

Global headwinds cloud near-term outlook

- India has underperformed most large markets since Jan'23, though this trend did reverse in April
- We believe global headwinds, including rate uncertainty in the US and structurally low growth in China, pose near term-risks to the market
- Our long-term view remains bullish given that requisite building blocks are in place for a high growth trajectory for India

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Indian market fairly valued: The Nifty50 has underperformed most large markets YTD. Developed markets have had a much better run than emerging markets, though the trend reversed during April following the US banking crisis when India outperformed. India's BEER remains elevated, but its premium to other markets has narrowed. Both India BEER and Nifty50 12M forward PE are close to 5Y averages, indicating that the Indian market is fairly valued. About 70% of India BEER values have been within a ± 1 SD band vs. a mere 62% for PE over 5Y (against ~68% for a Gaussian distribution).

Realty index outperforms: Nifty Realty outperformed other indices during April, rising 16%, followed by Nifty Auto. Nifty IT was the worst performer for the month.

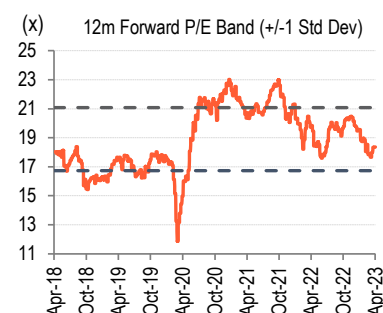
Q4FY23 commentary positive: Listed Indian companies have posted single-digit YoY growth at the net income level thus far in Q4, but management commentary has been broadly positive, particularly from the bank, consumption and auto sectors.

Macro climate largely stable: India's 10Y bond yield declined 10bps in response to a surprise pause by RBI, with a further drop of 10bps toward the month-end post release of monetary policy minutes. CPI moderated to RBI's tolerance zone while WPI was down to 1.34%, per the last print. RBI's forex reserves rose by US\$ 8bn to US\$ 586bn as of 14 April over 31 March this year. The US 10Y yield was largely flat in April.

Global outlook mixed: We believe US financial sector concerns will persist near term, though consumption and employment data are robust thus far; as a result, consensus estimates remain divergent. We expect secular low growth in China given structural issues within its real estate sector and a slowdown in its belt and road projects.

India outlook positive: We remain neutral near term (CY23) due to global headwinds but believe the building blocks are in place for a sustained, high growth phase in India. See our strategy note, [Clear mass premiumisation trends](#) of 14 March 23, for details. A weakening US dollar will further incentivise flows into emerging markets, including India. An inability to sign significant trade agreements with large consuming blocks/countries or sustained trade disputes will pose downside risks to the market, in our view.

Nifty valuation close to 5Y average



Source: Bloomberg, BOBCAPS Research



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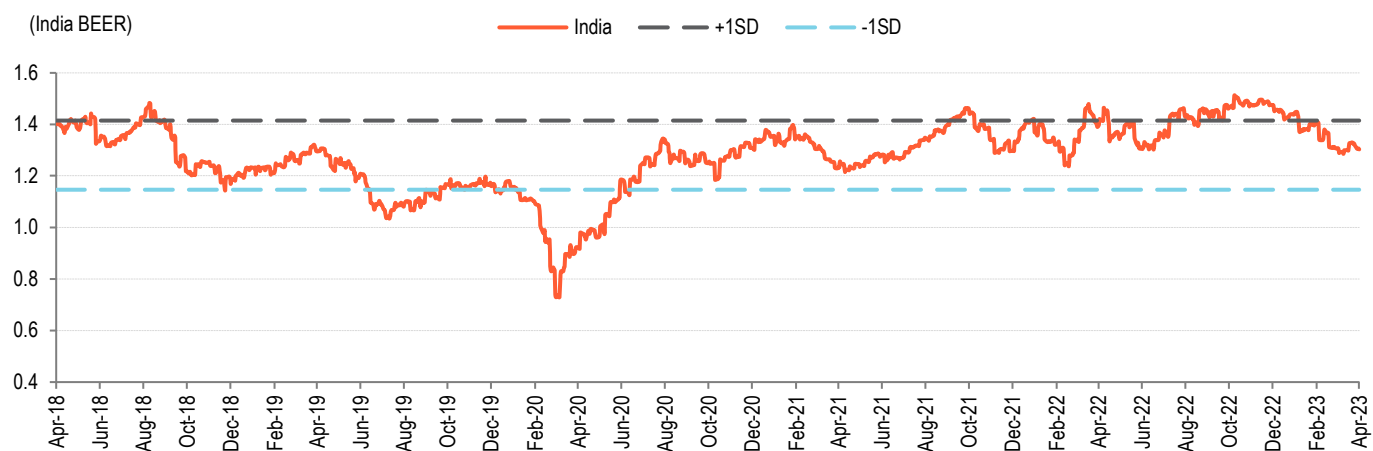
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Focus chart

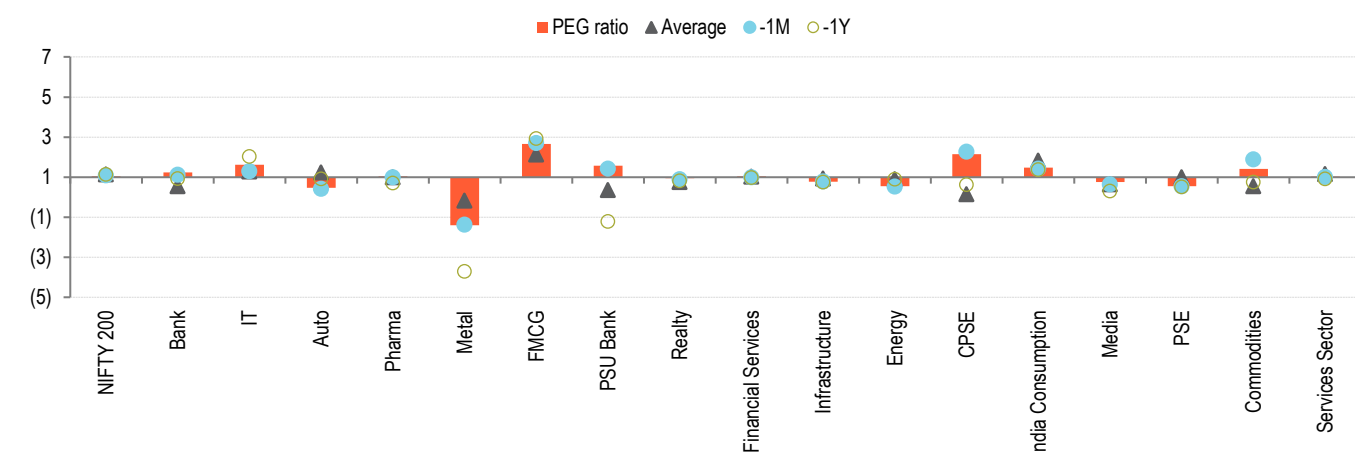
Fig 1 – India BEER (Bond Equity Earnings Yield Ratio) close to its 5Y average



Source: Refinitiv, BOBCAPS Research

Valuations and Returns: April 2023

Fig 2 – Nifty: 12M forward PEG ratio

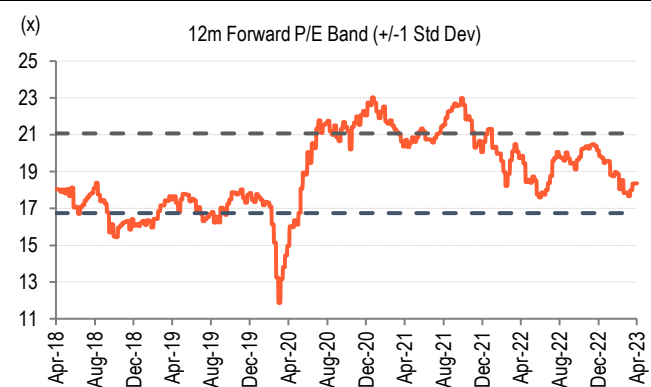


Source: Bloomberg, BOBCAPS Research | Note: We calculate PEG ratio as trailing 12M P/E divided by 12M forward earnings. We only consider numbers between -10 and 10 in our calculations.

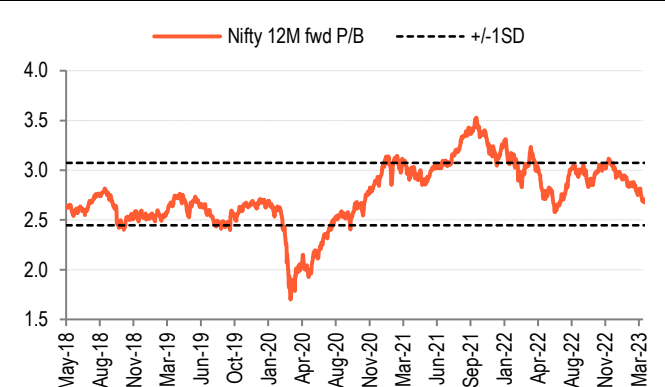
Fig 3 – Returns across Nifty and global indices (in local currency)

