



The India Opportunity – Access Growth

December 11, 2018



India – A historical perspective

India Future Outlook

Indian Equity Markets Overview



India – 1991 to 2018

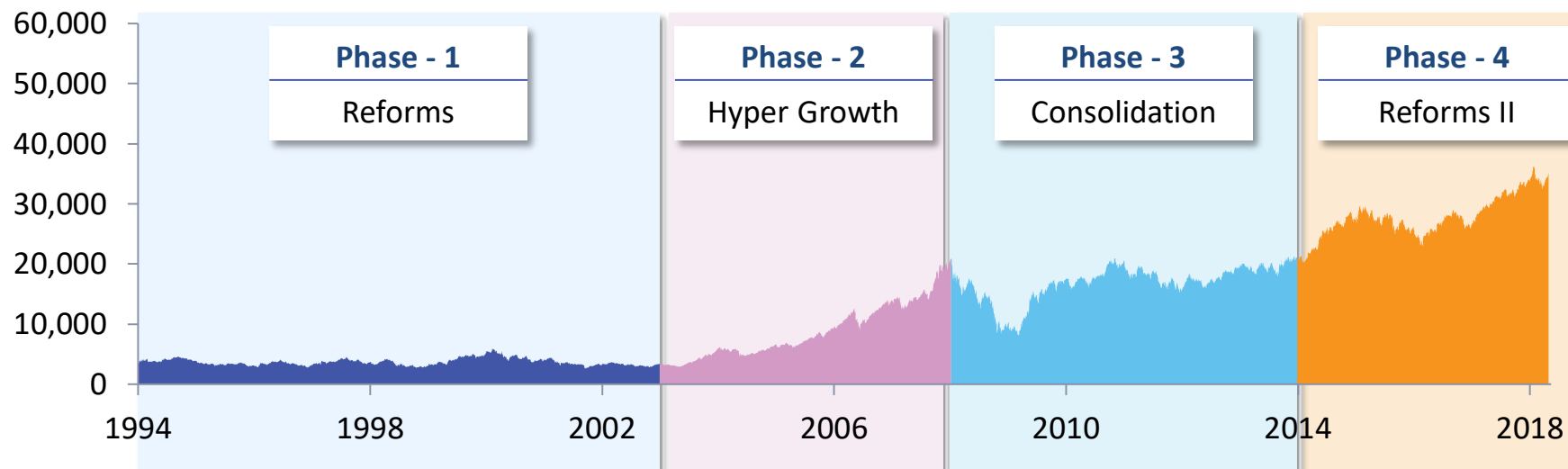
India Future Outlook

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Reforms and the Indian markets



Sensex Price Chart



- Abolition of licence regime – entry to private players
- Opening up of Foreign Direct Investment
- Creation of regulators – SEBI, IRDA, etc

- Phase of consistent growth
- Average growth >8%

- Global financial crisis
- Regulatory changes in India
- Scams in India
- Gloomy investment climate

- Fiscal discipline
- Goods & Services Tax
- Infrastructure push
- Fiscal inclusion
- Stressed Assets (IBC)
- RERA



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A Snapshot Of The Indian Economy



Nominal GDP (US\$ trillion)

2.5

Market Capitalization (US\$ trillion)

2.0

CPI Inflation

4%

External debt (% of GDP)

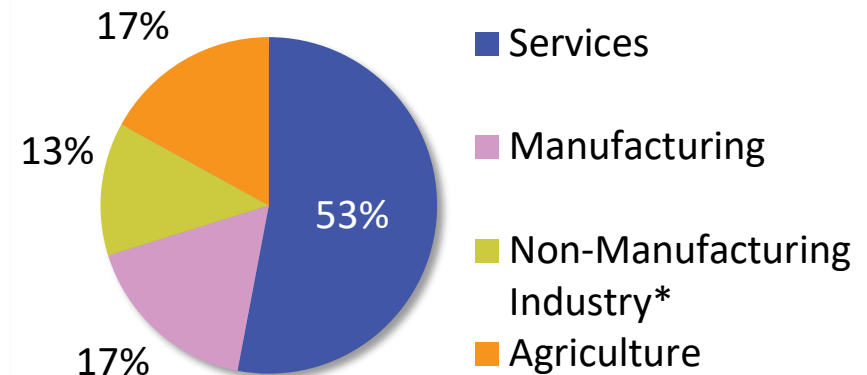
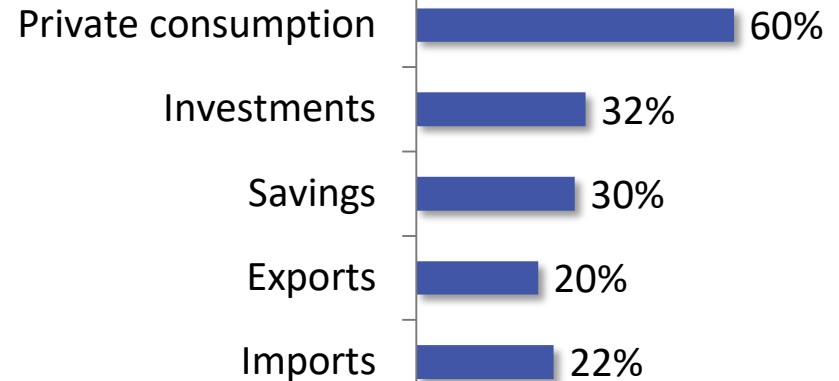
23%

