

Mixed outlook

- Indian benchmarks underperformed their global peers in May; locally, autos, consumers and financials outperformed
- Commodity prices appear to have largely peaked, though oil & gas may remain elevated near term; India better placed to absorb volatility
- Global clean energy initiatives remain at the fore despite the Russia-Ukraine war; we continue to prefer domestic sectors

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Nifty remains southbound: Indian equities underperformed major global benchmarks. RBI's surprise 40bps rate hike raised the cost of equity for Indian borrowers and put further pressure on the market. Amongst sectoral indices, auto, consumer and financials outperformed while commodities, realty and IT lagged. Our analysis of market behaviour during volatile phases indicates that auto, private banks and commodities typically beat the index when the market is emerging from a bottom (see our note: [Navigating index peaks and troughs](#)).

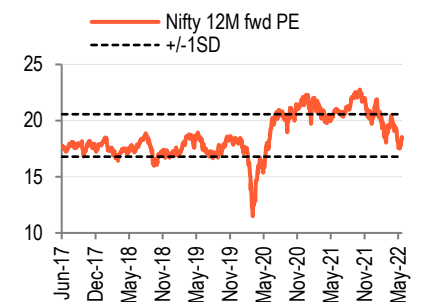
Centre announces measures to ease inflation: Excise duty was cut on petrol/diesel by Rs 8/Rs 6 and subsidies were raised on fertiliser and LPG. Export duty was imposed on iron ore and steel products and import duty was lowered on coal and coke. We maintain that commodity prices largely peaked in March this year. The run-up was clearly a result of supply still anchored to the pandemic while demand started returning to pre-pandemic levels. A better alignment of supply chains coupled with slowdown in China and rate hikes in the US have put downward pressure on commodity prices. Nevertheless, we believe oil & gas prices could remain elevated through to the winter, more so when the EU is now banning seaborne Russian oil imports in six months.

RBI's FY22 annual report optimistic on economy: The central bank believes the Indian economy is relatively better placed to sustain recovery post Covid. It cited strong domestic demand, robust reserve buffers, a buoyant FDI pipeline and proactive policies as factors that will help the economy withstand adverse global spillovers.

EU doubling down on climate targets: Contrary to market expectations that the ongoing Russia-Ukraine war would force the EU to go slow on its transition to clean energy, the region has doubled down on its green targets. The European Commission has announced a US\$ 220bn plan to wean the EU away from Russian energy – only 5% of this fund is allocated for fossil fuel while the balance is for clean energy.

Outlook: We believe the Indian economy is poised for a resurgence as a favourable macro environment and key building blocks are in place (see our note: [India at takeoff point](#)). However, the trigger is likely to be a capex upcycle that is still a few quarters away. We continue to favour sectors linked to domestic as opposed to export demand.

Valuation now closer to 5Y average



Source: Bloomberg, BOBCAPS Research

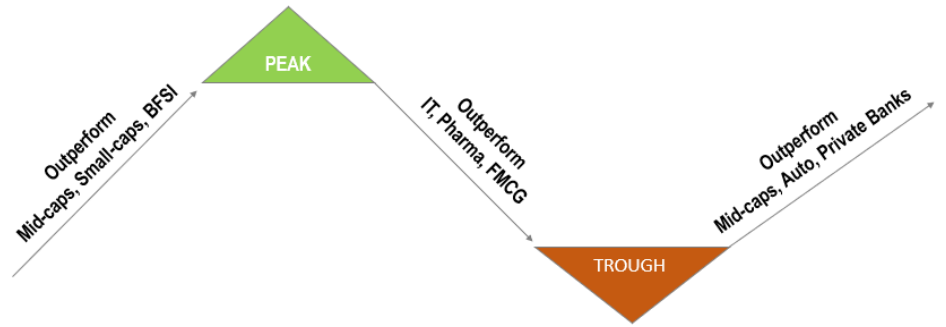


Contents

Focus charts	3
Valuations and Returns: April 2022.....	4
Index fundamentals	9
Yields, Exchange rates and Commodities.....	10
Technical trends	13
Macroeconomic indicators: April 2022	15

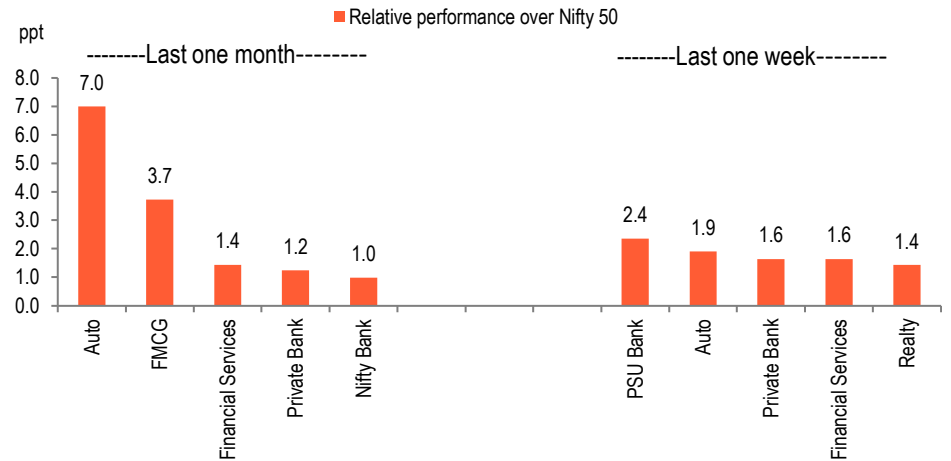
Focus charts

Fig 1 – Market behaviour during peaks and troughs



Source: Bloomberg, BOBCAPS Research

Fig 2 – Sectors linked to domestic demand have performed better in recent corrections and upmoves



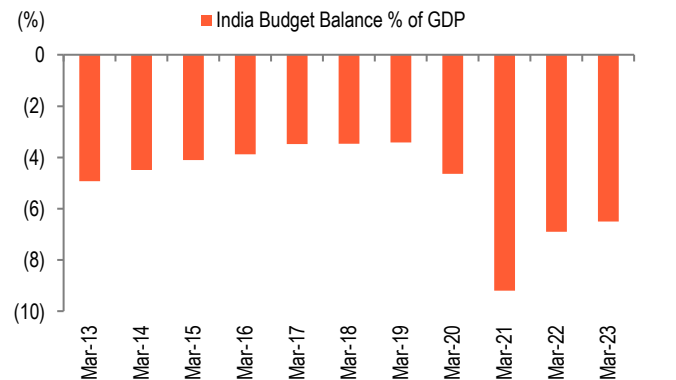
Source: Bloomberg, BOBCAPS Research

Fig 3 – Rupee tested all-time low against dollar



Source: BOBCAPS Research, Bloomberg

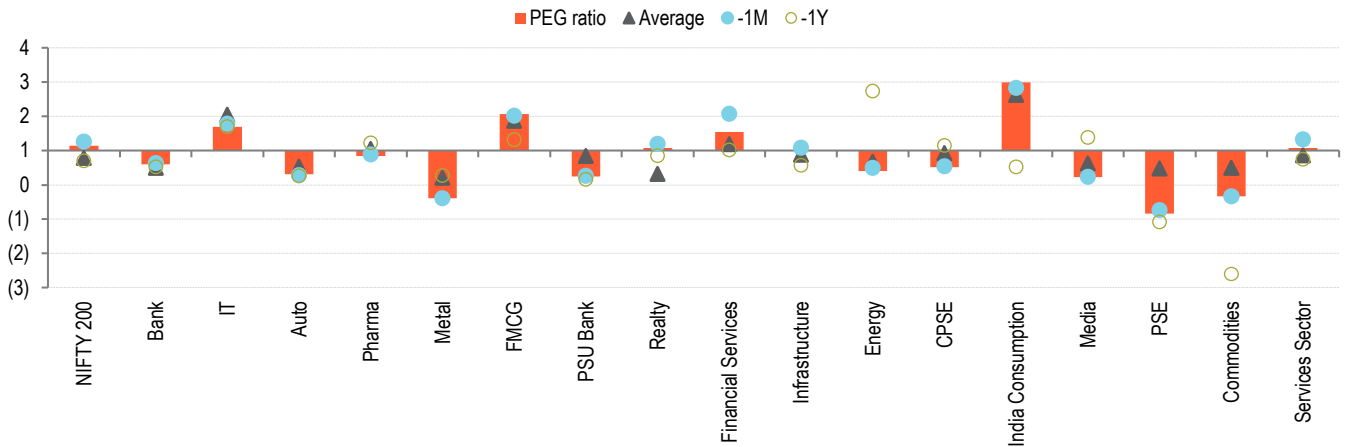
Fig 4 – India fiscal deficit expectations inched upwards



Source: BOBCAPS Research, Bloomberg

Valuations and Returns: April 2022

Fig 5 – Nifty: 12M forward PEG ratio



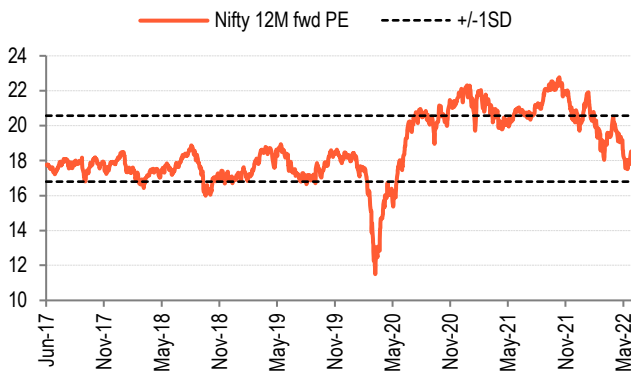
Source: Bloomberg, BOBCAPS Research | Note: We calculate PEG ratio as trailing 12M P/E divided by 12M forward earnings. We only consider numbers between -10 and 10 in our calculations.