| (%) | 1D | 1W | 1M | 3M | 6M | YTD | 1Y | 3Y | 5Y |
|------------------------|-------|-------|------|-------|-------|-------|-------|-------|------|
| Nifty 50 | 0.8 | 2.5 | 6.6 | 2.6 | 1.6 | (0.2) | 4.8 | 92.6 | 69.0 |
| Nifty Next 50 | 1.3 | 2.8 | 6.8 | 0.7 | (6.3) | (6.3) | (8.3) | 69.1 | 29.5 |
| Nifty 200 | 1.0 | 2.5 | 6.8 | 2.2 | (0.2) | (1.6) | 2.2 | 93.6 | 61.2 |
| Nifty 500 | 1.0 | 2.5 | 7.1 | 2.3 | (0.1) | (1.5) | 2.0 | 98.4 | 61.2 |
| NIFTY Midcap 100 | 1.2 | 2.3 | 8.4 | 5.1 | 2.6 | 0.9 | 5.5 | 143.4 | 58.0 |
| NIFTY Smallcap 100 | 0.8 | 3.2 | 11.2 | 4.7 | 0.0 | (0.6) | (6.8) | 140.5 | 16.8 |
| NSE NIFTY Smallcap 250 | 1.0 | 2.9 | 10.4 | 3.9 | 0.6 | (0.9) | (2.1) | 163.9 | 41.5 |
| Nifty Dividend Opp 50 | 0.9 | 2.3 | 4.5 | 1.9 | 6.4 | 4.4 | 7.4 | 93.5 | 47.0 |
| NIFTY100 ESG | 0.6 | 1.7 | 5.3 | (1.1) | (4.2) | (4.1) | (5.2) | 80.9 | 63.7 |
| S&P 500 | 2.0 | 0.1 | 4.1 | 1.6 | 6.0 | 7.7 | (3.5) | 44.4 | 54.9 |
| Stoxx 600 | (0.2) | (1.3) | 4.2 | 1.7 | 12.7 | 9.0 | 3.6 | 35.8 | 20.4 |
| Nikke 225 | 1.4 | 1.0 | 4.9 | 5.4 | 6.5 | 10.6 | 7.5 | 46.0 | 28.4 |
| FTSE 100 | (0.1) | (1.2) | 4.5 | 0.7 | 11.0 | 5.0 | 4.2 | 31.3 | 4.3 |

Source: Bloomberg, BOBCAPS Research

Fig 4 – Nifty: 12M forward P/E

Source: Refinitiv, BOBCAPS Research

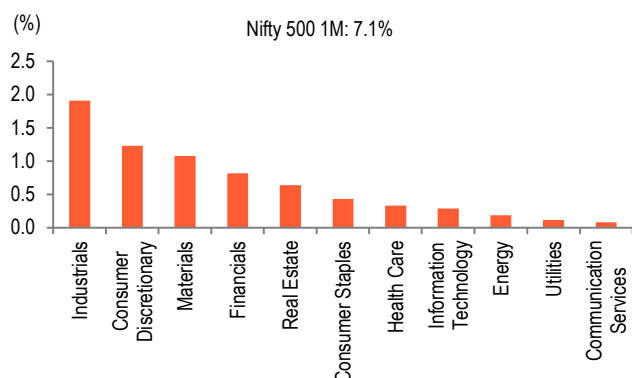
Fig 5 – Nifty: 12M forward P/B

Source: Bloomberg, BOBCAPS Research

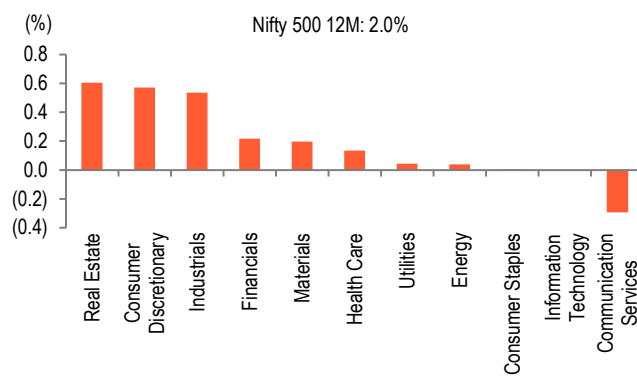
Fig 6 – Returns across sectoral Nifty indices

| (%) | 1D | 1W | 1M | 3M | 6M | YTD | 1Y | 3Y | 5Y |
|--------------------------|-----|-----|------|-------|--------|--------|--------|-------|--------|
| Nifty 50 | 0.8 | 2.5 | 6.6 | 2.6 | 1.6 | (0.2) | 4.8 | 92.6 | 69.0 |
| Nifty Bank | 0.5 | 2.6 | 9.3 | 7.2 | 5.5 | 0.6 | 18.7 | 109.2 | 70.2 |
| Nifty IT | 1.3 | 3.3 | 0.0 | (6.9) | (2.2) | (3.2) | (13.2) | 111.0 | 100.9 |
| Nifty Auto | 0.9 | 2.3 | 10.7 | 0.8 | 0.0 | 4.6 | 17.8 | 142.1 | 13.9 |
| Nifty Pharma | 0.8 | 0.5 | 6.2 | 0.8 | (3.3) | 0.1 | (6.4) | 34.4 | 40.4 |
| Nifty Metal | 0.8 | 2.1 | 8.8 | (9.2) | (1.4) | (13.7) | (8.8) | 249.0 | 54.1 |
| Nifty FMCG | 1.0 | 2.5 | 6.1 | 7.5 | 8.8 | 8.2 | 24.3 | 66.1 | 68.2 |
| Nifty PSU Bank | 2.4 | 7.3 | 16.8 | 9.1 | 21.2 | (3.5) | 48.6 | 224.7 | 48.1 |
| Nifty Realty | 0.6 | 5.1 | 19.7 | 9.2 | 2.1 | 3.1 | (0.9) | 145.2 | 40.3 |
| Nifty Financial Services | 0.3 | 2.2 | 8.5 | 6.3 | 4.8 | 1.0 | 14.7 | 92.6 | 80.5 |
| Nifty Infrastructure | 1.5 | 3.6 | 7.5 | 6.7 | 3.7 | 2.0 | 2.9 | 103.5 | 54.3 |
| Nifty Energy | 1.2 | 2.4 | 6.0 | (1.8) | (10.4) | (8.3) | (18.3) | 89.2 | 69.2 |
| Nifty CPSE | 0.4 | 1.2 | 7.7 | 8.9 | 9.3 | 9.1 | 12.4 | 131.2 | 26.8 |
| Nifty India Consumption | 0.8 | 2.2 | 6.4 | 2.5 | (4.6) | (0.7) | 4.8 | 69.8 | 48.7 |
| Nifty Media | 1.8 | 0.5 | 4.0 | (7.9) | (16.6) | (13.9) | (22.5) | 51.1 | (48.9) |
| NIFTY Private Bank | 0.3 | 2.6 | 9.1 | 6.1 | 3.6 | 0.1 | 18.4 | 94.7 | 50.3 |
| Nifty PSE | 0.7 | 2.0 | 7.0 | 7.3 | 10.0 | 7.2 | 8.0 | 104.5 | 21.7 |
| Nifty Commodities | 1.2 | 2.4 | 6.4 | 2.1 | 1.0 | (2.7) | (7.9) | 129.6 | 50.9 |
| Nifty Services Sector | 0.6 | 2.3 | 5.4 | (0.4) | (2.7) | (4.5) | 1.2 | 88.4 | 66.6 |

