



Presents

THE BIG REVIEW

From hindsight to foresight — Your market edge starts here



TABLE OF CONTENTS

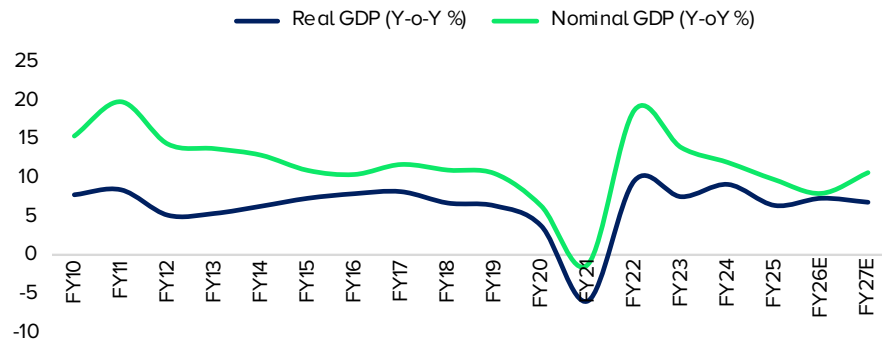
1. Indian Macro & Global Economic Scenario	01
2. India in the Global Context	11
3. Model Portfolio For FY27	14
4. Retail Investor Behaviour	20
5. Sector Preference	26
6. Bounce Back Basket	30

Indian Macro & Global Economic Scenario

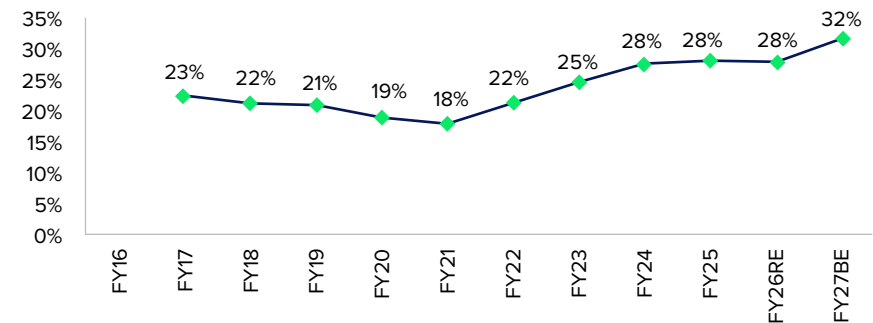
Macro snapshot: Not too bad despite the war

GDP growth hit ~50 bps; inflation to pick up to ~5% levels, Fiscal hit manageable

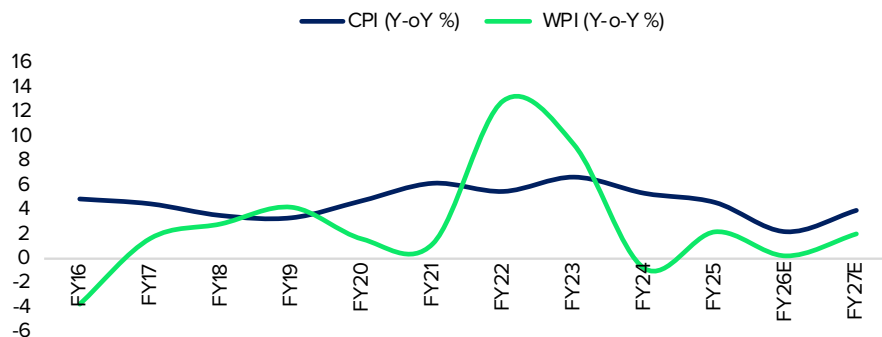
India real and nominal GDP growth



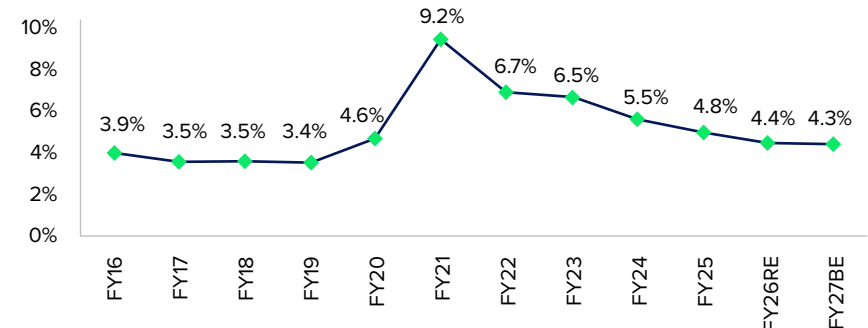
Share of Effective CAPEX in Total Expenditure



CPI and WPI Y-o-Y change



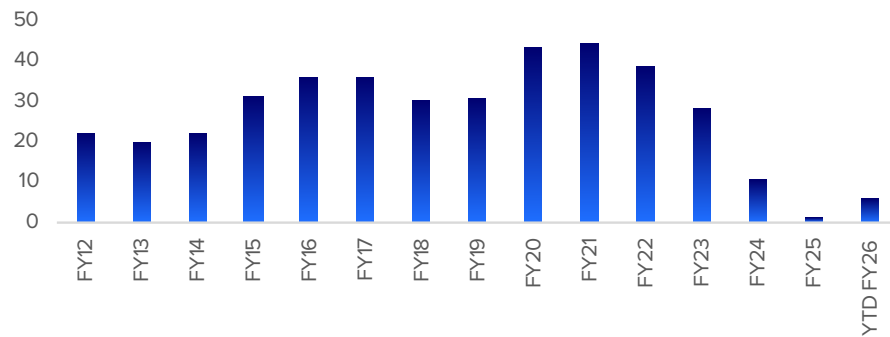
Fiscal Deficit as a % of GDP



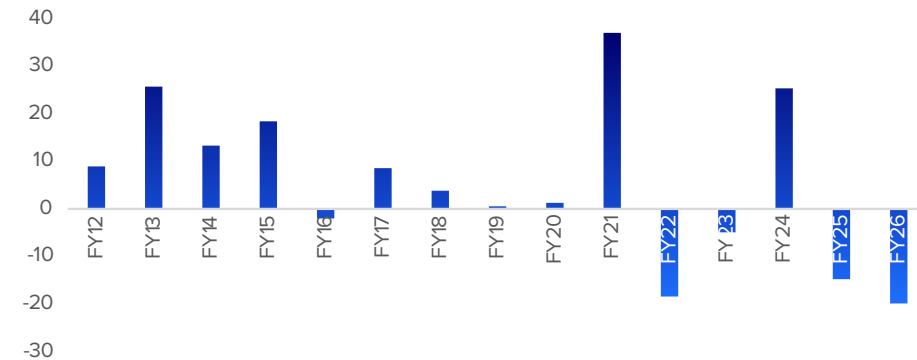
Currency – Achilles heel

All drivers weak: Strong primary market, global trade uncertainty, lack of FPI flows, net remittances

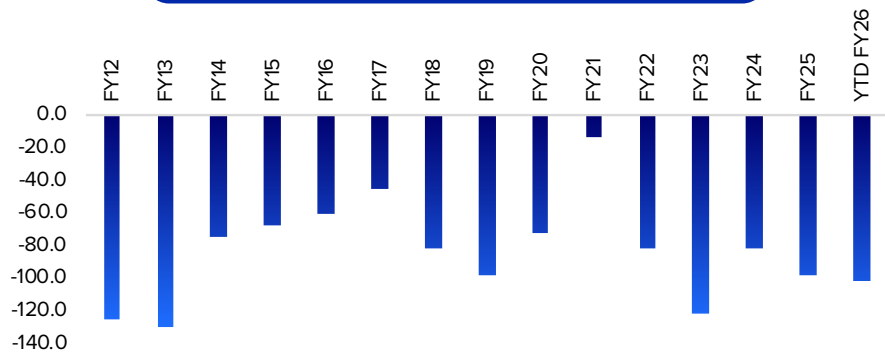
Net FDI (USD Bn)



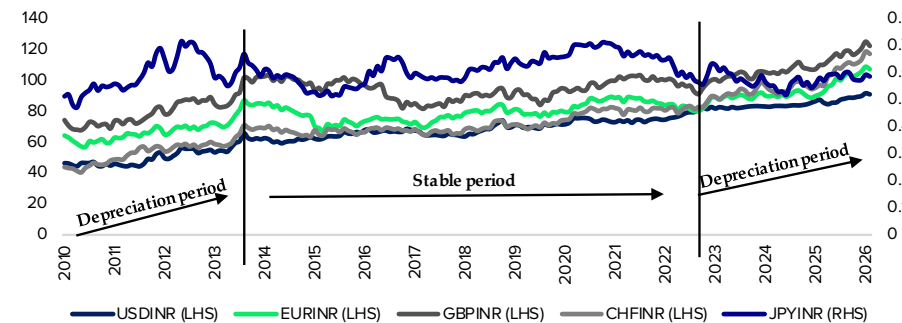
Net FII (USD Bn)



Balance of trade (USD Bn)



