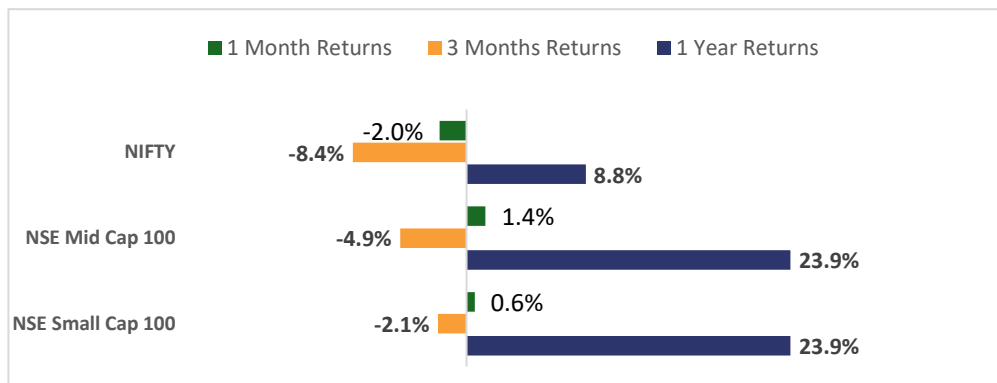


# FINGINE Report

ISSUE No. 10 | January 2025

CY2024 was another year of positive momentum for Indian stocks, with mid-caps and small caps outperforming the Nifty 50 constituents. Looking at the year in the rear-view mirror, we can see that there were two clear demarcations. Initially, right till end-September, there was a continuation of buoyant conditions and valuations moved up without concern for the visible growth weakness in both corporate results and the larger economy. Stock prices in sectors such as PSU's, Railways, Defence etc moved up far ahead of fundamentals. Subsequently, higher interest rates in developed economies and a strengthening US Dollar created pressure on emerging markets, including India, and the last three months of the year saw the markets reacting to lower levels.



In the US, new capital inflows have resulted in the two-year return of the S&P being at a 30-year high. While DJIA was up 28% over 24 months, the AI-driven frenzy resulted in the NASDAQ 100 appreciating by 203% in the same period.

Indian economic growth is now slated to move a bit slower in the foreseeable future, pushing back the country's aspirations of graduating into the group of middle-income economies. High interest rates, tight liquidity and additional regulatory restrictions on unsecured lending have slowed the overall credit growth. Also, higher tax rates, while allowing the government to maintain fiscal discipline, are impacting consumption demand. While investment-led demand can prop economic growth to a certain level, eventually consumption needs to expand for the country to move forward with accelerated momentum. The aggregate consequence of these factors, both internal and external, has led to the National Statistics Office (NSO) recently reducing the current financial years' growth expectation to 6.4%.

Coming into CY25, given market participants' tendency to extrapolate the current trend, it is expected that India's GDP growth will remain at lower levels compared to what has been achieved over the last few years, and that the US Dollar will continue to strengthen against most currencies based on growth acceleration in the world's largest economy, resulting in further capital flows to the US with commensurately higher valuations. Returns in the Indian markets are expected to taper off. However, this will only further extend the US markets' valuation premium over the rest of the world with the added risk of slower government spending, given the alarming rise in federal debt which is now well over 120% of GDP.

Indian market valuations at present are only marginally above long-term multiples valuations and Nifty returns have been in single digits over the last few years. Any potential bounce back could be supported by ease off in the monetary policy cycle, improving consumption demand that has been subdued for two years, potentially soft commodity prices, continuity in the stable political situation with the connected pipeline of economic reforms.



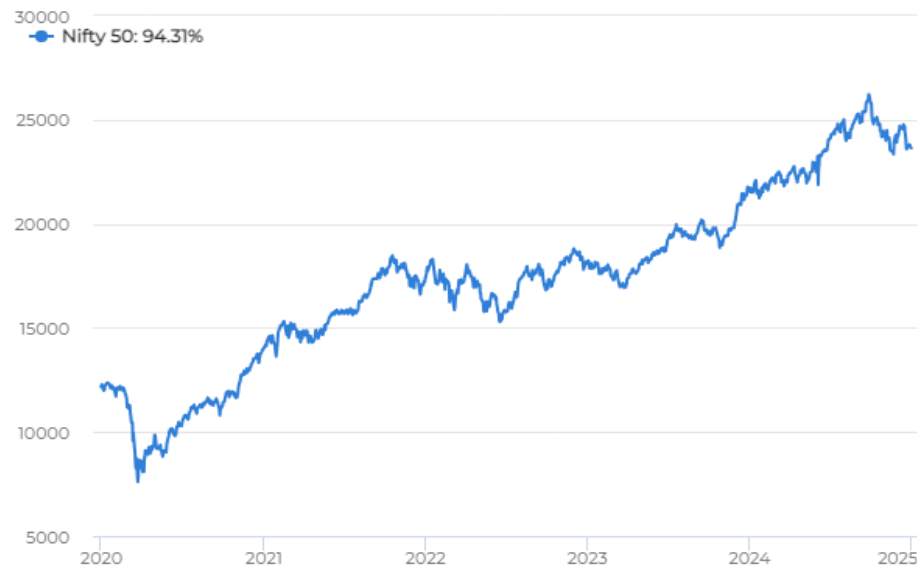
**FINGINE**

For any further queries, please be in touch with us.

