

Budget 2023: Shift to clean energy may keep power stocks in top league

India's power consumption grew in double digits in the first nine months of FY23 despite elevated coal price and the same is reflected in strong power generation growth of 11.6 percent on-year

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Continued growth in domestic power demand, momentum in energy transition, and government policy initiative helped the power sector become one of the best performers in 2022. In the past one year, the BSE Power index has gained more than 13 percent as against the 5 percent rise in the benchmark BSE Sensex.

In 2022, stocks powered through the broader market weaknesses and, the Nifty Energy index was up over 16 percent as compared to the NSE 500 or the NSE 200 which were up around 4.5 percent. In fact on one, three, or five year basis as well, the energy index has outperformed broader NSE 200 or NSE 500 by over 200-500 basis points, highlighted Azeem Ahmad, Head PMS & Principal Officer, LIC MF.

The reason for continued improved has been the insatiable demand for power as the Indian economy navigates through the global headwinds by focusing on domestic consumption and growth. “The power sector was in favour in the last few years because of high dividend yield, low valuations coupled with strong volume growth,” Ahmad explained adding that these tailwinds are likely to continue in 2023 as well.

Within the sector, stocks that are focusing on green energy might continue to grab major attention and price performance, he said.

Link: [Budget 2023: Shift to clean energy may keep power stocks in top league \(moneycontrol.com\)](https://moneycontrol.com/news/budget-2023-shift-to-clean-energy-may-keep-power-stocks-in-top-league)