

Sectors trading at a premium



Sectors trading at a discount

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

BULLS & BEARS

INDIA VALUATIONS HANDBOOK

HIGHLIGHTS – DEC'24 EDITION

- Nifty scales record high in CY24, bids adieu with 9% returns
- DII flows into equities in CY24 the highest ever
- Midcaps & smallcaps outperform largecaps in CY24
- Healthcare, Real Estate, Telecom, Automobiles, and Technology top gainers in CY24
- Breadth favorable in CY24, with 32 Nifty stocks closing higher
- The MSCI India Index (+14%) outperforms the MSCI EM Index (+5%) in CY24
- Over the last 12 months, global market cap has risen 10.9% (USD12.2t), while India's market cap has surged 23.6%

STRATEGY

Nifty bids adieu to CY24 with 9% returns; DII inflows at record high

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DEEP-DIVE FOR THE MONTH

Automobiles: Demand moderation visible, we remain underweight on the sector

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INDIAN EQUITIES

Nifty corrects for the third consecutive month

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GLOBAL EQUITIES

India among the laggards in Dec'24

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SECTOR VALUATIONS

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

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COMPANY VALUATIONS

~50% of the Nifty constituents trade at a premium to their historical averages



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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

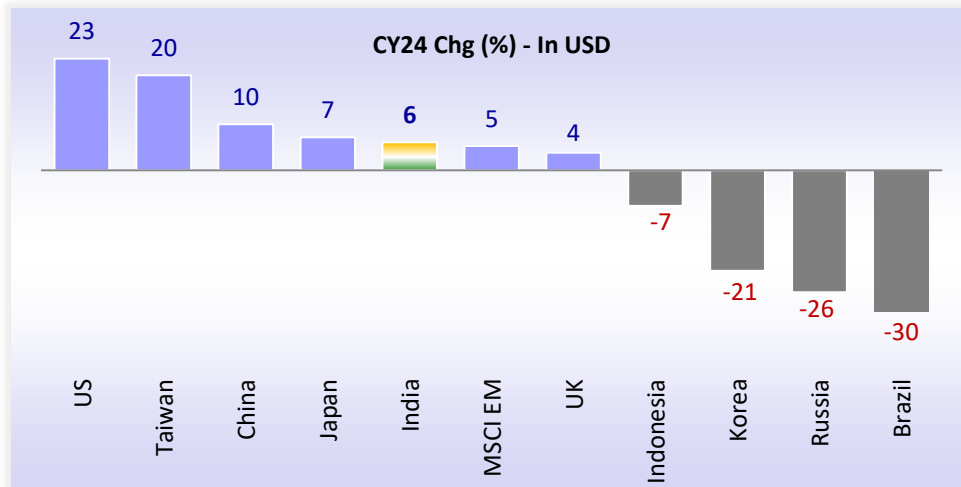
NOTES:

- Prices as of 31st Dec'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

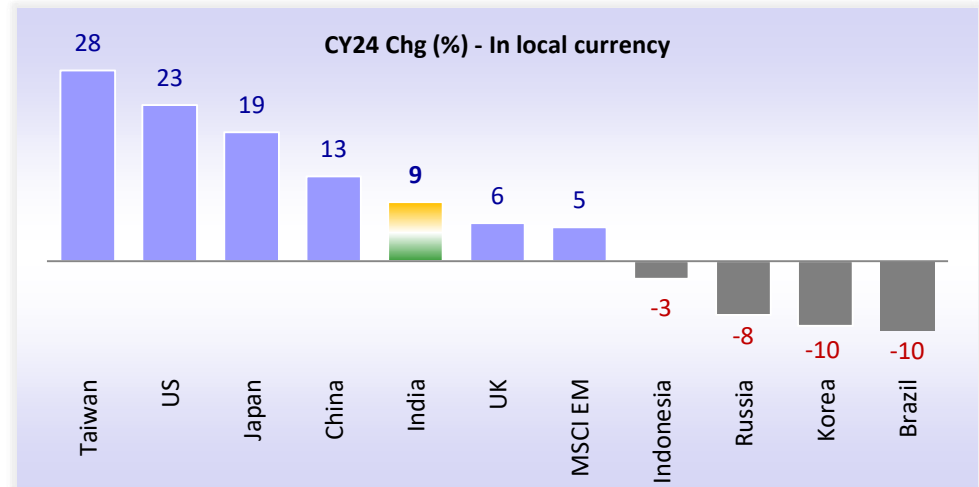
Investors are advised to refer to the important disclosures appended at the end of this report.

- **Record-breaking year for Nifty:** CY24 concluded with yet another year of positive returns for the Indian markets, marking nine consecutive years of growth! The last three years have been remarkable, as domestic markets have navigated through global hurdles, all while facing significant selling from FIIs. During the last 12 months, midcaps and smallcaps both have gained 24% and outperformed largecaps, which have risen 9%. During the last five years, midcaps have significantly outperformed largecaps by 140%, while smallcaps have outperformed largecaps by 128%.
- **DII inflows vs. FII outflows – the persisting tug of war:** DII flows into equities were the highest ever at USD62.9b in CY24 vs. inflows of USD22.3b in CY23. With just one year of outflows since CY15, DIIs have invested USD175.9b cumulatively over the last 10 years (CY15-CY24). Conversely, FIIs witnessed equity outflows of USD0.8b in CY24 vs. inflows of USD21.4b in CY23. During the last 10 years, FIIs have invested USD54.4b cumulatively in the Indian market, with only three years of outflows.
- **All major sectors deliver positive returns in CY24:** Among the sectors, the top gainers were Healthcare (+39%), Real Estate (+34%), Telecom (+26%), Automobiles (+23%), and Technology (+22%). The breadth was favorable in CY24, with 32 Nifty stocks closing higher. Trent (+133%), M&M (+74%), Bharat Electronics (+59%), Bharti Airtel (+54%), and Sun Pharma (+50%) are the top performers, while IndusInd Bank (-40%), Asian Paints (-33%), Nestle (-18%), Tata Consumer (-15%), and HUL (-13%) are the top laggards.
- **India among the laggards in Dec'24:** Among the key global markets, Russia (+15%), Japan (+4%), Taiwan (+3%), and China (+1%) ended higher in local currency terms. However, Brazil (-4%), the US (-2%), Korea (-2%), India (-2%), the UK (-1%) ended lower MoM in Dec'24. Over the last 12 months, the MSCI India Index (+14%) has outperformed the MSCI EM Index (+5%). Over the last 10 years, the MSCI India Index has outperformed the MSCI EM index by a robust 168%. Over the last 12 months, global market cap increased 10.9% (USD12.2t), whereas India's market cap surged 23.6%. Barring Brazil, Korea, the UK, and Indonesia, all key global markets have seen a rise in market cap over the last 12 months.
- **Valuations – two-thirds of the sectors trade at a premium to their historical averages:** Following the recent correction, the Nifty now trades at a 12-month forward P/E of 19.9x, near its LPA of 20.5x (3% discount). Conversely, the P/B ratio at 3.2x represents a 12% premium to its historical average of 2.8x. The market capitalization-to-GDP ratio is at a year-end high of 138% (we expect nominal GDP to grow 9.2% YoY in FY25). Consumer, Retail, and NBFCs now trade within a reasonable range of their long-period average (LPA) valuations, while Real Estate, Technology, and Healthcare – after their sharp run up – trade at 49%/34%/25% premium to their LPA. PSU Banks are trading at a 33% premium to their LPA on a P/B basis.
- **Back to the Future – CY25:** The past year experienced a slowdown in earnings and consumption, rising global interest rates, geopolitical uncertainties, and high valuations in some mid- and small-cap sectors. CY25 may alleviate some concerns, with a gradual recovery in corporate earnings and consumption expected due to increased government spending in early CY25 and improved rural incomes after a successful kharif season. However, there may be some volatility in global trade and currencies after the new US administration takes charge, and persistent inflation could slow anticipated interest rate cuts. 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. On the other hand, we are UW on Metals, Energy, and Automobiles.
- **Top ideas: Largecaps** – HDFC Bank, SBI, L&T, HCL Tech, M&M, Zomato, Bharti Airtel, Titan Company, Mankind Pharma, and Dixon Technologies; **Midcaps and Smallcaps** – Indian Hotels, Cummins India, Kaynes Technology, BSE, Godrej Properties, Coforge, Metro Brands, IPCA Laboratories, Angel One, and JSW Infrastructure.

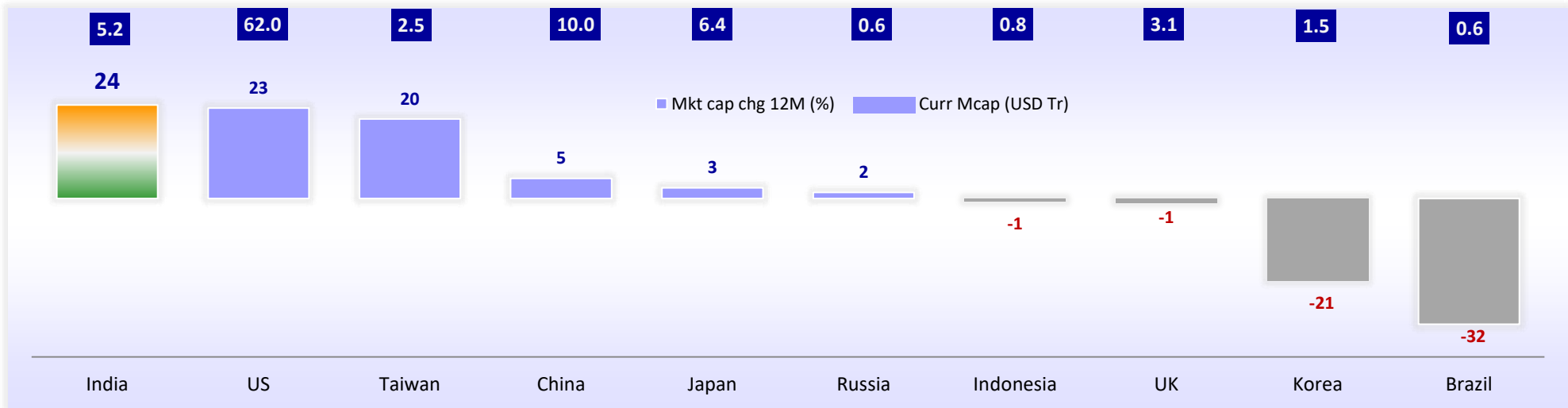
World equity indices in CY24 in USD terms (%)



World equity indices in CY24 in local currency terms (%)

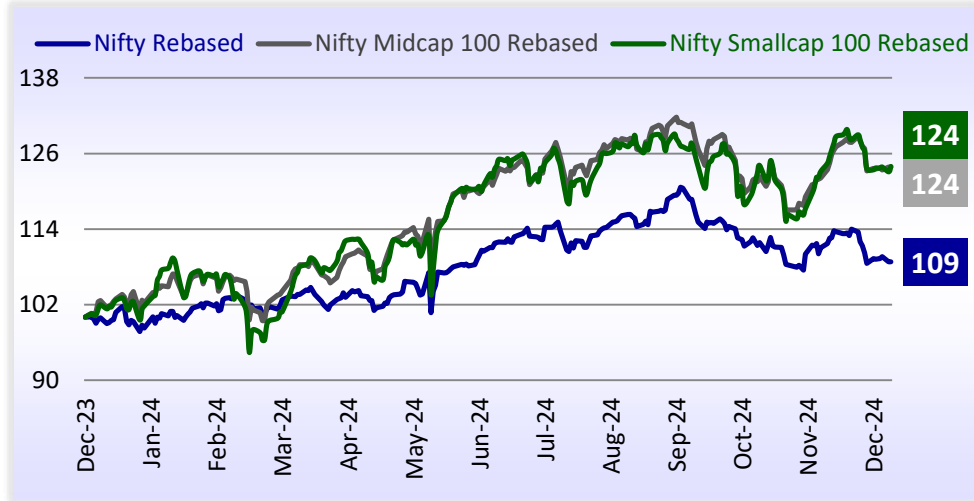


Change in market cap over the last 12 months (%) – Global market cap increases 10.9% (USD12.2t), whereas India’s market cap surges 23.6%

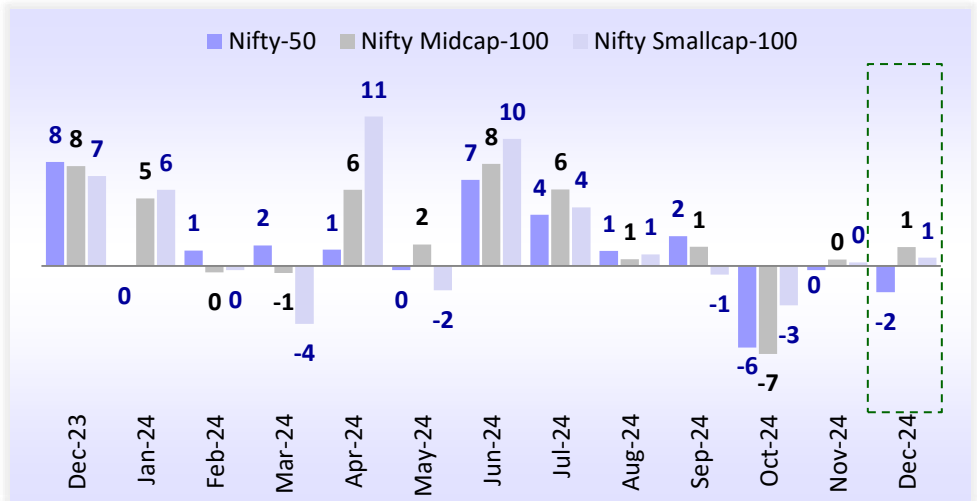


Source: Bloomberg\CEIC

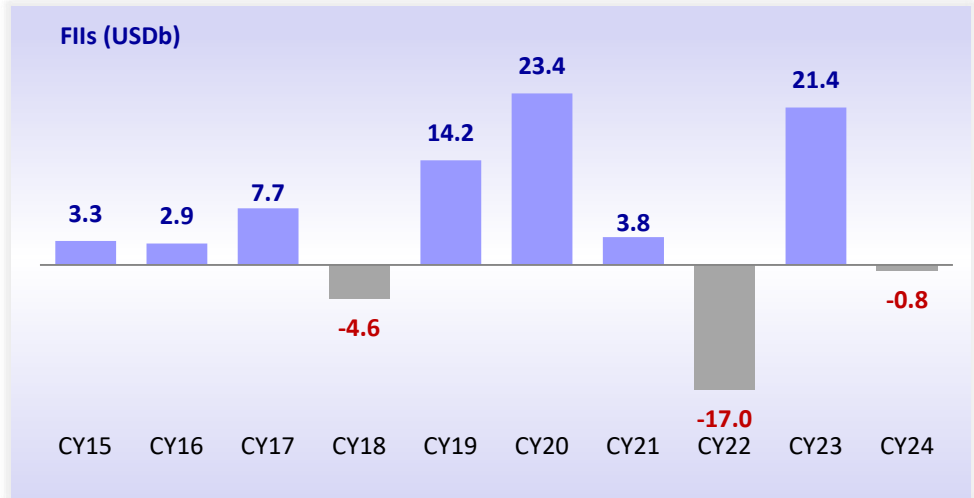
Performance of midcaps/smallcaps vs. largecaps over the last 12 months



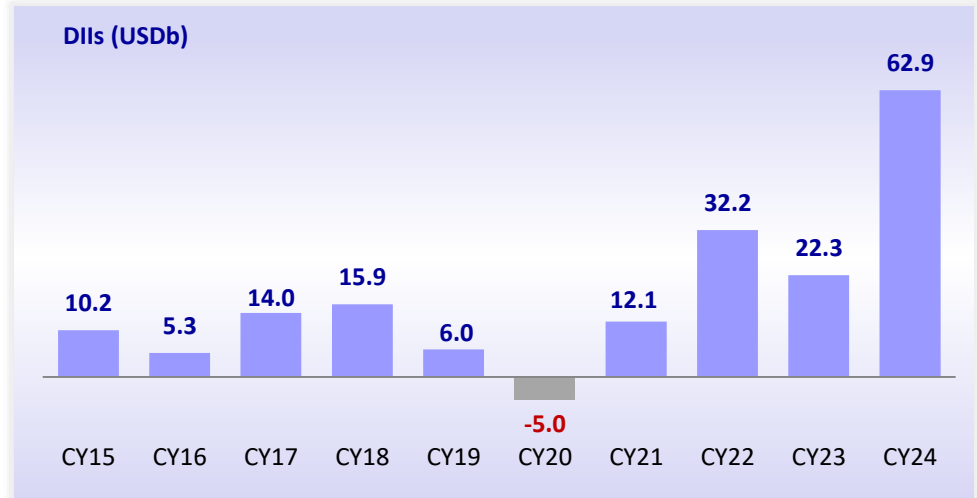
MoM performance (%) – midcaps and smallcaps outperform in Dec'24



FII flows remained negligible in CY24, following a big inflow in CY23

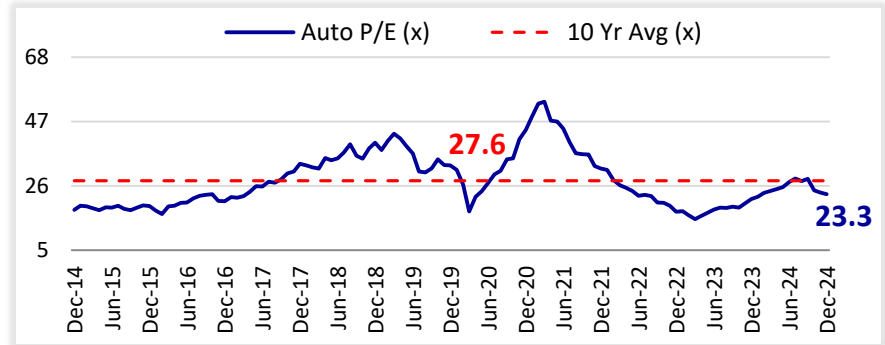


DII inflows into equities in CY24 the highest ever

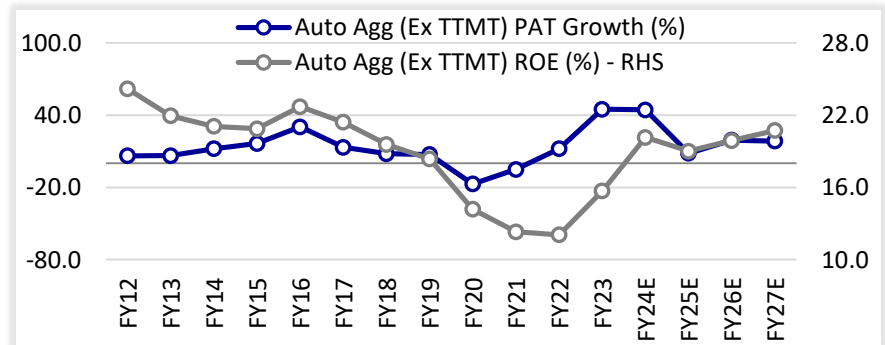


- The Auto sector is currently trading at 23.3x (16% discount vs. 10 avg. of 27.6x). It commands a high beta, given its cyclical nature, which is reflected in the re-rating of the sector during upcycle (21.7x over FY15-18 vs. an average of 11.5x during downcycle over FY09-14).
- The auto sector is currently experiencing demand moderation across most segments, as rural recovery has not progressed as anticipated. Additionally, the volume base has normalized following strong growth over FY22-24. Margin-related tailwinds, driven by an improved product mix and stable commodity prices, have also stabilized. Despite these factors, the sector continues to trade at a valuation premium of approximately 16% over the Nifty.
- On a P/B basis, the Auto sector is now trading at a 21% premium over its 10-year average of 3.5x, as RoE is now likely to remain at a healthy level of ~18.6-18.8%.
- The 2W segment has demonstrated stronger performance compared to PVs in FY25 so far, led by some recovery in rural areas, new launches, and a low base. However, this growth momentum in the 2W segment is anticipated to moderate in the coming years as we do not expect the sustenance of significant rural recovery.
- On the other hand, the PV segment's growth may slow due to a high base effect but is expected to remain steady, driven by strong SUV demand and advancements in EVs and hybrids.
- Over FY24-27, we anticipate growth across all segments, with a ~7% CAGR in 2Ws, ~6% in PVs, and ~5% each in CVs and tractors. Margins are expected to remain range-bound, driven by stable RM prices and a normalized product mix.

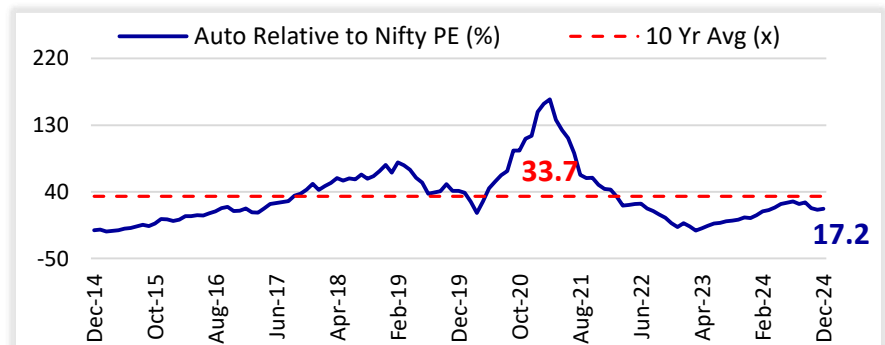
Trend in P/E – one-year forward



...reflecting weak growth and a declining RoE

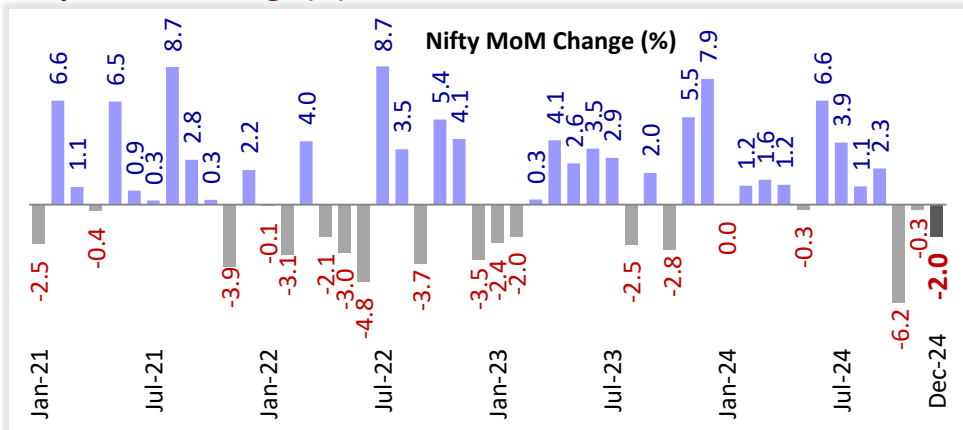


Trend in Auto P/E relative to Nifty P/E (%)

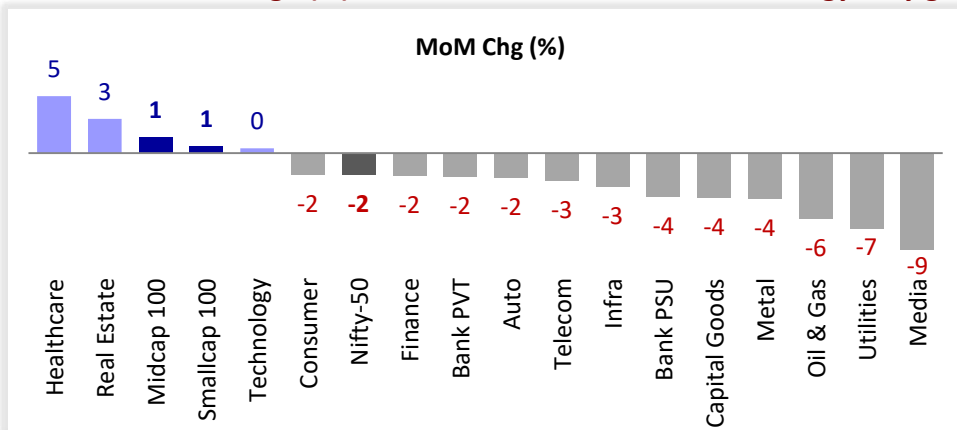


- The Nifty-50 further slid 2% MoM in Dec'24 – the third consecutive month of its decline. The index oscillated 1,397 points before closing at 486 points (or 2% MoM) lower at 23,645. The Nifty was up 9% in CY24, clocking the ninth consecutive year of positive returns!
- All major sectors ended lower – Healthcare (+5%), Real Estate (+3%), and Technology (+0.4%) were the only gainers. Conversely, Media (-9%), Utilities (-7%), Oil & Gas (-6%), Metals (-4%), and Capital Goods (-4%) were the top laggards MoM.

