

## Indian market resilient

- Nifty 50 returned 3.5% in Aug'22, outperforming developed and some emerging market peers
- Nifty valuation has now corrected to its historical mean though the premium over other EMs is close to its upper band
- Domestic factors offer support but the upside looks limited given global headwinds; we continue to prefer retail lenders, FMCG and IT

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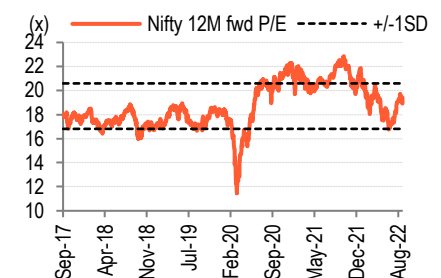
**Nifty 50 returned 3.5% in Aug'22:** While the Nifty 50 along with other global indices declined immediately after the US Fed's hawkish commentary at Jackson Hole, it recouped all losses the following day and ended the month up 3.5%. The technology sector corrected sharply following the Fed's comments and ended August with -2.6% returns. The INR depreciated slightly (-0.5%) against the USD while bond yields remained flat. Overall, the Nifty ended the month better than other large Asian peers such as China (-2.3%), Taiwan (-0.3%) and Korea (0%).

**US Fed Chair comments stalled market rally:** Equity markets across the world plummeted after the Fed reiterated its commitment to a long-term inflation goal of 2% even at the cost of "some pain to households and business". Asian currencies (ex-IDR) declined in the range of 0.5% to 2% against the USD in August, though the INR fared somewhat better. As per CME's FedWatch Tool, the probability of a 75bps rate hike in the September FOMC meeting has soared from 28% on 29 July to 68.5% now.

**India valuation levels mixed:** While India market valuations are now close to five-year historical averages on most parameters, viz. P/E and DY (dividend yield), the valuation premium over EMs has expanded further. That said, India valuations have always been higher relative to EMs. We believe a premium is justified due to the combination of a robust domestic economy, better disclosure norms, falling commodity prices, and slowdown in China. Notably, on unconventional valuation parameters such as market cap-to-GDP ratio and BEER (bond equity earnings yield ratio), India's valuation is at the higher end of the historic range.

**Investment view:** We maintain that India is better placed than most peers amid the global volatility, though a meaningful capex cycle is still a few quarters away. The Indian market does face headwinds from external factors such as a hawkish US Fed, slowing China growth, and high oil & gas prices, but domestic factors will continue to lend support, in our view. That said, the upside from current levels looks limited near term. We thus believe a conservative approach will serve investors better through CY22. We remain constructive on retail-focused lenders, consumption and IT sectors – the latter due to good earnings visibility and moderate valuations. We are cautious on energy and utilities, and largely neutral on other sectors.

## Valuations remains range-bound



Source: Bloomberg, BOBCAPS Research

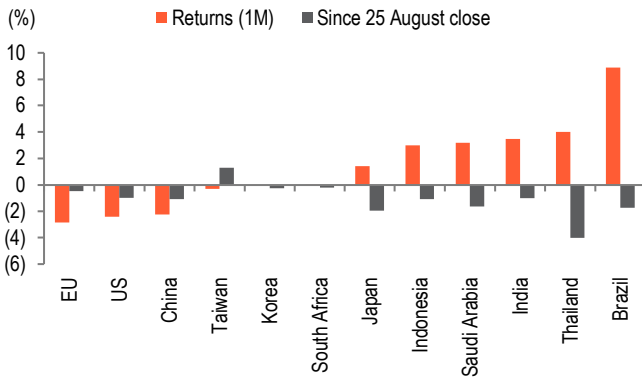


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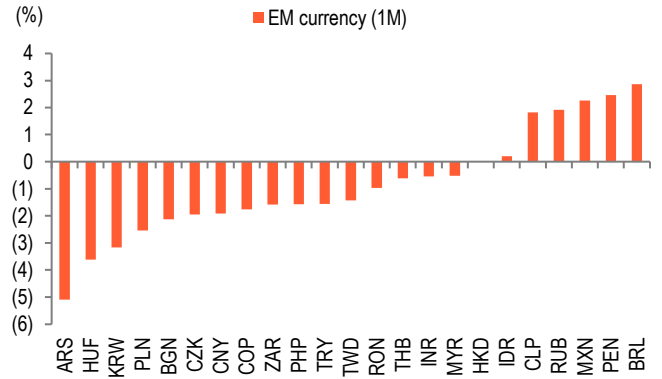
Focus charts

Fig 1 – Global markets tumbled after Jackson Hole



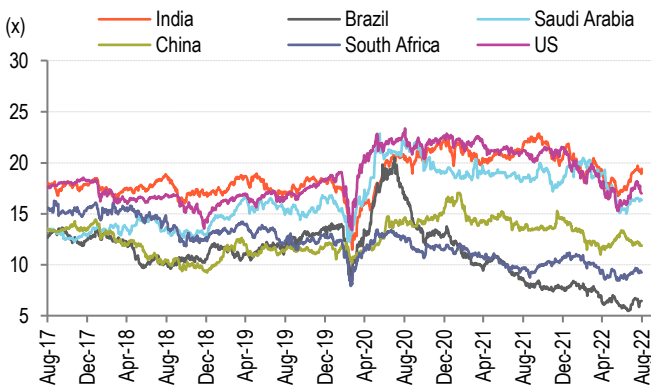
Source: Bloomberg, BOBCAPS Research | Note: All market returns at 3.30PM IST