Source: Bloomberg, BOBCAPS Research

Fig 7 – Nifty 500: Contribution to 1M returns

Source: Bloomberg, BOBCAPS Research

Fig 8 – Nifty 500: Contribution to 12M returns

Source: Bloomberg, BOBCAPS Research

Fig 9 – 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 | 11.1 | 14.0 | 14.0 | 15.7 | 19.5 | 18.9 | 16.3 | 16.3 | 2.9 | 2.93 | 2.56 | 2.58 | 1.51 | 1.55 | 1.80 | 1.97 |
| Nifty Next 50 | 13.2 | (21.7) | (1.0) | 33.5 | 24.2 | 28.2 | 22.5 | 21.2 | 3.3 | 3.63 | 3.22 | 3.22 | 1.56 | 1.92 | 2.00 | 1.83 |
| Nifty 200 | 10.5 | 6.2 | 12.4 | 18.9 | 20.3 | 20.6 | 17.4 | 17.4 | 2.9 | 3.02 | 2.66 | 2.66 | 1.49 | 1.57 | 1.78 | 1.93 |
| Nifty 500 | 10.7 | 7.4 | 13.4 | 19.4 | 20.3 | 20.6 | 17.2 | 17.2 | 2.9 | 2.99 | 2.61 | 2.64 | 1.47 | 1.55 | 1.75 | 1.91 |
| NIFTY Midcap 100 | 10.2 | (20.4) | 44.4 | 27.6 | 23.4 | 23.6 | 18.5 | 18.3 | 2.8 | 2.98 | 2.60 | 2.60 | 1.34 | 1.47 | 1.61 | 1.83 |
| NIFTY Smallcap 100 | 5.7 | 23.4 | 16.0 | 22.1 | 15.9 | 16.9 | 13.9 | 13.9 | 2.2 | 2.30 | 1.75 | 1.75 | 1.61 | 1.56 | 1.83 | 1.83 |
| Sectors | | | | | | | | | | | | | | | | |
| Nifty Bank | 17.6 | 25.5 | 14.7 | NA | 17.4 | 15.4 | 15.4 | NA | 2.3 | 2.28 | 1.93 | 1.93 | 0.90 | 1.09 | 1.26 | 1.29 |
| Nifty IT | 12.8 | 4.4 | 15.0 | 23.4 | 23.2 | 21.6 | 19.1 | 17.5 | 5.6 | 5.47 | 4.98 | 4.69 | 2.33 | 2.79 | 3.40 | 3.76 |
| Nifty Auto | 1.8 | 95.6 | 74.3 | 26.6 | 21.0 | 22.6 | 17.9 | 17.9 | 2.7 | 3.24 | 2.87 | 2.87 | 1.39 | 1.40 | 1.68 | 1.68 |
| Nifty Pharma | 6.0 | 28.7 | 14.2 | 24.9 | 22.9 | 23.3 | 19.8 | 18.8 | 3.1 | 3.22 | 2.85 | 2.50 | 0.74 | 0.87 | 0.94 | 1.00 |
| Nifty Metal | 19.9 | (31.7) | (5.1) | (78.1) | 9.4 | 11.9 | 9.6 | 54.9 | 1.3 | 1.51 | 1.35 | 1.35 | 3.36 | 3.76 | 3.41 | 3.41 |
| Nifty FMCG | 10.1 | 14.6 | 12.0 | 29.2 | 33.7 | 39.0 | 34.0 | 30.2 | 8.3 | 9.70 | 9.07 | 8.09 | 2.06 | 2.00 | 2.24 | 2.46 |
| Nifty PSU Bank | 22.5 | (2.3) | 35.7 | NA | 9.2 | 9.1 | 9.3 | NA | 0.9 | 1.01 | NA | NA | 1.98 | 2.51 | 2.88 | 2.25 |
| Nifty Realty | 11.7 | 42.8 | 36.5 | 75.2 | 30.8 | 32.3 | 25.0 | 18.5 | 2.4 | 3.23 | 2.93 | 2.30 | 0.56 | 0.44 | 0.51 | 0.80 |
| Nifty Financial Services | 17.9 | 14.3 | 18.4 | NA | 20.6 | 17.2 | 17.2 | NA | 3.1 | 2.87 | 2.41 | 2.41 | 0.90 | 1.01 | 1.14 | 1.30 |
| Nifty Infrastructure | 17.0 | (5.6) | 19.8 | 343.0 | 17.0 | 17.5 | 14.9 | 4.0 | 1.9 | 2.14 | 1.94 | 1.92 | 1.89 | 1.75 | 1.96 | 1.98 |
| Nifty Energy | 13.5 | (3.9) | 17.5 | 12.9 | 10.7 | 10.9 | 9.6 | 9.6 | 1.3 | 1.42 | 1.25 | 1.25 | 3.27 | 3.93 | 4.13 | 3.84 |
| Nifty CPSE | 16.9 | 23.8 | 2.4 | 1.4 | 6.8 | 7.3 | 7.2 | 7.2 | 1.0 | 1.25 | 1.15 | 1.15 | 6.64 | 6.37 | 6.43 | 6.43 |
| Nifty India Consumption | (16.1) | 5.8 | 25.7 | 18.9 | 27.8 | 34.9 | 29.9 | 29.3 | 4.7 | 5.76 | 5.25 | 5.25 | 60.53 | 1.45 | 1.66 | 1.74 |
| Nifty Media | (2.0) | (375.9) | 27.9 | 133.4 | 19.0 | 22.8 | 17.0 | 9.7 | 2.5 | 2.39 | 2.13 | 2.10 | 1.74 | 1.54 | 1.75 | 1.75 |
| Nifty PSE | 9.7 | (21.1) | 12.8 | 10.5 | 7.9 | 8.6 | 7.8 | 7.8 | 1.1 | 1.29 | 1.18 | 1.18 | 5.49 | 5.36 | 5.68 | 5.68 |
| Nifty Commodities | 13.0 | (16.3) | 4.9 | (36.2) | 10.9 | 12.5 | 10.7 | 19.6 | 1.4 | 1.59 | 1.42 | 1.42 | 2.77 | 2.83 | 2.87 | 2.80 |
| Nifty Services Sector | 12.5 | 16.5 | 14.0 | 17.8 | 20.6 | 18.1 | 15.4 | 15.4 | 3.3 | 3.14 | 2.69 | 2.69 | 1.40 | 1.56 | 1.84 | 2.00 |

Source: Bloomberg, BOBCAPS Research

Fig 10 – NSE 500: Best performing stocks in April 2023

| Company | Sector | Industry | Market cap (Rs mn) | 1M (%) | 3M (%) | 1Y (%) |
|------------------------------|------------------------|--------------------------------|-----------------------|-----------|-----------|-----------|
| Fertilisers & Chem Travancor | Materials | Chemicals | 222,010 | 74.12 | 15.70 | 163.92 |
| Rail Vikas Nigam | Industrials | Construction & Engineering | 224,244 | 62.46 | 47.53 | 216.79 |
| Indiabulls Real Estate | Real Estate | Real Estate Management & Devel | 39,434 | 55.06 | 7.22 | (19.82) |
| Raymond | Consumer Discretionary | Textiles, Apparel & Luxury Goo | 106,002 | 43.55 | 8.92 | 91.55 |
| Welspun India | Consumer Discretionary | Textiles, Apparel & Luxury Goo | 86,554 | 39.49 | 28.07 | (0.28) |
| Gujarat State Fert & Chemica | Materials | Chemicals | 63,338 | 36.15 | 26.86 | (9.53) |
| Anupam Rasayan India | Materials | Chemicals | 121,360 | 35.86 | 89.32 | 33.42 |
| Central Bank Of India | Financials | Banks | 263,467 | 34.00 | 6.30 | 61.01 |
| UCO Bank | Financials | Banks | 359,874 | 33.48 | 5.99 | 154.01 |
| Bombay Burmah Trading Corp | Consumer Staples | Food Products | 72,357 | 31.92 | 17.13 | 3.57 |
| Borosil Renewables | Information Technology | Semiconductors & Semiconductor | 66,750 | 30.95 | 10.07 | (26.51) |
| Bank Of Maharashtra | Financials | Banks | 203,261 | 30.74 | 8.83 | 66.85 |
| Godrej Properties | Real Estate | Real Estate Management & Devel | 365,668 | 29.78 | 10.86 | (17.22) |
| Adani Power | Utilities | Independent Power and Renewabl | 867,233 | 29.34 | (9.32) | (20.90) |
| Tanla Platforms | Information Technology | Software | 90,888 | 29.29 | 4.58 | (54.57) |
| Zomato | Consumer Discretionary | Hotels, Restaurants & Leisure | 555,123 | 29.15 | 38.23 | (12.12) |
| BSE | Financials | Capital Markets | 70,834 | 28.22 | 1.96 | (39.13) |
| JBM Auto | Consumer Discretionary | Automobile Components | 94,911 | 27.81 | 52.62 | 53.08 |
| Data Patterns India | Industrials | Aerospace & Defense | 93,099 | 27.74 | 42.94 | 98.42 |
| Mangalore Refinery & Petro | Energy | Oil, Gas & Consumable Fuels | 112,604 | 26.60 | 11.06 | (6.88) |
| Gujarat Ambuja Exports | Consumer Staples | Food Products | 66,771 | 26.59 | 25.28 | (9.03) |
| NBCC India | Industrials | Construction & Engineering | 70,740 | 26.37 | 10.08 | 2.48 |
| IDBI Bank | Financials | Banks | 587,619 | 26.21 | 7.05 | 17.91 |
| Laxmi Organic Industries | Materials | Chemicals | 74,554 | 25.35 | 3.06 | (34.20) |
| Glenmark Pharmaceuticals | Health Care | Pharmaceuticals | 158,988 | 25.34 | 47.79 | 28.29 |

Source: Bloomberg, BOBCAPS Research

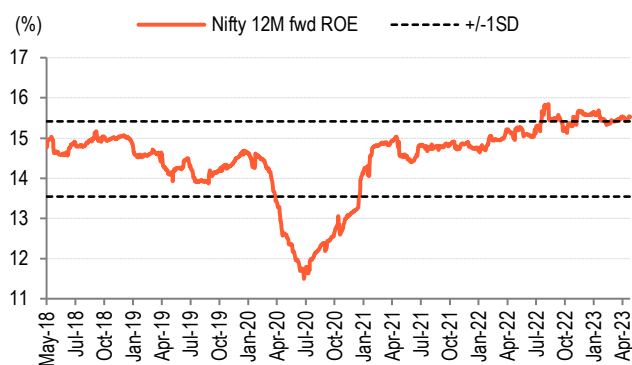
Fig 11 – NSE 500: Worst performing stocks in April 2023

