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Financial Services

India Strategy



The Eagle Eye – November 2026

Indian markets regain ground amid global market weakness

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GLOBAL MARKETS

- India rebounds as global markets weaken MoM
- Focused global market leadership masks widespread stock-level weakness
- Developed market yields ease MoM, while India's yields rise to a near four-year high

DOMESTIC MARKETS

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- About 44% of the Nifty-50 constituents end higher in Oct'26
- Benchmark indices understate the severity of the broader market sell-off

FLOWS AND VOLUMES

- DII inflows remain resilient amid moderating but persistent FII selling
- Institutional holdings: DIIs hold the fort; FIIs' holdings at a multi-year low
- Cash volumes slip to a 10-month low, while F&O volumes surge to a four-month high

KEY RESEARCH REPORTS

- Initiating coverages on:
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  2. Molbio Diagnostics
  3. Symbiotec Pharmalab
- 2QFY27 Interim review: Strong earnings performance amid headwinds

MULTI-YEAR HIGHS/LOWS

- Sharp market corrections on a rolling basis sets the stage for mean reversion
- Domestic activity remains resilient amid global headwinds
- Forex reserves decline marginally from record highs; INR strengthens 1% MoM

VALUATIONS

- Nifty's valuations dip to multi-year lows and trade at steep discounts to the LPA
- Broad-based correction cools off valuations across sectors
- India's market cap-to-GDP ratio remained above its LPA, but well below its two-year high

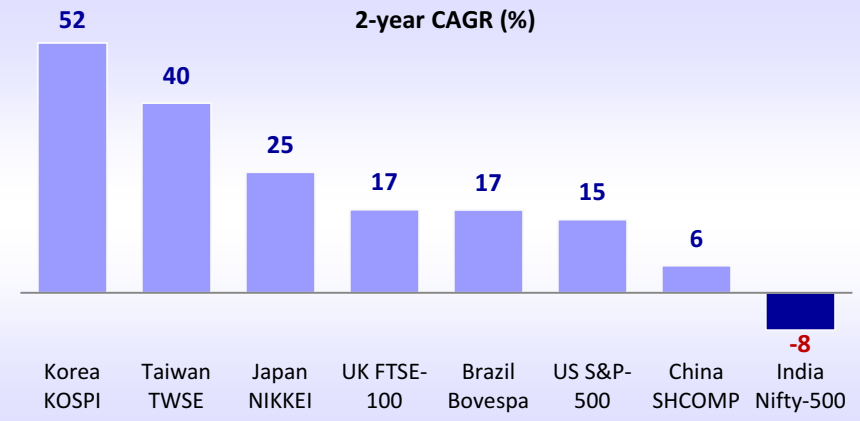


A view from the EAGLE'S EYE!

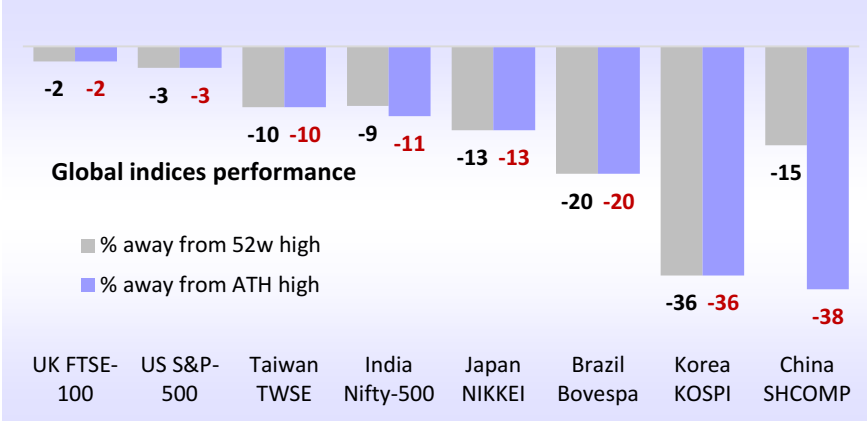
KEY EXHIBITS Focused global market leadership masks widespread stock-level weakness

- While Indian equities have remained relative underperformers over the past two years, a comparison of constituent-level performance reveals a different picture, highlighting the broad-based nature of the correction across global markets.
- Over 85% of constituents across key global indices are trading more than 15% below their respective highs. This underscores how headline index performance in several markets has been disproportionately driven by a narrow set of outperforming stocks, masking the underlying breadth of weakness. In contrast, India's correction has been relatively less concentrated, with weakness more evenly distributed across its constituents.

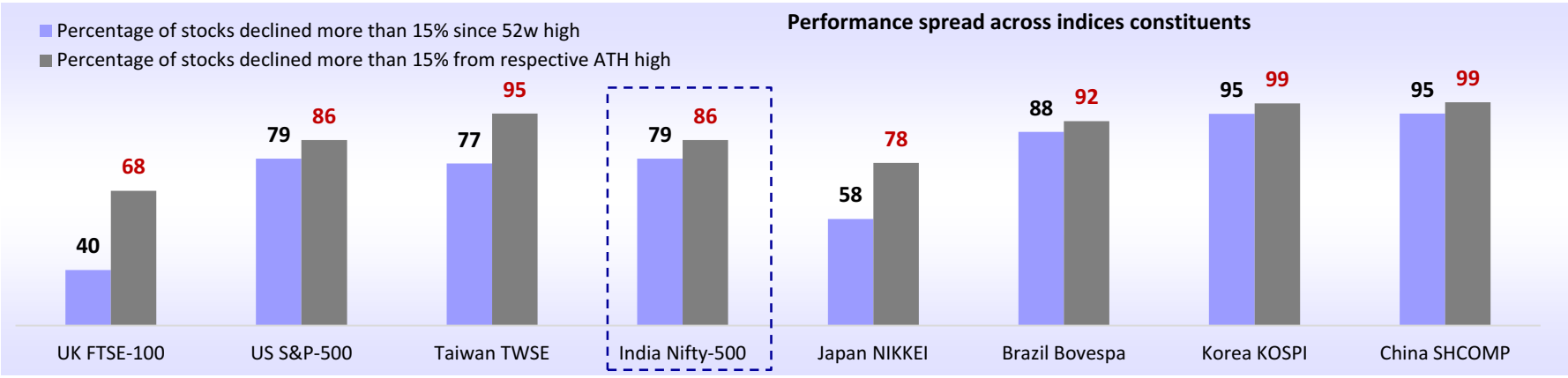
India remains the weakest performer among key global peers over the past two years



Global indices show varying degrees of correction from their respective 52-week and all-time highs



Weakness remains widespread across key global markets, with index leadership concentrated in a handful of stocks



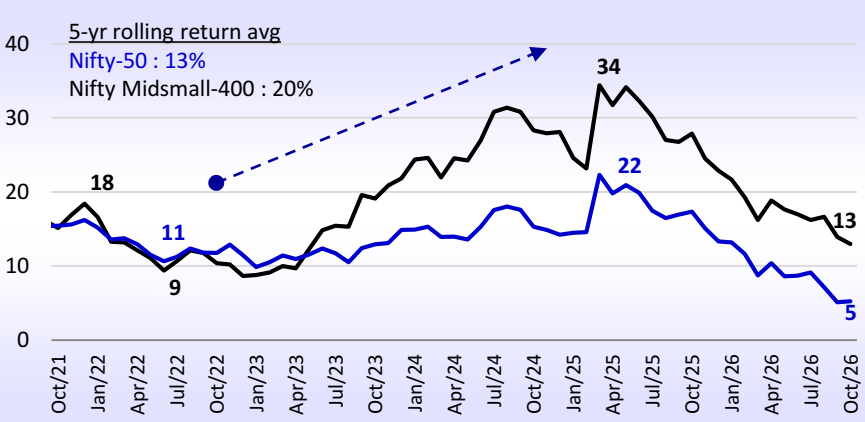
Note: Analysis is based on the performance of individual constituents of the respective indices.

KEY EXHIBITS

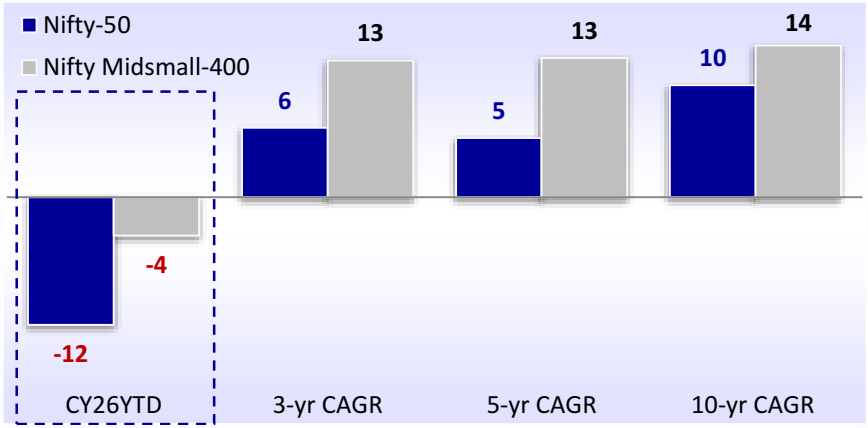
Sharp market corrections on a rolling basis sets the stage for mean reversion

- Nifty-50 and SMID returns and valuations have corrected sharply from their peaks, with valuations now comfortably below their long-term averages.
- Notably, the Largecap's (Nifty-50) valuation premium over SMIDs has narrowed to multi-year lows, improving the relative risk-reward for equities going ahead.
- Historically, similar levels of market performance and valuations have been followed by strong returns over the subsequent periods.

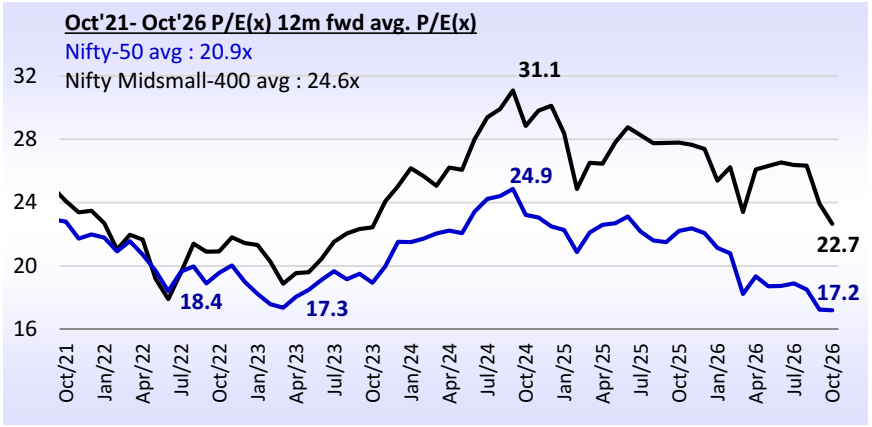
Indices' 5-year CAGRs significantly below their 5-year averages



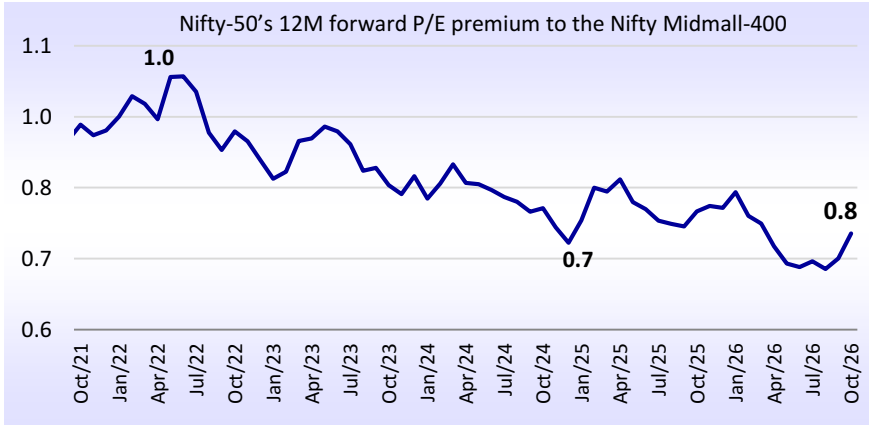
CY26YTD returns remain significantly below their long-term CAGR



Valuations down significantly from their highs and now trading below their averages



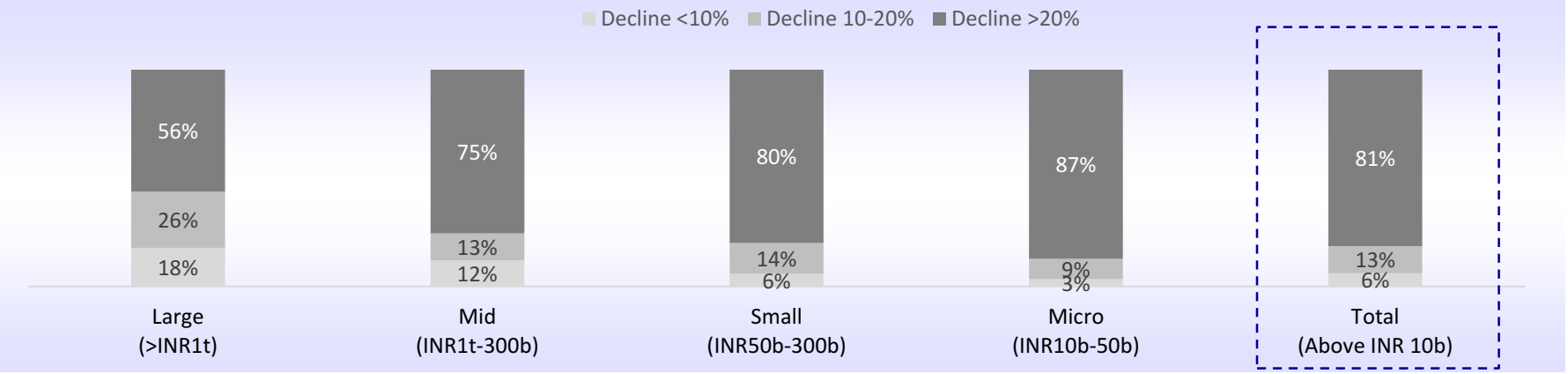
Valuation premium of Nifty-50 to SMIDs at a multi-year low



Benchmark indices understate the severity of the broader market sell-off

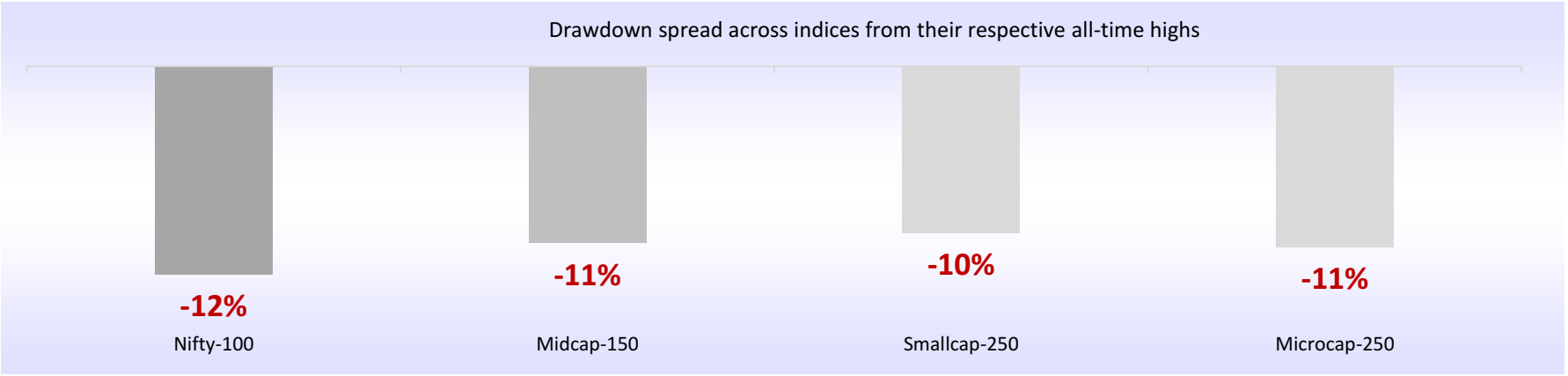
- Benchmark indices, down 10–12% across market-cap segments, mask much deeper underlying damage, with the correction relatively contained in large-caps but significantly more severe across small-caps and micro-caps.
- About 80% of listed stocks have declined more than 20% from their respective all-time highs amid the ongoing market correction.