Fig 2 – EM currencies have also declined in the last 1M



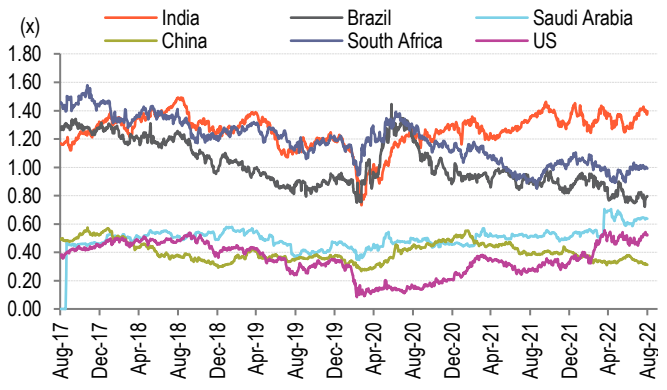
Source: Bloomberg, BOBCAPS Research

Fig 3 – India 12M fwd valuations remain higher than EMs



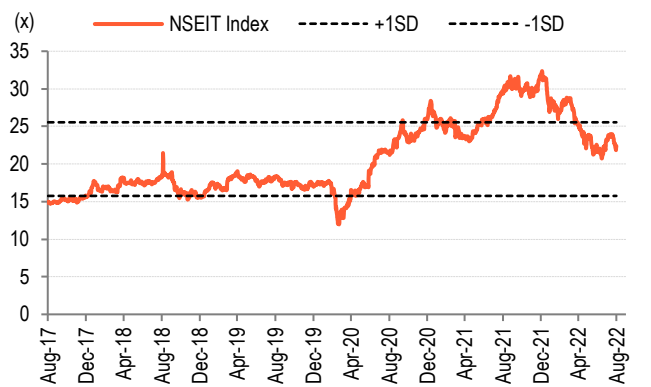
Source: CMIE, BOBCAPS Research

Fig 4 – India BEER ratio also high



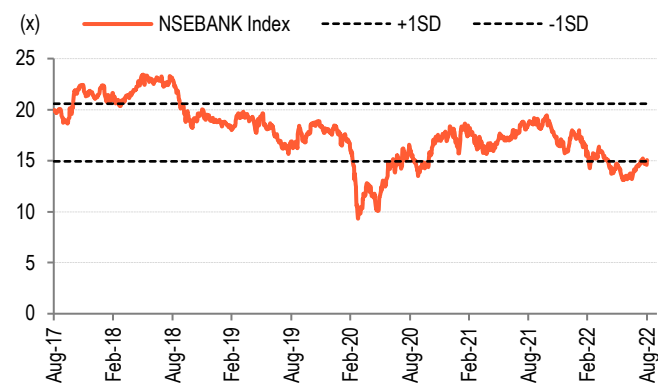
Source: CMIE, BOBCAPS Research

Fig 5 – IT sector valuations returning to historical level



Source: Bloomberg, BOBCAPS Research

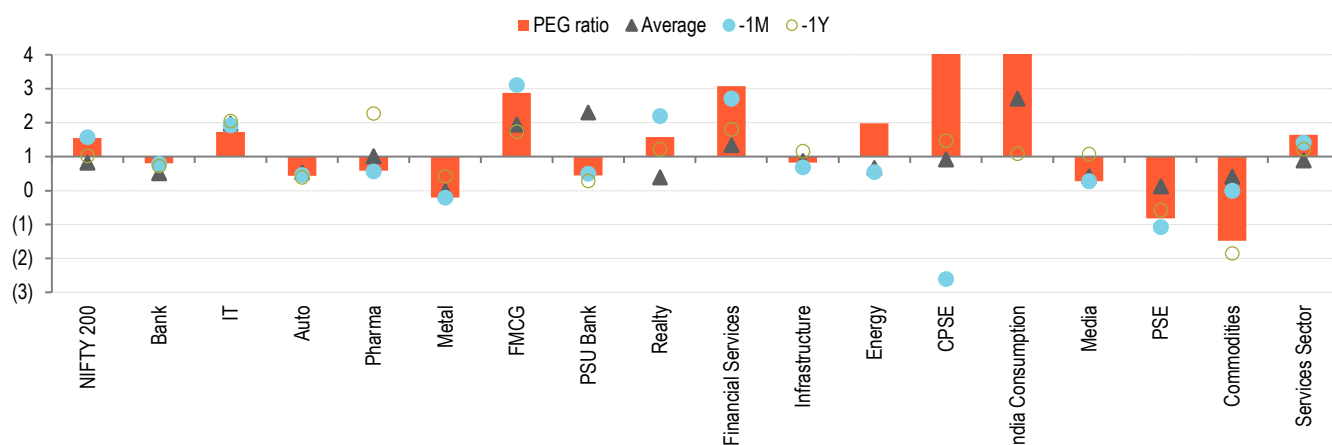
Fig 6 – Banks are valued at lower end of historic range



Source: Bloomberg, BOBCAPS Research

## Valuations and Returns: August 2022

**Fig 7 – Nifty: 12M forward PEG ratio**



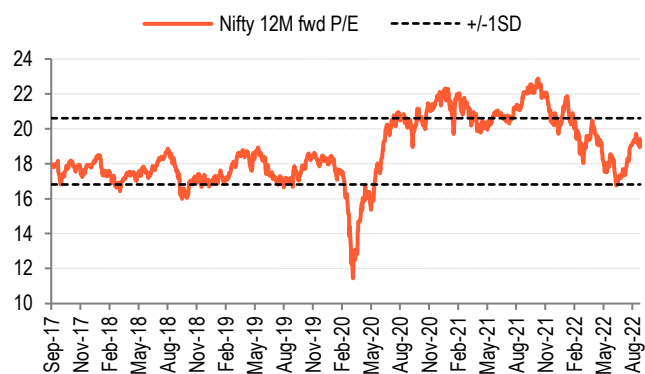
Source: Bloomberg, BOBCAPS Research | Note: We calculate PEG ratio as trailing 12M P/E divided by 12M forward earnings. We only consider numbers between -10 and 10 in our calculations.

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

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
Nifty 50	2.6	1.0	3.5	6.6	5.7	2.3	4.9	61.1	79.7
Nifty Next 50	2.2	2.7	6.9	12.2	9.1	3.5	6.5	65.5	55.7
Nifty 200	2.5	1.5	4.4	8.0	7.1	2.9	6.3	66.7	76.9
Nifty 500	2.4	1.6	4.5	8.3	7.1	2.2	6.4	70.7	76.9
NIFTY Midcap 100	2.0	2.4	6.2	11.1	11.5	3.4	11.5	101.1	72.9
NIFTY Smallcap 100	1.3	2.3	4.9	5.8	(2.3)	(14.8)	(5.6)	76.7	25.7
NSE NIFTY Smallcap 250	1.2	2.6	5.6	8.2	4.5	(5.6)	5.6	107.3	52.6
Nifty Dividend Opp 50	2.1	0.8	2.1	5.1	4.0	(0.5)	2.6	48.6	49.3
NIFTY100 ESG	(1.4)	(1.3)	0.4	3.9	0.5	(5.2)	(1.4)	65.3	87.0
S&P 500	(0.7)	(2.6)	(2.4)	(3.1)	(7.8)	(15.4)	(11.0)	37.7	64.0
Stoxx 600	0.8	(1.2)	(2.8)	(4.6)	(5.9)	(12.6)	(9.8)	12.3	14.9
Nikke 225	1.1	(0.9)	1.4	3.0	6.3	(2.1)	1.5	36.2	44.5
FTSE 100	0.2	(1.2)	0.3	(1.9)	(0.2)	0.8	4.1	3.6	1.4

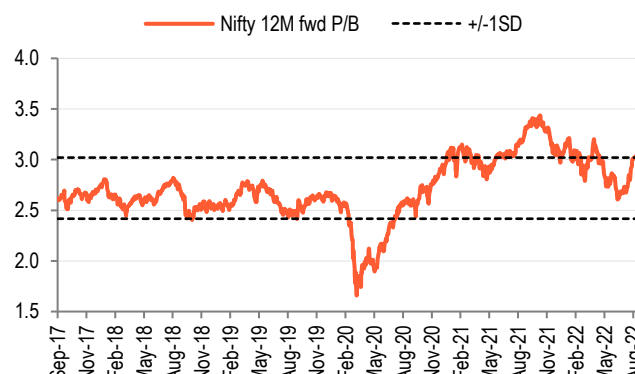
Source: Bloomberg, BOBCAPS Research

**Fig 9 – Nifty: 12M forward P/E**



Source: Bloomberg, BOBCAPS Research

**Fig 10 – Nifty: 12M forward P/B**



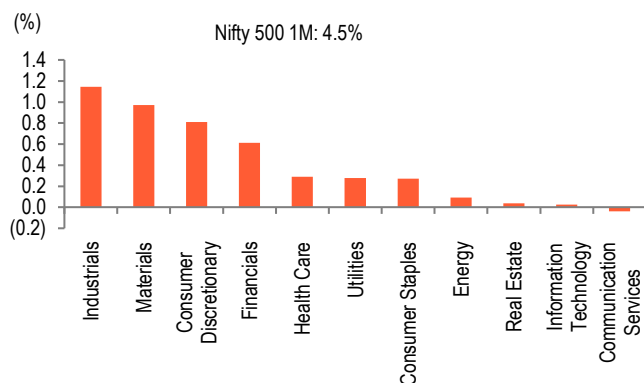
Source: Bloomberg, BOBCAPS Research

**Fig 11 – Returns across sectoral Nifty indices**

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
Nifty 50	2.6	1.0	3.5	6.6	5.7	2.3	4.9	61.1	79.7
Nifty Bank	3.3	2.2	5.5	10.4	9.2	11.4	8.8	44.1	62.6
Nifty IT	2.6	(1.9)	(2.6)	(4.5)	(16.1)	(26.6)	(16.7)	77.4	170.7
Nifty Auto	2.6	2.3	5.4	15.0	22.2	20.9	32.7	88.6	25.0
Nifty Pharma	1.2	0.1	(0.6)	0.2	(1.8)	(10.7)	(10.7)	57.3	42.6
Nifty Metal	2.1	2.5	8.2	12.7	0.6	7.5	5.4	159.2	70.6
Nifty FMCG	2.1	2.1	3.1	13.5	23.4	16.6	11.9	49.8	70.1
Nifty PSU Bank	2.6	5.2	7.8	15.4	12.6	18.7	29.5	21.4	(8.5)
Nifty Realty	3.5	5.1	2.7	14.8	6.1	(4.3)	20.5	73.4	67.4
Nifty Financial Services	3.4	1.9	4.6	9.7	7.7	5.2	2.2	46.8	81.1
Nifty Infrastructure	1.6	1.4	4.8	5.4	6.9	3.6	10.5	70.9	54.6
Nifty Energy	2.0	2.2	8.0	8.4	16.1	24.2	38.8	95.4	116.3
Nifty CPSE	1.6	3.7	7.9	7.8	13.1	20.7	34.7	48.0	10.2
Nifty India Consumption	2.1	2.6	5.8	15.5	17.3	12.8	17.4	70.2	77.3
Nifty Media	1.4	0.3	(0.5)	2.4	2.9	(6.7)	29.0	8.1	(30.2)
NIFTY Private Bank	3.3	2.6	6.7	11.3	10.5	12.6	8.2	32.7	48.9
Nifty PSE	1.3	2.5	5.5	5.7	7.1	10.5	17.0	39.9	2.8
Nifty Commodities	2.1	2.1	5.7	6.9	3.5	5.1	8.0	90.0	53.9
Nifty Services Sector	3.1	1.2	3.8	7.4	4.1	(0.2)	2.1	53.9	87.0

