



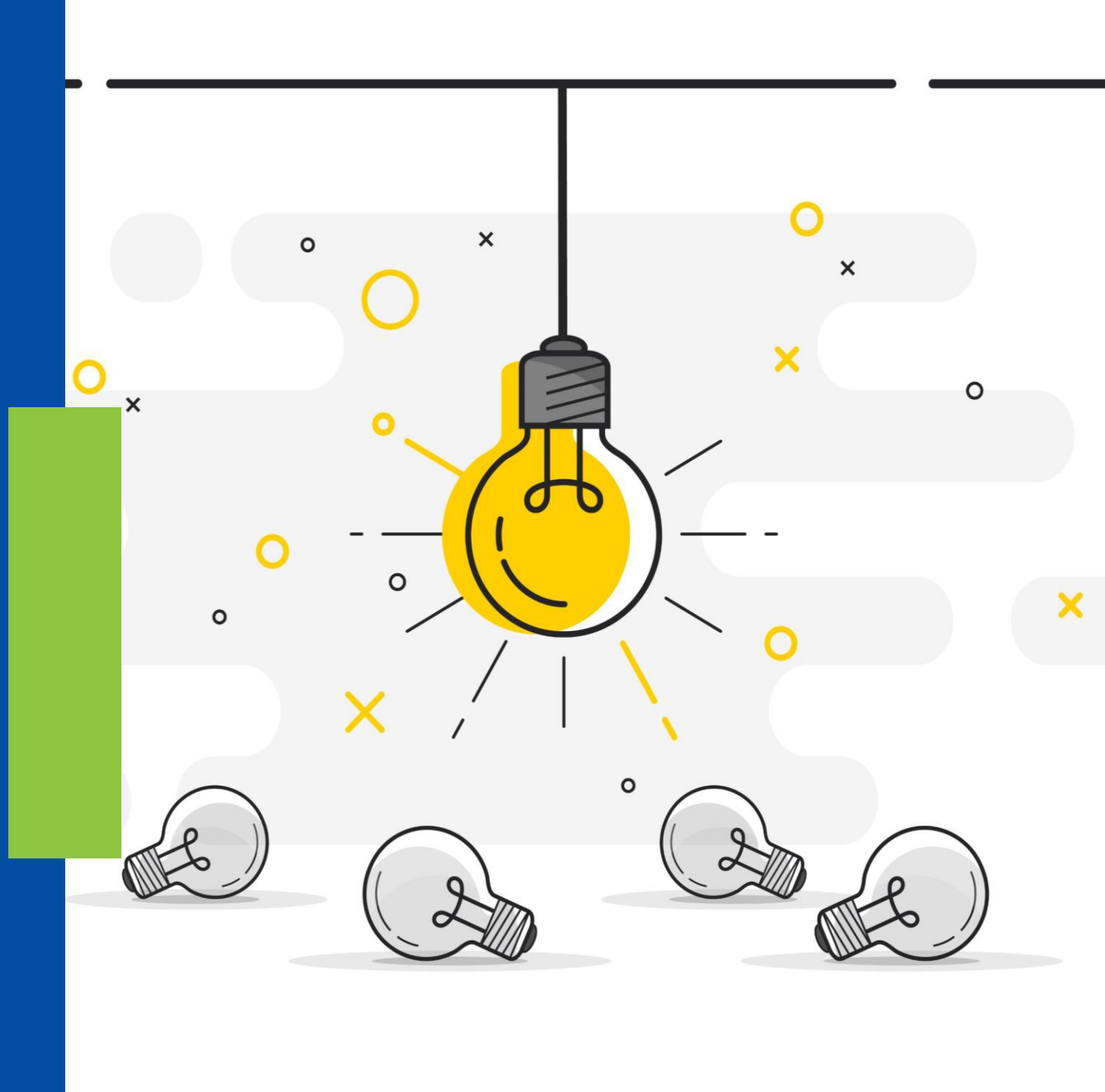
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Equity Market & Fund Insights

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Indian Equity Markets at glance

