

The World's Largest Regional Economy: Opportunities in Asia

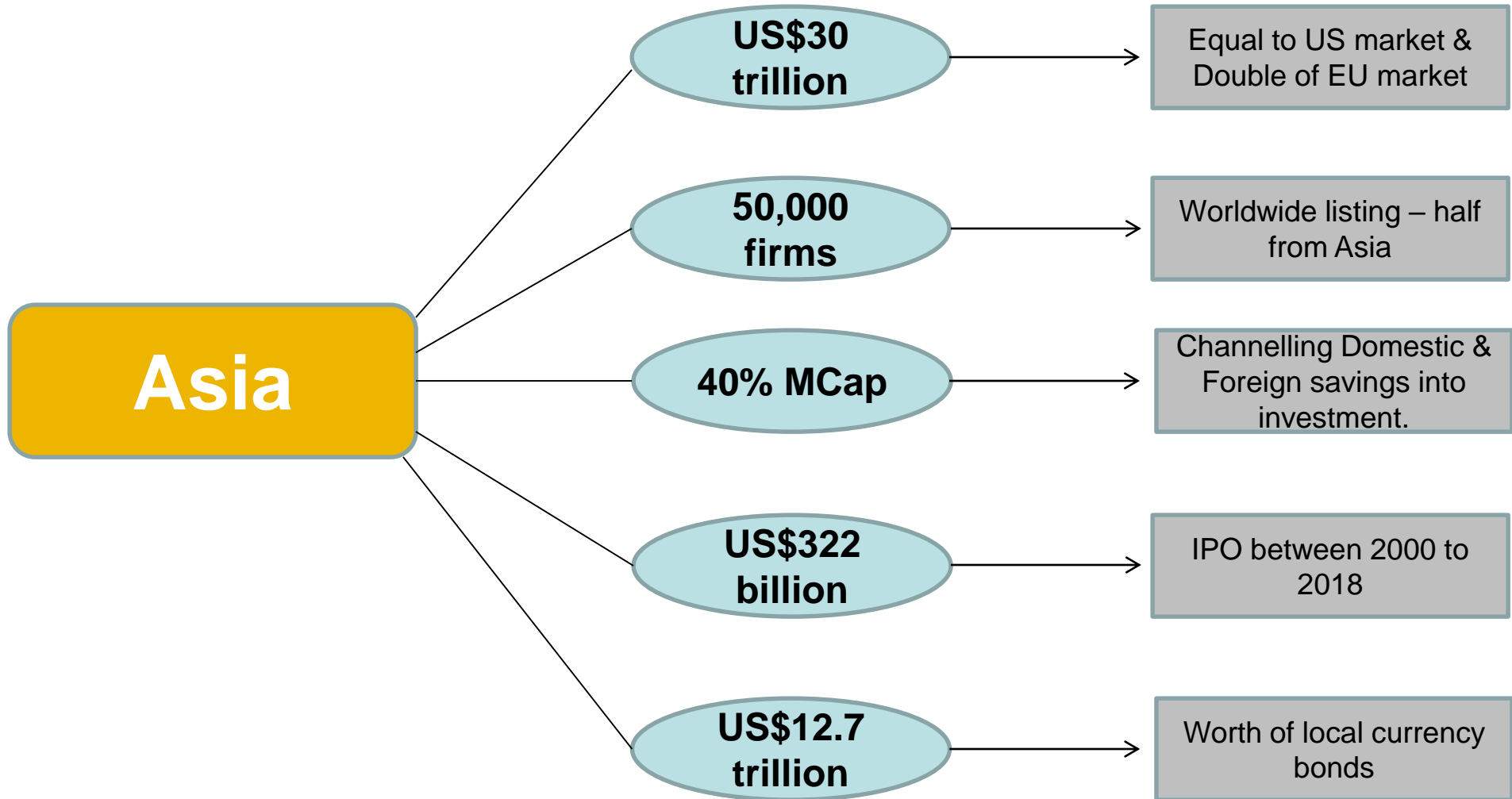


Think beyond China & Japan

Bangladesh

Myanmar

And many
MORE..



Take a look at Asia

Hong Kong

Accounting for 18.9% of the city's GDP and providing some 258,500 jobs.

3rd largest in Asia and 6th largest in the world in terms of market capitalization

World's most active and liquid securities markets.

2,382 companies listed companies with a total market capitalization of about US\$4.2 trillion.

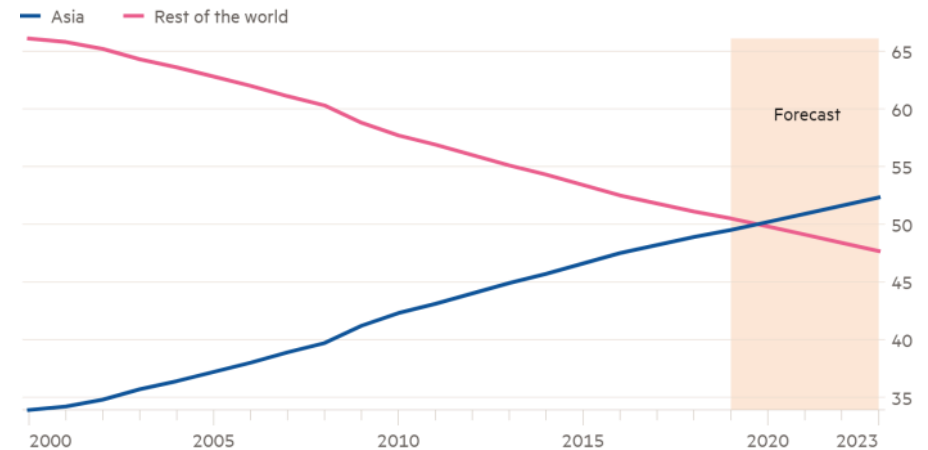
Hang Seng has been up as much as 16.7 per cent this year



