



The Eagle Eye - May 2025

Trump's tariff truce lifts global markets

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GLOBAL MARKETS

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- ❖ MSCI China rallies off lows amid global market turbulence
- ❖ DXY weakens; INR, Yuan, and Yen recover from their lows
- ❖ India's market cap rebounds from the March lows to reach USD5t
- ❖ India-US 10Y yield spread further narrows MoM

DOMESTIC MARKETS

- ❖ Broader markets take a tumble, then stage a sharp recovery
- ❖ About 66% of Nifty constituents end higher in Apr'25
- ❖ Most sectors climb higher; Technology and Metals lag behind

FLOWS AND VOLUMES

- ❖ Key Asian markets, except China, see FII exodus in CY25YTD
- ❖ FII flows gather steam; DII inflows slow down
- ❖ Monthly average cash and F&O volumes continue to rise MoM
- ❖ Private Banks and O&G's weights rise, while Technology's grip weakens

KEY RESEARCH REPORTS

- ❖ IC| Hindustan Aeronautics| Charting the next frontier in Defense!
- ❖ IC| Niva Bupa Health Insurance| Citius, Altius, Fortius!
- ❖ IC| Blue Jet Healthcare| Ascending the value chain
- ❖ Financials| The Changing Face of BFSI

MULTI-YEAR HIGHS/LOWS

- ❖ Nifty seems poised to outperform Gold
- ❖ The tides of change: DIIs overtake FIIs in Nifty-500 ownership
- ❖ Forex fortunes: Reserves rise for the third consecutive month
- ❖ Hiring slowdown: Top service employers put on the brakes

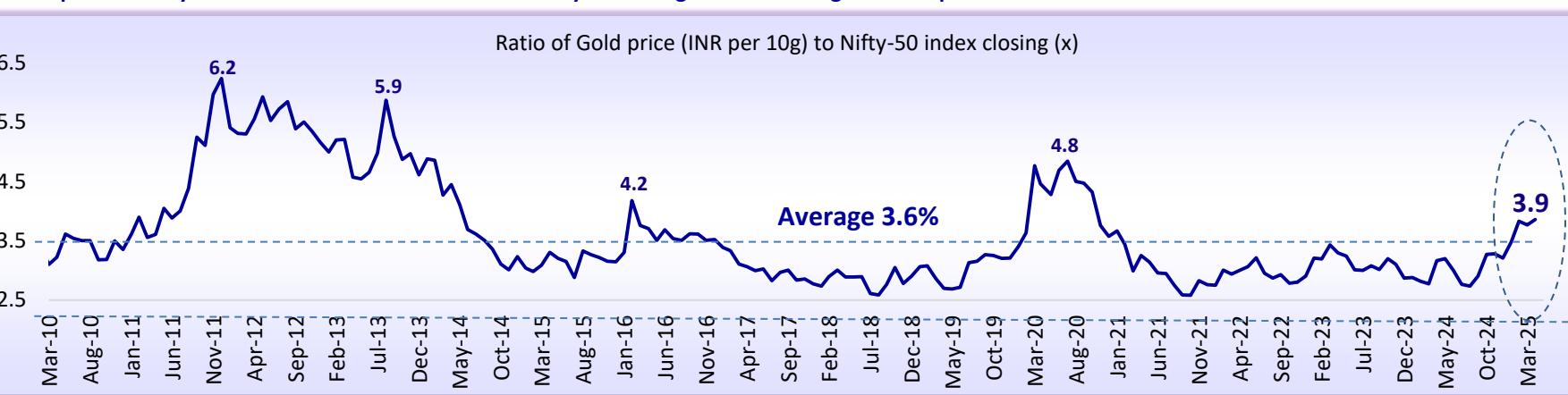
VALUATIONS

- ❖ Valuations retreat from the FY25 peak; Pvt. Bank multiples expand
- ❖ Nifty's 12-month forward P/E trades near its LTA
- ❖ EY/BY accelerates MoM; India's bond yield settles down
- ❖ India's market cap-to-GDP ratio moderates from the FY25 highs

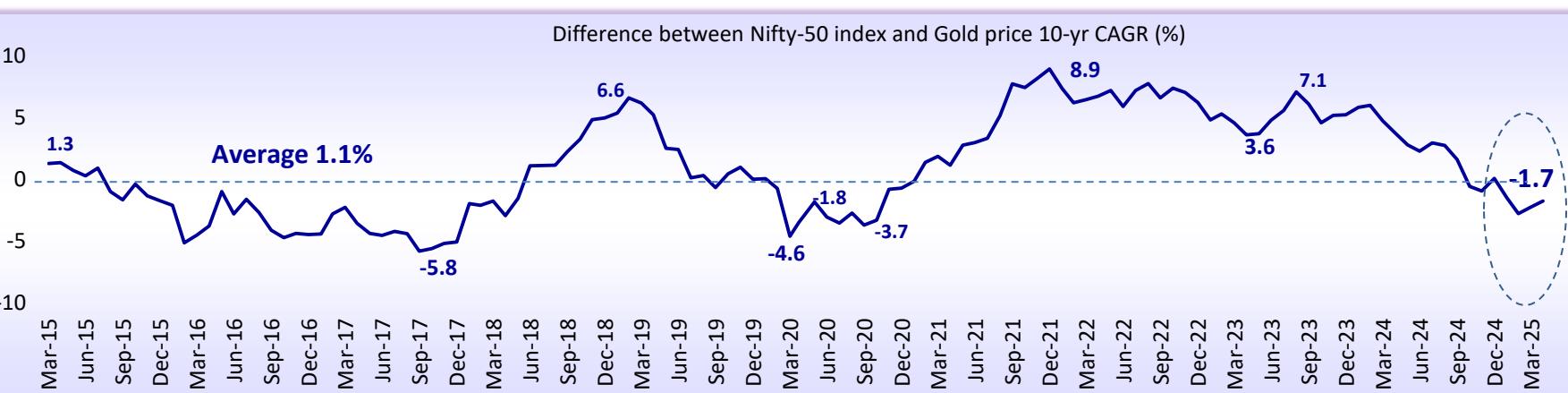
A view from the EAGLE'S EYE!

- ❖ Ongoing geopolitical challenges, weak global equity markets, and strong demand from central banks have driven domestic gold prices to an all-time high of over INR100,000 per 10g.
- ❖ The comparison between gold price and Nifty-50 index trends suggests that the prospects of equities outperforming gold have turned higher going forward.

Gold price to Nifty-50 trend: The ratio rose above the 15-year average and is nearing the FY16 peak



Difference between the 10-year CAGR of the Nifty-50 Index and Gold price: Approaching FY21 lows

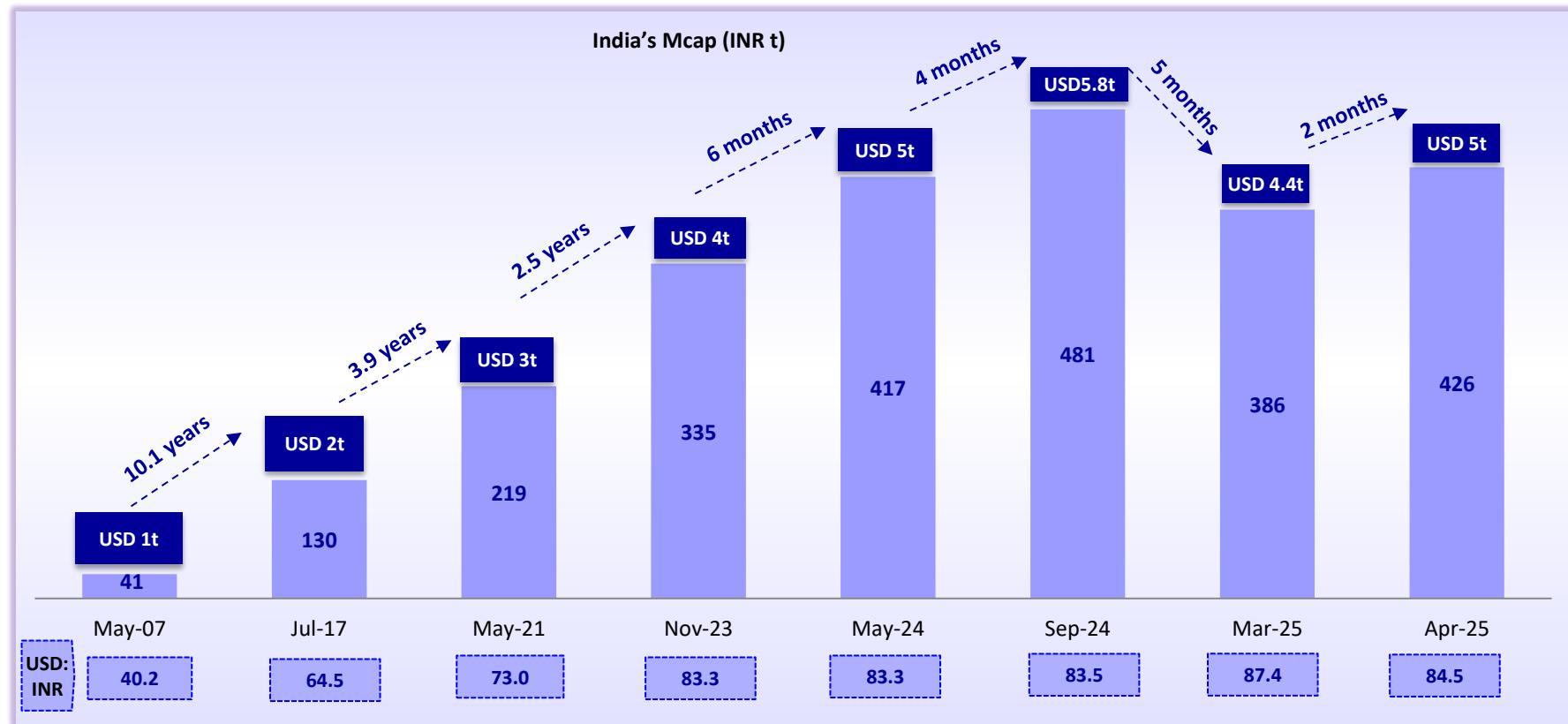


Note: The exhibit shows the difference between the rolling 10-year CAGR of the Nifty 50 and that of gold prices

India's market cap rebounds from the March lows to reach USD5t

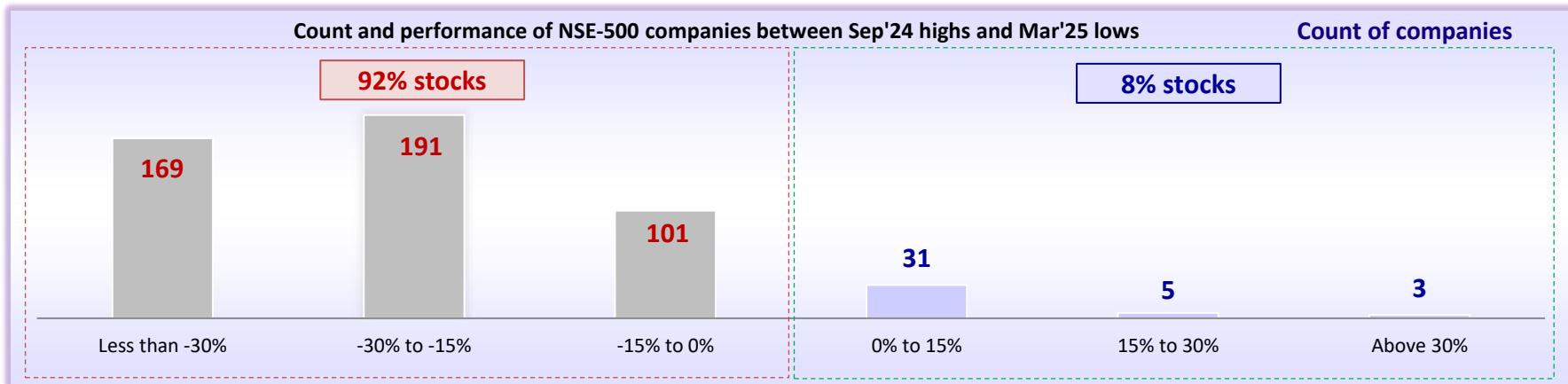
- India's listed market cap declined 20% from its Sep'24 highs but rebounded 10% from its Mar'24 lows. It is now at the USD5t market cap level.

India's listed market cap trend (USD, INR)

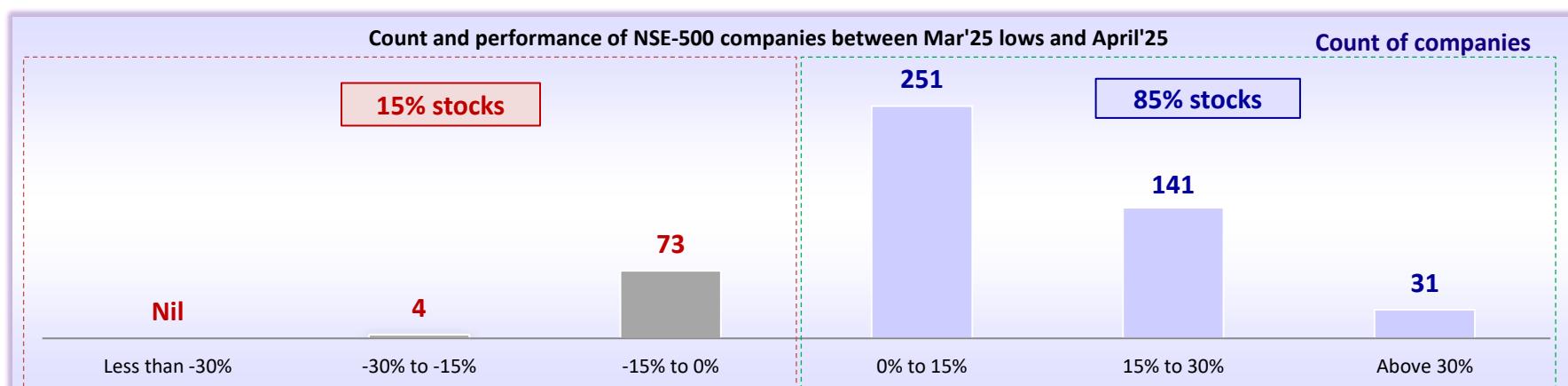


- Stock prices of ~92% of NSE-500 companies declined between the Sep'24 highs and Mar'25 lows, while ~85% of the companies posted a stock price increase between the Mar'25 lows and Apr'25.
- While the NSE-500 index is 10% below its Sep'24 highs, about 65% of NSE-500 companies are still 10% below the levels of the Sep'24 market highs.