Fig 6 – Returns across Nifty and global indices (in local currency)

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
Nifty 50	(0.5)	2.8	(3.0)	(1.2)	(2.3)	(4.4)	6.4	39.1	72.4
Nifty Next 50	0.1	2.8	(8.4)	(2.7)	(6.7)	(7.7)	3.3	40.0	49.8
Nifty 200	(0.4)	2.8	(4.1)	(1.2)	(3.1)	(5.1)	6.6	41.6	69.0
Nifty 500	(0.2)	2.7	(4.5)	(1.3)	(3.6)	(5.8)	6.8	44.0	69.1
NIFTY Midcap 100	(0.1)	2.5	(5.3)	0.2	(4.6)	(7.1)	9.7	57.5	61.6
NIFTY Smallcap 100	1.2	2.9	(10.2)	(6.5)	(13.6)	(18.4)	(0.6)	40.6	28.2
NSE NIFTY Smallcap 250	1.0	2.2	(8.6)	(2.4)	(7.1)	(11.9)	8.3	60.2	46.9
Nifty Dividend Opp 50	0.6	2.5	(2.8)	(0.5)	(1.0)	(4.8)	9.6	31.0	45.8
NIFTY100 ESG	2.0	3.4	(4.7)	(3.3)	(5.9)	(8.7)	5.4	47.5	88.7
S&P 500	2.5	6.6	0.6	(4.9)	(9.0)	(12.8)	(1.1)	49.1	72.3
Stoxx 600	(0.4)	3.0	(1.3)	(1.9)	(4.0)	(8.8)	(0.5)	20.5	14.0
Nikke 225	(0.3)	2.0	1.6	2.8	(1.9)	(5.3)	(5.5)	32.4	38.8
FTSE 100	0.3	1.8	1.0	2.2	8.0	3.2	8.5	6.4	1.4

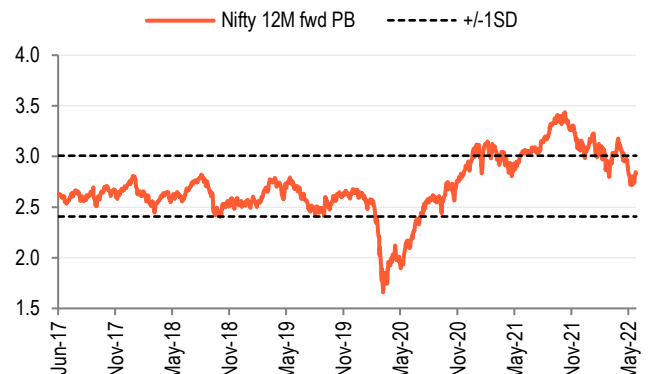
Source: Bloomberg, BOBCAPS Research

Fig 7 – Nifty: 12M forward P/E



Source: Bloomberg, BOBCAPS Research

Fig 8 – Nifty: 12M forward P/B



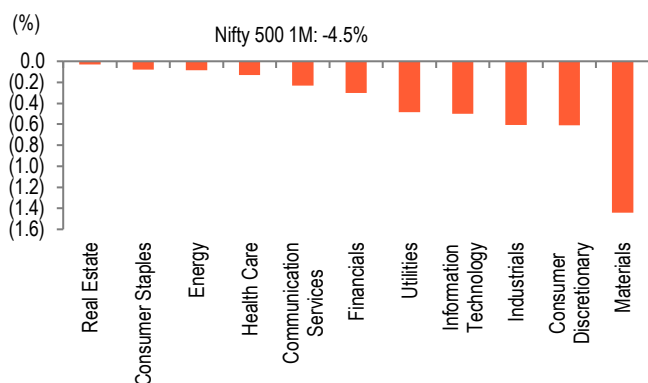
Source: Bloomberg, BOBCAPS Research

Fig 9 – Returns across sectoral Nifty indices

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
Nifty 50	(0.5)	2.8	(3.0)	(1.2)	(2.3)	(4.4)	6.4	39.1	72.4
Nifty Bank	(0.9)	3.5	(1.7)	(2.0)	(0.6)	0.0	(0.1)	13.1	51.5
Nifty IT	(0.2)	4.0	(6.1)	(12.3)	(15.3)	(23.3)	9.5	83.7	181.3
Nifty Auto	0.8	4.2	4.6	7.1	9.3	5.9	10.4	41.7	6.6
Nifty Pharma	(0.5)	(0.7)	(6.4)	(2.5)	(7.7)	(11.4)	(10.3)	49.1	39.7
Nifty Metal	1.3	2.9	(15.7)	(9.6)	2.5	(3.4)	3.3	83.9	80.6
Nifty FMCG	0.3	1.8	1.3	9.0	3.5	3.0	9.8	29.7	49.8
Nifty PSU Bank	(1.0)	4.0	(6.6)	(3.4)	0.6	1.8	6.2	(20.7)	(26.7)
Nifty Realty	2.0	5.0	(7.2)	(5.7)	(15.6)	(15.0)	22.5	45.0	64.4
Nifty Financial Services	(0.9)	4.2	(1.0)	(2.7)	(6.0)	(4.9)	(1.1)	22.2	73.2
Nifty Infrastructure	0.3	2.2	(4.9)	1.6	(1.7)	(1.5)	12.7	46.1	51.8
Nifty Energy	(1.1)	(0.7)	(10.3)	5.9	12.3	13.3	28.8	54.8	115.0
Nifty CPSE	2.9	3.1	(1.4)	7.9	15.6	15.2	33.2	11.2	1.2
Nifty India Consumption	0.5	2.6	(2.4)	2.0	(1.3)	(1.9)	11.5	43.9	60.6
Nifty Media	1.5	5.4	(4.5)	2.1	(5.5)	(7.5)	16.5	(6.9)	(33.1)
NIFTY Private Bank	(0.8)	4.1	(1.2)	(1.6)	(0.6)	0.4	(3.1)	3.4	39.0
Nifty PSE	1.8	2.2	(3.6)	3.2	6.9	6.4	16.1	11.7	0.6
Nifty Commodities	(0.2)	1.5	(11.8)	(3.4)	1.5	(1.8)	7.0	48.6	55.9
Nifty Services Sector	(0.9)	3.8	(3.3)	(3.9)	(6.4)	(7.9)	3.9	32.8	79.4

