



## **MARKET OUTLOOK**

November 2025



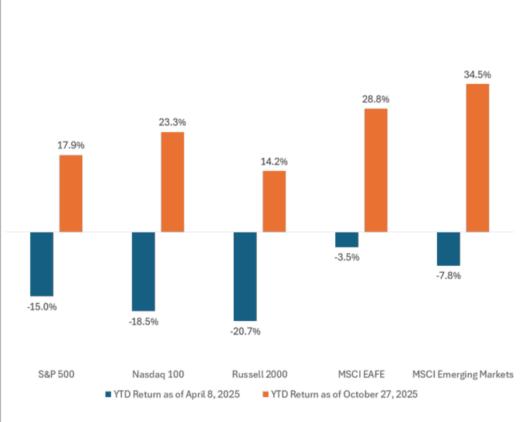
### Section 1:



# Expect the Unexpected: US and World markets make a sharp comeback from Apr'25 lows







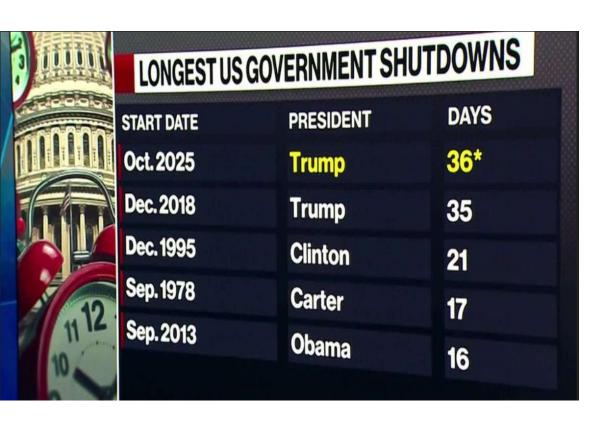


### Expect the Unexpected: S&P 500 makes 36 new ATHs in 2025

S&F	2 500 lr	ndex:	Numb	er of	All-Tin	ne Hiç	ghs (19	929 - 2	2025)
Year	# ATH	Year	# ATH	Year	# ATH	Year	# ATH	Year	# ATH
1929	45	1949	0	1969	0	1989	13	2009	0
1930	0	1950	0	1970	0	1990	6	2010	0
1931	0	1951	0	1971	0	1991	22	2011	0
1932	0	1952	0	1972	32	1992	18	2012	0
1933	0	1953	0	1973	3	1993	16	2013	45
1934	0	1954	27	1974	0	1994	5	2014	53
1935	0	1955	49	1975	0	1995	77	2015	10
1936	0	1956	14	1976	0	1996	39	2016	18
1937	0	1957	0	1977	0	1997	45	2017	62
1938	0	1958	24	1978	0	1998	47	2018	19
1939	0	1959	27	1979	0	1999	35	2019	36
1940	0	1960	0	1980	24	2000	4	2020	33
1941	0	1961	53	1981	0	2001	0	2021	70
1942	0	1962	0	1982	2	2002	0	2022	1
1943	0	1963	12	1983	30	2003	0	2023	0
1944	0	1964	65	1984	0	2004	0	2024	57
1945	0	1965	37	1985	43	2005	0	2025	36
1946	0	1966	9	1986	31	2006	0		
1947	0	1967	14	1987	47	2007	9		
1948	0	1968	34	1988	0	2008	0		







#### Forecasted #days of government shutdown



### And despite the flip flop on tariffs and geopolitical uncertainty







### China to ease chip export ban in new trade deal, White House says

1 day ago Share < Save □

Michael Sheils McNamee

Business reporter

US doubles down on China with additional 100% tariff, effective November 1, 2025 or earlier

ET Online • Last Updated: Oct 11, 2025, 07:17:00 AM IST











VIDEO

**INVESTING CLUB** 

**ECONOMY** 

### Trump cuts fentanyl tariffs on China to 10% as Beijing delays latest rare earths curbs by a year

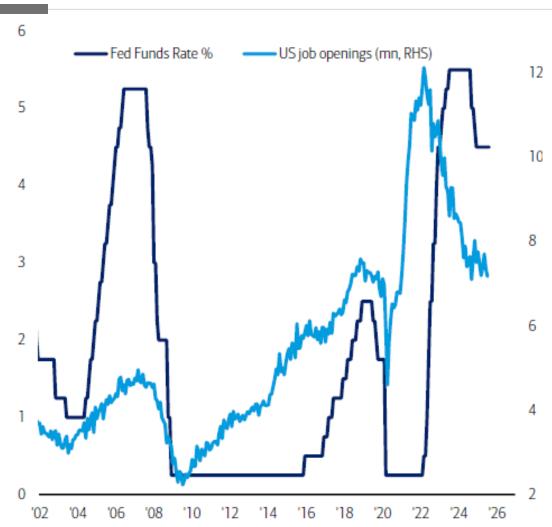
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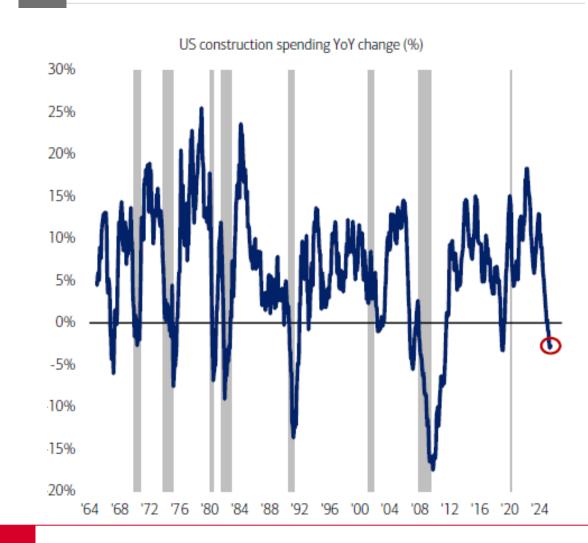




#### Fall in US job openings = Big Fed easing



#### Falling US construction spending = Recession signal







#### Global rate cuts in past 2 years match post-GFC levels



#### Markets expect rate cuts to continue in '26

	Policy rate past 2 years (bp)	Policy rate pricing to Dec '26 (bp)
Federal Reserve	-150bp	-82bp
Bank of Japan*	+60bp	+47bp
European Central Bank	-200bp	-12bp
Bank of England	-225bp	-58bp
Bank of Canada	-275bp	-11bp
Reserve Bank of Australia	-75bp	-21bp



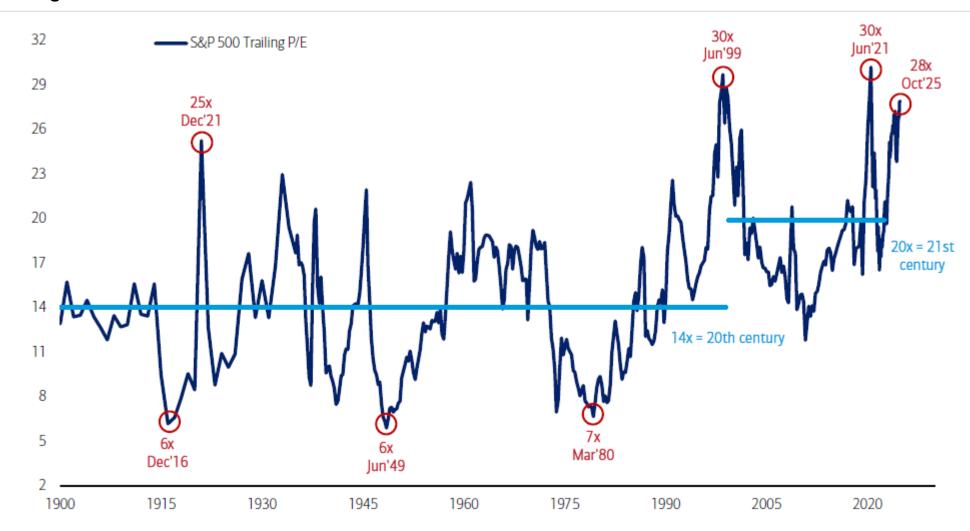






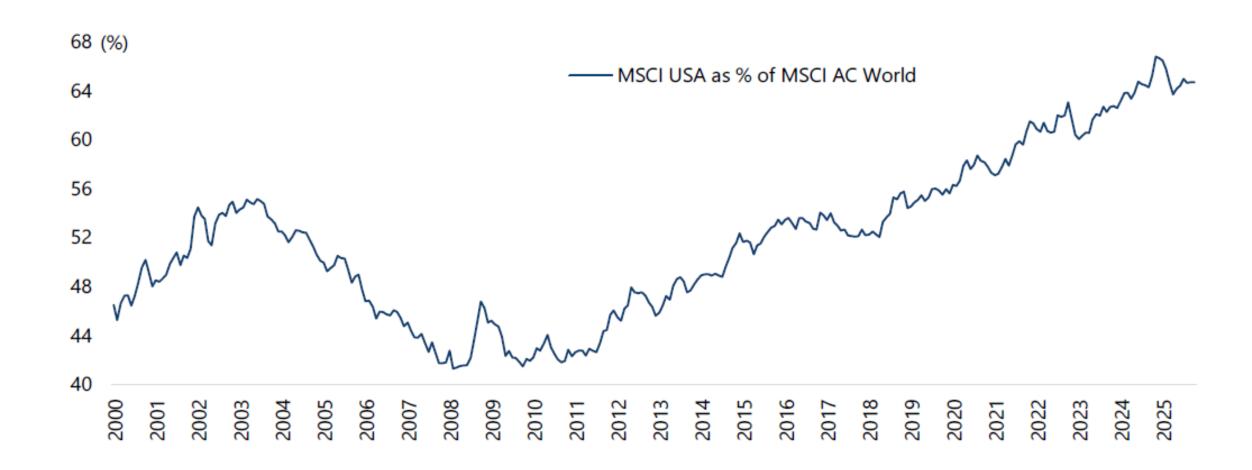


#### S&P 500 trailing P/E since 1900



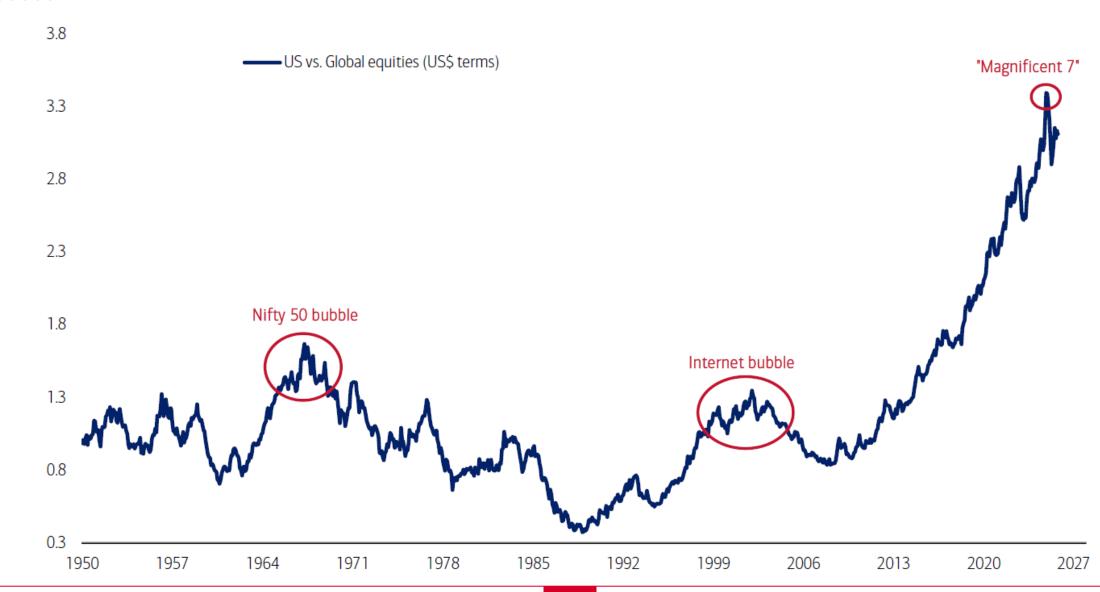








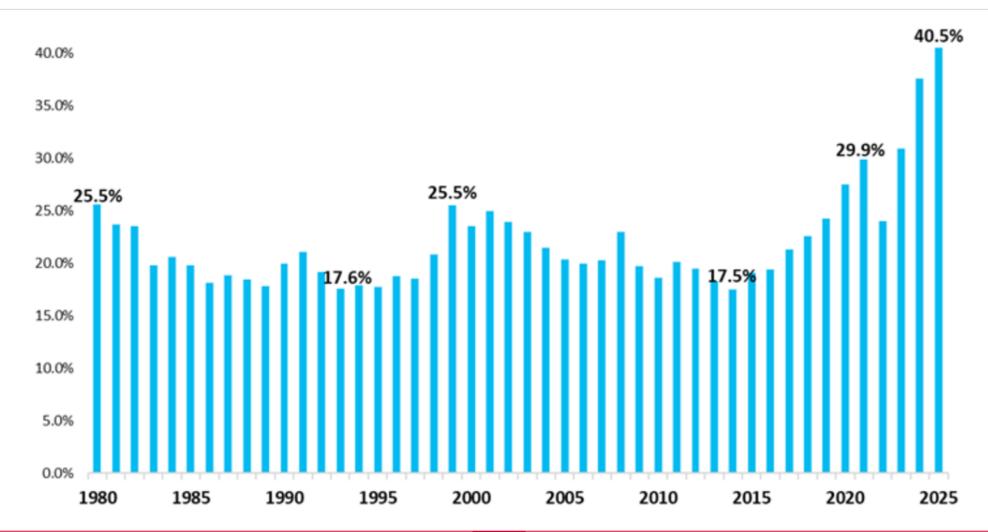
### Sharp outperformance of US Equities led by Mag 7 stocks





