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Jan'26 sectoral PE trend

In Jan'26, one-year forward sector PE valuations showed a mixed but stable trend. Several sectors such as Auto, Auto Parts & Equipment, Capital Goods, Cement, Chemicals, Consumer Durables, Hotels, IT, Power, Pharma and Textiles traded at or slightly above their long-term average PE. Other sectors like Agro chem, Building Material, FMCG and Hospitals traded slightly below their long-term average. Real Estate and Retail were clearly below their long-term trend. Overall, market valuations remained well-supported, with sectors such as Defense, Oil & Gas, and Metals & Mining showing relatively stronger premium multiples.

- Agro Chemicals** sector market capitalization (mcap) remained largely steady through Jan'26, fluctuating within a narrow band of Rs26,700bn to Rs28,787bn. PE ratio trended mildly downward, starting from 20 to 18 by 23rd Jan, before ending the month at 19. Against the long-term average PE of 20, current valuations are slightly below the trend, but within the historical range of 9–39, with ± 1 standard deviation levels at 25 and 14.
- Auto Parts & Equipment** sector mcap remained largely stable through Jan'26, fluctuating within a narrow band of Rs85,911bn to Rs93,572bn. PE ratio moderated slightly during the month, starting from 32 at the start of Jan to a low of 29 by 23rd Jan, before ending the month at 30. Against the long-term average PE of 30, current valuations are broadly in line with trend and remain within the historical range of 17–45, with ± 1 standard deviation levels at 35 and 24.
- Automobiles** sector mcap remained largely steady through Jan'26, fluctuating within a narrow band of Rs200,516bn to Rs215,938bn. PE ratio softened through the month, starting from 30 at the start of Jan to a low of 28 by 23rd Jan, before ending the month at 28. Against the long-term average PE of 23, current valuations remain above trend but comfortably within the historical range of 16–32, with ± 1 standard deviation levels at 27 and 19.
- Building Materials** sector mcap declined gradually through Jan'26, fluctuating within a band of Rs56,975bn to Rs62,148bn. PE ratio moderated over the month, starting from 46 at the start of Jan to 42 by month-end, after touching a low of 44 on 23rd Jan. Against the long-term average PE of 49, current valuations remain below trend but well within the historical range of 32–75, with ± 1 standard deviation levels at 59 and 39.
- Capital Goods** sector mcap softened through Jan'26, fluctuating within a range of Rs131,304bn to Rs147,951bn. PE ratio declined steadily during the month, starting from 33 at the start of Jan to a low of 29 by 23rd Jan, before ending the month at 30. Against the long-term average PE of 31, current valuations remain broadly aligned with trend and comfortably within the historical range of 19–50, with ± 1 standard deviation levels at 38 and 24.
- Cement** sector mcap remained broadly stable through Jan'26, fluctuating within a narrow band of Rs95,562bn to Rs98,285bn. PE ratio moved modestly during the month, starting from 30 at the start of Jan to 29 for most of the

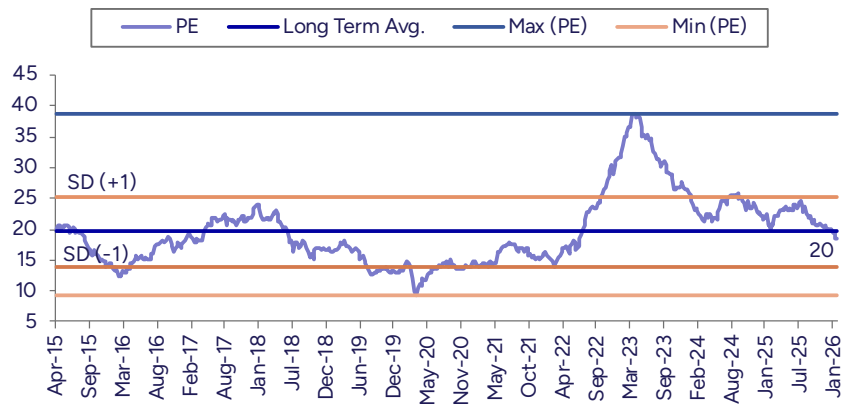
period, before ending the month at 29. Against the long-term average PE of 25, current valuations remain above trend but comfortably within the historical range of 11–39, with ± 1 standard deviation levels at 31 and 19.