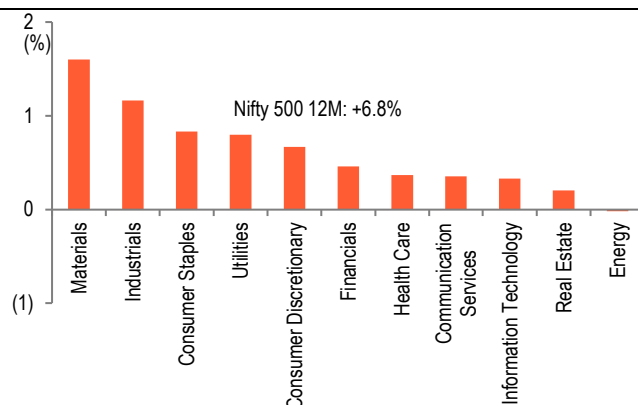
Source: Bloomberg, BOBCAPS Research

Fig 10 – Nifty 500: Contribution to 1M returns



Source: Bloomberg, BOBCAPS Research

Fig 11 – Nifty 500: Contribution to 12M returns



Source: Bloomberg, BOBCAPS Research

Fig 12 – 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	10.3	13.1	16.1	3.7	19.2	18.9	16.3	15.7	2.8	2.9	2.6	2.3	1.53	1.56	1.74	1.87
Nifty Next 50	11.0	(0.6)	18.9	5.6	24.4	20.3	17.1	16.2	3.2	2.9	2.6	2.6	1.46	1.76	1.89	1.94
Nifty 200	10.0	9.1	18.1	6.9	19.8	19.6	16.6	15.5	2.8	2.9	2.6	2.3	1.48	1.63	1.82	1.83
Nifty 500	10.1	9.9	18.9	7.1	19.6	19.6	16.4	15.4	2.8	2.9	2.5	2.3	1.46	1.56	1.75	1.78
NIFTY Midcap 100	8.8	(9.3)	31.4	28.2	21.1	22.7	17.3	13.5	2.5	2.8	2.5	1.8	1.31	2.01	2.30	1.66
NIFTY Smallcap 100	5.9	12.8	22.6	7.8	16.2	15.9	12.9	12.0	2.2	2.2	1.9	1.9	1.21	1.29	1.45	NA
Sectors																
Nifty Bank	13.2	20.4	25.4	8.8	18.5	15.1	12.1	11.1	2.3	2.1	1.8	1.5	0.90	1.03	1.24	1.24
Nifty IT	11.8	13.8	15.1	11.8	21.3	24.3	21.1	18.9	5.1	6.6	5.8	5.5	2.34	2.52	2.82	3.35
Nifty Auto	(3.0)	118.5	34.0	0.4	20.5	23.8	17.7	17.7	2.7	3.9	3.4	2.7	1.34	1.22	1.50	1.24
Nifty Pharma	2.4	46.2	20.5	(0.6)	22.8	23.3	19.4	19.5	3.2	3.3	2.9	2.7	0.72	0.74	0.84	0.87
Nifty Metal	35.9	(21.1)	(2.5)	12.6	9.2	7.6	7.8	6.9	1.3	1.2	1.0	0.9	3.41	3.70	3.64	NA
Nifty FMCG	9.2	14.0	13.4	0.2	32.5	34.6	30.6	30.5	7.7	8.0	7.6	7.3	1.96	2.29	2.55	2.81
Nifty PSU Bank	12.6	11.4	35.3	14.7	10.2	6.7	5.0	4.3	0.8	0.8	0.7	0.5	1.78	2.72	3.69	2.82
Nifty Realty	7.1	56.9	31.1	31.6	30.8	33.8	25.8	19.6	2.3	2.8	2.5	2.2	0.78	0.40	0.41	0.46
Nifty Financial Services	13.8	5.6	21.0	10.7	20.6	18.7	15.4	13.9	2.9	2.7	2.3	2.0	0.94	1.02	1.18	1.21
Nifty Infrastructure	14.7	15.0	14.1	(6.3)	18.2	15.2	13.3	14.2	2.0	2.0	1.8	1.8	1.82	2.07	2.22	2.28
Nifty Energy	17.1	16.9	15.9	(14.2)	10.7	10.5	9.1	10.6	1.3	1.3	1.2	1.2	2.94	3.02	3.11	2.95
Nifty CPSE	16.6	5.5	1.7	(10.0)	7.7	6.8	6.7	7.4	1.1	1.2	1.1	1.0	6.09	6.79	6.75	6.82
Nifty India Consumption	59.6	7.4	24.4	6.4	56.6	37.5	30.2	28.3	6.9	6.9	6.3	5.3	1.00	1.36	1.56	1.58
Nifty Media	(0.6)	662.8	24.5	21.8	21.1	20.6	16.5	13.6	3.0	2.7	2.4	2.3	1.60	1.56	1.71	1.35
Nifty PSE	13.4	(14.1)	4.3	1.1	8.3	7.3	7.0	6.9	1.2	1.2	1.1	0.9	5.10	6.28	6.51	6.44
Nifty Commodities	20.1	(33.2)	(4.6)	(28.7)	16.7	15.8	16.6	23.2	2.5	2.6	2.5	2.4	2.58	2.93	2.86	2.29
Nifty Services Sector	9.5	13.5	21.1	6.6	20.5	19.6	16.2	15.2	3.2	3.1	2.7	2.5	1.40	1.48	1.67	1.86

Source: Bloomberg, BOBCAPS Research

Fig 13 – NSE 500: Best performing stocks

Company	Sector	Industry	Market cap (Rs mn)	1M (%)	3M (%)	1Y (%)
Aia Engineering	Industrials	Machinery	2,14,838	17.57	40.24	18.22
Bayer Cropscience	Materials	Chemicals	2,42,602	16.09	22.39	4.58
Gujarat Gas	Utilities	Gas Utilities	3,85,017	15.94	(4.16)	4.29
Abb India	Industrials	Electrical Equipment	5,14,355	15.77	12.40	45.44
Rattanindia Enterprises	Utilities	Power & Renewabl	68,077	15.34	20.27	188.86
Hindustan Aeronautics	Industrials	Aerospace & Defense	6,14,705	15.25	32.47	80.13
Timken India	Industrials	Machinery	1,71,510	14.92	12.46	69.28
Tvs Motor Co	Consumer Discretionary	Automobiles	3,49,925	12.48	19.26	19.73
One 97 Communications	Information Technology	IT Services	4,23,598	12.26	(18.19)	NA
Mahindra & Mahindra	Consumer Discretionary	Automobiles	12,85,896	12.17	30.79	28.02
Hitachi Energy India	Industrials	Electrical Equipment	1,49,605	12.10	6.86	81.83
Ratnamani Metals & Tubes	Materials	Metals & Mining	1,23,051	12.07	17.76	33.29
Petronet Lng	Energy	Oil, Gas & Consumable Fuels	3,40,350	11.28	5.39	(3.17)
Britannia Industries	Consumer Staples	Food Products	8,78,639	11.24	6.43	5.80
Home First Finance Co India	Financials	Thriffs & Mortgage Finance	68,195	10.76	14.39	36.77
V-Guard Industries	Industrials	Electrical Equipment	1,01,110	10.70	20.09	(16.01)
Hero Motocorp	Consumer Discretionary	Automobiles	5,54,277	10.66	9.40	(7.44)
Welspun Corp	Materials	Metals & Mining	59,053	10.20	59.14	48.54
Mangalore Refinery & Petro	Energy	Oil, Gas & Consumable Fuels	1,42,223	10.03	101.87	64.77
Blue Dart Express	Industrials	Air Freight & Logistics	1,77,722	9.55	24.80	24.57
Astrazeneca Pharma India	Health Care	Pharmaceuticals	75,189	9.38	15.25	(20.39)
Balkrishna Industries	Consumer Discretionary	Auto Components	4,52,150	9.08	28.33	6.92
Fine Organic Industries	Materials	Chemicals	1,49,276	8.52	13.49	68.03
Tata Elxsi	Information Technology	Software	5,21,945	8.20	30.31	131.51
Ashok Leyland	Industrials	Machinery	4,03,635	8.18	15.89	11.38

Source: Bloomberg, BOBCAPS Research

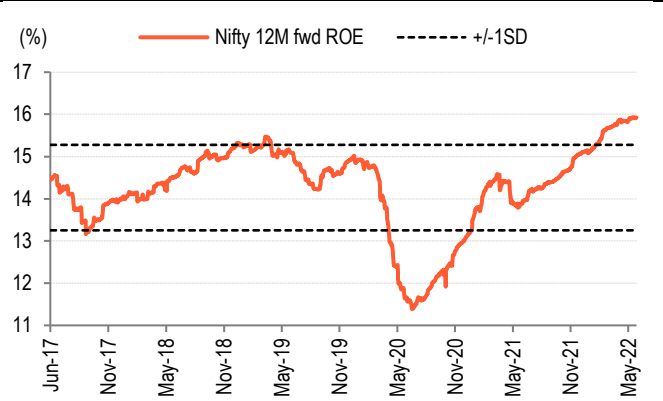
Fig 14 – NSE 500: Worst performing stocks