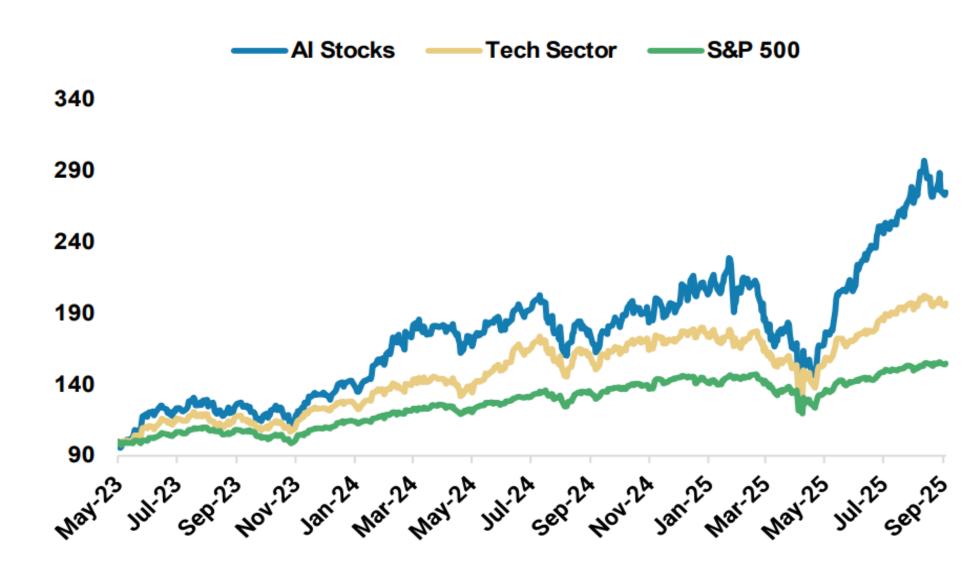
### High concentration risk: Top 10 US companies are >40% of S&P 500

#### S&P 500 – Weight of top 10 holdings





### AI stocks leading the majority of gains in S&P 500





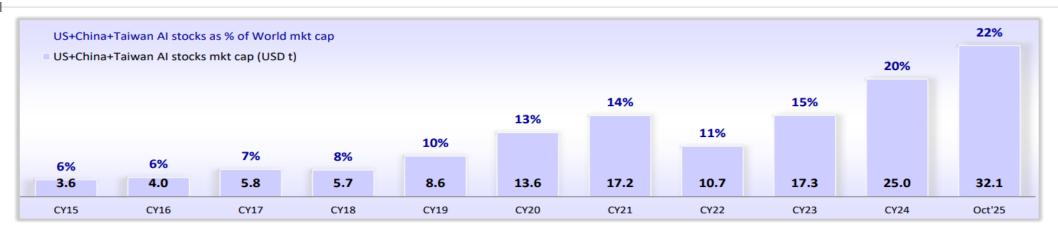


#### US, China, and Taiwan see sharp rise in market cap of Al-linked companies



Note: We have considered key AI, big tech, semiconductor, and chip manufacturing companies from the US (41 companies), China (17 companies), and Taiwan (9 companies).

#### Global share of Key Al stocks in total market capitalization







#### **Top 25 Chinese stocks**

	Current			1Y back	
		Market cap.			Market cap.
Company	GICS Sector	(US\$ bn)	Company	GICS Sector	(US\$ bn)
Tencent Holdings	Communication Services	741	Tencent Holdings	Communication Services	483
Agricultural Bank of China-H	Financials	391	Ind. & Comm. Bk of China-H	Financials	281
Alibaba Group Holding	Consumer Discretionary	389	Kweichow Moutai-A	Consumer Staples	270
Ind. & Comm. Bk of China-H	Financials	378	Alibaba Group Holding	Consumer Discretionary	233
China Construction Bank-H	Financials	276	Agricultural Bank of China-H	Financials	227
Contemporary Amperex Techn-H	Industrials	251	China Mobile-H	Communication Services	202
Kweichow Moutai CoA	Consumer Staples	250	Petrochina-H	Energy	200
China Mobile-H	Communication Services	245	China Construction Bank-H	Financials	197
Petrochina-H	Energy	239	Bank of China-H	Financials	182
Bank of China-H	Financials	239	Contemporary Amperex Techn-A	Industrials	152
Foxconn Industrial Interne-A	Information Technology	210	Meituan-Class B	Consumer Discretionary	143
China Merchants Bank-H	Financials	154	China Life Insurance-H	Financials	138
China Life Insurance-H	Financials	149	China Merchants Bank-H	Financials	131
Xiaomi-Class B	Information Technology	145	Ping An Insurance Group-H	Financials	131
Ping An Insurance Group Co-H	Financials	141	CN00C-H	Energy	115
CNOOC-H	Energy	128	BYD-H	Consumer Discretionary	114
China Shenhua Energy-H	Energy	119	China Shenhua Energy-H	Energy	107
BYD-H	Consumer Discretionary	118	China Petroleum & Chemical-H	Energy	98
AIA Group	Financials	108	China Yangtze Power-A	Utilities	95
Zijin Mining Group-H	Materials	107	AIA Group	Financials	86
China Yangtze Power-A	Utilities	98	Xiaomi-Class B	Information Technology	86
Postal Savings Bank of China-H	Financials	97	Wuliangye Yibin-A	Consumer Staples	80
Semiconductor Manufacturing-H	Information Technology	89	China Telecom-H	Communication Services	77
China Petroleum	Energy	89	Midea Group-H	Consumer Discretionary	76
Netease	Communication Services	89	Postal Savings Bank of China-H	Financials	69
Al companies		1,574			802
Top-25 companies market cap.		5,239			3,975
Total market cap.		12,907			10,239

#### **Top 25 Korean stocks**

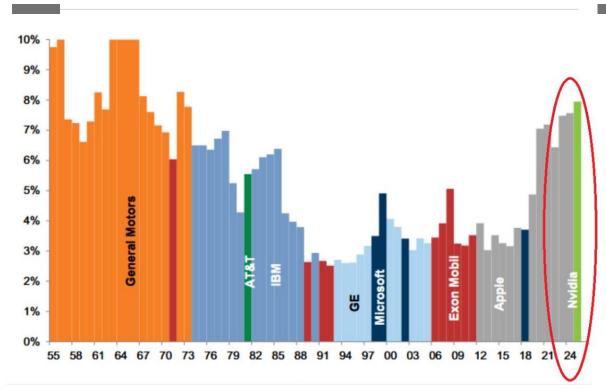
	Current			1Y back	
		Market cap.			Market cap.
Company	GICS Sector	(US\$ bn)	Company	GICS Sector	(US\$ bn)
Samsung Electronics Co.	Information Technology	412	Samsung Electronics Co.	Information Technology	257
SK Hynix Inc	Information Technology	293	SK Hynix Inc	Information Technology	99
LG Energy Solution	Industrials	77	LG Energy Solution	Industrials	69
Samsung Biologics Co.	Health Care	60	Samsung Biologics Co.	Health Care	52
Hyundai Motor Co.	Consumer Discretionary	38	Hyundai Motor Co.	Consumer Discretionary	33
Doosan Enerbility Co.	Industrials	36	Celltrion Inc.	Health Care	29
Hanwha Aerospace Co.	Industrials	34	Kia Corp.	Consumer Discretionary	27
HD Hyundai Heavy Industries	Industrials	32	KB Financial Group Inc.	Financials	26
KB Financial Group Inc	Financials	32	Posco Holdings Inc.	Materials	20
Kia Corp	Consumer Discretionary	30	Naver Corp.	Communication Services	20
Naver Corp	Communication Services	30	Shinhan Financial Group	Financials	19
Celltrion Inc.	Health Care	28	Hyundai Mobis Co.	Consumer Discretionary	17
Hanwha Ocean Co.	Industrials	27	Samsung SDI Co.	Information Technology	16
Shinhan Financial Group	Financials	25	LG Chem	Materials	16
Samsung C&T Corp	Industrials	25	Samsung C&T Corp.	Industrials	15
SK Square Co.	Industrials	24	Korea Zinc Co.	Materials	15
Hd Hyundai Electric Co.	Industrials	22	Samsung Life Insurance Co.	Financials	15
Hd Korea Shipbuilding & Offs	Industrials	21	Alteogen Inc.	Health Care	15
Samsung Life Insurance Co.	Financials	21	Meritz Financial Group Inc.	Financials	14
Korea Electric Power Corp	Utilities	19	Posco Future M Co.	Industrials	13
Kakao Corp.	Communication Services	19	Hana Financial Group	Financials	12
LG Chem	Materials	19	Hanwha Aerospace Co.	Industrials	12
Hyundai Mobis Co.	Consumer Discretionary	18	Ecopro Bm Co.	Industrials	12
Samsung SDI Co.	Information Technology	18	Kakao Corp.	Communication Services	12
Samsung Heavy Industries	Industrials	17	Hd Hyundai Heavy Industries	Industrials	12
Al companies		723			372
Top-25 companies market cap.		1,379			845
Total market cap.		2,601			1,736

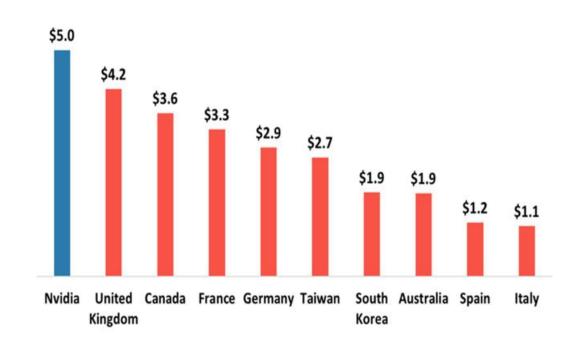


### Nvidia now 8% of S&P 500 - Are we heading into AI bubble?

#### Largest market cap companies in each period (% of S&P 500)

#### Nvidia now more valuable than some large stock markets

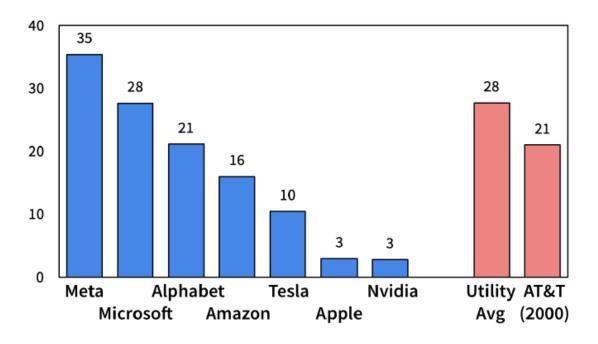




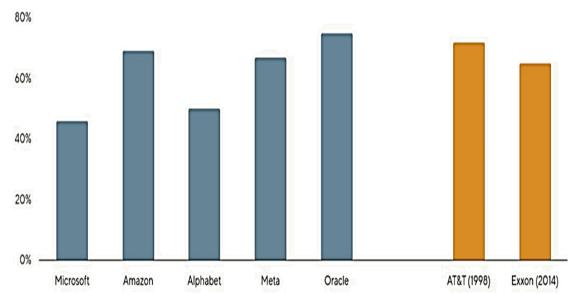


### Cash flow generating tech companies becoming asset heavy utilities?

#### Capex to revenue %

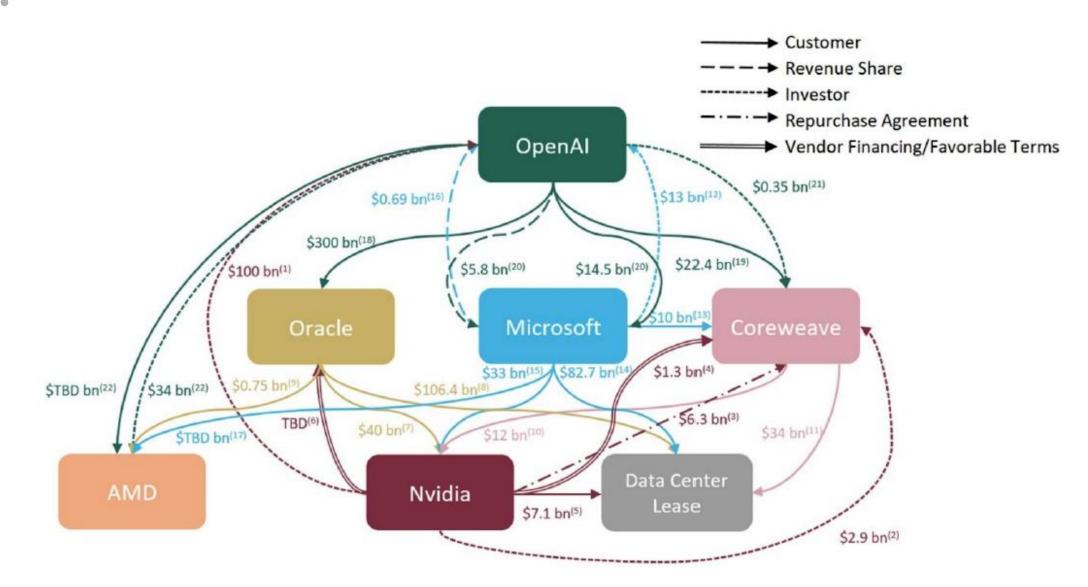


#### Capex to EBITDA %





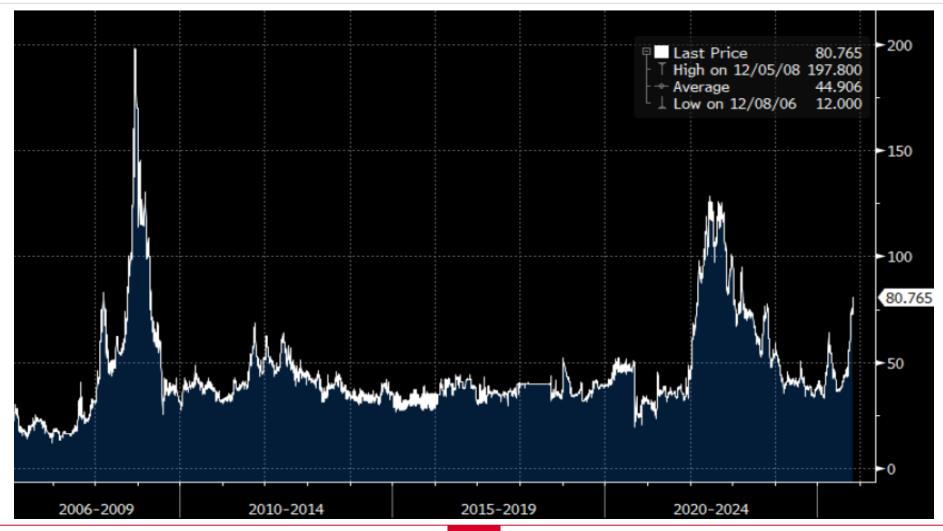
### Circular economy emerging within the AI ecosystem





