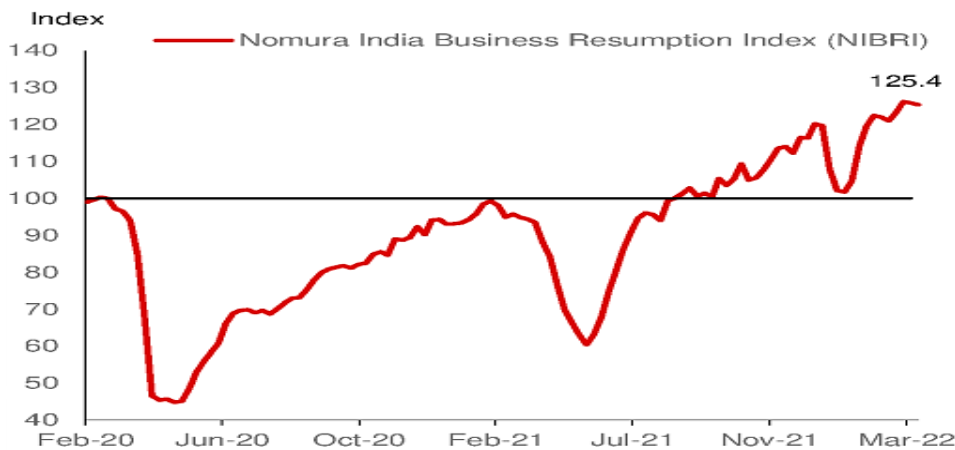




## Indian Economy

- GST Collections at all-time high of over Rs 1.4 lac crore in March'22
- Housing sales in Q1 at all time high since 2015.

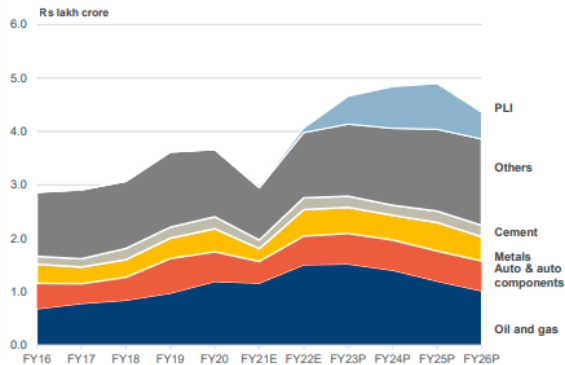
The Nomura India Business Resumption Index is 25.4pp above its prepandemic level.



- India's automobile exports set to scale all time high
- Government's Production Linked Incentive scheme is driving Capex in various sectors.

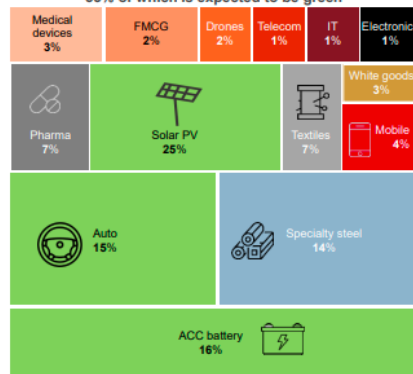
PLI capex to be 14% of total capex between fiscals 2023 and 2026

Industrial capex to rise 1.4-1.5x during FY23-26 versus FY17-20; PLI to trigger faster growth



Note: Others include chemicals, FMCG, paper, pharma, textiles, electronics, FMCD, FMIG E: Estimated; P: Projected Source: CRISIL Quantix, Industry, CRISIL Research

PLI to generate capex of Rs 2.2-2.5 lakh crore; 55% of which is expected to be green



Notes: Sectors marked in green are ones geared for green capex Source: DPIIT, Industry, CRISIL Research

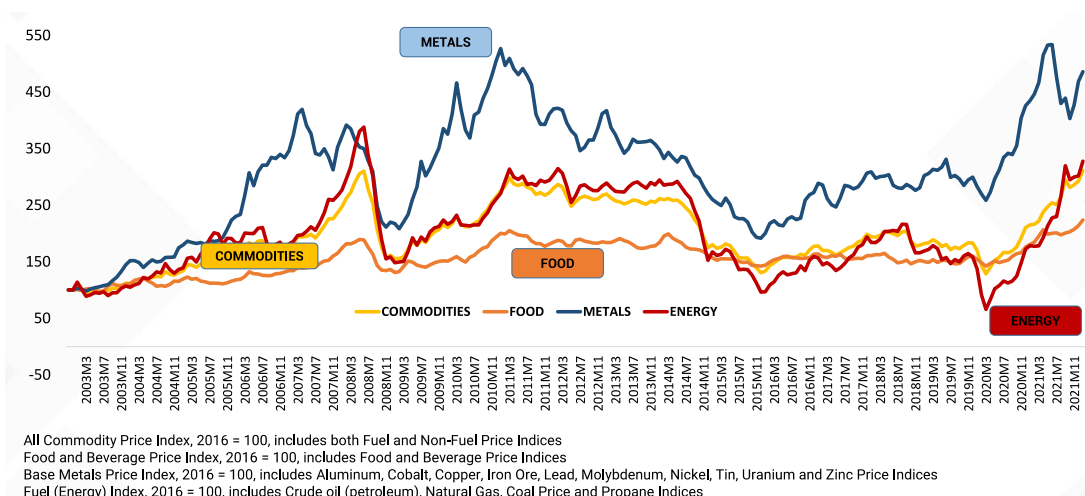
- Corporate India's earnings are growing at about 20%.

