

Market at all-time high but outlook mixed

- Nifty 50 outperformed US and Japan benchmark indices in November while underperforming the EU
- India remains the priciest market with Nifty 12M forward P/E approaching 1SD above its 5Y mean
- Market faces upside risk to valuation multiple if US rate hike trajectory eases but downside risk to earnings from slowdowns in China and EU

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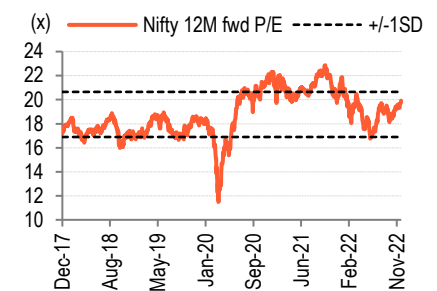
Nifty up 4.1% in November: The Nifty 50 index underperformed European stocks but outperformed the US and Japan benchmarks in November. Sector-wise, PSU banks (15.6%) continued to rally. The metal index climbed 11.3% and IT index 5.8%. Nifty Commodities was up 5.1% and Services 3.9%.

Raw material cost softens in Q2 but other opex still high: According to the Centre for Monitoring Indian Economy (CMIE), 4,000+ companies have reported earnings for the September-ending quarter. Aggregate income grew 25% YoY while profit dipped 2.9%. Amongst Nifty 200 companies, 41% beat consensus at the PAT level (40% in Q1) and 44% missed estimates (42% in Q1). Operating cost pressures declined this quarter as cost of raw materials, finished goods and freight all moderated. Interest expense rose but was modest by historical standards. Salary, wage and power costs stayed elevated. For details, see our Q2FY23 Review: [Raw material costs cool off](#).

Outlook mixed: On the domestic front, we see a robust demand climate but a delayed capex cycle. Globally, we anticipate a slower rate of Fed hikes coupled with downturns in Europe and China, which will have a mixed impact on Indian markets over the next 1-2 years. We expect only a gradual pickup in India's capex given limited near-term triggers. Even so, we remain highly positive on sustained growth momentum over the longer term as the necessary building blocks spanning education, demographics, health, infrastructure, digitisation and financial inclusion are all in place (see our note of Jan'22: [India at take-off point](#)).

Investment view: While slower Fed hikes pose an upside risk to valuation multiples and could spur a brief rally in cyclicals, weakness in China and Europe represent downside risks to earnings for Indian equities and do not augur well for a sustained rally. Therefore, while cyclicals will likely outperform near term, we continue to advocate a conservative investment approach until the capex cycle gathers pace.

Nifty valuations now reapproaching +1SD above 5Y avg.



Source: Bloomberg, BOBCAPS Research

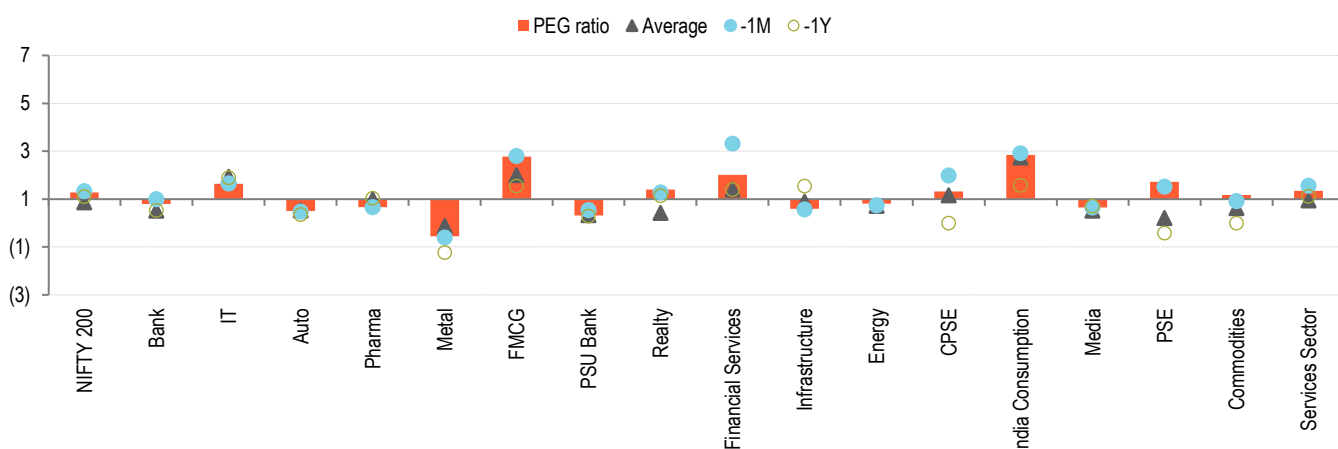


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Valuations and Returns: November 2022

Fig 1 – Nifty: 12M forward PEG ratio



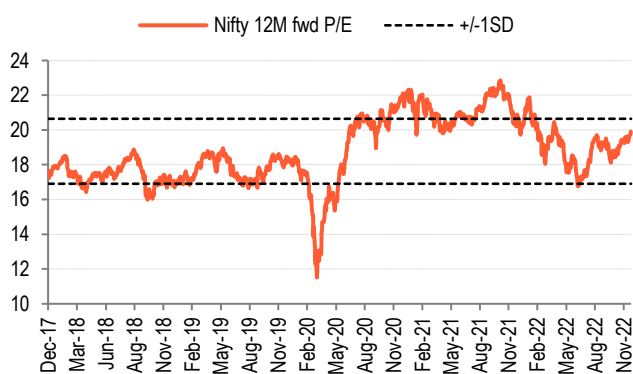
Source: Bloomberg, BOBCAPS Research | Note: We calculate PEG ratio as trailing 12M P/E divided by 12M forward earnings. We only consider numbers between -10 and 10 in our calculations.

Fig 2 – Returns across Nifty and global indices (in local currency)

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
Nifty 50	0.8	2.7	4.1	5.6	13.1	8.1	10.5	55.6	83.4
Nifty Next 50	1.3	2.7	2.5	0.0	12.1	3.5	4.6	53.0	46.8
Nifty 200	0.9	2.7	3.5	4.1	12.9	7.1	9.4	58.8	75.8
Nifty 500	0.8	2.6	3.4	4.1	12.9	6.3	8.9	62.5	74.2
NIFTY Midcap 100	1.1	2.8	1.9	1.8	13.3	5.2	8.1	86.0	61.0
NIFTY Smallcap 100	0.6	2.9	3.0	3.7	8.3	(11.6)	(6.4)	71.6	14.5
NSE NIFTY Smallcap 250	0.5	2.6	3.0	3.9	11.3	(1.9)	3.4	99.8	39.6
Nifty Dividend Opp 50	0.7	3.2	4.2	5.7	10.4	5.1	9.3	53.8	53.2
NIFTY100 ESG	0.3	1.8	1.6	1.5	8.5	(1.3)	1.7	58.3	86.4
S&P 500	(0.2)	0.2	2.2	0.1	(4.2)	(17.0)	(13.3)	26.0	49.5
Stoxx 600	0.6	0.2	6.7	6.0	(0.8)	(9.8)	(5.0)	8.0	13.8
Nikke 225	(0.2)	(0.5)	1.4	(0.4)	2.5	(2.9)	0.5	20.1	23.1
FTSE 100	0.5	1.1	6.4	3.6	(0.8)	2.2	6.9	2.7	3.0

