

# BUSINESS NEWS UPDATE

**“We Will Fail When We Fail to Try.”**

## **CLSA raises concerns about India’s stretched valuation, bullish on RIL, HDFC Bank, ONGC, Infosys**

In a recent report, foreign brokerage firm CLSA has expressed caution regarding the current valuation levels in the Indian stock market, describing it as not only stretched but also the most expensive large market globally. Despite remaining bullish on certain stocks, including Reliance Industries, HDFC Bank, ICICI bank, Infosys, L&T, Axis Bank, Sun Pharma, Oil & Natural Gas, SBI Life Insurance, IndusInd bank, Hindalco, and ICICI Prudential life, CLSA warns that the elevated starting point may impact returns in 2024. The report notes that Indian equities began the year with extreme bullish sentiment, boasting top-decile valuations and a record discount to debt yields. The Nifty’s Price-to-Earnings (P/E) ratio stands at 20.2x, a level witnessed on only 8% of days over the past 18 years.

Source: [Financial Express, Jan 12, 2024.](#)

## **Reliance Industries shares rally; Mukesh Ambani enters \$100 billion club**

Mukesh Ambani, the chairman of Reliance Industries Ltd (RIL), joined the elite club of centi-billionaires - global tycoons having a net worth of at least \$100 billion. Ambani's wealth swelled after Reliance Industries Ltd hit new record highs on Thursday and other group companies rose sharply of late. According to the data available with Bloomberg Billionaires Index, Mukesh Ambani added \$2.76 billion in the previous trading session as his wealth stood at \$102 billion. He currently stands at 12th spot. Mexican business magnate Carlos Slim is merely \$1 billion ahead of Ambani. Bloomberg's Billionaires Index has only a dozen centi-billionaires. Shares of Reliance Industries gained about 3 per cent to Rs 2,724.95 during Thursday's trading session, before eventually settling at Rs 2,718.40, up 2.58 per cent. The total market capitalisation of RIL stood Rs 18.40 lakh crore mark. The stock is up 5 per cent in the last two trading sessions, while it has gained 12 per cent in the

Source: [Business Today, Jan 12, 2024](#)

## **Railway budget 2024 to rise 25% to hit record levels**

Budgetary allocation for Indian Railways is expected to hit record levels in 2024-25 as the government gears up to support a major makeover for the national transporter with additional modern and faster trains and improved safety features. The capital expenditure (capex) for the railways is likely to be increased by about 25% from the 2023-24 budget estimate, two people aware of the development said. That would take the budgetary allocation to more than ₹3 lakh crore in 2024-25. The railway ministry had sought an increase in its planned capex for long-term infrastructure projects of freight corridors and speedier trains, as well as modernising the fleet with new-age trains, wagons and locos, one of them said. The increased capex would also go towards rolling out 300-400 Vande Bharat trains in different formats, including one with sleeper coaches, as well as overhauling the signalling systems.

Source: [Hindustan Times, Jan 12, 2024](#)

## **Infosys share price jumps over 6% on better-than-expected Q3 results; Brokerages raise target price; Should you buy?**

Infosys share price rallied over 6% in early trade on Friday, witnessing its biggest single-day gain since July 2020, after the IT services major reported better-than-expected earnings for the third quarter of FY24, despite a fall in revenue and net profit. Infosys shares rallied as much as 6.68% to ₹1,594.95 apiece on the BSE. India’s second largest IT services company, Infosys reported a 1.7% fall in its consolidated net profit for Q3FY24 to ₹6,106 crore from ₹6,212 crore in Q2FY24. The company’s revenue during the quarter fell by 0.4% to ₹38,821 crore from ₹38,994 crore, QoQ. Its revenues in constant currency (CC) terms also declined to \$4,663 million. Operating margin for the quarter came in at 20.5%, down 70 bps QoQ and 100 bps YoY. Large deal TCV for the quarter was \$3.2 billion, with 71% being net new. Meanwhile, attrition declined further to

Source: [Livemint, Jan 12, 2024](#)