

India on a relatively better wicket

- Nifty 50 fell 3.7% in Sep'22 against declines of 8.0% for the S&P 500 and 11.8% for the EM aggregate index amid rising recession fears
- India is relatively better placed given a robust domestic economy; softer commodity prices offer an added cushion
- We remain conservative in our near-term investment outlook while retaining a robust outlook over the longer term

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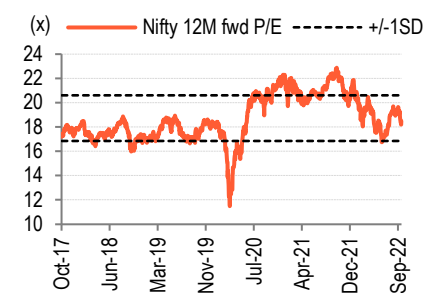
Nifty 50 in the red but outperformed peers in September: Most of the negative market returns were concentrated in the second half of the month after the US Fed hiked rates by another 75bps and indicated an aggressive stance. Despite INR weakness, the Nifty 50 managed to largely outperform its peers in emerging markets (EM), the US, EU and Japan. Amongst sectoral indices, Energy (-9.0%) and Realty (-8.5%) were underperformers, while FMCG (1.3%) and Pharma (2.1%) outperformed.

Global growth outlook has worsened: Rate hikes continued across the globe in September, ranging from 0.25% to 1.25%. Policy rates in many countries are now higher than previous peaks. The Chicago Fed's latest National Financial Conditions Index is at its highest level since May'20, indicating financial conditions across the US continue to tighten. As many as 73% of respondents to the World Economic Forum's chief economist outlook survey predict a recession in 2023. The deteriorating global outlook is weighing on commodity prices, which plunged in September. Most commodities are now trading at levels below those prior to the Russian-Ukraine conflict.

Moderating commodity trends offer near-term succour for India: While a recession in the West will have a material adverse impact on the Indian market, moderating commodity prices offer immediate respite. Note India's stock market structure is largely similar to that in developed markets, whereas other EMs (ex-China) are largely commodity-led. Thus, moderating commodity prices/inflation will be a significant near-term positive for India while being adverse for most EMs.

Investment view: Economic activity in India remains strong. Capacity utilisation, PMI, credit growth, and car sales continue to improve. GST collection remains above Rs 1.4 Rs tn. Market valuations have also moderated – the Nifty 50's 12M forward P/E ratio is now below its 5Y average. However, we continue to believe the index will be under pressure given strong global headwinds and, therefore, prefer a conservative near-term investment approach. Our [note of 13 Sep](#) concluded that a set of 13 market leaders (Fig 53) outperformed most bear market events (20% correction) since 2000. Amongst sectors, we continue to like retail-focused lenders, consumption and IT. We remain cautious on energy and utilities, and largely neutral on the others.

Valuations now below the 5Y mean



Source: Bloomberg, BOBCAPS Research

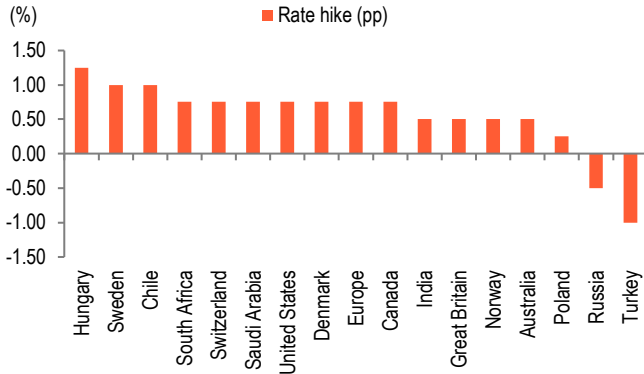


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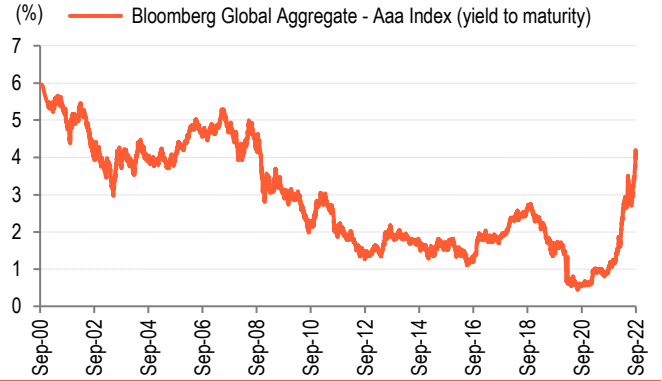
Focus charts

Fig 1 – Policy rates hiked globally in September [ppt units]



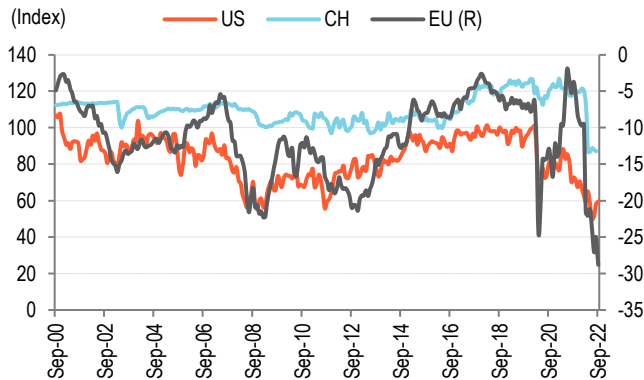
Source: Bloomberg, BOBCAPS Research

Fig 2 – Global bond yield has crossed previous policy peak



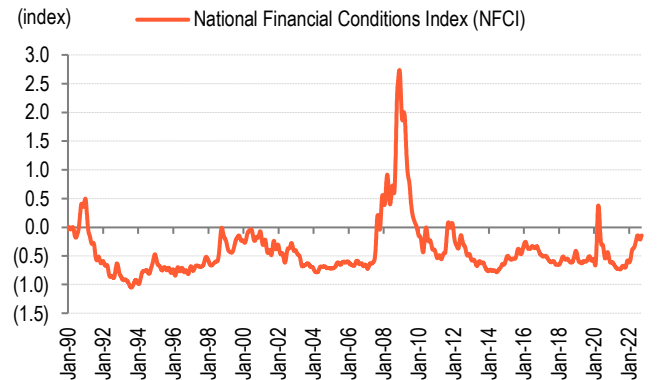
Source: Bloomberg, BOBCAPS Research

Fig 3 – Consumer confidence in the US, EU and China continues to deteriorate



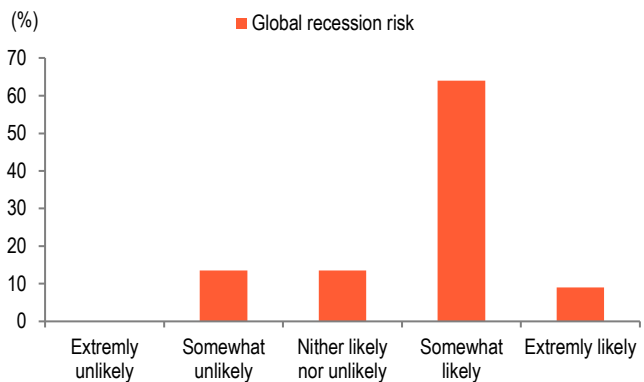
Source: Bloomberg, BOBCAPS Research

Fig 4 – Financial Conditions Index (US) at its highest since May'20



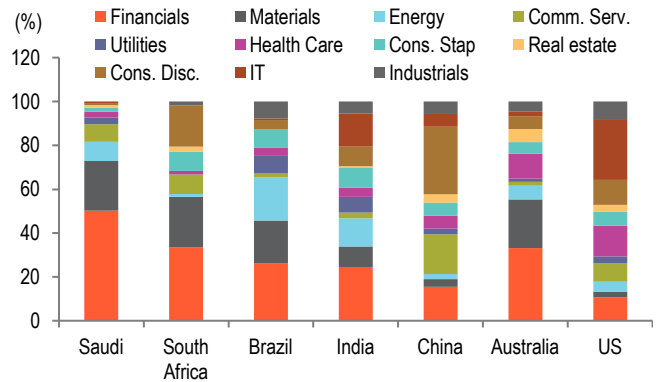
Source: Chicago Fed, BOBCAPS Research

Fig 5 – Global recession risk has risen



Source: World Economic Forum, BOBCAPS Research

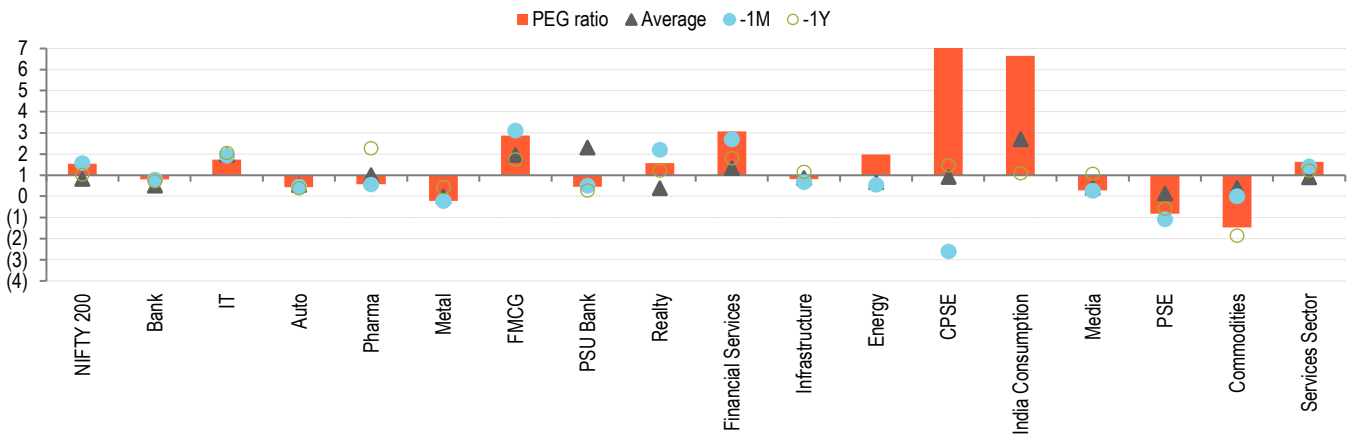
Fig 6 – Sector weights in MSCI indices show India market structure is similar to DM



