

India likely to outshine EMs

- Nifty forward P/E is now close to its 5Y average though a modest cut in estimates looks likely post Q4FY22 results
- We believe inflationary pressure from commodities will abate over H2CY22 given moderation in global growth forecasts
- India is relatively better placed among EMs. We are constructive on the Nifty but global headwinds could cap upsides

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Nifty 50 declined 2.1% in April: Indian equity markets outperformed their global benchmarks in the US, EU and Japan but underperformed the UK in April. The US market suffered due to a sell-off in technology stocks. In India, the mid- and small-cap indices continue to outperform large-caps. Amongst sectors, energy, PSU banks and consumer outperformed while the banking index was flat. Technology (-12.9%) was a major drag.

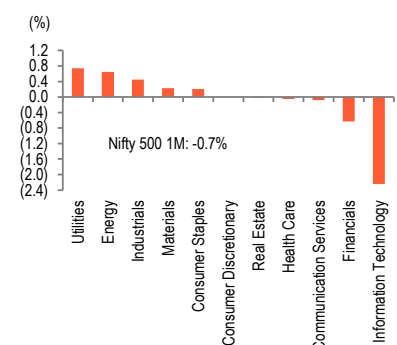
Russia-Ukraine crisis and India: The Russia-Ukraine war has induced significant volatility in both equity and commodity markets. Equities have recovered to pre-war levels, but commodity prices remain elevated despite cooling down from recent highs. The IMF has lowered its global growth forecasts but has penciled in the highest growth for India among large economies for both CY22 and CY23.

Commodity prices have largely peaked: We maintain that commodity prices have largely peaked in March. That said, oil and gas may not correct in the near term. LNG may see another spike in winter as the EU will likely start mopping up spot cargo from across the world. However, most metal prices have started correcting. Note that there's been a series of demand forecast downgrades by IEA (on oil), World Steel Association (on steel) and Alcoa (on aluminum).

Twin factors behind India's power deficit: A combination of coal shortage and surging demand has led to India returning to a peak power deficit. For details, please see our analyst Vinod Chari's recent note: [Expert call – Power shortage to persist near term](#). As of yesterday, peak deficit was at 5%. While supply is yet to catch up, the growing demand reflects strong underlying economic activity.

Constructive on index but upside limited: Given robust economic growth momentum, a normal monsoon forecast and rising capacity utilisation levels in the economy, we believe the Indian equity market will continue to attract long-term investors. We are, therefore, constructive on the market but expect upsides to be capped given headwinds from the slowdown in China, interest rate rise and balance sheet rundown in the US.

Contribution to Nifty 500 1M returns



Source: Bloomberg, BOBCAPS Research

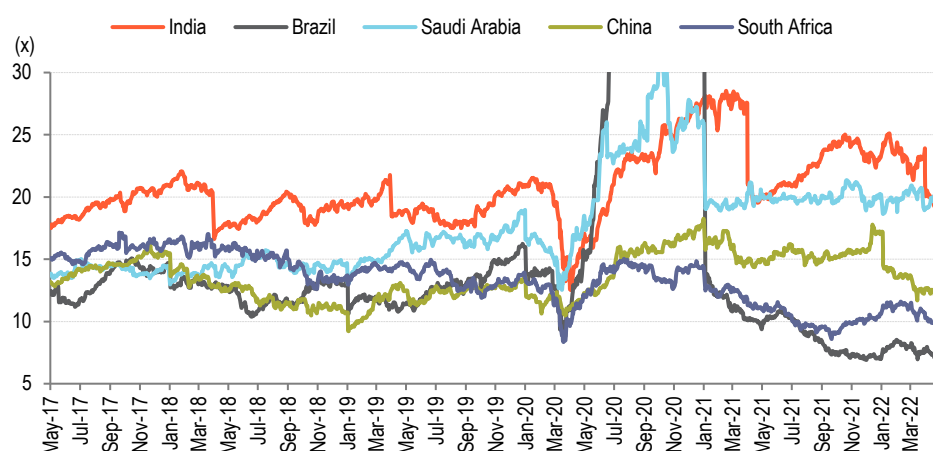


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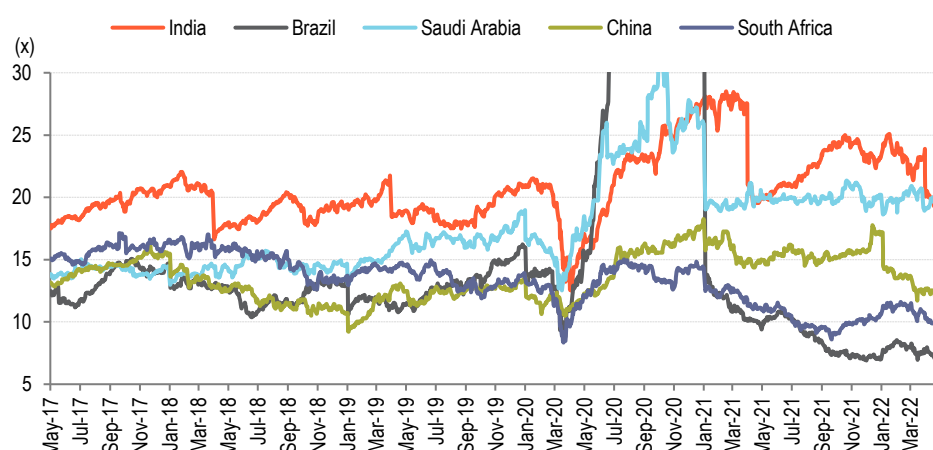
Focus charts

Fig 1 – India 12M forward P/E: India has consistently traded at premium to peers



Source: Bloomberg, BOBCAPS Research

Fig 2 – Index* performance in last 2Y (USD): India continues to outperform



Source: Bloomberg, BOBCAPS Research | Note: Index taken as respective country's headline index

Fig 3 – India GDP growth fastest among peers

(%)	2021	2022E	2023E
World Output	6.1	3.6	3.6
Advanced Economies	5.2	3.3	2.4
United States	5.7	3.7	2.3
Euro Area	5.3	2.8	2.3
EM and Developing	6.8	3.8	4.4
China	8.1	4.4	5.1
India	8.9	8.2	6.9
Brazil	4.6	0.8	1.4
Saudi Arabia	3.2	7.6	3.6
South Africa	4.9	1.9	1.4

Source: IMF, Bloomberg, BOBCAPS Research

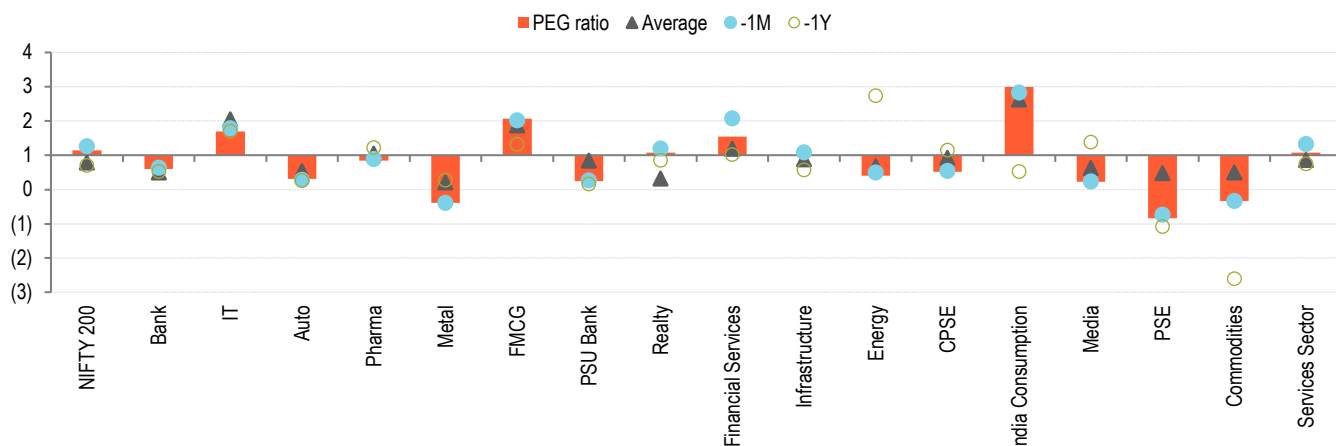
Fig 4 – Revision to 2022 growth expectations over 2021

Indicator	Units	Growth forecast	
		Previous	Current
Global growth	%	4.4	3.6
Oil demand	mbpd	3.3	1.9
Steel demand	%	2.2	0.4
Aluminium demand	%	2-3	2.0
Container volume	%	2-4	-1 to 1

Source: IMF, IEA, World Steel, Alcoa, Maersk, BOBCAPS Research

Valuations and Returns: April 2022

Fig 5 – Nifty: 12M forward PEG ratio



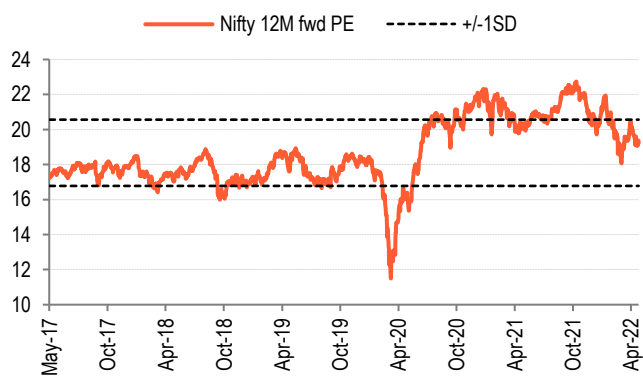
Source: Bloomberg, BOBCAPS Research | Note: We calculate PEG ratio as trailing 12M P/E divided by 12M forward earnings. We only consider numbers between -10 and 10 in our calculations.

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

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
Nifty 50	(0.8)	(0.4)	(2.1)	0.0	(3.2)	(1.4)	14.8	45.5	83.8
Nifty Next 50	(1.3)	(0.9)	3.5	4.7	1.1	0.7	21.8	52.3	61.6
Nifty 200	(0.9)	(0.6)	(0.9)	0.8	(2.3)	(1.0)	17.0	49.5	79.9
Nifty 500	(0.9)	(0.7)	(0.7)	0.4	(2.0)	(1.4)	18.0	52.6	80.0
NIFTY Midcap 100	(0.8)	(1.4)	0.6	0.3	(1.9)	(1.8)	23.0	68.5	65.2
NIFTY Smallcap 100	(1.2)	(2.7)	(1.7)	(6.7)	(4.7)	(9.1)	19.3	56.2	37.8
NSE NIFTY Smallcap 250	(1.0)	(2.3)	0.5	(2.3)	1.2	(3.5)	30.2	76.1	58.3
Nifty Dividend Opp 50	(1.1)	(1.2)	(1.8)	0.0	(0.2)	(2.1)	19.2	34.4	55.4
NIFTY100 ESG	1.2	0.4	0.0	0.8	(2.4)	(3.1)	18.2	57.8	103.6
S&P 500	2.5	(2.4)	(5.4)	(3.3)	(6.9)	(10.0)	1.8	45.7	79.8
Stoxx 600	0.8	(0.6)	(1.1)	(3.2)	(5.2)	(7.6)	2.7	15.2	16.5
Nikke 225	1.7	(2.6)	(3.5)	0.5	(7.1)	(6.8)	(7.6)	20.6	39.9
FTSE 100	0.2	0.0	0.1	0.8	4.0	1.9	8.1	1.1	4.4

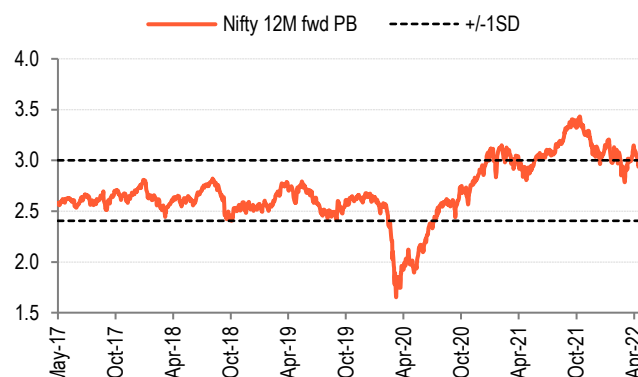
Source: Bloomberg, BOBCAPS Research

Fig 7 – Nifty: 12M forward P/E



Source: Bloomberg, BOBCAPS Research

Fig 8 – Nifty: 12M forward P/B



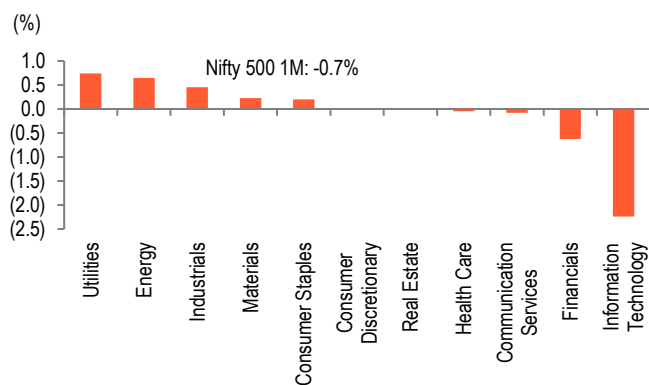
Source: Bloomberg, BOBCAPS Research

Fig 9 – Returns across sectoral Nifty indices

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
Nifty 50	(0.8)	(0.4)	(2.1)	0.0	(3.2)	(1.4)	14.8	45.5	83.8
Nifty Bank	(0.9)	0.1	(0.8)	(4.2)	(7.7)	1.7	7.0	20.2	61.4
Nifty IT	(0.9)	(2.5)	(12.9)	(6.6)	(8.1)	(18.3)	22.2	91.6	218.0
Nifty Auto	(1.0)	0.5	5.0	(3.6)	(1.9)	1.3	13.3	30.4	8.0
Nifty Pharma	(0.1)	(0.8)	(0.9)	3.7	(3.0)	(5.3)	1.2	42.3	33.0
Nifty Metal	(0.6)	(1.8)	(1.5)	15.8	13.7	14.6	30.3	107.7	112.7
Nifty FMCG	(0.7)	1.1	5.3	5.6	0.0	1.7	12.3	25.5	61.4
Nifty PSU Bank	(1.7)	(1.0)	1.2	(4.8)	(2.4)	9.0	32.8	(12.8)	(24.6)
Nifty Realty	(1.2)	(1.0)	(4.3)	(4.7)	(11.0)	(8.3)	42.1	67.8	76.8
Nifty Financial Services	(0.5)	(0.2)	(3.0)	(5.9)	(11.5)	(4.0)	3.7	33.0	83.5
Nifty Infrastructure	(1.5)	(1.3)	2.2	3.0	1.6	3.6	26.1	63.2	57.5
Nifty Energy	(1.6)	(1.0)	10.7	15.9	23.1	26.3	58.3	74.0	133.2
Nifty CPSE	(2.7)	(4.4)	5.7	7.5	15.7	16.8	47.9	16.8	(2.4)
Nifty India Consumption	(1.0)	0.2	3.8	3.7	0.7	0.5	19.8	46.4	72.6
Nifty Media	(2.9)	(6.2)	(9.7)	(2.5)	(4.3)	(3.1)	38.4	(9.5)	(33.9)
NIFTY Private Bank	(0.8)	0.2	(0.5)	(3.7)	(9.2)	1.6	1.8	7.4	48.9
Nifty PSE	(2.3)	(4.4)	3.6	3.6	5.7	10.4	35.5	19.6	0.4
Nifty Commodities	(1.1)	(2.2)	3.6	8.4	8.2	11.3	31.7	69.4	73.9
NSE Nifty Fin Services	(0.5)	(0.2)	(3.0)	(5.9)	(11.5)	(4.0)	3.7	33.0	83.5
Nifty Services Sector	(0.9)	(0.7)	(4.0)	(3.2)	(6.1)	(4.8)	11.4	42.6	93.9