Currency pairs



Earnings growth — Still expecting close to double digit

~4-5% downgrades likely now, Broader markets can still do ~10% earnings growth

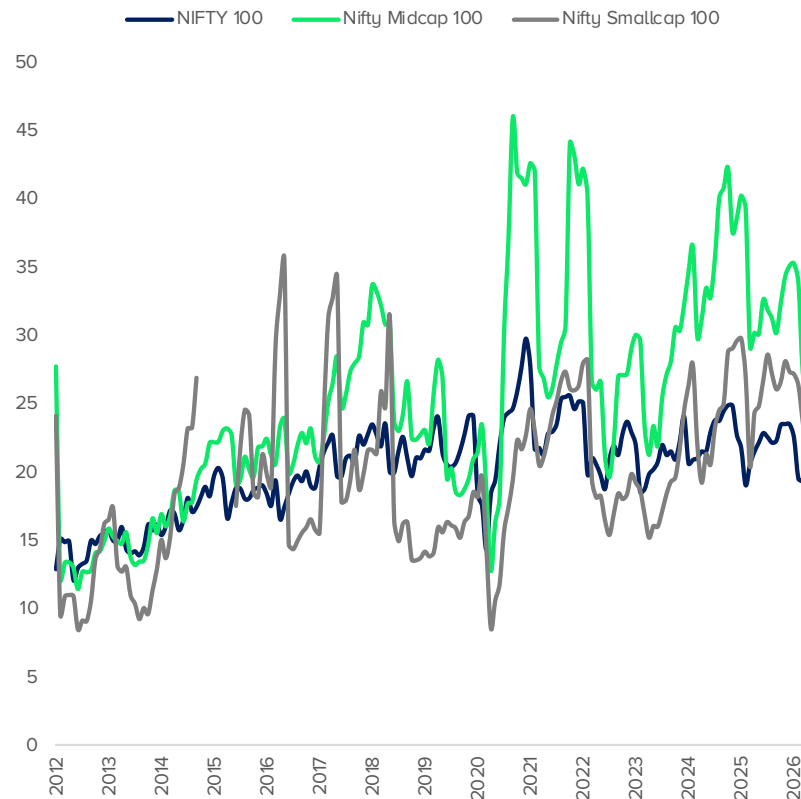
BFSI, Consumer discretionary, metals and telecom to see marginal pick-up. Energy to see cuts

Sector	FY24A	FY25	FY26E	FY27E	FY28E
AUTOS	100%	10%	-6%	32%	21%
BANKS AND NBFCs	33%	12%	6%	20%	15%
INSURANCE	3%	10%	15%	17%	18%
CAPITAL MKT	68%	18%	24%	25%	21%
CONSUMER STAPLES	8%	0%	5%	7%	11%
CONSUMER DISC*	127%	3%	20%	50%	36%
INDUSTRIALS	29%	11%	25%	23%	22%
REAL ESTATE	16%	108%	9%	19%	22%
IT	5%	8%	9%	14%	12%
ENERGY	76%	-31%	37%	7%	7%
CEMENT	56%	-27%	33%	49%	16%
HOME IMPROVEMENT	29%	1%	0%	30%	19%
CHEMICALS	-23%	-3%	16%	45%	32%
POWER	7%	9%	3%	12%	10%
PHARMA	34%	21%	6%	12%	14%
METALS	17%	-2%	18%	20%	13%
TELECOM	1%	171%	-17%	45%	26%
TOTAL	35%	2%	11%	18%	14%

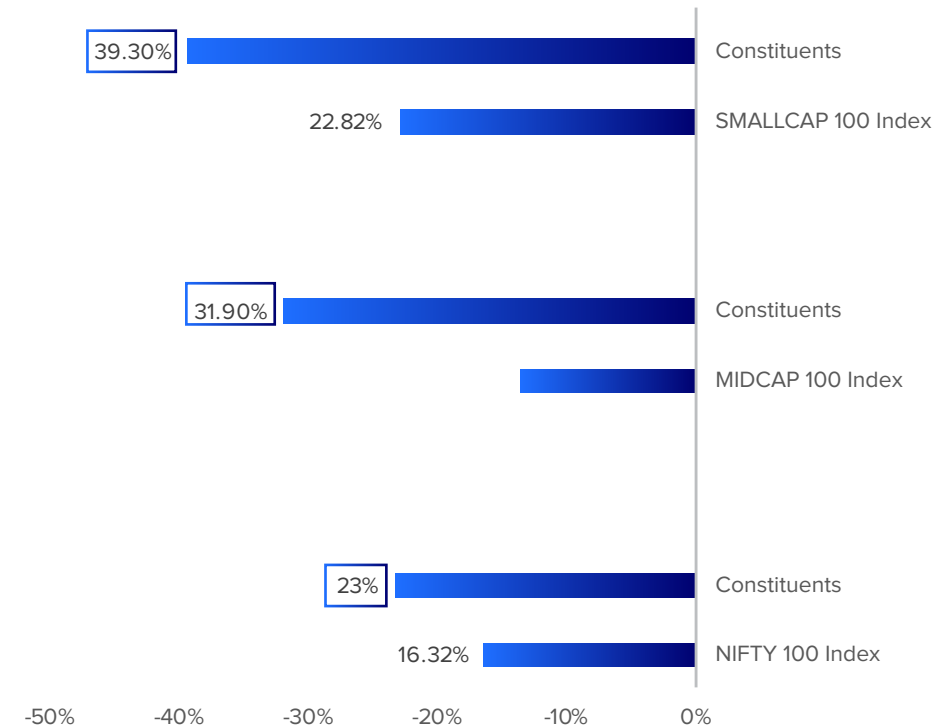
Valuations – Still elevated for mid/small cap index despite correction

Median correction however has been quite brutal, providing bottom-up stock opportunities

1 year forward PE chart of Indices



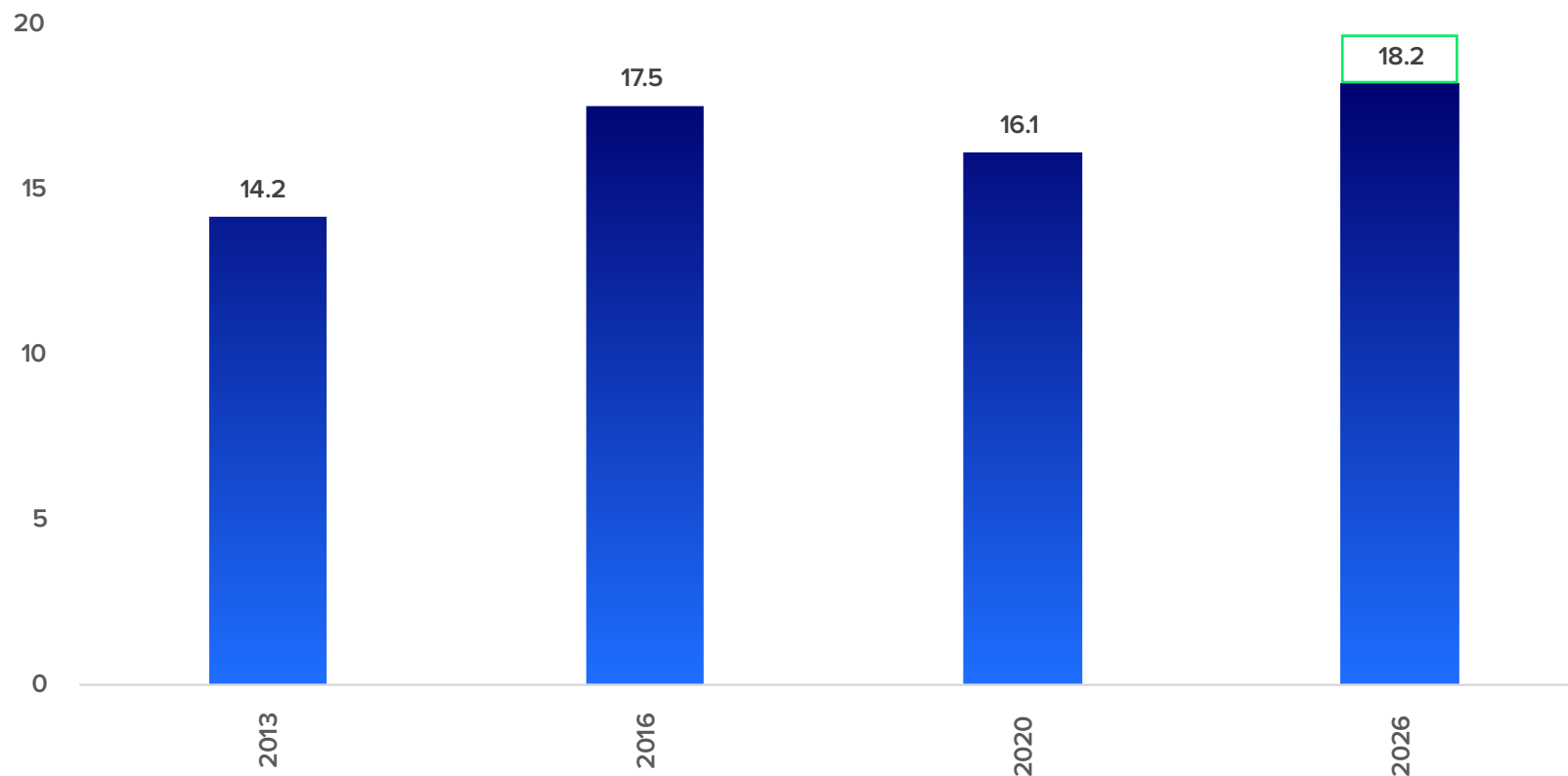
Index & constituents median fall from 2024 highs



