

Issue 57 | May, 2025

# KNOW THE NOW

## EARNINGS SURPRISE

 [Visit Website](#)

**TABLE OF CONTENTS**

	<b>INDIAN EQUITIES – EARNINGS SURPRISE</b>	03
	<b>U.S – EARNINGS... BUT LIBERATION DAY RISKS LOOM</b>	10
	<b>GOLD &amp; SILVER – SAFE HAVENS</b>	13
	<b>CURRENCY &amp; COMMODITIES – VOLATILITY &amp; UNCERTAINTY</b>	15
	<b>INVESTMENT OUTLOOK &amp; STYLE PREFERENCES</b>	16
	<b>KEY CALLS, MARKET DATA</b>	19
	<b>ASSET ALLOCATION &amp; RATIONALE</b>	25

**Authored by:**  
**SUNIL A SHARMA**  
Chief Investment Strategist

# INDIAN EQUITIES – EARNINGS SURPRISE

## After a Slow Start to Earnings... Green Shoots

Corporate earnings have picked up led by midcaps. There is growing evidence of a recovery in the domestic economy, and strong macro tailwinds on the anvil. Alongside delivering solid growth, 66% of Nifty and 64% midcaps have exceeded analyst estimates.

Low crude oil prices, low inflation, declining interest rates across the curve, improving systemic liquidity all point to a pickup in growth. **Margin expansion** is in the cards in coming quarters. The tax cut will put more disposable income in the hands of consumers.

## India Emerging as an FI Favorite Again

India is again, a favored nation amongst institutional money managers. Consensus seems to be clearly building that India is likely to benefit from the ongoing U.S. China trade war, FIs have piled into Indian equities this month, to the tune of over 20k cr.

## Consumption Optimism

Hindustan Unilever, among others, noted a pick-up in demand

amongst India’s 400 million strong urban shoppers, with expectations that demand will continue to improve. The \$11.5 billion tax break will further lift consumption.

## Trade Deals

The U.K. trade deal creates opportunities for textiles, leather, gems and jewelry and a number of other sectors. Optimism of a likely trade deal with the U.S., Europe and other nations continue to be worked through.

## Commodity Inflation Remains in Check

The dramatic decline, and potential bottoming of crude oil, alongside key commodities such as wheat and palm oil, continues to be a positive contributor to corporate margins and low consumer inflation.

## Indian Equities Compare Favorably to Global Peers

Across sales growth, earnings growth, PE and PE/G, Indian equities have amongst the **most favorable and attractive set of growth and valuation metrics.**

### With 66% of Companies Reported, Midcaps are Leading the Way on Earnings Growth...

#### ...Earnings Are Up 21.2% YoY, 23.9% ex Energy

Nifty MidCap	Sales Qtr YoY %	Net Profits Qtr YoY%	Sales LTM YoY %	Profits LTM YoY%	Sales QoQ %	Net Profits QoQ%	P/E	Cap Wt %	Profit Contrib %	Net Margin
Communication Services	8.5%	8.6%	20.4%	73.5%	2.6%	-42.4%	18.7	4.6%	5.6%	16.3%
Consumer Discretionary	11.2%	-3.2%	12.1%	-3.4%	-0.4%	-0.8%	52.9	12.9%	6.6%	6.3%
Consumer Staples	28.4%	26.9%	15.9%	64.3%	9.8%	-27.8%	37.5	3.6%	2.3%	3.3%
Energy	-2.9%	-67.4%	4.9%	-98.4%	12.5%	19.8%	430.3	0.5%	0.8%	1.5%
Financials	8.7%	20.8%	14.6%	22.2%	5.0%	1.2%	18.1	29.1%	45.6%	12.5%
Health Care	12.4%	53.0%	9.0%	30.9%	4.3%	16.2%	39.5	6.6%	4.9%	14.7%
Industrials	19.7%	39.0%	17.0%	25.7%	14.0%	18.4%	57.9	13.5%	7.4%	9.1%
Information Technology	17.3%	15.8%	20.3%	15.7%	2.6%	12.7%	45.4	8.0%	5.4%	14.7%
Materials	10.1%	56.2%	6.8%	20.2%	7.6%	3.7%	32.6	15.6%	16.0%	10.5%
Real Estate	6.0%	-31.7%	21.8%	25.2%	27.8%	-4.2%	38.1	3.6%	2.3%	25.3%
Utilities	2.8%	75.3%	8.9%	23.3%	1.5%	88.8%	21.7	2.0%	3.3%	14.6%
<b>Total</b>	<b>10.8%</b>	<b>21.2%</b>	<b>12.8%</b>	<b>20.5%</b>	<b>6.1%</b>	<b>0.0%</b>	<b>29.1</b>	<b>100.0%</b>	<b>100.0%</b>	<b>10.4%</b>
<b>Total ex Energy</b>	<b>11.7%</b>	<b>23.9%</b>	<b>13.3%</b>	<b>23.5%</b>	<b>5.7%</b>	<b>-0.1%</b>	<b>29.0</b>	<b>99.5%</b>	<b>99.2%</b>	<b>11.0%</b>

Source: Company data and Bloomberg. Source data from NSE, BSE, Bloomberg and company data unless noted otherwise.

**Companies are Surprising on Sales and Earnings Growth...**

**...78% of Nifty Companies Have Exceeded Sales Growth Expectations and 66% on Earnings**

Nifty 50 Sector	Reported	Sales Growth				Earnings Growth			
		Positive	Inline	Negative	%	Positive	Inline	Negative	%
Materials	4 / 8	2	0	2	50%	3	0	1	75%
Industrials	2 / 3	2	0	0	100%	2	0	0	100%
Consumer Staples	3 / 4	2	0	0	67%	1	0	1	33%
Energy	1 / 2	1	0	0	100%	1	0	0	100%
Technology	5 / 5	5	0	0	100%	3	0	2	60%
Consumer Discretionary	4 / 8	4	0	0	100%	2	0	2	50%
Communications	1 / 2	1	0	0	100%	0	0	1	0%
Financials	11 / 12	7	0	4	64%	8	0	3	73%
Health Care	1 / 4	1	0	0	100%	1	0	0	100%
Utilities	0 / 2	0	0	0	n/m	0	0	0	n/m
<b>Nifty 50</b>	<b>32 / 50</b>	<b>25</b>	<b>0</b>	<b>6</b>	<b>78%</b>	<b>21</b>	<b>0</b>	<b>10</b>	<b>66%</b>

**77% of Companies in the Nifty Midcap 150 Have Surprised on Top Line Growth...**

**...While 64% of Companies Have Exceeded Earnings Growth Expectations**

Nifty Midcap 150 Sector	Reported	Sales Growth				Earnings Growth			
		Positive	Inline	Negative	%	Positive	Inline	Negative	%
Materials	7 / 22	5	0	2	71%	4	0	3	57%
Industrials	10 / 28	9	0	1	90%	8	0	2	80%
Consumer Staples	0 / 6								
Energy	4 / 10	2	0	1	50%	2	0	1	50%
Technology	6 / 8	4	1	1	67%	5	0	1	83%
Consumer Discretionary	8 / 17	6	0	1	75%	5	0	2	63%
Communications	1 / 4	1	0	0	100%	1	0	0	100%
Financials	20 / 29	16	0	4	80%	13	0	7	65%
Health Care	3 / 15	3	0	0	100%	2	0	1	67%
Utilities	2 / 7	2	0	0	100%	1	0	1	50%
Real Estate	3 / 4	1	0	2	33%	0	0	3	0%
<b>All Securities</b>	<b>64 / 150</b>	<b>49</b>	<b>1</b>	<b>12</b>	<b>77%</b>	<b>41</b>	<b>0</b>	<b>21</b>	<b>64%</b>

**In Small Caps, 70% Have Exceeded Sales Expectations and 55% Have Exceeded EPS Expectations**

Nifty Smallcap 250 Sector	Reported	Sales Growth				Earnings Growth			
		Positive	Inline	Negative	%	Positive	Inline	Negative	%
Materials	12 / 37	8	0	4	67%	6	0	6	50%
Industrials	10 / 49	7	0	3	70%	4	0	5	40%
Consumer Staples	4 / 14	3	1	0	75%	4	0	0	100%
Energy	2 / 7	1	0	1	50%	1	0	1	50%
Technology	10 / 20	10	0	0	100%	4	0	5	40%
Consumer Discretionary	8 / 34	6	0	2	75%	4	0	4	50%
Communications	4 / 8	2	0	2	50%	3	0	1	75%
Financials	25 / 37	15	0	9	60%	15	0	9	60%
Health Care	4 / 29	4	0	0	100%	3	0	1	75%
Utilities	4 / 8	2	0	2	50%	1	0	2	25%
Real Estate	1 / 6	1	0	0	100%	1	0	0	100%
<b>All Securities</b>	<b>84 / 249</b>	<b>59</b>	<b>1</b>	<b>23</b>	<b>70%</b>	<b>46</b>	<b>0</b>	<b>34</b>	<b>55%</b>

**Sequential Top Line Growth Has Been Particularly Solid for Midcaps**

Nifty Midcap	Sequential Sales Growth				Sequential Net Profit Growth			
	Sector	Latest Qtr	Prior Qtr	2 Qtr Prior	3 Qtr Prior	Latest Qtr	Prior Qtr	2 Qtr Prior
Communication Services	2.8%	0.9%	1.7%	1.0%	-49.9%	73.8%	8.5%	3.9%
Consumer Discretionary	0.5%	4.3%	0.4%	5.8%	10.6%	-7.2%	10.6%	-0.2%
Consumer Staples	-2.3%	4.9%	0.8%	16.0%	-14.0%	-5.7%	-10.8%	49.1%
Energy	12.5%	-12.4%	-8.5%	7.7%	19.8%	-144.4%	-1051.8%	-93.6%
Financials	0.6%	2.7%	6.6%	0.9%	-1.4%	0.1%	12.7%	8.6%
Health Care	11.7%	4.3%	5.6%	-8.8%	93.5%	26.9%	-68.8%	86.2%
Industrials	15.2%	3.3%	11.3%	-8.8%	22.0%	-6.0%	12.2%	-13.1%
Information Technology	2.7%	3.7%	7.2%	2.8%	13.1%	0.4%	1.9%	1.5%
Materials	-0.3%	4.7%	1.6%	3.4%	6.8%	24.6%	-7.3%	26.2%
Real Estate	27.8%	0.7%	9.3%	-24.7%	-4.2%	-0.9%	-19.5%	-10.5%
Utilities	5.1%	-8.1%	5.1%	8.2%	39.4%	-28.2%	-5.3%	10.7%
<b>Total</b>	<b>3.2%</b>	<b>1.7%</b>	<b>3.5%</b>	<b>1.5%</b>	<b>-1.7%</b>	<b>12.2%</b>	<b>0.5%</b>	<b>4.7%</b>
<b>Total</b>	<b>2.4%</b>	<b>3.1%</b>	<b>4.9%</b>	<b>0.9%</b>	<b>-1.9%</b>	<b>8.6%</b>	<b>3.1%</b>	<b>8.8%</b>

**Nifty 50 Earnings Are Up 12.7% YoY, 15.0% Ex Energy in What Was Expected to be a Weak Quarter**

Nifty 50	Sales Qtr	Net	Sales LTM	Net	Sales	Net	Bottom	Cap Wt	Profit	Net
	YoY %	Profits Qtr YoY%	YoY %	Profits LTM YoY%	QoQ %	Profits QoQ%	Up P/E	%	Contrib %	Margin
Communication Services	27.3%	432.0%	15.3%	243.0%	6.1%	49.4%	42.5	6.2%	5.7%	23.0%
Consumer Discretionary	6.4%	14.9%	7.0%	11.1%	1.9%	38.6%	27.0	10.5%	11.6%	9.6%
Consumer Staples	30.0%	29.2%	9.9%	9.3%	2.1%	-1.6%	59.4	6.0%	2.3%	15.0%
Energy	5.0%	3.0%	3.5%	-11.6%	5.5%	8.3%	19.9	13.5%	17.2%	8.2%
Financials	2.8%	2.6%	12.6%	10.7%	9.1%	4.4%	18.8	30.8%	38.6%	13.4%
Health Care	14.7%	28.3%	12.2%	13.9%	-1.4%	-3.8%	20.3	3.7%	1.5%	19.0%
Industrials	6.5%	75.4%	10.6%	34.9%	15.0%	101.8%	33.3	6.3%	6.2%	10.9%
Information Technology	5.5%	0.5%	4.8%	7.2%	0.2%	0.6%	25.9	16.2%	14.5%	16.4%
Materials	0.1%	4.5%	-2.7%	5.8%	11.0%	58.5%	54.1	7.0%	2.5%	5.4%
Utilities	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.0%	0.0%	n/a
<b>Total</b>	<b>5.3%</b>	<b>12.7%</b>	<b>7.7%</b>	<b>9.0%</b>	<b>6.3%</b>	<b>13.7%</b>	<b>24.3</b>	<b>100.0%</b>	<b>100.0%</b>	<b>11.7%</b>
<b>Total Ex Energy</b>	<b>5.4%</b>	<b>15.0%</b>	<b>9.1%</b>	<b>14.6%</b>	<b>6.6%</b>	<b>14.9%</b>	<b>25.2</b>	<b>86.5%</b>	<b>82.8%</b>	<b>12.8%</b>

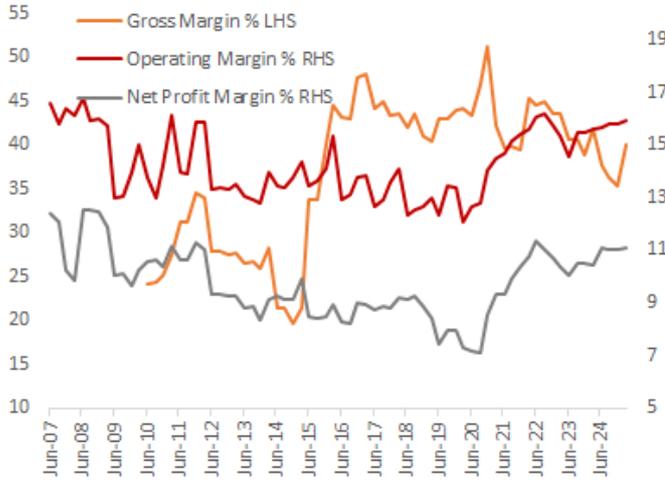
Note: adjustment made for a large non-operating deferred tax item.

