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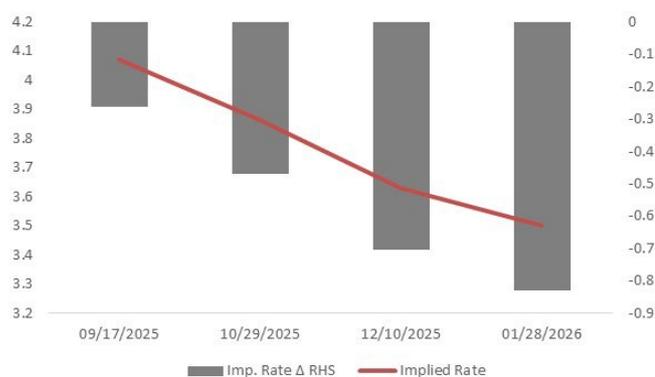
RISK ON AND RISK OFF

Risk On & Risk Off are Rallying

U.S. equities are at all-time highs. Risk on assets (equities) are rising globally. Chinese equities and Chinese tech are witnessing a strong surge. Emerging Markets such as Korea, Taiwan, and Japan are outpacing developed markets.

AI and large capital commitments are driving the bull's enthusiasm in U.S. tech. Oracle delivered blowout guidance. Low inflation and rate cut expectations – needed for a slowing U.S. economy with a worsening employment picture - are the second pillar driving U.S. equities higher.

Markets Expect Three Rate Cuts by Year End



Risk Off is Outpacing Most Asset Classes YTD

Gold and silver are outperforming all asset classes YTD, with the exception of bitcoin. Rising recognition of the alarming rate at which U.S. debt continues to grow, now above \$37 trillion, as

well as concerns around Europe's rising long-term yields and debt woes are driving demand.

Gold Overtakes U.S. Treasuries

Gold holdings have overtaken holdings of U.S. treasuries in global central bank reserves for the first time in three decades. Concerns on rising spending in developed markets are raising inflationary concerns. **We have been over-weight Gold and tactically long Silver since April 2024.**

Most Global Markets are at or near all-time Highs

The S&P 500, Nasdaq, Mag 7, Europe, emerging markets are at or near all-time highs. Within EM, Taiwan, Korea and Vietnam are leading. Indian equities are a scant 4%~ from all time highs.

Fed Rate Cuts at all-time Highs

In a move emblematic of the unique times we live in, the U.S. central bank looks set to ease interest rates to address the worsening employment situation in the U.S.

Worries on Dollar & Tariffs are Driving Diversification

Diversification trends are underway everywhere we look. U.S. tariffs and policies have frayed nerves, ruptured confidence and accelerated the move. **Governments, companies, and investors** are gradually working to diversify away from the unpredictable policies of the U.S. Central banks are diversifying their currency reserves away from U.S. treasuries and repatriating gold. Investors

Risk On (Equities) & Risk Off (Gold, Silver) are Rallying ... With Most Markets at or Near All Time Highs

17-Sep-25	Price	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	% from 52 Wk Hi	From '25 Trough
Gold (INR)	110,231	8.1	10.6	15.2	11.5	27.6	45.2	51.5	0.0%	28.1%
Silver (INR)	128,872	9.7	12.2	21.9	21.2	31.5	50.1	49.8	0.0%	35.4%
Bitcoin USD	115,450	5.8	-1.9	7.3	6.1	38.7	23.2	100.2	-7.3%	31.9%
S&P 500	6,615	2.4	2.6	6.6	9.6	17.3	12.5	17.4	-0.1%	14.5%
Nasdaq 100	24,294	3.8	2.5	7.1	10.7	23.3	15.6	25.1	0.0%	19.4%
Magnificent Seven	30,671	7.5	6.3	15.9	19.2	35.4	17.7	44.0	-0.5%	30.7%
Europe Stoxx	5,430	1.5	-0.3	2.4	1.7	0.5	10.9	12.5	-2.5%	0.8%
Emerging Markets MSCI	1,329	5.6	4.4	8.7	10.9	18.7	23.6	22.4	-0.1%	21.6%
China CSI	4,523	0.6	7.6	14.9	16.8	12.9	15.0	43.2	-1.0%	16.4%
Nifty 50	25,239	3.3	2.5	-1.1	1.2	12.7	6.7	-0.6	-4.0%	14.3%
Brent Crude (\$/b)	68	-0.6	2.9	0.2	-7.5	-4.0	-9.2	-6.9	-18.0%	-4.6%
Commodities ex Prec Metals	83	1.1	3.0	0.4	-3.3	-4.8	-0.5	2.7	-8.8%	-4.2%

Source: NSE, Bloomberg unless noted otherwise

Nasdaq and Mag 7 vs Transports



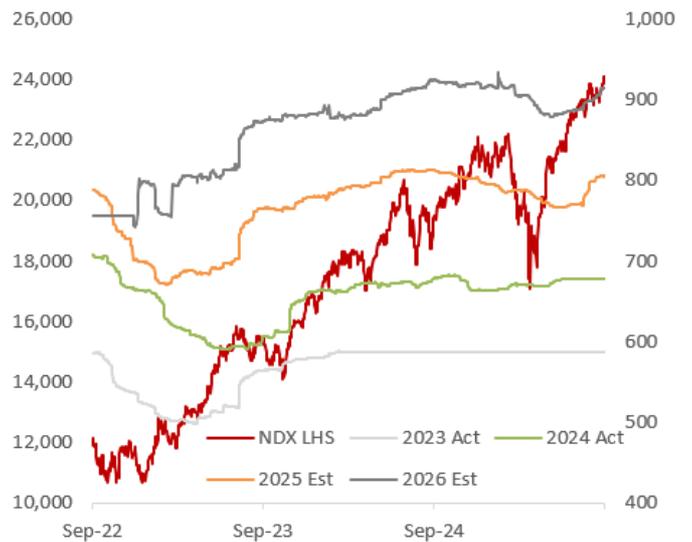
are diversifying away from the U.S. currency into emerging markets, Europe, China, gold, silver, bitcoin etc. Diversifying away from dollar-based settlement systems, with payment systems and platforms being set up in Asia and the Middle East. **U.S. dollar weakness serves as a clear confirmation** of the diversification trend.

Oracle provided stunning cloud infra guidance growth from \$18b in FY 25 to \$144b in FY 30. Hyperscalers appear to be witnessing early wins, albeit not of the killer app variety. The circular nature of the Nvidia, Open AI, Oracle transaction is, however, a concern and a possible red flag. Taiwan Semiconductor reported a +34% rise in August sales, again signaling **sustained, strong demand from AI**.

U.S. Dollar Drops to Lowest Level in 4 Years



Healthy Earnings and Estimates Provide Comfort



Global Tech Stocks Ride AI Hopes

Not surprisingly, investors continue to retain comfort in globally dominant and globally diversified technology stocks, where earnings visibility remains strong, alongside strong margins and pricing power. Dollar hedging has started to gain momentum.

	2023	2024	2025E	2026E
EPS	587.9	677.4	805.0	914.3
YoY%		15.2%	18.8%	13.6%

Using the Nasdaq 100 as a proxy for tech earnings, earnings growth continues to come through at a high rate. The estimates and earnings delivery of the **Mag 7 is roughly 2X the Nasdaq**. The bar for 2026 remains reasonable and actual earnings could surprise, particularly as AI starts to come through consistently.

U.S. Economy and U.S. Markets Diverge

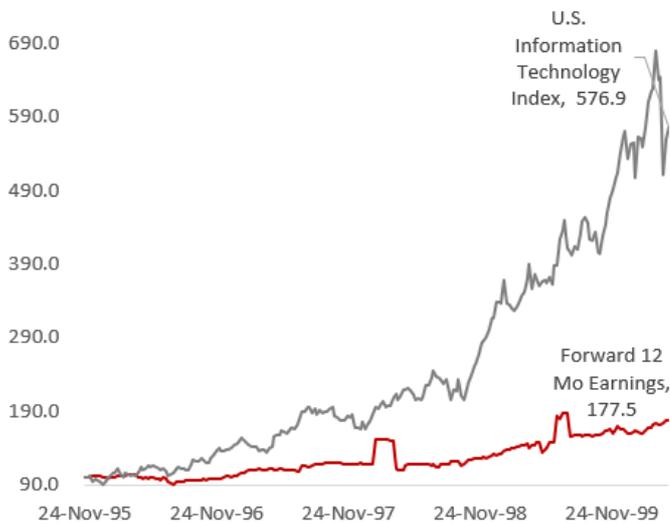
The chart on the previous page highlights the massive divergence between transports – a proxy for the U.S. economy – and U.S. tech. Transports have remained largely flattish since 2022. On the other hand, tech has soared.

Tech is global, with upwards of 45%~ of profits coming from overseas. Large cap tech is riding an innovation wave and has massive amounts of cash on the balance sheet. Increasingly, the bullish argument on the divergence between the U.S. economy and technology stocks is that **one is not the same as the other**.

Owning the Nasdaq – and Mag 7 or FANG - is no longer about owning the U.S. economy. Ergo, the prospects for U.S. tech are starkly different from the prospects of the economy.

Moreover, these stocks are richly valued but not in a bubble, as we demonstrated in the following section. The best the bears can expect is a correction that will ultimately be bought by a rabid buy the dip crowd.

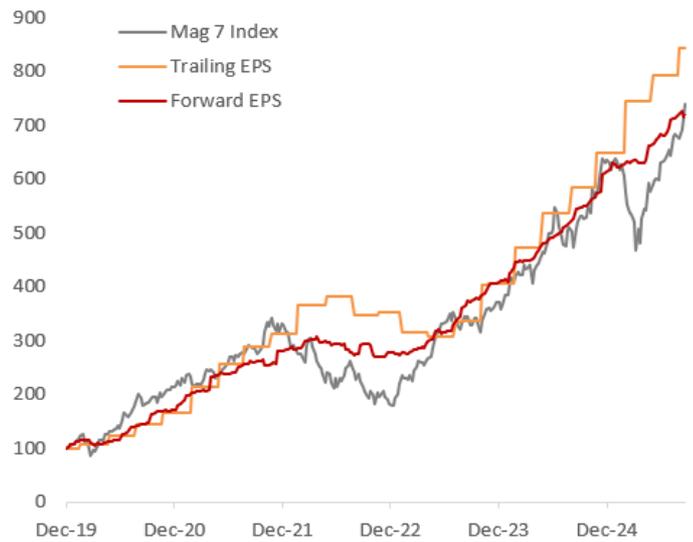
While the U.S. Tech Index Grew Far in Excess of Earnings During the 1990s Internet Bubble ...



Meanwhile, Earnings Today for Tech are in Line

Mag 7 earnings, and Nasdaq earnings, have kept pace with their respective indices. (see charts above).

Mag 7 Earnings are In Line with the Index



Broader Tech Earnings Are Also Keeping Pace



Not Just U.S. Tech, China & Taiwan are Also Surging



Earnings Revisions Momentum Starting to Improve Post Tariff Trauma



Rising Earnings Revisions

Moreover, upward revisions are rising again – post a tariff related slump - in the technology space. Mag 7 earnings estimates have risen to 1017.7 from 887 on April 1st, a rise of 14.7% and 38.2% yoy. That’s percolated into the **Nasdaq, up 7.3% and 16.6% yoy**, as well as the **S&P 500, up +10.1% yoy**.

Worries About Debt Defaults

Increasingly, investors are worried about developed market debt defaults. In our opinion, there is a very low probability of a default on U.S. debt. The U.S. is pursuing a three-pronged strategy to address the debt situation, with the central bank ready to intervene as necessary. We get into details in our next global commentary. The Japanese playbook remains an option. Worries around debt defaults in the Euro region were managed during the PIGS crisis. Central banks stand at the ready.

Rate Cuts Ahead

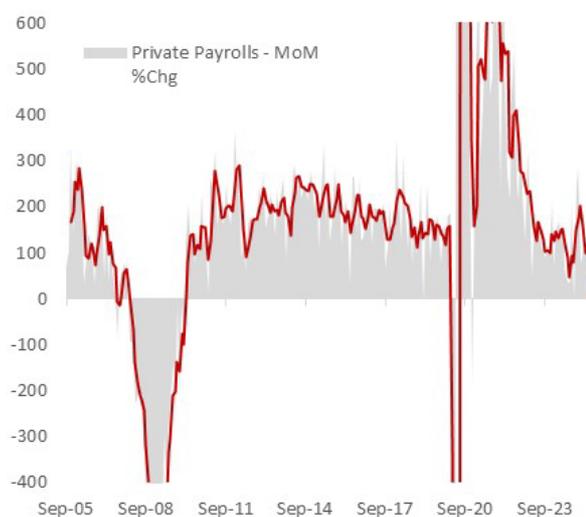
With expectations that the Fed will rapidly lower rates, prospects of easier financial conditions are giving bulls confidence. **Tech as a duration sensitive** asset is a beneficiary.

As consumer and producer inflation remains subdued, at least as reported, and the employment situation worsens, the Fed has the **necessary pre-conditions to lower rates** to prop up a slowing U.S. economy. Employers added just 38k private jobs, below consensus expectations, signaling that **employment growth has come to a standstill**. Revisions to prior months

painted a further weakening picture. The unemployment rate has risen to 4.3%, its highest level in nearly four years.

The softer labor market will also subdue wage pressures and inflationary pressures, providing further comfort for the Fed to cut rates.

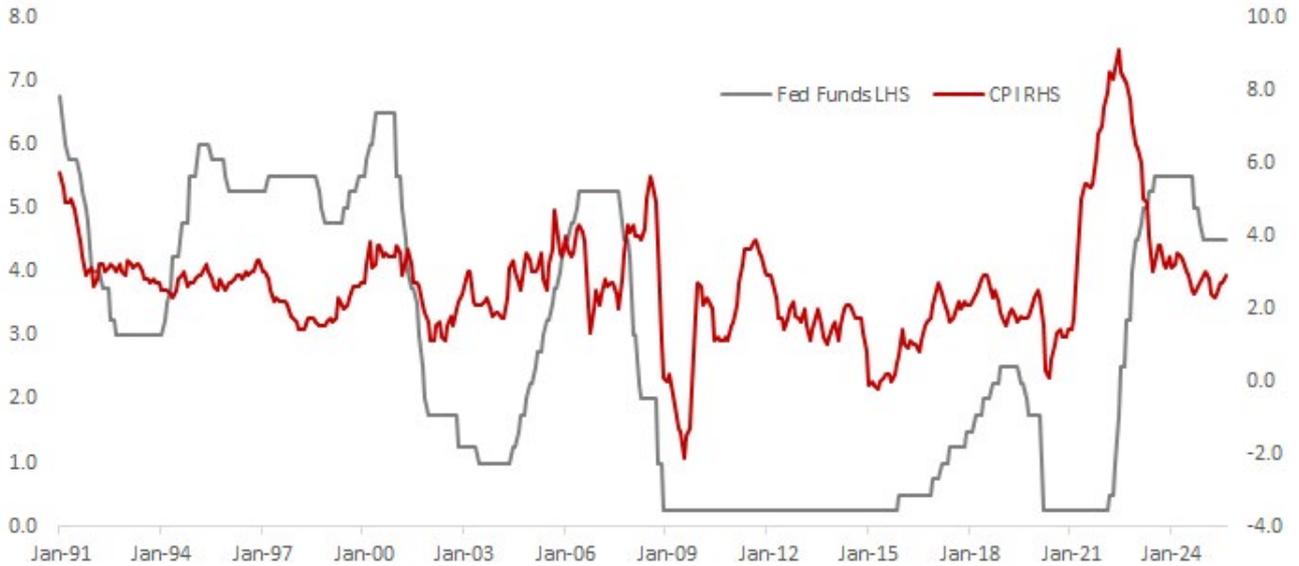
Slowing Payroll Growth Paves the Way for Rate Cuts



Lower Rates Drive Duration Sensitives

Lower rates will translate to lower financing costs, supporting rate-sensitive sectors such as technology. With technology’s large weightage in the S&P 500, markets have favorable tailwinds to remain resilient against geopolitical tensions, slowing economic growth and trade war related worries.

