

Sectors trading at a premium



Sectors trading at a discount

Infrastructure

Sp. Chemicals

Real Estate

PSU Banks

Technology

NBFCs

Cement

Consumer

Healthcare

Metals

Private Banks

Oil & Gas

Logistics

Retail

Automobiles

Media

Telecom

# BULLS & BEARS

INDIA VALUATIONS HANDBOOK

## HIGHLIGHTS – SEP'23 EDITION

- Nifty scales a new peak; makes a comeback in Sep'23
- India among the top-performing markets
- DII flows continue to be strong; FIIs report outflows post-six straight months of inflows
- All major sectors end higher
- PSU Banks, Telecom, Utilities, Oil & Gas, and Capital Goods the top gainers
- Midcaps/smallcaps continue to outperform largecaps
- India's share in the world M-cap, at 3.6%, continues to scale new highs
- Over the last 12 months, the MSCI India index (+11%) has outperformed the MSCI EM index (+9%)

## STRATEGY

Nifty scales a new peak; but not on valuations

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## DEEP-DIVE FOR THE MONTH

Metals: Valuation near its long-period average; domestic market remains robust

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## INDIAN EQUITIES

Nifty makes a comeback in Sep'23

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## GLOBAL EQUITIES

India among the top-performing markets in Sep'23

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## SECTOR VALUATIONS

More than half of the sectors trade at a premium to their historical average

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## COMPANY VALUATIONS

Half of the Nifty constituents trade at a discount to their historical average



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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

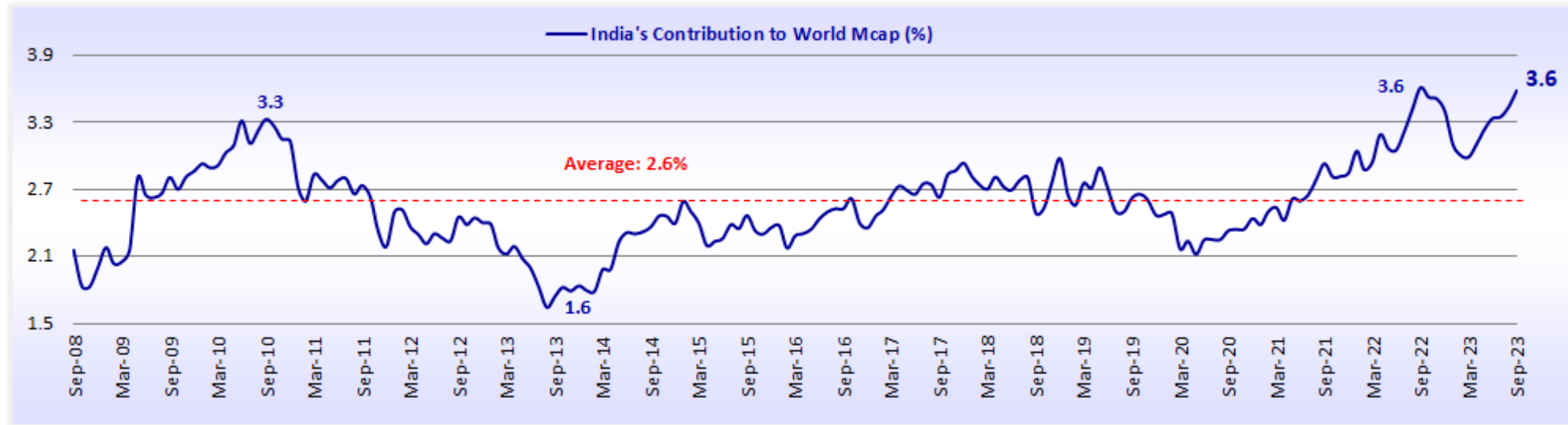
### NOTES:

- Prices as of 29<sup>th</sup> Sep'23
- **BULL icon:**  Sectors trading at a premium to their historical average
- **BEAR icon:**  Sectors trading at a discount to their historical average
- Valuations are on a 12-month forward basis, unless mentioned otherwise
- Sector valuations are based on MOSL coverage companies
- Data on global equities is sourced from Bloomberg; Nifty valuations are based on MOFSL estimates

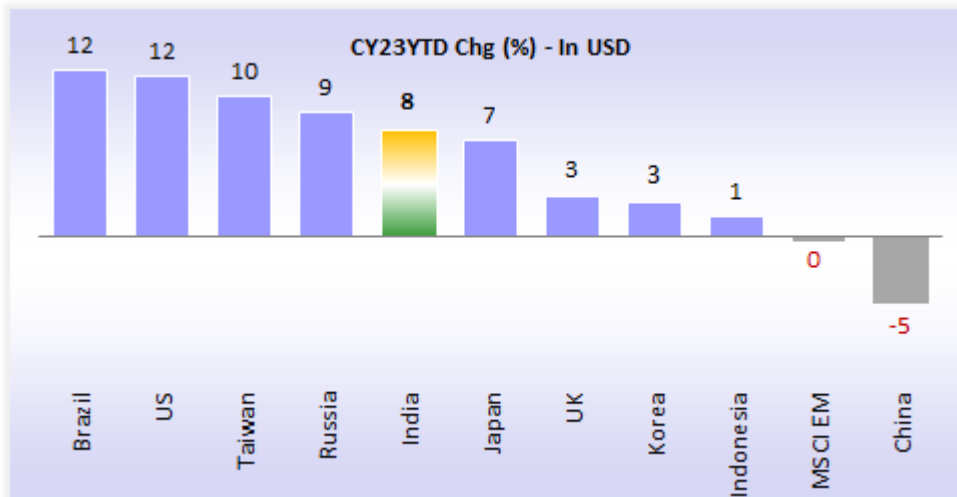
Investors are advised to refer to the important disclosures appended at the end of this report.

- **Nifty scales a record high:** The Nifty-50 reached the milestone of 20k in Sep'23. After a volatile and long journey from 18k to 19k, the Nifty-50 added the next 1,000 points (19k to 20k) relatively quickly in only 52 trading days (Jul'23-Sep'23) vs. 425 trading sessions (Oct'21-Jun'23) during its journey from 18k to 19k. Despite the headwinds, however, the Nifty-50 managed to recover from its Jun'22 and Mar'23 lows to reach 20k, mainly fueled by strong FII/DII inflows of USD19b/USD9.3b between Mar'23 and Sep'23.
- **DII flows continue to be strong, FIIs report outflows after six consecutive months of inflows:** DIIs recorded notable inflows of USD2.4b in Sep'23 as well after USD3.0b of inflows in Aug'23. FIIs turned sellers of USD2.3b in Sep'23 after remaining net buyers for six months. FII and DII flows stand at USD14.7b and USD15.7b, respectively, in CY23YTD.
- **All major sectors end higher in Sep'23:** PSU Banks (+18%), Telecom (+9%), Utilities (+7%), Oil & Gas (+6%), and Capital Goods (+6%) were the top gainers. While, Media (-1%) was the only laggard.
- **India among the top-performing markets in Sep'23:** Among the key global markets – the UK (+2%), India (+2%), and Brazil (+1%) ended higher in local currency terms. However, the US (-5%), Korea (-4%), MSCI EM (-3%), Japan (-2%), Russia (-2%), and Taiwan (-2%) ended lower. Over the last 12 months, the MSCI India index (+11%) has outperformed the MSCI EM index (+9%). Over the last 10 years, the former has significantly outperformed the MSCI EM index by 200%.
- **Economy – India's Quarterly Economic Outlook:** For the past nine months, the fears of slowdown have been totally unfounded. India's real GDP growth was better than expected (at 6.1% YoY) in 4QFY23 and then improved in line with expectations (at 7.8% YoY) in 1QFY24. Not only India, the US economy too has been much more resilient than our predictions at the beginning of the year. It is then no surprise that we have to revise our growth forecasts upwards yet again in this version of the **Quarterly Economic Outlook (QEO)**.
- **Our view:** The Nifty-50's rise to a new high was driven by a favorable blend of healthy macro and micro conditions, moderated inflation and falling commodity prices, peaking global interest rates, and six consecutive months of FII inflows with strong retail participation led by an upbeat sentiment. As the benchmark soars to a new high, the Nifty-50 trades at a 12-month forward P/E of 18.6x, at 7% discount to its own long-period average (LPA). Further, it also trades at a 12-month forward P/B of 2.9x, at 8% premium to its LPA. We reckon the upside from here will be a function of stability in global and local macros and continued earnings delivery vs. expectations. Moreover, we note that during the last five General Elections (1999-2019), the Nifty-50 rallied 10-32% six months prior to the announcement of election results. India will be going into General Elections in Mar-May'24. We remain OW on Financials, Consumption, and Automobiles. We are UW on Metals, Energy and Utilities and Neutral on IT, Healthcare and Telecom within our model portfolio.
- **Top ideas:** **Largecaps** – ICICI Bank, ITC, L&T, HCL Tech, Titan, Sun Pharma, Avenue Supermarts, M&M, BOB, and Zomato  
**Midcaps and Smallcaps** – Indian Hotels, Ashok Leyland, Godrej Properties, APL Apollo Tubes, MMFS, Metro Brands, Kajaria Ceramics, CreditAccess, Angle One, and Lemon Tree Hotel.

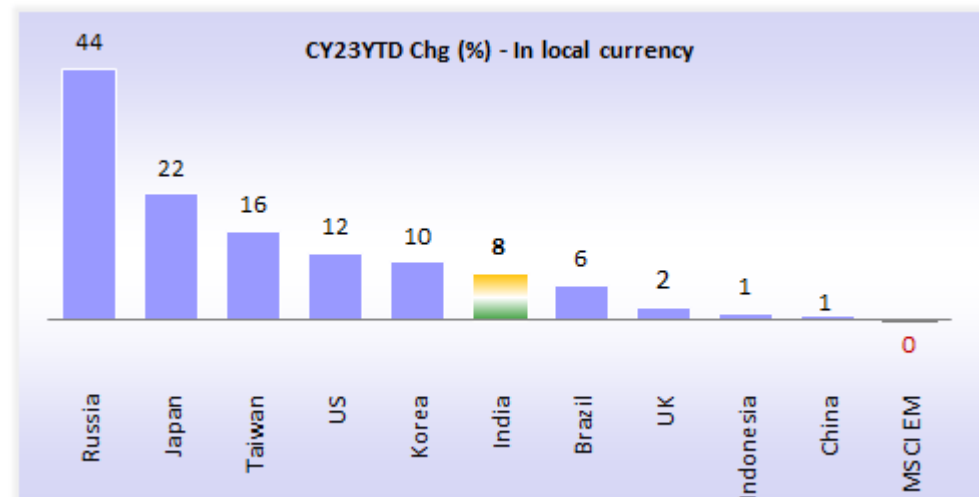
Trend in India's contribution to global M-cap (%) – at an all-time high



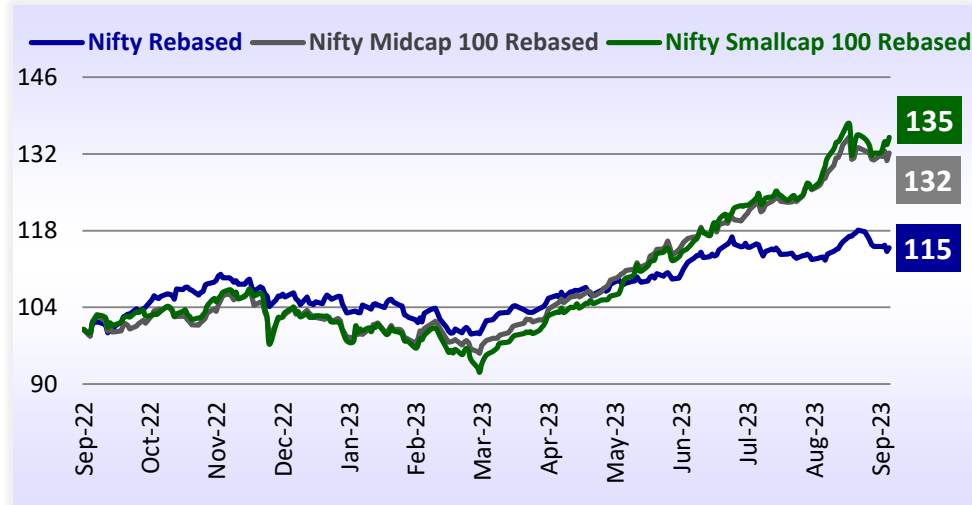
World equity indices in CY23YTD in USD terms (%)



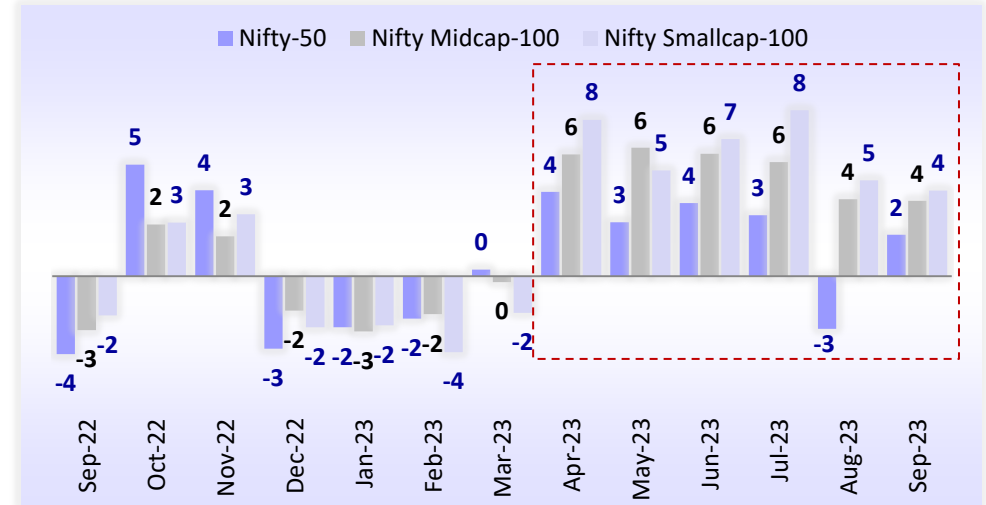
World equity indices in CY23YTD in local currency terms (%)



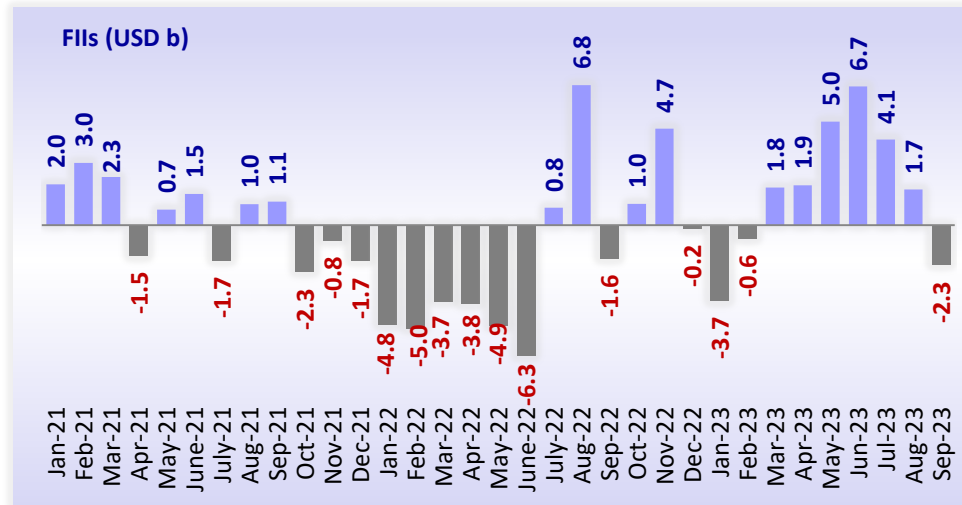
Performance of midcaps, smallcaps vs. largecaps over the last 12 months



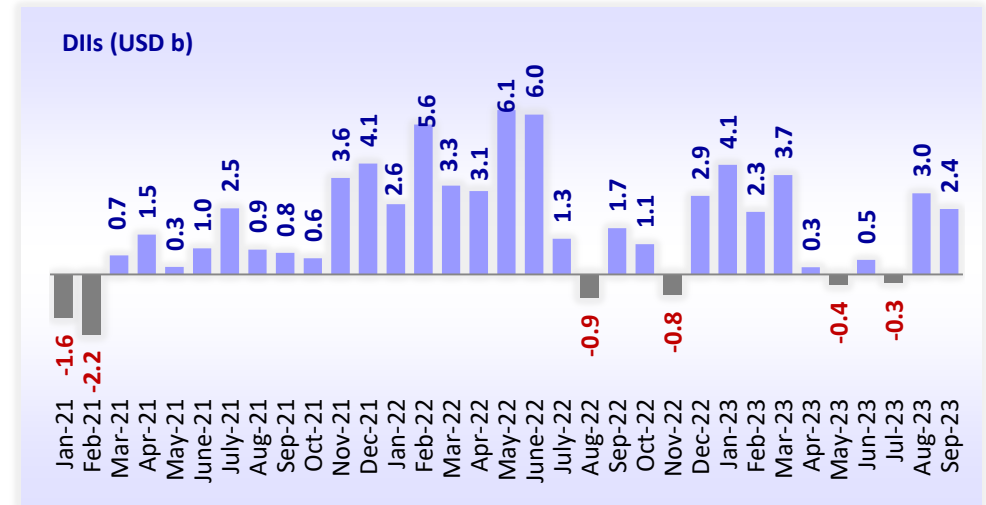
MoM performance (%) – midcaps and smallcaps in favor



FIIs record an outflow after reporting strong inflows in the last six months

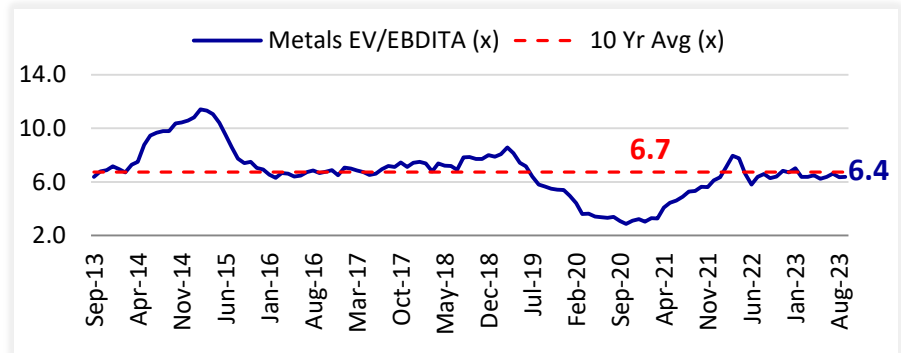


DII inflows healthy over the last two months

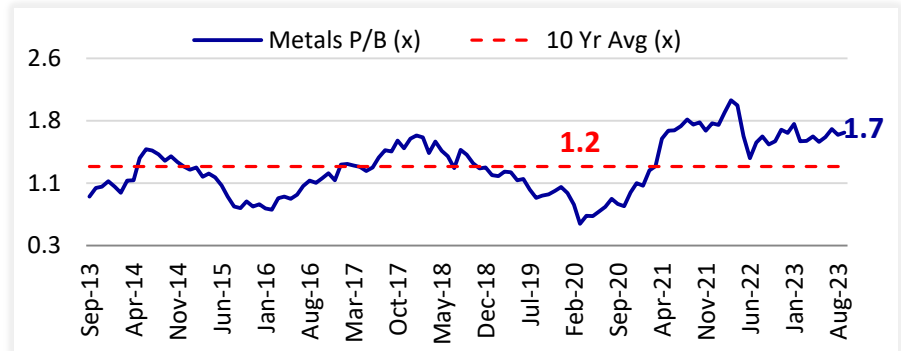


- Valuation of the metals sector is trading near its long-term average of 6.7x EV/EBITDA. It is currently trading at 6.4x on 1-yr forward basis. The sector is mostly driven by robust demand vs. short-term volatility in underlying commodity prices. Steel, aluminum, and zinc spreads have been extremely volatile in recent weeks (mainly in the last six weeks) due to conflicting trends in metals and input costs. Because of the uncertainty and volatility in metals spreads, valuations have contracted.
- Due to sector consolidation over the last five years and subsequent capacity additions, along with deleveraging, the balance sheet quality of the domestic metal players has improved substantially compared to the past. Though the sector has seen re-rating over the last few quarters, a spike in prices along with elevated input costs has built in an expectation of mean reversion in future.
- Metal prices have improved in the last month, resulting in sector outperformance vs. other sectors. Steel prices have risen MoM and are likely to remain elevated driven by higher demand. HRC and TMT prices have increased 4% and 11% MoM, respectively.
- Coking coal prices have been highly volatile in the last month. Premium HCC prices have increased 25% MoM after remaining range bound in the beginning of 2QFY24.
- Though demand in the domestic market continues to remain robust, the same in China and other international geographies continues to be under pressure. This has led to severe demand contractions in some of the large metal-consuming economies.

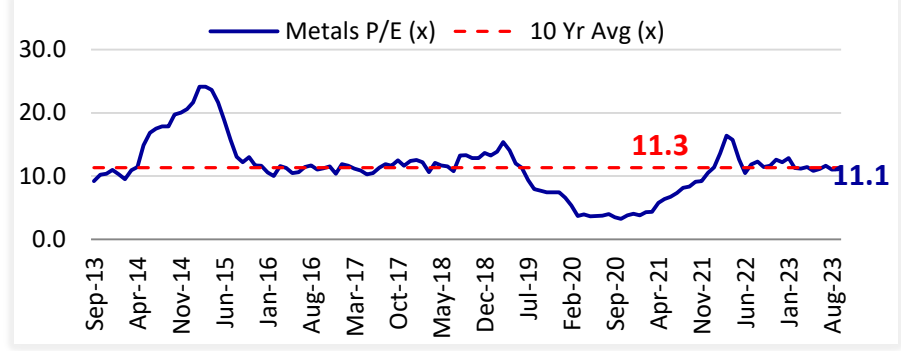
### Trend in EV-to-EBIDTA ratio – one-year forward



### Trend in P/B ratio – one-year forward

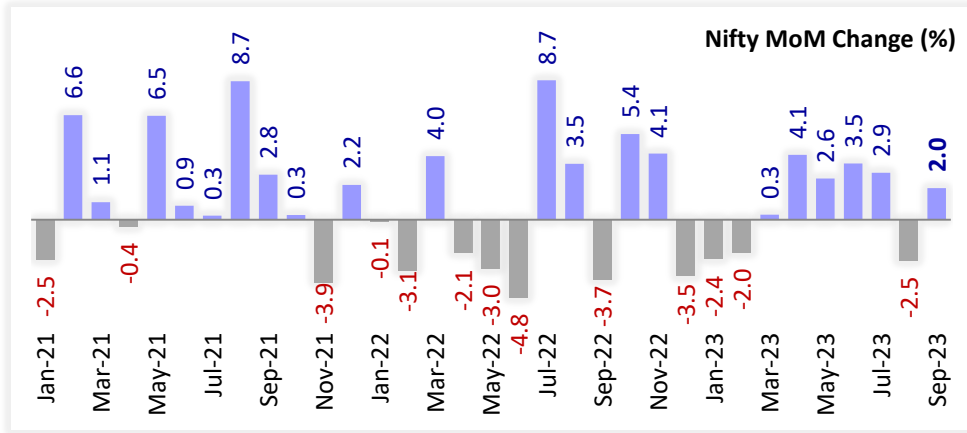


### Trend in P/E ratio – one-year forward

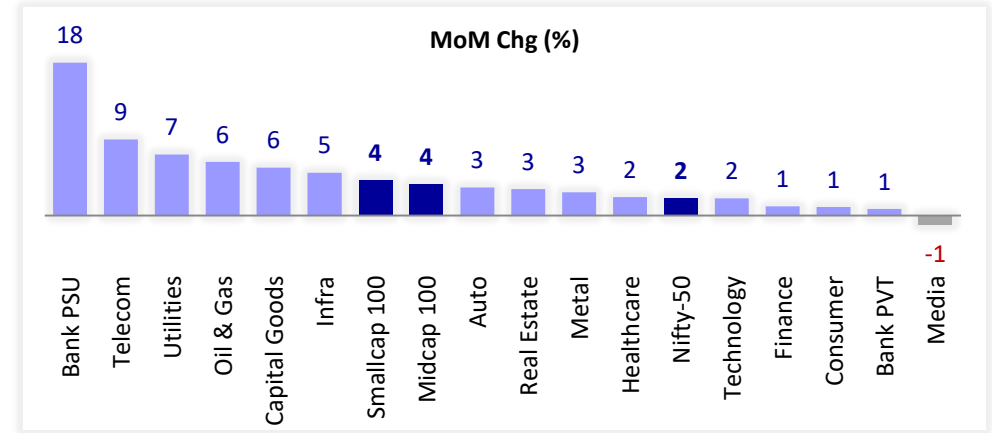


- The Nifty-50 reached the milestone of 20k in Sep'23 after a volatile and long journey from 18k to 19k. The index bounced back after declining in Aug'23. The index oscillated 967 points before closing 385 points (or 2% MoM) higher at 19,638. The Nifty is up 8.5% in CY23YTD.
- All major sectors ended higher – PSU Banks (+18%), Telecom (+9%), Utilities (+7%), Oil & Gas (+6%), and Capital Goods (+6%) were the top gainers. While, Media (-1%) was the only laggard.

