

Quant

October 05, 2026

Sept'26 Sectoral PE trend

Quick Pointers

- This report reviews one year forward PE trends across 20 major sectors in Sep'26, comparing current valuations with LTAs, SD bands and historical valuation bands.
- Sep'26 valuations remained mixed, with 10 sectors trading above their LTAs, 9 sectors below and 1 sector broadly in line with its LTA

Overall, Sep'26 valuations witnessed moderation across most sectors. Capital Goods, Cements, Automobiles, Auto Parts & Equipment, Consumer Durables, Defence, Oil & Gas, Pharma, Power Generation & Distribution and Textiles continue to trade above their LTAs. Notably, Cements, Defence, Oil & Gas and Power Generation & Distribution remained above their respective SD (+1) levels, while Pharma traded at its SD (+1) level. Consumer Durables remained only marginally above its LTA, while Metals & Mining moderated to trade broadly in line with its historical average.

In contrast, Agro Chemicals, Building Materials, Chemicals, FMCG, Hospitals, Hotels, IT, Real Estate and Retail remained below their LTAs. Building Materials, FMCG and IT ended the month below their respective SD (-1) levels. Chemicals, which started the month in line with its LTA, moderated to trade below its LTA by month end.

Agro Chemicals Sector: PE moderated from 17 at the start of Sep'26 to 16 by month end. Compared to the LTA PE of 20, the current valuation remains below average and within the historical valuation band of 9–39, with SD (+1) and SD (-1) levels at 26 and 14, respectively.

Auto Parts & Equipment Sector: PE moderated from 35 at the start of Sep'26 to 33 by month end. Compared to the LTA PE of 30, the current valuation remains above average and within the historical valuation band of 17–46, with SD (+1) and SD (-1) levels at 36 and 25, respectively.

Automobile Sector: PE moderated from 27 at the start of Sep'26 to 26 by month end. Compared to the LTA PE of 23, the current valuation remains above average and within the historical valuation band of 16–32, with SD (+1) and SD (-1) levels at 27 and 19, respectively.

Building Materials Sector: PE moderated from 41 at the start of Sep'26 to 38 by month end. Compared to the LTA PE of 49, the current valuation remains below average and within the historical valuation band of 32–75, with SD (+1) and SD (-1) levels at 59 and 39, respectively.



Quant
September 02, 2026

Aug'26 Sectoral PE trend

Quick Pointers

- This report reviews one year forward PE trends across 20 major sectors in Aug'26, comparing current valuations with LTAs, SD bands and historical valuation bands.
- Aug'26 valuations remained mixed, with 11 sectors trading above their LTAs, 7 sectors below and 2 sectors broadly in line with historical norms.

Overall, Aug'26 valuations remained broadly similar to Jul'26. Capital Goods, Cements, Automobiles, Auto Parts & Equipment, Consumer Durables, Defence, Metals & Mining, Oil & Gas, Pharma, Power Generation & Distribution and Textiles continued to trade above their LTAs. Notably, Auto Parts & Equipment remained at its SD (+1) level, while Automobiles, Cements, Defence, Oil & Gas, Pharma and Power Generation & Distribution continued to trade above their respective SD (+1) levels despite some moderation in valuations. Chemicals, which had traded above its LTA in Jul'26, reverted to trading broadly in line with its historical average.

In contrast, IT, FMCG, Hotels, Agro Chemicals, Building Materials, Real Estate and Retail remained below their LTAs. Hospitals, which traded at a slight premium to its LTA in Jul'26, moderated and moved back to trading broadly in line with historical averages.

Agro Chemicals PE moderated from 18 at the start of Aug'26 to 17 by month end. Compared to the LTA PE of 20, the current valuation remains below average and within the historical valuation band of 9–39, with SD (+1) and SD (-1) levels at 26 and 14, respectively.

Auto Parts & Equipment PE remained stable at 36 throughout Aug'26, with no change between the start and end of the month. Compared to the LTA PE of 30, the current valuation remains above average and is trading at the SD (+1) level of 36. The sector remains within the historical valuation band of 17–46, with SD (+1) and SD (-1) levels at 36 and 25, respectively.

Automobile PE moderated from 29 at the start of Aug'26 to 28 by month end. Compared to the LTA PE of 23, the current valuation remains above average and above the SD (+1) level of 27. The sector remains within the historical valuation band of 16–32, with SD (+1) and SD (-1) levels at 27 and 19, respectively.

