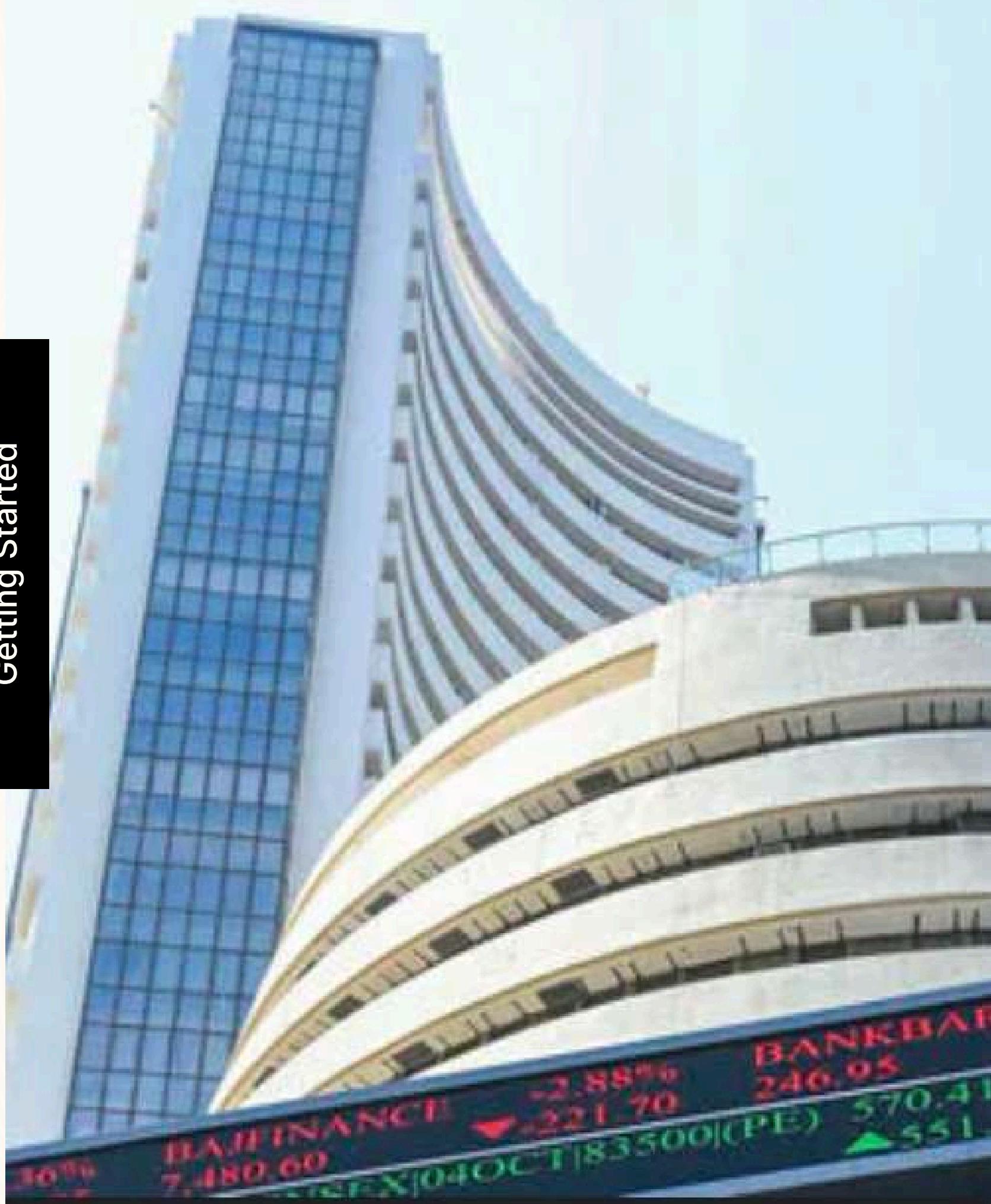


EVENT-DRIVEN VALUATION STUDY

Indian Stock Market Reactions (2023-2025)
Analyzing Market Dynamics, Resilience, and Valuation Implications

Presented by Varun Singla

Getting Started



EXECUTIVE SUMMARY

Objective: Analyze Indian market response to major events; assess efficiency & valuation.