**Smallcap Earnings at Index Level, Are Being Weighed Down by a Large Exposure to Financials ...**

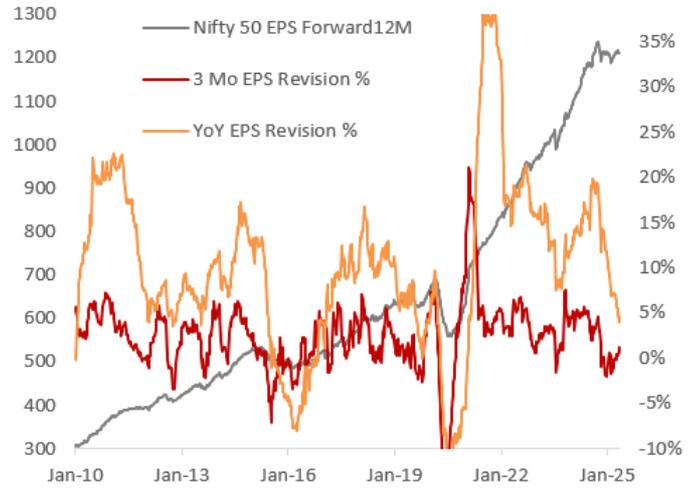
**... Consumer, Health Care, Industrials, and RE Have Delivered Strong Results**

Nifty Small Cap 250	Sales Qtr	Net	Sales LTM	Net Profits	Sales	Net	P/E	Cap Wt %	Profit Contrib %	Net Margin
	YoY %	Profits Qtr YoY%	YoY %	LTM YoY%	QoQ %	Profits QoQ%				
Communication Services	-25.8%	-70.7%	-7.8%	143.7%	-20.5%	-92.0%	n/m	3.5%	-0.5%	-2.2%
Consumer Discretionary	6.9%	21.8%	6.7%	-2.6%	14.8%	46.8%	69.5	7.5%	4.0%	4.5%
Consumer Staples	-10.1%	13.8%	1.3%	35.1%	-0.4%	6.0%	38.2	6.8%	5.2%	6.8%
Energy	-3.6%	-38.6%	-2.7%	-51.8%	9.6%	84.5%	12.1	1.4%	4.7%	5.5%
Financials	-0.1%	-1.8%	18.2%	12.0%	-12.2%	4.0%	18.9	26.9%	41.7%	15.2%
Health Care	10.3%	34.9%	14.8%	42.6%	7.6%	17.5%	48.9	10.1%	6.4%	10.8%
Industrials	9.9%	1.8%	13.0%	6.2%	17.3%	41.9%	35.0	17.6%	17.1%	7.7%
Information Technology	15.9%	-15.6%	26.7%	9.3%	-2.9%	-6.9%	36.2	6.7%	4.9%	7.6%
Materials	1.8%	-8.5%	3.4%	0.0%	-1.9%	-27.7%	32.9	14.9%	11.3%	6.4%
Real Estate	3.7%	40.6%	39.7%	62.5%	-15.5%	42.5%	51.9	2.7%	2.2%	19.9%
Utilities	7.6%	34.3%	4.7%	17.3%	9.7%	10.6%	14.7	1.8%	3.0%	9.4%
<b>Total</b>	<b>2.4%</b>	<b>0.3%</b>	<b>10.0%</b>	<b>5.6%</b>	<b>0.6%</b>	<b>15.3%</b>	<b>30.6</b>	<b>100.0%</b>	<b>100.0%</b>	<b>9.0%</b>
<b>Total ex Energy</b>	<b>2.9%</b>	<b>3.5%</b>	<b>11.1%</b>	<b>10.3%</b>	<b>-0.1%</b>	<b>13.2%</b>	<b>62.3</b>	<b>196.5%</b>	<b>95.3%</b>	<b>9.3%</b>

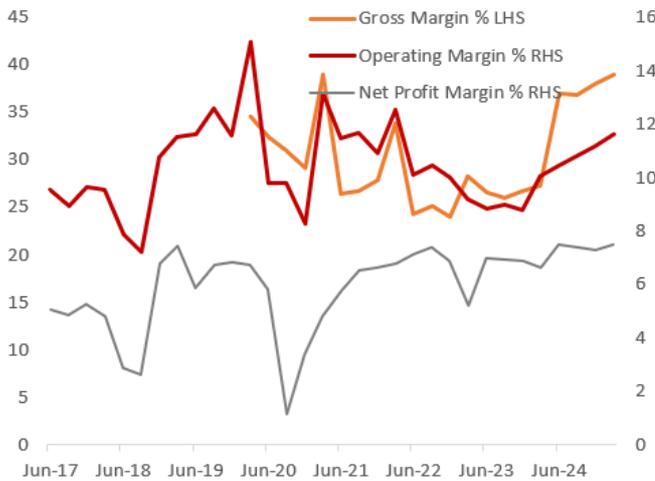
**Margins for the Nifty 50 Are Expected to Improve Looking Ahead**



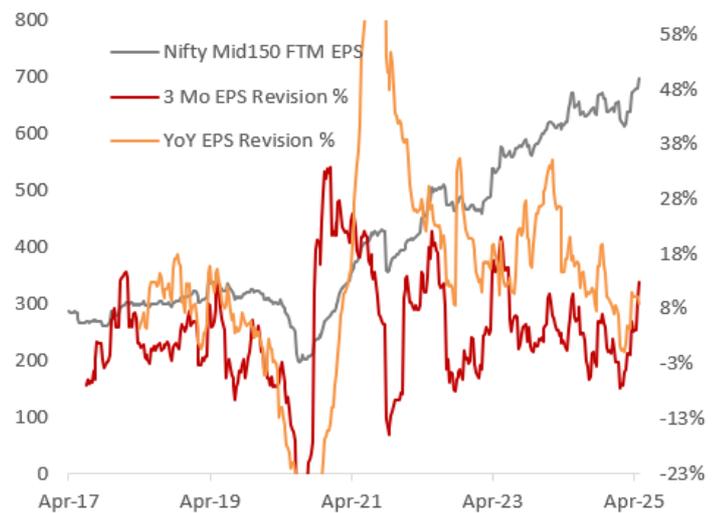
**Forward EPS Revisions Have Troughed for the Nifty 50**



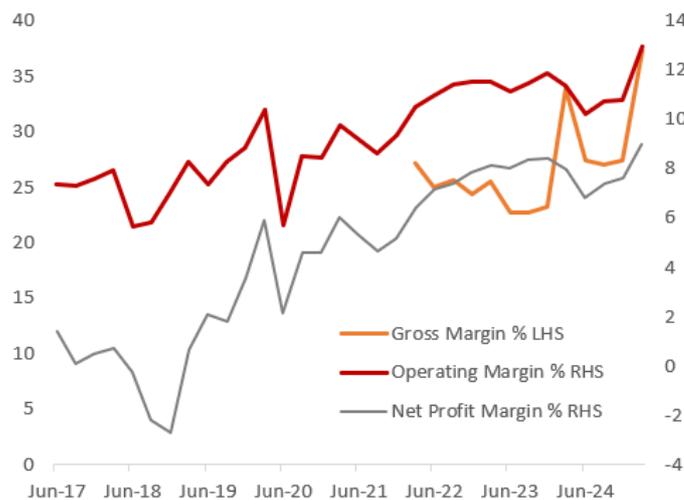
**Margins Are Rising for Nifty Midcaps**



**Forward EPS Revisions are Rising Rapidly for Midcaps**



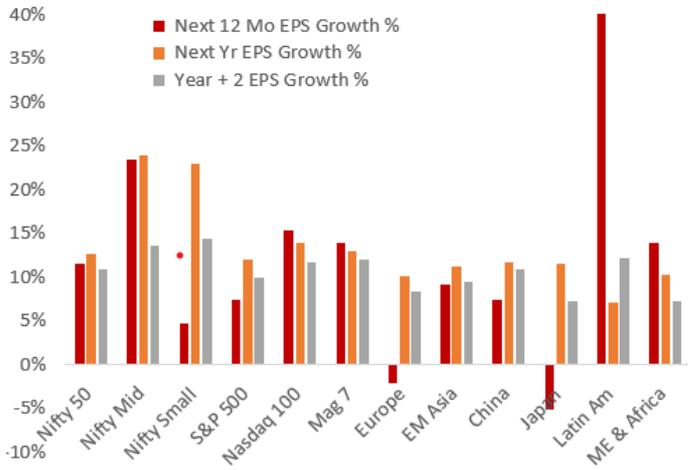
**While Margins Have Shown Clear Improvement in Small Caps**



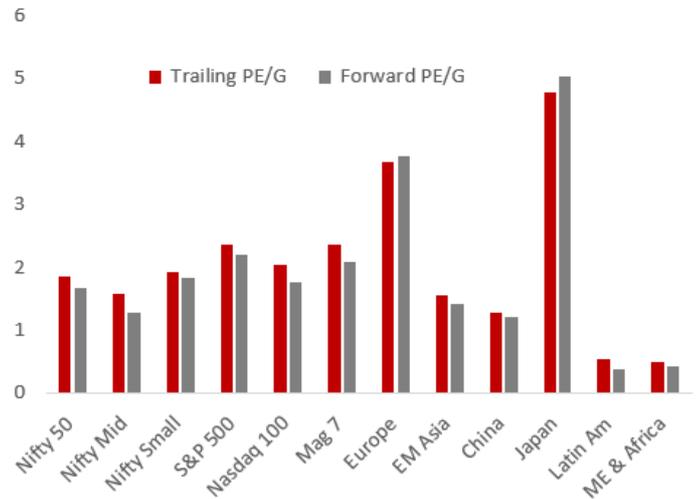
**Margins Appear to Be Bottoming for Small Caps**



### Across Regions, Indian Equities Have the Most Attractive EPS Growth Expectations



### And PE/G Ratios of Indian Equities Are Amongst the Most Attractive for Regions with Growth



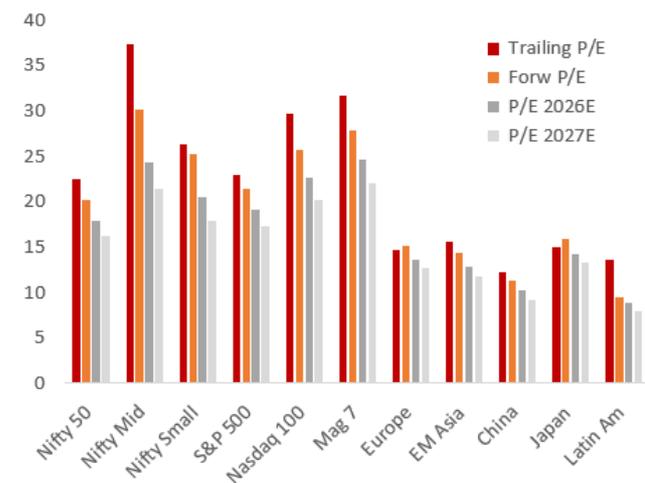
### Amongst the Best Sales Growth Expectations



### Macro Tailwinds to Add to Growth

The Nifty 50 will close out 2024 at 1051.8 EPS, +10.7% YoY. Not bad for a down year with growth slowdown. Growth for 2025 is +11.1%, and we expect that number to start getting revised higher as margins improve and additional growth factors kick in.

### Two Year Forward P/Es Are Lower than Mag 7 and Nasdaq

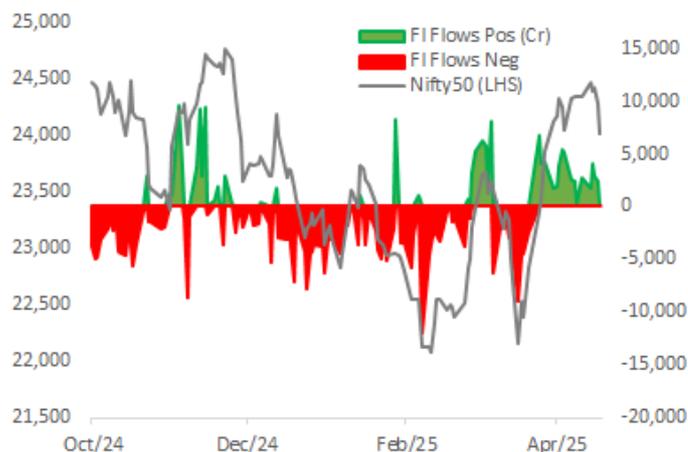


### Nifty EPS Revisions Have Been Resilient

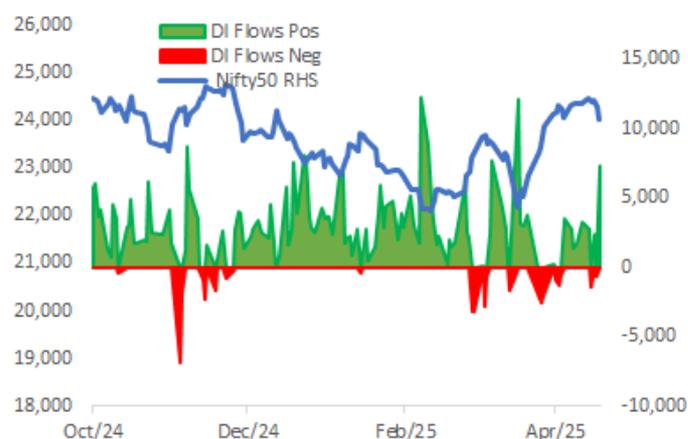


Associated with domestic flows, total demat accounts in April 2025 reached 194m, a growth of 26% YoY. The financialization story shows no sign of abating.

