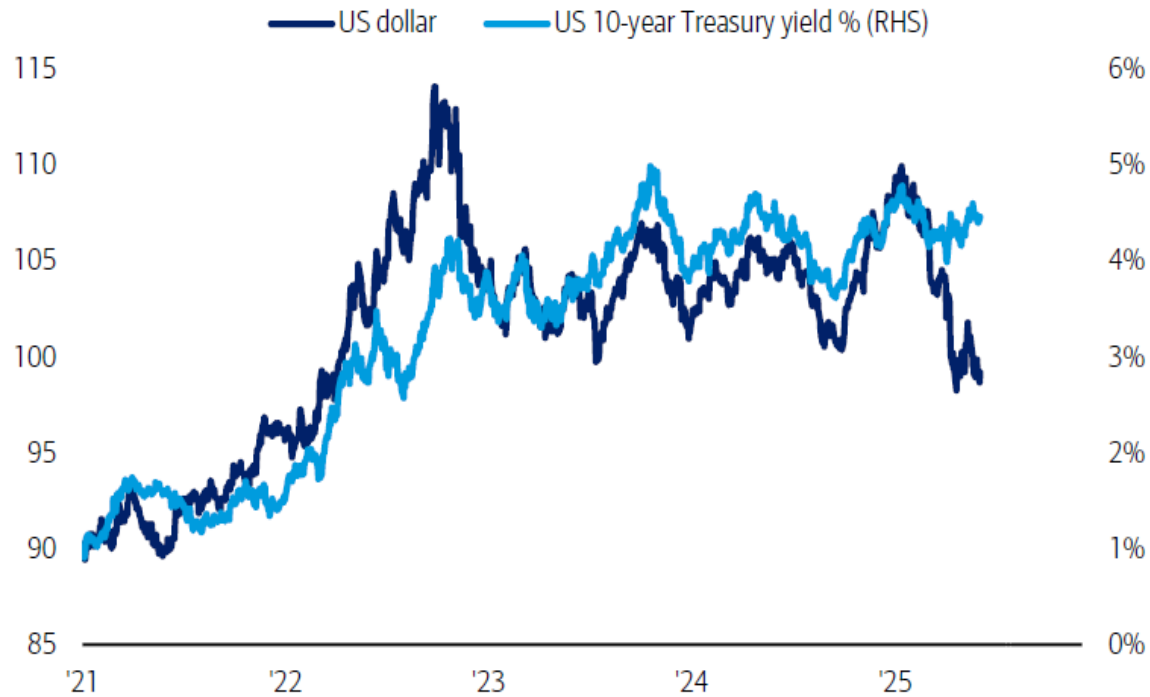


Market Insight – Equity

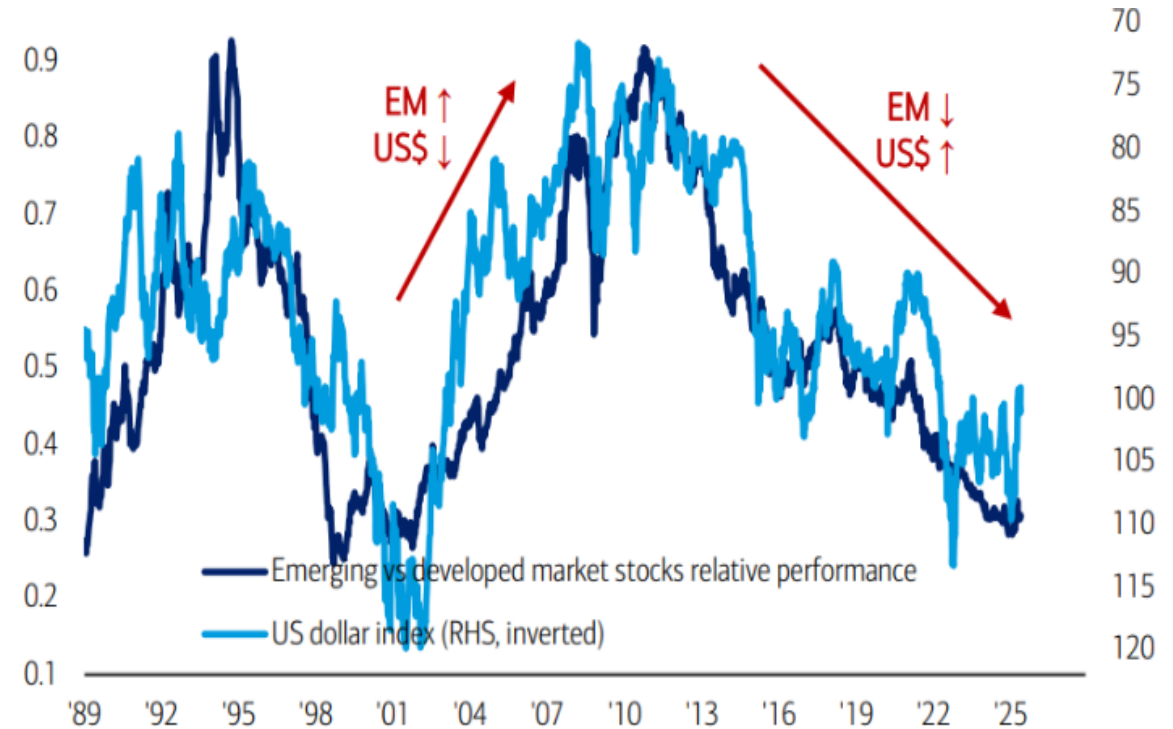
An overview on Equity Markets

June 2025

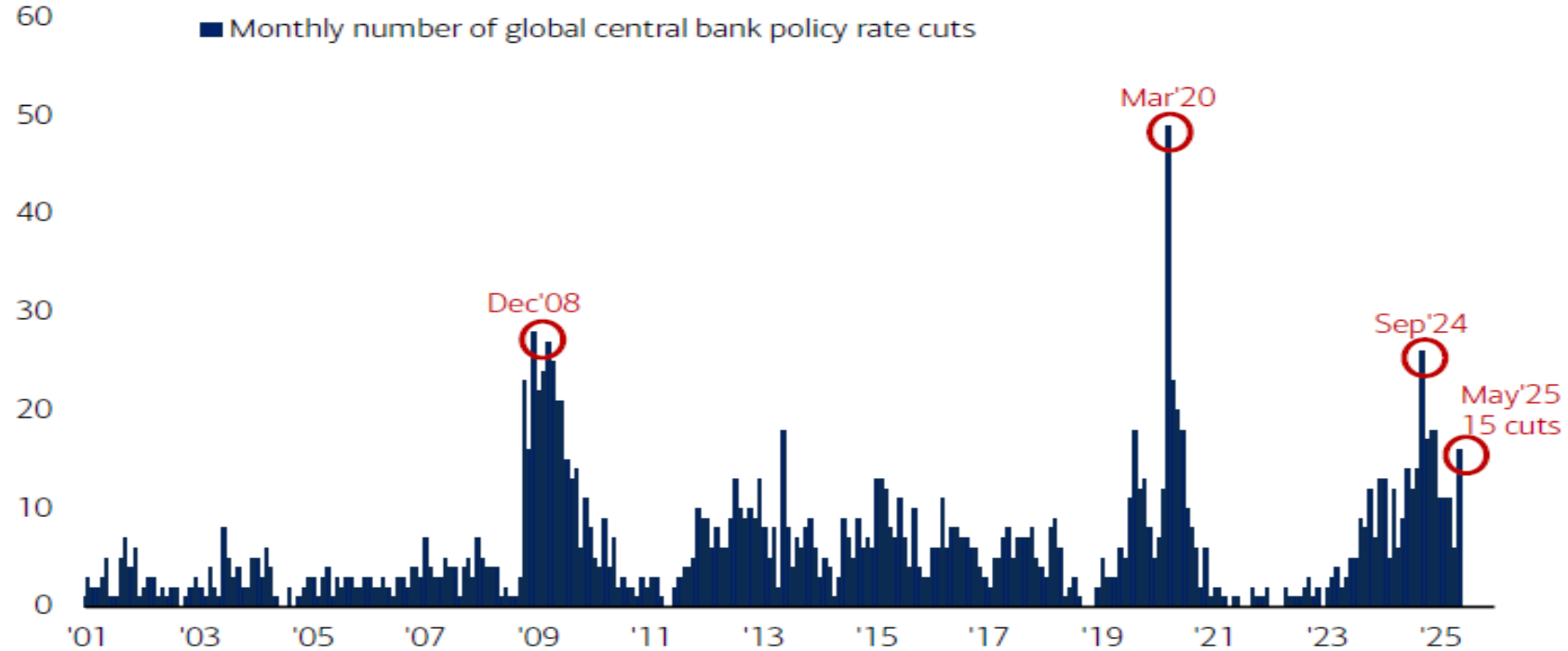
Dollar weakened despite higher yields



