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The Eagle Eye

April 2025

GLOBAL MARKETS

- ❖ India outperforms most of the global markets in Mar'25
- ❖ India to witness better earnings growth than global peers
- ❖ India's macro likely to strengthen for FY26
- ❖ Reciprocal tariffs of the US should have a moderate overall impact on India

DOMESTIC MARKETS

- ❖ Most sectors rebound from their Feb'25 lows; Technology declines
- ❖ About 88% of BSE-200 constituents end higher in Mar'25
- ❖ NSE-500: BFSI & Auto lead in profit growth, while Cap. Goods & Telecom in market cap
- ❖ Tailwinds emerging for consumption stocks

FLOWS AND VOLUMES

- ❖ FII flows turn positive after two months; DII lump-sum inflows dip
- ❖ Monthly average cash and F&O volumes rise from Feb'25 lows
- ❖ The RBI remains on the path of monetary accommodation and announces further liquidity infusion measures

KEY RESEARCH REPORTS

- ❖ Initiating Coverage | Dr. Agarwals Health Care: Transforming sight!
- ❖ Initiating Coverage | Bharti Hexacom: A preferred play on India's wireless growth story
- ❖ Initiating Coverage | Suzlon Energy: Riding the winds of growth

MULTI-YEAR HIGHS/LOWS

- ❖ India's market cap declines from the Sep'24 peak
- ❖ SMIDs decline from the highs, but recover from the Feb'25 lows
- ❖ Market cap: Financials and Tech lead; E-Com and Retail witness the fastest growth
- ❖ European defense stocks surge amid Trump's NATO spending push

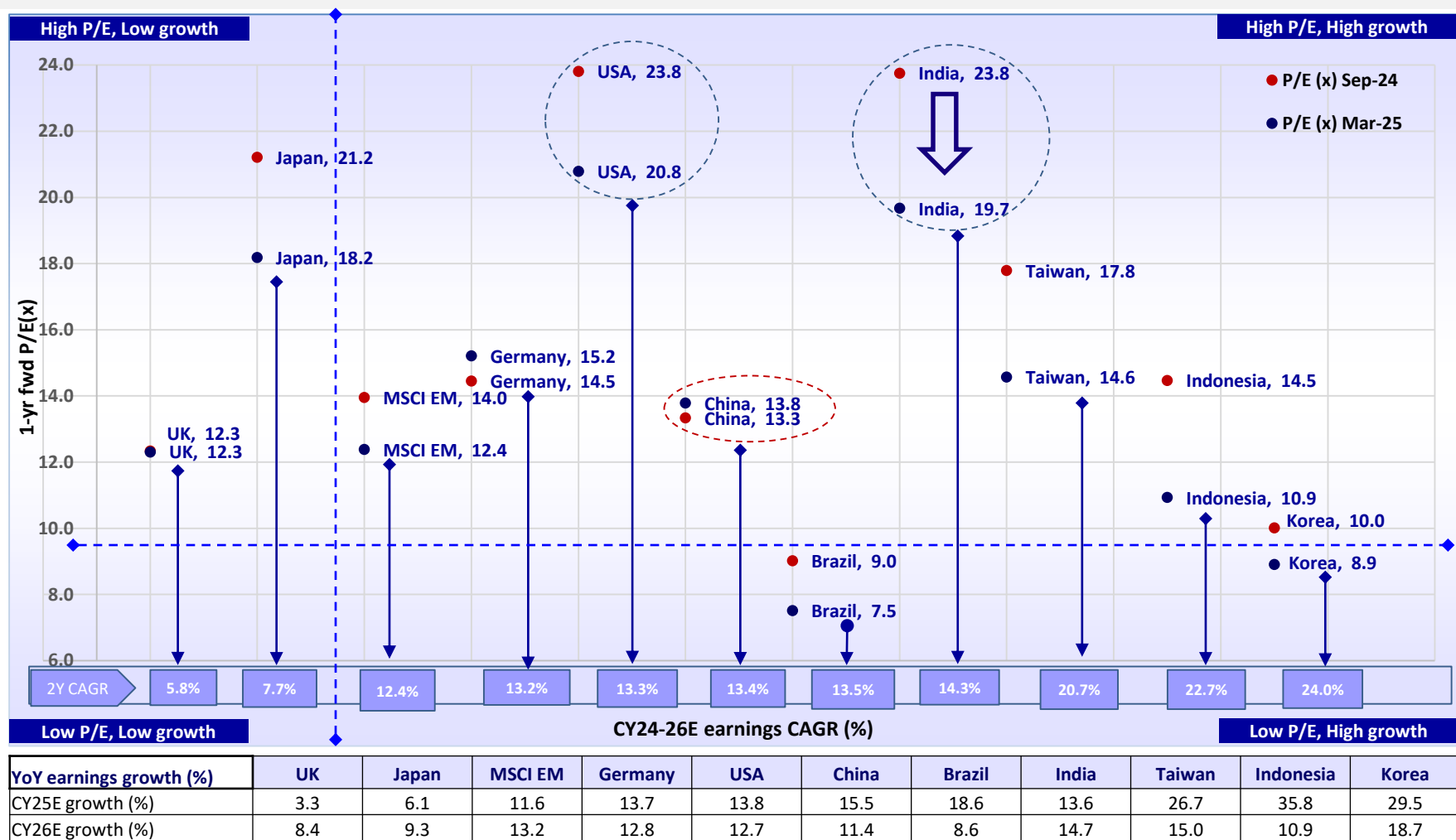
VALUATIONS

- ❖ Nifty's 12-month forward P/E up MoM
- ❖ EY/BY moderates from the Feb'25 high as equity markets move up
- ❖ India's market cap-to-GDP ratio declines from the 17-year high level

A view from the EAGLE'S EYE!

KEY EXHIBITS India to witness better earnings growth than global peers

- ❖ Most of the global markets experienced a moderation in their valuations in the past six months. India and Indonesia saw the sharpest valuation corrections of 24% and 17%, while China and Germany were the only markets with moderate gains of 3% and 5% in the past six months, respectively.
- ❖ While valuations have moderated, India's earnings growth is likely to surpass key global markets, with an estimated CAGR of ~14% over the next two years.



Note: The red and blue dots (on Y axis) represent the change in 1-year forward P/E of key global indices over the past six months, positioned according to their respective expected earnings CAGR (in USD) for the next two years (on X-axis). A P/E ratio of above 10x and a 2-year earnings CAGR of 10% have been considered as thresholds for High P/E and High Growth. Source: Bloomberg, Have considered FY26 and FY27 earnings growth for India.

KEY EXHIBITS Tailwinds emerging for consumption stocks

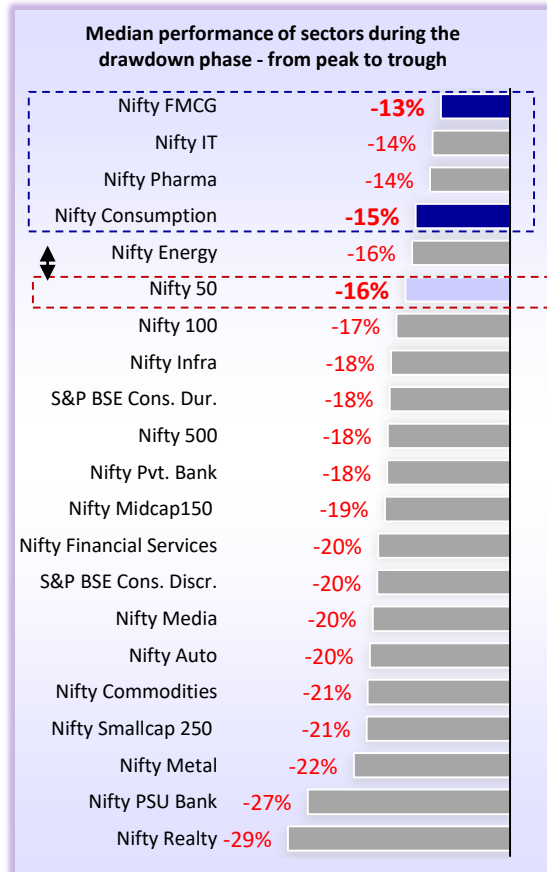
- ❖ Nifty FMCG/Nifty Consumption indices have fallen ~20%/17% from their peaks in Sep'24, underperforming Nifty-100 by ~900-600bp. This has been an aberration from historical trends, as consumption indices typically outperform the benchmark during phases of sharp market downturns.
- ❖ Nifty FMCG/Nifty Consumption indices have delivered an average alpha of 10%/5% during the past 11 phases of a 10%+ correction in the Nifty-50 over the last two decades. Current underperformance can be explained by weak FY25 earnings (MOFSL-covered consumption basket to post weak 2% YoY PAT growth). However, fiscal and monetary policies, such as income tax relief, transfer schemes announced by some key states, and OMO actions announced by the RBI to infuse liquidity into the banking system, along with easing inflation, can drive incremental positivity in select consumption names. [Detailed report](#)

Performance during Nifty's >10% correction phases

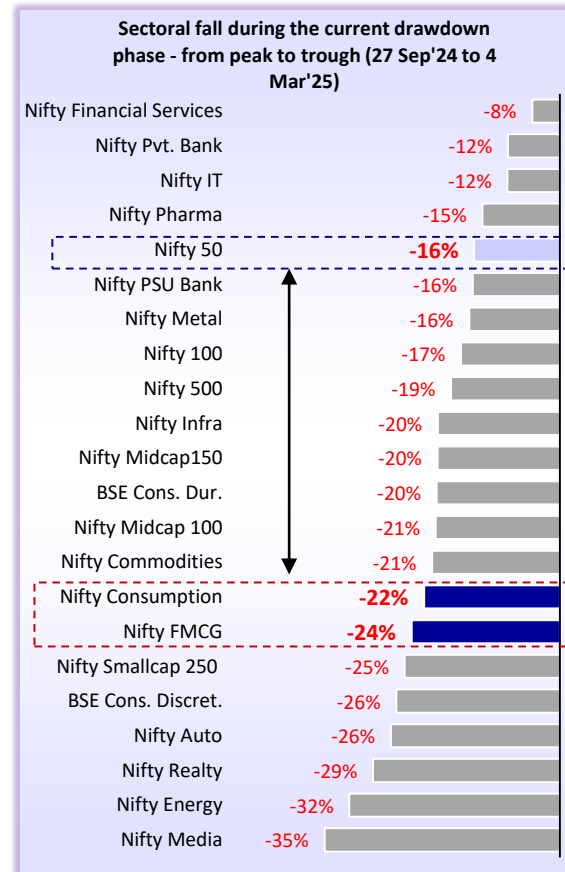
Period	Nifty-50	Relative Performance	
		Nifty FMCG	Nifty Consumption
May'06 to Jun'06	-30%	-1%	0%
Feb'07 to Mar'07	-15%	4%	0%
Jul'07 to Aug'07	-12%	9%	1%
Jan'08 to Oct'08	-60%	25%	7%
Nov'10 to Dec'11	-28%	34%	14%
Mar'15 to Feb'16	-23%	10%	16%
Jan'18 to Mar'18	-10%	4%	3%
Aug'18 to Oct'18	-15%	1%	-3%
Jun'19 to Sep'19	-11%	6%	4%
Jan'20 to Mar'20	-38%	13%	11%
Oct'21 to Jun'22	-17%	4%	2%
Sep'24 to Mar'25	-16%	-8%	-6%

Note: Index performance measured from peak to trough across periods

Consumption indices characteristically outperformed during previous phases of sharp market corrections...



... however, in the current drawdown phase, the Nifty Consumption and Nifty FMCG indices have underperformed



KEY EXHIBITS

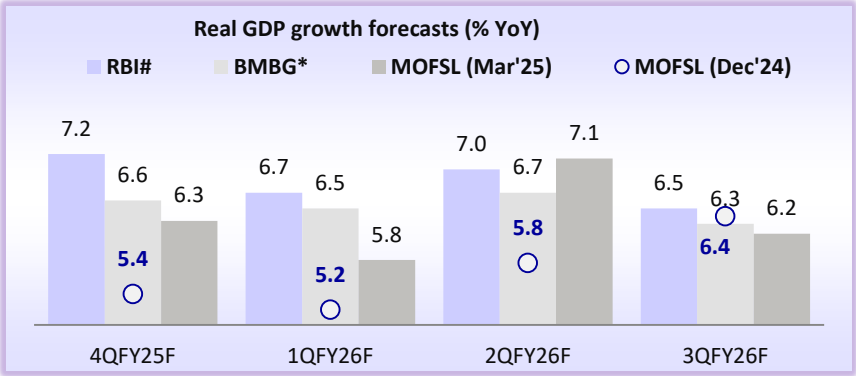
India's macro likely to strengthen for FY26

Real GDP is expected to grow 6.0-6.5% in 4QFY25 and ~6.5% in FY26

- ❖ **GDP growth:** After 9.2% growth in FY24, real GDP growth of 6.2% in the first three quarters of FY25 was not particularly weak. We upgrade our real GDP growth forecast to 6.2% for FY25, aided by 6.0-6.5% growth in 4QFY25. We also upgrade our forecasts for FY26/FY27 to ~6.5% each from 6.3% each earlier.
- ❖ **CPI inflation:** The headline retail inflation forecast for FY25 is revised to 4.7% YoY from 5.1%, while the FY26 forecast remains nearly unchanged at 3.8%.
- ❖ India's **real investment** growth was at an eight-quarter low of 5% YoY, and (nominal) investment growth hit a 12-quarter low of 30.5% of GDP in 3QFY25.

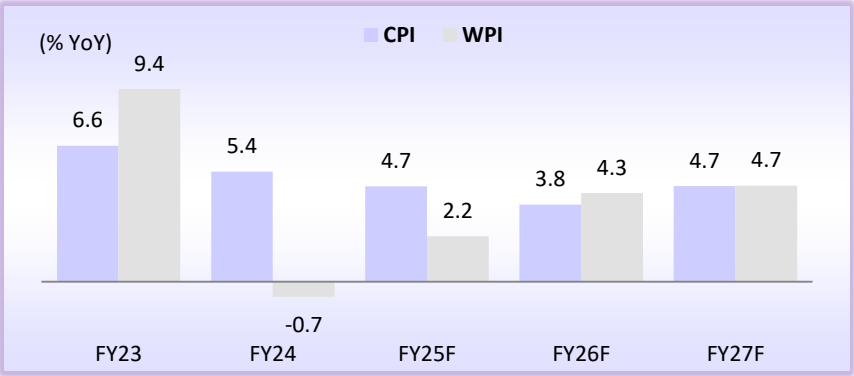
[Detailed Report link](#)

Real GDP projected to grow ~6.5% each in FY26 and FY27, following 6.2% growth in FY25E



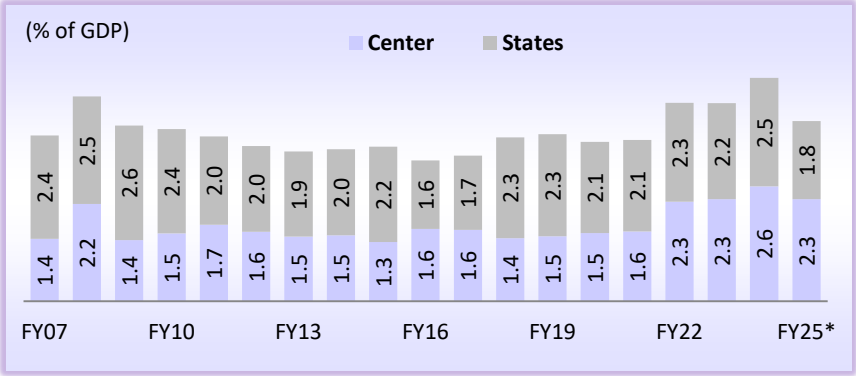
Bloomberg (BMBG) consensus forecast taken on 12th Mar'25

Expect headline CPI and WPI inflation to average ~4% each in FY26

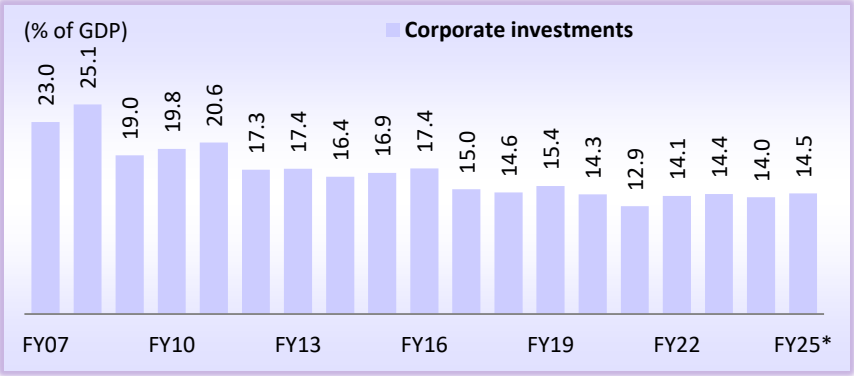


Source: RBI, MOFSL

Fiscal capex dipped to 4.1% of GDP in 9MFY25...



