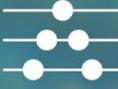


Issue 60 | August, 2025

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Chief Investment Strategist

RHETORIC VS REALITY IN GLOBAL MARKETS

The Reality

We'll skip the rhetoric part – U.S. tariffs, U.S. India ties, global impacts of tariffs – we've heard them for months.

Here's the reality. Pharma and IT services are India's largest exports to the U.S., and Pharma is thus far exempted out of the tariffs. Ditto services. Phones are another large component, also exempted. Even if Pharma is tariffed, it's likely to pass the costs through. Our point, which we analyze in more detail, is the **tariff hit to India isn't as significant as it appears.**

Meanwhile... India China Relations Warming..

India China relations are warming up. China has lifted rare earth restrictions. Border disputes are being resolved. **India's exports to China are up +26%** y-o-y. U.S. exports to China are down a substantial **-18.6%** y-o-y. China stated this week it welcomes all Indian goods and ready for new chapter.

India Russia

Ditto Russia. India Russia are working on deepening trade ties, discussing a free trade agreement, joint energy exploration efforts, as well as deepening the defence relationship.

India Japan

P.M. Modi will visit Japan on Aug 29th. Japan plans to double investments in India to **10 trillion yen**. The India Japan relationship is a trusted, proven relationship that looks set to deepen further.

India Africa

Likewise, **India Africa** ties are deepening, whether it be via adoption of UPI in Namibia, national ID system in Togo, establishing an IIT in Zanzibar, agriculture and automobile industries etc.

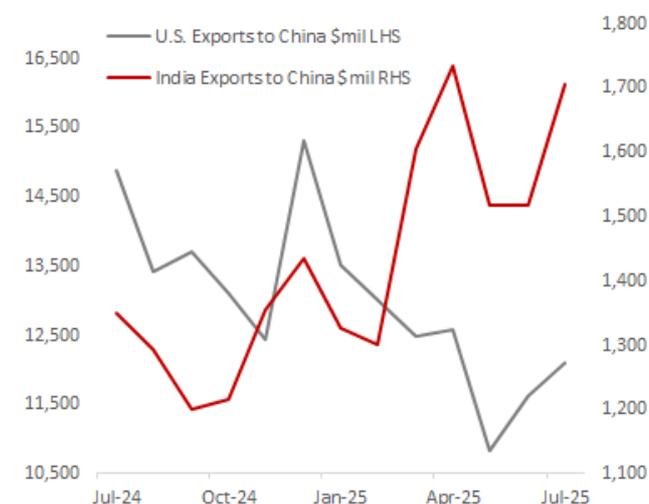
India Brazil

Meanwhile, **India Brazil** look set to deepen ties across oil, exploration, deep sea drilling, and deepening ties across trade, defence, technology, health and more.

Domestically, India continues to make headway in new industries such as AI and semiconductors.

India's Exports to China Are Up 26% YoY...

...While U.S. Exports to China are Down 18% YoY



Source: Bloomberg, NSE, public data unless noted otherwise.

The Reality is India will Emerge Stronger

The tariff saga will **ultimately create a stronger, more broadly diversified India**. The importance of mending ties with neighbors cannot be overstated. China is the most important.

In addition to trade, there will be a move away from over-dependence on the **U.S. and the U.S. dollar**. De-risking from a currency that is increasingly perceived as vulnerable is sound policy.

De-Risking

Over the past 18 years, we have witnessed a regular stream of crises emanating out of developed markets. The GFC in 2008, the PIGS crisis in 2011, Fed hikes in 2018, inflation regional bank crisis in March 2023 etc. We wonder what rating would be assigned to India if it had the indebtedness and fundamentals of some developed markets.

The tariff trauma of 2025 will ultimately lead to an India with better regional relationships, diversified trading partnerships, and reduced exposure to currency and debt related volatility.

GLOBAL – UNPACKING TARIFF & CRUDE DYNAMICS

The Russian Crude Controversy

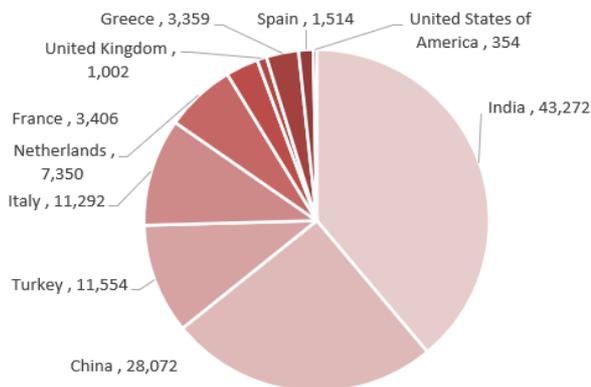
Russia exports roughly two-thirds of its oil to India and China. We also note that slightly more than a quarter of Russia’s oil is shipped to European countries, and a small portion to the U.S., a fact that is conveniently ignored.

Over the trailing twelve months, India has received roughly 37% of Russia’s oil exports. China’s close behind at roughly 28% and Europe a surprisingly high 23%. Clearly India is not the only country that is importing oil from Russia. In July 2025, the numbers were largely similar. India’s share amongst large importers was 35.1%, China at 27.9% and Europe at 22.6%. Russia has largely continued shipping oil globally.

India’s Oil Supply Partners

As the pie chart indicates, India’s largest oil trading partners are Russia, Iraq, Saudi Arabia and the U.A.E. The share from each partner has been steady without major fluctuations. Contracts are in place and it’s difficult to switch from one grade of oil to another. Russia remains India’s largest supplier.

Europe Imports a Healthy Share of Russian Crude



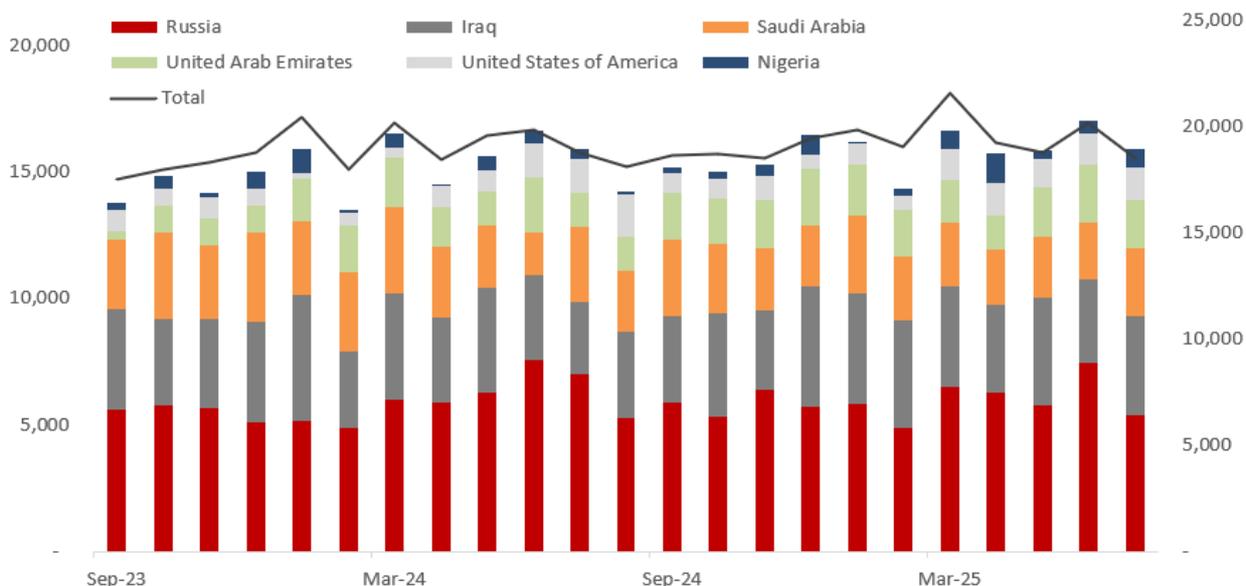
Data as of July 2025. Millions of metric tons. Source: Rystad

China’s Oil Imports Are Similar to India’s

The data is similar for China. China’s key suppliers are Saudi Arabia, Russia, Iraq and Brazil. China’s import shares have remained largely stable as well over the past few quarters.

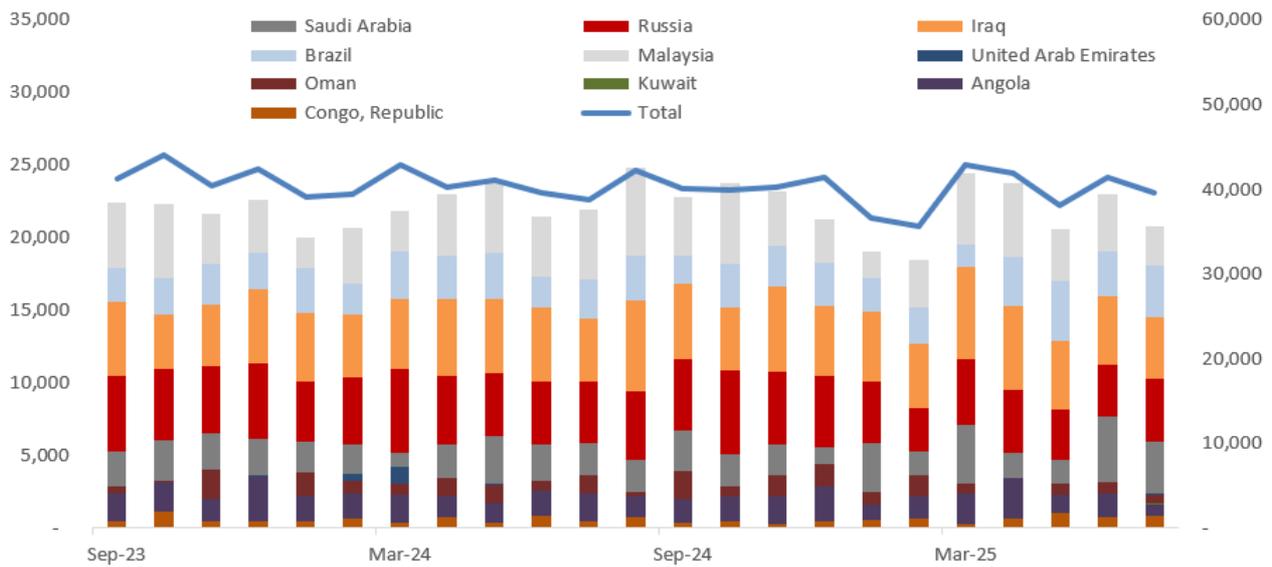
The decision to impose tariffs solely on India is not supported by the data. Rather, the decision is strategic and geo-political.

India’s Oil Imports Have Remained Largely Consistent and Diversified...



Source: Rystad. Data in million metric tons.

China's Imports Are Similarly Steady and Diversified Across Saudi, Russia, Iraq and Brazil



Tectonic Shifts in Geopolitical Alliances

Tectonic shifts are underway. Post U.S. elections, India demonstrated an eagerness to deepen ties with the U.S. There were expectations based on political appointments as well as rhetoric on U.S. China relations that India would over the medium term emerge a beneficiary.

Regardless of the reasons for the shift, market watchers are all in a state of shock – and worry – about what it means for the prospects for India markets.

India U.S. Business

As we write this, OpenAI's Sam Altman is identifying India as its second-largest, rapidly growing market. Altman highlights rising demand for AI software to boost productivity. GPT-5 brings multi-lingual capabilities across Indian languages.

Blackstone-backed Knowledge Realty REIT just set a new record for India's REIT market by raising INR 4,800 crores in an initial public offering this week. **Goldman** recently announced an expansion of its operations in India.

After the noise dies down, companies will find ways to get their products to customers that have a need for them. **Rarely do political barriers succeed against individual capitalistic enterprise.**

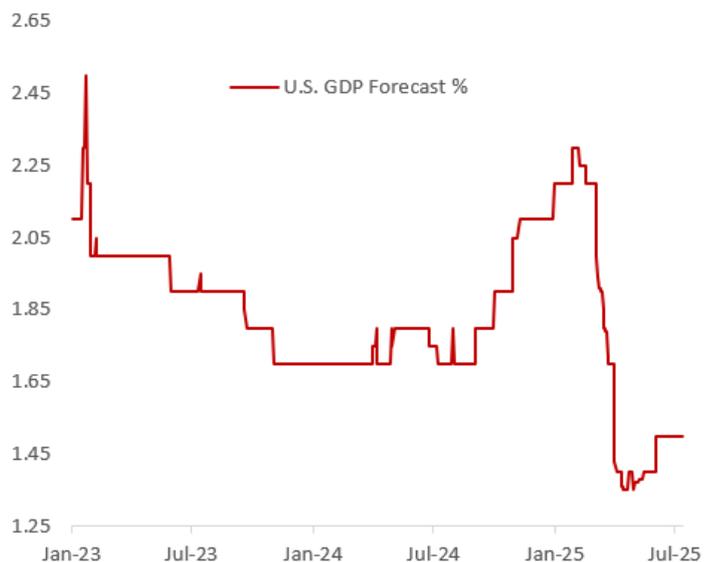
Companies Will Find Ways Around Tariffs

Companies will find ways around the tariffs, ship from other countries with lower tariff rates, or acquire companies in the U.S. and look to shift production onshore. Ultimately, goods will find their way through pathways that allow corporates to minimize tariffs.

