

**EYE POPPER:** Margin Funding hits an all time of INR 30,760 Cr. The average margin funding was INR 28,535 Cr vs INR 26,000 Cr in last year. Many brokers offering MTF facility on nearly 100 stocks.

# MARKET ROUNDUP

July 10, 2023

Exhibit 01: Market recovers post fall in June

Major Global Indices	Close	1M %	YTD %
NIFTY 50	19,189.1	3.5%	5.4%
DJI	34,407.0	4.6%	3.8%
NASDAQ	15,179.4	6.4%	39.7%
FTSE	7,552.0	1.3%	-0.1%
DAX	16,147.9	3.1%	14.8%
CAC	7,400.0	4.3%	12.4%
NIKKEI 225	33,189.0	7.5%	28.5%
SHANGHAI COMPOSITE	3,202.1	-0.1%	2.7%
HANGSENG	18,916.4	3.7%	-6.1%

Exhibit 02: Broader market gets aggressive.

Indian Broader Market	Close	1M %	YTD %
NIFTY 500	16,430.0	4.2%	5.8%
NIFTY MIDCAP 100	35,754.3	5.9%	12.5%
NIFTY SMALLCAP 100	10,837.1	6.6%	10.6%

Exhibit 03: Pharma and Realty clock Healthy Jump.

Sector Performance	Close	1M %	YTD %
REALTY	520.0	8.6%	19.2%
PHARMA	13,767.8	8.6%	9.7%
AUTO	15,147.7	6.7%	19.6%
METAL	6,209.1	5.4%	-9.8%
ENERGY	24,696.5	3.4%	-5.1%
FMCG	52,194.8	2.3%	18.1%
PVT BANK	22,923.7	2.0%	4.2%
PSU BANK	4,110.2	2.0%	-5.5%
BANK	44,747.4	1.4%	3.6%
OIL & GAS	7,535.7	1.4%	-11.0%
IT	29,563.0	0.8%	2.9%
MEDIA	1,743.8	-0.7%	-13.5%

Source: Ace Equity, Trading View, Prices as on June 30, 2023

## Market Overview

- Nifty Hits All Time High:** Nifty breached previous ATH of 18,887.6 on 28th June triggered optimism in broader market as Mid and Small caps moved healthy. The rally led by HDFC twins as HDFC Ltd/HDFC Bank Ltd moved 6.88%/5.62% respectively. Indian markets direction was in sync with global markets, Nasdaq 100 rallied 6.4% with stable Fed rates, gained healthy 39.7% on YTD basis. FIIs and DIIs pumped INR 27,250 Cr/ INR 4458 Cr respectively in June-23.
- Rising Rates Could Halt The Party:** The USA's private sector jobs surged by 4,97,000 for Jun-23, much higher than the 2,20,000 consensus estimate. This resulted a biggest monthly rise since July 2022. the higher job addition could trouble Fed's battle with inflation and adversely affect the visibility of rate cuts. Probability of a 25 bps rate hike now has increased to 90% for July's Fed meet. The debt market has anticipating the rate hike as US10 yr G-Sec bond yield moved sharply in last three session to 4.04%. The short term rates such as US 02 yr G-Sec yield climbed again to 4.99%, the highs of Mar-23. the short term rates have overcame the fall post US banking crisis making the yield curve inverted again. These bond market actions could halt the Nasdaq 100 party as market have become optimistic post rate halt by Fed.
- 4th largest Bank Across Globe:** HDFC Bank and HDFC Ltd merger to came effective from 12th July and the merged entity to create worlds 4th largest bank. The total business of merged entity stood at INR 41 trn Cr. (FY23) and will have combined asset of INR 18 trn Cr.
- Markets at an All time High, Valuations Aren't:** The Nifty 500 index trading at 21.5 (x) 1 yr forward PE (10 yr Avg of 18.9). The market rebound handsomely from March -23 end where Nifty was trading at its long period avg. The Nifty hits an all time high trading above 19000, however the valuations are at reasonable levels compared to 2019 where the same PE was at 25(x) (see exhibit 02). The Banks has led this rally, specifically run-up by HDFC Twins, despite of the rally the 1 YR Forward PB trade at par with long period average of 2.3(x). Signaling the froth less condition in the banking space. The Nifty IT index however still trades at premium of 18% though is has come down from 29% year ago.
- Economy on Well Track:** India's economical data across all front signaling green shots in economy as GDP grew 6.1% in Q4FY23 with full year growth of 7.2%. The GST collection for June-23 stood at Rs 1.61 trillion (12% yoy).
- Bullions Felled in June:** Gold and Silver reported a fall of 3.30%/ 2.87% respectively as money flows to equities. In Base metals, aluminum felled 5.68% post 3 months consolidation Zinc, Nickel, Copper moved 4.08%, -3.88%, 0.63% respectively in Jun-23. energy commodities improved as Crude Oil, Natural gas gained 1.92%, 21.26% in last month.