Hang Seng Index level

The Asian century is about to begin

Share of world GDP at PPP \$



China

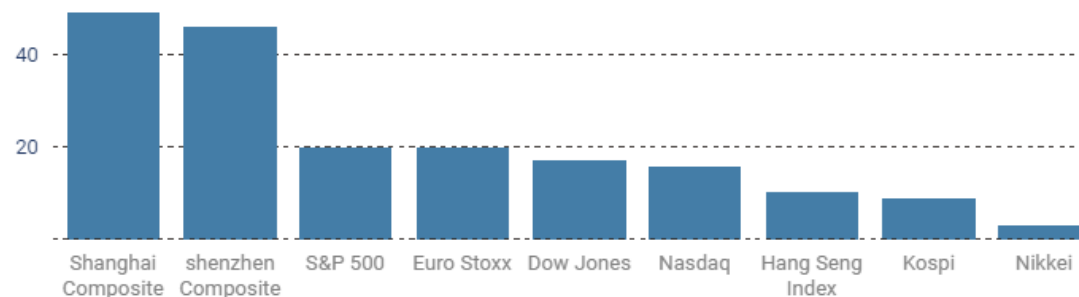
Developed from scratch

2nd largest Equity market & 3rd largest Bond market

Reforms for Overseas Investors

China: the world's most overbought stock market

% of technically overbought stocks in indexes



Source: Bloomberg

Take a look at Asia

Singapore

World's most competitive economy 2019

South Korea

US\$1.6 trillion economy & 4th largest in Asia

Vietnam

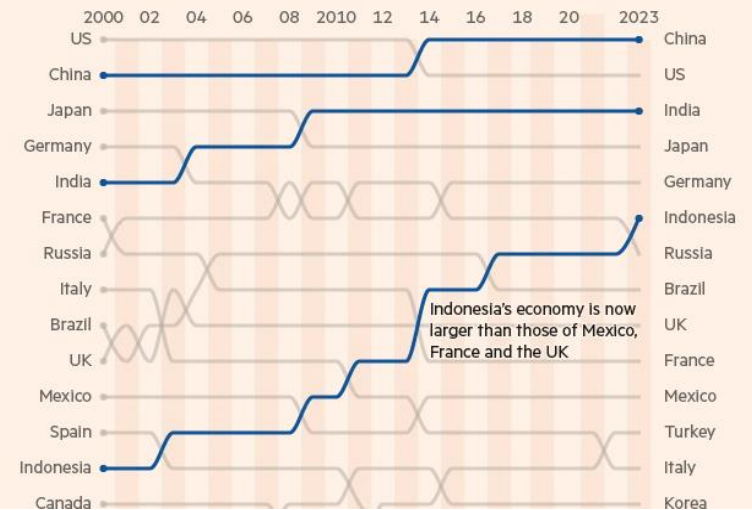
US\$22.6 billion

6.7 % GDP

Asian economies climb the global ladder

Rank of global share of GDP (based on PPP, actual and forecast)

Selected Asian economies



Cambodia

GDP near 7% for most of a decade

Supported by agriculture, manufacturing (especially textiles), tourism and construction

16% of GDP is from the textile industry, that accounts for 80% of export revenues

