

ASPECTS



Indian Markets: Overview

Our winter edition summarises the performance of Indian stock markets & movement in important interest rates.

EQUITY MARKETS

Stock market returns for the broader NSE 500 index, an index of the largest 500 stocks by market capitalisation on the national stock exchange, have dipped into negative territory in 2018, reversing some of the gains from previous years.

Returns have varied significantly by sector and even more so for individual stocks, many of which have seen corrections far steeper than the index.

ASPECTS is a
periodic newsletter
discussing finance and the
economy

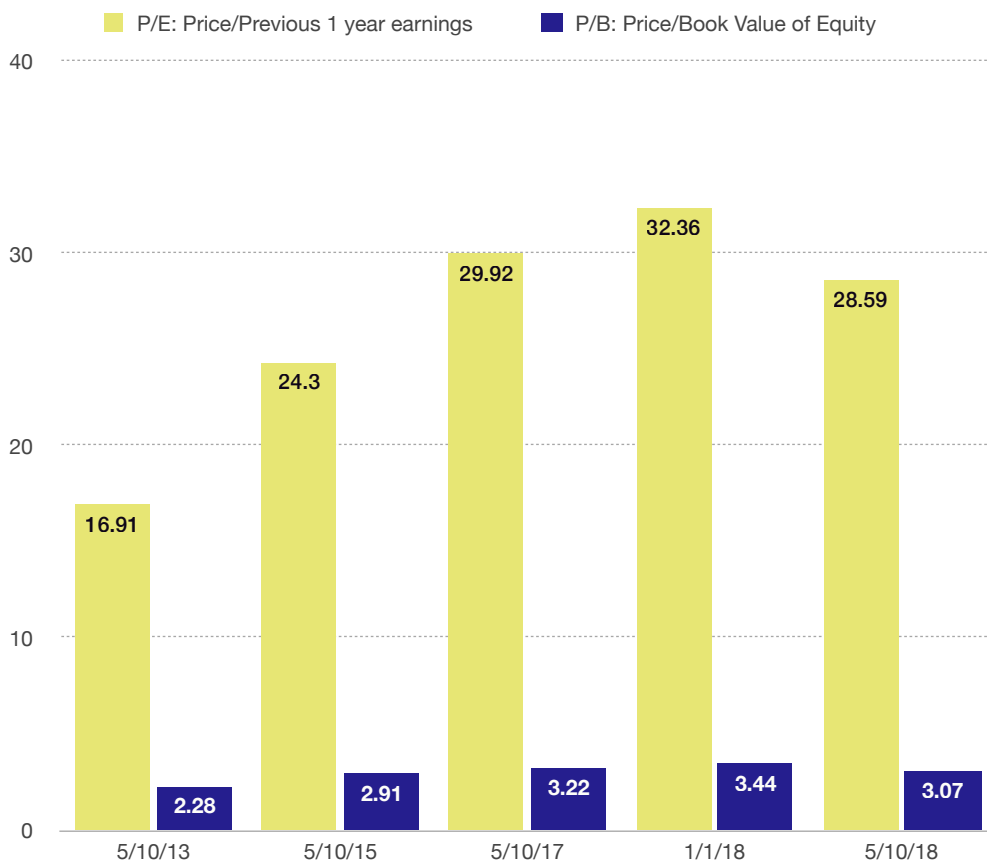
WINTER 2018

Stock Market Returns
Relative Performance
Interest Rates

NSE 500 price only returns, as of 5/10/2018

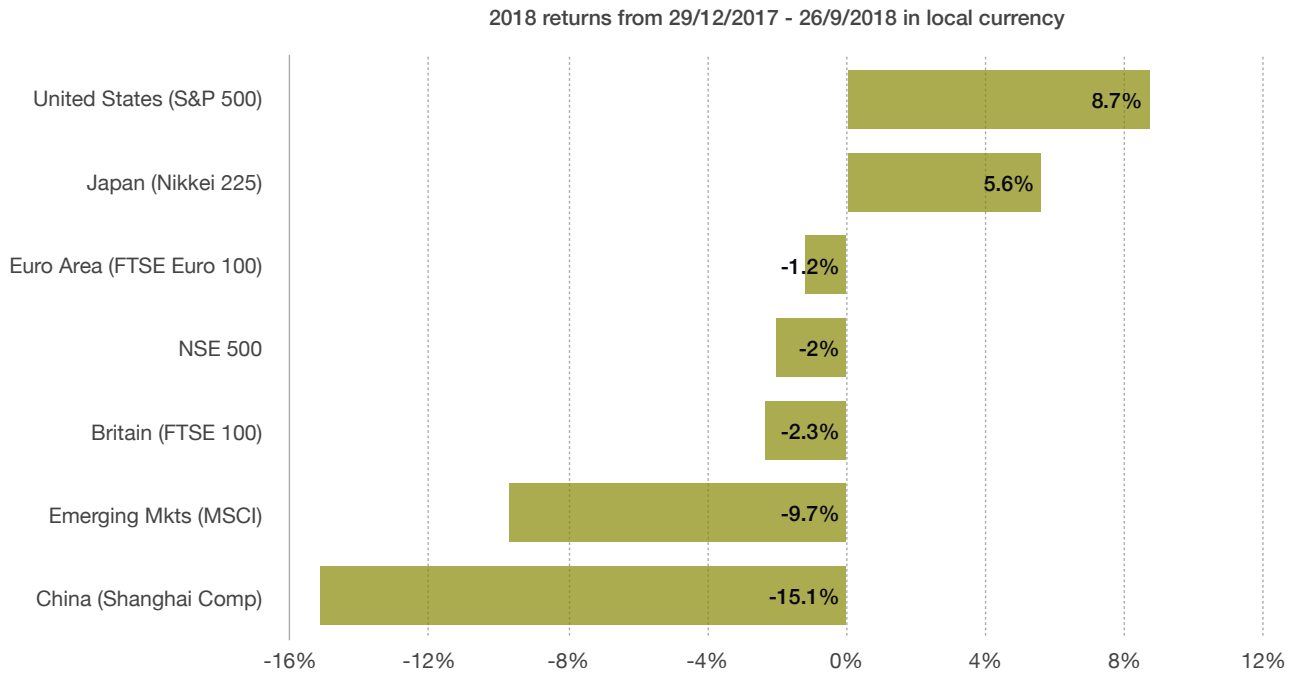
5 year Annualized return	13.81%
3 year Annualized return	8.30%
1 year return	-0.94%
Year to date return, absolute	-8.58%

Index P/E and P/B ratios, important measures of valuation attractiveness, have both edged up over the years



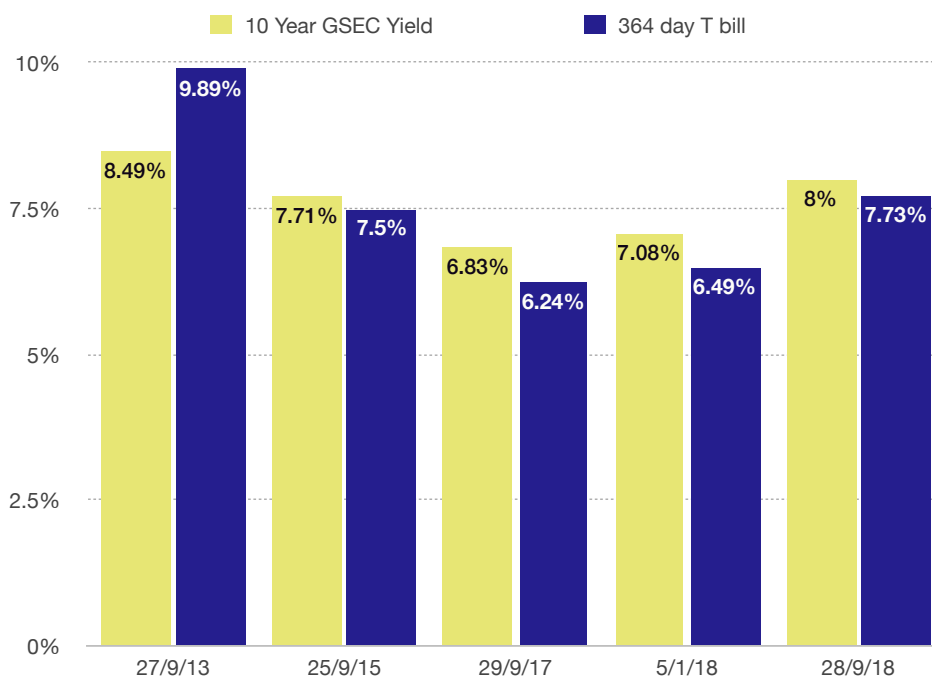
Markets have grown relatively expensive over the last 5 years

Relative to equity markets worldwide, we are perhaps middle of the pack



INTEREST RATES

10 Year Government of India bond (10 Yr GSEC) yields moved up over the last year, after trending down for the previous 3 years. Interest rates on 1 year Government of India borrowings (364 day TBills) also edged up. While specifics could vary from borrower to borrower, FD rates for 1 year maturity would likely have correlated with TBill rates.



While stock market volatility presents opportunities and risks, investors are advised to make investments consistent with their risk appetite and financial plans.

About us

NORTHPLAINS CAPITAL PARTNERS LLP offers business advice and investment solutions for small and medium companies and high net worth individuals. To discuss further, please contact us

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Baseline data sources

www.nse.com

www.rbi.gov

Economist weekly magazine

Visual images

Winter of 2016, The Ridge Shimla. Personal collection

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