...while corporate capex inched up



Source: CGA, CAG, CEIC, MOFSL

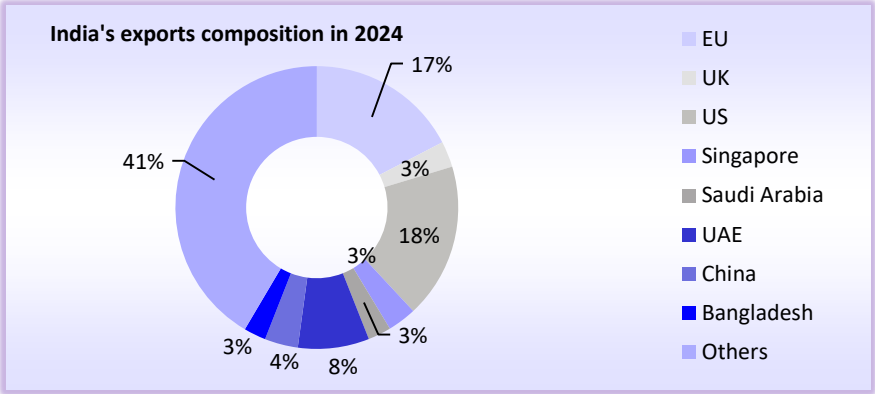
KEY EXHIBITS

Reciprocal tariffs on India likely to have a moderate overall impact

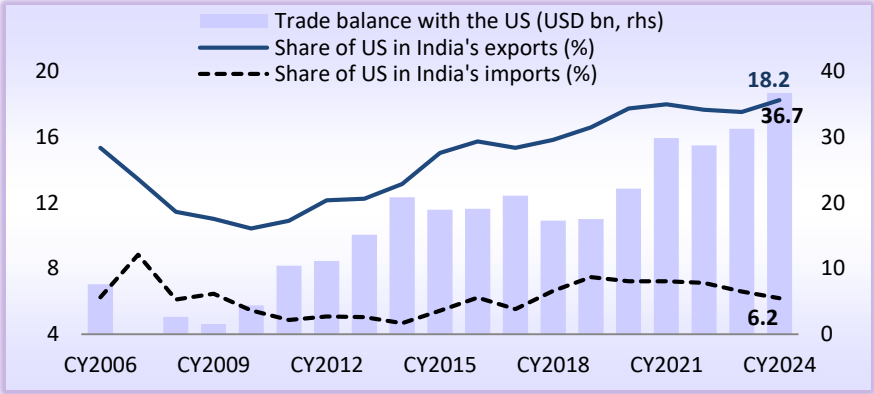
India’s US exports of 1.1% of GDP to be the most vulnerable

- ❖ The US is one of the largest trading partners of India, with bilateral trade of USD124b in CY24. Exports from India to the US reached USD81b, and imports to India from the US amounted to USD44b. This resulted in a trade surplus of USD37b for India in CY24. The US is India’s largest export destination, with its share reaching 18% in CY24 from 13% in CY14 and 6% in CY06.
- ❖ The Trump administration unveiled the Reciprocal Tariff Plan—a strategy aimed at levelling tariffs, taxes, and non-tariff barriers with trading partners—and imposed a 26% tariff on India to engineer trade parity.

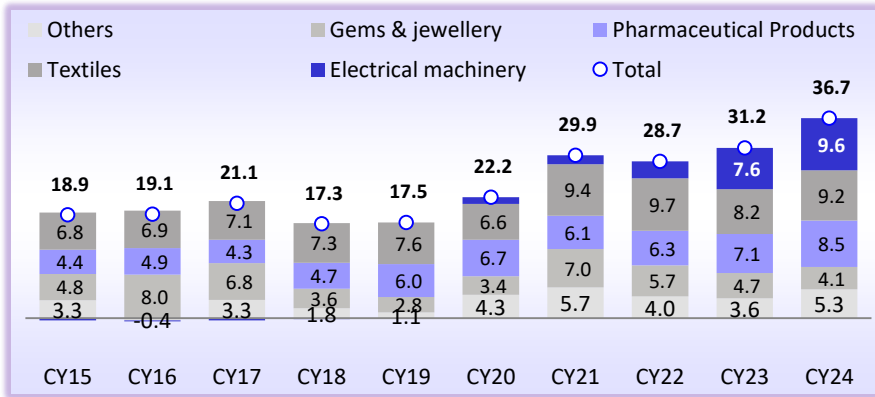
India’s exports to US amount to 18% of its total exports in CY24...



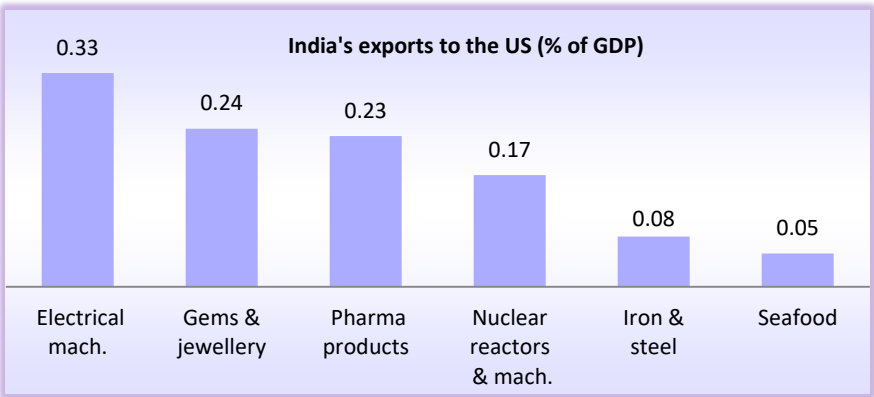
...with the trade balance reaching USD37b in CY24 from USD13.1b a decade back



India’s trade balance with US is driven by higher exports of pharma, electronics and textiles



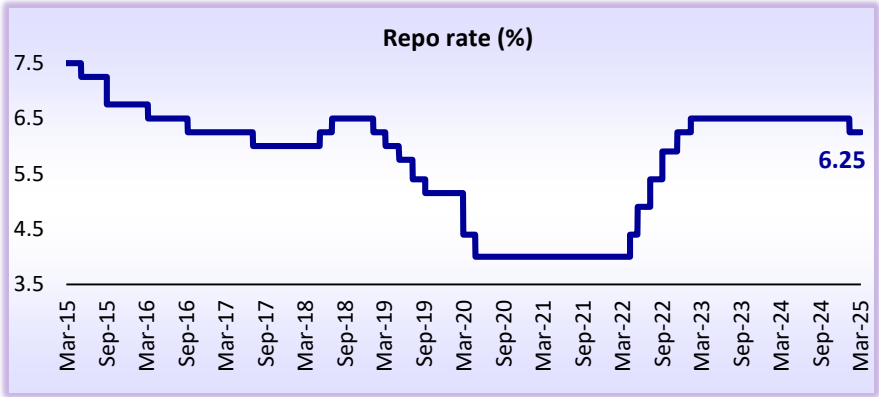
Electrical mach., gems & jewelry, pharma, nuclear reactors, iron & steel, and seafood most vulnerable amounting to 1.1% of India’s GDP



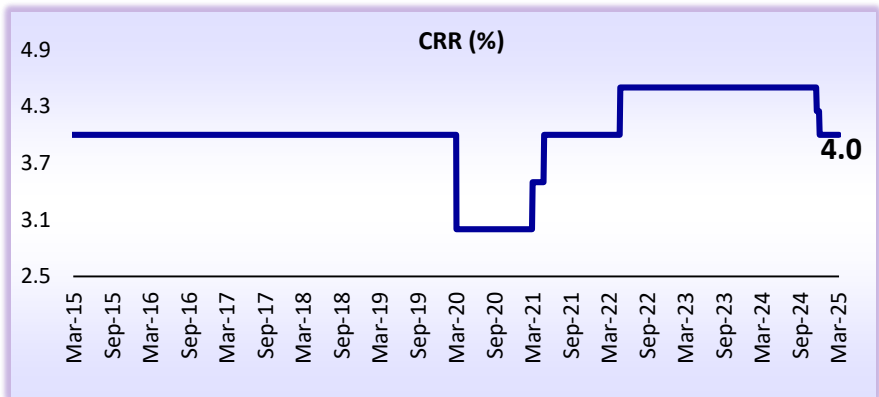
KEY EXHIBITS The RBI remains on the path of accommodation

- ❖ Following a period of tight liquidity, the RBI has deployed various monetary tools to boost demand and liquidity, including a 50bp CRR cut, a 25bp repo rate cut, and liquidity injections through OMOs and FX swaps.
- ❖ Low inflation will certainly allow the RBI to be more relaxed in its monetary policy, although strong growth and an uncertain global economic environment will limit its ability to cut interest rates sharply.

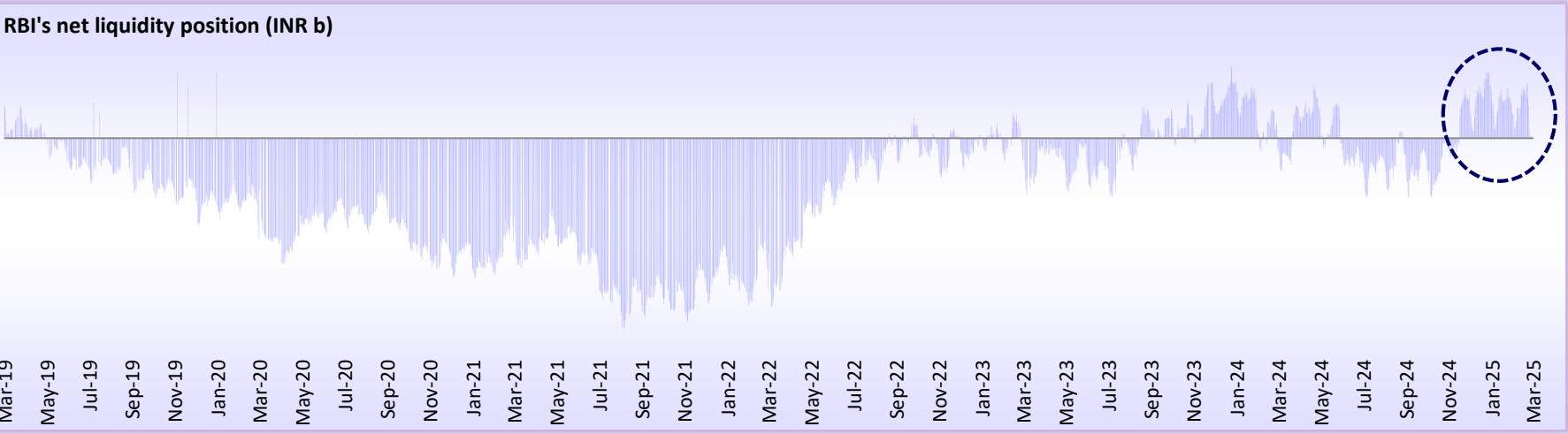
RBI cuts repo rate by 25bp to 6.25%



RBI cuts CRR by 50bp to 4%

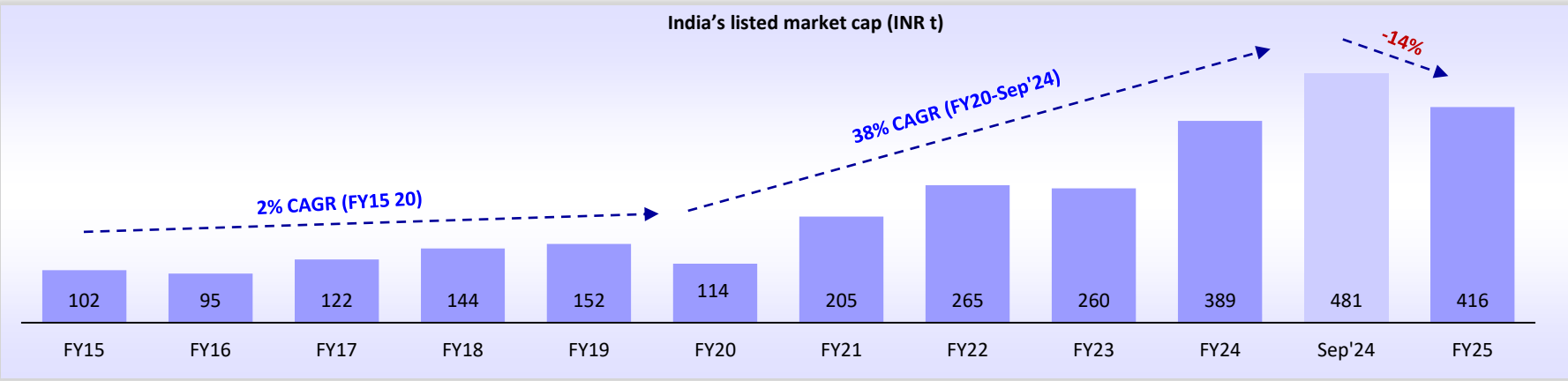


Liquidity deficit abates after multiple measures from the RBI



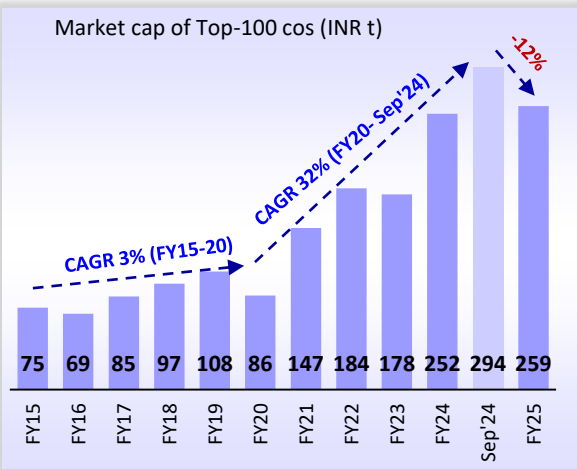
India's market cap dips from the Sep'24 peak

India's listed market cap grew 7% YoY in FY25, down 14% from the Sep'24 highs

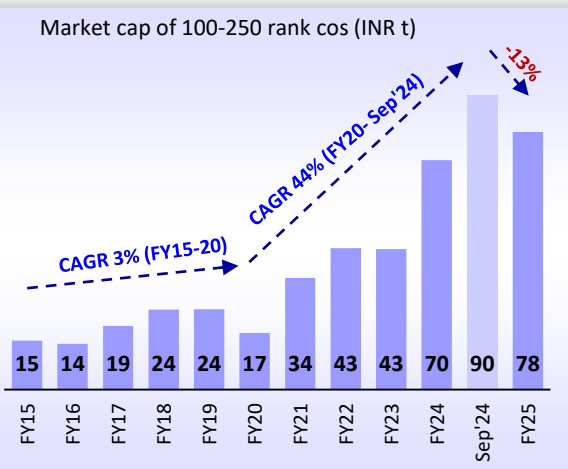


Note: The all-time high market cap was reached on 27th Sep'24

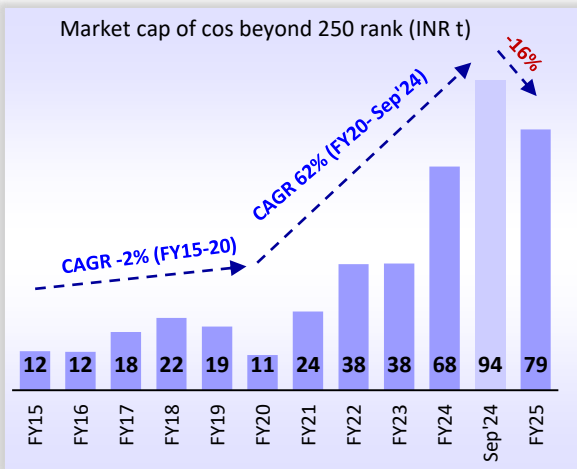
Large-caps grew 3% YoY in FY25, down 12% from Sep'24