Count and performance of NSE-500 companies between the Sep'24 highs and Mar'25 lows (NSE-500 fell 19%)



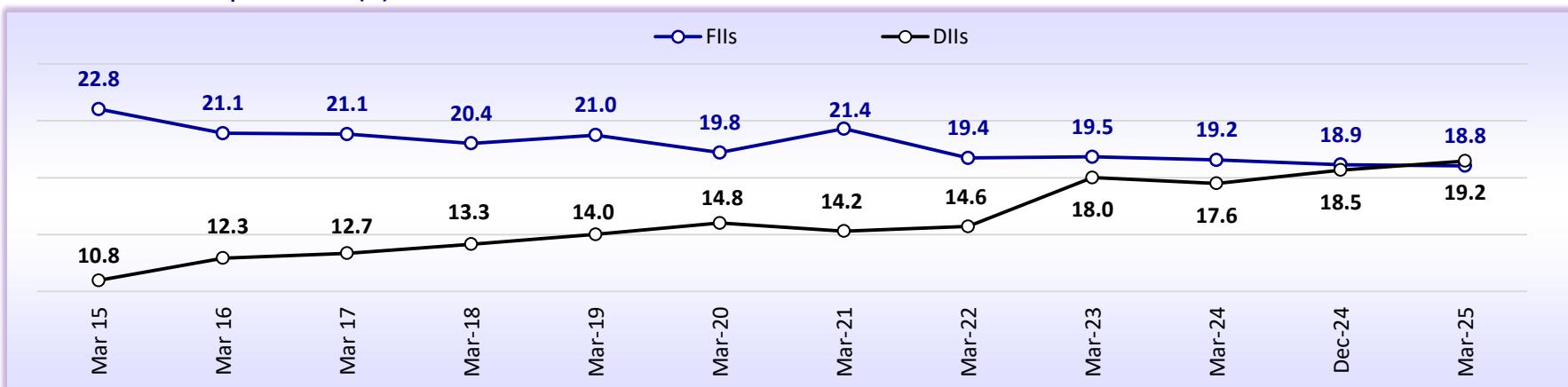
Count and performance of NSE500 companies between the Mar'25 lows and Apr'25 (NSE-500 rose 11%)



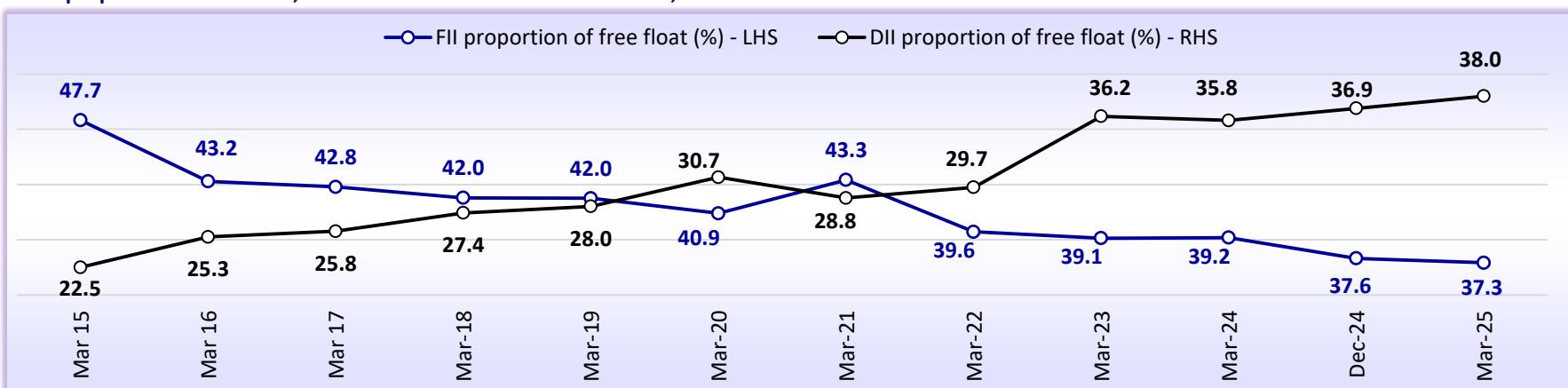
Note: We have used the NSE-500 index for comparing market highs and lows.

- ❖ The dominance of domestic flows led to a significant shift in institutional holdings across India Inc.
- ❖ FII ownership in the Nifty-500 dipped to an all-time low of 18.8%, while DII ownership rose to a record high of 19.2%. As a share of the free float, FIIs' ownership dropped to a historic low of 37.3%, whereas DIIs' ownership jumped to 38% in Mar'25.

Institutional ownership in NSE500 (%)



As a proportion of free float, FIIs' share declined to an all-time low, while DIIs' share continued to rise

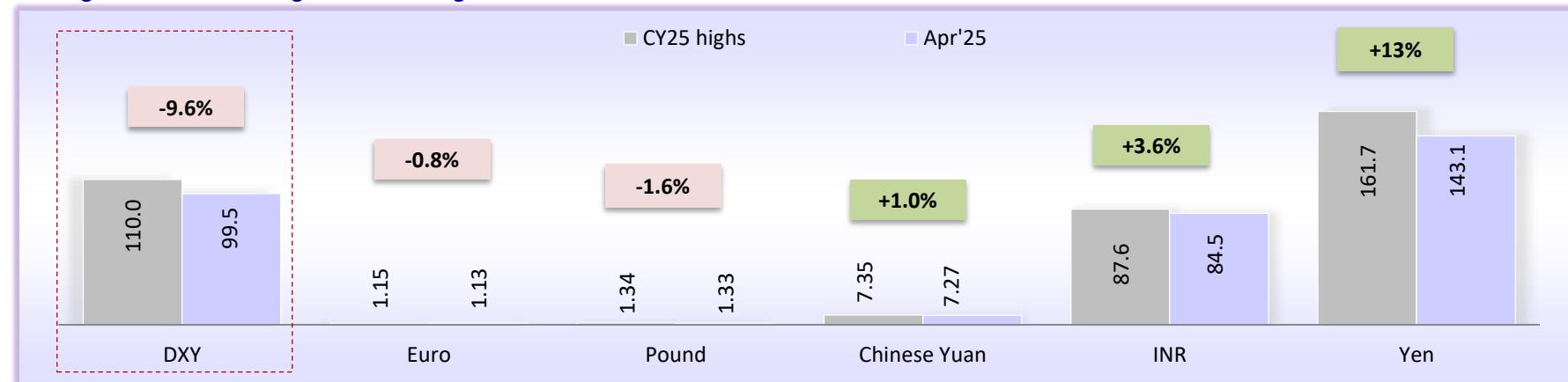


KEY EXHIBITS

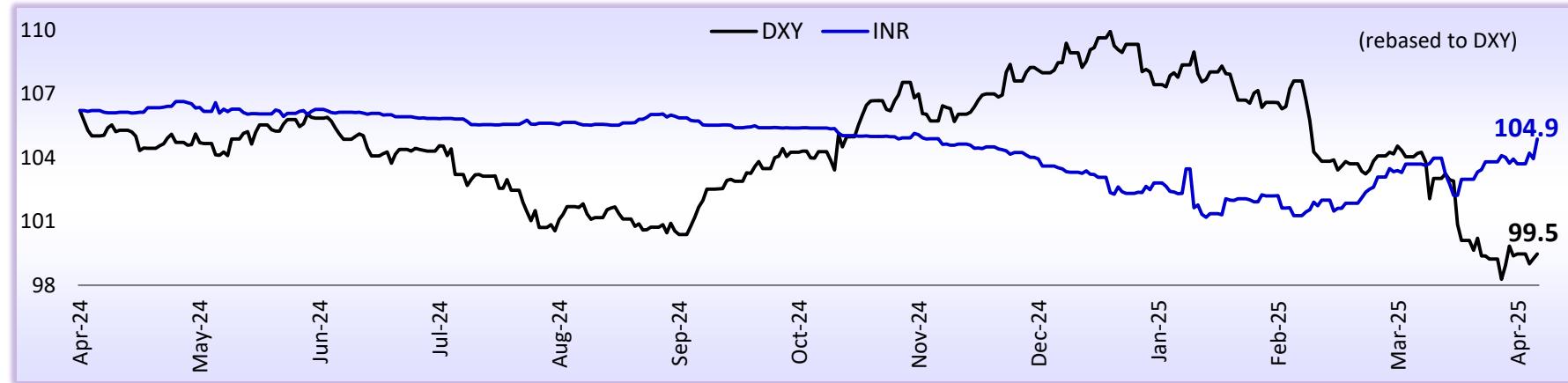
DXY weakens; INR, Yuan, and Yen recover from their lows

- ❖ INR, Chinese Yuan, and Yen have strengthened from their lows as the DXY drops from its peak levels in CY25 YTD.
- ❖ DXY dips 9.6% from the CY25YTD high of 110, while the INR appreciates from the 3.6% CY25YTD lows from the lows of 87.6.

Exchange rates vs USD: Changes from CY25 highs



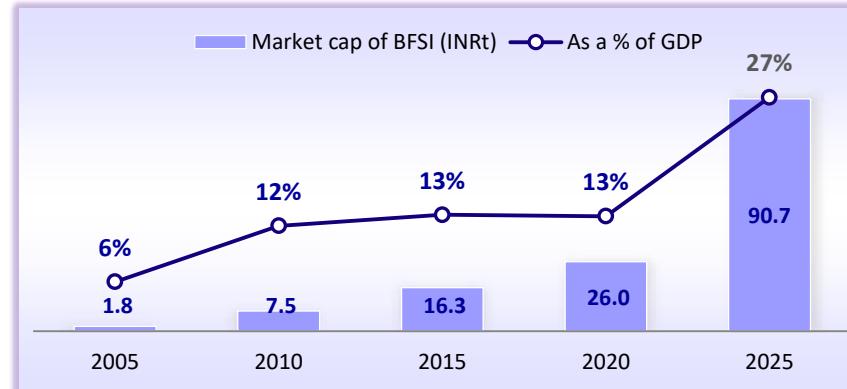
DXY vs INR



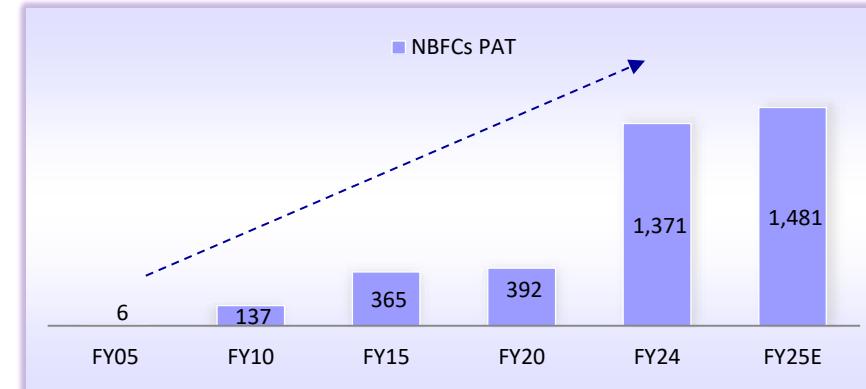
KEY EXHIBITS The Changing Face of BFSI

- ❖ The BFSI sector has undergone a profound transformation driven by digitalization, regulatory reforms, the growth of fintechs, and demographic dividends.
- ❖ The Indian banking sector has strengthened significantly over the past decade, driven by improved asset quality, regulatory reforms, and enhanced capital buffers. This has translated into a sharp jump in profitability, with record-high net interest margins and return on assets across both PSB and Private banks.
- ❖ We believe that the next phase will witness hyper-personalized banking experiences, driven by AI and decentralized finance, alongside the growing adoption of Central Bank Digital Currencies (CBDCs). [Detailed Report link](#)

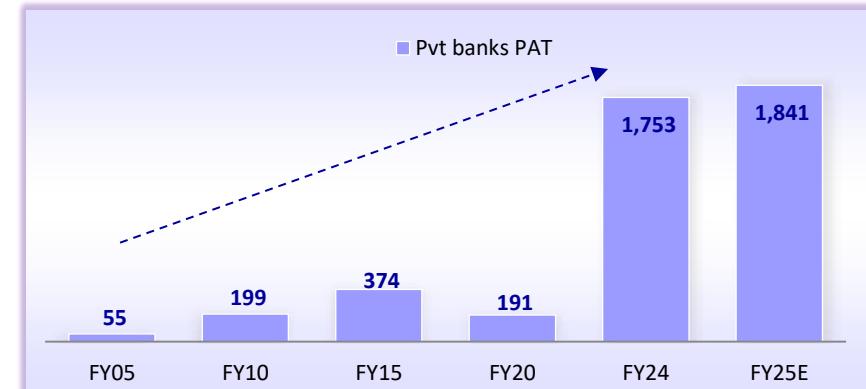
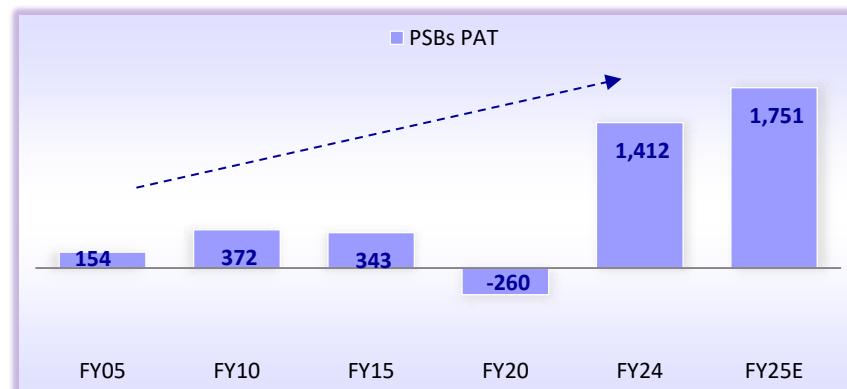
The BFSI sector's market cap has surged over 50x in the past two decades, rising from 6% of GDP to 27% by 2025



