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MARKET OUTLOOK

May 2026



Section 1:

Global Markets



Two-months into the US-Iran war, uncertainty and confusion continues



Based on conversations with Prime Minister Shehbaz Sharif and Field Marshal Asim Munir, of Pakistan, and wherein they requested that I hold off the destructive force being sent tonight to Iran, and subject to the Islamic Republic of Iran agreeing to the COMPLETE, IMMEDIATE, and SAFE OPENING of the Strait of Hormuz, I agree to suspend the bombing and attack of Iran for a period of two weeks. This will be a double sided CEASEFIRE! The reason for doing so is that we have already met and exceeded all Military objectives, and are very far along with a definitive Agreement concerning Longterm PEACE with Iran, and PEACE in the Middle East. We received a 10 point proposal from Iran, and believe it is a workable basis on which to negotiate. Almost all of the various points of past contention have been agreed to between the United States and Iran, but a two week period will allow the Agreement to be finalized and consummated. On behalf of the United States of America, as President, and also representing the Countries of the Middle East, it is an Honor to have this Longterm problem close to resolution. Thank you for your attention to this matter! President DONALD J. TRUMP

636 ReTruths 2k Likes Apr 07, 2026, 3:32 PM



IRAN HAS JUST ANNOUNCED THAT THE STRAIT OF IRAN IS FULLY OPEN AND READY FOR FULL PASSAGE. THANK YOU!

3.82k ReTruths 19k Likes 4/17/26, 9:06 AM





Reza Amiri Moghadam 
@IranAmbPak

Follow

Despite skepticism of Iranian public opinion due to repeated ceasefire violations by Israeli regime to sabotage the diplomatic initiative, invited by Hon. PM Shehbaz Sharif, Iranian delegation arrives tonight in Islamabad for serious talks based on 10 points proposed by Iran.



Donald J. Trump  
@realDonaldTrump

I will soon be reviewing the plan that Iran has just sent to us, but can't imagine that it would be acceptable in that they have not yet paid a big enough price for what they have done to Humanity, and the World, over the last 47 years. Thank you for your attention to this matter! President DONALD J. TRUMP

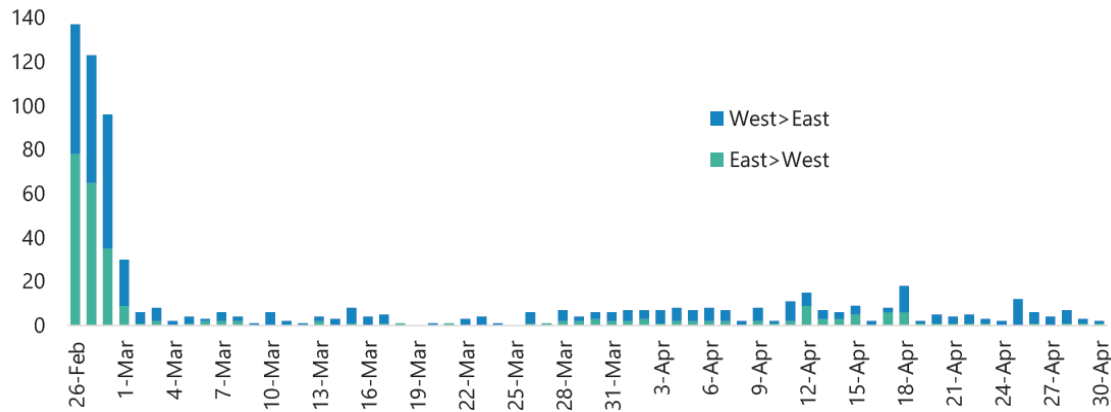
1.17k ReTruths 4.33k Likes

May 03, 2026, 4:17 AM

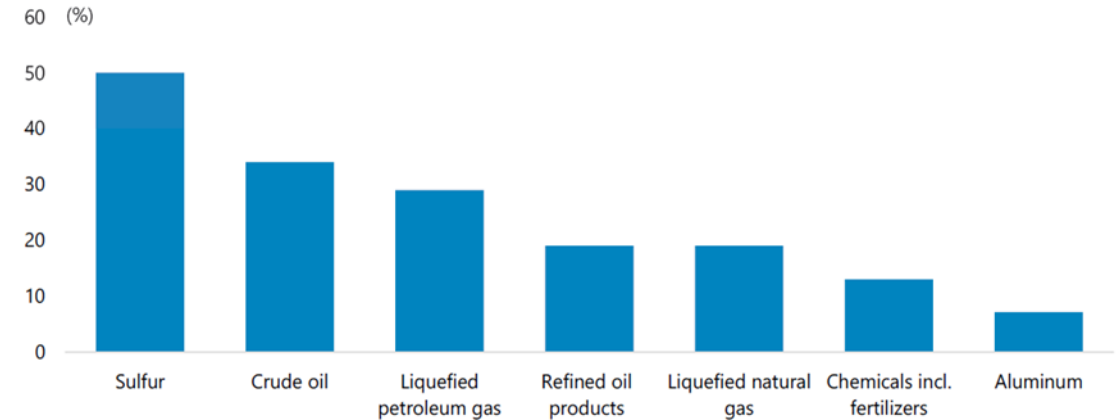
Even with ceasefire announced, the Strait of Hormuz remains restricted



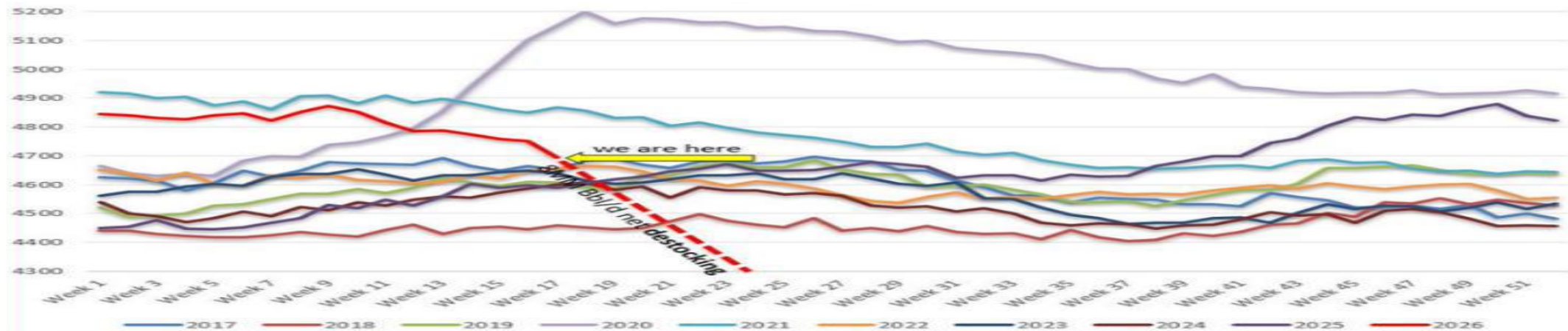
Number of tankers crossing the Strait of Hormuz



% of global seaborne trade volume passing through the Strait



Crude inventories falling rapidly — set to hit 10Y lows in ~7 weeks



Chances of Hormuz traffic returning to normal levels by end of June has fallen

Traffic returning to normal in Strait of Hormuz by the end of June has fallen from 75% last week to 52%

Apr 30 May 15 May 31 **Jun 30**

52% chance ▼ 23%

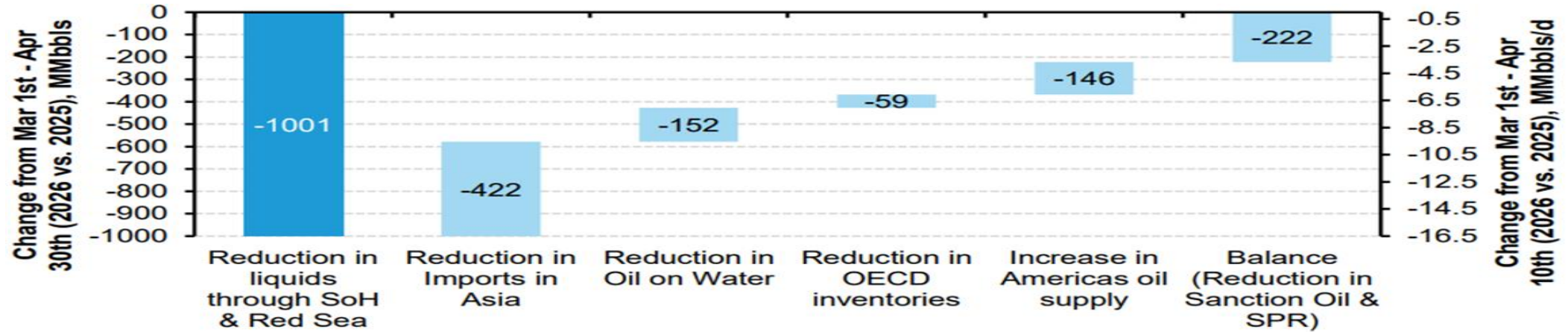


\$1,069,764 Vol. | Jun 30, 2026

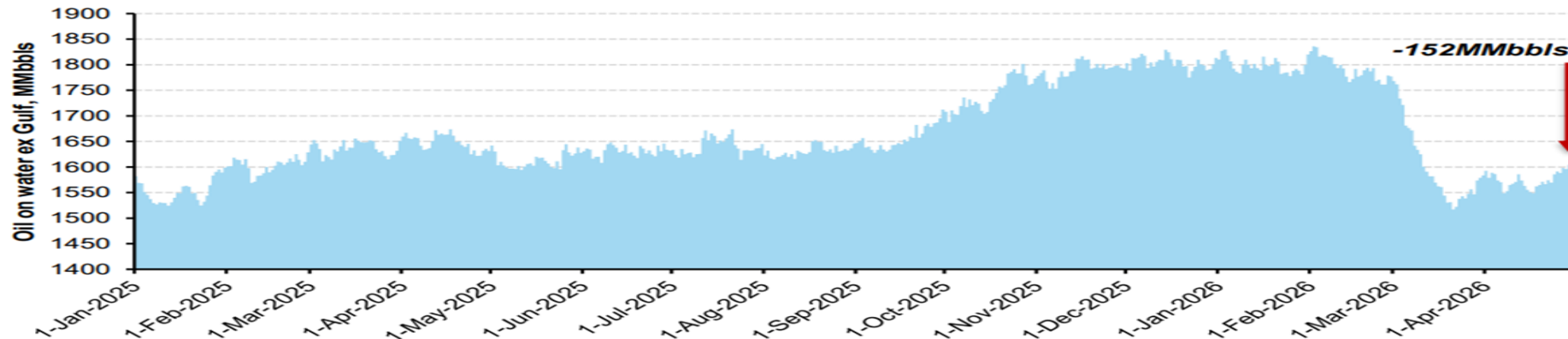
1H 6H 1D 1W 1M ALL [Icons]

Crude availability because of the blockade remains the main worry

Analysis of liquid reductions through Strait of Hormuz and the Red Sea



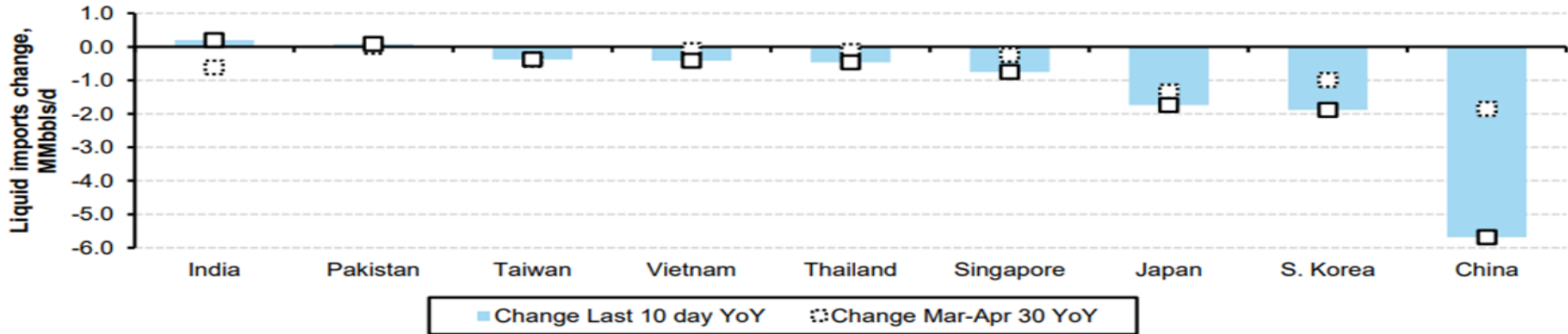
There has been ~152mn barrels draw down in oil-on-water outside the Gulf



Some countries are more impacted than others



Asian countries have reduced oil imports post war

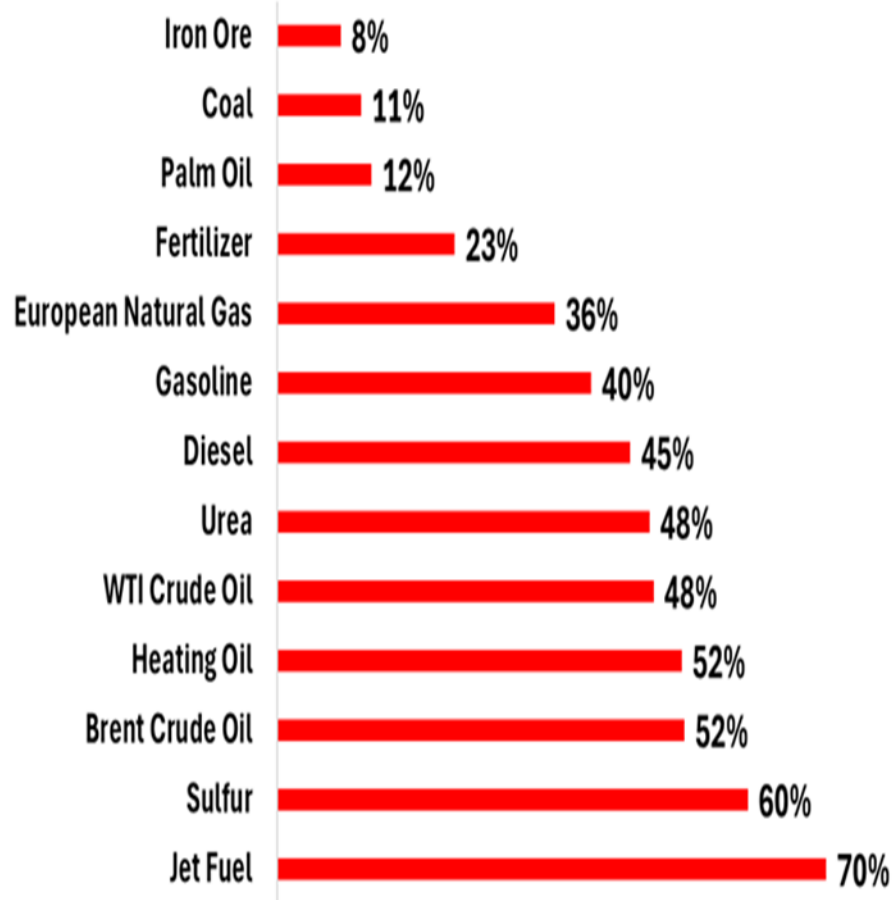


Countries around the globe are seeing fuel rationing



But near-term impact is already being felt across commodities (1/2)

Price increases since start of Iran War (as of 28th Apr 2026)

