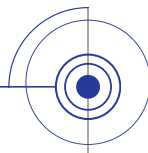


Post Elections MARKET OUTLOOK

The Modi-led BJP and their coalition, the NDA, have retained the largest block in the 2024 general elections, securing well past the majority mark required to comfortably form the government. Although, BJP on its own did not achieve an absolute majority, with around 240 seats, it still stands as the single largest party, surpassing its nearest competitor, Congress, by a substantial margin.

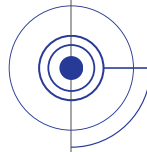
Formation of Government:

Despite falling short of an absolute majority, the BJP under Narendra Modi's leadership is poised to form the government, marking Modi's third consecutive term as Prime Minister.



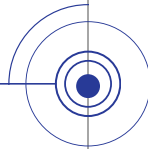
Coalition Dynamics:

This term could see the BJP encountering the challenges of coalition governance for the first time since 2014, potentially affecting policy enactments due to varied alliance interests.



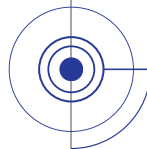
Policy Outlook:

Concerns regarding socialistic policy implementations are anticipated. However, the government is expected to maintain a balance between populist measures and economic growth.



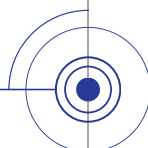
Economic Strategies:

Focus areas would likely include infrastructure enhancement, the 'Make in India' initiative, and boosting sectors like defence, railways, and manufacturing. A more pronounced emphasis might be placed on comprehensive developmental projects aimed at employment generation, rural income support, and nationwide access to water and electricity, moving towards poverty eradication.



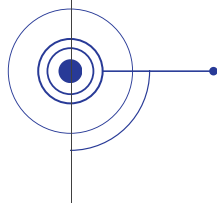
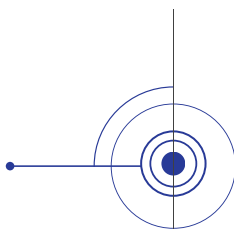
Market Implications:

The return of the Modi government implies a continuation of existing policies with a potential moderation in the soaring valuations of sectors that recently became trader favourites.



Additional Support:

Approximately 20 seats won by smaller parties and independents could also lend support to the NDA, alleviating market concerns further.



Historical Context and Comparisons:

The BJP's current situation is notably more favourable than during the Vajpayee administration in 1999, which managed a full term with 182 seats secured through a vast coalition. Today, BJP's solo tally overshadows the collective of the over 20 party I.N.D.I.A alliance.

The strategy moving forward involves leveraging the robust mandate to implement broad-scale developmental and economic reforms. Although, Modi's popularity may have slightly diminished in terms of absolute numbers, he remains India's most popular mass leader. With a stable government in place, India looks set to continue on its path towards achieving the targeted developmental milestones by 2047.