Mid-caps grew 12% YoY in FY25, down 13% from Sep'24

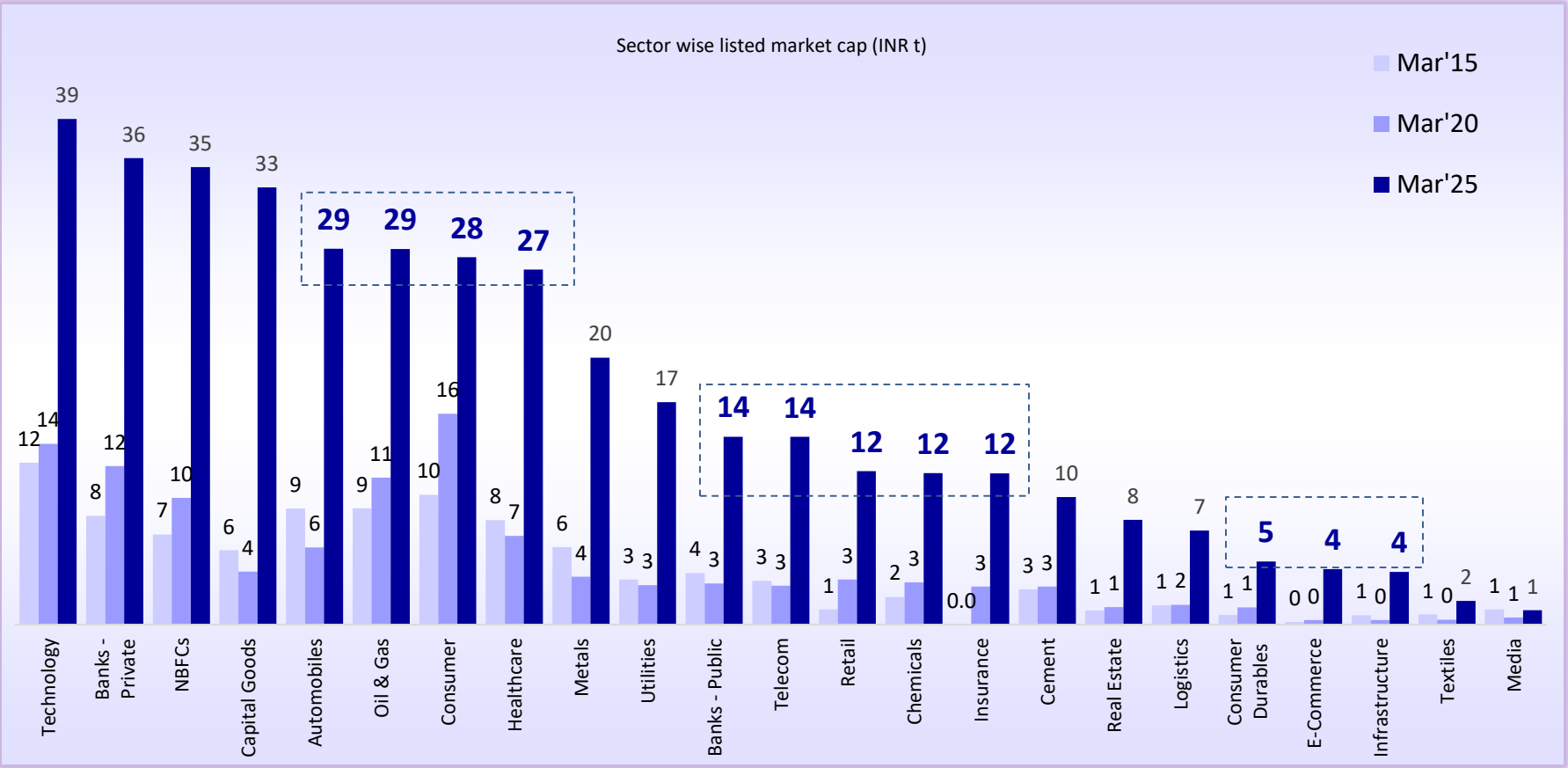


Small-caps grew 17% YoY in FY25, down 16% from Sep'24



Note: 30th Sep'24 is considered as the common date for all the segments

India's listed market cap by sector: E-com, Retail, Real Estate, and Consumer Durables witnessed the highest % growth in market cap over the past decade

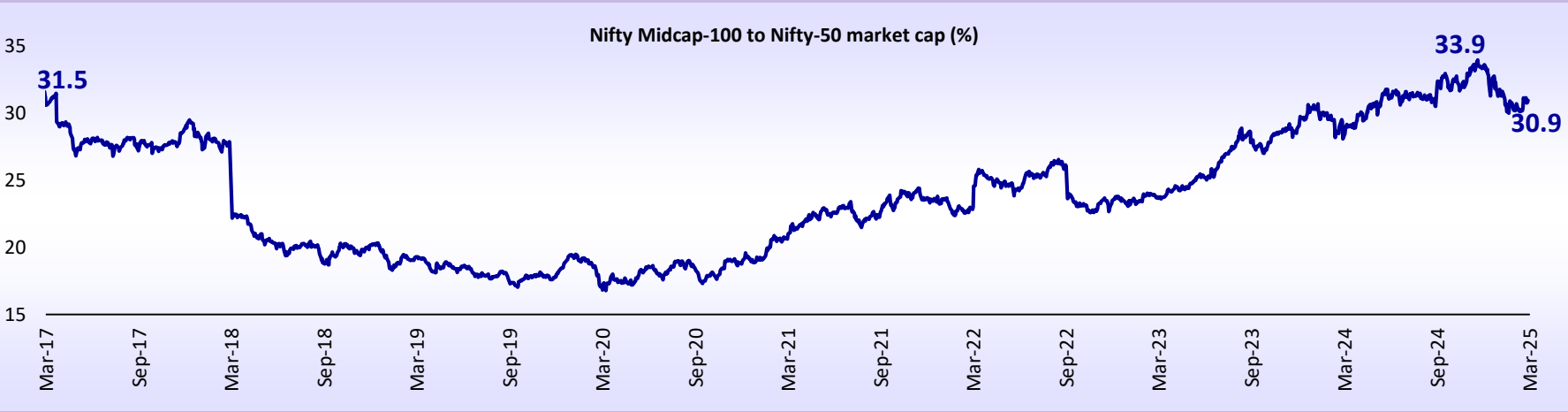


Note: Classified market cap of India-listed companies into key sectors

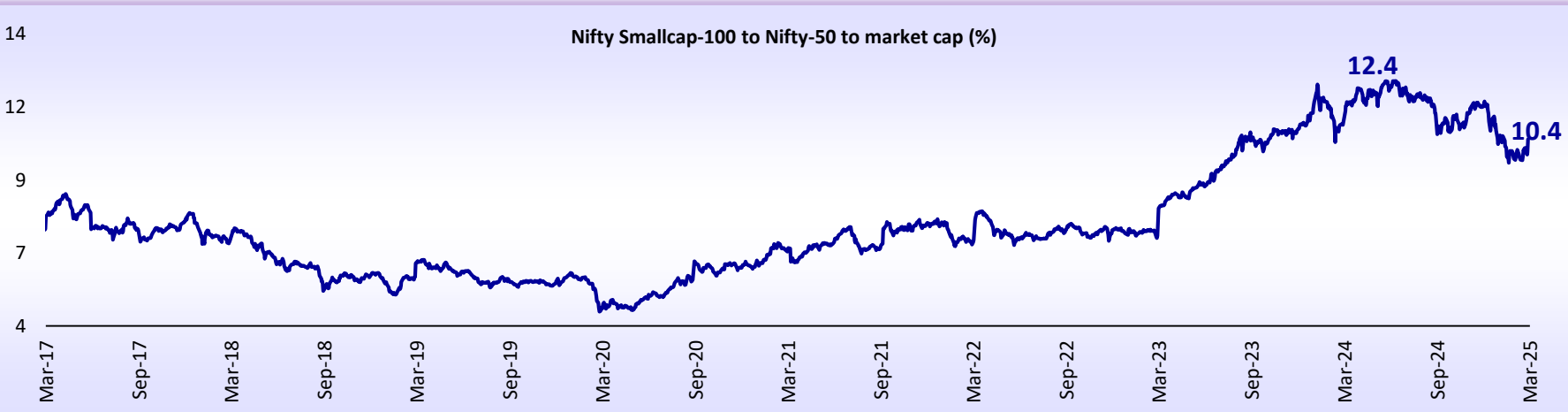
KEY EXHIBITS SMIDs decline from the highs, but recover from the Feb'25 lows

❖ The market correction during Sep'24-Feb'25 sharply hit SMIDs, significantly reducing their market cap relative to large-caps. However, they recovered in Mar'25, rebounding from the Feb'25 lows.

Nifty-50 vs. Nifty Midcap-100 market cap (%)



Nifty-50 vs. Nifty Smallcap-100 market cap (%)

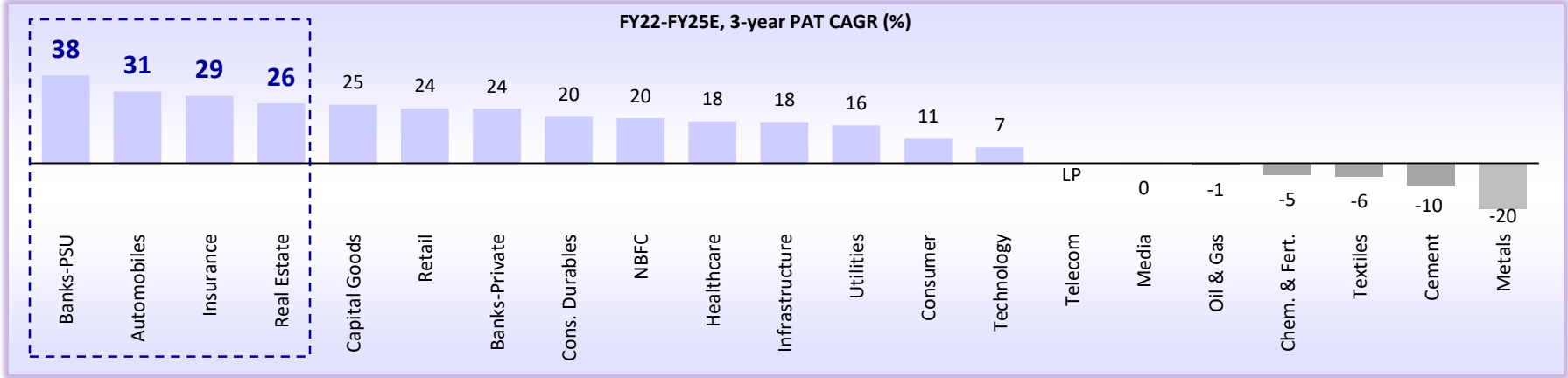


KEY EXHIBITS

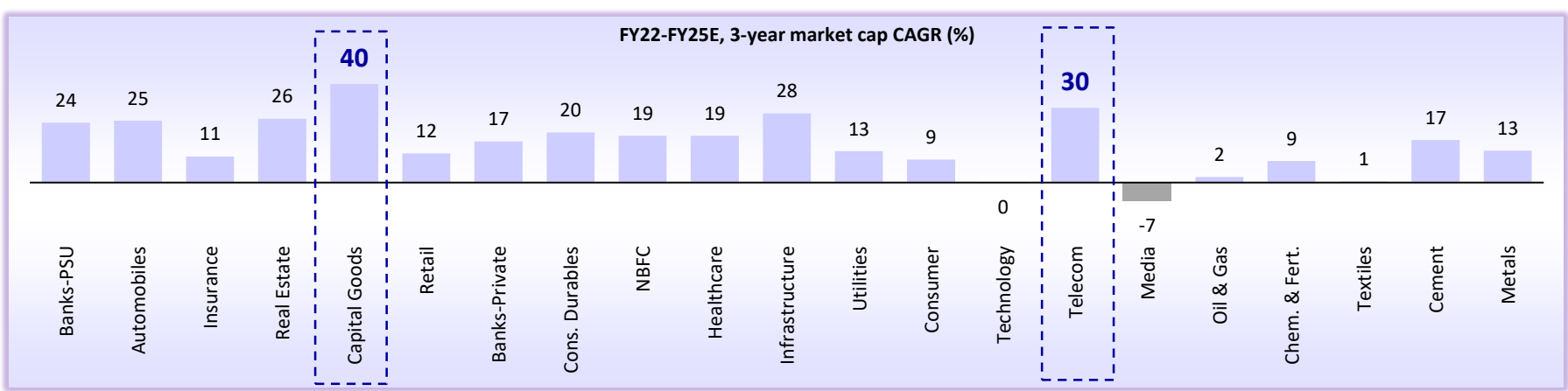
NSE-500: BFSI & Auto lead in profit growth, while Cap. Goods & Telecom in market cap

❖ BFSI, Automobiles, and Real Estate led the NSE-500 profit pool, achieving over 25% CAGR between FY22 and FY25E, while Capital Goods, Telecom, and Infra topped market cap CAGR at +30% during the same period.

Three-year PAT CAGR of NSE-500 sectors (%)



Three-year market-cap CAGR of NSE-500 sectors (%)

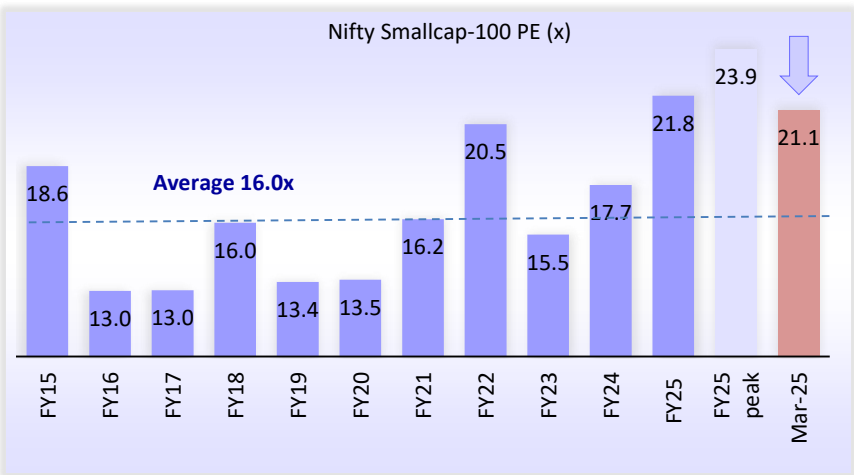
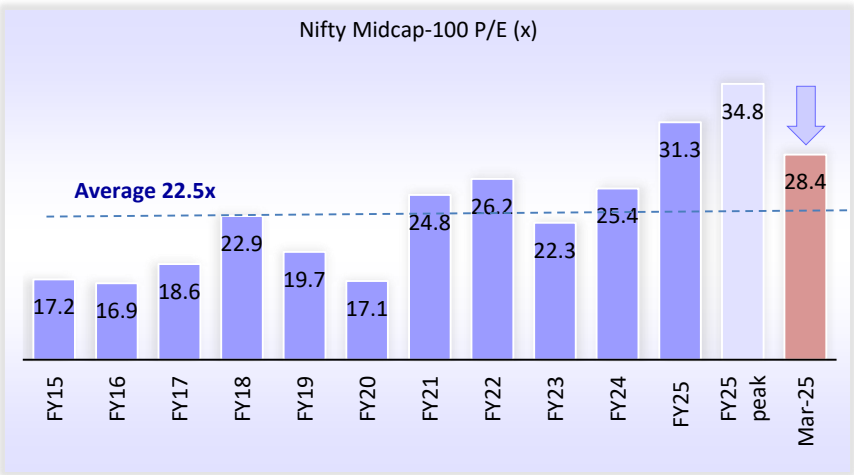
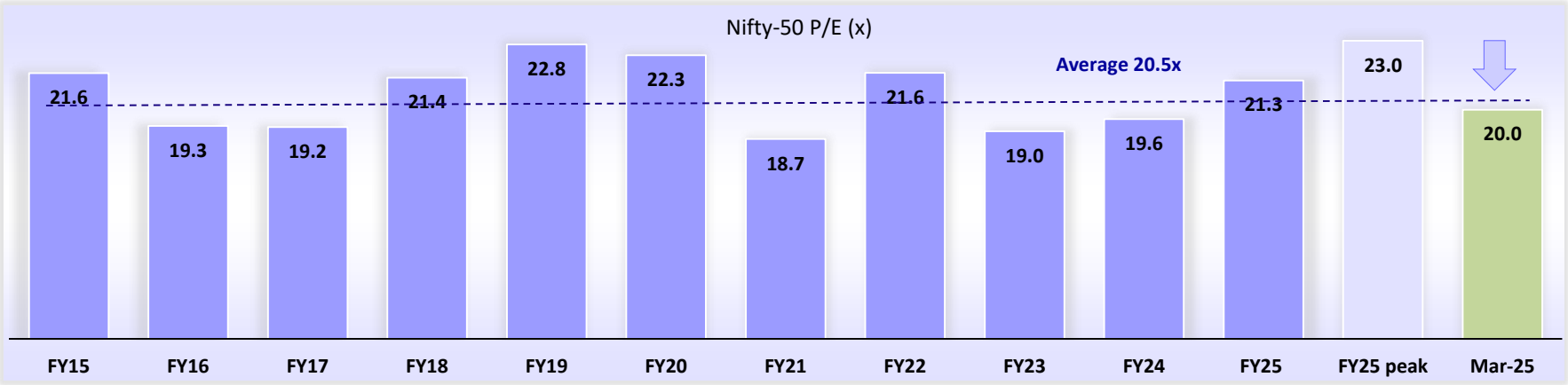


Note: Only 435 NSE-500 companies are considered to compare LFL PAT and market cap growth in the past three years. Additionally, Tata Motors was excluded from the Auto sector’s profit and market cap pool.

KEY EXHIBITS Large-caps trade at a discount to their LPA; broader markets still trade at a premium

- ❖ The 12M forward P/E of Nifty-50 is 13% below its Sep'24 high, while mid- and small-cap valuations have fallen 18% and 12%, respectively, over the same period.
- ❖ Nifty-50 is trading at a 3% discount to its LPA, while mid- and small-cap indices are trading at 26% and 32% premiums to their LPA, respectively.

