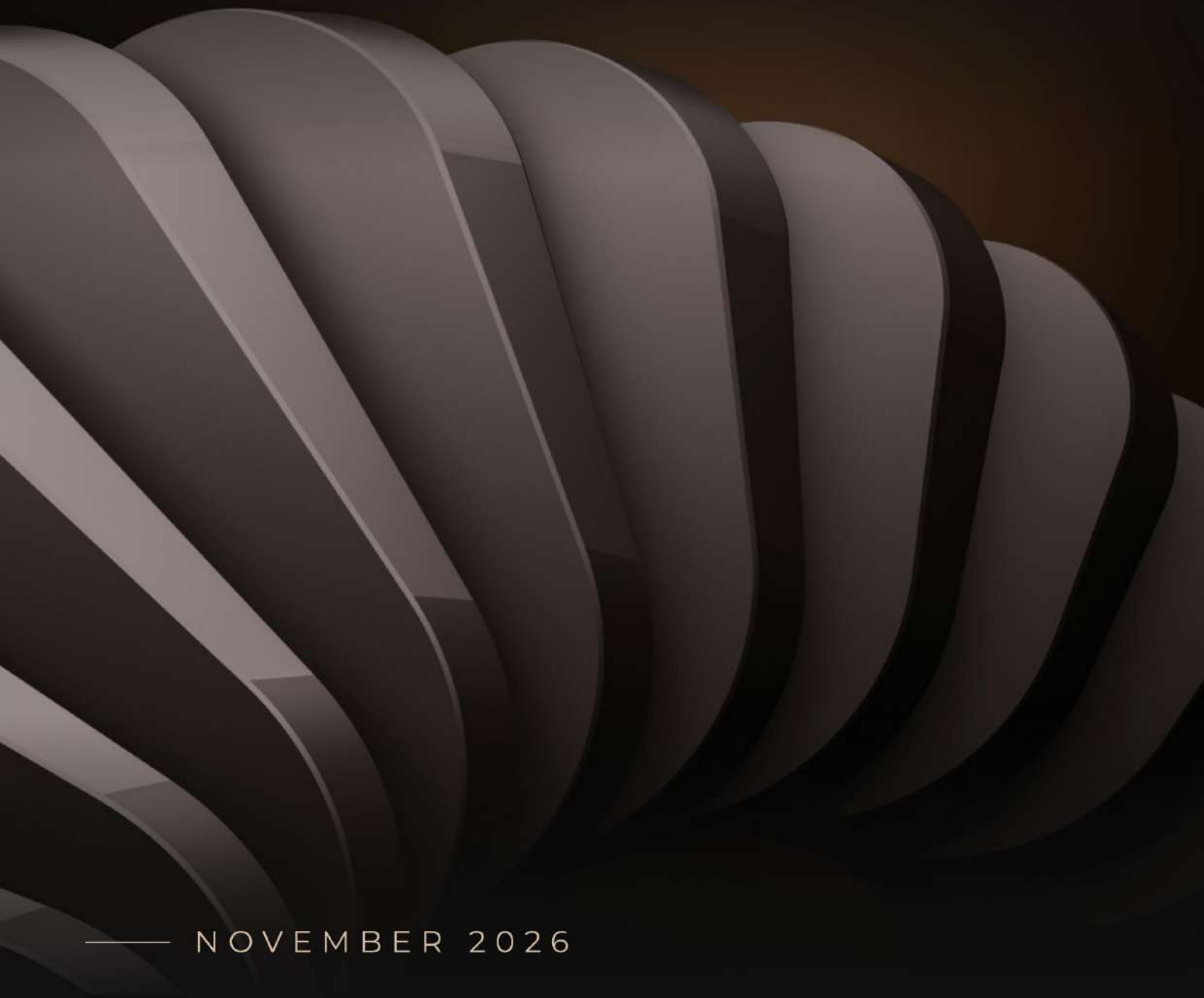
Centricity
Together Forward

MONTHLY OUTLOOK



NOVEMBER 2026

Market Outlook

ECONOMIC EQUITY DEBT COMMODITY INVESTING IDEAS



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MARKET OUTLOOK · NOVEMBER 2026

CEO's desk

The global economic environment continues to remain uncertain, with geopolitical tensions, elevated commodity prices, currency volatility and changing monetary policy expectations shaping the outlook. While these developments have kept financial markets sensitive to global cues, economic activity across major economies has remained relatively resilient.

Manu Awasthy
CEO & FOUNDER · CENTRICITY

India, too, faces a challenging external environment, particularly with elevated crude oil prices and tighter global financial conditions posing risks to inflation, the external balance and capital flows. Rising domestic inflation has also brought monetary policy considerations back into focus. These developments could keep domestic financial conditions relatively tight and markets volatile in the near term.

However, India's domestic growth momentum continues to provide a strong counterbalance to these pressures. Real GDP grew by 7.8% in Q1 FY27, while the RBI revised its full-year growth projection upwards to 7.1% from 6.7%. The revision reflects the resilience of economic activity, supported by sustained consumption and investment demand.

Manufacturing activity remained firmly in expansion territory, with an improvement in the export orders. Fixed investment, infrastructure spending and the continued expansion of the services sector are likely to remain important contributors to growth. India's growing services export base and efforts towards diversifying merchandise exports also provide opportunities to strengthen its external growth drivers.

The improving earnings expectations and resilient domestic economic activity provide some fundamental support, although valuation differences across market segments point towards a more differentiated market environment.

Looking ahead, near-term challenges are likely to persist, particularly around crude oil prices, inflation and global capital flows. However, the strength of domestic economic activity, continued investment in infrastructure, improving financial penetration and expanding export opportunities provide a supportive foundation for growth, with early signs of an economic recovery beginning to emerge.

Manu Awasthy

Manu Awasthy
CEO & Founder, Centricity



SECTION

01 Economic Outlook

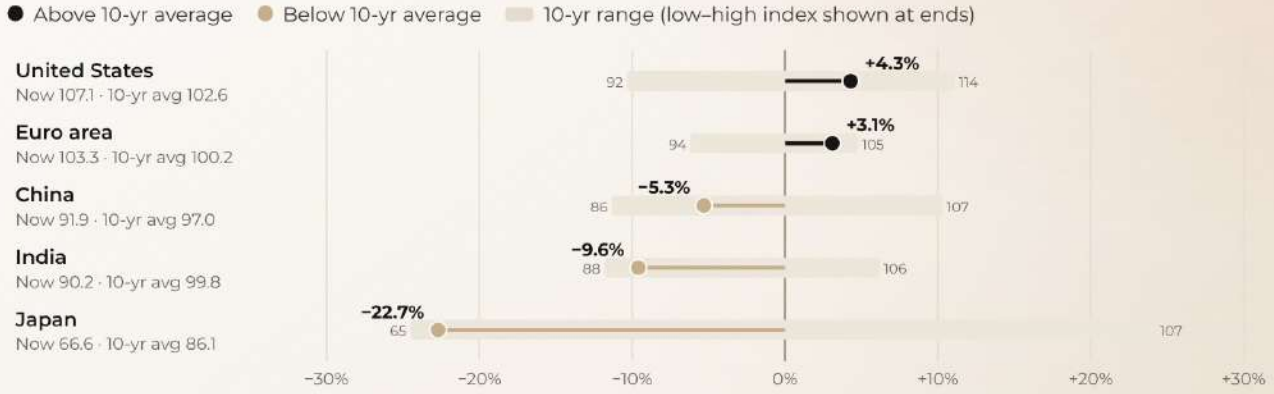
01 — ECONOMIC OUTLOOK

Economic **Outlook**

Which currencies look over- or undervalued?

01

Real effective exchange rate (broad, CPI-based) vs its own 10-year average, % gap, Sep 2026



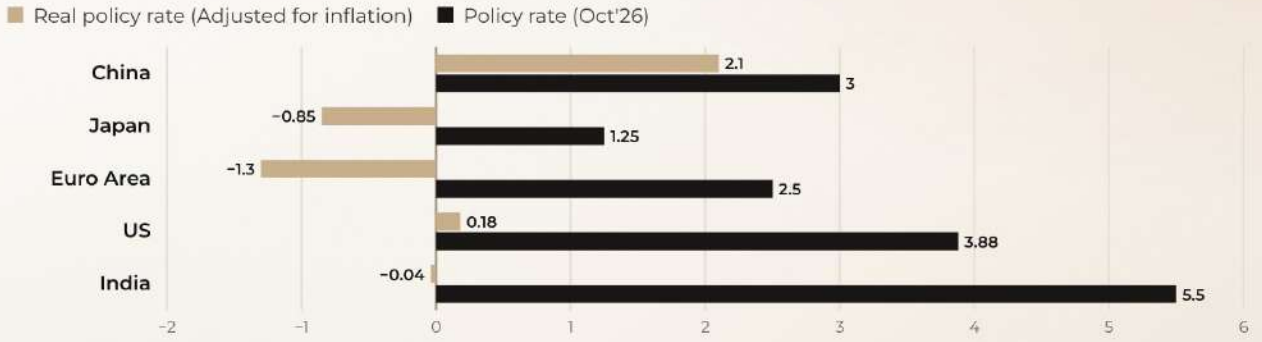
Source: Investing.com

The Real Effective Exchange Rate (REER) measures a currency's value against a weighted basket of trading-partner currencies, adjusted for differences in inflation. A higher value indicates real appreciation; a lower value suggests real depreciation and improved price competitiveness.

