

Sectors trading at a premium



Sectors trading at a discount

- Infrastructure
- Consumer Durables
- Real Estate
- Sp. Chemicals
- Capital Goods
- Banks - PSU
- Technology
- Logistics
- Cement
- Healthcare
- Oil & Gas
- Consumer
- Metals
- Retail
- NBFC
- Auto
- Banks - Private
- Media
- Telecom

BULLS & BEARS

INDIA VALUATIONS HANDBOOK

HIGHLIGHTS – SEP'24 EDITION

- Market rallies for the fourth straight month, surpasses the 26k milestone
- Highest FII inflows since Jan'24; DII inflows remain strong
- Indian markets remain resilient and strong YTD
- Midcaps and smallcaps underperform largecaps
- Metals, Utilities, Real Estate, Consumer, and Financials the top gainers
- Over the last 12 months, while global market cap rise 21.8% (USD22.4t), India's market cap surges 54.6%
- Top 10 countries constitute ~83% of the global market cap as of Sep'24

STRATEGY

Nifty continues its upward momentum, surpasses the 26k milestone!

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DEEP-DIVE FOR THE MONTH

Metals: Improving global environment to boost metal prices

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INDIAN EQUITIES

Nifty on a roll; up 2.3% MoM in Sep'24

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GLOBAL EQUITIES

India among the top-performing markets in Sep'24

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SECTOR VALUATIONS

Two-thirds of the sectors trade at a premium to their historical average

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COMPANY VALUATIONS

Two-thirds of the Nifty constituents trade at a premium to their historical average



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About the product

As the tagline suggests, **BULLS & BEARS** is a monthly handbook on valuations in India. It covers:

- Valuations of Indian market vs. global markets
- Current valuations of companies across sectors
- Sectors that are currently valued at a premium/discount to their historical long-period average

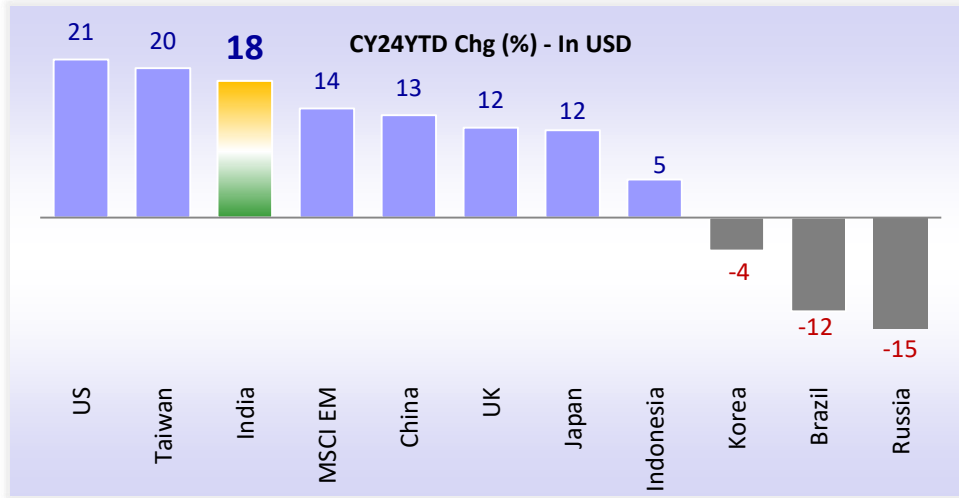
NOTES:

- Prices as of 30th Sep'24
- **BULL icon:**  Sectors trading at a premium to their historical average
- **BEAR icon:**  Sectors trading at a discount to their historical average
- Valuations are on a 12-month forward basis, unless mentioned otherwise
- Sector valuations are based on MOSL coverage companies
- Data on global equities is sourced from Bloomberg; Nifty valuations are based on MOFSL estimates

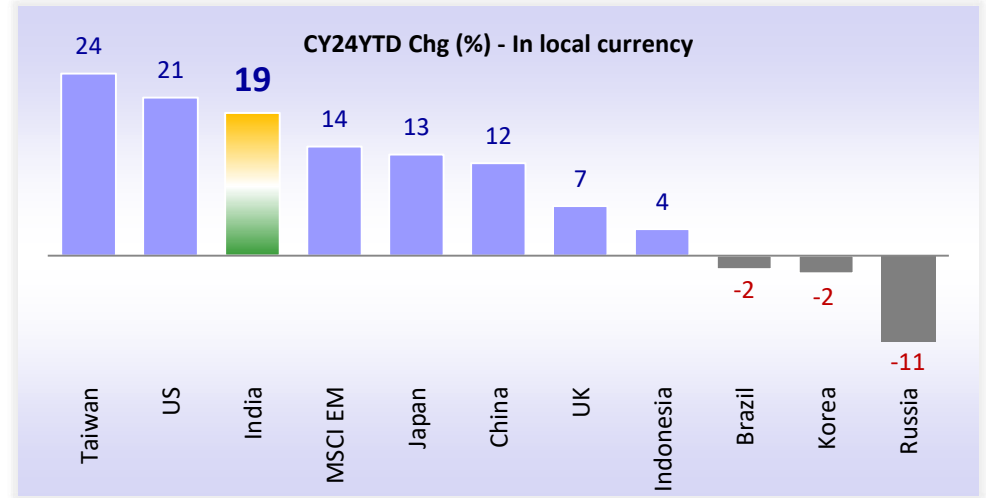
Investors are advised to refer to the important disclosures appended at the end of this report.

- **Market rallies for the fourth consecutive month; surpasses the 26k milestone:** The Nifty surpassed the 26k mark in Sep'24 to hit a record high of 26,277 before ending +2.3% MoM at 25,811 in Sep'24. The index has closed higher for the fourth straight month now. Notably, the index was extremely volatile and swung around 1,524 points before closing 575 points higher. The Nifty is up 18.8% in CY24YTD. During the last 12 months, midcaps and smallcaps have gained 48% and 50%, respectively, while largecaps have risen 31% only. During the last five years, midcaps have outperformed largecaps by 150%, while smallcaps have outperformed largecaps by 118%.
- **Highest FII inflows since Jan'24; DII inflows remain strong:** For the fourth consecutive month in Sep'24, FIIs were net buyers of USD5.9b – the highest since Jan'24. DII inflows continued to remain strong at USD3.8b in Sep'24. FII inflows into Indian equities stand at USD11b in CY24YTD vs. inflows of USD21.4b in CY23. DII inflows into equities in CY24YTD continue to be strong at USD40.8b vs. USD22.3b in CY23.
- **Breadth favorable in Sep'24:** Among sectors, Metals (+8%), Utilities (+5%), Real Estate (+4%), Consumer (+4%), and Financial (+4%) were the top gainers, whereas Telecom (-5%), PSU Banks (-3%), and Technology (-2%) were the only laggards MoM. Bajaj Auto (+13%), Shriram Finance (+12%), Bajaj Finserv (+11%) Tata Steel (+10%), and M&M (+10%) were the top performers, while Tata Motors (-12%), ONGC (-10%), TCS (-6%), Bharat Electronics (-5%), and Dr Reddy's (-4%) were the key laggards.
- **India among the top-performing markets in Sep'24:** Among the key global markets, China (+17%), MSCI EM (+6%), Russia (+6%), India (+2%), and the US (+2%) ended higher in local currency terms. However, Brazil (-3%), Korea (-3%), Japan (-2%), Indonesia (-2%), and the UK (-2%) ended lower MoM in Sep'24. Over the last 12 months, the MSCI India Index (+40%) has outperformed the MSCI EM Index (+23%) handsomely. Over the last 10 years, the MSCI India Index has notably outperformed the MSCI EM index by a robust 195%.
- **Economy – household financial net worth at a new peak in 1QFY25:** Just a couple of months ago, the Reserve Bank of India (RBI) [published](#) an article in its monthly Bulletin, presenting the first-ever quarterly estimates of the financial wealth of Indian households (HHs) from FY12 to FY23 (Jun'11-Mar'23). These efforts have been highly appreciated, as they notably contribute to bridging the data gap and providing deeper insights into the financial positions of HH in India. However, it is important to note that the article did not provide detailed estimates of HH financial assets. In [our recent report](#), we present our estimates of HH financial wealth based on the information shared in the RBI's article.
- **Our view:** With markets at a new high, the Nifty-50 is currently trading at 21.5x its one-year forward earnings, above its historical average of 20.4x (at a 5% premium). India has been perceived as relatively expensive for a long period compared to its emerging market peers. This premium valuation is supported by: 1) Nifty PAT CAGR of 25%, 18%, and 12% over the last 3, 5, and 10 years, respectively; 2) a stable political environment with the BJP (under NDA) winning a third consecutive term; 3) a GDP growth rate of 6% to 7%; and 4) strong macroeconomic indicators, including a stable currency, controlled twin deficits, peaking of interest rates, moderating inflation print, and massive development of digital and physical infrastructure. We remain constructive on the markets, and our preference is predominantly in favor of largecaps, as the valuations of midcap and smallcap indices are at a premium of 59% and 12% to Nifty-50, respectively. [Our model portfolio](#) underscores our strong belief in domestic structural and cyclical themes. We continue to remain bullish on PSU Banks, Consumption, Industrials, and Real Estate, and we have turned constructive on Technology. We also remain positive on Healthcare, and maintain our underweight stance on Private Banks and Energy.
- **Top ideas: Largecaps** – ICICI Bank, SBI, HUL, L&T, HCL Tech, M&M, Coal India, Titan, Hindalco, and Mankind Pharma; **Midcaps and Smallcaps** – Indian Hotels, Godrej Properties, Ashok Leyland, Persistent System, Kaylan Jewellers, Metro Brands, PNB Housing, Cello World, Angel One and Gravita India.

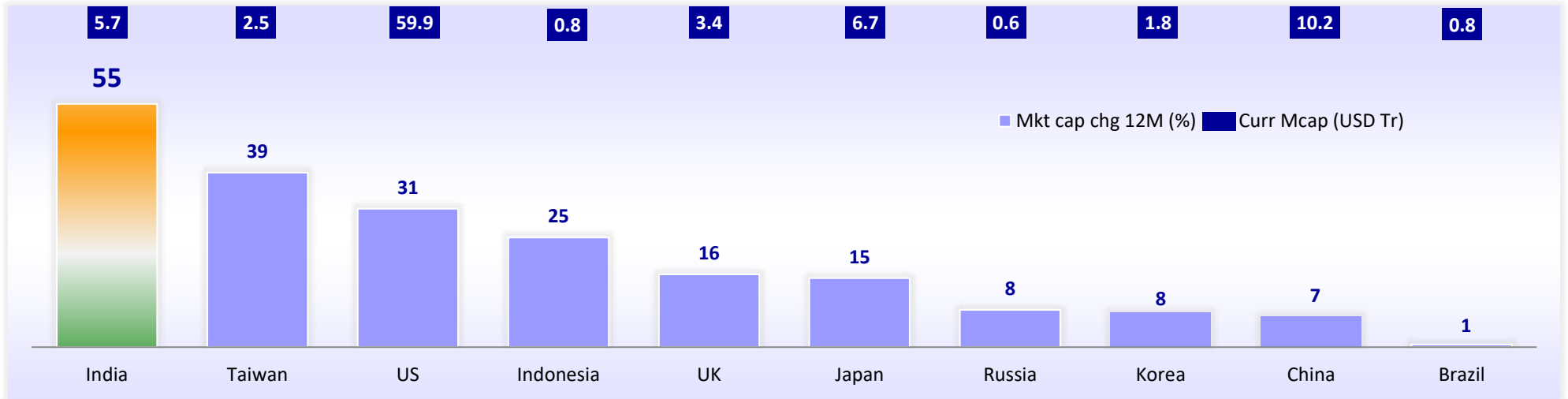
World equity indices in CY24YTD in USD terms (%)



World equity indices in CY24YTD in local currency terms (%)

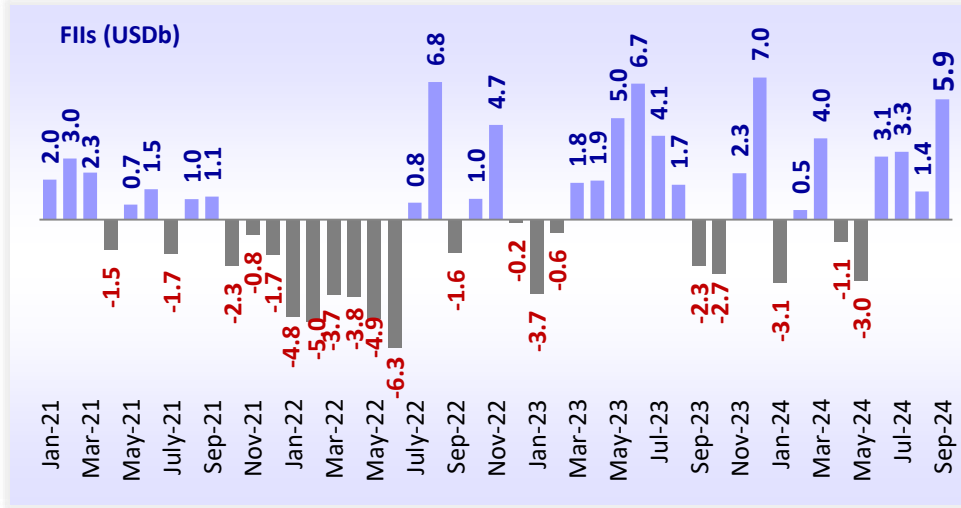


Change in market cap over the last 12 months (%) – Global market cap has increased 21.8% (USD22.4t), whereas India’s market cap has surged 54.6%

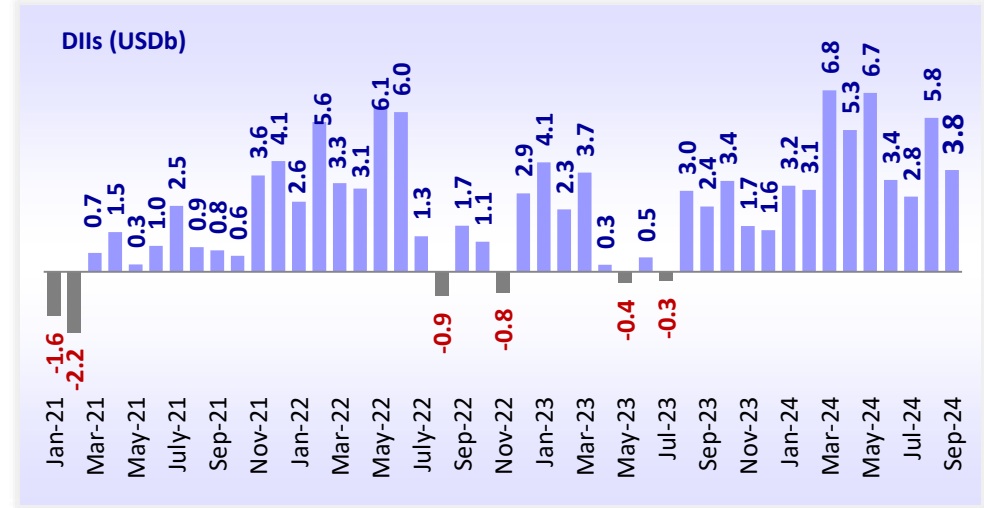


Source: Bloomberg

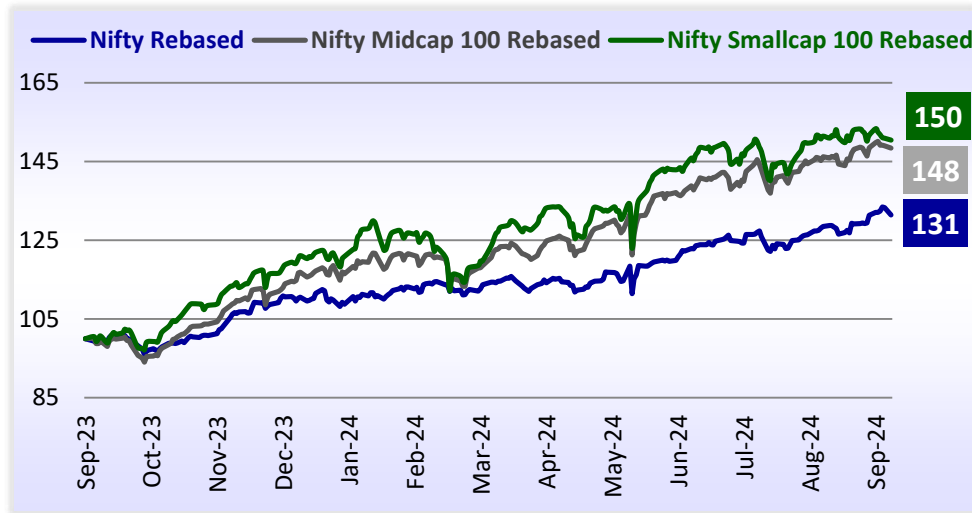
FII record inflows into equities for the fourth consecutive month



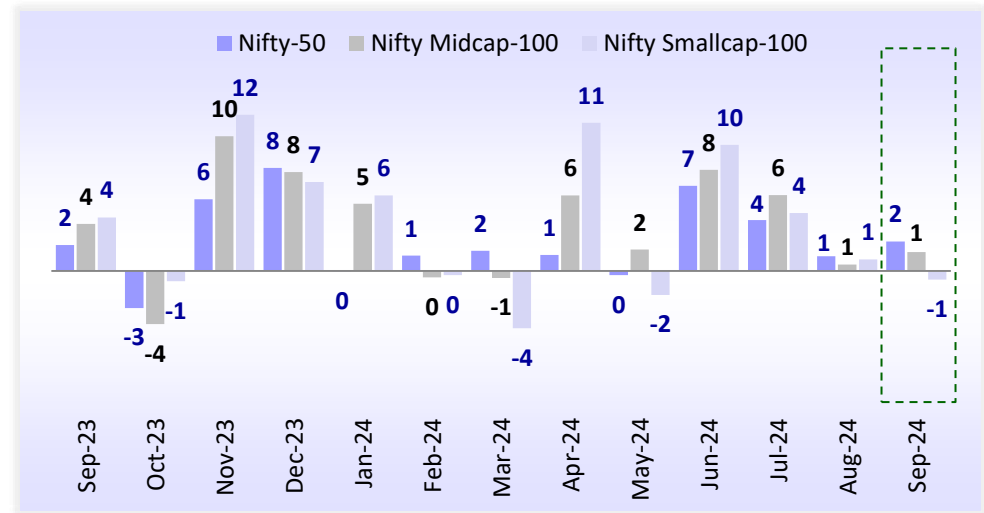
DII's monthly flows into equities remain robust



Performance of midcaps/smallcaps vs. largecaps over the last 12 months

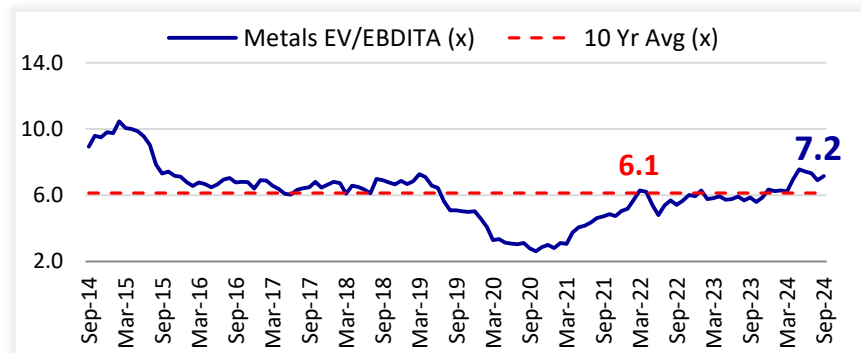


MoM performance (%) – Midcaps / smallcaps underperform in Sep'24

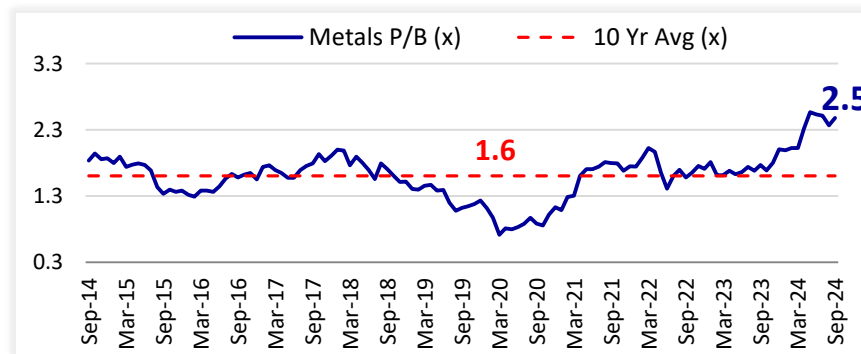


- The metal industry currently trades at 7.2x EV/EBITDA on a one-year forward basis, which is close to its long-term average of 6.1x EV/EBITDA. The sector is primarily driven by strong domestic demand, though short-term volatility in commodity prices continues to impact valuations. Recently, the steel, aluminum, and zinc prices have been highly volatile due to weaker global demand. This ongoing uncertainty has led to a contraction in valuations as the market factors in the potential risks.
- Over the last five years, the industry has seen consolidation along with subsequent capacity additions. Further, the industry witnessed favorable price/cost scenarios, which improved the balance sheet quality of the domestic metal players as compared to their past performance.
- In 2QFY25, the metal sector experienced a correction due to weak pricing scenarios. Though demand in the domestic market continues to remain robust, demand in China and other international geographies continues to be under pressure. The real estate slowdown in China – the largest metal consumer – has resulted in cheaper Chinese exports flooding the global market and keeping global prices under pressure. Looking forward, China’s stimulus measures to revive its struggling real estate industry will boost the global metal prices. Therefore, improving metal prices and muted costs are likely to result in an expansion in valuations.
- Metal prices have corrected significantly on a sequential basis, where HRC and TMT prices slipped 6% and 10% QoQ during 2QFY25, respectively. This resulted in sector underperformance vs. other sectors. Steel prices were hit by the ongoing monsoon and cheap imports.
- Coking coal prices have corrected significantly. Premium HCC prices declined 10% QoQ in 2QFY24 after being rangebound in 1QFY25. Going forward, the prices might also remain rangebound due to subdued buying interest and low demand from steelmakers.

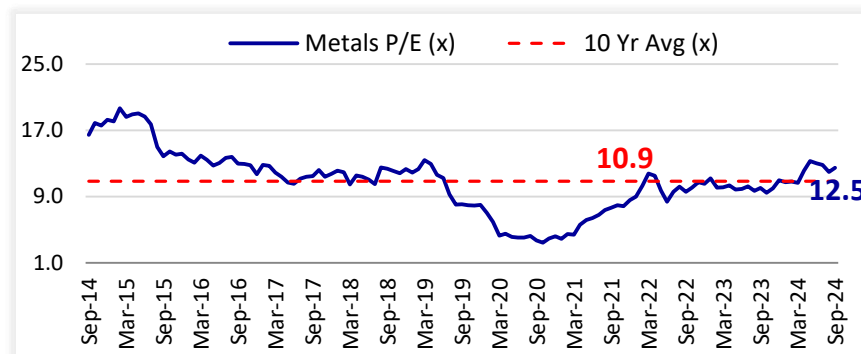
Trend in EV-to-EBITDA ratio – one-year forward



Trend in P/B ratio – one-year forward

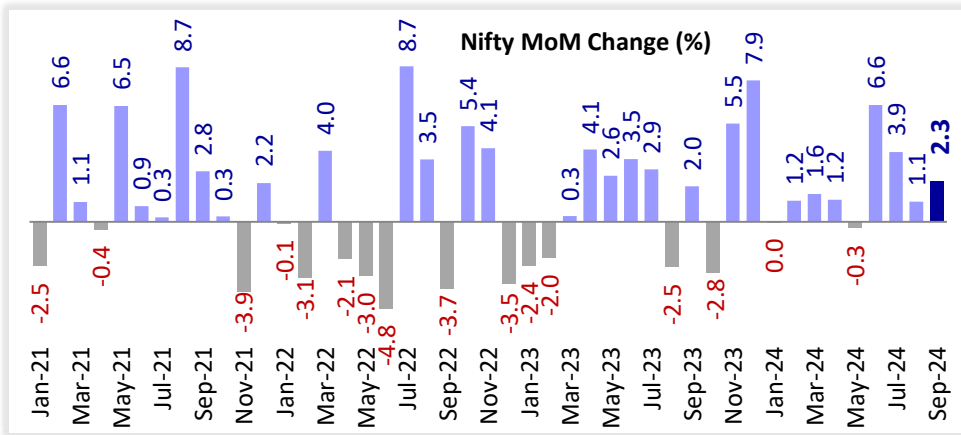


Trend in P/E ratio – one-year forward

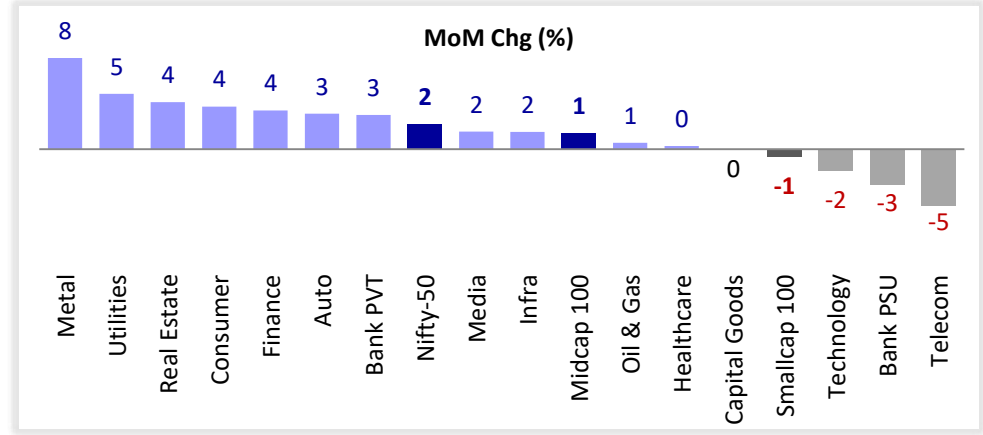


- The Nifty touched a fresh high of 26,277 before ending +2.3% MoM at 25,811 in Sep'24. The index has closed higher for the fourth straight month now. Notably, the index was extremely volatile and swung around 1,524 points before closing 575 points higher. The Nifty is up 18.8% in CY24YTD.
- Among sectors, Metals (+8%), Utilities (+5%), Real Estate (+4%), Consumer (+4%), and Financial (+4%) were the top gainers, whereas Telecom (-5%), PSU Banks (-3%), and Technology (-2%) were the only laggards MoM.