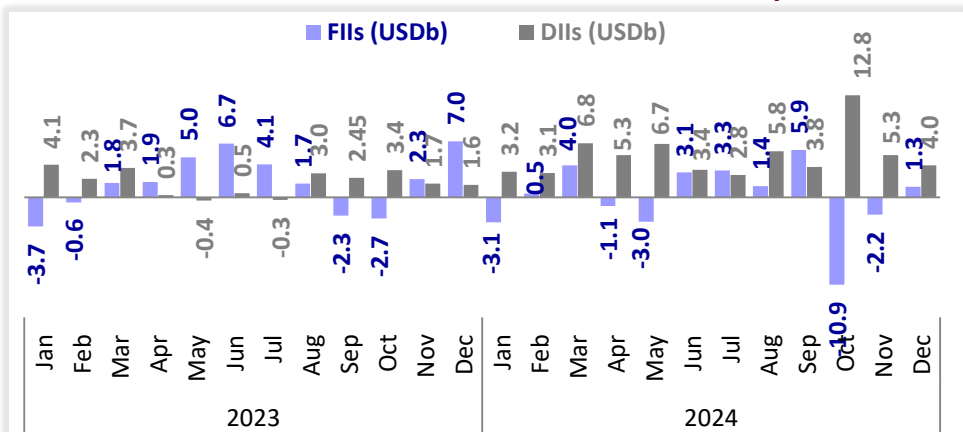
Nifty-50 MoM change (%) – third consecutive month of a decline



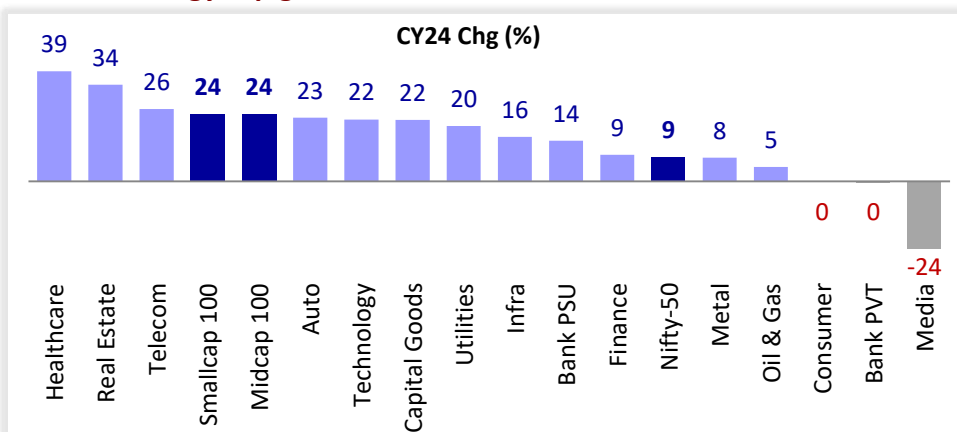
Sectoral MoM change (%) – Healthcare, Real Estate, Technology only gainers



Institutional flows (USD b) – FIIs record inflows in Dec'24 after two consecutive month of outflows; DII inflows remain healthy

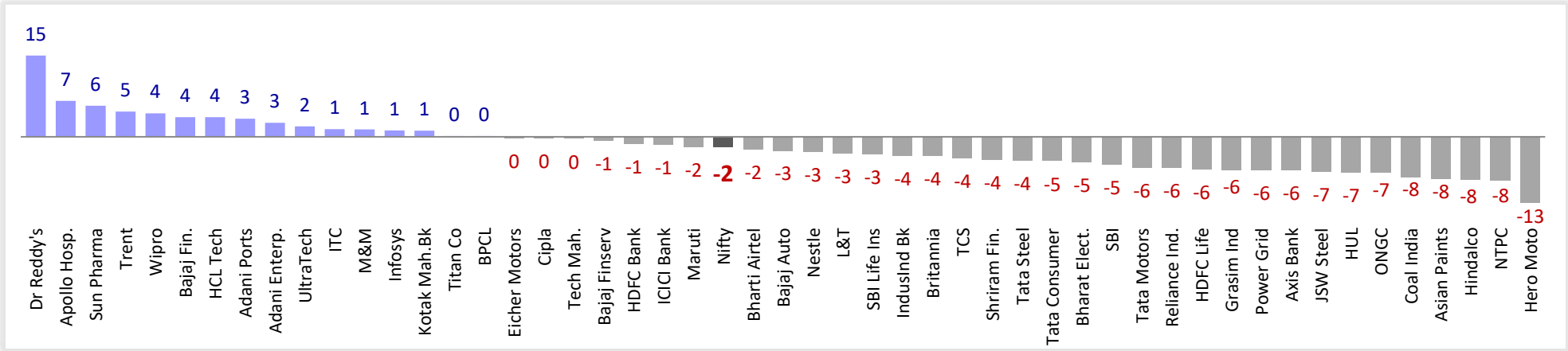


Sectoral CY24 change (%) – Healthcare, Real Estate, Telecom, Automobiles, and Technology top gainers

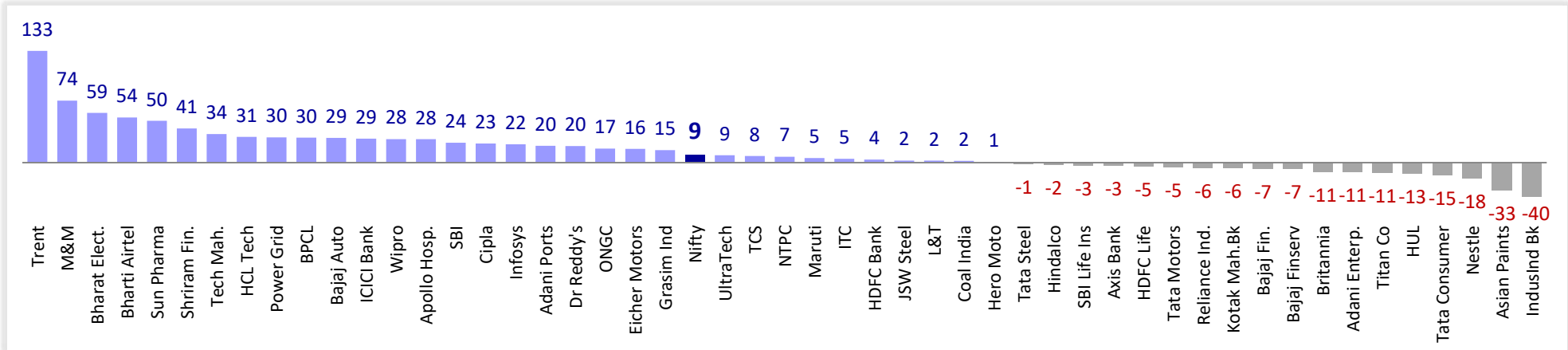


- **Best and worst Nifty performers in Dec'24:** Dr Reddy's (+15%), Apollo Hospital (+7%), Sun Pharma (+6%), Trent (+5%), and Wipro (+4%) were the top performers, while Hero Motocorp (-13%), NTPC (-8%), Hindalco (-8%), Asian Paints (-8%), and Coal India (-8%) were the key laggards.
- **Best and worst Nifty performers in CY24:** Trent (+133%), M&M (+74%), Bharat Electronics (+59%), Bharti Airtel (+54%), and Sun Pharma (+50%) were the top performers, while Indusind Bank (-40%), Asian Paints (-33%), Nestle (-18%), Tata Consumer (-15%), and HUL (-13%) were the top laggards.

Best and worst Nifty performers (MoM) in Dec'24 (%) – Breadth adverse; 34 Nifty companies end lower MoM

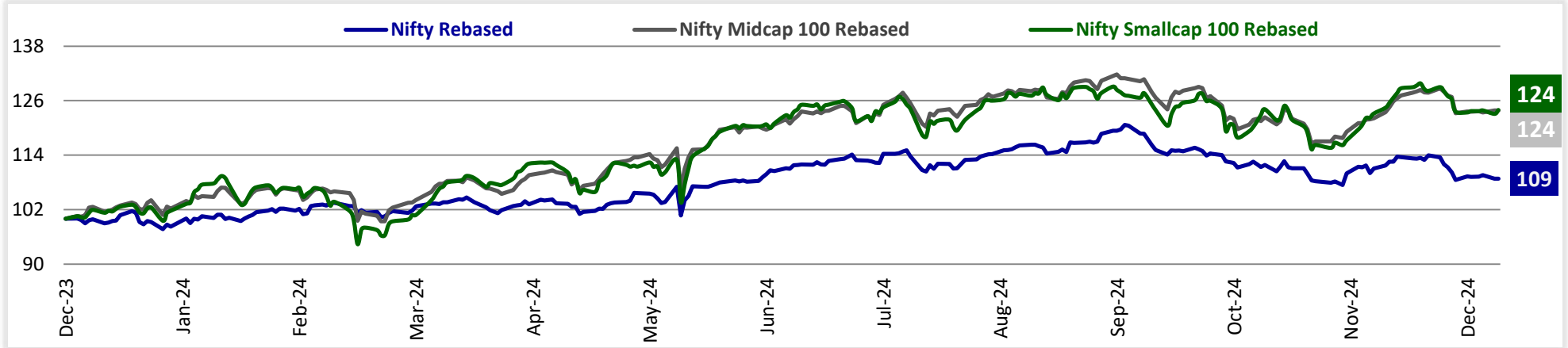


Best and worst Nifty performers in CY24 (%) – 64% of the constituents end higher

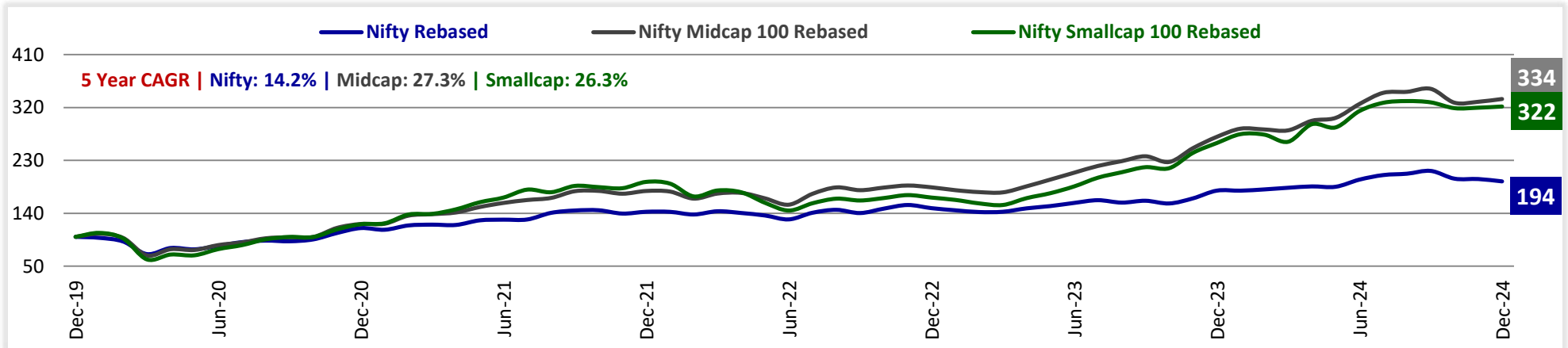


- During the last 12 months, midcaps and smallcaps both have gained 24% and outperformed largecaps, which have risen 9%. During the last five years, midcaps have significantly outperformed largecaps by 140%, while smallcaps have outperformed largecaps by 128%.

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

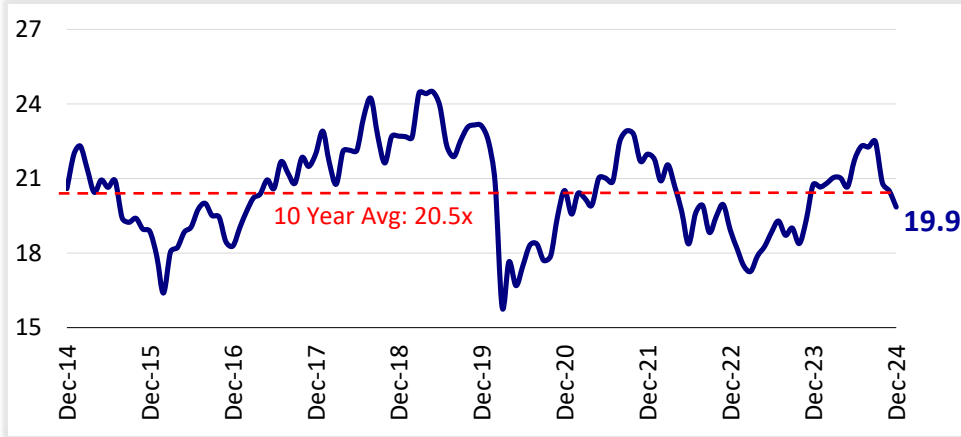


Performance of midcaps and smallcaps vs. largecaps over the last five years

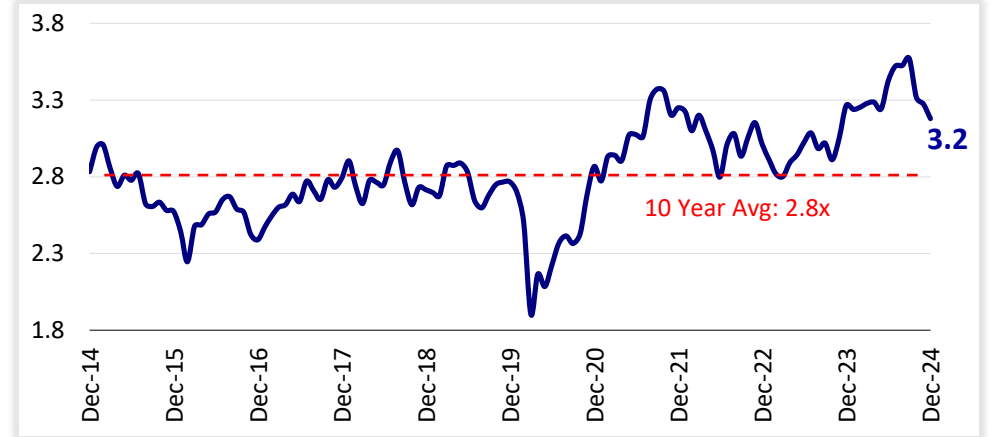


- The Nifty is trading at a 12-month forward P/E ratio of 19.9x near its LPA of 20.5x (at a 3% discount). Conversely, its P/B of 3.2x represents a 12% premium to its historical average of 2.8x.
- The 12-month trailing P/E for the Nifty, at 22.6x, is near its LPA of 22.7x. At 3.6x, the 12-month trailing P/B ratio for the Nifty is above its historical average of 3.1x (at a 14% premium).

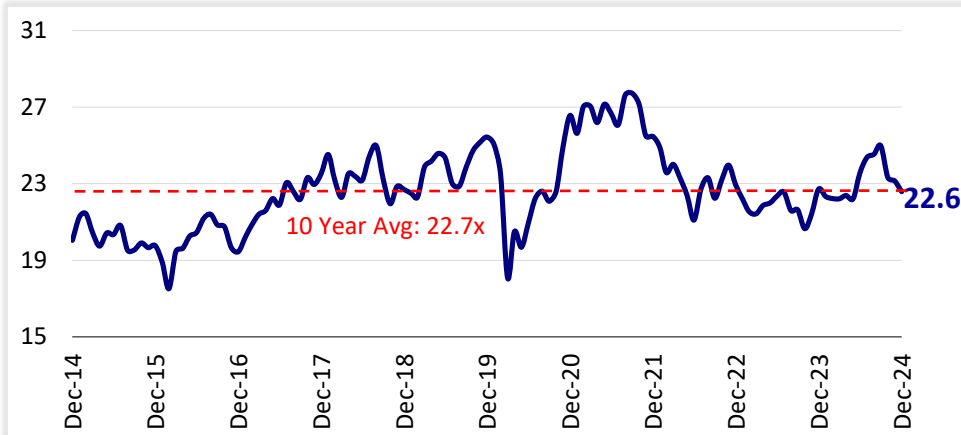
12-month forward Nifty P/E ratio (x)



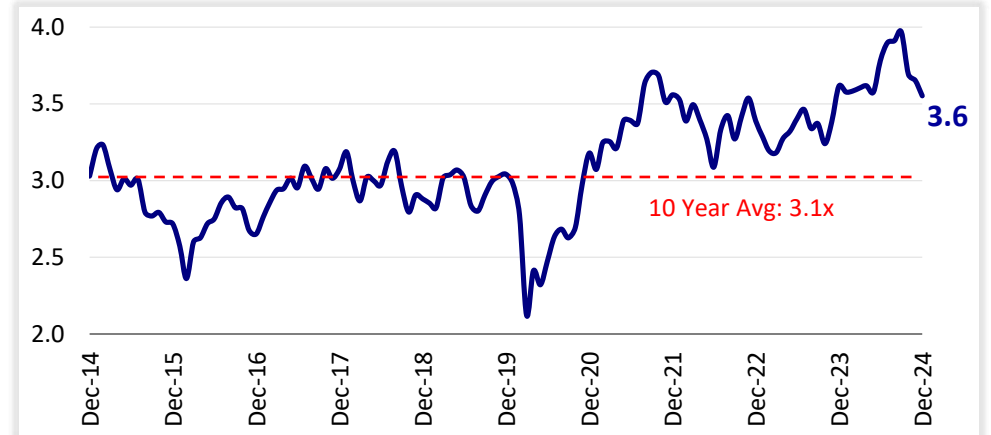
12-month forward Nifty P/B ratio (x)



Trailing Nifty P/E ratio (x)

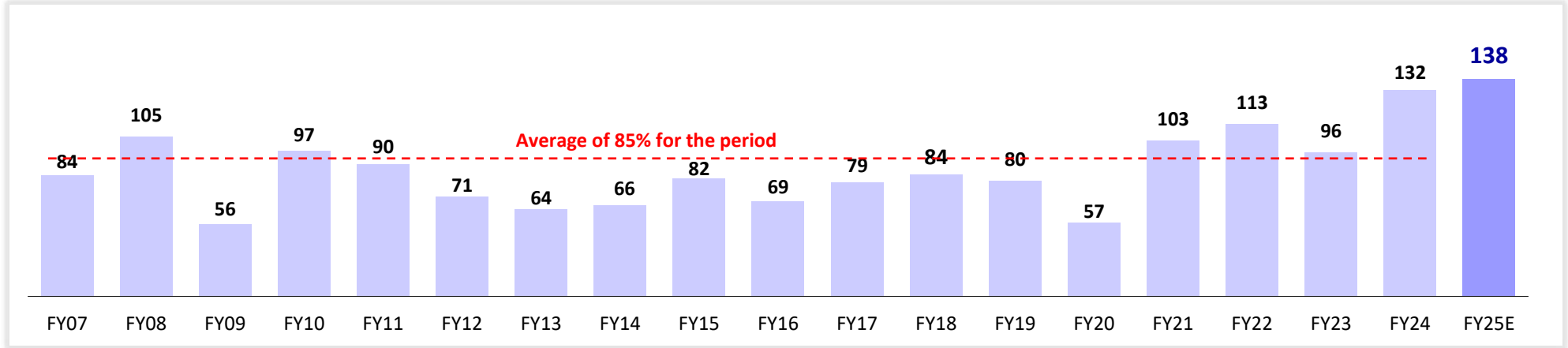


Trailing Nifty P/B ratio (x)

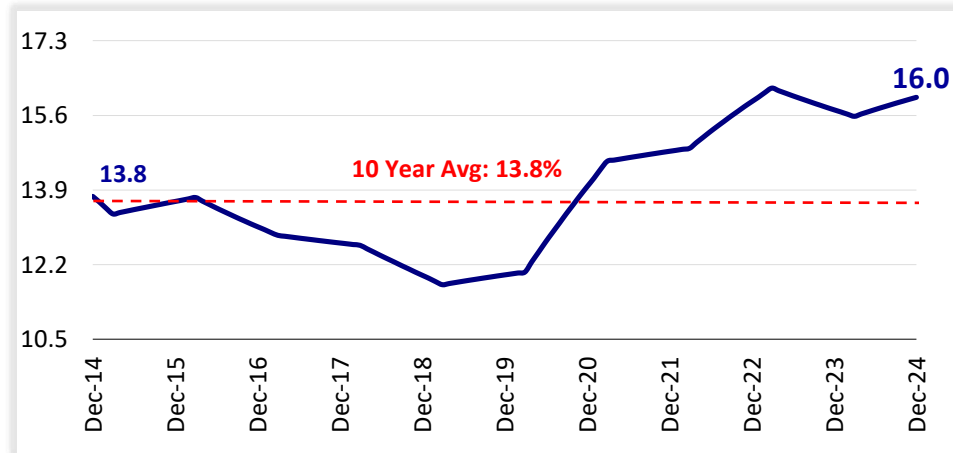


- India's market capitalization-to-GDP ratio has been volatile, plummeting to 57% (of FY20 GDP) in Mar'20 from 80% in FY19 and then sharply reviving to 132% in FY24. It is now at 138% of FY25E GDP (of 9.2% YoY), above its long-term average of 85%.
- The Nifty is trading at a 12-month forward RoE of 16%, above its long-term average.

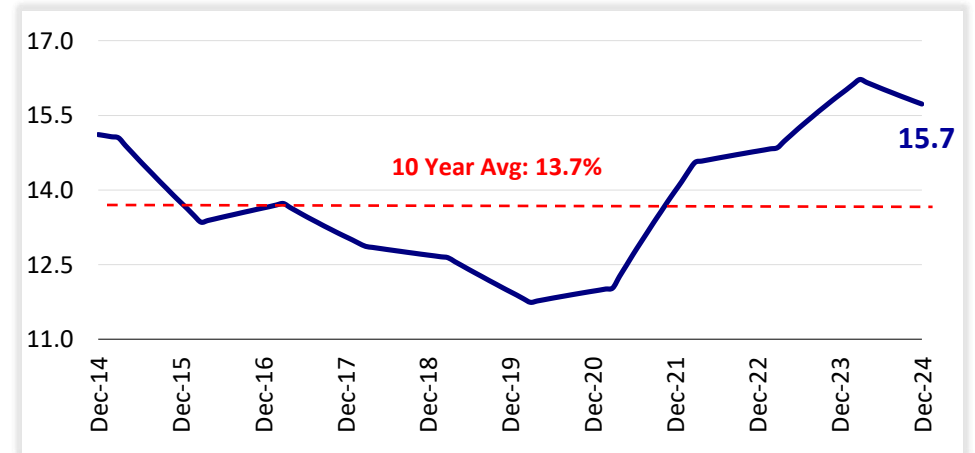
India's market capitalization-to-GDP ratio (%) at its year-end high



12-month forward Nifty RoE (%)



Trailing Nifty RoE (%)

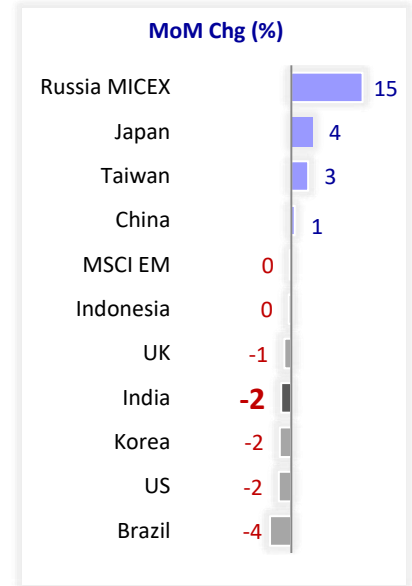


- Among the key global markets, Russia (+15%), Japan (+4%), Taiwan (+3%), and China (+1%) ended higher in local currency terms. Conversely, Brazil (-4%), the US (-2%), Korea (-2%), India (-2%), the UK (-1%) ended lower MoM in Dec'24.
- Indian equities have been trading at 22.3x FY25E earnings. The key markets continued to trade at a discount to India.

India (Nifty) vs. other markets

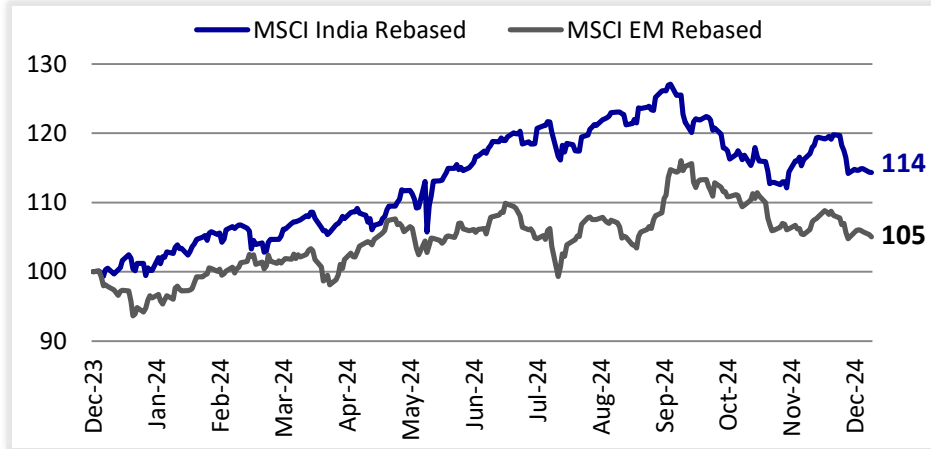
	Index Value	Mkt Cap (USD T)	CY24 Chg (%)		PE (x)		Prem / Disc to India PE (%)		PB (x)		RoE (%)	
			Local Currency	In USD	CY23 / FY24	CY24E / FY25E	CY23 / FY24	CY24E / FY25E	CY23 / FY24	CY24E / FY25E	CY23 / FY24	CY24E / FY25E
US	5,882	62.0	23	23	26.5	24.3	13	9	5.5	5.0	17.9	17.8
MSCI EM	1,075	21.3	5	5	14.9	13.4	-37	-40	1.8	1.7	11.3	12.5
China	3,352	10.0	13	10	14.9	13.6	-37	-39	1.4	1.3	9.2	10.1
Japan	39,895	6.4	19	7	31.0	20.9	32	-6	2.2	2.1	7.1	10.1
India	23,645	5.2	9	6	23.5	22.3			3.8	3.5	16.2	15.6
UK	8,173	3.1	6	4	11.0	11.8	-53	-47	1.9	1.8	16.4	13.2
Taiwan	23,035	2.5	28	20	27.0	18.7	15	-16	2.7	2.8	10.1	14.9
Korea	2,399	1.5	-10	-21	14.9	9.8	-37	-56	0.9	0.9	5.0	8.9
Indonesia	7,080	0.8	-3	-7	18.3	12.0	-22	-46	1.9	0.0	10.6	0.1
Brazil	1,20,283	0.6	-10	-30	8.6	7.8	-64	-65	1.5	1.2	16.7	14.4
Russia	5,455	0.6	-8	-26	7.3	5.8	-69	-74	0.8	0.8	14.6	14.9

Source: Bloomberg/CEIC/MOFSL

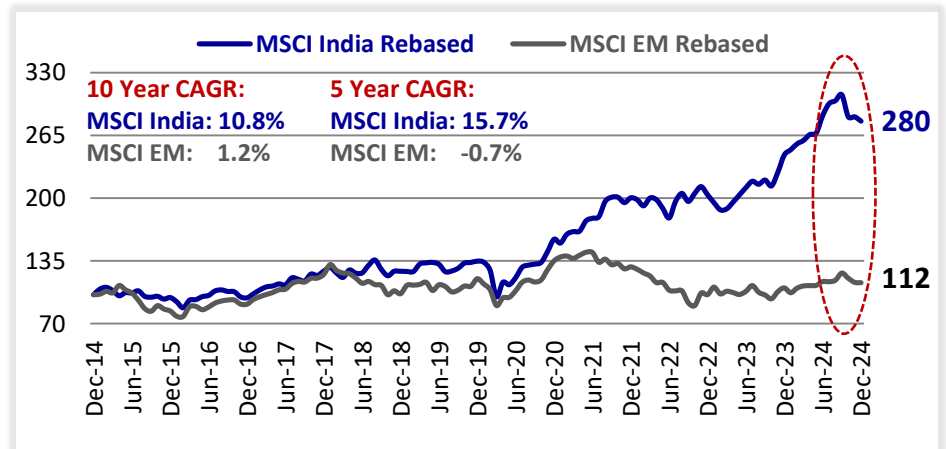


- Over the last 12 months, the MSCI India Index (+14%) has outperformed the MSCI EM Index (+5%). Over the last 10 years, the MSCI India Index has notably outperformed the MSCI EM index by a robust 168%.
- In P/E terms, the MSCI India Index is trading at an 84% premium to the MSCI EM Index, above its historical average premium of 79%.