- **Chemicals** sector mcap declined moderately through Jan'26, fluctuating within a band of Rs29,265bn to Rs31,848bn. PE ratio eased during the month, moving from 33 at the start of Jan to a low of 30 by 23rd Jan, before ending the month at 31. Against the long-term average PE of 27, current valuations remain above trend but well within the historical range of 11–54, with ± 1 standard deviation levels at 40 and 13.
- **Consumer Durables** sector mcap declined through Jan'26, fluctuating within a range of Rs50,925bn to Rs57,952bn. PE ratio trended consistently lower over the month, starting from 44 at the start of Jan to a low of 38 by 23rd Jan, before ending the month at 39. Against the long-term average PE of 40, current valuations remain slightly below trend but comfortably within the historical range of 18–66, with ± 1 standard deviation levels at 52 and 28.
- **Defense** sector mcap remained volatile through Jan'26, fluctuating within a range of Rs67,674bn to Rs73,608bn. PE ratio moved in a narrow band during the month, starting from 36 at the start of Jan to a low of 35 by 23rd Jan, before rising to 38 by month-end. Against the long-term average PE of 18, current valuations remain significantly above trend, yet comfortably within the historical range of 6–47, with ± 1 standard deviation levels at 28 and 8.
- **FMCG** sector mcap softened gradually through Jan'26, fluctuating within a range of Rs245,389bn to Rs253,373bn. PE ratio eased marginally during the month, moving from 37 at the start of Jan to 36 for the remaining weeks. Against the long-term average PE of 39, current valuations remain slightly below trend, but well within the historical range of 30–48, with ± 1 standard deviation levels at 42 and 35.
- **Hospitals** sector mcap declined through Jan'26, fluctuating within a range of Rs43,238bn to Rs46,795bn. PE ratio moderated over the month, starting from 46 at the start of Jan to 42 by 23rd Jan, before ending the month at 42. Against the long-term average PE of 49, current valuations remain below the trend, but well within the historical range of 28–98, with ± 1 standard deviation levels at 61 and 36.
- **Hotels** sector mcap trended lower through Jan'26, fluctuating within a range of Rs19,144bn to Rs21,765bn. PE ratio moved steadily downward during the month, starting from 39 at the start of Jan to a low of 34 by 23rd Jan, before ending the month at 35. Against the long-term average PE of 32, current valuations remain above trend, but within the wide historical range of –96 to 95, with ± 1 standard deviation levels at 69 and –5.
- **IT** sector mcap remained largely stable through Jan'26, fluctuating within a range of Rs3,606bn to Rs3,705bn. PE ratio moved in a narrow band during the month, alternating between 23 and 24 before settling at 23 by month-end. Against the long-term average PE of 22, current valuations remain slightly above trend, but comfortably within the historical range of 14–33, with ± 1 standard deviation levels at 26 and 17.