Drawdown spreads across Large-, Mid-, Small- and Micro-cap stocks from their respective all-time highs



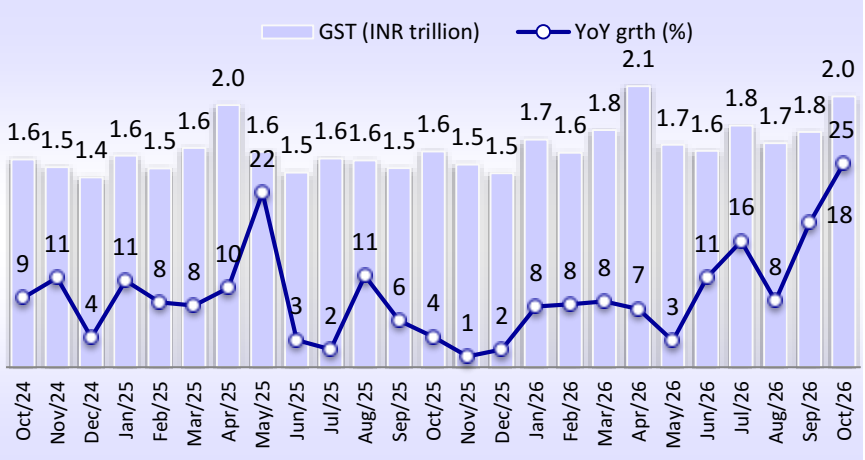
Note: The analysis covers a universe of ~1,600 listed companies.

Benchmark indices' performance from their respective all-time highs

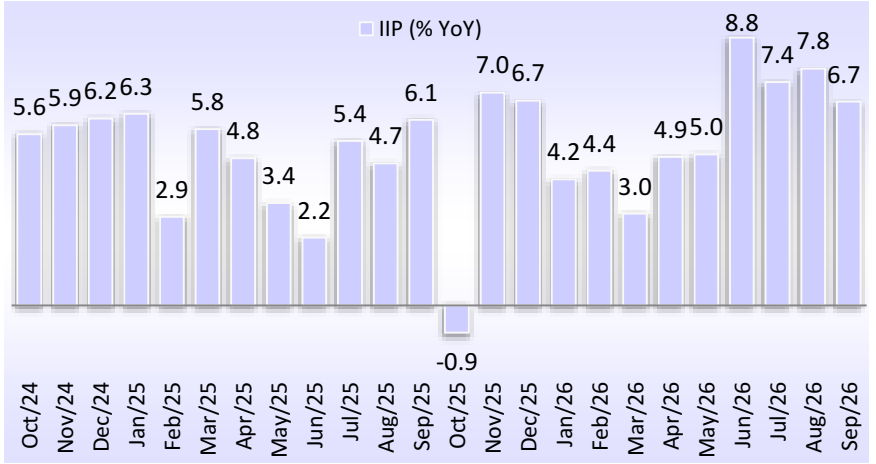


Domestic activity remains resilient amid global headwinds

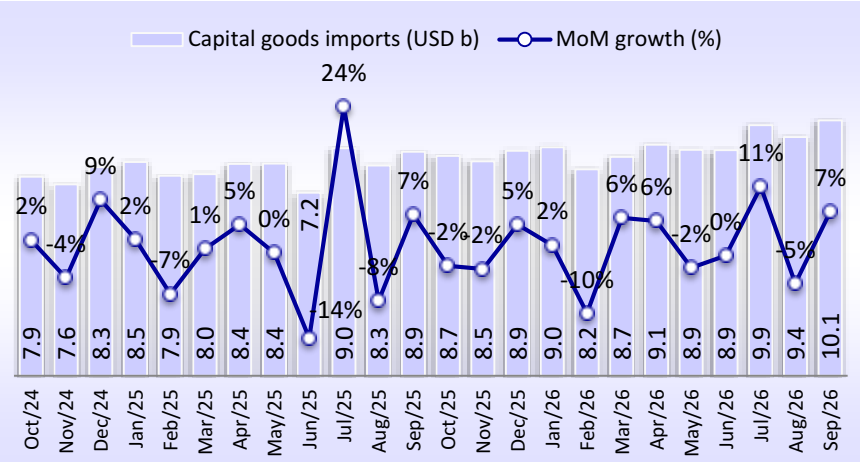
GST collections record the highest growth this fiscal



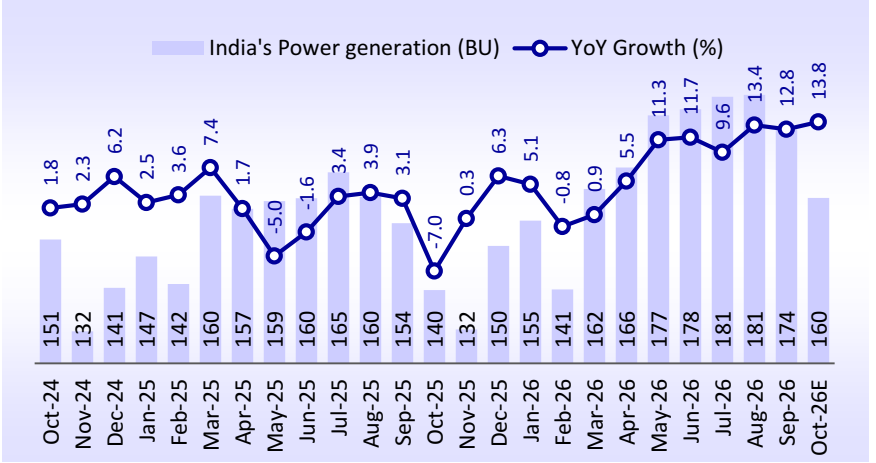
IIP growth signals resilience in domestic industrial activity



Capital goods import remains robust, growing 7% MoM to a record high



India's power generation remains robust in FY27



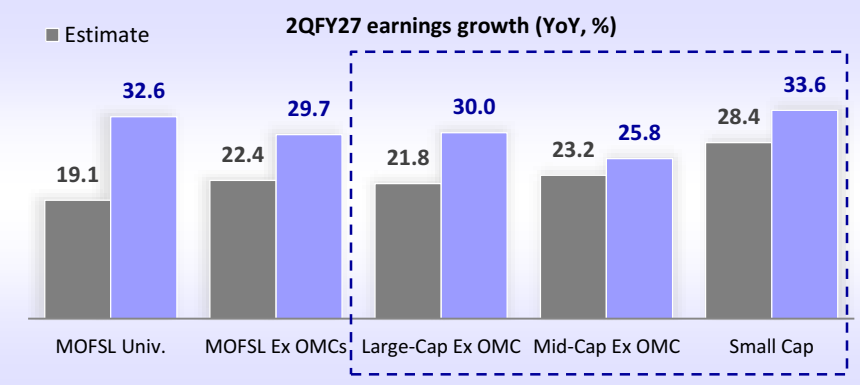
KEY EXHIBITS

2QFY27 Interim Review: Strong earnings performance amid headwinds

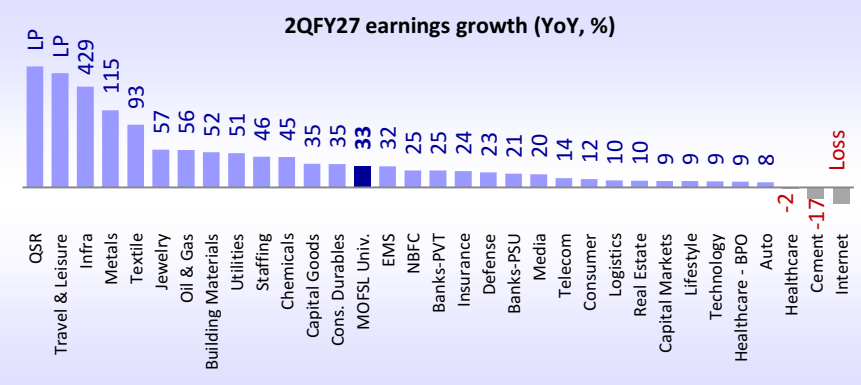
- ❖ Corporate earnings have delivered strong growth in 2QFY27 so far, with broad-based outperformance across all key aggregates..
- ❖ For the **260 MOFSL coverage Universe**, sales/EBITDA/PAT grew 26%/24%/33% YoY (vs. our est. of +19%/+14%/+19%), the highest growth in 12 quarters; excl. OMCs, earnings grew 30% vs. our est. of 22% YoY. This growth was fueled by BFSI, Metals and Oil & Gas. In contrast, Healthcare and Cement were the only sectors that dragged down the overall aggregates
- ❖ **Nifty-50 Earnings**: Of the 35 Nifty companies that have declared results so far have grown 22% YoY (vs. our est. of +20% YoY), led by Reliance Industries, JSW Steel, ICICI Bank, Coal India, and Axis Bank. Conversely, Jio Financial, Cipla, Dr Reddy's Labs, Maruti Suzuki, and Interglobe Aviation dragged Nifty earnings lower
- ❖ Large-/Mid-/Small-caps(ex-OMCs) performance: Within MOFSL Universe,
- ✓ large-caps (66 companies) posted earnings growth of 30% YoY (in line with the overall universe, vs. our est. of +22% YoY).
- ✓ Our mid-cap universe (60 companies) earnings rose 26% YoY (vs. our est. of 23%), driven primarily by Financials, Metals, and Internet & New-Age Tech.
- ✓ Small-caps (101 companies) outperformed with strong earnings growth of 34% YoY (vs. our est. of +28%), supported by a favorable base.

Detailed report link

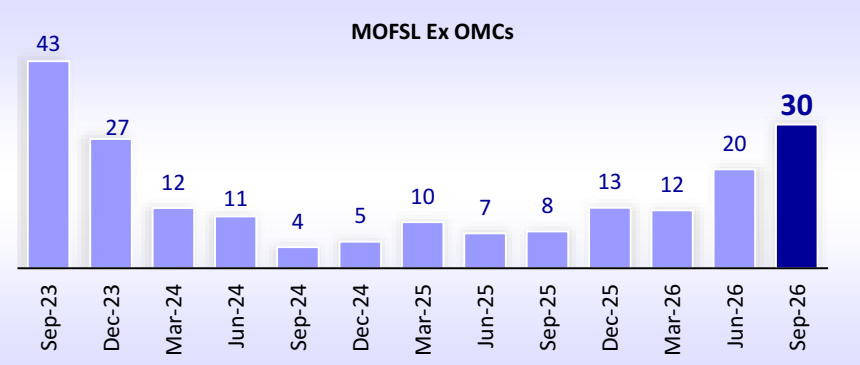
MOFSL 2QFY27 PAT performance vs. estimate



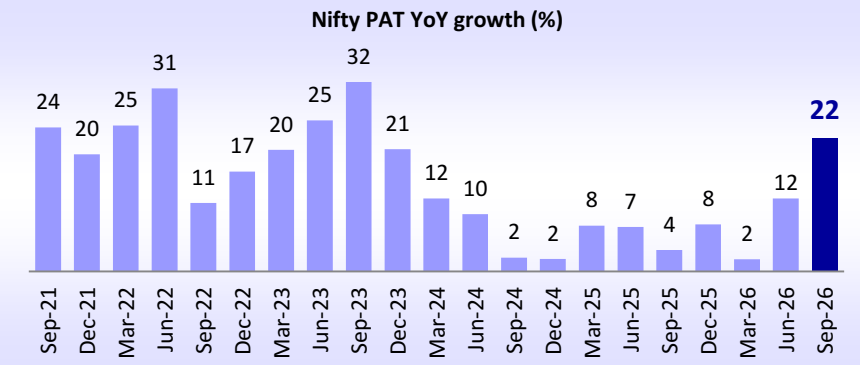
Sectoral PAT growth for 2QFY27 (YoY %)



MOFSL Universe (ex-OMCs) – PAT growth hit a 12-quarter high



Nifty PAT up 22% YoY (vs. est. of +20% YoY)



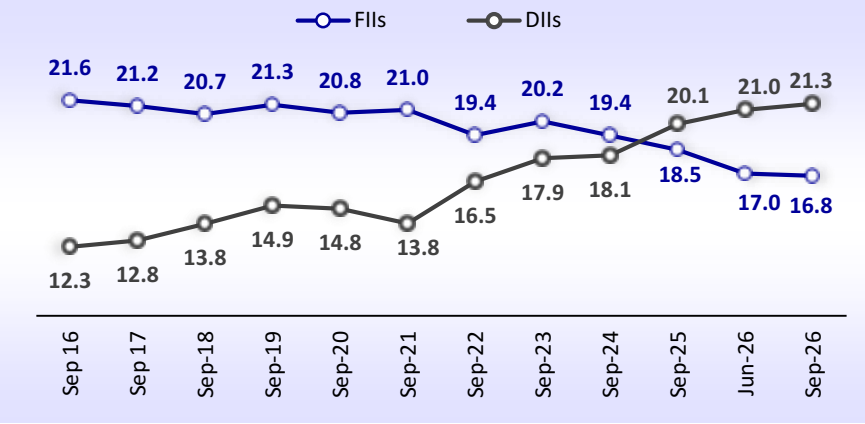
KEY EXHIBITS

Institutional holdings: DIIs hold the fort; FIIs' holdings at a multi-year low (1/2)

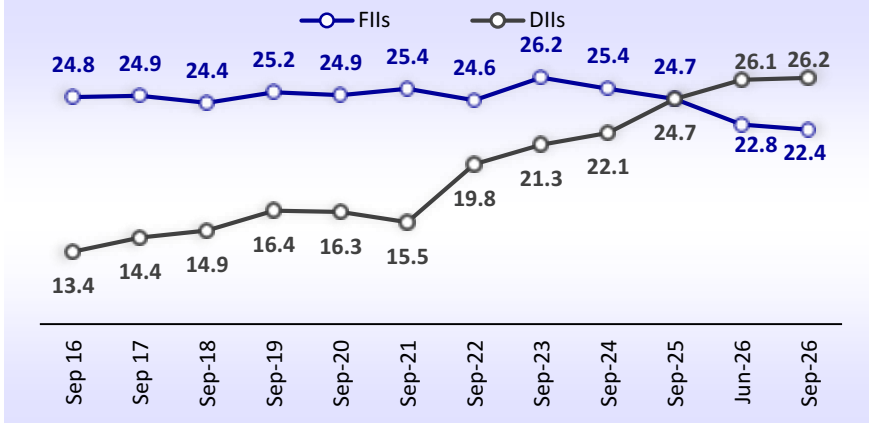
- This structural shift in institutional ownership, which has gained momentum since 2021, continues to strengthen as DII holdings scale new peaks, accounting for 21.3% (rising 20bp YoY and 30bp QoQ) of the shareholding in Nifty-500 companies on a run-rate basis, while FII ownership dipped 170bp YoY (-20bp QoQ) to 16.8% in Sep'26.
- Promoter holdings, which have historically remained range-bound, experienced a dip of 20bp QoQ (+10bp YoY) to 49.2% in Sep'26.
- Retail holdings declined 10bp QoQ to 12.6% in Sep'26 (+30bp YoY).