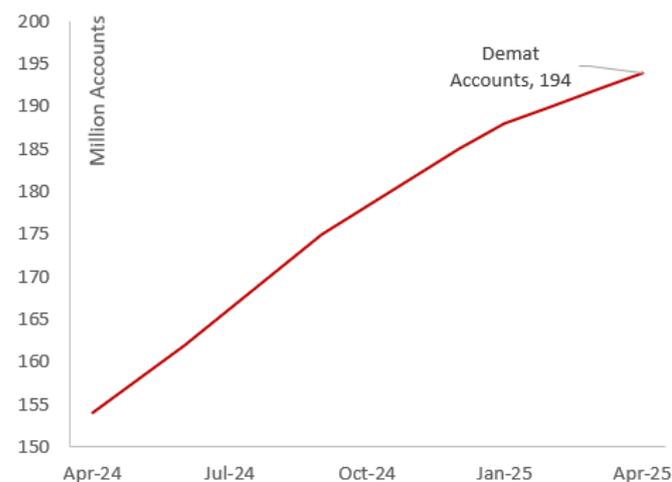
### Foreign Institutions Have Turned Buyers



### Domestic Institutions Continue to Buy



### Demat Accounts and Financialization Trends Remain in Place



### India UK Bilateral Free Trade Agreement

The signing marks India’s bid to integrate its industrial manufacturers into global supply chains by expanding market

access. In addition, India has signed treaties with the U.A.E, Australia and EFTA. Gains are likely in manufacturing, particularly textiles, processed foods, metals, electronics and motor vehicles.

Deeper integration strengthens India’ strategic position as a global player and opportunity for induction into global supply chains. The UK agreement will lead to cooperation in advanced manufacturing and clean energy, targeting joint efforts in telecom, critical minerals, semis, AI and priority sectors. The agreement will also benefit Indian exporters of medical devices, cosmetics, biscuits, clothes and electrical machinery in India. Indian exporters to the UK will benefit from lower levies on 99% of products and services. UK exports such as whiskey, cars, and cosmetics will be cheaper in India.

### Products with Zero Tariff in U.K. Deal

#### Agri and Processed Foods

Sector	Duty Range	Under FTA
Animal products	Upto 20.0%	99.3% Tariff Lines at Zero duty
Vegetable/Oil products	Upto 20.0%	99.8% Tariff Lines at Zero duty
Processed food	Upto 70.0%	99.7% Tariff Lines at Zero duty

#### Industrial Goods

Sector	Duty Range	Under FTA
Minerals	Upto 8.0%	Zero Duty
Chemicals	Upto 8.0%	Zero Duty
Plastic/Rubber	Upto 6.0%	Zero Duty
Leather/Footwear	Upto 16.0%	Zero Duty
Wood/Paper	Upto 10.0%	Zero Duty
Textile/Clothing	Upto 12.0%	Zero Duty
Headgear/Glass/Ceramic	Upto 12.0%	Zero Duty
Gems & Jewellery	Upto 4.0%	Zero Duty
Base Metals	Upto 10.0%	Zero Duty
Mechanical Machinery	Upto 8.0%	Zero Duty
Electrical Machinery	Upto 14.0%	Zero Duty
Transport/Auto	Upto 18.0%	Zero Duty
Instruments/Clocks	Upto 6.0%	Zero Duty
Arms/Ammunition	Upto 2.0%	Zero Duty
Furniture/Sports goods	Upto 4.0%	Zero Duty
Works of art	0.0%	Zero Duty

### Precedent for Future Trade Agreements

The deal saw India opening up some of its most protected sectors such as automobiles. It sets a precedent for future trade deals with the Europeans and possibly the U.S.

### Emerging Opportunities

The removal of tariffs **enhances India’s competitiveness** against countries like Bangladesh and Vietnam. India’s market position is also strengthening as an attractive alternative to China.

India remains well positioned to be a relative winner in the geo political race. India offers a mix of macro stability, earnings growth, reliable and emerging domestic demand.

## Low Interest Rates To Spur Growth

Interest rates on the 10 year g-sec have fallen from a peak of 7.6% in June 2022 to 6.27%. We are now skirting levels last seen during Covid, and amongst the **lowest rates on the 10 year G-Sec in the past 15 years.**

Kudos to the government for its efforts to get fixed income listed on global indices, pursuing a policy of fiscal conservatism, lower deficits, reduced borrowing requirements and tackling food inflation.

Low inflation and low interest rates are the bedrock of sustainable growth. With monetary and fiscal policy working in tandem, the economy, corporates and consumers will have much more favorable rates, lower interest costs, higher disposable income.

# U.S. – EARNINGS LOOK GOOD, BUT LIBERATION DAY WAS IN APRIL

## S&P 500 Companies Report Healthy EPS

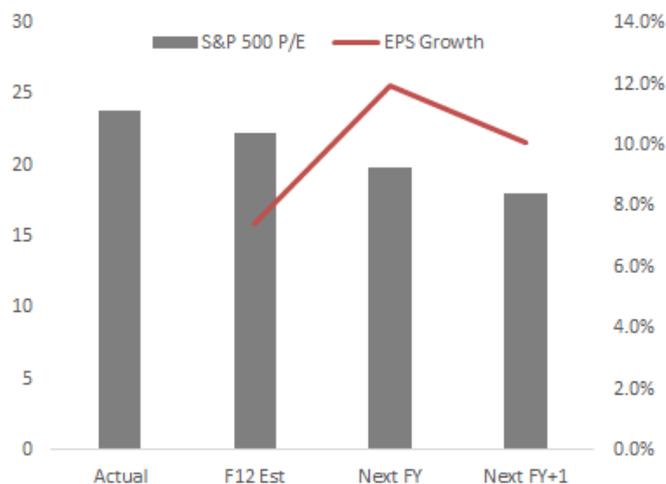
S&P 500 companies, with 455 reported, have delivered **+12.2% year-on-year earnings growth** for the March quarter. EPS growth estimates forward 12 months, and for the next year continue to hold up, indicating close to double digit growth. Health care, technology, consumer discretionary continue to lead the way (see table below).

While we welcome the solid performance in the wake of significant volatility and uncertainty in economic and trade policy, one has to bear in mind that the real shock to the economy began post April 2<sup>nd</sup>.

## 2025-26 EPS Estimates Have Taken a Hit...



## ...But Forward Earnings Growth Expectations Remain Steady at Low Double Digit



## Earnings Surprises Drive Markets Higher

66% of companies have beaten analyst earnings estimates, and 67% have beaten analyst sales expectations. While top line growth was fairly anemic, companies were able to deliver solid growth on the bottom line.

However, **two areas of concern** remain. One, the **bond market** has diverged versus equities as rates have headed higher. Two, a slew of economic data is showing fairly sharp weakness. We cover these areas next.

## Solid Financial Performance By S&P 500 Has Driven Markets Higher

Sales	CQ2 24	CQ3 24	CQ4 24	CQ1 25	EPS	CQ2 24	CQ3 24	CQ4 24	CQ1 25
Materials	-1.4%	-0.3%	-1.8%	-1.9%	Materials	-7.4%	-7.5%	1.9%	-14.4%
Industrials	-0.3%	-1.2%	-3.2%	-0.5%	Industrials	-2.2%	-11.2%	-6.3%	3.8%
Cons Staples	1.3%	1.9%	1.2%	0.2%	Cons Staples	1.7%	3.2%	0.8%	-6.8%
Energy	7.4%	-5.6%	-1.7%	0.9%	Energy	1.4%	-23.9%	-25.5%	-12.8%
<b>Technology</b>	<b>11.2%</b>	<b>13.2%</b>	<b>12.0%</b>	<b>8.5%</b>	<b>Technology</b>	<b>21.0%</b>	<b>9.3%</b>	<b>19.3%</b>	<b>13.0%</b>
Cons Disc	5.1%	5.9%	5.3%	2.2%	Cons Disc	14.4%	16.4%	25.6%	11.7%
<b>Communications</b>	<b>6.5%</b>	<b>8.4%</b>	<b>8.2%</b>	<b>6.7%</b>	<b>Communications</b>	<b>7.8%</b>	<b>21.2%</b>	<b>36.0%</b>	<b>33.0%</b>
Financials	6.0%	6.4%	8.2%	2.3%	Financials	12.2%	6.7%	22.3%	3.5%
Health Care	7.0%	10.5%	9.0%	8.9%	Health Care	16.6%	13.9%	13.5%	45.9%
Utilities	4.2%	3.9%	0.2%	11.5%	Utilities	15.2%	13.0%	14.8%	14.4%
Real Estate	5.4%	7.1%	8.8%	5.2%	Real Estate	2.5%	1.5%	11.7%	-3.0%
<b>S&amp;P 500</b>	<b>5.3%</b>	<b>5.3%</b>	<b>5.2%</b>	<b>4.3%</b>	<b>S&amp;P 500</b>	<b>10.6%</b>	<b>6.5%</b>	<b>14.6%</b>	<b>12.2%</b>

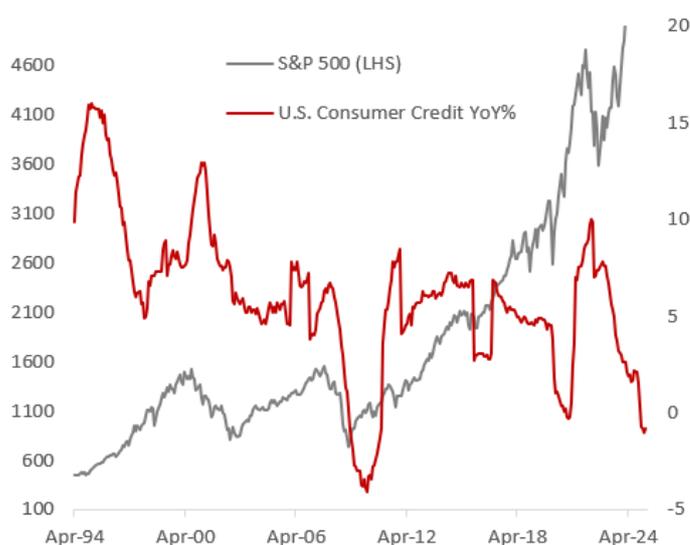
### 67% of S&P Companies Have Beaten Earnings Estimates

Sector	Reported		Sales Growth				Earnings Growth			
	Actual	Estimate	Positive	Inline	Negative	%	Positive	Inline	Negative	%
Materials	26	26	8	3	14	-1.88%	14	1	10	-14.36%
Industrials	69	72	38	3	28	-0.48%	46	1	21	3.80%
Consumer Staples	29	38	7	4	18	0.16%	10	1	18	-6.83%
Energy	25	25	14	3	8	0.88%	13	1	11	-12.78%
Technology	48	64	41	1	6	<b>8.48%</b>	40	0	8	<b>12.98%</b>
Consumer Discretionary	39	51	22	0	17	2.16%	19	0	20	11.69%
Communications	24	25	17	1	6	<b>6.73%</b>	18	1	5	<b>32.98%</b>
Financials	77	77	66	1	10	2.28%	57	1	19	3.54%
Health Care	56	60	38	5	13	8.89%	41	2	12	45.94%
Utilities	31	31	29	0	2	11.48%	24	1	6	14.43%
Real Estate	31	31	27	0	4	5.15%	20	3	8	-2.99%
<b>S&amp;P 500</b>	<b>455</b>	<b>500</b>	<b>307</b>	<b>21</b>	<b>126</b>	<b>4.26%</b>	<b>302</b>	<b>12</b>	<b>138</b>	<b>12.22%</b>

### Consumer Credit Growth Has Slowed Sharply

What is indisputable about the policies of the current administration is the negative impact on consumer confidence. Consumers have understandably pulled back on spending decisions. This is confirmed by a variety of retailers announcing bankruptcies, store shutdowns and warning on spending.

### Consumer Credit Growth Turns Negative

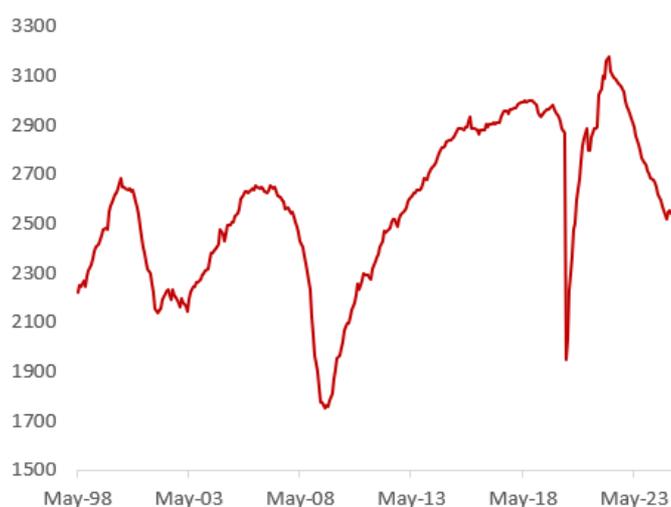


### Long End Rates Rising

The 10 year Treasury yield hit 4.54 yesterday, a level higher than the 4.48% it hit post liberation day. Inflation was benign at 2.3%. The economy is slowing if anything, as GDP contracted by 0.3% in Q1. Why is the long end rising? We believe foreign demand for treasuries is weakening.

Government spending looks set to rise, interest payments are rising and debt is rising.

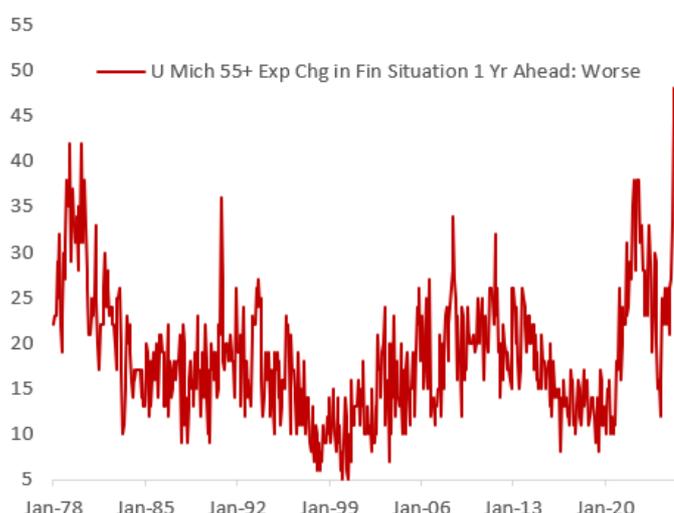
### Temporary Help Services Payrolls Declining



The U.S. 30 year yield, used in pricing 30 year fixed rate mortgages, is now at 4.96%, the second highest yield in 20 years, and fast approaching a 20 year high of 5.1%.

That, alongside rising HOA and insurance costs in coastal states, have led to one of the slowest resale housing markets in 20 years.

