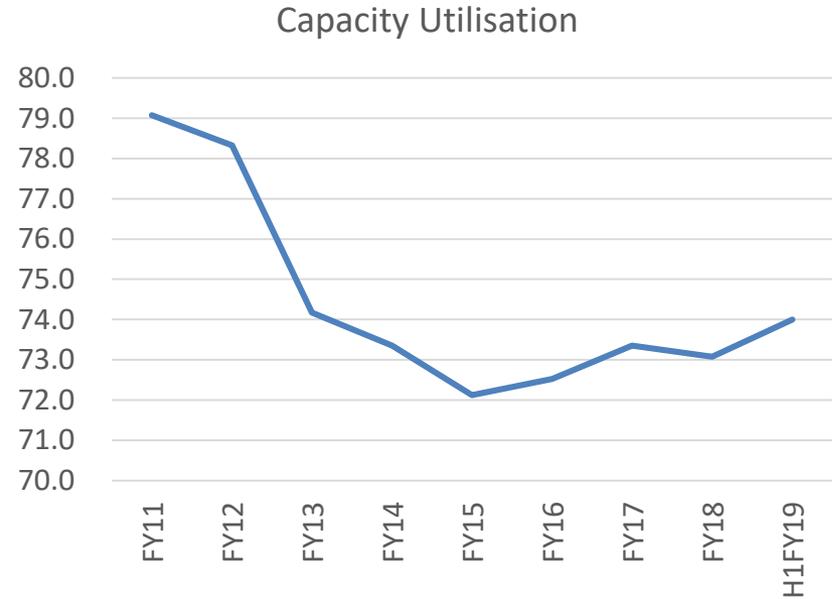
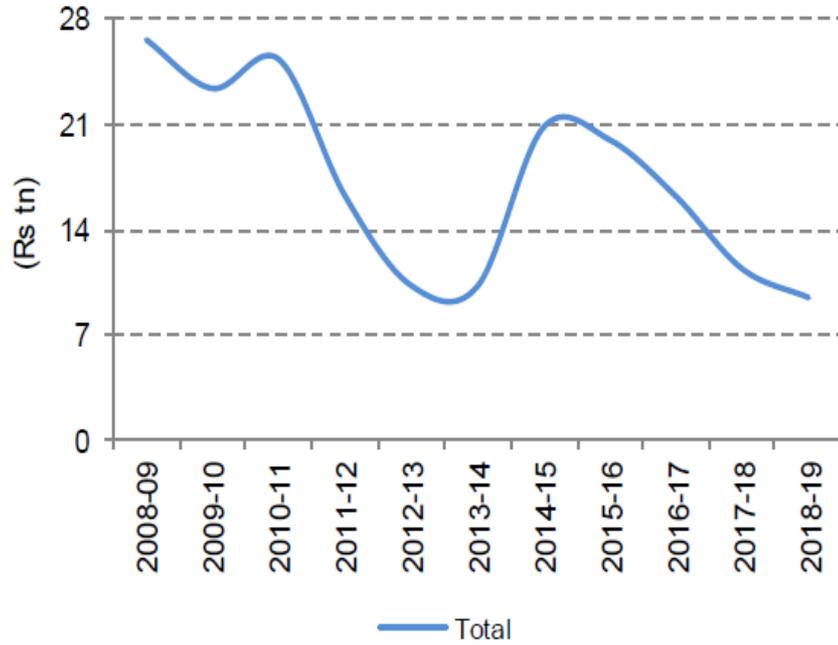




Key trends in the Industrial Sector

April 2019

Industrial/Capital Goods sector seems to be bottoming



New projects announcements at a low...

... when capacity utilization is picking up

Simply put....

Capex cycle has been in a lull since past four years, with government being the only main spender and private sector largely subdued

New project announcements have been declining since FY15 and lack of fresh capex has led to capacity utilizations improving

With improving capacity utilizations across the sectors (75-80% being major trigger levels), fresh ordering and capex should commence in FY20 so as to have optimum capacities in the next three to four years

Considering the lull in capex in sectors such as metals, oil and gas, cement and power, companies providing equipment and services to these sectors should see a revival in order inflows and order books.

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