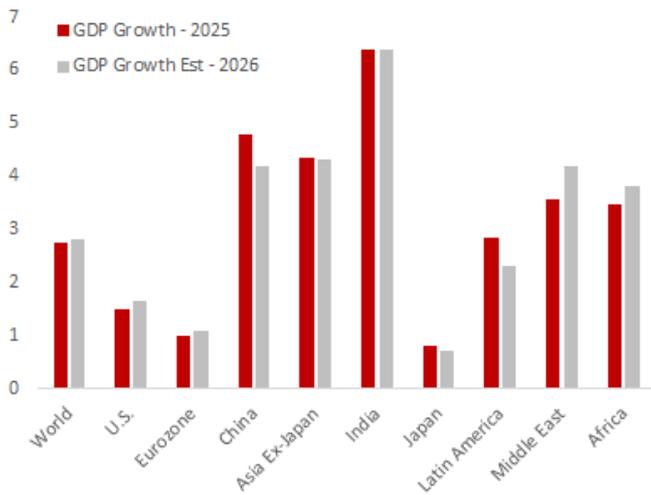
Tariff Burdens on a Weakening U.S. Economy?

Employment data and consumer data are clearly highlighting rising stress in the U.S. economy. At some point **the dichotomy between U.S. markets and the economy will need to resolve.**

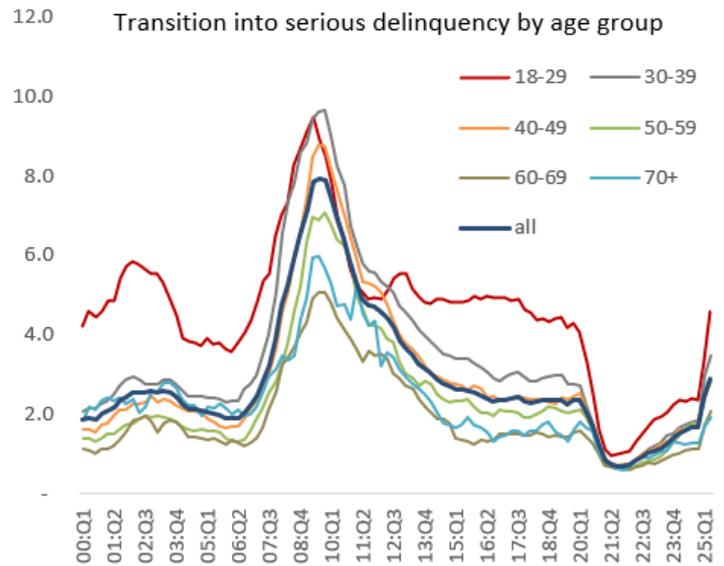
U.S. Economy Continues to Weaken Since Liberation Day



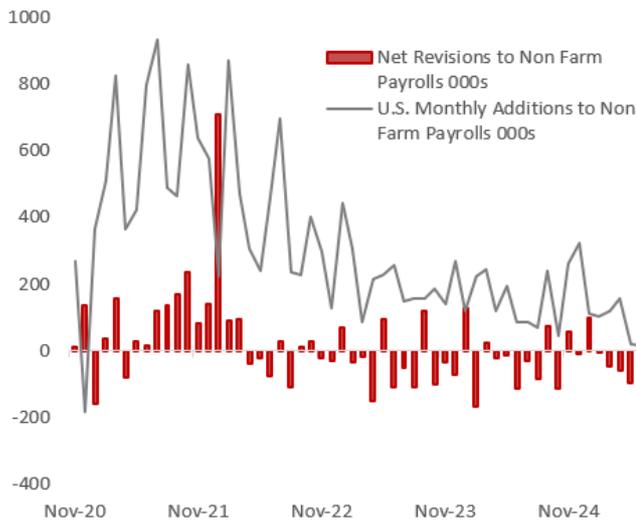
U.S. GDP Growth Anemic Relative to ROW



U.S. Consumer Delinquencies



**U.S. Employment Growth Was Slowing...
...and Has Stalled Since Liberation Day**



Buying Conditions for U.S. Vehicles Worsening



Real Wage Growth is Around Zero...

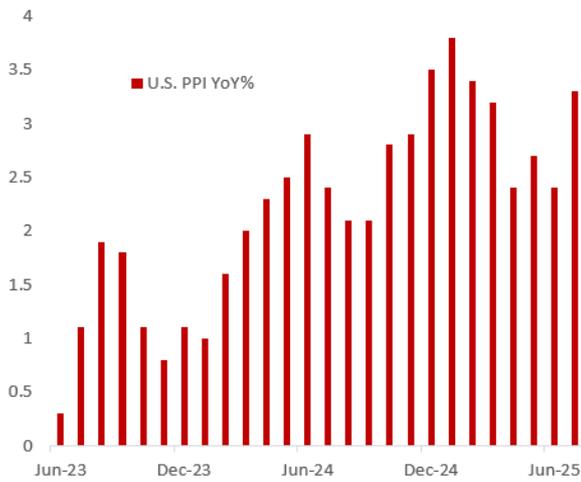
As Reported By U.S. Hiring Platforms



Jobs Getting Harder is a Precursor to Recessions



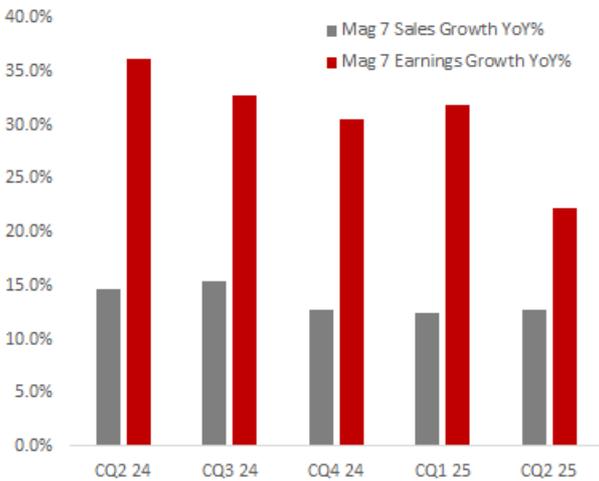
PPI Data Shows Worrisome Rise



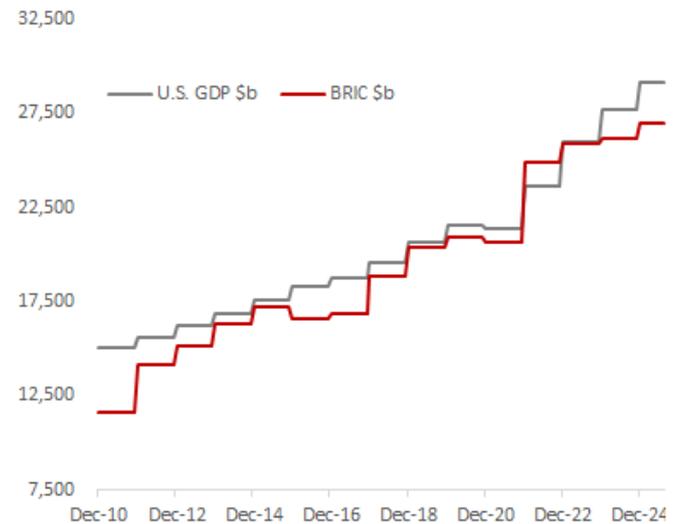
Targeting BRICS

U.S. policy in recent weeks has targeted BRICS nations, and has appeared to have galvanized BRICS nations. India and Russia are openly committed to their partnership. **Brazil** is actively in discussions with India and a host of other nations. **China India ties appear to be thawing**. Many countries in Asia, the Middle East, North America, Africa and Latin America will be monitoring events closely.

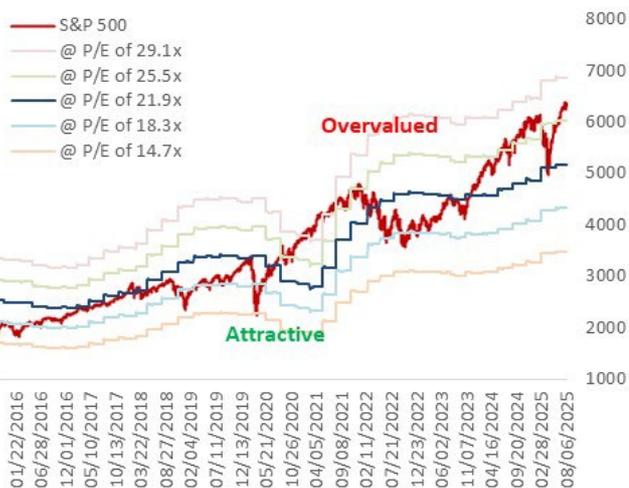
Meanwhile, Mag 7 Sales & Earnings Growth Momentum Has Also Slowed



BRIC GDP is Similar in Size to U.S. GDP



And Valuations on the S&P 500 Are Getting Extended



U.S. Outlook

The U.S. equity outlook rests largely on the continued performance of dominant tech companies. **AI optimism is back**, and hyper scalers **capital spending** plans remain in place. But there are also questions, an **MIT study** has found **95% of gen AI projects are failing**.

The Mag 7 aren't the U.S. economy. Much of their sales and profits emanate internationally. We've been bullish on U.S. tech for some time now. However, recent moves in the market have taken **valuations to a nosebleed 36.9 times for Mag 7** companies, and **33.3 times for the Nasdaq**. At these levels, alongside the decelerating trend in earnings momentum, we are a **bit more watchful and a bit less bullish**.

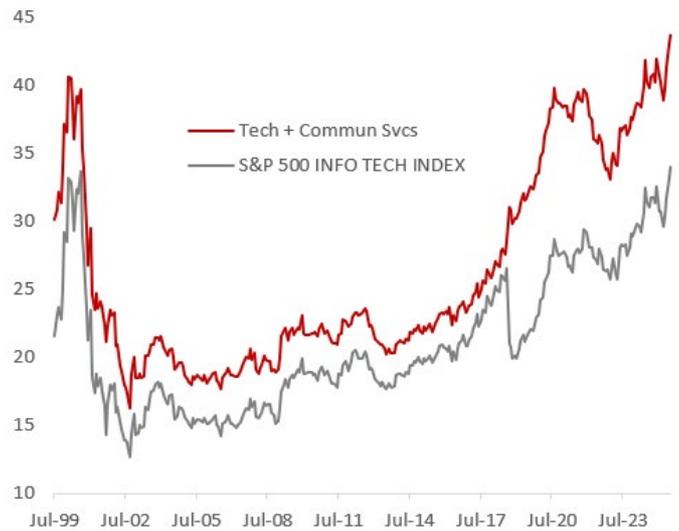
Kicking the Can on Debt Issuance

On the debt front, the recent \$100 billion in rollover via T-Bills highlights the challenges that lie ahead for the U.S. Treasury. The government has been largely forced to rollover via short maturity T-bills as rates are too high to consider longer maturities. In the near future lurks President Trump's tax cut bill which could add about \$3.4 trillion to US deficits over the next decade. We expect the central bank to follow the Japanese playbook and implement some version of yield curve control in the future.

S&P Increasingly Expensive



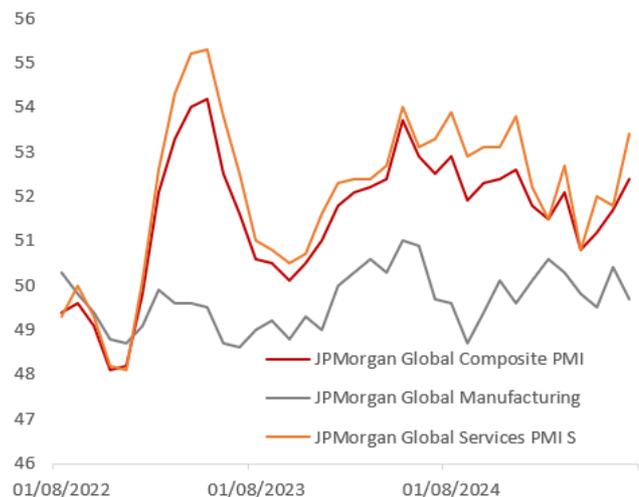
Tech Weight in S&P Now Approaching 45%



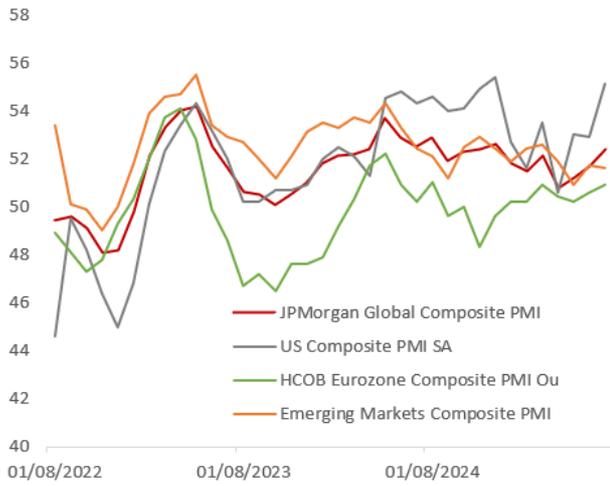
U.S. % of World Market Cap is Above 45%...