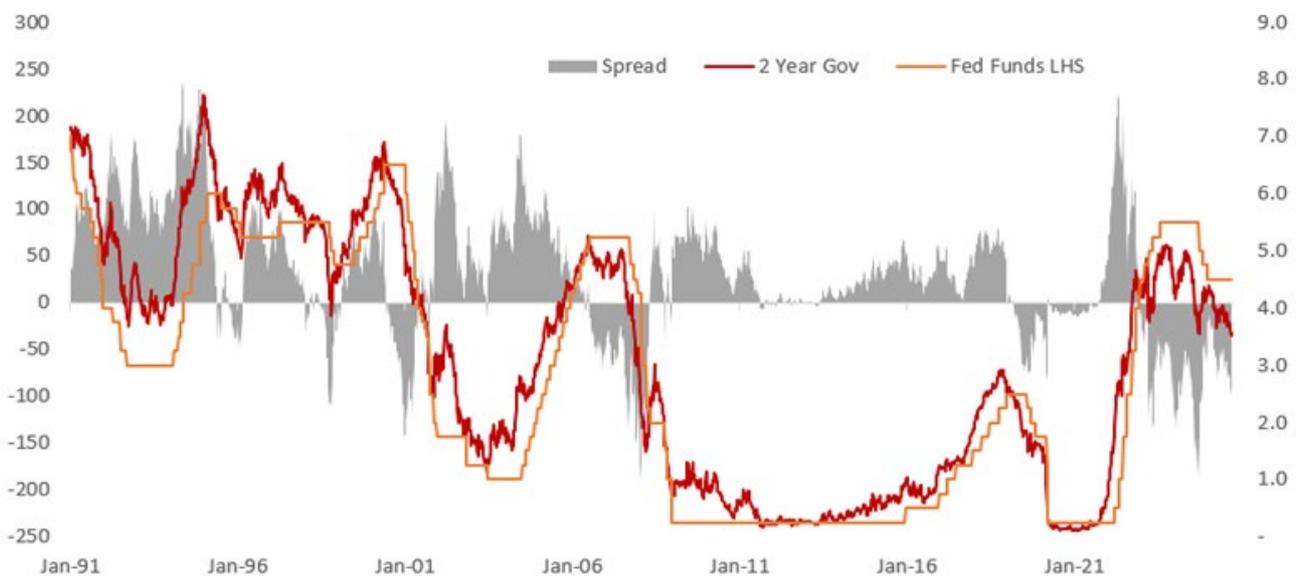
Prior Fed Cut Cycles Began at Peak Cycle Inflation, This Time Inflation is Low



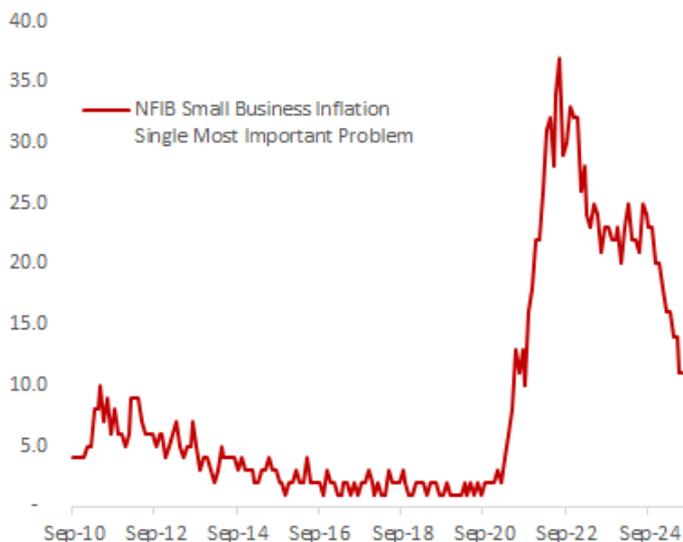
The Yield Curve Shifting Lower is Lifting U.S. Equities



The U.S. 2 Year Yield Predicts Fed Funds is Headed Further Lower



Inflation is Not the Biggest Problem for Small Bus



AI Enthusiasm is Back

The ROI evidence is starting to come in as hyperscalers identify strategies to implement AI across the enterprise. Optimism that AI is emerging as a transformative technology is back. In some industries it's impact will be meaningful. Instead of one killer app, AI will impact industries in diverse but meaningful ways.

AI investment is driving growth, with capital investments driving diverse sectors such as energy and mining, finance, while improving productivity in others. Fears of massive job losses are likely to be misplaced; rather, new opportunities will emerge as has been witnessed in past tech waves. Compute forecasts are projecting cumulative **Nvidia H100s to rise from 4 million in 2023 to 100 million in 2027**. Oracle's forecasts are equally shockingly aggressive.

AI Compute Forecasts

	2023	2024	2025	2026	2027
Performance density (PD) multiplier on average chips produced (H100 = 1x)	.66x	.9x	1.22x	1.64x	2.4x ⁸
Total AI chip area produced (H100-sized chip = 1)	3M	5.5M	9M	16M	25M
Total AI chips produced in H100e processing performance (TPP)	2M	5M	11M	25M	60M
Cumulative H100e available ⁹	4M ¹⁰	8.5M	18M	40M	100M
Total cost of ownership per H100e ¹¹	\$50k	\$40k	\$25k	\$20k	\$15k
Total AI datacenter spending ¹²	\$110B	\$270B	\$400B	\$600B	\$1T
Total datacenter power requirement per H100e ¹³	1.3kW	1.0kW	750W	700W	550W
Total AI datacenter power requirement	5GW	9GW	15GW	29GW	62GW

Source: AI Futures Project (April 2025)

Microsoft expects close to \$120 billion capex on AI in 2026, Amazon \$122 billion, Alphabet \$90 billion and Meta \$92 billion. Include Oracle, Alibaba, Tencent and Apple and the

number exceeds **\$500 billion**.

Improving Prospects for Emerging Markets

Investor's appetite to diversify away from a weaker dollar are driving emerging markets higher. **China, Hong Kong, South Korea and Taiwan** have been leading. Chinese and Taiwanese tech companies are rising on expectations of improving prospects. Baidu, Alibaba, Netease, Tencent, Taiwan Semi and SK Hynix are some of the companies that have delivered strong returns.

Korea – as mentioned in past commentaries – continues to do well, aided by optimism around plans to provide capital gains tax relief. Korea is also planning to establish multiple task forces from public and private sectors to identify new growth engines. **Taiwan** is at a record high, a direct beneficiary of the tech boom in the U.S.

China equities have responded to statements by government officials on their intent to provide **stimulative fiscal measures** that support equity markets. Jack Ma is back. China appears to have made a full 180 degree turn on its view of technology stocks and markets.

Investment Outlook

Recent Nvidia actions are a red flag, leaving us cautiously optimistic on U.S. tech. Gold, Gold Miners, Silver offer a strong hedge against dollar weakness, as well as a slowdown.

Emerging markets are garnering increasing interest. Chinese tech, Hong Kong tech, Taiwan, Korea, and emerging markets in general are reasonably valued with notable impulses to drive growth increasingly evident. The U.S. dollar hit a new cycle low which bodes well for emerging markets.

Global rate cuts point to a pickup in global growth. However, that enthusiasm has to be tempered by antagonistic geo-political policies and tariff actions.

Valuations in most emerging markets trade at reasonable levels, providing alignment across macro, valuations, policy and technical.

INDIA – INSIGHTS FROM EMERGING LEADERSHIP

From the bottom in March, the Nifty is up 14.5%. Mid and small caps are up 22-24%. A new bull market has been underway, albeit interrupted by aggressive tariff policies.

Business cycle indicators are improving from a growth slowdown that began last October and bottomed in March 2025. Our forecast is for a continuing recovery and improving macro conditions that will drive earnings higher.

Insights from New Leadership

Through history, bull markets are led by a minority of stocks that represent the dominant theme of the cycle. These leaders can be associated with dominant positioning, emerging opportunities, innovative technology etc. One reliable approach to over-sized returns in equities is to identify these themes.

One way to identify leadership stocks is 52-week highs or 50-day new highs emerging from a market bottom. Another time-

honored method is stocks with strong relative strength. Across many cycles, these leadership names out of market bottoms tend to continue their outperformance.

Identifying the industries that are outperforming is also valuable. The late 90s was led by the IT sector. The 2000s witnessed leadership by capital goods and PSU stocks. 2008 to 2012 saw a surge in Pharma. 2014-18 was dominated by banking and NBFCs. In the last cycle, capital markets, defence, power and EMS companies were amongst the market leaders.

We used a relative strength ranking methodology, to identify a basket of leadership names in the large, mid and small cap space. In large caps (table below) consumer discretionary, financials and materials had the greatest representation. Moving to the industry level, auto manufacturers, EMS, consumer finance, construction materials, heavy electrical equipment and steel showed up. While no fundamental screening factors were included, most names in the list have strong, consistent EPS growth and fundamentals.

Large Cap Leadership Industries

Name	Market Cap	GICS Sector	GICS Sub Industry	RS Rating	3 Mo %	6 Mo %	YTD %	QTD %	1 YR %
Bosch Ltd	116,338	Consumer Discretionary	Automotive Parts & Equipment	96.98	22.2	49.5	15.7	20.7	15.9
Maruti Suzuki India Ltd	479,936	Consumer Discretionary	Automobile Manufacturers	98.01	21.8	32.6	40.6	23.1	24.2
Mahindra & Mahindra Ltd	443,803	Consumer Discretionary	Automobile Manufacturers	98.98	16.8	33.5	17.4	10.9	28.0
Hyundai Motor India Ltd	207,165	Consumer Discretionary	Automobile Manufacturers	93.80	31.5	55.0	41.2	14.9	n/a
Eicher Motors Ltd	186,536	Consumer Discretionary	Motorcycle Manufacturers	98.52	26.8	35.6	41.0	20.2	38.8
Tvs Motor Co Ltd	165,207	Consumer Discretionary	Motorcycle Manufacturers	99.17	24.3	54.5	46.8	19.2	22.4
Dixon Technologies India Ltd	108,834	Consumer Discretionary	Consumer Electronics	83.95	25.7	35.0	0.3	20.0	28.6
Eternal Ltd	311,996	Consumer Discretionary	Restaurants	96.72	28.2	60.5	16.3	22.4	16.4
Britannia Industries Ltd	149,627	Consumer Staples	Packaged Foods & Meats	81.82	11.7	31.4	30.4	6.2	2.5
Hdfc Asset Management Co Lt	124,448	Financials	Asset Management & Custody B	91.05	15.6	54.2	36.8	10.6	29.6
Bajaj Finance Ltd	628,377	Financials	Consumer Finance	89.69	7.7	20.1	48.2	7.8	37.7
Muthoot Finance Ltd	119,593	Financials	Consumer Finance	97.23	11.5	33.7	37.5	11.9	45.9
Bajaj Finserv Ltd	332,345	Financials	Diversified Financial Services	78.30	2.6	15.1	32.6	1.2	12.0
Apollo Hospitals Enterprise	112,677	Health Care	Health Care Facilities	90.17	9.9	28.0	7.1	7.9	11.2
Torrent Pharmaceuticals Ltd	119,520	Health Care	Pharmaceuticals	80.40	7.8	15.6	5.1	3.6	2.2
Polycab India Ltd	109,134	Industrials	Electrical Components & Equipm	90.74	18.7	44.9	(0.3)	10.7	7.8
Siemens Energy India Ltd	121,166	Industrials	Heavy Electrical Equipment	91.24	n/a	n/a	n/a	14.3	n/a
Cummins India Ltd	112,288	Industrials	Construction Machinery & Heav	98.10	22.5	42.9	23.7	19.2	6.1
Ultratech Cement Ltd	366,434	Materials	Construction Materials	85.66	8.2	19.0	8.8	2.8	6.8
Grasim Industries Ltd	190,708	Materials	Construction Materials	84.85	3.6	18.2	14.7	(1.5)	1.3
Hindalco Industries Ltd	169,362	Materials	Aluminum	85.03	16.0	11.3	25.1	8.8	10.0
Jsw Steel Ltd	269,220	Materials	Steel	95.32	9.7	10.0	22.1	7.9	13.4
Tata Steel Ltd	211,268	Materials	Steel	92.63	9.8	12.2	22.6	5.9	9.7
Jindal Steel Ltd	106,732	Materials	Steel	90.82	13.4	17.6	12.4	11.1	0.3
Adani Power Ltd	248,445	Utilities	Independent Power Producers &	80.97	14.4	25.8	21.7	10.0	(3.3)
Basket Average				90.81	15.8	31.5	23.7	11.6	16.0
+ NIFTY 50					0.7	12.2	6.3	(1.5)	(1.0)

Note: data for all three tables as of week of Sep 18, 2025

Midcap Leadership Industries

Name	Market Cap	GICS Sector	GICS Sub Industry	RS Rating	3 Mo %	6 Mo %	YTD %	1 YR %
Endurance Technologies Ltd	42,466	Consumer Discretionary	Automotive Parts & Equipment	96.82	16.5	50.3	33.2	17.4
Uno Minda Ltd	74,246	Consumer Discretionary	Automotive Parts & Equipment	96.27	23.3	44.2	23.6	22.3
Mrf Ltd	62,671	Consumer Discretionary	Tires & Rubber	84.60	8.3	40.3	12.8	8.0
Vishal Mega Mart Ltd	70,675	Consumer Discretionary	Broadline Retail	90.03	20.5	51.3	41.3	n/a
Fsn E-Commerce Ventures Ltd	68,259	Consumer Discretionary	Other Specialty Retail	97.76	23.5	46.4	47.2	17.5
Itc Hotels Limited	50,508	Consumer Discretionary	Hotels, Resorts & Cruise Lines	79.94	13.6	46.2	n/a	n/a
Radico Khaitan Ltd	36,823	Consumer Staples	Distillers & Vintners	82.86	13.9	36.0	14.4	40.4
Marico Ltd	94,370	Consumer Staples	Packaged Foods & Meats	83.20	5.3	20.0	13.8	4.6
Godfrey Phillips India Ltd	56,153	Consumer Staples	Tobacco	89.01	23.4	79.2	95.7	24.2
Indian Bank	90,543	Financials	Diversified Banks	93.95	10.1	42.0	31.4	34.0
Nippon Life India Asset Mana	51,050	Financials	Asset Management & Custody B	80.25	11.6	58.7	14.5	24.7
Authum Investment Infrastruct	52,339	Financials	Asset Management & Custody B	89.46	32.0	123.4	92.2	99.4
L&T Finance Ltd	58,448	Financials	Diversified Financial Services	97.27	23.7	71.0	74.8	35.3
Aditya Birla Capital Ltd	76,052	Financials	Diversified Financial Services	97.56	16.9	79.2	63.5	28.4
One 97 Communications Ltd	78,201	Financials	Transaction & Payment Processi	93.87	40.0	79.8	20.6	80.0
Max Financial Services Ltd	54,418	Financials	Life & Health Insurance	86.96	0.3	50.2	42.0	39.5
Global Health Ltd/India	37,045	Health Care	Health Care Facilities	87.43	8.9	12.5	22.9	17.2
Fortis Healthcare Ltd	70,989	Health Care	Health Care Facilities	93.75	27.8	61.5	35.8	63.8
Laurus Labs Ltd	48,622	Health Care	Pharmaceuticals	94.53	31.6	55.9	48.5	77.4
Ge Vernova T&D India Ltd	69,898	Industrials	Heavy Electrical Equipment	87.08	24.0	100.6	37.3	69.6
Ashok Leyland Ltd	79,909	Industrials	Construction Machinery & Heav	97.88	13.6	36.2	21.5	9.9
Delhivery Ltd	34,637	Industrials	Air Freight & Logistics	95.43	28.9	94.8	36.1	11.8
Kaynes Technology India Ltd	47,561	Information Technology	Electronic Manufacturing Servi	80.41	27.4	68.0	(3.9)	34.3
Upl Ltd	56,456	Materials	Fertilizers & Agricultural Che	86.32	7.7	15.3	38.4	17.8
Dalmia Bharat Ltd	45,231	Materials	Construction Materials	95.51	15.2	50.3	36.7	30.1
Portfolio (Average)				90.33	18.7	56.5	37.3	35.1
NIFTY 50					0.3	21.0	2.4	(2.7)

Meaningful Outperformance

Leadership stocks have delivered dramatic outperformance versus the index (see table above), across periods. Meanwhile, the **Nifty 50 continues to be weighed down by IT, expensive FMCG and legacy names**. Names like TCS, Infosys, HCL Tech are down double digits, and down as much as 20-30% y-o-y. Additional former blue chips such as Asian Paints, Nestle, Tata Motors continue to drag on the index as well. While the woes of IT and FMCG are fairly well understood, the more meaningful takeaway is that **Indian equities are doing far better than what is represented by the index**. For the record, we have been negative on large cap IT since the summer of 2020.