Aggregate NBFC earnings grew multifold in the past two decades



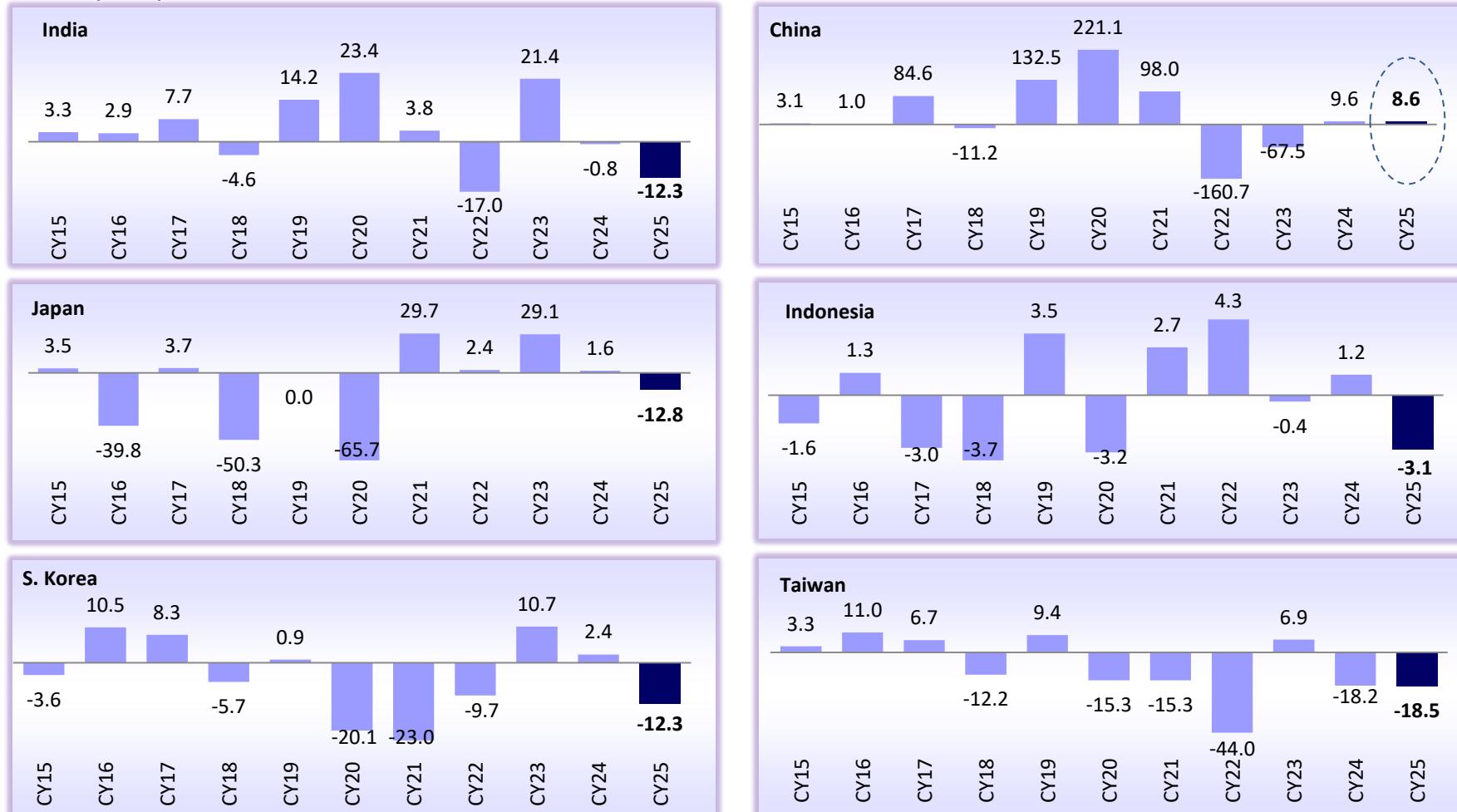
PSBs have shown a sharp earnings surge with aggregate earnings hitting INR1.7t in FY25E Private Bank's earnings have jumped ~10x from the lows of FY20 to INR1.84t in FY25E



Note: Analysis of the Indian BFSI sector is based on 70 BFSI companies under MOFSL coverage.

- ❖ Key equity markets have witnessed significant FII outflows in CY25YTD.
- ❖ India/Japan/Indonesia/South Korea/Taiwan have seen FII outflows of USD12.3b/12.8b/3.1b/12.3b/18.5b in CY25YTD.
- ❖ India experienced a pickup in FII flows over the past two months, while flows in other countries remained volatile.

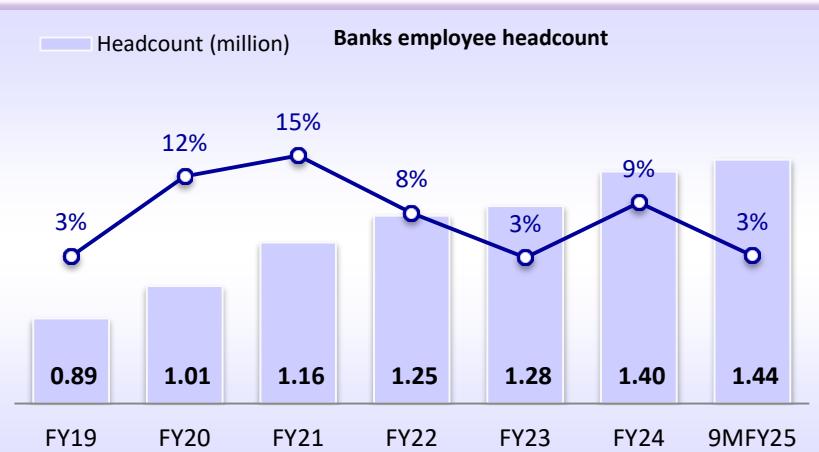
FII flows (USD b)



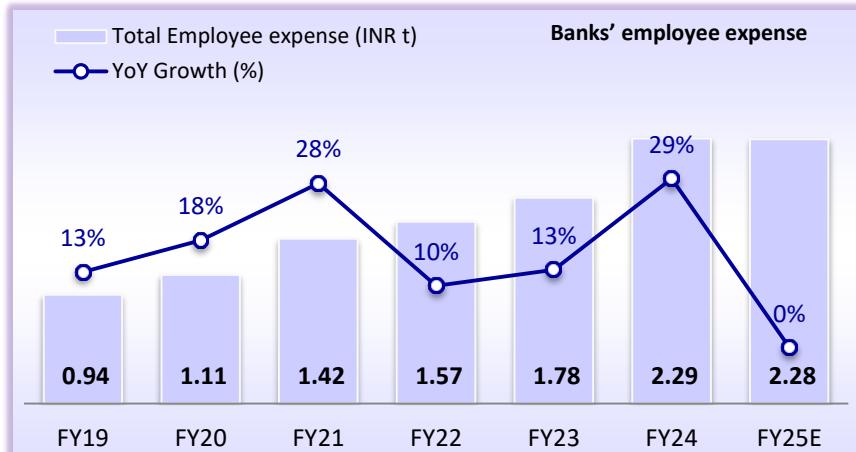
Source: Bloomberg, Note: FII flows for China are as of March 31, 2025, while those for Japan are as of March 18, 2025.

- ❖ Aggregate employee headcount growth in India's two large services sectors depicted a significant slowdown.

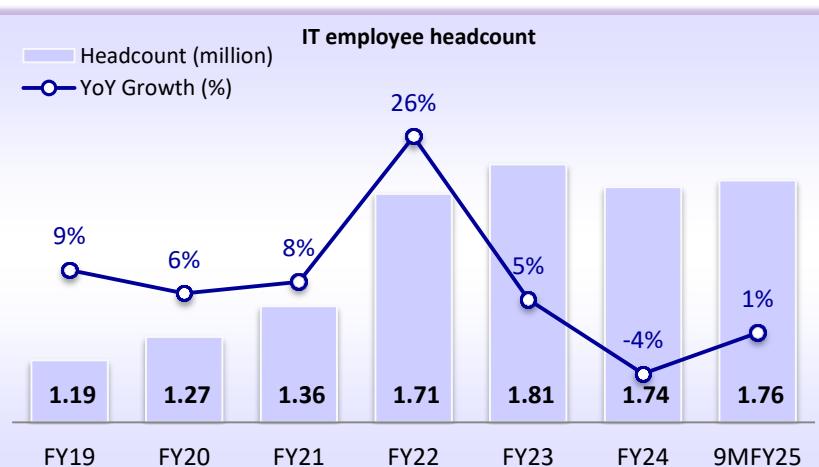
Headcount of MOFSL Banking Universe



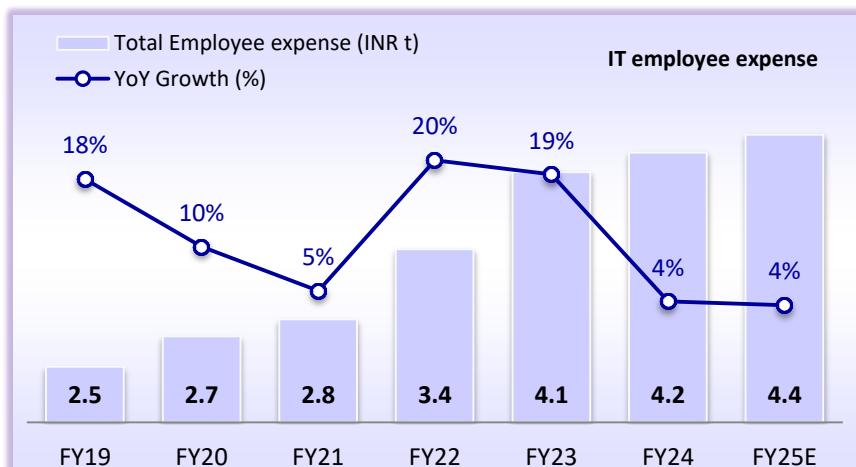
Employee expenses of MOFSL Banking Universe



Headcount of MOFSL IT Universe



Employee expenses of MOFSL IT Universe

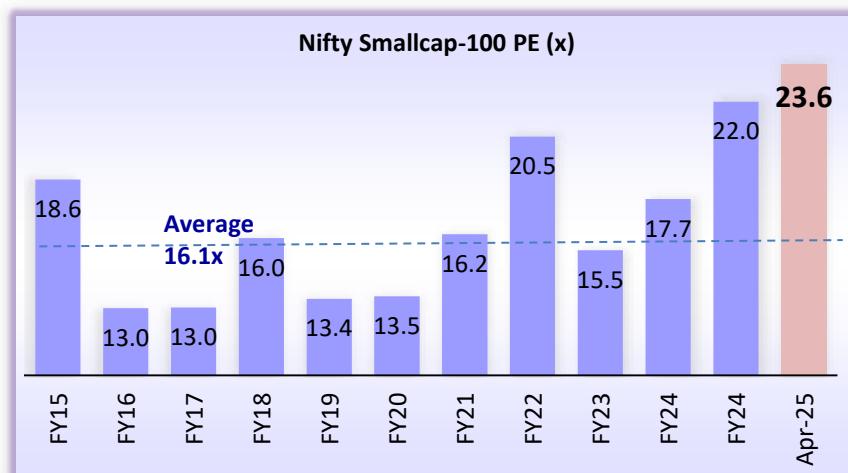
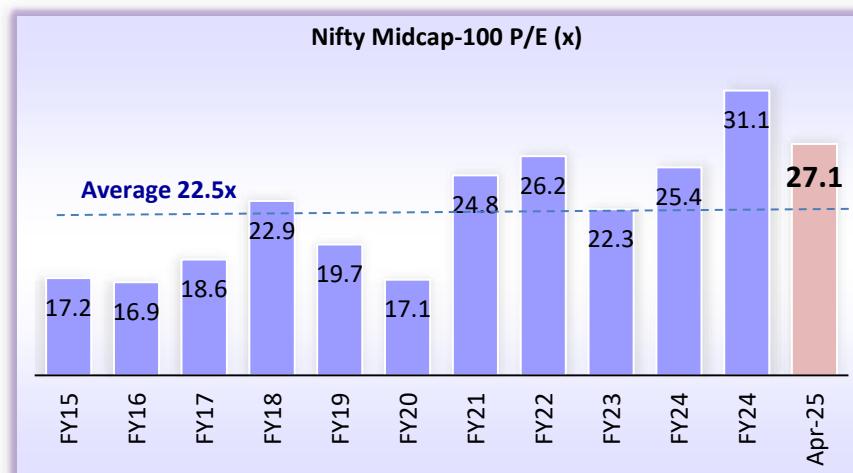
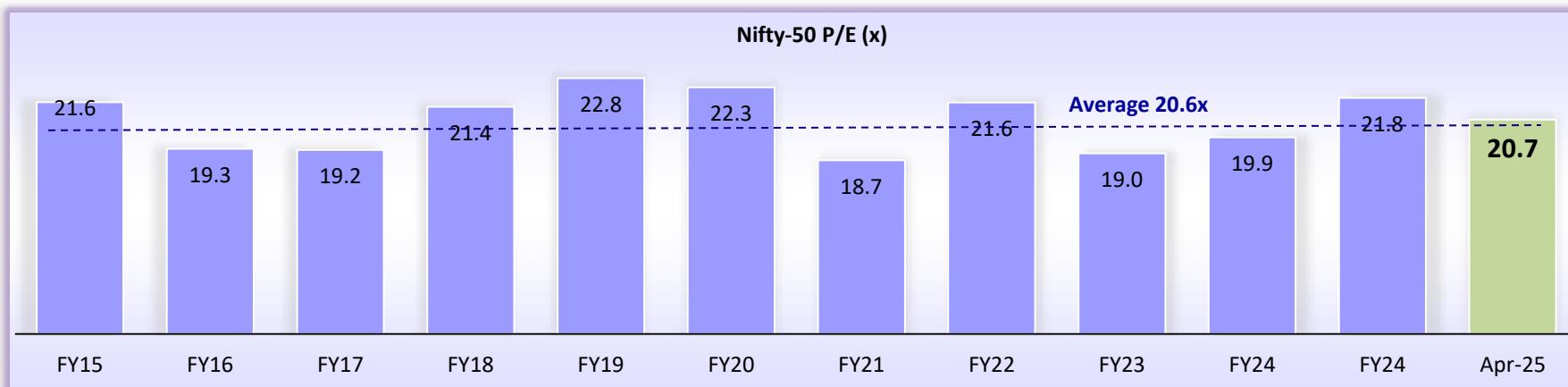


Note: We have considered 12 Private and 8 Public Sector Banks and 12 IT companies under MOFSL coverage to represent industry trends.