### Financial Expectations Worsening Rapidly



### Resale Housing Market is Frozen



### Tariffs Choking Import Dollars

As tariffs lead to declining trade and imports into the U.S., foreign entities have less to deploy into treasuries. Add in a fiscal deficit that is approaching 7% of GDP plus interest payments, and bond investors are asking for a higher return. Should rates stay high, yield curve control possibly comes into play.

The U.S. is faced with severe challenges. Everything starts with the debt situation. Add to that, we are witnessing early signs of declining confidence in the U.S. dollar and capital flight, as the dollar has weakened and treasuries are being sold off. **The implications are significant.**

The U.S. has \$9 trillion that is slated for refinance this year. With higher yields, alienated trading partners, such as Japan, that have already threatened to dump treasuries, and additional new deficits, the debt issues for the U.S. loom large.

### Uncertainty & Challenges Ahead

Some versions of decoupling are underway between the U.S. and China, U.S. and Europe. As we move forward, the prospects and challenges facing the U.S. and global economy can only be described as **uncertain**. That's particularly true of strategic choices coming out of the White House, that seem to be revised tactically. We again, find ourselves in a world **without precedent** on how things will shake out. Further, absolutely every thing can change/ reverse on a dime. However, what cannot be reversed is the hit to consumer confidence and consumer comfort, the damaged relationships and unpredictable emotional responses from counter-parties.

Swiss short term bond yields coming back to negative are the latest symptom of the dislocations and risks appearing in global capital flows, indicative of the meaningful shifts that are underway, and an indication of the **rising lack of trust in U.S. debt.**

## GOLD & SILVER – SAFE HAVENS

### Gold Continues to Shine Brightly



#### U.S. Public Debt Continues to Rise

As the chart above shows, Gold has a fairly positive correlation with U.S. public debt. Until the case for debt reduction becomes evident, prospects remain healthy for Gold. Gold is also positively correlated with economic policy uncertainty.

#### Trade Talks Do Not Change the Gold Narrative

The roll back of tariffs from the U.S. China trade talks does not move the needle on rationale for Gold. Tariffs still remain egregiously high and ultimately inflationary.

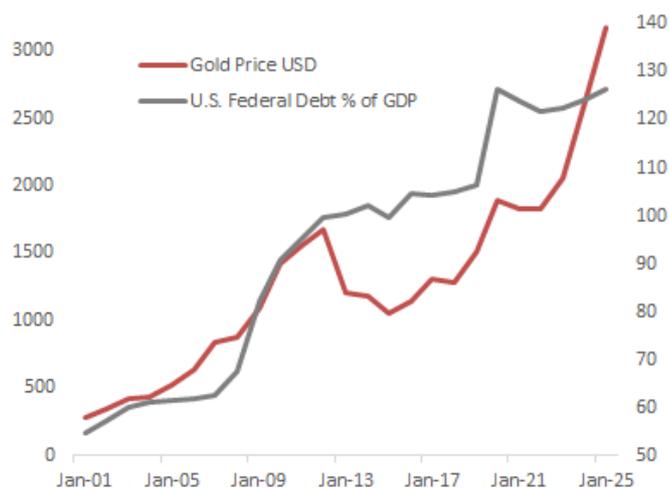
#### Neither Does the Recent Market Rally

Gold has hedge characteristics and is a safe haven, flight to quality asset. However, the bottoming in equities does not preclude a continued rise in gold. Rather, there have been periods in the 2000, 2010s and 2020s where equities and gold have risen in tandem.

#### U.S. Federal Debt & Interest Payments Continue Rise

What we're hearing out of Washington suggests that no meaningful progress has been made on reducing the debt. Rather, it looks likely to increase with a proposed Tax and Spend bill. Further, interest payments on U.S. debt look set to rise to the highest in at least 50 years.

#### Rising Gold Prices Are Correlated with Rising U.S. Debt



#### Tax Cut

President Trump is promising a large tax cut for middle class and working Americans. No tax on tips, no tax on social security, no tax on overtime. Where the funds will come from remains to be seen.

#### Central Bank Buying Continues

Meanwhile, China expanded its gold reserves for a sixth straight month in April. China's holdings have climbed by roughly 30 tons in the past six months.

**Revaluation Potential**

Rumblings continue about a revaluation of U.S. gold reserves from a book value around \$40 per oz to market price. Additional rumours continue to circulate about currency resets. Either way, monetary debasement remains a possible pathway.

**The Gold to Copper Ratio**

Historically, the gold to copper ratio is a gauge of whether the economy is heading towards growth – copper rising – or whether markets are bracing for monetary debasement and volatility. Right now, gold is dominating copper, i.e. worries around global economic growth.

**Gold to Copper Ratio Has Hit an Extreme That Typically Marked a Bottom in Copper**



However, the ratio has hit an extreme (see chart above). Despite copper bouncing back from a precipitous drop on Liberation Day, the gold to copper ratio has risen to 72; in other words, the cost of buying gold in copper units has touched a peak only witnessed during Covid, 2008 and the China debt crisis of 2016. Each marked a low in copper prices, as well as a low in equities. Incidentally, gold continued its rise in 2008, 2020 and 2016.

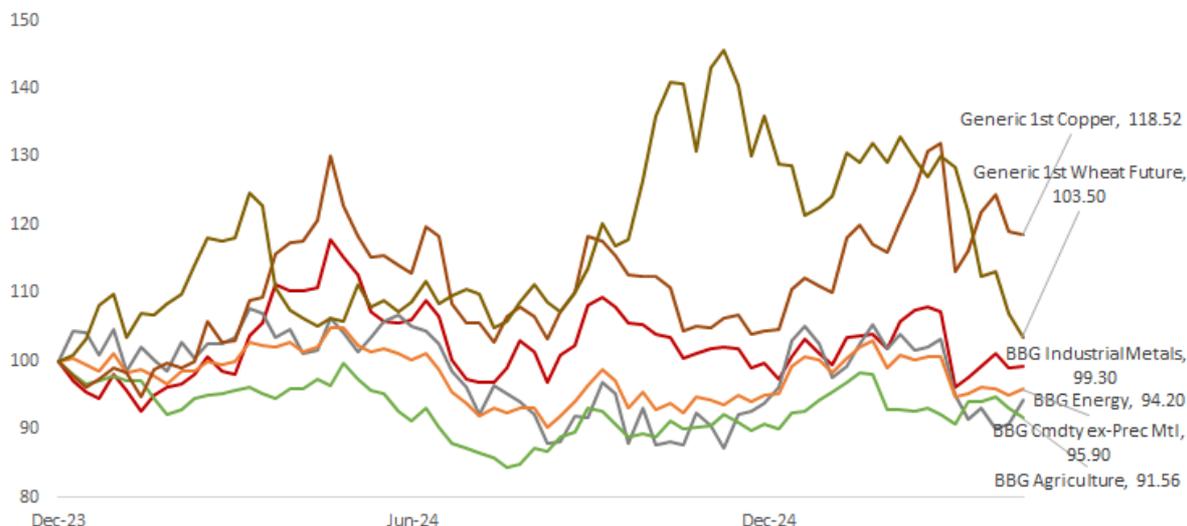
**Gold Retains Attractive Characteristics as a Store of Value and Inflation Hedge**

Gold has no counterparty risk, has a proven track record as a store of value, an inflation hedge, an equity volatility hedge, with low elasticity relative to supply, given long development cycles, and strong global demand and liquidity.

As political uncertainty rises, currency volatility rises (e.g. Taiwan recently), and as rising debt plagues much of the developed world, gold continues to be an attractive long term asset in the portfolio.

# CURRENCY & COMMODITIES – RISING VOLATILITY & UNCERTAINTY

## Commodity Prices Remain Benign



### Commodities Remain Largely Flat Since 2024

With the exception of Copper, and select base metals, commodity prices are largely flat since the end of 2023. In particular, commodities have witnessed a decline since early April '25. There remains limited evidence of inflation, either in consumer or WPI, or in commodity base metals prices. A large contributor to the lackluster price performance is China, which remains mired in a variety of domestic economic challenges alongside a trade war with the U.S.

Tariff related inflation, particularly in the U.S., remains a separate factor that could impact pricing, supply and demand. Unfortunately, no market models exist for the economic environment the global economy finds itself in, nor for the “strategic uncertainty” policy choices that are being pursued by the U.S. administration.

### Is Recent Taiwanese Dollar Action a Harbinger of Things?

On March 31, 2025, the Taiwanese Dollar traded at 33.19 spot to the U.S. dollar. Over the next month, and largely in the first week of May, the Taiwanese dollar plummeted by 9.4%, a historically sharp drop over a matter of a week.

A stronger Taiwanese exchange rate would make its exports to the US less competitive, potentially shrinking a trade surplus in excess of \$70 billion last year. The flip side of sustained surpluses has been massive Taiwanese investment into US securities, roughly \$800 billion.

The move in the Taiwanese Dollar appears to be a second order impact precipitated by U.S. policy. Fears amongst Taiwanese corporates that authorities would acquiesce to a weakening of the Taiwanese currency as part of a trade deal with the U.S. precipitated foreign exchange outflows by large Taiwanese corporates. Should unpredictable trade and economic policy continue, expect **unexpected second order outcomes to continue.**

### Implications & Challenges of a High Tariff, Weak Dollar Policy

What’s not being widely recognized is that a high tariff, weak dollar policy reduces capital flows to the U.S. The reduction in capital flows has implications. In particular, willing foreign buyers of treasury debt. That may be one contributor to the **rising interest rates** in 10 & 30 year U.S. treasuries.

### Rising Rates

A diminished foreign investor in U.S. government debt would put upward pressure on U.S. borrowing costs. The notion that the Trump administration can predict the hundreds if not thousands of 2<sup>nd</sup> and 3<sup>rd</sup> order effects of their radical policy shifts is wishful thinking, and increases risks and vulnerabilities of the global financial system.

## INVESTMENT OUTLOOK & STYLE PREFERENCES

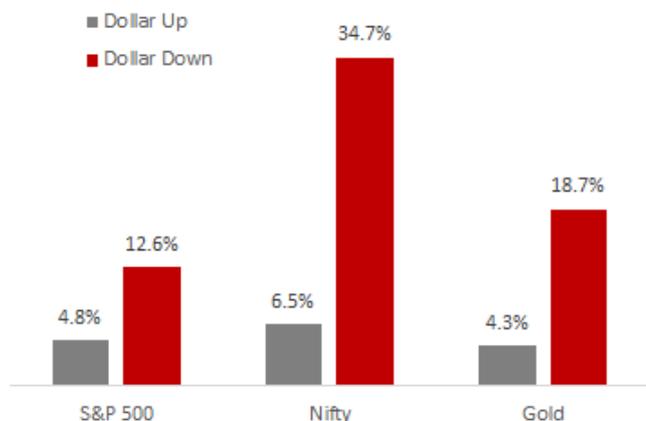
### India - Strong Earnings & Macro Tailwinds

India's is emerging as an attractive alternative to high debt developed economies, offering strong demographics, earnings recovery, strong macro tailwinds, low cost labor, services, and a largely domestic economy. India's strong fiscal position, large government capex investments and healthy consumer offer an enviable mix compared to developed markets, China, Japan, Asia. Moreover, a weak dollar environment remains an attractive environment for Indian equities.

### Pahalgam Attack

The escalation following the Pahalgam incident and India's retaliatory strike has reintroduced a degree of geopolitical risk. However, the situation appears to have settled down considerably, and we do not expect meaningful longer-term consequences for the economy. Across prior incidents, the markets response has been initial short lived volatility, followed by fairly rapid recovery.

### Weak Dollar Very Good for Nifty 50 & Gold



What we'd rather draw attention to is that down years in the U.S. Dollar typically correlated with fantastic returns in Indian equities, and Gold. It's well recognized that a weak dollar is good for EM. There is a dramatic differential in performance in Indian equities when the dollar is weak. What's also remarkable is that in ten instances of a weak dollar back to 1999, Indian equities have never had a down year.

### Tariff Risks Remain a Concern

Tariffs are being rightly referred to as an own goal by none other than Howard Marks of Oaktree. Mr. Marks deems this a policy mistake analogous to Brexit, which cost the British mightily in terms of GDP, morale and alliances, as well as government stability. We concur. There are substantial risks to the policy the U.S. is pursuing, and a similar painful verdict could be delivered, unless policymakers successfully walk a very tightrope.

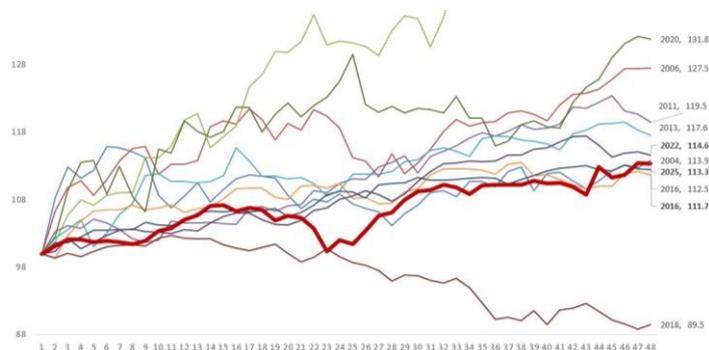
The situation is particularly challenging for the U.S. central bank. Should it lower rates aggressively to counter anticipated economic weakness, or should it be vigilant for rising inflationary pressures from tariffs?

### Status of the Rally from the Market Bottom

We would classify current market action in Indian equities as initially resilient and now promising. Despite shocking news announcements, and a slow start to the earnings season, slow economic data, Indian markets stayed comfortably above the March 4<sup>th</sup> 2025 bottom.

With earnings finally providing a positive catalyst, markets have shot up in the past 5 days, up an average of 5-6%. Midcaps are leading the way, up 18%~ from the March 4<sup>th</sup> bottom. A market that consolidates on bad news, and rockets higher on good news is a market that is focused on the positive data ahead.

### The Current Rally is Tracking Similar to 2013, 2016, 2022



### Additional Macro Tailwinds Yet to Kick In

Earnings are being driven by growth prospects. Companies are identifying opportunities for growth. Alongside improving growth,

lower interest rates have helped profit margins, and will continue to do so in coming quarters. Lower interest rates, lower inflation, tax stimulus, improving government spending, low crude are all in the pipeline and will provide impetus for continued earnings delivery.

### Asset Allocation

Indian equities have delivered solid earnings growth. However, there is uncertainty with respect to the tariff situation in the U.S., as well as China.