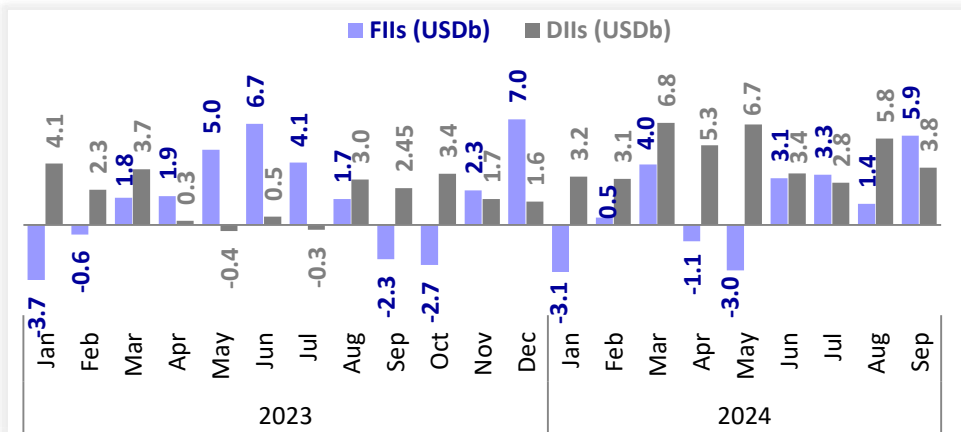
Nifty MoM change (%) – the fourth straight month of positive returns



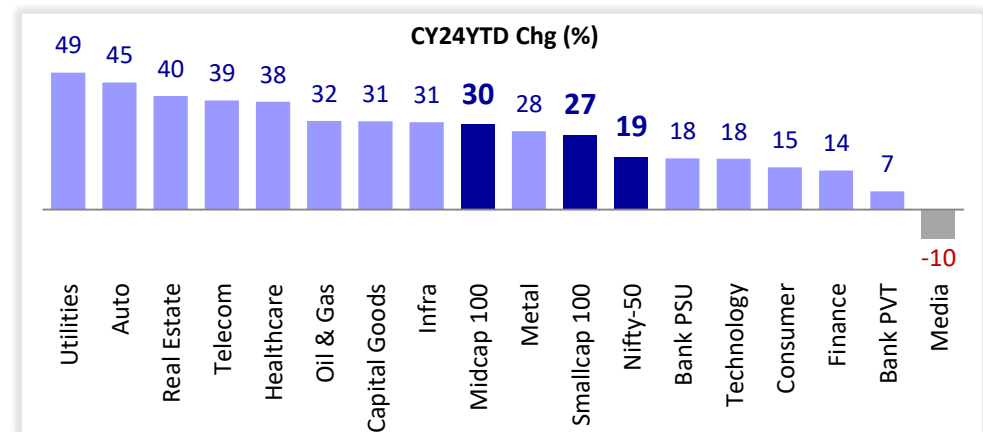
Sectoral MoM change (%) – Metals, Utilities, Real Estate top gainers



Institutional flows (USD b) – FII inflows for the fourth successive month; DII inflows for the 14th consecutive month

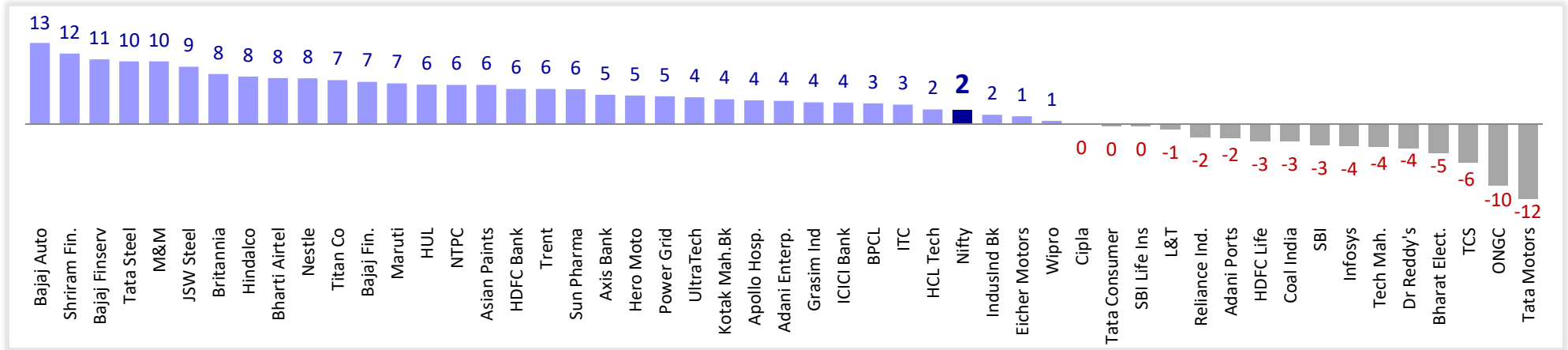


Sectoral CY24YTD change (%) – Utilities, Automobiles, Real Estate, and Telecom top gainers

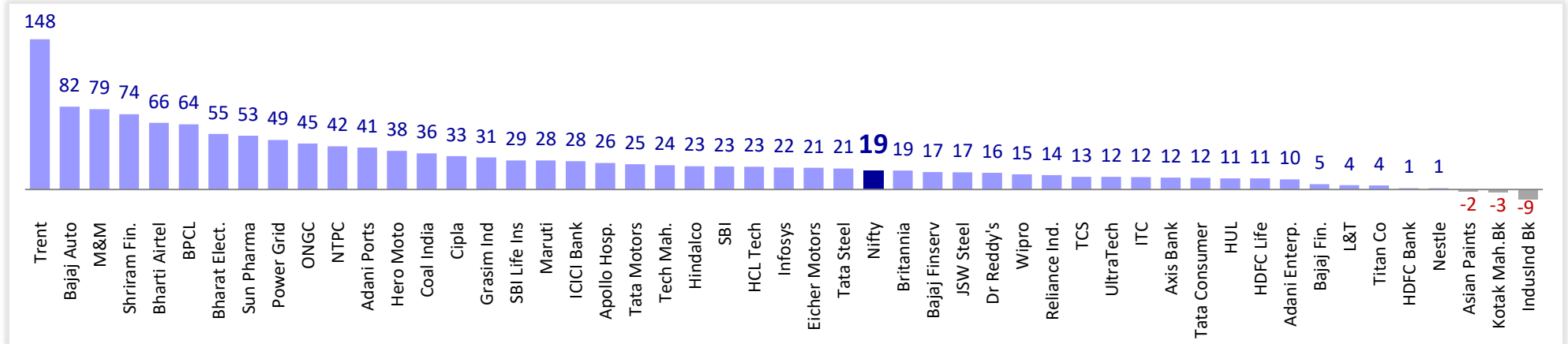


- **Best and worst Nifty performers in Sep'24:** Bajaj Auto (+13%), Shriram Finance (+12%), Bajaj Finserv (+11%) Tata Steel (+10%), and M&M (+10%) were the top performers, while Tata Motors (-12%), ONGC (-10%), TCS (-6%), Bharat Electronics (-5%), and Dr Reddy's (-4%) were the key laggards.
- **Best and worst Nifty performers in CY24YTD:** Trent (+148%), Bajaj Auto (+82%), M&M (+79%), Shriram Finance (+74%), and Bharti Airtel (+66%) have been the top performers, while Indusind Bank (-9%), Kotak Mahindra Bank (-3%), and Asian Paints (-2%) are the only laggards.

Best and worst Nifty performers (MoM) in Sep'24 (%) – Breadth favorable; 34 Nifty companies end higher

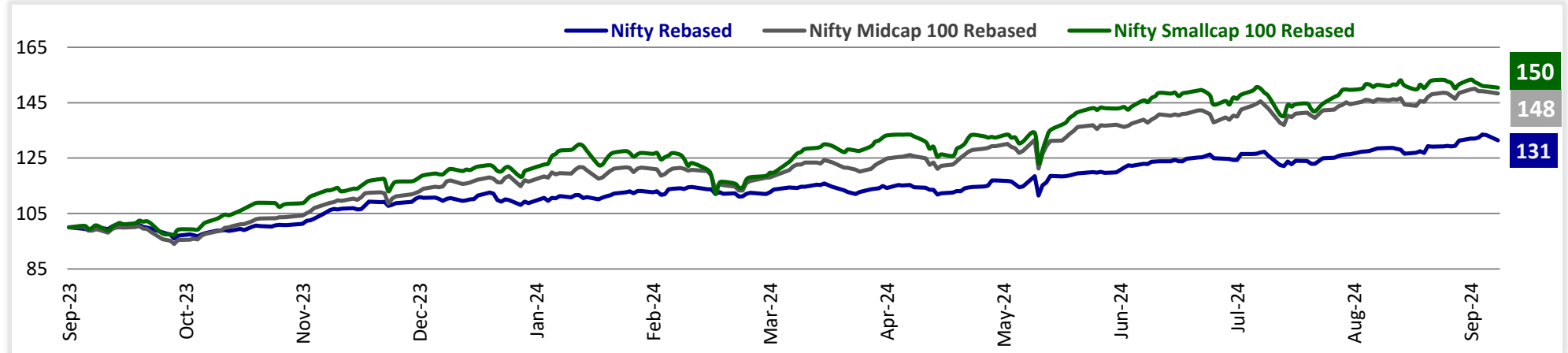


Best and worst Nifty performers in CY24YTD (%) – 94% of the constituents trading higher

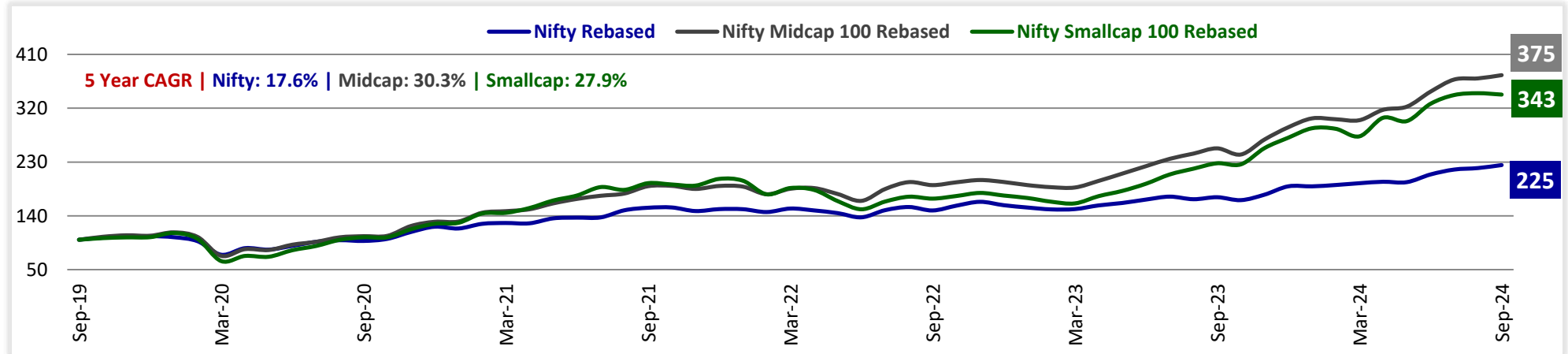


- During the last 12 months, midcaps and smallcaps have gained 48% and 50%, respectively, while largecaps have risen 31% only. During the last five years, midcaps have outperformed largecaps by 150%, while smallcaps have outperformed largecaps by 118%.

Performance of midcaps and smallcaps vs. largecaps over the last 12 months

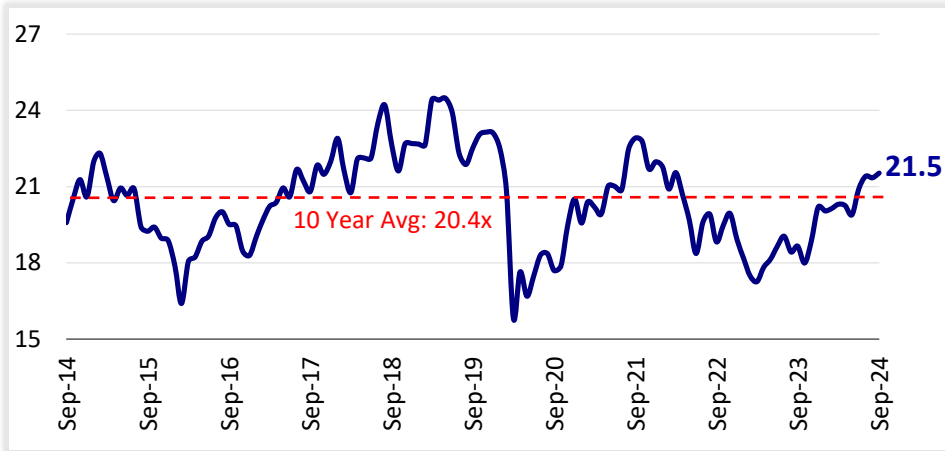


Performance of midcaps and smallcaps vs. largecaps over the last five years

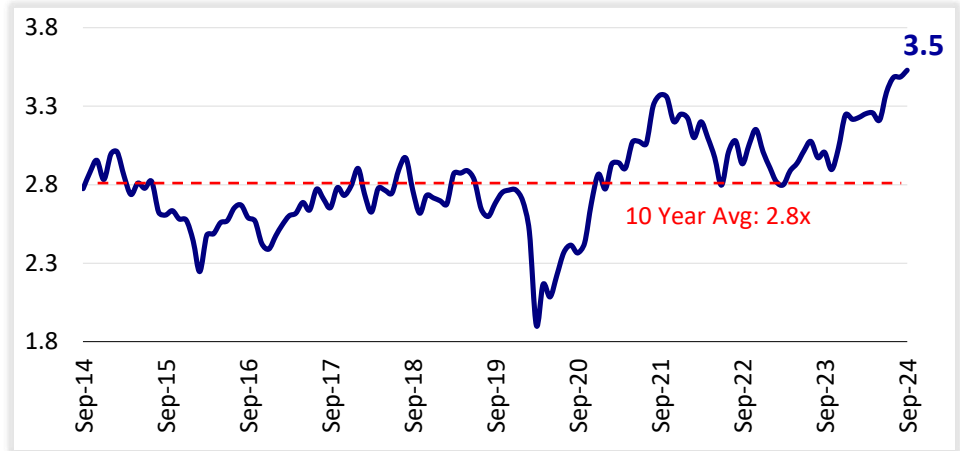


- The Nifty is trading at a 12-month forward P/E ratio of 21.5x, above its LPA of 20.4x (at a 5% premium). Conversely, its P/B ratio of 3.5x represents a 25% premium to its historical average of 2.8x.
- The 12-month trailing P/E for the Nifty, at 24.5x, is above its LPA of 22.6x (at a 9% premium). At 4x, the 12-month trailing P/B ratio for the Nifty is above its historical average of 3.1x (at a 28% premium).

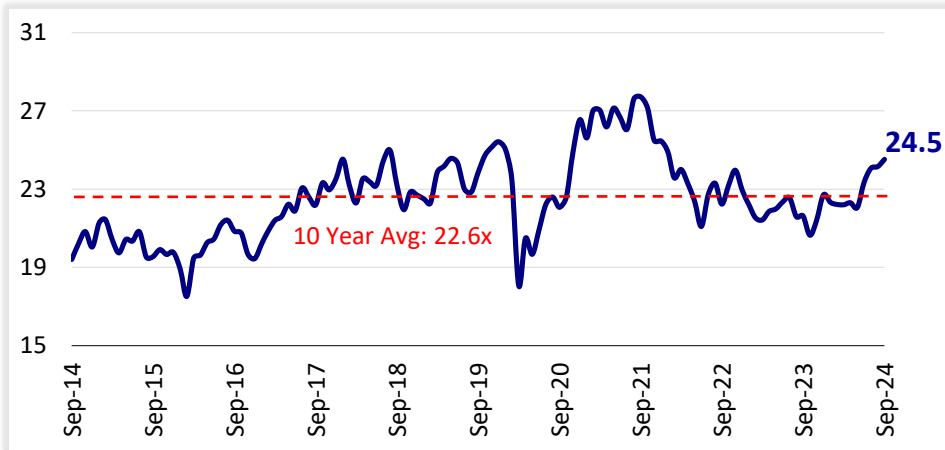
12-month forward Nifty P/E ratio (x)



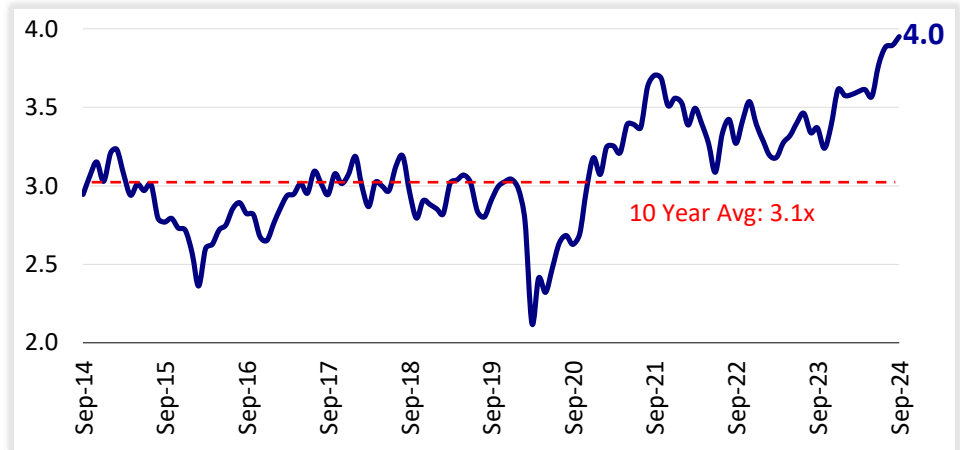
12-month forward Nifty P/B ratio (x)



Trailing Nifty P/E ratio (x)

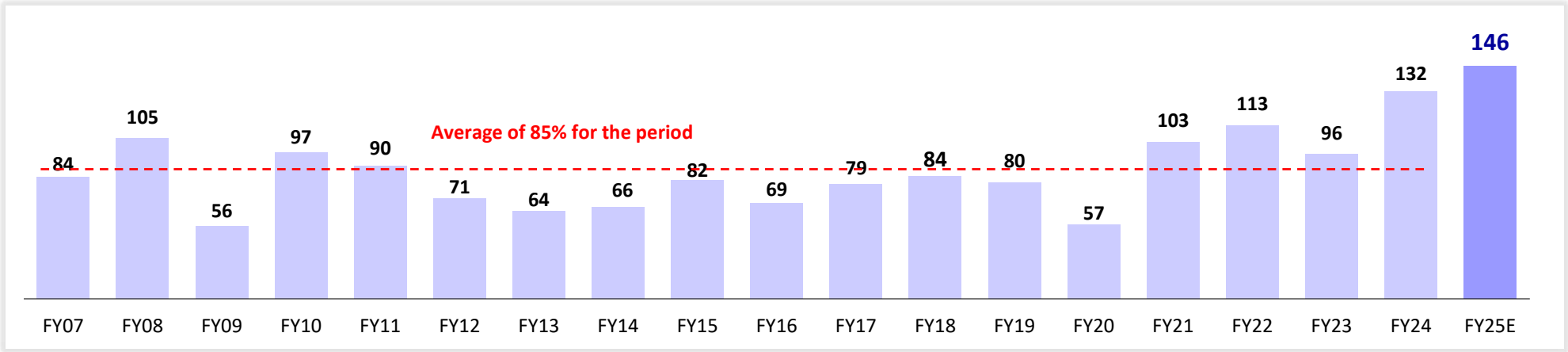


Trailing Nifty P/B ratio (x)

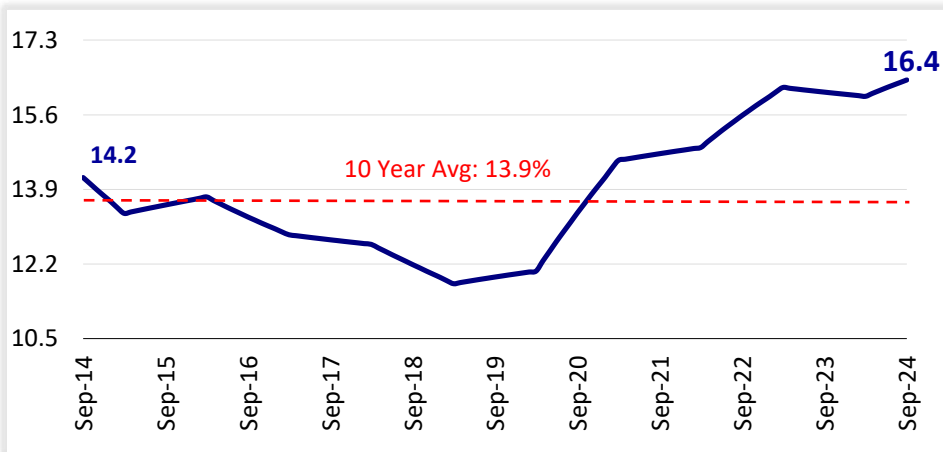


- India's market capitalization-to-GDP ratio has been volatile, plummeting to 57% (of FY20 GDP) in Mar'20 from 80% in FY19 and then sharply reviving to 132% in FY24. It is now at 146% of FY25E GDP (of 10.8% YoY), above its long-term average of 85%.
- The Nifty is trading at a 12-month forward RoE of 16.4%, above its long-term average.

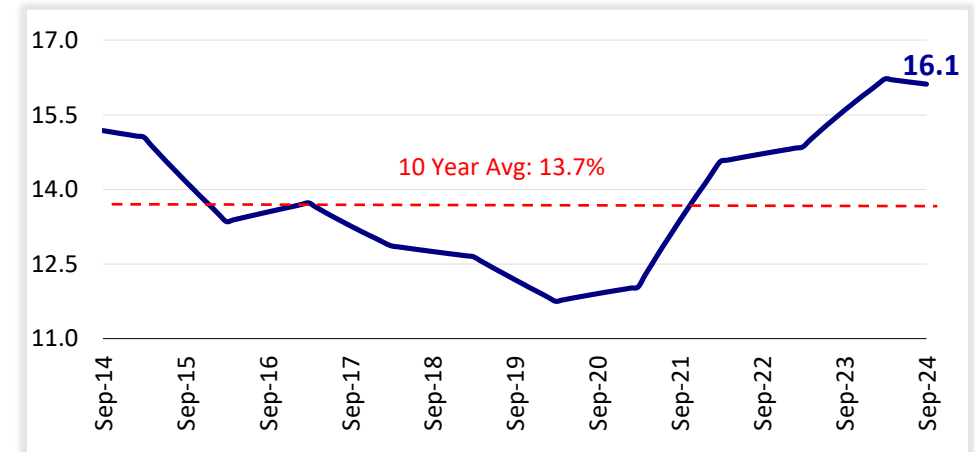
India's market capitalization-to-GDP ratio (%) at its year-end high



12-month forward Nifty RoE (%)



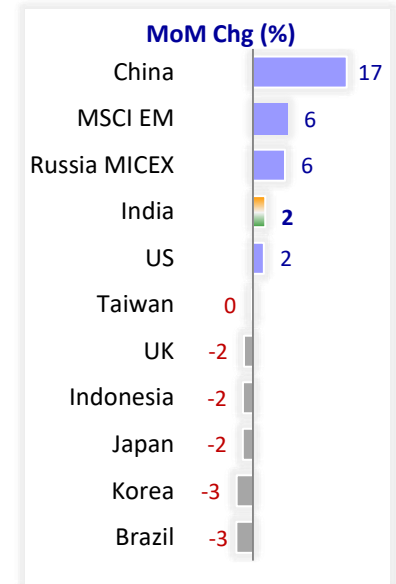
Trailing Nifty RoE (%)



- Among the key global markets, China (+17%), MSCI EM (+6%), Russia (+6%), India (+2%), and the US (+2%) ended higher in local currency terms. However, Brazil (-3%), Korea (-3%), Japan (-2%), Indonesia (-2%), and the UK (-2%) ended lower MoM in Sep'24.
- Indian equities have been trading at 23.5x FY25E earnings. The key markets continued to trade at a discount to India.

India (Nifty) vs. other markets

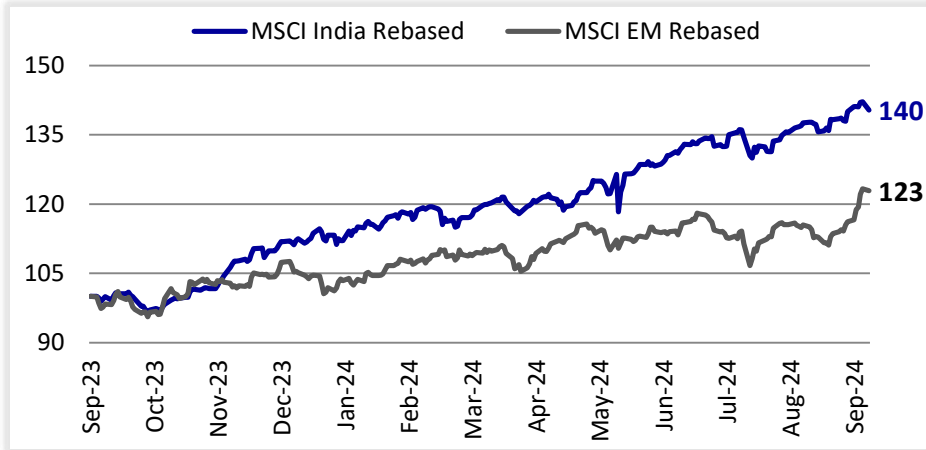
	Index Value	Mkt Cap (USD T)	CY24YTD Chg (%)		PE (x)		Prem / Disc to India PE (%)		PB (x)		RoE (%)	
			Local Currency	In USD	CY23 / FY24	CY24E / FY25E	CY23 / FY24	CY24E / FY25E	CY23 / FY24	CY24E / FY25E	CY23 / FY24	CY24E / FY25E
US	5,762	59.9	21	21	26.1	23.8	2	1	5.4	4.9	17.9	18.3
MSCI EM	1,171	20.9	14	14	16.2	14.0	-37	-40	1.9	1.7	11.2	11.8
China	3,336	10.2	12	13	15.0	13.4	-42	-43	1.4	1.3	9.1	10.2
Japan	37,920	6.7	13	12	29.5	21.1	15	-10	2.1	1.9	6.7	9.0
India	25,811	5.7	19	18	25.7	23.5			4.2	3.8	16.2	16.0
UK	8,237	3.4	7	12	11.1	12.3	-57	-47	1.9	1.8	16.5	13.5
Taiwan	22,225	2.5	24	20	26.1	17.9	2	-24	2.6	2.7	10.1	14.9
Korea	2,593	1.8	-2	-4	17.1	10.1	-33	-57	0.9	0.9	5.0	9.4
Indonesia	7,528	0.8	4	5	19.5	14.2	-24	-40	2.1	2.0	10.6	14.4
Brazil	1,31,816	0.8	-2	-12	9.6	8.9	-63	-62	1.6	1.3	16.8	14.6
Russia	5,260	0.6	-11	-15	5.9	5.6	-77	-76	0.7	0.8	14.6	14.9



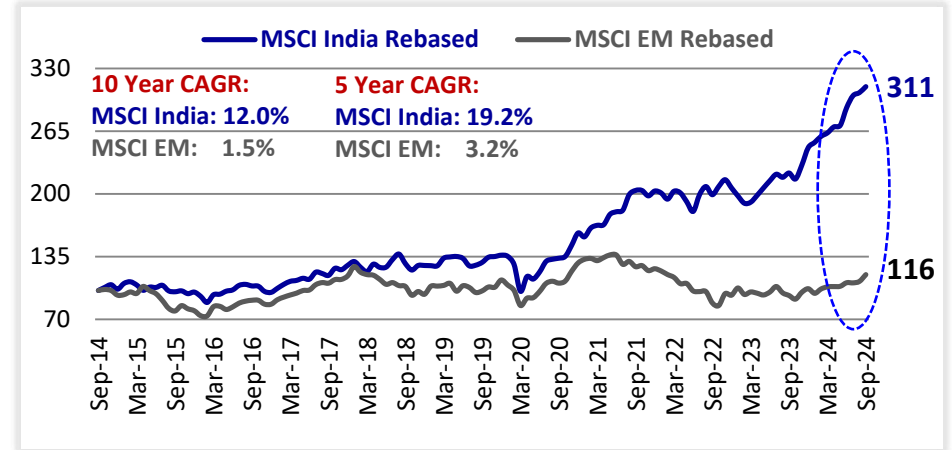
Source: Bloomberg/MOFSL

- Over the last 12 months, the MSCI India Index (+40%) has outperformed the MSCI EM Index (+23%). Over the last 10 years, the MSCI India Index has notably outperformed the MSCI EM index by a robust 195%.
- In P/E terms, the MSCI India Index is trading at an 81% premium to the MSCI EM Index, near its historical average premium of 78%.