NIFTY 50 TTM P/E at lowest points of past corrections

Getting in buying zone but some further scope for de-rating

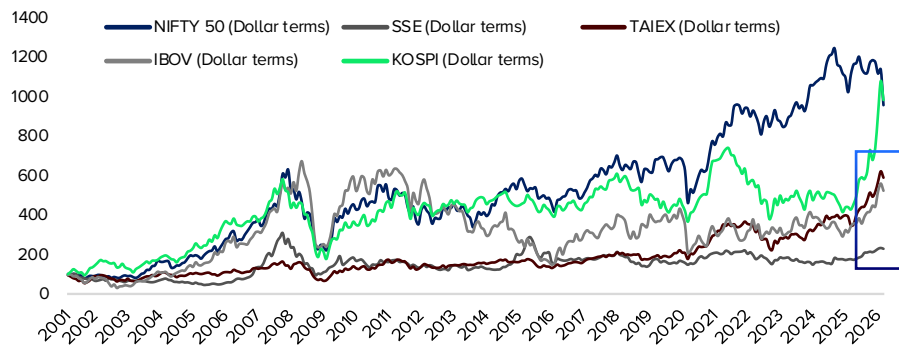
Correction trough point trailing P/E



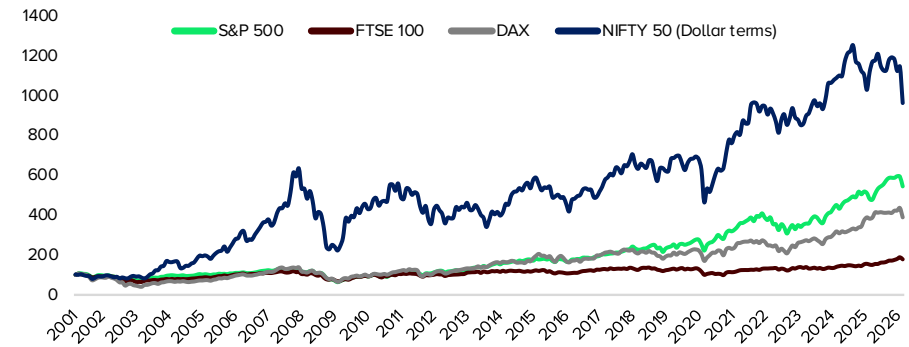
Indian markets underperforming after huge outperformance

AI, energy and industrials sectors charging ahead globally. Consumer sector, Software weak

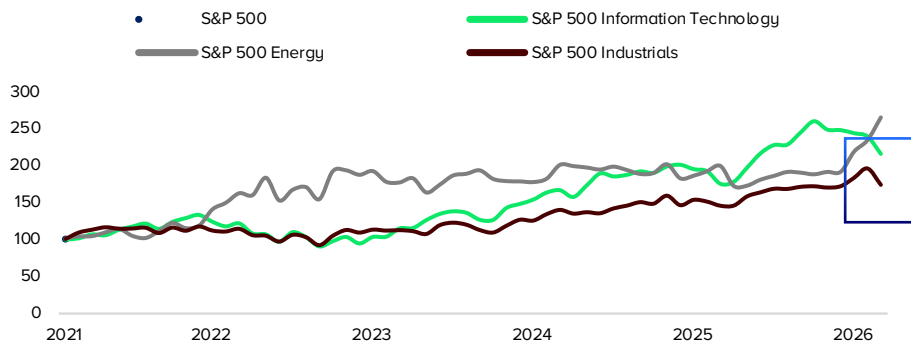
Emerging Economies Index returns



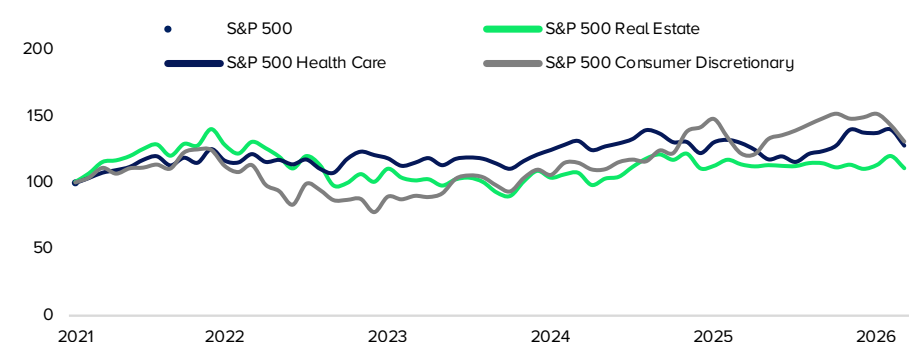
Developed economies index returns



Sectoral outperformance



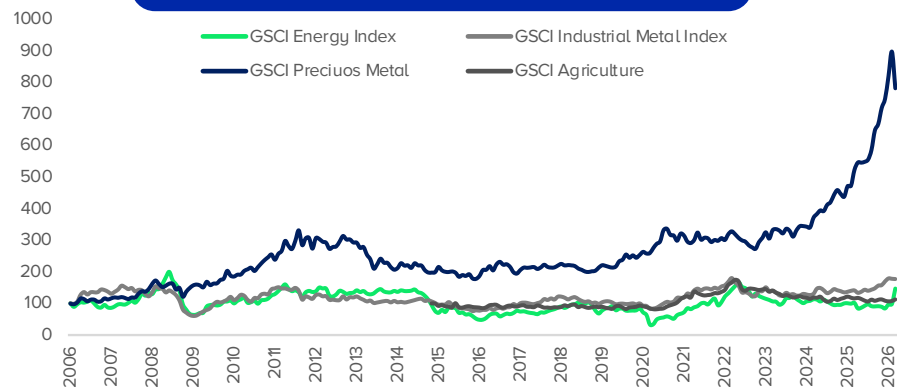
Sectoral underperformance



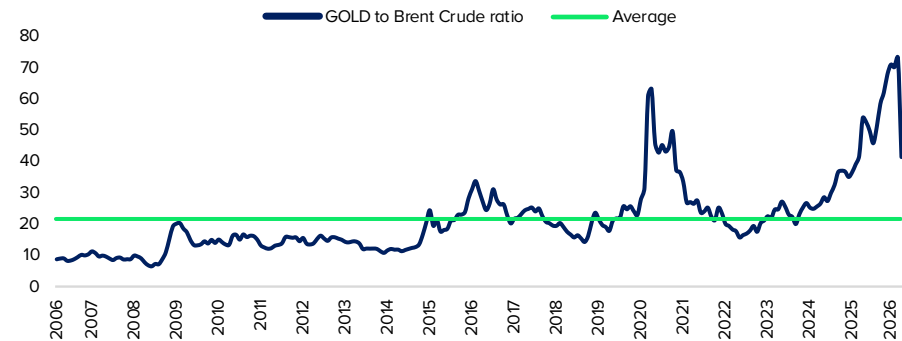
Commodities – Precious metals leading the charge

Precious metals look overstretched; other commodities could see pick-up led by metals, energy

