



Trust | Process | Performance



MARKET OUTLOOK

April 2026



Section 1:

Iran - US/Israel Conflict



One month into the war uncertainty continues

Trump today said Iran's new regime president (elected in July of 2024) wants a ceasefire.

 **Commentary: Trump Truth Social Posts ...** @TrumpTruth... · 5h ·  

Commentary account

Iran's New Regime President, much less Radicalized and far more intelligent than his predecessors, has just asked the United States of America for a CEASEFIRE! We will consider when Hormuz Strait is open, free, and clear. Until then, we are blasting Iran into oblivion or, as they say, back to the Stone Ages!!! President DJT

(TS: 01 Apr 08:44 ET)

 **Donald J. Trump**  
@realDonaldTrump

Remember when I gave Iran ten days to MAKE A DEAL or OPEN UP THE HORMUZ STRAIT. Time is running out - 48 hours before all Hell will reign down on them. Glory be to GOD! President DONALD J. TRUMP

3.81k ReTruths 14.9k Likes

Apr 04, 2026, 10:05 AM

 **Donald J. Trump**  
@realDonaldTrump

As per Iranian Government request, please let this statement serve to represent that I am pausing the period of Energy Plant destruction by 10 Days to Monday, April 6, 2026, at 8 P.M., Eastern Time. Talks are ongoing and, despite erroneous statements to the contrary by the Fake News Media, and others, they are going very well. Thank you for your attention to this matter! President DONALD J. TRUMP




(Bloomberg) -- Iran's Foreign Ministry says Trump's remarks that the country asked for a ceasefire are "false and baseless," state TV reports, citing ministry's spokesman Esmail Baghaei.

Iran's softening stance is not clear from its other leaders | [HERE](#)

 **Ayatollah Mojtaba Khamenei** @MKhamenei_jr · 9h  

I emphatically declare that the consistent policy of the Islamic Republic of Iran, following on the path of Imam Khomeini and the martyred Leader, is to continue supporting the Resistance against the Zionist-US enemy.

580 2.3K 11K 500K

 **Ayatollah Mojtaba Khamenei** @MKhamenei_jr · 9h  

His Eminence Sheikh Naim Qassem
You've stood on the frontlines of the Resistance in Lebanon & are now leading this movement. Given what I know of you, I'm hopeful that you'll thwart the Zionist enemy's plots & once again bring the taste of honor to the dear people of #Lebanon.

 **محمدباقر قالیباف | MB Ghalibaf** @mb_ghalibaf · 28m  

Out-of-context quotes + manufactured FOMO = War profiteering 101.
Do Your Own Research.

228 932 3.6K 140K

China's foreign Minister Wang Yi asked the Iranian's to start peace talks

 **CHINA MFA Spokesperson** 中国外交部发言人 @MFA.China · 7m  

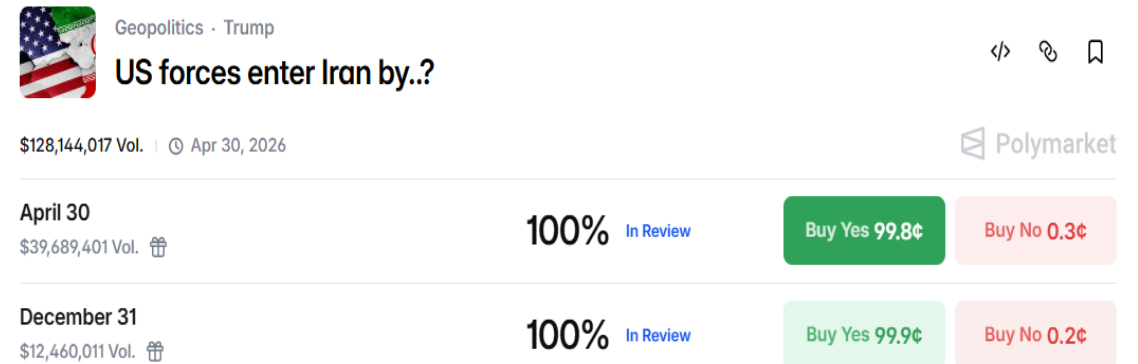
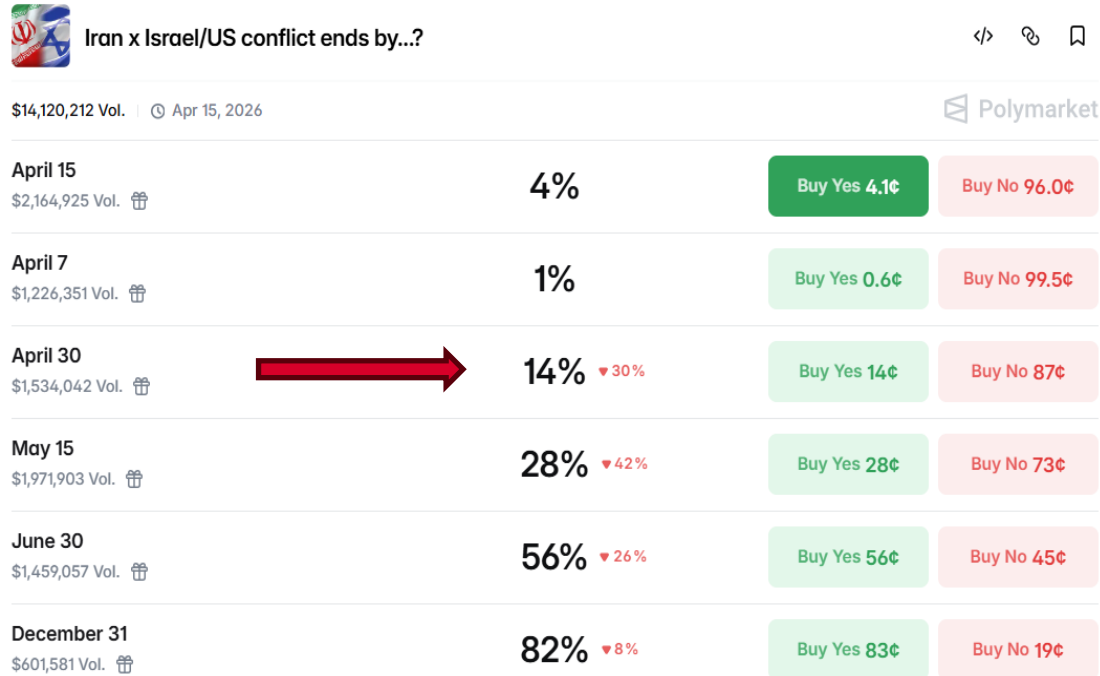
FM Wang Yi stressed in his phone call yesterday with Iranian FM Araghchi @araghchi:

All regional hotspot issues should be resolved through dialogue and negotiation, not by force. Negotiating is always better than fighting. Hope parties will seize every opportunity and window for peace and start the peace talks ASAP. #Iran

However markets are betting less chances of ceasefire by the month end

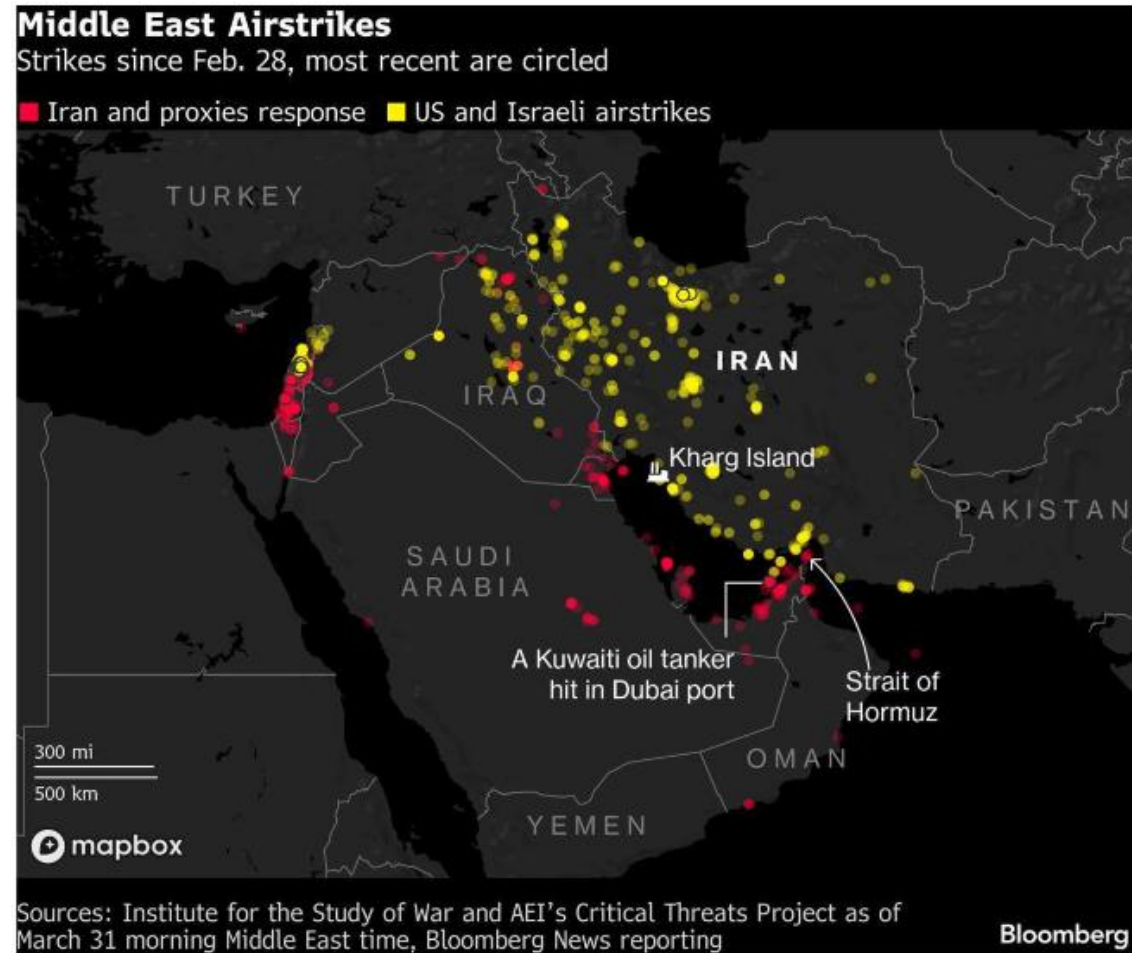
Ceasefire chance by April 30th are only 14% down from 39% WoW

Whereas chances of US forces entering Iran by Apr 30th are 100%

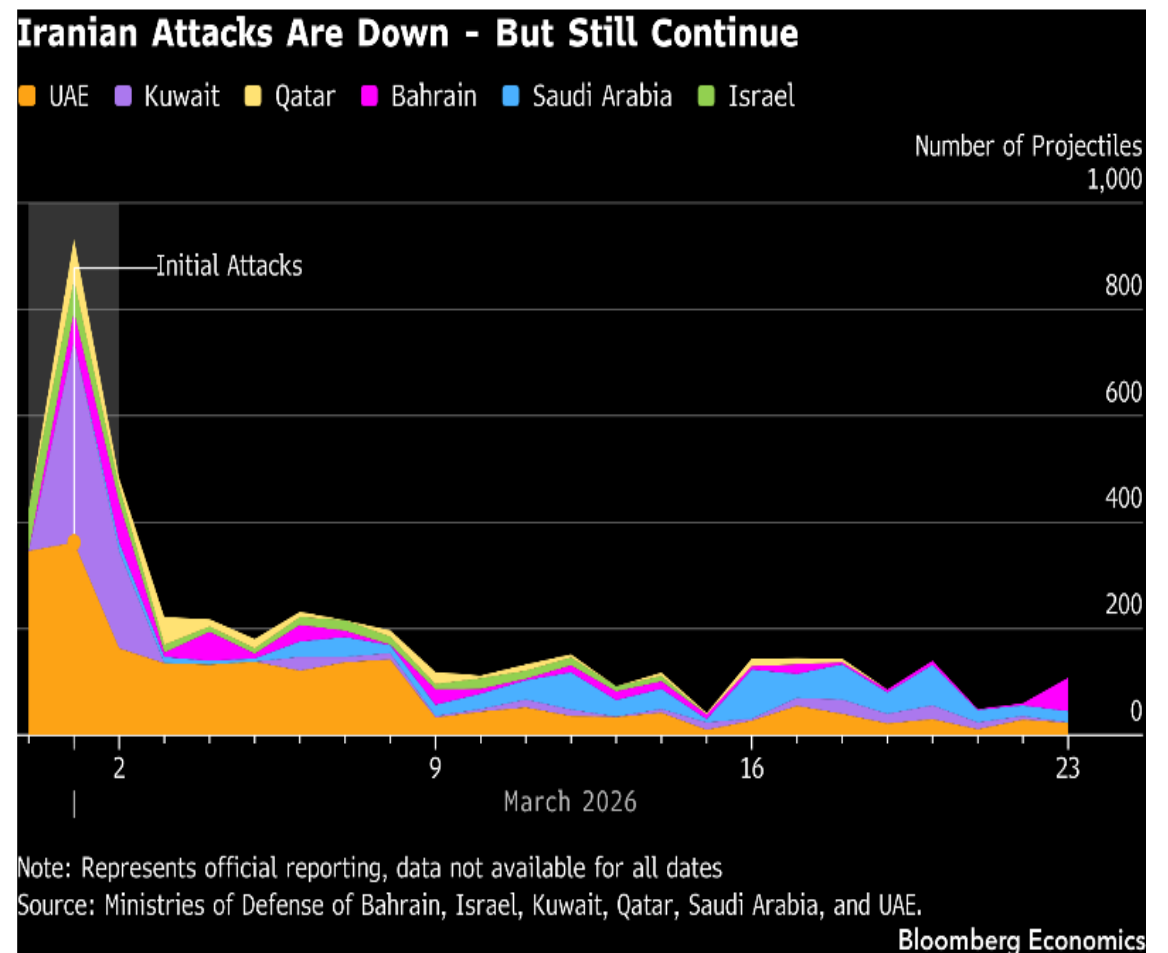


In the last few days Iranian attacks have come down

Areas subject to strikes from each side

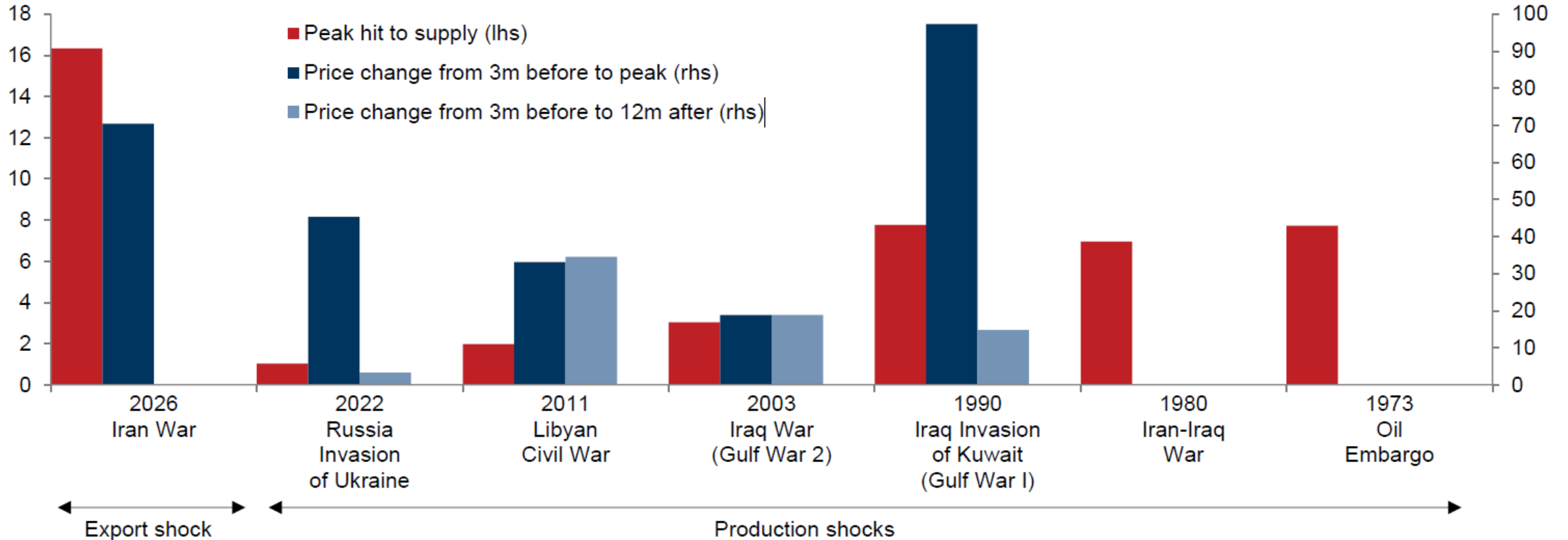


Through Iran's attacking intensity has come off over the weeks



Hit to oil flows from the Gulf marks the largest oil supply shock in history

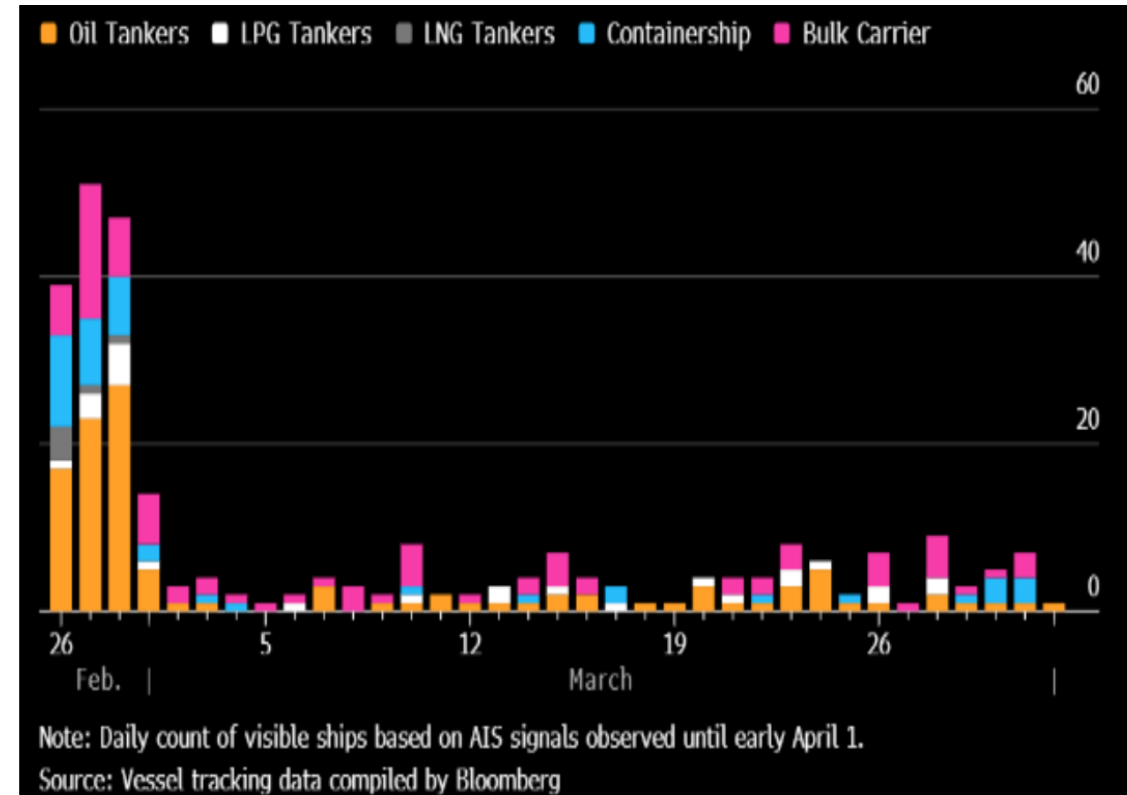
Historical oil supply hit events (% of global supply, lhs) vs. corresponding price change (% , rhs)



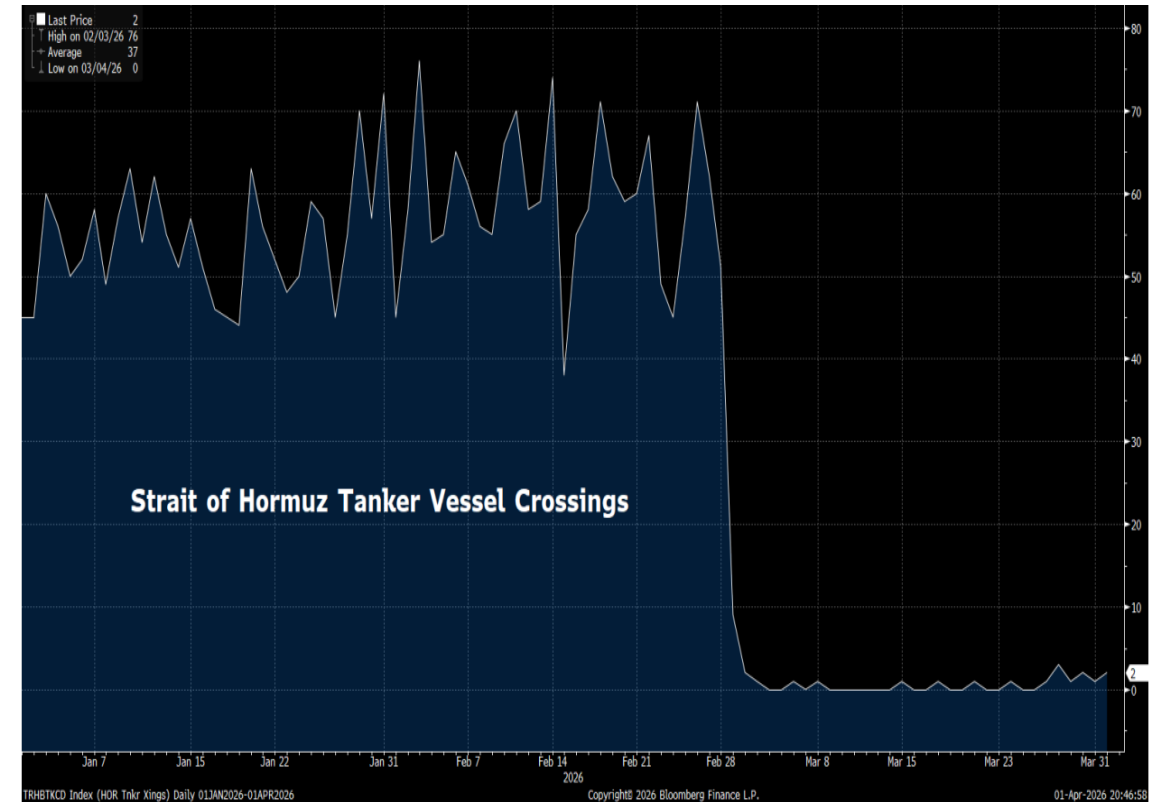
Note: Peak price is the highest daily close price. For the 2026 Iran War, peak hit to supply is defined as the estimated latest hit to Persian Gulf oil exports based on reported vessel count; peak price is taken to be the highest realized daily close price since February 28.
Source: IEA, ICE, Goldman Sachs GIR.

Strait of Hormuz outbound transit fell sharply but is incrementally improving

Commercial ships transiting the Persian Gulf

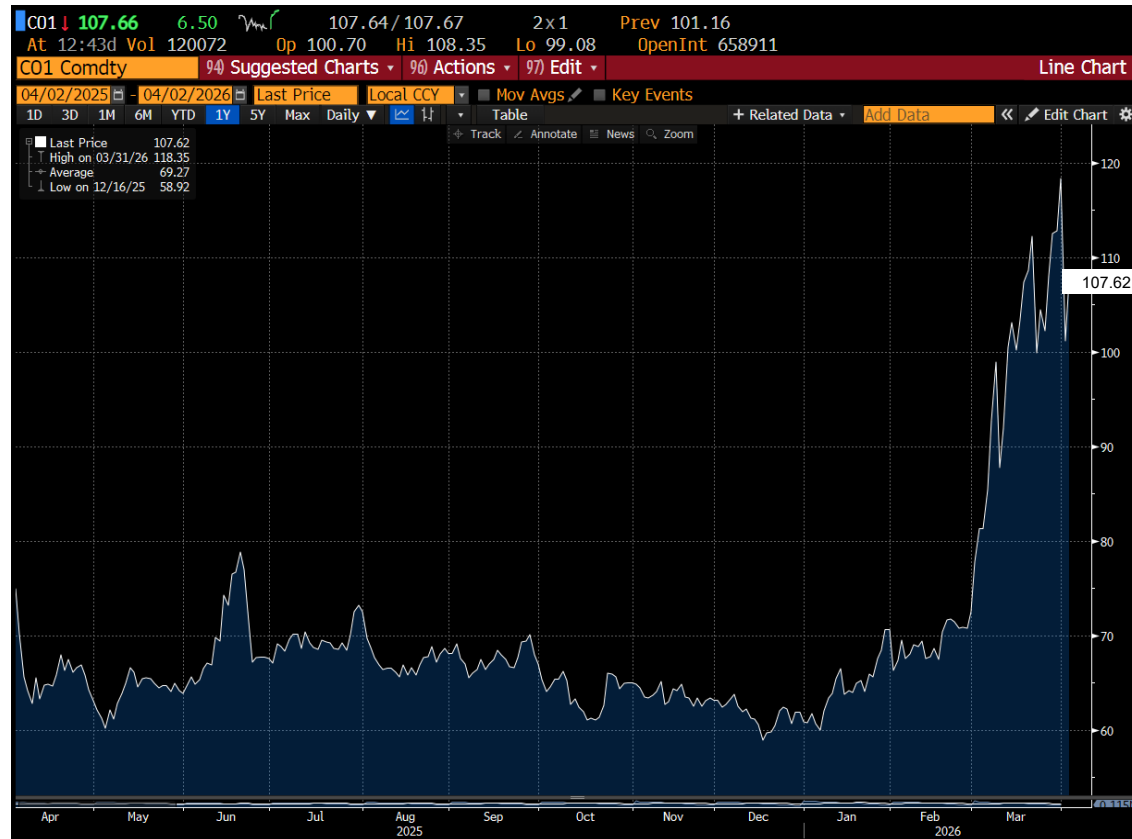


...of the ships going through very few have been tankers

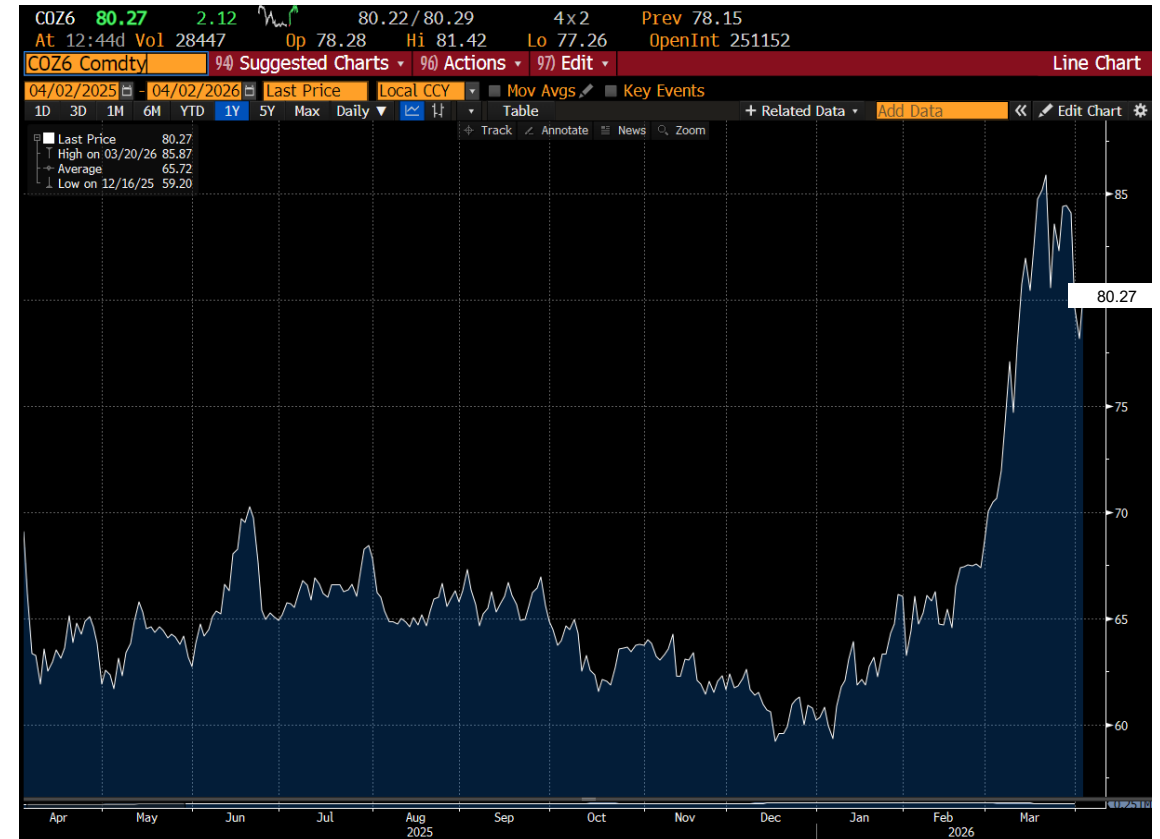


One month into the war how things have changed: Crude has been elevated but futures market remains stable

Crude spike due to energy disruptions



But the futures crude price remains stable at \$80/bbl



One month into the war how things have changed: Globally equities have seen a major impact; India, Indonesia and Vietnam worst impacted

Global stock market index % change since 28 Feb 2026

Country	Index	Ticker	YTD	Since 28 Feb 2026
Ghana	GSE Composite Index	GGSECI	67.07%	16.60%
Oman	MSX30 Index	MSM30	34.93%	7.08%
Argentina	S&P Merval TR ARS	MERVAL	-6.71%	5.64%
Malaysia	FTSE Bursa Malaysia KLCI	FBMKLCI	3.82%	-2.02%
Singapore	Straits Times Index STI	STI	5.25%	-3.85%
US	S&P 500 Index	SPX	-4.22%	-4.69%
Brazil	Brazil IBOVESPA Index	IBOV	17.96%	-5.71%
Hong Kong	Hang Seng Index	HSI	-2.22%	-5.94%
China A	Shanghai SE Composite	SHCOMP	0.12%	-7.20%
Canada	S&P/TSX Composite Index	SPTSX	0.30%	-7.99%
UK	FTSE 100 Index	UKX	-0.21%	-9.22%
Italy	FTSE MIB Index	FTSEMIB	-4.98%	-10.01%
Taiwan	Taiwan TAIEX Index	TWSE	14.08%	-10.07%
Australia	S&P/ASX 200 Index	AS51	2.35%	-10.99%
Japan	TOPIX Index (Tokyo)	TPX	5.25%	-11.33%
France	CAC 40 Index	CAC	-6.27%	-11.59%
India	Sensex	SENSEX	-16.95%	-11.86%
Germany	DAX Index	DAX	-8.98%	-12.30%
Thailand	Stock Exch of Thai Index	SET	7.51%	-12.35%
Japan	Nikkei 225	NKY	4.85%	-12.89%
Philippines	PSEI - Philippine SE Idx	PCOMP	-2.82%	-13.70%
Indonesia	Jakarta Composite Index	JCI	-17.68%	-14.58%
Korea	KOSPI Index	KOSPI	29.23%	-14.71%