- **Metals & Mining** sector mcap remained broadly stable through Jan'26, fluctuating within a range of Rs205,574bn to Rs218,587bn. PE ratio moved between 13 and 14 during the month, touching a low of 13 on multiple occasions before ending the month at 14. Against the long-term average PE of 9, current valuations remain above the trend, but comfortably within the historical range of 3–16, with ± 1 standard deviation levels at 12 and 6.
- **Oil & Gas** sector mcap trended lower through Jan'26, fluctuating within a range of Rs3,032bn to Rs3,370bn. PE ratio moved within a narrow band during the month, starting from 20 at the start of Jan to a low of 18 on multiple occasions, before ending the month at 19. Against the long-term average PE of 12, current valuations remain above the trend, but comfortably within the historical range of 7–21, with ± 1 standard deviation levels at 16 and 9.
- **Pharma** sector mcap trended lower through Jan'26, fluctuating within a range of Rs1,943bn to Rs2,036bn. PE ratio softened during the month, starting from 30 at the start of Jan to 28 by month-end. Against the long-term average PE of 29, current valuations remain broadly aligned with the trend and comfortably within the historical range of 17–39, with ± 1 standard deviation levels at 33 and 24.
- **Power Generation & Distribution** sector mcap trended lower through Jan'26, fluctuating within a range of Rs1,598bn to Rs1,797bn. PE ratio eased gradually over the month, moving from 20 at the start of Jan to 18 by month-end. Against the long-term average PE of 15, current valuations remain above the trend, but comfortably within the historical range of 7–27, with ± 1 standard deviation levels at 19 and 10.
- **Real Estate** sector mcap declined through Jan'26, fluctuating within a range of Rs53,439bn to Rs63,742bn. PE ratio moderated over the month, starting from 30 at the start of Jan to a low of 25 by 23rd Jan, before ending the month at 26. Against the long-term average PE of 36, current valuations remain below trend, but well within the historical range of 12–104, with ± 1 standard deviation levels at 50 and 21.
- **Retail** sector mcap trended lower through Jan'26, fluctuating within a range of Rs1,018bn to Rs1,090bn. PE ratio moderated steadily over the month, starting from 63 at the start of Jan to 57 by month-end. Against the long-term average PE of 80, current valuations remain well below the trend, but within the historical range of 33–169, with ± 1 standard deviation levels at 105 and 54.
- **Textiles** sector mcap remained broadly stable through Jan'26, fluctuating within a range of Rs6,548bn to Rs7,018bn. PE ratio softened during the month, starting from 22 at the start of Jan to a low of 20 for most of the period, before ending the month at 21. Against the long-term average PE of 18, current valuations remain above the trend, but comfortably within the historical range of 5–36, with ± 1 standard deviation levels at 26 and 9.

Agro Chemicals

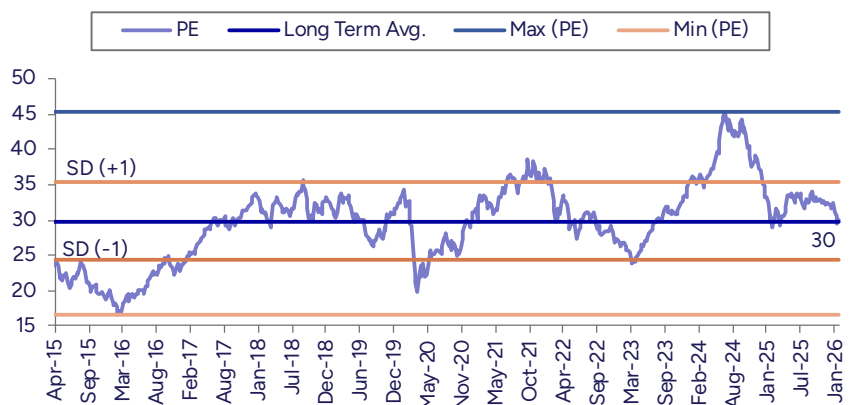
Exhibit 1: One-year forward PE trading at 19x almost in line with LTA of 20x



Source: Company, PL

Auto Parts & Equipment

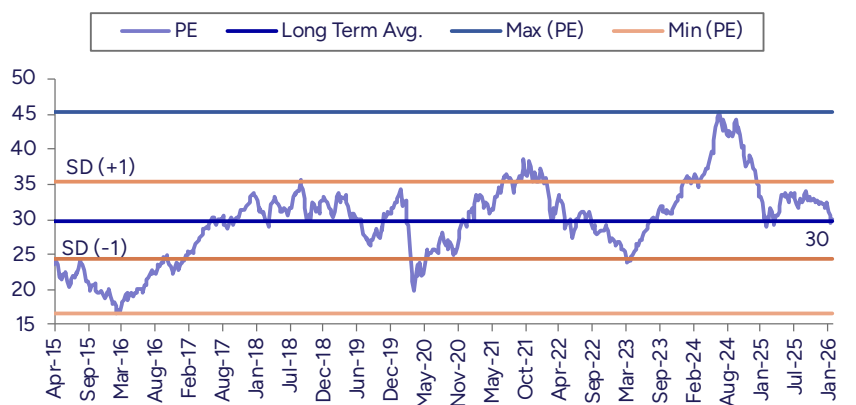
Exhibit 2: One-year forward PE trading at LTA of 30x