Source: MSCI, BOBCAPS Research

Valuations and Returns: September 2022

Fig 7 – Nifty: 12M forward PEG ratio



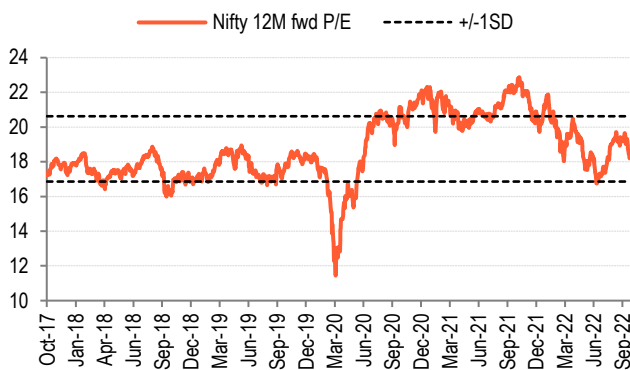
Source: Bloomberg, BOBCAPS Research | Note: We calculate PEG ratio as trailing 12M P/E divided by 12M forward earnings. We only consider numbers between -10 and 10 in our calculations.

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

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
Nifty 50	1.6	(1.3)	(3.7)	8.3	(2.1)	(1.5)	(3.0)	49.0	74.6
Nifty Next 50	1.0	(2.4)	(3.0)	16.1	3.1	0.4	0.0	54.0	53.8
Nifty 200	1.6	(1.5)	(3.6)	10.3	(0.6)	(0.8)	(1.8)	54.7	72.2
Nifty 500	1.6	(1.5)	(3.2)	10.8	(0.4)	(1.1)	(1.5)	58.8	72.4
NIFTY Midcap 100	1.6	(1.3)	(2.6)	15.9	3.3	0.7	0.9	91.4	69.4
NIFTY Smallcap 100	1.6	(1.5)	(1.9)	11.8	(9.5)	(16.4)	(13.3)	68.8	24.5
NSE NIFTY Smallcap 250	1.5	(1.2)	(0.9)	13.7	(2.6)	(6.5)	(1.8)	96.7	51.0
Nifty Dividend Opp 50	0.8	(0.8)	(3.5)	6.8	(3.7)	(4.1)	(4.8)	39.1	46.5
NIFTY100 ESG	(0.4)	(2.4)	(4.7)	8.1	(4.3)	(7.3)	(7.3)	56.1	84.6
S&P 500	(2.1)	(3.1)	(8.0)	(3.8)	(19.6)	(23.6)	(15.5)	22.3	44.5
Stoxx 600	1.1	(0.9)	(6.8)	(4.9)	(15.1)	(20.7)	(14.9)	(1.5)	(0.3)
Nikke 225	(1.8)	(4.5)	(7.7)	(1.7)	(6.8)	(9.9)	(11.9)	19.2	27.4
FTSE 100	0.6	(1.3)	(4.9)	(3.4)	(7.9)	(6.2)	(2.3)	(6.5)	(6.1)

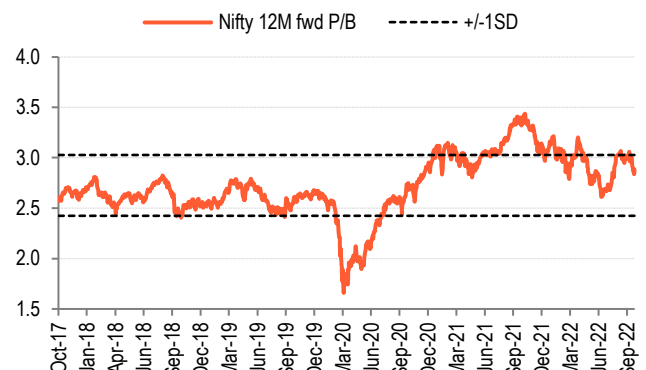
Source: Bloomberg, BOBCAPS Research

Fig 9 – Nifty: 12M forward P/E



Source: Bloomberg, BOBCAPS Research

Fig 10 – Nifty: 12M forward P/B



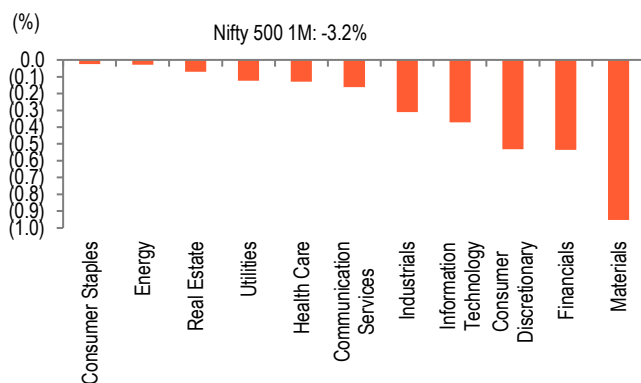
Source: Bloomberg, BOBCAPS Research

Fig 11 – Returns across sectoral Nifty indices

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
Nifty 50	1.6	(1.3)	(3.7)	8.3	(2.1)	(1.5)	(3.0)	49.0	74.6
Nifty Bank	2.6	(2.3)	(2.3)	15.6	6.2	8.9	3.2	32.7	60.6
Nifty IT	0.6	1.5	(5.0)	(3.1)	(25.7)	(30.3)	(23.0)	73.6	157.6
Nifty Auto	1.6	(3.0)	(3.9)	8.5	20.3	16.1	19.8	69.5	17.5
Nifty Pharma	0.8	2.9	2.1	6.7	(4.5)	(8.8)	(10.3)	71.9	41.4
Nifty Metal	2.2	(4.3)	(2.8)	23.8	(10.2)	4.5	2.8	136.4	62.5
Nifty FMCG	0.1	(1.0)	1.3	17.9	22.4	18.2	9.8	42.6	81.4
Nifty PSU Bank	3.0	(1.9)	(0.3)	23.0	9.9	18.4	20.6	30.6	(1.5)
Nifty Realty	2.0	(2.9)	(8.5)	10.0	(8.5)	(12.4)	(17.5)	63.9	55.0
Nifty Financial Services	2.2	(2.5)	(4.0)	13.1	2.1	1.0	(4.4)	34.5	76.1
Nifty Infrastructure	1.9	(0.9)	(3.3)	7.3	(1.2)	0.2	(1.3)	54.5	52.8
Nifty Energy	2.0	(3.5)	(9.0)	1.9	(0.9)	13.0	11.9	65.0	100.3
Nifty CPSE	0.5	(2.1)	(6.2)	4.1	2.5	13.2	8.5	30.5	1.6
Nifty India Consumption	0.9	(1.6)	(1.0)	17.6	15.3	11.6	9.4	58.8	79.3
Nifty Media	1.5	(1.1)	(0.3)	8.7	(13.3)	(7.0)	(3.5)	14.6	(30.9)
NIFTY Private Bank	2.8	(1.9)	(1.9)	19.2	8.2	10.5	2.5	22.6	46.9
Nifty PSE	0.8	(1.7)	(5.8)	4.5	(2.3)	4.1	(2.6)	23.0	(1.4)
Nifty Commodities	2.1	(2.6)	(5.2)	10.8	(7.2)	(0.3)	(2.4)	67.9	48.3
Nifty Services Sector	2.0	(1.5)	(4.0)	10.1	(3.4)	(4.2)	(5.0)	44.6	81.7