### Oracle 5-year CDS highest in 2 years - Bond markets indicating something?

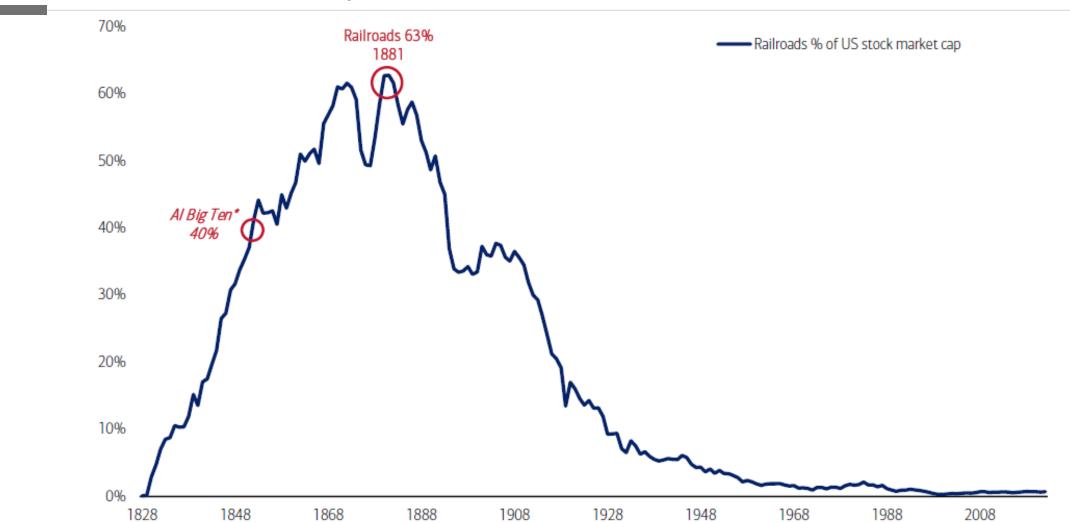
#### **Oracle 5-year CDS**





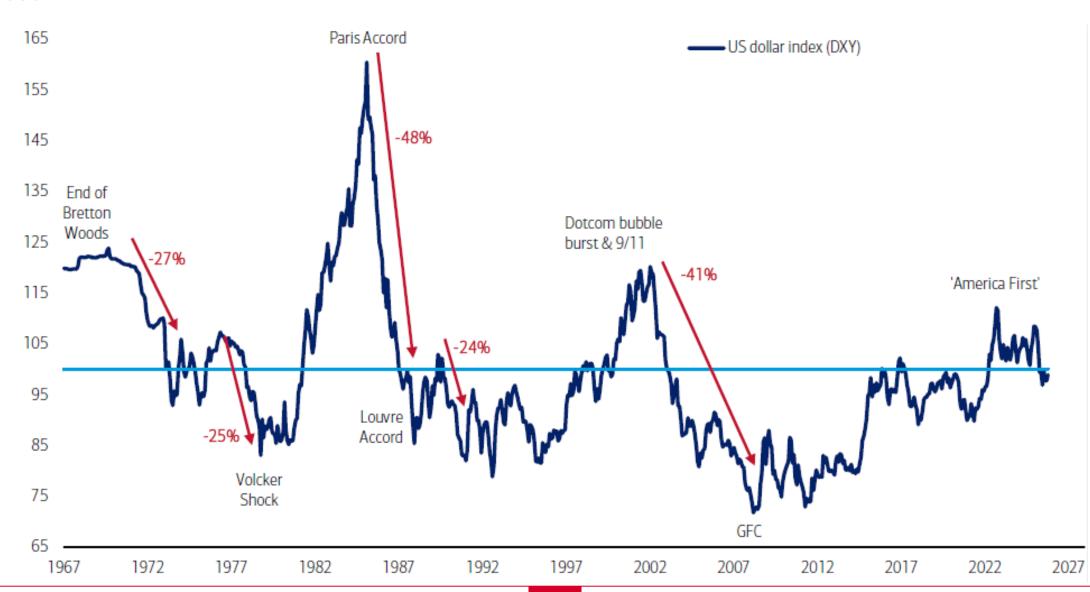
### Can AI meet the same fate as Railroads & Dotcom for financial investors?

#### Railroads as a % of US stock market cap since 1828











### Global markets ex-US rebound – Is the world shifting to non-dollar assets?

Country/Region	Ticker	2025 TR	Country/Region	Ticker	2025 TR	Country/Region	Ticker	2025 TR
South Korea	EWY	72.7%	Germany	EWG	32.9%	Japan	EWJ	22.5%
Vietnam	VNM	71.1%	Brazil	EWZ	32.3%	UAE	UAE	22.3%
Greece	<b>GREK</b>	67.2%	Sweden	EWD	30.9%	Total World	VT	18.5%
Peru	EPU	66.0%	Singapore	EWS	30.4%	Ireland	<b>EIRL</b>	17.6%
South Africa	EZA	62.5%	Europe	VGK	30.0%	Australia	<b>EWA</b>	14.8%
Spain	<b>EWP</b>	61.0%	<b>Emerging Markets</b>	IEMG	29.8%	US	SPY	13.7%
Poland	<b>EPOL</b>	60.1%	France	<b>EWQ</b>	28.7%	Qatar	QAT	9.3%
Austria	<b>EWO</b>	52.0%	Hong Kong	EWH	28.7%	Denmark	<b>EDEN</b>	6.7%
Colombia	COLO	51.8%	World ex-USA	ACWX	28.0%	Malaysia	<b>EWM</b>	6.5%
Mexico	EWW	45.8%	Israel	EIS	27.8%	Philippines	<b>EPHE</b>	2.8%
Italy	<b>EWI</b>	43.9%	Norway	NORW	27.7%	India	INDA	2.7%
Finland	<b>EFNL</b>	39.3%	EAFE	IEFA	27.5%	Saudi Arabia	KSA	1.5%
China	MCHI	36.6%	Switzerland	EWL	27.4%	New Zealand	<b>ENZL</b>	1.5%
Chile	ECH	36.3%	Canada	<b>EWC</b>	26.4%	Thailand	THD	1.2%
Eurozone	EZU	35.4%	United Kingdom	EWU	26.4%	Indonesia	EIDO	-3.5%
Belgium	<b>EWK</b>	33.5%	Taiwan	<b>EWT</b>	25.9%	Turkey	TUR	-8.4%
Netherlands	<b>EWN</b>	33.2%	Kuwait	KWT	25.8%	Argentina	<b>ARGT</b>	-12.8%

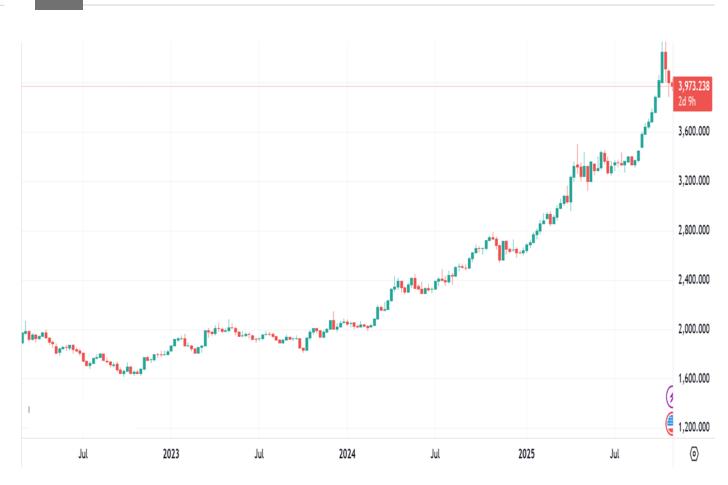




#### **Gold - Annual returns %**

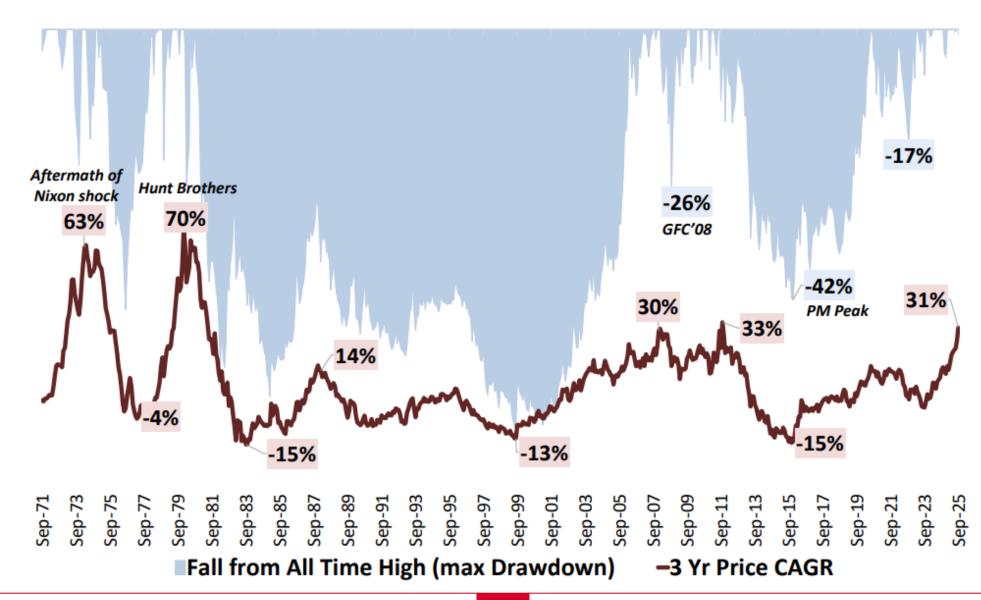
Voor	Return	Voor	Return	Voor	Return
Year		Year	The second of	Year	Company of the
1971	16.7%	1990	-3.1%	2009	25.0%
1972	48.8%	1991	-8.6%	2010	29.2%
1973	73.0%	1992	-5.7%	2011	12.0%
1974	66.1%	1993	17.7%	2012	5.7%
1975	-24.8%	1994	-2.2%	2013	-27.6%
1976	-4.1%	1995	1.0%	2014	0.1%
1977	22.6%	1996	-4.6%	2015	-12.1%
1978	37.0%	1997	-21.4%	2016	8.1%
1979	126.5%	1998	-0.8%	2017	12.7%
1980	15.2%	1999	0.9%	2018	-0.9%
1981	-32.6%	2000	-5.4%	2019	19.1%
1982	15.6%	2001	0.7%	2020	24.2%
1983	-16.8%	2002	25.6%	2021	-3.8%
1984	-19.4%	2003	19.9%	2022	0.5%
1985	6.0%	2004	4.6%	2023	13.3%
1986	19.0%	2005	17.8%	2024	26.0%
1987	24.5%	2006	23.2%	2025 YTD	65.8%
1988	-15.3%	2007	31.9%		
1989	-2.8%	2008	4.3%		