The data clearly reinforce that it remains a market where **active selection provides meaningful potential for alpha**.

Similar Industries Leading in Midcaps

Moving to the midcap space, we again find consumer discretionary, financials, industrials well represented, confirming the large cap trend. At an industry level, auto parts and equipment, consumer leisure (hotels), EMS, heavy electrical and construction machinery, asset management, retail and steel are industries with leadership representation.

Yet again, **outperformance versus the index is stark**.

Meanwhile, the Nifty 50 Continues to Be Weighed Down by IT, FMCG, Energy

Name	Market Cap	GICS Sector	GICS Sub Industry	RS Rating	3 Mo %	6 Mo %	YTD %	QTD %	1 YR %
Reliance Industries Ltd	1,893,655	Energy	Oil & Gas Refining & Marketing	60.45	(2.3)	12.6	15.6	(6.3)	(4.5)
Tata Consultancy Svcs Ltd	1,125,913	Information Technology	IT Consulting	1.84	(10.6)	(10.9)	(22.4)	(9.7)	(29.6)
Infosys Ltd	626,649	Information Technology	IT Consulting	17.99	(7.3)	(4.7)	(19.9)	(6.0)	(22.8)
Hcl Technologies Ltd	397,959	Information Technology	IT Consulting	14.27	(14.5)	(4.0)	(22.9)	(14.8)	(18.5)
Wipro Ltd	263,431	Information Technology	IT Consulting	17.55	(4.3)	(4.7)	(16.7)	(5.4)	(8.8)
Basket Average				22.42	(7.8)	(2.4)	(13.3)	(8.4)	(16.8)
NIFTY 50					0.9	12.4	6.4	(1.4)	(0.8)

Small Cap Leadership – Consumer Disc, Financials, Health Care, Industrials, Materials

Name	Market Cap	GICS Sector	GICS Sub Industry	RS Rating	3 Mo %	6 Mo %	YTD %	1 YR %
Prime Focus Ltd	5,939	Communication Services	Movies & Entertainment	92.9	56.4	103.6	39.3	31.7
Shriram Pistons & Rings Ltd	11,957	Consumer Discretionary	Automotive Parts & Equipment	96.6	9.4	50.2	22.3	14.5
Sundaram Finance Holdings Lt	11,796	Consumer Discretionary	Automotive Parts & Equipment	93.4	36.8	139.5	112.1	65.8
Fiem Industries Ltd	5,809	Consumer Discretionary	Automotive Parts & Equipment	93.2	7.4	58.0	41.0	20.7
SJS Enterprises Ltd	4,463	Consumer Discretionary	Automotive Parts & Equipment	97.2	15.7	77.0	25.6	45.0
India Nippon Electricals Ltd	2,079	Consumer Discretionary	Automotive Parts & Equipment	93.0	27.6	64.7	31.7	15.1
Sirca Paints India Ltd	2,664	Consumer Discretionary	Distributors	95.5	24.9	89.8	40.5	40.9
Cartrade Tech Ltd	12,780	Consumer Discretionary	Automotive Retail	97.9	37.9	48.6	55.9	136.7
Timex Group India Ltd	3,271	Consumer Discretionary	Apparel, Accessories & Luxury	95.7	25.9	116.0	73.9	125.5
Lemon Tree Hotels Ltd	13,956	Consumer Discretionary	Hotels, Resorts & Cruise Lines	96.1	27.9	38.1	15.2	32.9
Le Travenues Technology Ltd	11,673	Consumer Discretionary	Hotels, Resorts & Cruise Lines	97.5	55.3	131.0	72.9	86.8
Parag Milk Foods Ltd	3,163	Consumer Staples	Packaged Foods & Meats	98.6	32.0	95.6	58.4	60.9
Cian Agro Industries & Infra	2,900	Consumer Staples	Packaged Foods & Meats	100.0	165.4	250.9	142.7	807.4
Cupid Ltd	5,261	Consumer Staples	Personal Care Products	97.2	123.3	224.3	174.0	144.0
Gujarat Mineral Dev Corp Ltd	16,468	Energy	Coal & Consumable Fuels	97.6	35.4	124.0	74.1	49.8
Rbl Bank Ltd	16,808	Financials	Diversified Banks	95.5	25.0	73.6	71.7	26.3
Anand Rathi Wealth Ltd	24,760	Financials	Asset Management & Custody B	96.8	44.5	79.5	54.1	53.7
Maharashtra Scooters Ltd	20,126	Financials	Asset Management & Custody B	98.5	18.9	93.2	87.1	69.2
JM Financial Ltd	18,474	Financials	Investment Banking & Brokerage	93.8	26.0	102.6	38.9	34.9
Manappuram Finance Ltd	24,805	Financials	Consumer Finance	98.1	4.5	40.0	54.6	36.4
Tourism Finance Corp India	3,287	Financials	Specialized Finance	97.8	63.7	159.0	117.9	102.0
Healthcare Global Enterprise	9,598	Health Care	Health Care Facilities	94.7	24.7	37.2	39.4	62.3
Yatharth Hospital & Trauma C	7,622	Health Care	Health Care Facilities	94.4	50.2	116.2	41.5	44.0
Acutaas Chemicals Ltd	12,239	Health Care	Pharmaceuticals	95.0	33.5	33.7	35.8	89.5
Jeena Sikho Lifecare Ltd	9,955	Health Care	Pharmaceuticals	96.1	88.3	144.9	88.5	195.3
Zota Health Care Ltd	4,502	Health Care	Pharmaceuticals	97.4	56.4	91.5	87.4	129.2
Iol Chemicals And Pharma Ltd	3,376	Health Care	Pharmaceuticals	94.4	34.4	96.9	46.6	17.2
Axiscades Technologies Ltd	6,469	Industrials	Construction & Engineering	100.0	31.6	93.0	152.8	186.2
TD Power Systems Ltd	8,706	Industrials	Heavy Electrical Equipment	99.1	7.6	71.2	21.8	29.6
Shaily Engineering Plastics	10,091	Industrials	Industrial Machinery & Supplie	95.8	30.8	26.5	59.0	138.4
Hle Glascoat Ltd	3,804	Industrials	Industrial Machinery & Supplie	98.4	20.8	132.5	41.1	29.3
Centum Electronics Ltd	4,239	Information Technology	Electronic Components	95.5	13.4	109.0	29.1	52.9
Syrma Sgs Technology Ltd	16,429	Information Technology	Electronic Manufacturing Servi	97.2	54.0	97.3	38.4	77.3
India Cements Ltd	12,294	Materials	Construction Materials	94.5	18.5	46.0	5.8	7.1
Ramco Industries Ltd	3,055	Materials	Construction Materials	95.8	35.3	61.9	35.1	48.0
Ashapura Minechem Ltd	5,488	Materials	Diversified Metals & Mining	95.2	62.5	102.9	61.8	95.9
Kiocl Ltd	28,212	Materials	Steel	93.1	52.6	99.9	14.6	15.6
Indian Metals & Ferro Alloy	5,466	Materials	Steel	96.8	39.1	67.0	19.2	52.4
Nesco Ltd	10,870	Real Estate	Real Estate Operating Companie	95.3	50.0	71.1	57.1	56.8
Portfolio (Average)				96.1	39.9	86.0	49.2	74.4
Nifty Small cap 250					0.4	23.2	(2.2)	(6.5)

Eye Popping Returns in Small-cap Leadership

In the small cap space, leadership stocks are soaring, while the small cap index is flat for the YTD and YoY, confirming a trend we’ve noted. Returns this cycle will not be broad-based; rather stock, industry and sector selection remain crucial.

Auto parts, leisure and travel, asset management, health care and pharma, construction and heavy equipment, EMS are again the industries that show up. **Many of these names will continue to compound.**

Stock Selection & Methodology Matter More Than Ever

Our intent in this exercise was to identify industries that present opportunity. Our observations:

- The **indices are flat to negative returns YTD and YOY**
- Narratives are being put forth using **misleading surface level analysis**
- The reality is that attractive **opportunities are available in Indian equities**
- What’s missing at times is the methodology or strategy to identify names that will perform well
- This list is a starting point. Many of **these names will continue to compound** gains and deliver rich returns to investors.

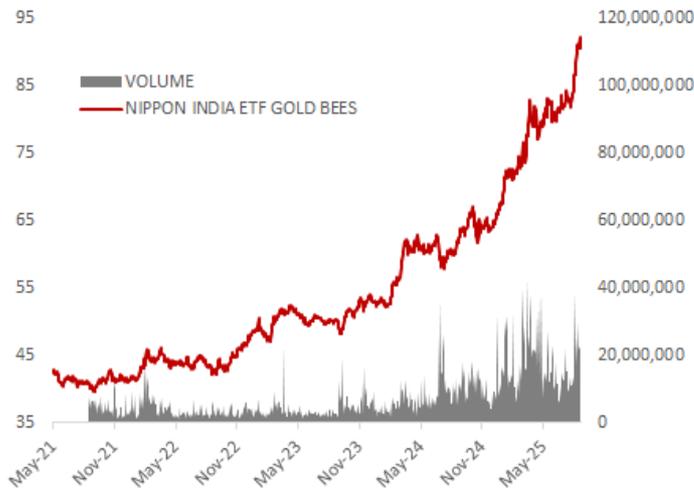
PRECIOUS METALS – PREFERRED SAFE HAVENS

Gold *the* New Preferred Safe Haven

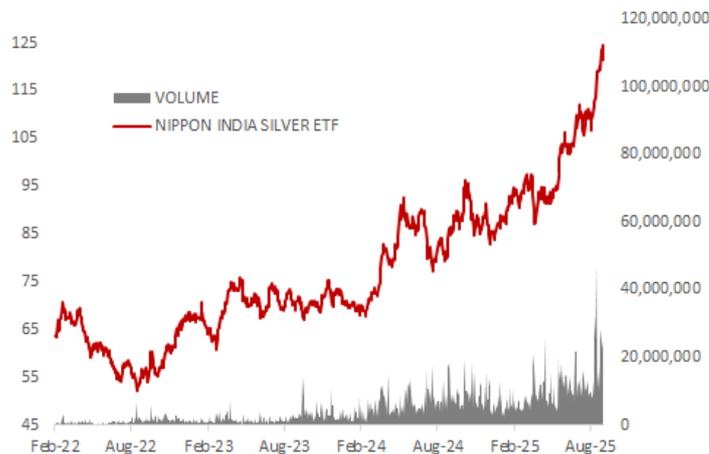
As widely reported, **world central bank gold holdings have surpassed U.S. Treasury holdings** for the first time in 29 years. U.S. treasury holdings as a percentage of foreign reserves are declining gradually. Gold is rapidly assuming the role of preferred safe haven.

Hard assets and precious metals are the new safe haven. Gold is increasingly being preferred over U.S. treasuries. **Silver** with dual demand characteristics, industrial demand is also gaining recognition as a precious metal that is transactionally convenient. Ever-increasing numbers of investors are recognizing the rapidly ballooning deficits, and rising lack of trust in the dollar, and are increasingly preferring precious metals.

Indian Investors are Piling into Gold ETFs



...As Well as Silver ETFs



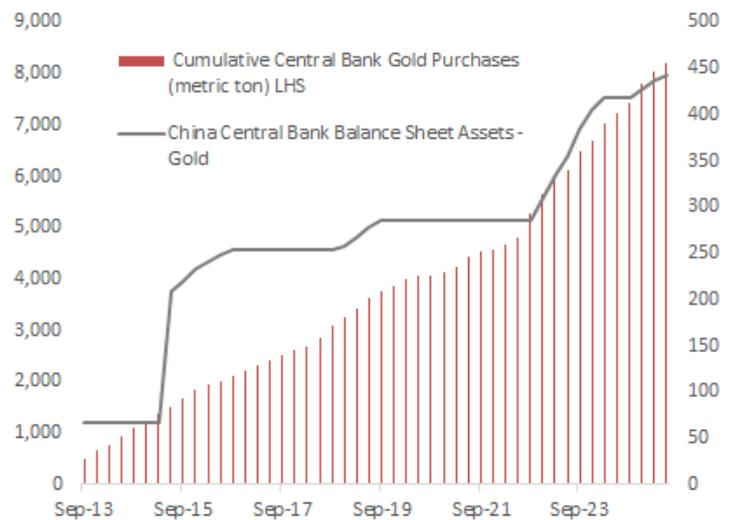
Fed Appointment Miran Bodes Well for Gold

Miran has been a prominent proponent of dollar devaluation and the Mar-a-Lago Accord, which calls for lower rates and a cheaper dollar. A cheaper dollar would be bullish for Gold and low rates could stoke inflation, again bullish for Gold.

Central Banks Continue to Accumulate Gold

Unlike the 1970s, when gold exploded higher post the abandoning of the gold standard, this time, it is rising debt and deficits, geopolitical risks that are driving record central bank buying. The PBoC has been increasing gold reserves rapidly since 2022.

Central Banks Continue to Purchase Gold



India Continues to Grow Its Gold Reserves



Global ETF Buying in Gold is Up Only 12.5%

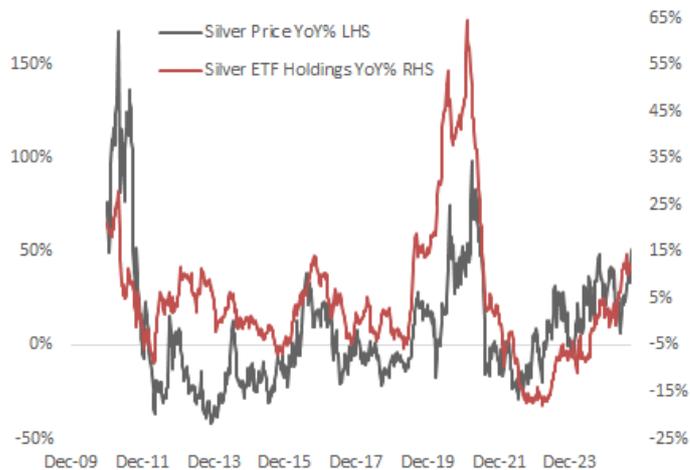


Rising Interest Rates

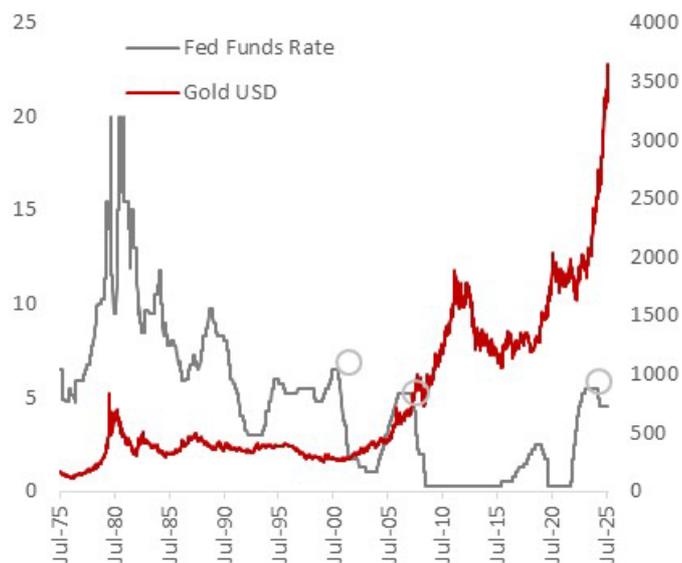
Interest rates are rising in key developed markets. European bond yields are at multi-year highs despite central banks maintaining dovish stances. U.K. gilts have risen to 5.7%, the highest since the late 1990s. Japanese long end yields have also been rising, alongside Italy, Germany, France.