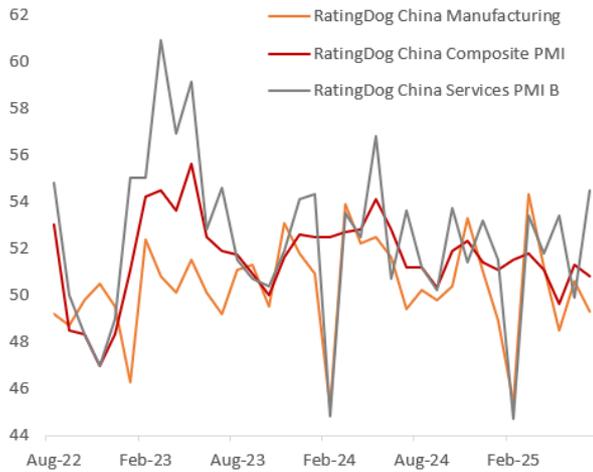
Meanwhile, the Global Economy Appears to Be on a Recovery Trajectory



With Improvements Evident Across Regions



China Services PMI Rose Last Month



(Continued on next page) ...

INDIA EARNINGS – DELVING BENEATH THE MARKET NARRATIVE

India's Exposure to U.S. Exports is Manageable

According to our analysis, only 17.9% of India's companies by market cap have international sales exposure. International should not to be confused with U.S. exposure, that's much lower. We estimate **U.S. exposure to be 3.9%** of total sales. Yet again, that is not the direct impact. Some of this is exempted. Services (IT) are not on the tariff list. Most companies will find work-arounds to mitigate tariffs. The actual impact to revenue will be much lower.

Our analysis of export sales for 3000 listed companies further identifies **four industries** – highlighted below – auto components, ferrous metals, IT software and pharma & biotech as having meaningful *global* export exposures. Pharma isn't on the tariff list. IT isn't on the list.

Net net, the international exposure of India's listed equities seems manageable. The CEO of Bajaj Auto, which has significant international sales, at approximately a third of total, noted this week their exposure to U.S. is minimal and growth targets regions such as Africa, Latin America, Asia and Middle East.

India's Industries with Export Sales Exposure

Industry (Sales in INR Cr)	Market Capitalization	Market Cap % of Total	Export Sales	Export Sales %	Trailing 12 Mo Sales
Agricultural Food & other Products	420,088	0.6%	15,341	5.7%	267,546
Agricultural, Commercial & Construction Vehicles	156,186	0.2%	5,488	7.5%	73,097
Auto Components	1,071,279	1.5%	137,020	26.4%	519,933
Chemicals & Petrochemicals	1,003,790	1.4%	25,499	9.0%	283,775
Cigarettes & Tobacco Products	98,241	0.1%	1,864	23.7%	7,874
Commercial Services & Supplies	192,144	0.3%	56,264	27.8%	202,665
Diversified FMCG	1,114,478	1.5%	15,654	10.5%	148,755
Ferrous Metals	745,055	1.0%	94,927	15.2%	625,844
Household Products	35,518	0.0%	1,339	14.1%	9,509
Industrial Manufacturing	471,449	0.7%	5,756	6.0%	95,481
Industrial Products	1,158,769	1.6%	26,247	5.8%	456,396
IT - Services	252,040	0.4%	3,917	5.7%	69,074
IT - Software	3,176,130	4.4%	297,083	35.2%	844,030
Non - Ferrous Metals	391,540	0.5%	166,337	56.1%	296,658
Pharmaceuticals & Biotechnology	2,287,073	3.2%	135,720	30.6%	443,014
Textiles & Apparels	269,087	0.4%	28,227	15.1%	186,739
Total	72,009,793	17.8%	2,299,631	7.4%	31,140,578

Note: These industries have high absolute exports or high percentage exports. Export numbers are global, not U.S.

Nifty 50 Earnings – Not so Weak, Actually

We adjusted Nifty 50 earnings for Tata Motors, which reported dismal numbers. Tata Motors business is almost exclusively overseas, and not representative of what's happening with the Indian economy. Rather, it's more of a statement on what's happening with China, U.S. European demand. We also adjusted for IndusInd Bank, which in our view, is not representative of the larger banking sector – particularly large cap private banking - in India.

Excluding these two companies changes the earnings picture. Nifty 50 sales are up +6.8% y-o-y, and 8.5% ex-energy. That's an improvement from the prior quarter, which one can make the case that Q1 CY 2025 was the trough quarter. **Nifty adjusted earnings are up +14.1% y-o-y**, a respectable performance, led by Materials, Communication Services and Consumer Discretionary.

Nifty 50 Earnings are Up a Respectable 14.1% Once Adjusted for Two Companies...

...For the Full Year, Earnings are Up 12.3%

Nifty 50	Sales Qtr YoY %	Net Profits Qtr YoY%	Sales LTM YoY %	Net Profits LTM YoY%	Sales QoQ %	Net Profits QoQ%	Bottom Up P/E	Cap Wt %	Profit Contrib %	Net Margin
Communication Services	28.5%	43.0%	21.8%	252.9%	3.3%	-46.0%	31.7	5.8%	2.8%	12.0%
Consumer Discretionary	6.1%	16.4%	7.1%	-11.2%	-3.7%	14.0%	40.3	12.0%	6.8%	6.0%
Consumer Staples	12.3%	2.8%	12.4%	46.5%	7.9%	-61.6%	28.2	7.3%	4.2%	18.9%
Energy	1.1%	26.3%	3.3%	0.0%	-5.9%	25.3%	15.9	12.3%	21.4%	10.4%
Financials	11.2%	9.1%	8.4%	9.9%	3.3%	-2.9%	19.0	28.8%	34.3%	12.4%
Health Care	10.1%	-5.0%	11.4%	8.1%	4.8%	1.3%	32.0	3.8%	2.6%	15.4%
Industrials	8.1%	6.0%	9.6%	27.1%	-16.6%	-40.4%	34.2	6.9%	4.1%	8.7%
Information Technology	4.0%	6.1%	5.0%	7.7%	0.0%	-1.0%	22.4	12.9%	13.2%	16.3%
Materials	6.5%	51.0%	3.8%	32.6%	-4.3%	2.0%	34.0	7.2%	6.1%	5.7%
Utilities	-2.1%	4.8%	1.3%	6.1%	-6.2%	-18.0%	15.2	3.1%	4.5%	16.5%
Total	6.8%	14.1%	6.4%	12.3%	-2.3%	-8.0%	22.9	100.0%	100.0%	10.8%
Total Ex Energy	8.5%	11.2%	7.4%	15.4%	-1.1%	-14.3%	24.5	87.7%	78.6%	11.0%

Adjusted for Tata Motors and IndusInd Bank

And Nifty Midcap Continue to Deliver Strong Earnings Growth... +17.3% YoY

...As Well as Strong Top Line in Consumer, Health Care and IT

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	6.9%	15.0%	9.9%	-32.7%	2.4%	-10.4%	(22.7)	4.0%	-6.0%	-13.0%
Consumer Discretionary	16.6%	-4.1%	19.2%	1.5%	7.6%	-10.5%	58.5	12.3%	6.2%	5.0%
Consumer Staples	19.3%	-8.7%	18.3%	21.4%	-2.8%	5.5%	43.5	3.7%	2.6%	4.6%
Energy	-7.1%	77.4%	-3.9%	-13.5%	-2.4%	6.0%	10.5	2.7%	10.6%	4.3%
Financials	7.7%	21.4%	11.6%	20.4%	-4.3%	4.8%	17.9	22.1%	41.0%	13.4%
Health Care	14.4%	4.4%	11.4%	11.0%	4.5%	17.8%	48.1	10.0%	7.1%	14.3%
Industrials	7.7%	9.0%	12.1%	26.6%	-17.5%	-23.7%	48.3	18.8%	10.7%	9.4%
Information Technology	18.2%	9.3%	18.5%	11.4%	3.3%	-5.0%	42.2	5.0%	3.8%	13.6%
Materials	8.5%	21.8%	6.9%	21.0%	-7.1%	-9.7%	30.3	16.0%	17.4%	9.7%
Real Estate	-4.6%	-5.3%	5.9%	-12.3%	-19.5%	47.4%	45.4	3.0%	2.6%	34.9%
Utilities	-3.4%	-5.7%	4.5%	7.6%	10.5%	18.5%	21.2	2.5%	4.1%	12.1%
Total	5.7%	17.3%	8.1%	18.6%	-3.7%	-0.2%	32.9	100.0%	100.0%	8.4%

Nifty Midcap 150	Reported	Sales Growth				Earnings Growth			
		Positive	Inline	Negative	%	Positive	Inline	Negative	%
Materials	22 / 22	19	0	3	9.7%	13	0	9	22.5%
Industrials	27 / 28	23	0	4	8.8%	20	0	7	8.3%
Consumer Staples	6 / 6	5	0	1	5.4%	6	0	0	-14.0%
Energy	10 / 10	7	2	1	0.2%	4	0	3	70.2%
Technology	8 / 8	8	0	0	44.0%	5	0	3	24.7%
Consumer Discretionary	17 / 17	15	0	2	7.6%	11	0	4	-12.8%
Communications	4 / 4	3	0	1	6.1%	2	0	1	4.6%
Financials	28 / 29	25	1	2	0.8%	21	0	7	16.5%
Health Care	15 / 15	14	0	1	12.9%	12	0	3	5.5%
Utilities	7 / 7	7	0	0	0.8%	3	0	4	-3.1%
Real Estate	4 / 4	2	0	2	-4.6%	2	0	2	-1.0%
Nifty Midcap 150	148 / 150	128	3	17	5.7%	99	0	43	17.8%

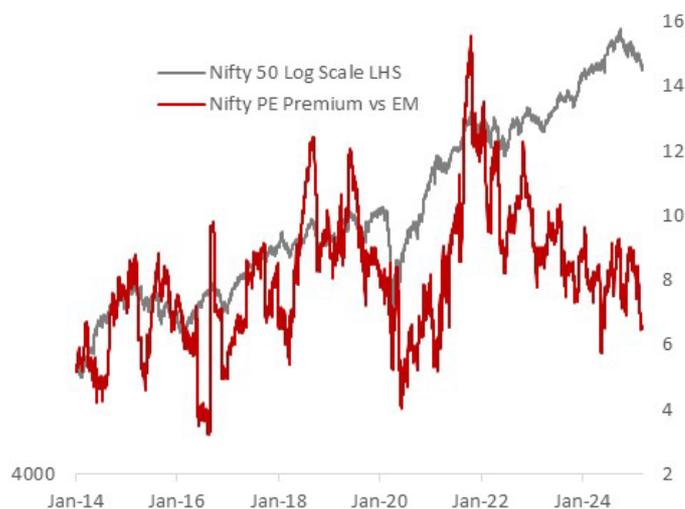
Sequentially, Midcaps Continue to Show Resilience and Margin Expansion

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	3 Qtr Prior	
Communication Services	2.4%	1.4%	1.3%	1.7%	-10.4%	140.6%	-57.5%	25.6%		
Consumer Discretionary	7.6%	-3.5%	2.9%	9.2%	-10.5%	2.5%	-2.1%	6.7%		
Consumer Staples	-2.8%	2.0%	16.0%	3.6%	5.5%	-17.3%	2.1%	2.4%		
Energy	-2.4%	1.5%	5.3%	-10.9%	6.0%	22.4%	118.9%	-37.5%		
Financials	-4.3%	6.8%	-0.3%	5.7%	4.8%	4.0%	-1.2%	12.8%		
Health Care	4.5%	1.4%	1.2%	6.6%	17.8%	-4.6%	-4.5%	-2.7%		
Industrials	-17.5%	17.4%	6.6%	4.4%	-23.7%	-4.8%	52.5%	-1.7%		
Information Technology	3.3%	2.6%	3.6%	7.7%	-5.0%	12.7%	-0.4%	2.5%		
Materials	-7.1%	10.6%	3.0%	2.6%	-9.7%	15.1%	27.2%	-7.9%		
Real Estate	-19.5%	16.1%	-11.1%	14.8%	47.4%	-3.5%	-13.9%	-22.7%		
Utilities	10.5%	-2.3%	-2.0%	-8.7%	18.5%	17.2%	-29.1%	-4.1%		
Total	-3.7%	5.3%	3.1%	1.0%	-0.2%	1.5%	17.2%	-1.1%		

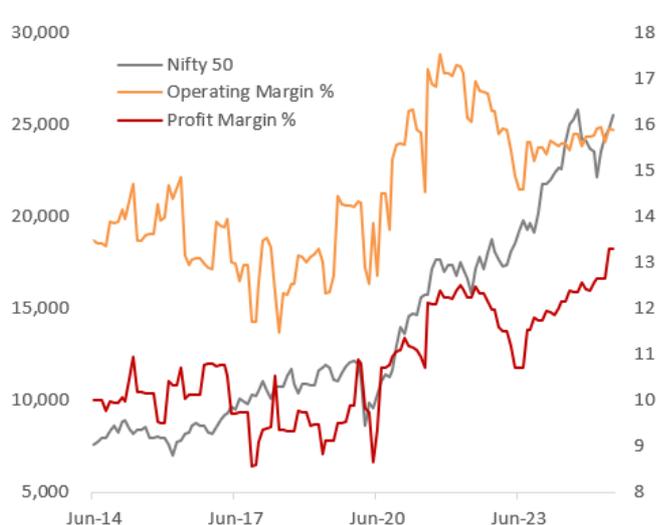
Smallcaps Have Also Delivered Respectable Profit Growth, +14.6% ex-Energy