#### Gold prices (\$/oz)



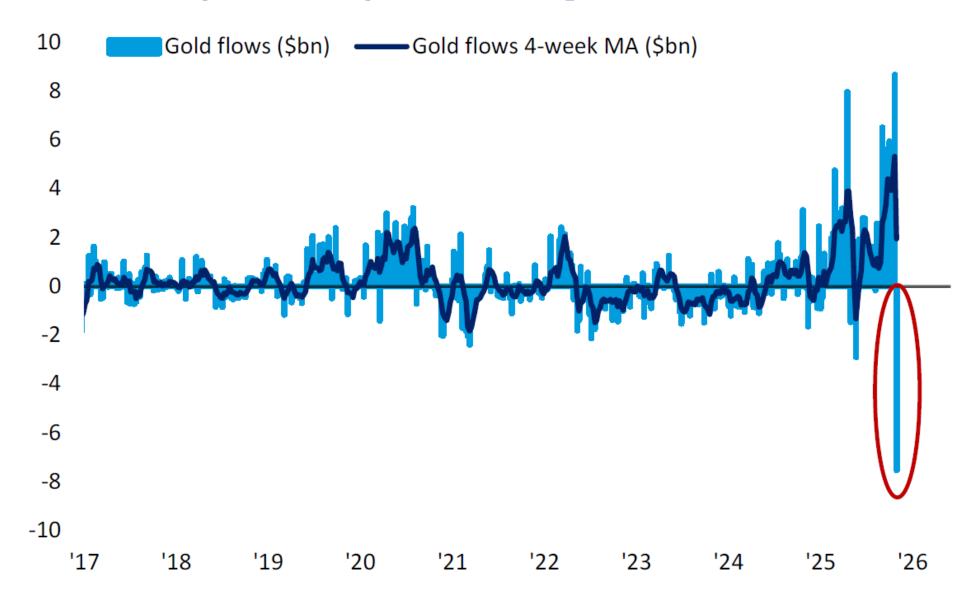


### Gold has seen large drawdowns in the past



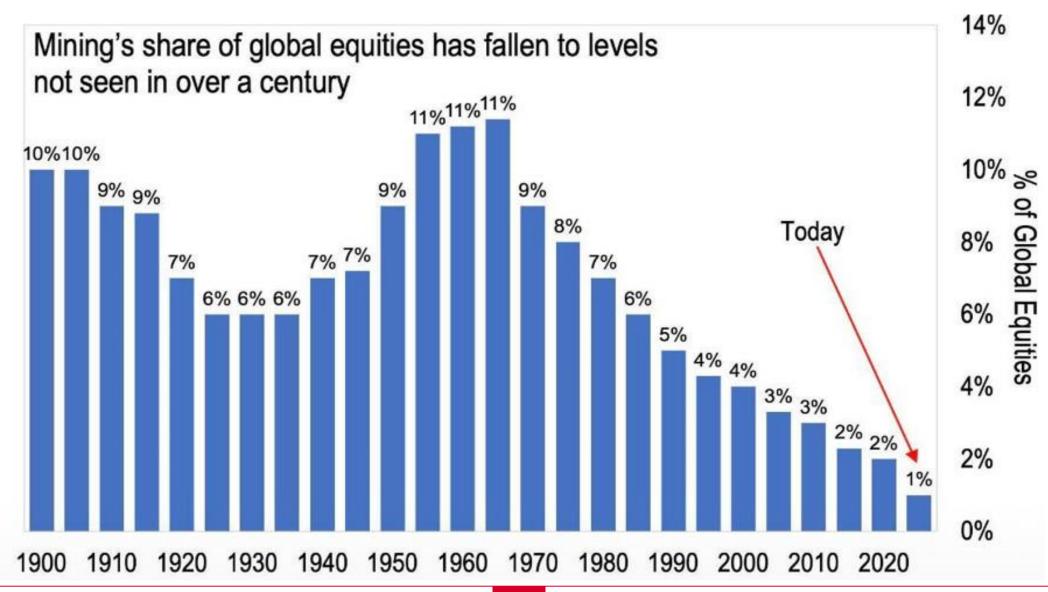


### Record outflow from gold after big \$59bn inflow past 4m



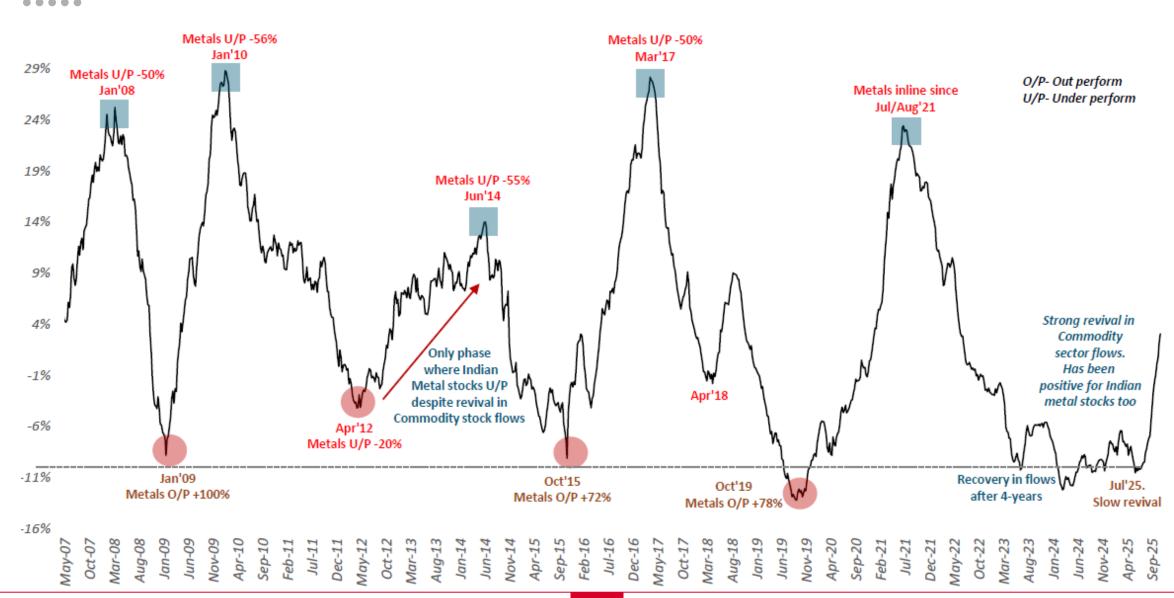


### After gold and silver, can metals and mining make a comeback?





### Global Commodity ETFs showing revival in inflows after long time









### Section 2:







### Q2FY26 earnings season has started on a better note

		Q2FY26								
Rs in Trillion	No of Cos	Revenue	YoY	QoQ	Reported PAT	YoY	QoQ	Adj PAT	YoY	QoQ
NIFTY500	309	31.32	6.5%	0.5%	3.25	15.2%	-1.1%	3.23	14.9%	-0.8%
BFSI	76	10.04	0.9%	-1.5%	1.41	6.8%	7.5%	1.38	4.7%	3.6%
Non-BFSI	233	21.28	9.4%	1.5%	1.84	22.6%	-6.7%	1.85	24.0%	-3.8%
Non-BFSI Exc Cement, O/G, Metal/Mining	206	14.32	11.7%	4.4%	1.44	12.0%	-4.7%	1.43	10.2%	-2.0%
Commodities: Cement, O/G, Metal/Mining	27	6.84	4.9%	-4.1%	0.40	87.4%	-13.5%	0.42	117.4%	-9.4%

		Last 8 Quarters Adjusted PAT Growth % YoY							
	No of Cos	2025/09	2025/06	2025/03	2024/12	2024/09	2024/06	2024/03	2023/12
BFSI	76	4.7%	2.9%	5.7%	12.7%	14.3%	17.3%	22.9%	24.9%
Non-BFSI	233	24.0%	16.5%	15.3%	6.6%	-12.2%	-9.2%	1.7%	31.3%
Non-BFSI Exc Cement, O/G, Metal/Mining	206	10.2%	12.7%	14.8%	16.0%	8.6%	6.1%	10.4%	16.5%
Commodities: Cement, O/G, Metal/Mining	27	117%	30%	17%	-21%	-62%	-40%	-20%	107%



### Small and Midcaps have fared better than Largecaps

Curanth Calianaa Maara Wi	No. of	2025/09	2025/06	2025/03	2024/12	2024/09	2024/06	2024/03	2023/12
Growth Salience: Mcap Wise	Cos		ı	₋ast 8 Quai	rters Adjus	ted PAT Gr	owth % Yo\	(	
Large Caps	77	10.6%	8.8%	12.7%	5.8%	-0.5%	-0.2%	9.9%	27.1%
Midcaps	93	23.6%	1 22.9%	8.8%	34.3%	6.3%	3.4%	12.7%	33.8%
Small Caps	139	59.8%	3.1%	-4.4%	-2.9%	-31.9%	9.1%	5.4%	36.4%
Nifty 500	309	14.9%	10.5%	11.1%	9.2%	-1.5%	0.9%	10.0%	28.5%



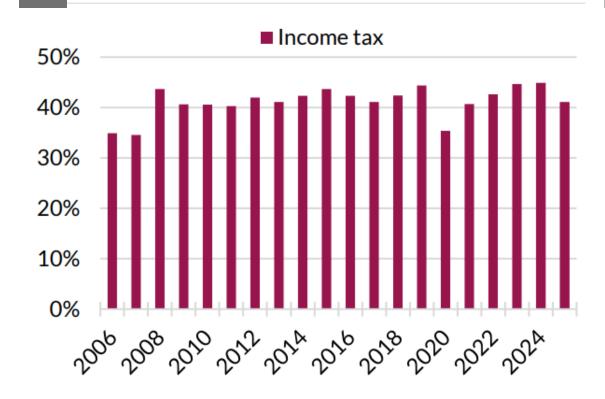
### 41% of companies have delivered >15% earnings growth – breadth improving

	No. of Companies	S
	BFSI	Non BFSI
Total Cos	64	150
Loss Companies	1	7
Turnaround Companies	2	7
Profit Companies	61	136
Profit De-growth	21	40
Profit Growth	40	96
YoY Profit Growth %		
> 100%	1	18
50-100%	4	18
25-50%	9	17
15-25%	9	11
0-15%	17	32

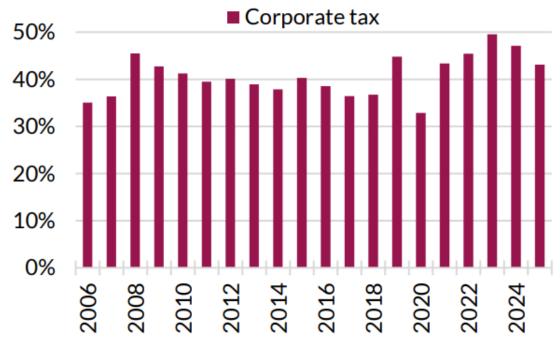




#### YTD (Apr-Sep) as % of actual/BE



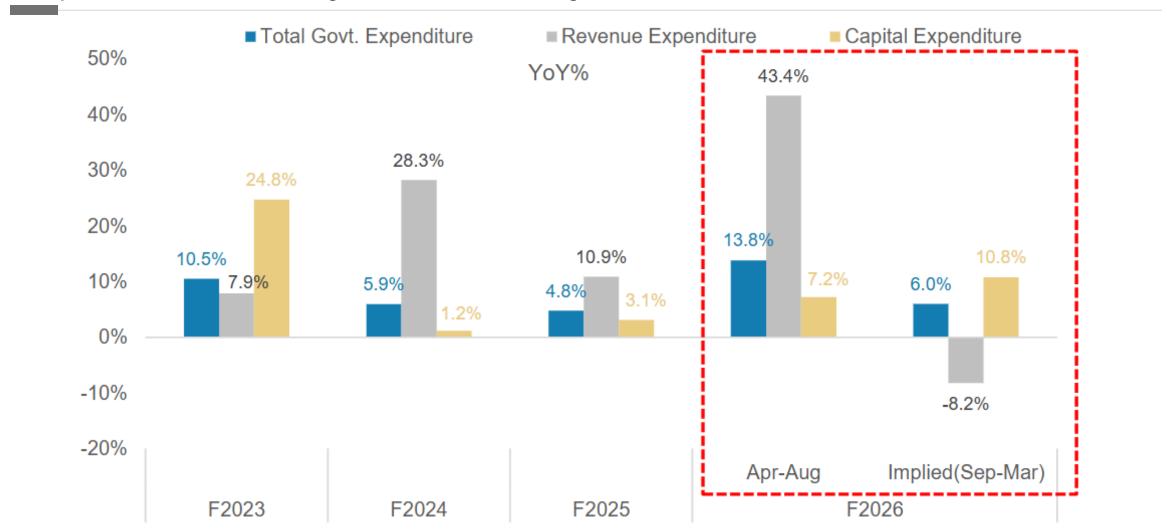
#### YTD (Apr-Sep) as % of actual/BE







#### H2 capex needs to be lower than target to meet fiscal deficit targets

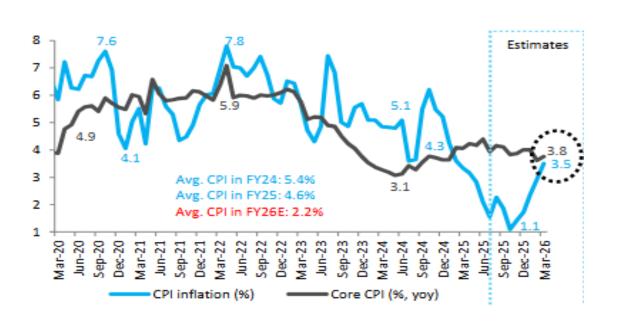






#### **CPI inflation %**

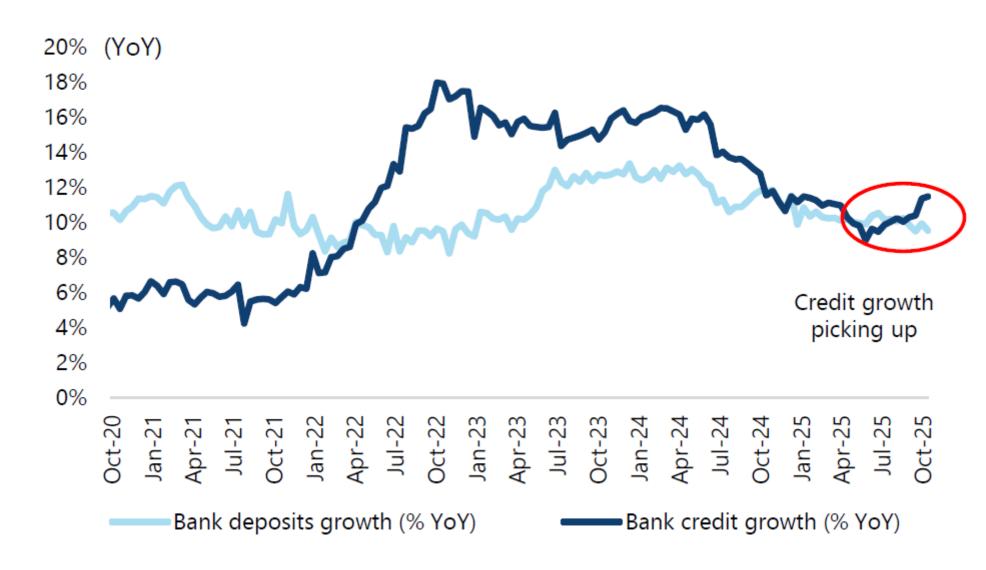
#### India Repo rate US Fed rate (%)