Worst performing YTD have been India, Indonesia, & Vietnam

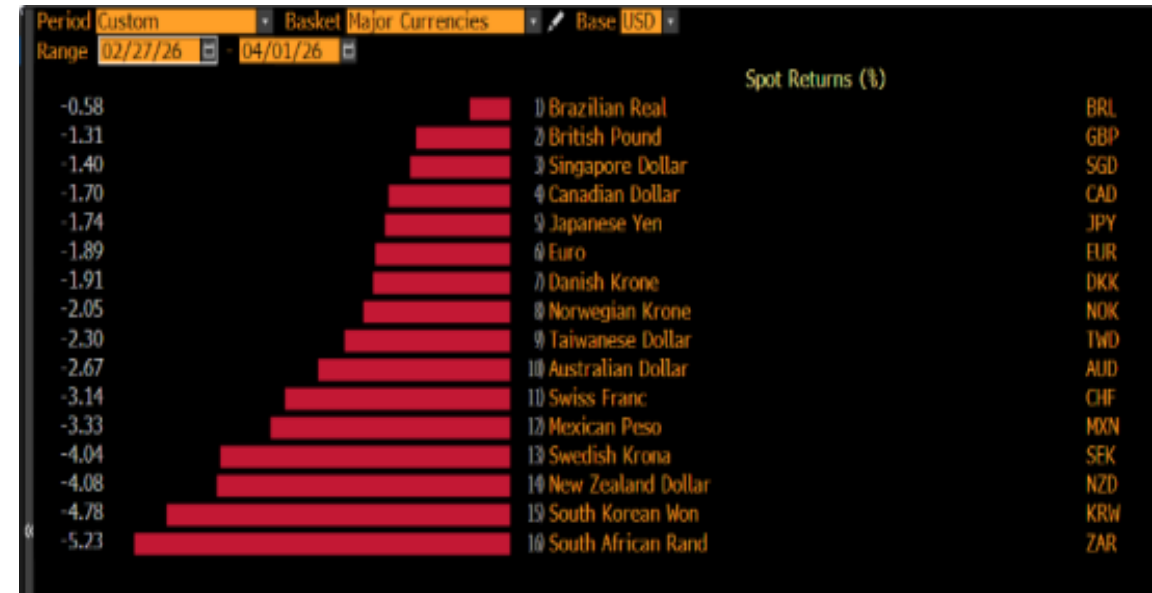
Group By None		Last Update 03/25/26							
Summary		Assets	Cost	Performance	Flows	Liquidity	Allocations	Regulatory	Structure
Name	ID	Return	MTD Return	YTD Return					
Median		-0.57%	-8.95%	+0.70%					
1) VanEck Digital India ETF		-3.21%	-10.30%	-23.83%					
2) Amplify Alternative Harvest ETF		-0.29%	-7.78%	-19.64%					
3) VanEck Indonesia Index ETF		-0.82%	-15.75%	-19.02%					
4) iShares MSCI Indonesia ETF		-1.04%	-14.31%	-18.34%					
5) Invesco India Exchange-Traded Fund Trust		-2.92%	-13.25%	-16.54%					
6) Columbia India Consumer ETF		-2.53%	-14.40%	-15.93%					
7) Xtrackers Nifty 500 India ETF		-2.14%	-12.26%	-15.55%					
8) iShares MSCI India Small-Cap ETF		-3.21%	-11.04%	-15.41%					
9) iShares India 50 ETF		-2.58%	-14.99%	-14.99%					
10) Franklin FTSE India ETF		-3.12%	-11.70%	-14.72%					
11) Global X MSCI Vietnam ETF		-0.73%	-15.99%	-14.35%					
12) iShares MSCI India ETF		-2.60%	-11.25%	-14.17%					
13) VanEck Vietnam ETF		+0.24%	-13.73%	-13.73%					
14) iShares MSCI Denmark ETF		-0.30%	-8.05%	-13.08%					
15) WisdomTree India Earnings Fund		-3.06%	-11.23%	-13.05%					
16) First Trust India NIFTY 50 Equal Weight ETF		-2.92%	-10.51%	-12.21%					
17) VanEck India Growth Leaders ETF		-2.60%	-12.90%	-12.15%					
18) WisdomTree India Hedged Equity Fund		-2.44%	-7.87%	-10.50%					
19) Invesco Golden Dragon China ETF		-0.44%	-6.92%	-10.00%					
20) KraneShares Dragon Capital Vietnam Growth Index ETF		-0.26%	-13.89%	-9.33%					
21) Global X Dax Germany ETF		-1.14%	-12.33%	-9.12%					
22) KraneShares Emerging Markets Consumer Technology L...		-1.71%	-11.51%	-8.97%					
23) VanEck Morningstar International Moat ETF		-1.28%	-11.55%	-8.59%					
24) iShares MSCI BIC ETF		-0.62%	-8.02%	-8.36%					
25) iShares MSCI Germany ETF		-0.94%	-12.16%	-8.35%					
26) Franklin FTSE Germany ETF		-0.67%	-12.29%	-8.30%					
27) GlacierShares Nasdaq Iceland ETF		-0.85%	-11.03%	-7.83%					
28) iShares MSCI Ireland ETF		-0.12%	-9.86%	-7.79%					
29) iShares China Large-Cap ETF		-0.11%	-5.20%	-7.70%					
30) iShares MSCI China ETF		+0.09%	-5.79%	-7.37%					
31) iShares MSCI South Africa ETF		-0.75%	-21.81%	-7.27%					
32) WisdomTree Trust WisdomTree China ex-State-Owned E...		-0.07%	-5.59%	-6.73%					
33) Franklin FTSE China ETF		+0.27%	-5.99%	-6.39%					
34) WisdomTree True Emerging Markets Fund		-1.17%	-10.94%	-6.18%					
35) iShares MSCI United Kingdom Small-Cap ETF		-1.32%	-11.41%	-6.04%					
36) Global X NASDAQ 100 Collar 95-110 ETF		-0.45%	-4.65%	-6.01%					
37) VanEck Africa Index ETF		+0.72%	-17.67%	-5.94%					

One month into the war how things have changed: LATAM and Brazil have shown surprising resilience

LATAM has made new relative high vs. S&P since 28 Feb



Brazilian Real has been the best performing currency

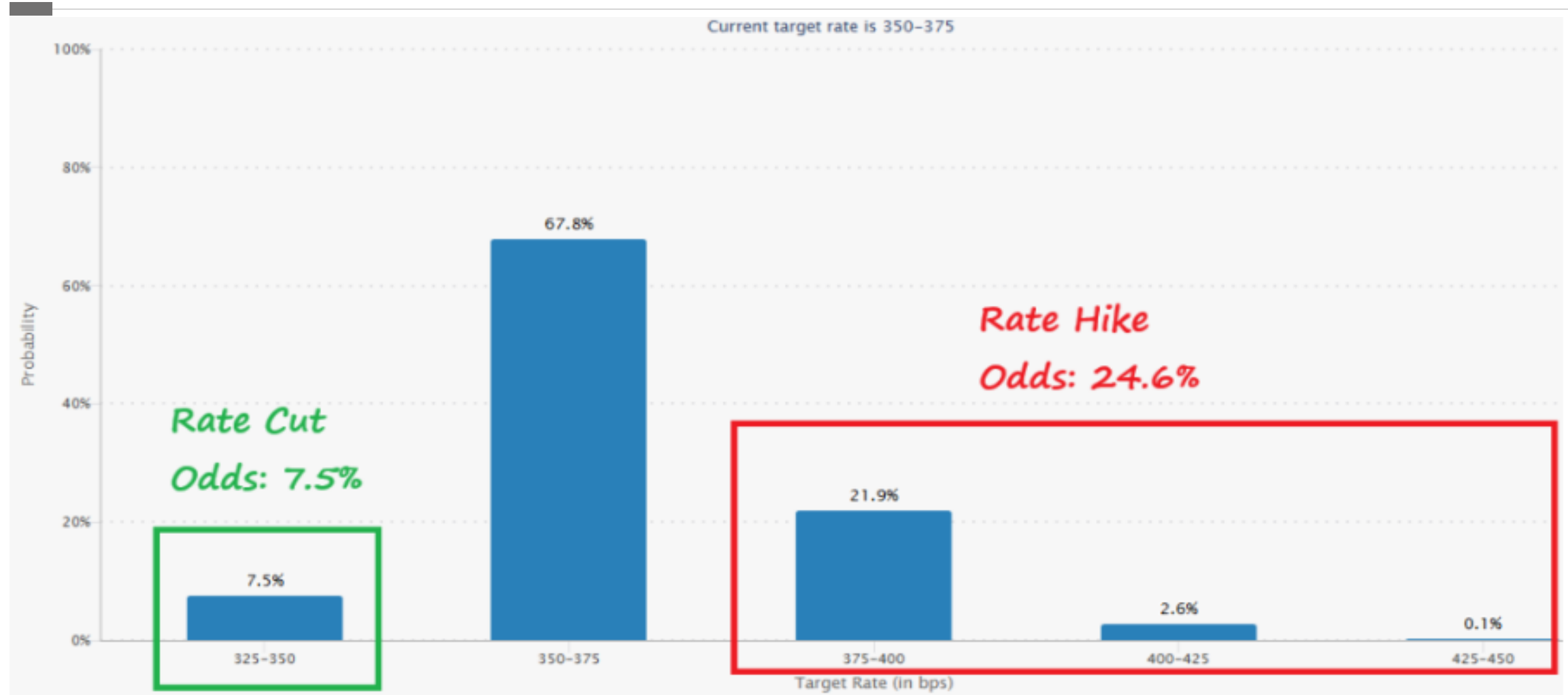


One month into the war how things have changed: Bond yields have spiked globally



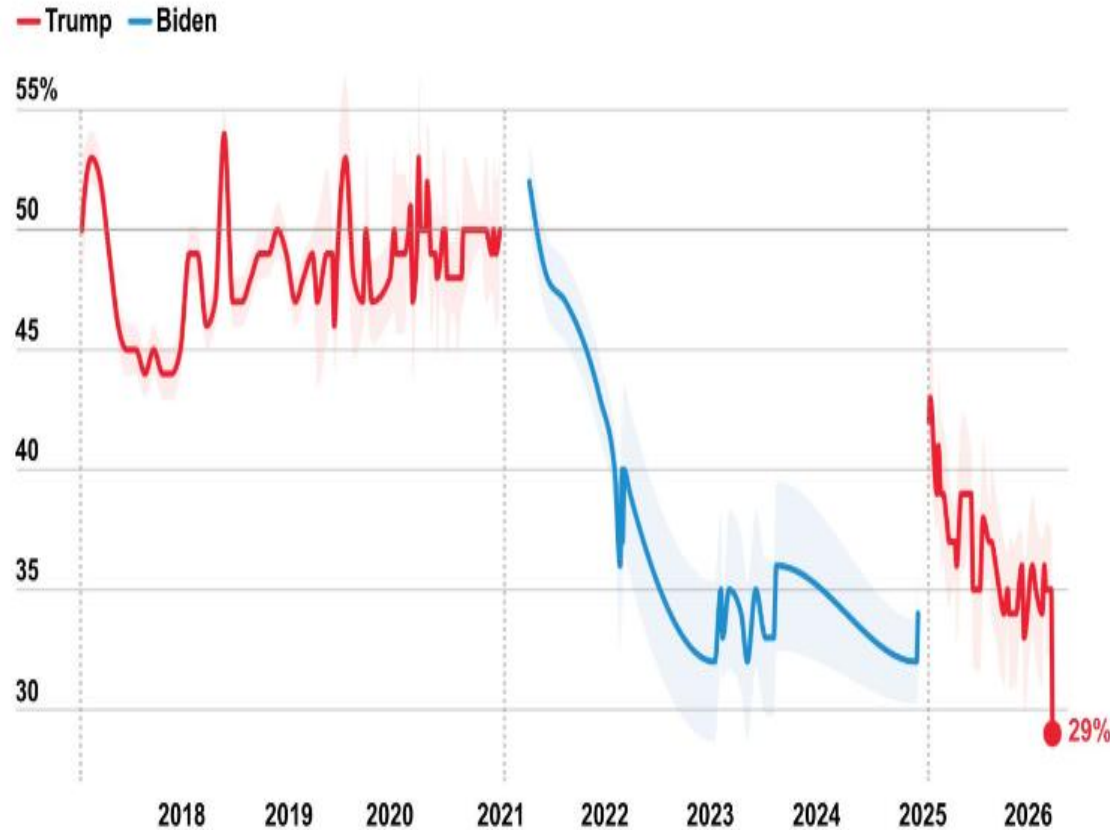
One month into the war how things have changed: Inflation worries have raised rate hike probabilities

Target Rate Probabilities for 9 Dec 2026 for Fed Meeting

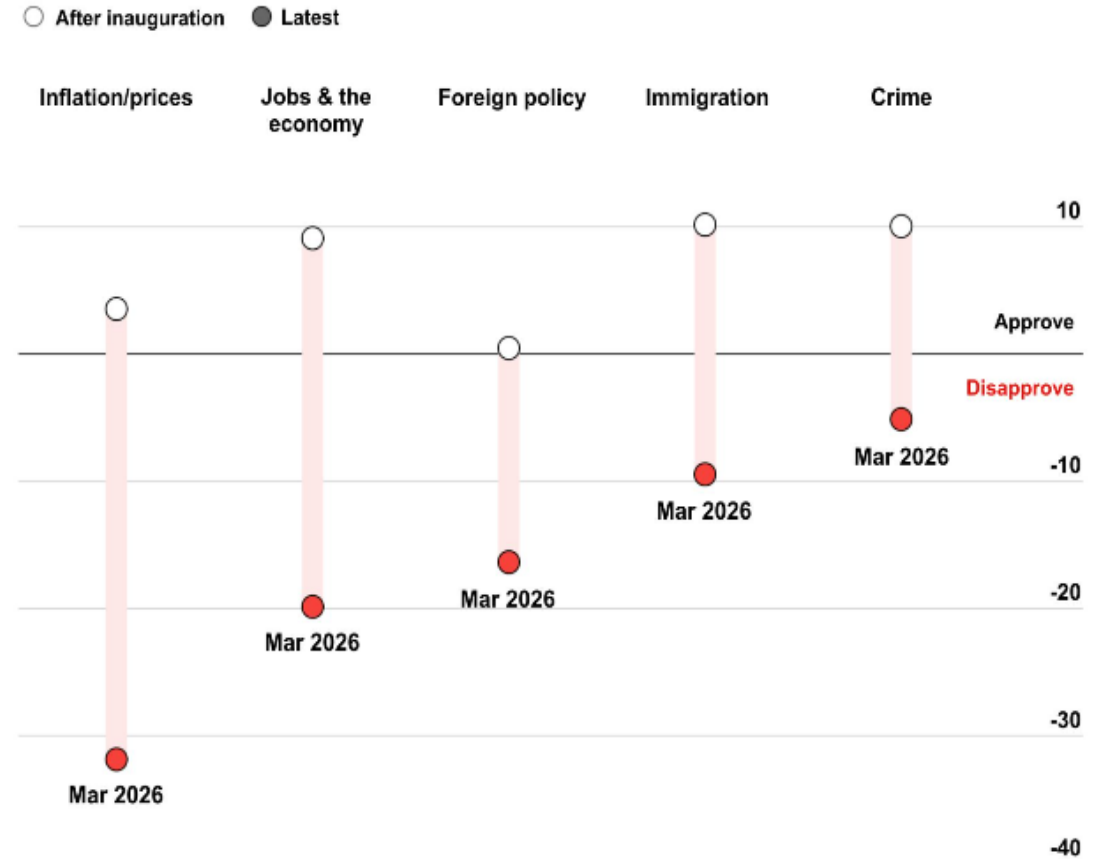


One month into the war how things have changed: With midterm elections near, Trump's approval ratings have dropped

Reuters polls responses from nationwide adults

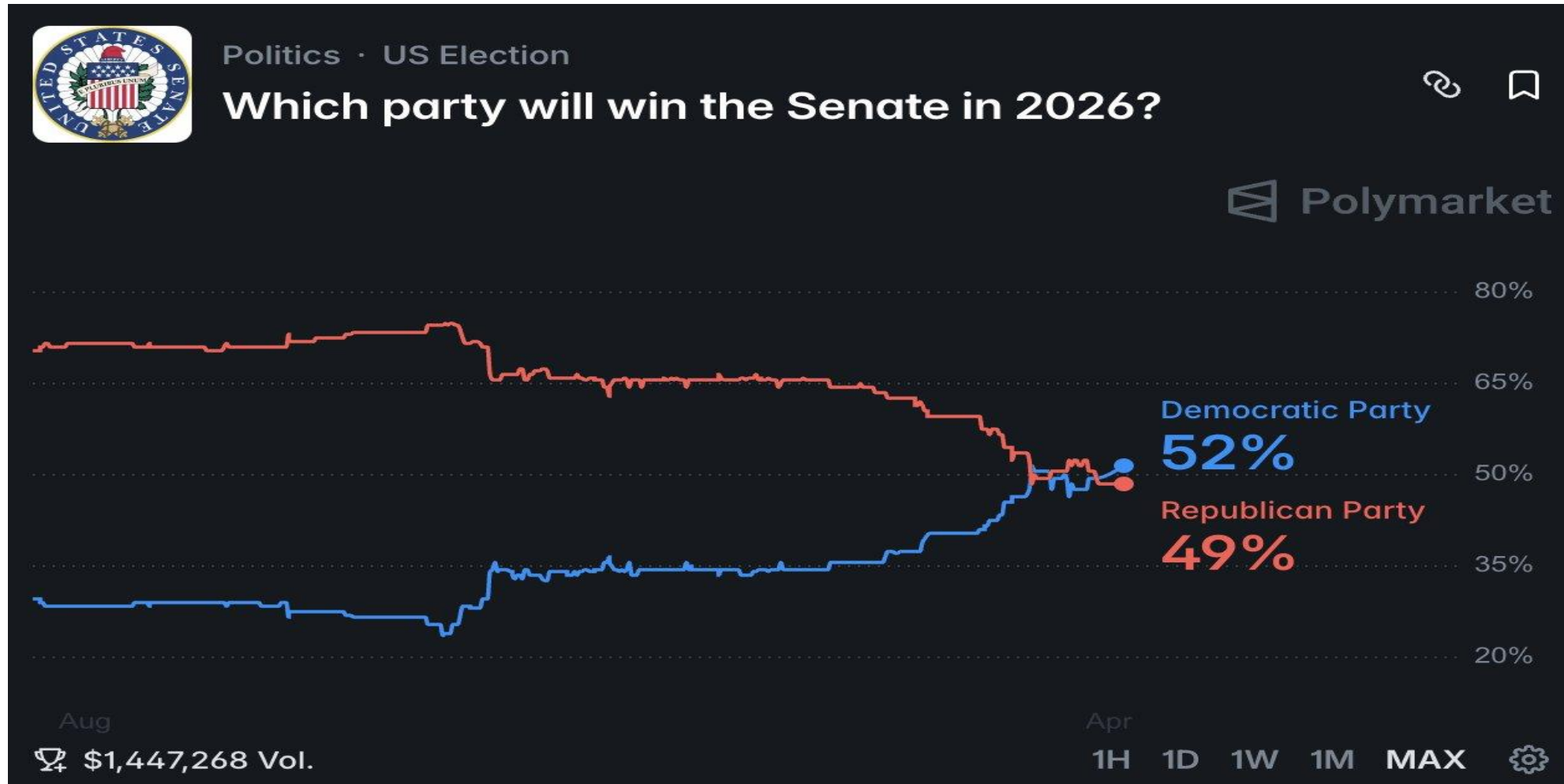


Net approval rating by issue



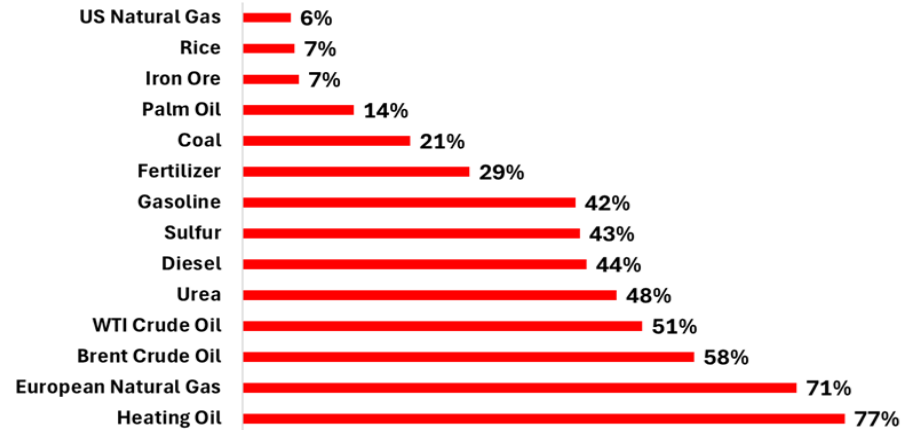
One month into the war how things have changed: Chances of midterm sweep by Democrats continues to increase

Odds of the Democratic Party winning in the Midterms rises to 52% from 40% on February 27th, the day before the Iran War began

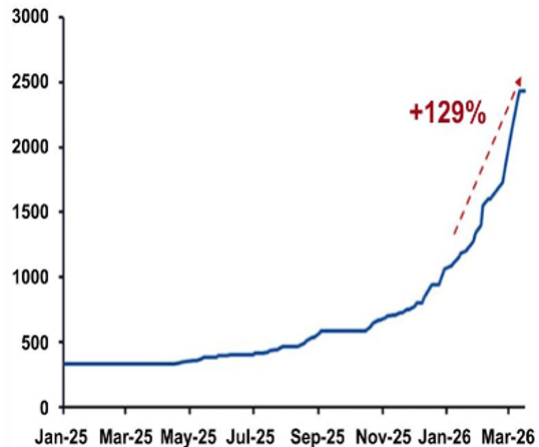


One month into the war how things have changed: Commodity basket keeps getting more expensive

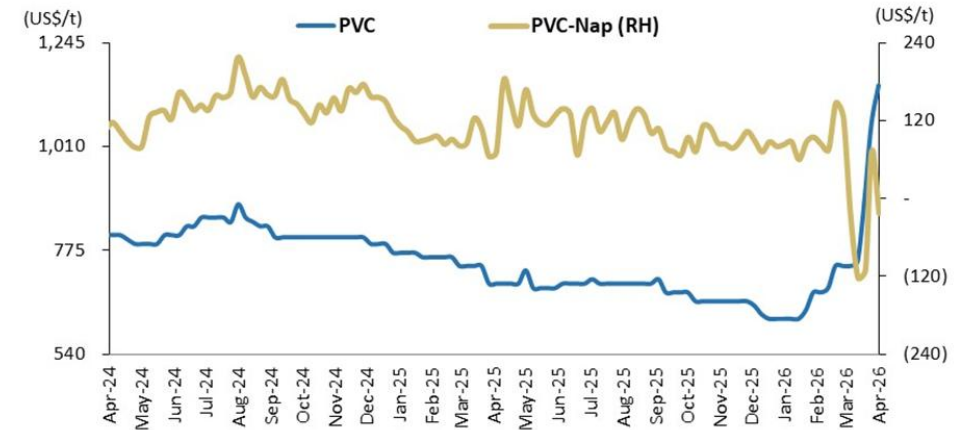
Prices since start of Iran War



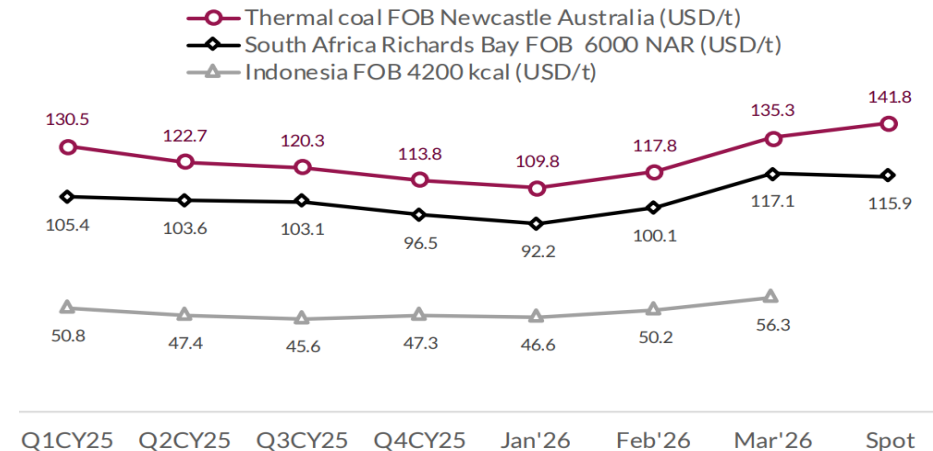
China Tungsten prices (\$/mtu)



PVC (\$/ton)



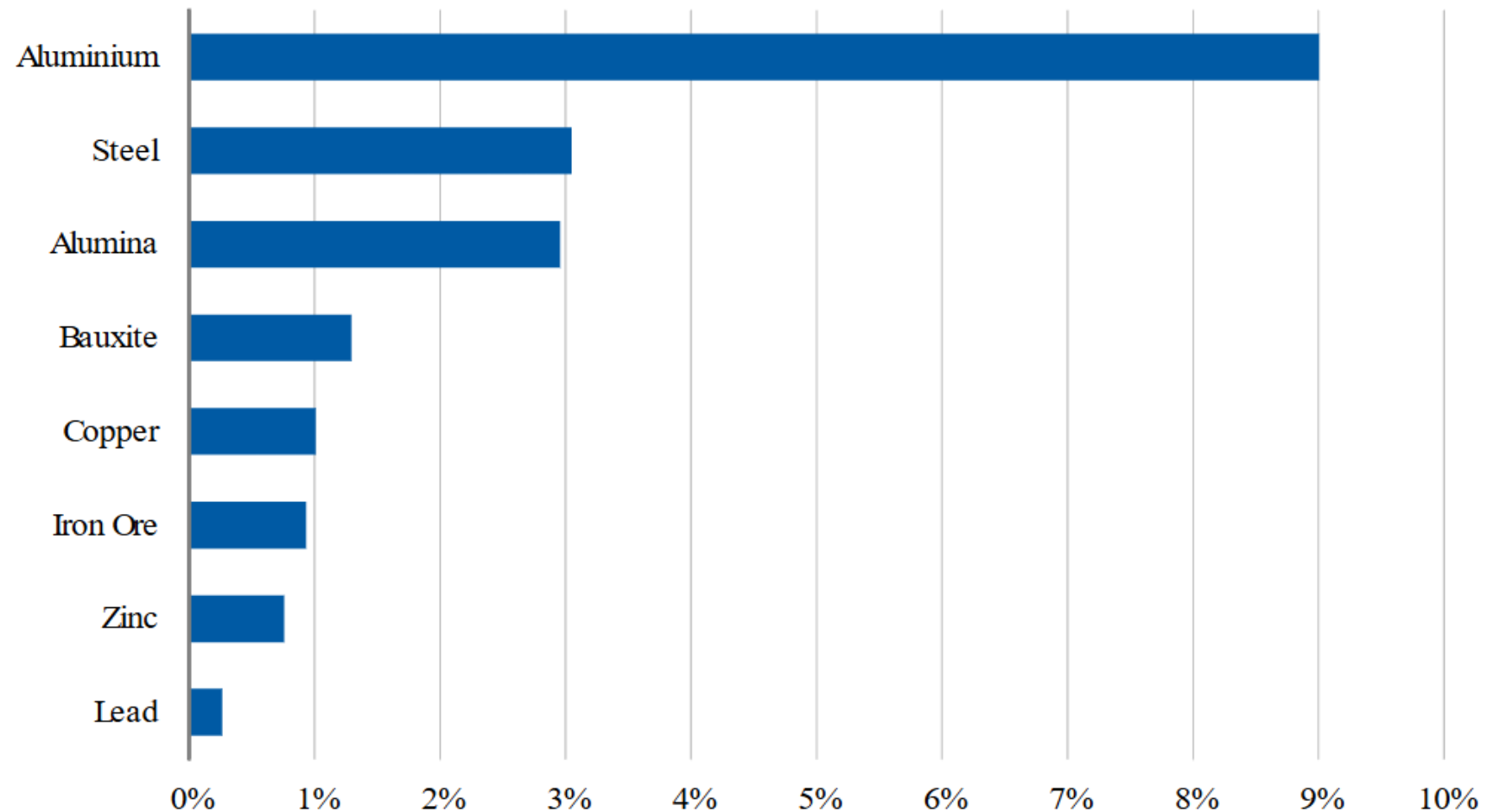
Spot Coal prices (\$/ton)



One month into the war how things have changed: Supply constraints apart from crude might rise

Middle East share of global production by metal (%)

Other than the direct impact on local output, the Middle East conflict threatens shipping disruptions to supplies from other geographies as well



One month into the war how things have changed: Private credit funds have been facing redemptions pressures

Credit spreads have increased since Jan but are down WoW



Multiple credit funds have blocked redemptions

(Bloomberg) -- Two of the biggest names in private credit, Ares Management Corp. and Apollo Global Management Inc., blocked investors from getting even half of the money they wanted out of their funds, a sign of mounting strain in the \$1.8 trillion market.

The \$10.7 billion Ares Strategic Income Fund limited withdrawals to 5% of shares after clients sought to redeem 11.6%, according to a letter to shareholders Tuesday. That followed the \$15.1 billion business development company, Apollo Debt Solutions, which said Monday it was imposing the same cap after requests to pull 11.2%.

Combined, the two firms' caps mean that roughly \$1.5 billion worth of redemptions will be blocked and remain invested in the funds.

The redemption requests, larger on a percentage basis than those earlier this month from Blackstone Inc. and BlackRock Inc., suggest that investors are growing anxious about a liquidity squeeze in the illiquid private credit market.

The world's largest alternative asset managers, which for years have fueled the private credit boom, are suddenly grappling with investors skittish about the industry's lending practices and exposure to businesses vulnerable to artificial intelligence. The rapid pace of these requests has led to further questions about whether direct lending is suitable for investors who want occasional liquidity.

Speaking at an investment conference in Phoenix on Tuesday, Ares Chief Executive Officer Mike Arougheti said he hopes that "rational minds prevail," adding that "the 5% per quarter wasn't pulled out of thin air."

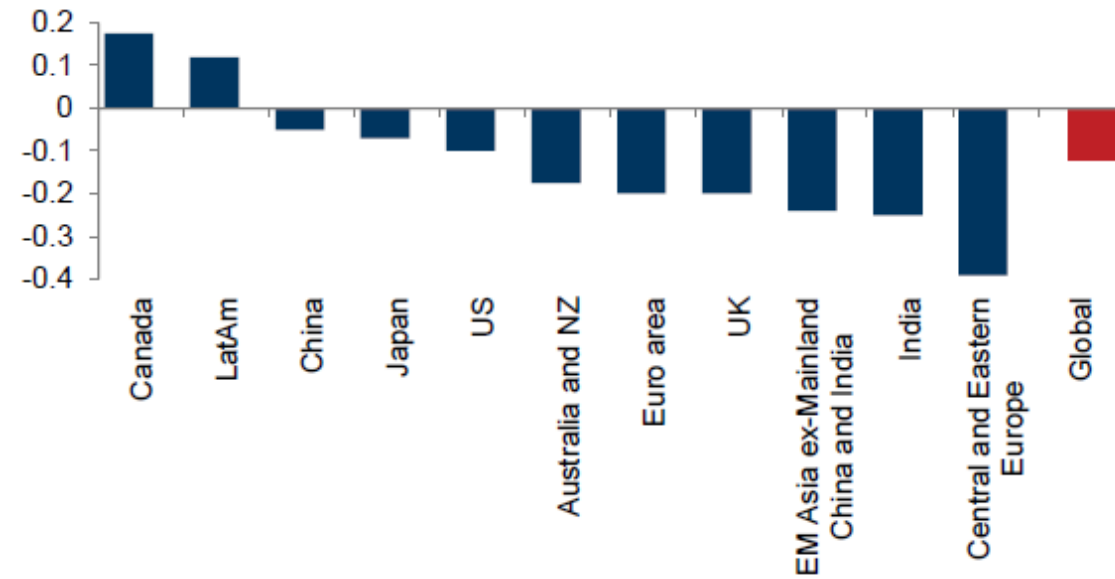
The threshold was determined with input from industry advisers and attempts to best match the "natural liquidity" of private investments to the fund, Arougheti said.