Detailed report

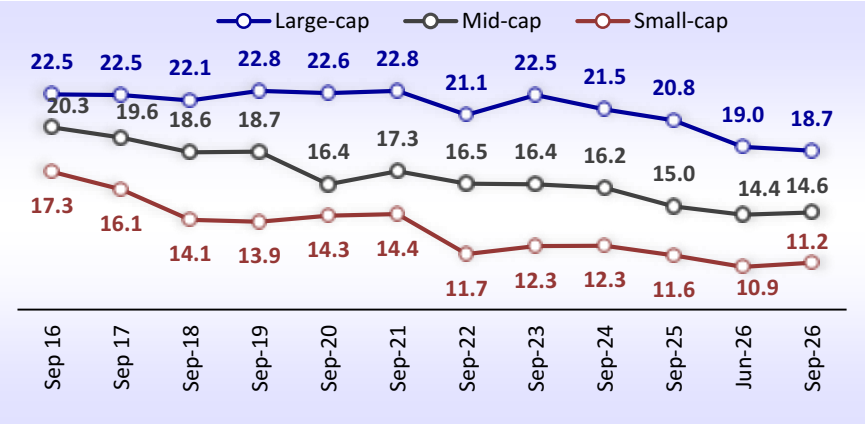
Trends in FII/DII holdings for Nifty-500 (%)



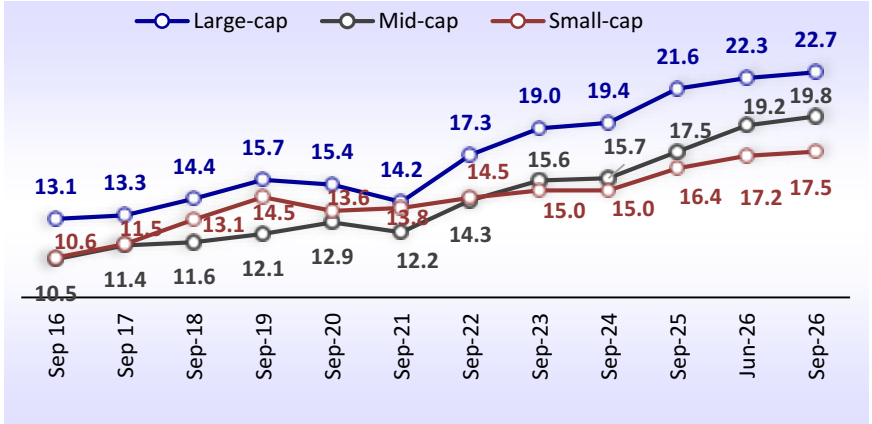
Trends in FII/DII holdings for Nifty-50 (%)



FII holdings within the Nifty-500 (%) – FII raised their stakes in mid-caps and small-caps on a sequential basis



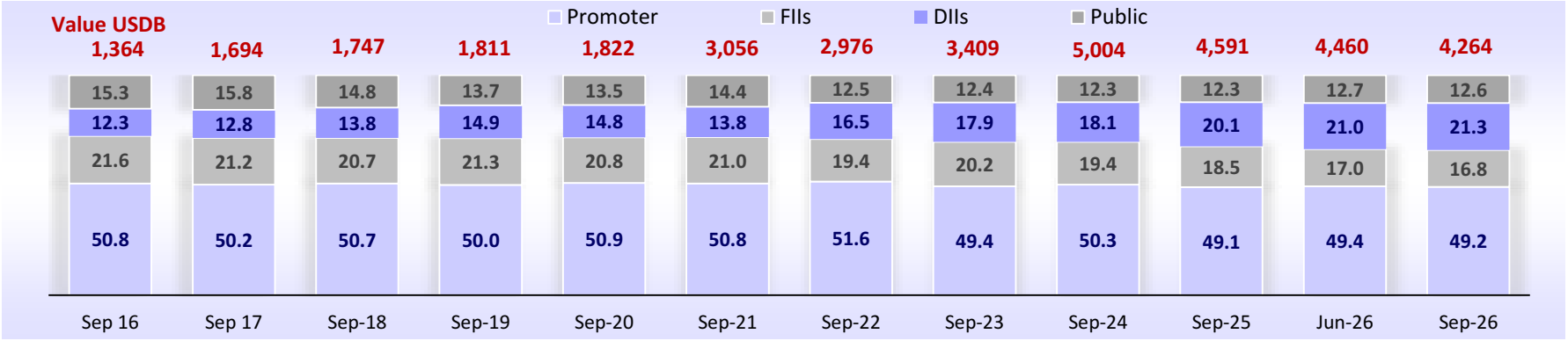
DII holdings within the Nifty-500 (%) – DIIs continue to raise their stakes across categories



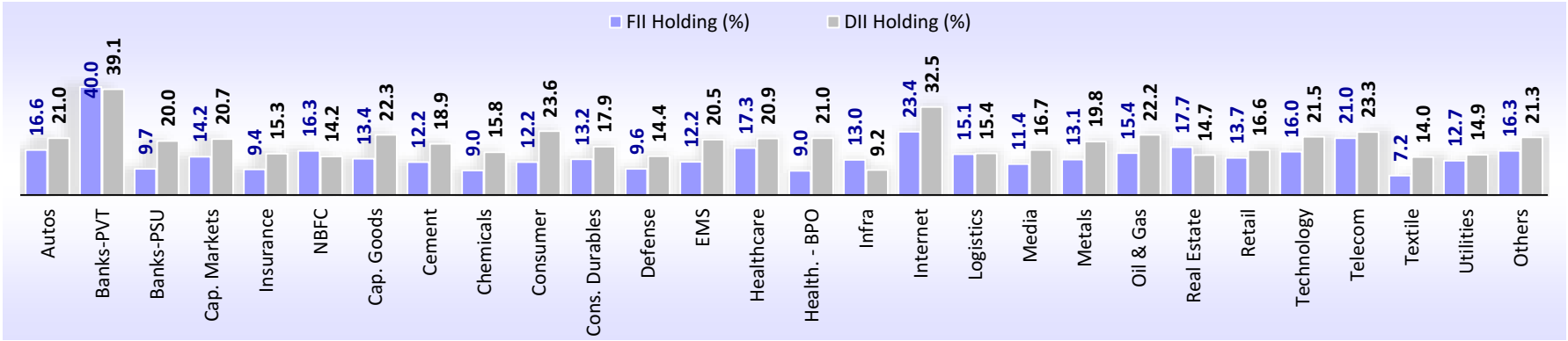
KEY EXHIBITS Institutional holdings: DIIs hold the fort; FIIs' holdings at a multi-year low (2/2)

- **Promoter holdings**, which have historically remained range-bound, experienced a dip of 20bp QoQ (+10bp YoY) to 49.2% in Sep'26.
- **Retail holdings** declined 10bp QoQ to 12.6% in Sep'26 (+30bp YoY).
- **Sectoral holding trends:** Within the Nifty-500, FIIs and DIIs showcased divergent trends. On a YoY basis, DIIs raised their holdings in 20 out of 28 sectors, while FIIs reduced their holdings in 21 sectors.
- On a sequential basis, DIIs raised their weights in Internet & New-Age Tech, Technology, Automobiles, Healthcare, Metals, and Insurance, while they reduced their weights in Consumer, Banks (Private & PSU), NBFCs, Oil & Gas, Capital Goods, and Utilities. FIIs raised their weights in Internet & New-Age Tech, Healthcare, Technology, Metals, Real Estate, and Automobiles, while they reduced their weights in Private Banks, Utilities, Consumer, Capital Goods, Capital Markets, Oil & Gas, NBFCs, and Telecom.

Nifty-500 holding pattern (%) – DIIs continue to raise their stakes to an all-time high, while FIIs reduce their holdings to a historical low



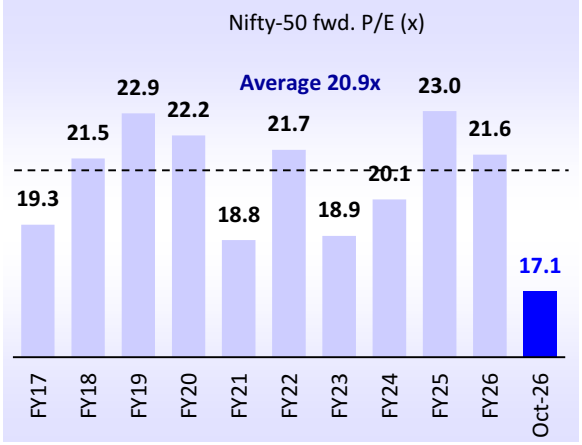
Sectoral FII/DII holdings in the Nifty-500: DIIs raise their holdings in 20 of 28 sectors, while FIIs reduce their holdings in 21 sectors

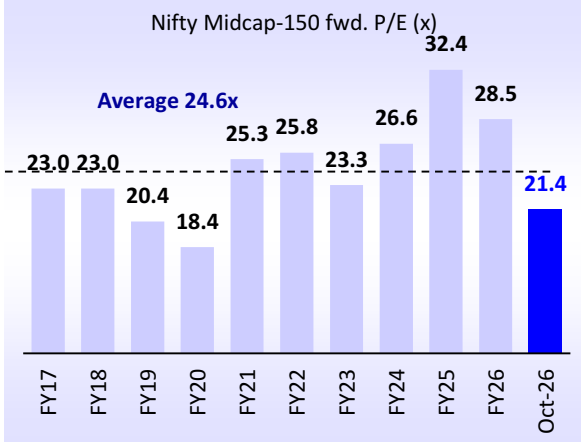


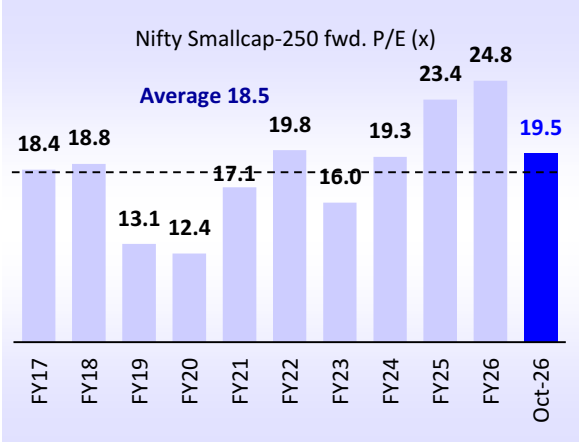
KEY EXHIBITS Sharp and broad-based corrections drive valuations to multi-year lows

- The sharp correction across broader markets during the month further cooled benchmark valuations.
- The Nifty-50's one-year forward P/E stood at 17.1x, at an 18% discount to its LPA of 20.9x.
- Mid-cap valuations moderated, with the 12m forward P/E declining to 21.4x, 13% below its 10-year average and 40% below the Sep'24 peak.-
- Small-cap valuations corrected sharply to 19.5x on a 12M forward basis, bringing the premium over their LPA down to just 5%.

The 12-month forward P/E trends across the Nifty-50, Nifty Midcap-150, and Nifty Smallcap-250 indices (x)

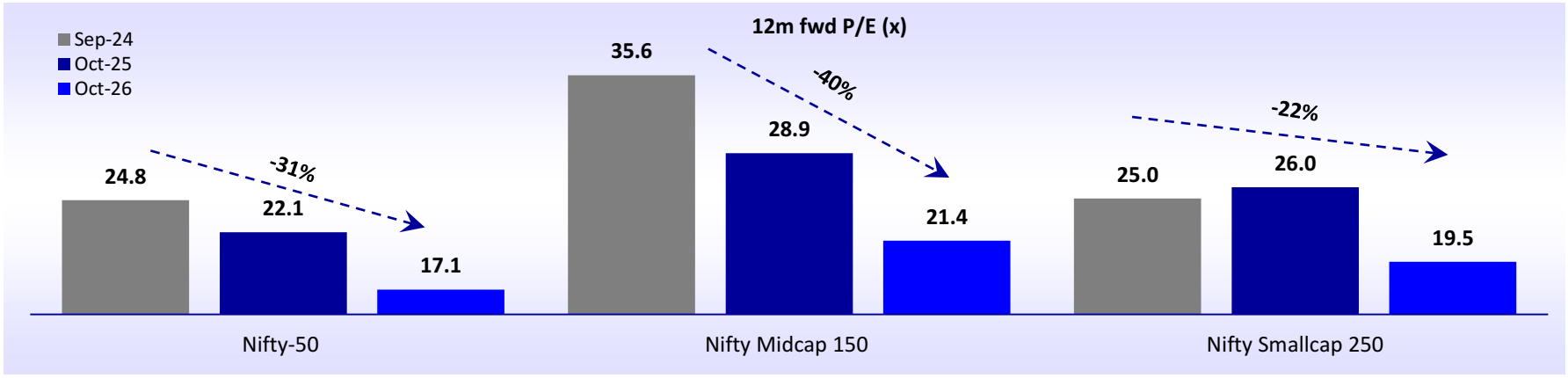






Note: The bars represent the 12-month average of one-year forward P/E on an FY basis

Valuations of key benchmark indices corrected significantly from their Sep'24 highs



Notable reports from MOFSL's research desk published in Oct'26

Initiating Coverage |Jio Platforms| The gateway of digital India! [Report link>>]

- Jio Platforms (JPL) is India's largest digital connectivity platform, with its material subsidiary, Reliance Jio (RJio), a leader in India's wireless and home broadband (HBB) markets, serving ~533m subscribers (as of Jun'26).
- We expect RJio to extend its market leadership in wireless (with its revenue market share (RMS) rising ~100bp over FY26-29 to 43.3%) and HBB (accounting for ~73% of incremental industry net adds over FY26-29).
- Scaling up its digital platforms (including cloud, enterprise communications, IoT, and managed services, along with international tie-ups for its 5G/UBR technology) will offer the next leg of growth beyond the connectivity business.
- We model a CAGR of 14%/15%/20% in JPL's consolidated revenue/reported EBITDA /PAT over FY26-29, driven by 1) robust subscriber net additions, 2) the flow-through of ~15% tariff hikes from Mar'27, 3) continued acceleration in the HBB subscriber base, and 4) the scaling up of digital platform offerings.
- Rising profitability and range-bound capex should generate a cumulative FCF of INR1.46t over FY26-29 and enable JPL to achieve a net cash position by FY29. We initiate coverage with a BUY rating and a TP of INR1,350 (implying 21% upside to the IPO price), based on a DCF-backed 11.5x FY29E reported EBITDA.



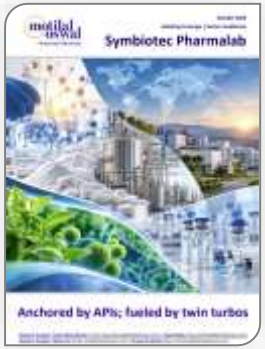
Initiating Coverage |Molbio Diagnostics| Small device, big franchise [Report link>>]

- Molbio is a diagnostics technology company built around Truenat, its portable molecular testing platform that enables rapid point-of-care testing (POCT) with minimal infrastructure — bringing molecular diagnostics closer to the patient.
- With 12,500+ Truenat devices across 90+ countries, 43 assays covering 30 diseases and a USD9.3b global POCT infectious-disease market growing at ~23% CAGR, Molbio has a long runway for growth.
- Molbio is also expanding beyond molecular diagnostics into digital pathology and advanced imaging through Prognosys/OptraSCAN, thereby broadening its addressable market and creating multiple growth opportunities.
- With consistent efforts to drive up test-kit sales for new assays like HPV, diversifying beyond tuberculosis (TB) and scaling up sales in digital pathology/ imaging, we estimate 23% CAGR in revenue to INR27b over FY26-29. Operating leverage would drive EBITDA/PAT CAGR of 38%/50% to INR8.4b/INR5.7b over FY26-29.
- Considering the differentiated R&D-driven business model and strong earnings growth potential, we assign 45x (20% premium to sector multiple of 36x) PE on 12-month forward earnings to arrive at a TP of INR1,800. Initiate with BUY.