| Company | Sector | Industry | Market cap (Rs mn) | 1M (%) | 3M (%) | 1Y (%) |
|------------------------------|------------------------|--------------------------------|-----------------------|-----------|-----------|-----------|
| Brightcom Group | Communication Services | Interactive Media & Services | 18,868 | (43.67) | (64.18) | (88.31) |
| Orient Electric | Consumer Discretionary | Household Durables | 47,387 | (17.26) | (15.95) | (32.64) |
| Archean Chemical Industries | Materials | Chemicals | 67,784 | (15.47) | (11.34) | NA |
| Aavas Financiers | Financials | Financial Services | 109,668 | (14.29) | (26.61) | (39.59) |
| Crompton Greaves Consumer | Consumer Discretionary | Household Durables | 162,144 | (13.61) | (20.37) | (33.27) |
| IPCA Laboratories | Health Care | Pharmaceuticals | 180,135 | (10.28) | (16.60) | (30.77) |
| Infosys | Information Technology | IT Services | 5,197,451 | (9.06) | (17.54) | (20.84) |
| Rajesh Exports | Consumer Discretionary | Textiles, Apparel & Luxury Goo | 164,740 | (7.39) | (33.72) | (11.18) |
| Vijaya Diagnostic Centre | Health Care | Health Care Providers & Servic | 38,532 | (6.59) | (7.34) | (19.65) |
| Route Mobile | Information Technology | Software | 79,350 | (6.59) | 5.46 | (20.76) |
| Zee Entertainment Enterprise | Communication Services | Media | 188,982 | (5.77) | (8.64) | (23.02) |
| Aia Engineering | Industrials | Machinery | 256,434 | (5.57) | 4.62 | 42.37 |
| Godrej Consumer Products | Consumer Staples | Personal Care Products | 928,103 | (5.33) | 0.04 | 13.01 |
| Multi Commodity Exch India | Financials | Capital Markets | 71,367 | (4.88) | (6.59) | 0.98 |
| Hindustan Zinc | Materials | Metals & Mining | 1,328,229 | (4.39) | (9.24) | (2.24) |
| Tech Mahindra | Information Technology | IT Services | 997,250 | (4.35) | (0.62) | (16.87) |
| Keystone Realtors | Real Estate | Real Estate Management & Devel | 48,631 | (4.31) | (13.40) | NA |
| Kalyan Jewellers India | Consumer Discretionary | Textiles, Apparel & Luxury Goo | 105,786 | (4.15) | (7.48) | 66.45 |
| Radico Khaitan | Consumer Staples | Beverages | 150,684 | (4.14) | 5.93 | 24.39 |
| Fsn E-Commerce Ventures | Consumer Discretionary | Specialty Retail | 349,710 | (4.03) | (2.62) | (57.04) |
| 360 One Wam | Financials | Capital Markets | 149,504 | (3.69) | (10.26) | (1.54) |
| Shree Cement | Materials | Construction Materials | 878,005 | (3.41) | 11.11 | (5.95) |
| Teamlease Services | Industrials | Professional Services | 36,413 | (3.40) | (5.10) | (45.42) |
| Ltimindtree | Information Technology | IT Services | 1,307,374 | (2.97) | 0.46 | (9.55) |
| KNR Constructions | Industrials | Construction & Engineering | 67,553 | (2.69) | (1.74) | (13.29) |

Source: Bloomberg, BOBCAPS Research

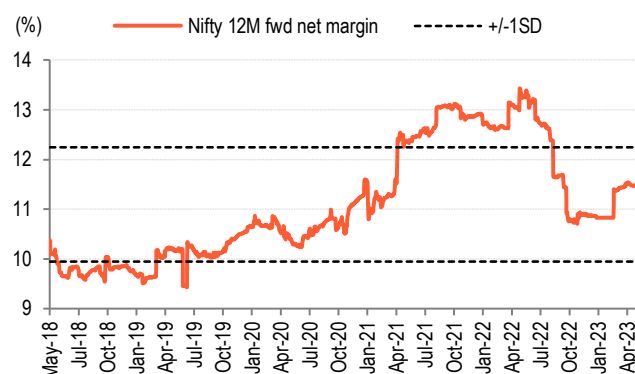
Index fundamentals

Fig 12 – Nifty: 12M forward ROE



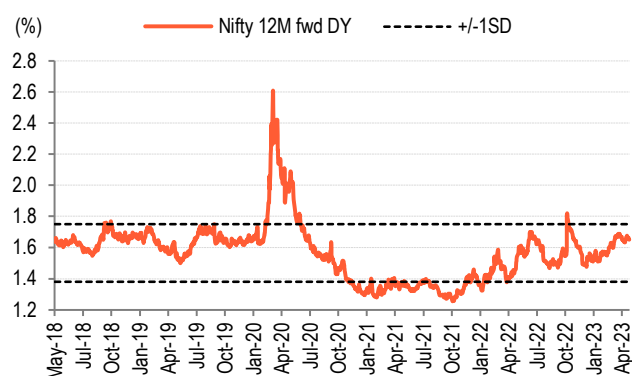
Source: Bloomberg, BOBCAPS Research

Fig 13 – Nifty: 12M forward net margin



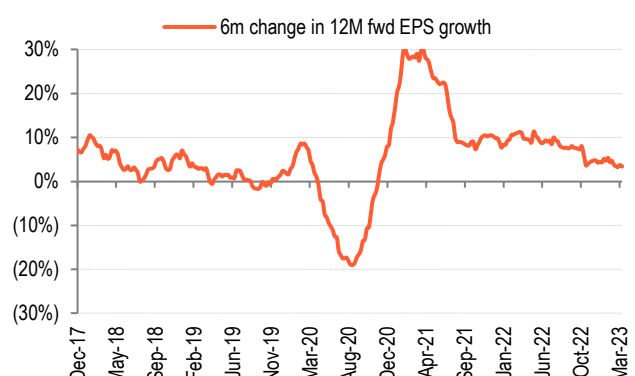
Source: Bloomberg, BOBCAPS Research

Fig 14 – Nifty: 12M forward dividend yield



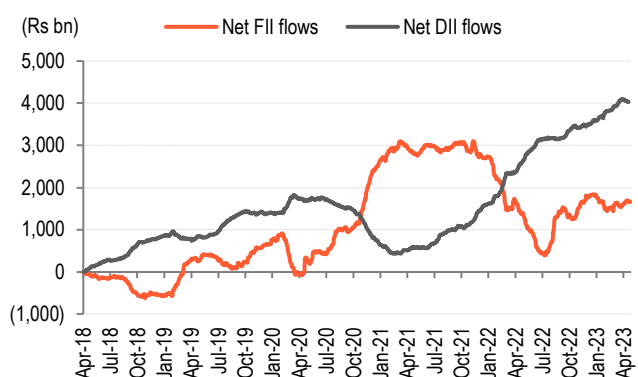
Source: Bloomberg, BOBCAPS Research

Fig 15 – Nifty: 6M change in EPS growth



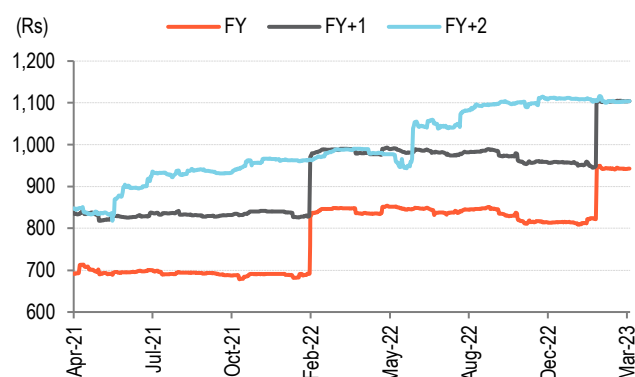
Source: Bloomberg, BOBCAPS Research

Fig 16 – Flows in India (5Y)



Source: Bloomberg, BOBCAPS Research

Fig 17 – Nifty50: EPS consensus forecast



Source: Bloomberg, BOBCAPS Research

Yields, Exchange rates and Commodities

US GDP growth came in at 1.1% for the January-March quarter (vs. 2.4% in Q4CY22), below Bloomberg consensus of 1.9%. US core CPI (excluding food and energy) remains sticky, coming in at 5.6% for the month of March, in line with expectations. The US 10-year yield was largely flat at 3.48% in April while India's 10-year yield has declined ~20bps to 7.1%. Note, the current Fed Fund rate is at 4.75-5% with the effective rate at 4.83%. India's repo rate stands at 6.5%.

Commodities had a mixed month with prices of precious metals such as gold and silver increasing by 1.5% and 8% respectively in April over the previous month, while oil was largely flat. Natural gas (Henry Hub) jumped 18% during the month, though the European gas price (Dutch TTF) was down 17%. Asian LNG was largely flat during the month at ~US\$ 12/Mmbtu. Amongst metals, aluminium and copper prices slipped whereas steel fell sharply by more than 10% and iron ore was down ~4% in April.

The INR strengthened by 0.4% against the USD during the month. The Dollar Index was down by ~0.4% too.

Fig 18 – Yields

| (%) | 1D | 1W | 1M | 3M | 6M | YTD | 1Y | 3Y | 5Y |
|---------------------------|------|------|------|------|------|------|------|--------|------|
| India 10y yield | 7.10 | 7.16 | 7.31 | 7.39 | 7.42 | 7.33 | 7.16 | 6.13 | 7.77 |
| India AAA corporate yield | 7.62 | 7.69 | 7.81 | 7.82 | 7.74 | 7.72 | 7.33 | 7.47 | 8.48 |
| India AA corporate yield | 8.31 | 8.38 | 8.58 | 8.61 | 8.55 | 8.52 | 8.06 | 8.12 | 9.05 |
| US 10y yield | 3.52 | 3.57 | 3.57 | 3.50 | 4.01 | 3.87 | 2.82 | 0.61 | 2.96 |
| EU 10y yield | 2.46 | 2.48 | 2.29 | 2.24 | 2.10 | 2.57 | 0.90 | (0.47) | 0.57 |
| Japan 10y yield | 0.47 | 0.47 | 0.36 | 0.49 | 0.25 | 0.42 | 0.23 | (0.04) | 0.06 |

Source: Bloomberg, BOBCAPS Research

Fig 19 – Exchange rates

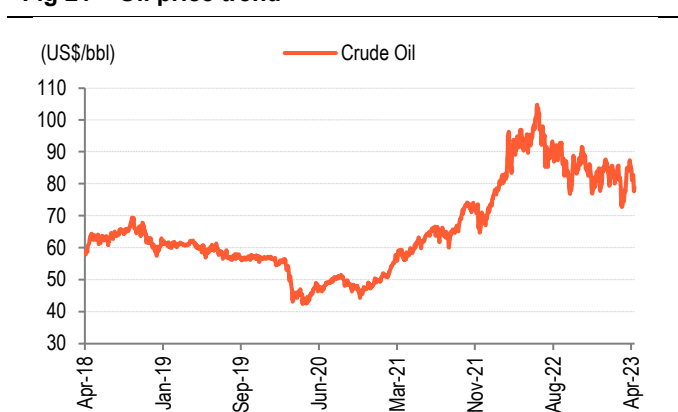
| (%) | Current | 1D | 1W | 1M | 3M | 6M | YTD | 1Y | 3Y | 5Y |
|--------|---------|-------|-------|-------|-------|-------|-------|--------|-------|--------|
| USDINR | 81.8 | 0.0 | 0.3 | 0.4 | (0.4) | 0.8 | 1.1 | (6.5) | (6.9) | (18.5) |
| EURINR | 89.9 | 0.5 | 0.0 | (1.1) | (1.2) | (8.7) | (2.0) | (10.5) | (8.0) | (10.4) |
| JPYINR | 0.6 | 1.4 | 2.0 | 4.3 | 4.0 | (7.1) | 4.3 | (2.9) | 18.4 | 1.4 |
| GBPINR | 101.9 | (0.1) | (0.2) | (0.9) | (0.9) | (6.7) | (2.4) | (6.1) | (6.8) | (9.9) |