Cambodia Securities Exchange has seen more trading momentum

Market capitalization up more than 40 per cent from the Q2

Market capitalization reached \$800 million

Trading Volume in Cash and Derivative Segment

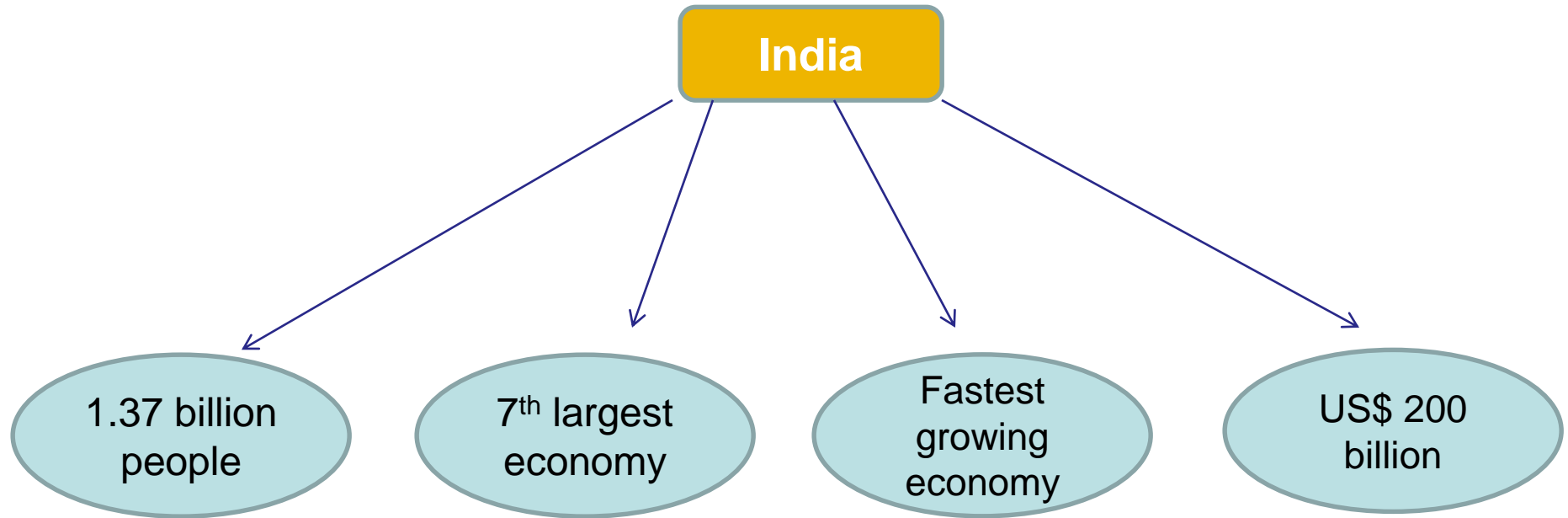
Sep, 2019

Country	Daily Average Turnover/Volume	
	Cash (USD million)	Derivative (Number of Contracts in million)
China	96,846	2.74
Hong Kong	75,841	0.94
Japan	47,398	1.52
India	5,730	25 (US\$ 218,538 million)
Singapore	940	0.98

Have you Invested in Asia ?

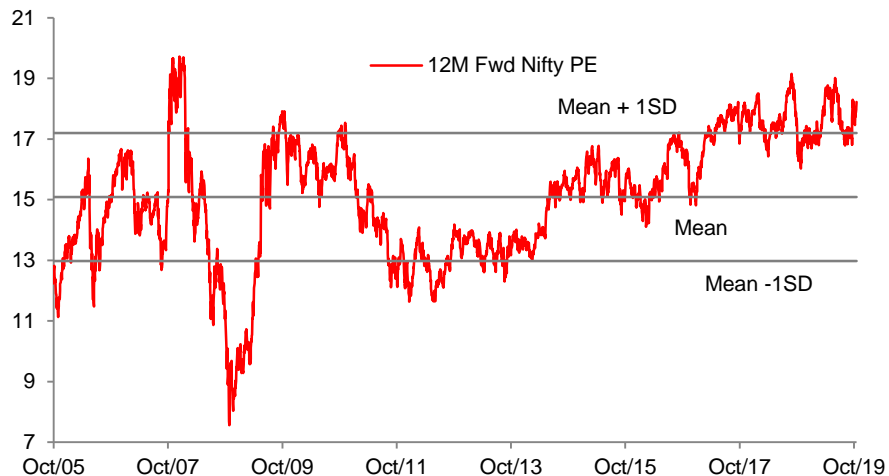
- Chinese regulators scrapped a foreign investment quota limit
- International institutional investors are interested in China's Technology, Health care and Consumer stocks.
- China has further opened up its Insurance and Banking sectors to foreign investors by revising related regulations.
- China launched first equity-linked options on Shanghai exchange
- Thailand introduced a stimulus package called "Thailand Plus"
- Thailand Plus covers seven key points, including the introduction of new tax incentives and deductions as well as reforms and initiatives designed to improve the ease of doing business.
- Thailand and Philippine companies are leading a regional pick-up in (IPOs)

A Closer look at India

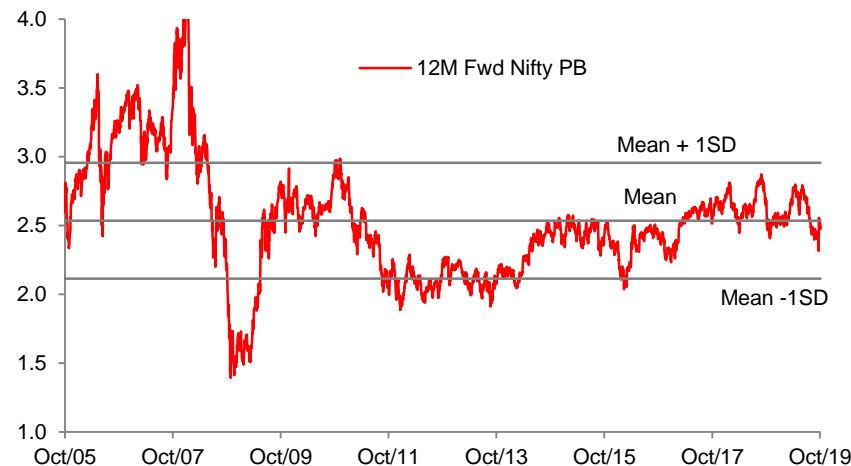


Equity Valuations: Midcaps are trading at 20% Discounts to large caps (Midcaps were trading at 45% premium to large cap in Dec 2017)