KEY EXHIBITS Large-caps fair; broader markets still expensive

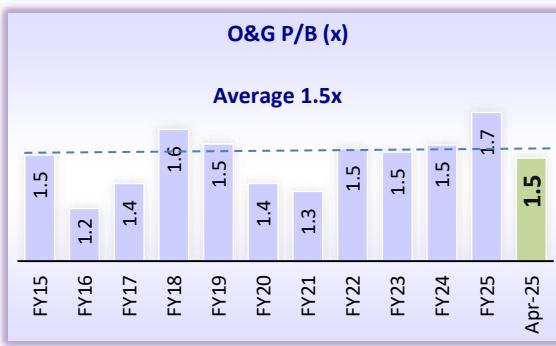
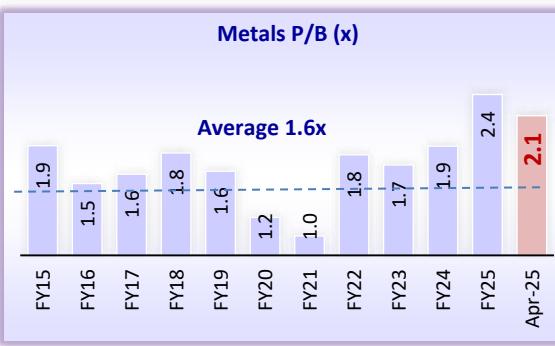
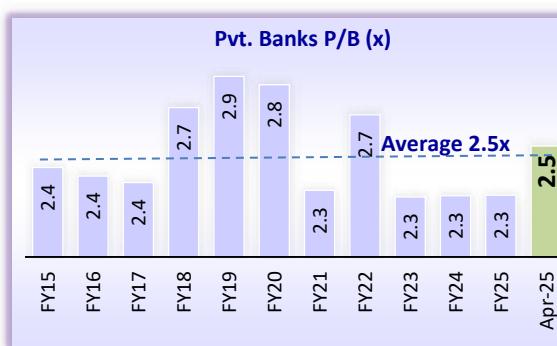
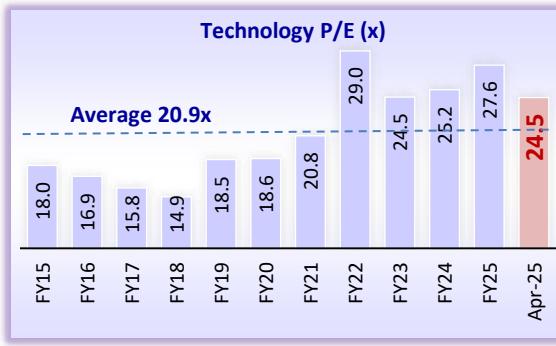
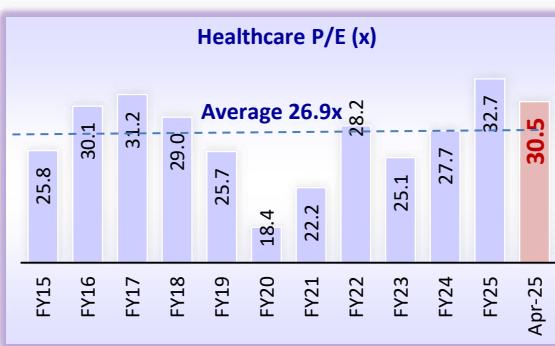
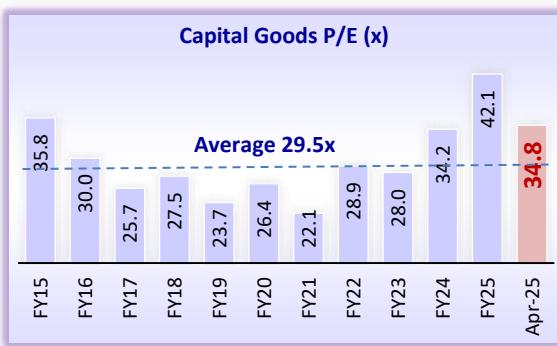
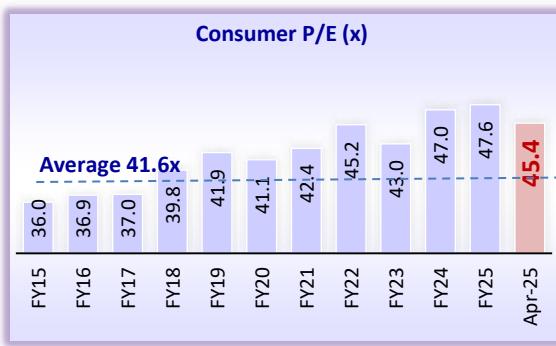
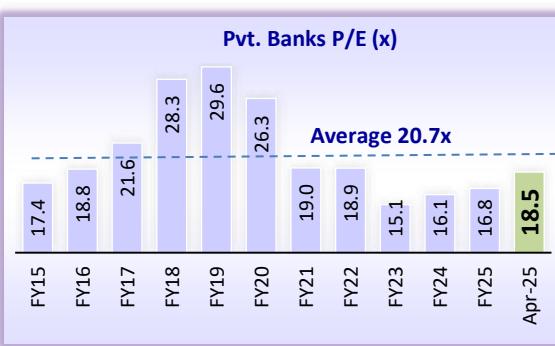
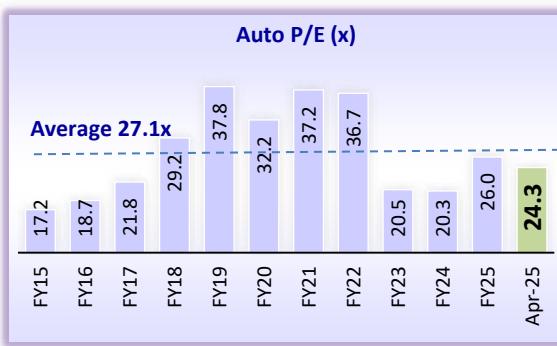
- ❖ The 12M forward P/E of Nifty-50 is 12% below its Sep'24 high, while mid- and small-cap valuations have fallen 22% and 1%, respectively, over the same period.
- ❖ Nifty-50 is trading at its LTA, while mid- and small-cap indices are trading at 20% and 47% premiums to their LTA, respectively.

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



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

- ❖ Valuations trading below the 10-year average for Auto, Private Banks, and Oil & Gas. However, remain above the 10-year average for Consumer, Capital Goods, Healthcare, Technology and Metals.

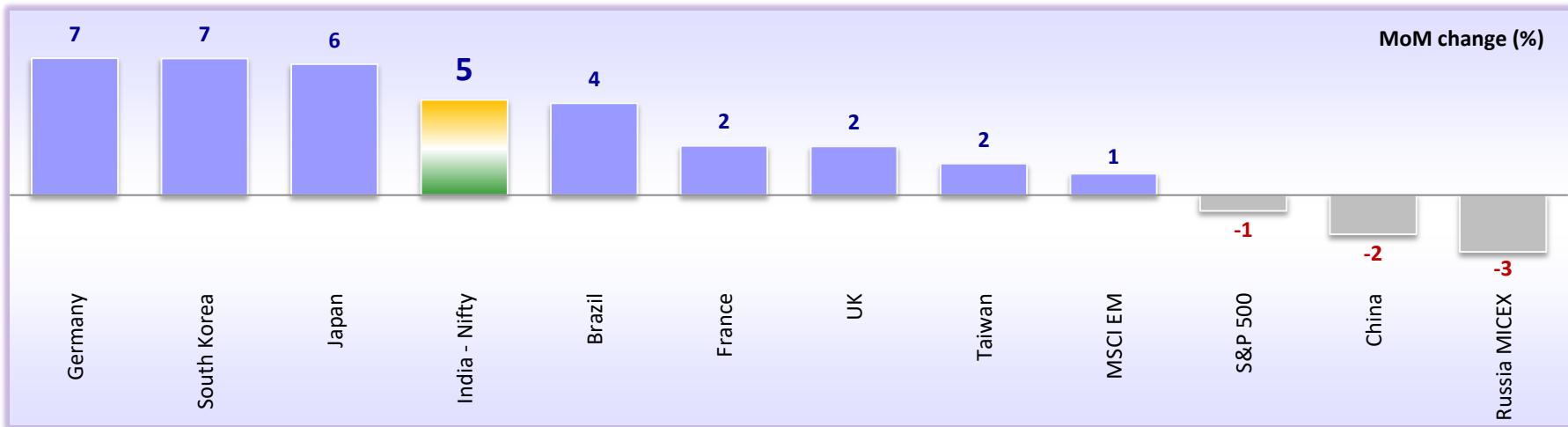


Note: The 12-month average of one-year fwd P/E and P/B has been considered for the year across MOFSL Universe sectors.

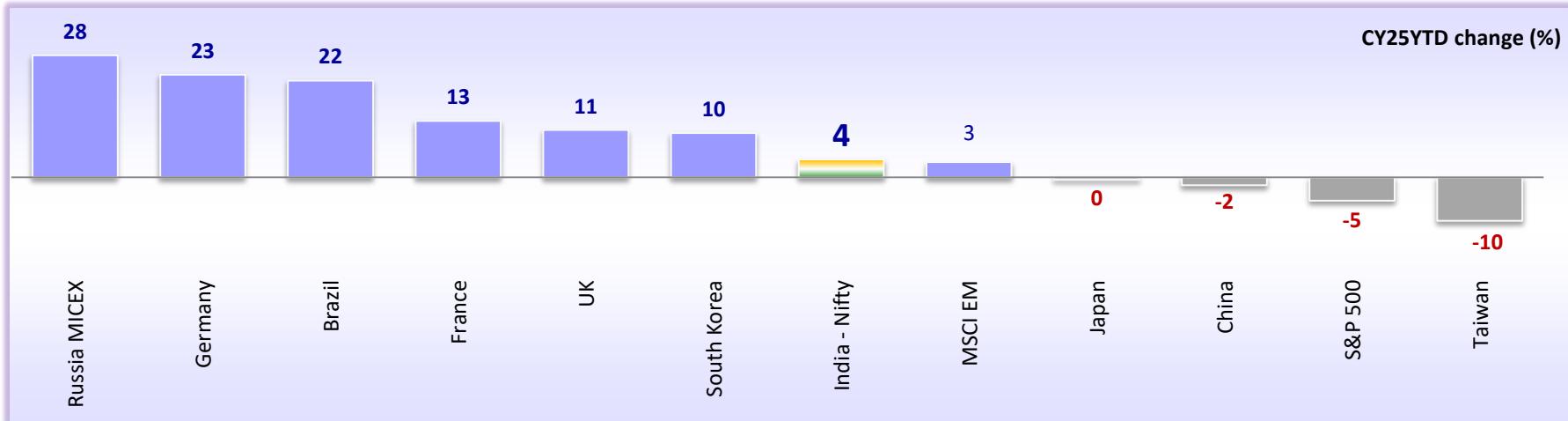
Macro, Markets, and More...

