

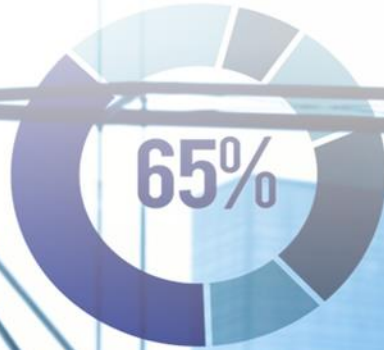


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Macro Chartbusters

May 2024

▲ 24.7050	▲ 86.560	0.650
▲ 47.0540	▲ 57.030	807.5
▲ 6760.70	▲ 5.7540	0.607





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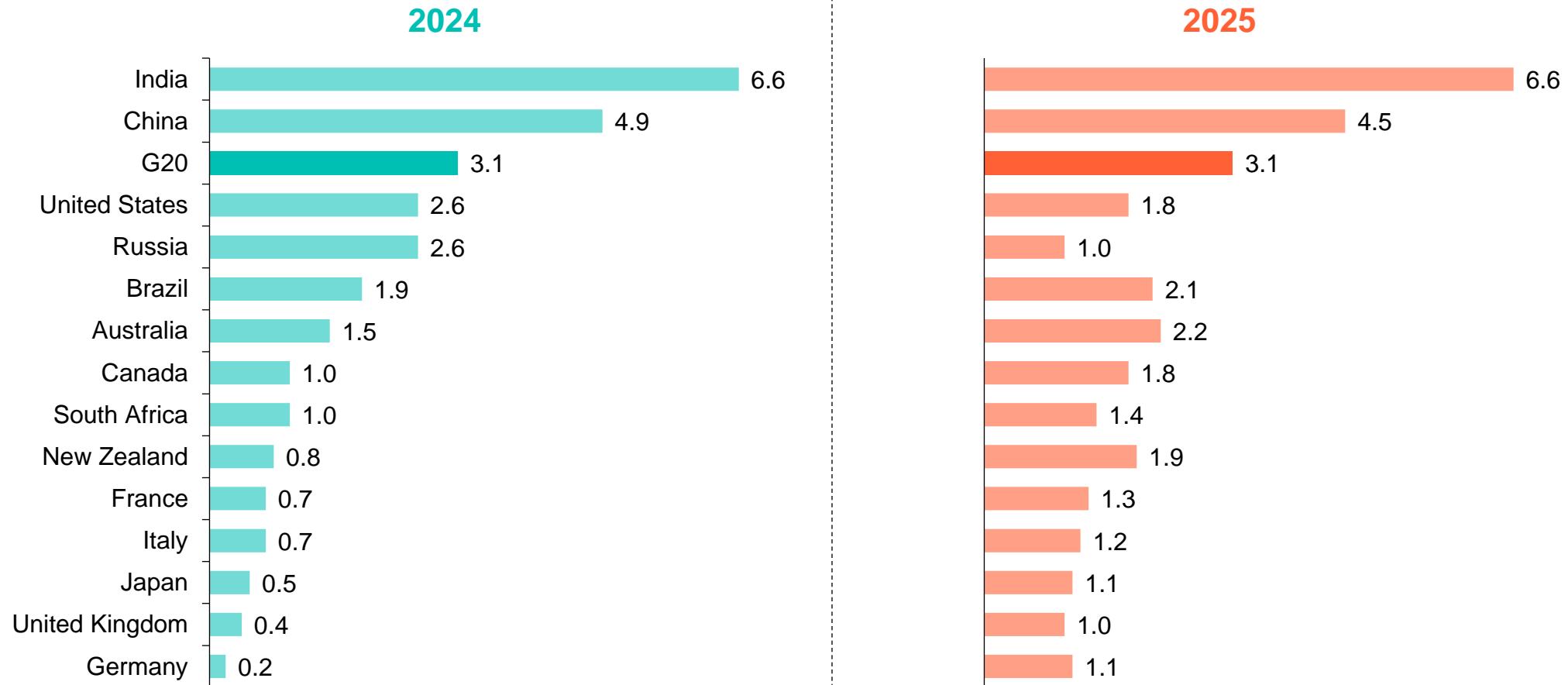
Global Trends

India Continues to Remain the Fastest Growing Large Economy



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GDP Growth Projections



Source: OECD Economic Outlook, May 2024
RBI Monthly Bulletin – May 2024

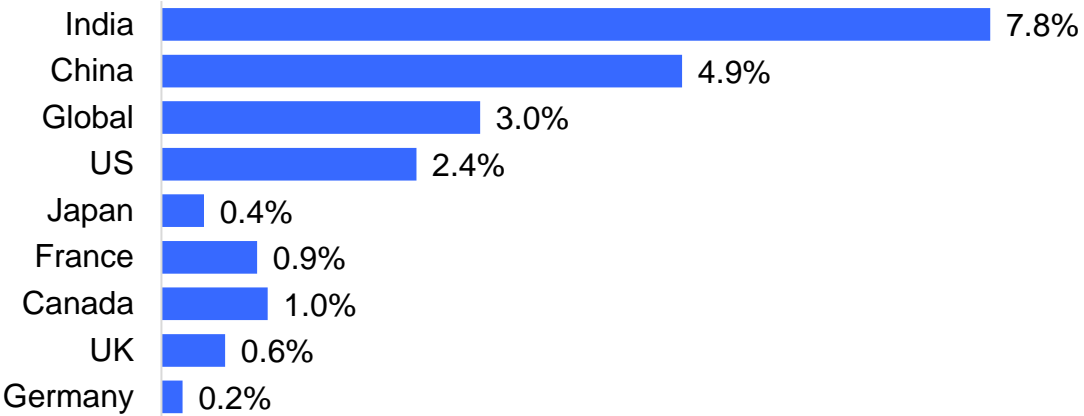
Y-O-Y (per cent)

Key Macro Numbers / Estimates

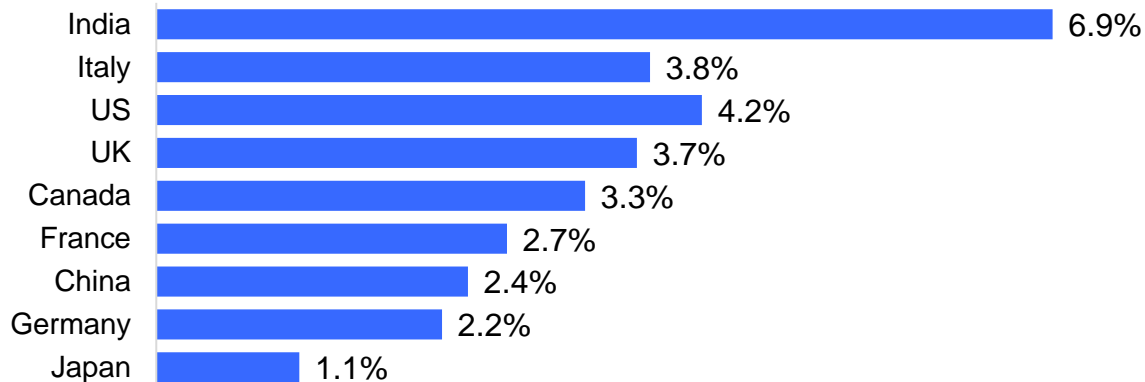


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Real GDP 2024E¹



10 Year Yield 2024E¹



Source: Bloomberg, FactSet

¹Based on Henry Hub prices; **Except S&P 500, all countries/regions are represented by MSCI USD indices. Note: 1 – Data updated as of June 7. There is no assurance that any estimate, forecast or projection will be realised.

**Except S&P 500, all countries/regions are represented by MSCI USD indices.

Forex and Commodities¹

All forecasts End-2024E

EUR/USD	1.09
USD/CNY	7.20
USD/JPY	149.00
USD/CHF	0.92
USD/INR	82.75
Gold oz	\$2,319.3
Silver oz	\$29.46
Copper mt	\$9,757.1
WTI bbl	\$76.46
Brent bbl	\$81.06
Gas* MMBtu	\$2.69
Wheat bu	\$6.37

Equity Performance¹

Perf %YTD US\$ terms**

S&P 500	+12%
Europe	+8%
EM	+5%
Germany	+6%
UK	+7%
France	+5%
Spain	+11%
Italy	+13%
China	+9%
Hong Kong	-6%
Japan	+7%
S. Korea	-5%
India	+11%

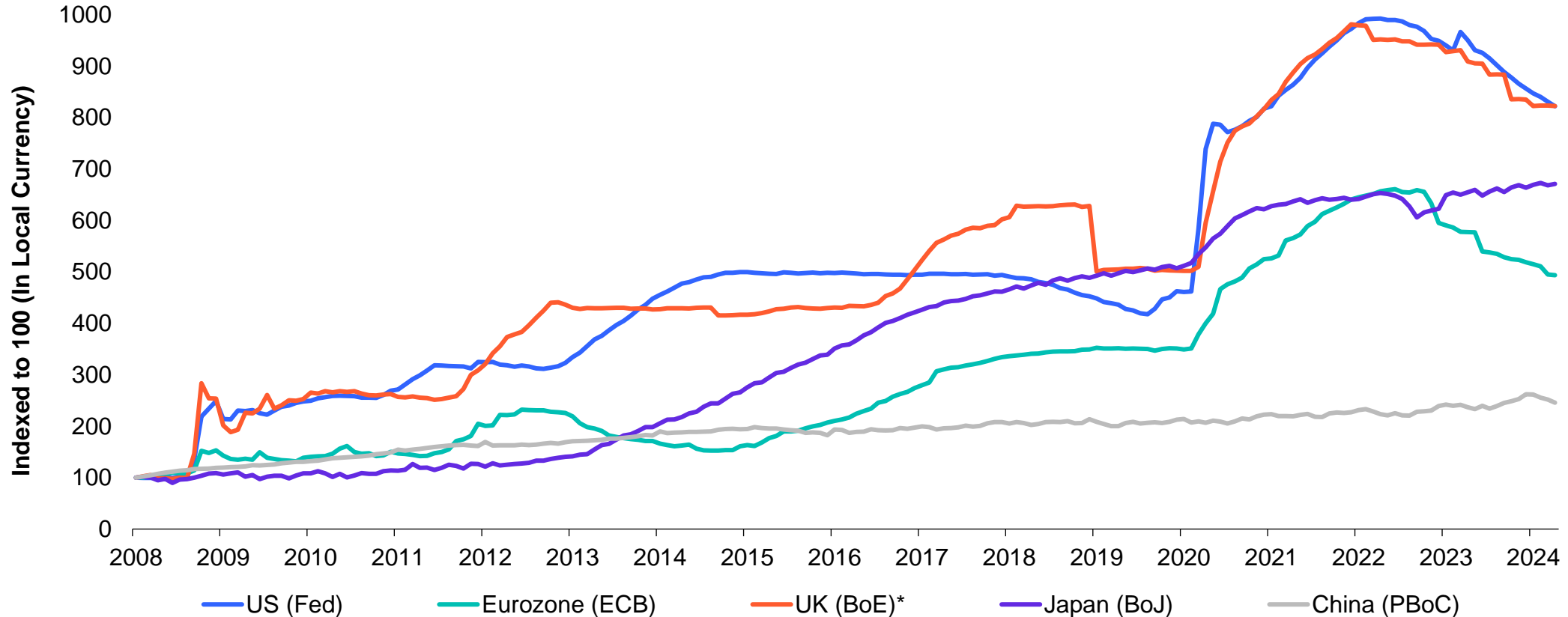
Global Central Banks Asset-Purchasing Dips



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Central Banks: Total Assets

January 2008 to April 2024



Assets bought by central banks predominantly include treasury bonds, asset backed securities and gold.

* Bank of England has made changes in the statistics reporting in September 2014.

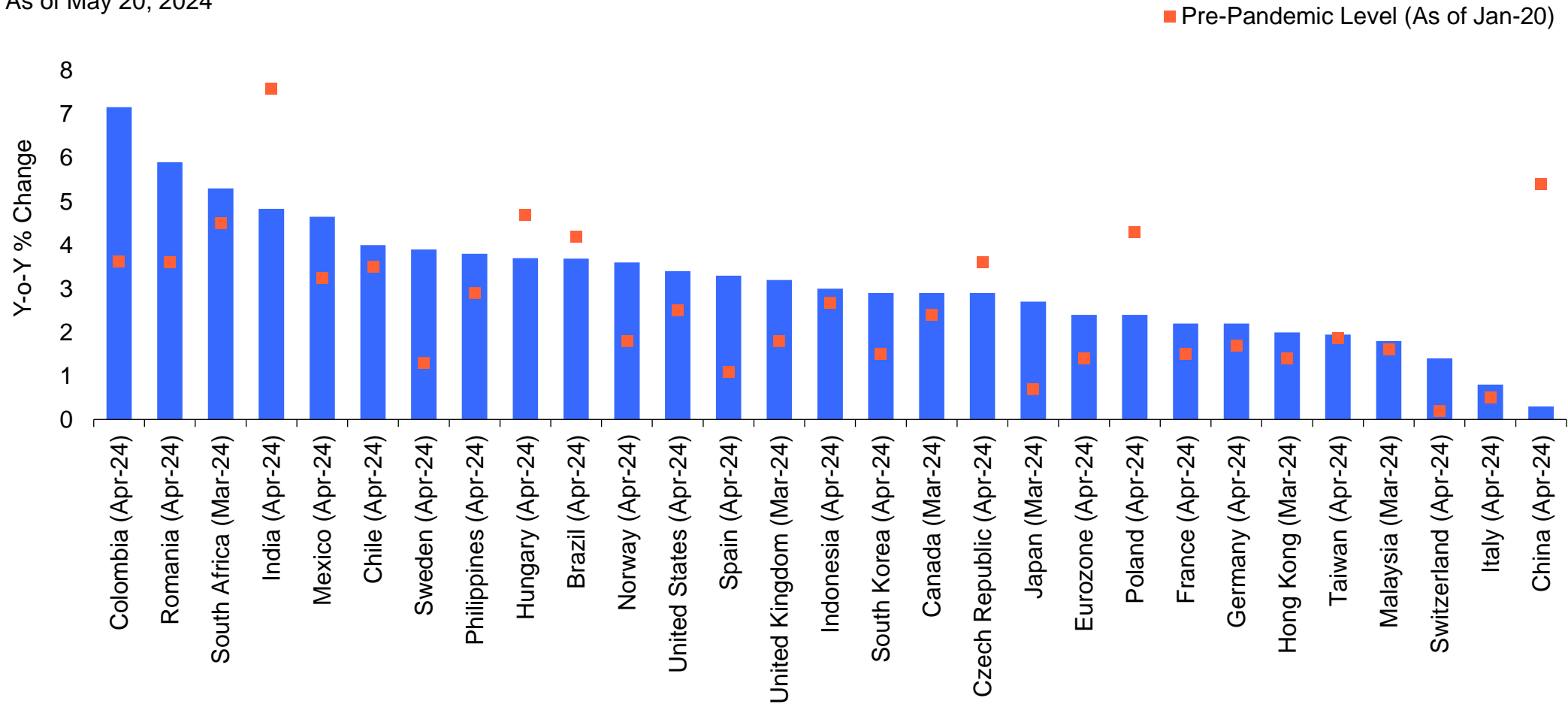
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Consumer Prices: Pre-Pandemic vs Current Levels



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As of May 20, 2024



Source: Bloomberg, National Sources.