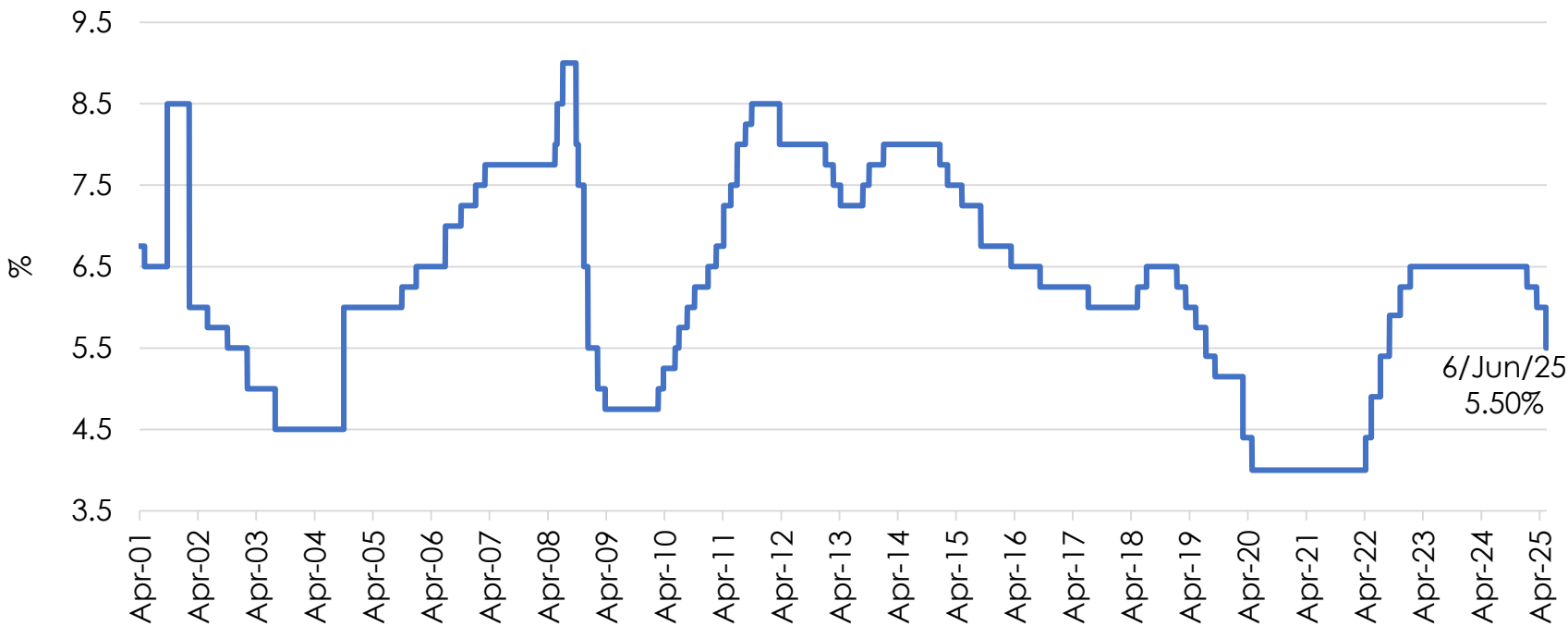
EM outperforms DM equities when dollar weakens



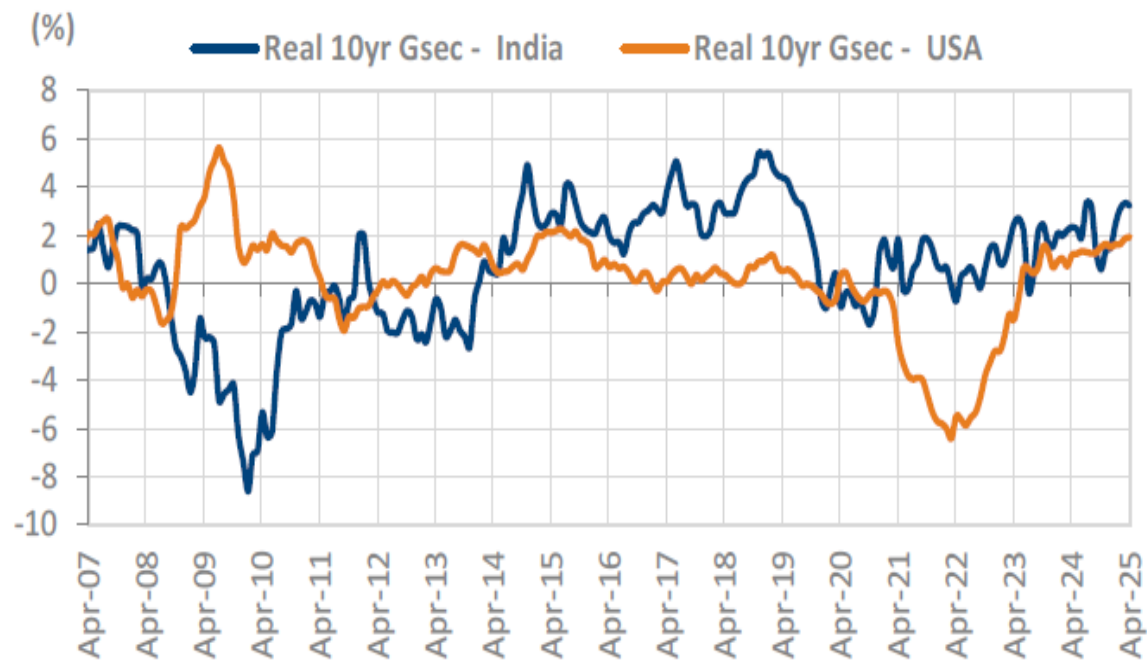
Rate cuts globally



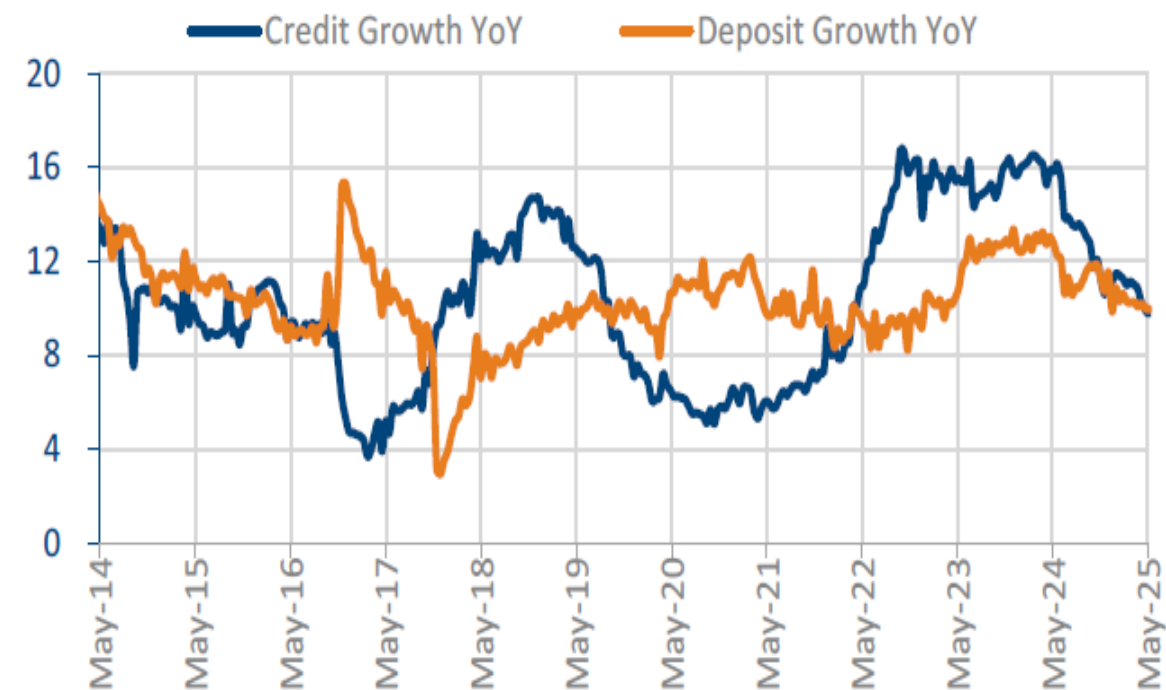
MPC has cut policy rate by 100 bps in current cycle



