

# Quant

## Mar'26 sectoral PE trend

### Quick Pointers

- This report reviews one year forward PE and market cap trends across major sectors in Mar'26, benchmarking current valuations against long term averages to assess sector positioning.
- Out of the 20 sectors analysed, 10 are currently trading below their long term averages.

Overall, valuation patterns were mixed, with Automobiles, Cement, Chemicals, Consumer Durables, Defence, Metals & Mining, Oil & Gas, Pharma, Power Generation & Distribution and Textiles trading at or above their historical averages. Agro Chemicals, Auto Parts & Equipment, Building Materials, Capital Goods, FMCG, Hospitals, Hotels and IT remained slightly below long-term trends, while Real Estate and Retail continued to trade well below historical norms. Defence, Metals & Mining and Oil & Gas reflected the strongest premium multiples during the month.

**Agro Chemicals** PE declined from 18 at the start of Mar'26 to 17 by month-end. Compared to the long-term average PE of 20, the current valuation is below average but within the historical band of 9–39, with  $\pm 1$  standard deviation levels at 25 and 14.

**Auto Parts & Equipments** PE eased from 31 to 28 during Mar'26. Compared to the long-term average PE of 30, the current valuation is slightly below average but within the historical band of 17–45, with  $\pm 1$  standard deviation levels at 35 and 24.

**Automobile** PE declined from 27 to 24 over Mar'26. Compared to the long-term average PE of 23, the current valuation remains marginally above average and within the historical band of 16–32, with  $\pm 1$  standard deviation levels at 27 and 19.

**Building Material** PE declined from 43 to 40 in Mar'26. Compared to the long-term average PE of 49, the current valuation is below average but within the historical band of 32–75, with  $\pm 1$  standard deviation levels at 59 and 39.

**Capital Goods** PE moderated from 32 to 30 during Mar'26. Compared to the long-term average PE of 31, the current valuation is marginally below average but within the historical band of 19–50, with  $\pm 1$  standard deviation levels at 38 and 24.

**Cements** PE declined from 28 at the start of Mar'26 to 25 by month-end. Compared to the long-term average PE of 25, the current valuation is in line with average and comfortably within the historical band of 11–39, with  $\pm 1$  standard deviation levels at 32 and 19.

**Chemicals** PE eased from 32 to 30 over Mar'26. Compared to the long-term average PE of 27, the current valuation remains above average but within the historical band of 11–57, with  $\pm 1$  standard deviation levels at 41 and 13.

**Consumer Durables** PE declined from 46 to 41 during Mar'26. Compared to the long-term average PE of 41, the current valuation is broadly in line with average and within the historical band of 18–67, with  $\pm 1$  standard deviation levels at 53 and 28.

**Defence** PE declined from 37 to 32 in Mar'26. Compared to the long-term average PE of 19, the current valuation remains significantly above trend and within the historical band of 6–47, with  $\pm 1$  standard deviation levels at 29 and 8.

**FMCG** PE moderated from 36 to 33 during Mar'26. Compared to the long-term average PE of 39, the current valuation remains below trend but within the historical band of 30–49, with  $\pm 1$  standard deviation levels at 42 and 35.

**Hospitals** PE eased from 46 to 43 over Mar'26. Compared to the long-term average PE of 49, the current valuation remains below trend but within the historical band of 28–98, with  $\pm 1$  standard deviation levels at 62 and 37.

**Hotels** PE declined from 33 to 30 during Mar'26. Compared to the long-term average PE of 48, the current valuation is below trend but within the historical band of 27–95, with  $\pm 1$  standard deviation levels at 64 and 31.

**IT** PE declined from 18 to 17 in Mar'26. Compared to the long-term average PE of 22, the current valuation remains below trend but within the historical band of 14–33, with  $\pm 1$  standard deviation levels at 26 and 17.