Marketcap theme and factor performance- Trailing period

	Segment	10 Years	5 Years	3 Years	1 Year	6 Months	3 Months	1 Month
Market cap	Large-cap (NIFTY 50)	14.48	12.81	12.72	7.27	-2.91	2.54	-0.19
	Large-cap (NIFTY Next 50)	16.48	8.80	12.14	-0.58	-9.02	-1.62	-7.19
	Multicap (NIFTY 500)	15.14	12.10	13.86	6.40	-4.67	1.69	-1.93
	Midcap (Nifty Midcap 150)	18.87	13.04	18.71	6.74	-7.40	1.97	-3.37
	Smallcap (NiftySmallcap250)	16.17	8.68	18.37	7.30	-8.34	-1.08	-4.64
Themes/Sector	Auto (NIFTY AUTO)	13.09	1.77	12.29	6.30	4.80	14.02	5.38
	Commodities (NIFTY COMMODITIES)	11.87	11.45	15.65	6.31	-0.92	-3.01	-10.82
	Consumption (NIFTY CONSUMPTION)	15.70	10.40	13.00	9.93	-2.97	6.05	-0.91
	Energy (NIFTY ENERGY)	16.33	19.96	19.18	30.95	13.05	5.83	-8.49
	Financials (Nifty Financial Services)	16.57	12.11	6.94	-1.58	-7.56	2.16	1.00
	Infrastructure (NIFTY INFRA)	10.06	10.13	14.87	11.23	-2.20	4.36	-2.57
	Information Technology (NIFTY IT)	19.83	25.39	25.56	12.91	-15.86	-11.88	-4.39
	Realty (NIFTY REALTY TRI)	7.73	10.23	13.01	15.28	-18.03	-2.31	-3.87
	Healthcare (S&P BSE Healthcare)	13.65	10.46	19.24	-10.41	-12.14	-3.63	-5.41
Factors	Beta (Nifty High Beta 50)	4.76	0.43	5.97	-4.29	-10.60	-3.20	-6.90
	Value (Nifty 50 Value 20 Index)	16.95	18.06	17.80	11.20	-2.22	-1.14	-1.79
	Quality (Nifty 100 Quality 30 Index)	14.46	10.74	11.19	3.05	-5.80	0.17	-1.28
	Momentum/Alpha (Nifty Alpha 50)	24.03	21.57	34.36	9.58	-10.10	-7.14	-8.60

Indian Equity Markets at glance

Marketcap theme and factor performance YOY



	Segment	2022YTD	2021	2020	2019	2018	2017
Market-cap	Large-cap (NIFTY 50)	-3.82	25.26	16.01	12.98	5.59	30.27
	Large-cap (NIFTY Next 50)	-8.92	29.84	15.97	1.86	-7.68	47.73
	Multicap (NIFTY 500)	-5.60	30.95	17.70	8.64	-1.55	37.65
	Midcap (Nifty Midcap 150)	-8.34	46.48	25.12	0.58	-12.49	55.73
	Smallcap (NiftySmallcap250)	-11.33	61.48	25.55	-7.59	-26.54	58.47
Themes/Sector	Auto (NIFTY AUTO)	3.38	19.32	13.58	-8.84	-21.57	32.57
	Commodities (NIFTY COMMODITIES)	-2.08	49.18	12.47	2.30	-12.99	38.32
	Consumption (NIFTY CONSUMPTION)	-3.39	20.11	20.59	1.00	-0.39	46.70
	Energy (NIFTY ENERGY)	15.57	37.94	8.98	13.21	3.56	41.94
	Financials (Nifty Financial Services)	-5.17	14.73	4.62	25.13	12.40	42.67
	Infrastructure (NIFTY INFRA)	-1.46	36.90	14.06	3.99	-10.98	36.06
	Information Technology (NIFTY IT)	-22.06	60.99	57.38	10.91	27.20	14.53
	Realty (NIFTY REALTY TRI)	-15.97	53.43	5.91	26.44	-32.83	110.68
	Healthcare (S&P BSE Healthcare)	-15.68	20.57	62.19	-3.06	-5.45	1.10
Factors	Beta (Nifty High Beta 50)	-8.08	35.02	9.94	-18.07	-27.37	60.96
	Value (Nifty 50 Value 20 Index)	-6.37	36.30	27.92	8.56	11.56	31.84
	Quality (Nifty 100 Quality 30 Index)	-8.75	21.70	22.55	5.64	5.77	23.45
	Momentum/Alpha (Nifty Alpha 50)	-14.14	73.09	51.33	7.89	-13.39	69.75