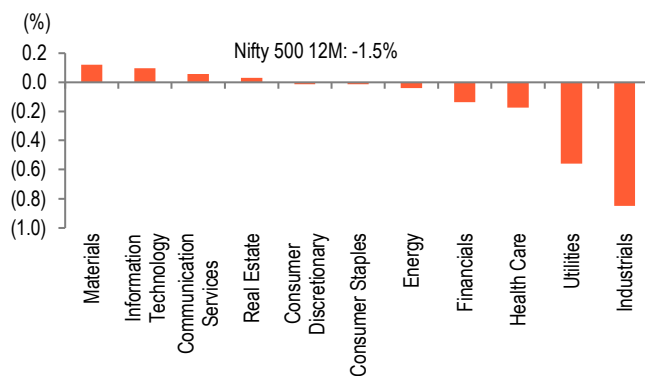
Source: Bloomberg, BOBCAPS Research

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	6.7	16.2	10.0	19.2	20.0	17.2	15.6	2.8	3.0	2.7	2.4	1.53	1.50	1.68	1.86
Nifty Next 50	11.0	(17.6)	23.6	26.0	24.4	27.5	22.3	17.7	3.2	3.4	3.1	2.7	1.46	1.49	1.57	1.68
Nifty 200	10.0	1.6	19.1	14.7	19.8	21.7	18.2	15.9	2.8	3.1	2.8	2.3	1.48	1.49	1.68	1.76
Nifty 500	10.1	1.7	20.0	14.9	19.6	21.7	18.1	15.8	2.8	3.1	2.8	2.3	1.46	1.45	1.63	1.72
NIFTY Midcap 100	8.8	(12.9)	36.7	31.8	21.1	27.6	20.2	15.3	2.5	3.5	3.0	1.7	1.31	1.64	1.88	1.50
NIFTY Smallcap 100	5.9	(20.1)	27.5	17.8	16.2	19.0	14.9	12.7	2.2	2.6	2.3	1.9	1.21	1.52	1.81	1.68
Sectors																
Nifty Bank	13.2	13.9	21.8	7.7	18.5	15.9	13.1	12.2	2.3	2.2	1.9	1.6	0.90	0.93	1.11	1.29
Nifty IT	11.8	7.7	15.2	13.4	21.3	22.7	19.7	17.4	5.1	5.7	5.2	4.8	2.34	2.71	3.05	3.44
Nifty Auto	(3.0)	81.8	42.8	18.4	20.5	26.5	18.6	15.7	2.7	3.6	3.2	2.6	1.34	1.19	1.48	1.54
Nifty Pharma	2.4	42.9	23.2	12.1	22.8	25.8	21.0	18.7	3.2	3.5	3.1	2.8	0.72	0.71	0.83	0.89
Nifty Metal	35.9	(34.8)	1.1	37.6	9.2	10.4	10.2	7.4	1.3	1.2	1.1	1.0	3.41	3.72	3.42	NA
Nifty FMCG	9.2	8.1	14.1	12.9	32.5	39.9	35.0	31.0	7.7	9.1	8.7	7.9	1.96	1.99	2.23	2.44
Nifty PSU Bank	12.6	2.7	41.3	17.6	10.2	8.3	5.9	5.0	0.8	1.0	0.8	0.5	1.78	2.45	3.14	2.97
Nifty Realty	7.1	13.7	29.6	21.7	30.8	34.2	26.4	21.7	2.3	2.8	2.5	2.3	0.78	0.38	0.43	0.54
Nifty Financial Services	13.8	(1.4)	19.1	12.2	20.6	20.1	16.9	15.0	2.9	3.0	2.7	2.1	0.94	0.89	1.03	1.22
Nifty Infrastructure	14.7	12.0	21.3	10.2	18.2	17.0	14.0	12.7	2.0	2.1	1.9	1.7	1.82	1.88	2.10	2.20
Nifty Energy	17.1	0.5	10.1	11.6	10.7	12.9	11.7	10.5	1.3	1.5	1.4	1.3	2.94	2.75	2.94	2.88
Nifty CPSE	16.6	(21.5)	(2.3)	(2.0)	7.7	8.1	8.3	8.5	1.1	1.5	1.4	1.3	6.09	5.35	5.33	5.12
Nifty India Consumption	59.6	(6.3)	24.6	17.9	56.6	42.3	34.0	28.8	6.9	6.7	6.1	5.2	1.00	1.15	1.35	1.47
Nifty Media	(0.6)	1509.4	32.4	20.8	21.1	23.3	17.6	14.6	3.0	3.0	2.7	2.3	1.60	1.02	1.19	1.28
Nifty PSE	13.4	(27.1)	8.8	12.9	8.3	9.2	8.4	7.5	1.2	1.4	1.3	1.0	5.10	5.00	5.29	5.30
Nifty Commodities	20.1	(14.1)	10.0	13.6	16.7	11.6	10.5	9.3	2.5	1.5	1.4	1.3	2.58	2.64	2.72	2.72
Nifty Services Sector	9.5	(11.0)	18.3	9.9	20.5	24.9	21.1	19.2	3.2	4.0	3.6	3.0	1.40	1.18	1.34	1.54

Source: Bloomberg, BOBCAPS Research

Fig 15 – NSE 500: Best performing stocks August 2022

Company	Sector	Industry	Market cap (Rs mn)	1M (%)	3M (%)	1Y (%)
Tata Investment Corp	Financials	Capital Markets	1,16,506	43.74	71.57	68.45
Vijaya Diagnostic Centre	Health Care	Health Care Providers & Servic	47,021	29.72	38.27	(19.17)
Shree Renuka Sugars	Consumer Staples	Food Products	1,26,219	26.17	27.80	111.41
Mazagon Dock Shipbuilders	Industrials	Aerospace & Defense	99,524	26.01	100.39	96.48
Krishna Institute Of Medical	Health Care	Health Care Providers & Servic	1,21,158	25.77	27.81	23.96
Ambuja Cements	Materials	Construction Materials	10,23,799	25.37	42.04	28.84
Jk Lakshmi Cement	Materials	Construction Materials	68,849	23.87	39.23	(5.31)
Tube Investments Of Indiat	Consumer Discretionary	Auto Components	5,29,701	21.22	49.04	96.47
Shoppers Stop	Consumer Discretionary	Multiline Retail	81,970	19.89	53.17	184.04
Karur Vysya Bank	Financials	Banks	65,132	18.72	81.31	70.15
Gujarat Fluorochemicals	Materials	Chemicals	4,33,391	17.96	42.18	106.41
Kalyan Jewellers India	Consumer Discretionary	Textiles, Apparel & Luxury Goo	99,194	17.94	60.77	32.10
India Cements	Materials	Construction Materials	83,393	17.79	71.95	34.35
Jm Financial	Financials	Capital Markets	71,846	17.58	23.46	(18.69)
Solar Industries India	Materials	Chemicals	3,54,431	17.55	42.67	84.90
Kpit Technologies	Information Technology	Software	1,80,907	17.51	27.48	93.09
Welspun Corp	Materials	Metals & Mining	69,327	17.12	21.13	83.02
Cochin Shipyard	Industrials	Machinery	58,009	17.10	41.48	21.54
Krbl	Consumer Staples	Food Products	86,518	17.05	68.72	16.26
Bajaj Holdings And Investmen	Financials	Diversified Financial Services	7,11,249	16.93	39.38	32.90
Eih	Consumer Discretionary	Hotels, Restaurants & Leisure	1,27,206	16.84	49.96	44.80
Indian Hotels Co	Consumer Discretionary	Hotels, Restaurants & Leisure	4,71,147	16.20	47.32	88.62
Gmm Pfaudler	Industrials	Machinery	84,618	16.19	33.21	31.01
Campus Activewear	Consumer Discretionary	Textiles, Apparel & Luxury Goo	1,74,086	15.74	75.39	NA
Metro Brands	Consumer Discretionary	Specialty Retail	2,48,759	15.52	52.99	NA

Source: Bloomberg, BOBCAPS Research

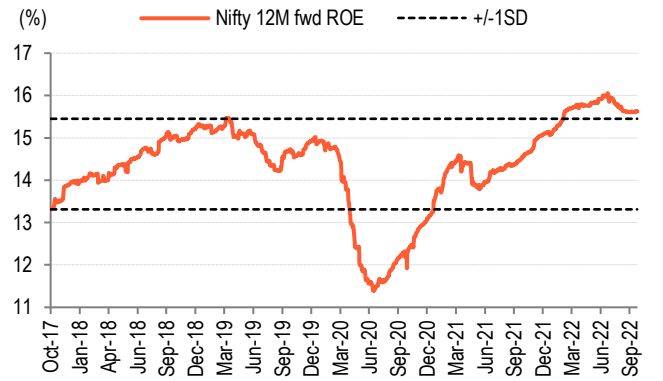
Fig 16 – NSE 500: Worst performing stocks August 2022

