.7 | NA | NA |
| ICE Sugar (USD/lb.) | 25.3 | 1.0 | 1.9 | 3.7 | 2.8 | 27.3 | 42.0 | 48.3 | NA | NA |
| CBT SRW Wheat (USD/bu.) | 611.5 | 1.6 | (1.6) | (9.8) | (5.0) | (17.9) | (25.4) | (27.2) | NA | NA |

Source: Bloomberg, BOBCAPS Research | As on 1Sep23

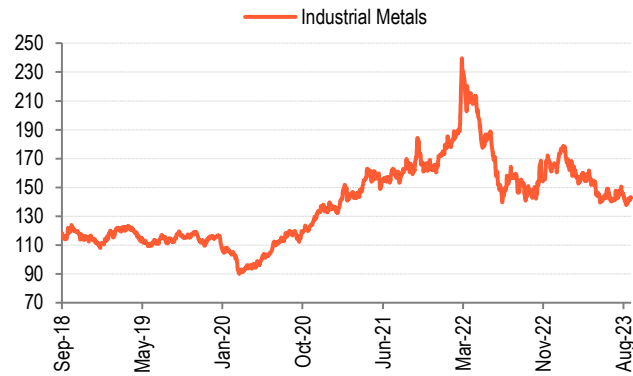
Fig 20 – Oil price trend

Source: Bloomberg, BOBCAPS Research | As on 1Sep23

Fig 21 – USDINR movement

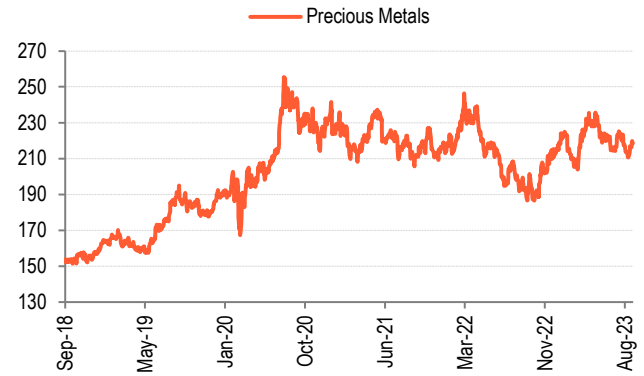
Source: Bloomberg, BOBCAPS Research | As on 1Sep23

Fig 22 – Industrial metals price trend



Source: Bloomberg, BOBCAPS Research | As on 1Sep23

Fig 23 – Precious metals price trend



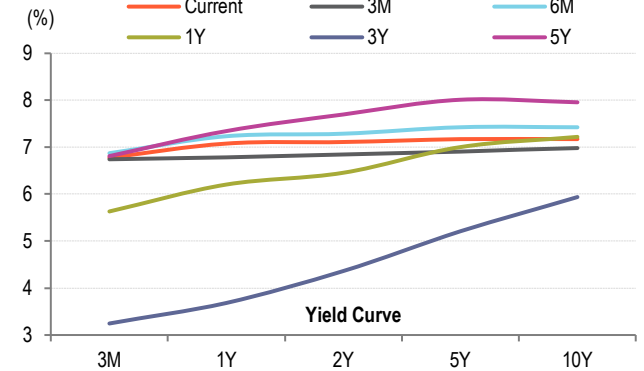
Source: Bloomberg, BOBCAPS Research | As on 1Sep23

Fig 24 – India 10Y bond yield



Source: Bloomberg, BOBCAPS Research | As on 1Sep23

Fig 25 – India yield curve



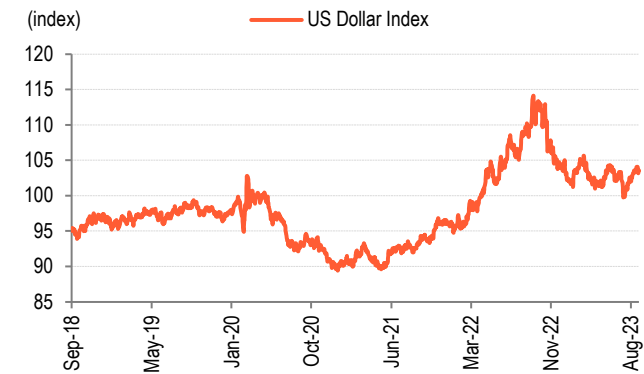
Source: Bloomberg, BOBCAPS Research | As on 1Sep23

