

Driving forces behind Nifty reaching its All Time High

June 2023



With Nifty closing at its all time high, a deep dive into its driving forces reveals interesting trends...

~18,500 level

Closing at its all-time high of 18,857, Nifty has reached 18,500 thrice in the past 24 months – Oct'21, Dec'22 and Jun'23

Nifty took ~200 days to reach 18,500 levels in Jun'23 from its previous high in Dec'22; v/s ~410 days between its prior high in Oct'21 to Dec'22

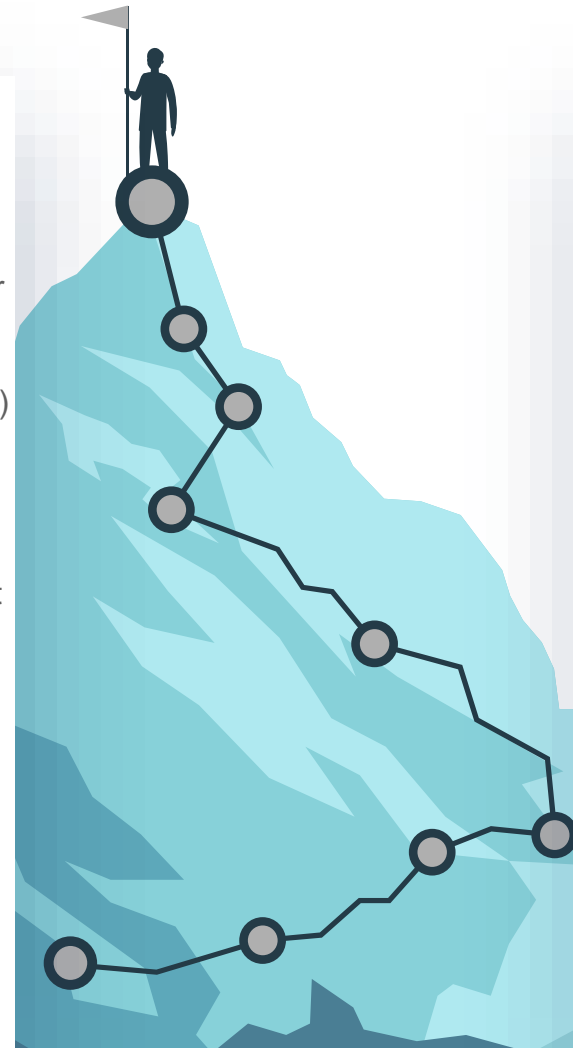
Nifty has moved up 27% Since Apr'21, however SmallCaps (+49%) & MidCaps (+48%) have outperformed Nifty

Consumer & IT

From its high in Oct'21, Nifty saw major movement in weights of **Consumer** stocks (increased from 13.8% to 17.2%) & **IT** stocks (fell from 16.7% to 13.0%)

Financials continue to have the highest weightage in Nifty at about 38%

--- Change in weight from Oct'21 to May'23 ---



Top 15

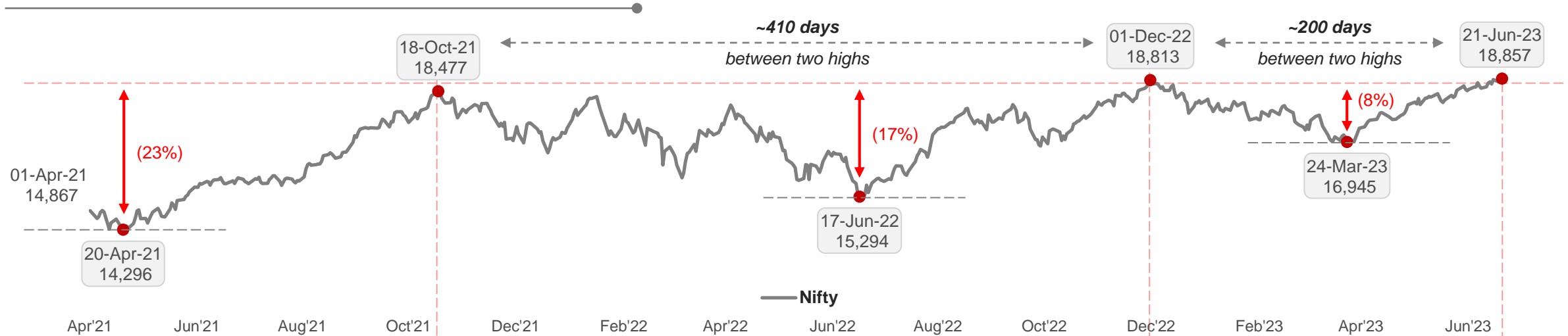
Top 15 constituents of Nifty have remained same between Oct'21 to May'23, however a study of weights of those stocks show varying trend