"It wasn't meant to be 'I don't want to be in this fund anymore; give me my money back,'" he said.

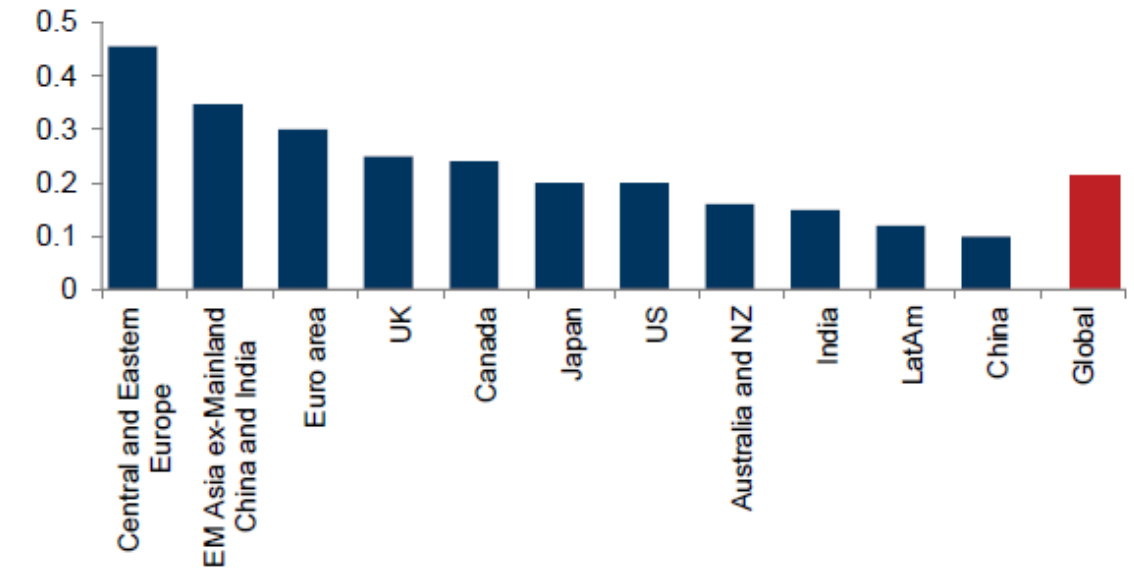
Money managers are handling the surge of negative sentiment in a variety of ways. Funds from Blue Owl Capital moved to sell assets and Blackstone Inc. injected employee cash to help meet redemption requests. For the most part, however, managers have limited redemptions and emphasized the benefits of doing so.

All wars have global consequences

Each 10% increase in oil prices lowers global GDP by 0.1%...



...and boosts global headline CPI by 0.2%



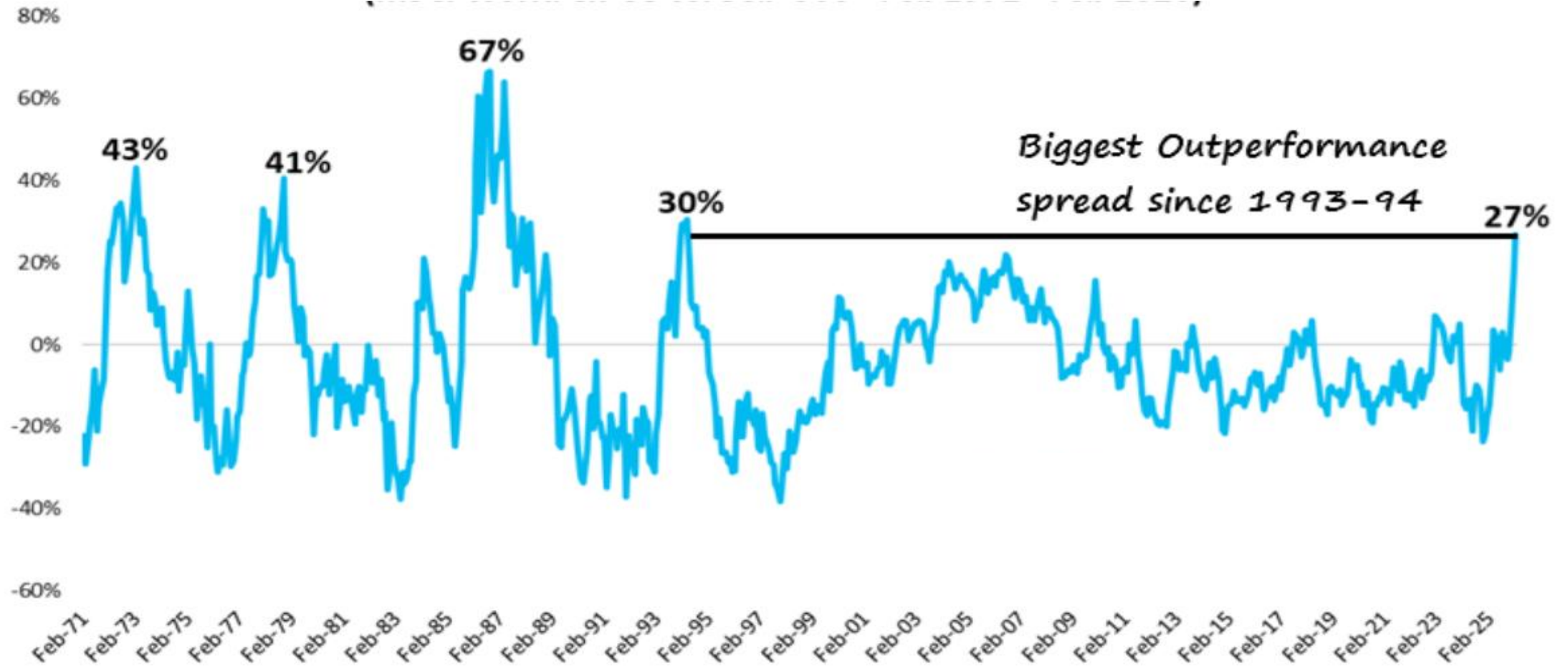
Non-US markets have outperformed significantly in past 3 months

Global equity ETFs -2026 YTD Total Returns (\$ terms)

Country	Ticker	2026 YTD	Country	Ticker	2026 YTD	Country	Ticker	2026 YTD
South Korea	EWY	29.83%	Finland	EFNL	4.17%	Philippines	EPHE	-0.28%
Norway	NORW	25.75%	Poland	EPOL	3.67%	Total World	VT	-0.73%
Brazil	EWZ	20.77%	Singapore	EWS	3.53%	Switzerland	EWL	-0.77%
Thailand	THD	15.47%	EAFE	IEFA	2.74%	Qatar	QAT	-0.84%
Peru	EPU	14.25%	Netherlands	EWN	2.70%	Eurozone	EZU	-0.90%
Taiwan	EWT	12.89%	Canada	EWC	2.32%	UAE	UAE	-2.46%
Turkey	TUR	12.41%	Argentina	ARGT	1.97%	France UAE	EWQ	-2.53%
Colombia	COLO	11.42%	Spain	EWP	1.91%	US	SPY	-3.65%
Mexico	EWV	10.15%	Belgium	EWK	1.68%	Germany	EWG	-5.41%
Hong Kong	EWH	9.41%	Austria	EWO	1.58%	Ireland	EIRL	-5.67%
Saudi Arabia	KSA	8.68%	Sweden	EWD	0.65%	Kuwait	KWT	-5.79%
Israel	EIS	7.71%	Total International	VGK	0.49%	New Zealand	ENZL	-6.02%
Australia	EWA	7.25%	Europe	VGK	0.49%	China	MCHI	-6.78%
Japan	EWJ	7.11%	Chile	ECH	0.47%	Denmark	EDEN	-7.84%
United Kingdom	EWU	5.39%	Italy	EWI	0.33%	Vietnam	VNM	-8.75%
Malaysia	EWM	4.71%	Greece	GREK	0.14%	India	INDA	-13.58%
Emerging Markets	IEMG	4.55%	South Africa	EZA	0.03%	Indonesia	EIDO	-15.61%

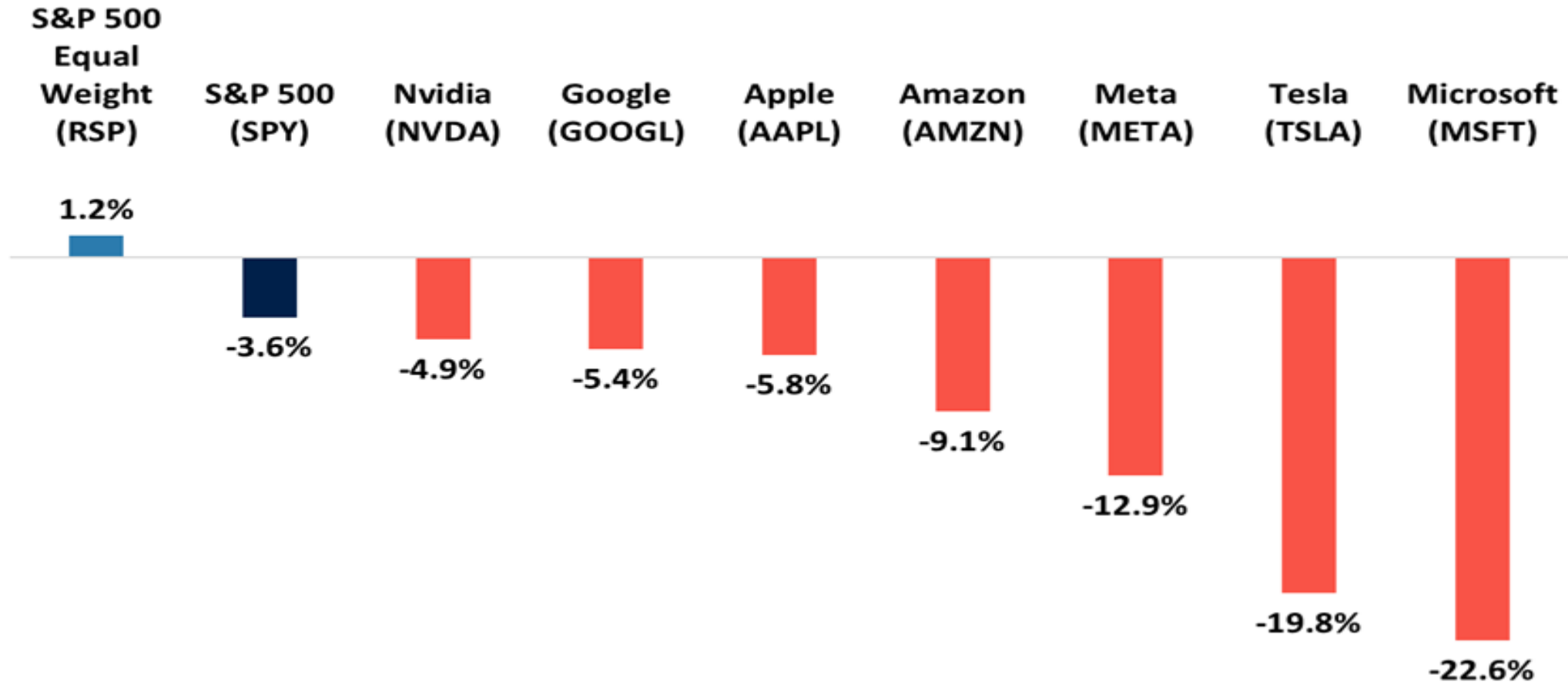
World ex-US outperformance at 3-decade highs

Rolling 14-month total returns - MSCI World ex-US vs S&P 500



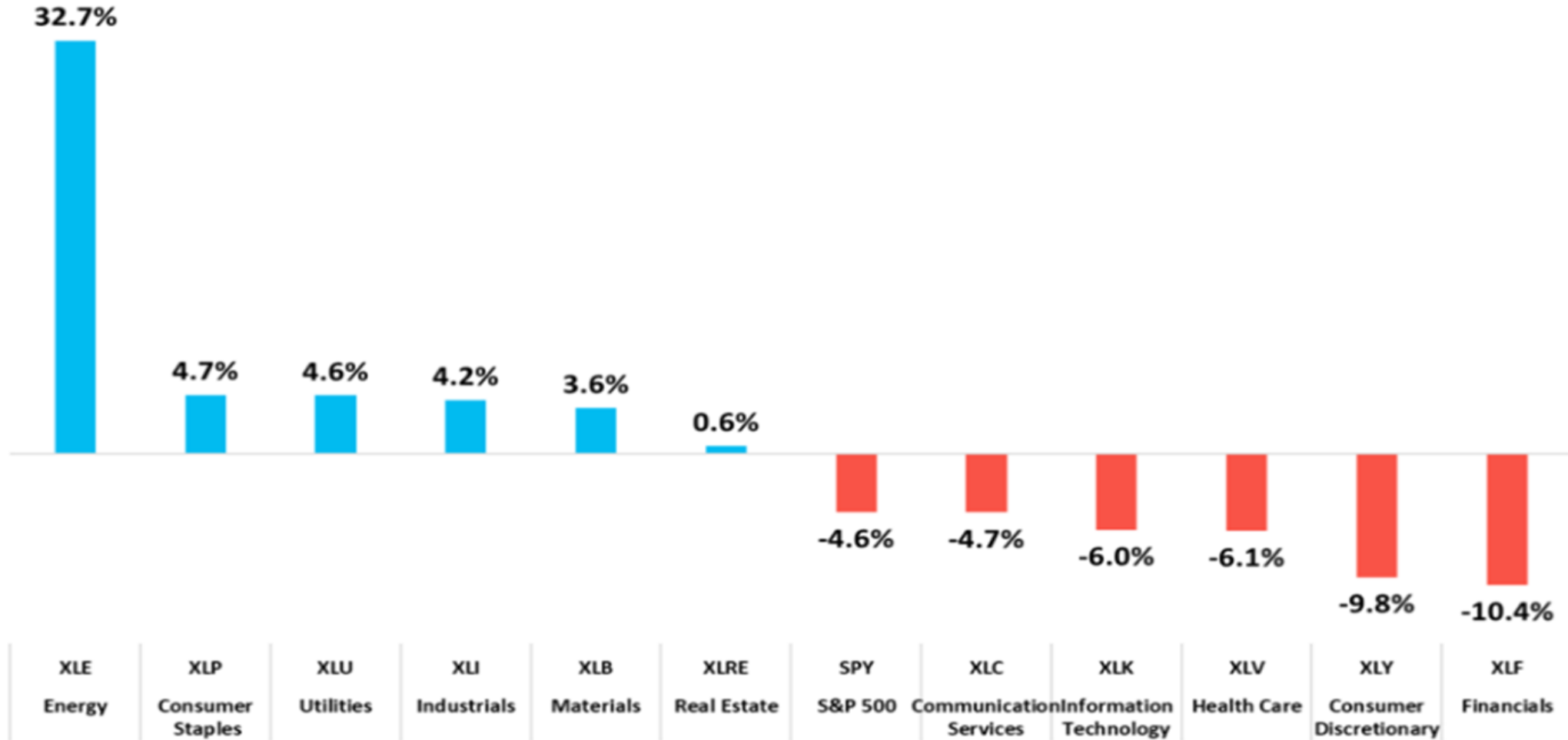
Mag-7 has started to underperform S&P

All 7 members of the Mag-7 are down on the year and underperforming the average stock in the S&P 500



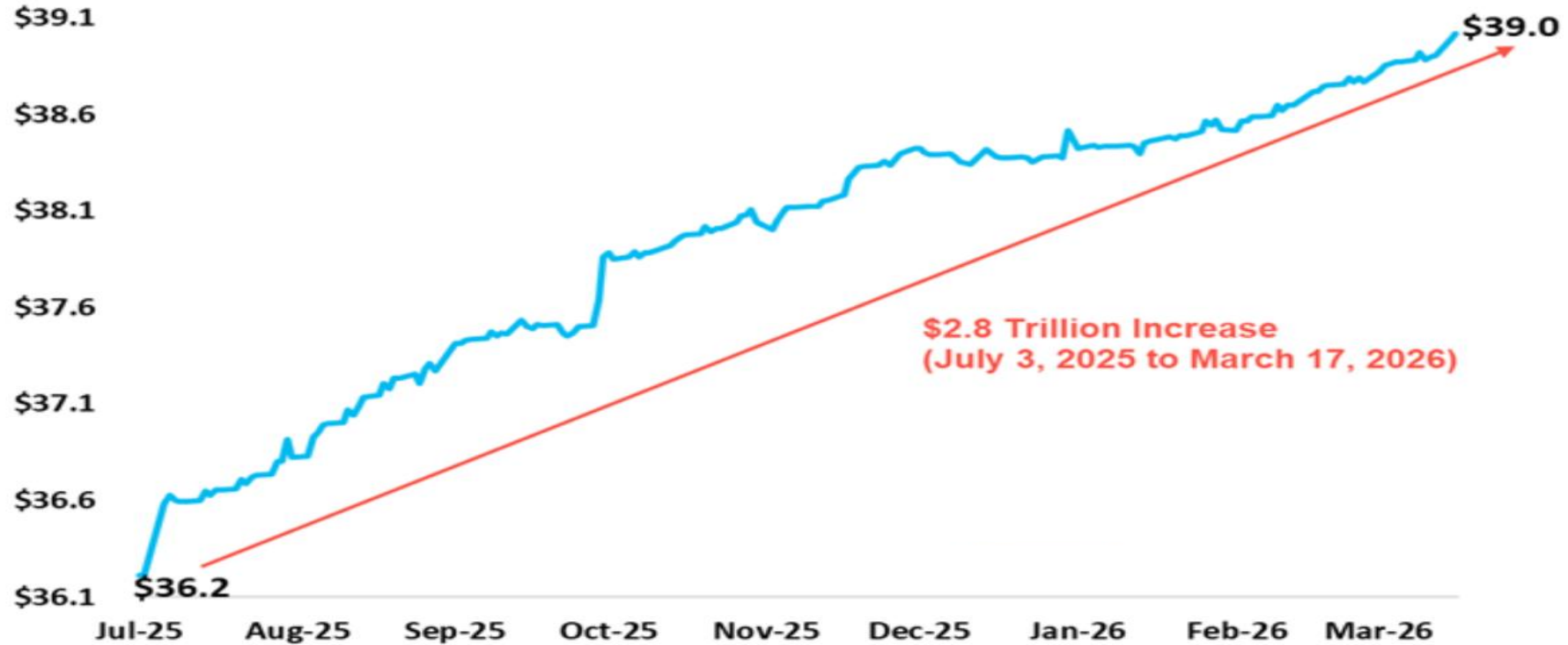
Visible leadership shift in the US markets

S&P 500 Sector ETFs - YTD Total Returns (%)



US National Debt up by \$2.8Tn since debt ceiling increased in Jul'25

US National Debt since the Debt Ceiling was raised by \$5 Trillion



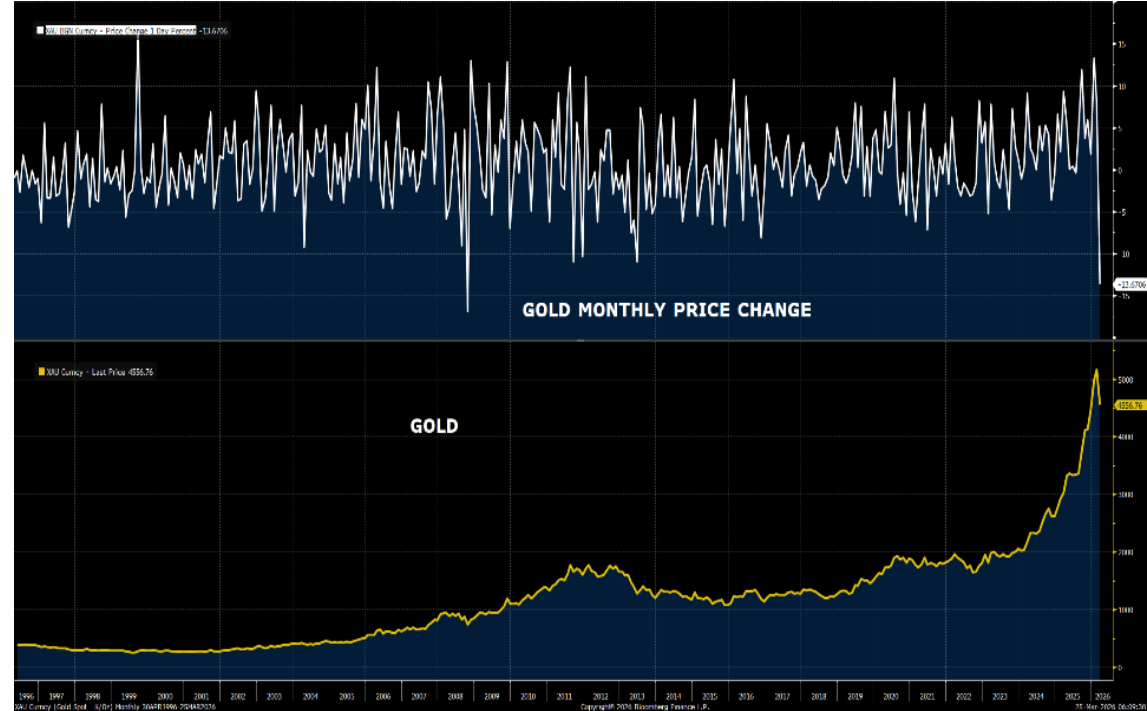
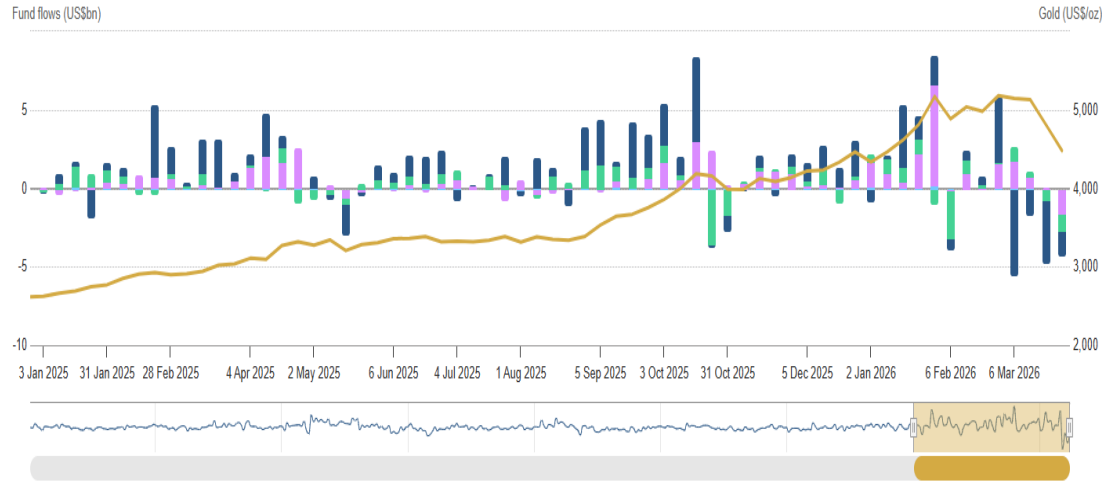
The Treasury just declared the U.S. insolvent. The media missed it

Fortune By Steve H. Hanke and David M. Walker March 23, 2026

Gold saw \$6.3bn outflow, largest since Oct'25

Gold ETF outflows have continued for 4 weeks in a row

This has been the worst month for Gold since 2008



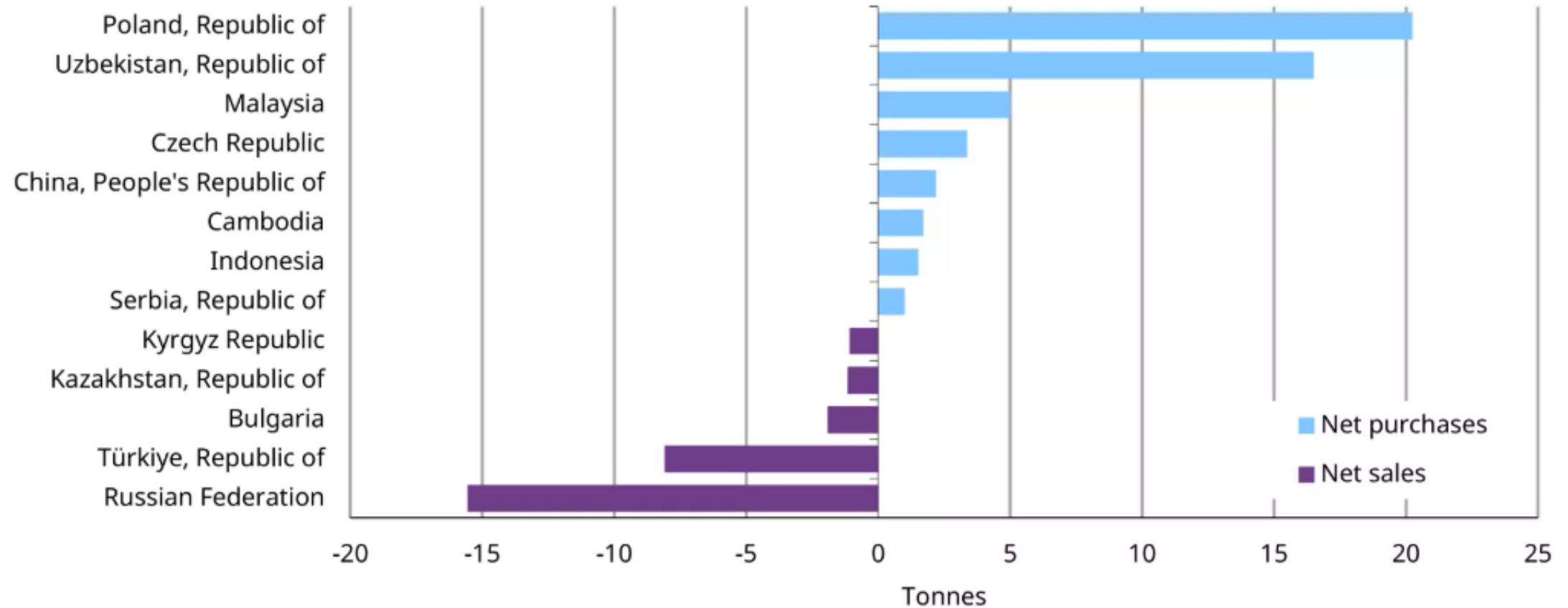
North America Europe Asia Other Gold price (rhs)

Data as of 27 March, 2026

Sources: Bloomberg, Company Filings, ICE Benchmark Administration, World Gold Council

Central banks of Russia and Turkey have become net sellers of gold

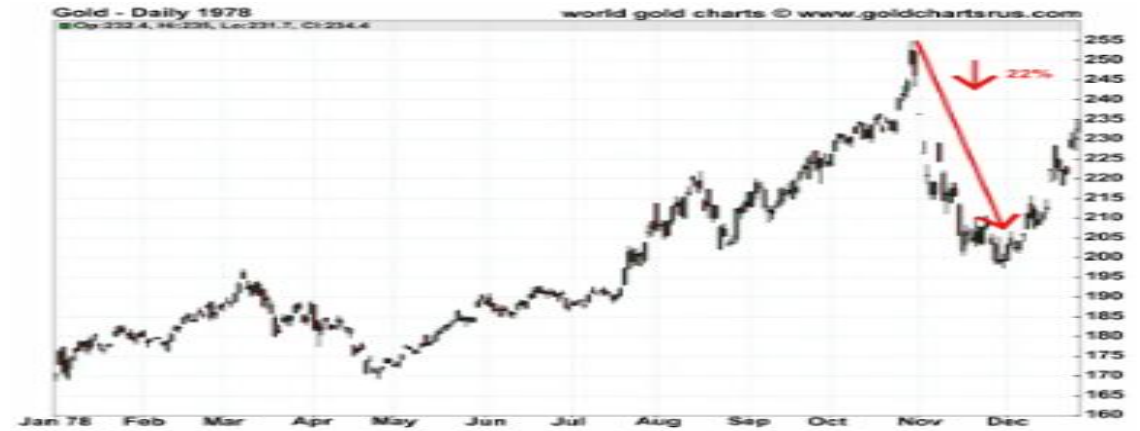
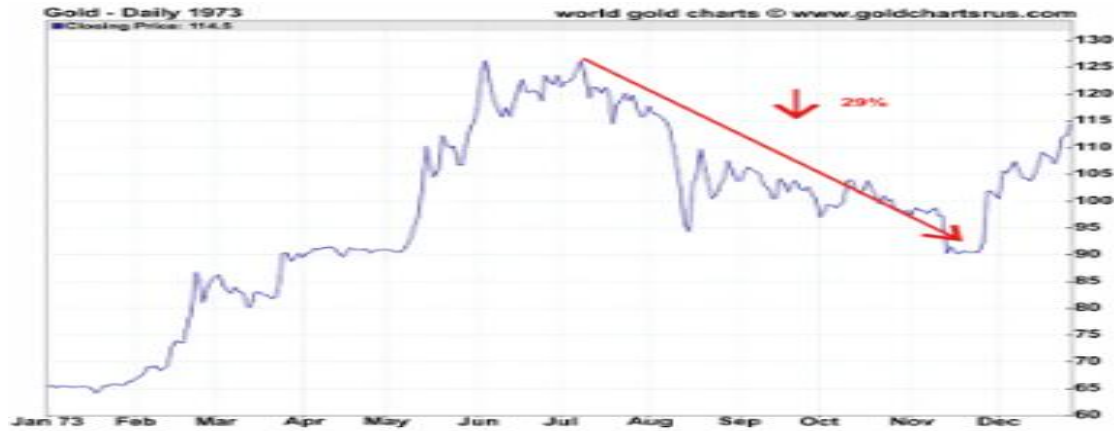
Central bank net gold purchases and sales, tonnes



