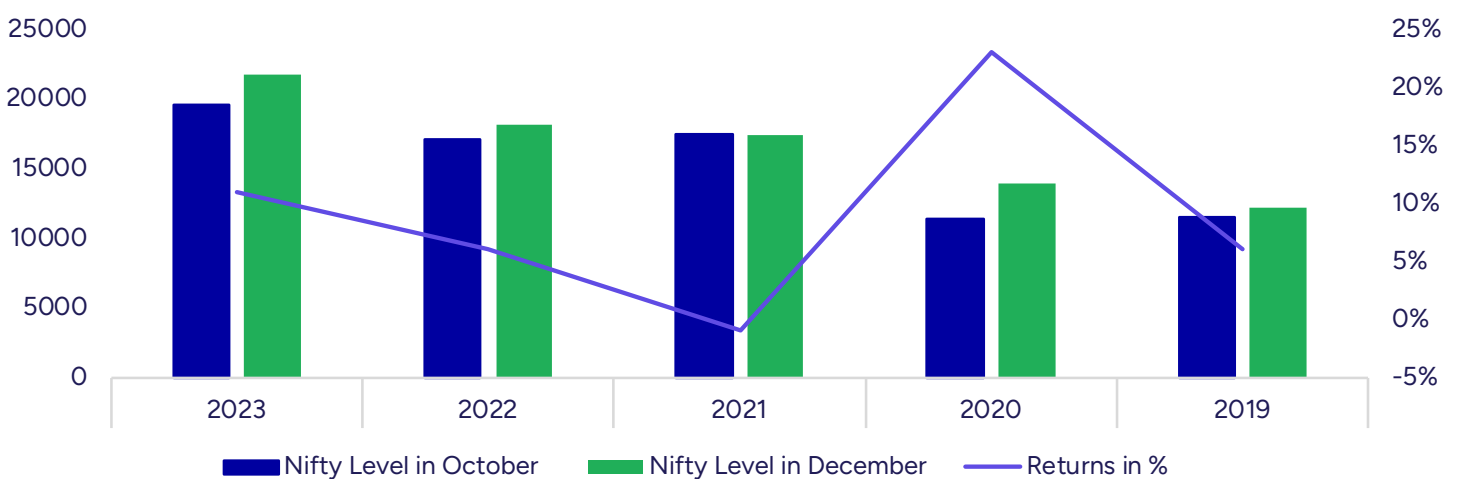




The Indian stock market often experiences a **surge during the festive and wedding seasons**, primarily due to **increased consumer spending**. Festive seasons like Diwali and Dussehra are associated with gift-giving, home decor, and new purchases. Weddings, especially in India, are grand affairs involving substantial expenditures on **jewelry, clothing, and hospitality**. A significant amount of work is also done in **home repairs and painting** before the wedding season.

India hosts around **1 crore weddings annually**, making the Indian wedding industry the second largest globally. According to a report by The Economist, the wedding industry is the **fourth-largest industry in India**, with a massive spending of \$130 billion per year and providing employment opportunities for millions. After recovering from pandemic-induced challenges, the industry has seen growth over the past three years, adopting a digital-driven and innovative approach. The average number of guests has also risen post-COVID.

Nifty During Festive Season



Source: NSE

In 2024, the industry has already witnessed over **42 lakh weddings from 15 January to 15 July**, generating an estimated expenditure of \$66.4 billion (INR 5.5 lakh crore), according to a survey by CAIT (Confederation of All India Traders). India is projected to host another 35 lakh weddings between November and mid-December alone, up from 32 lakh weddings during the same period in 2023. This is expected to contribute approximately INR 4.25 lakh crore.

The recent reduction in gold import duties from 15% to 6% is likely to spark a significant increase in gold purchases across the country, particularly during the upcoming festive and wedding seasons. The cultural and religious significance of gold, combined with its role as a valuable investment, is expected to drive a substantial uptick in demand.

The Government's Push for the Wedding Industry

The Indian Government aims to strategically boost tourism in India by positioning the country as a **premier destination for international weddings**. The campaign will start by profiling around 25 key destinations across India, showcasing how the country meets diverse wedding aspirations. Inspired by the **Make in India campaign**, this strategy seeks to attract approximately \$12.1 billion (INR 1 lakh crore) that is currently spent on destination weddings abroad. The CAIT has praised this forward-thinking initiative as a strategic effort to stem the outflow of currency from India.

The festive and wedding seasons in India significantly influence consumer spending, impacting various sectors and their corresponding stocks.

Company	Revenue July-Sept'23 (INR)	Revenue Oct-Dec'23 (INR)	Revenue Growth
Arvind Fashions	1,922	1,888	-1.80%
Ethos	235	281	19.60%
Inter Globe Aviation	14,944	19,452	30.20%
Hero MotoCorp	9,533	9,788	2.67%
Titan	12,529	14,164	13.05%
Safari Industries	370	388	4.86%
Sai Silks (Kalamandir) Limited	326	382	17.18%
Lemon Tree Hotels	227	289	27.31%

Source: Company presentations, PL Calculations

Conclusion

The Indian stock market often experiences a surge during the festive and wedding seasons, primarily driven by increased consumer spending. Sectors such as retail, hospitality, jewelry, and automobiles benefit significantly from this robust demand. Contributing factors include economic resilience, low inflation, government initiatives, and shifting consumer preferences. Although the impact varies across sectors, the overall effect is positive for the Indian economy. Increased consumer spending on premium goods and services, such as airlines and hotels, boosts topline revenues. This heightened demand leads to improved margins and profits, which in turn drives up stock prices and fosters economic growth.

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