

# RH PMS

## MONTHLY UPDATE

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## WHY TARIFFS ?

TO COUNTER TARIFFS OR TRADE BARRIERS

BRIDGE THE TRADE DEFICIT WITH ROW

BRING MANUFACTURING TO US

INCREASE EMPLOYMENT

## DIRECT IMPACT: LIMITED

### ESTIMATED DIRECT IMPACT OF RECIPROCAL TARIFF ON INDIA'S EXPORTS TO THE US

ANNUAL EXPORTS TO US (USD Bn)	77.5
EXPORTS TO US EXCLUDING PETROLEUM AND PHARMA (USD BN)	63.0
RECIPROCAL TARIFF	27%
IMPACT ADJUSTED FOR FX DEPRECIATION AND ELASTICITY (USD BN)	13-20 Bn (0.3% to 0.5% of GDP)

THERE WILL ALSO BE AN INDIRECT IMPACT ON INDIA AS THE TRADE WAR LOWERS OVERALL GLOBAL TRADE GROWTH AND CREATES UNCERTAINTIES IN THE EXTERNAL ENVIRONMENT.

## TOP 10 ITEMS EXPORTED TO US

NO.	DESCRIPTION	2024 (US \$BN)
1	ELECTRICAL MACHINERY AND EQUIPMENT	14.1
2	PHARMACEUTICAL PRODUCTS	12.5
3	PRECIOUS METALS, PEARLS, PRECIOUS OR SEMIPRECIOUS STONES	11.6
4	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES	6.8
5	ORGANIC CHEMICALS	3.5
6	MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION	3.0
7	MADE-UP TEXTILE ARTICLES, WORN CLOTHING	2.9
8	VEHICLES	2.7
9	ARTICLES OF IRON OR STEEL	2.6
10	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	2.4
<b>TOTAL EXPORTS BY INDIA TO THE US</b>		<b>87.5</b>

# TARIFF IMPACT

## ➤ BAD- SHORT TERM

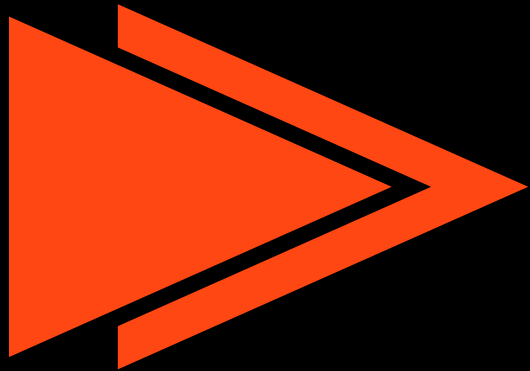
- US RECESSION
- SUPPLY CHAIN DISRUPTION
- SLOWDOWN IN GLOBAL GROWTH
- SECOND ORDER IMPACT- LOWER CAPEX SPENDING TILL UNCERTAINTY IS THERE
- INFLATIONARY PRESSURE
- SECTORS: AUTO/ STEEL/ ENGINEERED GOODS/ FISHERIES

## ➤ GOOD- LONG TERM

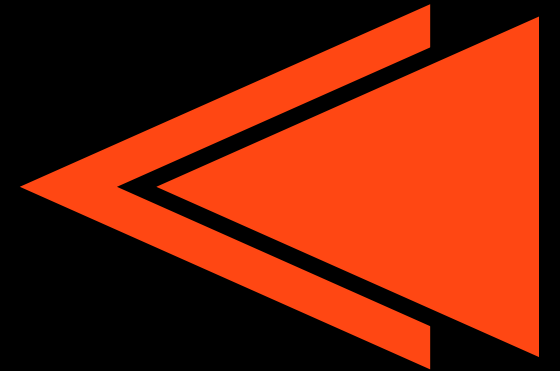
- LOWER TARIFF BARRIERS
- 500BN USD BI-LATERAL TRADES BETWEEN INDIA AND US
- NEW TRADE AGREEMENTS
- EXPORT MARKET SHARE GAIN FROM CHINA (CHINA+1)
- SECTORS: CHEMICAL/ PHARMA/ TEXTILE/ CONTRACT MANUFACTURING/ WIRE & CABLES

