

Sectors trading at a premium



Sectors trading at a discount

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

BULLS & BEARS

INDIA VALUATIONS HANDBOOK

HIGHLIGHTS – OCT'24 EDITION

- After achieving the milestone of 26k in Sep'24, the Nifty-50 corrects
- FIIs' outflows and DIIs' inflows at a record high in Oct'24
- Smallcaps outperform largecaps in Oct'24
- Automobiles, Oil & Gas, Consumer, Utilities, and Real Estate the top laggards
- Two-thirds of the sectors trade at a premium to their historical average
- Over the last 12 months, the global market cap rises 25.2% (USD24.9t), whereas India's market cap surges 49.1%
- Top 10 countries constitute ~83% of the global market cap as of Oct'24



	<u>STRATEGY</u> Highest ever FII selling and slowdown in earnings lead to a sharp correction	Pg 03
	<u>DEEP-DIVE FOR THE MONTH</u> Technology: A gradual but certain recovery	Pg 06
	<u>INDIAN EQUITIES</u> Market corrects in Oct'24; Nifty down 6.2% MoM	Pg 07
	<u>GLOBAL EQUITIES</u> India among the worst-performing markets in Oct'24	Pg 13
	<u>SECTOR VALUATIONS</u> Two-thirds of the sectors trade at a premium to their historical average	Pg 20
	<u>COMPANY VALUATIONS</u> Two-thirds of the Nifty constituents trade at a premium to their historical average	Pg 40

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

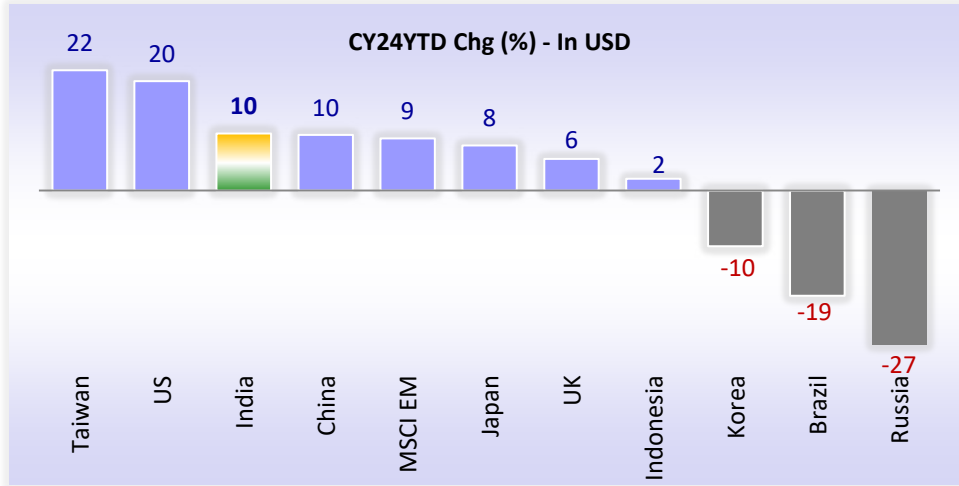
NOTES:

- Prices as of 31st Oct'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

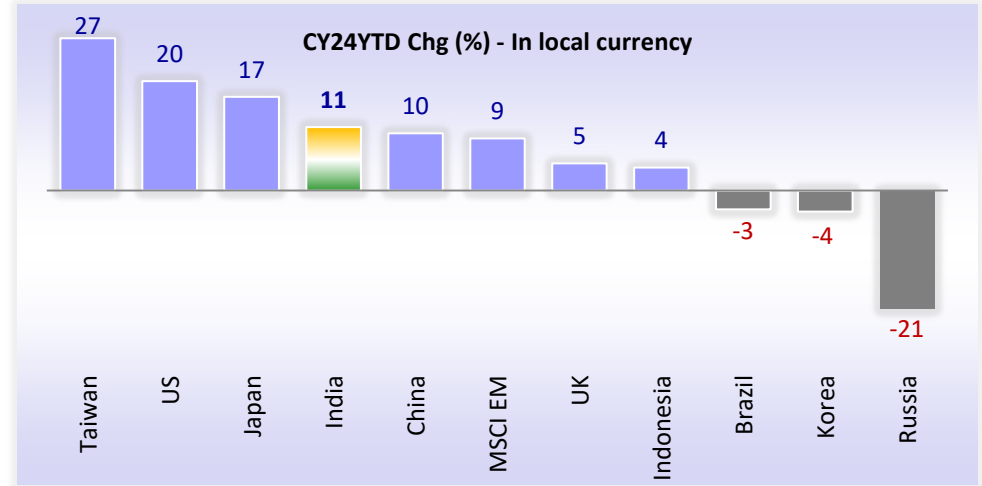
Investors are advised to refer to the important disclosures appended at the end of this report.

- **Market witnesses high volatility, corrects in Oct'24:** After achieving the milestone of 26k in Sep'24, the Nifty-50 corrected in Oct'24 due to the geopolitical tensions in the Middle East, including the weak quarterly performance for 2QFY25 and highest ever monthly selling by FIIs. The index oscillated 1,834 points before closing 1,606 points (or 6.2% MoM) lower at 24,205 – the steepest MoM decline since Mar'20. The Nifty is up 11.4% in CY24YTD. During the last 12 months, midcaps and smallcaps have gained 44% and 47%, respectively, and outperformed largecaps, which have risen 27%. During the last five years, midcaps have outperformed largecaps by 130%, while smallcaps have outperformed largecaps by 120%.
- **FII outflows and DII inflows at a record high in Oct'24:** Notably, DII inflows (at USD12.8b) and FII outflows (at USD10.9b) were at record highs in Oct'24. FII inflows into Indian equities stand at USD0.1b in CY24YTD vs. inflows of USD21.4b in CY23. DII inflows into equities in CY24YTD continue to be strong at USD53.6b vs. USD22.3b in CY23.
- **All major sectors end lower in Oct'24:** All major sectors ended lower - Automobiles (-13%), Oil & Gas (-11%), Consumer (-10%), Utilities (-10%), and Real Estate (-9%) were the top laggards on a MoM basis. SBI (+4%), Tech Mahindra (+2%), Wipro (+2%), ICICI Bank (+2%) were the top performers, while Indusind Bank (-27%), Bajaj Auto (-20%), Maruti Suzuki (-16%), Tata Consumer (-16%), and BPCL (-16%) were the key laggards.
- **India among the worst-performing markets in Oct'24:** Among the key global markets, Japan (+3%), Taiwan (+3%), and Indonesia (+1%) ended higher in local currency terms. However, Russia (-11%), India (-6%), MSCI EM (-4%), China (-2%), Brazil (-2%), the UK (-2%), Korea (-1%), and the US (-1%) ended lower MoM in Oct'24. Over the last 12 months, the MSCI India Index (+34%) has outperformed the MSCI EM Index (+22%). Over the last 10 years, the MSCI India Index has notably outperformed the MSCI EM index by a robust 169%.
- **Corporate earnings in line so far in 2QFY25:** The corporate earnings scorecard for 2QFY25 thus far has been weak, but excluding commodities, it has been broadly in line. The earnings spread has deteriorated, with only 62% of MOFSL Coverage Universe either meeting or exceeding profit expectations. The earnings growth of the aforementioned 166 MOFSL Universe companies declined 8% YoY (est. -4% YoY) in 2QFY25 (lowest in 17 quarters). The aggregate performance was hit by a sharp drag from global commodities. Excluding Metals and O&G, the MOFSL Universe and Nifty clocked 9% and 11% earnings growth vs. expectations of +9% and +10%, respectively.
- **Our view:** The markets have negotiated critical events such as the General Elections and the Budget with minimal volatility, as every minor dip has been met with robust buying activity. However, as we gaze into the horizon, it appears the waters may get a bit turbulent for Indian equities in the short term. The recent escalation in the Israel-Iran conflict only adds fuel to the fire of the already simmering geopolitical tensions from the ongoing Russia-Ukraine and Israel-Palestine conflicts. Uncertainty looms over the outcome of the US presidential elections. The monetary stimulus unleashed by China has sparked a wave of tactical FII outflows from India. Corporate earnings, after four consecutive years of healthy double-digit growth, are moderating due to pressures from commodities and fading tailwinds from BFSI asset quality improvements. The earnings revisions have turned adverse, with downgrades exceeding upgrades. [Our model portfolio](#) reflects our conviction in domestic structural as well as cyclical themes. We are OW on IT, Healthcare, BFSI, Consumer Discretionary, Industrials, and Real Estate. We are UW on Metals, Energy, and Automobiles.
- **Top ideas: Largecaps** – ICICI Bank, HDFC Bank, L&T, HCL Tech, HUL, M&M, Power Grid, Titan, Bharti Airtel, and Mankind Pharma; **Midcaps and Smallcaps** – Indian Hotels, Angel One, Godrej Properties, Persistent Systems, Metro Brands, PNB Housing, Global Health, Cello World, Dixon Tech, and Five Star Business Finance.

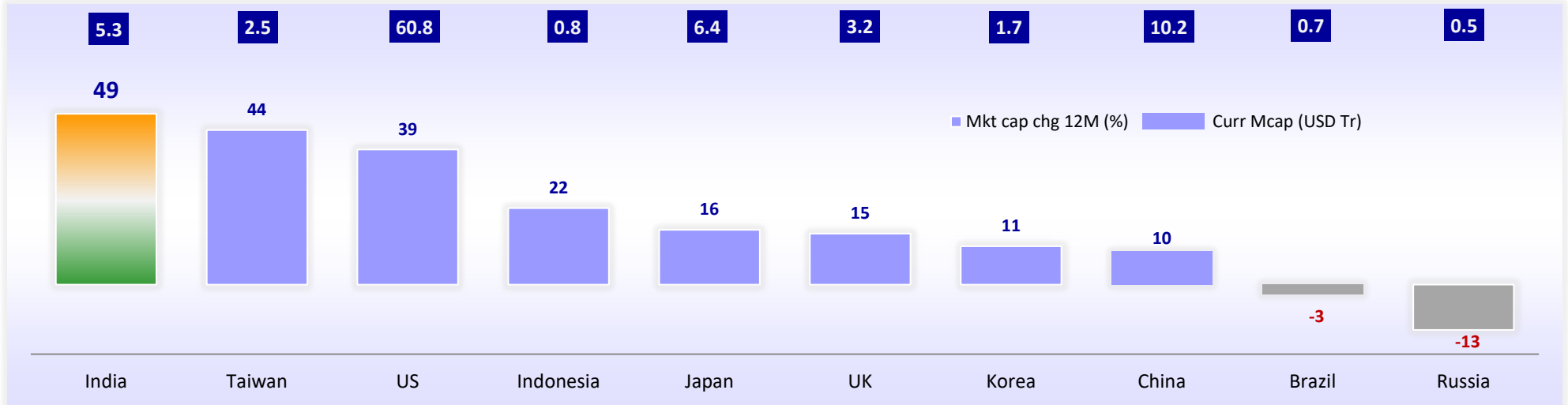
World equity indices in CY24YTD in USD terms (%)



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

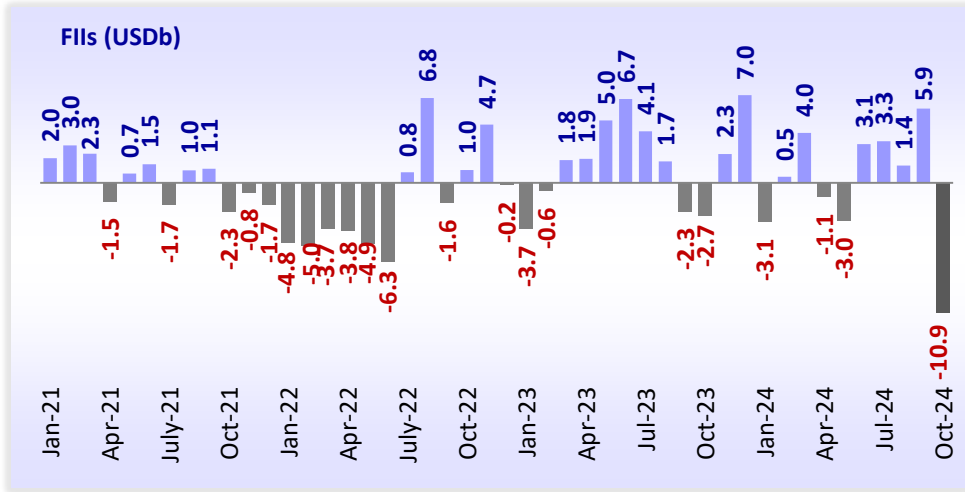


Change in market cap over the last 12 months (%) – Global market cap increased 25.2% (USD24.9t), whereas India’s market cap surged 49.1%

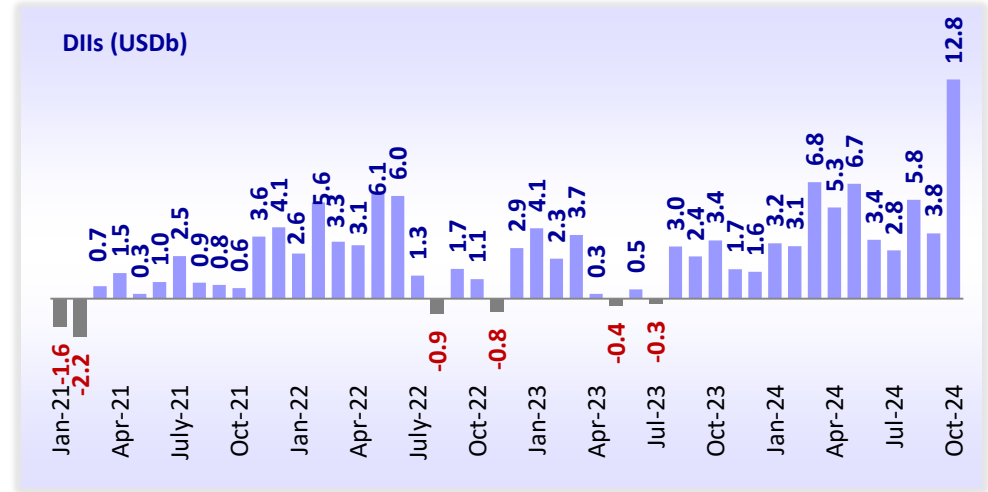


Source: Bloomberg\CEIC

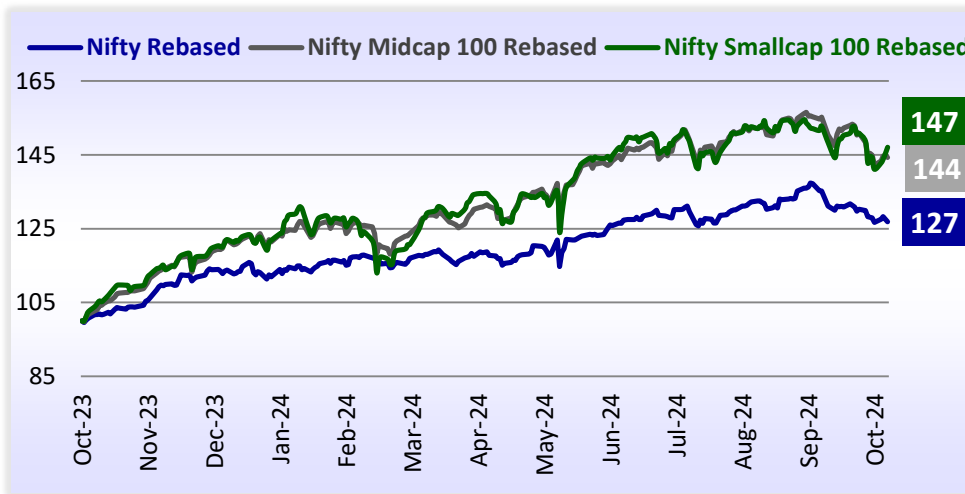
FIIs record the highest ever monthly outflows into equities in Oct'24



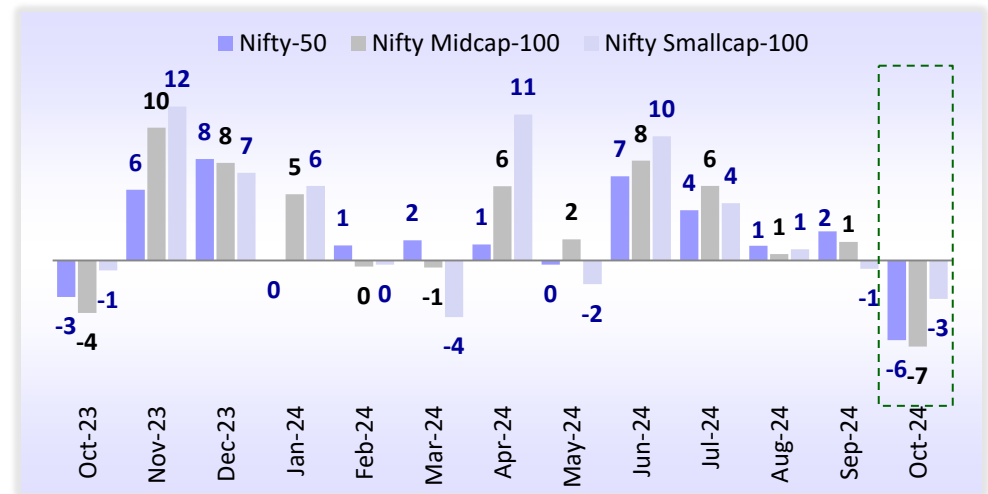
DII's monthly flows into equities at an all time high in Oct'24



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

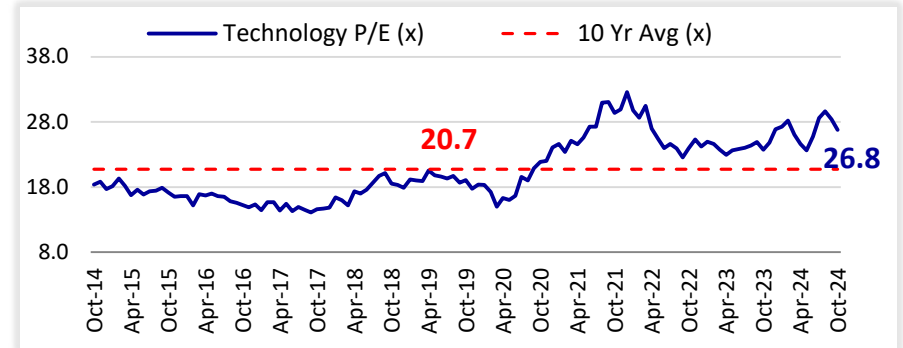


MoM performance (%) – smallcaps outperformed in Oct'24

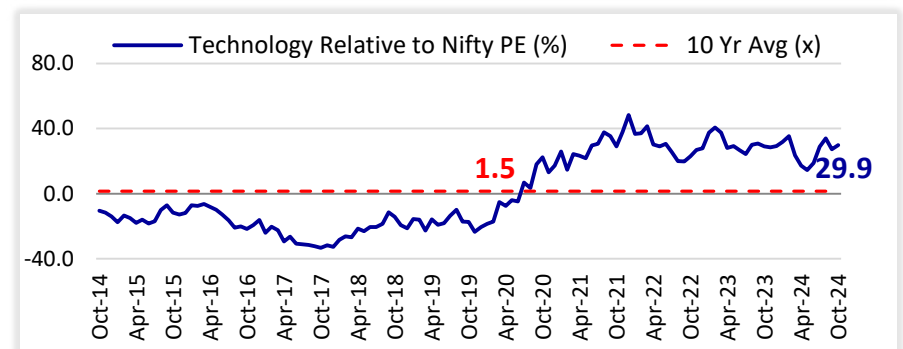


- The overall demand environment remains steady, with no significant shifts in spending patterns. We believe that the current precarious geopolitical landscape and ongoing macro uncertainty may keep recovery range-bound. This uncertainty has made global enterprises cautious as they await the macro challenges to moderate before they start funding the large transformation and discretionary-led programs. Currently, clients are focusing on 'high-priority' transformation initiatives and programs with immediate ROI.
- Despite near-term challenges, the long-term demand visibility remains intact. We expect demand to recover gradually in modernization and discretionary spending, in areas such as US Banking, Healthcare, and Data/ERP modernization. The cycle is shifting (might not be J-curve recovery) as clients reinvest savings from cost-reduction programs to address technological debt, and we expect global enterprises to improve their mandates for technology spending.
- Considering the demand recovery curve will be gradual, companies can be more measured about their hiring plans. This should lead to better margin defense in the short to medium term. Most companies, however, have deferred wage hikes to 3Q and beyond, which means 2HFY25 margins would see headwinds from wage hikes as well as furloughs. With improving macro sentiment and an estimated demand recovery in the medium term, IT stocks have performed well over the last quarter.
- The 1-year forward P/E for IT stocks (MOFSL universe) stands at 26.8x. Tier-2 stocks are at 30x, a ~20% premium to the Tier-1 pack (25x). Among Tier-1 players, HCLT (25x 1-yr frd) is best positioned to play the short-term slow, medium-term fast GenAI revolution. Its investments in next-gen platforms also position it well for a recovery in client spends. In Tier-2 stocks, we prefer PSYS (46x 1-yr frd), given that its strong earnings growth trajectory positions it in a league of its own as a diversified product engineering and IT services player.

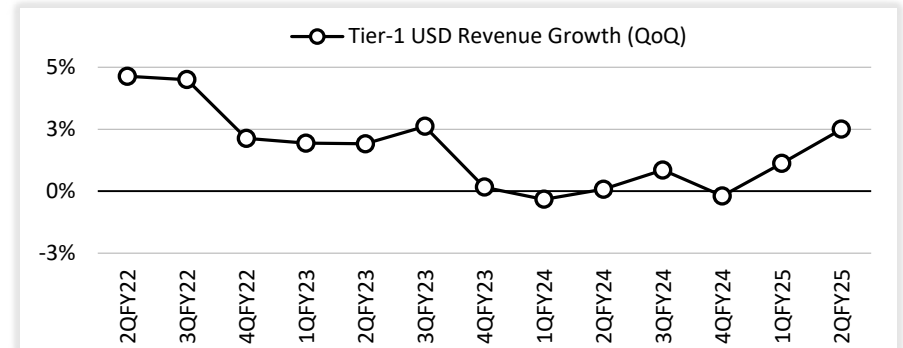
Technology: P/E trend– one-year forward



Technology sector premium/discount to Nifty

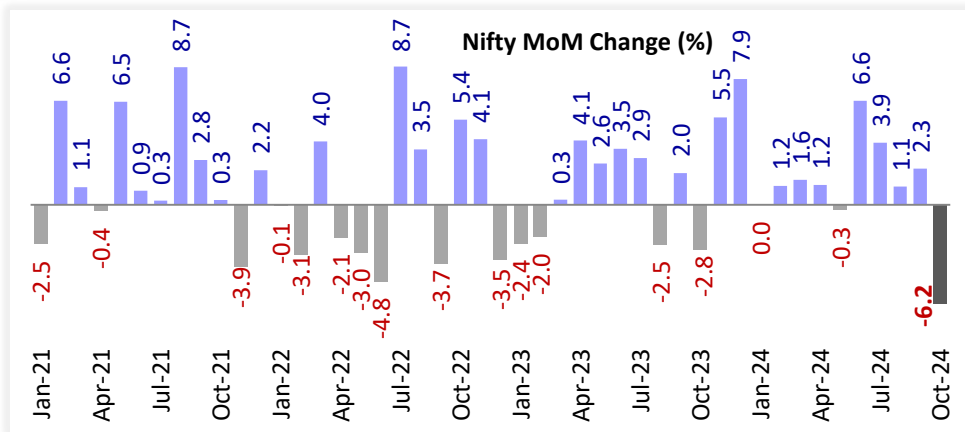


Tier 1 IT services revenue growth sees a notable upsurge

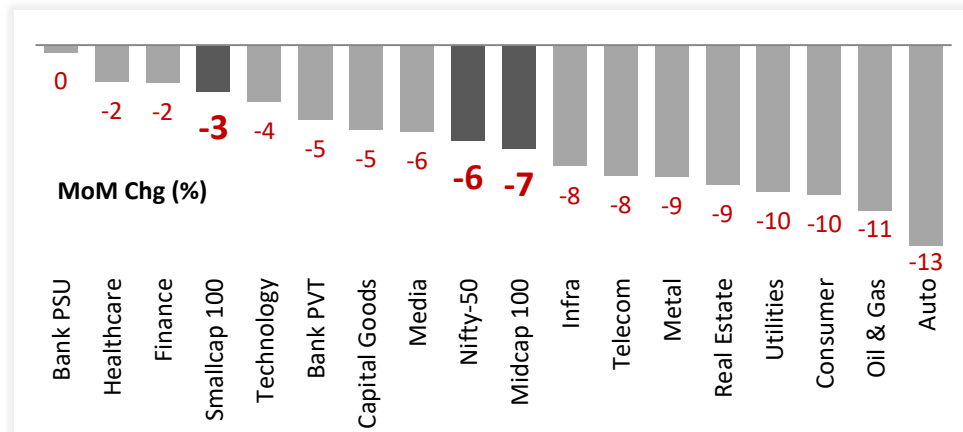


- After achieving the milestone of 26k in Sep'24, the Nifty-50 corrected in Oct'24 due to the geopolitical tensions in the Middle East, including the weak quarterly performance for 2QFY25 and highest ever monthly selling by FIIs. The index oscillated 1,834 points before closing at 1,606 points (or 6.2% MoM) lower at 24,205 – the steepest MoM decline since Mar'20. The Nifty is up 11.4% in CY24YTD.
- All major sectors ended lower - Automobiles (-13%), Oil & Gas (-11%), Consumer (-10%), Utilities (-10%), and Real Estate (-9%) were the top laggards MoM.