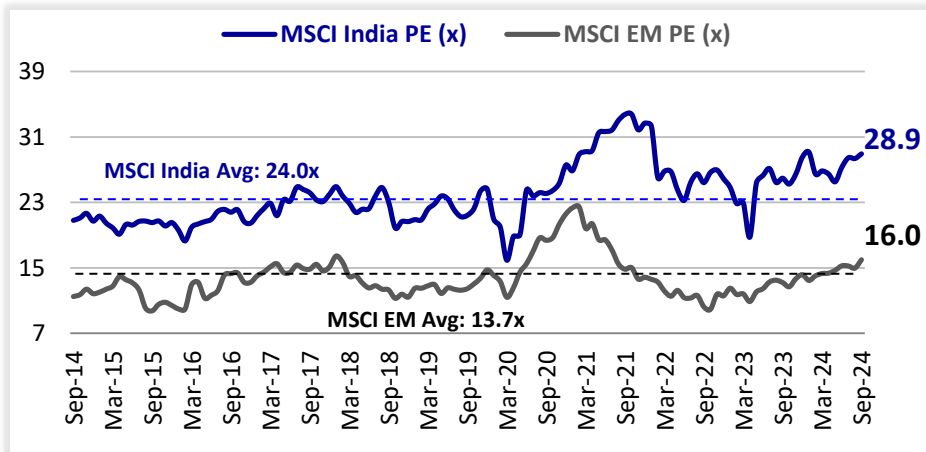
Performance of MSCI EM vs. MSCI India over the last 12 months



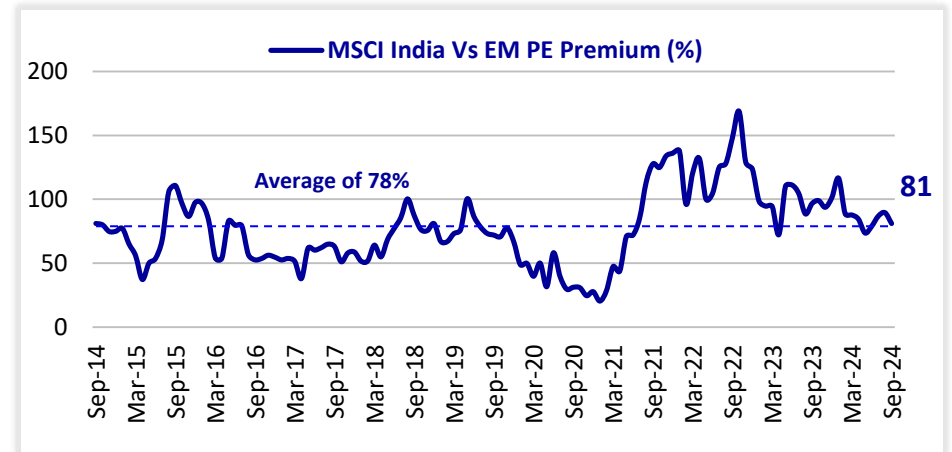
MSCI India notably outperforms MSCI EM by 195% in the last 10 years



Trailing P/E ratio (x) for MSCI India vs. MSCI EM



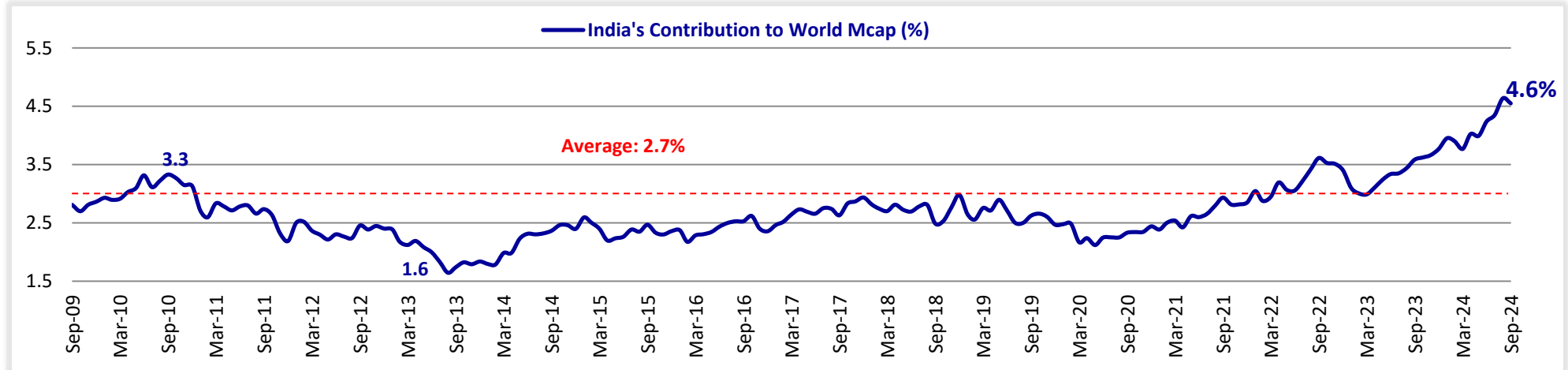
In P/E terms, MSCI India trades at a premium (%) to MSCI EM



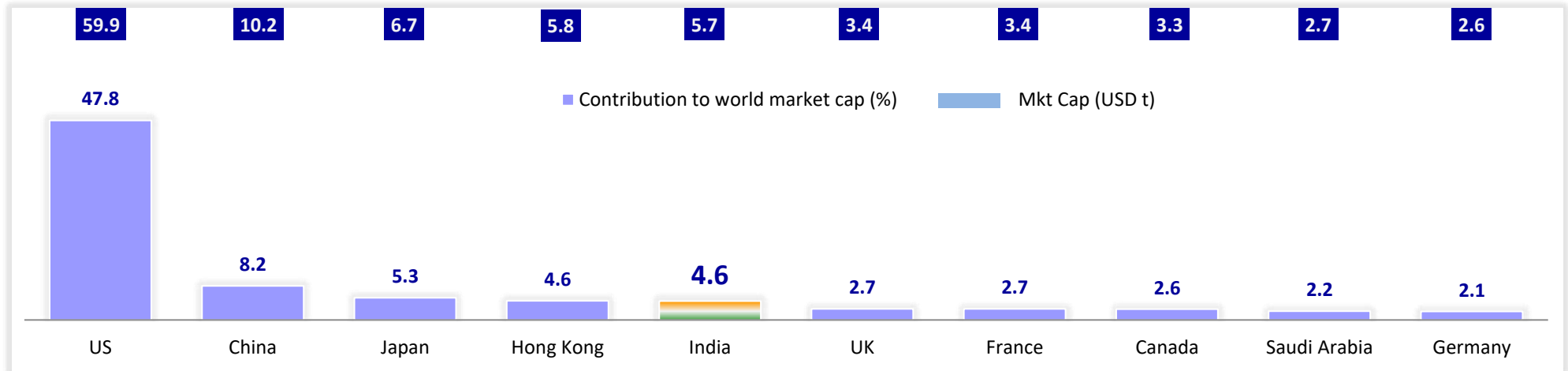
Source: Bloomberg

- India's share of the global market cap stood at 4.6%, its all-time high and above its historical average of 2.7%.
- India is among the top 10 contributors to the global market cap. The top 10 contributors accounted for ~83% of the global market cap as of Sep'24.

Trend in India's contribution to the global market cap (%) – at an all-time high



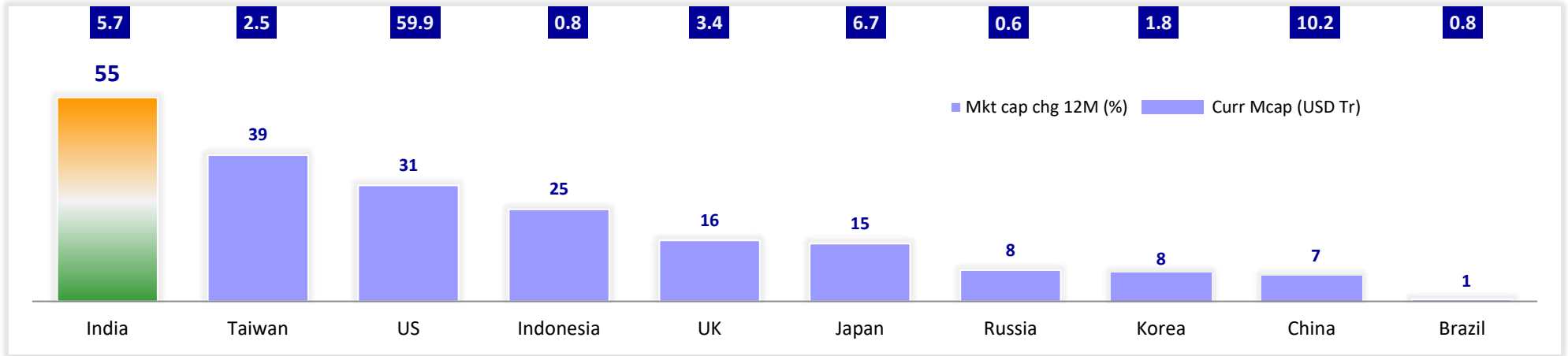
Top 10 countries constitute ~83% of the global market cap as of Sep'24



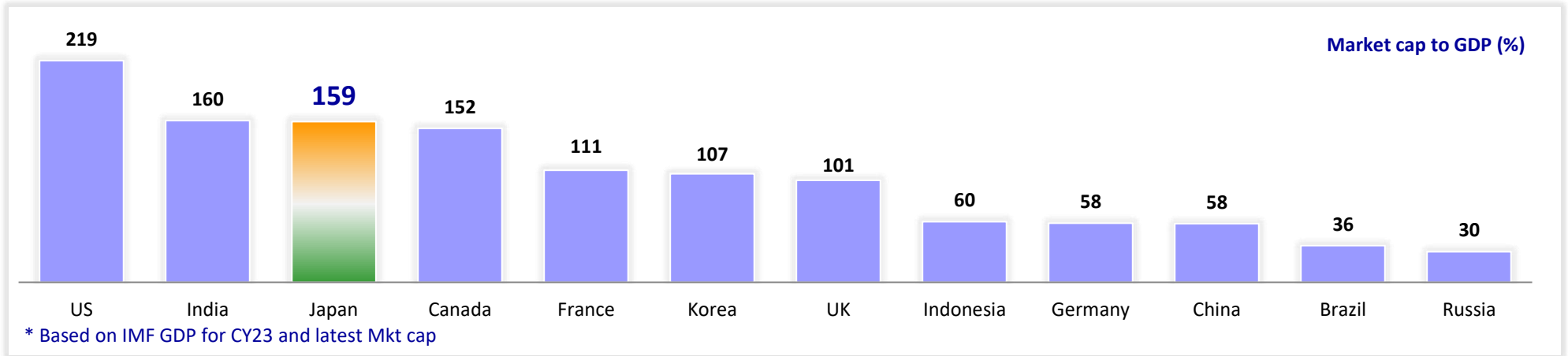
Source: Bloomberg

- Over the last 12 months, global market cap has increased 21.8% (USD22.4t), whereas India's market cap surged 54.6%.
- All key global markets have witnessed a rise in market cap over the last 12 months.

Change in market cap over the last 12 months (%)



Global market capitalization-to-GDP ratio (%)



Source: Bloomberg, IMF's

- Companies trading at a significant premium to their historical average: Bharat Electronics (+248%), Power Grid Corp. (+108%), Grasim Industries (+97%), Bajaj Auto (+95%), and NTPC (+93%).
- Companies trading at a significant discount to their historical average: Dr Reddy's Labs (-28%), Coal India (-19%), Apollo Hospitals (-19%), ONGC (-17%), and Maruti Suzuki (-16%).

Valuations of Nifty constituents

Name	Sector	PE (x)			Relative to Nifty P/E (%)		PB (x)			Relative to Nifty P/B (%)	
		Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg
Bajaj Auto	Auto	36.1	18.5	95	67	-10	11.9	4.6	157	238	65
Eicher Motors	Auto	30.6	31.8	-4	42	56	6.2	7.2	-14	75	155
Hero MotoCorp	Auto	22.4	18.3	23	4	-10	5.7	4.5	26	62	61
Mahindra & Mahindra	Auto	26.8	18.5	45	24	-9	5.4	2.8	96	54	-1
Maruti Suzuki	Auto	25.2	30.0	-16	17	47	4.1	4.1	0	16	45
Tata Motors	Auto	NA	17.1	NA	NA	-16	3.1	2.1	45	-14	-25
Axis Bank	BFSI - Pvt Banks	13.4	38.3	-65	-38	87	2.0	2.0	1	-43	-29
HDFC Bank	BFSI - Pvt Banks	18.0	20.7	-13	-16	1	2.5	3.2	-21	-29	13
ICICI Bank	BFSI - Pvt Banks	18.5	21.7	-14	-14	6	3.0	2.1	40	-15	-24
IndusInd Bank	BFSI - Pvt Banks	10.6	18.7	-43	-51	-9	1.5	2.4	-39	-58	-15
Kotak Mahindra Bank	BFSI - Pvt Banks	17.6	26.8	-34	-18	31	2.3	3.3	-31	-35	18
State Bank	BFSI - PSU Banks	8.2	12.7	-36	-62	-38	1.4	1.1	21	-61	-60
Bajaj Finance	BFSI - NBFC	24.3	30.8	-21	13	51	4.7	5.2	-10	32	83
Shriram Finance	BFSI - NBFC	14.1	10.6	34	-34	-48	2.3	1.4	58	-36	-49
HDFC Life Ins	BFSI - Insurance	82.7	84.7	-2	284	314	2.6	3.8	-32	-27	35
SBI Life Ins	BFSI - Insurance	85.6	61.2	40	298	199	2.4	2.4	-2	-33	-15
Bharat Electronics	Capital Goods	38.5	11.0	248	79	-46	9.1	2.4	278	158	-14
Larsen & Toubro	Capital Goods	30.4	23.6	29	41	15	4.8	3.0	62	37	6
Grasim Inds	Cement	28.5	14.5	97	32	-29	3.4	1.8	83	-5	-35
Ultratech Cement	Cement	39.5	33.9	16	83	66	4.7	3.5	33	33	25
Asian Paints	Consumer	53.8	54.5	-1	150	167	14.9	14.2	5	323	403
Britannia Inds.	Consumer	58.9	46.3	27	174	127	30.6	20.3	51	766	619
Hind. Unilever	Consumer	58.3	52.4	11	171	156	13.1	21.8	-40	271	674
ITC	Consumer	28.7	24.0	20	33	17	8.0	5.7	42	128	101
Nestle India	Consumer	69.3	58.8	18	222	188	58.8	48.2	22	1567	1610
Tata Consumer	Consumer	65.0	47.0	38	202	130	5.2	3.1	70	48	9

Name	Sector	PE (x)			Relative to Nifty P/E (%)		PB (x)			Relative to Nifty P/B (%)	
		Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg
Apollo Hospitals	Healthcare	66.5	82.2	-19	209	302	11.1	6.8	64	214	140
Cipla	Healthcare	26.6	27.3	-3	24	34	4.0	3.4	20	14	19
Dr Reddy' s Labs	Healthcare	18.2	25.4	-28	-15	24	3.1	3.5	-12	-13	24
Sun Pharma	Healthcare	35.7	30.0	19	66	47	5.8	4.0	46	64	40
Adani Ports	Logistics	25.8	18.6	38	20	-9	4.6	3.3	37	30	18
Coal India	Metals	7.8	9.7	-19	-64	-52	2.8	4.5	-38	-20	60
Hindalco	Metals	12.1	9.3	30	-44	-54	1.7	1.1	48	-52	-59
JSW Steel	Metals	16.9	14.2	19	-22	-30	2.6	1.8	42	-27	-35
Tata Steel	Metals	14.3	15.6	-9	-34	-24	2.2	1.2	74	-38	-56
BPCL	Oil & Gas	11.5	9.4	22	-47	-54	1.8	1.9	-1	-48	-34
ONGC	Oil & Gas	5.9	7.0	-17	-73	-65	0.9	0.9	7	-73	-69
Reliance Inds.	Oil & Gas	22.8	16.0	43	6	-22	2.1	1.5	38	-41	-46
Titan Co	Retail	74.3	59.8	24	245	193	24.2	14.8	64	587	425
Trent	Retail	117.6	87.1	35	446	326	34.3	9.2	272	871	227
HCL Technologies	Technology	27.1	16.6	63	26	-19	7.4	3.9	89	109	38
Infosys	Technology	27.6	20.4	35	28	0	8.8	5.5	60	149	95
TCS	Technology	28.5	23.9	19	33	17	15.8	9.9	59	348	253
Tech Mahindra	Technology	29.4	18.0	63	37	-12	5.0	3.2	57	42	14
Wipro	Technology	23.3	17.9	30	8	-13	3.8	2.9	30	8	5
Bharti Airtel	Telecom	40.2	40.3	0	86	97	6.9	3.5	98	97	25
NTPC	Utilities	17.8	9.2	93	-17	-55	2.4	1.1	117	-33	-61
Power Grid Corp.	Utilities	18.8	9.0	108	-13	-56	3.5	1.5	128	-1	-45
Nifty		21.5	20.4	5			3.5	2.8	25		

- In Sep'24, the Nifty Midcap 100 was up 1.5% vs. a 2.3% MoM rise for the Nifty-50.
- The best Nifty Midcap-100 performers in Sep'24 were BSE (+30%), Kalyan Jewellers (+19%), Max Healthcare (+14%), Aditya Birla Fashions (+12%), and Apollo Tyres (+11%).

Company	PE (x)			Relative to Nifty P/E (%)		PB (x)			Relative to Nifty P/B (%)		Price Chg (%)	
	Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg	MoM	CY24YTD
BSE	40.3	21.0	92	87	3	13.0	2.7	373	267	-3	30	66
Kalyan Jewellers	74.0	29.2	153	244	43	14.3	4.4	222	306	58	19	106
Max Healthcare	56.6	35.4	60	163	73	8.1	4.8	68	131	72	14	44
Aditya Bir. Fas.	NA	96.6	NA	NA	373	9.6	8.3	15	171	195	12	56
Apollo Tyres	18.4	15.0	23	-15	-27	1.7	1.1	52	-51	-59	11	21
Max Financial	103.2	59.3	74	379	190	2.0	2.5	-18	-43	-13	11	25
Escorts Kubota	38.6	17.9	116	79	-12	4.9	2.1	126	38	-24	11	43
Coforge	40.8	22.7	80	90	11	10.2	5.0	104	188	77	11	12
NMDC	9.4	6.1	55	-56	-70	2.1	1.2	79	-39	-57	10	17
L&T Finance Ltd	13.8	14.7	-6	-36	-28	1.7	1.5	15	-52	-47	10	13
Tata Comm	35.0	30.0	17	63	47	16.6	24.9	-33	371	785	9	21
Sona BLW Precis.	62.1	68.6	-9	189	236	12.6	12.6	0	256	345	9	15
Godrej Propert.	73.1	74.2	-1	240	263	7.4	5.2	42	109	84	9	57
APL Apollo Tubes	38.7	26.8	45	80	31	8.9	5.5	63	152	94	8	3
ACC	20.5	27.3	-25	-5	34	2.5	2.7	-9	-30	-4	8	14
Phoenix Mills	51.6	41.5	24	140	103	5.9	2.7	120	68	-4	-2	64
Lupin	33.9	39.0	-13	58	91	5.4	3.9	40	54	38	-2	66
SRF	39.5	24.8	59	83	21	5.5	4.0	39	57	41	-3	1
Mphasis	30.7	19.5	58	43	-5	5.8	3.6	61	63	27	-3	10
IRB Infra.Devl.	33.6	17.1	97	56	-16	2.5	1.2	100	-30	-56	-4	47
Bharat Forge	37.2	42.2	-12	73	107	7.9	5.3	48	124	90	-4	22
Container Corpn.	33.4	32.3	3	55	58	4.3	3.3	29	21	17	-5	7
Aurobindo Pharma	20.9	15.9	31	-3	-22	2.4	2.7	-11	-32	-4	-7	35
Petronet LNG	11.0	12.2	-10	-49	-40	2.5	2.7	-7	-30	-6	-7	53
Indian Bank	6.5	10.0	-35	-70	-51	1.0	0.6	68	-71	-78	-8	25
Ashok Leyland	17.8	21.4	-17	-17	5	5.9	4.2	40	68	51	-8	30
M R P L	14.7	8.8	67	-32	-57	2.0	1.4	45	-42	-50	-12	37
Indus Towers	15.9	18.5	-14	-26	-10	2.9	3.4	-16	-19	21	-14	97
Oil India	11.2	6.5	71	-48	-68	1.8	0.8	129	-49	-72	-22	134
Vodafone Idea	NA	19.5	NA	NA	-4	NA	1.0	NA	NA	-63	-34	-35

- The Metals sector's EV/EBITDA over the last few months has remained above its 10-year historical average of 6.1x amid weakness in global demand. Metal prices, especially flat steel prices, continue to decline 5% MoM in Sep'24 on account of higher cheap imports. The rebar prices remained flat MoM at INR50,000/t in Sep'24, due to sluggish demand caused by the ongoing monsoon.
- Technology is trading at a P/E ratio of 28.5x, at a 38% premium to its long-term average of 20.7x. The demand environment remained largely consistent compared to the last quarter. We anticipate a gradual recovery in discretionary spending that could be initially restricted to some pockets, e.g. the US Banking, Healthcare, and Manufacturing.
- The NBFC sector is trading at a P/B ratio of 2.6x, near its long-term historical range of 2.4x. Gold loan growth continues to remain strong, aided by higher gold prices. The RBI has lifted the ban on gold lending for IIFL Finance. We expect MFIs to continue to exhibit asset quality stress, primarily due to customer overleveraging and loans on multiple voter IDs. Hence, the recovery in the MFI sector is still distant.

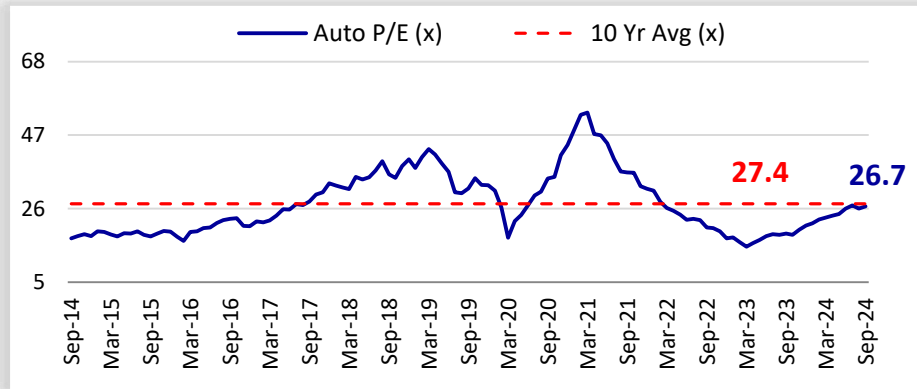
Sector valuations at a glance

Sector	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD	-1SD	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD	-1SD	Current	10 Yr Avg
Auto	26.7	27.4	-2.7	36.3	18.5	24	33	5.1	3.5	47.8	4.0	2.9	45	22
Banks - Private	16.5	21.1	-21.7	26.4	15.8	-23	2	2.4	2.5	-4.0	2.8	2.2	-31	-9
Banks - PSU	7.2	10.2	-28.8	40.8	-20.4	-66	-54	1.2	0.9	39.3	1.1	0.6	-66	-70
NBFC	17.2	17.2	0.0	19.7	14.6	-20	-16	2.6	2.4	10.8	2.7	2.0	-26	-16
Capital Goods	43.6	28.7	52.0	34.4	23.0	102	41	8.0	4.0	101.5	5.3	2.7	126	39
Cons. Durables	56.6	32.7	73.1	43.6	21.8	163	61	10.5	5.3	99.7	7.1	3.4	197	83
Cement	35.5	27.0	31.7	32.5	21.4	65	33	3.4	2.6	30.7	3.0	2.2	-2	-7
Consumer	49.5	41.3	19.8	44.8	37.9	130	104	12.8	10.3	24.4	11.1	9.4	262	266
Consumer Ex ITC	58.7	51.3	14.5	57.9	44.7	173	152	14.7	13.3	11.0	14.5	12.0	317	373
Healthcare	34.6	26.7	29.4	31.0	22.5	61	32	5.2	3.9	35.1	4.7	3.0	47	38
Infrastructure	25.8	11.4	126.1	18.5	4.3	20	-43	2.3	1.2	84.4	1.8	0.7	-35	-57
Logistics	28.8	21.1	36.1	24.9	17.3	34	4	4.9	3.4	45.7	4.1	2.6	39	19
Media	21.4	25.3	-15.5	29.6	21.1	-1	24	2.0	3.8	-46.4	5.6	2.0	-43	38
Metals	12.5	10.9	14.9	14.5	7.2	-42	-47	2.5	1.6	54.4	2.0	1.2	-30	-43
Oil & Gas	15.3	12.3	24.7	14.9	9.6	-29	-40	1.8	1.5	24.4	1.7	1.3	-48	-48
Oil & Gas Ex RIL	9.6	8.6	12.5	11.6	5.6	-55	-59	1.4	1.2	14.9	1.5	0.9	-60	-56
Sp. Chemicals	38.3	24.0	59.9	34.0	14.0	78	19	4.4	3.2	38.3	4.3	2.1	25	12
Real Estate	48.7	28.7	69.4	39.5	17.9	126	41	5.6	2.1	165.3	3.2	1.0	57	-28
Retail	92.9	81.4	14.1	132.1	30.7	331	304	17.7	9.4	88.2	13.4	5.4	401	226
Technology	28.5	20.7	38.0	25.5	15.9	32	2	8.9	5.6	57.8	7.3	4.0	152	98
Telecom	Loss	46.3	-	256.3	-163.8		127	24.3	12.8	89.9	27.7	-2.1	0	183
Utilities	15.3	7.8	95.1	10.0	5.7	-29	-62	2.2	1.0	119.4	1.3	0.7	-38	-65

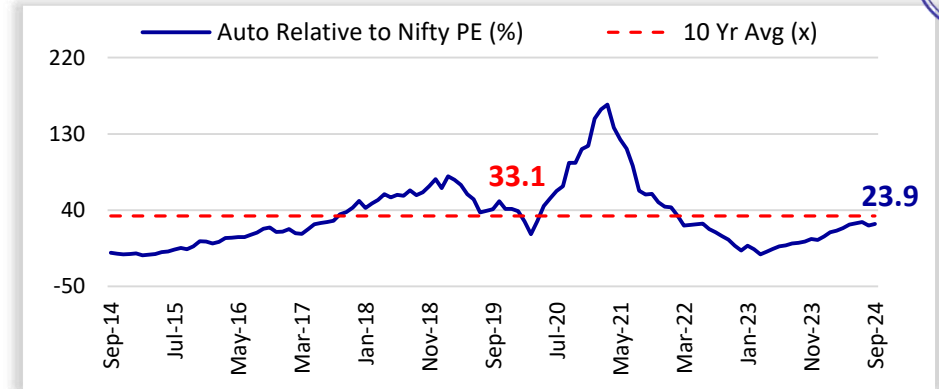


- The Auto sector is trading at a P/E of 26.7x, below its 10-year historical average of 27.4x (at a 3% discount). On a P/B basis, however, it is trading at a 48% premium to its 10-year average of 3.5x.
- Overall, the Sep'24 dispatches for 2Ws/tractors/3Ws/PVs grew 20%/2%/2%/3% YoY, while CVs declined 13% YoY.
- The 2W wholesales grew 20% YoY, mainly fueled by a strong domestic performance and improving export performance. PV wholesales grew 3% YoY (UVs grew 5% YoY). TTMT highlighted it had adjusted PV wholesales with the retails to keep channel inventory in check. CVs declined 13% YoY as demand continued to remain sluggish. Tractor wholesales grew 2% YoY as OEMs highlighted that healthy monsoons and higher reservoir levels would aid the upcoming Rabi crop output.

