

Sectors trading at a premium



Sectors trading at a discount

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

BULLS & BEARS

INDIA VALUATIONS HANDBOOK

HIGHLIGHTS – JULY'25 EDITION

- Nifty takes a breather in Jul'25.
- Midcaps/smallcaps underperform largecaps.
- FIIs saw outflows after four straight months of inflows.
- Breadth was adverse in Jul'25, with 35 Nifty stocks closing lower.
- Technology, Telecom, Real Estate, Media, and Capital Goods were the top laggards; Healthcare and Consumer were the only gainers.
- India's share of global mcap moderates to 3.8%.
- Over the last 12 months, global market cap rose 14.9% (USD17.8t), whereas India's market cap was flat.

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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

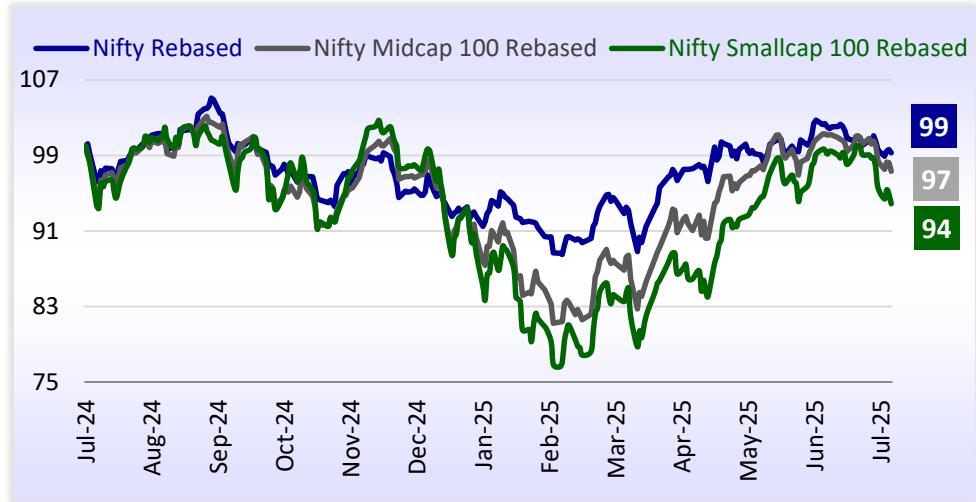
NOTES:

- Prices as of month-end Jul'25
- **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 MOFSL coverage companies
- Data on global equities is sourced from Bloomberg; Nifty valuations are based on MOFSL estimates

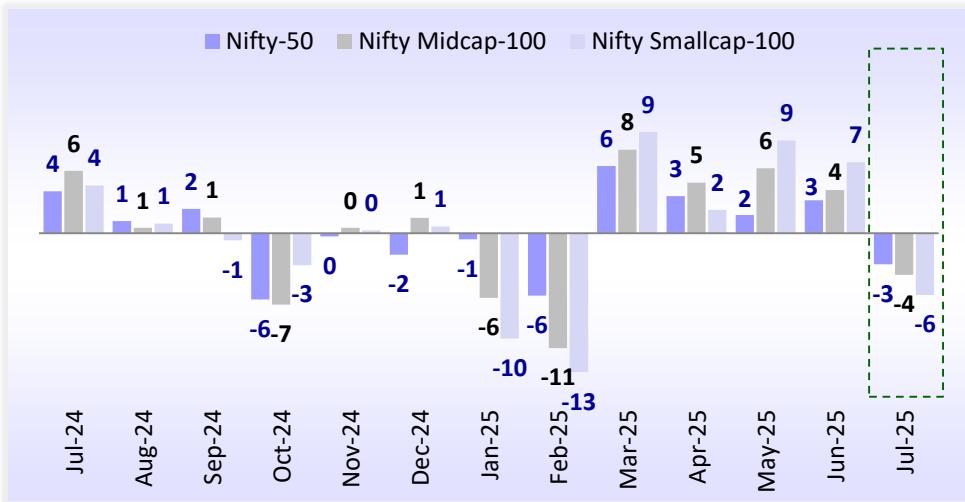
Investors are advised to refer to the important disclosures appended at the end of this report.

- **Market witnesses high volatility, corrects in Jul'25:** The Nifty ended its four-month winning streak in Jul'25, after closing above 25k in Jun'25. The benchmark index was down 2.9% MoM, closing at 24,768 in Jul'25. Notably, the index was extremely volatile and swung around 1,010 points before closing 749 points lower. The Nifty is still up 4.8% in CY25YTD. The Nifty Smallcap 100 (-5.8% MoM) and Nifty Midcap 100 (-3.9% MoM) underperformed the Nifty-50 during the month. Over the last 12 months, largecaps, midcaps, and smallcaps have declined 1%, 3%, and 6%, respectively. Over the last five years, midcaps (CAGR: 30%) have significantly outperformed largecaps (CAGR: 17.5%) by 147%, while smallcaps (CAGR: 29.1%) have markedly outperformed largecaps by 135%.
- **FII saw outflows after four straight months of inflows:** FIIs turned net sellers in Jul'25 to USD2.9b, after four consecutive months of inflows. DII inflows remained healthy, amounting to USD7.1b in Jul'25. FII outflows from Indian equities reached USD11b in CY25YTD vs. outflows of USD0.8b in CY24. DII inflows into equities remained robust at USD48.6b in CY25YTD vs. USD62.9b in CY24.
- **All major sectors end lower in Jul'25:** Among the sectors, Technology (-9%), Telecom (-8%), Real Estate (-8%), Media (-7%), and Capital Goods (-6%) were the top laggards MoM, while Healthcare (+3%) and Consumer (+2%) were the only gainers. The breadth was adverse in Jul'25, with 35 Nifty stocks ending lower. Eternal (+17%), HUL (+10%), Apollo Hospital (+4%), Cipla (+3%), and JSW Steel (+3%) were the top performers, while Trent (-19%), HCL Tech (-15%), Tech Mahindra (-13%), TCS (-12%), and Axis Bank (-11%) were the key laggards.
- **India among the worst-performing markets in Jul'25:** Among the key global markets, Indonesia (+8%), Taiwan (+6%), Korea (+6%), the UK (+4%), China (+4%), the US (+2%), MSCI EM (+2%), Japan (+1%), and Germany (+1%) ended higher in local currency terms. However, Brazil (-4%) and India (-3%) ended lower MoM in Jul'25. Over the last 12 months in USD terms, the MSCI India Index (-8%) has underperformed the MSCI EM Index (+15%). Over the last 10 years, the MSCI India Index has notably outperformed the MSCI EM Index by a robust 64%. In P/E terms, the MSCI India Index is trading at a 66% premium to the MSCI EM Index, below its historical average premium of 80%.
- **Corporate earnings in line so far in 1QFY26:** The earnings of the aforementioned 184 MOFSL Universe companies grew 7% YoY (in-line with the estimate of 6% YoY) in 1QFY26. Overall earnings growth was driven by BFSI, Technology, Oil & Gas, Cement, and Utilities. These five sectors contributed 71% to the incremental YoY accretion in earnings so far. Earnings of the 38 Nifty companies that have declared results so far have grown 7.5% YoY (vs. est. of +5.7% YoY), driven by RIL, HDFC Bank, ICICI Bank, JSW Steel, Bajaj Finance, L&T, and M&M. These seven companies contributed 100% to the incremental YoY accretion in earnings ([detailed report](#)).
- **Our view:** 1QFY26 earnings have broadly been in line, with the intensity of earnings cuts moderating vs. previous quarters—even though the trend of a higher number of downgrades has continued into the quarter. EPS growth for Nifty-50 is expected to rise to ~10% in FY26 (vs. a sluggish 1% in FY25)—aided by a likely improvement in the macro environment owing to stimulative fiscal and monetary measures. Markets have staged an impressive recovery from the April'25 lows. Although Jul'25 was somewhat weak, we believe better earnings prospects and reasonable valuations (barring small-cap) should help the market eke out gains. We expect the impact of US tariff wars on Indian markets to be limited. Nifty trades at 22.1x FY26E earnings, near its LPA of 20.7x. While our [model portfolio](#) bias remains toward largecaps (~70% wt.), we have turned more constructive toward midcaps (~22% wt. vs. 16% earlier), due to better earnings delivery and prospects. We are OW on BFSI, Consumer Discretionary, Industrials, Healthcare, and Telecom, while we are UW on Oil & Gas, Cement, Real Estate, and Metals.
- **Top ideas: Largecaps** – Reliance Industries, Bharti Airtel, ICICI Bank, L&T, Titan, M&M, Trent, Tech Mahindra, Sun Pharma, TVS Motors, and Eternal.
Midcaps and Smallcaps – Indian Hotels, HDFC AMC, BSE, Suzlon Energy, Dixon Tech., SRF, Jindal Stainless, Coforge, Page Industries, Keynes Tech, Radico Khaitan, and LT Foods.

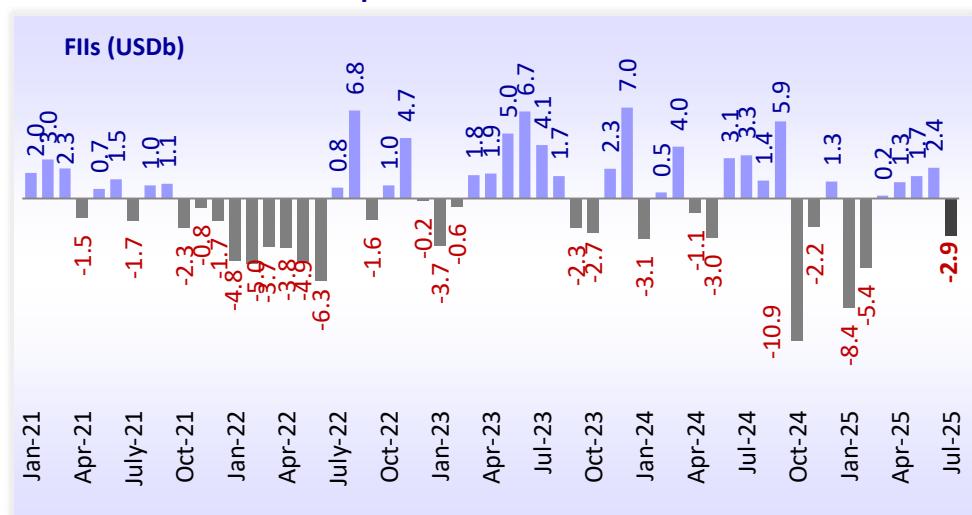
Performance of midcaps/smallcaps vs. largecaps over the last 12 months



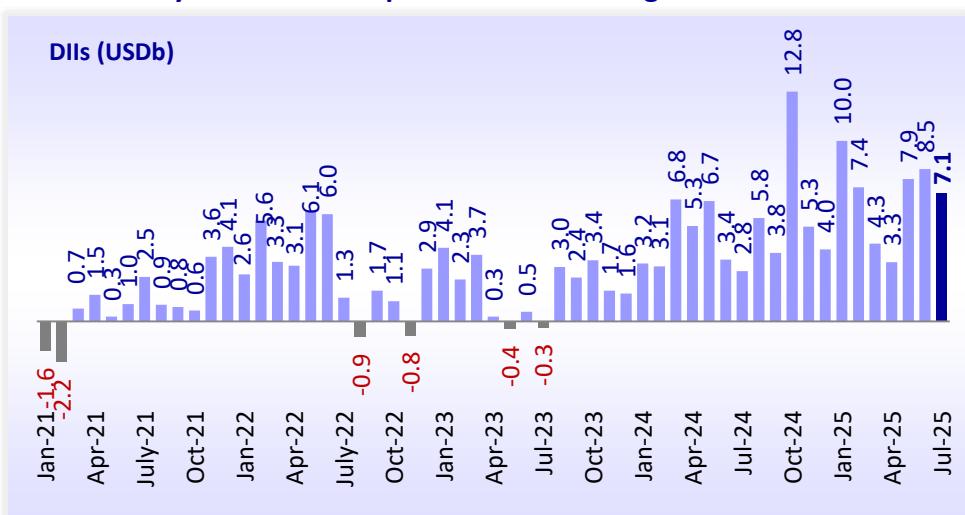
MoM performance (%) – Midcaps/smallcaps underperform in Jul'25



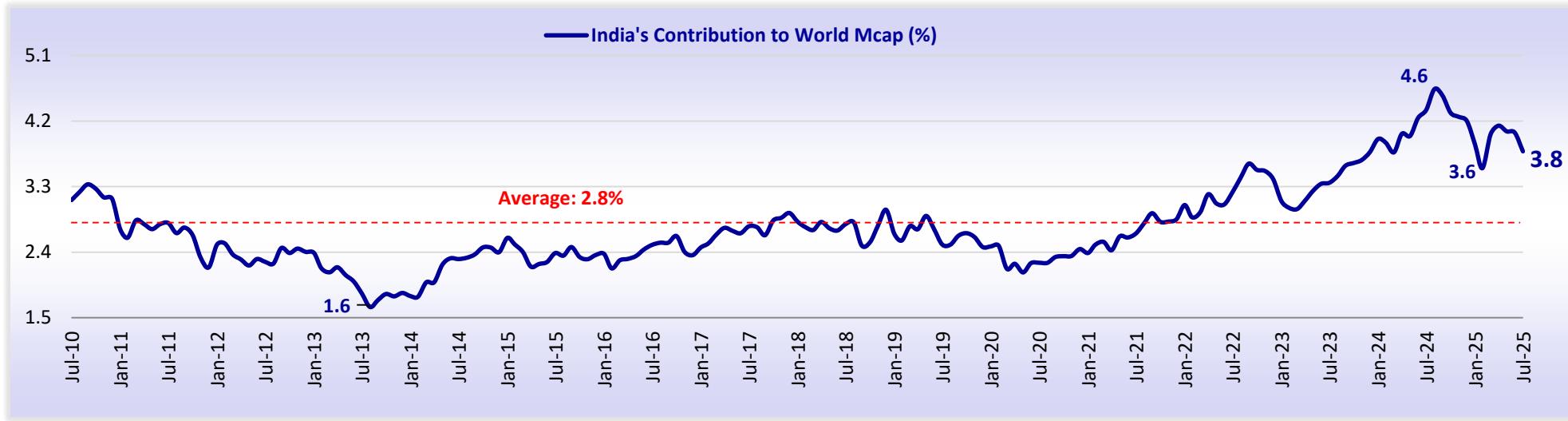
FIIs record outflows into equities in Jul'25 after four months of inflows



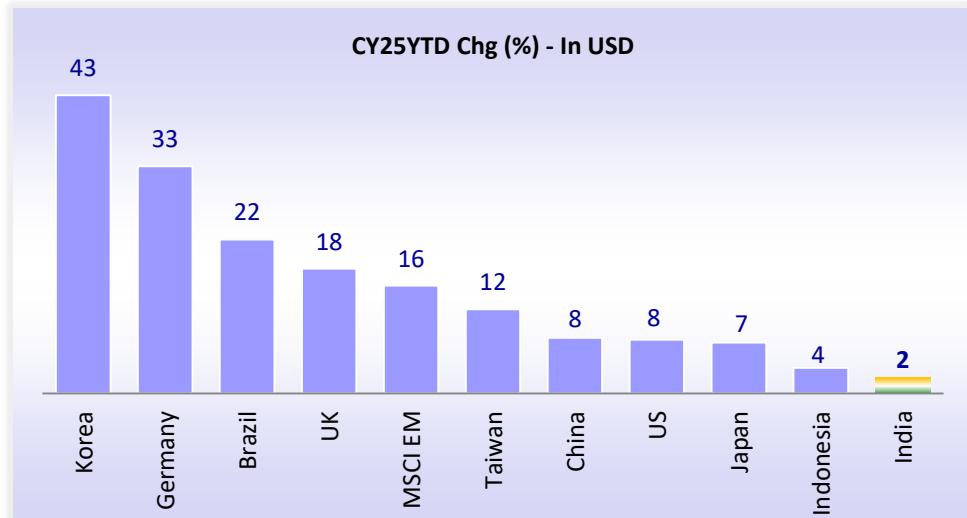
DII's monthly inflows into equities remain strong



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

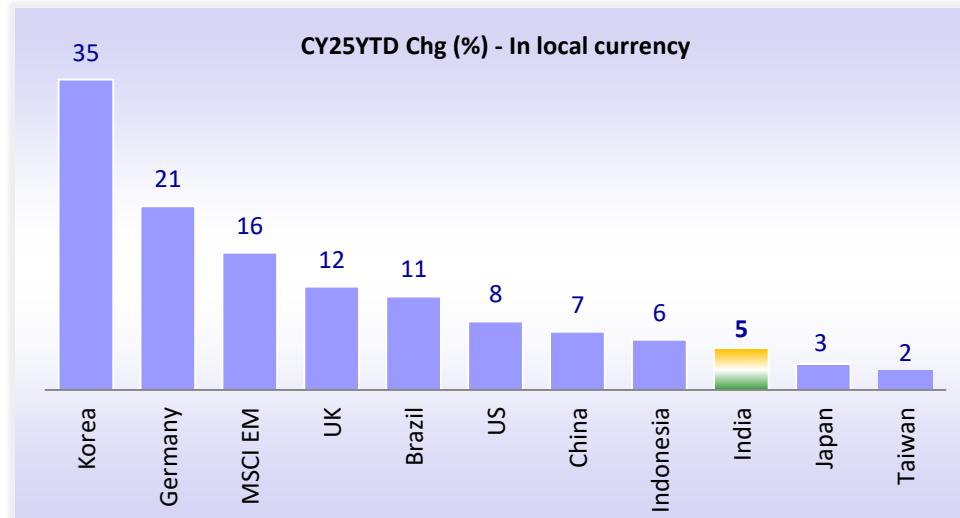


World equity indices in USD terms (%) in CY25YTD



Source: Bloomberg

World equity indices in local currency terms (%) in CY25YTD



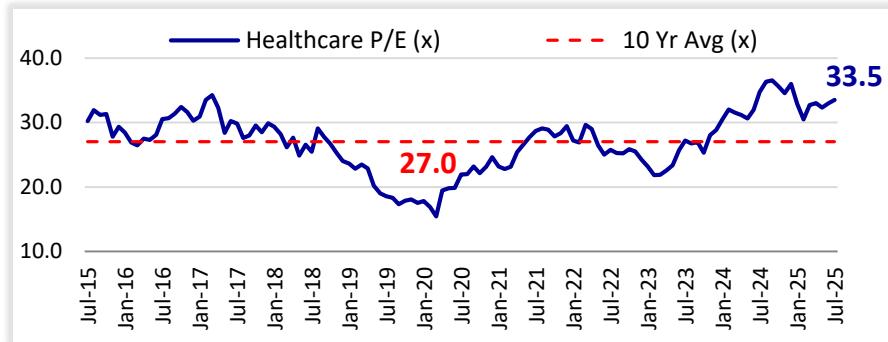
Structural drivers in place to keep valuations elevated: The healthcare sector's P/E has exhibited an interesting trend over the past 10 years. It hit a low of 15x in Mar'20 due to modest performance in US generics and moderation in the domestic formulation (DF) segment. Additionally, the hospital segment within the healthcare sector faced challenges due to the increasing share of low-margin new hospital additions. COVID-19 provided a much-needed boost to the earnings outlook and renewed interest in the sector, doubling its P/E multiple to ~30x in Mar'22. However, the multiple decelerated till Jan'23, largely due to a breather in earnings growth led by excess inventory at the industry level and geopolitical tensions. Subsequently, an improved outlook across US generics/DF/CDMO/hospitals/ diagnostic labs has led to a strong uptrend, resulting in 35x P/E in Oct'24. Currently, the sector is trading at a 34x P/E, maintaining a premium to its 10-year average/Nifty.

DF – undergoing transformation: The DF segment has been witnessing considerable transformation over the past decade. The overall prescription (Rx) segment at the industry level has moderated in growth—from 13-14% in FY15 to 8-9% over the past 12M. The trade generics (Tx) segment has gained traction, with influence shifting from doctors to chemists for certain medicines. Additionally, companies are expanding their consumer health portfolios, adding an OTC flavor to their product mix. Accordingly, while Rx growth was on a downtrend, companies outperformed the industry by strategically shifting their portfolios toward chronic therapies, gradually increasing their focus on trade generics, and implementing direct-to-patients outreach efforts. Given the asset-light/high-margin nature of the business, this segment is expected to maintain elevated valuations.

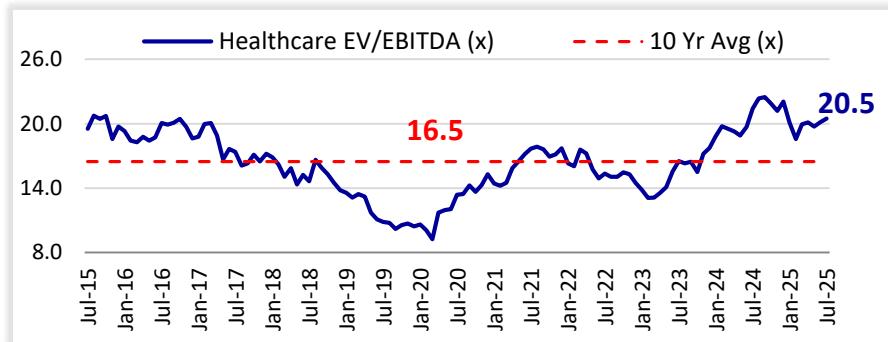
CDMO – gaining strength on earnings growth and valuation: The outlook for the CDMO industry has strengthened, supported by Indian pharma companies expanding their service offerings from chemical synthesis to biologics. Over the past 2-3 years, the public market has seen the addition of 3-4 companies in the CDMO space through IPOs, each bringing differentiated technology offerings to innovator pharma companies. Additionally, the China+1/GLP narration has provided further upside to the valuations of CDMO companies.

US generics – mixed outlook: After strong sales growth in US generics at an aggregate level over the past two years, FY26 could see a breather due to increased competition in certain products and a gestation period for incremental business from new launches. Companies continue to focus on their product pipelines selectively, leveraging skillsets in differentiated dosages such as injectables and inhalers, as well as complex-to-manufacture products like peptides. This approach may result in some volatility in the valuations of US generics.

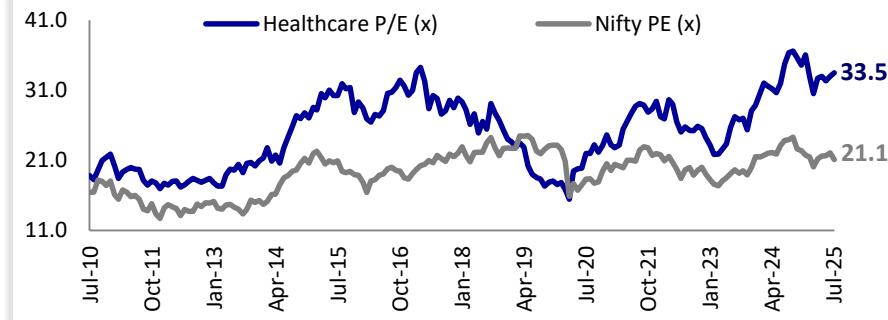
Trend in Healthcare's one-year forward P/E ratio (x)



Trend in Healthcare's one-year forward EV/EBITDA ratio (x)

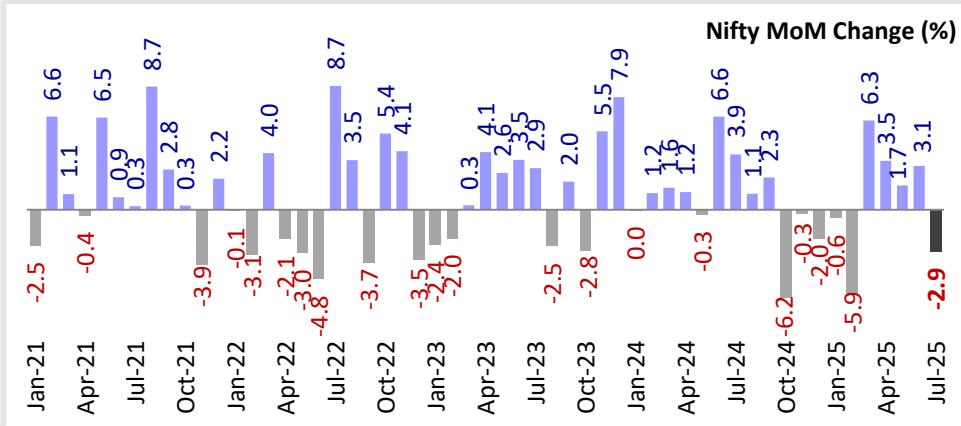


Healthcare P/E valuation trend vs. Nifty P/E (x)

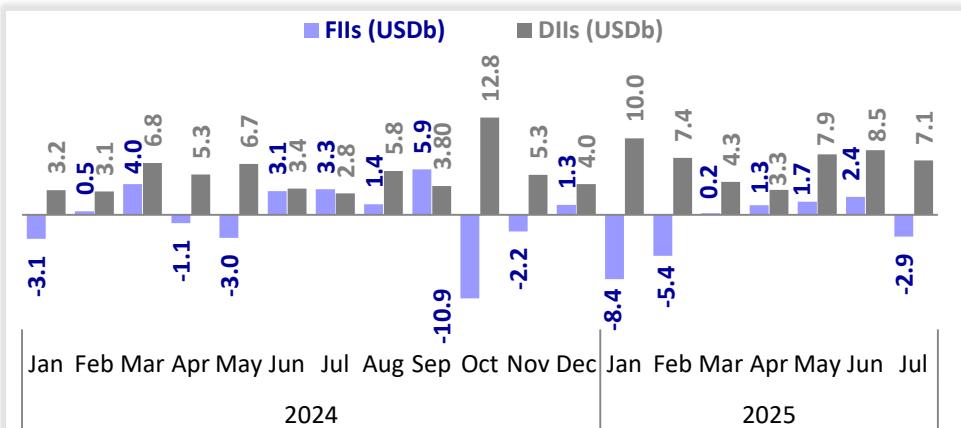


- The Nifty ended its four-month winning streak in Jul'25, after closing above 25k in Jun'25. The benchmark index was down 2.9% MoM, closing at 24,768 in Jul'25. Notably, the index was extremely volatile and swung around 1,010 points before closing 749 points lower. The Nifty is still up 4.8% in CY25YTD.
- All major sectors ended lower – Technology (-9%), Telecom (-8%), Real Estate (-8%), Media (-7%), and Capital Goods (-6%) were the top laggards MoM, while Healthcare (+3%) and Consumer (+2%) were the only gainers.