Source: Company, PL

Automobiles

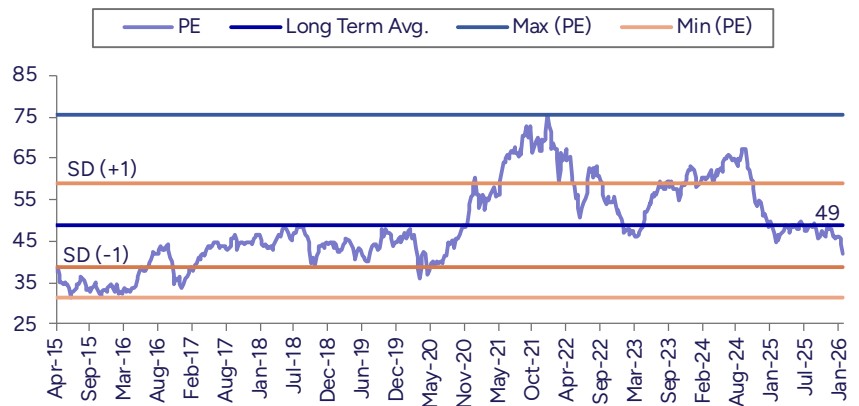
Exhibit 3: One-year forward PE trading at 28x vs. LTA of 30x



Source: Company, PL

Building Materials

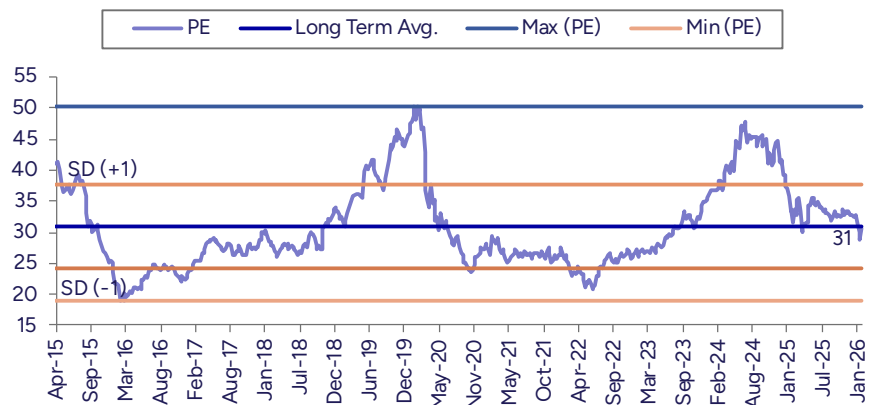
Exhibit 4: Trading at 42x of one-year forward PE vs. LTA of 49x



Source: Company, PL

Capital Goods

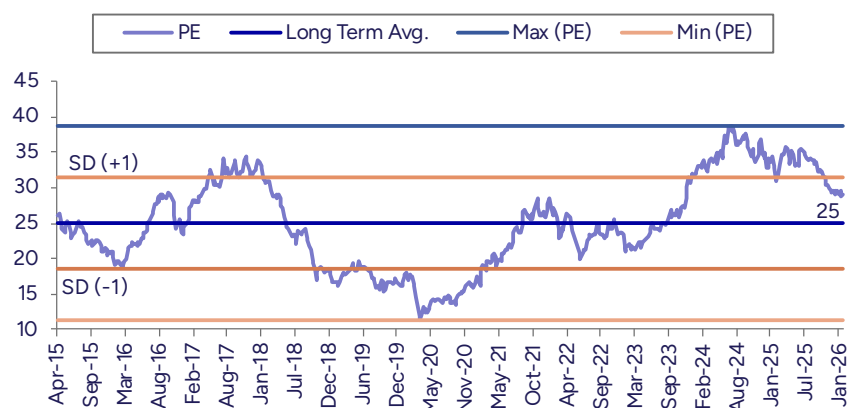
Exhibit 5: Trading at 30x of one-year forward PE, almost in line with LTA of 31x