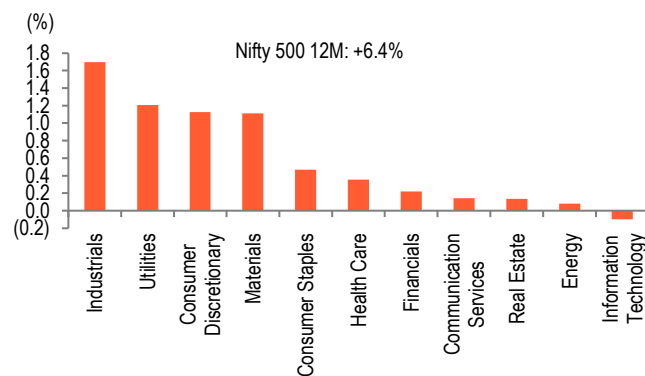
Source: Bloomberg, BOBCAPS Research

**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	7.1	16.0	9.9	19.2	20.7	17.9	16.2	2.8	3.1	2.8	2.5	1.53	1.44	1.61	1.77
Nifty Next 50	11.0	(16.8)	23.6	20.4	24.4	28.1	22.8	18.9	3.2	3.5	3.2	2.7	1.46	1.45	1.53	1.57
Nifty 200	10.0	3.1	18.4	14.0	19.8	22.2	18.7	16.4	2.8	3.2	2.9	2.4	1.48	1.46	1.63	1.68
Nifty 500	10.1	2.2	19.6	14.2	19.6	22.4	18.7	16.4	2.8	3.2	2.9	2.4	1.46	1.41	1.58	1.64
NIFTY Midcap 100	8.8	(4.9)	33.3	30.6	21.1	25.9	19.4	14.9	2.5	3.4	2.9	1.7	1.31	1.69	1.95	1.55
NIFTY Smallcap 100	5.9	(17.8)	27.3	17.2	16.2	19.2	15.0	12.8	2.2	2.6	2.3	1.9	1.21	1.54	1.82	1.64
<b>Sectors</b>																
Nifty Bank	13.2	13.3	21.1	8.8	18.5	16.4	13.5	12.5	2.3	2.2	2.0	1.6	0.90	0.92	1.09	1.25
Nifty IT	11.8	7.9	15.5	13.1	21.3	23.9	20.6	18.3	5.1	6.0	5.4	5.0	2.34	2.58	2.88	3.30
Nifty Auto	(3.0)	82.5	43.8	17.6	20.5	27.5	19.1	16.3	2.7	3.7	3.3	2.6	1.34	1.15	1.42	1.09
Nifty Pharma	2.4	42.6	23.2	12.1	22.8	25.3	20.5	18.3	3.2	3.4	3.0	2.7	0.72	0.73	0.85	0.90
Nifty Metal	35.9	(34.5)	0.6	31.0	9.2	10.6	10.5	8.0	1.3	1.3	1.1	1.1	3.41	3.36	3.06	2.99
Nifty FMCG	9.2	8.3	14.0	13.3	32.5	39.3	34.5	30.4	7.7	9.0	8.6	7.8	1.96	2.02	2.26	2.48
Nifty PSU Bank	12.6	7.1	38.6	18.1	10.2	8.2	5.9	5.0	0.8	1.0	0.8	0.5	1.78	2.46	3.18	3.03
Nifty Realty	7.1	14.5	26.3	20.9	30.8	37.2	29.4	24.3	2.3	3.0	2.7	2.5	0.78	0.36	0.39	0.49
Nifty Financial Services	13.8	(1.3)	18.3	12.6	20.6	20.9	17.7	15.7	2.9	3.1	2.8	2.2	0.94	0.86	0.98	1.11
Nifty Infrastructure	14.7	14.9	19.5	8.4	18.2	17.1	14.3	13.2	2.0	2.1	2.0	1.8	1.82	1.83	2.06	2.18
Nifty Energy	17.1	3.9	8.6	8.4	10.7	13.7	12.6	11.6	1.3	1.6	1.5	1.4	2.94	2.52	2.71	2.73
Nifty CPSE	16.6	1.0	(1.9)	(4.1)	7.7	6.7	6.9	7.1	1.1	1.3	1.1	1.1	6.09	6.56	6.53	6.48
Nifty India Consumption	59.6	(3.6)	25.0	17.3	56.6	41.5	33.2	28.3	6.9	6.8	6.2	5.3	1.00	1.24	1.45	1.45
Nifty Media	(0.6)	NM	31.2	19.4	21.1	23.0	17.6	14.7	3.0	3.0	2.7	2.3	1.60	1.02	1.18	1.28
Nifty PSE	13.4	(14.4)	6.5	8.0	8.3	8.3	7.8	7.2	1.2	1.3	1.2	1.0	5.10	5.33	5.67	5.76
Nifty Commodities	20.1	(13.2)	8.3	11.8	16.7	12.0	11.1	9.9	2.5	1.6	1.4	1.3	2.58	2.49	2.58	2.51
Nifty Services Sector	9.5	6.1	18.0	10.6	20.5	21.8	18.5	16.7	3.2	3.5	3.1	2.7	1.40	1.35	1.52	1.75

Source: Bloomberg, BOBCAPS Research

**Fig 15 – NSE 500: Best performing stocks August 2022**

Company	Sector	Industry	Market cap (Rs mn)	1M (%)	3M (%)	1Y (%)
Dhani Services	Financials	Capital Markets	42,269	58.23	24.12	(66.99)
JSW Energy	Utilities	Independent Power	5,60,697	42.85	19.90	35.23
Mazagon Dock Shipbuilders	Industrials	Aerospace & Defense	78,982	40.71	38.03	64.50
Hikal	Health Care	Pharmaceuticals	42,255	36.21	(2.97)	(46.98)
Elgi Equipments	Industrials	Machinery	1,58,344	34.68	48.44	156.82
RBL Bank	Financials	Banks	73,321	32.57	7.28	(27.76)
IDFC First Bank	Financials	Banks	3,05,727	30.89	34.84	13.12
Mtar Technologies	Industrials	Machinery	50,613	29.98	12.84	28.09
KRBL	Consumer Staples	Food Products	73,912	28.50	41.89	29.91
Aptus Value Housing Finance	Financials	Thriffs & Mortgage Finance	1,78,852	27.44	18.48	1.12
Adani Transmission	Utilities	Electric Utilities	44,18,132	27.37	83.20	163.11
Uflex	Materials	Containers & Packaging	56,747	27.24	28.80	63.55
Kansai Nerolac Paints	Materials	Chemicals	2,72,316	26.33	25.00	(18.41)
IDFC	Financials	Capital Markets	1,09,599	25.62	37.85	34.87
Kalyan Jewellers India	Consumer Discretionary	Textiles, Apparel & Luxury Goo	84,104	25.52	37.46	29.71
Grindwell Norton	Industrials	Machinery	2,43,595	25.23	24.03	71.57
Adani Enterprises	Industrials	Trading Companies	36,41,563	24.33	47.50	110.63
IDBI Bank	Financials	Banks	4,72,568	24.33	22.25	14.16
Nazara Technologies	Communication Services	Entertainment	43,309	24.25	10.11	(27.51)
Suzlon Energy	Industrials	Electrical Equipment	80,269	24.24	3.14	32.26
Indiabulls Housing Finance	Financials	Thriffs & Mortgage Finance	64,467	24.22	13.40	(40.03)
Tata Chemicals	Materials	Chemicals	2,87,760	24.14	18.91	35.37
Metro Brands	Consumer Discretionary	Specialty Retail	2,15,330	23.95	37.95	NA
Zomato	Consumer Discretionary	Internet & Direct Marketing Re	4,95,399	23.82	(18.44)	(56.61)
Affle India	Communication Services	Media	1,74,486	23.37	26.71	42.91