## ➤ OUTCOME

- LOW CRUDE
- LOW INTEREST RATE
- LOW DOLLAR INDEX
- LIQUIDITY INJECTION BY CENTRAL BANKS

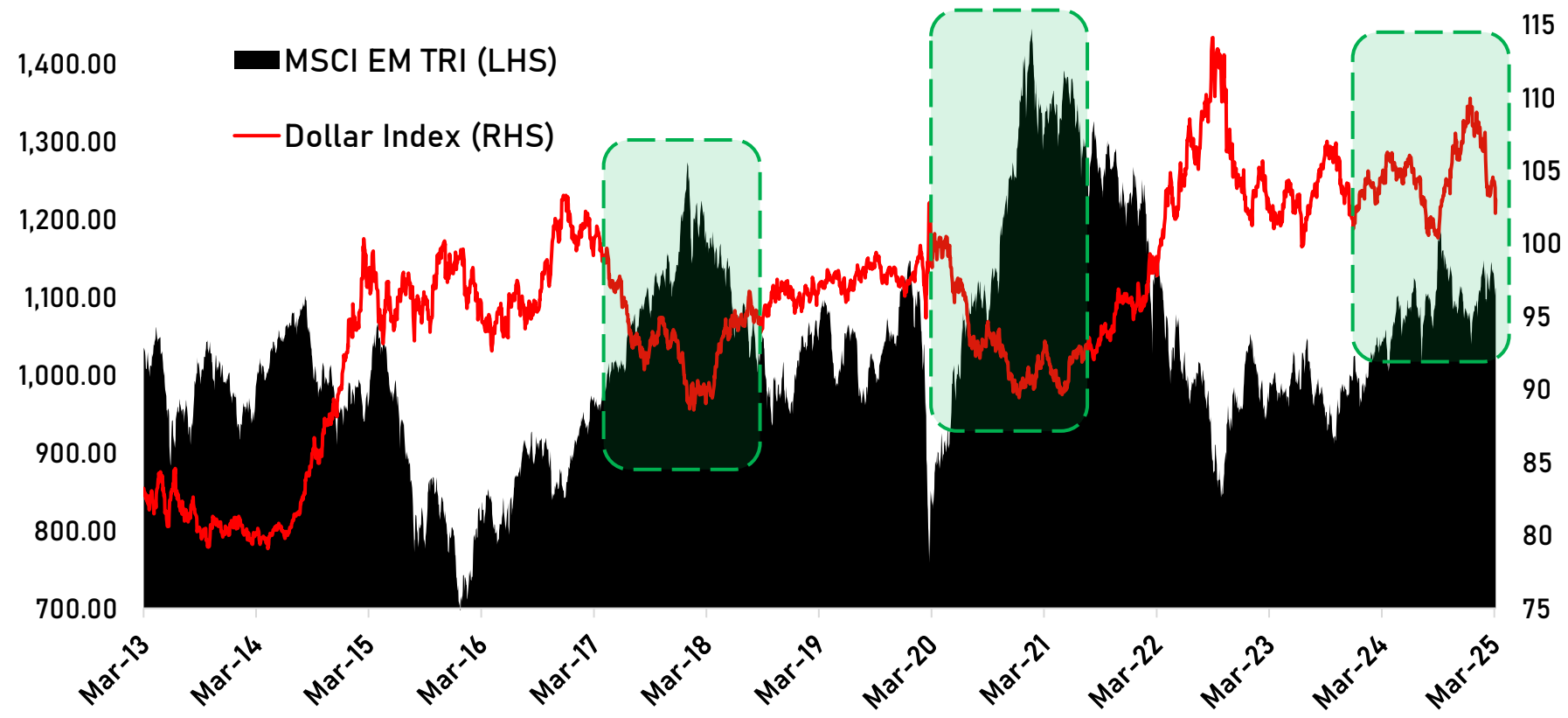


**DOMESTIC  
MARKETS**



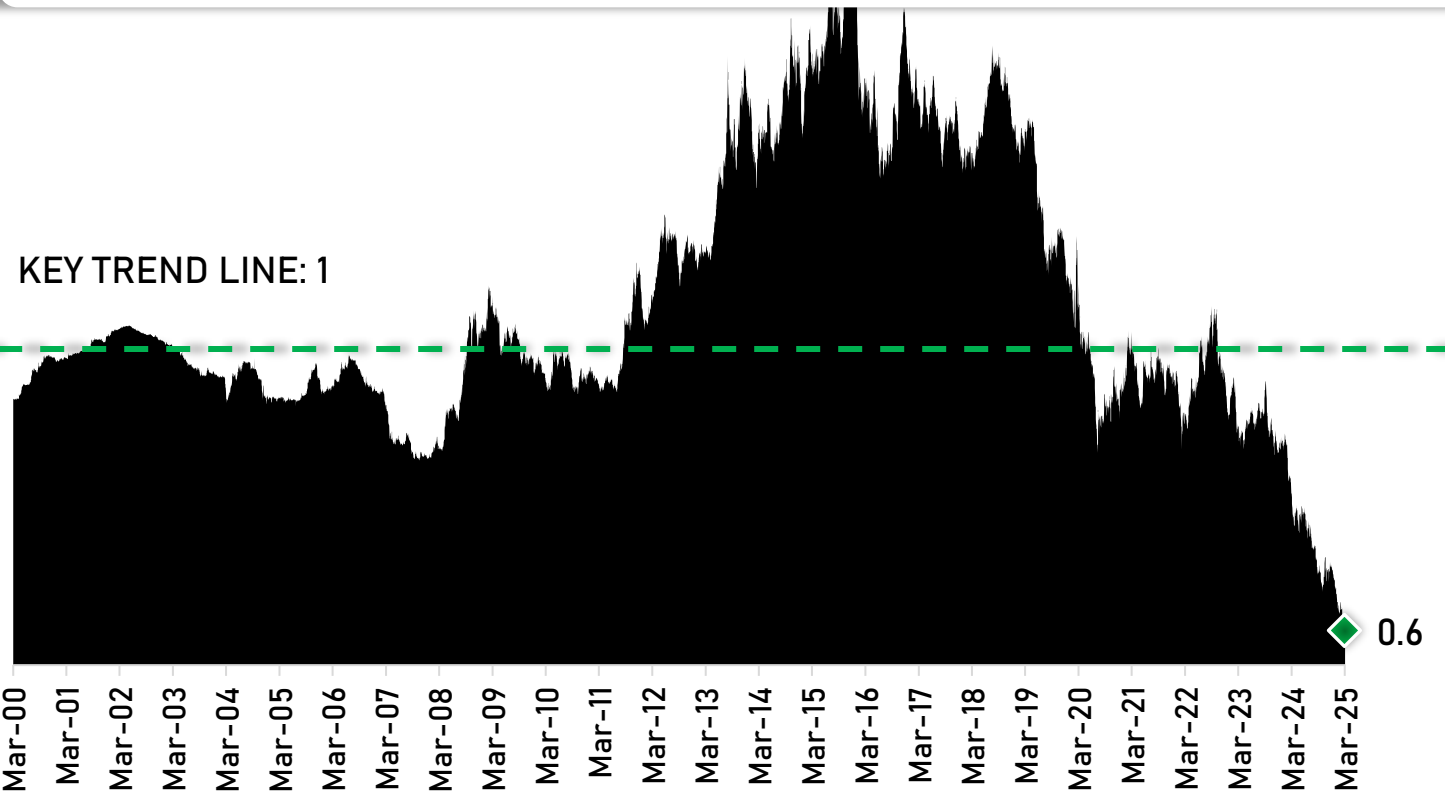
## DOLLAR INDEX VS MSCI EM INDEX TREND

➤ EMERGING MARKETS TEND TO RALLY WHEN THE US DOLLAR WEAKENS, HIGHLIGHTING A STRONG INVERSE CORRELATION.



# SENSEX/GOLD

➤ Sensex/Gold ratio near historic lows (<1) signals relative undervaluation and has historically seen subsequent strong equity returns.



