

Last month we were speculating whether central banks were again over estimating the risks to growth emanating from the Russia Ukraine tensions and over the month we have seen the RBI and Fed tone coming down vis-à-vis earlier, suggesting not a clear-cut path to taper and rate increases as envisaged earlier. Oil supply increases announced by OPEC should help in cooling down oil and gas prices, though as on date they remain elevated at \$16-117 per barrel.

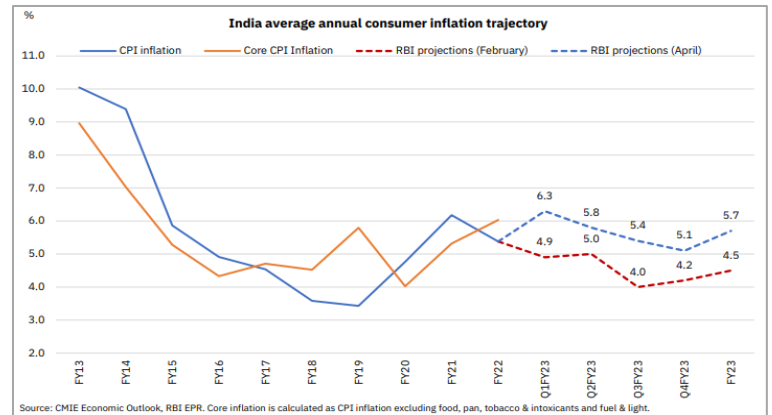
Inflation, with the high base effect kicking in over the next month, should look more manageable than now and unless fresh pressure crops up from fresh corners, we expect inflation to cool-off substantially over the next 2-3 months' readings.



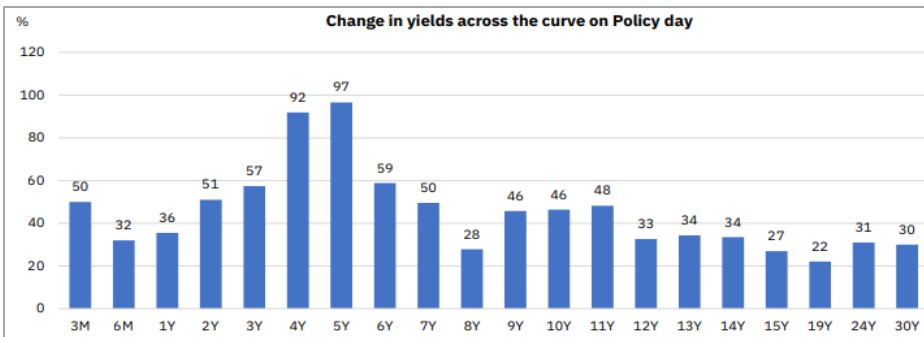
As evident from the adjacent chart the bottomlines have improved for all listed companies in-line with what was mentioned in last months' outlook as well that company profits at the Nifty 50 index level had registered some improvements over the last few quarters. This is one of the strongest improvements seen in bottomlines of listed companies since 2013.

The RBI's upwardly revised inflation target of 5.7% for FY23 faces downside risks as the high base effect kicks in.

By delivering a surprise off-cycle policy repo rate hike of 40bps, RBI's action has led to a sharp spike in sovereign bond yields across the curve post the policy announcement.