Source: Bloomberg, BOBCAPS Research

**Fig 16 – NSE 500: Worst performing stocks August 2022**

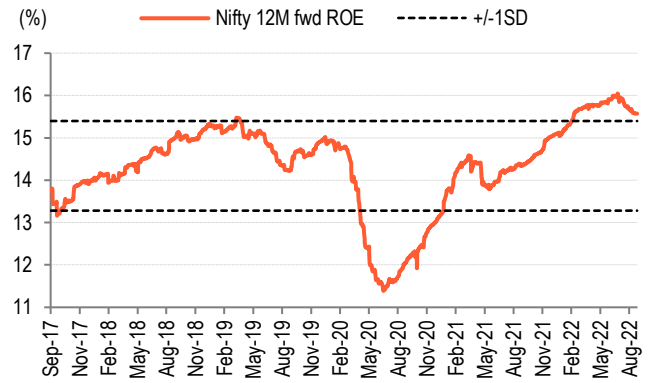
Company	Sector	Industry	Market cap (Rs mn)	1M (%)	3M (%)	1Y (%)
Brightcom Group	Communication Services	Interactive Media & Services	82,937	(16.80)	(39.16)	83.89
PVR	Communication Services	Entertainment	1,11,785	(14.66)	(1.74)	37.10
Inox Leisure	Communication Services	Entertainment	61,824	(14.47)	(0.33)	65.07
Kec International	Industrials	Construction & Engineering	1,04,571	(11.57)	5.53	(2.85)
Balkrishna Industries	Consumer Discretionary	Auto Components	3,95,537	(11.47)	(10.49)	(9.42)
Balrampur Chini Mills	Consumer Staples	Food Products	71,516	(11.29)	(12.56)	(5.00)
Chemplast Sanmar	Materials	Chemicals	66,754	(11.25)	(14.70)	(25.80)
Jubilant Ingrevia	Materials	Chemicals	75,021	(11.11)	(4.23)	(38.19)
Sequent Scientific	Health Care	Pharmaceuticals	28,348	(11.04)	4.22	(51.04)
Delhivery	Industrials	Air Freight & Logistics	4,12,289	(10.41)	9.14	NA
Indus Towers	Communication Services	Diversified Telecommunication	5,38,448	(10.22)	(0.32)	(7.76)
Coforge	Information Technology	IT Services	2,16,967	(9.96)	(8.67)	(30.48)
Natco Pharma	Health Care	Pharmaceuticals	1,12,391	(9.75)	(7.59)	(35.08)
Mastek	Information Technology	IT Services	57,078	(9.64)	(23.96)	(26.90)
Ipca Laboratories	Health Care	Pharmaceuticals	2,29,611	(9.50)	0.54	(27.04)
Amber Enterprises India	Consumer Discretionary	Household Durables	76,301	(9.19)	(13.91)	(21.89)
Metropolis Healthcare	Health Care	Health Care Providers & Servic	73,383	(9.19)	(15.68)	(48.60)
Gujarat Ambuja Exports	Consumer Staples	Food Products	63,067	(9.17)	(19.07)	61.38
Sona Blw Precision Forgings	Consumer Discretionary	Auto Components	3,05,032	(8.16)	(4.98)	1.82
Easy Trip Planners	Consumer Discretionary	Hotels, Restaurants & Leisure	84,917	(8.14)	3.54	72.12
Borosil Renewables	Information Technology	Semiconductors & Semiconductor	74,060	(8.09)	(8.49)	88.89
Sunteck Realty	Real Estate	Real Estate Management & Devel	69,886	(7.92)	10.34	33.63
Alkem Laboratories	Health Care	Pharmaceuticals	3,55,664	(7.77)	(3.33)	(23.76)
Multi Commodity Exch India	Financials	Capital Markets	65,750	(7.71)	(0.48)	(15.20)
Alembic Pharmaceuticals	Health Care	Pharmaceuticals	1,27,412	(7.66)	(12.00)	(13.72)

Source: Bloomberg, BOBCAPS Research



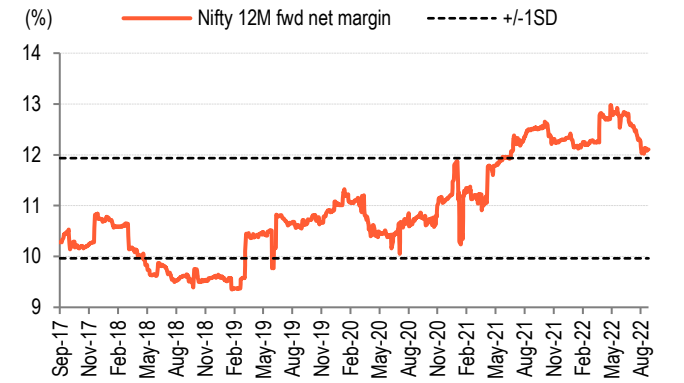
Index fundamentals

Fig 17 – Nifty: 12M forward ROE



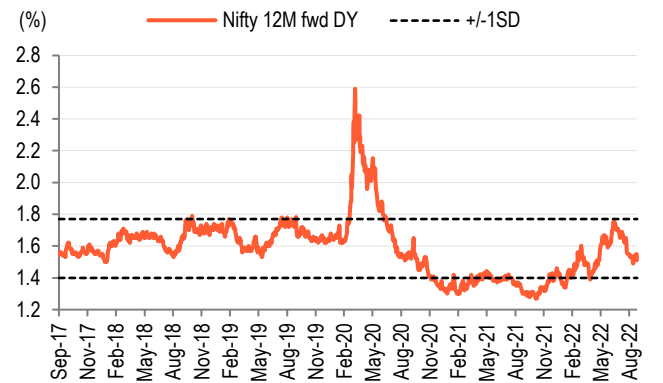
Source: Bloomberg, BOBCAPS Research

Fig 18 – Nifty: 12M forward net margin



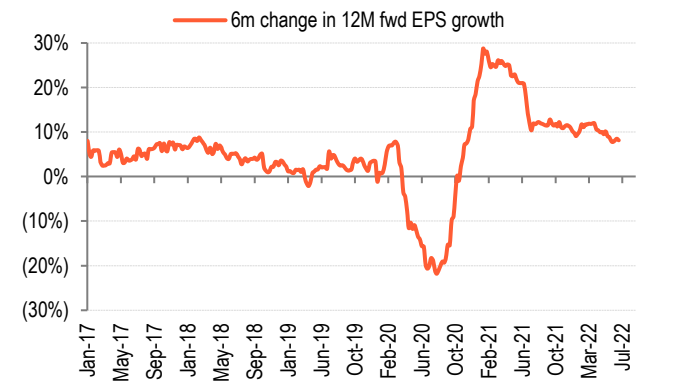
Source: Bloomberg, BOBCAPS Research

Fig 19 – Nifty: 12M forward dividend yield



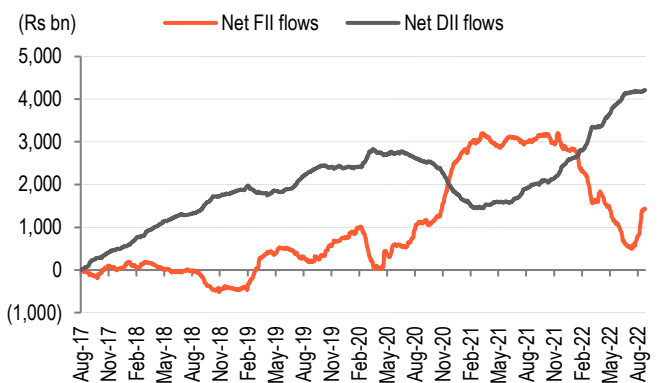
Source: Bloomberg, BOBCAPS Research

Fig 20 – Nifty: 6M change in EPS growth



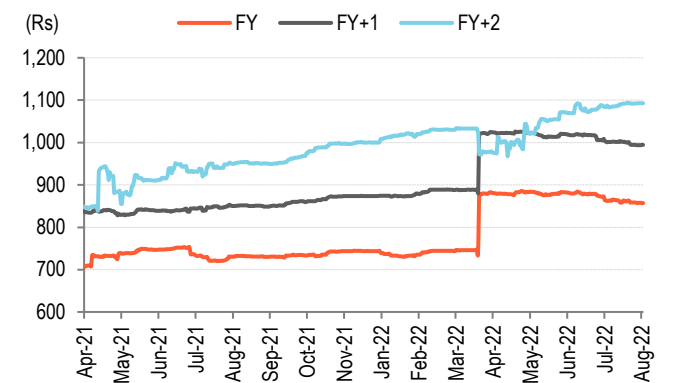
Source: Bloomberg, BOBCAPS Research

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 slowed to 8.5% in Jul'22 from 9.1% in June. Although the decline was more than expected, inflation in the US remains among the highest in four decades. Last month's decline was mainly due to the fall in prices of crude oil and related materials. In its speech at Jackson Hole, the Fed reaffirmed its commitment to restoring price stability. In the process, it anticipates below-trend growth for a sustained period and softer labour market conditions which can affect households and businesses but see them spared from far higher costs in the long term.

After a steady decline for the past six months, commodities took a breather in August. Crude oil, which has so far outperformed metal and agriculture commodities, declined 1.3%. Natural gas, however, rose by 58%. Industrials and base metals fell in the range of 7-20%. Agriculture commodities were mixed.