The key driver is ballooning debt issuance, with global debt surpassing 235% of world GDP, according to the IMF. Bond investors are demanding higher risk premiums for longer dated debt. Rising **fiscal expenditures in Europe and Japan** are fueling long-term bond yields. Net net, gold and silver are the markets response.

While Silver ETF Holdings Up +10.9%

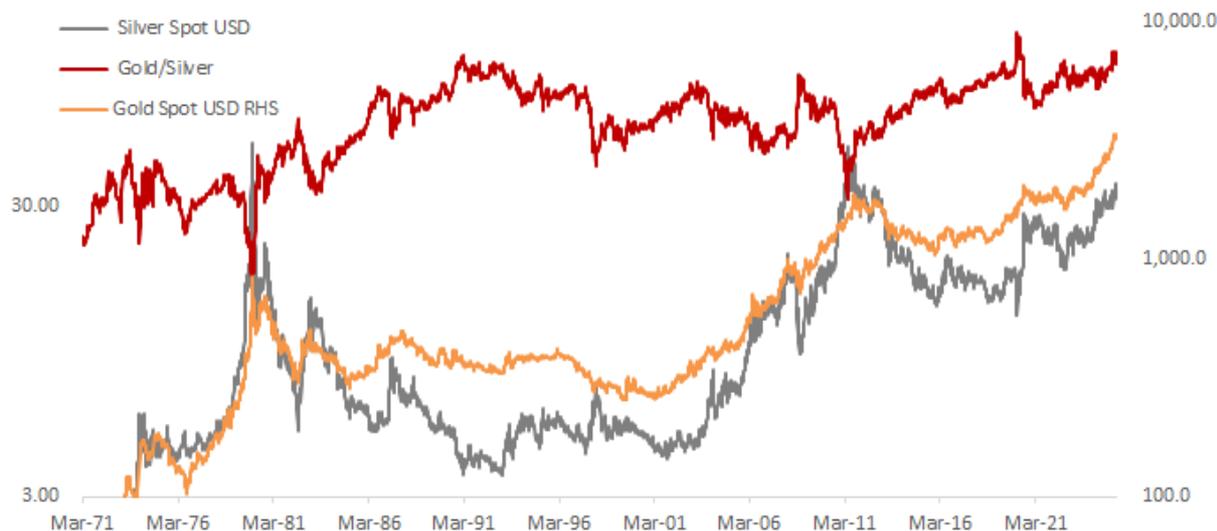


Fed Easing Cycles Typically Bullish for Gold

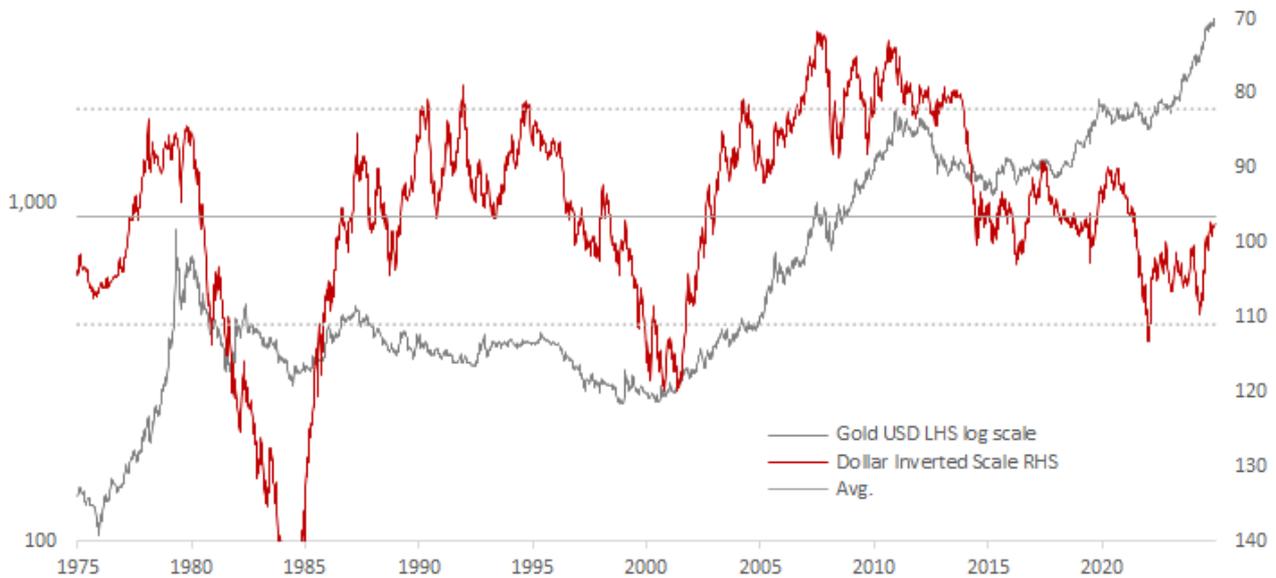


Gold Has Historically Peaked Around Parabolic Moves in Silver...

...Leading to a Bottom in the Gold/Silver Ratio... We Are Not There, Not Even Close



A Weaker Dollar is a Strong Positive for Gold... the Dollar Dropped Under \$97 This Week



Gold/Silver Ratio

Gold has historically peaked around parabolic moves higher in silver, leading to a bottom in the Gold/Silver ratio. That’s what happened in 2010-11, as well as the major peak in the early 1980s.

If history is to repeat, and indications suggest it will, with the emerging demand for silver as an industrial metal and increasing recognition that silver can be considered a store of value, as well as an attractive alternative to bitcoin as a transactional currency. We are nowhere near a bottom in the gold/silver ratio.

INVESTMENT OUTLOOK & ASSET ALLOCATION

Trade

Our analysis of Chinese exports finds that China has been able to largely replace the lost exports to the U.S. with exports to Asia and Europe picking up the slack. Companies will find workarounds to mitigate punitive tariffs. Same holds true for India, with far smaller exposure to U.S. exports.

Debt

The U.S. is considering at least 3 different options to address the rapidly spiraling debt situation. The ultimate path is likely to include currency weakening, and some form of monetary expansion. Interestingly, gold and silver have been declared **critical minerals** by the U.S.

Rate Cuts and an AI Tech Wave

We're officially in a **global rate cut cycle**. However, much about this cycle is different, particularly the inflation picture as discussed earlier. The potential of **AI** appears to be finally coming through as a productivity enhancing opportunity across the enterprise. AI capex commitments are adding up to around **\$500 billion** for 2026. There are real earnings in AI stocks, unlike during the Internet Bubble. However, actions taken by Nvidia on accounting last year, and the Open AI deal this year are **concerns**.

Positive India Growth Signals

GST is expected to lower costs of most goods and free up disposable income. As the gap between organized and unorganized goods pricing shrinks, more players will be incented to adopt formalization. Autos and health care services look set to benefit, alongside consumer. Inflation will remain in check, giving the RBI leegroom to lower rates if warranted. New found savings will flow into capital markets.

Rural Demand Remains Buoyant

Businesses are noting strong rural demand, with expectations of a healthy harvest. Rural incomes are growing, and bode well for consumption.

Strong Services PMI & Improving Global Demand

Services PMI touched a 15 year high of 62.9 in August, driven by a improving new orders. New order are at their highest levels in 15 years. The rise in international sales is the 3rd strongest since Sep 2014, with demand from Asia, Europe, the Middle East and the U.S. The Composite PMI rose from 61.1 in July to 63.2 in August, the sharpest pace of expansion in over 17 years.

Manufacturing Continues to Gain Traction

India is on its way to becoming a key hub for **Google Pixel** smartphone production as well, after Apple and Samsung. Alphabet is not only increasing local manufacturing of its premium Pixel 10 Series but is also preparing to export these devices. That's just one of a large number of initiatives under way.

Flows - Mutual Funds to the BOP

While mutual fund AUM have grown at a 20% CAGR, penetration among informal workers is under 2%. ONDC aims to provide seamless connectivity between AMCs and MF distributors. New apps have been launched that allow Gig workers and the poor to invest as low as ₹100 a day in a mutual fund.

Contemplating Market Risks

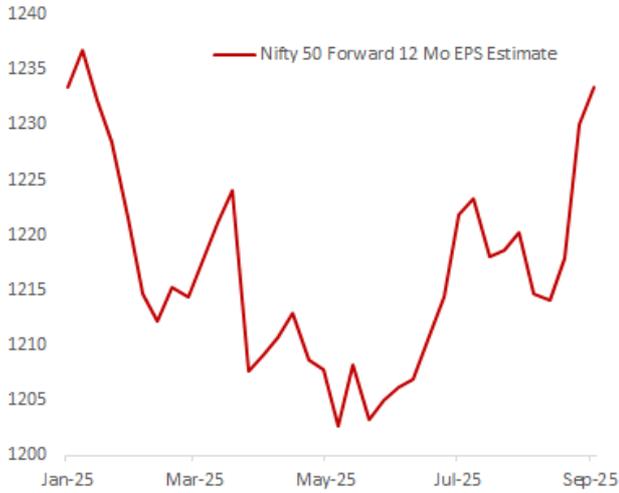
Gold and Silver are the clearest indication of the rising lack of trust in the U.S. currency, and concerns on U.S. debt and potential inflation from tariff hikes. In our view, the likelihood of a sovereign default is remote. The U.S. central bank possesses the tools to pre-emptively manage the debt situation, and policymakers are actively involved in evaluating strategies to reduce / manage the debt.

On equities, U.S. margin debt has risen to all-time highs, and the tech weight in the index is at around 47%, a massive concentration.

Speculation and euphoria are high, particularly on U.S. tech.

With respect to **India**, no such evidence of euphoric excess is visible; India's vulnerability remains second order impacts and more than anything, the regular tariff pronouncements continue to weigh on market sentiment and hold back equity markets.

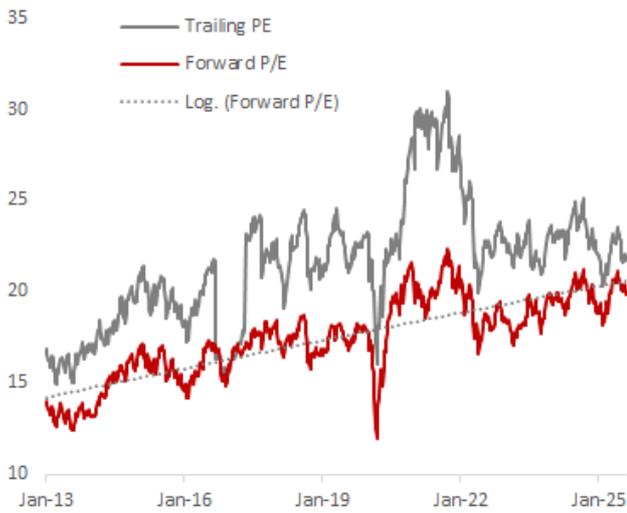
Nifty 50 Earnings Estimates are Rising



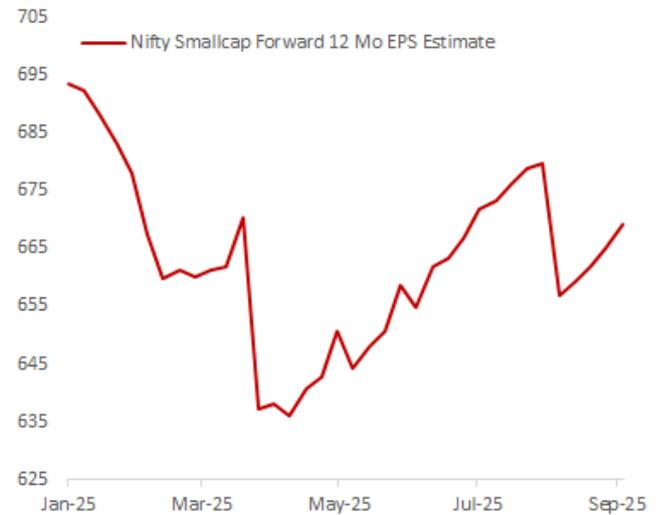
Midcap Forward PE is Under 25 Times



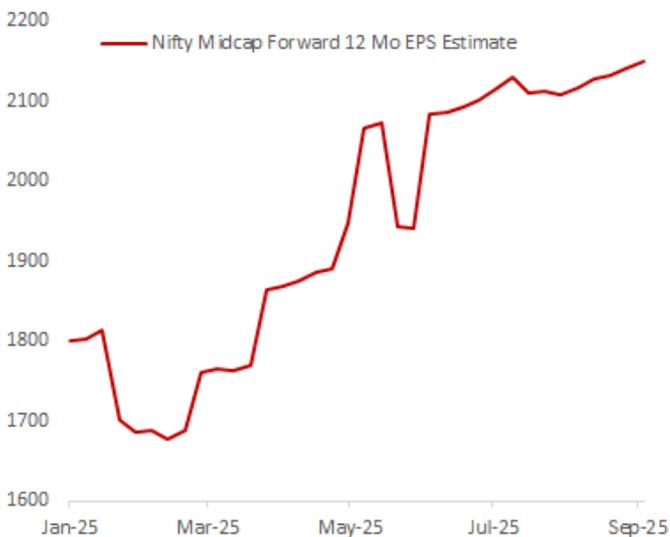
While Valuations Are at Mean 10 Year Valuations



Small Caps Estimates Are Also Mounting a Recovery



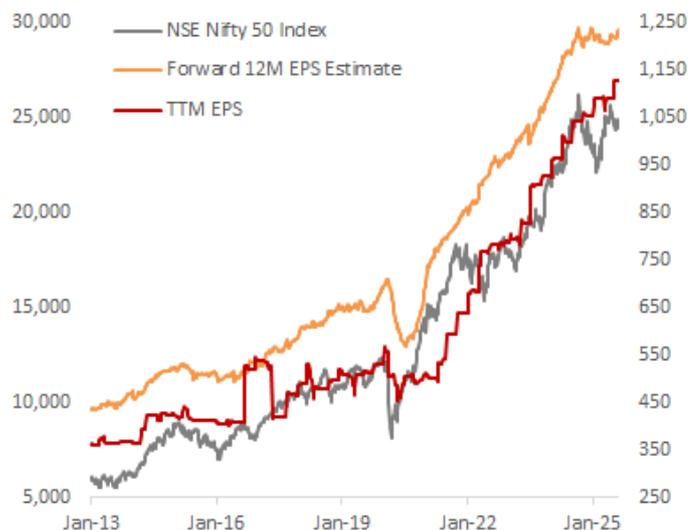
Midcap Estimates Continue to March Higher



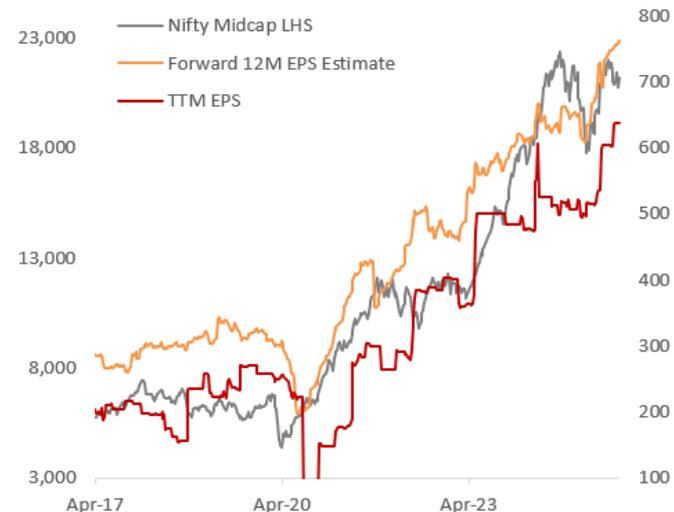
Small Cap Valuations Slightly Above Fair Value



Nifty Long Term EPS Trajectory Remains in Place



Midcaps Have More Than Doubled EPS Since 2021



India and Emerging Markets Can Deliver Strong Returns in a Weak Dollar, Weak U.S. Environment



Asset Allocation

For investors seeking to hedge their portfolio to global risks, precious metals – particularly gold – have proven an effective means of doing so, beyond derivative strategies.

