

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

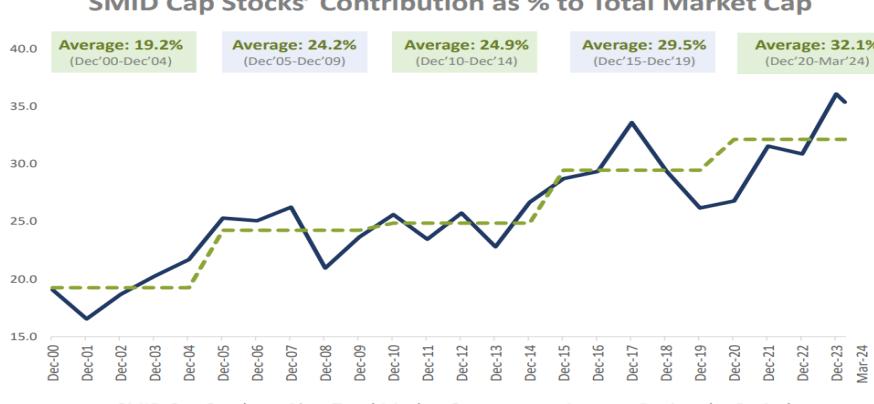
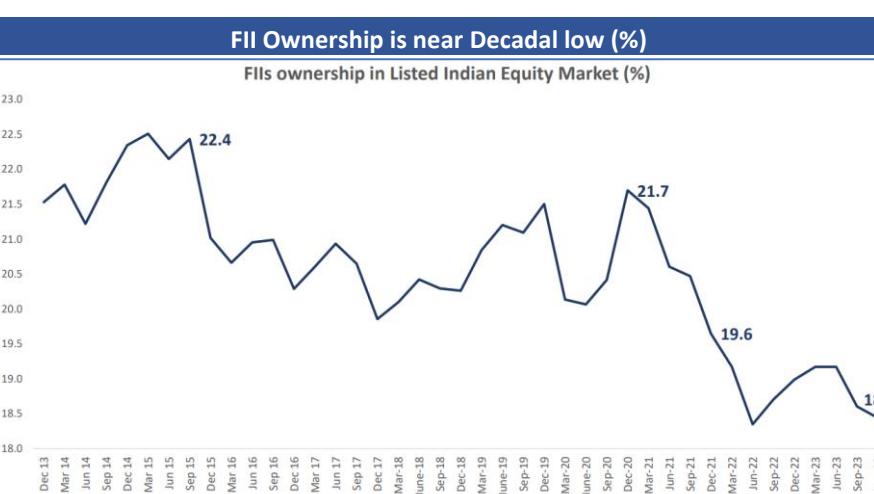
Index Name	1 Mth	1 Yr ↑	2 Yrs	3 Yrs	5 Yrs	10 Yrs	15 Yrs	
Nifty 50 TRI	1.7	30.2	14.4	16.3	15.3	14.2	15.6	
Nifty Next 50 TRI	3.2	61.7	22.4	22.1	17.5	17.5	20.6	
Nifty 100 TRI	2.0	35.0	15.2	17.0	15.5	14.7	16.4	
Nifty Midcap 150 TRI	-0.4	57.8	27.3	26.6	23.3	21.7	22.4	
Nifty Smallcap 250 TRI	-4.7	64.5	24.3	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	

 A great year across all market caps.  
The long term averages start looking good.  


- ✚ 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	<b>134.0</b>	40.0	39.7	27.8	17.5	11.2
Nifty PSE TRI	<b>108.4</b>	52.3	47.7	24.4	16.2	12.3
Nifty PSU Bank TRI	<b>90.4</b>	63.0	49.8	16.8	10.6	11.8
Nifty Auto TRI	<b>76.6</b>	43.8	30.8	22.2	15.1	21.7
Nifty Energy TRI	<b>73.9</b>	24.4	31.3	21.4	19.1	14.7
Nifty Infrastructure TRI	<b>65.5</b>	30.1	28.3	22.7	13.9	10.2
S&P BSE Consumer Discretionary TRI	<b>62.2</b>	26.0	24.2	19.2	17.9	20.0
Nifty Oil & Gas TRI	<b>61.6</b>	21.7	24.8	19.1	18.1	16.1
Nifty Healthcare TRI	<b>59.6</b>	20.3	19.0	18.7	12.4	17.7
Nifty Commodities TRI	<b>51.6</b>	19.2	24.8	19.9	15.4	--
Nifty Metal TRI	<b>51.0</b>	14.8	29.7	24.0	15.1	--
NIFTY100 ESG TRI	<b>37.9</b>	13.4	15.9	16.1	15.4	--
Nifty 50 TRI	<b>30.2</b>	14.4	16.3	15.3	14.2	15.6
Nifty IT TRI	<b>24.0</b>	0.0	12.7	19.8	16.4	21.9
Nifty FMCG TRI	<b>19.2</b>	24.0	17.8	14.2	13.3	18.8
Nifty Financial Services TRI	<b>17.5</b>	11.7	11.0	11.6	15.7	19.5
Nifty Bank TRI	<b>17.1</b>	14.8	13.0	9.7	14.7	18.6
Nifty Private Bank TRI	<b>15.2</b>	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
% 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%	The SMID segment saw a sharp correction in early March, but has recovered most of the fall since then.
Mid Cap 101-250	16.3	17.9	10.00%	<span style="color: yellow;">⚠ Caution</span> No fresh allocation to small & midcap schemes
Small Cap 251 onwards	13.5	17.5	29.00%	Fresh allocation to Balanced advantage Funds & Multicap Schemes.
SMID Cap Stocks' Contribution as % to Total Market Cap				SMID (Small & Mid Cap) contribution to over all market cap has been increasing meaningfully over the years.
 <p>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>				<span style="color: yellow;">HOLD</span> We continue to have exposure to mid & small cap as a strategic allocation, given the diversity of opportunity this space offers along with the growth potential
<b>FII Ownership is near Decadal low (%)</b>  <p>FII ownership in Listed Indian Equity Market (%)</p>				FII exists have been supported by strong domestic inflows & hasn't led to any deep correction in the recent past. Inflows on the contrary have led to sharp up-moves
Data Source: MOSL, Internal research of WhiteOak Capital. Data as on quarter ending 31st Dec 23				While markets are expecting a structural change in FII inflows on the back of interest rate cuts globally, stretched valuations & lack of depth in the markets will be a spoiler to any sustained inflows & lead to sharp volatility as well
<ul style="list-style-type: none"> <li>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%).</li> <li>We also continue to allocate in Balanced Advantage Funds – a dynamic allocation strategy, for investors looking to participate in equity with lower volatility</li> </ul>				

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