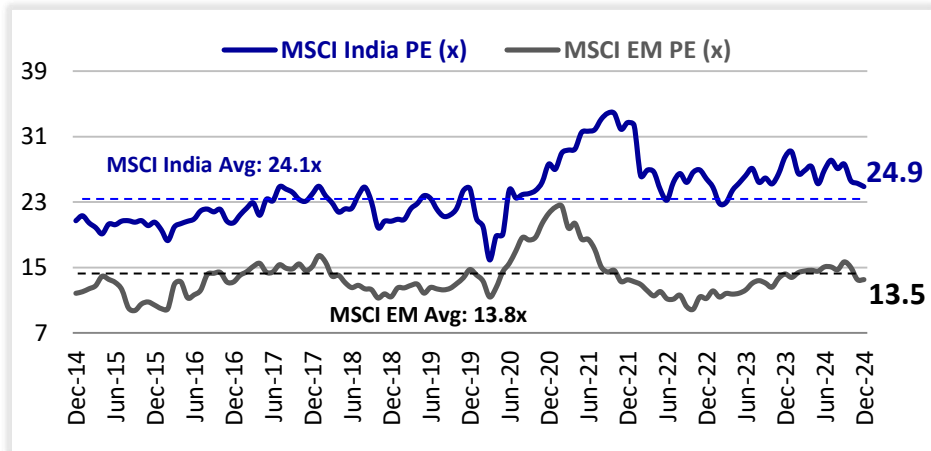
Performance of MSCI EM vs. MSCI India over the last 12 months



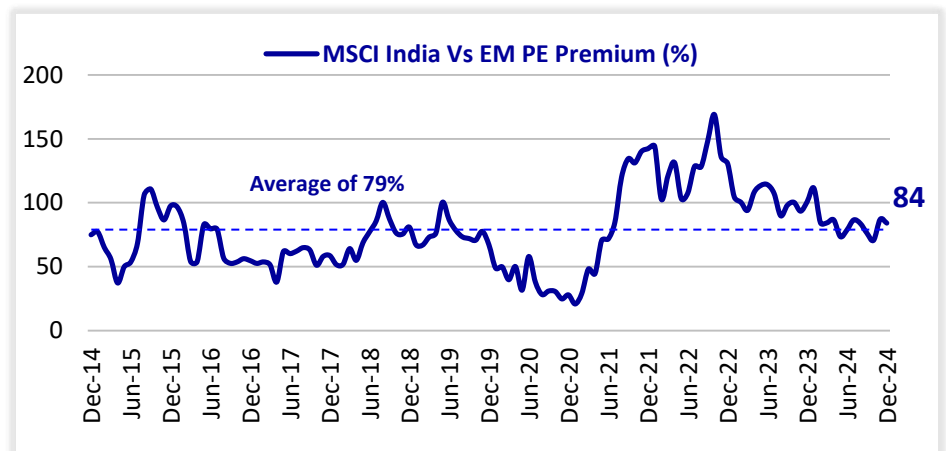
MSCI India notably outperforms MSCI EM by 168% in the last 10 years



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



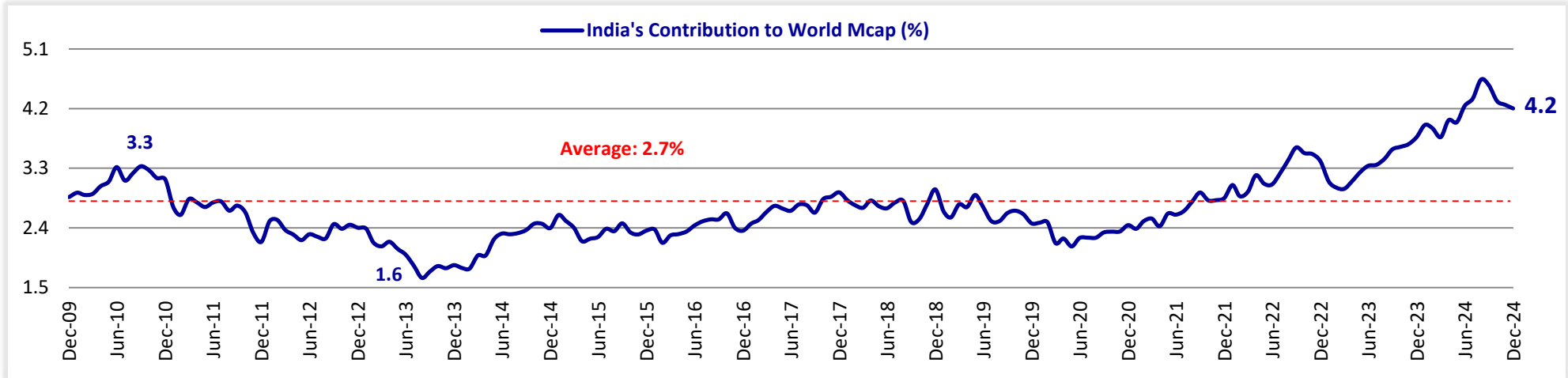
In P/E terms, MSCI India trades at a premium (%) to MSCI EM



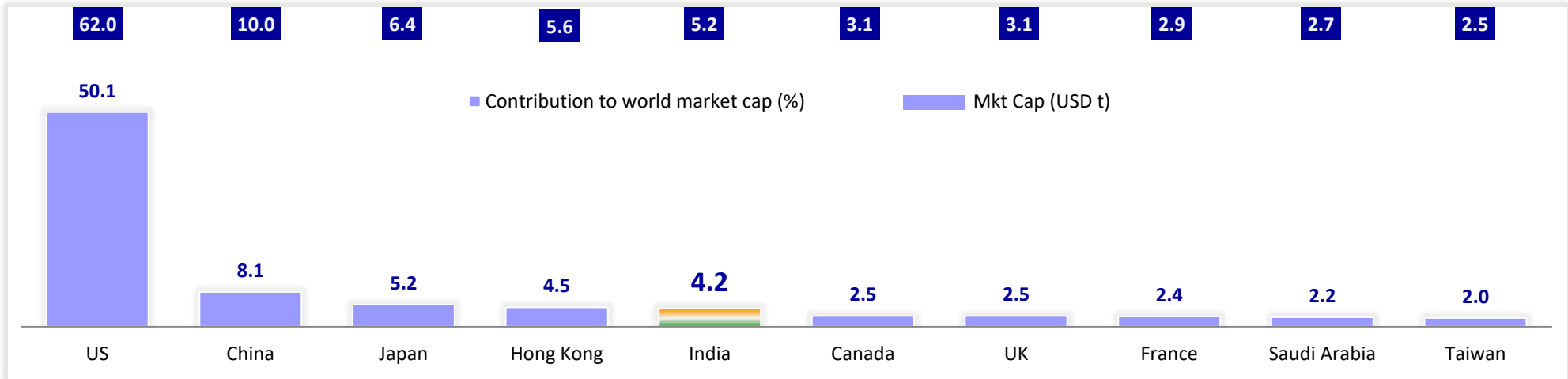
Source: Bloomberg

- India's share of the global market cap stood at 4.2%, 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 ~84% of the global market cap as of Dec'24.

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



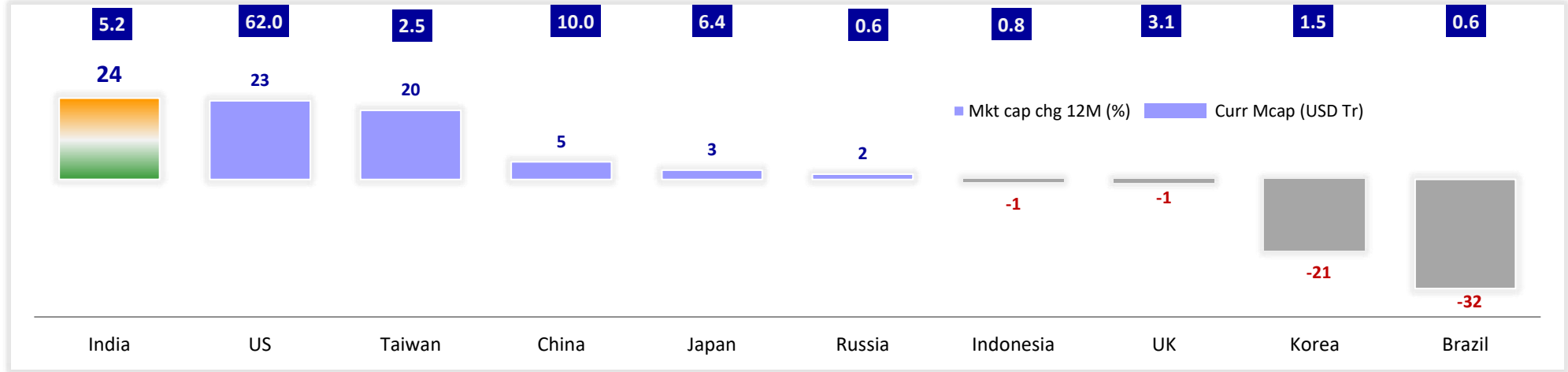
Top 10 countries constituted ~84% of the global market cap as of Dec'24



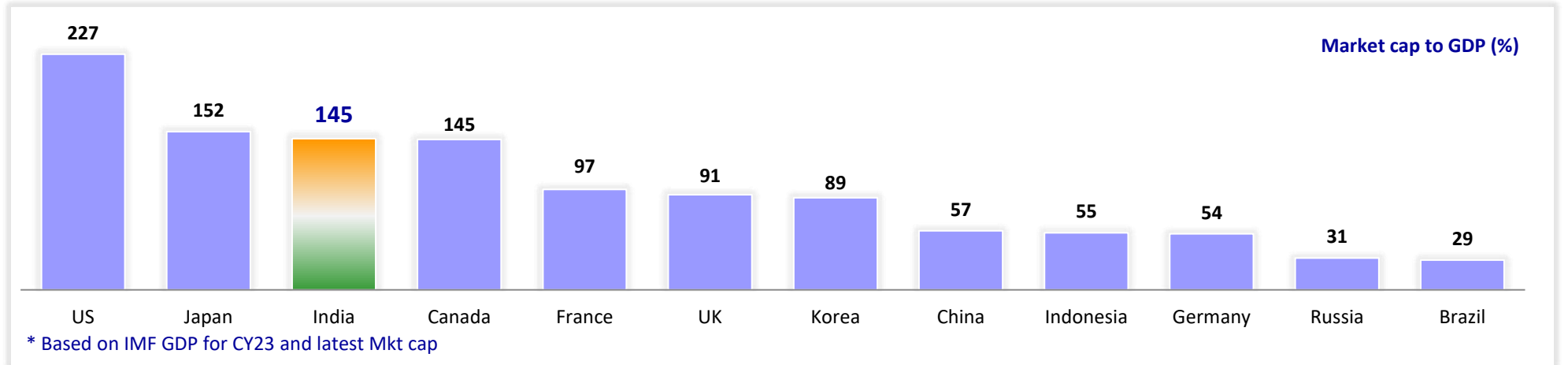
Source: Bloomberg\CEIC

- Over the last 12 months, global market cap increased 10.9% (USD12.2t), whereas India's market cap surged 23.6%.
- Barring Brazil, Korea, the UK, and Indonesia 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 (+217%), Power Grid Corp. (+82%), Grasim Industries (+68%), HCL Tech (+63%), and Tech Mahindra (+62%).
- Companies trading at a significant discount to their historical average: Coal India (-38%), Dr Reddy's Labs (-29%), Maruti Suzuki (-26%), Apollo Hospitals (-25%), and Asian Paints (-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	24.0	18.6	29	21	-9	8.3	4.7	76	160	66
Eicher Motors	Auto	28.6	31.6	-9	44	54	5.7	7.1	-19	80	150
Hero MotoCorp	Auto	17.1	18.3	-7	-14	-11	4.1	4.5	-7	30	58
Mahindra & Mahindra	Auto	26.8	18.7	43	35	-9	5.2	2.8	83	63	0
Maruti Suzuki	Auto	22.3	30.3	-26	12	48	3.4	4.1	-18	6	45
Tata Motors	Auto	NA	17.6	NA	NA	-14	2.2	2.1	5	-30	-26
Axis Bank	BFSI - Pvt Banks	11.2	38.2	-71	-43	86	1.7	2.0	-17	-48	-30
HDFC Bank	BFSI - Pvt Banks	18.2	20.7	-12	-8	1	2.5	3.2	-21	-21	12
ICICI Bank	BFSI - Pvt Banks	18.2	21.7	-16	-8	6	2.9	2.2	35	-8	-23
IndusInd Bank	BFSI - Pvt Banks	8.0	18.7	-57	-60	-9	1.0	2.4	-58	-69	-16
Kotak Mahindra Bank	BFSI - Pvt Banks	17.0	26.5	-36	-15	29	2.2	3.3	-35	-32	17
State Bank	BFSI - PSU Banks	8.2	12.1	-32	-58	-41	1.3	1.1	18	-58	-60
Bajaj Finance	BFSI - NBFC	21.1	31.1	-32	6	52	3.8	5.2	-27	19	84
Shriram Finance	BFSI - NBFC	11.4	10.5	9	-43	-49	1.8	1.4	24	-44	-50
HDFC Life Ins	BFSI - Insurance	67.3	85.9	-22	239	319	2.1	4.2	-49	-33	47
SBI Life Ins	BFSI - Insurance	56.6	59.5	-5	185	190	1.7	2.4	-28	-46	-16
Bharat Electronics	Capital Goods	37.6	11.9	217	90	-42	8.9	2.6	238	179	-7
Larsen & Toubro	Capital Goods	27.6	23.3	18	39	14	4.5	3.0	51	43	6
Grasim Inds	Cement	25.4	15.1	68	28	-26	2.9	1.9	57	-8	-34
Ultratech Cement	Cement	39.6	34.9	14	100	70	4.5	3.6	25	40	26
Asian Paints	Consumer	42.8	55.8	-23	116	172	10.8	14.3	-24	240	405
Britannia Inds.	Consumer	46.0	47.4	-3	132	131	23.5	20.8	13	638	634
Hind. Unilever	Consumer	46.9	52.9	-11	136	158	10.4	21.4	-51	228	655
ITC	Consumer	27.1	24.0	13	37	17	7.5	5.7	33	137	101
Nestle India	Consumer	57.9	59.5	-3	192	190	44.5	48.7	-9	1300	1619
Tata Consumer	Consumer	49.1	47.6	3	147	132	3.5	3.2	10	11	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	61.3	81.9	-25	209	299	10.6	6.9	54	234	144
Cipla	Healthcare	25.0	27.1	-8	26	32	3.6	3.3	9	14	18
Dr Reddy's Labs	Healthcare	18.0	25.2	-29	-9	23	3.0	3.5	-12	-4	22
Sun Pharma	Healthcare	33.2	29.7	12	67	45	5.4	3.9	39	71	38
Adani Ports	Logistics	21.2	18.6	13	7	-9	3.7	3.3	13	18	17
Coal India	Metals	5.9	9.5	-38	-70	-54	2.1	4.4	-54	-35	56
Hindalco	Metals	9.3	9.2	2	-53	-55	1.3	1.2	12	-59	-59
JSW Steel	Metals	15.4	14.9	3	-23	-27	2.3	1.9	23	-28	-34
Tata Steel	Metals	13.1	15.3	-14	-34	-26	1.9	1.2	50	-41	-56
BPCL	Oil & Gas	11.7	9.8	19	-41	-52	1.5	1.9	-20	-53	-34
ONGC	Oil & Gas	5.3	6.8	-22	-73	-67	0.8	0.9	-12	-76	-70
Reliance Inds.	Oil & Gas	20.6	17.5	18	4	-15	1.8	1.5	18	-43	-46
Titan Co	Retail	63.8	60.8	5	221	196	19.9	15.1	32	525	433
Trent	Retail	115.9	89.4	30	484	336	31.4	10.0	213	889	255
HCL Technologies	Technology	27.5	16.8	63	39	-18	7.8	4.0	97	146	40
Infosys	Technology	27.0	20.6	31	36	0	8.8	5.6	57	177	98
TCS	Technology	27.4	24.1	14	38	17	14.8	10.1	47	366	256
Tech Mahindra	Technology	29.1	18.0	62	47	-12	5.4	3.2	67	70	14
Wipro	Technology	25.0	18.0	39	26	-12	4.2	3.0	43	33	5
Bharti Airtel	Telecom	36.9	40.4	-9	86	97	8.2	3.9	112	159	37
NTPC	Utilities	13.5	9.6	41	-32	-53	1.8	1.1	57	-45	-60
Power Grid Corp.	Utilities	16.9	9.3	82	-15	-55	3.1	1.6	95	-3	-44
Nifty		19.9	20.5	-3			3.2	2.8	12		

- In Dec'24, the Nifty Midcap 100 was up 1.4% vs. a 2% MoM decline for the Nifty-50.
- The best Nifty Midcap-100 performers in Dec'24 were Indraprastha Gas (+27%), Oberoi Realty (+15%), Max Healthcare (+15%), Lupin (+15%), and BSE (+14%).

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	CY24
Indraprastha Gas	17.5	20.8	-16	-12	1	2.8	4.0	-30	-13	40	27	-1
Oberoi Realty	29.3	22.3	32	48	9	4.7	2.3	104	47	-19	15	60
Max Healthcare	53.6	34.6	55	170	69	8.7	5.0	74	173	76	15	64
Lupin	32.0	38.8	-17	61	89	5.4	3.9	40	71	36	15	78
BSE	52.6	21.6	143	165	5	18.1	3.2	471	469	12	14	140
Dixon Technolog.	107.8	57.8	87	443	182	32.9	13.1	151	935	363	13	173
Muthoot Finance	14.7	10.3	42	-26	-50	2.7	2.0	32	-16	-28	11	45
Jubilant Food.	101.5	74.4	36	411	263	19.7	13.2	50	520	364	11	27
Coforge	46.4	23.1	101	134	12	13.4	5.2	160	322	83	11	54
Indian Hotels Co	NA	69.9	NA	NA	241	9.8	4.7	109	208	65	11	100
Persistent Sys	59.0	25.4	132	197	24	15.1	4.8	213	373	70	9	75
Voltas	54.7	48.5	13	176	137	8.1	4.8	69	154	69	8	83
IRB Infra.Devl.	29.5	17.5	68	48	-14	2.3	1.2	84	-29	-56	7	38
H P C L	12.8	6.7	90	-35	-67	1.6	1.2	30	-49	-56	7	54
Page Industries	68.3	66.7	2	244	225	26.9	28.0	-4	745	887	6	23
Escorts Kubota	30.1	18.3	65	52	-11	3.7	2.2	66	16	-21	-6	12
LIC Housing Fin.	6.4	9.5	-33	-68	-53	0.9	1.3	-36	-73	-53	-6	12
Colgate-Palmoliv	44.8	40.7	10	126	98	30.5	24.6	24	860	768	-7	6
ACC	20.1	27.7	-27	1	35	2.1	2.7	-24	-35	-5	-8	-7
Indian Bank	6.5	9.9	-35	-67	-52	1.0	0.6	62	-68	-78	-8	26
Exide Inds.	27.1	21.5	26	36	5	2.4	2.4	0	-25	-16	-8	31
UPL	12.0	14.9	-19	-39	-27	0.9	2.2	-58	-71	-21	-8	-11
Aditya Birla Cap	11.2	18.3	-39	-44	-11	1.4	1.8	-24	-56	-35	-8	7
P I Industries	29.2	32.3	-10	47	58	4.8	5.9	-19	51	109	-9	5
Aditya Bir. Fas.	NA	96.6	NA	NA	371	8.0	8.3	-4	151	193	-11	25
Poonawalla Fin	27.6	39.3	-30	39	92	2.7	2.1	27	-15	-25	-11	-28
Sona BLW Precis.	46.5	67.3	-31	134	228	9.7	12.4	-22	204	339	-11	-8
Hindustan Zinc	15.5	13.3	16	-22	-35	10.3	5.4	93	225	89	-12	40
Oil India	9.0	6.5	39	-55	-68	1.3	0.8	67	-59	-72	-12	74
NMDC	7.6	5.7	32	-62	-72	1.7	1.2	43	-48	-59	-14	-6

- Technology is trading at a P/E ratio of 28x, at a 34% premium to its long-term average of 20.9x. While 2Q results were encouraging, we expect seasonal furloughs to impact sector growth in 3QFY25. However, a gradual recovery is underway, with signs of improvement extending beyond US BFSI—which continues to show strength—into other verticals such as hi-tech, recovering faster than anticipated.
- The Healthcare sector's valuation witnessed some moderation over the past one month; it is still trading at a 25% premium to its 10-year average P/E of 33.7x. The US generics outlook is expected to soften due to limited visibility of niche product launches over FY25-27. Interestingly, the pace of approvals is also lower over the recent past compared to its two-year quarterly average of 53.
- Capital Goods is trading at 39.3x one-year forward P/E, above its 10-year average of 28.8x (at a 36% 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 7.2x, a significant premium to its 10-year average multiple of 4x (79% premium). The sector has seen some moderation in ordering, hurt by the election schedule and uncertainty in private sector capex.

Sector valuations at a glance

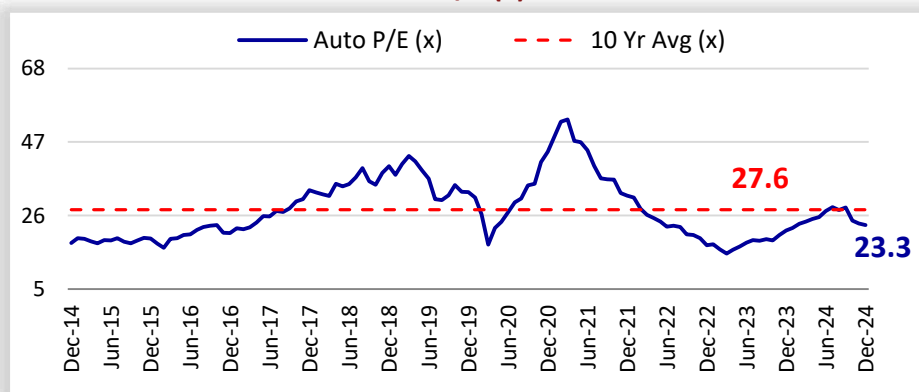
Sector	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD	-1SD	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD	-1SD	Current	10 Yr Avg
Auto	23.3	27.6	-15.8	36.4	18.9	17	34	4.2	3.5	21.1	4.1	2.9	32	22
Banks - Private	15.9	21.1	-24.4	26.3	15.8	-20	2	2.3	2.5	-9.3	2.8	2.2	-28	-10
Banks - PSU	7.1	10.0	-28.6	40.6	-20.5	-64	-55	1.1	0.9	33.3	1.1	0.6	-64	-70
NBFC	12.6	12.4	1.6	14.7	10.1	-37	-40	2.0	1.8	7.4	2.1	1.5	-38	-36
Capital Goods	39.3	28.8	36.4	34.7	22.9	98	41	7.2	4.0	78.8	5.4	2.6	127	40
Cement	36.7	28.2	30.4	35.5	20.8	85	38	3.2	2.6	20.9	3.1	2.2	1	-7
Chemicals	32.5	24.6	31.8	34.9	14.4	64	21	3.8	3.3	16.1	4.4	2.1	19	13
Consumer	42.7	41.8	2.2	45.6	38.1	115	105	10.5	10.3	1.7	11.2	9.4	229	265
Consumer Ex ITC	49.0	51.9	-5.6	58.6	45.3	147	155	11.5	13.2	-12.9	14.5	12.0	262	371
Consumer Durables	53.4	33.7	58.3	45.4	22.0	169	65	9.2	5.3	71.7	7.2	3.5	188	85
Healthcare	33.7	26.9	25.2	31.3	22.5	70	32	5.1	3.9	31.9	4.7	3.0	60	37
Infrastructure	23.7	11.8	100.5	19.5	4.2	19	-42	2.1	1.3	66.4	1.8	0.7	-34	-56
Logistics	24.3	21.2	14.6	25.2	17.3	23	4	4.1	3.4	21.9	4.1	2.6	29	18
Media	16.4	25.0	-34.4	29.5	20.6	-17	22	1.6	3.7	-56.2	5.5	1.9	-49	34
Metals	10.3	10.8	-4.8	14.4	7.2	-48	-47	2.1	1.6	26.9	2.0	1.2	-35	-43
Oil & Gas	14.2	12.6	13.0	15.6	9.5	-28	-39	1.5	1.5	1.6	1.7	1.3	-53	-48
Oil & Gas Ex RIL	8.9	8.6	3.6	11.5	5.7	-55	-59	1.1	1.2	-7.2	1.5	0.9	-65	-57
Real Estate	44.1	29.6	48.9	41.1	18.2	122	44	5.0	2.2	132.0	3.3	1.0	57	-27
Retail	83.6	83.5	0.1	134.1	32.8	321	313	15.1	9.7	55.6	13.8	5.6	374	235
Technology	28.0	20.9	33.9	25.8	16.0	41	2	8.9	5.7	54.9	7.4	4.0	180	100
Telecom	Loss	63.9	-	328.0	-200.2		209	40.6	18.6	117.9	41.1	-3.8	0	239
Utilities	17.3	11.5	50.2	14.9	8.2	-13	-44	2.5	1.5	68.4	2.0	1.0	-21	-48



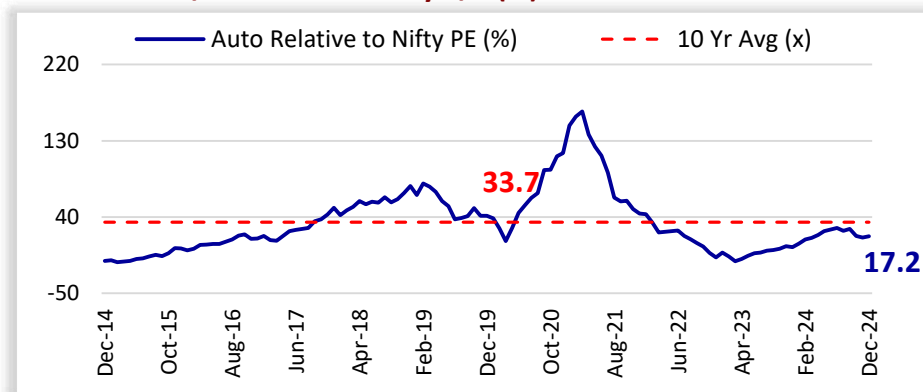
- The Auto sector is trading at a P/E of 23.3x, below its 10-year historical average of 27.6x (at a 16% discount). On a P/B basis, however, it is trading at a 21% premium to its 10-year average of 3.5x.
- Overall, the Dec'24 dispatches for 2Ws are expected to have declined 4% YoY, while for other segments such as PVs/tractors/3W/CVs, volumes are expected to have grown by ~21%/20%/14%/2%.
- Monthly dispatches for the PV and tractor segments exceeded expectations in Dec'24. In the domestic 2W segment, BJAUT volumes declined by 4% YoY; HMCL, TVSL, and RE are yet to announce their numbers. A key highlight was MSIL's impressive performance with volumes of ~178k units, surpassing our estimate of ~150k, driven by growth in the lower-end segment alongside SUVs. MM reported robust growth in tractor volumes, whereas ESCORTS saw a decline. CV dispatches were largely in line, with MHCV volumes remaining flat YoY and LCVs growing by 6% YoY.