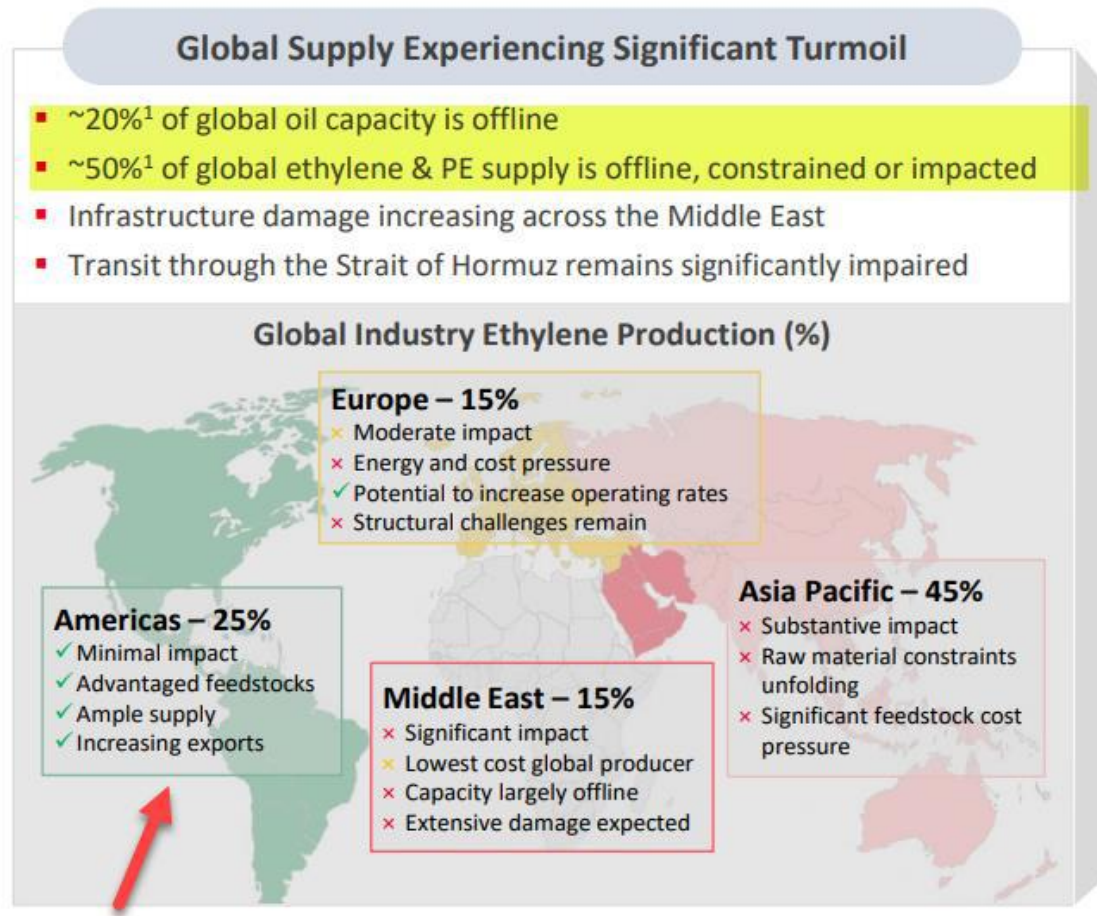


Petrochemical prices are up significantly YTD

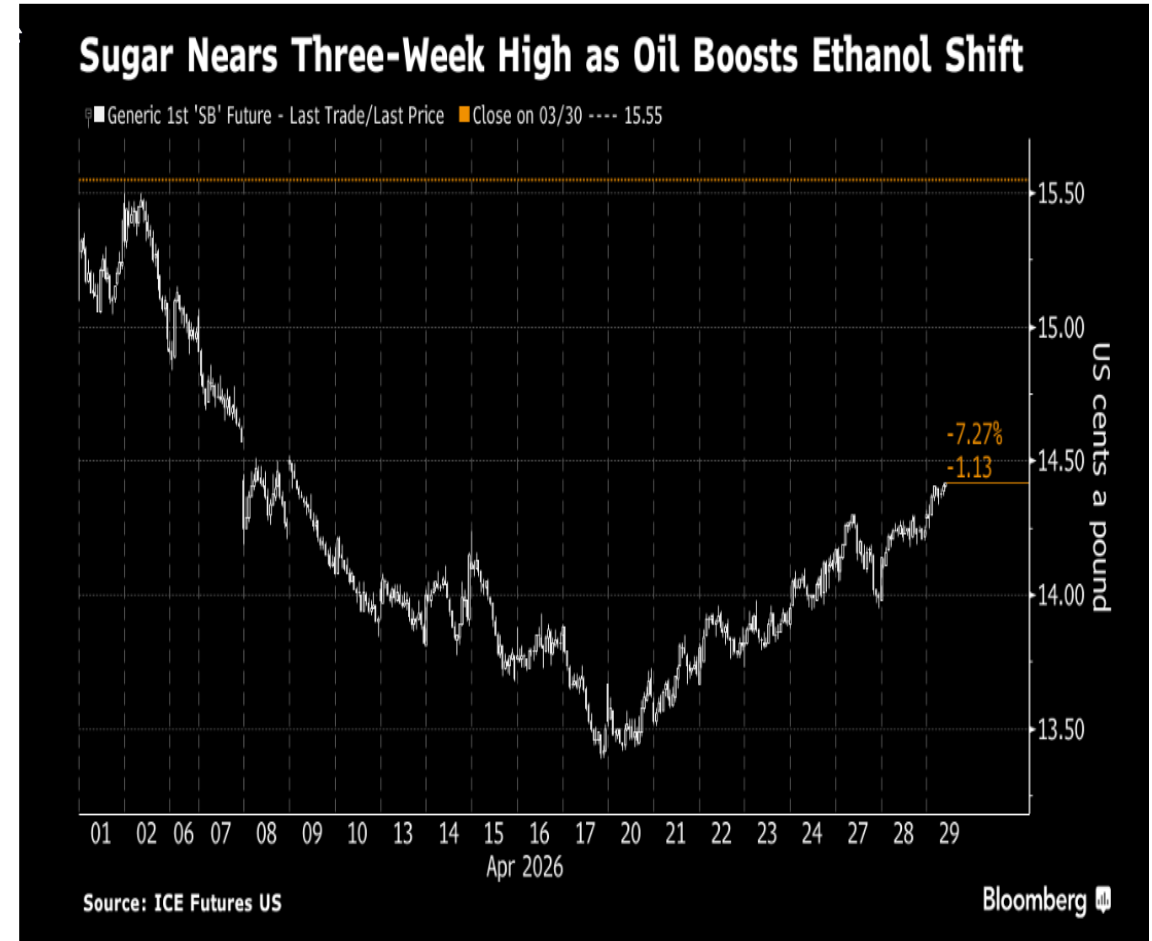
Ticker	Units	Last Px	Net Change	% Change YTD	Last Updated	Source	Frequency
Aromatics (24)							
Asia (12)							
Benzene fob Korea	USD/metric tonne	1110.00	-40.00	+61.44%	04/21	Polymer Update	Weekly on Friday
Benzene cfr Japan	USD/metric tonne	1100.00	-40.00	+61.76%	04/24	Polymer Update	Weekly on Friday
Benzene cfr India	USD/metric tonne	1090.00	-40.00	+62.69%	04/21	Polymer Update	Weekly on Friday
Toluene fob Korea	USD/metric tonne	1030.00	+25.00	+58.46%	04/24	Polymer Update	Weekly on Friday
Styrene fob Korea	USD/metric tonne	1365.00	+5.00	+63.47%	04/24	Polymer Update	Weekly on Friday
Styrene cfr Japan	USD/metric tonne	1315.00	+5.00	+55.62%	04/24	Polymer Update	Weekly on Friday
Styrene cfr India	USD/metric tonne	1450.00	--	+72.62%	04/24	Polymer Update	Weekly on Friday
Methanol cfr India	USD/metric tonne	605.00	--	+98.36%	04/24	Polymer Update	Weekly on Friday
Methanol cfr China	USD/metric tonne	421.00	-16.00	+69.08%	04/24	Polymer Update	Weekly on Friday
Methanol cfr Korea	USD/metric tonne	637.00	-10.00	+105.48%	04/24	Polymer Update	Weekly on Friday
Methanol cfr SL Asia	USD/metric tonne	651.00	-21.00	+102.17%	04/21	Polymer Update	Weekly on Friday
Methanol cfr Japan	USD/metric tonne	637.00	-10.00	+105.48%	04/24	Polymer Update	Weekly on Friday
Europe (7)							
United States (5)							
Condensates (4)							
Asia (1)							
Naphtha cif Japan	USD/metric tonne	1043.0000	+15.0000	+94.73%	04/29	General Index	Daily
Europe (2)							
United States (1)							
Olefins (10)							
Asia (6)							
Ethylene fob Korea	USD/metric tonne	1335.00	110.00	+88.03%	04/24	Polymer Update	Weekly on Friday
Ethylene fob Japan	USD/metric tonne	1330.00	-110.00	+88.65%	04/24	Polymer Update	Weekly on Friday
Propylene fob Korea	USD/metric tonne	1325.00	--	+85.31%	04/24	Polymer Update	Weekly on Friday
Propylene fob Japan	USD/metric tonne	1305.00	--	+82.52%	04/24	Polymer Update	Weekly on Friday
Butadiene fob Korea	USD/metric tonne	1915.00	-390.00	+104.81%	04/24	Polymer Update	Weekly on Friday
Middle Last cfr SL Asia	USD/metric tonne	705.00	-45.00	+56.67%	04/21	Polymer Update	Weekly on Friday

But near-term impact is already being felt across commodities (2/2)

50% of global ethylene & PE supply is offline or constrained



Sugar has rallied as countries increase ethanol in gasoline



UAE decided to leave OPEC signalling that supply could increase

UAE exits OPEC

UAE Leaves OPEC+ Effective May 1, Citing Output Quota Dispute Amid Iran-Israel War Disrupting Strait of Hormuz

Intl. Relations Economy HIGH

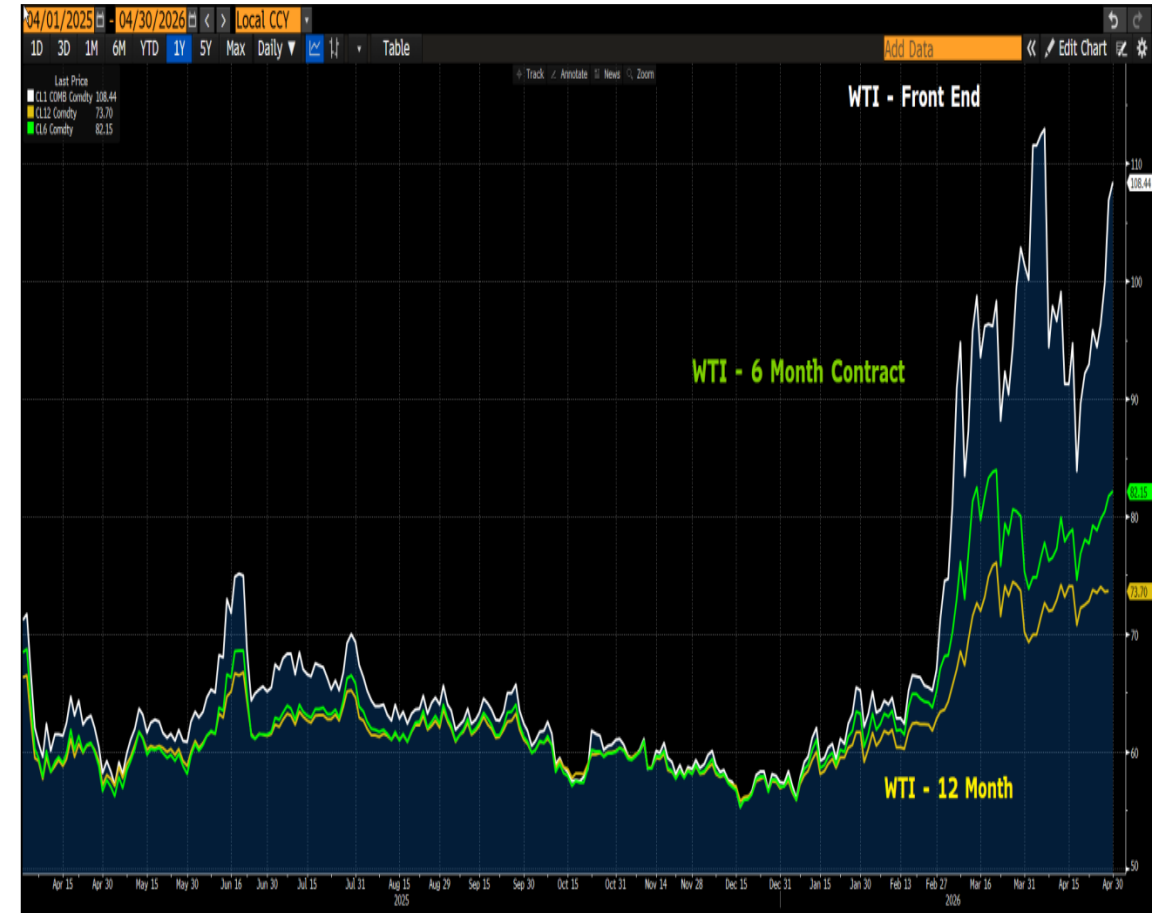


سهييل المزروعى
@HESuhail

Translated from Arabic Show original

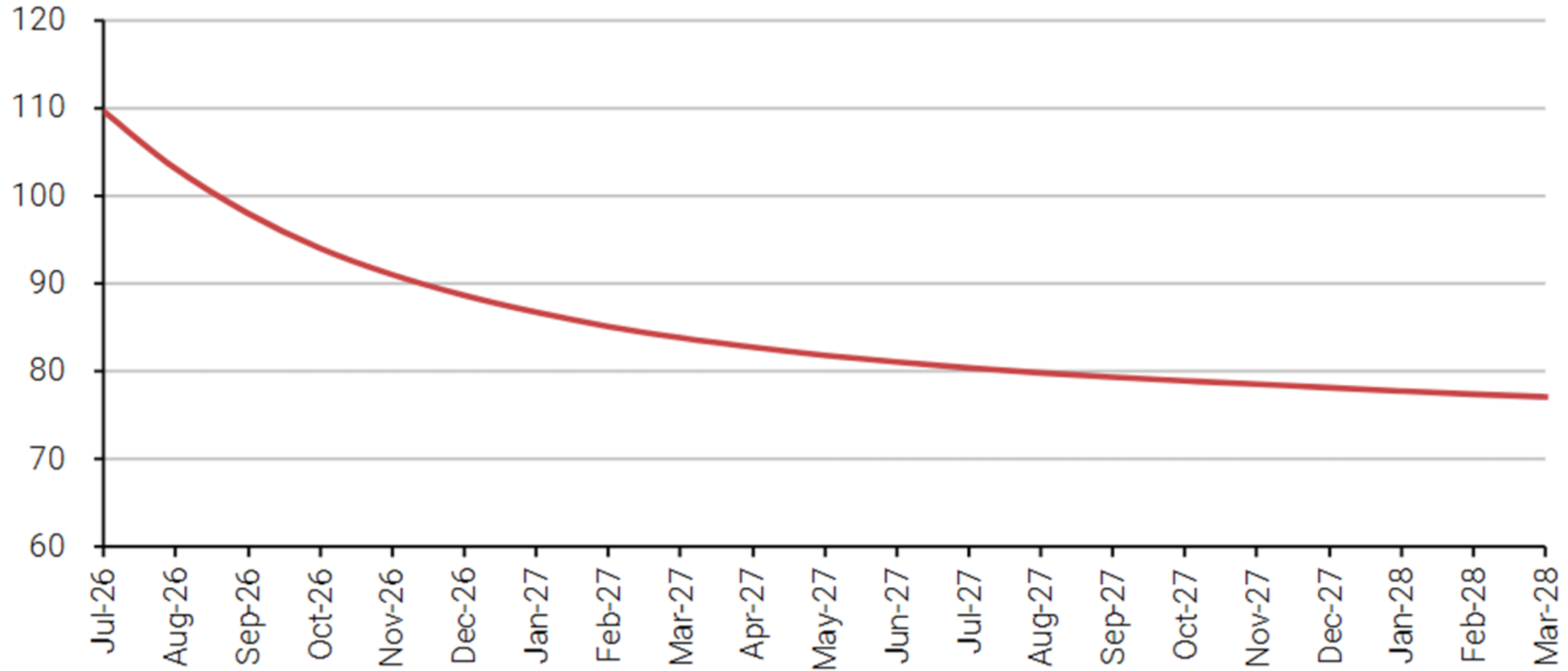
The UAE's decision to exit OPEC aligns with sector policy-driven developments and is consistent with long-term market fundamentals. We express our appreciation to OPEC and member states for decades of constructive cooperation. We reaffirm our commitment to energy security by providing reliable, responsible, and low-emission supplies, supporting global market stability.

Far end of the curve has started to price in this possibility



Brent continues to remain in severe backwardation and futures is still under USD 80 per bbl...

Future curve of Brent crude price (US\$/bbl)

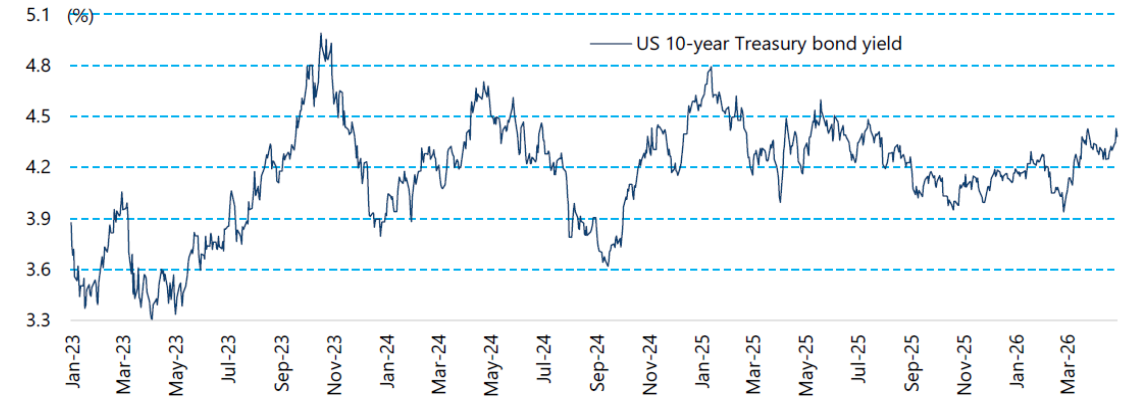


S&P 500 is at all-time highs while the new Fed chair inherits a dilemma

S&P 500: Number of all-time highs (1929-2026)

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	39
1946	0	1966	9	1986	31	2006	0	2026	10
1947	0	1967	14	1987	47	2007	9		
1948	0	1968	34	1988	0	2008	0		

US 10Y Treasury yield approaching 4.5% - pressure point for war

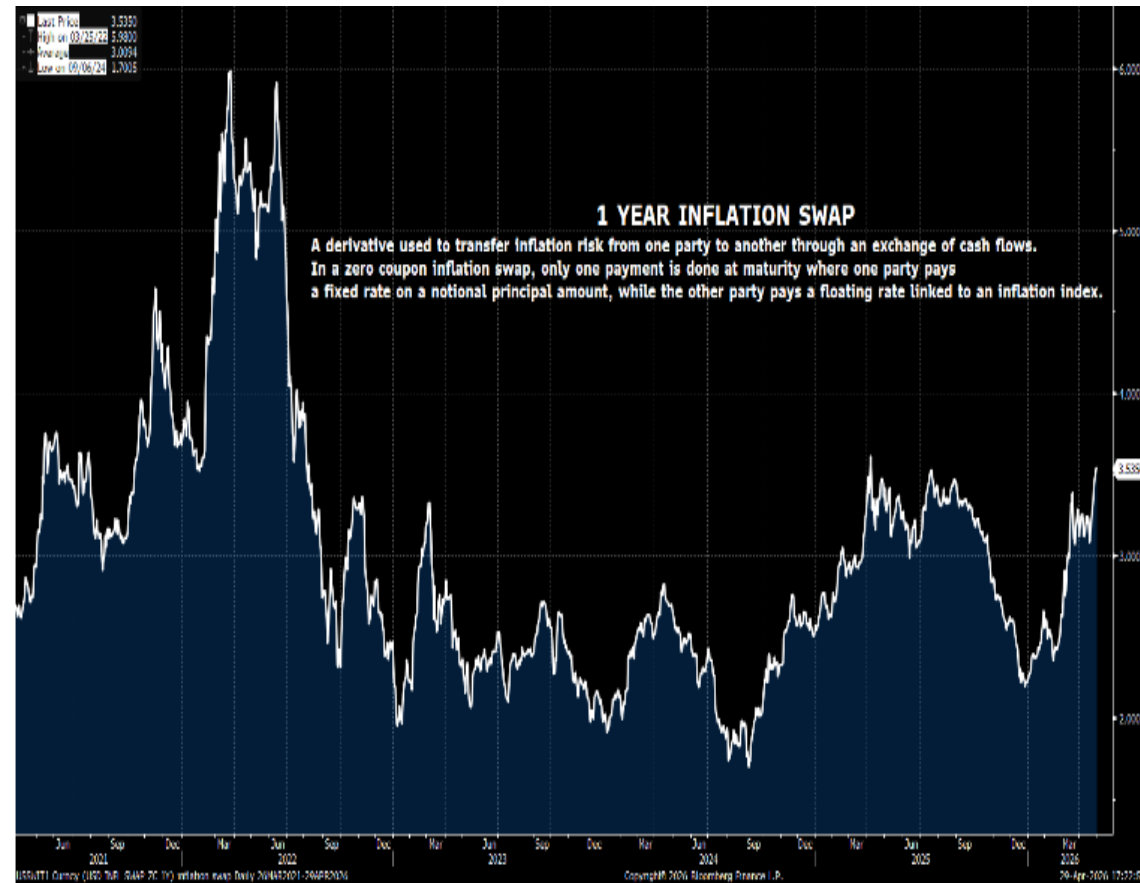


Market no longer expects any FED cuts for the rest of the year



Inflation and yields have made new highs since start of Iran War

1 year inflation swap



The 2-year yield is close to its highs of the year



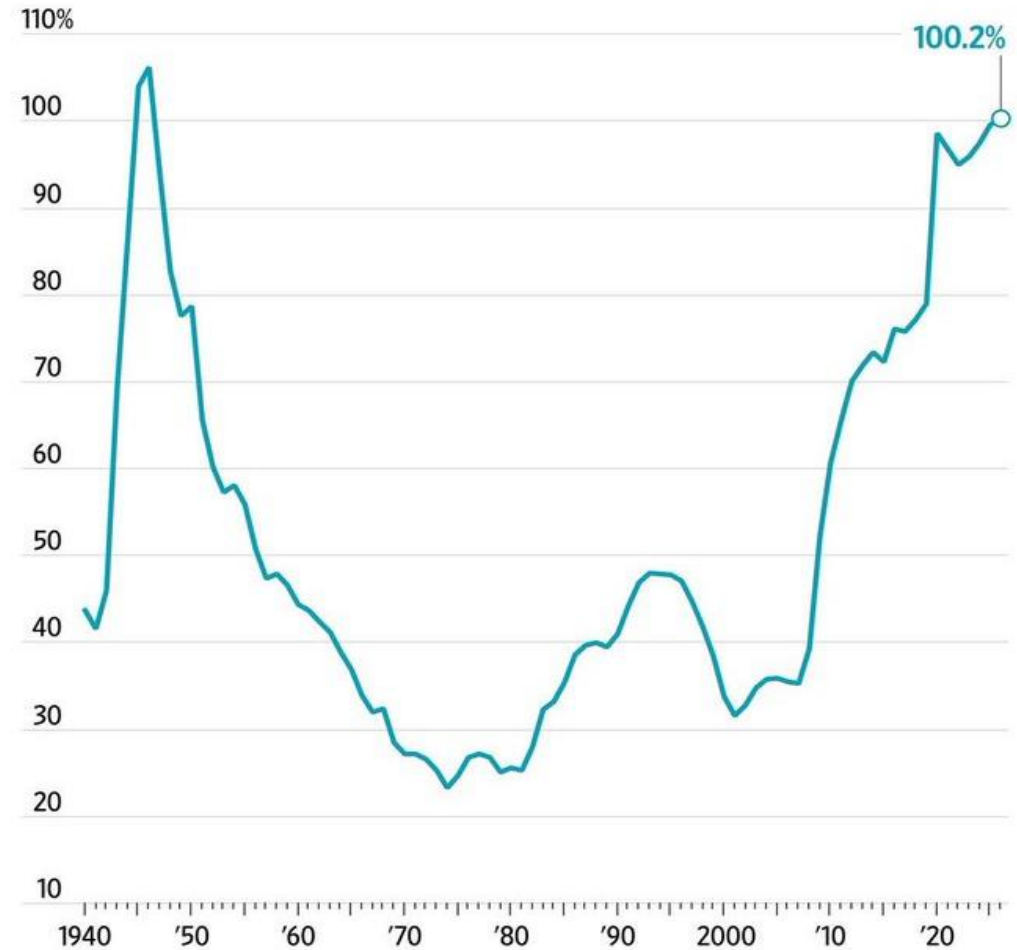
US debt now exceeds the size of economy – a once unthinkable threshold



