

India remains better placed than most markets

- Nifty 50 rose 8.2% in Jul'22 with mid-caps outperforming large- and small-caps. Index valuation is now broadly in line with historical average
- IMF has downgraded the global growth forecast including India's, but India remains better placed to overcome global headwinds
- We prefer retail-focused lenders, IT and staples near term, are cautious on utility & energy, and largely neutral on other sectors

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Nifty 50 rose 8.2% in July: Nifty has rebounded from a slump to -1SD of its 5Y average forward P/E band. Large-cap stocks underperformed mid-caps but beat small-caps in the month of July. Indian indices outperformed other developed market indices. The run-up was broad-based across sectors with metals, realty and banks rallying the most while IT and pharma lagged.

Takeaways from Bank of Baroda's 'Banking beyond Tomorrow' Conference

2022: According to the RBI governor (keynote speaker), rising inflation due to food and energy prices is a concern, but India is better placed to handle external pressure than global peers. The central bank has ample foreign reserves to deal with currency volatility. Economists at the conference expect India's real GDP growth to be at 6-7% for FY23.

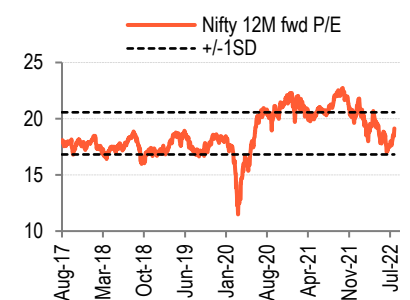
IMF downgrades global growth forecast: In yet another downgrade, the IMF cut its global growth forecast to 3.2% this year (from 3.6%). The forecast was at 4.4% at the start of the year. India's growth has been cut to 7.4% (from 8.2%). High US inflation, Covid-associated slowdown in China and the spillover impact of war in East Europe have contributed to incremental negative developments in the global economy.

Fed and ECB hike rates: The ECB effected a 50bps hike last month due to inflationary concerns, taking its benchmark deposit rate to 0% after eight years of negative rates. The US Fed also hiked rates by another 75bps to 2.25-2.50% and indicated that further rate action would be data driven.

Inflation hasn't dampened earnings so far in Q1FY23: A total of 618 companies have reported earnings thus far. Revenue and expenses both rose by 32-33% YoY. However, the net profit margin has increased to ~12% from 9% a year ago.

India better placed but sharp recovery a few quarters away: While there are early signs of private capex pickup, a meaningful uptick is a few quarters away in our view. We, therefore, remain conservative in our investment approach near term and continue to like retail-focused lenders, life insurers and FMCG. Given the recent correction in valuation coupled with structural digitisation tailwinds, we turn positive on the IT sector. We are moderately cautious on energy and utility given ongoing uncertainty on pricing, while staying largely neutral on other sectors. Note that moderating commodity prices will be helpful to Indian companies (ex-metals & mining), but we expect oil & gas prices to remain elevated. Even so, higher gas output in the KG basin and sourcing of Russian oil will likely cushion the adverse impact on India.

Valuations have rebounded from bottom range of P/E band



Source: Bloomberg, BOBCAPS Research

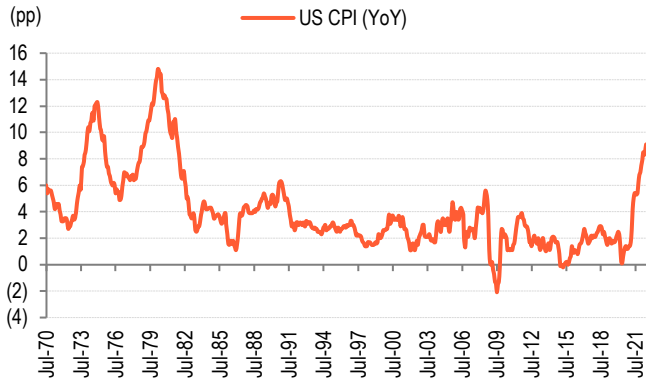


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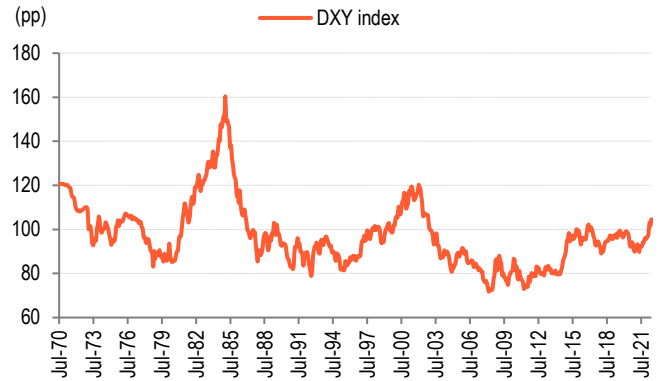
Focus charts

Fig 1 – Range-bound US inflation for 30 years...



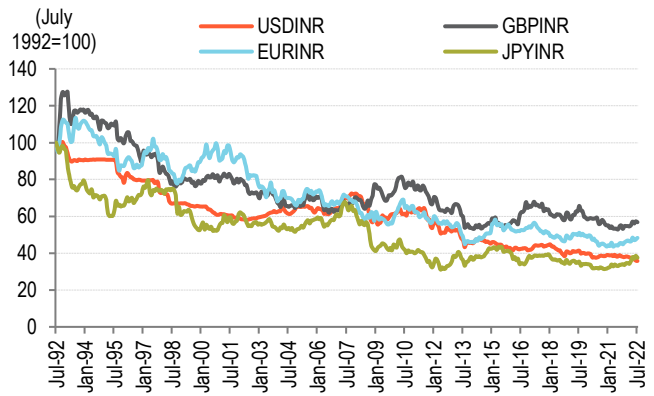
Source: Bloomberg, BOBCAPS Research

Fig 2 – ...resulted in range-bound dollar index



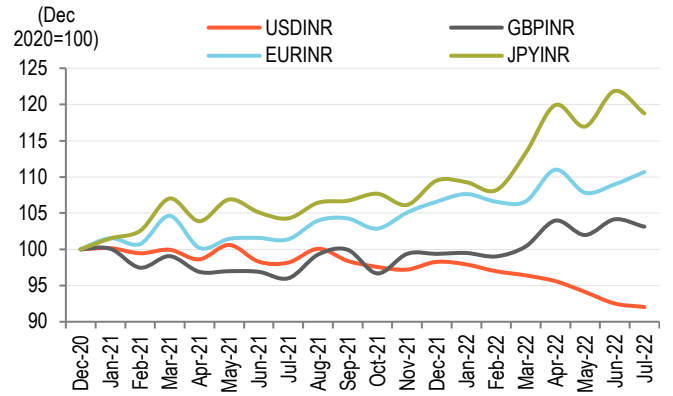
Source: Bloomberg, BOBCAPS Research

Fig 3 – Rupee has depreciated against all currencies in the past 30 years...



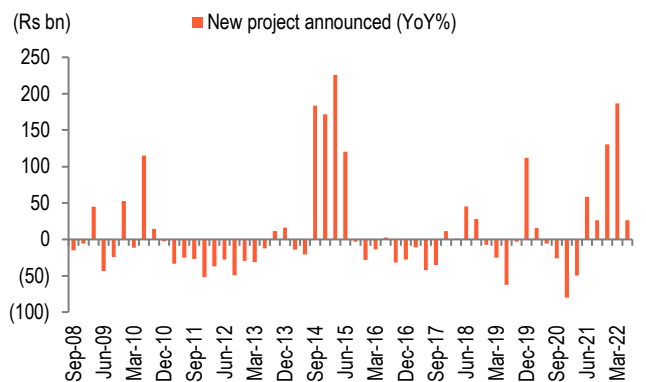
Source: Bloomberg, BOBCAPS Research

Fig 4 – ...this time it is more about USD strengthening then rupee depreciation



Source: Bloomberg, BOBCAPS Research

Fig 5 – Capex demand in India is rising



Source: CMIE, BOBCAPS Research

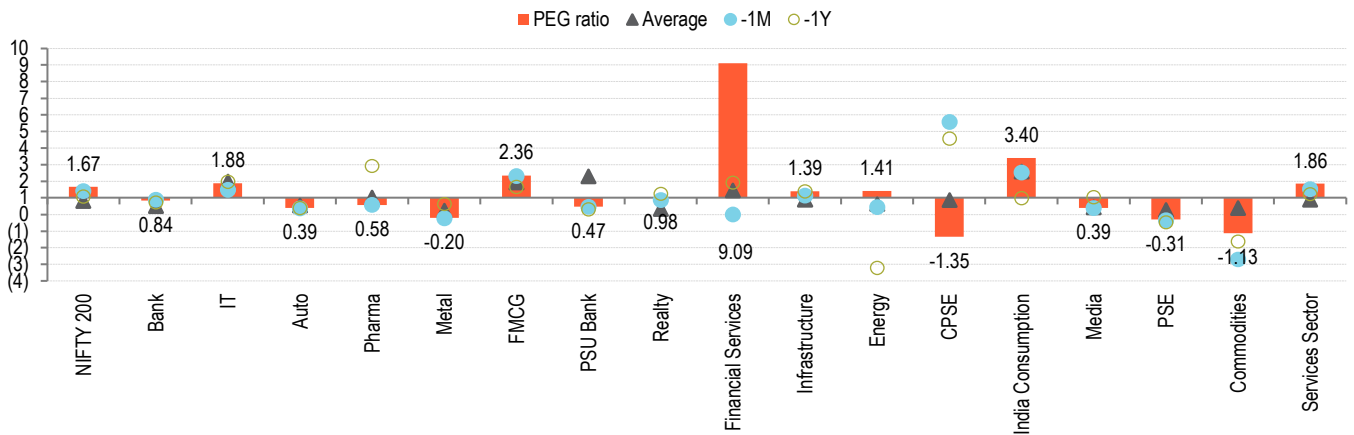
Fig 6 – Earnings growth continues to be robust

(% YoY)	Sep-21	Dec-21	Mar-22	Jun-22
All listed companies				
Income	27.5	23.4	21.1	32.3
Expenses	26.7	21.3	20.1	33.4
Net profit	55.3	35.4	32.3	26.7
PAT margin (%)	9.6	9.0	9.1	11.9
Count*	4,693	4,738	4,554	618

Source: CMIE, BOBCAPS Research | *Represents count of companies that have declared results

Valuations and Returns: July 2022

Fig 7 – Nifty: 12M forward PEG ratio



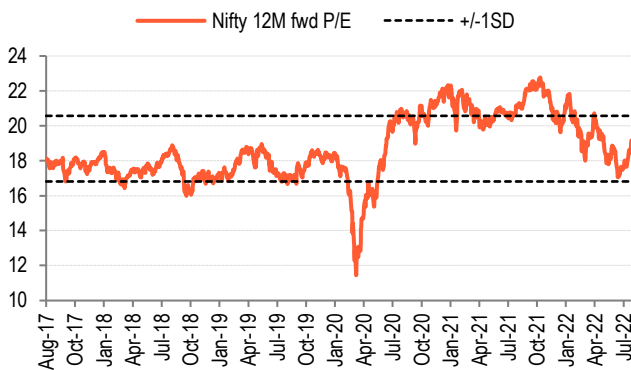
Source: Bloomberg, BOBCAPS Research | Note: We calculate PEG ratio as trailing 12M P/E divided by 12M forward earnings. We only consider numbers between -10 and 10 in our calculations.

Fig 8 – Returns across Nifty and global indices (in local currency)

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
Nifty 50	1.4	2.6	8.9	0.3	(2.4)	(1.1)	8.9	56.3	69.6
Nifty Next 50	1.3	1.8	10.9	(3.8)	(2.2)	(3.1)	3.9	59.0	46.8
Nifty 200	1.4	2.5	9.6	(0.4)	(2.3)	(1.4)	8.2	60.5	66.5
Nifty 500	1.4	2.3	9.5	(0.8)	(3.0)	(2.2)	7.3	64.1	66.4
NIFTY Midcap 100	1.4	2.0	11.5	(0.8)	(3.2)	(2.7)	6.5	88.1	60.1
NIFTY Smallcap 100	1.7	0.5	8.2	(10.6)	(18.0)	(18.8)	(12.8)	68.1	18.0
NSE NIFTY Smallcap 250	1.4	0.7	8.3	(7.4)	(9.6)	(10.7)	(3.3)	87.9	40.9
Nifty Dividend Opp 50	1.3	2.3	7.8	(0.5)	(3.5)	(2.6)	6.4	45.8	47.7
NIFTY100 ESG	1.4	2.8	9.1	(1.4)	(4.5)	(5.6)	5.3	66.7	82.4
S&P 500	1.2	1.8	6.6	(1.4)	(8.1)	(14.6)	(7.8)	34.8	64.7
Stoxx 600	0.9	2.6	5.7	(3.0)	(6.2)	(10.4)	(5.8)	11.8	15.5
Nikke 225	0.0	(0.4)	7.2	3.6	2.7	(3.4)	1.9	29.1	39.1
FTSE 100	0.6	1.5	1.0	(2.1)	(1.1)	0.0	4.4	(3.9)	0.3

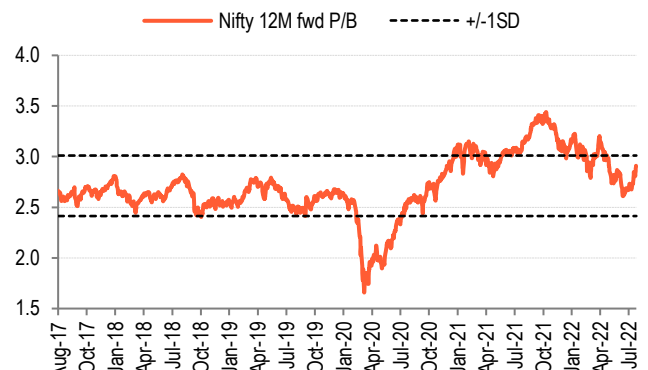
Source: Bloomberg, BOBCAPS Research

Fig 9 – Nifty: 12M forward P/E



Source: Bloomberg, BOBCAPS Research

Fig 10 – Nifty: 12M forward P/B



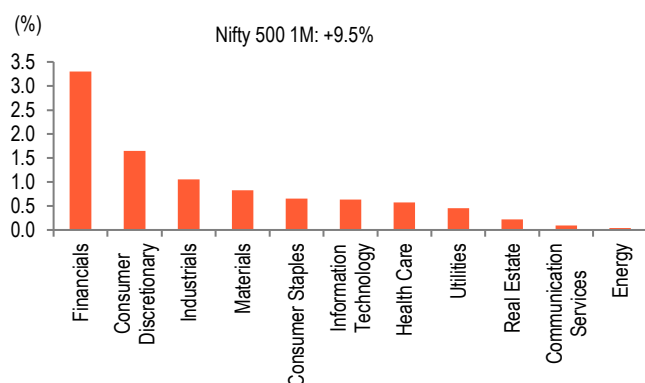
Source: Bloomberg, BOBCAPS Research

Fig 11 – Returns across sectoral Nifty indices

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
Nifty 50	1.4	2.6	8.9	0.3	(2.4)	(1.1)	8.9	56.3	69.6
Nifty Bank	0.3	2.0	11.8	3.9	(2.6)	5.7	8.4	32.2	49.2
Nifty IT	1.7	3.5	3.6	(7.8)	(13.9)	(24.7)	(4.0)	89.3	172.5
Nifty Auto	1.3	(0.7)	7.1	13.2	8.0	14.7	24.8	82.9	12.3
Nifty Pharma	0.9	1.3	4.2	(5.1)	(5.2)	(10.2)	(11.4)	62.2	34.2
Nifty Metal	3.9	7.7	16.8	(13.3)	(4.1)	(0.7)	(4.9)	118.8	66.7
Nifty FMCG	0.5	0.0	9.7	11.2	14.3	13.1	17.9	46.9	64.8
Nifty PSU Bank	(1.2)	(0.1)	13.8	1.0	(6.1)	10.1	14.1	3.8	(24.2)
Nifty Realty	0.9	2.6	15.2	1.6	(7.7)	(6.9)	13.1	70.5	59.4
Nifty Financial Services	0.9	3.4	11.6	4.8	(3.4)	0.6	5.9	39.6	69.9
Nifty Infrastructure	1.4	1.3	7.7	(4.6)	(4.3)	(1.2)	10.3	60.4	43.5
Nifty Energy	1.8	1.5	7.9	(9.0)	4.5	15.0	37.4	78.3	103.0
Nifty CPSE	1.9	2.9	2.1	(4.2)	2.9	11.9	24.8	25.9	6.1
Nifty India Consumption	1.2	1.1	11.8	6.0	9.9	6.6	18.0	66.9	67.7
Nifty Media	1.4	5.2	8.8	(3.3)	(7.5)	(6.3)	15.8	9.6	(33.2)
NIFTY Private Bank	0.6	2.3	14.1	3.9	0.1	5.6	5.8	17.9	37.9
Nifty PSE	1.9	3.2	7.6	(5.1)	(2.8)	4.8	12.1	25.6	0.8
Nifty Commodities	2.5	3.8	11.3	(10.7)	(5.7)	(0.6)	3.0	72.5	51.1
Nifty Services Sector	1.3	3.5	9.7	0.9	(4.9)	(3.9)	6.9	48.5	75.4