The US dollar and Euro are trading above their respective 10-year average REER levels, indicating relative real appreciation. In contrast, the Indian rupee and Chinese yuan remain below their historical averages, while the Japanese yen (-22.7%) shows the largest deviation. This divergence points to relatively stronger price competitiveness across Asian exporters, although sustained currency weakness could also increase imported inflation pressures

Policy Rates

02



Source: TradingEconomics

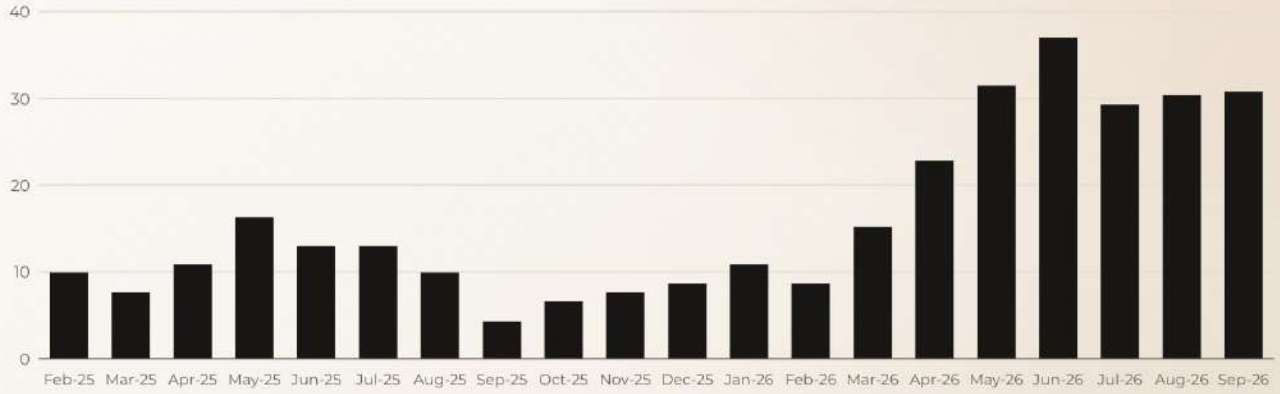
Differences in real policy rates highlight the varying monetary conditions across major economies. In India and the US, real rates are close to zero, indicating that interest rates are broadly in line with prevailing inflation. Negative real rates in the Euro Area and Japan suggest that borrowing costs remain relatively low after adjusting for inflation. China stands out, with a higher real rate of 2.1%, as low inflation keeps borrowing costs relatively high despite a lower nominal policy rate.

01 — ECONOMIC OUTLOOK · CONTINUED

Economic **Outlook**

CPI- Diffusion index (%)

03

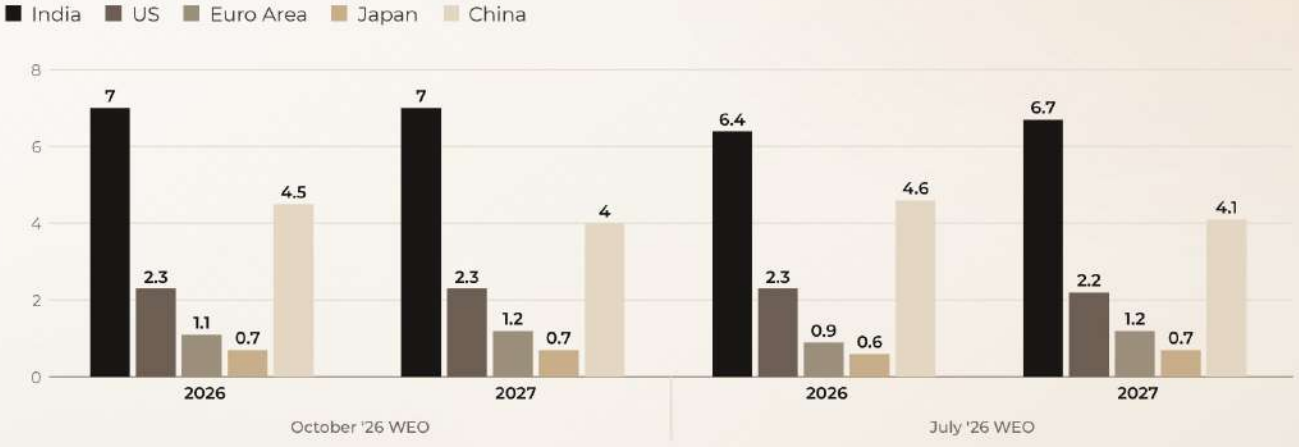


Source: MoSPI

The CPI diffusion index shows how widespread price increases are. For this chart, it is the share (%) of classes whose prices rose by 0.5% or more over the previous month. After staying at about 4–10% through 2025, the index began climbing in Mar-26 and peaked at about 37% in Jun-26. At about 30% in Jul–Sep, it is still roughly three times the 2025 average. The Middle East war raised fuel and transport costs across the basket. El Niño then added a food-price shock, with the monsoon about 15% below normal by mid-September, which helped lift September CPI inflation to 5.54% (food 7.74%), the highest since October 2024. With a very strong El Niño forecast to last into winter, food risks remain tilted to the upside.

IMF Projections

04



Source: IMF, World Economic Outlook Update, Oct 2026

The IMF's October 2026 World Economic Outlook, compared with its July update, shows how growth expectations for the major economies have shifted. India remains the fastest-growing at 7.0% in both 2026 and 2027 (fiscal-year basis). The IMF cites stronger-than-expected momentum from resilient domestic demand and robust services, even with higher oil prices. China is slowing, from 5.0% in 2025 to 4.5% in 2026 and 4.0% in 2027, while the US holds at 2.3%. The euro area (1.1% and 1.2%) and Japan (0.7%) might tend to slow. Global growth is projected at 3.1% in 2026 and 3.4% in 2027, with AI investment supporting demand and the Middle East conflict raising energy costs.

01 — ECONOMIC OUTLOOK

Domestic High-Frequency Indicators

India, year-on-year% unless stated

TABLE 01 · DOMESTIC HIGH-FREQUENCY INDICATORS Sep-25 – Sep-26

Indicator	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
GST E-way bills (Volume)	21	8.2	27.6	23.5	15.8	18.8	12.9	11.8	10.9	14.5	6	7.7	7.2
GST revenue (₹ lakh crore)	10	7.6	0.7	6.1	6.2	8.1	8.8	8.7	3.2	13.9	15.4	14.8	14.7
Digital Payments – Volume	28.1	21.5	30.2	26.8	25.4	23.5	21	22.3	21.3	21.7	19.4	19.7	16.7
Digital Payments – Value (₹ lakh crore)	13.4	8.8	14.7	15.2	11.3	17.9	12.6	14.4	10.8	20.2	17.9	23.1	17.3
Automobile Production (Volume)	10.8	−2.8	22.3	37.1	15	22.1	20.2	26	13.4	27.5	24.8	16.9	12
Index of Core Industries	3.1	0.8	3.5	5.6	5.2	3.2	2.9	2.7	3.2	6	5	5.9	7.9
IIP-Headline	6.1	−0.9	7	6.7	4.1	4.4	3	4.9	5	8.8	7.4	8	6.7
Domestic air cargo (Tonnes)	2.8	−2.3	20.5	4.3	8.7	18.5	10.8	7	10.7	9.4	4.2	5.6	–
International air cargo (Tonnes)	2.3	−2.3	12.7	12	8.4	17.5	0	11.6	10.4	19.4	14.9	15.5	–
Steel consumption (Million tonnes – MT)	8.9	2.4	6	5.4	4.9	12.8	13.7	8.1	0.4	7.4	6.7	5.7	8
Cement production (Million tonnes – MT)	5	5.2	14.6	13.7	11.3	9.1	−4.7	8.3	8.4	9	12.7	12.5	–
PMI Services	60.9	58.9	59.8	58	58.5	58.1	57.5	58.8	59.8	57.4	53.3	54.1	55.2
PMI Manufacturing	57.7	50.2	56	55	55.4	56.9	53.9	54.7	55	54.2	53.5	52.8	55.1