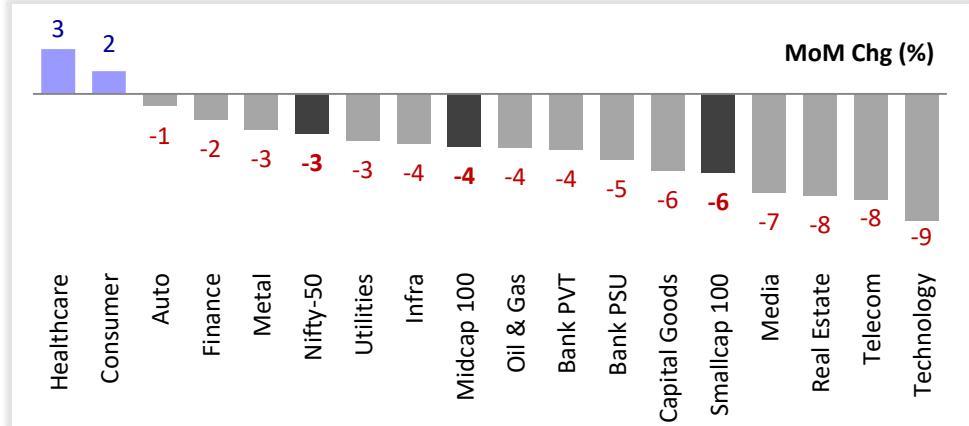
Nifty-50 MoM change (%) – Takes a breather in Jul'25



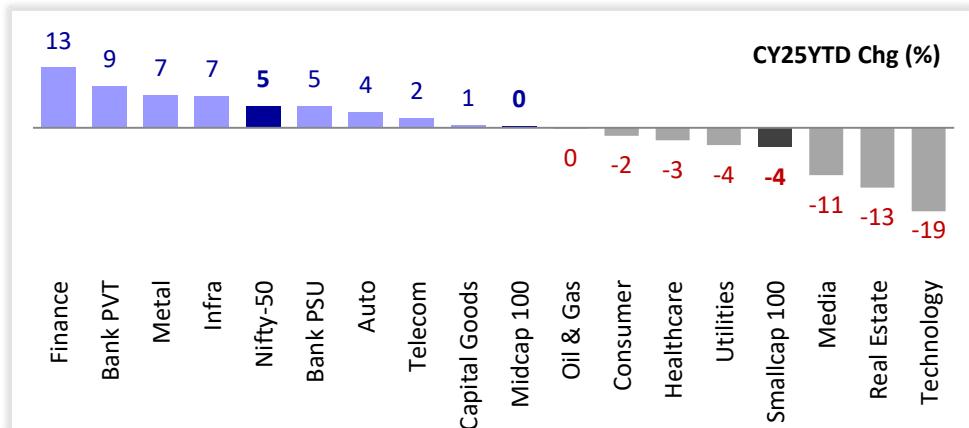
Institutional flows (USD b) – FIIs saw outflows in Jul'25 after four straight months of inflows; DII inflows remained strong



Sectoral MoM change (%) – Technology, Telecom, Real Estate top laggards

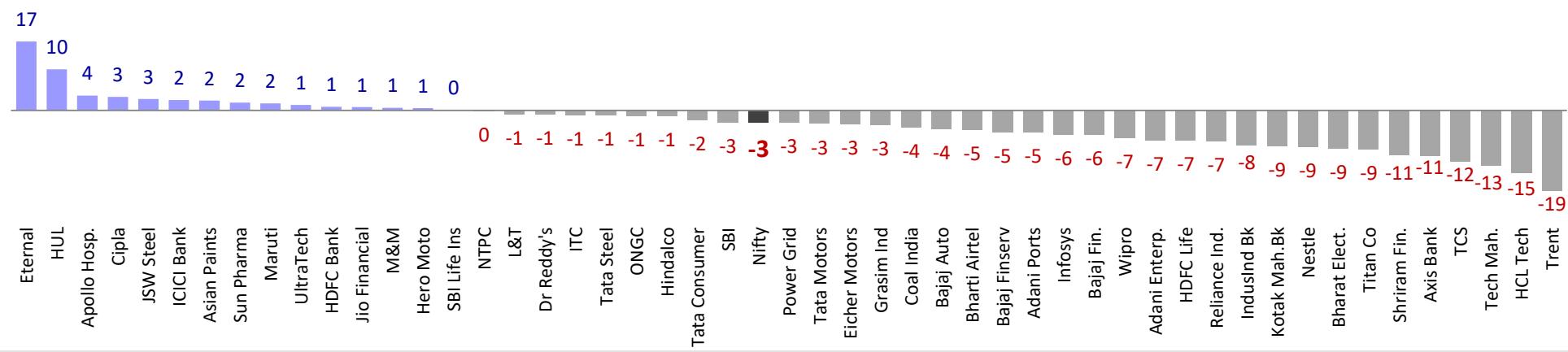


Sectoral CY25YTD change (%) – Technology, Real Estate, Media, and Utilities the key laggards

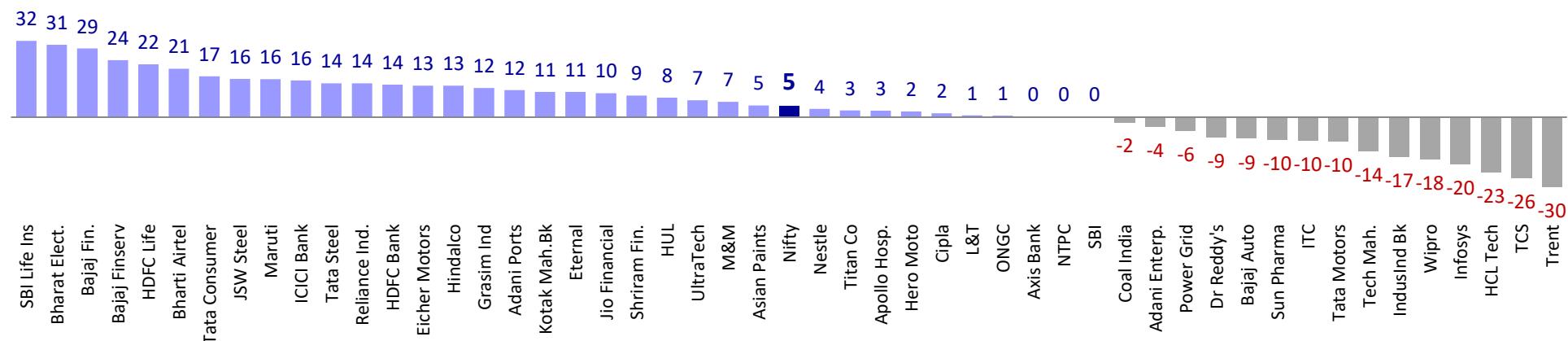


- Best and worst Nifty performers in Jul'25:** Eternal (+17%), HUL (+10%), Apollo Hospital (+4%), Cipla (+3%), and JSW Steel (+3%) were the top performers, while Trent (-19%), HCL Tech (-15%), Tech Mahindra (-13%), TCS (-12%), and Axis Bank (-11%) were the key laggards.
- Best and worst Nifty performers in CY25YTD:** SBI Life Insurance (+32%), Bharat Electronics (+31%), Bajaj Finance (+29%), Bajaj Finserv (+24%), and HDFC Life Insurance (+22%), have been the top performers, while Trent (-30%), TCS (-26%), HCL Tech (-23%), Infosys (-20%), and Wipro (-18%) were the key laggards.

Best and worst Nifty performers (MoM) in Jul'25 (%) – Breadth adverse; 35 Nifty companies end lower MoM

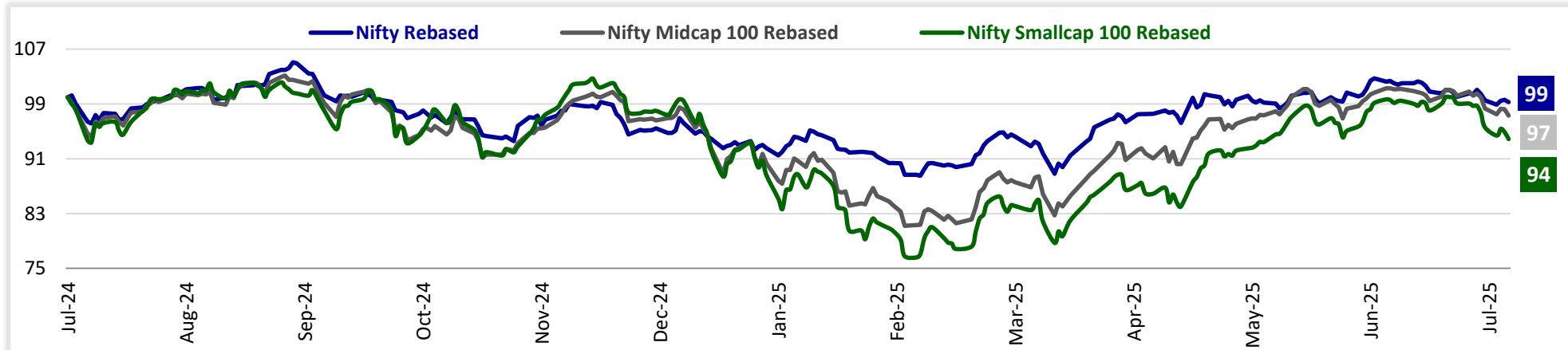


Best and worst Nifty performers in CY25YTD (%) – 70% of the constituents trade higher

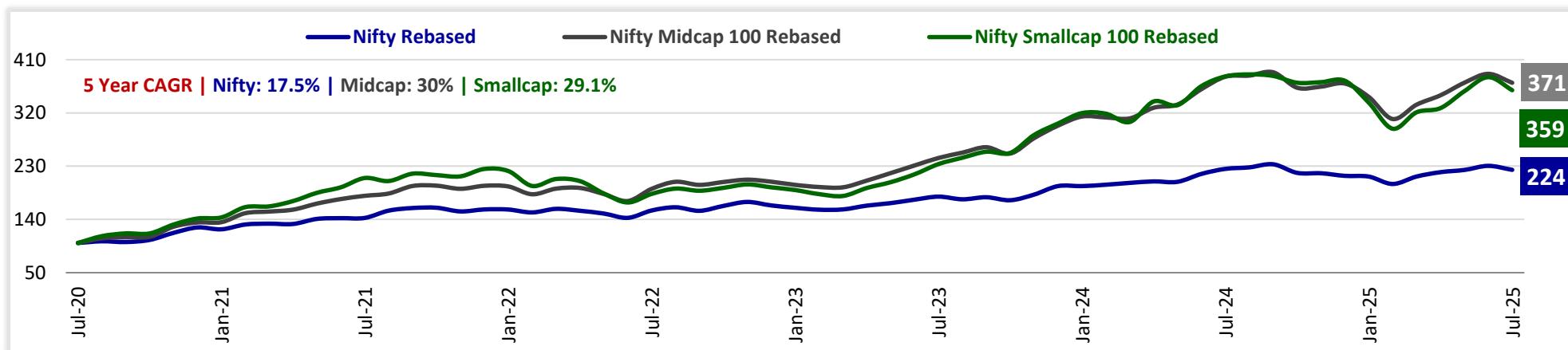


- Over the last 12 months, smallcaps declined 6%, underperforming largecaps and midcaps, which dipped 1% and 3%, respectively. Over the last five years, midcaps have significantly outperformed largecaps by 147%, while smallcaps have markedly outperformed largecaps by 135%.

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

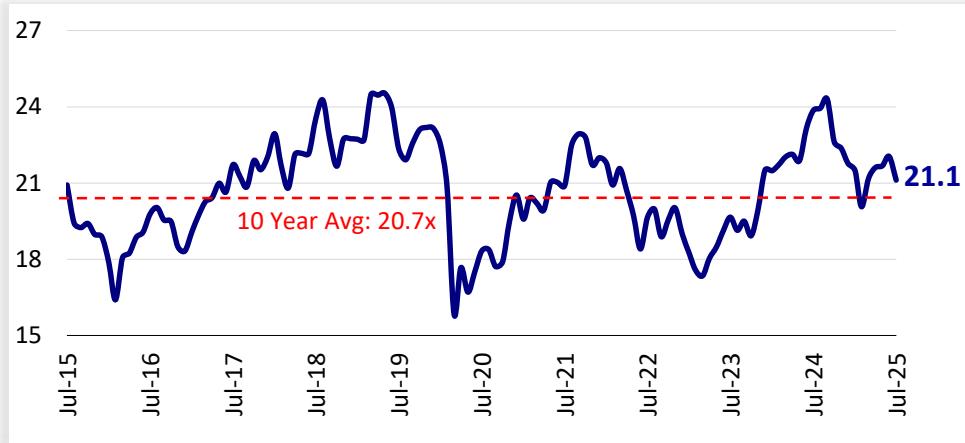


Performance of midcaps and smallcaps vs. largecaps over the last five years

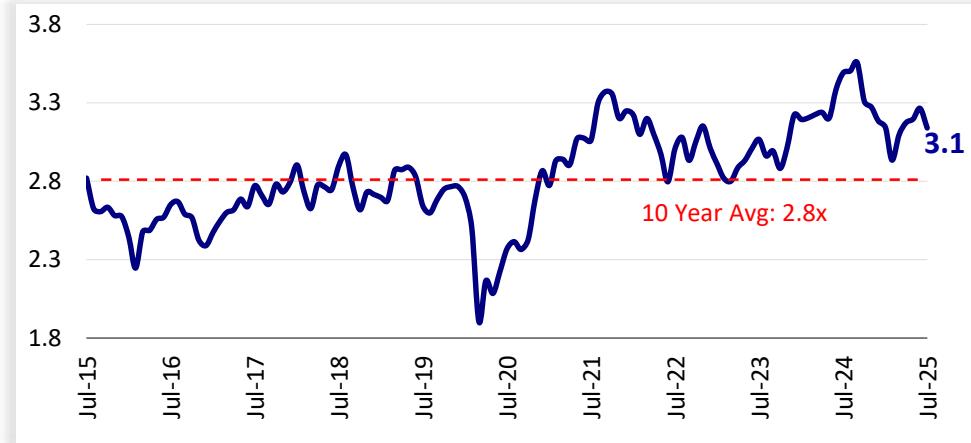


- The Nifty is trading at a 12-month forward P/E ratio of 21.1x, near its LPA of 20.7x (at a 2% premium). In contrast, its P/B of 3.1x represents a 10% premium to its historical average of 2.8x.
- The 12-month trailing P/E for the Nifty, at 23.7x, is above its LPA of 22.9x (at a 3% premium). At 3.5x, the 12-month trailing P/B ratio for the Nifty is above its historical average of 3.1x (at an 11% premium).

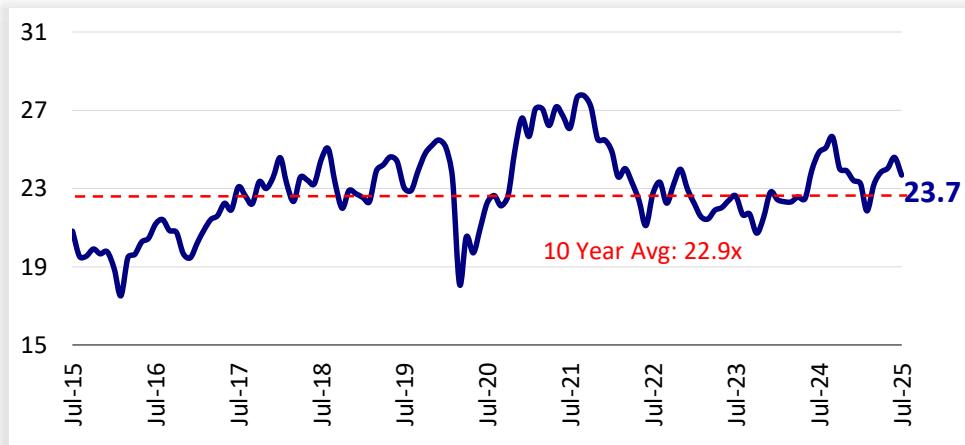
12-month forward Nifty P/E ratio (x)



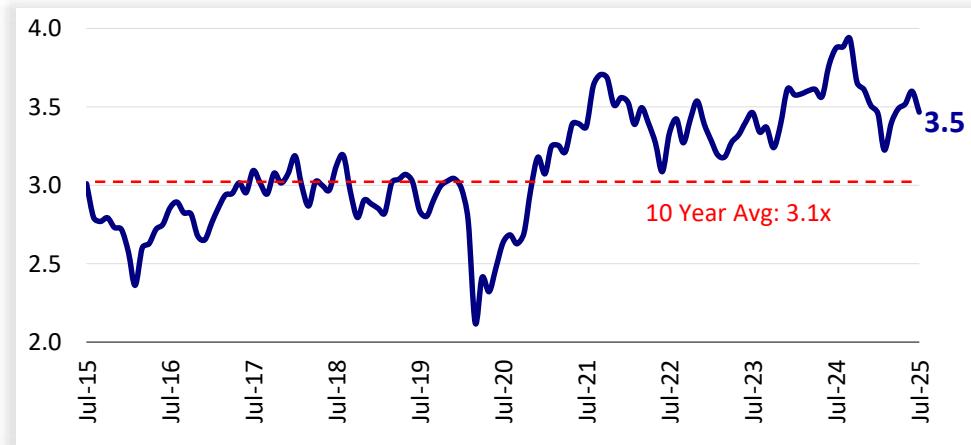
12-month forward Nifty P/B ratio (x)



Trailing Nifty P/E ratio (x)

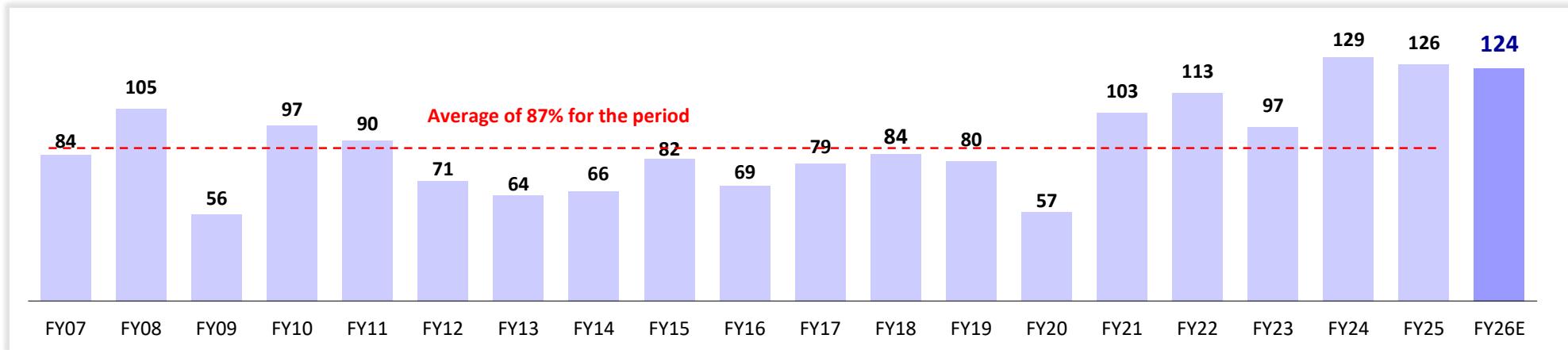


Trailing Nifty P/B ratio (x)



- India's market cap-to-GDP ratio has been volatile, plummeting to 57% (of FY20 GDP) in Mar'20 from 80% in FY19 and then sharply rebounding to 132% in FY24 and 126% in FY25. It now stands at 124% of FY26E GDP (10.5% YoY), well above its long-term average of 87%.
- The Nifty is trading at a 12-month forward RoE of 15%, above its long-term average.

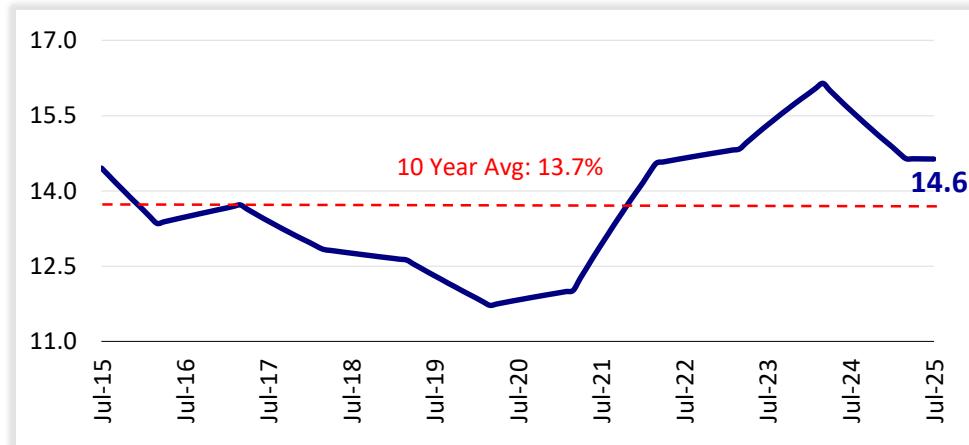
India's market capitalization-to-GDP ratio (%)



12-month forward Nifty RoE (%)



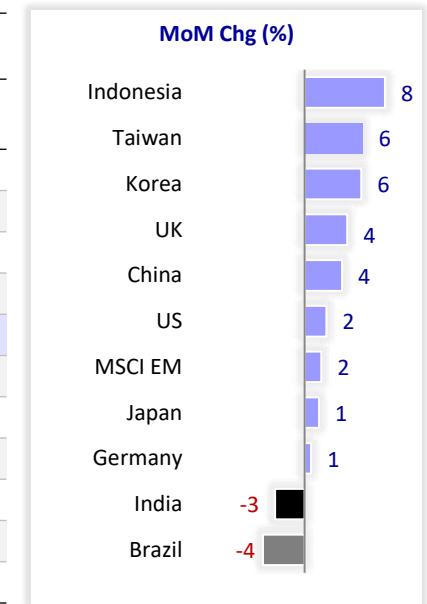
Trailing Nifty RoE (%)



- Among the key global markets, Indonesia (+8%), Taiwan (+6%), Korea (+6%), the UK (+4%), China (+4%), the US (+2%), MSCI EM (+2%), Japan (+1%), and Germany (+1%) ended higher in local currency terms. However, Brazil (-4%) and India (-3%) ended lower MoM in Jul'25.
- Indian equities have been trading at 22.3x FY26E earnings. The key markets continued to trade at a discount to India.

India (Nifty) vs. other markets

	CY25YTD Chg (%)				PE (x)		Prem / Disc to India PE (%)		PB (x)		RoE (%)	
	Index Value	Mkt Cap (USD T)	Local Currency	In USD	CY24 / FY25E	CY25E / FY26E	CY24 / FY25E	CY25E / FY26E	CY24 / FY25E	CY25E / FY26E	CY24 / FY25E	CY25E / FY26E
US	6,339	66.6	8	8	26.6	23.9	9	7	5.5	4.9	17.6	18.6
MSCI EM	1,243	23.1	16	16	15.7	14.0	-36	-37	1.9	1.8	11.7	12.9
China	3,573	11.3	7	8	17.0	13.8	-30	-38	1.5	1.3	8.6	9.8
Japan	41,070	7.0	3	7	20.8	21.0	-15	-6	2.2	2.1	10.5	9.9
India	24,768	5.2	5	2	24.4	22.3			4.0	3.6	16.1	14.6
UK	9,133	3.5	12	18	13.2	13.8	-46	-38	2.1	2.1	9.9	13.5
Germany	24,065	3.0	21	33	18.1	17.0	-26	-24	2.1	2.0	9.1	10.7
Taiwan	23,543	2.8	2	12	21.7	18.0	-11	-19	2.5	2.7	11.7	14.9
Korea	3,245	2.2	35	43	15.6	11.7	-36	-47	1.1	1.1	7.0	9.5
Indonesia	7,484	0.8	6	4	17.6	12.6	-28	-43	2.1	1.7	8.2	13.1
Brazil	1,33,071	0.7	11	22	9.3	8.5	-62	-62	1.4	1.2	15.0	13.9



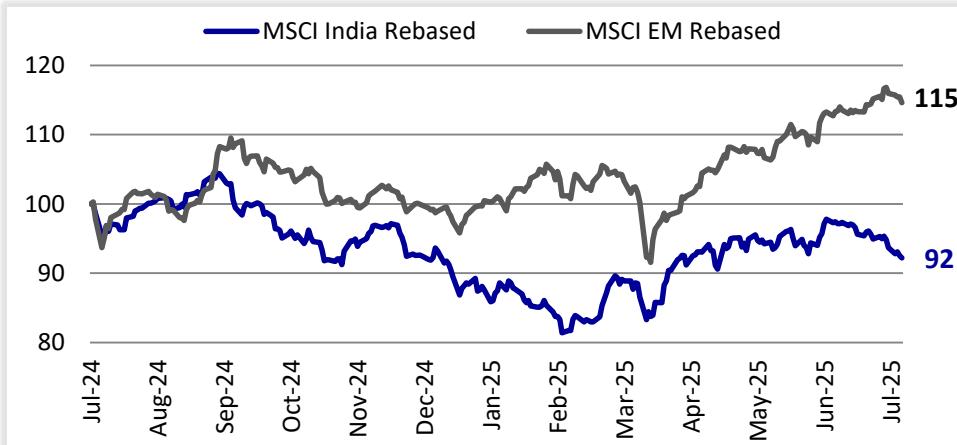
Source: Bloomberg/MOFSL

Global equities

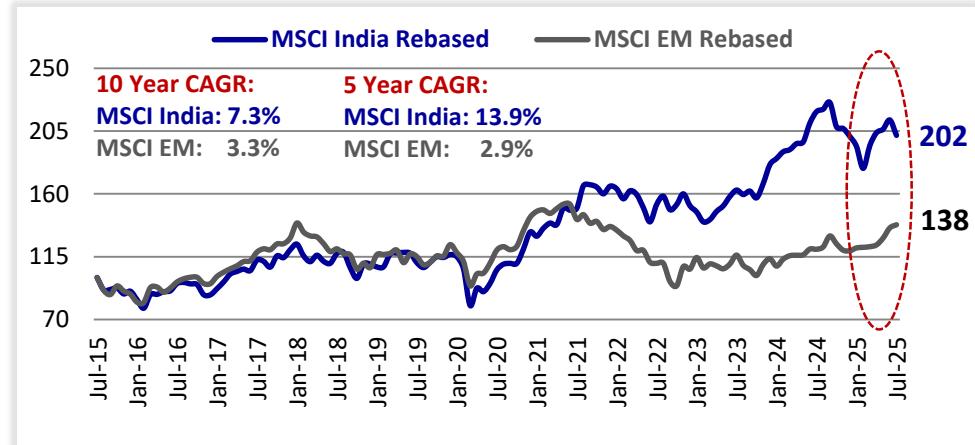
MSCI India underperforms MSCI EM over the last 12 months

- Over the last 12 months in USD terms, the MSCI India Index (-8%) underperformed the MSCI EM Index (+15%). Over the last 10 years, the MSCI India Index notably outperformed the MSCI EM Index by a robust 64%.
- In P/E terms, the MSCI India Index is trading at a 66% premium to the MSCI EM Index, below its historical average premium of 80%.