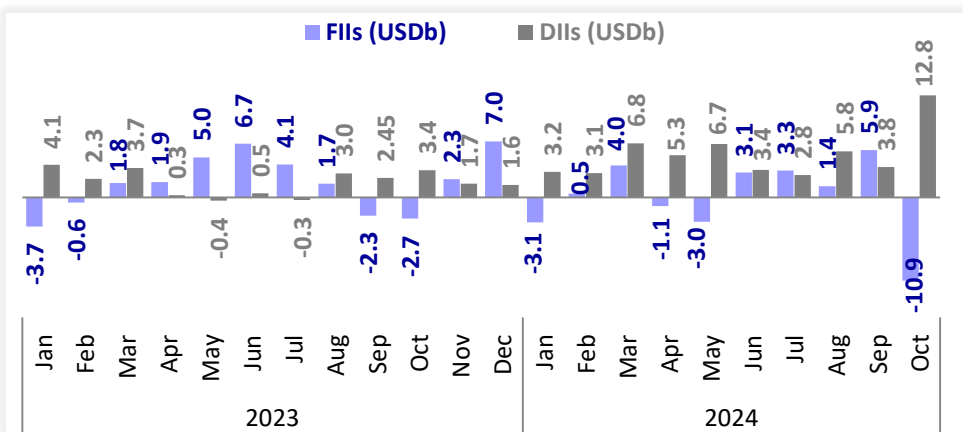
Nifty MoM change (%) – the steepest MoM decline since Mar'20



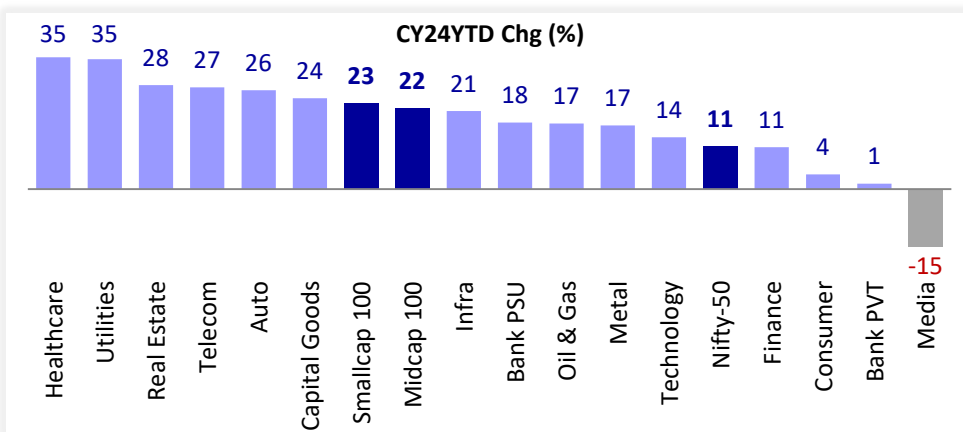
Sectoral MoM change (%) – Autos, Oil & Gas, Consumer top laggards



Institutional flows (USD b) – FIIs' outflows and DIIs' inflows were at a record high in Oct'24

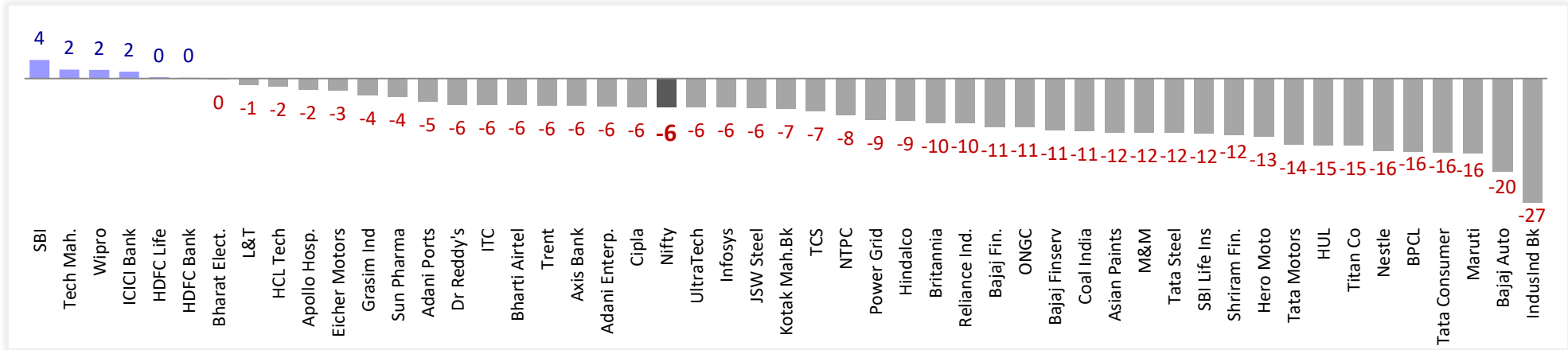


Sectoral CY24YTD change (%) – Healthcare, Utilities, Real Estate, and Telecom top gainers

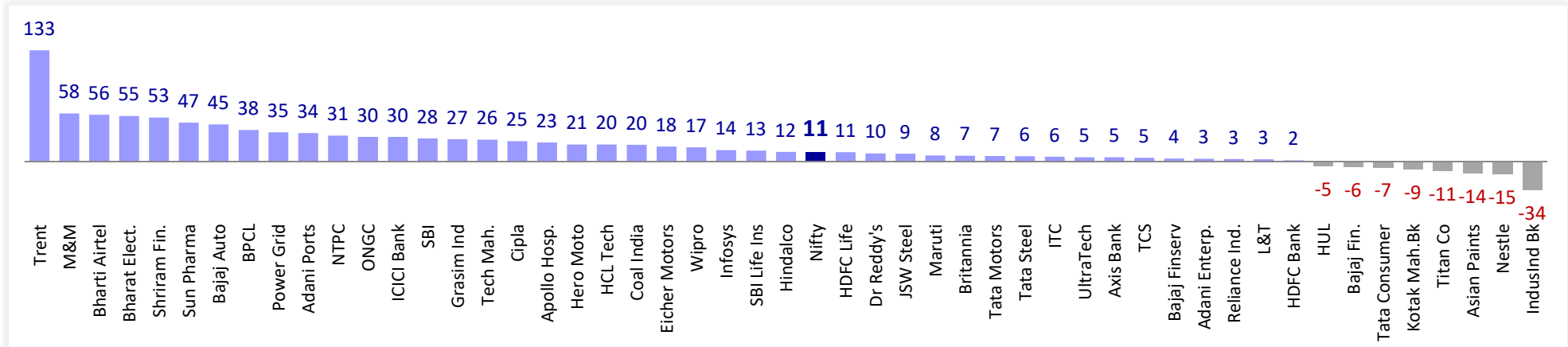


- **Best and worst Nifty performers in Oct'24:** SBI (+4%), Tech Mahindra (+2%), Wipro (+2%), ICICI Bank (+2%) were the top performers, while Indusind Bank (-27%), Bajaj Auto (-20%), Maruti Suzuki (-16%), Tata Consumer (-16%), and BPCL (-16%) were the key laggards.
- **Best and worst Nifty performers in CY24YTD:** Trent (+133%), M&M (+58%), Bharti Airtel (+56%), Bharat Electronics (+55%), and Shriram Finance (+53%) have been the top performers, while Indusind Bank (-34%), Nestle (-15%), Asian Paints (-14%), Titan (-11%), and Kotak Mahindra Bank (-9%) are the only laggards.

Best and worst Nifty performers (MoM) in Oct'24 (%) – Breadth adverse; 44 Nifty companies end lower

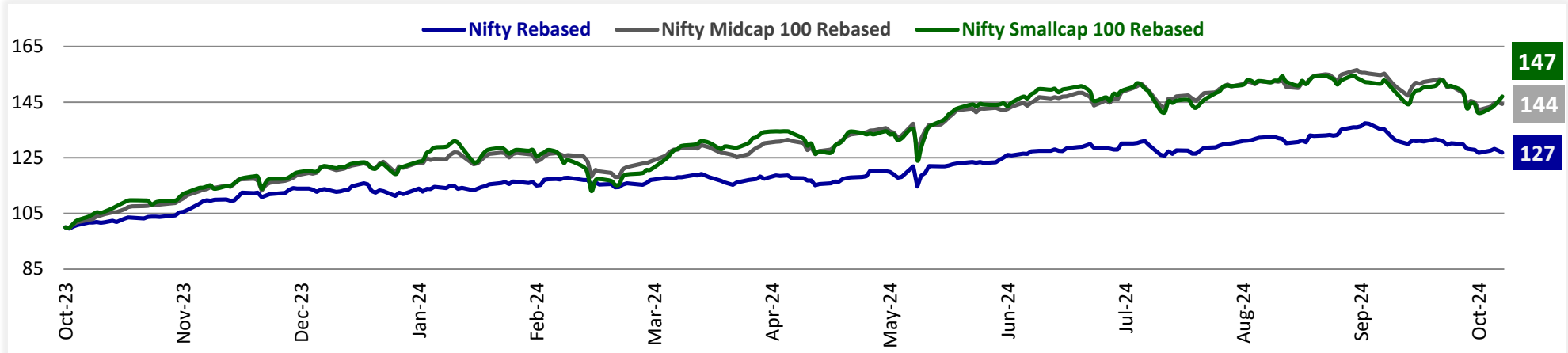


Best and worst Nifty performers in CY24YTD (%) – 84% of the constituents trading higher

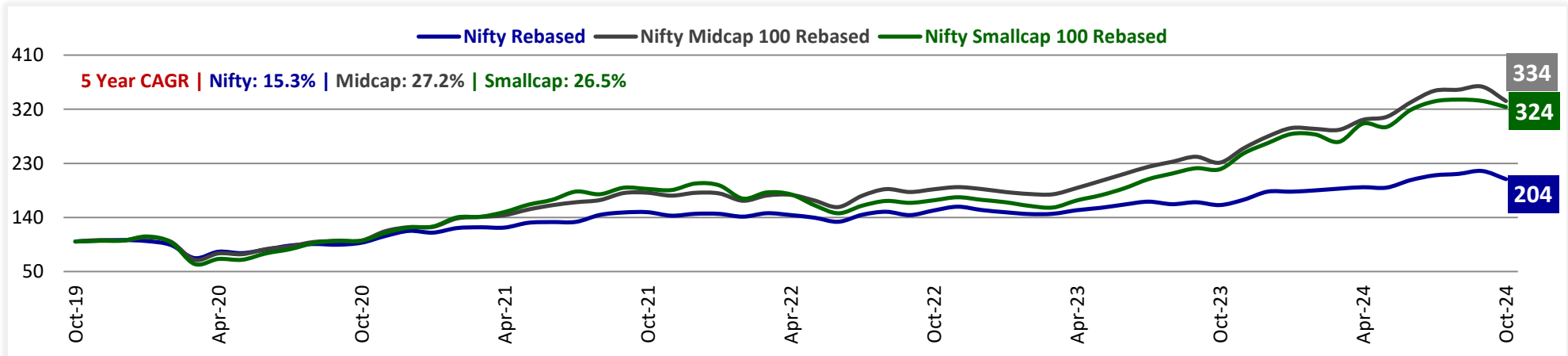


- During the last 12 months, midcaps and smallcaps have gained 44% and 47%, respectively, and outperformed largecaps, which have risen 27%. During the last five years, midcaps have outperformed largecaps by 130%, while smallcaps have outperformed largecaps by 120%.

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

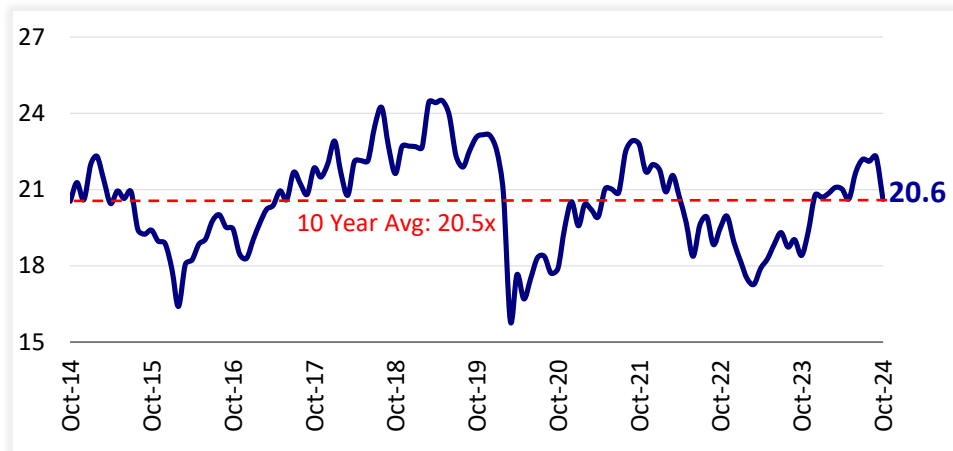


Performance of midcaps and smallcaps vs. largecaps over the last five years

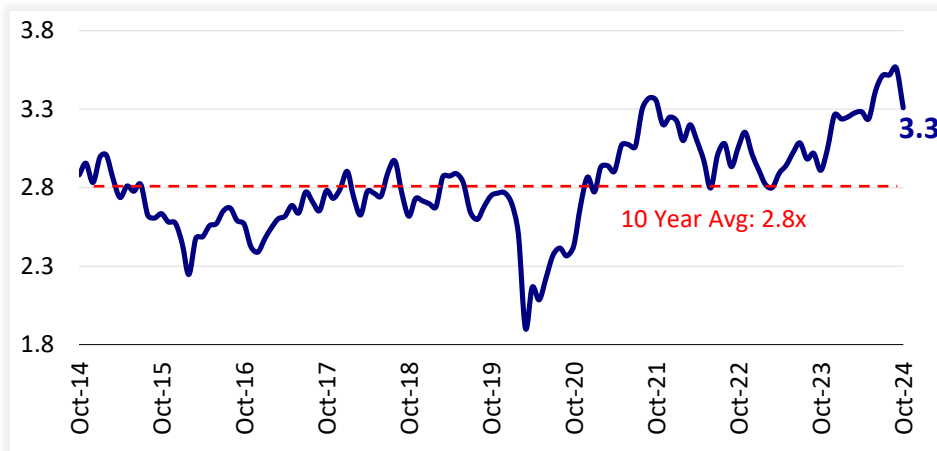


- The Nifty is trading at a 12-month forward P/E ratio of 20.6x, near its LPA of 20.5x. Conversely, its P/B ratio of 3.3x represents a 17% premium to its historical average of 2.8x.
- The 12-month trailing P/E for the Nifty, at 23.4x, is near its LPA of 22.6x (at a 3% premium). At 3.7x, the 12-month trailing P/B ratio for the Nifty is above its historical average of 3.1x (at a 19% premium).

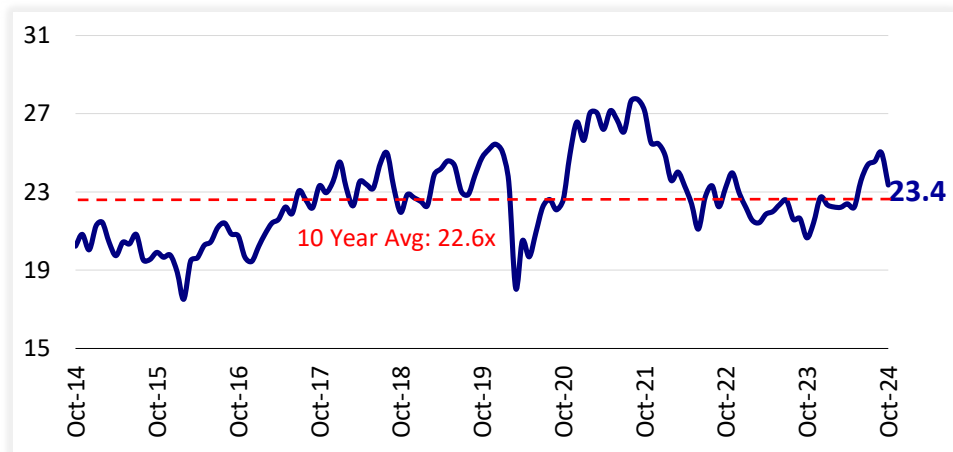
12-month forward Nifty P/E ratio (x)



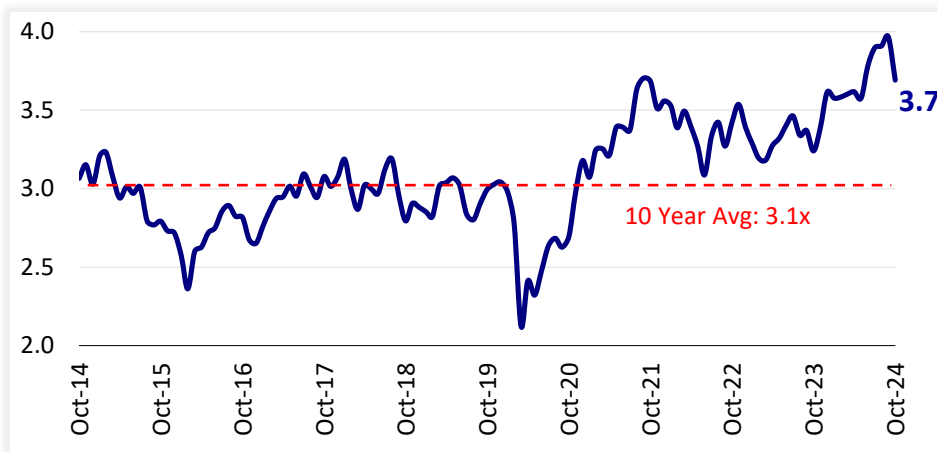
12-month forward Nifty P/B ratio (x)



Trailing Nifty P/E ratio (x)

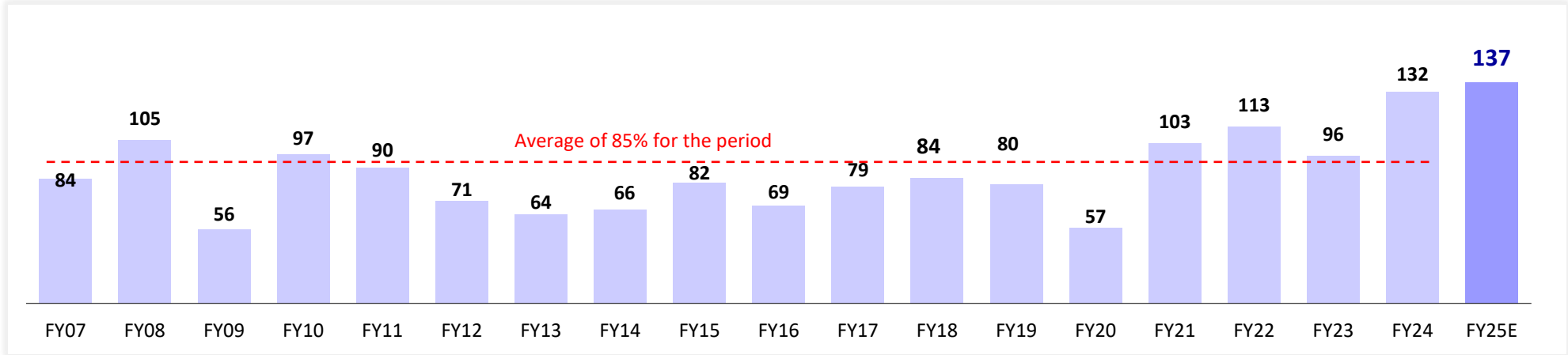


Trailing Nifty P/B ratio (x)

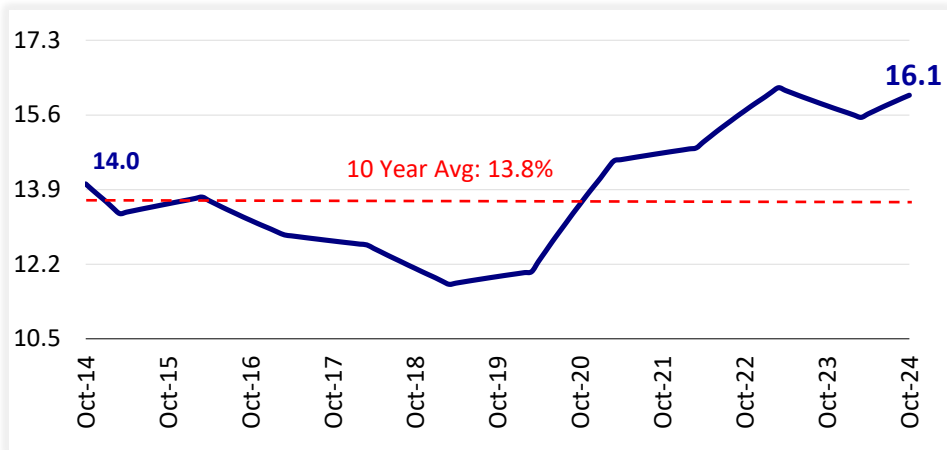


- India's market capitalization-to-GDP ratio has been volatile, plummeting to 57% (of FY20 GDP) in Mar'20 from 80% in FY19 and then sharply reviving to 132% in FY24. It is now at 137% of FY25E GDP (of 10.8% YoY), above its long-term average of 85%.
- The Nifty is trading at a 12-month forward RoE of 16.1%, above its long-term average.

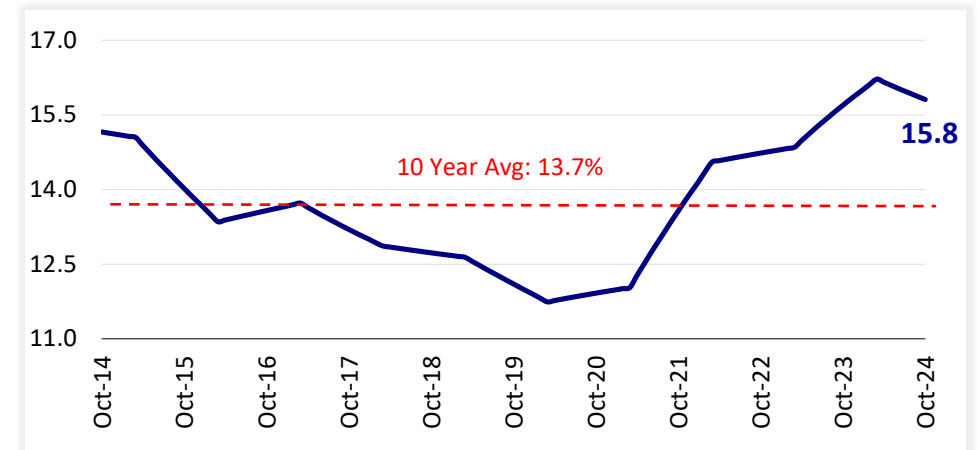
India's market capitalization-to-GDP ratio (%) at its year-end high



12-month forward Nifty RoE (%)



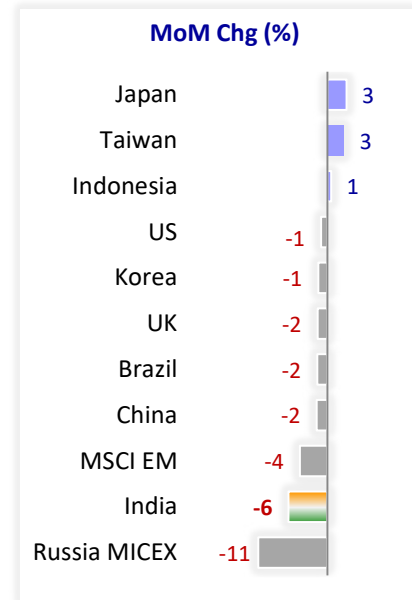
Trailing Nifty RoE (%)



- Among the key global markets, Japan (+3%), Taiwan (+3%), and Indonesia (+1%) ended higher in local currency terms. However, Russia (-11%), India (-6%), MSCI EM (-4%), China (-2%), Brazil (-2%), the UK (-2%), Korea (-1%), and the US (-1%) ended lower MoM in Oct'24.
- Indian equities have been trading at 22.9x FY25E earnings. The key markets continued to trade at a discount to India.

India (Nifty) vs. other markets

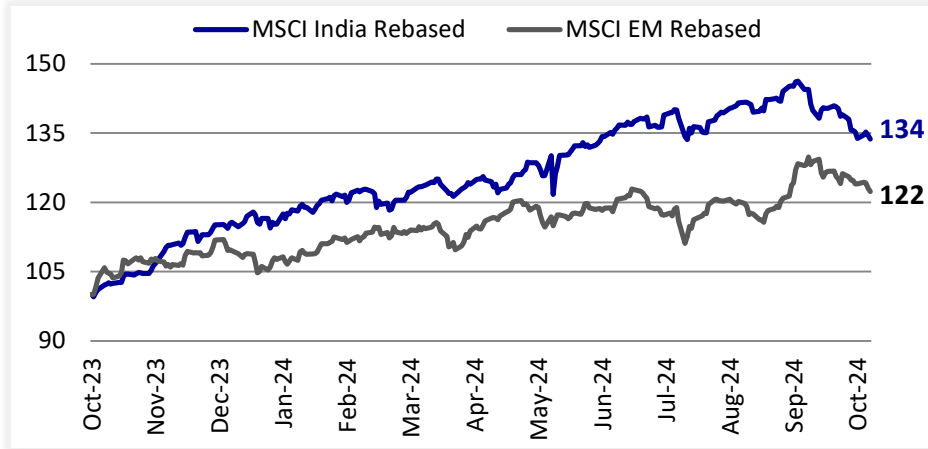
	Index Value	Mkt Cap (USD T)	CY24YTD Chg (%)		PE (x)		Prem / Disc to India PE (%)		PB (x)		RoE (%)	
			Local Currency	In USD	CY23 / FY24	CY24E / FY25E	CY23 / FY24	CY24E / FY25E	CY23 / FY24	CY24E / FY25E	CY23 / FY24	CY24E / FY25E
US	5,705	60.8	20	20	25.8	23.6	7	3	5.4	4.8	17.9	17.7
MSCI EM	1,120	21.8	9	9	15.9	13.6	-34	-40	1.8	1.7	11.2	11.9
China	3,280	10.2	10	10	14.7	12.9	-39	-43	1.4	1.3	9.2	10.1
Japan	39,081	6.4	17	8	30.4	21.4	26	-6	2.2	2.0	6.7	9.1
India	24,205	5.3	11	10	24.1	22.9			3.9	3.6	16.2	15.5
UK	8,110	3.2	5	6	10.9	12.0	-55	-47	1.9	1.8	16.2	13.3
Taiwan	22,820	2.5	27	22	26.8	18.3	11	-20	2.7	2.8	10.1	15.1
Korea	2,556	1.7	-4	-10	16.8	10.3	-30	-55	0.9	0.9	5.0	9.1
Indonesia	7,574	0.8	4	2	19.7	14.3	-18	-37	2.1	2.0	10.6	14.3
Brazil	1,29,713	0.7	-3	-19	9.4	9.0	-61	-61	1.6	1.3	16.8	14.7
Russia	4,678	0.5	-21	-27	5.2	5.0	-78	-78	0.7	0.7	14.6	14.9



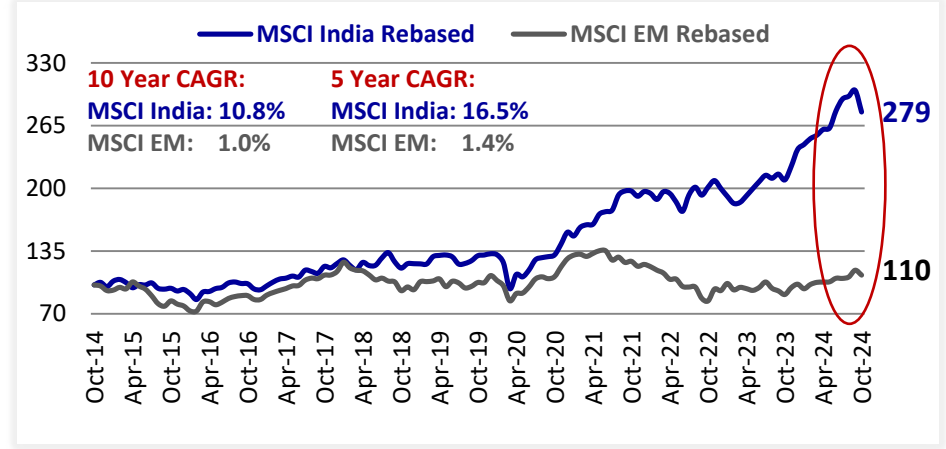
Source: Bloomberg/CEIC/MOFSL

- Over the last 12 months, the MSCI India Index (+34%) has outperformed the MSCI EM Index (+22%). Over the last 10 years, the MSCI India Index has notably outperformed the MSCI EM index by a robust 169%.
- In P/E terms, the MSCI India Index is trading at an 80% premium to the MSCI EM Index, near its historical average premium of 79%.