Company	Sector	Industry	Market cap (Rs mn)	1M (%)	3M (%)	1Y (%)
Privi Speciality Chemicals L	Materials	Chemicals	45,608	(40.24)	(37.65)	7.42
Jindal Stainless	Materials	Metals & Mining	56,479	(38.76)	(42.27)	20.95
Solara Active Pharma Science	Health Care	Pharmaceuticals	14,944	(35.04)	(39.38)	(76.38)
Adani Green Energy	Utilities	Independent Power and Renewabl	29,92,158	(34.48)	2.47	48.95
Vardhman Textiles	Consumer Discretionary	Textiles, Apparel & Luxury Goo	82,869	(34.26)	(43.79)	10.90
Metropolis Healthcare	Health Care	Health Care Providers & Servic	82,710	(32.59)	(17.40)	(37.45)
Jindal Steel & Power	Materials	Metals & Mining	3,85,440	(30.03)	(11.06)	(7.21)
Amber Enterprises India	Consumer Discretionary	Household Durables	88,716	(29.02)	(24.38)	(3.47)
Tcns Clothing Co	Consumer Discretionary	Textiles, Apparel & Luxury Goo	36,737	(28.96)	(7.29)	8.22
Vaibhav Global	Consumer Discretionary	Textiles, Apparel & Luxury Goo	55,061	(28.26)	(18.13)	(60.12)
Adani Transmission	Utilities	Electric Utilities	22,92,337	(26.33)	(3.72)	39.45
Hle Glascoat	Industrials	Machinery	44,942	(25.95)	(38.91)	5.43
Equitas Small Finance Bank L	Financials	Banks	50,907	(25.62)	(21.53)	(31.28)
Tv18 Broadcast	Communication Services	Media	69,089	(24.88)	(34.31)	(3.47)
Angel One	Financials	Capital Markets	1,22,573	(24.30)	10.50	94.89
Jsw Steel	Materials	Metals & Mining	13,32,493	(24.19)	(12.14)	(22.46)
Brightcom Group	Communication Services	Interactive Media & Services	1,22,312	(23.57)	(10.68)	1482.84
Indiabulls Housing Finance L	Financials	Thriffs & Mortgage Finance	55,648	(23.18)	(21.28)	(47.31)
Just Dial	Communication Services	Interactive Media & Services	55,727	(22.99)	(11.20)	(29.96)
Varroc Engineering	Consumer Discretionary	Auto Components	52,551	(22.61)	(3.36)	(17.13)
Nazara Technologies	Communication Services	Entertainment	39,926	(22.09)	(29.32)	(28.69)
Nmdc	Materials	Metals & Mining	3,69,549	(21.51)	(11.91)	(30.77)
Steel Authority Of India	Materials	Metals & Mining	3,13,713	(21.50)	(21.17)	(40.01)
Vedanta	Materials	Metals & Mining	11,92,849	(21.42)	(15.62)	17.03
Welspun India	Consumer Discretionary	Textiles, Apparel & Luxury Goo	64,570	(21.36)	(37.70)	(26.53)

Source: Bloomberg, BOBCAPS Research

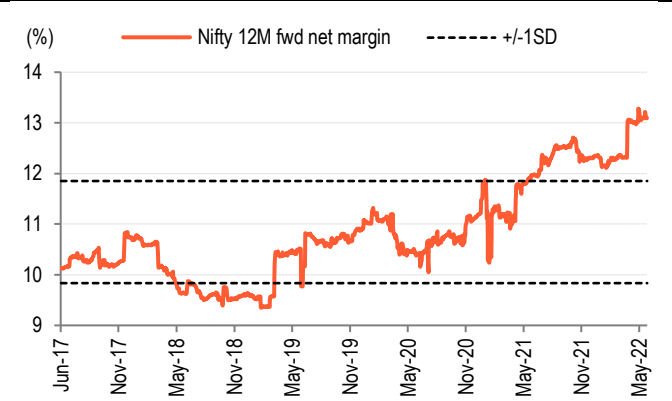
Index fundamentals

Fig 15 – Nifty: 12M forward ROE



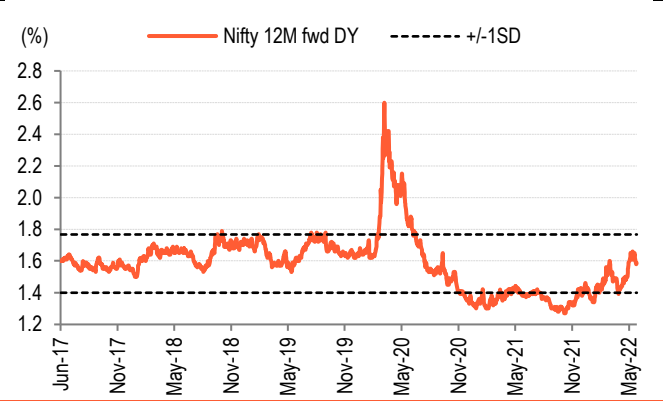
Source: Bloomberg, BOBCAPS Research

Fig 16 – Nifty: 12M forward net margin



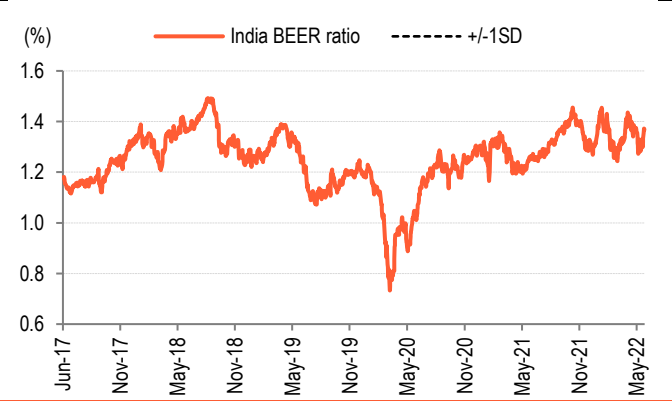
Source: Bloomberg, BOBCAPS Research

Fig 17 – Nifty: 12M forward dividend yield



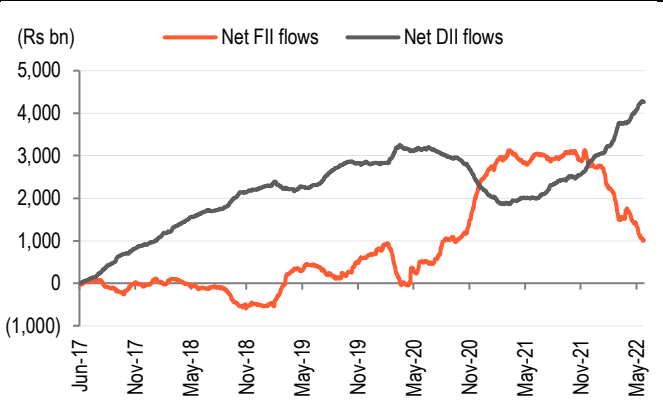
Source: Bloomberg, BOBCAPS Research

Fig 18 – Nifty: 6M change in EPS growth



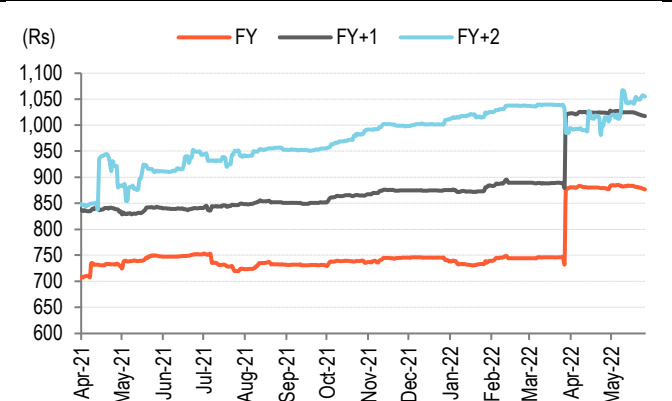
Source: Bloomberg, BOBCAPS Research

Fig 19 – Flows in India (5Y)



Source: Bloomberg, BOBCAPS Research

Fig 20 – Nifty 50: EPS consensus forecast



Source: Bloomberg, BOBCAPS Research

Yields, Exchange rates and Commodities

On 4 May 2022, RBI surprised the markets with a 40bps hike in policy rate. It also hiked the CRR by 50bps. This signaled withdrawal of the central bank's accommodative stance and a shift of policy focus back to inflation. The market expects additional rate hikes totalling 50-75bps during the year, with the next one as early as the June policy meet.

Indian currency as well as bond yields reacted negatively to the RBI's announcement. Ten-year benchmark yields moved up 27bps while AAA and AA corporate yields increased by 53bps and 54bps respectively, indicating a rise in borrowing cost for corporates. The USDINR tested an all-time low of Rs 78 in May.

Non-energy commodities continued to soften in the month of May. Both industrial and precious metal prices declined further. Agri commodities were mixed – corn and live cattle declined whereas wheat and soyabean rose. Energy prices inched up as [EU leaders agree to ban majority of Russian oil imports](#).

Overall macro indicators suggest a robust growth momentum in Indian economy. India CPI and WPI are currently at five-year highs of 7.79% and 15.08% respectively. Composite PMI also shot up significantly to 57.6 in April from 54.3 in March. IIP climbed to 1.85%. Registrations increased for two-wheelers but fell for tractors and passenger vehicles. Commercial vehicle registration witnessed a slight rise. Bank credit to sectors continued to increase. Both exports and imports grew.

Fig 21 – Yields

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
India 10Y yield	7.41	7.36	7.14	6.82	6.35	6.45	6.02	7.15	6.66
India AAA corporate yield	7.84	7.78	7.31	7.22	7.00	7.00	6.90	8.29	7.83
India AA corporate yield	8.58	8.52	8.04	8.01	7.79	7.79	7.64	8.88	8.32
US 10Y yield	2.74	2.75	2.93	1.88	1.40	1.51	1.59	2.27	2.21
EU 10Y yield	1.06	0.97	0.94	0.03	(0.34)	(0.18)	(0.19)	(0.16)	0.29
Japan 10Y yield	0.24	0.24	0.23	0.14	0.07	0.07	0.09	(0.07)	0.04

Source: Bloomberg, BOBCAPS Research

Fig 22 – Exchange rates

(%)	Current	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
USDINR	77.7	(0.1)	(0.1)	(1.6)	(3.0)	(3.2)	(4.3)	(6.5)	(10.2)	(16.9)
EURINR	83.5	0.0	(0.4)	(3.1)	0.9	2.3	0.9	6.0	(6.9)	(13.3)
JPYINR	0.6	0.2	0.9	(2.8)	7.8	9.9	6.5	9.1	6.2	(4.0)
GBPINR	98.0	0.1	(1.1)	(2.0)	2.9	2.5	2.5	5.1	(10.5)	(15.4)

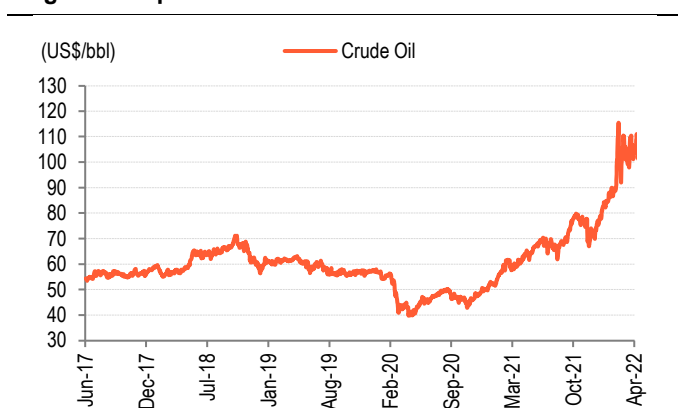
Source: Bloomberg, BOBCAPS Research

Fig 23 – Commodity price trend

(%)	Current	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
Energy										
NYM WTI Crude (US\$/bbl)	106.33	0.9	4.2	7.9	28.0	41.0	44.9	78.0	93.3	103.6
ICE Brent Crude (US\$/bbl)	109.42	1.7	2.6	4.5	27.2	38.7	43.2	72.2	76.3	99.3
ICE ARA Gasoil (US\$/MT)	1220.5	2.5	9.1	21.1	61.3	80.3	86.3	125.1	105.5	136.2
NYM NYH Gasoline (US\$/gal)	348.8	(0.5)	5.5	10.7	32.7	46.2	50.1	76.2	86.6	NA
NYM NYH Heating Oil (US\$/gal)	513.5	9.9	31.6	52.8	99.3	117.9	126.4	166.5	162.9	NA
NYM HH Nat Gas (US\$/MMBtu)	6.87	(0.2)	3.2	20.6	52.0	72.3	92.0	169.6	172.3	144.3
ICE NBP Nat Gas (US\$/MMBtu)	158	(1.2)	(19.5)	(48.0)	(25.9)	63.2	3.2	271.9	259.7	302.5
Metals										
LME Aluminums (US\$/MT)	3032	(2.0)	(8.1)	(13.2)	(1.7)	10.4	8.0	26.3	65.0	58.6
LME Coppers (US\$/MT)	9697	(1.6)	(5.7)	(6.5)	2.0	0.3	(0.2)	(1.8)	51.5	69.1
SGX Iron Ore (US\$/MT)	146	2.4	(3.4)	(8.7)	2.9	51.2	24.5	2.8	120.1	NA
LME Nickel (US\$/MT)	32977	(1.0)	(2.8)	2.7	47.7	68.5	58.9	89.2	165.4	249.0
Steel China (CNY/MT)	5124	0.0	(2.1)	(2.7)	5.1	(5.7)	7.9	(10.9)	27.5	63.4
Spot Gold	1915	1.1	(0.8)	(1.1)	6.6	7.4	4.7	8.1	49.7	51.0
Spot Silver	23.5	1.5	(2.6)	(5.2)	4.6	(1.7)	0.8	(9.9)	57.6	36.5
Agriculture										
CME Live Cattle (US\$/lb)	133.9	(0.8)	(4.3)	(2.4)	(3.0)	0.4	(3.8)	7.1	NA	NA
ICE Coffee (US\$/lb)	220.8	1.5	(2.8)	(2.5)	(6.3)	6.4	(2.0)	47.3	NA	NA
CBT Corn (US\$/bu)	814.75	0.2	3.3	11.2	30.1	40.8	37.3	46.1	NA	NA
ICE Cotton (US\$/lb)	148.7	0.7	9.5	12.6	26.2	38.0	37.8	82.7	NA	NA
CBT Soybeans (US\$/bu)	1700	0.9	0.7	6.4	15.4	33.5	25.5	31.2	NA	NA
ICE Sugar (US\$/lb)	19.34	0.6	0.7	0.1	8.9	3.5	5.2	26.1	NA	NA
CBT SRW Wheat (US\$/bu)	1097.75	1.1	2.1	9.6	40.4	41.5	43.6	60.1	NA	NA