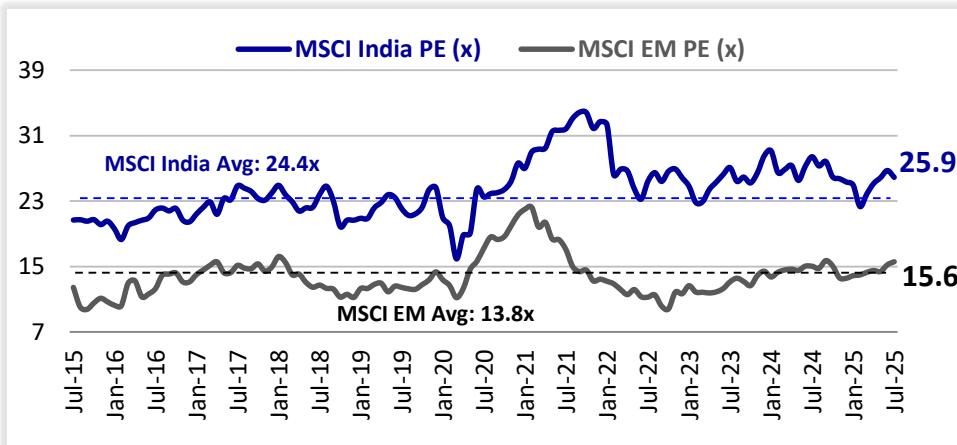
Performance of MSCI EM vs. MSCI India over the last 12 months in USD



MSCI India notably outperforms MSCI EM by 64% in the last 10 years

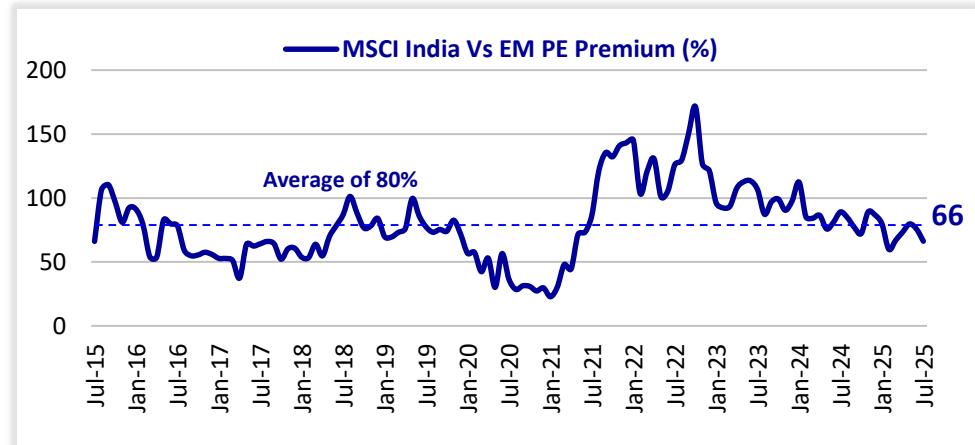


Trailing P/E ratio (x) for MSCI India vs. MSCI EM



Source: Bloomberg

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

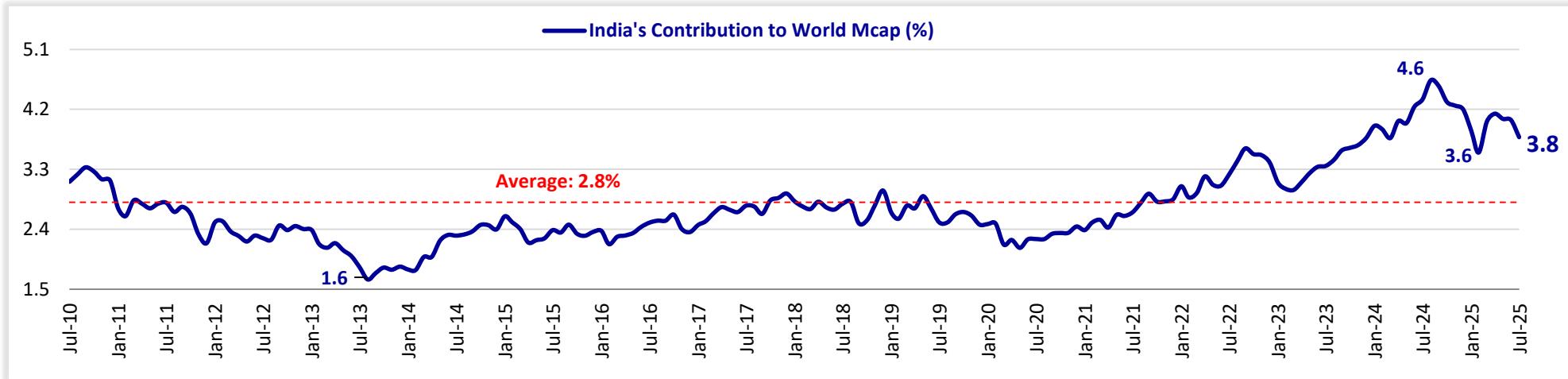


Global equities

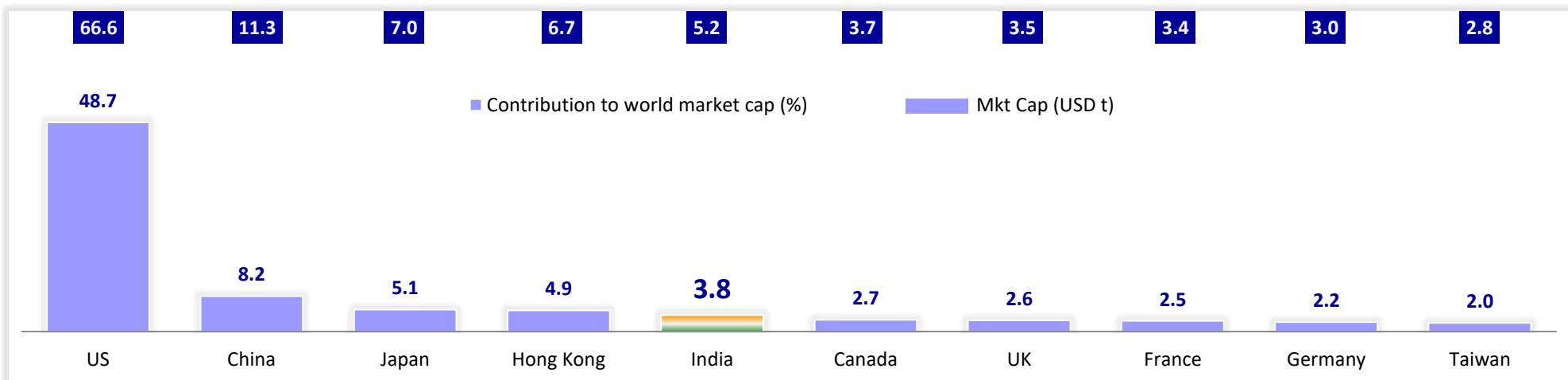
India's share of global market cap moderates to 3.8%

- India's share of the global market cap stood at 3.8% in Jul'25, close to its 16-month low of 3.6% reached in Feb'25.
- India is among the top 10 contributors to the global market cap. The top 10 contributors accounted for 82.8% of the global market cap as of Jul'25.

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



Top 10 countries constitute 82.8% of the global market cap as of Jul'25



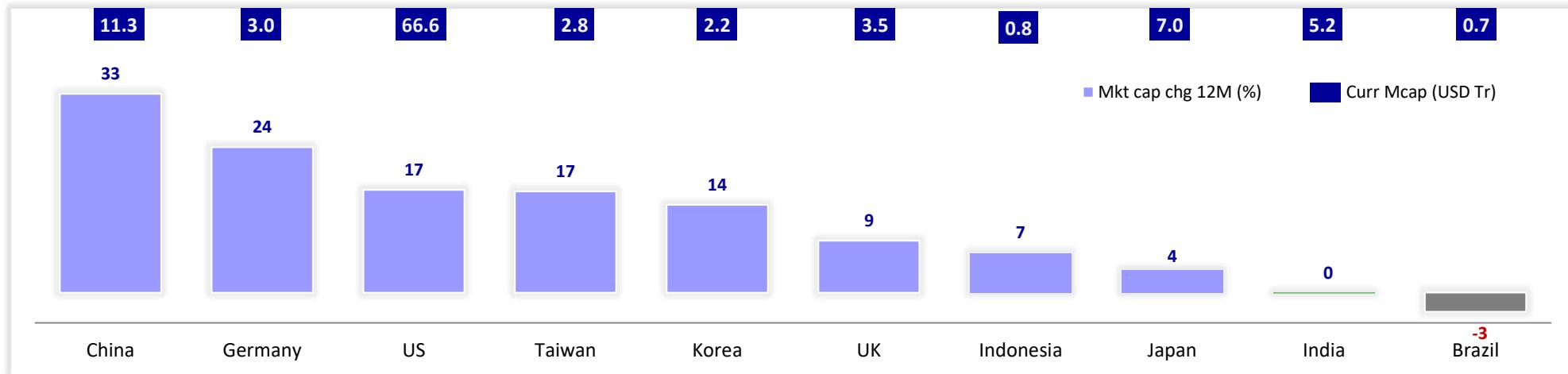
Source: Bloomberg

Global equities

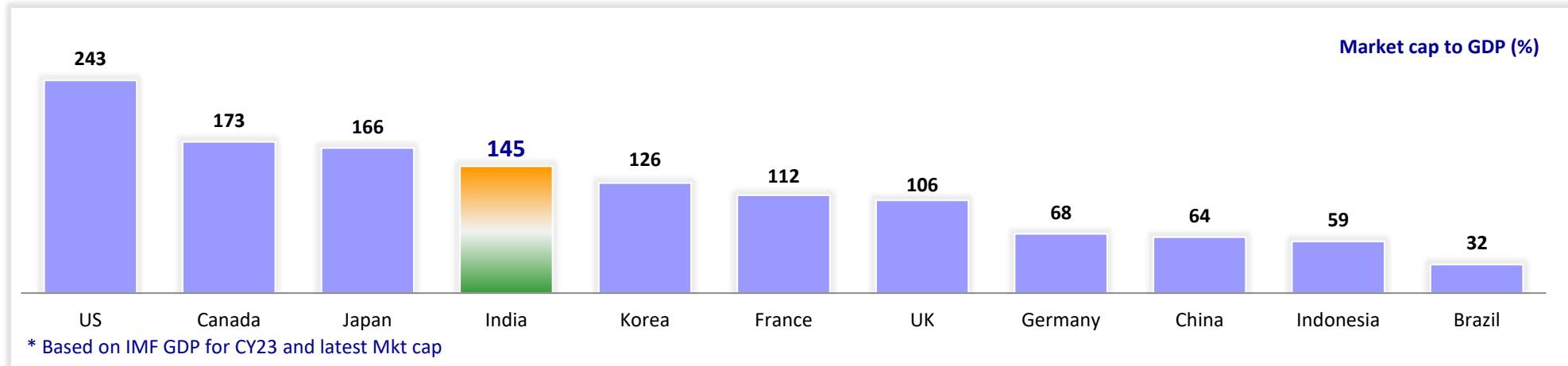
Key global markets experience an increase in market cap over the last 12 months

- Over the last 12 months, global market cap has risen 14.9% (USD17.8t), whereas India's market cap has remained flat.
- Barring Brazil, all major 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 cap-to-GDP ratio (%)



Source: Bloomberg, IMFs

- In Jul'25, the Nifty Midcap 100 was down 3.9% vs. a 2.9% MoM fall for the Nifty-50.
- The best Nifty Midcap 100 performers in Jul'25 were Glenmark (+22%), Dixon (+12%), Mankind Pharma (+11%), Biocon (+10%), and HDFC AMC (+9%).

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	CY25YTD
Glenmark Pharma.	34.0	22.8	49	61	10	5.5	3.0	82	74	6	22	33
Dixon Technolog.	83.7	61.1	37	296	195	22.6	13.2	71	618	364	12	-6
Mankind Pharma	48.8	44.9	9	131	117	6.4	6.4	1	104	124	11	-11
Biocon	64.8	64.8	0	207	213	2.1	3.5	-40	-34	23	10	7
HDFC AMC	40.3	33.9	19	91	64	13.2	9.5	39	321	235	9	35
Kalyan Jewellers	51.8	35.0	48	145	69	10.4	5.7	84	233	99	7	-22
UPL	15.4	15.0	3	-27	-28	1.1	2.1	-47	-65	-27	6	40
Cummins India	40.3	30.3	33	91	46	11.9	6.5	83	280	130	5	9
Polycab India	38.4	27.8	38	82	34	8.2	5.5	48	160	93	4	-6
MRF	28.7	25.1	14	36	21	3.0	2.4	25	-6	-16	4	13
P I Industries	36.7	33.0	11	74	59	5.3	5.8	-8	70	103	4	15
Tata Comm	32.8	30.9	6	55	49	12.4	20.6	-40	296	626	2	1
Alkem Lab	26.7	24.7	8	26	19	4.3	4.2	2	37	48	2	-11
Oil India	12.6	6.8	83	-41	-67	1.4	0.8	73	-55	-71	1	2
NMDC	8.2	5.8	42	-61	-72	1.7	1.2	41	-45	-57	1	7
Max Financial	122.8	67.0	83	481	223	2.0	2.4	-18	-36	-14	-9	35
Suzlon Energy	32.5	34.2	-5	54	65	8.9	8.0	11	183	183	-9	-1
IRB Infra.Devl.	20.1	19.3	4	-5	-7	1.3	1.1	13	-59	-60	-9	-21
Coforge	34.5	24.1	43	64	16	7.8	4.9	59	148	73	-9	-10
AU Small Finance	18.6	28.1	-34	-12	36	2.9	4.0	-27	-8	39	-9	33
Godrej Propert.	23.8	71.7	-67	13	246	2.8	4.9	-42	-10	73	-10	-25
Bharat Forge	35.8	46.7	-23	69	125	5.2	5.2	1	65	81	-11	-10
Bandhan Bank	9.1	21.8	-58	-57	5	1.0	2.9	-64	-67	1	-11	6
BSE	49.5	22.6	119	134	9	15.3	3.6	326	388	27	-12	37
Indus Towers	13.1	17.3	-24	-38	-16	2.5	3.3	-26	-22	16	-14	6
Oberoi Realty	18.7	22.2	-16	-11	7	3.0	2.4	28	-3	-16	-14	-29
Persistent Sys	41.9	25.7	63	99	24	10.2	5.1	99	225	81	-15	-20
Union Bank (I)	5.8	5.7	1	-73	-72	0.8	0.6	29	-75	-79	-15	9
SBI Cards	25.9	40.0	-35	23	93	4.4	7.5	-41	42	166	-15	22
Bharat Dynamics	51.5	28.8	79	144	39	11.4	4.7	144	264	64	-17	44

Nifty

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

- Companies trading at a significant premium to their historical averages: Bharat Electronics (+223%), Grasim Industries (+79%), Power Grid Corp. (+56%), M&M (+36%), and Reliance Industries (+27%).
- Companies trading at a significant discount to their historical averages: Coal India (-31%), Apollo Hospitals (-29%), Dr. Reddy's Labs (-22%), Maruti Suzuki (-20%), and Tata Motors (-20%).

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	20.0	20	14	-4	6.3	4.7	35	101	64		
Eicher Motors	Auto	29.7	31.0	-4	40	50	5.9	6.7	-11	89	136		
Hero MotoCorp	Auto	17.2	18.3	-6	-18	-12	4.0	4.3	-8	26	51		
Mahindra & Mahindra	Auto	25.6	18.9	36	21	-9	5.0	2.9	71	59	3		
Maruti Suzuki	Auto	25.0	31.3	-20	18	51	3.6	4.1	-11	16	44		
Tata Motors	Auto	13.9	17.3	-20	-34	-16	1.8	2.0	-13	-43	-28		
Axis Bank	BFSI - Pvt Banks	12.2	38.1	-68	-42	84	1.6	1.9	-19	-50	-32		
HDFC Bank	BFSI - Pvt Banks	20.0	20.6	-3	-5	-1	2.7	3.1	-13	-14	9		
ICICI Bank	BFSI - Pvt Banks	19.4	21.7	-11	-8	5	3.1	2.2	40	-1	-22		
IndusInd Bank	BFSI - Pvt Banks	17.3	21.5	-19	-18	4	0.9	2.3	-60	-71	-20		
Kotak Mahindra Bank	BFSI - Pvt Banks	17.6	25.4	-31	-17	22	2.2	3.2	-32	-31	13		
State Bank	BFSI - PSU Banks	8.6	10.7	-20	-59	-48	1.3	1.1	10	-60	-60		
Bajaj Finance	BFSI - NBFC	24.4	31.3	-22	15	51	4.5	5.4	-17	43	90		
Shriram Finance	BFSI - NBFC	11.9	10.2	16	-44	-51	1.8	1.4	25	-44	-50		
HDFC Life Ins	BFSI - Insurance	73.0	84.6	-14	246	308	2.4	4.0	-41	-24	41		
SBI Life Ins	BFSI - Insurance	63.2	59.1	7	199	185	2.1	2.3	-12	-34	-17		
Bharat Electronics	Capital Goods	43.8	13.5	223	107	-35	10.3	3.1	229	229	11		
Larsen & Toubro	Capital Goods	26.2	23.5	12	24	13	4.3	3.1	42	39	8		
Grasim Inds	Cement	29.7	16.6	79	41	-20	3.2	1.9	68	3	-32		
Ultratech Cement	Cement	36.9	35.3	5	75	70	4.5	3.6	27	45	26		
Asian Paints	Consumer	49.6	57.3	-13	135	177	11.4	14.3	-20	264	402		
Hind. Unilever	Consumer	52.8	53.5	-1	150	158	11.7	20.4	-43	271	616		
ITC	Consumer	23.5	22.6	4	12	9	7.0	5.5	27	123	94		
Nestle India	Consumer	63.5	60.9	4	201	194	46.1	50.5	-9	1367	1676		
Tata Consumer	Consumer	60.2	49.9	21	185	141	4.6	3.4	34	47	21		

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	56.9	80.7	-29	170	289	9.9	7.2	38	214	152		
Cipla	Healthcare	24.6	26.2	-6	17	26	3.3	3.2	3	7	14		
Dr Reddy's Labs	Healthcare	19.4	24.9	-22	-8	20	2.6	3.3	-21	-17	17		
Sun Pharma	Healthcare	31.3	28.8	9	48	39	4.8	3.8	25	52	34		
Adani Ports	Logistics	20.9	18.5	13	-1	-11	3.8	3.2	17	21	14		
Coal India	Metals	6.2	8.9	-31	-71	-57	1.9	4.1	-55	-40	46		
Hindalco	Metals	9.6	8.9	8	-54	-57	1.3	1.2	11	-58	-58		
JSW Steel	Metals	18.2	17.3	5	-14	-16	2.7	2.0	35	-16	-31		
Tata Steel	Metals	15.6	16.3	-4	-26	-21	2.2	1.3	74	-30	-56		
ONGC	Oil & Gas	7.5	6.7	13	-64	-68	0.8	0.8	-3	-74	-71		
Reliance Inds.	Oil & Gas	23.3	18.4	27	10	-11	2.0	1.8	14	-36	-38		
Titan Co	Retail	58.7	61.6	-5	178	197	18.3	15.8	16	482	455		
Trent	Retail	87.8	93.1	-6	316	349	21.2	11.6	84	576	307		
HCL Technologies	Technology	21.0	17.3	22	-1	-17	5.8	4.0	44	85	42		
Infosys	Technology	21.6	21.0	3	2	1	6.5	5.7	14	107	101		
TCS	Technology	20.8	24.5	-15	-1	18	11.0	10.4	6	250	266		
Tech Mahindra	Technology	21.9	18.4	19	3	-11	4.6	3.3	38	45	16		
Wipro	Technology	19.4	18.1	7	-8	-13	3.1	2.9	5	-2	3		
Bharti Airtel	Telecom	35.9	43.6	-18	70	111	7.4	4.0	85	135	41		
NTPC	Utilities	12.6	10.1	25	-40	-51	1.6	1.1	43	-48	-60		
Power Grid Corp.	Utilities	15.2	9.7	56	-28	-53	2.7	1.7	60	-16	-42		
Eternal	Others	NA	NA	NA	NA	NA	8.5	4.7	81	170	65		
Nifty		21.1	20.7	2			3.1	2.8	10				

Sector valuations

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

- Technology is trading at a P/E ratio of 22x, representing a 3% premium to its long-term average of 21.3x. 1QFY26 was a disappointing quarter for Indian IT service companies. While seasonality offered some respite in reported growth, management commentary remained uniformly downbeat on demand.
- Automobiles is trading at a P/E of 24.9x, below its 10-year historical average of 26.2x (at a 5% discount). On a P/B basis, however, it is trading at a 20% premium (4x) to its 10-year average of 3.3x. As seen in 1Q, demand has yet to recover across all segments in July as well. In fact, most segments are currently lagging full-year growth expectations as of 1Q end.
- The Healthcare sector's P/E expanded 8% to 33.5x in Jul'25 from 30x in Feb'25. The overall valuation multiple at P/E as well as EV/EBITDA remains at a higher level compared to their 10-year historical average. This was led by a robust growth outlook in the CDMO space, sustained superior return ratios in the domestic formulation segment, consistent scale-up in healthcare services, and reduced concerns over geopolitical tensions. While the CDMO outlook remains promising, valuations of CDMO companies are rich, leaving limited scope for error in execution.

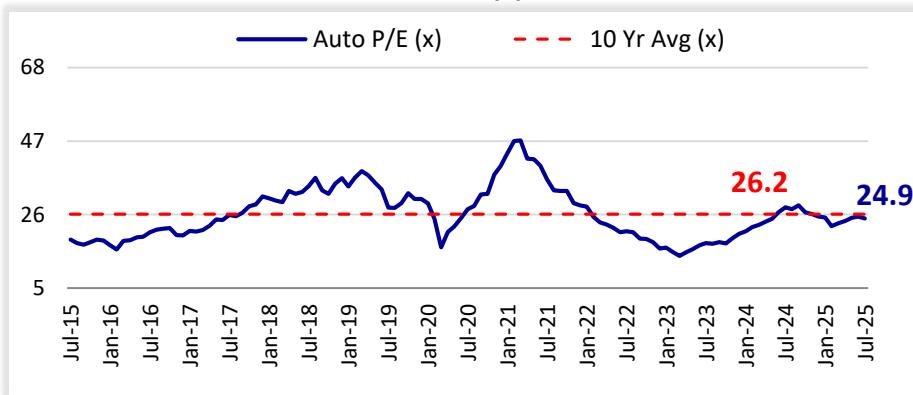
Sector valuations at a glance

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	24.9	26.2	-4.8	33.5	18.9	18	26	4.0	3.3	20.0	3.9	2.8	28	17	
Banks - Private	17.9	21.0	-14.9	26.3	15.8	-15	1	2.4	2.5	-3.0	2.8	2.2	-22	-11	
Banks - PSU	7.4	10.4	-29.0	40.9	-20.0	-65	-53	1.1	0.9	29.1	1.1	0.6	-65	-70	
NBFC	13.6	12.7	7.0	15.0	10.4	-36	-39	2.1	1.9	12.2	2.2	1.5	-33	-35	
Capital Goods	36.6	25.3	44.8	32.2	18.4	74	22	6.8	3.9	74.9	5.5	2.3	118	35	
Cement	37.1	29.0	27.9	37.1	20.9	76	40	3.4	2.6	28.4	3.1	2.2	8	-7	
Chemicals	35.1	26.3	33.4	37.2	15.4	66	27	4.0	3.4	19.7	4.5	2.2	28	16	
Consumer	42.8	42.2	1.6	46.4	38.0	103	105	10.5	10.2	3.3	11.2	9.2	235	260	
Consumer Ex ITC	50.2	52.2	-3.9	59.0	45.5	138	153	11.6	12.8	-8.9	14.0	11.5	271	353	
Consumer Durable	44.0	34.7	26.6	46.3	23.2	108	67	7.5	5.6	34.3	7.4	3.7	138	92	
Healthcare	33.5	27.0	23.9	31.7	22.3	59	31	4.8	3.8	25.3	4.6	3.0	52	35	
Infrastructure	17.7	12.9	37.8	21.6	4.1	-16	-38	1.3	1.2	8.3	1.7	0.7	-59	-58	
Logistics	24.5	23.1	6.0	27.7	18.5	16	11	3.9	3.2	20.7	3.9	2.5	24	13	
Media	15.2	24.8	-38.8	29.5	20.2	-28	20	1.3	3.4	-61.3	5.2	1.6	-58	25	
Metals	11.1	10.5	5.5	13.7	7.4	-47	-49	2.0	1.6	25.0	2.0	1.2	-35	-43	
Oil & Gas	15.8	12.9	22.3	16.1	9.7	-25	-38	1.6	1.5	7.0	1.7	1.3	-49	-48	
Oil & Gas Ex RIL	9.3	8.6	8.7	11.5	5.7	-56	-59	1.1	1.2	-9.9	1.5	0.9	-66	-57	
Real Estate	32.2	29.6	8.9	40.2	19.0	53	42	3.9	2.2	74.4	3.4	1.1	24	-24	
Retail	72.4	80.5	-10.1	125.5	35.4	243	293	10.9	8.7	25.1	11.8	5.7	247	201	
Technology	22.0	21.3	3.4	26.2	16.3	4	3	6.6	5.8	13.5	7.4	4.2	109	101	
Telecom	Loss	92.0	-	557.1	-373.1			309	12.1	10.1	18.9	19.6	0.7	0	-16
Utilities	17.1	12.7	35.2	16.7	8.7	-19	-39	2.4	1.6	52.2	2.1	1.0	-23	-45	

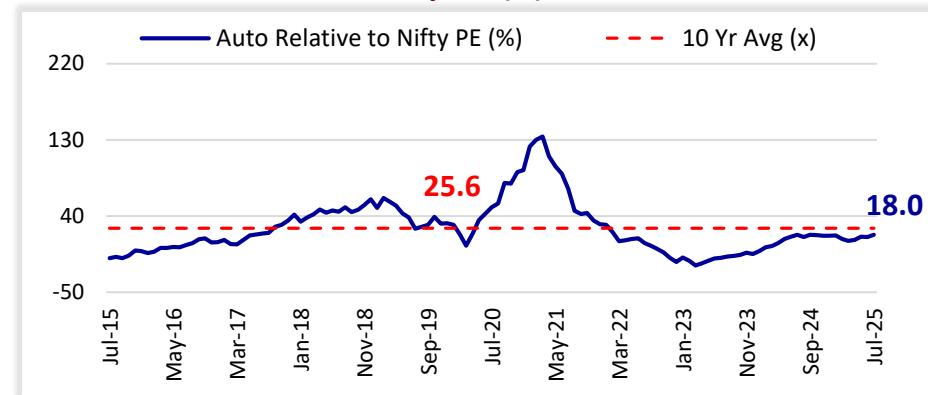


- The Auto sector is trading at a P/E of 24.9x, below its 10-year historical average of 26.2x (at a 5% discount). On a P/B basis, however, it is trading at a 20% premium (4x) to its 10-year average of 3.3x. As has been the trend in 1Q, demand has not recovered for any of the segments in July as well. In fact, most segments are currently lagging full year growth expectations as of 1Q end.
- While the PV segment's growth is expected to be 2-4% for FY26, much will depend on how the festive season pans out, especially since the segment has recorded a 1% YoY decline in 1Q. Even for CVs, while mid single-digit growth is expected for FY26, the industry has delivered a marginal decline in 1Q. The key disappointment comes from 2Ws, where volumes dipped 8% YoY in 1Q vs the initial expectation of high single-digit growth at the start of the fiscal year. Only the tractor segment seems to be in line with growth expectations, posting 9% YoY growth in 1Q. Export-focused companies continue to face demand uncertainty amid ongoing tariff wars. Auto stocks have recently seen a resurgence with market recovery. However, the earnings outlook remains tepid, given an uncertain demand outlook and risk of input cost pressure.

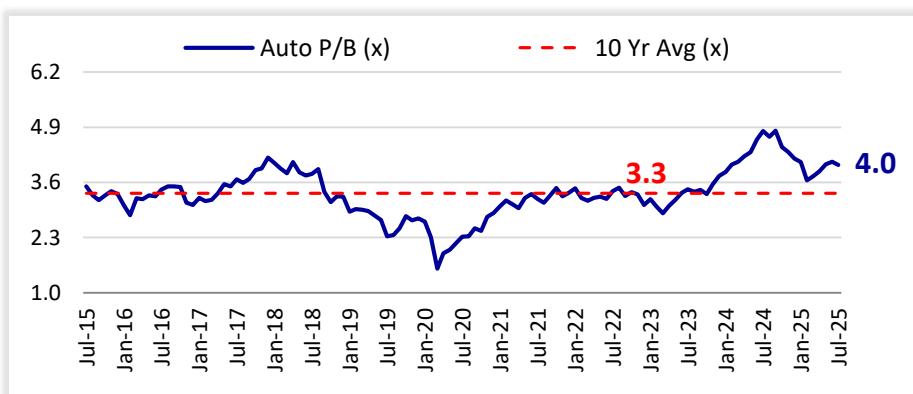
12-month forward Automobiles P/E (x)



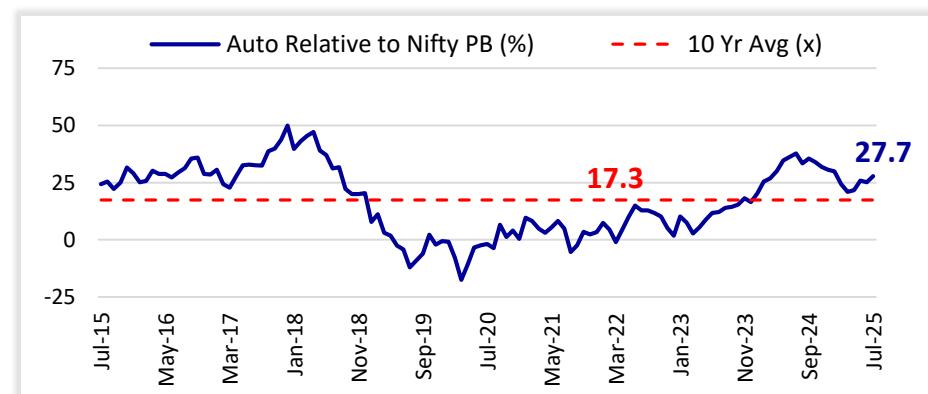
Automobile P/E relative to Nifty P/E (%)



12-month forward Automobiles P/B (x)



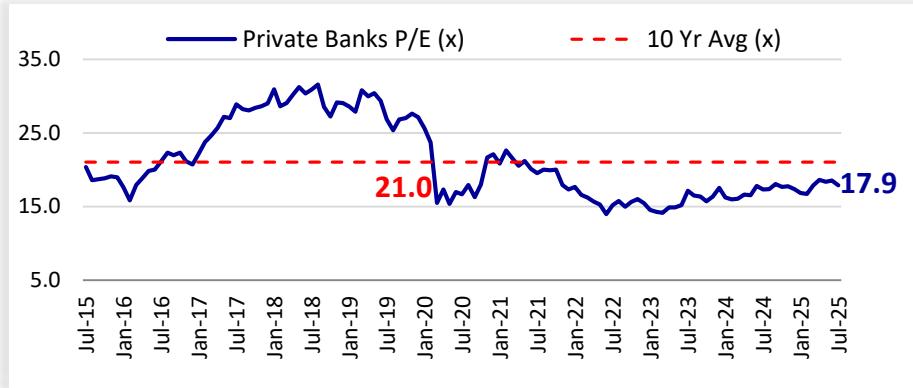
Automobile P/B relative to Nifty P/B (%)



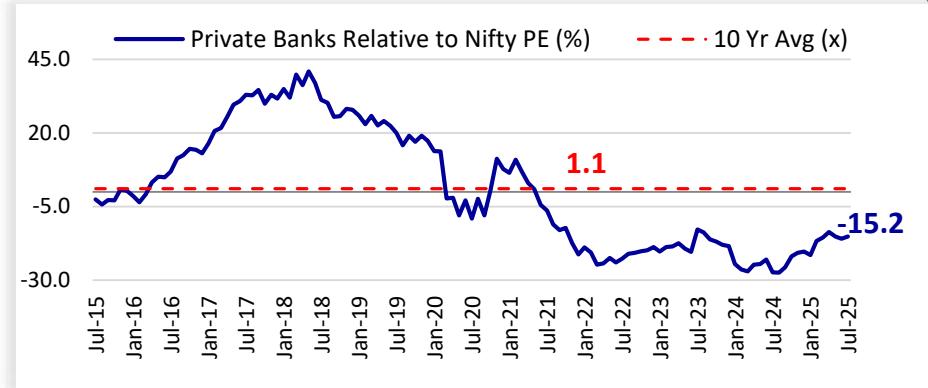


- The Private Banks sector is currently trading at its historic average P/B ratio of 2.4x, in line with its historic averages.
- Credit growth has moderated to 9.8% YoY, amid softness in retail demand as well as modest economic outlook. We expect credit growth to remain subdued at 11.5% YoY in FY26E before gradually recovering to 13% in FY27E. Private capex momentum remains weak, resulting in sluggish corporate demand; while stress in unsecured remains elevated, exerting pressure on portfolio growth and overall lending yields.
- NII growth for private banks is expected to remain modest, reflecting a tepid business momentum and the impact of declining policy rates. Margins are likely to remain under pressure due to loan repricing; however, the reduction in SA/TD rates and CRR cut from September 2025 should help cushion the impact.
- Delinquencies in the unsecured segment remain elevated. That said, early-stage trends point to some easing of stress, which should translate into lower credit costs from 2HFY26.