It has been our experience since 2008 that much crisis mongering related to developed markets is ultimately noise for the Indian investor. What has consistently mattered is earnings, and earnings surprises, which ultimately drive equity performance.

In **early March 2025, we raised our equity allocations.** Markets are up 14-19% since then. Now, we choose a slightly conservative approach due to the **“nobody knows how this plays out”** nature of the current trade war. We will **consider opportunistically adding to equities should opportunities present themselves in coming weeks.** It goes without saying, should global conditions change dramatically, we will re-align accordingly as well.

Risks, from our vantage point, remain largely centered around U.S. economic policy unpredictability, U.S. economic impacts related to the tariff war, U.S. and European debt, U.S. economic growth, risks to the U.S. exceptionalism thesis as well as strategic missteps that create additional global volatility.

We remain **overweight Gold** and **tactically overweight Silver.** We remain selectively positive on individual Fixed Income opportunities across credit risk and corporate. Our strategic asset allocation preferences are listed on page 25 and page 27-28.

We remain watchful on unintended risks and impacts that emanate out of the U.S. as well as domestically that could derail the rally.

### Style and Sector Preferences

Headline indices have delivered better than expected earnings growth, particularly mid caps. However, dispersion beneath the index will remain wide, across sectors and individual companies.

Our preference remains sectors with structural tailwinds, enterprises with earnings visibility, predictability, large TAMs, new

opportunities, robust capital discipline, and pricing power will compound well.

We prefer domestic focused sectors and businesses. If these companies are finding new opportunities for growth overseas, even better. We remain cautious on stocks selling at high valuation premiums, particularly MNCs. From a sectoral standpoint, large cap IT is a clear avoid, while defence, infra, financial services, banks, auto and consumer are areas we prefer.

Select healthcare, telecom companies with pricing power, strong margins and new products, travel and leisure, platform players, round out our list of preferred sectors.

### Nifty Midcaps, Auto, PSU Banks, FMCG are Witnessing Strong Upward EPS Revision Momentum

Index	One Week	One Month	April 2nd	March 4th
Nifty 50	1.5%	-0.2%	-0.2%	-0.2%
Midcap 150	-0.1%	3.9%	4.2%	3.9%
Smallcap 250	5.1%	2.0%	1.8%	1.8%
Auto	6.3%	5.4%	4.9%	4.8%
Bank	0.0%	1.3%	1.3%	1.3%
PSU Bank	0.6%	6.8%	6.8%	6.8%
Financial Services	0.5%	1.5%	3.8%	3.7%
Consumption	0.0%	1.2%	1.0%	1.0%
FMCG	0.0%	3.6%	3.6%	3.6%
Energy	0.7%	0.1%	-0.1%	-0.1%
Infrastructure	0.3%	1.3%	1.2%	1.1%
IT	0.0%	1.8%	1.8%	1.8%
Metal	-0.5%	0.5%	0.2%	0.1%
Pharma	0.9%	1.0%	1.2%	1.2%
CPSE	0.0%	0.0%	0.0%	0.0%
PSE	0.5%	2.0%	1.9%	1.5%
Defence	0.4%	0.5%	1.1%	1.1%
Commodities	-0.1%	0.8%	0.5%	0.4%
MNC	0.1%	1.3%	1.1%	1.0%

### India’s Long Term Story Remains Intact

#### The long term growth story remains intact:

1. Demographics - amongst the most attractive demographics amongst large economies, a median age of 30~ with contributions from productivity improvement as well.
2. India is the fastest growing large economy in the world, with attractive annual labor force growth
3. Now the 4<sup>th</sup> largest economy, projected to be the third largest economy by 2030.

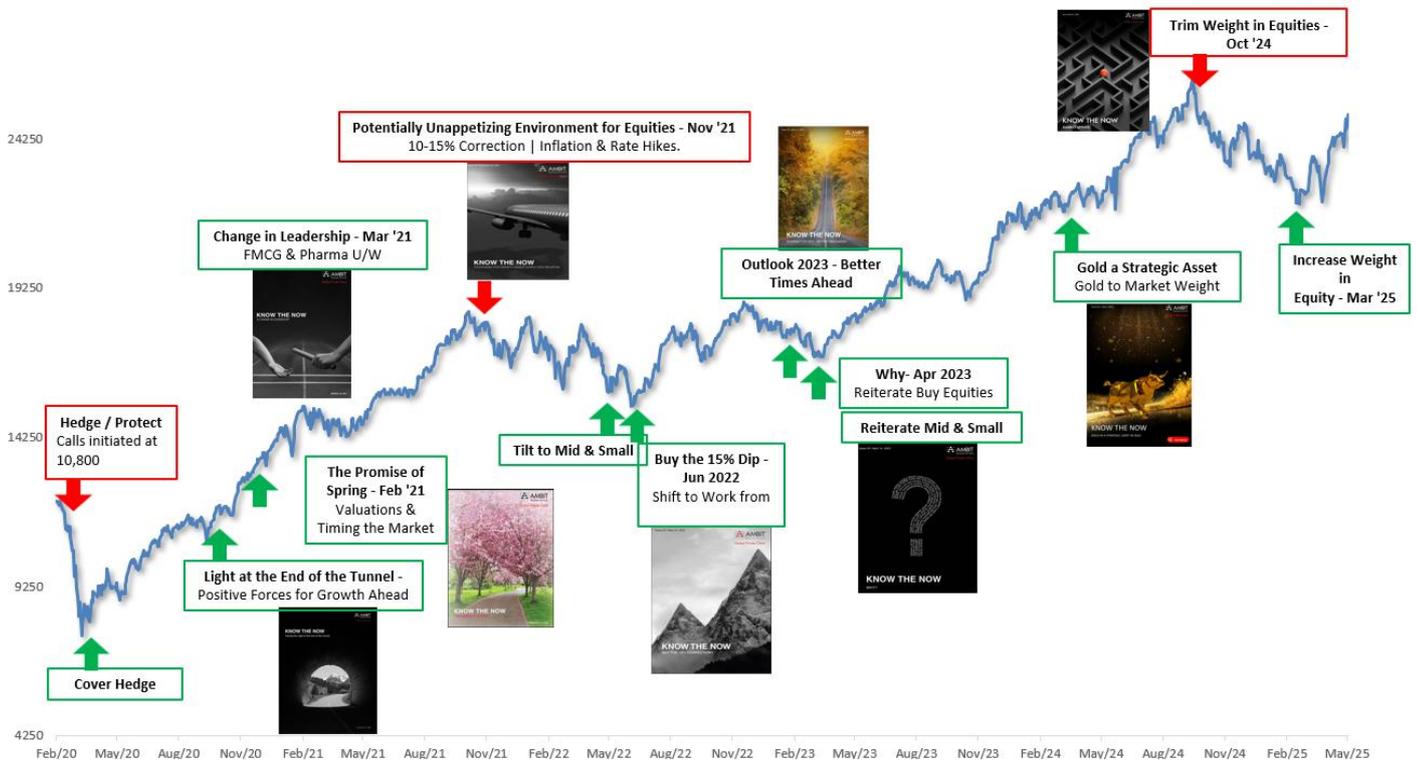
4. An emerging safe haven market with attractive growth and large consumer end market.
5. A stable democracy, with low political risk, reliable and fair regulatory practices.
6. Amongst the lowest cost of labor - \$2800 per capita income, versus \$50,000+ for developed economies, and an increasingly skilled workforce.
7. English speaking, increasingly skilled cheap labor availability.
8. Monetary & Fiscal policy working in tandem, expected to add 40 to 60 bps to GDP and raise growth to closer to 7%.
9. Tax stimulus that can add 0.6-1.0% to GDP.
10. Declining inflation, declining interest rates and possible talks underway for a GST cut.
11. Rising capex momentum, strong services momentum and improving economic data, increasing evidence of corporates stepping forward with capex investments in earnings calls
12. Limited tariff exposure
13. Free Trade Agreement negotiations underway
14. A large, healthy domestic consumer market, with 200 million - 400 million consumers.
15. Tax incentives for manufacturing
16. A structural financialization trend, driven by rising incomes, and stable finances
17. SIPs that held rock solid, now above 26,600 cr a month.
18. A vibrant private equity and start up eco system
19. Stable fiscal deficit at 4.4% of GDP, strong reserves, strong import cover, low external debt, fiscally conservative government, strong corporate balance sheets, and low Debt to GDP,
20. A largely domestic economy, 78%~ domestic. Of exports, U.S. accounts for 17.9%~, less than 2-3% impact to GDP
21. Mahakumbh expected to generate over 2 lakh crores revenue
22. Easing lending standards for NBFCs and microfinance
23. Improving banking system liquidity
24. Low crude oil prices
25. Rising cement demand and increasing evidence that the government is stepping forward with capex

## KEY CALLS FROM PAST COMMENTARIES



- Hedge in March 2020, Exited Hedge at the Bottom March 24, 2020
- Neutral Summer 2020
- Bullish Fall 2020 – Nov 2021
- Cautious Nov 2021 – Expected a 10-15% Correction
- Bullish equities in June 2022, Reiterated in April 2023 post the Regional Bank crisis
- Recommend O/W in Mid & Small Caps in Apr 2022, Reiterated in May 2023
- Reduced weight in equities to close to Neutral in Oct 2024
- Increased weight in equities in early March 2025

### Know the Now – Tactical Asset Allocation Views – Timeline



Global Index Performance

19-May-25	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	% from 52 Wk Hi	From '25 Trough
Nifty 50	24,976	-0.2	0.2	2.6	4.7	6.2	8.9	6.2	5.6	11.0	-5.0%	13.1%
SENSEX	82,137	-0.2	-0.4	2.4	4.6	6.1	8.2	5.9	5.1	11.0	-4.5%	12.5%
Nifty Next 50	67,596	0.8	3.9	4.8	5.2	7.2	12.4	-0.3	-0.6	-0.1	-13.2%	16.6%
Nifty 200	13,904	0.1	1.2	3.5	5.4	7.1	10.1	5.0	3.7	9.1	-6.3%	14.6%
Nifty 500	22,904	0.1	1.7	4.0	5.6	7.3	10.5	4.1	2.4	8.3	-6.8%	15.0%
NIFTY Midcap 100	57,275	0.4	3.4	5.8	8.8	10.8	13.4	5.0	0.1	10.4	-6.0%	19.3%
Nifty Midcap 150	21,042	0.4	3.5	5.9	8.3	10.0	12.9	3.9	-0.5	8.7	-6.5%	18.2%
NIFTY Smallcap 100	17,694	0.8	5.5	7.6	7.8	9.9	14.0	0.1	-5.7	4.0	-10.3%	19.9%
NSE NIFTY Smallcap 250	16,537	0.8	5.4	7.7	7.0	9.5	13.4	-1.8	-6.8	3.8	-11.5%	18.9%
Microcap	46,809	1.2	6.9	9.4	6.2	12.6	9.4	-10.8	-14.8	1.2	-19.8%	17.2%
Nifty Microcap 250 (MOS)	17	0.8	9.9	8.8	7.1	10.1	9.0	-4.5	-9.7	7.7	-14.5%	15.2%
<b>Americas</b>												
S&P 500 Index	5,958	0.7	5.3	7.0	12.8	6.2	-3.0	0.7	1.3	12.4	-3.1%	3.1%
Dow Jones Indus. Avg	42,655	0.8	3.4	4.9	9.0	1.6	-4.4	-1.4	0.3	6.6	-5.4%	0.3%
Nasdaq 100 Stock Indx	21,428	0.4	6.8	9.5	17.4	11.1	-3.4	3.6	2.0	15.5	-3.6%	5.3%
Nyse Fang+ Index	13,632	0.3	7.6	10.3	22.7	18.3	-2.0	9.6	3.9	31.2	-3.0%	9.0%
Bbg Magnificent 7 Pr Usd	24,950	0.5	9.3	13.3	23.0	14.0	-5.4	1.3	-4.3	30.9	-10.2%	6.3%
Russell 2000 Index	2,113	0.9	4.5	7.6	12.4	5.0	-7.4	-9.1	-5.2	0.8	-14.3%	1.6%
Canada	25,972	0.3	2.4	4.5	7.4	4.2	1.8	3.7	5.0	15.6	-0.1%	5.7%
Mexico	57,987	0.0	2.5	3.1	9.4	10.5	7.2	15.5	17.1	0.7	-0.7%	10.7%
Brazil Bovespa	139,187	-0.1	2.0	3.1	7.4	6.9	9.3	8.6	15.7	8.6	-0.2%	n/a
<b>Europe</b>												
Euro Stoxx 50 Pr	5,404	-0.4	0.2	4.7	9.5	3.0	-1.1	13.7	10.4	6.7	-3.0%	0.3%
FTSE 100	8,642	-0.5	0.4	1.7	4.4	0.7	-0.8	6.7	5.7	2.6	-3.0%	-1.3%
CAC 40 Paris	7,851	-0.4	0.0	3.4	7.8	0.8	-3.2	8.6	6.4	-3.9	-4.9%	-2.4%
DAX Germany	23,737	-0.1	0.7	5.5	11.9	7.1	5.8	24.5	19.2	26.9	-0.7%	6.3%
MIB Italy	40,082	-1.4	0.4	6.6	11.4	5.3	4.5	20.3	17.2	13.2	-1.5%	6.2%
Norway OSEBX	1,550	-1.0	1.9	4.2	7.1	2.2	3.5	7.4	8.8	9.4	-1.1%	6.0%
<b>Asia</b>												
MSCI Emerging Markets	1,172	-0.1	0.9	5.4	9.7	6.4	3.1	7.1	9.0	6.6	-1.8%	7.3%
Japan - Nikkei 225	37,499	-0.7	-0.4	4.0	8.0	5.3	-4.3	-2.4	-6.0	-3.3	-11.6%	0.4%
Hang Seng	23,333	-0.1	-0.9	5.5	9.1	0.9	1.7	18.7	16.3	19.3	-6.2%	1.7%
HSTECH	5,255	-0.5	-3.5	3.3	7.5	-2.6	-7.4	19.6	17.6	27.8	-15.2%	-5.1%
China CSI 300	3,877	-0.3	-0.3	2.8	2.8	-0.3	-1.6	-2.5	-1.5	5.4	-12.9%	-0.2%
Australia	8,295	-0.6	0.7	2.1	6.1	5.8	-1.5	-0.9	1.7	6.2	-3.7%	1.2%
Taiwan	21,524	-1.5	1.9	6.4	11.0	4.0	-8.8	-5.8	-6.6	1.2	-11.8%	-4.7%
Korea	2,603	-0.9	-0.1	1.8	4.8	4.9	-2.5	5.3	8.5	-4.4	-10.1%	2.9%
Singapore	3,878	-0.5	0.1	1.2	4.2	-2.4	-1.4	3.2	2.4	17.0	-3.2%	-0.3%
Vietnam	1,296	-0.4	1.0	5.7	6.3	-0.8	0.6	7.6	2.3	1.8	-3.5%	-1.2%
Indonesia	7,154	0.7	4.8	5.7	11.1	9.9	5.3	-0.6	1.0	-2.2	-9.6%	12.1%
Malaysia	1,554	-1.2	0.5	0.9	3.6	2.6	-1.7	-3.0	-5.4	-3.9	-7.8%	-0.1%
Phillipines	6,455	-0.2	-0.1	1.6	5.2	4.4	5.5	-5.1	-1.1	-2.5	-15.1%	6.4%