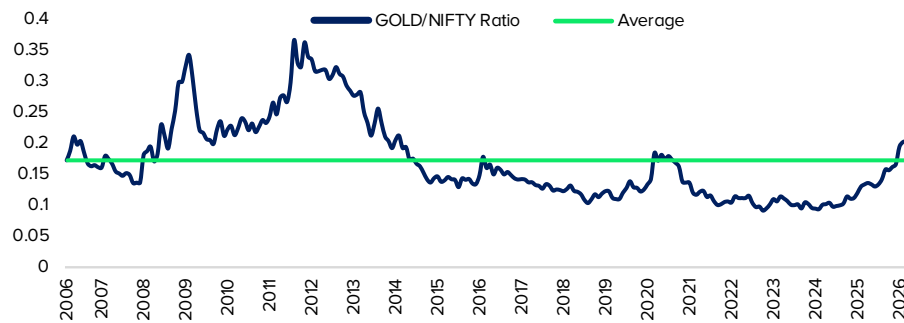
GSCI constituent returns



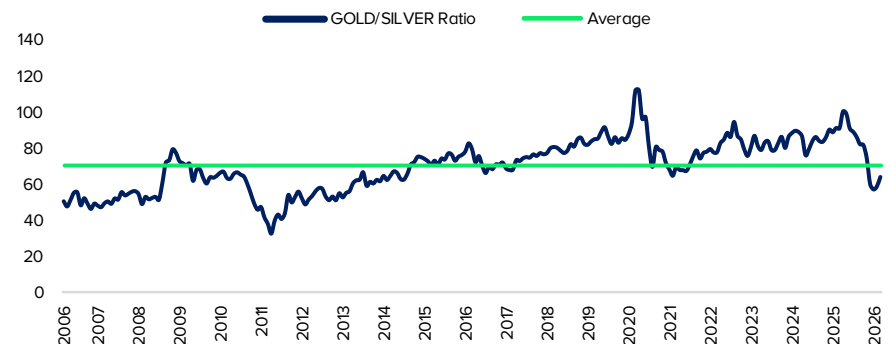
Gold to Brent Crude ratio



Gold/Nifty ratio



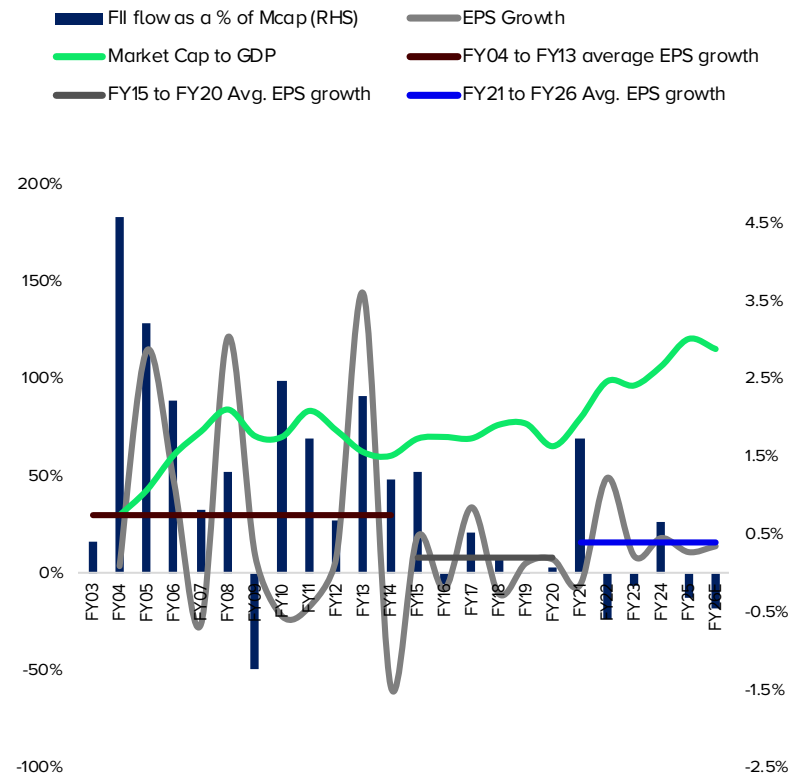
Gold/Silver ratio



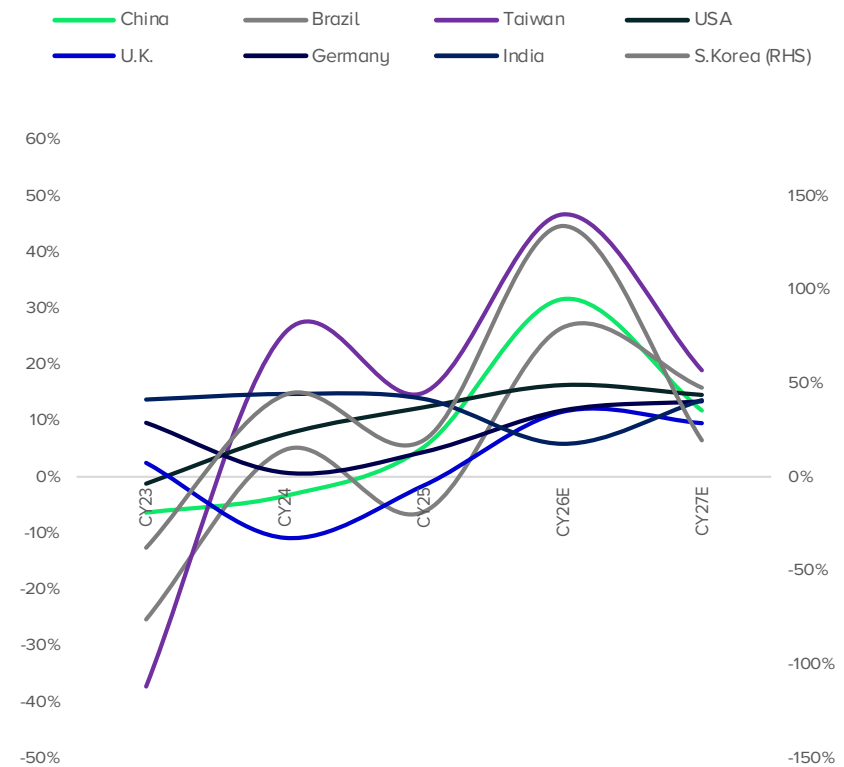
FPI flows – Huge outflows unlikely, awaiting reversal triggers

Absolute and relative earnings growth not strong enough, valuation premium at long-term average now

FII flow vs EPS growth and MCap to GDP ratio

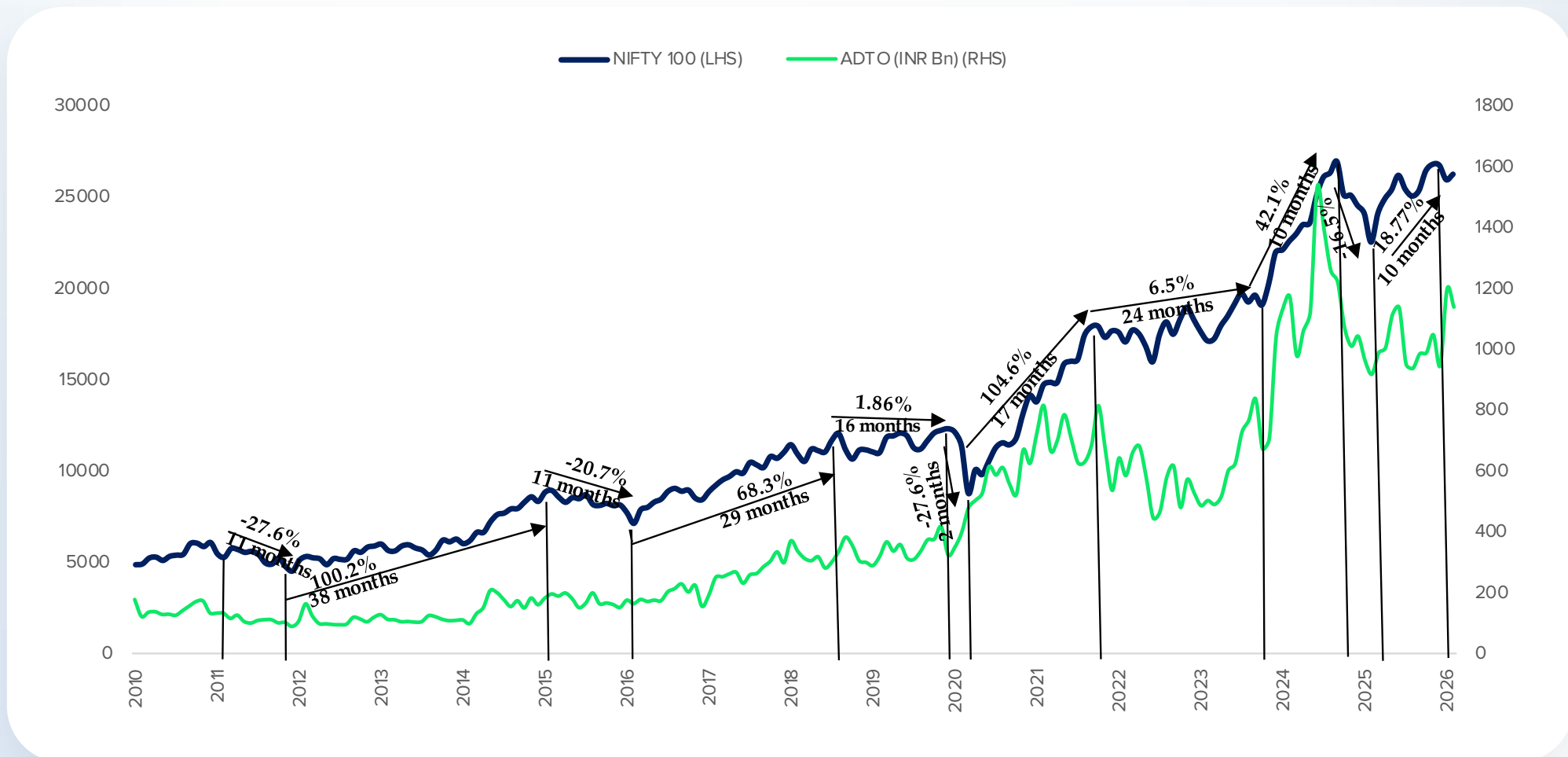


Global earnings growth rate



Where are we in the market cycle? – Nearing bottom

Average length of bear market has been ~20 months (range 11-32 months)