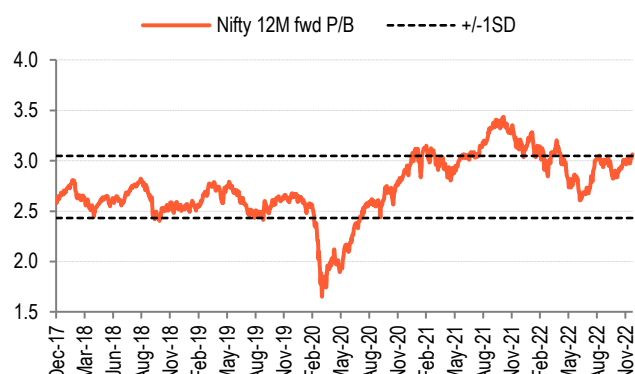
Source: Bloomberg, BOBCAPS Research

Fig 3 – Nifty: 12M forward P/E



Source: Bloomberg, BOBCAPS Research

Fig 4 – Nifty: 12M forward P/B



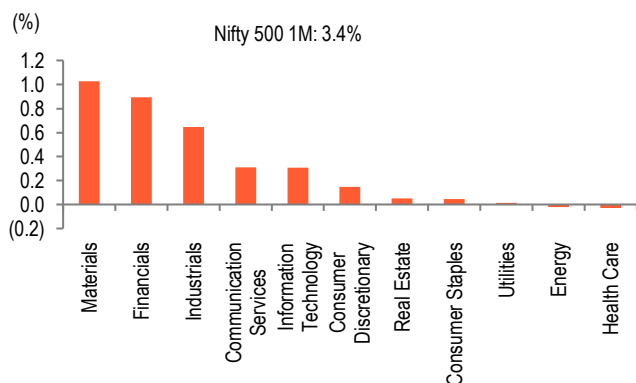
Source: Bloomberg, BOBCAPS Research

Fig 5 – Returns across sectoral Nifty indices

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
Nifty 50	0.8	2.7	4.1	5.6	13.1	8.1	10.5	55.6	83.4
Nifty Bank	0.4	1.2	4.7	9.3	21.8	21.8	21.1	35.3	70.7
Nifty IT	0.2	3.4	5.8	7.0	2.4	(21.5)	(13.3)	102.6	173.4
Nifty Auto	1.7	3.6	(1.1)	0.1	14.2	21.0	24.8	63.6	17.2
Nifty Pharma	0.4	2.1	(0.5)	3.5	4.3	(7.6)	(3.8)	60.5	42.3
Nifty Metal	1.8	2.2	11.3	10.6	23.1	18.9	26.2	150.0	78.5
Nifty FMCG	1.0	3.8	2.8	3.9	17.6	21.2	21.8	47.0	76.4
Nifty PSU Bank	(1.3)	(0.2)	15.6	33.2	55.3	58.1	56.3	49.8	3.7
Nifty Realty	1.5	2.6	2.6	(2.8)	9.3	(7.0)	(7.7)	59.6	38.3
Nifty Financial Services	0.7	1.5	4.4	6.2	17.5	11.7	10.4	36.2	87.5
Nifty Infrastructure	1.2	3.6	4.1	6.2	11.7	10.1	9.8	63.9	54.9
Nifty Energy	1.7	4.9	2.6	(2.7)	6.7	20.9	19.9	68.5	93.7
Nifty CPSE	0.6	1.7	2.2	4.7	9.7	26.4	26.9	47.2	9.1
Nifty India Consumption	1.3	2.8	(0.6)	(0.5)	14.4	12.3	13.0	58.5	64.0
Nifty Media	0.8	4.2	2.6	2.3	3.1	(4.6)	(2.5)	15.3	(36.2)
NIFTY Private Bank	0.6	1.6	3.9	8.4	21.6	22.0	20.9	24.8	58.1
Nifty PSE	0.9	3.8	4.2	5.2	9.2	16.2	16.6	36.6	5.2
Nifty Commodities	1.7	3.6	5.1	3.7	11.1	9.0	12.7	77.3	54.9
Nifty Services Sector	0.7	1.7	3.9	5.5	14.4	5.3	7.1	50.6	91.0

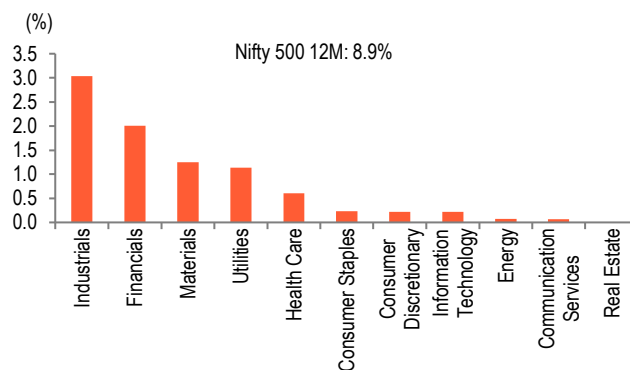
Source: Bloomberg, BOBCAPS Research

Fig 6 – Nifty 500: Contribution to 1M returns



Source: Bloomberg, BOBCAPS Research

Fig 7 – Nifty 500: Contribution to 12M returns



Source: Bloomberg, BOBCAPS Research

Fig 8 – 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	5.6	18.2	12.8	19.2	22.2	18.8	16.6	2.8	3.3	2.9	2.5	1.53	1.36	1.52	1.69
Nifty Next 50	11.0	(15.9)	27.4	16.1	24.4	27.8	21.8	18.8	3.2	3.6	3.4	3.0	1.46	1.53	1.65	1.80
Nifty 200	10.0	0.7	20.4	16.6	19.8	23.7	19.7	16.9	2.8	3.4	3.0	2.6	1.48	1.32	1.47	1.63
Nifty 500	10.1	0.2	21.3	17.0	19.6	23.8	19.6	16.7	2.8	3.4	3.0	0.0	1.46	1.34	1.50	1.58
NIFTY Midcap 100	8.8	(12.2)	28.8	40.5	21.1	28.9	22.5	16.0	2.5	3.4	3.1	2.3	1.31	1.14	1.33	1.50
NIFTY Smallcap 100	5.9	(22.2)	26.9	23.6	16.2	20.7	16.3	13.2	2.2	2.8	2.1	1.7	1.21	2.80	3.24	1.43
Sectors																
Nifty Bank	13.2	21.8	16.8	16.2	18.5	16.7	14.3	12.3	2.3	2.5	2.2	1.8	0.90	0.90	1.04	1.19
Nifty IT	11.8	6.9	15.4	13.5	21.3	25.8	22.3	19.7	5.1	6.5	5.9	5.3	2.34	2.37	2.69	3.00
Nifty Auto	(3.0)	54.0	65.7	16.0	20.5	32.6	19.7	17.0	2.7	3.8	3.4	2.6	1.34	1.05	1.23	1.37
Nifty Pharma	2.4	41.5	22.4	13.0	22.8	26.4	21.6	19.1	3.2	3.7	3.2	2.8	0.72	0.78	0.85	0.95
Nifty Metal	35.9	(44.2)	12.2	4.9	9.2	13.8	12.3	11.7	1.3	1.4	1.3	1.2	3.41	2.60	2.27	2.51
Nifty FMCG	9.2	10.0	13.7	13.0	32.5	40.2	35.3	31.3	7.7	9.3	8.9	8.1	1.96	1.94	2.18	2.39
Nifty PSU Bank	12.6	28.7	19.4	12.8	10.2	8.8	7.4	6.6	0.8	1.1	1.0	0.7	1.78	1.95	2.43	2.77
Nifty Realty	7.1	9.3	26.6	24.3	30.8	37.7	29.8	24.0	2.3	2.9	2.7	2.4	0.78	0.38	0.44	0.51
Nifty Financial Services	13.8	7.2	16.8	21.6	20.6	20.4	17.5	14.4	2.9	3.4	2.9	2.3	0.94	0.86	0.97	1.16
Nifty Infrastructure	14.7	5.4	22.8	10.1	18.2	19.8	16.1	14.6	2.0	2.3	2.1	1.9	1.82	1.61	1.82	1.94
Nifty Energy	17.1	(8.0)	16.6	12.8	10.7	15.0	12.9	11.4	1.3	1.4	1.3	1.2	2.94	2.39	2.62	2.62
Nifty CPSE	16.6	1.9	(1.2)	(2.1)	7.7	7.0	7.1	7.2	1.1	1.3	1.2	1.1	6.09	6.52	6.40	6.13
Nifty India Consumption	59.6	(9.3)	27.5	17.7	56.6	44.0	34.5	29.3	6.9	6.6	6.0	5.2	1.00	1.07	1.25	1.38
Nifty Media	(0.6)	1232.3	46.2	19.6	21.1	29.3	20.0	16.7	3.0	3.2	2.9	2.6	1.60	0.92	1.09	1.28
Nifty PSE	13.4	(17.6)	11.0	12.2	8.3	9.1	8.2	7.3	1.2	1.3	1.2	1.0	5.10	5.10	5.36	5.40
Nifty Commodities	20.1	(20.7)	14.1	11.6	16.7	13.7	12.0	10.8	2.5	1.7	1.6	1.4	2.58	2.44	2.44	2.58
Nifty Services Sector	9.5	10.1	17.6	17.0	20.5	22.2	18.9	16.1	3.2	3.7	3.2	2.7	1.40	1.28	1.46	1.65