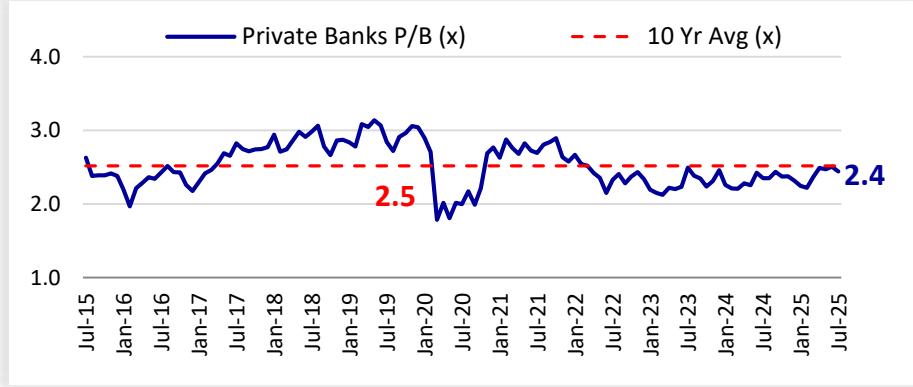
12-month forward Private Banks P/E (x)



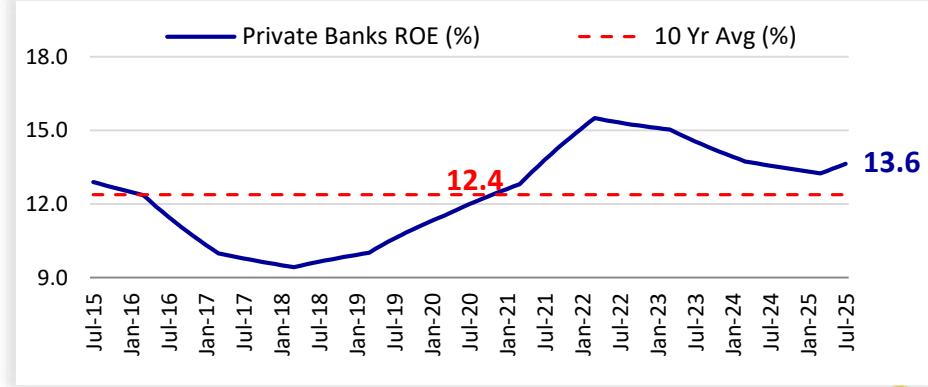
Private Banks P/E relative to Nifty P/E (%)



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



Private Banks ROE (%)



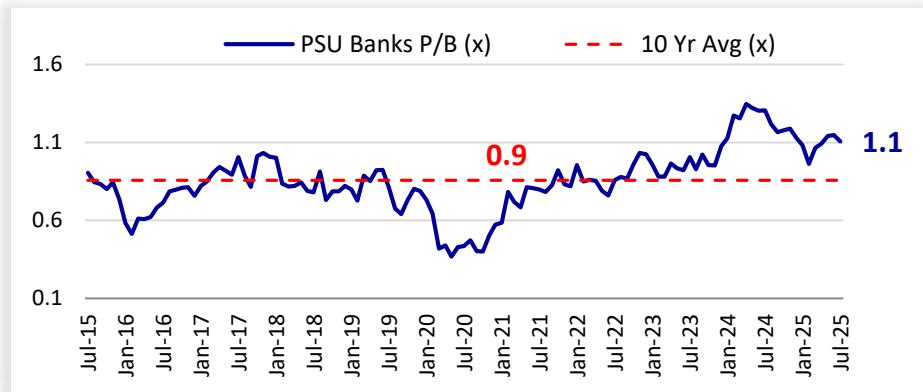
COMPANY
VALUATION



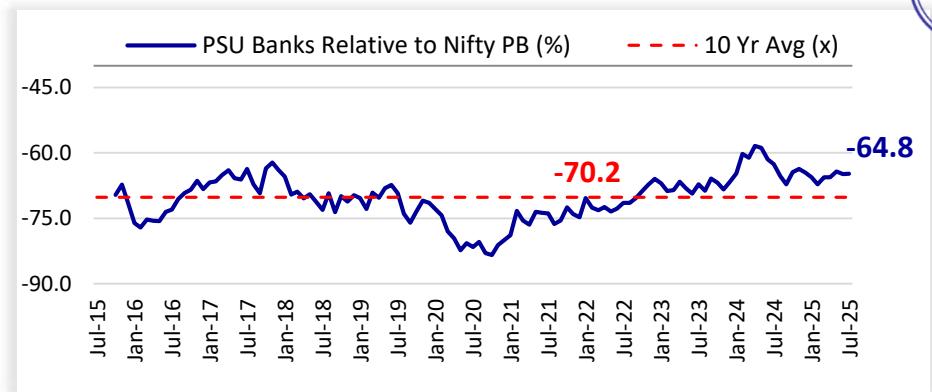


- The PSU Banks sector now trades at a P/B of 1.1x, reflecting a 29% premium to the historical average of 0.9x.
- Systemic credit growth stood at ~9.8% YoY vs. 15% growth a year ago. Business growth for PSBs has remained modest with margins under pressure, resulting in flattish return ratios.
- Despite a relatively large MCLR-linked loan book, PSU banks are likely to face margin pressures due to subdued credit growth, limited ability to pass on higher MCLR rates, and constraints in shifting the asset mix toward higher-yielding segments.
- Slippages remained well-contained across most banks, indicating no immediate signs of stress. However, the normalization of credit costs by end-FY26 and the implementation of ECL provisioning norms will be the key areas to watch.
- For PSU banks, return ratios have largely stabilized, and we expect earnings growth to trail loan growth over FY25-27, although near-term gains from treasury income could offer some support.

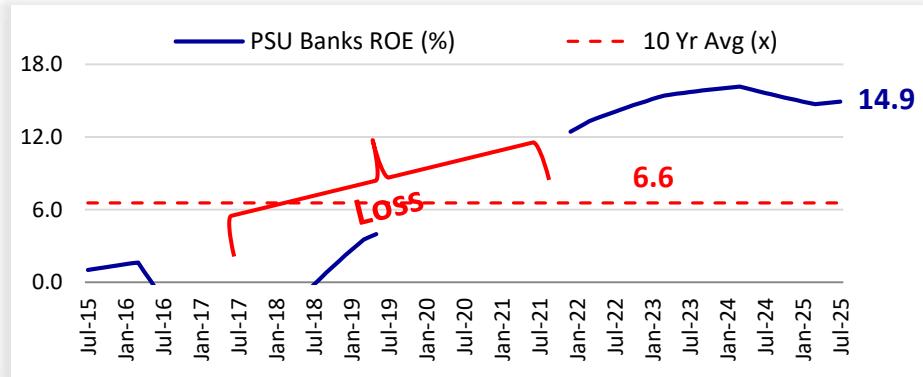
12-month forward PSU Banks P/B (x)



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



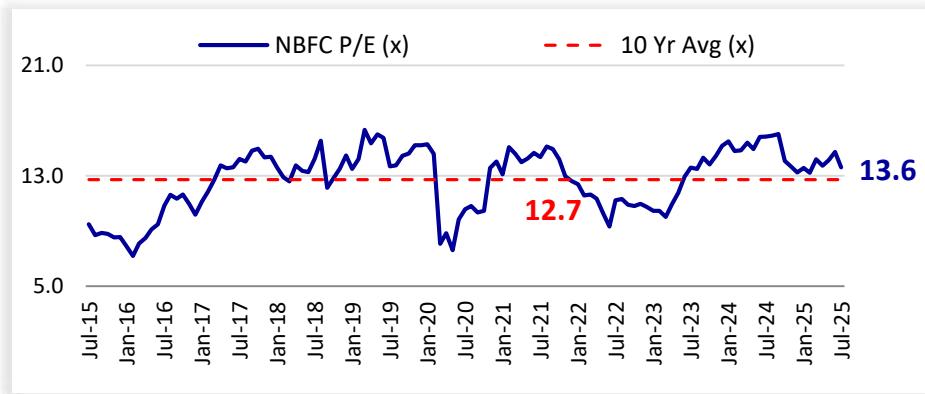
PSU Banks ROE (%)



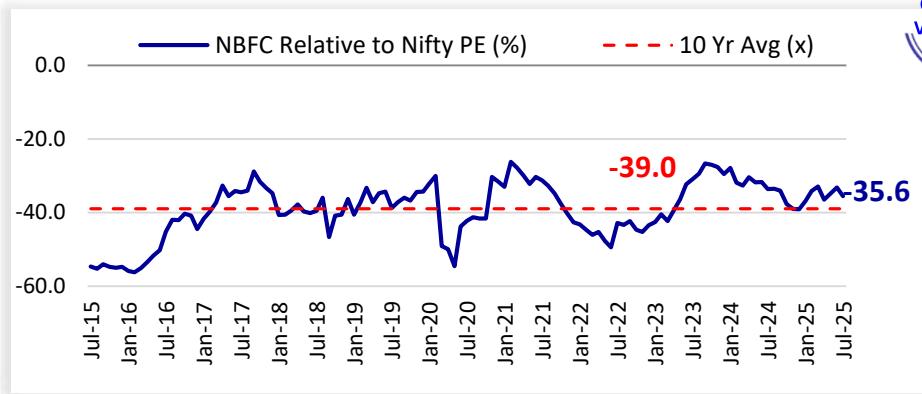


- The NBFC sector is trading at a P/B ratio of 2.1x, reflecting ~12% premium to its long-term average of 1.9x.
- The interest rate cut cycle could lead to a transitory NIM contraction for large HFCs owing to the pressure on yields caused by higher competitive intensity. Conversely, vehicle financiers and affordable housing companies will be key beneficiaries of the declining interest rate environment for all of FY26.
- Majority of the NBFCs highlighted stress in CV, unsecured business loans, and the micro-LAP segment. The weakening asset quality in the micro-LAP segment appears to stem from stress initially seen in unsecured small ticket loans and now gradually spilling into small ticket space. Stress in unsecured MSME is attributed to leverage with select customers having multiple loans. We believe the credit cycle in micro-LAP (particularly in loans below INR500K) is lagging the MFI credit cycle by 6-9 months; as such, recovery is also expected to occur with a lag.
- Asset quality deteriorated across other segments as well, driven partly by seasonal factors (like early monsoons) and partly by a weak macro. Additionally, demand trends remained muted across most segments, with the exception of gold loans, where demand appeared strong.

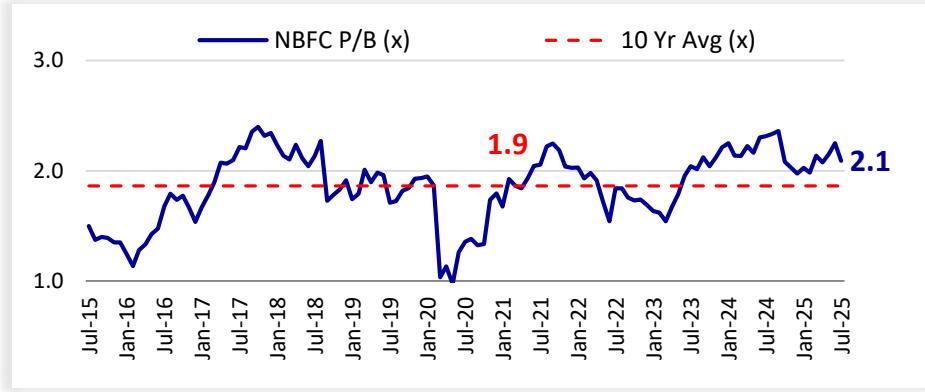
12-month forward NBFC P/E (x)



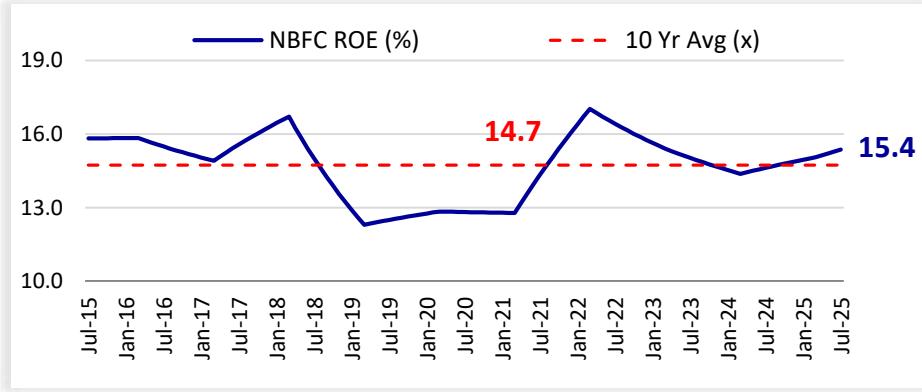
NBFC P/E relative to Nifty P/E (%)



12-month forward NBFC P/B (x)



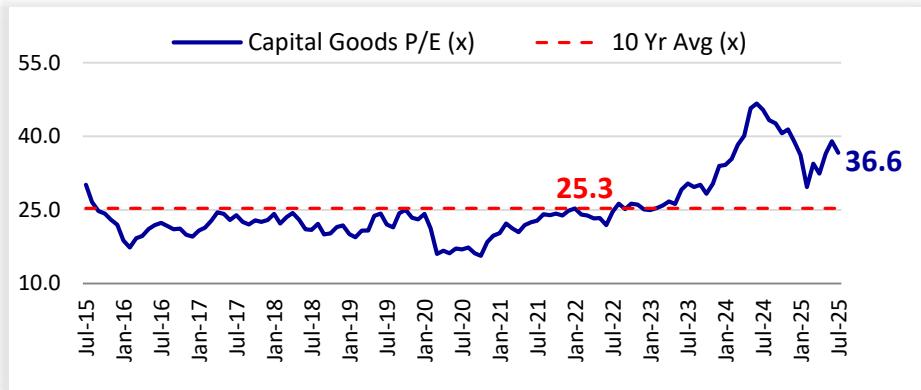
NBFC ROE (%)



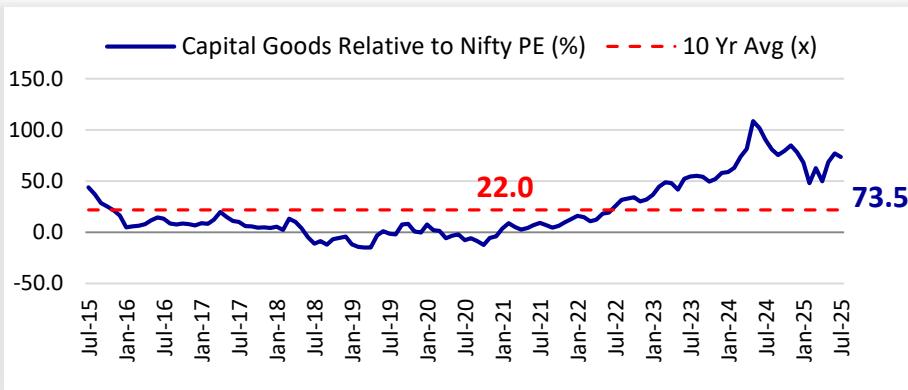


- The Capital Goods sector is trading at 36.6x one-year forward P/E, above its 10-year avg. of 25.3x (at a 45% premium), indicating a premium valuation. While this premium had moderated over the past six months due to a subdued capex cycle and muted order inflows, signs of a capex revival are now emerging. On a P/B basis, it is trading at 6.8x, reflecting a 75% premium to its 10-year average multiple of 3.9x.
- Macro drivers remain strong across emerging sectors such as renewables, data centers, electronics, and EVs. However, private capex is yet to witness a broad-based recovery, with most of the traction confined to new-age sectors and power utilities—especially in thermal and renewable energy projects. Traditional sectors such as steel, petrochemicals, and cement remain sluggish, though railway and defense continue to drive order inflows. International ordering activity remains robust across renewables and EPC.
- The impact of the Union Budget's lower-than-expected capex allocation is gradually easing as project activity and tendering improve. While broad-based momentum is still building, we expect a pickup in 2HFY26. A selective approach remains prudent, with preference for companies with strong execution capabilities, order book visibility, and exposure to high-growth segments.

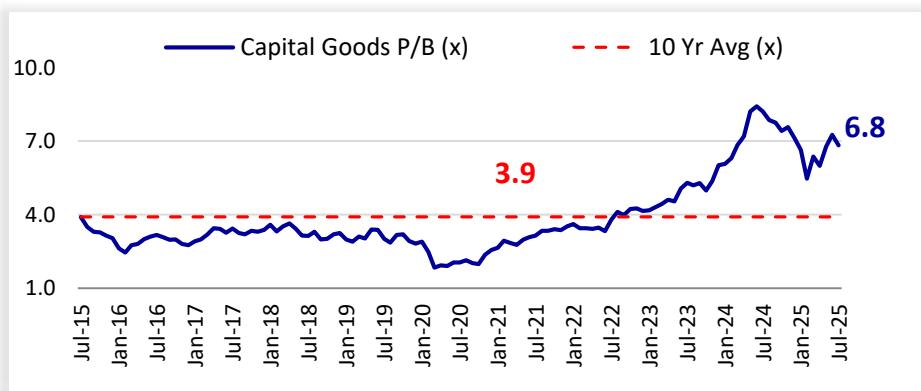
12-month forward Capital Goods P/E (x)



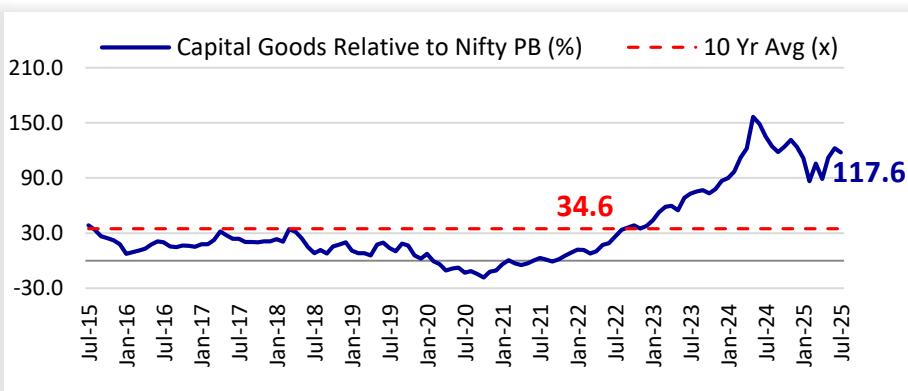
Capital Goods P/E relative to Nifty P/E (%)



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



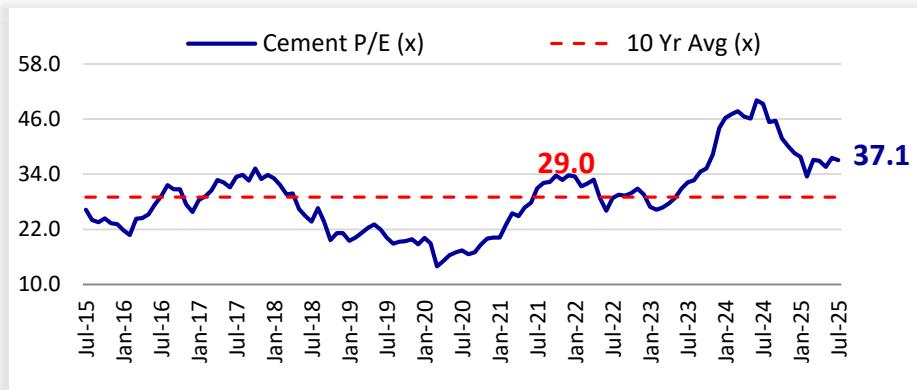
Capital Goods P/B relative to Nifty P/B (%)



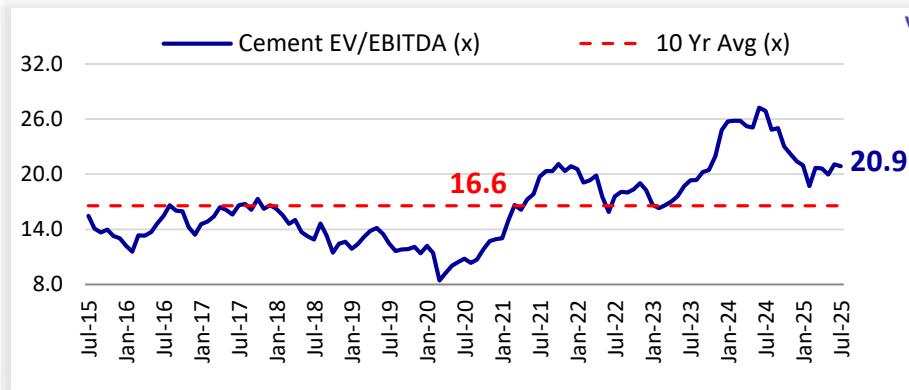


- The Cement sector is trading at a one-year forward EV/EBITDA of 20.9x, reflecting a ~26% premium to its historical average of 16.6x.
- Cement demand saw moderate growth of ~4% YoY in 1QFY26, led by strong demand from government-led infra projects, while IHB and private capex demand was subdued. In Jul'25, demand was impacted by an intense monsoon across the country. Demand is likely to rebound post-monsoon and the industry volume is estimated to grow ~7% YoY in FY26.
- Cement prices in the South and Maharashtra markets saw a correction of up to INR10-15/bag (~2-3%) MoM in Jul'25. While in other regions, cement prices remain resilient. The all-India average cement price declined ~1% MoM in Jul'25.
- Fuel prices (petcoke and imported coal) increased ~3-4% MoM in Jul'25. However, fuel prices remained range-bound in the past few months. Spot imported petcoke price stood at USD108/t and South African coal at USD95/t. Fuel prices are estimated to remain favorable, aiding profitability.

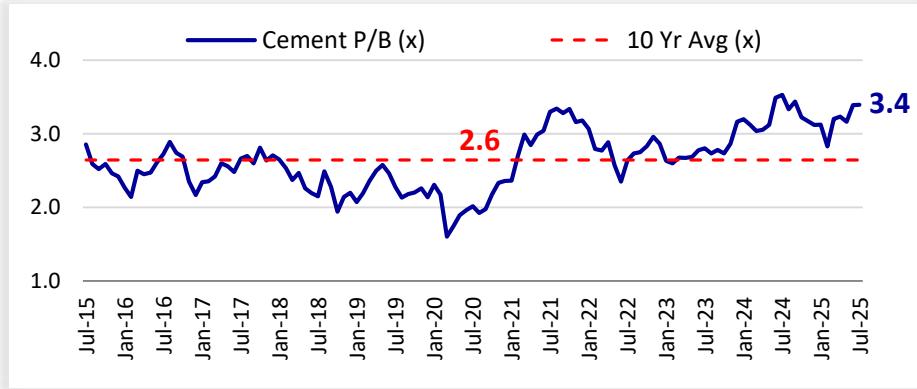
12-month forward Cement P/E (x)



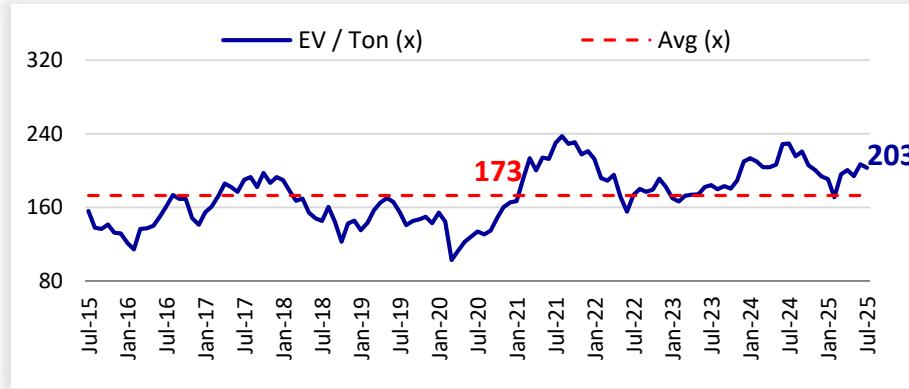
12-month forward Cement EV/EBITDA (x)



12-month forward Cement P/B (x)



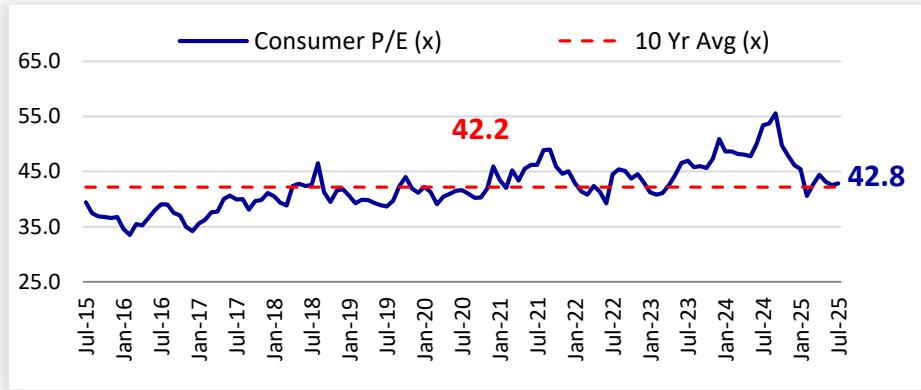
12-month forward Cement EV/Ton (x)



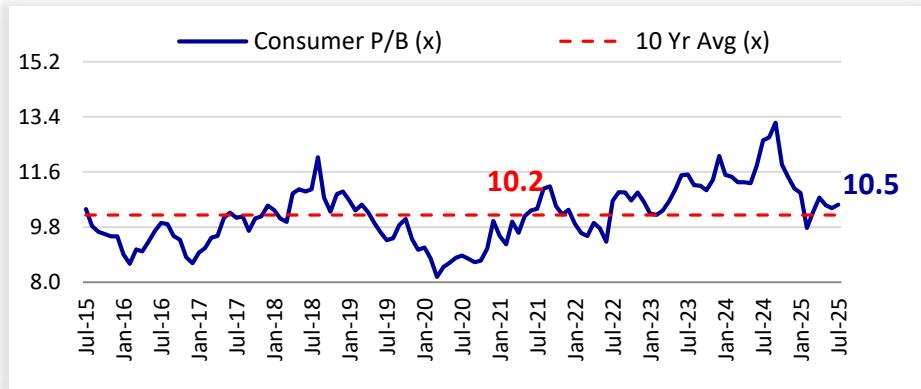


- The Consumer sector's P/E, at 42.8x, is near to its 10-year average of 42.2x. Its P/B stands at 10.5x, also close to its historical average of 10.2x (3% premium).
- The demand trends for staple companies remain steady, as seen in the last couple of quarters.
- Rural demand continues to perform well, while urban demand remains muted.
- The benefits of declining RM prices are expected to reflect from 2QFY26 or 2HFY26, as current inventories were procured at higher costs.