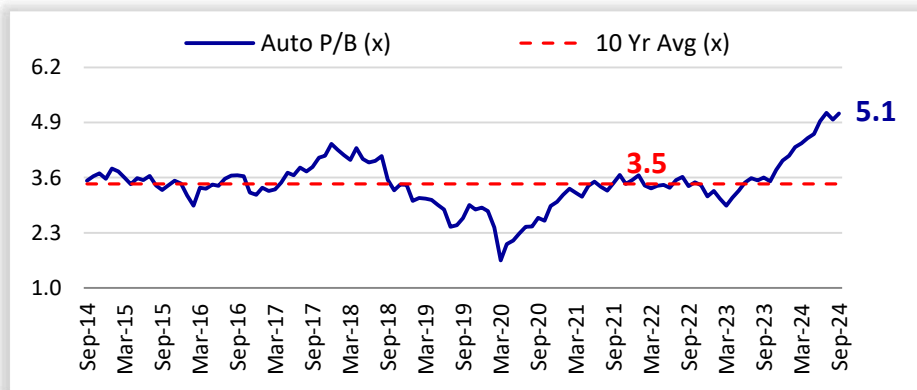
12-month forward Automobiles P/E (x)



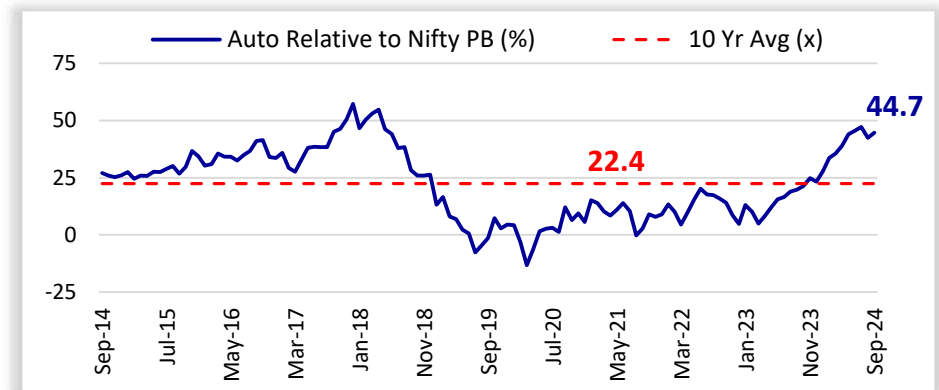
Automobile P/E relative to Nifty P/E (%)



12-month forward Automobiles P/B (x)



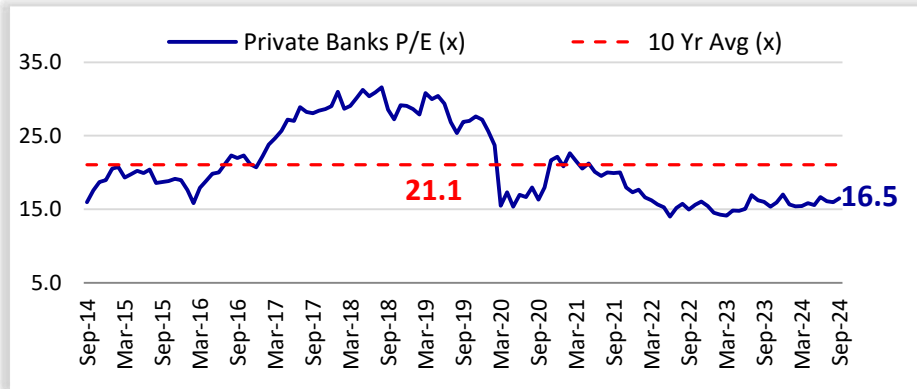
Automobile P/B relative to Nifty P/B (%)



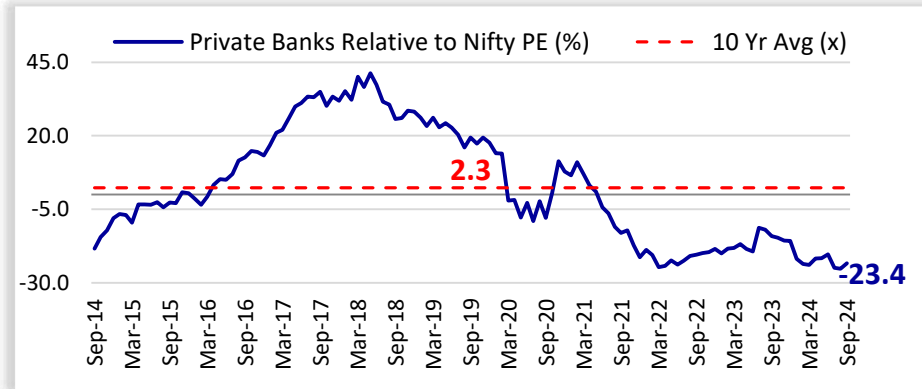


- The Private Banks sector is currently trading at a P/B ratio of 2.4x, near to its 10-year average of 2.5x, while its RoE stands at 14.8%.
- Loan growth has moderated from its peak, while the growth is driven by the Retail and SME sectors. Deposit growth yet remains an area of concern, and thus banks remain competitive in terms of garnering additional deposits. The CASA ratio contraction too continues for most of the banks.
- With the ongoing liquidity situation remaining tight, deposit competitiveness has intensified in the system, resulting in a higher cost of funds and thus keeping NIMs under pressure. We anticipate a slight decline in NIMs in the coming quarters, driven further by possible RBI rate cuts in 2HFY25.
- Asset quality stress continues in unsecured segments like MFI and credit cards. Large private banks have seen an increase in delinquencies amid rising stress in unsecured loans. However, a higher contingency buffer provides comfort over this unforeseen risk. We remain cautious about potential delinquencies and the consequent rise in credit costs.

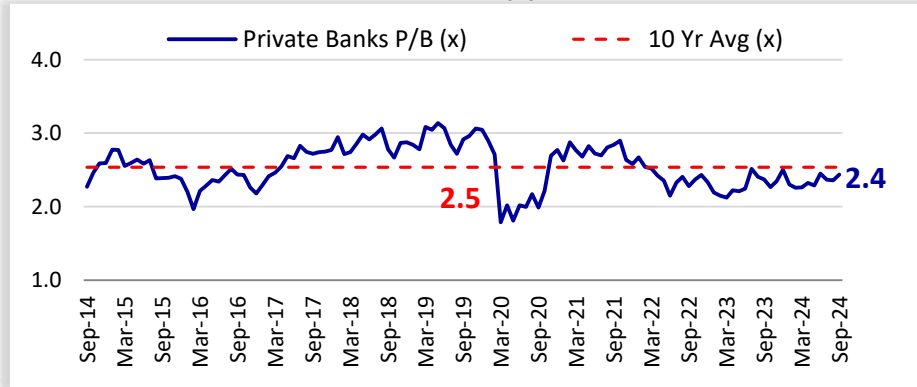
12-month forward Private Banks P/E (x)



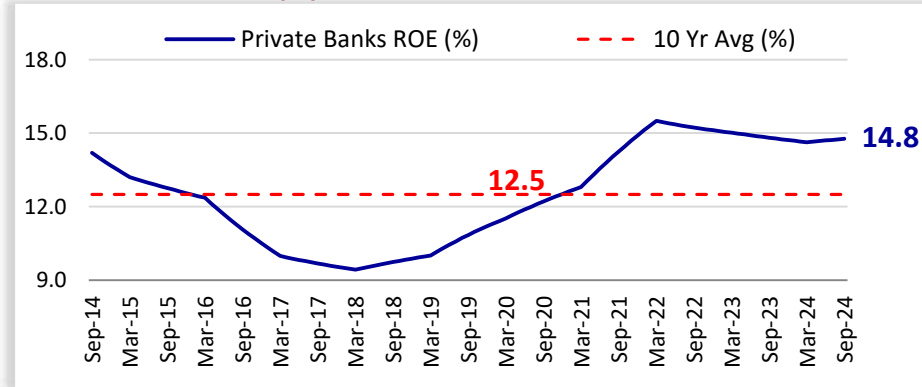
Private Banks P/E relative to Nifty P/E (%)



12-month forward Private Banks P/B (x)



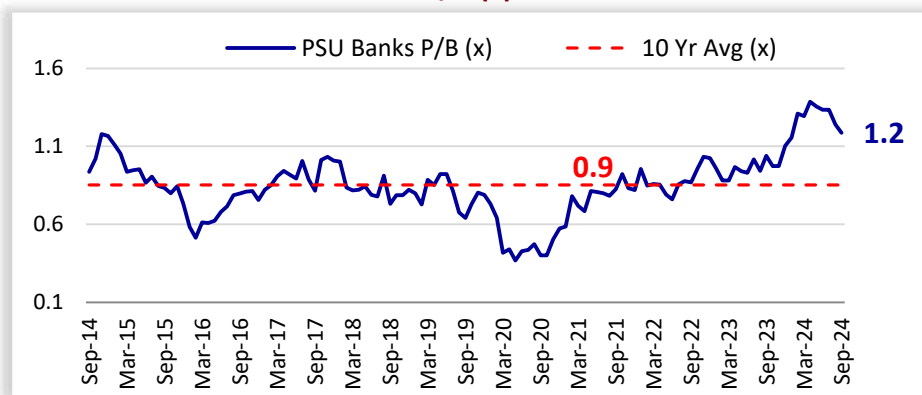
Private Banks ROE (%)



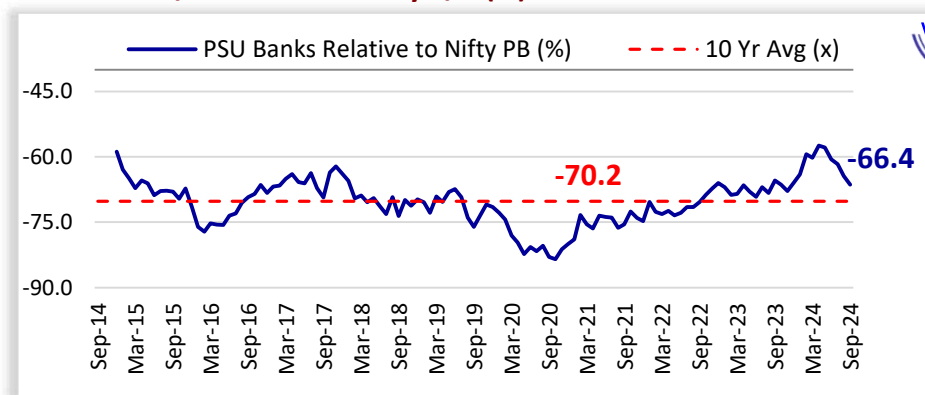


- The PSU banks sector is trading at a P/B of 1.2x, at a 39% premium to its historical average of 0.9x.
- Systemic credit growth for the system moderated to ~14.6%, while the CD ratio for the system continues to be elevated at 79.1% vs. 77.6% last year.
- PSU banks have maintained healthy profitability levels backed by stable NIMs and controlled credit costs. Loan growth remains robust, driven by a healthy share in the RAM segment, while an optimal CD ratio and high LCR can lead to a strong future growth. Opex is likely to be contained given that most of the cost-related expenses are now behind.
- Margins are likely to stay rangebound with a slight negative trend, though a higher MCLR mix will help mitigate the overall impact.
- Asset quality continues to remain healthy amid limited exposure to unsecured segments, with most banks reporting reduced provisioning expenses. However, SMA-0 increased for some banks. We expect PSU banks to achieve stronger earnings growth than private banks in FY25.

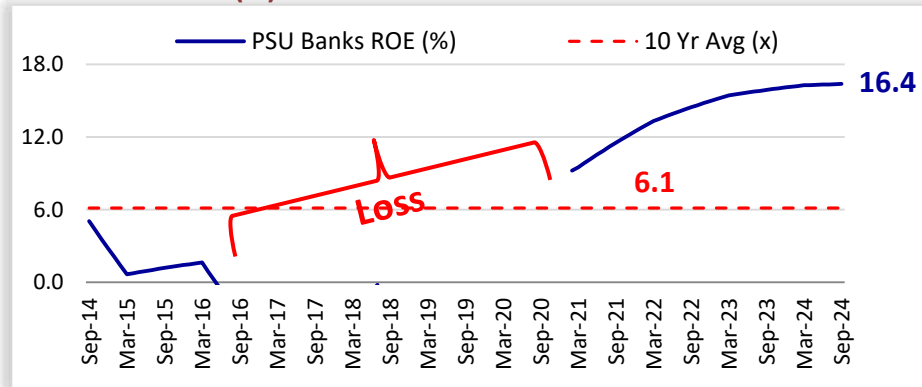
12-month forward PSU Banks P/B (x)



PSU Banks P/B relative to Nifty P/B (%)



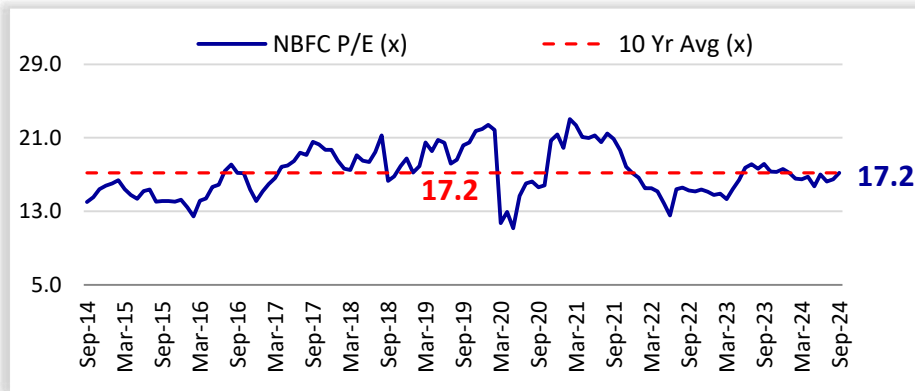
PSU Banks ROE (%)



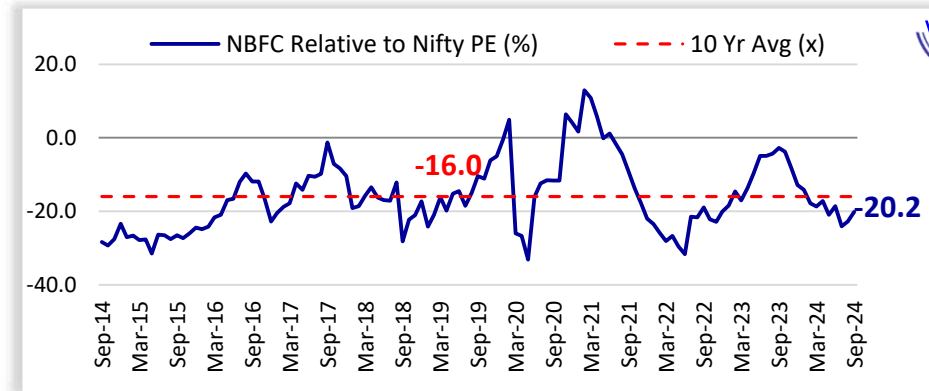


- The NBFC sector is trading at a P/B ratio of 2.6x, near its long-term historical range of 2.4x.
- Gold loan growth continues to remain strong, aided by higher gold prices. The RBI has lifted the ban on gold lending for IIFL Finance.
- We expect MFIs to continue to exhibit asset quality stress, primarily due to customer overleveraging and loans on multiple voter IDs. The recovery in the MFI sector is still distant.
- Margins for vehicle financiers have bottomed out and are now improving, supported by better yields and a stable cost of borrowing (CoB). Asset quality showed some weakness in 1QFY25, impacted by seasonality, heatwaves, and elections. We expect a recovery in vehicle demand with the onset of the festive season – Dussehra/Deepawali.
- The Union Budget has incentivized housing purchases through higher allocation to PMAY Urban and the re-introduction of the CLSS scheme, which will spur mortgage demand. Given that there is a likelihood of interest rate cuts in the second half of this fiscal year, HFCs could exhibit a NIM compression owing to transitory pressure on yields from higher competitive intensity.

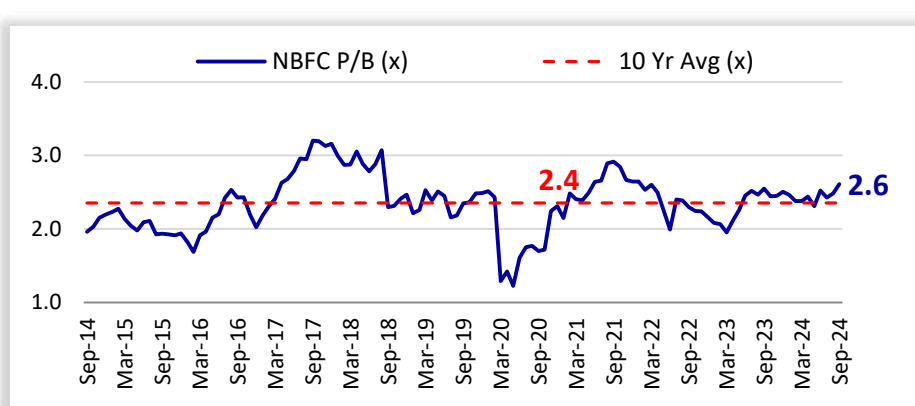
12-month forward NBFC P/E (x)



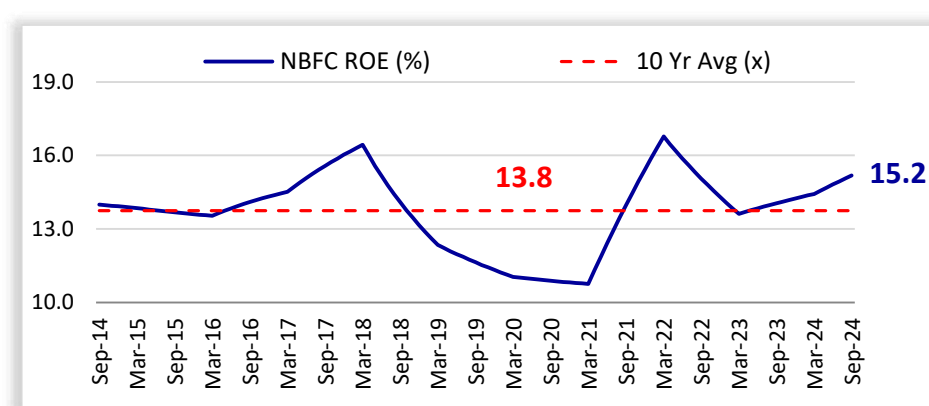
NBFC P/E relative to Nifty P/E (%)



12-month forward NBFC P/B (x)



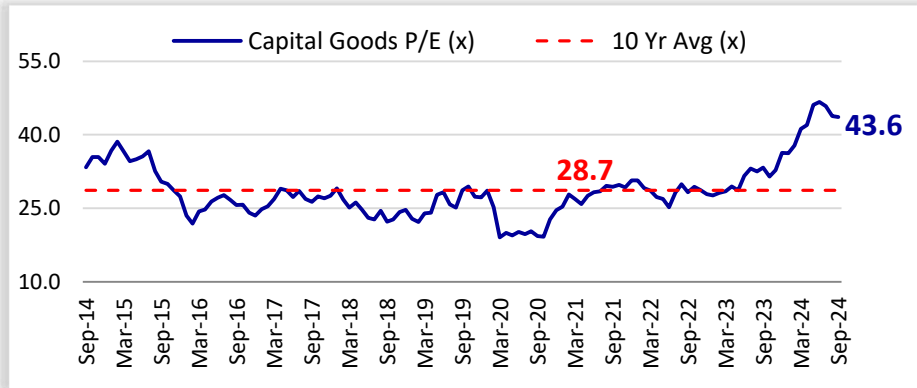
NBFC ROE (%)



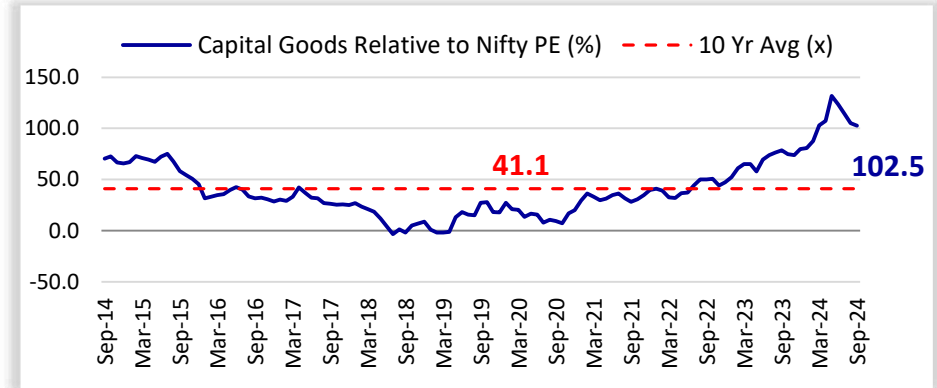


- The Capital Goods sector is trading at 43.6x one-year forward P/E, above its 10-year average of 28.7x (at a 52% premium), indicating a premium valuation baking in the anticipated capex recovery, ordering momentum, and higher budgetary allocation.
- On a P/B basis, the sector is trading at 8x, at a significant premium to its 10-year average multiple of 4x.
- The sector is witnessing a robust ordering momentum with the government's capex thrust, and the private sector is ramping up as well with healthy bank and corporate balance sheets. Companies remain sanguine about the prospects for the near to medium term.
- We believe that the anticipation of strong capex from the central government, a resurgence in private capex, improvements in capacity utilization, higher budgetary allocation, and robust tax collections should boost the outlook for the overall sector.

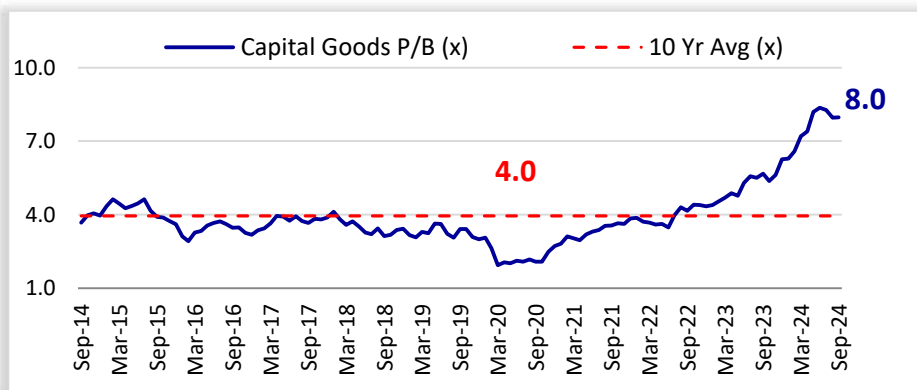
12-month forward Capital Goods P/E (x)



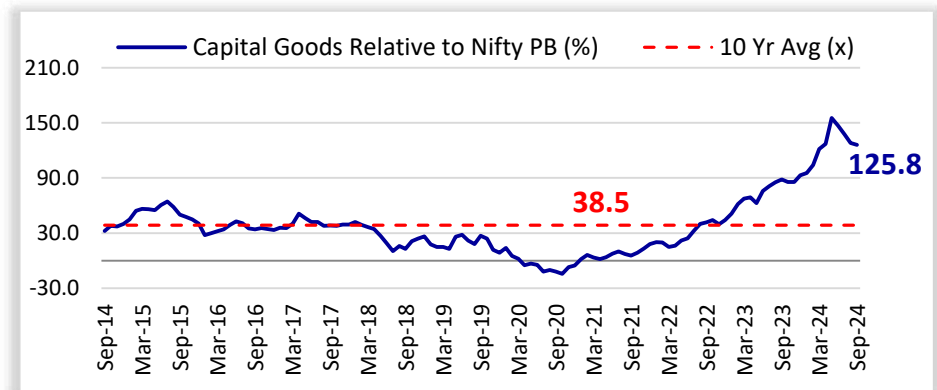
Capital Goods P/E relative to Nifty P/E (%)



12-month forward Capital Goods P/B (x)



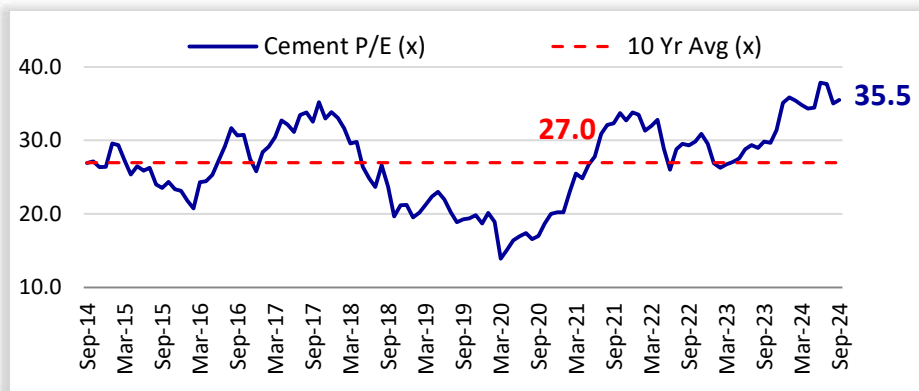
Capital Goods P/B relative to Nifty P/B (%)



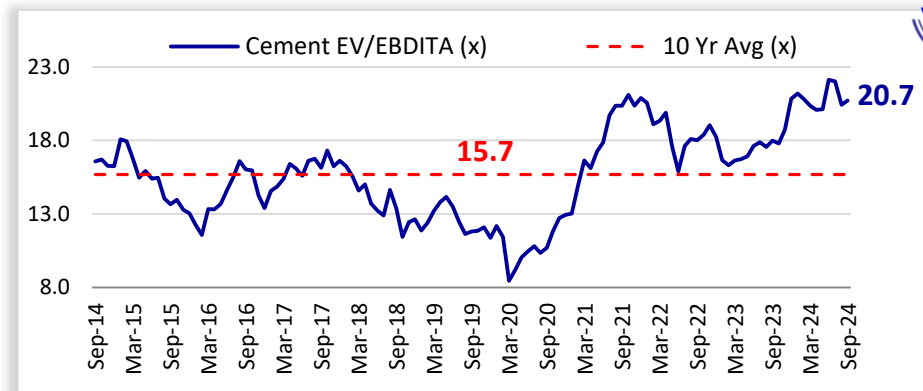


- The Cement sector is trading at a one-year forward EV/EBITDA of 20.7x, at a 32% premium to its historical average of 15.7x.
- After a subdued 1QFY25 primarily due to weak government spending in the general election period, cement demand further declined in Jul-Sep'24. We estimate industry volume to decline 2-4% YoY in 2QFY25. We expect demand to recover in 2HFY25 and estimate industry volume growth of ~6% YoY in FY25 v/s ~9% in FY24.
- Cement manufacturers have attempted price hikes in Aug-Sep '24 (INR10-20/bag in Aug '24 and Sep'24 each) after price erosion seen during Jan-Jul '24 (average cement price was down 4% YoY in this period). However, we believe that a significant portion of the announced price hikes could not be absorbed due to a weak demand scenario, and cement prices improved only ~INR8-10/bag in Aug-Sep'24. We expect further price hikes to happen when demand improves after the festive season.