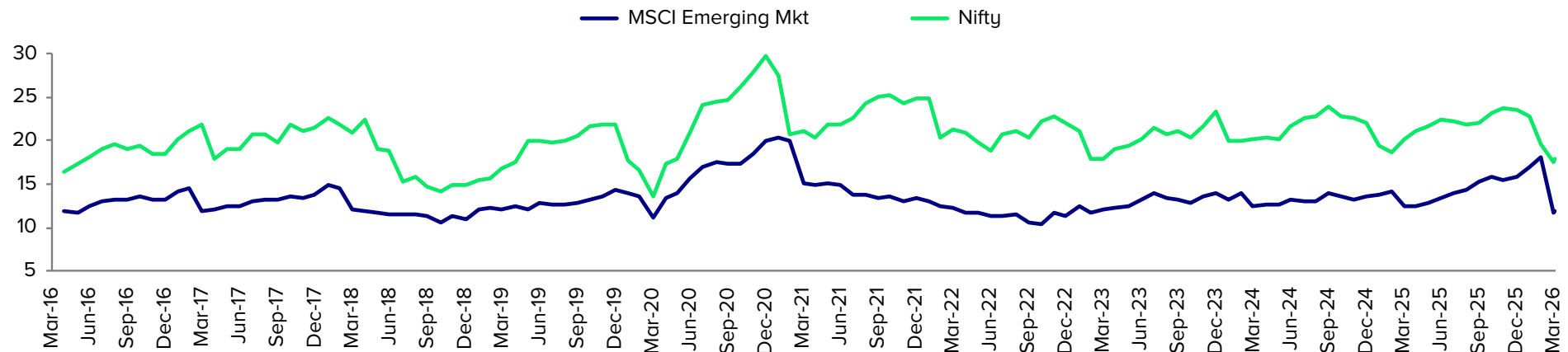


India in the Global Context

India's Relative valuations and FPI outlook

- India's PE premium peaked in April 2023 at over 100%. Now down to 34% as of early April
- FPI outlook: Fog of war
 - Negatives: Risk-off (EMs/Equities); Currency; Oil (ergo: Deficit/inflation/BOP); earnings cuts
 - Positives: Valuations reasonable (only 5th time since 2008); relative macro strength
- On balance: Sentiment likely to turn only with improving visibility

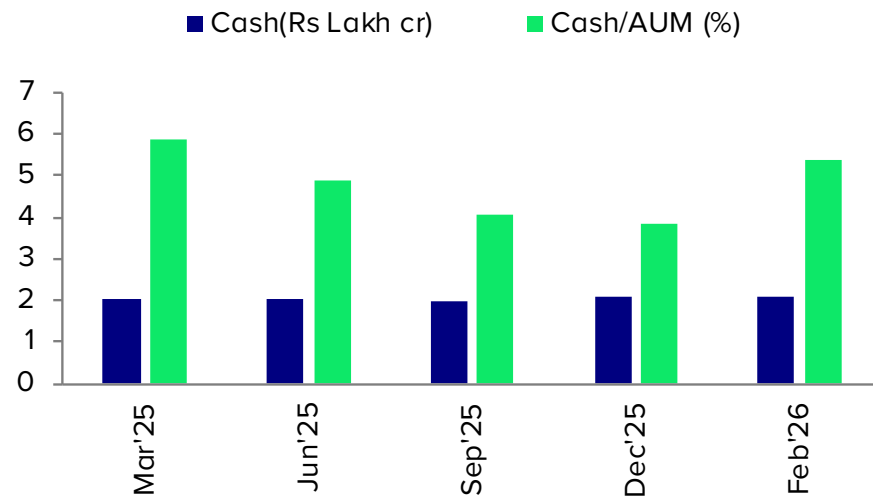
Valuation-MSCI Emerging Mkt Vs India



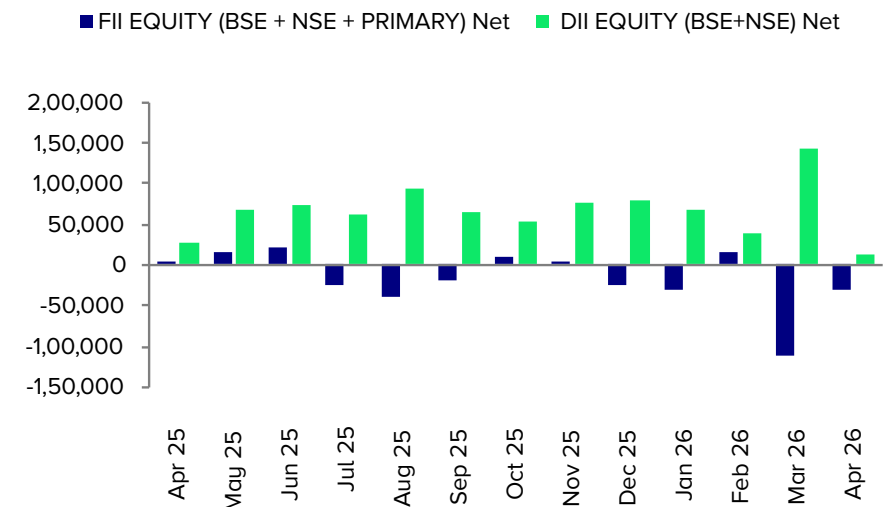
MFs cash position and incremental actions

- Cash at Indian MFs at over Rs 2 lakh cr (5.5% of AUM)
- Massive cash deployment by DIIs starting March 2026, absorbing some FPI selling
 - Early trades: Domestic/inflation protected/structural themes/valuation comfort: EMS, Healthcare, Power, Staples, Industrials, Banks
 - Starting to nibble: Buying into dips into post war turn-around: IT, Energy, Real Estate, Textiles

Cash Holding in Rs Lakh Cr



FII & DII exposure in Equity Market



Model Portfolio For FY27






Research – Core Principles

“**Growth at Reasonable Price**” (GARP) framework. Look for “**mispriced**” growth (buy underpriced growth, avoid bubbles but don’t fall in “value” trap). Prefer to buy growth (rather than value) but with valuation guardrails.







Less focus on getting overall index call correct. Instead **try to identify the right sector and stocks**. In every market condition, few sectors and stocks tend to do well. *Focus on Alpha*.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
BANKS	64%	-49%	81%	31%	-32%	57%	-9%	65%	-10%	7%	41%	6%	18%	-3%	13%	21%	12%	5%	17%	-12%
IT	-11%	-55%	166%	29%	-18%	-2%	58%	18%	0%	-7%	12%	24%	8%	55%	60%	-26%	24%	22%	-13%	-19%
AUTO	5%	-55%	194%	35%	-19%	42%	9%	57%	0%	11%	31%	-23%	-11%	11%	19%	15%	48%	23%	23%	-14%
PHARMA	15%	-26%	59%	35%	-10%	32%	27%	43%	9%	-14%	-6%	-8%	-9%	61%	10%	-11%	34%	39%	-3%	-4%
METALS	139%	-74%	227%	0%	-48%	18%	-14%	7%	-31%	45%	49%	-20%	-11%	16%	70%	22%	19%	8%	29%	4%
ENERGY	97%	-48%	61%	3%	-29%	14%	0%	9%	-1%	20%	39%	1%	11%	6%	34%	14%	29%	5%	0%	0%
REALTY			71%	-22%	-52%	53%	-34%	10%	-15%	-4%	110%	-33%	28%	5%	54%	-11%	81%	34%	-17%	-22%
INFRA	95%	-57%	40%	-4%	-39%	22%	-4%	23%	-9%	-2%	34%	-13%	3%	12%	36%	6%	39%	16%	14%	-10%
FMCG	22%	-20%	42%	31%	9%	49%	12%	18%	0%	3%	29%	14%	-1%	13%	10%	18%	29%	0%	-2%	-16%
MEDIA	61%	-69%	82%	4%	-33%	59%	1%	33%	10%	-1%	33%	-26%	-30%	-9%	35%	-10%	20%	-24%	-21%	-10%
Nifty	55%	-52%	76%	18%	-25%	28%	7%	31%	-4%	3%	29%	3%	12%	15%	24%	4%	20%	9%	11%	-12%

Sector Outlook for FY27

Sector	Outlook (bias)	Remarks
BFSI	Neutral 	Large banks better placed as NIMs could improve. Credit cost increase and loan growth slowdown hit key monitorables. Valuations attractive now post correction.
IT & Exchanges	Neutral 	Cautious client decision making amid Gulf War and AI deflation keeps demand muted but new AI centric deals could help; valuations attractive now.
Consumer staples	Neutral 	Volume recovery expected led by supportive rural incomes; Urban demand also seen worst hit due to QC. Input cost pressures could come.
Consumer discretionary	Positive 	Demand seems to have bottomed out in FY26. Uncertainty and inflationary pressures could defer demand recovery. Remain selective as valuations high.
Industrials & Infrastructure	Positive 	Healthy demand well supported by capex focus reinforced in the Union Budget. Private capex improving gradually led by defence, manufacturing and green power

Sector Outlook for FY27

Sector	Outlook (bias)	Remarks
Cement	Negative 	Moderate volume growth to be outpaced by rapid capacity additions exerting pressure on utilization and margins with minimal pricing power
Real estate	Positive 	FY27 expected to be launch-heavy for most players which will drive presales growth; Sharp price correction provides attractive entry points
Automobiles	Positive 	Growth normalization expected post strong growth of FY26; Premiumization and EV growth drivers but geopolitics-led supply chain risk will impact input costs
Chemicals	Neutral 	Rising crude led input cost pressures for specialty chemicals with limited pass-through ability due to Chinese competition; supply chain disruption risk as well
Oil & Gas	Neutral 	Rising crude amid war escalation supports refining margins but hurts marketing margins for OMCs. Upstream partly benefitted by higher realizations
Pharma	Neutral 	Steady growth and stable margins expected, led by domestic formulations (chronic therapies) and CDMO, US generics price pressure continues.