Key Events:

ADANI HINDENBURG



US TARIFFS



RBI RATE CUT



Core Findings

Market Resilience: Limited systemic contagion despite shocks.

Policy Impact: Proactive actions drove stability & recovery.

Sectoral Nuance: Diverse impacts across industries.

INTRODUCTION & METHODOLOGY

Project Goal: Understand market behavior & valuation shifts post-shocks.

Event Study

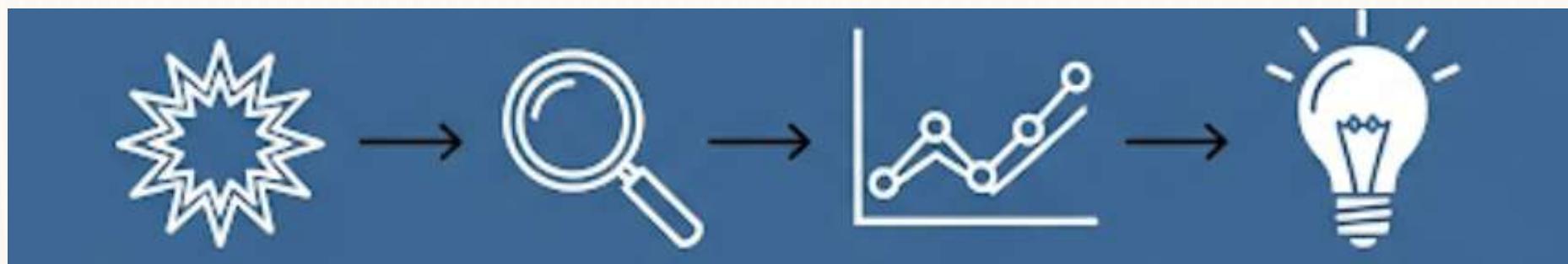
Quantify market reactions
(indices, sectors).

Data-Driven

Financial, economic & policy
analysis.

Insights

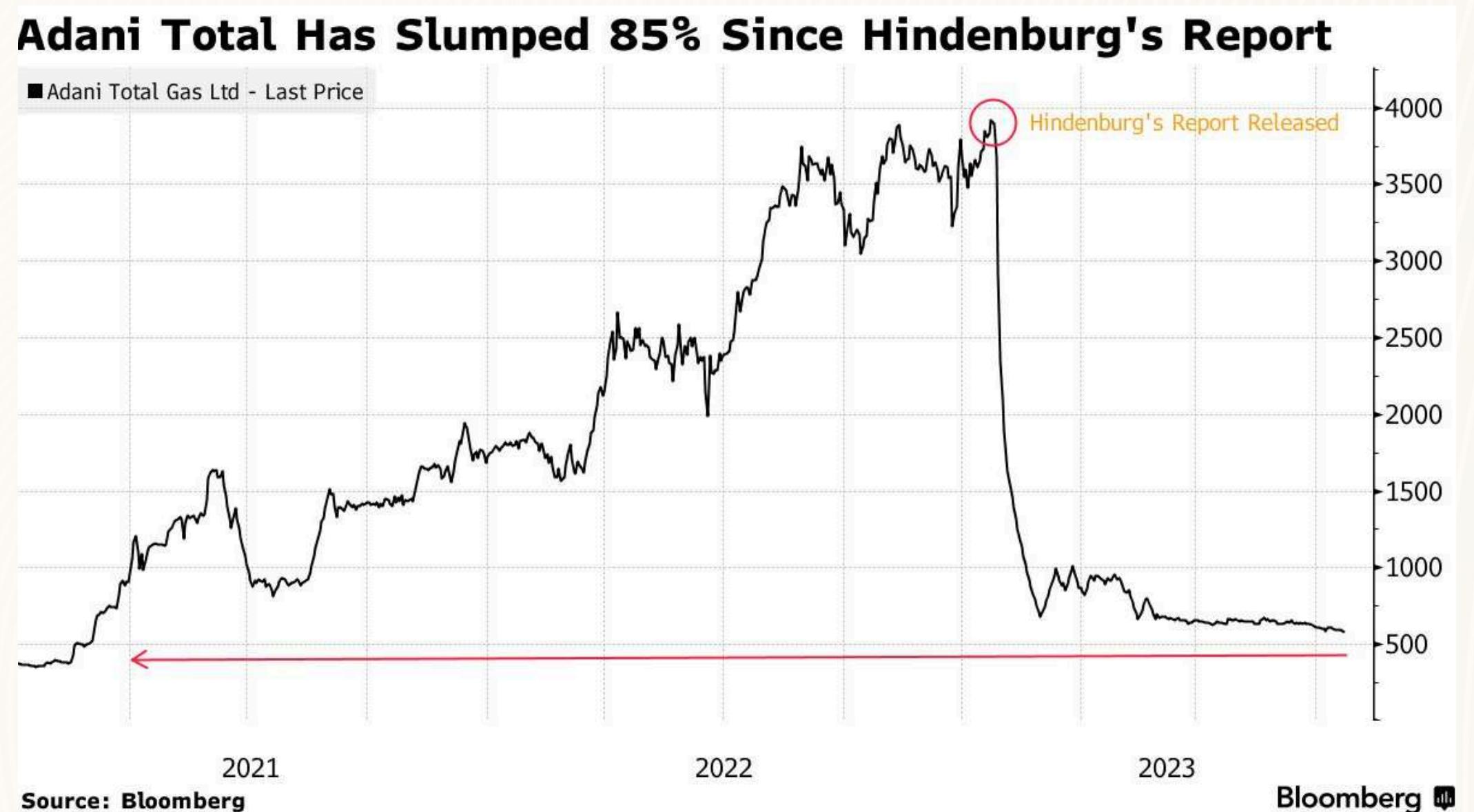
Actionable conclusions for
investment.