### Leadership Stocks – U.S., Europe & India

Select Leadership Stocks -											% from	% from
India U.S.	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	52 Wk Hi	52 Wk Lo
S&P 500 Index	5,958	0.7	5.3	7.0	12.8	6.2	-3.0	0.7	1.3	12.4	-3.1%	3.1%
Apple Inc	211	-0.1	6.4	-0.6	7.2	-4.9	-13.7	-7.5	-15.6	11.3	-18.8%	-10.5%
Nvidia Corp	135	0.4	16.1	24.3	33.4	24.9	-2.8	-7.9	0.8	46.4	-11.6%	16.7%
Microsoft Corp	454	0.3	3.5	14.9	23.5	21.0	9.5	8.7	7.8	8.1	-3.0%	16.9%
Amazon.Com Inc	206	0.2	6.5	11.5	19.1	8.1	-9.3	0.5	-6.3	11.3	-15.2%	0.9%
Alphabet Inc-Cl A	166	1.4	8.8	4.7	9.9	7.5	-10.3	-6.7	-12.2	-5.6	-19.7%	-2.8%
Meta Platforms Inc-Class A	640	-0.5	8.1	16.6	27.7	11.1	-9.0	14.1	9.4	35.7	-13.6%	0.1%
Tesla Inc	350	2.1	17.3	24.0	45.0	35.0	-2.9	1.2	-13.3	97.2	-28.4%	28.7%
Broadcom Inc	229	-1.7	9.8	18.8	33.7	36.5	-0.1	38.3	-1.4	63.8	-9.2%	21.9%
Netflix Inc	1,192	1.2	4.5	5.3	22.5	27.8	14.2	36.7	33.7	91.8	-0.4%	22.5%
Bbg Magnificent 7 Pr Usd	24,950	0.5	9.3	13.3	23.0	14.0	-5.4	1.3	-4.3	30.9	-10.2%	6.3%
Novo Nordisk A/S-B	434	1.7	-1.8	-0.3	2.9	-7.7	-27.4	-40.2	-30.5	-52.0	-58.0%	-29.6%
Investor Ab-B Shs	291	-0.6	-1.1	2.1	4.9	-2.4	-9.3	-1.6	-0.5	5.2	-10.9%	-6.2%
Atlas Copco Ab-A Shs	164	-0.4	1.1	9.4	9.8	2.9	-11.3	-5.2	-2.9	-17.1	-20.5%	-6.5%
Equinor Asa	241	-1.5	-1.1	1.4	-2.3	-13.4	-7.2	-7.0	-7.7	-15.7	-19.1%	-2.7%
Volvo Ab-B Shs	275	-0.2	-0.2	4.8	9.5	-2.5	-13.1	7.1	6.4	0.5	-17.0%	-13.9%
Eqst Ab	291	-1.9	-1.8	4.8	16.4	-4.3	-18.7	-0.3	-4.9	-14.7	-24.4%	-7.5%
Assa Abloy Ab-B	311	-0.8	0.4	6.5	12.6	3.5	-4.1	-4.4	-5.0	0.5	-11.2%	-2.9%
Dsv A/S	1,552	-1.0	2.7	11.7	26.9	16.5	5.4	3.8	1.5	46.7	-1.7%	10.9%
Dnb Bank Asa	273	-0.3	3.7	5.5	5.0	-0.9	9.3	19.4	20.3	34.2	-2.4%	6.6%
Lvmh Moet Hennessy Louis Vu	501	-0.5	-5.5	2.7	3.2	-12.3	-27.5	-13.2	-21.1	-36.0	-36.2%	-24.9%
19-May-25	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	% from 52 Wk Hi	From '25 Trough
Nifty 50	24,976	-0.2	0.2	2.6	4.7	6.2	8.9	6.2	5.6	11.0	-5.0%	13.1%
Tata Consultancy Svcs Ltd	3,515	-1.3	-2.9	1.8	6.6	-2.5	-7.1	-11.6	-12.8	-7.3	-22.2%	-0.5%
Reliance Industries Ltd	1,443	-0.9	0.4	2.7	13.2	13.2	17.6	16.2	18.7	0.6	-10.3%	24.2%
Hindustan Unilever Ltd	2,385	0.2	0.1	1.8	0.4	5.6	6.0	-1.0	2.5	2.9	-21.1%	10.6%
Nestle India Ltd	2,409	0.0	1.1	0.9	-0.3	7.0	9.3	8.8	11.0	-3.8	-13.3%	12.2%
Titan Co Ltd	3,629	-0.1	1.9	7.4	9.1	18.5	13.0	12.5	11.6	7.9	-6.2%	19.0%
Asian Paints Ltd	2,344	-0.4	-0.5	-3.4	-5.0	0.2	4.7	-5.6	2.8	-16.8	-30.9%	10.0%
Hdfc Bank Limited	1,936	0.1	-1.1	0.6	1.5	5.9	12.1	11.1	9.2	32.0	-2.2%	13.2%
Icici Bank Ltd	1,449	-0.4	0.0	1.5	3.0	7.4	14.8	16.0	13.0	28.1	-0.8%	19.7%
Bharti Airtel Ltd	1,814	0.0	-3.0	-2.7	-4.0	4.7	10.3	18.9	14.3	34.6	-5.4%	15.2%
Bajaj Finance Ltd	9,260	1.0	2.7	7.4	1.2	3.6	9.9	40.6	35.9	37.6	-4.0%	7.8%
Ultratech Cement Ltd	11,955	0.4	1.9	2.7	0.5	3.9	5.9	11.0	4.6	21.2	-3.1%	15.3%
Bse Ltd	7,431	2.1	6.8	16.9	25.4	35.7	32.0	57.3	39.6	166.1	-0.2%	66.8%
Interglobe Aviation Ltd	5,582	0.3	1.9	6.3	4.0	9.1	26.9	38.0	22.6	27.8	-1.5%	21.4%
Grasim Industries Ltd	2,770	-1.2	1.0	1.2	0.3	6.1	12.5	10.4	13.4	13.8	-3.7%	15.7%
Eicher Motors Ltd	5,585	1.4	1.2	0.3	-1.7	4.4	16.1	12.5	15.8	19.2	-5.5%	16.0%
Cholamandalam Investment A	1,635	0.9	3.5	9.5	3.0	7.5	18.8	32.2	37.8	27.5	-2.8%	12.8%
Shree Cement Ltd	31,560	-0.2	4.7	6.2	1.8	3.5	10.1	30.9	22.8	20.1	-0.9%	15.3%
Max Healthcare Institute Ltd	1,188	1.7	2.4	8.1	9.5	8.3	16.5	19.0	5.3	40.3	-3.3%	20.1%
Average		0.5	1.8	4.8	3.7	8.3	15.5	24.8	19.5	39.0	-2.8%	19.9%

### Nifty Sectors & Factors

19-May-25	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	% from 52 Wk Hi	From '25 Trough
<b>Nifty 50</b>	<b>24,976</b>	<b>-0.2</b>	<b>0.2</b>	<b>2.6</b>	<b>4.7</b>	<b>6.2</b>	<b>8.9</b>	<b>6.2</b>	<b>5.6</b>	<b>11.0</b>	<b>-5.0%</b>	<b>13.1%</b>
<b>Nifty Sectors</b>												
Nifty Auto	24,121	0.7	3.1	8.1	12.9	13.3	10.6	3.3	5.6	3.3	-12.9%	19.0%
Nifty Bank	55,505	0.3	0.2	0.8	2.2	7.6	12.0	9.6	9.1	15.2	-1.1%	15.0%
NIFTY Private Bank	27,706	0.1	0.1	0.9	2.0	7.7	11.8	11.7	11.8	15.6	-1.2%	14.9%
Nifty PSU Bank	6,757	1.9	4.4	3.3	3.6	7.9	13.6	4.1	3.3	-5.6	-16.1%	18.2%
Nifty Financial Services	26,534	0.2	0.1	1.6	1.8	5.8	13.1	13.4	12.8	23.4	-1.1%	15.2%
Nifty India Consumption	11,670	0.1	1.2	3.1	3.6	8.9	10.0	4.4	2.7	9.8	-10.6%	14.9%
Nifty FMCG	56,952	-0.2	-0.3	0.9	0.5	6.3	8.8	1.0	0.3	3.1	-14.3%	12.7%
Nifty Energy	35,758	0.3	2.9	4.4	5.8	6.5	14.6	-2.3	1.6	-11.6	-20.6%	18.3%
Nifty Infrastructure	9,052	-0.0	0.8	3.0	4.9	7.0	13.3	8.0	7.0	4.6	-6.7%	17.6%
Nifty IT	37,510	-1.2	-2.0	4.8	12.4	1.7	-8.3	-10.2	-13.4	12.2	-18.6%	0.6%
Nifty Metal	9,233	0.3	3.6	7.6	8.9	1.5	10.5	3.5	6.7	-3.9	-10.5%	10.6%
Nifty Pharma	21,824	0.9	3.4	0.2	3.3	3.2	4.8	0.3	-6.8	14.2	-8.7%	10.1%
Nifty Realty	933	2.3	6.9	5.3	10.4	9.6	10.3	-3.4	-11.3	-7.1	-19.4%	15.4%
<b>Nifty Sectors &amp; Themes</b>												
Nifty Media	1,671	-0.6	5.1	10.4	5.7	13.3	11.9	-14.1	-8.1	-8.9	-23.4%	19.0%
Nifty CPSE	6,527	0.3	3.7	4.3	4.6	6.3	17.3	3.9	7.2	1.0	-14.8%	19.1%
Nifty PSE	9,987	0.3	3.8	4.5	4.6	6.9	18.0	2.8	4.8	-4.4	-15.5%	20.5%
Nifty India Defence PR	8,309	5.6	17.2	16.6	25.8	30.0	55.5	36.7	28.0	37.6	0.0%	55.6%
Nifty Commodities	8,813	0.0	1.9	3.5	4.3	4.1	12.4	5.4	8.5	-0.8	-11.0%	14.8%
Nifty MNC	28,237	0.3	2.5	4.5	5.7	7.6	9.3	1.3	1.1	-2.7	-14.0%	13.0%
<b>Nifty Factors</b>												
<b>Nifty 50</b>	<b>24,976</b>	<b>-0.2</b>	<b>0.2</b>	<b>2.6</b>	<b>4.7</b>	<b>6.2</b>	<b>8.9</b>	<b>6.2</b>	<b>5.6</b>	<b>11.0</b>	<b>-5.0%</b>	<b>13.1%</b>
<b>Nifty Alpha 50</b>	50,498	0.3	3.7	5.9	7.6	9.8	12.1	-5.7	-10.3	-3.5	-18.1%	18.3%
Nifty200 Alpha 30 TR	30,403	0.3	5.7	4.3	6.7	8.6	10.9	-3.6	-7.7	-4.7	-17.1%	16.3%
NIFTY Alpha LowVol30 TR	34,844	-0.1	4.0	2.0	4.7	6.4	7.2	-0.9	-1.6	-0.1	-14.8%	12.9%
<b>Nifty value 20 TR</b>	17,912	-0.2	0.0	3.3	5.5	4.3	3.1	-1.7	-2.4	6.7	-9.8%	8.5%
Nifty200 Value 30 TR	22,216	0.4	5.8	3.1	2.9	3.9	12.7	3.7	4.3	1.0	-9.9%	14.7%
Nifty500 Value 50 TR	23,267	0.4	5.4	3.8	4.4	4.8	11.2	2.3	4.0	-0.7	-9.7%	14.4%
<b>Nifty200 Momentum 30 TR</b>	38,199	0.1	6.1	4.7	9.6	8.9	7.8	-7.2	-6.4	-9.1	-19.3%	14.6%
Nifty500 Momentum 50 TR	63,287	0.6	7.2	5.5	9.6	10.0	10.1	-7.7	-8.2	-8.4	-18.6%	16.7%
NIFTY100 Quality 30 TR	7,101	0.6	2.1	4.2	6.5	7.3	7.3	1.3	1.6	6.5	-10.7%	13.1%
NSE 200 Q30 TR	29,378	0.9	2.2	5.0	7.5	8.3	8.6	1.0	0.4	9.2	-10.8%	14.9%
NIFTY Midcap150 Quality 50 TR	32,529	1.1	3.1	5.9	9.5	10.2	12.8	2.2	-0.5	8.5	-6.8%	17.8%
Nifty Smlcap250 Qlty TR	37,535	2.1	10.5	8.5	9.2	9.7	10.6	-5.1	-9.1	5.7	-16.0%	17.5%
Nifty Low Volatility 50	25,093	0.1	0.9	1.9	4.0	6.5	8.3	7.0	6.2	11.6	-5.7%	13.7%
NIFTY100 Low Vol 30	19,894	-0.0	0.7	2.2	4.1	5.8	6.3	5.0	3.7	10.4	-8.6%	12.4%
Nifty GrowthSectors15 TR	14,593	0.0	4.4	3.2	7.7	7.7	2.6	-0.5	-2.2	9.0	-10.4%	9.4%
Nifty Dvd Opp 50 TR	9,382	0.2	0.6	3.5	4.9	4.2	5.2	-2.2	-2.4	3.6	-11.9%	10.1%