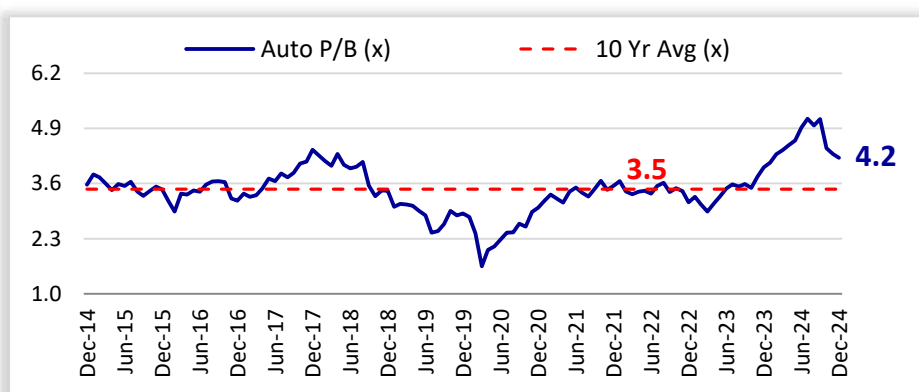
12-month forward Automobiles P/E (x)



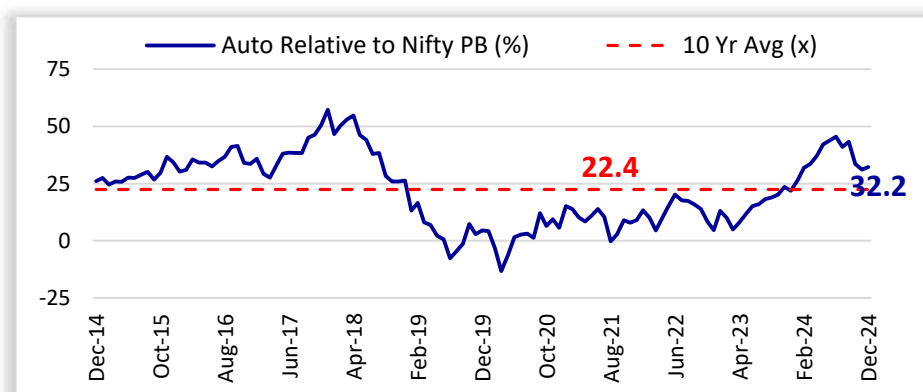
Automobile P/E relative to Nifty P/E (%)



12-month forward Automobiles P/B (x)



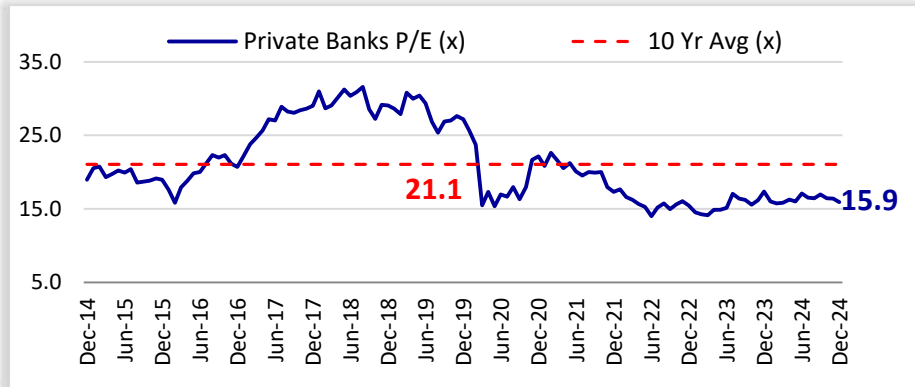
Automobile P/B relative to Nifty P/B (%)



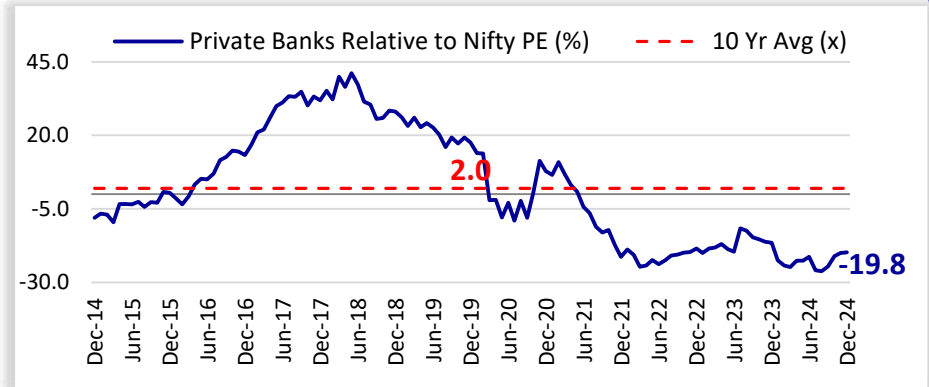


- The Private Banks sector is currently trading at a P/B ratio of 2.3x, corrected from its historical average of 2.5x (9% discount).
- Loan growth moderates to ~11% from its peak of 18%, as concerns continue around the higher CD ratio for the system and stress persists in unsecured loans. Loan growth stood healthy among Retail and SME segments. Deposits growth stood steady, while the CASA ratio is expected to be stable with a negative bias amid faster growth in TDs.
- With the liquidity situation remaining tight, with very few signs of easing. Bank's CoF is likely to remain elevated as they are willing to grow their deposits at a higher rate. Hence, we expect NIMs to moderate at a mild pace, while rate cuts are likely in early CY25, leading to further pressure.
- Asset quality stress continues in the unsecured space. 1H has seen a pick-up in delinquencies, while we can expect the delinquencies to be higher for 2H, thus resulting in higher credit costs. Further, ECL migration can lead to an elevated credit cost; hence, we maintain a higher preference in the banks with a higher contingency buffer.

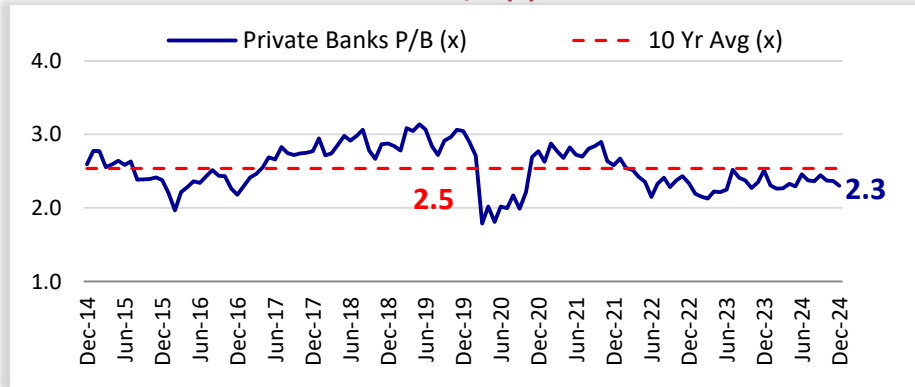
12-month forward Private Banks P/E (x)



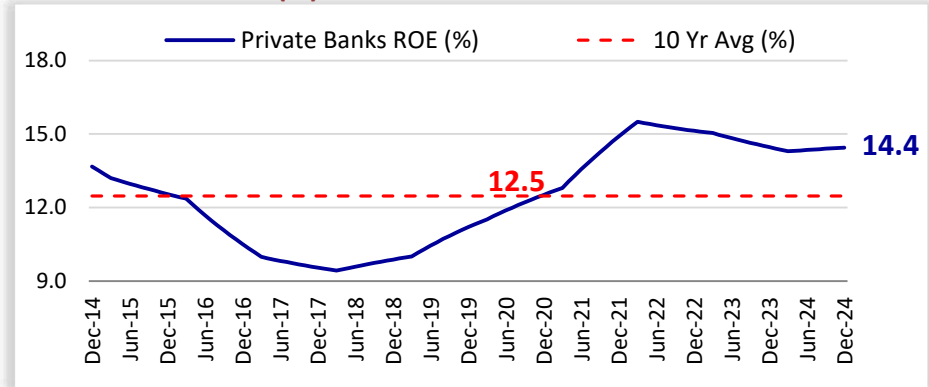
Private Banks P/E relative to Nifty P/E (%)



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



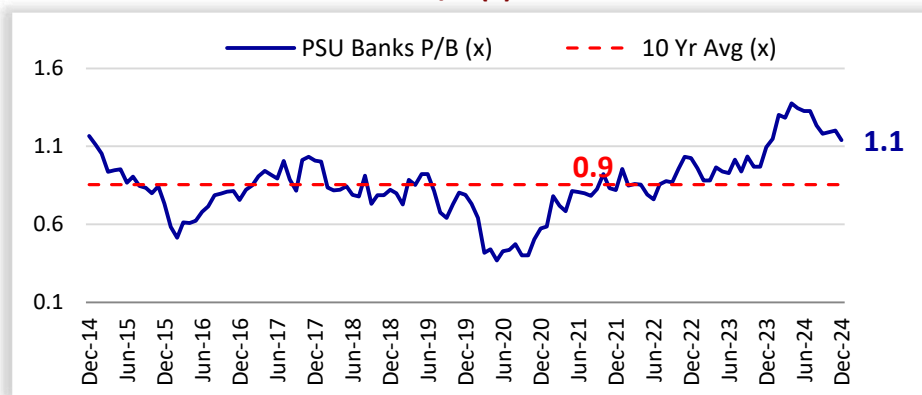
Private Banks ROE (%)



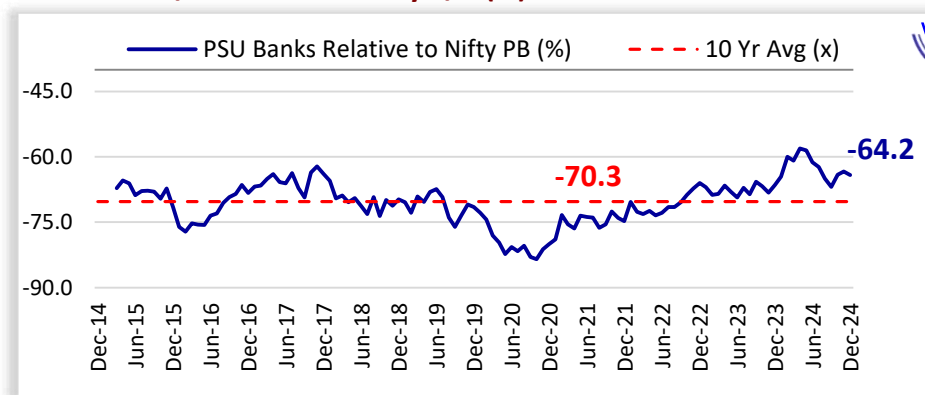


- The PSU Banks sector has seen a correction from its peak and now trades at a P/B of 1.1x, still at a 33% premium to its historical average of 0.9x.
- Systemic credit growth of ~10.6% has been the lowest since May'22. However, the CD ratio for the system continues to be higher at 79.5%, closer to highs of 80%.
- PSU Banks are in better positions vs. their private counterparts in terms of profitability, stable NIMs, and controlled credit costs. Credit growth continues to be steady, while the CD ratio stands at an optimal range. Opex growth continues to be in an optimal range and is likely to follow a normalized trajectory, with most of the costs being upfronted in FY24/FY25.
- NIMs are likely to remain steady with a slight negative bias, while a higher share of the MCLR book is expected to slightly offset the overall effect.
- Asset quality continues to remain steady for most of the PSU Banks vs. their private counterparts. PCR remains optimal for the PSU Banks. We expect PSU Banks to deliver healthy growth and steady earnings compared to their private counterparts in FY25/FY26.

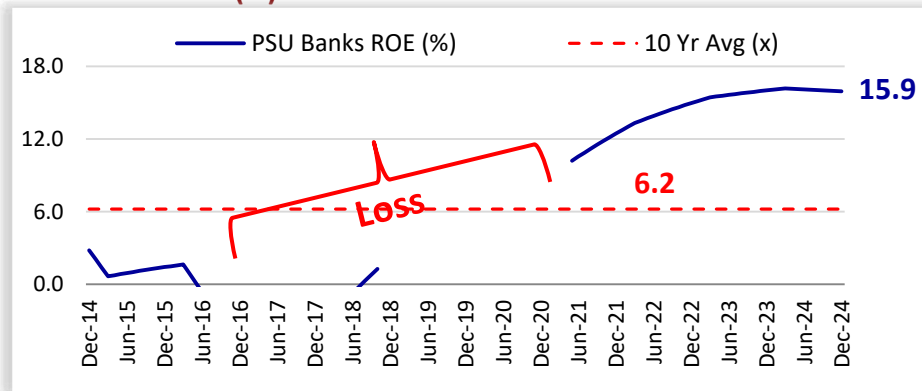
12-month forward PSU Banks P/B (x)



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



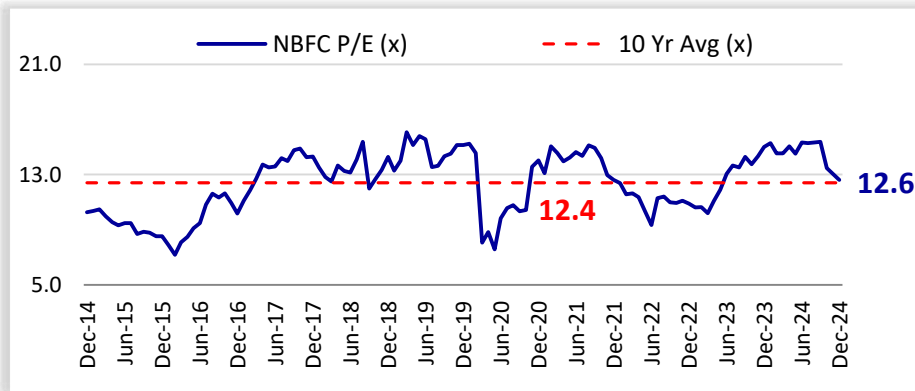
PSU Banks ROE (%)



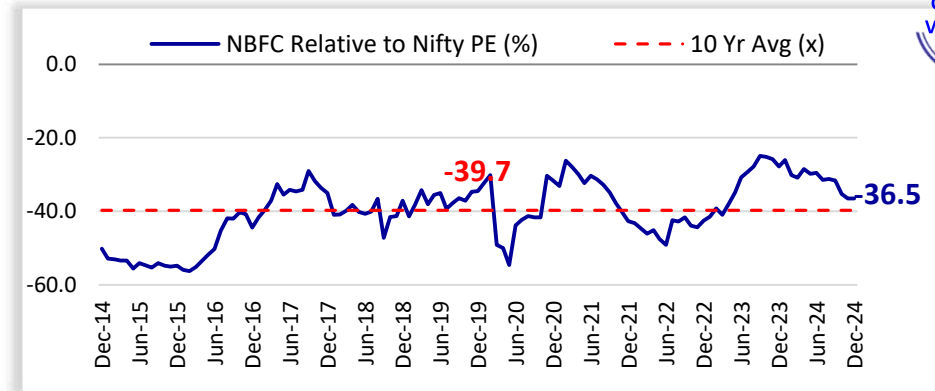


- The NBFC sector is trading at a P/B ratio of 2x, at ~7% premium to its long-term average of 1.8x.
- Given that there is a likelihood of interest rate cuts in the 1HCY25, large HFCs could exhibit a transitory NIM contraction owing to the pressure on yields from higher competitive intensity.
- MFIs continue to exhibit asset quality stress, primarily due to customer overleveraging. MFIN has deferred the implementation of three lender capping (compared to four earlier) to Apr'25. Some improvement in collections was seen in Dec'24 (vs. Oct-Nov'24), but credit costs will remain elevated in 3QFY25.
- Asset quality in vehicle finance has not exhibited any meaningful improvement, and there is some spillover of unseasonal rainfall, with floods continuing in 2H as well. Power financiers have a strong sanction pipeline, positioning them for healthy loan growth in 2HFY25. However, disbursement trends have been a little weak in 3QFY25, given the broad-based slower economic activity. Asset quality is expected to further improve, aided by the continued stressed asset resolutions.

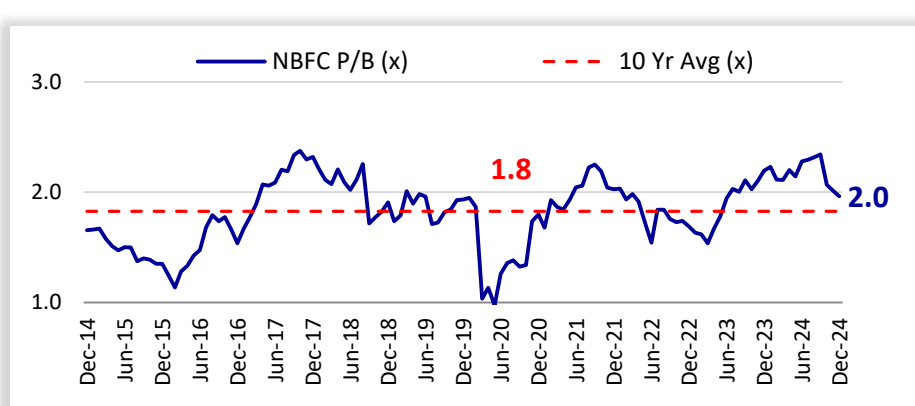
12-month forward NBFC P/E (x)



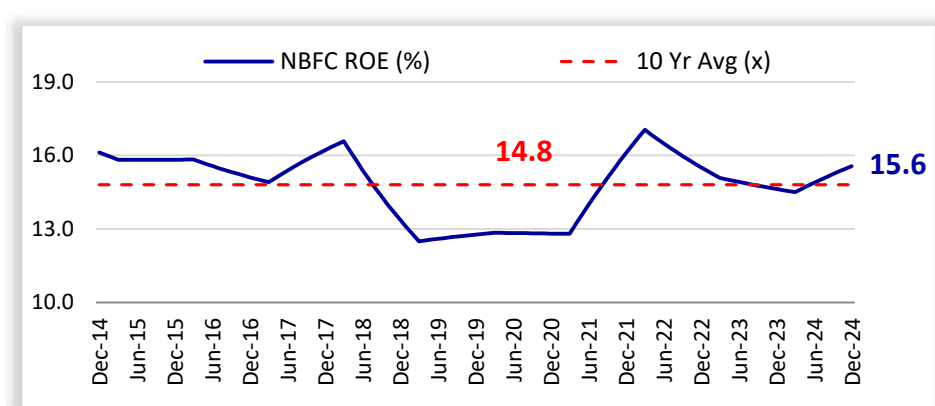
NBFC P/E relative to Nifty P/E (%)

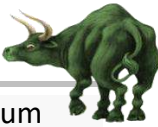


12-month forward NBFC P/B (x)



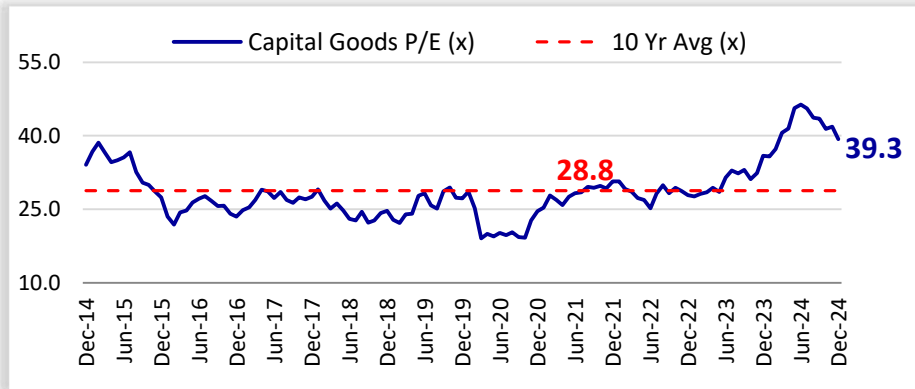
NBFC ROE (%)



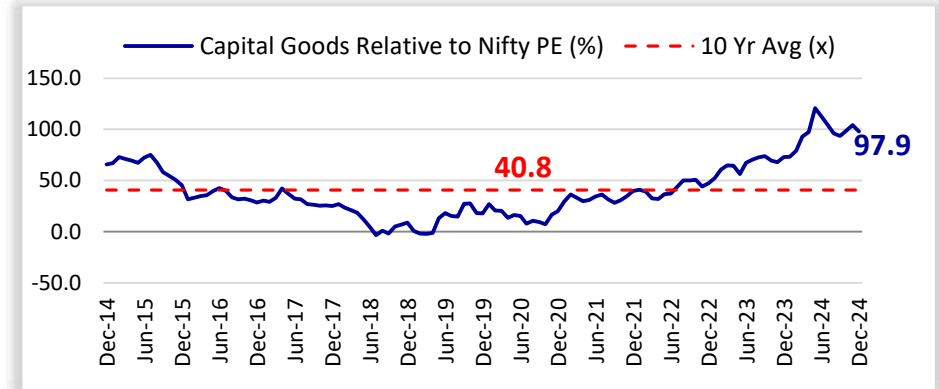


- The Capital Goods sector is trading at 39.3x one-year forward P/E, above its 10-year average of 28.8x (at a 36% premium), indicating a premium valuation baking in the anticipated capex recovery, ordering momentum, and higher budgetary allocation.
- On a P/B basis, the sector is trading at 7.2x, a significant premium to its 10-year average multiple of 4x (79% premium).
- The sector has seen some moderation in ordering, impacted by the election schedule and uncertainty in private sector capex. However, this is a transient phenomenon. With the government emphasizing on capex-led growth, and healthy bank and corporate balance sheets, companies remain positive about the prospects over the near to medium term.
- We believe that the expected pickup in government ordering, a broad-based private capex revival, improvements in capacity utilization, and healthy macro factors should boost the outlook for the overall sector.

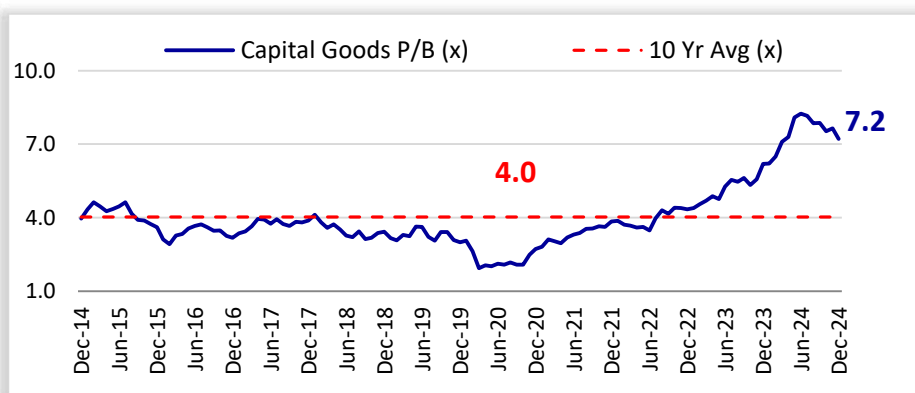
12-month forward Capital Goods P/E (x)



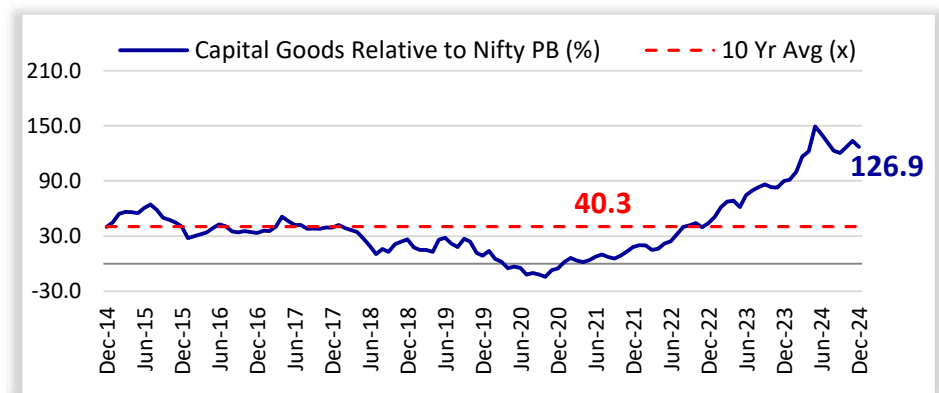
Capital Goods P/E relative to Nifty P/E (%)



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



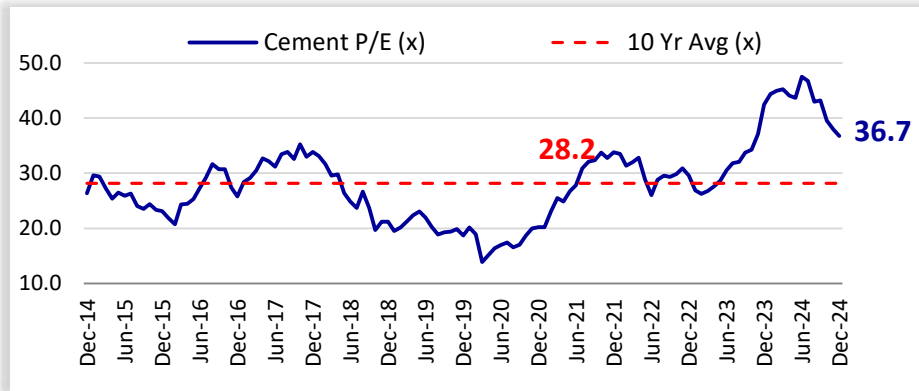
Capital Goods P/B relative to Nifty P/B (%)



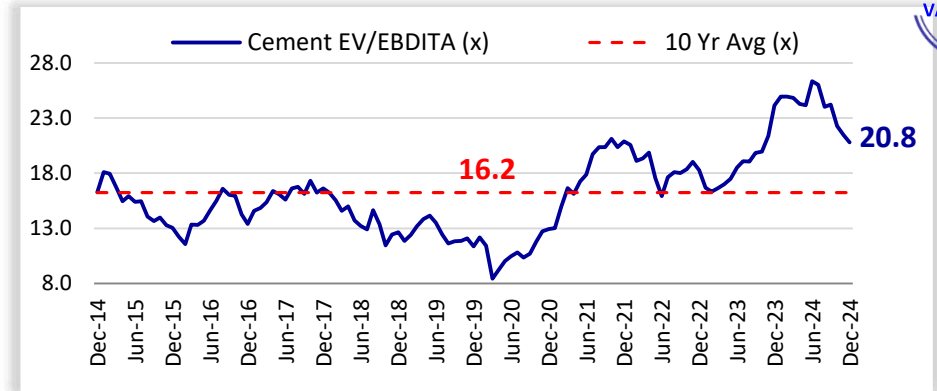


- The Cement sector is trading at a one-year forward EV/EBITDA of 20.8x, at a 28% premium to its historical average of 16.2x.
- After a weak 2QFY25 due to the intense monsoon and slowdown in government spending, cement demand has improved in Nov-Dec'24. We estimate industry volume growth at ~5-7% YoY in 3QFY25, backed by improvement in construction activities and labor availability after the festive season. We estimate further recovery in cement demand in the coming months with the onset of the peak construction period.
- Following the improvement in demand, cement prices also improved. The all-India average cement price increased ~4% MoM (up INR12/bag) in Dec'24, led by price hikes across regions in the range of 3-5%. The all-India average cement price was up ~2% QoQ in 3QFY25, while it was down ~5% YoY. Cement dealers anticipate more price hike announcements in Jan'25. We estimate positive operating leverage, price increases, and favorable fuel prices will drive a sequential recovery in cement companies' earnings in 3QFY25.

