

EVENT-DRIVEN VALUATION STUDY

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

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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.

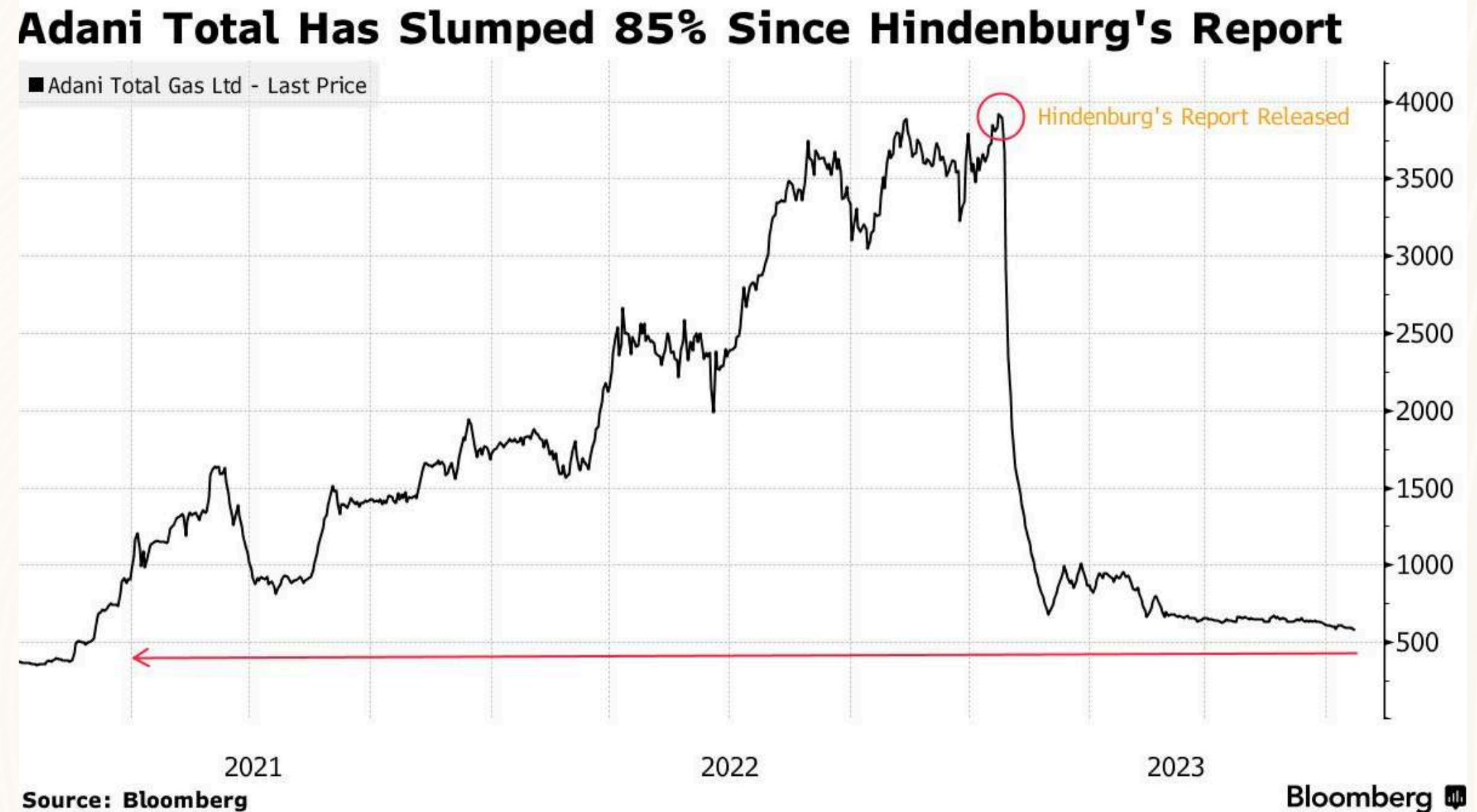


EVENT 1: ADANI HINDENBURG

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.

IMPACT ON INDIA INC



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.