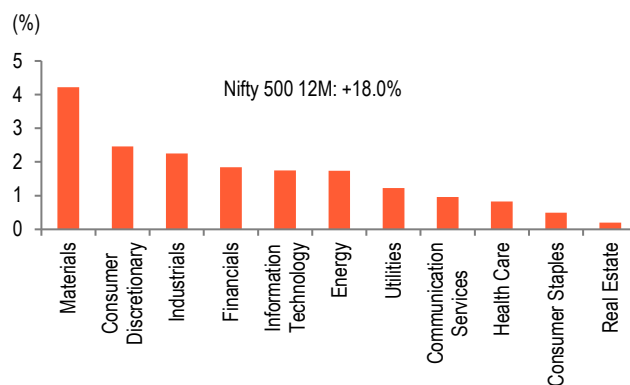
Source: Bloomberg, BOBCAPS Research

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	20.0	16.0	(2.9)	19.2	19.5	16.8	17.3	2.8	2.98	2.65	2.72	1.53	1.47	1.64	1.72
Nifty Next 50	11.0	5.0	17.0	(6.9)	24.4	21.4	18.3	19.6	3.2	3.11	2.50	2.66	1.46	1.60	1.70	1.45
Nifty 200	10.0	18.1	18.0	(0.7)	19.8	20.1	17.1	17.2	2.8	3.01	2.62	2.65	1.48	1.53	1.70	1.68
Nifty 500	10.1	20.8	18.4	(1.4)	19.6	20.1	17.0	17.2	2.8	3.00	2.64	2.61	1.46	1.46	1.65	1.64
NIFTY Midcap 100	8.8	17.4	29.7	2.9	21.1	22.6	17.4	16.9	2.5	3.09	2.53	2.17	1.31	1.88	2.16	NA
NIFTY Smallcap 100	5.9	33.3	20.5	NA	16.2	16.8	13.9	NA	2.2	2.48	2.17	NA	1.21	1.20	1.37	NA
Sectors																
Nifty Bank	13.2	31.1	24.3	1.6	18.5	15.3	12.3	12.1	2.3	2.14	1.83	1.60	0.90	0.97	1.18	1.06
Nifty IT	11.8	16.2	15.0	11.5	21.3	25.6	22.3	20.0	5.1	6.96	6.17	5.93	2.34	2.35	2.67	3.11
Nifty Auto	(3.0)	254.2	38.2	0.7	20.5	23.0	16.6	16.5	2.7	3.41	2.96	2.60	1.34	1.20	1.44	NA
Nifty Pharma	2.4	26.3	20.0	(7.8)	22.8	23.9	19.9	21.6	3.2	3.53	3.09	2.85	0.72	0.69	0.79	NA
Nifty Metal	35.9	(16.7)	0.1	NA	9.2	8.8	8.8	NA	1.3	1.40	1.23	NA	3.41	2.72	2.56	NA
Nifty FMCG	9.2	17.8	12.1	(46.0)	32.5	34.0	30.3	56.2	7.7	8.14	7.70	6.74	1.96	2.30	2.58	2.76
Nifty PSU Bank	12.6	33.7	29.4	12.3	10.2	6.8	5.3	4.7	0.8	0.85	0.69	0.58	1.78	1.92	2.55	1.75
Nifty Realty	7.1	44.8	33.4	34.3	30.8	36.3	27.2	20.2	2.3	3.02	2.76	2.30	0.78	0.36	0.38	0.36
Nifty Financial Services	13.8	11.4	19.7	3.0	20.6	18.5	15.4	15.0	2.9	2.62	2.29	2.16	0.94	0.98	1.14	1.02
Nifty Infrastructure	14.7	21.5	12.9	(3.7)	18.2	15.7	13.9	14.5	2.0	2.19	1.88	1.84	1.82	1.94	2.08	2.14
Nifty Energy	17.1	24.7	17.3	(16.2)	10.7	11.4	9.7	11.6	1.3	1.46	1.34	NA	2.94	2.60	2.68	2.72
Nifty CPSE	16.6	22.9	1.3	(5.3)	7.7	6.8	6.8	7.1	1.1	1.25	1.14	1.01	6.09	6.34	6.43	5.44
Nifty India Consumption	59.6	9.6	27.0	(6.0)	56.6	39.4	31.0	33.0	6.9	6.58	5.89	5.03	1.00	1.30	1.49	1.60
Nifty Media	(0.6)	2044.2	21.0	NA	21.1	20.3	16.8	NA	3.0	2.71	2.43	2.17	1.60	1.14	1.25	1.49
Nifty PSE	13.4	(4.5)	3.5	(12.8)	8.3	7.0	6.8	7.8	1.2	1.18	1.08	1.02	5.10	5.98	6.20	NA
Nifty Commodities	20.1	(32.6)	(3.4)	NA	16.7	16.0	16.6	NA	2.5	2.92	2.69	NA	2.58	2.89	2.74	NA
Nifty Services Sector	9.5	20.0	20.6	3.2	20.5	20.2	16.7	16.2	3.2	3.15	2.77	2.55	1.40	1.39	1.59	1.71

Source: Bloomberg, BOBCAPS Research

Fig 13 – NSE 500: Best performing stocks

Company	Sector	Industry	Market cap (Rs mn)	1M (%)	3M (%)	1Y (%)
Mangalore Refinery & Petro	Energy	Oil, Gas & Consumable Fuels	1,29,254	77.3	58.6	72.9
Shree Renuka Sugars	Consumer Staples	Food Products	1,14,513	51.1	63.8	384.7
Adani Green Energy	Utilities	Power and Renewable	45,08,740	50.6	48.7	173.1
Bharat Dynamics	Industrials	Aerospace & Defense	1,37,131	36.2	53.7	119.1
NLC India	Utilities	Power and Renewable	1,13,427	30.8	23.2	72.0
Railtel Corp Of India	Communication Services	Diversified Telecommunication	34,790	28.9	(5.6)	(11.2)
Mahindra Cie Automotive	Consumer Discretionary	Auto Components	83,862	28.7	4.6	28.4
Varroc Engineering	Consumer Discretionary	Auto Components	67,906	28.6	10.7	16.1
Gujarat Ambuja Exports	Consumer Staples	Food Products	76,013	27.4	58.9	130.3
Angel One	Financials	Capital Markets	1,61,649	26.8	38.6	442.7
Vaibhav Global	Consumer Discretionary	Textiles, Apparel & Luxury Goo	77,405	26.2	1.6	(44.5)
Mazagon Dock Shipbuilders	Industrials	Aerospace & Defense	60,547	25.2	12.4	49.1
Ambuja Cements	Materials	Construction Materials	7,39,057	24.4	3.2	18.5
Elgi Equipments	Industrials	Machinery	1,09,888	24.0	10.9	59.8
Godrej Agrovet	Consumer Staples	Food Products	1,04,769	23.3	1.9	9.4
Welspun Corp	Materials	Metals & Mining	53,586	22.7	15.2	40.9
Creditaccess Grameen	Financials	Consumer Finance	1,61,951	22.3	74.3	71.5
IIFL Finance	Financials	Thriffs & Mortgage Finance	1,31,740	21.5	9.8	26.9
Jubilant Pharmova	Health Care	Pharmaceuticals	75,125	21.5	(9.4)	(39.7)
Borosil Renewables	Information Technology	Semiconductors	91,887	21.5	13.0	197.8
Just Dial	Communication Services	Interactive Media & Services	71,813	20.8	(4.2)	(1.6)
Ceat	Consumer Discretionary	Auto Components	45,496	20.7	3.4	(17.6)
Godfrey Phillips India	Consumer Staples	Tobacco	63,178	20.4	7.0	40.5
Easy Trip Planners	Consumer Discretionary	Hotels, Restaurants & Leisure	88,904	20.1	52.2	336.0
Sterling And Wilson	Industrials	Construction & Engineering	72,377	20.0	(1.0)	25.3

Source: Bloomberg, BOBCAPS Research

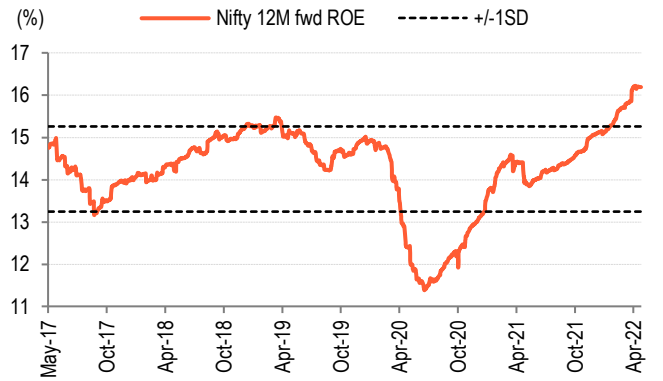
Fig 14 – NSE 500: Worst performing stocks