### Crude Oil, Commodities and Precious Metals

19-May-25	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	% from 52 Wk Hi	From '25 Trough
Brent Crude	65.0	-0.7	-	2.9	-4.4	-13.1	-14.6	-11.4	-13.0	-22.6	-26%	-8.6%
CRB Raw Industrials Index	559.8	-0.3	0.2	-0.1	1.3	-2.4	-1.1	3.4	3.4	0.1	-3%	0.2%
BBG Cmdty ex-Prec Mtl	82.9	-0.3	-1.6	0.8	-1.7	-6.4	-8.9	0.6	-1.2	-9.8	-11%	-4.9%
CRB Metals Index	1,064.6	-0.6	0.9	-0.7	0.1	-8.3	-3.5	2.8	3.1	-4.9	-9%	-2.0%
LME Copper	9,479.0	-1.4	-0.2	4.0	3.4	-1.9	-0.1	6.7	9.5	-8.4	-13%	1.6%
LME Aluminum	2,487.3	-0.1	3.3	4.9	6.1	-1.2	-6.6	-5.3	-1.6	-1.9	-9%	-5.3%
LME Nickel	15,454.4	-1.0	-1.1	1.5	-0.2	-1.6	1.3	1.1	2.3	-21.1	-27%	-2.1%
LME Zinc	2,670.6	-1.2	1.6	4.4	4.7	-5.8	-4.6	-9.9	-9.6	-8.4	-20%	-3.9%
LME Lead	1,995.6	-0.2	0.5	2.5	5.5	0.6	2.4	3.7	3.7	-11.0	-13%	0.3%
LME Tin	32,734.0	-0.3	2.8	5.1	7.2	-11.1	0.4	14.8	13.5	-2.7	-15%	4.3%
SGX Iron Ore	99.5	-0.6	-0.5	3.3	3.1	-0.6	-4.7	0.3	0.6	-8.7	-15%	0.1%
<b>Commodities</b>												
Bloomberg Commodity Index	101.1	0.1	-1.2	0.1	-1.8	-5.0	-6.0	3.2	2.3	-4.4	-7%	-2.5%
CRB Commodities Index	557.6	0.1	2.2	1.8	3.7	1.9	0.9	4.2	3.9	3.1	0%	4.5%
Lumber	9,479.0	-1.4	-0.2	4.0	3.4	-1.9	-0.1	6.7	9.5	-8.4	-13%	1.6%
Palm Oil	3,890.0	1.3	2.6	-2.0	-5.5	-18.3	-19.8	-22.4	-20.0	-0.1	-28%	-15.4%
Wheat	530.8	1.1	6.4	3.5	-3.3	-1.2	-10.3	-3.5	-3.8	-18.5	-26%	2.4%
Cocoa	10,898.0	6.2	16.1	19.4	34.6	37.9	7.3	26.6	-6.7	47.4	-16%	32.5%
<b>Commodities</b>												
Bloomberg Grains Spot	218.01	-0.9	-0.6	-2.6	-5.4	-0.9	-9.1	0.1	-1.3	-11.7	-15%	0.2%
Raw Sugar	17.47	-0.3	-1.3	0.1	-2.6	-7.4	-15.6	-20.7	-9.3	-3.6	-26%	-3.5%
Simex Iron Ore	100.25	-0.3	-0.2	0.5	1.0	-1.8	-6.2	-1.6	-3.2	-14.5	-16%	-1.6%

### Interest Rates and Inflation

19-May-25	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	% from 52 Wk Hi	High
<b>India G-Sec Yields</b>												
10 Year India G-Sec	6.28	6.27	6.29	6.36	6.37	6.58	6.69	6.85	6.76	7.09	(82)	7.10
5 Year India G-Sec	5.96	5.96	5.99	6.09	6.10	6.45	6.64	6.79	6.72	7.09	(116)	7.12
3 Year India G-Sec	5.86	5.89	6.04	6.05	6.08	6.44	6.61	6.74	6.72	7.08	(125)	7.12
1 Year India G-Sec	5.77	5.80	5.89	5.90	6.00	6.44	6.54	6.62	6.68	7.05	(127)	7.04
3 Month India G-Sec	5.77	5.80	5.89	5.89	5.92	6.34	6.45	6.44	6.54	6.97	(116)	6.93
Repo Rate India	6.00	6.25	6.25	6.25	6.25	6.25	6.50	6.50	6.50	6.50	(50)	6.50
Spread 10-3Mo	0.51	0.47	0.40	0.47	0.45	0.24	0.24	0.41	0.22	0.12		0.17
<b>India CPI</b>												
India CPI Combined YoY	3.16			3.16	3.34	3.34	4.26	6.21	5.22	4.83	(305)	6.21
India WPI	0.85			0.85	2.05	2.05	2.51	2.75	2.57	1.19	(258)	3.43
India Core CPI	4.39			4.39	4.40	4.40	3.96	4.02	3.88	3.49	(1)	4.40

### Interest Rates and Inflation

19-May-25	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	% from 52 Wk Hi	52 Wk High
<b>U.S. &amp; China Yields &amp; CPI</b>												
U.S. 30 Year	5.02	4.94	4.91	4.68	4.80	4.57	4.77	4.58	4.78	4.56	(0)	5.02
U.S. 10 Year	4.53	4.48	4.47	4.16	4.32	4.21	4.53	4.40	4.57	4.42	(27)	4.81
U.S. 5 Year	4.12	4.09	4.11	3.73	3.94	3.95	4.36	4.26	4.38	4.45	(54)	4.65
U.S. 2 Year	3.99	4.00	4.01	3.60	3.80	3.88	4.27	4.28	4.24	4.82	(101)	5.00
U.S. 1 Year	4.13	4.13	4.12	3.86	3.98	4.03	4.21	4.35	4.15	5.13	(109)	5.22
U.S. 3 MO T-BILL	4.24	4.34	4.39	4.29	4.32	4.30	4.33	4.52	4.32	5.40	(118)	5.41
Federal Funds Target Rate - Up	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.75	4.50	5.50	(100)	5.50
Spread 10-5	0.42	0.38	0.36	0.44	0.39	0.26	0.17	0.13	0.19	(0.03)		
Spread 30-2	1.03	0.94	0.89	1.07	1.00	0.69	0.50	0.30	0.54	(0.27)		
Spread 10-2	0.54	0.48	0.46	0.56	0.53	0.32	0.27	0.12	0.33	(0.40)		
Spread 10-3mo	0.30	0.13	0.08	(0.13)	0.01	(0.09)	0.21	(0.13)	0.25	(0.98)		
Spread Fed Funds Vs 1 Year	(0.37)	(0.37)	(0.38)	(0.64)	(0.52)	(0.47)	(0.29)	(0.40)	(0.35)	(0.37)		
<b>Europe Asia Yields</b>												
Germany Govt Bnd 10 Yr Dbr	2.63	2.59	2.65	2.44	2.47	2.74	2.56	2.34	2.37	2.52	(31)	2.94
Uk Gilts 10 Yr	4.70	4.65	4.64	4.44	4.57	4.68	4.61	4.44	4.57	4.13	(22)	4.92
Switzerland Govt Bonds 2 Year	(0.09)	(0.10)	(0.00)	(0.05)	(0.03)	0.15	0.28	0.30	0.05	0.98	(129)	1.20
China Govt Bond Generic Bid Y	1.66	1.68	1.68	1.63	1.65	1.82	1.69	2.10	1.68	2.32	(67)	2.34
Japan Govt 30Y Simple Yield	2.98	2.97	2.99	2.71	2.72	2.53	2.34	2.30	2.30	2.06	(3)	3.01
Japan Govt 10 Yr	1.49	1.46	1.46	1.32	1.29	1.49	1.44	1.07	1.10	0.95	(11)	1.60
<b>High Yield &amp; Inflation</b>												
Bloomberg US Corporate High	3.05	3.09	3.43	3.84	4.12	3.47	2.60	2.66	2.87	2.98	(148)	4.53
Bloomberg Pan-European High	3.39	3.37	3.60	3.74	3.99	3.46	2.96	3.22	3.18	3.50	(107)	4.46
U.S. CPI	2.30			2.30	2.40	2.40	3.00	2.60	2.90	3.40	(100)	3.30
China CPI	(0.10)			-0.1	-0.1	-0.1	0.5	0.3	0.1	0.3		

### Ambit Global Private Client - Asset Allocation & Investment Committee

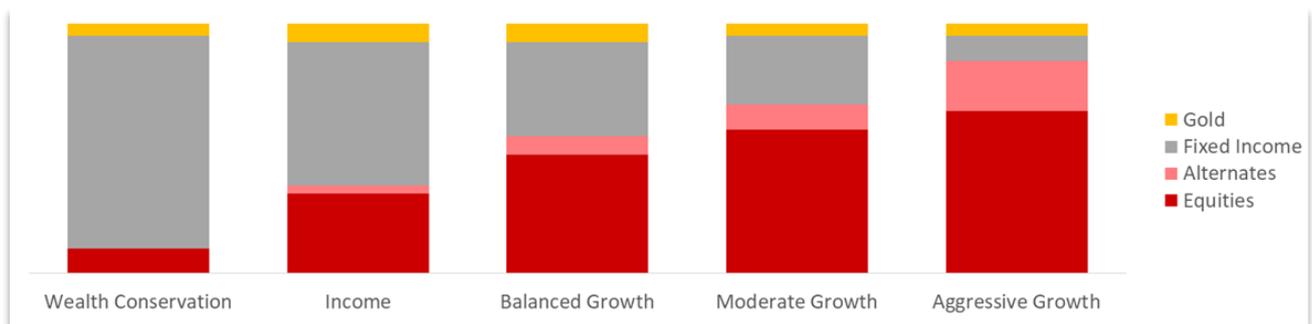
The Ambit GPC Asset Allocation & Investment Committee (AAIC) is a group comprised of the CEO, Head of Products and Alternates, Chief Investment Strategist and Head of Fixed Income (listed below). The team has over 100 years of collective investment experience in markets. The AAIC meets monthly and as necessary during periods of market volatility to discuss the economy and markets. The committee determines the investment outlook that guides our advice to clients. The AAIC continually monitors developing economic and market conditions, reviews tactical outlooks and recommends asset allocation model changes, as well as analysis, investment commentary, portfolio recommendations and reports.

#### Tactical Allocation Weights Vs Strategic

Asset Class Pairs	Model Score											View
	-5	-4	-3	-2	-1	0	1	2	3	4	5	
	← Under-Weight			Strategic/Neutral				Over-Weight →				
<b>Equities</b>								◆				Over-Weight
India Equities – Large								◆				Over-Weight
India Equities – Mid & Small								◆				Over-Weight
U.S. Equities							◆					O/W Tech
Europe Equities				◆								Under-Weight
Emerging Markets						◆						O/W Hang Seng Tech
Hedge Funds					◆							Under-Weight
Long Short (Absolute Return)									◆			Over-Weight
<b>Fixed Income</b>					◆							Under-Weight
Duration						◆						Selectively Positive
Accrual						◆						Selectively Positive
Credit Risk						◆						Selectively Positive
InvITs									◆			Over-Weight
REITs									◆			Over-Weight
<b>Alternates</b>						◆						Strategic Weight
Private Unlisted						◆						Strategic Weight
<b>Precious Metals</b>								◆				Strategic Weight
Gold								◆				Slight Over-Weight
Silver								◆				Tactical O/W

#### Wealth Profiles - Summary

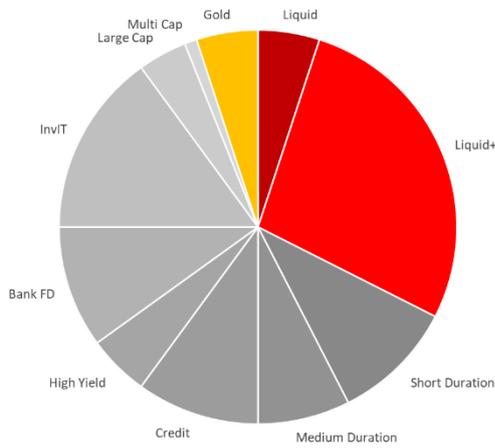
#### Strategic Asset Class Weights by Profile



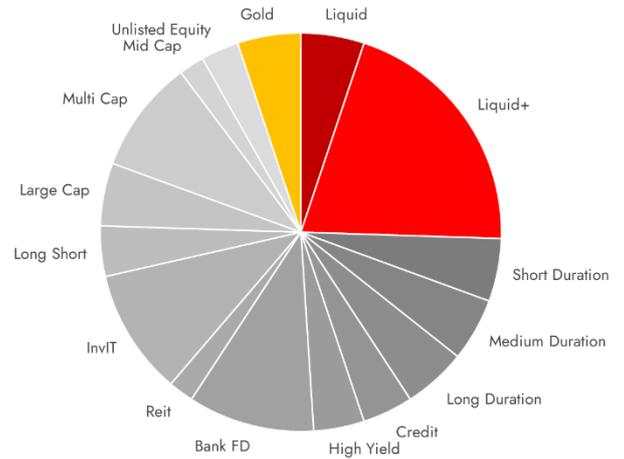
## Ambit GPC Wealth Profiles - Strategic Weights

The Ambit GPC Asset Allocation & Investment Committee (AAIC) provide guidance on asset allocation via our wealth profile models below. The models are listed on a scale of rising return and rising risk and represent the most common investor profiles that we base our portfolio construction around.