Source: Bloomberg, BOBCAPS Research

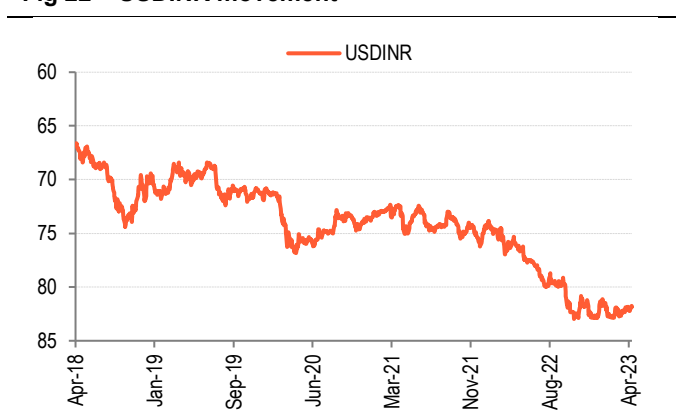
Fig 20 – Commodity price trend

| (%) | Current | 1D | 1W | 1M | 3M | 6M | YTD | 1Y | 3Y | 5Y |
|--------------------------------|----------|-------|-------|--------|--------|--------|--------|--------|-------|--------|
| Energy | | | | | | | | | | |
| NYM WTI Crude (USD/bbl.) | 74.89 | 0.2 | (3.8) | 2.1 | (6.5) | (7.2) | (6.6) | (13.6) | 97.7 | 47.9 |
| ICE Brent Crude (USD/bbl.) | 78.86 | 0.6 | (3.4) | 0.9 | (7.8) | (9.0) | (7.0) | (14.0) | 84.3 | 36.6 |
| ICE ARA Gasoil (USD/MT) | 681.75 | (0.8) | (5.8) | (10.8) | (20.7) | (23.7) | (18.1) | (20.8) | 70.4 | 19.6 |
| NYM NYH Gasoline (USD/gal.) | 253.7 | 0.1 | (2.5) | (5.4) | (7.4) | (3.5) | (3.2) | (7.5) | 121.1 | NA |
| NYM NYH Heating Oil (USD/gal.) | 235.1 | (0.1) | (5.5) | (11.1) | (20.6) | (24.9) | (21.1) | (21.3) | 76.8 | NA |
| NYM HH Nat Gas (USD/MMBtu) | 2.31 | (2.0) | (4.2) | (3.3) | (26.2) | (50.2) | (43.0) | (45.8) | 0.0 | (16.0) |
| ICE NBP Nat Gas (USD/MMBtu) | 93.68 | 2.1 | (3.9) | (13.0) | (34.1) | (69.6) | (53.6) | (43.1) | 173.4 | 135.0 |
| Metals | | | | | | | | | | |
| LME Aluminums (USD/MT) | 2319 | (0.3) | (4.2) | (1.9) | (11.7) | 1.4 | (2.5) | (25.0) | 53.9 | 4.3 |
| LME Coppers (USD/MT) | 8,586.5 | 0.4 | (3.3) | (4.2) | (7.3) | 10.6 | 2.6 | (12.9) | 65.2 | 26.3 |
| SGX Iron Ore (USD/MT) | 104.9 | 1.0 | (2.9) | (13.5) | (15.8) | 37.1 | (7.9) | (22.7) | 76.4 | NA |
| LME Nickel (USD/MT) | 24,099 | 1.9 | (3.8) | 1.1 | (16.6) | 7.7 | (19.8) | (27.6) | 96.8 | 73.6 |
| Steel China (CNY/MT) | 3,968 | (0.6) | (4.5) | (8.8) | (5.4) | 4.5 | (4.3) | (22.6) | 18.0 | (3.5) |
| Spot Gold | 1,983 | (0.2) | 0.0 | 0.5 | 3.1 | 20.6 | 8.7 | 4.7 | 16.1 | 49.8 |
| Spot Silver | 24.9 | (0.3) | (0.9) | 6.5 | 5.3 | 29.1 | 3.8 | 7.3 | 63.9 | 50.5 |
| Agriculture | | | | | | | | | | |
| CME Live Cattle (USD/lb.) | 165.2 | 0.4 | 0.5 | 4.0 | 4.7 | 6.7 | 4.7 | 9.5 | NA | NA |
| ICE Coffee (USD/lb.) | 186.45 | (0.9) | (2.6) | 7.8 | 10.1 | 12.2 | 11.9 | (12.2) | NA | NA |
| CBT Corn (USD/bu.) | 580.5 | (0.2) | (5.6) | (7.8) | (12.8) | (14.7) | (13.6) | (22.8) | NA | NA |
| ICE Cotton (USD/lb.) | 80.9 | 0.6 | 0.9 | (2.5) | (7.9) | 11.7 | (3.0) | (25.7) | NA | NA |
| CBT Soybeans (USD/bu.) | 1,411.75 | 0.6 | (2.6) | (2.3) | (5.6) | (0.5) | (7.9) | (6.1) | NA | NA |
| ICE Sugar (USD/lb.) | 26.04 | (1.2) | 7.0 | 25.0 | 38.6 | 60.8 | 44.8 | 42.8 | NA | NA |
| CBT SRW Wheat (USD/bu.) | 631.25 | 0.3 | (6.2) | (11.3) | (16.9) | (26.7) | (21.4) | (39.0) | NA | NA |