US Debt crossed USD 39 Tn as of 31st March 2026



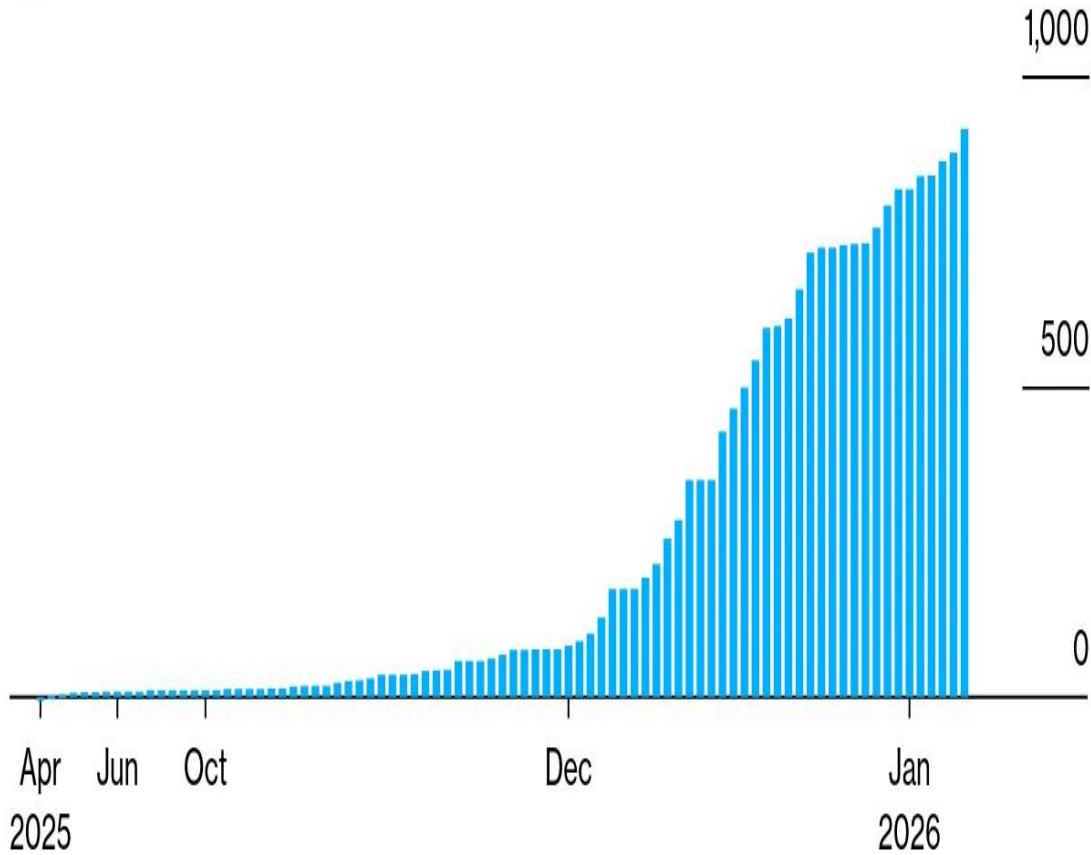
US publicly held debt as a share of GDP (%)



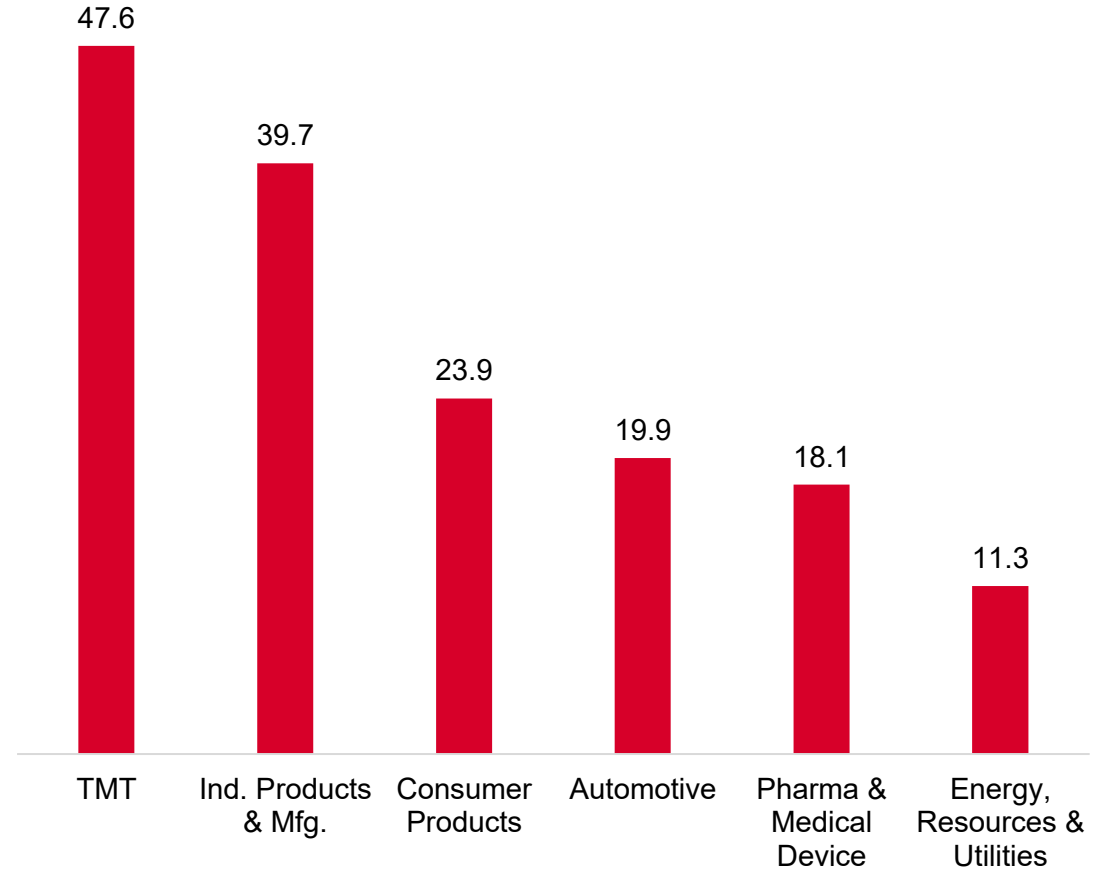
Businesses race to apply as US initiates USD 160 Bn+ tariff refunds

Tariff lawsuits surged after Supreme Court hearing

■ Number of cases filed



Top industries for potential tariff refunds (USD bn)



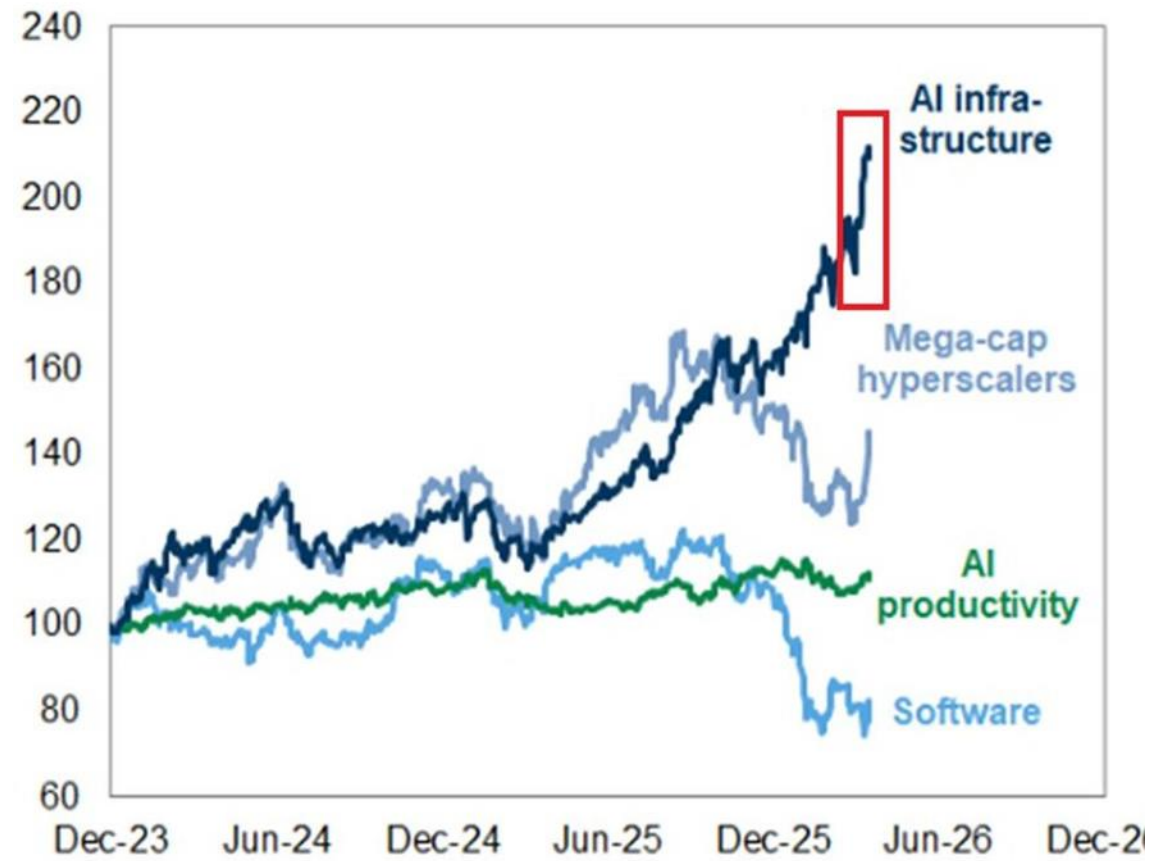
AI remains the dominant story globally – Are we moving into the excess zone?

(1/3)

Nvidia's weight in ACWI crosses Japan (3rd largest stock market)



Indexed returns of AI-related portfolios vs. equal weighted S&P500



AI remains the dominant story globally – TSMC weight higher than entire India weight in MSCI EM Index (2/3)

TSMC crosses USD 2 Tn market cap, >40% of country index



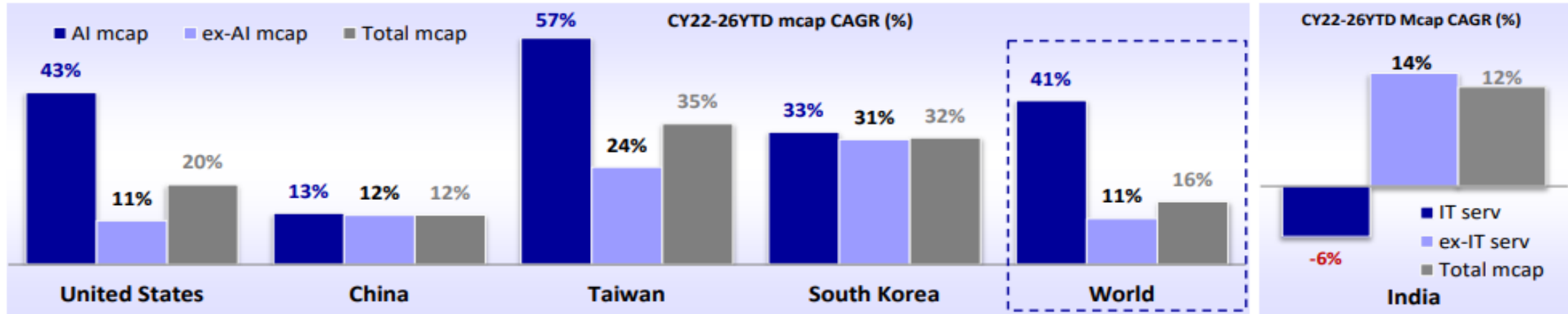
Samsung becomes a trillion-dollar company



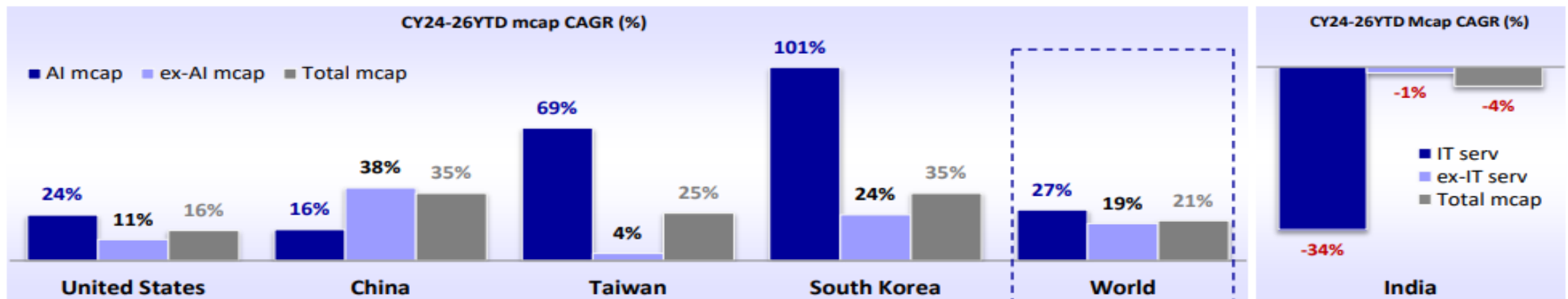
AI remains the dominant story globally – Are we moving into the excess zone?

(3/3)

CY22-26YTD CAGR (%) – ChatGPT LLM (since Nov'22) made AI accessible, unlocked widespread AI adoption

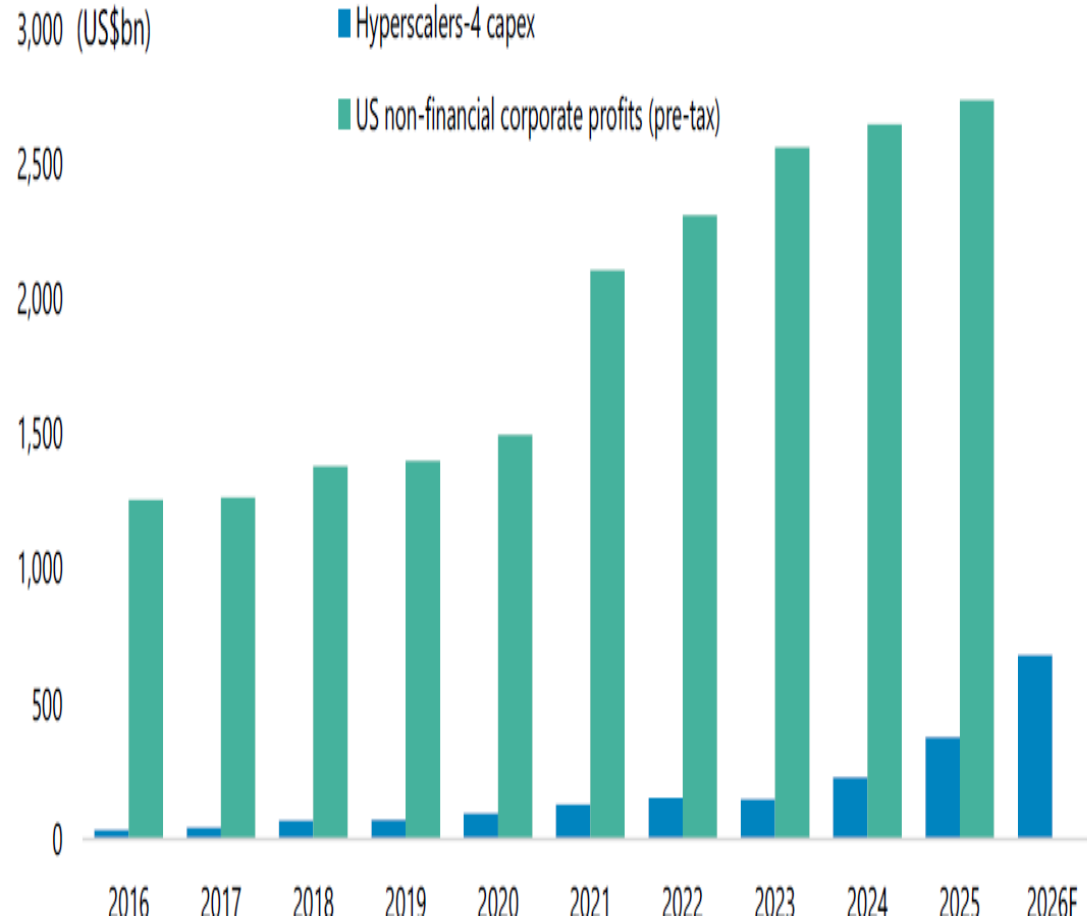


CY24-26YTD performance – Indian market has started to UP while Chinese market OPs, and AI rally continues