SENSEX/GOLD < 1

AVG 3Y SENSEX  
PERFORMANCE

SENSEX

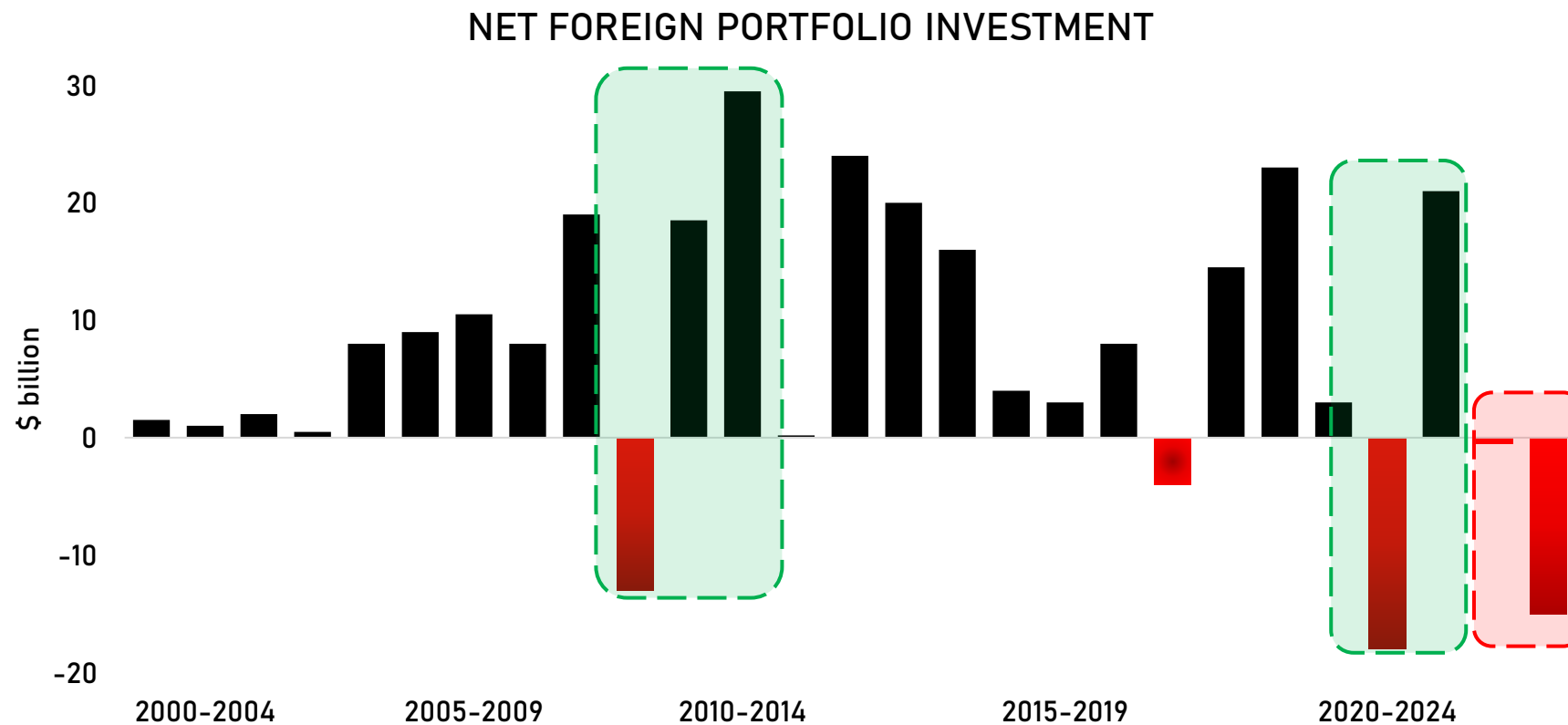
25.78%

\*Returns are absolute



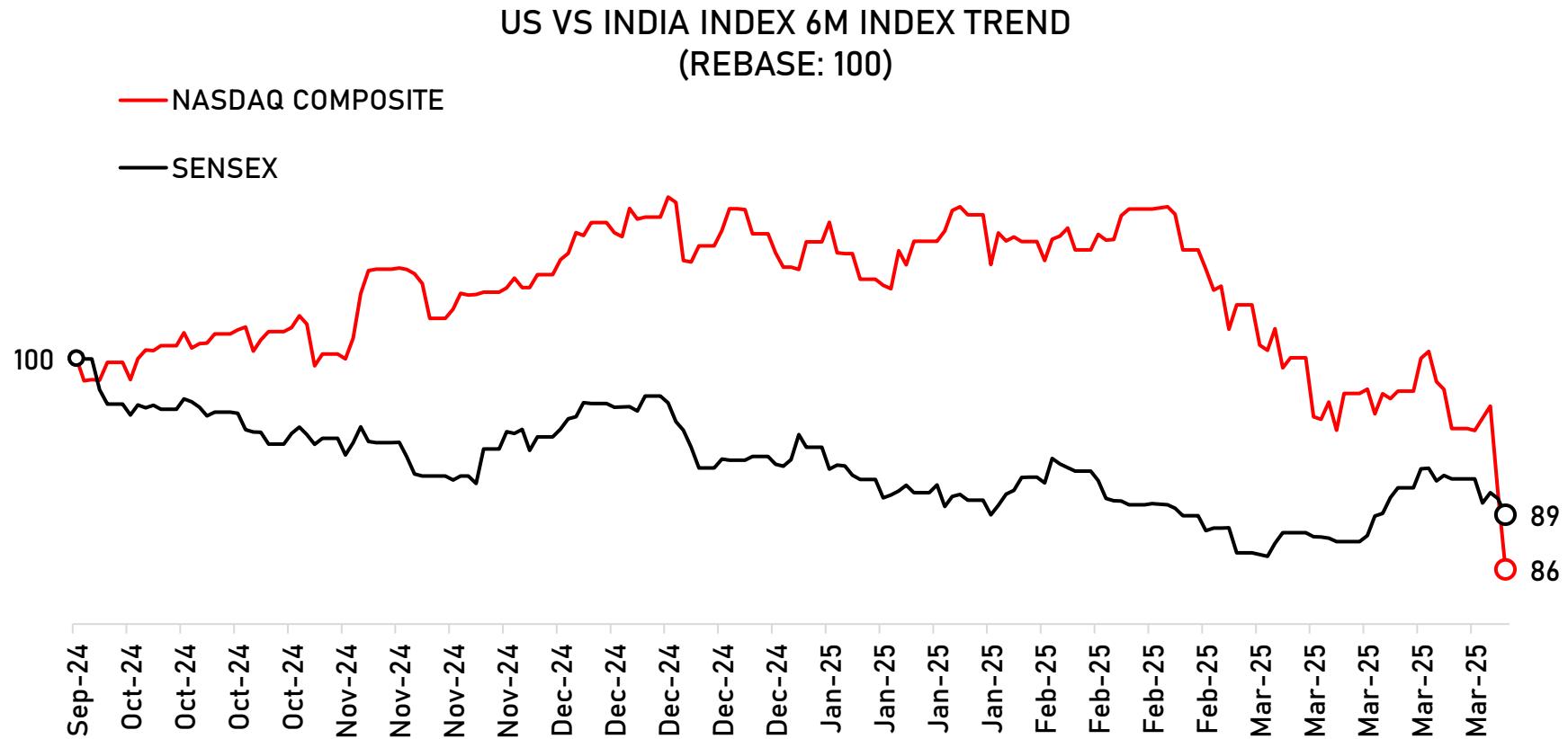
# FOREIGN SELLING OF INDIAN STOCKS APPROACHES RECORD

➤ Foreign portfolio outflows from Indian equities are nearing record levels, echoing past periods that preceded strong market rebounds.



