

Flash note
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The rally in Indian Equities accelerates

The rally in Indian Equities accelerates (see the chart below) as the government backs away from a retrospective tax law that has been deployed against foreign investors, who used tax-efficient offshore vehicles to buy and sell businesses. This means that the government will stop litigating against foreign companies that have realized profits from the activity of acquiring local companies through offshore vehicles.

I have no doubt that this will represent an incentive for foreign capital to enter the country with greater guarantees. I believe that this gesture is part of the government's intention to increase the weight of manufacturing in the GDP, and the best way to do it is through foreign direct investment.

Be that as it may, the result of this political development means that the market rally is not only continuing, but is accelerating.

As you probably know, we maintain an exposure to this market in our discretionary portfolios, and we believe that this market still has the potential to offer additional profits. As such, we maintain our Indian assets in portfolios.

Indian Sensex Index:

