

**EYE POPPER:** Net FDI Investment in Equity climbs to highest in last 20 years as CY23 witnessed Rs 1,71,107 Cr inflows, a highest post CY20.

# MARKET ROUNDUP

January 05, 2024

Exhibit 01: Indian markets Hits new benchmark

Major Global Indices	Close	1M %	CY23 %
NIFTY 50	21,731.0	7.9%	19.4%
DJI	37,689.0	4.8%	13.7%
NASDAQ	16,825.0	5.5%	54.9%
FTSE	7,731.0	3.5%	2.3%
DAX	16,751.0	3.3%	19.1%
CAC	7,555.0	3.1%	14.7%
NIKKEI 225	33,284.0	-0.7%	28.9%
SHANGHAI COMPOSITE	2,974.0	-1.8%	-4.6%
HANGSENG	17,047.0	0.0%	-15.4%

Exhibit 02: Mid & Small caps rallies sharply.

Indian Broader Market	Close	1M %	CY23 %
NIFTY 500	19,429.0	8.0%	25.2%
NIFTY MIDCAP 100	46,181.0	7.6%	45.3%
NIFTY SMALLCAP 100	15,143.0	6.9%	54.5%

Exhibit 03: A New energy to the Energy sector.

Sectoral Performance	Close	1M %	CY23 %
ENERGY	33,468.0	14.3%	28.6%
METAL	7,978.0	13.7%	15.8%
PSU BANK	5,713.0	13.3%	31.4%
OIL & GAS	9,496.0	12.0%	12.2%
REALTY	783.0	9.7%	79.5%
IT	35,515.0	9.0%	23.6%
BANK	48,292.0	8.6%	11.8%
PVT BANK	24,875.0	7.5%	13.1%
FMCG	56,987.0	7.5%	29.0%
AUTO	18,618.0	6.1%	47.0%
MEDIA	2,388.0	4.0%	18.5%
PHARMA	16,831.0	3.7%	34.1%

Source: Ace Equity, Trading View, Prices as on December 29, 2023

## Market Overview

### • NIFTY Chased 21K mark Successfully:

Nifty broke out of 5 months consolidation with hitting 21K mark in December-23. The move came post Indian state election result and Fed policy. Global market moved in tandem. Nasdaq and Dow Jones gained healthy while European market posted robust gain of 5.5%/4.8% DAX/CAC posted positive gains. The FII bought INR 31,959 Cr while DII's continued purchase with INR 12,942 Cr in Dec-23.

### • CY2024: The Year of Disinflation & Low Rates:

Despite the usual association of monetary easing with boosted commodity prices, this time, such a scenario seems improbable due to weakened global demand—a consequence of previous monetary tightening—and improved supplies, particularly in crude. These factors are expected to positively impact earnings.

### • FDI Inflows to Kick-in amid lower rates in CY24:

Steady domestic institutional flows through SIPs, support Indian markets with consistent liquidity. Domestic flow continuity is anticipated, driven by reduced attractiveness of fixed income due to tax changes. An enhanced FPI flows can be kicked in CY24, propelled by factors like a peaking USD, the approaching May'24 elections, and India's growing global significance. Despite India's smaller market size compared to China, favorable global conditions may boost FPI investment prospects.

### • RBI attacks on Ever greening of loans thorough AIF:

RBI tightened rules for lenders investing in AIFs to prevent hiding stressed loans. It bars lenders from investing in AIFs linked to companies that borrowed from or have investment exposure with them.

### • A Sustainable Capex story Playing out:

India's capital expenditure (GFCF) to GDP ratio hit a low in FY20 but has since risen by 270bps, still trailing the 2010 peak by 500-600bps. Housing, Corporate Capex, and Government Capex are active, suggesting limited impact from a global slowdown. A robust housing demand, affordability, and low inventory signal a lasting growth cycle. Additionally, Indian corporations with record-low debt, high capacity utilization, and strong banking support are poised for increased capital expenditure.