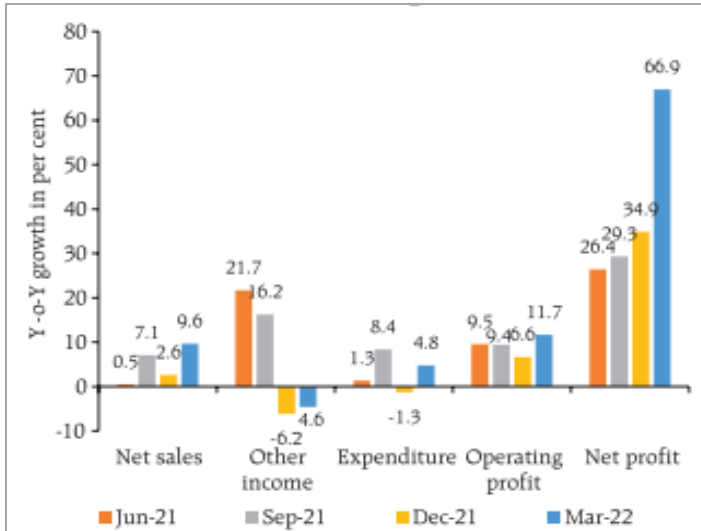
Indian fixed income markets have followed global suit, with yields rising across the curve in 2022 thus far. With a surprise rate hike, yield curve has further flattened, with short-term rates rising by a much higher magnitude.



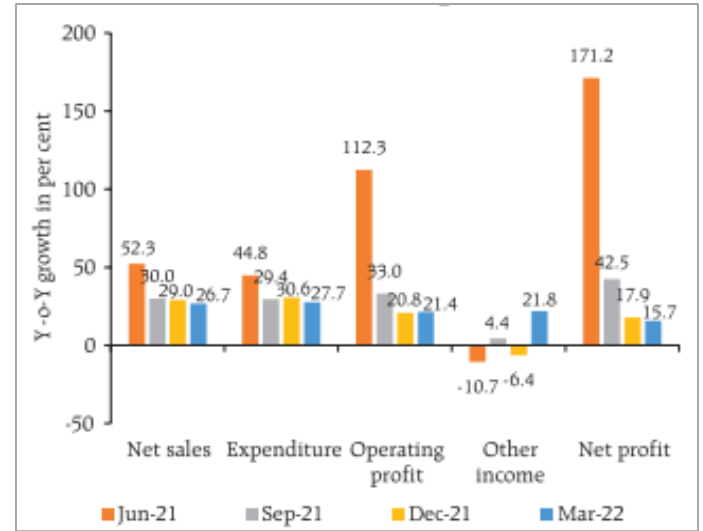
The Q4FY22 GDP growth print of 4.1% and GVA growth print of 3.9% was in line with expectations even as it indicated that the economy is seeing only a gradual recovery. With pandemic restrictions lifted, consumption could pick up in the coming quarters. On the investment front, the government's strong capex plan will provide a boost.

Despite the ongoing geopolitical uncertainties, supply disruptions, high commodity prices, inflation and monetary tightening, we expect India will register over 7.5% growth in FY23.

Performance of Listed Financial Companies



Performance of Listed Non-Financial Companies

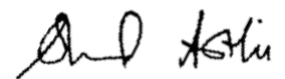


Q4:2021-22 earnings declared by 409 listed nonfinancial companies, constituting around 56.3 per cent of all listed non-financial companies, indicate a healthy performance in terms of most of the key parameters. Banking and financial sector, based on an analysis of 120 companies constituting around 73.7 per cent of all listed financial companies, registered strong operating performance during Q4:2021-22.

Nifty 50 EPS estimate for 2023 saw a tad higher 0.9% dip in April 2022 following a 2.6% cut in the previous month, translating into a 2.1% cut in the year thus far. With this, the expected earnings growth for 2023 is now pegged at 12.9%, a tad lower than 13.6% growth at the end of December 2021. This translates into Nifty 50 earnings CAGR of 16.2% for the period 2021-23 (As on April 30th, 2022), a tad lower than 16.5% a month back. For the month some of the global indices have recovered from the lows of the previous month and are exhibiting some strength, while FII selling in our markets continued, though we expect to peter down from hereon. In the next 3 months the higher base effect will start impacting YOY inflation numbers and the current set of measures will also start softening inflation coupled with easing of the impact of the Russia- Ukraine tensions and the reopening of China will further normalise the global economic conditions resulting if softer inflation. While crude might remain inflated for some more time though a rise from current levels is highly unlikely. Given this backdrop, decent valuations and earnings growth expectations we expect the markets to trade higher.