Company	Sector	Industry	Market cap (Rs mn)	1M (%)	3M (%)	1Y (%)
TV18 Broadcast	Communication Services	Media	91,975	(27.6)	(9.0)	58.0
Larsen & Toubro Infotech	Information Technology	IT Services	8,48,296	(21.4)	(18.1)	25.9
UTI Asset Management Co	Financials	Capital Markets	1,00,531	(20.4)	(18.1)	26.6
L&T Technology Services	Industrials	Professional Services	4,31,801	(19.9)	(10.7)	56.0
Delta Corp	Consumer Discretionary	Hotels, Restaurants & Leisure	71,154	(19.4)	(3.5)	73.1
V-Mart Retail	Consumer Discretionary	Multiline Retail	63,579	(18.8)	(14.5)	19.1
Infosys	Information Technology	IT Services	65,94,407	(17.8)	(7.0)	15.6
Mindtree	Information Technology	IT Services	5,85,514	(17.5)	(4.6)	69.3
Intellect Design Arena	Information Technology	Software	1,06,429	(16.4)	4.6	13.6
Tata Teleservices Maharashtr	Communication Services	Diversified Telecommunication	2,73,103	(16.2)	(11.1)	950.4
Cera Sanitaryware	Industrials	Building Products	54,246	(16.1)	(12.5)	8.9
Tech Mahindra	Information Technology	IT Services	12,23,627	(16.0)	(10.8)	31.9
Mphasis	Information Technology	IT Services	5,34,034	(15.8)	(6.5)	62.1
Mastek	Information Technology	IT Services	84,448	(15.3)	5.1	73.3
Hindalco Industries	Materials	Metals & Mining	10,84,598	(15.3)	(1.6)	29.7
Brightcom Group	Communication Services	Interactive Media & Services	1,60,035	(14.8)	(22.6)	2158.1
HLE Glascoat	Industrials	Machinery	60,694	(14.8)	(28.5)	84.0
Wipro	Information Technology	IT Services	27,88,892	(14.0)	(7.9)	3.9
Sterlite Technologies	Information Technology	Communications Equipment	76,827	(14.0)	(5.9)	(18.3)
Zee Entertainment Enterprise	Communication Services	Media	2,38,353	(13.9)	(13.1)	33.0
National Aluminium Co	Materials	Metals & Mining	1,92,938	(13.8)	(3.5)	62.2
Atul	Materials	Chemicals	2,64,887	(13.0)	(9.3)	6.9
BASF India	Materials	Chemicals	1,16,633	(12.9)	(13.4)	30.2
EPL	Materials	Containers & Packaging	53,294	(12.9)	(11.0)	(25.9)
Zomato	Consumer Discretionary	Internet & Direct Marketing Re	5,64,811	(12.8)	(19.9)	NA

Source: Bloomberg, BOBCAPS Research

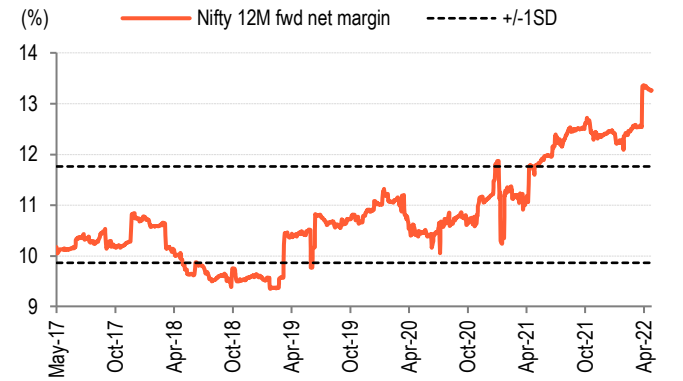
Index fundamentals

Fig 15 – Nifty: 12M forward ROE



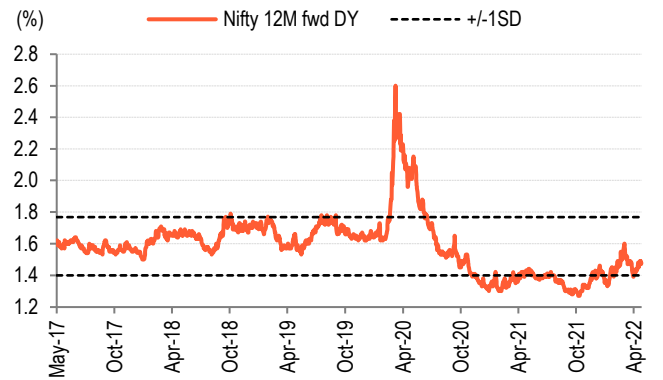
Source: Bloomberg, BOBCAPS Research

Fig 16 – Nifty: 12M forward net margin



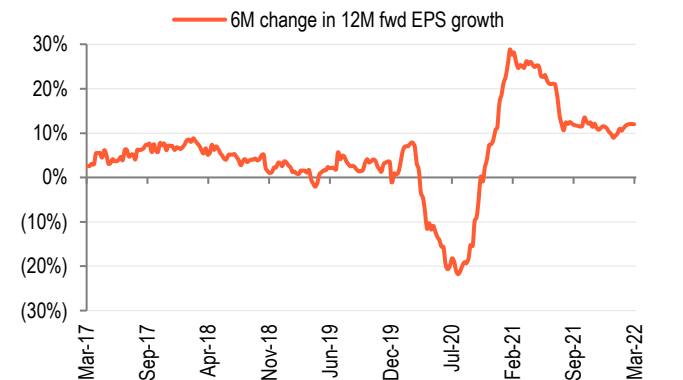
Source: Bloomberg, BOBCAPS Research

Fig 17 – Nifty: 12M forward dividend yield



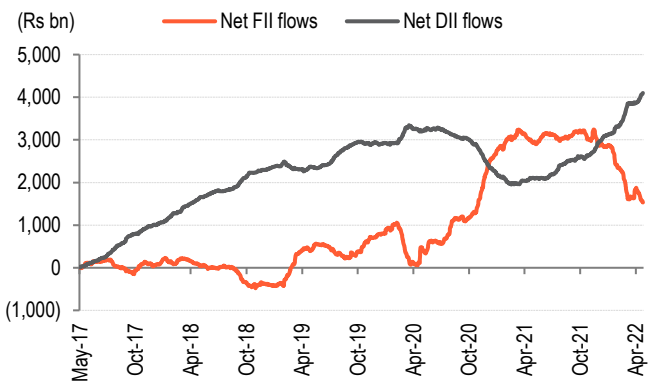
Source: Bloomberg, BOBCAPS Research

Fig 18 – Nifty: 6M change in EPS growth



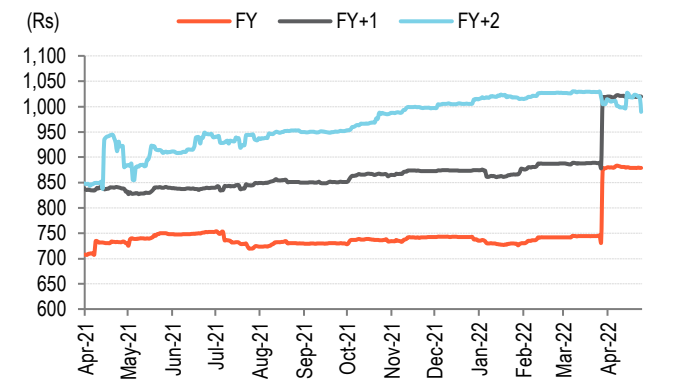
Source: Bloomberg, BOBCAPS Research

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

The RBI in its monetary policy statement of 8 April retained an accommodative stance. However, it introduced a standing deposit facility (SDF) at 3.75% which is now the base rate for the liquidity adjustment facility (LAF) corridor. Introduction of SDF means an indirect 40bps hike in reverse repo rate. With this, the RBI has shifted its focus to inflation and prepared markets for future rate hikes. In response, the 10-year yield shot up over 30bps in the last one month.

The US 10-year yield continued to climb alongside data on rising prices, with a 48bps increase in April. Rate hike expectations from the US Fed have risen in the last one month with a few markets participants expecting at least one 75bps hike during 2022. The US dollar has also witnessed a sharp jump and the DXY index rose 4.75% in April.

However, rising inflation expectations have started to weigh on commodity prices. Metals saw a significant decline last month with aluminum price declining by 13.2%, iron ore by 8.7% and copper by 6.5%. Precious metals also contracted with gold declining by 1.1% and silver by 5.2%.