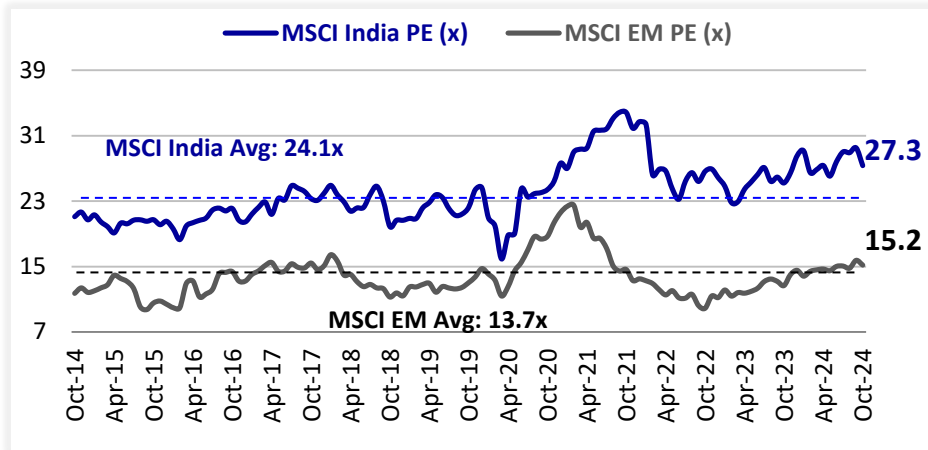
Performance of MSCI EM vs. MSCI India over the last 12 months



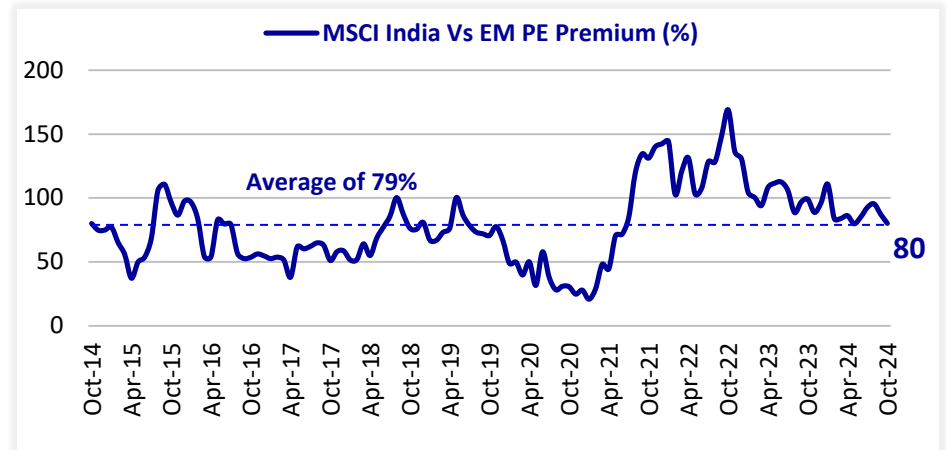
MSCI India notably outperforms MSCI EM by 169% in the last 10 years



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



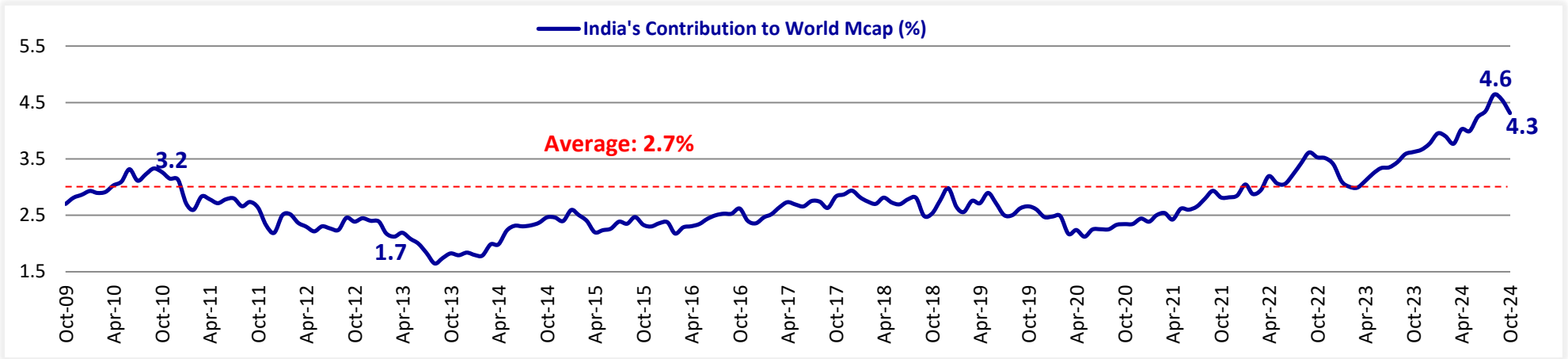
In P/E terms, MSCI India trades at a premium (%) to MSCI EM



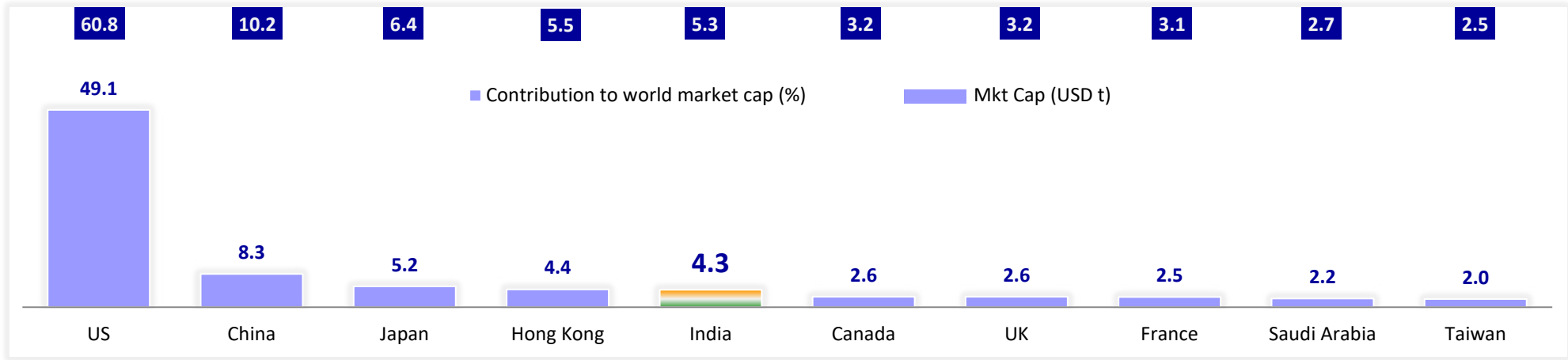
Source: Bloomberg

- India's share of the global market cap stood at 4.3%, 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 Oct'24.

Trend in India's contribution to the global market cap (%)



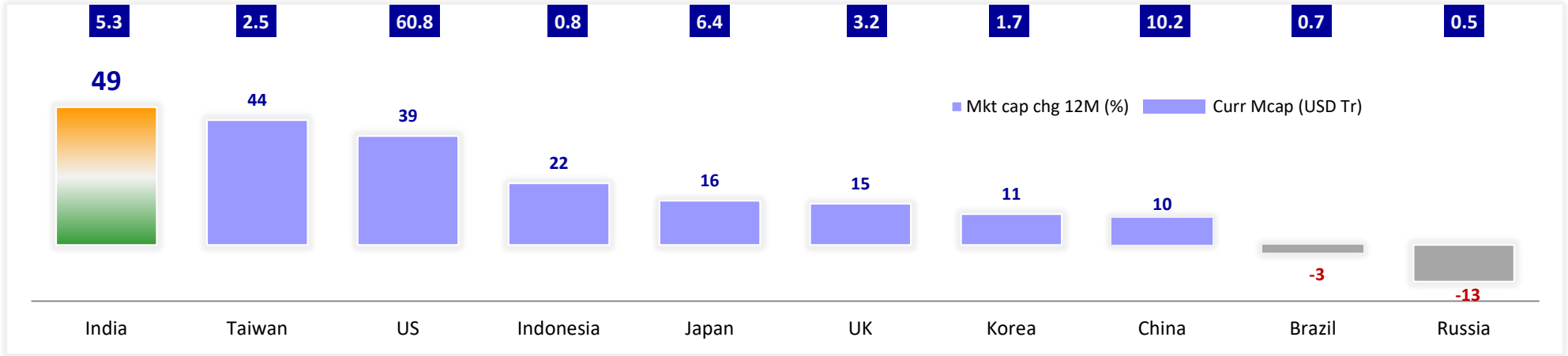
Top 10 countries constituted ~83% of the global market cap as of Oct'24



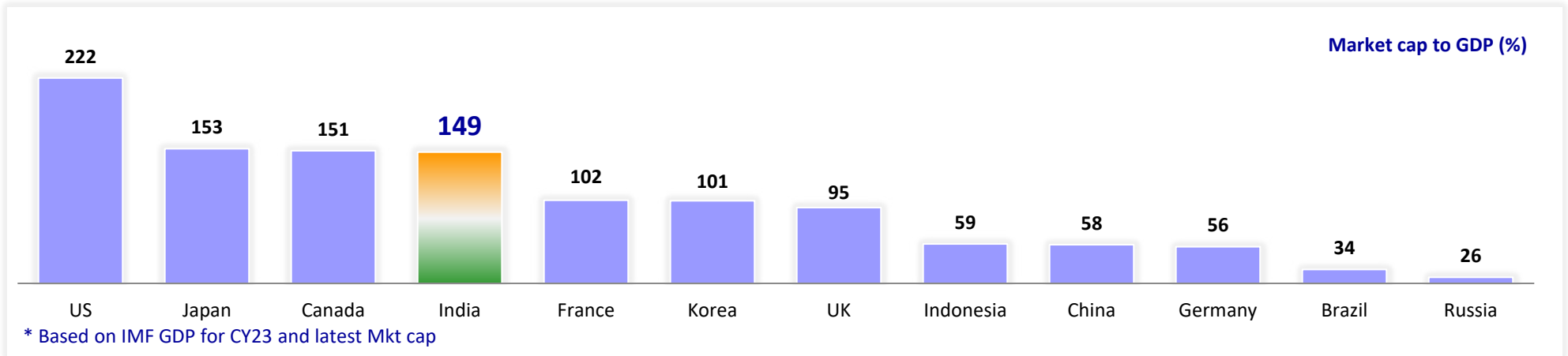
Source: Bloomberg\CEIC

- Over the last 12 months, global market cap increased 25.2% (USD24.9t), whereas India's market cap surged 49.1%.
- Except Russia and Brazil, 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, CEIC, IMF's

- Companies trading at a significant premium to their historical average: Bharat Electronics (+234%), Power Grid Corp. (+87%), Grasim Industries (+87%), NTPC (+79%), and Tech Mahindra (+58%).
- Companies trading at a significant discount to their historical average: Dr Reddy's Labs (-33%), Coal India (-26%), Apollo Hospitals (-24%), ONGC (-23%), and Maruti Suzuki (-23%).

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	27.9	18.5	51	35	-10	9.4	4.7	101	183	65
Eicher Motors	Auto	28.9	31.6	-9	40	54	5.9	7.2	-17	79	153
Hero MotoCorp	Auto	19.2	18.3	5	-7	-11	5.0	4.5	10	50	60
Mahindra & Mahindra	Auto	23.8	18.6	28	16	-9	4.8	2.8	71	44	-1
Maruti Suzuki	Auto	23.2	30.3	-23	13	48	3.5	4.1	-15	6	45
Tata Motors	Auto	NA	17.2	NA	NA	-16	2.6	2.1	23	-22	-25
Axis Bank	BFSI - Pvt Banks	12.5	38.3	-67	-39	86	1.9	2.0	-7	-44	-29
HDFC Bank	BFSI - Pvt Banks	18.2	20.7	-12	-12	1	2.5	3.2	-22	-24	13
ICICI Bank	BFSI - Pvt Banks	18.5	21.7	-15	-10	6	3.0	2.2	40	-9	-24
IndusInd Bank	BFSI - Pvt Banks	9.2	18.9	-51	-55	-8	1.1	2.4	-54	-67	-15
Kotak Mahindra Bank	BFSI - Pvt Banks	16.8	26.7	-37	-19	30	2.1	3.3	-36	-35	18
State Bank	BFSI - PSU Banks	8.6	12.7	-32	-58	-38	1.4	1.1	25	-57	-60
Bajaj Finance	BFSI - NBFC	22.1	31.0	-29	7	51	3.9	5.2	-24	19	83
Shriram Finance	BFSI - NBFC	12.7	10.6	20	-38	-49	2.0	1.4	38	-40	-49
HDFC Life Ins	BFSI - Insurance	80.3	86.3	-7	289	320	2.6	4.2	-39	-23	49
SBI Life Ins	BFSI - Insurance	66.5	59.5	12	222	190	2.1	2.4	-14	-38	-15
Bharat Electronics	Capital Goods	37.8	11.3	234	83	-45	8.9	2.5	260	170	-12
Larsen & Toubro	Capital Goods	28.7	23.4	23	39	14	4.7	3.0	56	41	6
Grasim Inds	Cement	27.4	14.6	87	33	-29	3.2	1.8	75	-2	-35
Ultratech Cement	Cement	40.8	34.7	17	98	69	4.4	3.5	25	34	25
Asian Paints	Consumer	49.7	54.8	-9	141	167	13.3	14.2	-6	303	404
Britannia Inds.	Consumer	52.7	46.6	13	156	127	27.2	20.4	33	723	622
Hind. Unilever	Consumer	52.0	52.8	-2	152	157	11.4	21.7	-48	243	667
ITC	Consumer	27.8	24.0	16	35	17	7.7	5.7	35	132	101
Nestle India	Consumer	61.7	59.4	4	199	189	47.7	48.3	-1	1342	1608
Tata Consumer	Consumer	55.6	47.5	17	170	131	3.9	3.2	24	19	13

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	62.4	82.1	-24	203	300	10.6	6.8	55	220	141
Cipla	Healthcare	25.8	27.3	-6	25	33	3.8	3.3	12	14	18
Dr Reddy's Labs	Healthcare	17.0	25.3	-33	-17	23	2.9	3.5	-18	-13	23
Sun Pharma	Healthcare	33.5	29.9	12	63	46	5.5	3.9	39	65	39
Adani Ports	Logistics	24.4	18.7	31	18	-9	4.3	3.3	29	30	18
Coal India	Metals	7.2	9.7	-26	-65	-53	2.5	4.5	-44	-24	59
Hindalco	Metals	10.9	9.3	17	-47	-55	1.5	1.2	32	-54	-59
JSW Steel	Metals	18.3	14.9	23	-11	-27	2.5	1.8	36	-24	-35
Tata Steel	Metals	15.4	16.2	-5	-25	-21	2.0	1.3	62	-39	-56
BPCL	Oil & Gas	12.8	9.8	32	-38	-52	1.6	1.9	-15	-52	-34
ONGC	Oil & Gas	5.4	7.0	-23	-74	-66	0.8	0.9	-4	-75	-69
Reliance Inds.	Oil & Gas	23.0	17.5	32	11	-15	2.0	1.5	31	-40	-46
Titan Co	Retail	63.0	60.0	5	206	193	20.4	14.9	37	516	427
Trent	Retail	109.0	87.6	24	429	327	31.5	9.5	233	852	235
HCL Technologies	Technology	25.8	16.6	55	25	-19	7.2	3.9	84	117	39
Infosys	Technology	25.9	20.5	26	26	0	8.2	5.5	49	149	96
TCS	Technology	26.4	24.0	10	28	17	14.5	10.0	45	338	253
Tech Mahindra	Technology	28.2	17.8	58	37	-13	5.1	3.2	59	54	14
Wipro	Technology	23.3	17.9	30	13	-13	3.9	3.0	32	17	4
Bharti Airtel	Telecom	38.9	39.9	-3	89	94	8.7	3.8	129	162	34
NTPC	Utilities	17.0	9.5	79	-17	-54	2.2	1.1	97	-34	-61
Power Grid Corp.	Utilities	17.0	9.1	87	-17	-56	3.2	1.6	104	-4	-45
Nifty		20.6	20.5	0			3.3	2.8	17		

- In Oct'24, the Nifty Midcap 100 was down 6.7% vs. a 6.2% MoM fall for the Nifty-50.
- The best Nifty Midcap-100 performers in Oct'24 were BSE (+21%), Indian Bank (+13%), Coforge (+9%), Max Financial (+8%), and Hindustan Zinc (+6%).

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	48.7	21.3	129	136	4	15.6	2.9	442	371	2	21	101
Indian Bank	7.3	10.0	-27	-65	-51	1.2	0.6	87	-65	-78	13	41
Coforge	37.9	22.7	67	84	10	11.1	5.1	119	235	79	9	22
Max Financial	80.5	56.3	43	290	174	2.1	2.5	-16	-35	-10	8	34
Hindustan Zinc	20.1	13.2	53	-2	-36	13.9	5.2	167	319	84	6	74
Tata Chemicals	27.7	13.6	103	35	-34	1.3	0.8	56	-62	-71	5	4
Oberoi Realty	25.8	22.2	16	25	8	4.1	2.2	81	23	-20	4	36
Federal Bank	10.8	11.9	-10	-48	-42	1.4	1.2	20	-58	-59	4	31
Tube Investments	65.3	40.2	62	217	96	12.4	7.1	76	276	150	3	27
Max Healthcare	57.5	36.1	59	179	76	8.3	5.0	67	151	76	3	48
Dixon Technolog.	89.7	57.1	57	335	178	27.6	12.7	116	733	351	2	114
Page Industries	66.6	66.7	0	223	225	25.2	27.9	-10	663	887	1	12
Lupin	33.5	39.1	-14	62	91	5.4	3.9	38	62	38	0	65
Indian Hotels Co	NA	69.9	NA	NA	241	8.0	4.6	72	141	64	-1	54
Persistent Sys	51.5	25.1	105	150	22	12.9	4.6	179	289	63	-1	45
H P C L	13.5	6.6	104	-35	-68	1.5	1.2	24	-53	-56	-14	43
Aditya Birla Cap	13.1	18.4	-29	-36	-10	1.6	1.9	-12	-51	-34	-14	22
IRB Infra.Devl.	28.0	17.3	62	36	-16	2.1	1.2	69	-37	-56	-15	25
Jubilant Food.	83.6	73.1	14	306	256	15.8	12.9	22	378	358	-16	2
Tata Comm	35.7	31.1	15	73	51	15.9	25.4	-37	380	798	-17	0
AU Small Finance	16.9	28.8	-41	-18	40	2.5	4.1	-39	-25	45	-17	-22
Phoenix Mills	41.3	41.5	0	100	102	4.8	2.7	78	46	-4	-18	36
S A I L	14.9	17.6	-15	-28	-14	0.8	0.6	25	-76	-77	-18	-6
Oil India	9.6	6.5	47	-54	-68	1.5	0.8	86	-56	-72	-19	90
M R P L	22.1	14.7	51	7	-29	1.8	1.4	26	-45	-49	-19	11
Colgate-Palmoliv	52.0	40.4	29	152	97	35.6	24.4	46	975	762	-20	21
M & M Fin. Serv.	12.0	17.2	-30	-42	-16	1.5	1.5	4	-54	-49	-20	-2
L&T Finance Ltd	11.4	14.7	-23	-45	-28	1.3	1.5	-10	-60	-48	-21	-12
Vodafone Idea	NA	20.0	NA	NA	-2	NA	1.1	NA	NA	-63	-22	-49
Indraprastha Gas	17.8	20.8	-14	-14	1	2.8	4.0	-28	-14	40	-25	0

- The Auto sector is trading at a P/E of 23.7x, below its 10-year historical average of 27.5x (at a 14% discount). On a P/B basis, however, it is trading at a 29% premium to its 10-year average of 3.5x. Overall, the Oct'24 dispatches (excl BJAUT and AL) for 2Ws/tractors/PVs grew 17%/27%/6% YoY, while CVs declined 2% YoY.
- Private Banks is currently trading at a P/B ratio of 2.4x, near its historical average of 2.5x, while its RoE stands at 14.5%. Loan growth continues to moderate as bank now looks to drive deposits growth to adjust their CD ratio. Loan growth continues to be healthy among the Retail and SME segments. Deposits growth sees a slight improvement to 12%, while banks continue to remain competitive to gain deposits market share.
- Technology is trading at a P/E ratio of 26.8x, at 29% premium to its long-term average of 20.7x. The demand environment remained relatively stable compared to the previous quarter. We anticipate a gradual recovery in modernization and discretionary spending in areas such as U.S. Banking, Healthcare, and Data/ERP modernization. Unexpectedly, the Manufacturing sector encountered challenges, particularly among major companies due to softness in European automotive OEMs. Clients are shifting focus from cost-cutting to prioritizing impactful transformation initiatives to reduce their technological debt.

Sector valuations at a glance

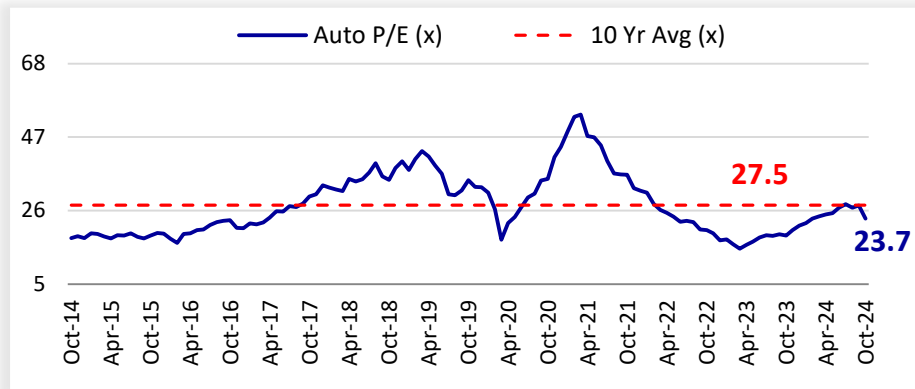
Sector	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD	-1SD	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD	-1SD	Current	10 Yr Avg
Auto	23.7	27.5	-13.8	36.3	18.7	15	33	4.5	3.5	28.8	4.1	2.9	35	22
Banks - Private	16.4	21.1	-22.3	26.4	15.9	-20	2	2.4	2.5	-6.7	2.8	2.2	-28	-10
Banks - PSU	7.4	10.1	-26.3	40.7	-20.5	-64	-54	1.2	0.9	39.6	1.1	0.6	-64	-70
NBFC	15.8	17.3	-8.8	19.9	14.8	-23	-16	2.3	2.4	-3.5	2.7	2.0	-31	-17
Capital Goods	41.0	28.7	42.9	34.4	23.0	99	40	7.6	4.0	90.0	5.3	2.7	129	39
Cons. Durables	51.5	33.2	54.9	44.7	21.8	150	62	9.2	5.3	73.9	7.2	3.4	179	84
Cement	37.7	27.7	36.1	34.4	21.0	83	35	3.3	2.6	24.6	3.1	2.2	-1	-7
Consumer	45.7	41.6	9.9	45.3	37.9	122	104	11.2	10.3	9.3	11.1	9.4	239	265
Consumer Ex ITC	53.4	51.6	3.4	58.3	45.0	159	153	12.6	13.2	-4.8	14.5	12.0	281	372
Healthcare	34.0	26.8	26.6	31.1	22.5	65	32	5.1	3.9	31.4	4.7	3.0	53	37
Infrastructure	22.3	11.5	93.4	18.8	4.3	8	-43	2.0	1.3	60.8	1.8	0.7	-39	-57
Logistics	27.3	21.2	28.7	25.2	17.3	32	3	4.6	3.4	36.0	4.1	2.6	39	19
Media	19.4	25.3	-23.4	29.5	21.0	-6	23	1.8	3.7	-51.0	5.5	2.0	-45	36
Metals	12.1	10.9	10.2	14.6	7.3	-41	-47	2.4	1.6	45.4	2.0	1.2	-29	-43
Oil & Gas	15.2	12.5	21.3	15.5	9.6	-26	-39	1.6	1.5	10.4	1.7	1.3	-51	-48
Oil & Gas Ex RIL	9.0	8.7	4.3	11.6	5.7	-56	-58	1.2	1.2	-1.5	1.5	0.9	-64	-56
Sp. Chemicals	36.6	24.2	51.0	34.4	14.0	78	20	4.2	3.2	30.3	4.4	2.1	27	12
Real Estate	43.5	29.2	49.0	40.3	18.0	111	42	4.9	2.1	130.9	3.2	1.0	47	-28
Retail	84.0	82.3	2.1	133.0	31.6	308	307	15.4	9.5	62.4	13.6	5.4	366	229
Technology	26.8	20.7	29.2	25.5	15.9	30	2	8.5	5.7	49.2	7.3	4.0	156	98
Telecom	Loss	186.5	-	1742.6	-1369.6		792	45.1	18.1	149.1	40.6	-4.4	0	198
Utilities	14.3	8.0	78.7	10.3	5.6	-31	-61	2.0	1.0	98.2	1.3	0.7	-39	-65



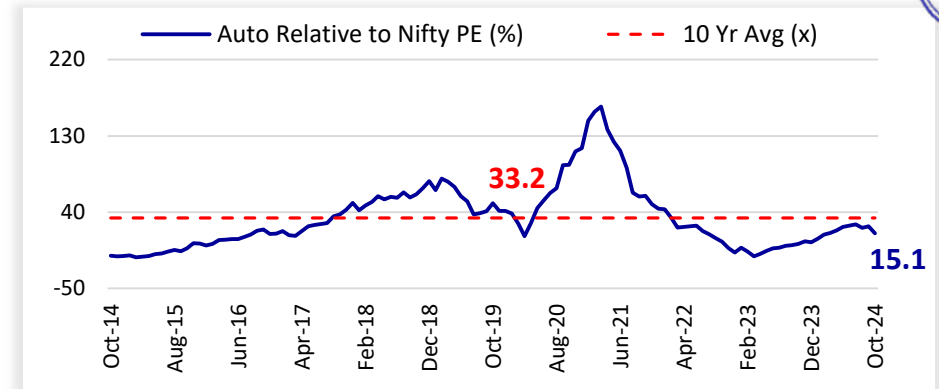
- The Auto sector is trading at a P/E of 23.7x, below its 10-year historical average of 27.5x (at a 14% discount). On a P/B basis, however, it is trading at a 29% premium to its 10-year average of 3.5x.
- Overall, the Oct'24 dispatches (excl BJAUT and AL) for 2Ws/tractors/PVs grew 17%/27%/6% YoY, while CVs declined 2% YoY.
- We should note that both Navratras and Diwali occurred in the same month, leading to a strong channel buildup by OEMs. As a result, the wholesale figures reported by OEMs for the month are not comparable on a YoY basis. The 2W wholesales grew 17% YoY, mainly fueled by a festival demand. HMCL indicated strong double-digit retail growth on Dhanteras. Positive factors such as higher reservoir levels, higher MSPs for rabi crops, and higher Kharif output have resulted in 27% YoY growth in tractor wholesales. One additional factor to consider is that depending on the retail sales from the recently concluded festive season, OEMs will seek to streamline channel inventory in the coming months.