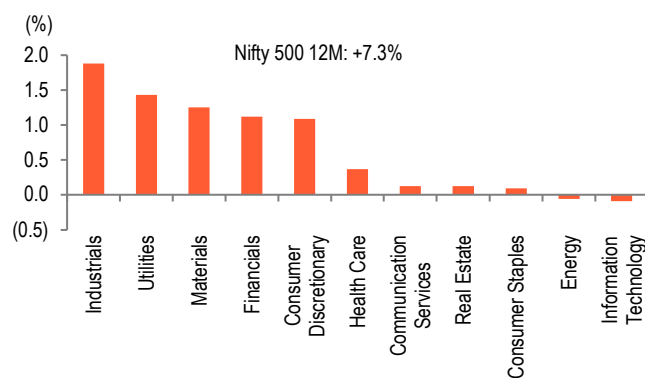
Source: Bloomberg, BOBCAPS Research

Fig 12 – Nifty 500: Contribution to 1M returns



Source: Bloomberg, BOBCAPS Research

Fig 13 – Nifty 500: Contribution to 12M returns



Source: Bloomberg, BOBCAPS Research

Fig 14 – 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	8.9	13.9	9.8	19.2	19.9	17.5	15.9	2.8	3.0	2.7	2.5	1.53	1.55	1.74	1.87
Nifty Next 50	11.0	-6.1	18.1	8.1	24.4	22.3	18.9	17.5	3.2	3.1	2.8	2.4	1.46	1.66	1.74	1.72
Nifty 200	10.0	6.1	15.8	12.6	19.8	20.7	17.9	15.9	2.8	3.0	2.7	2.3	1.48	1.58	1.77	1.79
Nifty 500	10.1	7.1	16.8	12.6	19.6	20.7	17.7	15.7	2.8	3.0	2.7	2.3	1.46	1.53	1.71	1.75
NIFTY Midcap 100	8.8	-2.4	27.9	35.2	21.1	23.6	18.5	13.7	2.5	3.0	2.6	1.4	1.31	1.91	2.16	1.64
NIFTY Smallcap 100	5.9	5.5	23.5	10.7	16.2	16.2	13.1	11.9	2.2	2.2	2.0	1.8	1.21	1.36	1.55	1.69
Sectors																
Nifty Bank	13.2	14.6	17.4	13.0	18.5	15.5	13.2	11.7	2.3	2.1	1.9	1.6	0.90	1.06	1.25	1.35
Nifty IT	11.8	8.3	15.4	12.8	21.3	24.4	21.1	18.7	5.1	6.2	5.5	5.2	2.34	2.55	2.85	3.28
Nifty Auto	(3.0)	112.6	38.2	10.8	20.5	26.5	19.2	17.3	2.7	4.3	3.7	3.0	1.34	1.20	1.48	1.13
Nifty Pharma	2.4	51.5	21.1	9.8	22.8	23.9	19.7	17.9	3.2	3.3	3.0	2.7	0.72	0.74	0.85	0.98
Nifty Metal	35.9	-29.6	-0.1	19.4	9.2	9.0	9.0	7.5	1.3	1.2	1.1	1.0	3.41	3.71	4.01	5.16
Nifty FMCG	9.2	13.2	12.7	12.2	32.5	37.9	33.6	30.0	7.7	8.7	8.3	7.6	1.96	2.10	2.34	2.56
Nifty PSU Bank	12.6	5.7	35.8	17.6	10.2	7.5	5.5	4.7	0.8	0.9	0.7	0.5	1.78	2.66	3.30	3.30
Nifty Realty	7.1	40.7	29.4	23.7	30.8	38.2	29.5	23.9	2.3	3.0	2.7	2.5	0.78	0.36	0.40	0.47
Nifty Financial Services	13.8	0.5	13.3	15.1	20.6	19.9	17.5	15.2	2.9	2.9	2.6	2.1	0.94	1.02	1.15	1.18
Nifty Infrastructure	14.7	10.9	16.0	5.8	18.2	15.3	13.2	12.5	2.0	2.0	1.8	1.7	1.82	2.02	2.22	2.25
Nifty Energy	17.1	13.7	6.6	-6.9	10.7	10.6	10.0	10.7	1.3	1.5	1.4	1.3	2.94	2.90	3.06	2.89
Nifty CPSE	16.6	4.5	1.3	-6.0	7.7	6.5	6.4	6.8	1.1	1.2	1.0	1.0	6.09	7.01	7.16	7.09
Nifty India Consumption	59.6	5.9	22.1	11.2	56.6	38.6	31.6	28.4	6.9	7.4	6.7	5.5	1.00	1.31	1.52	1.53
Nifty Media	(0.6)	1132.8	24.7	19.8	21.1	21.9	17.6	14.7	3.0	3.0	2.7	2.3	1.60	1.42	1.57	1.27
Nifty PSE	13.4	-15.5	4.7	4.6	8.3	7.2	6.9	6.6	1.2	1.1	1.1	0.9	5.10	6.23	6.58	6.28
Nifty Commodities	20.1	-6.7	7.0	-0.9	16.7	10.0	9.3	9.4	2.5	1.5	1.3	1.2	2.58	2.81	3.03	3.23
Nifty Services Sector	9.5	8.7	14.5	10.1	20.5	20.6	18.0	16.4	3.2	3.4	2.9	2.6	1.40	1.44	1.62	1.77

Source: Bloomberg, BOBCAPS Research

Fig 15 – NSE 500: Best performing stocks July 2022

Company	Sector	Industry	Market cap (Rs mn)	1M (%)	3M (%)	1Y (%)
Brightcom Group	Communication Services	Interactive Media & Services	99,685	65.22	(41.19)	114.86
Star Health & Allied Insurance	Financials	Insurance	4,30,030	50.13	5.04	NA
Can Fin Homes	Financials	Thriffs & Mortgage Finance	79,373	37.87	0.67	8.86
Bajaj Finserv	Financials	Diversified Financial Services	23,96,796	35.44	0.92	3.07
Ceat	Consumer Discretionary	Auto Components	50,989	35.40	12.07	(5.37)
Sequent Scientific	Health Care	Pharmaceuticals	31,865	33.63	(6.34)	(57.18)
Adani Total Gas	Utilities	Gas Utilities	34,39,326	33.20	27.59	239.10
Adani Transmission	Utilities	Electric Utilities	34,68,736	32.44	11.48	231.55
Bajaj Finance	Financials	Consumer Finance	43,64,603	30.77	8.05	12.64
Karur Vysya Bank	Financials	Banks	46,951	30.70	20.27	20.88
Aster Dm Healthcare	Health Care	Health Care Providers	1,14,538	30.58	19.18	44.90
Anupam Rasayan India	Materials	Chemicals	79,894	29.17	(3.84)	9.35
IndusInd Bank	Financials	Banks	8,08,820	29.02	6.64	5.19
Kajaria Ceramics	Industrials	Building Products	1,87,232	26.08	13.79	20.97
Sobha	Real Estate	Real Estate Management	66,406	25.96	7.96	18.70
Godrej Properties	Real Estate	Real Estate Management	4,19,113	24.46	(4.19)	(3.61)
Aegis Logistics	Energy	Oil, Gas & Consumable Fuels	90,856	24.06	16.89	(19.25)
Dalmia Bharat	Materials	Construction Materials	2,99,724	24.05	5.30	(25.09)
Schaeffler India	Industrials	Machinery	4,34,602	23.70	20.49	103.33
Gujarat Fluorochemicals	Materials	Chemicals	3,67,267	23.62	19.24	92.96
Asian Paints	Materials	Chemicals	31,97,726	23.57	2.98	11.22
Gujarat Narmada Valley Fert	Materials	Chemicals	1,12,181	23.30	(12.78)	89.85
Dilip Buildcon	Industrials	Construction & Engineering	34,492	23.28	(10.56)	(58.83)
Avenue Supermarts	Consumer Staples	Food & Staples Retailing	27,49,059	23.18	7.60	21.16
Oberoi Realty	Real Estate	Real Estate Management	3,30,933	23.00	(5.22)	31.66

Source: Bloomberg, BOBCAPS Research

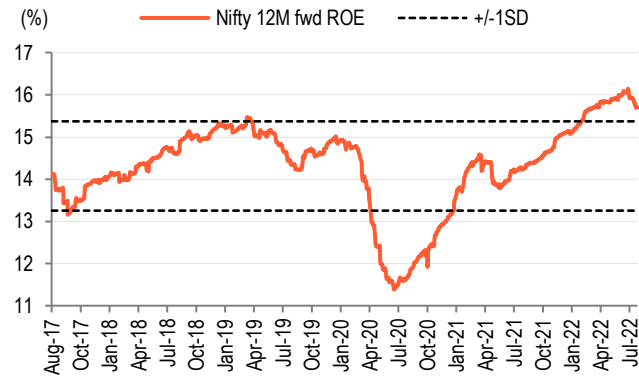
Fig 16 – NSE 500: Worst performing stocks July 2022