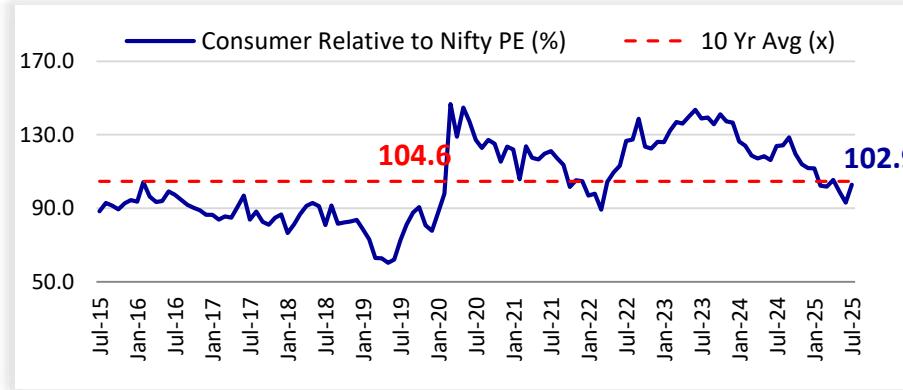
12-month forward Consumer P/E (x)



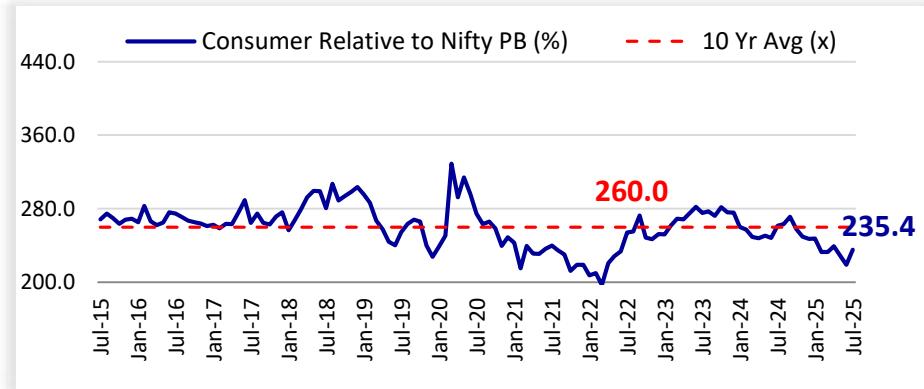
12-month forward Consumer P/B (x)



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



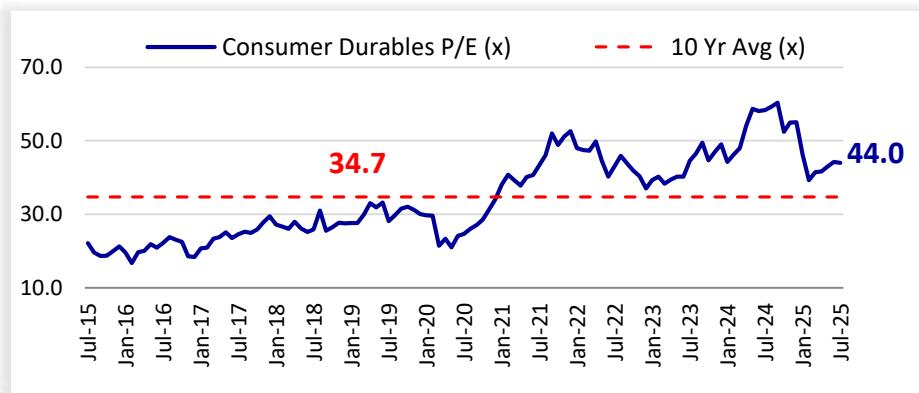
Consumer P/B relative to Nifty P/B (%)



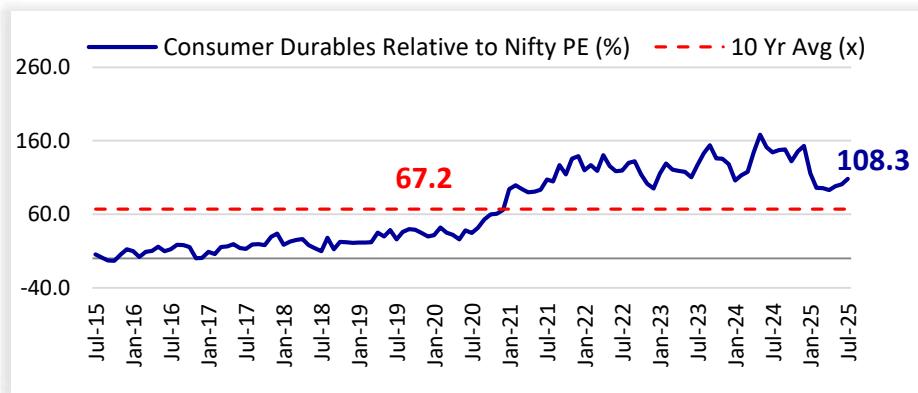


- The Consumer Durables sector trades at a one-year forward P/E multiple of 44.0x, reflecting a 27% premium to its 10-year average P/E of 34.7x.
- On a P/B basis, the sector trades at 7.5x, at ~34% premium to its 10-year average multiple of 5.6x.
- The early onset of monsoon was a dampener for air conditioner, air cooler, fans demand. Inventories of these products remained high and it will take some time for the supply chain to normalize. Demand for other consumer products like small appliances, lighting, and switchgear was also subdued. Optimism around the upcoming festive season is likely to drive small appliances and other ECD demand in the coming months.
- C&W witnessed strong volume growth in 1QFY26. Demand for C&W continued to remain strong, led by increased government spending, strong demand from the power T&D segment, and channel stocking amid higher copper prices.

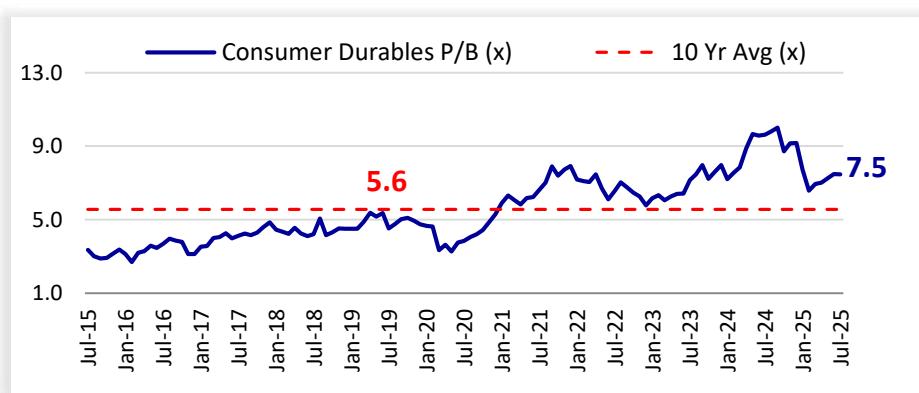
12-month forward Consumer Durables P/E (x)



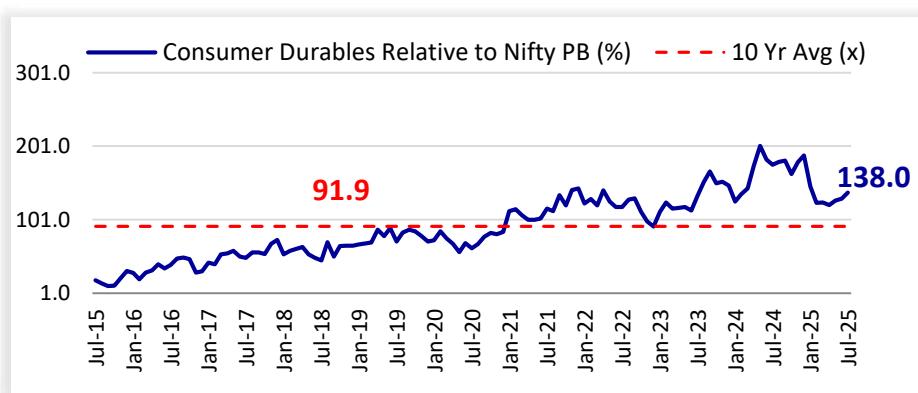
Consumer Durables P/E relative to Nifty P/E (%)



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



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



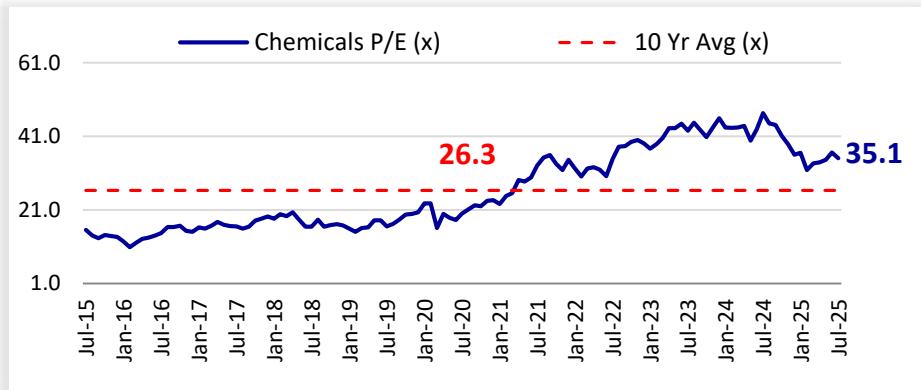
Chemicals

Chemical prices continue to remain subdued

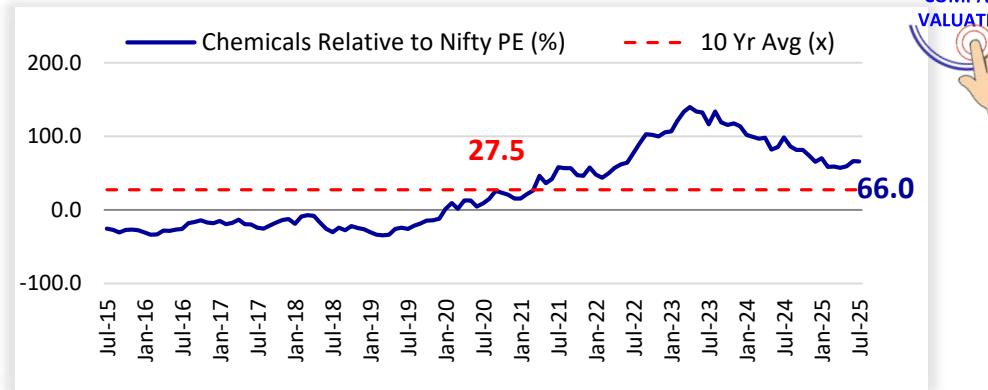


- The sector is trading at a P/B of 4x (at a 20% premium) and a P/E of 35.1x (33% premium) vs. its historical average of 3.4x and 26.3x, respectively.
- Brent crude oil price averaged USD69.6/bbl in Jul'25 (vs. USD69.8/bbl in Jun'25).
- Toluene/Benzene prices decreased 5%/3% MoM, while Butadiene prices decreased 1% MoM. Propylene prices declined 3% MoM, while Styrene prices were flat MoM. Methanol/Acetone prices decreased 8% each MoM, while Acetonitrile prices increased 8% MoM. Aniline prices decreased 4% MoM, while Phenol prices remained flat MoM. IPA prices dipped 4% MoM, while Acetic Acid prices dipped 3% MoM.
- Crude prices remained flat MoM as supply restraints by OPEC+ were offset by robust output in the US and subdued global demand, keeping the market range-bound.

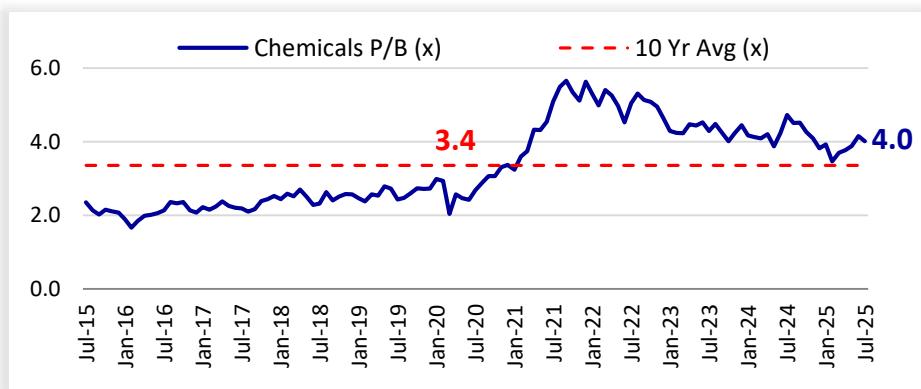
12-month forward Chemicals P/E (x)



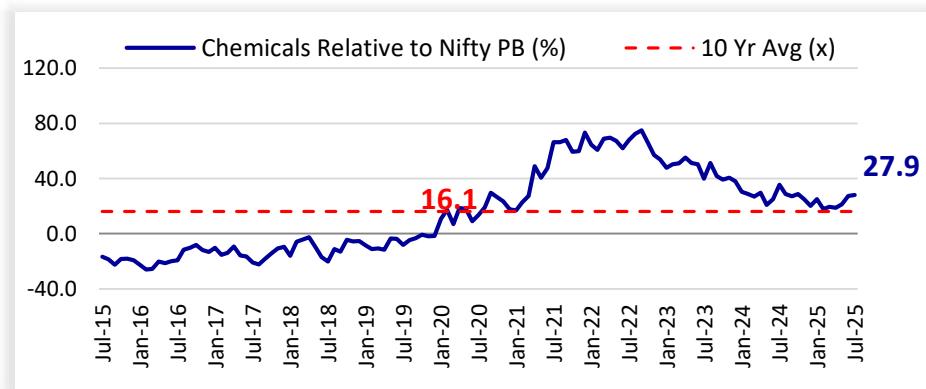
Chemicals P/E relative to Nifty P/E (%)



12-month forward Chemicals P/B (x)



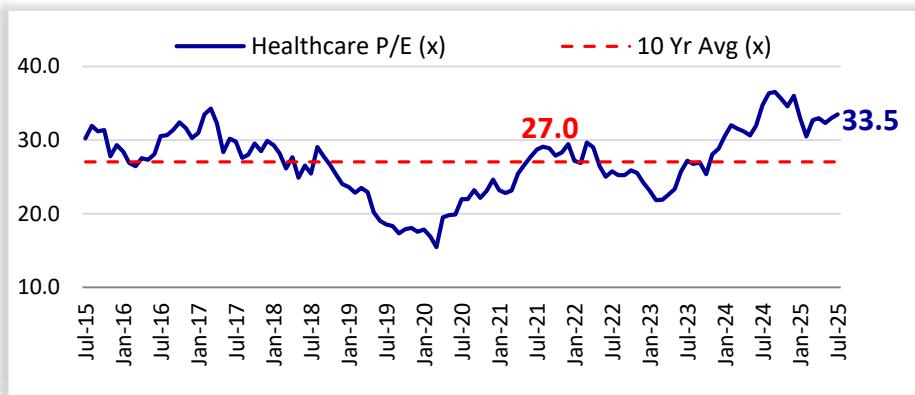
Chemicals P/B relative to Nifty P/B (%)



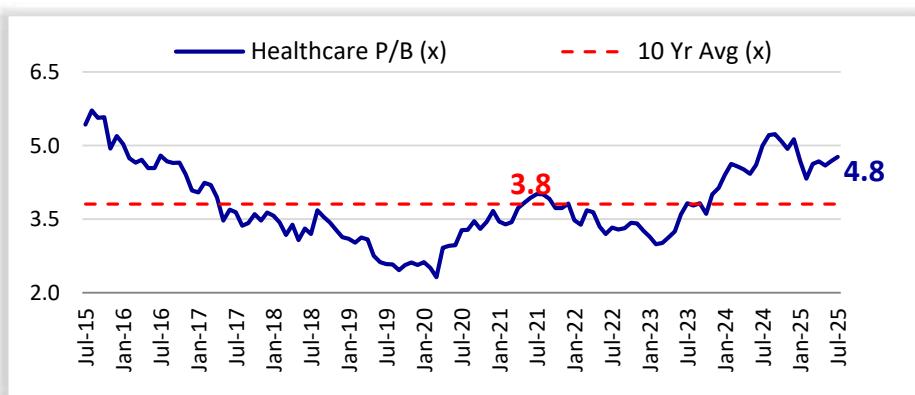


- The Healthcare sector P/E expanded 8% to 33.5x in Jul'25 from 30x in Feb'25. The overall valuation multiple at P/E as well as EV/EBITDA remains at a higher level compared to its 10-year historical average. This was led by a robust growth outlook in the CDMO space, sustained superior return ratios in domestic formulation segment, consistent scale-up in healthcare services, and reduced concerns over geopolitical tensions.
- While the CDMO outlook remains promising, the valuations of CDMO companies are rich, limiting the scope of error in execution.
- The US generics outlook may remain muted for largecap companies. However, the industry outlook remains promising, with robust product pipeline and manufacturing efficiency.
- The domestic formulation growth remains volatile due to seasonality. However, rising efforts toward expanding the chronic portfolio, widening reach, and introducing new products are expected to provide better growth prospects on selective basis.

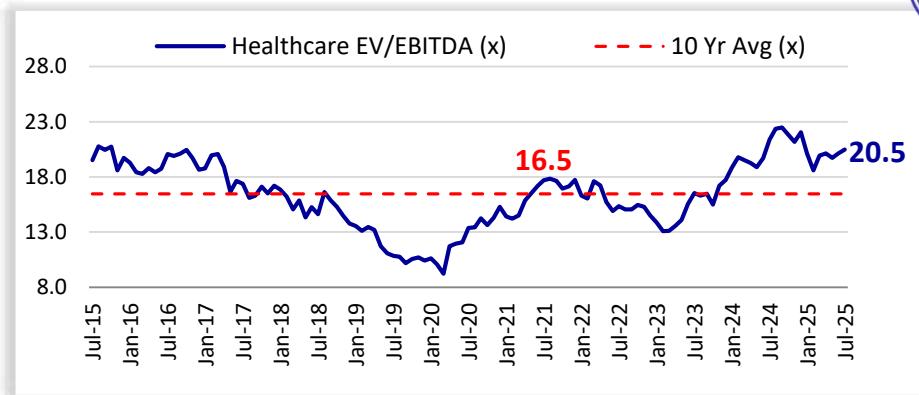
12-month forward Healthcare P/E (x)



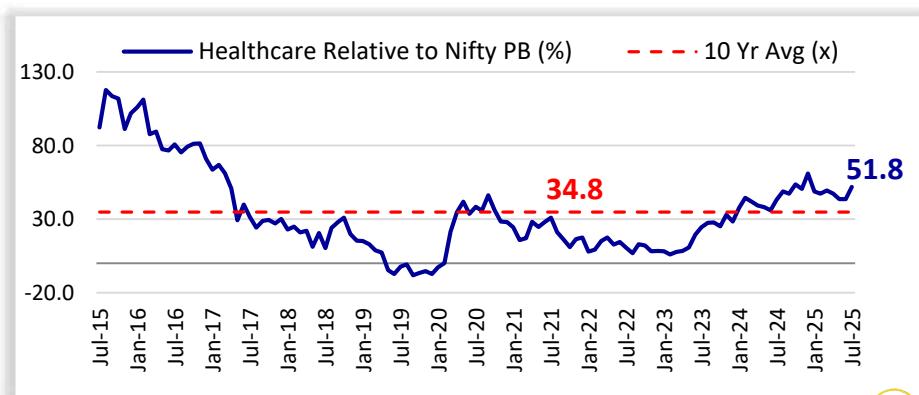
12-month forward Healthcare P/B (x)



12-month forward Healthcare EV/EBITDA (x)



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



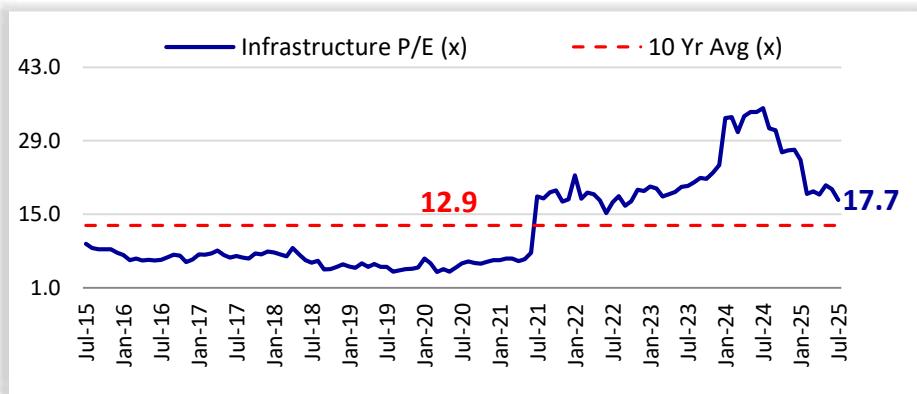
COMPANY
VALUATION



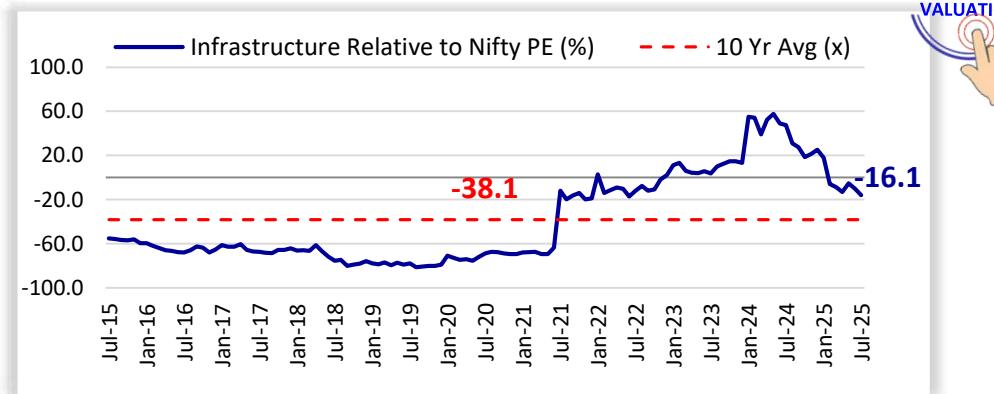


- The Infrastructure sector is trading at a P/B of 1.3x, reflecting a premium of 8% to its long-term historical average of 1.2x.
- NHAI's project awarding was muted during 1QFY26, with ~180km being awarded during the period. However, awarding is expected to ramp up in 2HFY26 after below-par awarding activities in FY24 and FY25. Muted awarding activity by NHAI and fierce competition in NHAI projects from new and inexperienced players have impacted order inflows for large players.
- Toll collections decreased ~4% MoM to INR68b in Jun'25, with a daily run rate of ~INR2.3b (down ~1% MoM).

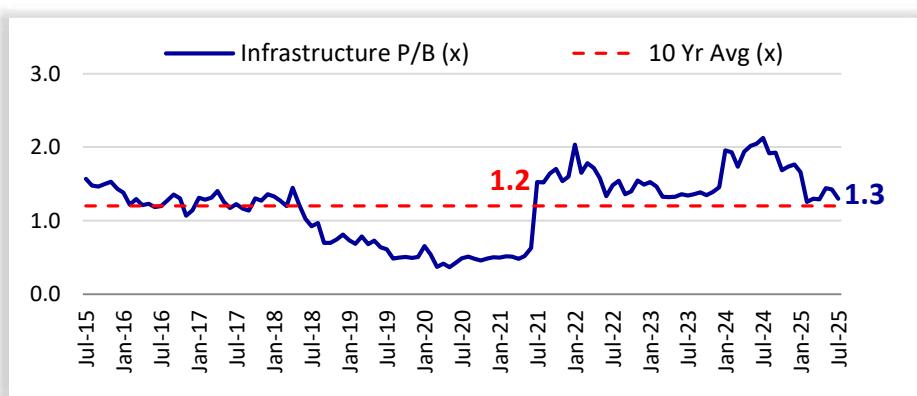
12-month forward Infrastructure P/E (x)



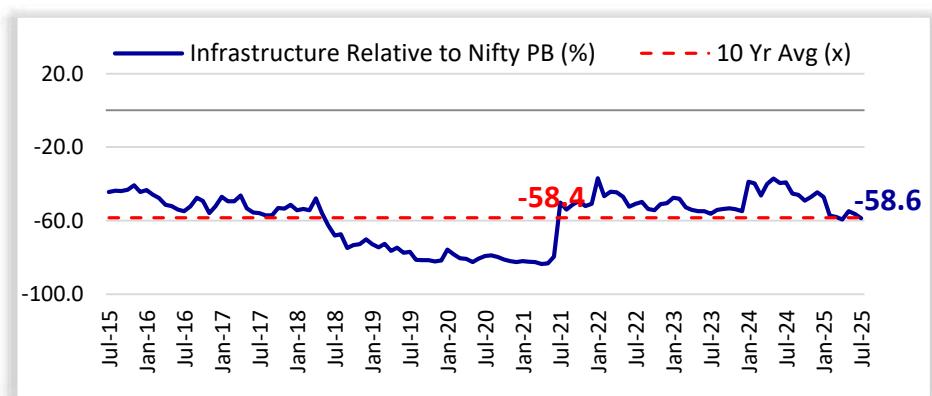
Infrastructure P/E relative to Nifty P/E (%)



12-month forward Infrastructure P/B (x)



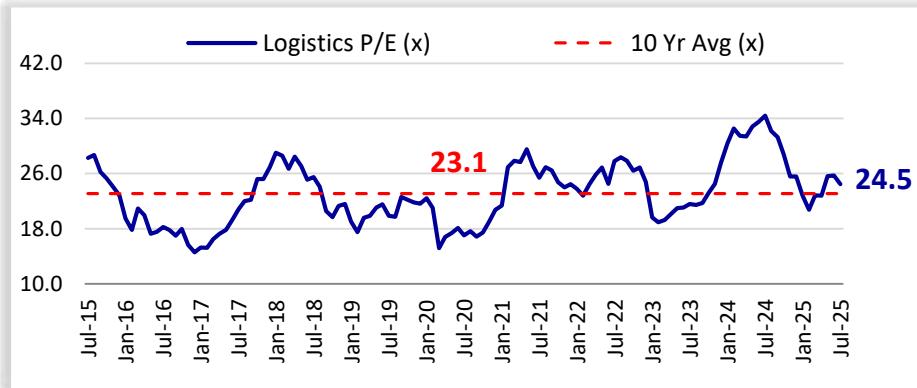
Infrastructure P/B relative to Nifty P/B (%)



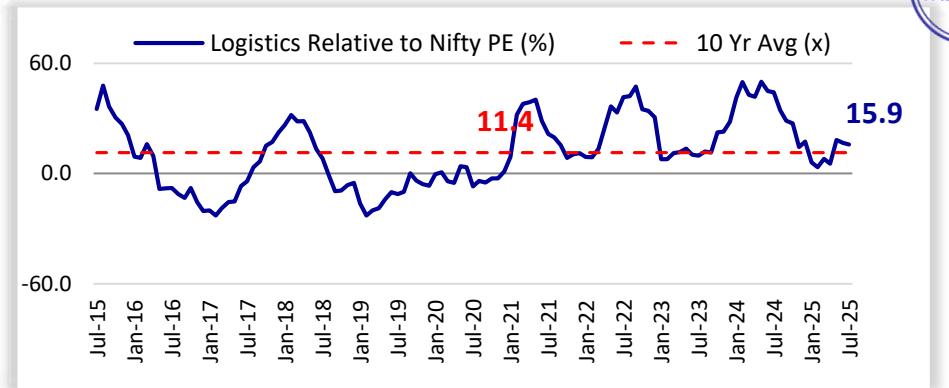


- The Logistics sector is trading at a P/E ratio of 24.5x, above its historical average of 23.1x (at a 6% premium).
- Logistics operations are showing signs of recovery on a YoY basis. Fleet utilization was ~80%. Daily avg. FASTag toll collections rose ~18% YoY in Jun'25 (down ~1% MoM).
- Volume growth is expected to improve with better-than-expected monsoons and a pickup in the rural economy. The operating margins of fleet operators are likely to remain elevated 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.