Weak / Negative Strong Not Yet Out

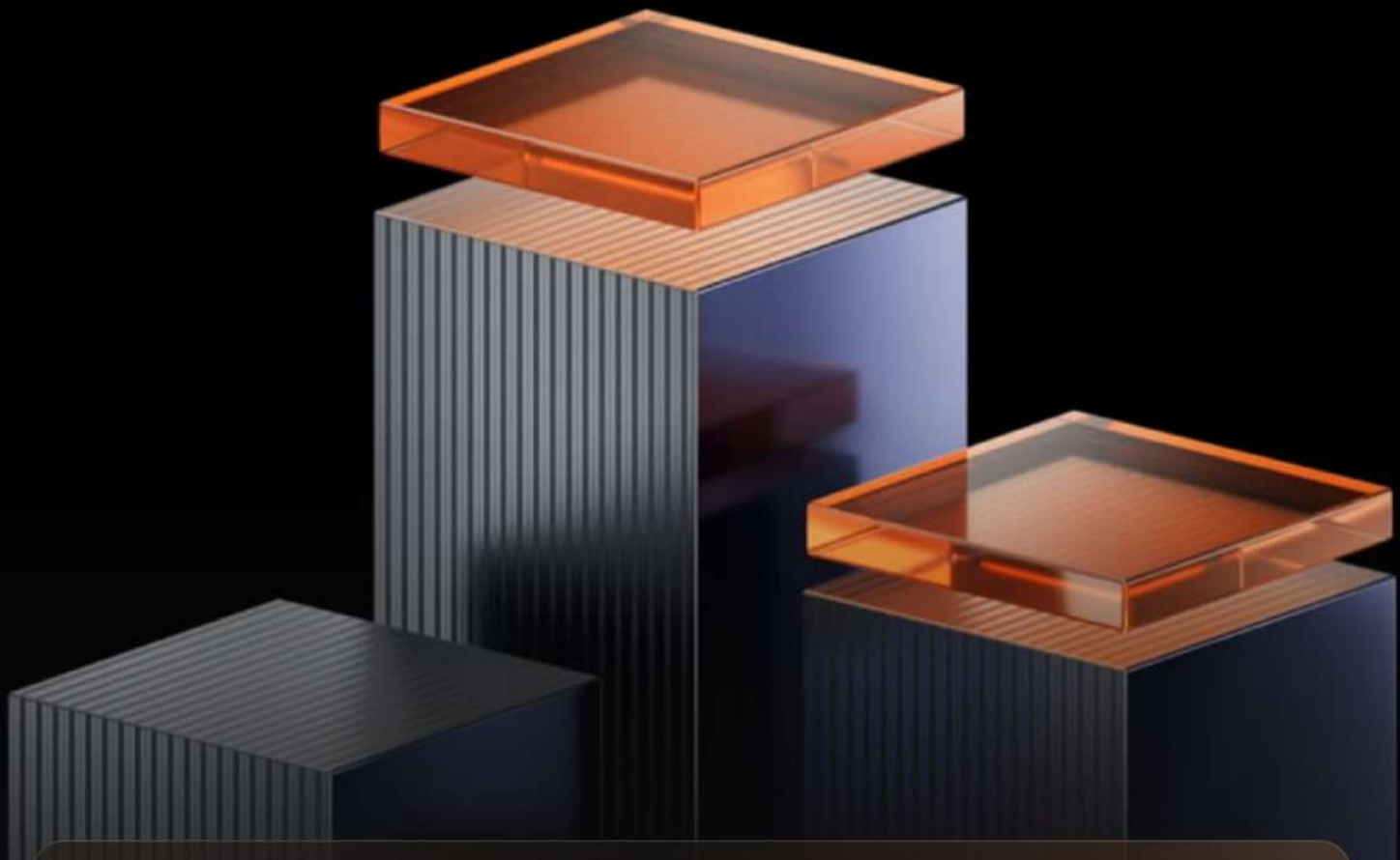
NOTE

Latest available data as of 31st October ; Sep-26 retained as the latest common month, as October data is not yet available across all indicators

Source: RBI Bulletin October 2026

02

Equity **Outlook**



09 Broad Market Performance

10 Sectoral Performance

11 Institutional Activities

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02 — EQUITY OUTLOOK

Broad Market Performance

NIFTY INDICES RETURNS

Source: NSE, Trendlyne

NIFTY 50	NIFTY NEXT 50	NIFTY SMALLCAP 250	NIFTY MIDCAP 150	NIFTY 500
+1.95 % 1M	-2.87 % 1M	-5.78 % 1M	-3.69 % 1M	-0.75 % 1M
YTD -10.86%	YTD -1.03%	YTD +1.94%	YTD -4.73%	YTD -7.30%
5Y Avg +6.60%	5Y Avg +10.97%	5Y Avg +13.35%	5Y Avg +14.26%	5Y Avg +8.7%

— **The Nifty 50 gained 1.95% in October, breaking its two-month losing streak**, supported by a sharp rebound in IT stocks, resilient Q2 earnings and gains in select large-cap companies.

— The recovery remained narrow, with broader markets continuing to underperform. **The Nifty Midcap 150 declined ~3.8%, while the Nifty Smallcap 250 fell ~5.8%**, reflecting continued pressure on relatively expensive, smaller companies.

— **The Nifty Next 50 declined ~2.9%, underperforming the Nifty 50 but holding up better than mid- and small-caps.** The divergence highlights the preference for larger, more established companies amid elevated market uncertainty.

— **The Nifty 500 slipped ~0.8%**, indicating that gains in heavyweight stocks, particularly IT, helped cushion the broader market despite weakness across many constituents.

— While the correction has improved the relative attractiveness of midcaps, smallcaps continue to trade at a sizeable premium despite their sharper October decline.

TABLE 02

Valuations Across NIFTY Indices

VALUATIONS ACROSS NIFTY INDICES

Source: NSE

NIFTY Indices	P/E TTM (As on October 31st, 2026)	P/E 5 Yr Average	P/B TTM (As on October 31st, 2026)	P/B 5 Yr Average
NIFTY 50	19.3	21.8	2.83	3.8
NIFTY Next 50	17.13	22.8	3.25	4.1
NIFTY Smallcap 250	31.28	27.2	3.23	3.6
NIFTY Midcap 150	26.27	30.9	3.69	4.3
NIFTY 500	21	23.6	3.07	3.9

02 — EQUITY OUTLOOK

Sectoral Performance

TABLE 03

Sectors 1–6 of 12

SECTORAL PERFORMANCE 1 / 2 · *Source: NSE, Trendlyne*

Sector	RETURNS (%)				P/E (x)		P/B (x)	
	1M	3M	1Y	5Yr Avg	Current	5Yr Avg	Current	5Yr Avg
Pharma	2.6	2.27	23.05	15.39%	42.68	34.40	5.11	4.90
IT	18.06	6.53	-7.13	-1.42%	19.98	27.60	5.71	7.80
Energy	-4.57	-9.42	-2.51	10.23%	13.77	13.70	1.92	2.30
Metal	-7.51	-7.12	12.38	17.23%	14.58	18.40	2.51	2.40
FMCG	-2.02	-11.19	-21.69	4.49%	29.98	41.30	7.24	10.40
India Defence	-6.17	-6.61	7.55	na	54.77	46.10	10.18	10.00

TABLE 03

Sectors 7–12 of 12

SECTORAL PERFORMANCE 2 / 2 · *Source: NSE, Trendlyne*

Sector	RETURNS (%)				P/E (x)		P/B (x)	
	1M	3M	1Y	5Yr Avg	Current	5Yr Avg	Current	5Yr Avg
Oil & Gas	-2.89	-8.19	-13.41	8.40%	10.31	11.10	1.27	1.80
Consumer Durables	-5.71	-13.76	-10.22	5.58%	54.54	67.30	8.89	12.00
Auto	-3.31	-11.42	-4.17	20.04%	29.06	34.60	3.97	5.00
Financial Services	0.3	-6.88	-8.08	7.81%	14.71	18.00	2.28	3.20
Realty	-3.94	-9.6	-13.7	16.28%	34.41	48.50	3.55	4.40
Bank	0.1	-4.35	-4.73	9.52%	12.23	16.20	1.65	2.50

- October saw a sharp divergence in sectoral performance, **with IT staging a strong rebound while metals, consumer durables and defence remained under pressure.**
- **IT's sharp rebound was driven by a reassessment of AI-related disruption and better-than-feared Q2 results.** TCS reported growth in AI revenue, while HCLTech's deal bookings rose 27% YoY, providing evidence that AI is also creating new revenue opportunities for IT services companies. The rally also reflects a recovery from the sector's prolonged underperformance.
- **Pharma continued to attract defensive interest amid market volatility.** Its relatively stable earnings profile helped it outperform more cyclical sectors. However, the premium valuation suggests that much of this resilience is already reflected in prices.
- **Metals witnessed profit-taking as the global commodity backdrop weakened.** Copper prices edged lower, while gold and silver saw sharper corrections. This weighed on sentiment towards metal stocks after their earlier outperformance.
- **Financials and banks remained relatively stable despite continued foreign investor selling.** Domestic institutional buying helped absorb some of the pressure, while lower sector valuations provided a degree of support.