Fig 26 – US 10Y yield



Source: Bloomberg, BOBCAPS Research | As on 1Sep23

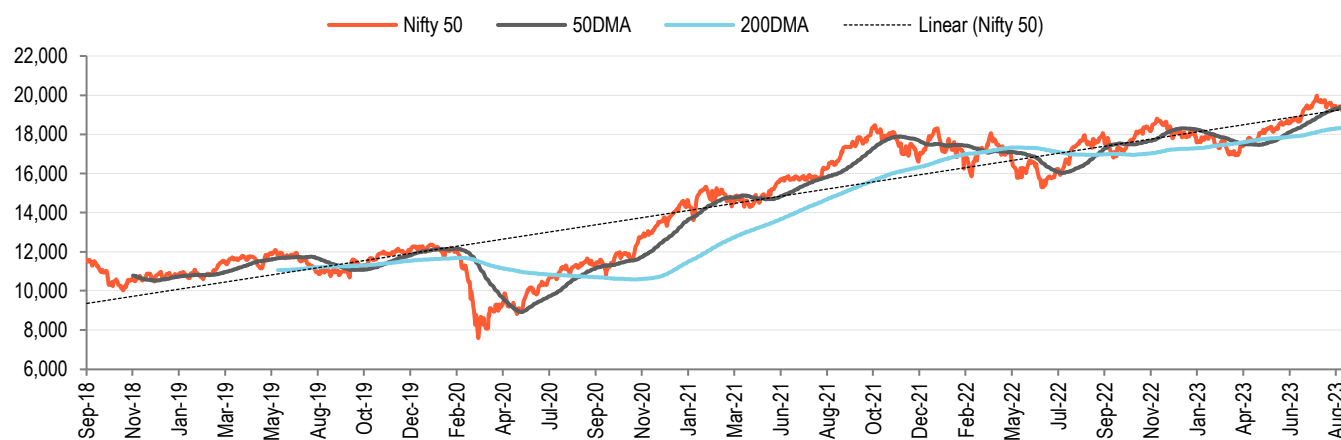
Fig 27 – US Dollar index



Source: Bloomberg, BOBCAPS Research | As on 1Sep23

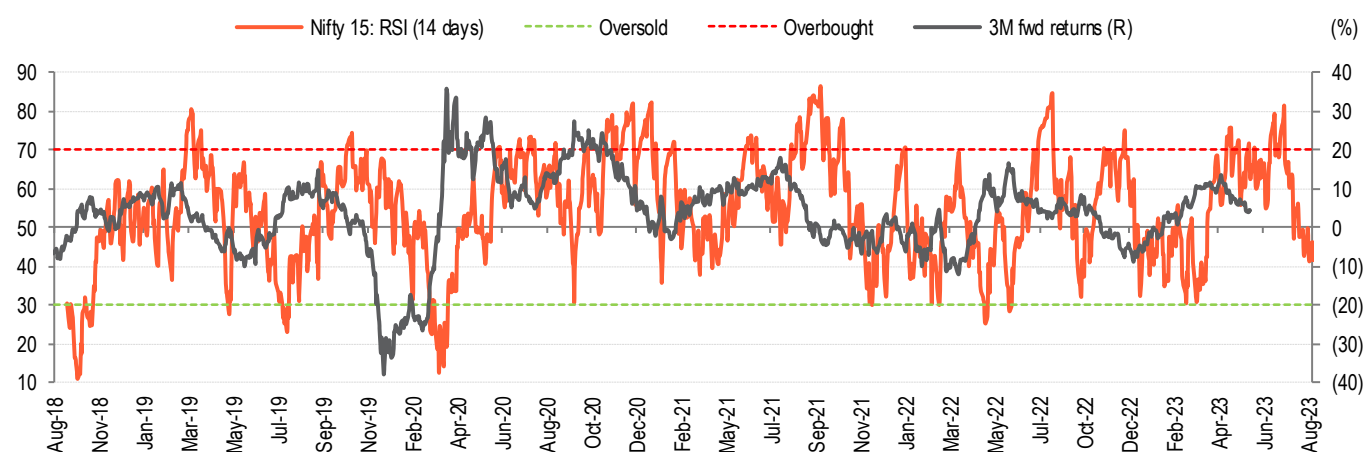
Technical trends

Fig 28 – Nifty 50: Moving averages



Source: Bloomberg, BOBCAPS Research | As on 1Sep23

Fig 29 – Nifty 50: Relative Strength Index (RSI)



