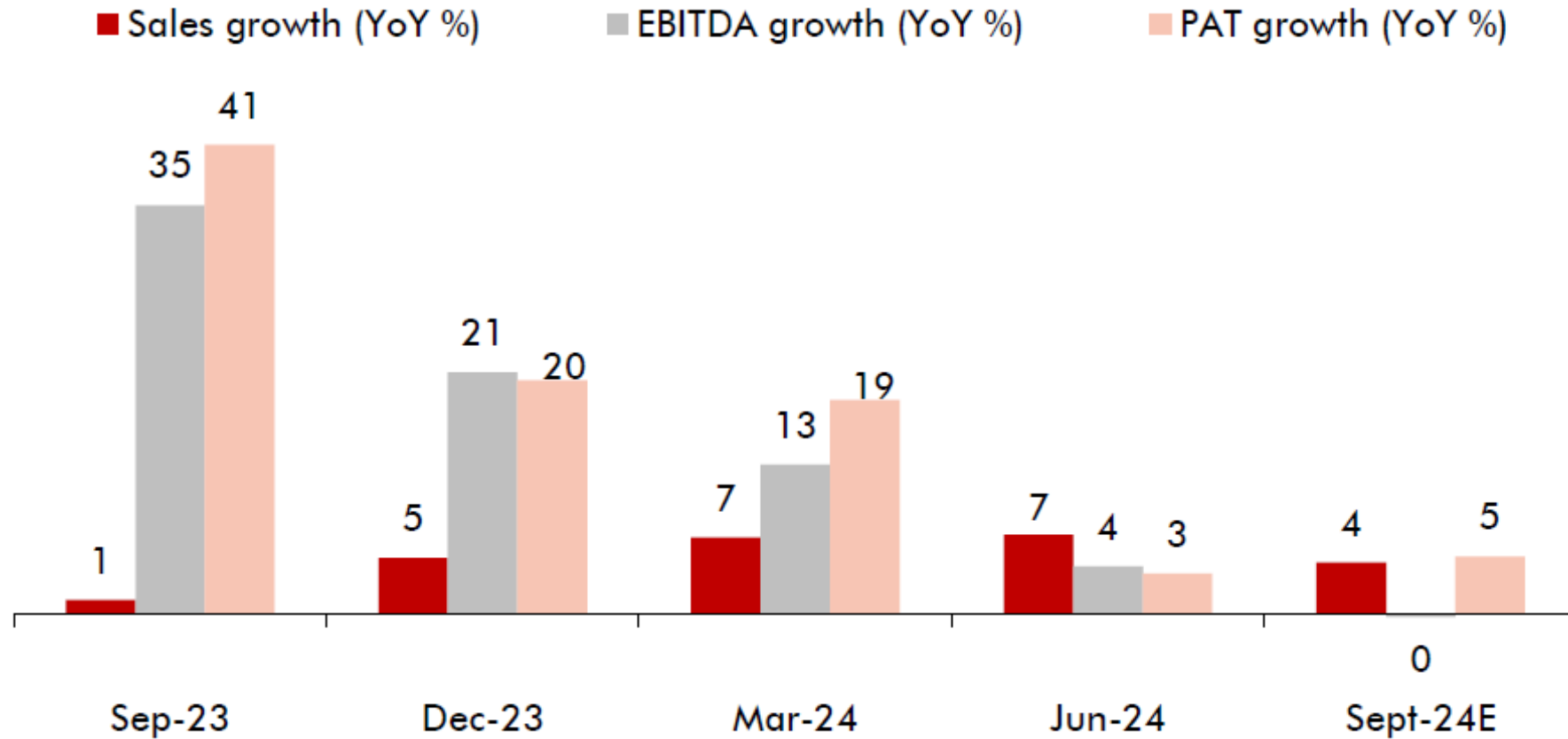


Market Insight - Equity

An overview on Equity Markets

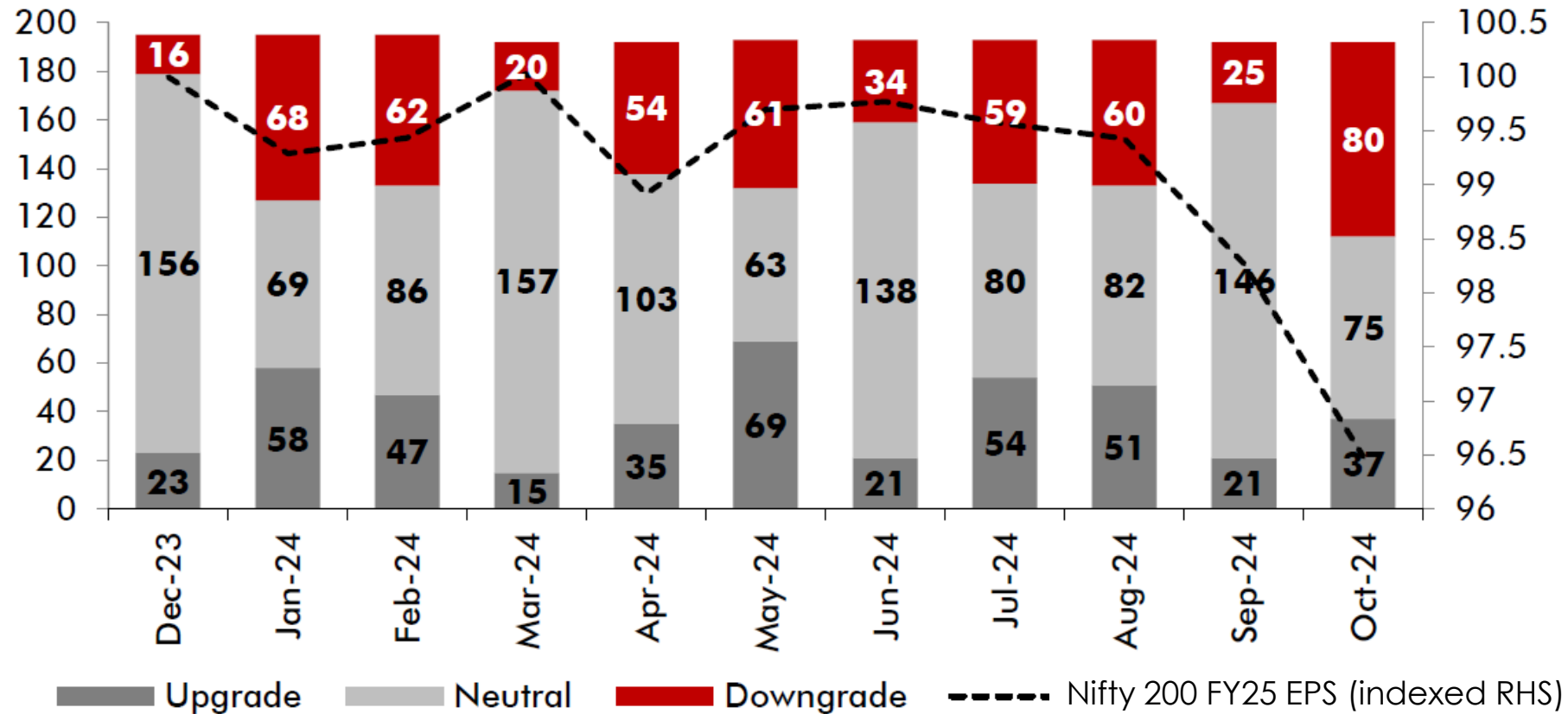
November 2024

Nifty 500 earnings growth is slowing



Source: Company, Ambit Capital research

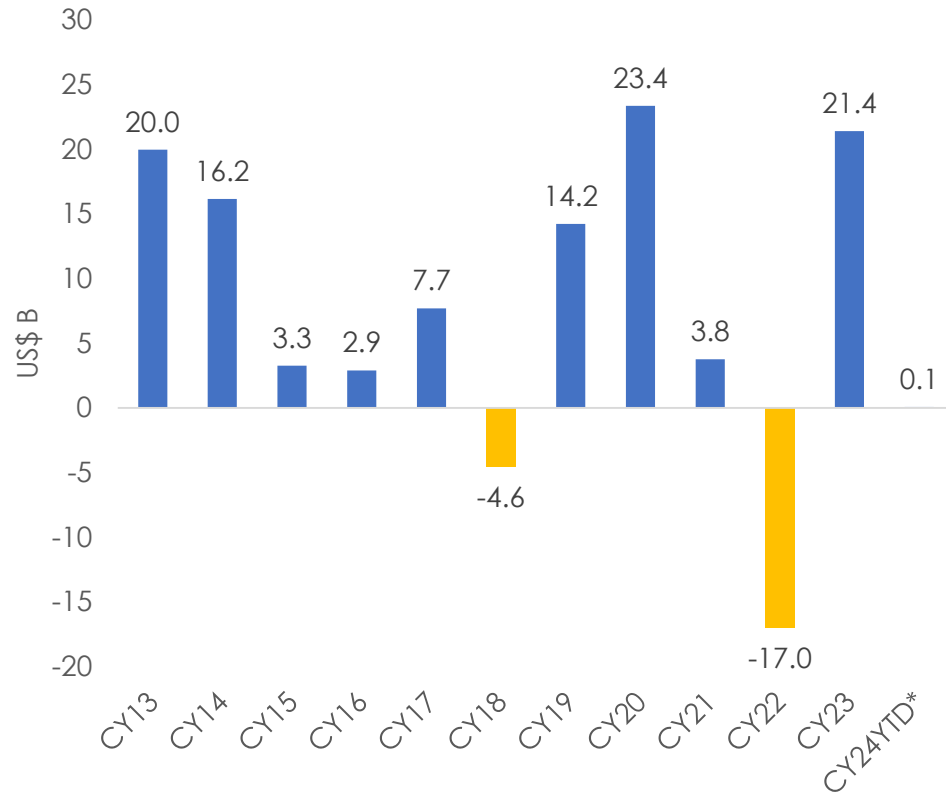
Sharp downgrades for FY25E in October



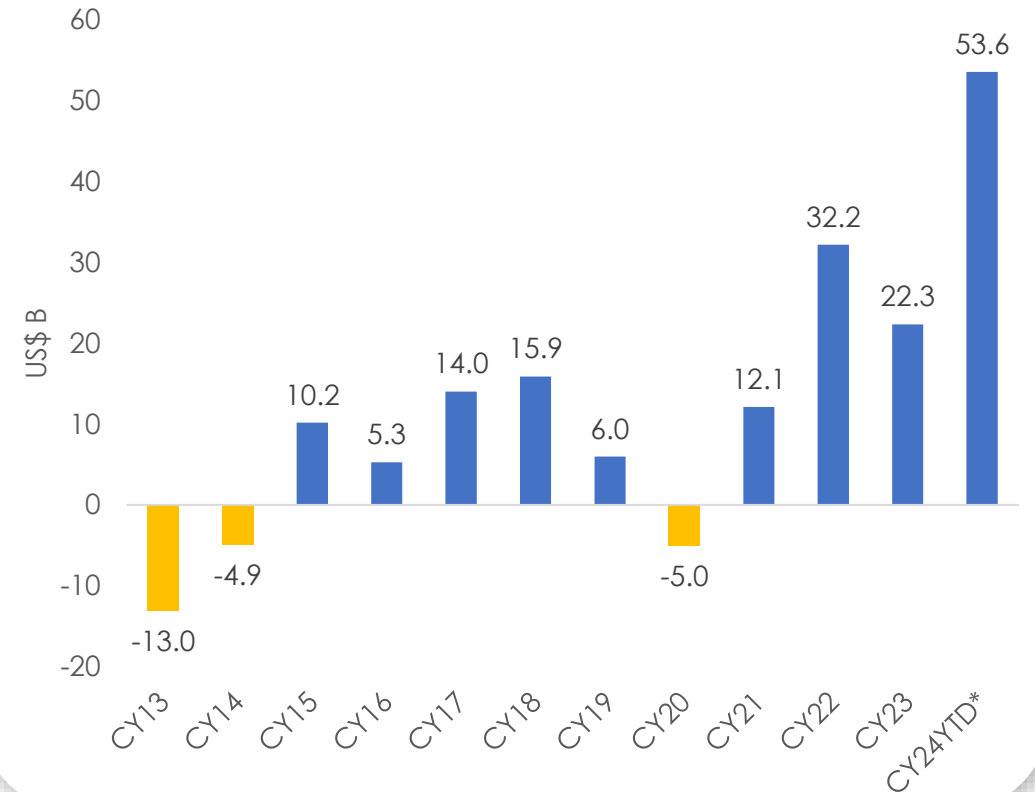
Source: Bloomberg, Ambit Capital research. Note: Upgrades and downgrades denote > 1%/-1% change in FY25 EPS

Institutional Investments (USD Billion)

Net FII in Equity



Net DII in Equity





Equity Markets & Valuation

Economic Indicators and Forecasts

Indicator	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Economic Activity											
Real GDP (YoY%)	8.0	8.3	6.8	6.5	3.9	-5.8	9.7	7.0	7.8	6.9	6.6
Gross Fixed Investment (YoY%)	6.5	8.5	7.8	11.2	1.1	-7.1	17.5	6.6	10.2	8.1	8.1
Industrial Production (YoY%)	3.3	3.5	5.2	0.7	-10.9	19.2	4.8	5.9	5.8	5.2	5.6
Price Indices											
CPI (YoY%)	4.9	3.3	4	3.7	6.6	5.1	6.7	5.7	4.8	4.5	4.4
WPI (YoY%)	-3.7	3.5	4.3	1.9	0.5	10.8	12.2	0.1	-0.7	2.5	3.7
External Balance											
Current Account (% of GDP)	-1.1	-1.5	-2.4	-1.1	1.3	-1.1	-2.4	-0.9	-0.8	-1.2	-1.1
Fiscal Balance											
Budget (% of GDP)	-3.6	-3.9	-3.6	-4.4	-6.0	-6.2	-6.9	-6.0	-5.8	-4.9	-4.5
Interest Rates											
Central Bank Rate (%)	6.8	6.0	6.5	5.2	4.0	4.0	6.3	6.5	6.3	5.7	5.6
10-Year Note (%)	7.5	7.3	7.4	6.6	5.9	6.5	7.3	7.2	6.7	6.6	6.8
Exchange Rates											
USDINR	66.2	63.9	69.8	71.4	73.1	74.3	82.7	83.2	82.6	82.5	81.3

High Frequency Indicators

	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Fiscal													
Gross tax collection (YoY %)	15.9	-1.2	21.3	12.9	16.5	-0.5	13.4	16.9	14.4	35.0	14.0	-15.8	11.9
Foreign Trade													
