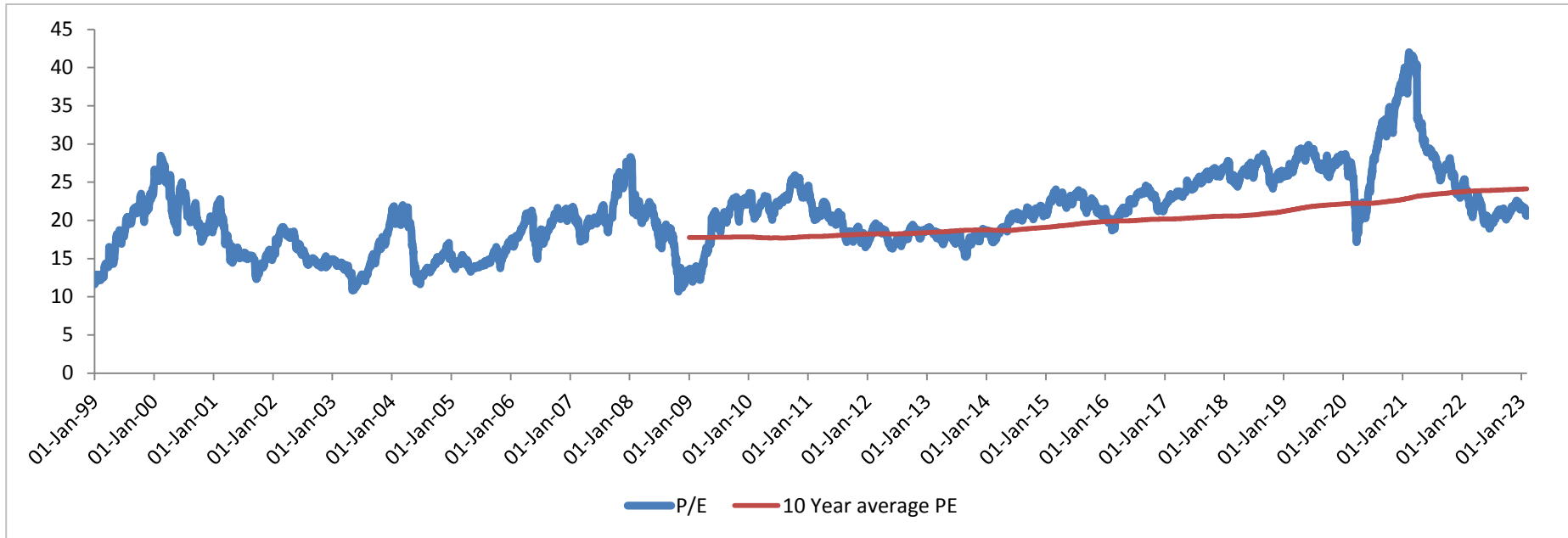




**MFP Market
Report Card As On
04-02-2023**

Nifty Price-Earning(P/E) Ratio

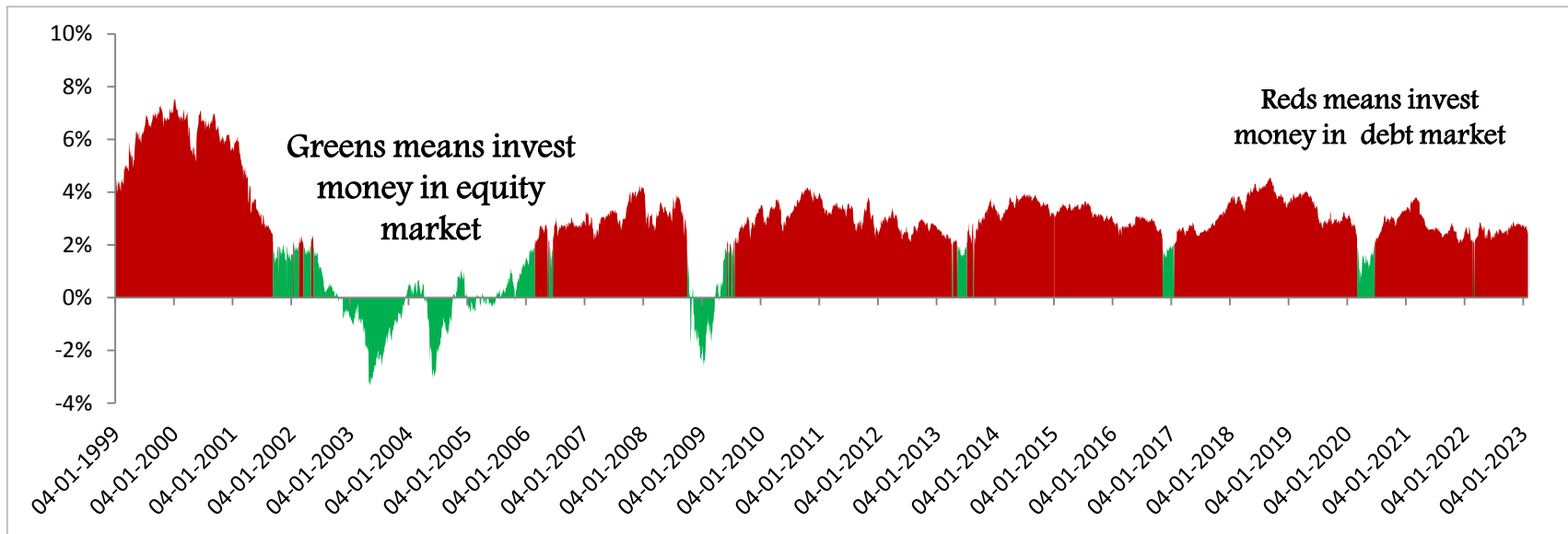


Price to earnings ratio is broadly used to identify how cheap or expensive a particular index or stock. Simply put P/E ratio implies the amount an investor is willing to pay to earn one rupee as profit. For example, if PE ratio of a company is Rs15 it means that investors are willing to pay Rs15 for one rupee profit the company earns.

Nifty PE ratio is important as it is a measure of valuation of all the companies included in Nifty. If the ratio is between 17 and 20, it is considered that the market is fairly valued. Anything above 