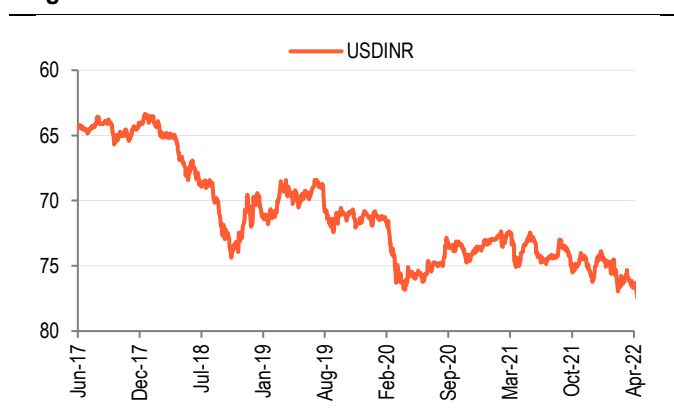
Source: Bloomberg, BOBCAPS Research

Fig 24 – Oil price trend



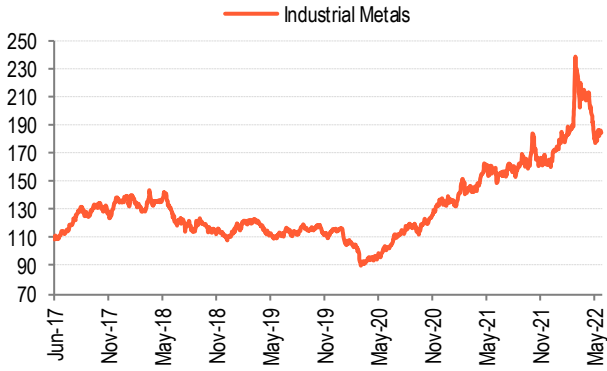
Source: Bloomberg, BOBCAPS Research

Fig 25 – USDINR movement



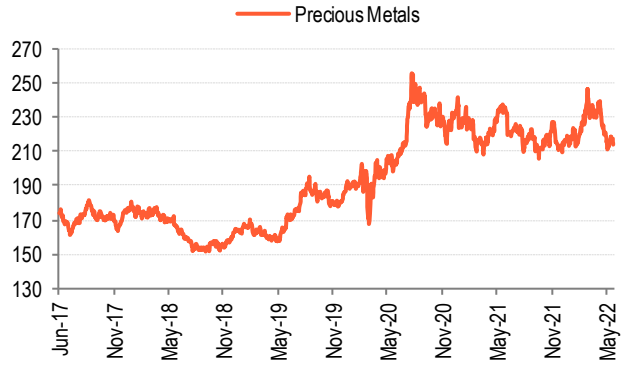
Source: Bloomberg, BOBCAPS Research

Fig 26 – Industrial metals price trend



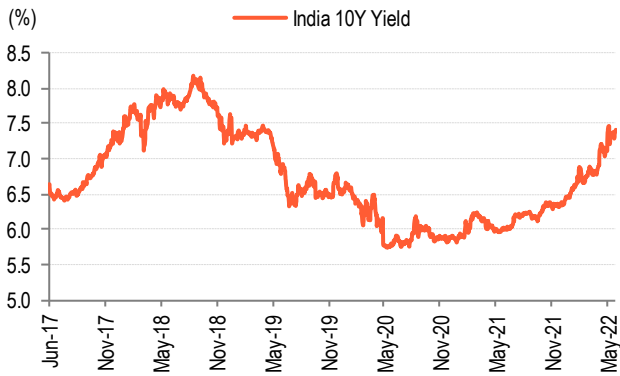
Source: Bloomberg, BOBCAPS Research

Fig 27 – Precious metals price trend



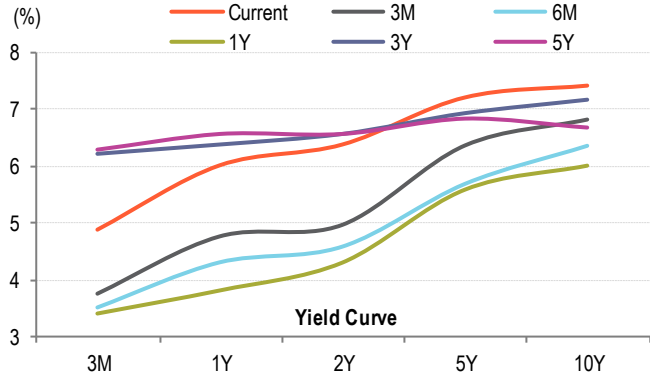
Source: Bloomberg, BOBCAPS Research

Fig 28 – India 10Y bond yield



Source: Bloomberg, BOBCAPS Research

Fig 29 – India yield curve



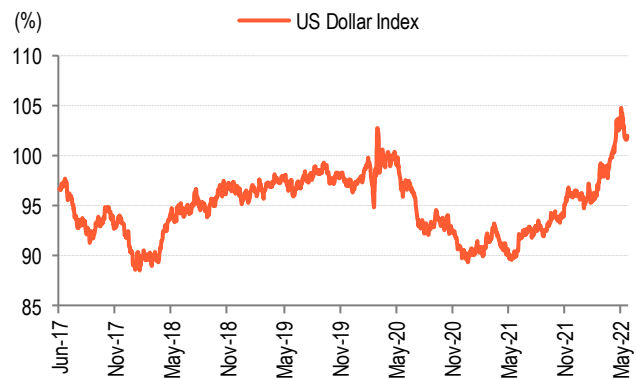
Source: Bloomberg, BOBCAPS Research

Fig 30 – US 10Y yield



Source: Bloomberg, BOBCAPS Research

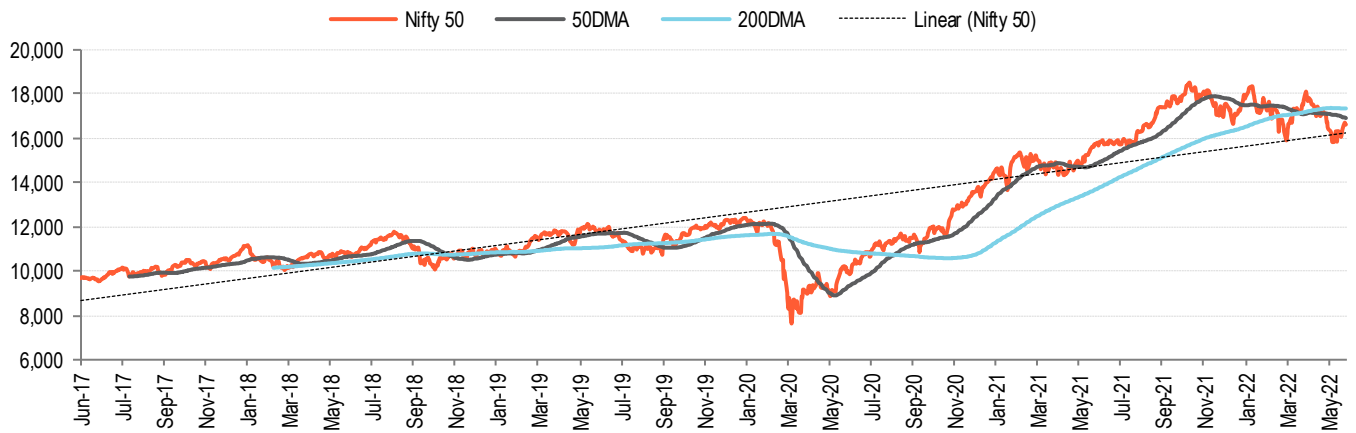
Fig 31 – US Dollar index



Source: Bloomberg, BOBCAPS Research

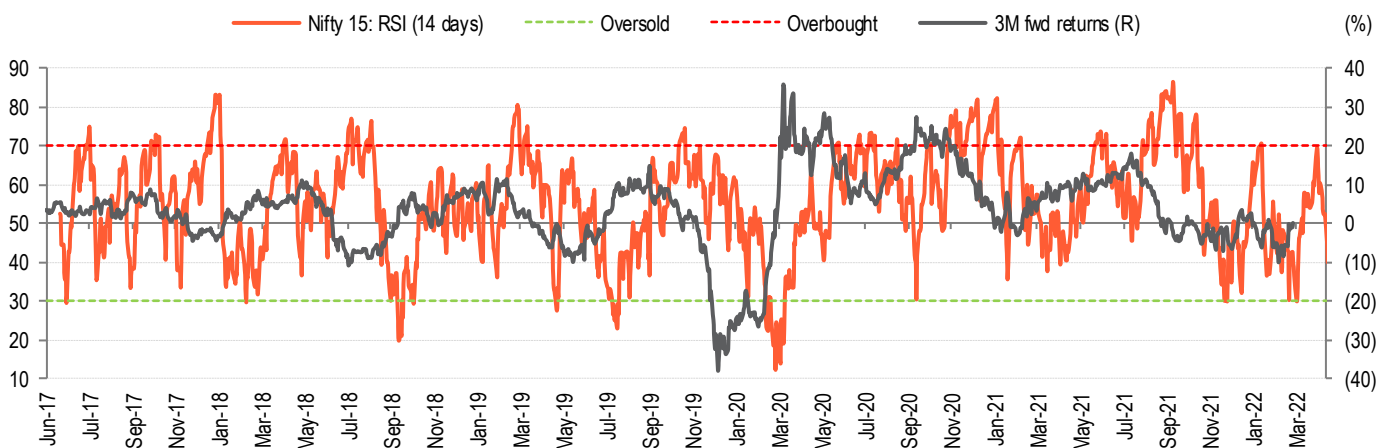
Technical trends

Fig 32 – Nifty 50: Moving averages



Source: Bloomberg, BOBCAPS Research

Fig 33 – Nifty 50: Relative Strength Index (RSI) overbought



Source: Bloomberg, BOBCAPS Research

Fig 34 – Nifty 50: Sector-wise average daily traded value

Sector (Rs bn)	1M	3M	6M
Communication Services	6.0	5.2	5.3
Consumer Discretionary	28.5	29.6	28.3
Consumer Staples	15.0	15.8	13.4
Energy	30.6	29.9	25.3
Financials	72.5	86.5	80.5
Health Care	15.0	14.1	13.8
Industrials	8.8	9.7	8.6
Information Technology	32.6	34.4	35.6
Materials	33.8	36.0	30.6
Utilities	7.0	5.9	5.1
Nifty 50	250	267	247

Source: Bloomberg, BOBCAPS Research

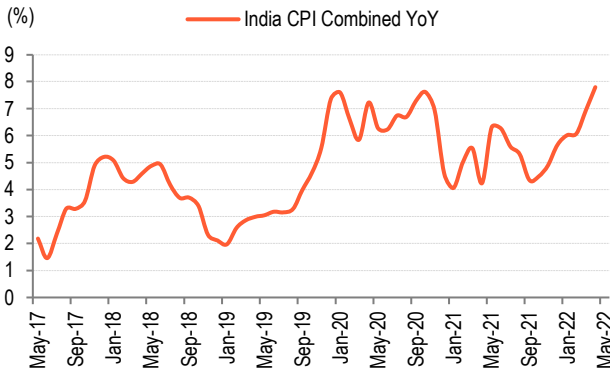
Fig 35 – Nifty 50: Stock-wise average daily traded value