Source: Bloomberg, BOBCAPS Research

Fig 9 – NSE 500: Best performing stocks in November 2022

Company	Sector	Industry	Market cap (Rs mn)	1M (%)	3M (%)	1Y (%)
Rail Vikas Nigam	Industrials	Construction & Engineering	1,54,500	85.25	125.23	121.52
Union Bank of India	Financials	Banks	5,58,057	51.48	92.80	89.88
Housing & Urban Dev Corp	Financials	Diversified Financial Services	1,06,701	46.83	31.44	36.32
Indian Railway Finance Corp	Financials	Diversified Financial Services	4,28,647	44.81	53.27	41.08
Mazagon Dock Shipbuilders	Industrials	Aerospace & Defense	1,83,286	42.81	132.06	249.12
Bank Of India	Financials	Banks	3,37,723	36.60	58.57	51.57
Redington	Information Technology	Electronic Equipment, Instrume	1,40,314	31.35	19.10	22.10
NBCC India	Industrials	Construction & Engineering	76,590	31.12	23.15	5.58
Bank Of Maharashtra	Financials	Banks	1,78,022	30.30	46.54	37.76
Easy Trip Planners	Consumer Discretionary	Hotels, Restaurants & Leisure	1,09,166	29.82	28.56	100.02
JK Lakshmi Cement	Materials	Construction Materials	83,846	28.88	50.85	12.22
Amara Raja Batteries	Industrials	Electrical Equipment	1,11,054	26.72	27.69	5.22
Aditya Birla Capital	Financials	Diversified Financial Services	3,51,285	24.39	27.22	33.23
Fertilisers & Chem Travancr	Materials	Chemicals	94,440	23.90	19.48	32.80
Cochin Shipyard	Industrials	Machinery	87,744	23.86	77.12	96.45
New India Assurance Co/T	Financials	Insurance	1,80,044	22.96	12.40	(24.53)
Jindal Stainless	Materials	Metals & Mining	91,279	22.71	35.70	5.18
CEAT	Consumer Discretionary	Auto Components	76,161	22.11	35.41	60.34
IDBI Bank	Financials	Banks	5,74,716	21.75	21.62	17.60
Balrampur Chini Mills	Consumer Staples	Food Products	78,413	21.63	9.64	23.31
MMTC	Industrials	Trading Companies & Distr	62,850	21.63	(6.05)	7.02
Godfrey Phillips India	Consumer Staples	Tobacco	93,846	21.59	62.56	48.75
Central Bank of India	Financials	Banks	2,13,117	20.64	26.22	14.99
General Ins Corp of India	Financials	Insurance	2,61,318	20.36	20.02	5.08
Punjab National Bank	Financials	Banks	5,64,865	20.28	43.10	37.53

Source: Bloomberg, BOBCAPS Research

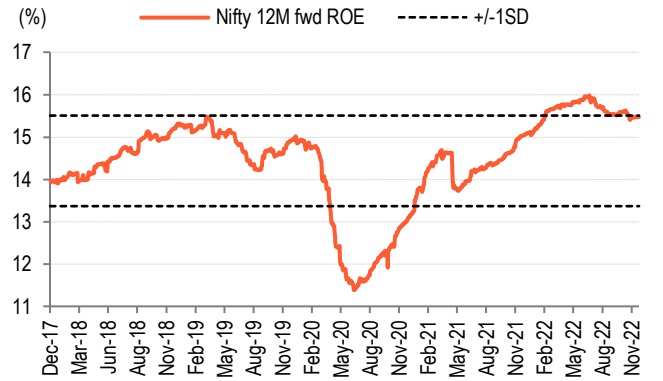
Fig 10 – NSE 500: Worst performing stocks in November 2022

Company	Sector	Industry	Market cap (Rs mn)	1M (%)	3M (%)	1Y (%)
One 97 Communications	Information Technology	IT Services	3,12,698	(24.55)	(32.90)	(71.66)
Campus Activewear	Consumer Discretionary	Textiles, Apparel & Luxury Goo	1,37,243	(22.06)	(8.76)	NA
Qess Corp	Industrials	Professional Services	64,993	(20.64)	(23.32)	(50.91)
Dhani Services	Financials	Capital Markets	30,571	(17.51)	(27.93)	(71.52)
Deepak Fertilisers & Petro	Materials	Chemicals	1,01,546	(16.72)	(12.24)	115.95
DCM Shriram	Materials	Chemicals	1,35,974	(16.61)	(16.97)	(9.04)
Gujarat Narmada Valley Fert	Materials	Chemicals	93,446	(15.22)	(19.88)	41.55
Teamlease Services	Industrials	Professional Services	42,554	(14.50)	(26.49)	(41.83)
Aurobindo Pharma	Health Care	Pharmaceuticals	2,73,838	(13.16)	(14.31)	(29.22)
Adani Transmission	Utilities	Electric Utilities	32,44,410	(13.15)	(26.57)	61.63
Metropolis Healthcare	Health Care	Health Care Providers & Services	75,271	(13.11)	2.56	(55.36)
Avanti Feeds	Consumer Staples	Food Products	52,461	(12.76)	(17.00)	(26.64)
Uflex	Materials	Containers & Packaging	43,970	(12.71)	(22.52)	24.51
Go Fashion India	Consumer Discretionary	Specialty Retail	66,031	(12.63)	5.28	(2.48)
Rossari Biotech	Materials	Chemicals	43,451	(11.74)	(19.98)	(39.12)
Aditya Birla Fashion	Consumer Discretionary	Textiles, Apparel & Luxury Goods	2,98,159	(11.19)	2.73	23.21
Olectra Greentech	Industrials	Electrical Equipment	41,032	(10.93)	(19.56)	(39.34)
Gujarat Alkalies & Chemicals	Materials	Chemicals	58,320	(10.87)	(10.66)	30.71
Shilpa Medicare	Health Care	Pharmaceuticals	24,430	(10.61)	(28.64)	(48.24)
Patanjali Foods	Consumer Staples	Food Products	4,56,457	(10.56)	3.26	37.39
Jubilant Foodworks	Consumer Discretionary	Hotels, Restaurants & Leisure	3,60,836	(10.35)	(11.27)	(25.11)
Nazara Technologies	Communication Services	Entertainment	38,881	(10.32)	(10.39)	(47.34)
FSN E-Commerce Ventures	Consumer Discretionary	Internet & Direct Marketing	4,90,758	(10.32)	(25.65)	(57.64)
Star Health & Allied Insurance	Financials	Insurance	3,72,075	(9.92)	(12.07)	NA
Computer Age Management	Information Technology	IT Services	1,12,624	(9.82)	(0.22)	(25.30)