In the past post sharp corrections in gold we have seen sharp rebounds

In 1973 post Opec embargo gold fell 29% to recover 117% in 1yr

In 1978 in Iran revolution gold fell 22% to recover 300% in 2yr



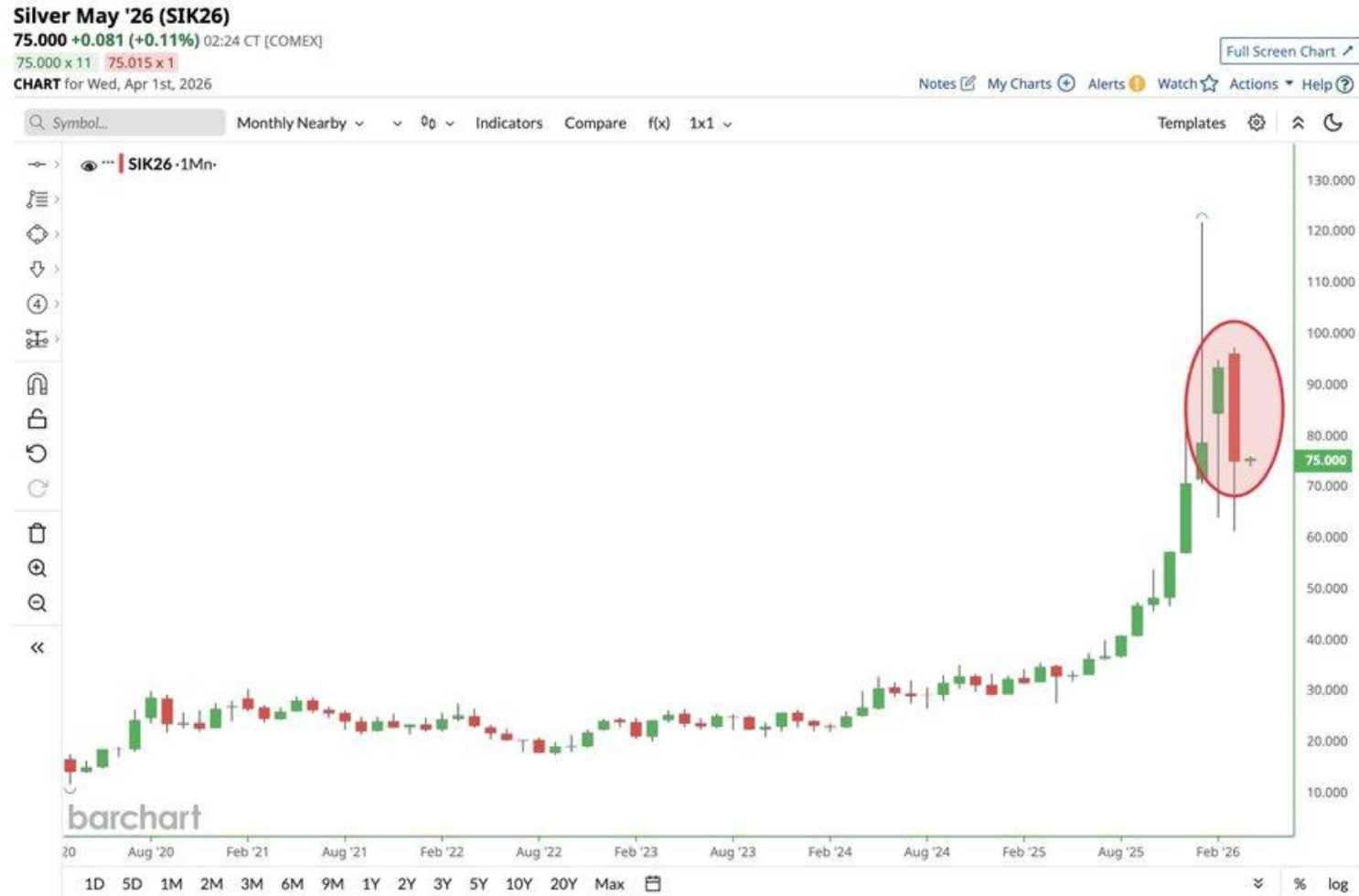
In 2000 internet crash gold fell 18% to recover 35% in 2yr

In 2008 GFC gold fell 34% to recover 180% in 2yr



Silver has also seen a sharp correction in the past month

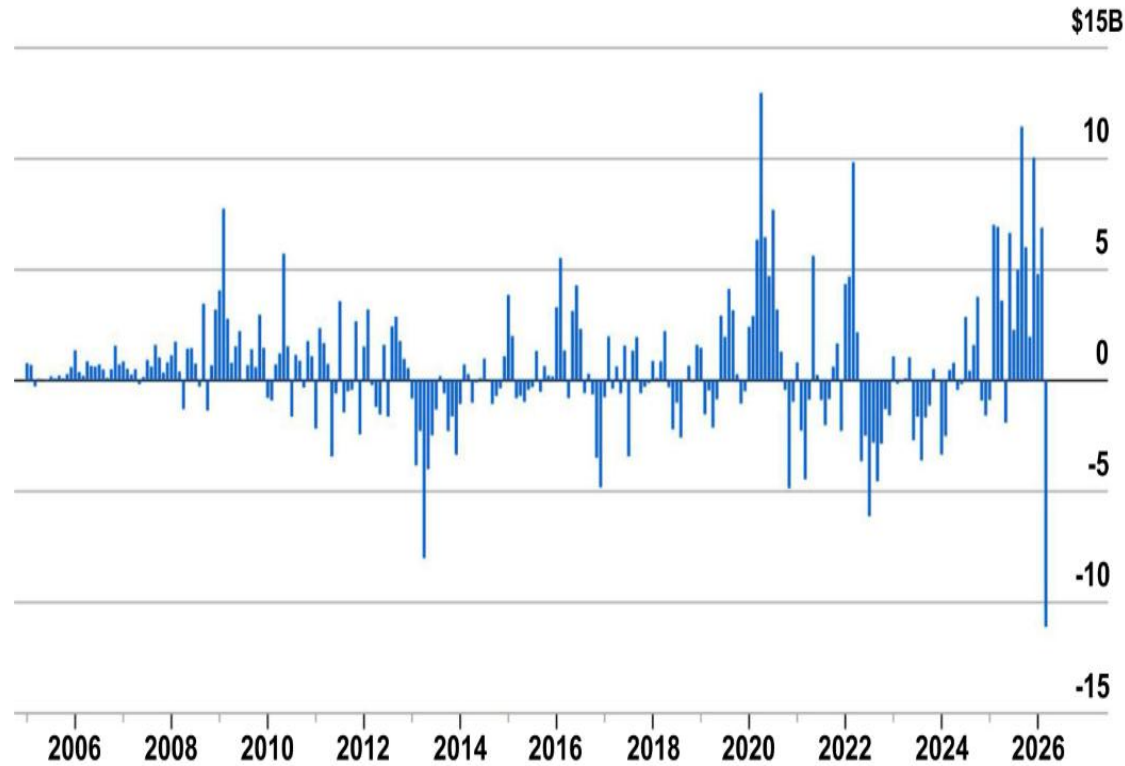
Silver futures price (USD/onz)



Recent correction in commodities can be an opportunity to increase exposure

Investors pull \$11 bn from Commodity ETFs

■ Commodity fund flows



Mining stocks losses mount

TICKER	COMPANY	MARKET CAP	MONTH TO DATE	YEAR TO DATE % CHG
-BHP	BHP Group Limited	\$165.58a	-19.86%	8.15%
-RIO	Rio Tinto Group	\$142.87a	-15.38%	3.66%
-SCCO	Southern Copper Corporation	\$126.15a	-30.85%	7.35%
-ZUMY	Zijin Mining Group Company Limited	\$122.92a	-25.98%	-5.37%
-NEM	Newmont Corporation	\$104.35a	-25.31%	-4.66%
-AEM	Agnico Eagle Mines Limited	\$89.74a	-27.53%	6.68%
-GLNCY	Glencore plc	\$81.19a	-4.25%	25.62%
-FCX	Freeport-McMoran Inc.	\$74.86a	-23.48%	2.56%
-B	Barrick Mining Corporation	\$62.34a	-25.88%	-34.72%
-VALE	Vale S.A.	\$60.72a	-18.22%	7.63%
-SSS	CMOC Group Limited	\$55.14a	-25.85%	-38.65%
-WPM	Wheaton Precious Metals Corp.	\$51.39a	-25.96%	-2.47%
-FMV	Franco-Nevada Corporation	\$42.98a	-20.68%	7.36%
-ANTG	Antofagasta plc	\$41.29a	-28.24%	-5.99%
-NGLOF	Anglo American plc	\$40.93a	-23.56%	-7.39%
-AU	AngloGold Ashanti plc	\$40.49a	-37.48%	-8.28%
-GFI	Gold Fields Limited	\$35.37a	-33.68%	-39.51%
-KGC	Kinross Gold Corporation	\$31.76a	-25.25%	-5.75%
-FSLR	Fresnillo plc	\$30.12a	-31.34%	-32.62%
-TECK	Teck Resources Limited	\$22.21a	-22.58%	-5.28%
-ANGPT	Anglo Platinum Limited	\$20.34a	-35.38%	-39.67%
-CSB	Jiangxi Copper Company Limited	\$19.87a	-20.79%	-15.76%
-PAAS	Pas American Silver Corp.	\$19.59a	-32.68%	-9.54%
-LUN	Lundin Mining Corporation	\$16.37a	-32.38%	-9.24%
-RGLD	Royal Gold, Inc.	\$16.25a	-28.21%	-3.19%
-FM	First Quantum Minerals Ltd.	\$17.58a	-28.53%	-28.68%
-AGI	Alamos Gold Inc.	\$16.33a	-29.38%	-9.66%
-KGHPF	KGHM Polska Miedz S.A.	\$15.89a	-21.46%	-32.36%
-IMPLY	Impala Platinum Holdings Limited	\$11.51a	-41.51%	-36.71%
-HL	Hecla Mining Company	\$11.56a	-30.79%	-38.16%
-CDE	Coeur Mining, Inc.	\$11.35a	-34.82%	-9.95%
-IVPAF	Ivanhoe Mines Ltd.	\$11.33a	-30.58%	-38.36%

Section 2:

Entering into this crisis how is Indian macro positioned?



Entering into crisis India Inc's earnings growth had started to improve, aggregate balance sheets are in strong position

Rs in Trillion	No of Cos	Q3FY26					
		Revenue	YoY	Reported PAT (Parent's share)	YoY	Adj PAT (Parent's share)	YoY
NIFTY500	500	43.04	10.9%	4.20	7.7%	4.30	16.2%
BFSI	91	11.79	14.2%	1.66	9.9%	1.68	11.8%
Non-BFSI	409	31.25	9.7%	2.54	6.4%	2.63	19.2%
Non-BFSI Exc Cement, O/G, Metal/Mining	365	20.30	11.6%	1.78	-2.7%	1.88	9.8%
Commodities: Cement, O/G, Metal/Mining	44	10.95	6.4%	0.75	36.4%	0.75	52.2%
Nifty 500 Excl Commodities	456	32.09	12.5%	3.45	3.0%	3.55	10.7%

Nifty 500 Earnings		202403	202406	202409	202412	202503	202506	202509	202512
Rs in Trillion	No of Cos	Last 8 Quarters Adjusted PAT Growth % YoY							
Large Caps	100	14.9%	0.1%	-0.5%	2.3%	6.5%	8.2%	8.3%	13.9%
Mid Caps	150	9.5%	14.7%	4.7%	29.1%	18.1%	19.9%	32.3%	19.5%
Small Caps	250	18.7%	23.6%	-19.5%	1.7%	13.4%	5.2%	34.9%	32.1%
Total	500	14.4%	3.9%	-1.3%	6.2%	8.8%	9.9%	14.3%	16.2%

Incremental profit growth in FY2027 is likely to be broad-based

Breakup of net profits of the Nifty-50 Index across sectors, March fiscal year-ends, FY2022-28E (based on current constituents)

	2024	2025	2026E	2027E	2028E	Contribution %					Incremental Profits					
						2024	2025	2026E	2027E	2028E	2026E		2027E		2028E	
											Rs bn	%	Rs bn	%	Rs bn	%
Automobiles & Components	559	579	483	602	721	8	7	6	6	6	(96)	(15)	119	8	119	8
Banks	2,059	2,340	2,393	2,664	3,056	28	30	28	27	27	53	8	271	18	392	27
Capital Goods	205	239	293	344	420	3	3	3	3	4	53	8	51	3	76	5
Commodity Chemicals	55	40	44	48	54	1	1	1	-	-	3	1	4	-	6	-
Construction Materials	132	101	141	177	219	2	1	2	2	2	40	6	36	2	42	3
Consumer Staples	360	341	352	355	392	5	4	4	4	3	11	2	3	-	36	2
Diversified Financials	314	358	430	588	717	4	5	5	6	6	72	11	158	11	129	9
Electric Utilities	364	389	385	419	455	5	5	5	4	4	(4)	(1)	34	2	35	2
Health Care Services	22	28	34	42	56	-	-	-	-	-	6	1	8	1	14	1
Internet Software & Services	4	5	2	20	39	-	-	-	-	-	(3)	(0)	17	1	19	1
IT Services	1,004	1,095	1,180	1,264	1,356	14	14	14	13	12	85	13	84	6	92	6
Insurance	35	42	47	53	62	-	1	1	1	1	4	1	7	-	8	1
Metals & Mining	219	229	370	486	575	3	3	4	5	5	142	22	116	8	89	6
Oil, Gas & Consumable Fuels	1,578	1,414	1,631	2,030	2,133	21	18	19	20	19	217	34	399	27	103	7
Pharmaceuticals	197	227	219	225	267	3	3	3	2	2	(8)	(1)	6	-	42	3
Retailing	44	53	72	84	97	1	1	1	1	1	19	3	12	1	13	1
Transportation	172	186	153	186	302	2	2	2	2	3	(33)	(5)	33	2	116	8
Nifty-50 Index	7,434	7,870	8,512	9,995	11,457	100	100	100	100	100	642	100	1,483	100	1,462	100
Nifty-50 change (%)	14.8	18.4	5.9	8.2	17.4	-	-	-	-	-	-	14.6	-	-	-	-

West Asia war scenarios - India's macro resilience tested but not broken

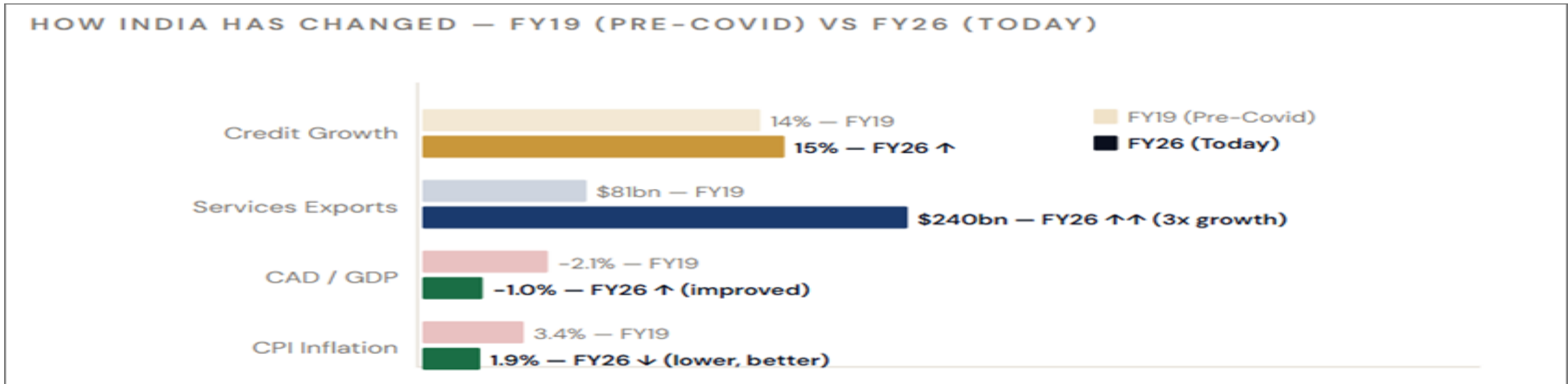
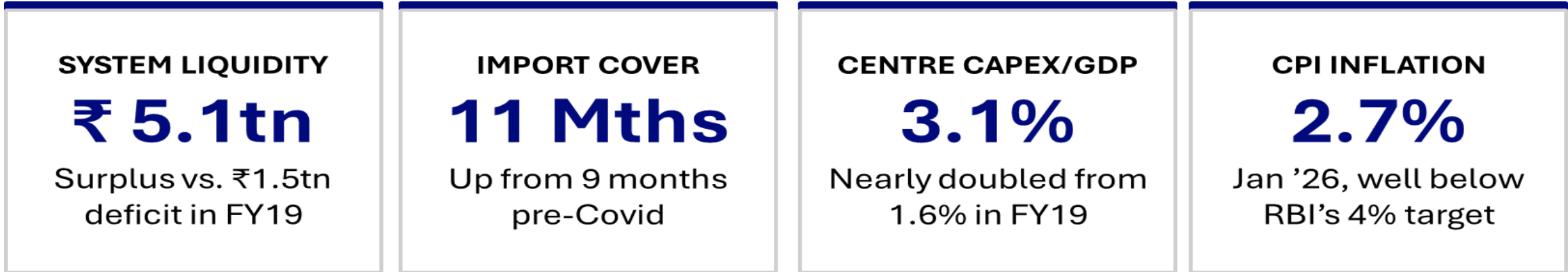
Scenario analysis for FY27 depending on extent of war

Metric	Base Scenario (end-April/mid-May)	Adverse Scenario (beyond mid-May)
Average crude oil price (US\$/bbl)	85	100
CAD/GDP (%)	2.2	2.5
	Assuming lower exports and non-oil imports, lower remittances	Assuming lower exports and non-oil imports, lower remittances
BOP (US\$ bn)	(70)	(82)
	Assuming FPI outflows	Assuming FPI outflows
USD-INR (Range)	92-96	92-98
	Widening goods trade deficit and FPI outflows	Widening goods trade deficit and FPI outflows
Centre's GFD/GDP (%)	4.3	4.5-4.6
	Higher subsidies/lower excise duties	Higher subsidies/lower excise duties/lower tax collections
CPI Inflation (average, %)	4.7	5.0-5.5
	Spillovers across domestic production and services; imported inflation	Spillovers across domestic production and services; imported inflation
Real GDP Growth (%)	6.5	6.0
	Input price pressures, investment uncertainty	Global growth slowdown, input price pressures, investment uncertainty
Liquidity	Likely tightening in 2HFY27	Likely tightening from 2QFY27
Repo rate	Status quo	Early rate hikes (2HFY27)

Potential fiscal slippages and center's provision in FY27 (Rs bn)

Item	Base Scenario	Adverse Scenario
Centre's revenue loss	3,050	3,300
- Fertilizer subsidy	1,000	1,000
- LPG subsidy	400	650
- Excise duty cut	1,650	1,650
Offsetting factors	2,906	2,588
- Economic Stabilization Fund	1,000	1,000
- Increase in RBI's surplus transfer	250	250
- Potential expenditure switches	1,100	1,100
› Drinking water and sanitation	500	500
› Telecom infrastructure (Bharatnet)	200	200
› Capital infusion in BSNL	200	200
› Research, development and innovation	200	200
- Export excise duty hike	556	238
Net fiscal slippage	144	712
Revised GFD/GDP with fiscal slippage (%)	4.3	4.5
Effect of lower nominal GDP (%)	0.1	0.1
Estimated FY2027 GFD/GDP (%)	4.4	4.6

Q1. Do we have sufficient shock absorbers across various macro parameters and compared to FY19 pre covid how is the overall macro set up?



Yes - and meaningfully more than in prior cycles

Q2. What does elevated oil do to India's current account and balance of payments?

NEW TOLERANCE THRESHOLD

\$ 90/bbl

CAD stays under 2% of GDP up to this level – up from \$70/bbl

CAD IMPACT PER \$10/BBL

\$18bn

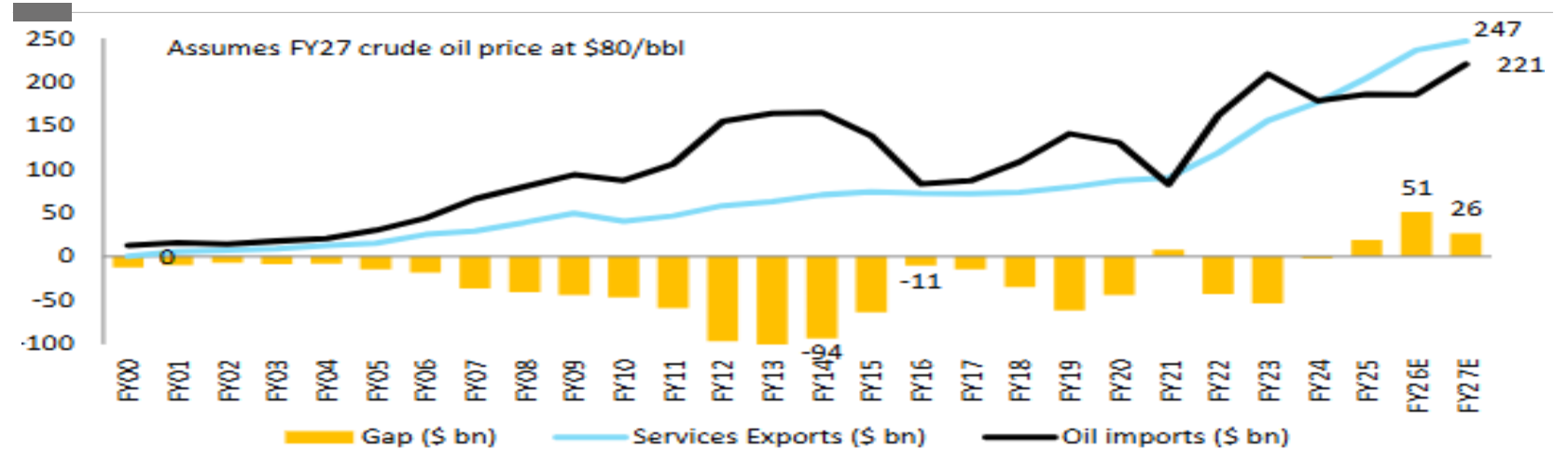
0.41% of GDP widening for every \$10/bbl crude rise

CPI IMPACT Per \$10/BBL

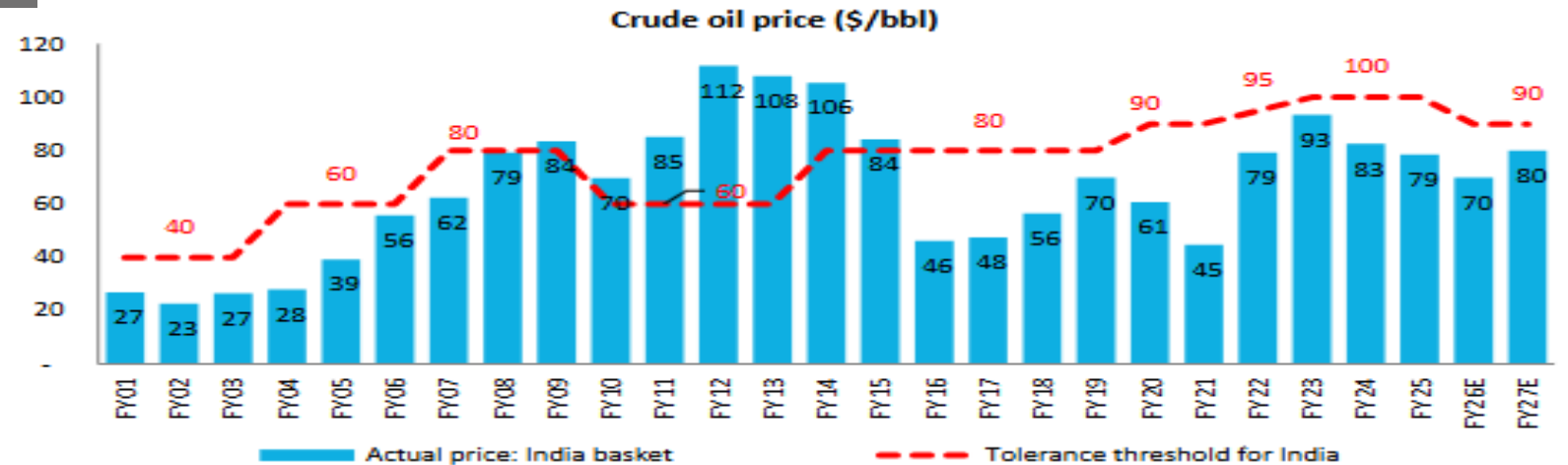
~50 bps

With full retail price pass-through to customers

Higher services export have reduced India's oil price vulnerability till \$90/bbl price

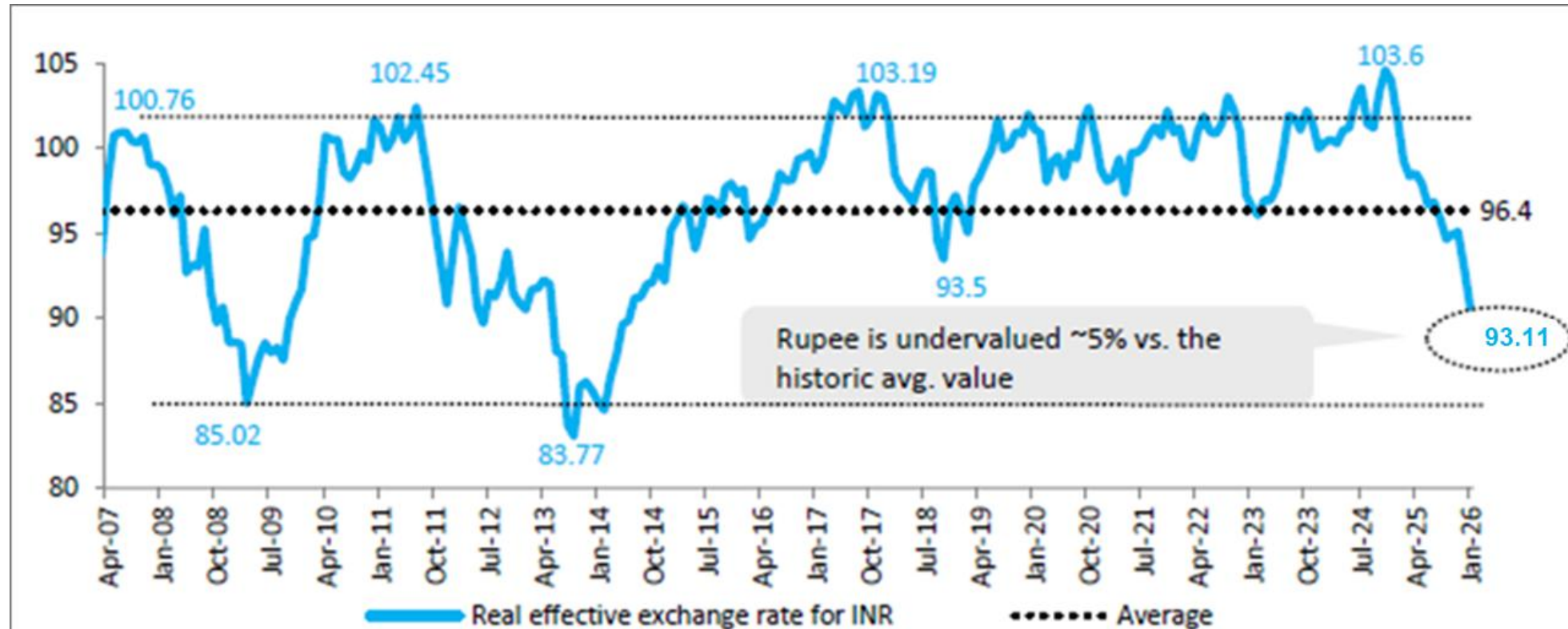


India's CAD remains under 2% of GDP until \$90/bbl crude



Q3. Where is the rupee headed, and should we worry?

- The **bond yield differential** between India and the US has risen to **2.6%**, and **inflation differentials are low** - both supportive of the currency.
- India's likely **inclusion** in the Bloomberg Global Aggregate Bond Index (~\$3tn AUM) could bring in ~\$25bn of FPI debt inflows.



Once geopolitical tensions ease, we expect the rupee to rebound to 88-90/USD in FY27E.

Q4. Is credit growth robust enough to sustain an economic recovery?

- Total **credit grew 15%** in **10M FY26**, led by banks, corporate bond issuances, and ECBs
- Adjusted for CPI, **real bank credit** growth has nearly **doubled** - from 6.4% in Mar '25 to 12.2% in Jan '26
- The **credit multiplier** has risen to **1.7x**

#1: Total Credit growth in the economy	Outstanding Credit (Rs. tn)			Incremental Credit (Rs. tn)			Outstanding Credit (% , yoy)	
	Mar'24	Mar'25	Jan'26	Mar'25	Jan'25	Jan'26	Mar'25	Jan'26
Bank Credit (Non-Food) = 1	164.1	182.1	203.9	18.0	14.0	21.8	11%	14%
Non-Bank Sources (i+ii) = 2	77.6	88.9	97.0	11.3	6.7	8.2	15%	15%
Domestic Sources (i)	56.6	66.4	72.8	9.8	5.6	6.4	17%	17%
Corporate Bond Issuances by Non-Financial Entities	18.3	20.2	22.7	2.0	1.1	2.5	11%	18%
Commercial Paper Issuances by Non-Financial Entities	1.1	1.3	1.8	0.2	0.6	0.5	17%	8%
Credit by HFCs (Net of Bank Borrowings)	6.0	6.3	6.2	0.3	0.0	0.0	5%	5%
Credit by RBI-regulated All India Financial Institutions	4.2	5.2	5.1	1.0	0.3	-0.1	23%	13%
Credit by NBFCs (Net of Bank Borrowings)	27.0	33.3	37.0	6.3	3.7	3.6	23%	20%
Foreign Sources (ii)	21.0	22.5	24.2	1.5	1.1	1.7	7%	9%
ECBs by Non-Financial Entities	10.7	11.3	12.4	0.6	0.5	1.1	6%	11%
Short-term Credit from Abroad	10.3	11.1	11.8	0.9	0.7	0.7	9%	8%
Total Credit (1 + 2)	242	271	301	29	21	30	12%	15%
CPI Inflation (%)	5.4%	4.6%	1.8%				4.6%	1.8%

Ample system liquidity at ₹5.1tn and an expected ~₹3tn RBI dividend in May '26 are set to ease any constraints

Q5. Is the private sector capex cycle genuinely recovering?

Listed Capex of major 3000 companies grew 9% yoy to Rs.5tn during 1H FY26

Sectoral Capex	% share	FY24	FY25	1H FY25	1H FY26	6Y-CAGR	2Y CAGR	YoY	1H FY25	1H FY26
Large sectors	73%	6,992	7,806	3,490	3,672	11.7%	18.0%	11.6%	22%	5%
Oil & Gas	19%	2,860	2,709	1,150	950	7.4%	1.9%	-5.3%	2%	-17%
Power	20%	1,226	1,866	748	1,002	18.1%	57.4%	52.2%	69%	34%
Metals & Mining	12%	981	1,086	554	587	18.0%	18.0%	10.7%	21%	6%
Auto OEMs/Ancs	7%	596	668	307	345	5.9%	18.3%	12.2%	25%	12%
Telecom	5%	433	464	263	274	5.1%	28.1%	7.0%	30%	4%
Cement	5%	500	514	244	247	21.3%	14.0%	2.9%	6%	1%
Capital Goods	5%	397	500	225	268	17.2%	27.0%	26.0%	52%	19%
Mid sectors	12%	1,088	1,165	483	621	9.5%	4.1%	7.1%	3%	29%
Pharma	4%	292	321	138	189	7.4%	5.1%	10.0%	13%	37%
Chemicals	3%	316	324	132	176	10.2%	-2.0%	2.7%	-8%	33%
Services	3%	229	265	111	154	11.2%	7.7%	15.8%	5%	38%
FMCG	2%	251	255	101	102	9.8%	8.1%	1.4%	3%	1%
Small sectors	6%	599	606	266	323	2.8%	5.7%	1.2%	19%	21%
Construction	1%	166	170	63	73	-4.5%	6.3%	2.5%	40%	16%
Consumer Services	2%	137	167	72	94	14.4%	21.6%	21.6%	28%	30%
IT	2%	127	131	66	91	-1.1%	-5.7%	3.4%	21%	38%
Consumer Durables	1%	169	138	66	66	10.6%	2.3%	-18.2%	-4%	0%
Others	9%	881	911	398	430	10.0%	9.2%	3.5%	4%	8%
Total	100%	9,560	10,489	4,637	5,047	10.6%	14.6%	9.7%	18%	9%
Private	76%	7,362	7,936	3,659	4,050	11.5%	14.2%	7.8%	18%	11%
Reliance	13%	1,529	1,400	691	581	6.9%	-0.4%	-8.4%	5%	-16%
Private excluding Reliance	62%	5,833	6,536	2,968	3,469	12.7%	18.2%	12.0%	22%	17%
PSU	24%	2,198	2,553	977	997	8.1%	15.8%	16.2%	17%	2%

Corporate commentary is constructively positive but large-ticket revival requires further confirmation

Q6. What happens to inflation and interest rates if crude stays elevated?