--- Change in Ranking (based on weights --- (From Oct'21 to May'23)

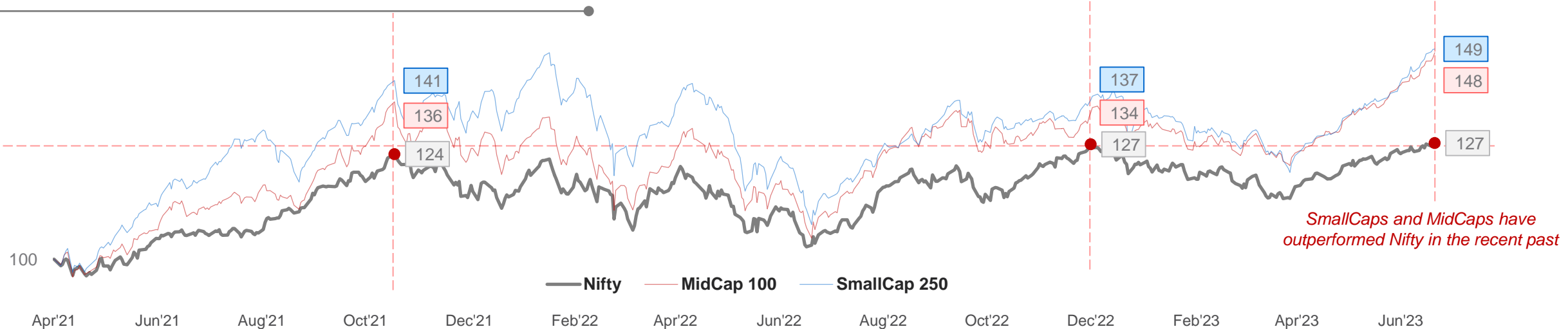


Nifty has touched ~18,500 levels thrice in last 24 months (Oct'21, Dec'22, Jun'23) ...

Nifty peaking out dates @ ~18,500 (Last 24 months)



MidCap & SmallCap performance around Nifty peak out dates



SmallCaps and MidCaps have outperformed Nifty in the recent past

... However, analysis of Nifty constituents at each peak suggests stark variance in performance of individual companies and sectors

Financials continue to be the largest contributors of Nifty. Consumer stocks have rallied and increased their weights, while IT sector has lost out...

Sectors	% Weight on Oct'21	% Change	% Weight on Nov'22	% Change	% Weight on May'23
Financials	38.2	3%	37.2	2%	37.9
Information Technology	16.7	14%	14.4	10%	13.0
Energy	12.8	1%	13.0	7%	12.1
Consumer Staples	7.4	16%	8.6	16%	10.0
Consumer Discretionary	6.4	8%	6.8	6%	7.3
Materials	7.9	16%	6.7	~	6.7
Industrials	3.4	47%	5.1	5%	4.8
Health Care	3.3	17%	3.9	4%	3.7
Communication Services	2.1	19%	2.5	2%	2.6
Utilities	1.6	16%	1.9	5%	2.0

...A deeper dive into sectoral components of Nifty show varied trends across stocks and sectors

» Between Oct'21 to Nov'22, following were the **changes in Nifty constituents:**

Added: Adani Enterprises and Apollo Hospitals | **Removed:** Shree Cement and Indian Oil

» **IT stocks'** weight has continued to fall, accounting for 16.7% in Oct'21 to 13.0% in May'23:

Select IT Stocks	% Weightage in Nifty		Change in Weight
	Oct'21	May'23	
Infosys	8.1	5.8	-28%
Tech Mahindra	1.2	0.9	-29%
Wipro	1.3	0.7	-41%

» **Consumer stocks** have continued to rally since Oct'21

Select Consumer staples & discretionary stocks	% Weightage in Nifty			% Weightage in Nifty			Oct'21 to May'23
	Oct'21	Nov'22	Change	Nov'22	May'23	Change	
ITC	2.5	3.6	42%	3.6	4.8	34%	90%
Eicher Motors	0.5	0.6	30%	0.6	0.6	5%	37%
Mahindra & Mahindra	1.1	1.5	36%	1.5	1.5	-4%	32%
Britannia Industries	0.6	0.6	10%	0.6	0.7	9%	19%
Maruti Suzuki	1.3	1.4	11%	1.4	1.5	7%	18%