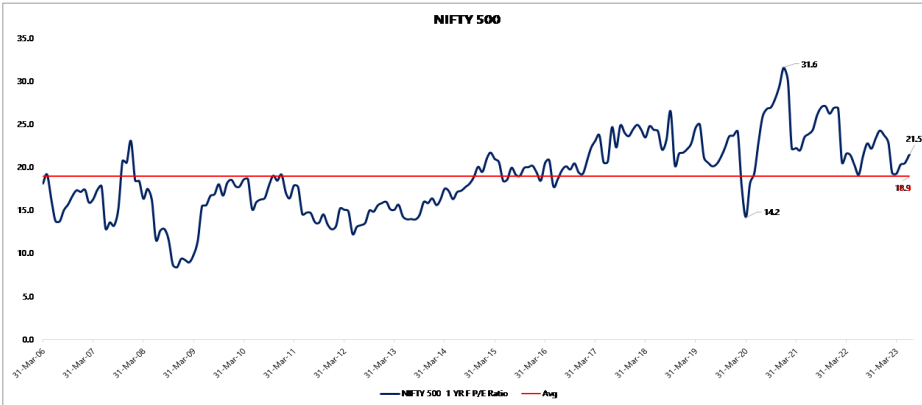
## Outlook Ahead

- Stay on the Course:** The Indian equity market hits all time high due to resilient macro economic data and robust Q1 business updates, however the valuations are at reasonable levels. The rising yields and higher USDINR could poses a challenge for Indian markets hence systematic approach for investment is advised at current levels.

## Key Development

**SEBI to initiates Clients fund upstreaming across brokerage firms.**

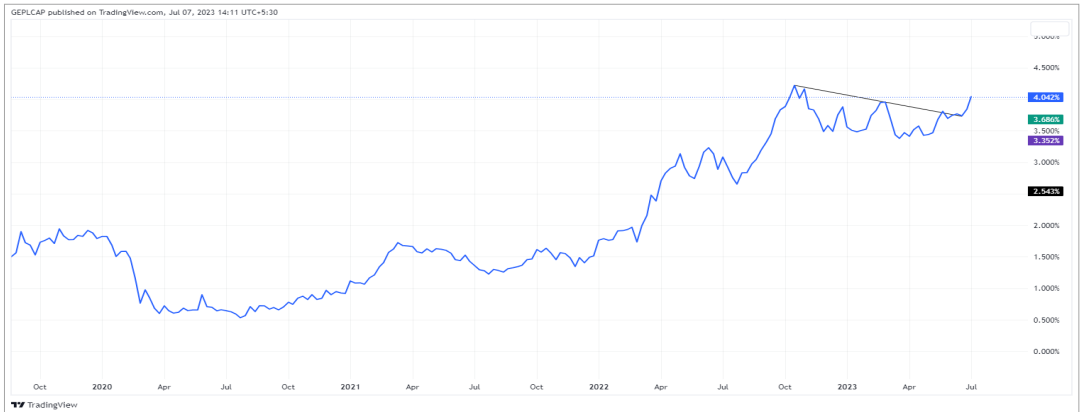
Exhibit 04 : Nifty 500 1 YR forward PE(x)



.....Nifty forward PE moved swiftly from long period average .

Source: Bloomberg, GEPL Capital Research

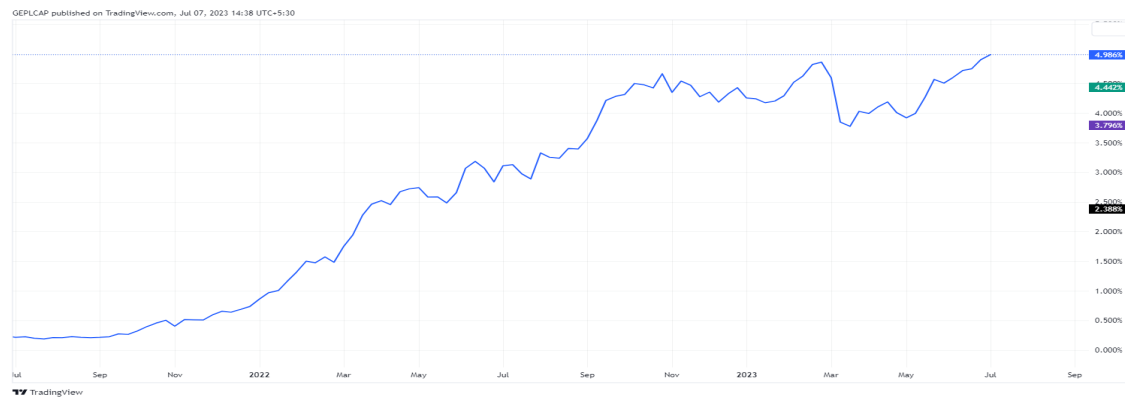
Exhibit 05 : USA 10 Yr G-Sec Yield



.....US Long term rates moves sharply amid Fed meet on month end.