Nifty Small Cap 250	Sales Qtr YoY %	Net Profits Qtr YoY%	Sales LTM YoY %	Net Profits LTM YoY%	Sales QoQ %	Net Profits QoQ%	P/E	Cap Wt %	Profit Contrib %	Net Margin
Communication Services	-29.4%	-260.2%	-14.2%	-23906.1%	-4.1%	605.3%	n/m	2.8%	0.7%	3.5%
Consumer Discretionary	5.6%	-26.0%	6.4%	-16.0%	1.8%	26.0%	47.8	10.1%	7.0%	5.8%
Consumer Staples	-5.7%	7.8%	-7.8%	0.6%	5.3%	-31.9%	37.3	5.0%	3.2%	5.2%
Energy	-16.9%	-32.9%	-2.7%	-26.2%	-3.7%	11.8%	10.8	0.7%	1.9%	34.6%
Financials	10.9%	8.2%	12.5%	3.6%	3.0%	30.8%	22.9	19.8%	30.0%	16.3%
Health Care	11.3%	15.5%	16.6%	76.9%	-2.6%	-9.1%	48.1	14.5%	8.5%	11.5%
Industrials	4.3%	3.3%	9.0%	5.2%	-14.1%	-6.7%	32.9	19.8%	17.3%	8.2%
Information Technology	11.4%	-12.3%	17.5%	12.8%	-7.0%	-36.6%	36.6	6.1%	3.4%	2.9%
Materials	11.8%	78.9%	4.4%	18.2%	5.1%	16.6%	25.0	17.3%	23.2%	9.9%
Real Estate	56.2%	107.0%	39.8%	-5.4%	1.1%	-29.6%	62.3	2.3%	1.1%	8.7%
Utilities	0.0%	-15.8%	0.6%	-10.2%	14.8%	30.3%	14.8	1.7%	3.7%	9.9%
Total	6.9%	13.1%	7.9%	7.5%	-1.8%	8.0%	31.6	100.0%	100.0%	9.3%
Total ex Energy	7.0%	14.6%	7.9%	8.5%	-1.8%	8.0%	63.6	197.2%	98.1%	9.1%

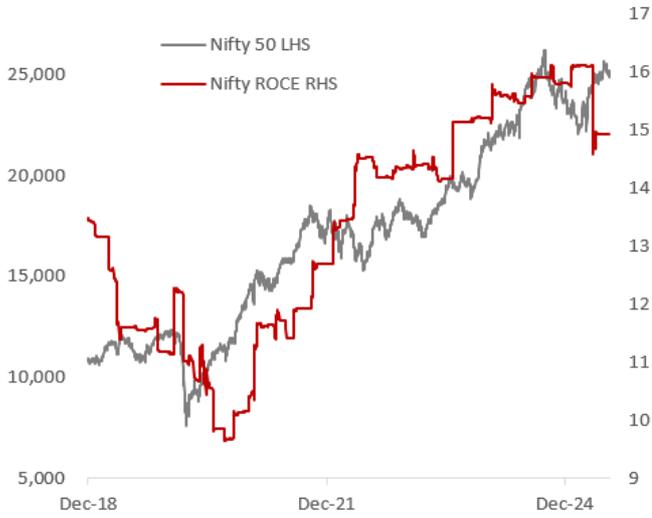
Nifty Premium Over EM at Low End of Range



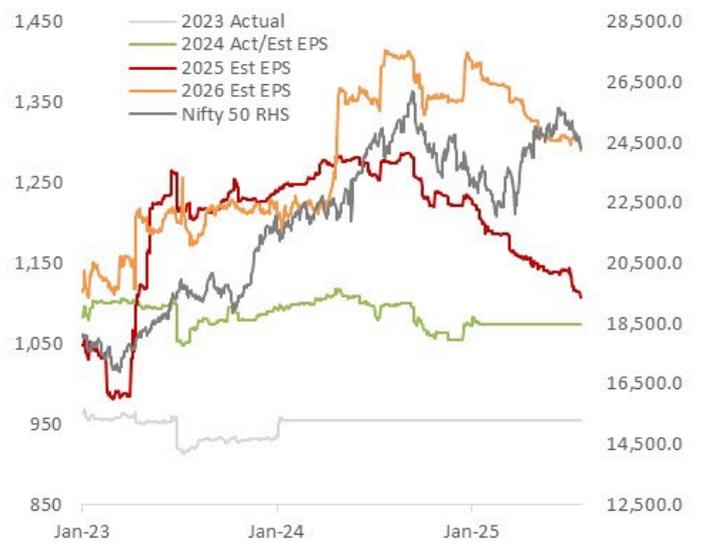
Profit Margins Will Continue to Rise



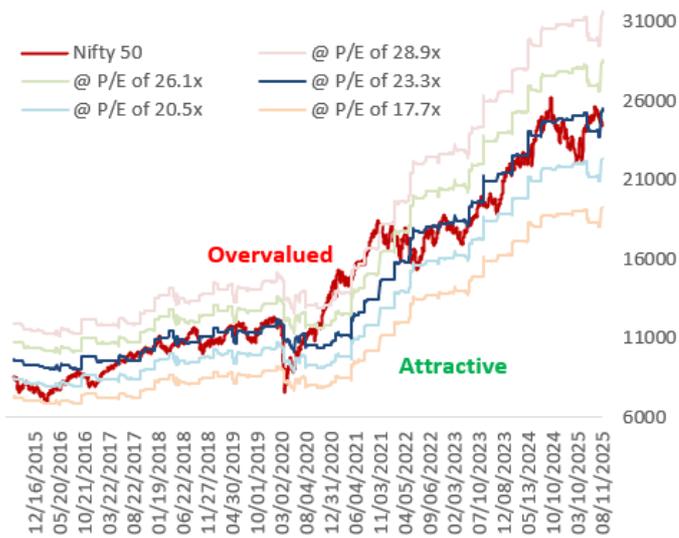
Rising ROE Trend



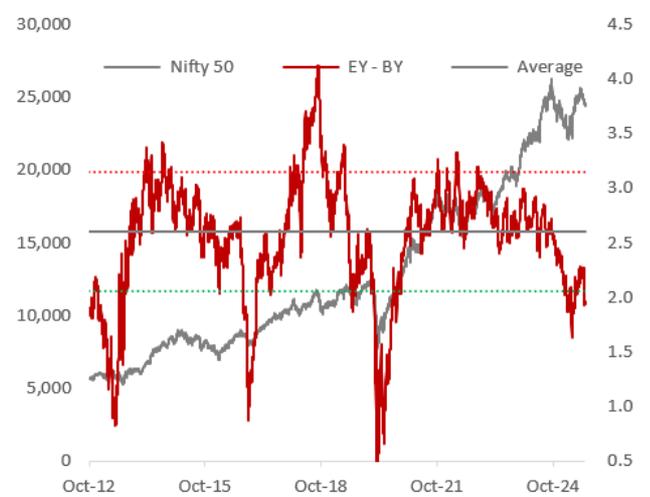
Strong Growth Expectations of 16.6%



Valuations at Mean Levels for Nifty



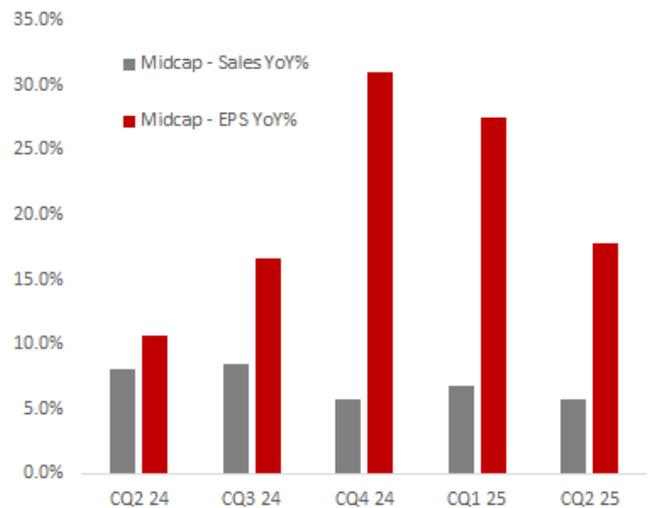
Yield Gap Model Prefers Equities over Debt



Forward P/E for Nifty at Mean



Nifty Midcaps Continue to Deliver Growth

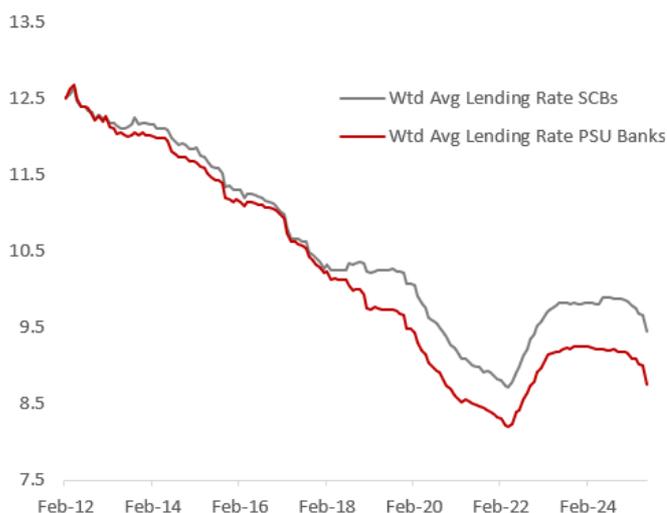


INVESTMENT OUTLOOK & ASSET ALLOCATION

Rate Transmission is Underway

The lending rate by PSU banks on outstanding loans has dropped 44 bps from a high of 9.21% to 8.76% this year. Meanwhile the repo rate has dropped 100 bps; therefore, one would expect further lending rate reductions in coming weeks. The lending rates offered by private sector banks remain much higher than PSU. The rate on fresh money loans has dropped to 8.62% as of June 2025.

Rate Transmission is at 40% of Existing RBI Cuts

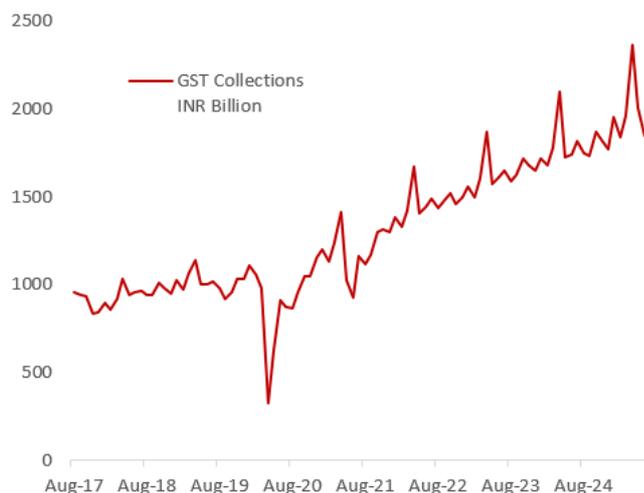


GST Cuts Will Boost Consumption

The government has recognized the need of the hour and in a second major step towards reducing the tax burden on the middle class, is working to **reduce GST rates** on most categories.

Key beneficiaries will be items such as electronics, including A/Cs, fridges, washing machines and cement, farm products, health items, handicrafts etc. **Taxes on essential goods and services for individuals will be reduced substantially.**

GST Collections on Goods and Services



GST Impacts

The reduction in prices of many goods and services will keep inflation in check. It will also increase disposable income in the hands of consumers, leading to higher spending, or savings that will find their way into the economy, providing the much needed spending boost.

Alongside declining crude, low inflation, and lower cost of goods, an additional impact will be input costs, which will contribute to improved margins, and higher earnings. Both the top line and bottom line will benefit.

Multi-Pronged Commitment to Growth

P.M. Modi and team are navigating aggressive policy moves by the U.S., tackling domestic and international issues, initiating new trading relationships, fighting domestic inflation, promoting manufacturing in India, launching new industries such as semiconductors and on and on. In all this, one thing is crystal clear – the **government is committed to growth** - keeping India on a 6.5%+ growth trajectory.

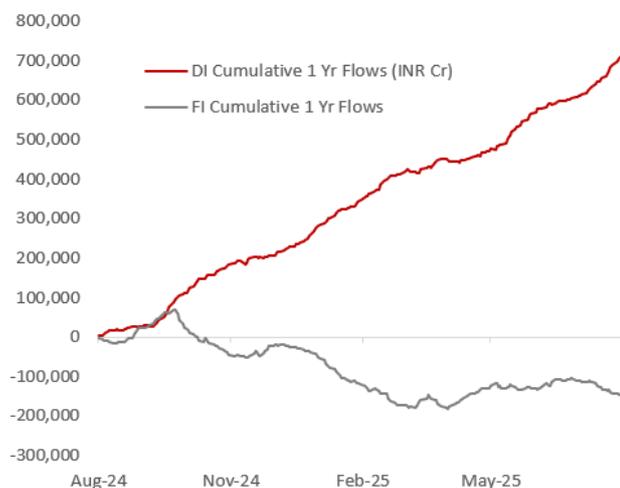
1 Trillion INR Jobs Program

The government will pay a sum of Rs 15,000 to any youth who gets their first job in the private sector. The government will support companies that help create new jobs.