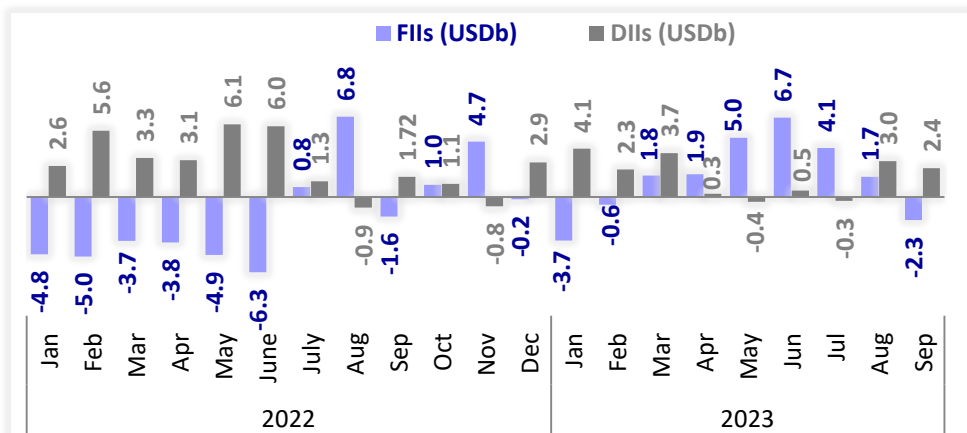
### Nifty MoM change (%) — Makes a comeback in Sep'23



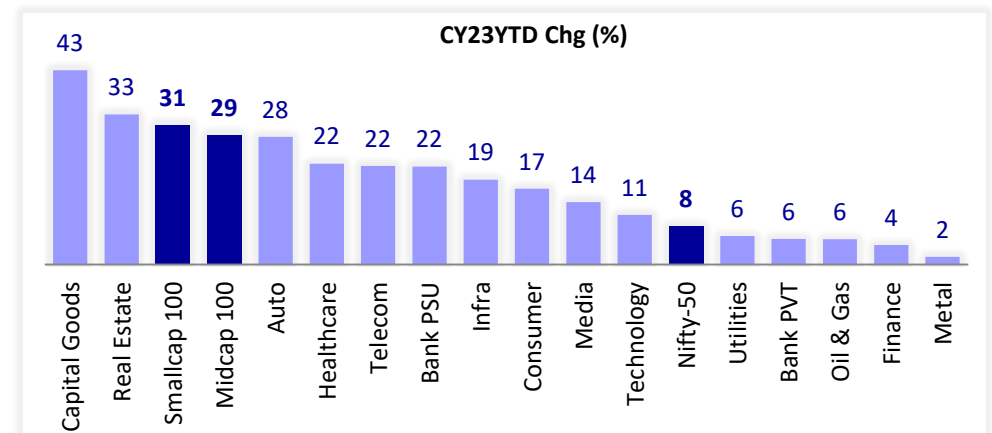
### Sectoral MoM change (%) – PSU Banks, Telecom, Utilities top gainers



### Institutional flows (USD b) – FIIs witness outflows in Sep'23 after six consecutive months of inflows; DII flows remain strong



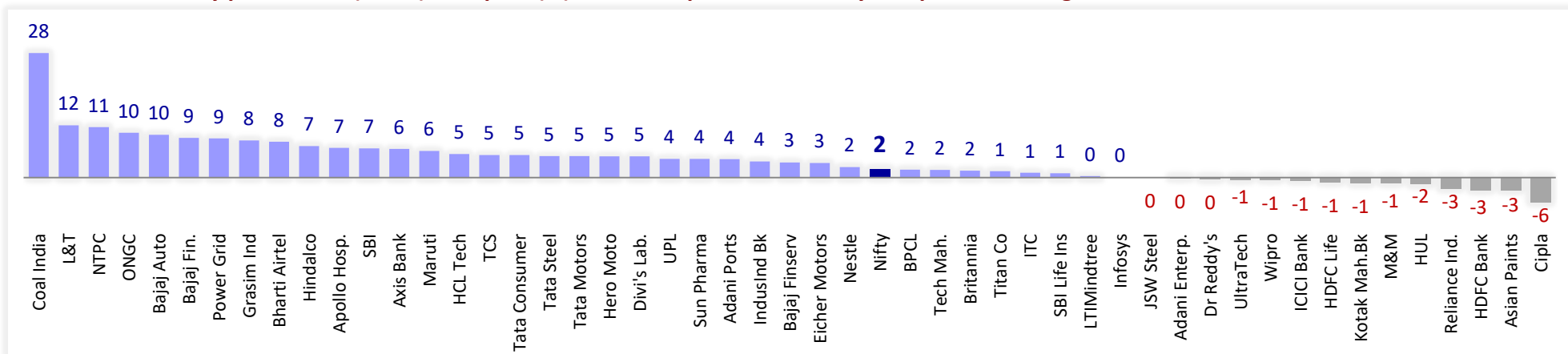
### Sectoral CY23YTD change (%) – Capital Goods, Real Estate, Automobiles, and Healthcare top gainers



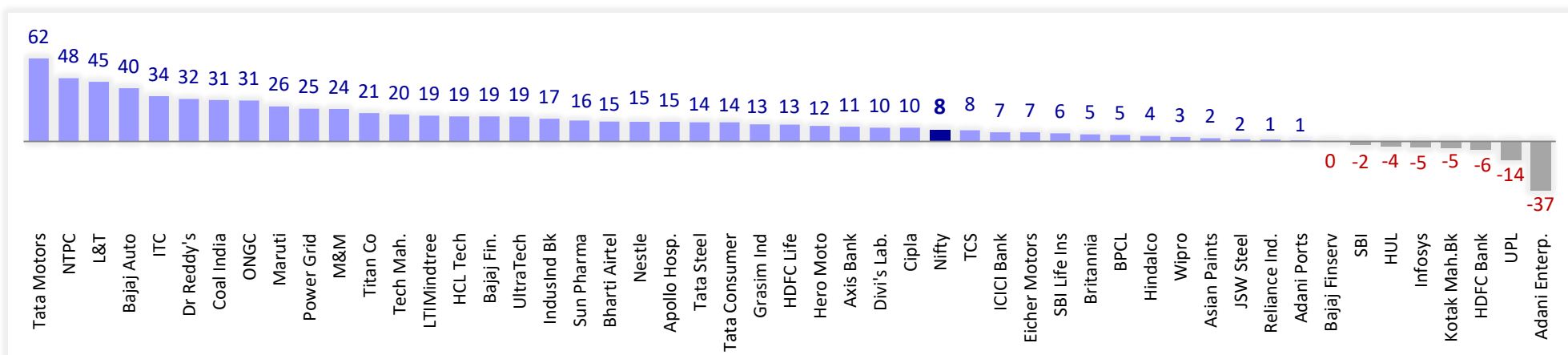


- **Best and worst Nifty performers in Sep'23:** Coal India (+28%), L&T (+12%), NTPC (+11%), ONGC (+10%), and Bajaj Auto (+10%) were the top performers, while Cipla (-6%), Asian Paints (-3%), HDFC Bank (-3%), Reliance Industries (-3%), and HUL (-2%) were the key laggards.
- **Best and worst Nifty performers in CY23YTD:** Tata Motors (+62%), NTPC (+48%), L&T (+45%), Bajaj Auto (+40%), and ITC (+34%) have been the top performers, while Adani Enterprises (-37%), UPL (-14%), HDFC Bank (-6%), Kotak Mahindra Bank (-5%), and Infosys (-5%) have been the key laggards.

### Best and worst Nifty performers (MoM) in Sep'23 (%) – Breadth positive; 36 Nifty companies end higher



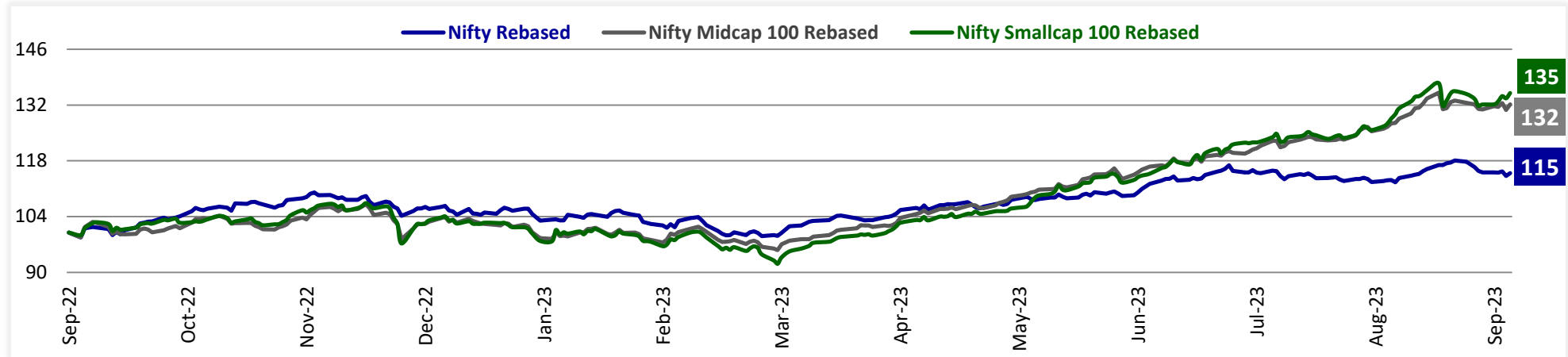
### Best and worst Nifty performers in CY23YTD (%) – 84% of the constituents trading higher



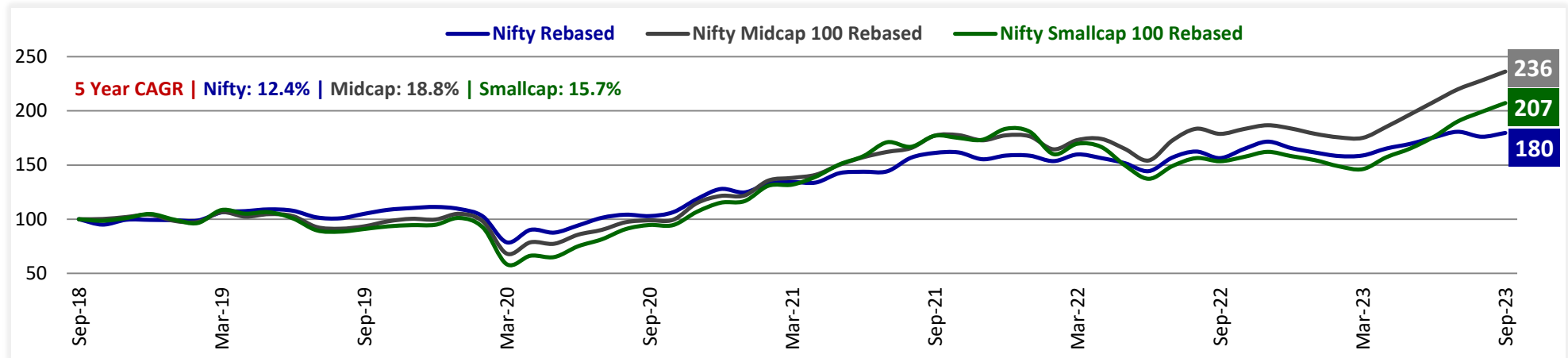


- During the last 12 months, midcaps and smallcaps have gained 35% and 32%, respectively, while largecaps have risen 15%. During the last five years, midcaps have outperformed largecaps by 56%, while smallcaps have outperformed largecaps by 27%.

### Performances of midcaps and smallcaps vs largecaps over the last 12 months

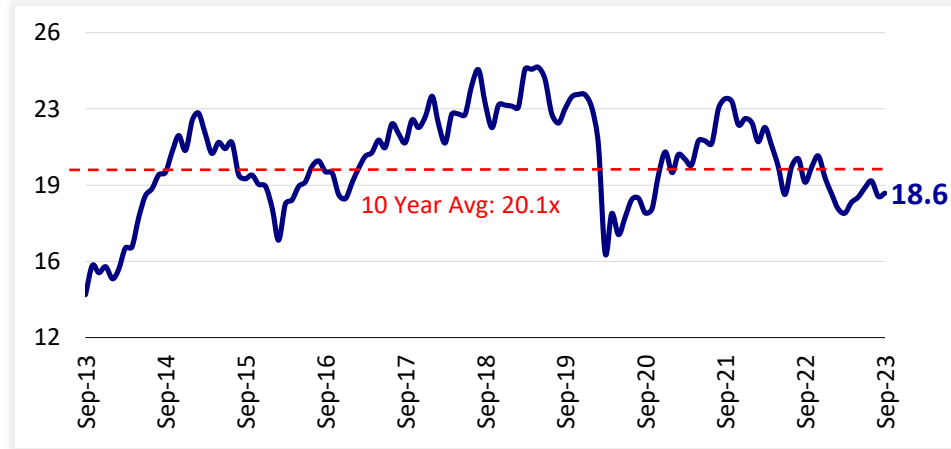


### Performances of midcaps and smallcaps vs largecaps over the last five years

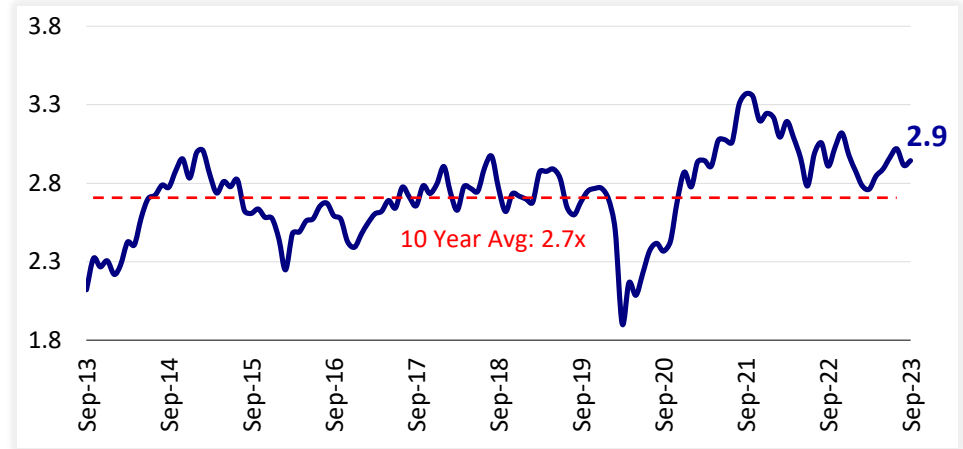


- The Nifty is trading at a 12-month forward P/E ratio of 18.6x, below its LPA of 20.1x (7% discount). Conversely, the P/B ratio – at 2.9x – is at an 8% premium to its historical average.
- The 12-month trailing P/E for the Nifty, at 22x, is at its LPA. At 3.3x, however, the 12-month trailing P/B ratio for the Nifty is above its historical average of 3.0x (12% premium).

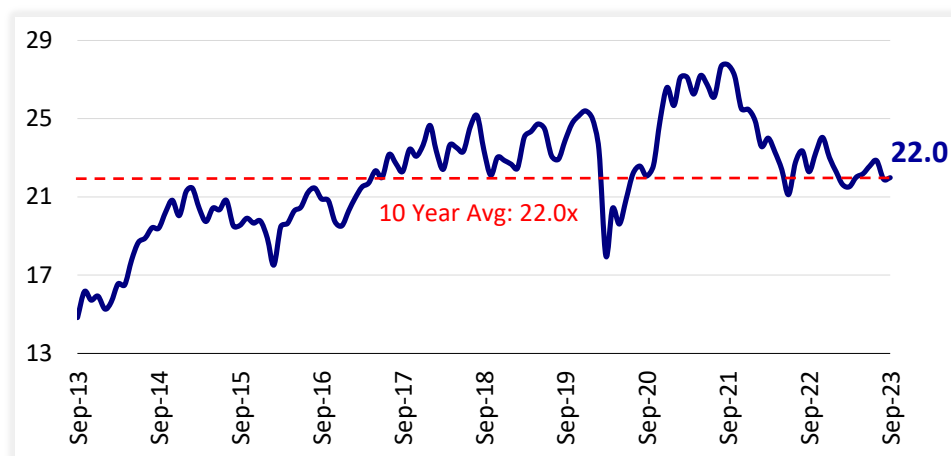
### 12-month forward Nifty P/E ratio (x)



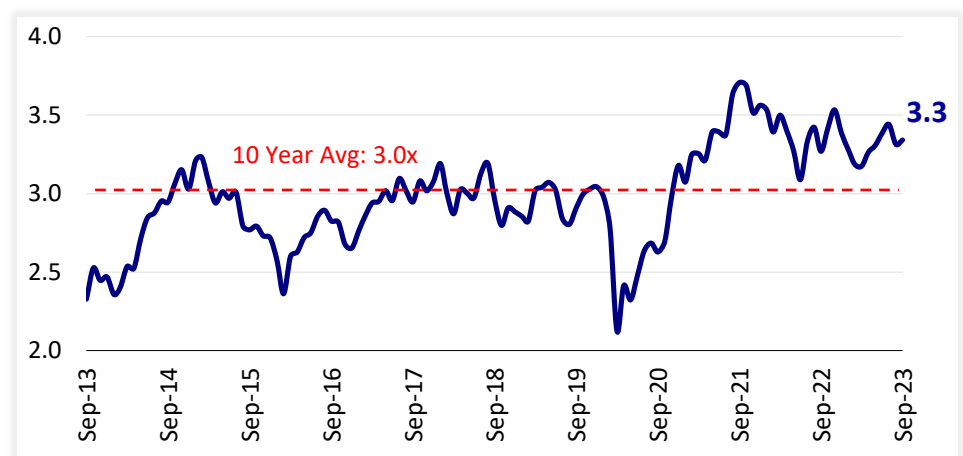
### 12-month forward Nifty P/B ratio (x)



### Trailing Nifty P/E ratio (x)

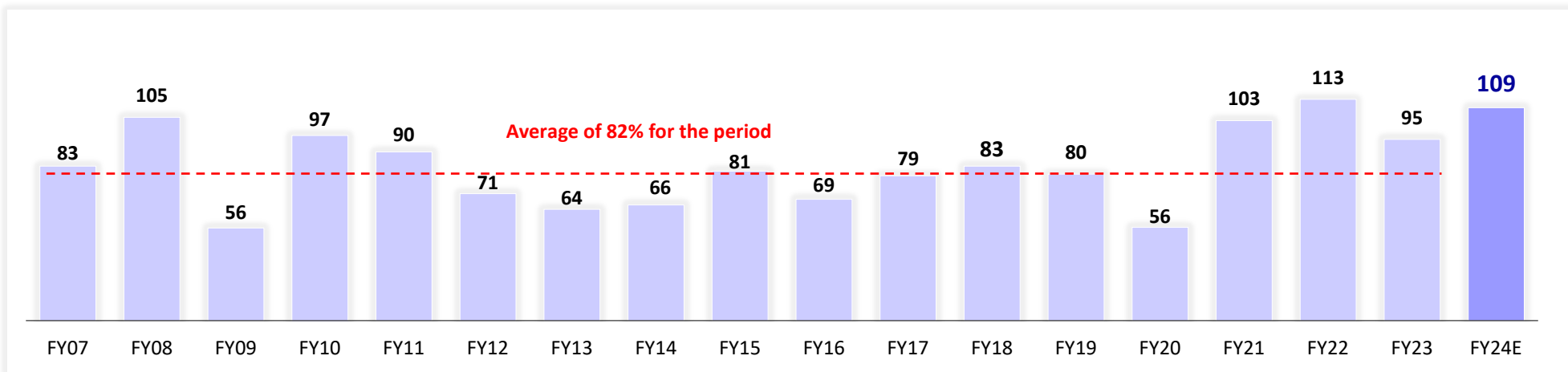


### Trailing Nifty P/B ratio (x)

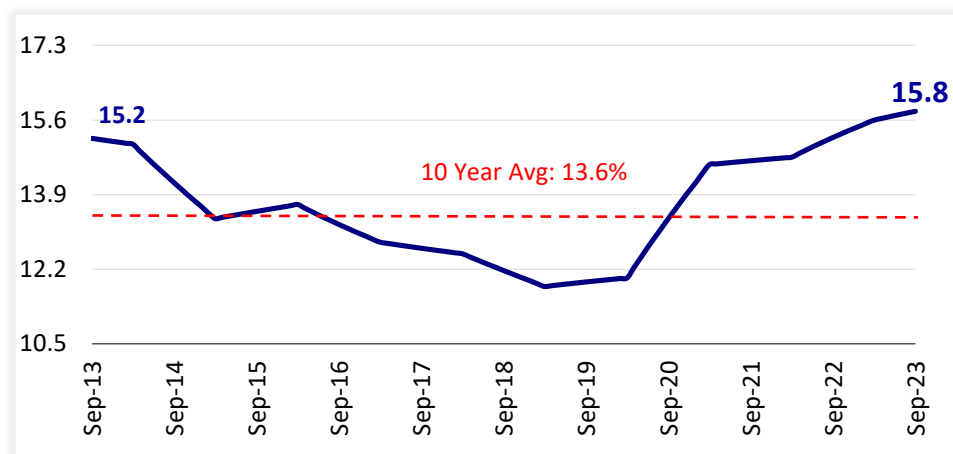


- India's market capitalization-to-GDP ratio has been volatile, plummeting to 56% (of FY20 GDP) in Mar'20 from 80% in FY19 and then sharply reviving to 113% in FY22; the ratio moderated to 95% in FY23 though. The ratio is now at 109% (of FY24E GDP), above its long-term average of 82%.
- The Nifty is trading at a 12-month forward RoE of 15.8%, above its long-term average.

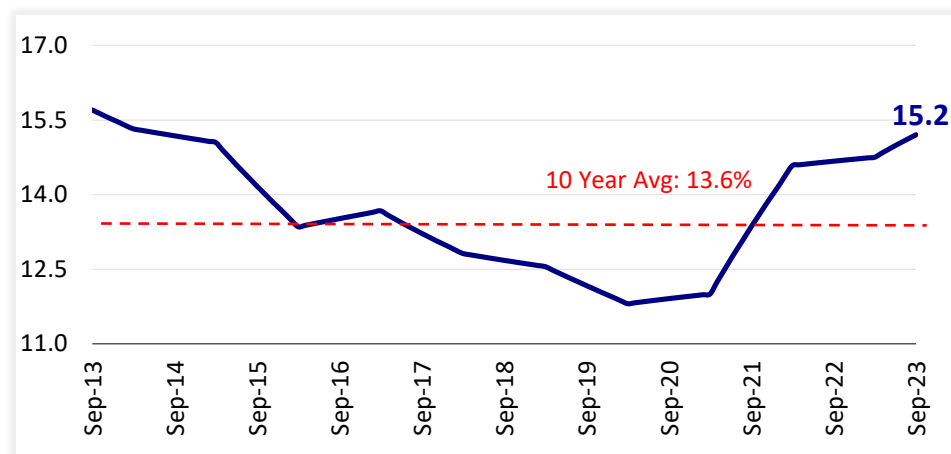
### India's market capitalization-to-GDP ratio (%) remains over 100%



### 12-month forward Nifty RoE (%)



### Trailing Nifty RoE (%)

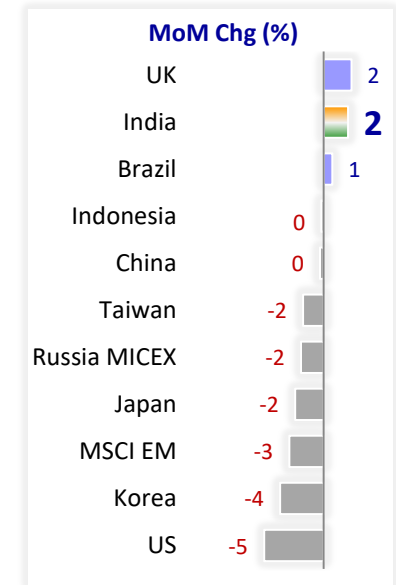


- In Sep'23, key global markets – the UK (+2%), India (+2%), and Brazil (+1%), ended higher in local currency terms. However, the US (-5%), Korea (-4%), MSCI EM (-3%), Japan (-2%), Russia (-2%), and Taiwan (-2%) ended lower.
- Indian equities have been trading at 20x FY24E earnings. Major key markets continue to trade at a discount to India.