### • Healthy Economic Data:

Energy consumption up 2% weekly, 4% yearly, but slower growth in December (2% vs. 6%), E-way bill growth eased from 31% to 9% YoY. Railway freight up 4% yoy, down from 9% mom. Vehicle registrations dropped 48% weekly but rose 21% yoy in Dec-23. FASTag toll collection increased 12% yearly in November, vs 13% in Previous month.

### • Bullion Shine Continues:

Gold & Silver looses gains from top, closed 0.9%/-3.9% in Dec-23 respectively. DXY loosed -2% to close at 101, crude oil loosed -6.4%. The Base metals aluminum, Zinc, Nickel, Copper gained 5.3%, 4.67%, -0.96%, 1.8% respectively. Natural gas loosed 9.8% in Dec-23.

## Outlook Ahead

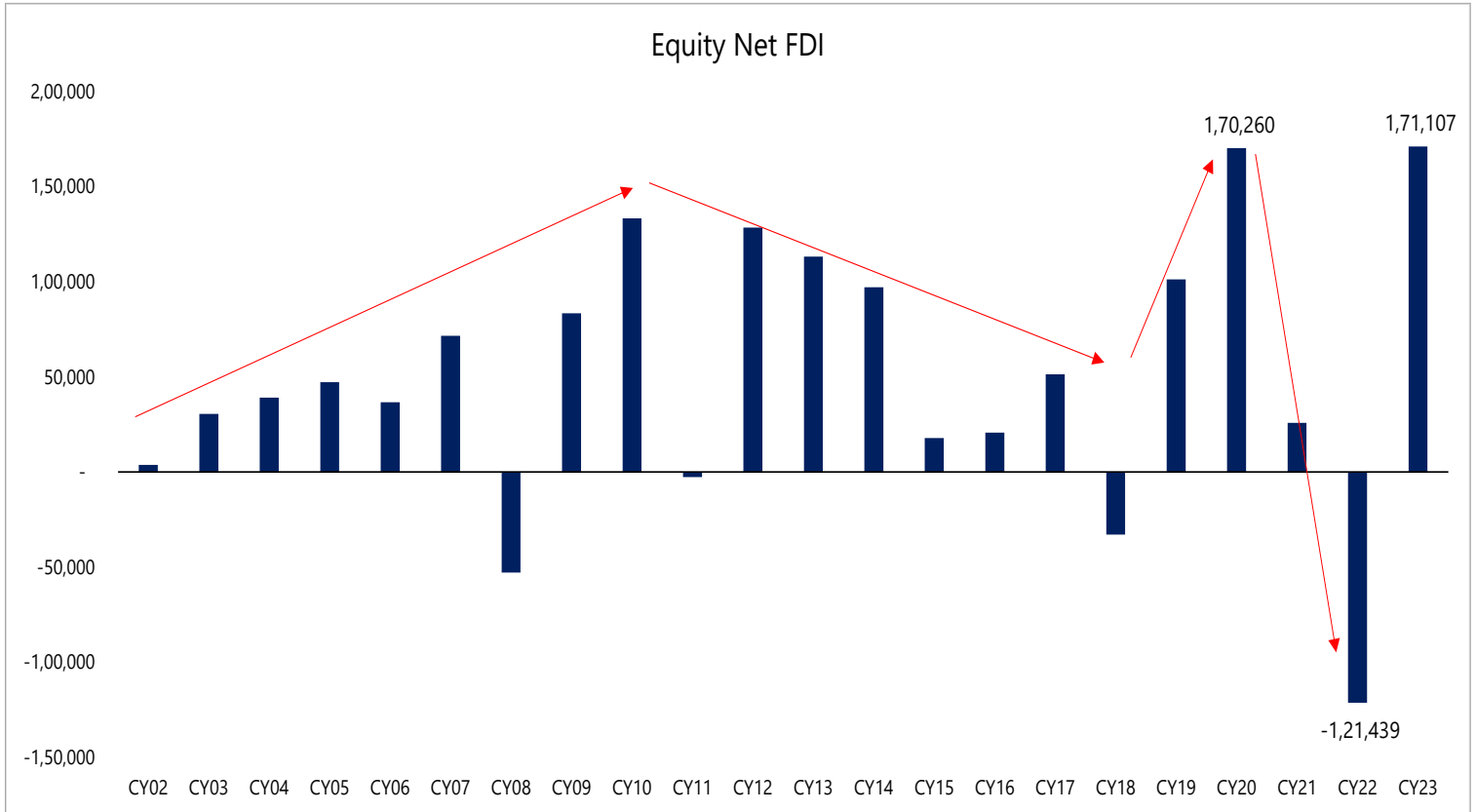
### • FPI inflows to keep large caps in action:

A blaster combination of FPI's coming back and reasonable valuations at some pockets of large caps to keep market in action. The FPI sold huge chunks in CY22, however the domestic institutions and retail interest acted as counter balance. Now with FPI's coming back shall keep market valuations at premium. We advise to Buy on the Dips. Focus on mispriced Large cap pockets.

## Key Development

**RBI mandates Firms to Make Provision of Redeem investments in Downstream Investee companies.**

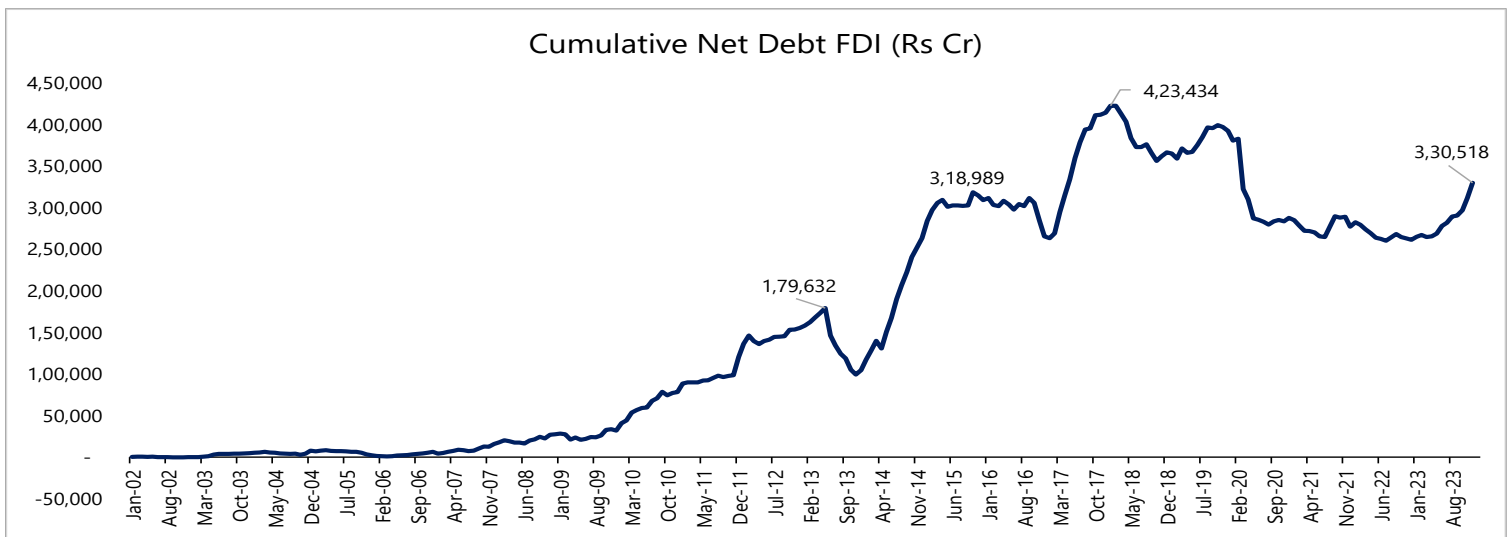
Exhibit 04 : Equity Inflows at its highest



Source: CDSL, GEPL Capital Research

..... FDI buys most in last 20 years.

Exhibit 05: Cumulative FDI Investment in Debt



Source: CDSL, GEPL Capital Research

.....Investments in Debt picked up in CY23 .



## 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.