Current Account Deficit (% of GDP)

2.8%

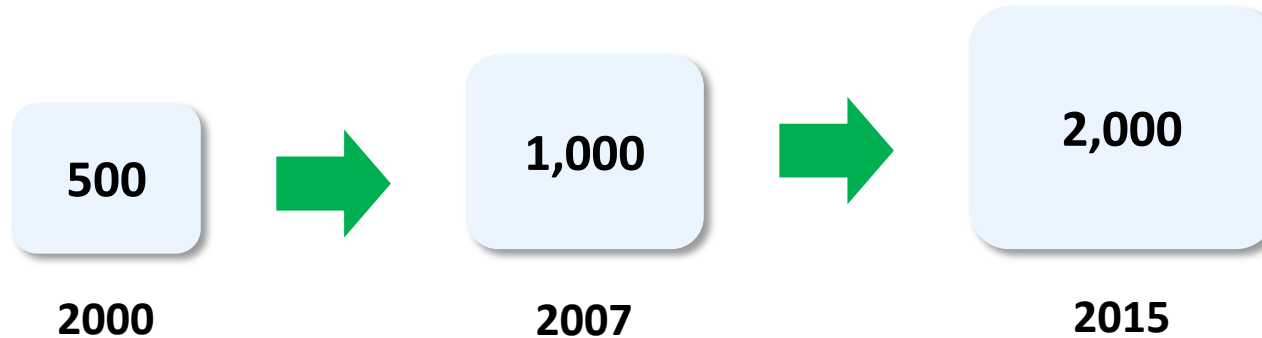
Central Govt Fiscal Deficit (% of GDP)

3.9%





India GDP (USD billion) - Historically, India GDP has doubled every ~8 years



This compounding benefit will propel India to become the 3rd largest economy in the world by 2025

US\$ tr



GDP size of US\$2tr – Significant base for compounding



GDP (US\$ tr)

2.09

CAGR 8%

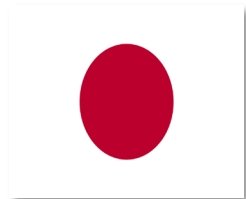
5.25

Year

1975

12 yrs

1987



GDP (US\$ tr)

2.08

CAGR 13%

5.45

Year

1987

8 yrs

1995



GDP (US\$ tr)

2.29

CAGR 17%

5.11

Year

2004

5 yrs

2009



GDP (US\$ tr)

2.04

CAGR 9%

5.00

Year

2015

10 yrs

2025

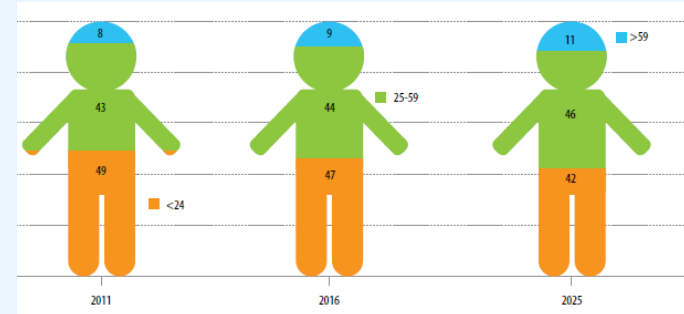
Backed by the 3 D's of India's Growth...