02 — EQUITY OUTLOOK

Institutional Activities

TABLE 04

Sectors 1–7 of 19

INSTITUTIONAL ACTIVITIES · IN INR CR. 1 / 3 · *Source: NSDL*

Sr. No.	Sectors	Net Investment Aug, 2026	Net Investment Sep, 2026	Net Investment Oct, 2026 (till 15th Oct)	Net Inflow/Outflow in Equity (YTD)
1	Automobile and Auto Components	3,106	-6,212	-6,533	-45088
2	Capital Goods	606	-1,461	-3,886	10138
3	Chemicals	858	95	41	-716
4	Construction & Construction Materials	172	106	-1778	-13534
5	Consumer Durables	3,903	-1,905	-586	4607
6	Consumer Services	8,417	2,333	-1,931	-1342
7	FMCG	-1,916	-3,001	-8,172	-40887

TABLE 04

Sectors 8–13 of 19

INSTITUTIONAL ACTIVITIES · IN INR CR. 2 / 3 · *Source: NSDL*

Sr. No.	Sectors	Net Investment Aug, 2026	Net Investment Sep, 2026	Net Investment Oct, 2026 (till 15th Oct)	Net Inflow/Outflow in Equity (YTD)
8	Financial Services	10,494	-13,147	-8,634	-123436
9	Healthcare	5,931	2,117	-5,497	-10632
10	Information Technology	4,103	-998	2,599	-25185
11	Media, Entertainment & Publication	66	-62	252	-821
12	Metals & Mining	1,807	-3,003	-3,693	12869
13	Oil, Gas & Consumable Fuels	-1,761	-6,854	-3,680	-41196

TABLE 04

Sectors 14–19 of 19

INSTITUTIONAL ACTIVITIES · IN INR CR. 3 / 3 · *Source: NSDL*

Sr. No.	Sectors	Net Investment Aug, 2026	Net Investment Sep, 2026	Net Investment Oct, 2026 (till 15th Oct)	Net Inflow/Outflow in Equity (YTD)
14	Power	-1,553	-2,223	-1,732	-7406
15	Realty	-594	-743	-578	-8459
16	Services	1,783	2,302	262	12841
17	Telecommunication	-4,983	-3,414	-3,928	-35473
18	Textiles	-293	646	-59	-22
19	Utilities	-31	161	-34	101

Values in INR Cr.; positive figures in green, negative in red. *Source: NSDL*

02 — EQUITY OUTLOOK · CONTINUED

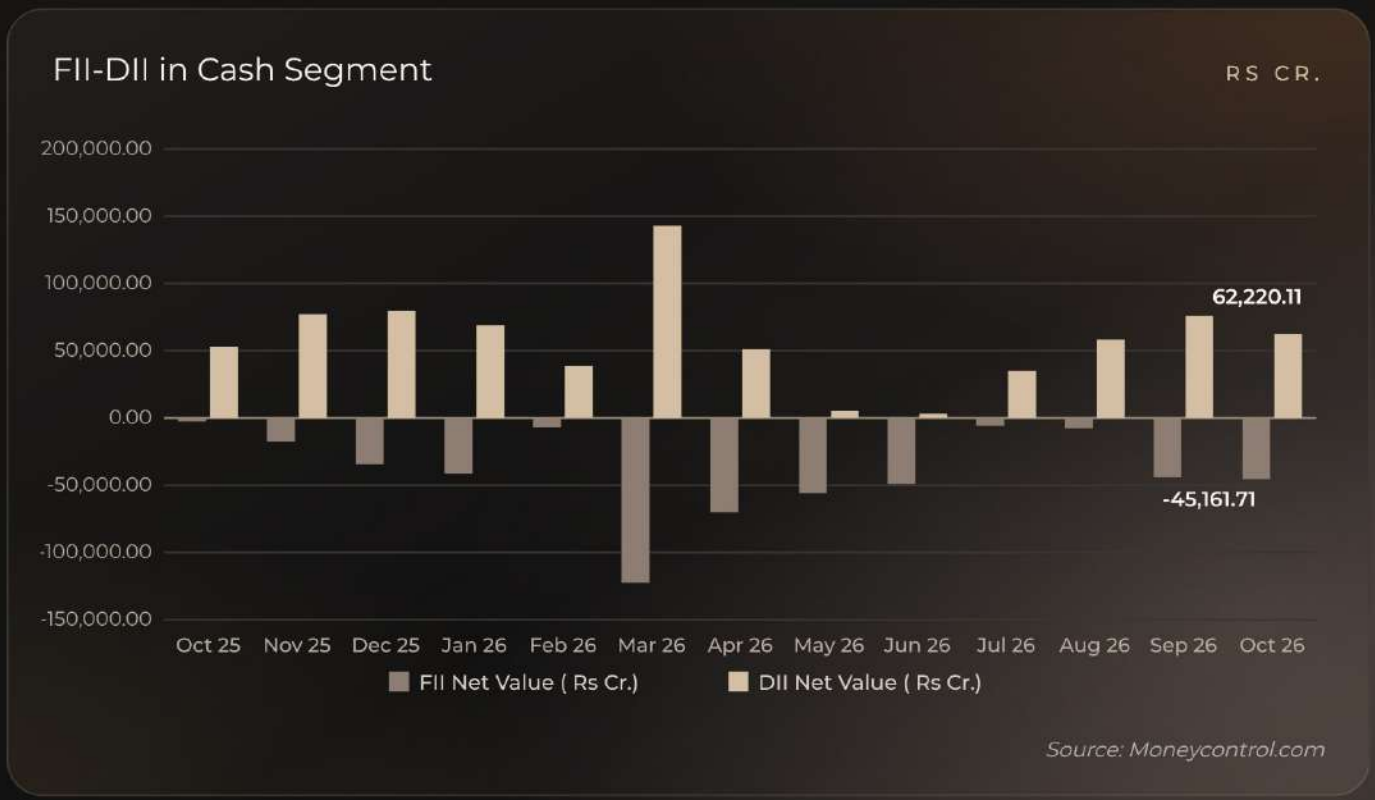
Institutional Activities

Foreign investor selling remained elevated in October, with FPIs offloading ~₹45,162 crore in the cash market, marginally higher than September's ₹44,013 crore outflow.

Domestic institutions continued to provide a strong counterbalance, **recording net buying of ~₹62,220 crore during October.** Although lower than September's ~₹76,030 crore, DII inflows remained substantial, cushioning the impact of persistent FPI selling.

FPI selling broadened across sectors in October. **Financial services, FMCG and auto & auto components, witnessed the largest outflows during the first fortnight**, indicating a reduction in foreign exposure across both financial and consumption-oriented sectors.

IT emerged as a notable exception to the selling trend, attracting ~₹2,599 crore in FPI inflows during the first fortnight. However, the broader sectoral picture remained weak, with foreign investors selling across 18 of 23 sector categories.

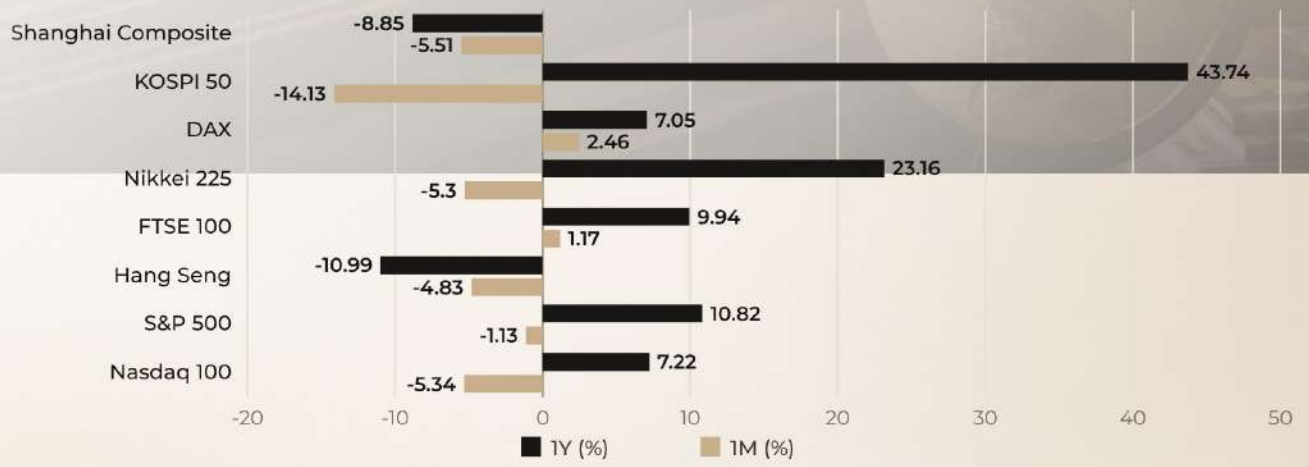


02 — EQUITY OUTLOOK

Global Markets

Global Indices Returns

Source: Moneycontrol.com



— US equities saw a sharp technology-led correction, with the S&P 500 declining ~1.1% and Nasdaq falling ~5.3%. **Concerns over rising AI capital expenditure and the returns on these investments triggered profit-booking in large technology stocks.**

— **Japanese equities weakened, with the Nikkei 225 falling ~5.3%.** The Bank of Japan held rates at 1.25% but signaled further monetary tightening, while the global technology sell-off added to market pressure.