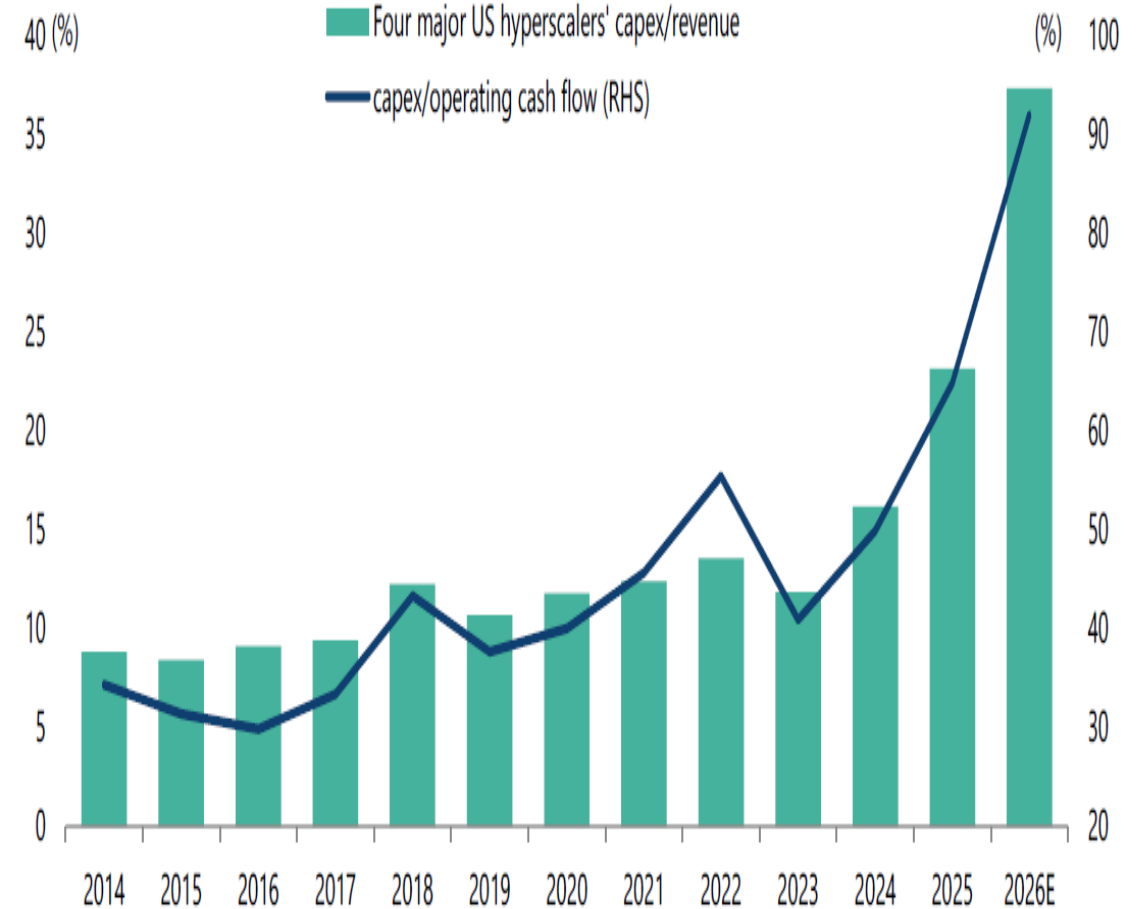


AI Capex Arms Race: \$800bn next year - picks and shovels trade remains live

US four hyperscalers' capex vs total non-fin corporate profits



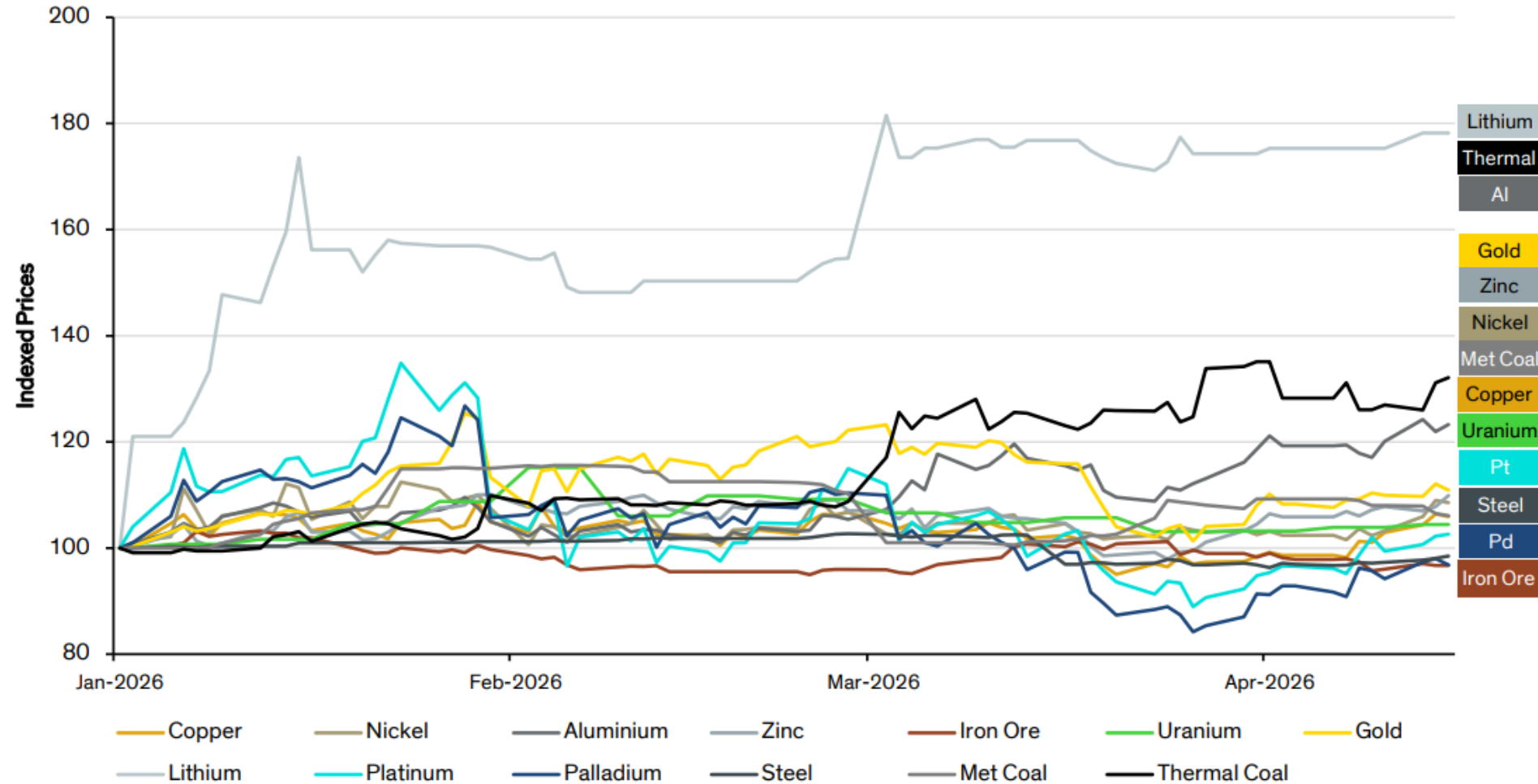
US four major hyperscalers' capex to revenue and OCF



Lithium, thermal coal, and aluminium are the top performers this year

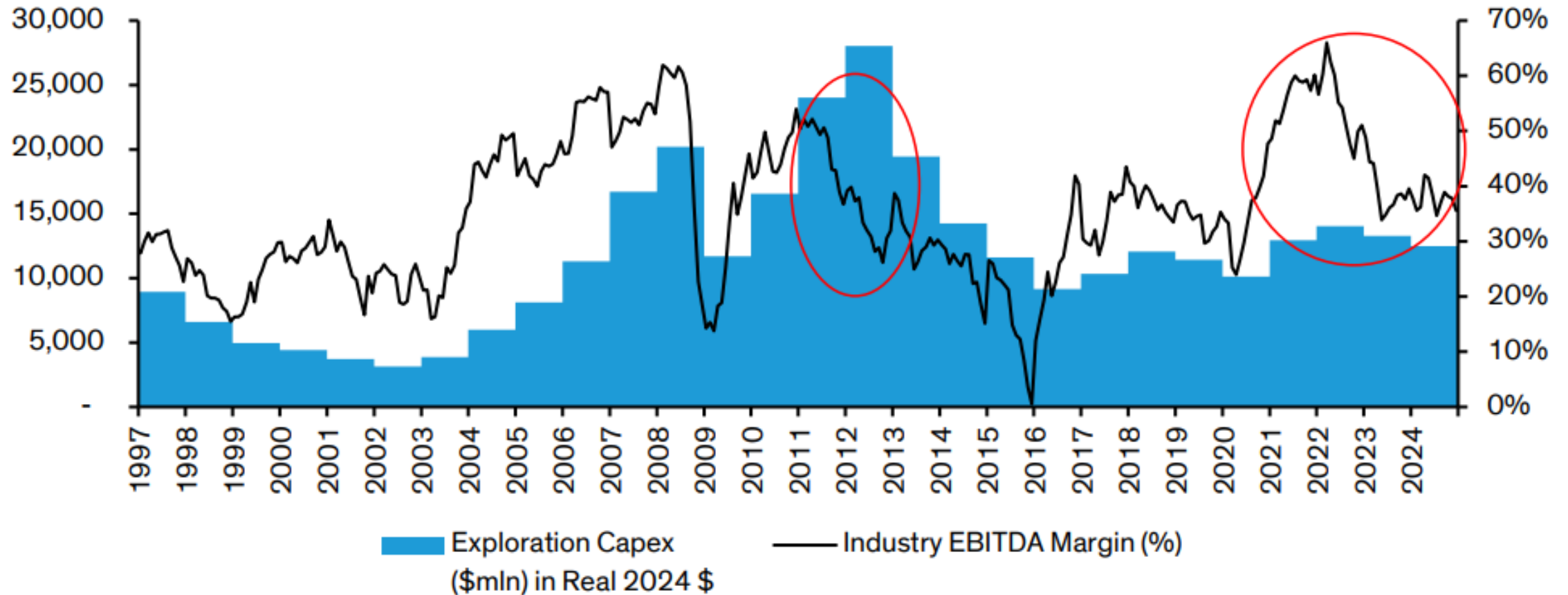


Commodity Prices YTD 2026 – Indexed at 100



Exploration capex across commodities has not picked up in recent years keeping supplies tight

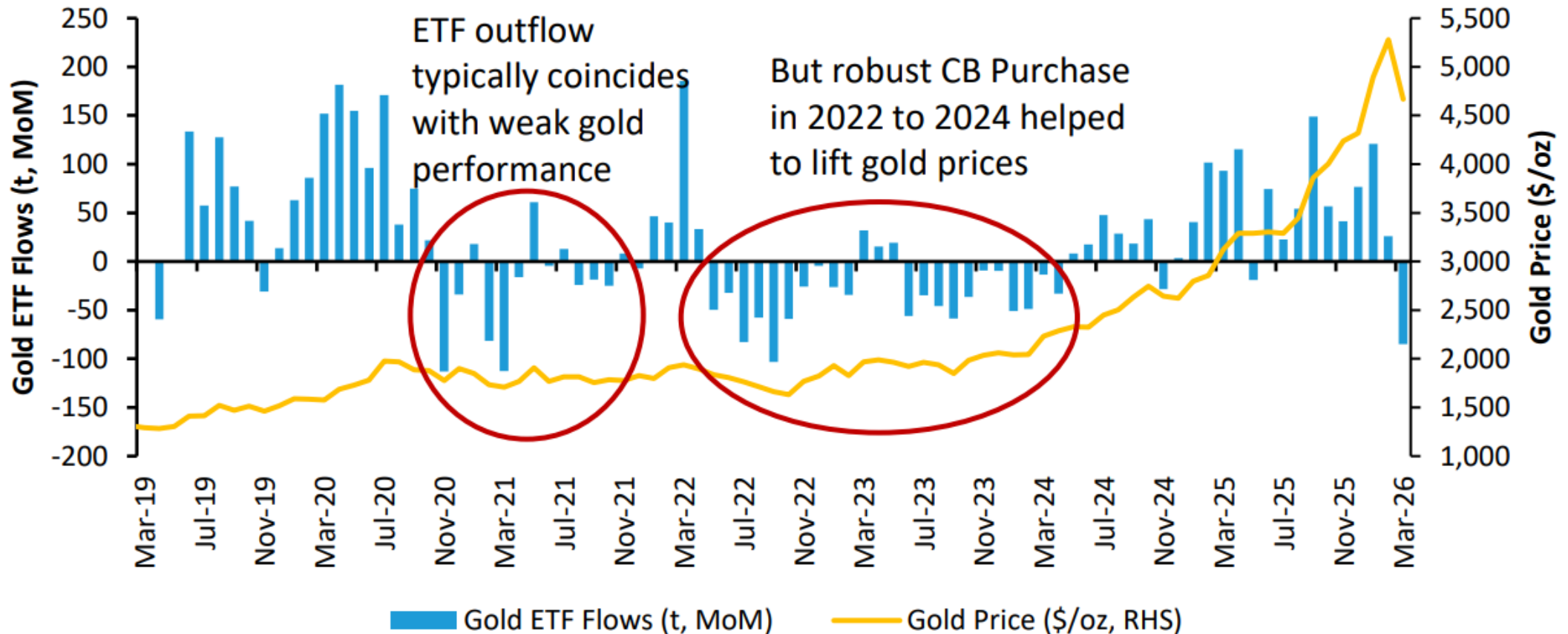
Exploration Capex (2024\$) vs. Industry EBITDA Margin (%)



Some profit booking seen in precious metals recently

March saw an 85-tonne outflow from gold ETFs

Gold ETF Flows (tonne, MoM) vs. Gold Price (\$/oz)

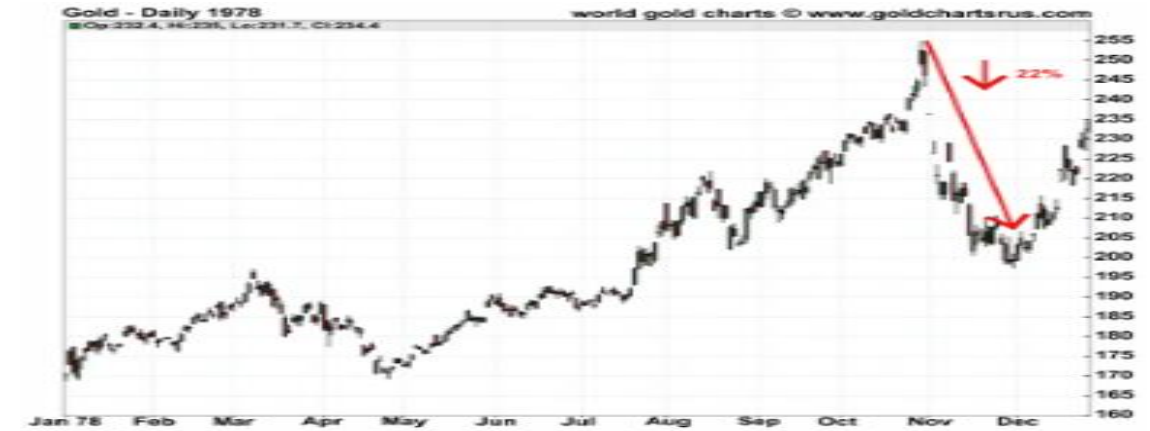
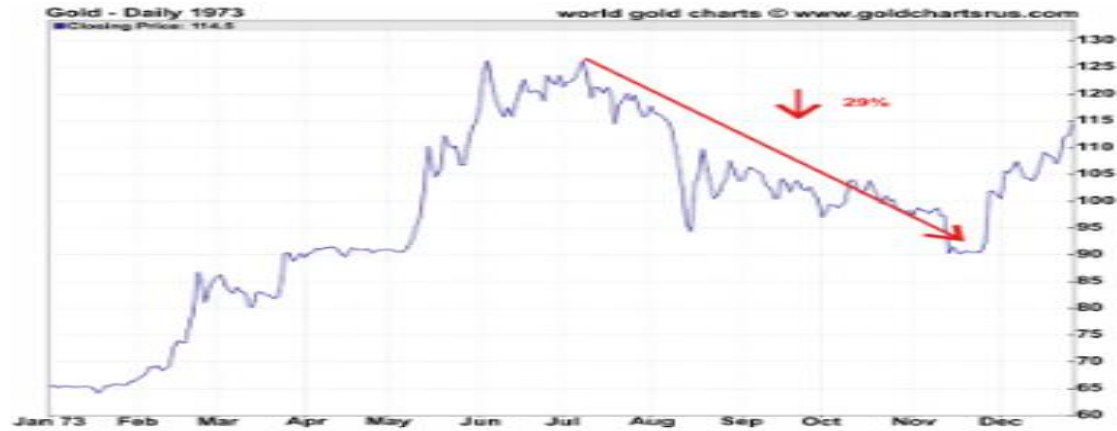


In the past post sharp corrections in gold we have seen sharp rebounds



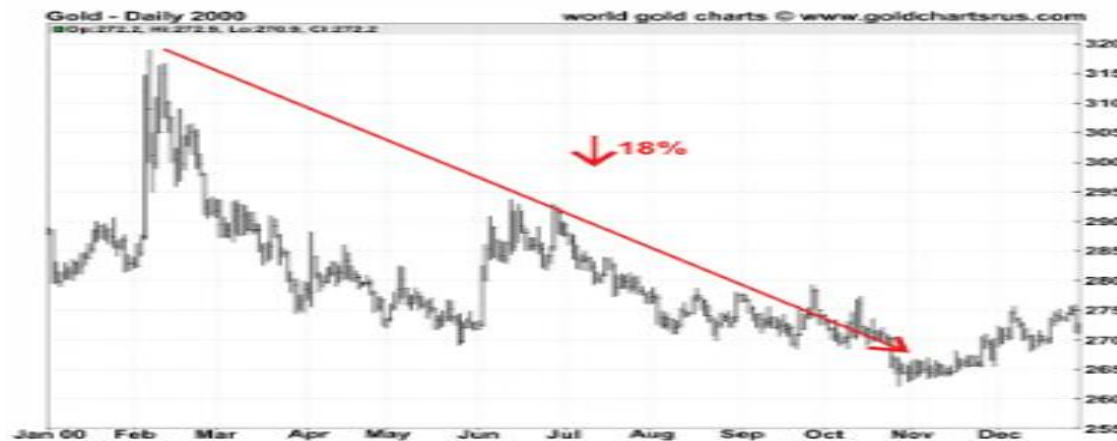
In 1973 post Opec embargo gold fell 29% to recover 117% in 1yr

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

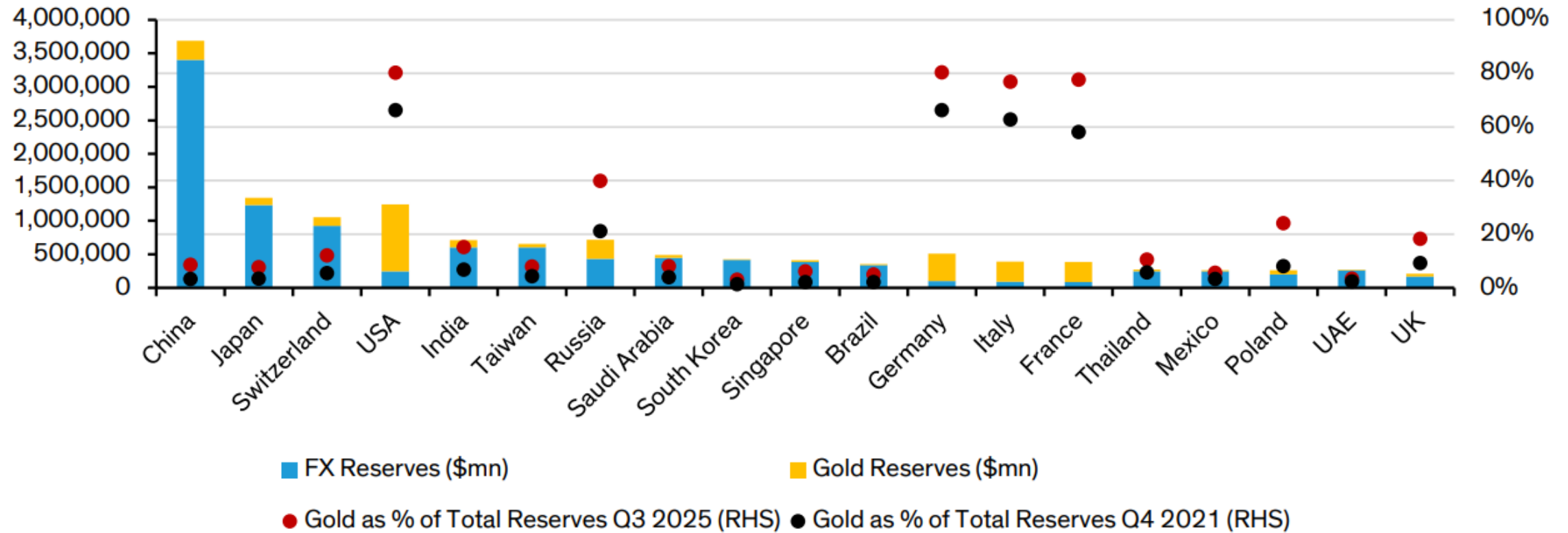


Asian economies have lower gold holdings as % of total reserves



China and Japan, which made up 32% of total global reserves, held only c.4% of their reserves in gold