On the domestic economic front, inflation cooled off further in India to 6.71% from 7.01% in July. Key contributors to inflation were vegetables, cereals and products, clothing and fuel. WPI also declined. PMI came off record highs to 56.6, and IIP was at 12.3%. Demand fell for consumer and commercial vehicles but increased for tractors. Credit growth continued to rise across agriculture and personal loans while moderating in services. Net exports (exports minus imports) continued to decline and are now at their lowest level (-US\$ 258bn).

**Fig 23 – Yields**

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
India 10y yield	7.25	7.28	7.32	7.41	6.82	6.45	6.23	6.53	6.53
India AAA corporate yield	7.61	7.65	7.68	7.84	7.22	7.00	6.96	7.64	7.47
India AA corporate yield	8.34	8.38	8.40	8.58	8.01	7.79	7.75	8.32	8.00
US 10y yield	3.10	3.05	2.65	2.74	1.88	1.51	1.28	1.47	2.13
EU 10y yield	1.50	1.32	0.82	1.06	0.03	(0.18)	(0.44)	(0.69)	0.34
Japan 10y yield	0.25	0.22	0.19	0.24	0.14	0.07	0.02	(0.26)	0.01

Source: Bloomberg, BOBCAPS Research

**Fig 24 – Exchange rates**

(%)	Current	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
USDINR	79.5	0.6	0.5	(0.5)	(2.4)	(5.2)	(6.4)	(7.8)	(10.1)	(19.5)
EURINR	79.7	(0.1)	(0.5)	1.8	4.7	5.7	5.6	8.5	(1.1)	(4.2)
JPYINR	0.6	0.4	1.0	4.0	5.7	13.8	12.4	16.0	17.0	1.3
GBPINR	93.2	0.2	0.9	3.8	5.2	8.1	7.7	8.1	(6.8)	(11.3)

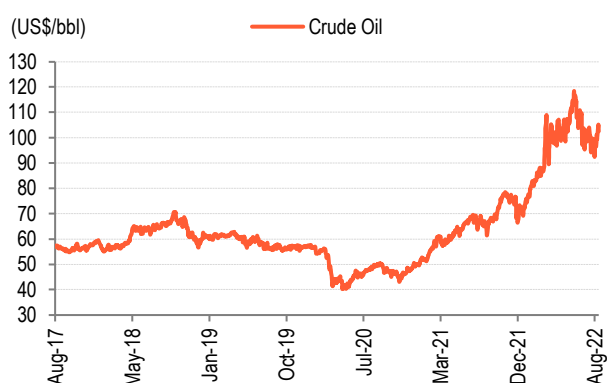
Source: Bloomberg, BOBCAPS Research

**Fig 25 – Commodity price trend**

(%)	Current	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
<b>Energy</b>										
NYM WTI Crude (USD/bbl.)	95.4	(1.7)	1.8	(1.4)	(10.4)	13.5	34.4	48.7	91.0	84.3
ICE Brent Crude (USD/bbl.)	102.59	(2.4)	2.4	(1.3)	(8.2)	15.8	38.1	52.3	84.5	84.2
ICE ARA Gasoil (USD/MT)	1163.5	(1.9)	4.0	6.8	6.5	49.6	79.9	99.7	115.8	119.6
NYM NYH Gasoline (USd/gal.)	280.2	(2.6)	(4.5)	(10.0)	(22.2)	5.0	26.4	37.2	80.6	NA
NYM NYH Heating Oil (USd/gal.)	389.2	(0.5)	1.3	9.7	3.6	45.0	73.2	89.2	120.4	NA
NYM HH Nat Gas (USD/MMBtu)	9.15	(2.0)	(0.1)	11.4	5.9	102.0	148.8	167.8	276.6	237.3
ICE NBP Nat Gas (USD/MMBtu)	450	(29.7)	(14.5)	27.9	101.6	88.5	191.4	528.0	879.3	984.9
<b>Metals</b>										
LME Aluminums (USD/MT)	2494	2.5	4.5	3.0	(13.0)	(25.7)	(11.2)	(4.8)	40.9	20.5
LME Coppers (USD/MT)	8160.5	0.4	1.0	8.3	(12.7)	(17.3)	(16.0)	(12.2)	44.9	22.4
SGX Iron Ore (USD/MT)	97.75	(4.4)	(5.3)	(15.0)	(25.1)	(29.1)	(14.1)	(21.1)	50.9	NA
LME Nickel (USD/MT)	21633	(0.2)	(2.8)	0.3	(20.5)	(11.2)	4.2	15.2	38.1	88.4
Steel China (CNY/MT)	4029	0.0	1.8	4.0	(15.9)	(18.4)	(15.2)	(29.3)	8.1	(3.1)
Spot Gold	1734	(0.2)	(0.8)	(2.1)	(6.5)	(9.2)	(5.2)	(4.2)	14.1	32.5
Spot Silver	18.7	(0.2)	(2.1)	(8.1)	(14.8)	(23.4)	(19.7)	(22.1)	1.9	7.4
<b>Agriculture</b>										
CME Live Cattle (USd/lb.)	142.9	(0.1)	(1.1)	0.5	3.5	0.1	0.9	4.0	NA	NA
ICE Coffee (USd/lb.)	235.7	(0.4)	3.3	10.2	2.9	3.4	5.6	15.0	NA	NA
CBT Corn (USd/bu.)	675	(1.2)	3.0	8.9	(7.5)	11.2	23.6	32.2	NA	NA
ICE Cotton (USd/lb.)	114.1	(2.6)	1.7	18.0	(7.2)	13.7	23.2	36.5	NA	NA
CBT Soybeans (USd/bu.)	1418.75	(1.3)	(2.9)	(3.4)	(8.1)	(1.2)	11.8	12.6	NA	NA
ICE Sugar (USd/lb.)	18.33	(0.6)	2.5	4.5	(7.2)	4.1	(0.2)	(1.8)	NA	NA
CBT SRW Wheat (USd/bu.)	837	(0.7)	4.6	1.4	(28.7)	(6.9)	8.7	16.0	NA	NA