Every \$10/bbl rise in crude oil prices increases CPI by ~50bps

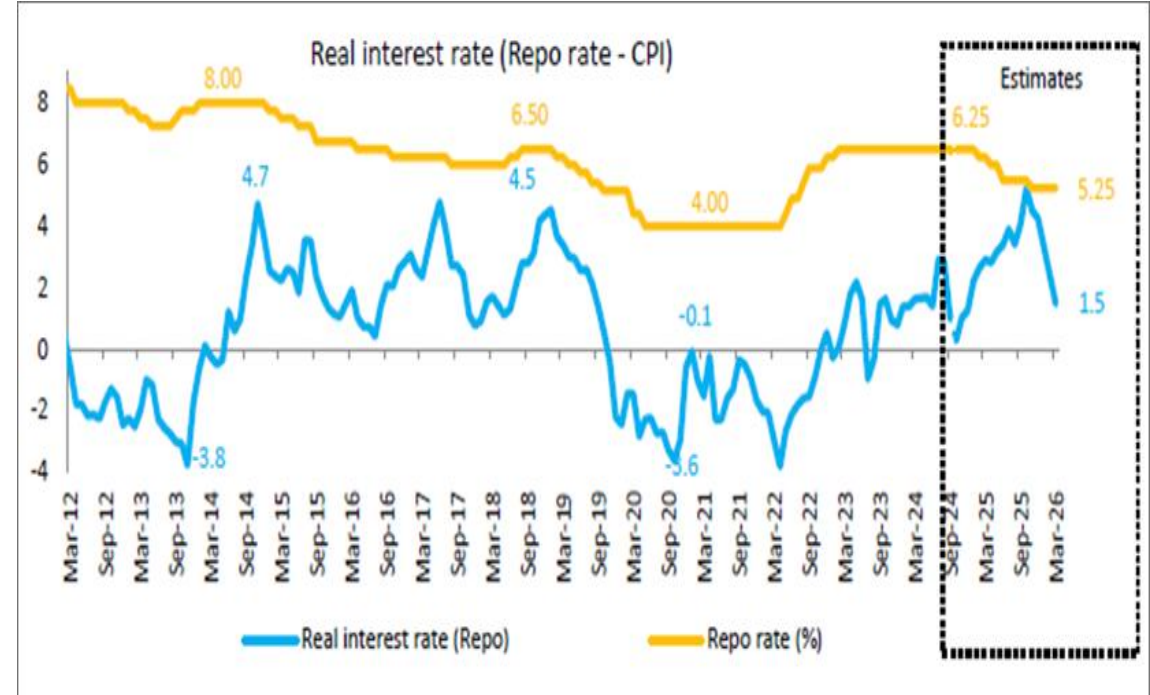
- Increase in crude oil prices leads to rise in CPI inflation through the increase in retail prices of petroleum products – petrol, diesel, kerosene and LPG.
- There is a second order impact on inflation as well since fuel price increase leads to hike in freight rates, wage rates, auto/taxi fare, wage rate increase, etc.

A \$10/bbl increase in oil prices leads to total impact of 50bps on CPI inflation:

- A direct impact of 24bps,
- An indirect impact of 26bps
- A total impact of 50bps on CPI inflation

	Weight in CPI (%)
Petrol	4.5
Diesel	0.3
Electricity	2.3
LPG Cylinder	2.0
Other Natural Gas (CNG)	0.0
Kerosene	0.0
Total	9.2

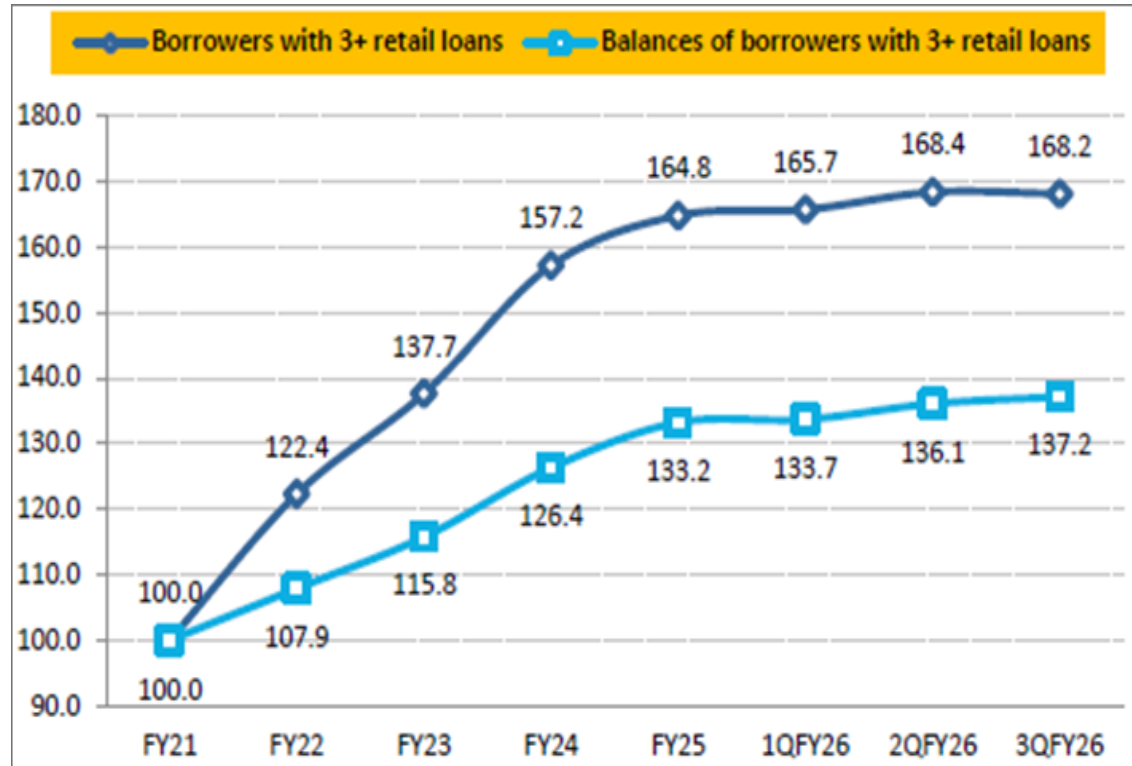
RBI might pause rate cuts in FY27e assuming a real rate of 1.5%



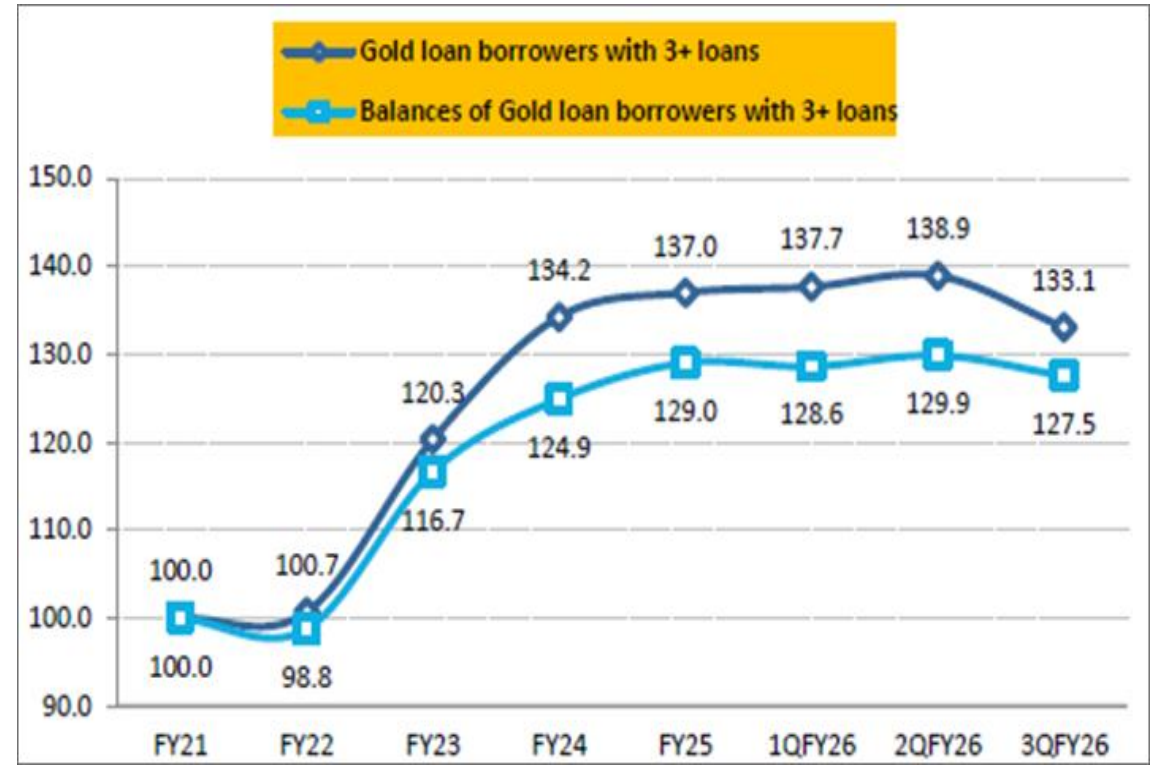
Above \$90/bbl with full pass-through, CPI could reach 5% and RBI would likely pause

Q7. Is household leverage a risk to the consumption recovery?

Growth in multi-loan borrowers has plateaued since Mar '25



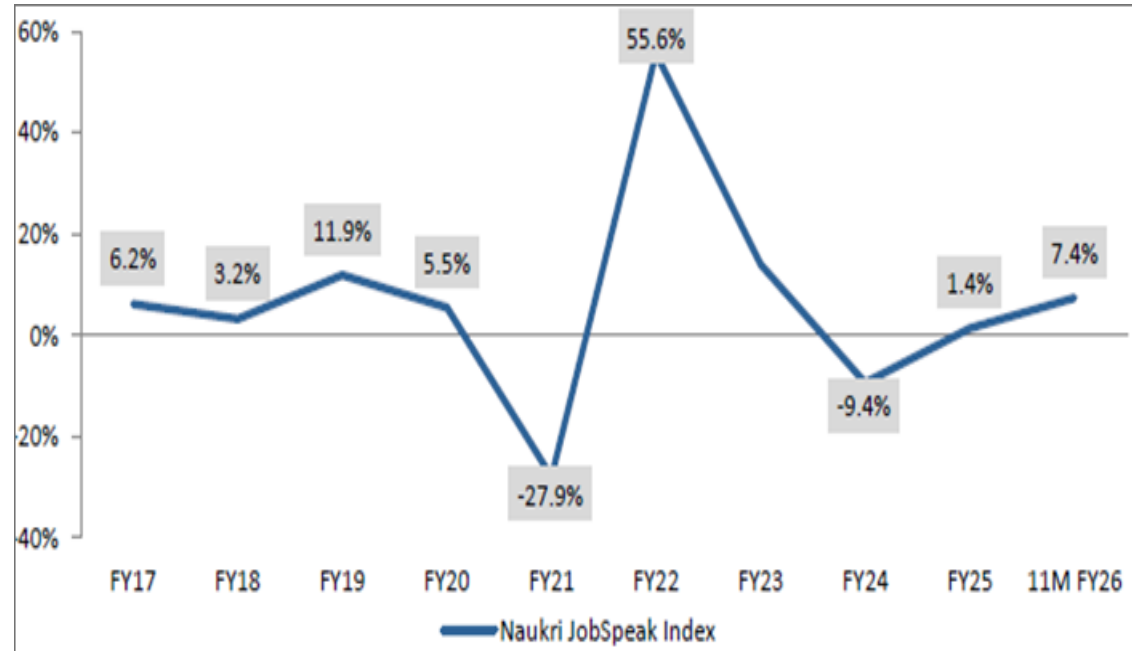
Gold loan accounts are the first ones showing deleveraging



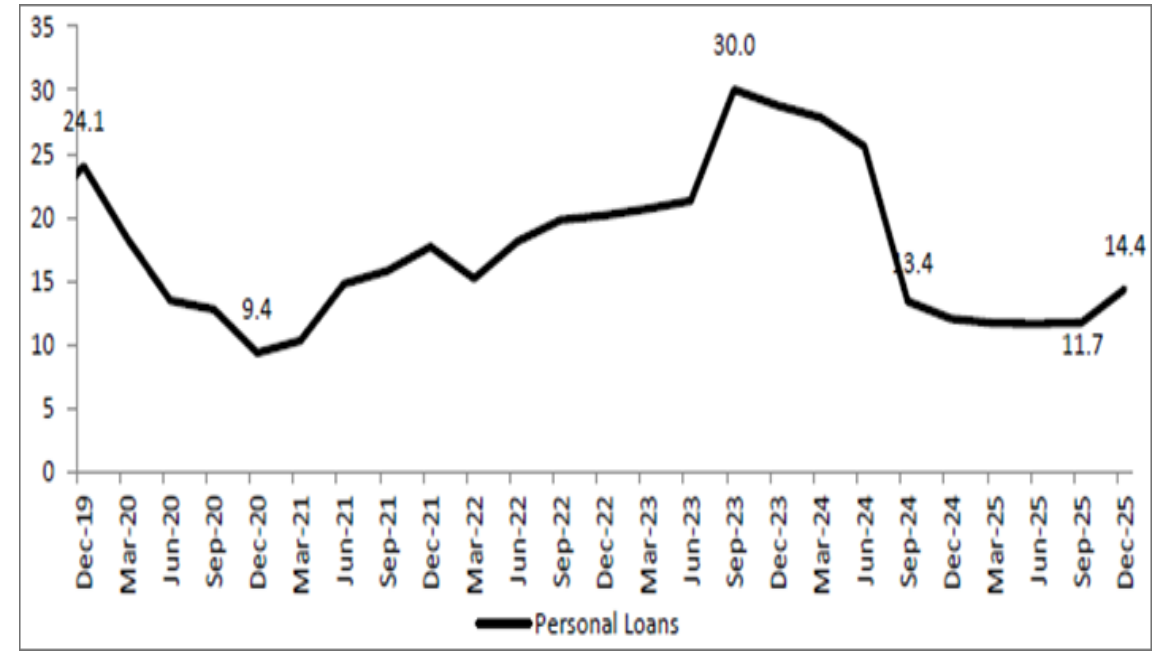
Worst seems to be behind us with deleveraging well underway

Q8. What are hiring trends telling us about urban consumption?

Hiring activities grew by 7.4% during 11M FY26



Retail loans have started inching up again



Despite recovery, white-collar job creation remains the key monitorable for sustained urban consumption

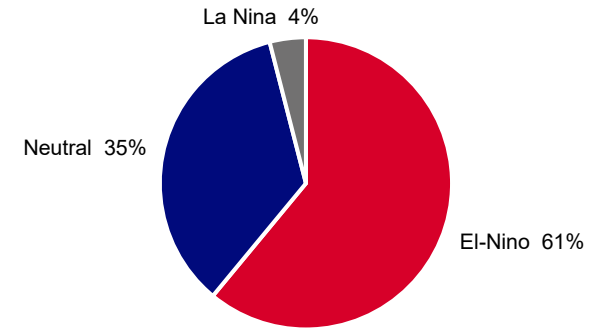
Q9. How is rural demand holding up?

Expected rural demand to be strong

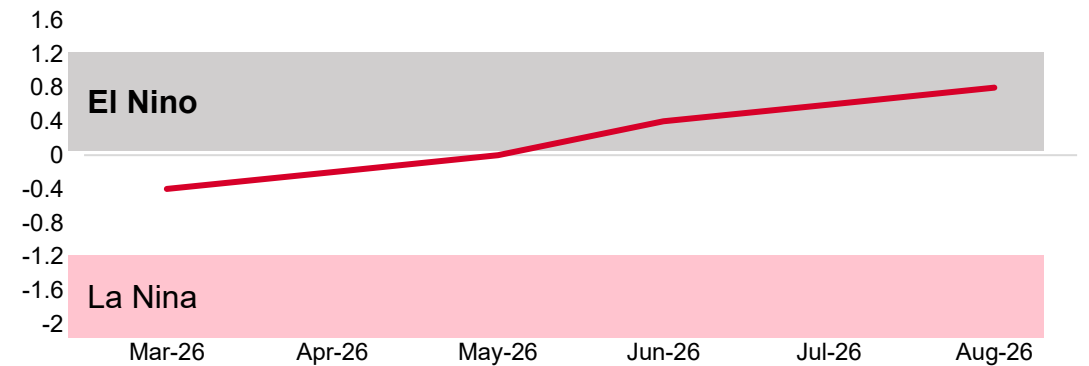
Rural Consumption	Units	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	
Two Wheelers Sales	%-yoy	-9.0	11.4	-16.7	2.2	-3.4	8.7	7.1	6.7	2.1	21.2	39.4	26.2	35.2	2W surged in higher double digits post GST rationalization
Tractor Registrations	%-yoy	-15.5	-7.3	7.3	2.1	8.2	11.2	32.1	4.0	13.7	58.7	15.5	23.3	36.8	
Agri Credit Outstanding	%-yoy	11.4	10.4	9.2	7.5	6.8	7.3	7.6	9.0	8.9	8.7	12.1	11.4	-	Agri credit witnessed higher growth in Jan'26.
Agri Exports	%-yoy	1.3	2.3	12.3	0.7	-0.4	11.6	8.1	14.0	-8.9	3.1	-3.8	-9.6	-	Agri exports witnessed contraction due to Tariffs
Rural Spend	%-yoy	11.3	13.2	-29.3	-20.6	-7.1	17.0	6.6	3.6	-12.6	-4.4	-9.0	-9.3	-	Fertilizer sales collapsed
Fertilisers Sales	%-yoy	7.2	11.0	17.3	12.0	11.9	16.5	-7.1	-15.3	0.0	-1.6	-13.0	-23.6	-	
Nominal Rural Wage	%-yoy	6.1	5.9	6.5	6.6	6.6	19.6	18.6	18.5	18.4	18.1	17.9	17.7	-	Adjusting for the base effect, nominal rural wage growth is 8%
Real Rural Wage	%-yoy	2.4	2.6	3.5	4.0	4.8	18.4	16.9	17.4	18.7	18.0	17.1	15.7	-	
Currency in Circulation	%-yoy	5.6	6.1	6.2	7.4	7.2	7.5	8.5	8.9	8.6	9.0	10.2	11.1	11.6	
Work demanded: Households (mn)	(mn)	21.8	18.6	20.1	28.4	27.6	16.6	11.9	11.7	11.0	12.5	15.3	16.7	18.7	Work demanded under MGNREGA is down YoY

EI-Nino is the risk to watch out for

EI-Nino Southern Oscillation probabilities



Projected sea surface temperature deviation from normal for Nino season ©



Rural demand has been recovering strongly though EI-Nino is the key downside risk

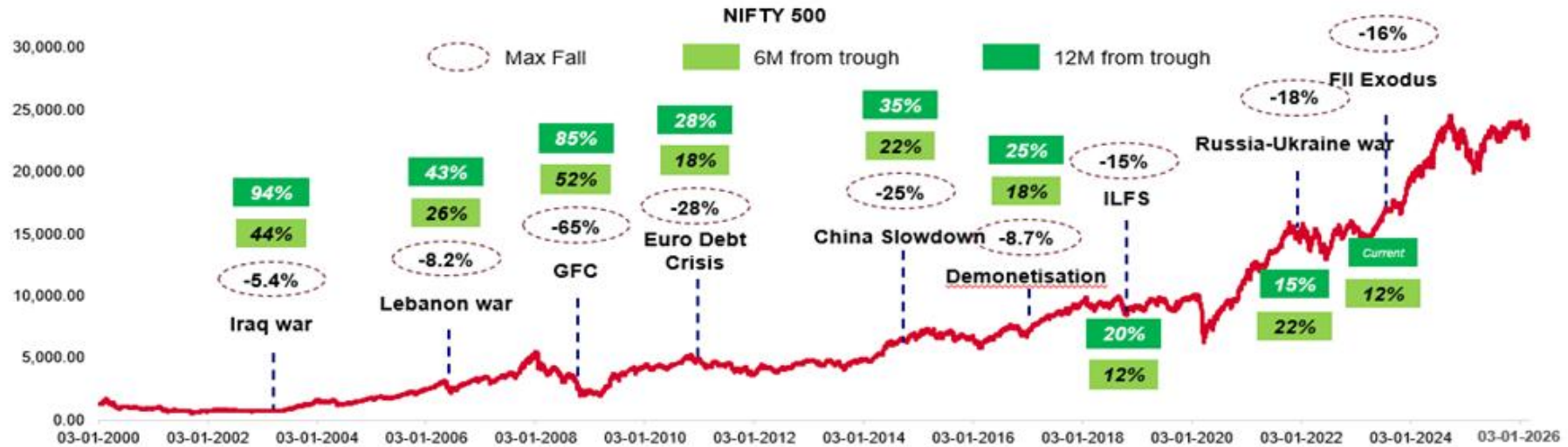
Section 3:

Indian Markets



How markets have reacted to geopolitical conflicts in the past

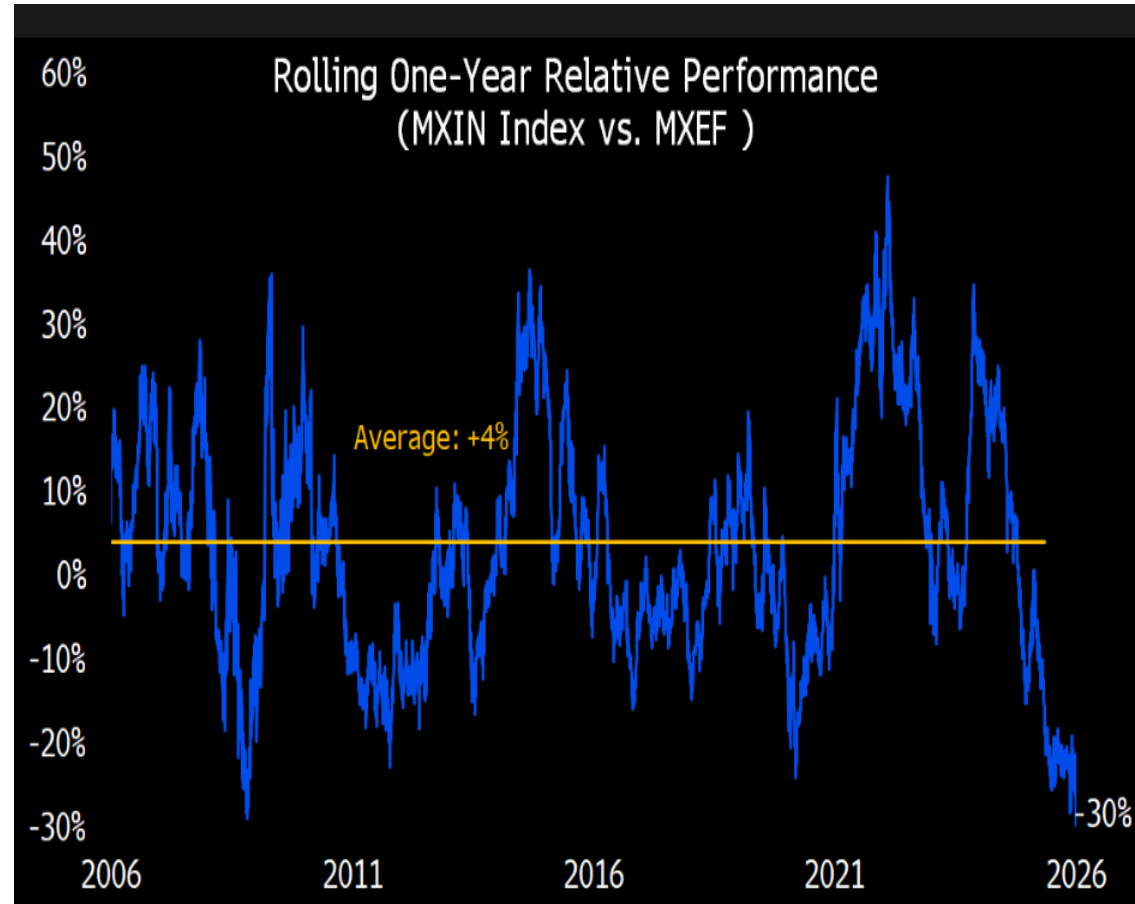
Nifty 50 performance in major conflicts in the past



Event	Start date	Nifty 50 Return (2Y)	Midcap 100 Return (2Y)	Smallcap 100 Return (2Y)	Market context
Iraq War	Mar 2003	110.2%	218.5%	248.1%	Post dot-com recovery + capex cycle start
Russia-Ukraine	Feb 2022	30.5%	62.0%	58.4%	Post-COVID liquidity + earnings growth
Israel-Hamas	Oct 2023	28.2%*	45.6%	39.1%	*Returns as of March 2026

India's underperformance among Emerging Markets widens

MSCI India lags 30% vs. EM over past year



Median BSE 500 stock down 35% from five-year peak



India markets continue to underperform

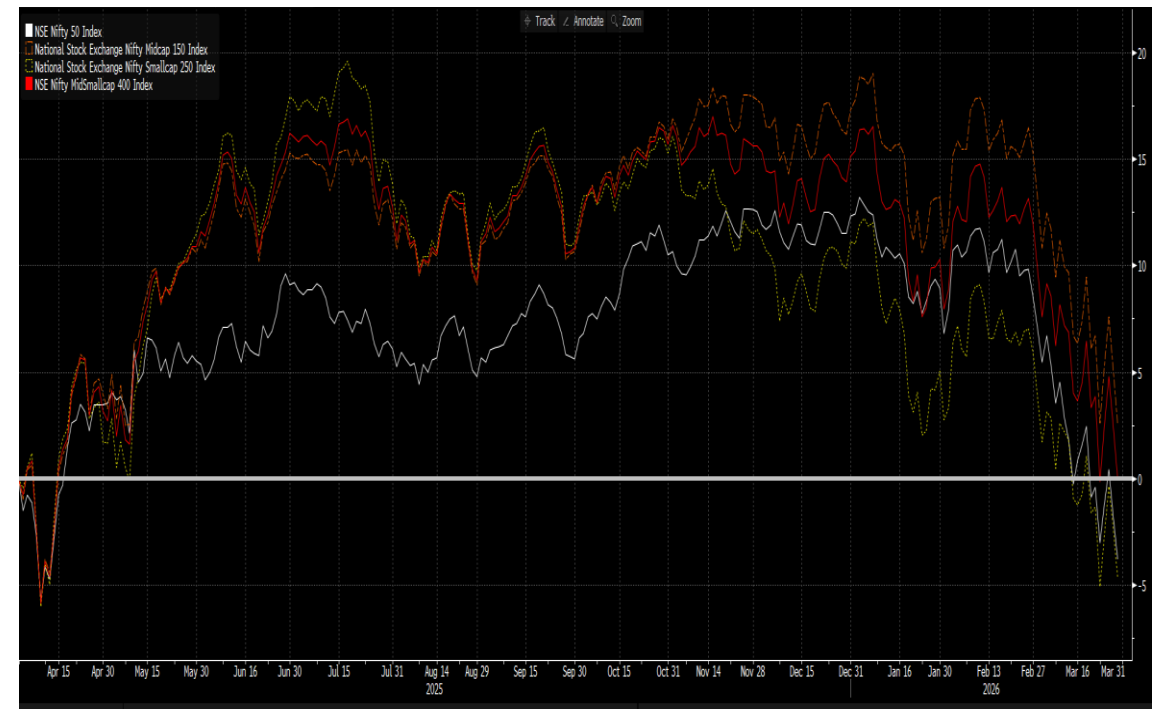
Indian indices performance from Sep-24 highs to 2 Apr 2026

Security	Price Change	Total Return	Difference	Annual Eq
Nifty 50	-12.44%	-10.86%	0.14%	-7.28%
Nifty Midcap 150	-11.95%	-11.00%	-	-7.38%
Nifty Smallcap 250	-20.77%	-19.99%	-8.99%	-13.64%
Nifty Midsmall 400	-15.16%	-14.28%	-3.27%	-9.63%



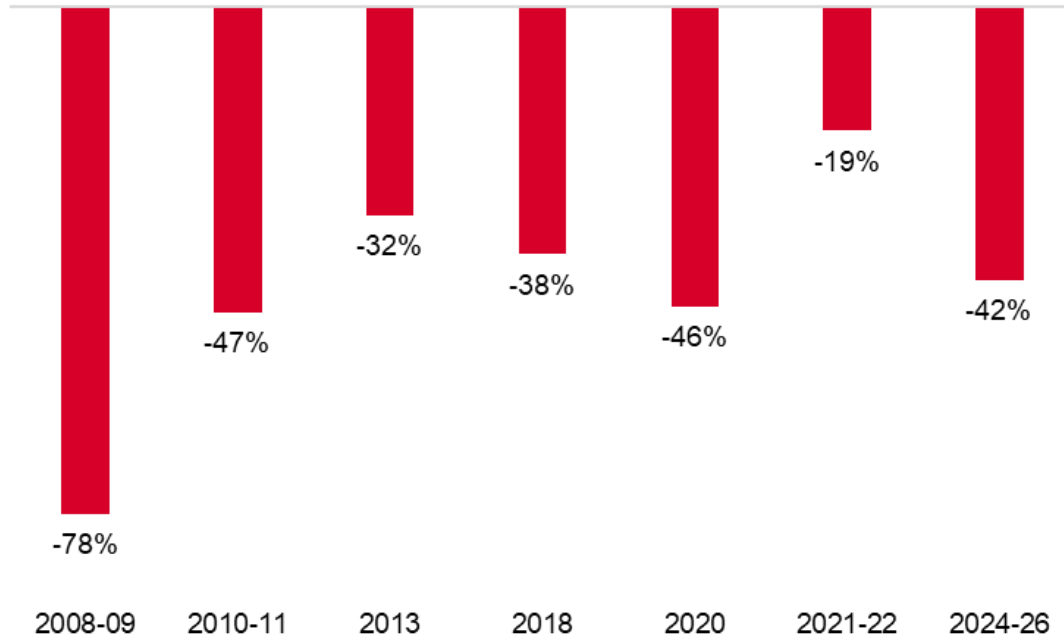
Indian indices performance for FY26

Security	Price Change	Total Return	Difference	Annual Eq
Nifty 50	-5.05%	-3.81%	-6.29%	-3.79%
Nifty Midcap 150	1.62%	2.48%	-	-2.47%
Nifty Smallcap 250	-5.40%	-4.71%	-7.2%	-4.69%
Nifty Midsmall 400	-0.87%	-0.07%	-2.55%	-0.07%