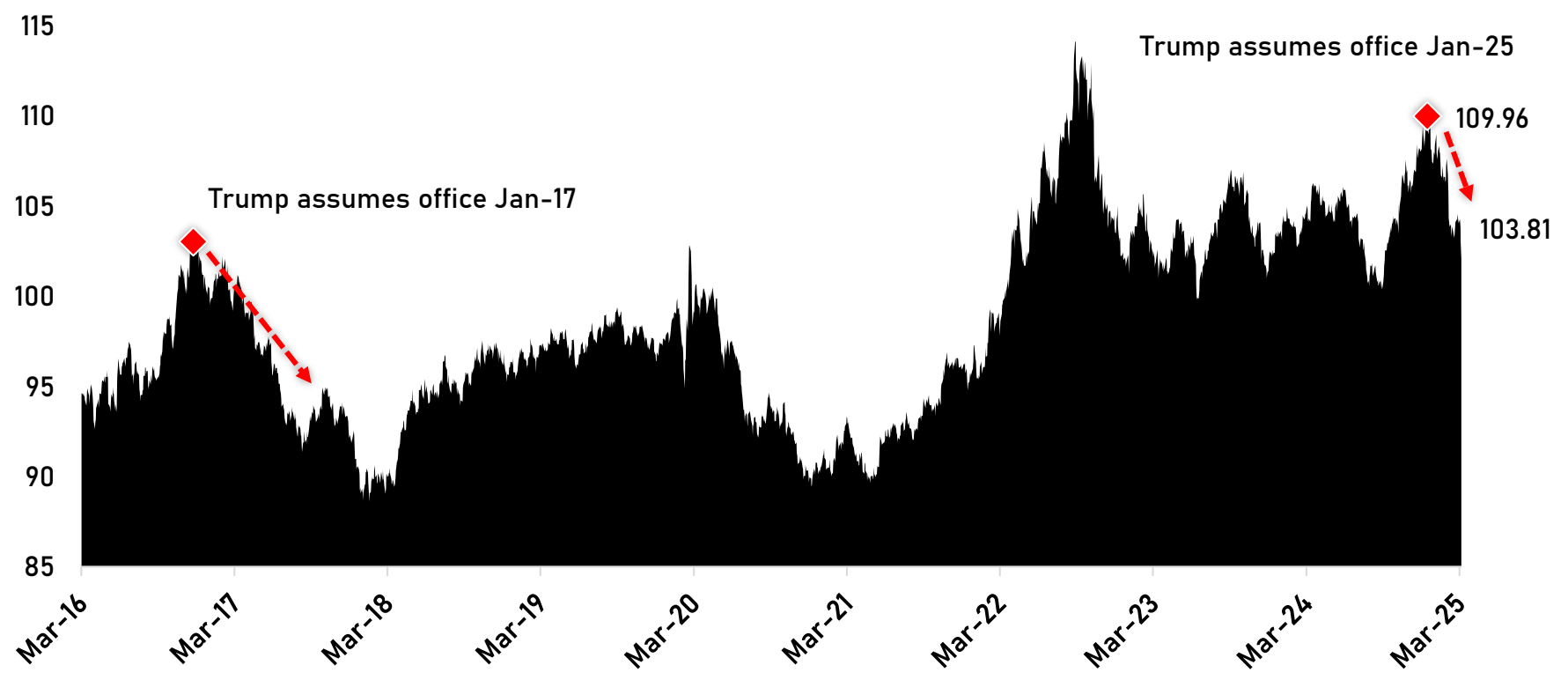
# US Vs INDIA MARKETS 6 MONTHS PERFORMANCE

➤ Over the past 6M, both US and Indian markets have declined, with the Nasdaq down 14% and the Sensex down 11%.



\*Updated as of 4<sup>th</sup> Apr'25

# DOLLAR INDEX



## INDEX VALUATION : TRAILING AND FORWARD

- While large-cap valuations remain below peak, mid and small caps still trade at reasonable levels relative to historical and peak multiples.

### INDEX VALUATION

	LAST 5 YEAR MEDIAN PE	CURRENT PE
Nifty 50	22.7	20.1
Nifty Next 50	25.8	20.2
Nifty Midcap 150	27.5	31.5
Nifty Smallcap 250	29.0	27.6
Nifty Microcap 250	30.3	20.3
Overall Nifty 500	24.8	22.1

### FORWARD VALUATIONS AT PEAK Vs CURRENT VALUATIONS

INDEX	VALUATIONS AT PEAK	CURRENT VALUATIONS
Nifty 50	25x	20x
Nifty Midcap 150	36x	31x
Nifty Small Cap 250	39x	27x

\*Note: Midcap current PE is high due to inclusion of higher PE constituents

Source: Bloomberg  
 \*As of 7<sup>th</sup> Apr'25

## MACRO TAILWINDS

- Strong PMI, easing inflation, robust GST growth, and RBI's liquidity measures signal supportive macro tailwinds for India.