Economic data from India remains healthy – composite PMI continues to be in the expansionary zone (above 50) and growing, while IIP has increased YoY. Vehicle registration rose across segments. Credit grew in agriculture and services but declined for personal loans. EXIM trade continues to rise.

Fig 21 – Yields

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
India 10Y yield	7.16	7.17	6.84	6.75	6.39	6.45	6.05	7.41	6.96
India AAA corporate yield	7.33	7.33	7.17	7.31	7.00	7.00	6.75	8.53	7.90
India AA corporate yield	8.06	8.07	7.95	8.06	7.82	7.79	7.52	9.12	8.41
US 10Y yield	2.82	2.90	2.34	1.77	1.55	1.51	1.61	2.50	2.28
EU 10Y yield	0.90	0.97	0.55	(0.05)	(0.11)	(0.18)	(0.23)	(0.02)	0.32
Japan 10Y yield	0.23	0.25	0.22	0.17	0.10	0.07	0.10	(0.04)	0.02

Source: Bloomberg, BOBCAPS Research

Fig 22 – Exchange rates

(%)	Current	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
USDINR	76.4	0.1	0.1	(0.8)	(2.4)	(2.0)	(2.7)	(3.1)	NA	(15.9)
EURINR	80.9	(0.5)	2.2	4.1	3.1	7.9	4.2	11.0	(3.4)	(13.1)
JPYINR	0.6	(0.5)	1.3	6.2	10.1	11.7	9.9	15.6	6.6	(1.8)
GBPINR	96.0	(0.3)	2.5	3.6	4.5	7.6	4.6	7.5	(5.7)	(13.4)