Company	Sector	Industry	Market cap (Rs mn)	1M (%)	3M (%)	1Y (%)
Tanla Platforms	Information Technology	Software	94,275	(31.01)	(51.01)	(25.13)
Oil India	Energy	Oil, Gas & Consumable Fuels	2,06,037	(27.37)	(16.83)	16.21
Nazara Technologies	Communication Services	Entertainment	34,809	(22.16)	(32.08)	(42.23)
Mangalore Refinery & Petro	Energy	Oil, Gas & Consumable Fuels	1,27,589	(21.80)	(1.29)	59.30
PB Fintech	Financials	Insurance	2,10,478	(20.52)	(29.93)	NA
Zomato	Consumer Discretionary	Internet & Direct Marketing Re	3,68,487	(18.32)	(34.77)	(66.94)
Gland Pharma	Health Care	Pharmaceuticals	3,72,213	(14.86)	(29.40)	(43.48)
Oil & Natural Gas Corp	Energy	Oil, Gas & Consumable Fuels	16,87,644	(12.97)	(16.39)	16.91
Tata Teleservices Maharashtr	Communication Services	Diversified Telecommunication	2,10,546	(12.44)	(22.91)	197.93
Birlasoft	Information Technology	Software	94,082	(9.42)	(18.82)	(17.09)
Zensar Technologies	Information Technology	Software	56,034	(8.64)	(23.38)	(41.46)
Sterling And Wilson Renewabl	Industrials	Construction & Engineering	54,138	(7.22)	(25.20)	(2.64)
TV18 Broadcast	Communication Services	Media	63,517	(6.79)	(30.94)	(4.76)
Dr. Reddy's Laboratories	Health Care	Pharmaceuticals	6,80,802	(6.28)	(1.01)	(12.46)
HLE Glascoat	Industrials	Machinery	42,305	(5.96)	(33.25)	(9.90)
Borosil Renewables	Information Technology	Semiconductors & Semiconductor	80,582	(5.45)	(12.36)	94.25
Suzlon Energy	Industrials	Electrical Equipment	64,607	(5.04)	(34.00)	3.94
Alembic Pharmaceuticals	Health Care	Pharmaceuticals	1,37,987	(5.01)	(10.13)	(9.78)
Alok Industries	Consumer Discretionary	Textiles, Apparel & Luxury Goo	99,305	(4.99)	(22.33)	(19.52)
Indraprastha Gas	Utilities	Gas Utilities	2,42,445	(4.91)	(1.72)	(36.75)
Network 18 Media & Invts	Communication Services	Media	67,947	(4.84)	(24.71)	28.64
Sterlite Technologies	Information Technology	Communications Equipment	56,444	(4.67)	(26.56)	(51.44)
Strides Pharma Science	Health Care	Pharmaceuticals	29,765	(4.54)	0.99	(57.18)
V.I.P. Industries	Consumer Discretionary	Textiles, Apparel & Luxury Goo	85,419	(4.20)	(9.40)	48.12
CE Info Systems	Information Technology	Software	70,113	(4.18)	(11.51)	NA

Source: Bloomberg, BOBCAPS Research

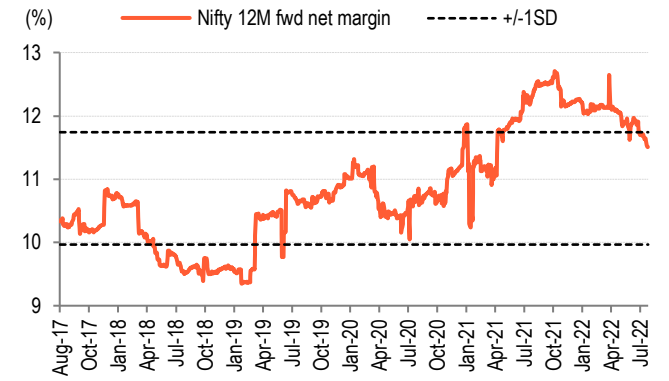
Index fundamentals

Fig 17 – Nifty: 12M forward ROE



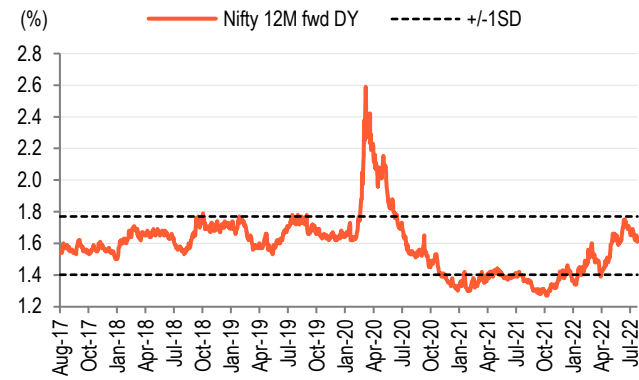
Source: Bloomberg, BOBCAPS Research

Fig 18 – Nifty: 12M forward net margin



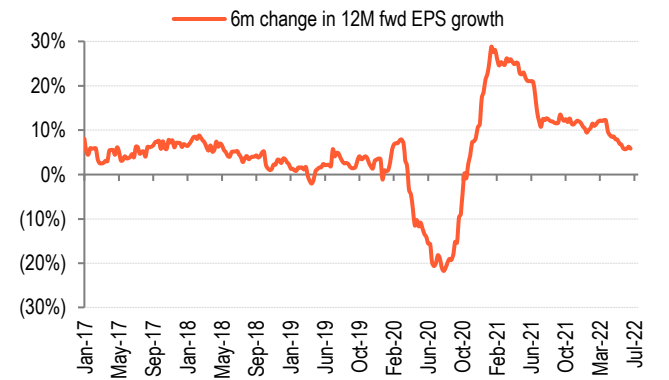
Source: Bloomberg, BOBCAPS Research

Fig 19 – Nifty: 12M forward dividend yield



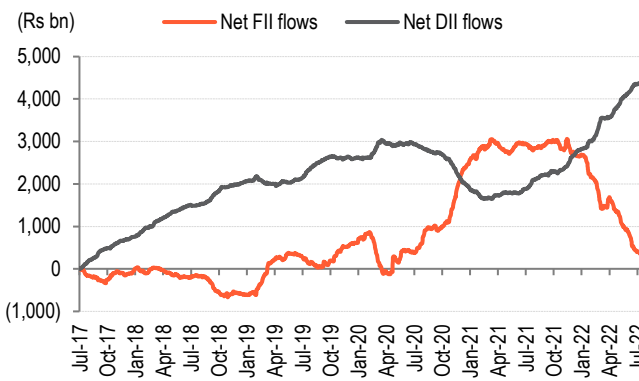
Source: Bloomberg, BOBCAPS Research

Fig 20 – Nifty: 6M change in EPS growth



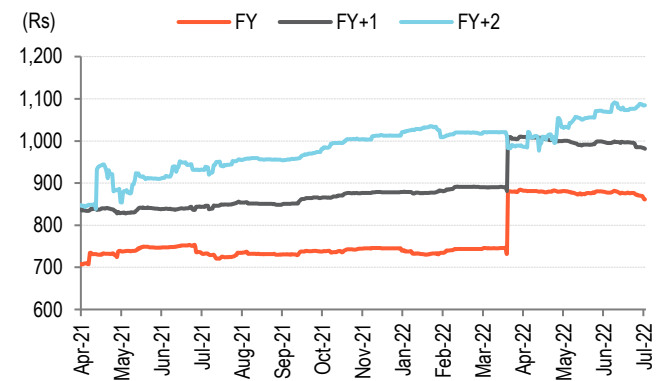
Source: Bloomberg, BOBCAPS Research

Fig 21 – Flows in India (5Y)



Source: Bloomberg, BOBCAPS Research

Fig 22 – Nifty 50: EPS consensus forecast



Source: Bloomberg, BOBCAPS Research

Yields, Exchange rates and Commodities

US inflation rose further in Jun'22 to 9.1% from 8.6% a month ago. Energy and food prices were major contributors to this rise. Payroll data remained strong in the US with unemployment remaining low. In order to tame rising inflation, the US Fed delivered yet another rate hike of 75bps, bringing the Fed Funds rate to the 2.25-2.50% range. The US 10Y yield, however, moved 28bps lower through July. While the Fed Chair did talk about a potential terminal rate of 3-3.5% for CY22, he indicated that further rate action would be data driven. This was a substantive change from his previous stance wherein a clearer guidance was provided on future rate hikes.

Commodity prices softened further in July. WTI fell ~10%. Metal prices also declined with steel and silver falling 11% each and copper down 10%. Amongst agriculture commodities, wheat, corn and coffee fell in the range of 4-12%.

India PMI was flat in June but remained in a record high expansionary zone, indicating strong business optimism. IIP rose ~20% on a low base. Passenger vehicle demand fell while tractor demand rose. Credit growth continued to be robust across the personal, services and agriculture segments. The import-export gap rose further to US\$ 239bn.