Company (Rs bn)	Sector	Industry	Market cap	1M	3M	6M
Adani Ports And	Industrials	Transportation Infrastructure	1,554	5.1	5.7	4.6
Apollo Hospitals	Health Care	Health Care Providers & Servic	557	3.2	3.6	3.7
Asian Paints Ltd	Materials	Chemicals	2,764	4.5	4.7	4.1
Axis Bank Ltd	Financials	Banks	2,118	6.5	8.0	7.9
Bajaj Finance Lt	Financials	Consumer Finance	3,675	9.0	9.2	9.3
Bharti Airtel	Communication Services	Wireless Telecommunication Ser	3,952	6.0	5.2	5.3
Bajaj Auto Ltd	Consumer Discretionary	Automobiles	1,088	1.7	1.6	1.5
Bajaj Finserv Lt	Financials	Diversified Financial Services	2,047	4.3	4.4	4.6
Bharat Petrol	Energy	Oil, Gas & Consumable Fuels	712	1.4	1.9	1.9
Britannia Inds	Consumer Staples	Food Products	865	1.7	1.3	1.1
Cipla Ltd	Health Care	Pharmaceuticals	800	2.1	2.6	2.4
Coal India Ltd	Energy	Oil, Gas & Consumable Fuels	1,204	2.5	3.8	2.8
Divi Labs Ltd	Health Care	Life Sciences Tools & Services	954	3.6	2.4	2.5
Dr Reddy'S Labs	Health Care	Pharmaceuticals	721	2.3	2.4	2.1
Eicher Motors	Consumer Discretionary	Automobiles	757	2.3	2.0	1.9
Grasim Inds Ltd	Materials	Construction Materials	940	1.5	1.7	1.7
Hcl Tech Ltd	Information Technology	IT Services	2,800	3.4	3.9	4.5
Housing Dev Fin	Financials	Thriffs & Mortgage Finance	4,224	8.6	12.5	10.8
Hdfc Bank Ltd	Financials	Banks	7,759	12.7	17.5	13.5
Hdfc Life Insura	Financials	Insurance	1,277	2.2	3.0	2.3
Hero Motocorp Lt	Consumer Discretionary	Automobiles	547	2.3	2.2	1.9
Hindalco Inds	Materials	Metals & Mining	927	6.5	7.4	5.7
Hindustan Unilev	Consumer Staples	Personal Products	5,479	4.3	4.8	4.1
Icici Bank Ltd	Financials	Banks	5,234	9.3	12.1	11.6
Indusind Bank	Financials	Banks	720	2.8	3.1	3.8
Infosys Ltd	Information Technology	IT Services	6,279	12.6	13.8	12.2
Itc Ltd	Consumer Staples	Tobacco	3,353	5.9	6.6	5.4
Jsw Steel Ltd	Materials	Metals & Mining	1,370	4.0	4.1	3.4
Kotak Mahindra	Financials	Banks	3,707	7.5	6.4	6.0
Larsen & Toubro	Industrials	Construction & Engineering	2,320	3.7	4.0	4.1
Mahindra & Mahin	Consumer Discretionary	Automobiles	1,266	4.0	3.4	3.0
Maruti Suzuki In	Consumer Discretionary	Automobiles	2,414	5.2	6.4	6.1
Nestle India Ltd	Consumer Staples	Food Products	1,687	1.6	1.3	1.2
Ntpc Ltd	Utilities	Independent Power and Renewabl	1,544	3.7	3.1	2.3
Oil & Natural Ga	Energy	Oil, Gas & Consumable Fuels	1,893	3.3	4.5	3.5
Power Grid Corp	Utilities	Electric Utilities	1,612	3.3	2.9	2.7
Reliance Inds	Energy	Oil, Gas & Consumable Fuels	17,907	23.4	19.7	17.1
Sbi Life Insuran	Financials	Insurance	1,160	1.3	1.4	1.5
State Bank Ind	Financials	Banks	4,207	8.1	8.8	9.0
Shree Cement	Materials	Construction Materials	790	1.0	1.1	1.0
Sun Pharma Indu	Health Care	Pharmaceuticals	2,041	3.8	2.9	3.1
Tata Steel Ltd	Materials	Metals & Mining	1,300	11.7	11.1	9.7
Tata Consumer Pr	Consumer Staples	Food Products	714	1.4	1.6	1.6
Tata Consultancy	Information Technology	IT Services	12,294	8.3	8.5	9.6
Tech Mahindra Lt	Information Technology	IT Services	1,130	4.6	4.1	4.3
Titan Co Ltd	Consumer Discretionary	Textiles, Apparel & Luxury Goo	1,962	3.7	3.7	3.5
Tata Motors Ltd	Consumer Discretionary	Automobiles	1,569	9.3	10.3	10.4
Upl Ltd	Materials	Chemicals	595	2.2	2.5	2.1
Ultratech Cement	Materials	Construction Materials	1,743	2.5	3.3	2.9
Wipro Ltd	Information Technology	IT Services	2,613	3.7	4.1	4.9

Source: Bloomberg, BOBCAPS Research

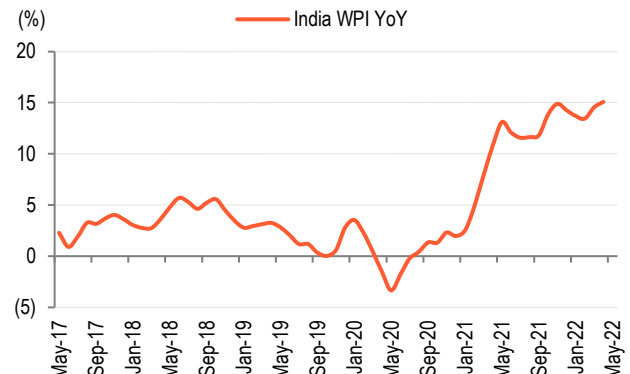
Macroeconomic indicators: April 2022

Fig 36 – Consumer price index



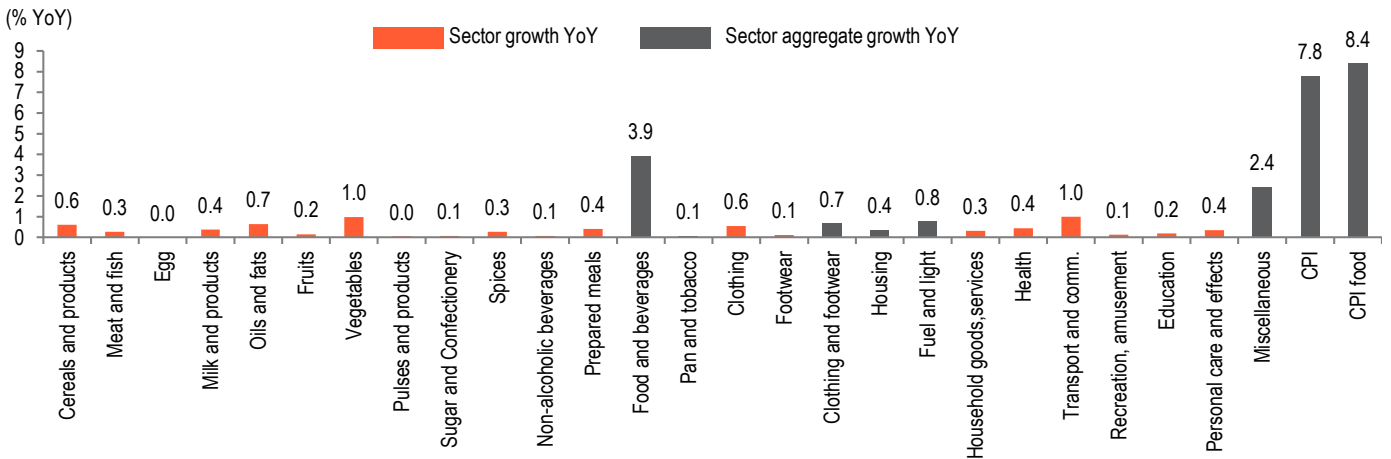
Source: Bloomberg, BOBCAPS Research

Fig 37 – Wholesale price index



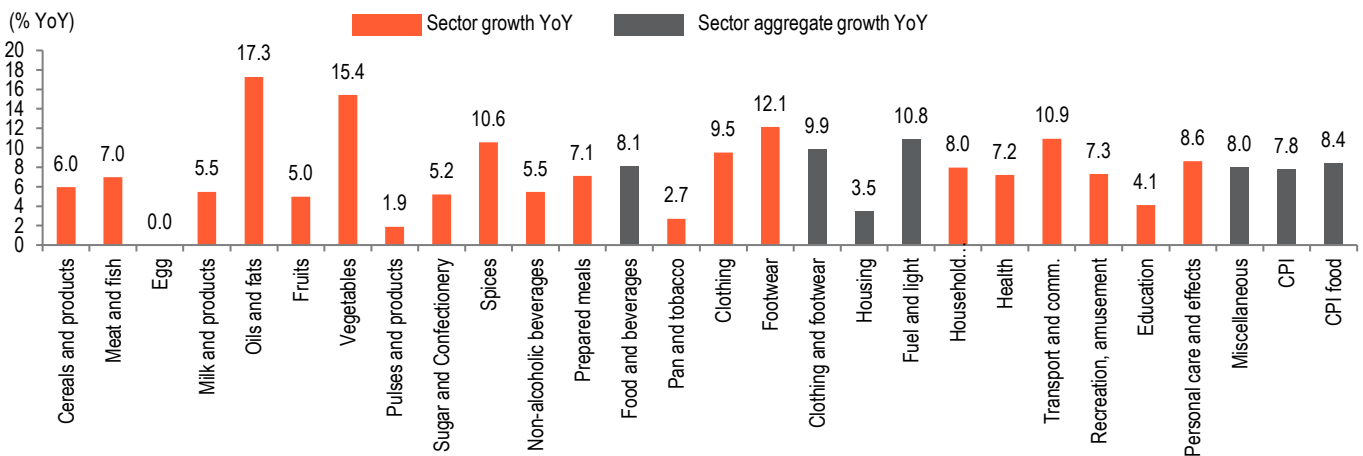
Source: Bloomberg, BOBCAPS Research

Fig 38 – Contribution to CPI (Apr'22)