Global markets recover MoM, while Russia, China, and the US remain in the red

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



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



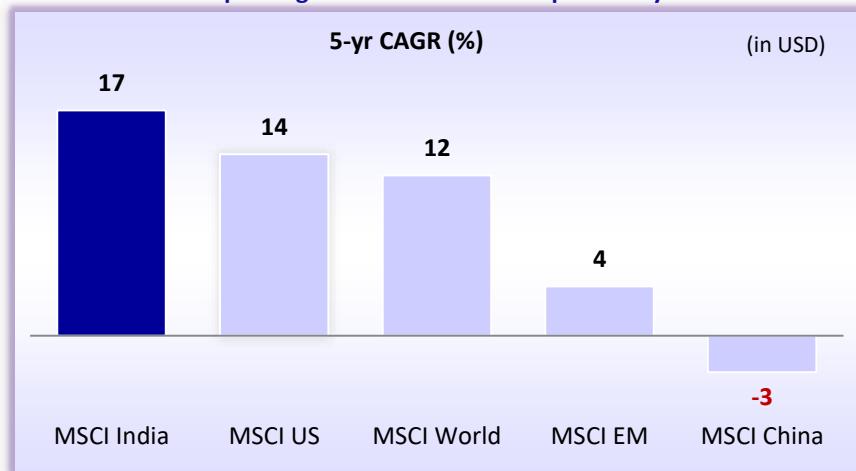
MSCI China rallies off lows amid global market turbulence

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

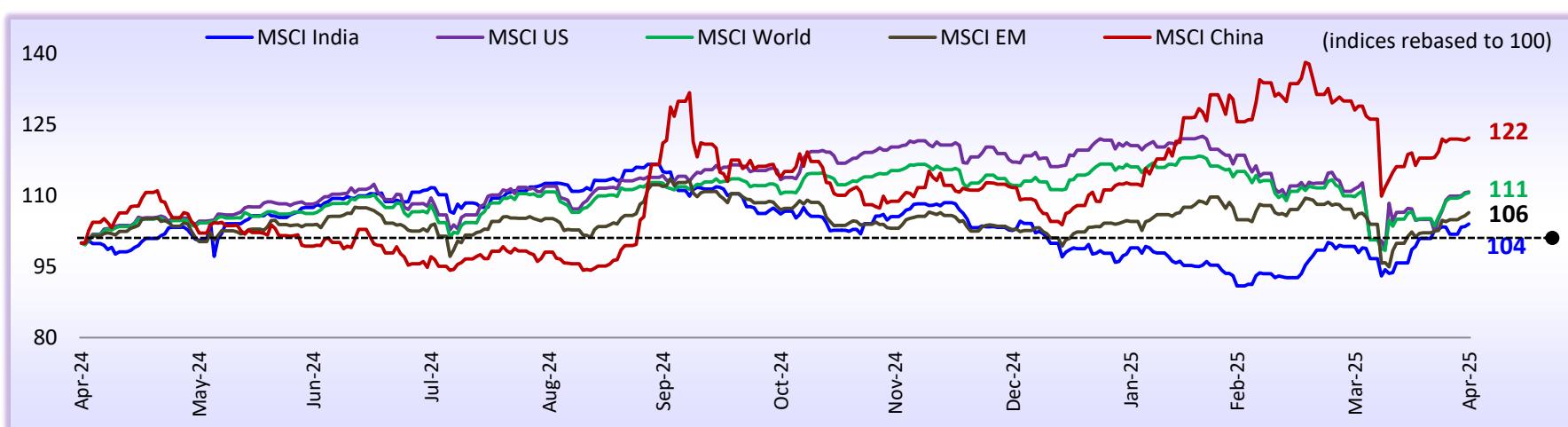
MSCI India emerges as the second-best performing index in CY25YTD



MSCI India has outpaced global indices over the past five years



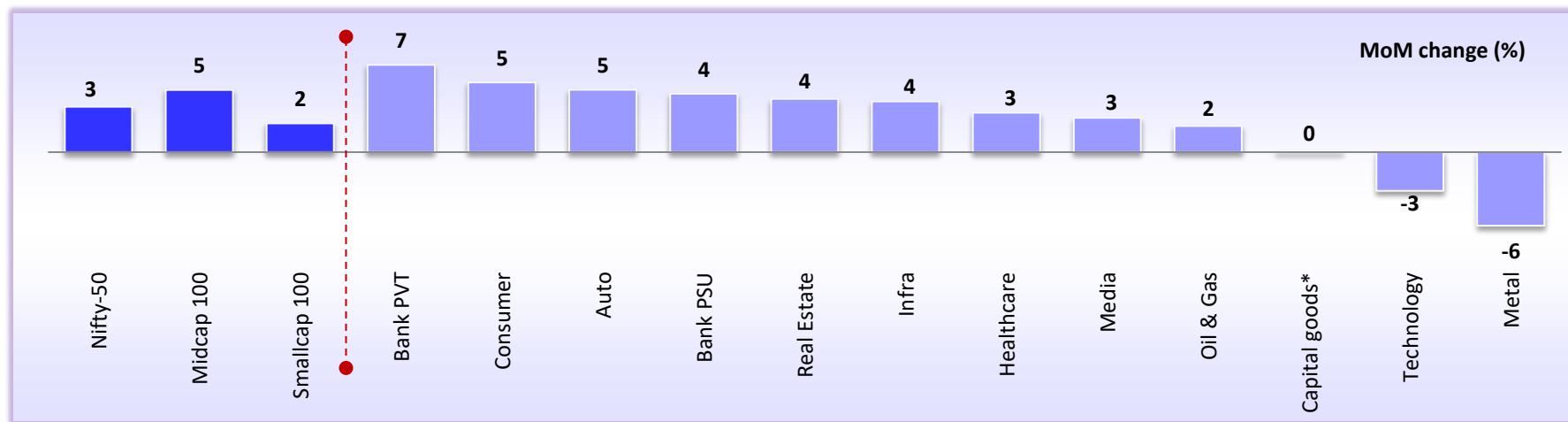
MSCI China leads, MSCI India lags on base effect in the past one year



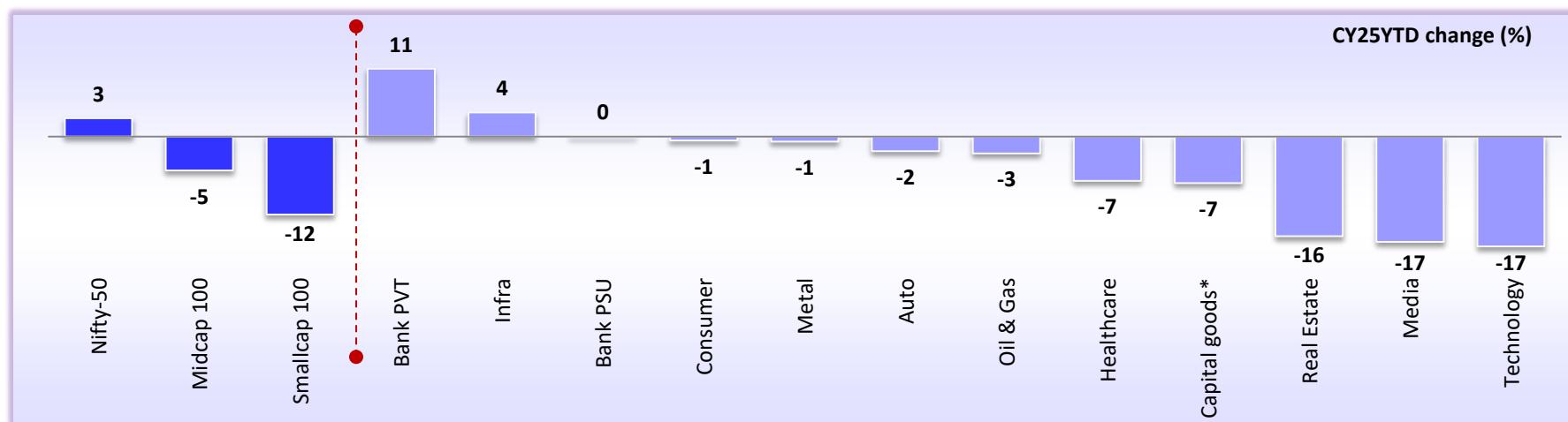
Data as of 30th April'25

Most sectors climb higher; Technology and Metals lag behind

Sectoral performance MoM (%): Mid-caps outperform large-caps and small-caps during the month



Sectoral performance in CY25YTD (%): Private banks significantly outperform, while most other sectors end lower in CY25YTD

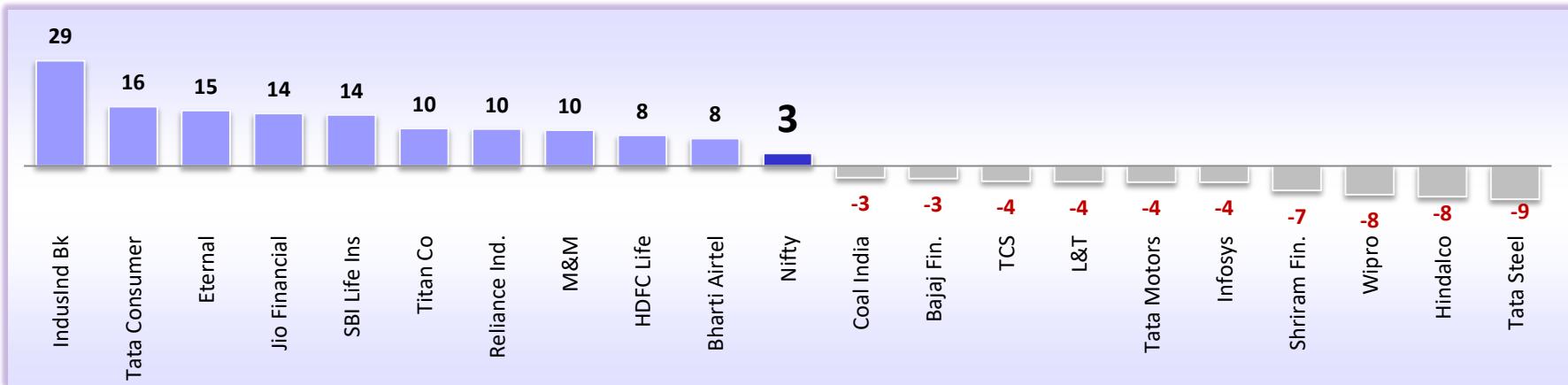


Note: (*) represents BSE Capital goods index.

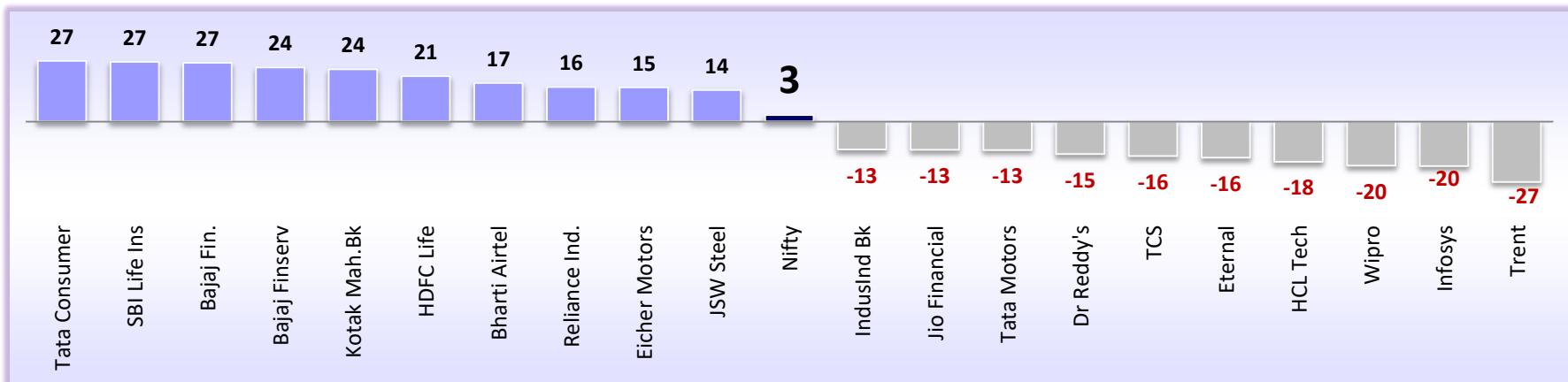
About 66% of the Nifty constituents end higher in Apr'25

- ❖ Among Nifty constituents, 33 stocks closed higher MoM and 26 outperformed the benchmark. IndusInd Bank, TATA Consumer, and Eternal posted notable gains, whereas TATA Steel, Hindalco and Wipro were the key laggards.
- ❖ About 28 Nifty constituents trade higher in CY25YTD. TATA Consumer, SBI Life and Bajaj Finance are the top gainers, whereas Trent, Infosys, and Wipro are the key laggards.

Best and worst Nifty performers on a MoM basis (%)



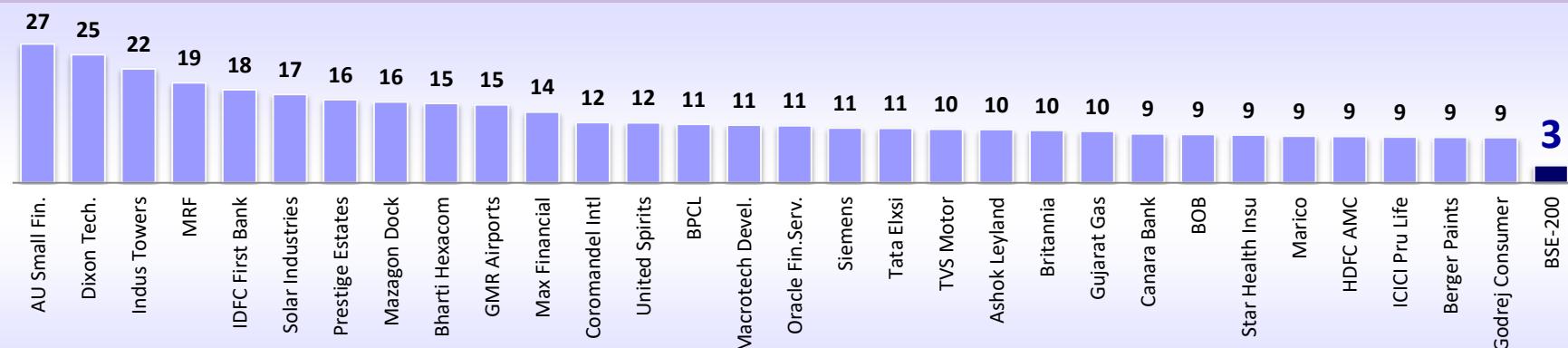
Best and worst Nifty performers in CY25YTD (%)



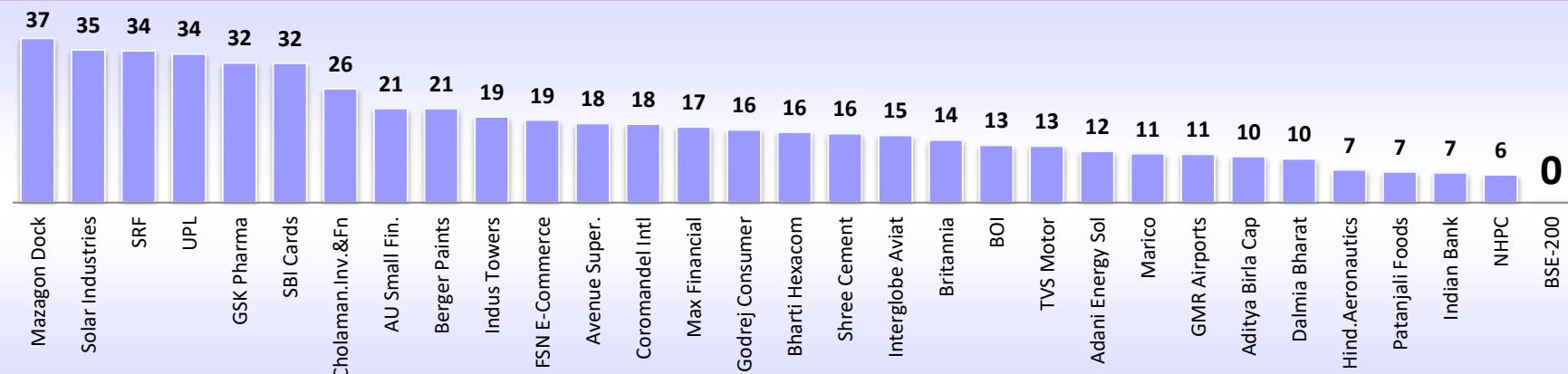
About 68% of BSE-200 constituents end higher in Apr'25

- ❖ In Apr'25, 136 BSE-200 stocks closed higher. AU Small Fin, Dixon Tech and Indus Towers gained the most during the month.
- ❖ About 82 BSE-200 constituents trade higher in CY25YTD. Mazagon Dock, Solar Industries and SRF are the top gainers.