Source: Bloomberg, BOBCAPS Research

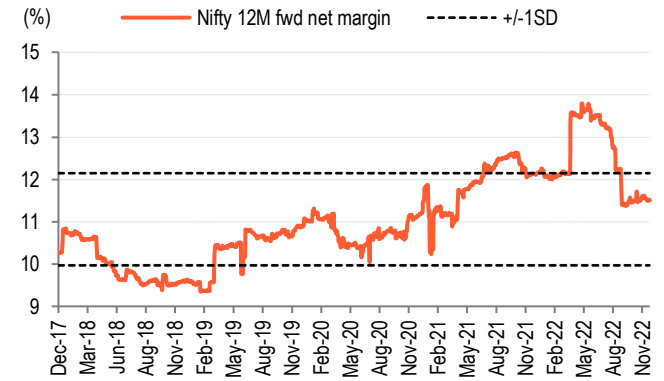
Index fundamentals

Fig 11 – Nifty: 12M forward ROE



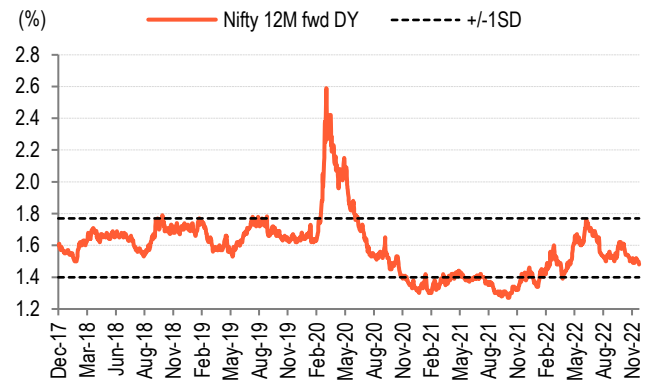
Source: Bloomberg, BOBCAPS Research

Fig 12 – Nifty: 12M forward net margin



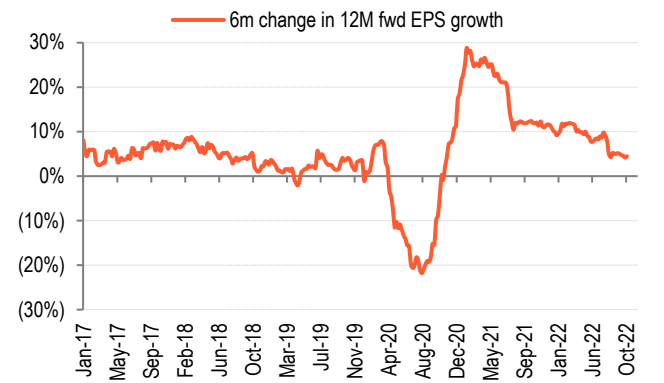
Source: Bloomberg, BOBCAPS Research

Fig 13 – Nifty: 12M forward dividend yield



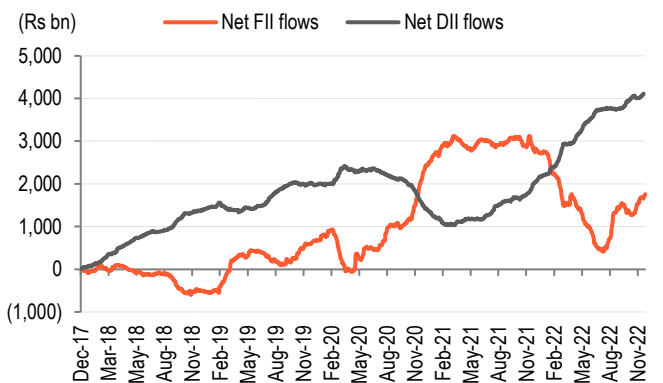
Source: Bloomberg, BOBCAPS Research

Fig 14 – Nifty: 6M change in EPS growth



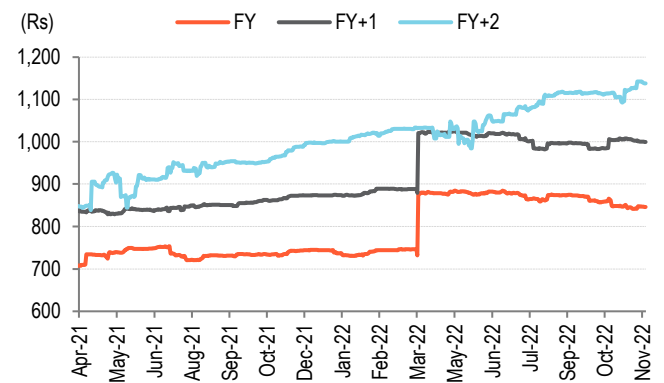
Source: Bloomberg, BOBCAPS Research

Fig 15 – Flows in India (5Y)



Source: Bloomberg, BOBCAPS Research

Fig 16 – Nifty 50: EPS consensus forecast



Source: Bloomberg, BOBCAPS Research

Yields, Exchange rates and Commodities

The US consumer price index increased 7.7% YoY in October. The rise in inflation was less than consensus estimates – an indication that while inflation is still a threat to the US economy, pressures could be starting to cool. The energy index increased 1.8% over the month as the gasoline and electricity indices rose, but the natural gas index decreased.

Global commodity prices were mixed last month – natural gas increased and crude prices fell while metal commodities moved higher. Among agricultural commodities, prices of wheat, coffee and corn declined while sugar, cotton and soyabean increased.

Inflation in India fell to 6.77% in Oct'22 vs. 7.41% in Sep'22. Food, clothing and fuel contributed the most to this inflation. A successful Kharif (summer) crop should help combat higher food prices. Credit growth sustained its upward trend, and imports continued to rise faster than exports.

Fig 17 – Yields

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
India 10Y yield	7.28	7.29	7.45	7.45	7.41	6.45	6.33	6.47	7.03
India AAA corporate yield	7.71	7.71	7.77	7.78	7.84	7.00	6.94	7.74	7.82
India AA corporate yield	8.56	8.56	8.58	8.50	8.58	7.79	7.73	8.36	8.32
US 10Y yield	3.74	3.69	4.05	3.01	2.74	1.51	1.44	1.78	2.39
EU 10Y yield	1.92	1.93	2.14	1.34	1.06	(0.18)	(0.35)	(0.36)	0.39
Japan 10Y yield	0.25	0.25	0.25	0.23	0.24	0.07	0.06	(0.07)	0.03

Source: Bloomberg, BOBCAPS Research

Fig 18 – Exchange rates

(%)	Current	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
USDINR	81.4	0.4	0.5	1.7	(2.4)	(4.7)	(8.7)	(7.7)	(11.9)	(20.8)
EURINR	84.4	0.4	0.2	(2.4)	(5.5)	(1.3)	(0.2)	1.2	(6.5)	(9.5)
JPYINR	0.6	0.8	(0.1)	(5.1)	(2.0)	3.1	10.1	13.6	11.7	(2.1)
GBPINR	97.8	0.1	(0.3)	(2.2)	(5.6)	0.0	2.7	2.6	(5.4)	(11.5)