EVENT 1: ADANI HINDENBURG JAN 2023- THE SHOCK

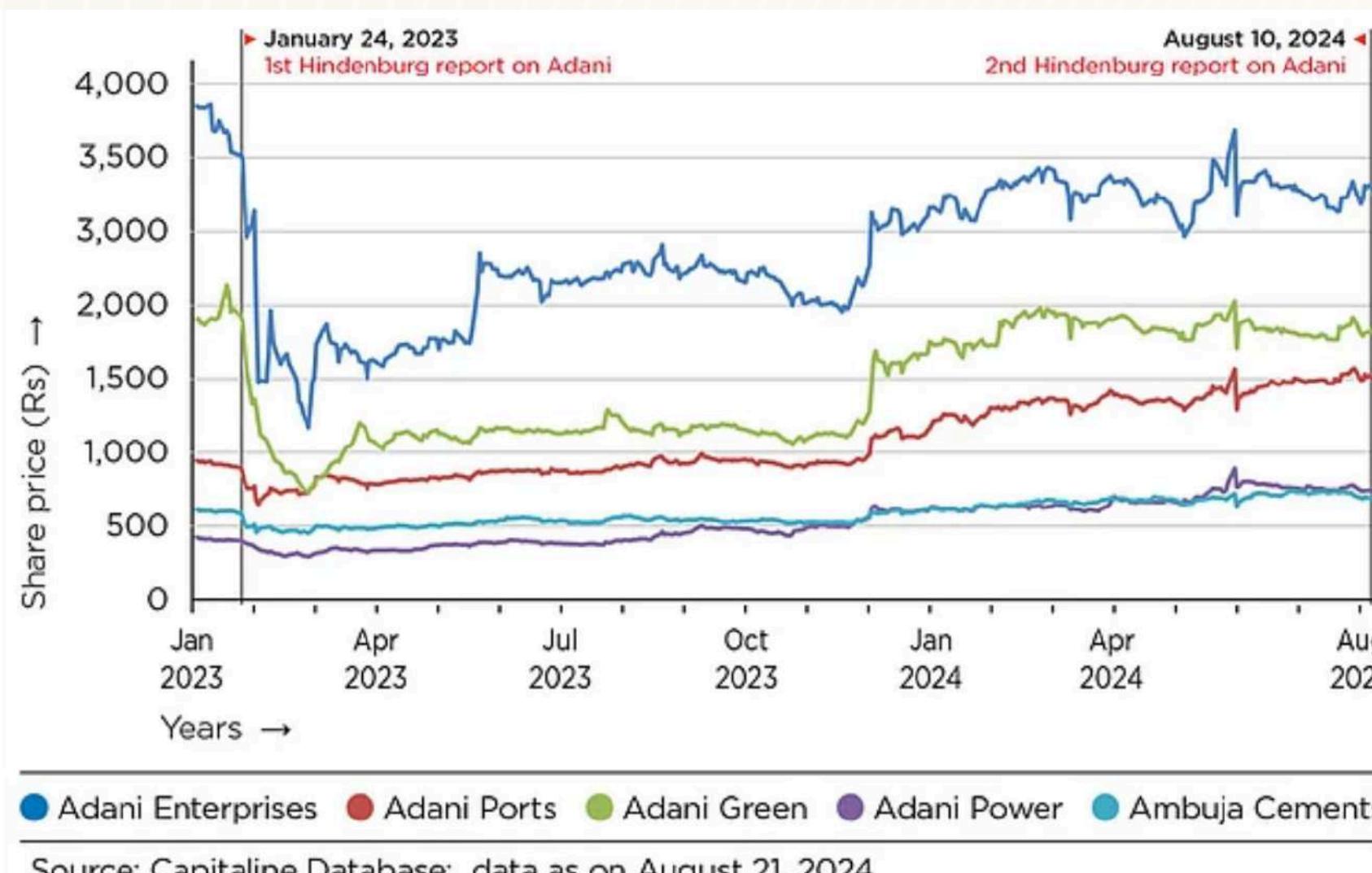
Immediate Impact:

- Adani Stocks: >\$86B market cap loss; individual stocks down ~15-20%.
- Broader Market: Sensex/Nifty: Remarkable stability (~1.3-1.5% decline).



ADANI-HINDENBURG

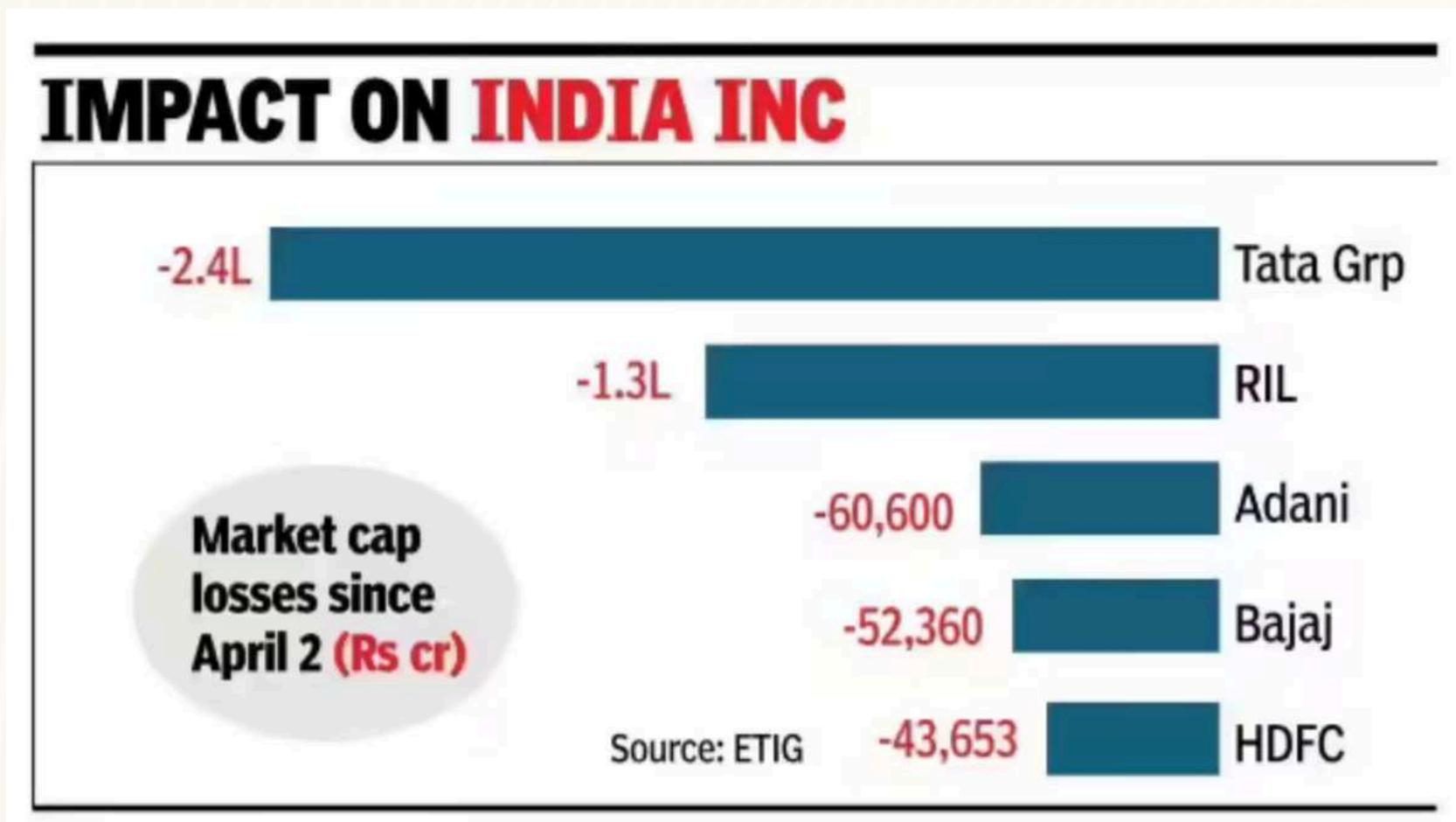
Contained Contagion & Learnings



- Sectoral Impact: Infra/Cement hit; Banking: Minimal systemic risk (low loan exposure).
- Medium-Term: Broader market recovered swiftly. Adani stocks began slow rebound.
- Key Learning: Idiosyncratic risk contained; Indian market resilience confirmed.
- Valuation: Increased governance scrutiny; potential "governance discount."

EVENT 2: US TARIFFS (APR 2025)-EXTERNAL HEADWINDS

US announces tariffs; later paused due to deal talks.



Immediate Impact:

- Indian markets held up better than peers; Nifty/Sensex declined modestly (0.35-0.42% on Apr 3).
- Rupee strengthened (0.08%), as India was perceived as relatively insulated.
- Extended losses globally on Apr 4, but India recovered swiftly.

US TARIFFS - SECTORAL SHIFTS & QUICK RECOVERY

01

Sectoral Shifts

- IT: Plunged (-4.2%) on US slowdown fears.
- Pharma: Initially surged, then reversed.

02

Recovery

Rapid. Nifty flat within weeks; most losses erased.

03

Key Learning

India's relative insulation; trade deal optimism drove recovery.

