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# ETMarkets Smart Talk: We see Nifty50 heading towards 20,570 and top 21,100 in medium-term: Ashish Chaturmohta

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## Synopsis

Ashish Chaturmohta, Fund Manager at JM Financial Services, predicts that the Nifty50 will reach 20,570 in the near term and 21,100 in the medium term. He emphasizes that India is currently the best performing emerging market and that valuations will continue to be expensive. Chaturmohta also highlights the potential of small and midcap stocks, cautioning investors to be selective in their investments.



*"We see the **Nifty50** heading towards 20,570 in the near term and then 21,100 in the medium-term," says **Ashish Chaturmohta**, Fund Manager, PMS Strategy - Apex, **JM Financial Services Ltd.***

*In an interview with ETMarkets, Chaturmohta said: "India is the fastest growing emerging market as all is well for the time being, hence, valuations would continue to remain expensive" Edited excerpts:*

## What a week for **Indian markets** – we hit 20,200 which was followed by some profit taking thanks to muted **global cues**. What is the way ahead?

India is currently the best performing Emerging Markets (EMs) as compared to its peers and so the relative higher multiples would continue.

As of now as well, we haven't seen significant money being flown into the markets by FII's, hence the markets are yet to see a strong rally.

Hence, Nifty is where the Sensex was in 2013 and at some point in time the Nifty would be where the Sensex is as of today; hence, it's a journey and not a destination.

We see the Nifty50 heading towards 20,570 in the near term and then 21,100 in the medium term.

## It seems like the maximum interest is in small & midcap space. Is the **FOMO** which is causing the catching-up?

Today's large caps at some point were small and Mid-caps, but that doesn't mean that all the small-caps and mid-caps have the potential i.e. out of the entire lot of small and mid-caps only a few make it to the Top 30/50 companies in India.

In today's time, a lot of well-known companies from 1990 don't exist, which indicates that if the business model is not resilient or flexible to change, time shall change the leader.

In the past as well, there is always a rush to buy small-caps and mid-caps as the earnings delta and price appreciation is the maximum.

Additionally, in a bull run small and mid-caps go up 4-5x in the shortest period of time and it's different this time as well.

Yes, FOMO plays a major part, but one should always be cautious and careful when selecting the script in which they trade or invest

## We just concluded **G20 in Delhi** – the market hit a record high – everything looks good. But can we attribute it to the **G20** or is it something else?

In India, the G20 was celebrated as a national event, as it represented India as a major economy in the time to come. The G20 signifies India's crucial role in the global platform which was missing for a long period of time.

A few strategic decisions like the economic corridor between India-UAE-Middle east-Europe, will give benefits in the longer term, but highlight the trust of other nations on India's potential. India was the first nation to stop interest rate hikes and the current inflation data is slowly and steadily coming within the band of RBI.

India is at an inflection point, in terms of economic growth and future dominance. Hence, G20 is a stepping stone for India's future in the time to come.

## From an investor's perspective who is looking at the portfolio and with handsome gains – what should he do? Time to book profits or stay put?

We are in a bull run and, in a bull run one should stay invested. However, this does not mean the market won't correct, it would, but recovery would be faster.

Hence one should invest with a longer-term horizon and stay invested, there is a long rally to come.

## How do you see earnings to pan out for the rest of **FY24**?

As of now most of the earnings estimates are estimating a recovery in H2 owing to the festive season and certain events like the World Cup etc. Hence, H2 would be very critical for a lot of companies.

## What should investors avoid doing especially when the market trades near record highs?

Usually when the market go higher, some names would see profit booking, some see new allocation, and some see distribution.

Ideally, in such a situation, stocks should be bought from a long-term point of view and short-term view should take a back seat, as near-term correction would wipe out immediate gains

## Which sectors are likely to drive the next leg of the rally?

IT, Banking especially the PSU basket, and Pharma could lead the next leg of the rally.

## Globally, we are the only market that is hitting record highs. How do we stack up against peers in terms of valuations?

India is the fastest growing emerging market as all is well for the time being, hence, valuations would continue to remain expensive

## How are FIIs looking at Indian markets?

FIIs are also positive for the time being and witnessing some buying, but there has been a lot of bulk deals etc. where exits have been taken, but the money outflow in this calendar year is not as bad as it was in 2022 and 2023

*(Disclaimer: Recommendations, suggestions, views, and opinions given by experts are their own. These do not represent the views of the Economic Times)*