"Far more money has been lost by investors trying to anticipate corrections, than lost in the corrections themselves."

- Peter Lynch

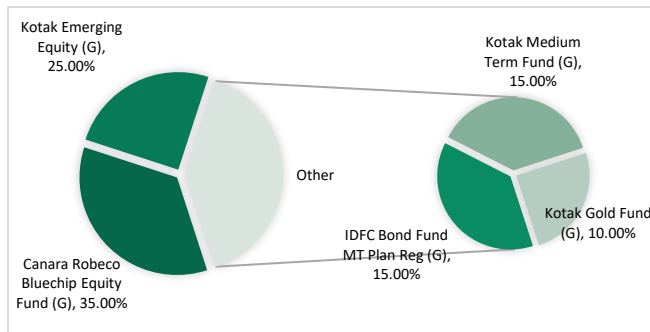


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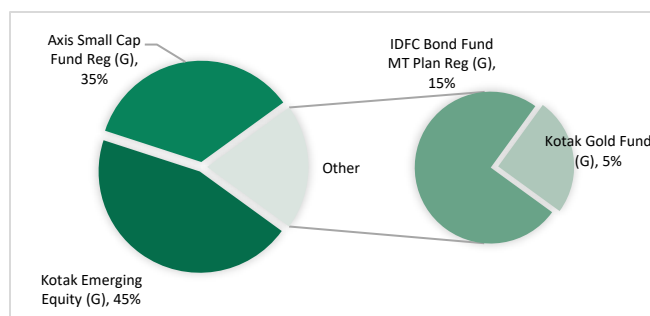
Profile: Conservative

Scheme	1 Yr Return(%)	3 Year Return(%)	5 Year Return(%)
Canara Robeco Bluechip Equity Fund (G)	4.24	14.74	13.08
Kotak Emerging Equity (G)	12.97	20.73	13.78
IDFC Bond Fund MT Plan Reg (G)	0.26	5.33	5.75
Kotak Medium Term Fund (G)	3.33	5.51	5.83
Kotak Gold Fund (G)	1.41	15.52	10.87