20 indicates that the market is overpriced, and when it goes below 17, it shows the market is undervalued.

P/E ratio of the NIFTY 50 currently stands at 20.86 which is below its 10 years average but above its fair value zone.

Spread Between 10 Years G-Sec and Nifty Earnings Yield



Earnings Yield

The inverse of the P/E ratio is the earnings yield. That means if the company has an earnings yield of 4.65% then it means that the stock has a P/E ratio of 21 times.

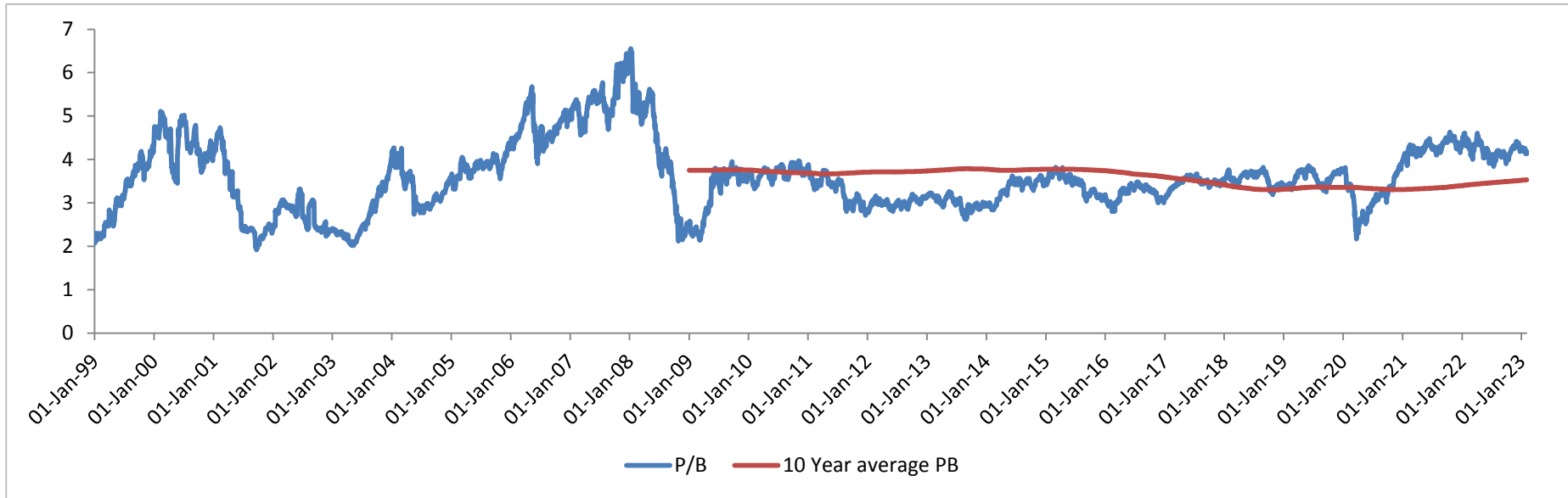
10 Year s Government Security

The 10-years G-Sec yield is the yield that the government pays to investors that purchase the 10 years government bond.
Current 10 years G-sec yield is 7.28%.