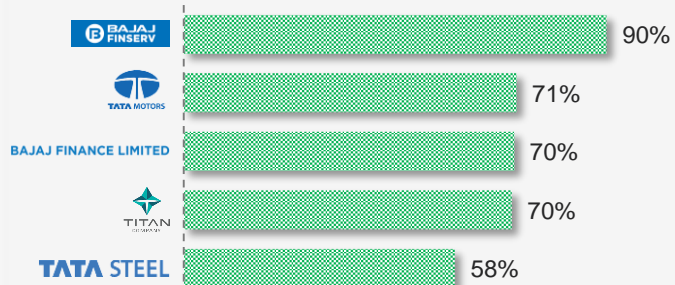
» **Financials** have the highest weightage in Nifty's composition. However, within financials, there is a great variance in performance of individual companies

Select Financial stocks	% Weightage in Nifty			% Weightage in Nifty			Oct'21 to May'23
	Oct'21	Nov'22	Change	Nov'22	May'23	Change	
Axis Bank	2.5	2.9	15%	2.9	3.1	7%	24%
IndusInd Bank	0.9	0.9	2%	0.9	1.0	13%	15%
ICICI Bank	7.3	8.0	10%	8.0	8.2	2%	12%
HDFC	6.7	5.9	-12%	5.9	5.9	-0.03%	-12%
HDFC Life Insurance	0.8	0.7	-19%	0.7	0.7	7%	-13%
Bajaj Finserv	1.4	1.2	-16%	1.2	1.0	-19%	-31%

Best and Least performing stocks in the run-up to each of Nifty's ~18,500 level

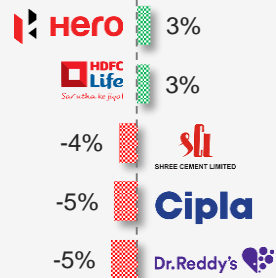
First Run-up to ~18,500: Apr'21 to Oct'21