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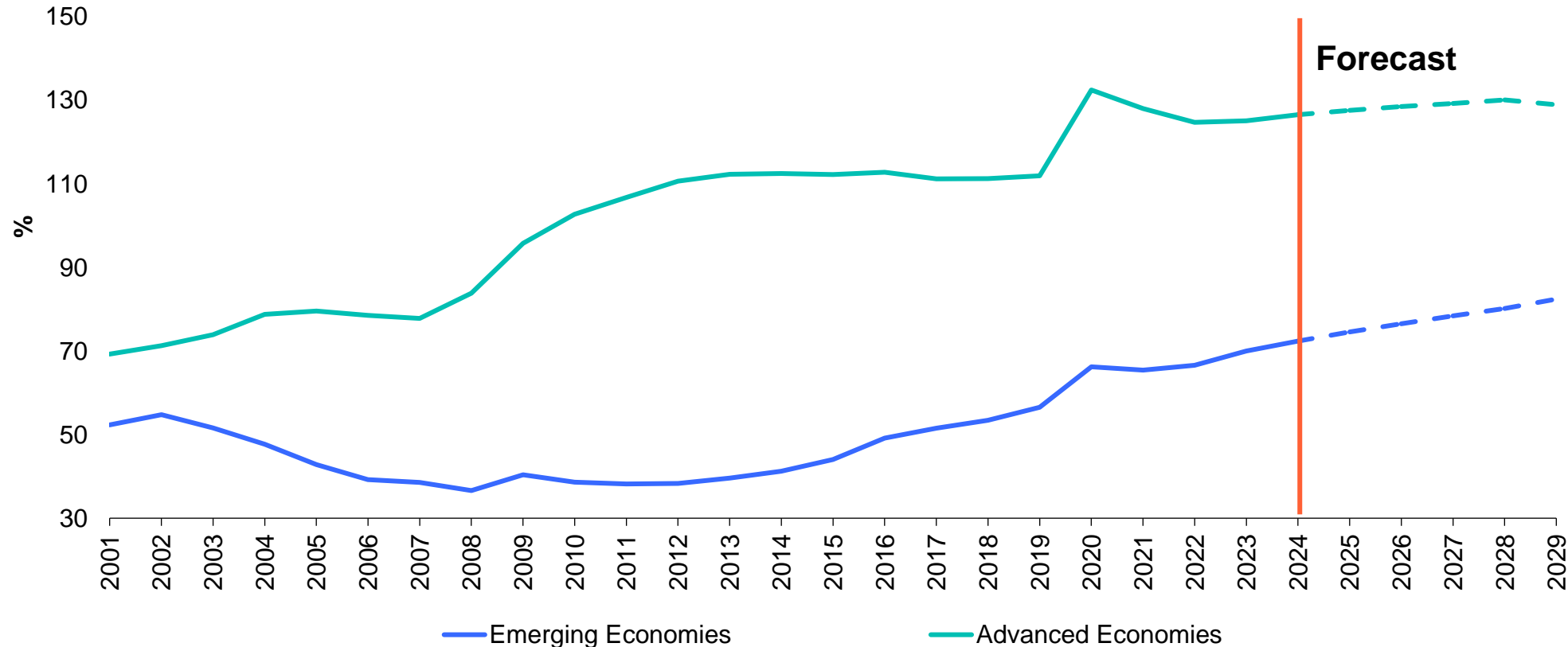
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Relatively Low Debt-to-GDP Ratios in Emerging versus Advanced G20 Economies



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Debt (General Government Gross) to GDP Ratio*
2001 - 2029E



*Weighted Average based on PPP (Purchasing Power Parity) GDP Weights; as of May 20, 2024.

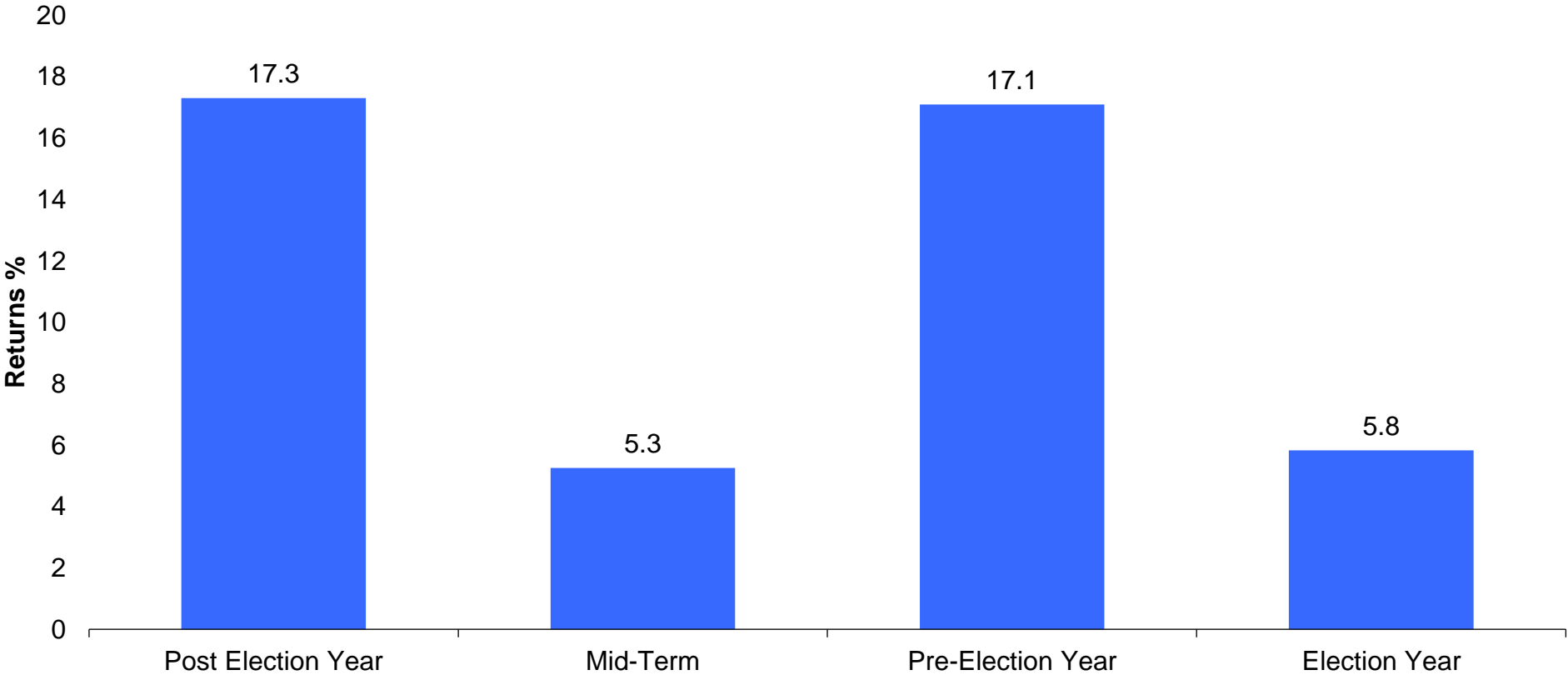
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US Stock Market Performance Going Into Election Cycles



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Four-Year US Presidential Cycle: Average Annual Total Returns of S&P 500
1990 - 2023



Note: Post Election Year = annual performance 1 year post election; Mid-Term = annual performance 2 years prior to election; Pre-Election Year = annual performance 1 year prior to election; Election Year = Presidential election year. Election Years are 1992, 1996, 2000, 2004, 2008, 2012, 2016, 2020.

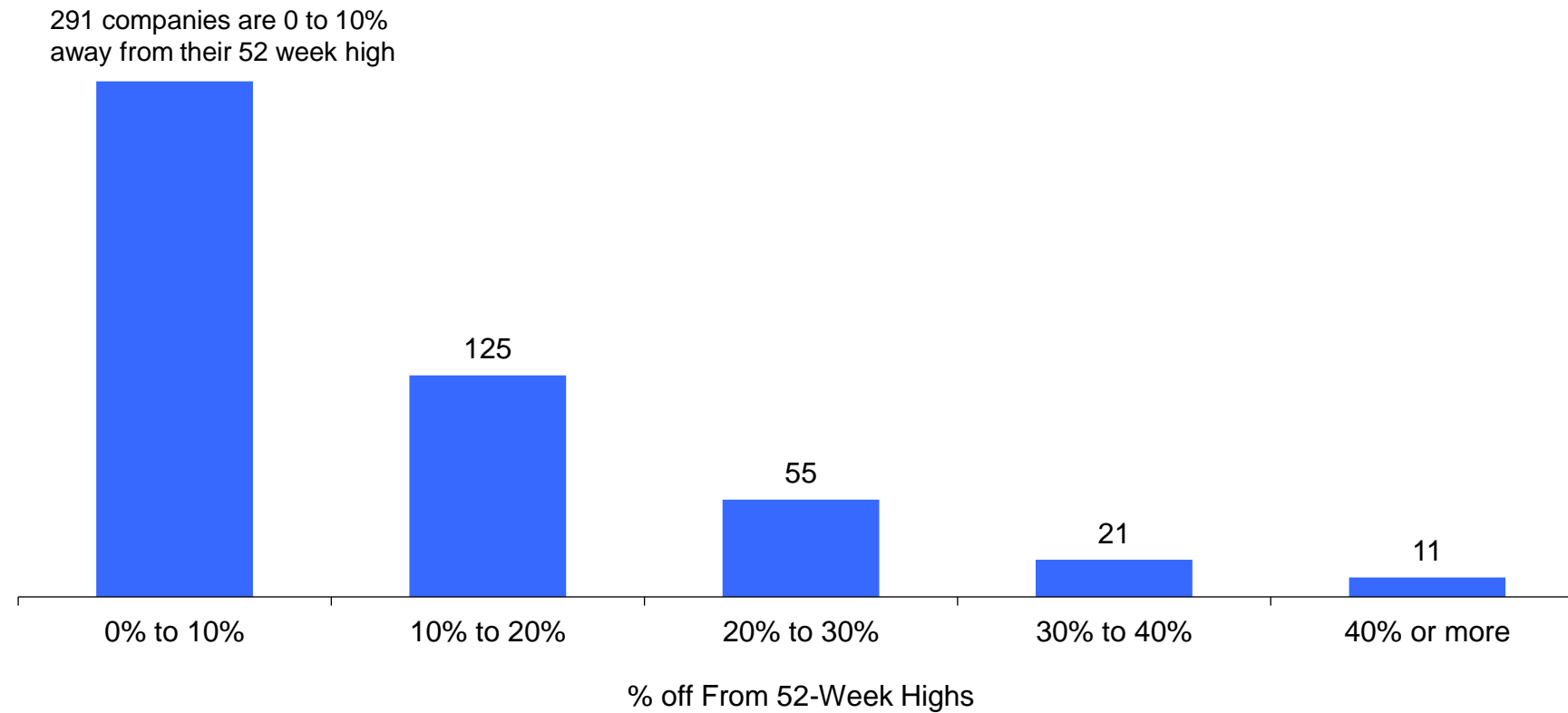
Calculations by Franklin Templeton's Global Research Library with data sourced from FactSet, S&P Dow Indices. Important data provider notices and terms available at www.franklintempletondatasources.com.

S&P 500: Number of Companies That Are Off Their 52-Week Highs



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As of May 22, 2024



Source: FactSet, S&P and Dow Jones Indices.

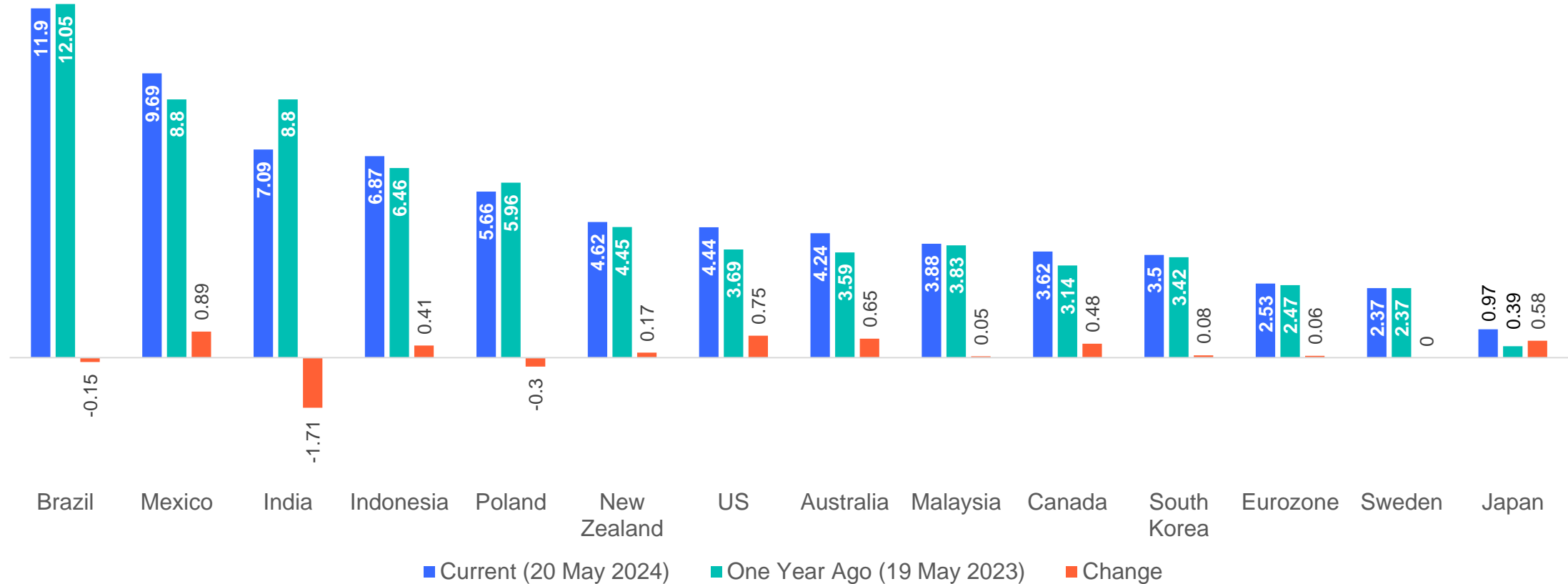
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10-Year Bond Yields %



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Source: FactSet, JP Morgan, Tullett Prebon Information.