**Metals & Mining** PE eased from 13 to 12 during Mar'26. Compared to the long-term average PE of 9, the current valuation remains above trend but within the historical band of 3–16, with  $\pm 1$  standard deviation levels at 12 and 7.

**Oil & Gas** PE moderated from 14 to 13 over Mar'26. Compared to the long-term average PE of 12, the current valuation remains marginally above trend but within the historical band of 7–21, with  $\pm 1$  standard deviation levels at 15 and 9.

**Pharma** PE remained stable at 30 during Mar'26. Compared to the long-term average PE of 29, the current valuation remains broadly aligned with trend and within the historical band of 17–39, with  $\pm 1$  standard deviation levels at 33 and 24.

**Power Generation & Distribution** PE remained stable at 20 through Mar'26. Compared to the long-term average PE of 15, the current valuation remains above trend but within the historical band of 7–28, with  $\pm 1$  standard deviation levels at 20 and 10.

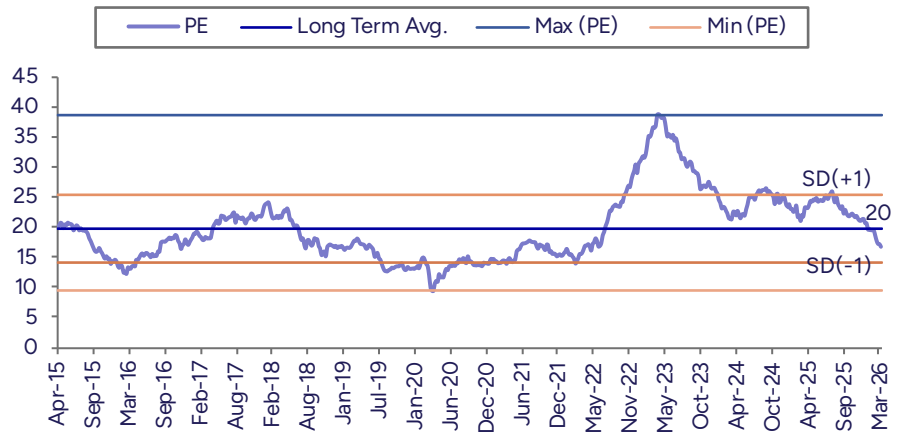
**Real Estate** PE declined from 25 to 22 during Mar'26. Compared to the long-term average PE of 36, the current valuation remains well below trend but within the historical band of 12–104, with  $\pm 1$  standard deviation levels at 50 and 21.

**Retail** PE declined from 58 to 54 over Mar'26. Compared to the long-term average PE of 79, the current valuation remains significantly below trend but within the historical band of 33–169, with  $\pm 1$  standard deviation levels at 105 and 53.

**Textile** PE eased from 22 to 21 during Mar'26. Compared to the long-term average PE of 18, the current valuation remains above trend but within the historical band of 5–39, with  $\pm 1$  standard deviation levels at 27 and 9.

### Agro Chemicals

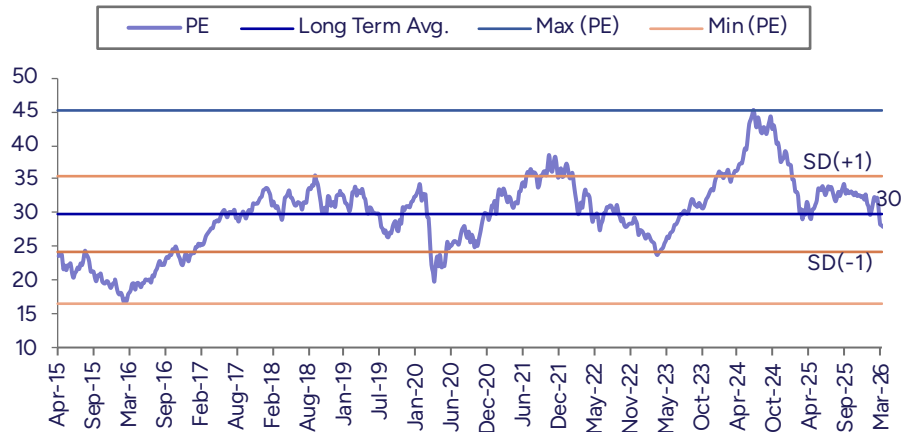
Exhibit 1: One-year forward PE trading at 17x, marginally below its LTA of 20x.