We have seen sharp correction in broader markets

Median Market Drawdowns across major cycles - NSE 500



Indices - Returns over Sep'24 to Mar'26

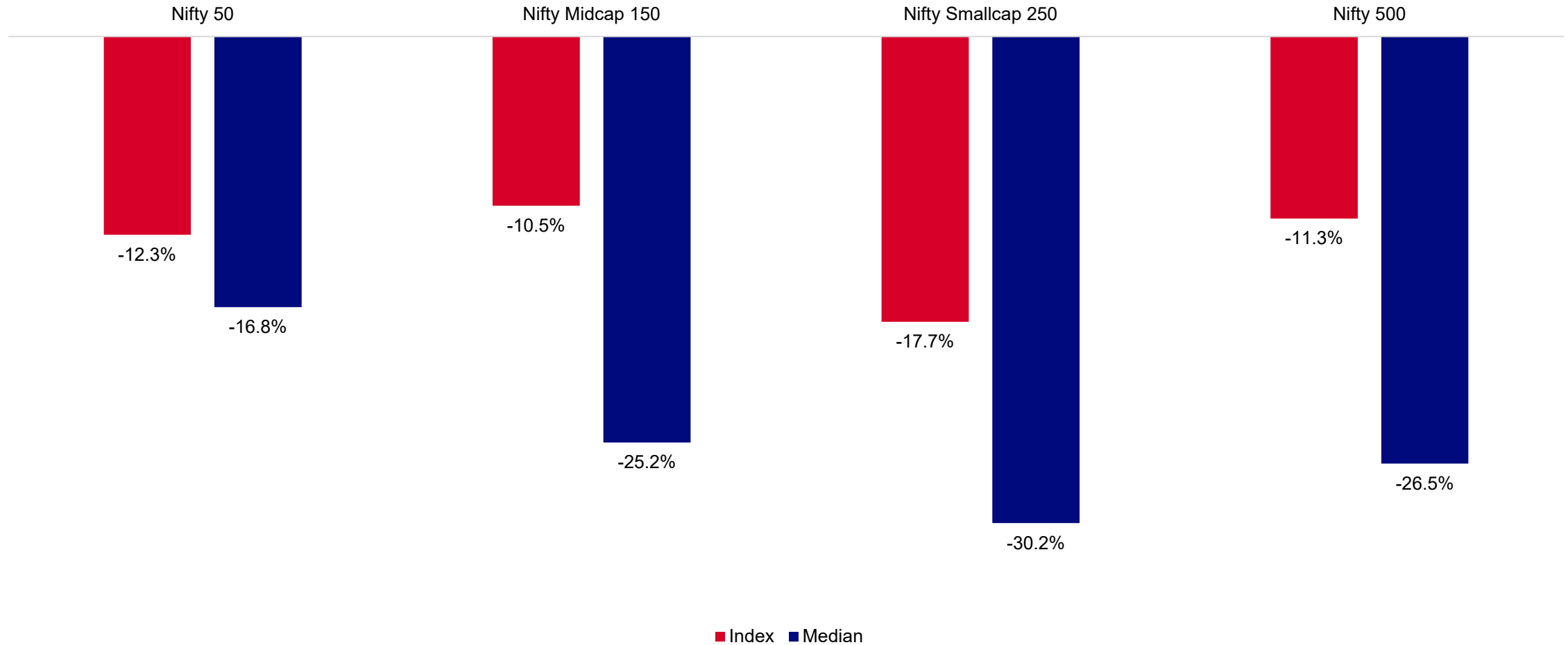
Nifty 50	-10.9%
BSE 500	-13.1%
Equal Weighted BSE 500	-14.2%
Median of BSE 500 co. returns	-18.5%

Mid Small Cap Index

BSE MidSmall Index	-18.3%
Equal Weighted BSE MidSmall	-24.8%
Median of BSE MidSmall co. returns	-33.0%

Median stock fall across indices is far higher than what the index is reflecting

Drawdown from 52-week high (%)



Large correction in stock prices of most mid-cap. stocks in the past 1M

1M, 3M, 6M, 12M and CYTD performance of stocks in Nifty Midcap Index (sorted on 1M basis)

Company Name	GICS sector	Performance (%)					Company Name	GICS sector	Performance (%)						
		1M	3M	6M	12M	YTD			1M	3M	6M	12M	YTD		
Nifty Midcap 100 Index		(9)	(11)	(6)	5	(11)									
1 Ashok Leyland	Industrials	(29)	(19)	5	43	(17)	51 Godfrey Phillips	Consumer Staples	(9)	(16)	(43)	(19)	(30)		
2 HPCL	Energy	(24)	(33)	(23)	(7)	(33)	52 Bharti Hexacom	Communication Services	(9)	(19)	(12)	(0)	(20)		
3 MMFSL	Financials	(23)	(28)	5	8	(28)	53 PI Industries	Materials	(9)	(12)	(21)	(18)	(12)		
4 Dabur India	Consumer Staples	(20)	(17)	(16)	(17)	(18)	54 AU Small Finance Bank	Financials	(9)	(12)	21	55	(12)		
5 Voltas	Industrials	(20)	(10)	(8)	(8)	(8)	55 Tata Elxsi	Information Technology	(9)	(21)	(21)	(19)	(21)		
6 Blue Star	Industrials	(20)	(12)	(17)	(25)	(10)	56 Phoenix Mills	Real Estate	(9)	(19)	(3)	(5)	(18)		
7 Polycab India	Industrials	(20)	(10)	(6)	36	(9)	57 MRF	Consumer Discretionary	(8)	(15)	(13)	14	(16)		
8 Bank of India	Financials	(20)	(4)	14	28	(1)	58 Supreme Industries	Materials	(8)	5	(13)	10	9		
9 Colgate-Palmolive	Consumer Staples	(19)	(13)	(18)	(23)	(12)	59 Patanjali Foods	Consumer Staples	(7)	(15)	(19)	(22)	(14)		
10 KBI Industries	Industrials	(19)	(8)	2	46	(7)	60 Alkerm Lab	Health Care	(7)	(4)	(4)	8	(5)		
11 Max Financial	Financials	(19)	(12)	(9)	29	(12)	61 Sona BLW	Consumer Discretionary	(7)	5	20	8	4		
12 Vodafone Idea	Communication Services	(18)	(26)	1	7	(20)	62 Indus Towers	Communication Services	(7)	(3)	20	20	1		
13 IDFC First Bank	Financials	(18)	(20)	(13)	5	(30)	63 Mphasis	Information Technology	(7)	(24)	(21)	(13)	(23)		
14 Indusind Bank	Financials	(18)	(12)	5	15	(9)	64 IREDA	Financials	(7)	(18)	(25)	(29)	(19)		
15 Prestige Estates	Real Estate	(18)	(29)	(26)	1	(28)	65 UPL	Materials	(7)	(26)	(10)	(6)	(25)		
16 SBI Cards	Financials	(18)	(26)	(27)	(26)	(26)	66 Tube Investments	Consumer Discretionary	(7)	(2)	(17)	(5)	(2)		
17 Rail Vikas Nigam	Industrials	(17)	(27)	(24)	(25)	(26)	67 Blocon	Health Care	(6)	(6)	5	8	(7)		
18 ACC	Materials	(17)	(24)	(27)	(32)	(24)	68 Motilal Oswal	Financials	(6)	(19)	(24)	13	(21)		
19 ITC Hotels	Consumer Discretionary	(16)	(25)	(33)	(30)	(25)	69 SAIL	Materials	(6)	5	15	33	6		
20 Fortis Healthcare	Health Care	(16)	(12)	(20)	15	(10)	70 Cummins India	Industrials	(6)	3	20	53	4		
21 Union Bank	Financials	(15)	12	24	38	12	71 Astral	Industrials	(6)	9	14	20	13		
22 Jubilant Foodworks	Consumer Discretionary	(15)	(20)	(28)	(33)	(21)	72 Kalyan Jewellers	Consumer Discretionary	(6)	(20)	(17)	(15)	(20)		
23 Torrent Power	Utilities	(15)	1	10	(11)	2	73 Marico	Consumer Staples	(6)	(2)	6	15	(1)		
24 L&T Finance Holdings	Financials	(14)	(23)	(5)	62	(23)	74 BHEL	Industrials	(6)	(14)	5	19	(12)		
25 360 ONE	Financials	(14)	(19)	(8)	7	(20)	75 Bharat Dynamics	Industrials	(6)	(19)	(22)	(3)	(18)		
26 Coromandel International	Materials	(14)	(15)	(15)	(6)	(15)	76 NMDC	Materials	(4)	(7)	3	12	(6)		
27 Yes Bank	Financials	(14)	(17)	(18)	3	(17)	77 LIC Housing Finance	Financials	(4)	(4)	(11)	(8)	(4)		
28 APL Apollo Tubes	Materials	(13)	(2)	12	27	1	78 Suzlon Energy	Industrials	(4)	(22)	(25)	(26)	(22)		
29 Indraprastha Gas	Utilities	(13)	(23)	(29)	(26)	(24)	79 PB Fintech	Financials	(3)	(21)	(14)	(5)	(21)		
30 HDFC AMC	Financials	(13)	(12)	(16)	18	(12)	80 Oberoi Realty	Real Estate	(3)	(13)	(8)	(6)	(12)		
31 Tata Communications	Communication Services	(13)	(23)	(14)	(12)	(24)	81 Muthoot Finance	Financials	(3)	(15)	4	39	(15)		
32 Godrej Properties	Real Estate	(13)	(25)	(26)	(26)	(25)	82 Coforge	Information Technology	(3)	(30)	(28)	(26)	(31)		
33 Bharat Forge	Consumer Discretionary	(13)	14	37	45	13	83 Dixon Technologies	Consumer Discretionary	(3)	(15)	(38)	(21)	(15)		
34 KPIT Technologies	Information Technology	(13)	(42)	(42)	(47)	(42)	84 Oil India	Energy	(2)	11	15	23	12		
35 Swiggy	Consumer Discretionary	(12)	(32)	(36)	(20)	(31)	85 Hitachi Energy	Industrials	(2)	36	38	104	37		
36 Aditya Birla Capital	Financials	(12)	(16)	1	65	(15)	86 Glenmark Pharma	Health Care	(2)	4	7	39	3		
37 GMR Airports Infrastructure	Industrials	(11)	(15)	(0)	15	(14)	87 Lupin	Health Care	(1)	8	15	15	8		
38 Mankind Pharma	Health Care	(11)	(8)	(18)	(19)	(9)	88 Oracle	Information Technology	(1)	(10)	(21)	(9)	(10)		
39 Vishal Mega Mart	Consumer Discretionary	(11)	(23)	(29)	1	(23)	89 SRP	Materials	(0)	(16)	(12)	(11)	(17)		
40 Federal Bank	Financials	(11)	1	38	39	0	90 NHPC	Utilities	0	(5)	(13)	(8)	(5)		
41 Indian Bank	Financials	(10)	7	20	67	6	91 Page Industries	Consumer Discretionary	2	(8)	(23)	(22)	(10)		
42 Container Corp.	Industrials	(10)	(15)	(16)	(21)	(15)	92 Adani Total Gas	Utilities	2	(12)	(19)	(12)	(8)		
43 Bode Industries	Consumer Discretionary	(10)	(17)	(24)	(18)	(17)	93 IRB Infrastructure	Industrials	4	3	4	(6)	3		
44 Hero Motocorp	Consumer Discretionary	(10)	(12)	(6)	36	(11)	94 BSE	Financials	6	9	38	57	9		
45 Cochin Shipyard	Industrials	(10)	(18)	(28)	(4)	(17)	95 Persistent System	Information Technology	7	(20)	2	(3)	(19)		
46 IRCTC	Industrials	(10)	(25)	(25)	(29)	(25)	96 NTPC Green	Utilities	9	3	0	(1)	4		
47 HUDCO	Financials	(10)	(26)	(28)	(19)	(26)	97 Aurobindo Pharma	Health Care	10	12	24	15	13		
48 FSN E-Commerce	Consumer Discretionary	(10)	(10)	(1)	33	(9)	98 NALCO	Materials	13	27	86	128	27		
49 Tata Technologies	Information Technology	(9)	(18)	(23)	(22)	(17)	99 Waaree Energies	Information Technology	14	5	(7)	30	4		
50 One 97	Financials	(9)	(23)	(13)	24	(23)	100 Premier Energies	Information Technology	28	11	(8)	3	11		

Large correction in stock prices of most small-cap. stocks in the past 1M

1M, 3M, 6M, 12M and CYTD performance of stocks in Nifty Smallcap Index (sorted on 1M basis)

Company Name	GICS sector	Performance (%)					Company Name	GICS sector	Performance (%)						
		1M	3M	6M	12M	YTD			1M	3M	6M	12M	YTD		
Nifty Smallcap 100 Index		(7)	(11)	(12)	(2)	(11)									
1 Redington	Information Technology	(28)	(25)	(27)	(12)	(25)	51 Trident	Consumer Discretionary	(7)	(11)	(15)	(5)	(11)		
2 SignatureGlobal	Real Estate	(27)	(25)	(31)	(33)	(25)	52 MRPL	Energy	(5)	20	38	37	21		
3 Aegis Vopak Term	Energy	(25)	(23)	(25)	N/A	(23)	53 CreditAccess Gramin	Financials	(5)	(5)	(15)	23	(5)		
4 Devyani International	Consumer Discretionary	(24)	(24)	(44)	(35)	(35)	54 Castrol India	Materials	(5)	(5)	(12)	(15)	(8)		
5 PG Electroplast	Information Technology	(23)	(17)	(5)	(47)	(15)	55 KFin Technologies	Financials	(5)	(15)	(15)	(13)	(17)		
6 Mahanagar Gas	Utilities	(23)	(15)	(25)	(32)	(17)	56 Gland Pharma	Health Care	(5)	0	(13)	11	(0)		
7 Bandhan Bank	Financials	(19)	2	(10)	(1)	1	57 Dr Lal Pathlabs	Health Care	(5)	(12)	(15)	10	(11)		
8 Amber Enterprises	Consumer Discretionary	(17)	2	(20)	(4)	3	58 PNB Housing	Financials	(5)	(21)	(12)	(11)	(15)		
9 PCBL Chemical	Materials	(17)	(13)	(32)	(39)	(15)	59 Go Digit General	Financials	(5)	(8)	(7)	11	(7)		
10 Aptus Value Hou.	Financials	(17)	(25)	(37)	(32)	(27)	60 Zensar Technologies	Information Technology	(5)	(23)	(30)	(22)	(24)		
11 The Ramco Cement	Materials	(15)	(11)	(5)	5	(11)	61 Indian Energy Exchange	Financials	(5)	(10)	(15)	(32)	(11)		
12 Poonawalla Fincorp	Financials	(15)	(21)	(24)	10	(21)	62 Jupiter Wagons	Industrials	(4)	(24)	(24)	(31)	(24)		
13 Swan Corp.	Consumer Discretionary	(15)	(21)	(21)	(25)	(21)	63 Tejas Networks	Information Technology	(4)	(7)	(25)	(47)	(7)		
14 Amara Raja Energy & Mobility	Industrials	(15)	(23)	(25)	(30)	(22)	64 HBL Power System	Industrials	(4)	(25)	(21)	29	(29)		
15 Tata Chemicals	Materials	(15)	(19)	(24)	(25)	(21)	65 Atul	Materials	(4)	4	4	11	5		
16 Anant Raj	Real Estate	(15)	(19)	(25)	(5)	(15)	66 Navin Fluorine International	Materials	(4)	2	30	44	2		
17 Chola Financial	Financials	(15)	(25)	(27)	(19)	(24)	67 Laurus Labs	Health Care	(3)	(5)	19	73	(5)		
18 Newgen Software	Information Technology	(15)	(45)	(52)	(55)	(49)	68 Afcons Infrastructure	Industrials	(3)	(25)	(35)	(40)	(27)		
19 Cyient	Information Technology	(15)	(30)	(32)	(37)	(30)	69 CAMS Services	Materials	(3)	(11)	(14)	(11)	(12)		
20 Five-Star Business Finance	Financials	(14)	(32)	(32)	(45)	(34)	70 Chambal Fertilisers	Industrials	(3)	(7)	(13)	(25)	(7)		
21 IFCI	Financials	(13)	(2)	(5)	15	(1)	71 Data Pattern	Industrials	(3)	19	15	53	15		
22 IRCON International	Industrials	(13)	(30)	(25)	(21)	(29)	72 CESC	Utilities	(3)	(5)	(5)	0	(9)		
23 Inox Wind	Industrials	(13)	(34)	(42)	(45)	(35)	73 Inventurus Knowl	Health Care	(3)	(21)	(11)	(10)	(20)		
24 Hindustan Copper	Materials	(12)	(5)	45	123	(4)	74 Brigade Enterprises	Real Estate	(3)	(25)	(25)	(30)	(24)		
25 Aegis Logistics	Energy	(12)	(15)	(23)	(23)	(15)	75 Garden Reach	Industrials	(3)	(3)	(11)	40	(3)		
26 BEML	Industrials	(12)	(20)	(32)	(7)	(21)	76 J B Chemicals	Health Care	(2)	10	19	30	10		
27 IIFL Finance	Financials	(12)	(29)	(2)	35	(25)	77 International Gemmological	Industrials	(2)	(3)	(10)	(15)	(3)		
28 Kalpataru Projects	Industrials	(12)	(9)	(12)	12	(9)	78 Aadhar Housing Finance	Financials	(2)	(5)	(12)	7	(7)		
29 KEC International	Industrials	(11)	(29)	(39)	(34)	(29)	79 Neuland Laboratories	Health Care	(1)	(15)	(15)	10	(17)		
30 Narayana Hrudayalaya	Health Care	(11)	(15)	(5)	(2)	(14)	80 Zen Technologies	Industrials	(1)	(1)	(5)	(5)	(2)		
31 NBCC	Industrials	(11)	(32)	(24)	1	(32)	81 Deepak Fertilisers	Materials	(1)	(21)	(35)	(10)	(23)		
32 Karur Vysya Bank	Financials	(11)	5	39	54	11	82 Delhivery	Industrials	(0)	5	(1)	55	7		
33 Aditya Birla Real Estate	Real Estate	(10)	(21)	(30)	(41)	(31)	83 Welspun Corp	Materials	0	4	(3)	(2)	2		
34 Whirlpool India	Consumer Discretionary	(10)	(7)	(29)	(21)	(8)	84 Firstsource Solution	Industrials	1	(35)	(34)	(35)	(35)		
35 Manappuram Finance	Financials	(10)	(19)	(11)	10	(17)	85 Star Health Insu	Financials	1	1	3	25	3		
36 Crompton Greaves Consumer	Consumer Discretionary	(10)	(7)	(21)	(32)	(5)	86 MCX	Financials	1	12	54	125	11		
37 NCC	Industrials	(9)	(14)	(24)	(35)	(14)	87 Anand Rathi Wealth	Financials	1	1	5	70	0		
38 Gillette India	Consumer Staples	(9)	(5)	(20)	(4)	(9)	88 Radico Khaitan	Consumer Staples	1	(15)	(5)	15	(19)		
39 Piramal Pharma	Health Care	(9)	(15)	(25)	(37)	(17)	89 Natco Pharma	Health Care	1	13	24	24	11		
40 Nuvama Wealth	Financials	(9)	(22)	(12)	(4)	(23)	90 Brainbees Solutions	Consumer Discretionary	2	(23)	(40)	(40)	(23)		
41 BLS International	Industrials	(8)	(19)	(23)	(35)	(20)	91 JBM Auto	Consumer Discretionary	2	(10)	(15)	(7)	(11)		
42 Keynes Tech	Information Technology	(8)	(10)	(51)	(25)	(12)	92 Ola Electric	Consumer Discretionary	3	(31)	(54)	(51)	(29)		
43 Aarti Industries	Materials	(8)	10	5	5	10	93 Angel One	Financials	3	2	11	4	3		
44 Himadri Special	Materials	(8)	(5)	(0)	3	(5)	94 Jindal Saw	Materials	3	14	(5)	(30)	14		
45 Shyam Metals & Energy	Materials	(7)	(5)	(14)	(7)	(5)	95 Kajaria Ceramics	Industrials	4	3	(17)	17	2		
46 Triveni Turbine	Industrials	(7)	(15)	(13)	(15)	(15)	96 Affle India	Communication Services	4	(19)	(27)	(10)	(20)		
47 CDCL	Financials	(7)	(15)	(20)	(1)	(15)	97 Aster DM Healthcare	Health Care	5	13	9	43	12		
48 Wockhardt	Health Care	(7)	(11)	(15)	(12)	(12)	98 Sagility India	Industrials	5	(20)	(4)	(4)	(20)		
49 Reliance Power	Utilities	(7)	(35)	(51)	(47)	(35)	99 GE Shipping	Energy	9	31	47	58	29		
50 Jyoti CNC Auto	Industrials	(7)	(23)	(13)	(29)	(23)	100 Capri Global	Financials	10	(5)	(7)	3	(4)		

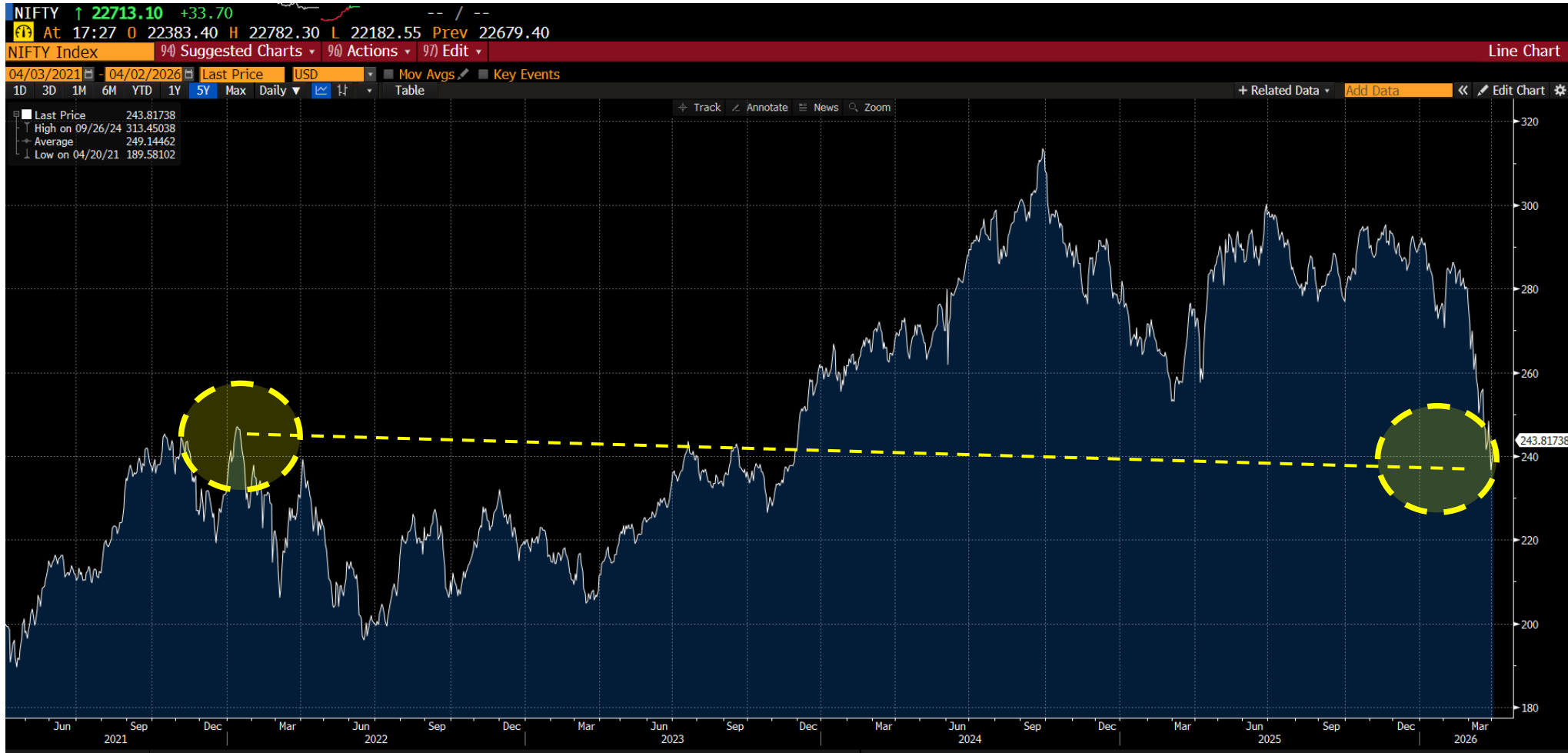
Are currency headwinds peaking?

USDINR currently at 93.1 has been increasing since start of war



Nifty in Dollar terms is back to 2021 levels

Nifty 50 in USD terms



First time that Mid & Small cap have outperformed Nifty 50 during crisis time

Period (as of Mar 31, 2026)	Nifty	Nifty Mid 100	Nifty Small 100	BSE 500
1 Month	-11.3%	-10.9%	-10.2%	-11.4%
1-year	-5.1%	1.9%	-5.5%	-4.2%
2-year	0.0%	4.6%	-0.2%	0.2%
3-year	8.8%	20.6%	19.1%	11.6%
4-year	6.3%	15.4%	9.9%	8.0%
5-year	8.7%	17.3%	13.4%	10.4%
10-year	11.2%	15.2%	12.0%	12.2%

Along with price correction the valuations becoming reasonable

Mid & Small Cap Indices have corrected over 34-39% in the last 18 months

Date	Nifty 50	P/E	EPS Change	Total Correction
Sep - 24	26,178	24.4	1,073	-15.7%
Mar - 26	24,865	21.8	1,141	
Change %	-5.0%	-10.7%	6.3%	

Date	Nifty Midcap 150	P/E	EPS Change	Total Correction
Sep - 24	22,360	45.8	488	-34.1%
Mar - 26	21,476	32.0	671	
Change %	-4.0%	-30.1%	37.5%	

Date	Nifty Smallcap 250	P/E	EPS Change	Total Correction
Sep - 24	18,399	33.5	549	-38.9%
Mar - 26	15,580	25.6	609	
Change %	-15.3%	-23.6%	10.8%	

Four months of decline on Nifty is rare, further improves uptrend odds

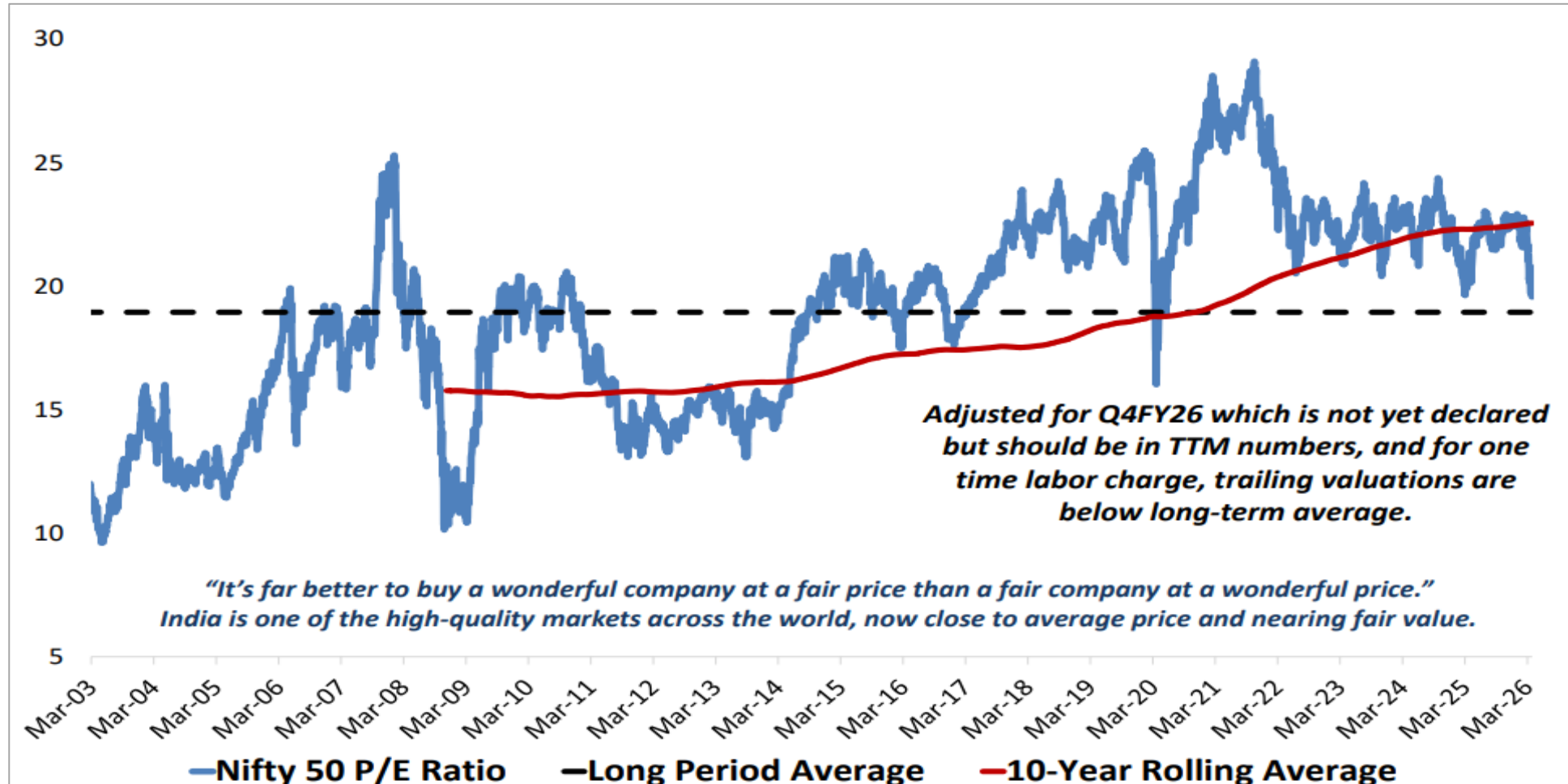
In Mar-26 Nifty had four months of consecutive decline

End of Streak	Negative Returns Streak Length (months)	4M decline	Full decline	3M forward return	6M forward return	1Y forward return
Jan-91	4	-28.5%	-28.5%	23.8%	58.6%	117.9%
Apr-95	8	-13.9%	-31.4%	5.6%	4.9%	18.3%
Nov-96	5	-19.0%	-26.0%	20.3%	26.6%	23.3%
Aug-98	4	-26.4%	-26.4%	-4.1%	10.4%	65.6%
Sep-01	4	-21.8%	-21.8%	15.9%	23.6%	5.4%
Feb-25	5	-8.9%	-14.3%	11.9%	10.4%	13.8%
Mar-26	4	-14.8%	-14.8%	NA	NA	NA

Negative streak length (Months)	Episodes	Share of all streaks	Avg full decline	Avg 3M return	Avg 6M return	Avg 1Y return
1 month	57	54.2%	-4.2%	10.4%	13.2%	22.4%
2 months	28	26.7%	-10.8%	9.6%	10.0%	21.0%
3 months	13	12.4%	-13.2%	3.7%	10.9%	21.9%
4+ months	7	6.7%	-23.3%	12.2%	22.4%	40.7%

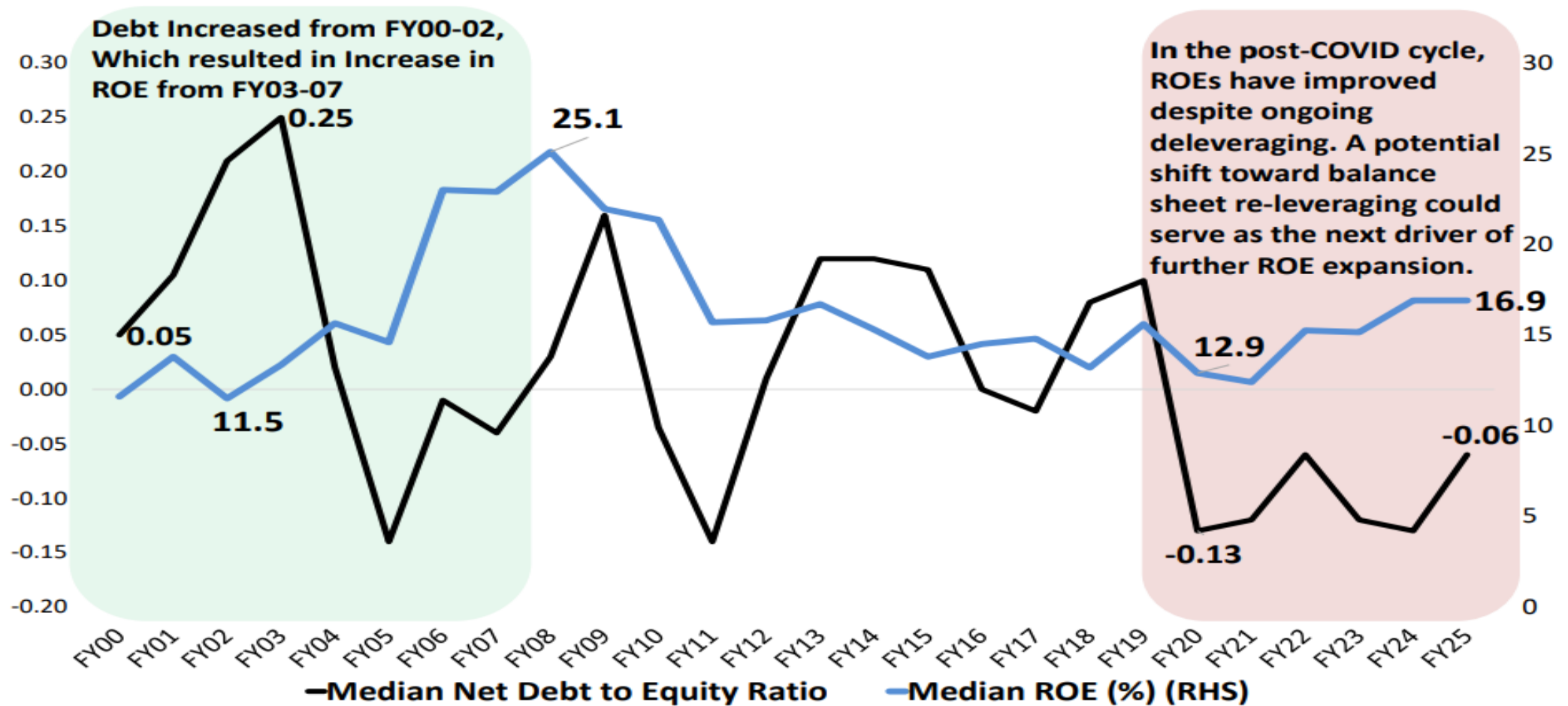
Nifty at Long Term Average Valuations

Nifty 50 Index Price to Earnings Ratio is close to long period average



Buying At Average Valuations? Have You Seen The Balance Sheet?