Additional Flows

FIs have been a net seller of equities since August 2024. Moreover, FIs are comfortable taking large derivative positions to get leveraged exposure to drive markets. However, the DI flows and SIP flows have remained resilient through the tariff noise. Post Diwali and GST rate reductions, we would expect these flows to continue their march higher.

DI vs FI Cumulative 1 Year Flows



Outlook – Policy Shifts Will Spur Growth

A vitriolic and challenging trade, policy and geopolitical backdrop has pushed India – and most nations around the world - to explore **new opportunities for growth**. These efforts will inevitably bear fruit over time.

Seismic **domestic policy shifts** are also underway. The government remains fundamentally committed to growth, and actions are being taken to increase disposable income in the hands of consumers, and reduce the tax burden on small businesses.

From a longer time perspective, few would have predicted 5 years ago that Apple and Samsung would be aggressively ramping up production of mobile phones and laptops respectively in India.

The Indian economy remains the **fastest growing large economy** in the world. The RBI came forward this week stating more **rate cuts** will be delivered if necessary. The government has made impressive progress in containing inflation, and a solid monsoon and kharif sowing season bodes well for future inflation.

A Plethora of Positives Are in Place for India

Low crude oil prices, low inflation, rate cuts transmission, tax cuts, GST cut, reasonably decent earnings, a pro-growth RBI, strong credit standing, 8th Pay Commission which could bring in an additional 3L~ cr, jobs incentive etc are all in place to move the economy back to a stronger growth footing. These stimulative monetary, fiscal, tax and regulatory programs are expected to yield results starting in H2 CY26. The impact of these initiatives will come forward over the remainder of the year.

Earnings Continue to Grow

We made the case in the prior section that earnings have delivered respectable growth across large, mid and small cap.

Asset Allocation

India is a largely domestic market. Most companies – ICICI Bank, Titan, Bharti, Asian Paints, HUL, L&T, SBI, Maruti, ITC and on and on – are domestic focused, or work in non-U.S. markets. Tech and Pharma are excluded from tariffs as of this writing.

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 80% domestic economy, and second, companies with exposures will find work-arounds.

We retain an **over-weight position in equities, an over-weight in Gold and a tactical over-weight in Silver**. Our allocation to fixed income is via selective investments with deep in-house due diligence. Our asset allocation preferences are listed on page 26 and 28-29.

Style Preferences

Our sectoral preferences are consumer, auto, banking and financial services, materials, defence, and financial services. The market will continue to reward growth stocks at reasonable valuations which we define as companies with a PEG ratio of around one.

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. Our preference remains companies with solid top and bottom line growth, structural tailwinds, earnings visibility, predictability, large TAMs, new opportunities, 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 safe haven economy with sound fiscal metrics and stable currency, fair trade practices and low political and regulatory risk
- 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
- 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 easing
- 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,
- GST Tax Rate Reduction
- Government capex investment
- Strong earnings delivery since 2020
- Declining interest rates, rate cuts, declining inflation
- Rates Transmission Underway
- Low crude oil prices
- Strong domestic flows from savers to promoters
- 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
- English speaking, increasingly skilled labor availability.
- Rising services and manufacturing momentum
- Limited tariff exposure
- Free Trade Agreement negotiations – Europe, U.S. and over a dozen other countries
- Tax incentives for manufacturing
- A structural financialization trend, driven by rising incomes, and stable finances
- SIP flows, now above 27,300 cr a month
- A vibrant private equity and start up eco system
- Easing lending standards for NBFCs and microfinance
- Rising cement demand
- Ease of doing business has improved.
- Policy initiatives like PLI and National Logistics Policy are shaping business decisions.
- 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 that will contribute to ongoing growth

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

24-Aug-25	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	% from 52 Wk Hi	From '25 Trough	Price to Earning	Forw PE
Nifty 50	24,870	-0.9	1.0	0.4	0.1	-2.5	0.1	10.3	5.2	0.2	-5.4%	12.6%	22.1	22.7
NIFTY 50 TR	37,375	-0.9	1.0	0.6	0.3	-2.2	0.8	11.2	6.3	1.4	-4.0%	13.6%	22.1	22.7
SENSEX	81,307	-0.8	0.9	0.1	-0.2	-2.8	-0.5	9.0	4.1	0.3	-5.4%	11.4%	22.7	22.8
Nifty Next 50 TR	96,917	-0.6	1.6	0.8	0.9	-1.8	1.1	14.6	0.0	-8.4	-12.4%	17.2%	24.6	25.0
Nifty 200 TR	18,491	-0.7	1.2	0.6	0.2	-2.3	1.1	12.5	4.4	-0.5	-5.2%	15.2%	23.6	24.0
Nifty 500 TR	36,639	-0.6	1.4	0.5	0.1	-2.4	1.5	13.4	3.6	-0.8	-5.2%	16.2%	24.5	24.8
NIFTY Midcap 100 TR	78,102	-0.1	2.0	0.5	-0.6	-3.4	1.9	16.3	1.2	-1.0	-4.8%	20.4%	32.1	31.2
Nifty Midcap 150 TR	27,230	-0.2	2.0	0.4	-0.2	-2.3	3.0	16.9	1.9	-0.4	-4.2%	20.8%	33.7	32.7
NIFTY Smallcap 100 TR	23,133	-0.2	2.1	-0.1	-1.9	-5.8	1.9	16.8	-4.0	-5.4	-8.4%	21.9%	30.8	30.1
Nifty Smallcap 250 TR	21,645	-0.2	2.4	-0.4	-1.7	-4.0	3.4	18.5	-3.6	-4.8	-8.0%	22.9%	29.2	29.8
Microcap	48,261	-0.4	2.7	-1.8	-2.5	-2.9	2.8	13.1	-12.1	-13.0	-17.3%	20.8%	n/a	n/a
Nifty Microcap 250 (MOS)	17	-0.6	2.4	-1.3	-3.8	-2.4	2.7	12.7	-6.6	-7.4	-11.5%	19.2%	n/a	n/a
Americas														
S&P 500 Index	6,467	1.5	0.3	2.0	1.2	4.2	11.4	8.6	10.0	14.8	-0.2%	11.9%	25.3	24.3
Dow Jones Indus. Avg	45,632	1.9	1.5	3.4	1.6	3.5	9.7	4.6	7.3	10.8	-0.3%	7.3%	23.6	22.7
Nasdaq 100 Stock Indx	23,498	1.5	-0.9	1.2	1.0	3.6	12.3	11.4	11.8	19.2	-2.0%	15.5%	33.2	29.5
Nyse Fang+ Index	15,205	1.6	-1.6	-0.1	0.6	1.5	13.1	17.9	15.9	35.3	-2.3%	21.6%	40.5	34.1
Bbg Magnificent 7 Pr Usd	28,570	2.5	-1.0	2.1	3.7	8.0	17.4	15.9	9.6	32.5	-1.9%	21.7%	36.8	31.1
Russell 2000 Index	2,362	3.9	3.3	6.8	4.5	8.6	15.8	8.8	5.9	6.5	-4.2%	13.6%	32.9	33.7
Canada	28,333	1.0	1.5	3.9	3.1	5.5	9.5	12.4	14.6	21.7	-0.2%	15.3%	18.1	17.9
Mexico	59,225	1.0	1.6	3.2	3.3	3.1	1.4	11.6	19.6	10.7	-0.9%	13.1%	14.1	12.8
Brazil Bovespa	137,968	2.6	1.2	3.7	3.3	-0.6	0.1	9.5	14.7	1.7	-2.5%	n/a	8.8	8.8

24-Aug-25	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	% from 52 Wk Hi	From '25 Trough	Price to Earning	Forwar d PE
Europe														
Euro Stoxx 50 Pr	5,488	0.5	0.7	3.2	2.5	3.5	3.0	0.7	12.1	11.8	-1.4%	1.9%	16.3	16.4
FTSE 100	9,321	0.1	2.0	2.1	2.2	6.4	6.9	6.8	14.1	11.9	-0.4%	6.4%	14.1	14.2
CAC 40 Paris	7,970	0.4	0.6	2.5	1.7	4.0	3.0	-1.0	8.0	5.2	-3.5%	-1.0%	16.4	16.9
DAX Germany	24,363	0.3	0.0	1.2	0.6	1.9	3.1	8.7	22.4	30.8	-1.1%	9.1%	17.8	17.3
MIB Italy	43,310	0.7	1.5	5.7	6.3	8.8	9.7	11.9	26.7	28.7	-0.6%	14.8%	12.7	13.3
Norway OSEBX	1,664	0.4	1.8	2.4	3.1	2.7	7.4	11.4	16.8	16.0	-0.1%	13.8%	13.0	13.0
Asia														
MSCI Emerging Markets	1,267	0.4	-0.5	1.9	0.7	3.6	8.2	12.8	17.8	15.1	-1.1%	15.9%	14.5	14.2
Japan - Nikkei 225	42,633	0.1	-1.7	3.8	2.8	5.3	14.7	11.5	6.9	11.1	-2.8%	14.2%	21.8	20.2
Hang Seng	25,339	0.9	0.3	2.3	-0.2	5.3	7.4	10.0	26.3	43.9	-1.7%	10.4%	11.7	11.6
HSTECH	5,648	2.7	1.9	3.6	-0.5	6.5	7.6	-0.9	26.4	62.8	-8.8%	2.0%	21.1	19.3
China CSI 300	4,378	2.1	4.2	7.4	6.1	11.2	12.8	11.5	11.3	31.6	-1.6%	12.7%	17.2	15.7
Australia	8,967	-0.6	0.3	2.6	3.5	5.0	7.3	8.7	9.9	11.8	-0.6%	9.4%	20.9	21.2
Taiwan	23,764	-0.8	-2.3	0.9	1.7	6.8	9.8	2.1	3.2	7.2	-3.2%	5.2%	19.5	18.2
Korea	3,169	0.9	-1.8	-2.4	-0.9	3.2	22.2	20.5	32.1	17.3	-3.6%	25.3%	13.9	11.6
Singapore	4,253	0.5	0.5	1.9	-0.2	7.3	9.5	8.6	12.3	25.5	-0.7%	9.3%	13.5	13.6
Vietnam	1,645	-2.5	0.9	9.5	7.5	19.6	25.2	26.3	29.9	28.0	-2.8%	25.4%	15.2	13.4
Indonesia	7,859	-0.4	-0.9	5.0	4.2	13.4	8.9	19.3	11.0	4.2	-2.0%	23.2%	15.8	13.4
Malaysia	1,597	0.3	1.3	5.6	4.2	4.2	4.0	1.9	-2.7	-2.3	-5.2%	2.7%	14.9	14.8
Phillipines	6,282	0.1	-0.2	0.5	-2.1	-1.3	-1.7	2.2	-3.8	-9.8	-17.4%	3.6%	10.4	10.1