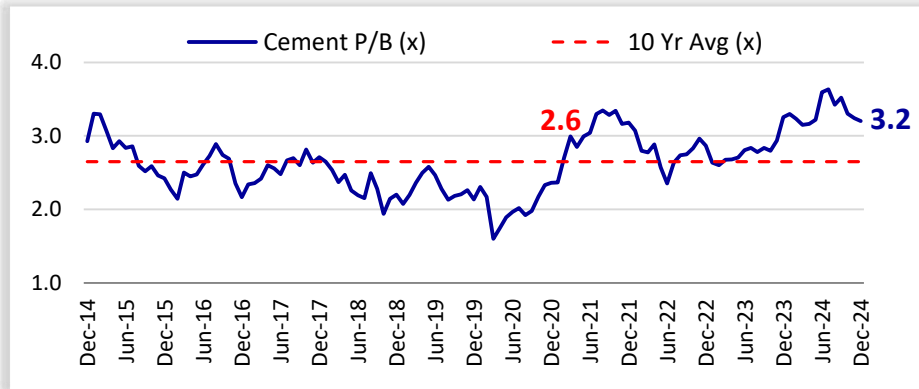
12-month forward Cement P/E (x)



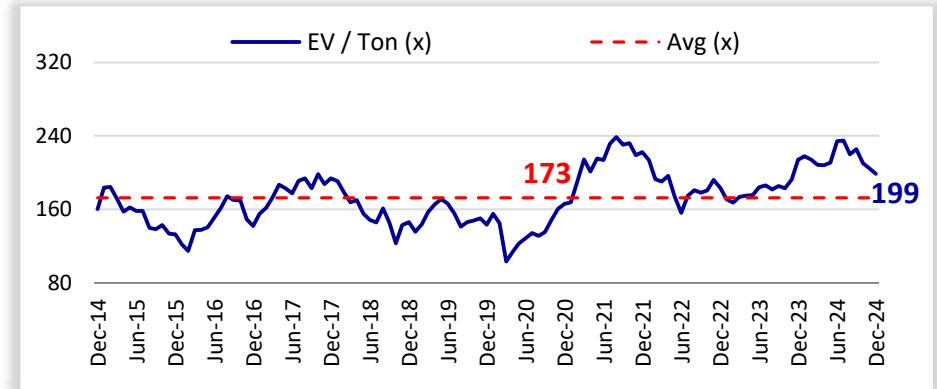
12-month forward Cement EV/EBITDA (x)



12-month forward Cement P/B (x)



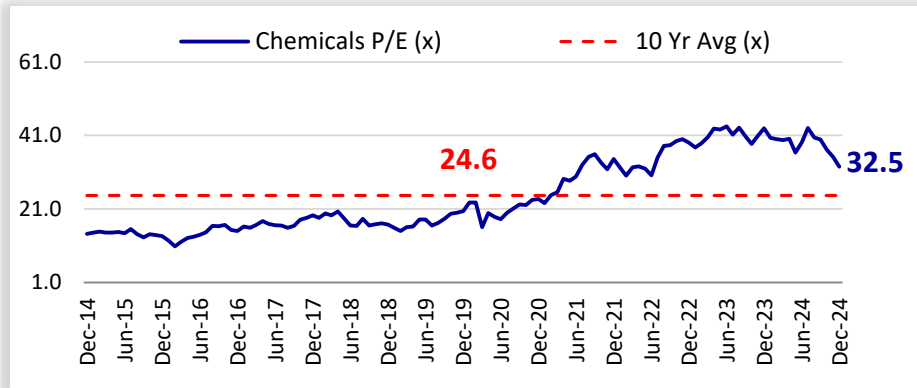
12-month forward Cement EV/Ton (x)



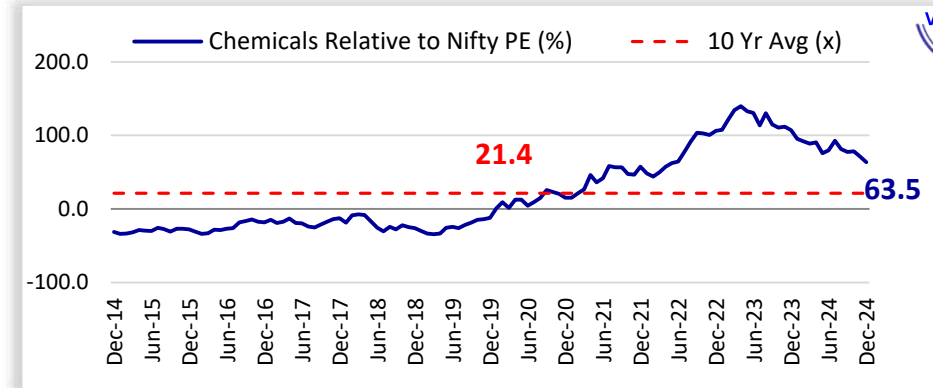


- The sector is trading at a P/B of 3.8x (at a 16% premium) and a P/E of 32.5x (32% premium) vs. its historical average of 3.3x and 24.6x, respectively.
- Brent crude oil price averaged USD73.8/bbl in Dec'24 (vs. USD74.4/bbl in Nov'24). Prices declined 1% on a MoM basis.
- Toluene (Korea)/Benzene prices increased 6%/1% MoM, while Butadiene (Korea) prices declined 3% MoM. Propylene (Korea)/Styrene prices were flat MoM. Acetonitrile price was down 8% MoM, while Methanol price increased 12% MoM. Phenol price declined 4%, while Acetone price declined 7%. IPA price dipped 2% MoM, while Aniline price decreased 4%. There was no change in Acetic Acid price on a MoM basis.
- Various management teams expect a recovery from 2HFY25, with companies focusing on the long-term growth trajectory of their businesses.

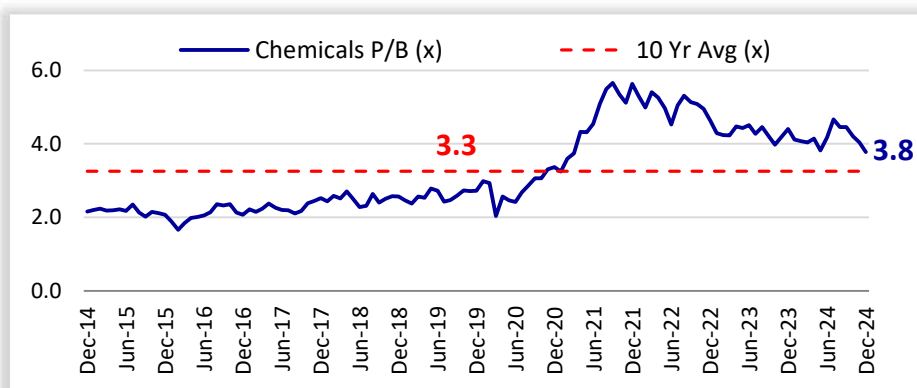
12-month forward Chemicals P/E (x)



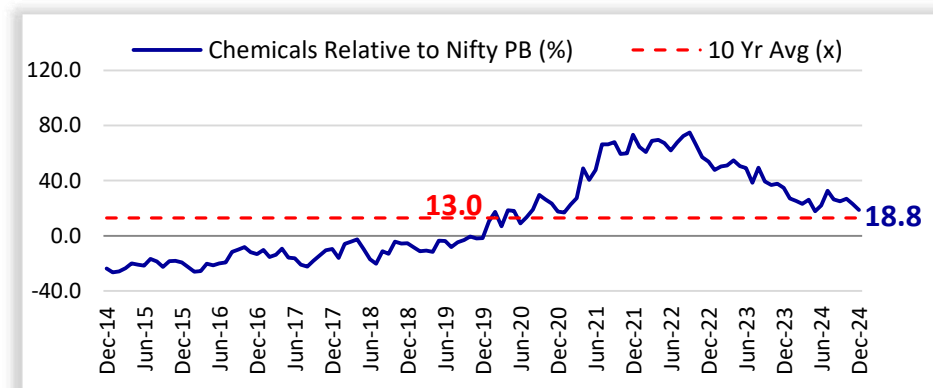
Chemicals P/E relative to Nifty P/E (%)

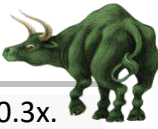


12-month forward Chemicals P/B (x)



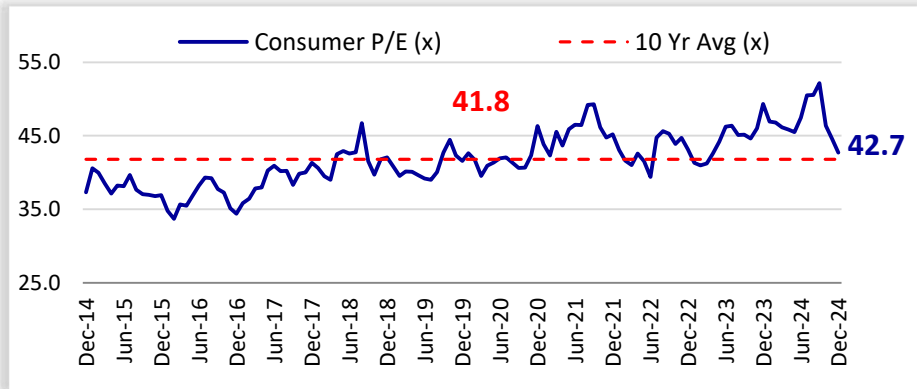
Chemicals P/B relative to Nifty P/B (%)



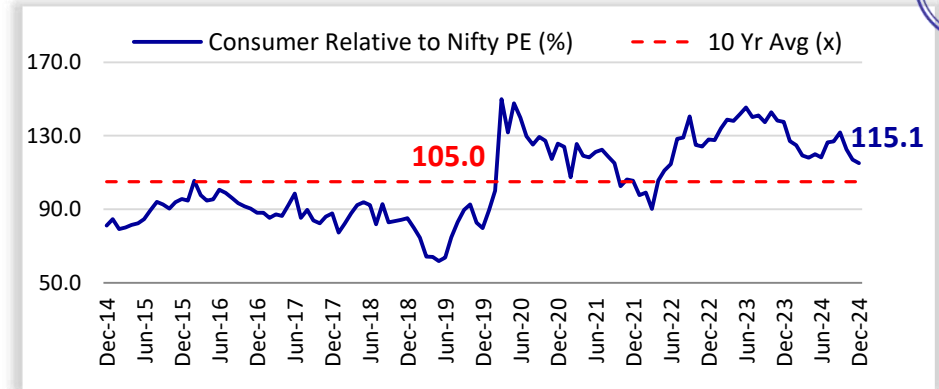


- The Consumer sector's P/E, at 42.7x, trades near its 10-year average of 41.8x. Its P/B stands at 10.5x, which is near its historical average of 10.3x.
- High inflation has adversely affected urban consumption, while the rural market has been showing a gradual recovery.
- The companies have taken price hikes to offset the price increases in palm oil and other agri commodities.
- The companies are focusing on new innovations and premiumization to drive value growth.

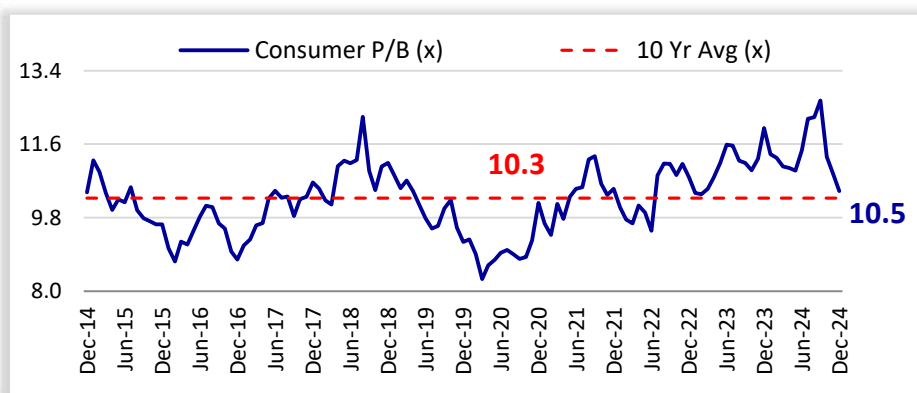
12-month forward Consumer P/E (x)



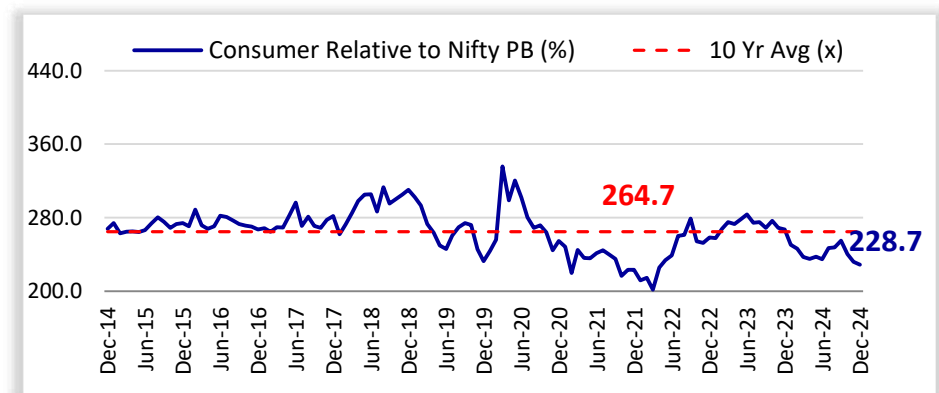
Consumer P/E relative to Nifty P/E (%)



12-month forward Consumer P/B (x)



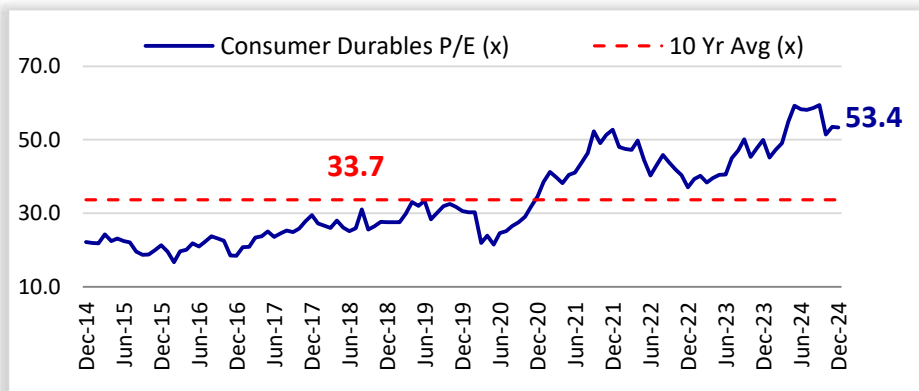
Consumer P/B relative to Nifty P/B (%)



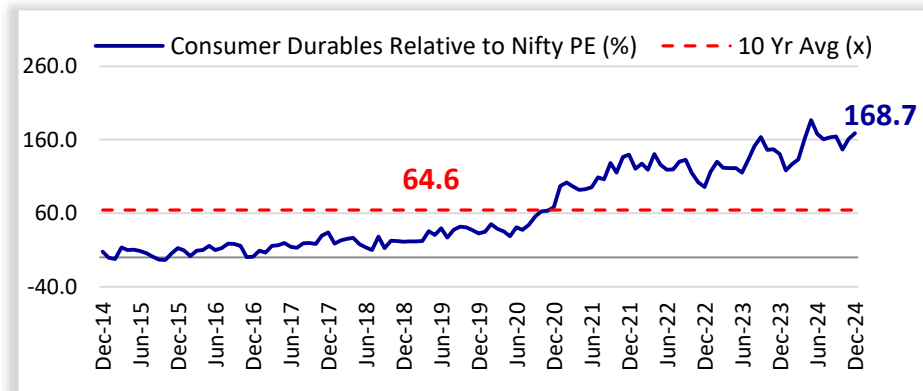


- The Consumer Durables sector trades at a one-year forward P/E multiple of 53.4x, at a 58% premium to its 10-year average P/E of 33.7x.
- On a P/B basis, the sector trades at 9.2x at a 72% premium to its 10-year average multiple of 5.3x.
- Demand for cooling products was soft due to the seasonality impact. Other home appliances' (e.g., washing machine, television) sales were sluggish and below expectations, despite the wedding season. While demand picked up during the festive period, it moderated thereafter.
- Cables and wires growth remained strong during the quarter. Our interaction suggests that cable growth will be higher than wires. Copper prices declined in Nov-Dec'24, which also hurt wire demand.

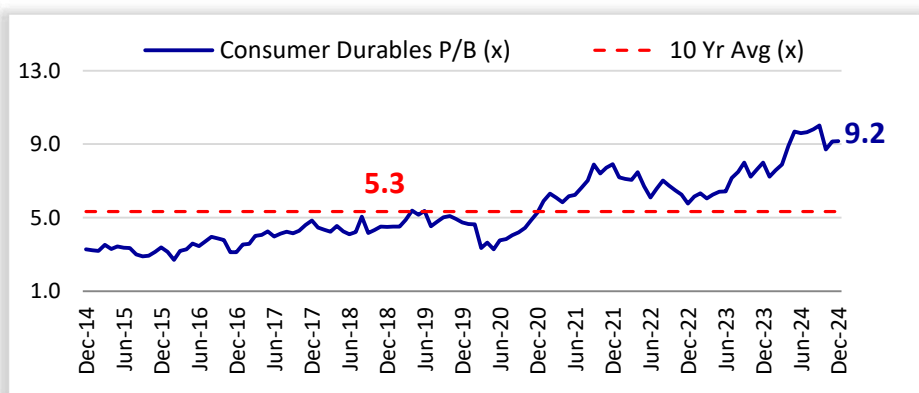
12-month forward Consumer Durables P/E (x)



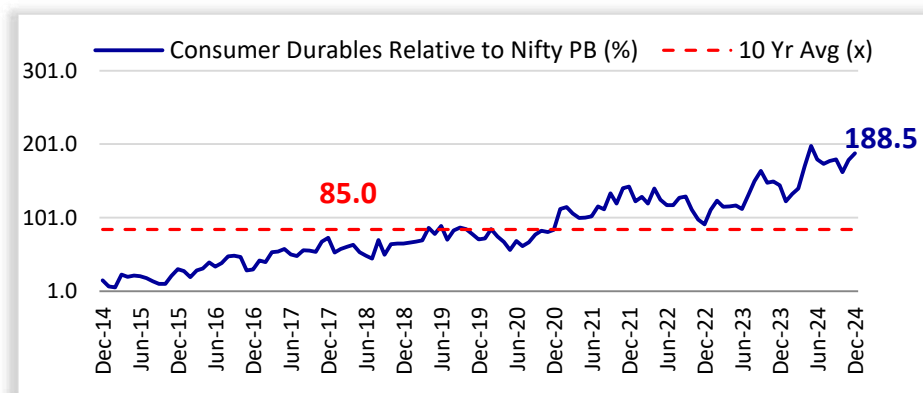
Consumer Durables P/E relative to Nifty P/E (%)



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



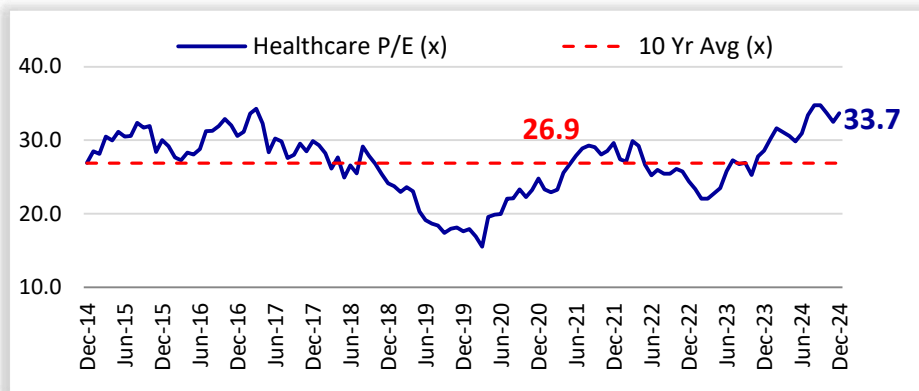
Consumer Durables P/B relative to Nifty P/B (%)



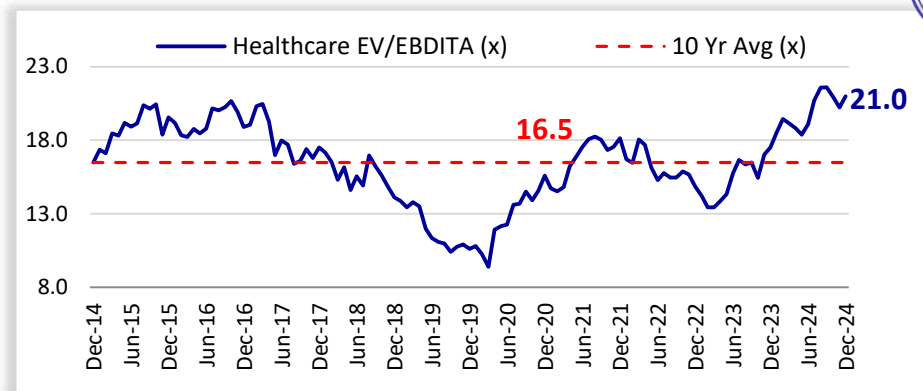


- While the Healthcare sector valuation witnessed some moderation over the past one month, it is still trading at a 25% premium to its 10-year average at a P/E of 33.7x.
- The US generics outlook is expected to soften due to limited visibility of niche product launches over FY25-27. Interestingly, the pace of approvals is also lower over the recent past compared to its two-year quarterly avg. of 53. The reduced approvals/launches may abate price erosion somewhat.
- The domestic formulation segment witnessed healthy growth supported by growth in the acute therapy. Companies remain focused on adding products in the chronic category partly through in-licensing to gain exclusivity.
- CDMO prospects remain encouraging given innovator customer inclination to diversify its supplier base to China+1.
- Hospitals to sustain the growth momentum, primarily driven by volume growth on the back of new capacity addition.

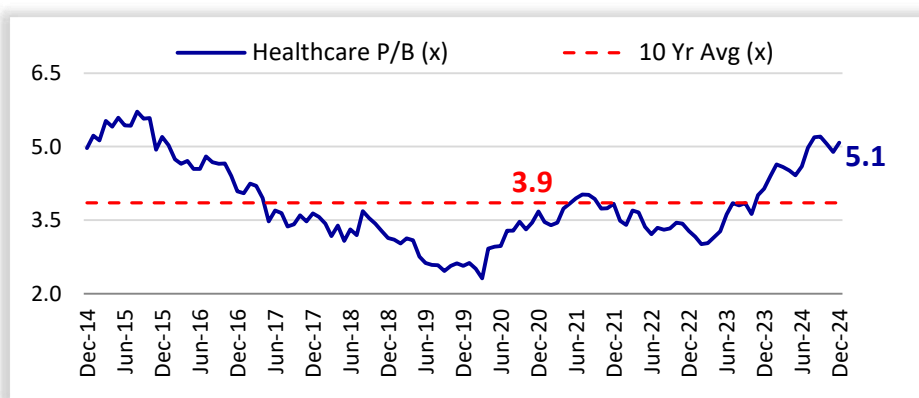
12-month forward Healthcare P/E (x)



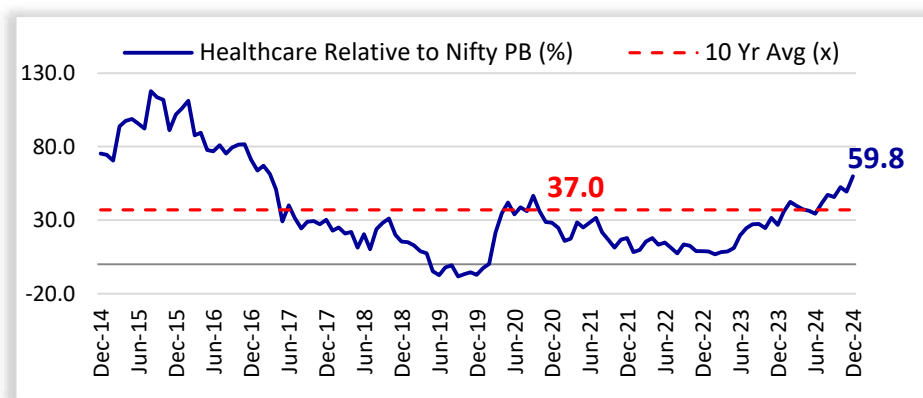
12-month forward Healthcare EV/EBITDA (x)



12-month forward Healthcare P/B (x)



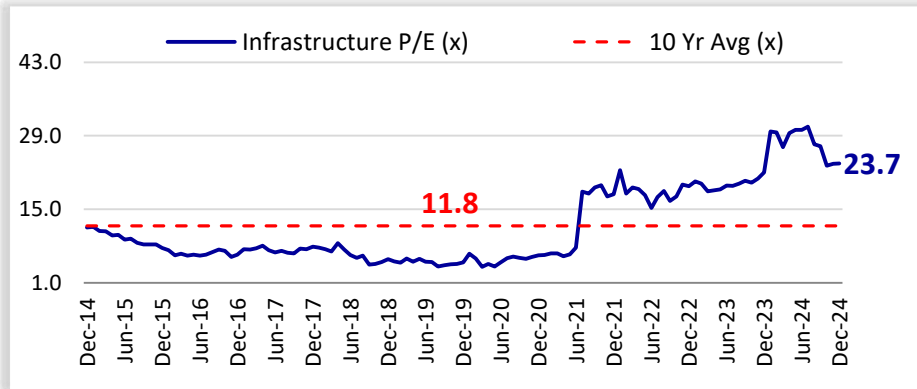
Healthcare P/B relative to Nifty P/B (%)



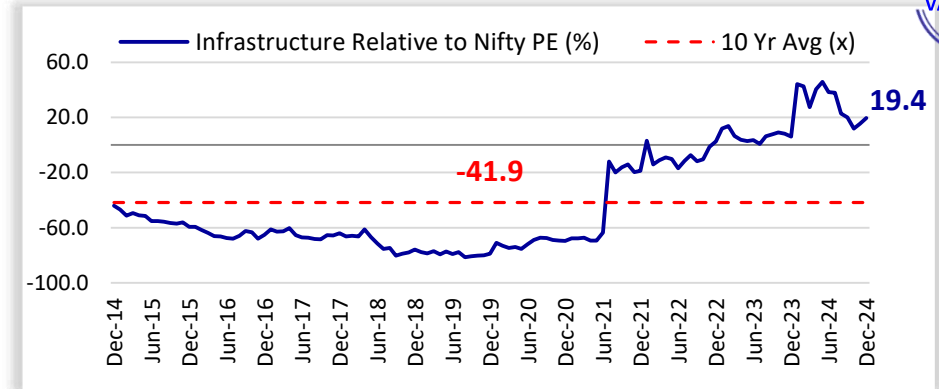


- The Infrastructure sector is trading at a P/B of 2.1x, at a 66% premium to its long-term historical average.
- NHAI's project awarding picked continues to remain muted at the end of Dec'24, with only ~680km being awarded in FY25YTD. Muted awarding activity by NHAI in FY24 and 1HFY25 and fierce competition in NHAI projects from new and inexperienced players have hit order inflows for large players. Project awarding is expected to pick up further in 4QFY25, with an uptick in execution expected from FY26 onwards only.
- Toll collections remained flat MoM in Nov'24 at INR61b, with a daily run rate of ~INR2b (up 2.6% MoM).