Building Materials PE moderated from 43 at the start of Aug'26 to 42 by month end. Compared to the LTA PE of 49, the current valuation remains below average but above the SD (-1) level of 39. The sector remains within the historical valuation band of 32–75, with SD (+1) and SD (-1) levels at 59 and 39, respectively.

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Capital Goods Sector: PE moderated from 36 at the start of Sep'26 to 34 by month end. Compared to the LTA PE of 31, the current valuation remains above average and within the historical valuation band of 19–50, with SD (+1) and SD (-1) levels at 38 and 25, respectively.

Cements Sector: PE moderated from 33 at the start of Sep'26 to 32 by month end. Compared to the LTA PE of 25, the current valuation remains above average and within the historical valuation band of 11–37, with SD (+1) and SD (-1) levels at 31 and 19, respectively.

Chemicals Sector: PE moderated from 29 at the start of Sep'26 to 27 by month end. Compared to the LTA PE of 29, the current valuation remains below average and within the historical valuation band of 11–68, with SD (+1) and SD (-1) levels at 45 and 12, respectively.

Consumer Durables Sector: PE moderated from 45 at the start of Sep'26 to 42 by month end. Compared to the LTA PE of 41, the current valuation remains marginally above average and within the historical valuation band of 18–67, with SD (+1) and SD (-1) levels at 53 and 29, respectively.

Defence Sector: PE moderated from 36 at the start of Sep'26 to 34 by month end. Compared to the LTA PE of 19, the current valuation remains significantly above average and within the historical valuation band of 6–47, with SD (+1) and SD (-1) levels at 31 and 8, respectively.

FMCG Sector: PE moderated from 35 at the start of Sep'26 to 34 by month end. Compared to the LTA PE of 39, the current valuation remains below average and within the historical valuation band of 30–49, with SD (+1) and SD (-1) levels at 42 and 35, respectively.

Hospitals Sector: PE moderated from 47 at the start of Sep'26 to 43 by month end. Compared to the LTA PE of 49, the current valuation remains below average and within the historical valuation band of 28–98, with SD (+1) and SD (-1) levels at 61 and 37, respectively.

Hotels Sector: PE remained stable at 35 from the start of Sep'26 to month end. Compared to the LTA PE of 46, the current valuation remains below average and within the historical valuation band of 27–95, with SD (+1) and SD (-1) levels at 63 and 30, respectively.

IT Sector: PE moderated from 17 at the start of Sep'26 to 15 by month end. Compared to the LTA PE of 21, the current valuation remains below average and within the historical valuation band of 14–33, with SD (+1) and SD (-1) levels at 26 and 17, respectively.

Metals & Mining Sector: PE moderated from 11 at the start of Sep'26 to 10 by month end. Compared to the LTA PE of 10, the current valuation is in line with the long-term average and within the historical valuation band of 3–16, with SD (+1) and SD (-1) levels at 12 and 7, respectively.

Oil & Gas Sector: PE moderated from 17 at the start of Sep'26 to 16 by month end. Compared to the LTA PE of 12, the current valuation remains above average and within the historical valuation band of 7–21, with SD (+1) and SD (-1) levels at 15 and 10, respectively.

Pharma Sector: PE moderated from 35 at the start of Sep'26 to 34 by month end. Compared to the LTA PE of 29, the current valuation remains above average and within the historical valuation band of 17–39, with SD (+1) and SD (-1) levels at 34 and 24, respectively.

Power Generation & Distribution Sector: PE moderated from 22 at the start of Sep'26 to 21 by month end. Compared to the LTA PE of 15, the current valuation remains above average and within the historical valuation band of 7–26, with SD (+1) and SD (-1) levels at 20 and 10, respectively.

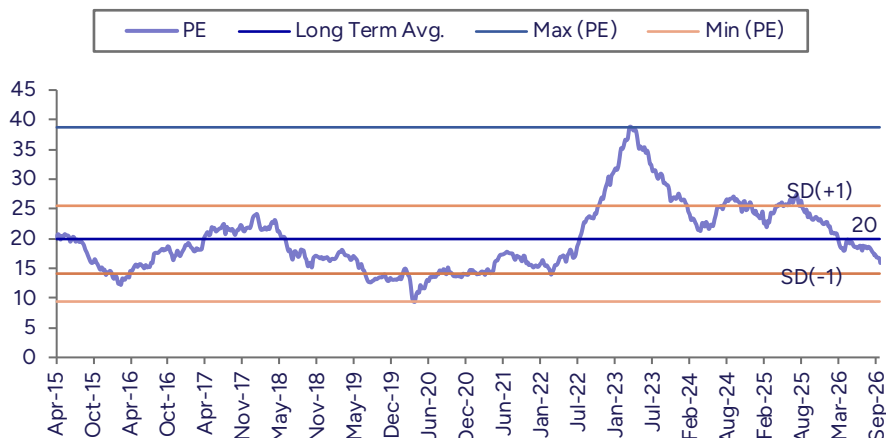
Real Estate Sector: PE moderated from 28 at the start of Sep'26 to 26 by month end. Compared to the LTA PE of 36, the current valuation remains below average and within the historical valuation band of 12–104, with SD (+1) and SD (-1) levels at 50 and 21, respectively.