	PMI MANUFACTURING	PMI SERVICES	IIP	CPI INFLATION	GST YoY GROWTH	REPO RATE
Sep'24	56.50	58.90	3.20%	5.49%	6.5%	6.50%
Oct'24	57.50	58.50	3.70%	6.21%	8.9%	6.50%
Nov'24	56.50	59.20	5.00%	5.48%	8.5%	6.50%
Dec'24	56.40	59.30	3.50%	5.22%	7.3%	6.50%
Jan'25	57.70	56.50	5.00%	4.31%	12.3%	6.50%
Feb'25	56.30	59.00	NA	3.61%	9.1%	6.25%
Mar'25	58.10	58.50	NA	NA	9.9%	6.25%

### ➤ LIQUIDITY INFUSION

- Through OMO's ₹12,00,000 crore to provide durable liquidity.
- In addition, the RBI will conduct a 56-day variable rate repo (VRR) auction for ₹50,000 crore to maintain liquidity through the end of the financial year.
- The central bank also announced a \$5 billion dollar-rupee buy-sell swap auction that is expected to inject approximately ₹50,000 crore into the banking system.

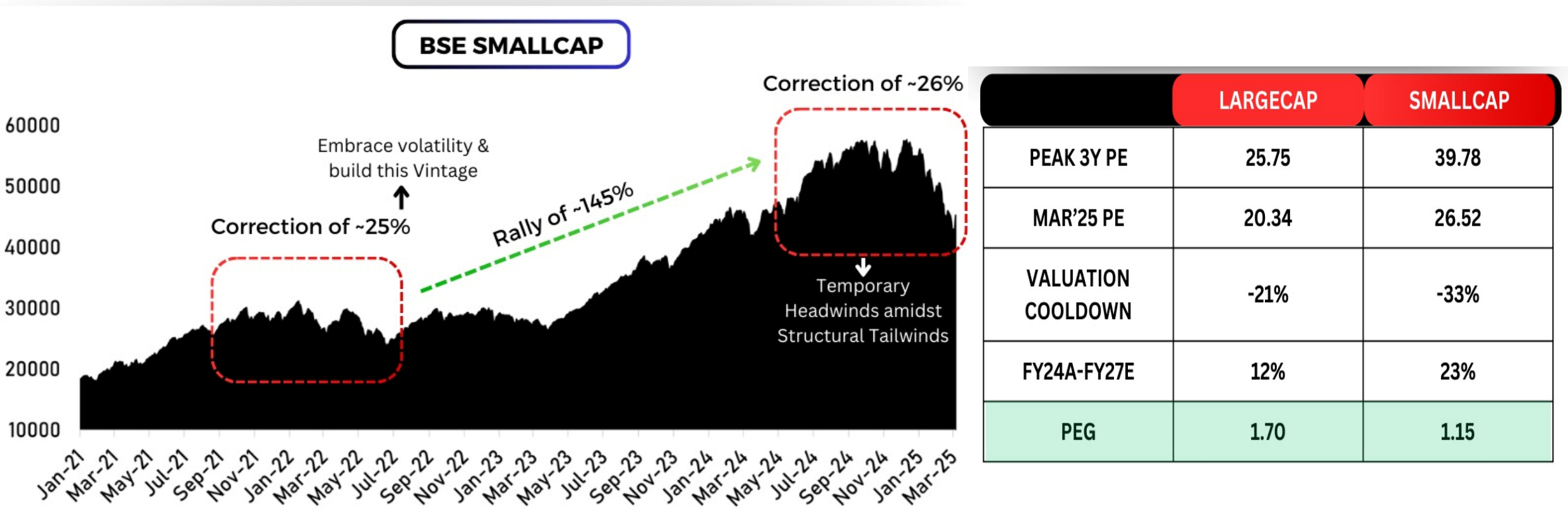
# ECONOMIC RECOVERY UNDERWAY

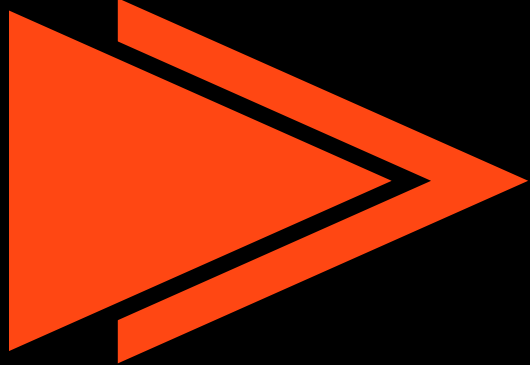
## KEY TRIGGERS

GDP GROWTH	Q3 GDP growth at 6.2% - in line with estimates- GDP made bottom in Q2; Revised GDP guidance of 7.6% in Q4 FY25
GST COLLECTIONS	JAN, FEB & MAR witnessed ~10% growth in GST collection YoY ( two best prints in last 6 months), March and April could see 11-12% growth YoY
CAPEX SPENDING	Jan capex spending was higher 91% YoY and Feb up at around 51%- For next 15 month avg Capex spending at 97K Cr as against 75K Cr for first 9 months of FY25
Q3FY25 EARNINGS	Q3 earnings in line, Q4 may surprise on upside- H1F26 would be double digit growth for india Inc- Valuations are down 20% to 40% across indices, half of BSE 500 stocks are down more than 33%
