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Nuvama Private sees Nifty 50 scaling to 22000-23000 levels in 12 months

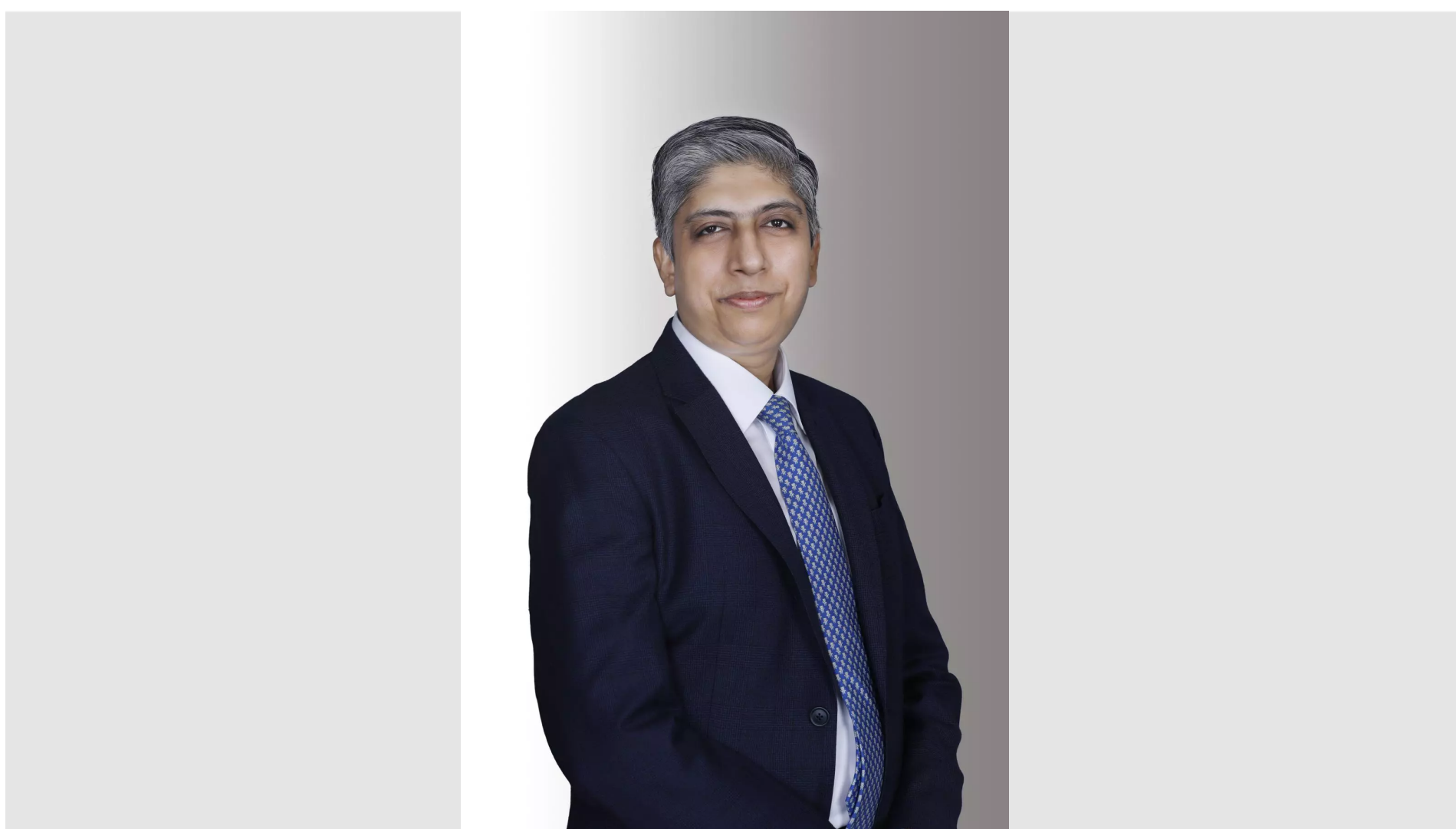
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FPI flows to be primary growth driver of Indian equities, says Nuvama Private chief Alok Saigal

BY KR SRIVATS

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Alok Saigal, President & Head, Nuvama Private

Nuvama Private, the private banking arm of Nuvama Group, a wealth management firm, sees **Nifty50** scaling up to 22,000-23,000 levels in the next 12 months, Alok Saigal, President & Head, has said.

Saigal sees **Foreign Portfolio Investors (FPI)** inflows—which were close to ₹80,500 crore between April and July this year—to remain the primary growth driver for equities in coming months even as he did not rule out a re-rating of earnings growth of companies in the benchmark Nifty50 companies.

“Markets had seen a stupendous rally in last few months. In the next twelve months, we see Nifty in the range of 22,000-23,000. I don’t think it is a bold prediction. I would be disappointed if it is that much as it should be higher. The prediction we are making is quite realistic,” Saigal told *businessline*.

“Buoyant FPI flows is larger part of the thesis and India is getting a larger share of FPI flows than other markets,” he added.

Saigal highlighted that India is now not only attracting FPI monies, its weightage is gradually increasing on emerging market funds.

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“The trend you will see over next 2-3 years is you will see more dedicated India focused funds getting generated offshore like the existing dedicated China focused funds”, he added.

The number of markets competing for the same FPI flow has reduced and India, which will benefit from this, is now presenting a stable and welcoming environment to outsiders, Saigal noted.

On the sectors that showed strong outlook, Saigal said that Nuvama Private is bullish on financials, infrastructure and FMCG.

“We are also cautiously bullish on auto and auto components space. Auto has been resilient in India. There is lot of positivity”, he added.

Nuvama Strategy

Saigal said that Nuvama Private aims to grow client assets to 2x in the next 3 years, focusing on Tier 2 and Tier 3 towns.

“We are trying to become an insider in Tier 2 and 3 towns. We want to build relationships. We want to hire high quality local talent and work with local industry. There is a lot of interest for wealth management in Tier 2 and 3 towns,” he added.

“We were in 11 large cities last year. We are now in 16 cities and will be in 25 cities by the end of this year. In the last ten years of our existence, we had moved from having presence in 5-6 cities to 11 cities”.

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In the current fiscal, Nuvama Private has opened offices in Baroda, Indore and Jaipur, Saigal said, giving a sense of the profile of towns and cities that the wealth management firm was keen on building its client base and drive business growth.

India is expected to be the 4th largest private wealth market globally by 2028.

“India’s wealth management is growing at 15 per cent. We have been growing CAGR of 35 per cent in nine year period. We should be consistently growing at 20-25 per cent in terms of AUM growth in next five years,” Saigal said.