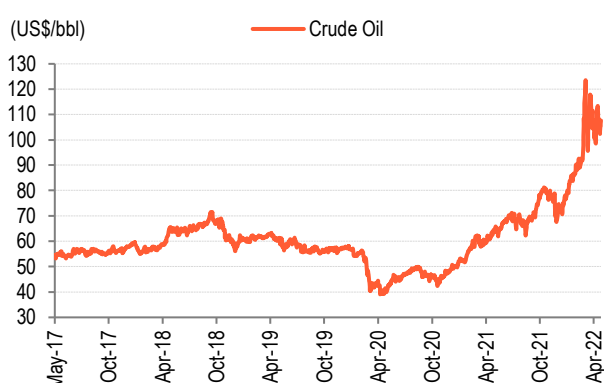
Source: Bloomberg, BOBCAPS Research

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

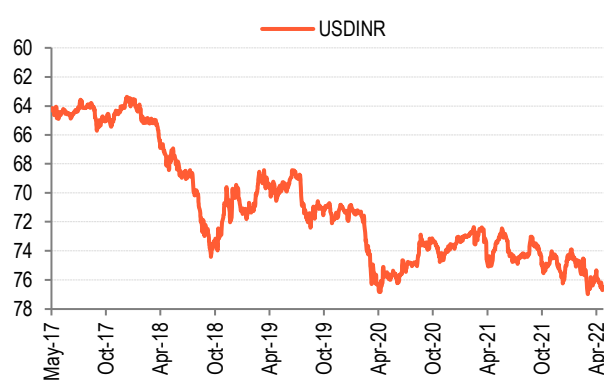
Source: Bloomberg, BOBCAPS Research

Fig 24 – Oil price trend



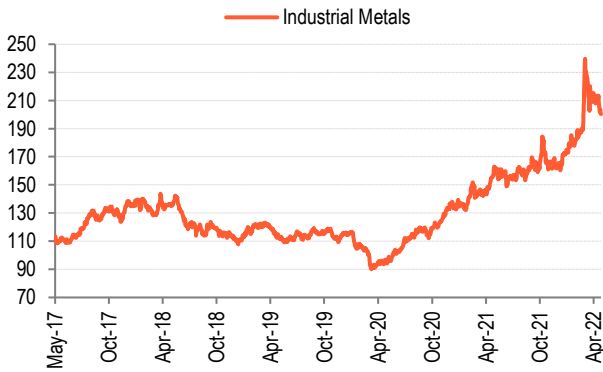
Source: Bloomberg, BOBCAPS Research

Fig 25 – USDINR movement



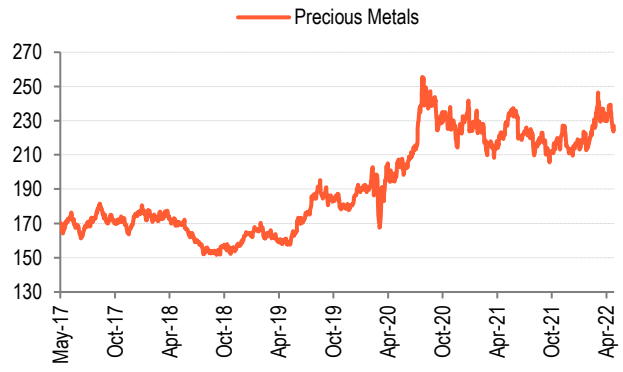
Source: Bloomberg, BOBCAPS Research

Fig 26 – Industrial metals price trend



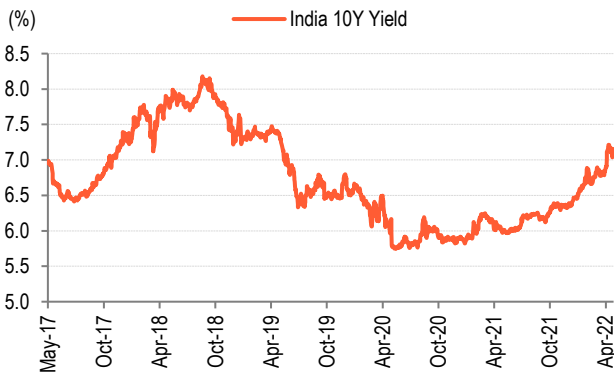
Source: Bloomberg, BOBCAPS Research

Fig 27 – Precious metals price trend



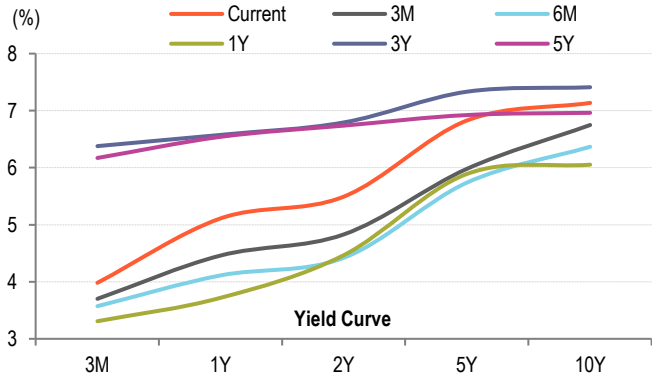
Source: Bloomberg, BOBCAPS Research

Fig 28 – India 10Y bond yield



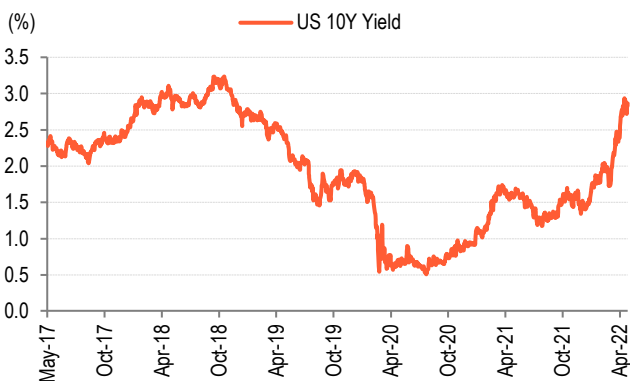
Source: Bloomberg, BOBCAPS Research

Fig 29 – India yield curve



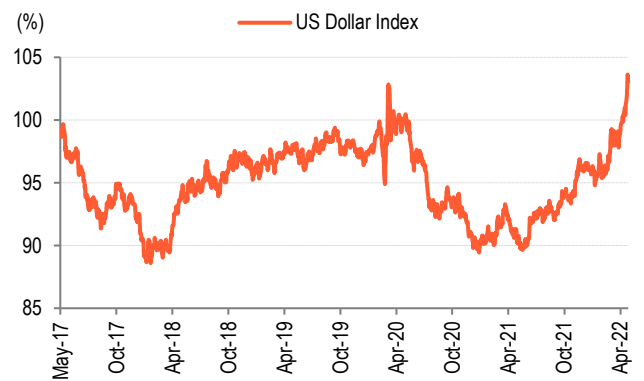
Source: Bloomberg, BOBCAPS Research

Fig 30 – US 10Y yield



Source: Bloomberg, BOBCAPS Research

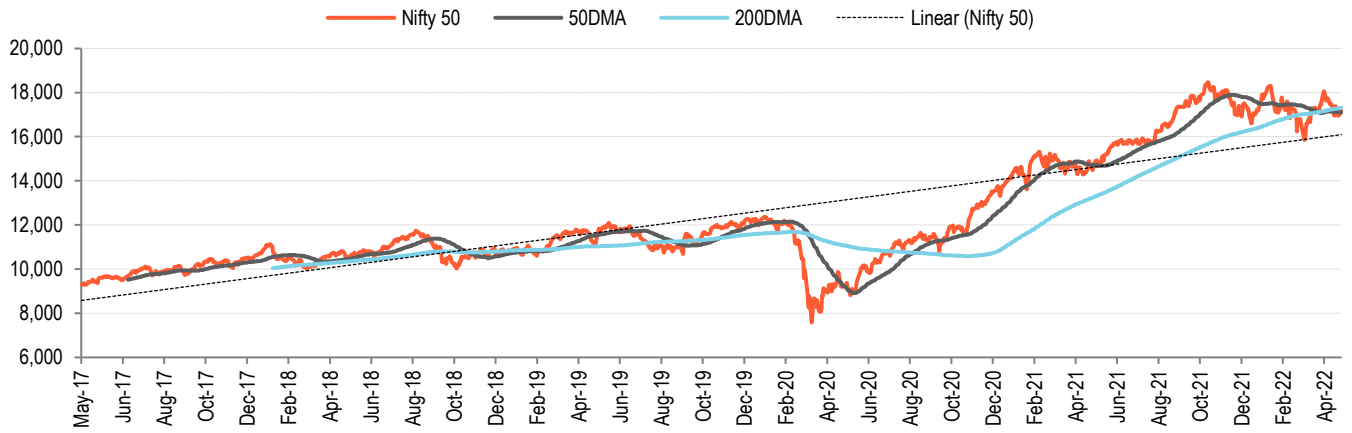
Fig 31 – US Dollar index



Source: Bloomberg, BOBCAPS Research

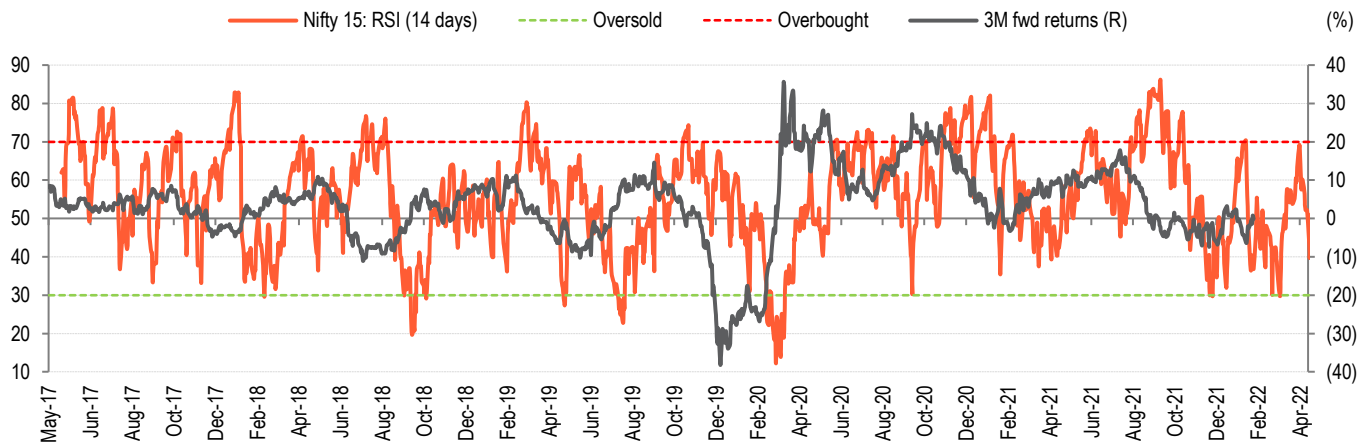
Technical trends

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	4.6	4.9	5.7
Consumer Discretionary	24.0	30.0	29.8
Consumer Staples	14.2	14.8	12.9
Energy	28.6	26.6	24.1
Financials	94.9	88.7	81.1
Health Care	11.4	13.6	14.2
Industrials	11.9	9.2	8.7
Information Technology	34.4	35.7	34.5
Materials	28.6	33.7	29.9
Utilities	6.7	4.8	4.5
Nifty 50	259	262	246

Source: Bloomberg, BOBCAPS Research

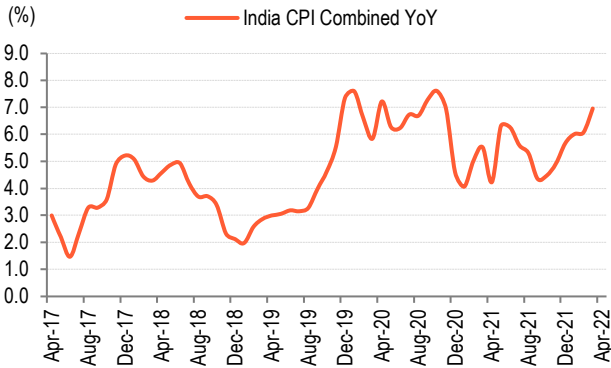
Fig 35 – Nifty 50: Stock-wise average daily traded value

Company (Rs bn)	Sector	Industry	Market cap	1M	3M	6M
Adani Ports	Industrials	Transportation Infrastructure	1,809	8.1	4.9	4.3
Apollo Hospitals	Health Care	Health Care Providers & Services	640	4.2	3.7	4.3
Asian Paints	Materials	Chemicals	3,105	3.1	4.1	3.9
Axis Bank	Financials	Banks	2,237	7.6	8.1	8.1
Bajaj Finance	Financials	Consumer Finance	4,039	8.5	8.9	8.9
Bharti Airtel	Communication Services	Wireless Telecommunication Ser	4,483	4.6	4.9	5.7
Bajaj Auto	Consumer Discretionary	Automobiles	1,079	1.6	1.5	1.5
Bajaj Finserv	Financials	Diversified Financial Services	2,373	4.3	4.7	4.6
Bharat Petrol	Energy	Oil, Gas & Consumable Fuels	787	1.8	2.1	2.0
Britannia Inds	Consumer Staples	Food Products	790	0.9	1.1	1.0
Cipla	Health Care	Pharmaceuticals	792	2.0	2.7	2.4
Coal India	Energy	Oil, Gas & Consumable Fuels	1,127	4.2	3.5	2.7
Divi Labs	Health Care	Life Sciences Tools & Services	1,196	1.8	2.2	2.4
Dr Reddy's Labs	Health Care	Pharmaceuticals	688	1.6	2.3	2.1
Eicher Motors	Consumer Discretionary	Automobiles	719	1.8	1.9	1.9
Grasim Inds	Materials	Construction Materials	1,114	1.8	1.7	1.7
HCL Tech	Information Technology	IT Services	2,929	4.0	4.3	4.6
Housing Dev Fin	Financials	Thriffs & Mortgage Finance	4,042	17.4	13.6	11.0
HDFC Bank	Financials	Banks	7,680	25.0	16.4	12.9
HDFC Life Insurance	Financials	Insurance	1,230	3.1	3.0	2.2
Hero Motocorp	Consumer Discretionary	Automobiles	501	2.5	2.2	1.8
Hindalco	Materials	Metals & Mining	1,085	6.8	6.8	5.3
Hindustan Unilever	Consumer Staples	Personal Products	5,251	4.4	4.4	4.0
ICICI Bank	Financials	Banks	5,166	13.1	12.7	12.0
IndusInd Bank	Financials	Banks	758	2.6	3.8	4.6
Infosys	Information Technology	IT Services	6,594	14.7	13.2	11.5
ITC	Consumer Staples	Tobacco	3,199	6.1	6.4	5.2
JSW Steel	Materials	Metals & Mining	1,758	3.9	3.5	3.2
Kotak Mahindra	Financials	Banks	3,554	4.5	5.8	5.5
Larsen & Toubro	Industrials	Construction & Engineering	2,381	3.8	4.3	4.5
Mahindra & Mahindra	Consumer Discretionary	Automobiles	1,146	3.3	3.0	3.1
Maruti Suzuki In	Consumer Discretionary	Automobiles	2,331	4.5	6.8	6.4
Nestle India	Consumer Staples	Food Products	1,767	1.2	1.2	1.0
NTPC	Utilities	Independent Power and Renewabl	1,515	3.9	2.3	2.0
Oil & Natural Ga	Energy	Oil, Gas & Consumable Fuels	2,019	3.6	4.6	3.4
Power Grid Corp	Utilities	Electric Utilities	1,589	2.8	2.5	2.6
Reliance Inds	Energy	Oil, Gas & Consumable Fuels	18,877	18.9	16.4	16.0
SBI Life Insurance	Financials	Insurance	1,106	1.4	1.5	1.5
State Bank Ind	Financials	Banks	4,429	7.3	10.2	9.8
Shree Cement	Materials	Construction Materials	935	0.8	1.2	1.0
Sun Pharma	Health Care	Pharmaceuticals	2,228	1.8	2.8	3.0
Tata Steel	Materials	Metals & Mining	1,552	8.1	10.8	9.7
Tata Consumer Pr	Consumer Staples	Food Products	759	1.7	1.7	1.6
Tata Consultancy	Information Technology	IT Services	13,119	8.2	9.9	9.5
Tech Mahindra	Information Technology	IT Services	1,224	4.0	4.0	4.2
Titan Co	Consumer Discretionary	Textiles, Apparel & Luxury Goo	2,182	2.8	3.5	3.4
Tata Motors	Consumer Discretionary	Automobiles	1,564	7.7	11.2	11.7
UPL	Materials	Chemicals	629	2.1	2.3	2.1
Ultratech Cement	Materials	Construction Materials	1,914	2.1	3.3	2.8
Wipro	Information Technology	IT Services	2,789	3.5	4.3	4.7