We have **been over-weight Gold and Silver since April 2024** when we released **Know the Now – Gold as a Strategic Asset, April 2024**.

We remain **over-weight domestic equities, over-weight gold and tactical over-weight in silver**. However, it is becoming increasingly evident that India is in the cross-hairs of U.S. geopolitical strategy. **Tariffs and other pronouncements continue to impede markets.**

Our allocations to fixed income is via selective investments with deep in-house due diligence and in house portfolio construction and management. Our asset allocation preferences are listed on page 26 and 28-29.

Clarity on the impact of tariffs will begin to show up in the Q3 CY25 earnings. However, impacts from rate cuts, GST cuts and other macro factors aren't likely to come forward until Q4 CY25.

The Indian economy remains the fastest growing large economy in the world. It remains our view that the posturing, threats and worries out of U.S. will ultimately prove to be noise. First, because India is an

largely domestic economy, and second, companies with exposures will find work-arounds.

Seismic domestic policy shifts are underway. The government remains **fundamentally committed to growth**, and actions have been taken to increase disposable income in the hands of consumers, while reducing the tax burden on consumers and small businesses. In time, these initiatives will show results.

Style Preferences

From a cap perspective, we **prefer mid caps, selectively large caps** and **selectively small caps**. The evidence laid out this month clearly highlights that opportunities for long term wealth creation continue to be on offer.

However, returns are widely dispersed. Market breadth is narrower. Ergo, **stock selection, industry and sector selection** will be key determinants for future returns.

Secondly, the market remains focused on growth, growth drivers, growth prospects, earnings moat, earnings visibility and predictability. Valuation not as much, as is typical at this stage in the cycle.

Our **sectoral preferences** are consumer, financials, health care, defence, industrials and materials. At the industry level, auto, auto parts, capital markets, asset management, EMS, construction and heavy equipment, defence, power, and steel would be industries we'd focus on.

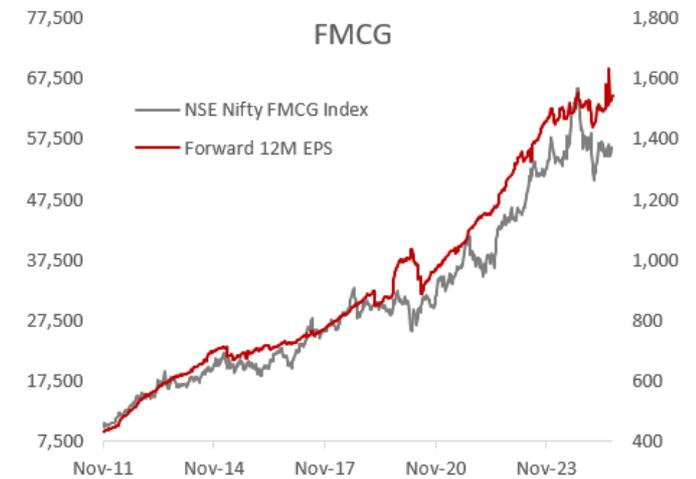
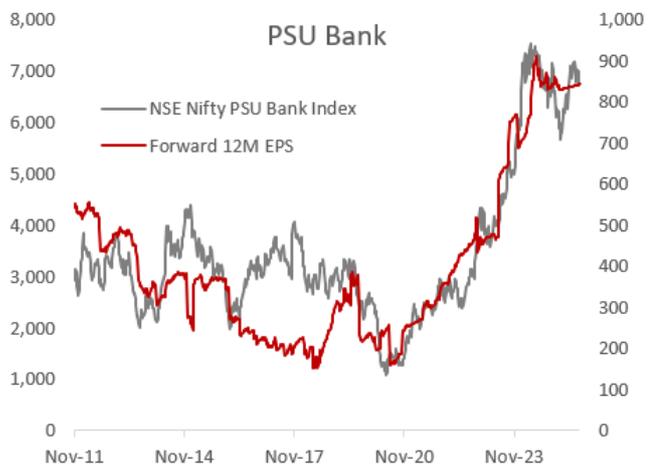
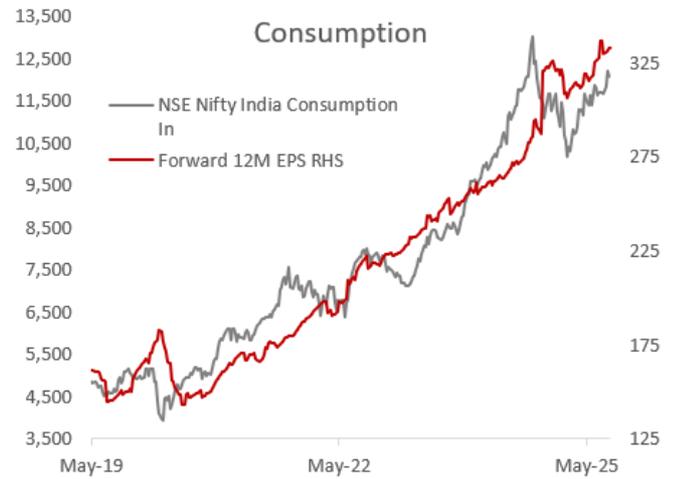
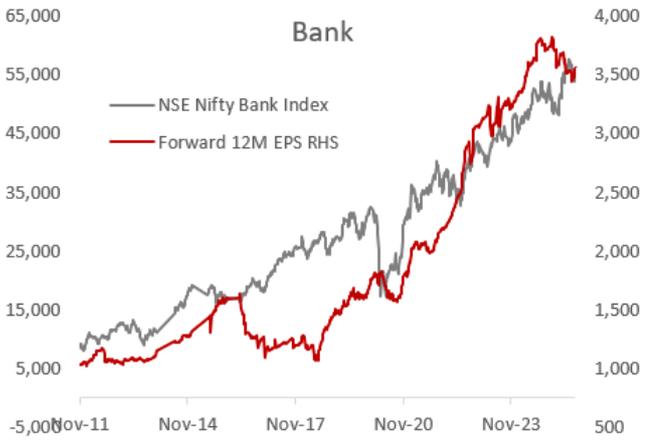
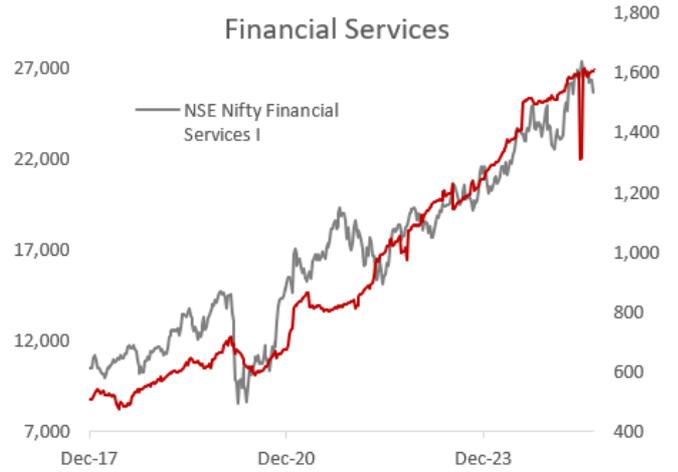
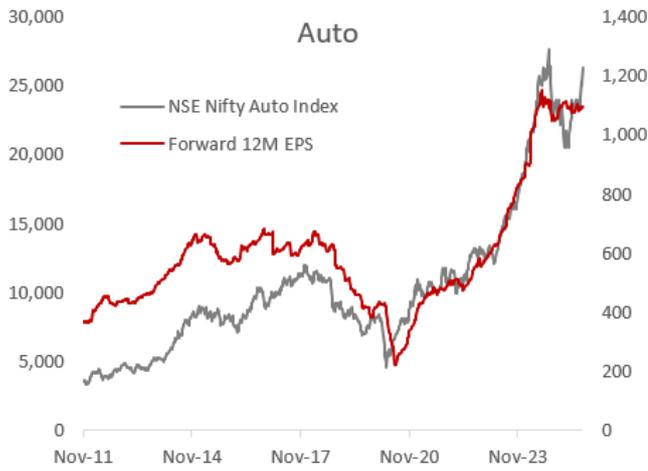
Opportunities for outsized returns remain on offer across mid and small caps, and selectively across large caps. Large caps remain our choice for investors seeking lower risk and volatility.

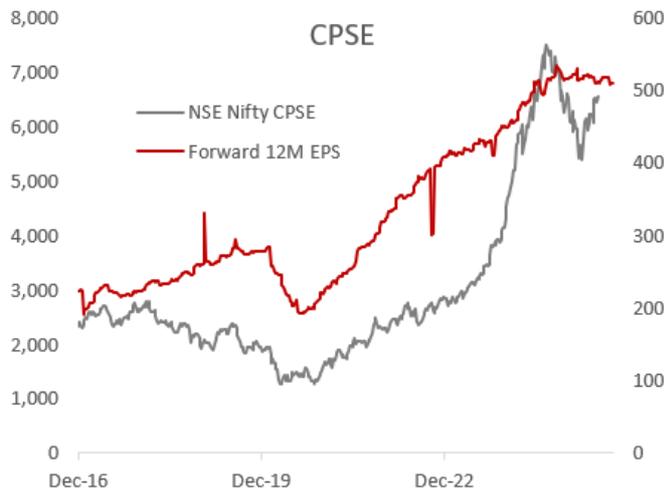
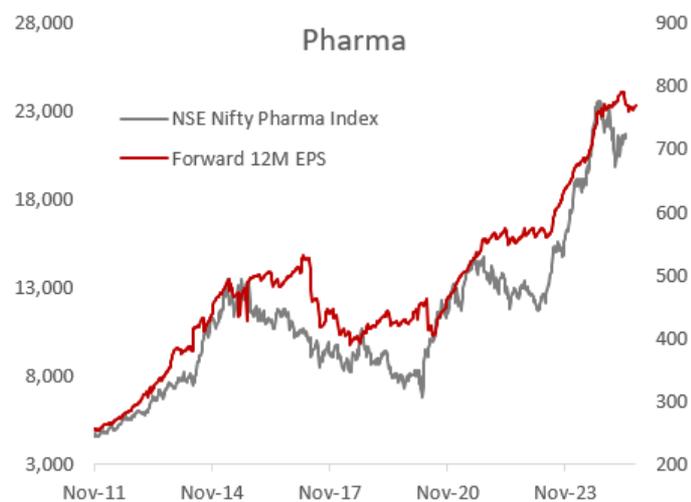
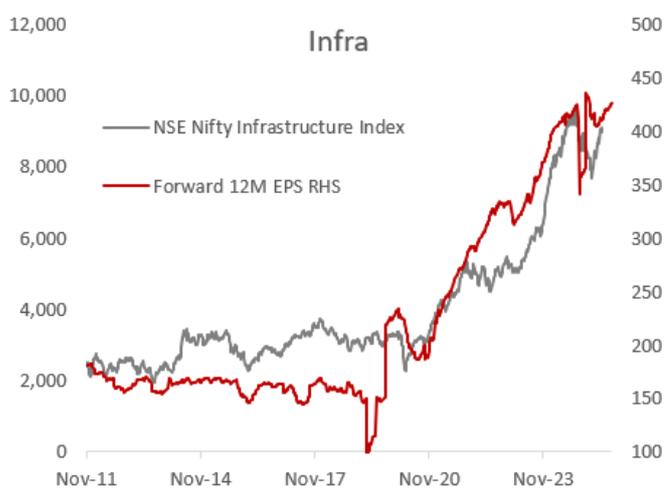
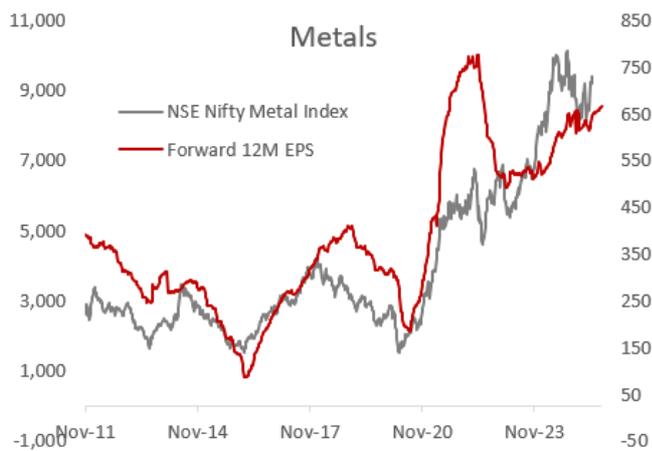
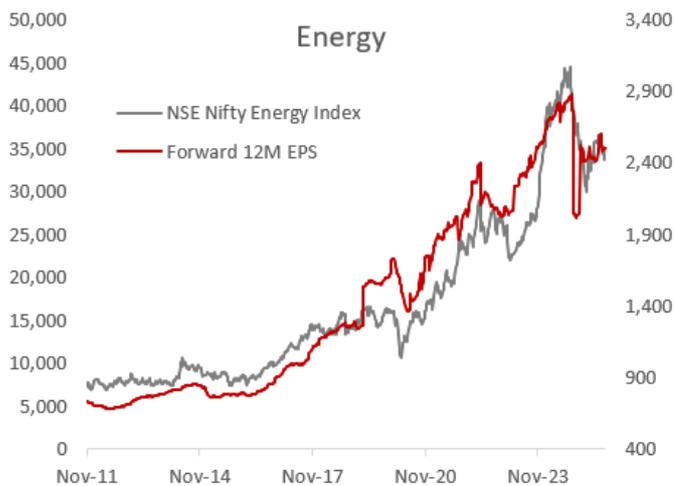
As always, at a company level, we prefer strong top and bottom line growth, structural and thematic tailwinds, earnings visibility, predictability, large TAMs, new markets, capital discipline, and pricing power. We continue to **prefer domestic focused** sectors and businesses.