Source: Company, PL

### Auto Parts & Equipment

Exhibit 2: Trading at 28x of one-year forward PE, slightly below the LTA of 30x.



Source: Company, PL

### Automobile

Exhibit 3: One-year forward PE trading at 24x vs LTA of 23x



Source: Company, PL

### Building Materials

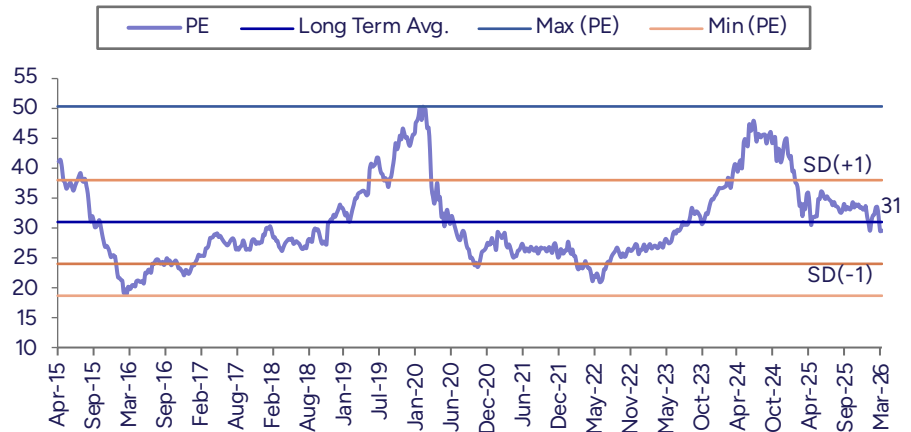
Exhibit 4: One-year forward PE at 40x, meaningfully below its LTA of 49x



Source: Company, PL

### Capital Goods

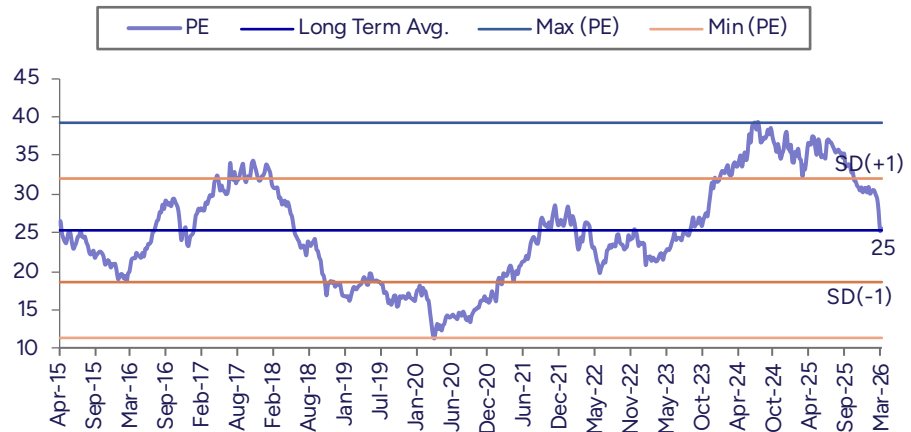
Exhibit 5: Trading at 30x of one-year forward PE, almost in line with LTA of 31x