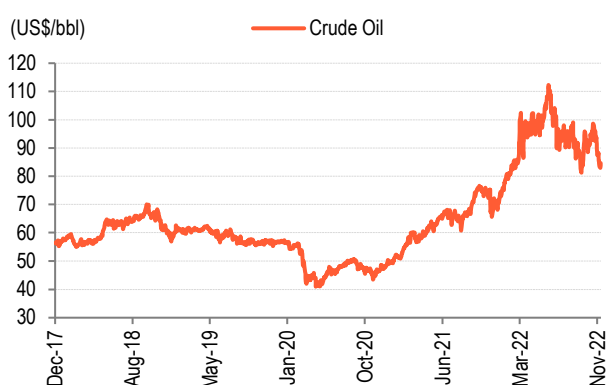
Source: Bloomberg, BOBCAPS Research

Fig 19 – Commodity price trend

(%)	Current	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
Energy										
NYM WTI Crude (USD/bbl.)	79.78	2.0	(1.4)	(6.6)	(8.8)	(19.8)	15.2	28.3	59.3	57.5
ICE Brent Crude (USD/bbl.)	84.79	2.1	(0.7)	(8.6)	(8.8)	(18.4)	16.3	29.1	53.2	50.6
ICE ARA Gasoil (USD/MT)	918.25	2.9	(0.9)	(10.0)	(8.6)	(11.1)	43.4	58.1	69.6	65.2
NYM NYH Gasoline (USd/gal.)	235.8	1.1	(7.2)	(6.6)	0.0	(21.0)	17.1	31.4	70.3	NA
NYM NYH Heating Oil (USd/gal.)	333.9	1.3	(3.8)	(9.1)	(5.8)	(5.6)	49.1	66.5	88.8	NA
NYM HH Nat Gas (USD/MMBtu)	7.22	(0.2)	(2.5)	9.3	(23.1)	(12.6)	76.6	64.6	163.4	127.7
ICE NBP Nat Gas (USD/MMBtu)	359.58	4.8	5.6	7.3	(42.7)	37.1	117.1	196.7	597.8	634.3
Metals										
LME Aluminums (USD/MT)	2380	0.7	(2.0)	7.6	(4.6)	(17.1)	(15.2)	(9.5)	34.4	15.1
LME Coppers (USD/MT)	8037.5	1.0	0.3	6.5	(1.5)	(15.0)	(17.3)	(16.1)	37.1	18.9
SGX Iron Ore (USD/MT)	100.15	0.3	5.9	31.0	0.7	(20.0)	(8.3)	4.2	NA	NA
LME Nickel (USD/MT)	26861	4.8	3.2	21.4	24.2	(5.0)	29.4	33.4	96.5	133.2
Steel China (CNY/MT)	3905	0.0	1.5	2.8	(1.9)	(19.2)	(17.8)	(17.6)	3.3	(8.7)
Spot Gold	1760	0.6	0.6	7.8	2.9	(4.2)	(3.8)	(0.8)	20.2	38.1
Spot Silver	21.5	1.1	(0.2)	12.2	19.5	(0.3)	(7.8)	(5.9)	26.2	30.8
Agriculture										
CME Live Cattle (USd/lb.)	154.8	0.1	(1.2)	(1.0)	0.7	4.0	5.4	7.2	NA	NA
ICE Coffee (USd/lb.)	170.3	0.8	3.4	(2.2)	(25.5)	(25.6)	(23.5)	(26.0)	NA	NA
CBT Corn (USd/bu.)	672.5	0.4	2.0	(3.5)	(0.6)	(6.1)	21.5	21.3	NA	NA
ICE Cotton (USd/lb.)	81.5	1.1	(1.1)	13.8	(26.0)	(31.0)	(8.9)	(2.8)	NA	NA
CBT Soybeans (USd/bu.)	1472.25	0.9	3.0	3.7	3.1	(2.8)	16.0	21.6	NA	NA
ICE Sugar (USd/lb.)	19.79	1.3	0.3	10.1	11.4	(0.4)	7.4	10.8	NA	NA
CBT SRW Wheat (USd/bu.)	789	1.0	(2.7)	(12.3)	(6.9)	(29.0)	2.2	(0.4)	NA	NA