Company	Sector	Industry	Market cap (Rs mn)	1M (%)	3M (%)	1Y (%)
Dhani Services	Financials	Capital Markets	31,050	(26.55)	33.89	(73.81)
Can Fin Homes	Financials	Thriffs & Mortgage Finance	63,887	(24.30)	12.54	(30.14)
Mmtc	Industrials	Trading Companies & Distributo	51,675	(22.76)	(12.12)	(23.27)
Mangalore Refinery & Petro	Energy	Oil, Gas & Consumable Fuels	1,04,017	(18.70)	(34.49)	27.09
Rain Industries	Materials	Chemicals	54,976	(18.28)	11.57	(32.15)
Brightcom Group	Communication Services	Interactive Media & Services	68,105	(17.88)	7.66	(3.43)
Gujarat State Fert & Chemica	Materials	Chemicals	52,161	(17.23)	(0.83)	1.28
Adani Transmission	Utilities	Electric Utilities	36,69,748	(16.94)	32.99	111.09
Heg	Industrials	Electrical Equipment	40,826	(16.50)	6.01	(52.94)
Tata Motors-A-Dvr	Consumer Discretionary	Automobiles	14,43,236	(16.44)	(1.09)	3.35
Torrent Power	Utilities	Electric Utilities	2,34,012	(16.36)	7.80	(3.59)
Medplus Health Services	Consumer Staples	Food & Staples Retailing	73,725	(15.91)	(19.46)	NA
Macrotech Developers	Real Estate	Real Estate Management & Devel	4,45,113	(15.75)	(13.55)	(12.61)
Hinduja Global Solutions	Information Technology	IT Services	52,831	(15.48)	18.46	(11.65)
Elgi Equipments	Industrials	Machinery	1,33,878	(15.45)	17.84	105.62
Godrej Properties	Real Estate	Real Estate Management & Devel	3,31,929	(15.19)	0.93	(48.36)
Sharda Cropchem	Materials	Chemicals	39,972	(14.99)	(29.90)	34.01
Aptus Value Housing Finance	Financials	Thriffs & Mortgage Finance	1,53,033	(14.58)	9.05	(2.89)
Gujarat Narmada Valley Fert	Materials	Chemicals	99,724	(14.50)	12.22	47.76
Tata Motors	Consumer Discretionary	Automobiles	14,43,236	(14.12)	(1.75)	21.37
Graphite India	Industrials	Electrical Equipment	69,573	(13.76)	(9.40)	(41.10)
Bajaj Auto	Consumer Discretionary	Automobiles	10,20,815	(13.64)	(4.83)	(7.96)
Rec	Financials	Diversified Financial Services	2,47,523	(13.56)	1.28	(20.60)
Indiabulls Housing Finance L	Financials	Thriffs & Mortgage Finance	56,002	(13.13)	25.33	(48.74)
Housing & Urban Dev Corp	Financials	Diversified Financial Services	70,567	(13.07)	1.29	(21.75)

Source: Bloomberg, BOBCAPS Research

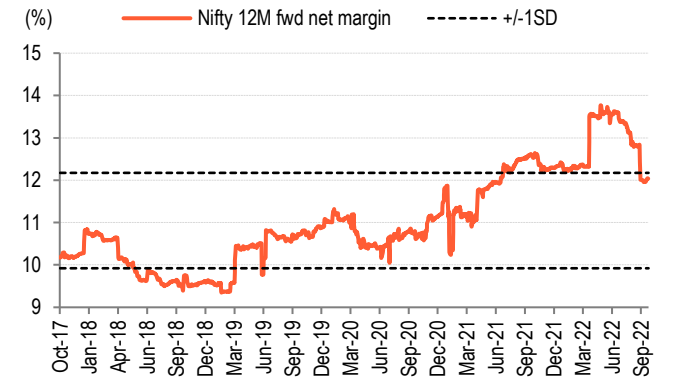
Index fundamentals

Fig 17 – Nifty: 12M forward ROE



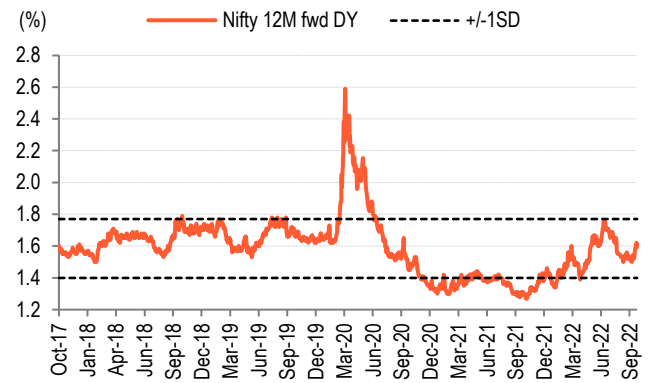
Source: Bloomberg, BOBCAPS Research

Fig 18 – Nifty: 12M forward net margin



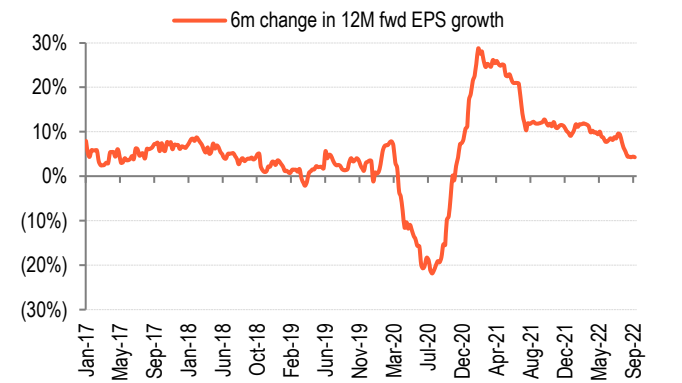
Source: Bloomberg, BOBCAPS Research

Fig 19 – Nifty: 12M forward dividend yield



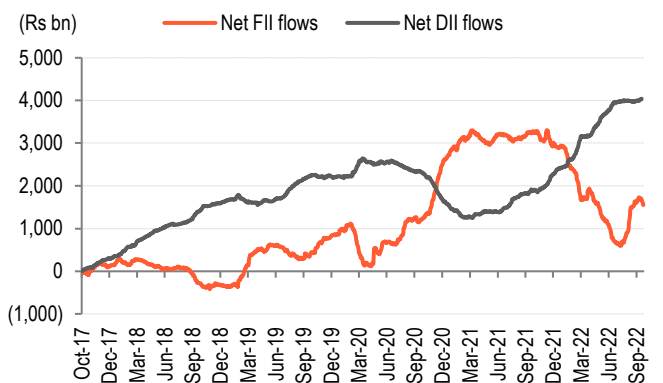
Source: Bloomberg, BOBCAPS Research

Fig 20 – Nifty: 6M change in EPS growth



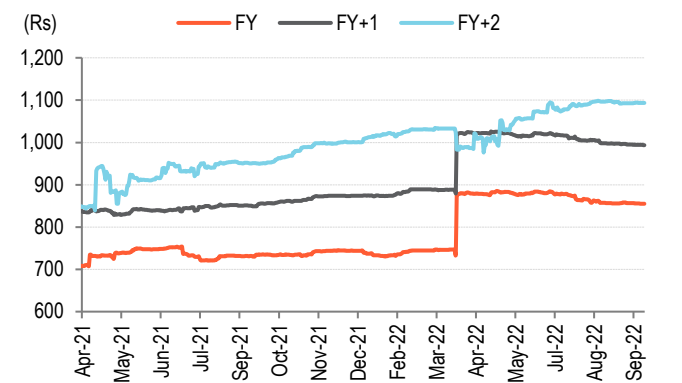
Source: Bloomberg, BOBCAPS Research

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 was at 8.3% in Aug'22 against the expectation of 8.1%, particularly driven by food and housing. In the UK, the pound crashed after the new government announced its plan for the economy which included the deepest tax cuts in 50 years at a time when inflation is close to 10%. To calm the markets, the Bank of England intervened with temporary quantitative easing lasting up to 14 October.

As recession fears grew, commodity prices witnessed a sharp decline last month with oil falling more than 8%. Natural gas prices also plummeted. Amongst metals, aluminium declined the most (-11.9%) followed by copper (-7.6%) and iron ore (-5.5%). Agriculture commodities also corrected sharply.

In the domestic economy, inflation in India spiked again to 7.0% in August from 6.71%. Key contributors to inflation were food, clothing and fuel. However, economic activities in India held strong. Capacity utilisation, PMI, credit growth, and car sales continued to improve. GST collection remains above Rs 1.4 Rs tn. Exports were flat last month while imports continued to rise.

Fig 23 – Yields

(%)	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
India 10y yield	7.34	7.39	7.25	7.45	6.78	6.45	6.22	6.74	6.66
India AAA corporate yield	7.71	7.76	7.61	7.78	7.11	7.00	6.86	7.87	7.54
India AA corporate yield	8.41	8.47	8.34	8.50	7.88	7.79	7.70	8.46	8.08
US 10y yield	3.79	3.68	3.10	3.01	2.35	1.51	1.49	1.68	2.33
EU 10y yield	2.18	2.02	1.50	1.34	0.65	(0.18)	(0.20)	(0.57)	0.46
Japan 10y yield	0.26	0.24	0.25	0.23	0.23	0.07	0.07	(0.24)	0.07

Source: Bloomberg, BOBCAPS Research

Fig 24 – Exchange rates

(%)	Current	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
USDINR	81.3	0.6	(0.4)	(2.3)	(2.9)	(6.8)	(8.6)	(8.7)	(12.9)	(19.8)
EURINR	79.7	(0.5)	(0.8)	0.0	3.3	5.6	5.6	8.0	(3.0)	(3.3)
JPYINR	0.6	0.5	0.6	2.1	3.0	10.9	14.7	17.7	16.4	3.1
GBPINR	90.8	(2.0)	(0.7)	1.8	5.6	9.5	10.7	10.0	(3.8)	(3.7)