Export (Rs Bn)	34.4	33.5	33.9	38.4	36.9	41.4	41.7	35.3	39.6	35.2	33.9	34.7	34.6
Import (Rs Bn)	54.5	63.4	54.5	58.3	53.4	60.1	57.3	54.3	62.1	56.7	57.5	64.3	55.4
Capital flows (USD bn)	8.0	5.4	9.1	12.8	9.0	8.0	13.7	6.6	7.5	9.1	9.1	13.9	14.2*
Forex Reserves (USD bn)	587	586	598	623	617	619	646	638	652	652	667	684	705
Industry													
IIP (Index)	142.3	144.5	141.0	152.1	153.5	147.1	159.9	147.7	154.6	150.7	149.4	145.6	148.4*
Composite PMI (Index)	61.0	58.4	57.4	58.5	61.2	60.6	61.8	61.5	60.5	60.9	60.7	60.7	58.3
Cement Production (Index)	166.2	181.5	156.5	191.9	195.1	194.3	219.4	192.3	190.6	198.5	175.2	176.5	178.0
Steel Production (Index)	198.4	201.4	192.6	205.3	216.8	202.9	217.6	210.0	209.7	204.0	204.0	206.1	201.3
Banking													
M3 (YoY, %)	10.8	10.8	11.3	10.9	11.0	10.8	11.2	11.3	11.3	10.1	10.4	10.2	10.8
Bank Credit (YoY, %)	15.3	15.1	16.2	15.7	16.1	16.5	16.3	15.3	16.1	13.8	15.0	15.0	14.4
Deposits (YoY, %)	12.3	12.6	12.9	12.6	12.6	12.5	12.9	12.7	12.2	10.6	11.0	11.3	12.0
Median MCLR (%)	8.7	8.7	8.7	8.8	8.8	8.8	8.8	8.9	8.8	8.9	8.9	8.9	9.0
CP Issuance (Rs Bn)	4122	4137	3950	3642	3777	4081	3886	4115	4040	4225	4589	4711	3976
LAF (Rs Bn, Daily Average)	-178	-520	-614	-1143	-2073	-1862	-386	202	-1377	-547	1027	1509	1009
Consumer													
Automobile Sales ('000)	2112	2286	1958	1498	1888	1892	1856	2087	1968	1952	1783	2065	2383
Fuel Consumption (YoY %)	7.8	4.8	-2.2	2.6	7.3	6.8	2.9	7.8	1.9	2.3	10.6	-2.3	-1.6
Air Traffic (YoY %)	18.3	10.8	9.0	8.4	4.7	4.8	3.7	2.4	4.4	5.8	7.3	5.7	6.4
Infrastructure													
Electricity production (YoY %)	9.9	20.3	5.7	1.2	5.6	7.6	8.6	10.2	13.8	8.6	8.0	-3.7	-0.5
Port volume (YoY, %)	0.3	13.8	17.0	0.7	3.3	2.2	3.6	1.3	3.7	6.8	6.0	6.7	5.9
Rail Freight (YoY, %)	6.7	8.5	4.3	6.4	6.4	10.1	8.7	1.5	3.7	10.1	4.6	0.0	0.0*