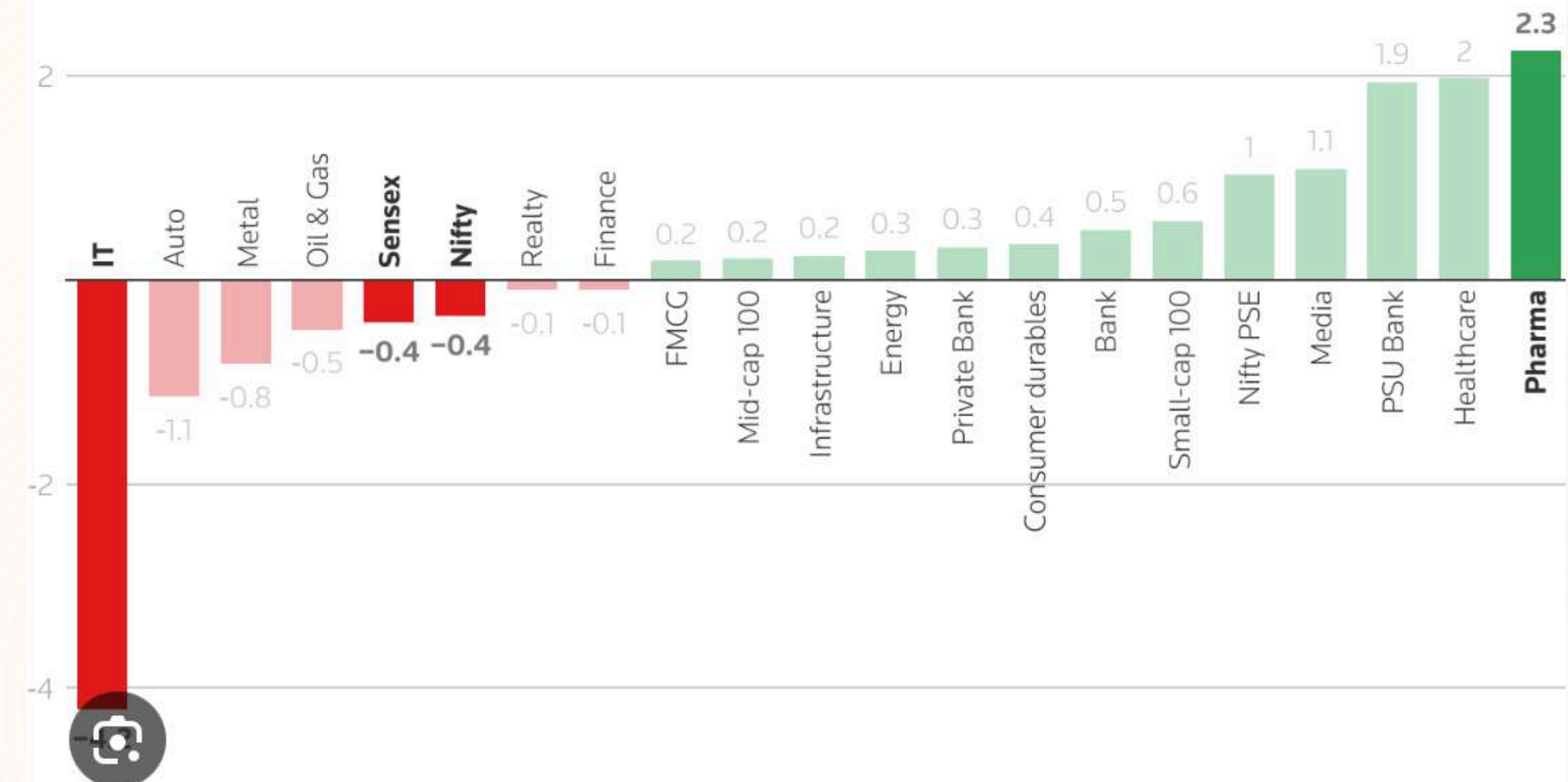
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Valuation

Supply chain risk re-evaluation for exporters.

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

(% daily change)



Source: Exchange data

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.