Initiating Coverage |Symbiotec Pharmalab| Anchored by APIs; fueled by twin turbos [Report link>>]

- Symbiotec Pharmalab (SYMBIOTEC) has evolved from a steroidal API manufacturer into an integrated platform spanning APIs, fermentation-led CDMO, and complex injectables, backed by manufacturing investments and backward integration.
- A leading corticosteroid/hormone API supplier (total addressable market (TAM): USD800m), SYMBIOTEC is expanding into fermentation-based and high-value complex APIs (TAM: USD92b; 10.4% CAGR over CY24–29).
- SYMBIOTEC is already on a path to provide chemistry- and fermentation-based capabilities and capacity as a CDMO platform in precision fermentation, industrial biotechnology, and biologics, targeting a TAM of USD50b.
- It has invested in building a manufacturing facility to forward integrate into double chamber vials (DCVs; TAM of USD3b), which not only enables better profitability but also enhances traction in the most heavily regulated market (the US).
- We estimate a revenue/EBITDA/PAT CAGR of 33%/33%/37%, reaching INR20.3b/INR5.6b/INR3b over FY26-29, led by new product launches, scale-up of CDMO and injectable operations, and operating leverage.
- We value SYMBIOTEC at 35x 12M forward earnings (in-line to the sector P/E of ~36x) to arrive at our TP of INR1,430, factoring in the company's established API base and earnings potential from the newer businesses.



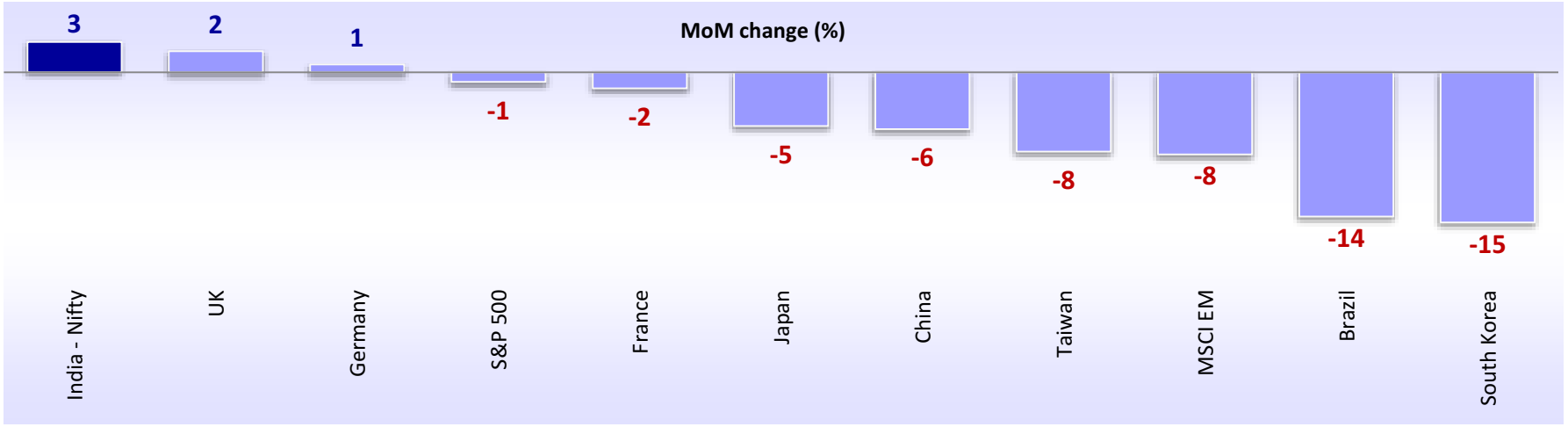
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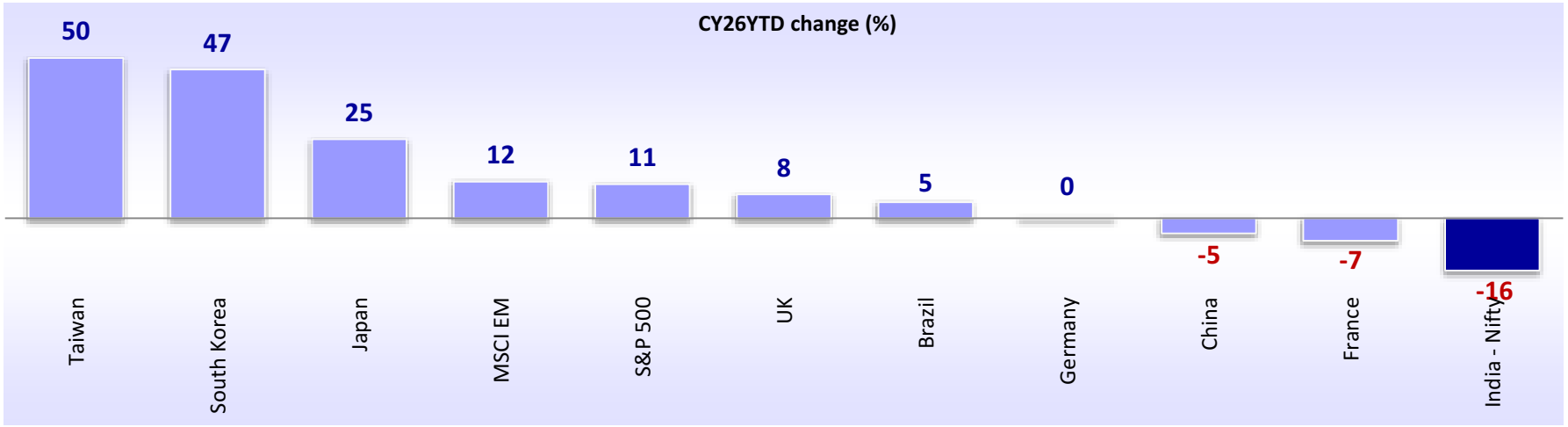
Macro, Markets, and More…

India rebounds as global markets weaken MoM

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

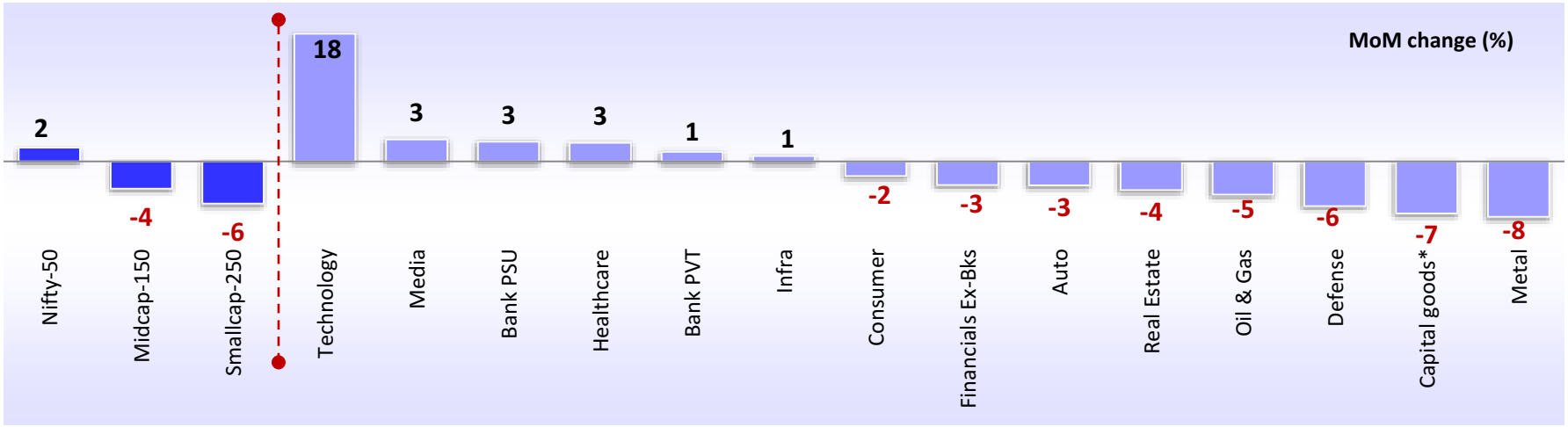


CY26YTD change (%) in USD terms

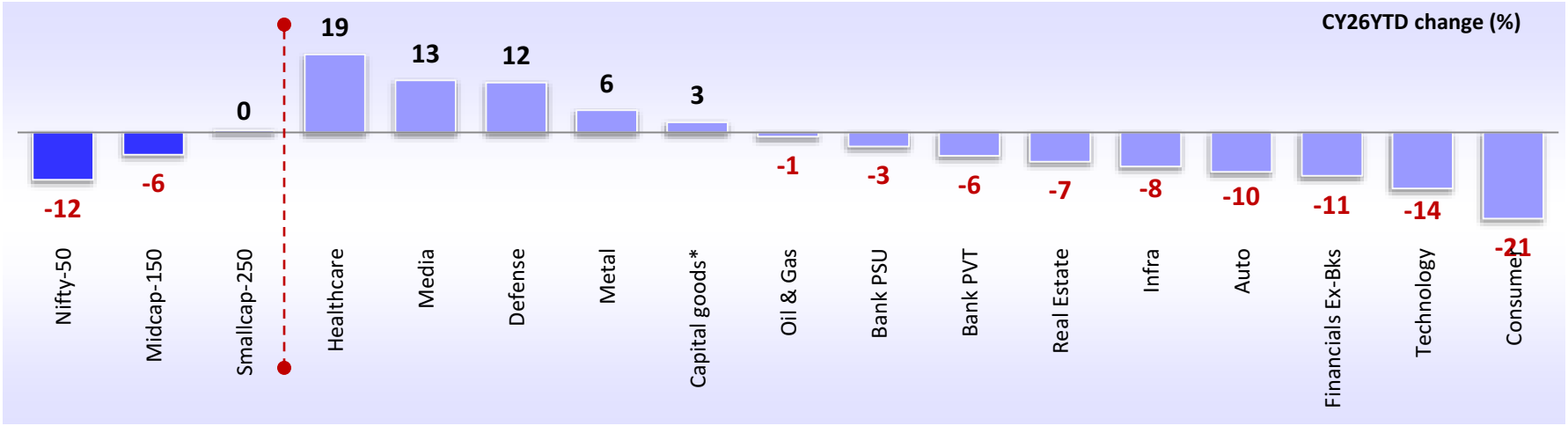


Large-caps rebound, led by a surge in technology stocks

Sectoral performance MoM (%): Large-caps outperformed; Technology leads the rally while Media, Capital Goods, Défense declined sharply



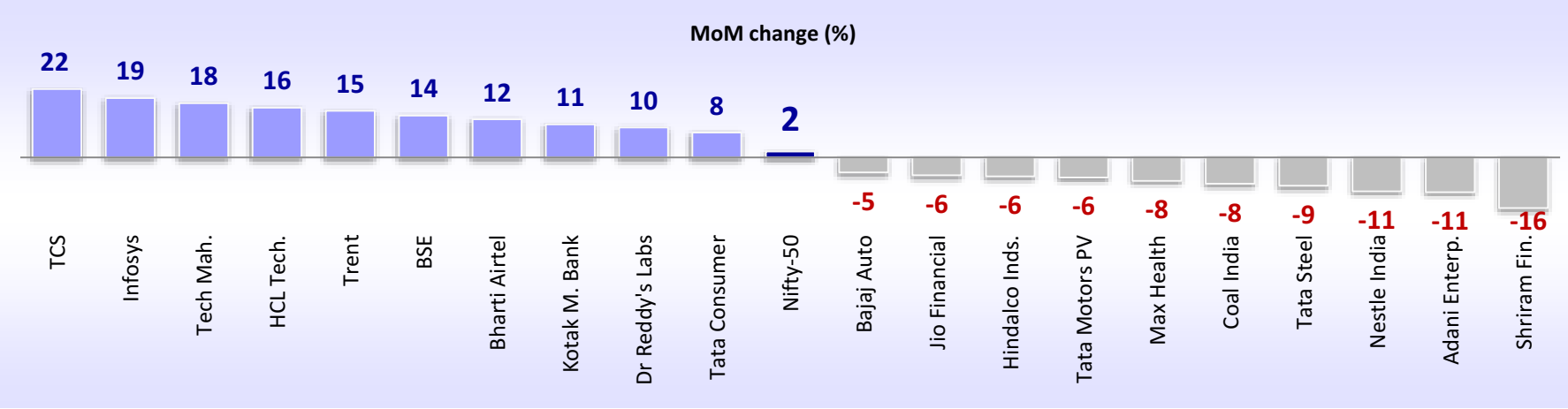
CY26YTD performance (%): Healthcare, Media, and Defense lead the gainers, while Consumer, Technology and Financials (ex-Banks) remain key laggards



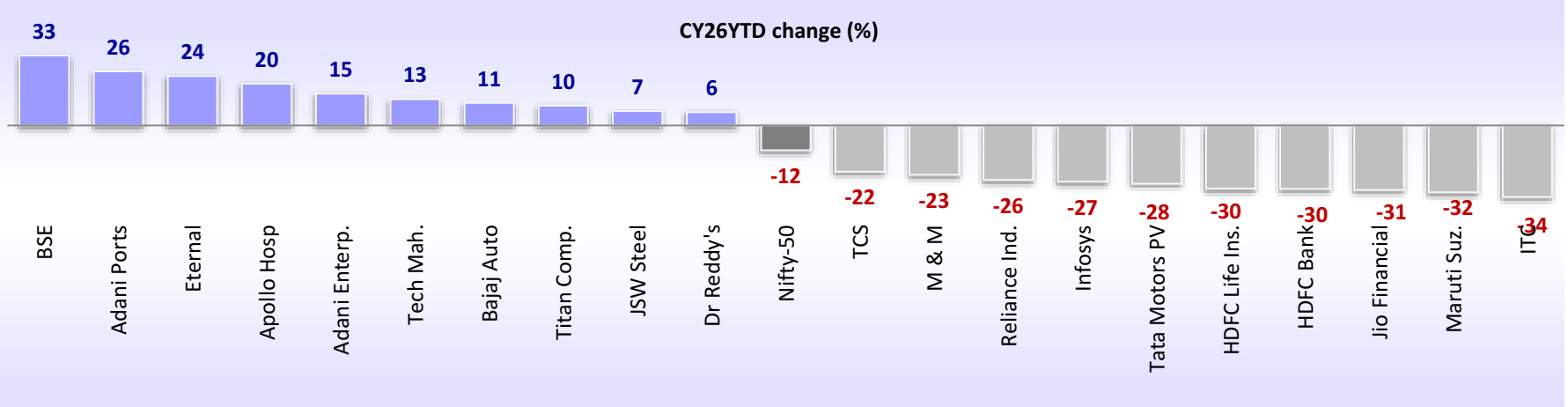
About 44% of the Nifty-50 constituents end higher in Oct'26

- In Oct'26, among the Nifty constituents, 22 stocks closed higher MoM. All Technology stocks were the key gainers, whereas Shriram Finance, Adani Enterprises and Nestle were among the key laggards.
- About 68% Nifty constituents have ended higher in CY26YTD. BSE, Adani Ports and Eternal have been the top gainers, whereas TCS, Maruti Suzuki and Jio Financials have been the key laggards in CY26YTD.