Retail Sector: PE moderated from 60 at the start of Sep'26 to 56 by month end. Compared to the LTA PE of 78, the current valuation remains below average and within the historical valuation band of 33–169, with SD (+1) and SD (-1) levels at 103 and 53, respectively.

Textile Sector: PE moderated from 24 at the start of Sep'26 to 23 by month end. Compared to the LTA PE of 19, the current valuation remains above average and within the historical valuation band of 5–39, with SD (+1) and SD (-1) levels at 27 and 10, respectively.

Agro Chemicals

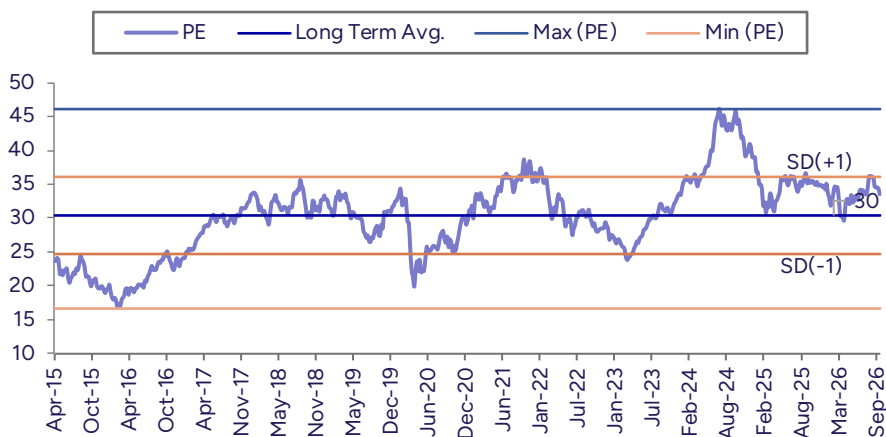
Exhibit 1: One year forward PE trading at 16x, below 20x LTA.



Source: Company, PL

Auto Parts & Equipment

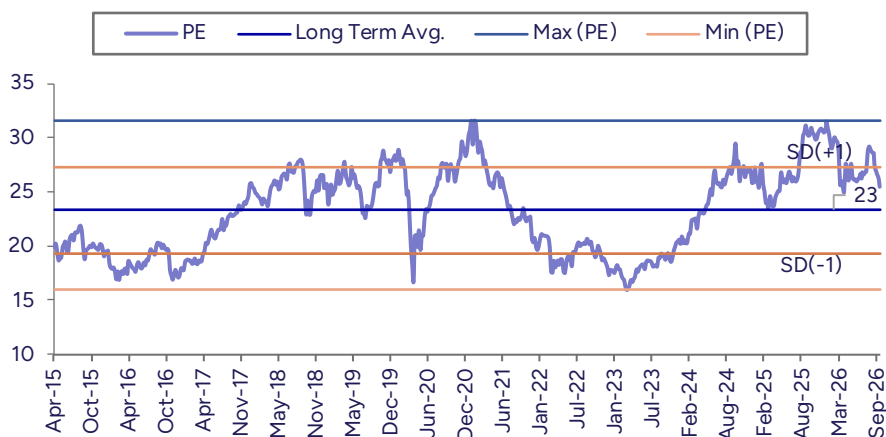
Exhibit 2: One year forward PE trading at 33x, versus LTA of 30x.