Source: Bloomberg, BOBCAPS Research

**Fig 26 – Oil price trend**



Source: Bloomberg, BOBCAPS Research

**Fig 27 – USDINR movement**



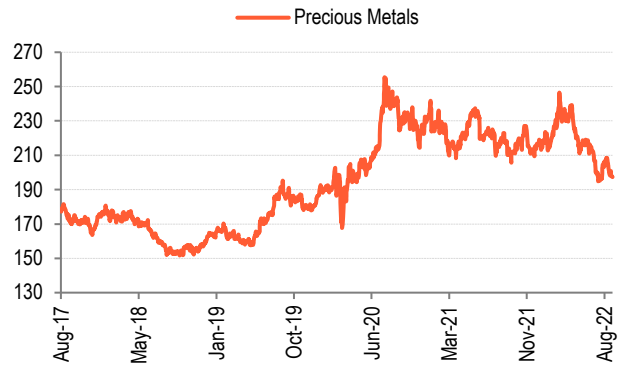
Source: Bloomberg, BOBCAPS Research

**Fig 28 – Industrial metals price trend**



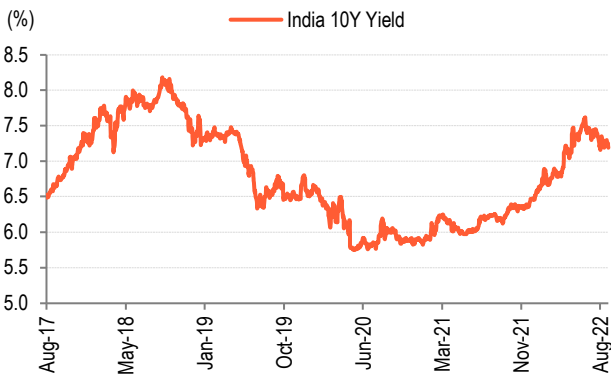
Source: Bloomberg, BOBCAPS Research

**Fig 29 – Precious metals price trend**



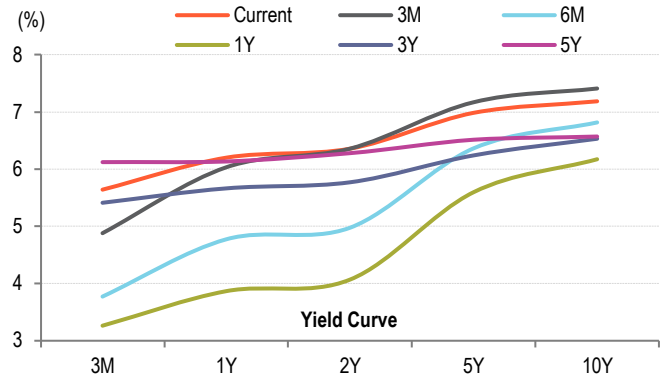
Source: Bloomberg, BOBCAPS Research

**Fig 30 – India 10Y bond yield**



Source: Bloomberg, BOBCAPS Research

**Fig 31 – India yield curve**



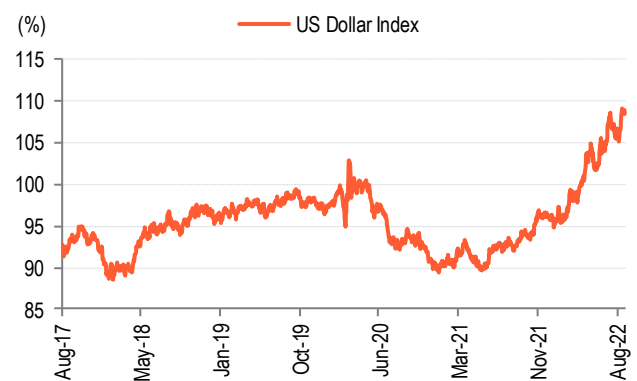
Source: Bloomberg, BOBCAPS Research

**Fig 32 – US 10Y yield**



Source: Bloomberg, BOBCAPS Research

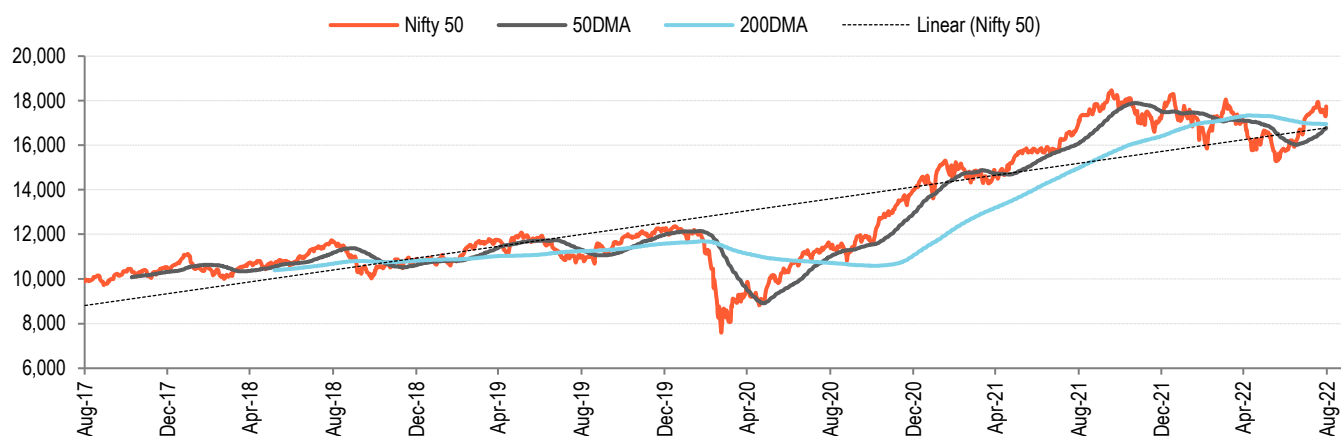
**Fig 33 – US Dollar index**



Source: Bloomberg, BOBCAPS Research

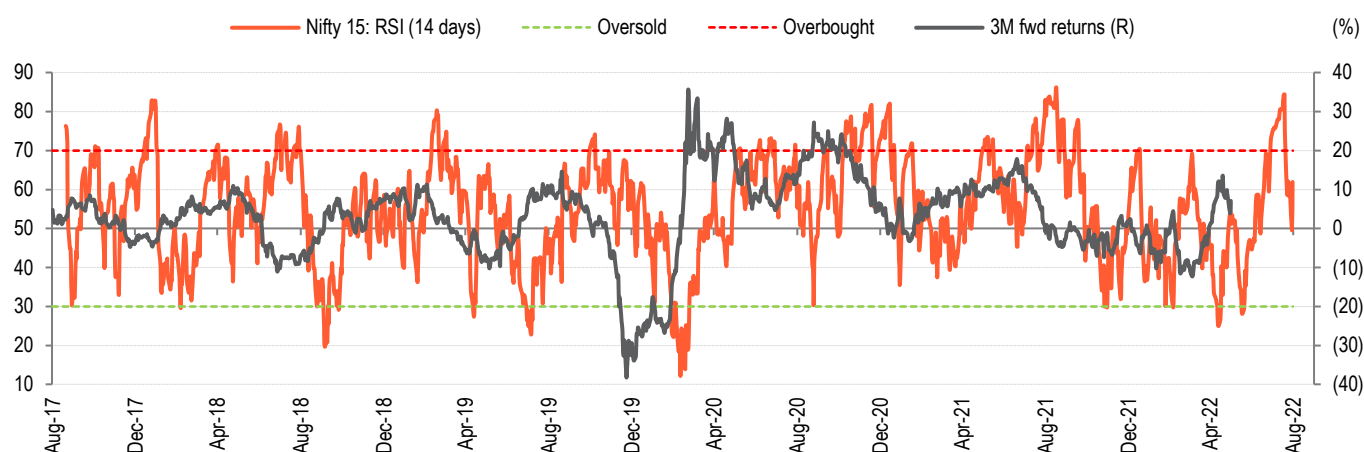
## Technical trends

**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	5.8	5.1	4.9
Consumer Discretionary	27.7	27.8	28.3
Consumer Staples	11.5	11.9	13.7
Energy	20.7	27.9	28.3
Financials	66.3	59.7	72.8
Health Care	11.5	10.3	11.9
Industrials	9.2	6.9	8.3
Information Technology	22.0	25.8	29.7
Materials	24.8	26.4	30.9
Utilities	4.4	4.7	5.1
Nifty 50	204	206	234

Source: Bloomberg, BOBCAPS Research

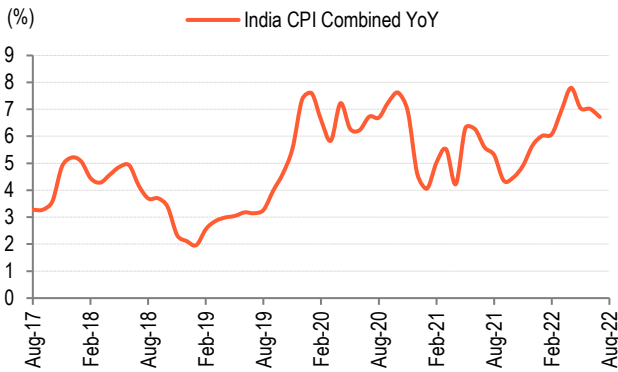
**Fig 37 – Nifty 50: Stock-wise average daily traded value**