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



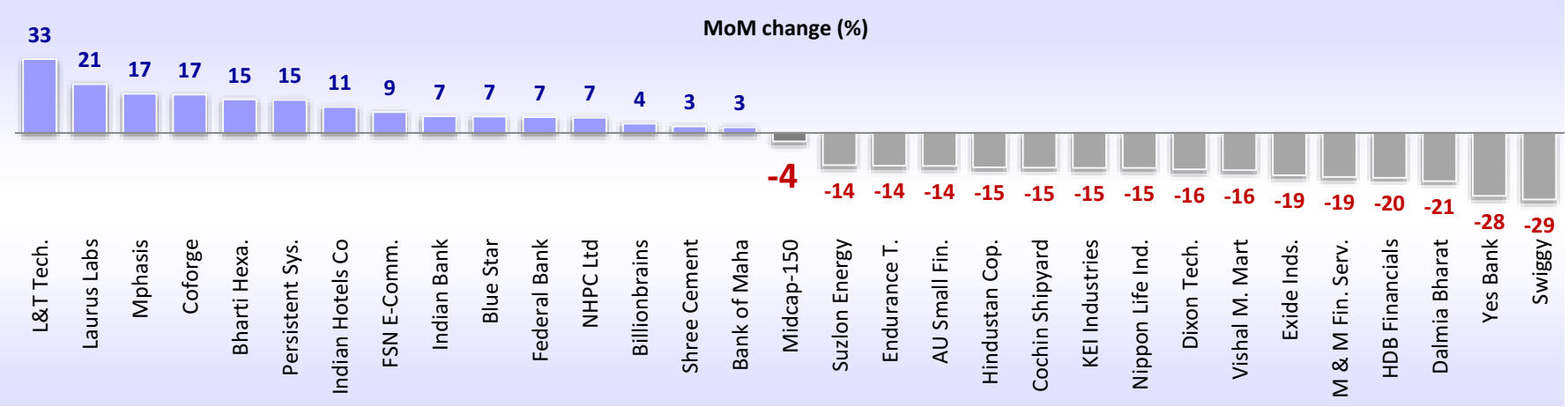
Best and worst Nifty performers CY26YTD (%):



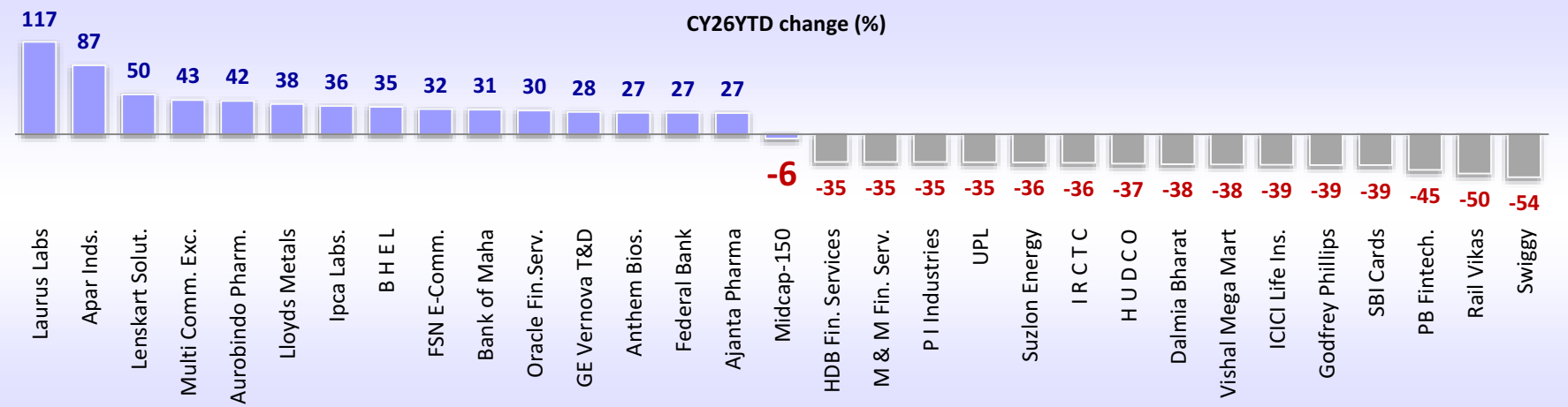
About 72% of the Midcap constituents end lower in Oct'26

- In Oct'26, about 117 Nifty Midcap-150 stocks closed lower MoM. L&T Tech, Laurus Labs and Mphasis were the key gainers, whereas Swiggy, Yes Bank, Dalmia Bharat were the key laggards.
- In CY26YTD, about 67% Midcap-150 constituents have ended lower. Laurus, Apar Industries and Lenskart have been the top gainers, whereas Swiggy, RVNL and PB Fintech have been the key laggards.

Best and worst Nifty Midcap-150 performers on a MoM basis (%) :



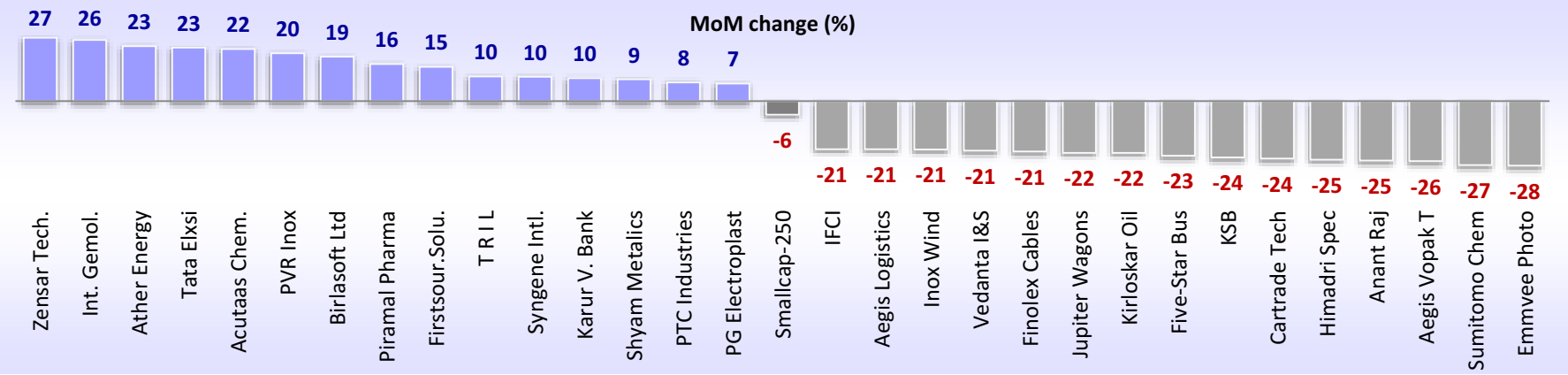
Best and worst Nifty Midcap-150 performers in CY26YTD (%):



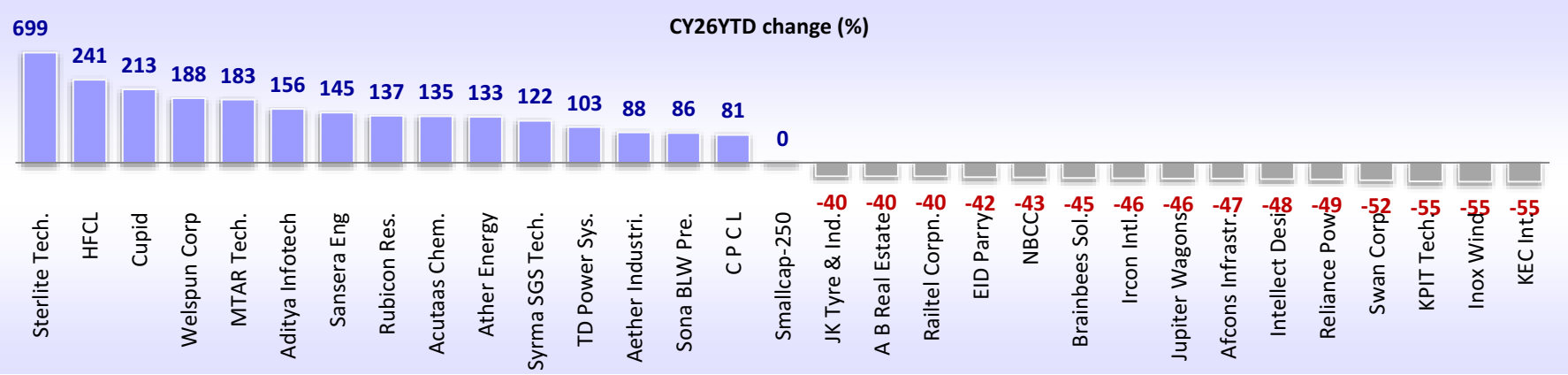
About 79% of the Smallcap constituents end lower in Oct'26

- In Oct'26, 197 Nifty Smallcap-250 companies closed lower. Zensar Tech, International Gemology and Ather Energy were among the key leaders, whereas Emmvee Phot, Sumitom Chemicals, Aegis Vopak were the key laggards
- About 60% of the Smallcap companies have ended lower CY26YTD. Sterlite Tech., HFCL., and Cupid have been the key gainers, whereas KEC Int., Inox Wind, and KPIT have been the key laggards.

Best and worst Nifty Smallcap-250 performers on a MoM basis (%) :



Best and worst Nifty Smallcap-250 performers in CY26YTD (%):



Nifty's sectoral weights: Technology and Telecom's weights rise notably MoM

- In Oct'26, Automobiles (-40bp), NBFC + Insurance (-30bp), Metals (-30bp), and Oil and Gas (-30bp) posted the sharpest MoM dip in index weights. Conversely, Technology (+130bp) and Telecom (+50bp) saw the largest increase in weights.
- Notably, Reliance Industries' weight dipped 30bp MoM to 7.3% (the lowest since 2017)
- In CY26YTD, Technology (-160bp), Oil & Gas (-160bp), Consumer (-110bp), Private Banks (-70bp) and Automobiles (-70bp) have recorded the steepest decline in weights. Conversely, Miscellaneous (+160bp), NBFC + Insurance (+100bp), and Telecom (+70bp) have posted gains.

Nifty – sectoral weights (%)

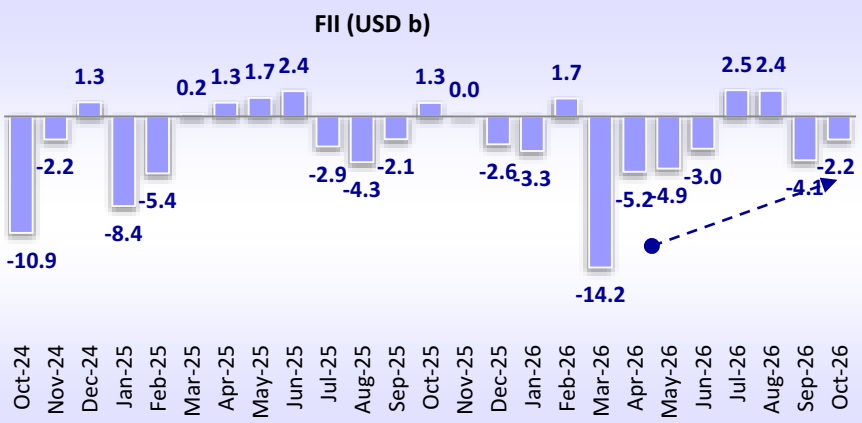
	Weightage in the Nifty (%)										
Sector	**Dec'08**	**Dec'12**	**Dec'20**	**Dec'21**	**Dec'22**	**Dec'23**	**Dec'24**	**Mar'24**	**Dec'25**	**Sept'26**	**Oct'26**
Automobiles	2.5	8.8	5.4	5.0	5.3	6.5	7.4	7.6	7.0	6.6	**6.3**
Banks – Private	5.0	16.9	24.7	21.9	24.2	28.2	27.1	25.6	26.5	25.7	**25.8**
Banks – Public	5.4	4.7	1.8	2.3	2.9	2.6	2.9	2.9	3.4	3.8	**3.7**
NBFC + Insurance	2.3	7.9	12.3	11.4	10.6	4.5	4.6	5.0	6.6	7.9	**7.6**
Capital Goods	7.7	5.9	2.6	3.0	3.1	4.4	5.0	4.5	5.2	5.5	**5.5**
Cement	1.7	4.2	2.2	2.4	1.8	2.1	2.1	2.0	2.1	2.3	**2.3**
Consumer	6.5	12.3	10.4	9.4	10.3	10.8	9.0	9.5	7.5	6.5	**6.3**
Healthcare	2.6	5.0	3.6	3.4	3.8	4.0	4.2	4.4	4.2	4.7	**4.7**
Metals	4.8	3.8	2.0	2.9	2.9	3.0	2.7	2.9	3.2	3.9	**3.6**
Oil and Gas	24.5	12.3	12.5	12.3	12.1	10.5	9.2	11.9	9.7	8.4	**8.1**
Reliance	10.6	7.4	10.7	10.8	11.0	9.2	7.8	10.2	8.9	7.6	**7.3**
Retail	0.0	0.0	1.1	1.4	1.4	1.6	2.8	1.6	2.2	2.6	**2.7**
Telecom	11.6	2.0	2.0	2.1	2.5	2.7	4.0	3.2	4.9	5.1	**5.6**
Technology	9.0	11.4	16.3	19.1	14.0	13.6	14.1	13.0	10.4	7.5	**8.8**
Utilities	13.3	4.5	2.1	2.1	2.5	3.6	3.6	3.9	3.1	3.6	**3.4**
Miscellaneous	3.3	0.5	1.0	1.2	2.6	1.9	1.4	1.9	4.0	5.6	**5.5**
Nifty	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

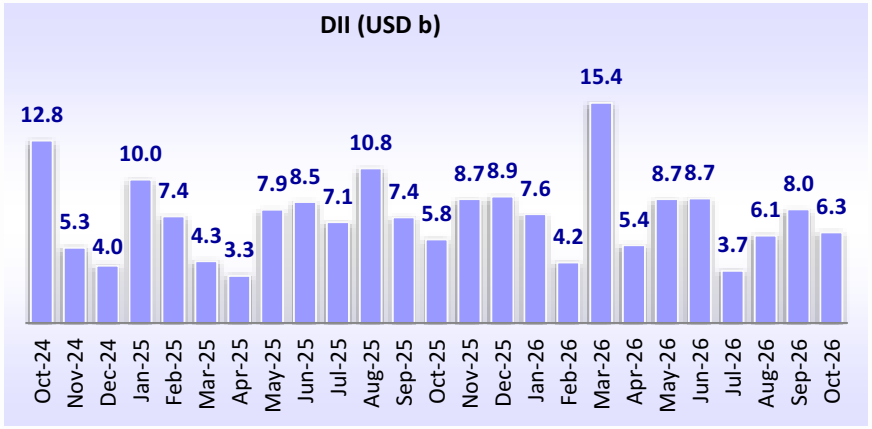
Note: The merger of HDFC Bank and HDFC Ltd. resulted in a shift in weightage from NBFCs to private banks in CY23. Britannia and BPCL were replaced with Jio Financials and Eternal in Mar'25, and IndusInd Bank and Hero Motocorp were replaced with Interglobal Aviation and Max Healthcare in Sep'24.

DII inflows remain resilient amid moderating but persistent FII selling

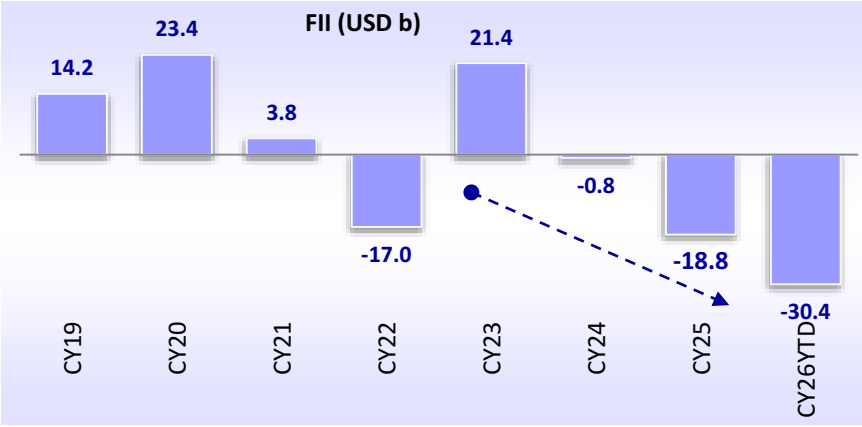
- FIIs remained sellers as higher crude oil prices and global bond yields continued to dampen sentiment, while DII flows remained strong.
- FIIs sold ~USD2.4b worth of Indian equities, while DIIs invested USD6.3b extending their streak of net inflows to 39 consecutive months.
- On a CY26YTD basis, DIIs have maintained strong buying momentum, with cumulative inflows of ~USD74b. In contrast, FIIs have remained net sellers, with cumulative outflows of ~USD30b, already 62% higher than their total outflows in CY25.
- Between CY21 and CY26YTD, DIIs emerged as the dominant source of market liquidity, with cumulative inflows of ~USD294b, while FII flows remained negative, resulting in cumulative net outflows of ~USD42b.