Source: Company, PL

Cement

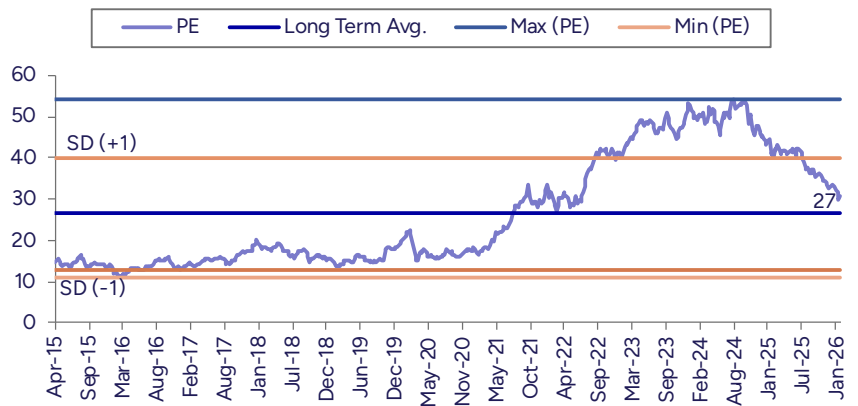
Exhibit 6: Trading at 29x of one-year forward PE vs. LTA of 25x



Source: Company, PL

Chemicals

Exhibit 7: Trading at 31x of one-year forward PE vs. LTA of 27x



Source: Company, PL

Consumer Durables

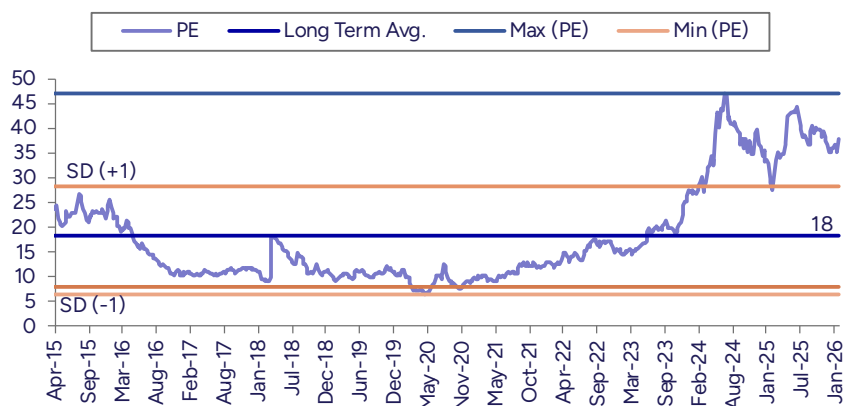
Exhibit 8: Trading at 39x of one-year forward PE, almost in line with LTA of 40



Source: Company, PL

Defense

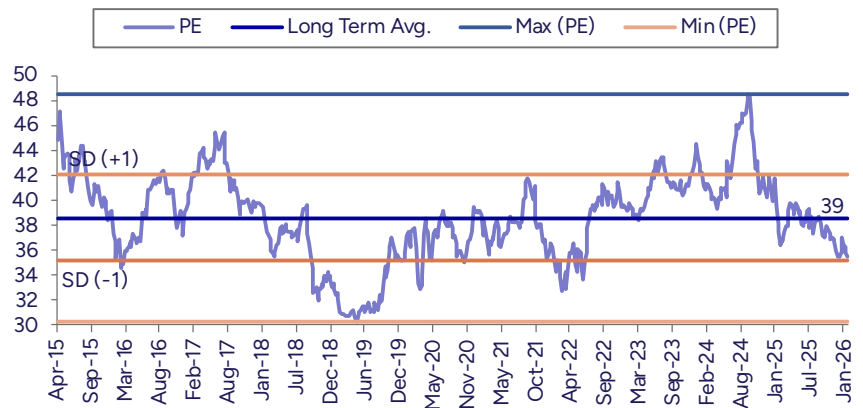
Exhibit 9: Trading at 38x of one-year forward PE, well above LTA of 18x