Source: Bloomberg, BOBCAPS Research

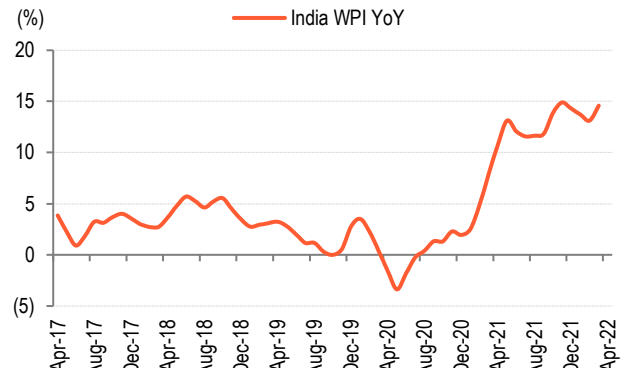
Macroeconomic indicators: March 2022

Fig 36 – Consumer price index



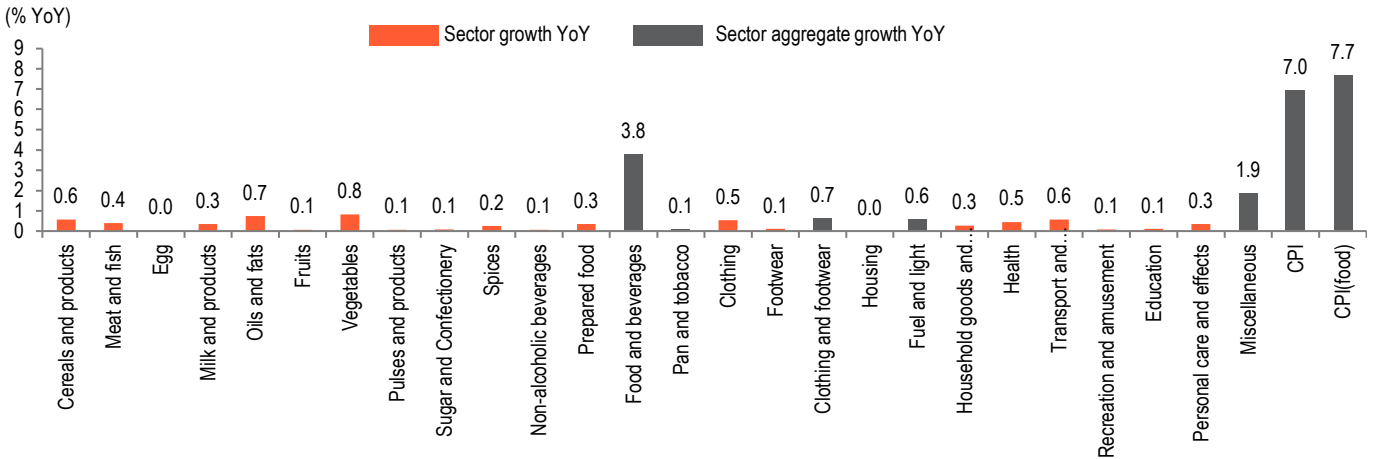
Source: Bloomberg, BOBCAPS Research

Fig 37 – Wholesale price index



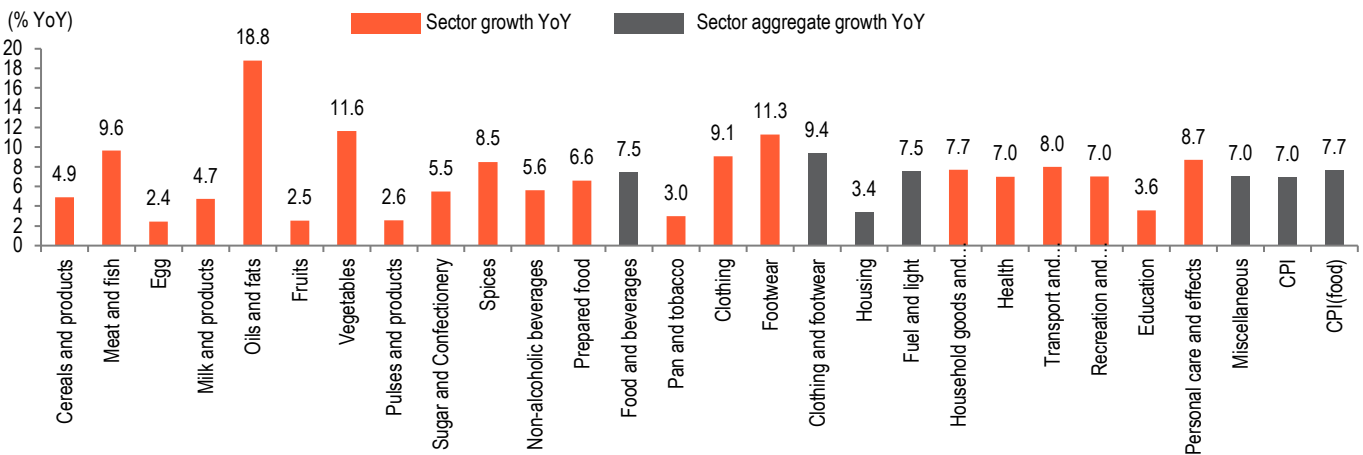
Source: Bloomberg, BOBCAPS Research

Fig 38 – Contribution to CPI (Mar'22)



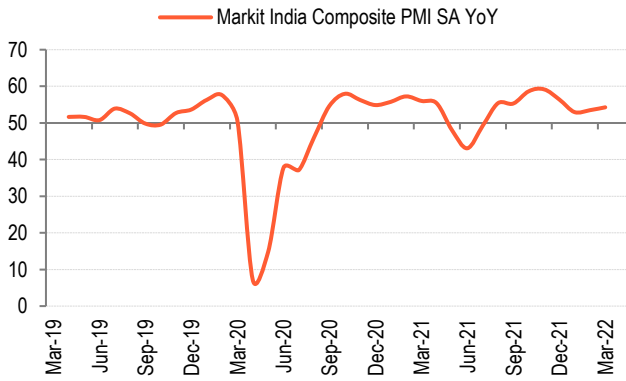
Source: Bloomberg, BOBCAPS Research

Fig 39 – Actual CPI (Mar'22)