Source: Bloomberg, BOBCAPS Research | As on 1Sep23

Fig 30 – Nifty 50: Sector-wise average daily traded value

| Sector (Rs bn) | 1M | 3M | 6M |
|------------------------|------|------|------|
| Communication Services | 3.9 | 4.6 | 4.2 |
| Consumer Discretionary | 25.0 | 26.2 | 23.0 |
| Consumer Staples | 12.4 | 13.3 | 12.6 |
| Energy | 21.4 | 23.5 | 20.8 |
| Financials | 94.2 | 96.2 | 93.1 |
| Health Care | 13.3 | 12.1 | 10.9 |
| Industrials | 28.5 | 21.4 | 23.8 |
| Information Technology | 19.2 | 25.2 | 24.8 |
| Materials | 15.0 | 16.9 | 15.9 |
| Utilities | 5.0 | 5.6 | 4.9 |
| Nifty 50 | 238 | 245 | 234 |

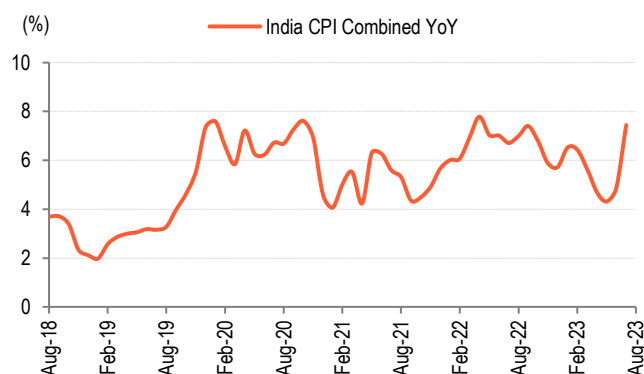
Source: Bloomberg, BOBCAPS Research | As on 1Sep23