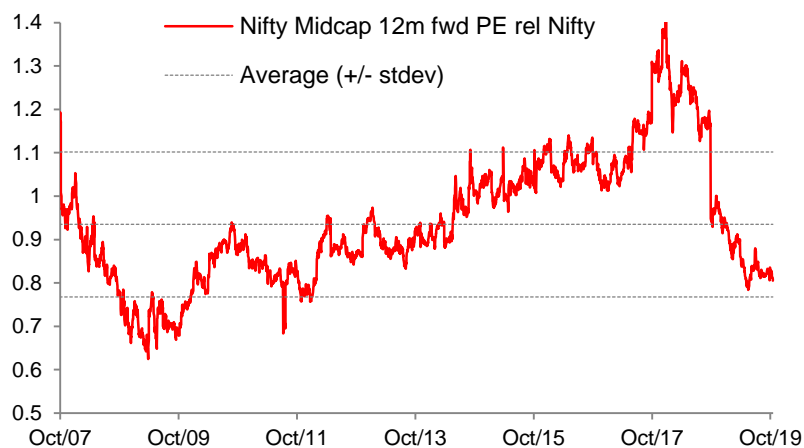
Nifty one-year forward PE



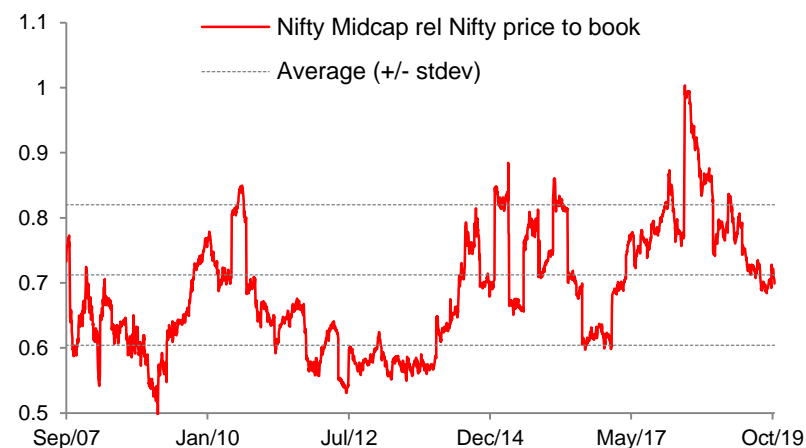
Nifty one-year forward PB



Midcap rel Nifty forward PE

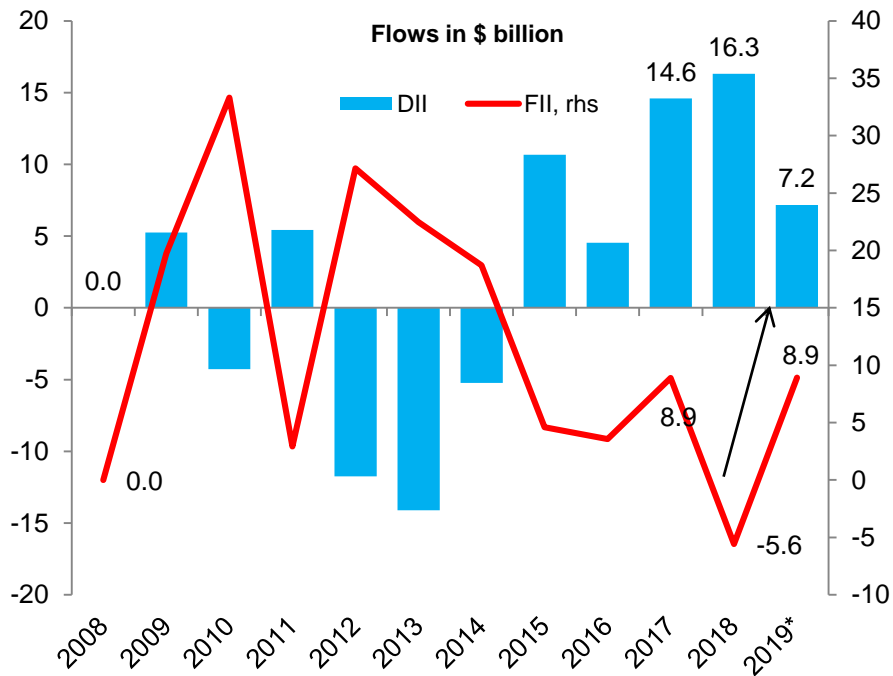


Midcap rel Nifty forward PB

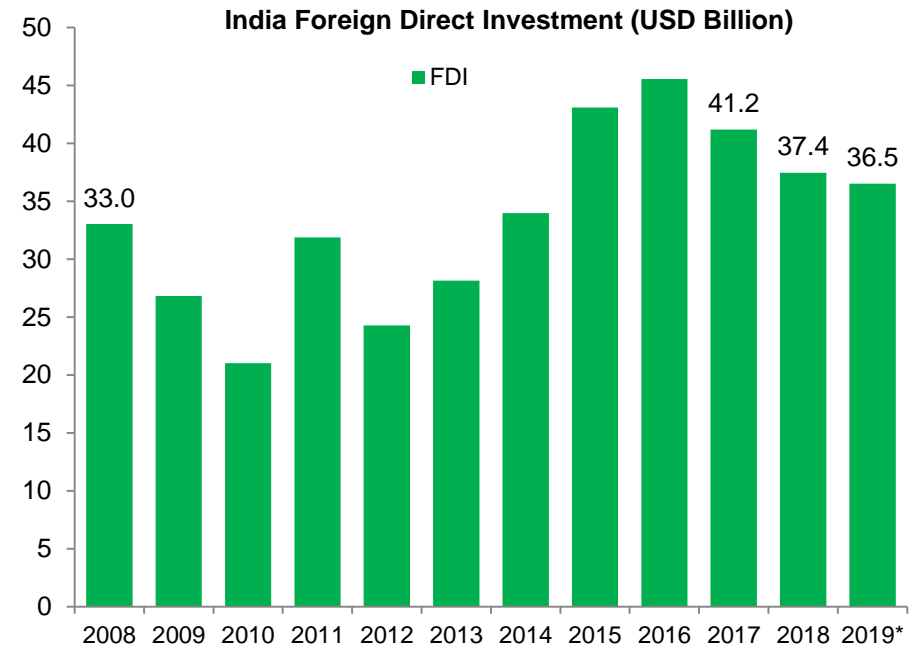