Source: Company, PL

FMCG

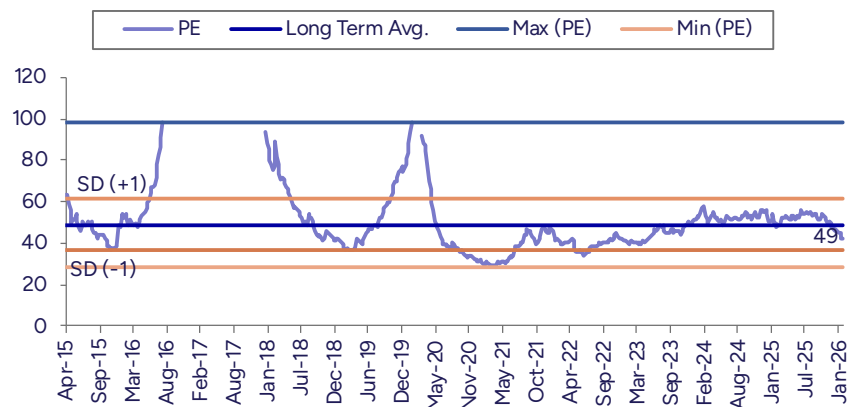
Exhibit 10: Trading at 36x of one-year forward PE vs. LTA of 39x



Source: Company, PL

Hospitals

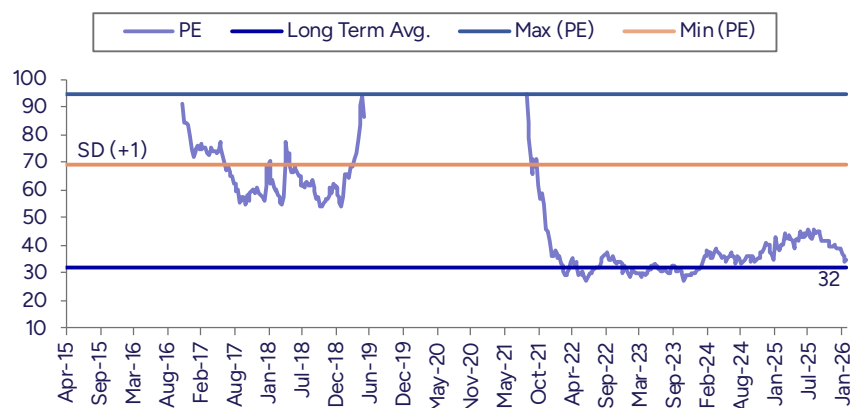
Exhibit 11: One-year forward PE trading at 42x, well below LTA of 49x



Source: Company, PL

Hotels

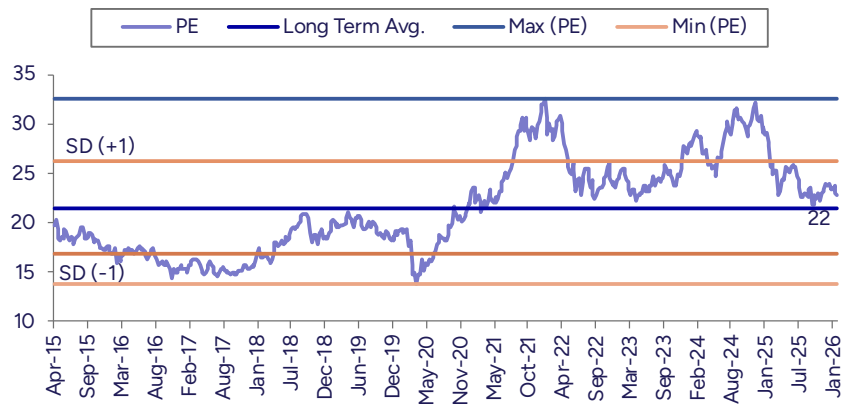
Exhibit 12: One-year forward PE trading at 35x vs. LTA of 32x