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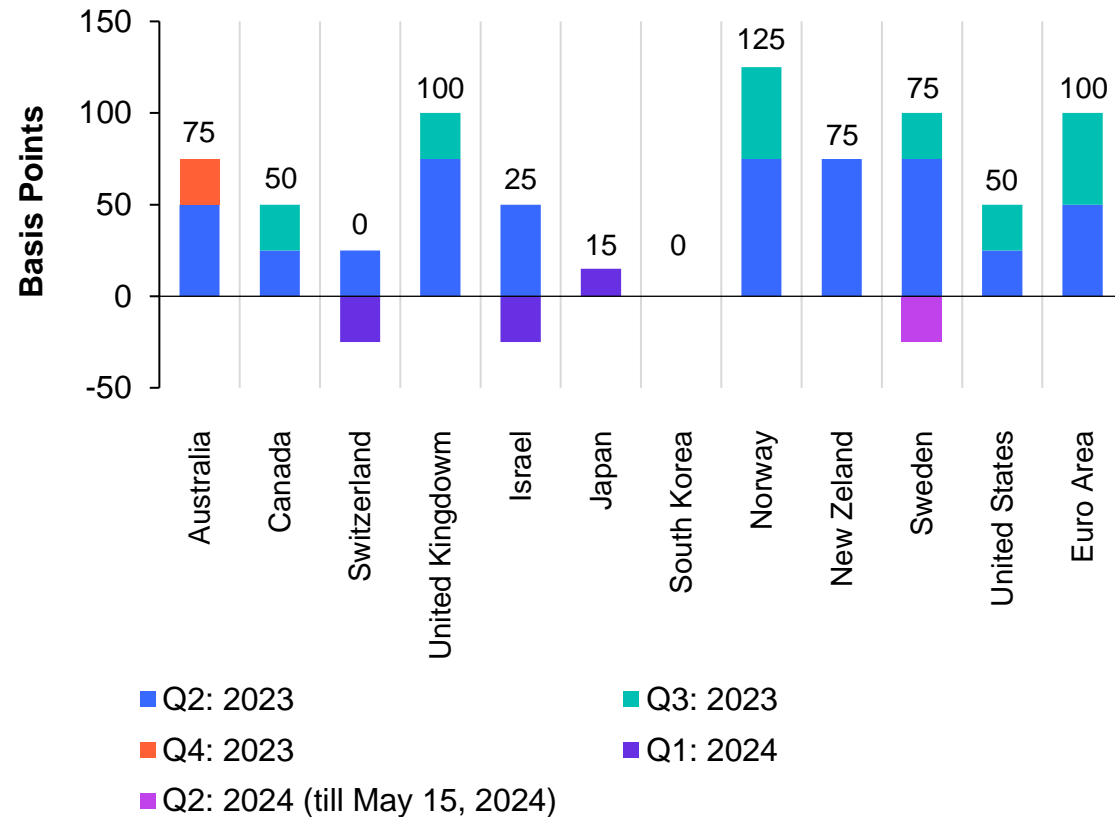
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Changes in Monetary Policy Rates

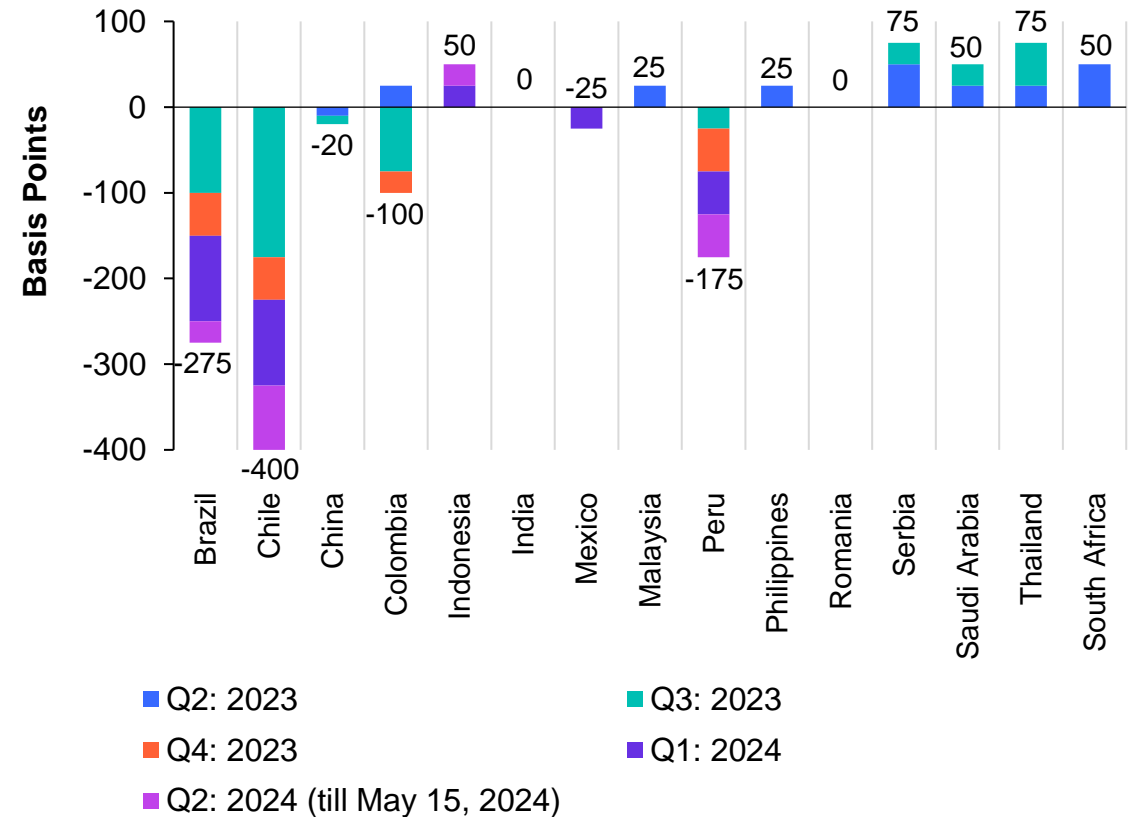


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Advanced Economies



Emerging Market Economies



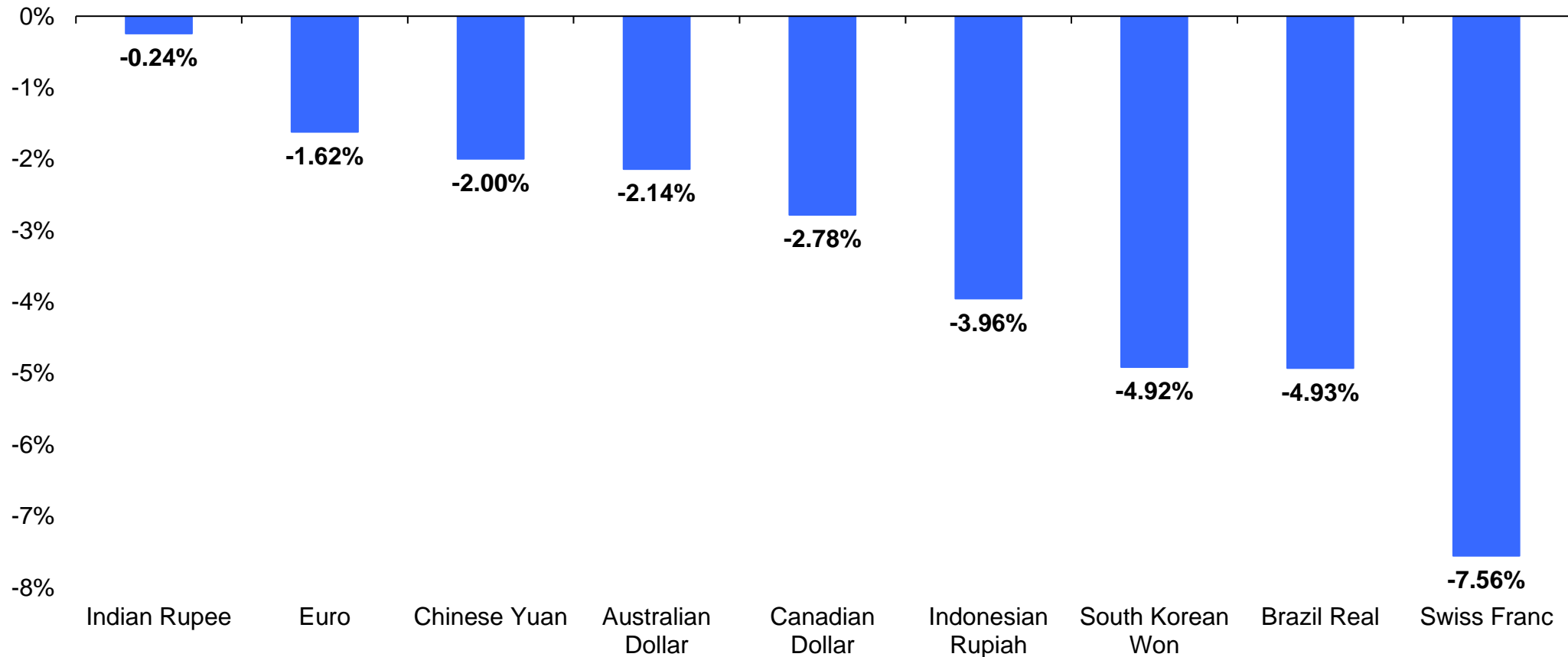
Source: Bloomberg
RBI Monthly Bulletin – May 2024.

Currencies Performance vs U.S. Dollar



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2024 YTD Percentage Returns of Currencies vs US Dollar



Data as of May 20, 2024.

Calculations by Franklin Templeton's Global Research Library with data sourced from FactSet.

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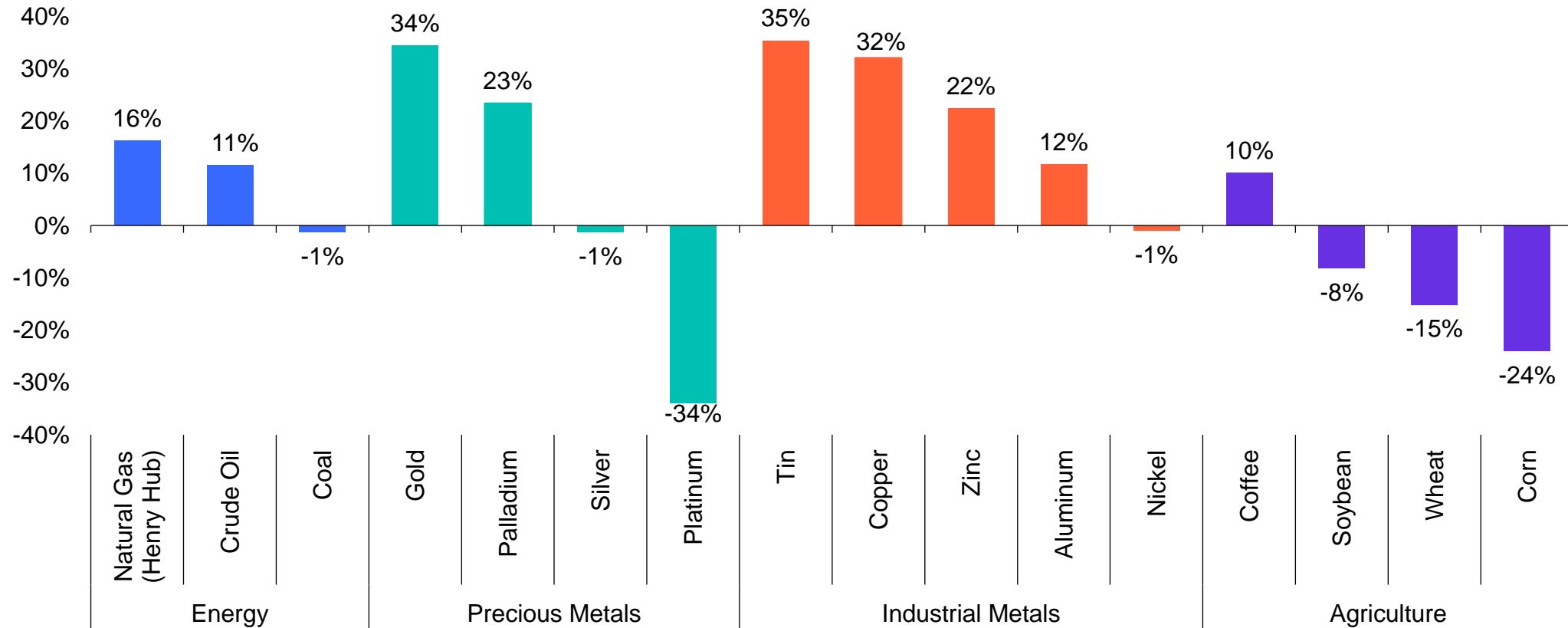
Commodities Yearly Performance



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Commodities 1 Year Returns

As of May 20, 2024



Calculations by Franklin Templeton's Global Research Library with data sourced from FactSet, Commodity Research Bureau, Dow Jones & Company, London Platinum & Palladium Market, London Metal Exchange, US Department of Agriculture. Important data provider notices and terms available at www.franklintempletondatasources.com.