Source: Company, PL

### Cement

Exhibit 6: One-year forward PE trading at 25x, in line with its LTA of 25x



Source: Company, PL

**Chemicals**

**Exhibit 7: Trading at 30x one-year forward PE, above the LTA of 27x**



Source: Company, PL

**Consumer Durables**

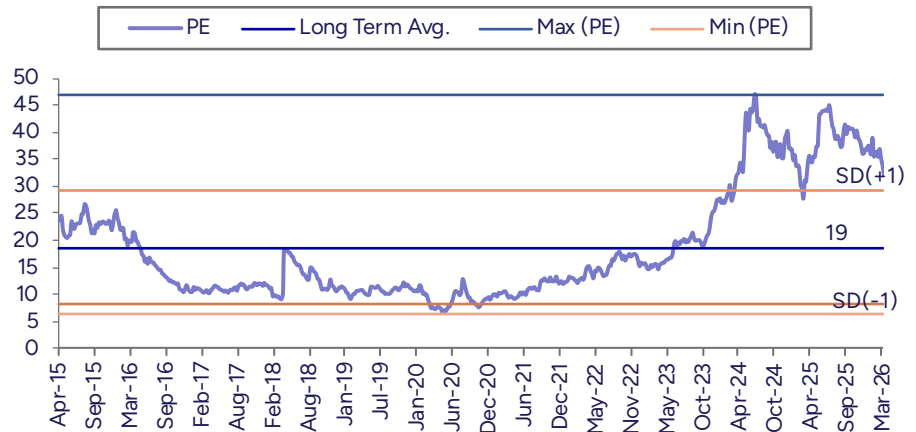
**Exhibit 8: One-year forward PE at 41x, broadly in line with its LTA of 41x**



Source: Company, PL

**Defence**

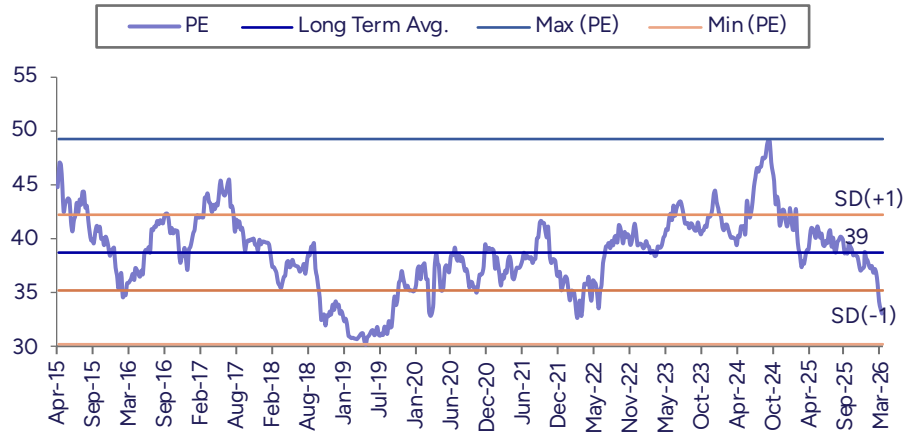
**Exhibit 9: One-year forward PE trading at 32x, significantly above the LTA of 19x**



Source: Company, PL

**FMCG**

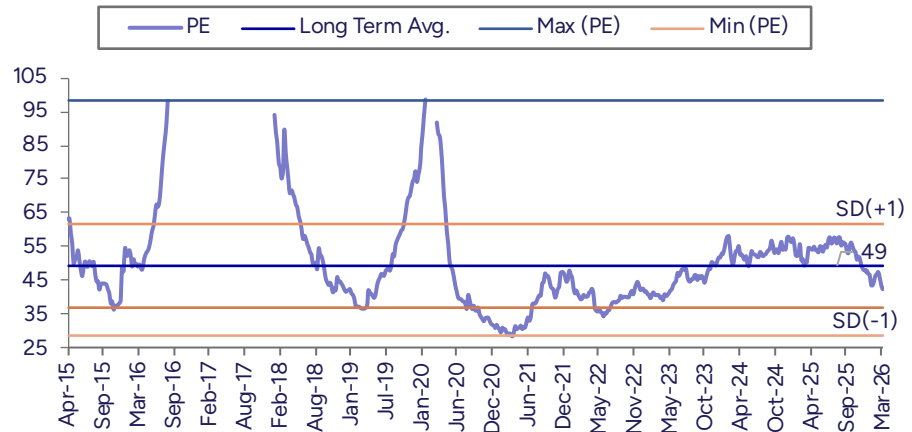
**Exhibit 10: Trading at 33x of one-year forward PE, below its LTA of 39x**