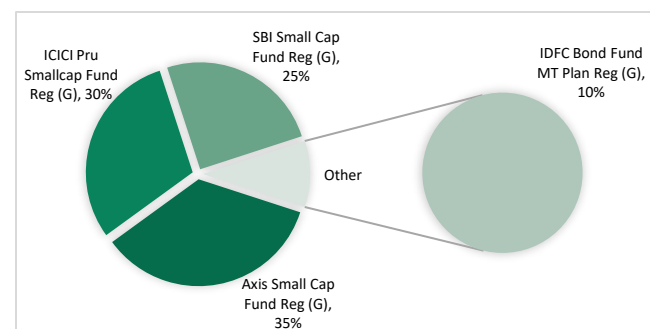
Profile: Moderate

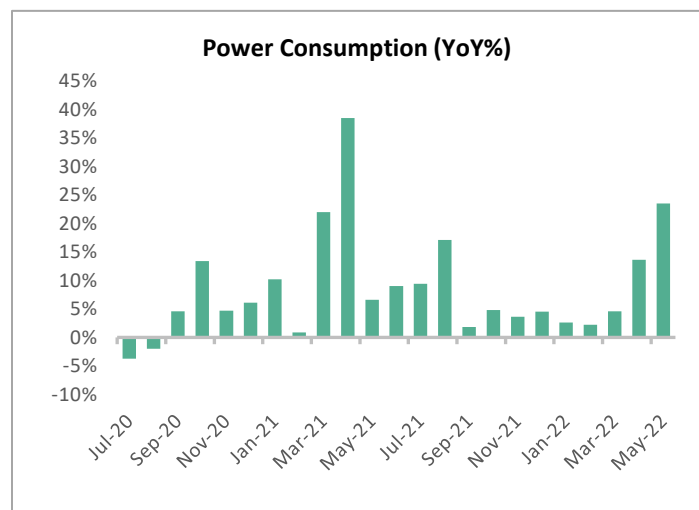
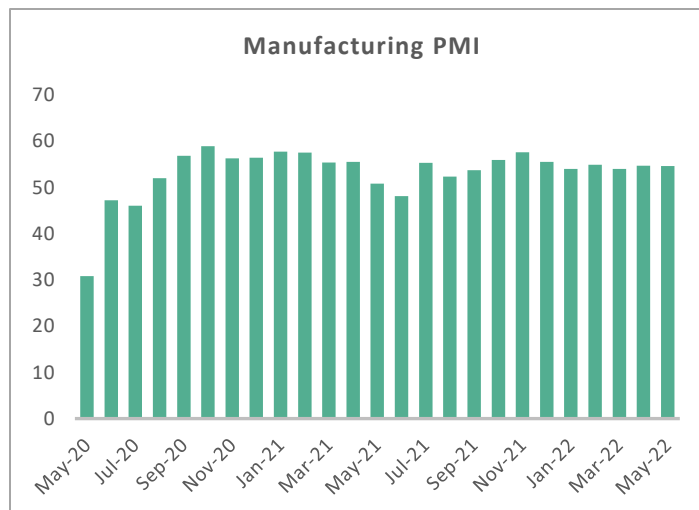
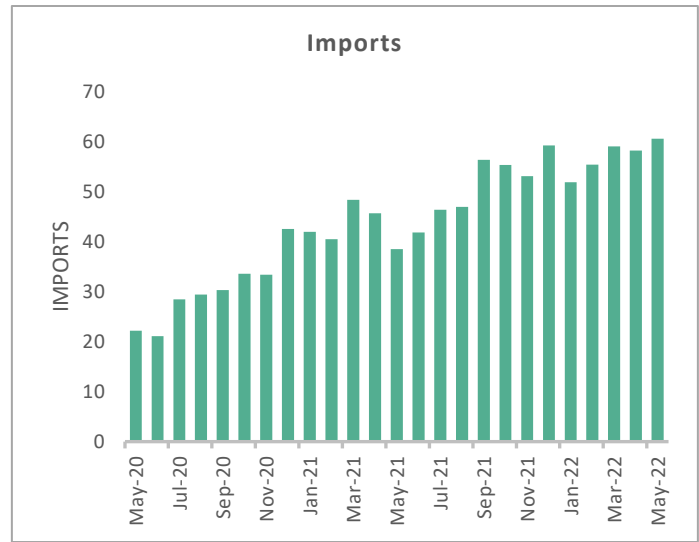
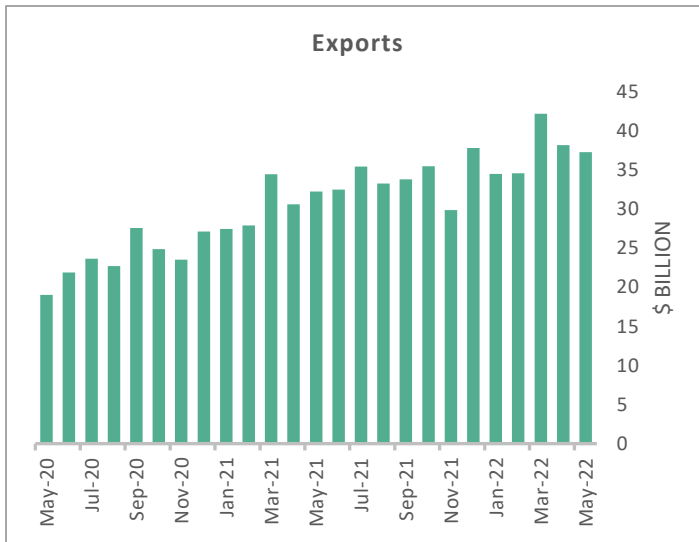
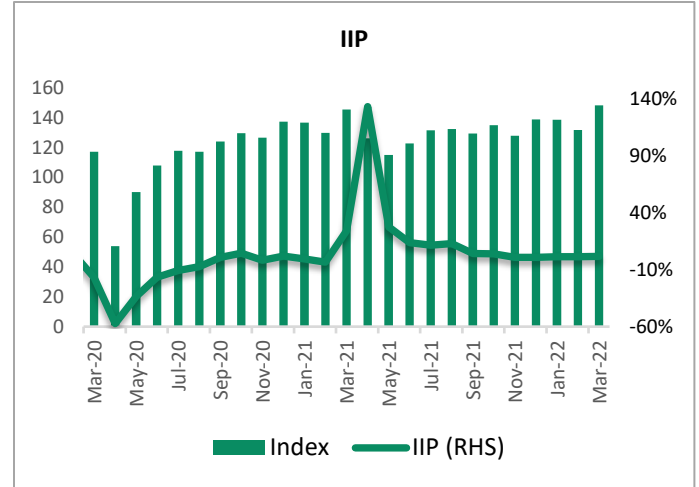