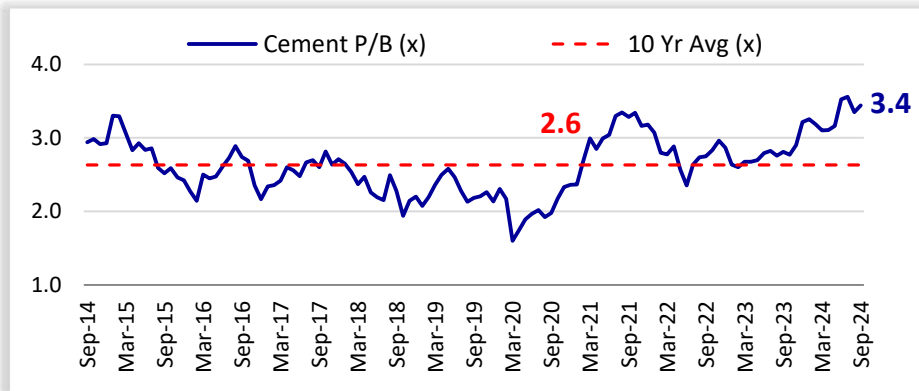
12-month forward Cement P/E (x)



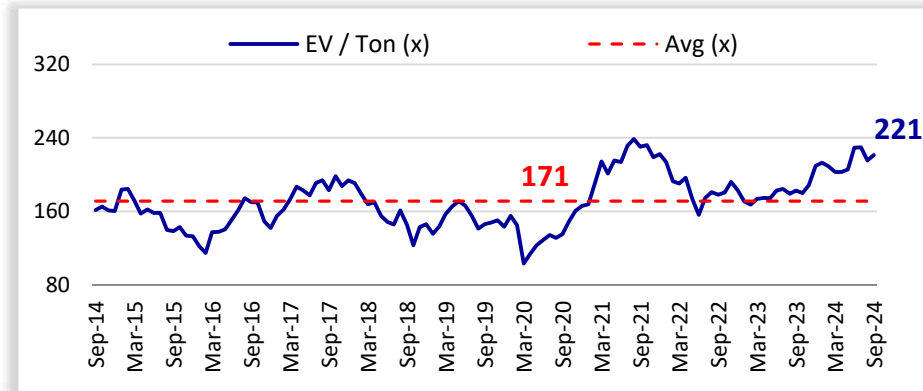
12-month forward Cement EV/EBITDA (x)



12-month forward Cement P/B (x)



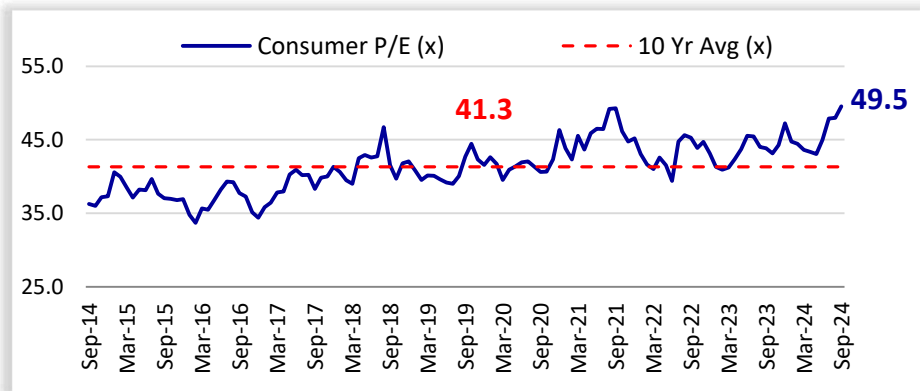
12-month forward Cement EV/Ton (x)



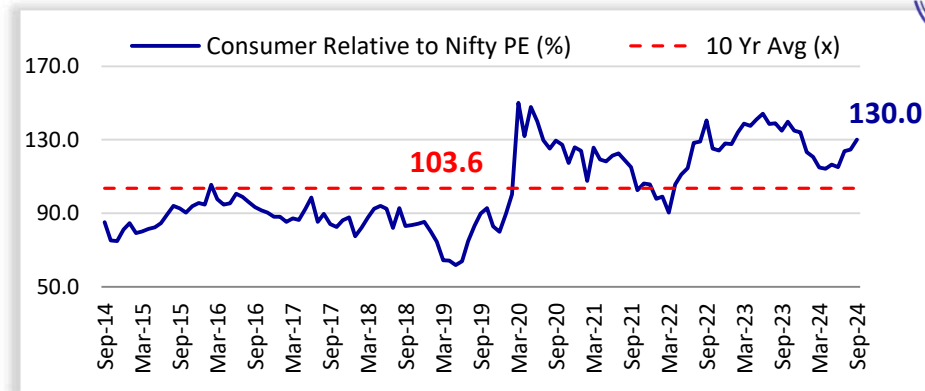


- The Consumer sector's P/E, at 49.5x, implies a 20% premium to its 10-year average of 41.3x. On a P/B basis, it stands at 12.8x, at a premium of 24% to its historical average of 10.3x.
- The current demand remains similar to the previous quarter, with recovery anticipated in the 2HFY24.
- Rural markets are outpacing urban ones in performance, but the increase in rural demand by itself is insufficient to generate substantial growth.
- The companies are concentrating on premiumization, expanding their existing brands, and prioritizing new product developments as key components of their growth strategies.

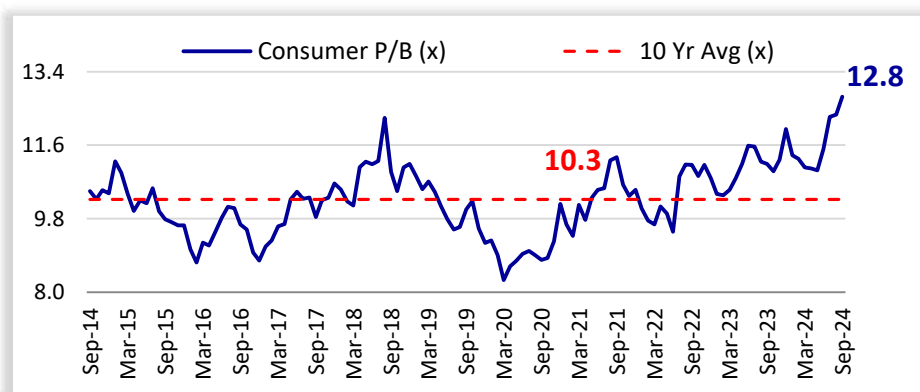
12-month forward Consumer P/E (x)



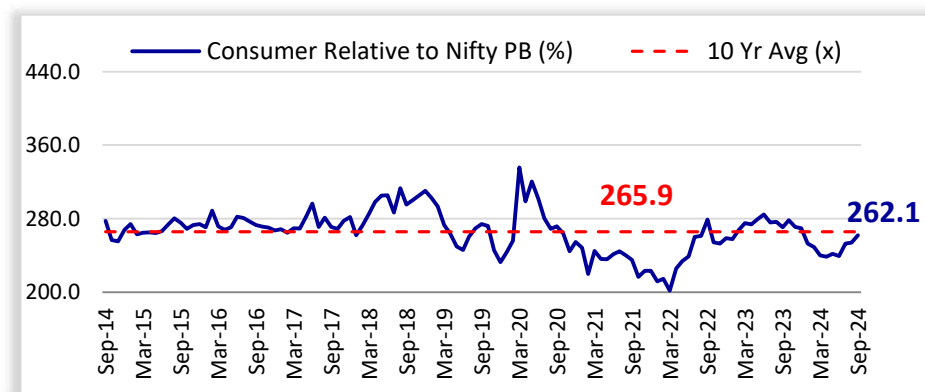
Consumer P/E relative to Nifty P/E (%)



12-month forward Consumer P/B (x)



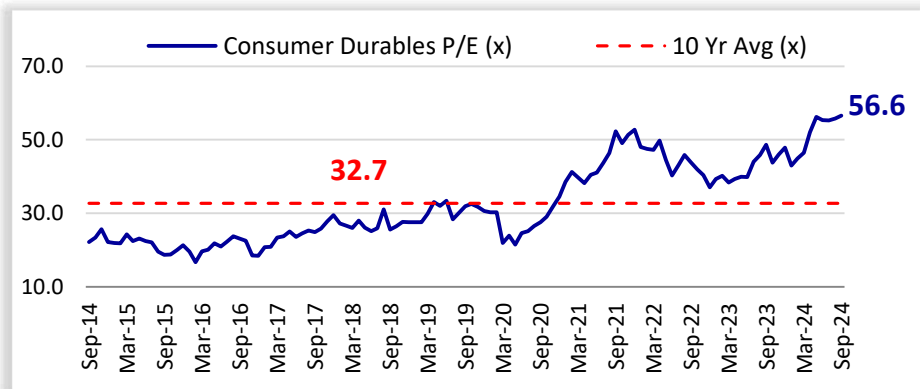
Consumer P/B relative to Nifty P/B (%)



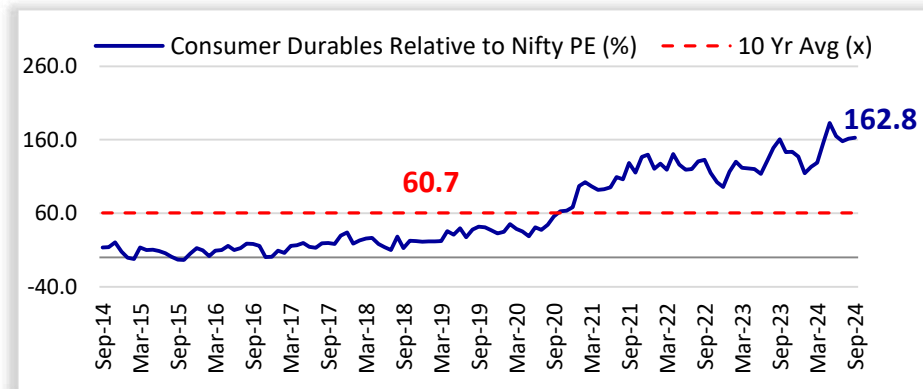


- The Consumer Durables sector trades at a one-year forward P/E multiple of 56.6x, at a 73% premium to its 10-year average P/E of 32.7x.
- On a P/B basis, the sector trades at 10.5x at a 100% premium to its 10-year average multiple of 5.3x.
- The upcoming festive season should drive demand improvement for appliances and the ECD segment. There are signals of demand recovery in rural areas led by better improvements, and that should also support demand. Air conditioner demand has seen a seasonal slowdown, but demand is expected to remain better compared to last year.
- Cables demand remained higher than wire demand, similar to the trend seen in 1QFY25. RM (Copper and Aluminum) prices remained volatile, and their prices have increased 4-6% MoM in Sep'24.
- Organized players continue to gain market share. Further, premium product share is improving across categories.

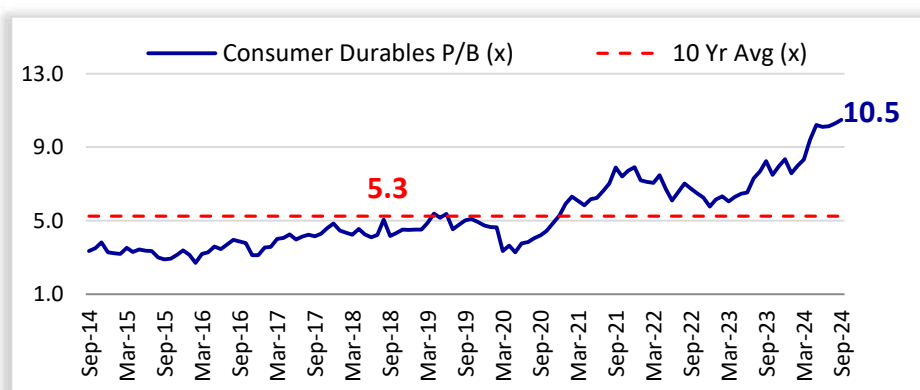
12-month forward Consumer Durables P/E (x)



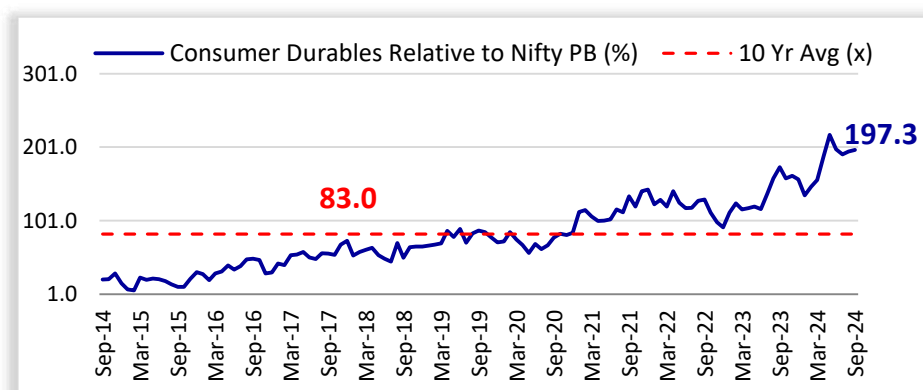
Consumer Durables P/E relative to Nifty P/E (%)



12-month forward Consumer Durables P/B (x)



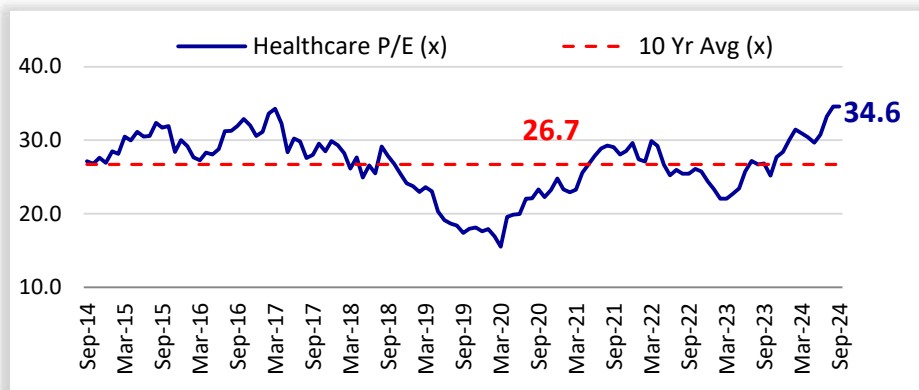
Consumer Durables P/B relative to Nifty P/B (%)



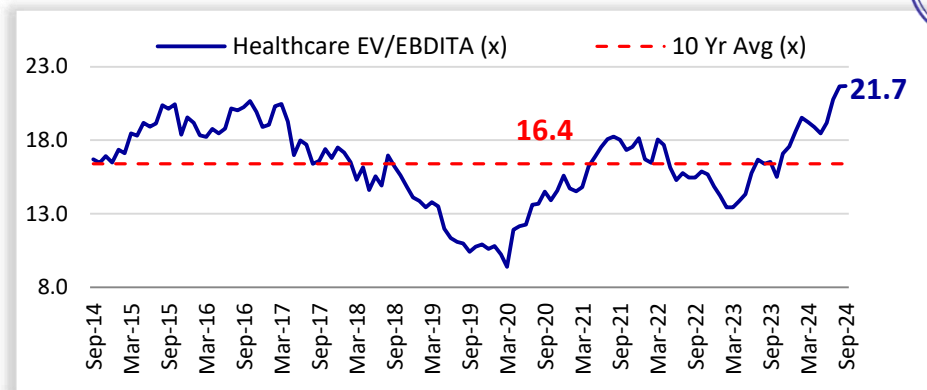


- The Healthcare sector is trading at a P/E of 34.6x (at a 29% premium to its 10-year avg.), above +1SD. Over the last 12 months, the sector has grown by 28%.
- The increased number of proposals from innovator pharma companies to non-Chinese companies is improving prospects for Indian CDMO companies as well. Particularly, the shift of discovery/development services can be faster compared to commercial manufacturing. The recent rate cut would also enable increased funding for clinical development projects, driving an enhanced outlook for the CDMO companies.
- The USFDA regulatory risk continues to reduce the visibility of ANDA approvals in the US generics space. The base business price erosion is sustaining at mid-single digit YoY. The domestic formulation business remains in good stead across chronic as well as acute therapies. Niche launches have been the key to industry outperformance in the prescription segment.
- While the ARPOB growth has been moderating, the volume offtake is enabling growth in sales/EBITDA in hospital space.

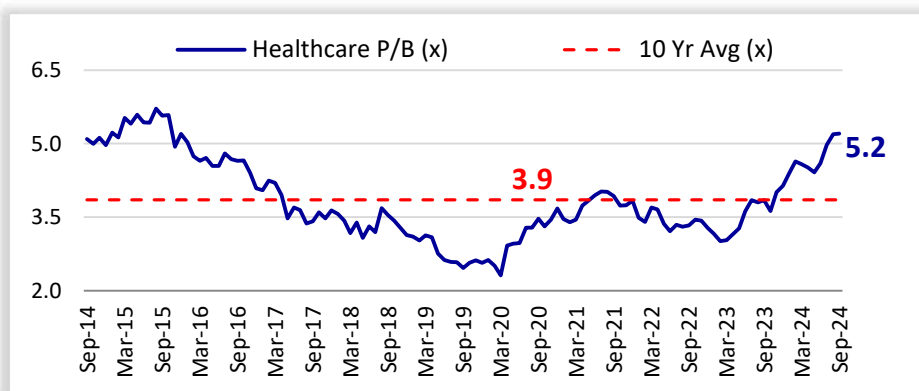
12-month forward Healthcare P/E (x)



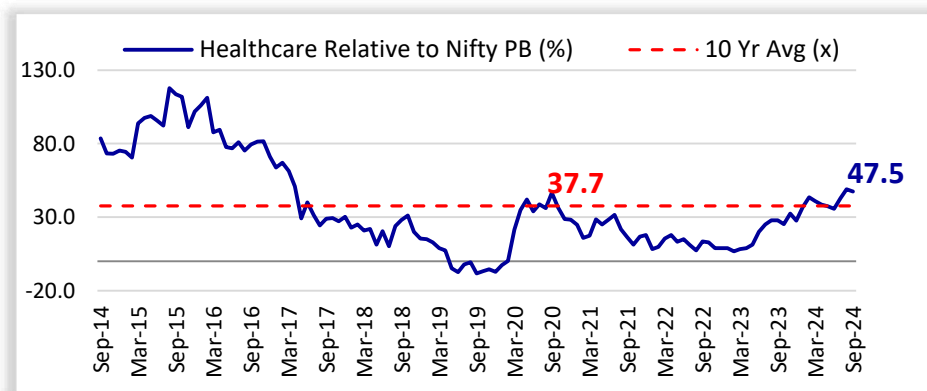
12-month forward Healthcare EV/EBITDA (x)



12-month forward Healthcare P/B (x)



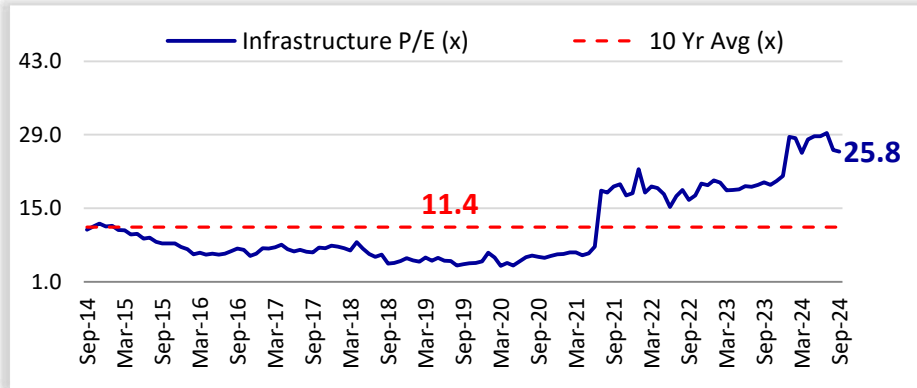
Healthcare P/B relative to Nifty P/B (%)



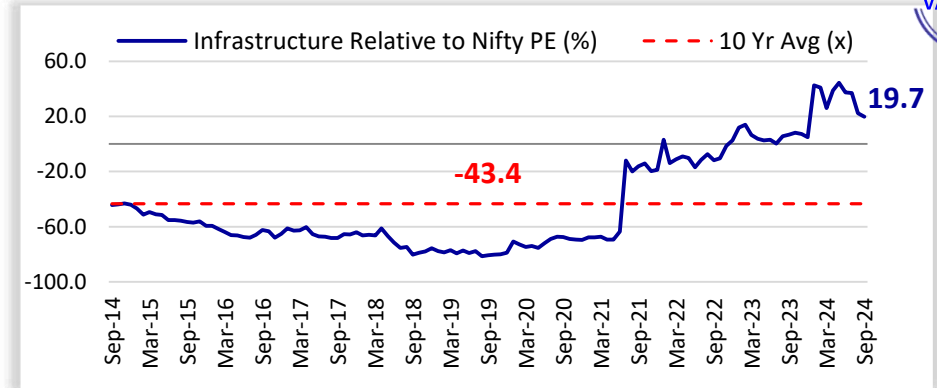


- The Infrastructure sector is trading at a P/B of 2.3x, at an 84% premium to its long-term historical average.
- NHAI project awarding remained disappointing during 1HFY25, with only 160km being awarded. Muted awarding activity by NHAI and fierce competition in NHAI projects from new and inexperienced players have adversely affected order inflows for large players. Project awarding is expected to pickup in 2HFY25, with an uptick in execution expected from FY26 onwards only.
- Toll collections increased ~1% MoM in Aug'24 to INR56b, with a daily run rate of ~INR1.8b (~up 1% MoM).

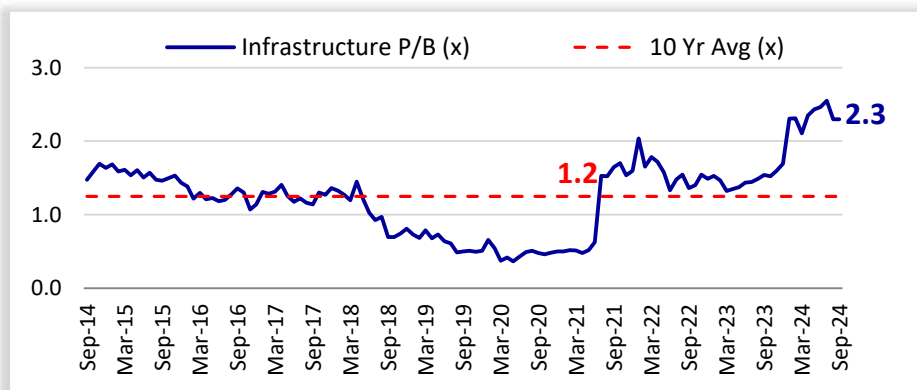
12-month forward Infrastructure P/E (x)



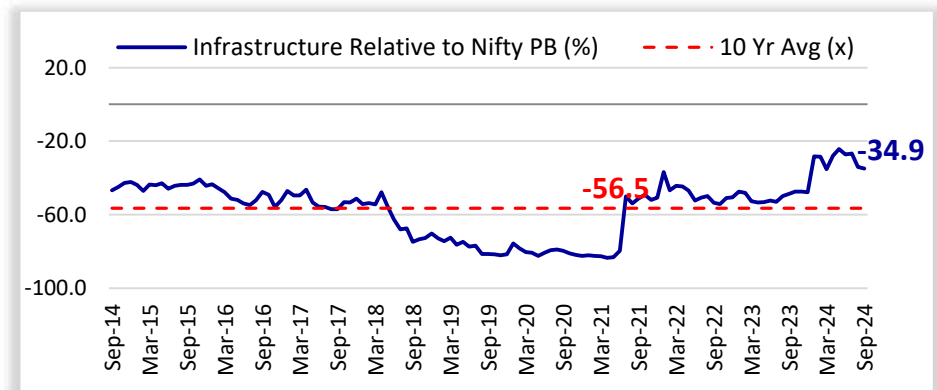
Infrastructure P/E relative to Nifty P/E (%)



12-month forward Infrastructure P/B (x)



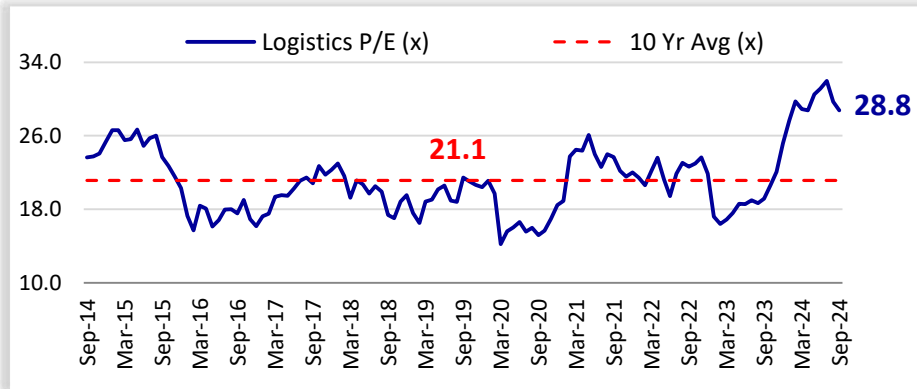
Infrastructure P/B relative to Nifty P/B (%)



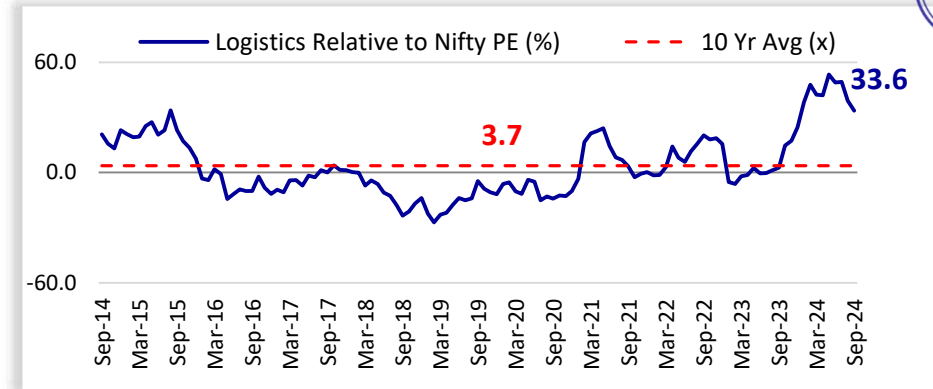


- The Logistics sector is trading at a P/E ratio of 28.8x, above its historical average of 21.1x (at a 36% premium).
- Logistics operations remained muted in Aug'24. Fleet utilization was ~80%. Daily avg. FASTag toll collections rose ~9% YoY in Aug'24 (+1% MoM).
- Volume growth is expected to improve with better-than-expected monsoons and a pickup in the rural economy. The operating margins of fleet operators are likely to inch up in 2HFY25 as other expenses such as truck costs and compliance (GST, E-way bills, etc.) are likely to remain elevated. Upward revisions in freight rates are expected post-general elections, which should result in overall margin improvement for fleet operators.
- With a structural shift in the formalization of the sector (~85% of the Logistics sector is unorganized), aided by the stricter implementation of GST and mandatory e-invoicing, the addressable market size for organized operators will improve going ahead.