Source: Company, PL

**Hospitals**

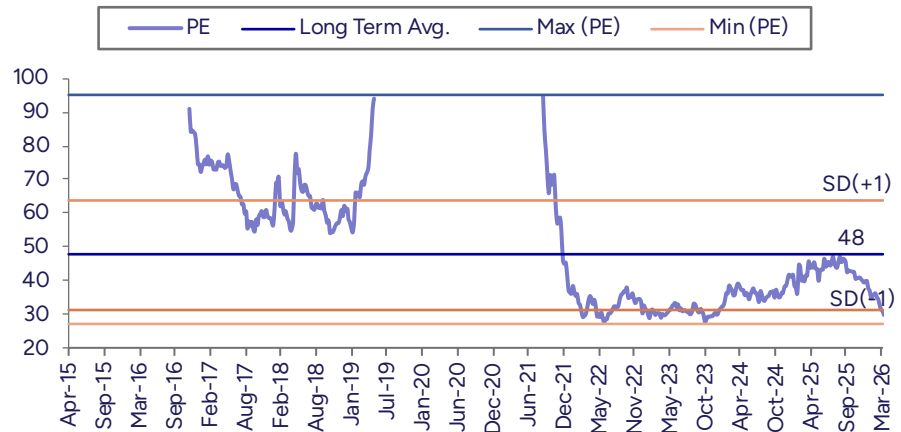
**Exhibit 11: One-year forward PE at 43x, trading below the LTA of 49x**



Source: Company, PL

**Hotels**

**Exhibit 12: Trading at 30x of one-year forward PE, below its LTA of 48x**



Source: Company, PL

IT

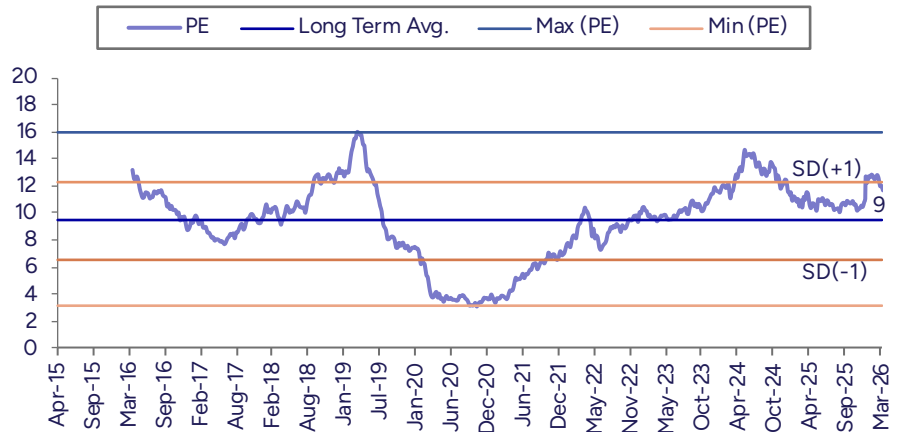
Exhibit 13: One-year forward PE trading at 17x vs LTA of 22x