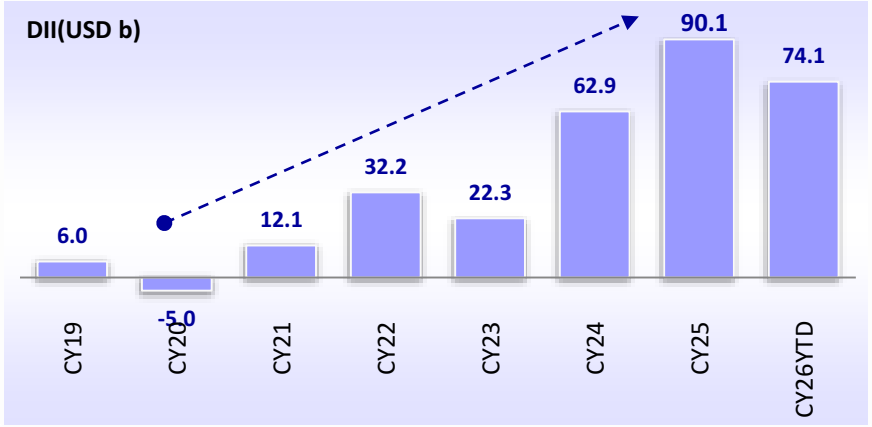
Monthly institutional flows (USD b)





Yearly institutional flows (USD b)

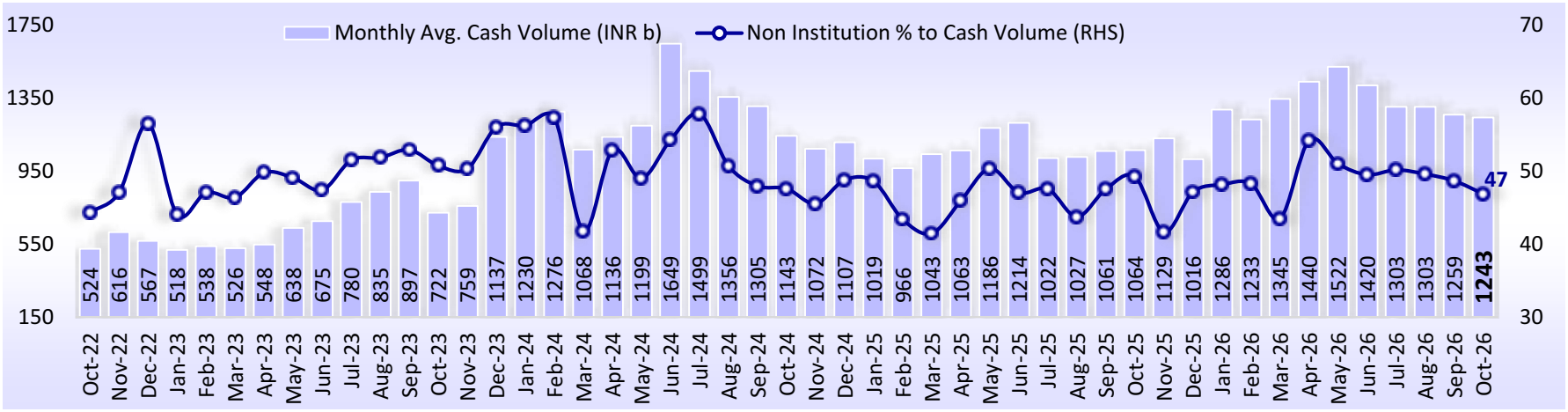




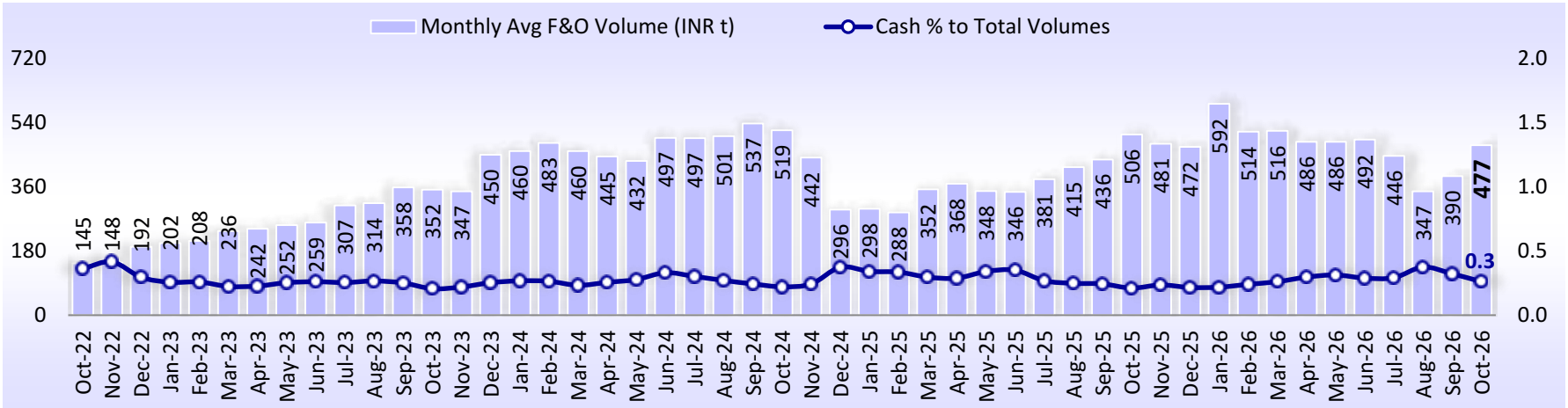
Cash volumes slip to a 10-month low, while F&O volumes surge to a four-month high

- Average daily cash volumes declined 1.3% MoM to INR1.24t. Non-institutional participation declined 200bp MoM of total cash volumes to 47%. Average daily F&O volumes surged over 22% MoM in Oct'26 to a four-month high of INR477t.

Monthly average cash volumes (INR b)



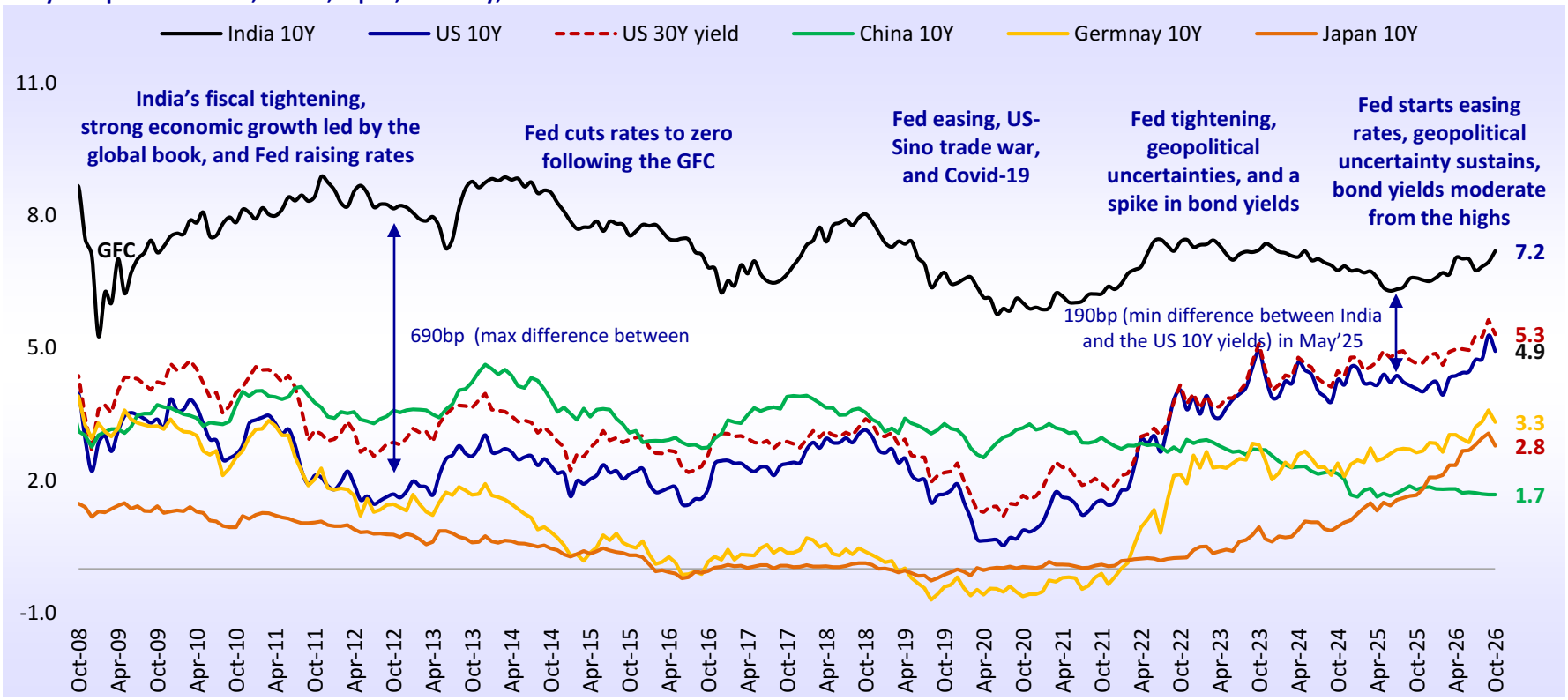
Monthly average F&O volumes (INR t)



KEY EXHIBITS Developed market yields ease MoM, while India's yields up to a near 4-yr high

- Amid a volatile geopolitical environment and relatively stable INR, India's 10-year G-Sec yield inched up 20bp MoM to 7.4%. In contrast, the 10-year government bond yields across most developed economies cooled from highs (US/Germany/Japan/UK/Canada's 10Y yields dipped 40bp/30bp/30bp/ 15bp/20bp MoM).
- India's 10-year bond yield has climbed to a near four-year high, reflecting rising inflationary pressures, global yield repricing and tighter domestic financial conditions. Sustained elevation in yields could increase borrowing costs, constrain fiscal flexibility and weigh on equity valuations
- The **US 10-year** yield also cooled 40bp MoM from a high of 5.3% to 4.9%. As a result, the India–US 10-year yield spread increased 50bp to 2.1%. Notably, the **US 30-year** Treasury yield also cooled 30bp MoM however remained elevated at 5.3%, a level last seen in 2004. This underscores persistently tight monetary conditions and higher required returns on global risk assets.
- Meanwhile, Japan's 10-yr govt. bond at 3.3%, was at a multi-decade high, as markets continued to reprice its interest rate and inflation outlook.

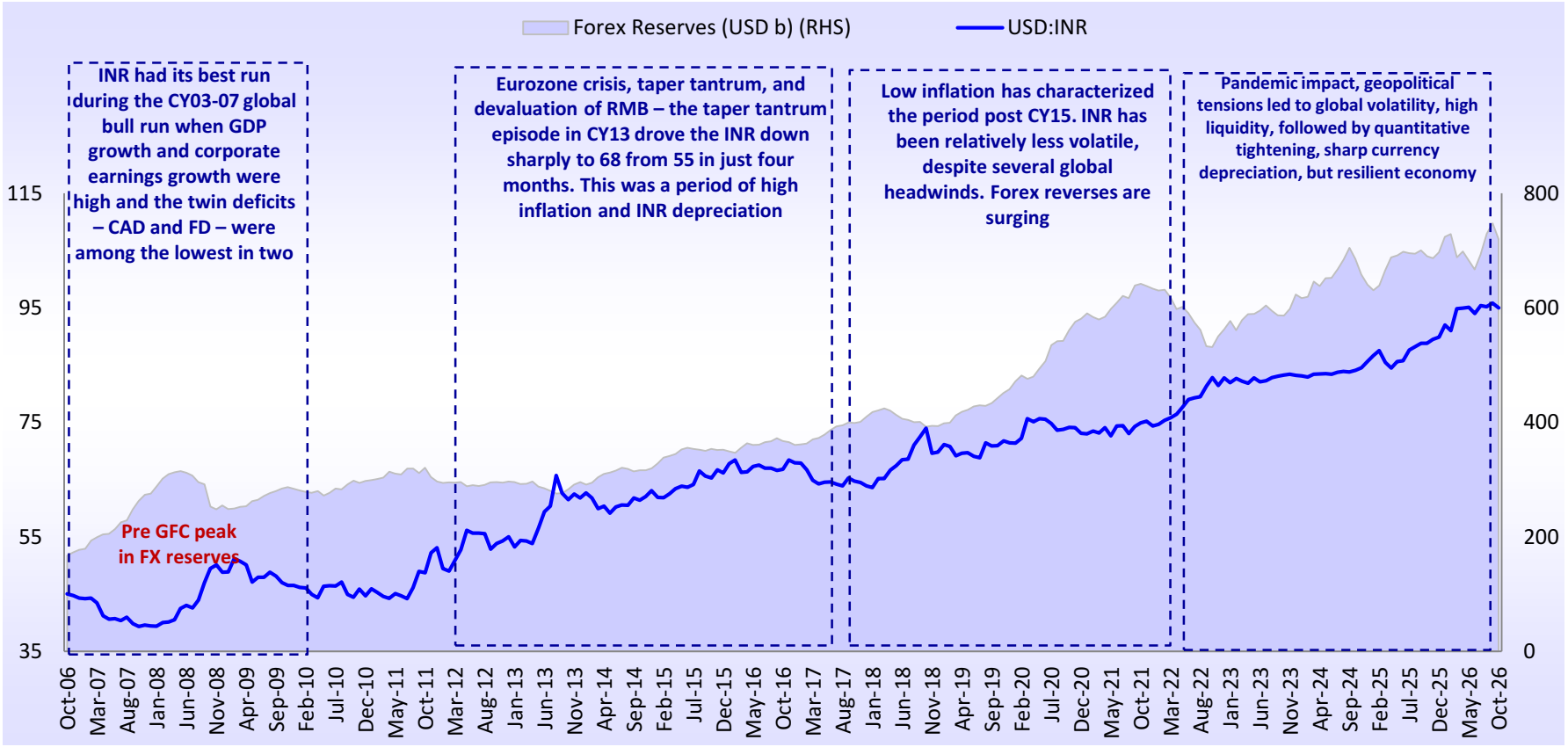
10Y yield spreads of India, the US, Japan, Germany, and China



Forex reserves decline marginally from the record highs; INR strengthens 1% MoM

- India's forex reserves declined ~4% MoM to USD720b in Oct'26, after reaching an all-time high in the previous month. The decline was primarily due to RBI intervention to support the rupee and elevated oil-related dollar demand.
- On the currency front, the INR appreciated 0.9% MoM to 95/USD in Oct'26, although it remained the weakest among major EM currencies, depreciating ~7% YoY amid elevated global bond yields and oil-driven inflationary pressures. Despite these headwinds, the Rupee has remained largely rangebound over the past six months, supported by RBI intervention to curb excessive volatility and limit depreciation.