Large, Mid and Small cap performance

10 out of 15 years Mid and Small caps have outperformed large caps In FYTD23 Mid and Small caps have underperformed.

Period	Largecap	Midcap	Smallcap
FY2008	25.12	21.47	31.33
FY2009	-35.44	-48.52	-54.9
FY2010	75.29	135.77	141.42
FY2011	12.36	4.74	0.91
FY2012	-7.45	-4.48	-8.43
FY2013	10.83	7.4	-2.78
FY2014	19.47	18.01	22.9
FY2015	28.17	59.73	62.76
FY2016	-7.82	-1.67	-5.95
FY2017	20.16	37.21	40.56
FY2018	12.68	18.75	15.32
FY2019	16.45	-0.65	-12.44
FY2020	-25.02	-30.09	-40.22
FY2021	72.54	101.57	118.68
FY2022	20.26	25.05	37.02
FYTD23	-3.82	-8.34	-11.33

Flows

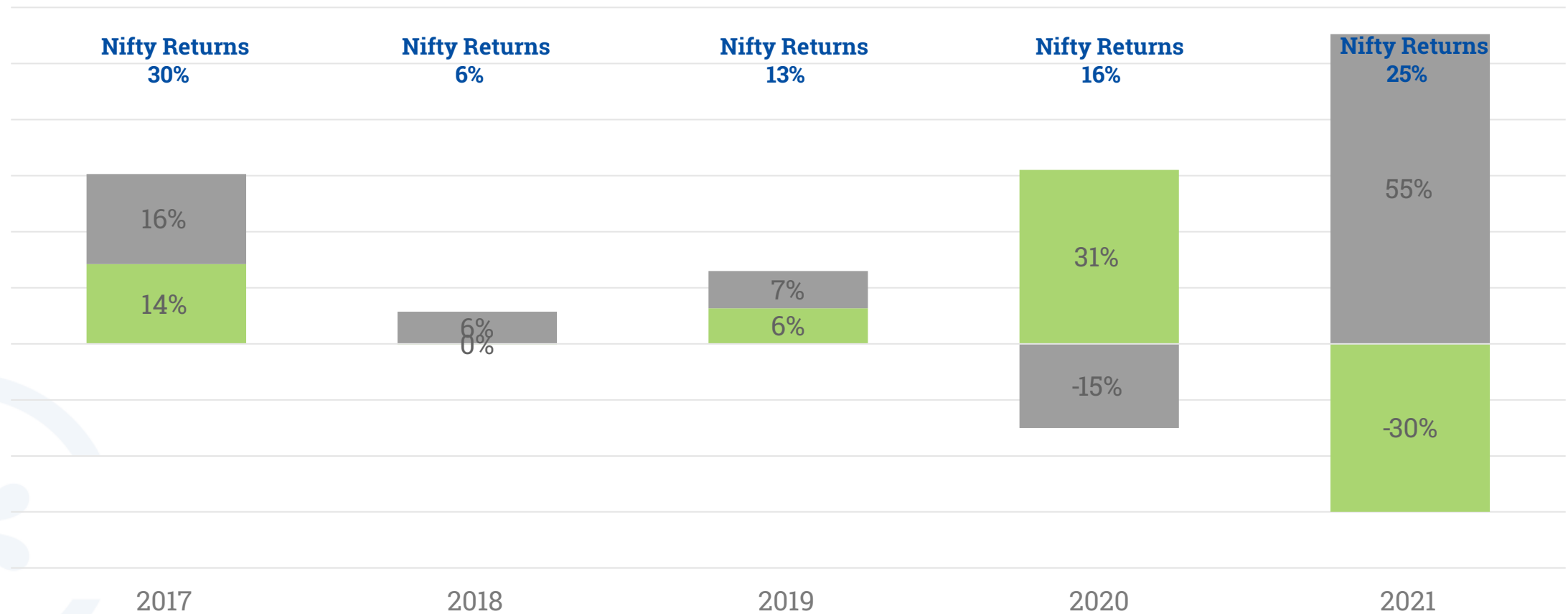
DII Flows have remained strong and has offset FII selling