India: Institutional buying remains strong

Strong DII inflows of US\$39.8 bn in Indian market post demonetization vs US\$ 8.6 bn of FII inflows

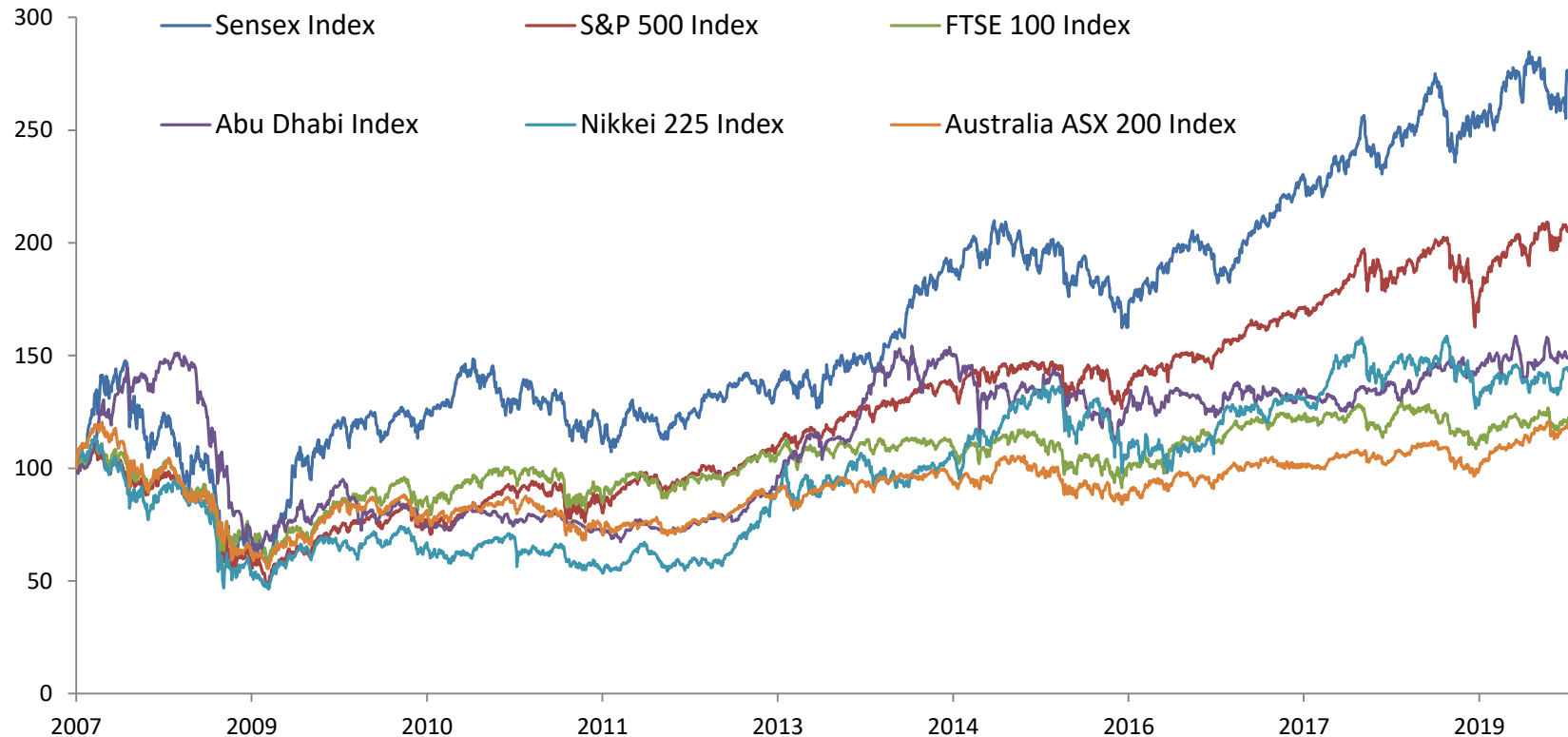


US\$46.4 billion of FDI in 2016 vs US\$21 billion in 2010 (more than double in 6 years)



India: How does it all stack up ?