Company (Rs bn)	Sector	Industry	Market cap	1M	3M	6M
Adani Ports And	Industrials	Transportation Infrastructure	1,779	5.7	3.4	4.5
Apollo Hospitals	Health Care	Health Care Providers & Servic	622	2.4	2.4	3.0
Asian Paints	Materials	Chemicals	3,253	3.7	4.1	4.3
Axis Bank	Financials	Banks	2,308	5.3	5.4	6.7
Bajaj Finance	Financials	Consumer Finance	4,423	8.8	8.0	8.6
Bharti Airtel	Communication Services	Wireless Telecommunication Ser	4,178	5.8	5.1	4.9
Bajaj Auto	Consumer Discretionary	Automobiles	1,182	1.3	2.0	1.8
Bajaj Finserv	Financials	Diversified Financial Services	2,702	6.6	5.2	4.8
Bharat Petrol	Energy	Oil, Gas & Consumable Fuels	713	1.1	1.3	1.6
Britannia Inds	Consumer Staples	Food Products	903	1.2	1.3	1.3
Cipla	Health Care	Pharmaceuticals	838	1.7	1.5	2.0
Coal India	Energy	Oil, Gas & Consumable Fuels	1,447	2.6	2.3	3.0
Divi Labs	Health Care	Life Sciences Tools & Services	963	2.5	1.8	2.1
Dr Reddy's Labs	Health Care	Pharmaceuticals	707	2.0	1.9	2.2
Eicher Motors	Consumer Discretionary	Automobiles	918	3.9	2.6	2.3
Grasim Inds	Materials	Construction Materials	1,105	1.5	1.5	1.6
HCL Tech	Information Technology	IT Services	2,548	3.0	3.2	3.5
Housing Dev Fin	Financials	Diversified Financial Services	4,442	5.8	6.4	9.3
HDFC Bank	Financials	Banks	8,266	9.0	8.4	12.9
HDFC Life Insura	Financials	Insurance	1,216	2.7	2.2	2.6
Hero Motocorp	Consumer Discretionary	Automobiles	567	2.0	1.8	2.0
Hindalco Inds	Materials	Metals & Mining	987	4.9	4.9	6.1
Hindustan Unilev	Consumer Staples	Personal Products	6,250	3.5	4.3	4.5
ICICI Bank	Financials	Banks	6,178	10.5	8.7	10.4
Indusind Bank	Financials	Banks	858	3.4	3.1	3.1
Infosys	Information Technology	IT Services	6,282	7.3	8.6	11.0
ITC	Consumer Staples	Tobacco	3,972	3.8	3.8	5.2
Jsw Steel	Materials	Metals & Mining	1,612	1.9	2.7	3.3
Kotak Mahindra	Financials	Banks	3,803	4.8	5.0	5.5
Larsen & Toubro	Industrials	Construction & Engineering	2,701	3.5	3.5	3.7
Mahindra & Mahin	Consumer Discretionary	Automobiles	1,627	4.8	4.9	4.0
Maruti Suzuki In	Consumer Discretionary	Automobiles	2,744	5.5	6.0	6.1
Nestle India	Consumer Staples	Food Products	1,921	1.0	1.1	1.2
NTPC	Utilities	Independent Power and Renewabl	1,590	2.5	2.6	2.7
Oil & Natural Ga	Energy	Oil, Gas & Consumable Fuels	1,744	3.3	4.6	4.5
Power Grid Corp	Utilities	Electric Utilities	1,602	1.8	2.1	2.5
Reliance Inds	Energy	Oil, Gas & Consumable Fuels	17,847	13.6	19.7	19.2
Sbi Life Insuran	Financials	Insurance	1,330	2.0	1.4	1.4
State Bank Ind	Financials	Banks	4,741	7.6	6.1	7.4
Shree Cement	Materials	Construction Materials	796	0.7	0.8	1.0
Sun Pharma Indu	Health Care	Pharmaceuticals	2,143	2.8	2.7	2.7
Tata Steel	Materials	Metals & Mining	1,323	7.8	8.2	9.6
Tata Consumer Pr	Consumer Staples	Food Products	746	2.0	1.4	1.5
Tata Consultancy	Information Technology	IT Services	11,750	5.5	7.5	7.9
Tech Mahindra	Information Technology	IT Services	1,047	3.5	3.5	3.7
Titan Co	Consumer Discretionary	Textiles, Apparel & Luxury Goo	2,312	2.8	3.6	3.5
Tata Motors	Consumer Discretionary	Automobiles	1,684	7.5	6.8	8.6
UPL	Materials	Chemicals	577	2.0	1.6	2.1
Ultratech Cement	Materials	Construction Materials	1,928	2.4	2.7	3.0
Wipro	Information Technology	IT Services	2,268	2.7	3.1	3.6

Source: Bloomberg, BOBCAPS Research

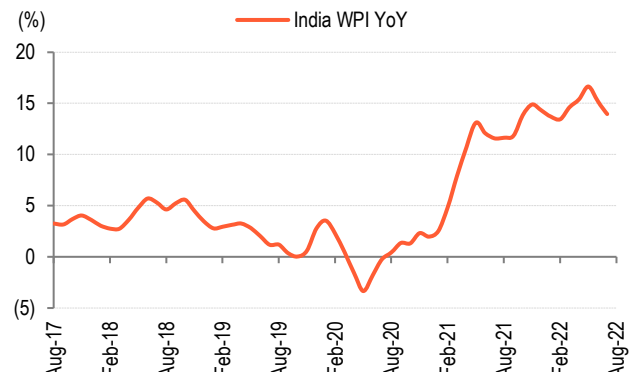
## Macroeconomic indicators: July 2022

**Fig 38 – Consumer price index**



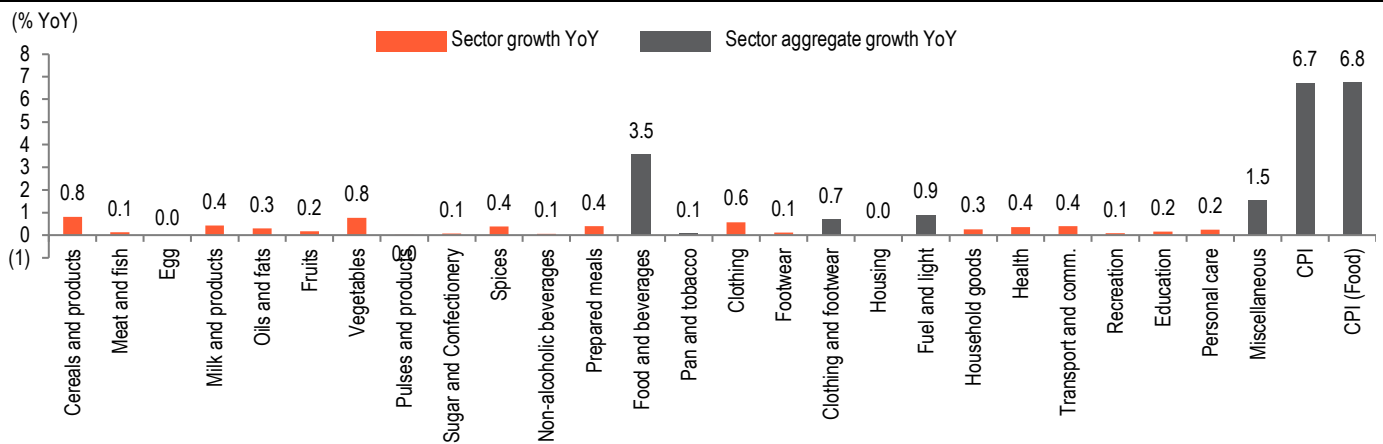
Source: Bloomberg, BOBCAPS Research

**Fig 39 – Wholesale price index**



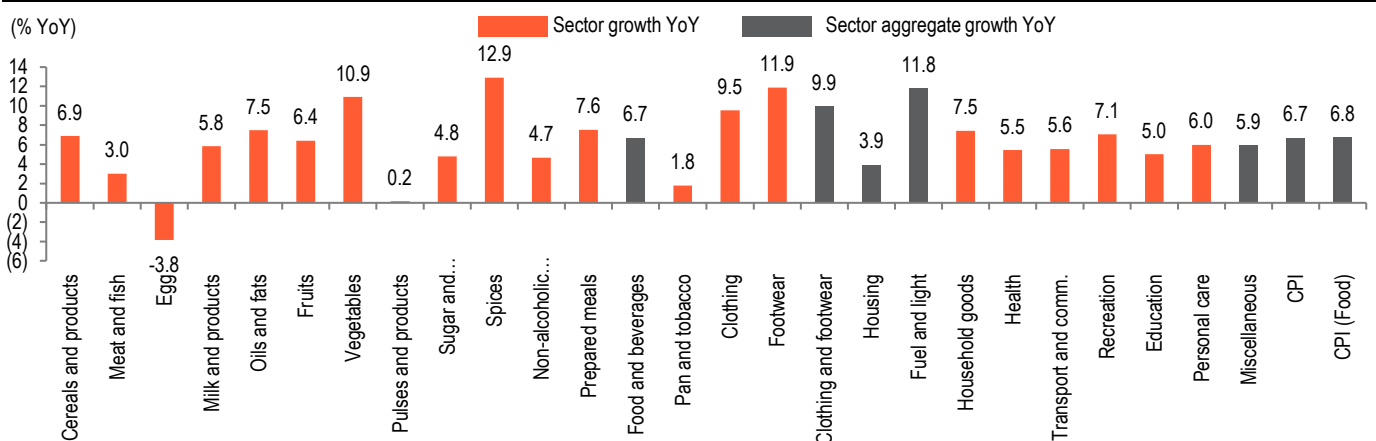
Source: Bloomberg, BOBCAPS Research

**Fig 40 – Contribution to CPI (Jul'22)**



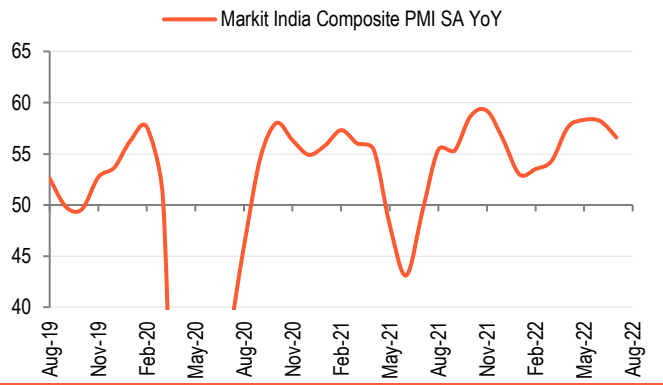
Source: Bloomberg, BOBCAPS Research | Note: Data for housing was not fully compiled for Jul'22