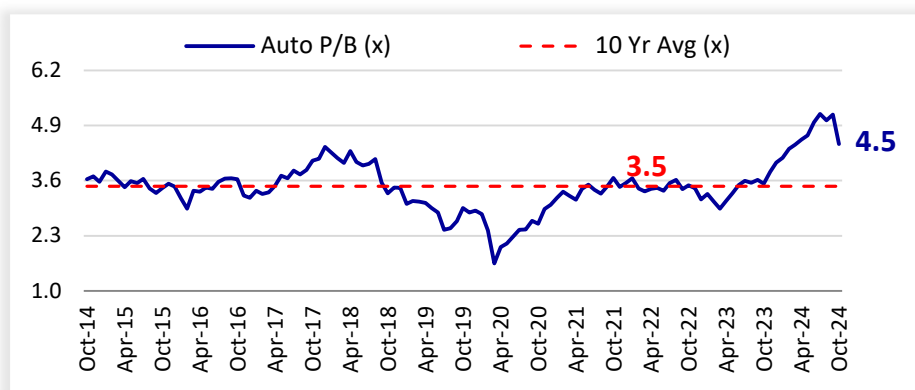
12-month forward Automobiles P/E (x)



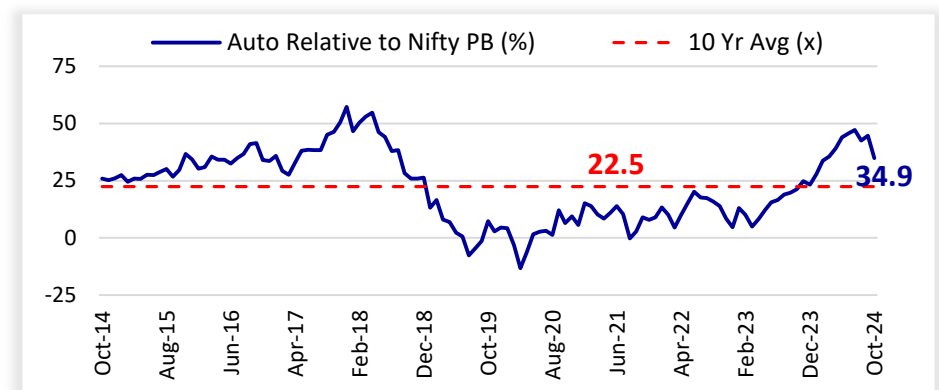
Automobile P/E relative to Nifty P/E (%)



12-month forward Automobiles P/B (x)



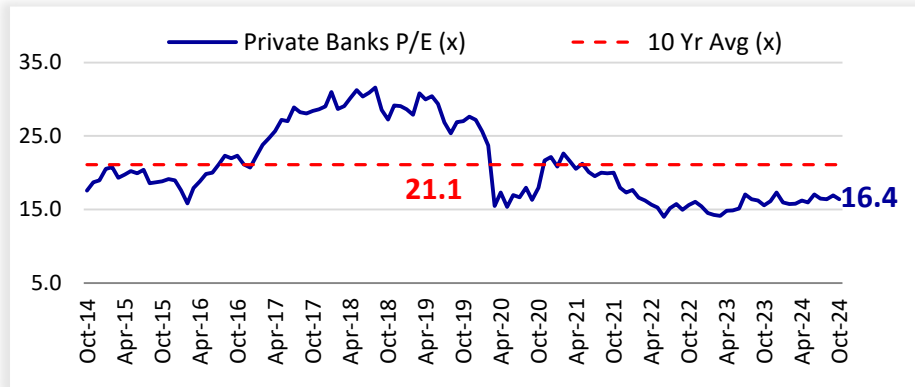
Automobile P/B relative to Nifty P/B (%)



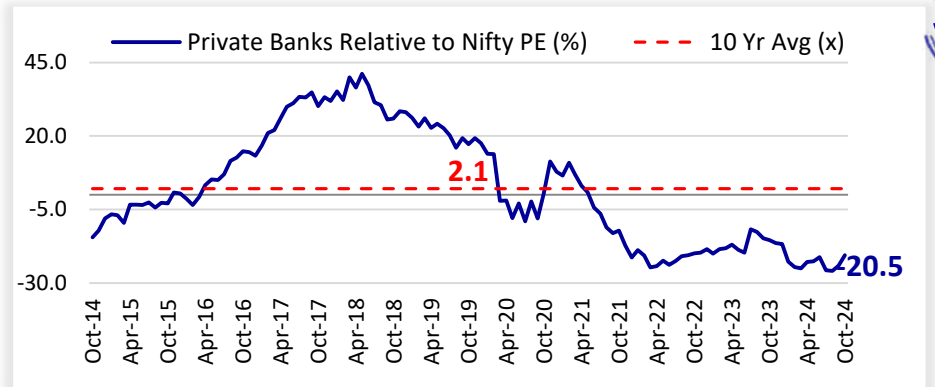


- The Private Banks sector is currently trading at a P/B ratio of 2.4x, near its historical average of 2.5x, while its RoE stands at 14.5%.
- Loan growth continues to moderate as banks now look to drive deposits growth to adjust their CD ratio. Loan growth continues to be healthy among the Retail and SME segments. Deposits growth sees a slight improvement to 12%, while banks continue to remain competitive to gain deposits market share. The CASA ratio contraction continues for most banks as they aim to achieve faster deposits growth through TDs.
- While the liquidity situation remains tight, there are a few early signs of liquidity easing. However, this may not benefit banks' CoF as most of the banks are willing to grow deposits at a higher rate. As a result, we expect a mild NIM moderation across banks, with rate cuts in FY25/26.
- Asset quality stress in the unsecured space continues in the MFI and Credit Cards segments. In 2Q, some lenders reliant on MFI and unsecured loans reported increased delinquencies and stress levels. Further, the migration of the ECL can lead to elevated credit cost; hence, a higher contingency buffer can provide further comfort. We remain cautious about the potential delinquencies and the consequent rise in credit costs.

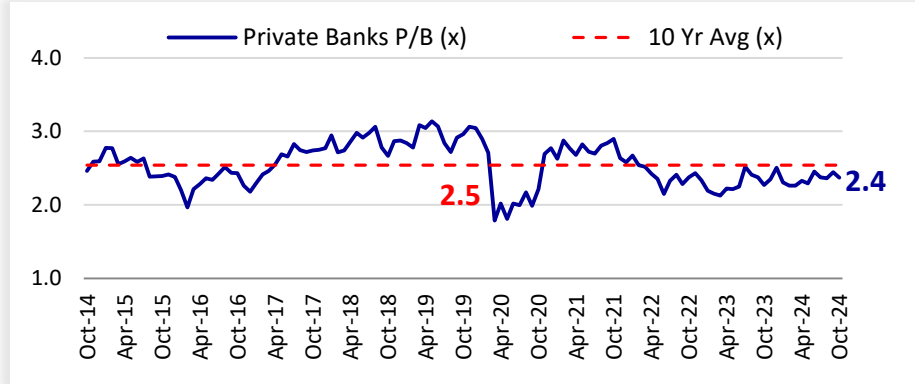
12-month forward Private Banks P/E (x)



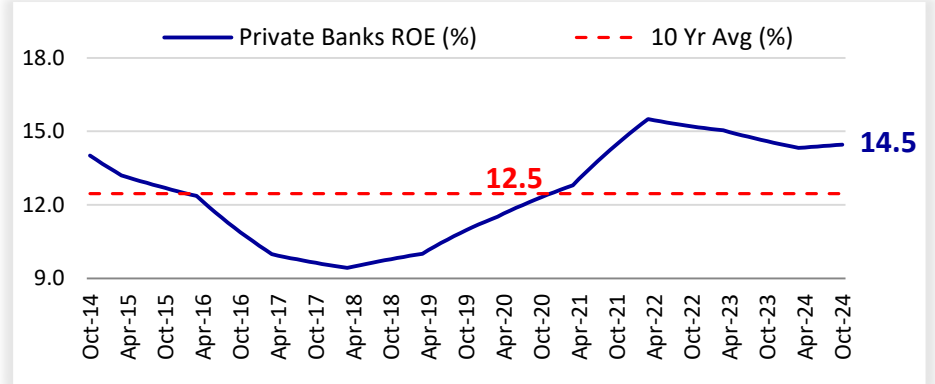
Private Banks P/E relative to Nifty P/E (%)



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



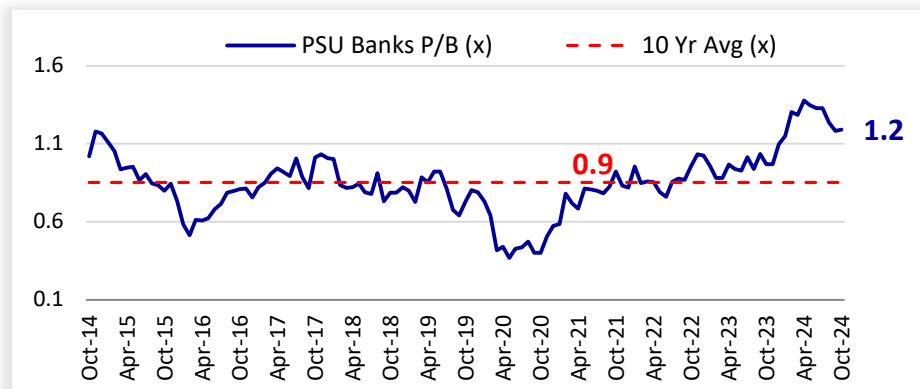
Private Banks ROE (%)



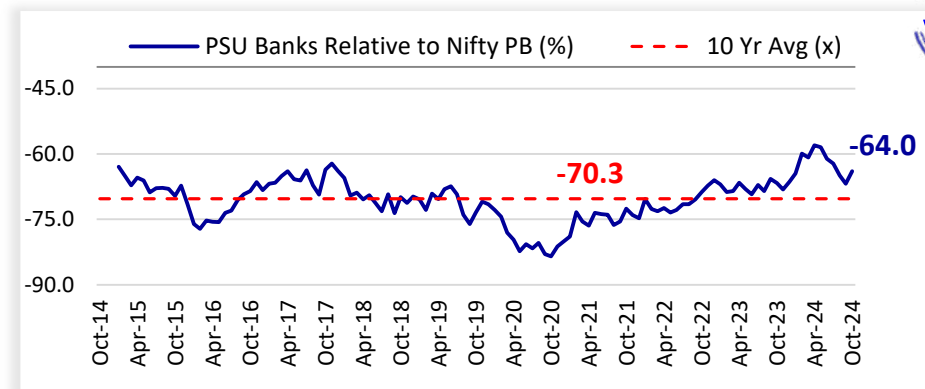


- PSU Banks has witnessed a correction from its peak and now trades at a P/B of 1.2x, still trading at a 40% premium to its historical average of 0.9x.
- Systemic credit growth for the system moderated to ~13.9%, although the CD ratio continues to remain elevated at 78.9% vs the historical high of 80% for the system.
- Unlike their private counterparts, PSU banks have reported a healthy 2Q with healthy profitability, stable NIMs, and controlled credit cost. Loan growth for PSUs continues to be healthy with heavy lifting done from the RAM segment, while the CD ratio continues to operate in an optimal range. Opex growth is likely to follow a normalized trajectory, with most of the costs now behind.
- Margins are expected to be mostly range-bound with a slight negative bias, while the healthy share of the MCLR book will help negate the overall impact.
- Asset quality continues to remain healthy, barring slight stress in some state PSU accounts, while the provisioning for most of the PSUs remains well contained. We expect PSUs to deliver healthy growth and steady earnings vs the private counterparts in FY25.

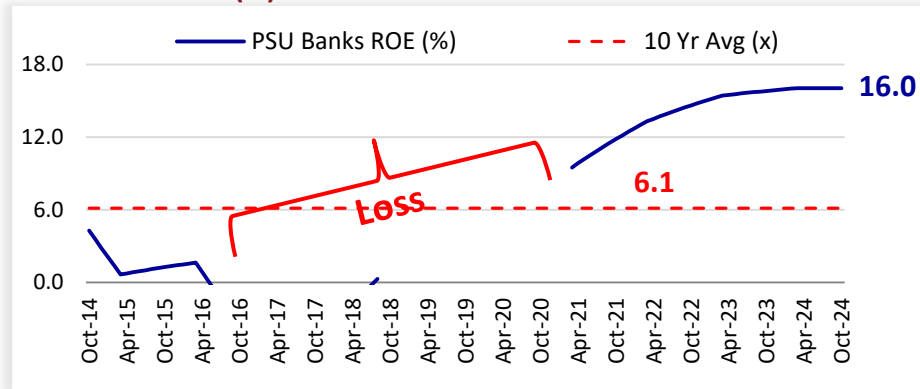
12-month forward PSU Banks P/B (x)



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



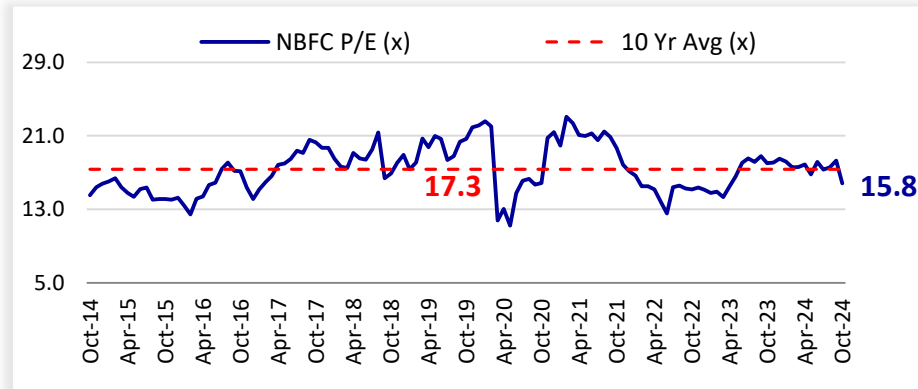
PSU Banks ROE (%)



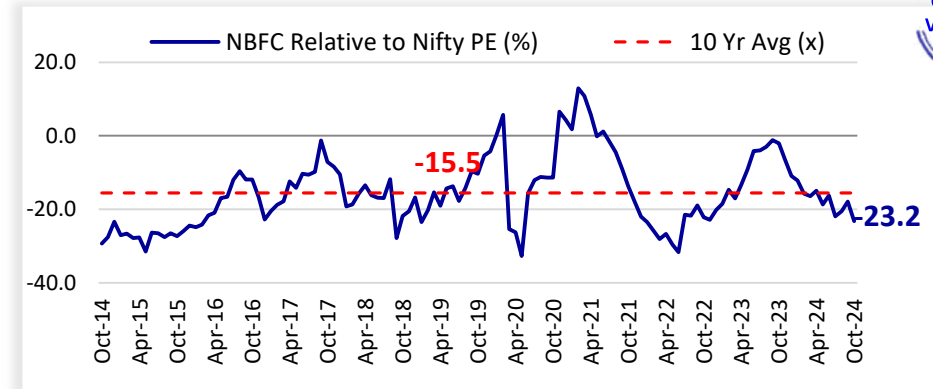


- The NBFC sector is trading at a P/B ratio of 2.3x, near its long-term historical range of 2.4x.
- Barring the seasonality in gold loans in 2Q and 3Q of the fiscal year, gold loan growth continues to remain healthy, aided by higher gold prices.
- MFI continued to exhibit asset quality stress, primarily due to customer overleveraging and impact of floods and unseasonal rainfall in select states across the country. The recovery in the MFI sector is still distant.
- Asset quality in Vehicle Finance showed more weakness in 2QFY25, impacted by floods and higher delinquencies in the LCV/SCV segments because of weak capacity utilization. Festive season – Dussehra/Diwali – has been ordinary and PV demand is expected to remain weak.
- Unsecured Credit (both PL and BL) is still recovering from stress and lenders continue to calibrate their loan growth in these product segments.
- Given that there is a likelihood of interest rate cuts in the second half of this fiscal year, HFCs could exhibit an NIM contraction owing to the transitory pressure on yields from higher competitive intensity.

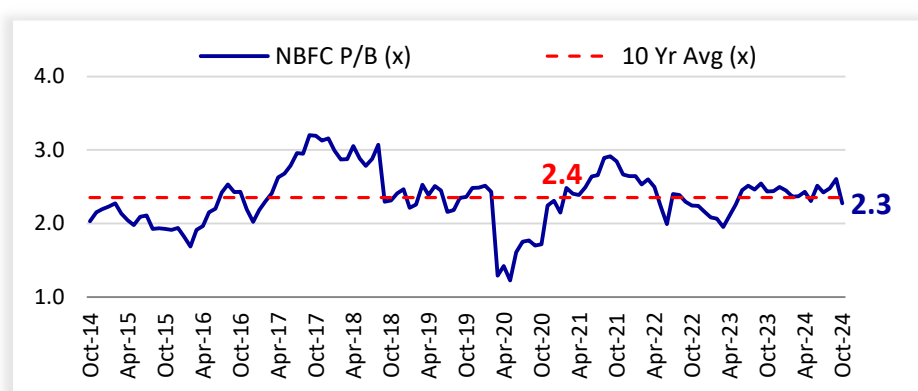
12-month forward NBFC P/E (x)



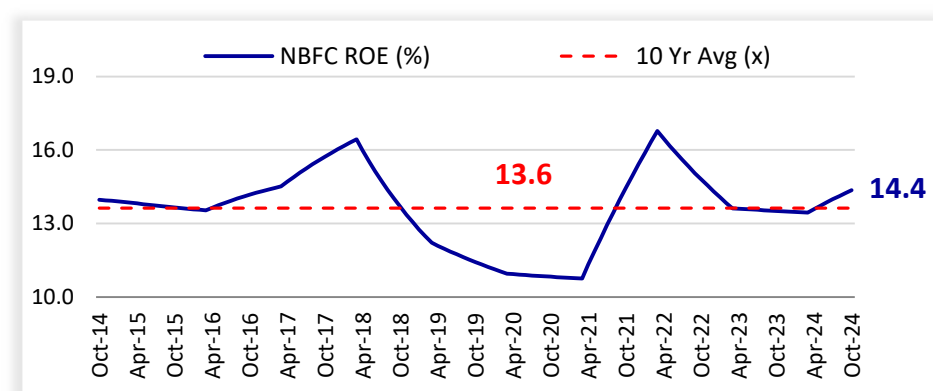
NBFC P/E relative to Nifty P/E (%)



12-month forward NBFC P/B (x)



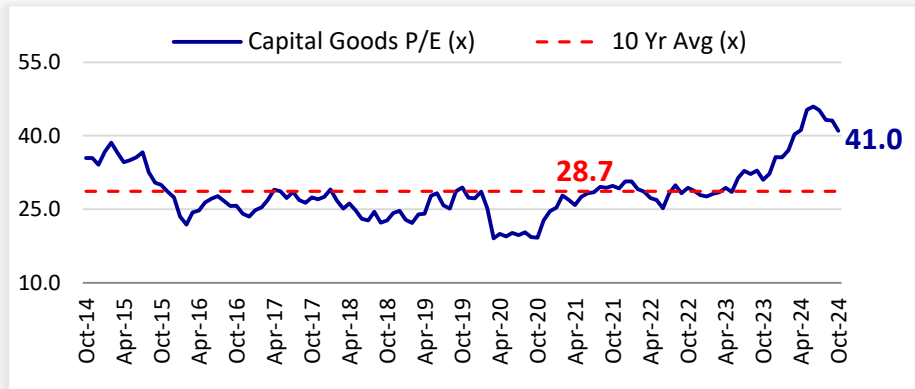
NBFC ROE (%)



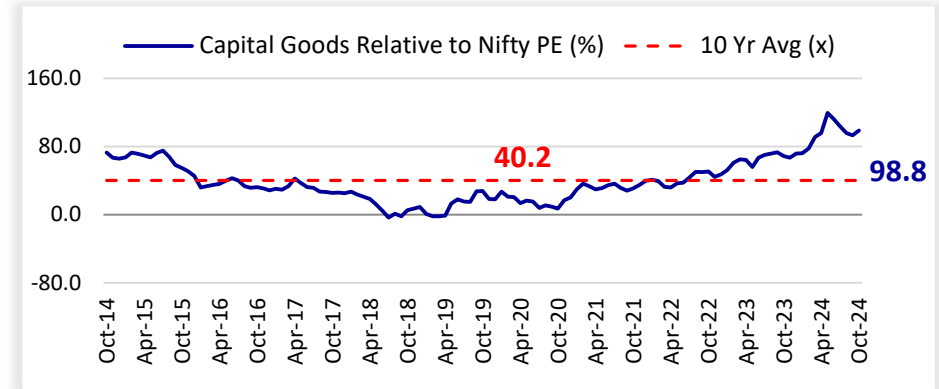


- The Capital Goods sector is trading at 41x one-year forward P/E, above its 10-year average of 28.7x (at a 43% premium), indicating a premium valuation baking in the anticipated capex recovery, ordering momentum, and higher budgetary allocation.
- On a P/B basis, the sector is trading at 7.6x, a significant 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 healthy ordering from the central government, a pickup in private capex, improvements in capacity utilization, and healthy macro factors should boost the outlook for the overall sector.

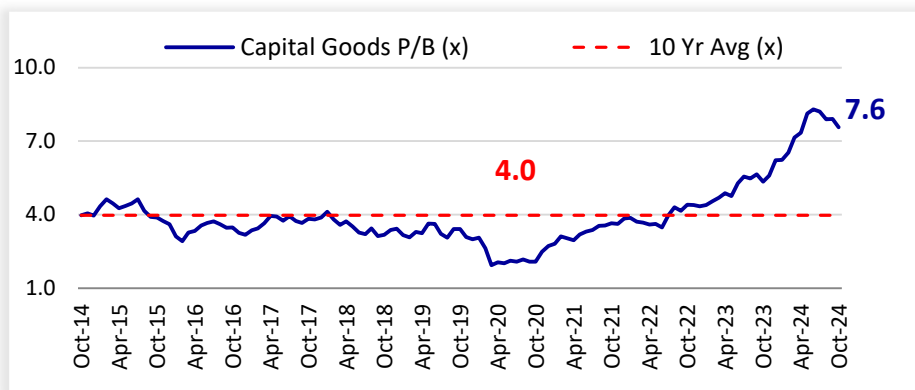
12-month forward Capital Goods P/E (x)



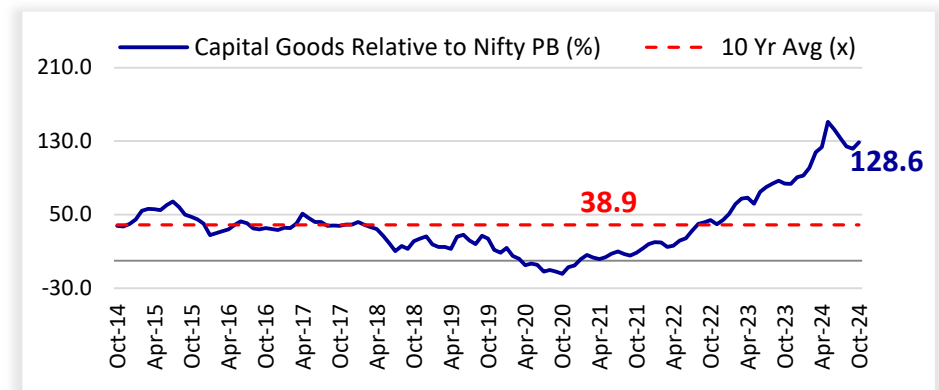
Capital Goods P/E relative to Nifty P/E (%)



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



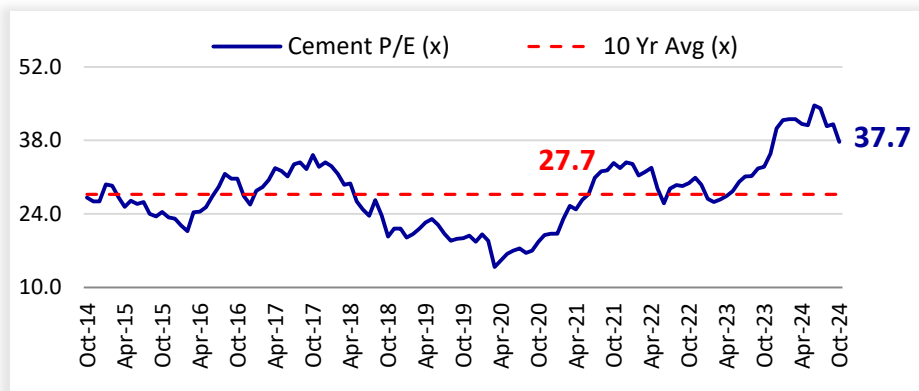
Capital Goods P/B relative to Nifty P/B (%)



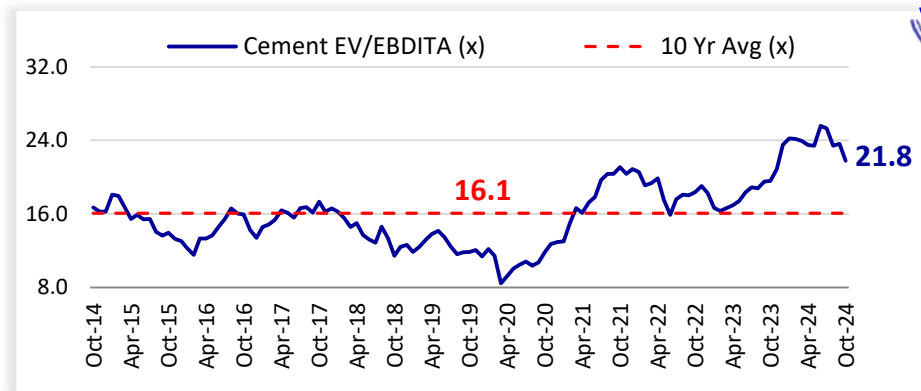


- The Cement sector is trading at a one-year forward EV/EBITDA of 21.8x, at a 35% premium to its historical average of 16.1x.
- After a muted growth in 2QFY25 (impacted due to heavy rains across most parts of the country and low government spending) cement demand has improved sequentially in Oct'24. We estimate industry volume to grow ~8-9% YoY in 2HFY25 led by the pent-up demand, pick-up in construction activities, government spending, and sustained demand from the housing segment. We estimate industry volume growth of ~6% YoY in FY25.
- Cement prices remained stable MoM in Oct'24 and are marginally up ~1-2% compared to the 2QFY25 average. We estimate price hikes to happen in the near term with improvements in cement demand. Petcoke price has corrected in Oct'24 and the average imported petcoke price in Oct'24 declined ~8-9% MoM to USD93/t. We estimate the benefits of lower petcoke price should reflect in Dec'24 or 4QFY25.