	FY20	FY21	FY22E	FY23E
<b>GDP Growth</b>	4.0%	-7.3%	8.9%	6.4%
<b>Nifty 50 Companies Profit Growth (%)</b>	-2.9	22.7	39.5	22.6
<b>Nifty EPS (INR)</b>	472	542	727	881
<b>Nifty PE Ratio (x)</b>	18.2	27.1	24.3	20.1
<b>Factors Driving Profit Growth</b>	Cost Cut, Tax Cut, Interest rate reduction, Debt reduction & tighter working capital		Operating leverage	

- Manufacturing PMI activity index, moderated to 54 in March'22 from 54.9 in February'22.
- Services PMI activity index rose to 53.6 in March'22 from 51.8 in February.
- Overall business conditions have improved, but there is slower expansion in factory orders and production and decline in new export orders. Business confidence has been dampened by inflation concerns

## Global Economy

- Commodities are at an all time high due to pent up demand, disrupted supply lines and geo political risks.



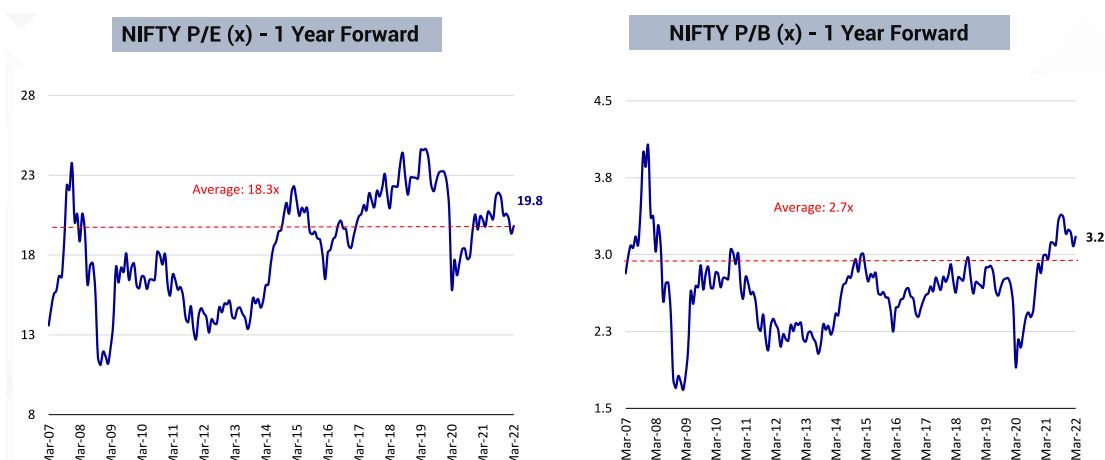
- Spike in energy prices, rising inflation leading to global slowdown



- Economic impact of Covid has reduced. Uneven recovery in developed and emerging economies.

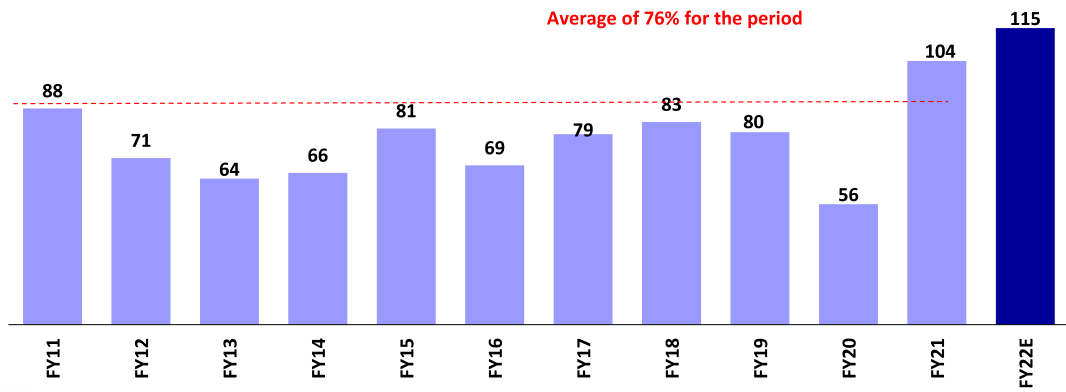
## Outlook

- Higher commodity prices, rising inflation, interest rate rise and reducing liquidity will have an adverse impact on consumer demand and corporate profitability.
- So far consumer demand has been strong to withstand price hikes. If inflation continues to gather pace there will be slowdown/ contraction in corporate sales.
- Equity markets have corrected and are now close to historical averages.



- Indian equity's Market cap to GDP ratio is above long term average, but below global average.

### World Market Cap to GDP Ratio is 134.7%



- Increasing interest rates in US will put pressure on emerging market central banks to raise policy rates.