Top gainers from the BSE-200 on a MoM basis (%)^{*}



Top gainers from the BSE-200 CY25YTD (%)^{*}

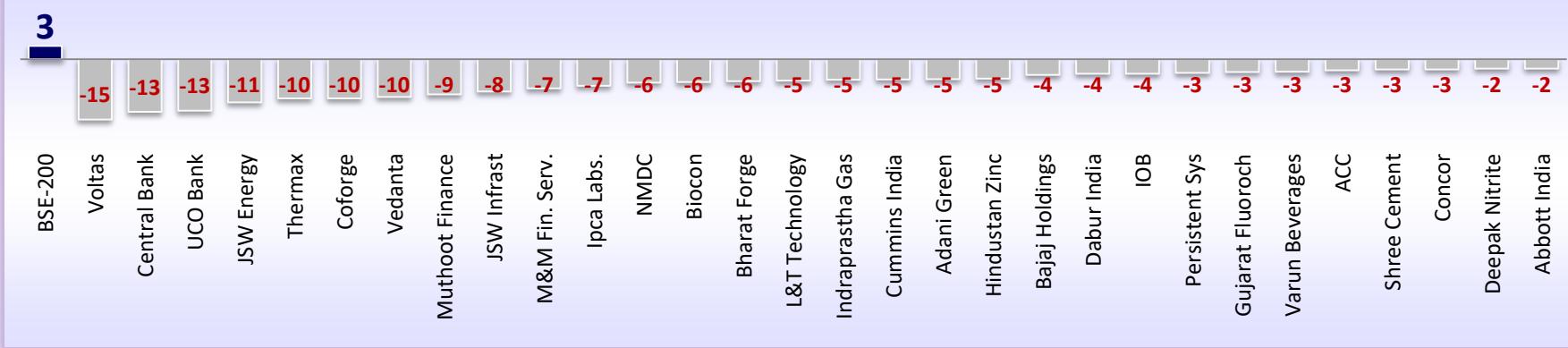


^{*}The list excludes Nifty constituents.

About 32% of BSE-200 constituents end lower in Apr'25

- ❖ In Apr'25, 64 companies closed lower. Voltas, Central Bank, UCO Bank were among the key laggards.
- ❖ About 118 of BSE-200 companies trade lower in CY25YTD. Oracle Finance, Voltas and Central Bank are the key laggards in CY25YTD.

Key laggards among the BSE-200 constituents on a MoM basis (%)^{*}



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



*The list excludes Nifty constituents.

Private Banks and O&G's weights rise, while Technology's grip weakens

- In Apr'25, the weights of Private Banks and O&G (Reliance) increased 60bp and 50bp MoM, respectively, while Technology's weight saw a sharp reduction of 80bp MoM among the Nifty-50 constituents.

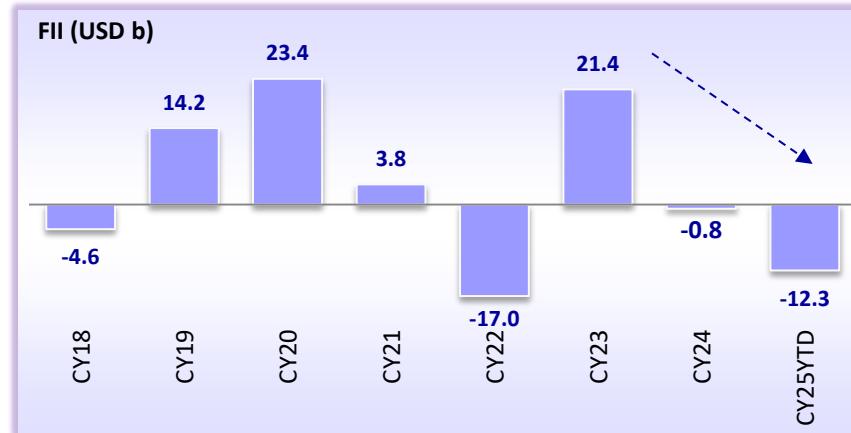
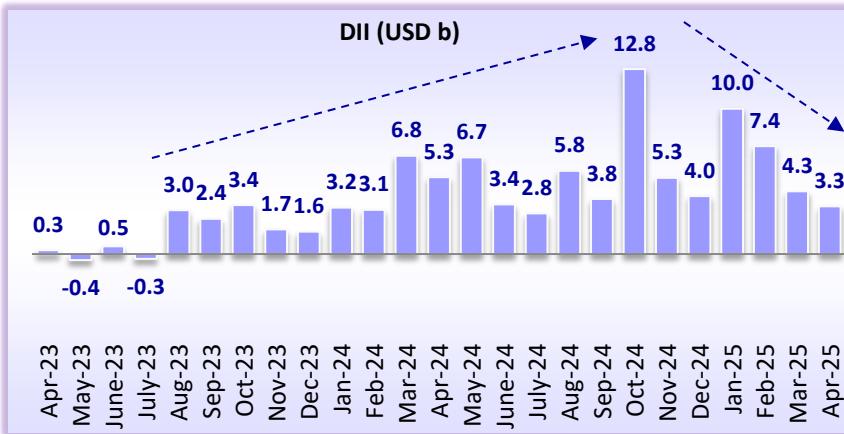
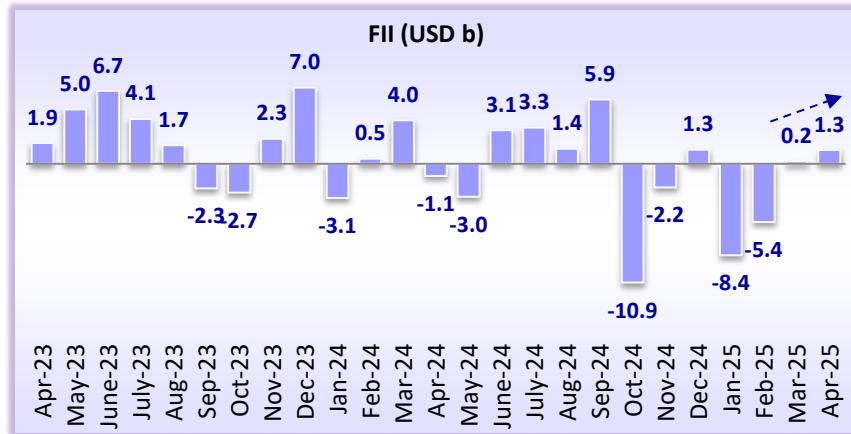
Sector	Weightage in the Nifty (%)							
	Dec'08	Dec'12	Dec'20	Dec'21	Dec'22	Dec'23	Mar'25	Apr'25
Automobiles	2.5	8.8	5.4	5.0	5.3	6.5	6.9	7.0
Banks – Private	5.0	16.9	24.7	21.9	24.2	28.2	28.4	29.0
Banks – Public	5.4	4.7	1.8	2.3	2.9	2.6	2.8	2.8
NBFC + Insurance	2.3	7.9	12.3	11.4	10.6	4.5	6.1	6.0
Capital Goods	7.7	5.9	2.6	3.0	3.1	4.4	4.9	4.6
Cement	1.7	4.2	2.2	2.4	1.8	2.1	2.2	2.2
Consumer	6.5	12.3	10.4	9.4	10.3	10.8	7.8	8.0
Healthcare	2.6	5.0	3.6	3.4	3.8	4.0	3.8	3.9
Metals	4.8	3.8	2.0	2.9	2.9	3.0	3.1	2.8
Oil and Gas	24.5	12.3	12.5	12.3	12.1	10.5	9.0	9.5
Reliance	10.6	7.4	10.7	10.8	11.0	9.2	8.1	8.6
Retail	0.0	0.0	1.1	1.4	1.4	1.6	2.3	2.3
Telecom	11.6	2.0	2.0	2.1	2.5	2.7	4.4	4.5
Technology	9.0	11.4	16.3	19.1	14.0	13.6	11.9	11.1
Utilities	13.3	4.5	2.1	2.1	2.5	3.6	3.7	3.6
Miscellaneous	3.3	0.5	1.0	1.2	2.6	1.9	2.7	2.8
Nifty	100	100	100	100	100	100	100	100

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

FII flows gather steam; DII inflows slow down

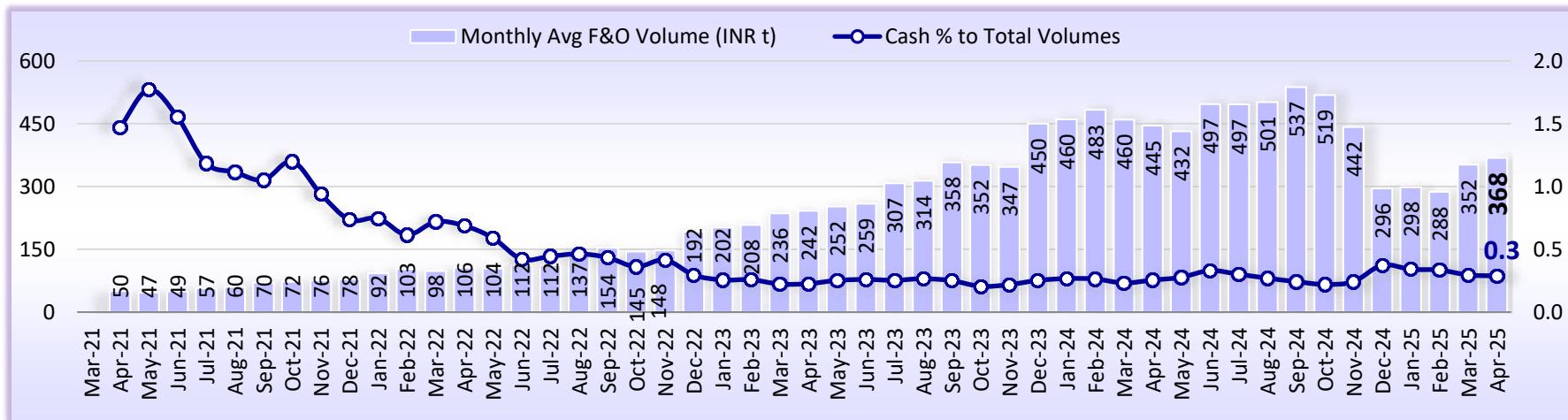
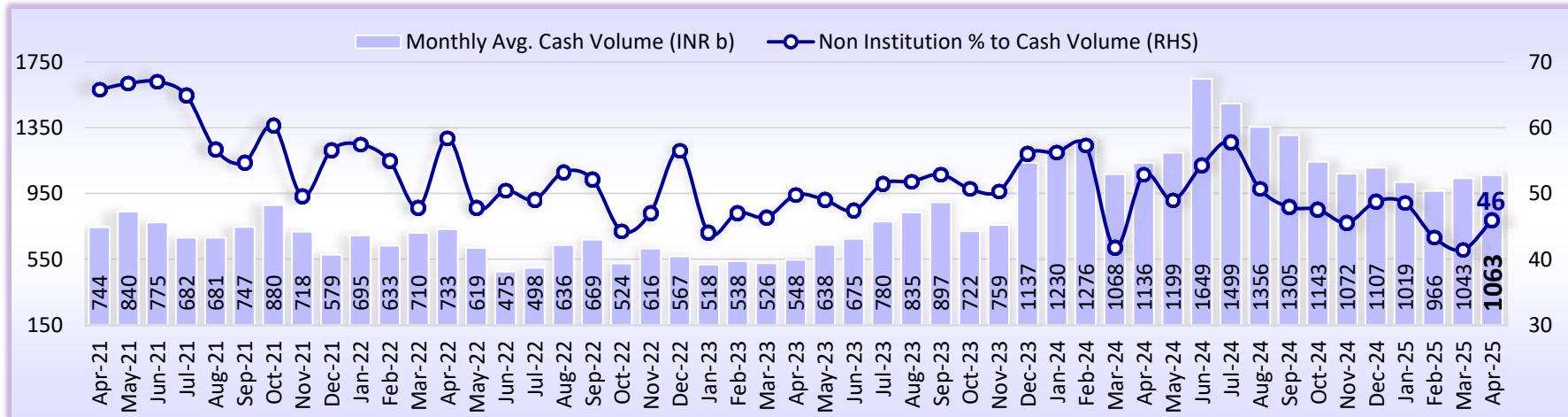
- ❖ FII flows remained positive for the second consecutive month. Meanwhile, DIIs invested USD3.3b, marking their 21st consecutive month of inflows.
- ❖ In CY25YTD, DIIs have invested ~USD25.1b, while FIIs have sold ~USD12.3b worth of Indian equities.
- ❖ During CY21-CY25YTD, DII inflows have totaled ~USD155b, whereas net FII outflows stood at ~USD5b.