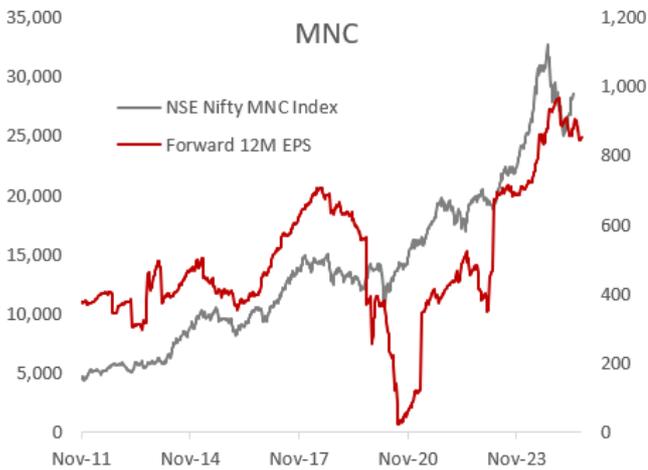
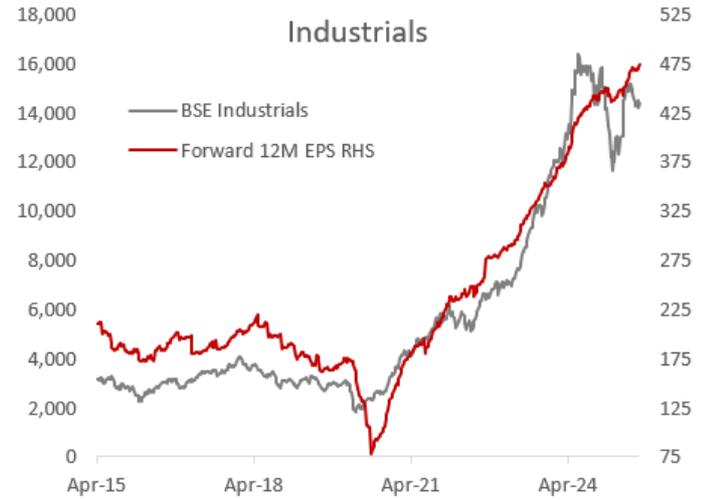
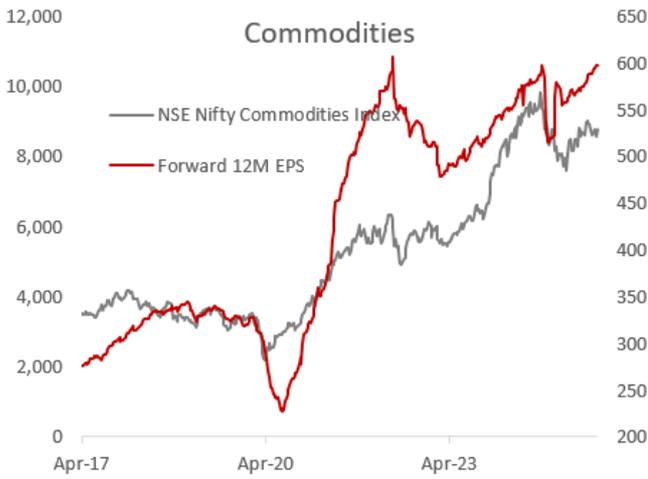
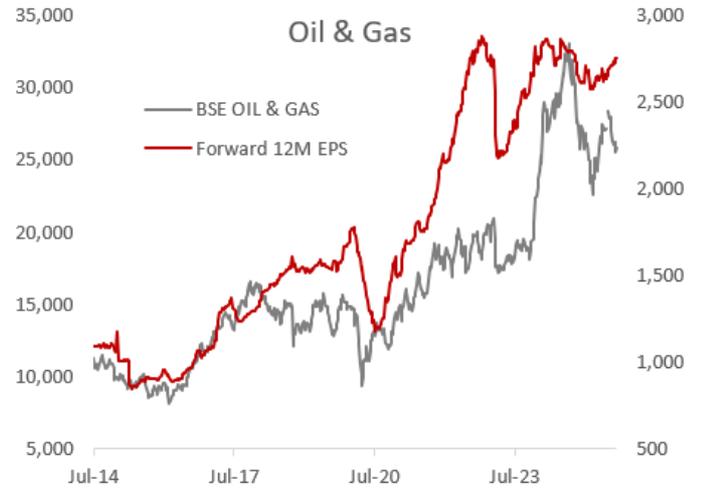
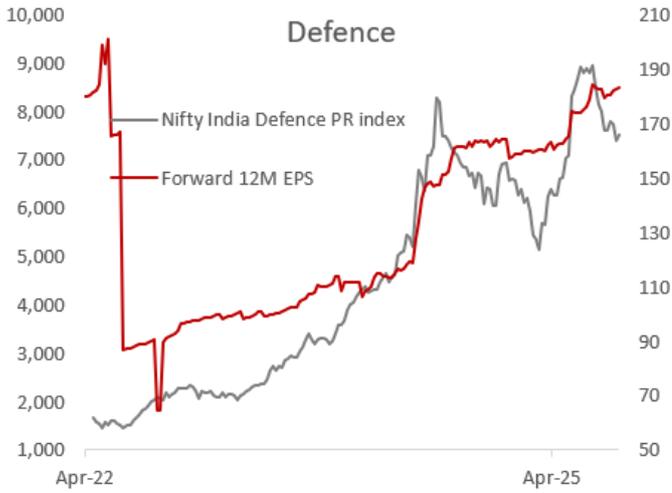
India's Long-Term Story Remains Intact

- The fastest growing large economy in the world, with attractive annual labor force growth
- **Demographics** - amongst the most attractive demographics amongst large economies, a median age of 30~ with contributions from productivity improvement as well.
- A stable democracy, with low political risk, reliable and fair regulatory practices.
- Amongst the lowest **cost of labor** - \$2800 per capita income, versus \$50,000+ for developed economies, english speaking, increasingly skilled labor availability
- Low crude oil prices, low inflation
- A largely domestic economy, 81%~ domestic. Of exports, U.S. accounts for 17.9%~, or less than 2-3% impact to GDP
- Monetary & fiscal policy working in tandem, alongside tax stimulus and regulatory reforms - rate cuts, tax cuts, GST cut
- A pro-growth RBI
- 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,
- Government capex investment
- Strong earnings delivery since 2020
- Strong domestic flows from savers to promoters, with SIPs at 28k crore a month
- A large, healthy domestic consumer market, with 200 million - 400 million consumers.
- Rising disposable incomes, improving rural sector
- Easing regulatory environment, CRR, risk weights etc
- Rising services and manufacturing momentum
- Free trade agreement negotiations - Europe, U.S. and over a dozen other countries
- A structural financialization trend, driven by rising incomes, and stable finances
- A vibrant private equity and start up eco system
- MSMEs are benefiting from increased connectivity and ease of doing business.
- Bharatmala, Sagarmala, Dedicated Freight Corridors, National Industrial Corridor Development.
- Manufacturing transformation fueled by robust infra development and supportive govt policies
- New industries such as energy grid, semiconductors, space, defence, power, AI

Sector Returns and Forward EPS







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

26-Sep-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	24,779	-0.4	-2.2	1.4	0.3	-2.9	-3.0	5.5	4.8	-5.5	-5.7%	12.2%
NIFTY 50 TR	37,413	-0.7	-1.7	1.9	0.7	-2.1	-2.1	6.9	6.4	-3.9	-3.9%	13.7%
SENSEX	80,797	-0.4	-2.2	1.2	0.0	-3.4	-3.5	4.5	3.4	-5.9	-6.0%	10.7%
Nifty Next 50 TR	98,049	-0.7	-2.1	3.9	2.2	-0.6	0.4	10.0	1.2	-10.6	-11.4%	18.6%
Nifty 200 TR	18,532	-0.7	-1.9	2.4	1.1	-2.1	-1.8	8.1	4.7	-5.0	-5.0%	15.4%
Nifty 500 TR	36,700	-0.7	-2.0	2.5	1.1	-2.2	-1.7	8.9	3.8	-5.1	-5.1%	16.4%
NIFTY Midcap 100 TR	78,030	-0.6	-2.6	3.3	1.4	-3.4	-2.6	11.9	1.1	-4.3	-4.3%	20.3%
Nifty Midcap 150 TR	27,168	-0.7	-2.4	3.1	1.3	-2.5	-1.5	12.3	1.6	-3.9	-3.9%	20.5%
NIFTY Smallcap 100 TR	23,203	-0.6	-2.9	4.3	2.4	-5.5	-4.1	13.2	-3.7	-6.1	-8.1%	22.2%
Nifty Smallcap 250 TR	21,657	-0.7	-2.6	3.3	1.9	-3.9	-2.3	14.3	-3.5	-7.0	-7.5%	23.0%
Microcap	48,424	-1.0	-3.3	3.0	1.9	-2.6	-1.8	16.1	-11.8	-13.1	-17.0%	21.3%
Nifty Microcap 250 (MOS)	17	-1.0	-2.1	2.9	0.2	-2.3	-0.9	11.1	-6.5	-9.7	-11.4%	19.3%
Americas												
S&P 500 Index	6,605	-0.5	-0.4	2.2	2.1	6.4	7.6	15.6	12.3	15.0	-1.4%	14.3%
Dow Jones Indus. Avg	45,947	-0.4	-0.4	0.9	1.2	4.2	5.9	8.2	8.0	8.9	-1.6%	8.1%
Nasdaq 100 Stock Indx	24,397	-0.4	-0.2	4.2	3.7	7.6	8.7	22.5	16.1	21.3	-1.6%	19.9%
Nyse Fang+ Index	16,068	-0.4	-1.6	5.0	5.3	7.2	8.9	33.0	22.5	40.5	-2.5%	28.5%
Bbg Magnificent 7 Pr Usd	30,687	-0.9	-0.3	7.6	6.6	16.0	17.0	34.2	17.7	37.0	-2.4%	30.8%
Russell 2000 Index	2,411	-1.0	-2.3	1.9	2.2	10.9	11.0	16.3	8.1	9.1	-3.1%	15.9%
Canada	29,732	-0.1	0.9	4.1	4.9	10.7	11.1	18.2	20.2	23.7	-1.1%	21.0%
Mexico	61,945	0.1	1.0	5.5	6.6	7.8	7.8	17.3	25.1	15.6	-1.2%	18.3%
Brazil Bovespa	145,306	-0.8	-0.1	2.7	5.5	4.6	6.0	9.6	20.8	9.2	-1.3%	n/a

26-Sep-25	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	% from 52 Wk Hi	From '25 Trough
Europe												
Euro Stoxx 50 Pr	5,445	-0.4	-0.2	1.7	1.1	2.7	3.8	0.6	11.2	8.2	-2.2%	1.1%
FTSE 100	9,214	-0.4	-0.2	0.3	-0.6	5.2	5.5	6.0	12.7	11.2	-1.5%	5.2%
CAC 40 Paris	7,795	-0.4	-0.8	1.2	1.1	1.7	3.2	-2.9	5.6	0.7	-5.6%	-3.1%
DAX Germany	23,535	-0.6	-0.6	-1.5	-2.6	-1.6	-0.5	3.0	18.2	22.3	-4.5%	5.4%
MIB Italy	42,242	-0.4	-0.2	0.1	-1.0	6.2	7.3	8.2	23.6	22.8	-3.0%	11.9%
Norway OSEBX	1,656	-0.4	0.3	0.6	-0.2	2.1	3.7	7.3	16.2	18.8	-0.8%	13.2%
Asia												
MSCI Emerging Markets	1,344	-0.6	0.2	6.8	5.5	9.9	9.5	18.8	25.0	15.5	-0.7%	22.9%
Japan - Nikkei 225	45,531	-0.5	0.5	6.6	7.4	12.5	15.0	19.7	14.1	17.0	-0.7%	22.0%
Hang Seng	26,313	-0.6	-0.9	4.9	3.1	9.3	8.2	12.0	31.2	32.1	-2.8%	14.7%
HSTECH	6,313	-1.0	0.3	11.3	9.2	19.0	18.1	13.3	41.3	50.0	-2.3%	14.0%
China CSI 300	4,574	-0.4	1.6	1.7	2.7	16.2	15.9	16.7	16.2	29.0	-0.9%	17.7%
Australia	8,771	-0.0	-0.0	-2.2	-1.8	2.7	2.6	9.7	7.5	6.9	-3.1%	7.0%
Taiwan	25,567	-1.8	-0.0	5.5	5.2	14.9	13.7	14.9	11.0	11.8	-3.1%	13.1%
Korea	3,370	-2.9	-2.2	5.8	6.0	9.7	9.4	27.5	40.5	26.2	-3.6%	33.3%
Singapore	4,278	0.1	-0.6	0.2	0.8	7.9	8.6	7.9	13.0	19.4	-2.2%	10.0%
Vietnam	1,660	-0.4	0.1	-1.3	-0.5	20.6	21.6	25.2	31.0	28.5	-3.0%	26.5%
Indonesia	8,071	0.4	0.2	3.1	2.1	16.5	17.0	24.7	14.0	4.2	-1.2%	26.5%
Malaysia	1,606	0.4	0.5	1.9	1.5	4.7	5.1	5.8	-2.2	-3.9	-4.0%	3.2%
Phillipines	6,005	-0.6	-4.1	-2.4	-2.3	-5.7	-5.1	-2.6	-8.0	-19.5	-21.0%	-1.0%

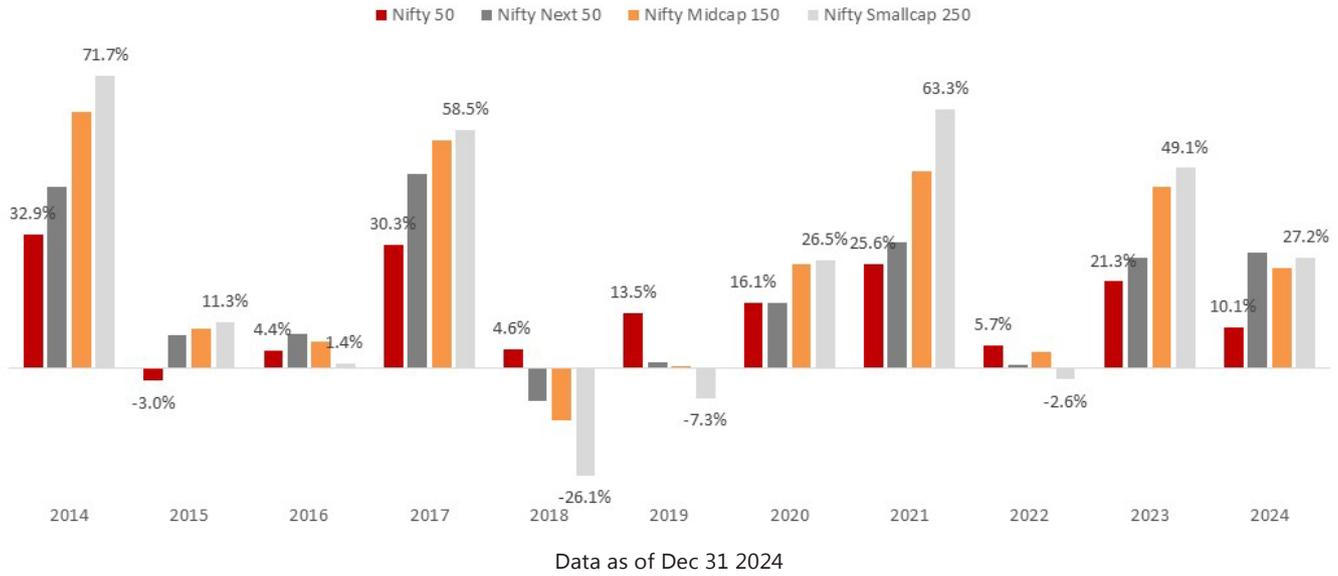
Nifty Sectors

26-Sep-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	24,779	-0.4	-2.2	1.4	0.3	-2.9	-3.0	5.5	4.8	-5.5	-5.7%	12.2%
Nifty Sectors												
Nifty Auto	26,804	0.2	-1.5	7.4	5.9	12.3	11.9	23.3	17.4	-2.5	-3.3%	32.2%
Nifty Bank	54,656	-0.6	-1.4	1.9	0.4	-4.6	-4.5	6.7	7.5	0.5	-5.2%	13.3%
NIFTY Private Bank	26,616	-0.6	-1.3	2.1	1.0	-5.8	-6.3	3.9	7.4	-2.3	-6.9%	10.4%
Nifty PSU Bank	7,332	-0.8	-0.9	8.5	7.0	1.8	5.0	19.4	12.1	7.7	-3.1%	28.2%
Nifty Financial Services	26,114	-0.5	-1.6	2.1	0.6	-3.9	-4.2	5.2	11.1	3.8	-4.6%	13.4%
Nifty India Consumption	12,197	-0.4	-2.1	1.1	0.3	3.0	2.9	13.9	7.3	-6.5	-6.6%	20.1%
Nifty FMCG	54,821	-0.5	-2.6	-2.4	-2.4	-0.1	-0.5	3.5	-3.5	-17.1	-17.5%	8.5%
Nifty Energy	35,040	-0.6	-2.0	4.2	3.2	-4.2	-3.1	5.5	-0.4	-20.6	-21.6%	15.9%
Nifty Infrastructure	9,062	-0.2	-1.9	2.1	1.0	-3.7	-3.1	7.5	7.1	-6.2	-6.6%	17.7%
Nifty IT	34,074	-1.4	-6.8	-3.1	-5.5	-12.5	-12.6	-8.7	-21.4	-19.2	-26.1%	-8.6%
Nifty Metal	10,009	-0.7	0.2	9.3	7.9	5.0	4.9	10.0	15.7	0.2	-3.0%	19.9%
Nifty Pharma	21,654	-1.5	-4.6	-0.7	-1.5	-1.7	-0.7	1.4	-7.5	-6.9	-9.4%	9.3%
Nifty Realty	874	-0.3	-5.4	0.3	-2.5	-11.4	-13.5	2.5	-17.0	-22.8	-23.4%	8.0%
Nifty Sectors & Themes												
Nifty Media	1,585	-0.5	-2.1	-1.7	-1.8	-9.7	-9.1	6.6	-12.8	-26.2	-27.4%	12.9%
Nifty CPSE	6,463	-0.5	-0.6	5.2	4.3	-2.6	-2.0	6.2	6.2	-10.9	-11.9%	17.9%
Nifty PSE	9,726	-0.6	-1.5	5.7	4.5	-3.6	-2.8	5.3	2.0	-12.7	-14.5%	17.4%
Nifty India Defence PR	8,135	0.7	-2.2	9.8	8.2	-8.3	-6.6	27.6	25.3	21.7	-10.4%	52.3%
BSE Power	6,746	-0.7	-1.8	5.5	4.3	-2.8	-1.5	2.6	-3.2	-22.8	-23.3%	14.6%
Nifty Commodities	8,946	-0.7	-1.1	4.4	3.1	0.1	0.4	6.4	10.2	-8.0	-9.6%	16.5%
Nifty MNC	30,025	-0.6	-1.6	2.3	1.7	3.8	4.6	14.1	7.5	-7.9	-8.6%	20.1%