Source: Company, PL

Automobile

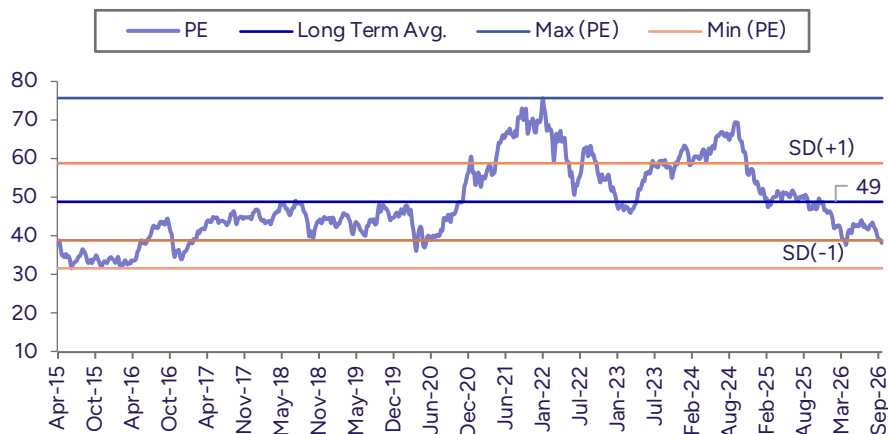
Exhibit 3: Sector valuations stand at 26x, above 23x LTA.



Source: Company, PL

Building Materials

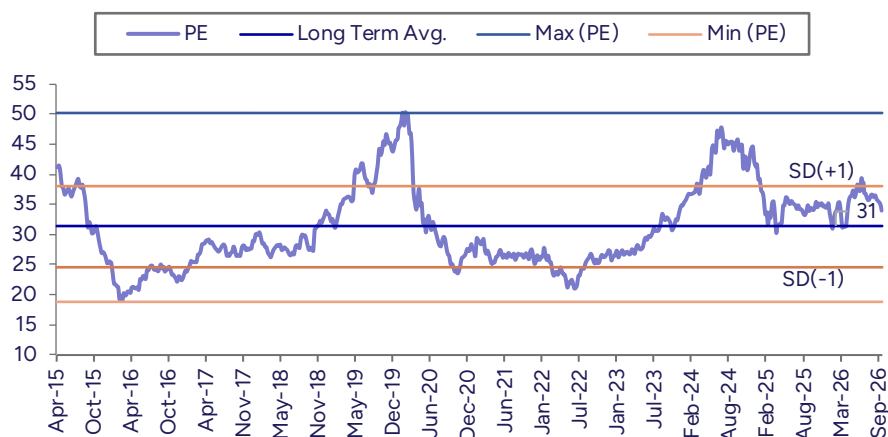
Exhibit 4: Sector valuation at 38x remains below 49x LTA.



Source: Company, PL

Capital Goods

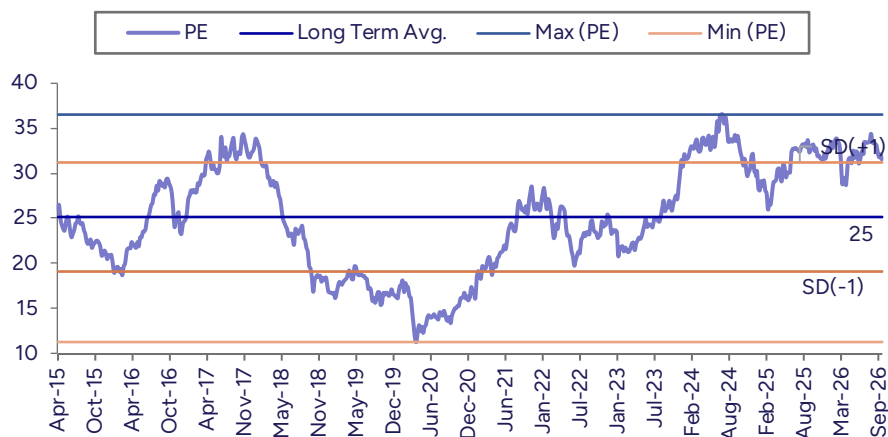
Exhibit 5: Sector quoted at 34x, ahead of its LTA of 31x.