World's Top 20 Markets by Total Reserves (4Q21 vs. 3Q25)



Section 2:

India Macro



A month into Q4FY26 results India Inc has kept an upbeat guidance with manageable headwinds

Rs in Trillion	No of Cos	Q4FY26					
		Revenue	YoY	Reported PAT (Parent's Share)	YoY	Adj PAT (Parent's Share)	YoY
NIFTY500	168	16.51	9.5%	2.27	13.1%	2.22	13.6%
BFSI	65	5.57	-0.7%	1.07	16.4%	1.05	3.7%
Non-BFSI	103	10.94	15.5%	1.20	10.3%	1.16	12.4%
Non-BFSI Exc Cement, O/G, Metal/Mining	85	8.70	16.0%	0.85	1.8%	0.86	9.1%
Commodities: Cement, O/G, Metal/Mining	18	2.24	13.4%	0.35	37.7%	0.31	23.7%
Nifty 500 Excl Commodities	150	14.27	8.9%	1.92	9.5%	1.91	10.4%

Nifty 500 Earnings	No of Cos	202406	202409	202412	202503	202506	202509	202512	202603
Rs in Trillion		Last 8 Quarters Adjusted PAT Growth % YoY							
Large Caps	43	10.0%	9.0%	6.3%	6.4%	5.9%	1.8%	4.5%	9.5%
Mid Caps	47	26.2%	22.2%	28.9%	-5.5%	4.7%	8.8%	1.7%	38.7%
Small Caps	78	15.5%	-8.1%	-6.5%	2.9%	0.9%	34.5%	40.6%	16.3%
Total	168	12.3%	9.2%	8.2%	4.5%	5.4%	5.0%	6.4%	13.6%

Nifty-50 still expected to report higher earnings growth in FY27 over FY26

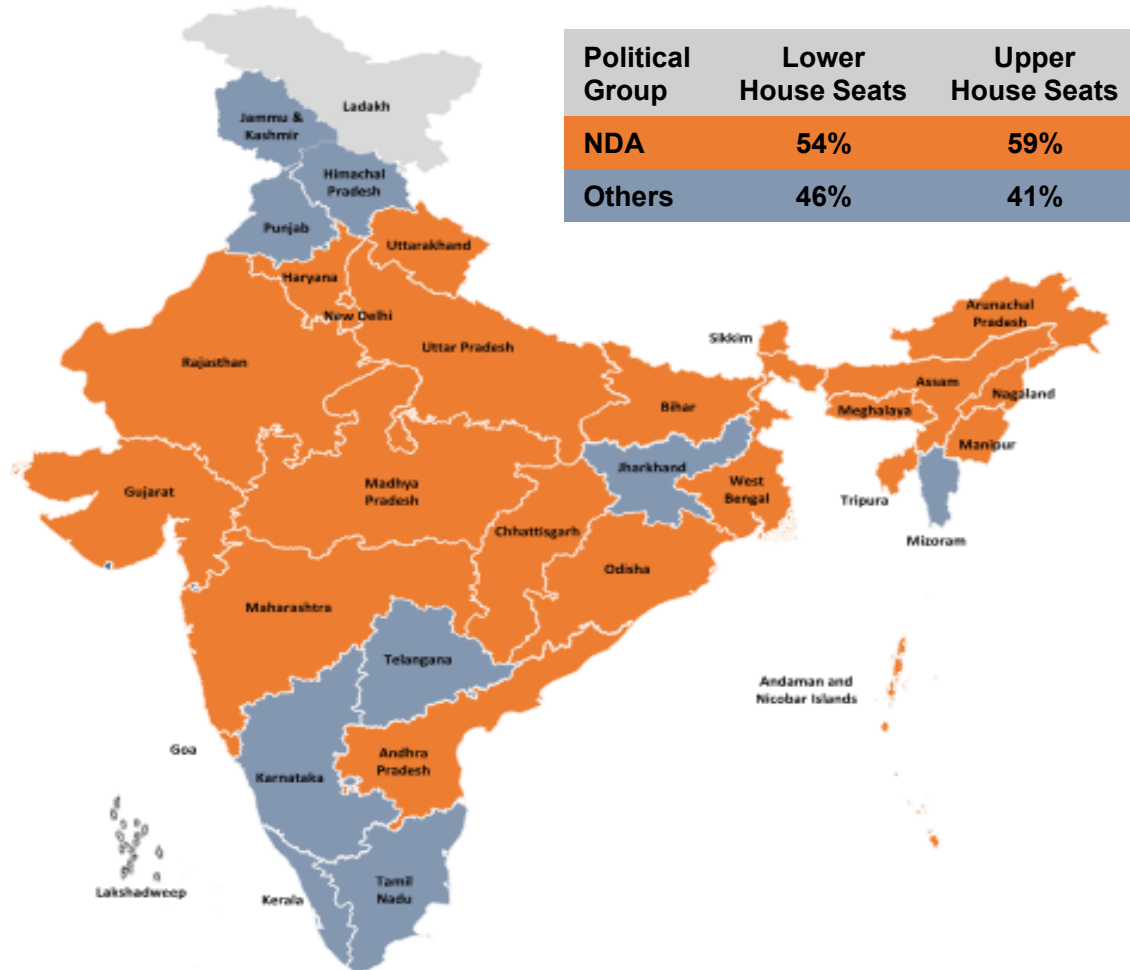
Valuation summary of Nifty-50 sectors, 2026-28E

	Mcap. (US\$ bn)	Adj. mcap. (US\$ bn)	Earnings growth (%)			P/E (X)			EV/EBITDA (X)			P/B (X)			Div. yield (%)			RoE (%)		
			2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Automobiles & Components	150	78	(17.9)	25.0	20.6	30.0	24.0	19.9	16.4	12.8	10.6	4.0	3.6	3.3	1.2	1.4	1.7	13.5	15.2	16.3
Banks	406	334	3.7	9.6	13.8	15.9	14.5	12.8	-	-	-	2.2	2.0	1.7	1.2	1.4	1.5	13.7	13.5	13.7
Capital Goods	126	74	21.7	16.7	22.0	41.3	35.4	29.0	24.8	20.7	17.6	6.2	5.5	4.9	0.7	0.8	1.0	14.9	15.6	17.0
Commodity Chemicals	25	12	6.3	5.9	18.3	54.8	51.7	43.7	35.7	33.9	28.8	11.5	11.1	10.6	1.4	1.6	1.9	21.0	21.5	24.3
Construction Materials	57	26	36.7	25.2	24.3	39.2	31.3	25.2	14.2	12.7	11.1	3.0	2.8	2.6	1.4	0.6	0.7	7.7	9.0	10.5
Consumer Staples	140	72	3.6	0.3	11.3	37.6	37.5	33.7	27.3	26.7	24.0	9.1	8.8	8.5	2.3	2.3	2.6	24.2	23.5	25.2
Diversified Financials	133	64	22.9	28.4	21.2	28.8	22.4	18.5	-	-	-	3.1	2.5	2.1	0.4	0.6	0.7	10.8	11.1	11.3
Electric Utilities	72	35	(1.1)	8.9	8.5	17.8	16.3	15.1	11.3	10.6	10.1	2.2	2.1	1.9	2.3	2.4	2.5	12.6	12.6	12.6
Health Care Services	22	16	20.8	24.1	32.0	61.1	49.2	37.3	34.4	28.6	22.8	9.6	8.2	6.9	0.2	0.3	0.3	15.8	16.7	18.4
IT Services	212	97	7.9	8.9	6.7	17.1	15.7	14.7	11.1	10.0	9.3	5.2	4.8	4.5	4.6	5.0	5.4	30.2	30.7	30.9
Insurance	33	15	3.8	20.4	16.4	70.6	58.7	50.4	-	-	-	8.4	7.4	6.6	0.3	0.4	0.4	11.9	12.6	13.1
Internet Software & Services	26	19	(20.3)	372.4	85.8	578.8	122.5	66.0	175.5	57.1	32.9	7.8	7.2	6.4	-	-	-	1.4	5.9	9.7
Metals & Mining	85	47	58.5	61.8	9.6	22.3	13.8	12.6	10.2	7.6	7.1	2.5	2.1	1.9	0.8	1.3	1.3	11.2	15.5	14.9
Oil, Gas & Consumable Fuels	278	127	10.3	28.6	5.0	16.9	13.2	12.5	8.8	7.2	6.5	1.9	1.7	1.5	1.5	1.8	1.7	11.1	12.8	12.2
Pharmaceuticals	69	36	(2.3)	4.1	18.2	29.4	28.3	23.9	20.0	18.2	15.4	4.2	3.8	3.4	0.6	0.7	0.8	14.4	13.4	14.1
Retailing	56	29	31.7	23.6	16.7	76.8	62.1	53.2	45.0	37.4	31.9	23.7	18.0	14.1	0.2	0.3	0.3	30.9	29.0	26.5
Telecommunication Services	117	57	41.0	45.9	31.1	38.8	26.6	20.3	10.0	8.4	7.0	7.6	6.6	5.6	1.1	1.6	2.2	19.7	24.8	27.6
Transportation	59	24	(31.3)	31.4	71.5	44.3	33.7	19.6	16.2	12.7	8.9	5.6	4.9	4.0	0.3	0.4	0.5	12.5	14.5	20.4
Nifty-50 Index	2,064	1,160	7.3	19.0	13.9	23.3	19.6	17.2	13.3	11.2	9.9	3.3	2.9	2.6	1.5	1.7	1.9	14.1	14.9	15.2
Nifty-50 Index (ex-energy)	1,786	1,033	6.6	16.8	16.1	24.7	21.2	18.2	15.1	12.9	11.3	3.7	3.3	2.9	1.5	1.7	1.9	15.0	15.5	16.1
Nifty-50 Index (ex-banks)	1,658	826	8.8	22.8	14.0	26.2	21.4	18.7	13.3	11.2	9.9	3.7	3.3	3.0	1.6	1.8	1.9	14.2	15.5	15.8

A momentous change in Indian politics



India political map showing state governments



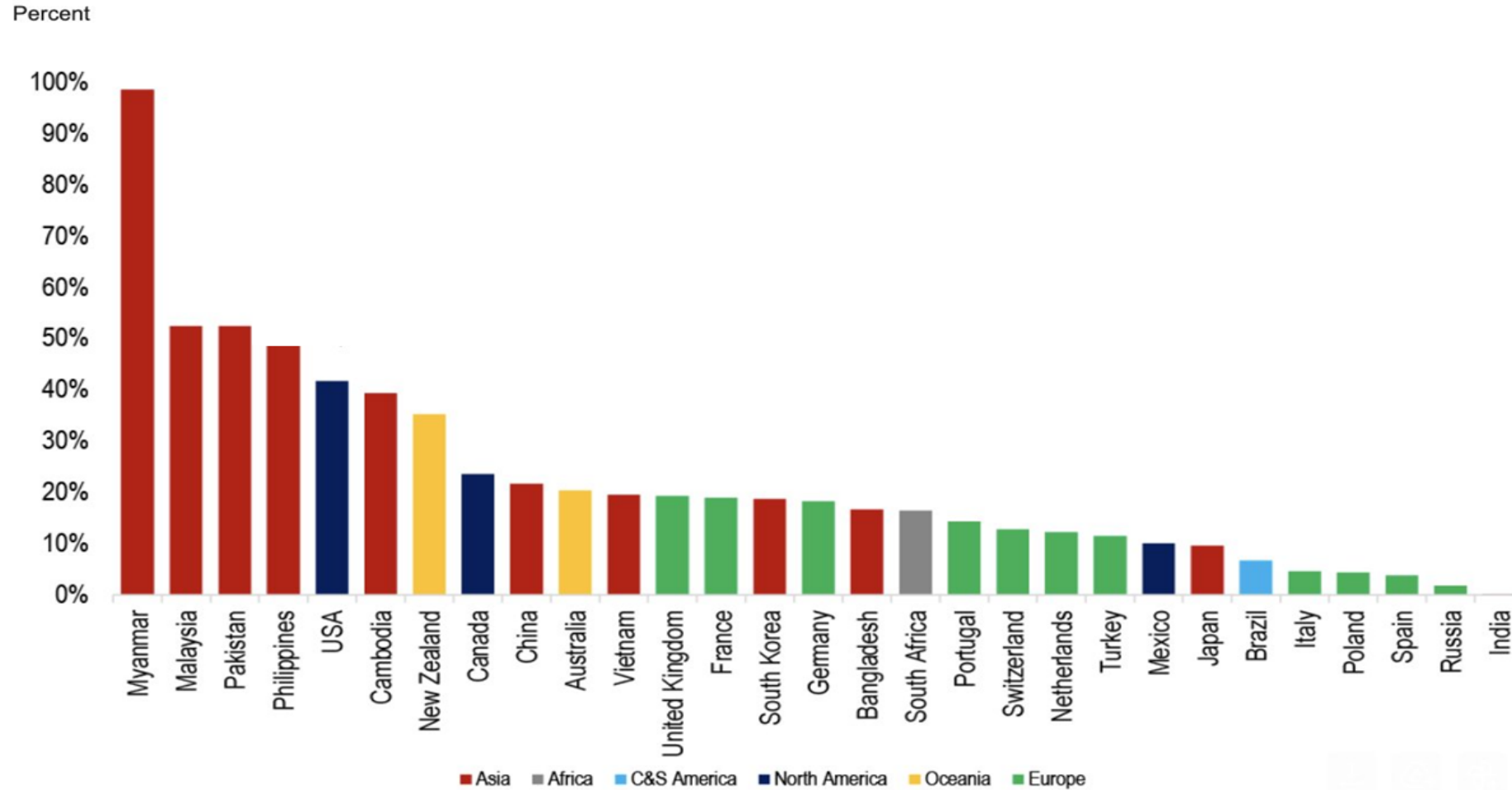
Election outcome of 3 states

	2026 State Election	2021 State Election
West Bengal	Seats	Seats
BJP	208	77
TMC	79	215
Others	7	2
Total	294	294
Tamil Nadu	Seats	Seats
AIADMK / BJP + Alliance	53	75
DMK / INC + Alliance	72	159
TVK	109	0
Others	0	0
Total	234	234
Assam	Seats	Seats
BJP Alliance	102	75
TMC Alliance	21	50
Others	3	1
Total	126	126

Now elections are behind – Is retail fuel price increase on the cards?



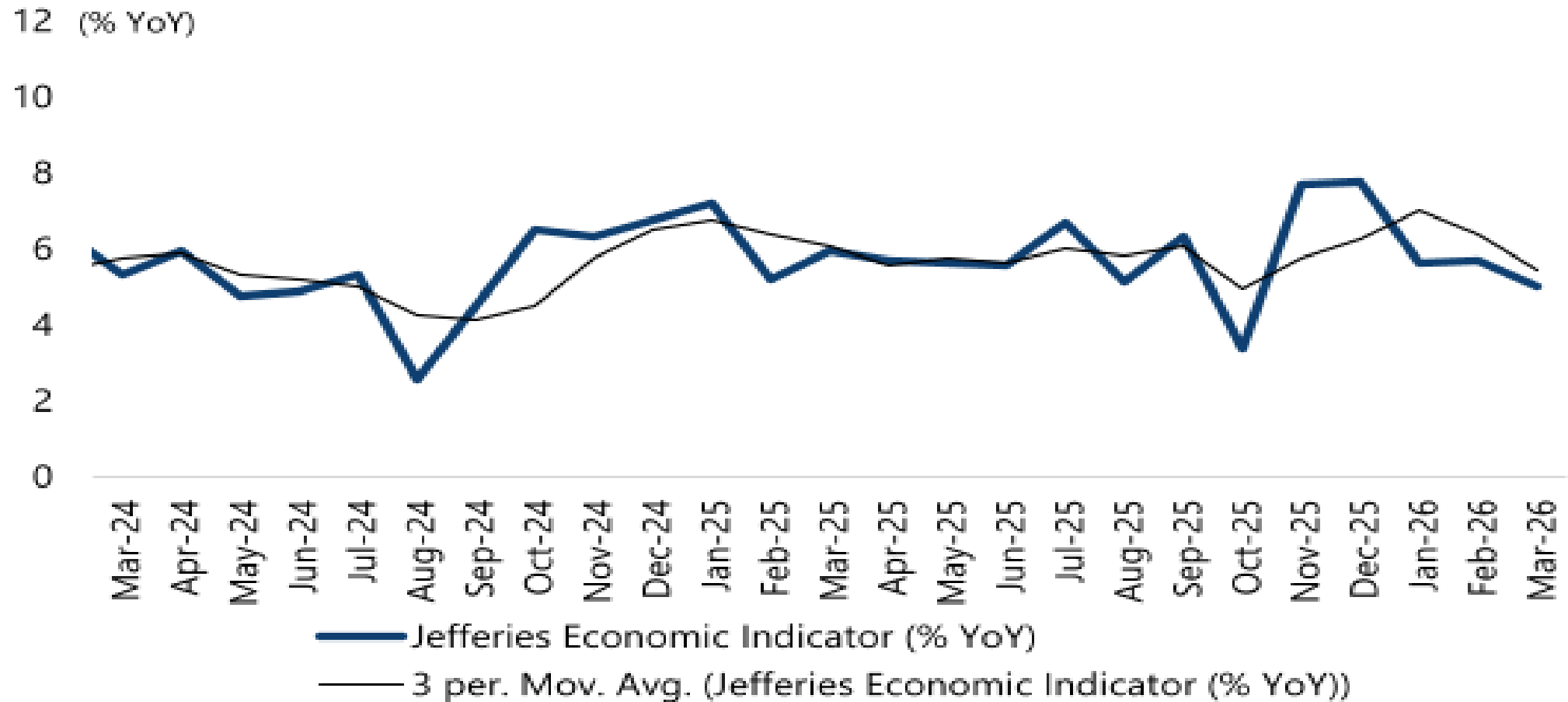
India is the only major country where consumer fuel prices have not increased since start of Iran War