12M forward P/E trend across Nifty-50, Nifty Midcap-100 and Nifty Smallcap-100 indices (x)

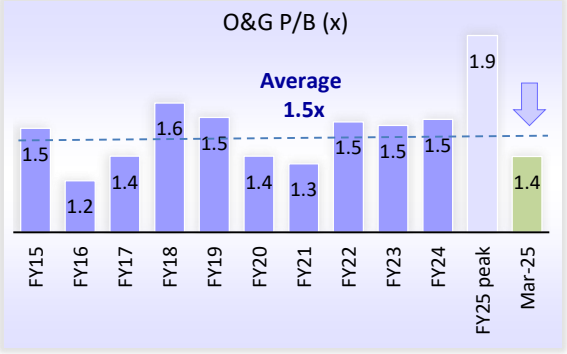
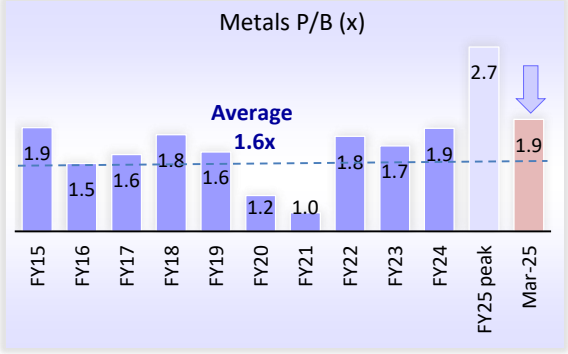
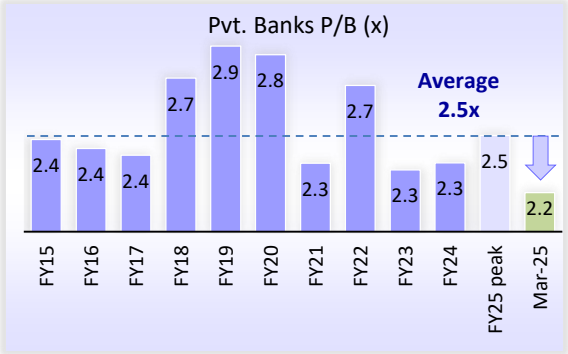
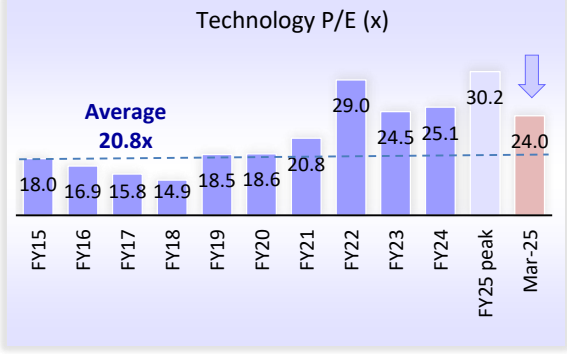
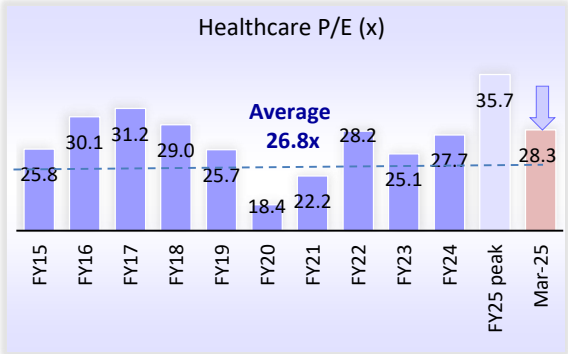
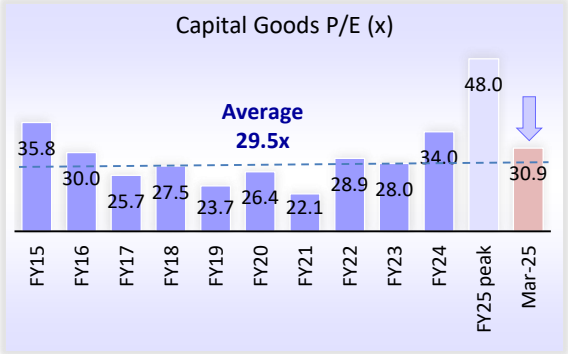
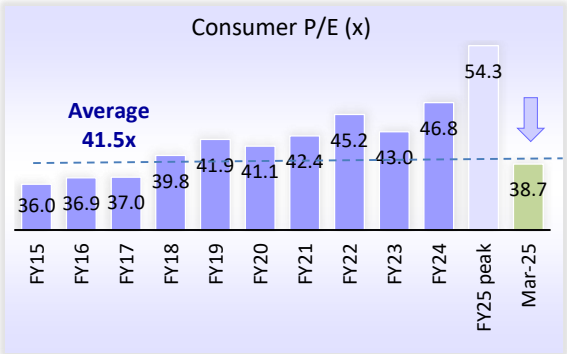
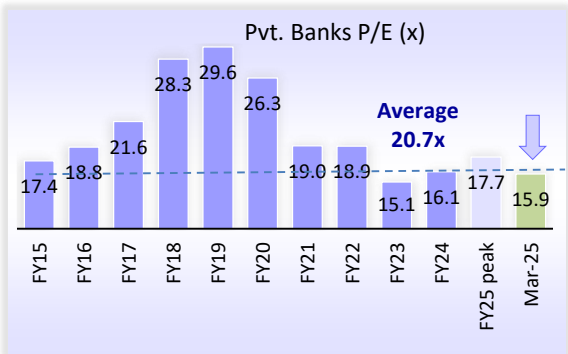
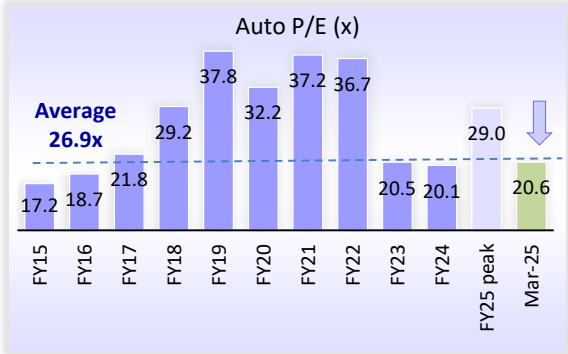


The 12-month average of one-year fwd P/E is considered for the year

KEY EXHIBITS

Valuations across sectors moderate from the highs

❖ Valuations of key sectors have moderated from their 2024 highs, trading below the 10-year average for Auto, Private Banks, Consumer, and Oil & Gas. However, they remain above the 10-year average for Capital Goods, Healthcare, Technology, and Metals following the recent market falloff.

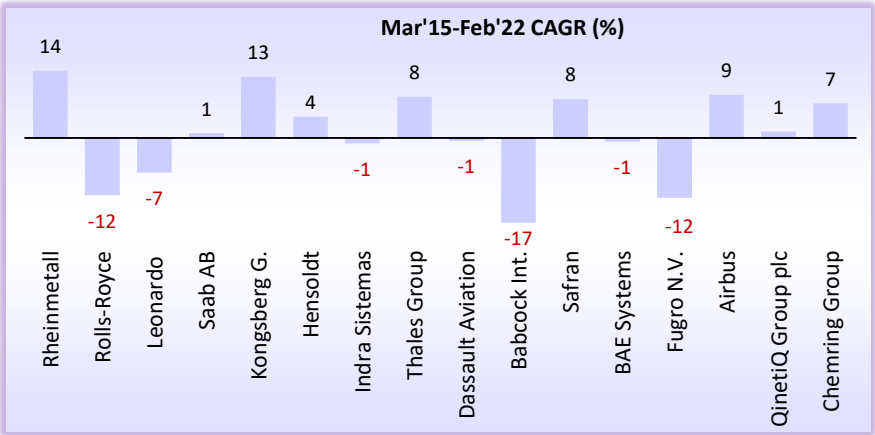


Note: The 12-month average of one-year fwd P/E and P/B has been considered for the year across MOFSL Universe sectors

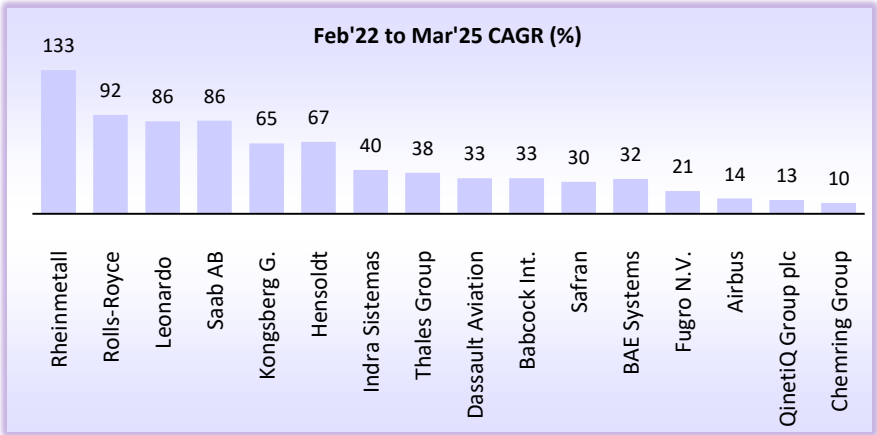
KEY EXHIBITS European defense stocks surge

- ❖ Stock prices of European defense companies have gained significantly following President Donald Trump's call for NATO members to boost their defense spending to 5% of GDP from the current 2% target.
- ❖ The anticipation of increased defense budgets has led to a surge in European defense stocks. The combined order backlog of the eight largest European defense contractors grew 19% in 2024 to a record EUR291b, up from EUR177b at the start of the Ukraine conflict.

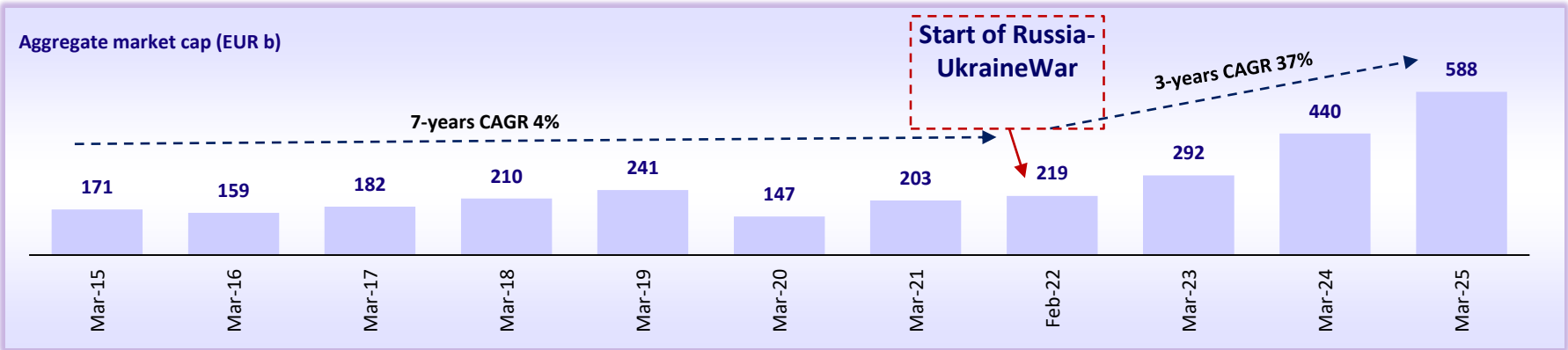
Stock performance of European defense companies prior to the Russia-Ukraine war | CAGR (%)



Stock performance of European defense companies since the beginning of the Russia-Ukraine war | CAGR (%)



Aggregate market caps of European defense companies jumped since the beginning of the Russia-Ukraine war | CAGR (%)

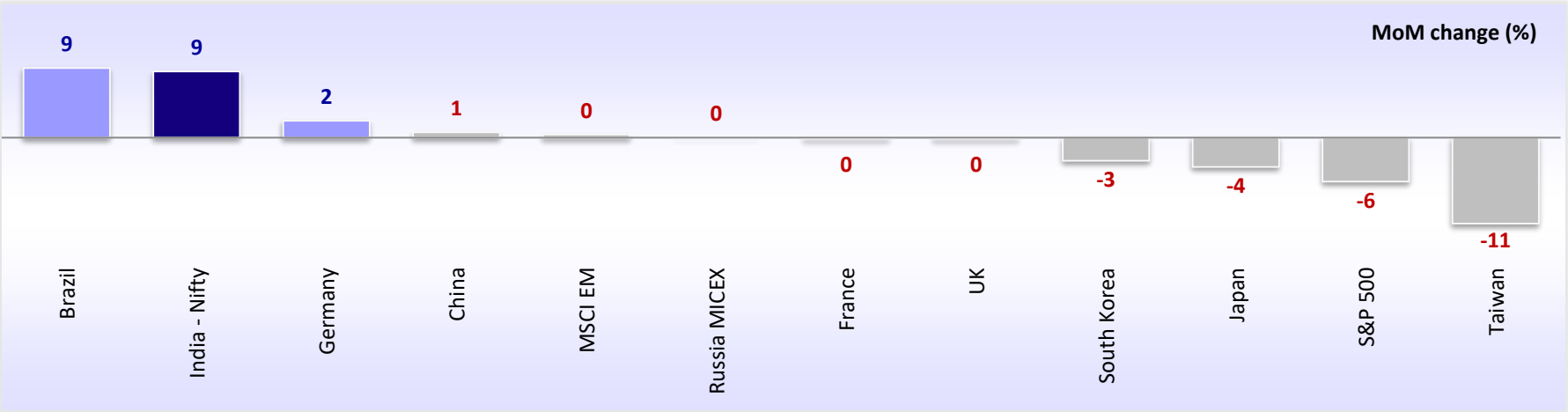


Note: European defense companies considered in the aggregate market cap are Airbus SE, Babcock International Group, BAE Systems plc, Chemring Group plc, Dassault Aviation SA, Fugro N.V., Hensoldt AG, Indra Sistemas S.A., Kongsberg Gruppen ASA, Leonardo S.p.A., QinetiQ Group, Rheinmetall AG, Rolls-Royce Holdings plc, Saab AB, Safran SA, Thales Group.

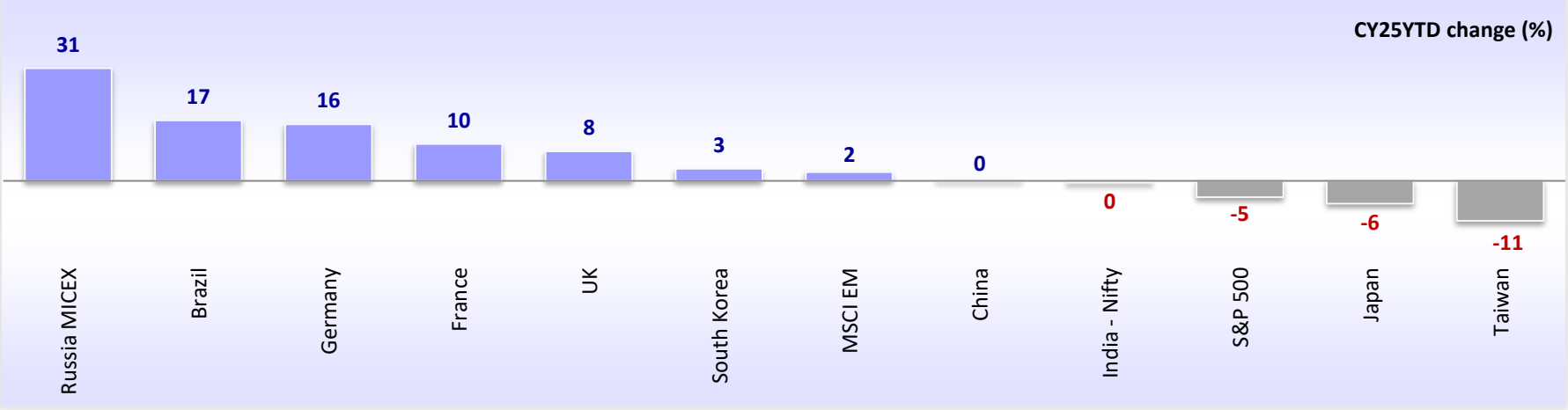
Macro, Markets, and More...