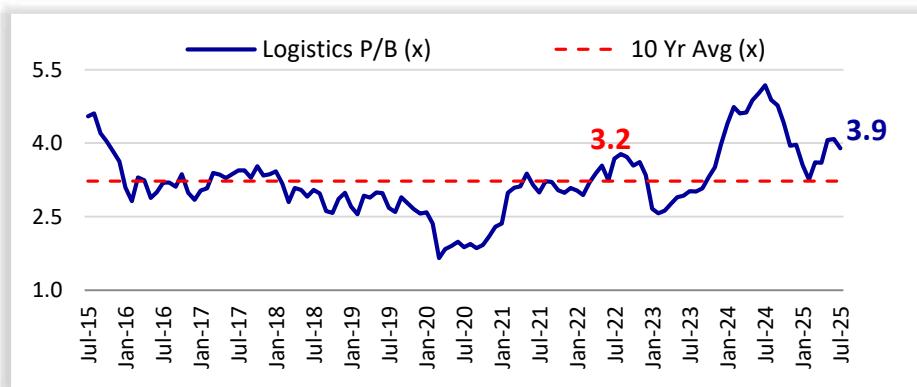
12-month forward Logistics P/E (x)



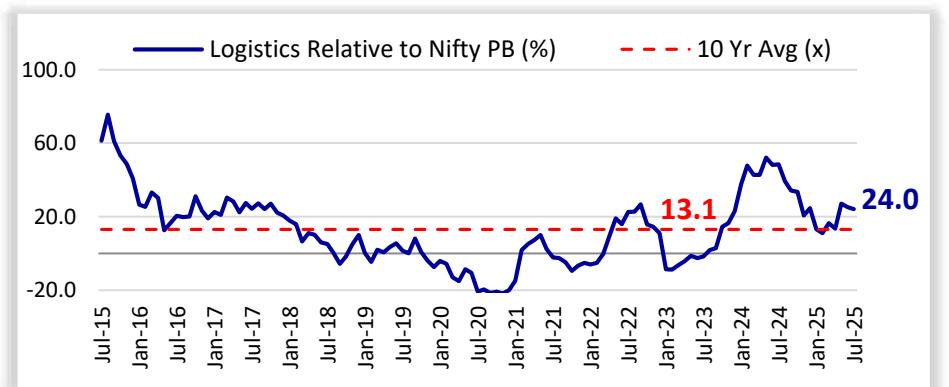
Logistics P/E relative to Nifty P/E (%)



12-month forward Logistics P/B (x)



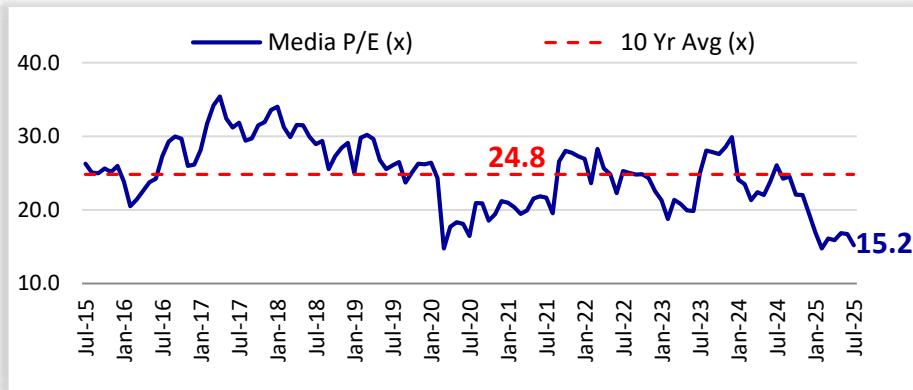
Logistics P/B relative to Nifty P/B (%)



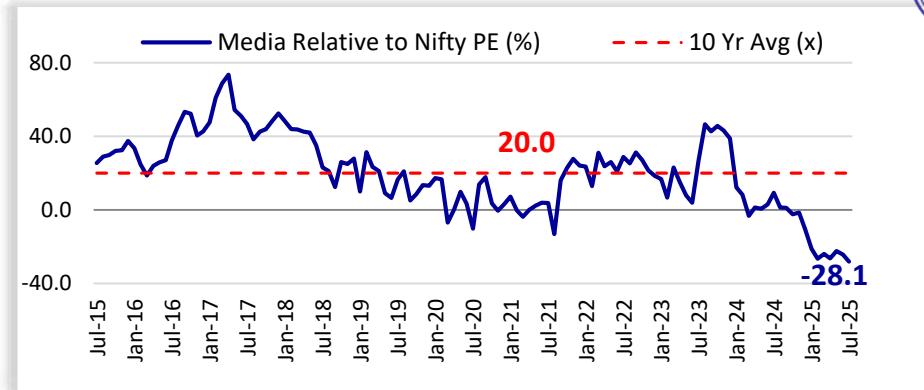


- The P/E ratio for the Media sector, at 15.2, is at a 39% discount to its 10-year historical average of 24.8x.
- The Ministry of Information and Broadcasting (MIB) experienced a decline in revenue from DTH services in FY25 due to a shrinking user base, while FM radio revenue increased. DTH earnings fell nearly 25% over two years, reflecting a shift to OTT platforms. FM radio's growth is attributed to its appeal in regional markets and its role in government outreach.
- Zee Entertainment's proposal to issue convertible warrants to promoter group entities failed to secure shareholder approval at an EGM, highlighting concerns over corporate governance. While 60% voted in favor, it fell short of the required 75%. The plan aimed to raise INR22.4b, increasing the promoter stake to 18.39%, but faced opposition from proxy advisory firms and shareholders.

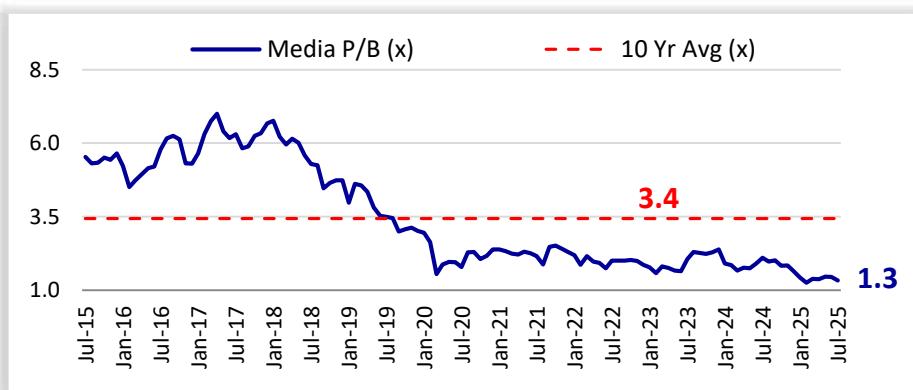
12-month forward Media P/E (x)



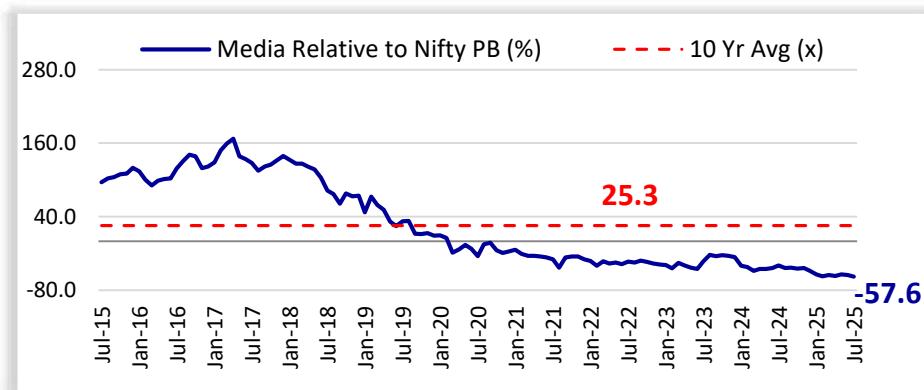
Media P/E relative to Nifty P/E (%)



12-month forward Media P/B (x)



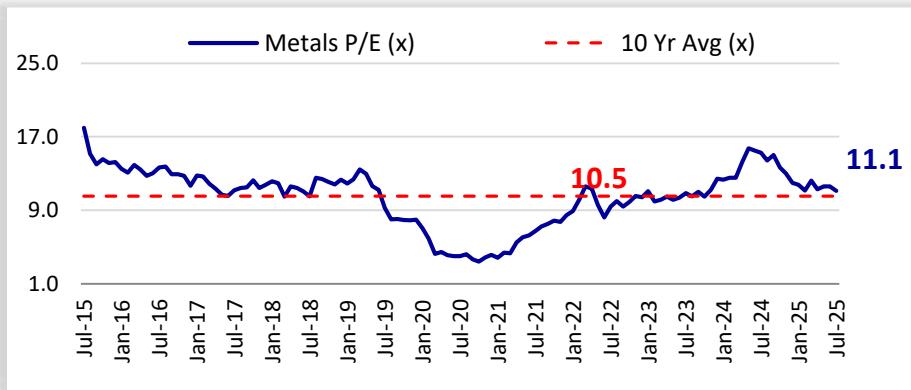
Media P/B relative to Nifty P/B (%)



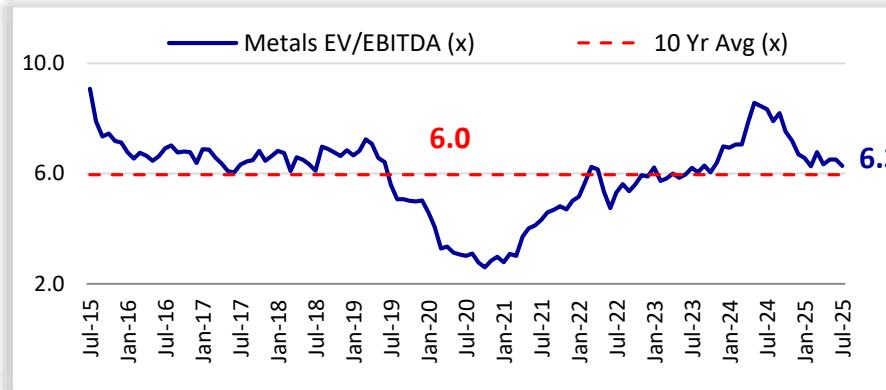


- The Metals sector trades at 6.3x EV/EBITDA, close to its 10-year historical average of 6x amid price recovery led by safeguard duty, while some concerns over geopolitical disruption remain intact.
- Flat steel prices corrected MoM to INR49,000/t in Jul'25, led by weakening global prices, whereas rebar prices declined below INR49,000/t, driven by seasonal weakness.
- Coking coal prices remained range-bound at around USD180-200/t in Jul'25.
- Non-ferrous metal prices remained steady MoM in Jul'25.

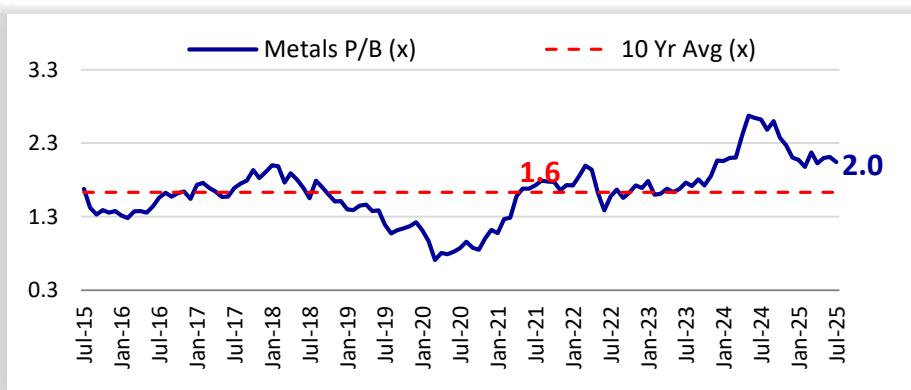
12-month forward Metals P/E (x)



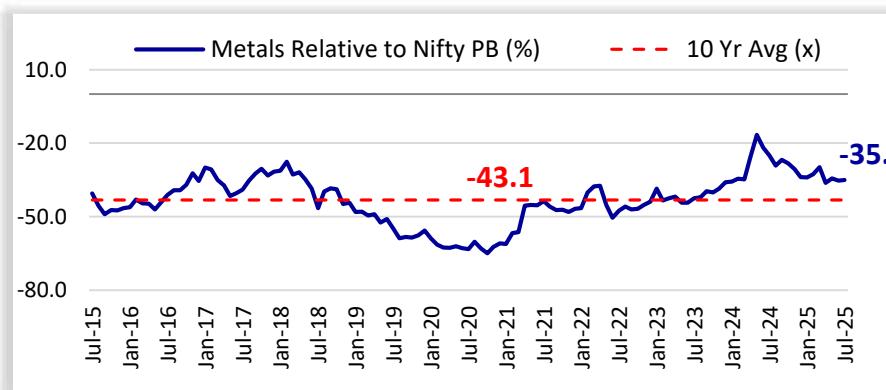
12-month forward Metals EV/EBITDA (x)

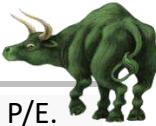


12-month forward Metals P/B (x)



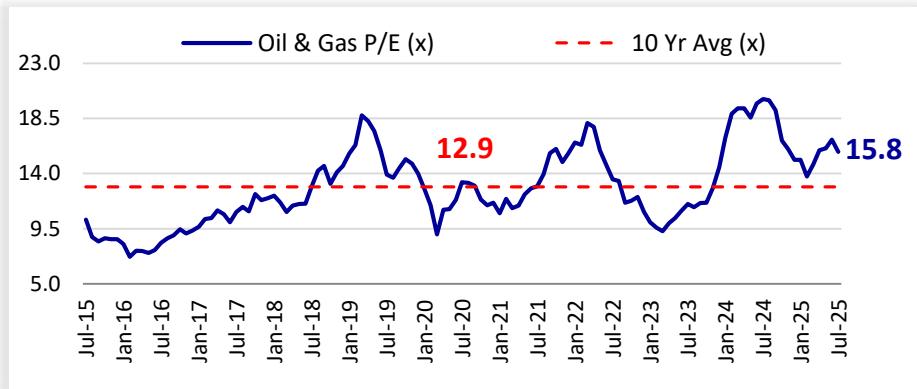
Metals P/B relative to Nifty P/B (%)



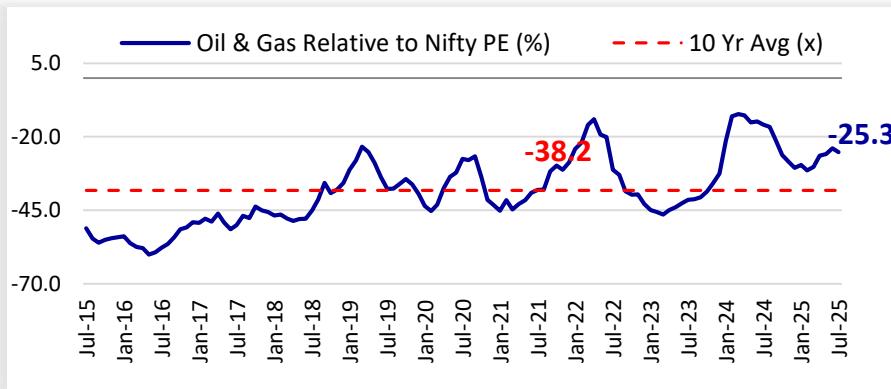


- The sector is trading at a P/B of 1.6x (at a 7% premium) and a P/E of 15.8x (at a 22% premium) vs. its historical average of 1.5x P/B and 12.9x P/E.
- Brent crude oil prices averaged USD69.6/bbl in Jul'25, up from USD69.8/bbl in Jun, as supply restraint by OPEC+ was offset by robust US output and tempered global demand, keeping the market range-bound.
- SG GRM remained flat at USD4.7/bbl in Jul'25 from USD6.5/bbl in Jun'25. Diesel/Gasoline cracks stood at USD13.3/9.6 per bbl in Jul'25 (up 14%/down 25% MoM).
- Gross marketing margin for petrol declined 2% MoM to 10.9/lit in Jul'25. Gross marketing margin for diesel also dipped to INR7.1/lit from INR9.4/lit in Jun'25. The spot LNG price was USD12.5/mmBtu in Jul'25 (vs. USD13.1/mmBtu in Jun'25).

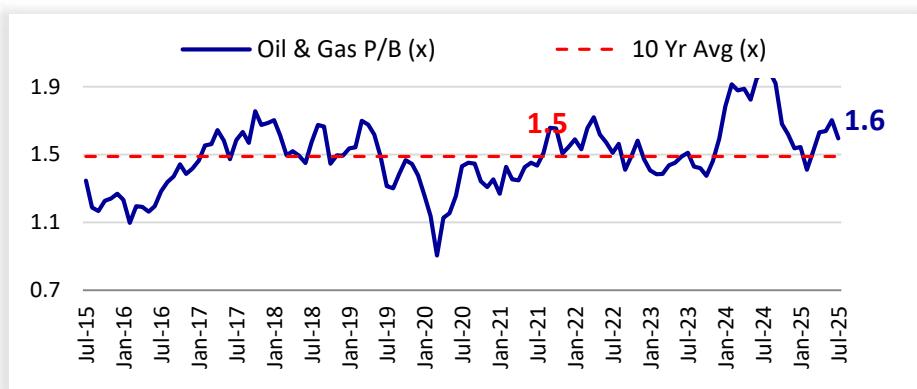
12-month forward Oil & Gas P/E (x)



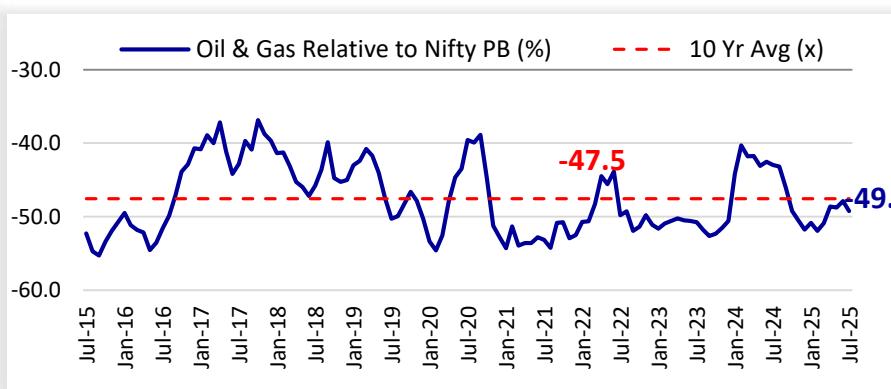
Oil & Gas P/E relative to Nifty P/E (%)



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



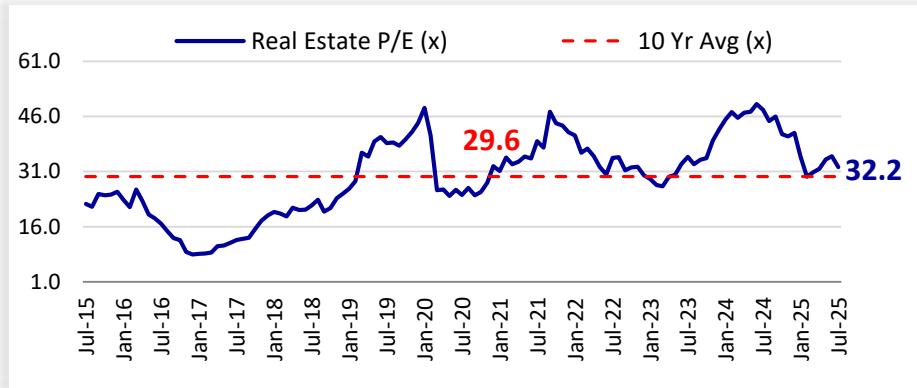
Oil & Gas P/B relative to Nifty P/B (%)



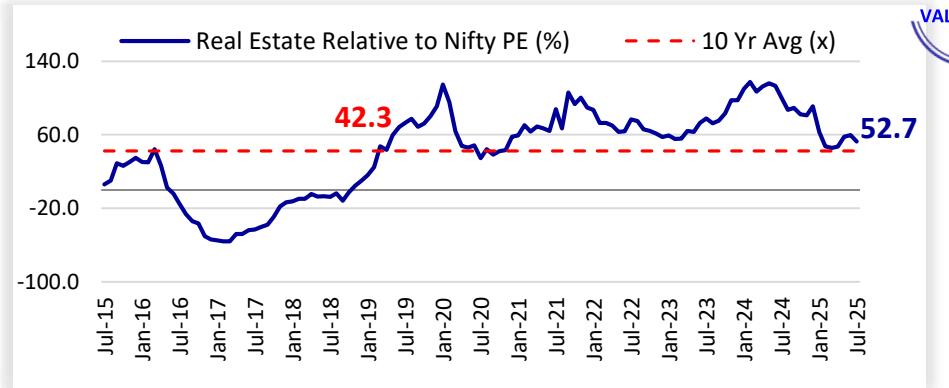


- The Real Estate sector is trading at a P/E of 32.2x, reflecting a 9% premium to its 10-year historical average of 29.6x.
- According to Knight Frank, despite a favorable macroeconomic backdrop marked by a 100bp repo rate cut and inflation easing to a six-year low, overall residential sales in H1 2025 declined marginally by 2% YoY, with NCR and Bengaluru driving the fall due to price escalations.
- Demand and development activity remained skewed toward premium housing, with sales and launches of units priced over INR10m growing 17% and 18% YoY, while those under INR10m saw declines of 15% and 20%, respectively.
- Inventory levels rose across the board, especially in higher ticket sizes (INR20-50m up 52% YoY), though the market remained stable with an inventory overhang of 5.8 quarters, indicating balanced fundamentals despite excess supply in luxury segments.

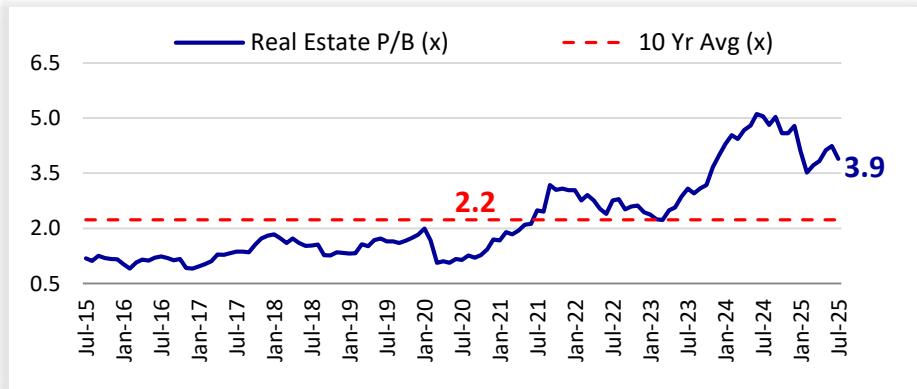
12-month forward Real Estate P/E (x)



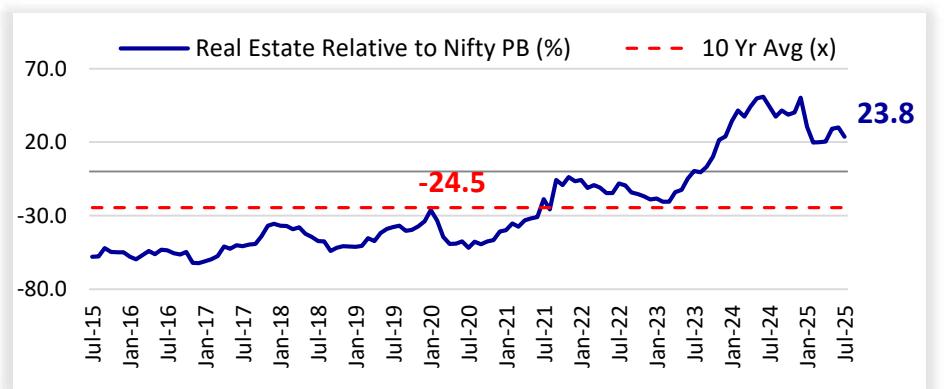
Real Estate P/E relative to Nifty P/E (%)



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



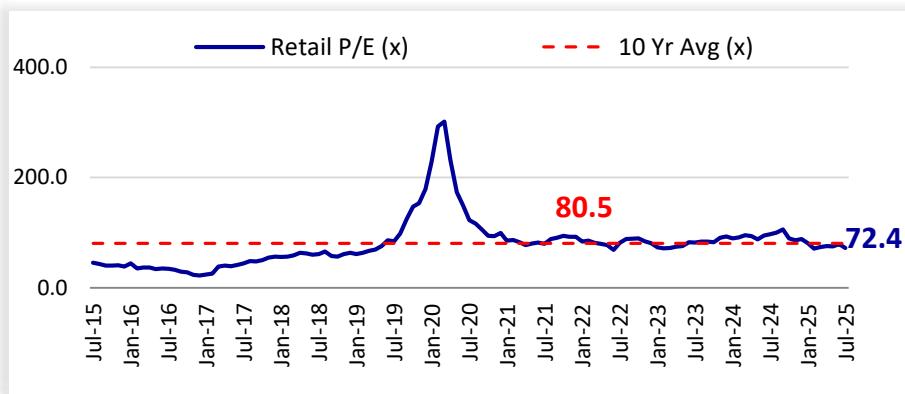
Real Estate P/B relative to Nifty P/B (%)



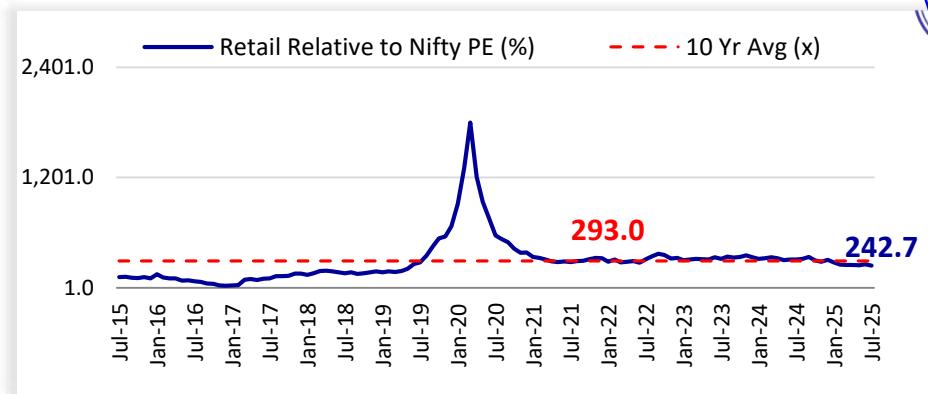


- The Retail sector is trading at a P/E ratio of 72.4x, which is at a 10% discount to its 10-year historical average of 80.5x.
- Retail sales grew 7% in May and 8% in June, following nearly a year of 4-5% YoY growth. Regional data shows that West India recorded the highest YoY growth at 10%. North India recorded a 9% rise, followed by South and East India showing a growth of 7% and 4%, respectively. Among categories, apparels and sport goods led with 10% growth each, while consumer durables & electronics (CDIT); jewellery, and QSR grew 9% each.
- Despite global economic uncertainties and tariff concerns impacting major markets, India is emerging as a promising destination for foreign brands. Fueled by a young, tech-savvy population and rising disposable incomes, numerous international companies, from fashion to beauty, are entering or expanding their presence in the Indian market.