Median Debt to Equity and ROE of Nifty 50 (ex-financials)



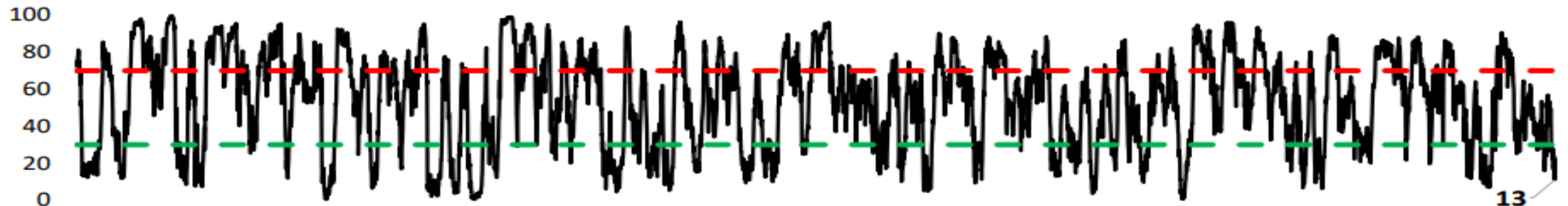
Weak Market Breadth Signals Widespread and Indiscriminate Selling



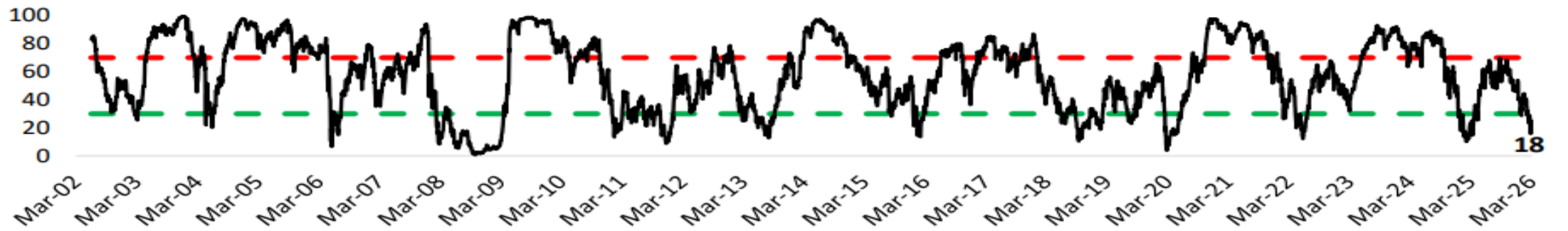
NSE500 Index - Last Price



NSE500 Index - Percentage of Members with Px > 50 Day Moving Avg

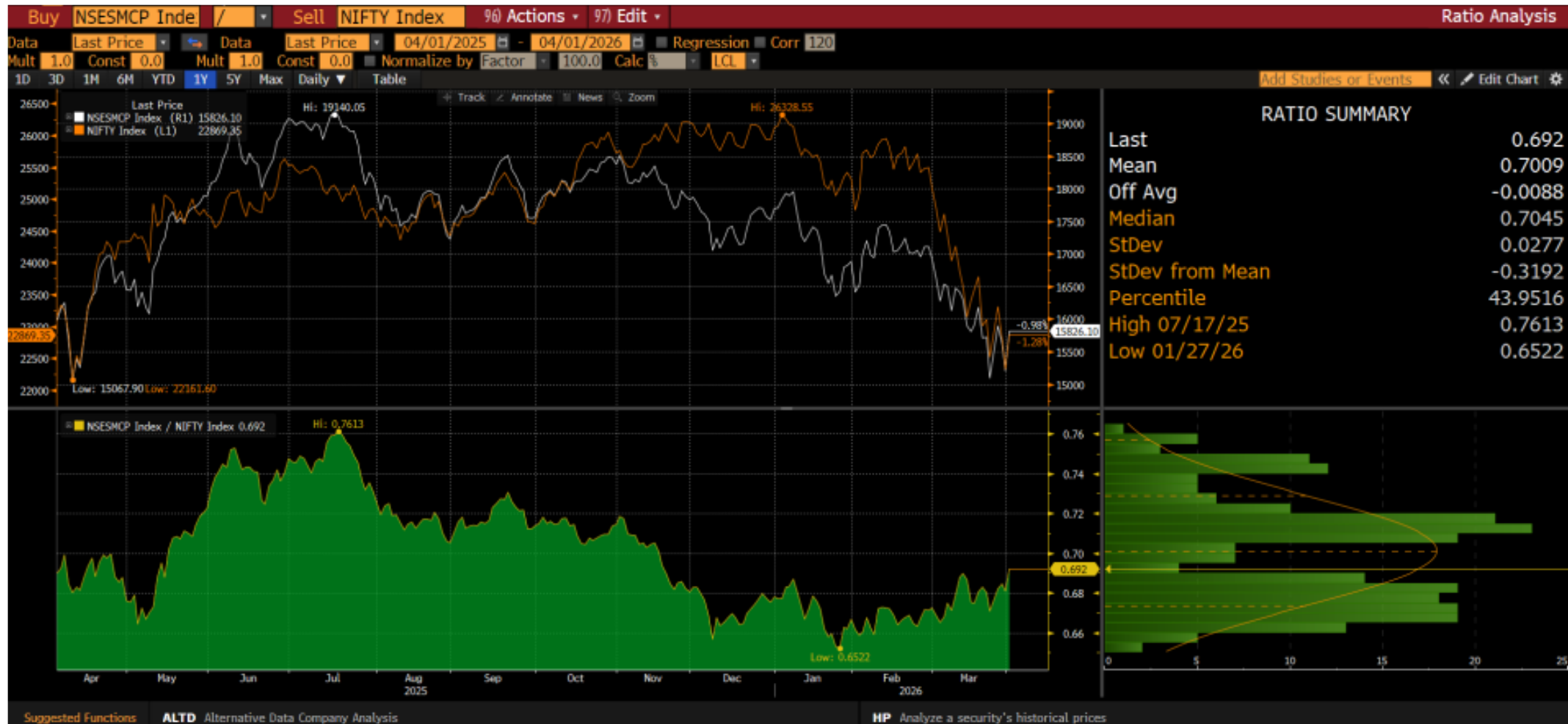


NSE500 Index - Percent of Members Above 200 Day Moving Average



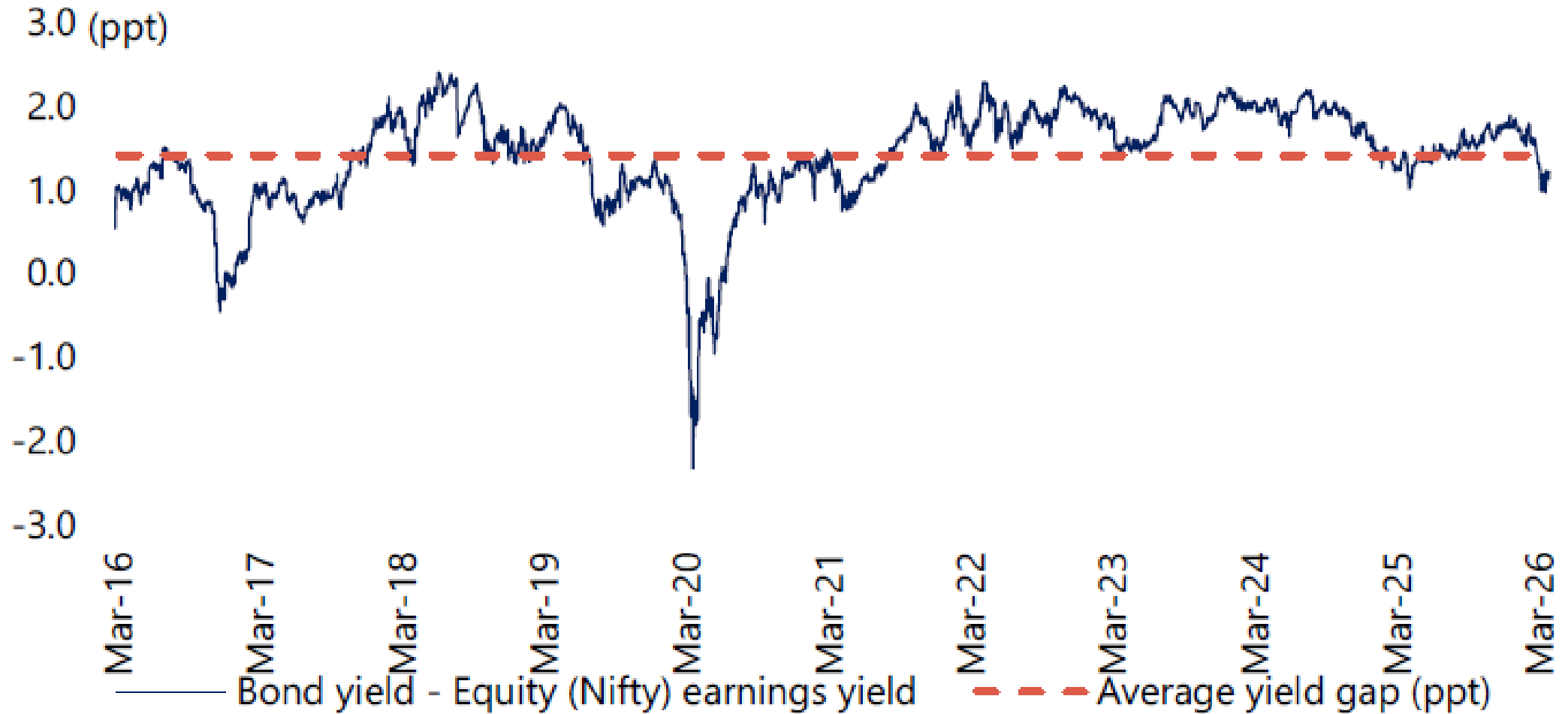
Nifty small-cap index - Relative strength to continue

CYTD Nifty Smallcap is down ~11% vs. ~13% correction in Nifty with ratio of Smallcap-to-Nifty improving from ~0.65x to ~0.69x



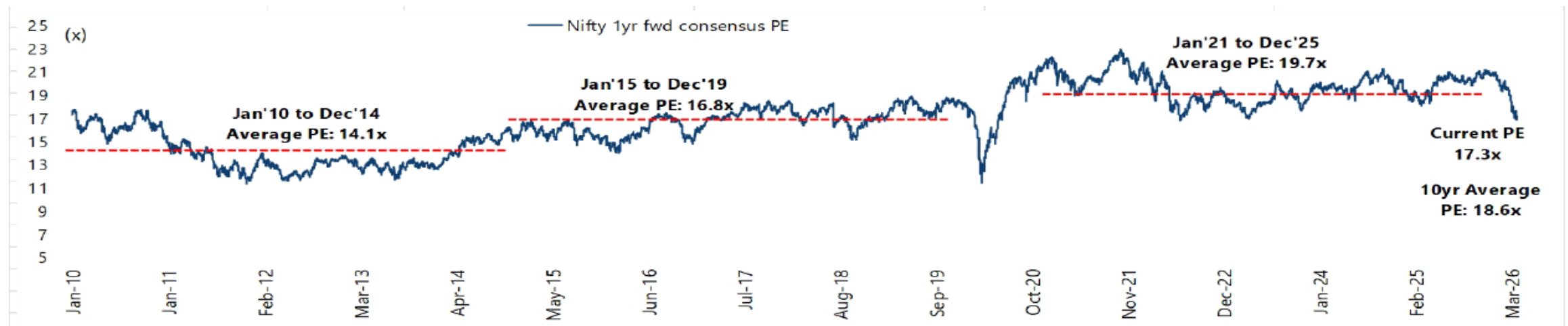
Gap between bond yields and earnings yield (Nifty) is lower than 10Y average

Bond yield - Equity (Nifty) earnings yield is at 1.2x lower than 10yr average of 1.4x



Nifty 1yr fwd PE is below 10yr average, valuations starting to turn attractive

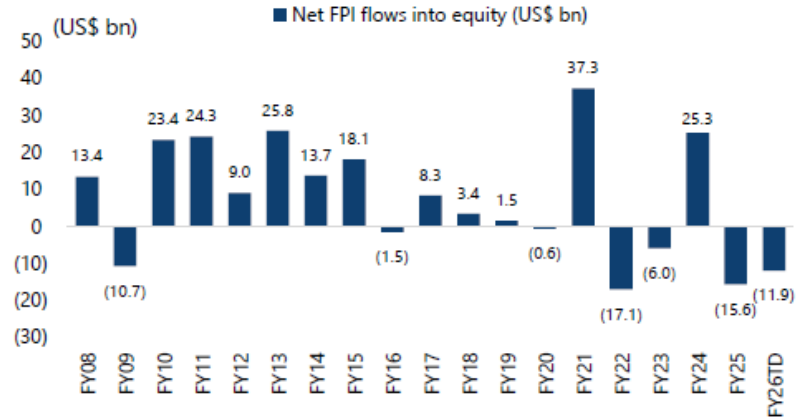
Nifty 1yr fwd PE and key indicators



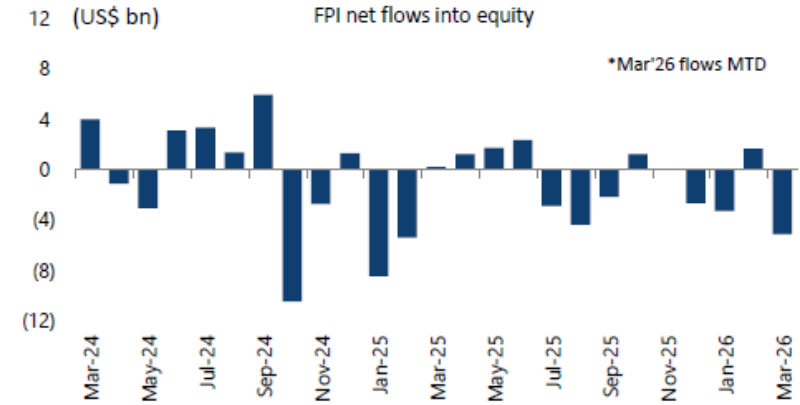
Metrics		Jan'10 to Dec'14	Jan'15 to Dec'19	Jan'21 to Dec'25	Apr'16 to Mar'26
Market perf. (cagr)	Nifty 50	10%	8%	13%	11%
	Nifty				
	Midcap / smallcap	11%/9%	6%/2%	24%/20%	15%/12%
Relative perf.	MSCI India vs MSCI EM (USD terms)	Outperformance	Outperformance	Outperformance	Outperformance
		+9ppt	+3ppt	+47ppt	+27ppt
Nifty earnings CAGR (%)		8.0%	4.2%	16.8%	10.7%
Nifty avg. RoE (%)		16.2%	14.0%	14.4%	14.1%
Avg. PE		14.1x	16.8x	19.7x	18.6x
India Real GDP growth		7.6%	6.9%	7.9%	6.0%
CPI Inflation (avg. annual)		9.4%	4.2%	4.9%	4.7%
Bond yields (avg.)		8.2%	7.3%	6.8%	6.8%
Bond yield gap (avg.)		1.0ppt	1.3ppt	1.7ppt	1.4ppt

FII outflows continue but DII remains strong

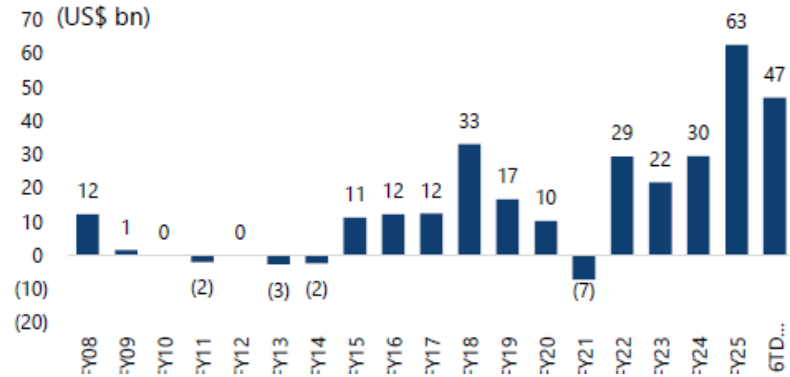
Net FPI flows into equity down so far in FY26



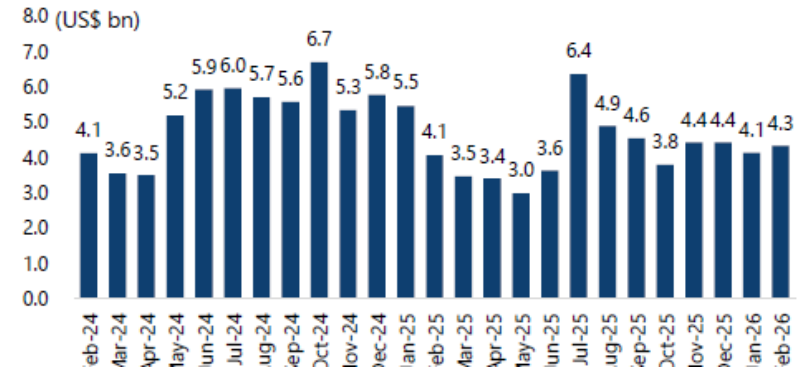
Net FII flows into markets -ve at \$ 5.1bn in Mar' 26



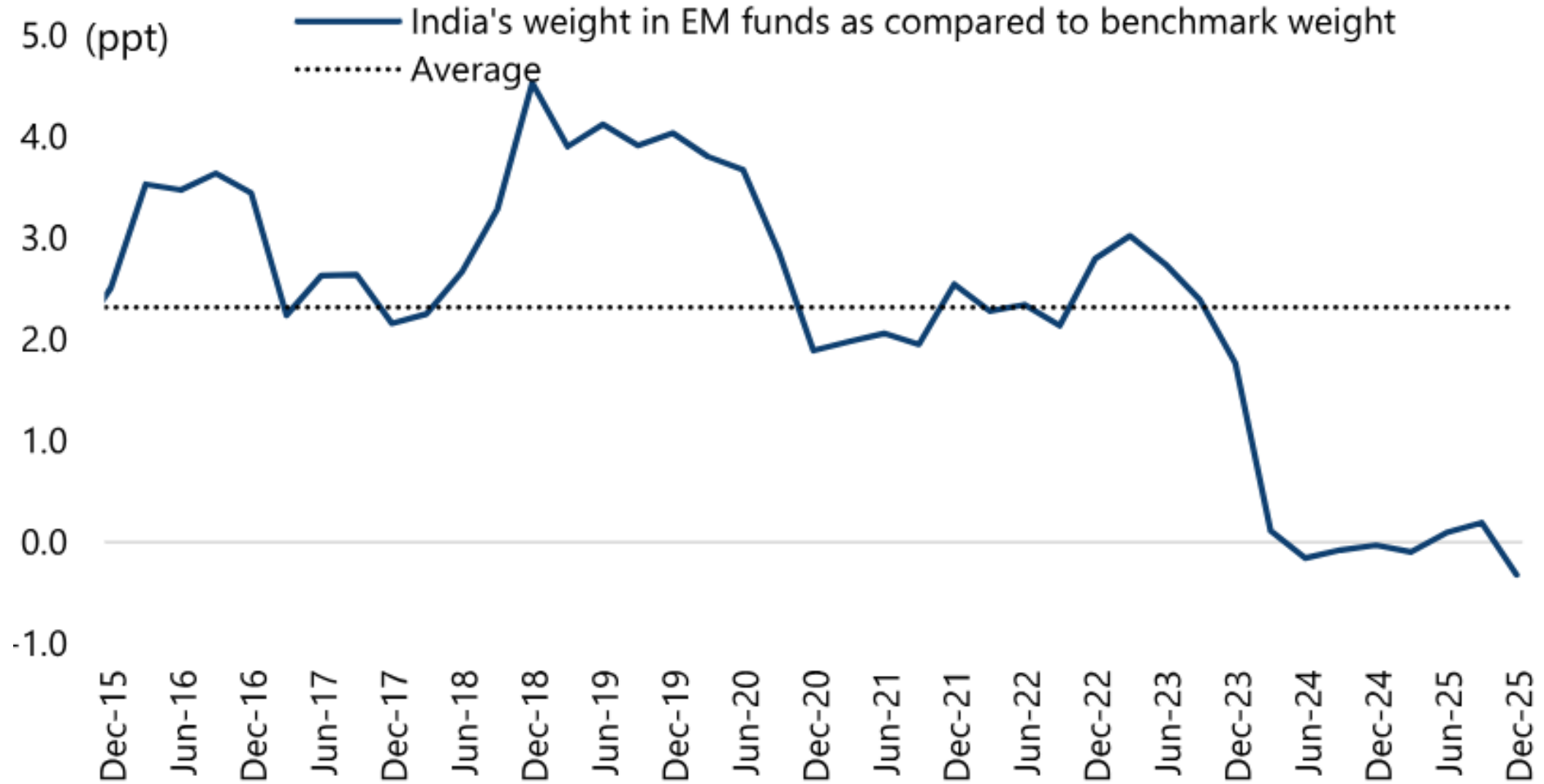
Domestic MF flows into equity in FY26



Domestic MF flows into equity \$4.3bn in Feb'26

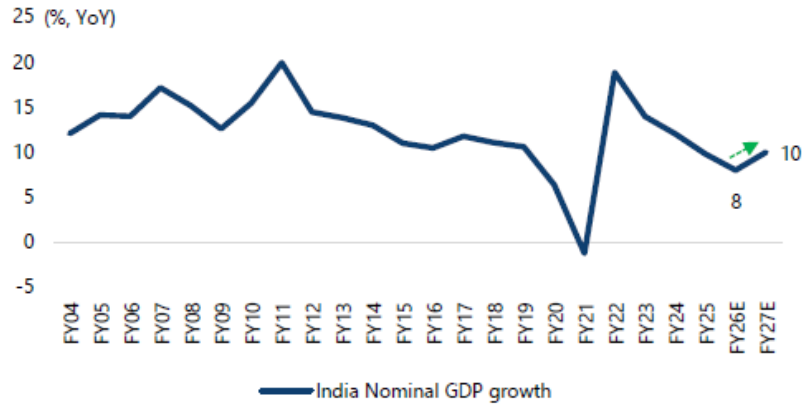


FPI underweight on India at all time highs

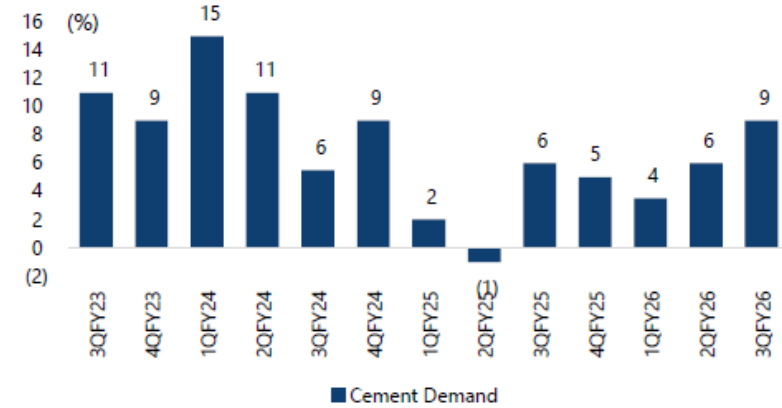


Frequent indicators suggest continued momentum

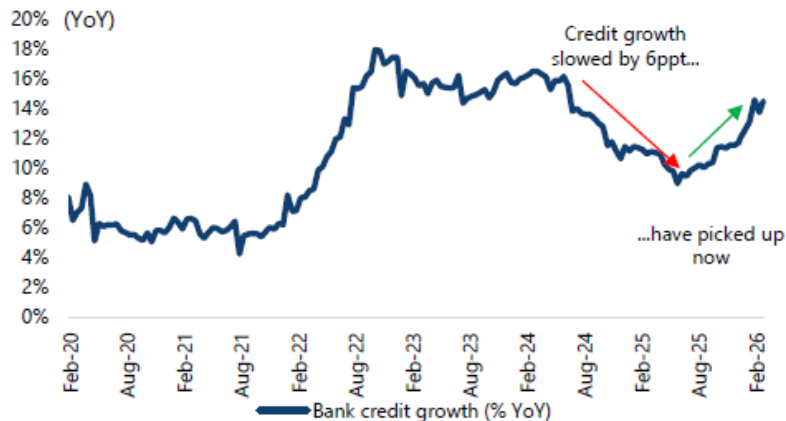
India Nominal GDP growth expected to improve in FY27



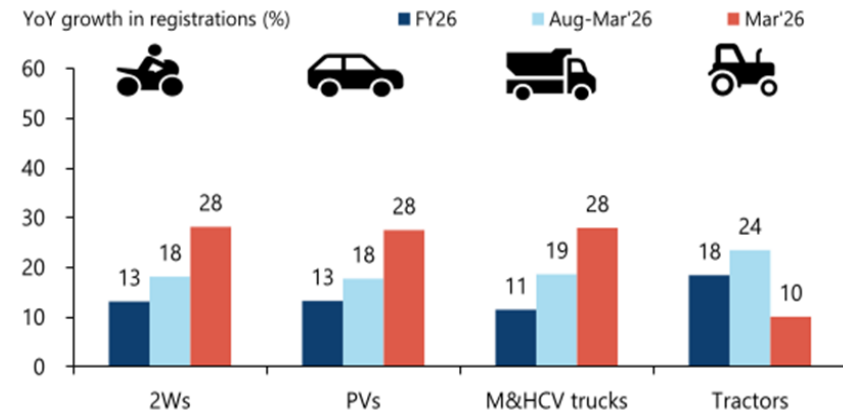
Cement demand also improved to 9% in Dec' 25 qtr



Credit growth has improved

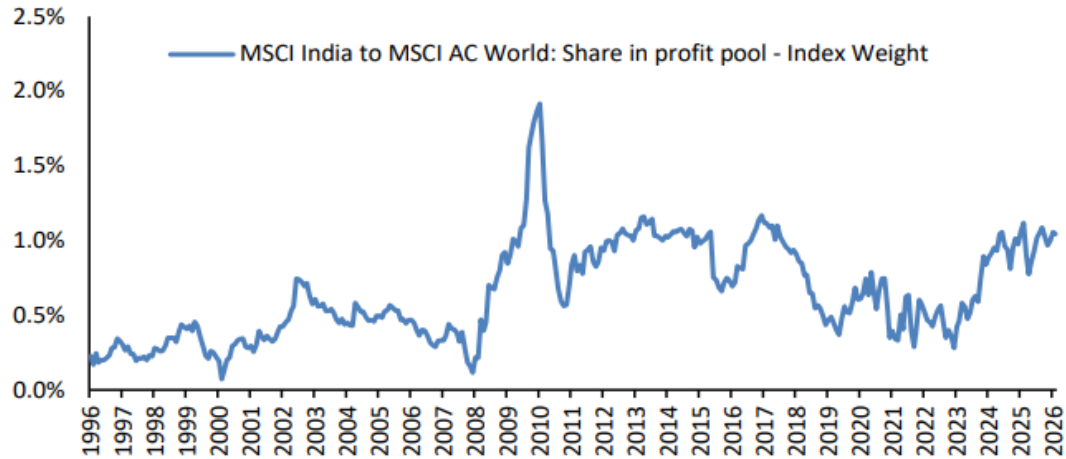


Double digit auto growth in registrations across segments

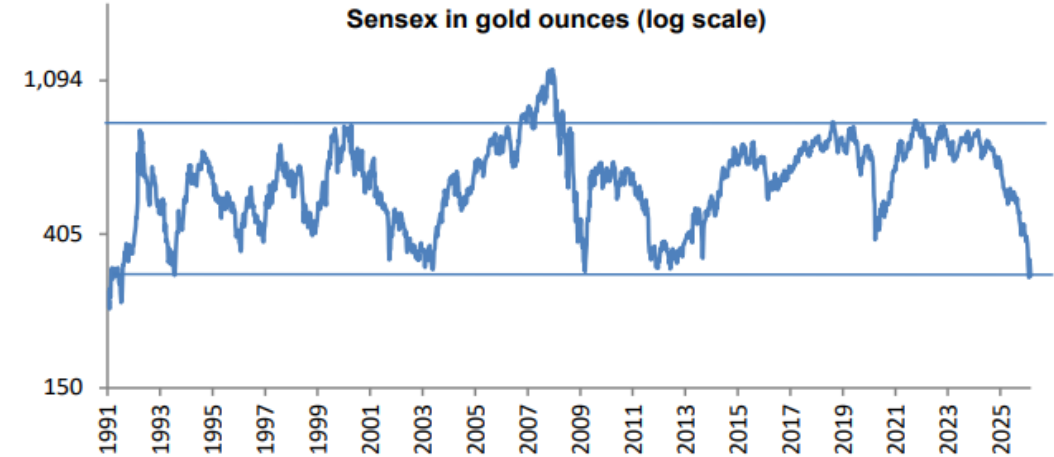


Indian markets look attractive on all metrics

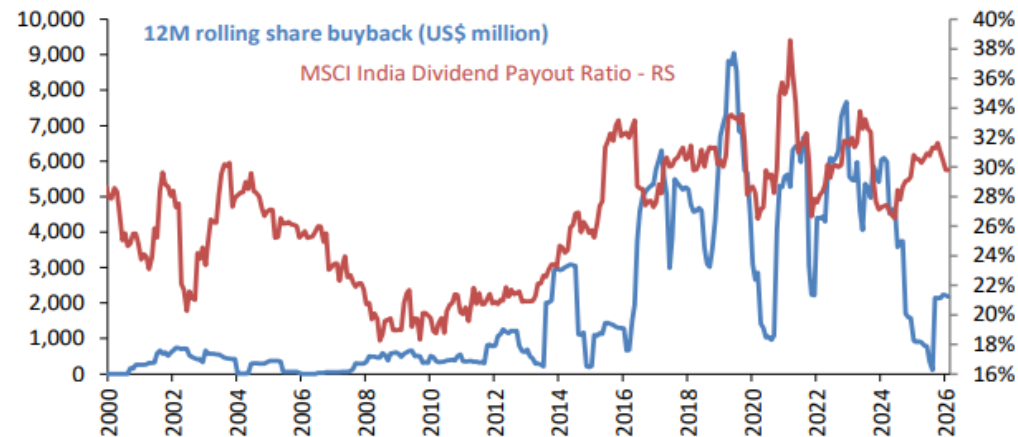
India's profit share at its highest relative to Index weight