Source: Company, PL

Cement

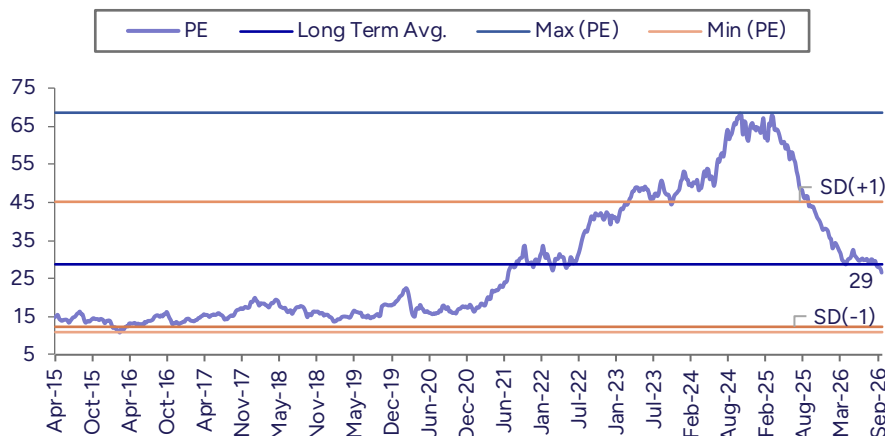
Exhibit 6: One year forward PE trading at 32x, compared with its 25x LTA.



Source: Company, PL

Chemicals

Exhibit 7: Sector trades at 27x, below its LTA of 29x



Source: Company, PL

Consumer Durables

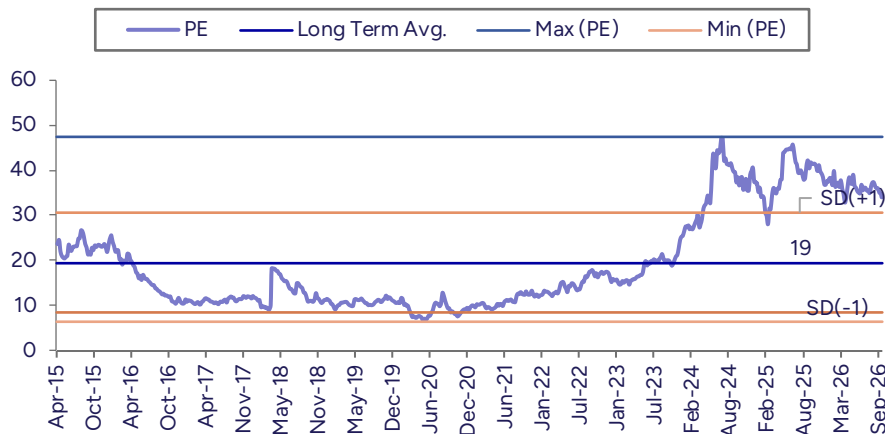
Exhibit 8: One year forward PE trading at 42x, versus a LTA of 41x.



Source: Company, PL

Defence

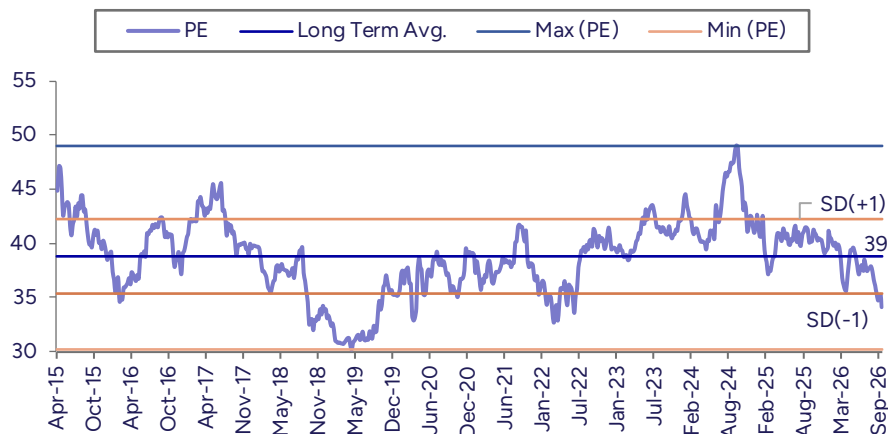
Exhibit 9: Sector valuations stand at 34x, significantly above 19x LTA.



Source: Company, PL

FMCG

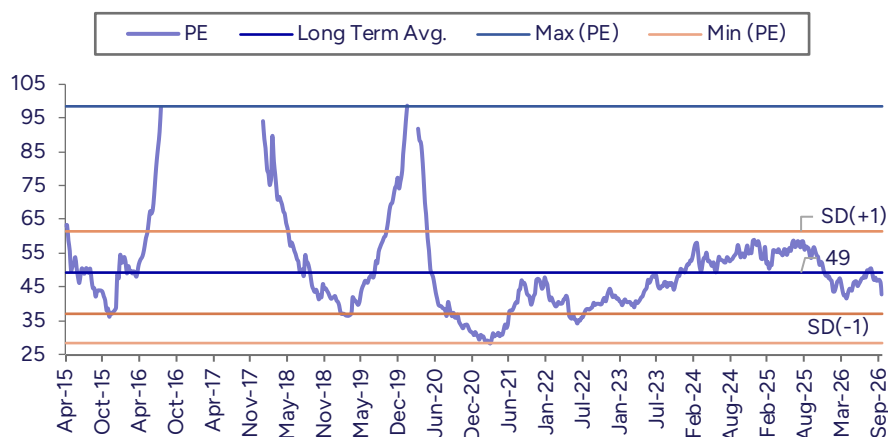
Exhibit 10: One year forward PE trading at 34x, below 39x LTA.



Source: Company, PL

Hospitals

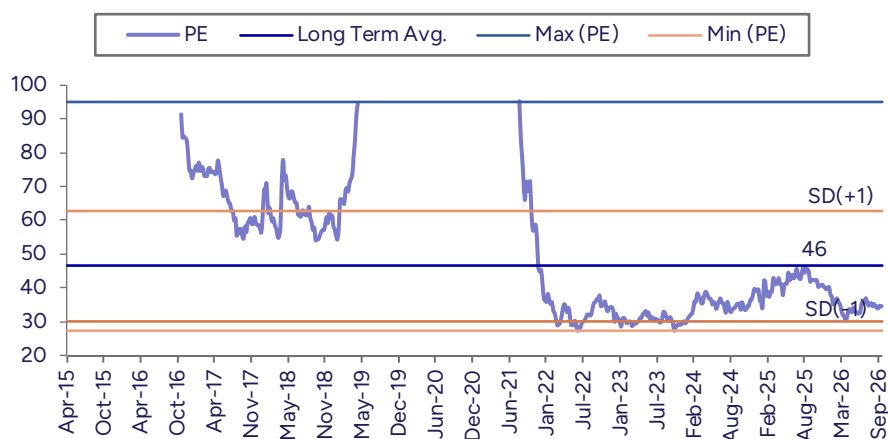
Exhibit 11: Sector trades at 43x, below 49x LTA



Source: Company, PL

Hotels

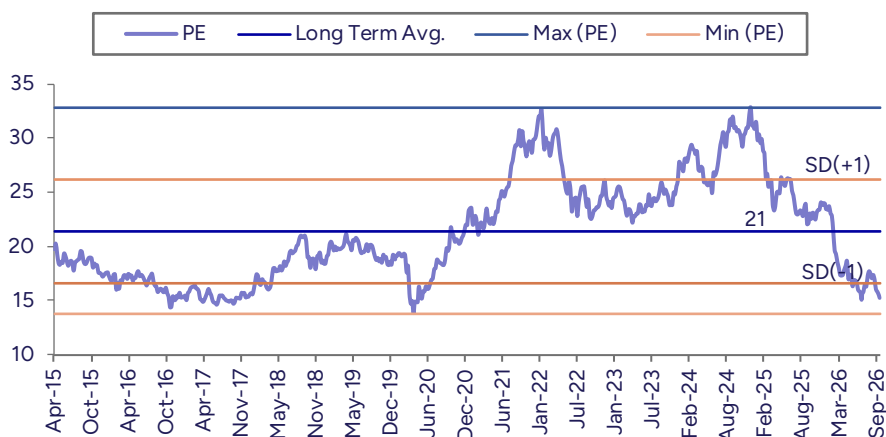
Exhibit 12: Sector valuation at 35x remains below 46x LTA



Source: Company, PL

IT

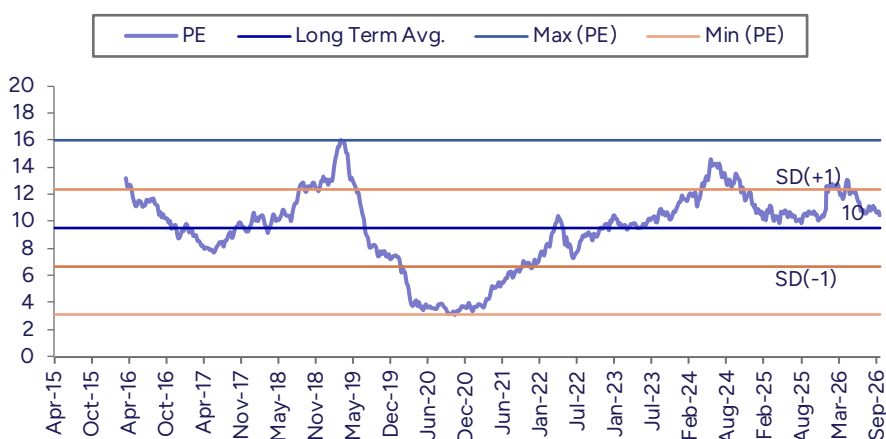
Exhibit 13: One year forward PE trading at 15x, below 21x LTA



