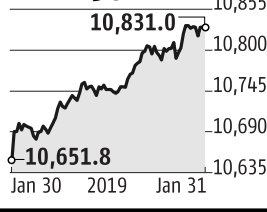
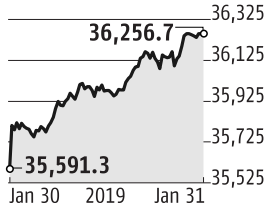


American central bank's move comes amid slowing global growth; leads to buying across European, Asian equities

The US central bank was widely expected to



Gainers	BSE price in ₹	
	Jan 31	% chg*
Axis Bank	723.00	4.60
Tata Motors	181.30	4.00
Tata Mot-DVR	93.80	3.60
Infosys	749.60	3.40
Reliance Inds	1,227.10	2.70
<b>Losers</b>		
YES Bank	194.30	-2.60
HCL Techno	1,005.20	-1.20
Bajaj Fin	2,570.40	-1.00
ICICI Bank	364.30	-0.30
Coal India	225.20	-0.10

\* Change over previous day      Source: Bloomberg  
 Compiled by BS Research Bureau

\* Change over previous day      Source: Bloomberg  
Compiled by BS Research Bureau

be on a rate-hike path this year. While Fed Chairman Jerome Powell didn't say what next rate move would be, he said, "The case of raising interest rates has weakened somewhat."

“The Fed’s first meeting of 2019 proved to be an eventful one, with the FOMC delivering a meaningfully dovish statement, while, at the same time, taking a step towards an early end to

The chart shows the price of Silver in ₹/Kg. The y-axis ranges from 38,00 to 40,40 in increments of 80. The x-axis shows dates from Jan 1 to Jan 31. The price starts at 38,240 on Jan 1, fluctuates, and ends at 40,285 on Jan 31.

Date	Price (₹/Kg)
Jan 1	38,240
Jan 31	40,285

The price of silver hit a 7-month high. The metal was underperforming gold for quite some time, but analysts now expect it to make more gains following the overall rally in base metals and bullion. The strong performance of silver is due to the sudden spurt in industrial and consumer demand

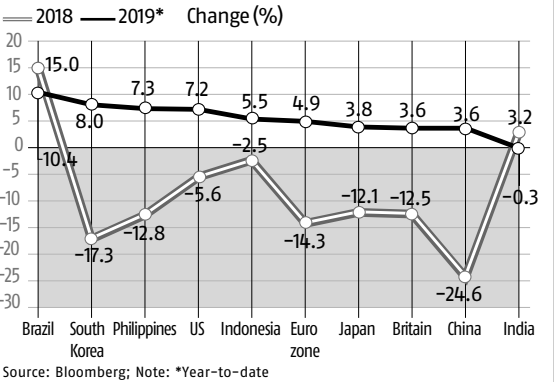
# TSI P15

## WHY THE STREET RE-RATED AXIS BANK & ICICI BANK



India, one of the best-performing markets in 2018, missed the rally in global markets in January. The MSCI Asia Pacific Index has gone up 5.5 per cent and the MSCI Emerging Market (EM) Index has gained close to 10 per cent in January.

## Indian equities missed the global rally in January on account of domestic concerns



In comparison, the

In comparison, the benchmark Nifty has lost 0.3 per cent, making it one of the worst-performing markets for the month. The rebound in global markets comes after a rout in the December quarter, amid rising global trade tensions and slowing global economic growth.

Stability in the US market and rising commodity prices have fuelled gains in global equities over the past few

weeks. However, domestic concerns, including weak earnings growth, have weighed on the performance of domestic markets. Liquidity concerns following the crisis at IL&FS and media group Zee have added to the negative sentiment, particularly in the mid-cap space. Both the NSE Midcap 100 and Smallcap 100 indices fell 5 per cent in January.

## SAMIE MODAK

A more difficult first half might precede a stronger second half for Indian equities, **ABHIRAM ELESWARAPU**, head (India equity research), BNP Paribas, tells **Ashley Coutinho** in an interview. A volatile currency and unpredictable politics could remain concerns. Edited excerpts:

To us, 2019 appears a story of two halves for Indian equities; a more difficult first half might precede a stronger second half. India is rated 'neutral' in our Asia ex-Japan model portfolio. We have a 40,000 year-end Sensex target, which presents about a 12 per cent upside, though we expect most of this to play out in the second half.



growth of 12 per cent in 2018-19, followed by a sharp pick-up to over 21 per cent growth in 2019-20, which carries a risk of being too optimistic.

In the long term, we are sector or market-cap agnostic and focus more on a methodical bottom-up approach to stock picking that has so far served us well, despite volatile markets. Our process emphasises firms with proven competitive advantages and quality of earnings, with the aim of picking winners across sectors. Several mid- and small-cap names across sectors feature in our recommendation lists. Our current positive recommendations include select private banks, non-banking financial institutions and insurance, consumer discretionary, energy and tech sectors.

Yes, we expect corporate earnings to improve gradually. Much of this is predicted on the back of continued policy reform domestically, asset quality improvement at banks, the interest rate cycle pausing and recovery in corporate capex. All these factors are opportunities and earnings drivers but also present risks if they do not pan out as expected.

*More on [business-standard.com](http://business-standard.com)*

Mid-cap and especially small-cap valuations have certainly corrected from the highs of last year. The mid-cap index, however, still at similar valuations as the Nifty, small-caps are well below the historical levels. Some of these stocks have for good reason, whereas others have been unfairly penalised and, present buying opportunities.

## Q&A

The Nifty trades at about 17 times its estimated one-year forward earnings and 2.5 times the price-to-book (P/B), slightly above historical levels. This is not egregiously expensive on an absolute basis but more expensive than the usual relative to Asian peers. This valuation is also based on the consensus forecasts that are calling for Nifty earnings

## Weak aluminium prices take shine off Vedanta's show

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The ₹1,641-crore initial public offering (IPO) of Chalet Hotels received subscription of 1.58 times on Thursday, the final day of the offer. The IPO saw bids for 64.8 million shares, against the 41 million on offer.

The portion reserved for institutional investors was subscribed 4.6 times, and the high networth individuals (HNI) portion subscribed 1.1 times. The retail investors' portion was subscribed just 2 per cent. Experts said the lukewarm response underscores the weak sentiment towards the primary market. Chalet Hotels was the first major IPO to hit the market in nearly four months. Since October, firms and bankers resisted from launching IPOs.

**SUNDAR SETHURAMAN**

Investors on Thursday gave a miss to the offer for sale (OFS) in L&T Technology Services, with the retail portion getting 2.33 per cent subscription. On Wednesday, the portion for institutional investors, too, had seen subscription of just 57 per cent. People in the know said there was investor demand at a lower price. The company, however, decided to price the share sale aggressively. Parent Larsen and Toubro was looking to offload nearly 5.6 million shares (5.38 per cent stake) at ₹1,601 apiece. The share sale, however, received just 1.55 million bids. If fully subscribed, L&T would have raised ₹900 crore. Instead, it will now end up getting less than ₹250 crore.

**SUNDAR SETHURAMAN**



# SOLITAIRE PRICE INDEX

1<sup>st</sup> February, 2019

**4,217\***


**0.34% ↑**

Over last Month

**15.82% ↑**

Over last Year

Nationwide Standard & Transparent Pricing since 2006. Published on the 1<sup>st</sup> of every month.



\*This is an average of Divine Solitaires Price List

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[illegible]