### India (Nifty) vs. other markets

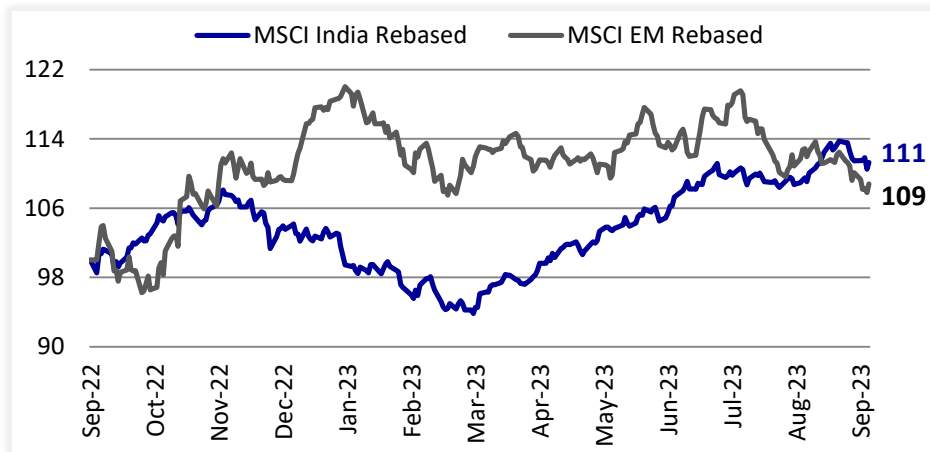
	Index Value	Mkt Cap (USD T)	CY23YTD Chg (%)		PE (x)		Prem / Disc to India PE (%)		PB (x)		RoE (%)	
			Local Currency	In USD	CY22 / FY23	CY23E / FY24E	CY22 / FY23	CY23E / FY24E	CY22 / FY23	CY23E / FY24E	CY22 / FY23	CY23E / FY24E
US	4,288	45.7	12	12	19.2	19.2	-21	-4	4.4	3.8	19.4	18.1
MSCI EM	953	19.6	0	0	11.9	13.3	-51	-34	1.6	1.5	12.9	11.2
China	3,110	9.6	1	-5	13.3	11.3	-46	-43	1.4	1.2	9.9	11.0
Japan	31,858	5.8	22	7	22.2	20.7	-9	4	1.9	1.7	8.4	8.0
<b>India</b>	<b>19,638</b>	<b>3.7</b>	<b>8</b>	<b>8</b>	<b>24.3</b>	<b>20.0</b>			<b>3.6</b>	<b>3.1</b>	<b>14.8</b>	<b>15.6</b>
UK	7,608	2.9	2	3	10.8	10.7	-55	-47	1.7	1.7	13.0	15.2
Taiwan	16,354	1.8	16	10	12.0	17.9	-51	-10	2.1	2.1	17.4	11.8
Korea	2,465	1.7	10	3	10.8	14.5	-56	-28	0.9	0.9	7.8	6.0
Brazil	1,16,565	0.8	6	12	6.2	8.7	-75	-57	1.6	1.3	25.6	15.1
Indonesia	6,940	0.7	1	1	15.0	14.5	-38	-28	2.0	1.8	13.2	12.6
Russia	5,812	0.6	44	9	4.6	5.0	-81	-75	0.9	0.7	18.8	14.4

Source: Bloomberg/MOFSL

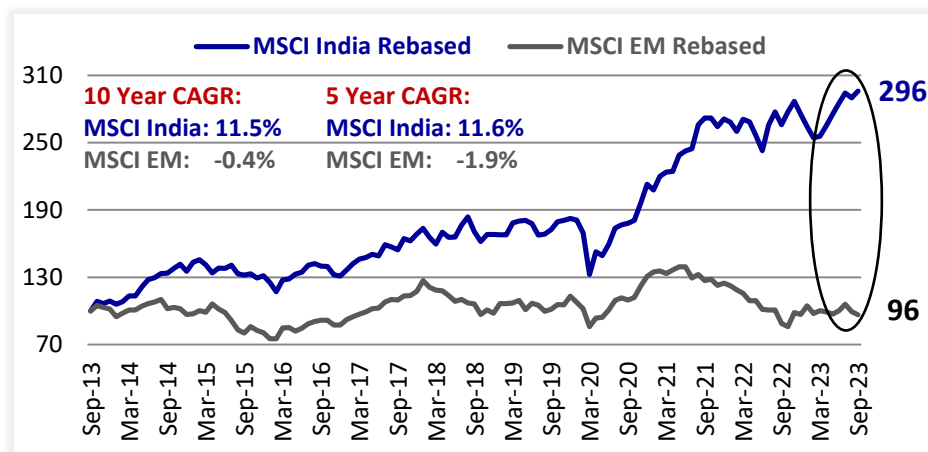


- Over the last 12 months, the MSCI India index (+11%) has outperformed the MSCI EM index (+9%). Over the last 10 years, the former has notably outperformed the MSCI EM index by 200%.
- In P/E terms, the MSCI India index is trading at premium to the MSCI EM index, above its historical average.

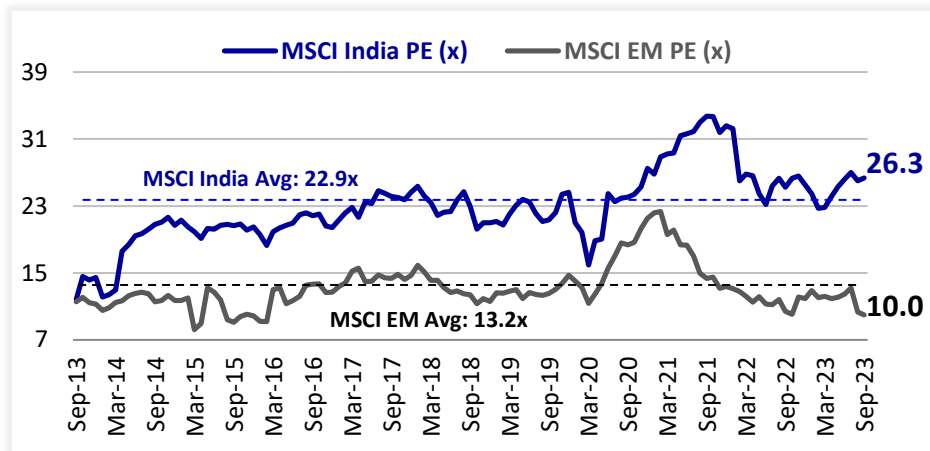
### Performance of MSCI EM vs. MSCI India over the last 12 months



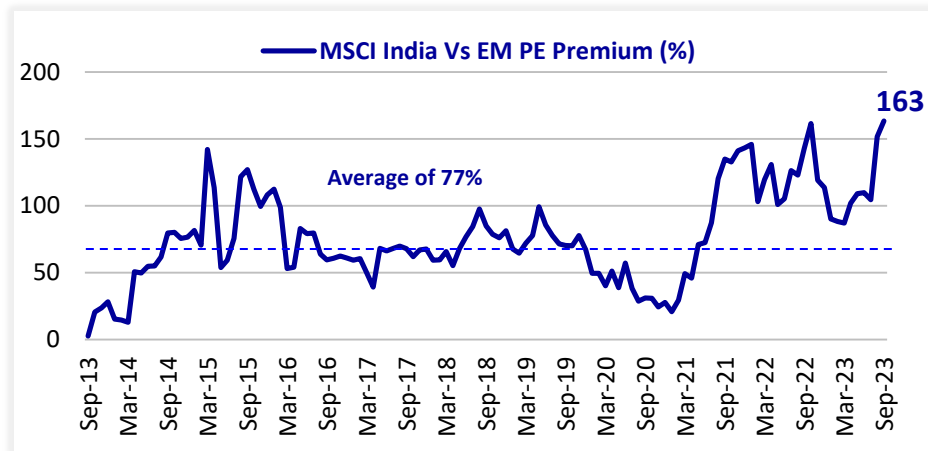
### MSCI India outperforms MSCI EM by 200% over the last 10 years



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



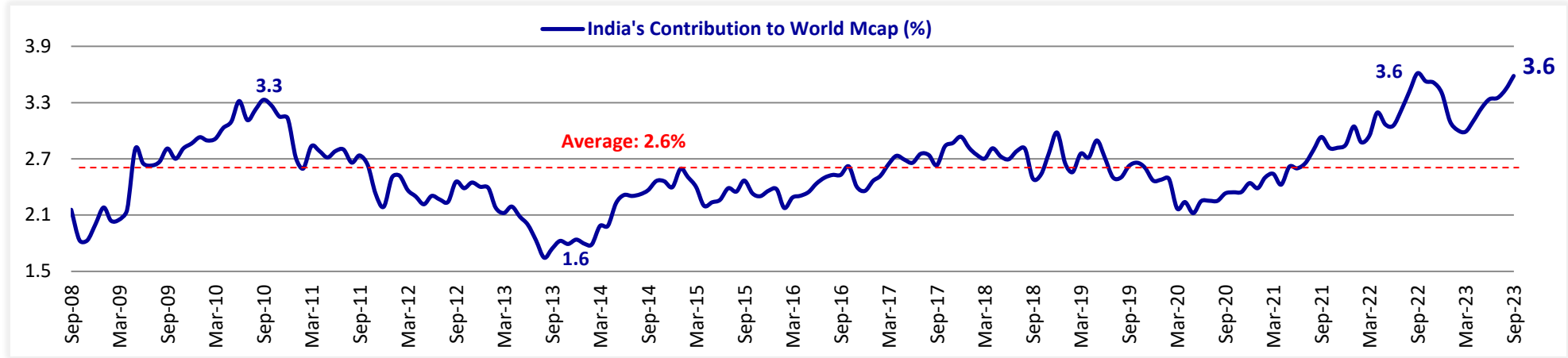
### In P/E terms, MSCI India trades at a premium (%) to MSCI EM



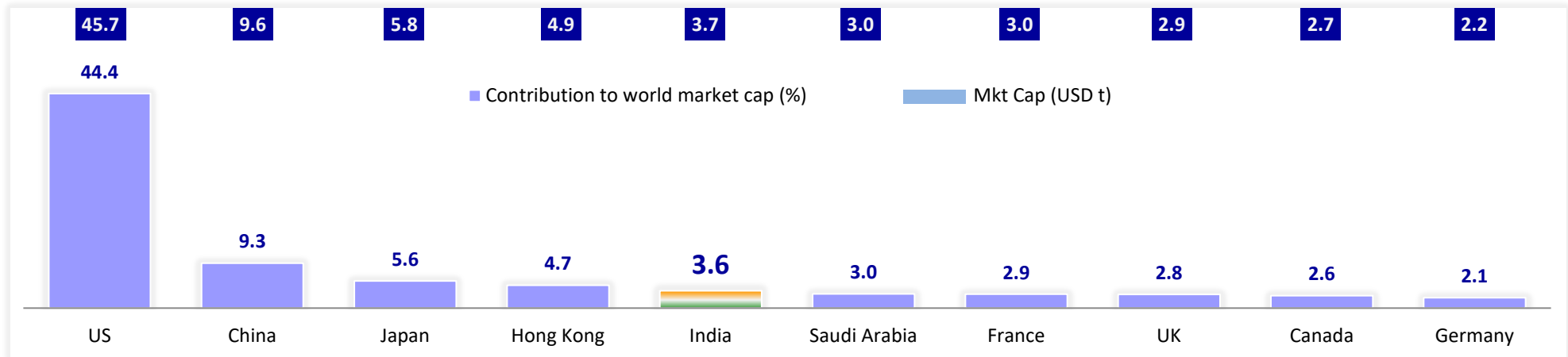
Source: Bloomberg

- India's share in the world M-cap stood at 3.6% - at its all-time high and above its historical average of 2.6%.
- India is among the top 10 contributors to global market cap. The top 10 contributors accounted for ~81% of global market cap in Sep'23.

### Trend in India's contribution to global Mcap (%) – at its all-time high



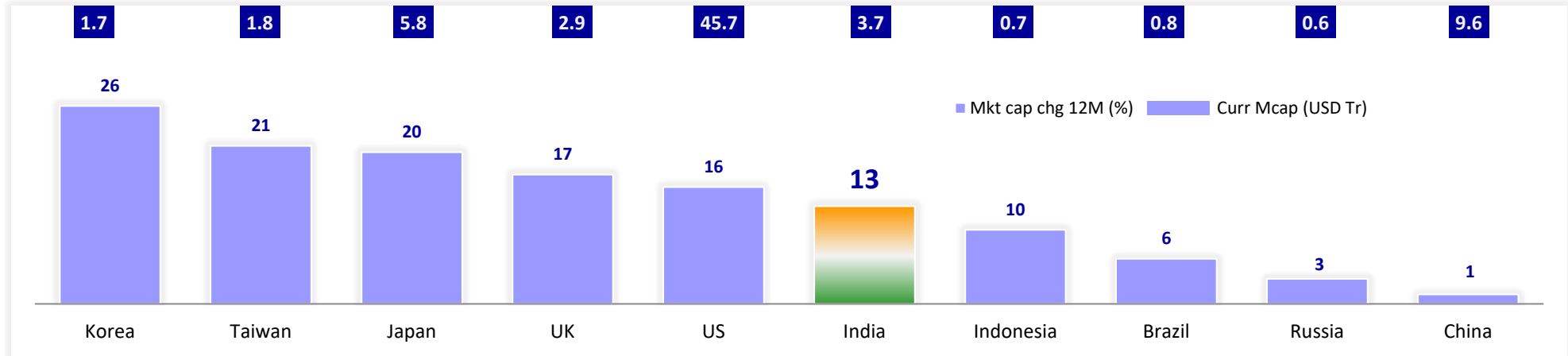
### Top 10 countries constitute ~81% of global Mcap in Sep'23



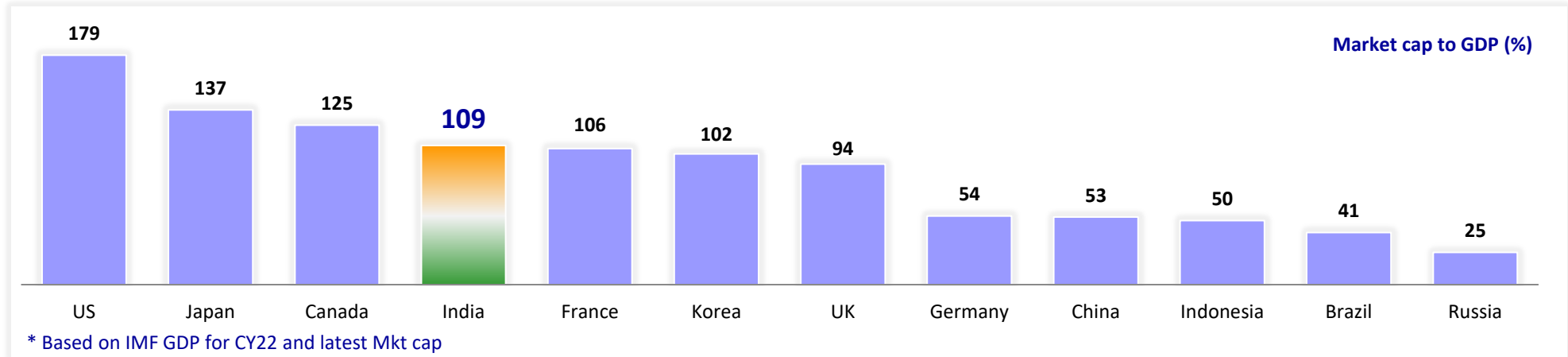
Source: Bloomberg

- Over the last 12 months, while global market cap increased 13.9% (USD12.5t), India's market cap surged 13.0%.
- All key global markets witnessed a rise in market cap over the last 12 months.

### Change in Mcap over the last 12 months (%)



### Global market capitalization-to-GDP ratio (%)



Source: Bloomberg, IMF's



- **Companies trading at a significant premium to their historical average:** Grasim Industries (+56%), Divi's Labs (+52%), Reliance Industries (+42%), Tech Mahindra (+32%), and LTIMindtree (+27%).
- **Companies trading at a significant discount to their historical average:** ONGC (-45%), BPCL (-41%), Tata Steel (-38%), Apollo Hospital (-31%), and Eicher Motors (-28%).

### 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	17.6	17.5	1	-5	-13	5.1	4.3	19	74	57
Eicher Motors	Auto	22.5	31.5	-28	21	56	4.9	7.2	-32	67	165
Hero MotoCorp	Auto	15.8	18.2	-13	-15	-9	3.2	4.7	-32	8	72
Mahindra & Mahindra	Auto	17.3	18.5	-6	-7	-8	3.4	2.7	25	14	-2
Maruti Suzuki	Auto	24.9	29.3	-15	34	46	4.3	4.0	8	46	46
Tata Motors	Auto	NA	16.9	NA	NA	-16	3.6	2.1	68	21	-23
Axis Bank	Banks - Private	12.0	37.9	-68	-35	88	1.8	1.9	-8	-39	-29
HDFC Bank	Banks - Private	16.9	20.6	-18	-9	3	2.5	3.3	-24	-16	19
ICICI Bank	Banks - Private	16.0	21.2	-24	-14	5	2.7	2.0	31	-10	-26
IndusInd Bank	Banks - Private	10.4	18.8	-45	-44	-7	1.6	2.5	-34	-45	-9
Kotak Mahindra Bank	Banks - Private	17.9	27.0	-34	-4	34	2.5	3.3	-26	-16	22
State Bank	Banks - PSU	7.3	12.7	-42	-61	-37	1.2	1.1	10	-59	-60
Bajaj Finance	Banks - NBFC	28.8	29.2	-1	55	45	6.4	5.2	24	117	89
HDFC Life Ins	Banks - Insurance	77.8	84.8	-8	317	321	2.7	4.0	-34	-10	48
SBI Life Ins	Banks - Insurance	63.7	58.5	9	242	191	2.1	2.4	-14	-29	-10
Grasim Inds	Cement	20.7	13.2	56	11	-34	2.6	1.8	49	-11	-35
Ultratech Cement	Cement	31.2	32.7	-5	67	63	3.7	3.4	10	27	24
Asian Paints	Consumer	54.1	53.1	2	190	164	16.9	14.0	21	472	412
Britannia Inds.	Consumer	47.4	43.2	10	154	114	29.1	18.7	55	887	586
Hind. Unilever	Consumer	49.5	50.4	-2	166	151	12.2	24.7	-50	315	803
ITC	Consumer	24.4	24.1	1	31	20	7.5	5.9	27	156	118
Nestle India	Consumer	68.2	58.4	17	266	190	85.3	46.5	83	2796	1603
Tata Consumer	Consumer	51.2	43.4	18	175	116	4.5	2.8	58	52	3

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	54.1	78.4	-31	190	289	9.0	6.1	46	205	124
Cipla	Healthcare	24.9	28.1	-11	34	40	3.4	3.3	4	17	21
Divi's Lab.	Healthcare	49.3	32.5	52	165	62	6.8	6.0	12	130	120
Dr Reddy' s Labs	Healthcare	19.3	25.9	-26	3	29	3.1	3.6	-13	7	32
Sun Pharma	Healthcare	26.5	30.3	-13	42	50	4.0	4.1	-1	37	49
Coal India	Metals	8.6	10.7	-20	-54	-47	2.5	4.8	-48	-15	76
Hindalco	Metals	11.2	9.5	18	-40	-53	1.3	1.1	23	-55	-60
JSW Steel	Metals	13.0	14.5	-10	-30	-28	2.3	1.7	35	-22	-37
Tata Steel	Metals	12.2	19.7	-38	-35	-2	1.5	1.2	20	-50	-55
BPCL	Oil & Gas	5.5	9.3	-41	-71	-54	1.1	1.8	-40	-62	-33
ONGC	Oil & Gas	4.4	8.1	-45	-76	-60	0.7	1.0	-23	-75	-65
Reliance Inds.	Oil & Gas	20.6	14.5	42	10	-28	1.6	1.4	16	-45	-48
Titan Co	Retail	63.5	54.5	17	241	171	17.3	12.1	43	489	343
HCL Technologies	Technology	19.8	15.6	27	6	-23	5.2	3.7	41	77	36
Infosys	Technology	22.0	19.6	12	18	-3	7.8	5.2	50	166	91
LTIMindtree	Technology	28.3	22.2	27	52	10	7.2	10.1	-28	146	269
TCS	Technology	25.2	23.1	9	35	15	14.9	9.3	61	408	241
Tech Mahindra	Technology	21.3	16.2	32	15	-19	3.7	3.1	19	26	14
Wipro	Technology	17.7	17.1	4	-5	-15	2.9	2.9	0	0	8
Bharti Airtel	Telecom	NA	32.6	NA	NA	62	4.4	3.0	46	49	10
UPL	Others	9.7	13.0	-25	-48	-35	0.9	2.4	-63	-69	-11
<b>Nifty</b>		<b>18.6</b>	<b>20.1</b>	<b>-7</b>			<b>2.9</b>	<b>2.7</b>	<b>8</b>		

- In Sep'23, the Nifty Midcap 100 gained 3.6% as against a rise of 2.0% MoM for the Nifty.
- The best Nifty Midcap-100 performers in Sep'23 were Union Bank (24%), NMDC (20%), Macrotech (19%), Indian Bank (+12%), and Petronet (+11%).

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	CY23YTD
Union Bank (I)	5.3	6.2	-15	-72	-69	0.8	0.6	48	-72	-80	24	32
NMDC	8.2	5.9	38	-56	-71	1.6	1.1	42	-45	-59	20	20
Macrotech Devel.	37.2	31.6	18	99	57	5.1	3.8	33	74	41	19	47
Indian Bank	6.4	9.9	-35	-66	-51	1.0	0.6	74	-67	-80	12	48
Petronet LNG	12.4	12.7	-2	-33	-37	2.1	2.6	-21	-29	-3	11	11
Aurobindo Pharma	17.4	15.3	14	-7	-24	1.7	2.8	-38	-41	2	10	109
Balkrishna Inds	31.2	20.9	49	67	4	5.5	3.7	51	88	34	10	20
LIC Housing Fin.	5.8	10.0	-42	-69	-51	0.8	1.4	-44	-73	-48	10	12
Bandhan Bank	9.5	25.0	-62	-49	24	1.7	3.4	-50	-41	26	10	7
Oil India	6.6	7.4	-10	-64	-63	0.9	0.8	7	-70	-70	9	44
Indus Towers	8.5	19.2	-56	-55	-5	1.7	3.4	-49	-42	24	9	1
Tata Comm	32.8	27.6	19	76	37	15.9	26.2	-39	442	861	8	52
Persistent Sys	34.5	23.2	48	85	15	8.5	3.8	123	187	39	8	50
Ipca Labs.	32.8	32.2	2	76	60	3.5	3.6	-2	20	32	7	11
Lupin	37.2	39.7	-6	99	97	3.7	4.0	-8	25	46	7	60
Tata Chemicals	14.2	9.4	50	-24	-53	1.2	0.7	60	-59	-73	-3	10
Page Industries	60.6	62.4	-3	225	210	24.3	27.1	-10	726	891	-3	-9
APL Apollo Tubes	38.1	21.9	74	105	9	10.2	4.6	123	245	67	-3	49
Ashok Leyland	16.3	22.8	-28	-12	13	4.3	3.7	15	45	36	-4	23
Max Healthcare	35.3	29.7	19	90	48	5.3	4.1	30	81	50	-4	29
Gland Pharma	29.3	42.4	-31	57	111	3.0	5.2	-43	0	89	-4	6
Deepak Nitrite	29.3	18.7	56	57	-7	5.4	3.4	58	84	26	-4	7
Bata India	47.9	45.8	5	157	127	10.0	8.7	15	241	220	-5	-2
Apollo Tyres	12.1	13.8	-12	-35	-32	1.2	1.1	11	-58	-59	-5	14
Godrej Propert.	43.3	71.8	-40	133	257	4.1	4.9	-16	39	79	-6	27
Gujarat Gas	22.0	24.0	-8	18	19	3.5	4.7	-26	19	73	-6	-13
Prestige Estates	31.4	21.9	43	68	9	2.1	1.7	17	-30	-36	-6	30
Coforge	28.3	20.6	38	52	2	7.8	4.4	75	164	63	-7	31
Poonawalla Fin	24.9	24.6	1	33	22	2.7	1.8	51	-10	-36	-9	23
Navin Fluo.Intl.	31.7	25.2	26	70	25	6.5	4.2	54	119	54	-18	-7

- PSU Banks sector is trading at a P/B of 1.1x, at a 30% premium to its historical average of 0.8x. Earnings for PSU Banks have remained healthy, driven by all-round improvement in key indicators such as margins, operating profitability, and credit costs. SMA pool remains in control, which, coupled with limited slippages from the restructuring and ECLGS books, augurs well for credit costs. Net NPA ratio for select PSBs have declined to <1% and this will enable further moderation in provisioning expenses though higher opex due to wage revisions has affected core PPop adversely.
- The Consumer sector's P/E, at 41.7x, implies a 4% premium to its 10-year average of 40x. On a P/B basis, it is trading at 11.5x, at a premium of 13% against its historical average of 10.2x. With premiumization, the urban market is continuing its upward momentum. However, we are unclear about the rural demand and need to watch out for early green shoots of demand pick-up. Margins are expected to improve in 2QFY24 as key commodity costs have corrected. However, we are beginning to observe signs of a trend reversal that could potentially result in reduced profitability.
- Technology is trading at a P/E ratio of 23.2x, at an 18% premium to its long-term average of 19.6x. IT Services space continues to face near-term challenges on account of weak macro environment. Clients continue to defer spends, thereby impacting discretionary spends adversely.