Monthly institutional flows (USD b)



Monthly average cash and F&O volumes rise MoM

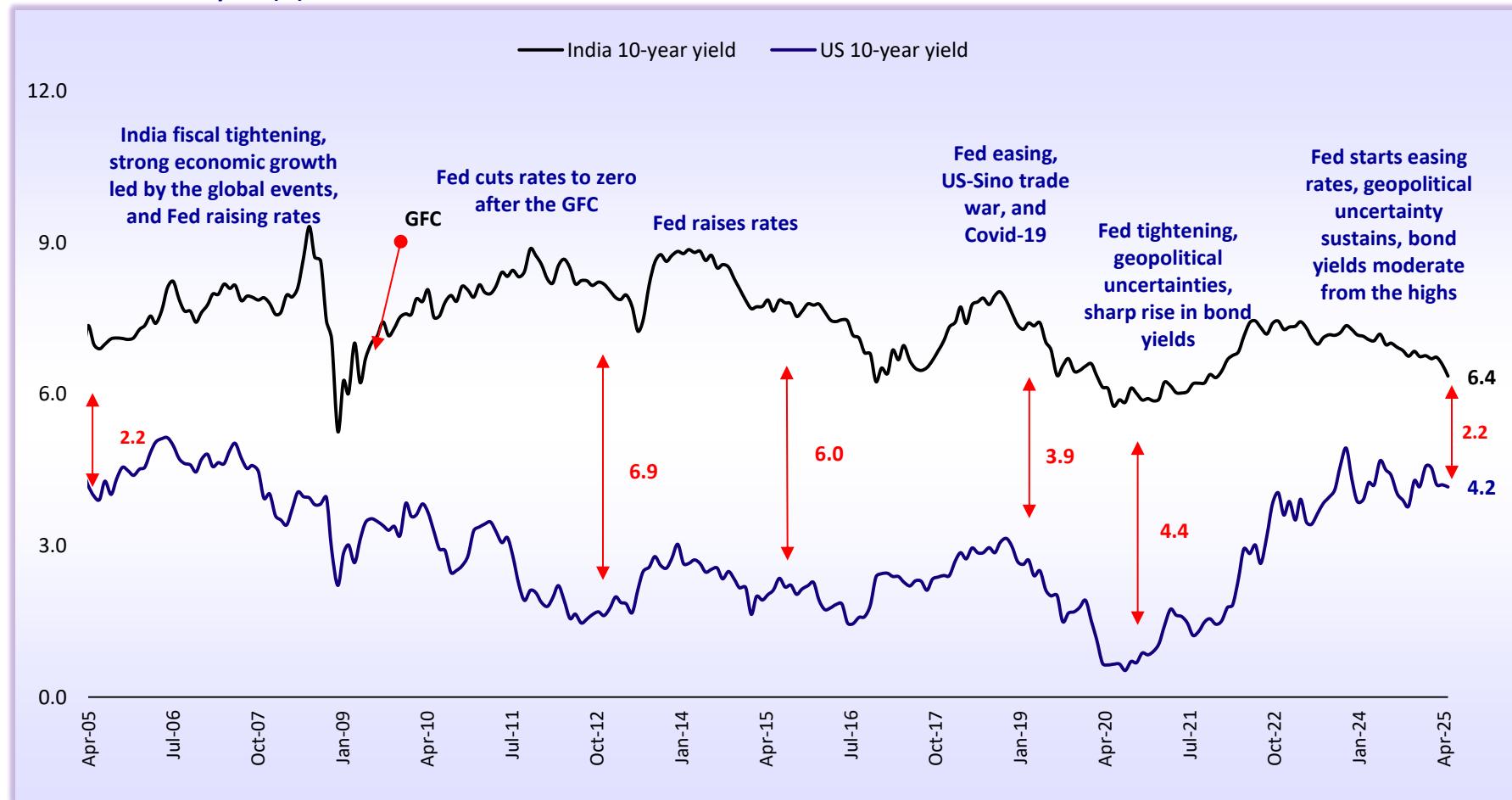
- ❖ Monthly average cash volumes rose 2% MoM in Apr'25 to INR1,063b (down 36% from the Jun'24 high). Non-institutional participation, which accounted for 46% of the total cash volumes, was up 500bp MoM.
- ❖ Monthly average F&O volumes were up 5% MoM at INR368t (down 31% from the Sep'24 high).



India-US 10Y yield spread further narrows MoM

- The Gol 10-year bond yield slipped 20bp MoM to 6.4% in Apr'25, while the US yield remained flat at 4.2%. As a result, the yield spread dipped 20bp MoM to 2.2%.

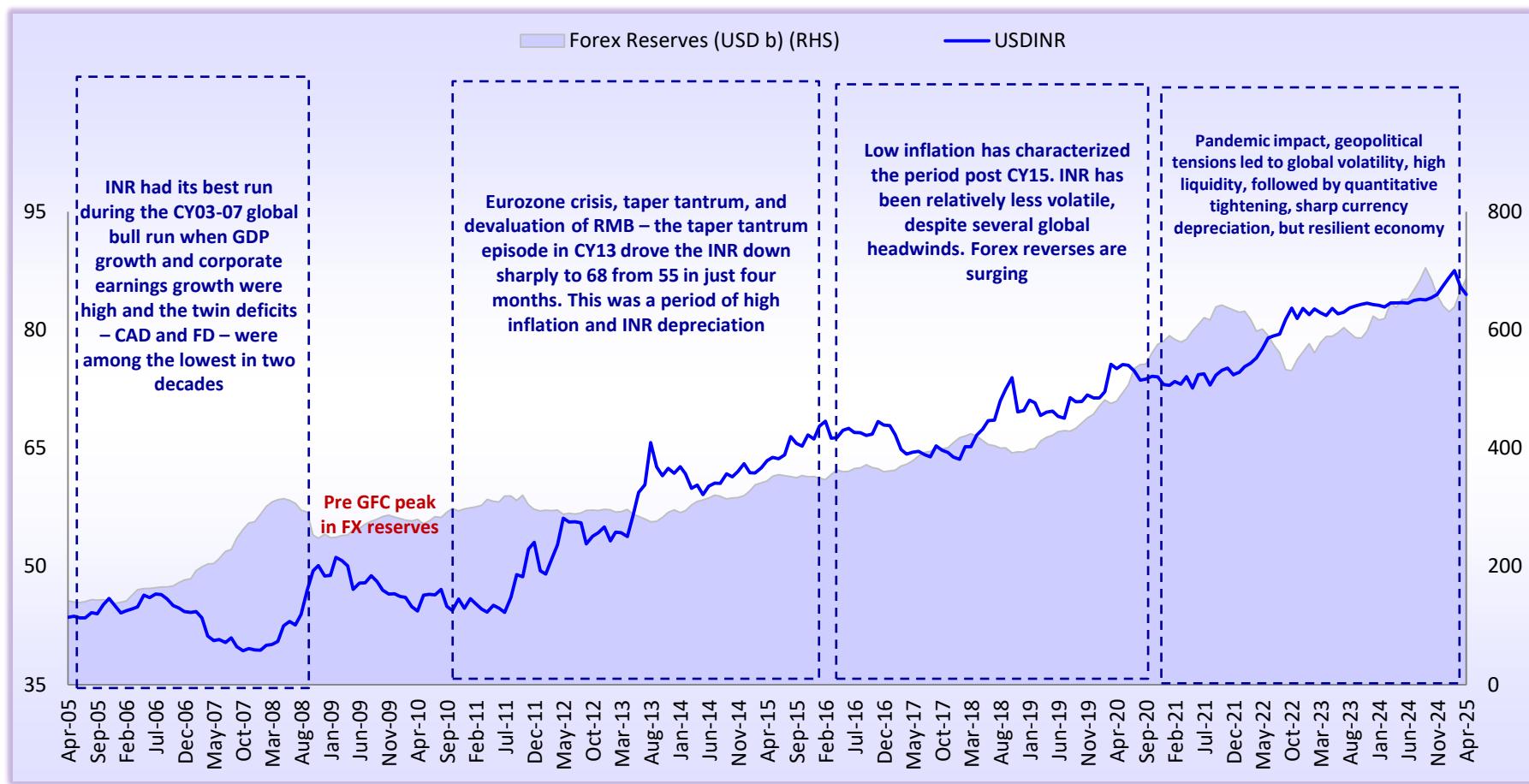
India-US 10Y bond yield (%)



Source: Bloomberg, MOFSL

Forex fortunes: Reserves rise for the third consecutive month

- ❖ India's forex reserves rose 3% MoM to USD686b in Apr'25 (up 9% from the Jan'25 lows of USD631b).
- ❖ On the currency front, INR:USD strengthened 1.1% MoM to 84.5 (down 1.5% YoY).



Source: Bloomberg, MOFSL

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

Initiating Coverage | Hindustan Aeronautics | Charting the next frontier in Defense!!

[Report link>>](#)

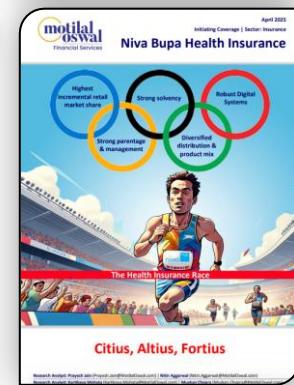
- ❖ Hindustan Aeronautics (HAL) is a market leader in aerospace defense. It boasts a strong order book of INR1.8t as of Mar'25, along with a promising prospect pipeline of INR6t. The company is transitioning from a traditional licensed model to an indigenized model and is currently working on marque projects such as Tejas Mk1, Tejas Mk1a, Su-30 upgrade, Dornier25, and Light Utility Helicopter (LUH), et al. We expect HAL to benefit from 1) a strong pipeline of projects, 2) execution scale-up aided by large platform orders, 3) a stable stream of RoH revenues, 4) backward integration, and 5) a healthy 29%/33%/29% revenue/EBITDA/PAT CAGR over FY25-27.
- ❖ We initiate coverage on the stock with a BUY rating with a TP of INR5,100 based on average of DCF and 32x P/E on Mar'27 estimates. We believe that near-term catalysts will emerge when aircraft deliveries commence as engine supplies from GE resume, while medium- to long-term triggers will stem from the finalization of orders for 97 Tejas-Mk1A, Tejas MK-II, LUH, Advanced Medium Combat Aircraft (AMCA), et al.



Initiating Coverage | Niva Bupa Health Insurance | Citius, Altius, Fortius!

[Report link>>](#)

- ❖ Niva Bupa Health Insurance (Niva) has emerged as one of the fastest-growing health insurers, delivering a CAGR of ~34% during FY22-25 and garnering the highest incremental market share in the retail health segment. We expect the growth momentum to remain strong and estimate a CAGR of 25% in gross written premium (GWP) over FY25-28E (Pre-1/n).
- ❖ Niva has a diversified product mix, with retail/group health accounting for 68%/31% as of 9MFY25. Consistent innovations and right pricing will boost momentum in its retail health segment (33.5% CAGR in FY22-24). The company has a well-diversified distribution model, with agents/corporate agents/ brokers/direct contributing 30%/28%/29%/13% of the mix in 9MFY25.
- ❖ We expect the company to report a CAGR of 25%/32% in pre-1/n GWP/PAT over FY25-28. We initiate coverage on Niva with a TP of INR100, based on 40x FY27E P/E on IFRS PAT.



Initiating Coverage | Blue Jet Healthcare | Ascending the value chain

[Report link>>](#)

- ❖ BLUEJET is on the path to building a legacy business in line with this philosophy. With its niche product offerings in Contrast Media and Pharmaceutical Intermediaries & API, BLUEJET has been changing the way the healthcare industry caters to the therapeutic needs of patients around the globe. The company has established itself as a reliable supplier to its customers for the past three decades and is now working toward moving up the value chain by significantly increasing its investment in R&D.
- ❖ With existing products ramping up and new product launches in sight, we expect BLUEJET to post a CAGR of ~27%/24%/19% in revenues/ EBITDA/ PAT over FY25-27E, with a sharp uptick to be seen in the pharma Intermediaries segment.
- ❖ We expect FCF generation of INR3.6b during FY25-27E, with cumulative capex of INR5b. The stock is trading at a P/E of ~28x on FY27E EPS of INR24.7 and FY27E EV/ EBITDA of ~20x. We initiate coverage with a BUY rating on the stock with a target price of INR865, valuing the company at a P/E of 35x on FY27E EPS of INR24.7.



Valuations: Key observations

Valuations: Nifty's 12-month trailing P/E rises further MoM

- ❖ The 12-month trailing P/E for Nifty rose 4% MoM to 23.6x (down 7% from the Sep'24 high of 25.5x) and traded 4% above its LTA.
- ❖ At 3.5x, the 12-month trailing P/B was 12% above its historical average of 3.1x.

12-month trailing Nifty P/E (x)



12-month trailing Nifty P/B (x)



Valuations: Nifty's 12-month forward P/E trades near its LTA

- ❖ Nifty's 12-month forward P/E traded at 20.7x, near to its LTA and down 15% from the Sep'24 high.
- ❖ At 3.2x, the 12-month forward P/B traded at a premium of 12% to Nifty's historical average of 3.2x.