Impact of Gulf War on India so far has been modest



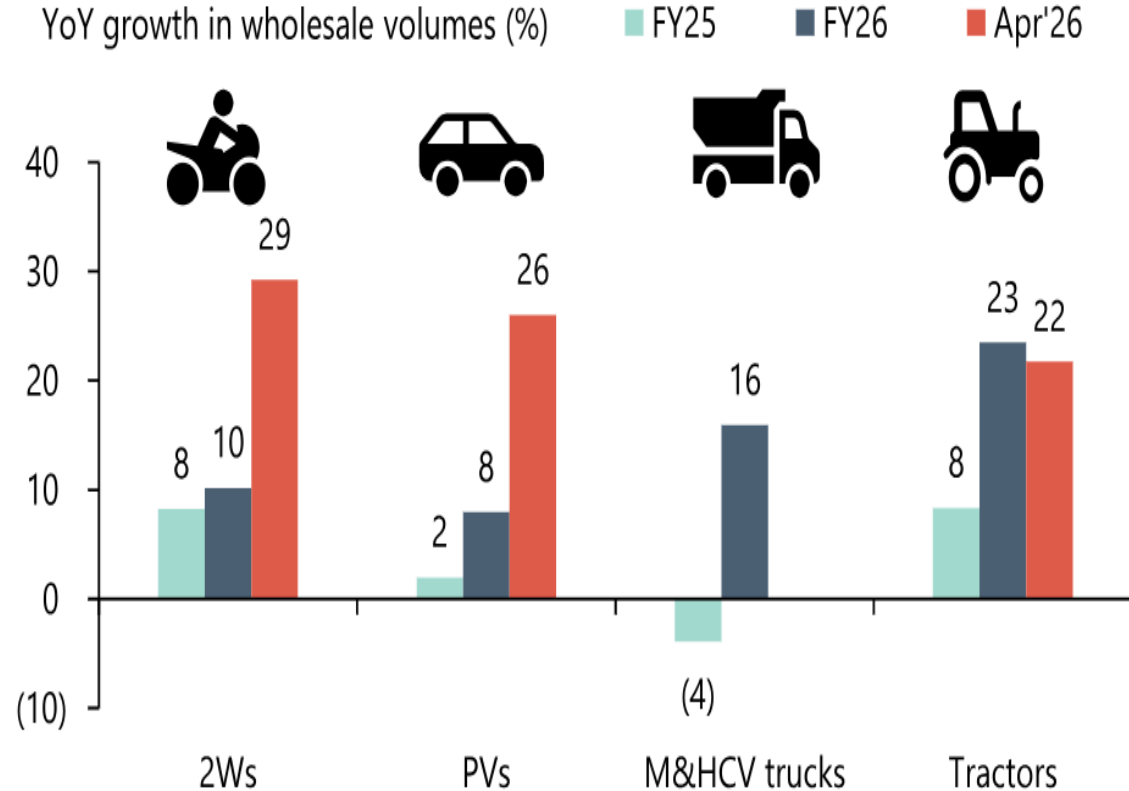
Economic indicator eased to 5.0% YoY in March (-0.7ppt MoM) showing modest signs of war impact



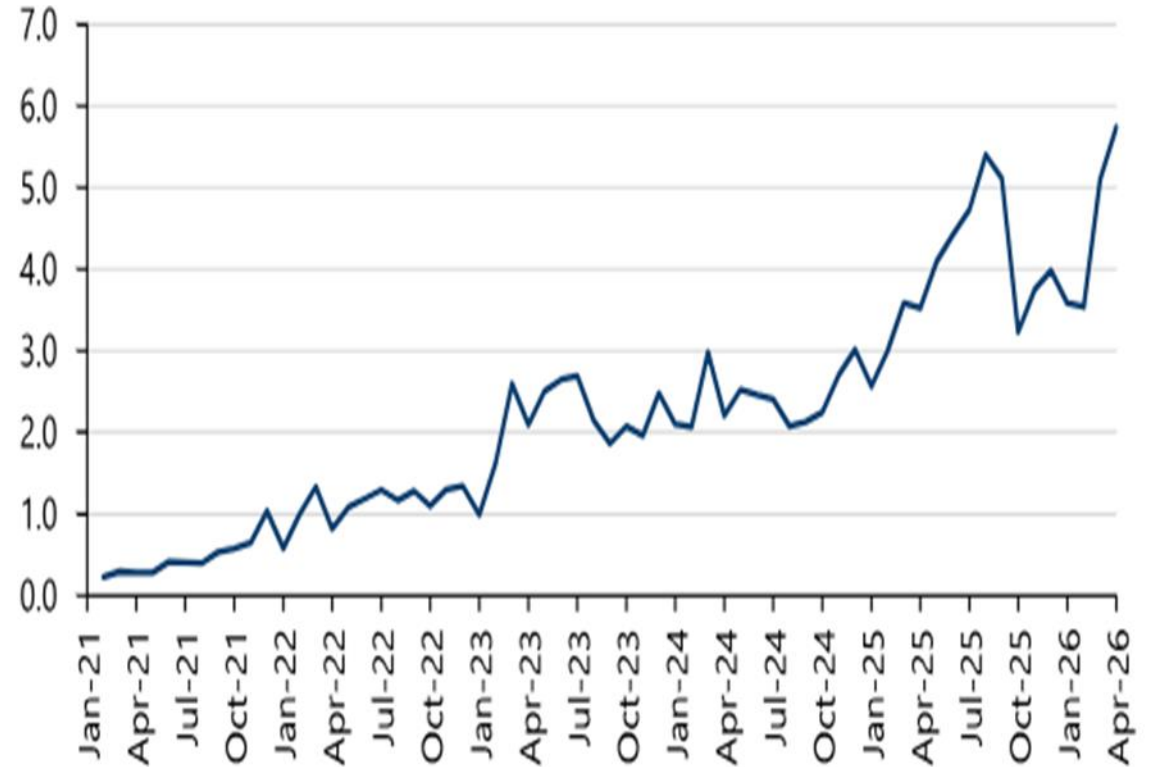
Auto sales remain robust within consumption



Double digit growth can be seen across segments

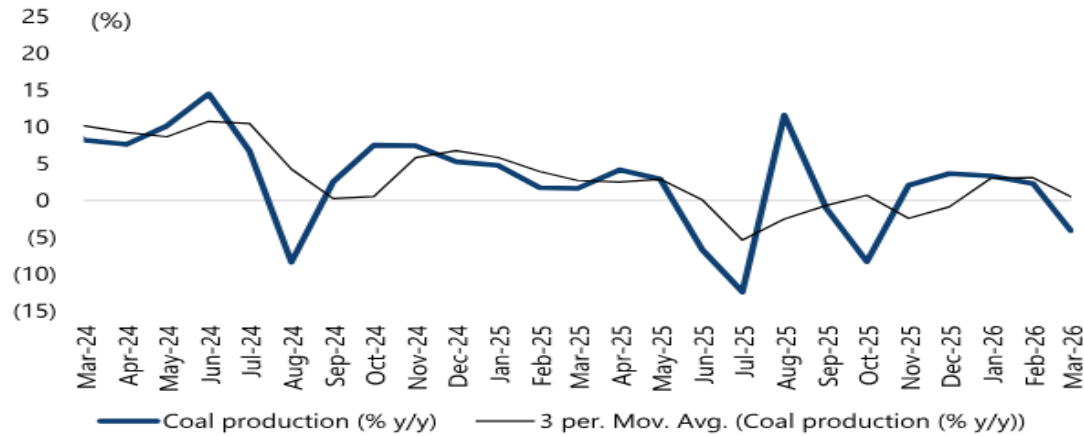


Share of EVs in PVs rose 0.6ppt MoM to 5.7% in Apr

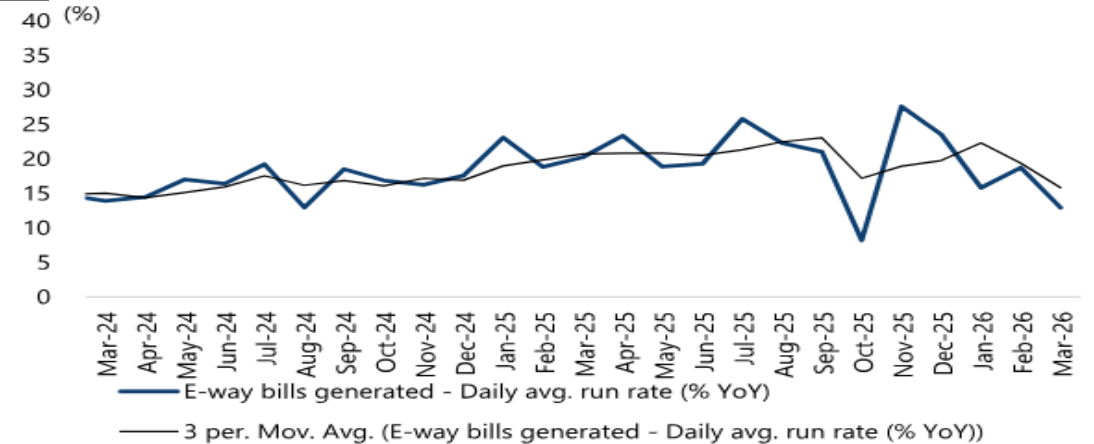


While broad based indicators show mixed signals

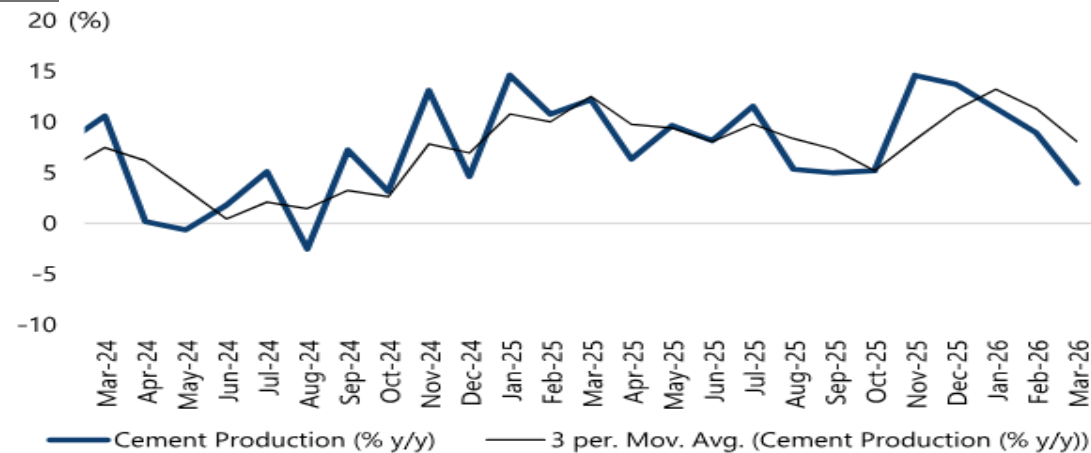
Coal production -4.1% YoY in Mar'26, -6.4ppt MoM



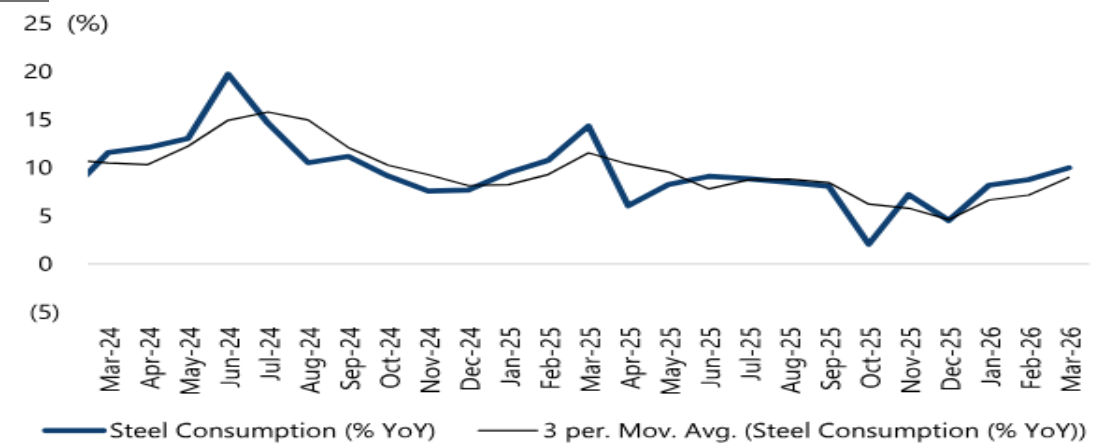
E-way bill generation +12.9% YoY in Mar'26, -5.8ppt MoM



Cement production +4.0% YoY in Mar'26, -4.9ppt MoM

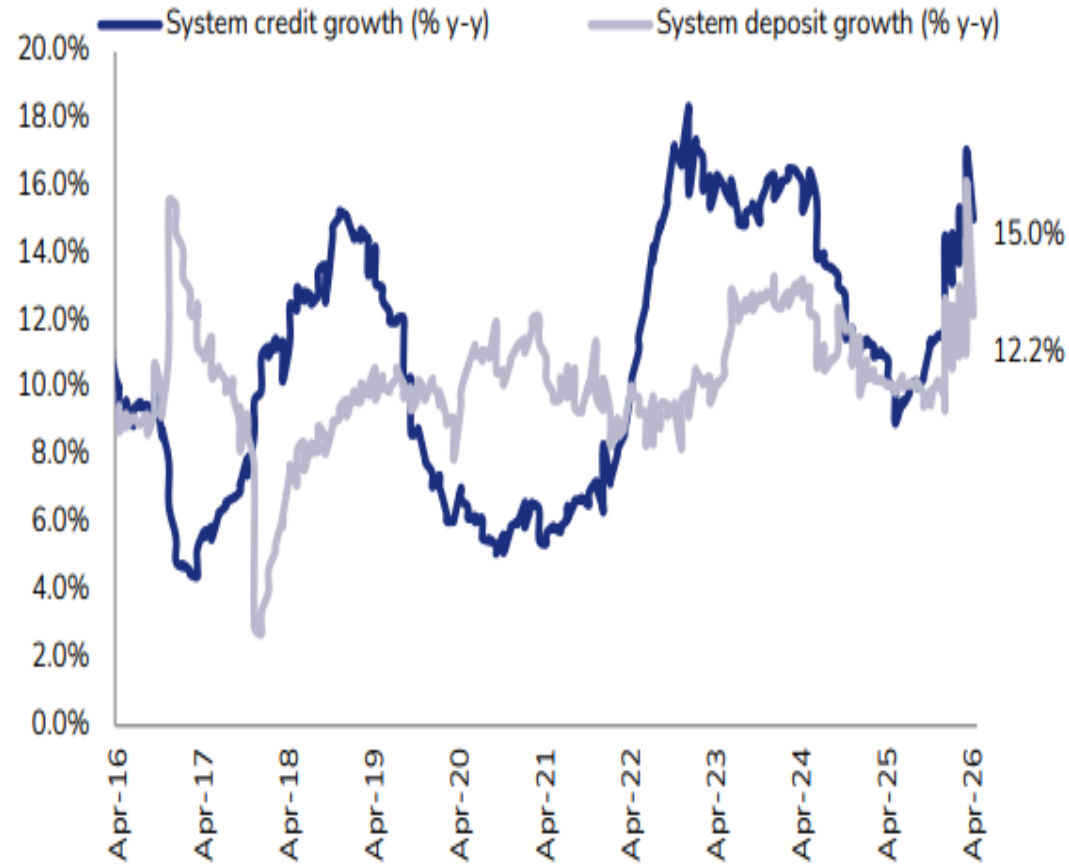


Steel consumption +10.0% YoY in Mar'26, +1.2ppt MoM

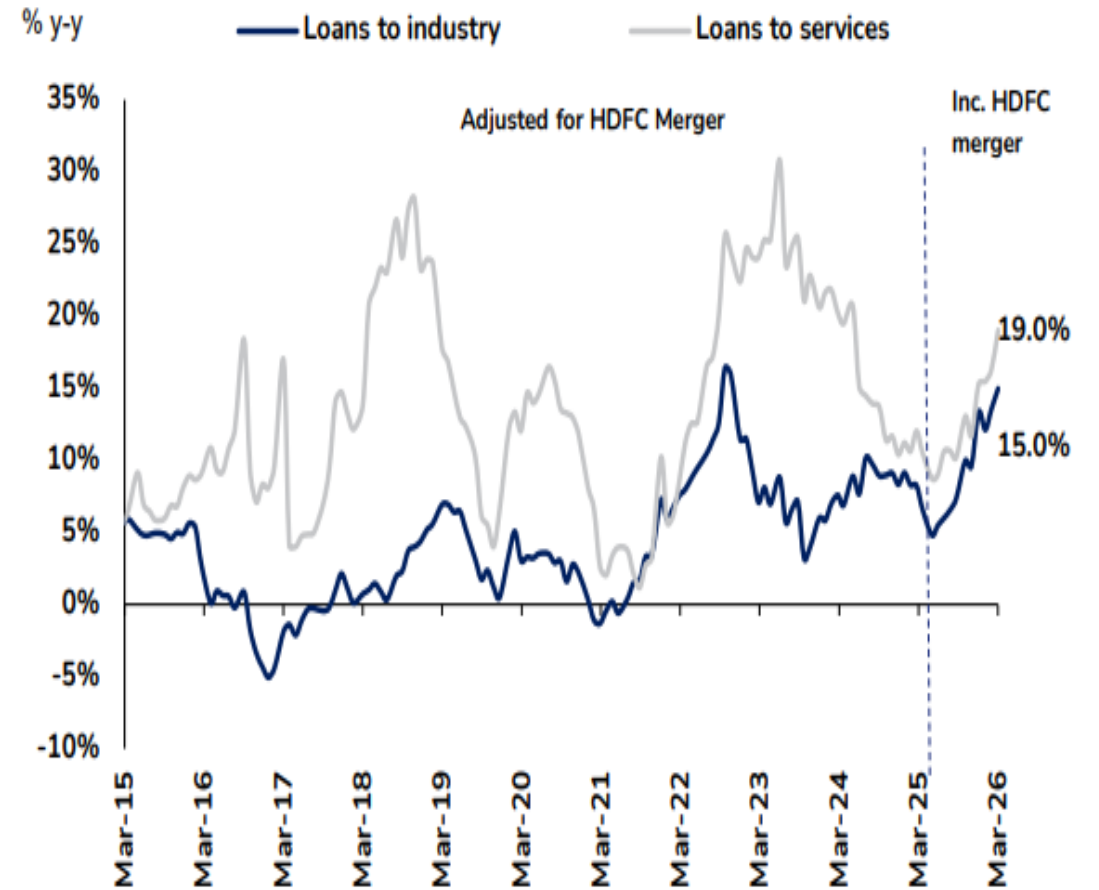


Credit growth was strong despite deposits lagging

Credit & deposit growth at 15.0% & 12.2% YoY, as at mid Apr'26



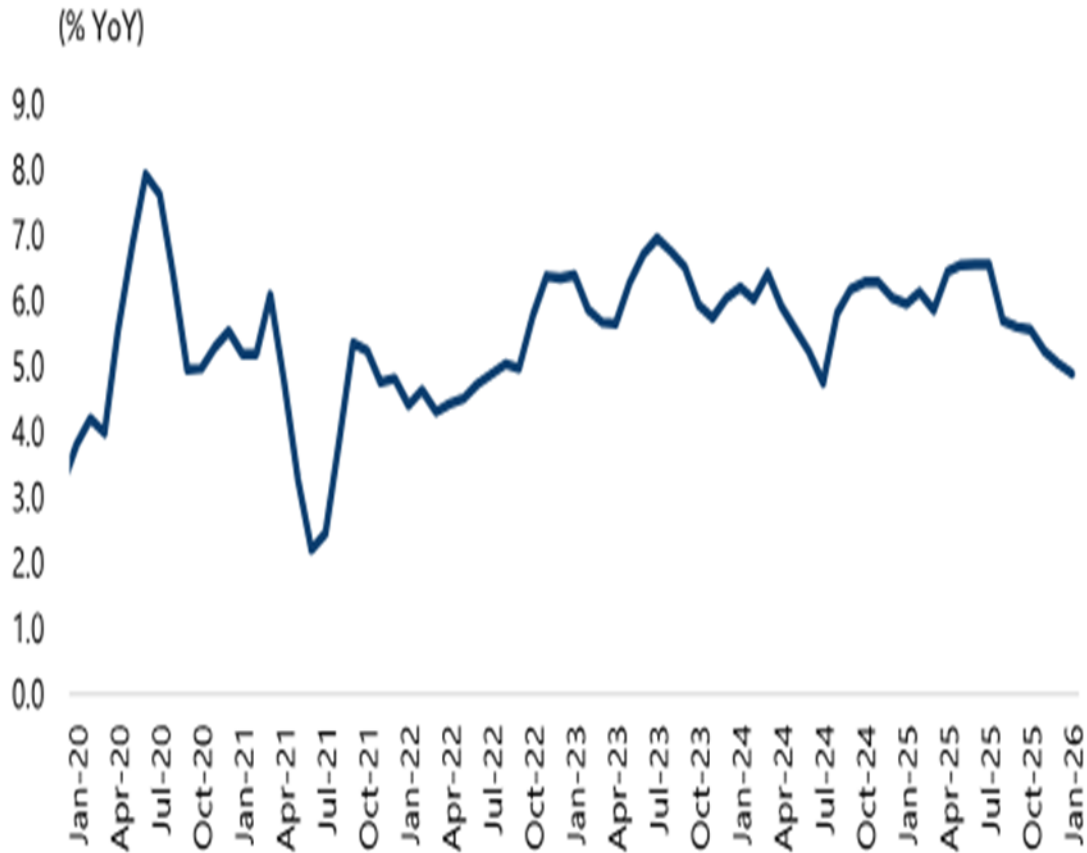
Both industry and services credit growth doing well