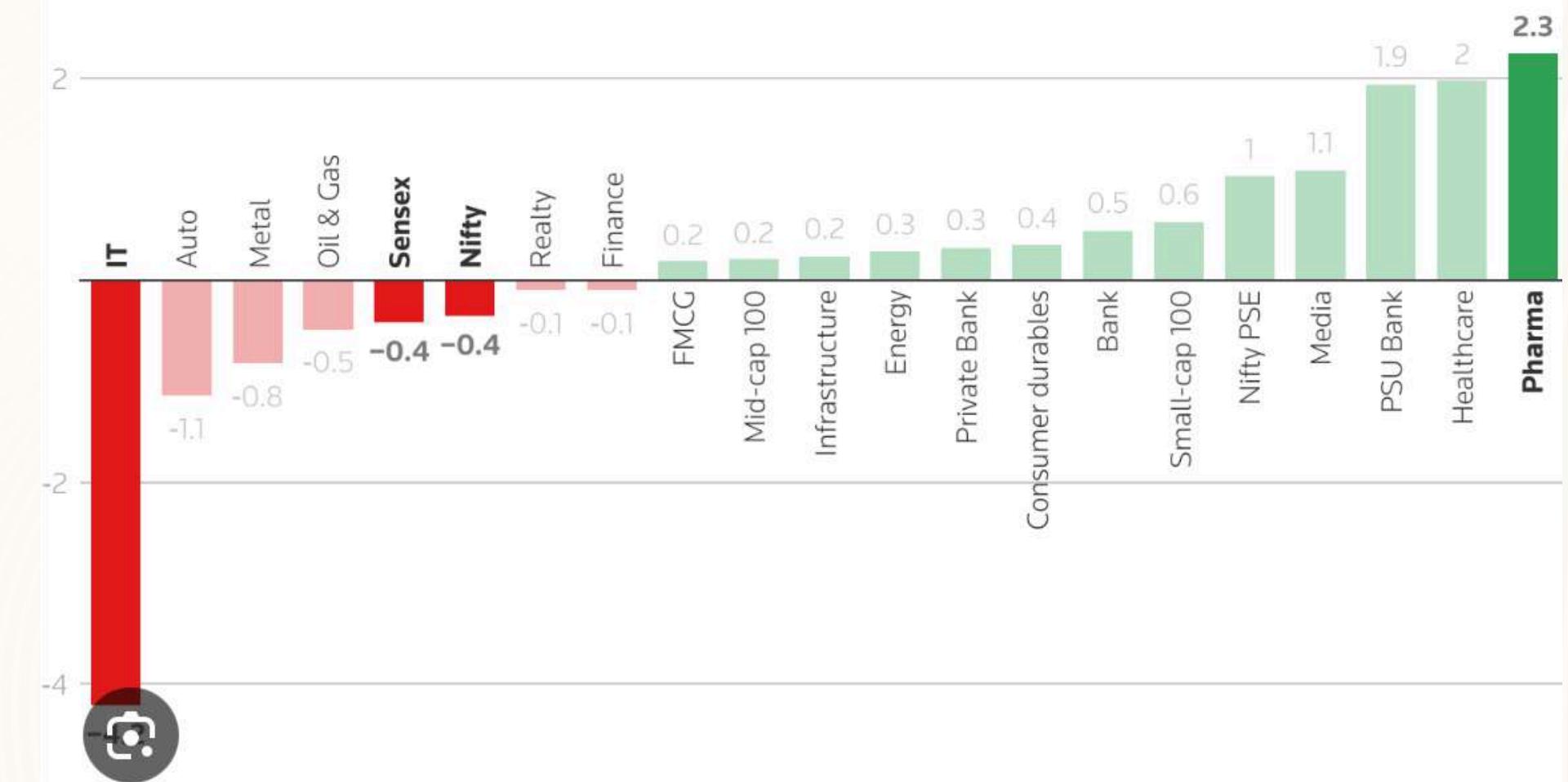
04

Valuation

Supply chain risk re-evaluation for exporters.

IT leads sectoral losses on rising U.S. macro concerns due to Trump's tariffs

(% daily change)



EVENT 3:

RBI RATE CUT

(JUN 2025)-MONETARY POLICY BOOST

RBI surprises with 50 bp repo cut & 100 bp CRR cut.

Immediate Impact:

- Stocks: Nifty/Sensex surged ~1.0% (best single day in 3 weeks).
- Liquidity: CRR cut injected significant market liquidity.