Source: Company, PL

Metals & Mining

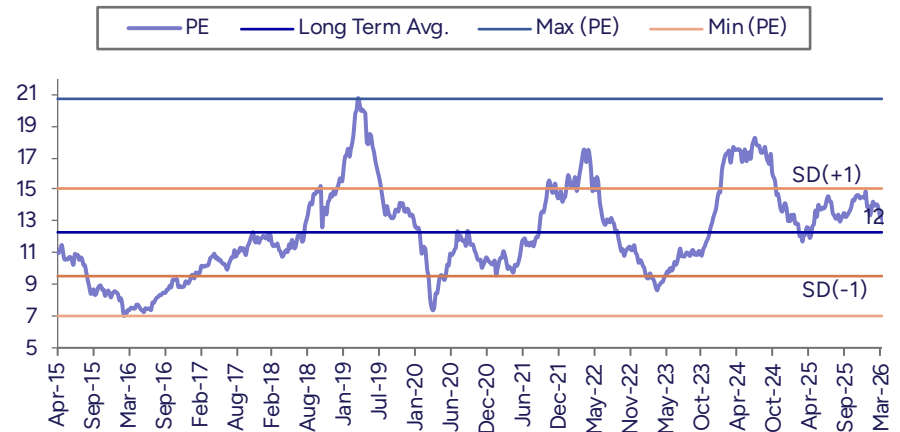
Exhibit 14: Trading at 12x one-year forward PE, above the LTA of 9x



Source: Company, PL

Oil & Gas

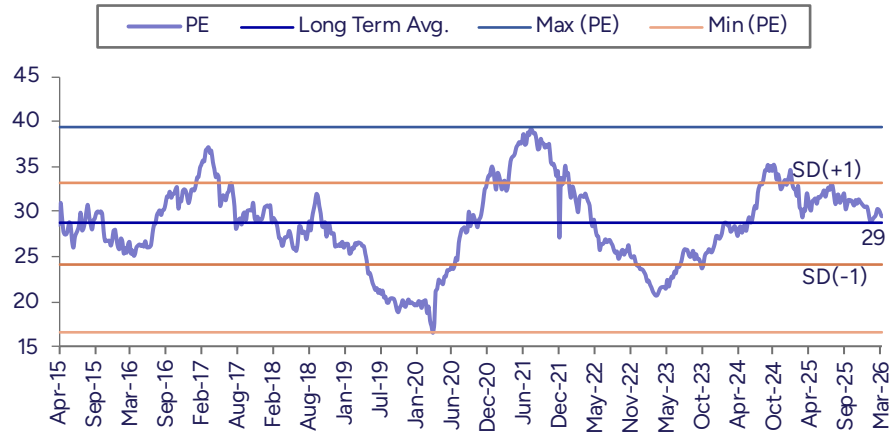
Exhibit 15: One-year forward PE at 13x, marginally above its LTA of 12x



Source: Company, PL

**Pharma**

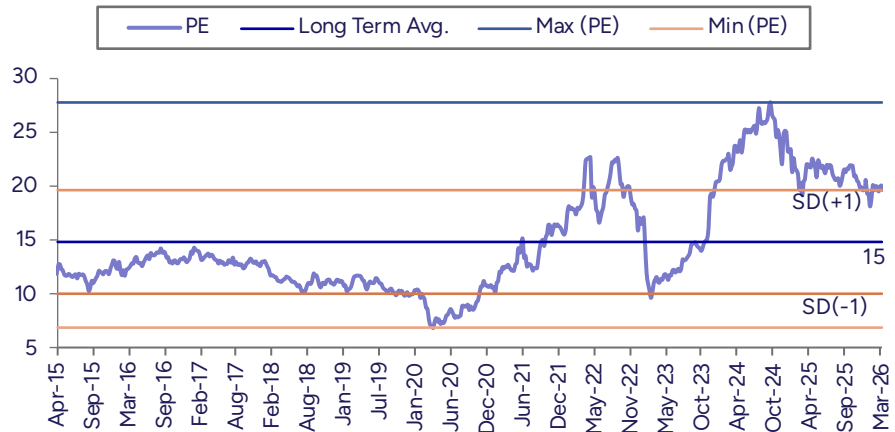
**Exhibit 16: Trading at 30x of one-year forward PE, almost in line with LTA of 29x**