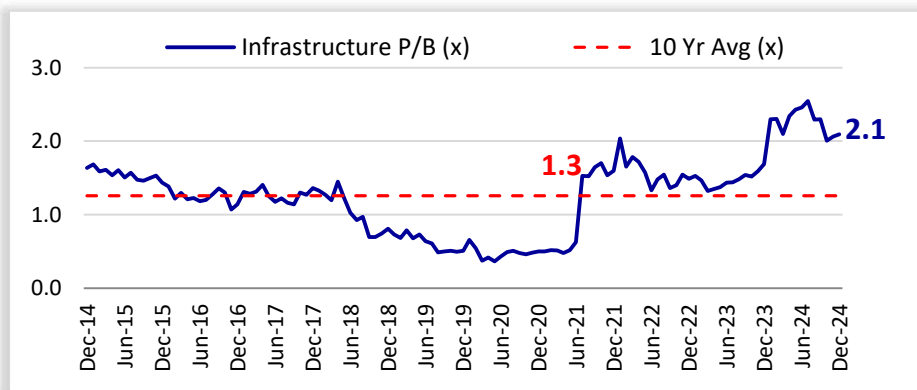
12-month forward Infrastructure P/E (x)



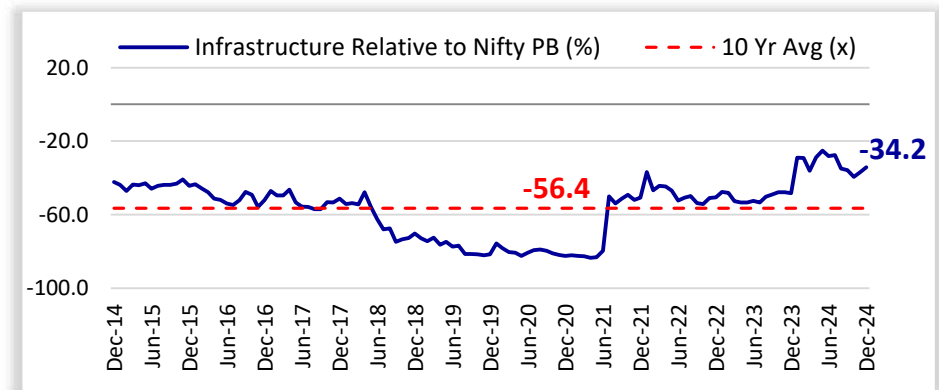
Infrastructure P/E relative to Nifty P/E (%)



12-month forward Infrastructure P/B (x)



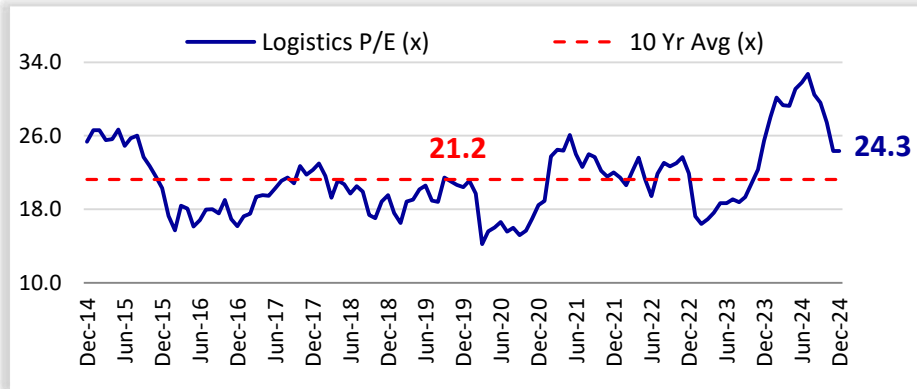
Infrastructure P/B relative to Nifty P/B (%)



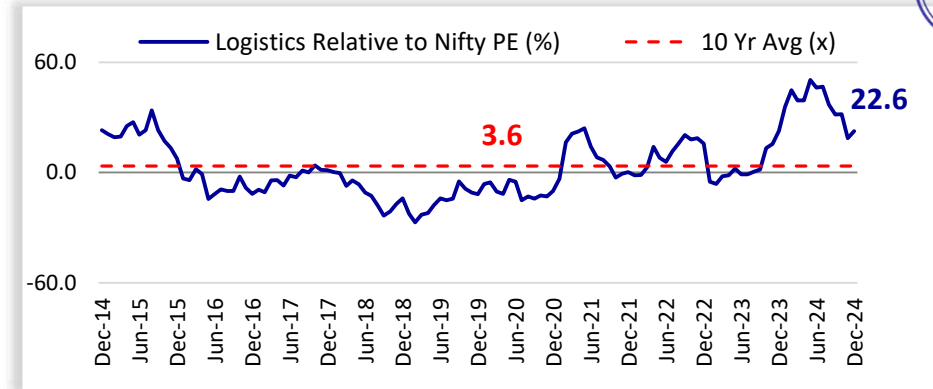


- The Logistics sector is trading at a P/E ratio of 24.3x, above its historical average of 21.2x (at a 15% premium).
- Logistics operations picked up in Oct-Dec'24 with the onset of the festive season. Fleet utilization was ~80%. Daily avg. FASTag toll collections rose ~15% YoY in Nov'24 (flat MoM).
- 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 remain elevated in 4QFY25 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-budget 2025, 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.

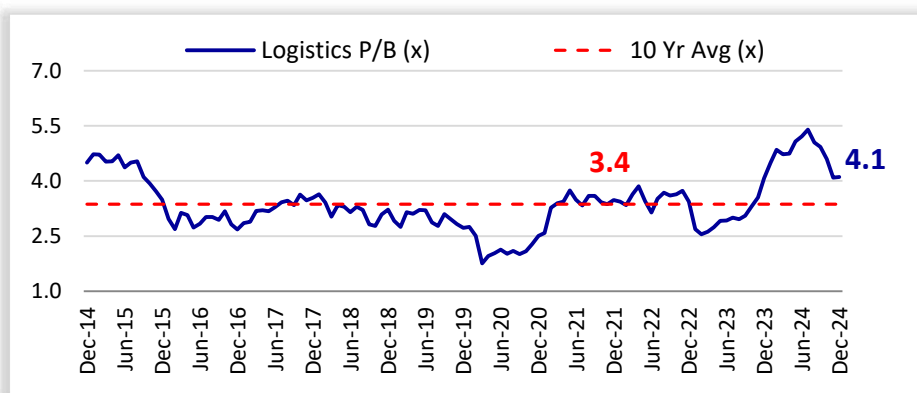
12-month forward Logistics P/E (x)



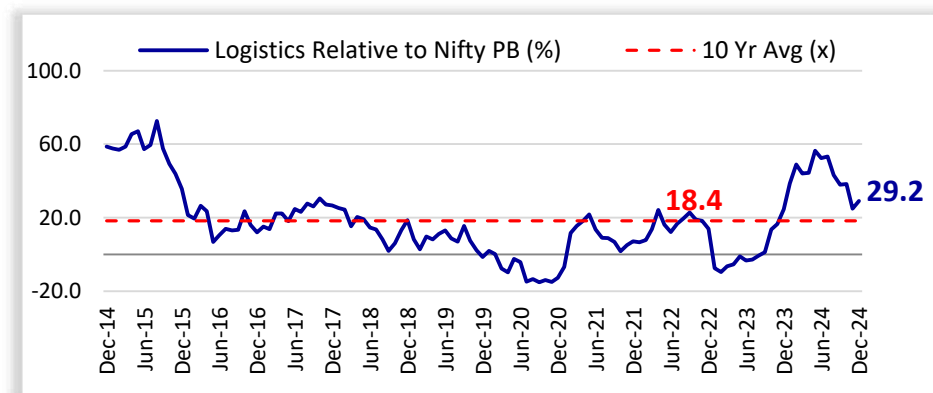
Logistics P/E relative to Nifty P/E (%)



12-month forward Logistics P/B (x)



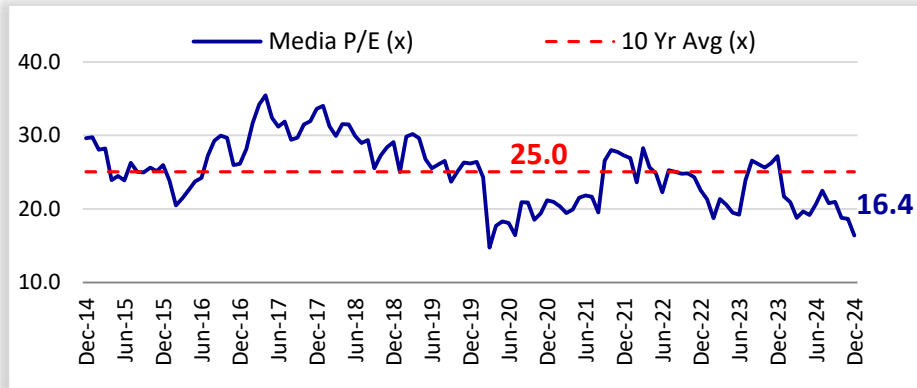
Logistics P/B relative to Nifty P/B (%)



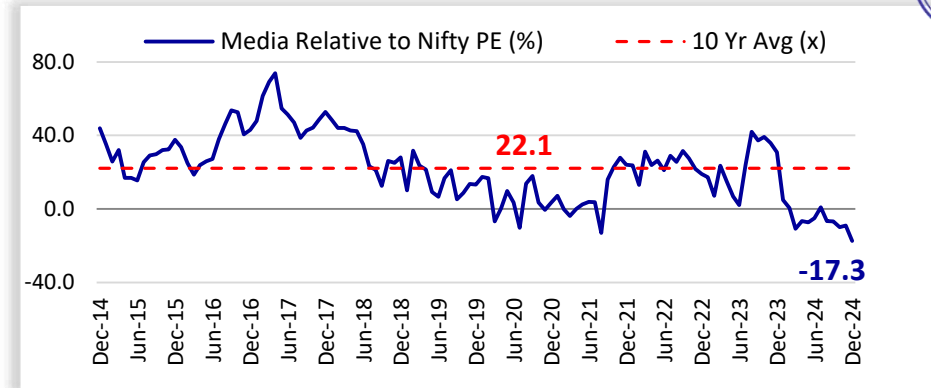


- The P/E ratio for the Media sector, at 16.4x, is at a 34% discount to its 10-year historical average of 25x.
- Communications minister Jyotiraditya Scindia stated that regulating Over-The-Top (OTT) platforms falls under the I&B ministry's jurisdiction. Telecom operators are urging OTTs to share infrastructure costs, but OTTs argue this would stifle innovation. Scindia also supports establishing a dedicated telecom equipment manufacturing zone to boost India's self-reliance.
- Sony Pictures Networks India (SPNI), which abandoned a merger with Zee Entertainment earlier this year, is considering mergers and acquisitions (M&As) to address portfolio gaps while focusing on rebuilding by strengthening its TV and streaming brands.

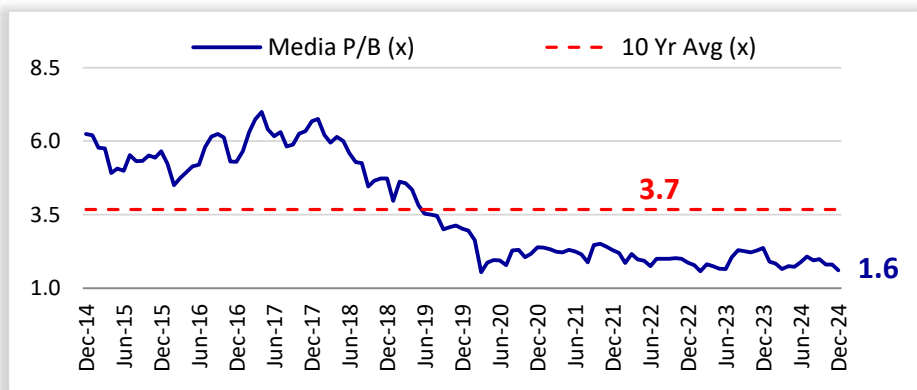
12-month forward Media P/E (x)



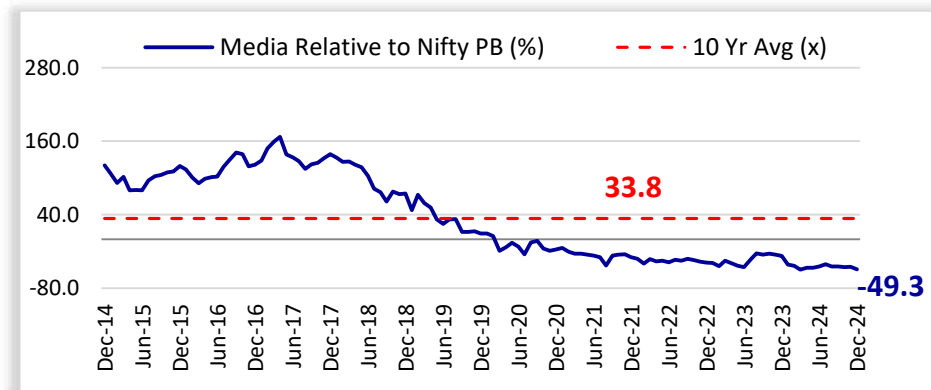
Media P/E relative to Nifty P/E (%)



12-month forward Media P/B (x)



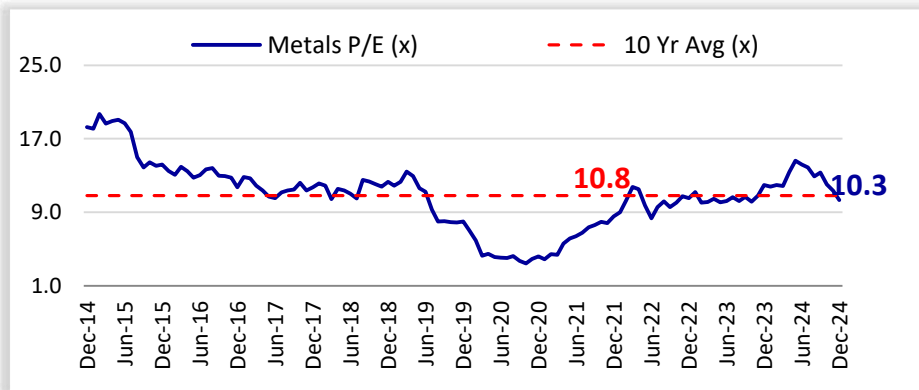
Media P/B relative to Nifty P/B (%)



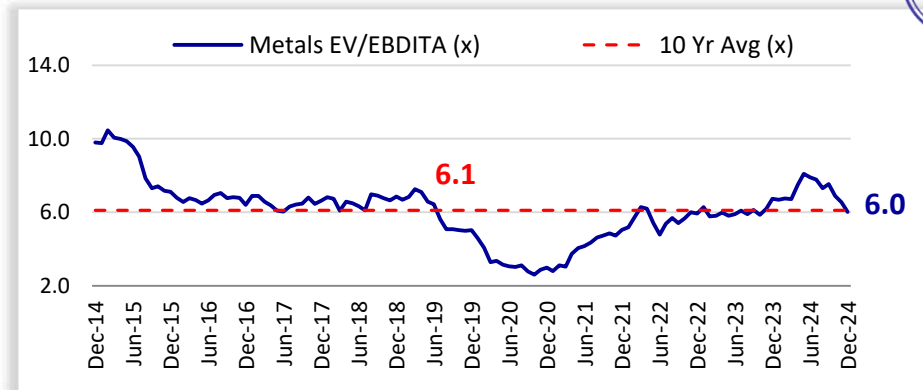


- The Metals sector's EV/EBITDA is hovering close to its 10-year historical average of 6.1x amid weakness in global demand and pricing.
- Flat steel prices remained weak, reaching INR46,500/t MoM in Dec'24 on account of higher cheap imports. Rebar prices currently trade at a premium to flat steel prices at INR53,000/t in Dec'24.
- Coking coal prices moderated marginally to USD210/t in Dec'24 from USD220/t in Nov'24.
- Non-ferrous metal prices moderated MoM in Dec'24 due to weak demand sentiment.

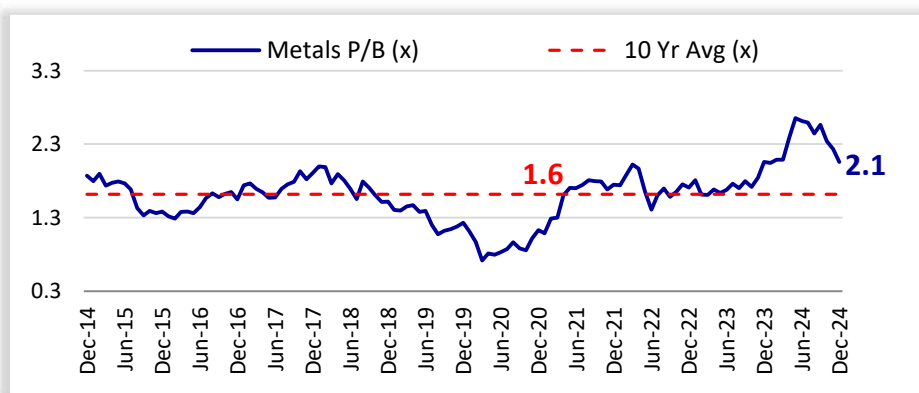
12-month forward Metals P/E (x)



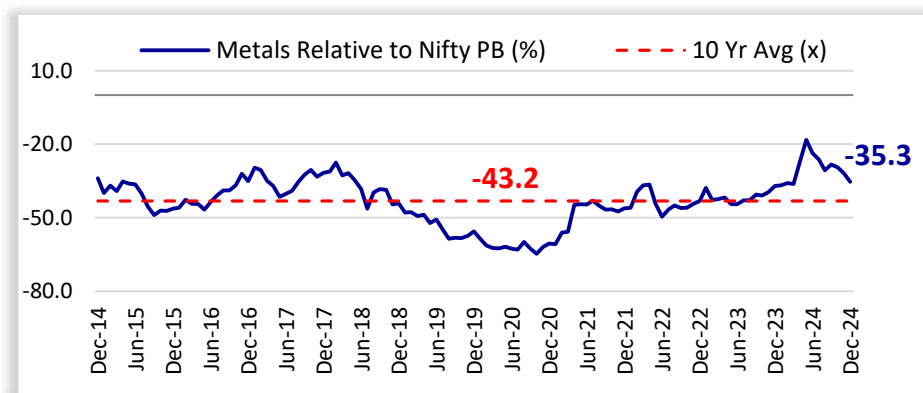
12-month forward Metals EV/EBITDA (x)



12-month forward Metals P/B (x)



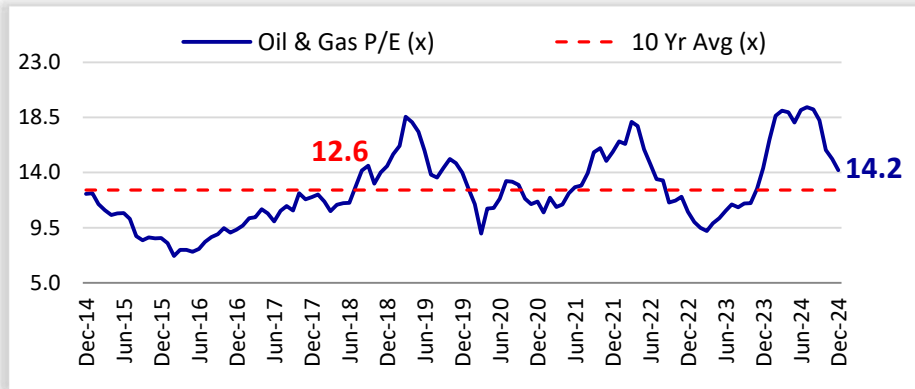
Metals P/B relative to Nifty P/B (%)



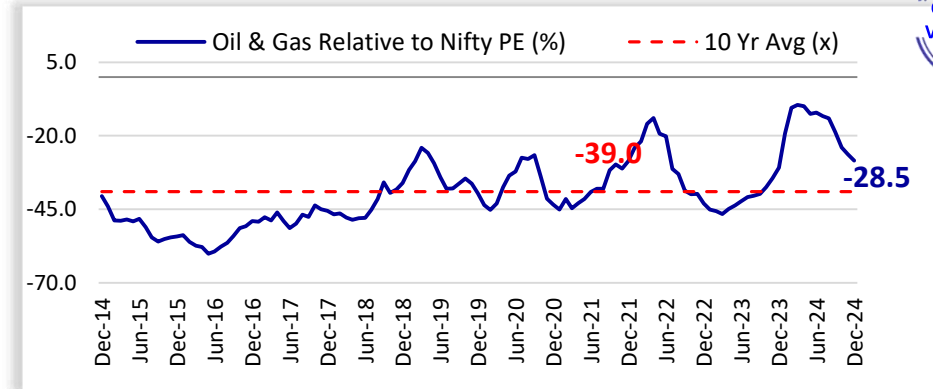


- The sector is trading at a P/B of 1.5x (at par) and a P/E of 14.2x (at a 13% premium) vs. its historical average of 1.5x P/B and 12.6x P/E.
- Brent crude oil price averaged USD74/bbl in Dec'24 (vs. USD74.3/bbl in Nov'24). Oil prices remained weak MoM amid weaker Chinese demand outlook and looming oversupply risks.
- SG GRM stood at USD6/bbl in Dec'24 (USD6/bbl in Nov'24 too). Diesel cracks decreased to USD9.3/bbl in Dec'24 (vs. USD10.1/bbl in Nov'24). Gasoline cracks also increased to USD13.9/bbl in Dec'24 from USD11.9/bbl in Nov'24.
- Gross marketing margin for petrol declined to INR12.7/lit in Dec'24 from INR14/lit in Nov'24, while gross marketing margin for diesel stood at INR10.3/lit vs. INR10.4/lit in Nov'24. Spot LNG price was USD14.5/mmBtu in Dec'24 (up 3% MoM vs. USD14.1/mmBtu in Nov'24).

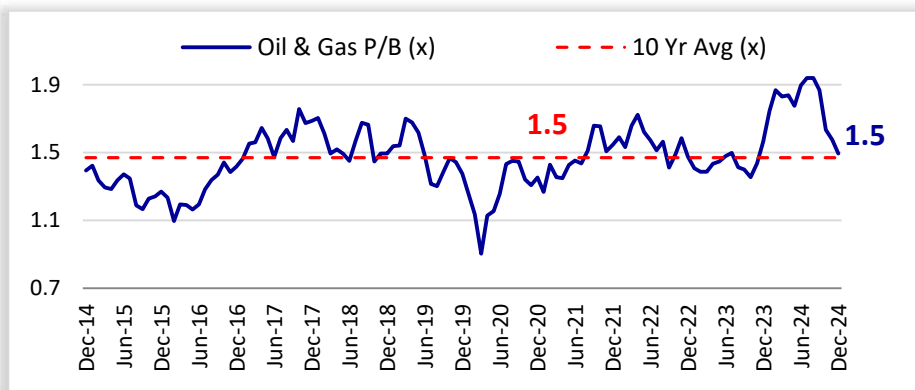
12-month forward Oil & Gas P/E (x)



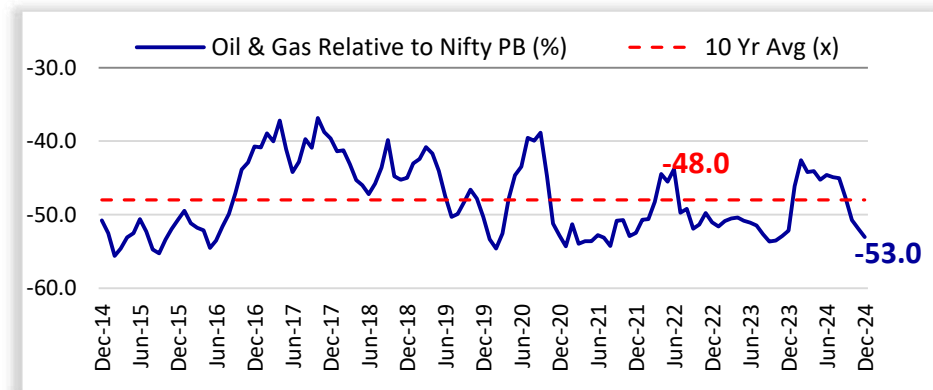
Oil & Gas P/E relative to Nifty P/E (%)



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



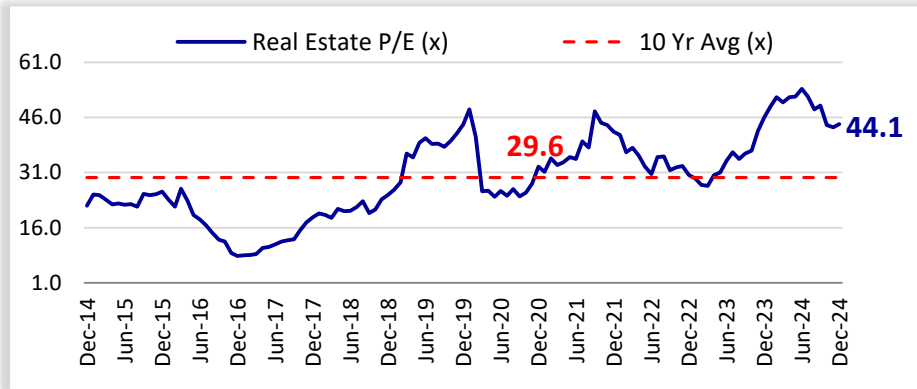
Oil & Gas P/B relative to Nifty P/B (%)



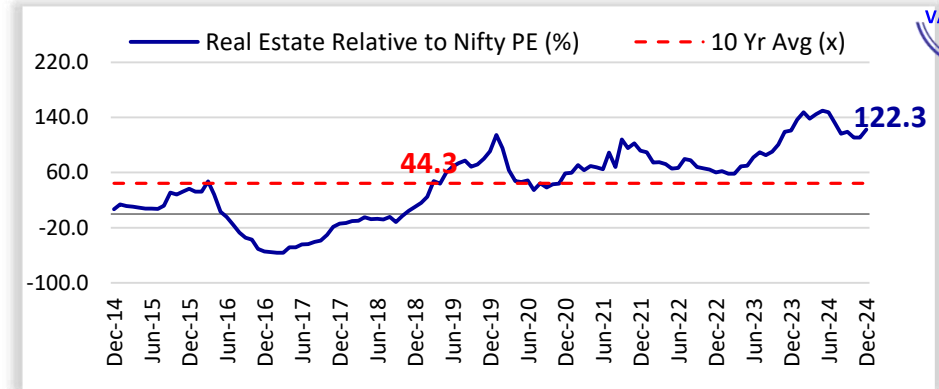


- The sector is trading at a P/E of 44.1x, at a 49% premium to its 10-year historical average of 29.6x.
- According to Cushman & Wakefield, gross leasing for 9MCY24 already reached ~67msf and is likely to breach 80msf. Thus, CY24 will close at a historical high in terms of overall leasing volumes.
- As per Anarock, housing volumes faced a marginal 4% drop during CY24, after growing 71%, 54%, and 31% in CY21, CY22, and CY23, respectively.

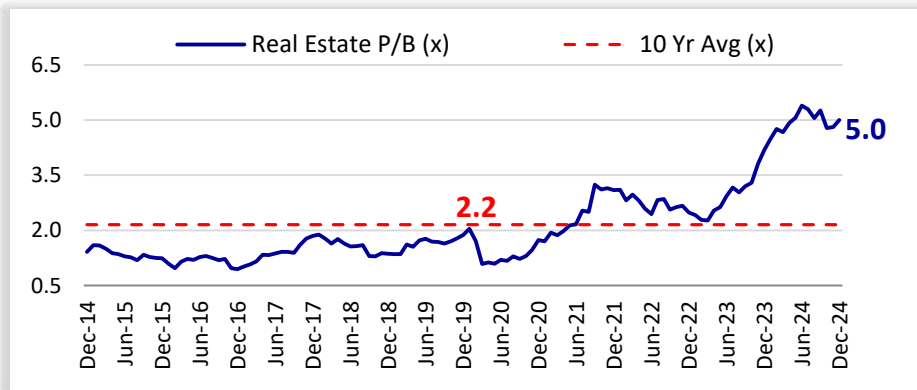
12-month forward Real Estate P/E (x)



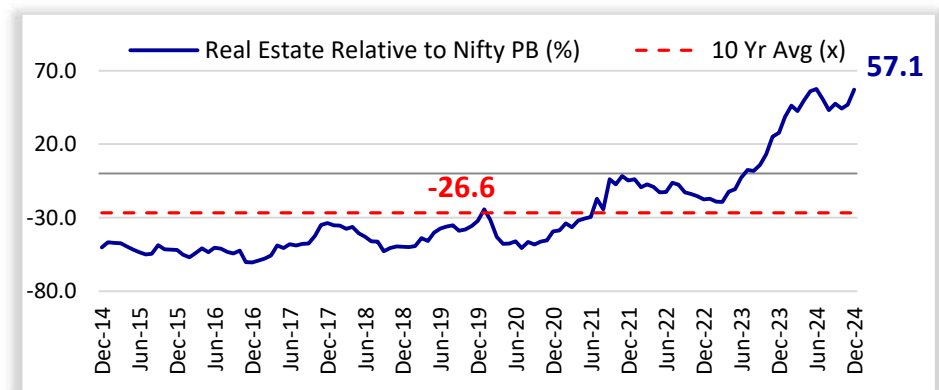
Real Estate P/E relative to Nifty P/E (%)



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



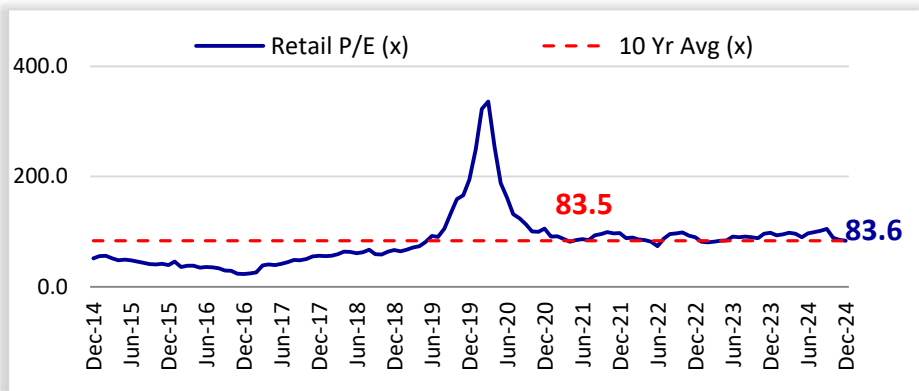
Real Estate P/B relative to Nifty P/B (%)



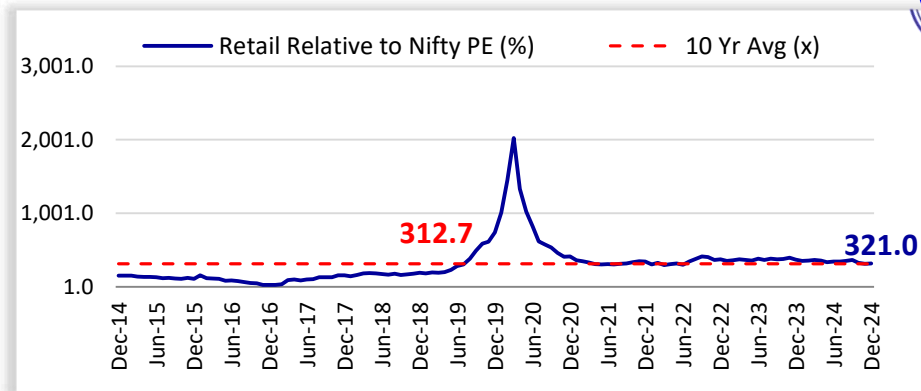


- The sector is trading at a P/E ratio of 83.6x, which is just at par with its 10-year historical average of 83.5x.
- Malls are concerned over some retailers (Levis, Bata, Puma, Woodland, Wrangler, Biba, Adidas, Flipkart, Myntra, Nykaa Fashion, Shoppers Stop, and Lifestyle) making an early start to the End of Season Sale (EOSS) this year instead of waiting for all brands to go on sale together.
- Kirana stores are feeling the heat from quick commerce, with 80% reporting lost business. To combat this, they're turning to digitalization, partnering with e-commerce platforms, and improving customer service. While concerned about survival, most are optimistic about growth within the next two years by embracing online strategies.

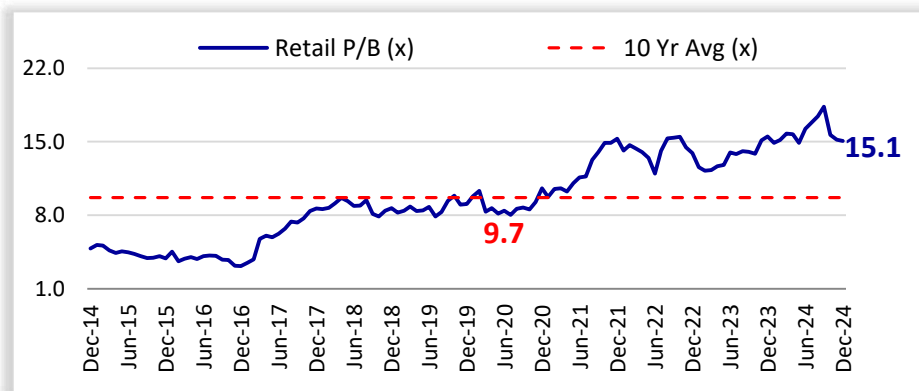
12-month forward Retail P/E (x)



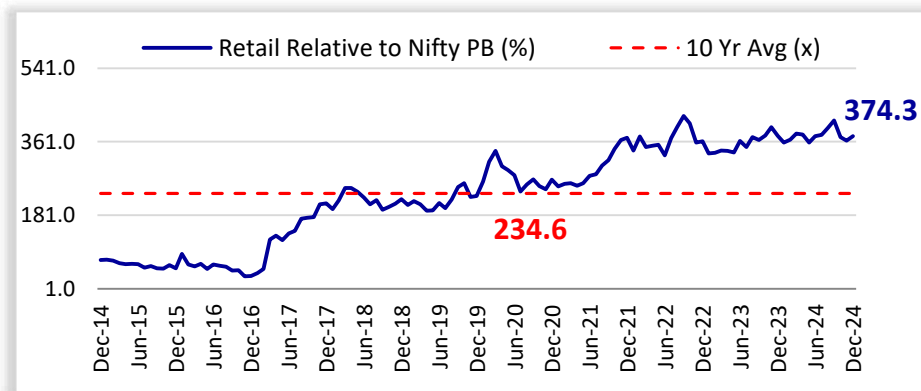
Retail P/E relative to Nifty P/E (%)



12-month forward Retail P/B (x)



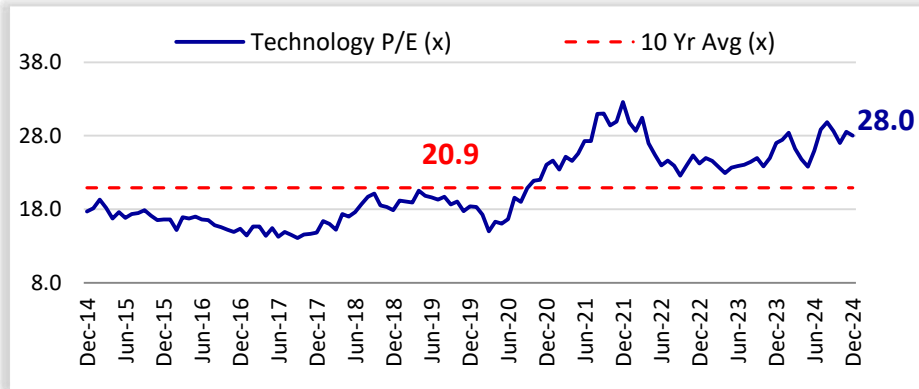
Retail P/B relative to Nifty P/B (%)



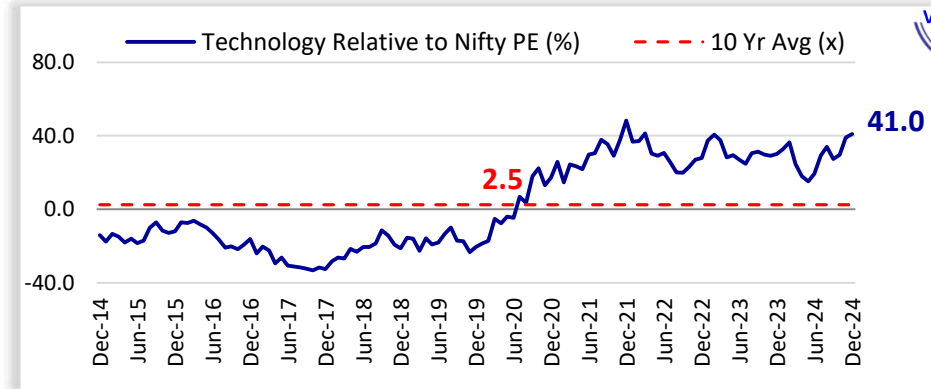


- The sector is trading at a P/E ratio of 28x, at a 34% premium to its long-term average of 20.9x.
- While 2Q results were encouraging, we expect seasonal furloughs to impact sector growth in 3QFY25. However, a gradual recovery is underway, with signs of improvement extending beyond US BFSI—which continues to show strength—into other verticals like hi-tech, recovering faster than anticipated.
- Margins across the sector are expected to face pressure due to wage hikes and furlough-related challenges. Net headcount addition is likely to be modest, owing to lower working days coupled with gradual demand recovery. Revenue growth and pyramid optimization will be key drivers for margin expansion, and currency fluctuations are expected to pose a headwind for Indian IT services companies.

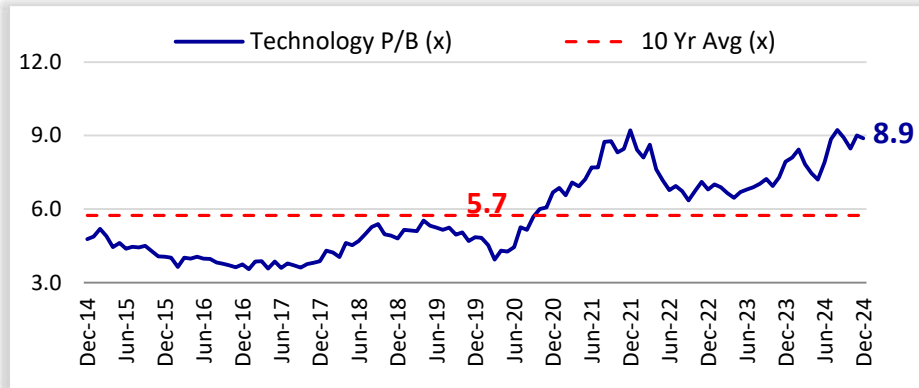
12-month forward Technology P/E (x)



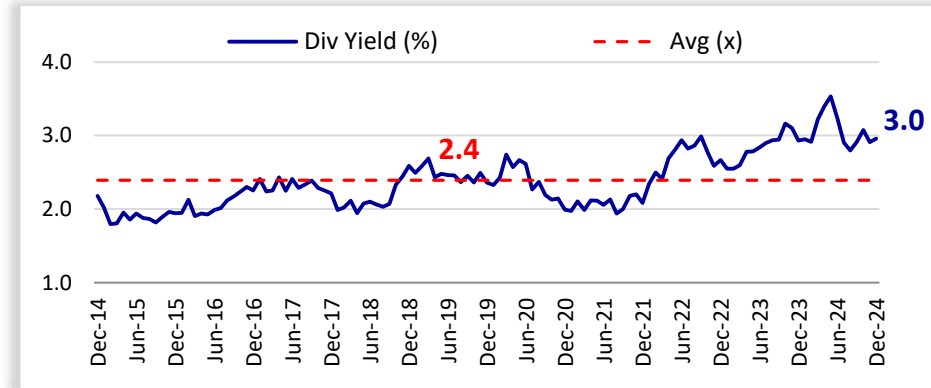
Technology P/E relative to Nifty P/E (%)



12-month forward Technology P/B (x)



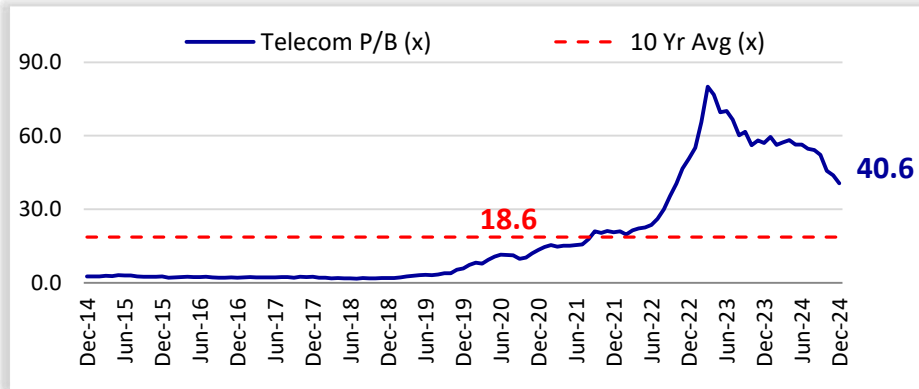
Technology Div Yield (%)



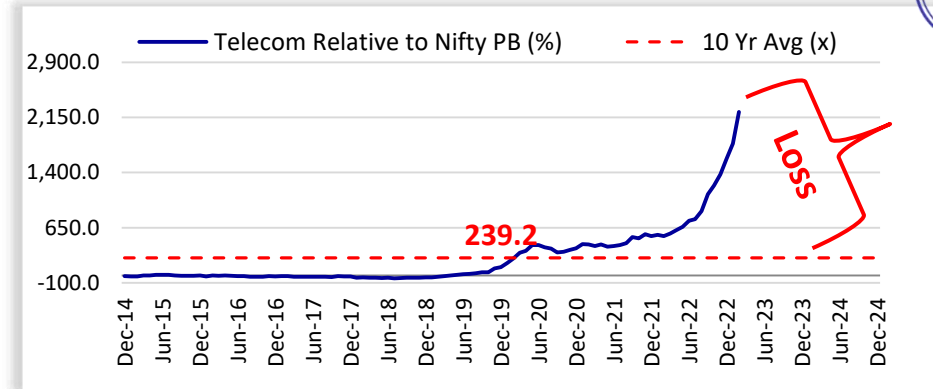


- The sector is trading at an EV/EBITDA ratio of 9.7x, at a 9% premium to its 10-year historical average of 8.9x.
- Price-sensitive mobile users can now opt for voice and SMS-only packs as mandated by TRAI, benefiting 150 million remaining 2G users. Despite private carriers' opposition, this move may slow down migration to 4G and 5G, impacting ARPU growth.
- Rjio added more active users than Bharti Airtel in Oct'24. However, Bharti Airtel strongly boosted its base of higher-paying 4G/5G users while its bigger rival lost such customers in that month. VIL continues to lose both gross and active subscribers.

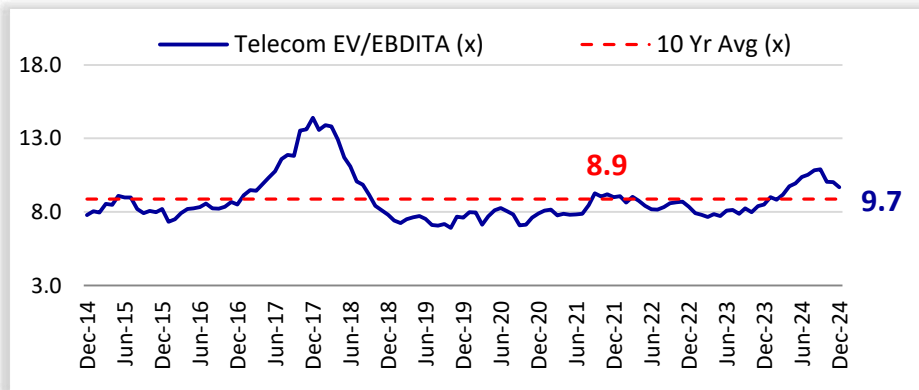
12-month forward Telecom P/B (x)



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



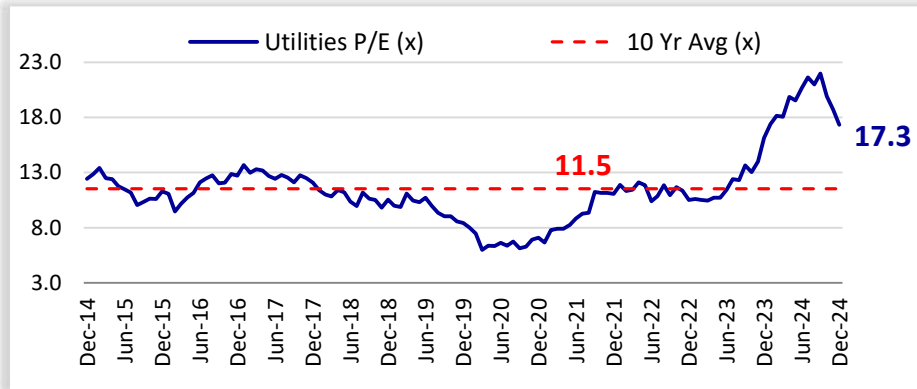
12-month forward Telecom EV/EBITDA (x)



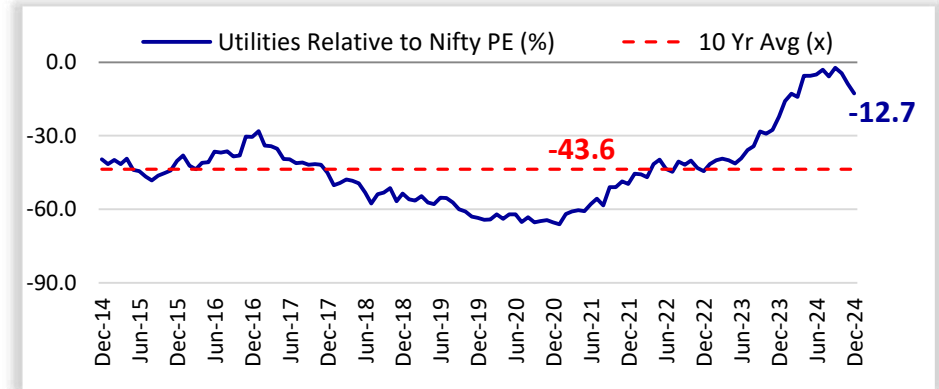


- The sector is trading at a P/B of 2.5x (at a 68% premium) and a P/E of 17.3x (at a 50% premium) vs. its historical average of 1.5x P/B and 11.5x P/E, respectively.
- Nov'24 recorded a marginal rise in peak power demand, reaching 207GW (Nov'23: 204GW), continuing the upward trend observed in recent years.
- India's total power generation stood at 134BU in Nov'24, up from 128BU in Nov'23.
- Generation capacity of 2,315MW was added in Nov'24, with the renewable energy sector contributing 2,305 MW (nearly 100%) and thermal only 10 MW, reflecting a strong focus on clean energy.
- India's power consumption rose 5% to 125BU in Nov'24, compared to 119BU in Nov'23.

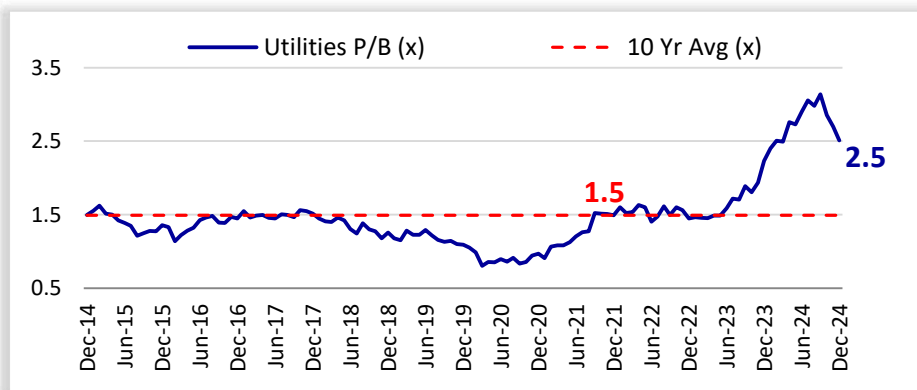
12-month forward Utilities P/E (x)



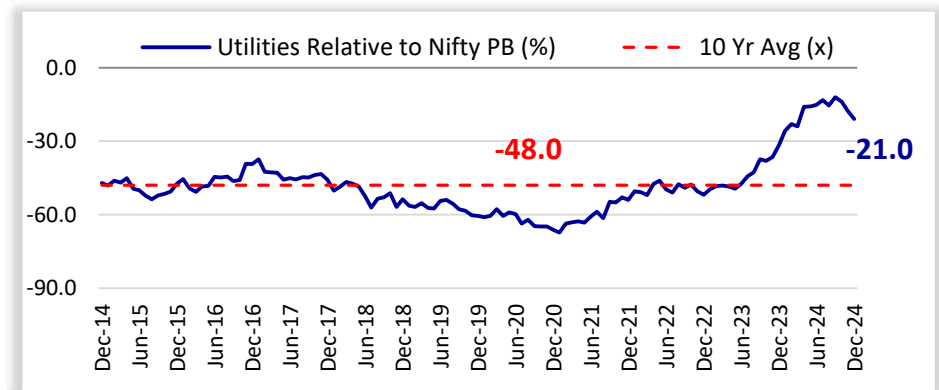
Utilities P/E relative to Nifty P/E (%)



12-month forward Utilities P/B (x)



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





Company	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
Automobiles	23.3	27.6	-16	36.4	18.9	17	35	4.2	3.5	21	4.1	2.9	32	23
Amara Raja Energy	20.2	22.6	-11	30.3	15.0	2	10	2.6	3.6	-26	5.3	1.9	-17	27
Ashok Leyland	19.1	21.7	-12	28.2	15.2	-4	6	5.6	4.3	29	5.4	3.3	76	53
Apollo Tyres	19.5	15.6	26	20.7	10.4	-2	-24	1.7	1.1	47	1.5	0.8	-47	-59
Balkrishna Inds	27.9	22.7	23	31.6	13.8	41	11	4.9	4.0	24	5.3	2.7	56	41
Bajaj Auto	24.0	18.6	29	22.6	14.6	21	-9	8.3	4.7	76	6.3	3.1	160	66
Bharat Forge	35.5	43.8	-19	68.4	19.1	79	113	7.0	5.4	28	6.9	3.9	119	91
Bosch	40.5	38.8	4	45.7	31.8	104	89	7.1	5.6	26	7.1	4.1	123	99
CEAT	19.6	18.7	5	30.4	7.0	-1	-9	2.7	1.8	50	2.3	1.3	-16	-37
Craftsman Auto	30.7	27.3	12	35.2	19.4	55	33	3.8	3.8	-2	4.4	3.2	18	35
Eicher Motors	28.6	31.6	-9	37.2	26.0	44	54	5.7	7.1	-19	9.6	4.5	80	150
Endurance Tech.	30.0	33.1	-9	40.0	26.2	51	61	4.8	5.0	-4	6.1	3.9	51	77
Escorts Kubota	30.1	18.3	65	27.4	9.1	52	-11	3.7	2.2	66	3.2	1.2	16	-21
Exide Inds.	27.1	21.5	26	26.9	16.0	36	5	2.4	2.4	0	3.2	1.5	-25	-16
Hero MotoCorp	17.1	18.3	-7	21.4	15.2	-14	-11	4.1	4.5	-7	5.7	3.2	30	58
CIE Automotive	19.8	24.3	-18	33.7	14.8	0	18	2.5	2.2	13	3.0	1.4	-22	-22
Mahindra & Mahindra	26.8	18.7	43	22.6	14.8	35	-9	5.2	2.8	83	3.6	2.0	63	0
Maruti Suzuki	22.3	30.3	-26	40.4	20.2	12	48	3.4	4.1	-18	4.8	3.3	6	45
MRF	26.5	24.0	10	34.9	13.0	33	17	2.8	2.4	19	2.8	2.0	-12	-17
Samvardhana	22.9	43.7	-48	68.5	19.0	15	113	2.9	3.2	-8	4.4	1.9	-8	12
Sona BLW Precis.	46.5	67.3	-31	85.3	49.3	134	228	9.7	12.4	-22	15.2	9.7	204	339
Tata Motors	11.7	17.6	-34	26.7	8.6	-41	-14	2.2	2.1	5	3.0	1.2	-30	-26
Tube Investments	59.9	43.5	38	68.4	18.6	201	112	10.2	7.2	42	10.7	3.7	221	154
TVS Motor	36.8	32.0	15	40.1	23.9	85	56	9.5	6.9	36	8.9	5.0	198	145
Banks-Private	15.9	21.1	-24	26.3	15.8	-20	3	2.3	2.5	-9	2.8	2.2	-28	-10
AU Small Finance	14.9	28.5	-48	38.4	18.6	-25	39	2.2	4.1	-45	5.2	2.9	-30	43
Axis Bank	11.2	38.2	-71	90.1	-13.6	-43	86	1.7	2.0	-17	2.3	1.7	-48	-30
Bandhan Bank	6.1	22.2	-72	32.4	11.9	-69	8	0.9	3.1	-69	4.7	1.4	-70	8
DCB Bank	5.2	12.3	-58	17.8	6.8	-74	-40	0.6	1.2	-48	1.8	0.7	-80	-56
Equitas Small Fin.	10.2	15.6	-35	21.8	9.4	-49	-24	1.1	1.4	-22	1.7	1.1	-66	-51
Federal Bank	10.3	11.8	-13	16.8	6.9	-48	-42	1.3	1.2	15	1.5	0.9	-58	-59
HDFC Bank	18.2	20.7	-12	23.2	18.2	-8	1	2.5	3.2	-21	3.6	2.7	-21	12
ICICI Bank	18.2	21.7	-16	31.6	11.7	-8	6	2.9	2.2	35	2.7	1.6	-8	-23
IDFC First Bank	12.3	18.6	-34	24.6	12.7	-38	-9	1.2	1.3	-10	1.6	1.1	-62	-53
IndusInd Bank	8.0	18.7	-57	26.0	11.5	-60	-9	1.0	2.4	-58	3.4	1.3	-69	-16
Kotak Mah. Bank	17.0	26.5	-36	31.7	21.3	-15	29	2.2	3.3	-35	3.8	2.8	-32	17
RBL Bank	6.2	24.8	-75	40.4	9.2	-69	21	0.6	1.6	-63	2.6	0.6	-82	-44