12-month forward Nifty P/E (x)



12-month forward Nifty P/B (x)



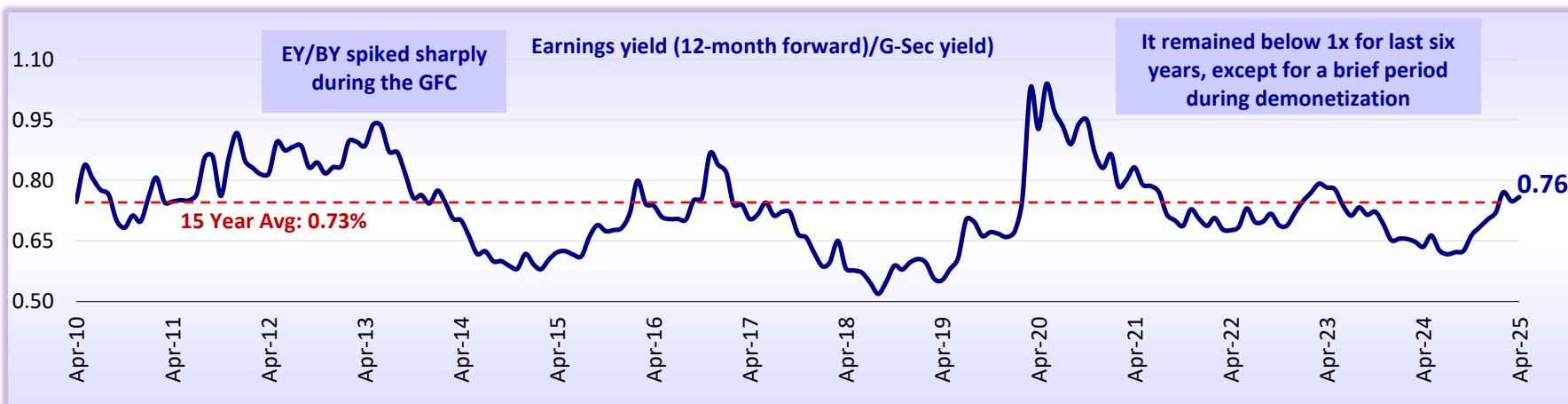
EY/BY accelerates MoM; India's bond yield settles down

- India's 10Y bond yield stood at 6.4% (down 20bp MoM). As a result, EY/BY traded at its LPA on a trailing basis and was at a premium on a forward basis.

Trailing Earnings Yield/G-Sec Yield (x)



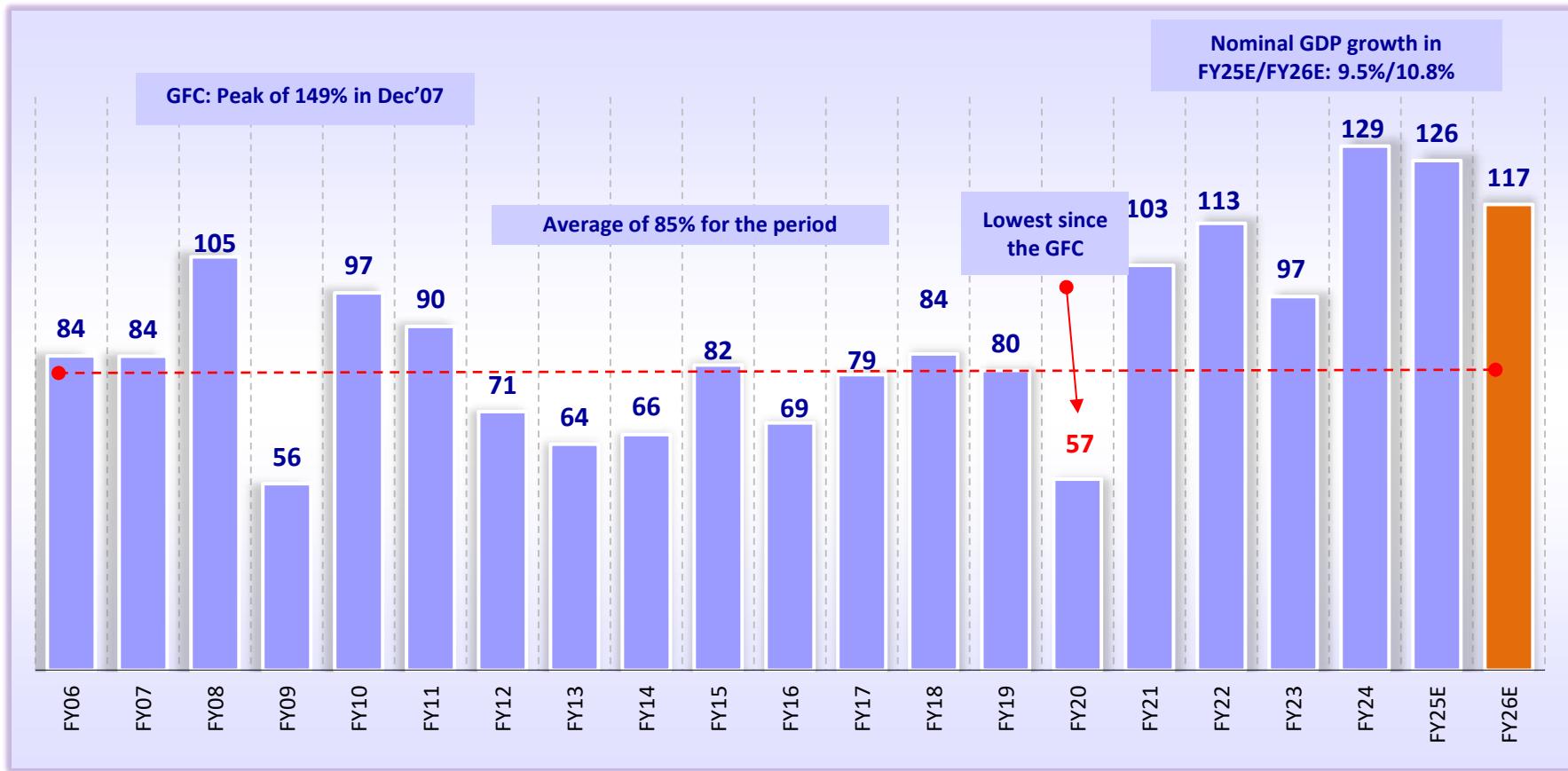
Forward Earnings Yield/G-Sec Yield (x)



India's market cap-to-GDP ratio moderates from the FY25 highs

❖ India's market cap-to-GDP ratio is projected at 117% in FY26, down from the high of 146% in Sep'24.

Market cap-to-GDP ratio (%)



Top ideas

Company	Mcap (USDb)	CMP	EPS (INR)			EPS CAGR (%)	PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E		FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Preferred large-cap stocks															
Reliance Inds.	225.4	1,422	25.7	59.5	66.5	60.7	55.3	23.9	21.4	4.6	2.1	1.9	8.5	9.2	9.4
Bharti Airtel	134.2	1,852	36.5	44.7	62.1	30.5	50.8	41.4	29.8	10.1	7.7	6.6	22.8	22.8	25.6
ICICI Bank	118.8	1,432	66.8	72.9	85.5	13.2	21.4	19.6	16.7	3.5	3.2	2.7	18.0	17.1	17.5
Hind. Unilever	65.0	2,323	44.3	47.8	52.3	8.6	52.4	48.6	44.4	11.1	10.8	10.4	20.7	22.4	23.8
Larsen & Toubro	54.3	3,329	104.9	135.1	156.2	22.0	31.7	24.6	21.3	4.7	4.1	3.6	15.7	17.8	17.9
Kotak Mah. Bank	51.9	2,185	94.3	106.2	126.4	15.8	23.2	20.6	17.3	2.9	2.6	2.2	13.5	13.0	13.5
TCS	146.8	3,444	134.2	142.5	153.1	6.8	25.7	24.2	22.5	13.2	12.6	12.1	52.4	53.3	55.0
M & M	41.5	2,930	98.3	116.4	130.2	15.1	29.8	25.2	22.5	5.7	4.9	4.2	20.8	20.9	20.0
Titan Company	35.5	3,339	42.8	53.1	63.2	21.6	78.0	62.9	52.8	24.6	19.3	15.4	35.5	34.5	32.5
Trent	21.8	5,146	43.2	55.5	68.3	25.8	119.2	92.8	75.3	31.3	23.0	17.3	32.2	30.6	28.1
Preferred mid-cap/small-cap stocks															
Indian Hotels	13.3	800	11.7	15.1	17.9	23.6	68.4	53.1	44.8	10.1	8.6	7.2	16.1	17.5	17.5
Dixon Tech.	11.7	16,350	124.1	168.2	242.4	39.7	131.7	97.2	67.4	40.4	28.7	20.2	36.1	34.5	35.2
HDFC AMC	11.0	4,382	115.2	131.3	149.0	13.7	38.0	33.4	29.4	11.5	10.6	9.7	32.4	33.1	34.5
SRF	10.6	2,970	42.7	71.6	100.1	53.2	69.6	41.5	29.7	7.2	6.4	5.4	10.7	16.3	19.7
BSE	10.2	6,307	87.2	132.7	150.2	31.2	72.3	47.5	42.0	23.3	20.3	17.8	32.3	42.8	42.3
Suzlon Energy	9.1	56	1.0	1.6	2.4	58.6	59.2	34.7	23.5	14.7	10.3	7.4	28.4	35.0	36.6
JSW Infra	7.2	290	7.0	7.5	9.4	16.2	41.5	38.5	30.7	6.2	5.5	4.8	16.3	15.4	16.7
Page Industries	6.0	45,201	616.9	708.4	839.8	16.7	73.3	63.8	53.8	28.7	24.7	21.2	39.2	38.7	39.4
Coforge	5.8	7,387	127.9	233.8	282.1	48.5	57.7	31.6	26.2	11.7	9.9	8.4	21.3	33.8	34.5
IPCA Labs.	4.2	1,378	34.4	45.5	56.1	27.7	40.0	30.3	24.6	4.9	4.3	3.8	13.0	15.3	16.4

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Quant Research & India Strategy Gallery

India Strategy
By Rajiv Goel

India's growth is a major concern for the world. The country's economic rise has been one of the most remarkable stories of the past two decades. India's GDP has grown at an average rate of 7.2% per year since 1991, making it the world's second-fastest-growing economy. This growth has been driven by a combination of factors, including a large and growing middle class, a rapidly expanding service sector, and a focus on infrastructure development. However, India's rapid growth has also led to concerns about its impact on the global economy. The country's increasing demand for resources, particularly oil and gas, has put pressure on global markets. India's growing trade deficit has also raised concerns about its long-term economic sustainability. The Indian government has taken steps to address these challenges, including efforts to diversify its economy and improve its infrastructure. However, the road ahead is likely to be充满挑战的.

India Strategy

By Rakesh Kapoor, *Editor, *India Today**

India's economic growth

The growth of India's economy has been phenomenal in the last decade. The country's GDP has grown at an average rate of 8.5% per annum, making it one of the fastest growing economies in the world. The growth has been driven by a combination of factors, including a large and growing middle class, a rapidly expanding service sector, and a growing manufacturing base. The government's focus on infrastructure development, including roads, railways, and ports, has also played a key role in this growth. The Indian economy is now the fourth largest in the world, and is expected to continue to grow at a rapid pace in the future.

India's political landscape

India's political landscape is characterized by a complex system of parties and alliances. The Indian National Congress (INC) has been the dominant party for much of the country's history, but it has faced significant challenges in recent years. The Bharatiya Janata Party (BJP) has emerged as a major political force, particularly in northern and western India. Other significant parties include the Communist Party of India (Marxist) (CPI-M), the Indian Communist Party (Marxist-Leninist) (CPI-ML), and the Nationalist Congress Party (NCP). The political system is based on a federal structure, with power shared between the central government and state governments.

India's foreign policy

India's foreign policy is based on a policy of non-alignment and a focus on peaceful coexistence with all countries. The country has a long history of diplomatic relations with many countries, including the United States, the United Kingdom, and France. India has also played a key role in the development of the Non-Aligned Movement (NAM), which aims to promote the interests of developing countries. The Indian government has consistently advocated for disarmament, nuclear non-proliferation, and the promotion of international law and justice.

India's defense strategy

India's defense strategy is based on a policy of deterrence and self-defense. The country has a large and well-trained military, including the Indian Army, Indian Navy, and Indian Air Force. The Indian military has played a key role in several conflicts, including the Indo-Pakistani War of 1947, the Indo-Pakistani War of 1971, and the Kargil War of 1999. The Indian government has also invested heavily in modernizing its military, including the purchase of advanced weapons systems and the development of new technologies.

India's economy

India's economy is one of the fastest growing in the world, with a GDP of approximately \$2.5 trillion. The country's economy is based on a mix of agriculture, manufacturing, and services. The service sector, particularly the IT and pharmaceuticals industries, has been a key driver of growth. The manufacturing sector, including the automobile and textile industries, has also played a significant role. The agriculture sector, which accounts for a large portion of the economy, has faced challenges due to climate change and rural poverty.

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A graphic featuring a stylized globe with a red ribbon wrapped around it. In the foreground, there is a blue circular icon with a complex, multi-petaled or flower-like pattern inside, with orange lines radiating from its center.

The graphic consists of two bar charts. The top chart shows the 'Projected Growth of India' from 1990 to 2000, with a projected rate of 5.5% for 2001-2010. The bottom chart shows the 'Projected Growth of India' from 2001 to 2010, with a projected rate of 5.5% for 2001-2010.

Year	Growth Rate (%)
1990	3.5
1991	4.0
1992	4.5
1993	5.0
1994	5.5
1995	6.0
1996	6.5
1997	7.0
1998	7.5
1999	8.0
2000	8.5
2001-2010	5.5

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

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

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