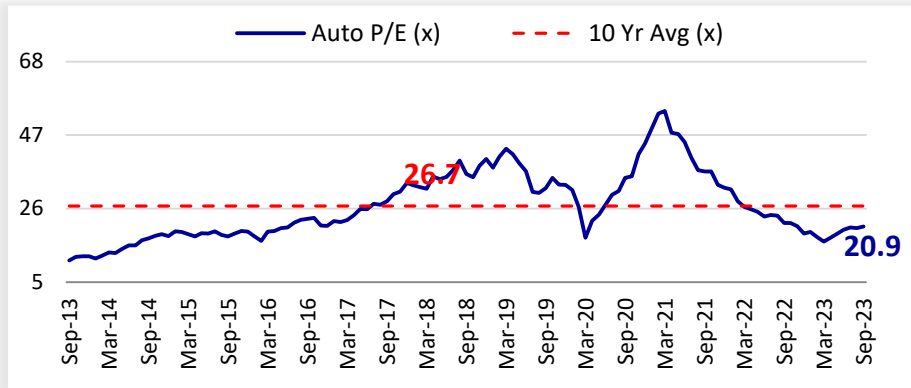
### Sector valuations at a glance

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	20.9	26.7	-21.8	36.4	17.0	12	31	4.0	3.3	19.8	3.8	2.8	36	22
Banks - Private	15.3	20.8	-26.4	26.4	15.2	-18	2	2.4	2.5	-6.2	2.8	2.2	-20	-8
Banks - PSU	6.8	10.4	-34.6	41.0	-20.2	-64	-52	1.1	0.8	30.3	1.0	0.6	-64	-70
NBFC	17.4	16.6	5.0	19.9	13.3	-7	-18	2.7	2.3	16.6	2.7	1.8	-10	-17
Cement	28.7	26.5	8.5	31.7	21.2	54	32	3.0	2.7	10.4	3.1	2.3	2	0
Consumer	41.7	40.0	4.2	43.9	36.2	124	100	11.5	10.2	12.7	11.0	9.5	292	277
Consumer Ex ITC	51.1	49.4	3.4	57.2	41.7	174	147	13.3	13.1	2.0	14.4	11.7	353	381
Healthcare	27.0	26.4	2.5	30.5	22.2	45	32	3.8	3.9	-3.6	4.7	3.1	27	44
Infrastructure	16.9	9.2	83.2	13.9	4.6	-9	-54	1.6	1.1	41.0	1.6	0.7	-46	-59
Logistics	29.1	32.4	-9.9	38.8	25.9	56	61	4.2	3.9	8.1	4.6	3.2	44	43
Media	20.2	25.1	-19.5	29.6	20.5	8	25	2.2	4.2	-46.4	6.0	2.4	-24	56
Metals	11.1	11.3	-2.1	15.7	7.0	-40	-43	1.7	1.2	32.6	1.6	0.9	-44	-55
Oil & Gas	11.4	12.3	-6.9	14.8	9.8	-39	-39	1.4	1.4	-3.9	1.6	1.3	-53	-47
Oil & Gas Ex RIL	5.9	9.2	-35.5	12.5	5.9	-68	-54	1.0	1.2	-21.6	1.5	1.0	-67	-54
Sp. Chemicals	32.5	20.6	57.9	32.1	9.0	74	2	5.3	3.8	40.0	5.9	1.7	80	35
Real Estate	29.5	22.0	33.7	30.0	14.1	58	10	3.0	1.5	100.2	2.1	0.9	2	-46
Retail	68.0	83.6	-18.6	149.2	18.0	265	318	12.4	9.1	37.4	12.8	5.3	323	226
Technology	23.2	19.6	18.2	24.0	15.3	24	-2	7.6	5.4	42.1	6.8	3.9	158	94
Telecom	Loss	20.3	-	87.4	-46.7		7	19.1	7.4	157.1	14.3	0.5	0	85

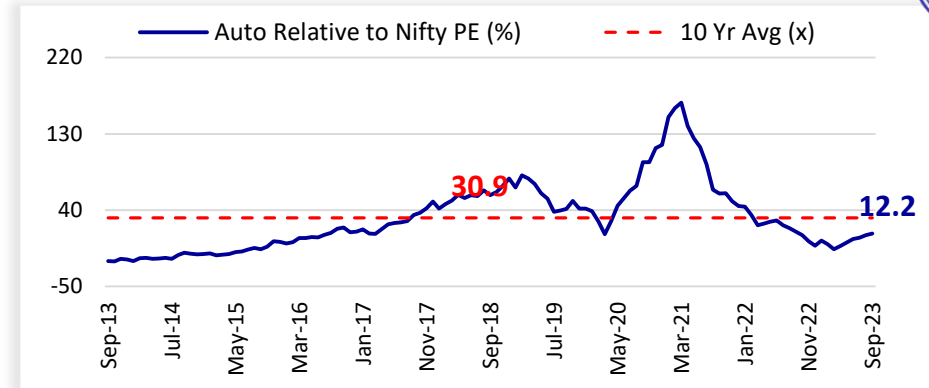


- The Auto sector is trading at a P/E of 20.9x, below its 10-year historical average of 26.7x (22% discount). On a P/B basis, it is trading at a 20% premium to its 10-year average of 3.3x.
- Overall dispatches for 2Ws/PVs/3Ws/CVs grew 1%/4%/27%/9% YoY during the month, while tractor volumes declined 11% YoY.
- Overall dispatches for 2Ws/tractors were in line, PVs disappointed while CVs surprised. Domestic 2W wholesales were flat YoY while exports remained a mixed bag as per OEMs. Demand for UVs remained strong but entry-level models continued to display weakness for PVs. Dispatches for CVs surprised; grew 18% YoY for MHCVs while LCVs remained flat YoY. As we enter the peak festival season, we expect wholesale growth to remain strong across categories except tractors. Rural demand going forward would be a key monitorable as monsoons (though below average) have seen a catch-up in Sep'23, which augurs well for Rabi sowing.

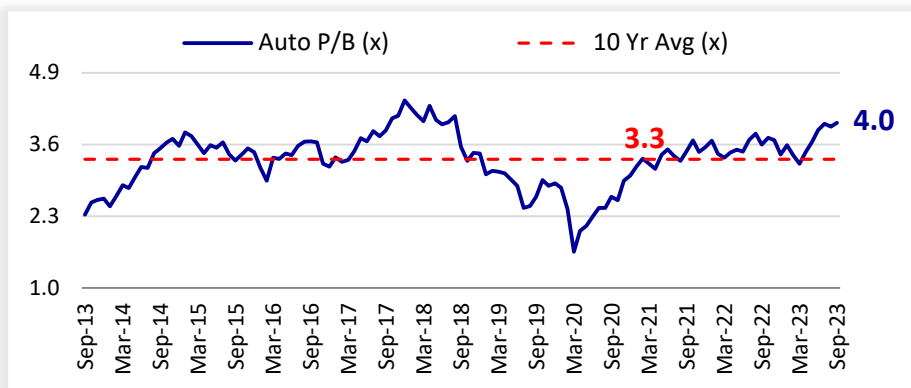
### 12-month forward Automobiles P/E (x)



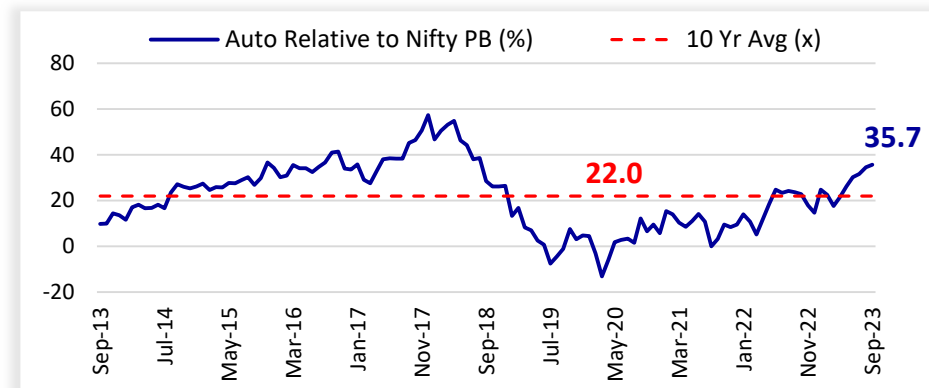
### Automobile P/E relative to Nifty P/E (%)



### 12-month forward Automobiles P/B (x)



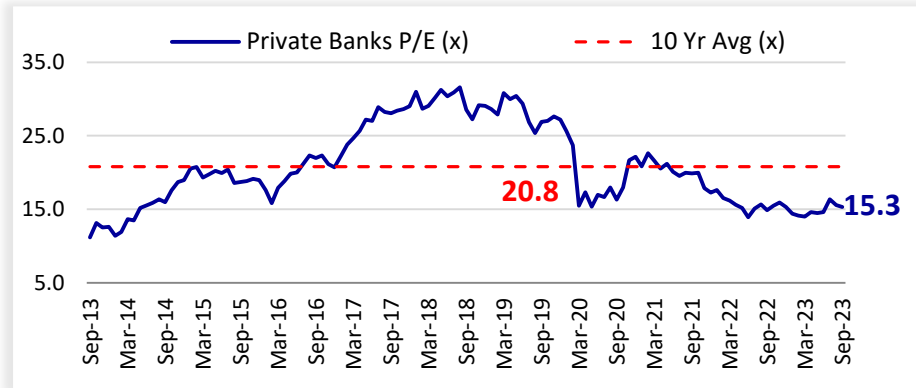
### Automobile P/B relative to Nifty P/B (%)



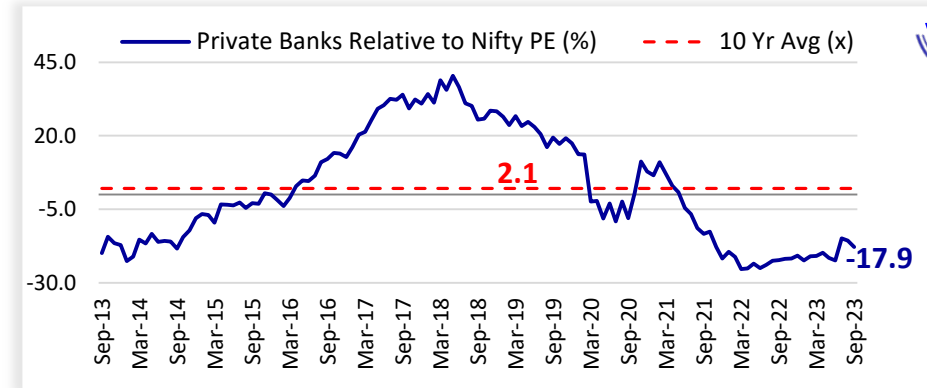


- The Private Banks sector is trading at a P/B of 2.4x, near its 10-year average of 2.5x, while its ROE is near a 10-year high of 15.4%.
- Loan growth remains robust, primarily propelled by steady progress in the Retail and SME sectors. Nonetheless, the Corporate segment has experienced more restrained growth, although certain banks have noted an increase in the sanction pipeline.
- The first half of FY24 has shown positive signs as systemic credit expanded 5.6%. Systemic loan growth remained healthy at 15.1% YoY in Sep'23. Credit growth in the real estate sector stood robust at 39% YoY.
- With the RBI likely to maintain policy rates, we expect systemic interest rates to stay elevated for a prolonged period. Hence, the focus will remain on garnering granular deposits. The increase in deposit costs resulting from re-pricing and rising mix of term deposits will continue to exert pressure on margins over the next few quarters.

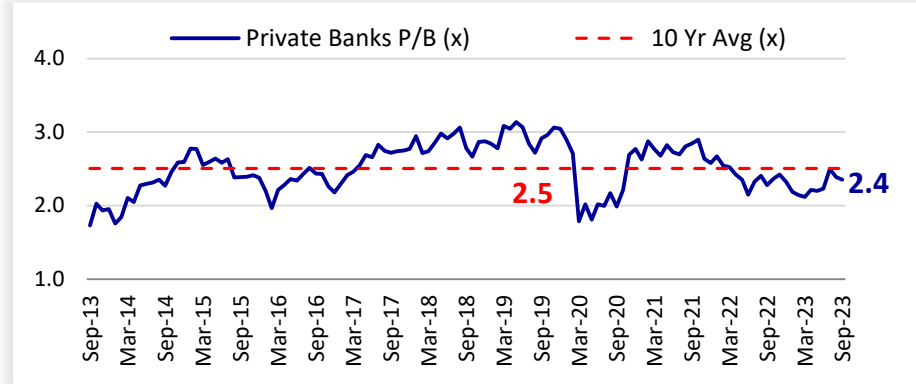
### 12-month forward Private Banks P/E (x)



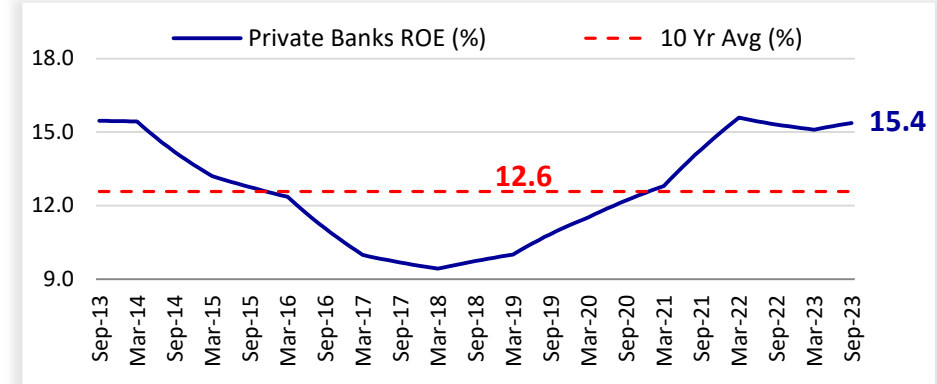
### Private Banks P/E relative to Nifty P/E (%)



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



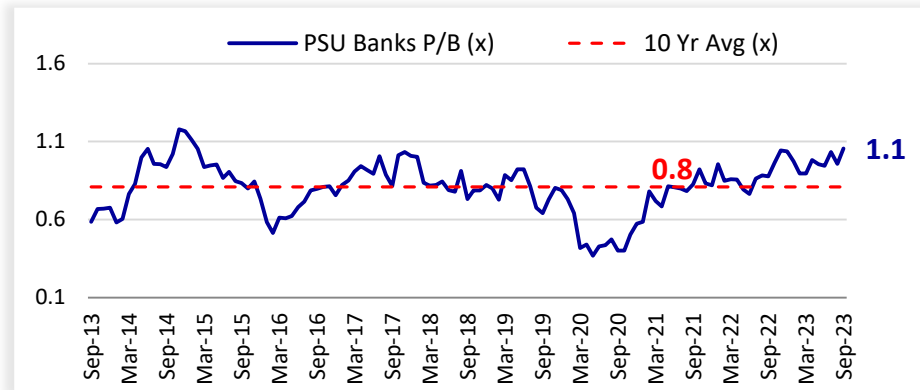
### Private Banks ROE (%)



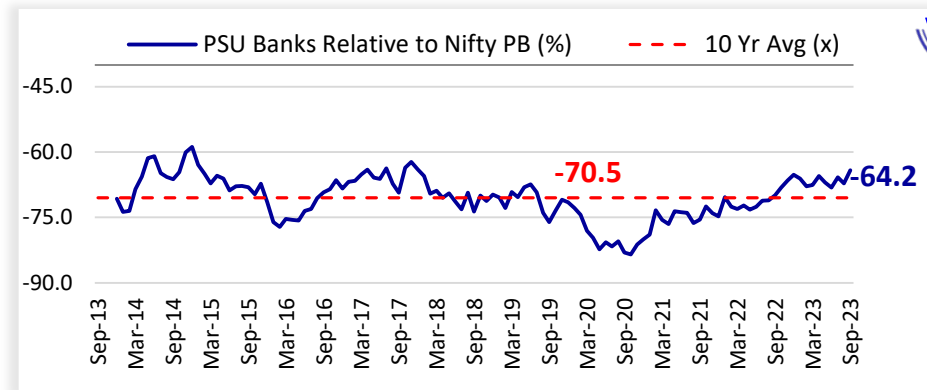


- PSU Banks sector is trading at a P/B of 1.1x, at a 30% premium to its historical average of 0.8x.
- Earnings for the PSU Banks have remained healthy, driven by all-round improvement in key indicators such as margins, operating profitability, and credit costs. SMA pool remains in control, which, coupled with limited slippages from the restructuring and ECLGS books, augurs well for credit costs. Net NPA ratio for select PSBs has declined to <1% and this will enable further moderation in provisioning expenses though higher opex due to wage revisions has hurt core PPOp.
- Margins may have likely peaked as the liability re-pricing drives sharp rise in funding costs; however, PSUs are well placed on loan re-pricing vs. Private Banks due to higher MCLR-linked book. Additional provisioning owing to ECL transition will be a key monitorable.

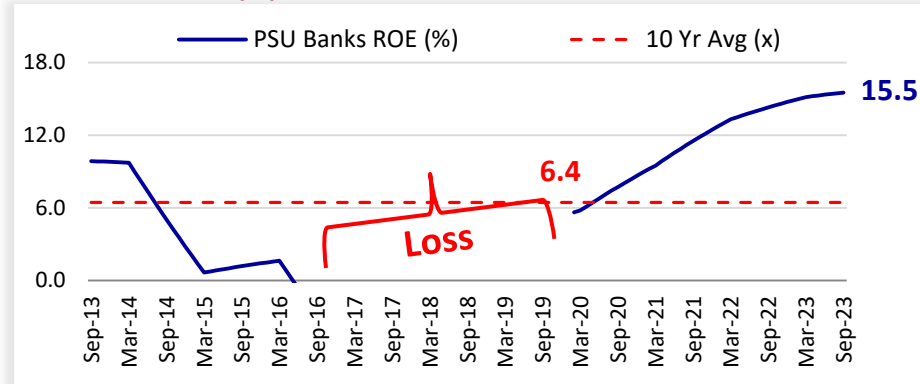
### 12-month forward PSU Banks P/B (x)



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



### PSU Banks ROE (%)

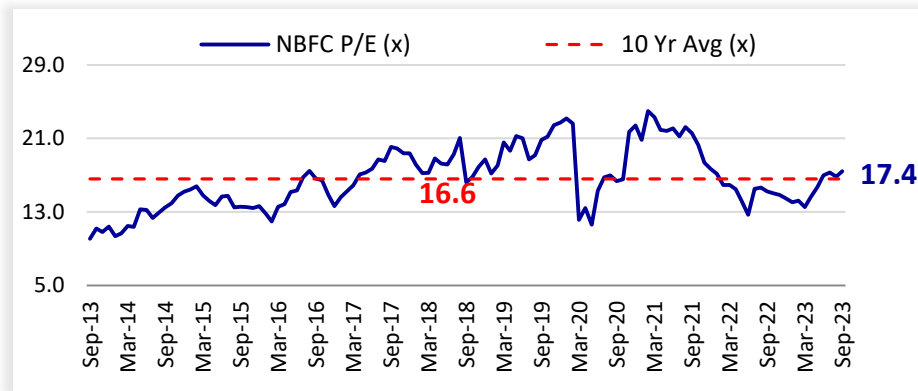




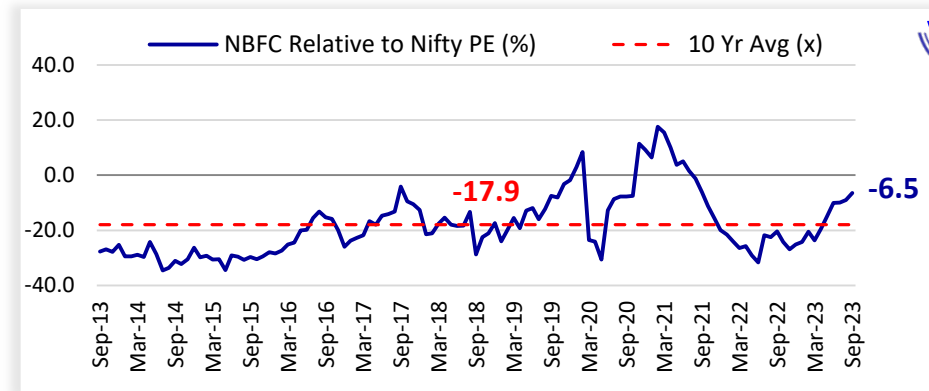


- The NBFC sector is trading at a P/B ratio of 2.7x, at a 17% premium to its historical average of 2.3x
- Margins for Vehicle financiers are likely to bottom out. Monsoons recovered in Sep'23 and reduced the rainfall deficit. Demand momentum in Vehicle Finance has remained strong even as there was some weakness in entry-level passenger vehicles.
- Demand in the urban affordable and apartment segment (lower ticket sizes) has been relatively weaker than demand in mid/high-ticket segments. HFCs are likely to exhibit stable (or a minor decline) margins because higher interests transmitted to customers are already reflected in yields.
- Expect the gold loan growth to be weaker because of a seasonally weak quarter and higher competitive intensity from banks and other NBFCs.

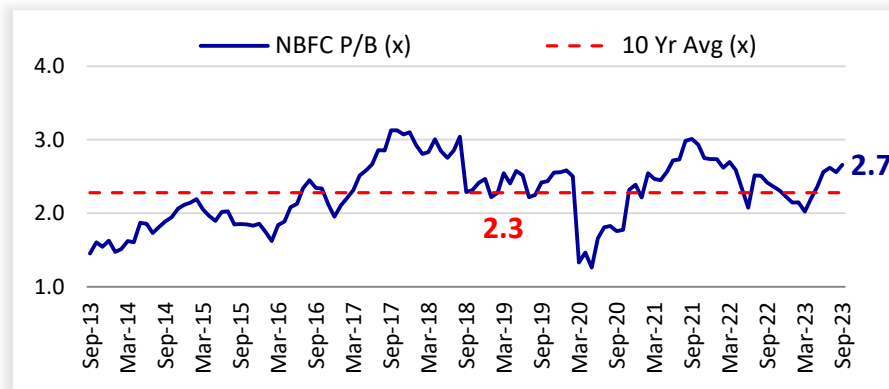
12-month forward NBFC P/E (x)



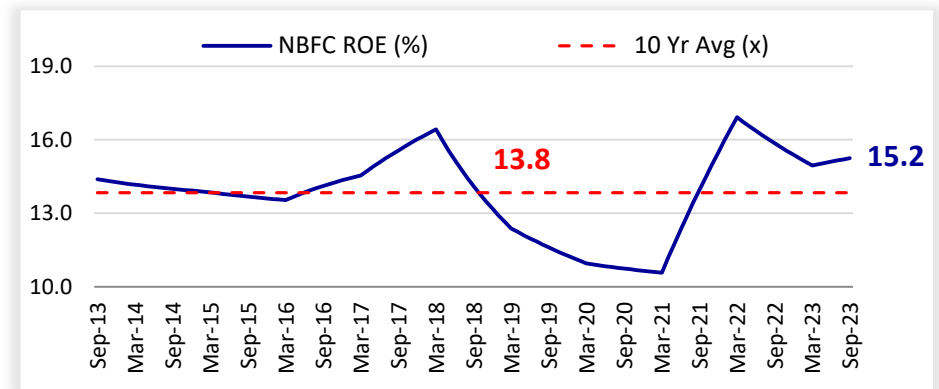
NBFC P/E relative to Nifty P/E (%)



12-month forward NBFC P/B (x)



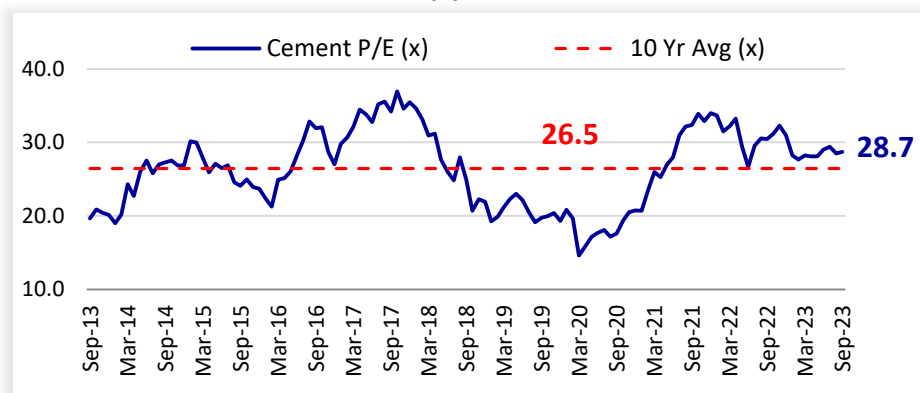
NBFC ROE (%)



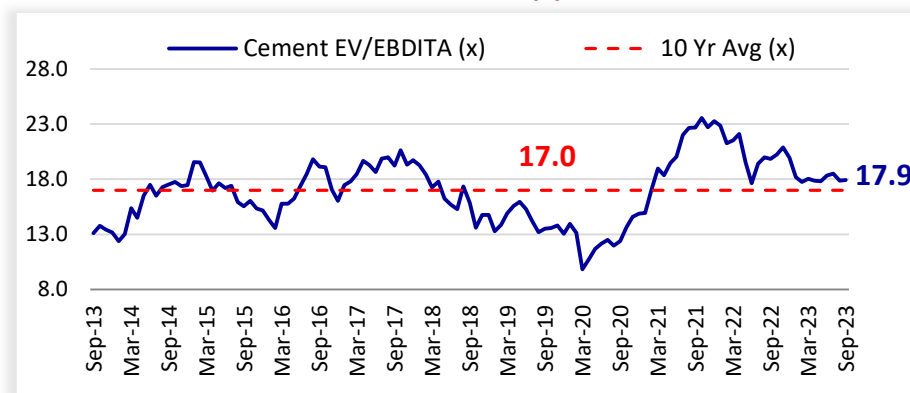


- The Cement sector is trading at a one-year forward EV/EBITDA of 17.9x – at a 6% premium to its historical average of 17x.
- Cement demand remains strong barring short-term headwinds (festivities and excessive rainfalls). Strong demand is led by higher pre-election spending, infrastructure development, and housing and private capex. Cement volume is estimated to report ~11-12% YoY growth in 2QFY24.
- In Sep'23, the All-India average cement price increased ~3% MoM, primarily due to price hike in the East region (up ~15% MoM). However, prices in other regions remained stable in Sep'23. Our channel checks suggest that companies are indicating price hikes of INR25-30/bag in the South and INR5-20/bag in other regions from Oct'23. If the price hikes sustain, they will more than offset the recent fuel price increase (as spot fuel prices are up ~19-21% vs. Jul'23 average price), and will improve profitability for the cement companies.