Our Benchmark index Sensex performed best among other developed nation since 2007



Consumption

- Opportunities across the sectors of staples, discretionary and durables.
- Best in class returns over long periods

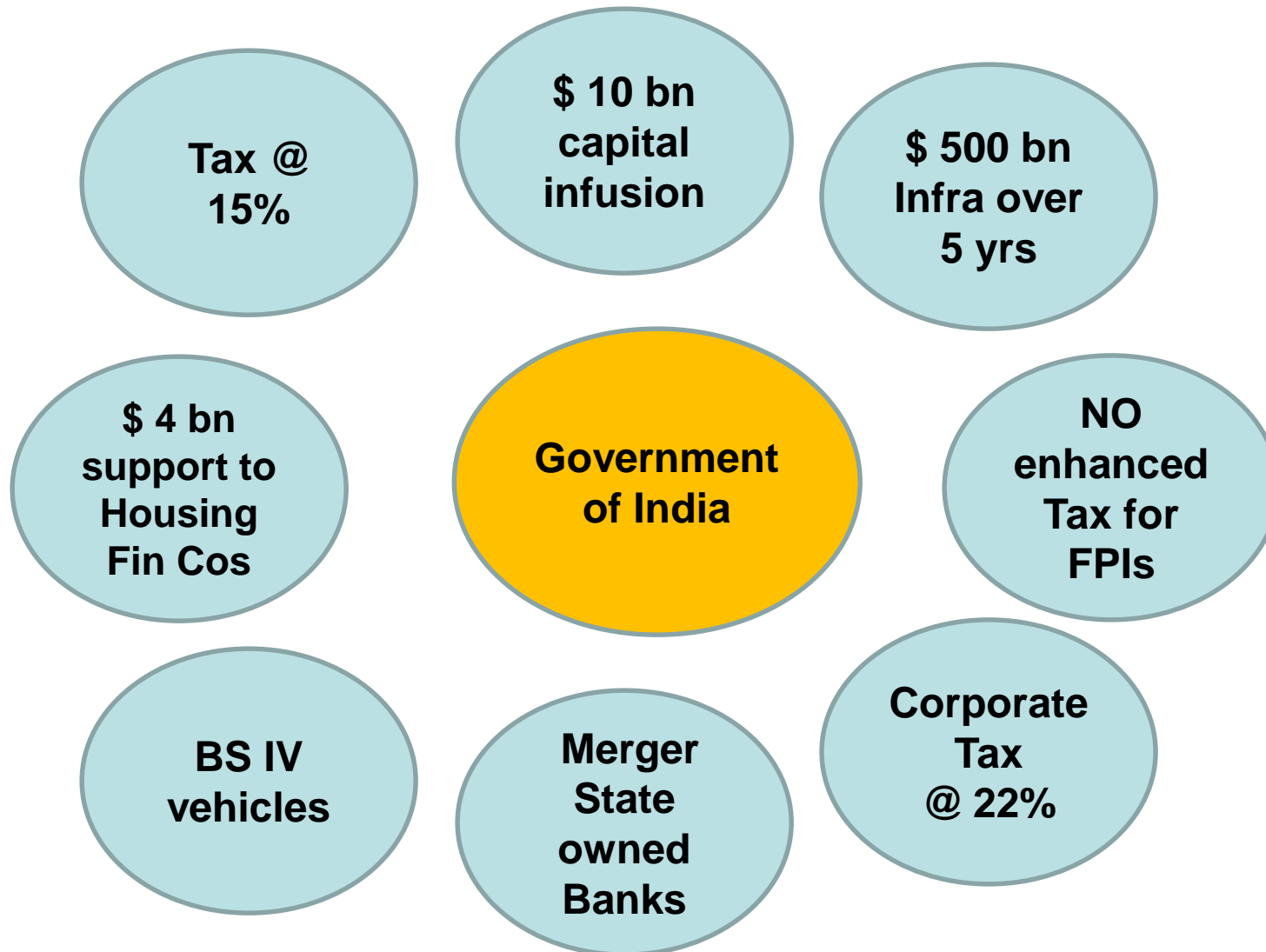
Financial inclusion

- Stressed assets pool
- PSU bank recapitalization

Infrastructure

- US\$ 250bn Opportunity in the next 3 years

Modi Government: A Tryst with Reforms continue



- India has replaced its numerous federal and state taxes with the **Goods and Services Tax (GST)**
- GST was a game changer for the Indian economy as it has replaced multi-layered, complex indirect tax structure with a simple, transparent and technology-driven tax regime.
- By eliminating cascading of taxes and reducing transaction costs, it has enhanced ease of doing business and provide an impetus to 'Make in India' campaign.
- **Insolvency and Bankruptcy Code, 2016 (IBC)** seeks to consolidate the existing framework by creating a single law for insolvency and bankruptcy.
- The code aims to protect the interests of small investors and make the process of doing business less cumbersome.