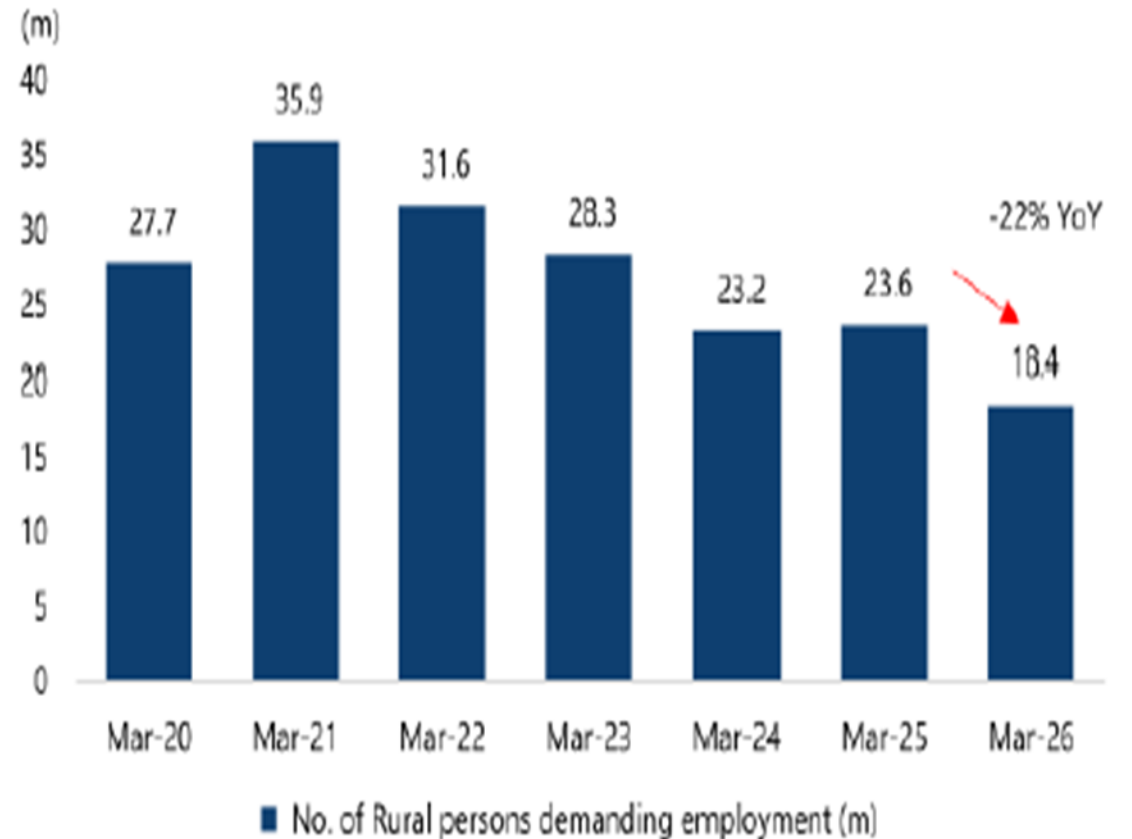
Rural data remains robust and supportive – However El Nino is a risk



Rural wage growth at 4.9% YoY in Jan'26, -0.1ppt MoM



Employment demanded under the NREGS scheme -21.8% YoY

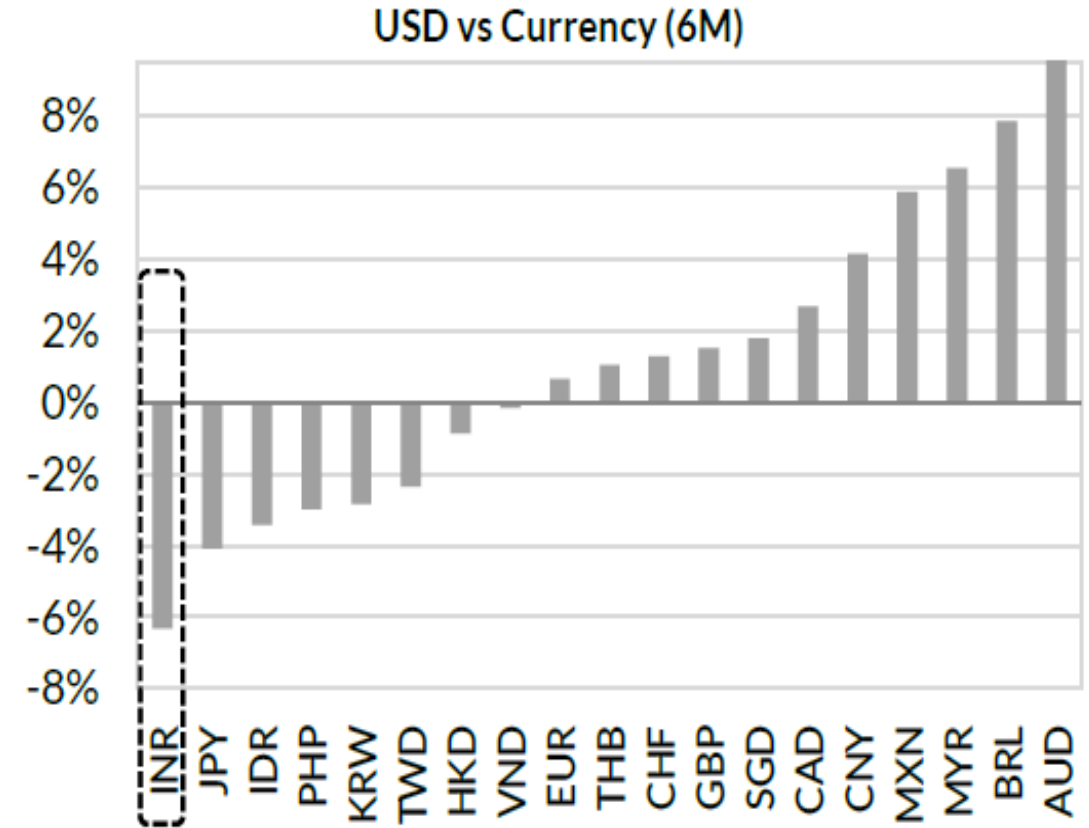
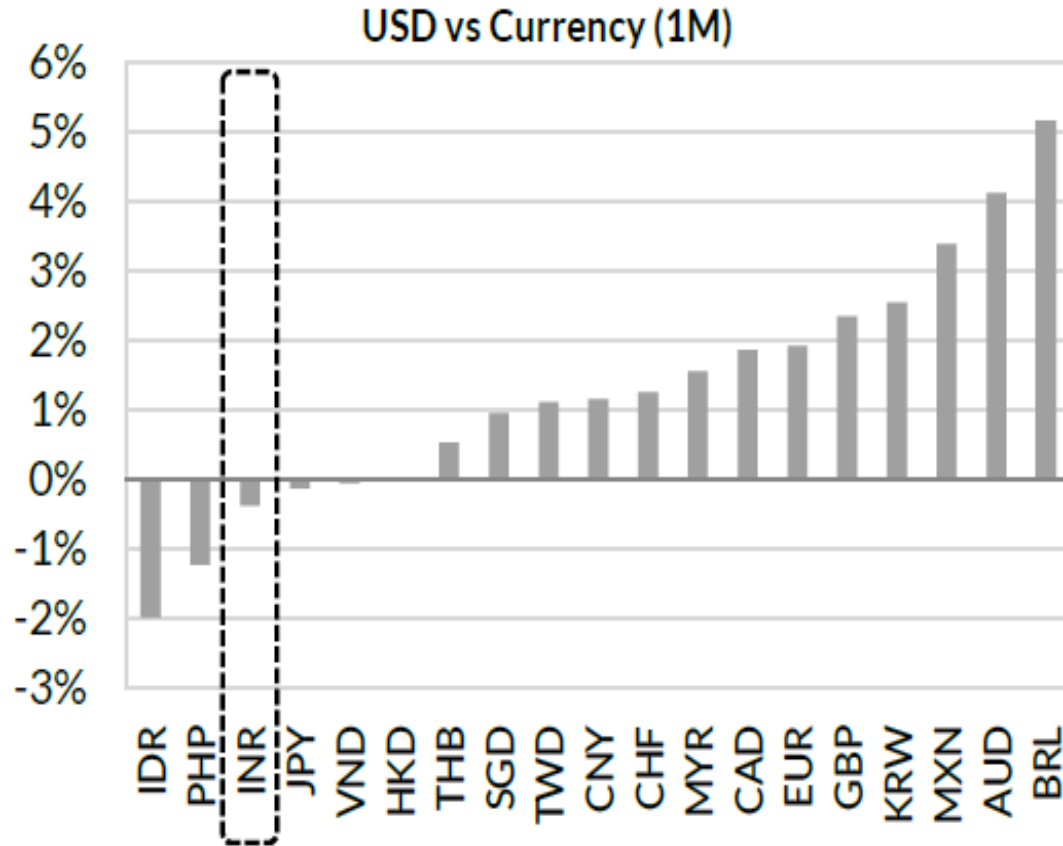


Are currency headwinds peaking?



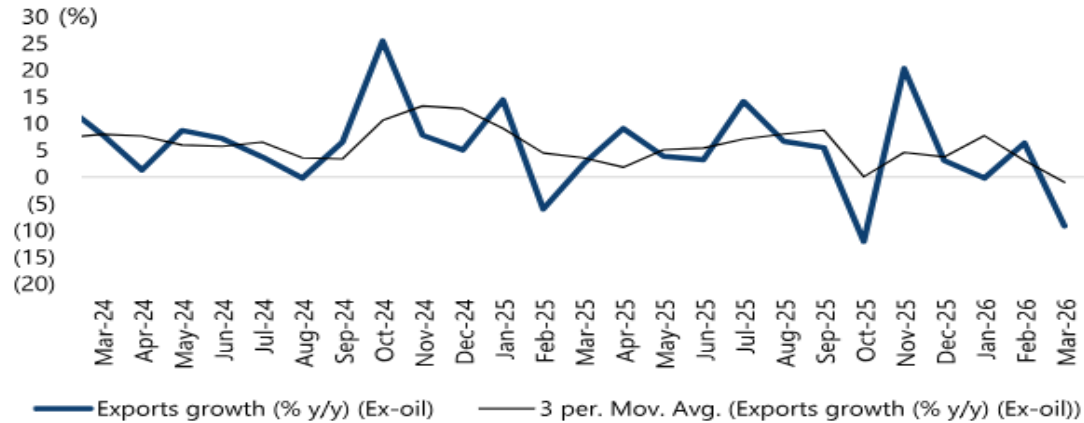
INR depreciates in last 1M while others strengthen

INR has fared worst among top markets over 6M

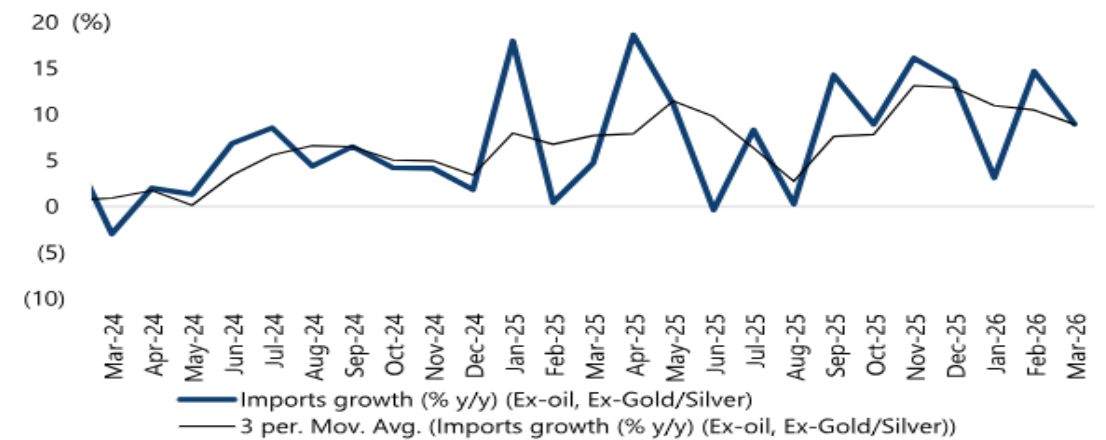


Exports weaken but forex reserves remain comfortable

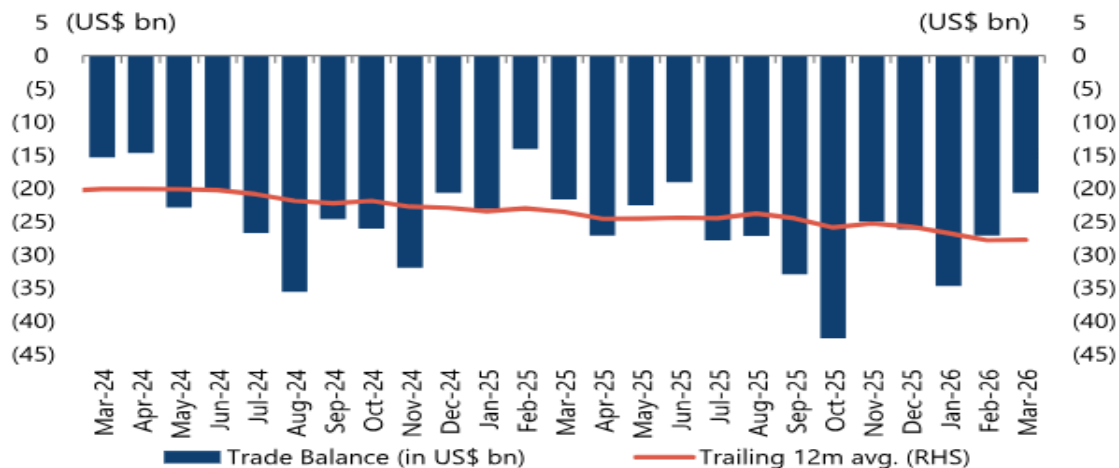
Exports (ex-oil) -9.2% YoY in Mar'26, -15.6ppt MoM



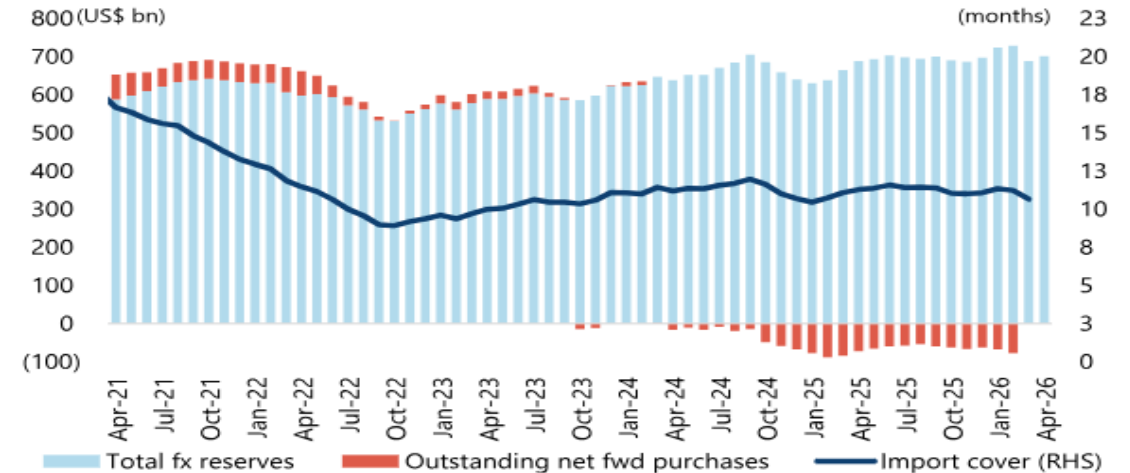
Imports (ex-oil, ex-gold/silver) +9.0% YoY in Mar'26, -5.7ppt MoM



Merchandise trade deficit in Mar'26 was US\$20.7bn (-5% YoY)



FX reserves -ve US\$40.4bn MoM with Import cover at 10.7 mths



Section 3:

Indian Markets

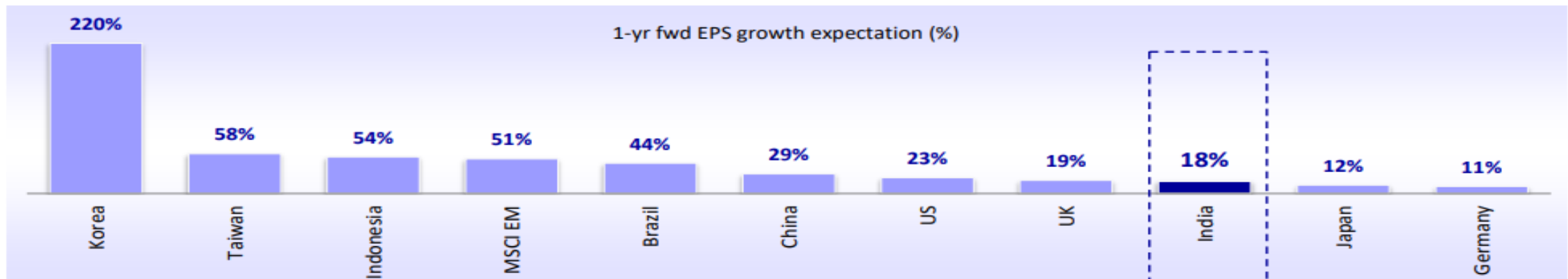


India has recovered since start of Iran War but lags relative to other countries

Global markets since Sep'24 highs and the start of West Asia Conflict

Country	% Chg from Sep 2024 Peak		% Chg from Jan 2026 Peak		% Chg since the start of West Asia conflict		EPS (Local Currency)		EPS	PE (x)
	In Local	In USD	In Local	In USD	In Local	In USD	CY25 / FY26E	CY26E / FY27E	Growth YoY (%)	CY26E / FY27E
Taiwan	70%	71%	33%	32%	10%	8%	1,249	1,975	58%	19.7
US	25%	25%	5%	5%	5%	5%	269	332	23%	21.7
Korea	147%	120%	53%	50%	6%	3%	249	797	220%	8.3
Brazil	41%	54%	17%	27%	-1%	2%	14,027	20,253	44%	9.2
Japan	52%	41%	18%	18%	1%	0%	2,227	2,500	12%	23.7
MSCI EM	38%	38%	12%	12%	-1%	-1%	87	131	51%	12.2
China	37%	41%	4%	6%	-1%	-1%	222	286	29%	14.4
UK	25%	27%	4%	5%	-5%	-4%	663	791	19%	13.1
Germany	26%	33%	-1%	-1%	-4%	-5%	1,389	1,535	11%	15.8
India (Nifty)	-8%	-19%	-9%	-13%	-5%	-9%	1,060	1,246	18%	19.5
Indonesia	-10%	-22%	-20%	-23%	-16%	-18%	411	632	54%	11.0