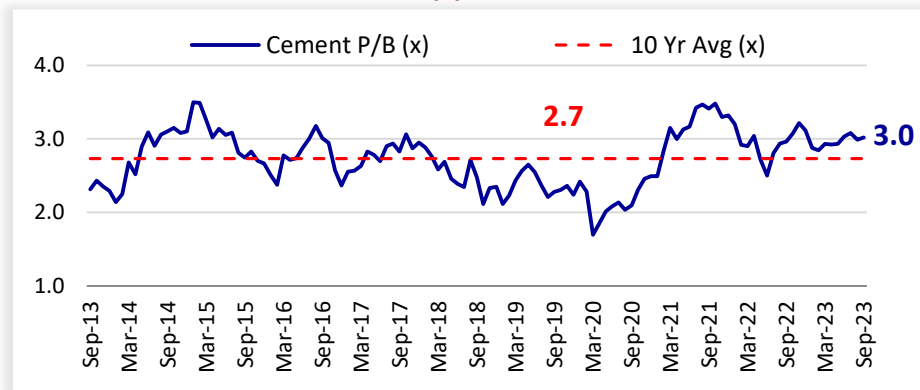
### 12-month forward Cement P/E (x)



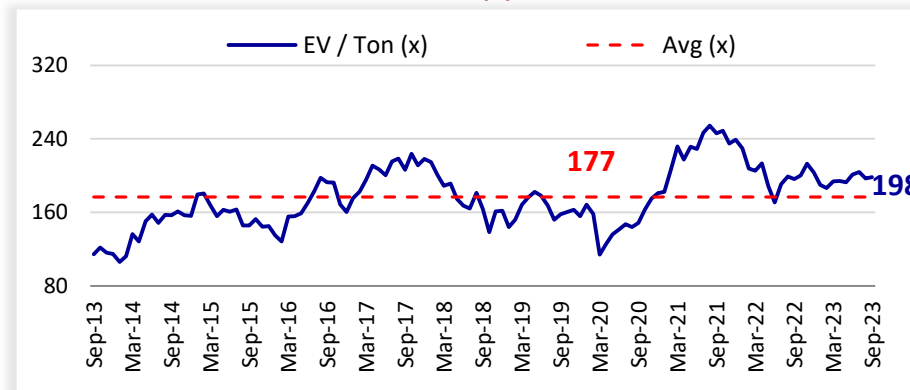
### 12-month forward Cement EV/EBITDA (x)



### 12-month forward Cement P/B (x)



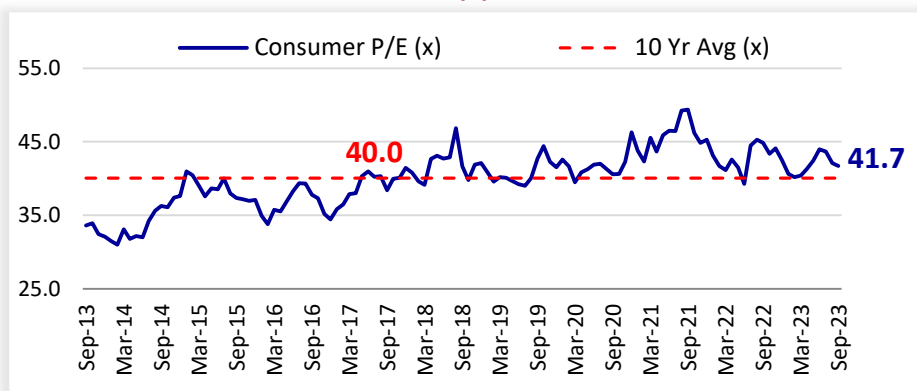
### 12-month forward Cement EV/Ton (x)



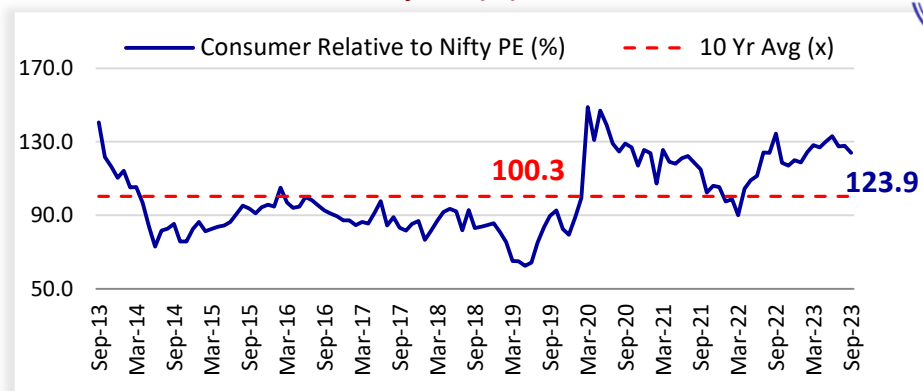


- The Consumer sector's P/E, at 41.7x, implies a 4% premium to its 10-year average of 40x.
- On a P/B basis, it is trading at 11.5x, at a premium of 13% against its historical average of 10.2x.
- With premiumization, the urban market is continuing its upward momentum. However, we are unclear about the rural demand and need to watch out for early green shoots of demand pick-up.
- Deficit in monsoon hurts the 'Kharif' crop yield, which may accelerate food inflation.
- Margins are expected to improve in 2QFY24 as key commodity costs have corrected. However, we are beginning to observe signs of a trend reversal that could potentially result in reduced profitability.

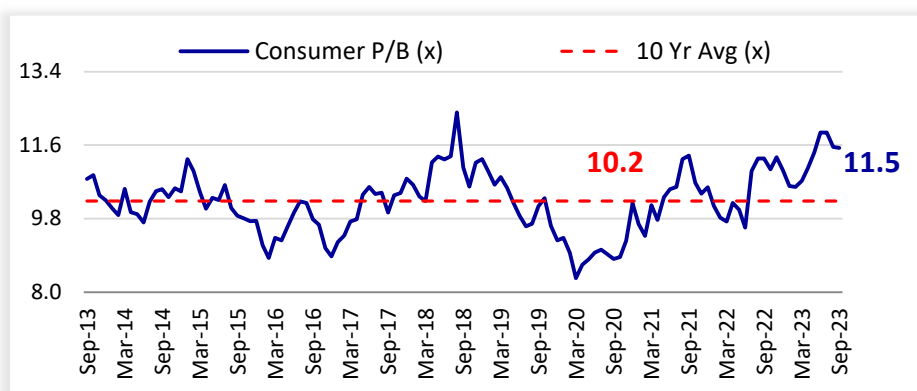
### 12-month forward Consumer P/E (x)



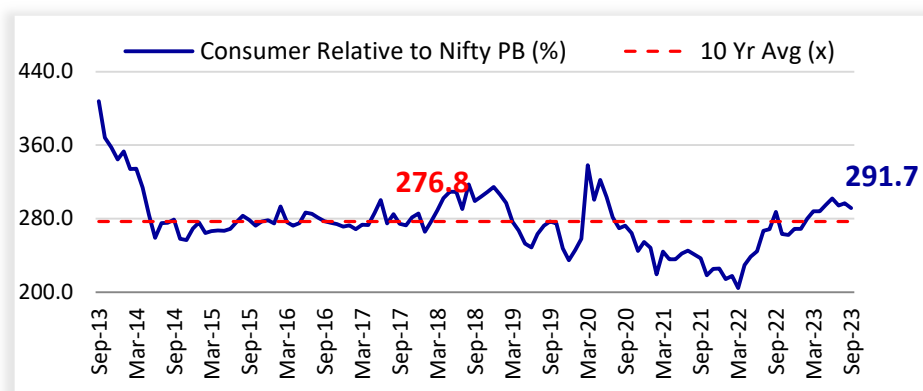
### Consumer P/E relative to Nifty P/E (%)



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



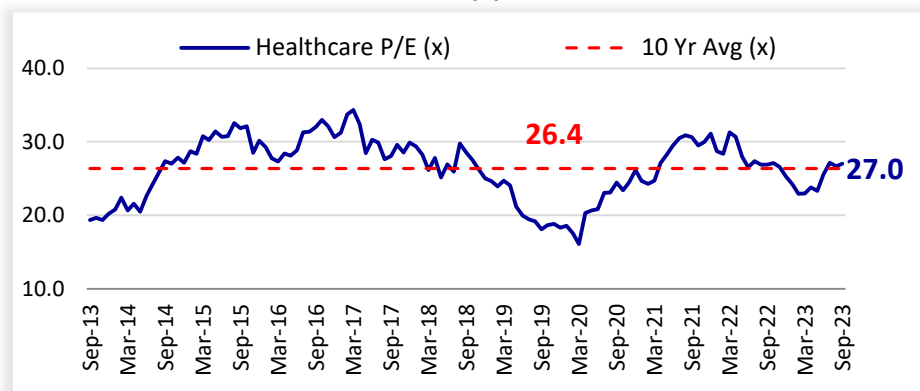
### Consumer P/B relative to Nifty P/B (%)



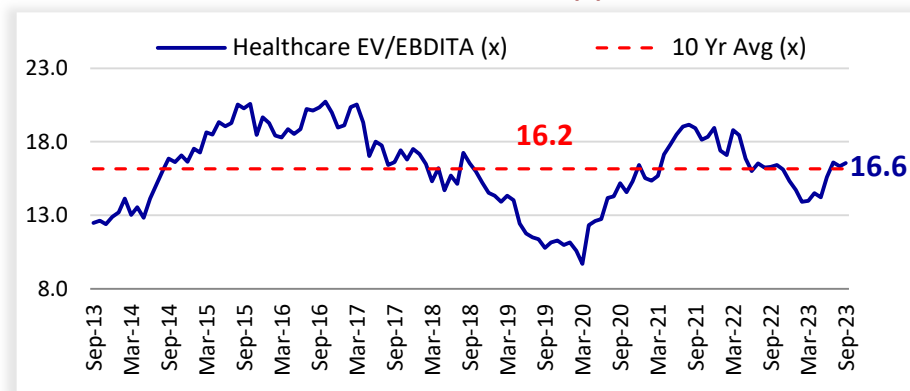


- The healthcare sector's P/E is trading at 27x near its 10-year average at 26.4x (2% premium).
- The outlook on DF segment of the Indian pharma companies remains moderate as IPM witnessed mid-single digit YoY growth in Jul-Aug'23 vs. a robust 8% growth in 1QFY24. However, the US segment's outlook remains robust driven by price stability in the base portfolio and potential growth driver (in place) on account of healthy traction from niche products.
- The hospital sector's outlook remains positive led by favorable seasonality and improved operating leverage.

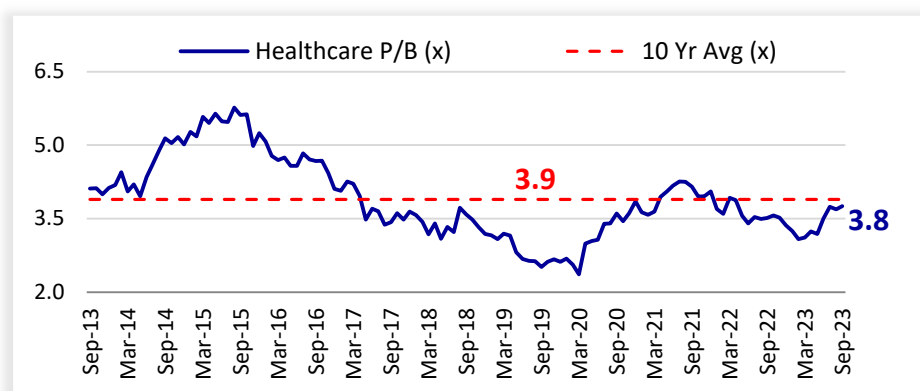
### 12-month forward Healthcare P/E (x)



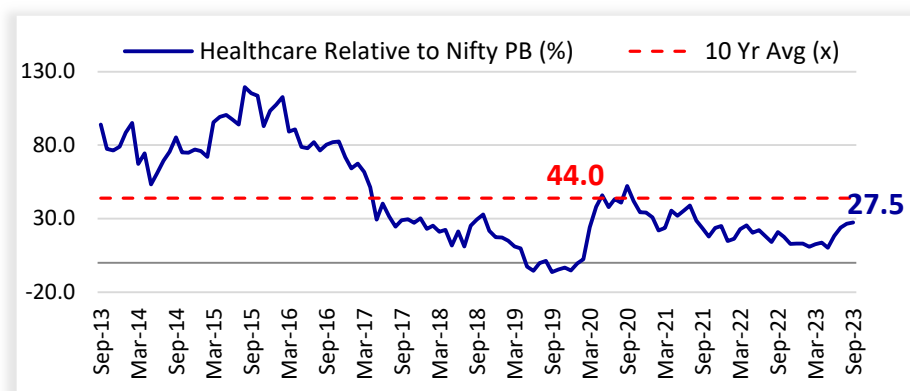
### 12-month forward Healthcare EV/EBITDA (x)



### 12-month forward Healthcare P/B (x)



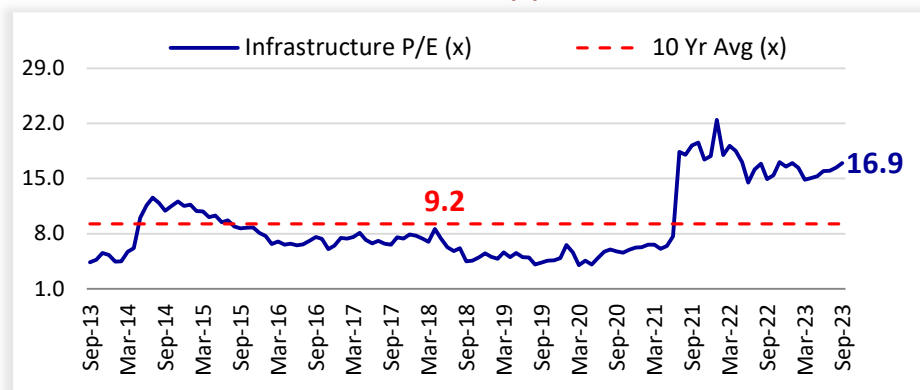
### Healthcare P/B relative to Nifty P/B (%)



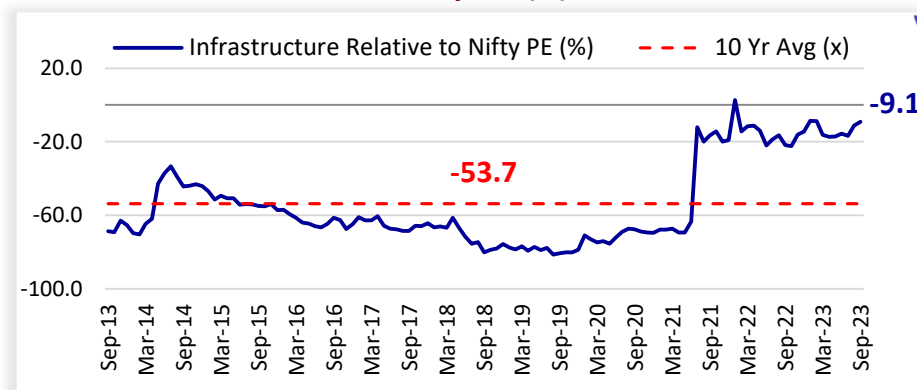


- The infrastructure sector is trading at a P/B of 1.6x, at a 41% premium to its long-term historical average.
- After robust awarding in 4QFY23, project awarding by NHAI remained subdued in 1QFY24. However, NHAI awarded ~300km of projects in Jul'23 and ~60km of projects in Aug'23. During Apr-Sep'23, total projects awarded by NHAI stood at 195km.
- A series of factors, including the extended monsoon, hit construction activity in 2QFY24. With a pick-up in awarding activity after Jul'23 and passing of monsoon season, execution is expected to speed up gradually and start in 2HFY24.
- Toll collections increased 4% MoM in Aug'23 at INR52b with a daily run-rate of ~INR1.67b.

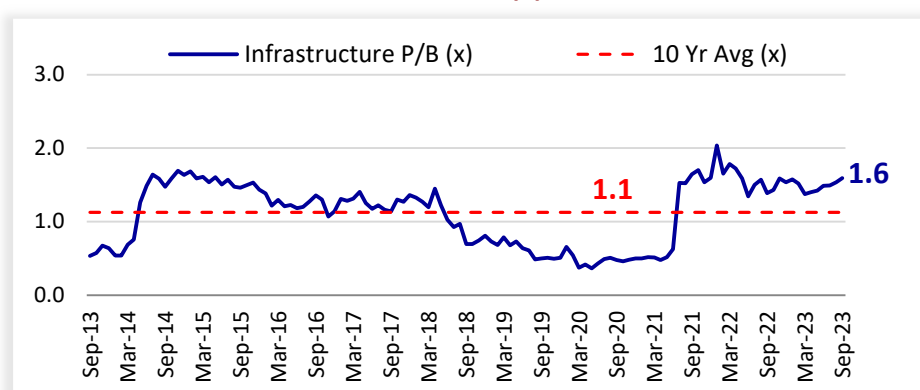
### 12-month forward Infrastructure P/E (x)



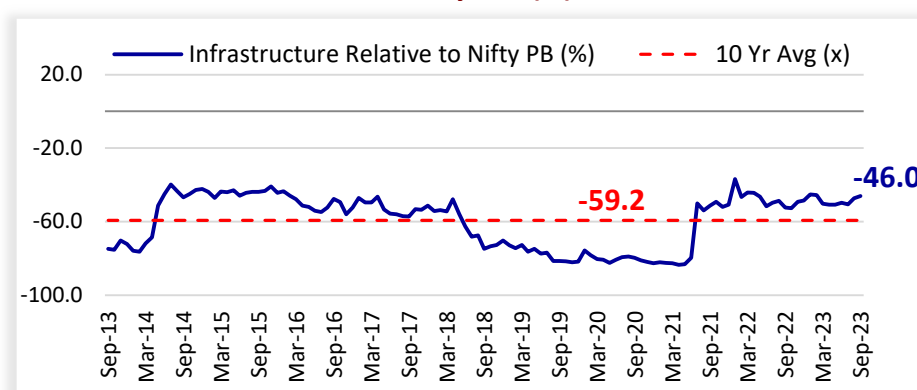
### Infrastructure P/E relative to Nifty P/E (%)



### 12-month forward Infrastructure P/B (x)



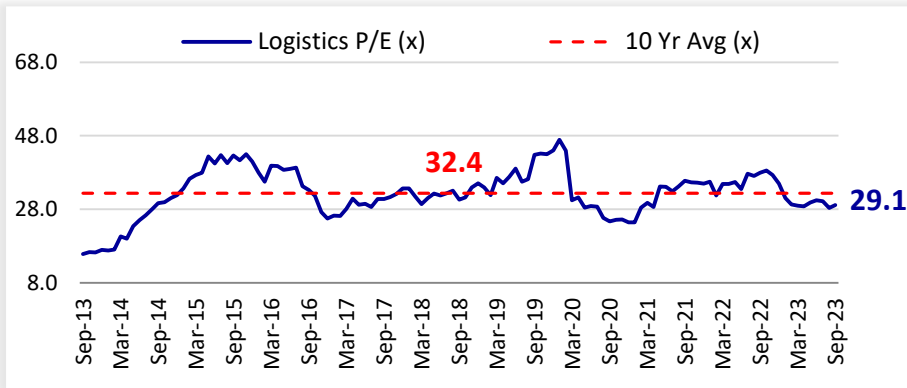
### Infrastructure P/B relative to Nifty P/B (%)



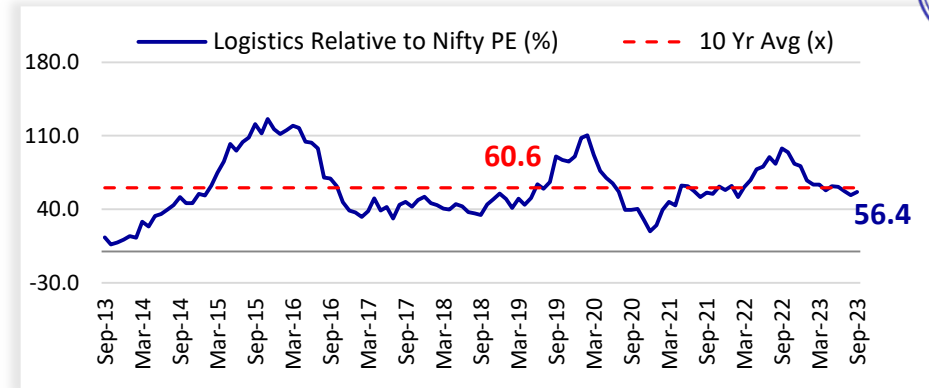


- The logistics sector is trading at a P/E ratio of 29.1x, below its historical average of 32.4x (10% discount).
- After seeing a muted trend in Jul'23, logistics activity accelerated in Aug'23, with daily average e-way bill generations increasing ~6% MoM. Fleet utilization stood at 80-85% in Aug'23. Daily average FASTag toll collections rose ~4% MoM in Aug'23.
- Freight rates remained stable MoM due to the persistent high costs of operations and elevated retail fuel prices. Fleet operators are incurring increased expenses related to diesel prices, truck costs, and compliance (GST, E-way bills, etc.), which are likely to keep freight rates firm.
- With a structural shift in the formalization of the sector (~85% of the Logistics sector is unorganized), aided by stricter implementation of GST and mandatory e-invoicing, the addressable market size for organized operators will improve overtime.

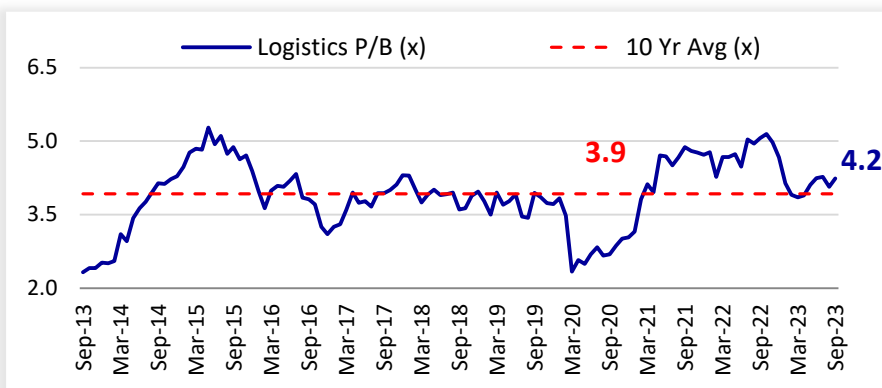
### 12-month forward Logistics P/E (x)



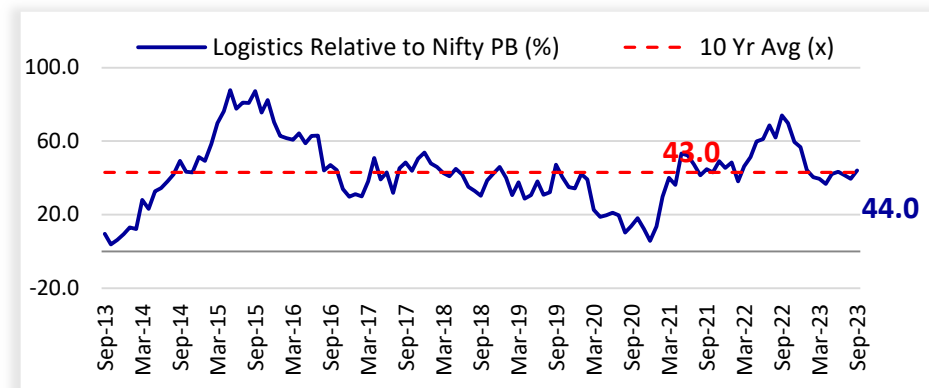
### Logistics P/E relative to Nifty P/E (%)



### 12-month forward Logistics P/B (x)



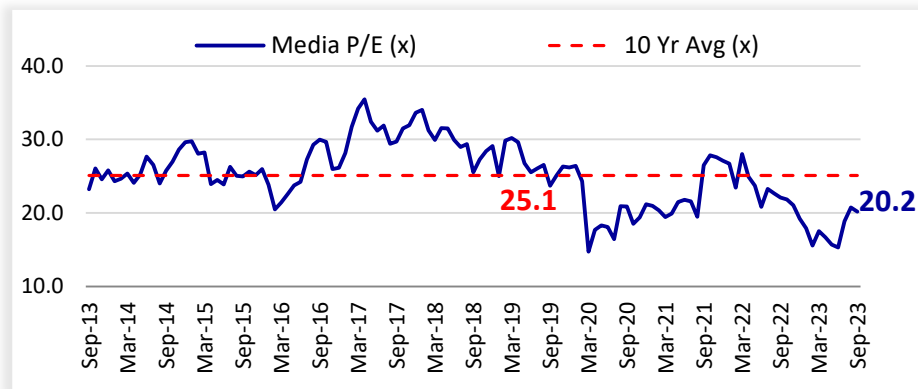
### Logistics P/B relative to Nifty P/B (%)



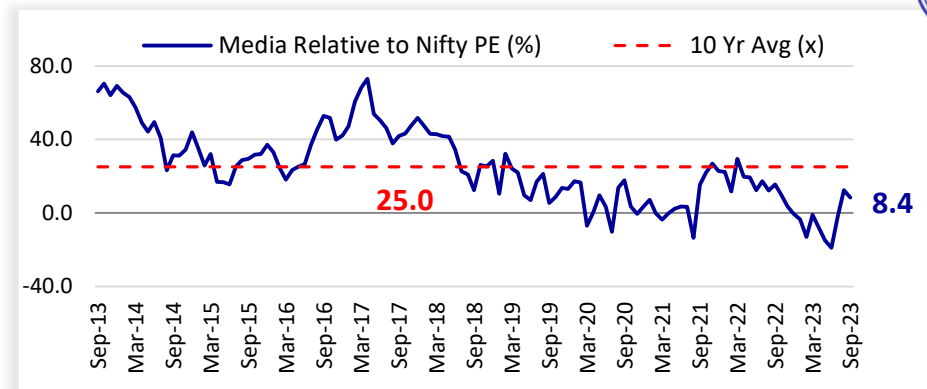


- The P/E ratio for the Media sector, at 20.2x, represents a 19% discount to its 10-year historical average of 25.1x.
- PVR-Inox posted: a) the highest ever monthly admissions and b) the Box Office (BO) month of all time in Aug'23 with Gross BO revenue of INR5.3b and 19m footfalls.
- The merger between Zee Entertainment and Culver Max Entertainment (formerly known as Sony Pictures Networks India) will likely take a few more months to be completed.