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
Banks-PSU	7.1	8.6	-17	13.1	4.1	-64	-58	1.1	0.9	33	1.1	0.6	-64	-70
Bank of Baroda	6.3	5.6	12	7.1	4.1	-68	-73	0.9	0.8	16	1.0	0.6	-71	-72
Canara Bank	5.1	4.5	14	5.4	3.5	-74	-78	0.9	0.6	36	0.8	0.4	-73	-77
Indian Bank	6.5	9.9	-35	19.9	-0.1	-67	-52	1.0	0.6	62	0.9	0.3	-68	-78
Punjab Natl.Bank	6.8	10.6	-35	14.4	6.8	-66	-48	0.9	0.8	18	1.1	0.4	-72	-73
St Bk of India	8.2	12.1	-32	20.3	4.0	-58	-41	1.3	1.1	18	1.4	0.9	-58	-60
Union Bank (I)	5.5	6.1	-10	9.3	2.9	-72	-70	0.8	0.6	32	0.8	0.4	-75	-79
NBFC	12.6	12.4	2	14.7	10.1	-37	-40	2.0	1.8	7	2.1	1.5	-38	-35
360 ONE WAM	40.4	24.4	65	31.5	17.4	103	19	7.3	4.3	69	5.3	3.3	129	52
AAVAS Financiers	19.5	35.7	-45	47.6	23.8	-2	74	2.7	4.5	-40	6.0	3.0	-14	60
Aditya Birla Cap	11.2	18.3	-39	25.9	10.6	-44	-11	1.4	1.8	-24	2.7	1.0	-56	-35
Angel One	15.9	12.2	30	16.4	8.0	-20	-40	3.7	4.0	-8	5.2	2.7	15	40
Bajaj Fin.	21.1	31.1	-32	40.9	21.3	6	52	3.8	5.2	-27	7.0	3.5	19	84
Cams Services	44.4	36.9	20	45.7	28.2	123	80	20.1	15.2	33	18.7	11.6	532	435
Can Fin Homes	10.7	13.7	-22	17.9	9.5	-46	-33	1.7	2.4	-27	3.2	1.6	-45	-15
Cholaman.Inv.&Fn	18.0	18.7	-4	22.5	14.9	-9	-9	3.4	3.2	5	4.0	2.5	7	15
CreditAccess	9.5	24.7	-61	40.0	9.4	-52	20	1.6	2.6	-38	3.2	2.1	-49	-8
Five-Star Business	18.6	20.2	-8	22.1	18.3	-6	-2	3.1	3.4	-6	3.7	3.0	-1	19
Fusion Finance	7.0	15.0	-53	26.4	3.6	-65	-27	0.6	1.7	-63	2.3	1.1	-80	-40
Home First Fin.	21.1	24.3	-13	27.8	20.8	6	19	3.4	3.4	0	3.7	3.0	6	19
IndoStar Capital	18.0	16.5	9	20.1	13.0	-9	-19	1.1	1.0	6	1.3	0.7	-67	-65
L&T Finance	10.2	14.7	-30	17.9	11.4	-48	-29	1.2	1.5	-17	2.0	0.9	-62	-48
LIC Housing Fin.	6.4	9.5	-33	13.1	6.0	-68	-53	0.9	1.3	-36	2.0	0.7	-73	-53
M & M Fin. Serv.	11.3	17.1	-34	24.1	10.1	-43	-17	1.5	1.4	0	1.7	1.2	-54	-49
Manappuram Finance	6.9	7.5	-9	9.9	5.1	-65	-63	1.1	1.4	-25	1.9	0.9	-67	-50
MAS Financial	13.1	21.1	-38	27.0	15.2	-34	3	1.8	3.0	-40	3.8	2.2	-44	6
Muthoot Finance	14.7	10.3	42	13.1	7.5	-26	-50	2.7	2.0	32	2.6	1.5	-16	-28
PFC	8.3	3.8	115	5.9	1.8	-58	-81	1.5	0.7	125	1.0	0.3	-54	-77
Piramal Enterprises	20.9	17.2	22	23.4	11.0	5	-16	0.9	0.8	16	0.9	0.6	-72	-73
PNB Housing	10.3	11.1	-7	16.5	5.7	-48	-46	1.2	1.2	0	2.0	0.5	-61	-56
Poonawalla Fincorp	27.6	39.3	-30	77.7	1.0	39	92	2.7	2.1	27	3.3	1.0	-15	-25
REC	7.5	3.7	102	5.6	1.7	-62	-82	1.5	0.7	119	1.0	0.3	-54	-77
Repco Home Fin	5.8	12.2	-52	20.5	3.8	-71	-41	0.7	1.8	-61	3.2	0.4	-78	-37
Shriram Finance	11.4	10.5	9	13.5	7.5	-43	-49	1.8	1.4	24	1.8	1.0	-44	-50
Spandana Sphoorty	6.7	43.4	-85	81.4	5.5	-66	112	0.6	1.4	-58	1.9	0.9	-81	-49



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	39.3	28.8	36	34.7	22.9	98	40	7.2	4.0	79	5.4	2.6	127	42
ABB India	69.8	79.8	-13	99.0	60.6	252	289	16.0	9.1	75	13.0	5.3	403	223
Bharat Electronics	37.6	11.9	217	22.4	1.3	90	-42	8.9	2.6	238	5.2	0.0	179	-7
Cummins India	39.8	30.2	32	38.2	22.3	100	47	11.9	6.3	88	9.0	3.6	275	124
Hitachi Energy	106.3	81.5	31	118.2	44.7	436	297	28.1	11.8	137	19.2	4.5	784	318
KEC International	33.6	24.3	39	37.7	10.8	69	18	5.4	2.9	81	3.7	2.2	68	4
Kalpataru Proj.	21.8	15.3	43	19.1	11.4	10	-26	3.0	1.7	78	2.2	1.1	-6	-41
Kirloskar Oil	25.4	19.3	32	27.3	11.3	28	-6	4.5	2.3	97	3.5	1.0	41	-19
Larsen & Toubro	27.6	23.3	18	27.7	18.9	39	14	4.5	3.0	51	3.9	2.1	43	6
Siemens	79.2	63.2	25	82.0	44.5	299	208	13.7	7.2	90	10.1	4.3	330	154
Thermax	52.0	44.8	16	54.7	34.8	162	118	8.2	4.9	68	6.9	2.9	158	72
Triveni Turbine	54.2	34.2	58	43.4	25.1	173	67	16.0	8.8	82	12.5	5.2	403	211
Zen Technologies	58.5	40.4	45	60.1	20.7	195	97	10.9	4.7	134	6.5	2.8	242	64
Cement	36.7	28.2	30	35.5	20.8	85	37	3.2	2.6	21	3.1	2.2	1	-7
ACC	20.1	27.7	-27	35.4	20.1	1	35	2.1	2.7	-24	3.2	2.2	-35	-5
Ambuja Cem.	43.1	32.1	34	44.6	19.7	117	57	2.3	2.3	1	2.8	1.8	-26	-18
Birla Corpn.	24.1	29.1	-17	58.5	-0.2	21	42	1.4	1.3	8	1.6	0.9	-57	-56
Grasim Inds	25.4	15.1	68	21.1	9.1	28	-26	2.9	1.9	57	2.4	1.3	-8	-34
India Cements	na	43.2	na	71.7	14.8	na	111	2.4	0.9	149	1.4	0.5	-26	-67
J K Cements	39.5	31.1	27	46.0	16.2	99	52	5.5	3.6	55	4.7	2.4	73	26
JK Lakshmi Cem.	23.4	35.4	-34	67.7	3.0	18	72	2.7	2.6	2	3.3	1.9	-16	-7
Shree Cement	80.5	47.9	68	62.9	32.8	305	133	4.3	5.3	-18	6.2	4.4	36	87
The Ramco Cement	50.5	35.7	41	52.2	19.3	154	74	2.8	3.1	-8	3.7	2.5	-11	9
UltraTech Cem.	39.6	34.9	14	42.8	27.0	100	70	4.5	3.6	25	4.2	3.0	40	26
Consumer	42.7	41.8	2	45.6	38.1	115	104	10.5	10.3	2	11.2	9.4	229	263
Consumer Ex ITC	49.0	51.9	-6	58.6	45.3	147	153	11.5	13.2	-13	14.5	12.0	262	367
Asian Paints	42.8	55.8	-23	67.0	44.7	116	172	10.8	14.3	-24	17.0	11.6	240	405
Britannia Inds.	46.0	47.4	-3	55.0	39.7	132	131	23.5	20.8	13	27.8	13.8	638	634
Colgate-Palm.	44.8	40.7	10	46.1	35.2	126	98	30.5	24.6	24	30.0	19.1	860	768
Dabur India	43.6	46.4	-6	54.8	38.0	120	126	8.1	10.5	-23	11.6	9.4	153	271
Emami	27.1	28.3	-4	36.8	19.8	36	38	8.6	8.5	1	10.5	6.5	169	201
Godrej Consumer	44.0	45.5	-3	54.1	36.9	122	122	7.5	7.0	8	9.4	4.6	137	147
Hind. Unilever	46.9	52.9	-11	60.9	44.9	136	158	10.4	21.4	-51	33.2	9.5	228	655
Indigo Paints	39.5	66.3	-40	100.3	32.2	99	223	5.9	9.6	-39	13.9	5.3	86	240
ITC	27.1	24.0	13	28.9	19.0	37	17	7.5	5.7	33	6.8	4.5	137	101
Jyothy Lab.	34.6	34.1	1	43.9	24.3	74	66	7.1	5.3	36	6.9	3.6	124	86
Marico	46.4	43.0	8	48.8	37.1	133	109	19.9	15.6	27	18.1	13.1	525	452



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
Nestle India	57.9	59.5	-3	70.7	48.4	192	190	44.5	48.7	-9	72.5	24.9	1300	1619
P & G Hygiene	52.8	65.1	-19	75.2	55.0	166	217	44.3	41.3	7	55.0	27.5	1292	1358
Page Industries	68.3	66.7	2	80.0	53.4	244	225	26.9	28.0	-4	33.9	22.0	745	887
Pidilite Inds.	61.4	59.4	3	78.1	40.8	209	190	14.3	13.2	8	15.8	10.6	349	365
Tata Consumer	49.1	47.6	3	62.8	32.4	147	132	3.5	3.2	10	4.4	2.0	11	13
United Breweries	70.8	93.3	-24	125.6	61.1	257	355	11.2	9.6	16	11.0	8.2	252	239
United Spirits	78.9	62.8	26	75.2	50.4	297	206	12.4	13.3	-6	18.8	7.7	292	368
Varun Beverages	66.6	46.9	42	58.6	35.2	235	129	12.5	9.0	39	13.5	4.5	295	218
Consumer Durables	53.4	33.7	58	45.4	22.0	169	64	9.2	5.3	72	7.2	3.5	188	89
Havells India	59.4	50.6	17	64.9	36.3	199	147	11.3	9.1	23	11.5	6.8	254	222
KEI Industries	52.6	19.8	166	33.2	6.3	165	-4	6.6	3.3	101	4.9	1.7	108	16
Polycab India	50.2	28.5	77	40.2	16.7	153	39	10.0	5.4	86	7.9	2.8	215	90
Voltas	54.7	48.5	13	75.5	21.6	176	137	8.1	4.8	69	6.2	3.3	154	69
Chemicals	32.5	24.6	32	34.9	14.4	64	20	3.8	3.3	16	4.4	2.1	19	15
Alkyl Amines	36.8	34.9	5	64.1	5.8	85	70	5.9	6.5	-10	11.3	1.8	86	131
Atul	32.0	30.2	6	46.1	14.3	61	47	3.4	3.7	-6	4.7	2.6	8	30
Deepak Nitrite	33.8	22.2	52	33.5	11.0	70	8	5.5	3.9	39	6.1	1.8	72	38
Fine Organic	36.4	33.1	10	42.0	24.2	83	61	5.4	7.6	-28	9.1	6.0	71	168
Galaxy Surfactants	22.4	25.7	-13	31.6	19.7	13	25	3.4	4.6	-27	5.5	3.7	6	63
Navin Fluorine	42.7	36.0	19	61.7	10.4	115	76	5.7	5.0	14	7.9	2.1	80	77
NOCIL	28.8	19.1	51	27.9	10.4	45	-7	2.2	2.0	13	2.6	1.3	-30	-31
P I Inds.	29.2	32.3	-10	37.9	26.8	47	58	4.8	5.9	-19	6.9	5.0	51	109
SRF	36.9	26.6	39	40.7	12.5	86	30	5.0	4.1	22	5.8	2.4	57	44
Tata Chemicals	23.7	13.9	70	22.7	5.2	19	-32	1.2	0.8	41	1.1	0.5	-64	-71
Vinati Organics	36.6	34.9	5	48.9	20.9	84	70	6.0	6.5	-8	8.4	4.6	89	130
EMS	81.1	39.4	106	56.9	21.8	308	92	14.7	5.2	182	8.1	2.3	363	85
Amber Enterp.	70.9	50.9	39	72.5	29.4	257	148	9.5	4.2	127	5.9	2.6	200	49
Avalon Tech	65.6	65.5	0	83.4	47.6	230	219	9.2	6.0	53	7.2	4.8	189	112
Cyient DLM	30.7	49.4	-38	60.8	37.9	55	141	4.6	5.2	-13	5.8	4.7	44	85
Data Pattern	51.1	49.4	3	62.8	36.1	157	141	7.9	6.8	17	9.1	4.4	149	139
Dixon Tech.	107.8	57.8	87	95.5	20.0	443	182	32.9	13.1	151	21.7	4.5	935	363
Kaynes Tech	87.5	52.3	67	67.7	36.8	340	155	14.4	6.3	131	9.6	2.9	354	121
Syrma SGS Tech.	44.0	52.5	-16	65.6	39.3	122	156	5.4	4.6	18	5.8	3.4	71	62
Healthcare	33.7	26.9	25	31.3	22.5	70	31	5.1	3.9	32	4.7	3.0	60	36
Ajanta Pharma	34.2	24.7	38	30.2	19.3	72	21	7.6	5.7	33	7.6	3.8	139	101
Alembic Pharma	29.3	23.1	27	30.3	15.9	48	13	3.6	3.9	-8	5.3	2.6	13	39
Alkem Lab	27.6	24.4	13	29.8	18.9	39	19	5.0	4.2	19	4.8	3.6	57	48
Apollo Hospitals	61.3	81.9	-25	112.3	51.5	209	299	10.6	6.9	54	9.3	4.5	234	144
Aurobindo Pharma	19.5	16.2	21	20.0	12.3	-2	-21	2.2	2.6	-18	4.0	1.3	-32	-7



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
Biocon	88.4	60.9	45	94.0	27.9	345	197	2.1	3.5	-40	5.2	1.9	-34	24
Cipla	25.0	27.1	-8	33.1	21.1	26	32	3.6	3.3	9	3.9	2.7	14	18
Divi's Lab.	65.6	37.4	76	52.5	22.2	230	82	9.9	6.4	55	8.3	4.4	212	125
Dr Reddy's Labs	18.0	25.2	-29	34.6	15.8	-9	23	3.0	3.5	-12	4.2	2.7	-4	22
ERIS Lifescience	36.9	26.5	39	32.9	20.0	86	29	5.8	5.3	8	7.2	3.5	82	89
Gland Pharma	31.0	41.0	-24	54.1	27.8	56	100	2.9	4.6	-37	6.6	2.5	-10	61
Glaxosmit Pharma	41.2	54.6	-25	72.6	36.5	107	166	15.1	13.1	15	15.6	10.6	375	362
Glenmark Pharma.	27.9	22.9	22	30.0	15.8	41	12	4.3	3.1	41	4.7	1.4	36	8
Granules India	22.0	16.1	37	21.7	10.5	11	-21	3.4	2.6	33	3.3	1.8	7	-10
Ipca Labs.	40.1	32.0	26	45.1	18.9	102	56	5.5	3.6	52	4.5	2.7	73	28
Laurus Labs	61.4	40.0	54	64.4	15.5	209	95	6.8	4.6	48	6.7	2.5	114	62
Lupin	32.0	38.8	-17	54.3	23.2	61	89	5.4	3.9	40	5.3	2.4	71	36
Max Healthcare	53.6	34.6	55	43.6	25.7	170	69	8.7	5.0	74	6.8	3.2	173	76
Sun Pharma.Inds.	33.2	29.7	12	38.4	21.1	67	45	5.4	3.9	39	5.2	2.6	71	38
Torrent Pharma.	45.1	32.8	38	40.2	25.3	127	60	6.0	6.3	-4	7.4	5.1	90	122
Zydus Lifesciences	20.1	20.4	-2	25.2	15.7	1	0	3.4	3.7	-7	5.0	2.4	7	30
Infrastructure	23.7	11.8	101	19.5	4.2	19	-42	2.1	1.3	66	1.8	0.7	-34	-56
IRB Infra.Devl.	29.5	17.5	68	26.9	8.2	48	-14	2.3	1.2	84	1.8	0.6	-29	-56
KNR Construct.	21.3	14.5	47	18.9	10.1	7	-29	2.3	2.2	5	2.7	1.7	-27	-22
Media	16.4	25.0	-34	29.5	20.6	-17	22	1.6	3.7	-56	5.5	1.9	-49	30
PVR Inox	59.6	45.0	32	60.0	29.9	200	119	1.7	3.9	-56	5.3	2.5	-47	36
Sun TV Network	13.1	15.6	-16	21.0	10.2	-34	-24	2.2	3.5	-37	5.0	1.9	-32	22
Zee Entertainment	13.5	35.0	-61	48.8	21.2	-32	71	1.0	3.8	-75	6.0	1.6	-69	35
Logistics	24.3	21.2	15	25.2	17.3	23	3	4.1	3.4	22	4.1	2.6	29	19
Adani Ports	21.2	18.6	13	23.0	14.3	7	-9	3.7	3.3	13	4.1	2.5	18	17
Blue Dart Expres	36.6	76.8	-52	123.4	30.3	84	275	8.9	15.5	-43	23.3	7.8	180	448
Container Corpn.	28.2	32.4	-13	38.2	26.7	42	58	3.6	3.3	8	3.9	2.7	13	17
TCI Express	22.2	35.3	-37	45.6	25.1	12	72	3.6	7.8	-54	10.0	5.7	12	177
Transport Corp.	18.7	15.1	24	19.1	11.0	-6	-27	3.2	2.4	34	3.1	1.8	2	-14
VRL Logistics	24.0	34.2	-30	46.5	22.0	21	67	4.2	4.8	-13	6.1	3.5	31	68
Mahindra Logis.	27.3	57.2	-52	71.0	43.4	37	179	4.7	6.2	-24	7.6	4.8	47	119
Metals	10.3	10.8	-5	14.4	7.2	-48	-47	2.1	1.6	27	2.0	1.2	-35	-43
Coal India	5.9	9.5	-38	14.9	4.1	-70	-54	2.1	4.4	-54	7.1	1.8	-35	56
Hindalco Inds.	9.3	9.2	2	11.3	7.0	-53	-55	1.3	1.2	12	1.5	0.8	-59	-59
Hind.Zinc	15.5	13.3	16	17.1	9.6	-22	-35	10.3	5.4	93	9.4	1.3	225	89
Jindal Steel	11.0	8.4	31	12.9	3.8	-45	-59	1.7	0.8	108	1.3	0.3	-47	-71



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
JSW Steel	15.4	14.9	3	23.6	6.2	-23	-27	2.3	1.9	23	2.4	1.3	-28	-34
Natl. Aluminium	14.4	11.1	30	19.2	3.1	-27	-46	2.1	1.1	93	1.5	0.7	-33	-61
NMDC	7.6	5.7	32	7.7	3.8	-62	-72	1.7	1.2	43	1.6	0.7	-48	-59
SAIL	13.1	18.4	-28	31.0	5.7	-34	-10	0.8	0.6	20	0.8	0.4	-76	-77
Tata Steel	13.1	15.3	-14	27.6	2.9	-34	-26	1.9	1.2	50	1.8	0.7	-41	-56
Vedanta	10.3	10.1	3	14.9	5.3	-48	-51	4.3	1.9	123	3.1	0.7	34	-32
Oil & Gas	14.2	12.6	13	15.6	9.5	-28	-39	1.5	1.5	2	1.7	1.3	-53	-48
Oil & Gas Ex RIL	8.9	8.6	4	11.5	5.7	-55	-58	1.1	1.2	-7	1.5	0.9	-65	-57
Aegis Logistics	41.2	31.4	31	43.6	19.2	107	53	6.2	4.3	45	5.6	3.0	95	51
B P C L	11.7	9.8	19	14.8	4.9	-41	-52	1.5	1.9	-20	2.4	1.3	-53	-34
Castrol India	20.8	22.6	-8	30.0	15.2	5	10	8.3	13.6	-39	22.5	4.7	161	381
GAIL (India)	11.0	10.6	3	13.9	7.3	-45	-48	1.6	1.3	24	1.6	1.0	-50	-54
Gujarat Gas	24.8	24.9	0	33.4	16.4	25	21	3.7	4.7	-20	5.8	3.6	17	65
Guj.St.Petronet	28.9	14.9	93	19.1	10.8	45	-27	1.8	1.7	7	1.9	1.5	-43	-40
H P C L	12.8	6.7	90	10.9	2.6	-35	-67	1.6	1.2	30	1.7	0.8	-49	-56
I O C L	19.5	9.9	97	19.9	-0.1	-2	-52	1.0	1.0	2	1.3	0.6	-69	-66
Indraprastha Gas	17.5	20.8	-16	26.1	15.5	-12	1	2.8	4.0	-30	4.9	3.0	-13	40
Mahanagar Gas	12.8	14.0	-9	18.0	9.9	-36	-32	2.1	2.9	-29	3.8	2.0	-35	3
M R P L	18.6	14.4	29	32.4	-3.6	-6	-30	1.8	1.4	24	1.9	0.9	-44	-49
Oil India	9.0	6.5	39	9.1	3.8	-55	-68	1.3	0.8	67	1.1	0.5	-59	-72
O N G C	5.3	6.8	-22	10.0	3.7	-73	-67	0.8	0.9	-12	1.1	0.6	-76	-70
Petronet LNG	11.7	12.3	-5	14.6	9.9	-41	-40	2.5	2.7	-7	3.3	2.1	-22	-6
Reliance Inds.	20.6	17.5	18	24.1	10.9	4	-15	1.8	1.5	18	1.9	1.1	-43	-46
Real Estate	44.1	29.6	49	41.1	18.2	122	44	5.0	2.2	132	3.3	1.0	57	-24
Brigade Enterpr.	29.2	25.1	17	35.5	14.7	47	22	3.9	2.0	91	3.0	1.1	22	-28
DLF	48.9	44.4	10	71.2	17.6	146	116	3.3	1.5	125	2.3	0.6	3	-48
Godrej Properties	74.1	74.9	-1	99.6	50.1	273	265	6.4	5.3	22	7.1	3.4	101	86
Macrotech Developers	42.9	37.3	15	45.8	28.8	116	82	6.1	4.2	44	5.5	2.9	90	49
Mahindra Lifespace	na	7.1	na	11.1	3.0	na	-65	3.6	1.5	134	3.2	-0.1	13	-46
Oberoi Realty	29.3	22.3	32	26.3	18.2	48	9	4.7	2.3	104	2.9	1.6	47	-19
Prestige Estates	68.9	29.5	133	46.6	12.4	247	44	3.6	1.9	89	2.6	1.2	13	-33
Phoenix Mills	42.2	41.4	2	69.0	13.8	112	102	5.1	2.7	85	3.7	1.8	60	-3
Sobha	25.6	32.2	-20	52.8	11.5	29	57	3.7	2.0	87	2.9	1.0	16	-30
Sunteck Realty	19.5	48.9	-60	72.7	25.2	-2	139	2.1	1.9	8	2.4	1.5	-35	-32



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
Retail	83.6	83.5	0	134.1	32.8	321	307	15.1	9.7	56	13.8	5.6	374	242
Aditya Birla Fashion	na	96.6	na	144.2	48.9	na	371	8.0	8.3	-4	11.0	5.7	151	193
Bata India	53.3	51.5	3	69.5	33.5	169	151	9.3	9.4	-1	13.2	5.6	194	233
Avenue Supermarts	67.9	99.2	-32	121.3	77.2	242	384	9.5	12.8	-25	15.5	10.1	200	352
Jubilant	101.5	74.4	36	107.1	41.8	411	263	19.7	13.2	50	19.1	7.2	520	364
Kalyan Jewellers	75.7	32.7	132	52.1	13.3	281	59	15.0	5.2	191	9.4	1.0	372	82
Relaxo Footwear	62.6	75.9	-18	118.3	33.4	215	270	6.7	10.0	-33	12.8	7.3	111	255
Senco Gold	29.2	27.0	8	33.3	20.7	47	32	4.7	4.3	11	5.4	3.1	49	50
Shoppers Stop	168.0	106.4	58	176.0	36.8	746	418	12.9	11.6	11	18.4	4.7	306	309
Trent	115.9	89.4	30	112.3	66.6	484	336	31.4	10.0	213	17.4	2.6	889	255
Titan	63.8	60.8	5	77.7	44.0	221	196	19.9	15.1	32	21.4	8.8	525	433
Vedant Fashions	59.4	65.8	-10	75.3	56.3	199	221	15.9	17.9	-11	20.7	15.1	399	533
V-Mart Retail	na	43.6	na	73.9	13.4	na	113	9.2	6.0	54	8.3	3.7	191	112
Technology	28.0	20.9	34	25.8	16.0	41	2	8.9	5.7	55	7.4	4.0	180	103
Coforge	46.4	23.1	101	34.2	11.9	134	12	13.4	5.2	160	8.3	2.0	322	83
Cyient	23.1	18.1	27	24.1	12.1	16	-12	4.2	2.9	45	3.9	1.9	32	2
HCL Technologies	27.5	16.8	63	21.1	12.6	39	-18	7.8	4.0	97	5.2	2.7	146	40
Infosys	27.0	20.6	31	25.7	15.5	36	0	8.8	5.6	57	7.7	3.5	177	98
LTI Mindtree	30.6	24.1	27	34.1	14.0	54	17	6.6	9.6	-32	12.4	6.8	106	240
L&T Technology	32.2	27.2	18	36.9	17.6	62	33	7.3	6.6	11	8.7	4.5	131	133
Mphasis	28.2	20.0	41	27.8	12.1	42	-3	5.3	3.7	45	5.4	1.9	68	30
Persistent Sys	59.0	25.4	132	37.5	13.2	197	24	15.1	4.8	213	8.1	1.5	373	70
TCS	27.4	24.1	14	28.8	19.4	38	17	14.8	10.1	47	13.6	6.6	366	256
Tech Mahindra	29.1	18.0	62	24.1	11.9	47	-12	5.4	3.2	67	4.1	2.3	70	14
Wipro	25.0	18.0	39	22.6	13.4	26	-12	4.2	3.0	43	3.7	2.3	33	5
Zensar Tech.	25.2	16.8	50	22.5	11.1	27	-18	3.9	2.5	54	3.3	1.8	22	-11
Telecom	na	38.7	na	50.0	27.5	na	89	40.6	18.6	118	41.1	-3.8	1178	559
Bharti Airtel	36.9	40.4	-9	52.5	28.2	86	97	8.2	3.9	112	6.0	1.8	159	37
Indus Towers	14.4	18.3	-21	26.2	10.3	-27	-11	2.5	3.4	-25	4.4	2.4	-21	20
Vodafone Idea	na	21.4	na	29.7	13.0	na	4	na	1.0	na	1.4	0.7	na	-63
Tata Comm	32.3	31.0	4	46.0	16.1	63	51	14.3	25.3	-43	39.3	11.3	351	794
Utilities	17.3	11.5	50	14.9	8.2	-13	-44	2.5	1.5	68	2.0	1.0	-21	-47
Indian Energy Exchange	36.7	27.8	32	47.3	8.3	85	36	12.3	10.6	17	17.7	3.4	287	273
JSW Energy	34.9	22.6	54	33.2	12.0	76	10	4.4	1.8	150	3.0	0.6	40	-37
NTPC	13.5	9.6	41	12.4	6.7	-32	-53	1.8	1.1	57	1.5	0.8	-45	-60
Power Grid Corpn	16.9	9.3	82	12.5	6.1	-15	-55	3.1	1.6	95	2.2	1.0	-3	-44
Tata Power Co.	23.6	18.5	27	24.1	13.0	19	-10	3.1	1.8	74	2.6	1.0	-4	-38

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BUY	>=15%
SELL	< - 10%
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UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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