Fig 31 – Nifty 50: Stock-wise average daily traded value

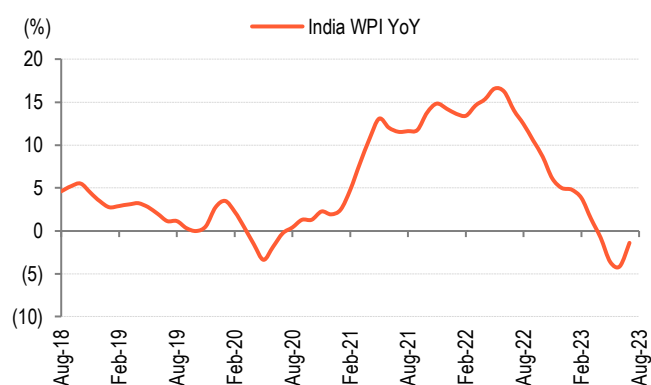
| Company (Rs bn) | Sector | Industry | Market cap | 1M | 3M | 6M |
|------------------|------------------------|--------------------------------|------------|------|------|------|
| Adani Enterprise | Industrials | Trading Companies & Distributo | 2,793 | 17.1 | 12.4 | 13.8 |
| Adani Ports And | Industrials | Transportation Infrastructure | 1,727 | 7.4 | 4.7 | 5.5 |
| Apollo Hospitals | Health Care | Health Care Providers & Servic | 696 | 2.3 | 2.6 | 2.2 |
| Asian Paints Ltd | Materials | Chemicals | 3,127 | 2.4 | 2.8 | 2.8 |
| Axis Bank Ltd | Financials | Banks | 3,053 | 10.0 | 10.1 | 10.7 |
| Bajaj Finance Lt | Financials | Consumer Finance | 4,436 | 6.2 | 7.0 | 6.6 |
| Bharti Airtel | Communication Services | Wireless Telecommunication Ser | 5,029 | 3.9 | 4.6 | 4.2 |
| Bajaj Auto Ltd | Consumer Discretionary | Automobiles | 1,351 | 1.5 | 1.8 | 1.7 |
| Bajaj Finserv Lt | Financials | Financial Services | 2,416 | 2.1 | 2.3 | 2.3 |
| Bharat Petrol | Energy | Oil, Gas & Consumable Fuels | 747 | 1.2 | 1.3 | 1.3 |
| Britannia Inds | Consumer Staples | Food Products | 1,080 | 2.3 | 2.0 | 1.7 |
| Cipla Ltd | Health Care | Pharmaceuticals | 1,005 | 2.7 | 2.2 | 2.2 |
| Coal India Ltd | Energy | Oil, Gas & Consumable Fuels | 1,460 | 1.9 | 2.2 | 1.7 |
| Divi Labs Ltd | Health Care | Life Sciences Tools & Services | 953 | 1.9 | 1.8 | 1.7 |
| Dr Reddy'S Labs | Health Care | Pharmaceuticals | 930 | 3.8 | 2.8 | 2.3 |
| Eicher Motors | Consumer Discretionary | Automobiles | 931 | 2.1 | 2.9 | 2.5 |
| Grasim Inds Ltd | Materials | Construction Materials | 1,193 | 1.1 | 1.1 | 1.0 |
| Hcl Tech Ltd | Information Technology | IT Services | 3,218 | 2.9 | 3.0 | 3.0 |
| Hdfc Bank Ltd | Financials | Banks | 11,926 | 31.3 | 30.6 | 28.3 |
| Hdfc Life Insura | Financials | Insurance | 1,379 | 1.6 | 2.9 | 2.4 |
| Hero Motocorp Lt | Consumer Discretionary | Automobiles | 585 | 1.9 | 2.5 | 1.9 |
| Hindalco Inds | Materials | Metals & Mining | 1,063 | 2.4 | 2.5 | 2.5 |
| Hindustan Unilev | Consumer Staples | Personal Care Products | 5,885 | 3.2 | 3.8 | 3.6 |