Key stocks from model portfolio

Sector	Relative weight*	Key stocks
Autos	↓	Bajaj Auto, M&M, Bharat forge, Hero, Samvardhana Motherson
BFSI	↓	ICICI, Kotak, SBI, Axis, Bank of Maharashtra, MCX, SBI life
Consumer staples	↑	Marico, Godrej consumers
Consumer discretionary	↔	Crompton, Swiggy, Syrma
Industrials/Infrastructure	↑	L&T, Cummins, NCC, Siemens energy
Real estate	↑	Sobha
IT/Exchanges	↑	Infosys, TCS, HCL Tech
Energy (Oil & Gas)	↓	Reliance, OIL, IOCL
Metals	↓	Jindal steel, Tata Steel
Cement/building materials	↑	None
Power	↑	NTPC, PowerGrid
Pharma	↓	Aurobindo Pharma, Lupin

*Arrow indicates incremental stance in the recent past

Research Performance

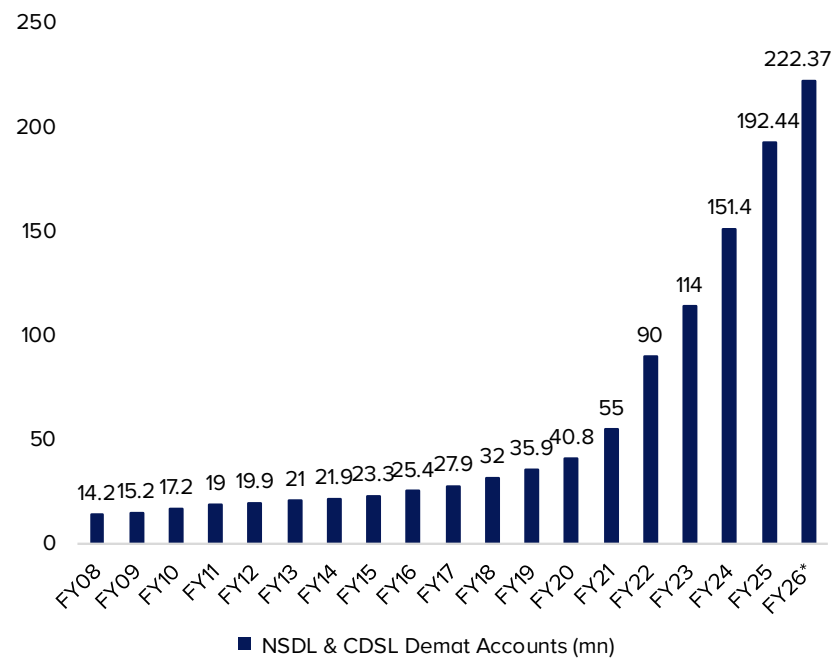
Basket/Portfolio	Inception date	Benchmark	Returns	Since inception returns (% CAGR)
HDFC Premium Basket	4th Sept 2025	NIFTY 100	Benchmark	-8.1%
			Portfolio	*2.3%
			Relative	10.4%
HSIE Model Portfolio	20th Feb 2020	NIFTY 50	Benchmark	15.0%
			Portfolio	20.3%
			Relative	5.3%
One 4 You Asset Allocation	13th Sept 2023	Nifty 500	Benchmark	7.2%
			Portfolio	17.6%
			Relative	10.4%
25 Expert Ideas	17 th Apr 2025	NIFTY 250	Benchmark	-4.5%
			Portfolio	*11.8%
			Relative	16.3%

*Portfolio existing for less than 1 year

Retail Investor Behaviour

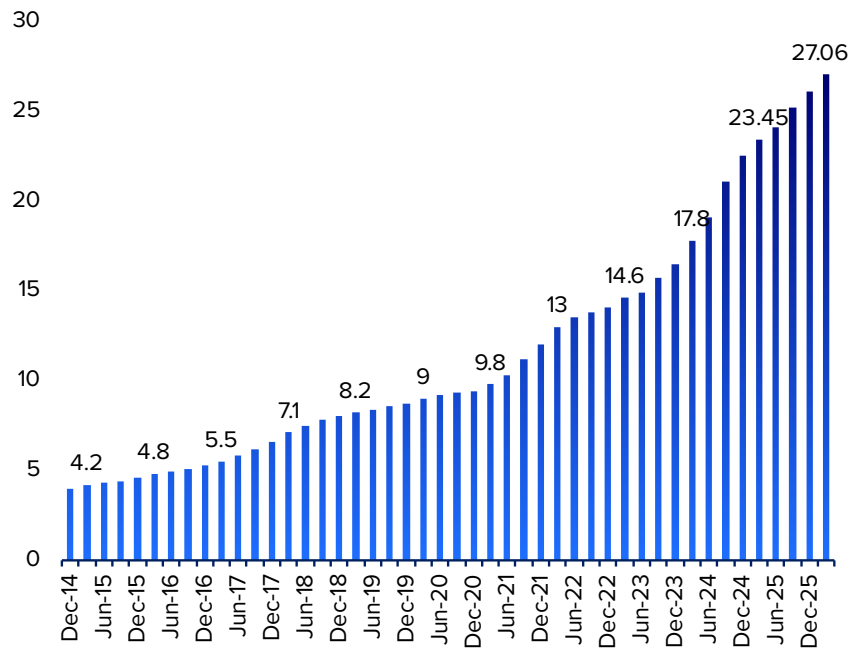
Demat Accounts

Number of Demat Accounts (in mn)

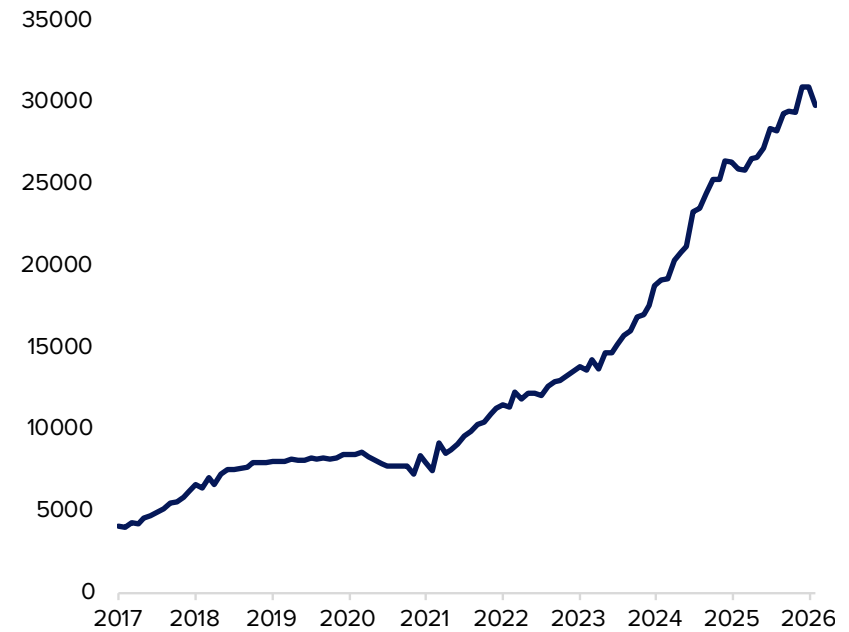


SIP Amounts

MF Investor Accounts (Crore)