Source: Company, PL

IT

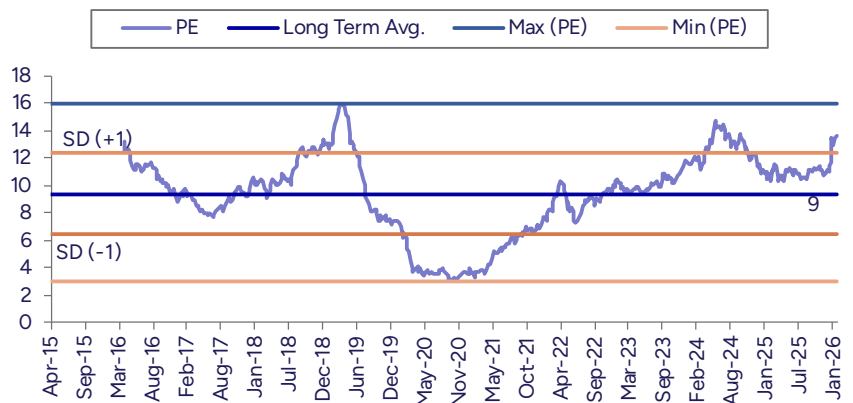
Exhibit 13: One-year forward PE trading at 23x, almost in line with LTA of 22x



Source: Company, PL

Metals & Mining

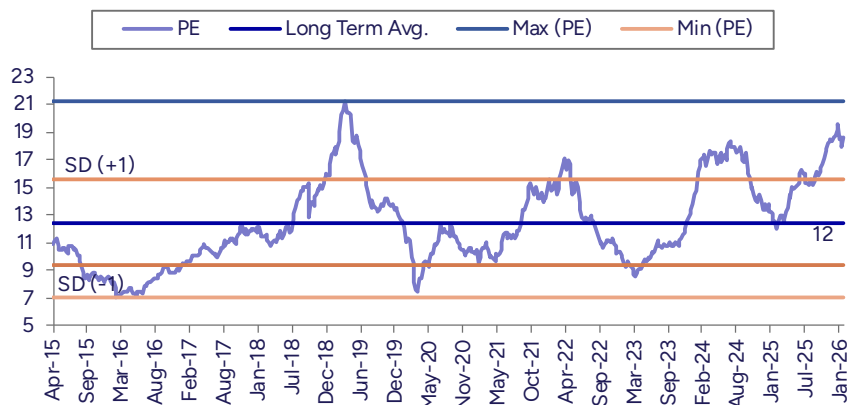
Exhibit 14: Trading at 14x of one-year forward PE, well above LTA of 9x



Source: Company, PL

Oil & Gas

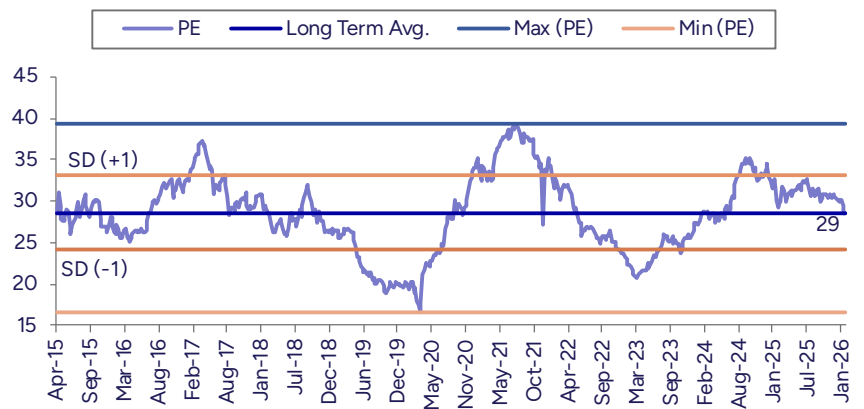
Exhibit 15: Trading at 19x of one-year forward PE vs. LTA of 12x