| Icici Bank Ltd | Financials | Banks | 6,781 | 18.7 | 16.8 | 17.5 |
| Indusind Bank | Financials | Banks | 1,100 | 3.3 | 4.1 | 4.2 |
| Infosys Ltd | Information Technology | IT Services | 5,992 | 6.6 | 9.6 | 10.0 |
| ITC Ltd | Consumer Staples | Tobacco | 5,500 | 4.8 | 4.9 | 4.8 |
| Jio Financial Se | #N/A N/A | #N/A N/A | 1,558 | N/A | N/A | N/A |
| JSW Steel Ltd | Materials | Metals & Mining | 1,949 | 1.6 | 2.6 | 1.9 |
| Kotak Mahindra | Financials | Banks | 3,520 | 7.1 | 10.9 | 9.5 |
| Larsen & Toubro | Industrials | Construction & Engineering | 3,798 | 4.1 | 4.3 | 4.5 |
| Ltimindtree Ltd | Information Technology | IT Services | 1,569 | 1.6 | 2.7 | 2.4 |
| Mahindra & Mahin | Consumer Discretionary | Automobiles | 1,980 | 4.5 | 4.1 | 3.6 |
| Maruti Suzuki In | Consumer Discretionary | Automobiles | 3,121 | 4.7 | 4.7 | 4.2 |
| Nestle India Ltd | Consumer Staples | Food Products | 2,113 | 1.3 | 1.5 | 1.4 |
| NTPC Ltd | Utilities | Independent Power and Renewabl | 2,237 | 2.7 | 2.9 | 2.4 |
| Oil & Natural Ga | Energy | Oil, Gas & Consumable Fuels | 2,286 | 1.1 | 1.6 | 1.6 |
| Power Grid Corp | Utilities | Electric Utilities | 1,759 | 2.3 | 2.8 | 2.5 |
| Reliance Inds | Energy | Oil, Gas & Consumable Fuels | 16,324 | 17.3 | 18.3 | 16.2 |
| SBI Life Insuran | Financials | Insurance | 1,322 | 1.4 | 1.5 | 1.3 |
| State Bank Ind | Financials | Banks | 5,083 | 12.4 | 10.0 | 10.3 |
| Sun Pharma Indu | Health Care | Pharmaceuticals | 2,661 | 2.7 | 2.8 | 2.5 |
| Tata Steel Ltd | Materials | Metals & Mining | 1,553 | 3.6 | 4.0 | 3.9 |
| Tata Consumer Pr | Consumer Staples | Food Products | 784 | 0.8 | 1.3 | 1.1 |
| Tata Consultancy | Information Technology | IT Services | 12,365 | 5.5 | 6.6 | 6.5 |
| Tech Mahindra Lt | Information Technology | IT Services | 1,197 | 2.7 | 3.3 | 3.0 |
| Titan Co Ltd | Consumer Discretionary | Textiles, Apparel & Luxury Goo | 2,767 | 2.8 | 2.8 | 2.6 |
| Tata Motors Ltd | Consumer Discretionary | Automobiles | 2,237 | 7.6 | 7.5 | 6.5 |
| Upl Ltd | Materials | Chemicals | 453 | 1.6 | 1.6 | 1.5 |
| Ultratech Cement | Materials | Construction Materials | 2,385 | 2.2 | 2.5 | 2.3 |