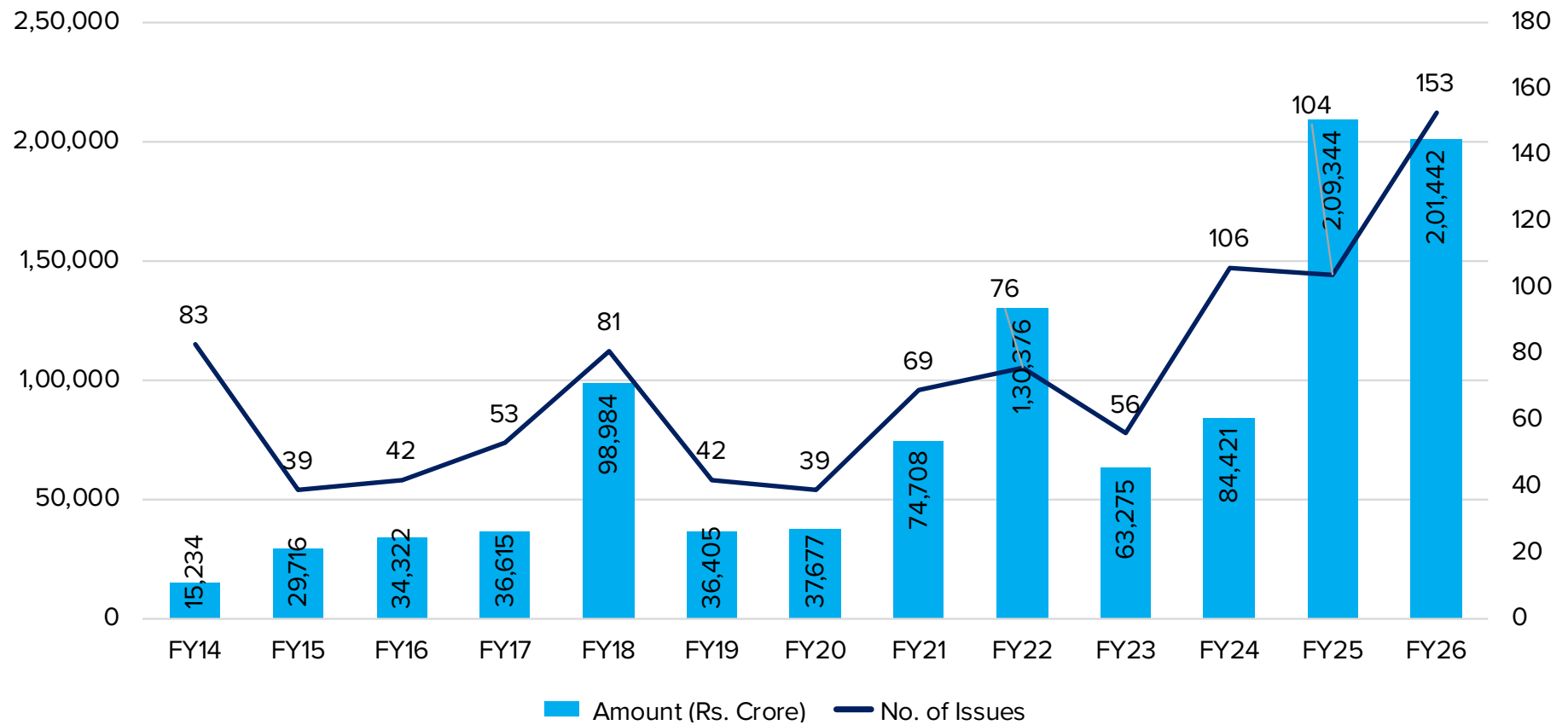


SIP Amount (Rs. Crore)



Record Number of IPOs

India IPOs, FPOs & OFS Activities



Distribution of trading activity by turnover in NSE Cash Market segment in February 2026

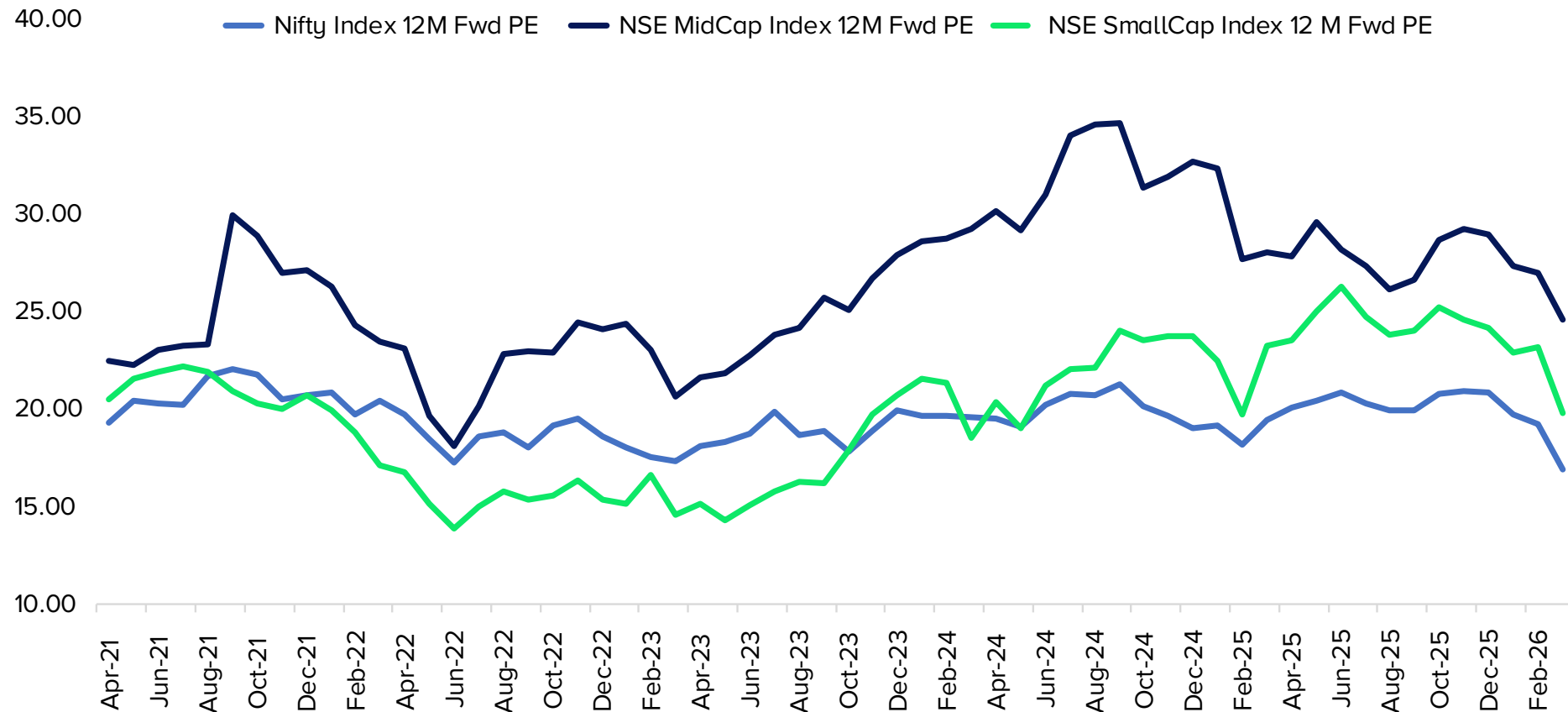
	Feb-25				Feb-26			
Turnover Range	Turnover (Rs Crore)	Share in Turnover	Investors (In Lakh)	Share in Investors	Turnover (Rs Crore)	Share in Turnover	Investors (In Lakh)	Share in Investors
<= Rs 10,000	625	0.03%	41.2	36.8%	674	0.03%	47.2	37.2%
Rs 10,000 to Rs 1 lakh	7443	0.4%	39.4	35.2%	7832	0.3%	40.6	32.0%
Rs 1 lakh to Rs 10 lakh	36142	2.0%	22.1	19.7%	45212	1.9%	26.8	21.1%
Rs 10 lakh to Rs 1 crore	112578	6.1%	7.3	6.5%	150248	6.2%	9.7	7.6%
Rs 1 crore to Rs 10 crore	229113	12.5%	1.7	1.5%	315753	13.1%	2.3	1.8%
> Rs 10 crore	1447325	78.9%	0.2	0.2%	1887876	78.4%	0.3	0.2%
Total	1833226	100%	111.9	100%	2407595	100%	126.9	100%

Share of registered investor base (%)

Age Category	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Feb-26
Less than 30 years	22.6	23.5	29.4	37.5	38.5	40.0	39.5	38.4
30-39 years	31.1	31.2	30.4	28.9	29.2	29.1	29.6	30.0
40-49 years	20.1	19.7	17.9	15.8	15.6	15.4	15.8	16.3
50-59 years	13.1	12.6	11.0	9.1	8.6	8.1	8.0	8.2
60 years and above	13.1	13.0	11.2	8.7	8.1	7.4	7.1	7.1
Median Age	38.0	38.0	36.0	33.0	33.0	32.0	32.0	33.0
Mean Age	41.3	41.1	39.2	36.8	36.4	36.8	35.8	36.1
Male					77.5	77.0	75.7	75.1
Female					22.5	23.0	24.3	24.9

Sector Preference

One Year Forward Estimated Valuations

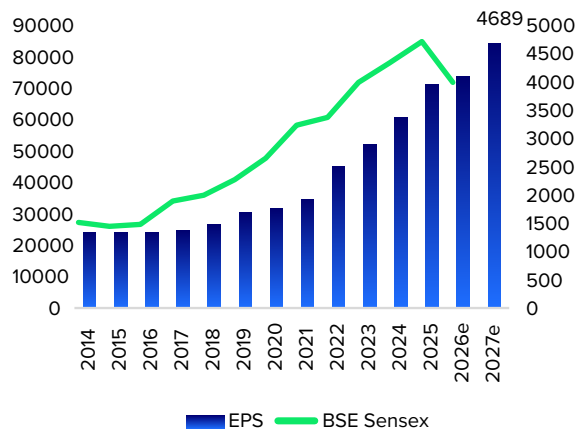


Sensex	Price	Earnings
10 Year	10.45%	11.60%
3 Year	-0.14%	12.28%
Year	-15.6%	3.09%
Next Year		14%*

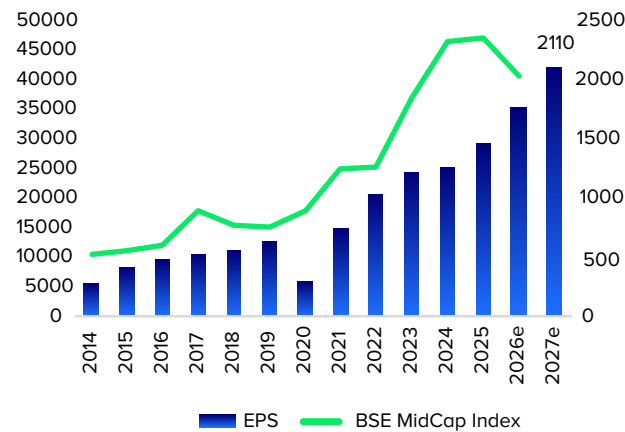
MidCap	Price	Earnings
10 Year	12.9%	14.0%
3 Year	3.2%	13.3%
Year	-13.7%	20.8%
Next Year		20%*