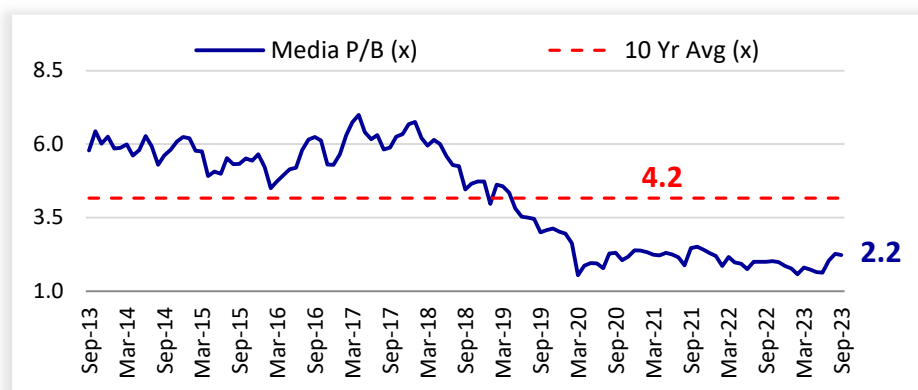
12-month forward Media P/E (x)



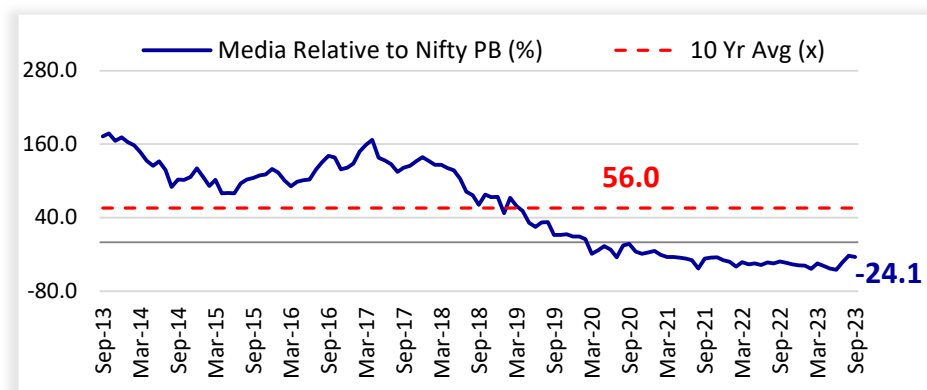
Media P/E relative to Nifty P/E (%)



12-month forward Media P/B (x)



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

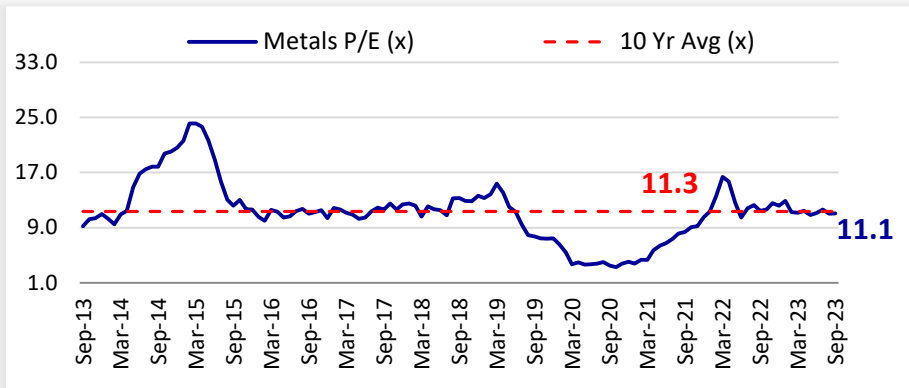




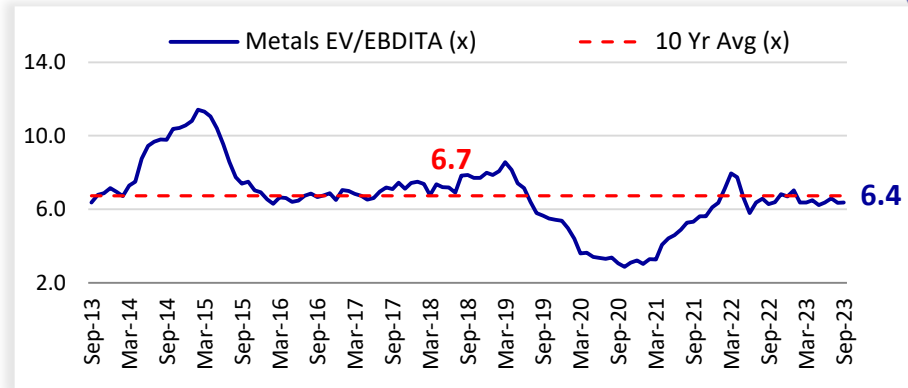


- The Metals sector is trading at an EV/EBITDA of 6.4x, near its 10-year historical average of 6.7x (4% discount).
- Domestic rebar price has improved ~11.3% MoM to INR57,900/t, while domestic HRC price is up 3.2% MoM to INR58,200/t.
- Strong stocking up at vendor level along with robust demand from construction/auto/infrastructure has driven the prices in recent weeks.
- However, coking coal price has jumped 24.8% MoM to USD342/t and iron ore price is up ~6% to over USD120/t.
- Aluminum/zinc/lead prices were up 4%/7%/2% MoM, while copper/nickel prices were down 2%/7% MoM.

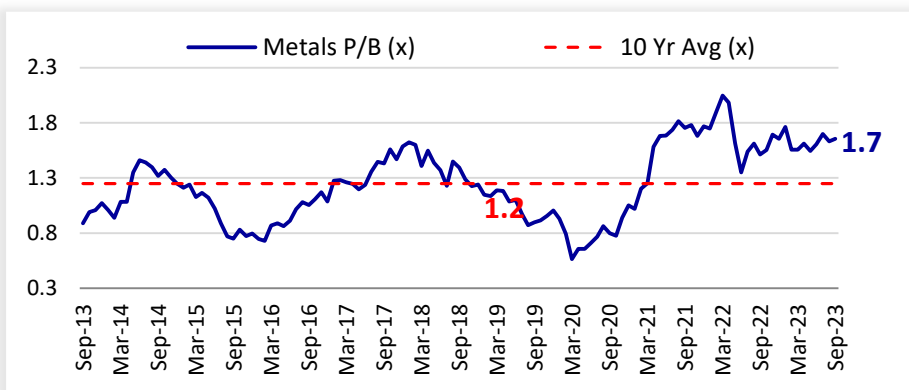
### 12-month forward Metals P/E (x)



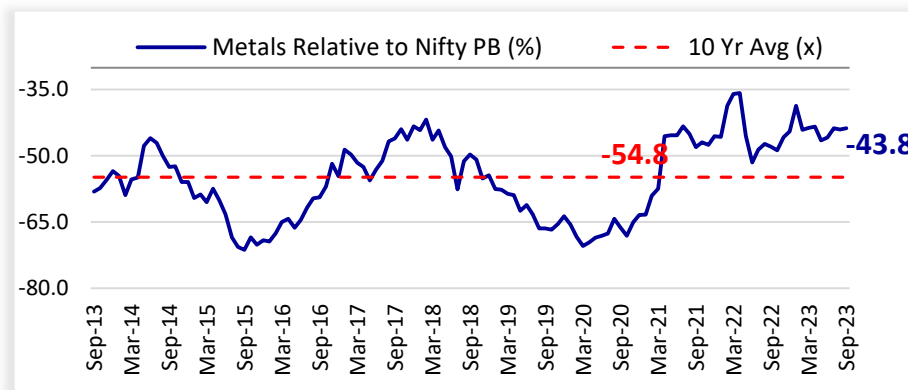
### 12-month forward Metals EV/EBITDA (x)



### 12-month forward Metals P/B (x)



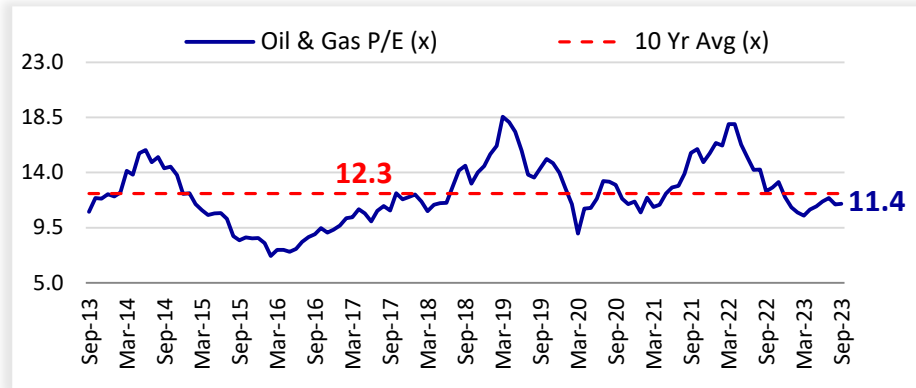
### Metals P/B relative to Nifty P/B (%)



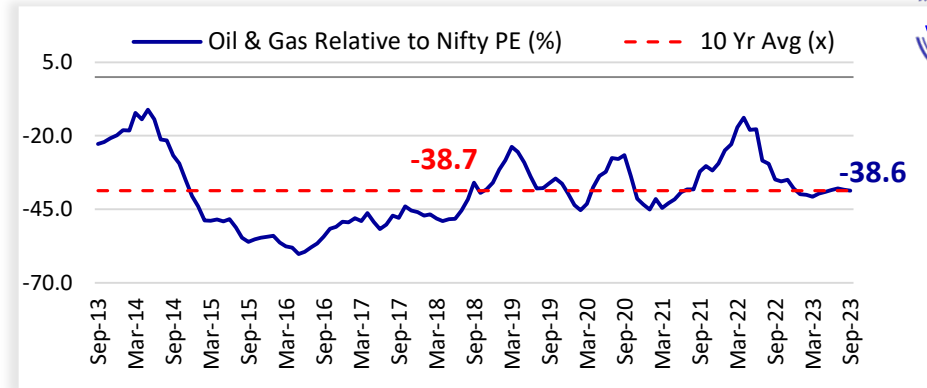


- The sector is trading at a P/B of 1.4x and a P/E of 11.4x (historical average of 1.4x P/B and 12.3x P/E).
- Brent crude oil price averaged USD93.3/bbl in Sep'23 (up 8% MoM), amid Russia announcing plan to cut its daily oil exports by 300,000 barrels coupled with extension of voluntary production by Saudi Arabia until Dec'23. Inventory levels in the US also remained weak.
- SG GRM declined to USD10.2/bbl in Sep'23 from USD12.6/bbl in Aug'23. Gasoil cracks declined to USD23.7/bbl in Sep'23. ATF cracks were flat at USD30.1/bbl in Sep'23. Gasoline cracks declined to USD12.4/bbl in Sep'23 from USD15.1/bbl in Aug'23.
- Gross marketing margin for petrol declined to INR5.8 per liter in Sep'23 from INR11.9 per liter in Aug'23, while gross marketing margin for diesel declined to INR3.6 per liter in Sep'23 from INR13.0 per liter in Aug'23.

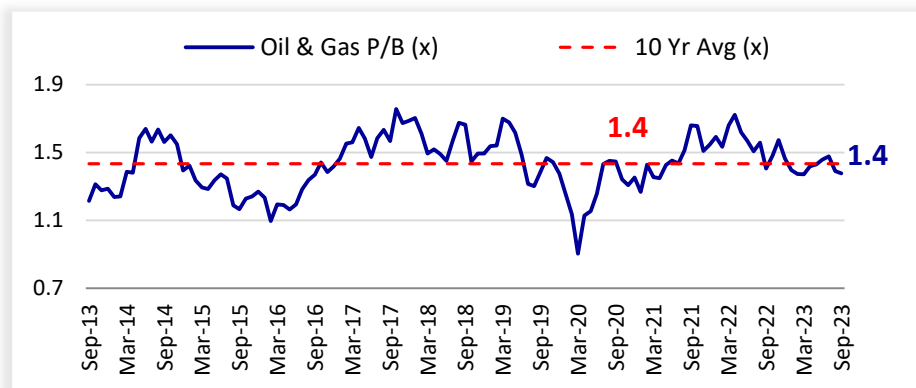
### 12-month forward Oil & Gas P/E (x)



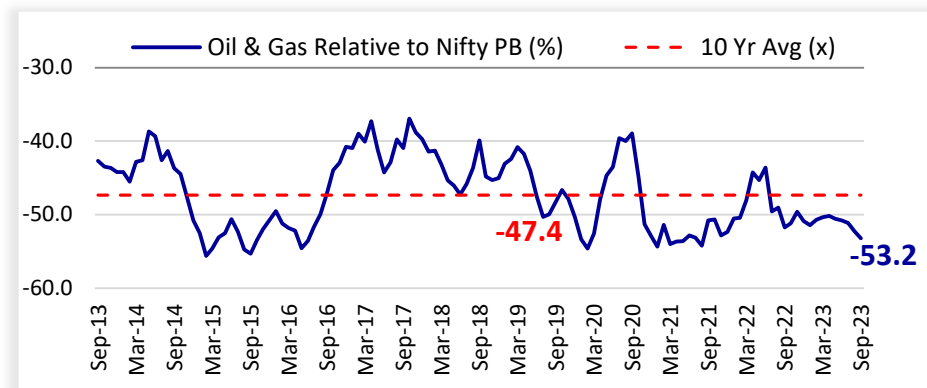
### Oil & Gas P/E relative to Nifty P/E (%)



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



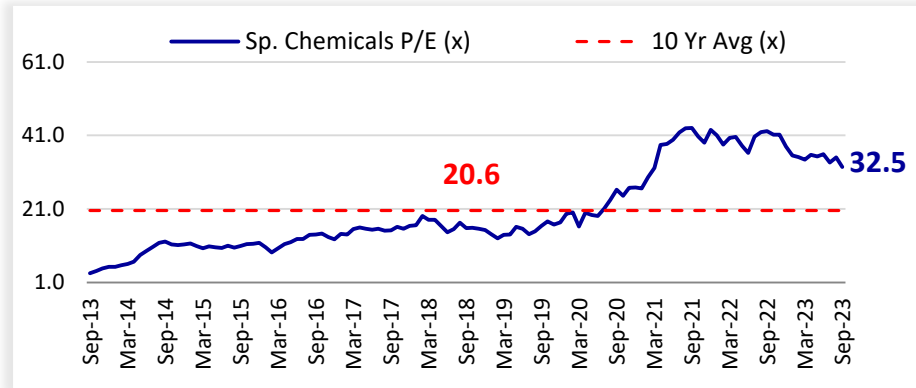
### Oil & Gas P/B relative to Nifty P/B (%)



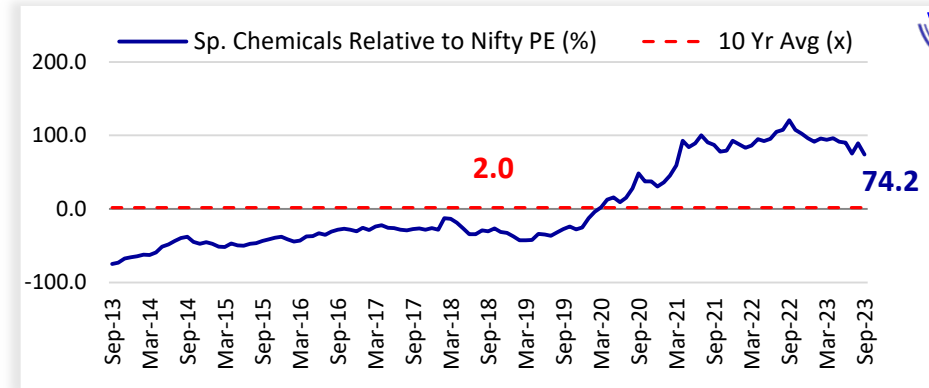


- The sector is trading at a P/B of 5.3x and a P/E of 32.5x vs. its historical average of 3.8x and 20.6x, respectively.
- Brent crude oil price averaged USD93.3/bbl in Sep'23 (up 8% MoM), amid Russia announcing its plan to cut daily oil exports by 300,000 barrels coupled with extension of voluntary production by Saudi Arabia until Dec'23. Inventory levels in the US also remained weak.
- Volumes are likely to remain subdued in the near term amid on-going inventory destocking. Propylene/Butadiene prices were up 4%/26% MoM, while Toluene price rose 4% MoM. Benzene price rose 7% MoM, while Styrene price increased 8% MoM. Acetonitrile price was up 2% MoM, while Methanol price grew 15% MoM. Acetone/Phenol prices were up 8%/3% MoM. Caustic Soda Lye price was up 7%, whereas caustic soda flakes price had risen 12% MoM.

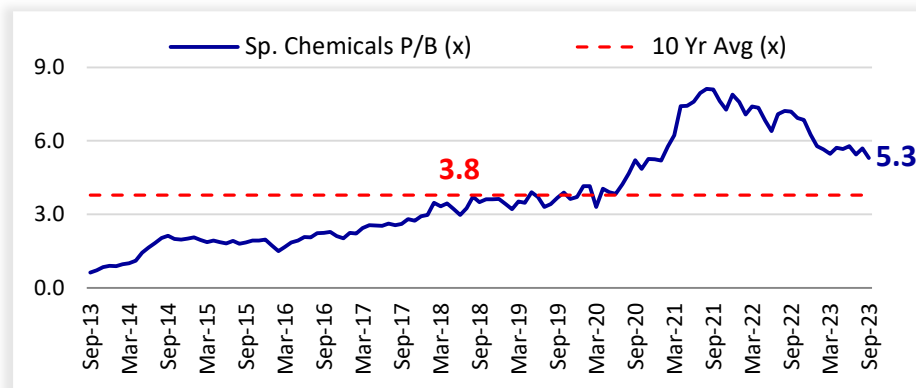
### 12-month forward Sp. Chemicals P/E (x)



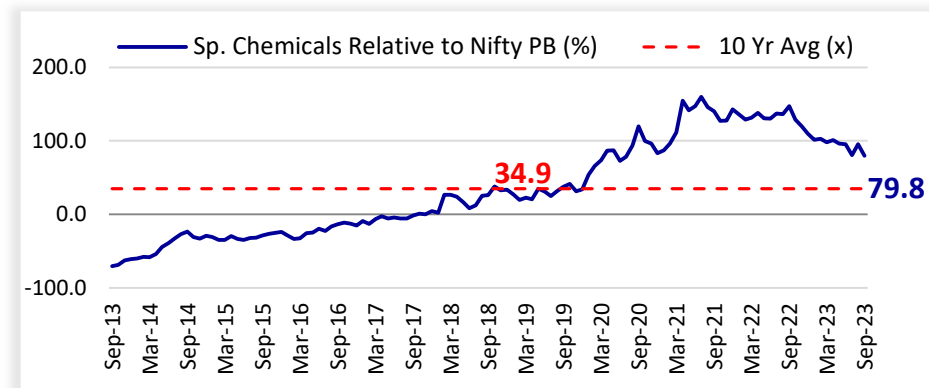
### Sp. Chemicals P/E relative to Nifty P/E (%)



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



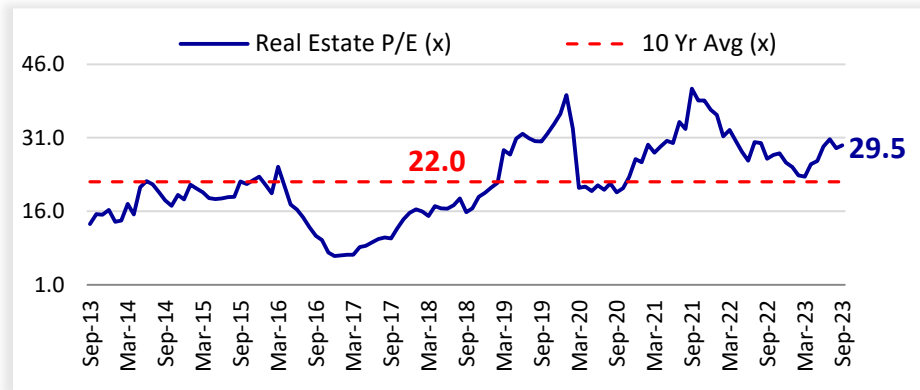
### Sp. Chemicals P/B relative to Nifty P/B (%)



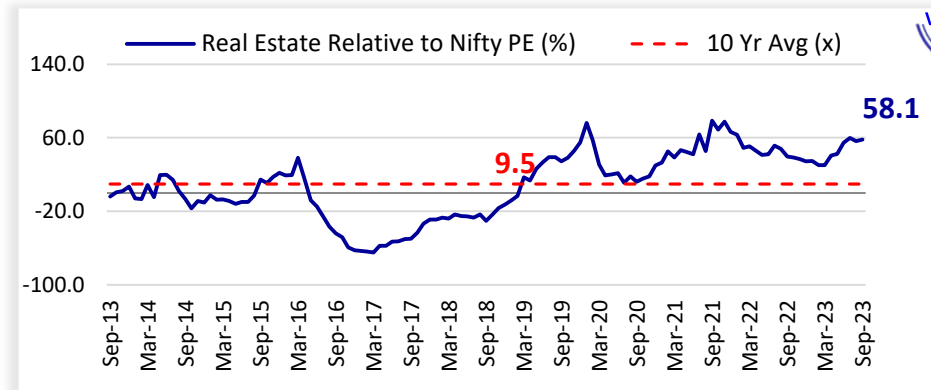


- The sector is trading at a P/E of 29.5x, at a 34% premium to its 10-year historical average of 22.0x.
- In CY23, land transactions climbed by 50% annually, with the main driver being the need to maintain the housing stock supply, which has been declining as sales have outpaced new launches. There have been 75 land deals for over 2,310 acres in 2023 year to date.
- As per CBRE, 150,000 units are already sold in the first six months of 2023 and home sales in India are expected to touch 300,000 units – the highest number in the last ten years.
- In 3QCY23, the office space leasing activity across the top six cities was 13.2 msf, up 2% YoY and in 9MCY23, leasing stood at 38msf, up 4.5% YoY.