Source: Bloomberg, BOBCAPS Research | As on 1Sep23

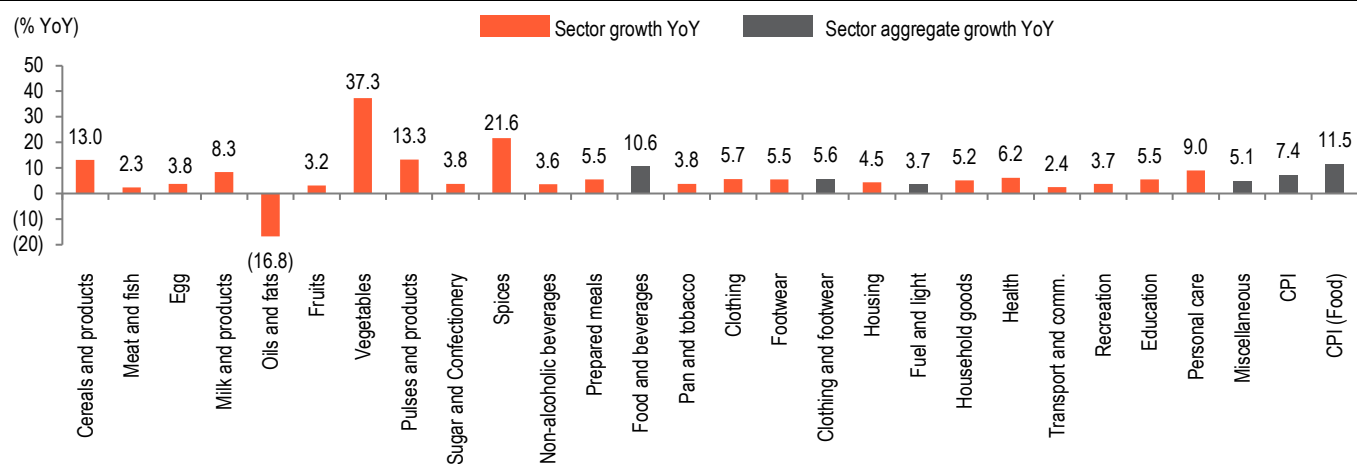
Macroeconomic indicators: August 2023

Fig 32 – Consumer price index


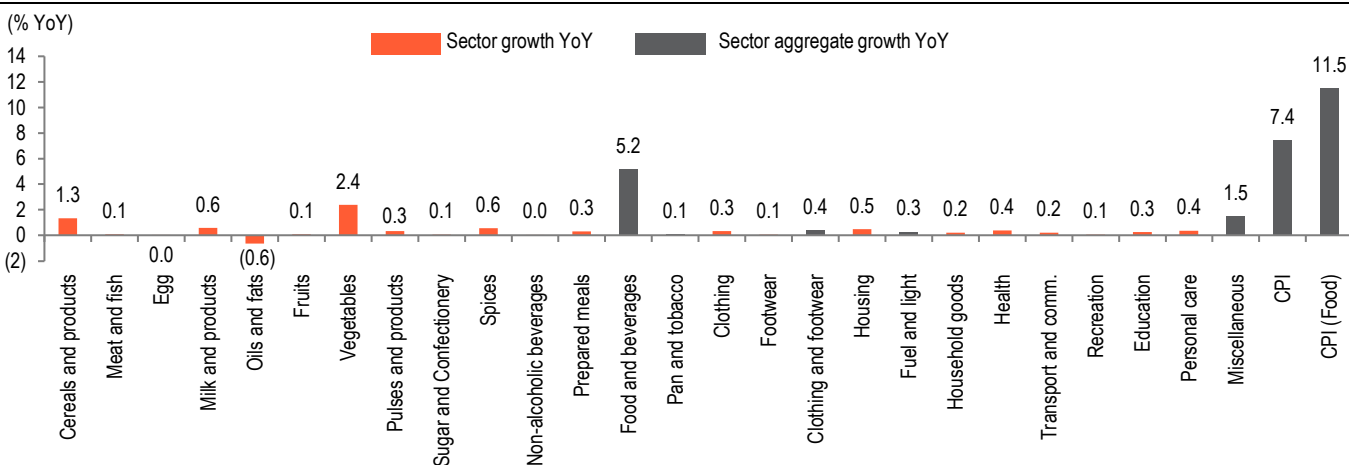
Source: Bloomberg, BOBCAPS Research | As on 1Sep23

Fig 33 – Wholesale price index


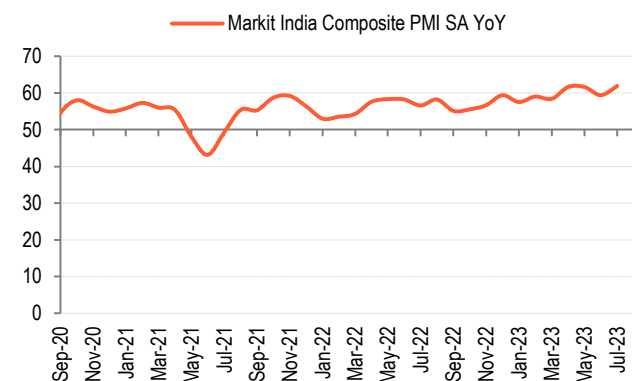
Source: Bloomberg, BOBCAPS Research | As on 1Sep23

Fig 34 – Contribution to CPI (July'23)


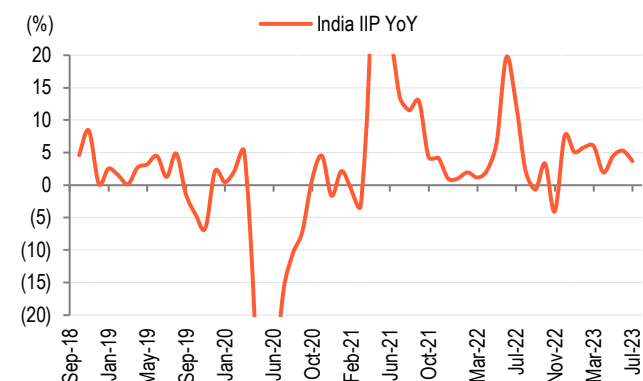
Source: Bloomberg, BOBCAPS Research

Fig 35 – Actual CPI (July'23)