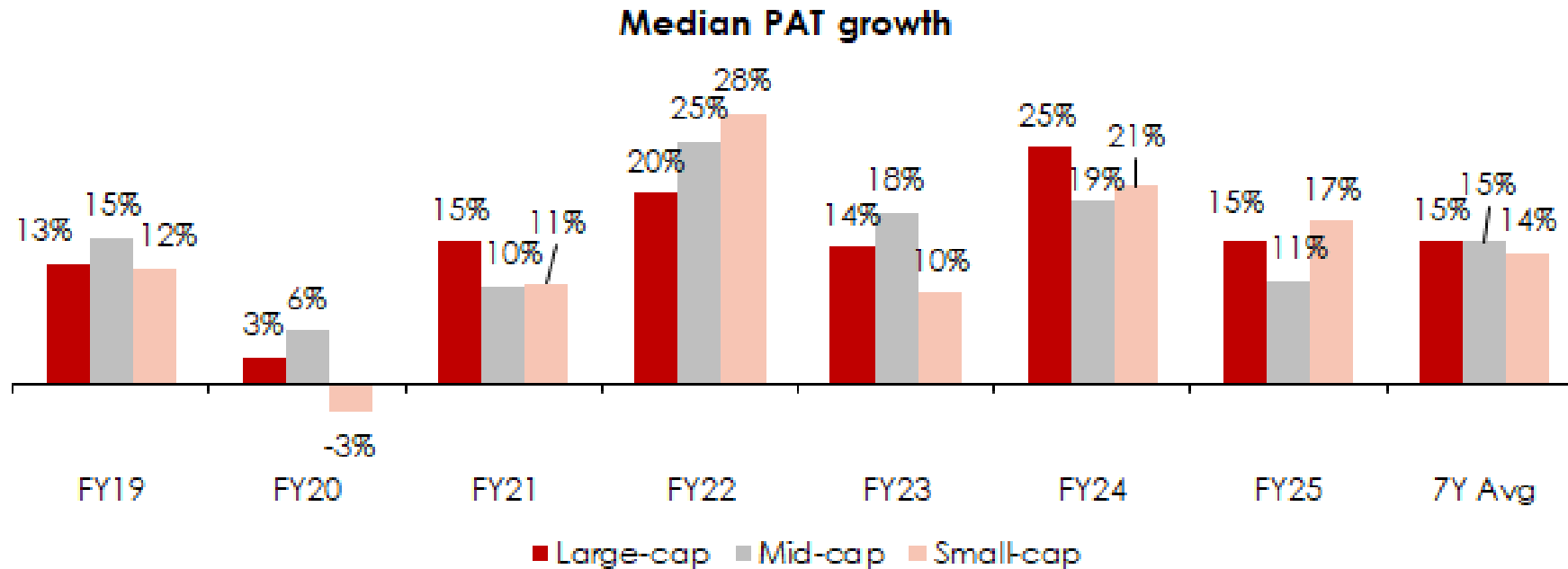
Indian real rates higher than US



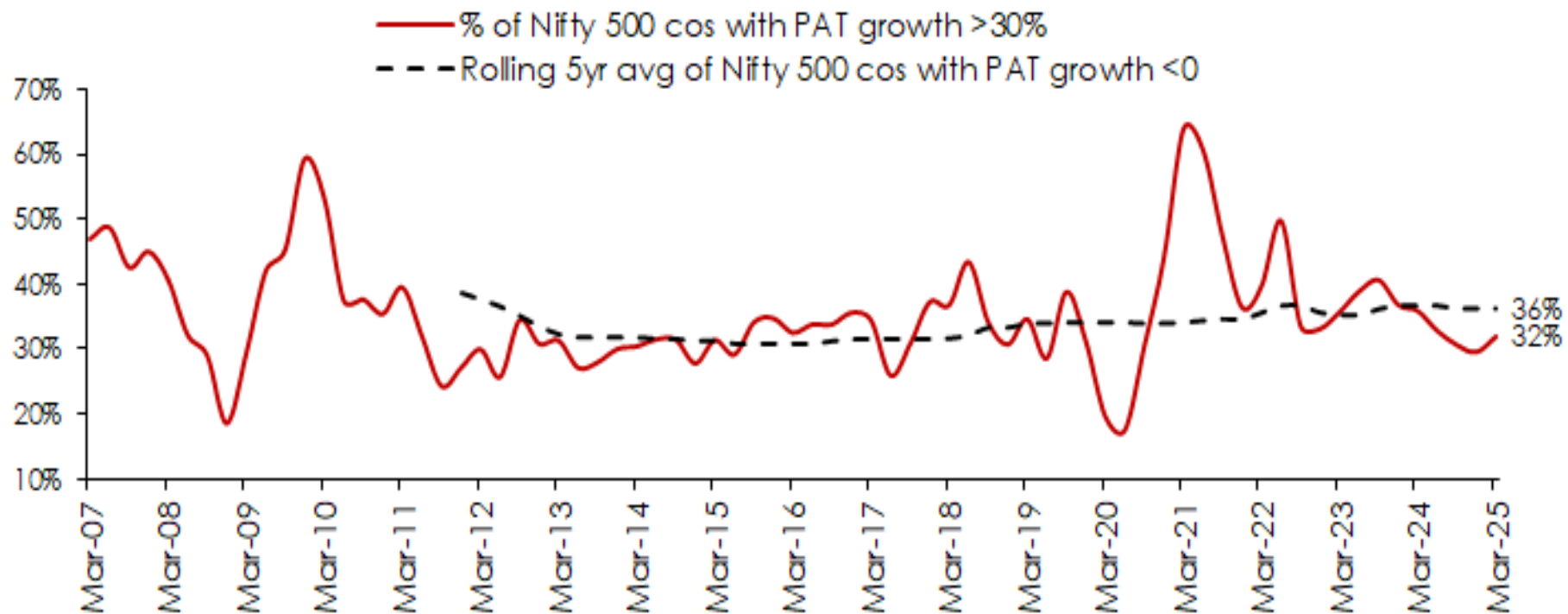
Weakening credit growth



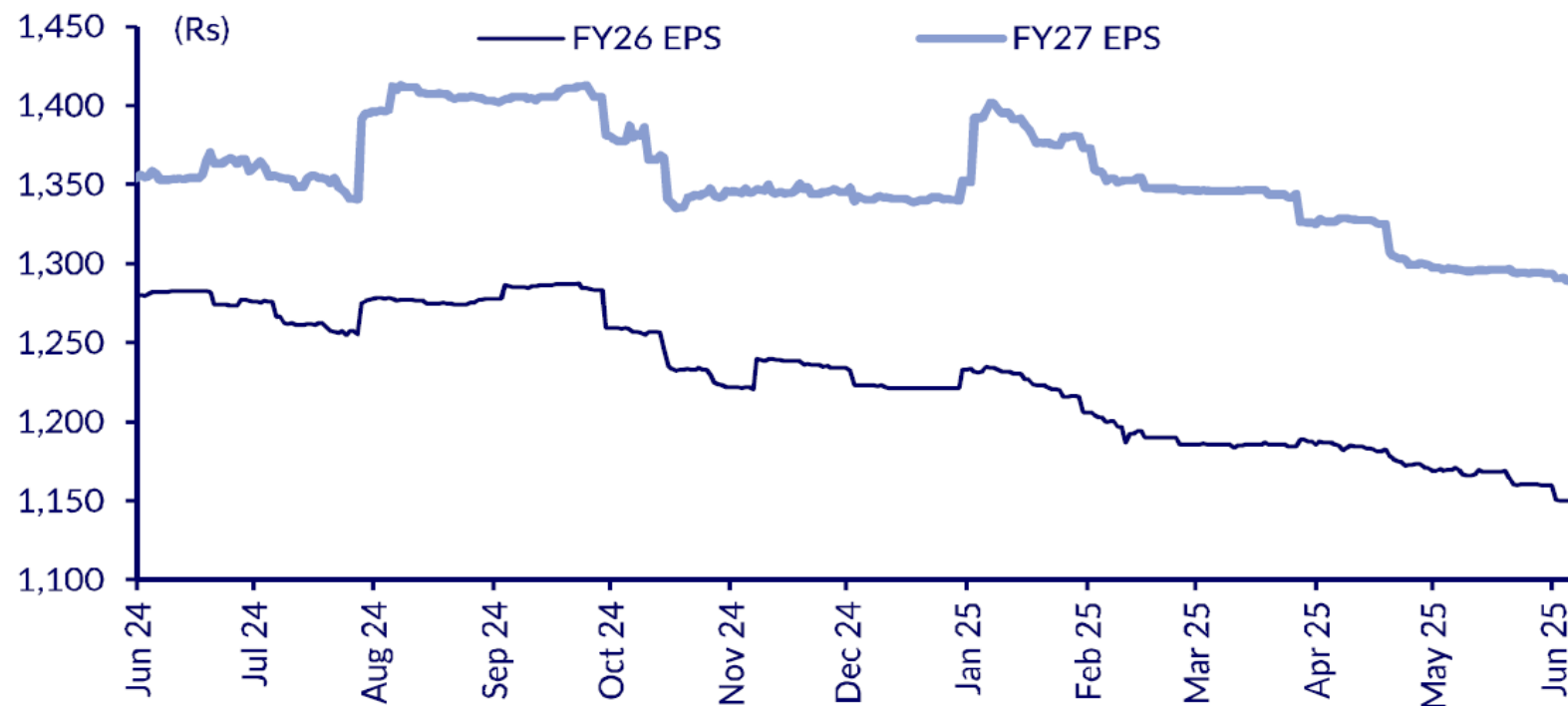
While yearly growth is volatile, long-term converging



High PAT growth companies proportion coming down



Sharp EPS cut in last few months





Economic Indicators

Indicator	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26F	FY27F
Economic Activity												
Real GDP (YoY%)	8.0	8.3	6.8	6.5	3.9	-5.8	9.7	7.6	9.2	6.5	6.4	6.5
Gross Fixed Investment (YoY%)	6.5	8.5	7.8	11.2	1.1	-7.1	17.5	8.4	8.8	7.1	6.8	7.2
Industrial Production (YoY%)	3.3	4.6	4.4	3.8	-0.8	-8.4	11.4	5.2	6.0	4.1	5.7	5.4
Price Indices												
CPI (YoY%)	4.9	4.5	3.6	3.4	4.8	6.2	5.5	6.7	5.4	4.6	4.1	4.5
WPI (YoY%)	-3.7	1.7	2.9	4.3	1.7	1.3	13.0	9.4	-0.7	2.3	2.5	3.1
External Balance												
Current Account (% of GDP)	-1.1	-0.7	-1.8	-2.1	-0.9	0.9	-1.2	-2.0	-0.7	-1.3*	-1.0	-1.1
Fiscal Balance												
Fiscal Deficit (% of GDP)	-3.9	-3.5	-3.5	-3.4	-4.6	-9.2	-6.7	-6.4	-5.5	-4.8	-4.4	-4.3
Interest Rates												
Central Bank Rate (%)	6.8	6.3	6.0	6.3	4.4	4.0	4.0	6.5	6.5	6.0	5.3	
10-Year Note (%)	7.5	6.7	7.4	7.4	6.1	6.2	6.8	7.3	7.1	6.6	6.3	
Exchange Rates												
USDINR	66.2	64.9	65.2	69.1	75.5	73.1	75.8	82.2	83.4	85.5	87.5	86.5

		Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25
Fiscal	Gross tax collection (YoY %)	16.9	14.4	35.0	14.0	-15.8	11.9	1.6	10.0	11.1	4.6	19.7	2.8	6.5
Foreign Trade	Export (Rs Bn)	35.3	39.6	35.2	22.8	34.6	34.3	39.0	32.0	37.8	36.3	36.8	42.0	38.5
	Import (Rs Bn)	54.3	62.1	56.7	57.5	64.3	54.0	63.1	63.9	58.5	59.4	51.0	63.5	64.9
	Capital flows (USD bn)	6.6	7.5	9.1	9.1	13.9	16.0	-5.1	-1.5	12.6	-0.6	-2.2	15.4	3.2*
	Forex Reserves (USD bn)	638	652	652	667	684	705	685	658	640	631	639	665	688
Industry	IIP (Index)	147.7	154.6	150.7	149.4	145.7	146.9	150.2	148.1	158	161.6	151.1	166.3	152
	Composite PMI (Index)	61.5	60.5	60.9	60.7	60.7	58.3	59.1	58.6	59.2	57.7	58.8	59.5	59.7
	Cement Production (Index)	192.3	190.6	198.5	174.6	176.5	178.8	187.2	177.0	211.7	219.7	215.2	246.2	205.1
	Steel Production (Index)	210.0	209.7	204.0	205.1	206.1	202.0	212.9	212.9	221.8	228.1	216.8	240.2	216.2
Banking	M3 (YoY, %)	11.3	11.3	10.1	10.4	10.2	10.8	11.5	11.4	9.6	9.9	9.9	9.8	9.4
	Bank Credit (YoY, %)	15.3	16.1	13.8	15.0	15.0	14.4	13.3	13.4	12.5	12.5	12.0	12.1	11.3
	Deposits (YoY, %)	12.7	12.2	10.6	11.0	11.3	12.0	12.2	12.4	10.2	10.6	10.6	10.5	10.5
	Median MCLR (%)	8.9	8.8	8.9	8.9	8.9	9.0	9.0	9.0	9.0	9.0	9.1	9.0	9.0
	CP Issuance (Rs Bn)	4115	4040	4225	4589	4711	3976	4451	4451	4358	4565	4659	4429	5456
	LAF (Rs Bn, Daily Average)	202	-1377	-547	1027	1509	1009	1500	1386	-685	-2036	-1666	-1275	1398
Consumer	Automobile Sales ('000)	2087	1968	1952	1783	2065	2383	2558	1952	1420	1926	1762	2038	1808
	Fuel Consumption (YoY %)	7.8	1.9	2.3	10.7	-3.1	-4.4	4.1	10.6	3.1	2.2	-3.1	-0.9	-0.2
	Air Traffic (YoY %)	2.4	4.4	5.8	7.3	5.7	6.4	8.1	11.9	8.2	11.3	11.1	8.8	8.5
Infrastructure	Electricity production (YoY %)	10.2	13.8	8.6	8.0	-3.7	0.5	2.0	4.4	6.2	2.3	3.6	7.5	1.0
	Port volume (YoY, %)	1.3	3.7	6.8	6.0	6.7	5.9	-3.4	-5.0	4.0	6.1	6.9	13.3	7.0
	Rail Freight (YoY, %)	1.5	3.7	10.1	4.6	0.0	-5.8	1.5	1.2	2.2	4.4	-0.4	3.8	4.5



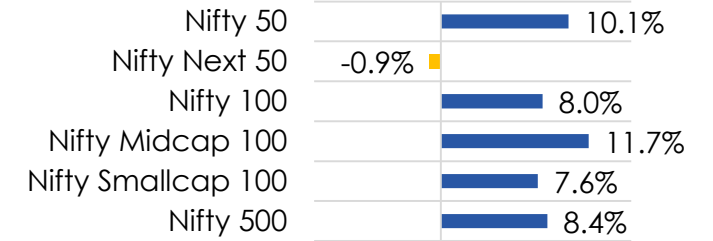
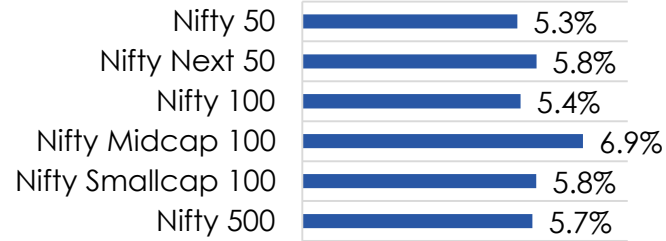
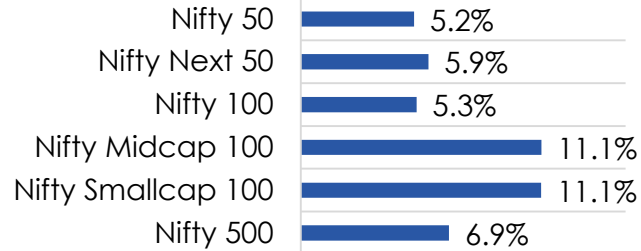
Equity Markets & Valuation

1 Month

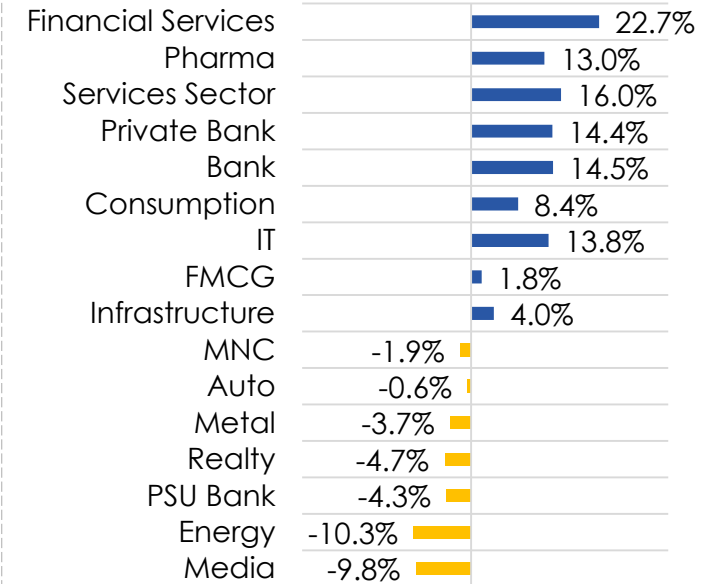
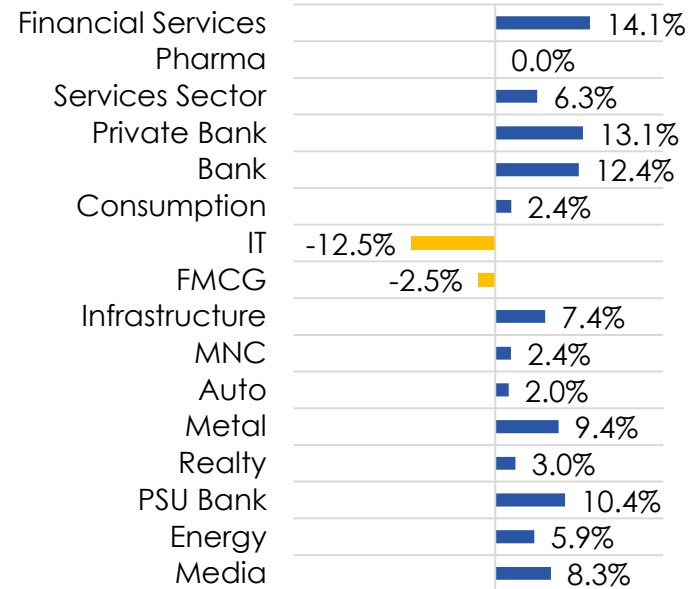
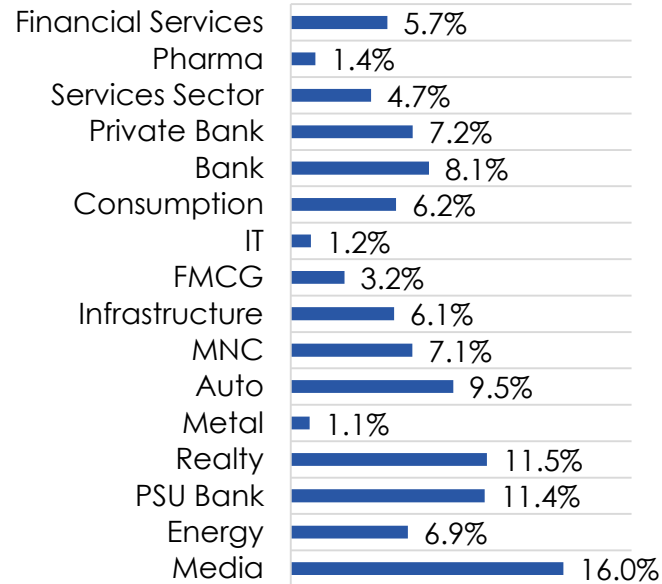
3 Months