India outperforms most of the global markets in Mar'25

MoM performance of global equity indices in USD terms (%)



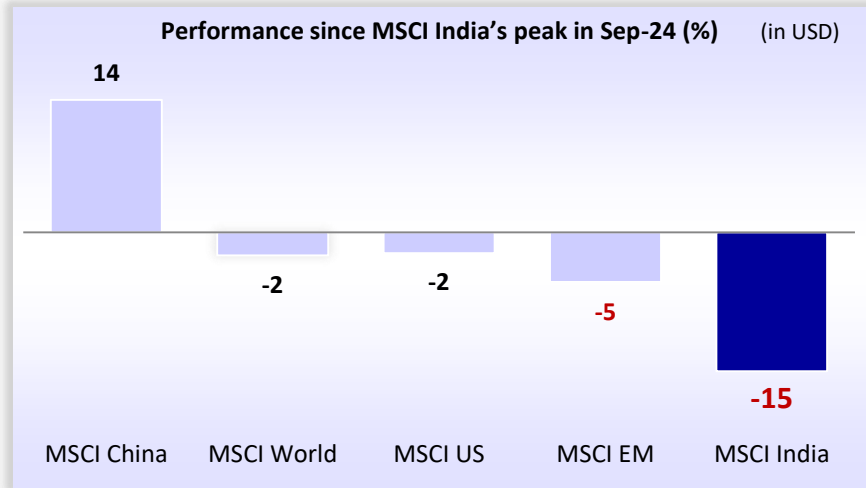
CY25YTD performance of global equity indices in USD terms (%)



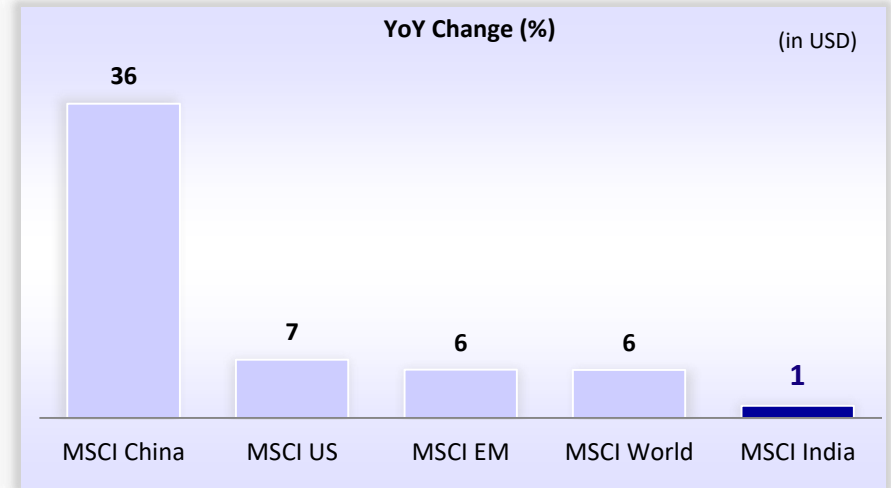
MSCI China rebounds from the lows; MSCI India underperforms since the Sep'24 high

Performance of MSCI India vs. MSCI US, MSCI World, MSCI Emerging Market, and MSCI China in USD terms

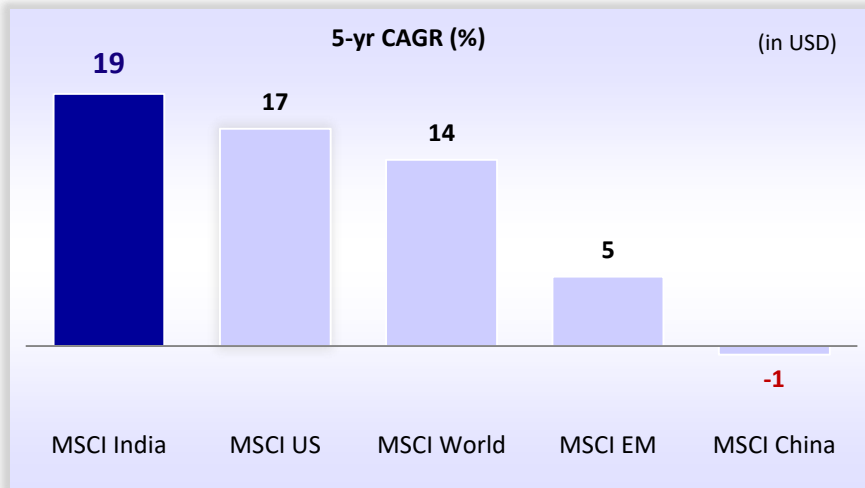
MSCI China outshines global indices over the past six months



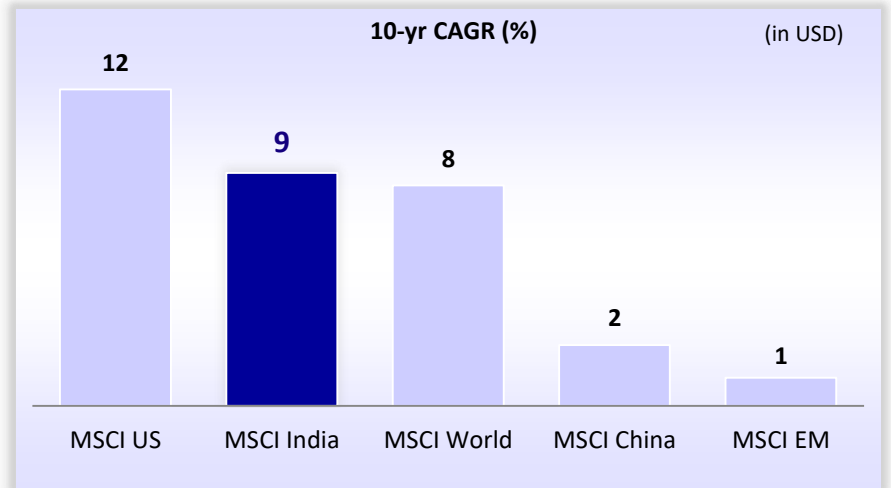
MSCI China outpaces global indices over past one year



MSCI India outperforms peers over the past 5 years



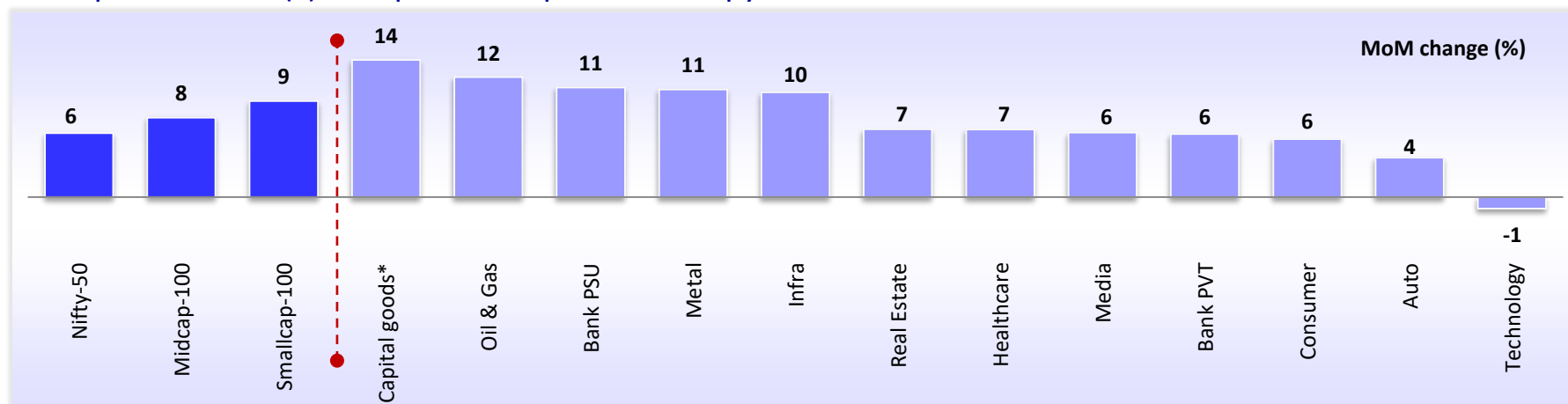
MSCI US and MSCI India outperform MSCI World over the past decade



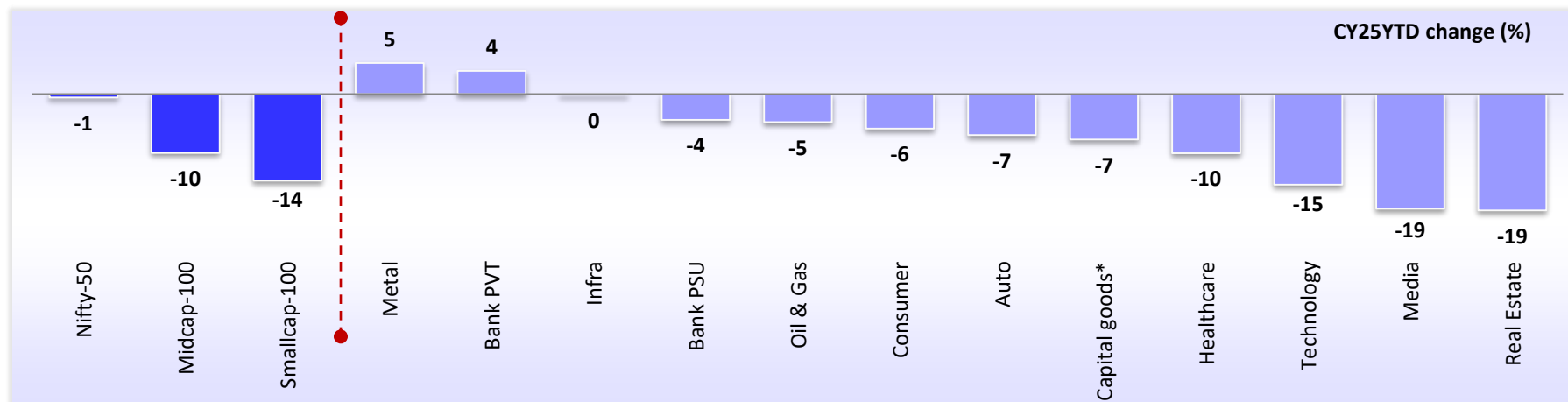
Data as of 31st Mar'25

Most sectors rebound from their Feb'25 lows; Technology declines

Sectoral performance MoM (%): Mid-caps and small-caps rebounded sharply MoM



Sectoral performance in CY25YTD (%): Metals and Private Banks indices rise, while most others end lower in CY25YTD

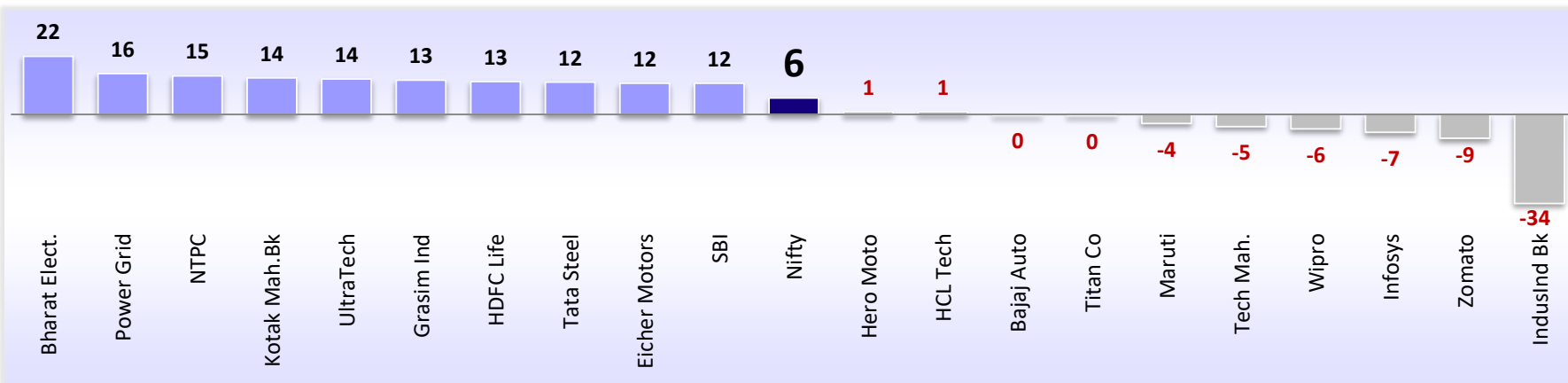


Note: (*) represents BSE Capital goods index.

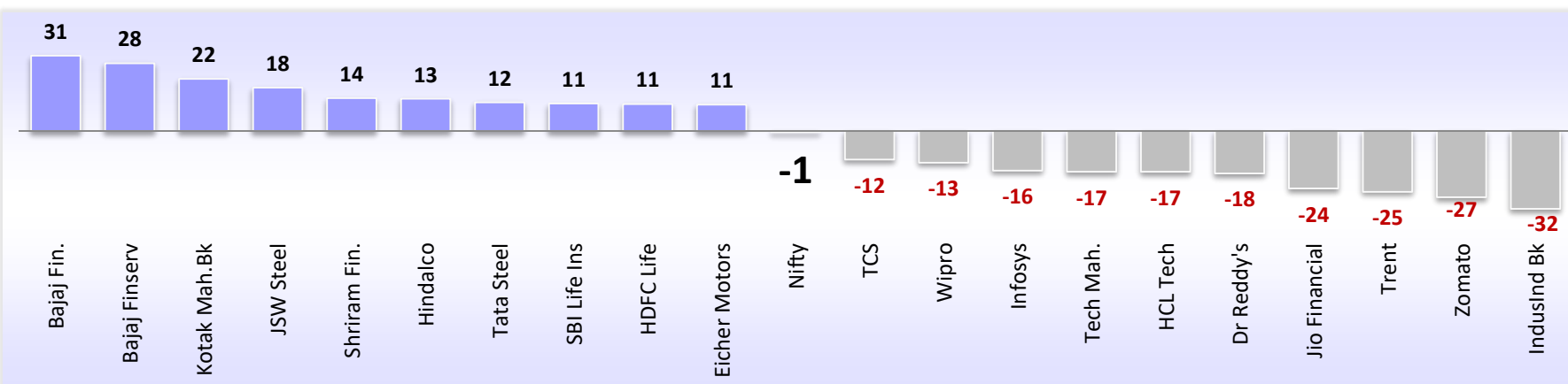
About 84% of Nifty constituents end higher in Mar'25

- ❖ Among Nifty constituents, 42 stocks closed higher MoM and 30 outperformed the benchmark. Bharat Electronics, Power Grid, and NTPC posted notable gains, whereas IndusInd Bank, Zomato, and Infosys were the key laggards.
- ❖ About 25 Nifty constituents trade higher in CY25YTD. Bajaj Finance, Bajaj Finserv, and Kotak Mahindra Bank are the top gainers, whereas IndusInd Bank, Zomato, and Trent are the key laggards.

Best and worst Nifty performers on MoM basis (%)



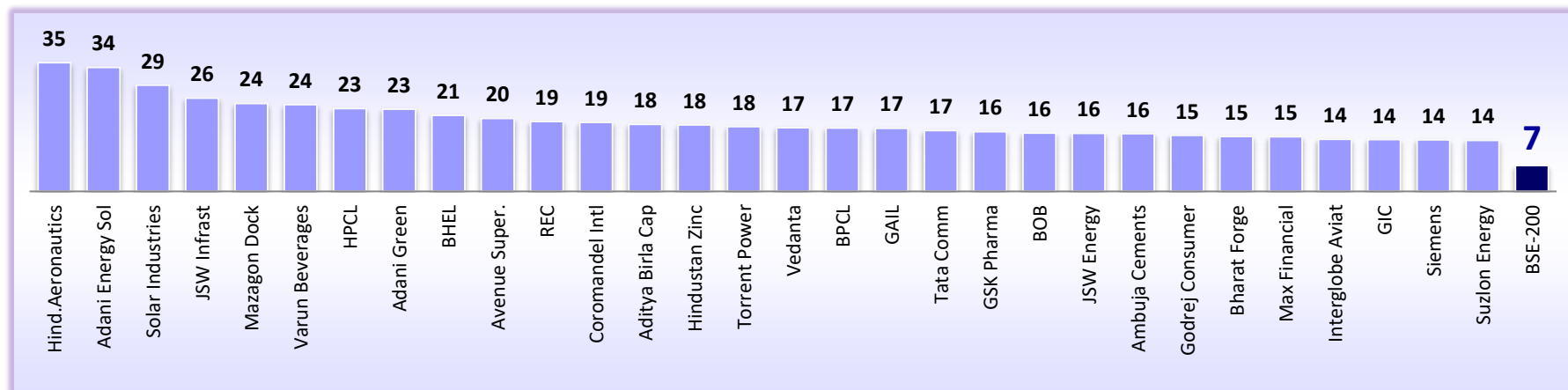
Best and worst Nifty performers in CY25YTD (%)



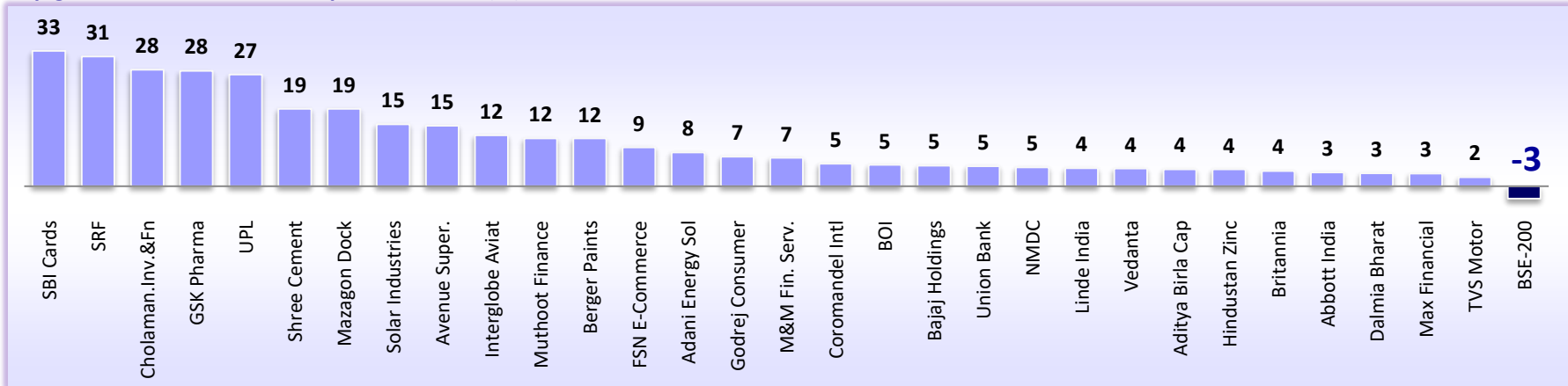
About 88% of BSE-200 constituents end higher in Mar'25

- ❖ In Mar'25, 175 BSE-200 stocks closed higher. HAL, Adani Energy Sol, and Solar Industries gained the most during the month.
- ❖ About 67 BSE-200 constituents trade higher in CY25YTD. SBI Cards, SRF, and Cholamandalam Investment & Finance are the top gainers.