**Fig 41 – Actual CPI (Jul'22)**



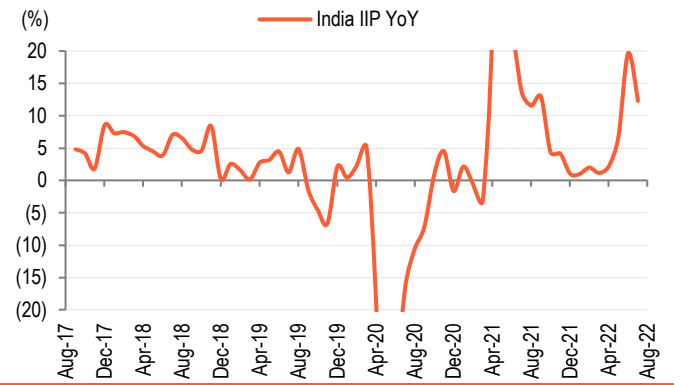
Source: Bloomberg, BOBCAPS Research

**Fig 42 – Purchasing Managers’ Index**



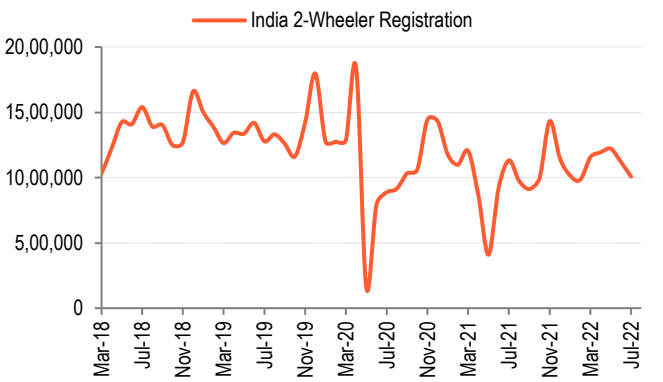
Source: Bloomberg, BOBCAPS Research

**Fig 43 – Industrial production**



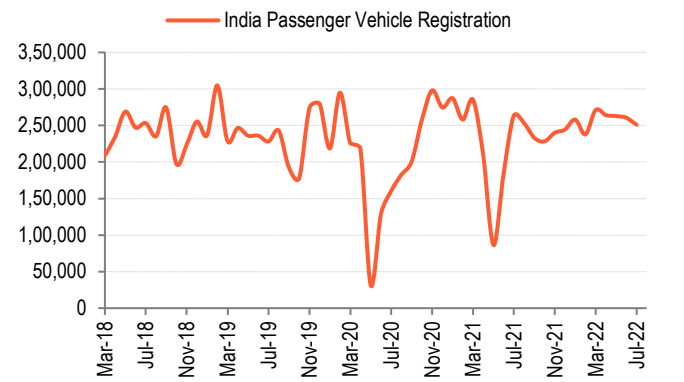
Source: Bloomberg, BOBCAPS Research

**Fig 44 – Two-wheeler registration**



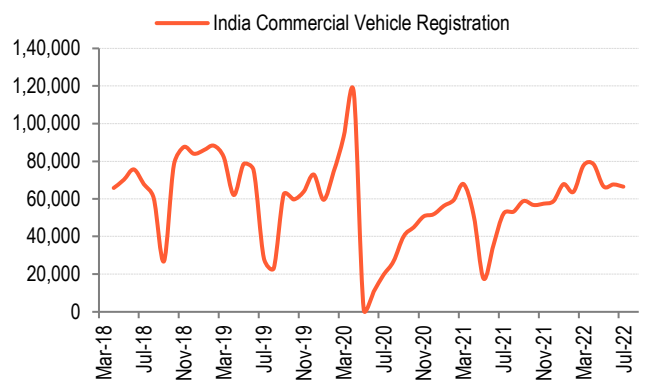
Source: Bloomberg, BOBCAPS Research

**Fig 45 – 4-wheeler registration**



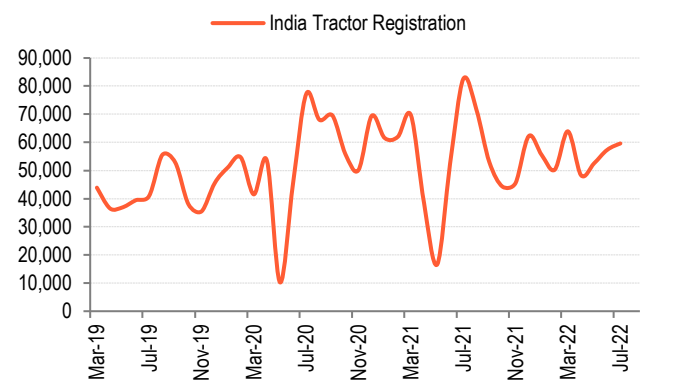
Source: Bloomberg, BOBCAPS Research

**Fig 46 – Commercial vehicle registration**



Source: Bloomberg, BOBCAPS Research

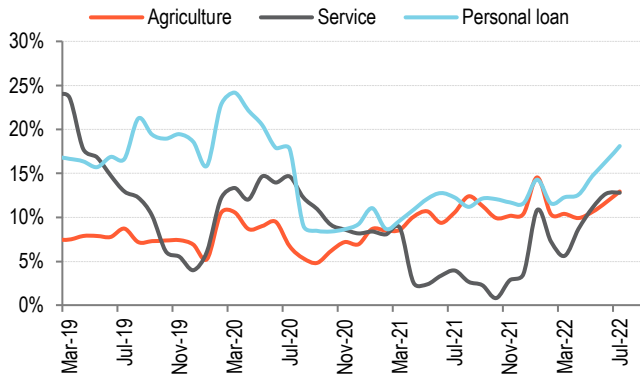
**Fig 47 – Tractor registration**



Source: Bloomberg, BOBCAPS Research

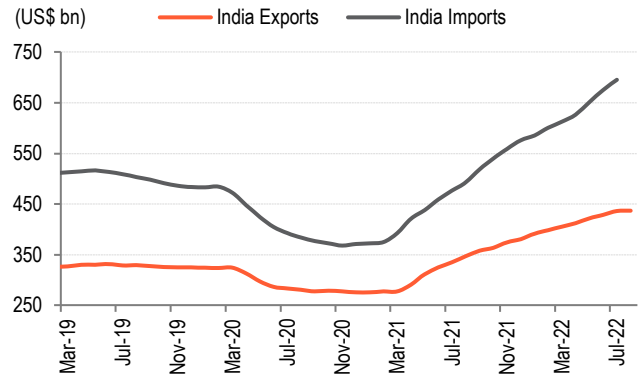


**Fig 48 – Scheduled Commercial Banks’ credit growth**



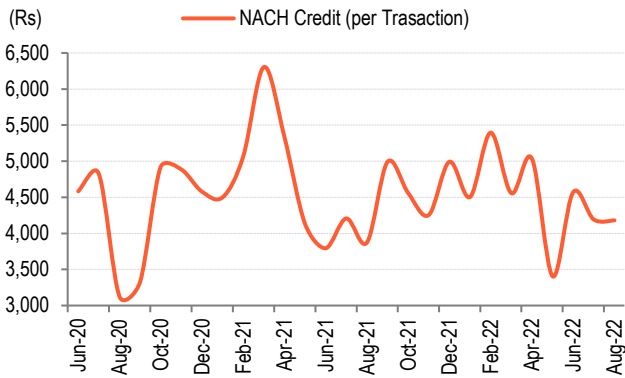
Source: Bloomberg, BOBCAPS Research

**Fig 49 – Exports and Imports**



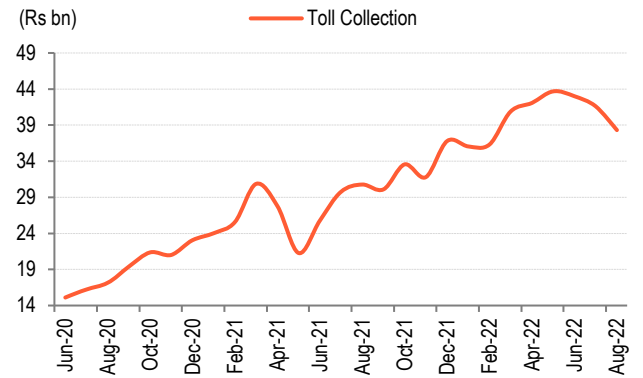
Source: Bloomberg, BOBCAPS Research

**Fig 50 – Toll collection**



Source: Bloomberg, BOBCAPS Research

**Fig 51 – National Automated Clearing House credit**



Source: Bloomberg, BOBCAPS Research

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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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