Ideally, When earnings yields are higher than the bonds yields than invest money in equity market otherwise invest money in debt market.

Recently, On 24-02-2022 & 07-3-2022 spread between 10 years govt. sec & nifty earnings yield touched equity investment zone/green zone.

Nifty Price to Book Value (P/B) Ratio



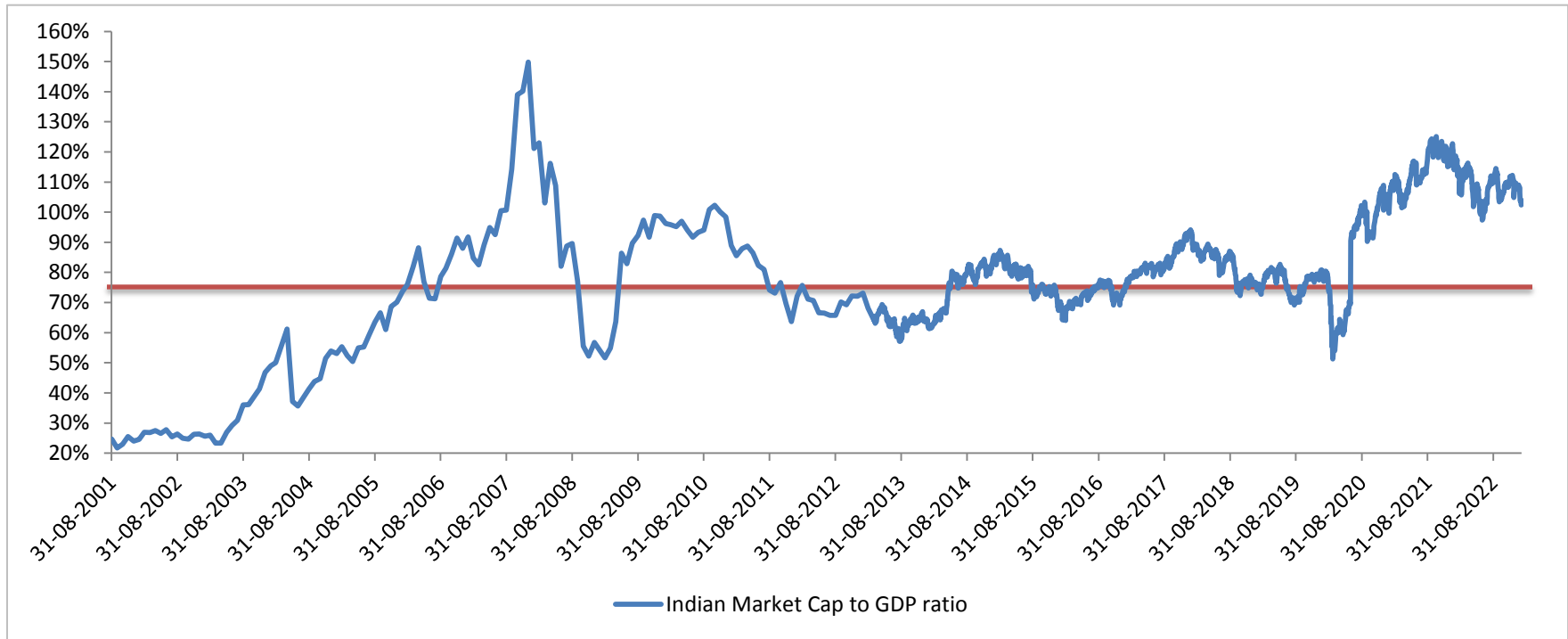
Price to Book Value (PB) ratio is the proportion of assets you own when you buy shares of a company. It is calculated by dividing a company's current market price by its book value. Book value is nothing but a company's assets minus its liabilities.

A P/B ratio of 1 means that the stock price is trading in line with the book value of the company and fairly valued. A company with a high P/B ratio could mean the stock price is overvalued, while a company with a lower P/B could be undervalued.

In addition to stocks, the P/B ratio is calculated for entire stock indexes.