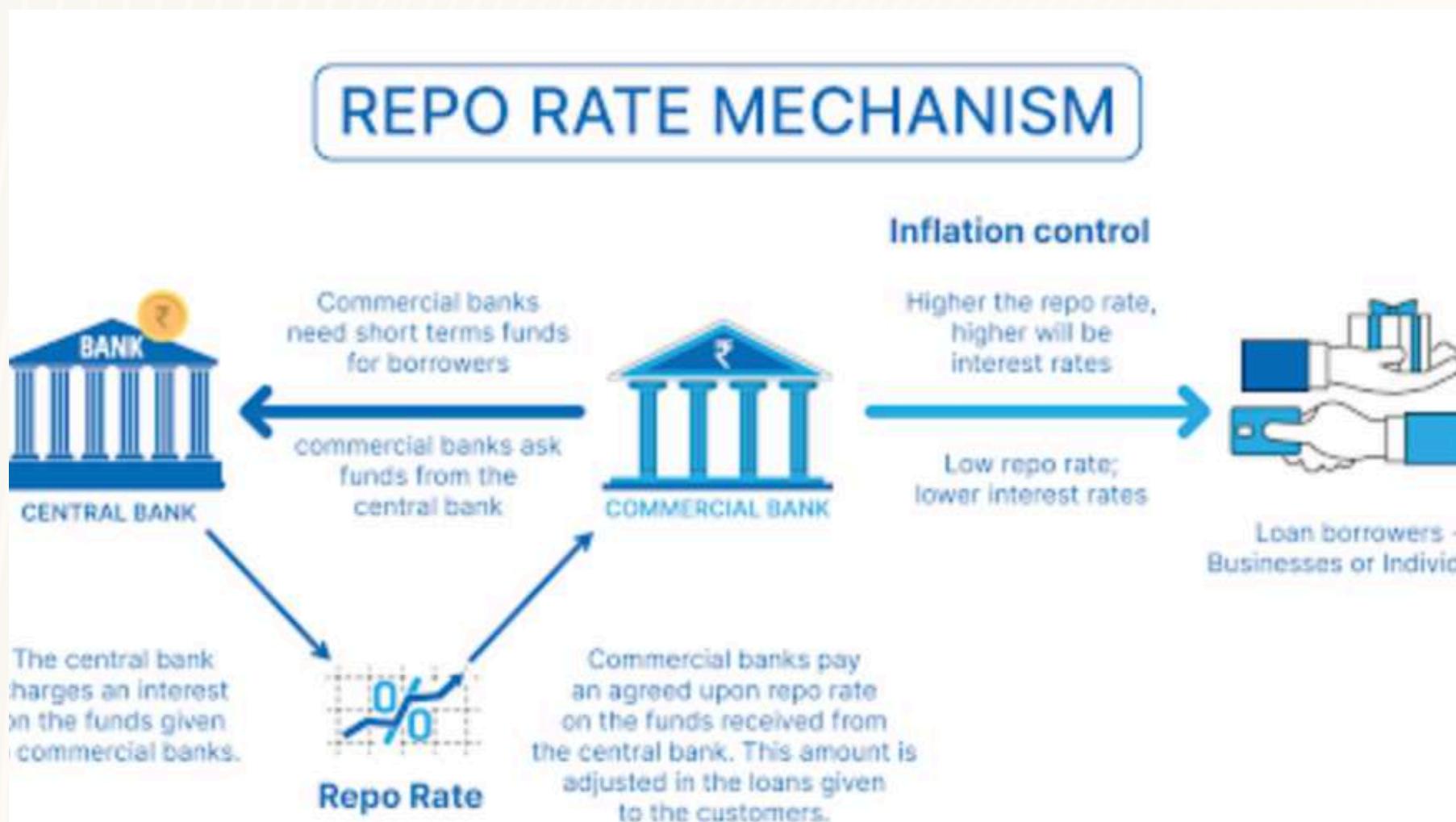


Home Loans Now Below 8%

Public Sector Banks Lead as RBI's Rate Cut Spurs Affordable Housing



REPO RATE MECHANISM



RBI RATE CUT - RATE SENSITIVITY & SUSTAINED GAINS

Sectoral Winners

- 01 • Financials: Led surge (+1.8%).
- Real Estate & Auto: Soared (+4.7%, +1.5%).

Medium-Term

Gains consolidated; FII inflow (₹8,700 Cr).

Key Learning

Effective monetary policy; high rate sensitivity in key sectors. Boosted valuations for credit-sensitive sectors

COMPARATIVE ANALYSIS: RESILIENCE & RESPONSIVENESS

Shock Type:

- Adani (Idiosyncratic)
- Tariffs (External Systemic)
- RBI (Domestic Systemic)

Reaction Profile:

Varied speed/depth, but consistent broader market resilience

Key Takeaway:

Event type influences specific impact, but Indian market's fundamentals & policy buffers are strong.



OVERALL KEY FINDINGS & VALUATIONS

Core Insights:

- Indian Market Resilience is a key characteristic.
- Sectoral Differentiation is critical for analysis.
- Policy & Liquidity are vital market stabilizers.

Actionable

Integrates event analysis into risk, allocation, and valuation.

Valuation Impact

Adjusts risk premiums, affects sector multiples, influences cost of capital.

Inflation Rates

Stable inflation rates maintain purchasing power, influencing interest rates and impacting market performance over time.

STRATEGIC RECOMMENDATIONS (FOR INVESTORS/MARKET PARTICIPANTS)

- **Proactive Risk Mgmt.:** Integrate event scenarios into portfolios.
- **Sector-Specific DD:** Deep dive into vulnerabilities & opportunities.
- **Monitor Policy Cues:** Anticipate market shifts from central bank/regulatory actions.
- **Long-Term Conviction:** Leverage short-term volatility for strategic investments.



THANK YOU FOR YOUR ATTENTION

Thank you for joining our engaging presentation on stock market insights. Your active engagement and thoughtful participation have been truly appreciated.