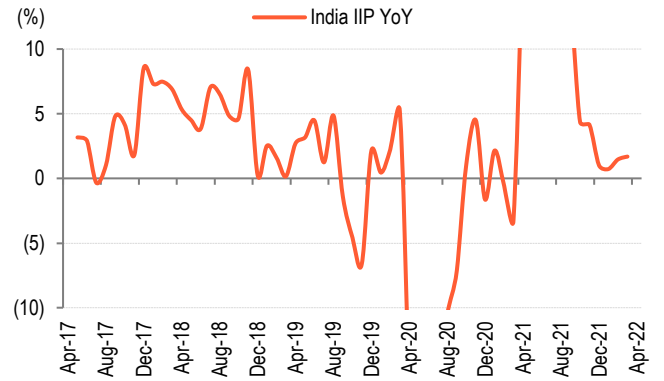
Source: Bloomberg, BOBCAPS Research

Fig 40 – Purchasing Managers’ Index



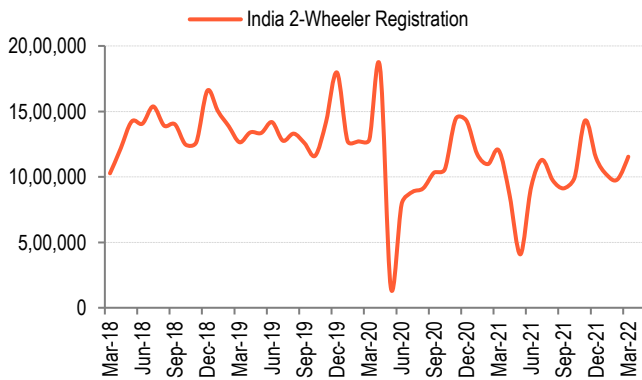
Source: Bloomberg, BOBCAPS Research

Fig 41 – Industrial production



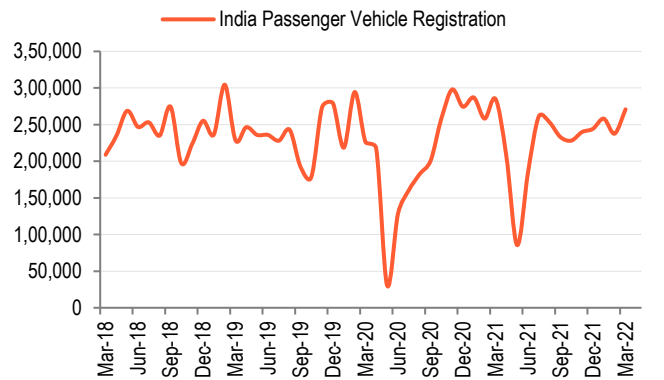
Source: Bloomberg, BOBCAPS Research

Fig 42 – Two-wheeler registration



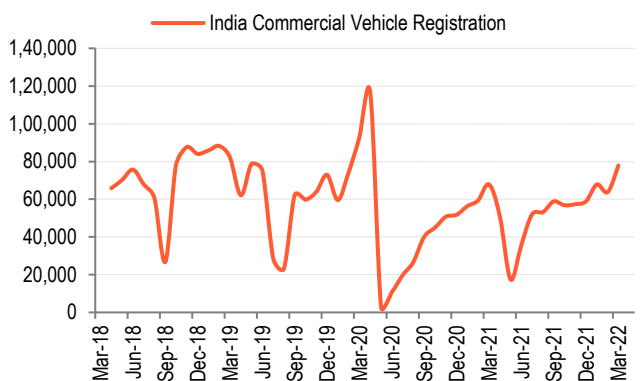
Source: Bloomberg, BOBCAPS Research

Fig 43 – 4-wheeler registration



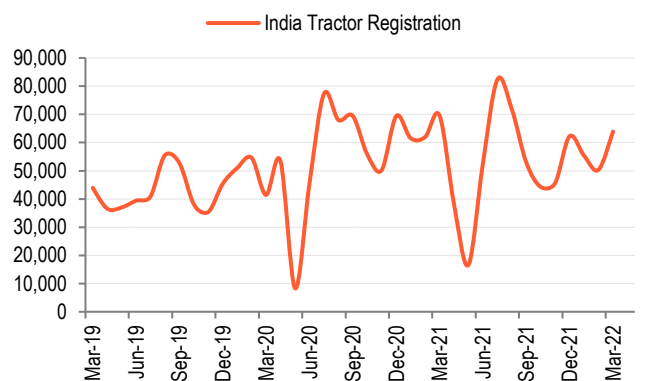
Source: Bloomberg, BOBCAPS Research

Fig 44 – Commercial vehicle registration



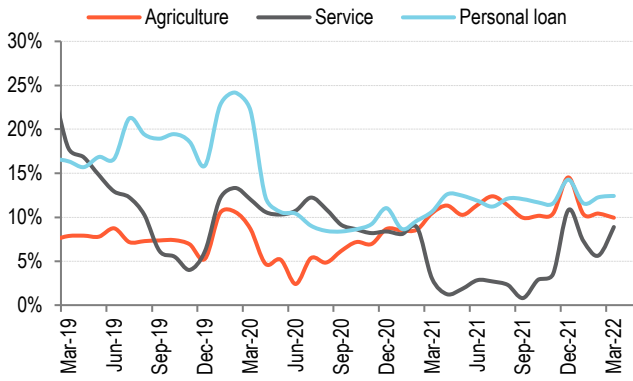
Source: Bloomberg, BOBCAPS Research

Fig 45 – Tractor registration



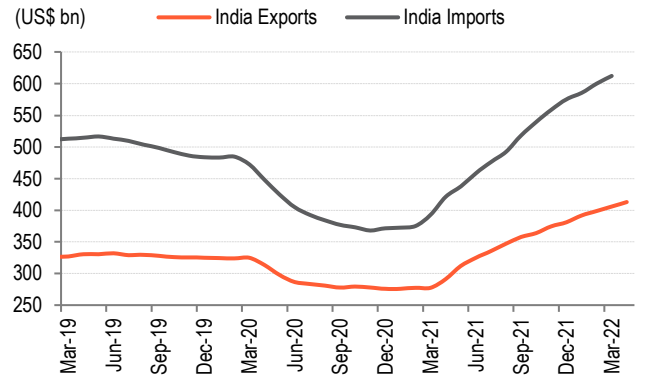
Source: Bloomberg, BOBCAPS Research

Fig 46 – Scheduled Commercial Banks’ credit growth



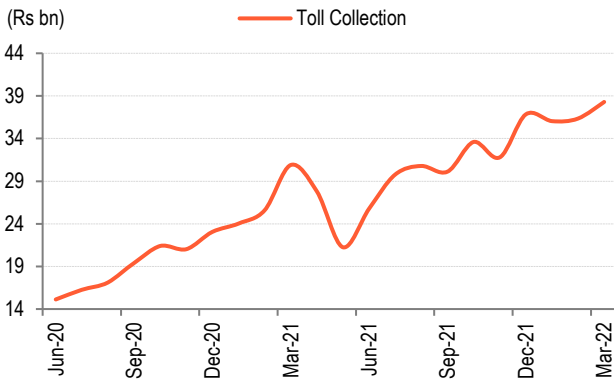
Source: Bloomberg, BOBCAPS Research

Fig 47 – Exports and Imports



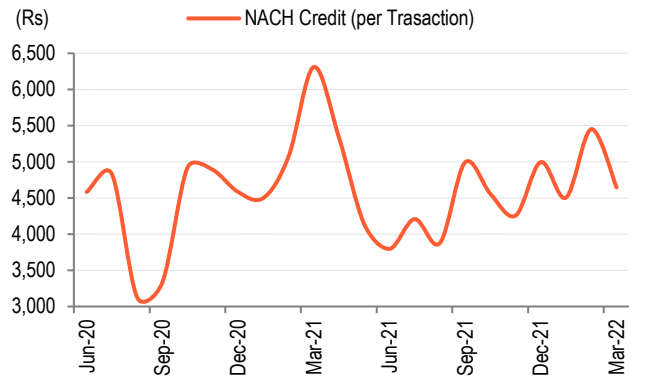
Source: Bloomberg, BOBCAPS Research

Fig 48 – Toll collection



Source: Bloomberg, BOBCAPS Research

Fig 49 – National Automated Clearing House credit



Source: Bloomberg, BOBCAPS Research

Disclaimer

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

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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