Sensex is the cheapest ever in gold terms



Corporate buybacks likely to form new highs from April 2026



Historically Jan-Feb have been weakest months with rebounds seen later

Nifty Small 100	Drawdown during Jan-March	Date of Bottom	Bounce Back within the Next Fiscal Year	Peak Date	Bounceback Time (months)
2009	-24%	09-Mar-09	176%	18-Jan-10	11
2011	-21%	10-Feb-11	19%	07-Apr-11	2
2013	-21%	26-Mar-13	20%	31-Mar-14	12
2016	-24%	12-Feb-16	60%	31-Mar-17	14
2018	-20%	23-Mar-18	9%	30-Apr-18	1
2020	-47%	24-Mar-20	154%	04-Mar-21	12
2022	-22%	24-Feb-22	17%	08-Apr-22	1
2023	-11%	27-Mar-23	90%	07-Feb-24	11
2025	-23%	03-Mar-25	31%	16Jul.25	5
2026	-9%	?	?	?	?
Average	-24%		64%		8

Month (Jan 2009 to Jan 2026)	Average Returns for Nifty Smallcap 100
January	-1.3%
February	-3.1%
March	1.5%
April	5.3%
Ma	3.1%
June	2.4%
July	2.1%
August	0.4%
September	1.2%
October	2.6%
November	1.0%
December	2.2%

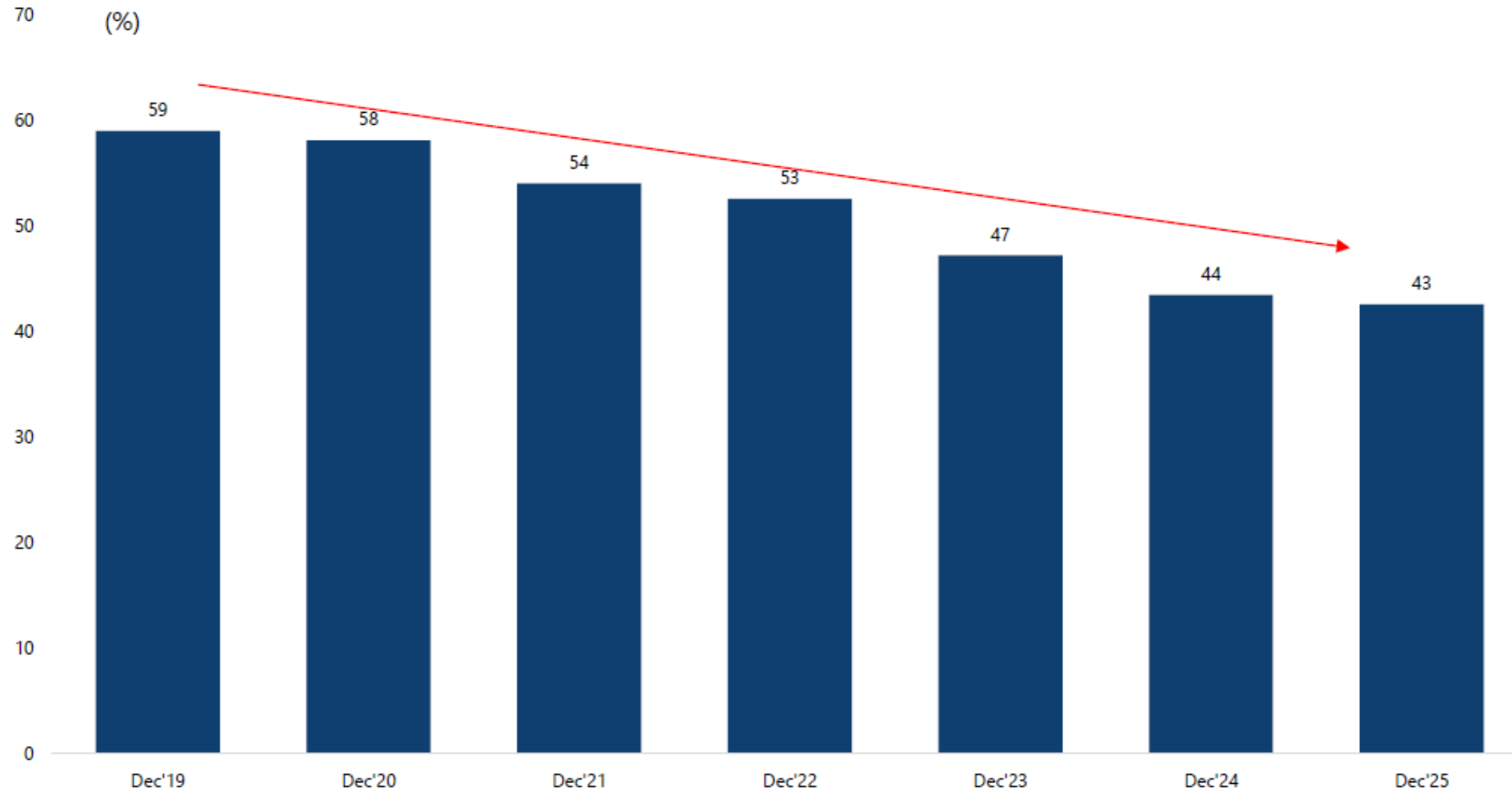


Themes we like



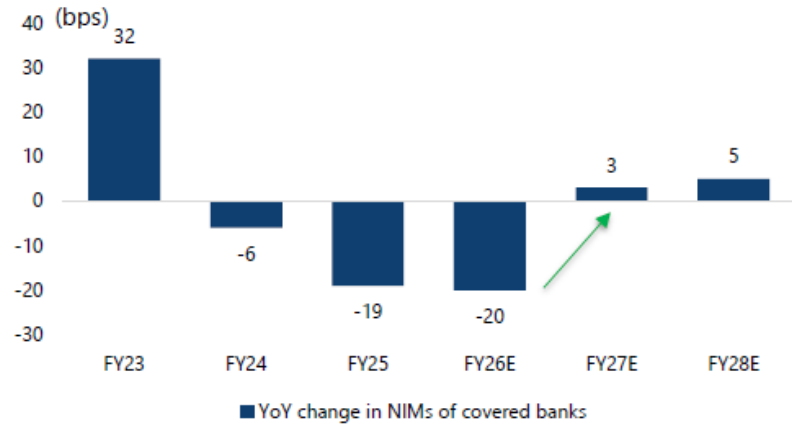
Weight of traditional leaders is in downtrend

Combined weight of Banks, IT, Cons staples and RIL in MSCI India

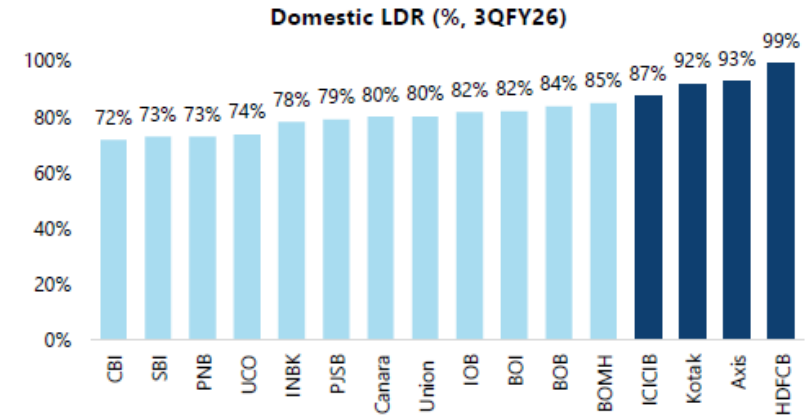


Why we believe financials are in a sweet spot

NIM compression behind now

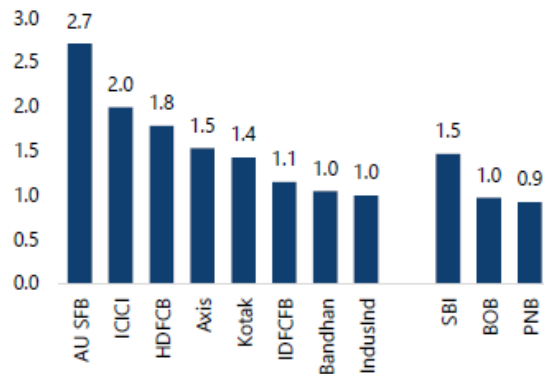


PSU banks' LDR relatively lower than Pvt banks

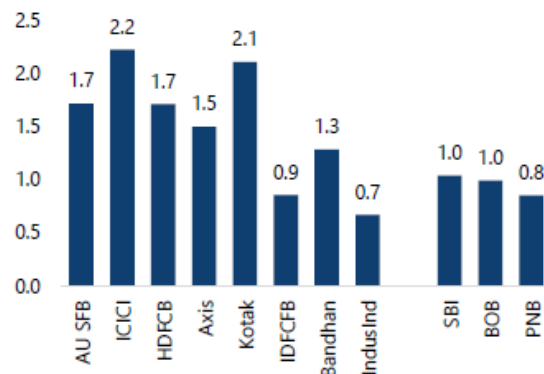


Banks' valuations and return ratios

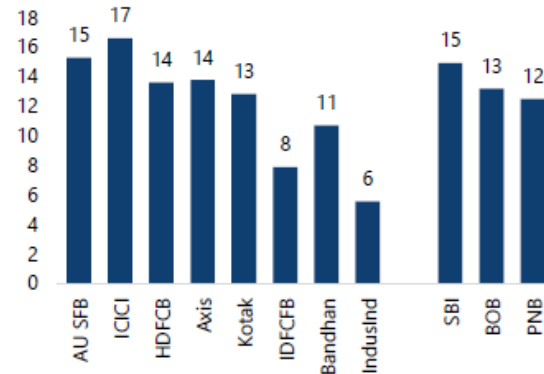
(x) FY27E Adj. Price to Book



(%) FY27E RoA

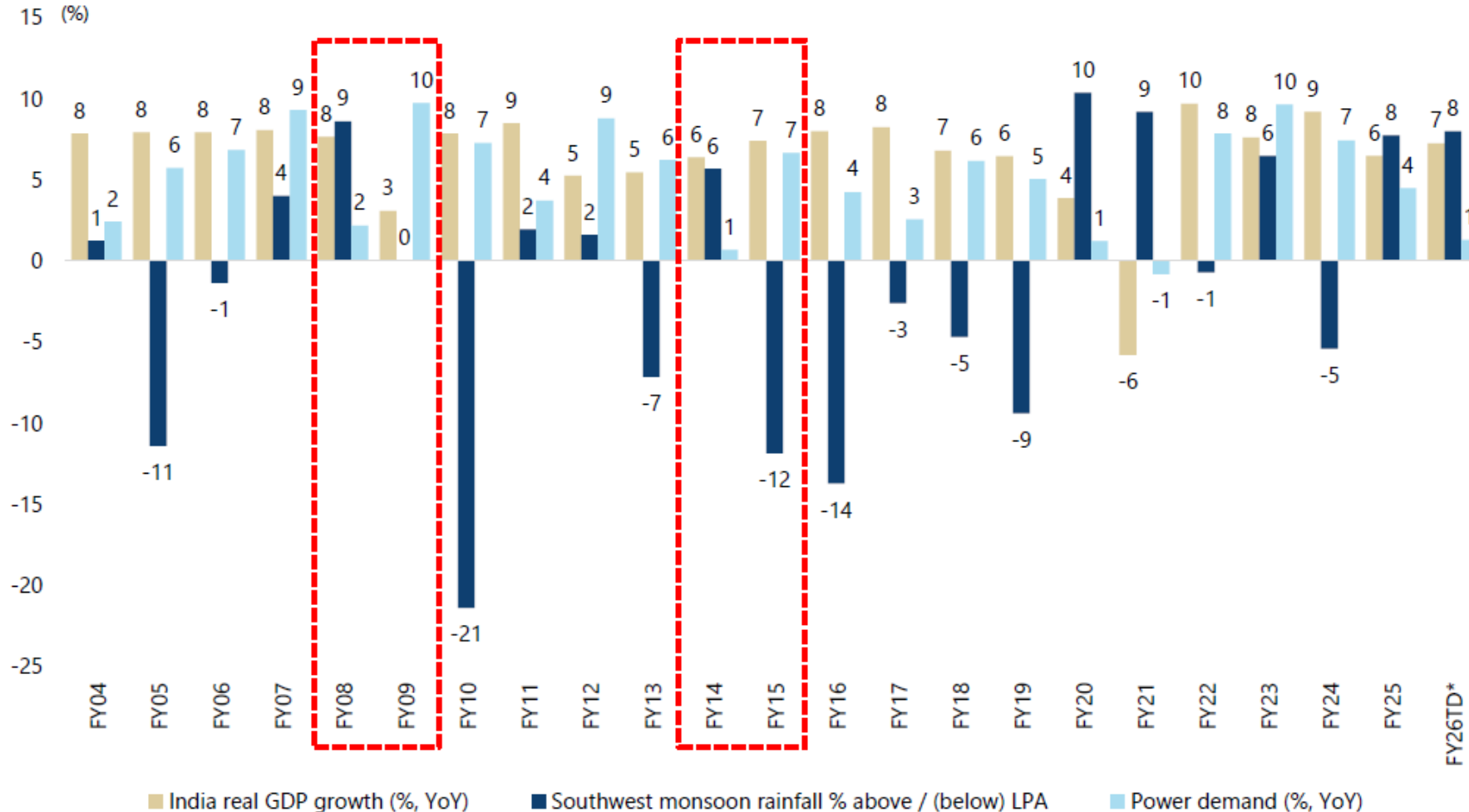


(%) FY27E RoE



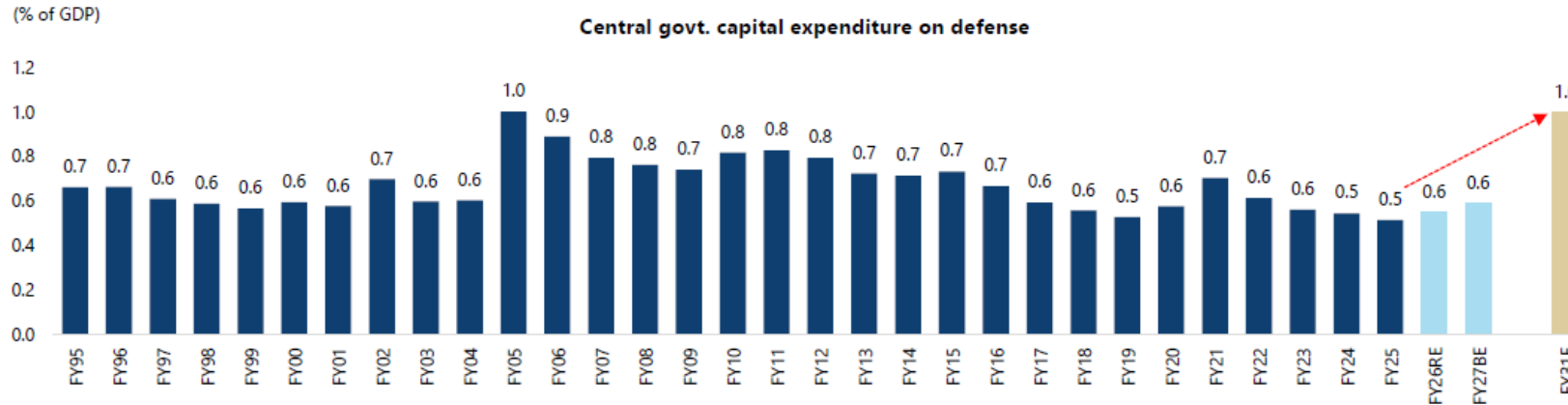
Power demand is bound to rebound

Normal monsoon may aid power demand to recover

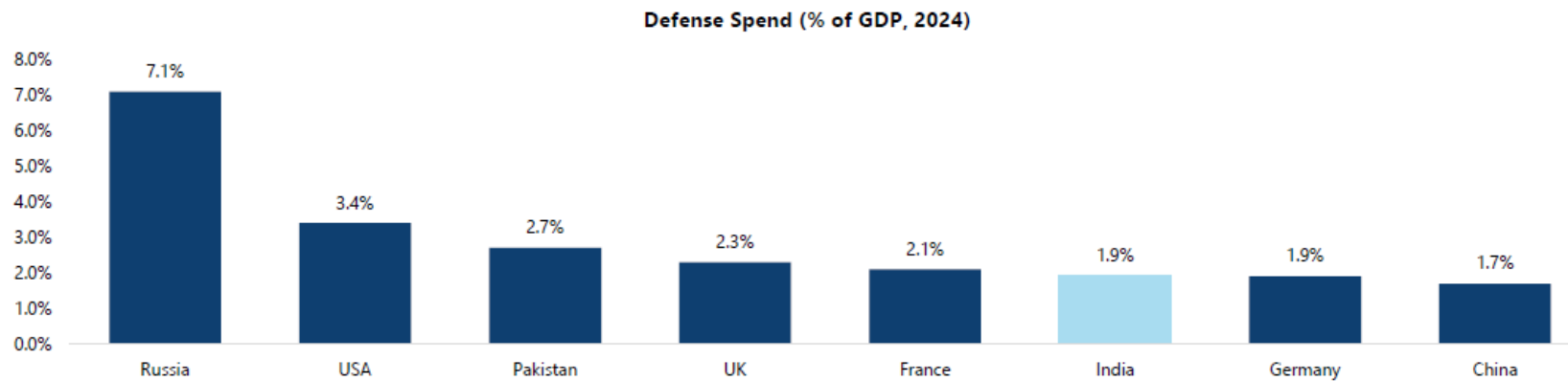


India's defense capex has to rise

Central government capital expenditure on defense budget can rise by 20%+ CAGR

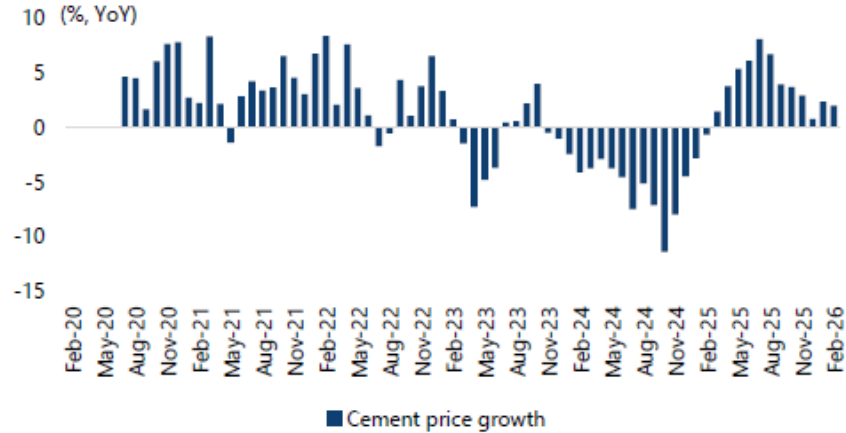


India defense spend is lower compared to other countries

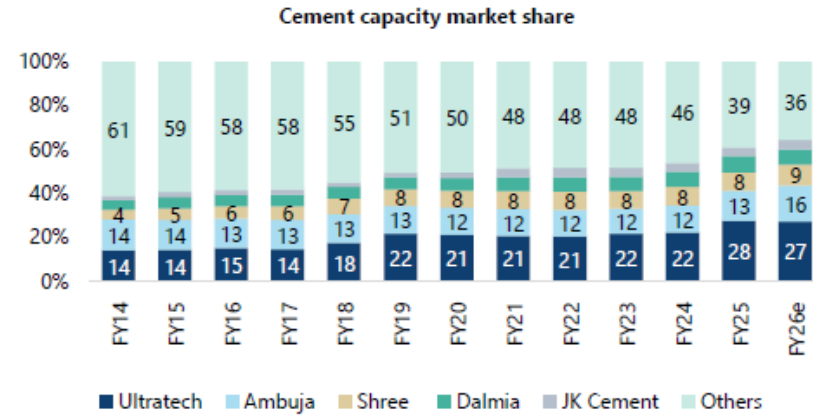


Cement: Moderating Competition as Pricing takes front seat

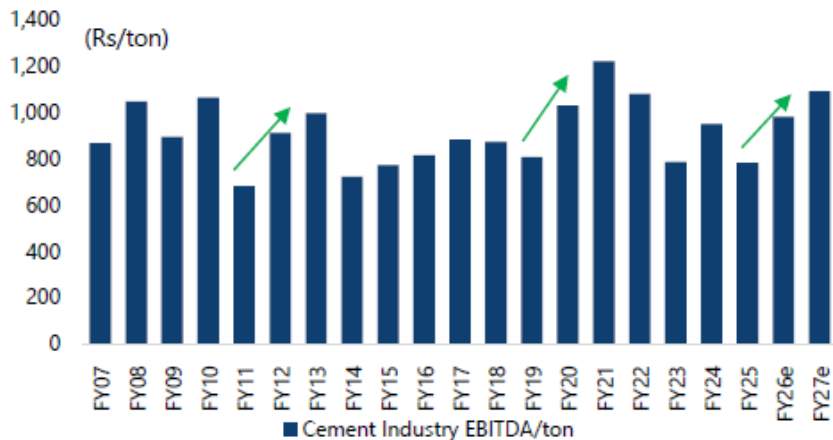
Monthly cement pricing growth trend



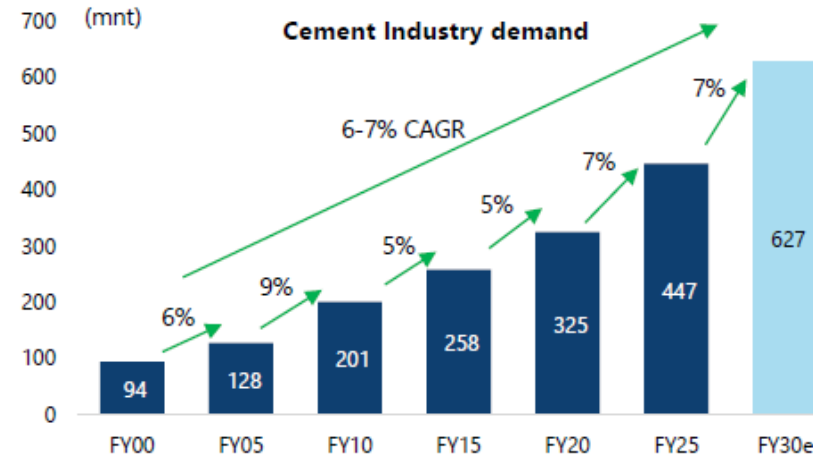
Recent round of consolidations will bolster industry discipline



Cement Industry EBITDA/T on an upward trajectory

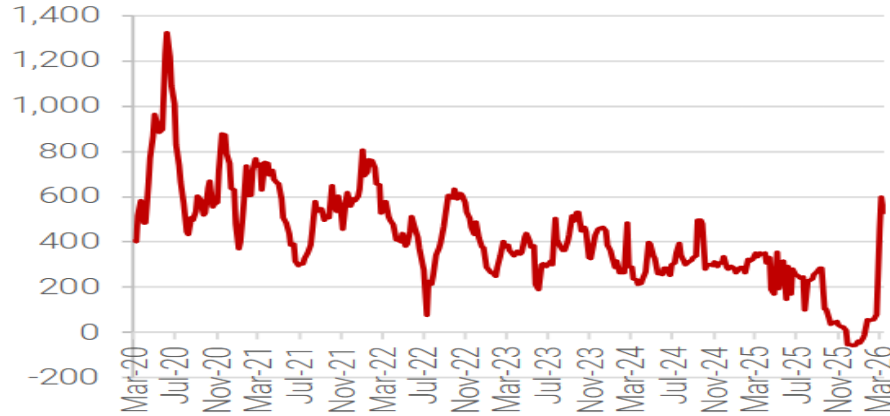


Cement demand slated to grow at 6-7% CAGR

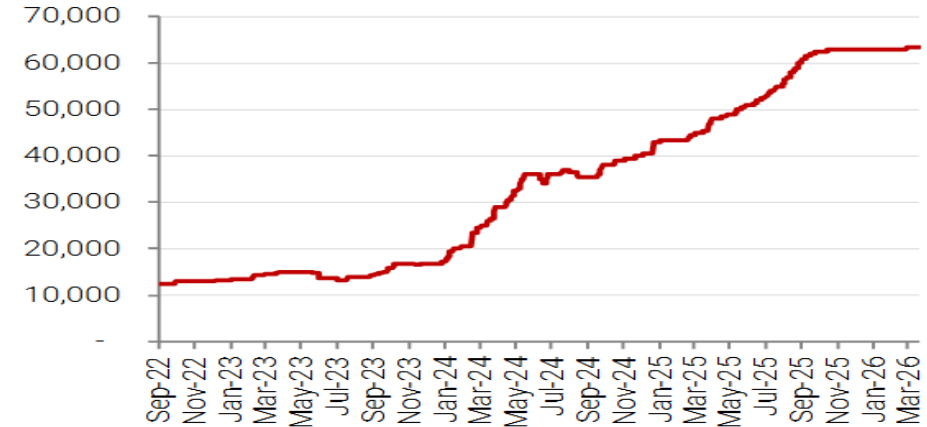


Chemicals: Margins are at decadal lows – can inflation change things?

Spreads for multiple chains have spiked (Phenol spreads \$/ton)



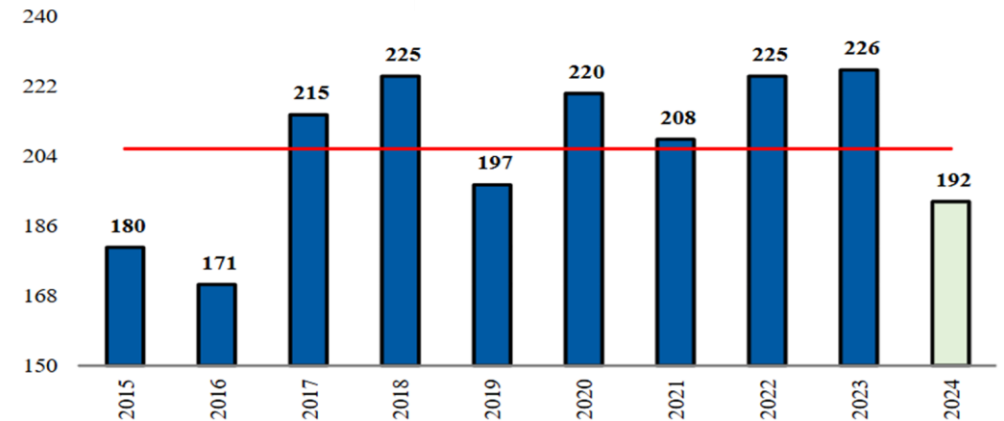
Spot prices for many chemicals at high levels (R32 RMB/ton)



Most chemical cos have derated significantly (P/BV)



Is the destocking cycle behind us? (Inventory turnover days)



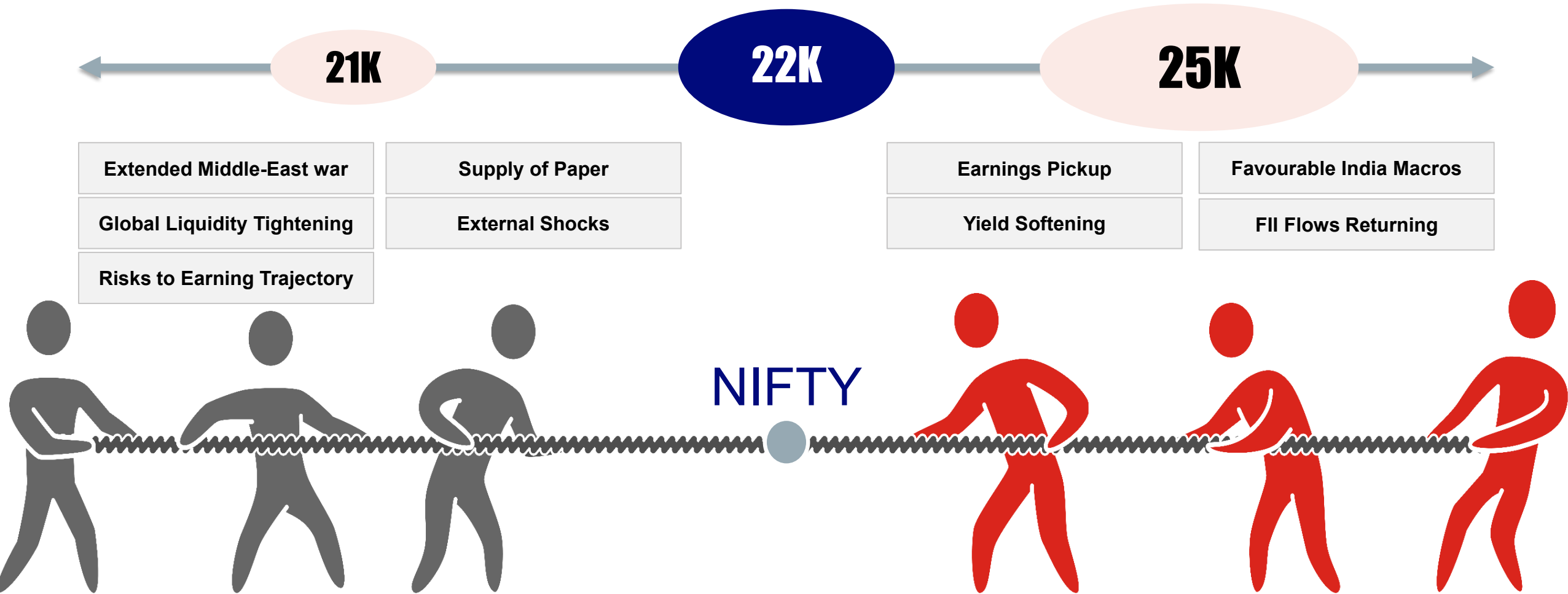
What should Investors do?



- Shifted from a conservative/cautious to a constructive stance recently
- Would recommend to raise equity exposure with higher upfront investment post this correction:
 - ✓ Top up allocations/SIPs
 - ✓ 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



Thank You

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