Top gainers from the BSE-200 pack on MoM basis (%)*



Top gainers from the BSE-200 pack CY25YTD (%)*

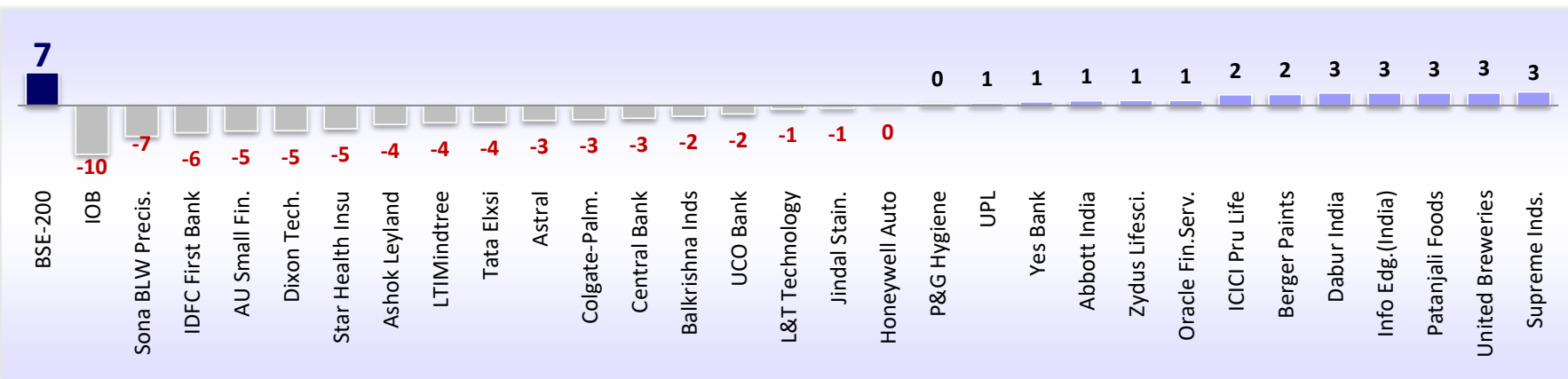


*The list excludes Nifty constituents.

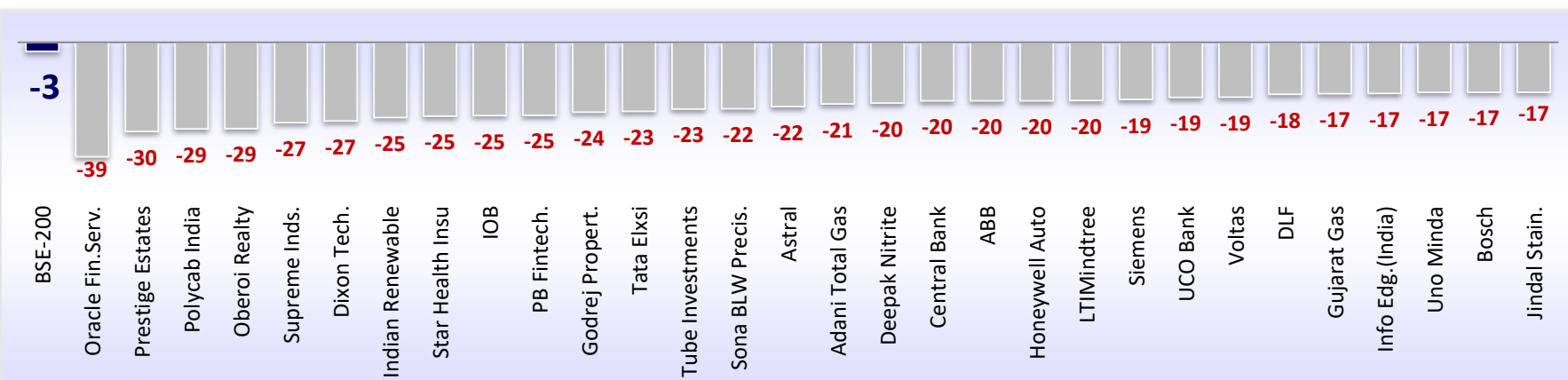
About 12% of BSE-200 constituents end lower in Mar'25

- ❖ In Mar'25, 25 companies closed lower. IOB, Sona BLW and IDFC First Bank were among the key laggards.
- ❖ About 133 of BSE-200 companies trade lower in CY25YTD. Oracle Finance, Prestige Estates, and Polycab India are the key laggards in CY25YTD.

Key laggards among the BSE-200 constituents on MoM basis (%)*



Key laggards among the BSE-200 constituents in CY25YTD (%)*



*The list excludes Nifty constituents.

Technology and Automobiles' weights slide

- ❖ In Mar'25, the weights of Technology and Automobiles dipped, while O&G and Consumers saw a decline due to changes in Nifty-50 constituents. Britannia and BPCL were replaced by Jio Financials and Eternal, leading to a significant shift in the weights of the Consumers, Financials, O&G, and Miscellaneous sectors.

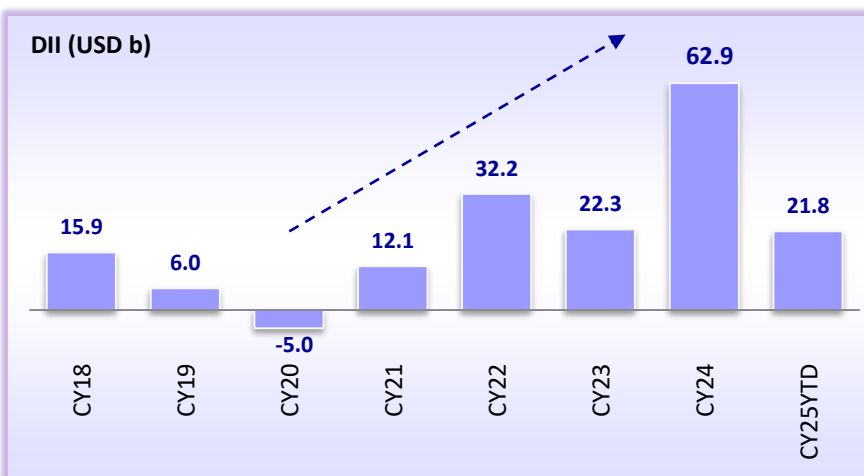
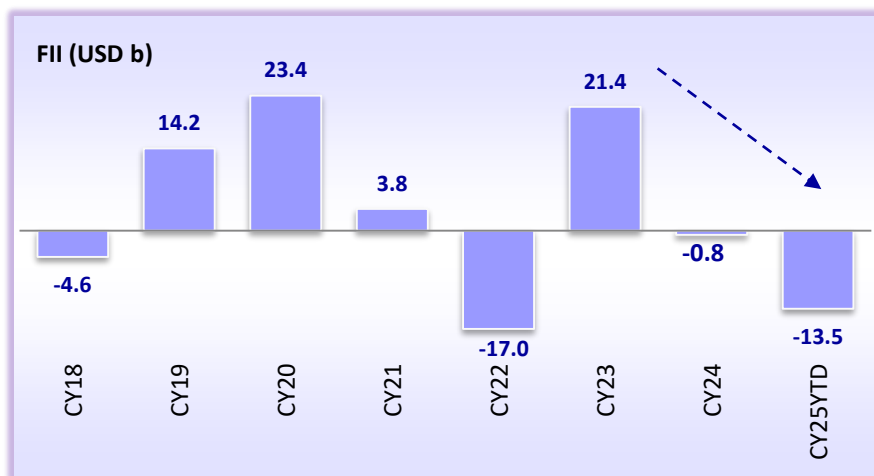
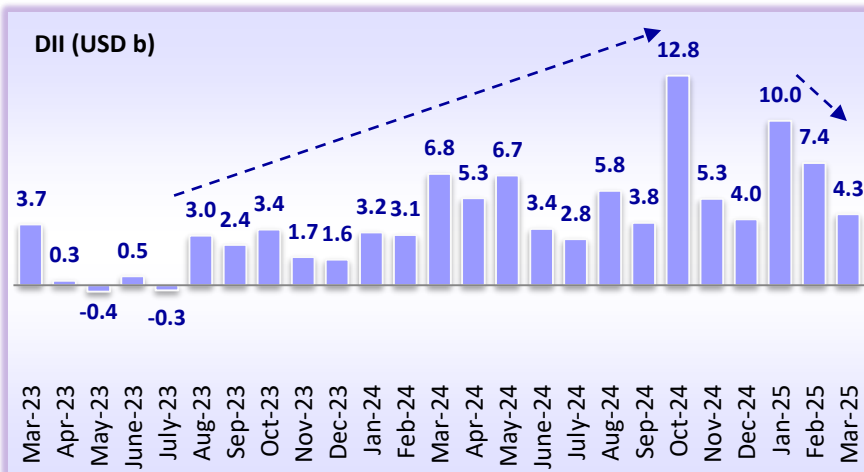
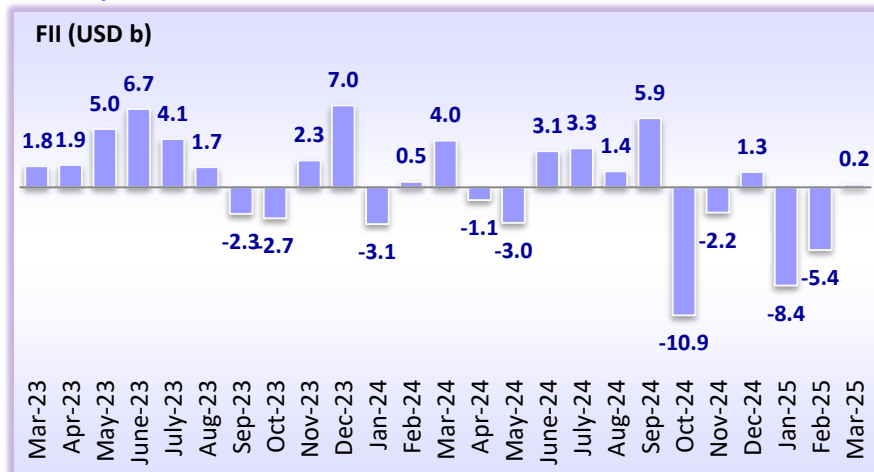
	Weightage in the Nifty (%)								
	Dec'08	Dec'12	Dec'20	Dec'21	Dec'22	Dec'23	Jan'25	Feb'25	Mar'25
Automobiles	2.5	8.8	5.4	5	5.3	6.5	7.6	7.2	6.9
Banks – Private	5	16.9	24.7	21.9	24.2	28.2	26.5	28.2	28.4
Banks – Public	5.4	4.7	1.8	2.3	2.9	2.6	2.8	2.7	2.8
NBFC + Insurance	2.3	7.9	12.3	11.4	10.6	4.5	5	5.6	6.1
Capital Goods	7.7	5.9	2.6	3	3.1	4.4	5	4.6	4.9
Cement	1.7	4.2	2.2	2.4	1.8	2.1	2.1	2	2.2
Consumer	6.5	12.3	10.4	9.4	10.3	10.8	9	8.6	7.8
Healthcare	2.6	5	3.6	3.4	3.8	4	3.9	3.8	3.8
Metals	4.8	3.8	2	2.9	2.9	3	2.7	3	3.1
Oil and Gas	24.5	12.3	12.5	12.3	12.1	10.5	9.6	9.6	9.0
Reliance	10.6	7.4	10.7	10.8	11	9.2	8.1	8.2	8.1
Retail	0	0	1.1	1.4	1.4	1.6	2.6	2.4	2.3
Telecom	11.6	2	2	2.1	2.5	2.7	4.1	4.2	4.4
Technology	9	11.4	16.3	19.1	14	13.6	14	13.1	11.9
Utilities	13.3	4.5	2.1	2.1	2.5	3.6	3.6	3.5	3.7
Miscellaneous	3.3	0.5	1	1.2	2.6	1.9	1.3	1.3	2.7
Nifty	100	100	100	100	100	100	100	100	100.0

Note: The merger of HDFC Bank and HDFC Ltd. resulted in a shift in weightage from NBFCs to private banks in CY23. Britannia and BPCL were replaced with Jio Financials and Eternal in Mar'25

FII flows turn positive after two months; DII's lump-sum inflows dip

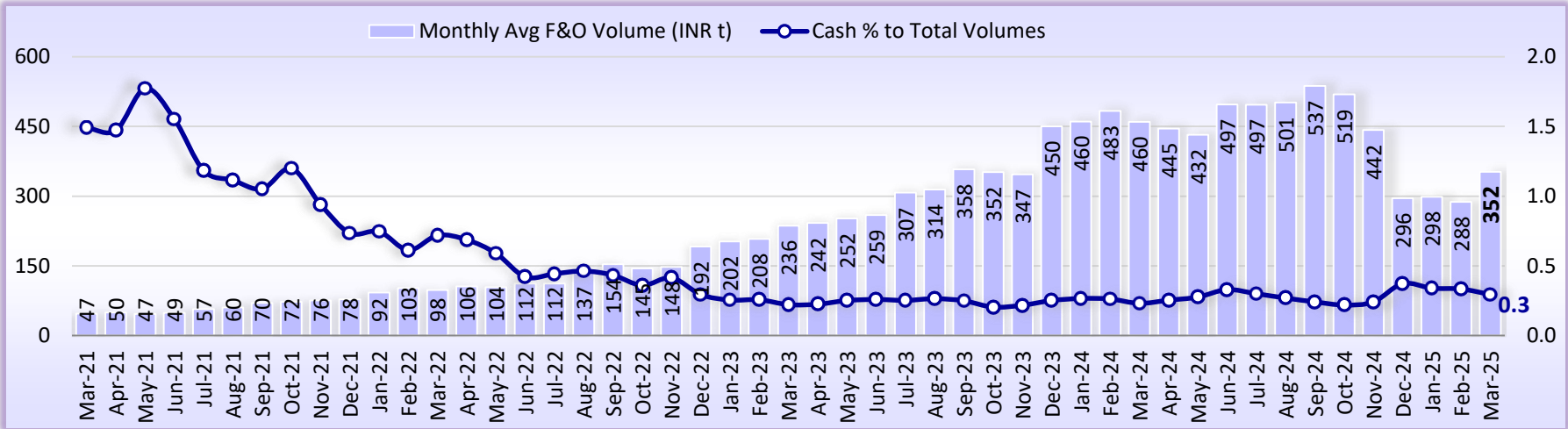
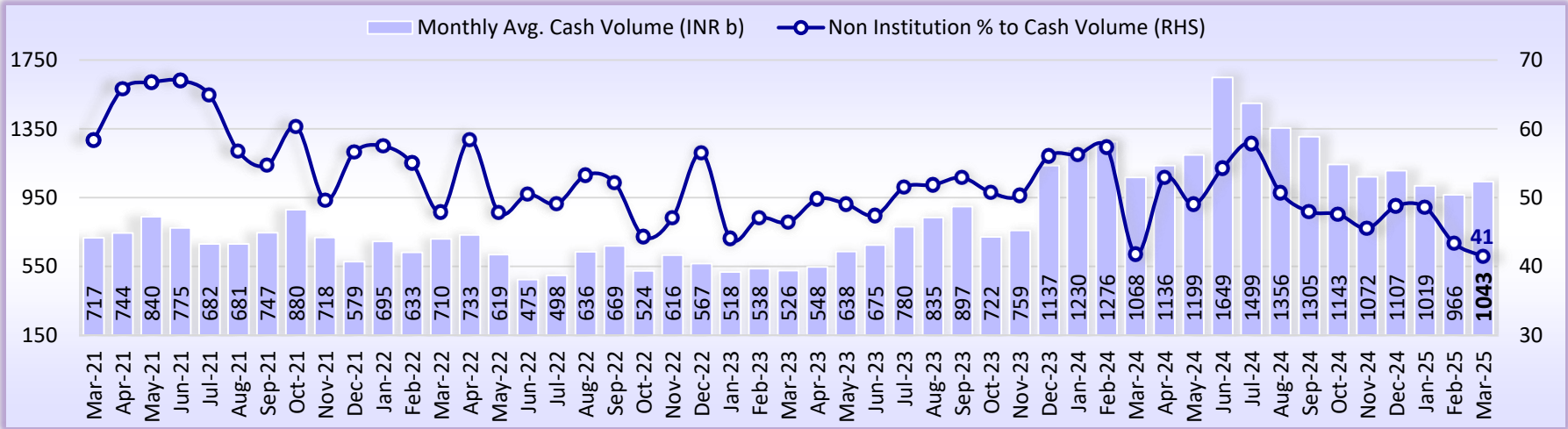
- ❖ After two months of outflows, FII turned marginally positive. Meanwhile, DIIs invested USD4.3b, marking their 20th consecutive month of inflows.
- ❖ In FY25, DIIs invested ~USD72b, while FIIs sold ~USD16b worth of Indian equities.
- ❖ From CY21 to YTD CY25, DII inflows totaled USD151.3b, whereas net FII outflows stood at USD6.1b.