Top 5 performing stocks



Nifty 29%

Least 5 performing stocks

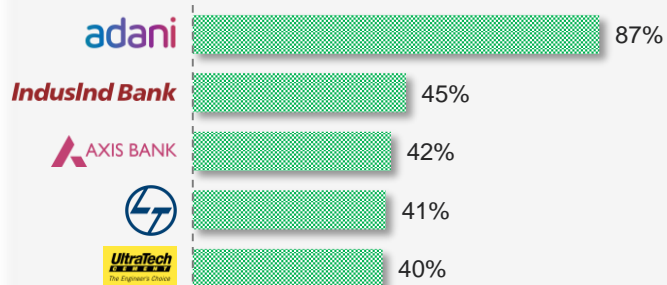


20-Apr-21
14,296

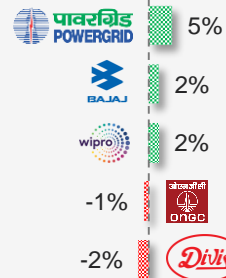
18-Oct-21
18,477

Apr'21 May'21 Jun'21 Jul'21 Aug'21 Sep'21 Oct'21

Second Run-up to ~18,500: Jun'22 to Dec'22



Nifty 23%

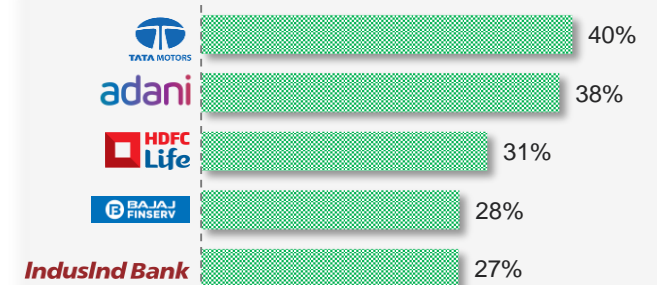


17-Jun-22
15,294

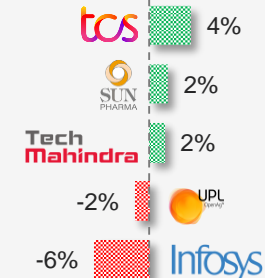
01-Dec-22
18,813

Jun'22 Jul'22 Aug'22 Sep'22 Oct'22 Nov'22 Dec'22

Third Run-up to ~18,500: Mar'23 to Jun'23



Nifty 11%



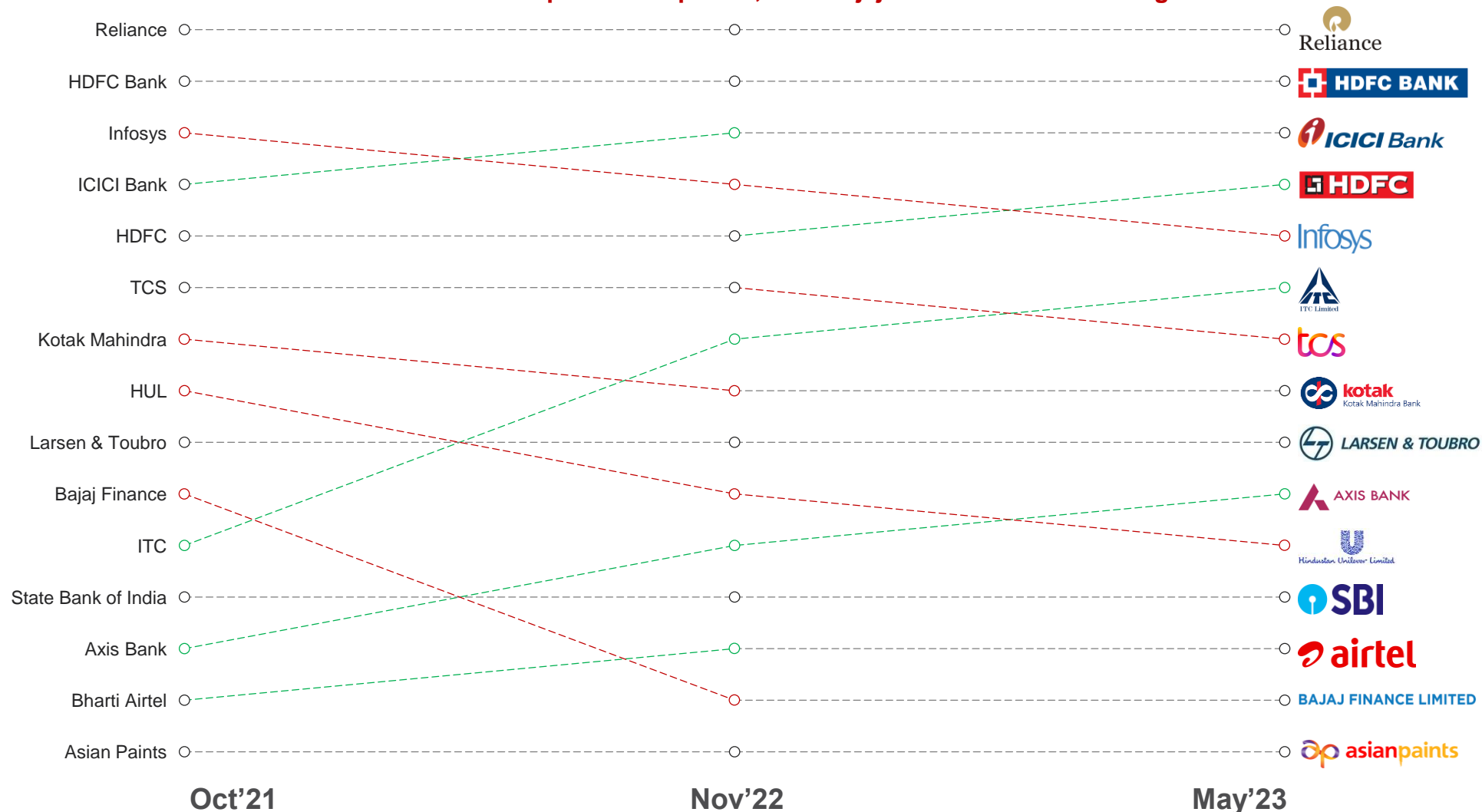
24-Mar-23
16,945

21-Jun-23
18,857

Mar'23 Mar'23 Apr'23 May'23 Jun'23

An analysis of movements in top 15 constituents of Nifty

While the top 15 constituents have remained the same, ITC and Axis Bank have moved up the most places, with Bajaj Finance and HUL losing the most



Ranking: Oct'21 (in terms of weight)		Ranking: May'23 (in terms of weight)
1st	↔	1st
2nd	↔	2nd
4th	↑ 1	3rd
5th	↑ 1	4th
3rd	↓ 2	5th
11th	↑ 5	6th
6th	↓ 1	7th
7th	↓ 1	8th
9th	↔	9th
13th	↑ 3	10th
8th	↓ 3	11th
12th	↔	12th
14th	↑ 1	13th
10th	↓ 4	14th
15th	↔	15th

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