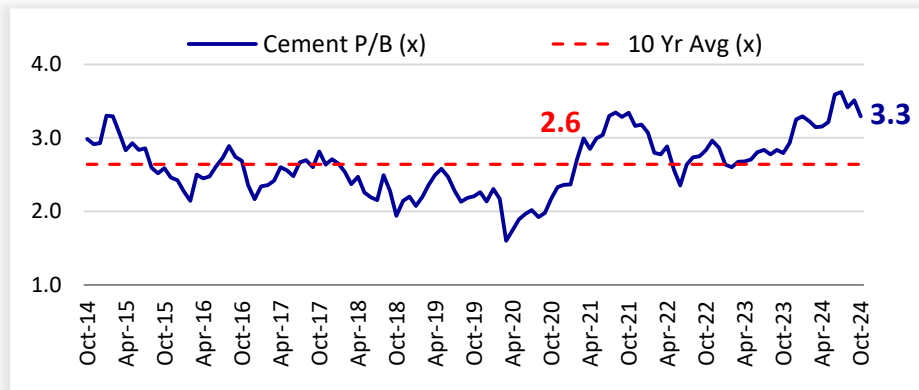
12-month forward Cement P/E (x)



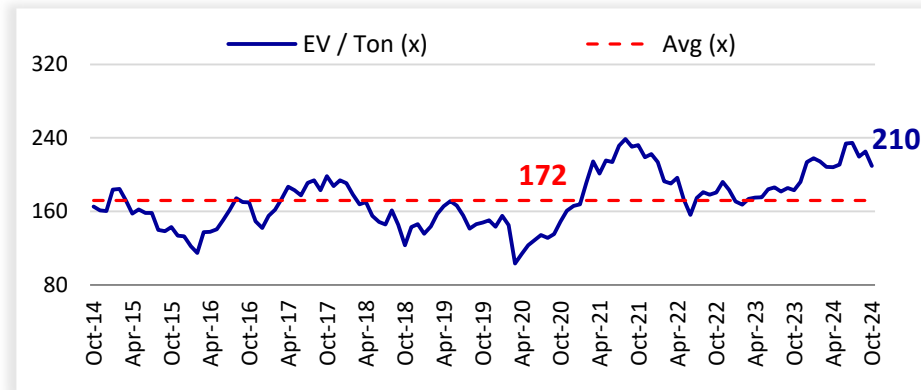
12-month forward Cement EV/EBITDA (x)



12-month forward Cement P/B (x)



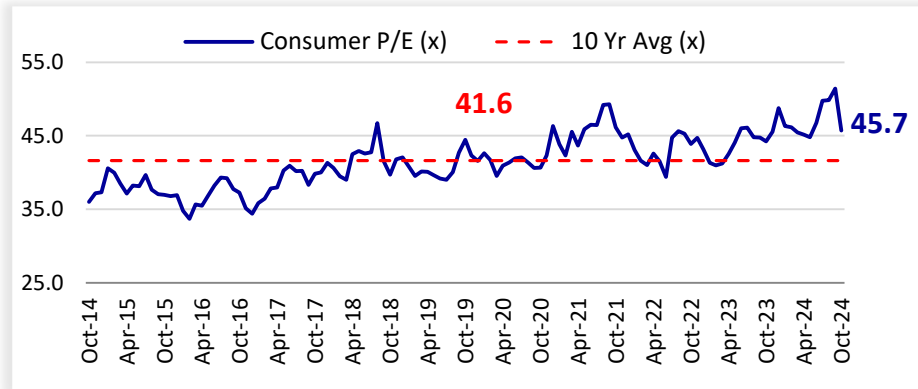
12-month forward Cement EV/Ton (x)



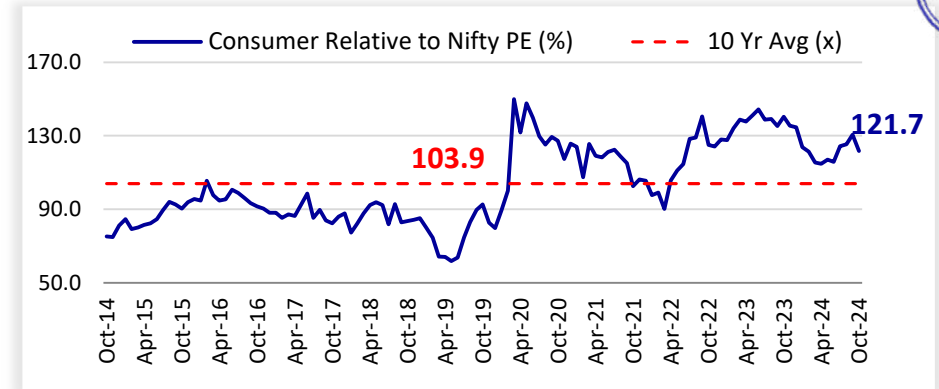


- The Consumer sector's P/E, at 45.7x, implies a 10% premium to its 10-year average of 41.6x. On a P/B basis, it stands at 11.2x, at a premium of 9% to its historical average of 10.3x.
- Demand has stayed about the same as the last quarter, but growth is limited due to heavy rains and flooding.
- Companies are likely to raise prices to offset the rising food costs.
- Rural areas are growing faster than urban ones, but this alone is not enough to drive strong overall growth.
- General trade is slowing down as more customers turn to e-commerce and quick delivery services.

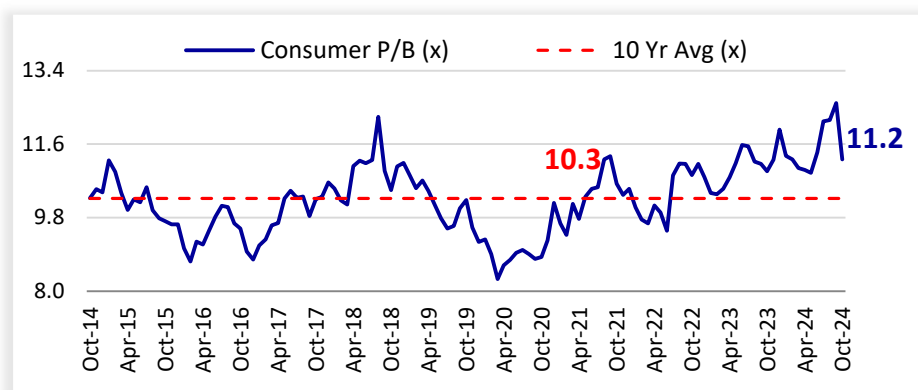
12-month forward Consumer P/E (x)



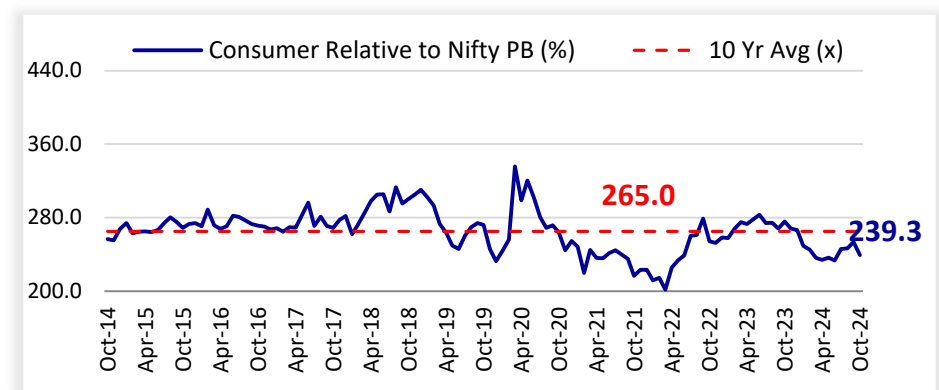
Consumer P/E relative to Nifty P/E (%)



12-month forward Consumer P/B (x)



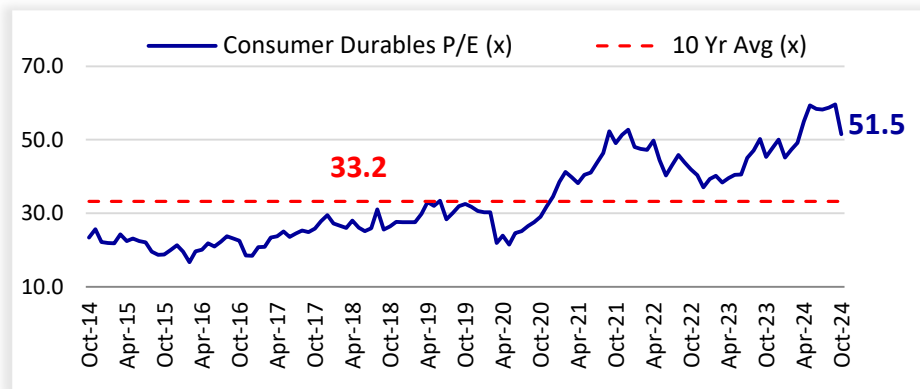
Consumer P/B relative to Nifty P/B (%)



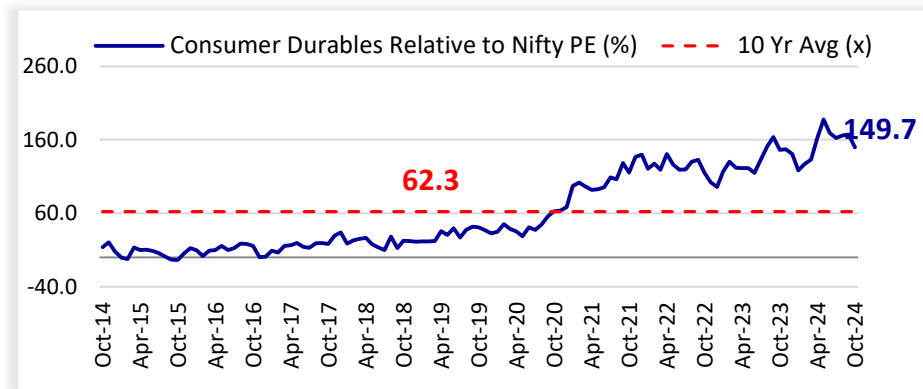


- The Consumer Durables sector trades at a one-year forward P/E multiple of 51.5x, at a 55% premium to its 10-year average P/E of 33.2x.
- On a P/B basis, the sector trades at 9.2x at a 74% premium to its 10-year average multiple of 5.3x.
- The ECD segment, including home appliances (refrigerator, washing machine, geyser, etc), are expected to perform well, led by festival lifting. Rural and semi-urban markets have witnessed demand improvement. Likewise, premium products (large-size refrigerators and WMs) have seen a surge in demand.
- The demand for cables and wires remained strong and is estimated to further increase with a pick-up in government spending toward infrastructure projects. Steep volatility in RM (Copper and Aluminum) prices adversely impacted margins in 2QFY25. Margins are expected to expand in 2HFY25 led by some stability in RM prices and a better product and geographic mix.

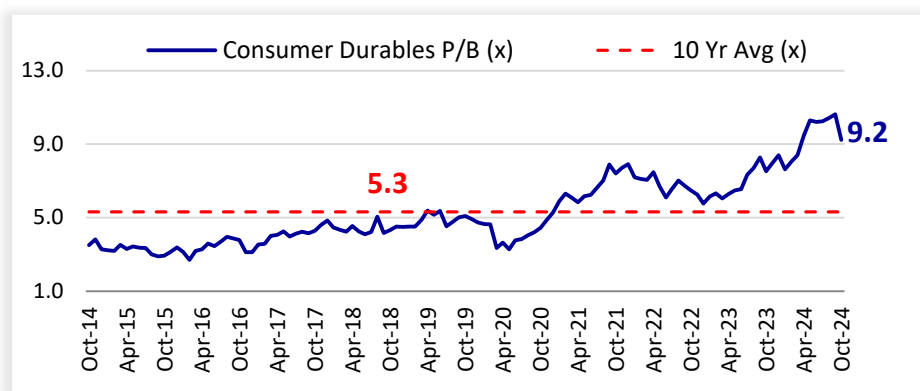
12-month forward Consumer Durables P/E (x)



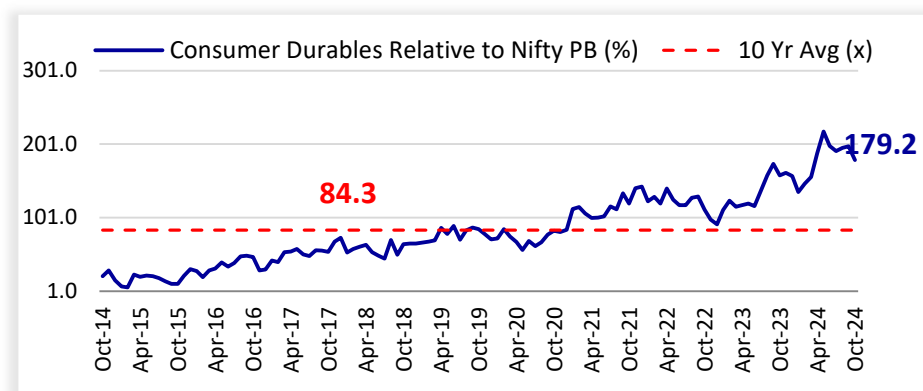
Consumer Durables P/E relative to Nifty P/E (%)



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



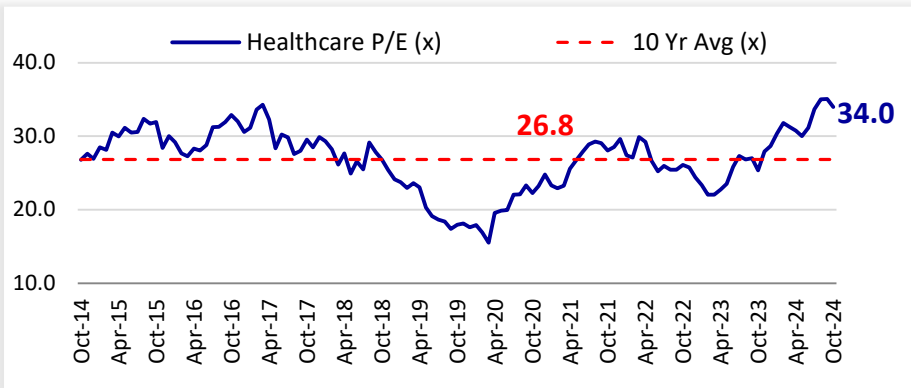
Consumer Durables P/B relative to Nifty P/B (%)



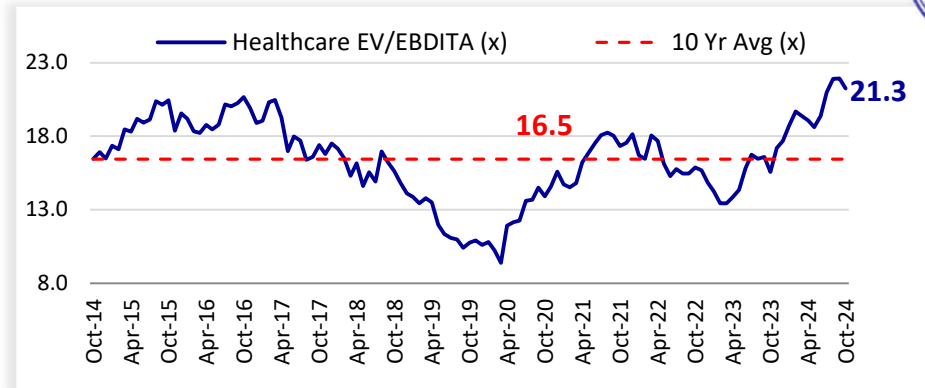


- The Healthcare sector is trading at a P/E of 34x (at a 27% premium to its 10-year avg.), above +1SD. Over the last 12 months, the sector has appreciated by 31%.
- CDMO companies are witnessing a rise in order flows and proposals from innovator pharma firms, given the need to diversify from Chinese suppliers. The shift of discovery and development services is expected to initiate before the shift of commercial manufacturing contracts. Additionally, recent rate cuts will likely boost funding for clinical development projects, strengthening the outlook for CDMO companies.
- US growth appears encouraging in the near term, led by niche and specialty drugs. However, over the medium term from FY26-27, growth prospects may moderate in the US due to a lack of product-specific opportunities. Robust growth in the chronic category is offset by adverse seasonality in acute therapies with respect to the Domestic Formulation segment.
- The hospital space is witnessing growth due to an increase in occupancy led by favorable seasonality and an increase in bed capacity.

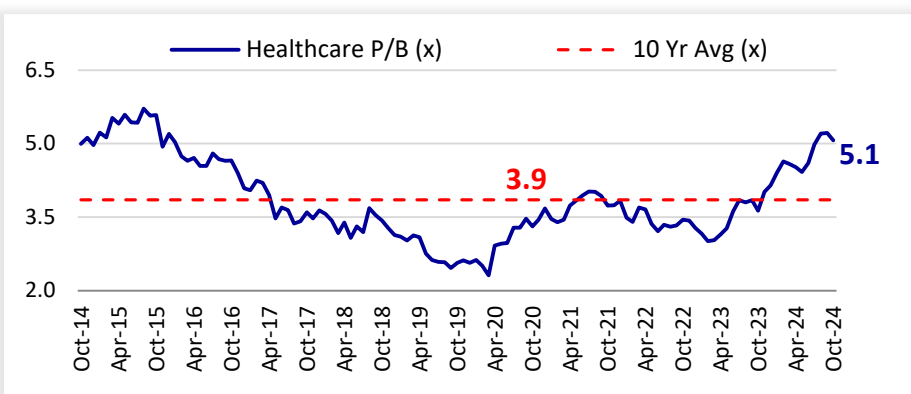
12-month forward Healthcare P/E (x)



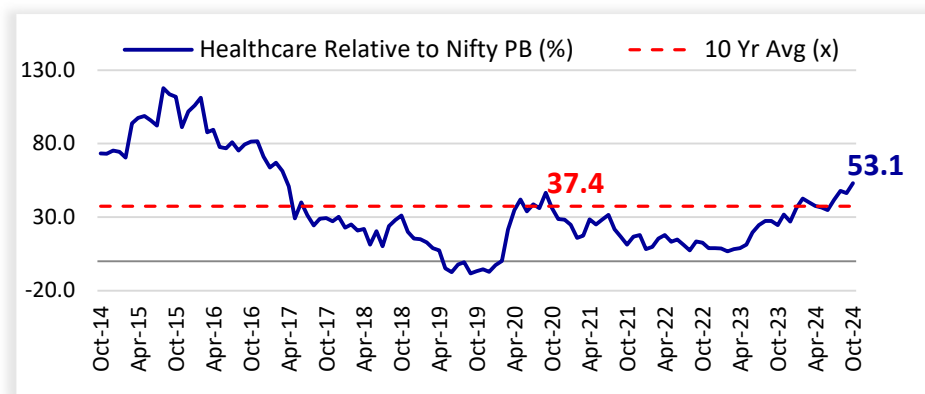
12-month forward Healthcare EV/EBITDA (x)



12-month forward Healthcare P/B (x)



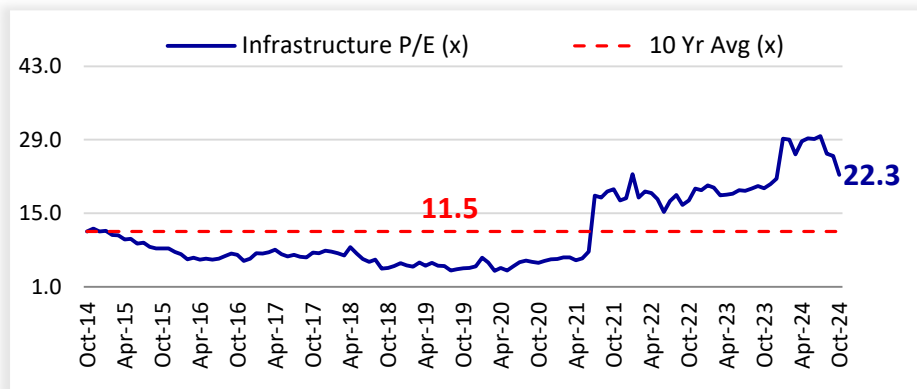
Healthcare P/B relative to Nifty P/B (%)



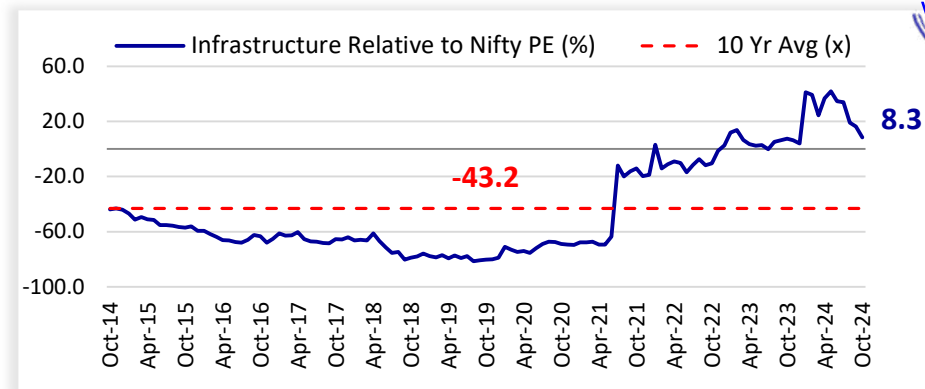


- The Infrastructure sector is trading at a P/B of 2x, at a 61% premium to its long-term historical average.
- NHAI project awarding remained disappointing during YTD FY25 (Apr-Oct'24), with only 286kms being awarded. Muted awarding activity by NHAI and fierce competition in NHAI projects from new and inexperienced players have adversely affected order inflows for large players. Project awarding is expected to pick up in 2HFY25, with an uptick in execution expected from FY26 onwards only.
- Toll collections increased ~1% MoM in Sep'24 to INR56b, with a daily run rate of ~INR1.9b (~up 3.5% MoM).

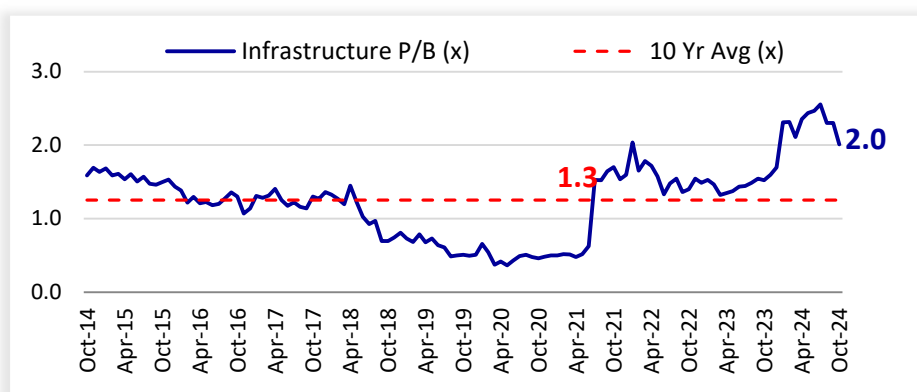
12-month forward Infrastructure P/E (x)



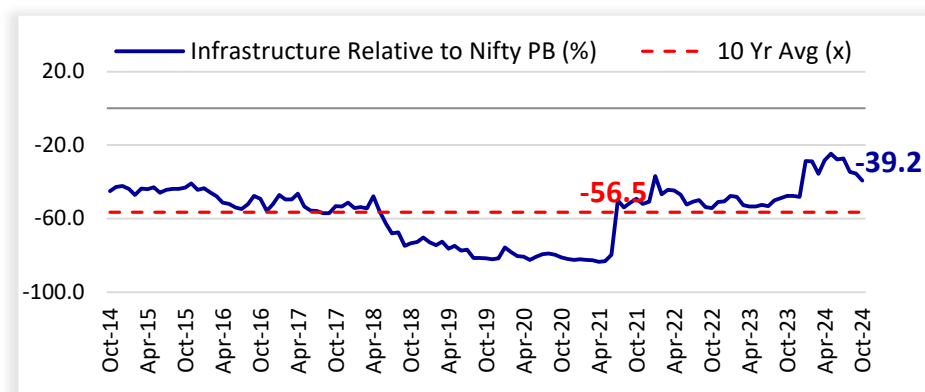
Infrastructure P/E relative to Nifty P/E (%)



12-month forward Infrastructure P/B (x)



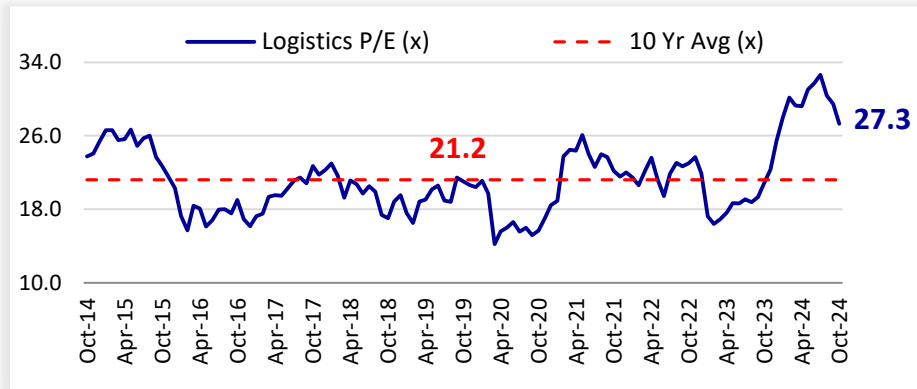
Infrastructure P/B relative to Nifty P/B (%)



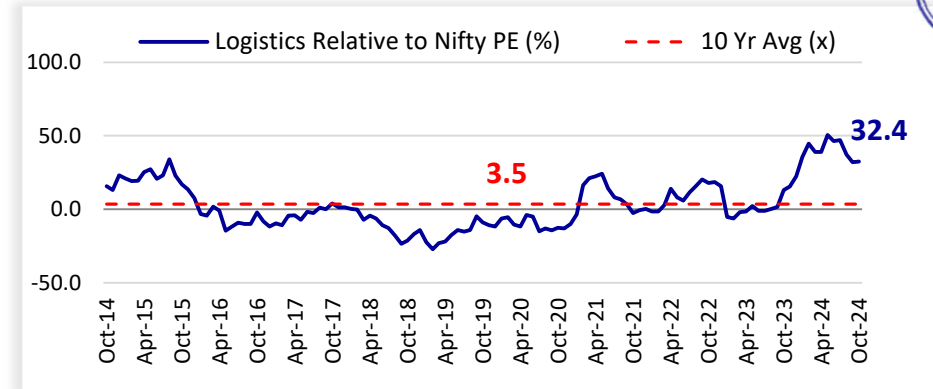


- The Logistics sector is trading at a P/E ratio of 27.3x, above its historical average of 21.2x (at a 29% premium).
- Logistics operations remained picked up in Sep'24 with the onset of the festive season. Fleet utilization was ~80%. Daily avg. FASTag toll collections rose ~10% YoY in Sep'24 (+3.5% 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 expansion 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 forward.

