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SHAREKHAN SPECIAL

Sharekhan Diwali Picks

Dear Investors,

Samvat 2078 has not been kind to investors and it seems like a roller-coaster ride. So, it's no surprise that it has been one of the toughest and most volatile on record. There are many factors that have attributed to the volatility, such as a higher global inflationary environment, geopolitical tensions, liquidity tightening by central banks and the consequent slowing down in all major economies globally.

In that context, our Diwali Picks 2021 basket, which was a mix of both large-caps and mid-caps, once again convincingly outperformed the CNX Nifty index and CNX Midcap index with a 3.6% return versus a -6.5% return in the Nifty and -2.3% return in the midcap index. Over the past seven years, our Diwali Picks have outperformed the Nifty for six out of the seven years, which is quite a feat.

Stepping into Samvat 2079, there is certainly the potential for more volatility in the near term given global uncertainties. Nevertheless, Indian equities offer an attractive opportunity for investors on the back of growing conviction on a multi-year economic upcycle in India. Corporate earnings are also likely to sustain the healthy momentum seen in the past eight consecutive quarters. Despite the potential global slowdown, Nifty earnings are estimated to clock a decent 15% CAGR over FY22-FY24E, while an over 20% earnings growth is expected in BSE 200 over the same period.

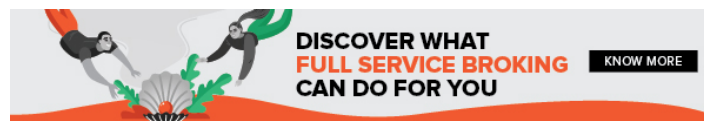
This year, we have handpicked a balanced portfolio of 15 high-quality stocks largely based on the theme of leveraging on domestic upcycle and consumption play.

We remain constructive on equity as an asset class and more so on the India growth story. We advise investors use the market volatility to construct a quality portfolio for long-term wealth creation.

Successful investing is all about time, discipline and patience – Warren Buffet

Wish you a Very Happy Diwali and a Prosperous New Year!

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