D

Demographics

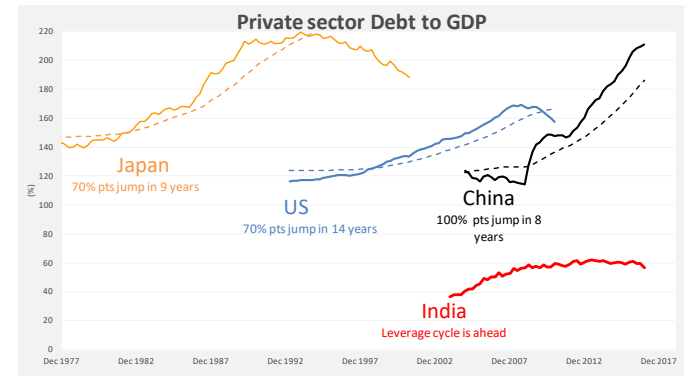
Demographic Dividend : 65% of the population in the working age (15-64) India is one of the few destinations which will add large labour force over next decade. India's working population by 2025 expected at 1 Bn



D

Debt

India is significantly underleveraged in the private sector compared to other larger economies



All peak around 200% of GDP

D

Deregulation

Major big ticket reforms initiated

Financial Inclusion



Goods & Services Tax



Real Estate Regulation



Benami Property Act





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Indian Market Snapshot



Equities – Secondary Market Overview

Market Cap	~US\$ 2,034 bn (~82% of GDP)
Number of stocks	5,000+
ADTV	USD 5 Bn
Promoters	1017 bn (50%)
Institutions	692 bn (34%)
HNI & Retail	173 bn (8.5%)
Others	153 bn (7.5%)

More than **250 stocks** with a market capitalization of more than **US\$ 1 bn**;
One of the most diverse among emerging markets:
Wide spectrum of sectors available

Source: Edelweiss Research, NSE Pulse, BSE Website; All figures are in USD

Debt & Fixed Income – G-Secs & Corporate Bonds

	Government Securities	Corporate Bonds
Yields	• 6.7%-7.80%	• 8 % + Depends on credit rating of the company and the bond
Outstanding Bonds	• 760 Billion	• 400 Billion
FPI Limit	• 45 Billion	• 41 Billion
FPI Ownership	• 30 Billion (67 % Utilisation)	• 28 Billion (68 % utilisation)
Daily Traded Volume	• 4-6 Billion	• 1.1 Billion

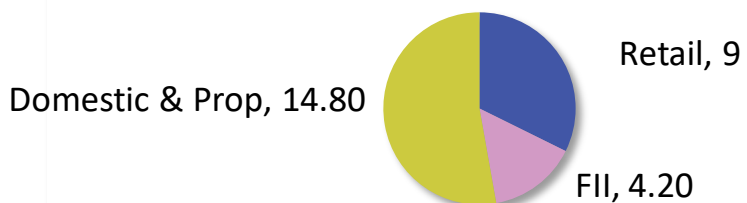
Source: Edelweiss Research; All figures are in USD

Indian Market Snapshot (Cont'd)