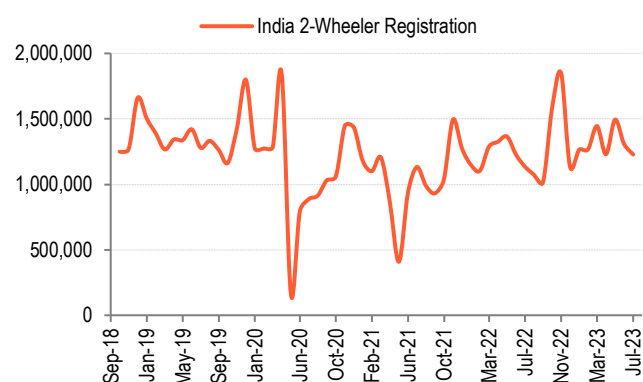
Source: Bloomberg, BOBCAPS Research

Fig 36 – Purchasing Managers' Index

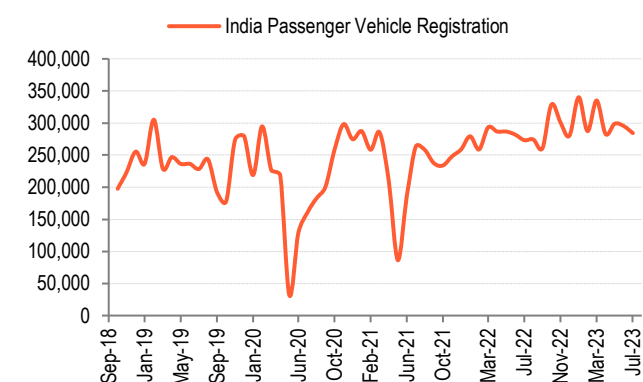
Source: Bloomberg, BOBCAPS Research

Fig 37 – Industrial production

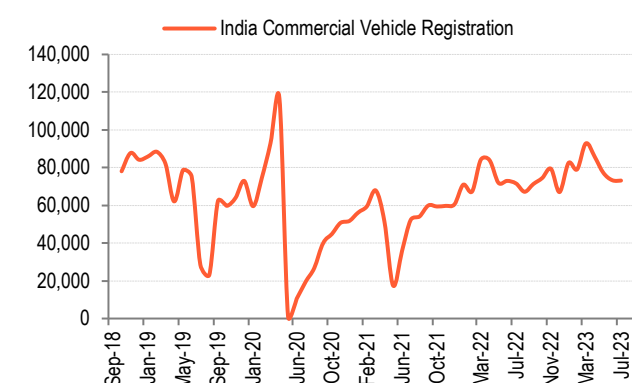
Source: Bloomberg, BOBCAPS Research

Fig 38 – Two-wheeler registration

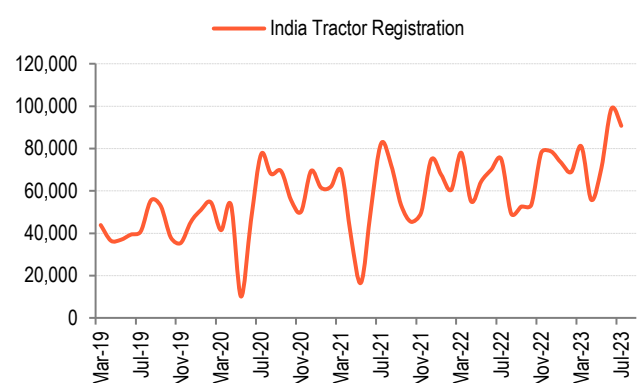
Source: Bloomberg, BOBCAPS Research

Fig 39 – Four-wheeler registration

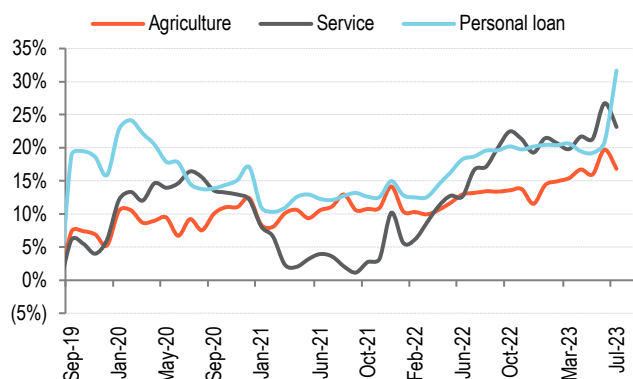
Source: Bloomberg, BOBCAPS Research

Fig 40 – Commercial vehicle registration

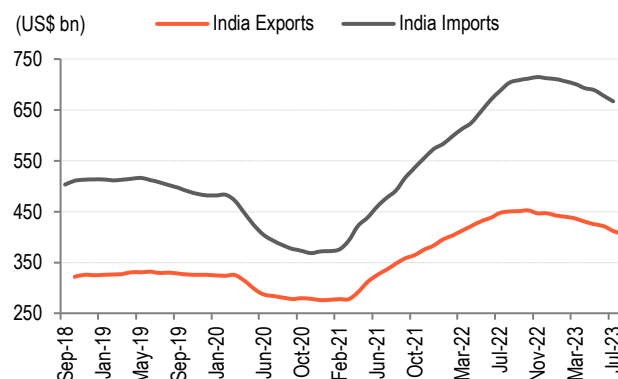
Source: Bloomberg, BOBCAPS Research