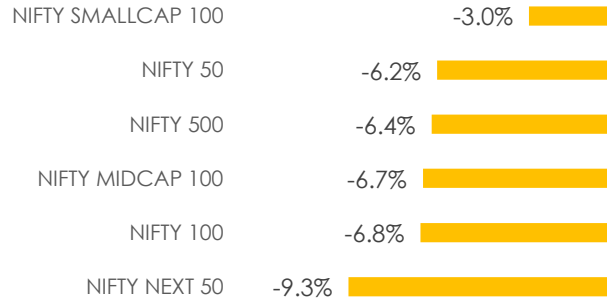


Equity Markets & Valuation

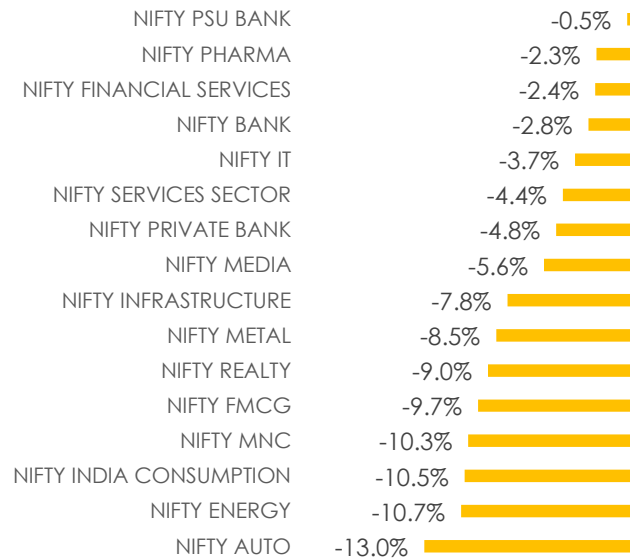
Domestic Sectors Performance

BROAD MARKET INDICES

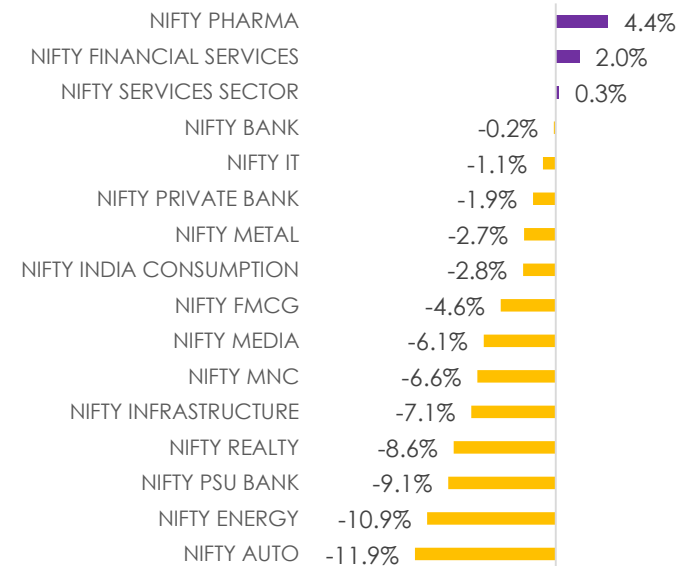
1 Month



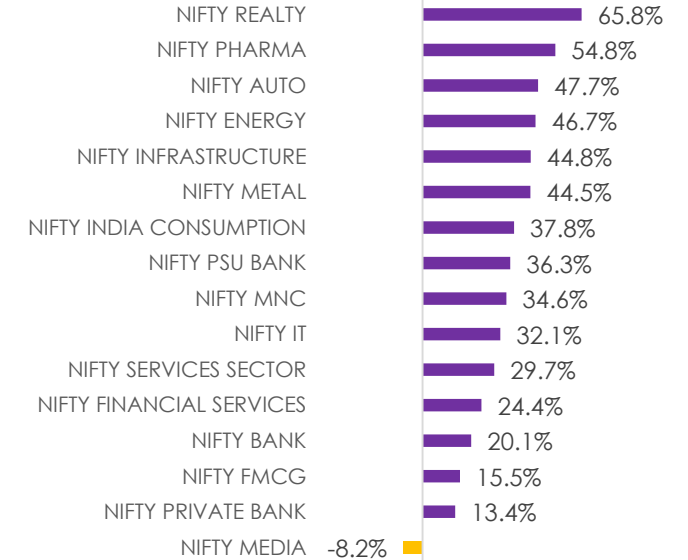
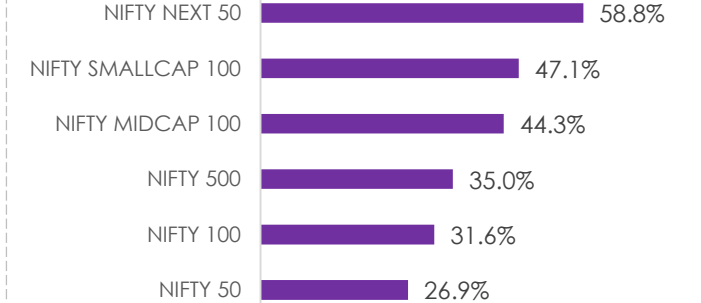
SECTORAL/ THEMATIC INDICES