Global Asset Class Performance

(Data as on April 30th, 2024)



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Ranked by % change each year

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024TD
SSE Comp 52.9	Bitcoin 34.2	Bitcoin 122.7	Bitcoin 1,394.5	Nifty 50 4.6	Bitcoin 94.1	Bitcoin 304.5	Bitcoin 59.4	WTI Crude 6.7	Bitcoin 153.5	Bitcoin 58.9
Nifty 500 39.3	STOXX 600 10.2	WTI Crude 45.0	MSCI EM \$ 37.8	Nasdaq 100 0.0	Nasdaq 100 39.5	Nasdaq 100 48.9	WTI Crude 55.8	Nifty 50 5.7	Nasdaq 100 55.1	WTI Crude 16.6
Nifty 50 32.9	Nasdaq 100 9.8	FTSE 100 19.1	Nifty 500 37.7	Gold -1.7	WTI Crude 35.3	Gold 24.8	Nifty 500 31.6	FTSE 100 4.7	Nifty 500 26.9	Gold 13.1
Nasdaq 100 19.4	SSE Comp 9.4	DJIA 16.5	Nasdaq 100 33.0	Nifty 500 -2.1	S&P 500 31.5	Russell 1000 21.0	S&P 500 28.7	Nifty 500 4.3	Russell 1000 26.5	Nifty 500 6.1
S&P 500 13.7	S&P 500 1.4	Russell 1000 12.1	Nifty 50 30.3	DJIA -3.5	Russell 1000 31.4	MSCI EM \$ 18.7	Nasdaq 100 27.5	Gold -0.4	S&P 500 26.3	STOXX 600 6.1
Russell 1000 13.2	Russell 1000 0.9	S&P 500 12.0	DJIA 28.1	S&P 500 -4.4	MSCI World 28.4	S&P 500 18.4	Russell 1000 26.5	DJIA -6.9	MSCI World 24.4	S&P 500 5.5
DJIA 10.0	Nifty 500 0.2	MSCI EM \$ 11.6	MSCI World 23.1	Russell 1000 -4.8	STOXX 600 27.6	Nifty 500 17.9	Nifty 50 25.6	STOXX 600 -10.1	Nifty 50 21.3	FTSE 100 5.2
STOXX 600 7.8	DJIA 0.2	Gold 9.0	S&P 500 21.8	MSCI World -8.2	DJIA 25.3	MSCI World 16.5	STOXX 600 25.5	SSE Comp -15.1	STOXX 600 16.5	Russell 1000 5.1
MSCI World 5.5	MSCI World -0.3	MSCI World 8.2	Russell 1000 21.7	FTSE 100 -8.7	SSE Comp 22.3	Nifty 50 16.1	MSCI World 22.4	MSCI World -17.7	DJIA 16.2	MSCI World 4.2
FTSE 100 0.7	FTSE 100 -1.3	Nasdaq 100 7.3	Gold 12.6	STOXX 600 -10.2	MSCI EM \$ 18.9	SSE Comp 13.9	DJIA 21.0	S&P 500 -18.1	Gold 13.8	Nifty 50 3.0
Gold -1.8	Nifty 50 -3.0	Nifty 500 5.1	WTI Crude 12.5	MSCI EM \$ -14.2	Gold 18.7	DJIA 9.7	FTSE 100 18.4	Russell 1000 -19.1	MSCI EM \$ 10.3	Nasdaq 100 2.5
MSCI EM \$ -1.8	Gold -10.5	Nifty 50 4.4	FTSE 100 12.0	SSE Comp -24.6	FTSE 100 17.3	STOXX 600 -1.5	SSE Comp 4.8	MSCI EM \$ -19.7	FTSE 100 7.9	SSE Comp 2.3
WTI Crude -45.9	MSCI EM \$ -14.6	STOXX 600 2.4	STOXX 600 11.2	WTI Crude -25.3	Nifty 50 13.5	FTSE 100 -11.6	MSCI EM \$ -2.2	Nasdaq 100 -32.4	SSE Comp -3.7	DJIA 2.1
Bitcoin -56.2	WTI Crude -30.5	SSE Comp -12.3	SSE Comp 6.6	Bitcoin -74.2	Nifty 500 9.0	WTI Crude -21.0	Gold -4.0	Bitcoin -64.1	WTI Crude -10.4	MSCI EM \$ -0.5

Source: LSEG Datastream, NSE EPR. Note: Returns for equity indices are based on total return index values except for Shanghai SE Composite Index. NSE Market Pulse – May 2024



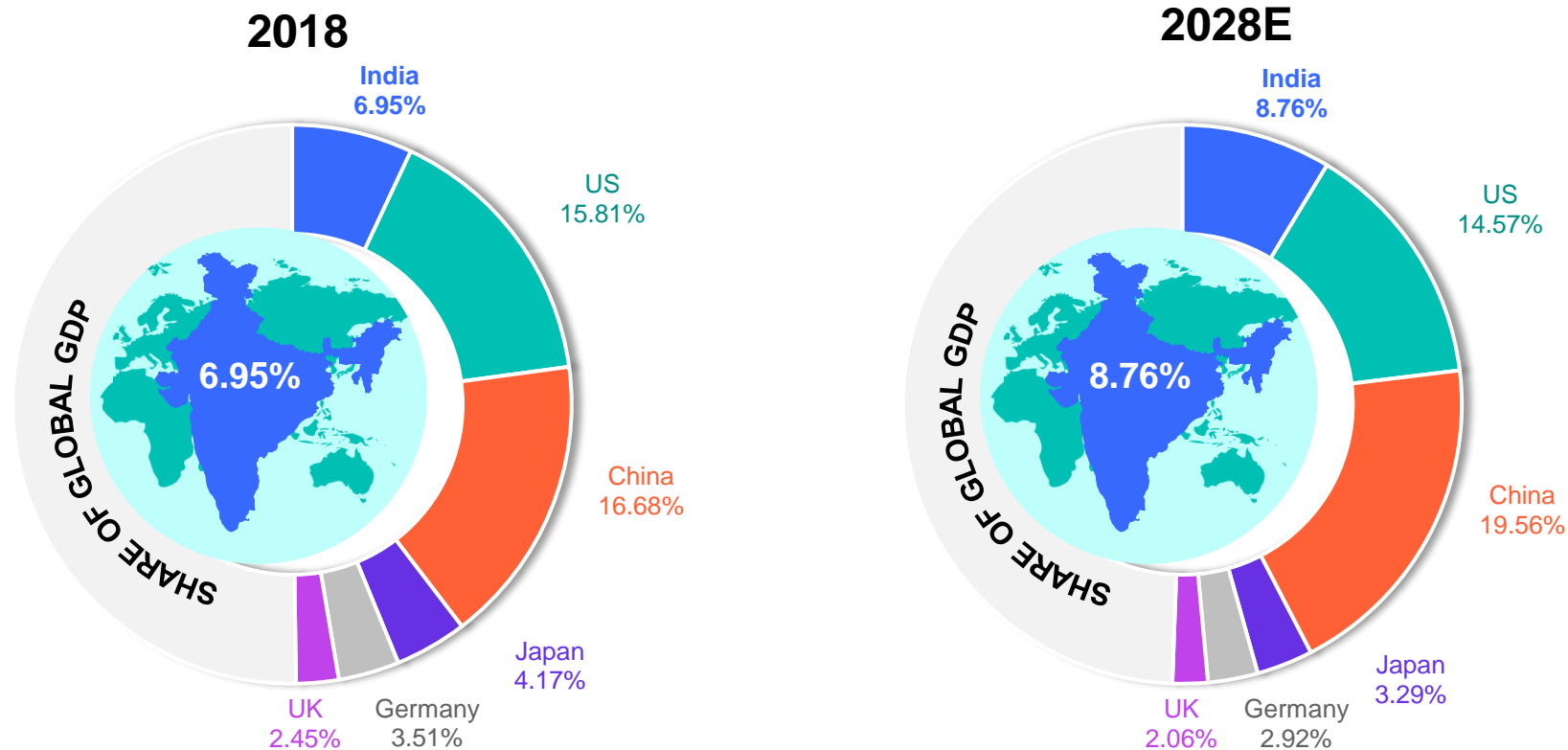
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India – Macro Trends

India's Share of Global GDP is Steadily Climbing



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India's contribution to global GDP is steadily climbing, thanks to its robust internal growth, domestic consumption, increasing industrialization, and significant technological advancements. This sustained raise not only elevates its position but also presents a strategic advantage for investors in Indian equities.

Source: International Monetary Fund (IMF), World Economic Outlook Database, April 2024. E = estimation.

Projections are based on IMF staff estimates. Forecast methodology differs from country to country; as such, some countries projection years may start earlier than other.

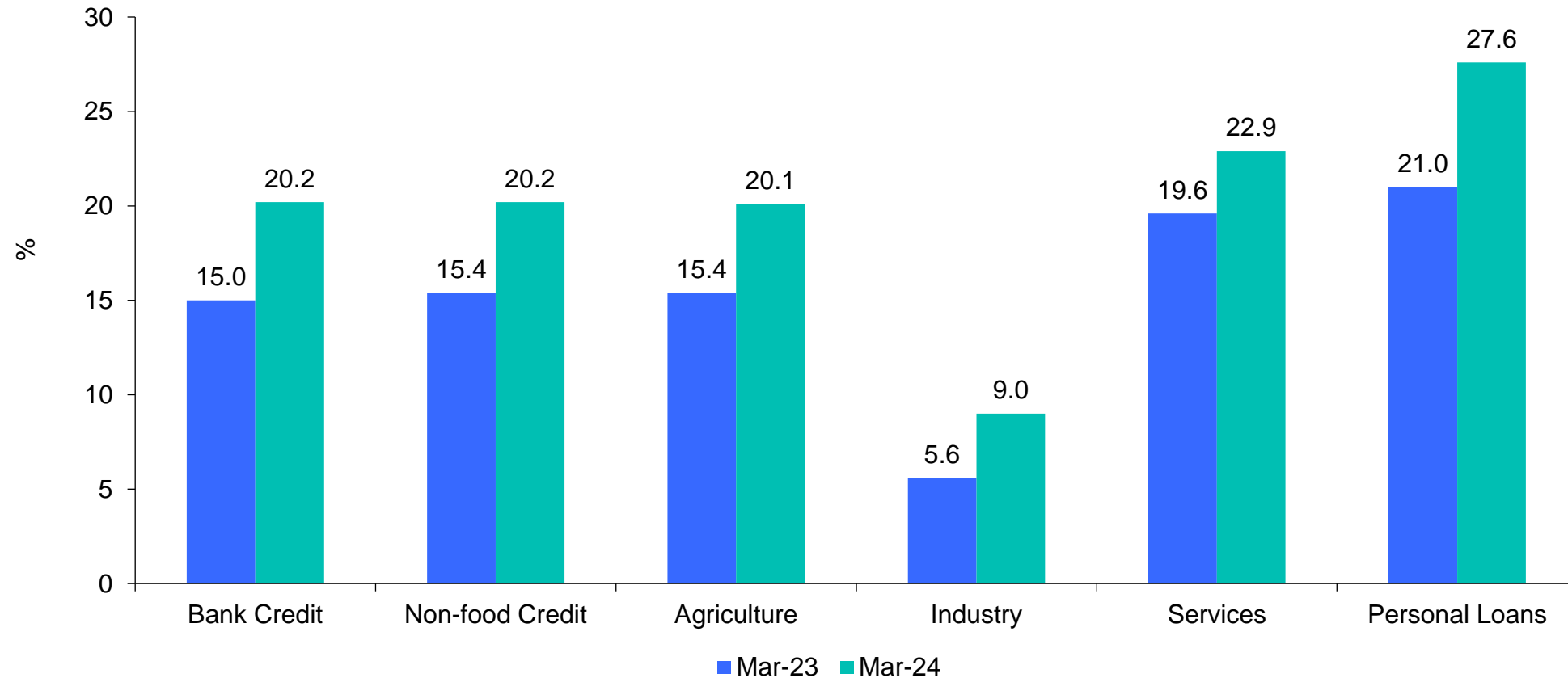
There is no assurance that any projection, estimate or forecast will be realized.