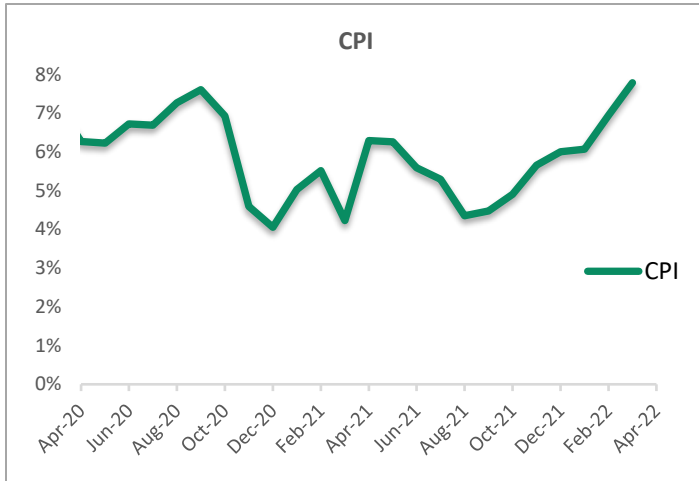
Scheme	1 Yr Return(%)	3 Year Return(%)	5 Year Return(%)
Kotak Emerging Equity (G)	12.97	20.73	13.78
DSP Small Cap Fund Reg (G)	18.84	23.10	11.80
IDFC Bond Fund MT Plan Reg (G)	0.26	5.33	5.75
Kotak Gold Fund (G)	1.41	15.52	10.87