— **South Korean equities corrected sharply, with the KOSPI declining ~14%, despite record exports.** October exports rose 93.7% YoY to $115.3 billion, led by a 259.4% surge in semiconductor exports. The divergence highlights profit-booking and elevated valuations around AI.

— **Chinese equities remained under pressure, with the Shanghai Composite falling ~6.3% and Hang Seng declining ~5.4%.** Weak domestic consumption and the property downturn continued to weigh on sentiment despite Q3 GDP growth of 4.5%.

— **European markets remained relatively resilient, with the DAX gaining ~2.4% and FTSE 100 rising ~1.1%.** This was based on stronger-than-expected corporate earnings as STOXX 600 companies were on track for Q3 earnings growth of 23.6%, which would make it the second-strongest earnings season in four years.

TABLE 05

MSCI Indices

MSCI INDICES

Source: MSCI

MSCI Indices	USD Net Returns (%)				Fundamentals	
	1M	YTD	5Y (Annualised)	10Y (Annualised)	P/E	P/BV
U.S.A	-0.99	11.24	11.13	14.86	24.74	5.58
India	1.22	-13.90	1.91	7.39	21.95	3.09
South Korea	-15.56	66.91	17.66	14.22	8.52	1.91
Japan	-4.17	17.56	9.60	8.96	18.52	1.93
Europe	0.39	6.45	8.60	9.57	16.79	2.50
China	-7.00	-18.03	-4.11	2.81	11.96	1.29

02 — EQUITY OUTLOOK

Equity In-House View

October marked a relative stabilization in Indian equities after the sharp September correction, but the recovery remained selective. Large-cap indices recovered modestly, supported by domestic institutional buying and a rebound in IT, while continued FPI selling and elevated crude prices limited broader participation.

DOMESTIC OUTLOOK

Market sentiment remains somewhat cautious amid global volatility, driven by concerns over stretched AI valuations and elevated crude prices, both of which have contributed to volatile foreign capital flows. India is increasingly being viewed as a diversification opportunity when concerns around AI-led valuations intensify, potentially attracting short-term inflows. However, such flows may provide only temporary support; sustained market strength will depend on domestic fundamentals. These remain to look encouraging, with October GST collections rising 22.9% YoY to ₹2.31 lakh crore and September manufacturing PMI recovered to a seven-month high of 55.1. Earnings expectations are also improving, with Nifty 50 companies estimated to deliver 24.7% YoY profit growth in Q2 FY27, alongside 17.4% revenue growth. On valuations, large- and mid-caps offer greater comfort, trading below their long-term averages, while small-caps continue to command a premium. This creates a relatively more favorable earnings-valuation balance in large- and mid-caps, while warranting greater selectivity in the small-cap segment.

GLOBAL OUTLOOK

AI-related valuation concerns are currently driving global markets, with recent corrections in technology stocks spilling over into markets such as South Korea and Japan, which are closely linked to the semiconductor and AI supply chain. The concern is not around the long-term potential of AI, but majorly related to the recent negative cash flows and whether the huge investments being made today will generate returns quickly enough to justify current valuations. Any earnings disappointment or weakness in cash flows could therefore trigger further volatility. We remain relatively cautious on the US, Japan and South Korea given their direct exposure to this theme. China, meanwhile, continues to face its own challenges, with Q3 GDP growth at 4.5%, weak consumer demand and the prolonged property downturn limiting the impact of policy support. Europe had a relatively positive October, but limited growth opportunities, political instability, recent fiscal concerns and structural challenges make it difficult to view the region as a strong long-term growth opportunity.



03 Debt Outlook

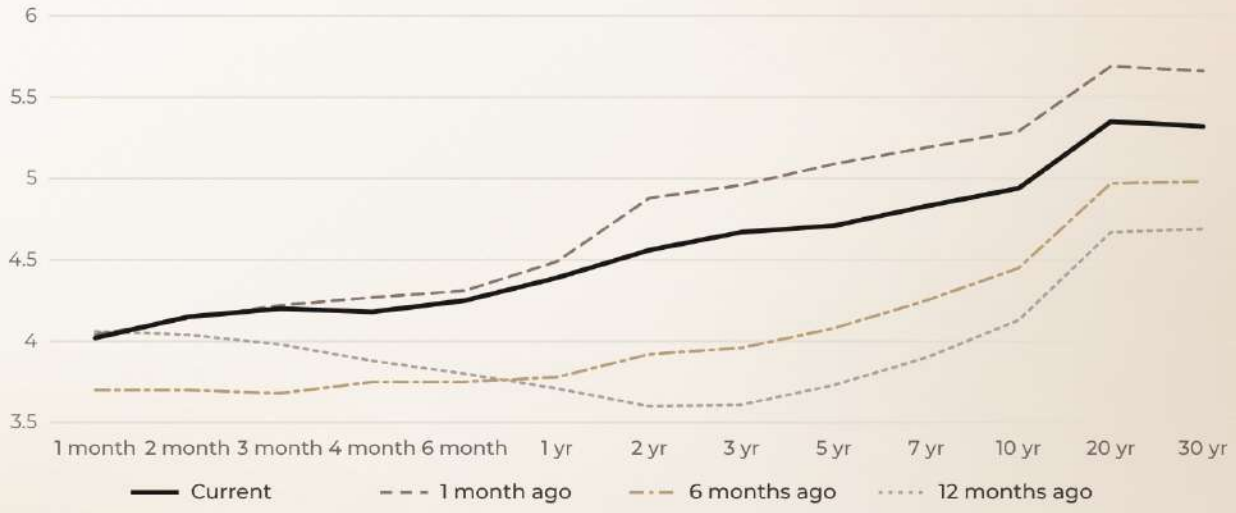
16 Global Debt Outlook
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03 — DEBT OUTLOOK

Global Debt **Outlook**

USA Yield Curve (end-October 2026)

Source- U.S. Department of Treasury



USA Debt **Outlook**

US Treasury yields declined across maturities during October, with the 2-year yield falling around 32 bps to 4.56%, the 5-year declining 38 bps to 4.71% and the 10-year easing 35 bps to 4.94% by month-end. The relatively sharper decline in intermediate and longer-term yields led to a narrowing of the spread between 2-year and 10-year Treasury yields.

The Fed kept rates unchanged at 3.75–4.00% at its October meeting, although two members favoured a 25-bp hike. The decision, along with the Fed's assessment of stronger economic activity and elevated inflation, reinforced expectations of further tightening. CME FedWatch currently indicates an approximately 80% probability of a rate hike at the December meeting.

US real GDP grew at an annualised rate of 3.4% in Q3 2026, compared with 2.2% in Q2, indicating resilient economic activity. Growth was supported by consumer spending and investment, particularly in AI infrastructure. However, September core PCE inflation remained elevated at 3.1% year-on-year, while payroll additions were modest at 29,000.

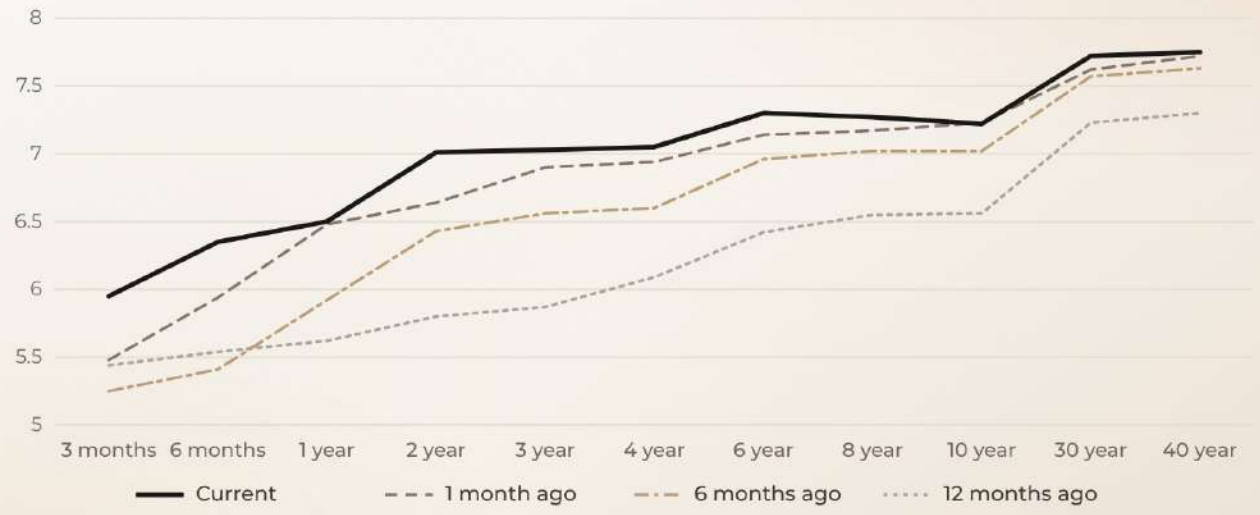
Concerns around the US fiscal deficit and elevated Treasury borrowing requirements continue to pose risks to longer-term yields. These factors could limit the scope for a further decline in yields at the longer end of the curve.

03 — DEBT OUTLOOK

Indian Debt **Outlook**

India Yield Curve (end-October 2026)

Source- World Government Bonds



Brent crude peaked at around $117/bbl in October and remained elevated amid renewed tensions in the Middle East, with limited signs of a near-term resolution. The impact is increasingly visible in domestic inflation, with the latest CPI print rising to 5.54% and items accounting for around 45% of the CPI basket registering inflation above 4%. Persistently high crude prices could keep imported inflation elevated and add to pressure on the rupee.

The India–US 10-year yield differential widened to approximately 247 bps by end-October, from around 194 bps in early October. This was driven by a sharp rise in Indian bond yields amid domestic policy and liquidity pressures, alongside a decline in US Treasury yields on safe-haven demand.

The RBI's 25-bp repo rate hike to 5.50% and shift from a neutral to a calibrated tightening stance reinforced expectation of a more restrictive policy trajectory. This was reflected in the OIS market, with the 1-year rate rising 51 bps to 6.72% and the 2-year rate increasing 33 bps to 6.74%, indicating a significant repricing of near-term rate expectations.

LATEST CPI	REPO RATE	INDIA-US 10-YEAR SPREAD
5.54%	5.50%	~247 bp

03 — DEBT OUTLOOK

Debt In-house View

1. United States

Despite the decline in Treasury yields during October, we remain cautious in the near term, as persistent inflation could keep monetary policy restrictive. We expect a 25-bp rate hike at the December meeting. Post the outcome of the US midterm elections some relief was witnessed in yields on the back of expectations that there will be greater fiscal scrutiny on government spending. We favour the 3–5-year segment of the Treasury curve, while remaining cautious on longer maturities given fiscal and term-premium risks.

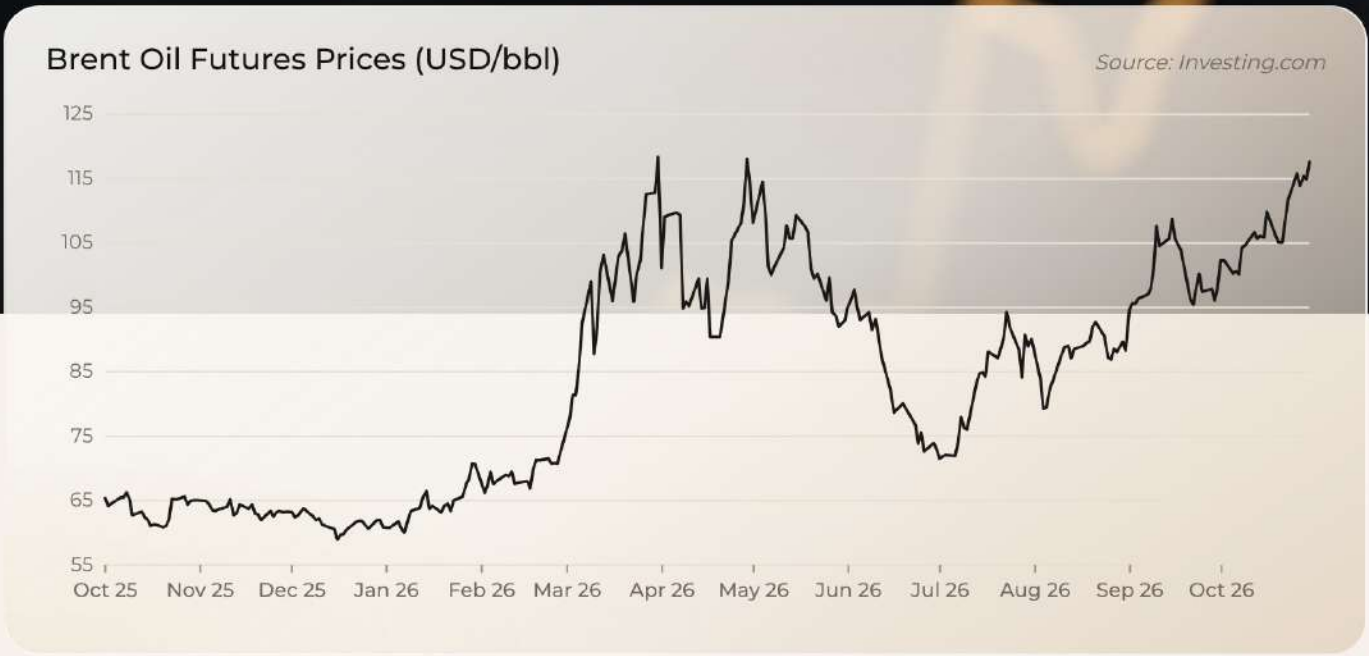
2. India

We favour the short and medium segment of the yield curve, while remaining cautious on longer end. We expect the RBI to deliver a 25-bp rate hike at its December policy meeting, which appears to be largely priced in, making the short-to-medium end of the yield curve an attractive entry point. The segment therefore offers a relatively balanced risk-reward, with lower duration and supply-related risks than longer-dated bonds.



03 — DEBT OUTLOOK

Commodity Outlook



- **Crude prices remained elevated through October, with Brent briefly crossing ~$117/bbl** amid renewed attacks on Gulf energy infrastructure and shipping routes. Prices have since eased to around $102/bbl as of November 4, amid hopes of diplomatic progress between the US and Iran.
- Global supply remained vulnerable to disruptions. **IEA estimates show supply recovering 2.5 mb/d MoM to 102.3 mb/d in September.** However, Gulf oil exports slipped to 17.1 mb/d in October from 18.9 mb/d in September, remaining well below pre-conflict levels.
- **Global inventories remained under pressure, falling another 10 million barrels in September.** Onshore stocks declined by 113 million barrels, taking cumulative global inventory drawdowns since February to 509 million barrels.
- Demand outlook weakened further. The IEA expects global oil demand to contract by 2.6 mb/d in 2026, with high energy prices, restricted product availability and a deteriorating economic outlook weighing on consumption.
- OPEC+ maintained its December production targets unchanged, extending its pause on further output increases amid continued supply uncertainty. Its November 29 meeting will be important for determining production policy for 2027.

INDIA

- **India's crude basket averaged $ 119.91/bbl in October**, up from $116.09/bbl in September, keeping domestic energy costs elevated. ATF prices also increased by another ₹1.37/litre from November 1, following October's sharp 13.2% hike.
- **India's crude imports touched a record ~5.6 mb/d in October, as refiners stepped up purchases amid West Asian supply disruptions.** Higher import volumes, elevated crude prices and freight costs continue to add to the energy import burden. Russian crude remained the largest source at around 1.97 mb/d, while higher shipments from Angola and Venezuela helped diversify sourcing.
- Additionally, weaker sugarcane and corn availability could pull ethanol blending down to 15–17%, below the 20% target, potentially increasing dependence on imported crude.

COMMODITY OUTLOOK

Gold & Silver



- **Gold declined ~7% and silver ~19% in October, with silver witnessing a sharper correction.** Rising US Treasury yields, a stronger dollar and expectations of further Fed tightening weighed on precious metals, while unwinding of speculative positions added to selling pressure.
- **Gold demand fundamentals remained resilient.** Q3 global demand (including OTC) declined just 1% YoY to 1,369 tonnes, while YTD demand reached 3,881 tonnes, nearly matching the full-year 2025 record. **Demand value touched a record US$566 billion.**
- **Central bank and ETF buying continued to provide support.** Central bank purchases rose to 321 tonnes in Q3, taking YTD buying to 675 tonnes (+6% YoY). Gold ETFs recorded 211 tonnes of inflows during the quarter, reversing Q2 outflows. **However, elevated prices weighed on physical consumption, with jewellery demand falling 17% and bar and coin demand declining 19% YoY.**
- **Silver faced pressure from moderation in both industrial and investment demand.** Solar-related demand has levelled off after strong growth in 2024–25, while global silver ETF redemptions have weighed on investment flows.
- **Additionally, the projected copper market surplus in 2027 adds to concerns around silver supply,** given that a significant portion of silver is produced as a by-product of copper, zinc and gold mining.

03 — COMMODITY OUTLOOK

Commodity In-house View

01 Crude Oil

Oil will remain volatile, with the Middle East continuing to set the direction for prices. October offered little evidence of a lasting improvement in supply conditions. Tanker attacks pushed traffic through the Strait of Hormuz to a two-month low early in the month, while renewed attacks and security concerns kept the recovery in Gulf exports fragile. Although producers managed to lift output, October shipments from the region fell to around 17.1 mb/d from 18.9 mb/d in September. The IEA also expects global oil demand to contract by 2.6 mb/d in 2026, reflecting the impact of high fuel prices and weaker economic activity. This creates the market dynamic where weaker demand is providing some relief, but persistent supply disruptions and depleted inventories are preventing prices from easing meaningfully.

For India, the concern is the cumulative impact of expensive energy rather than just the movement in petrol and diesel prices. Higher crude prices, freight and insurance costs are increasing the cost of importing and transporting energy. Diversified sourcing provides some cushion, but India remains exposed to a sustained rise in global energy prices.

02 Gold & Silver

Gold has already corrected around 24–25% from its January peak, but the underlying reasons for holding gold remain largely unchanged. While de-dollarisation and aggressive central bank buying fuelled the rally last year, the broader case for gold still holds. Persistent geopolitical uncertainty, inflation risks, market volatility and a gradual shift in global reserve preferences continue to support its role as a strategic portfolio asset. With a meaningful correction already behind us and these drivers still relevant, we remain constructively optimistic on gold.

Silver's industrial demand story has relatively slowed down with West Asia conflict still ongoing and escalating from time and now. While softer solar demand and weaker investment flows warrant some caution in the near term, silver's strategic role continue to hold relevance. However, continued geopolitical uncertainty and slower industrial activity make the near-term outlook relatively cautious.

ALLOCATION

Asset Class Summary

EQUITY	FIXED INCOME	COMMODITY
50% large caps · 50% mid and small-cap	100% lumpsum	Staggered deployment in Gold through ETFs

TABLE 06
Equity

ASSET CLASS
Equity

POSITIONING
Overweight on Large Cap and Neutral on Mid and small Cap

DEPLOYMENT
50% allocation to large caps
50% to mid and small-cap

RATIONALE
- Large caps remain the preferred core, offering better valuation of comfort alongside resilient earnings.
- Nifty 50 companies that have reported Q2 results so far have recorded approximately 18% aggregate profit growth, while full-quarter estimates point to 24.7% growth.
- Mid-caps offer a relatively balanced opportunity while Small caps continue to warrant greater selectivity.

TABLE 06
Fixed Income

ASSET CLASS
Fixed Income

POSITIONING
Preference for Short-to-Medium G-Secs

DEPLOYMENT
100% lumpsum

RATIONALE
- The short-to-medium segment appears attractive, as expectations of a hike in December are largely priced in, amid persistent inflation and resilient growth.
- Yields at the longer end could remain elevated, with global interest rates and bond market pressures limiting the scope for yield compression.

TABLE 06
Commodity

ASSET CLASS
Commodity

POSITIONING
Overweight on Gold. Hold on silver

DEPLOYMENT
Staggered deployment in Gold through ETFs

RATIONALE
- Gold retains its strategic appeal, supported by central-bank buying, reserve diversification and concerns around rising sovereign debt.
- Near-term volatility may persist amid higher US bond yields and dollar strength, despite continued institutional demand.
- Silver's long-term outlook remains supported by AI infrastructure, electronics and energy-transition demand; however, softer industrial demand and higher volatility warrant a measured approach.



04 Investing Ideas

Products 24

04 — INVESTING IDEAS

Products

India continues to exhibit relative macro strength. Easing inflation, a supportive policy environment, and targeted fiscal measures are reinforcing domestic demand and earnings visibility, providing resilience against external headwinds.

At the same time, global uncertainties, ranging from geopolitical tensions to trade disruptions, call for a more measured and diversified investment approach. Accordingly, the strategies presented reflect opportunities across business cycles, selective equity exposure across market capitalisations, and performing debt and special credit solutions, with a clear emphasis on risk-adjusted returns and portfolio resilience in uncertain times.

CATEGORY

Equity

SUB-CATEGORY

Mutual Fund

CATEGORY RATIONALE

Large & Mid Cap Mutual Funds are core equity allocations, combining the stability of established large-cap companies with the growth potential of emerging mid-cap businesses. As diversified mutual funds, they offer liquidity, cost efficiency, and the potential to compound wealth over the long term.

01 PRODUCT

Bandhan Large & Mid Cap Fund

RATIONALE

Managed by Manish Gunwani, this fund strategically blends the stability of large-cap stocks with the growth potential of mid-caps, while selectively adding small-cap exposure to enhance returns. With a 3-year CAGR of ~16%, it has consistently outperformed both its benchmark (12%) and the category average (12%).

EXPECTED RETURN RANGE (NET OF EXPENSES)

14-16%

SUITABLE TENURE

>3 years



04 — INVESTING IDEAS · PRODUCTS

Equity · PMS- Multi Cap

CATEGORY

Equity

SUB-CATEGORY

PMS- Multi Cap

CATEGORY RATIONALE

PMS is well placed in the current market as it has the flexibility to invest across large, mid, and small-cap category. This unconstrained approach can help capture changing market leadership and generate alpha over a full market cycle.

As returns, particularly in the mid- and small-cap segments, become increasingly driven by selective stock picking rather than broad market gains, a benchmark-agnostic PMS offers the flexibility to capitalize on differentiated opportunities.

01 PRODUCT

Buoyant Capital- Opportunities Strategy

RATIONALE

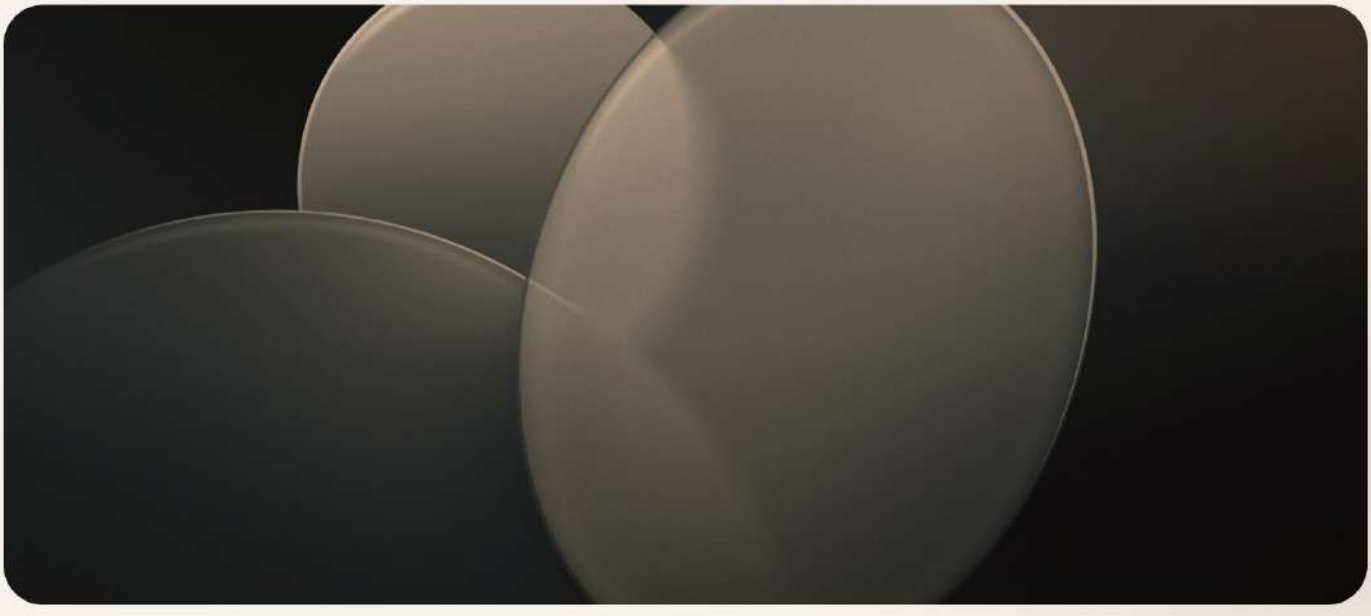
Since inception, the fund has delivered a ~20% IRR across market cycles, supported by its investment approach of balancing core and satellite portfolios. By actively shifting between defensive and aggressive positions based on market phases, it is well-positioned for today's dynamic environment.

EXPECTED RETURN RANGE (NET OF EXPENSES)

15-17%

SUITABLE TENURE

>3 years



04 — INVESTING IDEAS · PRODUCTS

Equity · PMS

CATEGORY

Equity

SUB-CATEGORY

PMS- Multi Cap

PMS- Mid & Small Cap

CATEGORY RATIONALE

PMS is well placed in the current market as it has the flexibility to invest across large, mid, and small-cap category. This unconstrained approach can help capture changing market leadership and generate alpha over a full market cycle.

As returns, particularly in the mid- and small-cap segments, become increasingly driven by selective stock picking rather than broad market gains, a benchmark-agnostic PMS offers the flexibility to capitalize on differentiated opportunities.

01 PMS- MULTI CAP

Negen Capital- Special Situation & Dyanamic Allocation Fund

With a 5-year TWRR of ~19%, the fund leverages rare value-unlocking opportunities like demergers, promoter changes, and delistings to capture alpha. Its focus on special situations and technology themes allows investors to access high-quality businesses at compelling valuations making it a powerful contrarian play in today's market.