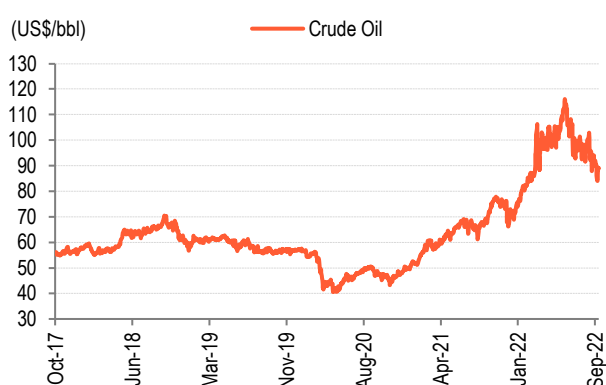
Source: Bloomberg, BOBCAPS Research

Fig 25 – Commodity price trend

(%)	Current	1D	1W	1M	3M	6M	YTD	1Y	3Y	5Y
Energy										
NYM WTI Crude (USD/bbl.)	81.47	0.3	3.5	(8.5)	(16.7)	(10.1)	15.8	19.5	62.1	59.7
ICE Brent Crude (USD/bbl.)	89.23	0.8	3.6	(6.7)	(13.2)	(7.8)	20.9	24.3	59.9	59.4
ICE ARA Gasoil (USD/MT)	985.25	(2.6)	2.3	(8.4)	(9.0)	11.2	52.5	54.5	80.3	81.5
NYM NYH Gasoline (USd/gal.)	249.5	(0.5)	4.7	2.7	(19.7)	(7.5)	20.0	23.3	76.7	NA
NYM NYH Heating Oil (USd/gal.)	335.2	(1.8)	3.6	(8.6)	(9.4)	13.5	49.3	51.6	89.8	NA
NYM HH Nat Gas (USD/MMBtu)	6.90	0.4	(1.3)	(24.9)	25.1	18.9	82.4	72.9	174.8	141.0
ICE NBP Nat Gas (USD/MMBtu)	565.53	(10.4)	2.2	(35.4)	53.3	110.4	243.0	395.1	949.6	1181.5
Metals										
LME Aluminums (USD/MT)	2197	3.4	(1.4)	(11.9)	(11.1)	(36.1)	(21.7)	(24.5)	26.6	4.5
LME Coppers (USD/MT)	7542	1.6	(1.8)	(7.6)	(10.2)	(26.9)	(22.4)	(17.6)	30.8	16.4
SGX Iron Ore (USD/MT)	95.1	(0.4)	(2.9)	(5.5)	(19.3)	(39.6)	(15.5)	(11.2)	43.4	NA
LME Nickel (USD/MT)	22348	2.5	(9.0)	3.3	(6.0)	(29.7)	7.7	21.8	29.9	112.8
Steel China (CNY/MT)	4030	0.3	0.8	1.2	(8.8)	(23.2)	(15.1)	(30.5)	9.6	(0.6)
Spot Gold	1667	0.4	1.4	(2.6)	(7.8)	(14.0)	(8.9)	(5.1)	13.2	30.3
Spot Silver	19.1	1.2	1.0	5.9	(6.0)	(23.2)	(18.3)	(14.1)	12.1	14.4
Agriculture										
CME Live Cattle (USd/lb.)	147.8	1.0	(1.1)	(0.8)	2.2	(1.6)	2.1	8.6	NA	NA
ICE Coffee (USd/lb.)	224.85	(0.4)	2.0	(4.4)	(1.0)	0.5	0.8	13.1	NA	NA
CBT Corn (USd/bu.)	673.75	0.6	(0.4)	0.5	8.7	(1.5)	23.4	28.9	NA	NA
ICE Cotton (USd/lb.)	85.7	0.6	(7.4)	(24.3)	(13.3)	(23.0)	(7.5)	(0.3)	NA	NA
CBT Soybeans (USd/bu.)	1416	0.4	(0.7)	(0.5)	(2.9)	(0.3)	11.6	13.8	NA	NA
ICE Sugar (USd/lb.)	17.72	(0.3)	0.5	(0.3)	(5.6)	(8.9)	(3.9)	(3.9)	NA	NA
CBT SRW Wheat (USd/bu.)	907.75	1.3	3.1	9.2	0.8	(6.7)	17.9	24.6	NA	NA