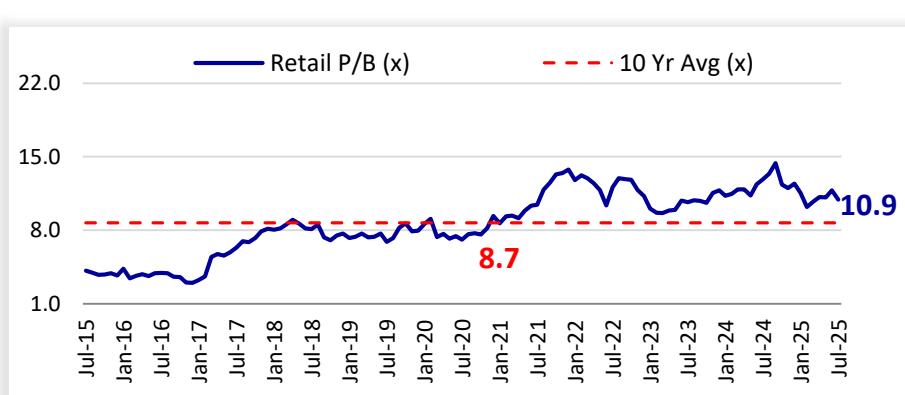
12-month forward Retail P/E (x)



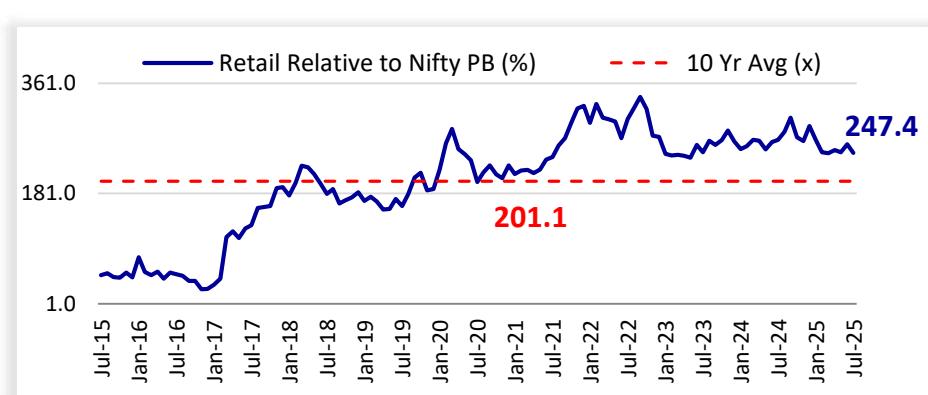
Retail P/E relative to Nifty P/E (%)



12-month forward Retail P/B (x)



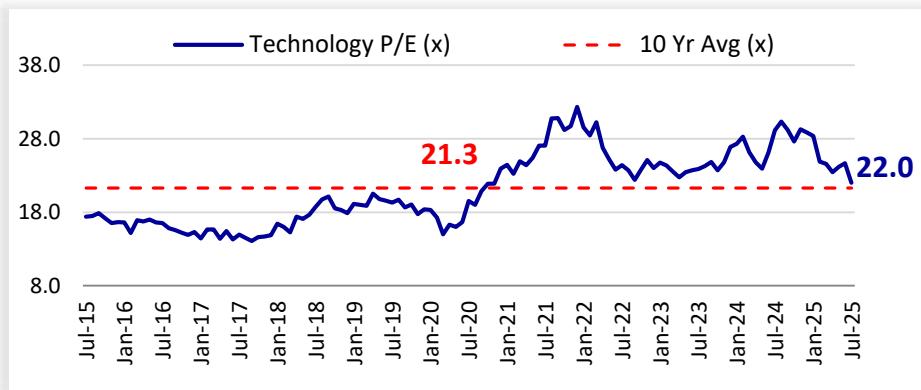
Retail P/B relative to Nifty P/B (%)



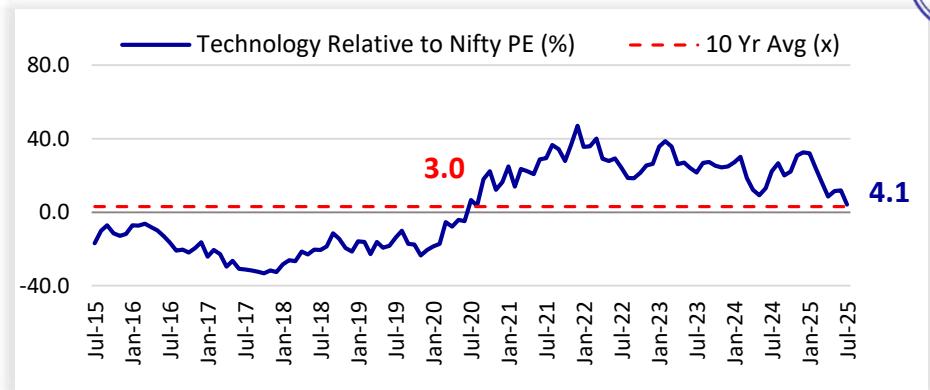


- The sector is trading at a P/E ratio of 22x, reflecting a 3% premium to its long-term average of 21.3x. 1QFY26 was a disappointing quarter for Indian IT services companies. While seasonality offered some respite in reported growth, management commentary remained uniformly downbeat on demand.
- About 54% of the companies under our coverage missed revenue estimates, whereas 31% missed margin estimates (only 23% beat estimates).
- From the management commentary, more companies began acknowledging that GenAI-led productivity is translating into commercial pressure. Mid-tier firms have performed remarkably well over the past couple of years and grown despite macros not being in favor. This has come at the cost of margins and cash flows.
- This time, GenAI is exacerbating the deflationary pain, but there is no budgetary expansion from a new tech cycle in sight. Clients are experimenting but large-scale rollouts are limited, and traditional programs continue to get rationalized or delayed. As a result, the deflation in legacy services is not being offset.

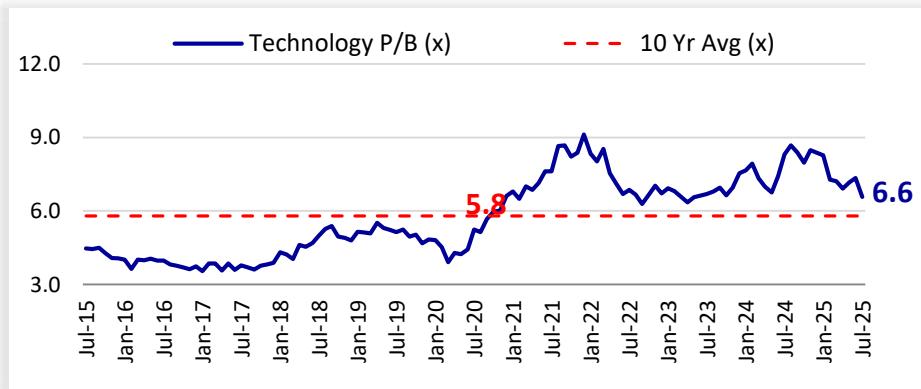
12-month forward Technology P/E (x)



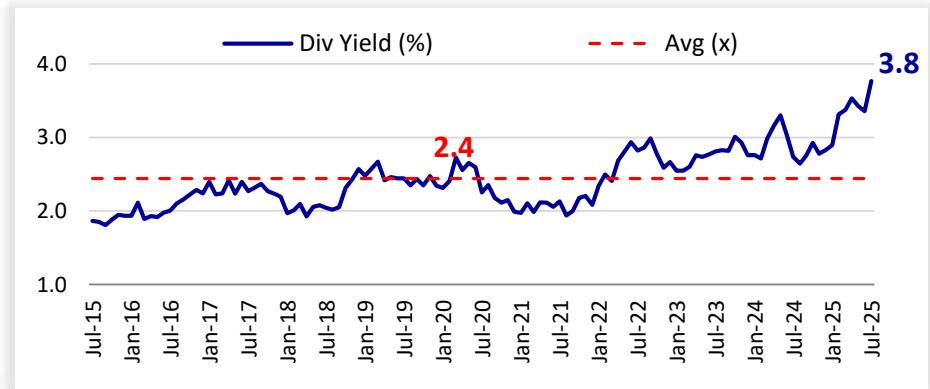
Technology P/E relative to Nifty P/E (%)



12-month forward Technology P/B (x)



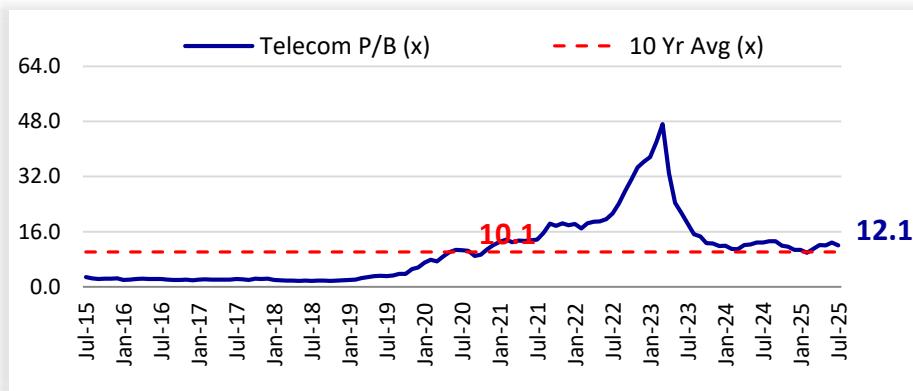
Technology Div Yield (%)



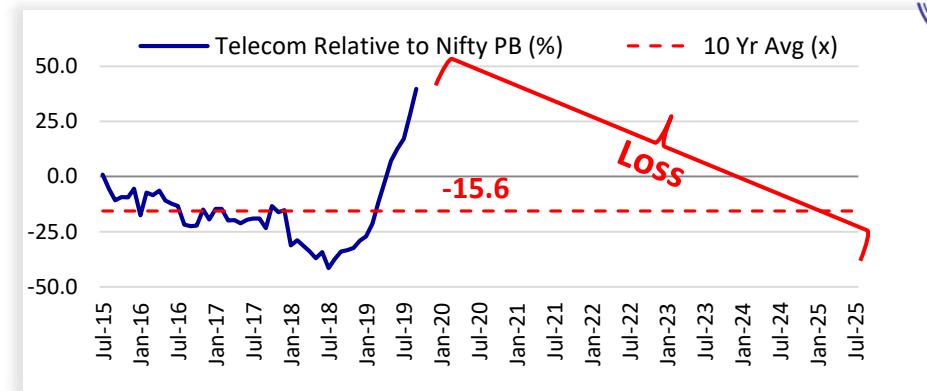


- The Telecom sector is trading at an EV/EBITDA ratio of 10.4x, reflecting a 16% premium to its 10-year historical average of 8.9x.
- Starlink has secured a license to launch satellite internet services in India, with spectrum allocation frameworks in place. This announcement coincides with the 30th anniversary of India's first cellular call. The country's digital transformation includes a surge in internet subscriptions, affordable data, and advancements in 5G technology, positioning India as a global leader in the telecom sector.
- Bharti Airtel has announced a partnership with Perplexity. Airtel will offer a free Perplexity Pro subscription to its users. This offer is for all Airtel mobile, Wi-Fi, and DTH subscribers. The Perplexity Pro subscription includes advanced AI tools. It provides enhanced search, research, and productivity features. Airtel users can avail this offer through the Airtel Thanks App.

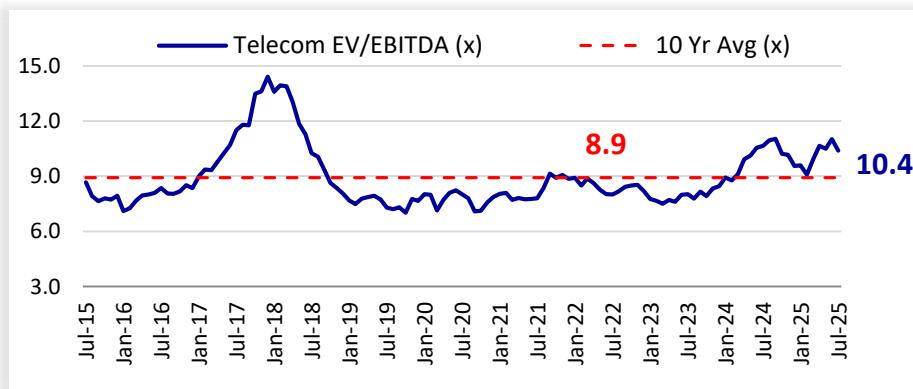
12-month forward Telecom P/B (x)



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



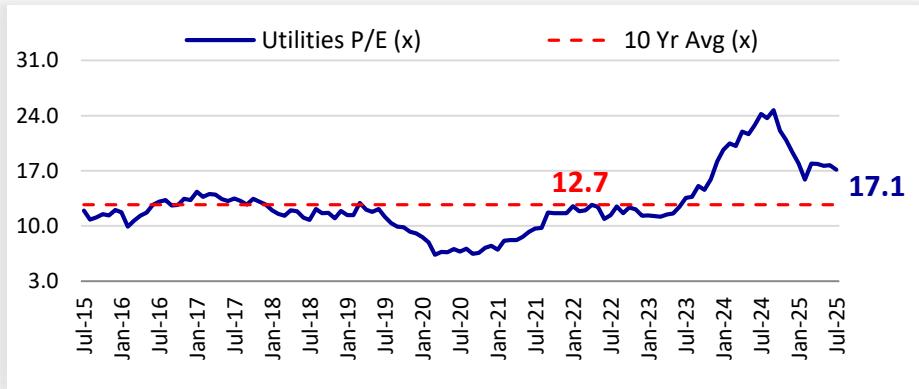
12-month forward Telecom EV/EBITDA (x)



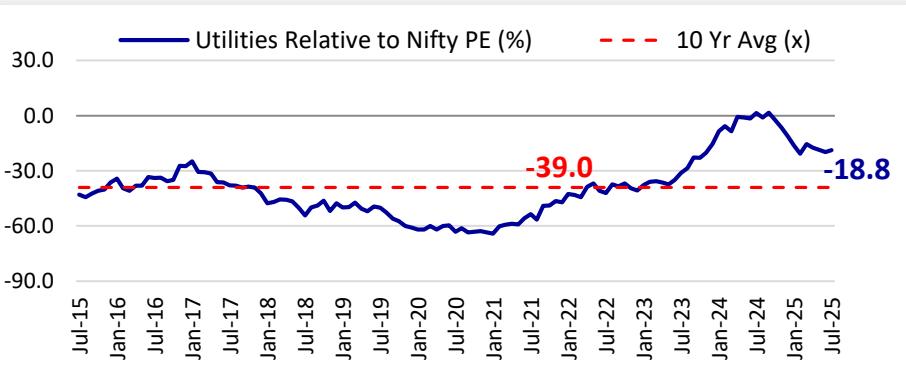


- The Utilities sector is currently valued at a P/B ratio of 2.4x and a P/E ratio of 17.1x, representing premiums of 52% and 35%, respectively, compared to their historical averages of 1.6x and 12.7x.
- The country's peak power demand also fell to 241GW in Jun'25, compared to 245GW in Jun'24.
- In Jun'25, power demand declined 2% YoY to 149BU primarily due to the early onset of the monsoon and a high base effect from the previous year.
- India's power generation capacity increased 9.2GW in Jun'25, driven by renewable energy additions of 5.8GW (5.4 GW of solar and ~0.4GW of wind capacity) and 3.4GW of capacity addition in Thermal, 1.5GW of Hydro additions.
- Transmission lines of 411ckm were added during Jun'25 vs. a target of 4,022ckm.

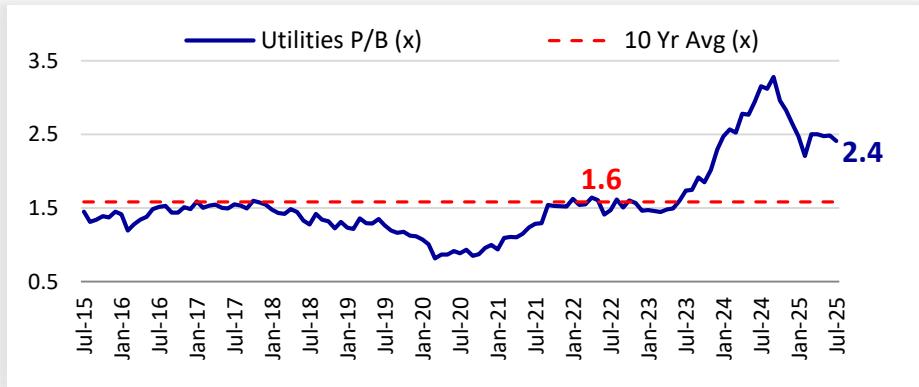
12-month forward Utilities P/E (x)



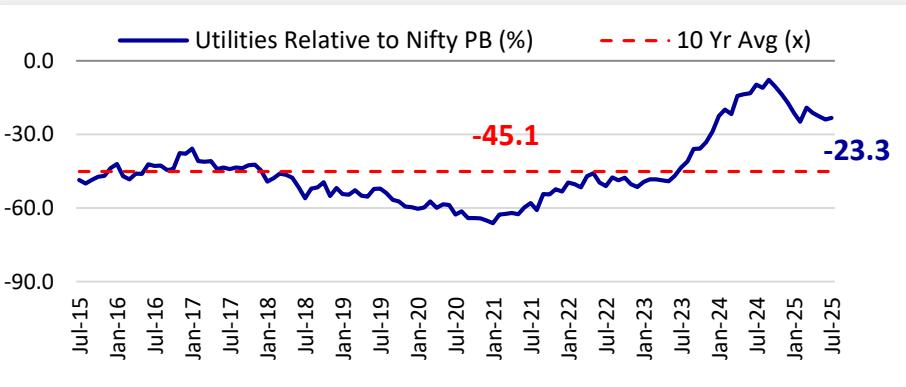
Utilities P/E relative to Nifty P/E (%)



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	24.9	26.2	-5	33.5	18.9	18	26	4.0	3.3	20	3.9	2.8	28	18
Amara Raja Energy	18.6	22.4	-17	30.0	14.9	-12	8	2.1	3.3	-37	4.9	1.8	-33	17
Ashok Leyland	19.7	21.0	-6	26.9	15.1	-6	1	5.2	4.4	20	5.3	3.5	67	54
Apollo Tyres	16.6	16.3	2	21.5	11.1	-21	-21	1.4	1.1	22	1.5	0.8	-56	-60
Balkrishna Inds	27.5	23.5	17	31.9	15.0	30	13	4.2	4.1	2	5.3	2.9	34	44
Bajaj Auto	24.0	20.0	20	24.6	15.4	14	-4	6.3	4.7	35	6.0	3.3	101	64
Bharat Forge	35.8	46.7	-23	71.1	22.2	69	125	5.2	5.2	1	6.3	4.0	65	81
Bosch	50.0	38.7	29	45.5	32.0	137	87	7.8	5.5	42	6.9	4.1	149	94
CEAT	17.5	19.5	-10	30.8	8.3	-17	-6	2.6	1.8	41	2.4	1.3	-17	-35
Craftsman Auto	36.6	30.6	19	41.7	19.6	73	48	4.7	3.9	20	4.6	3.3	51	38
Eicher Motors	29.7	31.0	-4	36.8	25.2	40	50	5.9	6.7	-11	8.9	4.5	89	136
Endurance Tech.	32.8	32.9	0	39.8	26.0	55	59	5.2	5.0	5	6.1	3.9	67	75
Escorts Kubota	31.8	20.0	59	30.0	10.0	51	-3	3.5	2.3	51	3.3	1.4	12	-18
Exide Inds.	26.1	21.9	19	27.9	15.9	23	6	2.1	2.3	-10	3.1	1.5	-34	-19
Happy Forgings	28.6	34.1	-16	39.5	28.8	35	65	4.0	4.8	-16	5.6	4.0	29	70
Hero MotoCorp	17.2	18.3	-6	21.4	15.2	-18	-12	4.0	4.3	-8	5.4	3.2	26	51
CIE Automotive	18.5	22.9	-19	30.8	15.0	-12	10	2.1	2.1	-2	2.8	1.4	-34	-26
Mahindra & Mahindra	25.6	18.9	36	22.9	14.8	21	-9	5.0	2.9	71	3.8	2.0	59	3
Maruti Suzuki	25.0	31.3	-20	41.6	21.0	18	51	3.6	4.1	-11	4.8	3.3	16	44
MRF	28.7	25.1	14	35.3	14.9	36	21	3.0	2.4	25	2.8	2.0	-6	-16
Motherson Wiring	33.1	42.7	-23	48.5	37.0	57	106	11.5	15.4	-25	17.6	13.3	266	443
Samvardhana	24.3	44.2	-45	69.5	18.8	15	113	2.7	3.2	-18	4.5	2.0	-15	14
Sona BLW Precis.	52.0	69.9	-26	86.2	53.6	146	237	4.7	9.9	-53	14.0	5.9	49	250
Tata Motors	13.9	17.3	-20	24.5	10.1	-34	-16	1.8	2.0	-13	2.9	1.2	-43	-28
Tube Investments	65.2	50.9	28	79.0	22.8	209	146	8.8	8.4	6	12.7	4.1	182	195
TVS Motor	39.3	32.5	21	40.4	24.6	86	57	9.8	7.1	37	9.2	5.1	212	151
Banks-Private	17.9	21.0	-15	26.3	15.8	-15	2	2.4	2.5	-3	2.8	2.2	-22	-11
AU Small Finance	18.6	28.1	-34	37.9	18.3	-12	36	2.9	4.0	-27	5.1	2.8	-8	39
Axis Bank	12.2	38.1	-68	90.0	-13.8	-42	84	1.6	1.9	-19	2.2	1.6	-50	-32
Bandhan Bank	9.1	21.8	-58	31.4	12.2	-57	5	1.0	2.9	-64	4.6	1.2	-67	1
DCB Bank	5.2	11.6	-55	17.2	6.0	-75	-44	0.7	1.2	-43	1.7	0.6	-79	-59
Equitas Small Fin.	12.6	21.9	-43	37.2	6.6	-41	6	1.1	1.4	-24	1.7	1.1	-66	-51
Federal Bank	10.9	11.2	-3	15.4	7.1	-48	-46	1.3	1.2	12	1.4	0.9	-59	-59
HDFC Bank	20.0	20.6	-3	23.1	18.1	-5	-1	2.7	3.1	-13	3.6	2.6	-14	9
ICICI Bank	19.4	21.7	-11	31.6	11.7	-8	5	3.1	2.2	40	2.8	1.7	-1	-22
IDFC First Bank	16.8	21.5	-22	29.6	13.4	-20	4	1.4	1.3	8	1.6	1.1	-54	-53
IndusInd Bank	17.3	21.5	-19	30.4	12.5	-18	4	0.9	2.3	-60	3.3	1.2	-71	-20



Company	PE (x)			PE Std. Deviation		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
Kotak Mah. Bank	17.6	25.4	-31	30.8	19.9	-17	22	2.2	3.2	-32	3.8	2.6	-31	13
RBL Bank	12.2	24.7	-50	39.6	9.8	-42	19	1.0	1.5	-36	2.5	0.5	-69	-46
Banks-PSU	7.4	8.5	-13	12.8	4.2	-65	-59	1.1	0.9	29	1.1	0.6	-65	-70
Bank of Baroda	6.0	5.6	8	6.9	4.2	-72	-73	0.8	0.8	8	1.0	0.5	-73	-73
Canara Bank	4.9	4.5	10	5.3	3.6	-77	-78	0.9	0.6	35	0.8	0.4	-72	-77
Indian Bank	6.9	9.6	-29	19.7	-0.4	-67	-54	1.1	0.7	67	0.9	0.4	-65	-77
Punjab Natl.Bank	6.9	10.0	-30	13.3	6.7	-67	-52	0.9	0.8	14	1.1	0.4	-73	-74
St Bk of India	8.6	10.7	-20	16.3	5.1	-59	-48	1.3	1.1	10	1.4	0.9	-60	-60
Union Bank (I)	5.8	5.7	1	8.8	2.7	-73	-72	0.8	0.6	29	0.8	0.4	-75	-79
NBFC	13.6	12.7	7	15.0	10.4	-36	-39	2.1	1.9	12	2.2	1.5	-33	-34
360 ONE WAM	31.1	25.0	24	32.1	18.0	47	21	4.9	4.2	15	5.1	3.4	55	49
AAVAS Financiers	19.0	34.6	-45	46.6	22.6	-10	67	2.6	4.4	-41	5.9	2.9	-18	54
Aditya Birla AMC	23.4	18.9	24	23.3	14.4	11	-9	5.7	4.7	23	5.8	3.5	83	64
Anand Rathi Wealth	52.4	30.6	71	46.3	14.9	148	48	19.9	12.3	62	19.3	5.3	533	332
Aditya Birla Cap	15.9	18.0	-12	25.5	10.5	-25	-13	1.9	1.8	5	2.7	1.0	-39	-36
Angel One	22.0	15.5	43	22.4	8.5	4	-25	3.3	4.0	-17	5.2	2.8	5	40
Bajaj Fin.	24.4	31.3	-22	41.1	21.6	15	51	4.5	5.4	-17	6.9	3.9	43	90
BSE	49.5	22.6	119	33.7	11.4	134	9	15.3	3.6	326	7.6	-0.4	388	27
Cams Services	35.8	37.9	-5	46.5	29.2	70	83	13.2	14.9	-11	18.3	11.5	321	424
Can Fin Homes	10.3	13.7	-25	17.9	9.5	-51	-34	1.6	2.4	-31	3.2	1.6	-48	-16
CDSL	54.2	32.6	66	47.1	18.1	157	57	14.5	8.0	82	12.3	3.6	361	180
Cholaman.Inv.&Fn	20.8	19.3	8	23.3	15.3	-2	-7	3.7	3.3	12	4.1	2.6	19	18
CreditAccess	17.1	26.7	-36	41.5	11.9	-19	29	2.4	2.6	-10	3.2	2.1	-25	-8
Five-Star Business	14.4	20.2	-29	22.2	18.1	-32	-3	2.2	3.3	-31	3.6	2.9	-29	15
Fusion Finance	18.8	17.8	6	28.6	7.0	-11	-14	1.1	2.0	-43	2.7	1.2	-64	-30
HDFC AMC	40.3	33.9	19	42.4	25.4	91	64	13.2	9.5	39	11.9	7.1	321	235
Home First Fin.	21.7	24.1	-10	27.5	20.7	3	16	2.8	3.2	-13	3.6	2.8	-11	13
IndoStar Capital	29.4	33.2	-11	46.2	20.1	39	60	0.9	1.0	-15	1.5	0.6	-72	-63
IIFL Finance	10.8	13.3	-19	22.2	4.5	-49	-36	1.4	1.6	-15	2.5	0.7	-56	-43
MCX	41.2	41.6	-1	57.4	25.9	95	101	18.3	5.9	210	9.7	2.2	484	108
L&T Finance	14.7	14.7	0	18.0	11.4	-31	-29	1.7	1.5	18	2.0	0.9	-45	-48
LIC Housing Fin.	6.0	9.1	-34	12.6	5.5	-72	-56	0.8	1.2	-38	1.8	0.7	-75	-56
KFin Technologies	46.7	37.4	25	51.2	23.6	121	80	12.3	9.4	30	13.1	5.8	292	232
M & M Fin. Serv.	12.2	16.8	-27	23.6	10.1	-42	-19	1.4	1.4	-1	1.7	1.2	-55	-50
Manappuram Finance	15.4	8.8	75	12.3	5.3	-27	-58	1.4	1.5	-2	1.9	1.0	-55	-49
MAS Financial	14.0	20.6	-32	26.6	14.6	-34	-1	1.9	2.9	-36	3.8	2.0	-41	2
Muthoot Finance	13.8	10.4	33	13.2	7.6	-35	-50	2.9	2.1	36	2.6	1.6	-9	-26



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	Current	10 Yr Avg
Nippon Life AMC	32.5	27.0	20	33.6	20.4	54	30	11.8	6.4	86	8.3	4.4	277	124		
Nuvama Wealth	20.1	17.8	12	21.3	14.4	-5	-14	5.9	5.0	16	6.2	3.9	87	78		
PFC	7.1	3.9	79	6.0	1.9	-67	-81	1.2	0.7	82	1.1	0.3	-60	-76		
Piramal Enterprises	16.1	18.2	-11	25.0	11.5	-24	-12	1.0	0.8	25	0.9	0.6	-69	-73		
PNB Housing	10.6	11.1	-4	16.3	5.8	-50	-47	1.3	1.3	4	2.0	0.5	-59	-56		
Poonawalla Fincorp	30.6	27.7	11	38.3	17.0	45	34	3.1	2.2	43	3.3	1.0	-1	-23		
Prudent Corp.	49.4	33.8	46	45.4	22.3	134	63	63.4	47.6	33	61.5	33.6	1920	1573		
REC	5.7	3.8	49	5.9	1.8	-73	-82	1.1	0.7	58	1.1	0.3	-65	-76		
Repco Home Fin	5.9	10.9	-46	18.6	3.3	-72	-47	0.7	1.6	-58	2.9	0.3	-79	-44		
Shriram Finance	11.9	10.2	16	12.8	7.7	-44	-51	1.8	1.4	25	1.8	1.1	-44	-50		
Spandana Sphoorty	na	46.7	na	84.7	8.7	na	125	1.0	1.5	-29	2.0	0.9	-67	-49		
UTI AMC	18.3	16.9	8	22.3	11.6	-13	-18	3.1	2.5	24	3.1	1.9	-2	-13		
Capital Goods	36.6	25.3	45	32.2	18.4	74	22	6.8	3.9	75	5.5	2.3	118	37		
ABB India	56.5	78.6	-28	98.4	58.8	168	280	13.9	9.8	42	14.4	5.2	342	243		
Bharat Dynamics	51.5	28.8	79	47.8	9.8	144	39	11.4	4.7	144	8.1	1.2	264	64		
Bharat Electronics	43.8	13.5	223	25.5	1.6	107	-35	10.3	3.1	229	6.2	0.0	229	11		
Cummins India	40.3	30.3	33	38.5	22.2	91	46	11.9	6.5	83	9.4	3.7	280	130		
Hind.Aeronautics	30.7	15.0	105	24.7	5.2	45	-28	6.8	3.4	102	5.6	1.1	118	19		
Hitachi Energy	101.6	80.4	26	114.4	46.4	381	288	16.0	8.8	82	12.1	5.5	409	209		
KEC International	22.7	25.1	-10	38.8	11.4	7	21	3.6	3.0	17	3.8	2.3	14	7		
Kalpataru Proj.	18.6	15.9	17	20.6	11.2	-12	-23	2.3	1.7	36	2.2	1.2	-26	-40		
Kirloskar Oil	25.1	20.1	25	29.2	11.0	19	-3	3.7	2.3	60	3.6	1.0	18	-18		
Larsen & Toubro	26.2	23.5	12	27.9	19.1	24	13	4.3	3.1	42	4.0	2.1	39	8		
Siemens	53.4	33.4	60	45.7	21.2	153	61	6.0	3.7	63	5.2	2.1	91	29		
Thermax	56.5	46.6	21	59.3	33.8	168	125	7.7	5.0	54	7.1	2.9	146	77		
Triveni Turbine	43.1	34.7	24	44.6	24.8	104	68	11.7	8.6	35	12.1	5.2	272	204		
Zen Technologies	41.3	43.9	-6	64.2	23.6	96	112	6.3	5.9	7	7.8	4.0	101	107		
Cement	37.1	29.0	28	37.1	20.9	76	40	3.4	2.6	28	3.1	2.2	8	-7		
ACC	18.0	27.2	-34	34.7	19.7	-15	31	1.6	2.6	-37	3.1	2.1	-48	-9		
Ambuja Cem.	48.9	33.6	45	48.7	18.5	131	62	2.6	2.3	14	2.6	1.9	-18	-21		
Birla Corpn.	17.5	27.4	-36	56.1	-1.4	-17	32	1.4	1.2	8	1.6	0.9	-57	-56		
Dalmia Bharat	62.1	75.1	-17	101.5	48.8	194	263	4.4	3.7	20	4.6	2.7	41	30		
Grasim Inds	29.7	16.6	79	24.2	9.0	41	-20	3.2	1.9	68	2.6	1.3	3	-32		
India Cements	0.0	46.0	-100	75.5	16.5	-100	122	1.2	0.9	39	1.1	0.6	-62	-70		
J K Cements	38.3	28.0	37	38.4	17.6	82	35	6.7	3.7	82	4.9	2.5	115	30		
JK Lakshmi Cem.	21.0	33.5	-37	65.4	1.6	-1	62	2.8	2.6	8	3.3	1.9	-11	-10		
Shree Cement	67.6	48.6	39	61.9	35.4	220	135	4.9	5.2	-7	6.1	4.4	56	84		



