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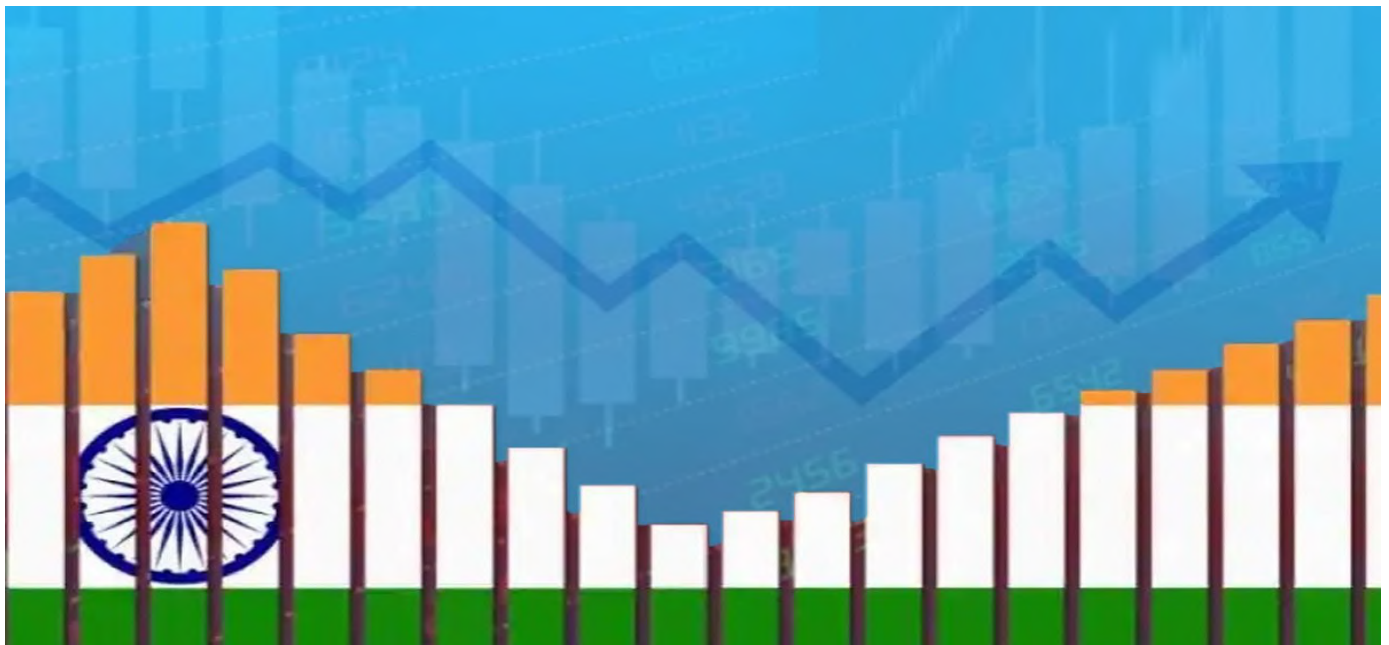
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BJP's THIRD CONSECUTIVE MANDATE- HIT THE GROUND RUNNING

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Wins and defeats in a democratic framework are an integral part of politics in India, as indeed elsewhere. But BJP's victory has often been identified with - not unjustifiably- a confident and ascendant India- an India, which is confident but not complacent, decisive but well-considered, carrying along everyone without appeasing anyone in conformity with the avowed pursuit of "*sabka saath, sabka vikas, sabka vishwas, and sabka prayas*" (i. e., with everyone, for everyone's prosperity, with everyone's trust and with everyone's efforts).

A thrust on 'Make in India', an accent on manufacturing, India's emergence as a factory of the world and the *sankalp* (i.e., commitment) of a "*viksit Bharat*" provides the broad macro canvas of today and tomorrow.



This is a time of great churn, disruption and VUCA (volatility, uncertainty, complexity and ambiguity). But BJP has held dear the mission of consolidating India's heft and muscle at the global high table. And in this emerging scenario, the corporate sector has to play an increasingly important role in the transformation of India.

Stock Market on a High-Expectations galore, optimism unbounded

Most expectations of a BJP win at the hustings has been factored in the stock market valuations. In the last few days, some concerns were expressed that BJP may fall below the majority mark.

I have, however, repeatedly held that the BJP is "*likely to romp home*" (commented for ET and Business Today).

Furthermore, India's GDP numbers came in at 8.2 per cent for FY24 and 7.8 per cent for Q4 of FY24. This is particularly welcome because the expected Q4 GDP growth rate was around 6.7 per cent-7 per cent and will provide tailwinds to the stock market upsurge. With a clear consensus on the BJP victory and all the exit polls unequivocally showing a steamroller BJP victory, BJP seems to be well and truly home.

A certain BJP victory stems from committed cadre, beneficiary-centered programmes, disjointed opposition, fragile index of opposition unity and the TINA (there is no alternative) factor.

In this post results scenario, we see a spike in the stock market and the stock market rising to newer and greater heights.

Most Ministries of the Government of India have already formulated a doable plan of action to provide a momentum to the process of growth and structural transformation. This plan of accelerated action has elements of both big-bang reforms and "kaizen" (constant incremental reforms).

Sectoral Gains

In the overarching context of cheer, ubiquitous optimism and cheer, we see strategically significant sectors like infrastructure, manufacturing, BFSI, consumer discretionary, PSUs "military-industrial complex", space technology, logistics, fintech and artificial intelligence (AI) outperforming.

With stability and policy continuity as the guiding mantra, sectors, such as, financials, consumer discretionary, industrials/infrastructure and PSUs are also likely to gain.

Where do we go from here?

My sense is that despite occasional dips and corrections, a bullish market is on provided there are no untoward developments on the global and domestic economy. My suggestion is fasten the seat-belt and enjoy the ride. But entering the stock market at this level may be fraught with risk. Hence buy on dips, be careful in stock selection, avoid concentration risk in firms and industries and follow Warren Buffet's time-tested policy of a "*contrarian approach*". While the best is yet to be, hasten slowly with care and due diligence.

Likely reaction of the market post the results

The market will surge to newer heights post the results.

Do not go overboard, discretion and caution constitute the holy grail of investing

There is certainly an element of froth, exuberance and sentiment driving the overall market. Hence a correction could occur. But, then, the stock market is not for the weak and "*faint heart never won a fair lady*".

It needs no clairvoyance to perceive that in case of an extremely unlikely "*black swan*" event, things move unpredictably and all bets are off. To cut a long story short, keep up the hope in the India growth story- a growth story, which is here to stay and consolidate.

PM Modi's prediction of the stock markets being at record high on June 4, 2024

The PM has an uncanny sense of the oscillations in the market, an unusual sense of perspicacity and perceptiveness.

And, as in multiple other things over the years, here again he would be proved right. In the struggle for independence, Mahatma Gandhi stressed that India faced a "*trial of adversity*". India now faces a "*trial of prosperity*" and by setting in motion a virtuous cycle, I am sure that India will be successful in this trial of prosperity.

Pathway to the Future

India has come of age. But the task ahead is by no means easy. Going full throttle ahead with coordinated and concerted effort, we can craft the India of tomorrow in conformity with the challenges of today and the expectations of tomorrow. As John F. Kennedy stressed stirringly in his Inaugural Address “ *with a good conscience our only sure reward, with history the final judge of our deeds, let us go forth to lead the land we love, asking His blessing and His help, but knowing that here on earth God's work must truly be our own*”.