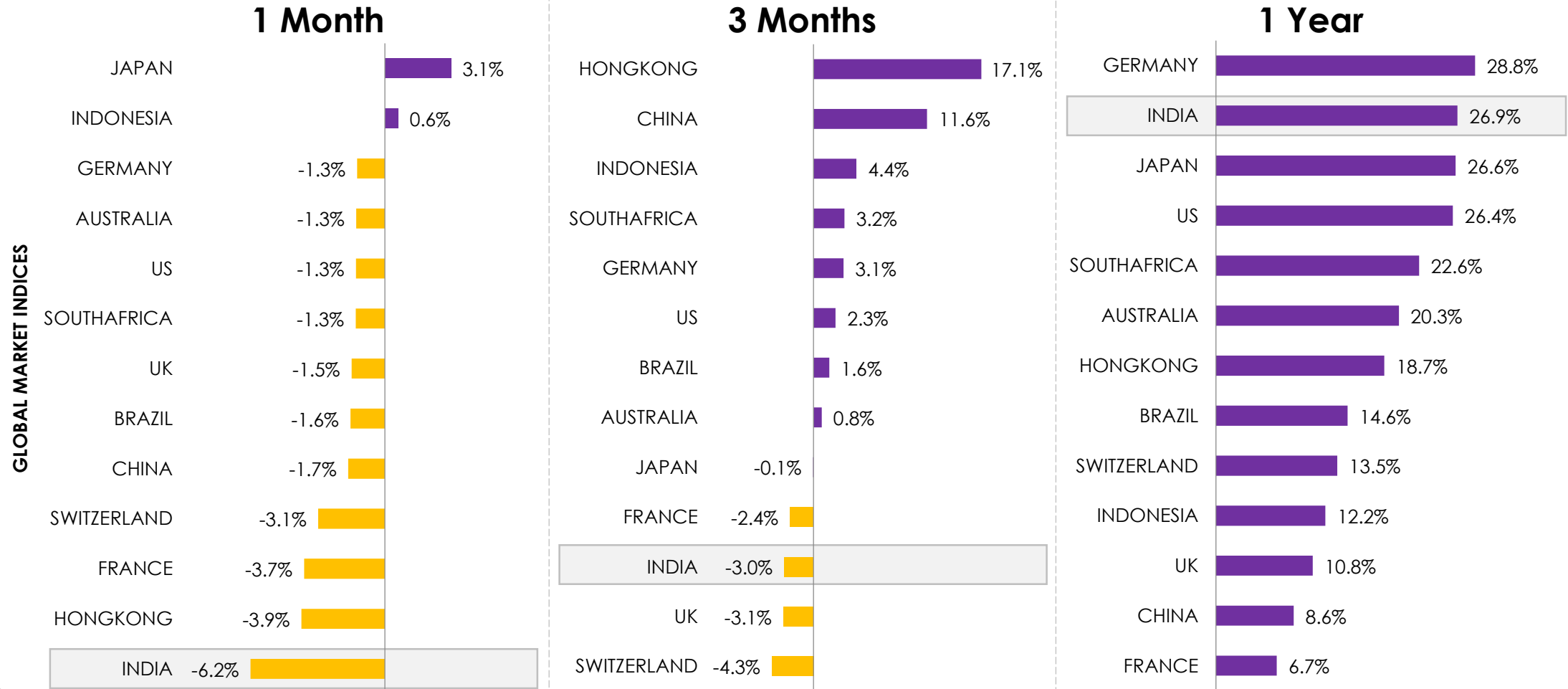
3 Months



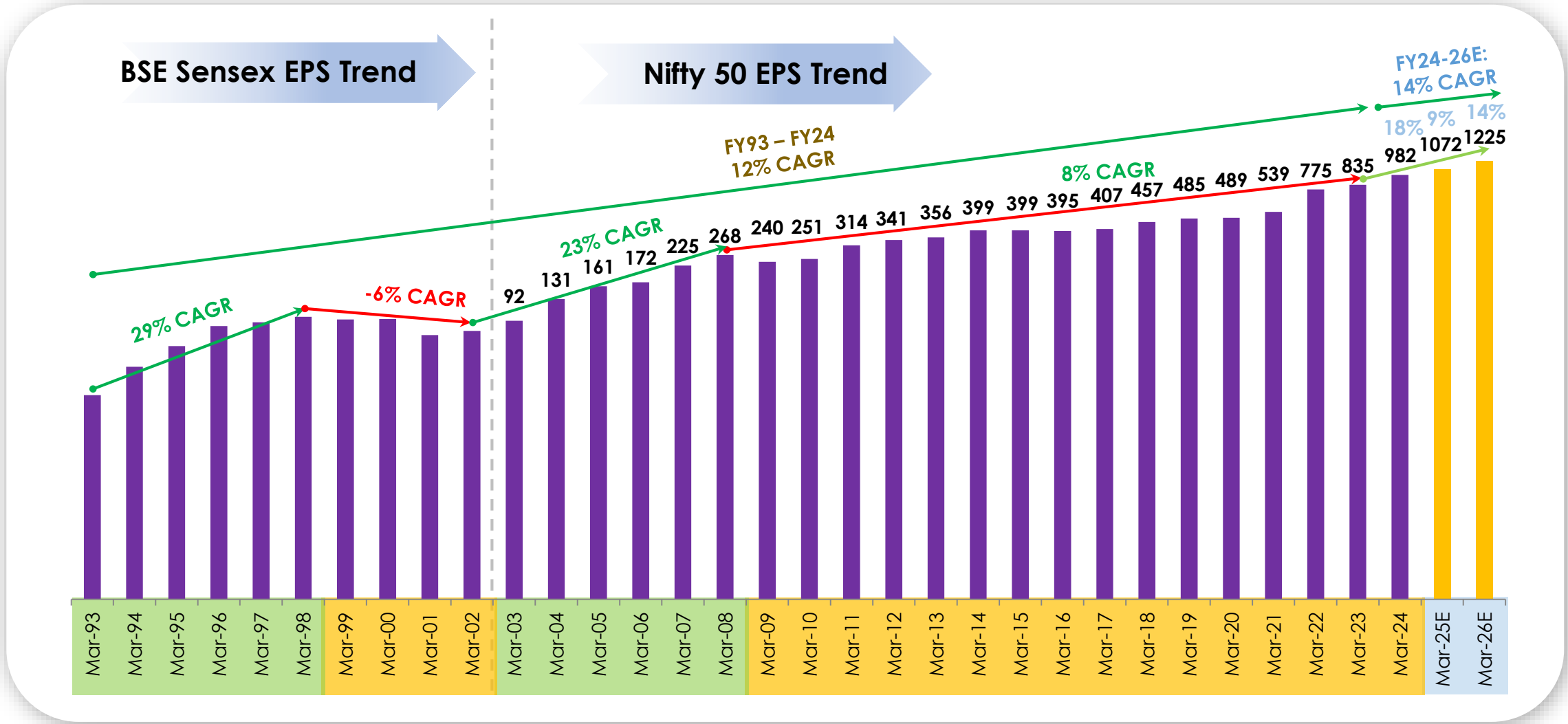
1 Year



Global Markets Performance



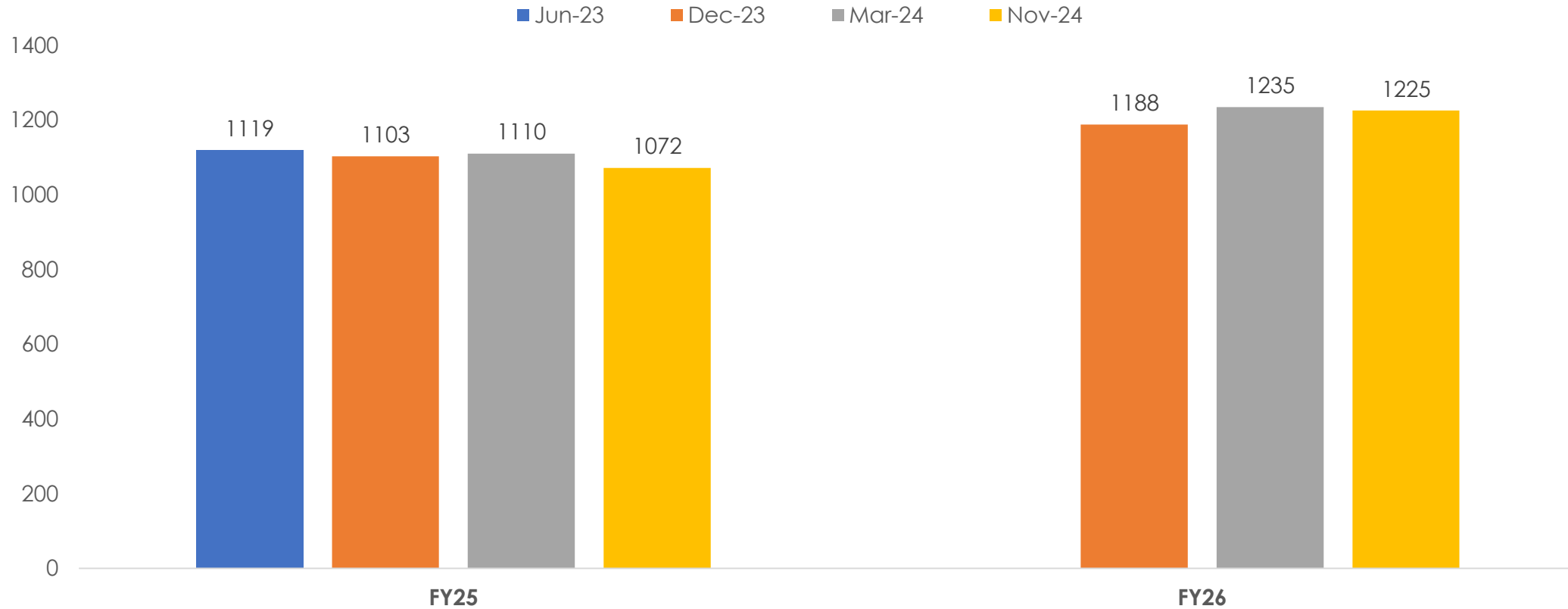
Earnings Trend



Source: Bloomberg. Data as of November 08, 2024

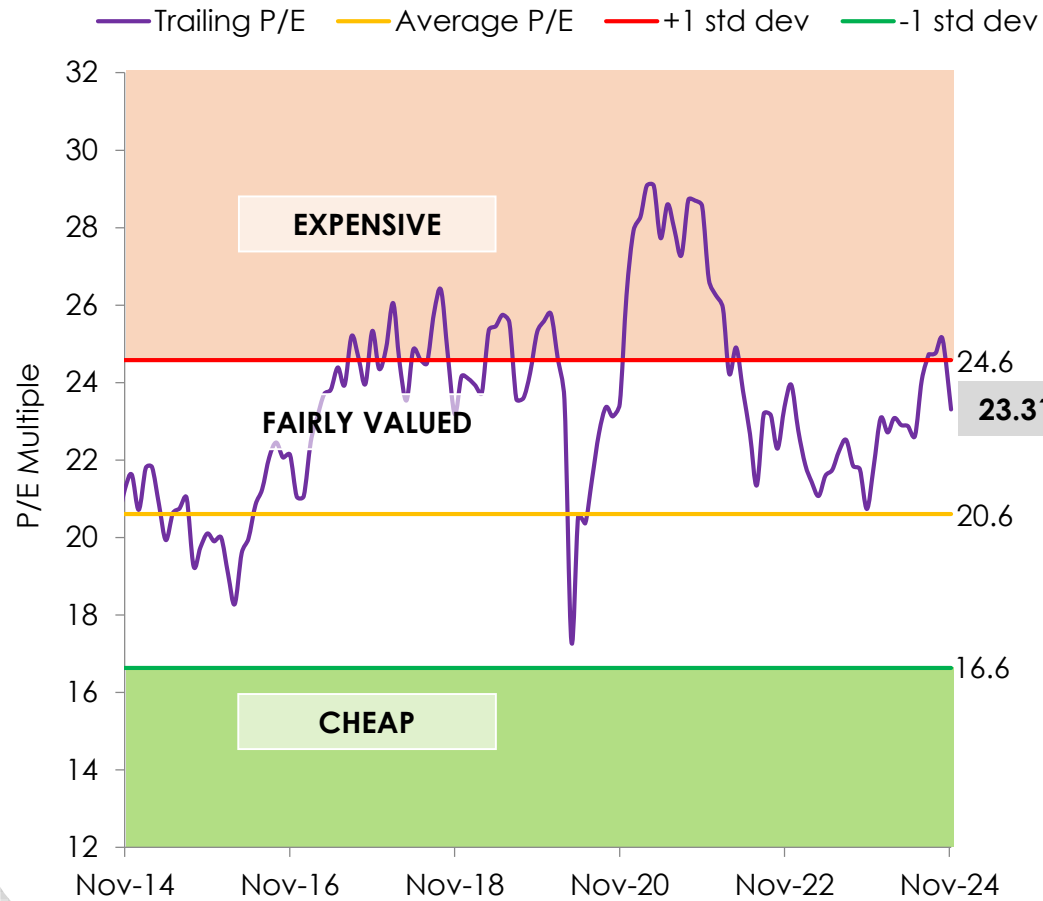
The vertical axis is on a logarithmic scale Nifty 50, EPS: Earnings per share. CAGR: Compound annual growth rate