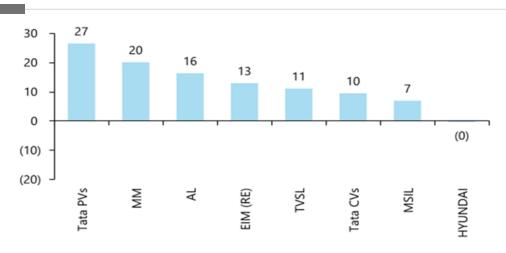
# GST re-design a significant structural reform – ~1 pp lower effective GST rate



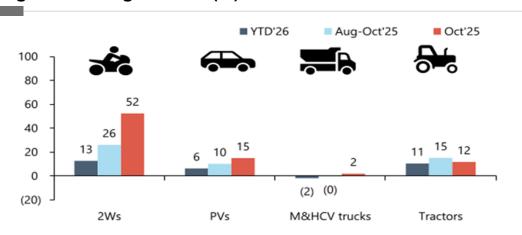




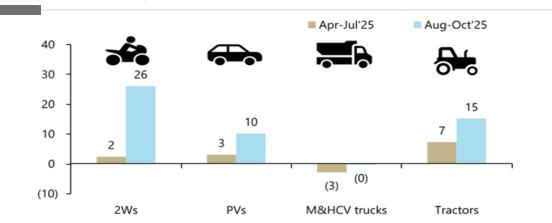
### YoY growth in wholesale volumes in Oct'25 (%)



# YoY growth in registration (%)



# YoY growth in registration (%)



# Festive season has seen good pickup



# **DIWALI 2025 SALES SURGE**

- Total sales of goods & services crossed
  ₹6 trillion vs ₹4.25T last year
- Goods sales: ₹5.40T, Services:
  ₹65,000 crore
- Data collected from 60 major distribution centres across metros & tier 2/3 cities







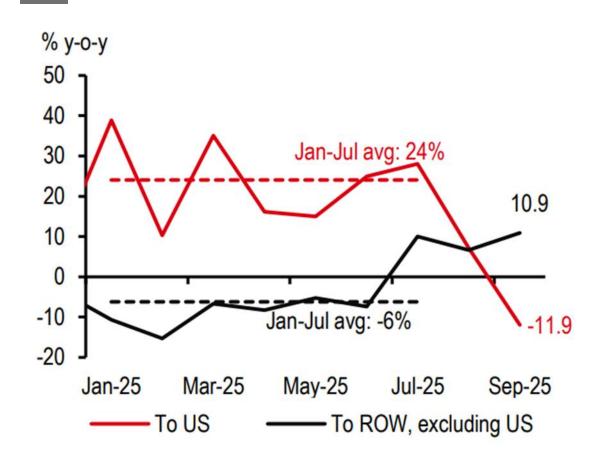
# 5 yrs industrials outperformed – will consumption return?



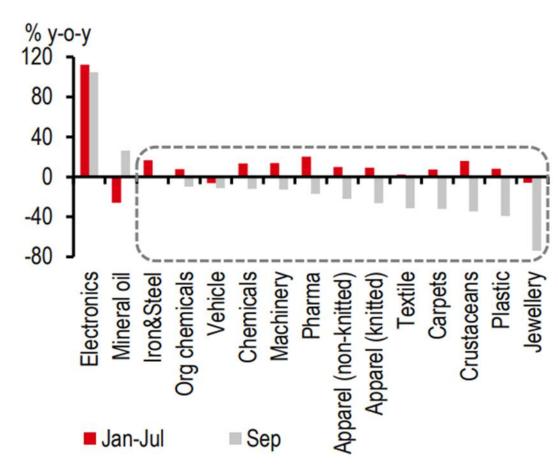




# **India Exports**

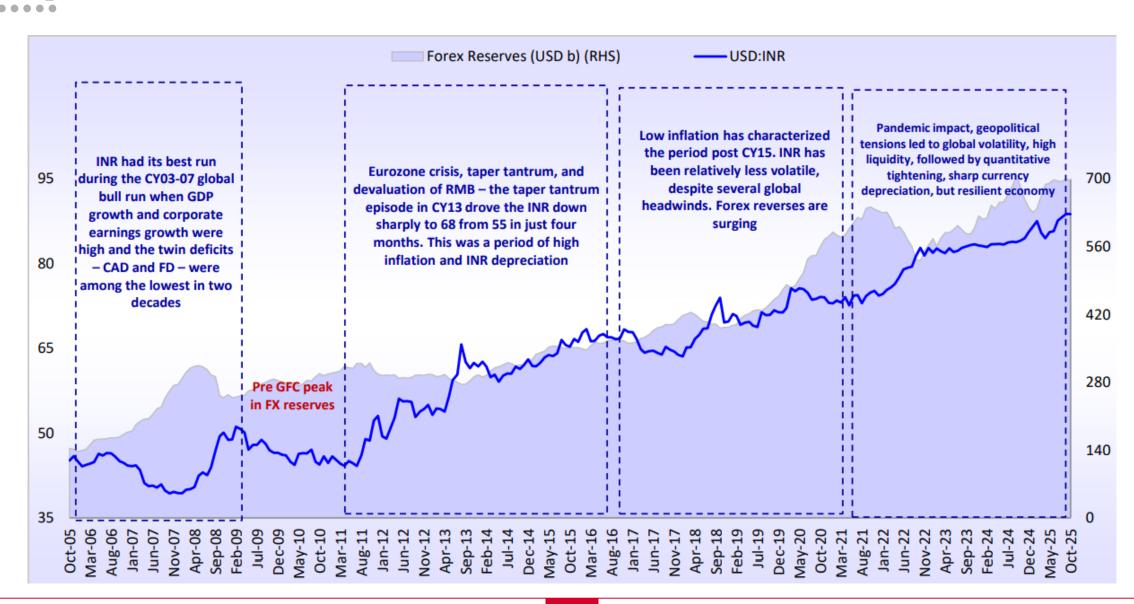


# India Exports to the US (Major export categories)













# Are Valuations and Flows Turning Supportive?



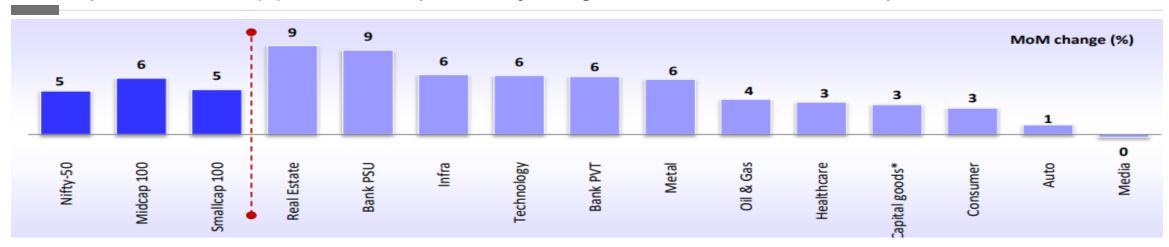




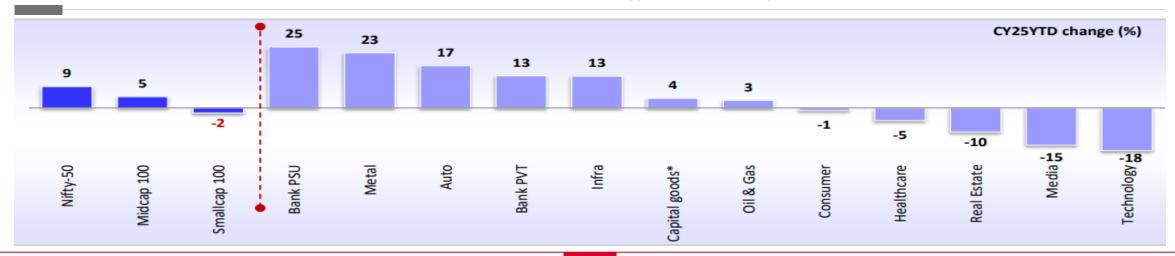




# Sectoral performance MoM (%): RE and PSBs post healthy MoM gains, while Auto and Media underperform



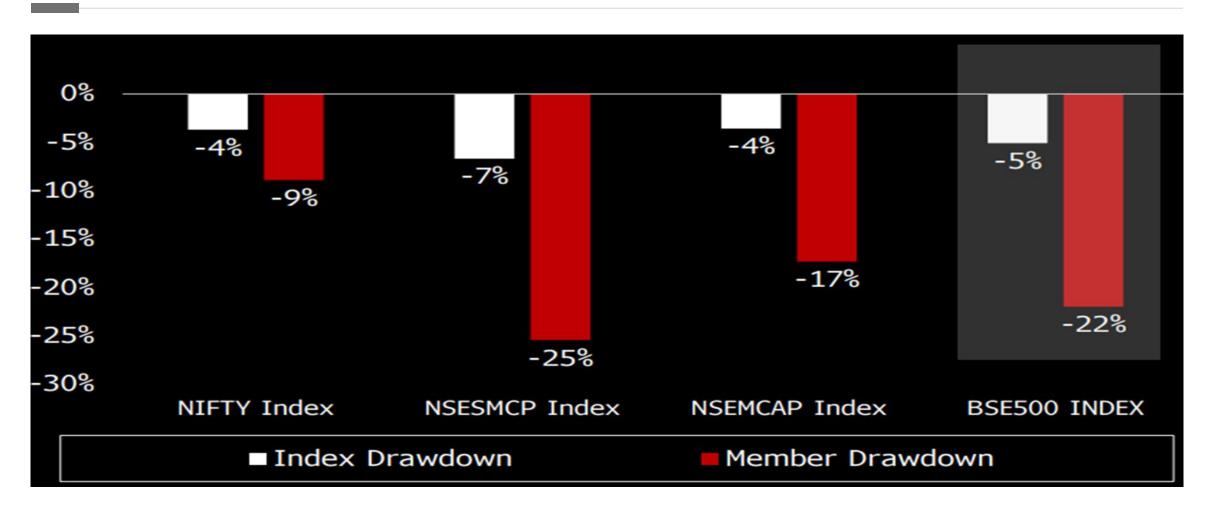
# Sectoral performance CY25YTD (%): PSBs and Metals lead; Technology and Media lag



# Index masks damage – broader markets extremely weak! Median drawdowns from 52w highs across market caps at ~20%



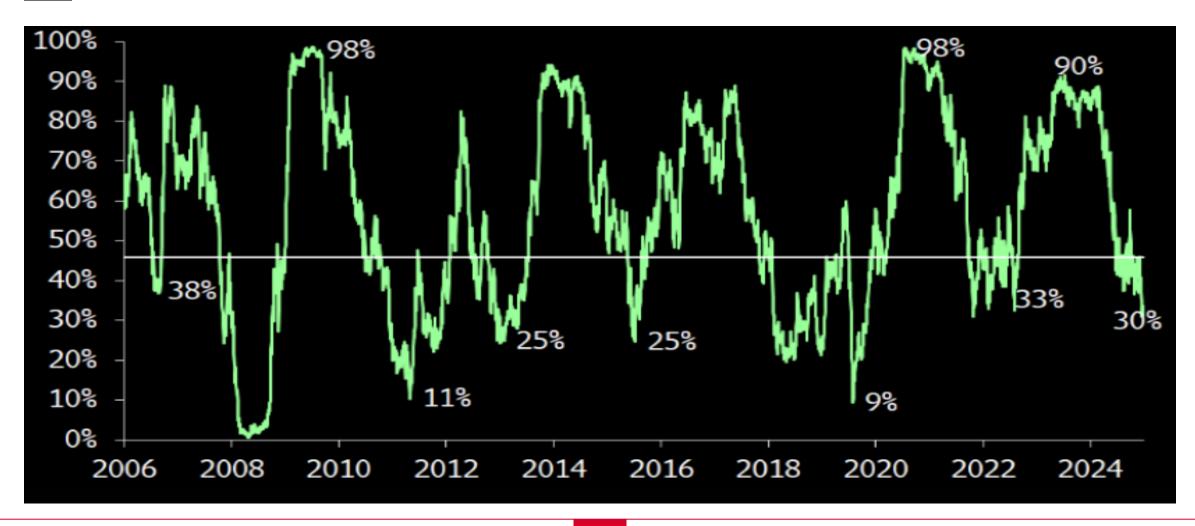
Median Drawdown from 52-Week Highs (Index and it's Members)







% of BSE 500 Index Members delivering > 0% Returns (Rolling 1-year basis)







We believe post consolidation/correction in the last 15 months, the risk reward looks favourable now and we explore the reasons