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	Prem/Disc (%)	+1SD (x)	-1SD (x)	Current	10 Yr Avg
The Ramco Cement	46.9	43.8	7	76.7	11.0	122	112	3.4	3.1	10	3.7	2.6	9	10					
UltraTech Cem.	36.9	35.3	5	43.3	27.3	75	70	4.5	3.6	27	4.2	3.0	45	26					
Consumer	42.8	42.2	2	46.4	38.0	103	104	10.5	10.2	3	11.2	9.2	235	259					
Consumer Ex ITC	50.2	52.2	-4	59.0	45.5	138	152	11.6	12.8	-9	14.0	11.5	271	349					
Asian Paints	49.6	57.3	-13	68.5	46.2	135	177	11.4	14.3	-20	17.0	11.5	264	402					
Britannia Inds.	53.6	48.6	10	55.5	41.7	154	135	26.4	21.5	22	28.3	14.7	740	657					
Colgate-Palm.	42.0	41.7	1	48.7	34.7	99	101	39.0	27.2	43	37.0	17.4	1142	857					
Dabur India	46.4	47.6	-2	55.3	39.9	120	130	8.0	10.3	-22	11.6	9.0	155	262					
Emami	27.7	28.8	-4	37.1	20.4	31	39	8.3	8.6	-4	10.6	6.7	165	204					
Godrej Consumer	51.8	47.6	9	56.9	38.3	145	130	10.0	7.6	32	9.9	5.2	218	166					
Hind. Unilever	52.8	53.5	-1	61.4	45.6	150	158	11.7	20.4	-43	32.2	8.5	271	616					
Indigo Paints	33.5	61.0	-45	92.8	29.2	59	194	4.7	8.8	-47	13.0	4.6	49	208					
ITC	23.5	22.6	4	27.3	18.0	12	9	7.0	5.5	27	6.8	4.2	123	94					
Jyothy Lab.	29.3	32.9	-11	41.0	24.8	39	59	5.6	5.2	7	6.8	3.7	77	84					
L T Foods	19.5	10.1	93	15.7	4.5	-8	-51	3.6	1.4	146	2.2	0.7	13	-49					
Marico	47.9	43.8	9	49.2	38.5	127	112	21.2	16.2	31	18.7	13.6	576	468					
Nestle India	63.5	60.9	4	72.8	49.1	201	194	46.1	50.5	-9	73.5	27.5	1367	1676					
P & G Hygiene	49.3	67.0	-26	78.1	55.9	133	223	45.6	45.1	1	59.8	30.5	1354	1488					
Page Industries	61.7	65.9	-6	79.4	52.4	192	218	29.9	28.7	4	34.5	22.9	851	910					
Pidilite Inds.	58.4	61.1	-5	79.1	43.1	176	195	12.8	13.3	-4	15.8	10.8	307	367					
Tata Consumer	60.2	49.9	21	66.8	33.1	185	141	4.6	3.4	34	4.8	2.1	47	21					
United Breweries	72.2	95.7	-25	127.7	63.7	242	362	10.6	9.6	10	11.1	8.2	238	239					
United Spirits	59.4	63.3	-6	74.7	51.9	181	206	9.7	12.3	-21	16.4	8.2	209	333					
Varun Beverages	51.5	47.6	8	59.7	35.5	144	130	8.8	8.1	10	10.8	5.3	182	184					
Consumer Durables	44.0	34.7	27	46.3	23.2	108	68	7.5	5.6	34	7.4	3.7	138	96					
Havells India	54.2	52.4	3	66.8	38.1	156	153	9.6	9.4	2	11.7	7.1	206	230					
KEI Industries	40.2	21.5	87	35.1	7.8	91	4	5.3	3.5	51	5.1	1.9	69	23					
Polycab India	38.4	27.8	38	38.4	17.3	82	34	8.2	5.5	48	7.9	3.1	160	93					
R Kabel	38.8	47.7	-18	58.7	36.6	84	130	6.3	7.3	-13	8.8	5.8	102	156					
Volta	46.8	50.8	-8	77.4	24.2	122	145	5.9	5.0	19	6.4	3.5	88	74					
Chemicals	35.1	26.3	33	37.2	15.4	66	27	4.0	3.4	20	4.5	2.2	28	18					
Alkyl Amines	50.2	37.0	36	65.9	8.0	138	78	7.4	6.7	10	11.4	2.1	135	136					
Atul	27.5	31.2	-12	46.7	15.7	30	51	3.1	3.7	-18	4.7	2.7	-3	31					
Clean Science	35.3	59.3	-40	72.0	46.6	67	186	7.1	13.7	-48	19.0	8.4	127	381					
Deepak Nitrite	29.1	24.2	20	37.2	11.2	38	17	3.9	4.1	-3	6.2	1.9	26	44					
Fine Organic	44.2	34.1	30	42.9	25.2	109	65	6.1	7.4	-18	9.0	5.8	94	161					
Galaxy Surfactants	27.6	26.3	5	32.5	20.2	31	27	3.5	4.5	-23	5.5	3.5	11	59					



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	Current	10 Yr Avg	Current	10 Yr Avg	
Navin Fluorine	52.3	38.1	37	62.9	13.4	148	84	6.6	5.2	27	7.9	2.5	111	84	6.5	2.6	1.3	-47	-30
NOCIL	26.2	21.3	23	31.7	10.9	24	3	1.7	2.0	-16	2.6	1.3	-47	-30	16	7.5	5.1	132	122
P I Inds.	36.7	33.0	11	38.7	27.3	74	59	5.3	5.8	-8	6.6	4.9	70	103	3.2	6.1	3.9	3	76
SRF	39.6	27.6	44	40.7	14.5	88	33	6.1	4.2	44	5.9	2.5	93	48	13	9.2	4.6	148	142
Tata Chemicals	23.3	17.3	34	31.3	3.4	10	-16	1.1	0.8	32	1.1	0.5	-65	-70	27	8.1	3.7	139	107
Vinati Organics	32.3	35.6	-9	49.3	21.9	53	72	5.5	6.5	-15	8.4	4.6	76	129	37	5.8	3.5	101	62
EMS	64.7	42.1	54	61.3	22.9	206	103	11.2	5.5	103	8.4	2.6	256	94	106	6.5	2.6	197	60
Amber Enterp.	57.7	51.7	12	72.4	30.9	173	149	9.3	4.5	-16	7.5	5.1	-47	-30	16	6.1	3.9	3	76
Avalon Tech	46.1	61.1	-25	77.4	44.8	118	195	7.3	6.3	13	9.2	4.6	132	122	37	6.1	3.9	132	122
Cyient DLM	28.9	59.7	-52	78.5	40.9	37	188	3.2	5.0	-35	6.1	3.9	-47	-30	27	8.1	3.7	139	107
Data Pattern	48.3	48.7	-1	61.5	35.9	129	135	7.8	6.9	13	9.2	4.6	148	142	19	5.9	3.5	101	62
Dixon Tech.	83.7	61.1	37	98.5	23.6	296	195	22.6	13.2	71	21.3	5.1	618	364	19	5.9	3.5	101	62
Kaynes Tech	62.6	59.5	5	77.4	41.7	197	187	7.5	5.9	27	8.1	3.7	132	107	19	5.9	3.5	101	62
Syrma SGS Tech.	41.4	47.8	-13	62.1	33.6	96	131	6.3	4.6	37	5.8	3.5	-47	-30	19	5.9	3.5	101	62
Healthcare	33.5	27.0	24	31.7	22.3	59	31	4.8	3.8	25	4.6	3.0	52	34	24	7.6	3.8	127	101
Ajanta Pharma	31.2	25.3	24	31.1	19.4	48	22	7.1	5.7	24	7.6	3.8	-47	-30	16	5.1	2.5	2	33
Alembic Pharma	25.5	23.7	8	31.1	16.2	21	14	3.2	3.8	-16	5.1	2.5	-47	-30	2	4.8	3.6	37	48
Alkem Lab	26.7	24.7	8	30.2	19.2	26	19	4.3	4.2	2	4.8	3.6	-47	-30	19	5.9	3.5	101	62
Apollo Hospitals	56.9	80.7	-29	111.7	49.6	170	289	9.9	7.2	38	9.6	4.7	214	152	19	5.9	3.5	101	62
Aurobindo Pharma	15.5	16.0	-3	19.8	12.2	-27	-23	1.7	2.5	-29	3.7	1.3	-44	-13	19	5.9	3.5	101	62
Biocon	64.8	64.8	0	97.7	31.9	207	213	2.1	3.5	-40	5.2	1.8	-34	-23	19	5.9	3.5	101	62
Cipla	24.6	26.2	-6	31.8	20.5	17	26	3.3	3.2	3	3.8	2.7	-34	-23	7	4.5	2.7	14	13
Divi's Lab.	60.6	39.3	54	54.4	24.1	187	89	10.0	6.6	51	8.7	4.5	217	133	19	5.9	3.5	101	62
Dr Reddy's Labs	19.4	24.9	-22	34.3	15.5	-8	20	2.6	3.3	-21	4.1	2.6	-17	-17	19	5.9	3.5	101	62
ERIS Lifescience	41.4	27.7	49	35.1	20.4	96	34	7.0	5.4	30	7.2	3.6	124	90	19	5.9	3.5	101	62
Gland Pharma	36.8	41.3	-11	53.7	29.0	74	100	3.3	4.4	-25	6.4	2.4	5	53	19	5.9	3.5	101	62
Glaxosmit Pharma	49.0	52.5	-7	70.4	34.7	132	154	19.3	13.6	42	16.8	10.5	515	379	19	5.9	3.5	101	62
Glenmark Pharma.	34.0	22.8	49	29.9	15.7	61	10	5.5	3.0	82	4.6	1.5	74	6	19	5.9	3.5	101	62
Granules India	18.2	16.7	9	22.8	10.6	-14	-20	2.6	2.6	0	3.3	1.8	-19	-10	19	5.9	3.5	101	62
Ipca Labs.	31.0	29.7	4	40.7	18.7	47	43	4.5	3.7	23	4.6	2.7	44	29	19	5.9	3.5	101	62
Laurus Labs	66.0	41.2	60	65.8	16.5	212	99	8.7	4.7	87	6.8	2.6	178	65	19	5.9	3.5	101	62
Lupin	21.2	37.8	-44	54.0	21.6	0	82	3.8	3.7	3	4.9	2.5	21	29	19	5.9	3.5	101	62
Mankind Pharma	48.8	44.9	9	52.6	37.3	131	117	6.4	6.4	1	6.9	5.9	104	124	19	5.9	3.5	101	62
Max Healthcare	55.7	38.5	45	50.4	26.6	164	86	9.2	5.5	67	7.7	3.4	193	94	19	5.9	3.5	101	62
Piramal Pharma	126.1	200.7	-37	239.3	162.0	497	869	2.8	2.3	21	3.2	1.4	-11	-18	19	5.9	3.5	101	62
Sun Pharma.Inds.	31.3	28.8	9	36.4	21.3	48	39	4.8	3.8	25	4.9	2.7	52	34	19	5.9	3.5	101	62
Torrent Pharma.	49.5	34.6	43	42.6	26.7	134	67	6.5	6.4	2	7.5	5.2	107	124	19	5.9	3.5	101	62



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
Zydus Lifesciences	22.6	20.4	11	25.2	15.6	7	-2	3.4	3.6	-6	4.8	2.4	7	25
Infrastructure	17.7	12.9	38	21.6	4.1	-16	-38	1.3	1.2	8	1.7	0.7	-59	-58
G R Infraproject	13.9	17.4	-20	20.4	14.3	-34	-16	1.3	2.0	-34	2.8	1.2	-58	-30
IRB Infra.Devl.	20.1	19.3	4	31.2	7.4	-5	-7	1.3	1.1	13	1.6	0.7	-59	-60
KNR Construct.	17.9	15.7	14	20.7	10.6	-15	-24	1.4	2.2	-37	2.7	1.7	-56	-23
Media	15.2	24.8	-39	29.5	20.2	-28	20	1.3	3.4	-61	5.2	1.6	-58	21
PVR Inox	na	41.8	na	48.1	35.6	na	102	1.4	3.7	-64	5.2	2.2	-57	32
Sun TV Network	12.2	15.6	-22	21.0	10.2	-42	-25	1.7	3.3	-49	4.9	1.7	-45	17
Zee Entertainment	12.9	33.4	-61	48.1	18.7	-39	61	0.9	3.5	-74	5.6	1.3	-71	22
Logistics	24.5	23.1	6	27.7	18.5	16	11	3.9	3.2	21	3.9	2.5	24	13
Adani Ports	20.9	18.5	13	22.7	14.2	-1	-11	3.8	3.2	17	3.9	2.5	21	14
Blue Dart Express	33.5	75.4	-56	122.3	28.6	59	264	6.8	14.0	-52	20.5	7.5	116	392
Container Corpn.	27.5	32.7	-16	39.0	26.4	30	58	3.2	3.3	-2	3.9	2.7	3	16
Delhivery	97.6	82.7	18	94.7	70.6	362	299	3.2	3.1	2	3.8	2.5	3	11
JSW Infra	36.2	37.7	-4	43.1	32.4	72	82	5.5	5.6	-3	6.5	4.8	75	99
TCI Express	23.3	36.1	-36	47.3	25.0	10	74	3.1	7.6	-59	9.9	5.2	-2	166
Transport Corp.	18.5	14.7	26	18.2	11.2	-12	-29	3.3	2.5	35	3.1	1.8	6	-14
VRL Logistics	22.7	32.1	-29	43.7	20.6	7	55	4.5	4.6	-4	5.9	3.4	42	63
Mahindra Logis.	29.3	51.7	-43	65.0	38.4	39	150	4.7	5.7	-17	7.0	4.4	50	101
Metals	11.1	10.5	5	13.7	7.4	-47	-49	2.0	1.6	25	2.0	1.2	-35	-43
Coal India	6.2	8.9	-31	14.0	3.9	-71	-57	1.9	4.1	-55	6.7	1.5	-40	46
Hindalco Inds.	9.6	8.9	8	11.0	6.9	-54	-57	1.3	1.2	11	1.5	0.9	-58	-58
Hind.Zinc	14.4	13.6	6	17.1	10.1	-32	-34	7.8	5.7	37	9.5	1.8	147	99
Jindal Stainless	17.8	12.7	41	21.5	3.9	-16	-39	2.8	1.4	99	2.4	0.4	-11	-51
Jindal Steel	14.3	10.2	41	16.4	3.9	-32	-51	1.8	0.9	101	1.4	0.3	-43	-69
JSW Steel	18.2	17.3	5	29.0	5.6	-14	-16	2.7	2.0	35	2.5	1.4	-16	-31
Natl. Aluminium	9.9	10.4	-5	18.5	2.2	-53	-50	1.6	1.1	39	1.5	0.7	-50	-60
NMDC	8.2	5.8	42	7.9	3.7	-61	-72	1.7	1.2	41	1.7	0.7	-45	-57
S A I L	14.3	18.4	-22	30.4	6.4	-32	-11	0.8	0.6	27	0.8	0.4	-74	-77
Tata Steel	15.6	16.3	-4	30.1	2.5	-26	-21	2.2	1.3	74	1.8	0.7	-30	-56
Vedanta	10.0	9.8	2	14.3	5.3	-53	-53	3.2	2.0	64	3.1	0.8	2	-31
Oil & Gas	15.8	12.9	22	16.1	9.7	-25	-38	1.6	1.5	7	1.7	1.3	-49	-48
Oil & Gas Ex RIL	9.3	8.6	9	11.5	5.7	-56	-59	1.1	1.2	-10	1.5	0.9	-66	-58
Aegis Logistics	33.3	32.1	4	43.8	20.4	58	55	4.8	4.3	11	5.6	3.0	52	52
B P C L	9.8	9.5	4	14.3	4.7	-53	-54	1.5	1.8	-19	2.4	1.3	-53	-36
Castrol India	22.5	21.5	4	27.9	15.2	7	4	8.5	11.8	-28	18.2	5.5	171	316
GAIL (India)	13.0	10.7	22	13.4	7.9	-38	-49	1.4	1.3	9	1.6	1.0	-55	-55



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
Gujarat Gas	22.8	25.3	-10	33.8	16.7	8	22	3.2	4.6	-31	5.7	3.5	1	61
Guj.St.Petronet	24.4	15.6	56	20.6	10.7	16	-24	1.6	1.7	-9	1.9	1.5	-51	-40
H P C L	7.9	6.0	32	8.6	3.5	-62	-71	1.5	1.2	18	1.7	0.8	-53	-56
I O C L	11.4	9.4	21	17.2	1.6	-46	-55	1.0	1.0	-4	1.4	0.7	-68	-64
Indraprastha Gas	17.2	21.2	-19	26.3	16.1	-18	2	2.7	4.0	-32	4.9	3.0	-14	40
Mahanagar Gas	12.4	13.8	-10	17.7	9.9	-41	-34	2.0	2.8	-30	3.7	2.0	-37	0
M R P L	15.8	10.7	48	20.6	0.7	-25	-49	1.5	1.5	6	2.0	0.9	-51	-49
Oil India	12.6	6.8	83	10.1	3.6	-41	-67	1.4	0.8	73	1.2	0.4	-55	-71
O N G C	7.5	6.7	13	9.1	4.2	-64	-68	0.8	0.8	-3	1.1	0.6	-74	-71
Petronet LNG	10.4	12.1	-14	14.5	9.8	-51	-41	1.9	2.7	-29	3.3	2.1	-39	-6
Reliance Inds.	23.3	18.4	27	24.7	12.0	10	-11	2.0	1.8	14	2.5	1.0	-36	-38
Real Estate	32.2	29.6	9	40.2	19.0	53	43	3.9	2.2	74	3.4	1.1	24	-22
Anant Raj	40.1	21.2	89	31.9	10.6	90	3	4.0	1.1	277	2.5	-0.4	29	-62
Brigade Enterpr.	19.6	25.8	-24	36.1	15.5	-7	24	3.0	2.2	37	3.2	1.2	-5	-24
DLF	43.8	40.3	9	65.0	15.6	107	95	2.9	1.6	89	2.4	0.7	-6	-45
Godrej Properties	23.8	71.7	-67	99.5	43.9	13	246	2.8	4.9	-42	6.8	3.0	-10	73
Kolte Patil Dev.	10.2	24.0	-57	39.6	8.4	-52	16	2.1	2.2	-2	3.2	1.2	-32	-23
Macrotech Developers	31.9	34.7	-8	40.4	28.9	51	67	4.8	4.3	12	5.5	3.1	54	51
Mahindra Lifespace	na	6.7	na	10.7	2.7	na	-68	2.3	1.5	52	2.9	0.1	-27	-47
Oberoi Realty	18.7	22.2	-16	26.4	18.1	-11	7	3.0	2.4	28	3.1	1.7	-3	-16
Prestige Estates	68.8	35.6	93	61.0	10.3	226	72	3.7	2.0	85	2.8	1.2	18	-30
Phoenix Mills	27.6	41.0	-33	68.7	13.3	31	98	4.1	2.8	45	3.9	1.8	32	0
SignatureGlobal	14.5	37.4	-61	59.6	15.2	-31	81	7.7	14.5	-47	19.6	9.4	144	410
Sobha	40.6	44.8	-9	83.2	6.4	93	116	3.4	2.0	68	2.9	1.1	8	-29
Sunteck Realty	23.4	50.1	-53	72.0	28.1	11	142	1.6	1.9	-15	2.4	1.5	-48	-32
Retail	72.4	80.5	-10	125.5	35.4	243	288	10.9	8.7	25	11.8	5.7	247	207
Aditya Birla Fashion	na	82.5	na	106.7	58.3	na	298	1.2	2.8	-56	3.9	1.7	-62	-2
Avenue Supermarts	86.2	99.6	-13	121.0	78.1	308	381	10.8	12.7	-14	15.4	9.9	245	345
Bata India	47.8	53.8	-11	73.1	34.5	126	160	8.6	9.7	-12	13.5	5.9	173	243
Campus Activewear	47.4	87.1	-46	121.9	52.3	125	320	8.4	14.0	-41	19.8	0.0	166	394
Go Fashion	39.8	65.2	-39	78.7	51.7	88	215	8.0	13.3	-40	16.3	10.3	155	368
Jubilant	91.7	82.3	11	120.6	44.0	334	297	20.1	14.2	41	20.3	8.0	539	399
Kalyan Jewellers	51.8	35.0	48	54.2	15.9	145	69	10.4	5.7	84	9.7	1.6	233	99
Metro Brands	71.6	69.9	2	85.2	54.7	239	238	15.6	14.6	7	17.8	11.4	398	412
Relaxo Footwear	52.5	79.4	-34	122.8	36.0	149	283	4.9	9.8	-50	12.8	6.9	56	246
Sapphire Foods	181.4	257.3	-29	299.2	215.3	759	1142	6.9	6.9	0	7.4	6.5	121	144
Senco Gold	20.8	31.5	-34	41.2	21.9	-1	52	2.3	3.4	-32	4.3	2.4	-28	18



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
Shoppers Stop	na	82.8	na	132.4	33.2	na	300	12.1	15.7	-23	24.5	6.9	285	452
Trent	87.8	93.1	-6	118.2	68.0	316	349	21.2	11.6	84	20.1	3.0	576	307
Titan	58.7	61.6	-5	78.4	44.8	178	197	18.3	15.8	16	22.2	9.4	482	455
Vedant Fashions	41.6	66.8	-38	79.6	53.9	97	222	8.9	16.8	-47	20.7	12.8	185	490
V-Mart Retail	na	51.4	na	89.1	13.7	na	148	6.4	6.6	-3	9.1	4.2	105	133
Westlife Foodworld								16.8	13.2	28	18.7	7.7	436	363
Technology	22.0	21.3	3	26.2	16.3	4	3	6.6	5.8	13	7.4	4.2	109	104
Coforge	34.5	24.1	43	36.4	11.8	64	16	7.8	4.9	59	7.6	2.2	148	73
Cyient	17.8	18.4	-3	25.3	11.6	-16	-11	2.3	2.7	-14	3.5	1.9	-26	-5
HCL Technologies	21.0	17.3	22	21.9	12.6	-1	-17	5.8	4.0	44	5.3	2.7	85	42
Infosys	21.6	21.0	3	26.1	15.8	2	1	6.5	5.7	14	7.7	3.7	107	101
LTI Mindtree	27.9	24.6	14	34.6	14.6	32	19	5.6	9.4	-40	12.2	6.5	79	230
L&T Technology	31.1	28.2	10	38.4	18.1	47	36	6.2	6.6	-5	8.6	4.6	99	132
Mphasis	26.8	20.9	28	28.6	13.1	27	1	5.0	3.9	29	5.5	2.2	58	36
Persistent Sys	41.9	25.7	63	38.3	13.2	99	24	10.2	5.1	99	8.6	1.7	225	81
TCS	20.8	24.5	-15	29.3	19.6	-1	18	11.0	10.4	6	14.0	6.8	250	266
Tech Mahindra	21.9	18.4	19	24.7	12.1	3	-11	4.6	3.3	38	4.3	2.3	45	16
Wipro	19.4	18.1	7	22.6	13.6	-8	-13	3.1	2.9	5	3.6	2.3	-2	3
Zensar Tech.	24.4	17.5	40	23.1	11.8	15	-16	4.0	2.6	54	3.4	1.8	28	-8
Telecom	na	38.7	na	50.0	27.4	na	87	12.1	10.1	19	19.6	0.7	284	257
Bharti Airtel	35.9	43.6	-18	56.8	30.4	70	111	7.4	4.0	85	5.9	2.1	135	41
Indus Towers	13.1	17.3	-24	24.3	10.4	-38	-16	2.5	3.3	-26	4.3	2.3	-22	16
Vodafone Idea	na	30.4	na	36.4	24.4	na	47	na	1.1	#VALUE!	2.3	-0.1	#VALUE!	-60
Tata Comm	32.8	30.9	6	45.9	15.8	55	49	12.4	20.6	-40	30.9	10.3	296	626
Utilities	17.1	12.7	35	16.7	8.7	-19	-39	2.4	1.6	52	2.1	1.0	-23	-44
Indian Energy Exchange	26.8	28.0	-4	46.8	9.3	27	35	9.0	10.8	-16	17.7	3.8	187	279
Inox Wind	22.5	38.1	-41	49.3	26.9	6	84	3.2	3.4	-7	4.6	2.2	1	20
JSW Energy	36.6	26.3	40	40.8	11.7	74	27	3.0	1.8	69	2.9	0.7	-5	-38
NTPC	12.6	10.1	25	13.2	7.0	-40	-51	1.6	1.1	43	1.5	0.8	-48	-60
Power Grid Corpn	15.2	9.7	56	13.4	6.1	-28	-53	2.7	1.7	60	2.3	1.0	-16	-42
Suzlon Energy	32.5	34.2	-5	45.5	22.9	54	65	8.9	8.0	11	11.6	4.5	183	183
Tata Power Co.	25.3	18.9	34	25.1	12.7	20	-9	3.0	1.8	63	2.7	1.0	-4	-35

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Quant Research and India Strategy gallery

The slide features a large, colorful illustration of an eagle's head and shoulders on the left, looking towards the right. In the background, there is a dark blue bar chart with a rising trend line. To the right of the chart is a stylized illustration of a skyscraper with a green ribbon or streamer wrapped around its base. The overall theme is market growth and strategy.

Corporate profit in India - Reaching out at a 17 year high!

Estimated corporate profit in India for the financial year 2010-11 is projected to be Rs 1,04,000 crore, which is 17% higher than the previous year's profit of Rs 88,000 crore.

Financial Year	Estimated Corporate Profit (Rs Crores)
2009-10	88,000
2010-11 (Projected)	1,04,000

Source: Motilal Oswal Research, 2010-11

The image features the Motilal Oswal Financial Services logo at the top left. To the right is a large, stylized graphic of a globe. The globe is primarily orange and white, with a white ring around the equator containing small blue icons. Below the globe is a larger, grey circle with a blue and orange patterned center, resembling a stylized flower or gear.

India Strategy

Highly Attractive Markets

Medium Attractiveness Markets

Highly Attractive Markets

Medium Attractiveness Markets

Market Size

Market Attractiveness

NOTES

Explanation of Investment Rating

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

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

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