Fig 23 – Yields

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
India 10Y yield	7.33	7.42	7.46	7.16	6.75	6.45	6.20	6.52	6.46
India AAA corporate yield	7.69	7.78	7.78	7.33	7.31	7.00	6.75	7.78	7.54
India AA corporate yield	8.41	8.50	8.50	8.06	8.06	7.79	7.52	8.42	8.04
US 10y yield	2.68	2.75	3.09	2.82	1.77	1.51	1.27	2.07	2.29
EU 10y yield	0.83	1.03	1.52	0.90	(0.05)	(0.18)	(0.45)	(0.38)	0.54
Japan 10y yield	0.21	0.22	0.24	0.23	0.17	0.07	0.02	(0.15)	0.08

Source: Bloomberg, BOBCAPS Research

Fig 24 – Exchange rates

(%)	Current	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
USDINR	79.3	0.6	0.7	(0.4)	(3.6)	(5.9)	(6.2)	(6.3)	(13.3)	(19.1)
EURINR	80.9	0.1	0.3	2.6	0.0	3.1	4.1	9.0	(5.6)	(7.1)
JPYINR	0.6	(0.7)	(2.1)	(2.6)	(0.8)	8.9	8.6	13.8	6.4	(2.9)
GBPINR	96.3	0.5	(0.9)	(0.3)	(0.3)	4.2	4.3	7.6	(12.2)	(12.8)

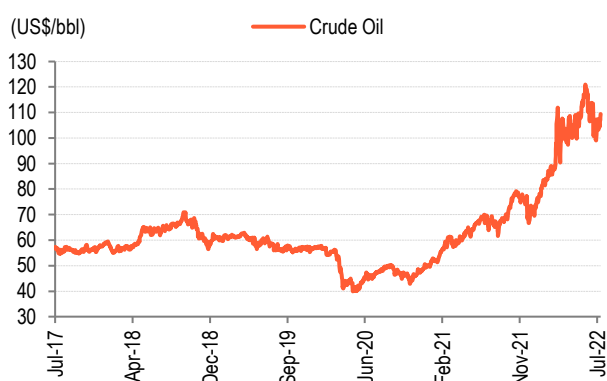
Source: Bloomberg, BOBCAPS Research

Fig 25 – Commodity price trend

(%)	Current	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
Energy										
NYM WTI Crude (USD/bbl.)	98.65	2.3	4.2	(7.8)	0.0	23.2	37.9	49.3	89.5	85.2
ICE Brent Crude (USD/bbl.)	109.15	1.9	5.8	(2.9)	5.5	31.1	45.9	57.5	88.4	91.8
ICE ARA Gasoil (USD/MT)	1094	(0.9)	2.5	(8.2)	4.8	49.0	68.9	85.4	95.2	105.1
NYM NYH Gasoline (USd/gal.)	353.4	2.0	9.6	(5.1)	8.0	40.5	56.9	65.9	108.5	NA
NYM NYH Heating Oil (USd/gal.)	368.8	0.0	6.7	(6.8)	5.1	46.8	64.1	74.3	102.0	NA
NYM HH Nat Gas (USD/MMBtu)	8.15	0.2	(0.5)	25.5	11.7	79.0	123.6	150.4	226.7	199.3
ICE NBP Nat Gas (USD/MMBtu)	370	(1.0)	7.4	18.1	69.6	72.6	139.6	518.1	687.2	778.9
Metals										
LME Aluminums (USD/MT)	2456	1.4	1.5	(1.4)	(19.0)	(20.3)	(12.5)	(3.2)	36.3	28.8
LME Coppers (USD/MT)	7762	1.6	6.0	(7.2)	(20.0)	(18.4)	(20.1)	(19.9)	30.2	22.7
SGX Iron Ore (USD/MT)	115.7	(2.5)	11.4	(4.8)	(20.7)	(15.9)	1.7	(23.3)	70.4	NA
LME Nickel (USD/MT)	21935	0.6	2.1	(5.3)	(33.5)	(1.8)	5.7	12.2	55.6	115.0
Steel China (CNY/MT)	3959	1.4	(0.7)	(10.4)	(22.7)	(18.8)	(16.6)	(32.4)	2.2	4.6
Spot Gold	1759	0.2	1.8	(3.2)	(7.3)	(2.1)	(3.8)	(3.8)	23.3	38.6
Spot Silver	20.0	0.0	7.5	(3.6)	(12.2)	(11.0)	(14.2)	(21.6)	21.5	19.4
Agriculture										
CME Live Cattle (USd/lb.)	141.8	(0.4)	0.6	1.7	(0.9)	0.2	0.1	4.8	NA	NA
ICE Coffee (USd/lb.)	219.8	0.6	6.3	(3.7)	(0.9)	(6.3)	(2.1)	8.5	NA	NA
CBT Corn (USd/bu.)	627.75	1.4	11.3	(4.0)	(16.4)	10.2	15.0	25.2	NA	NA
ICE Cotton (USd/lb.)	96.9	0.7	6.6	(0.6)	(20.6)	(2.8)	4.6	19.4	NA	NA
CBT Soybeans (USd/bu.)	1463.5	1.6	11.2	(1.0)	(3.4)	8.3	15.3	15.3	NA	NA
ICE Sugar (USd/lb.)	17.73	0.1	(0.9)	(4.2)	(7.9)	(0.6)	(3.4)	7.0	NA	NA
CBT SRW Wheat (USd/bu.)	835.25	2.2	10.0	(10.2)	(21.1)	6.8	9.0	18.9	NA	NA