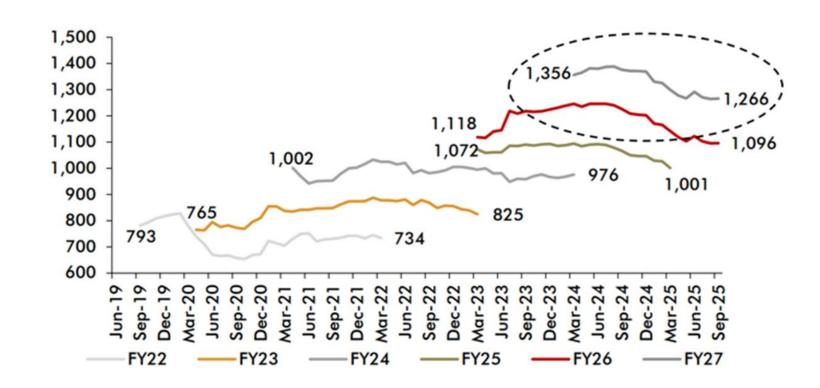


# 1. Earnings expectations reset and incrementally earnings growth to be better

# **Earning Growth**

FY20	3.3
FY21	1.7
FY22	26.8
FY23	21.4
FY24	16.9
FY25	11.7
FY26E	9.5
FY27E	15.5

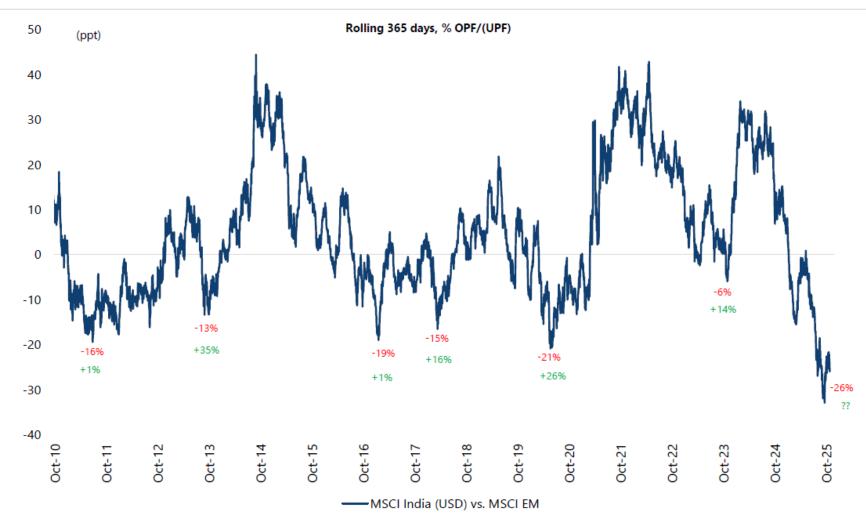
### Nifty EPS (₹)







# MSCI India vs MSCI Emerging Markets (USD terms)



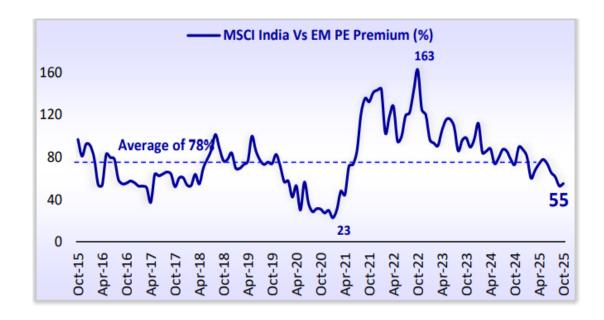


# MSCI India's PE premium vs EM is close to the 20-year average of 50%

# Longer term, India outperforms other EMs

### 

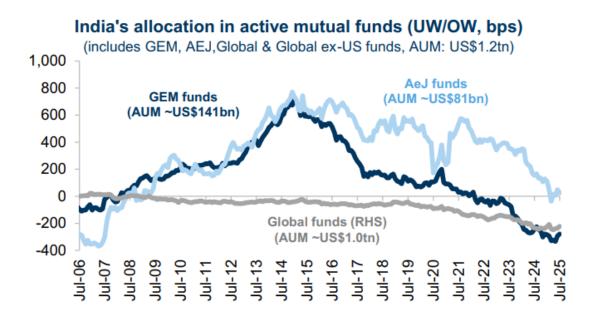
### MSCI India trades at premium to EM but below long-term avg.







### India's allocation in active MFs globally near 2-decade low



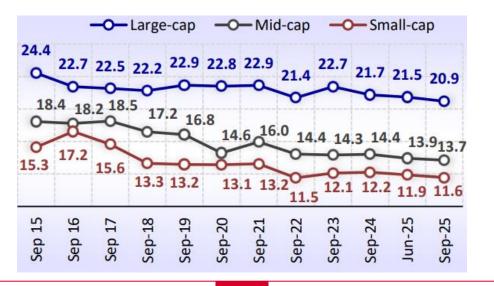
# Global funds underweight India by ~215bps

		India allocation					
Equity Mutual Funds	Total Assets (US\$ bn)	Avg. Fund allocation (%)	Benchmark (MSCI)	OW/UW (bp) vs. MSCI			
Global ex-USA funds	345	1.4%	5.0%	-365 bp			
EM Funds	140	14.1%	16.9%	-280 bp			
Global funds	625	0.3%	1.8%	-145 bp			
AEJ Regional funds	80	19.3%	19.1%	25 bp			
Overall (AUM wgt.)	\$1,190 bn	3.5%	5.7%	-215 bp			



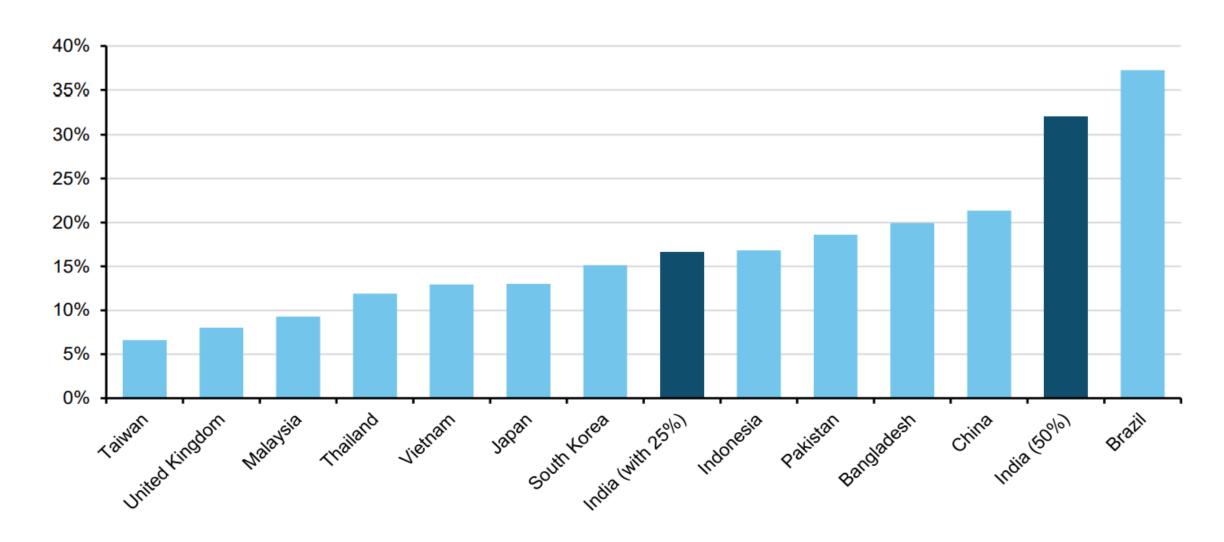


/alue USD	В			Promoter		FIIs	DIIs	■ Public			
1,261	1,391	1,724	1,780	1,847	1,863	3,116	3,029	3,472	5,094	4,883	4,634
14.5	15.3	15.8	14.8	13.8	13.6	14.5	12.6	12.5	12.3	12.4	12.4
11.8	12.3	12.7	13.7	14.9	14.7	13.8	16.4	17.8	18.0	19.4	20.0
22.5	21.3	21.0	20.5	21.0	20.5	20.7	19.1	20.0	19.1	18.8	18.3
51.2	51.1	50.5	51.0	50.3	51.2	51.0	51.9	49.7	50.5	49.4	49.3
Sep 15	Sep 16	Sep 17	Sep-18	Sep-19	Sep-20	Sep-21	Sep-22	Sep-23	Sep-24	Jun-25	Sep-25





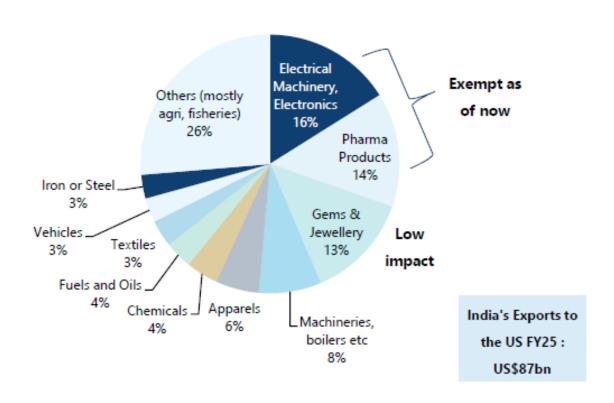




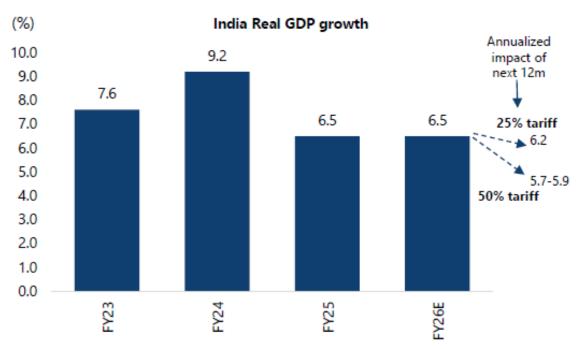




# India's exports to US by category



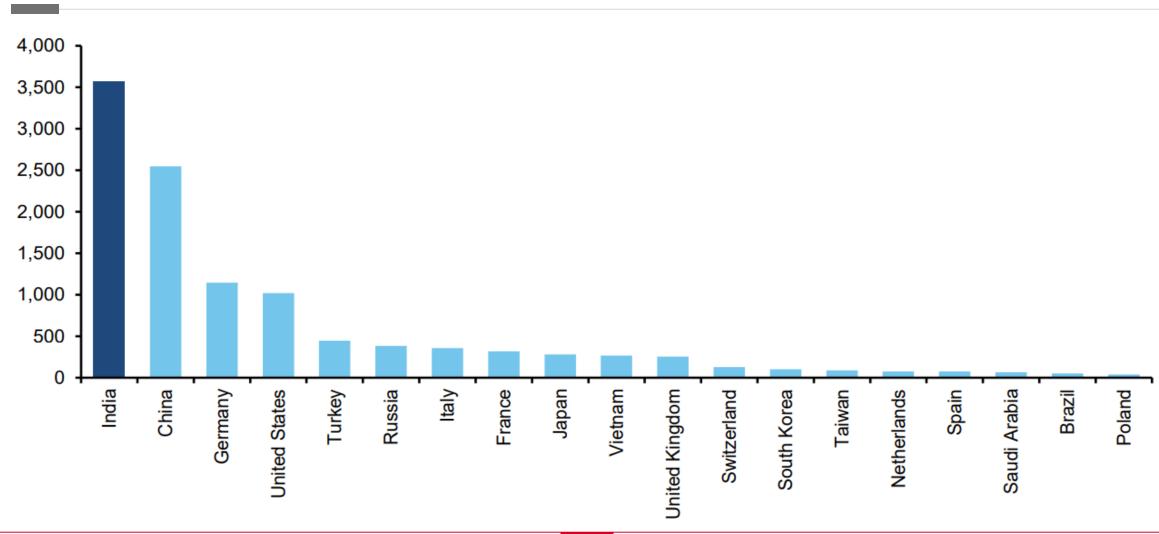
### Likely impact on GDP growth of tariffs





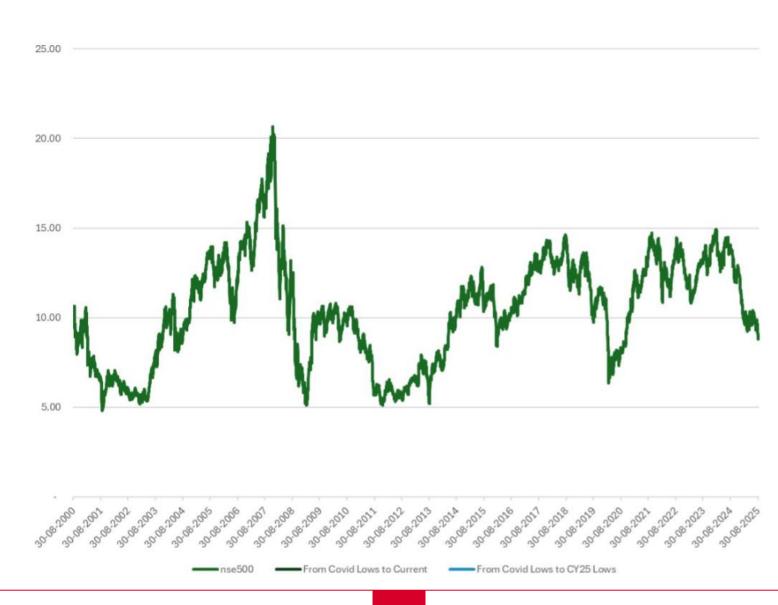
# 5. Markets not factoring in the wealth effect from Gold in India