Bank Credit Growth Momentum Higher in 2024 vs 2023



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Bank Credit Growth (%YoY) – Key Heads



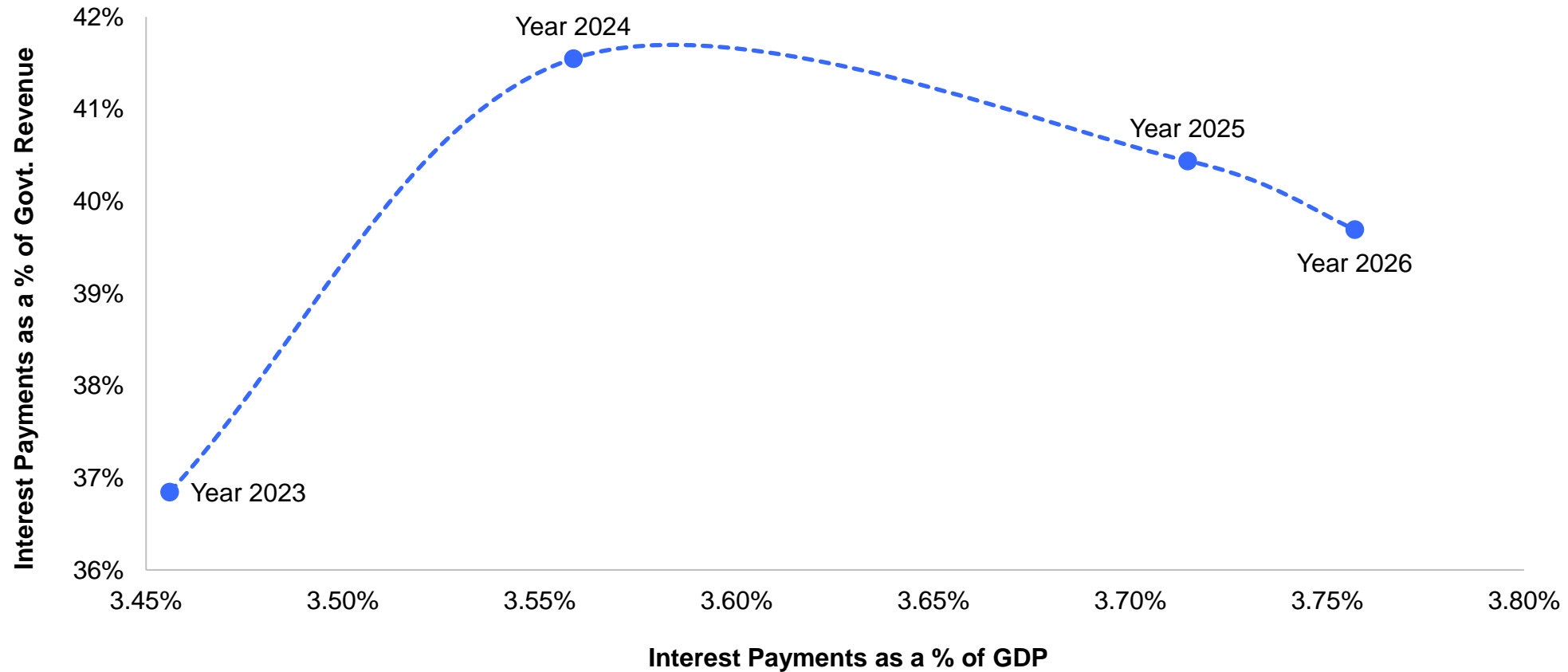
Source: CMIE
NSE Market Pulse – May 2024

Annual Interest Payments by the Government as % of GDP & Government Revenues



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2023 to 2026 (Forecast)



Source: FactSet, Oxford Economics.

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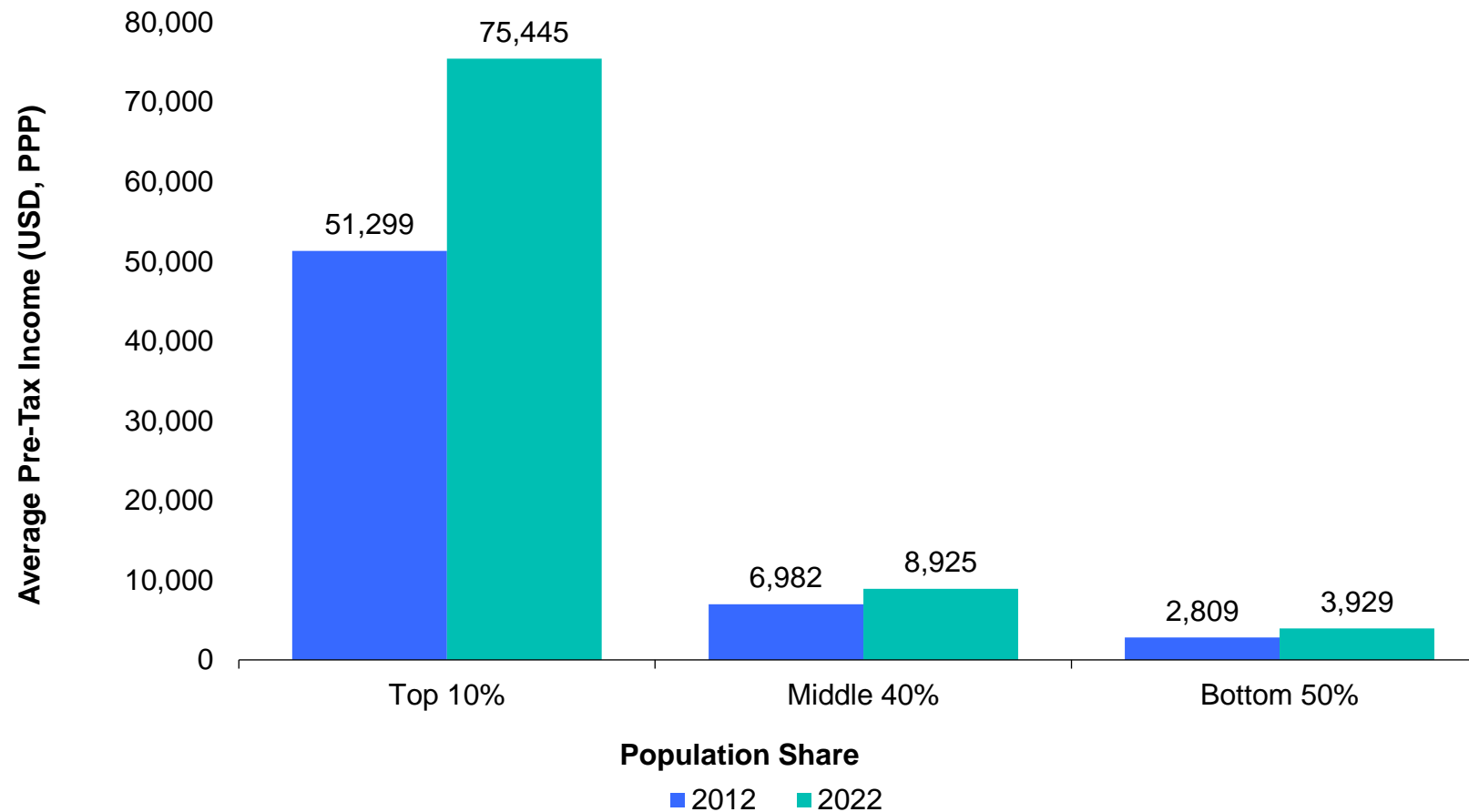
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Average Pre-Tax Income Rising



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India Average Pre-Tax Income (USD PPP)



Source: World Inequality Database. PPP – Purchasing Power Parity

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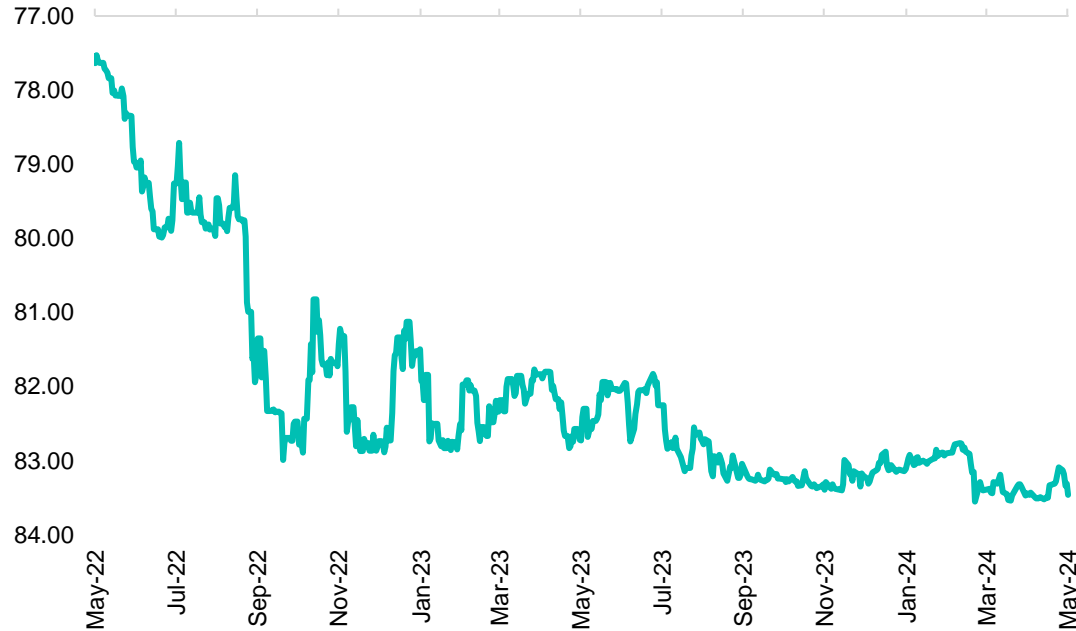
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Currency and Forex Reserves

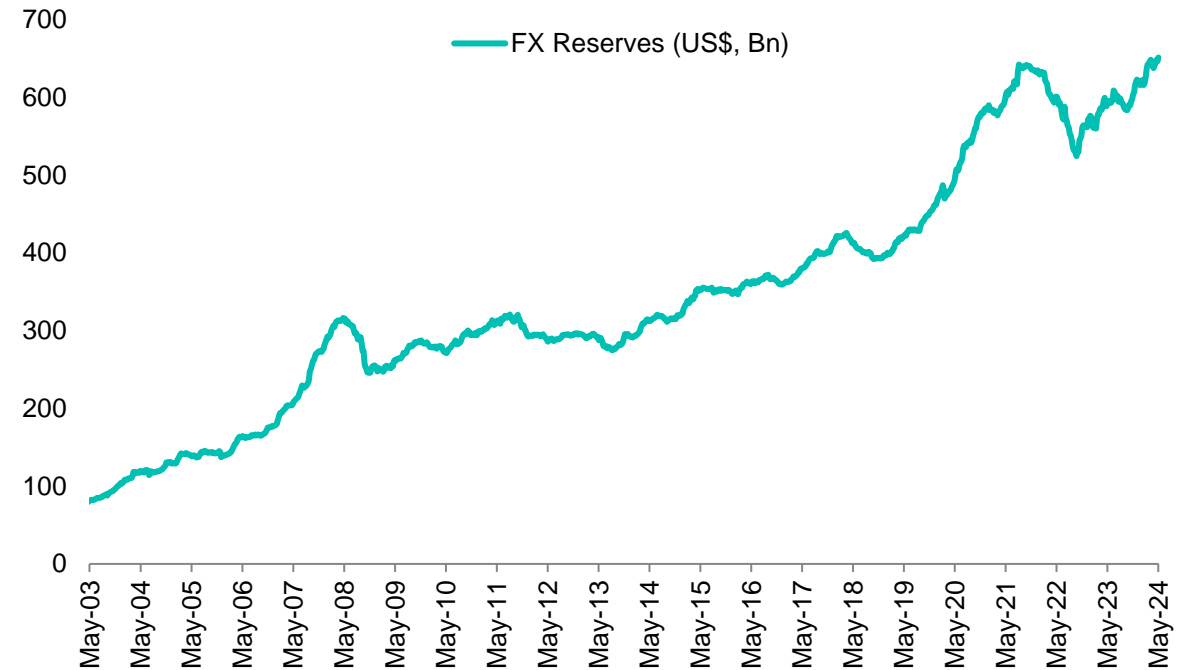


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USD / INR



Forex Reserves

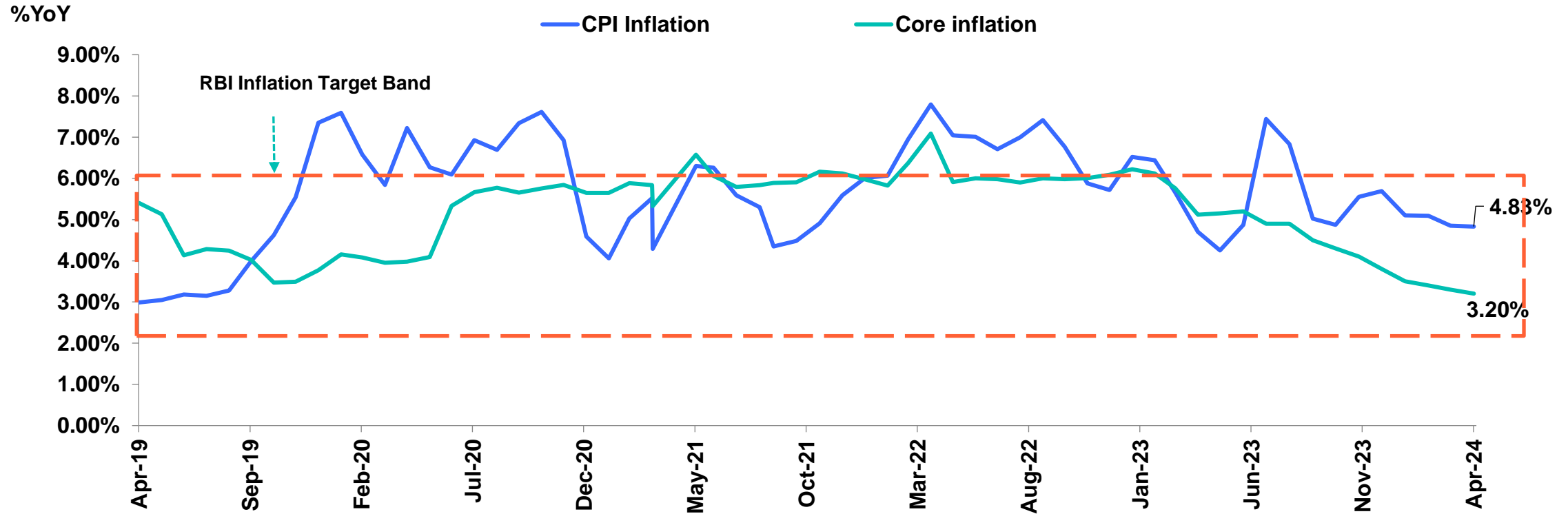


- From the closing level of the previous month, the rupee marginally depreciated by a modest 0.02% to close at USD/INR 83.46.
- In the month of May 2024, the Dollar Index (DXY) lost (-1.5%).
- Foreign exchange reserves reached a historical high of US\$ 651.5 billion as on May 31, 2024, adding 2.1% to the previous month end.