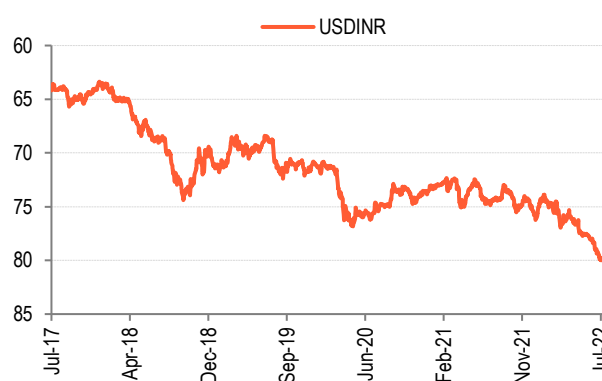
Source: Bloomberg, BOBCAPS Research

Fig 26 – Oil price trend



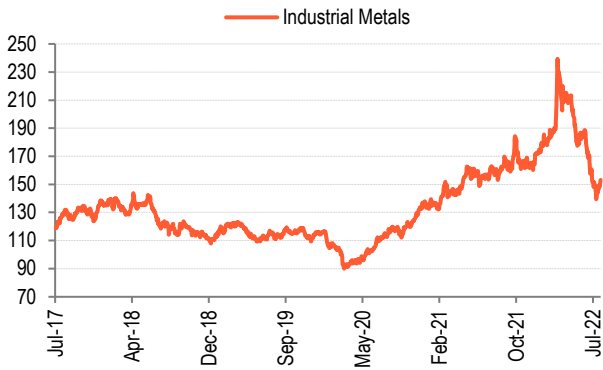
Source: Bloomberg, BOBCAPS Research

Fig 27 – USDINR movement



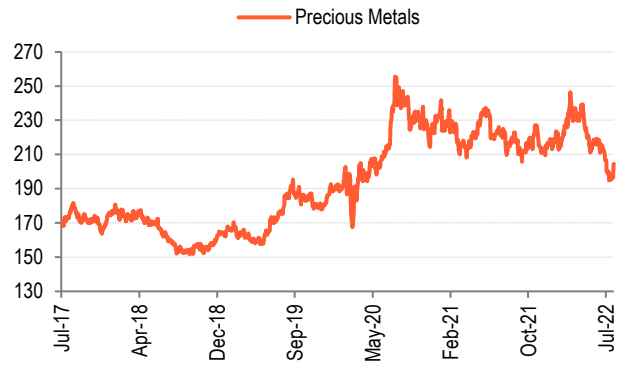
Source: Bloomberg, BOBCAPS Research

Fig 28 – Industrial metals price trend



Source: Bloomberg, BOBCAPS Research

Fig 29 – Precious metals price trend



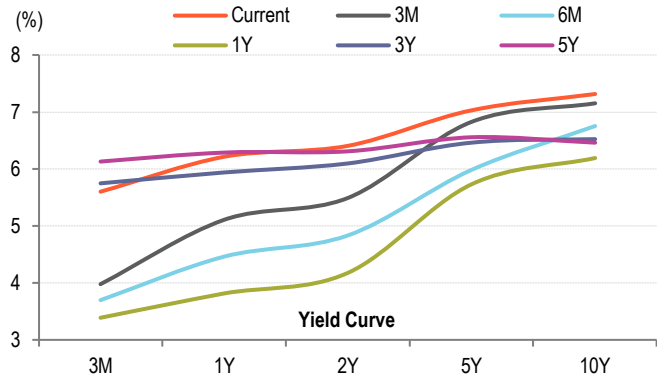
Source: Bloomberg, BOBCAPS Research

Fig 30 – India 10Y bond yield



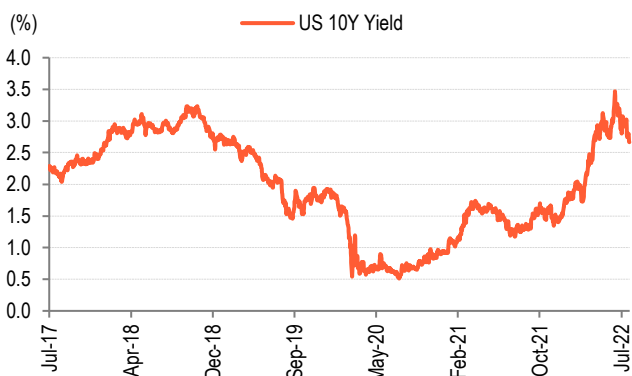
Source: Bloomberg, BOBCAPS Research

Fig 31 – India yield curve



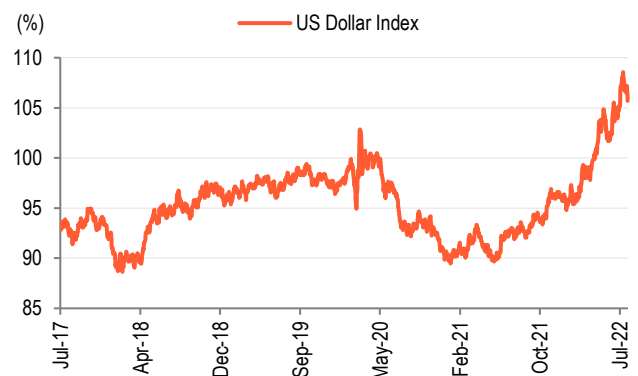
Source: Bloomberg, BOBCAPS Research

Fig 32 – US 10Y yield



Source: Bloomberg, BOBCAPS Research

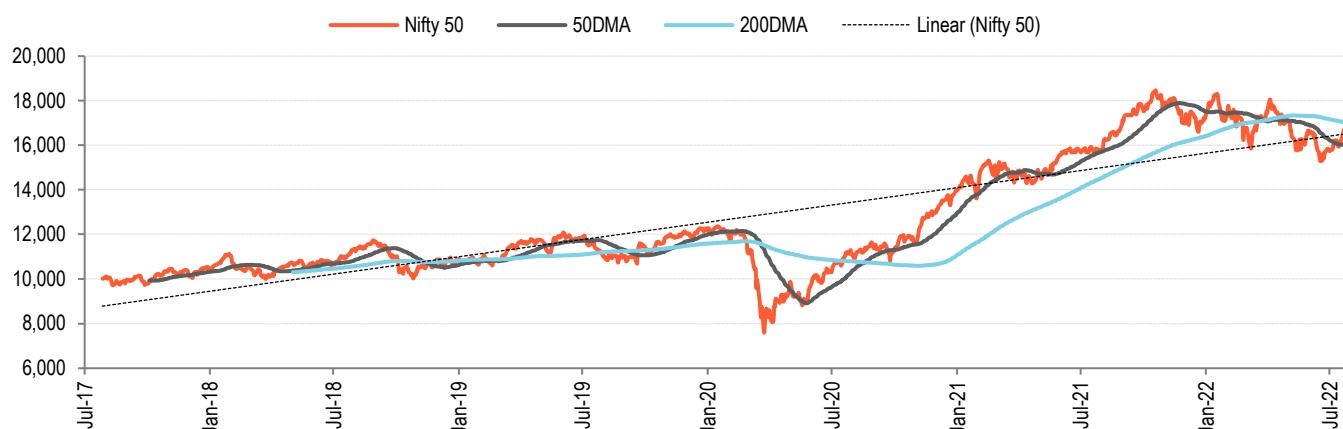
Fig 33 – US Dollar index



Source: Bloomberg, BOBCAPS Research

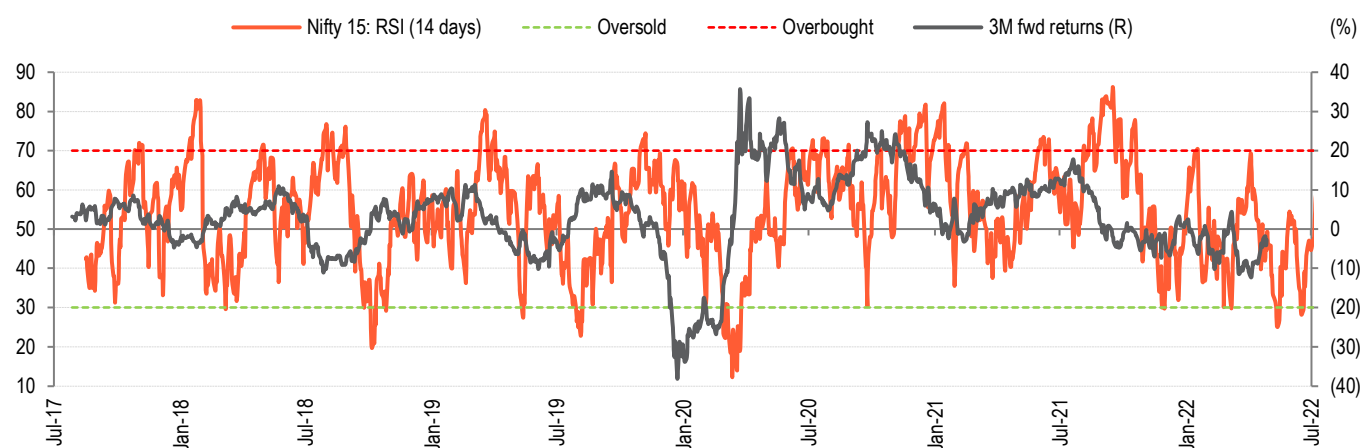
Technical trends

Fig 34 – Nifty 50: Moving averages



Source: Bloomberg, BOBCAPS Research

Fig 35 – Nifty 50: Relative Strength Index (RSI)



Source: Bloomberg, BOBCAPS Research

Fig 36 – Nifty 50: Sector-wise average daily traded value

Sector (Rs bn)	1M	3M	6M
Communication Services	4.2	4.8	4.8
Consumer Discretionary	24.5	27.2	28.5
Consumer Staples	13.3	13.0	13.8
Energy	30.8	30.0	28.2
Financials	59.9	62.5	75.1
Health Care	8.2	10.9	12.2
Industrials	5.7	6.9	8.0
Information Technology	27.0	28.8	32.1
Materials	24.8	28.9	31.2
Utilities	3.8	5.3	5.0
Nifty 50	202	218	239

Source: Bloomberg, BOBCAPS Research

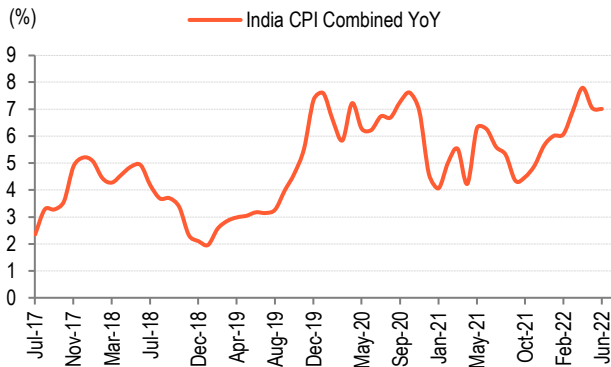
Fig 37 – Nifty 50: Stock-wise average daily traded value