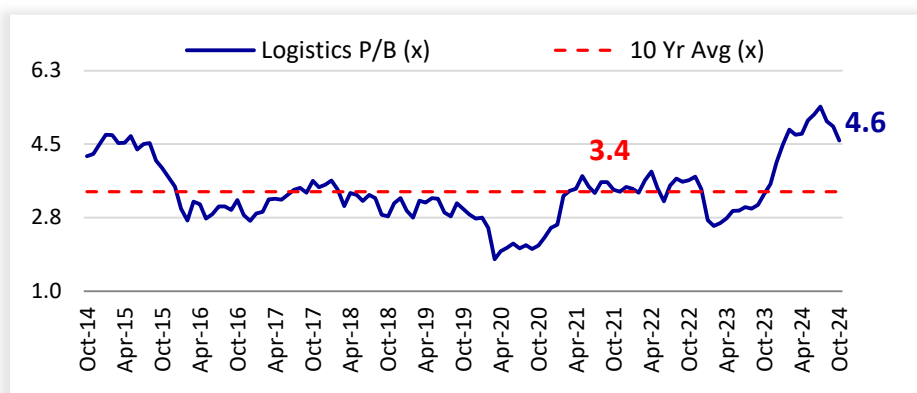
12-month forward Logistics P/E (x)



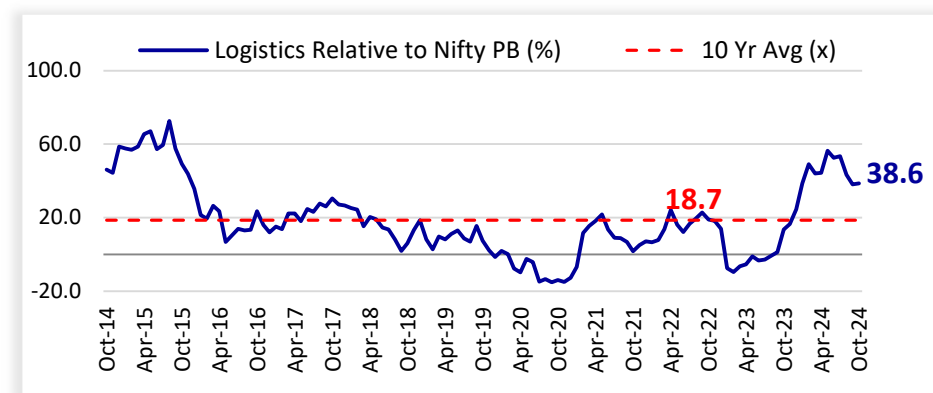
Logistics P/E relative to Nifty P/E (%)



12-month forward Logistics P/B (x)



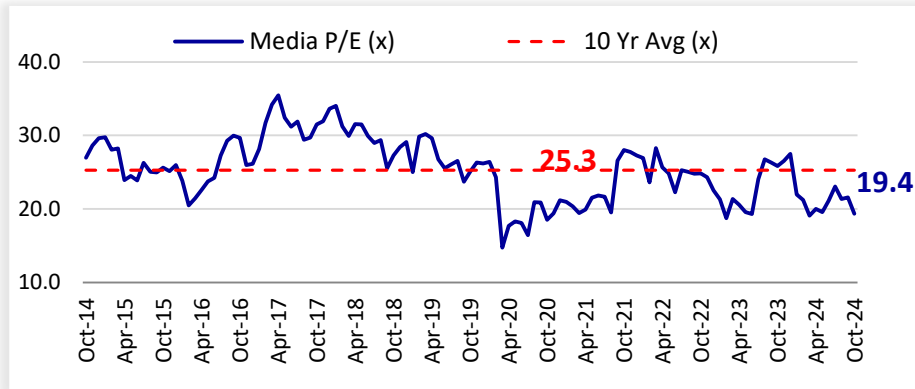
Logistics P/B relative to Nifty P/B (%)



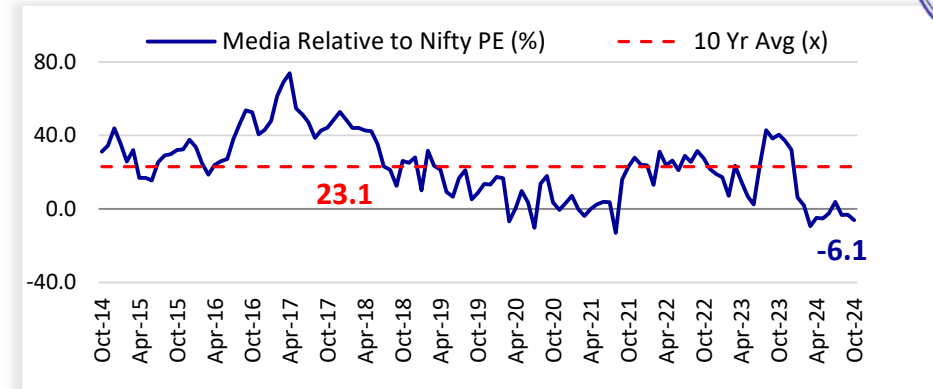


- The P/E ratio for the Media sector, at 19.4x, is at a 23% discount to its 10-year historical average of 25.3x.
- Viacom18 and Star India, owned by Reliance Industries and Walt Disney respectively, are set to finalize their merger by the 3QFY25. The merger has already received conditional approval from the Competition Commission of India and the National Company Law Tribunal.
- After Stree and Kalki, PVR is set to feature Singham, BB3, and Pushpa on over 6,000 screens in 3QFY25.

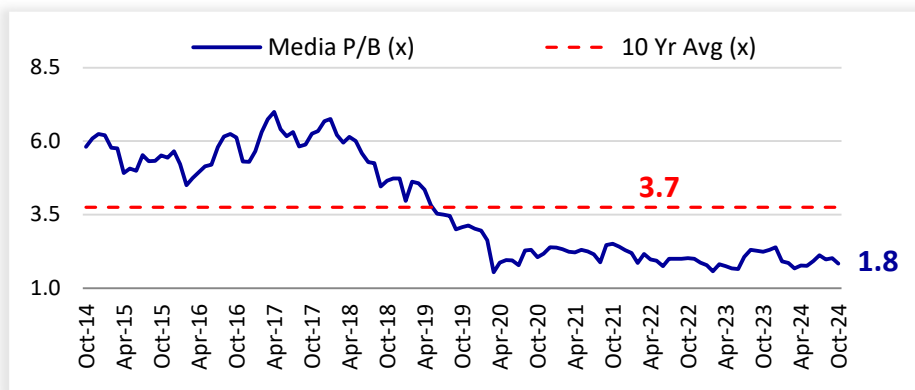
12-month forward Media P/E (x)



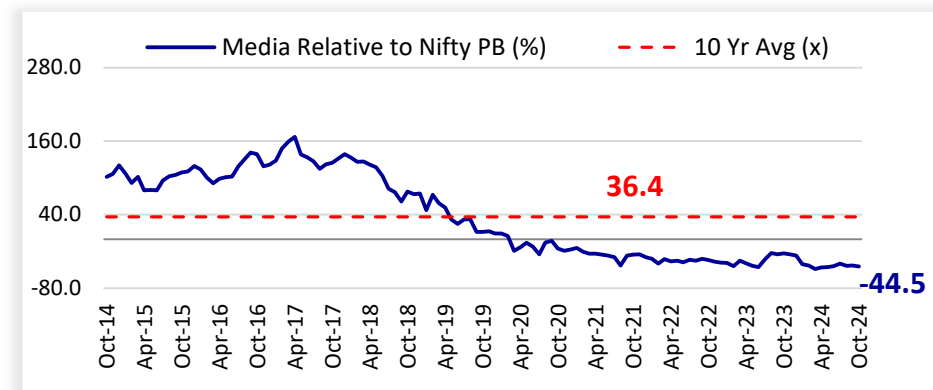
Media P/E relative to Nifty P/E (%)



12-month forward Media P/B (x)



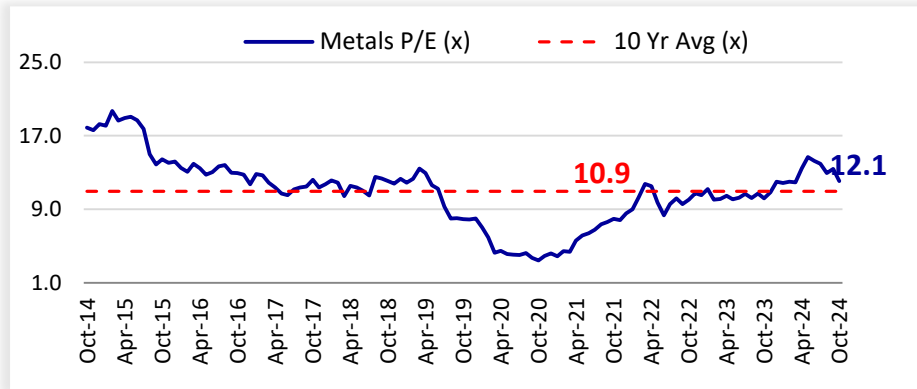
Media P/B relative to Nifty P/B (%)



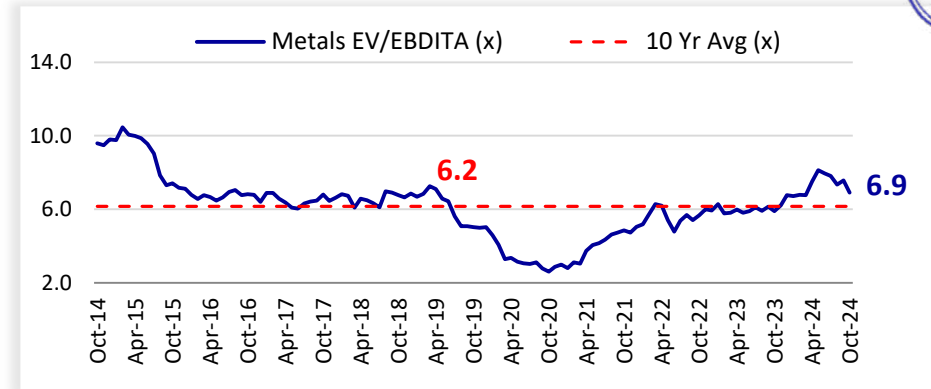


- The Metals sector's EV/EBITDA declined to 6.9x over the last few months and is now near its 10-year historical average of 6.2x amid weakness in global demand.
- Metal prices, especially flat steel prices, remained flat MoM in Oct'24 on account of higher cheap imports. Rebar prices improved 6.6% MoM at INR53,750/t in Oct'24, led by improvements in construction activities.
- As a result of improvements in China demand, coking coal prices rebound to USD220/t, up by ~8% MoM in Oct'24.
- Most of the non-ferrous metal prices improved MoM during Oct'24 led by inventory destocking.

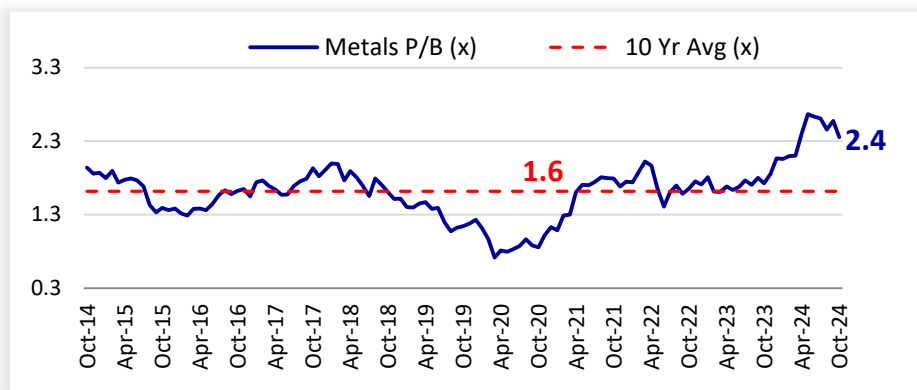
12-month forward Metals P/E (x)



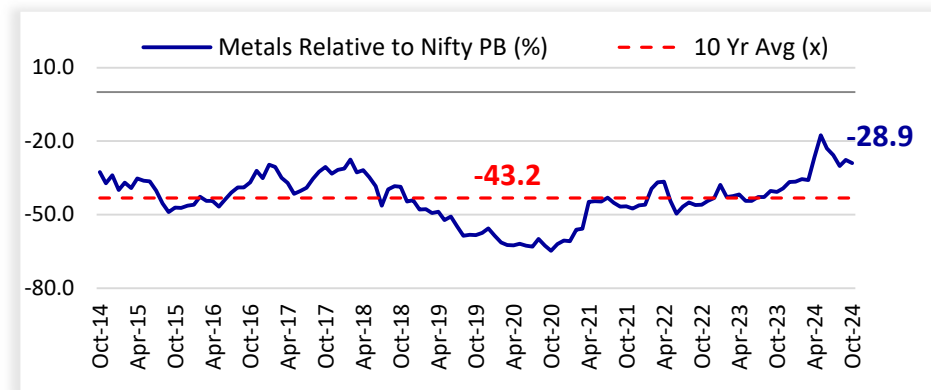
12-month forward Metals EV/EBITDA (x)



12-month forward Metals P/B (x)



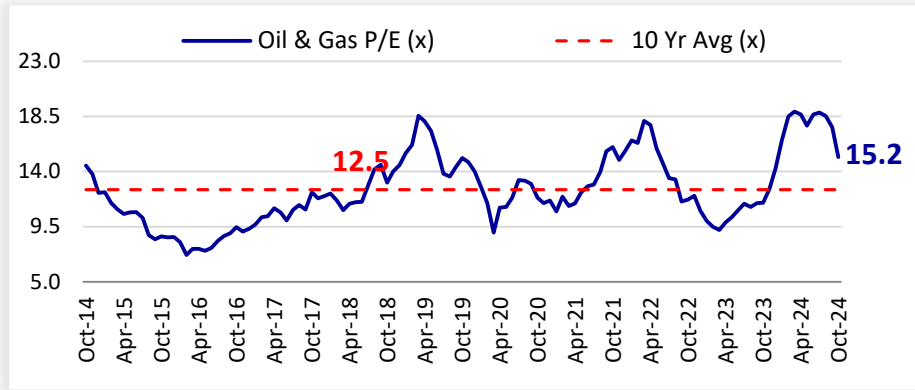
Metals P/B relative to Nifty P/B (%)



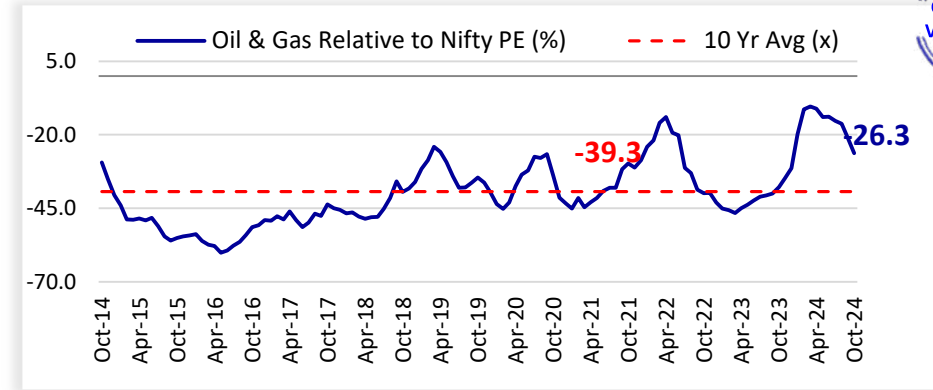


- The sector is trading at a P/B of 1.6x (at a 10% premium) and a P/E of 15.2x (at a 21% premium) vs. its historical average of 1.5x P/B and 12.5x P/E.
- Brent crude oil price averaged USD75.7/bbl in Oct'24 (vs. USD74/bbl in Sep'24). Oil prices remained range-bound as demand weakness was balanced by geopolitical fears.
- SG GRM stood at USD3/bbl in Oct'24 (vs. USD2.1/bbl in Sep'24). Diesel cracks increased to USD6.9/bbl in Oct'24 (vs. USD4.5/bbl in Sep'24). Gasoline cracks also increased to USD9.8/bbl in Oct'24 vs. USD9.1/bbl in Sep'24.
- Gross marketing margin for petrol contracted marginally to INR13.4/lit in Oct'24 from INR13.7/lit in Sep'24, while gross marketing margin for diesel stood at INR10.6/lit vs. INR12.4/lit in Sep'24. Spot LNG price was USD13.3/mmBtu in Oct'24 (similar to USD13.4/mmBtu in Sep'24).

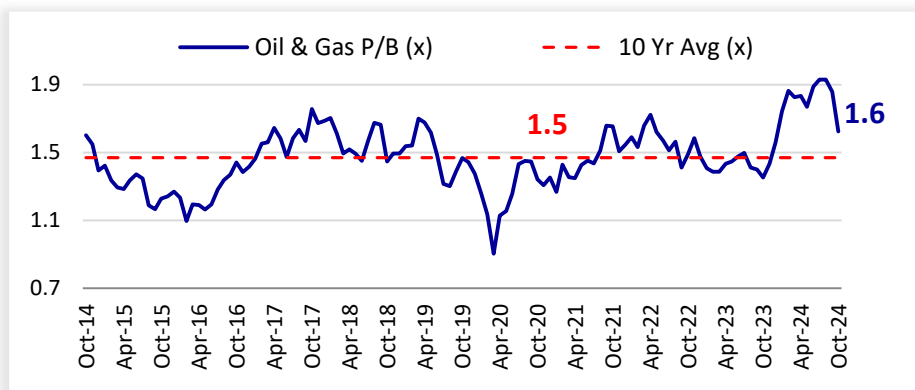
12-month forward Oil & Gas P/E (x)



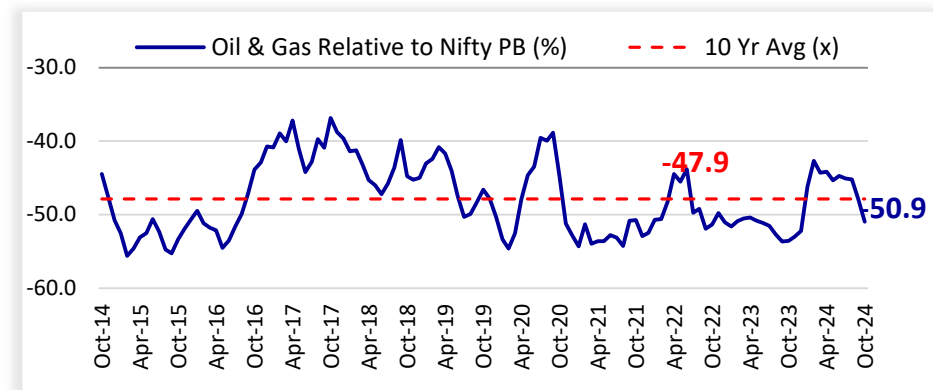
Oil & Gas P/E relative to Nifty P/E (%)



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



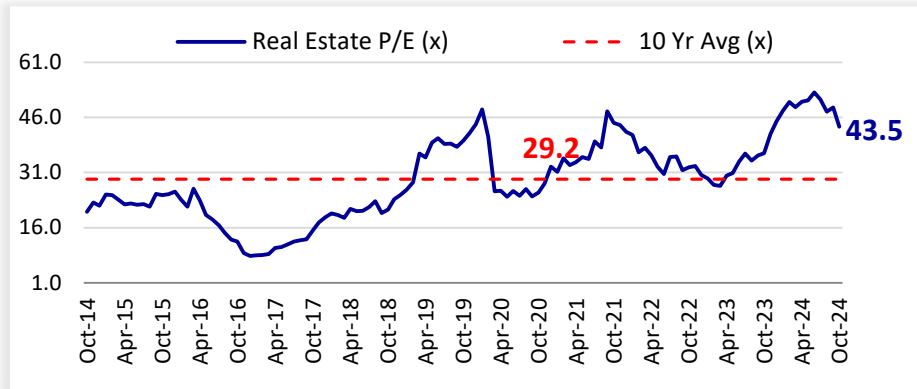
Oil & Gas P/B relative to Nifty P/B (%)



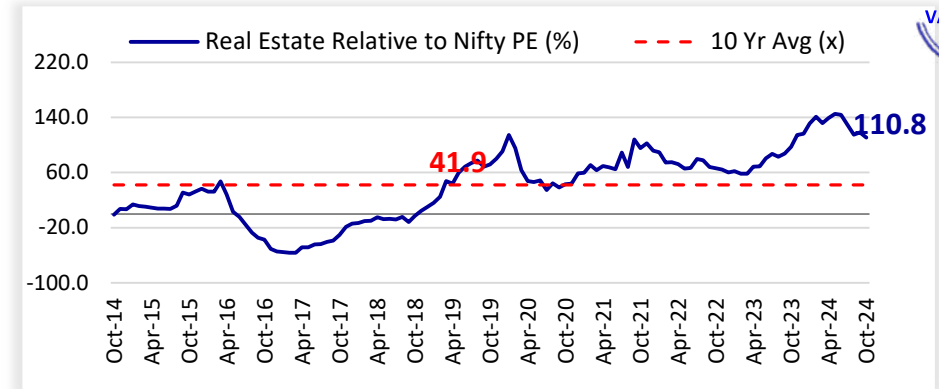


- The sector is trading at a P/E of 43.5x, at a 49% premium to its 10-year historical average of 29.2x.
- According to Knight Frank, housing sales across the top 8 cities rose 5% YoY in 3QCY23 guided by the sustenance sales. New launches during the period rose to 6% YoY. Notably, the contribution of apartments above INR10m increased to 46% from 35% last year. Except NCR, all cities witnessed growth in the range of 1% to 14% YoY.
- The top 8 cities witnessed 19msf of office absorption in 3QCY23, up 18% YoY. Bengaluru (5.3msf), NCR (3.2msf), and Mumbai (2.7msf) accounted for over half the leasing activity during this period.

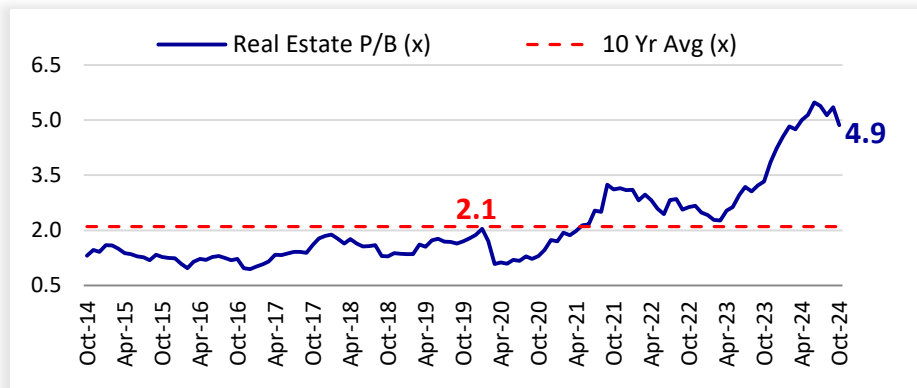
12-month forward Real Estate P/E (x)



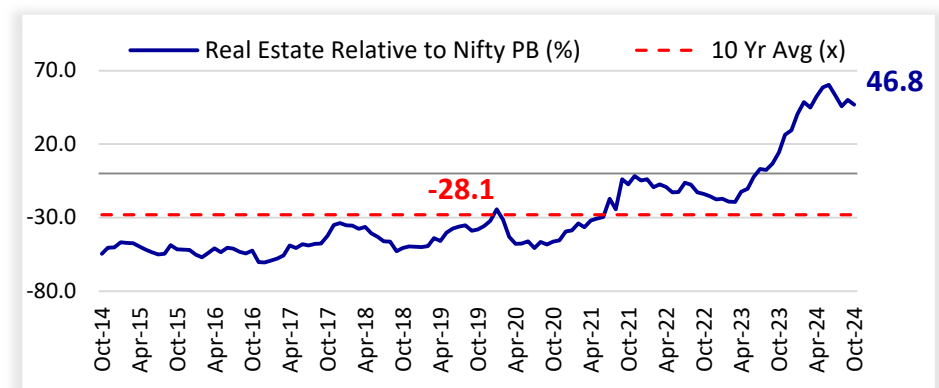
Real Estate P/E relative to Nifty P/E (%)



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



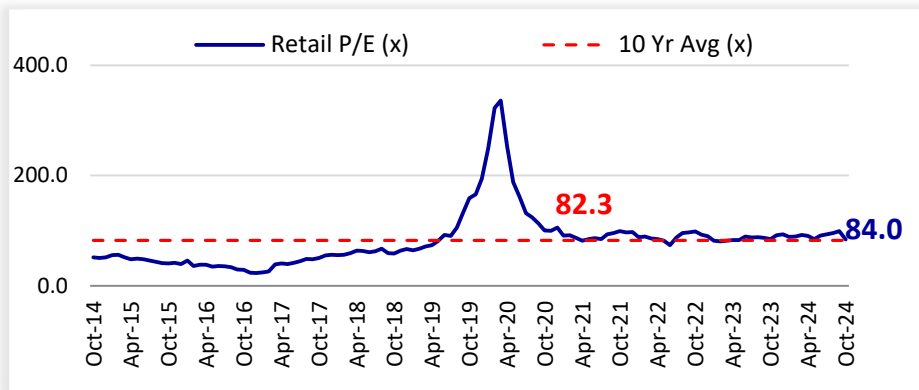
Real Estate P/B relative to Nifty P/B (%)



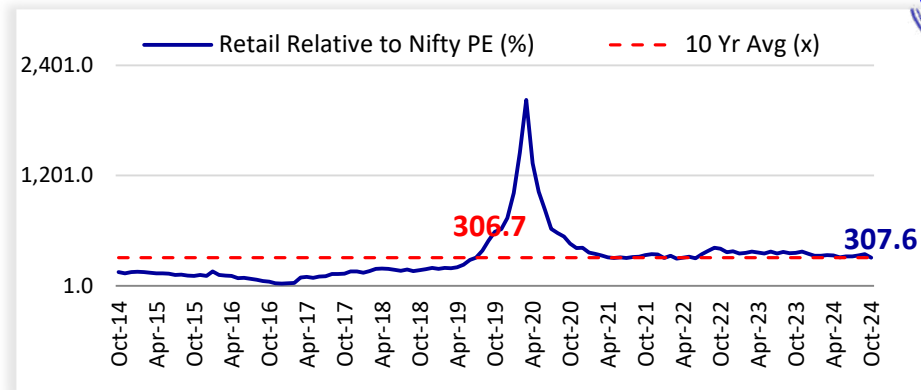


- The sector is trading at a P/E ratio of 84x, which is just 2% premium to its 10-year historical average of 82.3x.
- Retail sales in Sep'24 reported 5% YoY (up 2%/2% YoY in Jul/Aug'24), according to a survey by the Retailers Association of India.
- After a successful Diwali season, traders across the country are now preparing for major business opportunities in the upcoming wedding season, set to begin with Dev Uthani Ekadashi on November 12 and continue until December 16.