EXPECTED RETURN RANGE (NET OF EXPENSES)

17-19%

SUITABLE TENURE

>3 years



04 — INVESTING IDEAS · PRODUCTS · CONTINUED

Equity · PMS

02 PMS- MID & SMALL CAP

Carnelian Shift Strategy PMS

A concentrated portfolio of ~25 high-conviction ideas, pruned rigorously to retain only the best performers. It has delivered strong returns, with a 3-year CAGR of 18% and since-inception CAGR of 31%, far ahead of the BSE 500 TRI. The fund is led by founder Vikas Khemani, a veteran with 27+ years in capital markets and a proven track record in building market-leading businesses.

EXPECTED RETURN RANGE (NET OF EXPENSES)
17-19%

SUITABLE TENURE
>3 years

03 PMS- MID & SMALL CAP

Alfaccurate Budding Beasts PMS

A differentiated mid & small-cap strategy focused on high-quality businesses with large revenue and profit pools, combining quality-first stock selection with agile portfolio construction and disciplined exits. Led by Rajesh Kothari, with 32+ years of investment experience, the strategy has delivered a strong ~25.4% CAGR over 5.5+ years, with a lower beta than the BSE 500.

EXPECTED RETURN RANGE (NET OF EXPENSES)
17-19%

SUITABLE TENURE
>3 years



04 — INVESTING IDEAS · PRODUCTS

Equity · AIF - Listed Equity

CATEGORY

Equity

SUB-CATEGORY

AIF - Listed Equity

CATEGORY RATIONALE

Listed Equity AIFs offer greater investment flexibility, with the ability to invest in special situations, out-of-favour companies, selectively hedge market risk, and blend listed with select unlisted opportunities. Their relatively smaller AUMs enable more efficient allocation to mid- and small-cap stocks, while fund-level tax filing provides added convenience for investors.

01 PRODUCT

Vedartha India Opportunities Fund Series 1

This fund follows a contra investing strategy focused mainly on mid- and small-cap stocks. It aims to generate alpha by identifying 25-30 fundamentally strong but currently undervalued, mispriced or out-of-favor companies caused by market cycles, investor sentiment, or behavioral biases, with the goal of benefiting from future valuation re-rating as market perceptions improve.

EXPECTED RETURN RANGE (NET OF EXPENSES)

16-18%

SUITABLE TENURE

5 years (+1 +1)

02 PRODUCT

Alchemy Long Term Ventures Fund 3

The fund invests across listed (small to micro-cap) and unlisted companies with a long-term, growth-oriented approach. It focuses on emerging structural themes such as Data Centres & AI, Defence, Semiconductors, Green Energy, and Biotech, targeting opportunities driving India's next phase of economic growth. The fund has delivered an impressive ~22% CAGR since inception.

EXPECTED RETURN RANGE (NET OF EXPENSES)

19-21%

SUITABLE TENURE

> 3 years

03 PRODUCT

ICICI Prudential PIPE AIF

Investment strategy is based on generating long-term capital appreciation by investing in, Listed Indian equites, PIPES, IPO and pre-IPO opportunities. The investment allocation will be Multi-Cap & Sector Agnostic, which allows flexibility in stock selection. The PMS with the similar strategy has delivered an impressive ~19% CAGR in past 5 years.

EXPECTED RETURN RANGE (NET OF EXPENSES)

17-19%

SUITABLE TENURE

7 (+2) years

04 — INVESTING IDEAS · PRODUCTS

Equity · AIF- Private Equity

CATEGORY

Equity

SUB-CATEGORY

AIF- Private Equity

CATEGORY RATIONALE

Private equity AIFs capture value created before a company reaches public markets — from late-stage growth to early-stage venture. With companies staying private longer, this is the access route to new-age themes not yet available in listed markets. These are long-horizon, illiquid commitments, suited to investors who can stay invested for the full fund life.

01 PRODUCT

Carnelian Private Growth & Innovation Fund 2

Designed to capture value across key growth and liquidity inflection points, the fund invests in high-growth, late-stage/pre-IPO and listed businesses, with a focus on accelerating earnings, strong fundamentals, and quality management. It follows a 50–60% Growth, 20–25% Late Stage/Pre-IPO, and 20–25% PIPE allocation, supported by Carnelian's MAGIC framework and CLEAR Forensic and Quality & Growth disciplines.

EXPECTED RETURN RANGE (NET OF EXPENSES)

>20%

SUITABLE TENURE

6 years and 9 Months

02 PRODUCT

360 One Early Stage Fund I

The fund invests in early-stage companies (Seed to Series A) across Fintech, Consumer Tech, Deep Tech, and Defence in India, focusing on businesses with proven product-market fit. It deploys ₹15–20 crore per investment for a 10–20% ownership stake, supported by a team with strong founder networks, institutional relationships, and platform expertise.

EXPECTED RETURN RANGE (NET OF EXPENSES)

>25%

SUITABLE TENURE

10 (+2) years

03 PRODUCT

Promaft Partners Fund I

PROMAFT Partners Fund I invests in 10–12 high-conviction, early-stage Indian startups with proven product-market fit across AI & Semiconductors, Consumer Tech, Bharat's New Internet Users, Make in India, Healthtech, and the Circular Economy. It follows a concentrated investment strategy, evaluating every opportunity through its CURW framework for customer love, CEND framework for sustainable competitive moats, and TEN framework for management quality.

EXPECTED RETURN RANGE (NET OF EXPENSES)

>25%

SUITABLE TENURE

9 (+2) years

04 — INVESTING IDEAS · PRODUCTS

Debt · AIF-Debt

CATEGORY

Debt

SUB-CATEGORY

AIF-Debt

CATEGORY RATIONALE

Debt AIFs provide access to private credit opportunities that offer higher accrual yields than traditional fixed-income investments. As banks have become more selective in lending, private credit has emerged as an attractive source of collateral-backed lending. While these investments involve lower liquidity, they can enhance portfolio income through contractual cash flows and diversified credit exposure.

01 PRODUCT

Neo Infra Income Opportunities Fund II

The fund follows a proven infrastructure strategy, allocating ~80% to operating solar and road assets with creditworthy counterparties, targeting ~20–21% annual returns. The remaining ~20% is invested in InvITs and opportunistic infrastructure segments, aiming for ~18–19% returns through pricing and access advantages.

EXPECTED RETURN RANGE (NET OF EXPENSES)

14-16%

SUITABLE TENURE

7 years

02 PRODUCT

Neo Treasury Plus Fund

Delivering ~12–13% gross returns with minimal credit and liquidity risk, the fund combines fixed income, corporate events, and hedged option spreads to offer a low-volatility treasury solution that outperforms traditional arbitrage and fixed deposit products, ideal for short-term deployment.

EXPECTED RETURN RANGE (NET OF EXPENSES)

11-12%

SUITABLE TENURE

9-12 months

03 PRODUCT

Vivriti Diversified Bond Fund III

A private credit strategy targeting 16–17% gross XIRR, focused on established businesses across growth, consolidation and turnaround stages through NCDs, CCDs and convertible instruments. Backed by VAM's proven credit capabilities and 3-vintage track record, the strategy avoids distressed investing and follows a disciplined risk framework and a 10% cap on single exposures.

EXPECTED RETURN RANGE (NET OF EXPENSES)

13.5-14.5%

SUITABLE TENURE

6 years

04 — INVESTING IDEAS · PRODUCTS

Hybrid · SIF-Hybrid

CATEGORY

Hybrid

SUB-CATEGORY

SIF-Hybrid

CATEGORY RATIONALE

Hybrid Long-Short strategies within SIFs use derivatives to hedge market risk while combining equity, fixed income, and arbitrage strategies to target stable, low-volatility returns. They can provide stability within a portfolio and offer more tax-efficient treatment of derivative gains than Long-Short AIFs, improving post-tax outcomes for investors.

01 PRODUCT

Edelweiss Altiva Hybrid Long Short Fund

Targeting a 9–10% gross return, the strategy blends multiple low-volatility strategies to generate consistent arbitrage-plus yield. The portfolio is constructed with 20–40% in arbitrage, 40–60% in fixed income, 0–10% in special situations, and 10–20% in derivative strategies. It is a balanced, low-volatility, multi-strategy approach designed for stable returns.

EXPECTED RETURN RANGE (NET OF EXPENSES)

7-8% (Post Tax)

SUITABLE TENURE

> 1 year

02 PRODUCT

Tata Titanium Active Asset Allocator Long-Short Fund

The strategy targets ~9-10% gross returns through a predominantly market-neutral, multi-strategy approach combining equity arbitrage, covered calls, fixed-income accrual and commodity arbitrage. The portfolio is broadly allocated across 45% equity strategies, 30% fixed income and 25% commodity/REIT/InvIT opportunities, with returns designed to have limited dependence on equity market direction.

EXPECTED RETURN RANGE (NET OF EXPENSES)

7-8% (Post Tax)

SUITABLE TENURE

> 1 year

IMPORTANT

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