



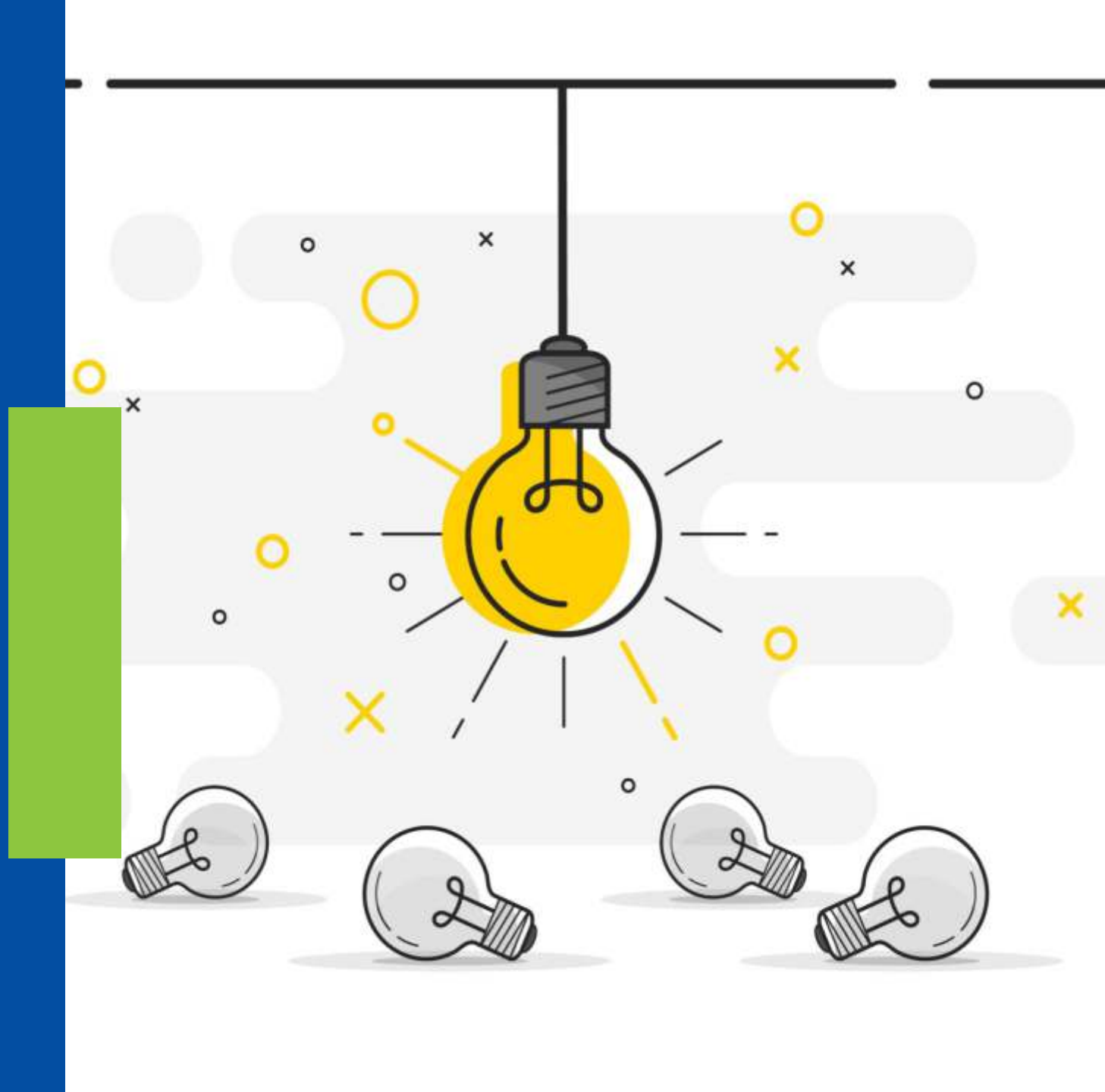
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Equity Market & Fund Insights

July 2022

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Indian Equity Markets at glance

