

Markets 2022: A mixed tale of joy and gloom

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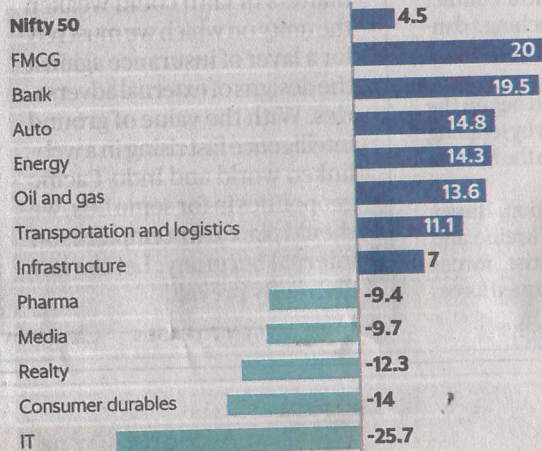
Equity markets in India had a topsy-turvy ride this year with bouts of volatility in the first half that spooked investors. After three straight years of double-digit returns, gains fell to single digits this year. Foreign portfolio investors remained cautious on Fed tightening and have pulled out ₹1.2 trillion from the markets. But domestic institutional investors have offset the exodus of funds. The D-street's performance may remain flattish in the new year due to the likelihood of a slower economic growth and expensive valuations. *Mint* captures the various trends that have defined India's stock markets this year.



Mixed report card

The year 2022 is signing off on a mixed note, with cyclical stocks such as metals and energy taking charge. But their rally may peter out in the coming year due to adverse movement in commodity prices.

Absolute change (%) in sectoral indices in 2022



47.7%
This is the share of NSE-listed stocks trading 50% below their all-time high price. This indicates gains this year have not been broad-based.

0.7%
Less than a percent of shares are trading within 5% of their all-time highs

Leaders and laggards

Top 5 gainers and losers on the bourses in 2022, change (%) in share price

TOP 5 GAINERS

Bombay Super Hybrid Seeds	528.2
Madhya Bharat Agro Products	505.1
B L S International Services	275.7
Imagicaaworld Entertainment	231.3
Ugar Sugar Works	219.1

TOP 5 LOSERS

Dhani Services	-77.4
Nureca	-73.8
Brightcom Group	-72.0
Piramal Enterprises	-68.7
Himatsingka Seide	-66.4

Covers all NSE-listed companies with market capitalization above ₹500 crore. Data as of 22 December 2022.

Subdued fundraising

The volatility in the secondary market adversely impacted fundraising through initial public offers (IPOs) this year. But the pipeline of issues remains strong, and is likely to see a revival in the coming months.

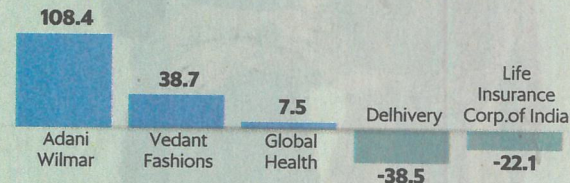
Number of IPOs and the amount raised (in ₹ crore)



Data for 2022 till 19 December

How some big listings fared

Change in share price since listing (%)

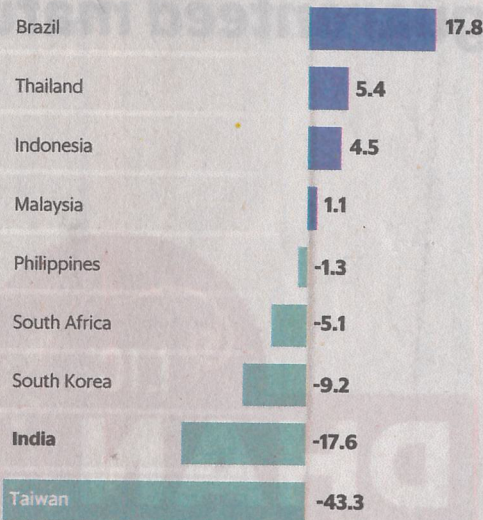


Source: primedatabase.com

Losing sheen

Domestic equities did not find much favour with foreign investors. The US Fed's further tightening and expensive valuations could prove to be deterrent going forward.

Foreign portfolio investors' equity flows in emerging markets (\$ billion) in 2022



Data as on 19 December 2022.

Source: Bloomberg

India decoupled?

Despite the FPIs' disinterest, domestic investors have helped Indian equities trump the global turmoil. Indian shares have outperformed their peers, and are trading closer to their all-time highs than most other major indices.

How far/close share indices are from their all-time highs (in %)



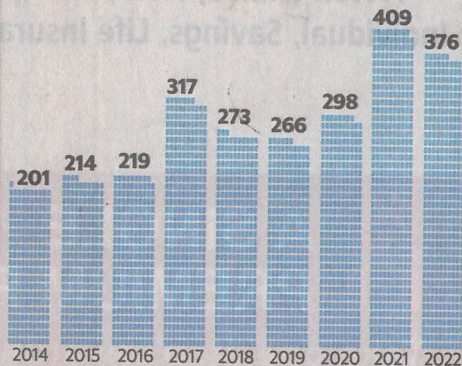
3.5%
This is the share of India's total market capitalization in the world, up from 2.8% in 2021

Data as of 22 December (21 December for Mexico, US and Brazil)
Source: Bloomberg

Dropping out

Amidst the volatility, 2022 saw some companies drop out of the billion-dollar market-cap club.

Number of companies with m-cap over \$1 billion



As of 22 December 2022; average ₹/\$ rates for each year used.

Source: Capitaline