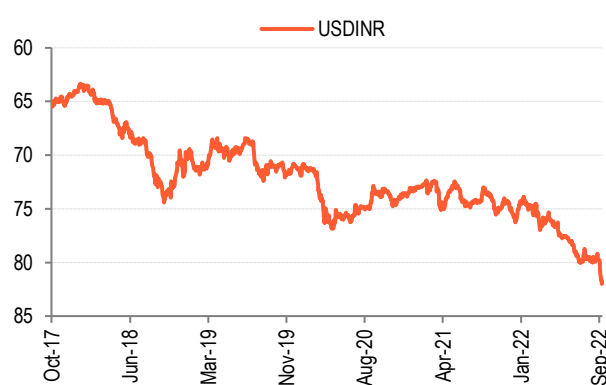
Source: Bloomberg, BOBCAPS Research

Fig 26 – Oil price trend



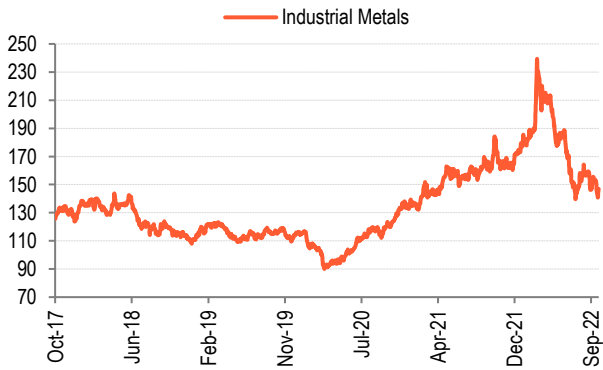
Source: Bloomberg, BOBCAPS Research

Fig 27 – USDINR movement



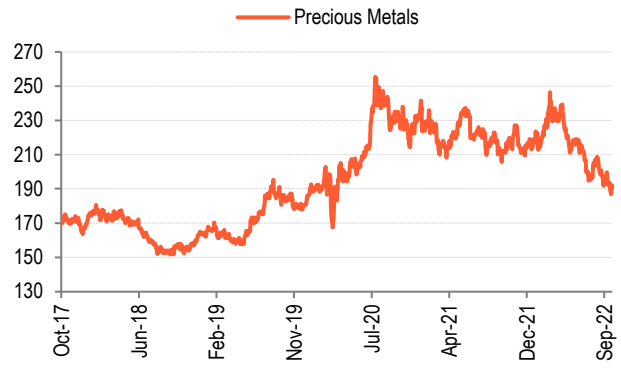
Source: Bloomberg, BOBCAPS Research

Fig 28 – Industrial metals price trend



Source: Bloomberg, BOBCAPS Research

Fig 29 – Precious metals price trend



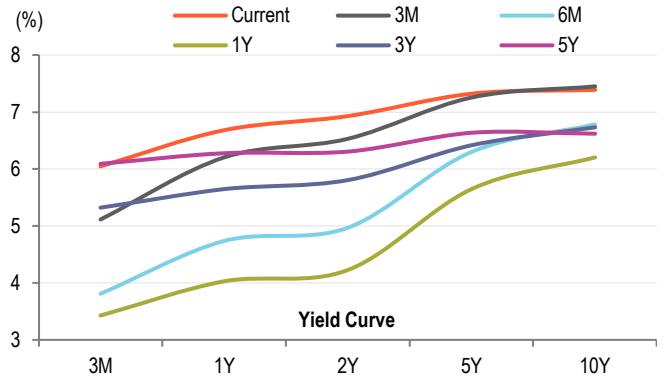
Source: Bloomberg, BOBCAPS Research

Fig 30 – India 10Y bond yield



Source: Bloomberg, BOBCAPS Research

Fig 31 – India yield curve



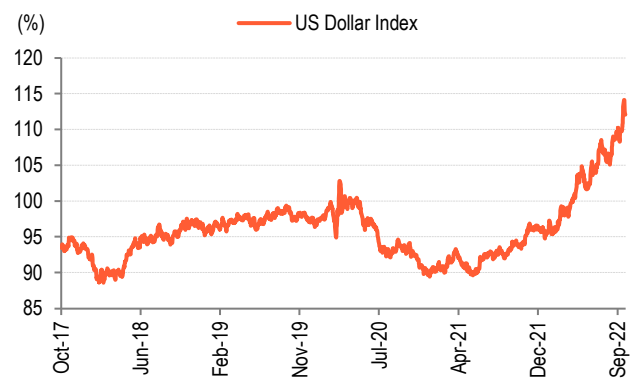
Source: Bloomberg, BOBCAPS Research

Fig 32 – US 10Y yield



Source: Bloomberg, BOBCAPS Research

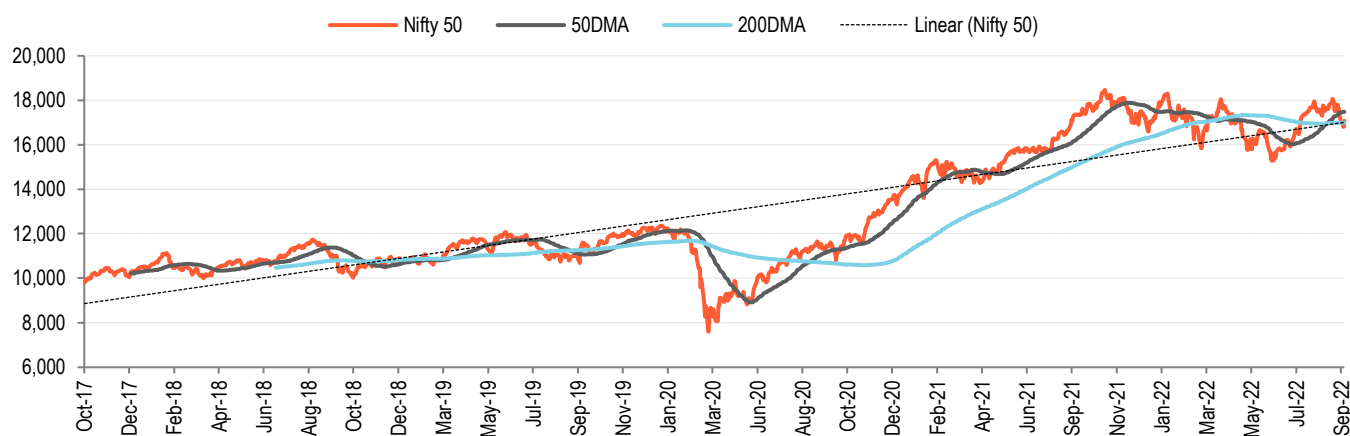
Fig 33 – US Dollar index



Source: Bloomberg, BOBCAPS Research

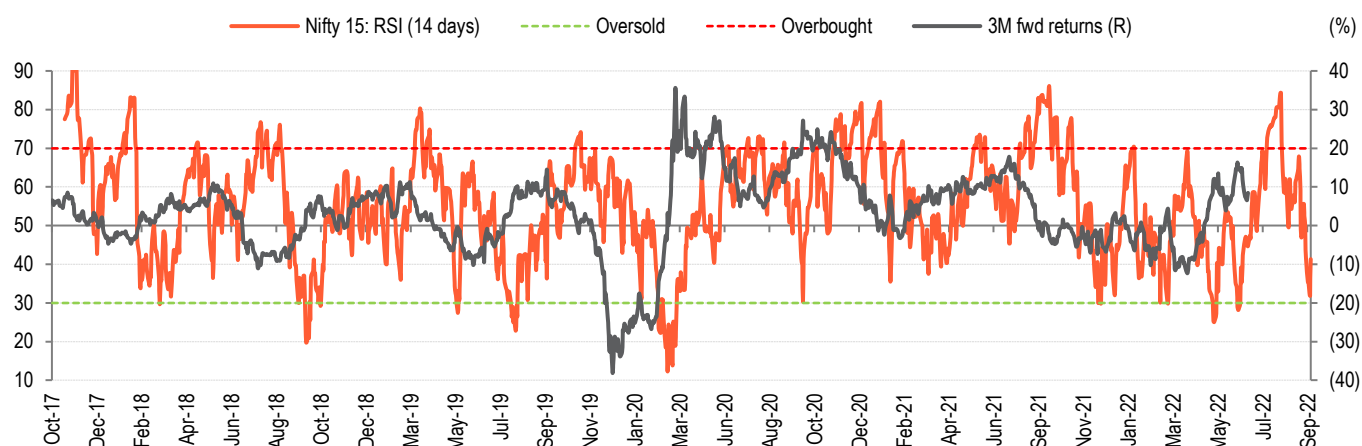
Technical trends

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	10.2	6.7	5.9
Consumer Discretionary	25.7	26.4	26.7
Consumer Staples	13.3	12.9	13.0
Energy	17.3	23.9	26.2
Financials	71.1	66.2	69.7
Health Care	10.8	10.2	11.1
Industrials	25.8	16.5	14.8
Information Technology	27.5	25.8	28.4
Materials	22.6	23.7	26.4
Utilities	8.0	5.5	5.7
Nifty 50	232	218	228

Source: Bloomberg, BOBCAPS Research

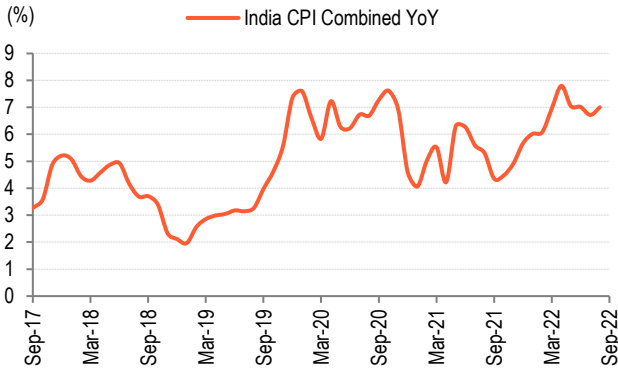
Fig 37 – Nifty 50: Stock-wise average daily traded value

Company (Rs bn)	Sector	Industry	Market cap	1M	3M	6M
Adani Enterprise	Industrials	Trading Companies & Distributo	3,940	13.9	7.7	5.9
Adani Ports And	Industrials	Transportation Infrastructure	1,734	8.3	5.3	5.3
Apollo Hospitals	Health Care	Health Care Providers & Servic	630	2.8	2.4	2.8
Asian Paints Ltd	Materials	Chemicals	3,206	3.4	3.7	3.8
Axis Bank Ltd	Financials	Banks	2,252	7.7	6.4	6.5
Bajaj Finance Lt	Financials	Consumer Finance	4,441	8.2	8.4	8.3
Bharti Airtel	Communication Services	Wireless Telecommunication Ser	4,608	10.2	6.7	5.9
Bajaj Auto Ltd	Consumer Discretionary	Automobiles	1,021	1.6	1.6	1.8
Bajaj Finserv Lt	Financials	Diversified Financial Services	2,673	6.8	6.5	5.3
Bharat Petrol	Energy	Oil, Gas & Consumable Fuels	661	1.2	1.2	1.4
Britannia Inds	Consumer Staples	Food Products	926	1.5	1.4	1.3
Cipla Ltd	Health Care	Pharmaceuticals	900	2.0	1.6	1.7
Coal India Ltd	Energy	Oil, Gas & Consumable Fuels	1,308	1.8	2.0	2.6
Divi Labs Ltd	Health Care	Life Sciences Tools & Services	984	1.5	1.7	2.0
Dr Reddy'S Labs	Health Care	Pharmaceuticals	722	1.7	1.9	1.9
Eicher Motors	Consumer Discretionary	Automobiles	1,004	2.6	2.9	2.4
Grasim Inds Ltd	Materials	Construction Materials	1,103	1.3	1.3	1.5
Hcl Tech Ltd	Information Technology	IT Services	2,530	2.8	3.2	3.2
Housing Dev Fin	Financials	Diversified Financial Services	4,158	7.3	6.2	8.6
Hdfc Bank Ltd	Financials	Banks	7,917	9.6	9.3	12.1
Hdfc Life Insura	Financials	Insurance	1,140	2.1	2.3	2.3
Hero Motocorp Lt	Consumer Discretionary	Automobiles	509	2.0	1.8	2.0
Hindalco Inds	Materials	Metals & Mining	878	4.2	4.6	5.3
Hindustan Unilev	Consumer Staples	Personal Products	6,336	4.3	4.4	4.3
Icici Bank Ltd	Financials	Banks	6,006	10.2	9.5	9.8
Indusind Bank	Financials	Banks	919	5.9	4.4	3.5
Infosys Ltd	Information Technology	IT Services	5,948	11.0	8.9	10.5
Itc Ltd	Consumer Staples	Tobacco	4,119	4.8	4.4	4.7
Jsw Steel Ltd	Materials	Metals & Mining	1,527	1.7	2.0	2.8
Kotak Mahindra	Financials	Banks	3,612	5.0	5.0	5.1
Larsen & Toubro	Industrials	Construction & Engineering	2,596	3.6	3.6	3.6
Mahindra & Mahin	Consumer Discretionary	Automobiles	1,577	4.4	4.5	4.3
Maruti Suzuki In	Consumer Discretionary	Automobiles	2,667	5.8	5.6	5.5
Nestle India Ltd	Consumer Staples	Food Products	1,844	1.2	1.1	1.2
Ntpc Ltd	Utilities	Independent Power and Renewabl	1,548	3.0	2.5	2.9
Oil & Natural Ga	Energy	Oil, Gas & Consumable Fuels	1,595	1.8	3.7	3.7
Power Grid Corp	Utilities	Electric Utilities	1,480	5.0	3.0	2.8
Reliance Inds	Energy	Oil, Gas & Consumable Fuels	16,087	12.6	17.0	18.6
Sbi Life Insuran	Financials	Insurance	1,251	1.3	1.5	1.4
State Bank Ind	Financials	Banks	4,735	6.9	6.7	6.8
Sun Pharma Indu	Health Care	Pharmaceuticals	2,276	2.9	2.6	2.6
Tata Steel Ltd	Materials	Metals & Mining	1,213	6.9	7.5	8.4
Tata Consumer Pr	Consumer Staples	Food Products	740	1.5	1.6	1.5
Tata Consultancy	Information Technology	IT Services	10,994	7.3	7.4	7.7
Tech Mahindra Lt	Information Technology	IT Services	982	3.5	3.4	3.7
Titan Co Ltd	Consumer Discretionary	Textiles, Apparel & Luxury Goo	2,314	2.7	3.1	3.3
Tata Motors Ltd	Consumer Discretionary	Automobiles	1,443	6.7	6.9	7.3
Upl Ltd	Materials	Chemicals	504	1.6	1.7	1.8
Ultratech Cement	Materials	Construction Materials	1,806	3.5	2.8	2.8
Wipro Ltd	Information Technology	IT Services	2,163	2.8	2.9	3.3