Inflation Easing



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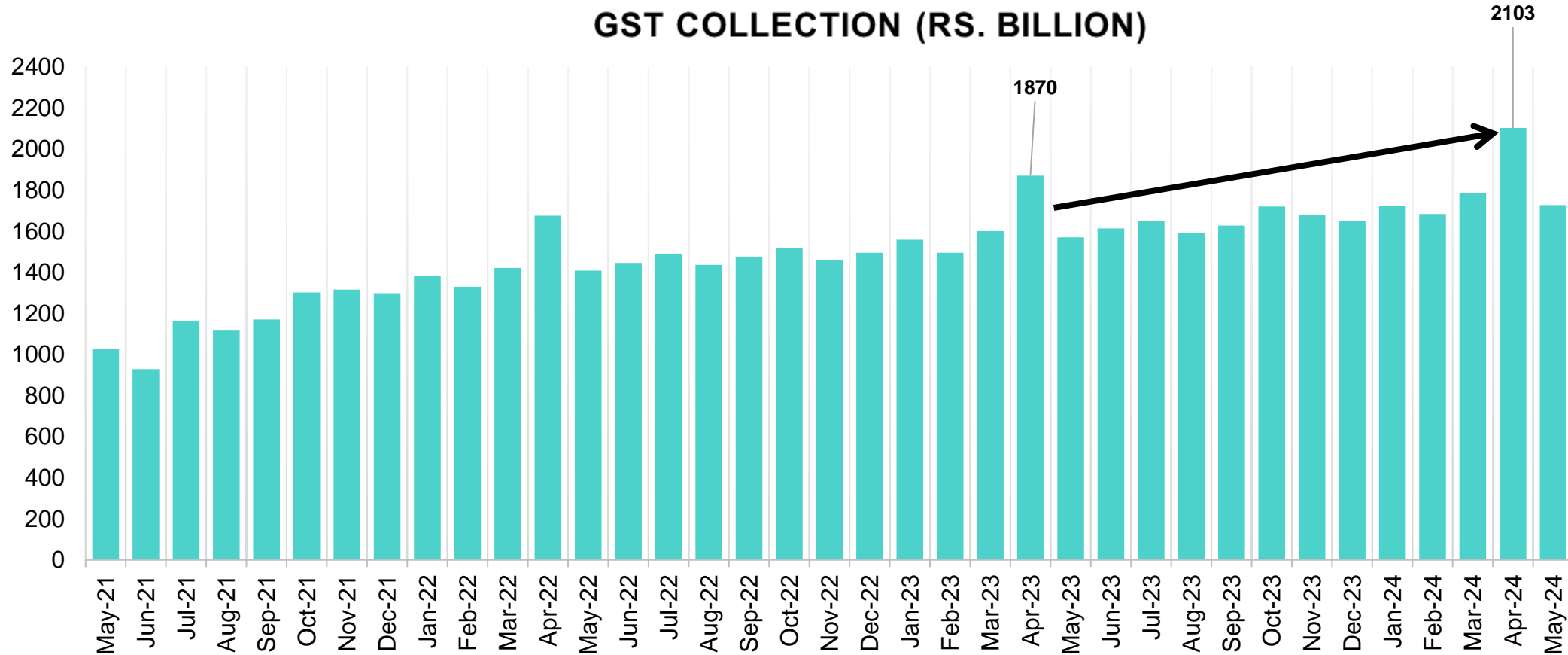


- The Consumer Price Index (“CPI”) on a YoY basis further eased slightly to 4.8% in April 2024.
- The moderation was driven by core components which slid further to 3.2% in April 2024, the number is the lowest in current CPI series.

GST Collections Rising



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GST collections for May 2024 stood at INR 1.73 trn. up nearly 10% YoY.
Rs 1 Billion = Rs 100 crore.

Domestic Macros Heatmap



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Fiscal Year End	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	Latest*
GDP Growth (%)	7.2	7.9	7.9	7.3	6.1	4.2	-7.4	4.1	4.4	8.6	7.8
CPI Inflation (%)	5.9	4.9	3.8	3.6	3.4	5.8	5.5	7.0	5.7	5.1	4.8
Current Account (% of GDP)	-1.3	-1.1	-0.6	-1.9	-2.4	0.1	-0.2	-1.5	-2.2	-1.2	-1.2
Fiscal Deficit (% of GDP)	4.1	3.9	3.5	3.5	3.4	4.6	9.3	6.7	6.4	5.8^	5.6^
Crude Oil (USD/Barrel)	53	39	60	58	65	23	59	111	80	87	82
Currency (USD/INR)	63	66	65	65	70	75	73	76	82	83	83
Forex Reserves (USD bn)	342	356	370	424	413	490	579	606	579	646	652
GST Collections (INR billion)						1222	1239	1421	1601	1785	1727

*GDP data for Q4FY24, Fiscal Deficit data is as of FY24. ^Revised estimates for fiscal deficit, CPI data as on 30-April-2024, Crude oil, currency, forex Reserves and GST collections as on 31-May-2024.

Source: Bloomberg, RBI, MOSPI, Morgan Stanley



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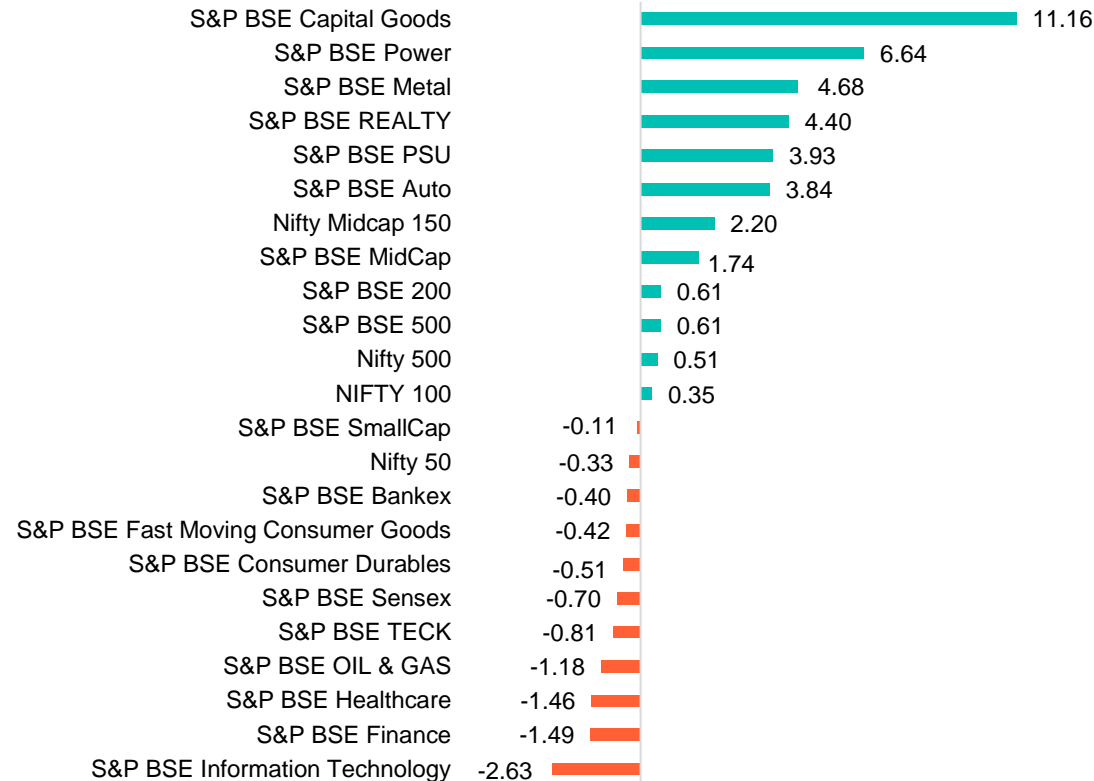
India – Equity Market Trends

Domestic Market Performance



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Domestic Market performance - May 2024



- The frontline Nifty 50 index marginally declined by -0.3% for the month.
- Markets were volatile, especially in the first half of the month, on account of nervousness related to the election outcome and geopolitical tensions.
- However, markets saw a recovery in the second half as the RBI announced a substantial Rs 2.1 lakh crore dividend for the government for fiscal 2024.
- Optimism around corporate earnings and S&P Global's upgraded outlook for the Indian economy to 'positive' from stable also aided the markets.
- Midcap outperformed large cap and small cap indices.
- The Nifty Midcap 150 Index rose 2%, whereas the Nifty Small Cap 250 slid 1.3% in May 2024.
- On the sectoral front, capital goods, power, and metal were among the top gainers for the month.

India's Mcap Crosses USD 5 Trillion for the First Time



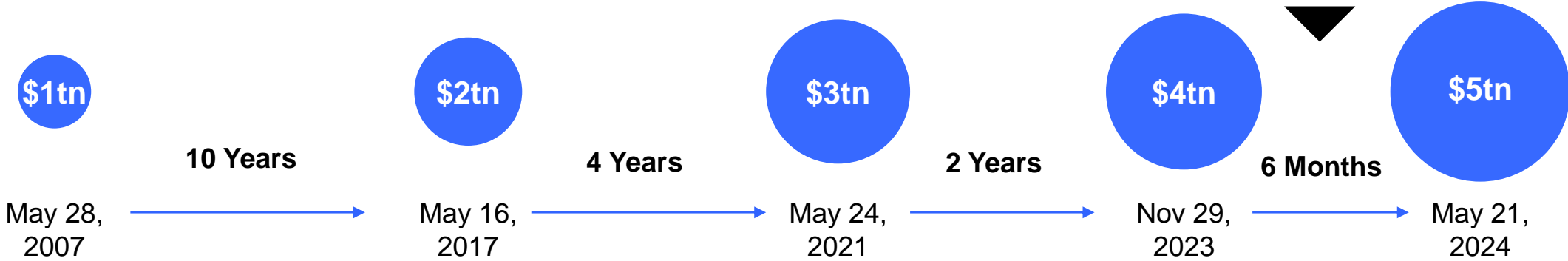
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5th Biggest Equity Market After US, China, Japan & Hong Kong

World's most-valued stock markets* (\$ tn)



\$4tn to \$5tn journey took less than **six months**. This is the fastest pace of wealth creation for the market



Source: Bloomberg, ETIG. * As on May 21, 2024.

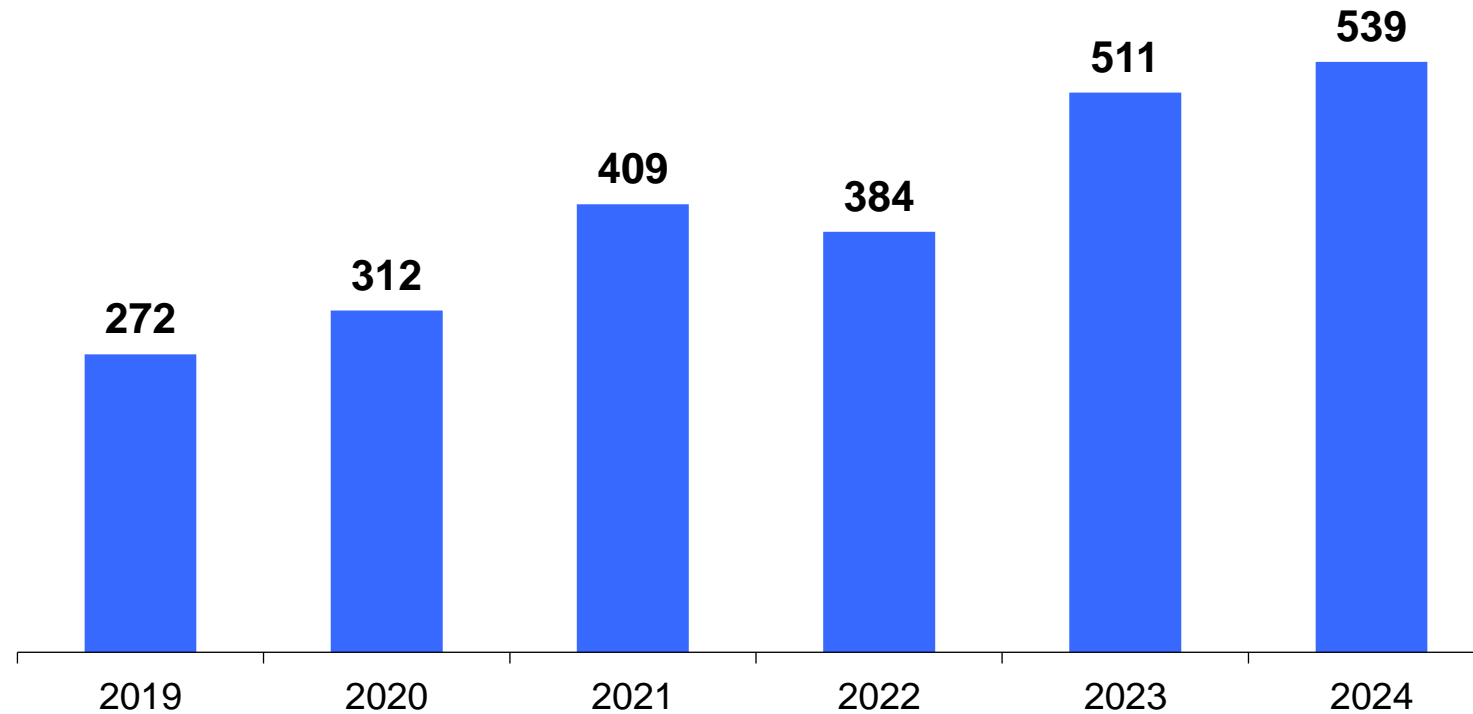
Past performance may or may not be sustained in future and is not a guarantee of any future returns.

The Billion-Dollar M-cap Club has Grown



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Number of companies with \$1 billion or more in market capitalization



Data as on May 22, 2024; year-end rupee-dollar exchange rate considered for conversion.