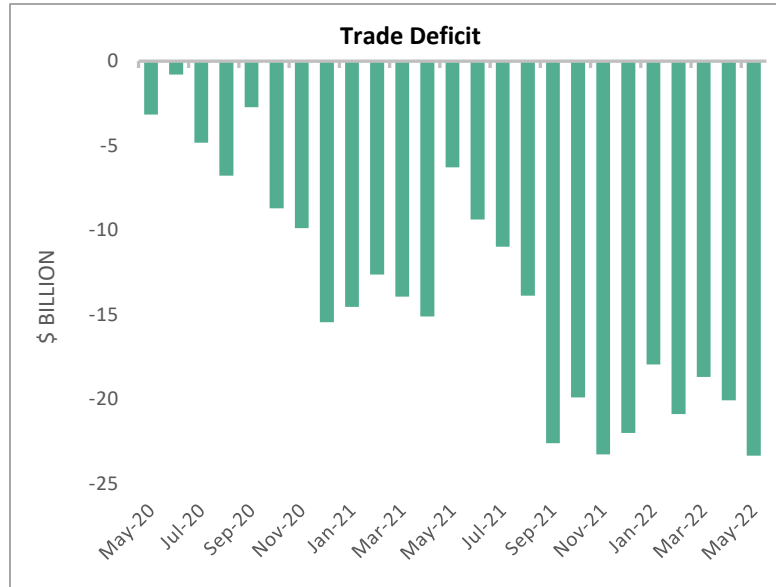
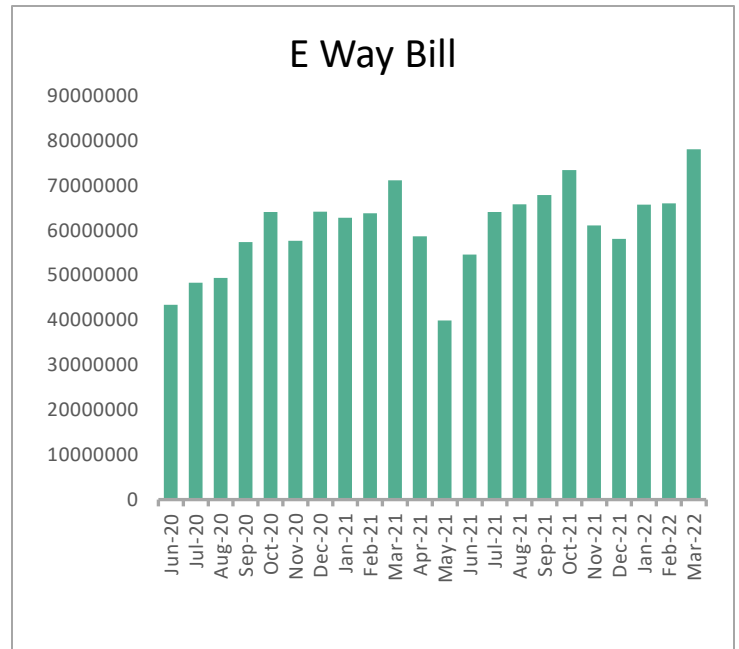
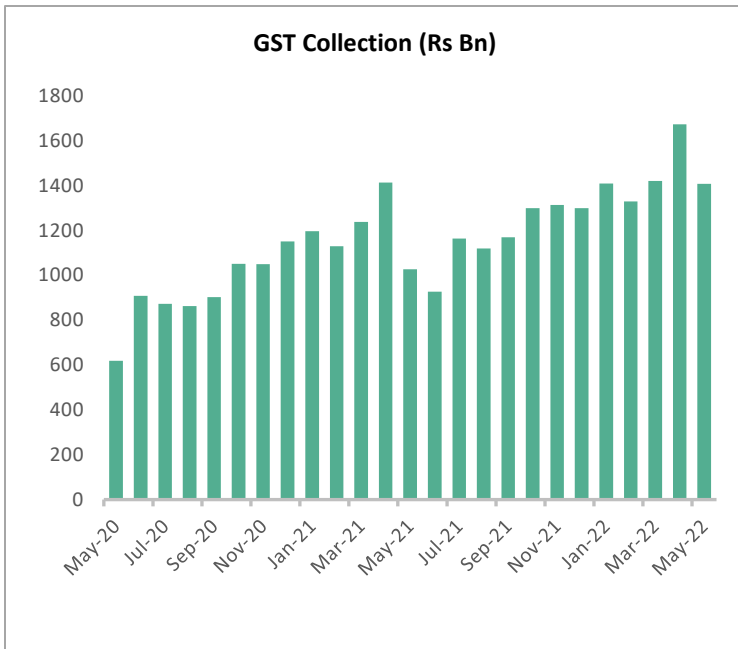


Profile: Aggressive

Scheme	1 Yr Return(%)	3 Year Return(%)	5 Year Return(%)
DSP Small Cap Fund Reg (G)	18.84	23.10	11.80
ICICI Pru Smallcap Fund Reg (G)	21.69	23.72	14.15
SBI Small Cap Fund Reg (G)	15.08	24.56	19.08
IDFC Bond Fund MT Plan Reg (G)	0.26	5.33	5.75







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