Source: Bloomberg, BOBCAPS Research

Fig 20 – Oil price trend



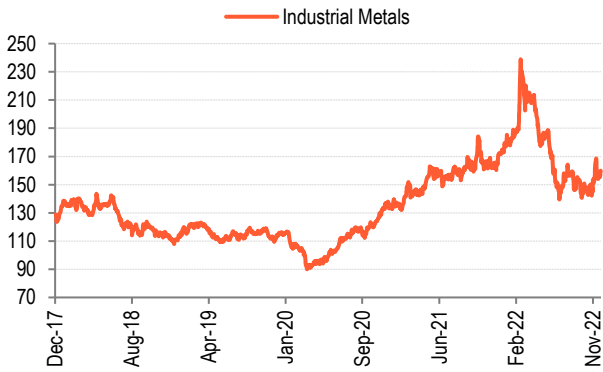
Source: Bloomberg, BOBCAPS Research

Fig 21 – USDINR movement



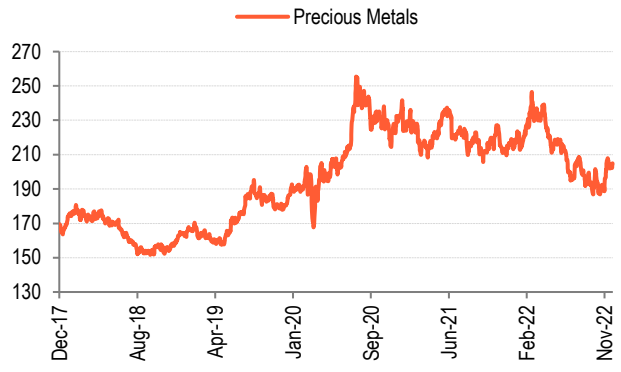
Source: Bloomberg, BOBCAPS Research

Fig 22 – Industrial metals price trend



Source: Bloomberg, BOBCAPS Research

Fig 23 – Precious metals price trend



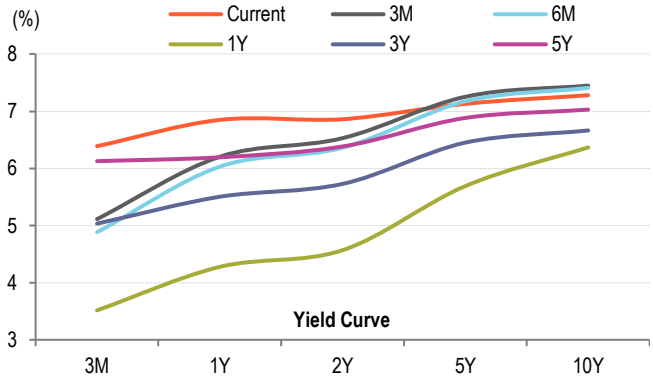
Source: Bloomberg, BOBCAPS Research

Fig 24 – India 10Y bond yield



Source: Bloomberg, BOBCAPS Research

Fig 25 – India yield curve



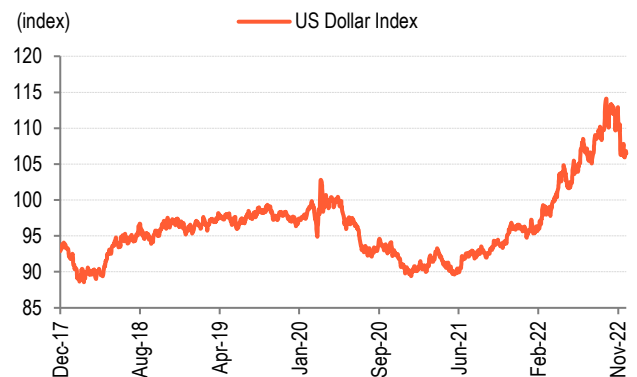
Source: Bloomberg, BOBCAPS Research

Fig 26 – US 10Y yield



Source: Bloomberg, BOBCAPS Research

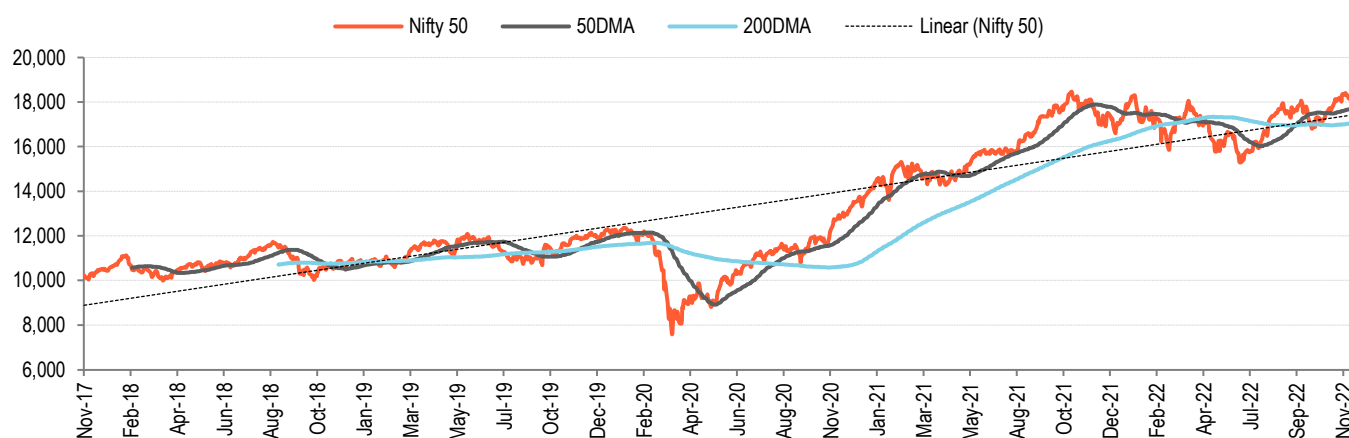
Fig 27 – US Dollar index



Source: Bloomberg, BOBCAPS Research

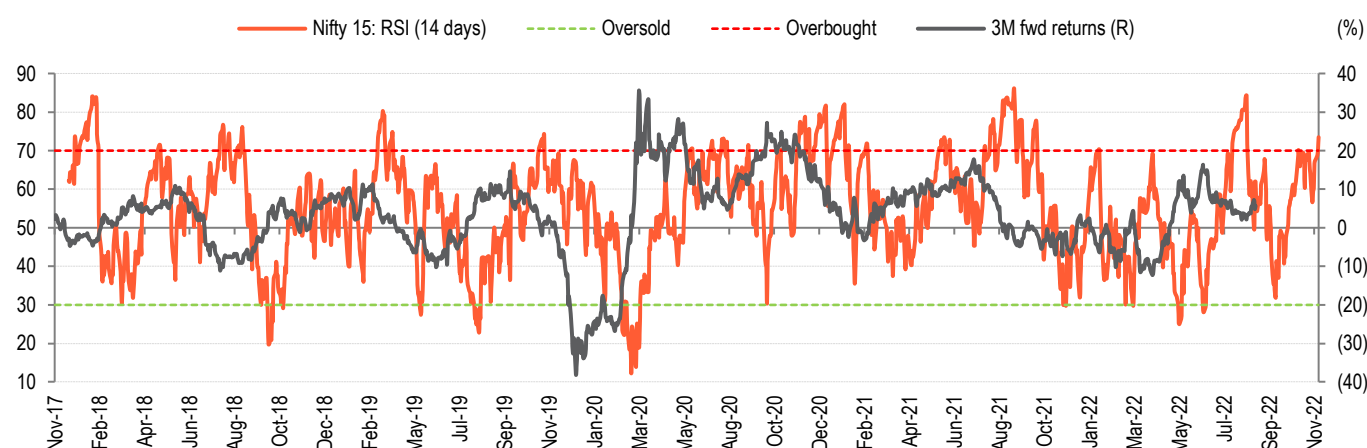
Technical trends

Fig 28 – Nifty 50: Moving averages



Source: Bloomberg, BOBCAPS Research

Fig 29 – Nifty 50: Relative Strength Index (RSI)



Source: Bloomberg, BOBCAPS Research

Fig 30 – Nifty 50: Sector-wise average daily traded value

Sector (Rs bn)	1M	3M	6M
Communication Services	4.7	6.3	5.7
Consumer Discretionary	21.7	23.7	25.8
Consumer Staples	11.3	12.0	12.0
Energy	18.0	18.3	23.1
Financials	65.9	67.2	63.6
Health Care	12.4	10.8	10.5
Industrials	20.4	20.5	15.9
Information Technology	19.0	23.7	24.7
Materials	18.1	19.5	22.6
Utilities	4.3	5.7	5.2
Nifty 50	196	208	209

Source: Bloomberg, BOBCAPS Research

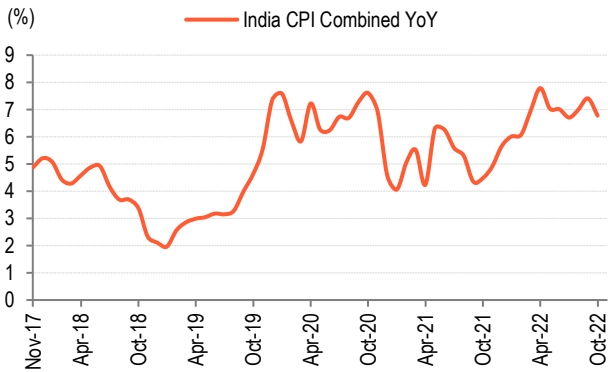
Fig 31 – Nifty 50: Stock-wise average daily traded value

Company (Rs bn)	Sector	Industry	Market cap	1M	3M	6M
Adani Enterprise	Industrials	Trading Companies & Distributo	4,466	10.0	10.3	7.4
Adani Ports And	Industrials	Transportation Infrastructure	1,903	7.0	6.7	5.1
Apollo Hospitals	Health Care	Health Care Providers & Servic	680	3.2	2.6	2.5
Asian Paints	Materials	Chemicals	3,046	2.7	3.3	3.7
Axis Bank	Financials	Banks	2,770	8.4	8.7	7.1
Bajaj Finance	Financials	Consumer Finance	4,069	6.0	7.3	7.6
Bharti Airtel	Communication Services	Wireless Telecommunication Ser	4,904	4.7	6.3	5.7
Bajaj Auto	Consumer Discretionary	Automobiles	1,085	1.1	1.4	1.7
Bajaj Finserv	Financials	Diversified Financial Services	2,591	3.5	4.7	5.0
Bharat Petrol	Energy	Oil, Gas & Consumable Fuels	740	1.1	1.1	1.2
Britannia Inds	Consumer Staples	Food Products	1,051	2.0	1.4	1.4
Cipla	Health Care	Pharmaceuticals	920	1.9	1.8	1.7
Coal India	Energy	Oil, Gas & Consumable Fuels	1,400	2.9	2.3	2.3
Divi Labs	Health Care	Life Sciences Tools & Services	904	3.0	1.9	1.9
Dr Reddy's Labs	Health Care	Pharmaceuticals	747	2.1	1.8	1.9
Eicher Motors	Consumer Discretionary	Automobiles	953	2.6	2.6	2.6
Grasim Inds	Materials	Construction Materials	1,159	1.2	1.2	1.3
HCL Tech	Information Technology	IT Services	3,041	2.6	2.9	3.0
Housing Dev Fin	Financials	Diversified Financial Services	4,905	7.5	7.3	6.9
HDFC Bank	Financials	Banks	8,969	11.4	9.9	9.2
HDFC Life Insura	Financials	Insurance	1,269	2.0	1.8	2.0
Hero Motocorp	Consumer Discretionary	Automobiles	570	1.5	1.6	1.7
Hindalco Inds	Materials	Metals & Mining	1,013	4.0	3.8	4.4
Hindustan Unilev	Consumer Staples	Personal Products	6,307	3.1	3.7	4.0
ICICI Bank	Financials	Banks	6,646	10.2	9.9	9.3
Indusind Bank	Financials	Banks	905	2.9	4.6	3.9
Infosys	Information Technology	IT Services	6,880	6.3	8.7	8.6
ITC	Consumer Staples	Tobacco	4,220	4.1	4.5	4.1
JSW Steel	Materials	Metals & Mining	1,797	1.5	1.6	2.1
Kotak Mahindra	Financials	Banks	3,866	4.6	4.5	4.7
Larsen & Toubro	Industrials	Construction & Engineering	2,916	3.4	3.5	3.5
Mahindra & Mahin	Consumer Discretionary	Automobiles	1,623	3.6	3.8	4.3
Maruti Suzuki In	Consumer Discretionary	Automobiles	2,711	4.7	5.4	5.7
Nestle India	Consumer Staples	Food Products	1,946	0.9	1.1	1.1
NTPC	Utilities	Independent Power and Renewabl	1,670	2.5	2.5	2.5
Oil & Natural Ga	Energy	Oil, Gas & Consumable Fuels	1,775	1.9	1.9	3.3
Power Grid Corp	Utilities	Electric Utilities	1,563	1.8	3.2	2.7
Reliance Inds	Energy	Oil, Gas & Consumable Fuels	18,480	12.0	13.0	16.3
SBI Life Insuran	Financials	Insurance	1,284	1.1	1.2	1.3
State Bank Ind	Financials	Banks	5,377	8.2	7.2	6.6
Sun Pharma Indu	Health Care	Pharmaceuticals	2,510	2.2	2.6	2.7
Tata Steel	Materials	Metals & Mining	1,315	4.6	5.2	6.7
Tata Consumer Pr	Consumer Staples	Food Products	760	1.2	1.3	1.4
Tata Consultancy	Information Technology	IT Services	12,407	5.3	6.4	7.0
Tech Mahindra	Information Technology	IT Services	1,048	2.7	2.9	3.2
Titan Co	Consumer Discretionary	Textiles, Apparel & Luxury Goo	2,355	2.7	3.0	3.3
Tata Motors	Consumer Discretionary	Automobiles	1,579	5.5	5.9	6.4
UPL	Materials	Chemicals	593	1.7	1.6	1.6
Ultratech Cement	Materials	Construction Materials	2,043	2.4	2.7	2.7
Wipro	Information Technology	IT Services	2,232	2.1	2.8	2.9