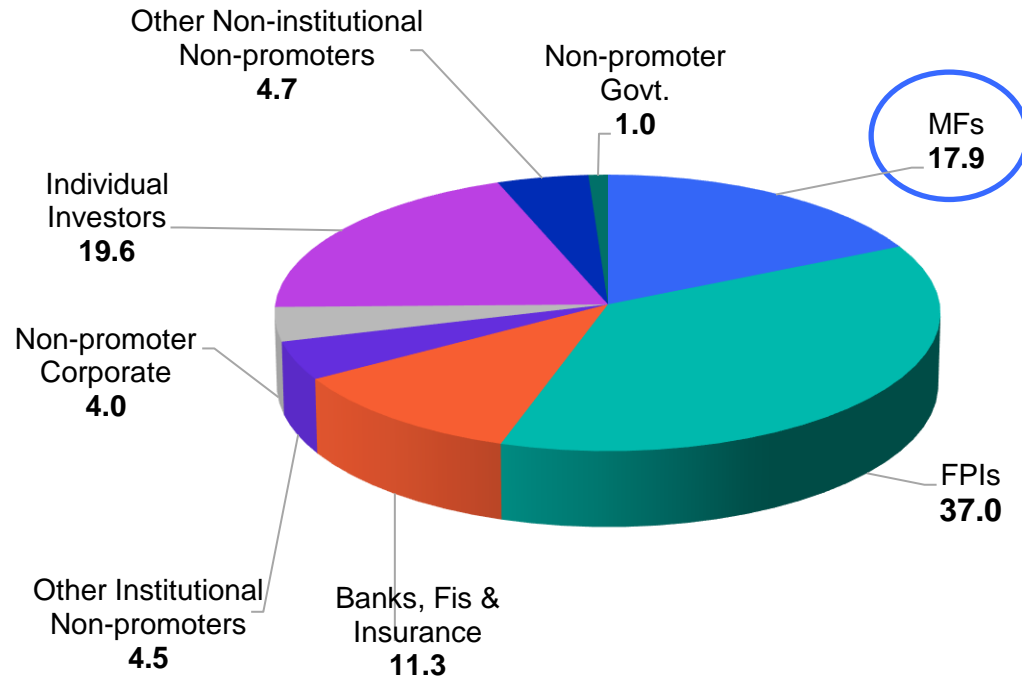
Source: Bloomberg, Capitaline, Mint analysis

Rising Ownership of MFs in NSE-listed Universe by Free Float Market Cap (%)

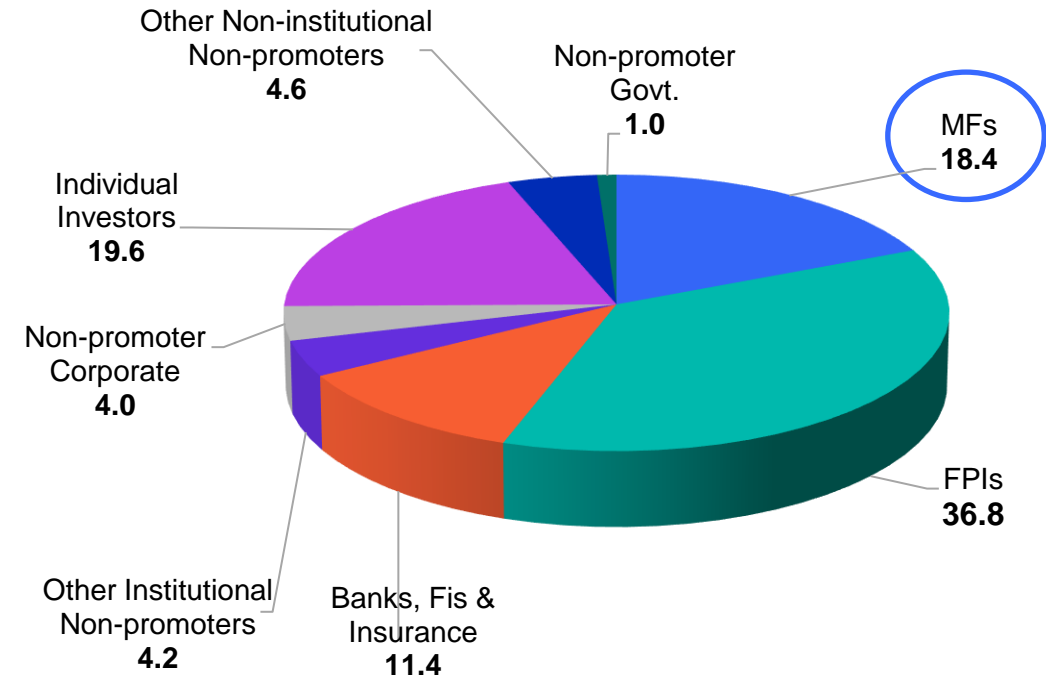


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December 2023



March 2024



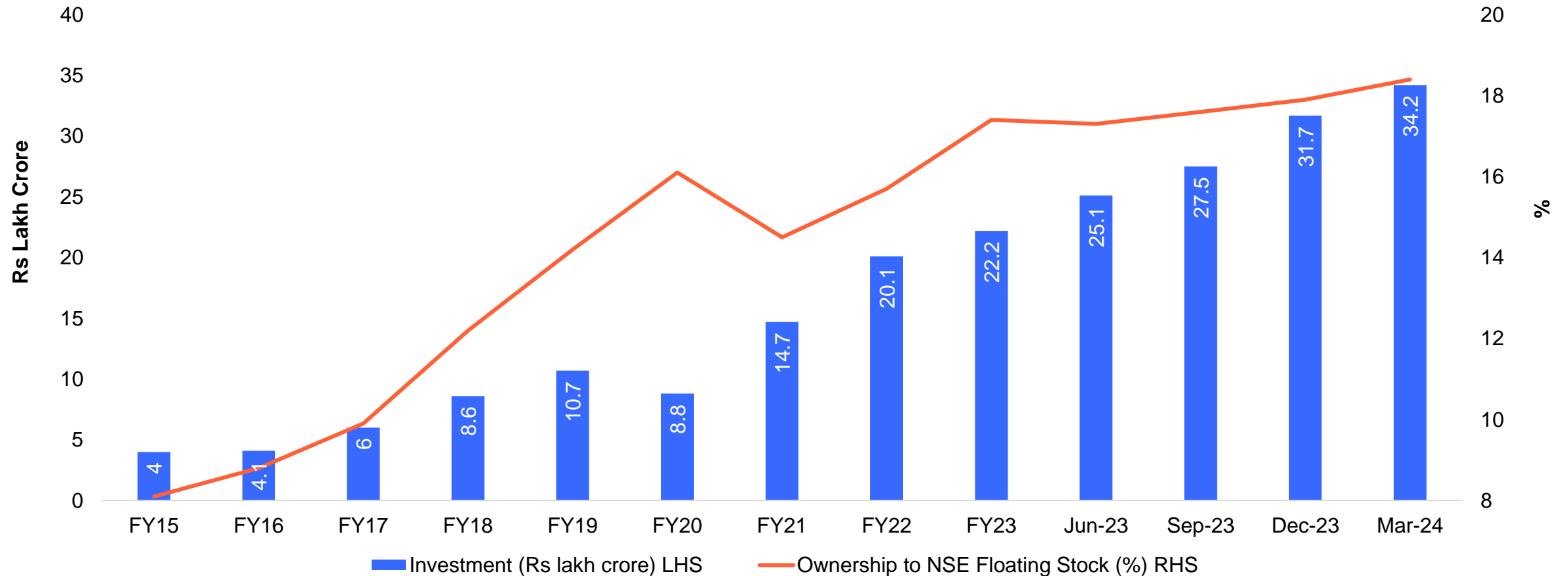
DMFs – Domestic Mutual Funds

Source: CMIE Prowess, NSE EPR. *FPI ownership includes ownership through depository receipts held by custodians.
NSE Market Pulse – May 2024

Shareholding of MFs in the NSE Listed Companies on the Rise



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Source: CMIE Prowess, AMFI, MFI Explorer, NSE EPR. Note: Passive mutual funds track an index by maintaining a portfolio that mimics the underlying assets of an index. Active funds are those which involve active investment decisions on the part of the fund manager; share of these funds has been arrived at by subtracting passive AUM from the overall DMF holding.

NSE Market Pulse – May 2024

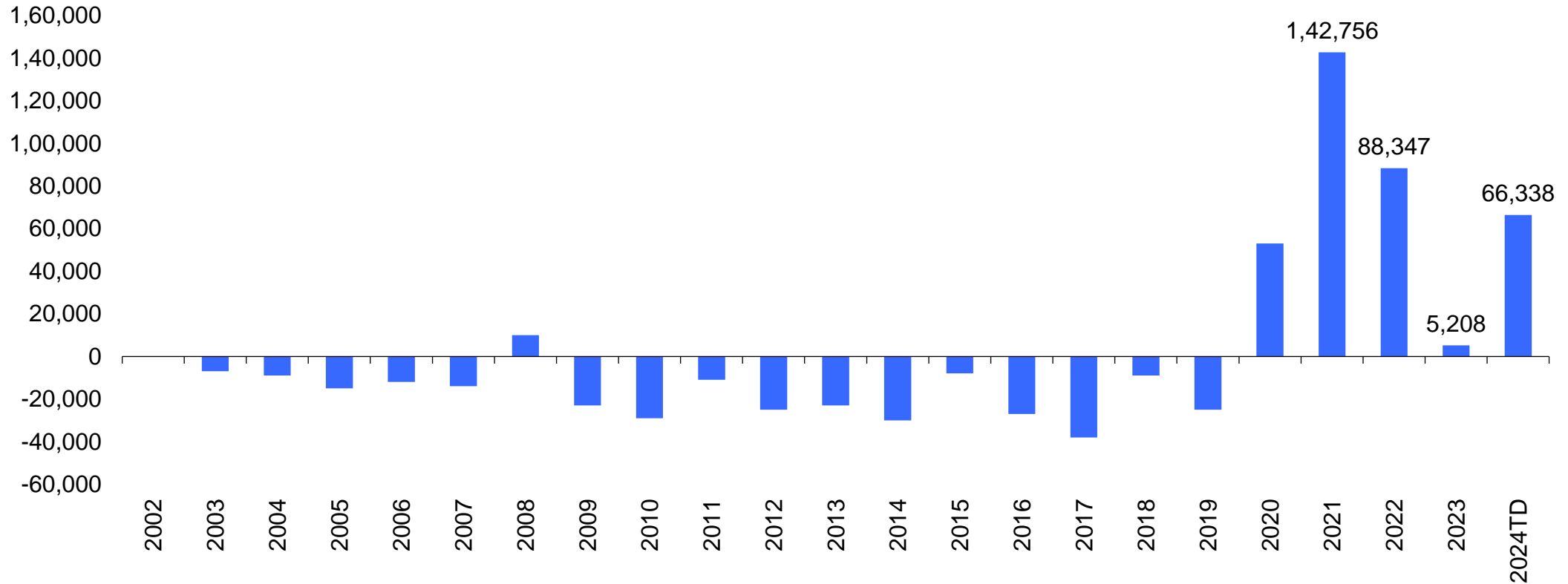
Equity Net Inflows Turned Positive Since 2020

2024 inflows poised to be better than 2021



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Net Inflows by Individual Investors in the NSE's CM Segment (2002-2024TD)



Source: NSE EPR.

Note: 1. Note: Retail investors: individual domestic investors, NRIs, sole proprietorship firms and HUFs.

2. Net flows include investments in securities in EQ, BE, SM and ST series including ETFs only.

3. Net flows are calculated as buy traded value – sell traded value.

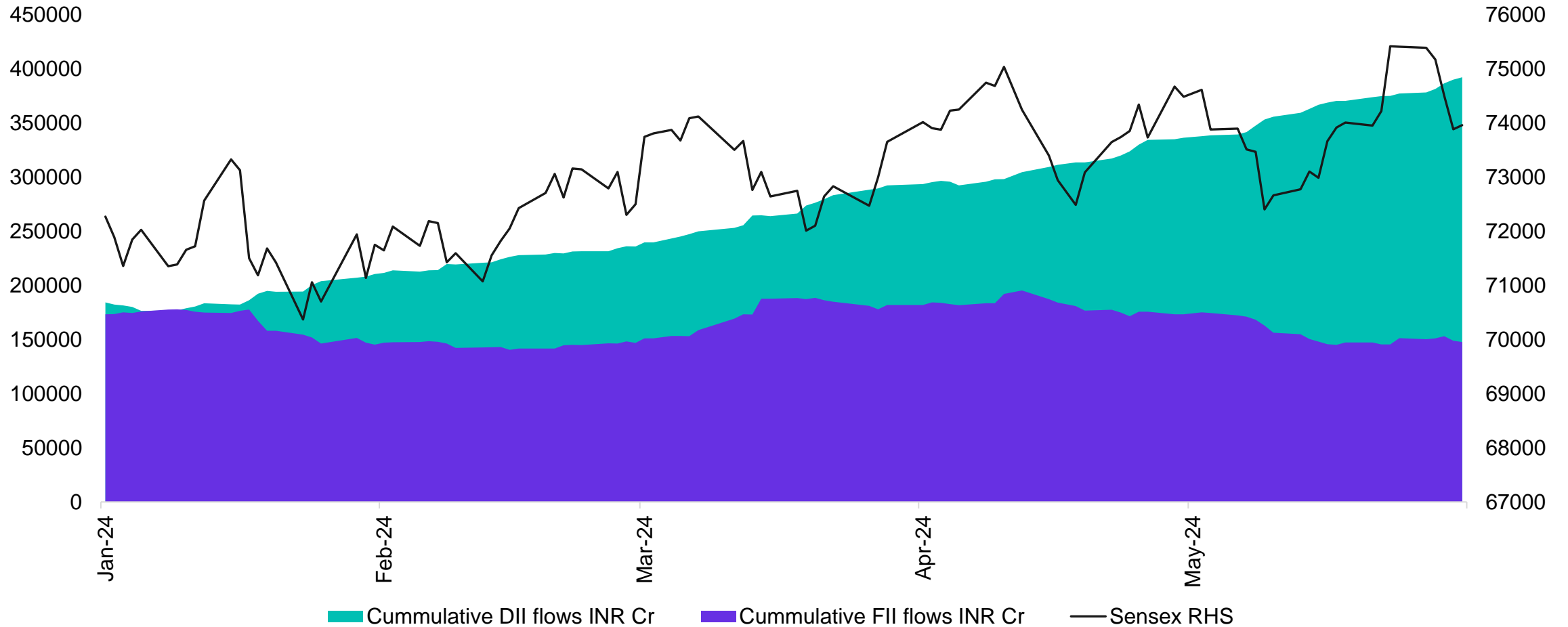
4. Data for 2024TD is for the period Jan-Apr'24.