Leadership Stocks – U.S., Europe & India

Select Leadership Stocks -												% from	From '25
India	U.S.	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	52 Wk Hi	Trough
S&P 500 Index		6,467	1.5	0.3	2.0	1.2	4.2	11.4	8.6	10.0	14.8	-0.2%	11.9%
Apple Inc		228	1.3	-1.7	9.7	6.5	11.0	16.6	-7.8	-9.0	0.4	-12.4%	-3.5%
Nvidia Corp		178	1.7	-1.4	0.1	2.4	12.7	35.6	36.6	32.5	37.6	-3.5%	53.5%
Microsoft Corp		507	0.6	-2.5	-4.9	-0.7	2.0	12.7	25.6	20.3	21.7	-8.7%	30.5%
Amazon.Com Inc		229	3.1	-0.9	-2.3	-1.5	4.3	13.9	7.6	4.3	29.3	-5.6%	12.3%
Alphabet Inc-Cl A		206	3.2	1.1	7.4	7.2	16.9	22.3	15.0	8.9	24.4	-1.2%	20.6%
Meta Platforms Inc-Class A		755	2.1	-3.9	-2.4	5.6	2.3	20.4	13.0	28.9	43.0	-5.2%	17.9%
Tesla Inc		340	6.2	2.9	10.3	11.4	7.0	0.2	2.9	-15.8	54.3	-30.4%	25.0%
Netflix Inc		1,205	-0.1	-2.8	3.9	2.0	-10.0	1.6	21.9	35.2	75.4	-10.2%	23.9%
Broadcom Inc		294	1.5	-4.0	0.1	1.8	6.7	28.5	41.4	26.8	76.7	-7.4%	56.8%
Servicenow Inc		887	1.1	2.2	-6.0	-11.0	-13.7	-11.7	-4.4	-16.4	7.1	-26.0%	-2.1%
CrowdStrike Holdings Inc - A		421	1.6	-1.7	-7.5	-9.0	-17.4	-7.7	7.4	22.9	54.9	-18.8%	7.8%
Palantir Technologies Inc-A		159	1.6	-10.4	0.2	2.5	16.4	28.7	75.1	109.9	399.5	-16.5%	88.1%
Nyse Fang+ Index		15,205	1.6	-1.6	-0.1	0.6	1.5	13.1	17.9	15.9	35.3	-2.3%	21.6%
Bbg Magnificent 7 Pr Usd		28,570	2.5	-1.0	2.1	3.7	8.0	17.4	15.9	9.6	32.5	-1.9%	21.7%
Novo Nordisk A/S-B		364	2.2	11.7	15.7	-18.6	-17.2	-17.8	-43.1	-41.7	-60.1	-61.4%	-40.9%
Investor Ab-B Shs		298	1.5	1.0	4.8	1.7	6.6	6.6	-6.6	1.9	-1.3	-8.7%	-4.0%
Atlas Copco Ab-A Shs		152	2.1	2.4	2.0	0.2	-0.3	-2.2	-16.7	-9.7	-17.7	-23.6%	-13.1%
Equinor Asa		253	0.5	1.4	-5.4	-2.6	-0.7	5.6	-1.9	-3.1	-7.7	-13.9%	2.1%
Volvo Ab-B Shs		300	2.2	2.2	6.7	4.6	13.0	13.2	-5.4	16.0	16.2	-9.5%	-6.2%
Eqst Ab		347	3.2	0.9	5.7	4.1	9.9	28.5	1.0	13.5	0.7	-9.7%	10.4%
Assa Abloy Ab-B		342	2.1	2.9	5.6	5.5	15.8	14.3	4.1	4.6	6.8	-2.2%	6.9%
Dsv A/S		1,469	-0.3	-0.8	0.3	-4.1	-3.5	-5.0	1.6	-4.0	18.9	-10.6%	5.0%
Dnb Bank Asa		273	-0.2	1.4	4.1	4.7	-2.0	-0.9	7.4	20.3	22.0	-4.0%	6.6%
Lvmh Moet Hennessy Louis Vu		495	2.1	4.0	4.8	5.3	11.4	3.4	-28.5	-22.1	-27.3	-35.1%	-25.8%
Xiaomi Corp-Class B		53	2.3	-0.6	-1.1	-10.1	-12.3	-0.8	1.8	52.3	179.2	-14.5%	4.0%
Netease Inc		205	0.4	2.5	0.4	-4.4	-2.7	8.8	30.4	48.3	59.9	-7.9%	31.2%
Tencent Holdings Ltd		600	1.2	1.4	9.1	7.7	19.3	15.8	20.7	43.9	59.7	-1.1%	22.2%
Alibaba Group Holding Ltd		118	2.0	-0.1	2.0	-1.9	7.5	0.1	-12.3	44.3	43.9	-18.5%	-7.7%
Byd Co Ltd-H		114	2.6	1.3	-1.0	-13.5	-6.7	-26.3	-11.9	28.6	51.6	-28.2%	1.2%
Meituan-Class B		118	1.1	-2.7	-2.6	-11.9	-5.5	-13.5	-28.9	-22.0	10.1	-45.4%	-26.6%
Jd.Com Inc-Class A		121	0.2	0.5	-1.2	-8.9	-5.1	-8.0	-24.6	-10.7	14.6	-36.9%	-24.2%
Kuaishou Technology		75	4.4	0.1	-2.7	-1.7	18.3	53.6	35.8	81.1	83.6	-8.3%	48.0%
Li Auto Inc-Class A		92	1.4	-2.6	-11.1	-22.3	-13.8	-18.7	-13.1	-1.8	11.3	-33.3%	-14.7%
Trip.Com Group Ltd		505	1.9	3.3	2.6	-0.3	10.7	3.6	-3.7	-6.5	52.5	-15.6%	10.3%
Lenovo Group Ltd		11	-2.2	-0.8	6.0	3.2	13.9	12.9	-17.3	6.4	15.5	-21.1%	-5.9%
Xpeng Inc - Class A Shares		92	13.6	18.7	28.4	21.1	30.2	16.6	27.2	97.0	238.5	-13.3%	16.5%
Baidu Inc-Class A		86	0.8	-1.6	1.2	-5.0	2.6	3.1	-4.3	3.6	4.2	-28.3%	1.1%
Sony Group Corp		4,221	3.1	-1.7	14.6	11.5	13.2	14.6	10.7	25.3	57.4	-1.8%	16.3%
Hitachi Ltd		4,124	0.4	-3.5	-12.2	-10.8	-1.9	8.5	-1.6	4.7	19.2	-12.2%	10.8%
Nomura Research Institute Lt		6,039	-0.5	-0.1	0.3	10.5	4.4	4.1	15.4	29.6	22.6	-3.6%	17.0%
Nintendo Co Ltd		13,760	0.5	-4.4	8.4	4.2	-0.9	16.6	20.1	48.5	67.3	-7.0%	23.6%
Asics Corp		4,182	-0.3	-1.5	17.2	10.8	13.6	21.4	18.5	34.5	57.2	-2.5%	24.3%
Keyence Corp		56,320	-0.4	1.6	2.0	-5.6	-2.6	-8.2	-10.2	-12.9	-20.7	-21.6%	-7.5%
Recruit Holdings Co Ltd		8,764	-1.5	-2.1	-3.2	-0.8	2.7	5.1	-9.4	-21.4	-0.7	-26.3%	-6.2%
Fast Retailing Co Ltd		48,440	-0.8	-1.6	4.4	0.9	-2.2	2.9	3.1	-10.0	6.0	-12.4%	4.4%
Capcom Co Ltd		4,065	0.5	-3.4	4.9	-10.2	-17.6	-2.1	-0.4	17.0	32.5	-18.9%	8.0%
Terumo Corp		2,739	-0.0	-0.4	6.9	5.5	3.3	1.7	2.5	-10.6	-2.2	-13.9%	1.4%

24-Aug-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	24,870	-0.9	1.0	0.4	0.1	-2.5	0.1	10.3	5.2	0.2	-5.4%	12.6%
Tata Consultancy Svcs Ltd	3,054	-1.6	1.0	0.6	-3.0	-11.8	-13.1	-16.9	-24.2	-30.5	-32.4%	-13.5%
Reliance Industries Ltd	1,409	-1.1	2.6	1.4	0.4	-6.1	-1.2	16.0	15.9	-6.1	-9.1%	21.3%
Hindustan Unilever Ltd	2,630	-0.7	6.0	4.3	7.9	14.6	11.5	17.3	13.0	-6.2	-13.0%	21.9%
Nestle India Ltd	1,163	-1.4	6.7	3.5	0.2	-5.7	-3.7	4.7	7.2	-8.0	-16.3%	8.4%
Titan Co Ltd	3,621	0.1	3.8	8.2	3.9	-1.9	1.2	14.1	11.3	1.4	-6.4%	18.8%
Asian Paints Ltd	2,505	-2.4	-1.0	4.5	6.5	7.0	8.2	11.5	9.8	-20.6	-26.2%	17.5%
Hdfc Bank Limited	1,965	-1.3	-1.3	-2.7	-2.2	-1.6	1.9	17.4	11.1	21.2	-3.3%	14.9%
Icici Bank Ltd	1,436	-0.7	0.6	-3.0	-3.2	-0.7	-0.9	17.9	12.1	19.4	-4.2%	18.7%
Bharti Airtel Ltd	1,933	0.2	3.2	1.0	-0.1	-3.8	5.5	20.7	21.8	28.3	-5.5%	22.7%
Bajaj Finance Ltd	895	-0.1	3.8	1.5	-6.7	-4.5	-3.2	7.2	31.3	33.0	-8.6%	4.2%
Ultratech Cement Ltd	12,589	-2.2	2.2	2.8	2.3	4.1	7.2	14.0	10.2	11.0	-2.6%	21.4%
Bse Ltd	2,333	0.0	-6.0	-3.9	-8.4	-15.8	-4.7	24.9	31.5	155.4	-23.0%	57.1%
Interglobe Aviation Ltd	6,087	-0.2	1.4	3.0	4.1	1.8	10.2	34.2	33.6	29.2	-2.3%	32.4%
Grasim Industries Ltd	2,814	-2.3	1.8	2.5	2.8	-1.1	5.8	17.6	15.2	2.4	-2.9%	17.5%
Eicher Motors Ltd	5,925	-0.8	2.8	8.3	8.3	4.7	9.7	18.2	22.9	21.0	-1.7%	23.0%
Central Depository Services	1,574	0.3	0.9	6.3	-6.2	-12.2	7.7	29.7	-10.5	0.4	-20.9%	41.0%
Cholamandalam Investment A	1,524	0.4	4.3	5.6	-1.8	-6.4	-6.4	10.7	28.5	13.0	-9.5%	5.1%
Shree Cement Ltd	30,005	-2.0	-1.3	-2.6	-5.5	-3.3	-4.7	6.1	16.8	21.4	-7.6%	9.7%
Max Healthcare Institute Ltd	1,235	-1.2	1.1	-0.9	-2.6	-3.2	4.9	25.0	9.4	44.8	-6.1%	24.9%

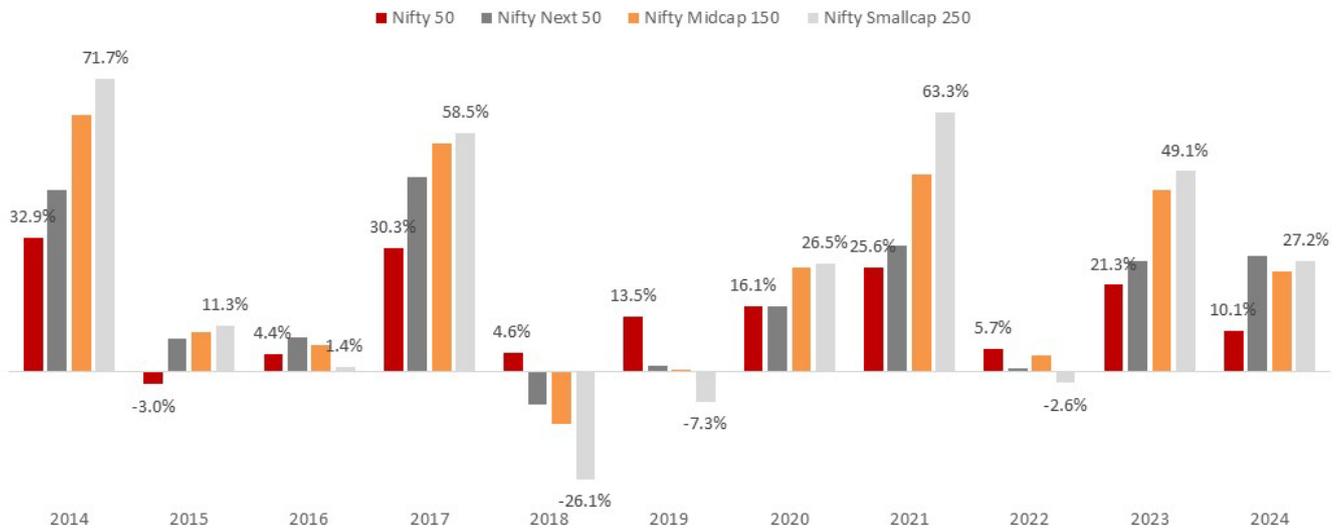
Nifty Sectors

24-Aug-25	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %	% from 52 Wk Hi	From '25 Trough	Price to Earning	Forward PE
Nifty 50	24,870	-0.9	1.0	0.4	0.1	-2.5	0.1	10.3	5.2	0.2	-5.4%	12.6%	22.1	22.7
Nifty Sectors														
Nifty Auto	25,329	-0.2	5.0	7.1	6.5	6.1	7.7	16.9	10.9	-2.0	-8.5%	25.0%	26.4	25.4
Nifty Bank	55,149	-1.1	-0.3	-1.5	-2.4	-3.8	-0.4	13.5	8.4	8.3	-4.3%	14.3%	15.6	18.1
NIFTY Private Bank	26,692	-1.1	0.1	-1.5	-3.3	-5.5	-3.4	9.5	7.7	4.7	-6.6%	10.7%	N/A	N/A
Nifty PSU Bank	6,998	-1.1	-0.4	2.1	-0.1	-2.8	4.4	19.0	7.0	-0.3	-4.2%	22.4%	7.4	8.5
Nifty Financial Services	26,317	-1.0	-0.1	-1.2	-1.8	-3.2	-0.6	14.2	11.9	13.3	-3.8%	14.3%	18.0	18.2
Nifty India Consumption	12,196	-0.5	3.0	3.9	4.4	3.0	5.8	15.5	7.3	1.7	-6.6%	20.0%	39.5	42.4
Nifty FMCG	55,737	-1.0	2.0	-0.1	2.1	1.6	-1.4	6.3	-1.9	-12.1	-16.1%	10.3%	32.0	43.1
Nifty Energy	34,508	-0.5	0.1	-1.7	-2.1	-5.6	-3.2	11.2	-1.9	-20.4	-22.8%	14.1%	14.7	14.6
Nifty Infrastructure	9,106	-0.7	1.3	0.4	0.4	-3.2	1.1	15.7	7.6	-1.8	-6.2%	18.3%	24.4	23.6
Nifty IT	35,441	-0.8	1.7	0.4	-0.5	-9.0	-5.2	-9.4	-18.2	-13.7	-23.1%	-4.9%	25.8	24.5
Nifty Metal	9,375	-1.2	1.7	1.0	-0.5	-1.7	1.4	13.0	8.4	0.9	-9.2%	12.3%	18.7	16.3
Nifty Pharma	22,265	0.4	0.5	-2.2	-1.8	1.0	3.9	10.0	-4.9	-1.2	-6.9%	12.3%	31.5	30.9
Nifty Realty	910	-0.8	3.4	-0.3	-4.3	-7.8	-2.9	10.0	-13.6	-10.7	-20.2%	12.5%	28.3	37.9
Nifty Sectors & Themes														
Nifty Media	1,654	0.9	0.0	1.7	-0.9	-5.7	-1.7	11.0	-9.0	-20.1	-24.2%	17.8%	29.2	24.7
Nifty CPSE	6,281	-0.4	-1.3	-1.6	-2.3	-5.4	-3.8	13.8	3.2	-14.4	-16.0%	14.6%	13.3	12.9
Nifty PSE	9,471	-0.5	-1.2	-2.2	-3.3	-6.2	-4.8	13.3	-0.6	-16.4	-18.1%	14.3%	13.5	11.7
Nifty India Defence PR	7,718	0.3	-1.1	-0.8	-3.5	-13.0	-8.7	44.7	18.8	9.0	-15.0%	44.5%	47.9	47.5
BSE Power	6,567	-0.4	-0.6	-2.0	-2.1	-5.3	-3.5	9.3	-5.7	-20.5	-25.3%	11.5%	22.9	21.8
Nifty Commodities	8,761	-1.1	1.0	0.2	-0.1	-2.0	0.4	12.9	7.9	-6.9	-11.5%	14.1%	18.3	16.2
Nifty MNC	29,388	-0.7	3.9	2.2	2.9	1.6	4.7	13.8	5.2	-4.9	-10.5%	17.6%	37.2	39.1