Source: Company, PL

Pharma

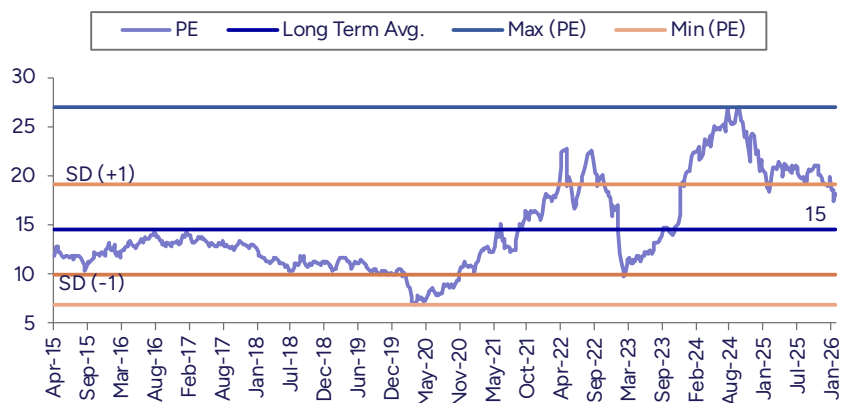
Exhibit 16: Trading at 28x of one-year forward PE, almost in line with LTA of 29x



Source: Company, PL

Power Generation & Distribution

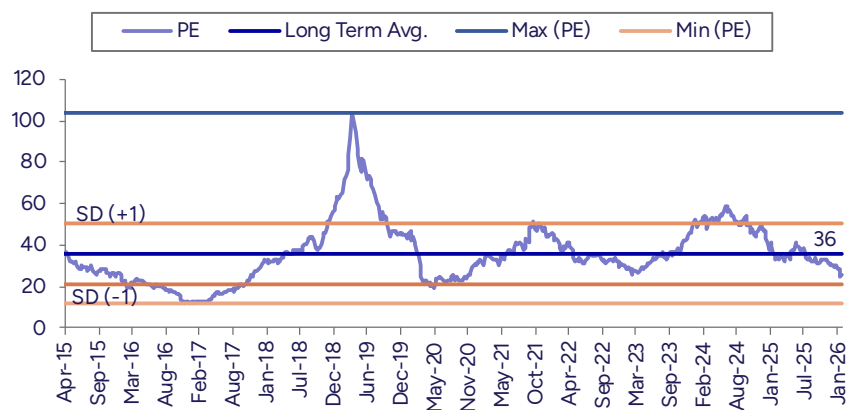
Exhibit 17: Trading at 18x of one-year forward PE, slightly above LTA of 15x



Source: Company, PL

Real Estate

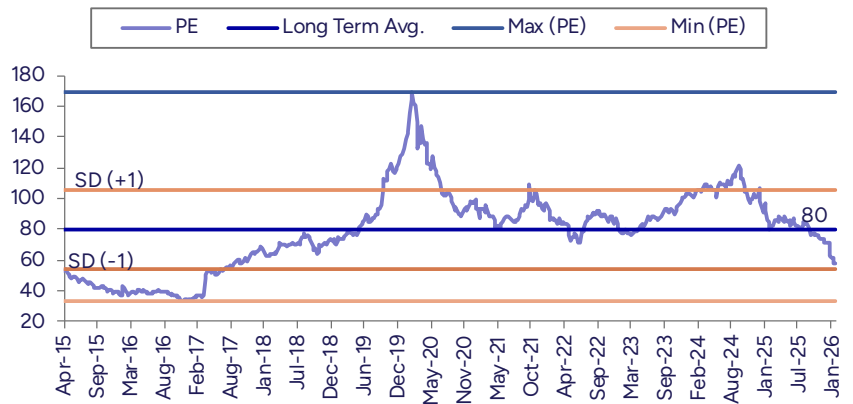
Exhibit 18: Trading at 26x of one-year forward PE vs. LTA of 36x



Source: Company, PL

Retail

Exhibit 19: Trading at 57x of one-year forward PE, well below LTA of 80x



Source: Company, PL

Textiles

Exhibit 20: Trading at 21x of one-year forward PE, slightly above LTA of 18x



Source: Company, PL

PL's Recommendation Nomenclature

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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