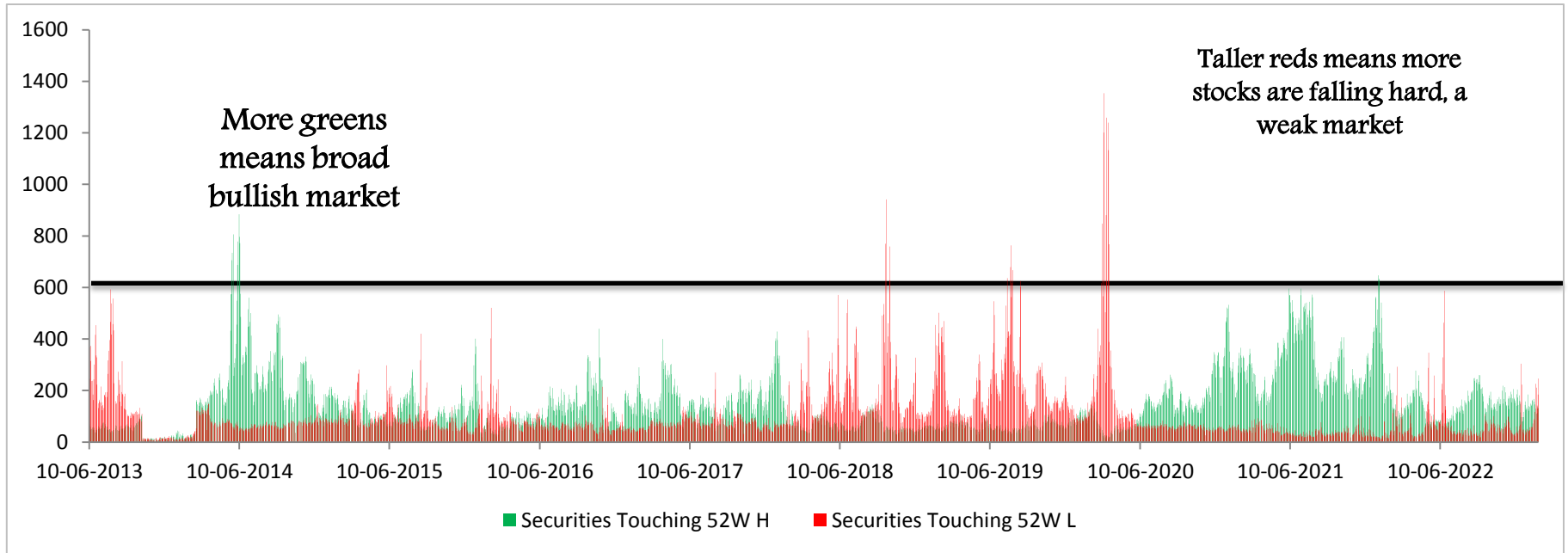
P/B ratio of the NIFTY 50 currently stands at 4.18 which is above its 10 years average and fair value zone.

Indian Market cap to GDP Ratio



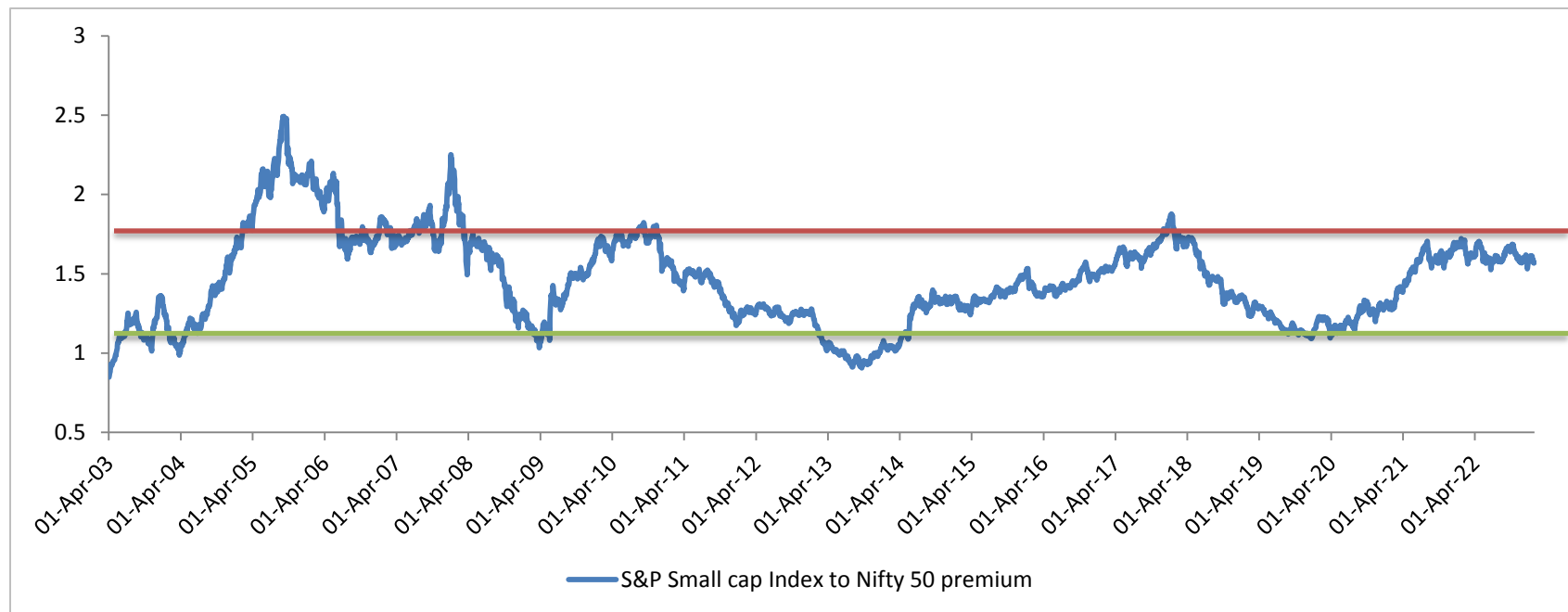
The Market Cap to GDP Ratio is a measure of the total value of all publicly-traded stocks in a country, divided by that country's Gross Domestic Product (GDP). It is used as a broad way of assessing whether the country's stock market is overvalued or undervalued, compared to a historical average. If the ratio is between 75% and 100%, it is considered that the market is fairly valued. Anything above 100% indicates that the market is overpriced, and when it goes below 75, it shows the market is undervalued. **India's market cap to GDP ratio as on 04-02-2023 is 103%, which indicates that the market is overvalued.**