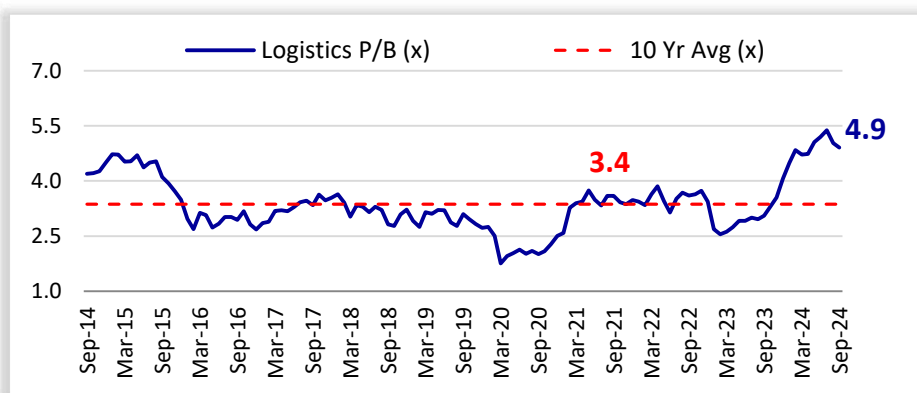
12-month forward Logistics P/E (x)



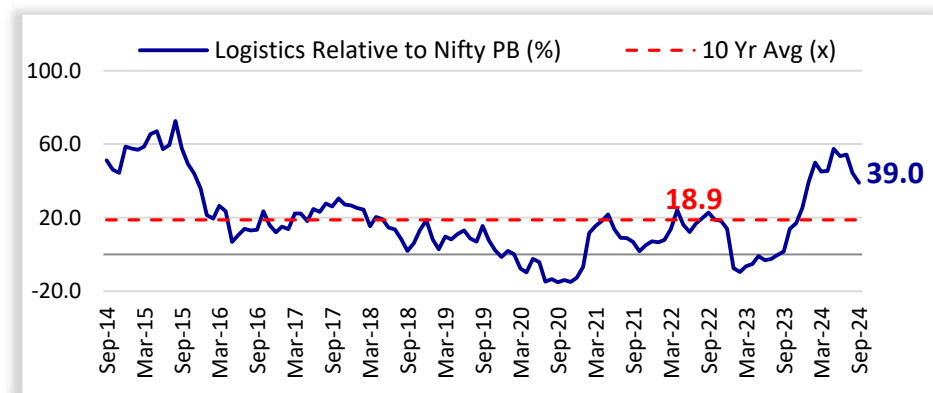
Logistics P/E relative to Nifty P/E (%)



12-month forward Logistics P/B (x)



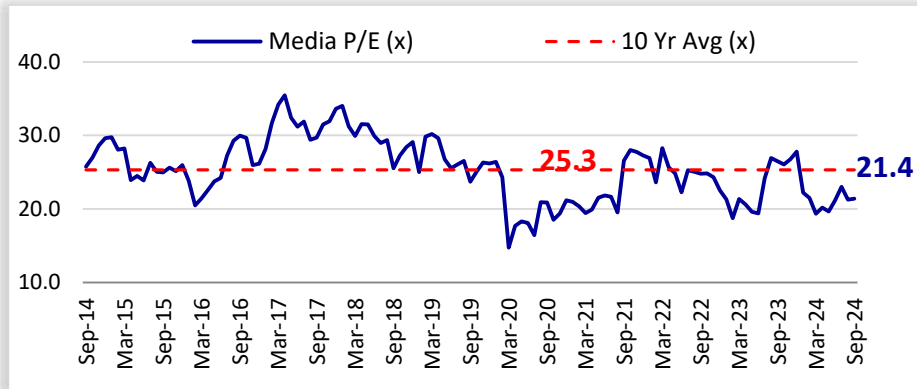
Logistics P/B relative to Nifty P/B (%)



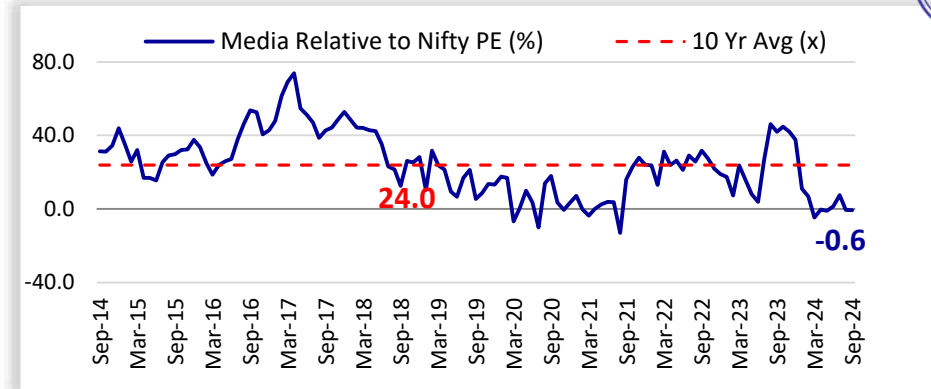


- The P/E ratio for the Media sector, at 21.4x, is at a 16% discount to its 10-year historical average of 25.3x.
- The enterprise value of the Indian Premier League (IPL) has been marked down by 11.7% to USD 9.9 billion in 2024 from USD 11.2 billion last year by valuation services provider D&P Advisory, following a reassessment of media rights value amid consolidation in the media industry.
- Star claims USD940m damages from ZEE over failure to honor the USD1.5b International Cricket Council (ICC) TV rights deal.

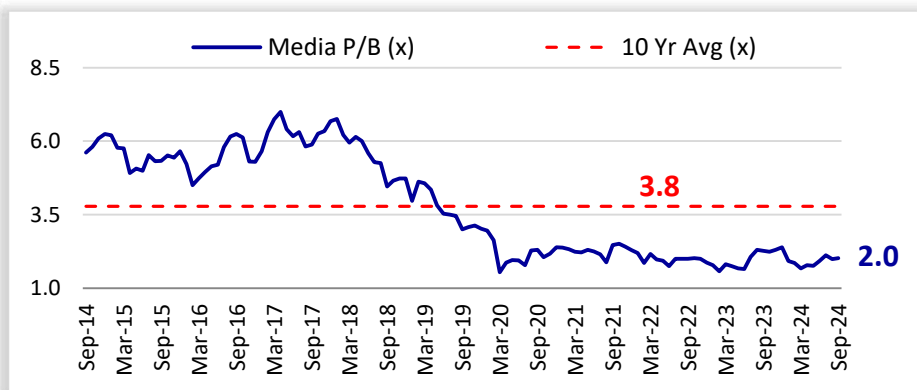
12-month forward Media P/E (x)



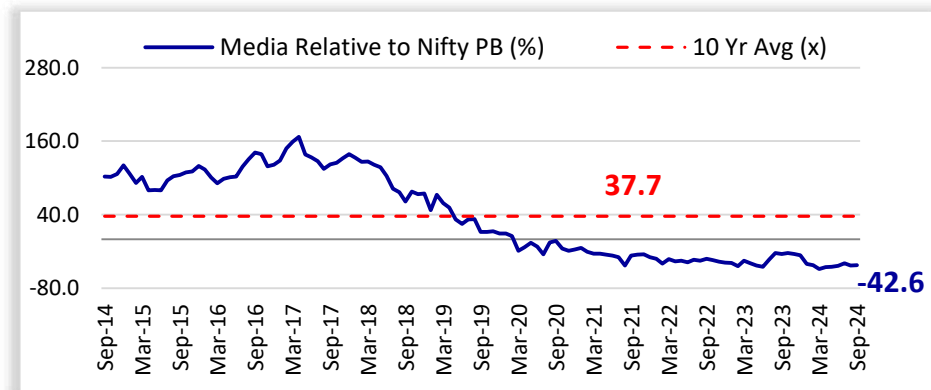
Media P/E relative to Nifty P/E (%)



12-month forward Media P/B (x)



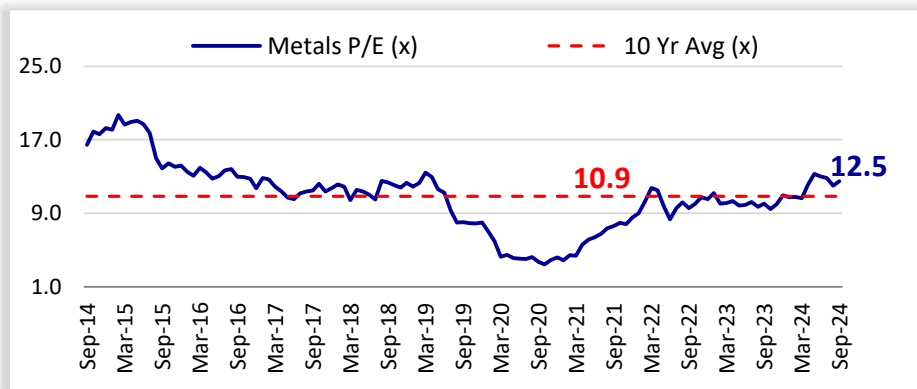
Media P/B relative to Nifty P/B (%)



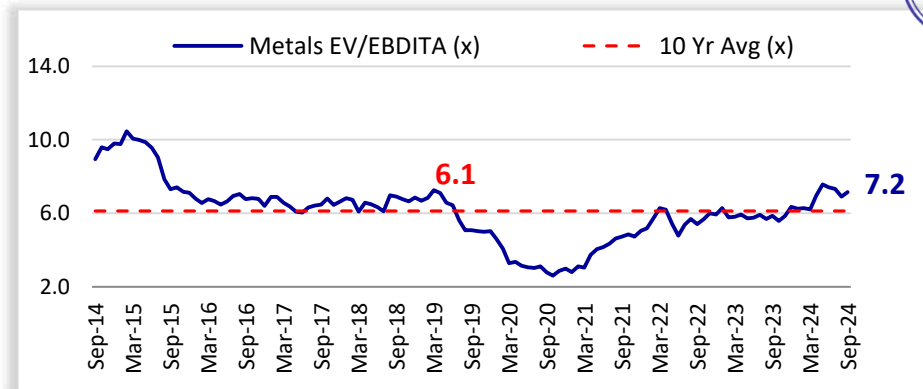


- The Metals sector's EV/EBITDA over the last few months has remained above its 10-year historical average of 6.1x amid weakness in global demand.
- Metal prices, especially flat steel prices, continue to decline 5% MoM in Sep'24 on account of cheap imports. The rebar prices remained flat MoM at INR50,000/t in Sep'24, due to sluggish demand led by the ongoing monsoon.
- Owing to global demand weakness, coking coal prices also witnessed a further correction of ~8% MoM to USD205/t.
- Most of the non-ferrous metal prices increase 2-4% MoM during Sep'24.

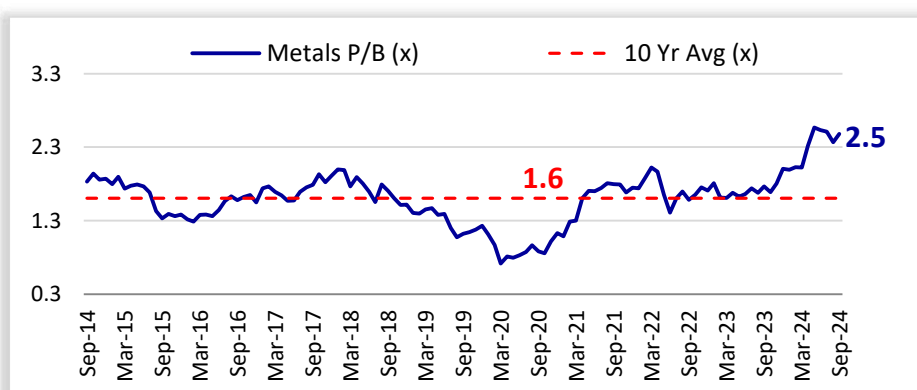
12-month forward Metals P/E (x)



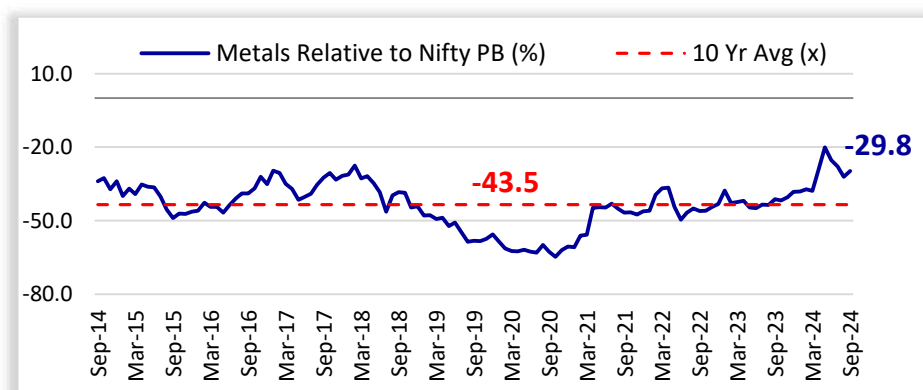
12-month forward Metals EV/EBITDA (x)



12-month forward Metals P/B (x)



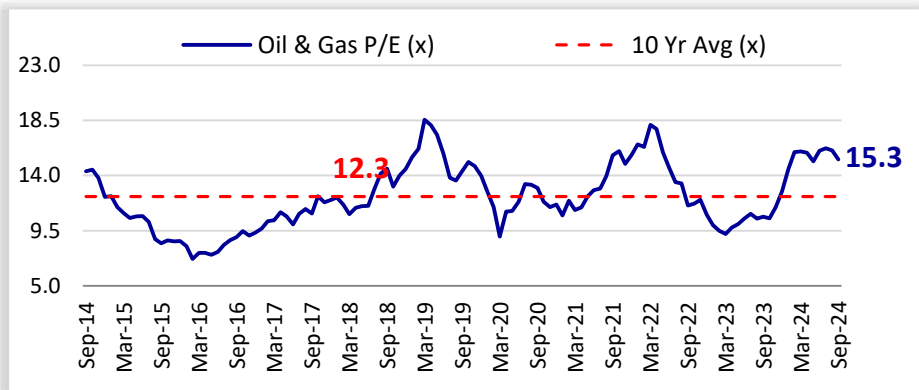
Metals P/B relative to Nifty P/B (%)



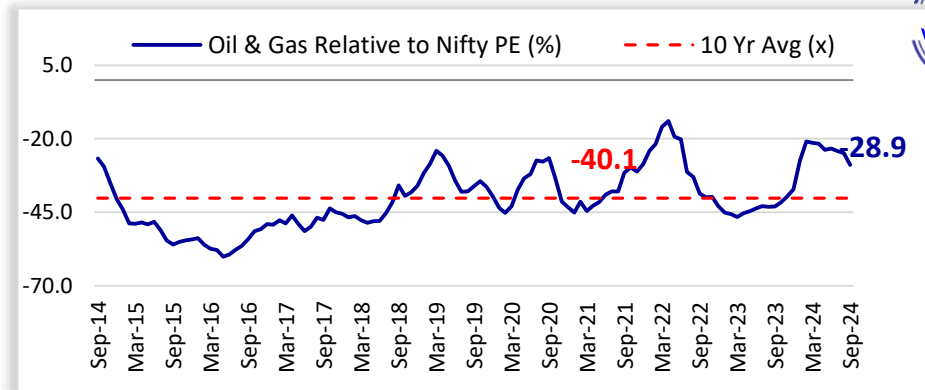


- The sector is trading at a P/B of 1.8x (at a 24% premium) and a P/E of 15.3x (at a 25% premium) vs. its historical average of 1.5x P/B and 12.3x P/E.
- Brent crude oil price averaged USD74.2/bbl in Sep'24 (vs. USD80.4/bbl in Aug'24). The persistent weakness in oil demand is due to fears of reversal of voluntary cuts by OPEC+, contraction in Chinese consumption, an expanding EV fleet, and an improvement in vehicle efficiency.
- SG GRM stood at USD2/bbl in Sep'24 (vs. USD4.3/bbl in Aug'24). Diesel cracks declined to USD4.8/bbl in Sep'24 (vs. USD8.6/bbl in Aug'24). Gasoline cracks contracted to USD8.9/bbl in Sep'24 vs. USD11.3/bbl in Aug'24.
- Gross marketing margin for petrol increased to INR13.5/lit in Sep'24 from INR10.1/lit in Aug'24, while gross marketing margin for diesel stood at INR12.4/lit vs. INR7.8/lit in Aug'24. Spot LNG price was USD13.8/mmBtu in Sep'24 (similar to USD13.3/mmBtu in Aug'24).

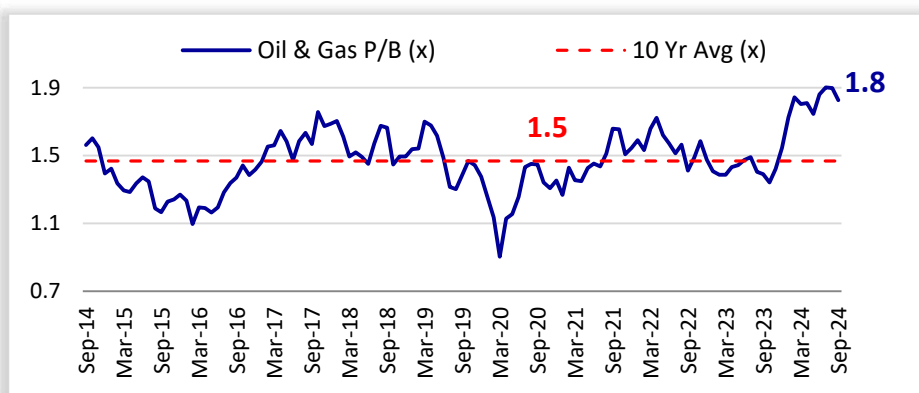
12-month forward Oil & Gas P/E (x)



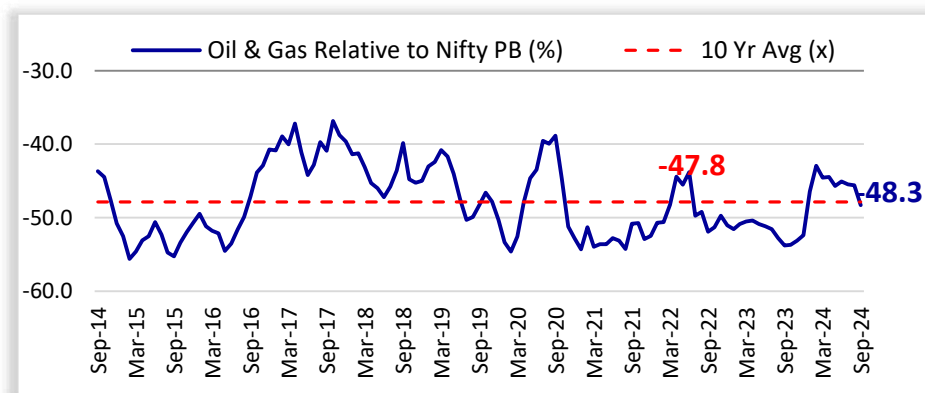
Oil & Gas P/E relative to Nifty P/E (%)



12-month forward Oil & Gas P/B (x)



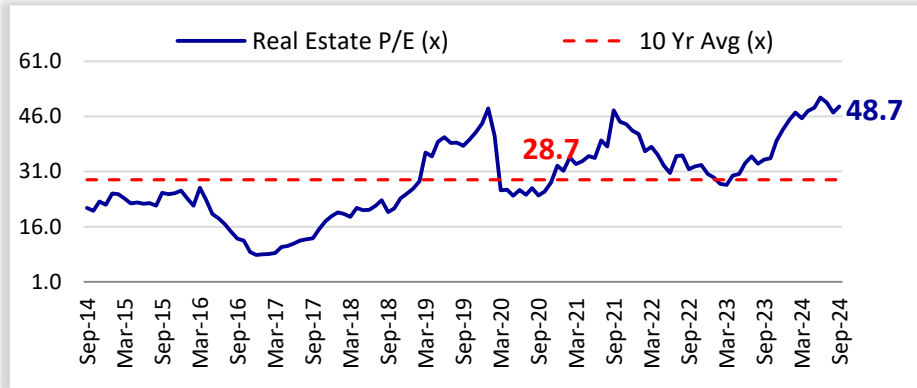
Oil & Gas P/B relative to Nifty P/B (%)



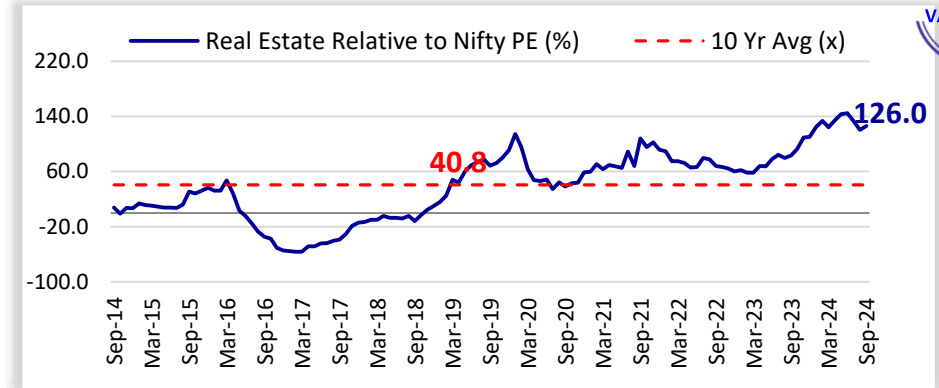


- The sector is trading at a P/E of 48.7x, at a 69% premium to its 10-year historical average of 28.7x.
- According to Anarock, housing sales across the top 7 cities declined 11% YoY in 3QCY23 on account of lower launches and monsoon. New launches during the period declined 19% YoY.
- As per Colliers, the top six cities witnessed 17msf of office absorption in 3QCY23, up 31% YoY. Bengaluru and Hyderabad accounted for over half the leasing activity during this period.
- Registration of property sales in Mumbai city surged past 100,000 milestone in Sep'24, which is recorded to be the fastest in a decade.