Source: Bloomberg, BOBCAPS Research

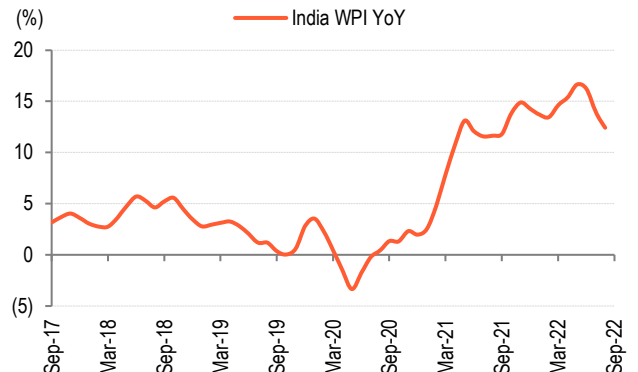
Macroeconomic indicators: August 2022

Fig 38 – Consumer price index



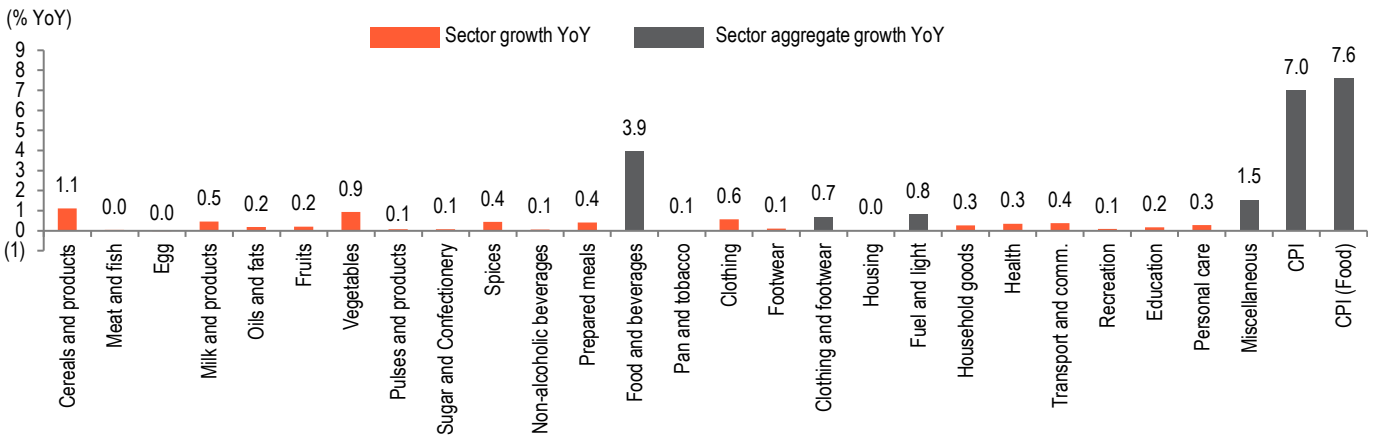
Source: Bloomberg, BOBCAPS Research

Fig 39 – Wholesale price index



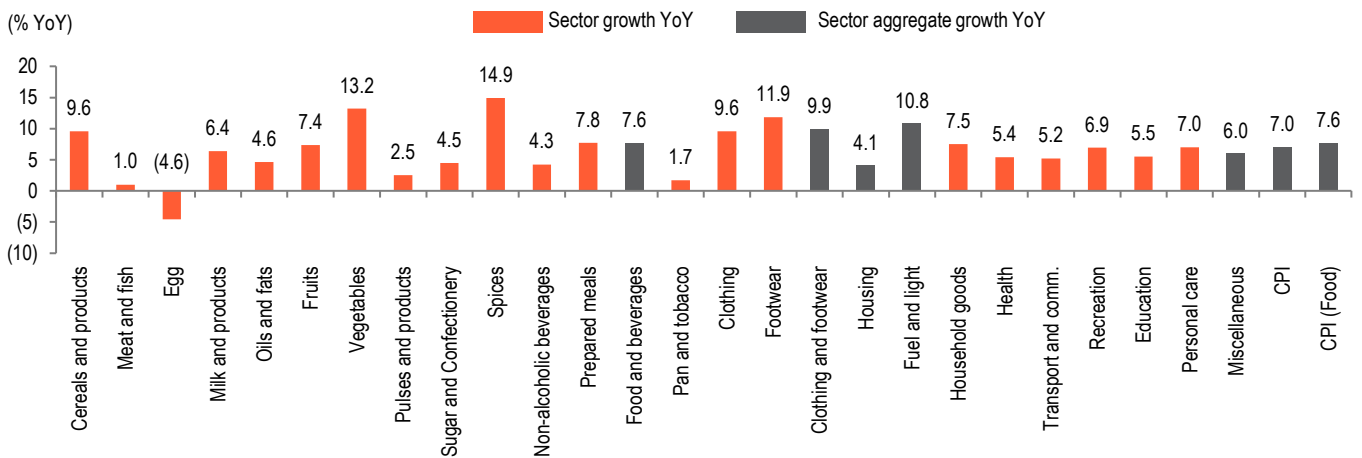
Source: Bloomberg, BOBCAPS Research

Fig 40 – Contribution to CPI (Aug'22)



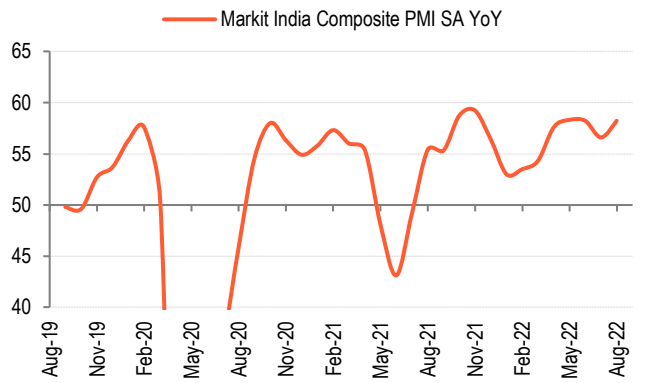
Source: Bloomberg, BOBCAPS Research

Fig 41 – Actual CPI (Aug'22)



