

Buy Nifty-Midcap : A Structural Bull Market Opportunity

Target-1 ₹66,000 | Target-2 : 75,180 | Upside ~28%



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The Nifty Midcap 100 Index continues to remain one of the most attractive segments of the Indian equity market. As the domestic economy strengthens and capital expenditure rises, mid-sized companies are benefiting disproportionately. The index, which represents the next generation of India's wealth creators, is showing strong earnings visibility and sectoral breadth.

Relative Strength Trend: Favoring Midcaps : The Nifty Midcap 100 Index continues to remain one of the most attractive segments of the Indian equity market. As the domestic economy strengthens and capital expenditure rises, mid-sized companies are benefiting disproportionately. The index, which represents the next generation of India's wealth creators, is showing strong earnings visibility and sectoral breadth.

Earnings Strength & Leadership (Favoring Midcaps) : Midcap earnings have outpaced large caps for eight straight quarters. In FY25, midcaps posted ~24% YoY earnings growth, nearly double that of large caps (~12%). Looking ahead, FY26 projections continue to indicate robust double-digit growth, particularly from capital goods, BFSI, auto ancillaries, and specialty chemicals

Valuations & Fundamentals : Despite a strong rally, the Nifty Midcap 100's P/E of ~32-33x remains within reasonable bounds, trading at only a modest premium (~10-12%) to historical averages. This is justified by improving return on equity (ROE ~16%), strong balance sheets, and increasing foreign institutional investor (FII) interest in fundamentally sound mid-tier companies.

Capex Cycle = Midcap Multiplier :

- India's public and private capex boom is particularly favorable for midcaps engaged in cement, infra, automation, housing finance, and manufacturing. These businesses are poised for substantial margin and revenue expansion.

Liquidity Support from Domestic Flows :

- The midcap space is well-supported by robust SIP flows (₹18,000-20,000 crore/month) and rising retail participation. Domestic institutional investors (DIIs) remain net buyers in this segment, providing a cushion during global volatility and supporting continued upside potential.

Target & Outlook : We remain constructive on Nifty Midcap 100, assigning a target range of 75,000-75,200 over the next 9-12 months, implying 26-28% upside from current levels (58,500 - 59,000). This segment is best suited for long-term investors seeking alpha beyond the blue-chip universe.

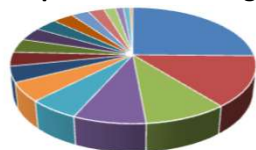
Investment Strategy : For a simple, cost-effective way to participate in this theme, we recommend Nippon India ETF Nifty Midcap 150

(MID150BEES). At a current price of ₹ 221-223, we suggest a "Buy" with:

- Target 1: ₹250 (~12% upside)
- Target 2: ₹285 (~28% upside)

This ETF offers liquidity, diversification, and direct exposure to India's midcap growth story.

Sector Representation Weight Wise

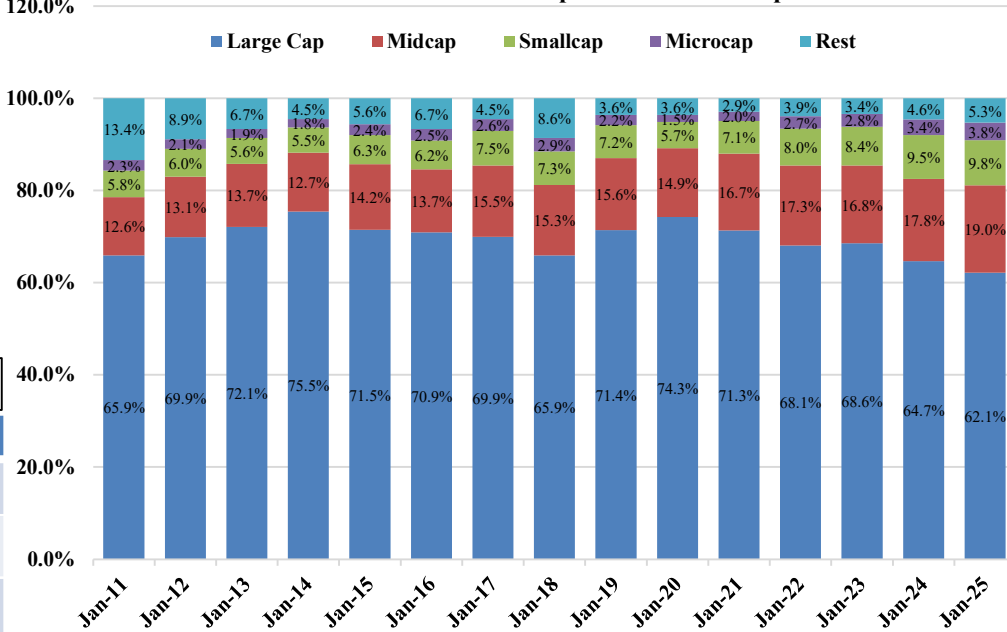


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- Metals & Minin
- Services
- Textiles
- Capital Goods
- Information Technol
- Chemicals
- Real
- Telecommunication
- Fast Movable Consumer Goods
- Power
- Construction
- Construction Materials

P/E : 32.84 | P/B : 4.95 | Dividend Yield : 0.83

Statistics	1 Year	5 Years	Since Inception
Std. Deviation	21.88	18.47	21.84
Beta (NIFTY 50)	1.15	1.00	0.87
Correlation (NIFTY 50)	0.82	0.80	0.85

Index-wise share in total market cap of NSE listed companies



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