Source: Company, PL

Metals & Mining

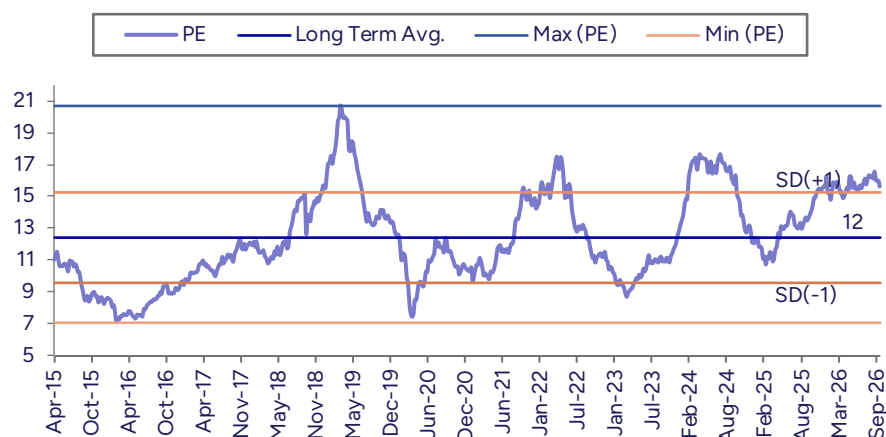
Exhibit 14: Sector trades at 10x, in line with its 10x LTA



Source: Company, PL

Oil & Gas

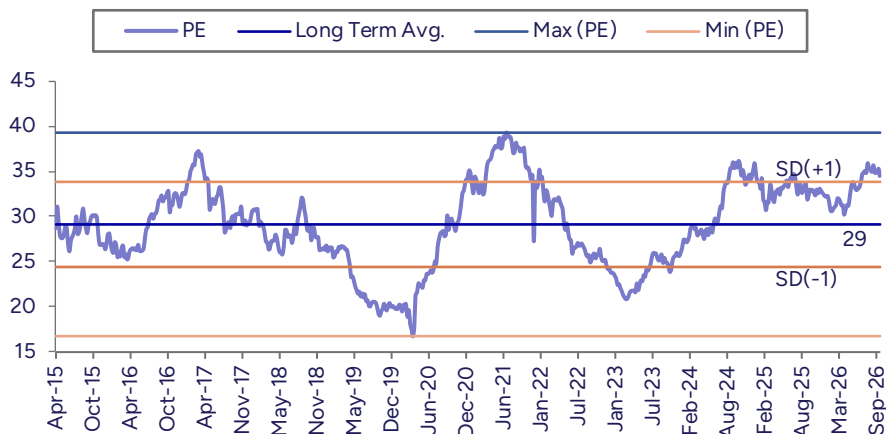
Exhibit 15: One year forward PE trading at 16x, versus LTA of 12x



Source: Company, PL

Pharma

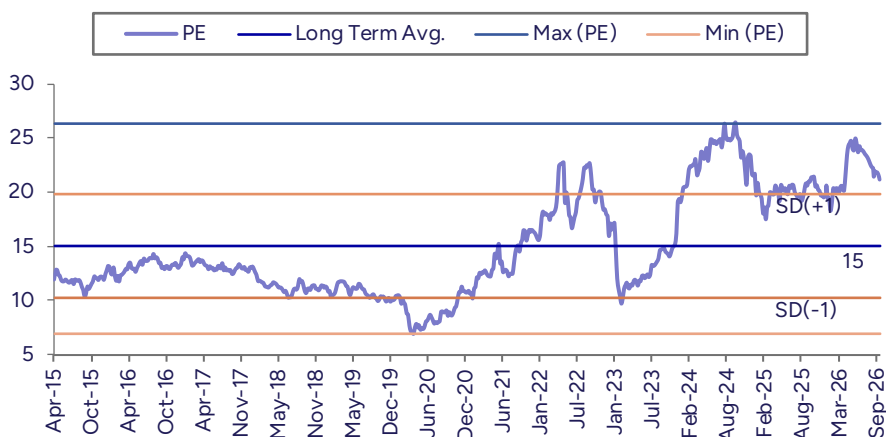
Exhibit 16: Sector valuations stand at 34x, above 29x LTA



Source: Company, PL

Power Generation & Distribution

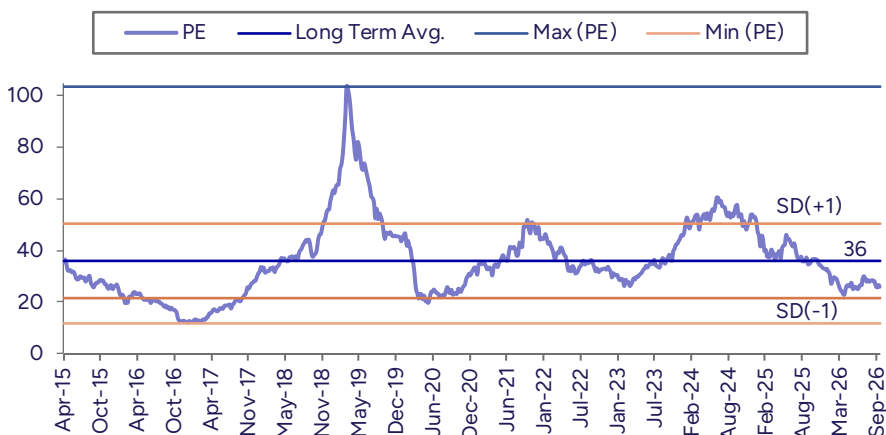
Exhibit 17: Sector quoted at 21x, ahead of its historical average of 15x.



Source: Company, PL

Real Estate

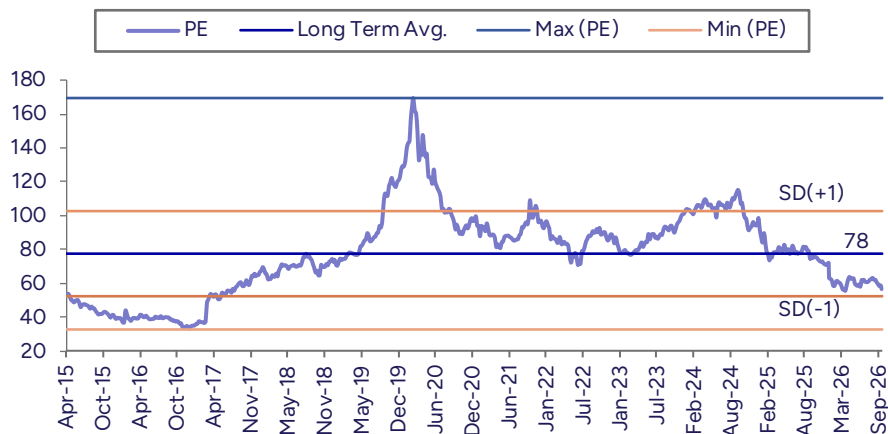
Exhibit 18: Sector valuation at 26x remains below 36x LTA



Source: Company, PL

Retail

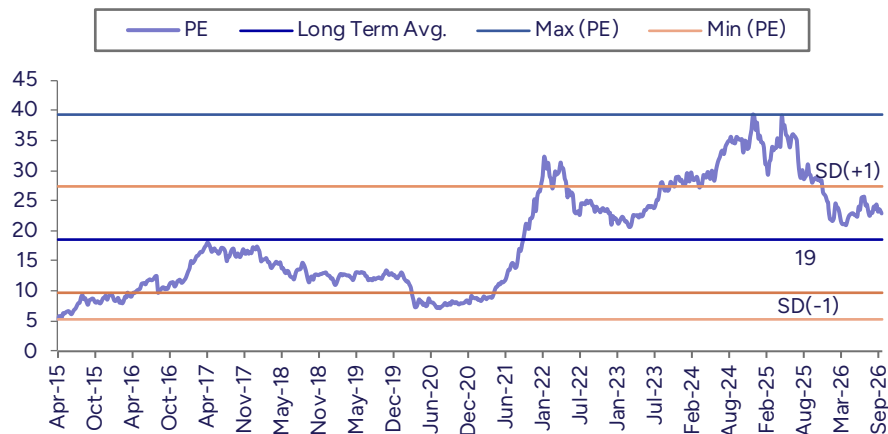
Exhibit 19: One year forward PE trading at 56x, below 78x LTA



Source: Company, PL

Textiles

Exhibit 20: Sector trades at 23x, a premium to the 19x historical average.



Source: Company, PL

PL's Recommendation Nomenclature (Absolute Performance)

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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