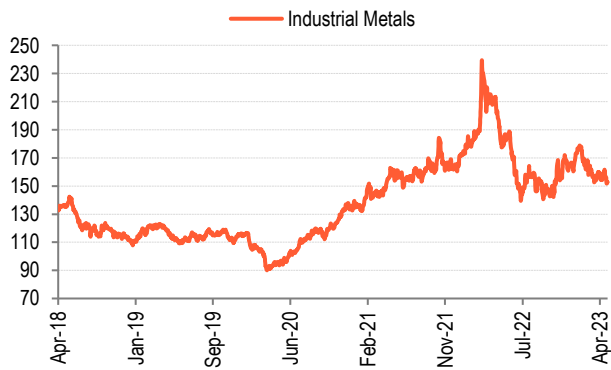
Source: Bloomberg, BOBCAPS Research

Fig 21 – Oil price trend

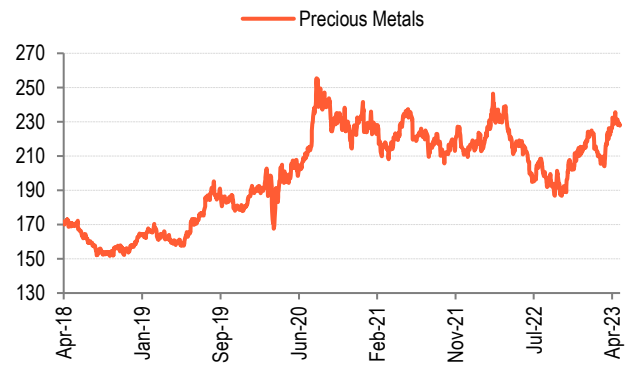
Source: Bloomberg, BOBCAPS Research

Fig 22 – USDINR movement

Source: Bloomberg, BOBCAPS Research

Fig 23 – Industrial metals price trend

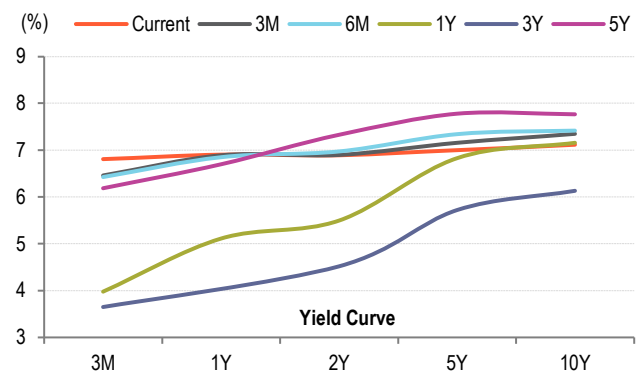
Source: Bloomberg, BOBCAPS Research

Fig 24 – Precious metals price trend

Source: Bloomberg, BOBCAPS Research

Fig 25 – India 10Y bond yield

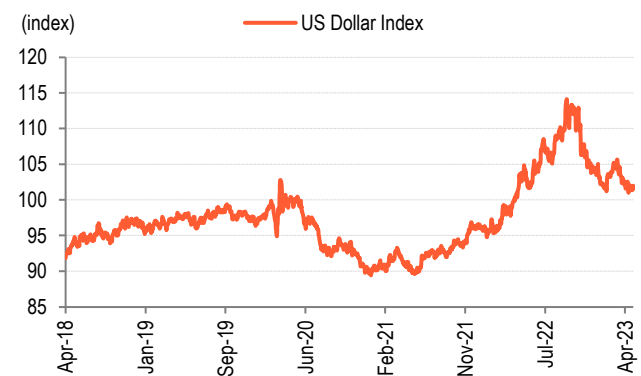
Source: Bloomberg, BOBCAPS Research

Fig 26 – India yield curve

Source: Bloomberg, BOBCAPS Research

Fig 27 – US 10Y yield

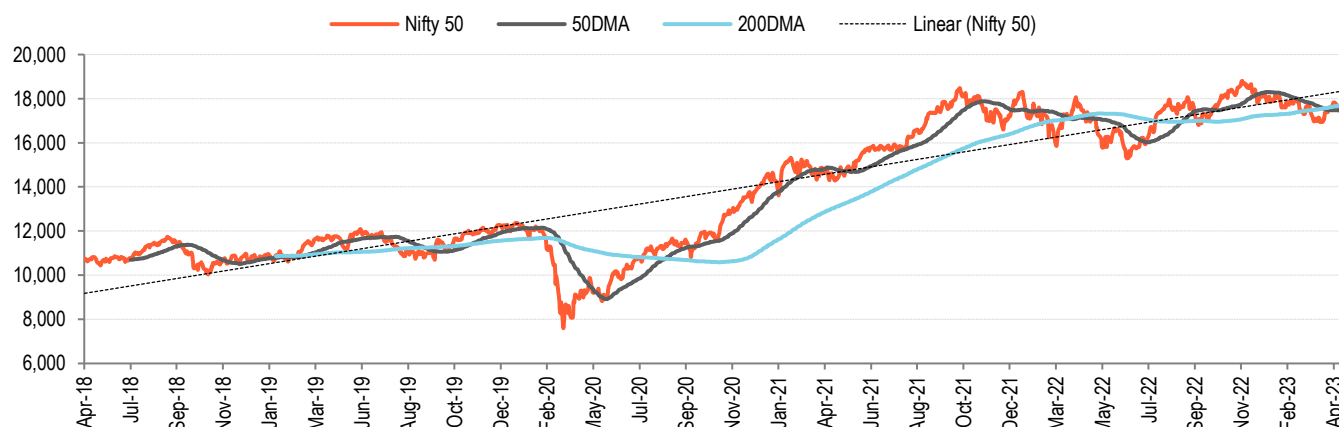
Source: Bloomberg, BOBCAPS Research

Fig 28 – US Dollar index

Source: Bloomberg, BOBCAPS Research

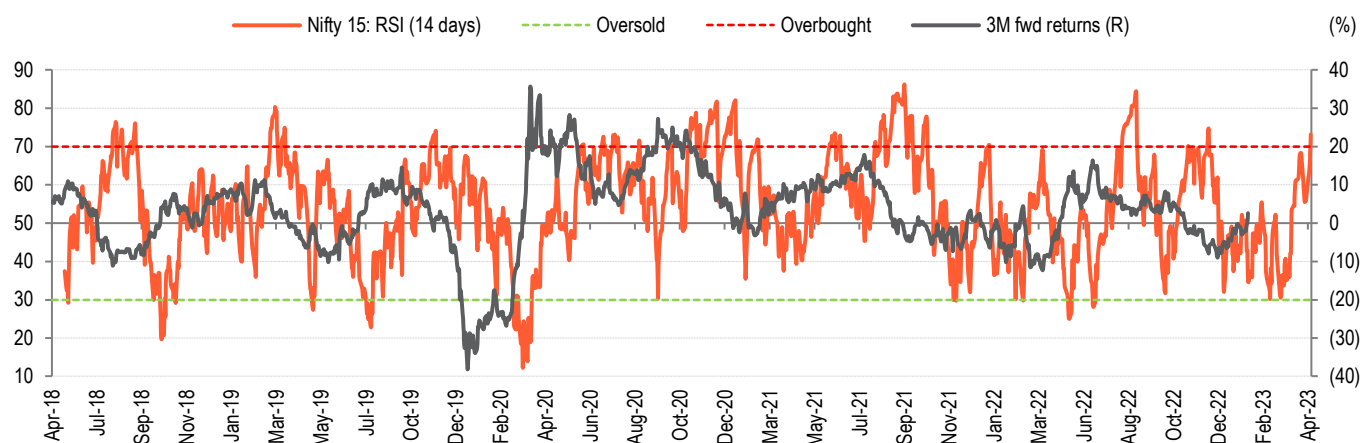
Technical trends

Fig 29 – Nifty 50: Moving averages



Source: Bloomberg, BOBCAPS Research

Fig 30 – Nifty 50: Relative Strength Index (RSI)



Source: Bloomberg, BOBCAPS Research

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

| Sector (Rs bn) | 1M | 3M | 6M |
|------------------------|-------|------|------|
| Communication Services | 3.1 | 3.5 | 4.0 |
| Consumer Discretionary | 19.3 | 18.8 | 19.8 |
| Consumer Staples | 11.6 | 12.3 | 11.5 |
| Energy | 18.3 | 20.7 | 19.1 |
| Financials | 114.0 | 91.1 | 77.0 |
| Health Care | 10.0 | 9.5 | 9.8 |
| Industrials | 15.0 | 34.5 | 25.2 |
| Information Technology | 27.5 | 24.5 | 23.0 |
| Materials | 13.4 | 16.3 | 17.5 |
| Utilities | 3.7 | 4.3 | 4.0 |
| Nifty 50 | 236 | 236 | 211 |