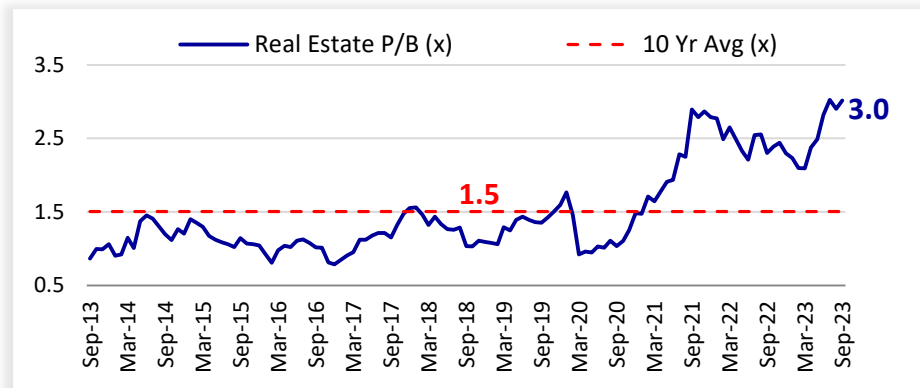
### 12-month forward Real Estate P/E (x)



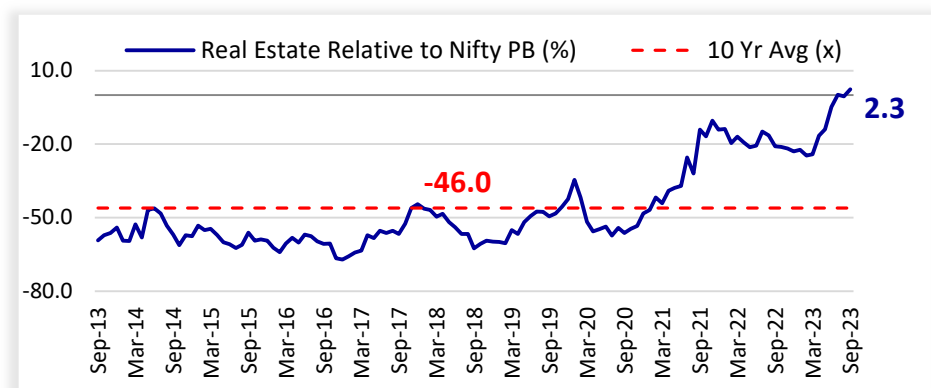
### Real Estate P/E relative to Nifty P/E (%)



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



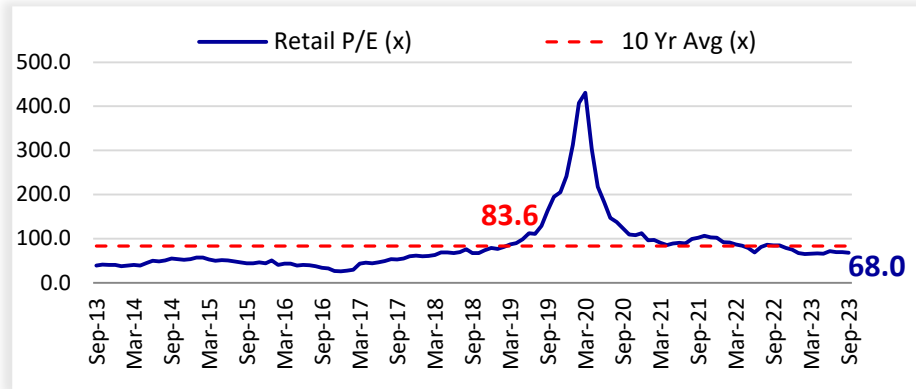
### Real Estate P/B relative to Nifty P/B (%)



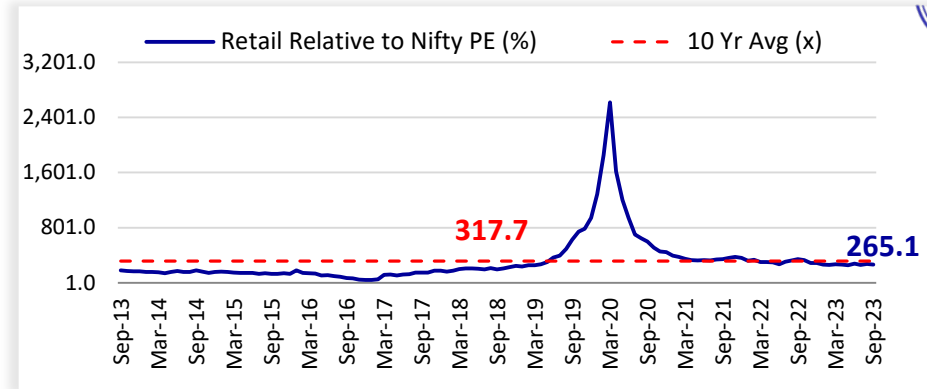


- The sector is trading at a P/E ratio of 68.0x, at a discount of 19% to its 10-year historical average of 83.6x.
- Retail sales in Aug'23 grew 9% YoY vs. Aug'22 level, according to the survey done by Retailers Association of India (RAI).
- Gulf Sovereign Fund, Abu Dhabi Investment Authority (ADIA), is looking to buy an additional stake in Reliance Retail upto USD600m.

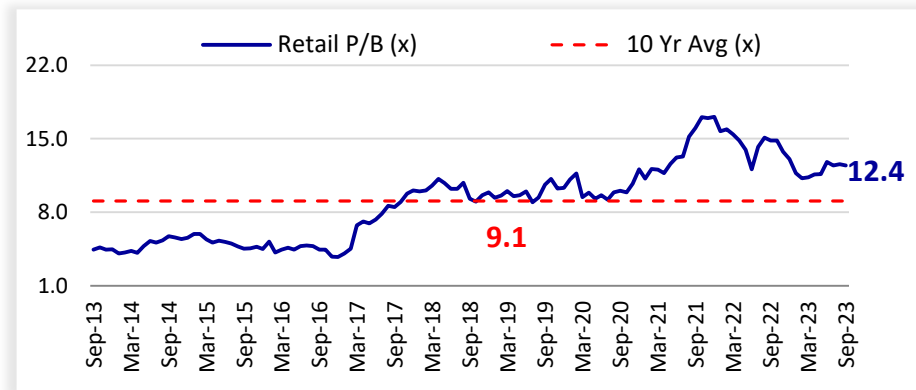
### 12-month forward Retail P/E (x)



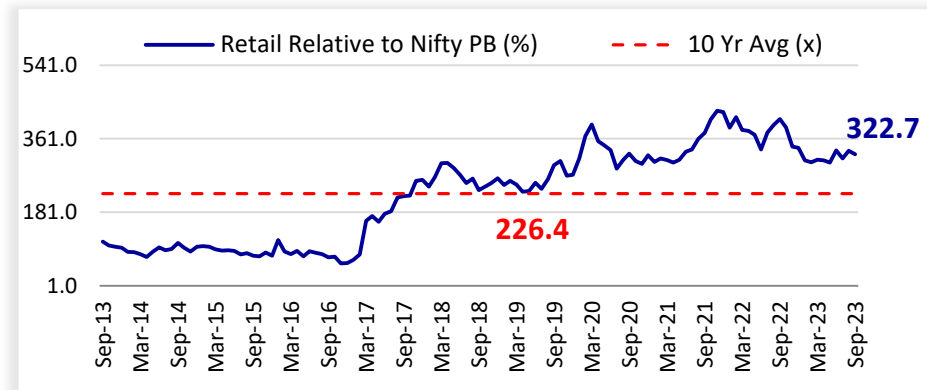
### Retail P/E relative to Nifty P/E (%)



### 12-month forward Retail P/B (x)



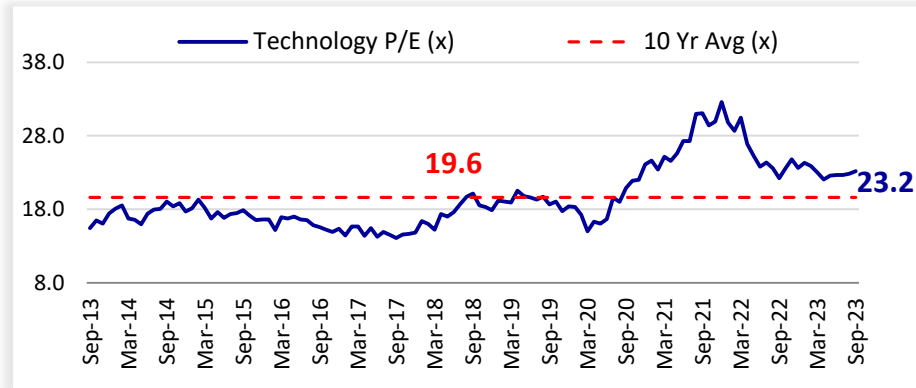
### Retail P/B relative to Nifty P/B (%)



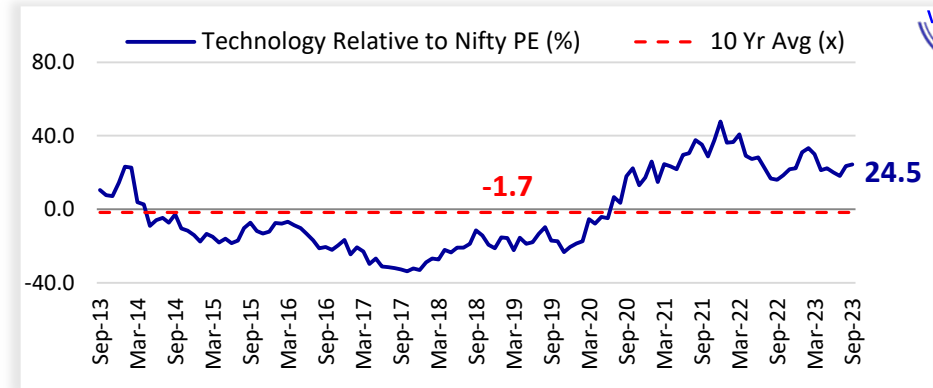


- The sector is trading at a P/E ratio of 23.2x, at an 18% premium to its long-term average of 19.6x.
- IT Services space continues to face near-term challenges on account of weak macro environment. Clients continue to defer spends, thereby impacting discretionary spends adversely.
- Though revenues remain impacted adversely, the deal signing activity remains strong with quite a few mega deals being awarded over the last few months.
- FY25 is expected to see a strong recovery in growth and margins as the longer-term demand tailwinds remain intact. We continue to prefer Tier-1 companies over Tier-2 names.

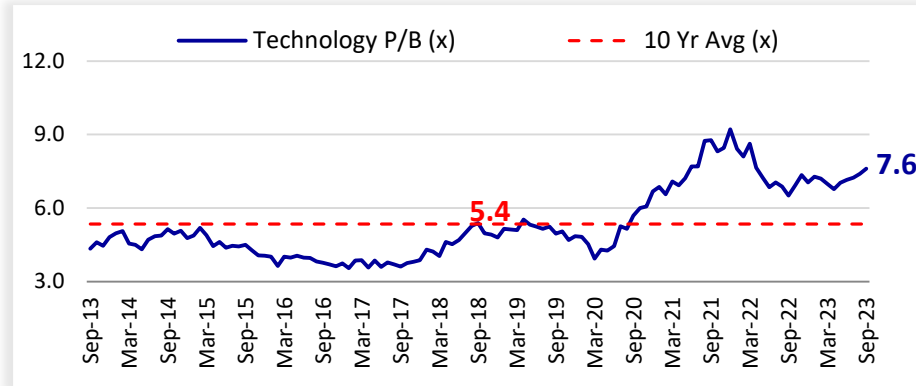
### 12-month forward Technology P/E (x)



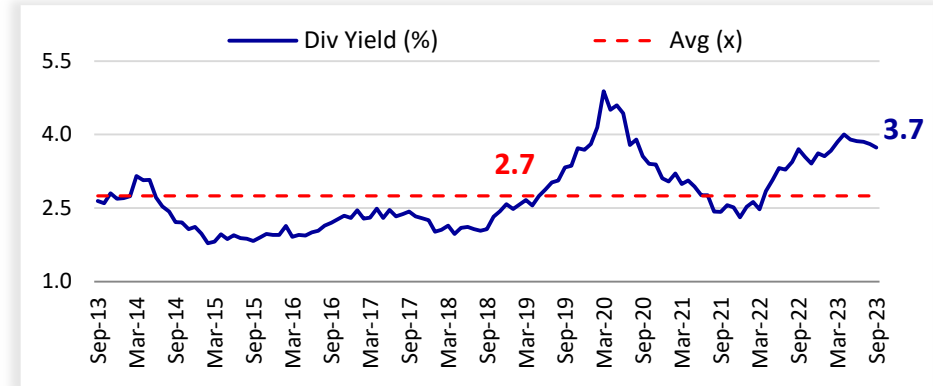
### Technology P/E relative to Nifty P/E (%)



### 12-month forward Technology P/B (x)



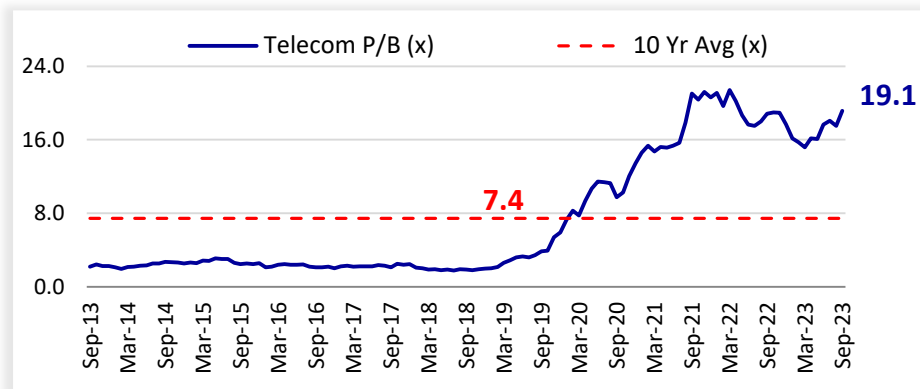
### Technology Div Yield (%)



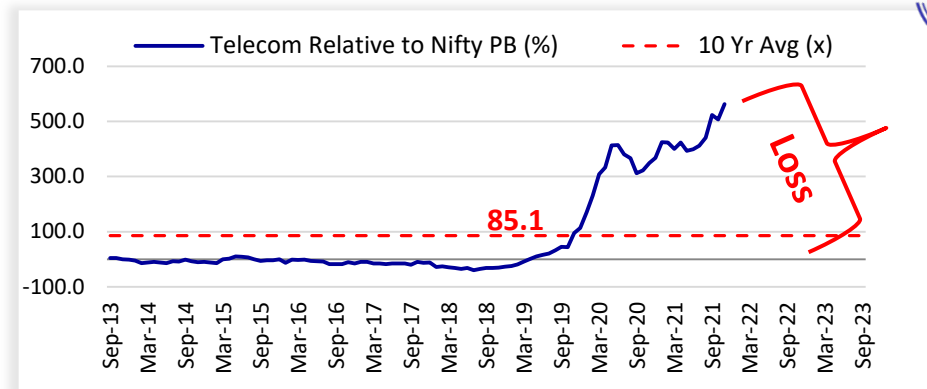


- The sector is trading at an EV/EBITDA ratio of 7.8x, at an 8% discount to its 10-year historical average of 8.5x.
- RJio snaps up most of the VIL users in Jul'23, significantly higher than Airtel.
- VI paid INR17b to DoT for 5G spectrum acquired in 2022 auction.

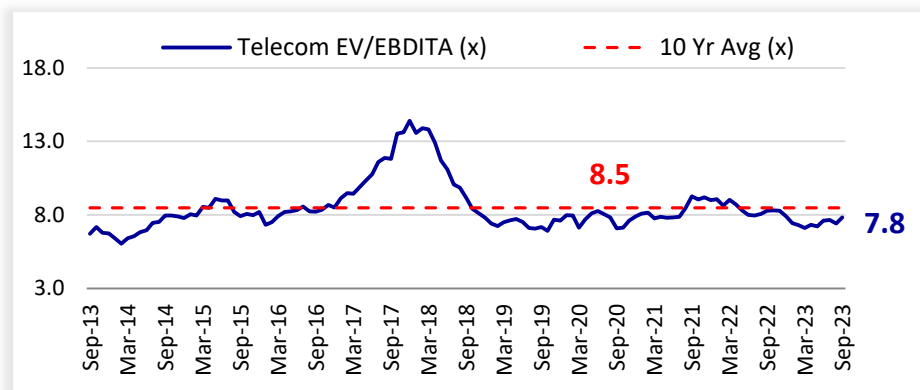
12-month forward Telecom P/B (x)



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



12-month forward Telecom EV/EBITDA (x)







Company	PE (x)			Standard deviation in P/E		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10-year average	Premium/discount (%)	+1SD (x)	-1SD (x)	Current	10-year average	Current	10-year average	Premium/discount (%)	+1SD (x)	-1SD (x)	Current	10-year average
<b>Automobiles</b>	<b>20.9</b>	<b>26.7</b>	<b>-22</b>	<b>36.4</b>	<b>17.0</b>	<b>12</b>	<b>33</b>	<b>4.0</b>	<b>3.3</b>	<b>20</b>	<b>3.8</b>	<b>2.8</b>	<b>36</b>	<b>22</b>
Amara Raja Batt.	12.5	22.5	-44	30.0	14.9	-33	12	1.8	3.8	-54	5.5	2.2	-40	40
Ashok Leyland	16.3	22.8	-28	31.9	13.8	-12	13	4.3	3.7	15	4.8	2.6	45	36
Apollo Tyres	12.1	13.8	-12	19.1	8.4	-35	-32	1.2	1.1	11	1.4	0.8	-58	-59
Balkrishna Inds	31.2	20.9	49	30.7	11.0	67	4	5.5	3.7	51	5.1	2.2	88	34
Bajaj Auto	17.6	17.5	1	19.4	15.6	-5	-13	5.1	4.3	19	5.0	3.6	74	57
Bharat Forge	31.8	41.1	-23	66.9	15.3	70	104	6.0	4.9	22	6.2	3.6	102	78
Bosch	29.3	37.5	-22	45.2	29.9	57	86	4.5	5.4	-17	6.9	4.0	53	99
CEAT	12.2	16.8	-27	29.6	4.0	-35	-17	2.0	1.6	21	2.1	1.1	-33	-41
Craftsman Auto	22.0	19.8	11	22.1	17.5	18	-2	5.0	3.8	31	4.5	3.1	68	39
Eicher Motors	22.5	31.5	-28	37.4	25.6	21	56	4.9	7.2	-32	9.9	4.6	67	165
Endurance Tech.	27.8	32.5	-15	40.0	25.0	49	61	4.1	5.0	-17	6.2	3.8	41	82
Escorts Kubota	32.5	15.4	112	23.0	7.7	75	-24	4.0	1.8	119	2.7	0.9	36	-33
Exide Inds.	18.7	20.4	-8	24.6	16.2	0	1	1.8	2.4	-27	3.3	1.6	-40	-11
Hero MotoCorp	15.8	18.2	-13	21.0	15.5	-15	-9	3.2	4.7	-32	6.2	3.2	8	72
CIE Automotive	18.0	26.1	-31	37.7	14.4	-3	30	2.9	2.2	34	3.0	1.3	-2	-21
Mahindra & Mahindra	17.3	18.5	-6	21.9	15.0	-7	-8	3.4	2.7	25	3.2	2.2	14	-2
Maruti Suzuki	24.9	29.3	-15	40.3	18.3	34	46	4.3	4.0	8	4.9	3.1	46	46
MRF	21.7	21.5	1	33.5	9.5	17	7	2.6	2.2	16	2.6	1.9	-13	-19
Samvardhana Moth	20.7	48.4	-57	74.6	22.2	11	141	2.5	3.3	-23	4.6	2.0	-14	21
Sona BLW Precis.	56.7	72.0	-21	92.7	51.3	204	258	11.8	13.1	-10	16.3	10.0	301	381
Tata Motors	na	16.9	na	24.5	9.3	na	-16	3.6	2.1	68	3.0	1.2	21	-23
Tube Investments	45.8	30.9	48	42.5	19.2	146	53	10.5	6.2	68	9.2	3.3	256	129
TVS Motor	32.6	29.0	12	38.3	19.8	75	44	8.2	6.1	34	8.0	4.2	177	123
<b>Banks-Private</b>	<b>15.3</b>	<b>20.8</b>	<b>-26</b>	<b>26.4</b>	<b>15.2</b>	<b>-18</b>	<b>3</b>	<b>2.4</b>	<b>2.5</b>	<b>-6</b>	<b>2.8</b>	<b>2.2</b>	<b>-20</b>	<b>-8</b>
AU Small Finance	23.2	29.6	-22	39.7	19.5	25	47	3.5	4.3	-19	5.4	3.3	20	58
Axis Bank	12.0	37.9	-68	89.9	-14.1	-35	88	1.8	1.9	-8	2.3	1.6	-39	-29
Bandhan Bank	9.5	25.0	-62	36.8	13.3	-49	24	1.7	3.4	-50	5.0	1.9	-41	26
DCB Bank	6.3	12.8	-51	18.0	7.5	-66	-37	0.7	1.3	-42	1.8	0.8	-75	-53
Equitas Small Fin.	11.1	12.9	-14	17.7	8.2	-40	-36	1.6	1.3	22	1.6	1.0	-46	-52
Federal Bank	8.2	11.9	-32	17.0	6.8	-56	-41	1.2	1.2	2	1.5	0.9	-60	-58
HDFC Bank	16.9	20.6	-18	23.2	18.1	-9	3	2.5	3.3	-24	3.6	2.9	-16	19
ICICI Bank	16.0	21.2	-24	31.5	10.9	-14	5	2.7	2.0	31	2.5	1.5	-10	-26
IDFC First Bank	16.5	20.5	-19	30.8	10.2	-11	2	1.9	1.3	50	1.6	1.0	-34	-53
IndusInd Bank	10.4	18.8	-45	26.1	11.5	-44	-7	1.6	2.5	-34	3.5	1.5	-45	-9



Company	PE (x)			Standard deviation in P/E		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10-year average	Premium/discount (%)	+1SD (x)	-1SD (x)	Current	10-year average	Current	10-year average	Premium/discount (%)	+1SD (x)	-1SD (x)	Current	10-year average
Kotak Mah. Bank	17.9	27.0	-34	31.7	22.3	-4	34	2.5	3.3	-26	3.8	2.8	-16	22
RBL Bank	10.8	27.3	-61	43.7	10.9	-42	36	1.0	1.7	-42	2.8	0.6	-66	-37
<b>Banks-PSU</b>	<b>6.8</b>	<b>9.9</b>	<b>-32</b>	<b>16.0</b>	<b>3.9</b>	<b>-64</b>	<b>-51</b>	<b>1.1</b>	<b>0.8</b>	<b>30</b>	<b>1.0</b>	<b>0.6</b>	<b>-64</b>	<b>-70</b>
Bank of Baroda	5.9	6.7	-11	11.6	1.8	-68	-67	0.9	0.8	21	1.0	0.5	-68	-72
Canara Bank	4.6	4.9	-7	7.7	2.1	-76	-76	0.8	0.6	30	0.7	0.4	-74	-79
Indian Bank	6.4	9.9	-35	19.9	-0.1	-66	-51	1.0	0.6	74	0.8	0.3	-67	-80
Punjab Natl.Bank	10.4	12.3	-15	17.6	7.1	-44	-39	0.8	0.7	15	1.0	0.4	-72	-74
St Bk of India	7.3	12.7	-42	20.3	5.1	-61	-37	1.2	1.1	10	1.3	0.9	-59	-60
Union Bank (I)	5.3	6.2	-15	9.5	2.9	-72	-69	0.8	0.6	48	0.7	0.4	-72	-80
<b>NBFC</b>	<b>17.4</b>	<b>16.6</b>	<b>5</b>	<b>19.9</b>	<b>13.3</b>	<b>-7</b>	<b>-18</b>	<b>2.7</b>	<b>2.3</b>	<b>17</b>	<b>2.7</b>	<b>1.8</b>	<b>-10</b>	<b>-17</b>
Aditya Birla Cap	15.8	16.4	-4	25.4	7.3	-15	-19	1.8	1.9	-4	2.8	1.0	-38	-30
AAVAS Financiers	24.1	39.2	-39	49.9	28.5	29	95	3.4	4.9	-32	6.3	3.6	14	81
Bajaj Fin.	28.8	29.2	-1	41.1	17.3	55	45	6.4	5.2	24	7.1	3.2	117	89
Can Fin Homes	12.9	13.1	-1	17.9	8.2	-31	-35	2.2	2.3	-5	3.2	1.3	-27	-17
Cholaman.Inv.&Fn	23.9	17.0	40	21.1	12.9	28	-15	5.0	2.9	71	3.8	2.0	71	8
CreditAccess	13.3	26.2	-49	42.8	9.6	-28	30	2.8	2.6	11	3.1	2.1	-4	-6
Fusion Micro	9.1	8.3	10	9.5	7.0	-51	-59	1.8	1.6	13	1.9	1.3	-38	-41
Home First Fin.	21.8	25.7	-15	29.2	22.1	17	28	3.2	3.3	-5	3.8	2.9	8	22
IndoStar Capital	10.7	14.4	-25	23.9	4.8	-43	-29	0.7	1.0	-34	1.4	0.7	-77	-63
LIC Housing Fin.	5.8	10.0	-42	13.3	6.6	-69	-51	0.8	1.4	-44	2.1	0.8	-73	-48
L&T Fin.Holdings	13.6	15.0	-9	18.2	11.7	-27	-26	1.4	1.5	-9	2.0	1.0	-53	-45
Manappuram Finance	5.5	7.5	-27	9.9	5.1	-70	-63	1.0	1.4	-27	1.9	0.8	-66	-50
MAS Financial	17.4	22.1	-21	28.0	16.1	-6	10	2.7	3.2	-16	4.0	2.5	-8	18
M & M Fin. Serv.	14.7	16.5	-11	23.7	9.3	-21	-18	2.0	1.5	36	1.7	1.2	-32	-46
Muthoot Finance	11.0	9.8	12	12.5	7.1	-41	-51	1.9	1.9	0	2.5	1.3	-35	-30
Piramal Enterprises	10.9	12.0	-10	16.0	8.0	-42	-40	0.7	0.7	4	0.9	0.6	-75	-74
PNB Housing	11.7	11.2	4	17.1	5.4	-37	-44	1.1	1.2	-8	2.1	0.4	-61	-54
Poonawalla Fincorp	24.9	24.6	1	31.5	17.8	33	22	2.7	1.8	51	2.6	0.9	-10	-36
Repco Home Fin	6.5	13.7	-53	22.0	5.4	-65	-32	0.8	2.0	-61	3.4	0.6	-73	-26
Shriram Finance	9.6	10.6	-10	13.8	7.5	-49	-47	1.4	1.4	-2	1.8	1.0	-53	-48
Spandana Sphoorty	11.5	46.2	-75	85.9	6.5	-38	129	1.5	1.4	8	1.9	0.9	-48	-48
360 ONE WAM	22.2	22.5	-1	28.0	17.0	19	12	5.4	4.1	30	4.9	3.3	82	51
Angel One	13.8	10.9	27	14.3	7.4	-26	-46	4.9	4.2	16	5.6	2.8	65	54
Cams Services	34.3	38.8	-12	47.8	29.9	84	93	12.8	15.0	-15	18.8	11.3	334	451
ICICI Securities	15.0	14.5	3	18.5	10.4	-20	-28	5.5	6.7	-18	8.5	4.9	88	145