Trend in Consensus Nifty 50 EPS

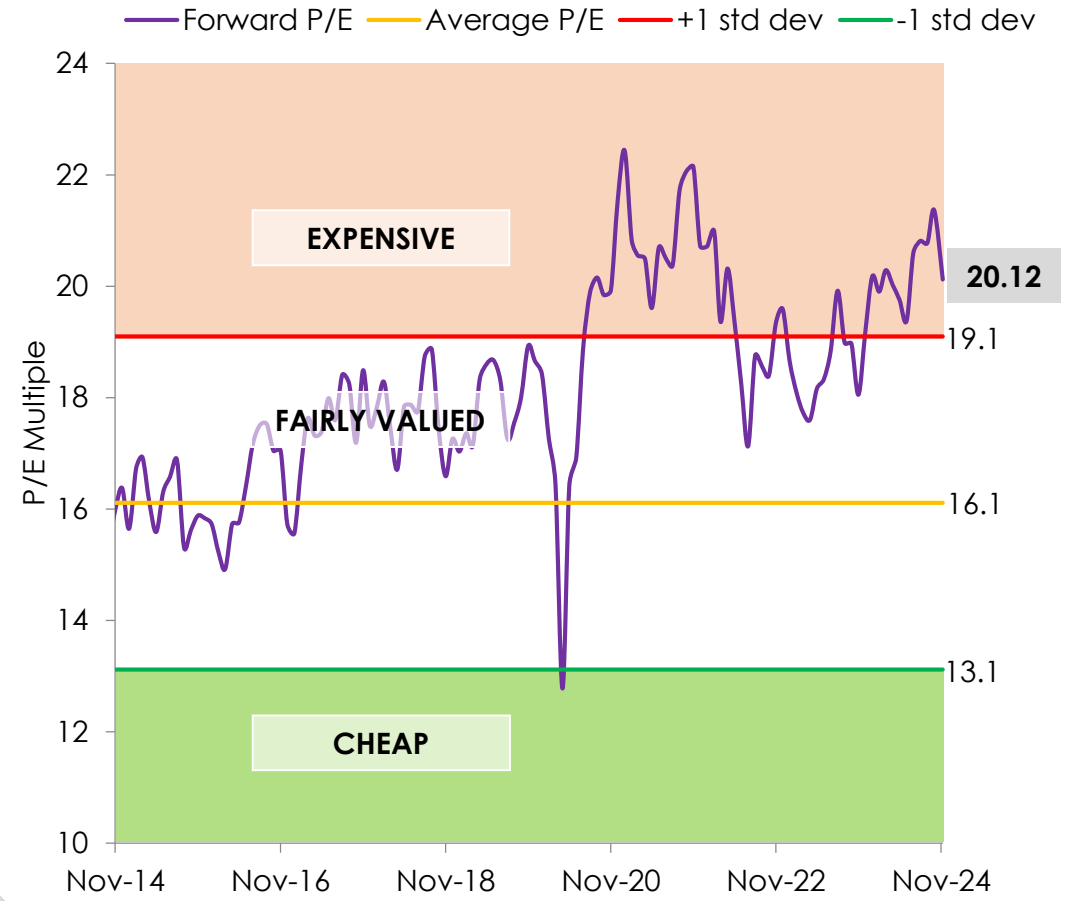


P/E valuations

Nifty 50 Trailing P/E

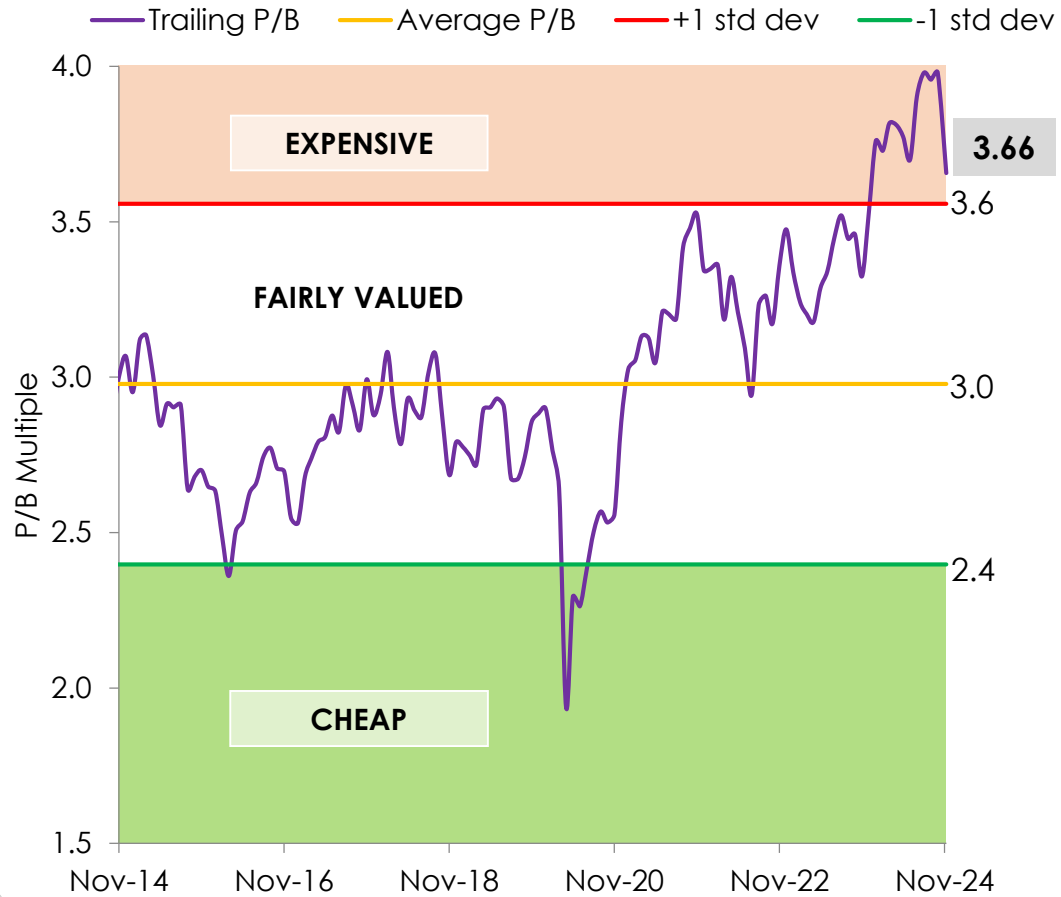


Nifty 50 Forward P/E

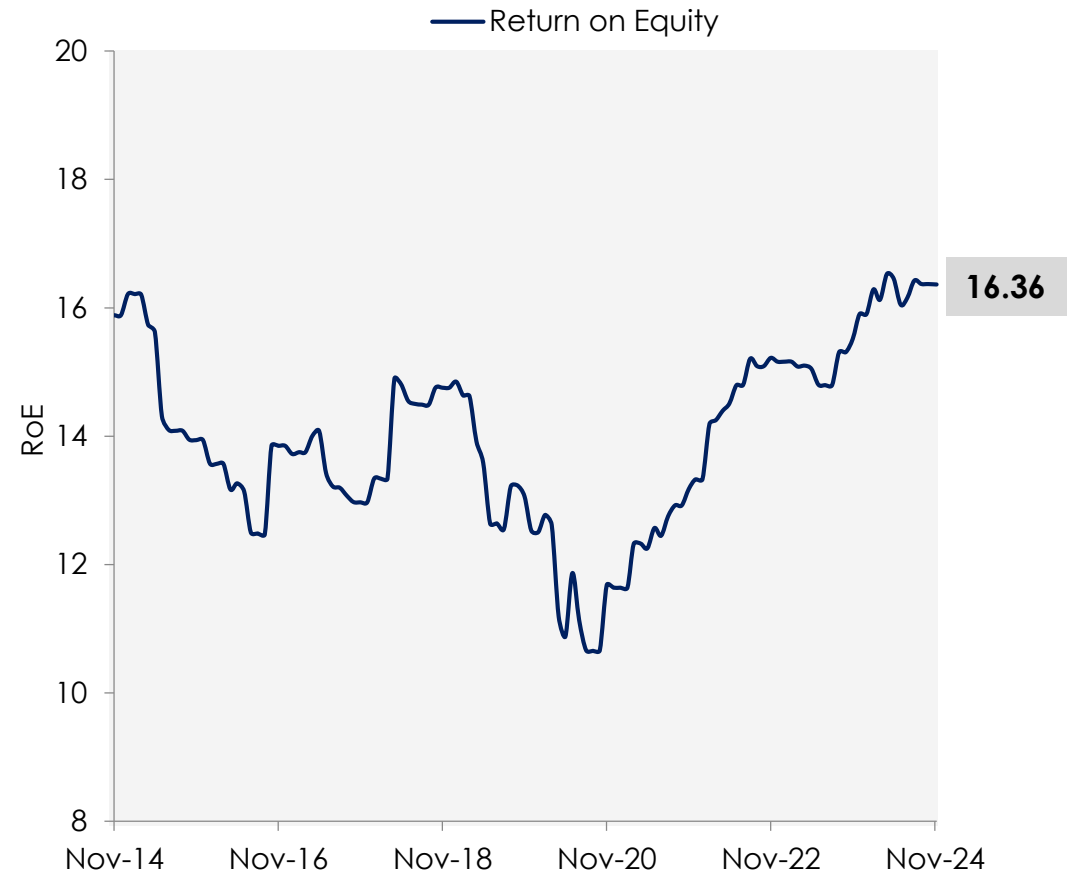


P/B Ratio & RoE

Nifty 50 Trailing P/B

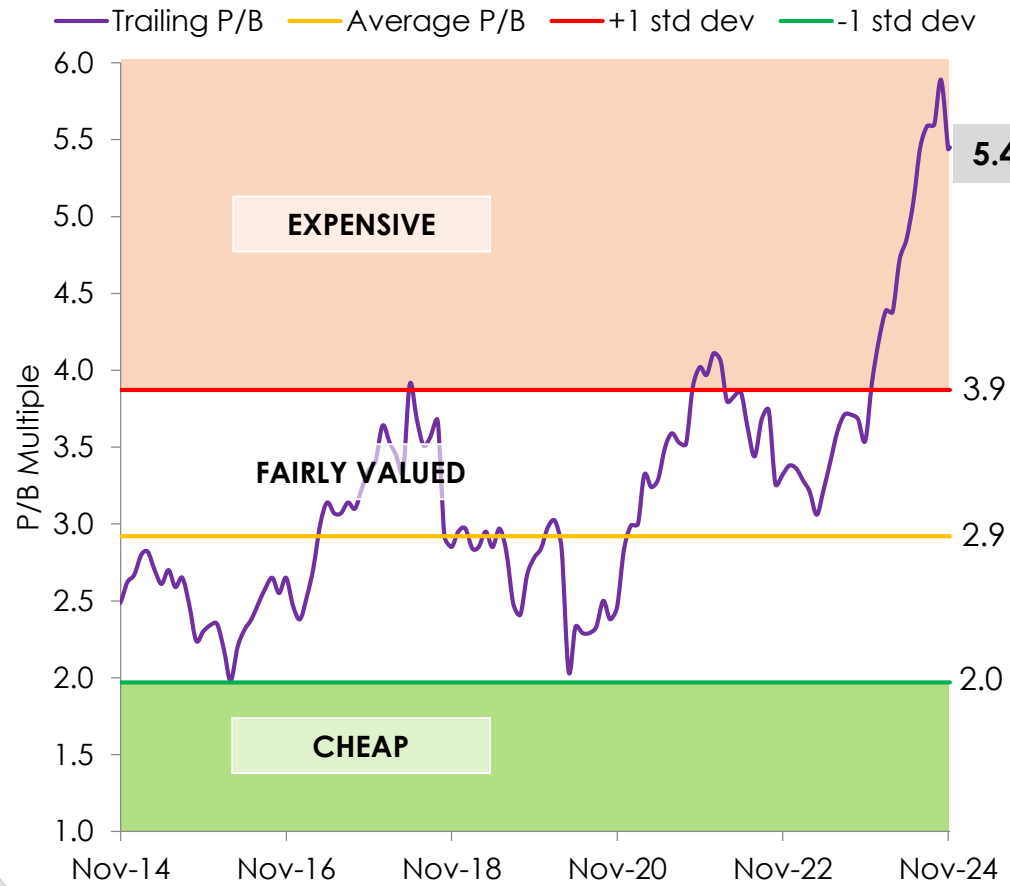


Nifty 50 RoE

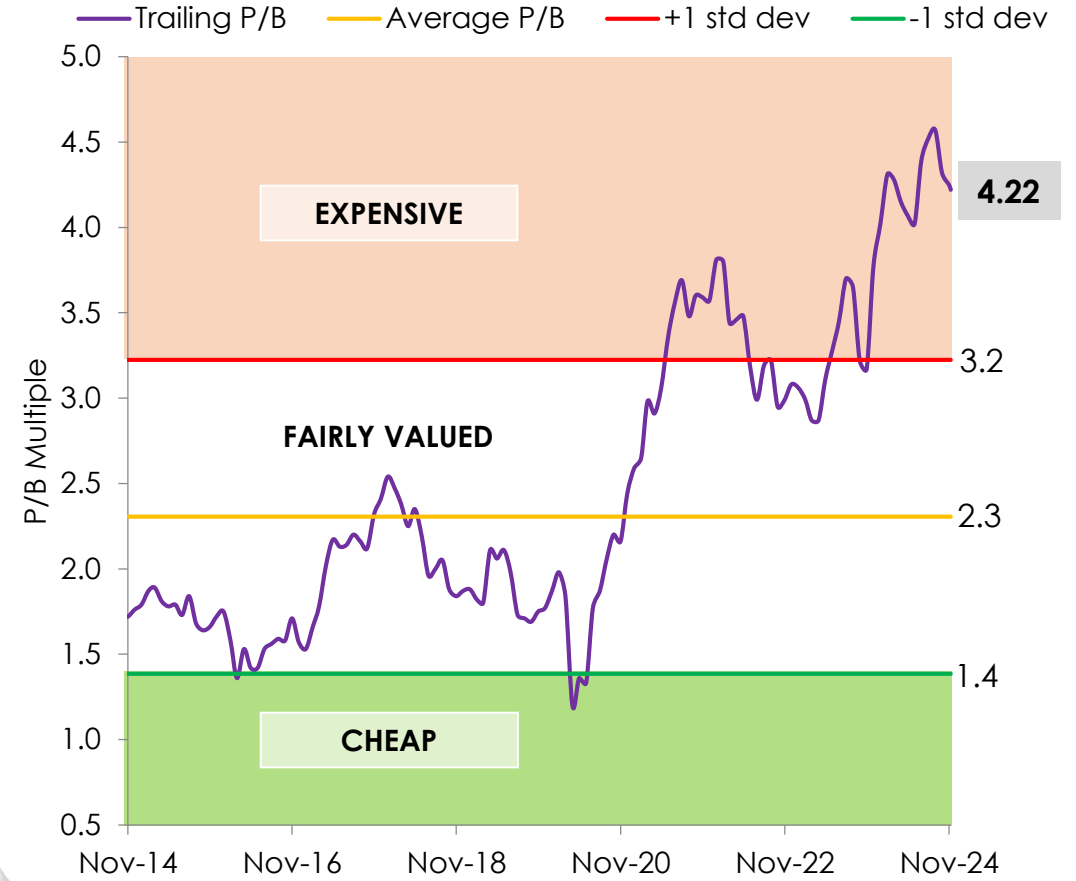


P/B Ratio: Mid caps & Small caps

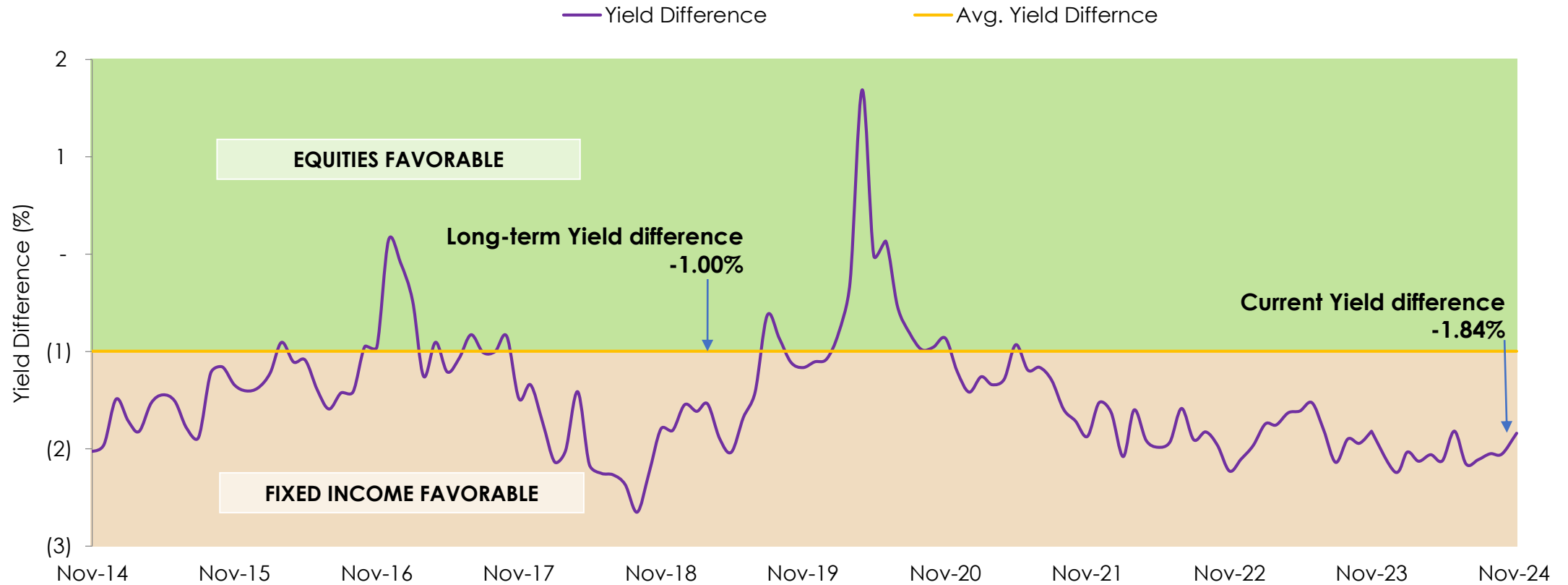
Nifty Midcap 150 Trailing P/B



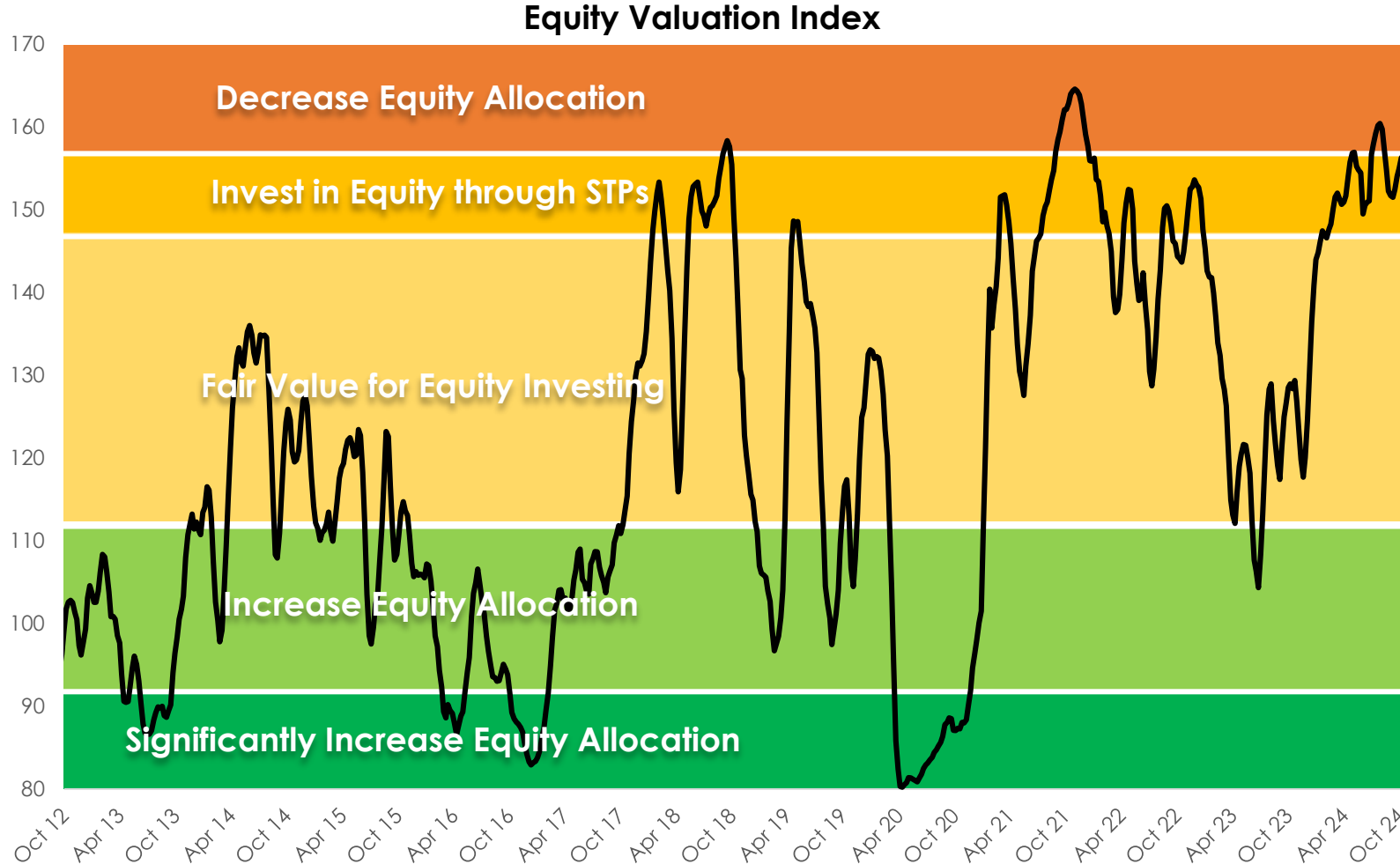
Nifty Smallcap 250 Trailing P/B



Nifty 50 Yield vs 10 Year G-Sec Yield



Equity Market Perspective



TAKEAWAYS

- ▶ Equity Valuation Index is a guidance for allocation of **lumpsum money into the equity schemes**
- ▶ Current index level suggests that investors may **rebalance their equity allocation**. Systematic investments are preferred.
- ▶ Investors should consult their financial advisers if in doubt about suitability of the products

Data as of October 31, 2024.

Equity Valuation Index is a composite mix of Price to Book (PB), 1-year Forward Price to Earnings (PE), Dividend Yield and Yield Gap. It is a proprietary model of UTI AMC Ltd. used for assessing equity market valuations.

STP – Systematic Transfer Plan

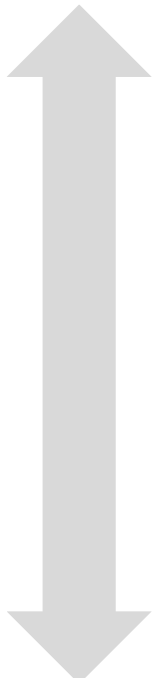
Key takeaway

- Expectations for US FED policy rate cuts have moderated and simultaneously long end rates have spiked higher on expectation of higher fiscal deficits
- The Dollar has strengthened significantly after the US election result in expectation of higher import tariffs, looser fiscal policy, and potentially higher growth differentials vs the world.
- In India both fiscal and monetary policy settings have been mildly restrictive; however, we expect incremental easing of policy settings through the remainder of the fiscal year.