Phone/WhatsApp: +91-98335-57572

Email: [support@fingine.in](mailto:support@fingine.in)

MARKET OVERVIEW



INDEX	31-Dec	1 DAY	MTD	YTD
NIFTY 50	23,658.15	0.06%	-1.96%	8.87%
BSE SENSEX	78,139.01	-0.14%	-2.08%	8.17%
BSE 500	35,189.03	0.03%	-1.50%	14.55%
NIFTY 500	22,376.65	0.09%	-1.37%	15.17%
BSE LARGECAP	9,191.17	-0.08%	-2.21%	10.38%
BSE MIDCAP	46,444.66	0.13%	0.81%	26.07%
BSE SMALLCAP	55,180.60	0.71%	-0.03%	29.31%
INDIA VIX	14.47	3.56%	0.31%	-0.21%
USD/INR	85.51	0.30%	1.24%	2.82%
GBP/INR	107.36	0.59%	0.04%	1.41%

KEY MACRO ECONOMIC DATA (INDIA)

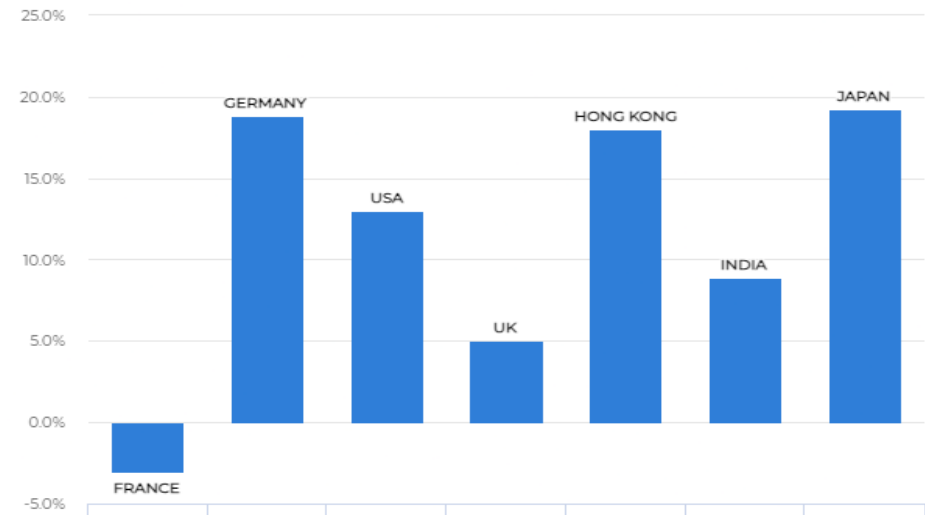
INFLATION RATE	Monthly	Nov-2024	5.48
INTEREST RATE	Daily	06-Dec	6.50
UNEMPLOYMENT RATE	Monthly	Nov-2024	8.00
GDP	Yearly	2023	3,550
GDP ANNUAL GROWTH RATE	Quarterly	Sep-2024	5.40
GDP GROWTH RATE	Quarterly	Sep-2024	1.10
GDP PER CAPITA	Yearly	2023	2,239
GOVERNMENT DEBT TO GDP	Yearly	2023	81.59
GOVERNMENT SPENDING	Quarterly	Sep-2024	4,007
FISCAL EXPENDITURE	Monthly	Oct-2024	2,473,898
CURRENT ACCOUNT	Quarterly	Jun-2024	-9,700
CURRENT ACCOUNT TO GDP	Yearly	2023	-1.20
CREDIT RATING	Monthly	Dec-2024	56.00
CONSUMER PRICE INDEX (CPI)	Monthly	Nov-2024	196.50

EQUITY SECTOR PERFORMANCE - NSE



INDEX	31-Dec	1 DAY	MTD	YTD
AUTO	22,852.00	0.37%	-2.21%	22.74%
BANK	50,887.00	-0.13%	-2.24%	5.37%
FMCG	56,824.40	0.36%	-1.93%	-0.29%
IT	43,374.95	-1.36%	0.53%	22.13%
MEDIA	1,819.10	-	-8.90%	-23.83%
METAL	8,646.95	0.43%	-4.28%	8.38%
PHARMA	23,412.60	0.74%	5.27%	39.10%
PSU BANK	6,537.90	0.69%	-4.05%	14.43%
REALTY	1,052.30	-0.24%	3.15%	34.38%
COMMODITIES	8,115.85	0.39%	-4.93%	5.18%
ENERGY	35,153.95	0.92%	-6.21%	5.04%
INDIA CONSUMPTION	11,365.30	0.01%	-0.72%	18.66%
INFRASTRUCTURE	8,461.10	0.41%	-3.13%	15.85%
SERVICES SECTOR	31,437.95	-0.46%	-1.65%	13.54%
MNC	27,910.55	0.31%	-3.26%	15.29%
PSE	9,524.50	1.16%	-5.90%	21.25%
PRIVATE BANK	24,797.05	0.14%	-2.10%	-0.32%

THE WORLD IN 2025



INDEX	LEVEL	YEST.	MTD	YTD
DOW JONES	42,573.73	-0.97%	-5.20%	12.96%
S&P 500	5,906.94	-1.07%	-2.08%	23.84%
NASDAQ	19,486.78	-1.19%	1.40%	29.81%
CBOE VIX	17.40	9.09%	28.79%	39.76%
FTSE 100	8,121.01	-0.35%	-2.01%	5.01%
CAC 40	7,313.56	-0.57%	1.08%	-3.04%
DAX	19,909.14	-0.38%	1.44%	18.85%
NIKKEI	39,894.54	-0.96%	4.41%	19.22%
HANG SENG	20,113.74	0.12%	3.55%	17.99%