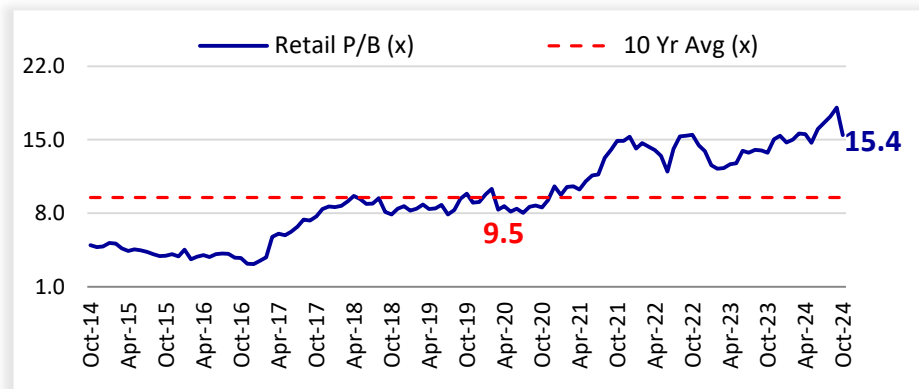
12-month forward Retail P/E (x)



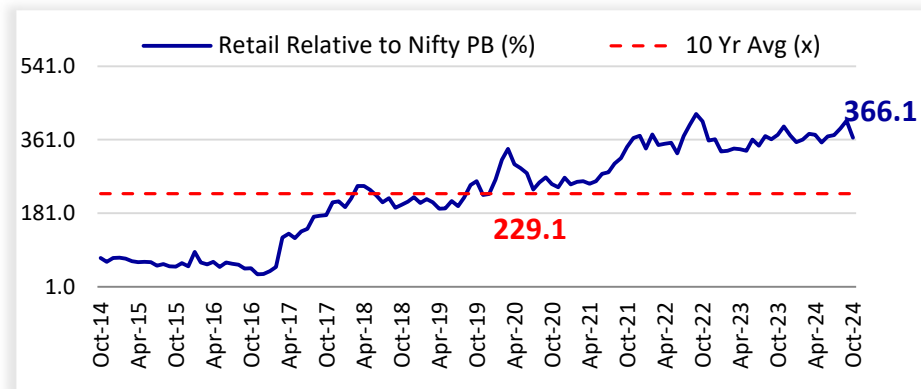
Retail P/E relative to Nifty P/E (%)



12-month forward Retail P/B (x)



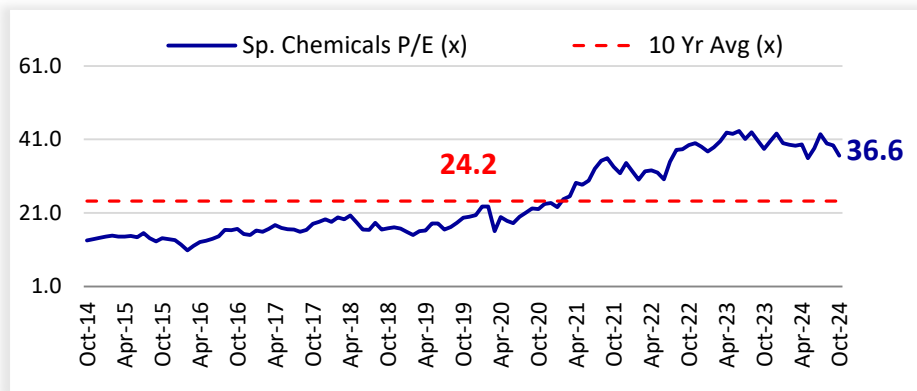
Retail P/B relative to Nifty P/B (%)



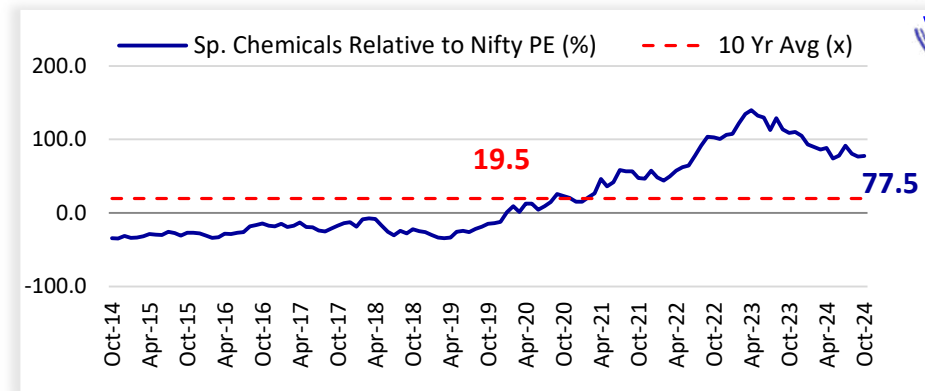


- The sector is trading at a P/B of 4.2x (at a 30% premium) and a P/E of 36.6x (51% premium) vs. its historical average of 3.2x and 24.2x, respectively.
- Brent crude oil price averaged USD74.2/bbl in Sep'24 (vs. USD80.3/bbl in Aug'24). Prices have declined 7.6% amid the increasing supply from other 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.

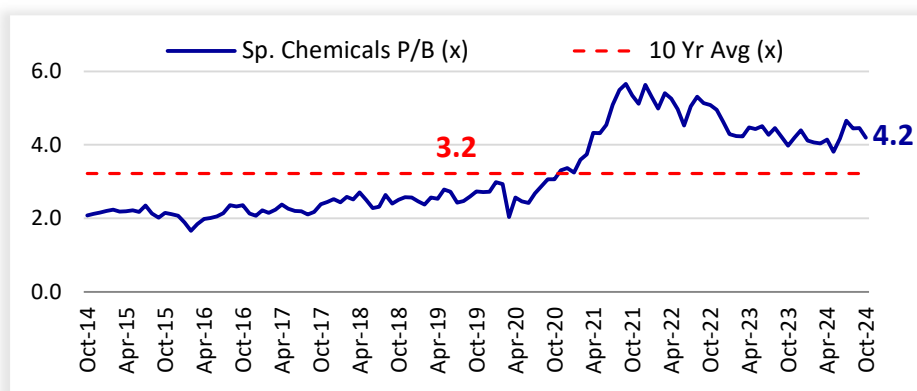
12-month forward Sp. Chemicals P/E (x)



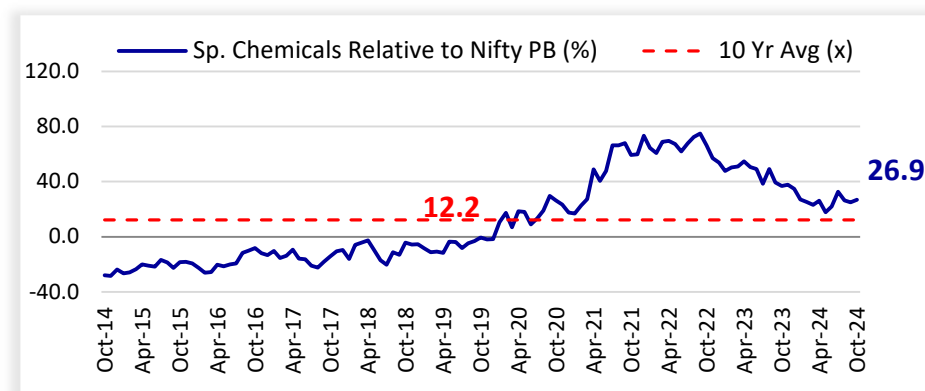
Sp. Chemicals P/E relative to Nifty P/E (%)



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



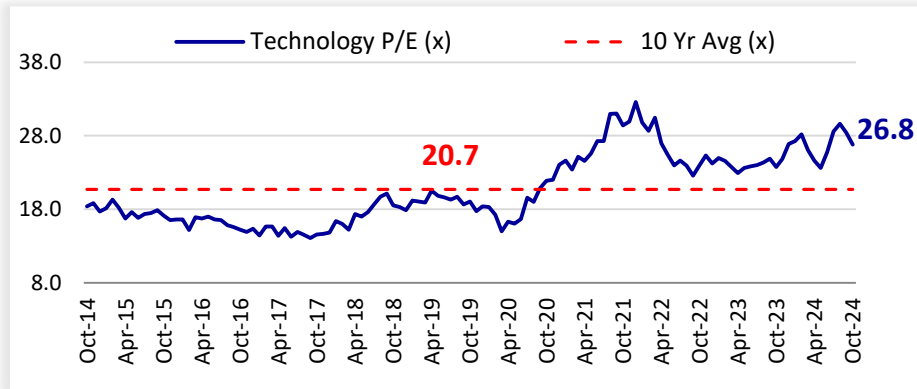
Sp. Chemicals P/B relative to Nifty P/B (%)



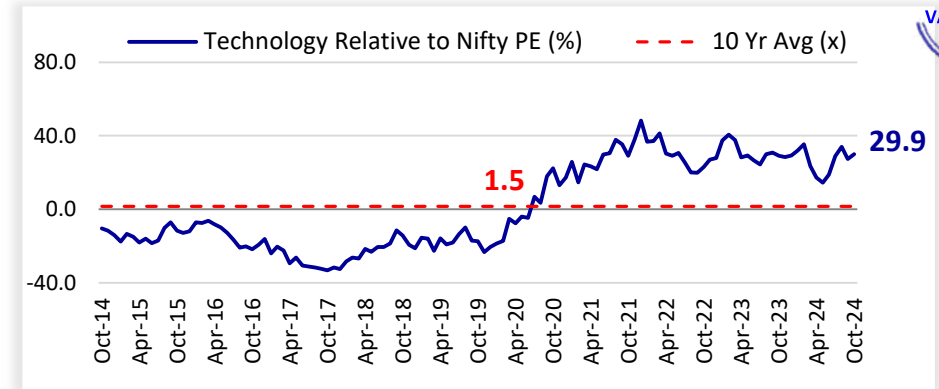


- The sector is trading at a P/E ratio of 26.8x, at 29% premium to its long-term average of 20.7x.
- The demand environment remained relatively stable compared to the previous quarter. We anticipate a gradual recovery in modernization and discretionary spending in areas such as US Banking, Healthcare, and Data/ERP modernization. Unexpectedly, the Manufacturing sector encountered challenges, particularly among major companies due to softness in European automotive OEMs. Clients are shifting focus from cost-cutting to prioritizing impactful transformation initiatives to reduce their technological debt.
- 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 expansion, and currency movements should benefit Indian IT services companies.

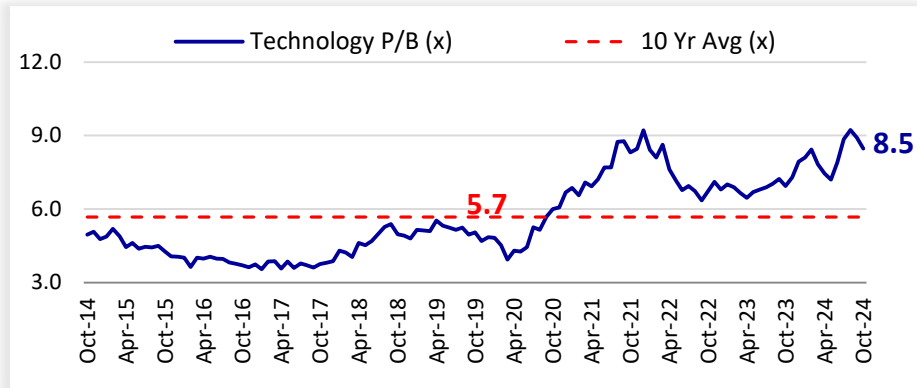
12-month forward Technology P/E (x)



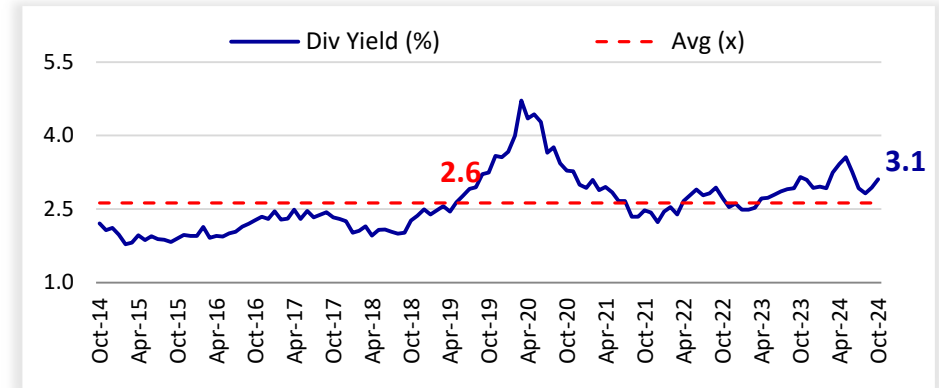
Technology P/E relative to Nifty P/E (%)



12-month forward Technology P/B (x)



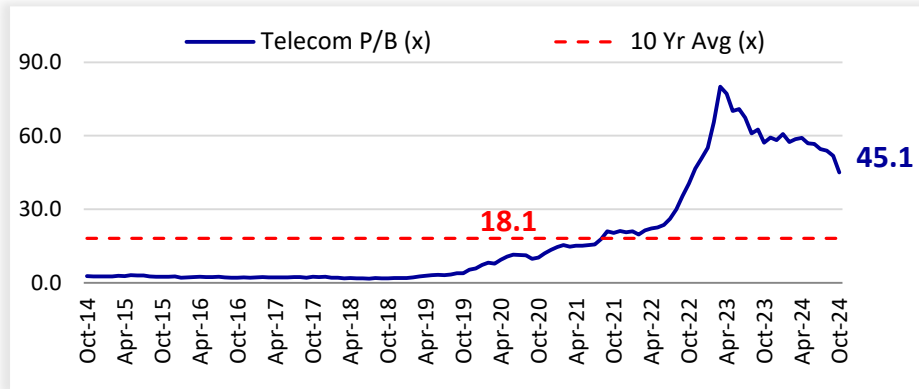
Technology Div Yield (%)



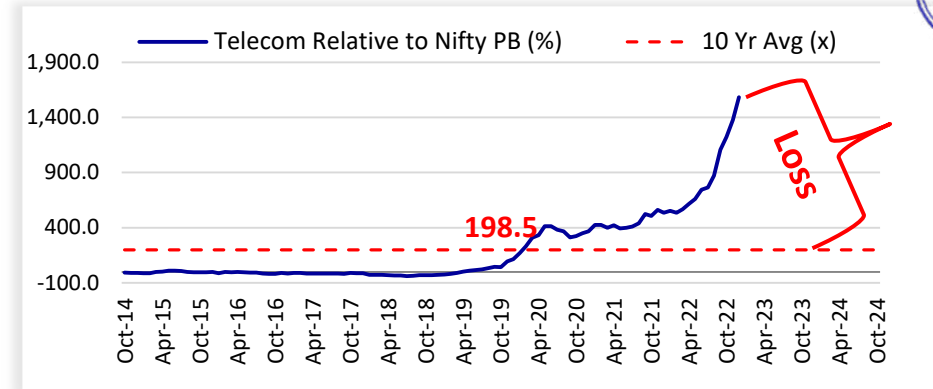


- The sector is trading at an EV/EBITDA ratio of 10x, at a 14% premium to its 10-year historical average of 8.8x.
- Reliance Jio, Bharti Airtel, and Vodafone Idea suffered major customer losses for the second month in a row in August, triggered by a sharp increase in headline tariffs in early July.
- Bharti Airtel plans to fully switch its 5G services to the standalone mode within 3-4 years as demand increases and more 4G users upgrade.

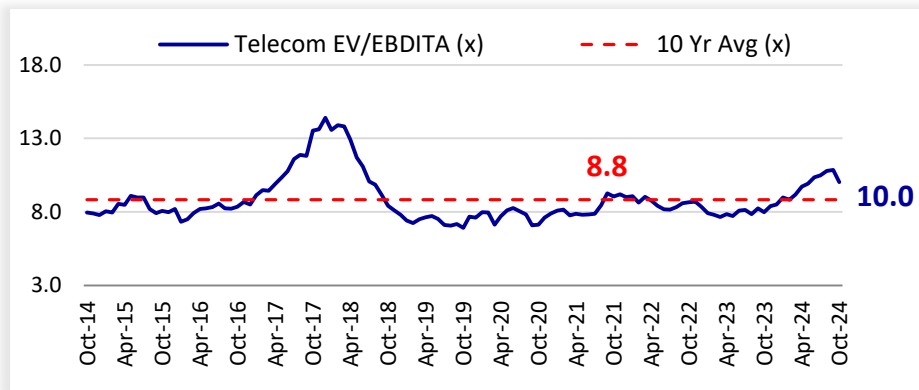
12-month forward Telecom P/B (x)



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



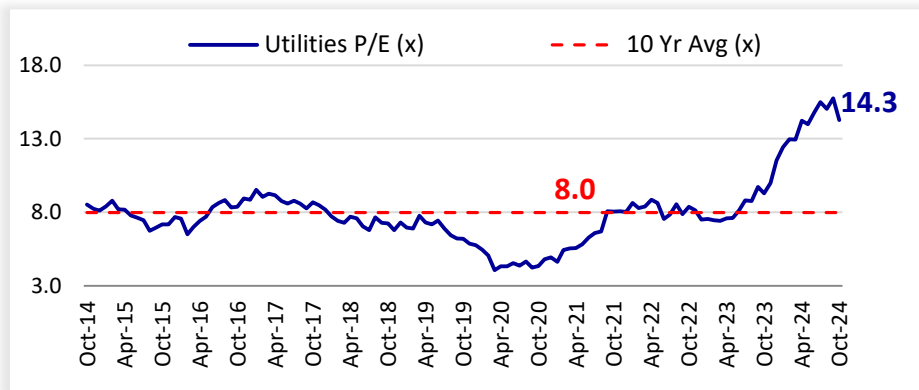
12-month forward Telecom EV/EBITDA (x)



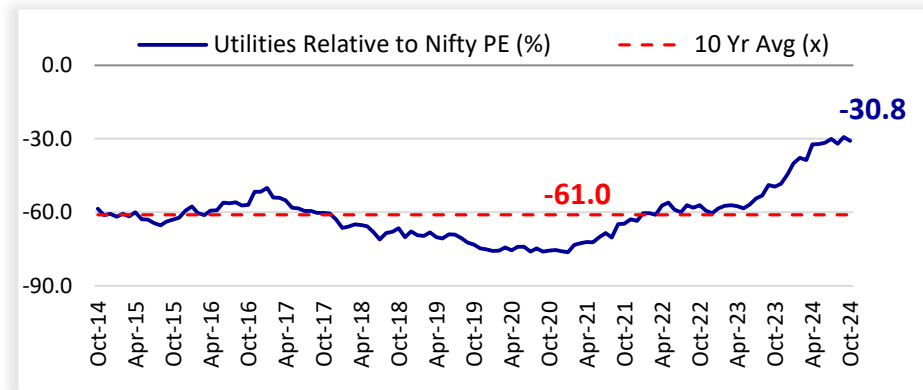


- The sector is trading at a P/B of 2x (at a 98% premium) and a P/E of 14.3x (at a 79% premium) vs. its historical average of 1x P/B and 8x P/E, respectively.
- Despite the upward trend in peak power demand over the years, Sep'24 observed a decline in peak demand, which fell to 230GW (Sep'23: 243GW).
- Total power generation in India witnessed modest growth of 2% YoY in July-Sep'24, reaching 463.7BUs. This increase was driven by a combination of 392.6BUs from conventional sources and 71BUs from renewable sources, with renewable generation witnessing 9% YoY growth.
- The solar sector witnessed a capacity increase of 1.33GW while the wind sector experienced an increase of 0.17GW during Sep'24, reflecting ongoing investments in renewable energy infrastructure.

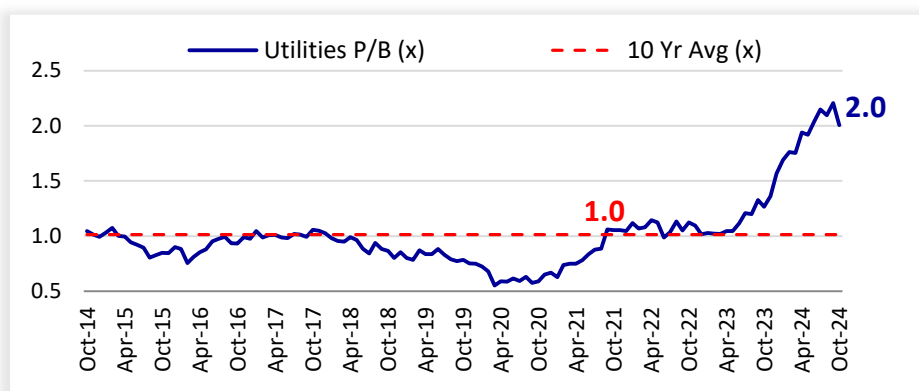
12-month forward Utilities P/E (x)



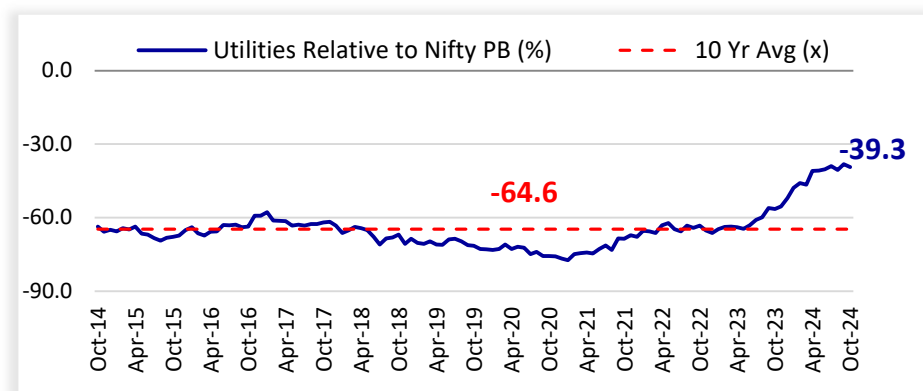
Utilities P/E relative to Nifty P/E (%)



12-month forward Utilities P/B (x)



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





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	23.7	27.5	-14	36.3	18.7	15	34	4.5	3.5	29	4.1	2.9	35	23
Amara Raja Energy	23.7	22.7	4	30.4	15.0	15	11	3.1	3.6	-15	5.4	1.9	-6	29
Ashok Leyland	17.0	21.2	-20	26.9	15.4	-18	3	5.4	4.3	26	5.3	3.3	63	52
Apollo Tyres	16.9	15.1	12	20.0	10.2	-18	-26	1.6	1.1	40	1.5	0.8	-52	-59
Balkrishna Inds	28.4	22.4	27	31.4	13.4	38	9	4.9	4.0	25	5.3	2.6	50	40
Bajaj Auto	27.9	18.5	51	22.5	14.6	35	-10	9.4	4.7	101	6.3	3.1	183	65
Bharat Forge	35.5	42.6	-17	67.5	17.6	72	107	7.4	5.4	37	6.8	3.9	122	90
Bosch	43.0	38.7	11	45.7	31.7	109	89	7.4	5.6	32	7.1	4.1	124	99
CEAT	17.8	18.5	-4	30.3	6.7	-14	-10	2.4	1.8	33	2.2	1.3	-29	-37
Craftsman Auto	31.3	27.2	15	35.2	19.1	52	32	3.6	3.8	-5	4.4	3.2	10	36
Eicher Motors	28.9	31.6	-9	37.3	26.0	40	54	5.9	7.2	-17	9.8	4.5	79	153
Endurance Tech.	34.3	33.1	4	40.1	26.2	67	61	5.4	5.0	8	6.1	3.9	63	77
Escorts Kubota	32.3	18.0	80	26.9	9.0	57	-13	4.2	2.2	93	3.2	1.2	27	-23
Exide Inds.	29.4	21.3	38	26.5	16.1	42	4	2.6	2.4	11	3.2	1.5	-20	-16
Hero MotoCorp	19.2	18.3	5	21.3	15.2	-7	-11	5.0	4.5	10	5.8	3.2	50	60
CIE Automotive	20.7	24.8	-16	34.8	14.7	0	21	2.7	2.2	20	3.1	1.4	-19	-21
Mahindra & Mahindra	23.8	18.6	28	22.3	14.9	16	-9	4.8	2.8	71	3.5	2.0	44	-1
Maruti Suzuki	23.2	30.3	-23	40.4	20.2	13	48	3.5	4.1	-15	4.8	3.3	6	45
MRF	23.5	23.5	0	34.6	12.3	14	14	2.6	2.3	12	2.7	1.9	-20	-17
Samvardhana	24.0	43.6	-45	69.1	18.1	16	113	3.9	3.3	19	4.5	2.0	18	16
Sona BLW Precis.	55.6	68.1	-18	86.2	50.1	170	232	11.4	12.5	-9	15.3	9.7	245	343
Tata Motors	13.0	17.2	-25	24.4	10.0	-37	-16	2.6	2.1	23	3.0	1.2	-22	-25
Tube Investments	65.3	40.2	62	61.2	19.3	217	96	12.4	7.1	76	10.4	3.7	276	150
TVS Motor	40.3	31.8	27	39.9	23.7	95	55	10.4	6.9	50	8.9	4.9	213	144
Banks-Private	16.4	21.1	-22	26.4	15.9	-20	3	2.4	2.5	-7	2.8	2.2	-28	-10
AU Small Finance	16.9	28.8	-41	38.6	19.0	-18	40	2.5	4.1	-39	5.2	3.0	-25	45
Axis Bank	12.5	38.3	-67	90.1	-13.5	-39	86	1.9	2.0	-7	2.3	1.7	-44	-29
Bandhan Bank	7.1	23.1	-69	33.9	12.3	-65	13	1.1	3.1	-64	4.8	1.5	-66	10
DCB Bank	5.5	12.5	-56	17.9	7.0	-73	-39	0.7	1.2	-47	1.8	0.7	-80	-56
Equitas Small Fin.	9.2	13.6	-32	17.9	9.4	-55	-34	1.1	1.4	-17	1.7	1.1	-65	-51
Federal Bank	10.8	11.9	-10	17.0	6.9	-48	-42	1.4	1.2	20	1.5	0.9	-58	-59
HDFC Bank	18.2	20.7	-12	23.2	18.2	-12	1	2.5	3.2	-22	3.6	2.7	-24	13
ICICI Bank	18.5	21.7	-15	31.6	11.7	-10	6	3.0	2.2	40	2.7	1.6	-9	-24
IDFC First Bank	13.9	20.1	-31	27.6	12.5	-33	-2	1.3	1.3	-5	1.6	1.0	-62	-53
IndusInd Bank	9.2	18.9	-51	26.1	11.8	-55	-8	1.1	2.4	-54	3.4	1.4	-67	-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	16.8	26.7	-37	31.8	21.7	-19	30	2.1	3.3	-36	3.8	2.8	-35	18
RBL Bank	7.2	25.0	-71	40.4	9.5	-65	22	0.6	1.6	-60	2.6	0.6	-81	-43
Banks-PSU	7.4	9.1	-18	14.3	3.9	-64	-56	1.2	0.9	40	1.1	0.6	-64	-70
Bank of Baroda	6.6	5.8	14	8.2	3.5	-68	-72	1.0	0.8	23	1.0	0.6	-70	-72
Canara Bank	5.3	4.5	19	5.4	3.5	-74	-78	0.9	0.6	43	0.8	0.4	-73	-78
Indian Bank	7.3	10.0	-27	20.0	0.0	-65	-51	1.2	0.6	87	0.9	0.3	-65	-78
Punjab Natl.Bank	6.6	10.7	-38	14.5	6.9	-68	-48	0.9	0.8	14	1.1	0.4	-74	-73
St Bk of India	8.6	12.7	-32	21.2	4.2	-58	-38	1.4	1.1	25	1.4	0.9	-57	-60
Union Bank (I)	5.4	6.3	-13	9.5	3.0	-74	-69	0.8	0.6	31	0.8	0.4	-76	-79
NBFC	15.8	17.3	-9	19.9	14.8	-23	-15	2.3	2.4	-3	2.7	2.0	-31	-17
Aditya Birla Cap	13.1	18.4	-29	26.1	10.7	-36	-10	1.6	1.9	-12	2.7	1.0	-51	-34
AAVAS Financiers	20.0	36.1	-45	47.9	24.2	-3	76	2.8	4.6	-39	6.0	3.1	-16	62
Bajaj Fin.	22.1	31.0	-29	41.0	21.0	7	51	3.9	5.2	-24	7.0	3.4	19	83
Can Fin Homes	12.5	13.7	-9	17.9	9.5	-39	-33	2.0	2.4	-14	3.2	1.6	-38	-15
Cholaman.Inv.&Fn	20.2	18.6	9	22.4	14.8	-2	-9	3.8	3.2	19	4.0	2.4	15	14
CreditAccess	11.3	25.1	-55	40.4	9.8	-45	22	1.9	2.6	-29	3.2	2.1	-44	-7
Fusion Micro	7.1	14.3	-51	21.9	6.7	-66	-30	0.7	1.7	-58	2.1	1.2	-79	-41
Home First Fin.	24.3	24.5	-1	28.0	21.0	18	19	3.9	3.4	15	3.8	3.0	17	19
IndoStar Capital	19.7	17.9	10	25.1	10.7	-5	-13	1.1	1.0	8	1.3	0.7	-67	-64
LIC Housing Fin.	6.8	9.6	-30	13.2	6.1	-67	-53	0.9	1.4	-32	2.0	0.7	-72	-52
L&T Finance	11.4	14.7	-23	18.0	11.5	-45	-28	1.3	1.5	-10	2.0	1.0	-60	-48
Manappuram Finance	5.9	7.6	-22	10.0	5.2	-71	-63	0.9	1.4	-36	1.9	0.9	-72	-50
MAS Financial	14.3	21.2	-33	27.1	15.4	-31	4	1.9	3.0	-37	3.8	2.2	-42	7
M & M Fin. Serv.	12.0	17.2	-30	24.1	10.2	-42	-16	1.5	1.5	4	1.7	1.2	-54	-49
Muthoot Finance	14.0	10.3	37	13.0	7.5	-32	-50	2.5	2.0	24	2.5	1.5	-24	-29
Piramal Enterprises	21.3	16.5	29	22.2	10.8	3	-20	0.9	0.8	13	0.9	0.6	-74	-73
PNB Housing	11.8	11.2	5	16.6	5.7	-43	-46	1.4	1.2	11	2.0	0.5	-58	-56
Poonawalla Fincorp	40.3	39.1	3	78.1	0.2	96	91	3.3	2.1	54	3.3	1.0	0	-24
Repco Home Fin	6.5	12.4	-47	20.9	4.0	-68	-39	0.8	1.8	-55	3.2	0.4	-75	-35
Shriram Finance	12.7	10.6	20	13.7	7.4	-38	-49	2.0	1.4	38	1.8	1.0	-40	-49
Spandana Sphoorty	11.1	51.2	-78	97.2	5.2	-46	149	0.8	1.5	-48	2.0	0.9	-77	-48
360 ONE WAM	31.6	22.8	39	28.6	17.1	53	11	10.4	4.9	111	6.9	2.9	213	74
Angel One	16.9	12.1	40	16.2	7.9	-18	-41	3.9	4.0	-2	5.3	2.7	18	41
Cams Services	40.0	36.6	9	45.5	27.8	94	79	18.1	15.0	21	18.5	11.4	446	429