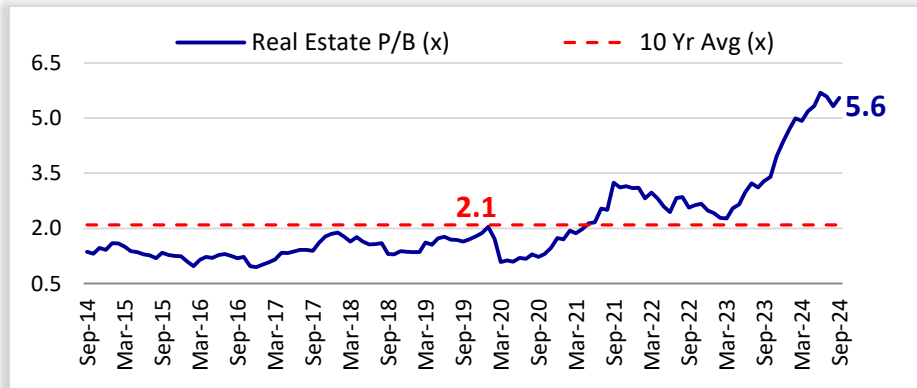
12-month forward Real Estate P/E (x)



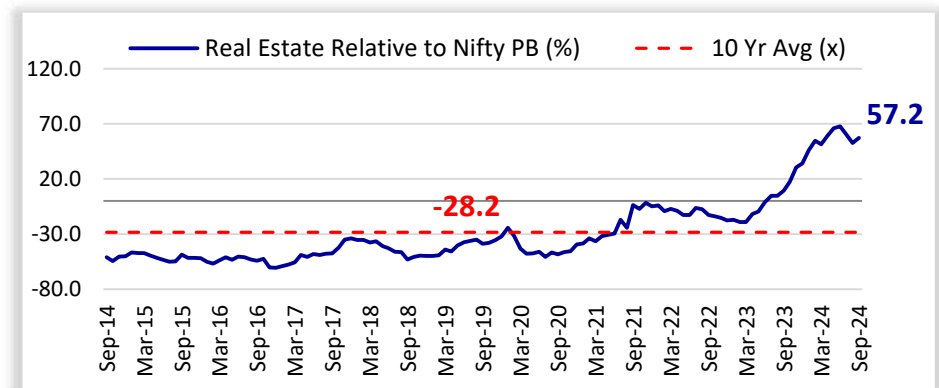
Real Estate P/E relative to Nifty P/E (%)



12-month forward Real Estate P/B (x)



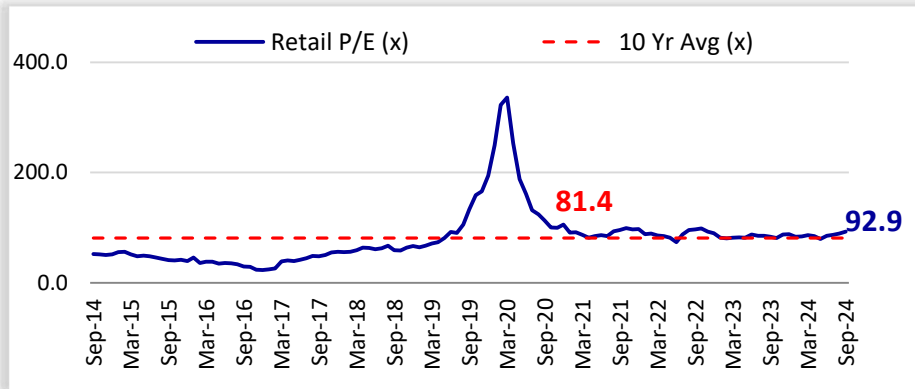
Real Estate P/B relative to Nifty P/B (%)



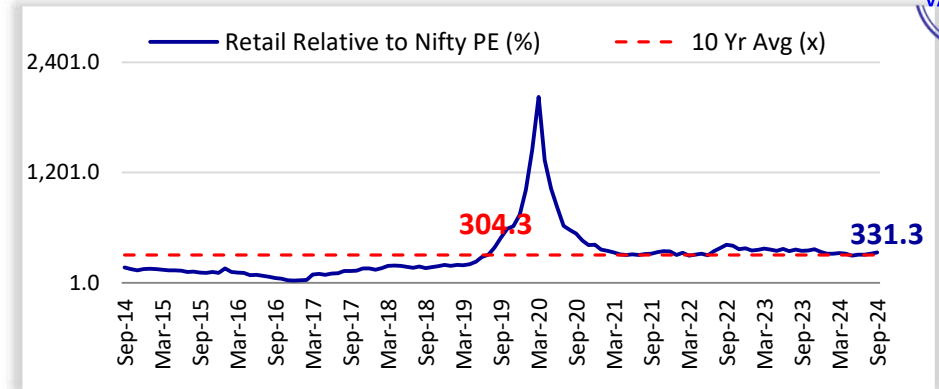


- The sector is trading at a P/E ratio of 92.9x, which is at 14% premium to its 10-year historical average of 81.4x.
- Retail sales in Aug'24 showed a moderate gain of 2% YoY (up 5%/2% YoY in Jun/Jul'24), according to a survey by the Retailers Association of India.
- Over 31% of Indian shoppers rely on Quick Commerce for their core grocery needs, while 39% use such platforms for top-up purchases. Overall, Quick Commerce sales in India surged 3.8x over two years.

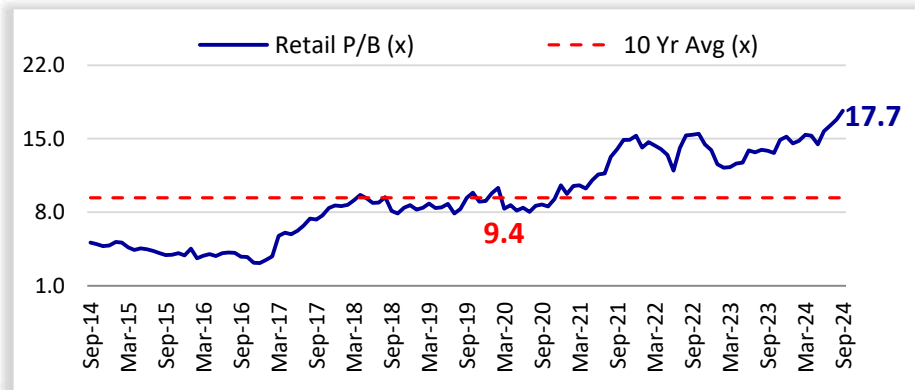
12-month forward Retail P/E (x)



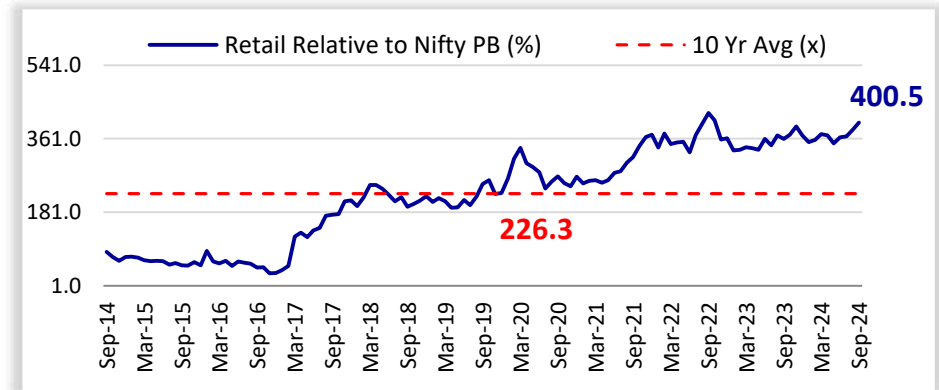
Retail P/E relative to Nifty P/E (%)



12-month forward Retail P/B (x)



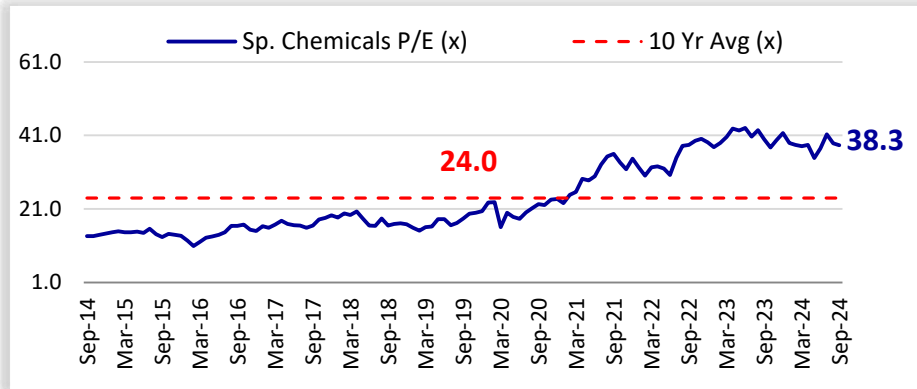
Retail P/B relative to Nifty P/B (%)



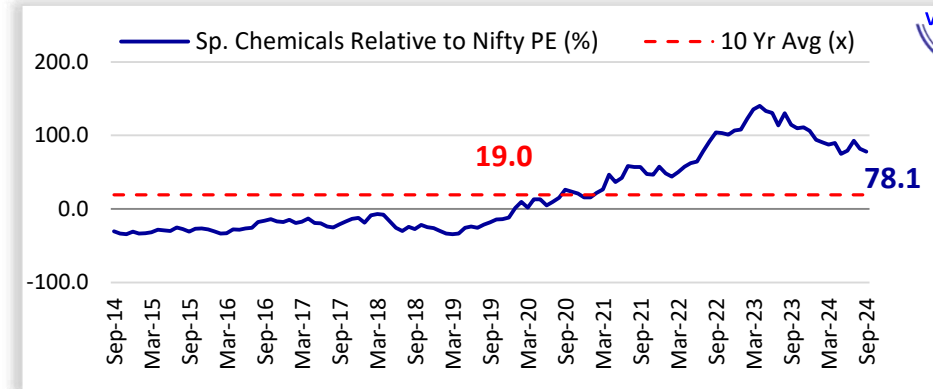


- The sector is trading at a P/B of 4.4x (at a 38% premium) and a P/E of 38.3x (60% premium) vs. its historical average of 3.2x and 24.0x, respectively.
- Brent crude oil price averaged USD74.2/bbl in Sep'24 (vs. USD80.3/bbl in Aug'24). The prices have declined 7.6% amid increasing supply from other producers (especially the US) as well as weak demand growth in China.
- Toluene (Korea)/Butadiene (Korea) prices declined 14%/1% MoM, while Propylene (Korea) price dipped 1% MoM. Benzene (Korea) price declined 3% MoM, while Styrene (Korea) price dipped 4% MoM. Acetonitrile price was down 6% MoM, while Methanol price declined 1.4% MoM. Phenol price rose 1% while Acetone price declined 7%. IPA price dipped 1% MoM, while Aniline price dipped 4%. There was no change in Acetic Acid price.
- Various management teams expect a recovery from 2HFY25, with companies focusing on the long-term growth trajectory of their businesses.

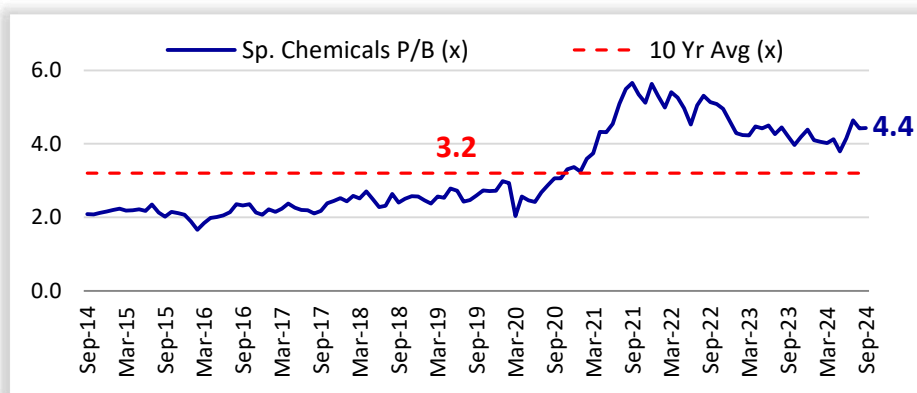
12-month forward Sp. Chemicals P/E (x)



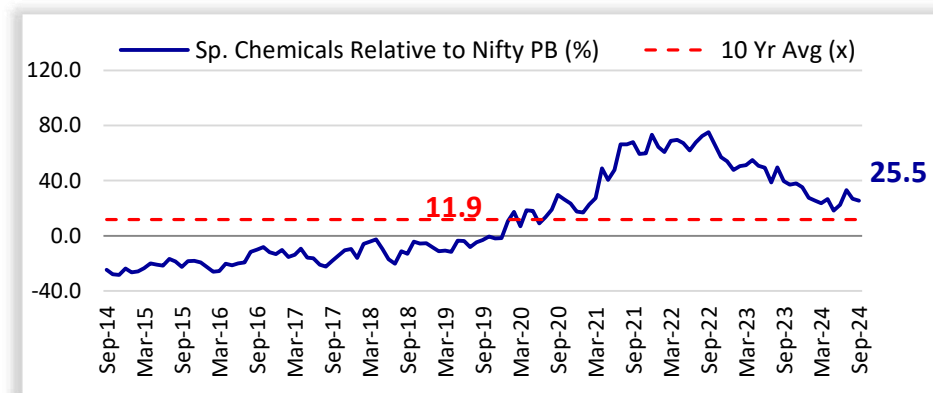
Sp. Chemicals P/E relative to Nifty P/E (%)



12-month forward Sp. Chemicals P/B (x)



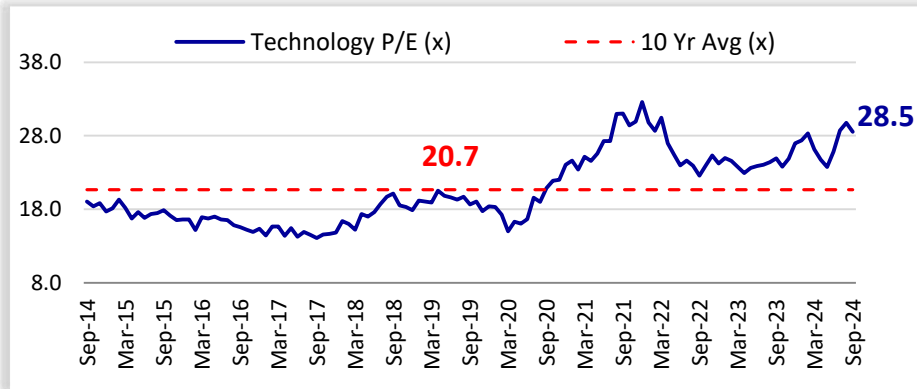
Sp. Chemicals P/B relative to Nifty P/B (%)



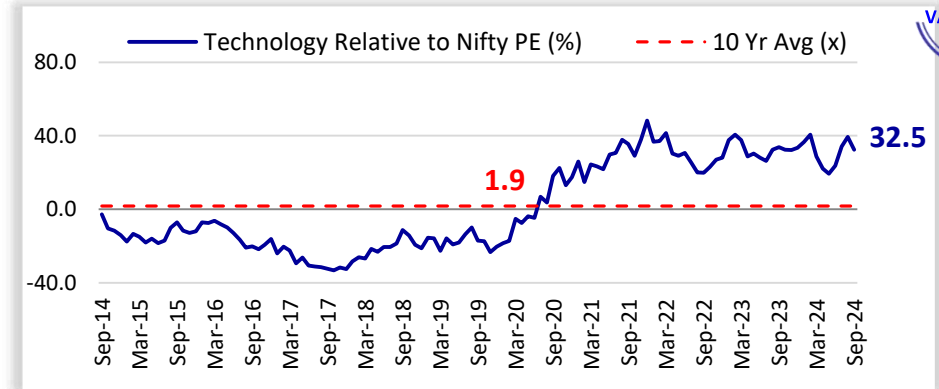


- The sector is trading at a P/E ratio of 28.5x, at 38% premium to its long-term average of 20.7x.
- The demand environment remained largely consistent compared to the last quarter. We anticipate a gradual recovery in discretionary spending that could be initially restricted to some pockets, e.g., the US Banking, Healthcare, and Manufacturing. Clients are transitioning from cost-cutting measures to prioritizing high-impact transformation initiatives. That said, we do not expect any further drawdown in discretionary projects.
- Margins for the sector are likely to be largely range-bound as wage hikes have been deferred to 2HFY25. This means that from 3Q onwards, margins may face headwinds due to wage hikes and furloughs. Revenue growth and pyramid optimization will be key drivers for margin improvement, and currency movements should benefit the Indian IT services companies.

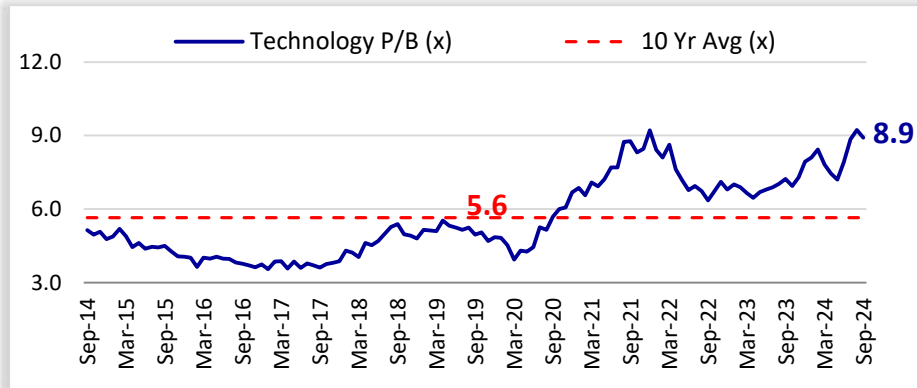
12-month forward Technology P/E (x)



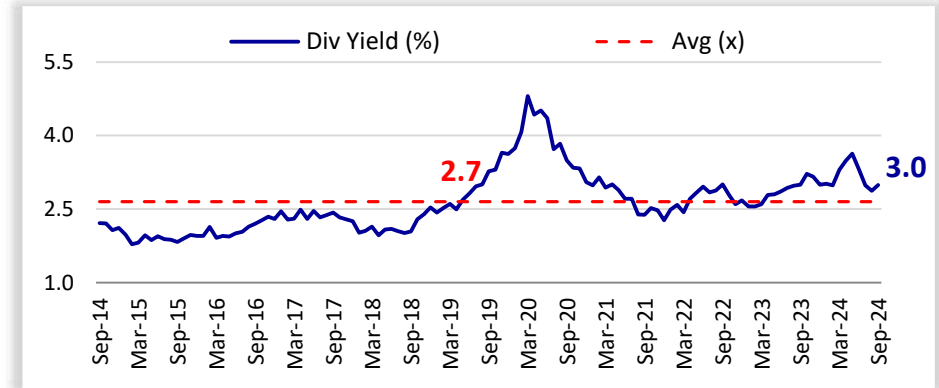
Technology P/E relative to Nifty P/E (%)



12-month forward Technology P/B (x)



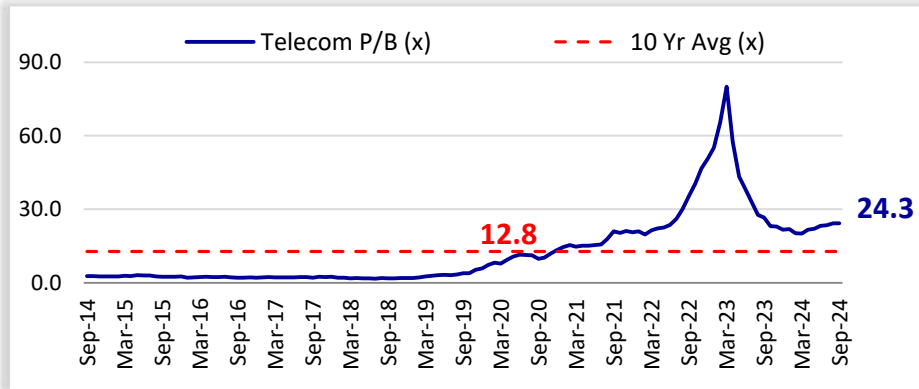
Technology Div Yield (%)



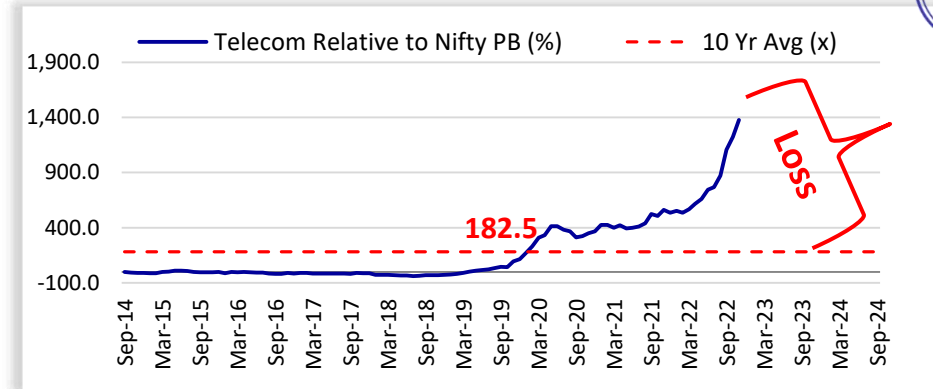


- The sector is trading at an EV/EBITDA ratio of 10.9x, at a 23% premium to its 10-year historical average of 8.8x.
- TRAI has sought views on pricing methodology and terms and conditions for spectrum allocation without auctions to OneWeb, Starlink, and other global players.
- Telecom minister Mr. Jyotiraditya Scindia initiated a meeting with the seven working groups of the Bharat 6G alliance, hinting at the arrival of 6G in India.

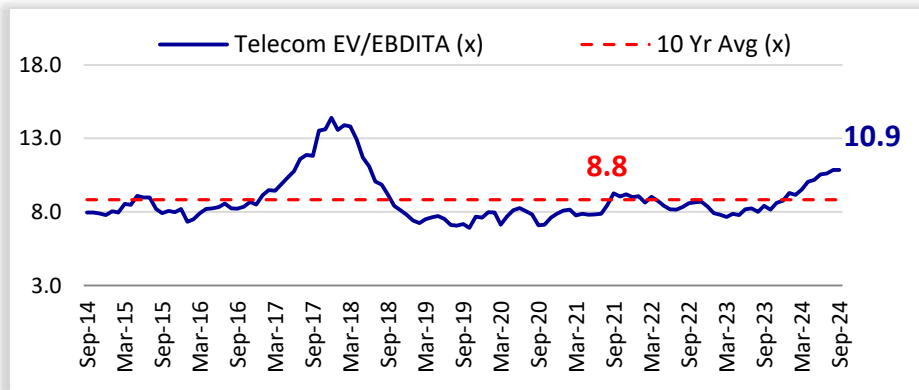
12-month forward Telecom P/B (x)



Telecom P/B relative to Nifty P/B (%)



12-month forward Telecom EV/EBITDA (x)





Company	APE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
Automobiles	26.7	27.4	-3	36.3	18.5	24	34	5.1	3.5	48	4.0	2.9	45	23
Amara Raja Energy	24.7	22.7	9	30.4	15.1	15	11	3.2	3.7	-12	5.4	1.9	-8	30
Ashok Leyland	17.8	21.4	-17	28.1	14.7	-17	5	5.9	4.2	40	5.2	3.2	68	51
Apollo Tyres	18.4	15.0	23	19.8	10.1	-15	-27	1.7	1.1	52	1.5	0.8	-51	-59
Balkrishna Inds	31.6	22.3	41	31.4	13.3	47	9	5.4	4.0	38	5.3	2.6	54	40
Bajaj Auto	36.1	18.5	95	22.4	14.6	67	-10	11.9	4.6	157	6.2	3.1	238	65
Bharat Forge	37.2	42.2	-12	67.3	17.1	73	107	7.9	5.3	48	6.7	3.9	124	90
Bosch	46.8	38.6	21	45.6	31.6	118	89	8.0	5.6	43	7.1	4.1	127	99
CEAT	18.2	18.1	1	30.0	6.3	-15	-11	2.6	1.8	49	2.2	1.3	-26	-38
Craftsman Auto	35.9	25.5	41	31.6	19.4	67	25	4.6	3.8	19	4.4	3.2	29	35
Eicher Motors	30.6	31.8	-4	37.4	26.2	42	56	6.2	7.2	-14	9.8	4.6	75	155
Endurance Tech.	33.5	32.9	2	39.9	25.9	56	61	5.5	5.0	9	6.1	3.9	55	77
Escorts Kubota	38.6	17.9	116	26.9	8.9	79	-12	4.9	2.1	126	3.1	1.1	38	-24
Exide Inds.	31.2	21.2	48	26.1	16.2	45	4	2.9	2.4	22	3.2	1.5	-17	-15
Hero MotoCorp	22.4	18.3	23	21.4	15.2	4	-10	5.7	4.5	26	5.8	3.2	62	61
CIE Automotive	21.2	24.9	-15	35.4	14.3	-1	22	3.0	2.2	34	3.1	1.4	-15	-21
Mahindra & Mahindra	26.8	18.5	45	22.2	14.9	24	-9	5.4	2.8	96	3.5	2.1	54	-1
Maruti Suzuki	25.2	30.0	-16	40.3	19.7	17	47	4.1	4.1	0	4.8	3.3	16	45
MRF	26.9	23.3	15	34.5	12.1	25	14	3.0	2.3	28	2.7	1.9	-15	-17
Samvardhana	28.9	43.9	-34	69.5	18.3	34	115	4.6	3.3	41	4.5	2.0	30	15
Sona BLW Precis.	62.1	68.6	-9	86.7	50.5	189	236	12.6	12.6	0	15.4	9.8	256	345
Tata Motors	15.0	17.1	-12	24.3	9.9	-30	-16	3.1	2.1	45	3.0	1.2	-14	-25
Tube Investments	64.3	39.8	62	60.7	18.9	199	95	12.3	7.0	76	10.3	3.7	247	147
TVS Motor	44.7	31.4	42	39.3	23.6	108	54	11.8	6.8	73	8.7	4.9	236	143
Banks-Private	16.5	21.1	-22	26.4	15.8	-23	3	2.4	2.5	-4	2.8	2.2	-31	-10
AU Small Finance	21.8	29.1	-25	38.7	19.4	1	42	3.1	4.1	-26	5.2	3.0	-13	46
Axis Bank	13.4	38.3	-65	90.1	-13.6	-38	87	2.0	2.0	1	2.3	1.7	-43	-29
Bandhan Bank	7.0	23.2	-70	34.0	12.3	-67	13	1.2	3.1	-61	4.8	1.5	-65	11
DCB Bank	5.7	12.5	-55	17.9	7.1	-74	-39	0.7	1.3	-47	1.8	0.7	-81	-55
Equitas Small Fin.	10.7	13.7	-22	18.0	9.5	-50	-33	1.3	1.4	-8	1.7	1.1	-64	-51
Federal Bank	10.3	12.0	-14	17.0	6.9	-52	-41	1.4	1.2	17	1.5	0.9	-61	-58
HDFC Bank	18.0	20.7	-13	23.2	18.2	-16	1	2.5	3.2	-21	3.6	2.7	-29	13
ICICI Bank	18.5	21.7	-14	31.6	11.7	-14	6	3.0	2.1	40	2.7	1.6	-15	-24
IDFC First Bank	13.7	18.9	-28	25.9	12.0	-37	-7	1.4	1.3	5	1.6	1.0	-60	-53
IndusInd Bank	10.6	18.7	-43	26.0	11.3	-51	-9	1.5	2.4	-39	3.4	1.4	-58	-15