Factors

24-Aug-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	24,870	-0.9	1.0	0.4	0.1	-2.5	0.1	10.3	5.2	0.2	-5.4%	12.6%
Nifty Alpha 50	51,223	-0.1	2.0	-1.8	-1.4	-5.0	2.1	14.9	-9.0	-13.9	-17.0%	20.0%
Nifty200 Alpha 30	31,618	0.0	1.3	1.3	0.5	-2.7	4.6	17.7	-4.0	-12.6	-13.7%	21.0%
NIFTY Alpha LowVol30	34,736	-0.7	1.3	0.5	0.3	-2.1	0.3	9.0	-1.9	-10.5	-15.0%	12.6%
Nifty Value 20	17,469	-0.9	0.9	0.7	0.1	-2.6	-1.6	3.0	-4.8	-8.8	-12.0%	5.8%
Nifty200 Value 30	22,135	-0.9	0.0	-0.1	-1.5	-3.7	-0.2	13.8	3.9	-7.5	-10.3%	14.3%
Nifty500 Value 50	23,291	-0.9	0.6	0.5	-1.1	-3.0	0.3	13.0	4.1	-7.3	-9.6%	14.5%
Nifty200 Momentum 30	38,273	-0.2	1.3	1.4	0.1	-3.8	1.1	10.7	-6.2	-15.6	-19.1%	14.9%
Nifty500 Momentum 50	62,964	-0.2	1.4	0.4	-0.7	-5.7	0.3	11.6	-8.7	-16.5	-19.0%	16.1%
NIFTY100 Quality 30	7,133	-0.7	2.0	1.8	2.3	-0.8	0.8	9.3	2.1	-6.0	-10.3%	13.6%
NSE 200 Quality 30	29,245	-0.8	1.9	1.8	2.0	-2.0	0.4	9.5	-0.0	-7.2	-11.2%	14.4%
NIFTY Midcap150 Quality 50	32,869	-0.4	2.1	-0.3	0.2	-2.7	1.8	15.1	0.5	-2.4	-5.8%	19.0%
Nifty Smlcap250 Qlty	38,488	-0.3	1.7	-0.0	-1.4	-3.8	1.7	15.0	-6.7	-8.9	-13.9%	20.5%
Nifty Low Volatility 50	25,077	-0.7	2.2	1.1	1.6	-1.2	0.8	9.9	6.2	-0.5	-5.7%	13.6%
NIFTY100 Low Vol 30	20,345	-0.7	2.1	1.8	2.3	0.9	2.9	10.5	6.0	-0.2	-6.5%	14.9%
Nifty GrowthSectors15	15,083	-0.1	3.2	3.0	3.5	2.8	5.5	8.1	1.1	-3.7	-7.4%	13.1%
Nifty Dvd Opp 50	9,168	-0.9	0.7	0.4	-0.0	-3.7	-1.6	4.5	-4.7	-11.4	-13.9%	7.6%

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



Data as of Dec 31 2024

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

23-Jul-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	68.7	0.1	0.2	1.6	-3.9	1.6	3.9	-12.3	-8.0	-15.2	-17%	-3.3%
West Texas Crude	65.4	0.2	-1.5	0.5	-4.5	0.5	5.0	-12.3	-8.8	-15.0	-19%	-4.2%
CRB Raw Industrials Index	580.7	0.2	0.8	1.3	2.4	1.3	3.4	6.2	7.3	6.3	0%	3.9%
BBG Cmdty ex-Prec Mtl	84.7	0.0	0.0	1.9	-1.3	1.9	1.5	-3.6	1.0	1.5	-7%	-2.8%
CRB Metals Index	1,130.7	0.2	1.8	2.9	5.5	2.9	5.0	8.5	9.5	9.5	-3%	4.1%
LME Copper	9,851.3	0.6	2.6	-2.0	-0.6	-2.0	5.3	8.2	13.9	8.4	-3%	5.6%
LME Aluminum	2,660.4	0.4	3.2	2.5	3.9	2.5	13.4	1.8	5.3	18.7	-3%	1.3%
LME Nickel	15,320.5	0.0	2.6	2.0	3.4	2.0	-1.0	-1.2	1.4	-3.7	-15%	-2.9%
LME Zinc	2,855.8	0.7	6.3	4.2	9.6	4.2	11.8	-0.0	-3.3	7.2	-14%	2.7%
LME Lead	1,985.6	-0.1	1.1	-1.6	1.1	-1.6	4.1	2.9	3.1	-2.5	-11%	-0.2%
LME Tin	33,993.0	0.4	2.4	0.4	3.8	0.4	10.0	13.0	17.8	14.6	-12%	8.3%
SGX Iron Ore	104.4	-0.9	4.5	11.0	11.8	11.0	7.1	3.7	6.4	8.1	-2%	6.7%
Commodities												
Bloomberg Commodity Index	104.7	0.0	0.7	2.7	-0.3	2.7	2.6	1.2	6.1	7.4	-3%	1.1%
CRB Commodities Index	570.7	0.3	0.6	0.4	1.0	0.4	4.6	5.8	6.4	5.9	0%	6.9%
Lumber	9,851.3	0.6	2.6	-2.0	-0.6	-2.0	5.3	8.2	13.9	8.4	-3%	5.6%
Palm Oil	4,228.0	0.8	1.7	6.8	3.4	6.8	2.1	-5.4	-13.0	5.4	-22%	-8.1%
Wheat	550.0	0.1	1.6	4.0	-0.5	4.0	4.1	-0.7	-0.3	1.3	-11%	6.1%
Cocoa	8,149.0	-0.1	-4.9	-12.9	-3.7	-12.9	-12.5	-30.2	-30.2	-3.0	-37%	-0.9%
Commodities												
Bloomberg Grains Spot	211.17	0.0	0.2	-0.3	-3.5	-0.3	-6.9	-8.7	-4.4	-1.7	-13%	-2.9%
Raw Sugar	16.28	-0.5	-1.7	5.2	1.1	5.2	-9.5	-10.4	-15.5	-11.0	-31%	-10.1%
Simex Iron Ore	99.70	-0.4	1.8	5.5	5.2	5.5	-0.5	-1.7	-3.8	-5.9	-12%	-2.1%

Gold & Precious Metals, Bitcoin, Dollar

24-Aug-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	3,372	1.0	1.1	2.5	-1.7	2.1	2.3	14.2	28.5	35.7	-3.7%	3,500
Gold India	98,965	0.1	-0.7	0.9	-0.1	3.4	3.7	15.5	30.4	38.6	-2.0%	100,974
Silver Spot \$/Oz	39	1.9	2.3	5.9	-1.0	7.7	17.6	20.2	34.6	34.2	-1.6%	39.5
Silver India	113,735	0.9	-0.9	3.4	-0.4	7.6	16.6	17.5	32.5	34.2	-1.8%	115,808
Platinum Spot \$/Oz	1,360.8	0.2	1.4	5.3	-5.8	0.1	25.8	40.3	49.9	43.4	-8.3%	1,484
Bitcoin	114,839.3	-0.4	1.1	-1.4	-3.3	6.7	5.5	22.2	22.5	79.0	-7.8%	124,515
U.S. Dollar & INR												
USD INR	87.5	87.3	87.6	87.6	86.4	85.8	86.0	86.7	85.6	84.0	-0.5%	88
USD JPY Spot	146.9	148.4	147.2	150.8	146.6	144.0	144.0	149.7	157.2	146.3	-7.5%	159
Dollar Index	97.7	98.6	97.9	100.0	97.4	96.9	100.0	106.6	108.5	101.5	-11.3%	110

Currency

24-Aug-25	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %
Currency										
Dollar Spot	97.72	-0.9	-0.1	-2.3	0.3	0.9	-2.2	-8.3	-9.9	-3.7
Euro (1 Euro in USD)	1.17	1.0	0.1	2.7	-0.3	-0.6	3.9	11.9	13.2	5.5
British Pound Spot	1.35	0.8	-0.2	2.4	-0.1	-1.5	0.8	7.1	8.1	3.3
Swiss Franc Spot	0.80	0.9	0.7	1.3	-1.1	-1.0	3.4	11.9	13.2	6.3
Japanese Yen	146.9	1.0	0.2	2.6	-0.2	-2.0	-2.0	1.9	7.0	-0.4
China Offshore Yuan Spot	7.2	0.2	0.2	0.5	-0.0	-0.2	0.5	1.1	2.3	-0.4
Thai Baht Spot	32.6	-0.1	-0.7	0.1	-1.0	-0.4	0.6	2.6	4.4	5.2
Taiwan Dollar Spot	30.6	-0.3	-1.9	-2.4	-3.7	-3.3	-1.8	7.0	7.2	4.5
South Korean Won Spot	1,383.0	1.2	0.5	0.8	-0.2	-2.1	-	3.4	6.4	-2.9
Singapore Dollar Spot	1.3	0.6	0.1	1.3	-0.2	-0.8	0.9	4.5	6.6	2.3
Philippines Peso Spot	56.9	0.0	0.2	2.4	0.2	-1.1	-2.4	1.5	1.6	-1.1
Malaysian Ringgit Spot	4.2	-0.1	-0.3	0.9	0.1	-0.4	1.1	4.4	5.8	3.6
Indonesian Rupiah Spot	16,345.0	-0.4	-1.1	0.7	-0.2	-0.7	-0.1	-0.4	-1.5	-4.6
Indian Rupee Spot	87.5	-0.3	0.0	0.1	-1.3	-2.0	-1.7	-0.9	-2.2	-4.1
Hong Kong Dollar Spot	7.8	-0.0	0.1	0.4	0.4	0.4	0.1	-0.5	-0.6	-0.2
Turkish Lira Spot	41.0	-0.1	-0.3	-0.8	-1.3	-2.8	-5.0	-11.1	-13.7	-17.2

Interest Rates & Inflation - India

24-Aug-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	6.55	6.53	6.40	6.37	6.31	6.32	6.27	6.71	6.76	6.85	(34)	6.89
PSU Outstanding Rupee Loans	8.76	n/a	n/a	8.76	9.00	8.76	9.09	9.18	9.18	9.21	(45)	9.21
SCB Outstanding Rupee Loans	9.45	n/a	n/a	9.45	9.67	9.45	9.75	9.86	9.86	9.89	(44)	9.89
5 Year India G-Sec	6.29	6.28	6.20	6.07	6.04	6.10	5.92	6.67	6.72	6.77	(53)	6.83
3 Year India G-Sec	6.04	6.05	5.95	5.87	5.81	5.87	5.76	6.60	6.72	6.75	(76)	6.80
1 Year India G-Sec	5.59	5.58	5.55	5.56	5.54	5.52	5.67	6.54	6.68	6.71	(115)	6.74
3 Month India G-Sec	5.46	5.46	5.45	5.39	5.37	5.37	6.05	6.40	6.54	6.62	(123)	6.69
India Call Money Weighted Avg	5.52	5.47	5.01	5.49	5.48	5.50	5.80	6.29	6.88	6.53	(136)	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	0.95	0.98	0.94	0.95	0.22	0.31	0.22	0.23		0.20
India CPI												
India CPI Combined YoY	1.55			1.55	2.10	2.10	3.16	4.26	5.22	3.60	(466)	6.21
India WPI	(0.58)			(0.58)	(0.13)	(0.13)	0.85	2.51	2.57	2.10	(333)	2.75
India Core CPI	4.41			4.41	4.72	4.72	4.39	3.96	3.88	3.64	(31)	4.72