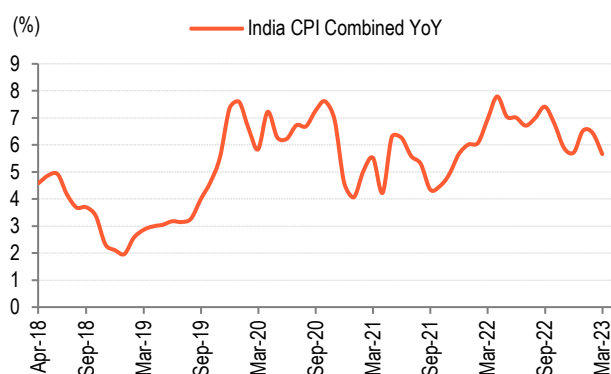
Source: Bloomberg, BOBCAPS Research

Fig 32 – Nifty 50: Stock-wise average daily traded value

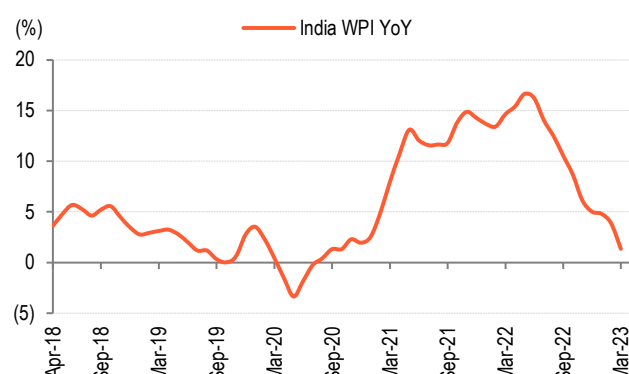
| Company (Rs bn) | Sector | Industry | Market cap | 1M | 3M | 6M |
|---------------------|------------------------|--------------------------------|------------|------|------|------|
| Adani Enterprise | Industrials | Trading Companies & Distributo | 2,194 | 7.0 | 19.2 | 13.3 |
| Adani Ports And | Industrials | Transportation Infrastructure | 1,472 | 3.7 | 10.5 | 7.6 |
| Apollo Hospitals | Health Care | Health Care Providers & Servic | 649 | 2.0 | 1.9 | 2.1 |
| Asian Paints | Materials | Chemicals | 2,784 | 2.6 | 2.8 | 2.9 |
| Axis Bank | Financials | Banks | 2,647 | 15.6 | 10.7 | 9.1 |
| Bajaj Finance | Financials | Consumer Finance | 3,802 | 6.4 | 6.6 | 6.6 |
| Bharti Airtel | Communication Services | Wireless Telecommunication Ser | 4,618 | 3.1 | 3.5 | 4.0 |
| Bajaj Auto | Consumer Discretionary | Automobiles | 1,282 | 1.9 | 1.6 | 1.3 |
| Bajaj Finserv | Financials | Financial Services | 2,158 | 2.0 | 2.4 | 2.9 |
| Bharat Petrol | Energy | Oil, Gas & Consumable Fuels | 776 | 1.1 | 1.2 | 1.1 |
| Britannia Inds | Consumer Staples | Food Products | 1,097 | 1.3 | 1.4 | 1.4 |
| Cipla | Health Care | Pharmaceuticals | 733 | 2.2 | 2.0 | 1.8 |
| Coal India | Energy | Oil, Gas & Consumable Fuels | 1,437 | 1.2 | 1.4 | 1.7 |
| Divi Labs | Health Care | Life Sciences Tools & Services | 868 | 2.2 | 1.8 | 1.8 |
| Dr Reddy's Labs | Health Care | Pharmaceuticals | 821 | 1.7 | 1.6 | 1.7 |
| Eicher Motors | Consumer Discretionary | Automobiles | 903 | 2.1 | 1.9 | 2.1 |
| Grasim Inds | Materials | Construction Materials | 1,133 | 1.0 | 0.9 | 1.0 |
| HCL Tech | Information Technology | IT Services | 2,888 | 3.2 | 3.3 | 3.3 |
| Housing Dev Fin | Financials | Financial Services | 5,092 | 10.2 | 8.8 | 7.9 |
| HDFC Bank | Financials | Banks | 9,418 | 29.3 | 19.7 | 14.9 |
| HDFC Life Insura | Financials | Insurance | 1,139 | 2.3 | 2.6 | 2.2 |
| Hero Motocorp | Consumer Discretionary | Automobiles | 511 | 1.2 | 1.0 | 1.1 |
| Hindalco Inds | Materials | Metals & Mining | 980 | 2.2 | 2.6 | 3.1 |
| Hindustan Unilev | Consumer Staples | Personal Care Products | 5,774 | 3.7 | 3.6 | 3.6 |
| ICICI Bank | Financials | Banks | 6,409 | 24.8 | 16.9 | 13.5 |
| IndusInd Bank | Financials | Banks | 894 | 3.9 | 4.3 | 3.8 |
| Infosys | Information Technology | IT Services | 5,197 | 13.0 | 10.2 | 9.4 |
| ITC | Consumer Staples | Tobacco | 5,289 | 3.9 | 5.2 | 4.3 |
| JSW Steel | Materials | Metals & Mining | 1,753 | 1.0 | 1.2 | 1.4 |
| Kotak Mahindra | Financials | Banks | 3,850 | 6.3 | 6.9 | 6.1 |
| Larsen & Toubro | Industrials | Construction & Engineering | 3,323 | 4.2 | 4.8 | 4.3 |
| Mahindra & Mahindra | Consumer Discretionary | Automobiles | 1,526 | 2.6 | 3.0 | 3.0 |
| Maruti Suzuki | Consumer Discretionary | Automobiles | 2,595 | 3.9 | 3.6 | 4.4 |
| Nestle India | Consumer Staples | Food Products | 2,098 | 1.6 | 1.3 | 1.2 |
| NTPC | Utilities | Independent Power and Renewabl | 1,668 | 1.9 | 2.2 | 2.0 |
| Oil & Natural Ga | Energy | Oil, Gas & Consumable Fuels | 2,000 | 1.7 | 1.6 | 1.8 |
| Power Grid Corp | Utilities | Electric Utilities | 1,655 | 1.8 | 2.2 | 2.0 |
| Reliance Inds | Energy | Oil, Gas & Consumable Fuels | 16,377 | 14.4 | 16.5 | 14.5 |
| SBI Life Insurance | Financials | Insurance | 1,141 | 1.1 | 1.6 | 1.4 |
| State Bank Ind | Financials | Banks | 5,161 | 12.0 | 10.6 | 8.6 |
| Sun Pharma Indu | Health Care | Pharmaceuticals | 2,370 | 2.0 | 2.2 | 2.3 |
| Tata Steel | Materials | Metals & Mining | 1,319 | 3.1 | 4.7 | 5.1 |
| Tata Consumer | Consumer Staples | Food Products | 710 | 1.1 | 0.9 | 0.9 |
| Tata Consultancy | Information Technology | IT Services | 11,779 | 7.6 | 6.5 | 6.0 |
| Tech Mahindra | Information Technology | IT Services | 997 | 2.2 | 3.1 | 2.7 |
| Titan Co | Consumer Discretionary | Textiles, Apparel & Luxury Goo | 2,345 | 2.1 | 2.4 | 2.5 |
| Tata Motors | Consumer Discretionary | Automobiles | 1,737 | 5.5 | 5.1 | 5.5 |
| UPL | Materials | Chemicals | 556 | 1.2 | 1.4 | 1.4 |
| Ultratech Cement | Materials | Construction Materials | 2,181 | 2.4 | 2.7 | 2.6 |
| Wipro | Information Technology | IT Services | 2,113 | 1.4 | 1.3 | 1.7 |

Source: Bloomberg, BOBCAPS Research

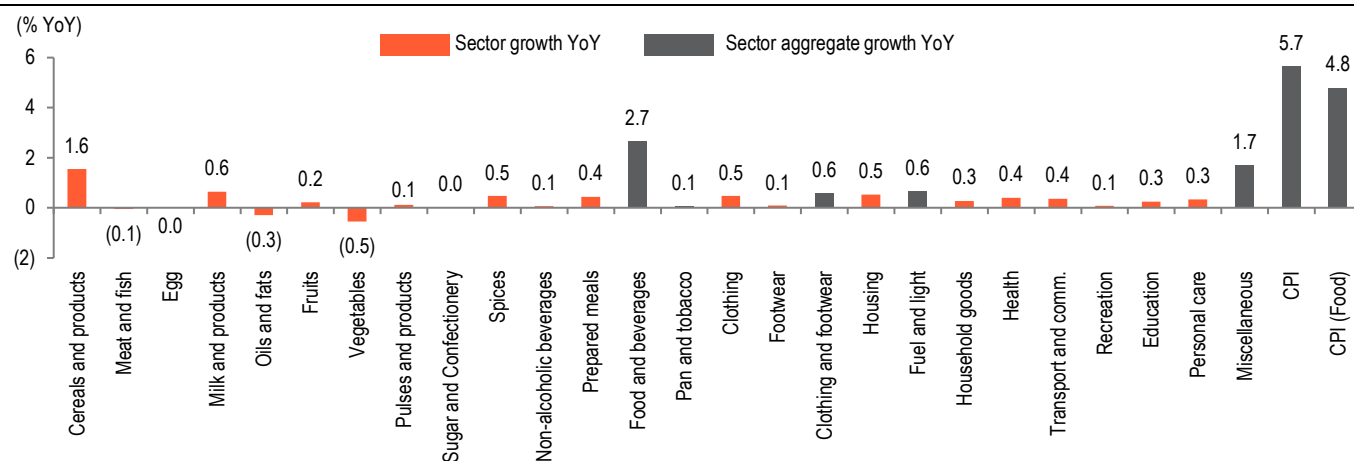
Macroeconomic indicators: March 2023

Fig 33 – Consumer price index


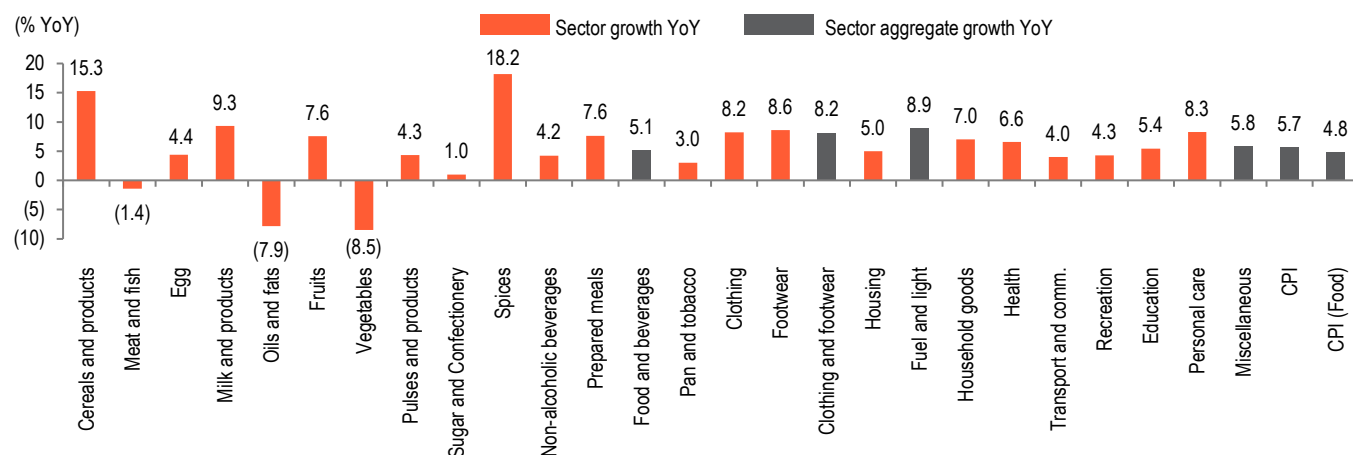
Source: Bloomberg, BOBCAPS Research

Fig 34 – Wholesale price index


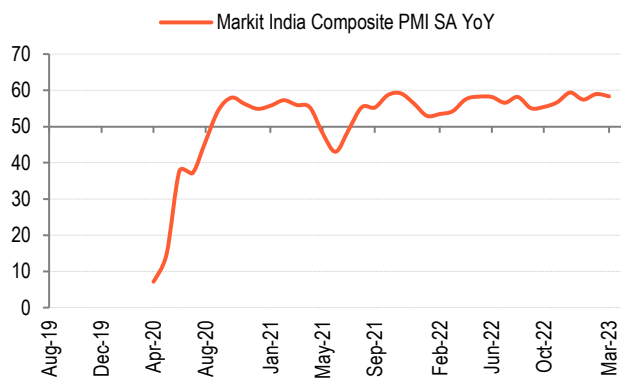
Source: Bloomberg, BOBCAPS Research

Fig 35 – Contribution to CPI (Mar'23)


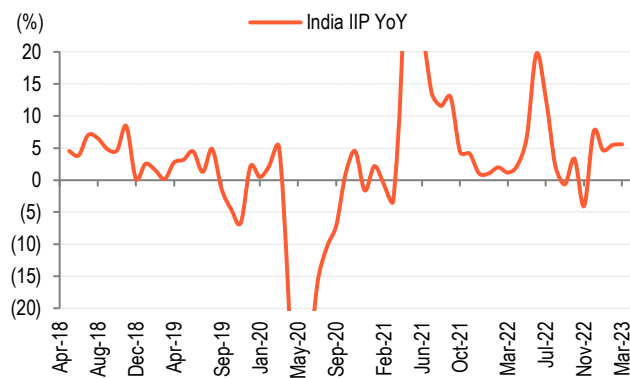
Source: Bloomberg, BOBCAPS Research

Fig 36 – Actual CPI (Mar'23)