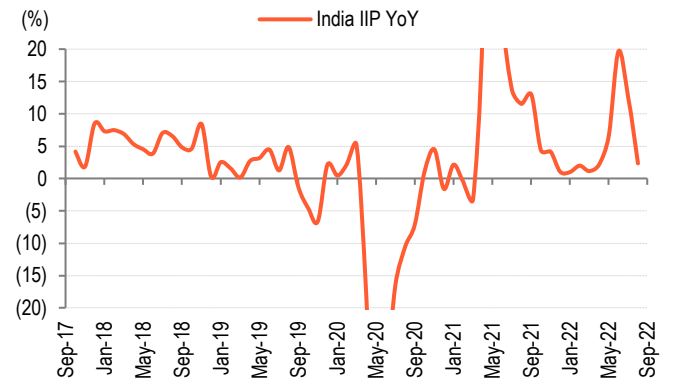
Source: Bloomberg, BOBCAPS Research

Fig 42 – Purchasing Managers’ Index



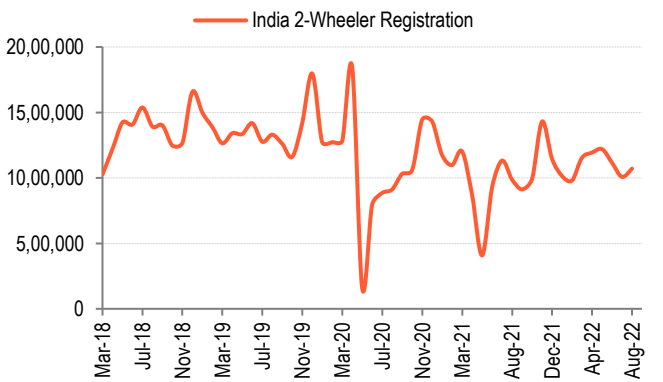
Source: Bloomberg, BOBCAPS Research

Fig 43 – Industrial production



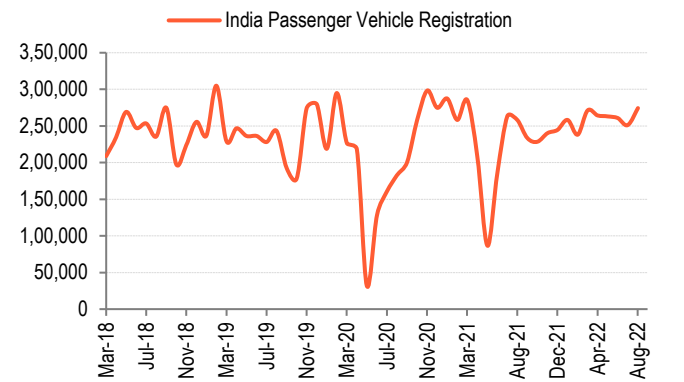
Source: Bloomberg, BOBCAPS Research

Fig 44 – Two-wheeler registration



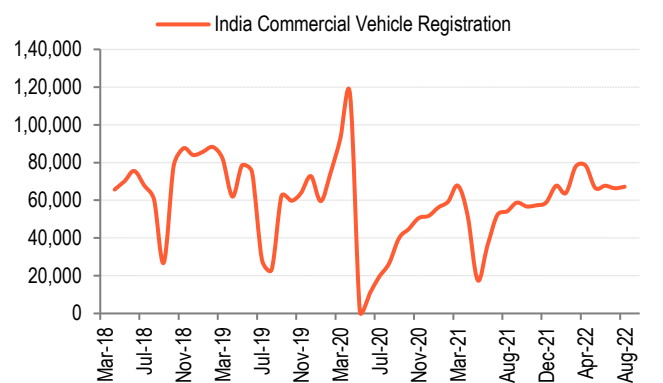
Source: Bloomberg, BOBCAPS Research

Fig 45 – 4-wheeler registration



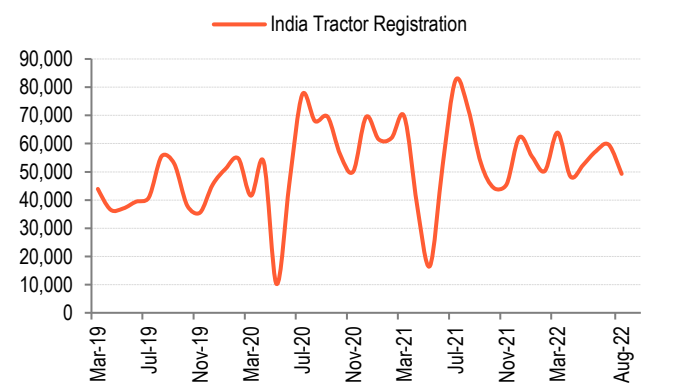
Source: Bloomberg, BOBCAPS Research

Fig 46 – Commercial vehicle registration



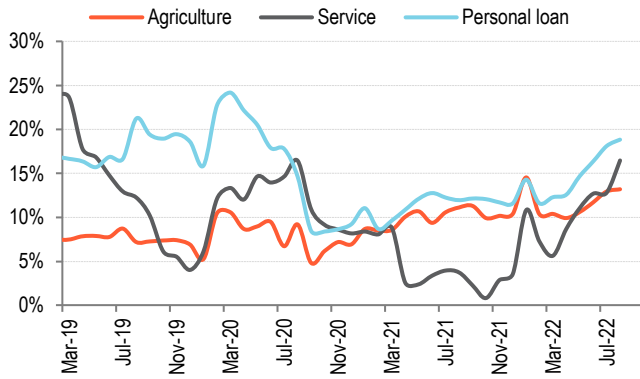
Source: Bloomberg, BOBCAPS Research

Fig 47 – Tractor registration



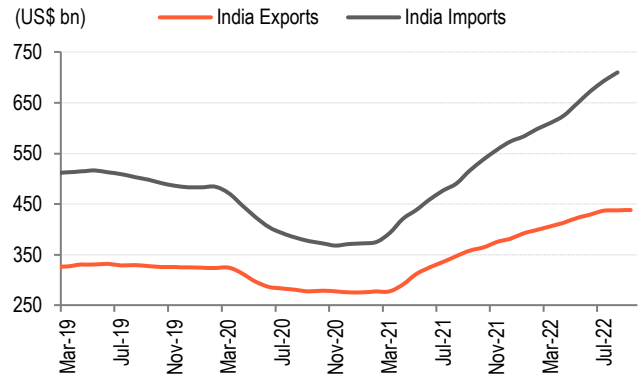
Source: Bloomberg, BOBCAPS Research

Fig 48 – Scheduled Commercial Banks’ credit growth



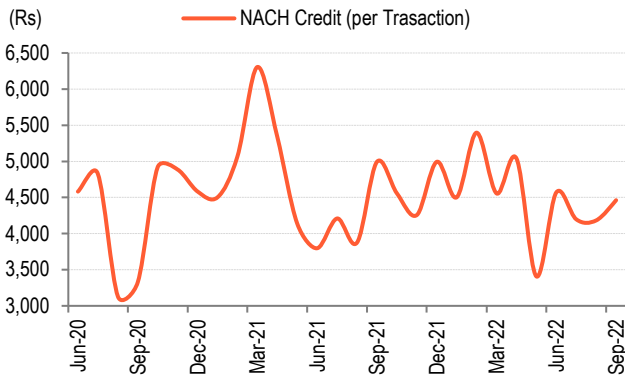
Source: Bloomberg, BOBCAPS Research

Fig 49 – Exports and Imports



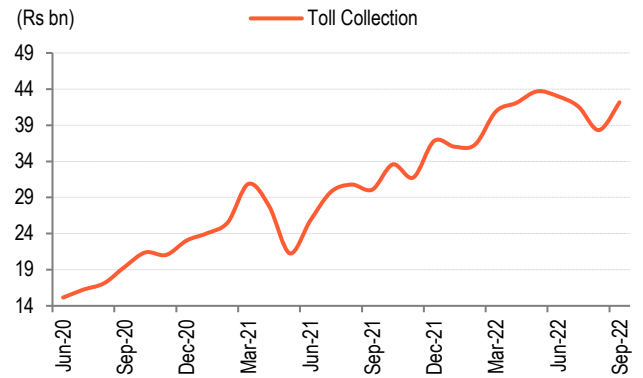
Source: Bloomberg, BOBCAPS Research

Fig 50 – Toll collection



Source: Bloomberg, BOBCAPS Research

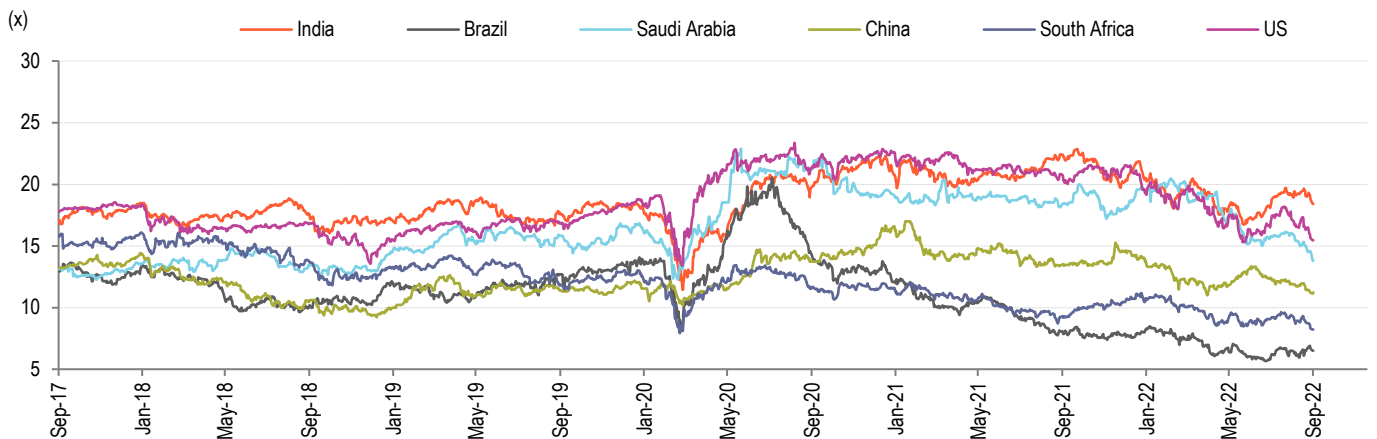
Fig 51 – National Automated Clearing House credit



Source: Bloomberg, BOBCAPS Research

Valuations across the globe

Fig 52 – India valuation relative to other countries



Source: Bloomberg, BOBCAPS Research

Fig 53 – Portfolio scenarios

Option 1	Option 2	Option 3				
Leaders	Top 10 2000	Top 10 2000	Top 10 2005	Top 10 2010	Top 10 2015	Top 10 2020
RIL IN Equity	HUVR IN Equity	HUVR IN Equity	ONGC IN Equity	RIL IN Equity	TCS IN Equity	RIL IN Equity
MM IN Equity	INFO IN Equity	INFO IN Equity	RIL IN Equity	ONGC IN Equity	ONGC IN Equity	TCS IN Equity
INFO IN Equity	RIL IN Equity	RIL IN Equity	INFO IN Equity	NTPC IN Equity	ITC IN Equity	HDFCB IN Equity
NEST IN Equity	Z IN Equity	Z IN Equity	WPRO IN Equity	INFO IN Equity	RIL IN Equity	HDFC IN Equity
HDFC IN Equity	ITC IN Equity	ITC IN Equity	BHARTI IN Equity	TCS IN Equity	SBIN IN Equity	HUVR IN Equity
SBIN IN Equity	SCS IN Equity	SCS IN Equity	SBIN IN Equity	SBIN IN Equity	HDFCB IN Equity	ICICIBC IN Equity
ITC IN Equity	MTNL IN Equity	MTNL IN Equity	ITC IN Equity	BHARTI IN Equity	INFO IN Equity	KMB IN Equity
HUVR IN Equity	SBIN IN Equity	SBIN IN Equity	HUVR IN Equity	BHEL IN Equity	ICICIBC IN Equity	INFO IN Equity
LT IN Equity	ICICIBC IN Equity	ICICIBC IN Equity	ICICIBC IN Equity	LT IN Equity	HDFC IN Equity	SBIN IN Equity
SUNP IN Equity	NIIT IN Equity	NIIT IN Equity	RBXY IN Equity	WPRO IN Equity	SUNP IN Equity	ITC IN Equity
ACC IN Equity	-	-	-	-	-	-
APNT IN Equity	-	-	-	-	-	-
TATA IN Equity	-	-	-	-	-	-

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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