Foreign Investor can Invest into Indian Market as

Foreign Portfolio Investors (FPIs)

Can Invest maximum of 24 percent in a company

Every non-resident entity is allowed to invest in India

Category I– US\$ 3,000 as registration fee to be paid every 3 years

Category II– US\$ 300 as registration fee to be paid every 3 years

Instruments available for investment

Asset Class	Description
Equity	<ul style="list-style-type: none">• Shares, Debentures and Warrants, listed or to be listed (both Primary / Secondary)• Derivatives traded on a recognized Stock Exchange• Units of domestic Mutual Fund Schemes, whether listed or not• Indian Depository Receipts (IDRs)• Other instruments as permitted from time to time
Derivatives	<ul style="list-style-type: none">• Equity• Interest Rate• Currency
Debt	<ul style="list-style-type: none">• Dated Government Securities• Commercial Papers issued by an Indian Company• Rupee denominated Credit Enhanced Bonds• Security Receipts issued by Asset Reconstruction Companies• Perpetual Debt instruments and debt capital instruments, as specified by RBI from time to time• Non Convertible Debentures / Bonds issued by an Indian Company in the Infrastructure sector• Non Convertible Debentures / Bonds issued by NBFCs categorized as 'Infrastructure Finance Company' by RBI• Rupee denominated bonds or units issued by Infrastructure Debt Funds• Such other instruments specified by SEBI from time to time

Talk to us. **Talk to Phillip.**

PhillipCapital (India) Pvt. Ltd

No.1, 18th Floor, Urmi Estate,
95 Ganpatrao Kadam Marg,
Lower Parel West,
Mumbai 400 013

Tel No: + 91 22 24831919

Toll Free : 1800-221-331

Email: vbhatnagar@phillipcapital.in



Disclosures and Disclaimers

PhillipCapital (India) Pvt. Ltd. has three independent equity research groups: Institutional Equities, Institutional Equity Derivatives, and Private Client Group. This report has been prepared by Institutional Equities Group. The views and opinions expressed in this document may, may not match, or may be contrary at times with the views, estimates, rating, and target price of the other equity research groups of PhillipCapital (India) Pvt. Ltd.

This report is issued by PhillipCapital (India) Pvt. Ltd., which is regulated by the SEBI. PhillipCapital (India) Pvt. Ltd. is a subsidiary of Phillip (Mauritius) Pvt. Ltd. References to "PC IPL" in this report shall mean PhillipCapital (India) Pvt. Ltd unless otherwise stated. This report is prepared and distributed by PC IPL for information purposes only, and neither the information contained herein, nor any opinion expressed should be construed or deemed to be construed as solicitation or as offering advice for the purposes of the purchase or sale of any security, investment, or derivatives. The information and opinions contained in the report were considered by PC IPL to be valid when published. The report also contains information provided to PC IPL by third parties. The source of such information will usually be disclosed in the report. Whilst PC IPL has taken all reasonable steps to ensure that this information is correct, PC IPL does not offer any warranty as to the accuracy or completeness of such information. Any person placing reliance on the report to undertake trading does so entirely at his or her own risk and PC IPL does not accept any liability as a result. Securities and Derivatives markets may be subject to rapid and unexpected price movements and past performance is not necessarily an indication of future performance.

This report does not regard the specific investment objectives, financial situation, and the particular needs of any specific person who may receive this report. Investors must undertake independent analysis with their own legal, tax, and financial advisors and reach their own conclusions regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realised. Under no circumstances can it be used or considered as an offer to sell or as a solicitation of any offer to buy or sell the securities mentioned within it. The information contained in the research reports may have been taken from trade and statistical services and other sources, which PCIL believe is reliable. PhillipCapital (India) Pvt. Ltd. or any of its group/associate/affiliate companies do not guarantee that such information is accurate or complete and it should not be relied upon as such. Any opinions expressed reflect judgments at this date and are subject to change without notice.

Important: These disclosures and disclaimers must be read in conjunction with the research report of which it forms part. Receipt and use of the research report is subject to all aspects of these disclosures and disclaimers. Additional information about the issuers and securities discussed in this research report is available on request.

Certifications: The research analyst(s) who prepared this research report hereby certifies that the views expressed in this research report accurately reflect the research analyst's personal views about all of the subject issuers and/or securities, that the analyst(s) have no known conflict of interest and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific views or recommendations contained in this research report.

Additional Disclosures of Interest:

1. Unless specifically mentioned in Point No. 9 below:
2. The Research Analyst(s), PCIL, or its associates or relatives of the Research Analyst does not have any financial interest in the company(ies) covered in this report.
3. The Research Analyst, PCIL or its associates or relatives of the Research Analyst affiliates collectively do not hold more than 1% of the securities of the company (ies)covered in this report as of the end of the month immediately preceding the distribution of the research report.
4. The Research Analyst, his/her associate, his/her relative, and PCIL, do not have any other material conflict of interest at the time of publication of this research report.
5. The Research Analyst, PCIL, and its associates have not received compensation for investment banking or merchant banking or brokerage services or for any other products or services from the company(ies) covered in this report, in the past twelve months.
6. The Research Analyst, PCIL or its associates have not managed or co-managed in the previous twelve months, a private or public offering of securities for the company (ies) covered in this report.
7. PCIL or its associates have not received compensation or other benefits from the company(ies) covered in this report or from any third party, in connection with the research report.
8. The Research Analyst has not served as an Officer, Director, or employee of the company (ies) covered in the Research report.
9. The Research Analyst and PCIL has not been engaged in market making activity for the company(ies) covered in the Research report.
10. Details of PCIL, Research Analyst and its associates pertaining to the companies covered in the Research report:

Sr. no.	Particulars	Yes/No
1	Whether compensation has been received from the company(ies) covered in the Research report in the past 12 months for investment banking transaction by PCIL	No
2	Whether Research Analyst, PCIL or its associates or relatives of the Research Analyst affiliates collectively hold more than 1% of the company(ies) covered in the Research report	No
3	Whether compensation has been received by PCIL or its associates from the company(ies) covered in the Research report	No
4	PCIL or its affiliates have managed or co-managed in the previous twelve months a private or public offering of securities for the company(ies) covered in the Research report	No
5	Research Analyst, his associate, PCIL or its associates have received compensation for investment banking or merchant banking or brokerage services or for any other products or services from the company(ies) covered in the Research report, in the last twelve months	No

Independence: PhillipCapital (India) Pvt. Ltd. has not had an investment banking relationship with, and has not received any compensation for investment banking services from, the subject issuers in the past twelve (12) months, and PhillipCapital (India) Pvt. Ltd does not anticipate receiving or intend to seek compensation for investment banking services from the subject issuers in the next three (3) months. PhillipCapital (India) Pvt. Ltd is not a market maker in the securities mentioned in this research report, although it, or its affiliates/employees, may have positions in, purchase or sell, or be materially interested in any of the securities covered in the report.

Suitability and Risks: This research report is for informational purposes only and is not tailored to the specific investment objectives, financial situation or particular requirements of any individual recipient hereof. Certain securities may give rise to substantial risks and may not be suitable for certain investors. Each investor must make its own determination as to the appropriateness of any securities referred to in this research report based upon the legal, tax and accounting considerations applicable to such investor and its own investment objectives or strategy, its financial situation and its investing experience. The value of any security may be positively or adversely affected by changes in foreign exchange or interest rates, as well as by other financial, economic, or political factors. Past performance is not necessarily indicative of future performance or results.

Sources, Completeness and Accuracy: The material herein is based upon information obtained from sources that PCIPL and the research analyst believe to be reliable, but neither PCIPL nor the research analyst represents or guarantees that the information contained herein is accurate or complete and it should not be relied upon as such. Opinions expressed herein are current opinions as of the date appearing on this material, and are subject to change without notice. Furthermore, PCIPL is under no obligation to update or keep the information current. Without limiting any of the foregoing, in no event shall PCIPL, any of its affiliates/employees or any third party involved in, or related to computing or compiling the information have any liability for any damages of any kind including but not limited to any direct or consequential loss or damage, however arising, from the use of this document.

Copyright: The copyright in this research report belongs exclusively to PCIPL. All rights are reserved. Any unauthorised use or disclosure is prohibited. No reprinting or reproduction, in whole or in part, is permitted without the PCIPL's prior consent, except that a recipient may reprint it for internal circulation only and only if it is reprinted in its entirety.

Caution: Risk of loss in trading/investment can be substantial and even more than the amount / margin given by you. The recipient should carefully consider whether trading/investment is appropriate for the recipient in light of the recipient's experience, objectives, financial resources and other relevant circumstances. PCIPL and any of its employees, directors, associates, group entities, or affiliates shall not be liable for losses, if any, incurred by the recipient. The recipient is further cautioned that trading/investments in financial markets are subject to market risks and are advised to seek independent third party trading/investment advice outside PhillipCapital/group/associates/affiliates/directors/employees before and during your trading/investment. There is no guarantee/assurance as to returns or profits or capital protection or appreciation. PCIPL and any of its employees, directors, associates, group entities, affiliates are not inducing the recipient for trading/investing in the financial market(s). Trading/Investment decision is the sole responsibility of the recipient. For Detailed Disclaimer: Please visit our website www.phillipcapital.in

For U.S. persons only: This research report is a product of PhillipCapital (India) Pvt Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S.-regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances, and trading securities held by a research analyst account.

This report is intended for distribution by PhillipCapital (India) Pvt Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by the U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated, and/or transmitted onward to any U.S. person, which is not a Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, PhillipCapital (India) Pvt Ltd. has entered into an agreement with a U.S. registered broker-dealer, Decker & Co, LLC. Transactions in securities discussed in this research report should be effected through Decker & Co, LLC or another U.S. registered broker dealer.

If Distribution is to Australian Investors

This report is produced by PhillipCapital (India) Pvt Ltd and is being distributed in Australia by Phillip Capital Limited (Australian Financial Services Licence No. 246827).

This report contains general securities advice and does not take into account your personal objectives, situation and needs. Please read the Disclosures and Disclaimers set out above. By receiving or reading this report, you agree to be bound by the terms and limitations set out above. Any failure to comply with these terms and limitations may constitute a violation of law. This report has been provided to you for personal use only and shall not be reproduced, distributed or published by you in whole or in part, for any purpose. If you have received this report by mistake, please delete or destroy it, and notify the sender immediately.

PhillipCapital (India) Pvt. Ltd.

Registered office: No. 1, 18th Floor, Urmi Estate, 95 Ganpatrao Kadam Marg, Lower Parel West, Mumbai 400013