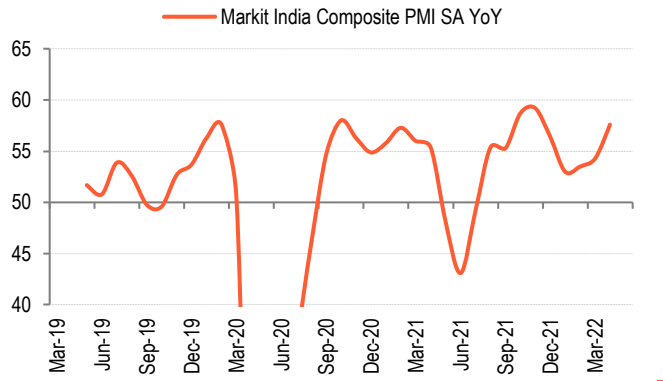
Source: Bloomberg, BOBCAPS Research

Fig 39 – Actual CPI (Apr'22)



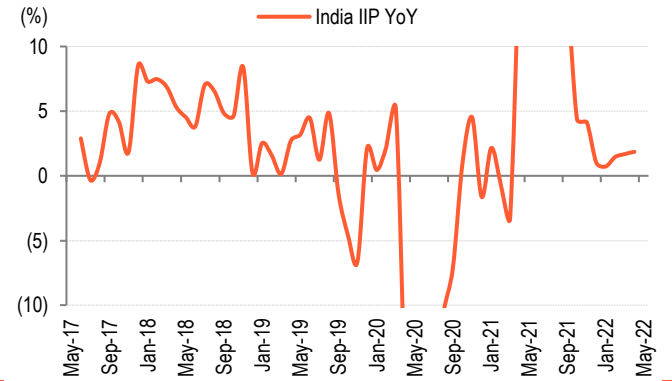
Source: Bloomberg, BOBCAPS Research

Fig 40 – Purchasing Managers’ Index



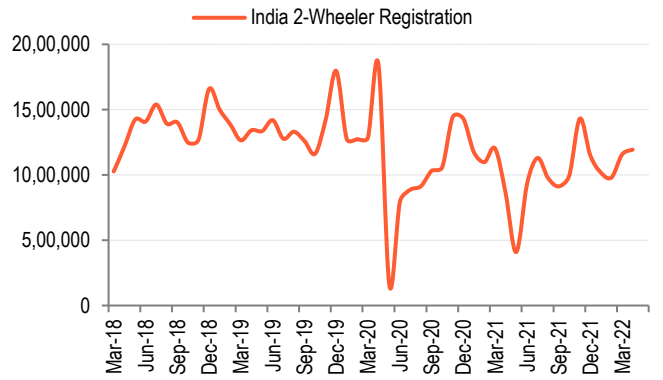
Source: Bloomberg, BOBCAPS Research

Fig 41 – Industrial production



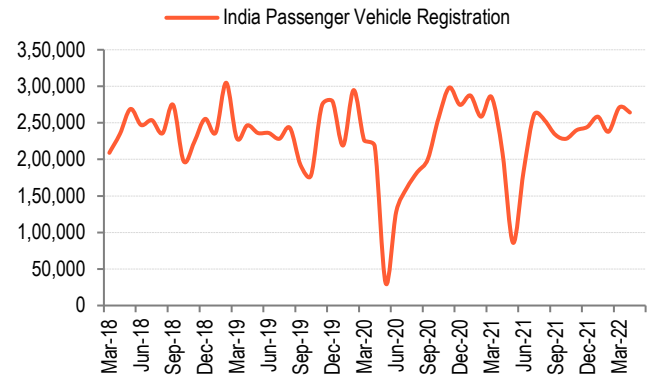
Source: Bloomberg, BOBCAPS Research

Fig 42 – Two-wheeler registration



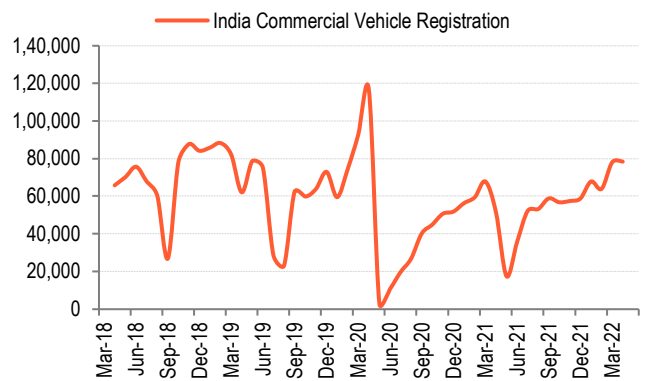
Source: Bloomberg, BOBCAPS Research

Fig 43 – 4-wheeler registration



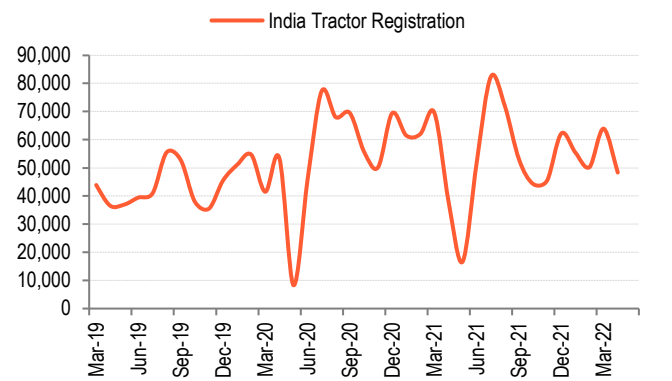
Source: Bloomberg, BOBCAPS Research

Fig 44 – Commercial vehicle registration



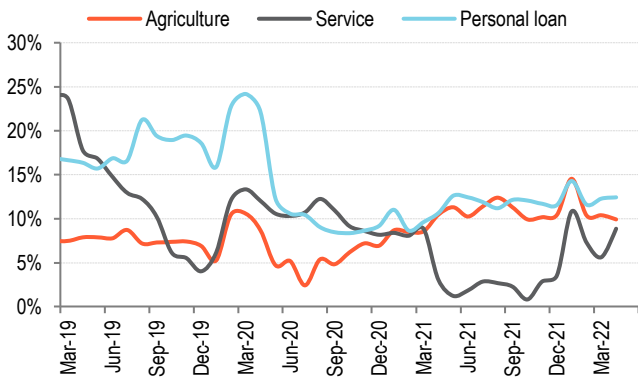
Source: Bloomberg, BOBCAPS Research

Fig 45 – Tractor registration



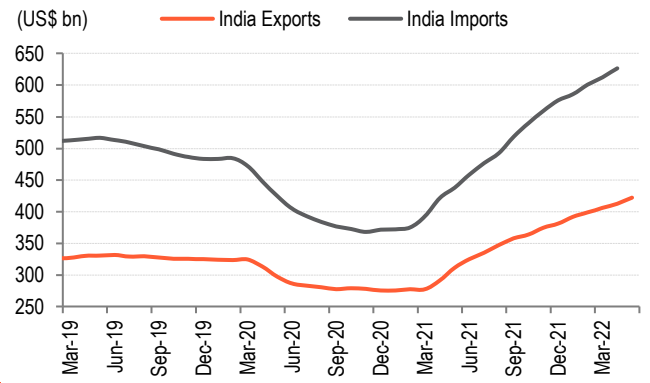
Source: Bloomberg, BOBCAPS Research

Fig 46 – Scheduled Commercial Banks’ credit growth



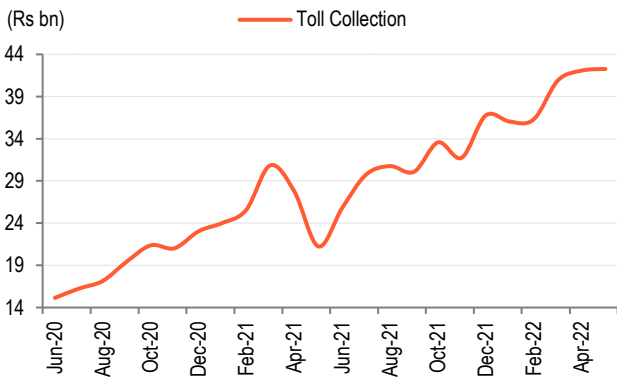
Source: Bloomberg, BOBCAPS Research

Fig 47 – Exports and Imports



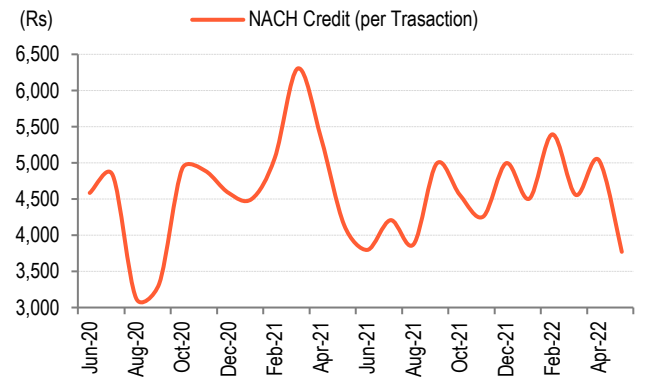
Source: Bloomberg, BOBCAPS Research

Fig 48 – Toll collection



Source: Bloomberg, BOBCAPS Research

Fig 49 – National Automated Clearing House credit



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

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

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