SmallCap	Price	Earnings
10 Year	13.6%	15.4%
3 Year	0.4%	11.6%
Year	-16.1%	4.1%
Next Year		29%*

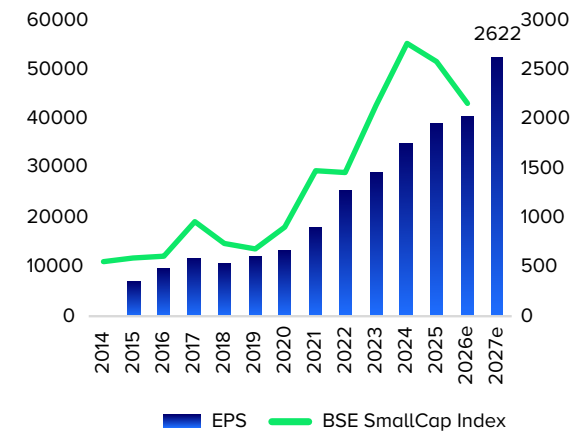
BSE Sensex Index Price vs EPS



BSE Midcap Index Price vs EPS



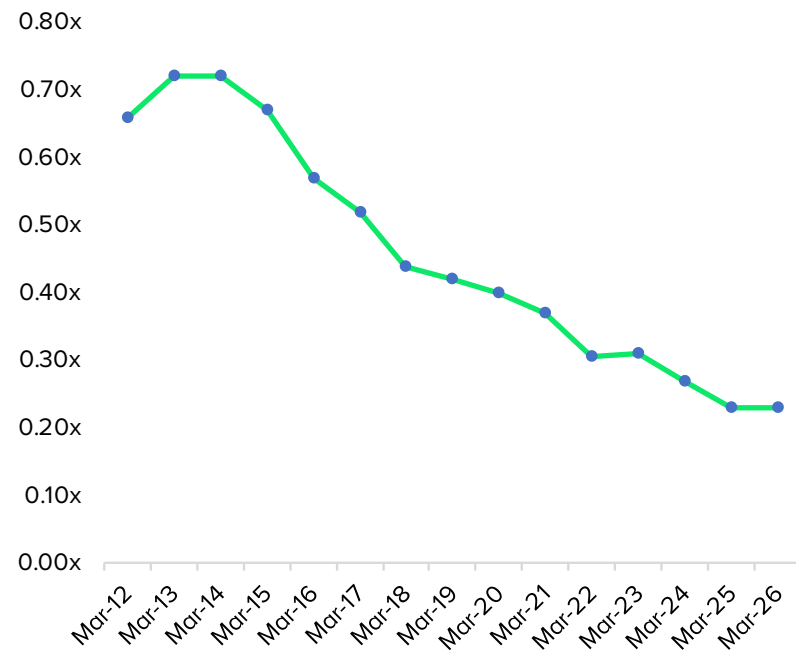
BSE Smallcap Index Price vs EPS



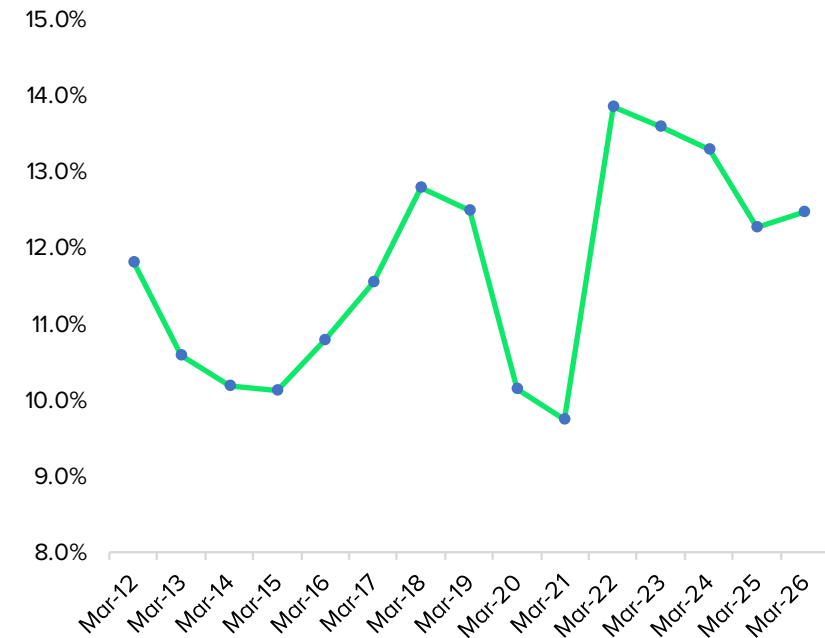
Broader Market Fundamentals – Small is Beautiful!

Stocks from 500 to 1000 based on Market Capitalisation (Median Values)

Debt-Equity Ratio



RoNW (%)



Bounce Back Basket

Stocks to Accumulate in 2026



Hindustan Petroleum

Price: Rs. 331.50

Sector: Oil Marketing

Rationale: HPCL stands to benefit from de-escalation as crude oil price volatility eases, improving visibility on refining and marketing margins. A calmer oil environment should also support sentiment toward OMCs, making HPCL a stronger recovery play.



InterGlobe Aviation

Price: Rs. 4,272

Sector: Aviation

Rationale: InterGlobe Aviation could benefit from a de-escalation of war as lower fuel prices and reduced volatility would improve operating costs and protect margins. Easing geopolitical tensions should also support travel sentiment and route stability, which can strengthen passenger demand and yield trends for IndiGo.



Larsen and Toubro

Price: Rs. 3,723

Sector: Construction & Engineering

Rationale: Larsen & Toubro has seen a sharp correction since the West Asia war began, with the stock down about 20% as markets priced in its large regional exposure and the risk of project delays, higher logistics costs, and weaker near-term visibility. A de-escalation should help the stock re-rate by improving execution confidence, supporting order inflows, and reducing sentiment-driven pressure on a business where management says 95% of West Asia sites are still operating normally.



UltraTech Cement

Price: Rs. 10,928

Sector: Cement

Rationale: Key inputs such as crude, petcoke, and coal prices have risen on recent conflict-driven fears. A de-escalation should be positive for the stock as it would benefit from easing fuel and freight cost pressure which would support margins and improve sentiment.



Maruti Suzuki

Price: Rs. 12,820

Sector: Automobiles

Rationale: We expect scale benefits and operating leverage to ease margin pressure for the company going forward, though staggered capacity addition in FY27 and rising RM costs could negate some of these benefits. However, focus on volume momentum augurs well and would keep market share aspirations and model launch plans on track.



Bharat Forge

Price: Rs. 1,668

Sector: Auto Components & Defense

Rationale: With the interim deal between India and the US in place, it provides for a restocking opportunity over the near to medium term, and for customers to resume new product development programmes with the company. The long-term business potential of the forging business remains strong, aided by the China+1 and Europe+1 plays.



Asian Paints

Price: Rs. 2,188

Sector: Consumer - Paints

Rationale: Stabilization in crude oil prices following the end of the West Asia conflict reduces input cost volatility for Asian Paints, supporting margin recovery. Coupled with a gradual demand uptick, this improves earnings visibility and can drive a rebound in the stock after its recent correction.



Oberoi Realty

Price: Rs. 1,555

Sector: Realty

Rationale: Oberoi Realty remains well placed to benefit from premium housing demand in key urban micro-markets, supported by its strong brand, execution track record, and high-quality project pipeline. Its focus on affluent buyers, disciplined balance sheet, and steady monetization of prime land bank should support growth and margin resilience over the medium term.



Lemon Tree Hotels

Price: Rs. 109.50

Sector: Hotels

Rationale: The recent correction in Lemon Tree Hotels offers a favourable entry point, especially as improving consumer sentiment and rising discretionary spending support growth in travel and hospitality demand. This positive backdrop can drive occupancy and room rate expansion, positioning the company for potential earnings and sustained growth.



Syrma SGS

Price: Rs. 809.50

Sector: Electronics Manufacturing Services

Rationale: Syrma has already seen a meaningful correction, which has improved the risk-reward equation at current levels. As a quality electronics manufacturing franchise with long-term structural growth drivers, it offers attractive upside from current levels.

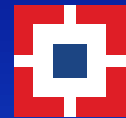
Geopolitical Events	Date	Correction (in %)	1 Month Returns from Low (%)	6 Month Returns from Low (%)
Iraq War	02- Aug-1990	-14	26	65
Kargil War	03-May-1999	-11	17	40
World Trade Centre	11-Sep-2001	-18	18	45
26 Nov Mumbai Attack	26-Nov-2008	-3	20	36
Pulwama Attack	14-Feb-2019	-2	9	14
Russia-Ukraine War	24-Feb-2022	-11	7	25
Iran-Israel/US War	01-Mar-2026	-11		
Average		-10	16	37
Median		-11	17	38

Price as of Market Close on 7th April 2026



Thank You!

THE BIG
REVIEW



HDFC
securities