Company	PE (x)			Standard deviation in P/E		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10-year average	Premium/discount (%)	+1SD (x)	-1SD (x)	Current	10-year average	Current	10-year average	Premium/discount (%)	+1SD (x)	-1SD (x)	Current	10-year average
<b>Cement</b>	<b>28.7</b>	<b>26.5</b>	<b>8</b>	<b>31.7</b>	<b>21.2</b>	<b>54</b>	<b>31</b>	<b>3.0</b>	<b>2.7</b>	<b>10</b>	<b>3.1</b>	<b>2.3</b>	<b>2</b>	<b>0</b>
ACC	19.7	28.2	-30	35.9	20.4	5	40	2.3	2.8	-17	3.2	2.3	-22	1
Ambuja Cem.	35.3	33.6	5	41.9	25.3	90	67	2.5	2.6	-3	3.1	2.0	-16	-7
Birla Corpn.	22.3	26.3	-15	56.1	-3.4	20	31	1.5	1.2	24	1.5	0.9	-50	-57
Grasim Inds	20.7	13.2	56	16.9	9.6	11	-34	2.6	1.8	49	2.2	1.3	-11	-35
India Cements	na	42.8	na	66.2	19.3	na	112	1.3	0.8	63	1.1	0.5	-56	-71
J K Cements	33.2	29.0	14	44.3	13.8	78	44	4.5	3.1	44	4.3	1.9	51	13
JK Lakshmi Cem.	14.8	33.8	-56	67.3	0.3	-21	68	2.2	2.5	-11	3.3	1.6	-25	-9
Shree Cement	47.6	43.8	9	53.9	33.7	155	118	4.5	5.2	-14	6.2	4.2	52	91
The Ramco Cement	35.3	28.8	22	39.5	18.1	89	43	2.9	3.0	-5	3.7	2.3	-3	10
UltraTech Cem.	31.2	32.7	-5	40.0	25.4	67	63	3.7	3.4	10	3.9	2.9	27	24
<b>Consumer</b>	<b>41.7</b>	<b>40.0</b>	<b>4</b>	<b>43.9</b>	<b>36.2</b>	<b>124</b>	<b>99</b>	<b>11.5</b>	<b>10.2</b>	<b>13</b>	<b>11.0</b>	<b>9.5</b>	<b>292</b>	<b>275</b>
<b>Consumer Ex ITC</b>	<b>51.1</b>	<b>49.4</b>	<b>3</b>	<b>57.2</b>	<b>41.7</b>	<b>174</b>	<b>146</b>	<b>13.3</b>	<b>13.1</b>	<b>2</b>	<b>14.4</b>	<b>11.7</b>	<b>353</b>	<b>379</b>
Asian Paints	54.1	53.1	2	65.9	40.4	190	164	16.9	14.0	21	17.1	10.9	472	412
Britannia Inds.	47.4	43.2	10	54.1	32.2	154	114	29.1	18.7	55	26.4	11.1	887	586
Colgate-Palm.	43.4	39.6	9	43.1	36.2	133	97	31.8	23.7	34	27.4	19.9	980	767
Dabur India	45.5	44.3	3	53.2	35.5	144	120	9.3	10.6	-12	11.6	9.5	216	286
Emami	24.3	31.3	-23	41.9	20.7	30	56	8.9	10.5	-15	13.2	7.8	203	284
Godrej Consumer	41.4	41.8	-1	49.9	33.8	122	108	6.6	6.0	11	8.6	3.3	124	119
Hind. Unilever	49.5	50.4	-2	59.8	41.1	166	151	12.2	24.7	-50	36.7	12.6	315	803
Indigo Paints	38.3	75.1	-49	113.4	36.7	105	273	7.2	11.1	-35	15.6	6.6	143	306
ITC	24.4	24.1	1	29.3	18.9	31	20	7.5	5.9	27	7.4	4.5	156	118
Jyothy Lab.	38.4	33.4	15	42.6	24.1	106	66	7.6	4.8	58	5.8	3.8	158	75
Marico	45.3	41.4	9	49.4	33.5	143	106	14.8	14.0	5	16.8	11.3	403	414
Nestle India	68.2	58.4	17	71.1	45.7	266	190	85.3	46.5	83	74.4	18.7	2796	1603
P & G Hygiene	63.9	60.6	5	74.9	46.3	243	201	51.7	34.1	52	48.5	19.7	1655	1147
Page Industries	60.6	62.4	-3	78.3	46.5	225	210	24.3	27.1	-10	33.8	20.3	726	891
Pidilite Inds.	60.0	54.6	10	74.9	34.2	222	171	13.9	12.2	14	15.3	9.1	373	347
Tata Consumer	51.2	43.4	18	56.9	29.9	175	116	4.5	2.8	58	3.9	1.8	52	3
United Breweries	61.8	91.9	-33	126.7	57.1	231	357	9.2	9.6	-4	11.0	8.1	213	250
United Spirits	63.2	94.7	-33	150.6	38.8	239	370	10.7	14.2	-25	19.9	8.5	263	419
Varun Beverages	55.2	41.7	32	49.4	34.0	196	107	15.4	7.3	110	10.3	4.4	423	168
<b>Healthcare</b>	<b>27.0</b>	<b>26.4</b>	<b>2</b>	<b>30.5</b>	<b>22.2</b>	<b>45</b>	<b>31</b>	<b>3.8</b>	<b>3.9</b>	<b>-4</b>	<b>4.7</b>	<b>3.1</b>	<b>27</b>	<b>43</b>
Ajanta Pharma	26.6	22.5	18	28.4	16.6	43	12	5.3	5.4	-2	7.3	3.5	80	97
Alembic Pharma	24.2	21.7	12	28.6	14.8	30	8	3.0	4.2	-28	5.6	2.7	2	52
Alkem Lab	24.8	24.6	1	30.3	18.9	33	22	3.9	4.1	-4	4.6	3.6	33	49



Company	PE (x)			Standard deviation in P/E		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10-year average	Premium/discount (%)	+1SD (x)	-1SD (x)	Current	10-year average	Current	10-year average	Premium/discount (%)	+1SD (x)	-1SD (x)	Current	10-year average
Apollo Hospitals	54.1	78.4	-31	111.2	45.5	190	289	9.0	6.1	46	8.2	4.0	205	124
Aurobindo Pharma	17.4	15.3	14	19.3	11.2	-7	-24	1.7	2.8	-38	4.2	1.4	-41	2
Biocon	21.1	39.7	-47	56.3	23.2	13	97	1.7	3.6	-54	5.2	2.1	-43	33
Cipla	24.9	28.1	-11	33.9	22.2	34	40	3.4	3.3	4	3.9	2.7	17	21
Divi's Lab.	49.3	32.5	52	45.8	19.2	165	62	6.8	6.0	12	7.9	4.2	130	120
Dr Reddy's Labs	19.3	25.9	-26	34.8	17.0	3	29	3.1	3.6	-13	4.4	2.8	7	32
ERIS Lifescience	25.3	24.4	3	30.4	18.4	36	21	4.4	5.4	-19	7.5	3.4	49	99
Gland Pharma	29.3	42.4	-31	58.1	26.7	57	111	3.0	5.2	-43	7.4	3.0	0	89
Glaxosmit Pharma	40.9	55.5	-26	72.5	38.4	120	176	12.1	12.2	-1	14.1	10.4	312	348
Glenmark Pharma.	19.4	21.5	-10	29.4	13.6	4	7	2.3	3.2	-30	5.0	1.5	-23	18
Granules India	14.2	14.4	-2	20.0	8.7	-24	-28	2.3	2.4	-1	3.2	1.6	-20	-13
Ipca Labs.	32.8	32.2	2	45.8	18.6	76	60	3.5	3.6	-2	4.5	2.7	20	32
Laurus Labs	26.0	27.0	-4	40.2	13.8	40	34	4.2	4.4	-3	6.5	2.2	44	59
Lupin	37.2	39.7	-6	55.0	24.4	99	97	3.7	4.0	-8	5.5	2.5	25	46
Max Healthcare	35.3	29.7	19	35.8	23.6	90	48	5.3	4.1	30	5.3	2.9	81	50
Solara Active Pharma	0.0	13.2	-100	21.3	5.1	-100	-35	0.9	1.7	-48	2.7	0.7	-70	-38
Sun Pharma.Inds.	26.5	30.3	-13	39.2	21.3	42	50	4.0	4.1	-1	5.5	2.6	37	49
Torrent Pharma.	32.5	29.0	12	36.5	21.5	74	44	5.2	5.9	-13	7.2	4.7	76	118
Zydus Lifesciences	20.2	20.4	-1	24.8	16.0	8	1	2.9	3.8	-25	5.2	2.4	-3	40
<b>Infrastructure</b>	<b>16.9</b>	<b>9.2</b>	<b>83</b>	<b>13.9</b>	<b>4.6</b>	<b>-9</b>	<b>-54</b>	<b>1.6</b>	<b>1.1</b>	<b>41</b>	<b>1.6</b>	<b>0.7</b>	<b>-46</b>	<b>-59</b>
IRB Infra.Devl.	20.5	13.7	50	19.2	8.1	10	-32	1.3	1.1	20	1.6	0.6	-55	-60
KNR Construct.	17.3	12.6	38	17.4	7.7	-7	-38	2.4	2.0	16	2.7	1.3	-20	-26
<b>Media</b>	<b>20.2</b>	<b>25.1</b>	<b>-19</b>	<b>29.6</b>	<b>20.5</b>	<b>8</b>	<b>25</b>	<b>2.2</b>	<b>4.2</b>	<b>-46</b>	<b>6.0</b>	<b>2.4</b>	<b>-24</b>	<b>53</b>
PVR Inox	30.8	49.1	-37	70.9	27.3	65	144	2.1	4.2	-51	5.5	2.9	-29	55
Sun TV Network	12.9	16.3	-21	21.9	10.7	-31	-19	2.4	3.7	-37	5.3	2.2	-20	36
Zee Entertainment	29.1	34.0	-14	45.8	22.1	56	69	2.2	4.6	-51	6.8	2.3	-24	68
<b>Logistics</b>	<b>29.1</b>	<b>32.4</b>	<b>-10</b>	<b>38.8</b>	<b>25.9</b>	<b>56</b>	<b>61</b>	<b>4.2</b>	<b>3.9</b>	<b>8</b>	<b>4.6</b>	<b>3.2</b>	<b>44</b>	<b>44</b>
Blue Dart Expres	34.0	77.2	-56	124.1	30.4	83	284	9.3	17.1	-45	25.3	8.9	217	525
Container Corpn.	31.6	30.9	3	38.0	23.7	70	53	3.5	3.1	14	3.6	2.6	20	13
TCI Express	30.3	33.4	-9	42.7	24.2	63	66	6.8	8.2	-17	10.2	6.2	131	201
Transport Corp.	14.8	14.7	0	19.4	10.1	-21	-27	2.7	2.3	16	3.0	1.6	-9	-15
VRL Logistics	26.1	30.2	-14	39.5	20.9	40	50	5.2	4.6	13	5.8	3.3	77	68
Mahindra Logis.	38.8	105.3	-63	167.1	43.6	108	423	4.5	6.1	-27	7.7	4.6	53	124
<b>Metals</b>	<b>11.1</b>	<b>11.3</b>	<b>-2</b>	<b>15.7</b>	<b>7.0</b>	<b>-40</b>	<b>-44</b>	<b>1.7</b>	<b>1.2</b>	<b>33</b>	<b>1.6</b>	<b>0.9</b>	<b>-44</b>	<b>-54</b>
Coal India	8.6	10.7	-20	16.0	5.5	-54	-47	2.5	4.8	-48	7.3	2.3	-15	76
Hindalco Inds.	11.2	9.5	18	11.8	7.2	-40	-53	1.3	1.1	23	1.4	0.7	-55	-60
Hind.Zinc	12.2	11.7	4	14.7	8.7	-34	-42	5.9	3.7	61	5.9	1.5	102	35



Company	PE (x)			Standard deviation in P/E		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10-year average	Premium/discount (%)	+1SD (x)	-1SD (x)	Current	10-year average	Current	10-year average	Premium/discount (%)	+1SD (x)	-1SD (x)	Current	10-year average
Jindal Steel	10.6	8.6	23	15.0	2.2	-43	-57	1.5	0.7	105	1.1	0.4	-49	-73
JSW Steel	13.0	14.5	-10	23.2	5.9	-30	-28	2.3	1.7	35	2.2	1.2	-22	-37
Natl. Aluminium	9.5	11.4	-17	19.8	3.1	-49	-43	1.2	1.0	23	1.3	0.7	-59	-64
NMDC	8.2	5.9	38	8.0	3.8	-56	-71	1.6	1.1	42	1.4	0.8	-45	-59
S A I L	9.8	11.2	-12	18.5	3.8	-47	-45	0.7	0.6	6	0.8	0.4	-78	-77
Tata Steel	12.2	19.7	-38	47.0	-7.6	-35	-2	1.5	1.2	20	1.8	0.7	-50	-55
Vedanta	7.9	9.8	-19	14.3	5.3	-58	-51	2.3	1.6	41	2.4	0.8	-23	-42
<b>Oil &amp; Gas</b>	<b>11.4</b>	<b>12.3</b>	<b>-7</b>	<b>14.8</b>	<b>9.8</b>	<b>-39</b>	<b>-39</b>	<b>1.4</b>	<b>1.4</b>	<b>-4</b>	<b>1.6</b>	<b>1.3</b>	<b>-53</b>	<b>-48</b>
<b>Oil &amp; Gas Ex RIL</b>	<b>5.9</b>	<b>9.2</b>	<b>-36</b>	<b>12.5</b>	<b>5.9</b>	<b>-68</b>	<b>-54</b>	<b>1.0</b>	<b>1.2</b>	<b>-22</b>	<b>1.5</b>	<b>1.0</b>	<b>-67</b>	<b>-54</b>
Aegis Logistics	23.0	28.6	-20	42.1	15.2	23	42	2.9	3.9	-26	5.3	2.5	-2	43
B P C L	5.5	9.3	-41	14.0	4.5	-71	-54	1.1	1.8	-40	2.3	1.3	-62	-33
Castrol India	15.5	23.9	-35	32.0	15.8	-17	19	6.3	16.4	-61	26.9	5.9	116	499
GAIL (India)	9.9	11.5	-14	15.8	7.3	-47	-43	1.2	1.3	-9	1.6	1.0	-60	-53
Gujarat Gas	22.0	24.0	-8	32.8	15.2	18	19	3.5	4.7	-26	5.9	3.5	19	73
Guj.St.Petronet	15.7	13.7	15	16.4	11.0	-16	-32	1.5	1.6	-6	1.9	1.3	-48	-40
H P C L	3.7	5.6	-34	7.8	3.3	-80	-72	0.8	1.2	-30	1.6	0.7	-72	-57
I O C L	5.1	7.6	-33	15.3	-0.1	-73	-62	0.8	0.9	-17	1.3	0.5	-74	-66
Indraprastha Gas	20.6	19.9	3	26.2	13.7	11	-1	3.6	3.8	-5	5.0	2.7	24	40
Mahanagar Gas	11.2	14.3	-22	18.1	10.5	-40	-29	2.0	3.0	-32	3.9	2.1	-31	11
M R P L	12.9	15.6	-18	28.1	3.1	-31	-22	2.7	2.8	-3	3.5	2.0	-10	1
Oil India	6.6	7.4	-10	10.4	4.4	-64	-63	0.9	0.8	7	1.1	0.6	-70	-70
O N G C	4.4	8.1	-45	12.5	3.7	-76	-60	0.7	1.0	-23	1.3	0.6	-75	-65
Petronet LNG	12.4	12.7	-2	14.9	10.5	-33	-37	2.1	2.6	-21	3.3	2.0	-29	-3
Reliance Inds.	20.6	14.5	42	21.6	7.5	10	-28	1.6	1.4	16	1.7	1.2	-45	-48
<b>Sp. Chemicals</b>	<b>32.5</b>	<b>20.6</b>	<b>58</b>	<b>32.1</b>	<b>9.0</b>	<b>74</b>	<b>2</b>	<b>5.3</b>	<b>3.8</b>	<b>40</b>	<b>5.9</b>	<b>1.7</b>	<b>80</b>	<b>38</b>
Alkyl Amines	40.0	26.2	53	50.8	1.5	115	30	7.9	5.8	36	10.6	1.0	168	113
Atul	37.2	25.3	47	39.2	11.4	99	26	3.9	3.4	13	4.7	2.1	32	26
Deepak Nitrite	29.3	18.7	56	27.7	9.7	57	-7	5.4	3.4	58	5.5	1.3	84	26
Fine Organic	36.3	31.9	14	41.3	22.6	95	59	7.5	7.9	-5	9.5	6.4	155	191
Galaxy Surfactants	24.2	24.5	-1	30.6	18.4	30	22	3.9	4.8	-18	5.7	3.8	32	75
Navin Fluorine	31.7	25.2	26	42.9	7.5	70	25	6.5	4.2	54	7.2	1.2	119	54
NOCIL	19.7	15.1	31	21.9	8.4	6	-25	2.2	1.8	25	2.5	1.1	-25	-35
Vinati Organics	37.8	28.9	31	41.3	16.5	103	44	6.7	6.0	12	8.1	3.9	128	120
<b>Real Estate</b>	<b>29.5</b>	<b>22.0</b>	<b>34</b>	<b>30.0</b>	<b>14.1</b>	<b>58</b>	<b>9</b>	<b>3.0</b>	<b>1.5</b>	<b>100</b>	<b>2.1</b>	<b>0.9</b>	<b>2</b>	<b>-45</b>
Brigade Enterpr.	19.7	23.3	-16	35.5	11.2	6	16	2.9	1.7	71	2.4	1.0	-2	-38
DLF	34.8	41.9	-17	67.9	15.9	87	108	2.3	1.2	93	1.6	0.8	-23	-57
Godrej Properties	43.3	71.8	-40	99.5	44.1	133	257	4.1	4.9	-16	6.8	3.0	39	79

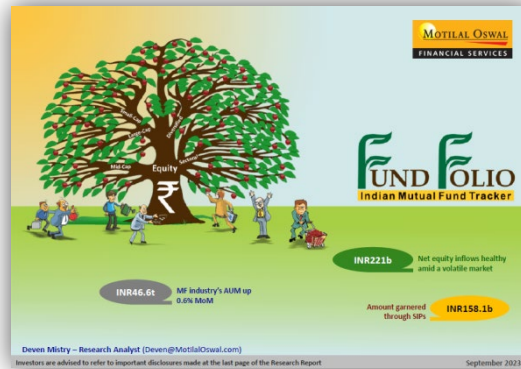


Company	PE (x)			Standard deviation in P/E		Relative to Nifty P/E (%)		PB (x)			PB Std. Deviation		Relative to Nifty P/B (%)	
	Current	10-year average	Premium/discount (%)	+1SD (x)	-1SD (x)	Current	10-year average	Current	10-year average	Premium/discount (%)	+1SD (x)	-1SD (x)	Current	10-year average
Macrotech Developers	37.2	31.6	18	37.7	25.5	99	57	5.1	3.8	33	4.6	3.1	74	41
Mahindra Lifespace	70.3	23.5	199	57.6	-10.5	277	17	4.3	1.0	318	2.2	-0.2	47	-62
Oberoi Realty	25.6	22.9	12	26.5	19.2	37	14	2.9	2.1	41	2.5	1.6	-1	-25
Prestige Estates	31.4	21.9	43	27.1	16.7	68	9	2.1	1.7	17	2.2	1.3	-30	-36
Phoenix Mills	27.9	40.9	-32	68.4	13.5	50	103	3.3	2.4	33	2.8	2.1	11	-11
Sobha	22.7	25.2	-10	38.5	11.9	22	25	2.4	1.7	39	2.3	1.1	-19	-37
<b>Retail</b>	<b>68.0</b>	<b>83.6</b>	<b>-19</b>	<b>149.2</b>	<b>18.0</b>	<b>265</b>	<b>315</b>	<b>12.4</b>	<b>9.1</b>	<b>37</b>	<b>12.8</b>	<b>5.3</b>	<b>323</b>	<b>232</b>
Aditya Birla Fashion	na	96.6	na	144.2	48.9	na	380	4.9	8.5	-42	11.3	5.8	68	212
Avenue Supermarts	70.8	98.5	-28	122.6	74.3	280	389	11.0	12.4	-12	15.2	9.6	273	355
Bata India	47.9	45.8	5	62.3	29.2	157	127	10.0	8.7	15	12.3	5.2	241	220
Jubilant	71.5	79.6	-10	106.3	53.0	284	296	14.7	13.9	6	18.3	9.5	400	410
Raymond	14.5	21.0	-31	31.8	10.1	-22	4	2.4	1.8	31	2.4	1.2	-20	-34
Relaxo Footwear	74.0	63.6	16	106.0	21.1	297	216	10.3	9.5	9	12.7	6.3	250	247
Shoppers Stop	32.8	43.2	-24	57.1	29.4	76	115	11.9	9.7	22	16.3	3.2	304	256
Titan	63.5	54.5	17	71.5	37.5	241	171	17.3	12.1	43	16.0	8.2	489	343
Trent	85.2	91.6	-7	109.6	73.5	357	355	18.0	7.5	141	12.0	3.0	512	174
V-Mart Retail	103.2	40.5	155	72.2	8.7	454	101	4.1	5.5	-25	7.9	3.1	40	101
<b>Technology</b>	<b>23.2</b>	<b>19.6</b>	<b>18</b>	<b>24.0</b>	<b>15.3</b>	<b>24</b>	<b>-2</b>	<b>7.6</b>	<b>5.4</b>	<b>42</b>	<b>6.8</b>	<b>3.9</b>	<b>158</b>	<b>96</b>
Coforge	28.3	20.6	38	29.7	11.5	52	2	7.8	4.4	75	7.0	1.9	164	63
Cyient	21.6	16.8	29	21.6	11.9	16	-17	4.7	2.8	70	3.7	1.9	60	1
HCL Technologies	19.8	15.6	27	18.7	12.5	6	-23	5.2	3.7	41	4.5	2.9	77	36
Infosys	22.0	19.6	12	24.6	14.6	18	-3	7.8	5.2	50	7.3	3.1	166	91
LTI Mindtree	28.3	22.2	27	32.1	12.4	52	10	7.2	10.1	-28	12.9	7.3	146	269
L&T Technology	32.7	25.1	30	34.1	16.1	75	25	8.5	6.2	37	8.3	4.2	189	128
Mphasis	24.4	17.8	37	25.1	10.6	31	-11	5.0	3.2	54	5.0	1.5	69	18
Persistent Sys	34.5	23.2	48	32.7	13.7	85	15	8.5	3.8	123	5.9	1.6	187	39
TCS	25.2	23.1	9	27.7	18.6	35	15	14.9	9.3	61	12.5	6.1	408	241
Tech Mahindra	21.3	16.2	32	20.4	12.1	15	-19	3.7	3.1	19	3.9	2.3	26	14
Wipro	17.7	17.1	4	21.5	12.8	-5	-15	2.9	2.9	0	3.6	2.3	0	8
Zensar Tech.	20.6	15.0	37	20.9	9.1	11	-25	3.4	2.3	49	3.0	1.6	16	-16
<b>Telecom</b>	<b>na</b>	<b>34.0</b>	<b>na</b>	<b>48.1</b>	<b>19.8</b>	<b>na</b>	<b>69</b>	<b>19.1</b>	<b>7.4</b>	<b>157</b>	<b>14.3</b>	<b>0.5</b>	<b>550</b>	<b>172</b>
Bharti Airtel	NA	32.6	na	47.3	17.9	na	62	4.4	3.0	46	4.3	1.7	49	10
Indus Towers	8.5	19.2	-56	26.9	11.4	-55	-5	1.7	3.4	-49	4.4	2.4	-42	24
Vodafone Idea	na	15.7	na	23.0	8.3	na	-22	0.0	1.1	-100	1.5	0.8	-100	-58
Tata Comm	32.8	27.6	19	43.2	12.0	76	37	15.9	26.2	-39	50.2	2.3	442	861

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# Quant Research and India Strategy gallery



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

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