Monthly institutional flows (USD b)



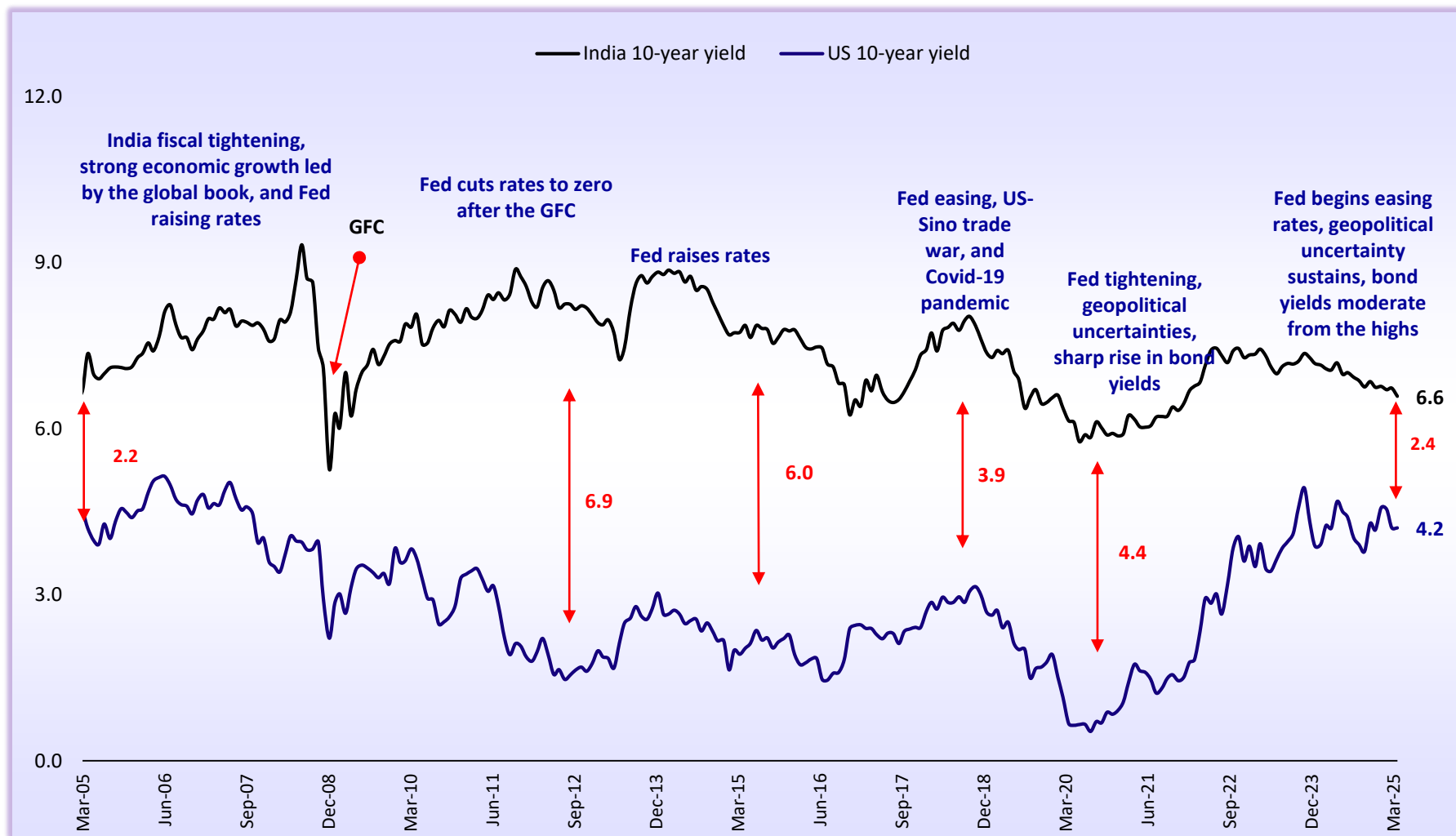
Monthly average cash and F&O volumes rise from the Feb'25 lows

- ❖ Monthly average cash volumes rose 8% MoM in Mar'25 to INR1,043b (down 37% from Jun'24 high). Non-institutional participation accounted for 41% of the total cash volumes, down 200bp MoM.
- ❖ Monthly average F&O volumes were up 22% MoM at INR352t (down 34% from the Sep'24 high).



The 10-year yield spread between India and the US dips marginally MoM

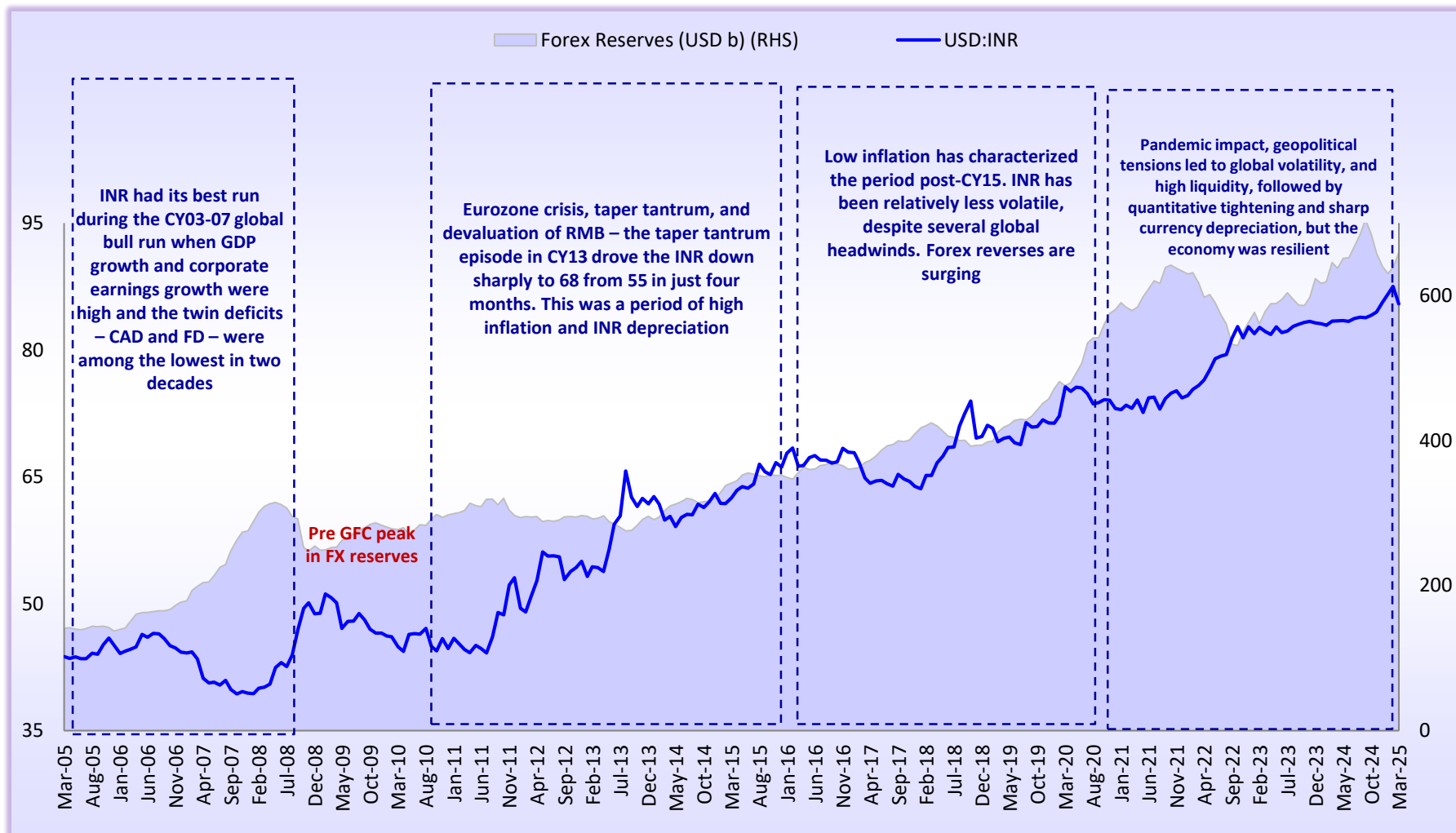
❖ The GoI 10-year bond yield slipped 10bp MoM to 6.6% in Mar'25, while the US yield remained flat at 4.2%. As a result, the yield spread dipped marginally to 2.4%.



Source: Bloomberg, MOFSL

Forex reserves increase for the second consecutive month

- ❖ India's forex reserves rose 3% MoM to USD659b in Mar'25 (up 4.5% from the Jan'25 lows of USD631b).
- ❖ On the currency front, INR:USD strengthened 2.4% MoM to 85.5 (down 2% YoY).



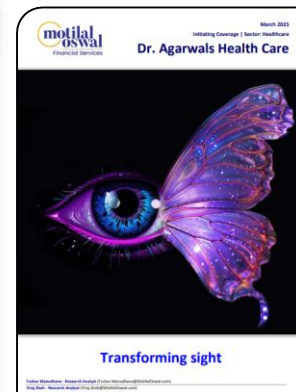
Source: Bloomberg, MOFSL

Key reports from MOFSL's research desk in Mar'25

Initiating Coverage | Dr. Agarwals Health Care | Transforming sight!

[Report link>>](#)

- ❖ Dr. Agarwals Health Care (DAHL) has built one of the largest eye care franchises in India. DAHL offers a comprehensive range of services. DAHL is strengthening its reach by deepening market penetration and expanding through a hub-and-spoke model. With a focus on established locations, it has the potential to add 40-50 centers annually.
- ❖ DAHL has delivered a robust revenue/EBITDA CAGR of 38%/41% over FY22-24 aided by organic as well as inorganic growth levers. We expect a 21%/23% revenue/ EBITDA CAGR, reaching INR24.9b/INR6.9b over FY25-27, fueled by a 19% CAGR in surgical volumes, a 20% CAGR in pharmacy revenues, and stable operating profitability.
- ❖ We value DAHL on an SoTP basis (premised on 24x 12M forward EV/EBITDA for the surgery/consultancy businesses, 14x EV/EBITDA for the optical business, 12x EV/EBITDA for the pharmacy business, and adjusted for a non-promoter stake in Dr Agarwals Eye Hospital (AEHL) and Dr. Thind) to arrive at our TP of INR510. Initiate coverage with a BUY rating.



Initiating Coverage | Bharti Hexacom | A preferred play on India's wireless growth story

[Report link>>](#)

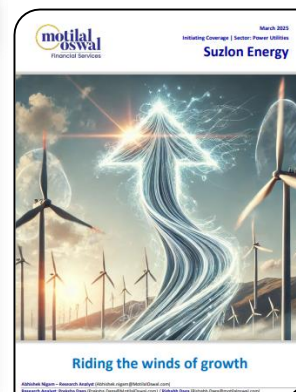
- ❖ Bharti Hexacom (Hexacom), the licensed operator of wireless and fixed-line services under the Airtel brand in Rajasthan and North East circles, provides pure-play exposure to the two high-growth businesses of Airtel – India wireless and Home broadband. Moreover, given lower teledensity and lower internet penetration in Hexacom circles (vs. pan-India), we believe Hexacom can potentially grow a few percentage points faster than Airtel on both subscribers and ARPU. Further, with significantly lower penetration of fixed broadband in Hexacom's circles and the recent ramp-up of Fixed Wireless Access (FWA) offerings, we believe Hexacom's wired broadband business could also grow at a faster clip.
- ❖ We initiate coverage on Hexacom with a BUY rating and a TP of INR1,625, premised on 13x FY27E EV/EBITDA (on par with our Airtel's India wireless multiple).



Initiating Coverage | Suzlon Energy | Riding the winds of growth

[Report link>>](#)

- ❖ SUEL is a global leader in wind energy with an installed capacity of ~20.9GW across 17 countries. It is India's top wind energy service provider with the highest installed capacity of ~15GW, operating with a vertically integrated structure, including in-house R&D and manufacturing facilities in India.
- ❖ SUEL's operations span wind turbine generator (WTG) sales, project execution, foundry and forging components, and operation and maintenance (O&M) services.
- ❖ We initiate coverage on Suzlon Energy (SUEL) with a BUY rating and a target price of INR70/share, implying 21% upside.

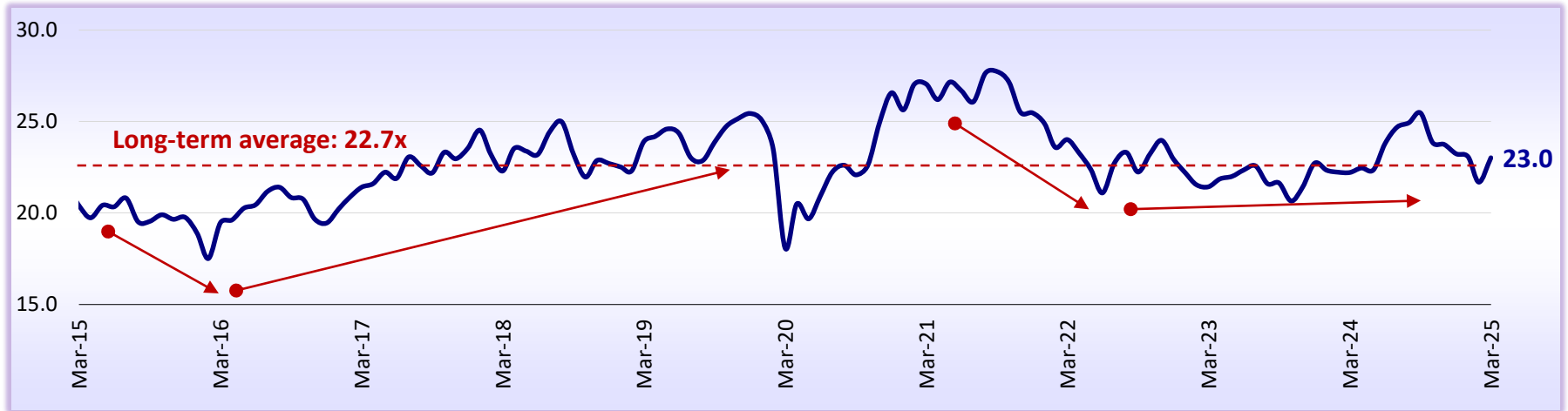


Valuations: Key observations

Valuations: Nifty's 12-month trailing P/E rises from the Feb'25 lows

- ❖ The 12-month trailing P/E for Nifty rose 6% MoM (down 10% from the Sep'24 high of 25.5x) to 23.0x, near its LTA.
- ❖ At 3.4x, the 12-month trailing P/B was 6% above its historical average of 3.1x.

12-month trailing Nifty P/E (x)



12-month trailing Nifty P/B (x)



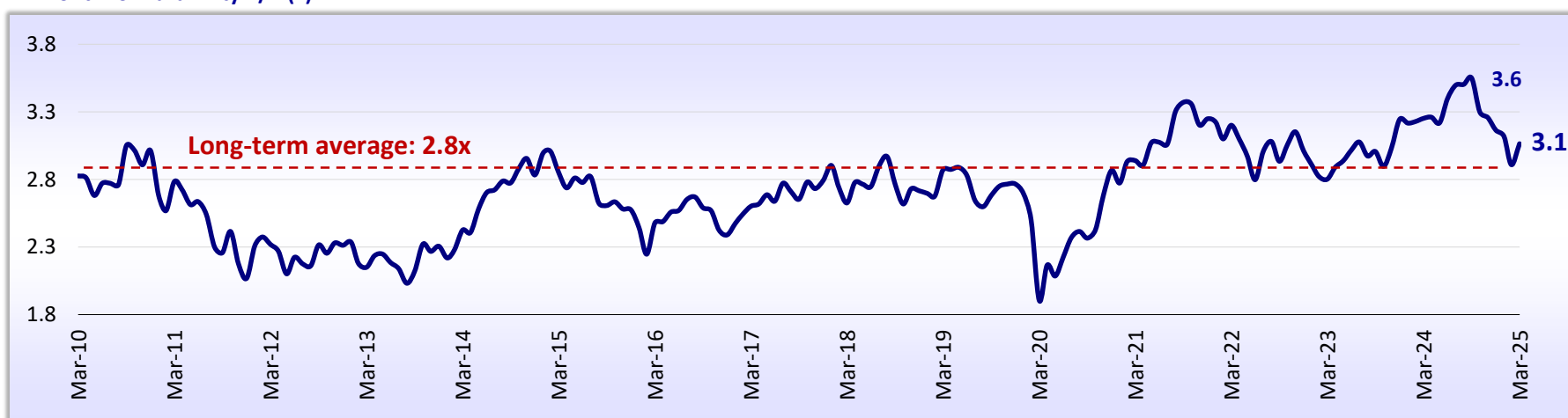
Valuations: Nifty's 12-month forward P/E up MoM

- ❖ Nifty's 12-month forward P/E traded at 20.0x, 3% below its LTA and down 15% from the Sep'24 high.
- ❖ At 3.1x, the 12-month forward P/B traded at a premium of 8% to Nifty's historical average of 2.8x.