Marketcap, theme and factor performance – Trailing period

	Segment	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
Market-cap	Large-cap (NIFTY 50)	8.91	1.04	-0.13	10.24	16.98	12.63	14.01
	Large-cap (NIFTY Next 50)	12.25	-3.50	0.34	5.19	17.37	9.09	16.48
	Multicap (NIFTY 500)	9.73	-0.21	-0.89	8.63	18.83	12.06	14.83
	Midcap (Nifty Midcap 150)	11.67	0.30	-1.29	7.69	25.90	13.54	19.01
	Small-cap (Nifty Smallcap 250)	8.92	-7.05	-9.91	-2.69	25.58	8.16	15.73
Themes/Sector	Auto (NIFTY AUTO)	7.58	14.02	8.16	26.27	23.98	3.94	13.81
	Commodities (NIFTY COMMODITIES)	10.77	-10.04	-2.33	5.41	21.57	11.01	11.18
	Consumption (NIFTY CONSUMPTION)	12.42	6.78	9.60	19.44	20.25	12.23	15.95
	Energy (NIFTY ENERGY)	3.62	-8.97	5.28	41.46	24.81	18.03	15.51
	Financials (Nifty Financial Services)	12.74	5.51	-1.52	6.71	11.73	11.80	16.06
	Infrastructure (NIFTY INFRA)	6.11	-4.38	-2.55	12.07	18.53	9.47	9.29
	Information Technology (NIFTY IT)	5.32	-6.78	-15.16	-2.32	25.71	24.54	19.98
	Realty (NIFTY REALTY – TRI)	6.12	-5.75	-4.62	-11.93	22.54	10.76	13.05
	Healthcare (S&P BSE Healthcare)	17.13	1.84	-5.71	13.20	20.64	10.96	8.88
Factors	Beta (Nifty High Beta 50)	16.40	-5.25	-6.90	-0.02	14.72	-0.05	4.38
	Value (Nifty 50 Value 20 Index)	8.46	0.83	-0.82	9.59	22.06	17.43	16.43
	Quality (Nifty 100 Quality 30 Index)	10.88	3.89	2.89	7.99	17.36	12.32	14.52
	Momentum/Alpha (Nifty Alpha 50)	7.99	-17.36	-15.78	0.01	34.50	19.32	22.92

Source: ACE MF. Performance upto 1 yr is absolute above 1 yr is CAGR. Data as on July 29, 2022

Indian Equity Markets at glance

Marketcap, theme and factor performance - YOY



	Segment	2022YTD	2021	2020	2019	2018	2017
Market-cap	Large-cap (NIFTY 50)	-0.18	25.26	16.01	12.98	5.59	30.27
	Large-cap (NIFTY Next 50)	-2.31	29.84	15.97	1.86	-7.68	47.73
	Multicap (NIFTY 500)	-1.36	30.95	17.70	8.64	-1.55	37.65
	Midcap (Nifty Midcap 150)	-2.39	46.48	25.12	0.58	-12.49	55.73
	Small-cap (Nifty Smallcap 250)	-10.10	61.48	25.55	-7.59	-26.54	58.47
Themes/Sector	Auto (NIFTY AUTO)	15.74	19.32	13.58	-8.84	-21.57	32.57
	Commodities (NIFTY COMMODITIES)	0.84	49.18	12.47	2.30	-12.99	38.32
	Consumption (NIFTY CONSUMPTION)	7.71	20.11	20.59	1.00	-0.39	46.70
	Energy (NIFTY ENERGY)	16.22	37.94	8.98	13.21	3.56	41.94
	Financials (Nifty Financial Services)	1.35	14.73	4.62	25.13	12.40	42.67
	Infrastructure (NIFTY INFRA)	-0.44	36.90	14.06	3.99	-10.98	36.06
	Information Technology (NIFTY IT)	-23.55	60.99	57.38	10.91	27.20	14.53
	Realty (NIFTY REALTY – TRI)	-12.27	53.43	5.91	26.44	-32.83	110.68
	Healthcare (S&P BSE Healthcare)	-6.44	20.57	62.19	-3.06	-5.45	1.10
	Beta (Nifty High Beta 50)	-3.40	35.02	9.94	-18.07	-27.37	60.96
Factors	Value (Nifty 50 Value 20 Index)	-3.06	36.30	27.92	8.56	11.56	31.84
	Quality (Nifty 100 Quality 30 Index)	-1.47	21.70	22.55	5.64	5.77	23.45
	Momentum/Alpha (Nifty Alpha 50)	-17.81	73.09	51.33	7.89	-13.39	69.75

Large, Mid and Smallcap performance

10 out of 15 years Mid and Small caps have outperformed Largecaps. 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	-2.16	-0.32	-8.25

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 50 Absolute returns during the period
18-09-2004	11-10-2008	1484	Hike	Repo 6% to 9%	300	89.2%
11-10-2008	13-02-2010	490	Easing	Repo 9% to 4.75%	-425	47.2%
13-02-2010	10-03-2012	756	Hike	Repo 4.75% to 8.50%	375	10.5%
10-03-2012	20-09-2013	559	Easing	Repo 8.50% to 7.25%	-125	12.7%
20-09-2013	15-01-2015	482	Hike	Repo 7.25% to 8.00%	75	41.3%
15-01-2015	06-06-2018	1238	Easing	Repo 8% to 6%	-200	25.8%
06-06-2018	07-02-2019	246	Hike	Repo 6% to 6.50%	50	3.6%
07-02-2019	08-04-2022	1156	Easing	Repo 6.5% to 4.00%	-250	60.7%
08-04-2022	30-07-2022	102	Hike	Ongoing	90	-2.8%

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 Start-ups becoming Unicorns	4	100	
Ease of doing business rank	142 nd	63 rd	
Nifty 50 Index	6,101 (Jan 2014)	16,415 (June 2022)	

Investing during bad time has been rewarding



...the Next 5 year average CAGR were

Investing,
when
1 year
returns
were