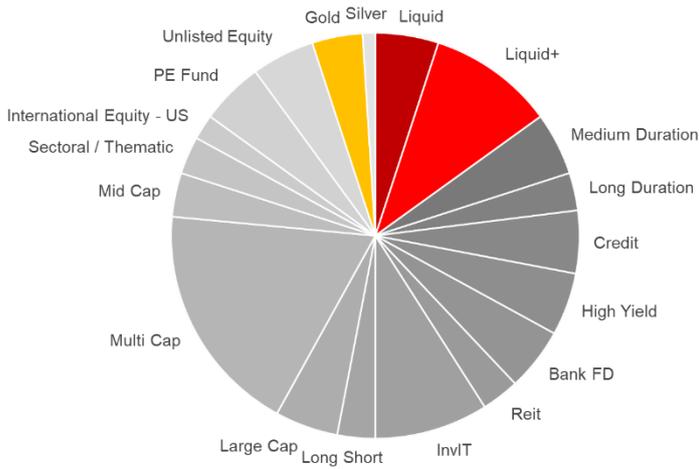
### Wealth Conservation



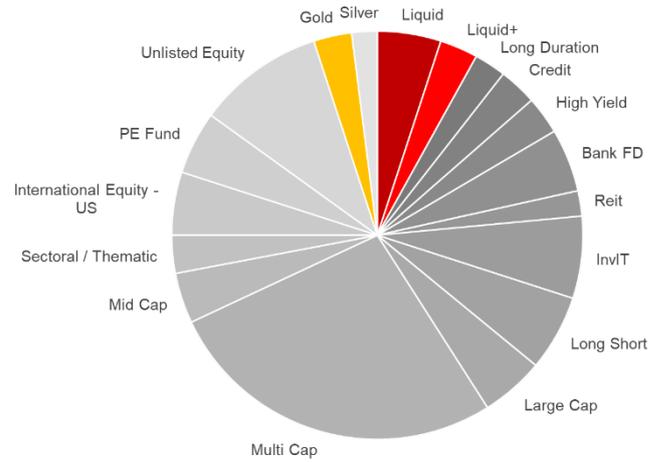
### Income



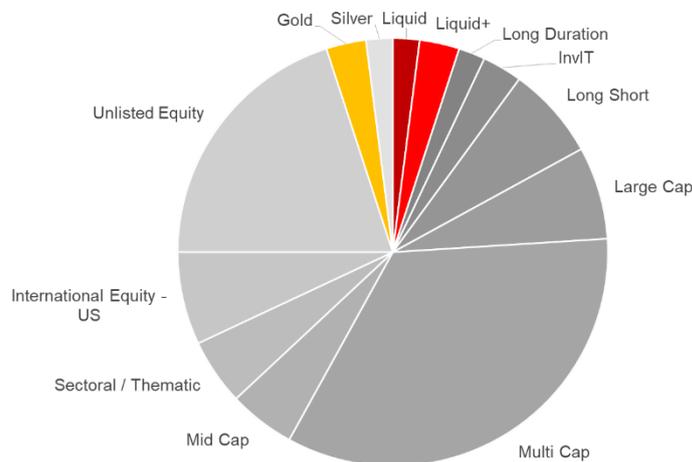
### Balanced Growth



### Moderate Growth



### Aggressive Growth

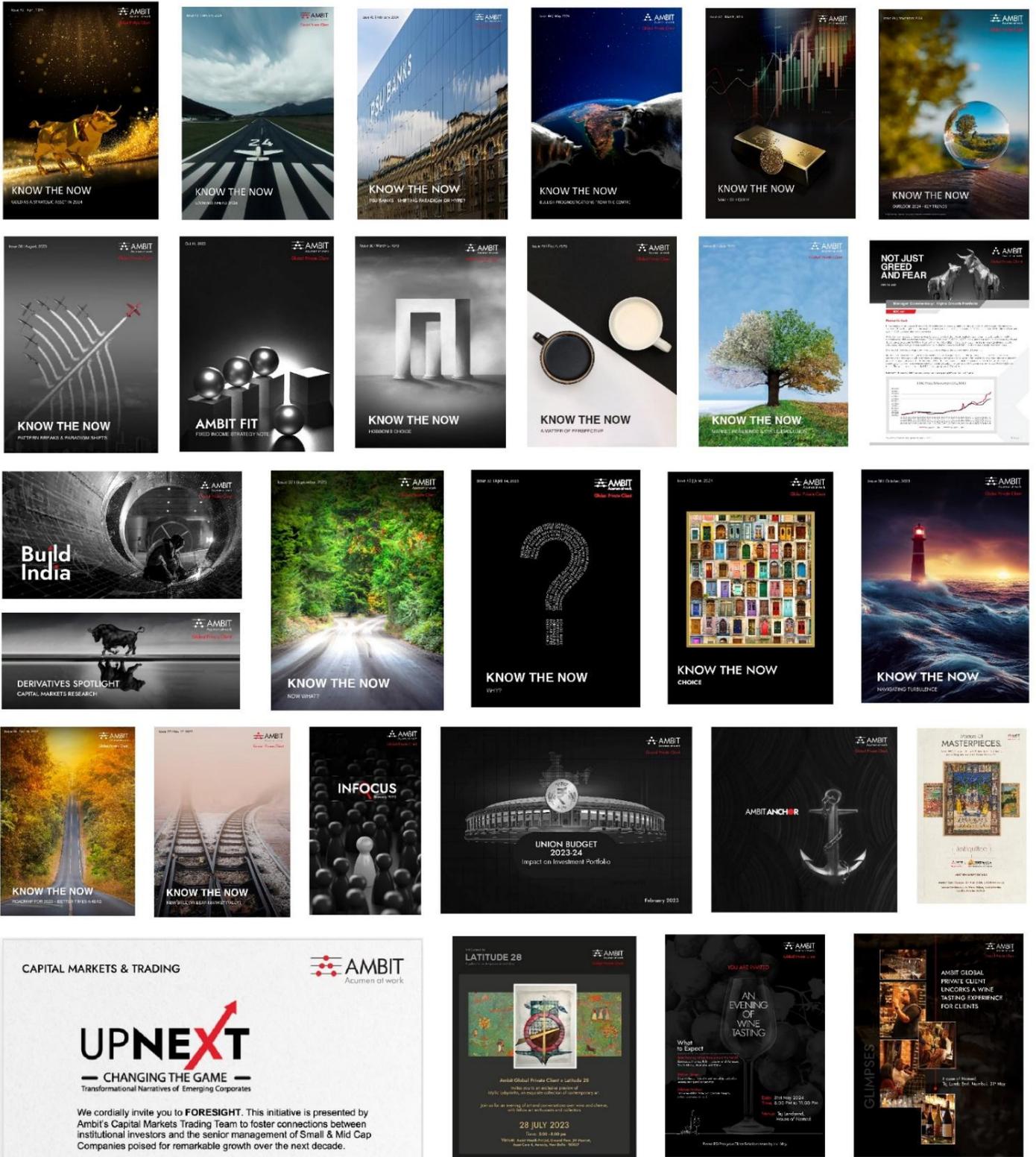


**Tactical Asset Class Rationale**

<b>Equities</b>	<b>Over Weight</b>	<b>Rationale</b>
<b>India Equities</b>	<b>Over Weight</b>	We reduced our equity exposure to close to neutral in October 2024. We raised our equity exposure to over-weight in early March 2025 and will look to raise further to moderate o/w over the next 3-4 months as opportunities present. Mid-caps have impressed on earnings. We prefer large and mid caps for moderate and conservative investors, large, mid and small for moderate to aggressive investors at an appropriate mix to their risk appetite.
<b>U.S. Equities</b>	<b>Selectively Positive</b>	Indian HNI portfolios are dramatically underweight U.S. equities. Diversification provides strong portfolio optimization benefits, particularly technology growth stocks with large barriers to entry and global leadership, and emerging technologies such as robotics and automation. We recommend staggered accumulation.
<b>Europe</b>	<b>Selectively Positive</b>	Growth in India, emerging markets is likely to outpace European growth over the longer term. We are selectively positive on European defence and infra.
<b>Emerging Markets</b>	<b>Selectively Positive</b>	Emerging markets such as Taiwan are attractive long term growth stories. Taiwan is well poised to ride the AI, robotics and automation technology waves.
<b>Hedge Funds</b>	<b>Under Weight</b>	Hedged portfolios provide an attractive complement to equity portfolios, providing a diversifying non-correlated asset class that enhances risk adjusted return. We are underweight given lack of attractive opportunities in the category.
<b>Long Short</b>	<b>Over Weight</b>	Long short funds (absolute return) that consistently deliver post-tax 8% returns are a worthy consideration for portfolios. The environment remains favourable for L/S strategies. We remain over weight.
<b>Fixed Income</b>	<b>Slight U/W</b>	<b>Rationale</b>
<b>Duration</b>	<b>Gradually Reduce Exposure</b>	Duration portfolio have delivered on the expected rate cuts and interest rate declines. However, with uncertainty around tariffs, inflation, we would look to reduce duration exposure. An additional rate cut or possibly two from the RBI is largely expected. However, the bulk of the move lower in interest rates is probably behind us. With the economy showing signs of recovery, the likelihood of continued rate moves lower appear less likely.
<b>Accrual</b>	<b>Selectively Positive</b>	Accrual space offers good opportunity to lock in yields. Investors will enjoy good returns based on their ability to lock in spreads in quality papers available currently. Dual advantage of constant high spread and roll down will result in good returns. The near and belly of the curve offers good options for investors.
<b>Credit Risk</b>	<b>Selectively Positive</b>	Rich pickings are available in credit space of lesser understood / lesser known issuers and they offer attractive risk reward opportunities for risk savvy investors. Post RBI change in norms for NBFCs, spread widening for certain subsectors is likely. While there could be higher returns, they will come with higher risks too and investors are cautioned to be mindful of same while taking advantage of richer pickings available.
<b>REITs</b>	<b>Selectively Over Weight</b>	Real estate investment trusts (REITs) lagged in 2020 and 2021 due to the impact of Covid on retail and urban office space. However, REITs recovered in 2022. During an uncertain and inflationary environment, REITs offer an attractive inflation hedge that provides exposure to fixed assets. We recommend exposure be considered only with strong due diligence on a case by case bottom up basis.

<b>InvITs</b>	<b>Over Weight</b>	Infrastructure Investment trusts offer an attractive opportunity to invest in diversified portfolio of assets generating an attractive yield through regular income distribution
<b>Alternate</b>	<b>Strategic Weight</b>	<b>Rationale</b>
<b>Private Unlisted</b>	<b>Selectively Positive</b>	We are selectively positive and expect significant value and wealth creation in the unlisted space in India primarily led by Technology, Financial and New Age Consumption companies. Our Direct Deal Thesis focuses on late stage companies with significant market share & profitability and our Manager Selection in early stage investments focuses on fund managers with established track record across cycles.
<b>Precious Metals</b>	<b>Over Weight</b>	<b>Rationale</b>
<b>Gold</b>	<b>Over-Weight</b>	We moved to over-weight in Gold in April 2024. Gold has delivered stellar returns as a hedge against inflation, debasement of the US dollar, and concerns on rising US debt and interest payments.
<b>Silver</b>	<b>Tactical</b>	We are over-weight Silver as a tactical call, on the rising demand for the metal in industrial production, demand outstripping supply and the Gold/Silver ratio being much higher than the historical long-term average.

**Ambit GPC Publications**



---

**Ambit Global Private Client – Asset Allocation & Investment Committee**


---

**Amrita Farmahan****CEO**

Amrita.farmahan@ambit.co

**Mahesh Kuppannagari****Head – Products & Advisory**

Mahesh.kuppannagari@ambit.co

**Sunil A. Sharma****Chief Investment Strategist**

Sunil.sharma@ambit.co

**Sources:** All sources unless otherwise noted are Bloomberg, NSE.

**Disclaimer:**

This presentation / newsletter / report is strictly for information and illustrative purposes only and should not be considered to be an offer, or solicitation of an offer, to buy or sell any securities or to enter into any Portfolio Management agreements. This presentation / newsletter / report is prepared by Ambit Wealth Private Limited (AWPL) strictly for the specified audience and is not intended for distribution to public and is not to be disseminated or circulated to any other party outside of the intended purpose. This presentation / newsletter / report may contain confidential or proprietary information and no part of this presentation / newsletter / report may be reproduced in any form without the prior written consent of AWPL. If you receive a copy of this presentation / newsletter / report and you are not the intended recipient, you should destroy this immediately. Any dissemination, copying or circulation of this communication in any form is strictly prohibited. This material should not be circulated in countries where restrictions exist on soliciting business from potential clients residing in such countries. Recipients of this material should inform themselves about and observe any such restrictions. Recipients shall be solely liable for any liability incurred by them in this regard and will indemnify AWPL for any liability it may incur in this respect.

Neither AWPL nor any of their respective affiliates or representatives make any express or implied representation or warranty as to the adequacy or accuracy of the statistical data or factual statement concerning India or its economy or make any representation as to the accuracy, completeness, reasonableness or sufficiency of any of the information contained in the presentation / newsletter / report herein, or in the case of projections, as to their attainability or the accuracy or completeness of the assumptions from which they are derived, and it is expected that each prospective investor will pursue its own independent due diligence. In preparing this presentation / newsletter / report, AWPL has relied upon and assumed, without independent verification, the accuracy and completeness of information available from public sources. Accordingly, neither AWPL nor any of its affiliates, shareholders, directors, employees, agents or advisors shall be liable for any loss or damage (direct or indirect) suffered as a result of reliance upon any statements contained in, or any omission from this presentation / newsletter / report and any such liability is expressly disclaimed.

This presentation / newsletter / report is exclusively for Non-Broking Products/Services where AWPL is just providing services/distributing a Product as a Distributor. All disputes with respect to the distribution activity, would not have access to Exchange Investor Redressal Forum or Arbitration Mechanism. You are expected to take into consideration all the risk factors including financial conditions, Risk-Return profile, tax consequences, etc. You understand that the past performance or name of the portfolio or any similar product do not in any manner indicate surety of performance of such product or portfolio in future. You further understand that all such products are subject to various Market Risks, Settlement Risks, Economical Risks, Political Risks, Business Risks, and Financial Risks etc. You are expected to thoroughly go through the terms of the arrangements / agreements and understand in detail the Risk-Return profile of any security or product of AWPL or any other service provider before making any investment. You should also take professional / legal /tax advice before making any decision of investing or disinvesting. AWPL or its associates may have financial or other business interests that may adversely affect the objectivity of the views contained in this presentation / newsletter / report. The strategy of the portfolio selected at the time of investment the performance of your portfolio may vary from that of other investors and that generated by the Investment Approach across all investors because of the timing of inflows and outflows of funds; and differences in the portfolio composition because of restriction and other constraints

AWPL does not guarantee the future performance or any level of performance relating to any products of AWPL or any other third party service provider. Investment in any product including mutual fund or in the product of third party service provider does not provide any assurance or guarantee that the objectives of the product are specifically achieved. AWPL shall not be liable for any losses that you may suffer on account of any investment or disinvestment decision based on the communication or information or recommendation received from AWPL on any product. Further AWPL shall not be liable for any loss which may have arisen by wrong or misleading instructions given by you whether orally or in writing. Investments are subject to market risks, read all product/ Service related documents carefully.