RBI RATE CUT - RATE SENSITIVITY & SUSTAINED GAINS

01

Sectoral Winners

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

02

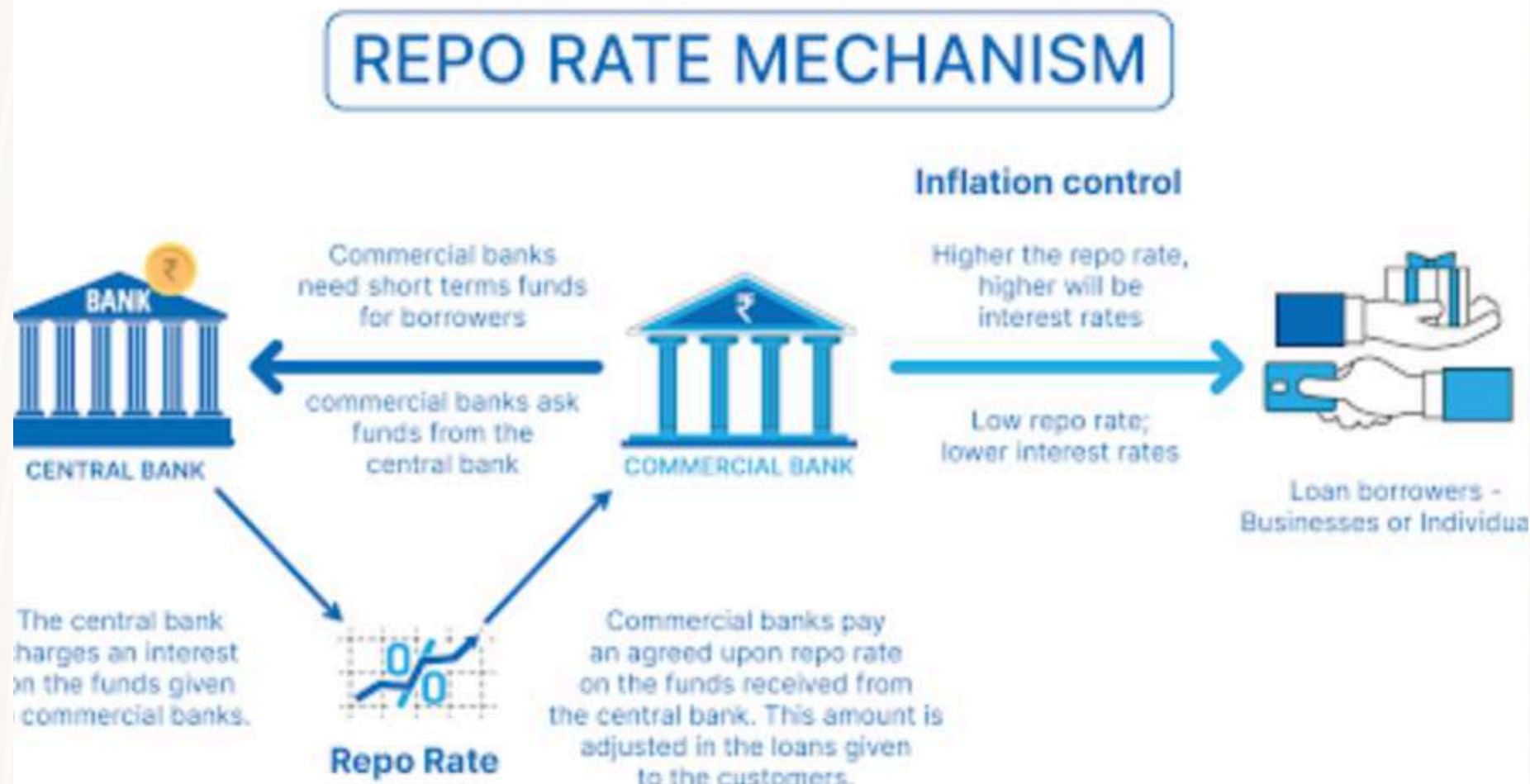
Medium-Term

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

03

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.

Valuation Impact

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

Actionable

Integrates event analysis into risk, allocation, and valuation.

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.