



**Market Commentary**
**Apr 2024**

Index Name	1 Mth	1 Yr ↑	2 Yrs	3 Yrs	5 Yrs	10 Yrs	15 Yrs	 A great year across all market caps. The long term averages start looking good. 
Nifty 50 TRI	1.7	30.2	14.4	16.3	15.3	14.2	15.6	
Nifty Next 50 TRI	3.2	61.7	22.4	22.1	17.5	17.5	20.6	
Nifty 100 TRI	2.0	35.0	15.2	17.0	15.5	14.7	16.4	
Nifty Midcap 150 TRI	-0.4	57.8	27.3	26.6	23.3	21.7	22.4	
Nifty Smallcap 250 TRI	-4.7	64.5	24.3	28.4	22.5	19.4	19.9	
Nifty 500 TRI	0.9	40.7	17.9	19.3	17.2	15.8	16.9	
Nifty Microcap 250 TRI	-6.9	86.5	38.4	42.6	29.1	27.1	25.2	
Nifty100 Equal Weight TRI	2.1	53.4	21.4	21.5	18.0	15.6	18.4	

- ✚ It is interesting to note that Nifty Next 50 or Junior Nifty has generated similar or more returns as the midcap & small cap indices.
- ✚ These kind of returns and market valuations are sustainable only if they are backed by earnings growth.
- ✚ Else we should know that in some cases the returns have been front ended – meaning the markets may have already given 2-3 years of returns in this one year.
- ✚ For the segment where the fundamentals of the company are questionable, the returns can be said to be speculative & thus one needs to exercise caution.
- ✚ The Microcap 250 Index is an interesting segment to look at, provided one has the risk appetite to withstand the volatility this segment will create & more importantly provided one is able to entire when this segment offers deep value. Clearly this is not the time to look at this segment
- ✚ For Index lovers the Nifty 500 Index should be looked at as an option beyond the traditionally popular Nifty 50 Index

Index Name	1 Year ↑	2 Years	3 Years	5 Years	10 years	15 years
Nifty Realty TRI	134.0	40.0	39.7	27.8	17.5	11.2
Nifty PSE TRI	108.4	52.3	47.7	24.4	16.2	12.3
Nifty PSU Bank TRI	90.4	63.0	49.8	16.8	10.6	11.8
Nifty Auto TRI	76.6	43.8	30.8	22.2	15.1	21.7
Nifty Energy TRI	73.9	24.4	31.3	21.4	19.1	14.7
Nifty Infrastructure TRI	65.5	30.1	28.3	22.7	13.9	10.2
S&P BSE Consumer Discretionary TRI	62.2	26.0	24.2	19.2	17.9	20.0
Nifty Oil & Gas TRI	61.6	21.7	24.8	19.1	18.1	16.1
Nifty Healthcare TRI	59.6	20.3	19.0	18.7	12.4	17.7
Nifty Commodities TRI	51.6	19.2	24.8	19.9	15.4	--
Nifty Metal TRI	51.0	14.8	29.7	24.0	15.1	--
NIFTY100 ESG TRI	37.9	13.4	15.9	16.1	15.4	--
Nifty 50 TRI	30.2	14.4	16.3	15.3	14.2	15.6
Nifty IT TRI	24.0	0.0	12.7	19.8	16.4	21.9
Nifty FMCG TRI	19.2	24.0	17.8	14.2	13.3	18.8
Nifty Financial Services TRI	17.5	11.7	11.0	11.6	15.7	19.5
Nifty Bank TRI	17.1	14.8	13.0	9.7	14.7	18.6
Nifty Private Bank TRI	15.2	13.9	10.5	6.8	14.5	21.3

- ✚ Private Banks & Financial Services have lagged in performance & perhaps offer the best value currently.
- ✚ Public Sector Enterprise, Realty, Auto, Energy continue to offer growth in pockets & are in momentum

The Market Data				Our Stance																				
<table><tr><th colspan="4">% to Total Market Cap</th></tr><tr><th></th><th>Last 5 Yrs Monthly Avg</th><th>Mar-24</th><th>Prem/Disc over Long Period Avg</th></tr><tr><td>Large Cap Top 100</td><td>70.2</td><td>64.6</td><td>-8.00%</td></tr><tr><td>Mid Cap 101-250</td><td>16.3</td><td>17.9</td><td>10.00%</td></tr><tr><td>Small Cap 251 onwards</td><td>13.5</td><td>17.5</td><td>29.00%</td></tr></table>				% to Total Market Cap					Last 5 Yrs Monthly Avg	Mar-24	Prem/Disc over Long Period Avg	Large Cap Top 100	70.2	64.6	-8.00%	Mid Cap 101-250	16.3	17.9	10.00%	Small Cap 251 onwards	13.5	17.5	29.00%	<p>The SMID segment saw a sharp correction in early March, but has recovered most of the fall since then.</p> <div><div>!</div><div>Caution</div></div> <p>No fresh allocation to small &amp; midcap schemes Fresh allocation to Balanced advantage Funds &amp; Multicap Schemes.</p>
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<div><div>SMID Cap Stocks' Contribution as % to Total Market Cap</div><table><tr><td>Average: 19.2% (Dec'00-Dec'04)</td><td>Average: 24.2% (Dec'05-Dec'09)</td><td>Average: 24.9% (Dec'10-Dec'14)</td><td>Average: 29.5% (Dec'15-Dec'19)</td><td>Average: 32.1% (Dec'20-Mar'24)</td></tr></table><p>— SMID Cap Stocks as % to Total Market Cap — Average During the Period</p></div>				Average: 19.2% (Dec'00-Dec'04)	Average: 24.2% (Dec'05-Dec'09)	Average: 24.9% (Dec'10-Dec'14)	Average: 29.5% (Dec'15-Dec'19)	Average: 32.1% (Dec'20-Mar'24)	<p>SMID (Small &amp; Mid Cap) contribution to over all market cap has been increasing meaningfully over the years.</p> <div><div>HOLD</div></div> <p>We continue to have exposure to mid &amp; small cap as a strategic allocation, given the diversity of opportunity this space offers along with the growth potential</p>															
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<div><div>FII Ownership is near Decadal low (%)</div><div><div>FII's ownership in Listed Indian Equity Market (%)</div><table><tr><td>22.4</td><td>21.7</td><td>19.6</td><td>18.4</td></tr></table></div><p>Data Source: MOSL, Internal research of WhiteOak Capital. Data as on quarter ending 31st Dec 23</p></div>				22.4	21.7	19.6	18.4	<p>FII exists have been supported by strong domestic inflows &amp; hasn't led to any deep correction in the recent past. Inflows on the contrary have led to sharp up-moves</p> <p>While markets are expecting a structural change in FII inflows on the back of interest rate cuts globally, stretched valuations &amp; lack of depth in the markets will be a spoiler to any sustained inflows &amp; lead to sharp volatility as well</p>																
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<div><div></div><div>For investors who are in the process of creating portfolios for long term wealth creation, we continue to allocate funds across large (60-65%) mid &amp; small cap (35 - 40%).</div><div><div></div><div>We also continue to allocate invest in Balanced Advantage Funds – a dynamic allocation strategy, for investors looking to participate in equity with lower volatility</div></div></div>																								

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