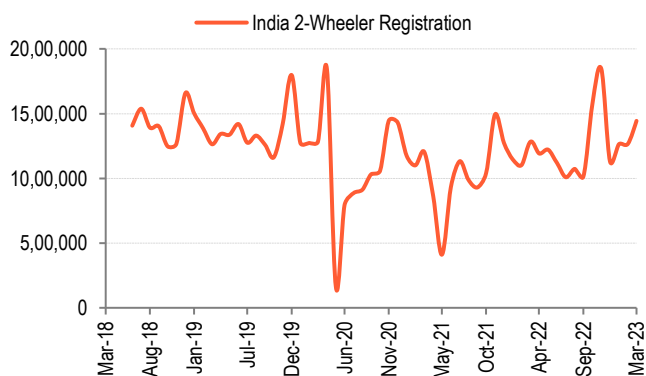
Source: Bloomberg, BOBCAPS Research

Fig 37 – Purchasing Managers' Index

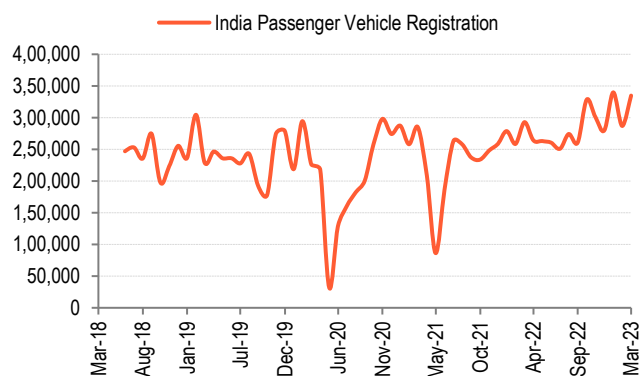
Source: Bloomberg, BOBCAPS Research

Fig 38 – Industrial production

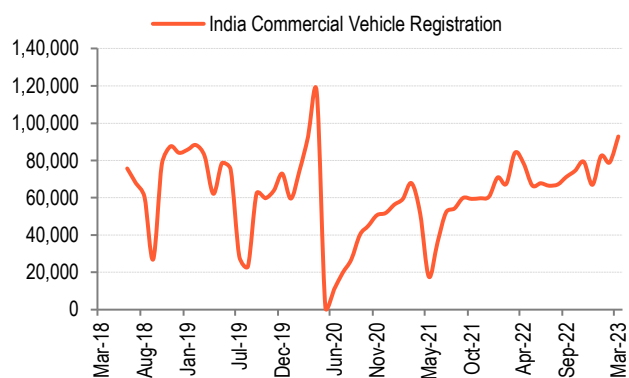
Source: Bloomberg, BOBCAPS Research

Fig 39 – Two-wheeler registration

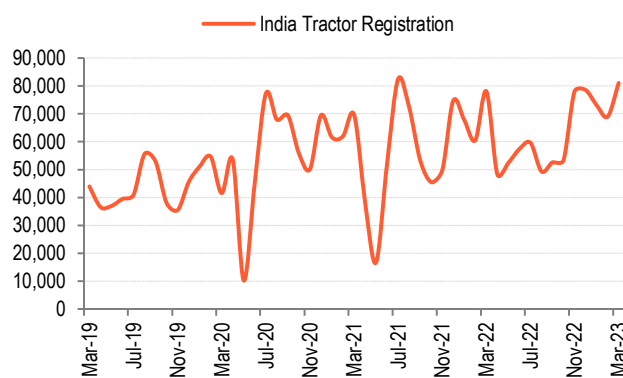
Source: Bloomberg, BOBCAPS Research

Fig 40 – Four-wheeler registration

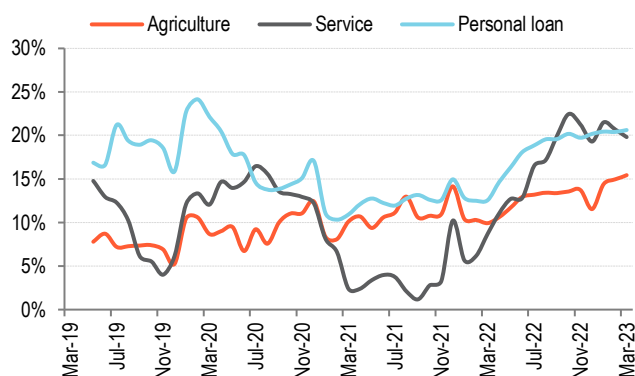
Source: Bloomberg, BOBCAPS Research

Fig 41 – Commercial vehicle registration

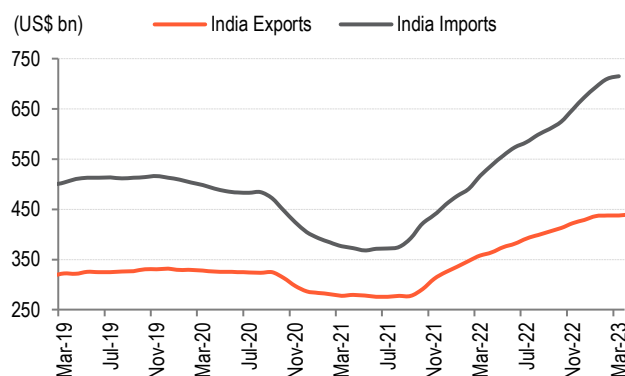
Source: Bloomberg, BOBCAPS Research

Fig 42 – Tractor registration

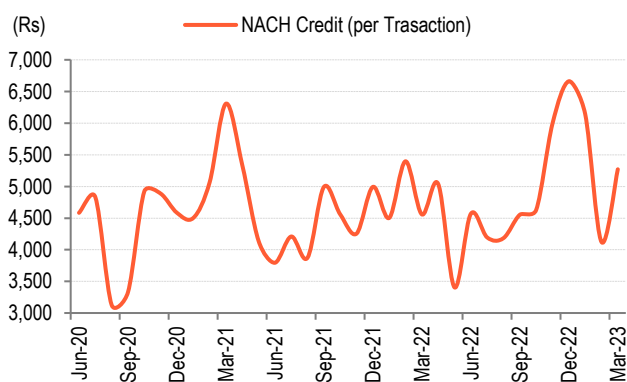
Source: Bloomberg, BOBCAPS Research

Fig 43 – Scheduled Commercial Banks' credit growth

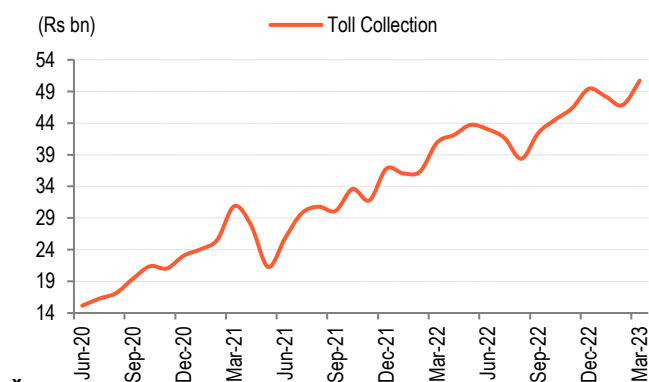
Source: Bloomberg, BOBCAPS Research

Fig 44 – Exports and Imports

Source: Bloomberg, BOBCAPS Research

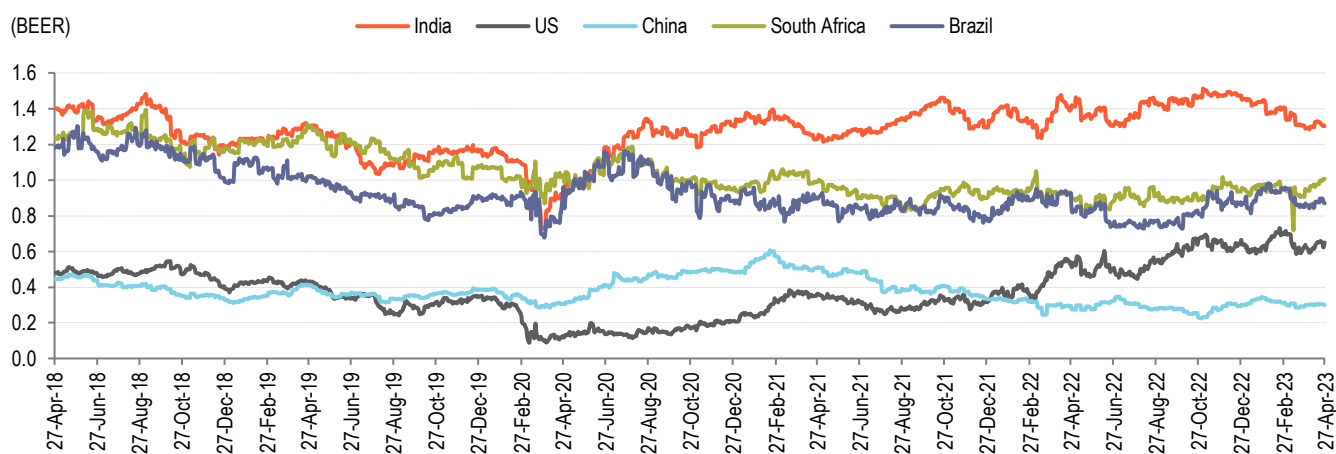
Fig 45 – Toll collection

Source: Bloomberg, BOBCAPS Research

Fig 46 – National Automated Clearing House credit

Source: Bloomberg, BOBCAPS Research

Valuations across the globe

Fig 47 – India BEER relative to other countries

Source: Bloomberg, BOBCAPS Research

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BUY – Expected return >+15%

HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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