1 Year

Broad Market Indices

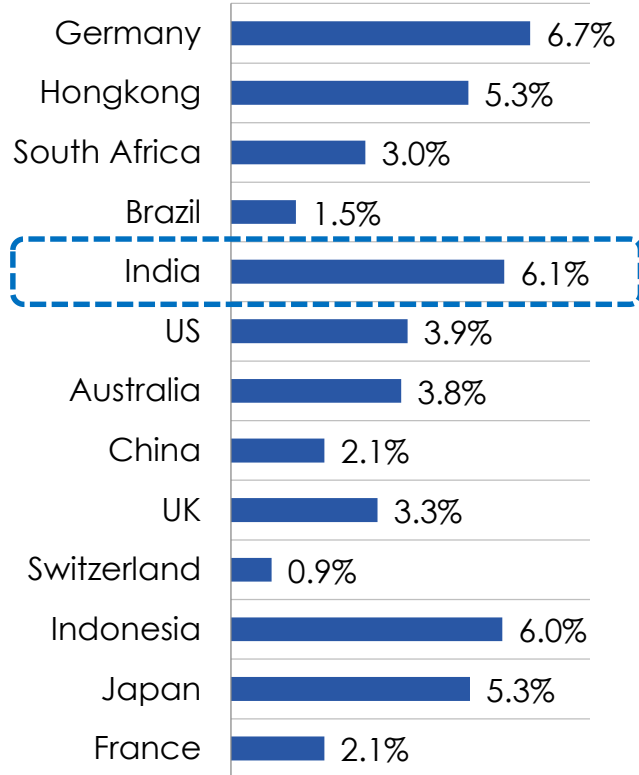


Sectoral/ Thematic Indices

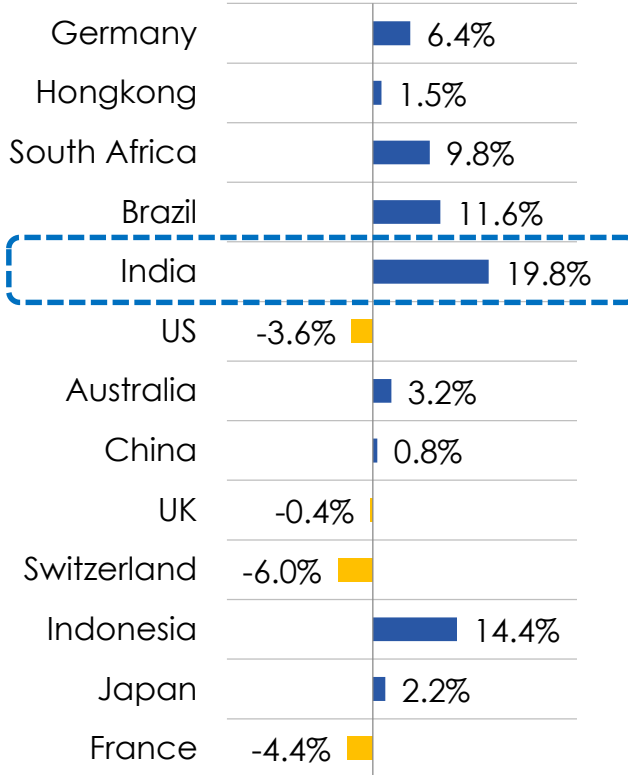


1 Month

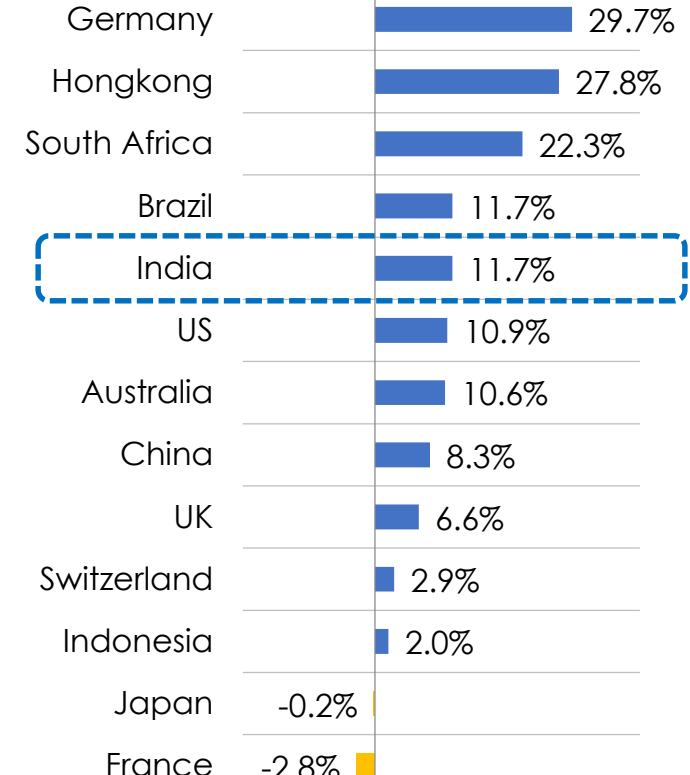
Global Market Indices

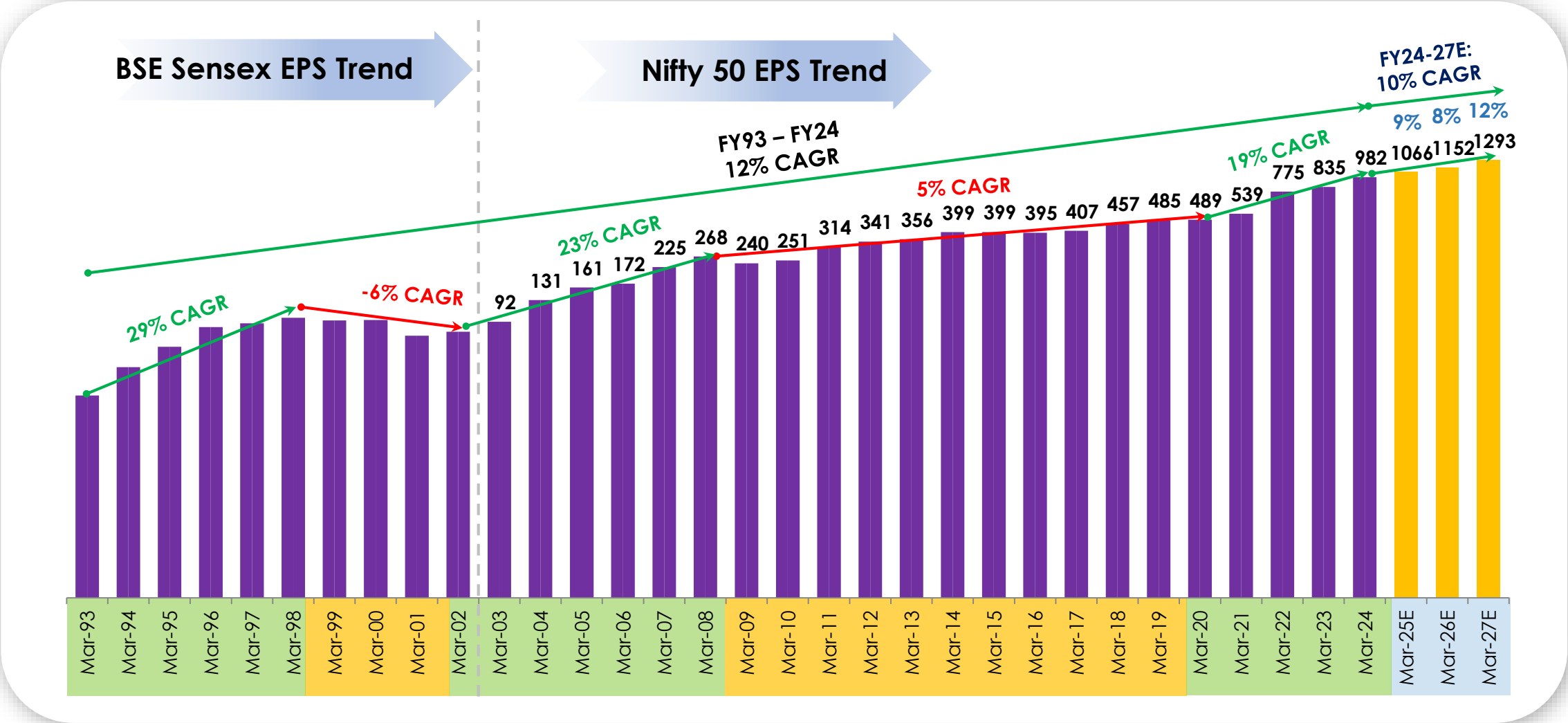


3 Months

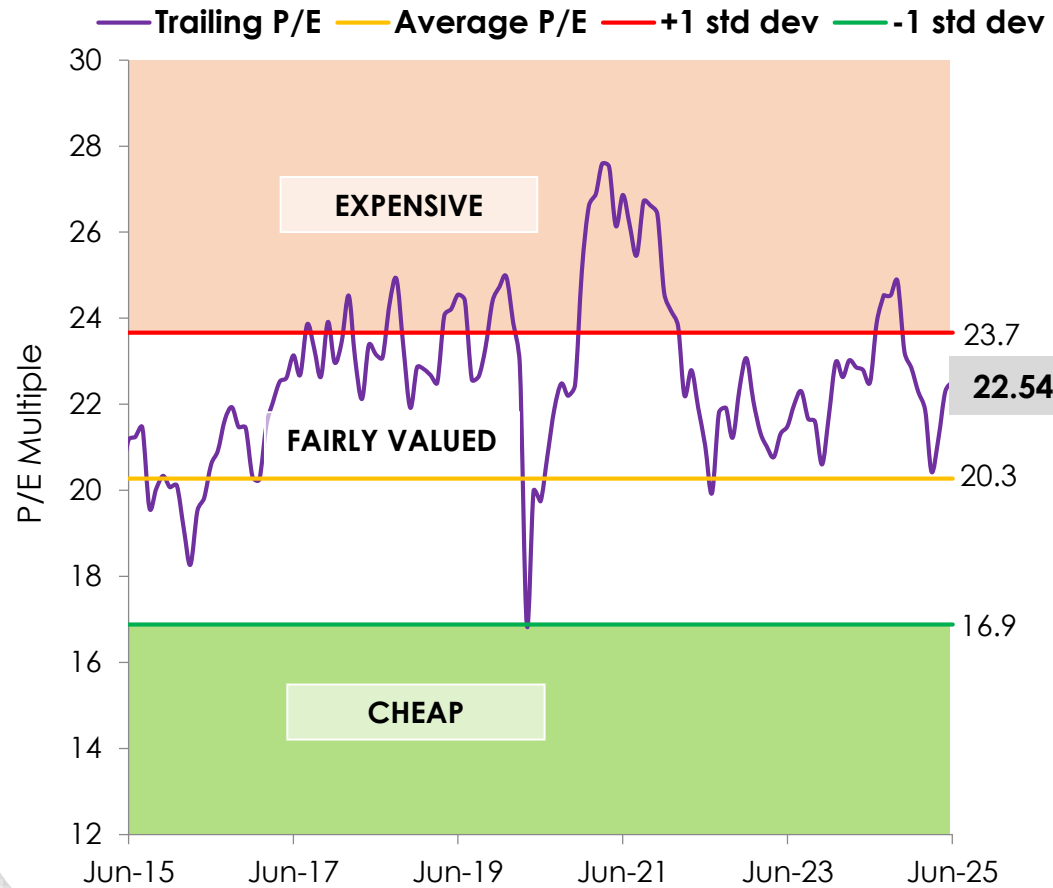


1 Year

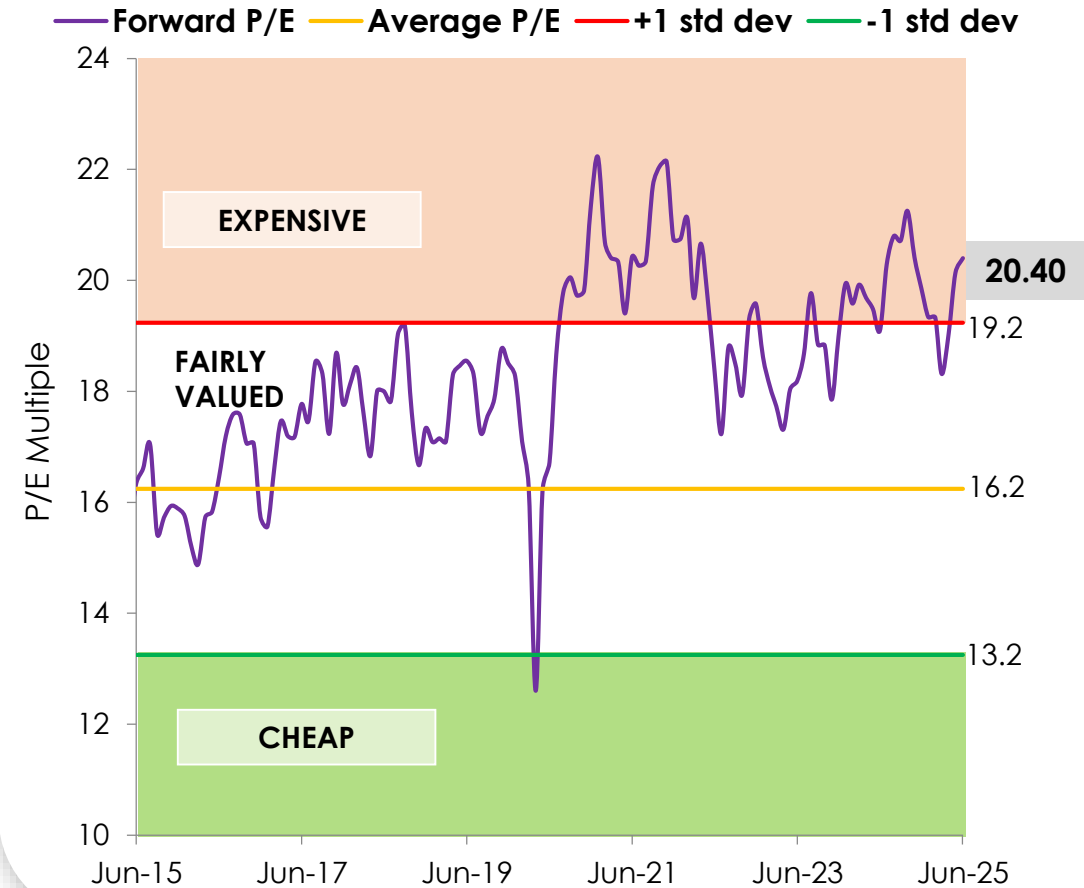




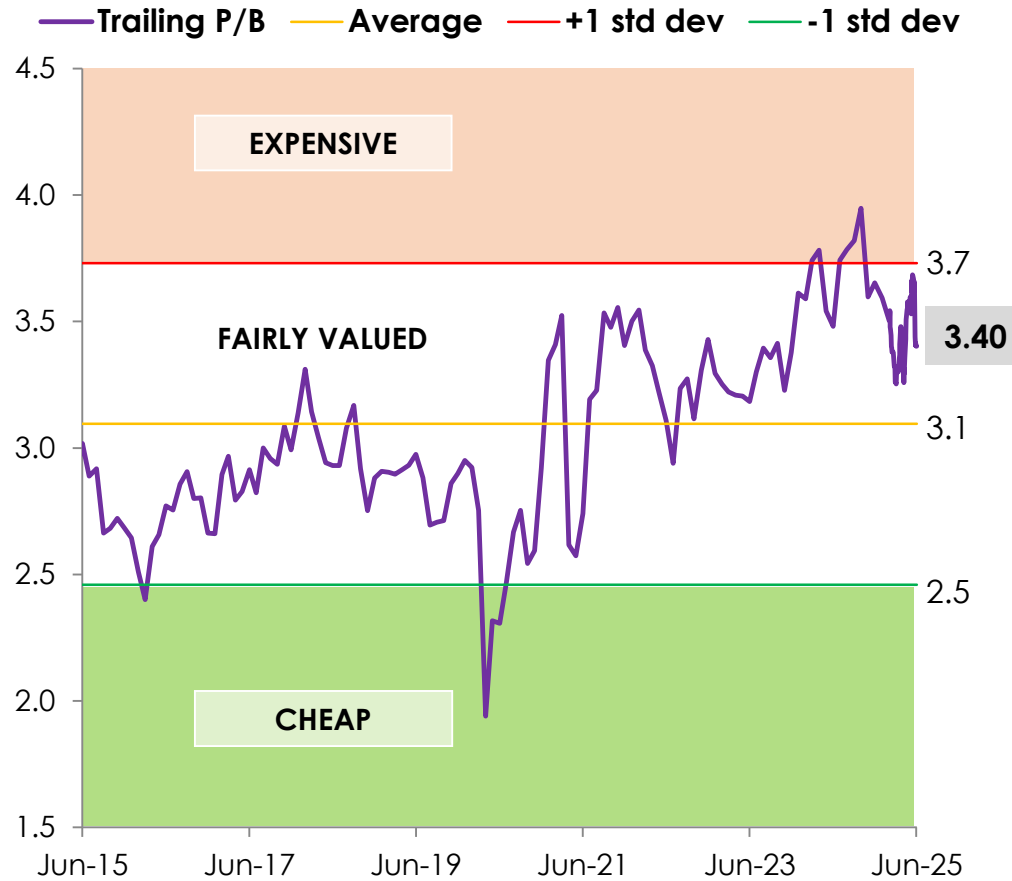
Nifty 50 Trailing P/E



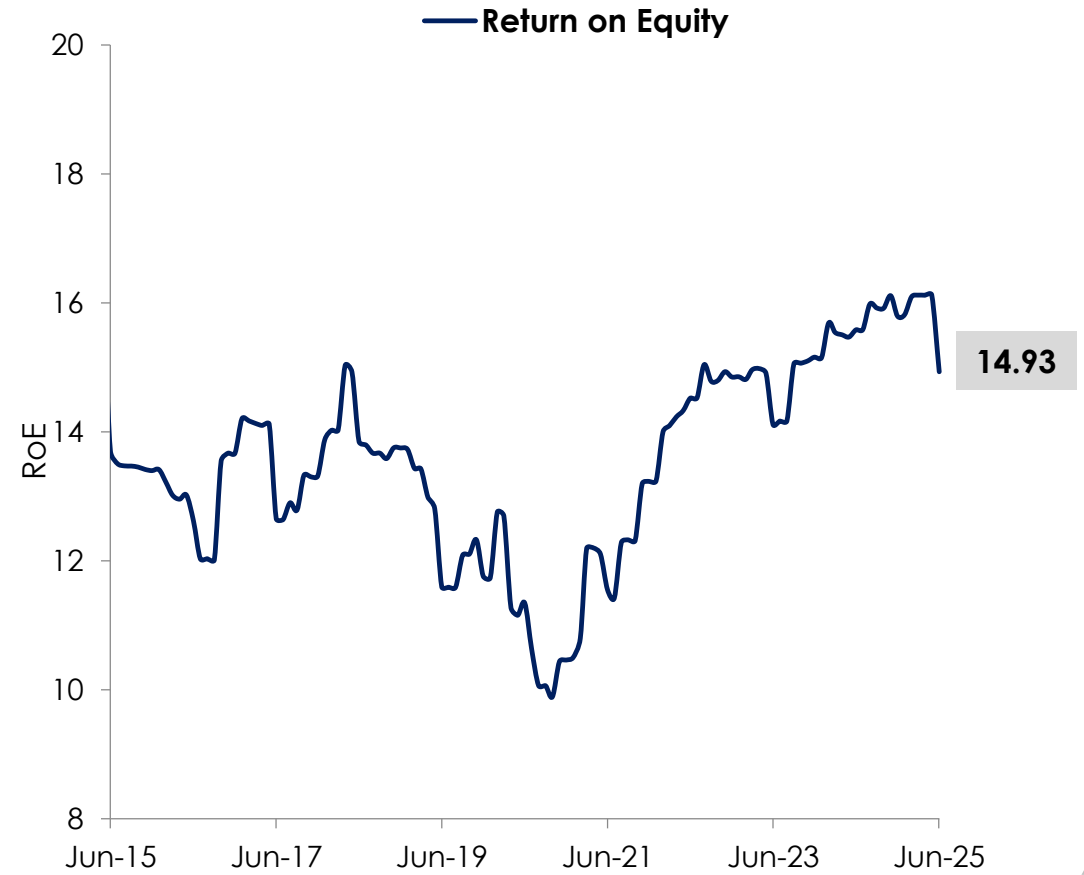
Nifty 50 Forward P/E



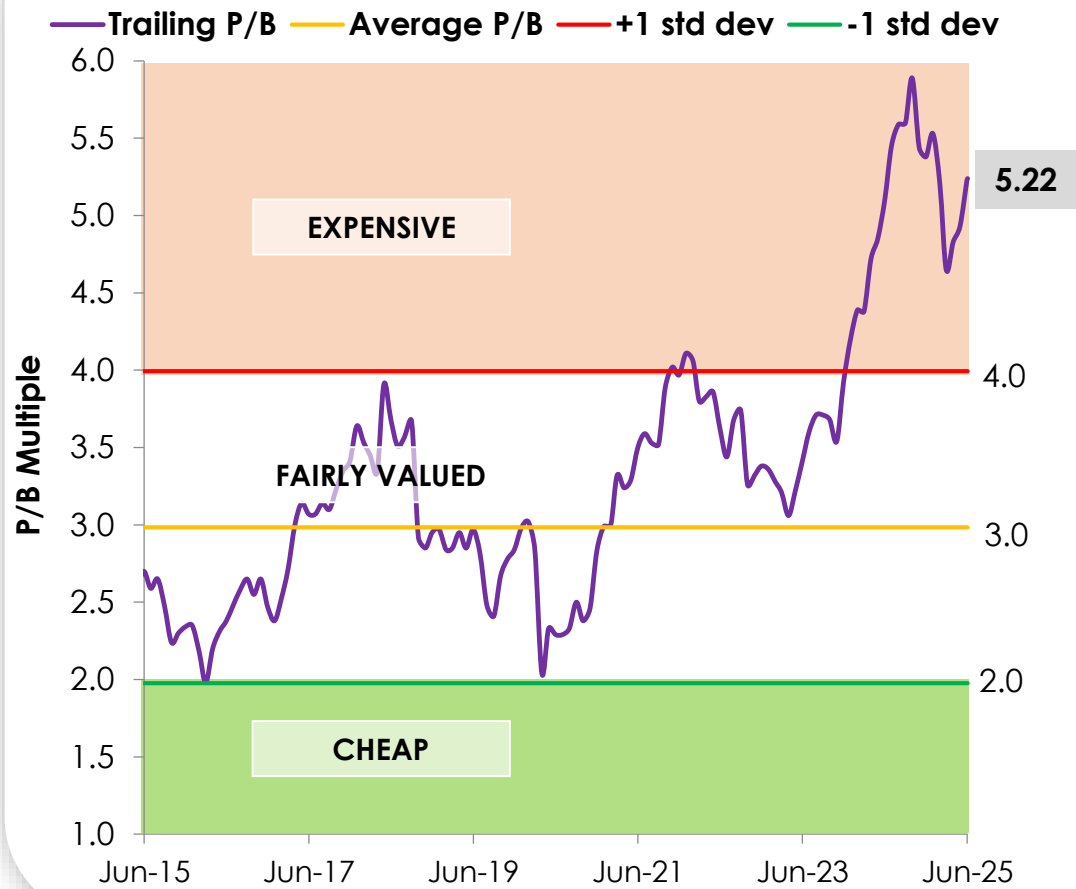
Nifty 50 Trailing P/B



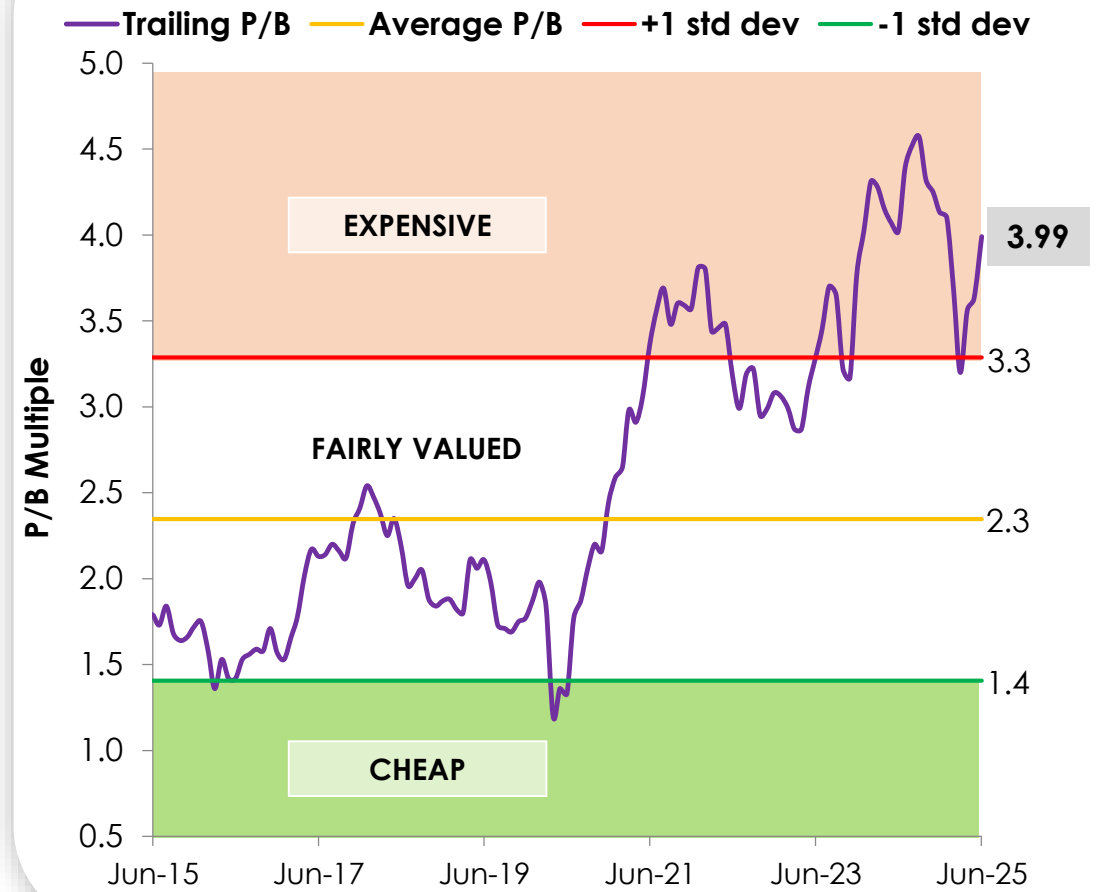
Nifty 50 RoE



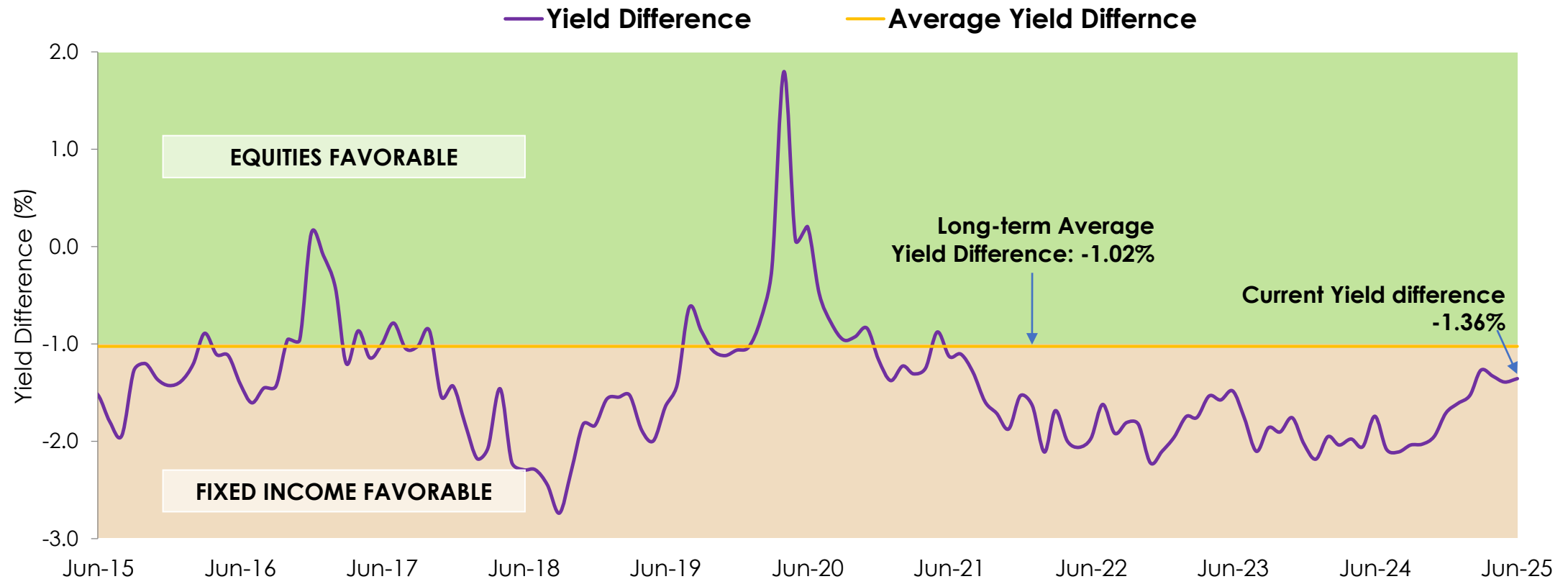
Nifty Midcap 150 Trailing P/B

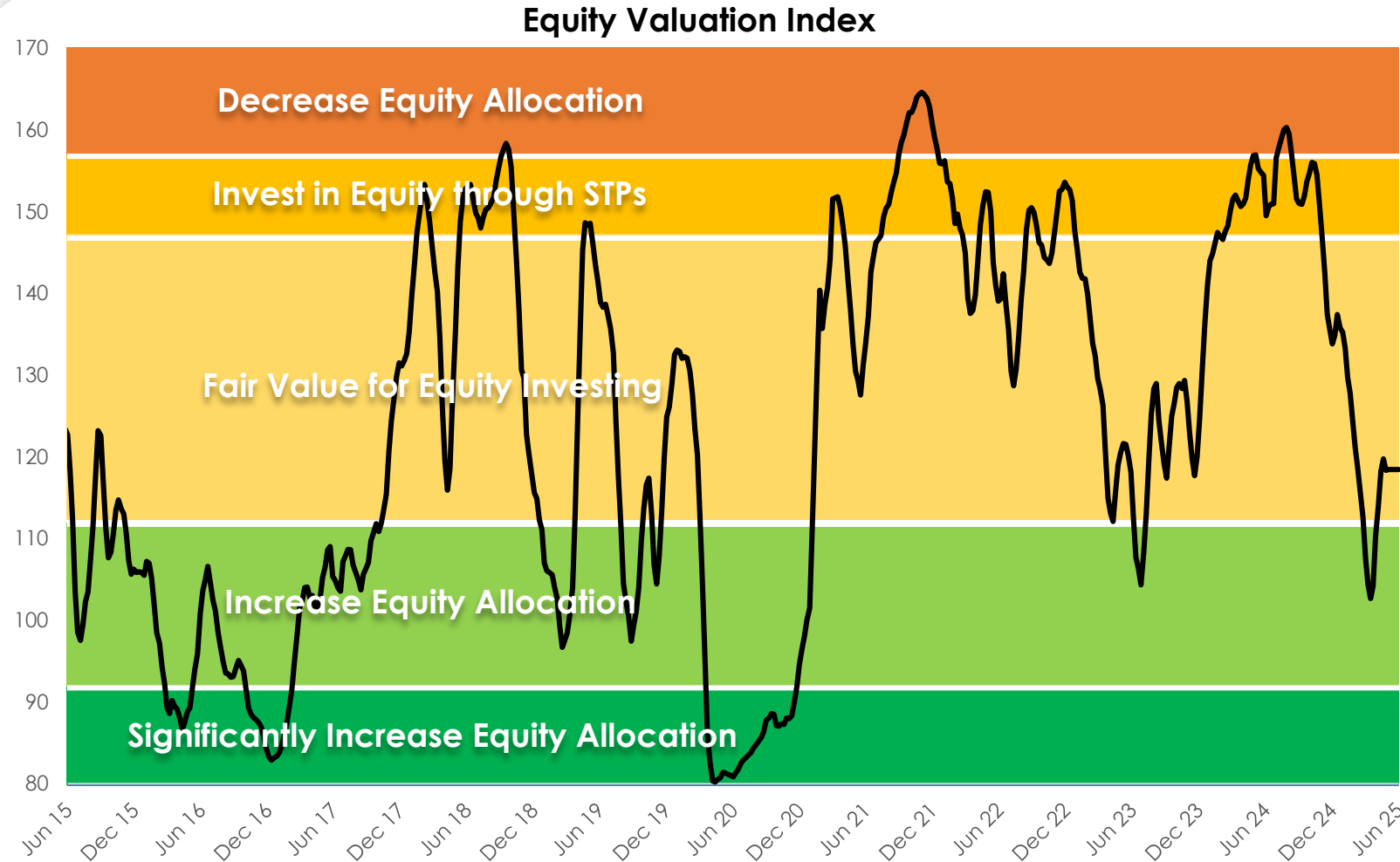


Nifty Smallcap 250 Trailing P/B



Nifty 50 Yield vs 10 Year G-Sec Yield



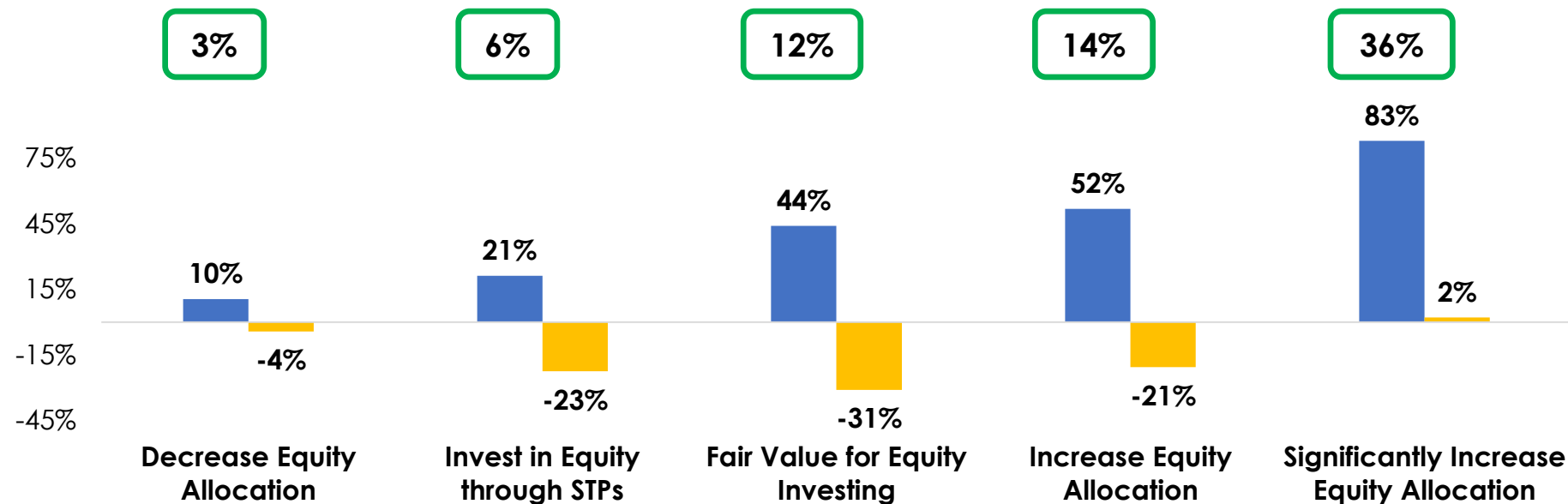


TAKEAWAYS

- ▶ Equity Valuation Index is a guidance for **lumpsum allocations into the equity schemes**