Fig 41 – Tractor registration

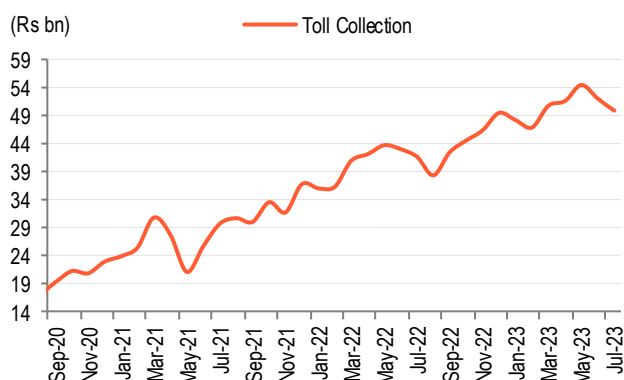
Source: Bloomberg, BOBCAPS Research

Fig 42 – Scheduled Commercial Banks' credit growth

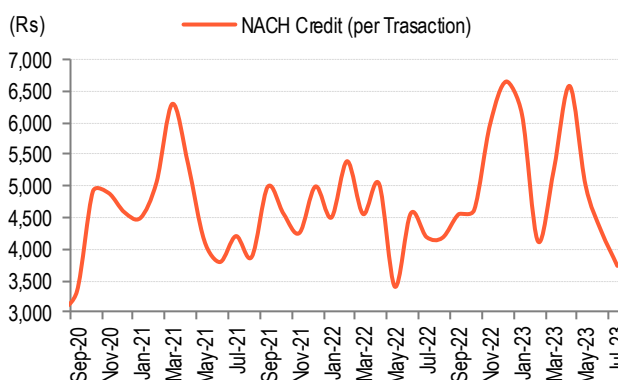
Source: Bloomberg, BOBCAPS Research

Fig 43 – Exports and Imports

Source: Bloomberg, BOBCAPS Research

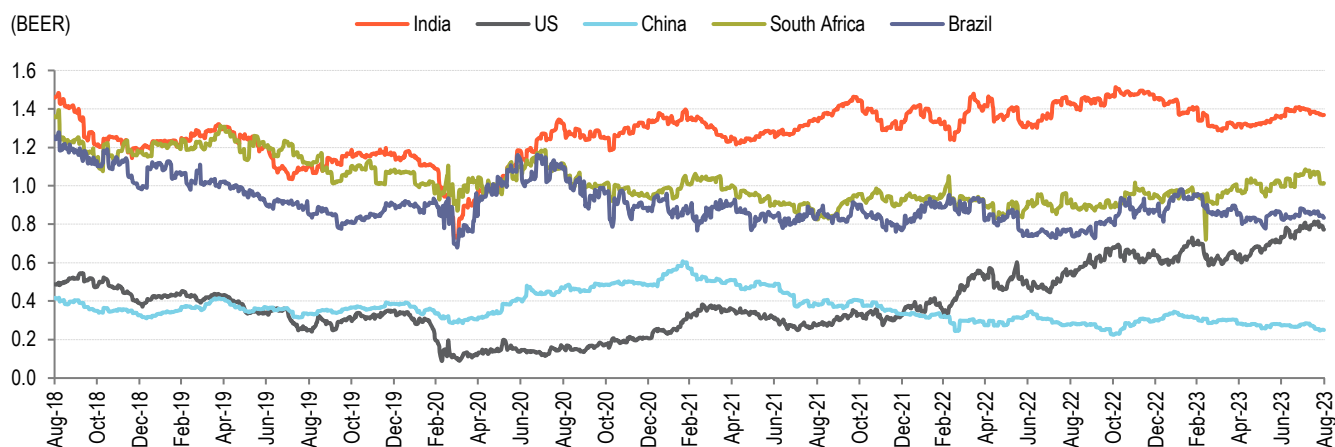
Fig 44 – Toll collection

Source: Bloomberg, BOBCAPS Research

Fig 45 – National Automated Clearing House credit

Source: Bloomberg, BOBCAPS Research

Valuations across the globe

Fig 46 – India BEER relative to other countries

Source: Refinitiv, BOBCAPS Research

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