- Earnings growth projections are getting cut; Nifty 50 consensus earnings growth is estimated at 9% for FY25 and 14% for FY26
- Nifty Midcap 150 Index and Nifty Smallcap 250 Index are trading at expensive valuations and are at a premium to the Nifty 50 Index
- Asset allocation and risk management should be the focus for investors in the current environment
- Balanced Advantage, Multi Asset Allocation and Equity Savings Funds can be considered for lump-sum investments
- Likely trend reversal in favour of 'quality-growth' from 'value'
- Investors should adopt a staggered approach towards equities – the bias is toward Large caps based on relative valuations



Investment Strategies

Diverse Strategies

Scheme	OCF / ROCE	P/B Premium/ Discount to Benchmark (%)	Investment Style	
UTI FLEXI CAP FUND	R1 83% C1 87%	57%	Quality + Growth	
UTI FOCUSED FUND	R1 66% C1 89%	28%	Blend	
UTI SMALL CAP FUND	R1 64% C1 69%	11%	Blend – Growth Tilt	
UTI MID CAP FUND	R1 63% C1 86%	2%	Blend – Growth Tilt	
UTI LARGE CAP FUND	R1 65% C1 86%	0%	GARP	
UTI VALUE FUND	R1 55% C1 90%	-36%	Barbell – Value Tilt	
UTI LARGE & MID CAP FUND	R1 59% C1 86%	-40%	Relative Value	
				VALUE


Operating Cash Flow Tiers (C)- 3 Tiers based on the number of years in which they have generated positive operating cash flows in the previous 5 years (for manufacturing companies). RoCE/ Implied RoE Tiers (R) - 3 Tiers based on the previous 5-year average return on capital (for manufacturing companies & non-lending nonbanking finance companies (NBFCs)) & based on the previous 5-year average return on asset for banks & NBFCs (including housing finance companies). Portfolio Characteristics are calculated based on full market cap using weighted average methodology at aggregation. All data as of September 30, 2024 GARP – Growth at a Reasonable Price