Company	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
Kotak Mah. Bank	17.6	26.8	-34	31.8	21.7	-18	31	2.3	3.3	-31	3.8	2.8	-35	18
RBL Bank	7.5	24.7	-70	40.5	8.9	-65	21	0.8	1.6	-53	2.6	0.6	-79	-43
Banks-PSU	7.2	9.2	-22	14.5	4.0	-66	-55	1.2	0.9	39	1.1	0.6	-66	-70
Bank of Baroda	6.2	5.7	8	8.1	3.4	-71	-72	1.0	0.8	21	1.0	0.6	-73	-72
Canara Bank	5.7	4.4	29	5.4	3.5	-73	-78	1.0	0.6	57	0.8	0.4	-72	-78
Indian Bank	6.5	10.0	-35	20.0	0.0	-70	-51	1.0	0.6	68	0.9	0.3	-71	-78
Punjab Natl.Bank	7.6	11.0	-31	14.7	7.3	-65	-46	1.0	0.8	29	1.1	0.4	-72	-73
St Bk of India	8.2	12.7	-36	21.2	4.3	-62	-38	1.4	1.1	21	1.4	0.9	-61	-60
Union Bank (I)	5.6	6.3	-12	9.6	3.0	-74	-69	0.8	0.6	38	0.8	0.4	-77	-79
NBFC	17.2	17.2	0	19.7	14.6	-20	-16	2.6	2.4	11	2.7	2.0	-26	-17
Aditya Birla Cap	15.6	17.6	-11	24.9	10.2	-27	-14	1.9	1.9	4	2.7	1.0	-45	-34
AAVAS Financiers	21.5	36.3	-41	48.1	24.5	0	78	3.0	4.6	-34	6.1	3.1	-14	63
Bajaj Fin.	24.3	30.8	-21	41.0	20.7	13	51	4.7	5.2	-10	7.0	3.3	32	83
Can Fin Homes	13.0	13.7	-5	17.9	9.4	-40	-33	2.1	2.4	-11	3.2	1.6	-40	-15
Cholaman.Inv.&Fn	25.4	18.5	37	22.2	14.8	18	-10	4.9	3.2	53	4.0	2.4	39	14
CreditAccess	10.5	24.1	-57	40.1	8.2	-51	18	2.1	2.6	-19	3.1	2.1	-40	-8
Fusion Micro	8.4	14.2	-41	21.2	7.2	-61	-31	0.8	1.7	-53	2.1	1.3	-78	-40
Home First Fin.	24.2	24.4	-1	28.0	20.8	13	19	3.9	3.4	17	3.7	3.0	11	19
IndoStar Capital	18.9	16.8	13	24.0	9.6	-12	-18	1.1	1.0	14	1.3	0.7	-68	-64
LIC Housing Fin.	7.2	9.7	-25	13.3	6.1	-66	-53	1.0	1.4	-29	2.0	0.7	-72	-51
L&T Finance	13.8	14.7	-6	17.9	11.5	-36	-28	1.7	1.5	15	2.0	1.0	-52	-47
Manappuram Finance	6.3	7.5	-16	9.9	5.1	-71	-63	1.1	1.4	-20	1.9	0.9	-68	-50
MAS Financial	14.8	21.3	-31	27.2	15.5	-31	5	2.0	3.1	-35	3.8	2.3	-44	8
M & M Fin. Serv.	13.4	17.0	-21	24.0	9.9	-38	-17	1.9	1.5	29	1.7	1.2	-47	-48
Muthoot Finance	15.1	10.3	47	13.0	7.5	-30	-50	2.7	2.0	33	2.5	1.5	-24	-29
Piramal Enterprises	18.5	15.7	18	20.9	10.6	-14	-23	0.9	0.8	17	0.9	0.6	-75	-73
PNB Housing	12.4	11.2	11	16.7	5.7	-42	-45	1.4	1.2	15	2.0	0.5	-59	-56
Poonawalla Fincorp	20.1	24.3	-17	30.5	18.1	-7	19	3.0	2.1	47	3.1	1.0	-14	-27
Repco Home Fin	7.4	12.5	-41	21.0	4.1	-65	-39	0.9	1.9	-49	3.3	0.4	-73	-34
Shriram Finance	14.1	10.6	34	13.7	7.4	-34	-48	2.3	1.4	58	1.8	1.0	-36	-49
Spandana Sphoorty	6.4	38.9	-84	77.4	0.4	-70	90	0.9	1.4	-36	1.9	0.9	-74	-50
360 ONE WAM	31.8	23.0	38	28.7	17.2	47	12	9.8	4.8	105	6.6	3.0	179	70
Angel One	13.3	11.7	14	15.6	7.8	-38	-43	3.2	4.0	-18	5.2	2.7	-8	41
Cams Services	44.6	37.5	19	46.2	28.8	107	84	18.6	15.0	24	18.5	11.4	427	431



Company	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
Capital Goods	43.6	28.7	52	34.4	23.0	102	40	8.0	4.0	102	5.3	2.7	126	40
ABB India	76.3	79.3	-4	98.8	59.8	255	288	19.0	8.8	115	12.3	5.3	440	214
Bharat Electronics	38.5	11.0	248	20.7	1.4	79	-46	9.1	2.4	278	4.8	0.0	158	-14
Cummins India	46.7	29.8	57	37.3	22.3	117	46	14.2	6.2	129	8.7	3.7	301	119
Hitachi Energy	129.0	80.4	61	117.9	42.8	499	293	30.9	11.0	180	17.7	4.4	774	292
KEC International	32.4	23.1	40	36.2	10.1	50	13	5.4	2.9	91	3.7	2.1	54	1
Kalpataru Proj.	23.0	15.0	54	18.4	11.5	7	-27	3.2	1.6	96	2.2	1.1	-9	-42
Kirloskar Oil	29.8	18.9	58	26.5	11.3	38	-7	5.5	2.2	146	3.4	1.0	55	-21
Larsen & Toubro	30.4	23.6	29	28.4	18.7	41	15	4.8	3.0	62	3.8	2.1	37	6
Siemens	89.1	63.5	40	82.6	44.5	314	211	15.9	7.0	127	9.7	4.3	351	149
Thermax	68.1	44.1	55	53.2	34.9	216	116	10.6	4.8	123	6.6	2.9	201	69
Triveni Turbine	54.0	34.0	59	42.8	25.2	151	66	15.8	8.8	81	12.3	5.2	348	211
Zen Technologies	49.7	36.6	36	53.3	19.8	131	79	16.7	5.0	233	8.3	1.7	373	78
Cement	35.5	27.0	32	32.5	21.4	65	32	3.4	2.6	31	3.0	2.2	-2	-7
ACC	20.5	27.3	-25	35.3	19.3	-5	34	2.5	2.7	-9	3.2	2.3	-30	-4
Ambuja Cem.	40.9	30.2	35	39.5	21.0	90	48	2.7	2.3	16	2.9	1.8	-23	-17
Birla Corpn.	20.4	27.3	-25	56.1	-1.4	-5	34	1.4	1.2	9	1.6	0.9	-61	-56
Grasim Inds	28.5	14.5	97	19.6	9.4	32	-29	3.4	1.8	83	2.4	1.3	-5	-35
India Cements	na	42.8	na	70.8	14.8	na	109	2.1	0.9	137	1.3	0.5	-40	-68
J K Cements	35.0	30.2	16	44.7	15.7	63	48	5.5	3.5	58	4.6	2.4	56	24
JK Lakshmi Cem.	19.2	35.1	-45	67.8	2.4	-11	72	2.4	2.6	-8	3.3	1.9	-31	-7
Shree Cement	50.6	43.8	16	53.0	34.5	135	114	4.2	5.3	-20	6.2	4.4	19	88
The Ramco Cement	37.2	32.6	14	45.4	19.8	73	60	2.6	3.1	-15	3.7	2.5	-26	10
UltraTech Cem.	39.5	33.9	16	41.0	26.7	83	66	4.7	3.5	33	4.1	3.0	33	25
Consumer	49.5	41.3	20	44.8	37.9	130	102	12.8	10.3	24	11.1	9.4	262	264
Consumer Ex ITC	58.7	51.3	14	57.9	44.7	173	151	14.7	13.3	11	14.5	12.0	317	370
Asian Paints	53.8	54.5	-1	65.7	43.2	150	167	14.9	14.2	5	16.9	11.5	323	403
Britannia Inds.	58.9	46.3	27	54.3	38.4	174	127	30.6	20.3	51	27.2	13.3	766	619
Colgate-Palm.	63.4	40.0	58	45.3	34.7	194	96	43.3	24.1	80	29.2	19.0	1128	756
Dabur India	49.9	45.4	10	53.9	37.0	132	122	10.0	10.5	-5	11.6	9.5	183	274
Emami	34.4	27.9	23	36.6	19.2	60	37	11.1	8.4	32	10.4	6.4	215	199
Godrej Consumer	56.7	44.8	27	53.2	36.3	163	119	9.8	6.9	43	9.3	4.4	178	143
Hind. Unilever	58.3	52.4	11	60.5	44.2	171	156	13.1	21.8	-40	33.6	10.0	271	674
Indigo Paints	41.3	67.4	-39	102.4	32.5	92	230	6.3	9.8	-36	14.2	5.5	79	249
ITC	28.7	24.0	20	29.0	18.9	33	17	8.0	5.7	42	6.8	4.5	128	101
Jyothy Lab.	47.4	34.2	39	44.0	24.4	120	67	10.1	5.2	95	6.8	3.6	187	84
Marico	51.0	42.3	21	48.9	35.7	137	107	21.7	15.3	42	18.0	12.6	515	443
Nestle India	69.3	58.8	18	69.6	48.0	222	188	58.8	48.2	22	72.5	23.9	1567	1610



Company	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
P & G Hygiene	59.8	64.7	-7	75.1	54.2	178	216	52.0	40.4	29	54.8	25.9	1372	1332
Page Industries	67.2	66.5	1	80.2	52.8	212	225	25.4	27.8	-9	33.9	21.8	619	888
Pidilite Inds.	72.2	58.5	23	77.5	39.4	235	186	16.8	13.0	29	15.7	10.4	377	362
Tata Consumer	65.0	47.0	38	61.8	32.2	202	130	5.2	3.1	70	4.3	1.8	48	9
United Breweries	75.2	92.2	-18	124.9	59.5	249	351	12.1	9.6	26	10.9	8.2	242	239
United Spirits	77.1	62.7	23	75.8	49.5	258	207	12.6	13.5	-7	19.3	7.7	257	380
Varun Beverages	65.1	44.5	46	55.3	33.6	202	118	18.2	8.7	108	13.5	4.0	416	210
Consumer Durables	56.6	32.7	73	43.6	21.8	163	60	10.5	5.3	100	7.1	3.4	197	86
Havells India	70.4	49.5	42	63.3	35.7	227	142	13.8	9.0	54	11.3	6.6	291	219
KEI Industries	48.0	18.1	164	29.5	6.8	123	-11	9.1	3.4	166	5.6	1.3	159	22
Polycab India	48.5	27.2	78	37.8	16.6	125	33	9.9	5.2	91	7.6	2.8	179	83
Voltas	63.6	48.3	32	75.6	20.9	195	136	8.7	4.7	86	6.1	3.3	146	66
EMS	72.1	39.0	85	56.6	21.4	235	91	11.9	5.0	140	7.5	2.4	237	76
Amber Enterp.	55.6	51.4	8	73.2	29.6	158	152	6.6	4.1	62	5.5	2.6	86	44
Avalon Tech	56.7	83.5	-32	102.8	64.2	164	309	6.0	5.8	4	6.4	5.2	70	106
Cyient DLM	36.7	50.0	-27	57.3	42.7	71	145	4.8	5.3	-10	5.8	4.8	35	89
Data Pattern	49.8	48.6	2	62.0	35.3	131	138	7.7	6.6	16	9.0	4.3	118	136
Dixon Tech.	100.7	58.2	73	96.4	20.0	368	185	29.3	12.7	130	21.0	4.4	729	351
Kaynes Tech	74.9	49.1	53	62.5	35.8	248	140	11.1	5.5	104	8.1	2.9	215	94
Syrma SGS Tech.	34.9	54.7	-36	69.1	40.3	62	168	4.0	4.5	-11	5.8	3.3	14	61
Healthcare	34.6	26.7	29	31.0	22.5	61	31	5.2	3.9	35	4.7	3.0	47	37
Ajanta Pharma	39.0	24.3	60	29.7	19.0	81	19	8.6	5.7	53	7.6	3.8	145	101
Alembic Pharma	30.5	22.4	36	29.2	15.6	41	10	4.1	4.0	2	5.4	2.6	16	41
Alkem Lab	31.8	24.4	30	30.0	18.8	48	20	5.6	4.2	34	4.8	3.6	59	48
Apollo Hospitals	66.5	82.2	-19	112.4	51.9	209	302	11.1	6.8	64	9.1	4.4	214	140
Aurobindo Pharma	20.9	15.9	31	19.7	12.2	-3	-22	2.4	2.7	-11	4.1	1.3	-32	-4
Biocon	47.0	50.8	-8	72.1	29.6	118	149	2.1	3.5	-42	5.2	1.9	-42	25
Cipla	26.6	27.3	-3	33.6	21.0	24	34	4.0	3.4	20	4.0	2.7	14	19
Divi's Lab.	63.0	36.3	73	50.9	21.7	193	78	9.1	6.3	45	8.2	4.4	158	123
Dr Reddy's Labs	18.2	25.4	-28	34.7	16.1	-15	24	3.1	3.5	-12	4.3	2.7	-13	24
ERIS Lifescience	36.7	25.8	42	31.8	19.9	71	26	5.8	5.3	8	7.2	3.4	63	89
Gland Pharma	29.0	40.5	-28	54.4	26.6	35	98	2.9	4.7	-38	6.7	2.6	-18	65
Glaxosmit Pharma	55.7	55.1	1	72.9	37.2	159	170	20.2	13.0	55	15.5	10.5	471	361
Glenmark Pharma.	31.4	23.1	36	30.4	15.8	46	13	4.8	3.1	54	4.8	1.4	35	10



Company	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
Granules India	20.0	15.8	26	21.1	10.4	-7	-23	3.3	2.5	29	3.3	1.8	-8	-10
Ipca Labs.	38.4	32.4	19	45.8	18.9	78	59	5.0	3.6	40	4.5	2.7	43	27
Laurus Labs	46.0	37.9	21	60.9	15.0	113	86	5.3	4.5	16	6.6	2.4	49	60
Lupin	33.9	39.0	-13	54.3	23.8	58	91	5.4	3.9	40	5.4	2.4	54	38
Max Healthcare	56.6	35.4	60	45.9	24.8	163	73	8.1	4.8	68	6.6	3.1	131	72
Sun Pharma.Inds.	35.7	30.0	19	38.9	21.1	66	47	5.8	4.0	46	5.3	2.6	64	40
Torrent Pharma.	46.8	31.9	47	39.0	24.7	117	56	6.3	6.2	1	7.4	5.1	79	122
Zydus Lifesciences	23.4	20.5	14	25.3	15.7	9	0	3.9	3.7	5	5.1	2.4	12	33
Infrastructure	25.8	11.4	126	18.5	4.3	20	-44	2.3	1.2	84	1.8	0.7	-35	-56
IRB Infra.Devl.	33.6	17.1	97	25.9	8.2	56	-16	2.5	1.2	100	1.8	0.6	-30	-56
KNR Construct.	20.3	14.1	43	18.5	9.8	-6	-31	2.4	2.2	11	2.7	1.7	-31	-22
Media	21.4	25.3	-16	29.6	21.1	-1	24	2.0	3.8	-46	5.6	2.0	-43	34
PVR Inox	113.6	48.2	136	74.1	22.2	428	136	2.2	3.9	-44	5.3	2.6	-38	39
Sun TV Network	16.9	15.7	8	21.1	10.3	-22	-23	2.8	3.5	-19	5.1	1.9	-20	24
Zee Entertainment	15.9	35.6	-55	49.0	22.1	-26	74	1.1	4.0	-72	6.2	1.8	-68	42
Logistics	28.8	21.1	36	24.9	17.3	34	3	4.9	3.4	46	4.1	2.6	39	19
Adani Ports	25.8	18.6	38	22.9	14.3	20	-9	4.6	3.3	37	4.2	2.5	30	18
Blue Dart Expres	45.5	77.2	-41	123.8	30.7	111	278	10.7	16.0	-33	24.1	7.9	204	469
Container Corpn.	33.4	32.3	3	38.1	26.5	55	58	4.3	3.3	29	3.9	2.7	21	17
TCI Express	28.7	35.0	-18	45.0	25.0	33	71	4.8	7.9	-39	10.0	5.9	37	182
Transport Corp.	18.3	15.2	20	19.5	10.9	-15	-26	3.2	2.4	29	3.1	1.8	-11	-14
VRL Logistics	31.2	35.2	-11	48.5	22.0	45	72	4.8	4.8	1	6.1	3.5	37	70
Mahindra Logis.	37.2	57.5	-35	69.9	45.1	73	181	5.9	6.2	-5	7.6	4.8	68	120
Metals	12.5	10.9	15	14.5	7.2	-42	-47	2.5	1.6	54	2.0	1.2	-30	-43
Coal India	7.8	9.7	-19	15.2	4.2	-64	-52	2.8	4.5	-38	7.1	1.9	-20	60
Hindalco Inds.	12.1	9.3	30	11.6	7.1	-44	-54	1.7	1.1	48	1.5	0.8	-52	-59
Hind.Zinc	19.7	13.1	51	16.9	9.3	-8	-36	9.3	4.6	103	7.4	1.7	164	63
Jindal Steel	13.0	7.9	66	11.9	3.8	-39	-62	1.9	0.8	145	1.3	0.3	-46	-72
JSW Steel	16.9	14.2	19	22.6	5.8	-22	-30	2.6	1.8	42	2.3	1.3	-27	-35
Natl. Aluminium	16.8	11.5	45	19.6	3.5	-22	-44	2.3	1.1	114	1.5	0.7	-35	-62
NMDC	9.4	6.1	55	8.3	3.8	-56	-70	2.1	1.2	79	1.6	0.8	-39	-57
S A I L	13.2	15.1	-12	25.5	4.7	-39	-26	1.0	0.6	50	0.8	0.4	-73	-77
Tata Steel	14.3	15.6	-9	30.9	0.3	-34	-24	2.2	1.2	74	1.8	0.7	-38	-56
Vedanta	13.1	10.3	27	15.3	5.4	-39	-50	4.9	1.8	169	2.9	0.7	39	-35



Company	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
Oil & Gas	15.3	12.3	25	14.9	9.6	-29	-40	1.8	1.5	24	1.7	1.3	-48	-48
Oil & Gas Ex RIL	9.6	8.6	12	11.6	5.6	-55	-58	1.4	1.2	15	1.5	0.9	-60	-57
Aegis Logistics	38.9	30.5	27	42.8	18.2	81	50	5.9	4.2	41	5.5	2.9	67	49
B P C L	11.5	9.4	22	14.3	4.6	-47	-54	1.8	1.9	-1	2.4	1.3	-48	-34
Castrol India	23.6	22.8	3	30.8	14.9	9	12	10.4	14.4	-28	24.3	4.5	195	411
GAIL (India)	14.9	11.0	36	14.9	7.0	-31	-46	2.1	1.3	60	1.6	1.0	-41	-54
Gujarat Gas	27.9	24.5	14	33.0	16.0	30	20	4.6	4.7	-1	5.8	3.6	32	66
Guj.St.Petronet	35.8	15.1	136	20.0	10.3	66	-26	2.2	1.7	29	1.9	1.5	-38	-40
H P C L	12.0	5.9	102	8.7	3.1	-44	-71	1.7	1.2	40	1.6	0.8	-51	-56
I O C L	15.8	8.3	91	16.3	0.2	-27	-60	1.3	1.0	34	1.3	0.6	-63	-66
Indraprastha Gas	20.6	20.6	0	26.0	15.3	-4	1	3.7	3.9	-5	4.9	3.0	6	40
Mahanagar Gas	14.6	13.6	7	17.8	9.4	-32	-33	3.0	2.9	4	3.8	2.0	-14	4
M R P L	14.7	8.8	67	15.7	1.9	-32	-57	2.0	1.4	45	1.9	0.9	-42	-50
Oil India	11.2	6.5	71	9.3	3.7	-48	-68	1.8	0.8	129	1.1	0.5	-49	-72
O N G C	5.9	7.0	-17	10.8	3.3	-73	-65	0.9	0.9	7	1.2	0.6	-73	-69
Petronet LNG	11.0	12.2	-10	14.8	9.6	-49	-40	2.5	2.7	-7	3.3	2.1	-30	-6
Reliance Inds.	22.8	16.0	43	23.5	8.5	6	-22	2.1	1.5	38	1.9	1.2	-41	-46
Sp. Chemicals	38.3	24.0	60	34.0	14.0	78	17	4.4	3.2	38	4.3	2.1	25	14
Alkyl Amines	47.1	33.7	40	62.4	4.9	119	65	7.8	6.5	21	11.2	1.7	121	130
Atul	41.0	30.9	32	47.9	14.0	90	51	3.9	3.6	7	4.7	2.6	11	29
Deepak Nitrite	41.0	21.6	90	32.4	10.8	90	6	6.6	3.8	71	6.0	1.7	86	36
Fine Organic	44.4	34.0	31	43.4	24.6	106	66	6.8	7.7	-11	9.2	6.2	93	173
Galaxy Surfactants	28.0	25.6	9	31.6	19.6	30	25	4.1	4.6	-12	5.6	3.7	16	65
Navin Fluorine	47.0	34.8	35	60.4	9.2	118	70	6.2	4.9	27	7.8	1.9	75	73
NOCIL	26.8	17.9	49	25.5	10.4	24	-12	2.6	1.9	36	2.6	1.3	-26	-31
P I Inds.	37.0	32.2	15	37.8	26.5	72	57	6.3	5.9	6	6.9	5.0	78	111
SRF	39.5	24.8	59	36.7	12.9	83	21	5.5	4.0	39	5.7	2.2	57	41
Tata Chemicals	27.6	13.5	104	22.4	4.7	28	-34	1.2	0.8	50	1.1	0.5	-66	-71
Vinati Organics	43.1	34.2	26	48.4	20.0	100	67	7.1	6.4	11	8.4	4.5	102	129
Real Estate	48.7	28.7	69	39.5	17.9	126	41	5.6	2.1	165	3.2	1.0	57	-26
Brigade Enterpr.	35.8	25.5	40	37.0	14.0	66	25	6.1	2.1	189	3.3	0.9	72	-25
DLF	53.4	42.2	26	67.7	16.8	148	107	3.6	1.4	157	2.2	0.6	2	-50
Godrej Properties	73.1	74.2	-1	99.4	48.9	240	263	7.4	5.2	42	7.1	3.3	109	84
Macrotech Developers	42.0	37.4	12	45.9	28.9	95	83	5.6	4.2	35	5.4	2.9	58	47
Mahindra Lifespace	na	6.9	na	10.9	2.9	na	-66	4.2	1.5	192	3.0	-0.1	20	-48
Oberoi Realty	31.2	22.8	36	27.3	18.4	45	12	4.2	2.2	85	2.9	1.6	18	-20
Prestige Estates	80.2	27.8	188	43.4	12.2	273	36	5.6	2.0	179	3.0	1.0	58	-29
Phoenix Mills	51.6	41.5	24	69.1	13.8	140	103	5.9	2.7	120	3.6	1.8	68	-4



Company	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
Sobha	35.5	31.9	11	52.6	11.2	65	56	5.9	2.0	191	3.2	0.8	67	-28
Sunteck Realty	29.5	47.9	-38	72.1	23.8	37	134	2.4	1.9	27	2.4	1.5	-31	-32
Retail	92.9	81.4	14	132.1	30.7	331	298	17.7	9.4	88	13.4	5.4	401	233
Aditya Birla Fashion	na	96.6	na	144.2	48.9	na	373	9.6	8.3	15	11.0	5.6	171	195
Bata India	46.1	50.3	-8	68.1	32.4	114	146	8.4	9.2	-9	13.0	5.5	139	227
Avenue Supermarts	87.7	98.5	-11	120.9	76.0	307	382	13.8	12.8	7	15.6	10.1	290	356
Jubilant	98.6	72.4	36	104.6	40.2	358	254	18.7	12.8	45	18.9	6.8	429	356
Kalyan Jewellers	74.0	29.2	153	45.0	13.4	244	43	14.3	4.4	222	7.9	1.0	306	58
Relaxo Footwear	73.4	73.1	0	115.4	30.8	241	258	8.8	10.0	-12	12.8	7.3	149	255
Senco Gold	41.6	26.6	56	33.3	20.0	93	30	6.4	4.0	61	5.1	2.9	82	42
Shoppers Stop	93.7	75.5	24	108.9	42.1	335	270	14.5	11.2	30	17.9	4.4	311	296
Trent	117.6	87.1	35	109.7	64.5	446	326	34.3	9.2	272	15.5	2.9	871	227
Titan	74.3	59.8	24	76.2	43.4	245	193	24.2	14.8	64	21.0	8.6	587	425
Vedant Fashions	64.1	65.3	-2	75.4	55.3	198	220	16.5	17.8	-7	20.8	14.8	368	532
V-Mart Retail	na	42.9	na	72.5	13.3	na	110	9.5	5.9	61	8.1	3.6	169	109
Technology	28.5	20.7	38	25.5	15.9	32	1	8.9	5.6	58	7.3	4.0	152	100
Coforge	40.8	22.7	80	33.4	11.9	90	11	10.2	5.0	104	7.9	2.1	188	77
Cyient	24.1	17.9	34	23.6	12.3	12	-12	4.4	2.9	51	3.9	1.9	24	3
HCL Technologies	27.1	16.6	63	20.6	12.6	26	-19	7.4	3.9	89	5.0	2.8	109	38
Infosys	27.6	20.4	35	25.4	15.4	28	0	8.8	5.5	60	7.5	3.5	149	95
LTI Mindtree	34.7	23.7	46	33.7	13.7	61	16	7.5	9.7	-22	12.5	6.9	114	244
L&T Technology	37.9	27.0	41	36.6	17.3	76	32	8.6	6.5	31	8.6	4.4	142	132
Mphasis	30.7	19.5	58	27.3	11.7	43	-5	5.8	3.6	61	5.3	1.8	63	27
Persistent Sys	53.1	25.0	113	36.3	13.6	147	22	13.2	4.5	190	7.5	1.6	273	61
TCS	28.5	23.9	19	28.5	19.3	33	17	15.8	9.9	59	13.4	6.5	348	253
Tech Mahindra	29.4	18.0	63	24.1	11.8	37	-12	5.0	3.2	57	4.1	2.4	42	14
Wipro	23.3	17.9	30	22.4	13.4	8	-13	3.8	2.9	30	3.6	2.3	8	5
Zensar Tech.	23.1	16.4	41	22.0	10.7	7	-20	3.6	2.5	45	3.2	1.8	2	-12
Telecom	na	37.4	na	48.5	26.3	na	83	24.3	12.8	90	27.7	-2.1	589	354
Bharti Airtel	40.2	40.3	0	52.1	28.6	86	97	6.9	3.5	98	5.1	1.9	97	25
Indus Towers	15.9	18.5	-14	26.5	10.4	-26	-10	2.9	3.4	-16	4.4	2.4	-19	21
Vodafone Idea	na	19.5	na	27.7	11.3	na	-4	0.0	1.0	-100	1.4	0.7	-100	-63
Tata Comm	35.0	30.0	17	44.2	15.9	63	47	16.6	24.9	-33	39.2	10.6	371	785
Utilities	15.3	7.8	95	10.0	5.7	-29	-62	2.2	1.0	119	1.3	0.7	-38	-64
Indian Energy Exchange	45.1	27.8	62	47.7	7.9	110	36	14.6	10.5	39	17.8	3.2	315	273
JSW Energy	37.9	21.5	76	31.5	11.5	76	5	4.9	1.7	190	2.7	0.6	38	-41
NTPC	17.8	9.2	93	11.7	6.7	-17	-55	2.4	1.1	117	1.4	0.8	-33	-61
Power Grid Corpn	18.8	9.0	108	11.8	6.3	-13	-56	3.5	1.5	128	2.1	1.0	-1	-45
Tata Power Co.	28.1	16.5	70	22.6	10.4	31	-19	4.1	1.7	134	2.5	0.9	16	-38

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BUY	>=15%
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NEUTRAL	> - 10 % to 15%
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