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	41.0	28.7	43	34.4	23.0	99	40	7.6	4.0	90	5.3	2.7	129	41
ABB India	69.5	79.2	-12	98.7	59.6	237	286	17.2	8.9	93	12.5	5.3	420	216
Bharat Electronics	37.8	11.3	234	21.3	1.3	83	-45	8.9	2.5	260	5.0	0.0	170	-12
Cummins India	42.3	29.9	41	37.5	22.3	105	46	12.9	6.2	107	8.8	3.7	289	121
Hitachi Energy	113.2	80.8	40	118.1	43.6	449	294	28.4	11.3	150	18.3	4.4	758	301
KEC International	27.7	23.0	20	36.0	10.1	35	12	4.3	2.8	54	3.5	2.1	30	-1
Kalpataru Proj.	22.5	15.2	48	19.0	11.4	9	-26	3.0	1.7	81	2.2	1.1	-9	-41
Kirloskar Oil	27.3	19.0	44	26.6	11.3	32	-8	5.0	2.2	125	3.5	1.0	52	-21
Larsen & Toubro	28.7	23.4	23	28.0	18.8	39	14	4.7	3.0	56	3.8	2.1	41	6
Siemens	85.5	63.6	34	82.6	44.6	315	210	15.2	7.1	114	9.9	4.3	359	151
Thermax	64.6	44.3	46	53.6	34.9	213	116	10.1	4.8	111	6.7	2.9	206	70
Triveni Turbine	53.5	34.1	57	43.1	25.1	159	66	15.7	8.8	79	12.4	5.2	374	211
Zen Technologies	51.7	36.7	41	53.4	20.0	151	79	17.6	5.1	242	8.6	1.7	431	82
Cement	37.7	27.7	36	34.4	21.0	83	35	3.3	2.6	25	3.1	2.2	-1	-7
ACC	23.8	28.0	-15	35.6	20.3	16	36	2.4	2.7	-13	3.2	2.3	-29	-4
Ambuja Cem.	49.8	32.0	56	44.4	19.6	141	56	2.6	2.3	9	2.9	1.8	-23	-17
Birla Corpn.	25.7	29.1	-11	58.4	-0.3	25	42	1.3	1.3	3	1.6	0.9	-61	-56
Grasim Inds	27.4	14.6	87	19.9	9.3	33	-29	3.2	1.8	75	2.4	1.3	-2	-35
India Cements	Na	42.7	Na	70.9	14.6	na	108	2.2	0.9	139	1.3	0.5	-34	-68
J K Cements	39.5	31.3	26	46.5	16.2	92	53	5.3	3.5	50	4.7	2.4	60	25
JK Lakshmi Cem.	24.6	35.5	-31	68.0	3.0	19	73	2.6	2.6	-1	3.3	1.9	-21	-7
Shree Cement	51.7	44.4	16	54.1	34.7	151	116	4.1	5.3	-23	6.2	4.4	22	87
The Ramco Cement	49.5	35.0	41	51.2	18.9	140	71	2.8	3.1	-11	3.7	2.5	-17	10
UltraTech Cem.	40.8	34.7	17	42.6	26.9	98	69	4.4	3.5	25	4.1	3.0	34	25
Consumer	45.7	41.6	10	45.3	37.9	122	103	11.2	10.3	9	11.1	9.4	239	263
Consumer Ex ITC	53.4	51.6	3	58.3	45.0	159	152	12.6	13.2	-5	14.5	12.0	281	368
Asian Paints	49.7	54.8	-9	65.9	43.7	141	167	13.3	14.2	-6	16.9	11.5	303	404
Britannia Inds.	52.7	46.6	13	54.3	38.9	156	127	27.2	20.4	33	27.3	13.5	723	622
Colgate-Palm.	52.0	40.4	29	45.9	34.8	152	97	35.6	24.4	46	29.8	19.0	975	762
Dabur India	46.2	46.0	0	54.6	37.5	124	124	8.6	10.5	-18	11.6	9.5	160	273
Emami	31.9	28.1	14	36.7	19.5	55	37	10.2	8.5	20	10.5	6.5	208	199
Godrej Consumer	53.9	45.2	19	54.1	36.4	161	120	9.1	6.9	31	9.3	4.5	174	145
Hind. Unilever	52.0	52.8	-2	60.9	44.6	152	157	11.4	21.7	-48	33.5	9.9	243	667
Indigo Paints	47.6	67.7	-30	101.9	33.5	131	230	7.1	9.8	-28	14.1	5.5	114	247
ITC	27.8	24.0	16	29.1	19.0	35	17	7.7	5.7	35	6.8	4.5	132	101
Jyothy Lab.	43.9	34.2	28	44.0	24.4	113	66	9.4	5.2	80	6.8	3.6	183	85
Marico	47.2	42.6	11	48.9	36.2	129	107	20.1	15.4	30	18.1	12.8	506	446
Nestle India	61.7	59.4	4	70.6	48.2	199	189	47.7	48.3	-1	72.3	24.2	1342	1608



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	59.1	64.9	-9	75.3	54.6	187	216	49.9	40.7	23	55.0	26.4	1409	1340
Page Industries	66.6	66.7	0	80.2	53.2	223	225	25.2	27.9	-10	33.9	21.9	663	887
Pidilite Inds.	68.1	58.9	16	77.9	40.0	230	187	15.7	13.1	20	15.7	10.4	376	363
Tata Consumer	55.6	47.5	17	62.6	32.3	170	131	3.9	3.2	24	4.4	1.9	19	13
United Breweries	70.7	93.3	-24	125.6	61.0	243	355	10.7	9.6	12	11.0	8.2	224	239
United Spirits	71.7	62.9	14	76.1	49.8	248	207	11.4	13.5	-15	19.2	7.7	245	376
Varun Beverages	65.0	46.5	40	58.0	35.0	215	127	13.1	8.9	47	13.4	4.4	296	216
Consumer Durables	51.5	33.2	55	44.7	21.8	150	62	9.2	5.3	74	7.2	3.4	179	88
Havells India	60.2	50.2	20	64.5	35.9	192	145	11.3	9.0	24	11.4	6.7	240	220
KEI Industries	47.9	18.8	155	31.1	6.5	132	-8	8.6	3.5	146	5.7	1.3	161	24
Polycab India	46.2	27.8	66	39.1	16.5	124	35	9.2	5.2	75	7.7	2.8	177	85
Voltas	52.5	48.1	9	75.2	20.9	155	134	7.6	4.7	62	6.1	3.3	130	66
EMS	68.7	38.7	78	55.6	21.7	233	89	12.1	5.0	140	7.6	2.4	265	78
Amber Enterp.	61.4	50.6	21	72.2	28.9	198	146	8.0	4.1	95	5.6	2.6	141	45
Avalon Tech	51.3	79.3	-35	99.6	58.9	149	286	6.0	5.8	4	6.4	5.2	82	105
Cyient DLM	32.4	51.5	-37	61.6	41.4	57	151	4.5	5.3	-14	5.8	4.8	37	88
Data Pattern	50.7	48.7	4	61.8	35.5	146	137	7.9	6.7	18	9.0	4.3	139	136
Dixon Tech.	89.7	57.1	57	94.7	19.5	335	178	27.6	12.7	116	21.0	4.4	733	351
Kaynes Tech	69.8	49.9	40	63.3	36.5	239	143	10.9	5.7	92	8.5	2.9	230	101
Syrma SGS Tech.	41.3	53.1	-22	66.5	39.7	100	159	4.9	4.5	7	5.8	3.3	47	60
Healthcare	34.0	26.8	27	31.1	22.5	65	31	5.1	3.9	31	4.7	3.0	53	36
Ajanta Pharma	36.7	24.5	50	29.8	19.1	78	19	8.2	5.7	44	7.6	3.8	147	101
Alembic Pharma	28.5	22.5	27	29.3	15.7	38	10	3.8	4.0	-4	5.4	2.6	15	40
Alkem Lab	29.3	24.4	20	29.9	18.8	42	19	5.3	4.2	25	4.8	3.6	59	48
Apollo Hospitals	62.4	82.1	-24	112.4	51.8	203	300	10.6	6.8	55	9.2	4.5	220	141
Aurobindo Pharma	19.8	16.0	24	19.7	12.2	-4	-22	2.3	2.7	-15	4.0	1.3	-31	-5
Biocon	85.7	59.8	43	93.0	26.6	316	191	1.8	3.5	-48	5.2	1.9	-45	25
Cipla	25.8	27.3	-6	33.5	21.1	25	33	3.8	3.3	12	4.0	2.7	14	18
Divi's Lab.	67.1	36.7	83	51.5	21.9	225	79	9.8	6.3	55	8.2	4.4	195	123
Dr Reddy's Labs	17.0	25.3	-33	34.7	16.0	-17	23	2.9	3.5	-18	4.3	2.7	-13	23
ERIS Lifescience	37.4	26.2	43	32.5	19.9	81	28	5.7	5.3	8	7.2	3.4	73	87
Gland Pharma	26.9	40.8	-34	54.5	27.1	31	99	2.7	4.6	-42	6.7	2.5	-20	63
Glaxosmit Pharma	50.6	54.8	-8	72.8	36.8	146	167	18.8	13.0	45	15.5	10.5	469	360
Glenmark Pharma.	31.2	23.1	35	30.4	15.8	51	12	4.7	3.1	53	4.7	1.4	43	9



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	21.6	16.0	35	21.5	10.5	5	-22	3.3	2.5	32	3.3	1.8	1	-10
Ipca Labs.	40.8	32.3	26	45.7	19.0	98	57	5.3	3.6	47	4.5	2.7	60	27
Laurus Labs	54.5	39.6	38	64.3	14.9	164	93	5.6	4.5	24	6.6	2.5	71	61
Lupin	33.5	39.1	-14	54.3	23.9	62	91	5.4	3.9	38	5.4	2.4	62	38
Max Healthcare	57.5	36.1	59	46.9	25.3	179	76	8.3	5.0	67	6.7	3.3	151	76
Sun Pharma.Inds.	33.5	29.9	12	38.7	21.1	63	46	5.5	3.9	39	5.3	2.6	65	39
Torrent Pharma.	45.0	32.4	39	39.8	24.9	118	58	5.9	6.3	-5	7.4	5.1	79	122
Zydus Lifesciences	21.8	20.5	6	25.3	15.7	6	0	3.6	3.7	-2	5.1	2.4	10	32
Infrastructure	22.3	11.5	93	18.8	4.3	8	-44	2.0	1.3	61	1.8	0.7	-39	-56
IRB Infra.Devl.	28.0	17.3	62	26.5	8.1	36	-16	2.1	1.2	69	1.8	0.6	-37	-56
KNR Construct.	17.4	14.3	22	18.6	9.9	-16	-31	2.1	2.2	-5	2.7	1.7	-37	-22
Media	19.4	25.3	-23	29.5	21.0	-6	23	1.8	3.7	-51	5.5	2.0	-45	33
PVR Inox	84.1	45.4	85	61.9	28.9	308	121	2.0	3.9	-48	5.3	2.5	-38	38
Sun TV Network	15.4	15.7	-2	21.1	10.3	-25	-24	2.6	3.5	-27	5.1	1.9	-23	24
Zee Entertainment	14.2	35.4	-60	49.0	21.9	-31	73	1.0	4.0	-75	6.2	1.7	-70	40
Logistics	27.3	21.2	29	25.2	17.3	32	3	4.6	3.4	36	4.1	2.6	39	19
Adani Ports	24.4	18.7	31	23.0	14.3	18	-9	4.3	3.3	29	4.1	2.5	30	18
Blue Dart Expres	43.1	76.9	-44	123.6	30.3	109	275	10.4	15.9	-35	23.9	7.9	214	461
Container Corpn.	31.6	32.4	-2	38.2	26.6	53	58	3.9	3.3	18	3.9	2.7	18	17
TCI Express	27.9	35.6	-22	45.8	25.4	35	73	4.4	7.9	-45	10.0	5.8	32	180
Transport Corp.	18.1	15.2	19	19.5	10.9	-12	-26	3.1	2.4	28	3.1	1.8	-5	-14
VRIL Logistics	29.5	35.2	-16	48.4	22.0	43	71	4.8	4.8	-1	6.1	3.5	44	70
Mahindra Logis.	35.4	58.2	-39	70.9	45.6	71	184	5.2	6.2	-16	7.6	4.8	58	121
Metals	12.1	10.9	10	14.6	7.3	-41	-47	2.4	1.6	45	2.0	1.2	-29	-43
Coal India	7.2	9.7	-26	15.2	4.2	-65	-53	2.5	4.5	-44	7.1	1.9	-24	59
Hindalco Inds.	10.9	9.3	17	11.5	7.1	-47	-55	1.5	1.2	32	1.5	0.8	-54	-59
Hind.Zinc	20.1	13.2	53	17.0	9.4	-2	-36	13.9	5.2	167	9.2	1.2	319	84
Jindal Steel	11.7	8.2	43	12.6	3.7	-43	-60	1.7	0.8	114	1.3	0.3	-49	-72
JSW Steel	18.3	14.9	23	23.6	6.2	-11	-27	2.5	1.8	36	2.4	1.3	-24	-35
Natl. Aluminium	16.8	11.4	48	19.4	3.3	-18	-44	2.4	1.1	122	1.5	0.7	-27	-61
NMDC	8.5	6.1	40	8.3	3.8	-59	-70	1.9	1.2	59	1.6	0.8	-42	-57
SAIL	14.9	17.6	-15	29.4	5.8	-28	-14	0.8	0.6	25	0.9	0.4	-76	-77
Tata Steel	15.4	16.2	-5	30.8	1.6	-25	-21	2.0	1.3	62	1.8	0.7	-39	-56
Vedanta	11.4	10.2	12	15.1	5.3	-45	-50	4.8	1.9	156	3.1	0.7	46	-33



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	15.2	12.5	21	15.5	9.6	-26	-39	1.6	1.5	10	1.7	1.3	-51	-48
Oil & Gas Ex RIL	9.0	8.7	4	11.6	5.7	-56	-58	1.2	1.2	-2	1.5	0.9	-64	-57
Aegis Logistics	40.3	30.8	31	43.0	18.6	96	50	6.1	4.2	45	5.5	3.0	86	49
B P C L	12.8	9.8	32	14.7	4.8	-38	-52	1.6	1.9	-15	2.4	1.3	-52	-34
Castrol India	22.5	22.9	-2	30.7	15.1	9	12	9.0	14.2	-37	23.8	4.6	171	401
GAIL (India)	12.1	10.9	11	14.7	7.1	-41	-47	1.7	1.3	32	1.6	1.0	-48	-54
Gujarat Gas	24.5	24.7	-1	33.3	16.2	19	21	3.9	4.7	-17	5.8	3.6	18	66
Guj.St.Petronet	31.0	15.1	106	19.6	10.5	50	-27	2.0	1.7	17	1.9	1.5	-40	-40
H P C L	13.5	6.6	104	10.7	2.5	-35	-68	1.5	1.2	24	1.6	0.8	-53	-56
I O C L	22.3	9.6	132	19.6	-0.4	8	-53	1.0	1.0	8	1.3	0.6	-68	-66
Indraprastha Gas	17.8	20.8	-14	26.1	15.4	-14	1	2.8	4.0	-28	4.9	3.0	-14	40
Mahanagar Gas	12.5	13.8	-9	17.9	9.7	-39	-33	2.3	2.9	-22	3.8	2.0	-31	3
M R P L	22.1	14.7	51	33.2	-3.9	7	-29	1.8	1.4	26	1.9	0.9	-45	-49
Oil India	9.6	6.5	47	9.3	3.8	-54	-68	1.5	0.8	86	1.1	0.5	-56	-72
O N G C	5.4	7.0	-23	10.5	3.4	-74	-66	0.8	0.9	-4	1.2	0.6	-75	-69
Petronet LNG	11.6	12.4	-6	14.8	9.9	-44	-40	2.4	2.7	-9	3.3	2.1	-26	-6
Reliance Inds.	23.0	17.5	32	24.2	10.7	11	-15	2.0	1.5	31	1.9	1.1	-40	-46
Sp. Chemicals	36.6	24.2	51	34.4	14.0	78	18	4.2	3.2	30	4.4	2.1	27	14
Alkyl Amines	41.3	33.8	22	62.5	5.1	100	65	7.0	6.5	8	11.2	1.8	113	130
Atul	37.6	29.9	26	46.0	13.8	83	46	3.9	3.7	8	4.7	2.6	19	29
Deepak Nitrite	33.9	21.3	59	31.6	11.0	64	4	5.8	3.8	50	6.0	1.7	74	36
Fine Organic	40.8	34.1	20	43.4	24.7	98	66	6.2	7.7	-19	9.2	6.1	88	171
Galaxy Surfactants	27.2	25.6	6	31.6	19.6	32	25	4.0	4.6	-14	5.6	3.7	20	64
Navin Fluorine	46.3	35.4	31	61.3	9.6	125	73	6.0	4.9	21	7.8	2.0	80	74
NOCIL	34.6	18.8	84	27.5	10.1	68	-8	2.6	1.9	35	2.6	1.3	-20	-31
P I Inds.	35.4	32.3	10	37.9	26.6	72	57	6.0	5.9	1	6.9	5.0	81	110
SRF	39.9	26.2	53	40.3	12.0	94	28	5.1	4.0	26	5.8	2.3	54	43
Tata Chemicals	27.7	13.6	103	22.4	4.9	35	-34	1.3	0.8	56	1.1	0.5	-62	-71
Vinati Organics	41.7	34.4	21	48.6	20.3	102	68	6.7	6.5	4	8.4	4.5	103	129
Real Estate	43.5	29.2	49	40.3	18.0	111	42	4.9	2.1	131	3.2	1.0	47	-26
Brigade Enterpr.	29.4	25.3	16	36.1	14.4	42	23	5.0	2.1	132	3.3	0.9	50	-25
DLF	53.2	44.4	20	71.2	17.6	158	117	3.3	1.4	133	2.2	0.6	0	-50
Godrej Properties	70.6	74.4	-5	99.5	49.4	242	263	6.7	5.2	28	7.1	3.3	102	85
Macrotech Developers	39.8	37.5	6	45.9	29.0	93	83	5.4	4.2	29	5.4	3.0	63	48
Mahindra Lifespace	Na	7.0	Na	11.0	3.0	Na	-66	3.9	1.5	161	3.1	-0.1	17	-47
Oberoi Realty	25.8	22.2	16	26.2	18.2	25	8	4.1	2.2	81	2.8	1.6	23	-20
Prestige Estates	69.3	28.3	145	44.4	12.2	236	38	3.5	1.9	86	2.5	1.2	6	-33
Phoenix Mills	41.3	41.5	0	69.1	13.8	100	102	4.8	2.7	78	3.6	1.8	46	-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	27.4	32.0	-14	52.7	11.3	33	56	4.7	2.1	131	3.3	0.9	43	-27
Sunteck Realty	27.2	47.6	-43	71.7	23.5	32	132	2.3	1.9	20	2.4	1.5	-31	-32
Retail	84.0	82.3	2	133.0	31.6	308	301	15.4	9.5	62	13.6	5.4	366	236
Aditya Birla Fashion	na	96.6	na	144.2	48.9	na	370	8.5	8.3	2	11.0	5.6	156	194
Bata India	44.3	50.6	-12	68.5	32.6	115	146	9.1	9.4	-3	13.2	5.6	175	231
Avenue Supermarts	77.5	99.9	-22	121.7	78.0	276	387	10.8	12.9	-16	15.6	10.1	226	355
Jubilant	83.6	73.1	14	105.5	40.7	306	256	15.8	12.9	22	18.9	6.9	378	358
Kalyan Jewellers	64.8	30.0	116	46.5	13.5	214	46	12.7	4.6	174	8.2	1.0	284	64
Relaxo Footwear	71.6	73.9	-3	116.2	31.7	247	260	8.3	10.0	-17	12.8	7.3	152	255
Senco Gold	35.0	27.2	29	33.9	20.4	70	32	5.4	4.1	32	5.2	3.0	64	45
Shoppers Stop	191.8	104.1	84	173.9	34.2	830	407	14.7	11.5	28	18.4	4.6	344	306
Trent	109.0	87.6	24	110.2	64.9	429	327	31.5	9.5	233	16.1	2.9	852	235
Titan	63.0	60.0	5	76.5	43.6	206	193	20.4	14.9	37	21.1	8.7	516	427
Vedant Fashions	66.9	66.0	1	75.7	56.3	225	221	17.7	18.0	-2	20.8	15.1	434	537
V-Mart Retail	na	43.2	na	73.0	13.4	na	110	10.1	5.9	70	8.2	3.6	205	110
Technology	26.8	20.7	29	25.5	15.9	30	1	8.5	5.7	49	7.3	4.0	156	101
Coforge	37.9	22.7	67	33.4	12.0	84	10	11.1	5.1	119	8.1	2.0	235	79
Cyient	23.2	18.0	29	23.7	12.3	13	-13	4.2	2.9	46	3.9	1.9	28	3
HCL Technologies	25.8	16.6	55	20.6	12.7	25	-19	7.2	3.9	84	5.0	2.8	117	39
Infosys	25.9	20.5	26	25.5	15.4	26	0	8.2	5.5	49	7.6	3.5	149	96
LTI Mindtree	31.6	23.8	33	33.8	13.8	53	16	6.8	9.7	-29	12.5	6.9	106	242
L&T Technology	35.4	27.2	30	36.9	17.4	72	32	7.9	6.6	20	8.7	4.5	139	133
Mphasis	29.0	19.7	48	27.4	11.9	41	-4	5.5	3.6	52	5.4	1.8	65	28
Persistent Sys	51.5	25.1	105	36.6	13.5	150	22	12.9	4.6	179	7.7	1.6	289	63
TCS	26.4	24.0	10	28.6	19.3	28	17	14.5	10.0	45	13.5	6.5	338	253
Tech Mahindra	28.2	17.8	58	23.7	12.0	37	-13	5.1	3.2	59	4.1	2.3	54	14
Wipro	23.3	17.9	30	22.4	13.4	13	-13	3.9	3.0	32	3.6	2.3	17	4
Zensar Tech.	23.2	16.4	42	22.0	10.8	13	-20	3.7	2.5	48	3.2	1.8	11	-12
Telecom	na	37.8	na	49.0	26.6	na	84	45.1	18.1	149	40.6	-4.4	1262	540
Bharti Airtel	38.9	39.9	-3	51.8	28.1	89	94	8.7	3.8	129	5.8	1.8	162	34
Indus Towers	14.6	18.4	-21	26.4	10.5	-29	-10	2.6	3.4	-24	4.4	2.4	-23	20
Vodafone Idea	na	20.0	na	28.3	11.8	na	-2	na	1.1	na	1.4	0.7	na	-63
Tata Comm	35.7	31.1	15	46.0	16.2	73	51	15.9	25.4	-37	39.5	11.3	380	798
Utilities	14.3	8.0	79	10.3	5.6	-31	-61	2.0	1.0	98	1.3	0.7	-39	-64
Indian Energy Exchange	36.9	27.6	34	47.3	7.9	79	35	12.4	10.5	18	17.8	3.2	275	272
JSW Energy	34.2	21.7	57	31.8	11.7	66	6	4.7	1.7	172	2.9	0.6	42	-39
NTPC	17.0	9.5	79	12.3	6.7	-17	-54	2.2	1.1	97	1.5	0.8	-34	-61
Power Grid Corpn	17.0	9.1	87	12.0	6.2	-17	-56	3.2	1.6	104	2.1	1.0	-4	-45
Tata Power Co.	27.6	18.7	47	24.7	12.7	34	-9	3.5	1.7	102	2.5	1.0	6	-38

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