Equity products bouquet


Diversified Funds	Large Cap	Mid Cap	Large & Mid Cap	Flexi Cap	Small Cap		
	UTI Large Cap Fund	UTI Mid Cap Fund	UTI Large & Mid Cap Fund	UTI Flexi Cap Fund	UTI Small Cap Fund		
	Value	Dividend Yield	ELSS		Focused		
	UTI Value Fund	UTI Dividend Yield Fund	UTI ELSS Tax Saver Fund		UTI Focused Fund		
Thematic Fund	Infrastructure	MNC	Consumption	Innovation			
	UTI Infrastructure Fund	UTI MNC Fund	UTI India Consumer Fund	UTI Innovation Fund			
Sector	Banking & Financial	Healthcare	Transportation & Logistics				
	UTI Banking & Financial Services Fund	UTI Healthcare Fund	UTI T&L Fund				
Index & ETFs	Nifty 50	Nifty Next 50	Nifty 50 Equal Weight	BSE Sensex	BSE Sensex Next 50	Nifty Midcap 150	Nifty Midcap150 Quality 50
	UTI Nifty 50 Index (Fund & ETF)	UTI Nifty Next 50 (Fund & ETF)	UTI Nifty 50 Equal Weight Index Fund	UTI BSE Sensex (Fund & ETF)	UTI BSE Sensex Next 50 ETF	UTI Nifty Midcap 150 ETF	UTI Nifty Midcap 150 Quality 50 Index Fund
	Nifty 200 Momentum 30	Nifty 200 Quality 30	Nifty 500 Value 50	BSE Low Volatility	Nifty Bank	Nifty Private Bank	BSE Housing
UTI Nifty 200 Momentum 30 Index Fund	UTI Nifty 200 Quality 30 Index Fund	UTI Nifty 500 Value 50 Index Fund	UTI BSE Low Volatility Index Fund	UTI Nifty Bank ETF	UTI Nifty Private Bank Index Fund	UTI BSE Housing Index Fund	UTI Nifty IT ETF

Market Capitalisation: Definition of Large Cap, Mid Cap and Small Cap: As per the SEBI circular SEBI/HO/IMD/DF3/CIR/P/2017/114 of Oct 06 2017 a definition has been provided of large cap, mid cap and small cap are a) Large Cap: 1st - 100th company in terms of full market capitalization, b) Mid Cap: 101st - 250th company in terms of full market capitalization, c) Small Cap: 251st company onwards in terms of full market capitalization.