Source: Company, PL

**Power Generation & Distribution**

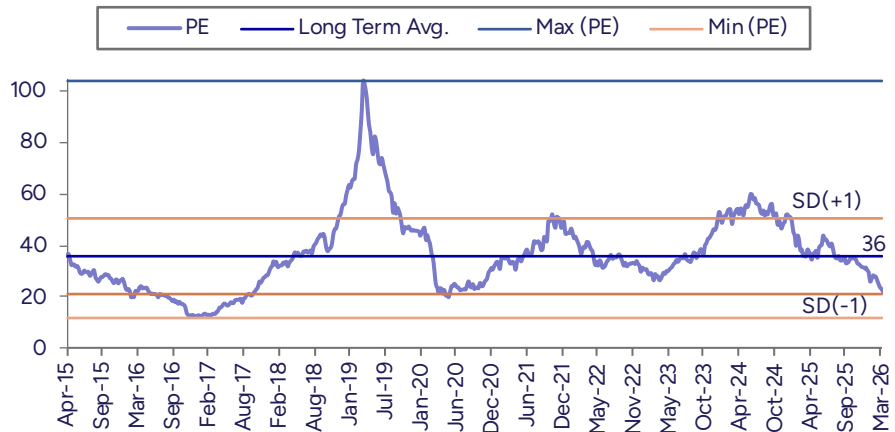
**Exhibit 17: One-year forward PE trading at 20x, above its LTA of 15x**



Source: Company, PL

**Real Estate**

**Exhibit 18: Trading at 22x of one-year forward PE, well below the LTA of 36x**



Source: Company, PL

**Retail**

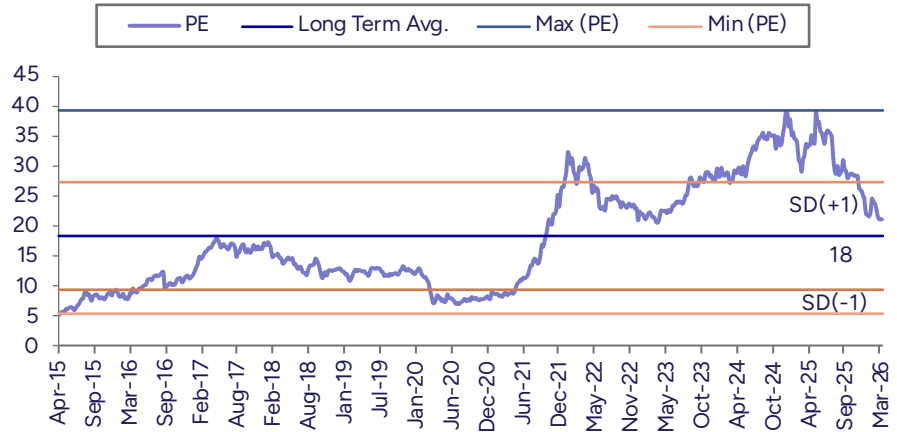
**Exhibit 19: One-year forward PE at 54x, significantly below its LTA of 79x**



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 (Absolute Performance)**

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

## ANALYST CERTIFICATION

### Indian Clients

We/I Ms. Mannat Gandhi MBA Banking & Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

### US Clients

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

### Prabhudas Lilladher Pvt. Ltd.

**Corporate Office:** 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

**Registered Office:** 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

[www.plindia.com](http://www.plindia.com)

## DISCLAIMER

### Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd, which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at [www.plindia.com](http://www.plindia.com).

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipients particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report.

PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report.

PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Ms. Mannat Gandhi MBA Banking & Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

### US Clients

This research report is a product of Prabhudas Lilladher 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 Prabhudas Lilladher 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 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 the 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, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.