Source: Bloomberg, BOBCAPS Research

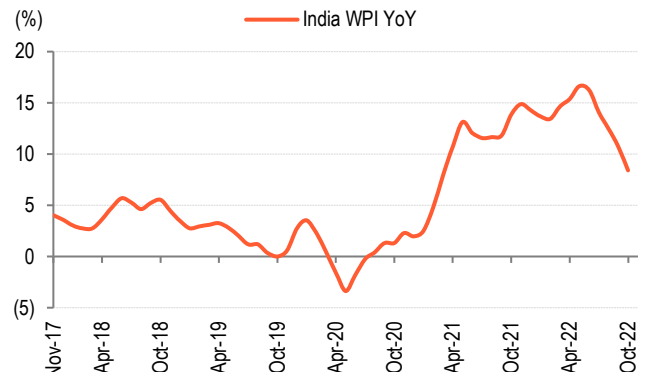
Macroeconomic indicators: October 2022

Fig 32 – Consumer price index



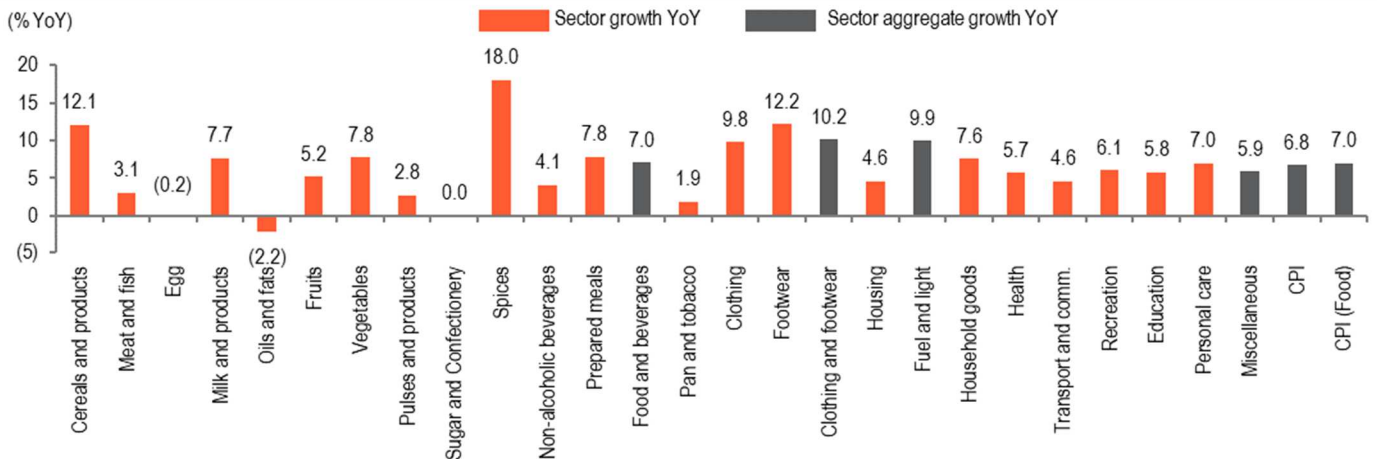
Source: Bloomberg, BOBCAPS Research

Fig 33 – Wholesale price index



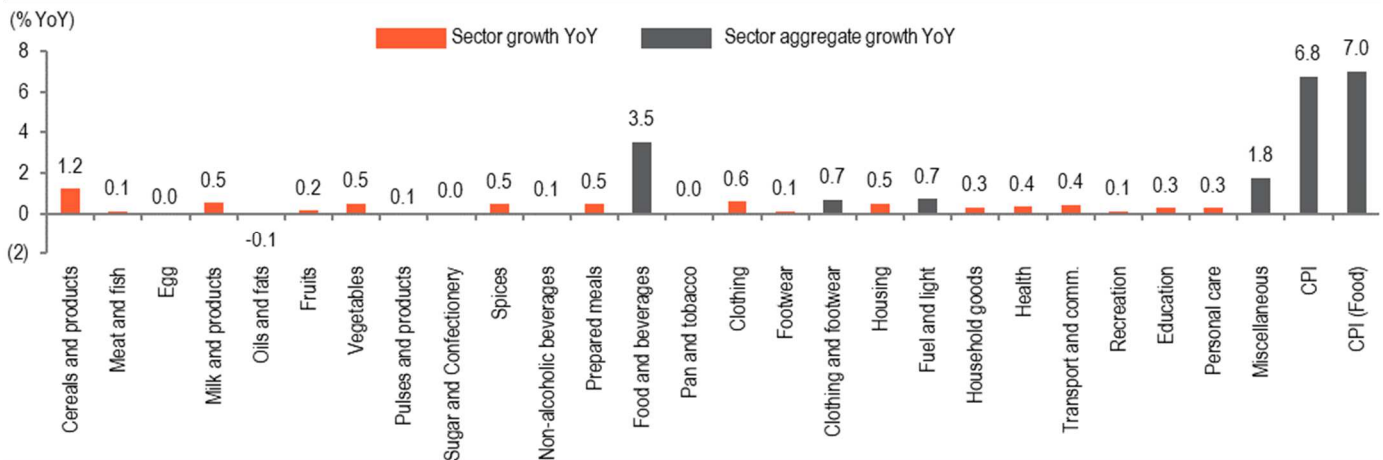
Source: Bloomberg, BOBCAPS Research

Fig 34 – Contribution to CPI (Oct'22)



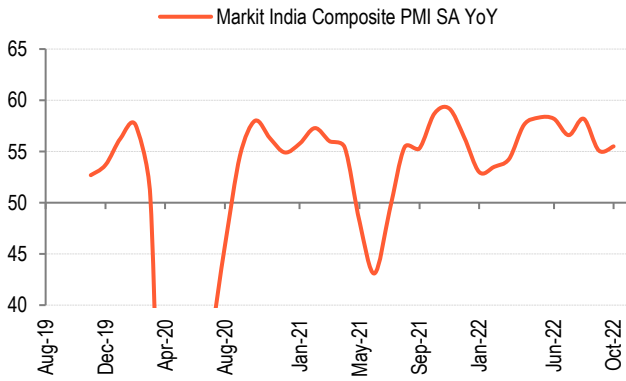
Source: Bloomberg, BOBCAPS Research

Fig 35 – Actual CPI (Oct'22)