Securities Touching 52 Week High & 52 Week Low



If more stocks hitting new 52 week high steadily as a sign of on going uptrend. If stock indices are hitting new highs with very few stocks rising, it's generally a sign of weakness. When more stocks participate in the uptrend it reflects stronger underlying risk appetite and possibly better fundamentals if supported by broad earnings growth. The post pandemic rally has characterized by more stocks rising together. **In last one week, no. of stocks hitting 52 week low increased and no. of stocks hitting 52 week high decreased but we need to wait for making any conclusion.**

S&P BSE Small cap Index to Nifty 50 premium



BSE small cap denotes the bottom 15% of the total market cap of the S&P BSE All cap. The index is designed to represent the small cap segment of India's stock market. It has no limit on number of stocks. This is the absolute kachara index of India. Whenever this index perform really well against Nifty 50, it shows rally in broader market.

So if BSE Small cap index premium to Nifty 50 moves above 1.7, it is time to reduce allocation towards equity and when it goes below 1.2, than increase exposure towards small cap in portfolio.

BSE Small cap index premium to Nifty 50 currently stands at 1.56 which means no new exposure towards small cap & watch existing equity exposure carefully.

Indian Market Summary

"Markets can remain irrational longer than you can remain solvent." –John Maynard Keynes

| Valuation Indicator | Current Ratio | Ideal Ratio | Market Valuations Zone |
|--|--|--------------|-----------------------------------|
| Nifty 50 PE Ratio | 20.86 | 17-20 | Overvalued |
| Spread Between 10 Year G-Sec and Nifty Earning Yield | 2.48% | Less than 2% | Overvalued |
| Nifty Price to Book Value | 4.18 | 3-3.50 | Overvalued |
| Market Capitalisation to GDP | 103% | 75% | Overvalued |
| S&P BSE Small cap Index to Nifty 50 premium | 1.56 | 1.1-1.2 | No new exposure towards small cap |
| Securities Touching 52 Week High & 52 Week Low | No . of stocks hitting 52 week low increased and no. of stocks hitting 52 week high decreased but we need to wait for making any conclusion. | | |
| Momentum Analysis | As per MFP Momentum indicator market still is in upward low momentum zone. | | |

World Market Performance

| Index | Market | Performance as on 04-02-2023 | | | | | |
|-------------|-----------|------------------------------|---------------|----------------|----------------|----------------|----------------|
| | | 6 Months Return | 1 Year Return | 2 Years Return | 3 Years Return | 5 Years Return | 7 Years Return |
| Nifty 50 | India | 3% | 4% | 9% | 14% | 11% | 12% |
| Gold in INR | India | 12% | 19% | 9% | 11% | 13% | 12% |
| Gold in USD | US | 7% | 1% | 5% | 8% | 7% | 6% |
| DJIA | US | 4% | -4% | 4% | 5% | 7% | 11% |
| Nasdaq | US | -4% | -14% | -6% | 9% | 12% | 16% |
| Hang Seng | Hong Kong | 9% | -8% | -12% | -9% | -6% | 0% |
| Nikkei 225 | Japan | -1% | 3% | -2% | 6% | 4% | 5% |

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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Thank
You