Forex reserves (USD b)



Source: Bloomberg, MOFSL



Valuations: Key observations

Nifty's valuations dip to multi-year lows and trade at steep discounts to the LPA

- The 12-month **trailing P/E** for the Nifty-50 at 19.8x now trades around 15% below its LPA of 23.2x , a level last seen in May'20. At 2.8x, the 12-month trailing P/B is trading 11% below its historical average of 3.2x, its lowest level since Oct'20.
- The Nifty's 12-month **forward P/E of** 17.1x is 18% below its LPA of 20.9x (its lowest level since Jun'20), and down 31% from the Sep'24 highs. At 2.5x, the 12-month forward P/B trades at a 12% discount to its LPA of 2.9x.

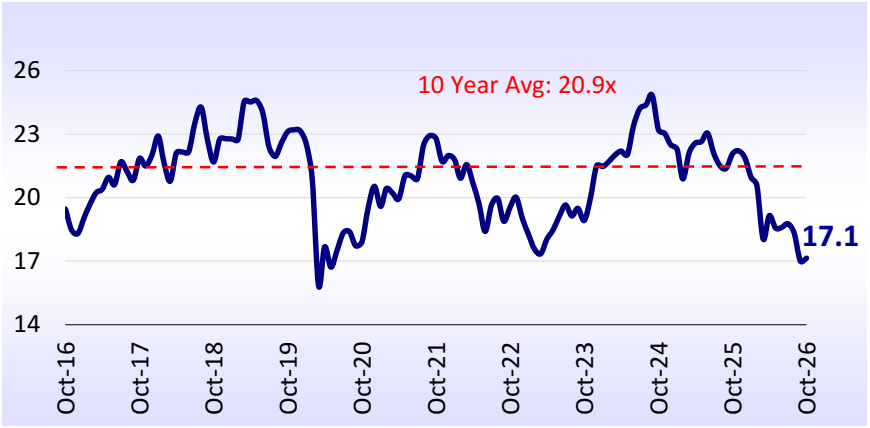
12-month trailing Nifty P/E (x)



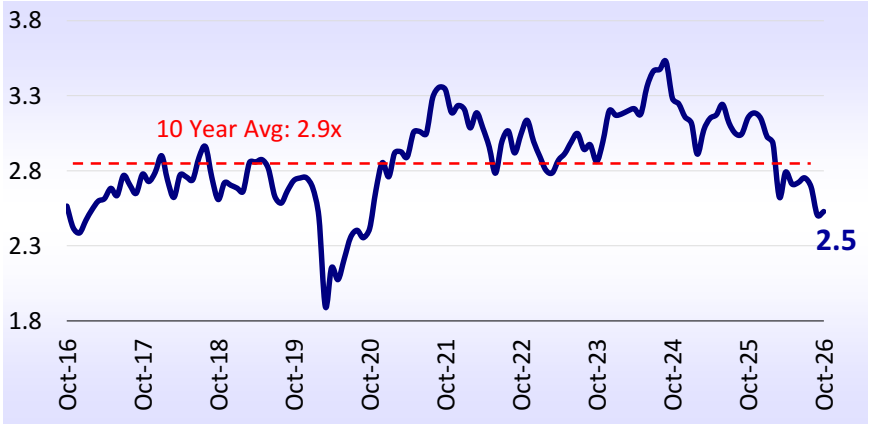
12-month trailing Nifty P/B (x)



12-month forward Nifty P/E (x)



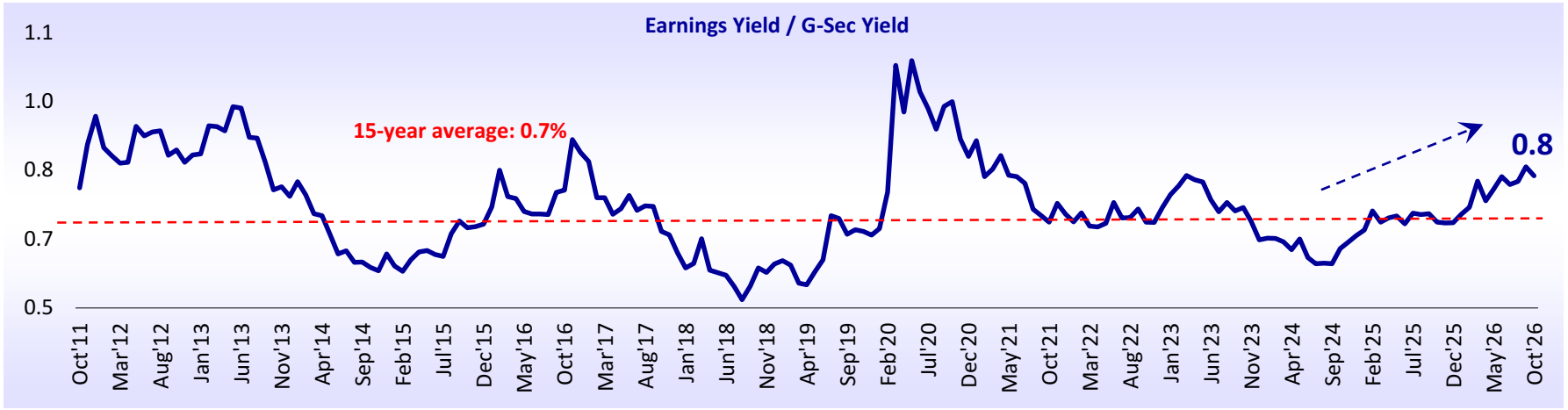
12-month forward Nifty P/B (x)



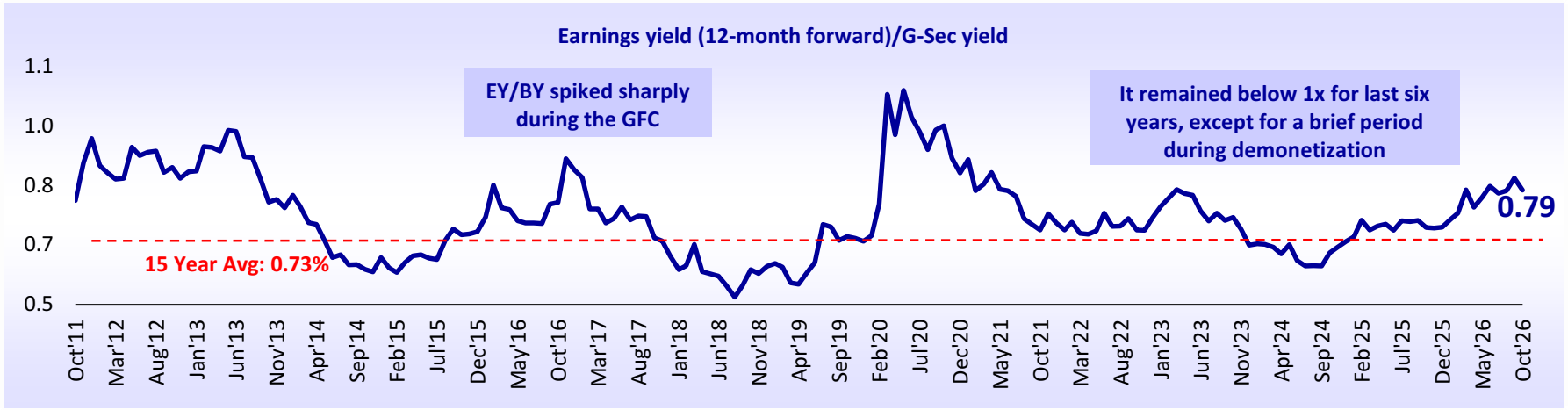
EY/BY ratio remains flat MoM, near its three-year high

- India's 10Y bond yield rose 20bp MoM to 7.4%. Moreover, the earnings yield-to-bond yield (EY/BY) remained flat MoM. The ratio continues to trade above its LPA.

Trailing earnings yield/G-Sec yield (x)

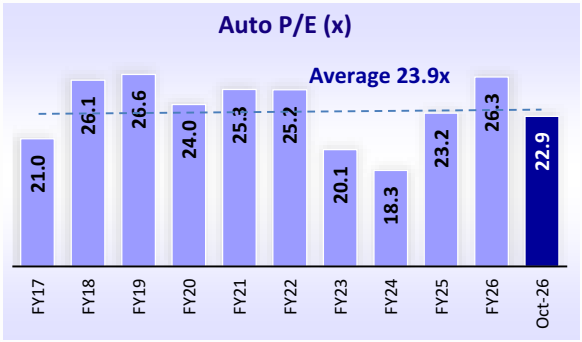


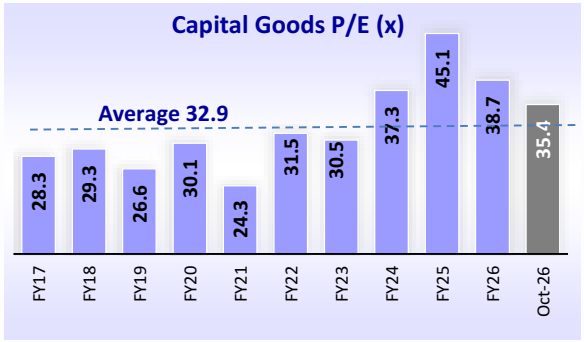
Forward earnings yield/G-Sec yield (x)

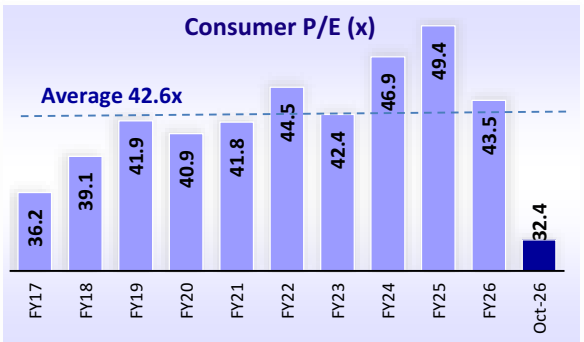


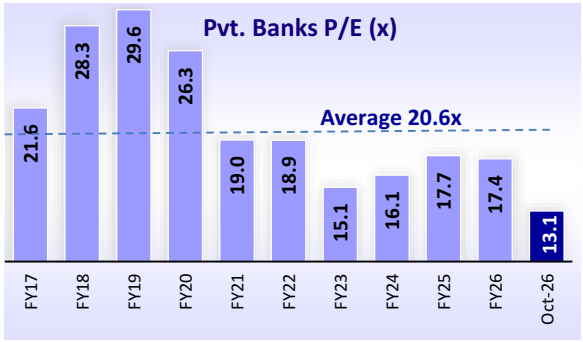
Auto/Consumer/Tech/Chemicals/Retail trade at discounts to their historical valuations (1/2)

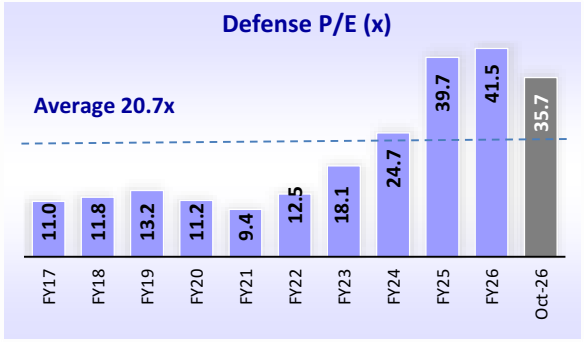
- The 12-month forward P/E for Auto, Private Banks, Consumer, Technology, Chemicals, and Retail are trading at discounts of 4%, 36%, 24%, 20%, 12%, and 45%, respectively, to their 10-year averages. In contrast, valuations remain above their LPAs for Capital Goods (+8%), Healthcare (+25%), and Defense (+72%).

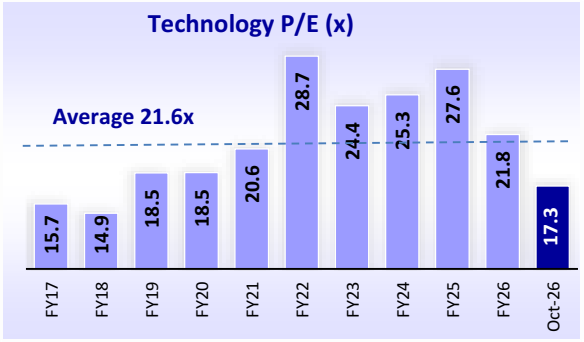


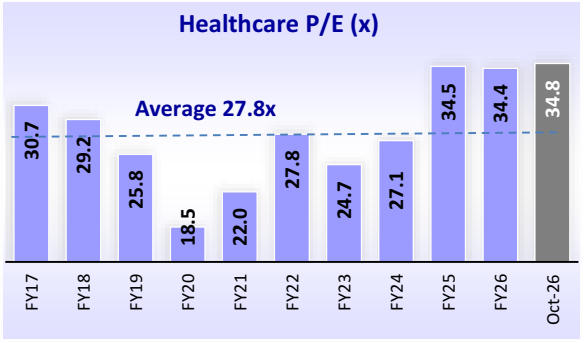


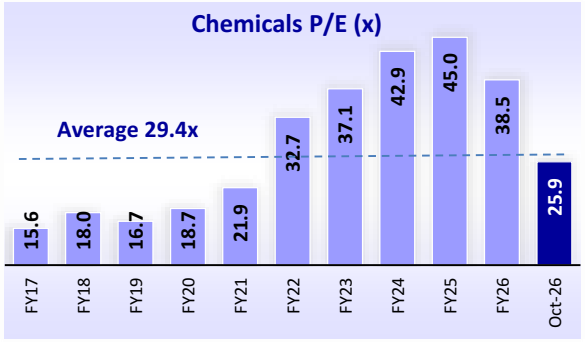


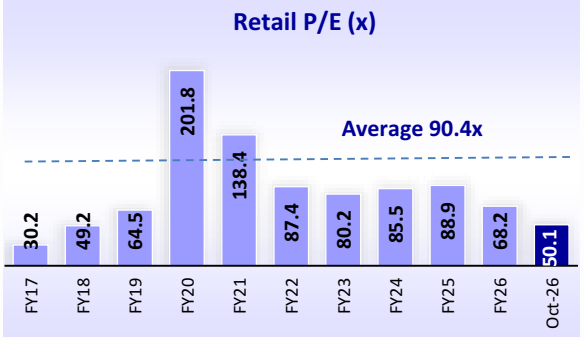










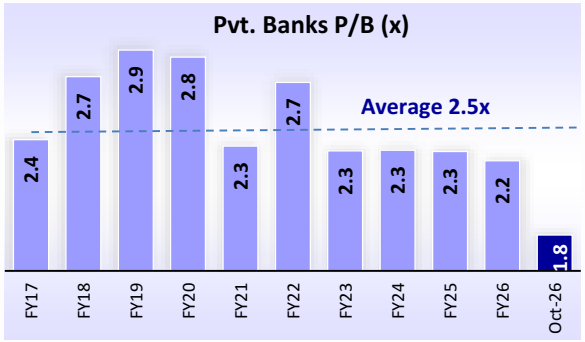


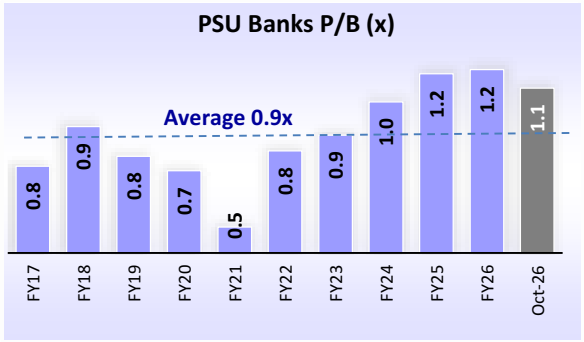
Note: The data represent the 12-month average of one-year P/B across and EV/EBITDA across MOFSL Universe sectors; blue and grey bars represent the latest sectoral valuations below and above the 10-year average, respectively. LPA: Long period average.