Interest Rates - Global

24-Aug-25	Price	1 Day %	5 Day %	MTD %	1 Mo %	QTD %	3 Mo %	6 Mo %	YTD %	1 YR %
U.S. Yields & CPI										
U.S. 30 Year	4.88	4.92	4.92	4.90	4.92	4.77	5.04	4.68	4.78	4.13
Home Mortgage 30 Yr Fixed	6.65	6.66	6.67	6.78	6.79	6.80	6.92	6.98	7.28	6.89
U.S. 10 Year	4.25	4.33	4.32	4.37	4.34	4.23	4.53	4.43	4.57	3.85
U.S. 5 Year	3.76	3.86	3.84	3.97	3.89	3.80	4.09	4.27	4.38	3.72
U.S. 2 Year	3.70	3.79	3.75	3.96	3.83	3.72	3.99	4.20	4.24	4.00
U.S. 1 Year	3.71	3.96	3.93	4.10	4.10	3.97	4.14	4.15	4.15	4.38
T Bill 90 Day	4.09	4.23	4.22	4.34	4.35	4.30	4.34	4.30	4.32	5.13
T Bill 30 Day	4.24	4.34	4.32	4.36	4.29	4.21	4.29	4.31	4.28	5.30
Federal Funds Target Rate - Up	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	5.50
Spread 10-5	0.49	0.47	0.48	0.40	0.46	0.43	0.44	0.16	0.19	0.14
Spread 30-2	1.18	1.13	1.17	0.94	1.08	1.06	1.05	0.48	0.54	0.12
Spread 10-2	0.56	0.54	0.57	0.42	0.51	0.51	0.54	0.23	0.33	(0.15)
High Yield & Inflation										
Bloomberg US Corporate High	2.79	2.87	2.79	2.78	2.80	2.90	3.23	2.71	2.87	3.13
Bloomberg Pan-European High	2.91	2.86	2.76	2.90	3.15	3.21	3.39	2.94	3.18	3.69
U.S. CPI	2.70			2.70	2.70	2.70	2.30	3.00	2.90	2.90
China CPI	-			-	0.1	0.1	-0.1	0.5	0.1	0.5
Europe Asia Yields										
Japan Govt 40Y Simple Yield	3.45	3.44	3.32	3.35	3.38	3.10	3.69	2.63	2.64	2.33
Japan Govt 30Y Simple Yield	3.22	3.19	3.11	3.08	3.09	2.92	3.18	2.35	2.30	2.07
Japan Govt 10 Yr	1.63	1.61	1.57	1.56	1.52	1.43	1.57	1.43	1.10	0.88
China Govt Bond Generic Bid Y	1.79	1.77	1.75	1.71	1.69	1.65	1.69	1.76	1.68	2.16
Germany Govt Bnd 30 Yr Dbr	3.31	3.33	3.35	3.18	3.12	3.10	3.15	2.72	2.60	2.48
Germany Govt Bnd 10 Yr Dbr	2.72	2.76	2.79	2.70	2.59	2.61	2.64	2.47	2.37	2.24
Uk Gilts 30 Year	5.55	5.58	5.56	5.38	5.40	5.28	5.55	5.17	5.13	4.50
Uk Gilts 10 Yr	4.69	4.73	4.70	4.57	4.57	4.49	4.75	4.57	4.57	3.96
Switzerland Govt Bonds 2 Year	(0.09)	(0.08)	(0.14)	(0.08)	(0.09)	(0.05)	(0.16)	0.28	0.05	0.58
Inflation Expectations 10 Year	2.27			2.3	2.3	2.3	2.5	2.4	2.2	2.2

Ambit Global Private Client - Asset Allocation & Investment Committee

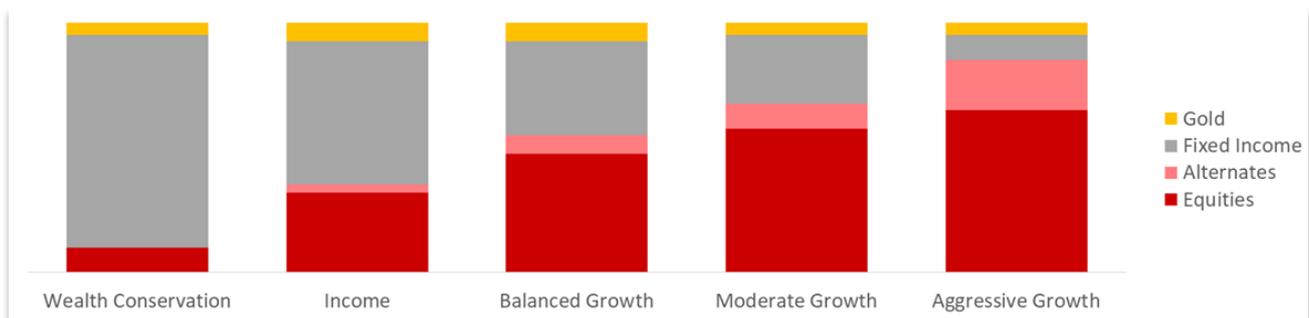
The Ambit GPC Asset Allocation & Investment Committee (AAIC) is a group comprised of the CEO, Head of Products and Alternates, Chief Investment Strategist and Head of Fixed Income (listed below). The team has over 100 years of collective investment experience in markets. The AAIC meets monthly and as 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					◆							Under-Weight
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

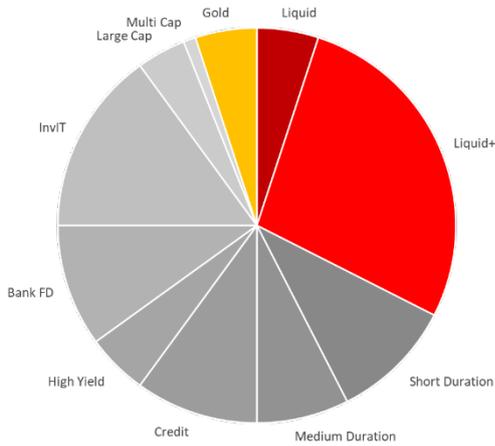
Strategic Asset Class Weights by Profile



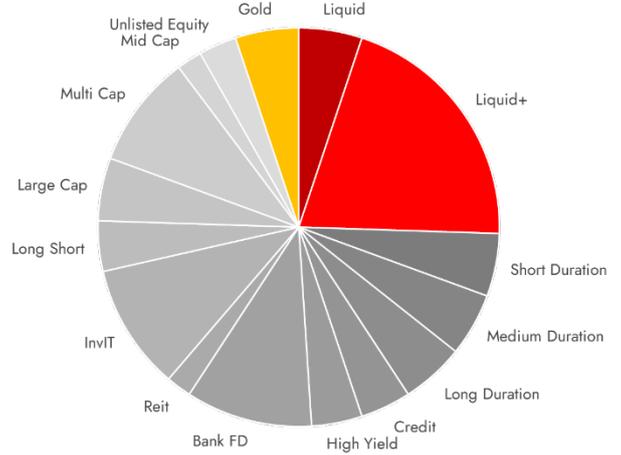
Ambit GPC Wealth Profiles - Strategic Weights

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.

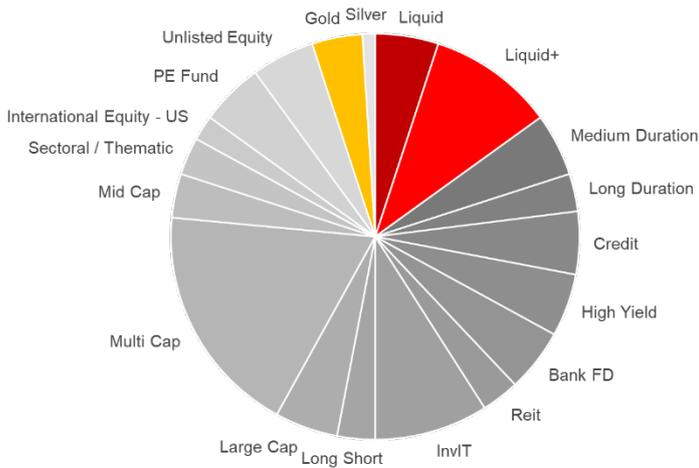
Wealth Conservation



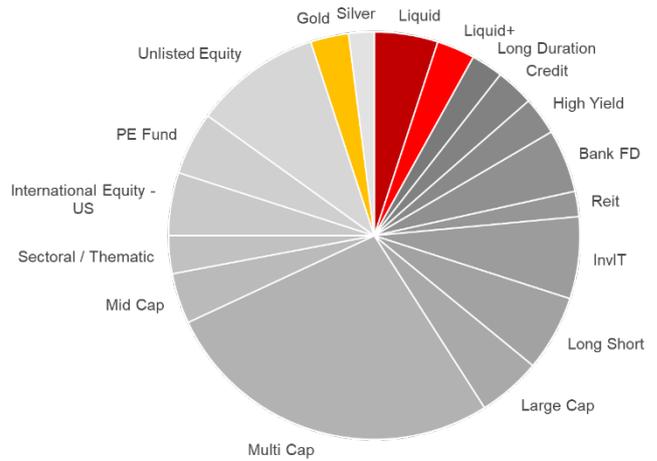
Income



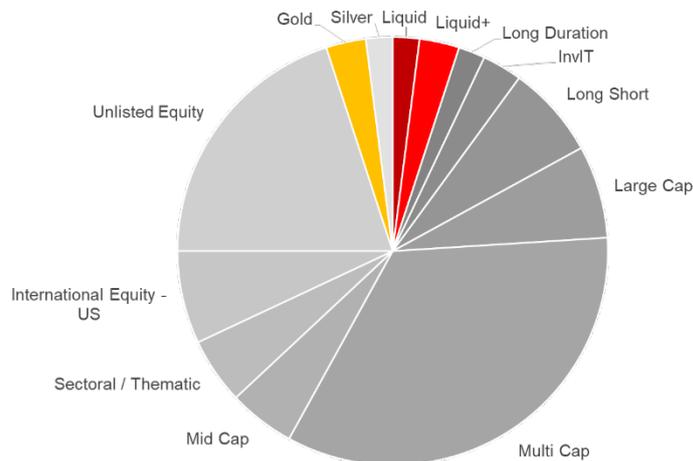
Balanced Growth



Moderate Growth



Aggressive Growth



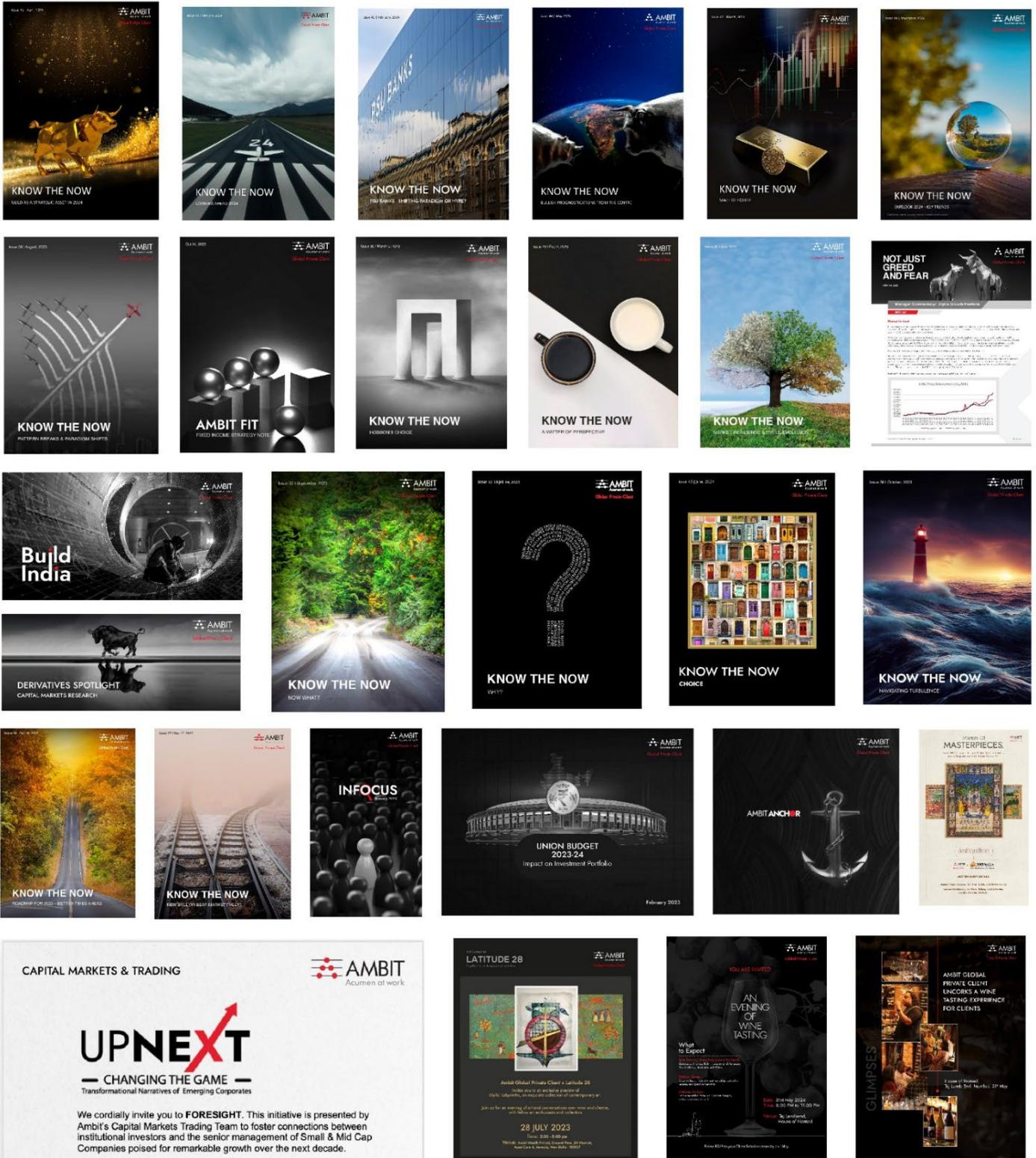
Tactical Asset Class Rationale

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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