NSE Market Pulse – May 2024

FII/DII Equity Flows



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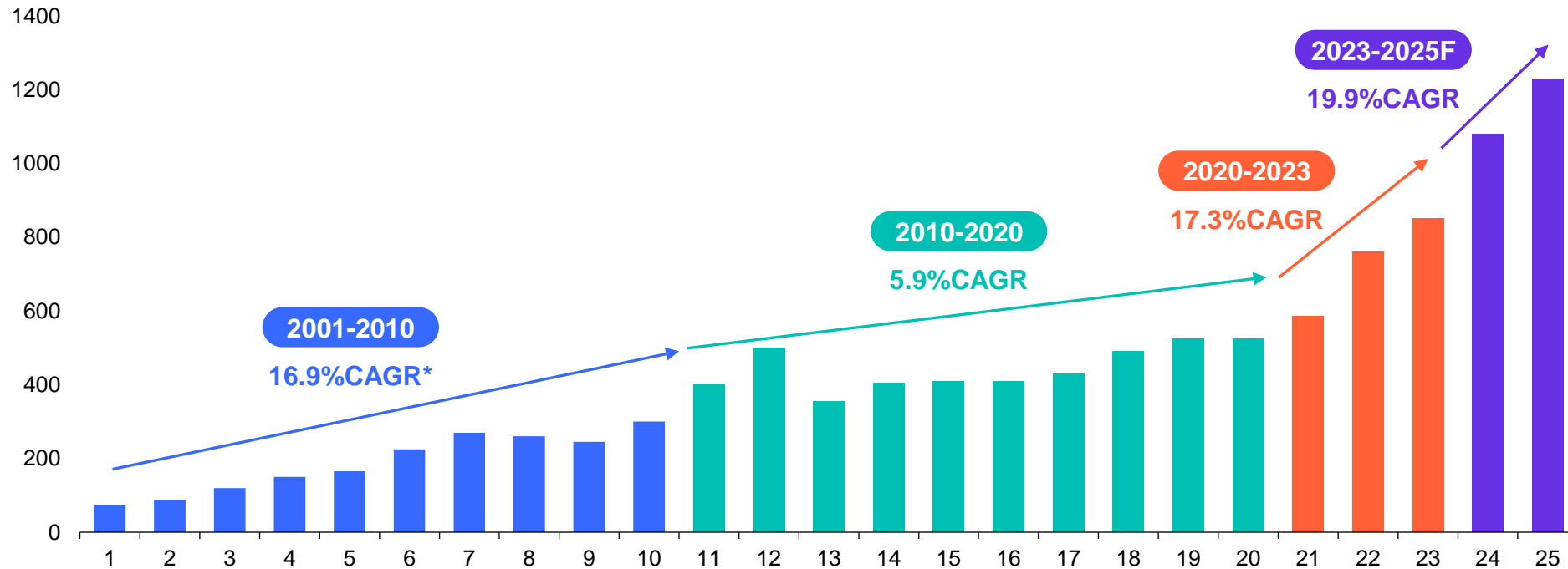
DIIs were the net buyers for the month.

Nifty's EPS Growth Reflects India's Economic Vigor



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Nifty's EPS set to clock double-digit gain in coming quarters[^]



Fueled by a rapidly expanding economy, progressive government policies, and a surge in consumer demand, the earnings per share (EPS) growth of Indian equities is likely to stay on an uptrend despite global headwinds.

*CAGR = compound annual growth rate. Nifty refers to the Nifty 50 Index. E = estimation.





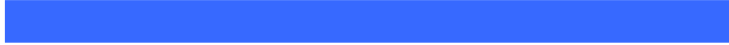


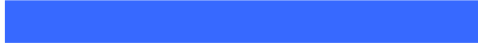

[^]Source: Bloomberg. Nifty EPS estimates (in INR). As of 30 April 2024. For illustrative and discussion purposes only. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and/or current market conditions and are not an exact indicator. What you will get will vary depending on how the market performs and how long you keep the investment/product. Past performance does not predict future returns. There is no assurance that any projection, estimate or forecast will be realised.

Nearly 23 mn New Demat Accounts Added in the Past Six Months



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Demat A/Cs (mn)

	New Additions	Total
Sep '23	3.07 	129.66
Oct '23	2.68 	132.35
Nov '23	2.78 	135.13
Dec '23	4.09 	139.22
Jan '24	4.68 	143.90
Feb '24	4.35 	148.25
Mar '24	3.12 	151.38
Apr '24	3.07 	154.45
May '24	3.60 	158.05

Source: CDSL, NSDL



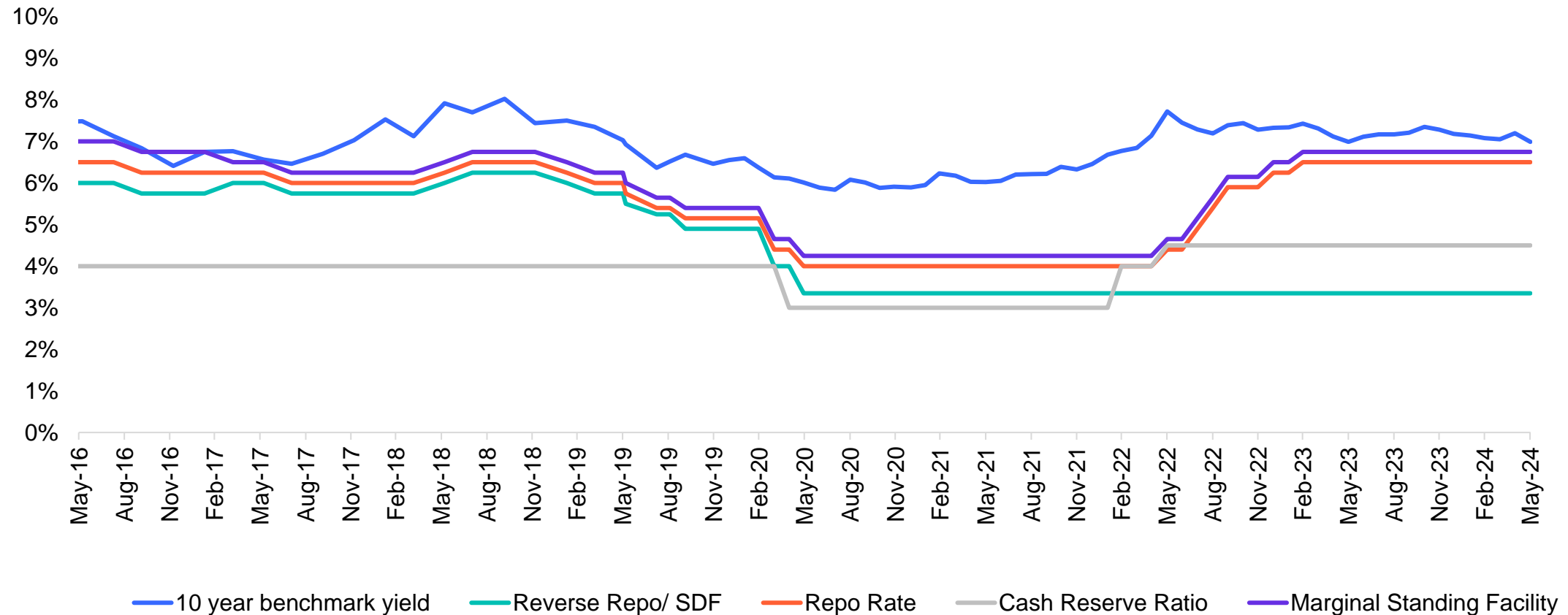
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India – Fixed Income Trends

Domestic Interest Rate Trend



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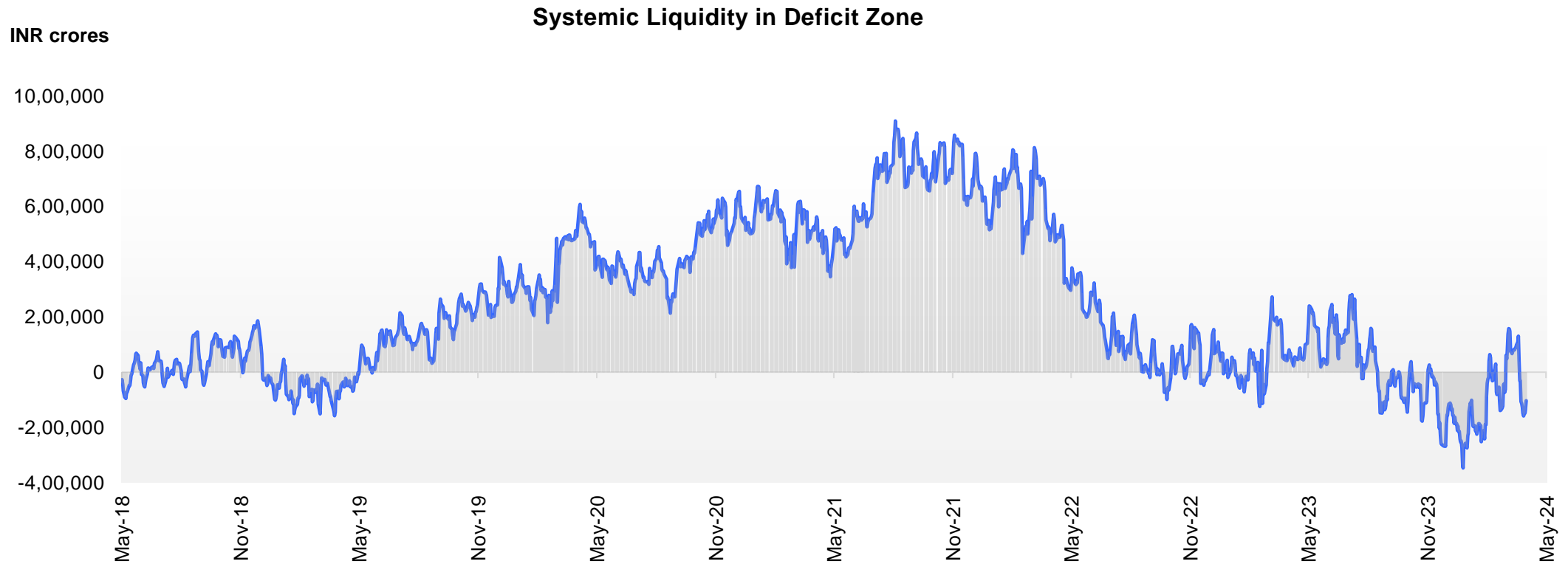


- RBI kept policy rates unchanged at 6.50% and decided to remain focused on withdrawal of accommodation while ensuring that inflation aligns with the target while supporting growth.
- The decision to hold rates and the monetary policy stance was backed by 4 out of 6 members.
- Both, Prof. Jayanth R. Varma and Dr. Ashima Goyal voted to reduce the policy repo rate by 25bps and the policy stance to neutral.

Domestic Liquidity Trend



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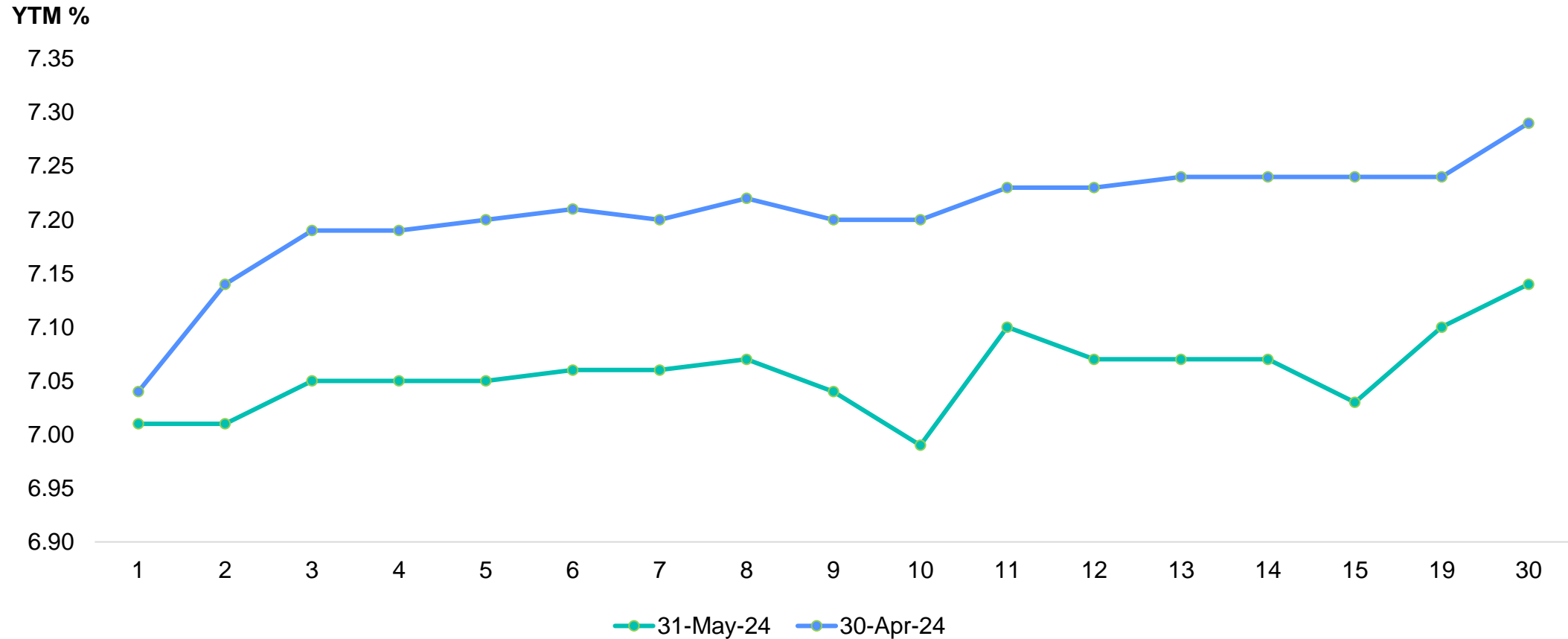


- Average liquidity conditions turned deficit during the month of May 2024.
- Advance tax payments, build-up in government cash balances, payments of GST etc. added pressure to the liquidity in the system.

India Sovereign Yield Curve



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- Domestic yields were influenced by easing US treasury yields due to soft macro data and RBI surplus transfer to the government.
- Entire domestic G-sec yield curve saw a downward shift.
- The benchmark 10-year sovereign yield in India fell by 21 bps during the month.
- Given the liquidity dynamics, weighted average call rate (WACR) largely remained in the middle of the policy rates.

Risk Factors



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