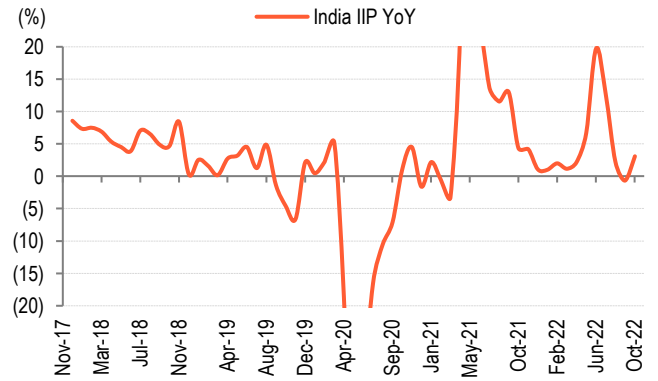
Source: Bloomberg, BOBCAPS Research

Fig 36 – Purchasing Managers’ Index



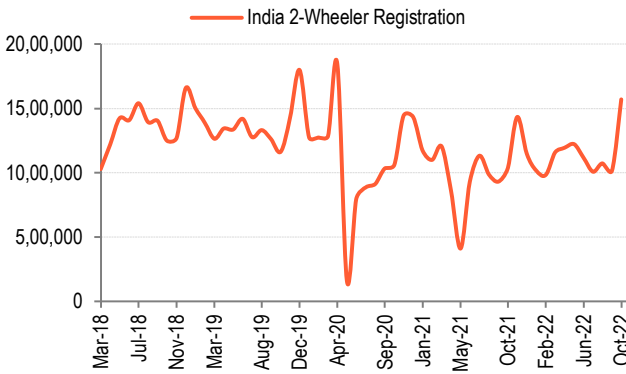
Source: Bloomberg, BOBCAPS Research

Fig 37 – Industrial production



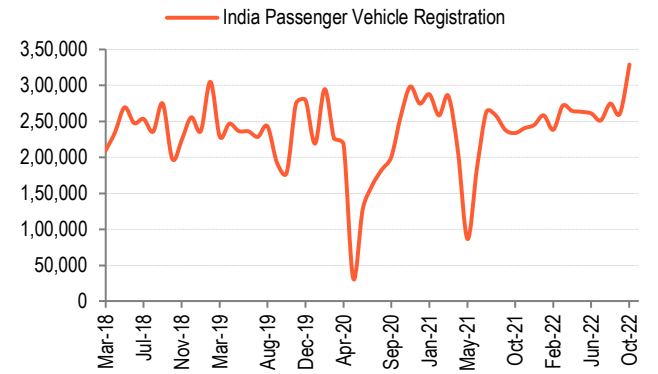
Source: Bloomberg, BOBCAPS Research

Fig 38 – Two-wheeler registration



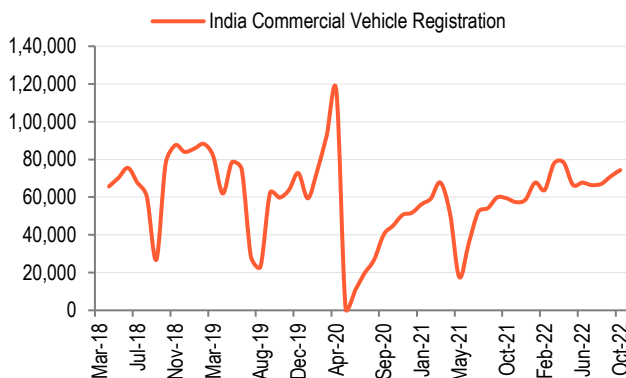
Source: Bloomberg, BOBCAPS Research

Fig 39 – 4-wheeler registration



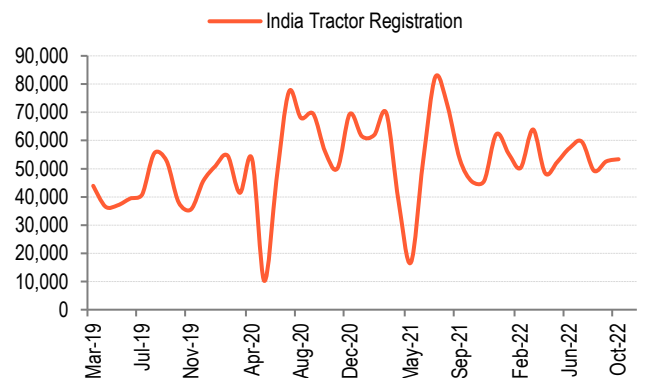
Source: Bloomberg, BOBCAPS Research

Fig 40 – Commercial vehicle registration



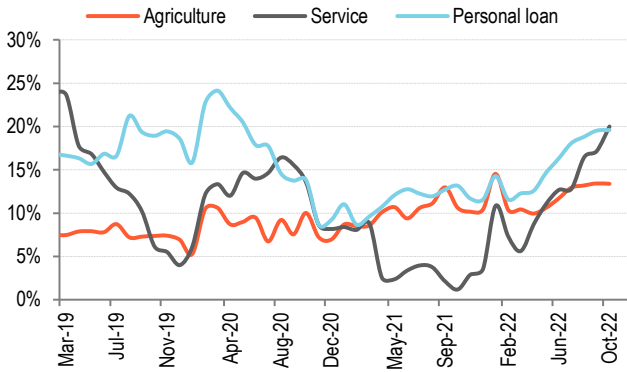
Source: Bloomberg, BOBCAPS Research

Fig 41 – Tractor registration



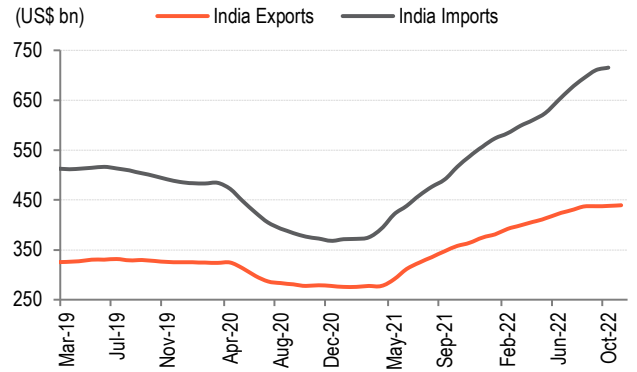
Source: Bloomberg, BOBCAPS Research

Fig 42 – Scheduled Commercial Banks’ credit growth



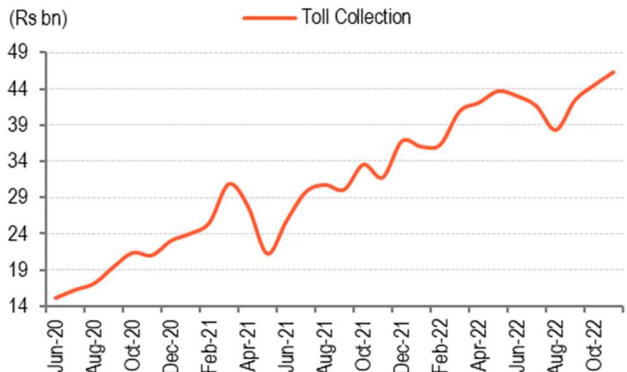
Source: Bloomberg, BOBCAPS Research

Fig 43 – Exports and Imports



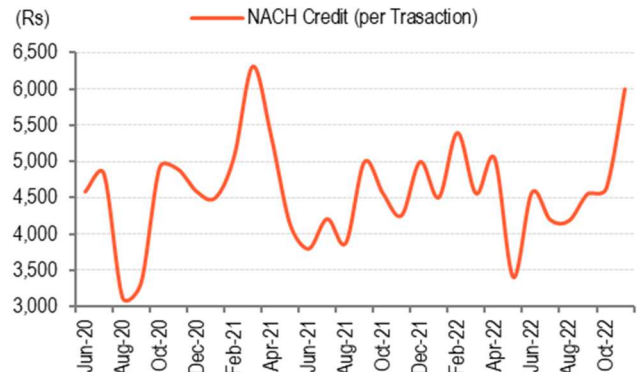
Source: Bloomberg, BOBCAPS Research

Fig 44 – Toll collection



Source: Bloomberg, BOBCAPS Research

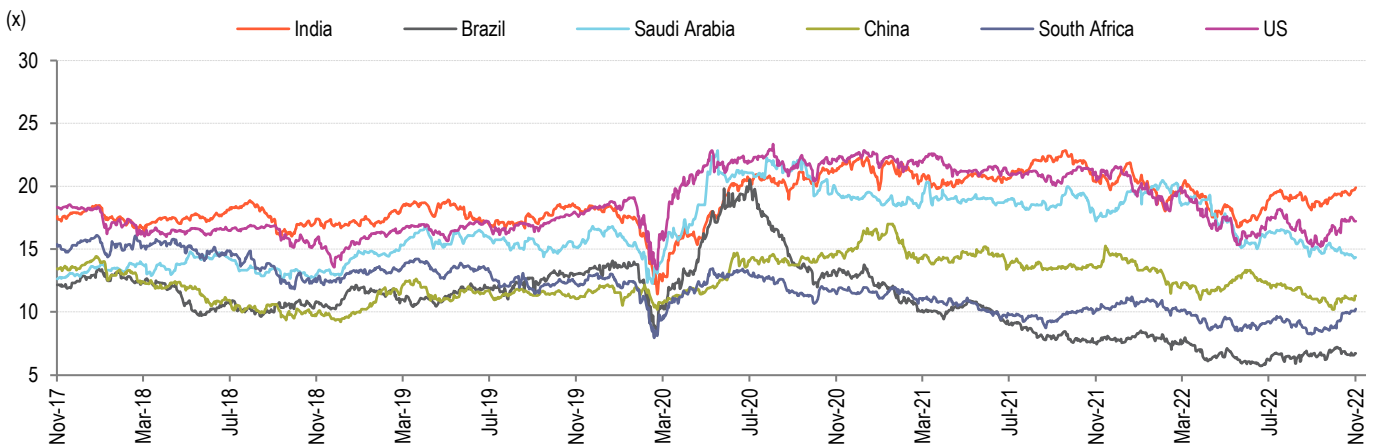
Fig 45 – National Automated Clearing House credit



Source: Bloomberg, BOBCAPS Research

Valuations across the globe

Fig 46 – India valuation relative to other countries



Source: Bloomberg, BOBCAPS Research

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BUY – Expected return >+15%

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

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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