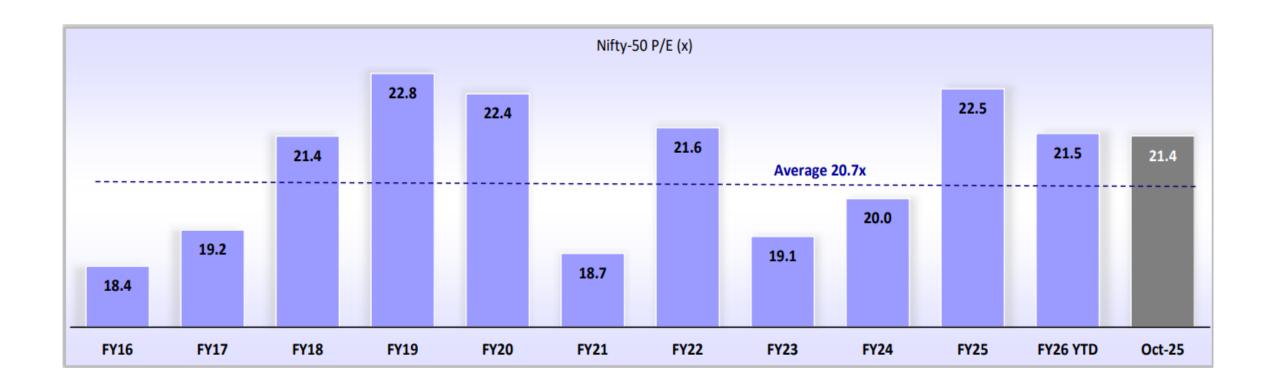






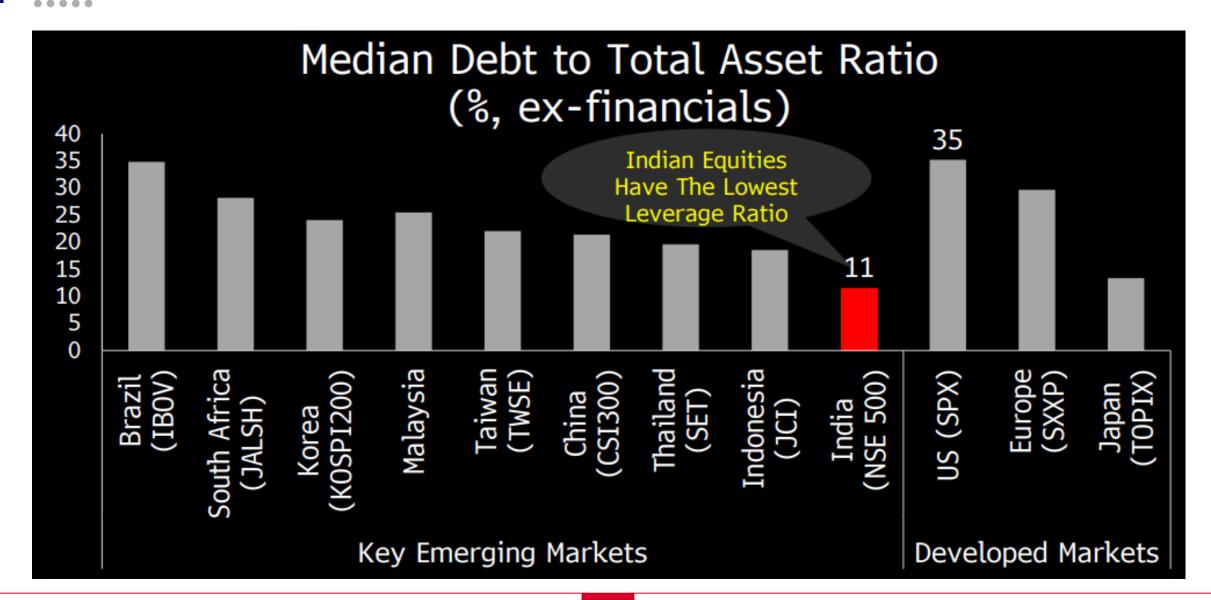


# 6. Nifty 50 valuation slightly above long-term average





# 7. Stronger corporate Balance Sheets – less solvency risk





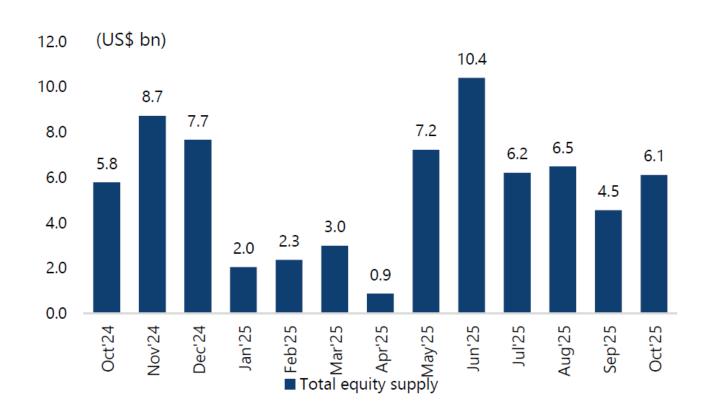
# However, some risks we are seeing in the markets

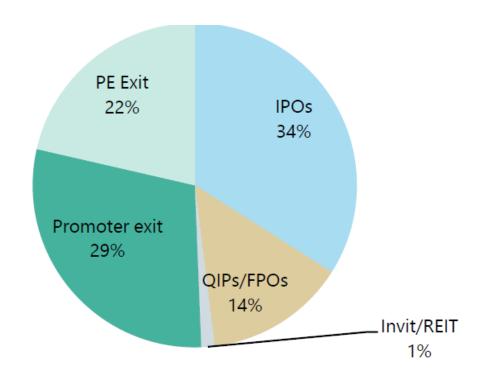






# **Majority of supply coming from Promoters lately**









....

Stock	Deployment since Jan'25		Cumulative deployment	No of AMCs bght the stock	No of AMCs bght >10% of total buying	
Infosys Ltd.	14,197	5%	5%	33	12	
Axis Bank Ltd.	11,856	4%	10%	26	12	
Eternal Ltd.	11,367	4%	14%	23	18	250/ of inflow in ton C stocks
State Bank Of India	10,551	4%	18%	25	13	25% of inflow in top-6 stocks
Swiggy Ltd.	9,595	4%	22%	27	20	5
Asian Paints Ltd.	8,744	3%	25%	22	4	
HDFC Bank Ltd.	7,508	3%	28%	29	12	7
Vishal Mega Mart Ltd.	7,367	3%	30%	22	17	
Reliance Industries Ltd.	7,234	3%	33%	29	12	
HDB Financial Services Ltd.	6,021	2%	35%	22	13	
Dixon Technologies (India) Ltd.	5,773	2%	37%	19	1	
Kotak Mahindra Bank Ltd.	5,568	2%	40%	37	10	
Siemens Energy India Ltd.	5,266	2%	42%	27	4	► Next 25% of inflow in 13 stocks
Tata Consultancy Services Ltd.	4,808	2%	43%	23	8	
Bajaj Finserv Ltd.	4,201	2%	45%	20	4	
Kaynes Technology India Ltd.	3,935	1%	46%	19	2	
Varun Beverages Ltd.	3,923	1%	48%	25	11	
Tata Steel Ltd.	3,914	1%	49%	27	17	
Hexaware Technologies Ltd.	3,844	1%	51%	21	12	
Adani Power Ltd.	3,709	1%	52%	5	3	
Power Grid	3,597	1%	53%	17	8	
Interglobe Aviation Ltd.	3,427	1%	55%	24	4	
Bajaj Auto Ltd.	3,105	1%	56%	23	2	
ITC Ltd.	3,029	1%	57%	25	14	
Mahindra & Mahindra Ltd.	2,983	1%	58%	28	8	
PB Fintech Ltd.	2,951	1%	59%	23	8	
Tata Communications Ltd.	2,943	1%	60%	11	6	► Next 20% of inflow in 15 stocks. 70% of total inflows in 34 stock
AWL Agri Business Ltd.	2,889	1%	61%	9	7	
Biocon Ltd.	2,767	1%	62%	19	11	
NTPC Ltd.	2,765	1%	63%		9	
Anthem Biosciences Ltd.	2,756	1%	65%	22	10	
Cohance Lifesciences Ltd.	2,737	1%	66%	19	8	
KEI Industries Ltd.	2,691	1%	67%		2	
Vedanta Ltd.	2,670	1%	68%	15	6	



# Certain stocks are driven by narratives rather than fundamentals. **BEWARE!**

# An EMS company that is "focused" on growth. What about cash flow?

Revenue & profits are increasing								
	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025		
Sales +	368	421	706	1,126	1,805	2,722		
Expenses +	325	379	611	956	1,548	2,305		
Operating Profit	43	42	95	170	257	416		
OPM %	12%	10%	13%	15%	14%	15%		
Other Income +	1	4	4	11	56	106		
Interest	25	25	27	36	56	106		
Depreciation	8	10	13	19	25	45		
Profit before tax	11	11	59	126	232	372		
Tax %	17%	10%	29%	24%	21%	21%		
Net Profit +	9	10	42	95	183	293		

and so are borrowings								
	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025		
Equity Capital	7	7	46	58	64	64		
Reserves	96	131	156	901	2,423	2,776		
Borrowings +	153	141	189	155	323	903		
Other Liabilities +	122	141	231	304	456	898		
Total Liabilities	378	419	622	1,418	3,265	4,641		

# While the company is generating no OCF since the past 5 years

	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025
Cash from Operating Activity +	45	26	21	-42	88	-82
Cash from Investing Activity +	-10	-24	-45	-494	-1,523	-355
Cash from Financing Activity +	-35	1	27	554	1,429	465
Net Cash Flow	-0	2	4	19	-7	28

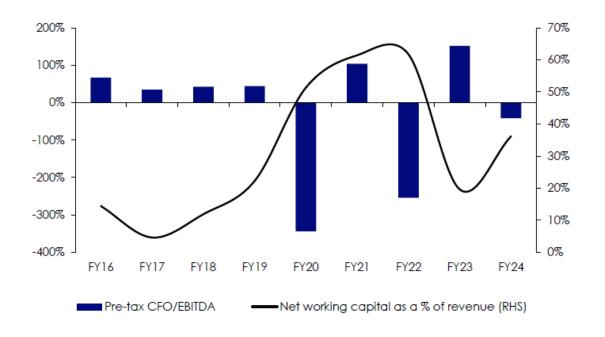


# Certain stocks are driven by narratives rather than fundamentals. **BEWARE!**

# A solar EPC company that wasn't bright anymore

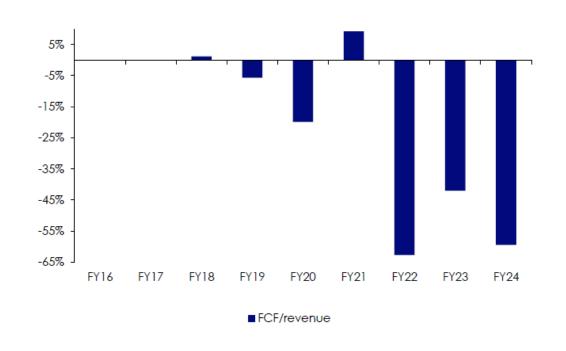
# Company witnessed lower cash conversion along with increase in WC investment

### Cash conversion of solar EPC co.



# Company generated positive free cash flows in only one of the last nine years

### FCF/revenue of Solar EPC co.





# Stocks bought on margin are also on the rise

_	<b>.</b>	_	_	_
_	_	_	_	$\blacksquare$

Date	MTF (₹ Cr)	LAS book of Banks(₹ Cr)	LAS book of NBFCs (₹ Cr)
FY05	31		
FY06	125		
FY07	139		
FY08	221	4,075	
FY09	145	2,287	
FY10	215	2,860	
FY11	134	2,880	
FY12	119	3,000	
FY13	84	3,100	
FY14	36	3,800	
FY15	65	5,434	
FY16	77	6,419	7,669
FY17	84	4,750	12,782
FY18	4,137	5,556	16,092
FY19	3,522	6,456	15,723
FY20	3,061	6,188	7,940
FY21	12,084	5,587	8,304
FY22	23,975	6,807	11,473
FY23	24,918	7,633	13,389
FY24	54,503	8,492	21,780
FY25	68,070	10,080	26,136
Sep-25	99,628	10,584	27,443
% CAGR Since FY20	101%	11%	28%



# Disciplined asset allocation improves performance in the long term

# 20-Year CAGR Returns In Local Currency By Asset Class and For Multi Asset Allocation Strategy

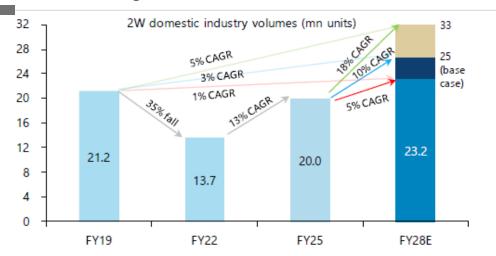
Nominal Local Currency 20-Yr CAGR	Inflation	Equity returns	Debt returns	International equity returns	Gold returns	Multi Asset returns	Standard Deviation (Domestic Equities)	Standard Deviation (Multi Asset)
Emerging Markets (USD)	6.1%	3.9%	5.5%	6.1%	10.7%	6.2%	19.4%	12.6%
India	6.5%	13.0%	7.5%	9.8%	14.5%	12.7%	21.3%	11.3%
China	2.2%	7.8%	4.1%	7.5%	9.9%	9.7%	25.3%	13.7%
Thailand	1.8%	2.4%	2.8%	4.8%	9.3%	4.8%	18.1%	10.1%
Pakistan	10.2%	15.2%	10.2%	14.7%	19.6%	16.5%	19.7%	11.5%
Japan	0.8%	4.5%	0.6%	7.5%	12.1%	5.9%	21.0%	12.5%
USA	2.5%	8.6%	2.6%	3.1%	10.7%	7.5%	19.2%	11.1%
UK	2.8%	2.7%	2.3%	7.5%	12.1%	5.0%	17.6%	10.4%