Source: Ace

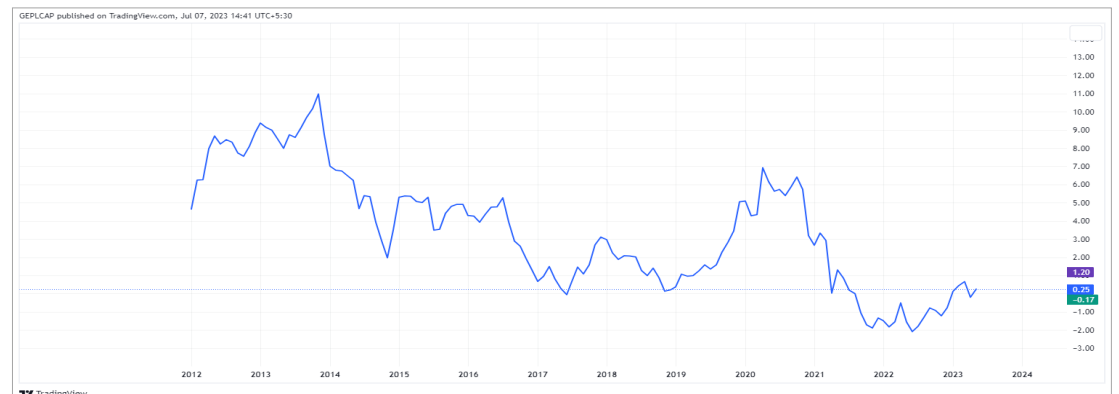
Exhibit 06 : USA 02 yr G-Sec Yield



.....Short term rates climbed again.

Source: Trading view , GEPL Capital Research

Exhibit 07 : India and USA Inflation differential.



.....Inflation differential cooling off as US inflation comes down drastically.

Source: Trading View, GEPL Capital Research

## Disclaimer

We, Research Analyst of GEPL Capital, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We, also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

## Disclosure

This document has been prepared by Research Department of GEPL Capital Pvt. Ltd. (hereinafter referred to as GEPL Capital) and this report is for personal information of the selected recipient/s and does not constitute to be any investment, recommendation, prospectus, offering circular or legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and GEPL Capital is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. GEPL Capital makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability or obligation with respect to, the fairness, accuracy, completeness or correctness of any information or up date information or opinions contained herein. All investments including Future and Options are involving risks and investor should exercise prudence in making their investment decisions. The report should not be regarded by the recipients as a substitute for the exercise of their own judgment. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or GEPL Capital as a result of using different assumptions and criteria. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report. The information contained in this report has been obtained from sources that are considered to be reliable. However, GEPL Capital has not independently verified the accuracy or completeness of the same. Neither GEPL Capital nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein. GEPL Capital and its affiliates and/or their officers, directors and employees may have similar position in any securities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such securities (or investment. GEPL Capital specifically prohibits the redistribution of this material in whole or in part without the written permission of GEPL Capital and GEPL Capital accepts no liability whatsoever for the actions of third parties in this regard. GEPL Capital or its director or its research analysts or its associates or his relatives and/or its affiliates and/or employees do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report. Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

## Disclaimers in respect of jurisdiction

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such Distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject GEPL Capital its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any individual the same may be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published for any purposes without prior written approval of GEPL Capital.

## Analyst Certification

The views expressed in this research report reflect the personal views of the analyst(s) about the subject securities or issues. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months.

GEPL Capital Private Limited is a SEBI registered Research Analyst entity bearing SEBI Reg. No. "INH00000081" under SEBI (Research Analysts) Regulations, 2014.

Reg./Corp. Office: D-21 Dhanraj Mahal, CSM Marg, Colaba, Mumbai 400 001 Contact No +91 22 66182400

SEBI Reg. No. NSE/NSEF&O/CD - INB230993934, INF230993934 & INE230993934. BSE/BSE F&O- INB010993934 & INF010993934, For more information, visit us at: [www.geplcapital.com](http://www.geplcapital.com)

## Disclaimer:

Investments in securities market are subject to market risks, read all the related documents carefully before investing. Investors must make their own investment decisions based on their specific goals, financial position & risk appetite. The content provided herewith is purely for investor awareness only.