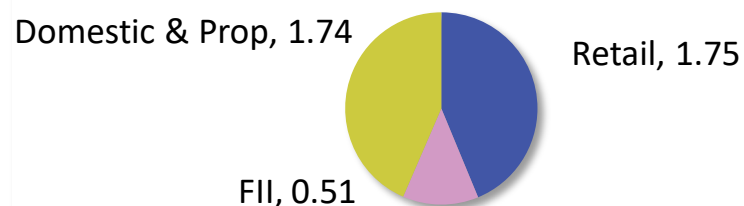


Equity Derivatives – Key Instruments

Index Options – USD 28 Billion*

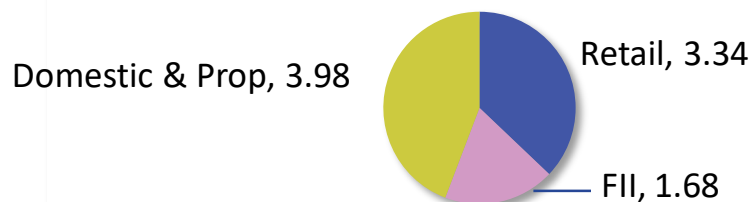


Index Futures – USD 4 Billion*

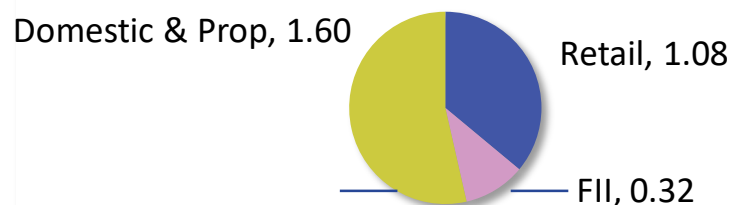


#1 Among Index Options Traded Globally

Stock Futures – USD 9 Billion*



Stock Options – USD 3 Billion*



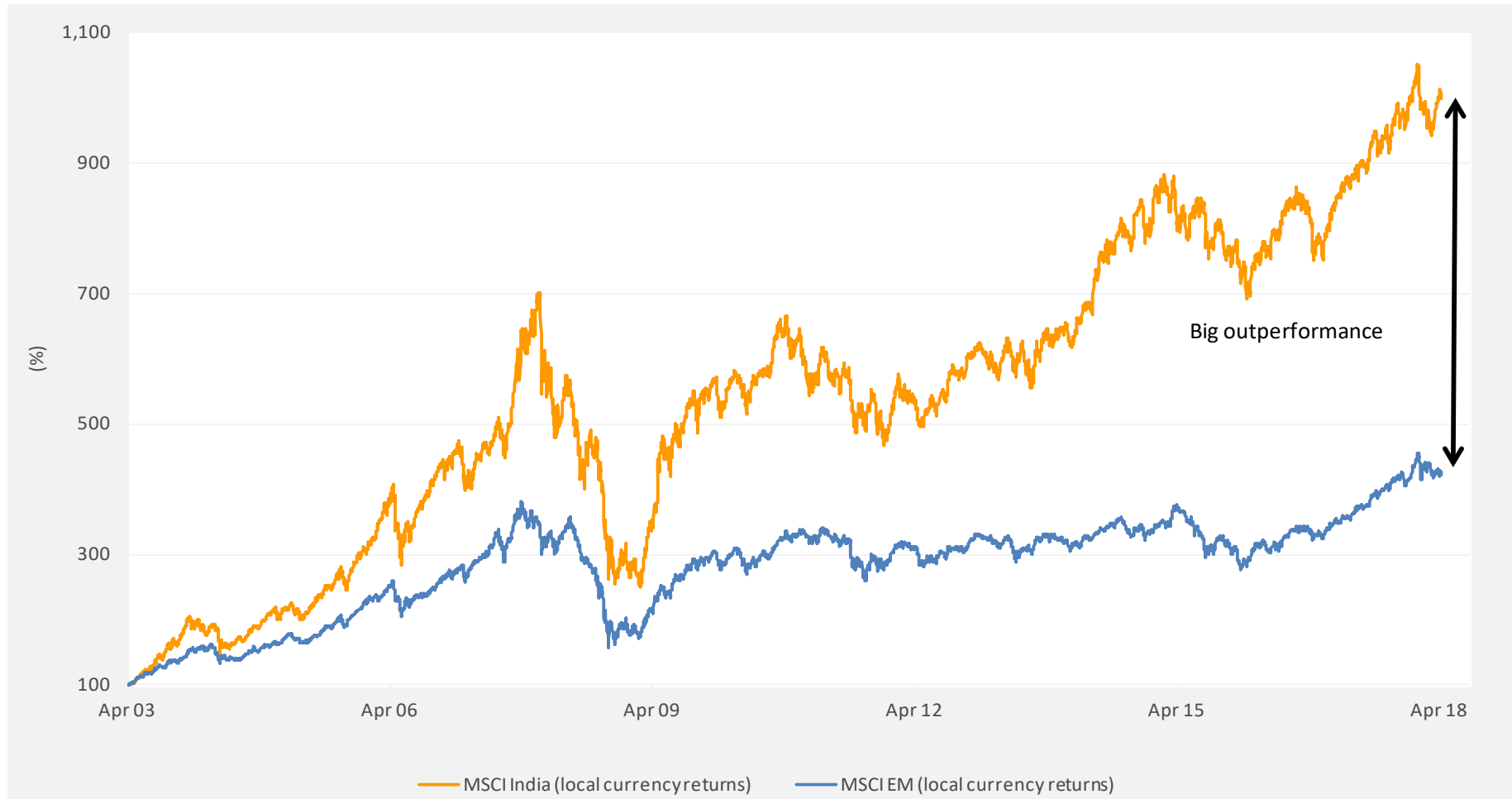
Most vibrant Single Stock Futures market – Top 5 single stock futures trade US\$ 75 – 80 mn daily

* Daily Traded Volume - All figures in graphs are in USD Billion; Source: Edelweiss Research, NSE Pulse, BSE Website

India has a strong performance track record



India has outperformed MSCI EM by a huge margin in last 15 years



India markets Access – Foreign Portfolio Investors



- **India is an ID (FPI) market** – All Foreign investors need a license to be able to access the markets directly. Licensed custodians such as Edelweiss can issue new FPI IDs. Takes up to 30 days
- **Over 9,000 Foreign IDs** live in India as of now
- **Trade all products** – entire listed space including Fx derivatives, Equity, Equity derivatives and fixed income
- **All classes of investors** – Asset managers, Securities firms, prop trading firms, HFT firms, family offices and even individuals **can get an ID**
- **No minimum size** or trading volume requirements to get an ID
- **Easy funds repatriation** in and out of India, for foreign investors
- **No counterparty risks** since stocks are held in your own ID name with the Central Depository