Factors

26-Sep-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 Factors												
Nifty 50	24,779	-0.4	-2.2	1.4	0.3	-2.9	-3.0	5.5	4.8	-5.5	-5.7%	12.2%
Nifty Alpha 50	50,048	-0.8	-3.5	2.0	-0.2	-7.1	-6.2	8.2	-11.1	-17.1	-18.0%	17.3%
Nifty200 Alpha 30	30,956	-1.0	-2.9	1.1	-0.6	-4.7	-4.0	11.0	-6.0	-14.0	-15.0%	18.5%
NIFTY Alpha LowVol30	34,489	-0.8	-2.3	0.7	-0.2	-2.8	-2.7	5.4	-2.6	-15.2	-15.6%	11.8%
Nifty Value 20	17,535	-0.9	-2.3	1.0	-0.2	-2.3	-2.2	1.6	-4.4	-11.7	-11.7%	6.2%
Nifty200 Value 30	22,906	-0.5	-0.5	6.4	5.0	-0.4	0.8	8.0	7.5	-5.6	-7.1%	18.3%
Nifty500 Value 50	24,159	-0.6	-1.1	6.0	4.8	0.6	1.6	9.3	7.9	-4.6	-6.2%	18.8%
Nifty200 Momentum 30	37,906	-0.7	-2.0	2.3	0.6	-4.8	-4.8	8.1	-7.1	-19.3	-19.9%	13.8%
Nifty500 Momentum 50	62,189	-0.8	-1.9	2.6	0.6	-6.8	-6.7	9.3	-9.8	-19.3	-20.0%	14.7%
NIFTY100 Quality 30	7,202	-0.5	-2.5	1.0	0.3	0.1	0.3	8.9	3.0	-9.0	-9.4%	14.7%
NSE 200 Quality 30	29,466	-0.4	-2.4	1.4	0.6	-1.3	-0.7	8.8	0.7	-10.1	-10.5%	15.2%
NIFTY Midcap150 Quality 50	32,671	-0.6	-2.5	2.5	0.7	-3.2	-1.8	10.9	-0.1	-5.1	-6.4%	18.3%
Nifty Smlcap250 Qlty	37,721	-0.8	-3.9	1.1	-0.3	-5.7	-4.6	10.2	-8.6	-12.8	-15.6%	18.1%
Nifty Low Volatility 50	24,904	-0.8	-2.1	0.4	-0.3	-1.9	-1.8	6.1	5.4	-6.2	-6.4%	12.8%
NIFTY100 Low Vol 30	20,098	-0.5	-2.8	-0.7	-1.2	-0.3	-0.2	7.0	4.7	-7.0	-7.7%	13.5%
Nifty GrowthSectors15	15,132	-0.6	-2.7	1.7	0.0	3.1	3.3	10.2	1.4	-6.6	-7.1%	13.5%
Nifty Dvd Opp 50	9,271	-0.8	-2.1	2.3	0.8	-2.7	-2.1	3.0	-3.6	-12.5	-12.9%	8.8%

Annual Index Returns – India – Large, Mid, Small Caps



Annual Index Returns - India – Large, Mid, Small and Micro Caps

17-Jul-25	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Nifty 50	8.8%	20.0%	4.3%	24.1%	14.9%	12.0%	3.2%	28.6%	3.0%	-4.1%	31.4%
NIFTY 50 TR	10.1%	21.3%	5.7%	25.6%	16.1%	13.5%	4.6%	30.3%	4.4%	-3.0%	32.9%
SENSEX	8.2%	18.7%	4.4%	22.0%	15.8%	14.4%	5.9%	27.9%	1.9%	-5.0%	29.9%
Nifty Next 50 TR	28.4%	27.2%	1.0%	30.9%	15.9%	1.6%	-7.9%	47.7%	8.4%	8.1%	44.4%
Nifty 200 TR	14.7%	24.7%	4.9%	28.9%	16.8%	10.0%	0.3%	35.2%	5.1%	-0.8%	37.3%
Nifty 500 TR	16.2%	26.9%	4.2%	31.6%	17.9%	9.0%	-2.1%	37.7%	5.1%	0.2%	39.3%
NIFTY Midcap 100 TR	24.5%	47.6%	4.5%	47.5%	23.0%	-3.4%	-14.6%	49.3%	8.3%	7.6%	57.9%
Nifty Midcap 150 TR	24.5%	44.6%	3.9%	48.2%	25.6%	0.6%	-12.6%	55.7%	6.5%	9.7%	62.7%
NIFTY Smallcap 100 TR	24.9%	56.7%	-12.8%	60.7%	22.8%	-8.5%	-28.4%	60.2%	3.2%	8.2%	56.6%
Nifty Smallcap 250 TR	27.2%	49.1%	-2.6%	63.3%	26.5%	-7.3%	-26.1%	58.5%	1.4%	11.3%	71.7%
Microcap	29.8%	52.0%	7.1%	76.8%	31.4%	-29.8%	-28.1%	79.1%	11.2%	3.1%	51.1%

Note: Data is annual, as of Dec 31 2024

Crude Oil & Commodities

26-Sep-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	69.6	0.2	4.3	2.1	3.5	2.9	2.7	-5.7	-6.8	-2.9	-16%	-2.1%
West Texas Crude	65.2	0.3	4.0	1.9	3.1	0.1	-0.1	-6.4	-9.1	-3.7	-19%	-4.5%
CRB Raw Industrials Index	575.8	0.2	0.2	0.4	0.8	0.5	1.3	0.7	6.4	3.8	-1%	3.0%
BBG Cmdty ex-Prec Mtl	82.4	0.1	1.2	-0.2	1.0	-1.0	-1.2	-6.3	-1.8	-1.8	-10%	-5.5%
CRB Metals Index	1,110.5	0.4	1.6	2.1	3.4	1.1	3.2	-4.3	7.6	3.3	-5%	2.2%
LME Copper	10,228.0	-0.7	3.6	4.1	5.2	1.8	4.2	1.4	18.2	5.7	-1%	9.6%
LME Aluminum	2,656.4	0.4	-1.2	1.4	1.1	2.3	3.9	2.6	5.1	5.5	-3%	1.1%
LME Nickel	15,104.7	-0.9	0.1	-0.9	1.2	0.6	1.5	-5.2	-0.0	-8.8	-16%	-4.3%
LME Zinc	2,980.4	-0.6	1.3	5.5	5.9	8.7	10.9	0.8	0.9	0.6	-11%	7.2%
LME Lead	1,978.7	1.0	0.9	1.5	0.9	-1.9	-1.6	-4.4	2.8	-3.7	-11%	-0.6%
LME Tin	34,390.0	0.5	2.5	-2.3	1.6	1.6	3.6	-2.0	19.2	7.4	-11%	9.6%
SGX Iron Ore	104.9	-0.9	-1.5	1.4	2.5	12.3	13.5	7.6	7.8	7.6	-3%	8.6%
Commodities												
Bloomberg Commodity Index	104.6	0.1	1.5	1.7	3.3	2.5	2.0	-0.6	5.9	4.7	-3%	0.9%
CRB Commodities Index	546.2	0.2	-0.8	-1.6	-1.9	-3.9	-3.4	0.3	1.8	1.5	-5%	2.3%
Lumber	10,228.0	-0.7	3.6	4.1	5.2	1.8	4.2	1.4	18.2	5.7	-1%	9.6%
Palm Oil	4,350.0	-0.3	-0.3	1.0	-1.1	9.9	9.1	-5.2	-10.5	2.7	-19%	-5.4%
Wheat	525.3	-0.3	0.5	1.4	3.1	-0.7	0.8	-1.9	-4.8	-10.1	-15%	1.3%
Cocoa	6,925.0	-1.7	-4.3	-9.3	-13.0	-26.0	-23.7	-13.4	-40.7	-12.9	-46%	-15.8%
Commodities												
Bloomberg Grains Spot	211.97	0.6	-0.1	-1.6	-0.4	0.0	0.8	-2.9	-4.1	-2.7	-13%	-2.5%
Raw Sugar	15.76	0.8	2.5	-3.7	-3.9	1.8	-1.4	-19.2	-18.2	-32.7	-34%	-12.9%
Simex Iron Ore	105.45	-0.1	-0.2	3.6	3.7	11.6	11.6	3.0	1.8	13.1	-7%	3.5%

Gold & Precious Metals, Bitcoin, Dollar

26-Sep-25	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	% from 52 Wk Hi	52 Wk High
Gold U.S. & India												
Gold Spot \$/Oz	3,747	-0.1	1.7	8.7	10.4	13.4	12.6	24.1	42.8	40.2	-1.2%	3,791
Gold India	113,054	-0.1	3.1	10.9	13.0	18.2	16.8	29.3	48.9	50.7	-0.7%	113,884
Silver Spot \$/Oz	45	-1.1	3.7	12.5	15.8	23.8	21.9	32.9	54.6	39.6	-1.2%	45.2
Silver India	137,254	2.3	8.1	16.8	18.2	29.8	30.6	40.8	59.9	51.7	0.0%	137,254
Platinum Spot \$/Oz	1,545.5	1.1	9.7	12.7	14.0	13.7	8.7	58.2	70.3	52.7	-0.8%	1,557
Bitcoin	109,453.5	0.2	-5.2	0.3	-1.7	1.7	1.5	25.4	16.8	69.2	-12.1%	124,515
U.S. Dollar & INR												
USD INR	88.7	88.7	88.1	88.2	87.7	85.8	85.7	85.7	85.6	83.6	-0.1%	89
USD JPY Spot	149.6	149.8	148.0	147.1	147.4	144.0	144.4	150.6	157.2	144.8	-5.8%	159
Dollar Index	98.4	98.6	97.6	97.8	98.2	96.9	97.1	104.5	108.5	100.6	-10.7%	110

Currency

26-Sep-25	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	% from 52 Wk Hi	52 Wk High
Currency												
Dollar Spot	98.36	-0.2	0.7	0.6	0.1	1.5	1.2	-5.9	-9.3	-2.2	-10.7	110.2
Euro (1 Euro in USD)	1.17	0.1	-0.6	-0.1	0.3	-0.9	-0.2	8.6	12.8	4.5	-2.0	1.19
British Pound Spot	1.34	0.1	-0.9	-1.1	-0.9	-2.8	-2.7	3.6	6.7	-0.5	-3.2	1.38
Swiss Franc Spot	0.80	0.1	-0.5	0.2	0.5	-0.8	0.1	10.6	13.5	5.9	-13.1	0.92
Japanese Yen	149.6	0.1	-1.1	-1.7	-1.5	-3.7	-3.5	0.6	5.1	-3.2	-5.8	159
China Offshore Yuan Spot	7.1	0.1	-0.3	-0.3	0.2	0.2	0.3	1.9	2.8	-2.4	-3.9	7.43
Thai Baht Spot	32.2	-0.4	-1.2	0.4	0.7	0.8	0.7	5.4	5.7	1.0	-8.1	35.1
Taiwan Dollar Spot	30.5	-0.4	-1.1	0.2	0.0	-3.1	-4.6	8.4	7.3	4.3	-8.2	33.3
South Korean Won Spot	1,413.5	-0.3	-1.1	-1.7	-1.4	-4.2	-4.2	3.9	4.1	-6.8	-5.0	1,487
Singapore Dollar Spot	1.3	0.1	-0.6	-0.7	-0.6	-1.6	-1.5	3.7	5.6	-0.8	-6.0	1.38
Philippines Peso Spot	58.1	-0.0	-1.7	-1.7	-1.8	-3.1	-2.6	-0.7	-0.5	-3.7	-1.5	59.0
Malaysian Ringgit Spot	4.2	-0.2	-0.3	0.1	-0.0	-0.2	0.2	4.9	6.0	-1.8	-6.6	4.52
Indonesian Rupiah Spot	16,744.0	0.0	-0.9	-1.5	-2.7	-3.0	-3.2	-1.0	-3.8	-9.4	-1.3	16,957
Indian Rupee Spot	88.7	-0.0	-0.7	-0.6	-1.1	-3.3	-3.4	-3.4	-3.5	-5.7	-0.1	88.8
Hong Kong Dollar Spot	7.8	0.0	-0.1	0.2	0.2	0.9	0.9	-0.1	-0.2	-0.0	-0.9	7.85
Turkish Lira Spot	41.6	-0.2	-0.4	-1.0	-1.3	-4.2	-4.3	-8.6	-14.9	-17.8	-0.8	41.9

Interest Rates & Inflation - India & U.S.

29-Sep-25	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	% from 52 Wk Hi	52 Wk High
India G-Sec Yields												
10 Year India G-Sec	6.53	6.52	6.49	6.57	6.57	6.32	6.31	6.58	6.76	6.76	(36)	6.89
PSU Outst INR Loans %	8.73	n/a	n/a	8.73	8.76	8.76	9.02	9.17	9.18	9.20	(48)	9.21
SCB Outst INR Loans %	9.38	n/a	n/a	9.38	9.44	9.44	9.68	9.87	9.86	9.89	(50)	9.88
5 Year India G-Sec	6.20	6.19	6.17	6.29	6.29	6.10	6.11	6.45	6.72	6.68	(63)	6.83
3 Year India G-Sec	5.93	5.92	6.01	6.09	6.04	5.87	5.87	6.50	6.72	6.69	(87)	6.80
1 Year India G-Sec	5.61	5.57	5.56	5.59	5.59	5.52	5.53	6.46	6.68	6.55	(108)	6.69
3 Month India G-Sec	5.44	5.45	5.45	5.48	5.46	5.37	5.38	6.48	6.54	6.48	(125)	6.69
Call Money Wtd Avg Rate %	5.58	5.58	5.37	4.97	5.44	5.50	5.27	6.20	6.88	6.54	(130)	6.88
Repo Rate India	5.50	5.50	5.50	5.50	5.50	5.50	6.00	6.50	6.50	6.50	(100)	6.50
Spread 10-3Mo	1.09	1.07	1.04	1.09	1.11	0.95	0.93	0.10	0.22	0.28		0.20
India CPI												
India CPI Combined YoY	2.07			2.07	1.61	2.10	2.82	3.61	5.22	3.65	(414)	6.21
India WPI	0.52			0.52	(0.58)	(0.19)	0.13	2.45	2.57	1.25	(223)	2.75
India Core CPI	4.41			4.41	4.41	4.72	4.48	4.33	3.88	3.68	(31)	4.72
U.S. Yields & CPI												
U.S. 30 Year	4.73	4.75	4.76	4.93	4.93	4.77	4.84	4.63	4.78	4.10	(42)	5.15
Home Mortgage 30 Yr Fixed	6.34	6.33	6.37	6.62	6.64	6.80	6.86	6.77	7.28	6.72	(107)	7.41
U.S. 10 Year	4.16	4.18	4.15	4.23	4.23	4.23	4.28	4.25	4.57	3.75	(65)	4.81
U.S. 5 Year	3.75	3.77	3.70	3.70	3.70	3.80	3.83	3.98	4.38	3.51	(87)	4.62
U.S. 2 Year	3.63	3.64	3.60	3.62	3.62	3.72	3.75	3.91	4.24	3.56	(79)	4.42
U.S. 1 Year	3.66	3.66	3.60	3.84	3.84	3.97	3.98	4.04	4.15	3.93	(75)	4.41
U.S. 3 MO T-BILL	3.84	3.95	3.94	4.15	4.15	4.30	4.30	4.29	4.32	4.61	(82)	4.66
U.S. 1 Year	3.49	3.66	3.60	3.84	3.84	3.97	3.98	4.04	4.15	3.93	(92)	4.41
T Bill 90 Day	3.84	3.95	3.94	4.15	4.15	4.30	4.30	4.29	4.32	4.61	(82)	4.66
T Bill 30 Day	4.04	4.12	4.08	4.32	4.32	4.21	4.14	4.27	4.28	4.76	(82)	4.86
Federal Funds Target Rate - Up	4.25	4.25	4.25	4.50	4.50	4.50	4.50	4.50	4.50	5.00	(75)	5.00
Spread 10-5	0.41	0.41	0.45	0.53	0.53	0.43	0.45	0.27	0.19	0.25		
Spread 30-2	1.10	1.11	1.16	1.31	1.31	1.06	1.09	0.72	0.54	0.54		
Spread 10-2	0.53	0.53	0.54	0.61	0.61	0.51	0.53	0.34	0.33	0.19		