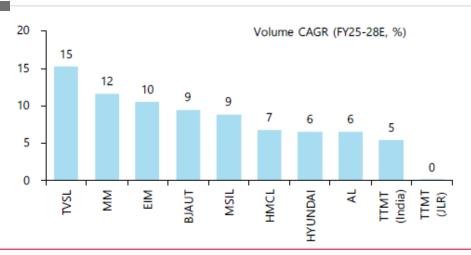
# Auto 2W - Pent up demand & mkt share realignment



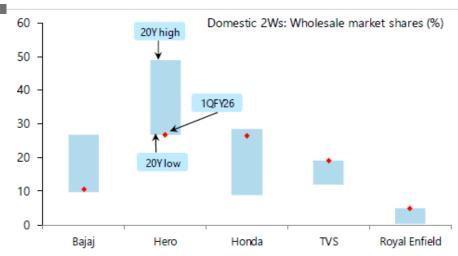
### Case for double-digit CAGR ahead



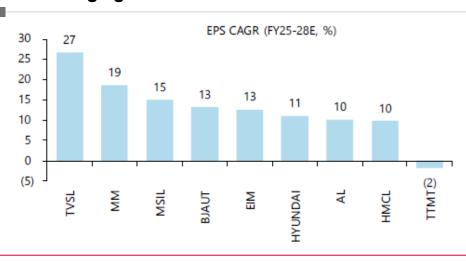
# Strong Volume growth for TVSL and MM



### TVS & EIM market share at 20-year high



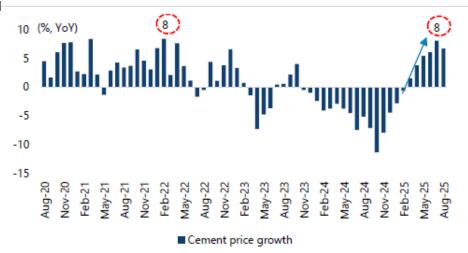
# Highest earnings growth for TVSL and MM



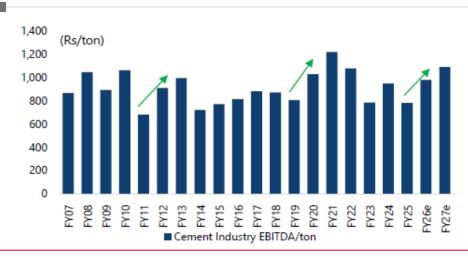




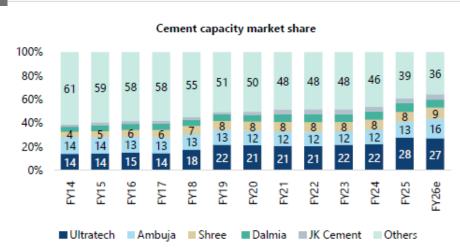
### Monthly pricing growth highest in 3 years



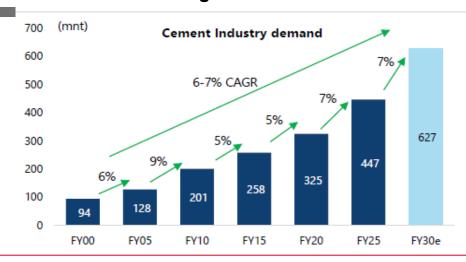
# Cement industry EBITDA/T on an upward trajectory



### Recent consolidations to boost discipline; top 3 hold 50%+ share



### Cement demand slated to grow at 6-7% CAGR

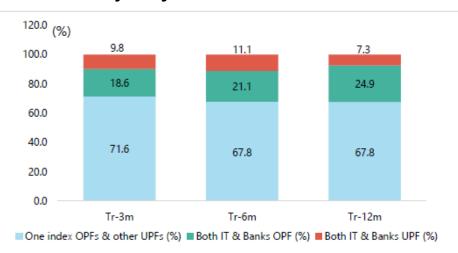




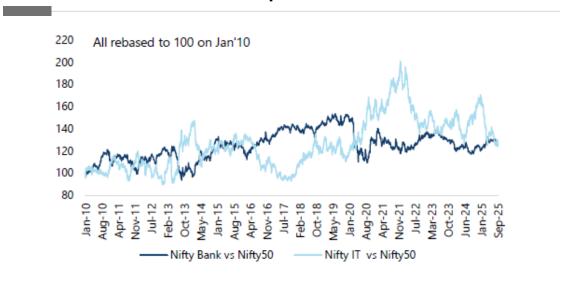


### IKIGA Asset Manager Trust. Process, Performance

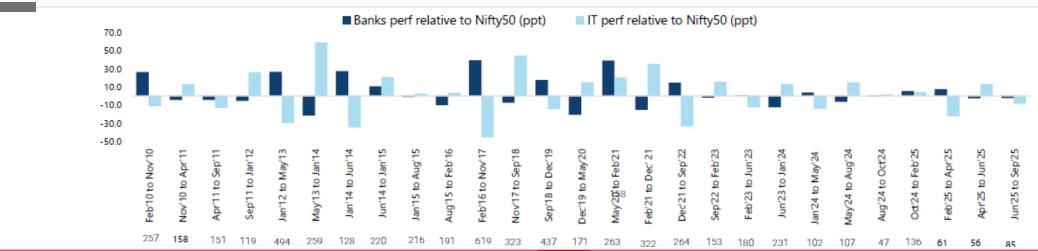
### Banks and IT have jointly OPFed 20-25% times



### Banks and IT trend of relative performance



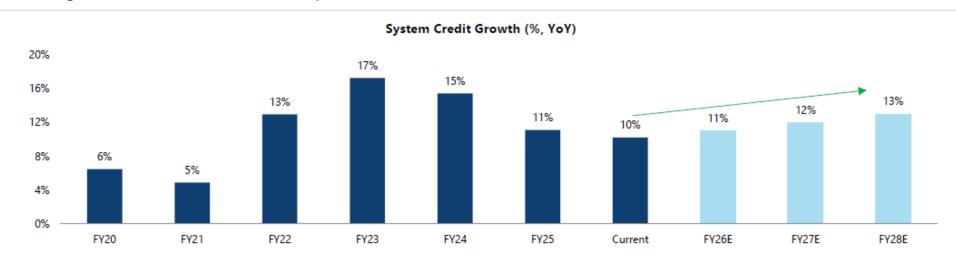
# Relative performance for Banks and IT against Nifty



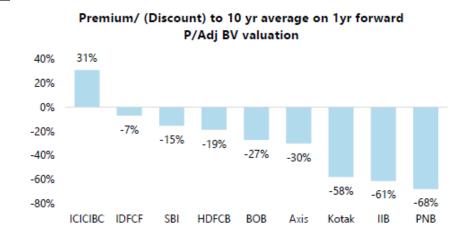
# **Lenders: Credit growth to improve**



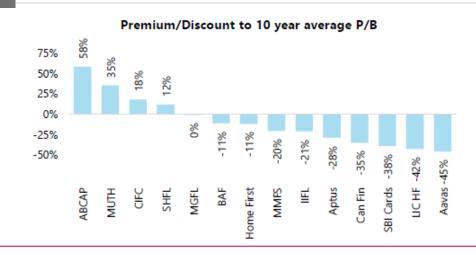
### We expect credit growth for FY26 at 11% & improve towards 12-13% in FY27-28



# Most bank trading below 10Y Avg.



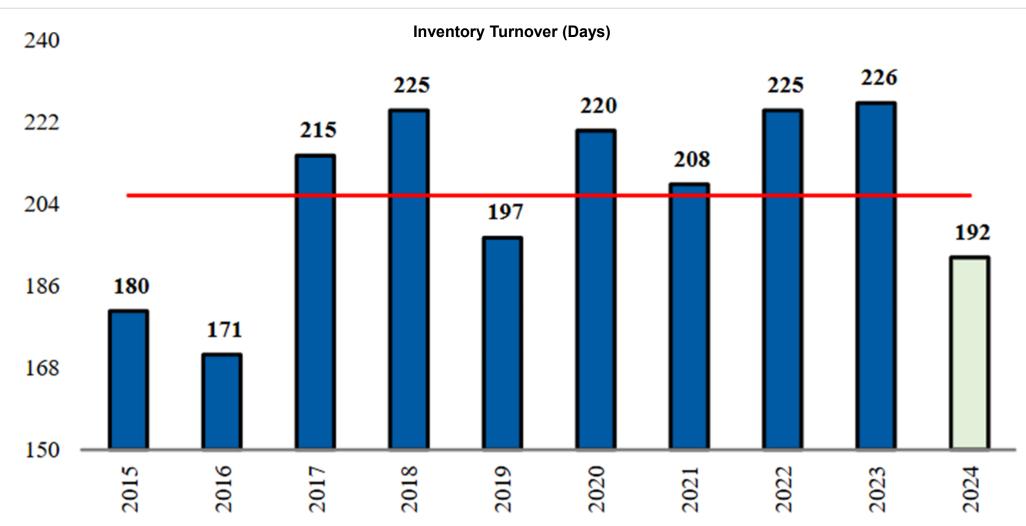
# Many NBFCs also trading below 10Y Avg PEs





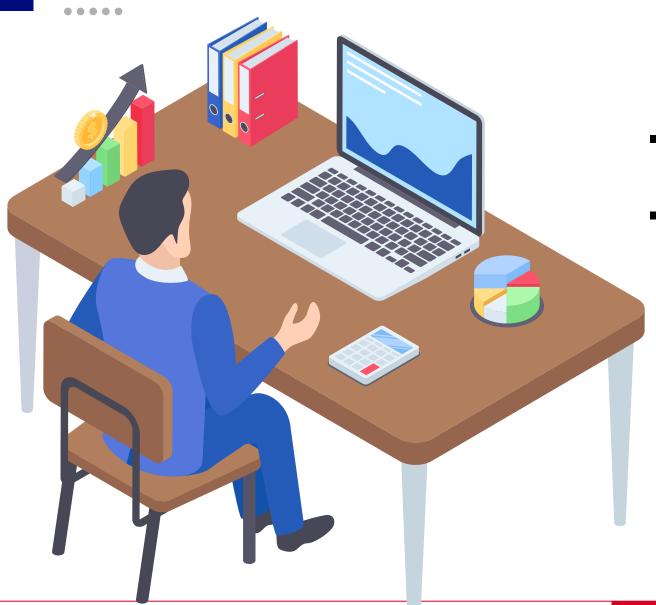


# Inventories across agri-majors are at 8-year lows



# What should Investors do?



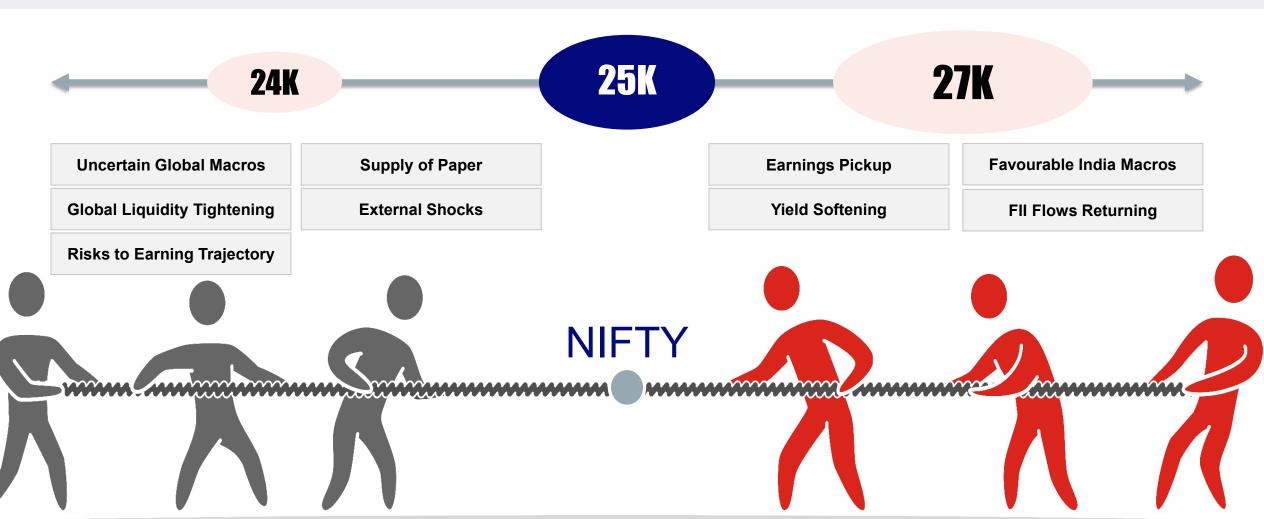


- • • •
- Shifted from a conservative/cautious to a constructive stance recently
- Would recommend to raise equity exposure in a staggered manner post last 15 months of consolidation and price correction:
  - ✓ Top up allocations/SIPs
  - ✓ Focus on staggered purchases though some front ending can be done now
  - ✓ Sectors that can do well Metals, healthcare, chemicals, cement, private sector financials and NBFCs, consumer discretionary, auto ancillaries

# **Be Ready For Volatility**



# **Events: US Tariff war, Energy Prices and Geopolitical uncertainty**





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