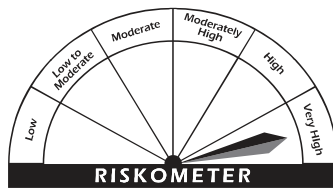
Product Label

Name of the Scheme	This product is suitable for investors who are seeking*	Riskometer#
UTI Large Cap Fund (An open ended equity scheme predominantly investing in large cap stocks)	<ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in equity instruments of large cap companies 	 <p>RISKOMETER Investors understand that their principal will be at Very High Risk.</p>
UTI Large & Mid Cap Fund (An open ended equity scheme investing in both large cap and mid cap stocks)	<ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in equity instruments of both large cap and mid cap companies 	
UTI Mid Cap Fund (An open ended equity scheme predominantly investing in mid cap stocks)	<ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in mid cap companies 	
UTI Value Fund (An open ended equity scheme following a value investment strategy)	<ul style="list-style-type: none"> Long term capital appreciation Investment in equity instruments following a value investment strategy across the market capitalization spectrum 	
UTI Flexi Cap Fund (An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks)	<ul style="list-style-type: none"> Long term capital appreciation Investment in equity instruments of companies with good growth prospects across the market capitalization spectrum 	
UTI Small Cap Fund (An open ended equity scheme predominantly investing in small cap stocks)	<ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in equity and equity related securities of small cap companies 	
UTI Dividend Yield Fund (An open ended equity scheme predominantly investing in dividend yielding stocks)	<ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in dividend yielding equity and equity related securities 	
UTI Infrastructure Fund (An open ended equity scheme following the Infrastructure theme)	<ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in equity and equity related securities of companies forming part of the infrastructure sector 	
UTI MNC Fund (An open ended equity following the theme of investing predominantly in equity and equity related securities of Multi-National Companies)	<ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in equity and equity related securities of Multi-National companies 	
UTI India Consumer Fund (An open ended equity scheme following the theme of changing consumer aspirations, changing lifestyle and growth of consumption)	<ul style="list-style-type: none"> Long term capital growth Investment in equity instruments of companies that are expected to benefit from of the changing consumer aspirations, changing lifestyle and growth of consumption 	
UTI Innovation Fund (An open-ended equity scheme following innovation theme)	<ul style="list-style-type: none"> Long term capital growth Investment in equity and equity-related instruments following innovation theme 	

Product Label

Name of the Scheme	This product is suitable for investors who are seeking*	Riskometer#
UTI Nifty Next 50 Exchange Traded Fund (An open ended scheme replicating/ tracking Nifty Next 50 index)	<ul style="list-style-type: none"> • Long term investment • Investment in securities covered by Nifty Next 50 	
UTI BSE Sensex Next 50 Exchange Traded Fund (An open ended scheme replicating/ tracking BSE Sensex Next 50 index)	<ul style="list-style-type: none"> • Long term capital appreciation • Investment in securities covered by BSE Sensex Next 50 	
UTI Nifty 200 Momentum 30 Index Fund (An open-ended scheme replicating/ tracking Nifty 200 Momentum 30 Index)	<ul style="list-style-type: none"> • Capital growth in tune with the index returns • Passive investment in equity instruments comprised in Nifty200 Momentum 30 Index. 	
UTI BSE Low Volatility Index Fund (An open-ended scheme replicating/ tracking BSE Low Volatility Total Return Index (TRI))	<ul style="list-style-type: none"> • Capital growth in tune with the index returns • Passive investment in equity instruments comprised in BSE Low Volatility Index 	
UTI Nifty Midcap 150 Quality 50 Index Fund (An open-ended scheme replicating/ tracking Nifty Midcap 150 Quality 50 Total Return Index (TRI))	<ul style="list-style-type: none"> • Capital growth in tune with the index returns • Passive investment in equity instruments comprised in Nifty Midcap 150 Quality 50 Index 	
UTI BSE Housing Index Fund (An open-ended scheme replicating / tracking BSE Housing Total Return Index (TRI))	<ul style="list-style-type: none"> • Returns that are commensurate with the performance of the BSE Housing Index over long term, subject to tracking error • Investment in securities covered by the BSE Housing Index 	
UTI Nifty Bank Exchange Traded Fund (An open-ended scheme replicating/tracking Nifty Bank index)	<ul style="list-style-type: none"> • Long term capital appreciation • Investment in securities covered by Nifty Bank Index 	
UTI NIFTY50 Equal Weight Index Fund (An open-ended scheme replicating / tracking NIFTY50 Equal Weight Total Return Index (TRI))	<ul style="list-style-type: none"> • Returns that are commensurate with the performance of the NIFTY50 Equal Weight Index over long term, subject to tracking error. • Investment in securities covered by the NIFTY50 Equal Weight Index 	
UTI Nifty 500 Value 50 Index Fund (An open-ended scheme replicating / tracking Nifty 500 Value 50 Total Return Index (TRI))	<ul style="list-style-type: none"> • Returns that are commensurate with the performance of the Nifty 500 Value 50 Index over long term, subject to tracking error. • Investment in securities covered by the Nifty 500 Value 50 Index 	
UTI NIFTY200 Quality 30 Index Fund (An open-ended scheme replicating/ tracking Nifty200 Quality 30 TRI))	<ul style="list-style-type: none"> • Returns that are commensurate with the performance of the Nifty200 Quality 30 Index over long term, subject to tracking error. • Investment in securities covered by the Nifty200 Quality 30 Index 	
UTI Nifty Private Bank Index Fund (An open-ended scheme replicating/ tracking Nifty Private Bank TRI)	<ul style="list-style-type: none"> • Returns that are commensurate with the performance of the Nifty Private Bank Index over long term, subject to tracking error. • Investment in securities covered by the Nifty Private Bank Index 	

Product Label

Name of the Scheme	This product is suitable for investors who are seeking*	Riskometer#
UTI Banking and Financial Services Fund (An open ended equity scheme investing in Banking and Financial Services Sector)	<ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in equity and equity related securities of companies engaged in banking and financial services activities. 	 <p>RISKOMETER Investors understand that their principal will be at Very High Risk.</p>
UTI Healthcare Fund (An open ended equity scheme investing in the Healthcare Services Sector)	<ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in equity and equity related securities in the Healthcare Services sector. 	
UTI Transportation and Logistics Fund (An open ended equity scheme investing in transportation and logistics sector)	<ul style="list-style-type: none"> Long term capital appreciation Investment predominantly in equity and equity related securities of the companies engaged in the transportation and logistics sector 	
UTI ELSS Tax Saver Fund (An open ended equity linked saving scheme with a statutory lock in of 3 years and tax benefit)	<ul style="list-style-type: none"> Long term capital growth Investment in equity instruments of companies that are believed to have growth potential 	
UTI Focused Fund (An open ended equity scheme investing in maximum 30 stocks across market caps)	<ul style="list-style-type: none"> Long term capital appreciation Investment in equity and equity related securities across market capitalization in maximum 30 stocks 	
UTI BSE Sensex Index Fund (An open ended scheme replicating/ tracking the BSE Sensex Index (TRI))	<ul style="list-style-type: none"> Capital growth in tune with the index returns Passive investment in equity instruments comprised in BSE Sensex Index 	
UTI BSE Sensex Exchange Traded Fund (An open ended scheme replicating/ tracking BSE Sensex index)	<ul style="list-style-type: none"> Long term investment Investment in securities covered by BSE Sensex 	
UTI Nifty 50 Index Fund (An open ended scheme replicating/ tracking Nifty 50 index)	<ul style="list-style-type: none"> Capital growth in tune with the index returns Passive investment in equity instruments comprised in Nifty 50 Index 	
UTI Nifty 50 Exchange Traded Fund (An open ended scheme replicating/ tracking Nifty 50 index)	<ul style="list-style-type: none"> Long term investment Investment in securities covered by Nifty 50 Index 	
UTI Nifty Next 50 Index Fund (An open ended scheme replicating/ tracking Nifty 50 index)	<ul style="list-style-type: none"> Capital growth in tune with the index returns Passive investment in equity instruments comprised in Nifty Next 50 Index 	
UTI Nifty IT ETF (An open-ended scheme replicating/tracking the Nifty IT TRI)	<ul style="list-style-type: none"> Long-term capital growth Investment in equity and equity related securities covered by Nifty IT Index, subject to tracking error. 	

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

#Risk-o-meter for the fund is based on the portfolio ending October 31, 2024. The Risk-o-meter of the fund/s is/are evaluated on monthly basis and any changes to Risk-o-meter are disclosed vide addendum on monthly basis, to view the latest addendum on Risk-o-meter, please visit addenda section on [UTI Mutual Fund Invest Online](#)

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