12-month forward Nifty P/E (x)



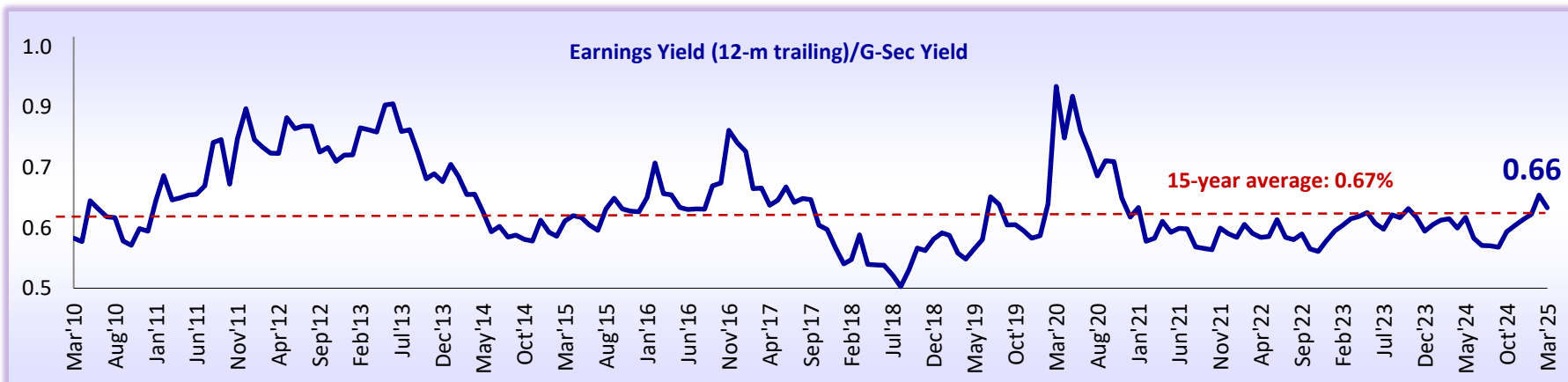
12-month forward Nifty P/B (x)



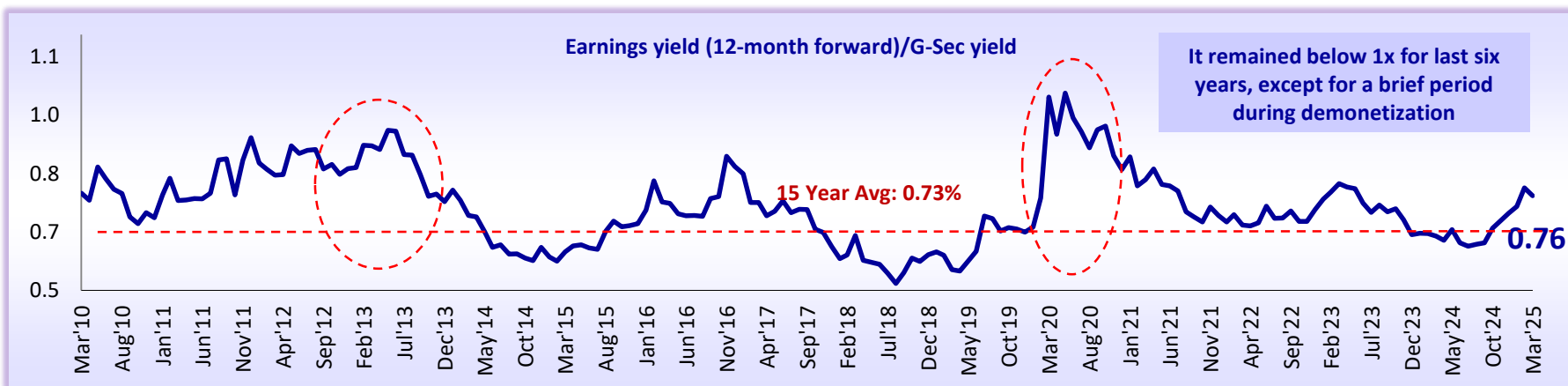
EY/BY moderates from the Feb'25 high

❖ India's 10-year bond yield stood at 6.6% (down 10bp MoM). As a result, EY/BY traded near its LPA on a trailing and forward basis.

Trailing Earnings Yield/G-Sec Yield (x)



Forward Earnings Yield/G-Sec Yield (x)



Valuation snapshot – Broader market valuations remain elevated

- ❖ While mid-caps and small-caps have declined sharply from their Sep'24 highs, their valuations still continue to trade at a premium to the averages.
- ❖ Barring large-caps and banks, most of the sectors continue to trade at a premium to their LPA.

NSE indices: Valuation snapshot

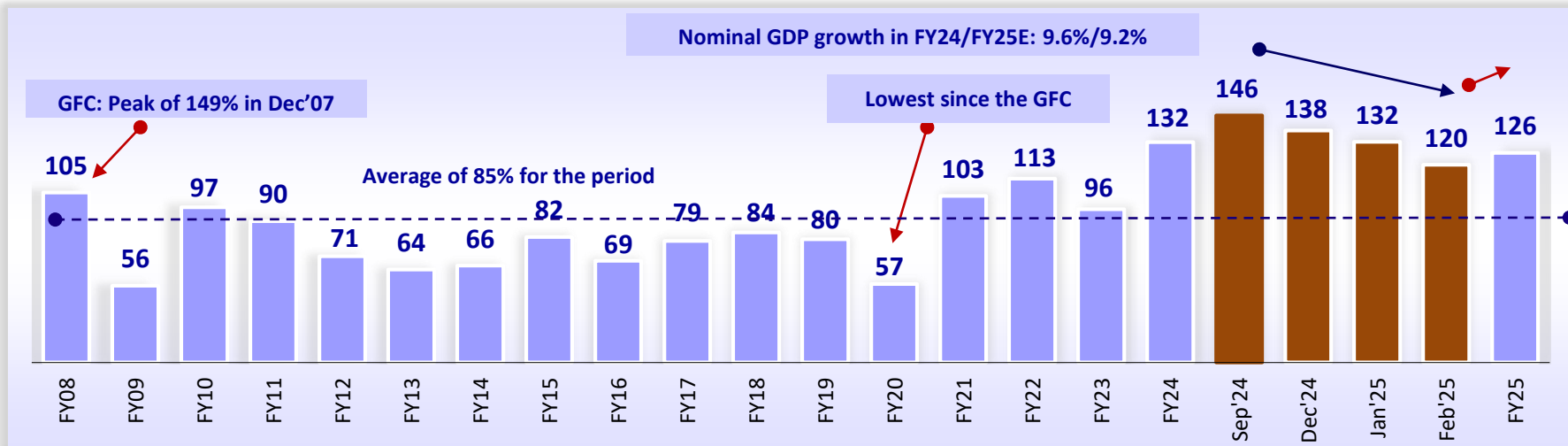
Indices	Nifty-50	Nifty Midcap-100	Nifty Smallcap-100	Nifty-500	Nifty Auto	Nifty Bank	Nifty FMCG	BSE Capital Goods	Nifty IT	Nifty Metal	Nifty Energy
Mar'25 closing	23,519	51,672	16,096	21,340	21,296	51,565	53,590	62,724	36,886	9,093	33,572
YoY change (%)	5.3	7.5	5.4	5.4	-0.6	9.4	-0.7	2.9	5.7	10.1	-14.0
EPS (12m fwd)	1,174	1,721	719	1,002	1,063	4,053	1,399	1,800	1,470	602	2,328
P/E (12m fwd)	20x	30.0	22.4	21.4	20.2	12.7	38.1	34.9	25.5	15.2	14.5
P/E (10 yr average)	20.6x	22.5	16.0	19.5	19.5	15.8	33.6	25.4	21.0	11.1	11.5
P/B (12m fwd)	3.1	4.3	3.0	3.3	3.4	2.1	8.3	6.2	6.7	2.2	2.1
P/B (10 yr average)	2.8	2.7	2.0	2.8	2.9	2.1	8.5	3.5	5.1	1.3	1.4
RoE (%)	15.0	13.9	13.2	14.9	16.6	15.5	22.0	17.6	27.4	14.1	14.3

Source: Bloomberg, and MOFSL estimates considered for Nifty-50; as of 31st Mar'25 | LPA: Long Period Average, i.e. 10-year average

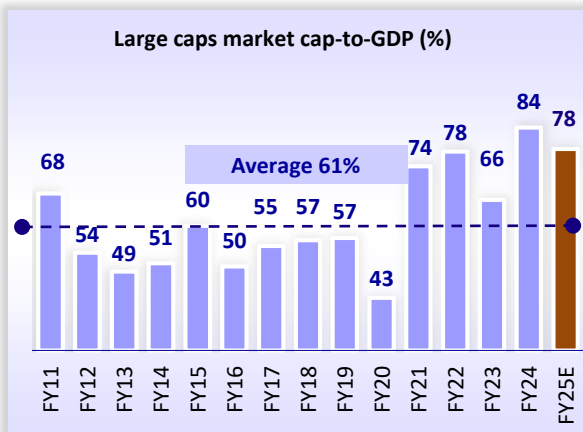
India's market cap-to-GDP ratio declines from the 17-year high level

- ❖ India's market cap-to-GDP ratio stood at 126%, down ~26% from the Sep'24 high of 146% but up 6% MoM.
- ❖ The market cap-to-GDP ratio for large-caps declined sharply, while mid-caps and small-caps continue to trade near their highs.

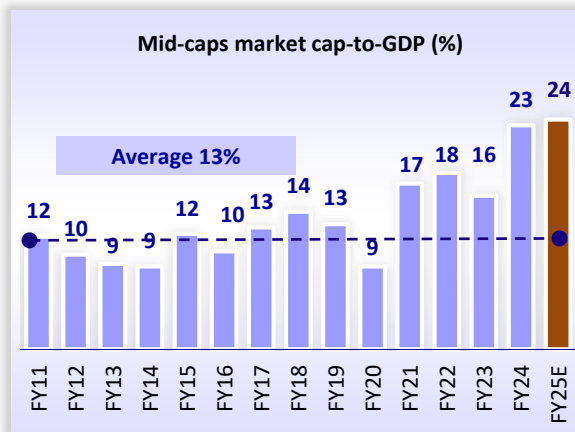
Market cap-to-GDP ratio (%)



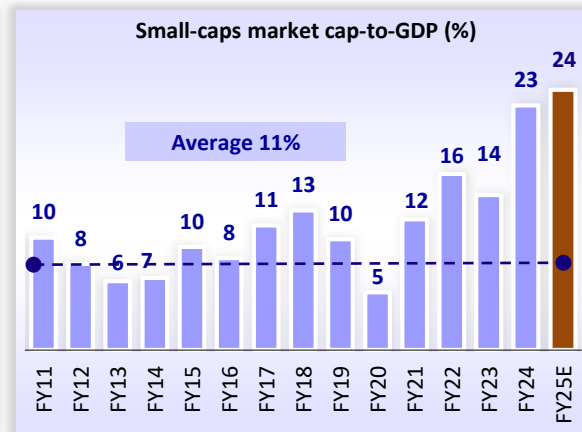
Large-caps' market cap-to-GDP ratio (%)



Mid-caps' market cap-to-GDP ratio (%)



Small-caps' market cap-to-GDP ratio (%)

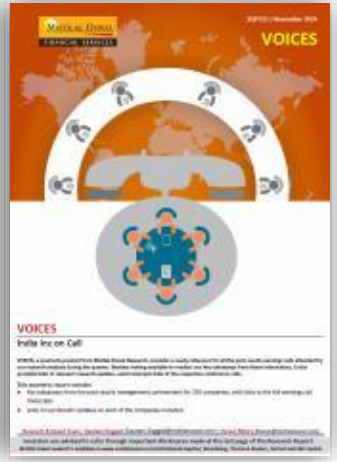


Note: Have considered the entire listed universe. Large- (Top 100), mid- (101 to 250 cos), and small- (251 onwards) market cap-to-GDP ratios represent the breakdown of the aggregate market cap-to-GDP ratio.

Company	Mcap (USDb)	CMP	EPS (INR)			EPS CAGR (%)	PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25-27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Preferred large cap stocks															
Reliance Inds.	202.4	1,275	50.6	61.0	67.9	15.9	25.2	20.9	18.8	2.0	1.9	1.7	8.3	9.3	9.5
Bharti Airtel	122.8	1,731	36.5	44.7	62.1	30.5	47.5	38.7	27.9	9.5	7.2	6.1	22.8	22.8	25.6
ICICI Bank	110.4	1,348	66.3	71.7	82.0	11.2	20.3	18.8	16.4	3.4	3.0	2.6	18.3	17.0	16.8
Hind. Unilever	61.5	2,259	44.1	49.3	54.1	10.8	51.3	45.8	41.7	10.3	10.2	10.0	20.2	22.4	24.2
Larsen & Toubro	56.3	3,491	106.2	135.4	156.5	21.4	32.9	25.8	22.3	4.9	4.3	3.7	15.9	17.8	17.9
Kotak Mah. Bank	49.6	2,171	96.0	109.8	131.4	17.0	22.6	19.8	16.5	2.9	2.5	2.2	13.8	13.5	14.0
Sun Pharma	48.6	1,735	49.2	59.5	66.6	16.4	35.3	29.2	26.1	5.7	4.8	4.1	17.2	17.9	17.1
Maruti Suzuki	43.1	11,521	462.3	512.4	573.4	11.4	24.9	22.5	20.1	3.9	3.4	3.1	14.8	15.3	15.2
M & M	38.4	2,666	99.3	124.6	145.1	20.8	26.8	21.4	18.4	5.2	4.4	3.7	21.0	22.2	21.7
Titan Company	32.1	3,064	42.8	53.4	63.8	22.1	71.6	57.4	48.0	22.6	17.7	14.1	35.5	34.6	32.7
Trent	22.5	5,311	45.0	61.4	78.2	31.9	118.1	86.5	67.9	31.1	22.5	16.6	32.9	32.3	30.1
Tech Mahindra	16.3	1,418	45.8	62.1	75.3	28.2	31.0	22.9	18.8	4.6	4.5	4.3	15.0	19.9	23.4
Preferred midcap/smallcap stocks															
Indian Hotels	13.2	787	11.8	15.3	18.1	23.7	66.4	51.5	43.4	9.9	8.4	7.1	16.2	17.7	17.7
JSW Energy	11.2	538	13.7	17.2	18.2	15.4	39.3	31.2	29.5	4.1	3.7	3.4	11.0	12.5	12.0
HDFC AMC	10.2	4,013	114.5	130.6	148.7	14.0	35.0	30.7	27.0	11.1	10.2	9.3	33.1	34.7	36.2
Dixon Tech.	9.5	13,180	130.8	174.2	250.6	38.4	100.7	75.7	52.6	32.0	22.6	15.9	37.7	35.1	35.5
JSW Infra	7.9	320	6.7	7.7	9.8	20.9	47.8	41.4	32.7	7.4	6.5	5.7	16.4	16.8	18.6
Godrej Properties	7.5	2,127	51.3	64.4	64.8	12.4	41.5	33.0	32.8	3.4	3.1	2.8	10.4	9.8	9.0
BSE	7.4	5,480	88.5	137.9	167.7	37.6	61.9	39.7	32.7	20.3	17.6	15.1	32.7	44.2	46.3
Coforge	6.3	8,099	128.2	234.6	294.7	51.6	63.2	34.5	27.5	12.8	10.9	9.1	21.3	33.9	35.8
Page Industries	5.7	42,766	613.6	709.4	841.0	17.1	69.7	60.3	50.9	27.2	23.4	20.1	39.0	38.8	39.5
IPCA Labs.	4.4	1,501	34.3	45.8	56.5	28.3	43.7	32.8	26.6	5.4	4.7	4.1	13.0	15.4	16.5
Metro Brands	3.2	1,012	13.7	17.1	21.8	26.3	74.1	59.1	46.4	12.5	10.6	8.9	18.5	19.9	21.4

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Quant Research & India Strategy Gallery



NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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