- ▶ Current index level suggests that equity is in fair value zone and investors **can continue with their equity allocations**
- ▶ This valuation framework is generic, and investors should consult with their financial advisers for suitability relative to their financial goals

1-year Forward Returns

■ Max ■ Min □ Average



No./ % of observations	22 / 3%	85 / 13%	241 / 37%	202 / 31%	96 / 15%
% of instances (Negative Return)	36%	12%	20%	6%	0%
% of instances (Return >12%)	0%	20%	54%	57%	95%

Data as of 1/Jun/2025. Equity Valuation Index is a composite mix of Price to Book (PB), 1-year Forward Price to Earnings (PE), Dividend Yield and Yield Gap. It is a proprietary model of UTI AMC Ltd. used for assessing equity market valuations. This index is derived from analysis of the factors from 1/Jan/2012 onwards on a weekly frequency and does not guarantee the return outcome in future.

- Uncertainty regarding tariffs still lingers as negotiations are on with trading partners; expectations are for a tariff rate much lower than initial announcements
- India's GDP numbers have been higher than expectations at 7.4% for 4QFY25 while full year growth was at 6.5%
- Benign inflation has provided room for a surprise upfront sharp 50 bps rate cut by MPC taking total to 100 bps since Feb 2025
- MPC has changed its stance to Neutral; this could signal end of the rate cut cycle
- Sharp 100 bps cut to CRR likely to keep system liquidity comfortable; supportive for credit growth
- Normal Monsoon expectations, sufficient food stock provide comfort on inflation and rural economy
- Our in-house equity valuation index (based on Nifty-50 Index) continues to be in the "**Fair Value for Equity Investing**" zone
- Q4FY25 topline has been in-line with expectations though profits have been higher; however next year (FY26) has seen Consensus EPS cuts
- Asset allocation and risk management should be the focus for investors in the current environment
- Hybrid Funds such as Balanced Advantage, Multi Asset Allocation, Aggressive Hybrid Fund, Equity Savings Fund can be considered for lump-sum investments
- After 4 years of value style outperformance, trend reversal in favour of 'quality-growth style' over 'value' is now visible
- Investors should adopt a staggered approach towards equities – the bias is toward Large caps based on relative valuations

REGISTERED OFFICE: UTI Tower, 'GN' Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051. Phone: 022 6678 6666. UTI Asset Management Company Ltd (Investment Manager for UTI Mutual Fund) Email: invest@uti.co.in. (CIN-L65991MH2002PLC137867). For more information, please contact the nearest UTI Financial Centre or your AMFI/NISM certified Mutual Fund Distributor (MFD) for a copy of the Statement of Additional Information, Scheme Information Document and Key Information Memorandum cum Application Form.

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Thank You