Company (Rs bn)	Sector	Industry	Market cap	1M	3M	6M
Adani Ports	Industrials	Transportation Infrastructure	1,417	2.4	5.2	4.4
Apollo Hospitals	Health Care	Health Care Providers & Servic	533	2.3	3.0	3.5
Asian Paints	Materials	Chemicals	2,585	4.2	3.9	4.2
Axis Bank	Financials	Banks	1,949	4.9	6.6	7.7
Bajaj Finance	Financials	Consumer Finance	3,239	7.3	8.2	9.1
Bharti Airtel	Communication Services	Wireless Telecommunication Ser	3,876	4.3	4.8	5.0
Bajaj Auto	Consumer Discretionary	Automobiles	1,056	2.9	2.1	1.8
Bajaj Finserv	Financials	Diversified Financial Services	1,720	3.8	4.1	4.6
Bharat Petrol	Energy	Oil, Gas & Consumable Fuels	666	1.3	1.5	1.8
Britannia Inds	Consumer Staples	Food Products	827	1.1	1.2	1.2
Cipla	Health Care	Pharmaceuticals	742	1.4	1.8	2.3
Coal India	Energy	Oil, Gas & Consumable Fuels	1,135	2.3	3.1	2.9
Divi Labs	Health Care	Life Sciences Tools & Services	956	1.6	2.3	2.3
Dr Reddy's Labs	Health Care	Pharmaceuticals	724	1.8	1.9	2.1
Eicher Motors	Consumer Discretionary	Automobiles	757	2.0	2.0	1.9
Grasim Inds	Materials	Construction Materials	861	1.8	1.7	1.7
HCL Tech	Information Technology	IT Services	2,621	2.5	3.3	4.2
Housing Dev Fin	Financials	Thriffs & Mortgage Finance	3,885	7.0	10.9	10.8
HDFC Bank	Financials	Banks	7,411	7.0	14.8	13.4
HDFC Life Insura	Financials	Insurance	1,147	1.5	2.3	2.4
Hero Motocorp	Consumer Discretionary	Automobiles	538	1.9	2.1	2.1
Hindalco Inds	Materials	Metals & Mining	752	4.8	6.0	5.9
Hindustan Unilev	Consumer Staples	Personal Products	5,202	3.9	4.2	4.3
ICICI Bank	Financials	Banks	4,886	7.6	9.9	10.9
IndusInd Bank	Financials	Banks	610	2.2	2.6	3.3
Infosys	Information Technology	IT Services	6,135	9.0	12.1	12.3
ITC	Consumer Staples	Tobacco	3,356	3.1	5.0	5.2
JSW Steel	Materials	Metals & Mining	1,352	2.9	3.5	3.4
Kotak Mahindra	Financials	Banks	3,254	3.9	5.3	5.5
Larsen & Toubro	Industrials	Construction & Engineering	2,185	3.3	3.6	3.9
Mahindra & Mahin	Consumer Discretionary	Automobiles	1,329	4.8	4.0	3.5
Maruti Suzuki In	Consumer Discretionary	Automobiles	2,524	7.0	5.6	6.5
Nestle India	Consumer Staples	Food Products	1,676	1.1	1.3	1.2
NTPC	Utilities	Independent Power and Renewabl	1,380	2.8	3.4	2.6
Oil & Natural Ga	Energy	Oil, Gas & Consumable Fuels	1,875	5.3	3.8	4.2
Power Grid Corp	Utilities	Electric Utilities	1,478	2.2	2.6	2.5
Reliance Inds	Energy	Oil, Gas & Consumable Fuels	17,403	19.4	20.5	17.9
SBI Life Insuran	Financials	Insurance	1,082	1.1	1.3	1.4
State Bank Ind	Financials	Banks	4,129	5.5	6.9	8.8
Shree Cement	Materials	Construction Materials	685	1.0	0.9	1.1
Sun Pharma Indu	Health Care	Pharmaceuticals	1,993	2.2	2.6	2.9
Tata Steel	Materials	Metals & Mining	1,058	8.4	9.3	10.0
Tata Consumer Pr	Consumer Staples	Food Products	646	1.0	1.3	1.6
Tata Consultancy	Information Technology	IT Services	11,947	7.6	8.0	9.6
Tech Mahindra	Information Technology	IT Services	970	3.5	4.0	4.2
Titan Co	Consumer Discretionary	Textiles, Apparel & Luxury Goo	1,637	3.9	3.5	3.7
Tata Motors	Consumer Discretionary	Automobiles	1,447	6.5	7.8	9.9
UPL	Materials	Chemicals	469	1.5	2.0	2.1
Ultratech Cement	Materials	Construction Materials	1,596	3.3	2.6	3.1
Wipro	Information Technology	IT Services	2,270	3.3	3.6	4.5

Source: Bloomberg, BOBCAPS Research

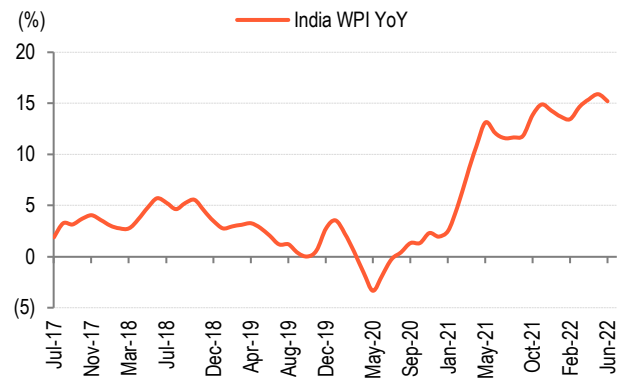
Macroeconomic indicators: June 2022

Fig 38 – Consumer price index



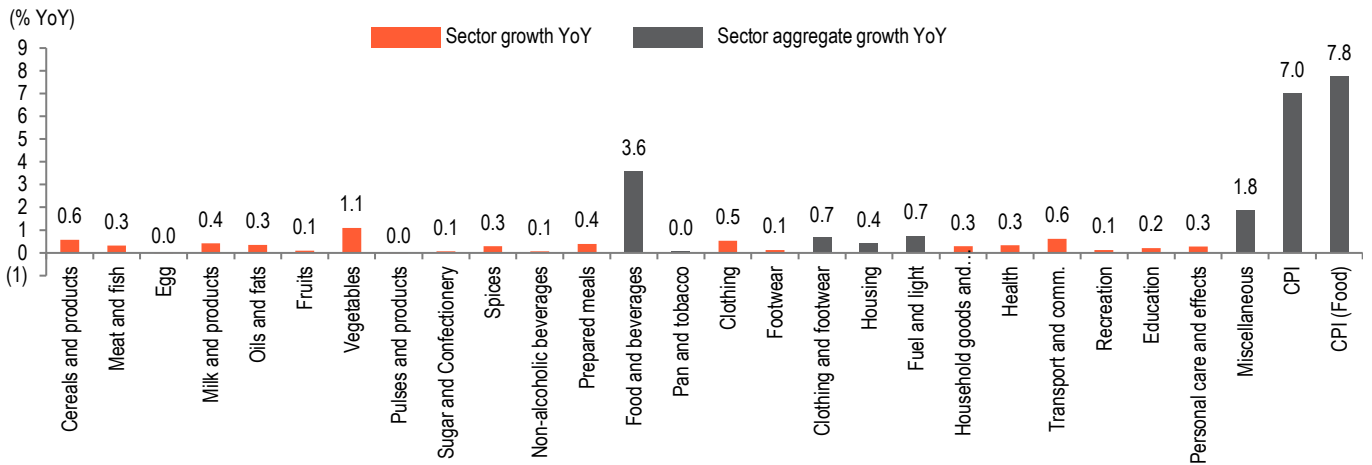
Source: Bloomberg, BOBCAPS Research

Fig 39 – Wholesale price index



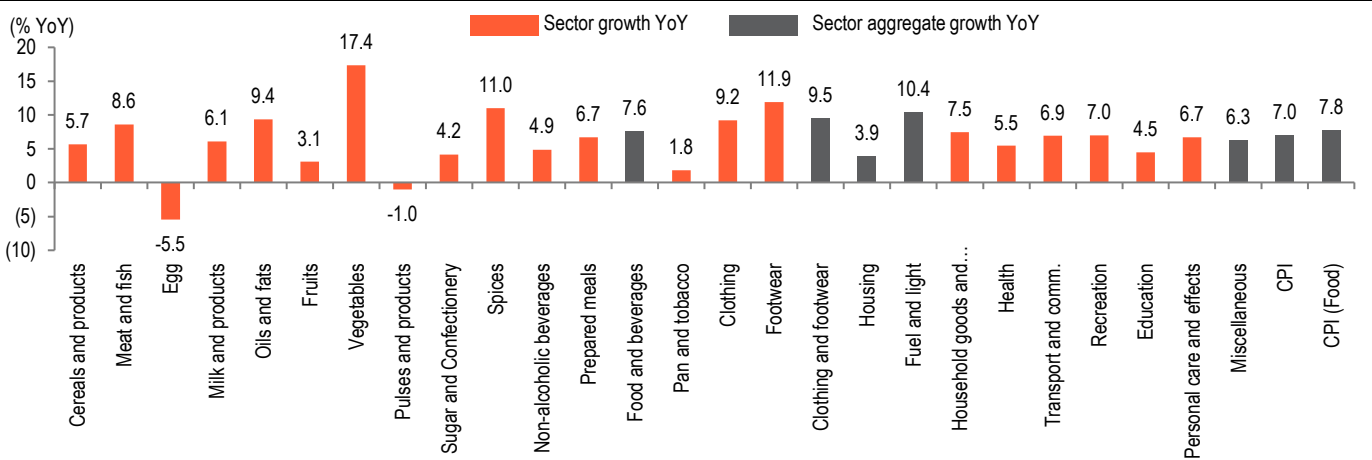
Source: Bloomberg, BOBCAPS Research

Fig 40 – Contribution to CPI (Jun'22)