CY	FII-Cash (US\$mn.)	DIIs (US\$mn.)	MFs(subset of DIIs)
2015	3,274	10,313	10,872
2016	2,903	5,425	6,976
2017	8,014	14,043	18,322
2018	-4,557	15,896	17,365
2019	14,234	5,971	7,509
2020	23,373	-4,910	-6,989
2021	3,761	13,034	10,611
2022 (YTD)	-22,215	24,349	15,558
Jan 22	-4,817	2,939	2,212
Feb 22	-5,018	5,601	3,752
Mar 22	-3,693	5,195	3,121
Apr 22	-3,816	4,041	2,934
May 22	-4,871	6,573	3,539

Market Return Contribution

Contribution of EPS is increasing in overall returns

■ PE expansion ■ EPS Growth



Financialisation of Savings

Rise in financial savings is aiding equity markets



Year	Financial Savings (% of total household savings)	Physical Savings (% of total household Savings)
FY12	31.1	68.9
FY13	32.8	67.2
FY14	36.4	63.6
FY15	36.1	63.9
FY16	44.9	55.1
FY17	41.1	58.9
FY18	39.6	60.4
FY19	37.2	62.8
FY20	40.6	59.4
FY21	44.8	55.2
FY22E	47.1	52.9
FY23E	48.8	51.2

Equity markets and rate cycles

Equity markets have performed well during all interest rate hike cycles

Time frame		Duration (no of days)	Interest Rate Phase	Policy Rate	Change in Policy Rate(bps)	Nifty Absolute returns during the period
18-09-2004	11-10-2008	1484	Hike	Repo 6% to 9%	300	113.9%
11-10-2008	13-02-2010	490	Easing	Repo 9% to 4.75%	-425	39.4%
13-02-2010	10-03-2012	756	Hike	Repo 4.75% to 8.50%	375	14.1%
10-03-2012	20-09-2013	559	Easing	Repo 8.50% to 7.25%	-125	14.8%
20-09-2013	15-01-2015	482	Hike	Repo 7.25% to 8.00%	75	43.1%
15-01-2015	06-06-2018	1238	Easing	Repo 8% to 6%	-200	31.3%
06-06-2018	07-02-2019	246	Hike	Repo 6% to 6.50%	50	4.5%
07-02-2019	08-04-2022	1156	Easing	Repo 6.5% to 4.00%	-250	66.7%
08-04-2022	26-05-2022	48	Hike	Ongoing	40	-8.8%

Equity markets and Inflation

Most sectors have done well during high inflation cycles

Index	Average monthly returns when inflation was above 6%	Average monthly returns when inflation was below 6%
NIFTY AUTO TRI	3.37	-0.13
NIFTY PHARMA TRI	3.18	-0.05
Nifty Private Bank TRI	3.05	0.74
NIFTY METAL TRI	2.72	0.51
NIFTY BANK TRI	2.69	0.72
Nifty Financial Services TRI	2.65	0.83
NIFTY IT TRI	2.61	1.18
NIFTY COMMODITIES TRI	2.37	0.59
NIFTY MEDIA TRI	2.33	0.09
NIFTY CONSUMPTION TRI	2.30	0.79
NIFTY ENERGY TRI	2.29	0.99
NIFTY MNC TRI	2.27	0.86
NIFTY 50 TRI	2.26	0.64
NIFTY SERV SECTOR TRI	2.26	0.81
NIFTY FMCG TRI	2.14	0.90
NIFTY INFRA TRI	2.00	0.43
NIFTY REALTY TRI	1.77	1.30
NIFTY PSU BANK TRI	1.51	-0.06