FISCAL AND MONETARY LOOSENING	FISCAL SUPPORT- Tax break to tax payers; Accelerated capex spending MONETARY SUPPORT- 25 bps rate, RBI injecting 1.9 L Cr liquidity, reduce risk weight from 125% to 100%,
TAILWINDS	Crude under 70 dollar / Dollar Index under 103/ RBI Cuts report rate by 25bps bringing interest rate to 6%

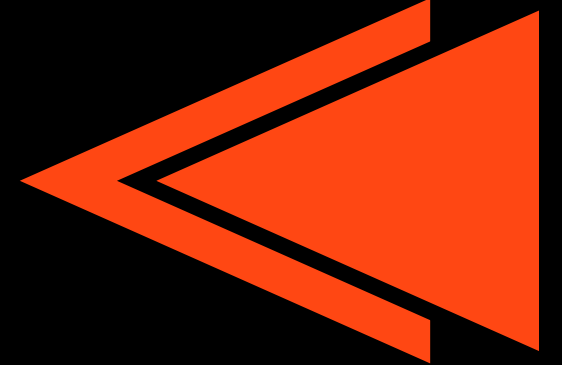
# SMALL CAPS HAVE SUPERIOR PEG

➤ Despite recent corrections, small caps offer stronger earnings growth and more attractive PEG valuations than large caps.





COMPANY  
UPDATE





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## Q4FY25 RESULTS HIGHLIGHTS

### ➤ V2 RETAIL

- **Standalone revenue** for **Q4 FY25** stood at ₹499 crore, a **69% Y-o-Y growth** and for **FY25** reached ₹1,885 crore, showing a remarkable **62% Y-o-Y growth**. This reflects the success of our product-led transformation and agile operations.

### ➤ HARIOM PIPE

- **Total Sales Volume:** o For the Quarter (**Q4FY25**) - Growth of **23% YoY**. For the Year (**FY25**) – **Growth 23% YoY**

### ➤ TRENT

- **Standalone revenue** for **Q4 FY25** stood at ₹4334 crore, a **28.2% Y-o-Y growth** and for **FY25** reached ₹17624 crore, showing a remarkable **39% Y-o-Y growth**.

### ➤ HDFC BANK

- **Gross advances** is up **4.0% QoQ**

### ➤ TITAN

- Titan has reported robust performance across key business segments registering **25% YoY growth** in **Q4FY25**.

### ➤ BAAZAR STYLE RETAIL LTD

- Bazaar Style Retail has reported in **Q4FY25 revenue growth was at 55% YOY** for the **FY25** growth stands at **38%YOY**.

**THANK YOU**