Interest Rates - Global

29-Sep-25	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	% from 52 Wk Hi	52 Wk High
Europe Asia Yields												
Japan Govt 40 Year	3.38	3.39	3.41	3.42	3.42	3.10	3.10	2.79	2.64	2.40	(32)	3.70
Japan Govt 30 Year	3.15	3.17	3.19	3.19	3.19	2.92	2.91	2.54	2.30	2.08	(16)	3.31
Japan Govt 10 Year	1.64	1.65	1.65	1.60	1.60	1.43	1.44	1.54	1.10	0.85	(3)	1.67
China Govt Bond 10 Year	1.89	1.89	1.79	1.79	1.79	1.65	1.65	1.82	1.68	2.18	(36)	2.25
Euro Govt Bond 10 Year	2.75	2.77	2.75	2.72	2.72	2.61	2.57	2.80	2.37	2.18	(19)	2.94
Germany Govt Bnd 30 Yr	3.33	3.34	3.34	3.34	3.32	3.10	3.07	3.14	2.60	2.50	(11)	3.43
Germany Govt Bnd 10 Yr	2.75	2.77	2.75	2.72	2.72	2.61	2.57	2.80	2.37	2.18	(19)	2.94
Uk Gilts 30 Year	5.56	5.57	5.56	5.60	5.61	5.28	5.25	5.31	5.13	4.60	(19)	5.75
Uk Gilts 10 Yr	4.75	4.76	4.72	4.72	4.74	4.49	4.47	4.73	4.57	4.01	(18)	4.92
Italy Govt 10Y Yield	3.58	3.61	3.53	3.59	3.56	3.48	3.45	3.90	3.52	3.48	(47)	4.05
Italy Govt 30 Year	4.52	4.53	4.50	4.59	4.55	4.34	4.34	4.62	4.21	4.15	(23)	4.75
Swiss Govt Bonds 2 Year	(0.11)	(0.10)	(0.11)	(0.10)	(0.09)	(0.05)	(0.08)	0.24	0.05	0.45	(66)	0.55

Ambit Global Private Client - Asset Allocation & Investment Committee

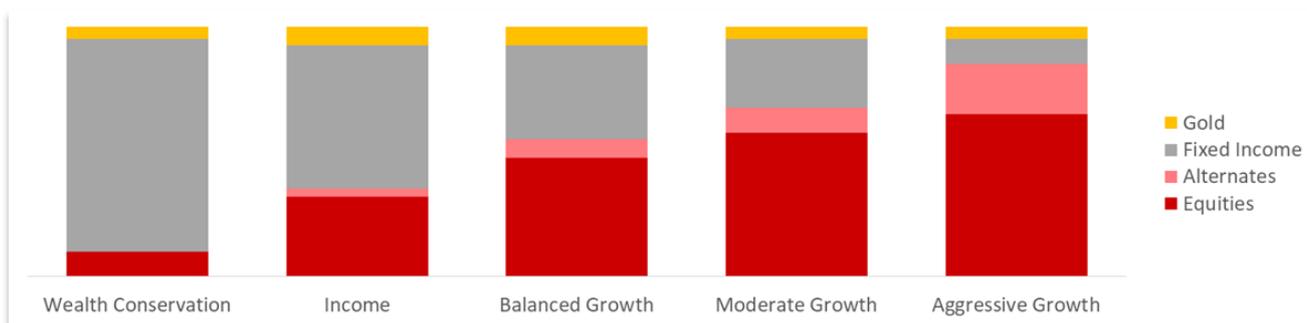
The Ambit GPC Asset Allocation & Investment Committee (AAIC) is a group comprised of the CEO, Head of Products and Alternates, Chief Investment Strategist and Head of Fixed Income (listed below). The team has over 100 years of collective investment experience in markets. The AAIC meets monthly and as 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 →				
Equities								◆				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
Fixed Income					◆							Under-Weight
Duration					◆							Under-Weight
Credit Risk								◆				Selectively Positive
Corporate Bond								◆				Selectively Positive
InvITs										◆		Over-Weight
REITs									◆			Over-Weight
Alternates						◆						Strategic Weight
Private Unlisted						◆						Strategic Weight
Precious Metals								◆				Strategic Weight
Gold								◆				Slight Over-Weight
Silver									◆			Tactical O/W

Wealth Profiles - Summary

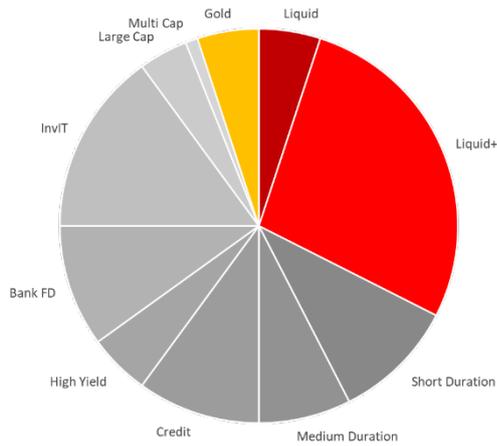
Strategic Asset Class Weights by Profile



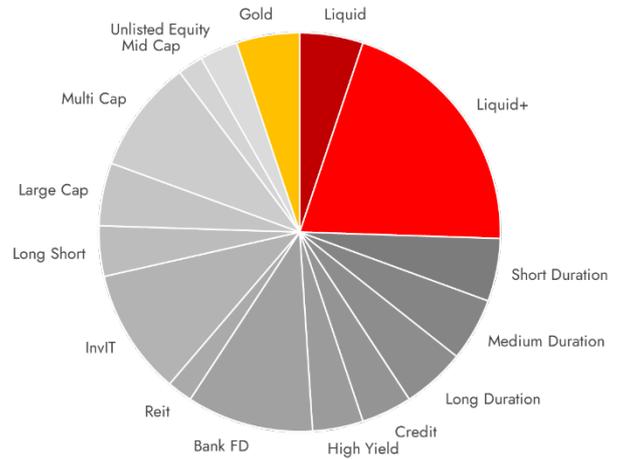
Ambit GPC Wealth Profiles - Strategic Weights

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.

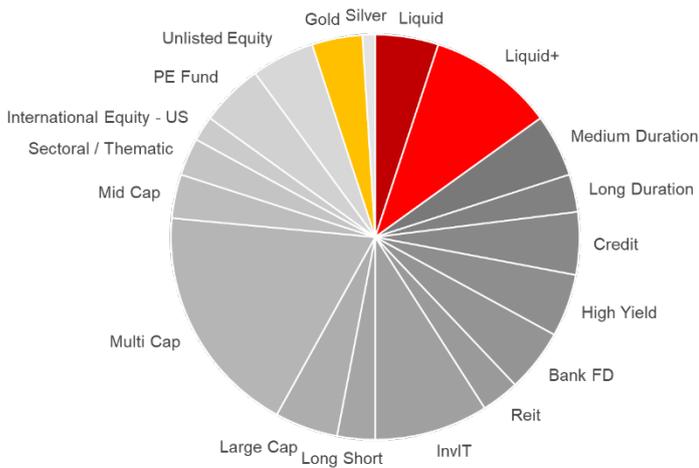
Wealth Conservation



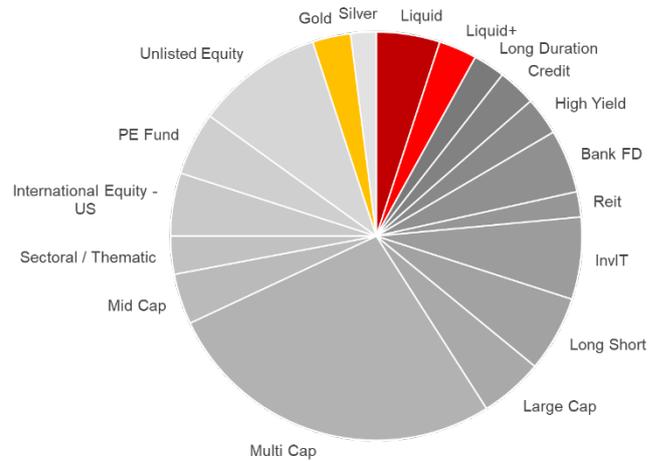
Income



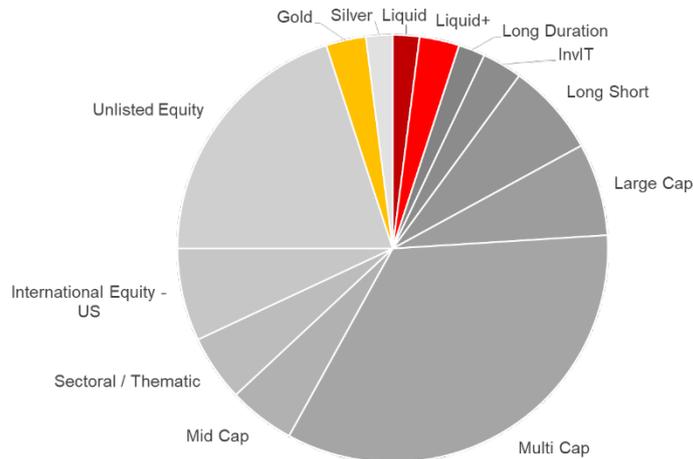
Balanced Growth



Moderate Growth



Aggressive Growth



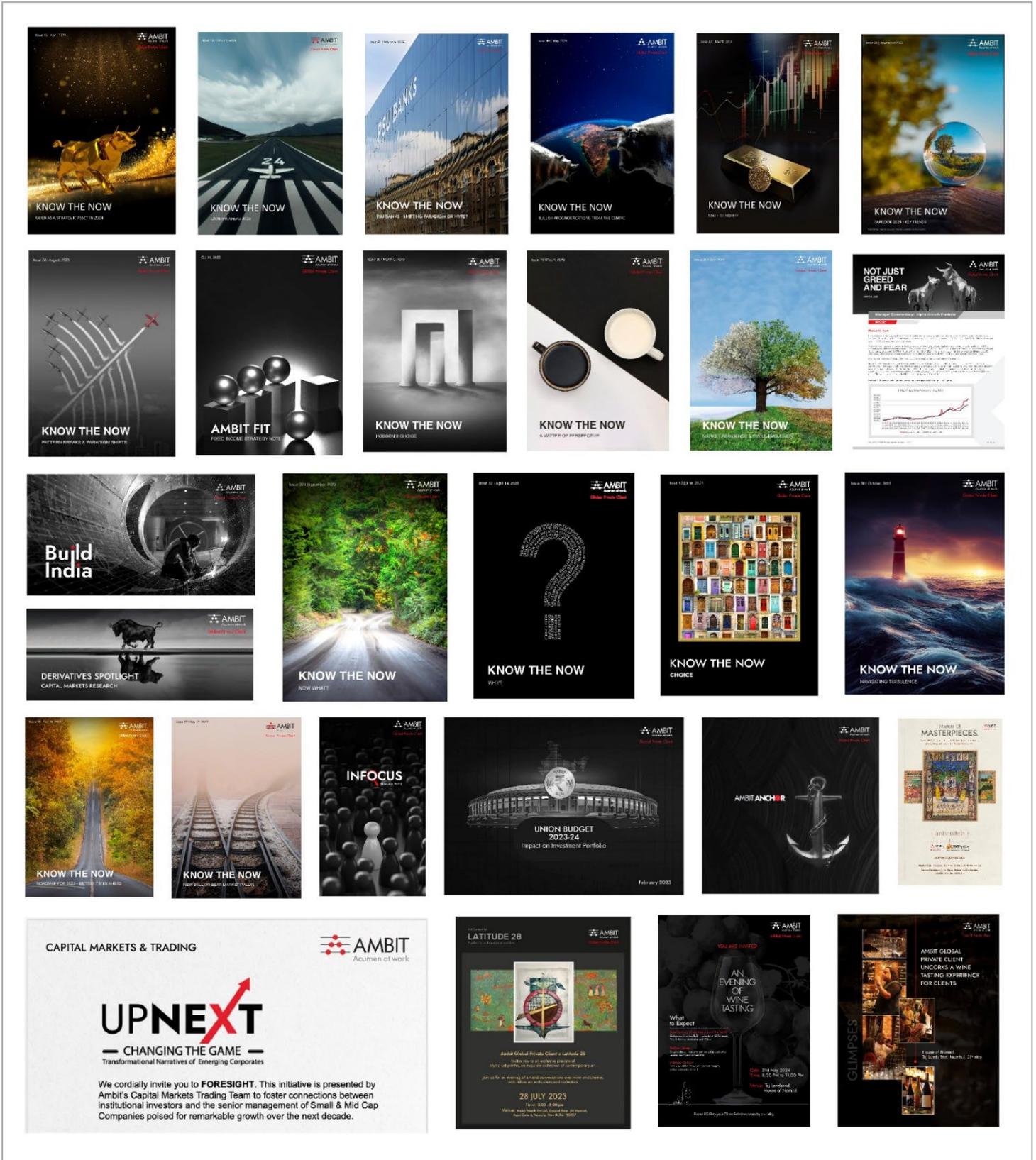
Tactical Asset Class Rationale

Equities	Over Weight	Rationale
India Equities	Over Weight	We reduced our equity exposure to close to neutral in October 2024, and raised our equity exposure to over-weight in early March 2025. We will look for additional color on earnings to determine if a further increase in weights is warranted. Mid-caps have impressed on earnings. We continue to hold a preference for small and mid-caps for moderate to aggressive investors, based on superior earnings growth, and attractive bottom up opportunities in emerging industries.
U.S. Equities	Selectively Positive	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.
Europe	Selectively Positive	Growth in India, emerging markets is likely to outpace European growth over the longer term. We are selectively positive on European defence and infra.
Emerging Markets	Selectively Positive	Emerging markets such as Taiwan are attractive long term growth stories. Taiwan is well poised to ride the AI, robotics and automation technology waves.
Hedge Funds	Under Weight	Hedged portfolios provide an attractive complement to equity portfolios, providing a diversifying non-correlated asset class that enhances risk adjusted return. We are under-weight given lack of attractive opportunities in the category.
Long Short	Over Weight	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.
Fixed Income	Slight U/W	Rationale
Duration	Gradually Reduce Exposure	Duration portfolios 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, predicting interest rate movements is a difficult task with many variables at play. With the economy showing signs of recovery, the likelihood of continued rate moves lower appear less likely.
Accrual	Selectively Positive	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.
Credit Risk	Selectively Positive	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.
REITs	Selectively Over Weight	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.

InvITs	Over Weight	Infrastructure Investment trusts offer an attractive opportunity to invest in diversified portfolio of assets generating an attractive yield through regular income distribution
Alternate	Strategic Weight	Rationale
Private Unlisted	Selectively Positive	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.
Precious Metals	Over Weight	Rationale
Gold	Over-Weight	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.
Silver	Tactical	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



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