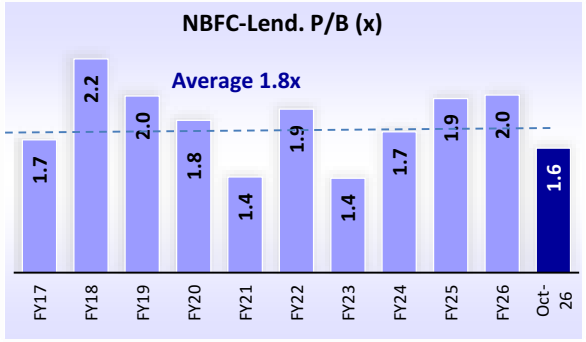
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Financial Services

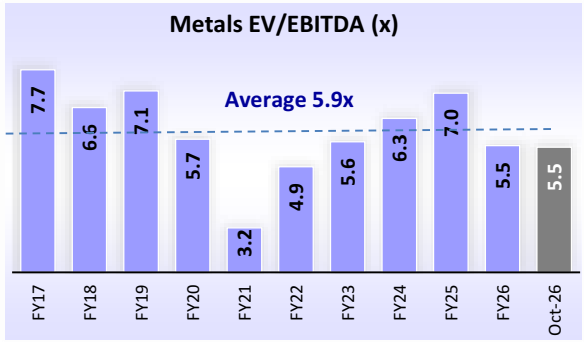
Pvt. Banks/NBFC/O&G/Real Estate trade below their historical averages (2/2)

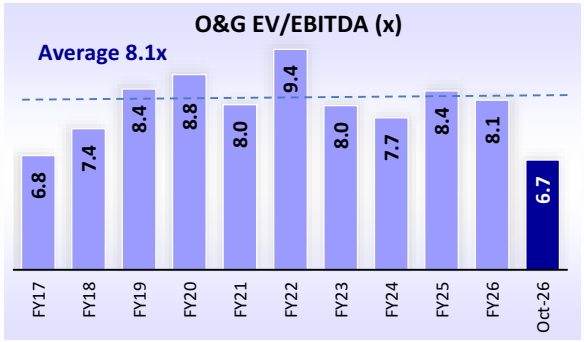
❖ On a 12-month forward **P/B basis**, Private Banks and NBFC Lending trade at 27% and 11% discounts to their LPA, respectively. In contrast, PSU Banks trade at a 20% premium to their respective LPA. On a 12-month forward **EV/EBITDA** basis, Metals, O&G and Real Estate are trading at a discount of 7%, 18% and 17%, to their LPA, respectively. In contrast, Cement (+1%) and Utilities (+8%) are trading above their LPA valuations.

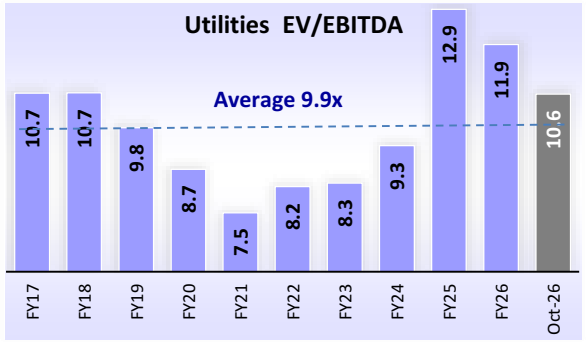


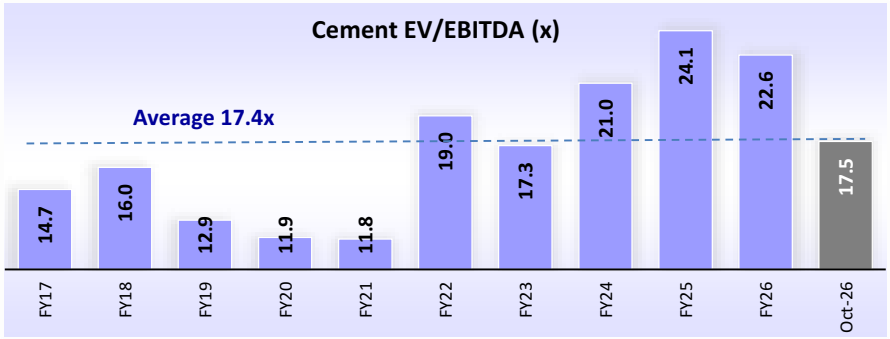


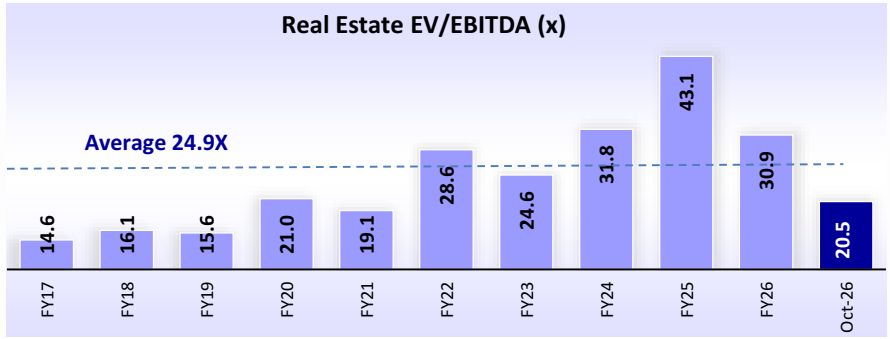










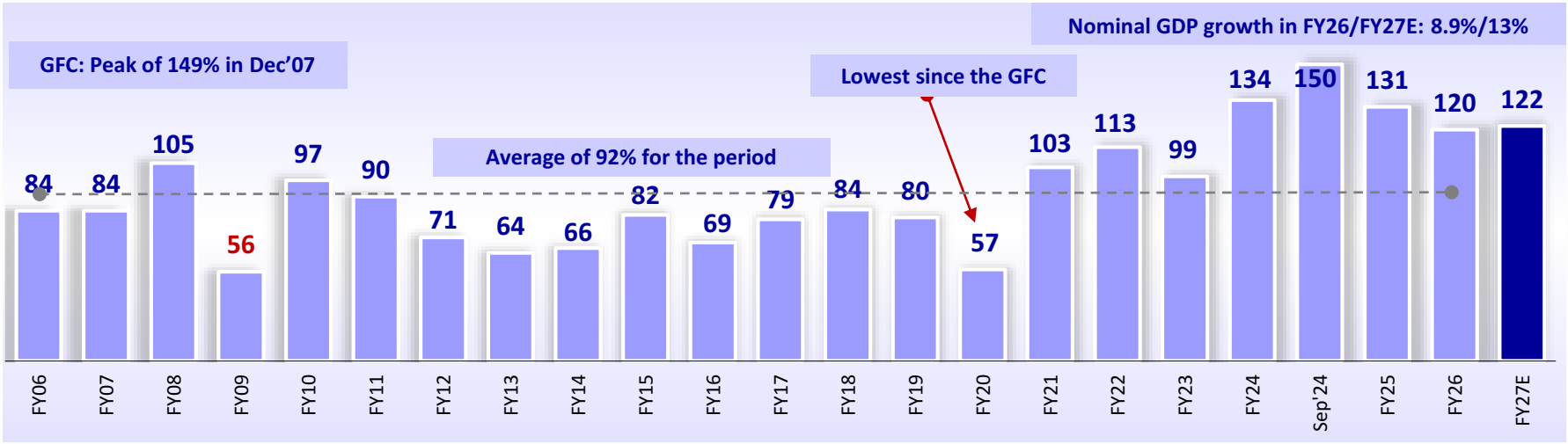


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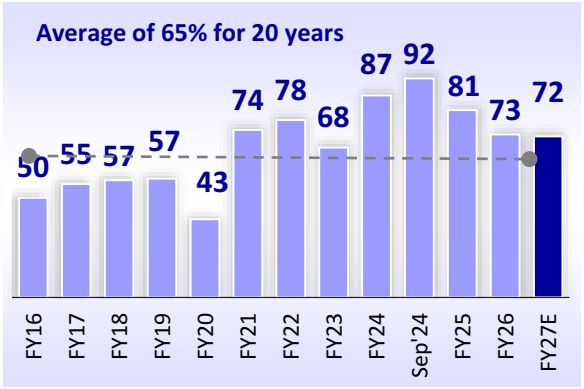
India's market cap-to-GDP ratio remains above its LPA, but well below the two-year high

- Following the strong GDP print and revisions, India's mcap-to-GDP ratio is expected to moderate to 122% in FY27E from 150% at its Sep'24 peak, although it remained above 120% in FY26. Nevertheless, the ratio remains elevated and has largely been above 100% since 2021, except in FY23.
- While the overall market cap-to-GDP ratio for large caps remains above its historical average, the valuation premium is significantly more pronounced in mid- and small-cap stocks, which continue to trade well above their respective historical averages.

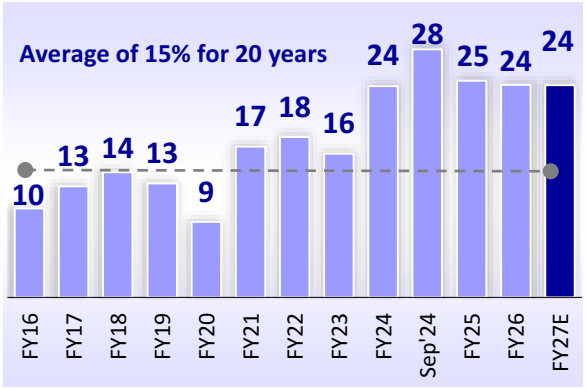
Market cap-to-GDP ratio (%) – Overall



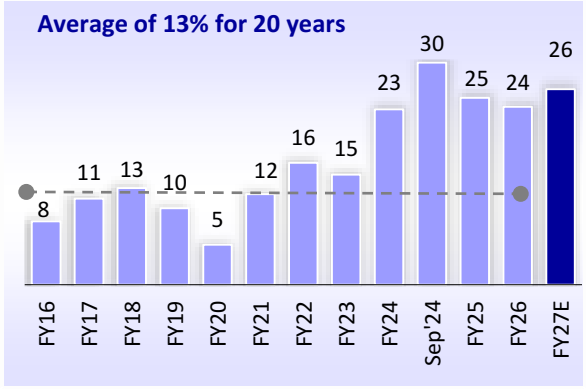
Mcap-to-GDP ratio (%) –Top 100 Large-caps



Mcap-to-GDP ratio (%) – 101 to 250th Mid-caps



Mcap-to-GDP ratio (%) – Small-caps, 250th onwards



Top ideas: MOFSL

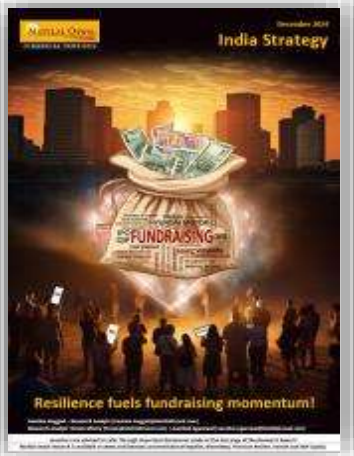
Company	Mcap (USDb)	CMP (INR)	EPS (INR)			EPS CAGR (%)	PE (x)			PB (x)			ROE (%)		
			FY26	FY27E	FY28E	FY26-28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Top Nifty-50 ideas															
Bharti Airtel	129.5	1,970	44.2	58.4	83.7	37.7	44.6	33.7	23.5	7.4	6.5	5.4	20.5	22.8	28.1
ICICI Bank	102.5	1,394	70.2	85.7	102.8	21.0	19.9	16.3	13.6	3.0	2.6	2.2	16.1	17.1	17.6
Larsen & Toubro	55.9	3,858	123.7	148.2	179.4	20.4	31.2	26.0	21.5	4.9	4.3	3.8	16.4	17.5	18.8
Titan Company	41.7	4,448	57.9	72.8	91.1	25.5	76.8	61.1	48.8	25.2	19.6	15.3	37.7	36.1	35.1
M & M	37.3	2,844	130.7	127.2	158.8	10.2	21.8	22.4	17.9	4.6	4.0	3.4	23.1	19.2	20.7
Adani Enterprises	36.8	2,578	13.6	44.6	62.6	114.2	189.1	57.8	41.2	4.1	3.4	3.2	2.4	6.1	7.4
Eternal	33.3	343	0.4	0.9	2.6	154.8	854.7	389.6	131.7	10.1	9.8	9.2	1.2	2.6	7.2
Bharat Electronics	28.4	369	8.3	9.6	11.2	16.2	44.6	38.5	33.0	11.4	8.9	7.1	25.5	23.1	21.5
Shriram Finance	20.4	825	53.1	62.9	72.6	16.9	15.5	13.1	11.4	2.4	1.6	1.5	16.4	16.1	13.7
BSE	15.1	3,510	60.4	86.8	98.5	LP	58.1	40.4	35.6	21.5	15.3	11.5	44.4	44.1	36.8
Apollo Hospitals	12.7	8,400	136.0	170.8	198.9	LP	61.7	49.2	42.2	12.3	9.9	8.0	22.1	23.0	21.6
Top Non Nifty-50 ideas															
TVS Motor Co.	21.0	4,200	76.7	108.9	136.6	33.4	54.7	38.6	30.7	17.8	12.6	9.4	34.4	38.3	34.9
Lenskart Solutions	12.4	678	3.1	5.5	8.4	65.7	220.5	123.8	80.3	13.3	12.0	10.4	7.1	10.2	13.9
Indian Hotels	12.2	814	13.2	14.9	18.7	19.2	61.7	54.8	43.4	8.9	7.7	6.6	15.5	15.1	16.3
GE Vernova T&D	10.8	4,022	50.0	66.1	81.9	28.0	80.4	60.8	49.1	38.3	25.6	18.1	57.4	50.4	43.2
Meesho	10.7	223	-2.7	-0.9	1.0	LP	NM	NM	227.5	23.2	24.3	21.0	-41.7	-9.4	9.9
SBI Funds Mgmt.	10.0	468	15.1	15.6	18.5	10.7	31.0	29.9	25.3	16.0	13.5	11.4	43.0	48.9	48.9
Coforge	9.5	2,050	35.2	56.9	72.7	43.8	58.3	36.1	28.2	9.0	3.8	3.5	16.5	14.9	13.0
Dixon Tech.	7.0	11,000	139.7	150.4	255.7	35.3	78.8	73.1	43.0	14.3	11.0	8.8	22.1	17.0	22.7
Radico Khaitan	5.8	4,100	45.3	69.2	84.1	36.2	90.5	59.2	48.8	16.9	13.8	11.2	18.7	23.2	23.0
RBL Bank	5.7	351	13.3	14.5	25.2	37.7	26.4	24.2	13.9	1.3	1.2	1.1	5.2	7.3	8.5
Physicswallah	3.9	129	-0.1	1.1	2.0	LP	NM	115.4	64.5	8.1	7.6	6.8	-0.8	6.8	11.1
Inventurus Knowledge	3.1	1,708	42.3	50.0	60.1	19.3	40.4	34.2	28.4	10.4	8.0	6.2	31.4	26.4	24.6
Kirloskar Oil	2.8	1,800	31.9	40.4	59.6	36.7	56.4	44.6	30.2	7.8	6.8	5.8	14.6	16.3	20.8
SPR Auto Tech.	2.0	4,373	131.6	139.8	188.4	19.7	33.2	31.3	23.2	26.5	23.4	18.2	13.2	10.6	12.7

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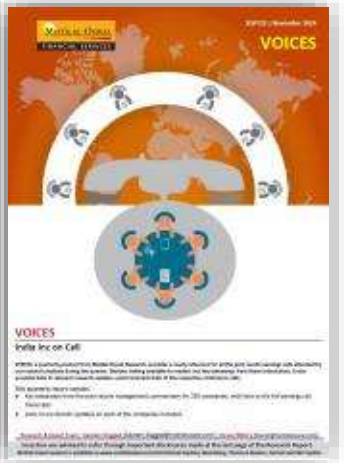
Quant Research & India Strategy Gallery























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BUY	>=15%
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