India in last 8 years

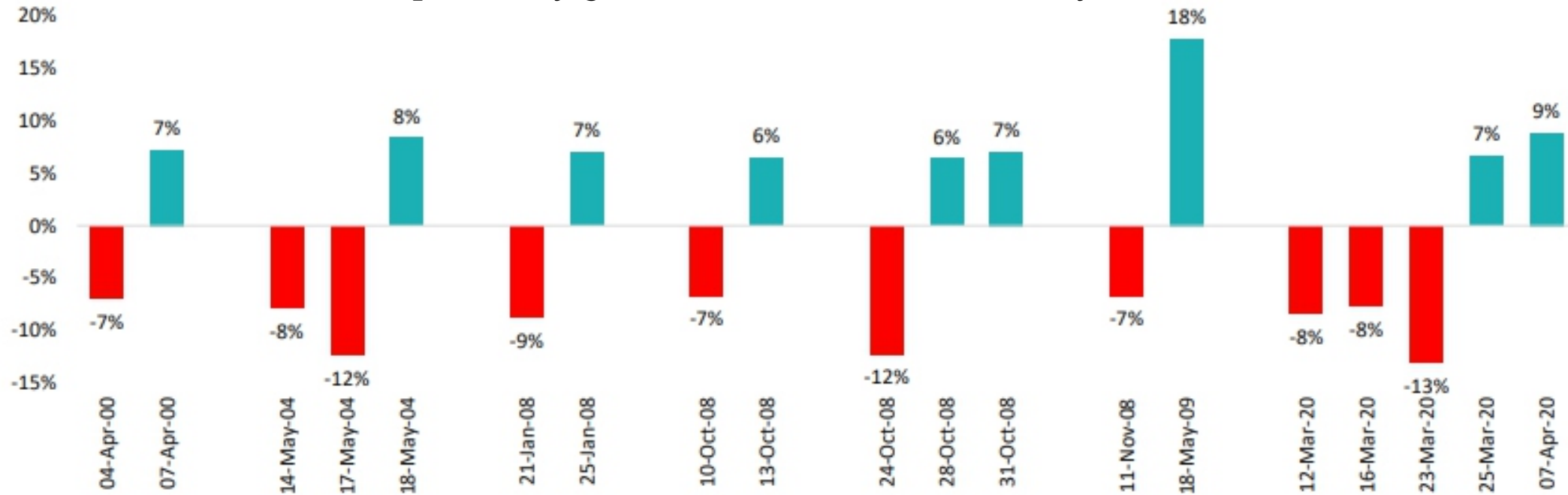


	2014	2022	2030
GDP Rank	10 th	6 th	<p>?</p> <p>Big potential growth by 2030</p>
Share in Global GDP	2.6%	3.2%	
Share in global trade	2%	2.2%	
Share in FDI Flows	2.1%	6.7%	
Auto Production Rank	7 th	4 th	
Steel Production Rank	4 th	2 nd	
No of Startups becoming Unicorns	4	100	
Ease of doing business rank	142 nd	63 rd	
Nifty 50 Index	6,101 (Jan 2014)	16,415 (June 2022)	

Don't miss the best days of market



Top 10 daily gains and drawdowns in Nifty 50 since 2000



- * Most best days of markets have come immediately after biggest drawdowns or within 6 months.
- * Selling during a drawdown and not participating in the pullback rally, essentially missing the 10 best days of Nifty gain, can lower overall returns **from 10.6x to 4.5x (CAGR dropping to 7.4% from 11.8%)** since Jan 2000.
- * A similar analysis on the Nifty Midcap Index suggests return **drop to 12.8x from 25.6x** since Jan 2001.

Staying invested is the best strategy during extreme volatility