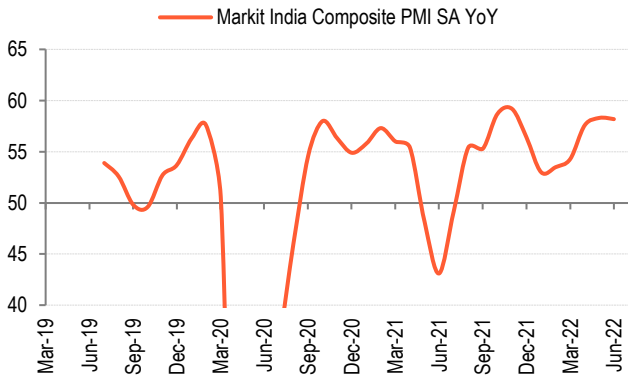
Source: Bloomberg, BOBCAPS Research

Fig 41 – Actual CPI (Jun'22)



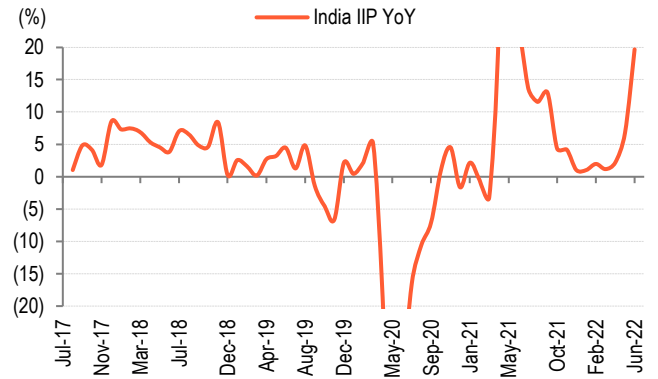
Source: Bloomberg, BOBCAPS Research

Fig 42 – Purchasing Managers’ Index



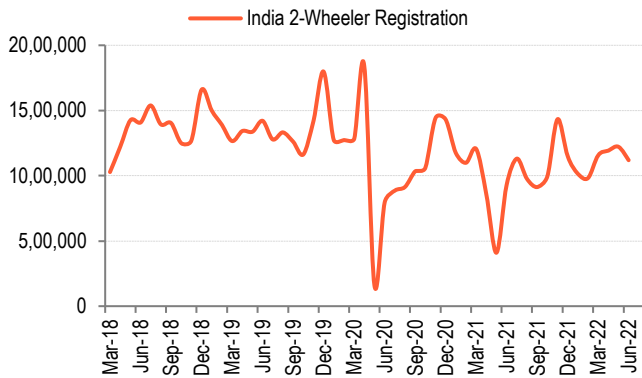
Source: Bloomberg, BOBCAPS Research

Fig 43 – Industrial production



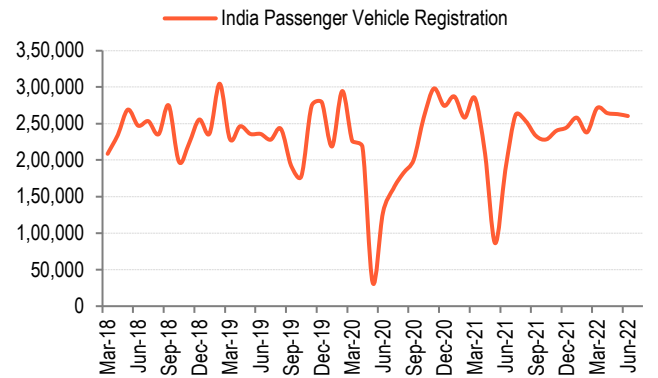
Source: Bloomberg, BOBCAPS Research

Fig 44 – Two-wheeler registration



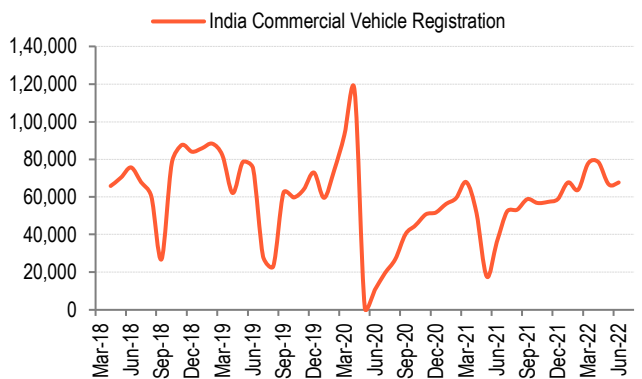
Source: Bloomberg, BOBCAPS Research

Fig 45 – 4-wheeler registration



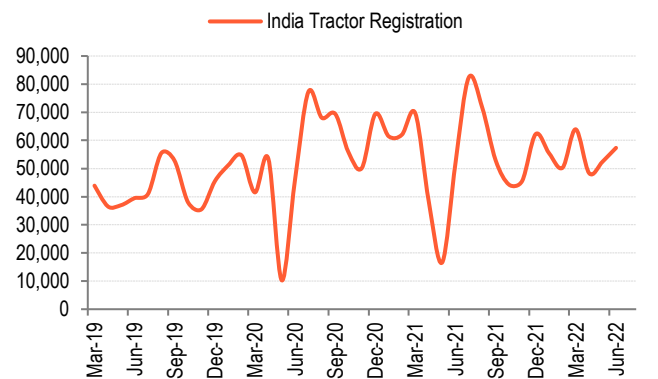
Source: Bloomberg, BOBCAPS Research

Fig 46 – Commercial vehicle registration



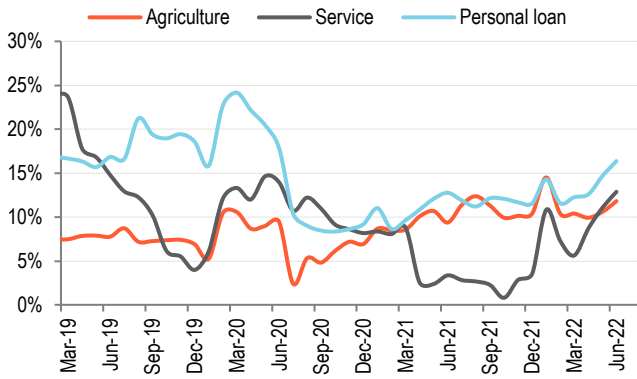
Source: Bloomberg, BOBCAPS Research

Fig 47 – Tractor registration



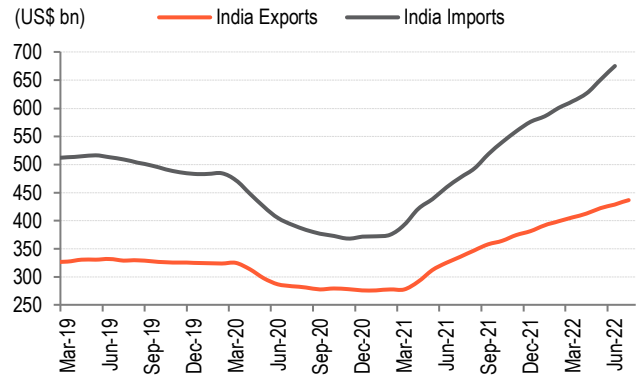
Source: Bloomberg, BOBCAPS Research

Fig 48 – Scheduled Commercial Banks’ credit growth



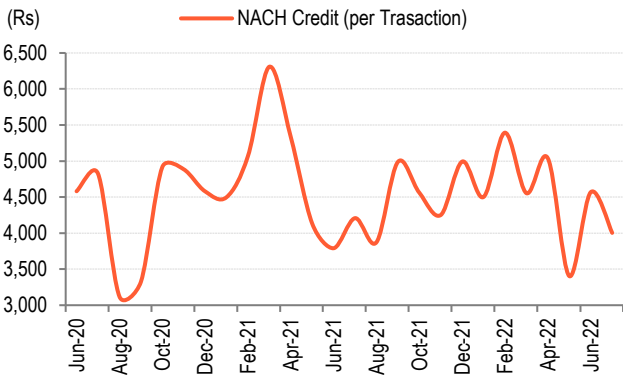
Source: Bloomberg, BOBCAPS Research

Fig 49 – Exports and Imports



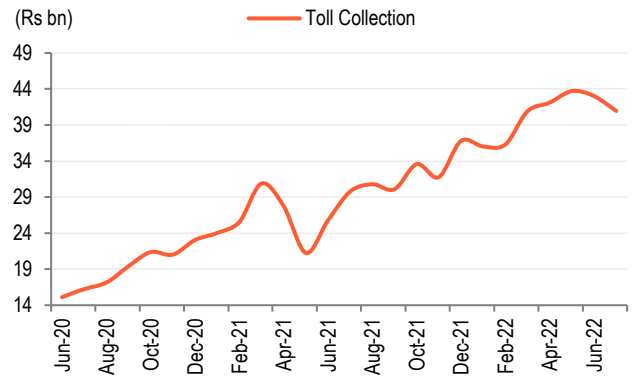
Source: Bloomberg, BOBCAPS Research

Fig 50 – Toll collection



Source: Bloomberg, BOBCAPS Research

Fig 51 – National Automated Clearing House credit



Source: Bloomberg, BOBCAPS Research

Disclaimer

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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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