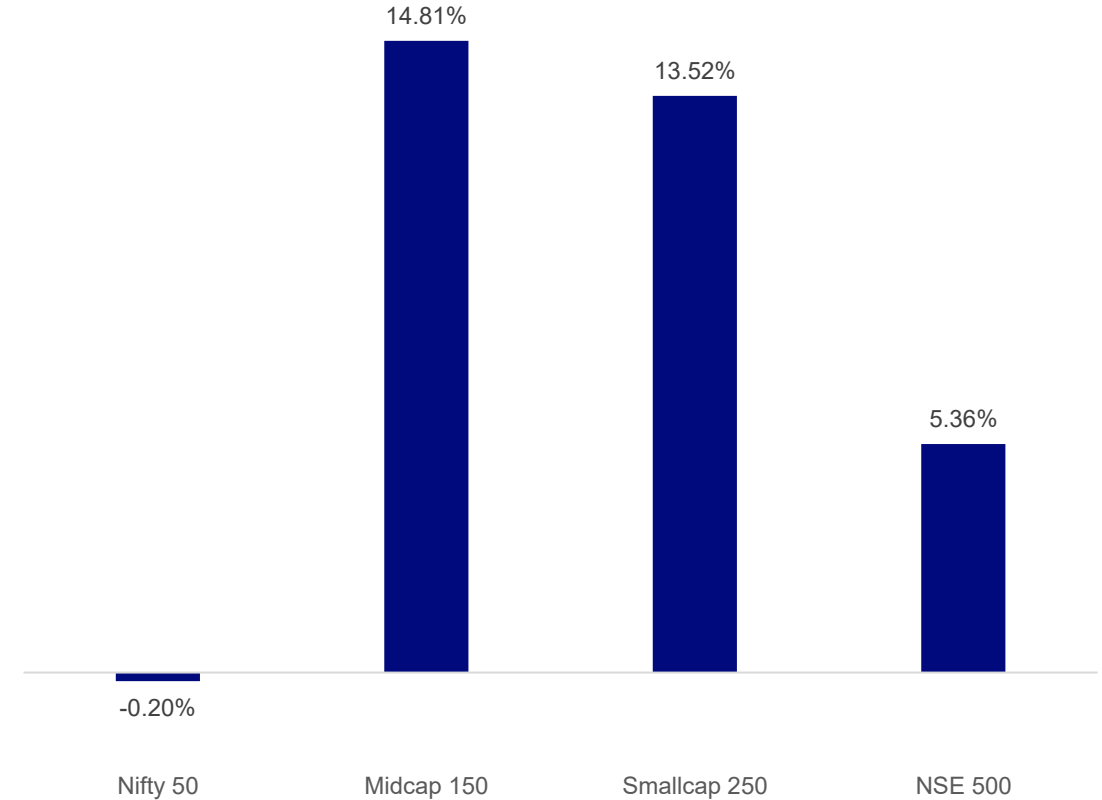
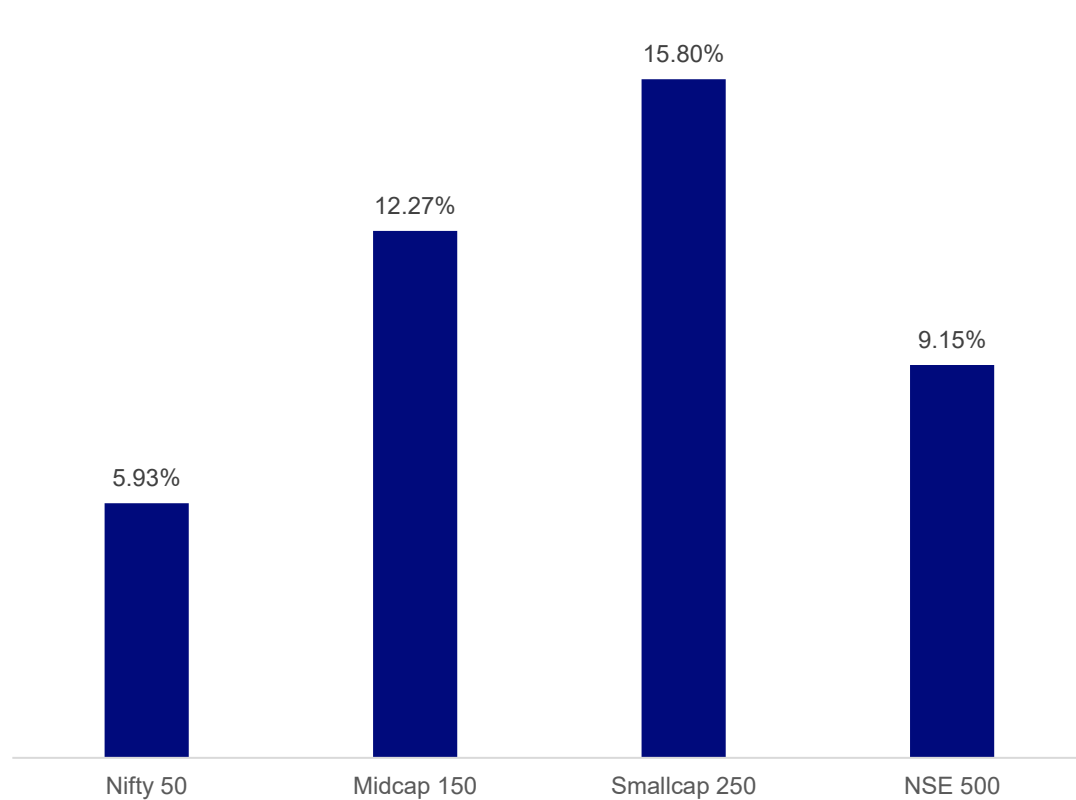
Global earnings outlook remains strong; India' delivery vs. expectation will remain key to reversing underperformance



April saw a very strong recovery in broader markets. Now on a 1-year basis SMIDs have outperformed Large Caps

1-month performance (%)

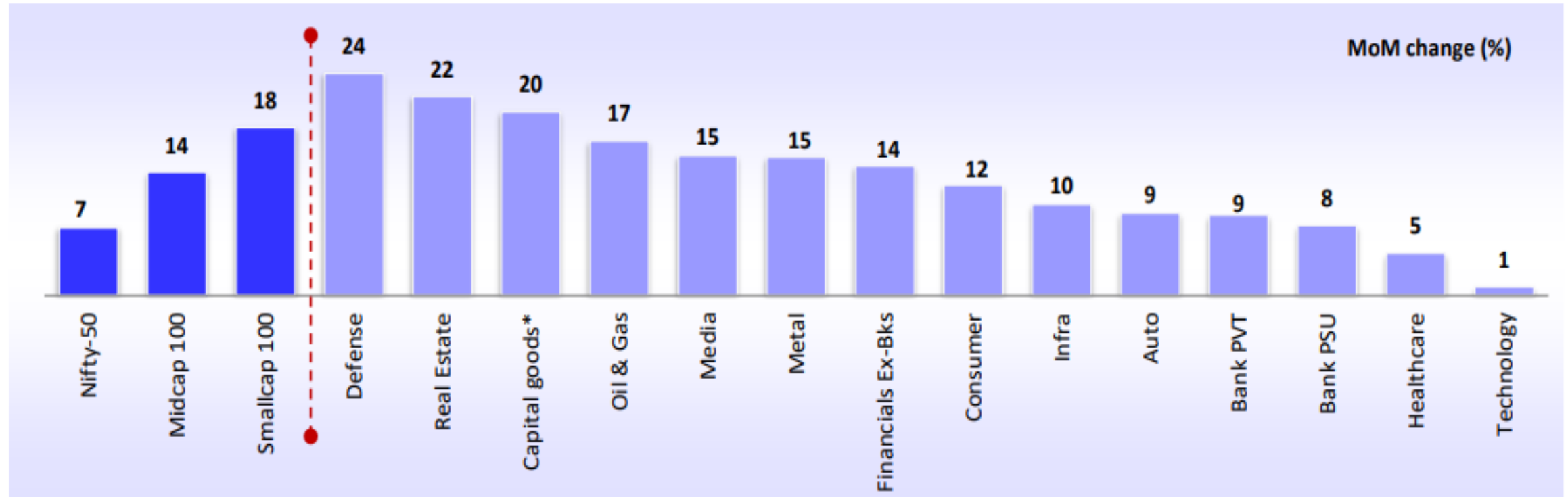
1-year performance (%)



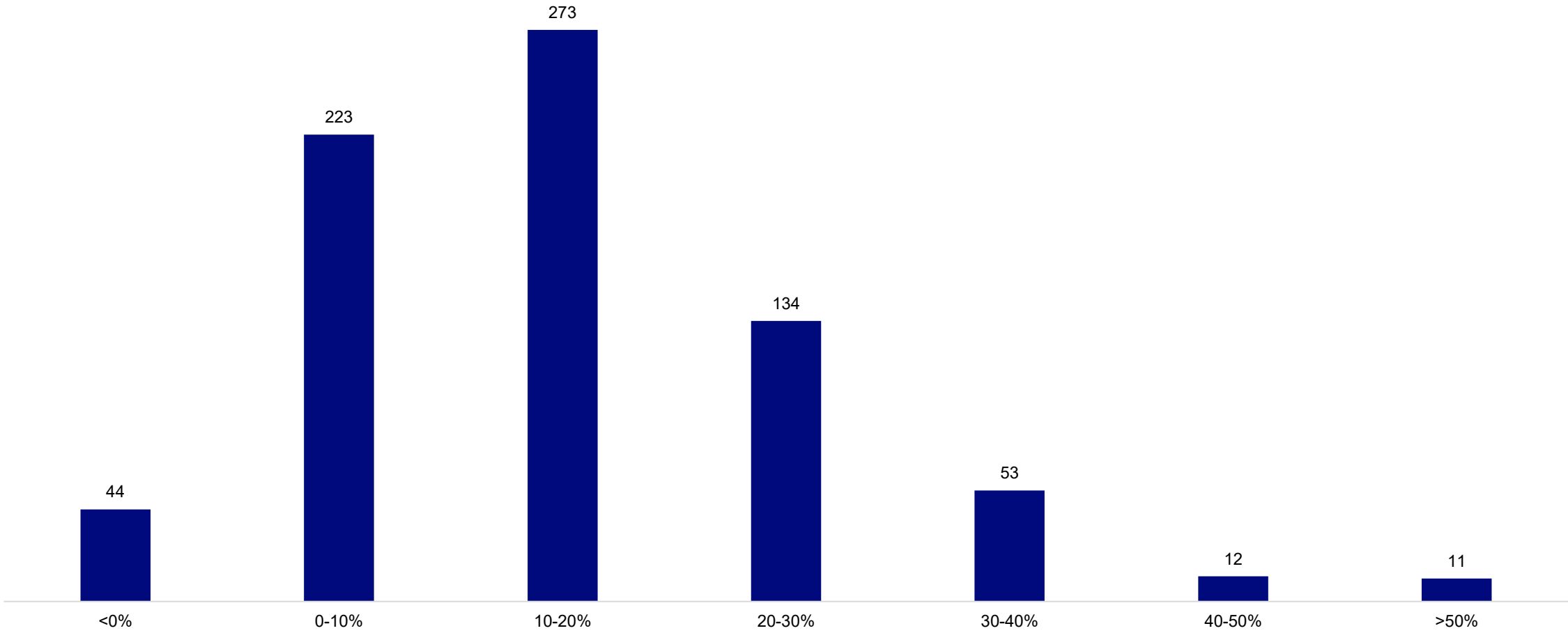
SMIDs have outperformed in the last month



Sectoral performance MoM in Apr'26 (%): Defense, Real Estate, Capital Goods outperform sharply



Many stocks up >20% in past 1 month in India total market



Source: Bloomberg
Note: Data as of May 7, 2026

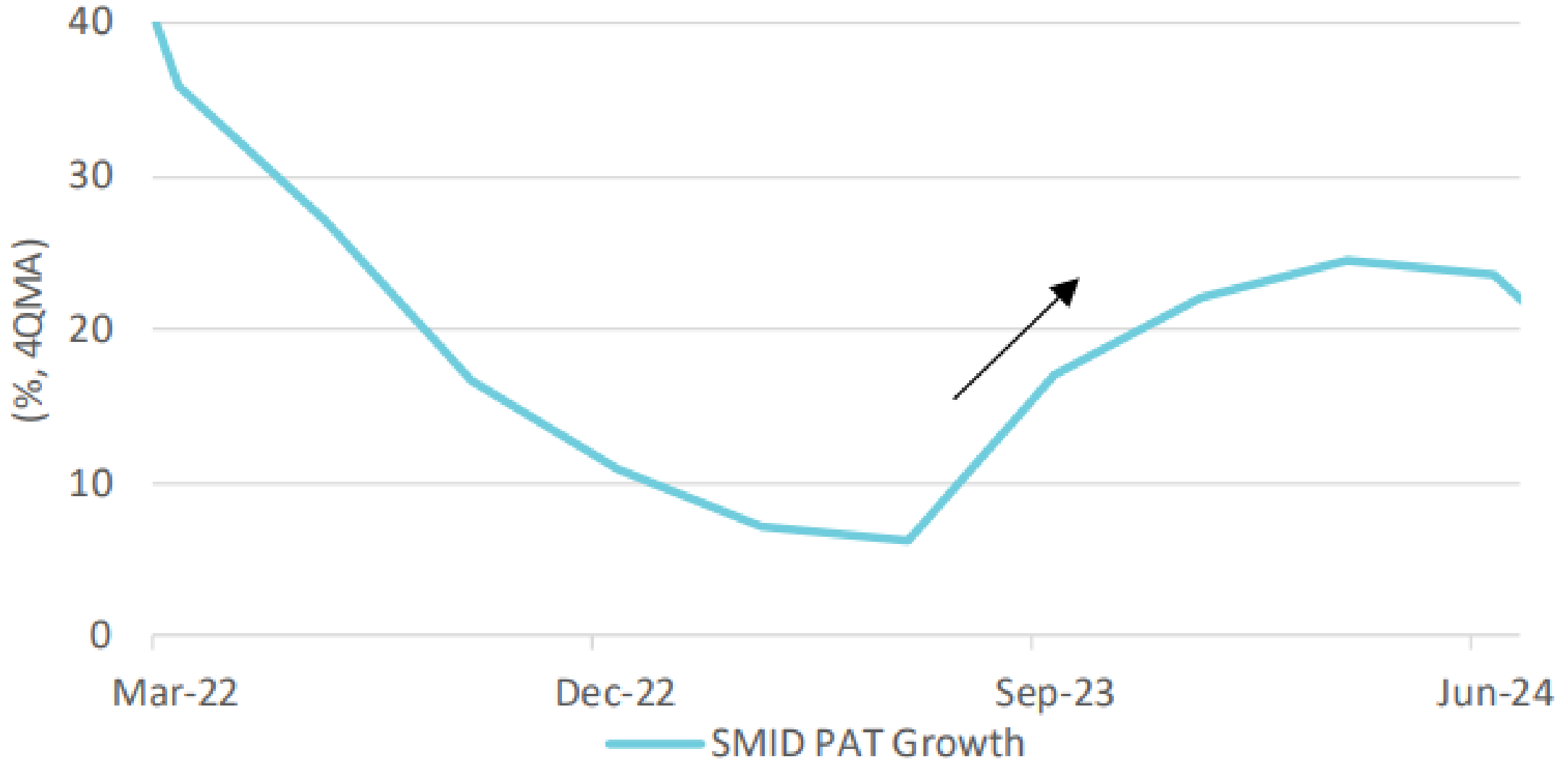
However, Nifty top 10 equal weight continues to underperform



Nifty top 10 Equal Weight index up just 6% from march lows – At same levels as Mar’25



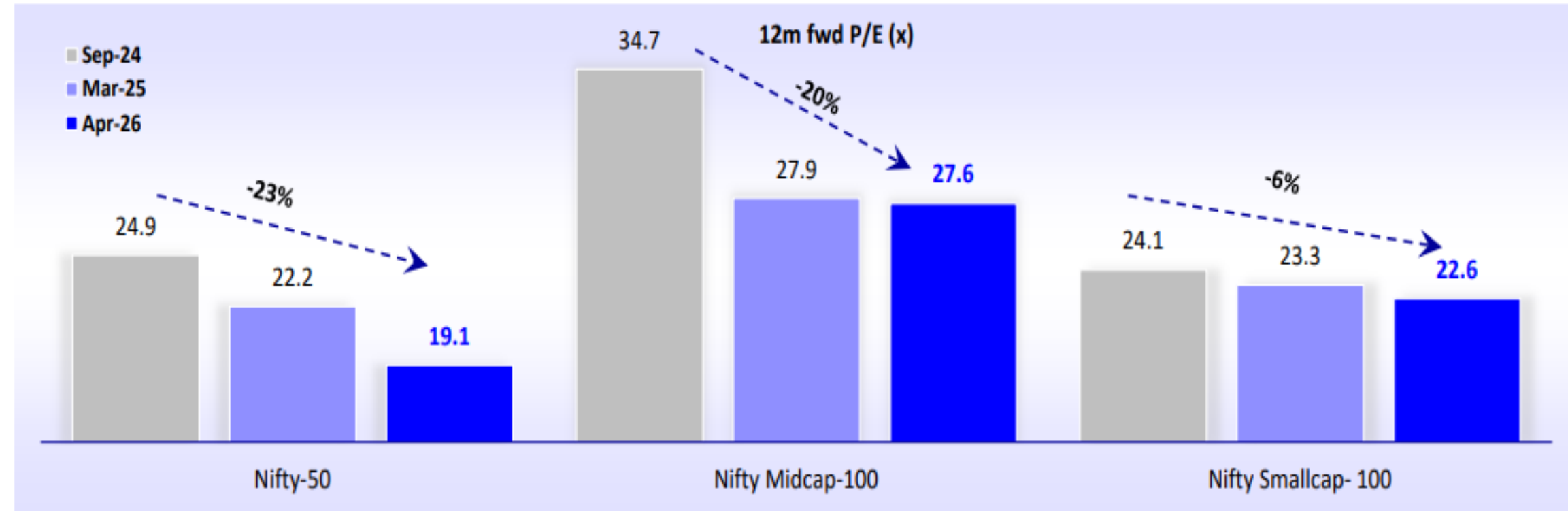
SMID profit growth rebounded post the Russia-Ukraine war – can it repeat this time?



Valuations of SMIDs have corrected from Sep'24 highs



Valuations of key benchmark indices corrected significantly from their Sep'24 highs



After record supply, Promoters have turned buyers



List of companies where promoters have increased stake

Name	Sector	Mcap (US\$bn)	Method	Net promoter buying since 01st Jan, 2026 (US\$m)	% stake added
Adani Enterprises	Industrials	31.3	Rights issue	2,048	
GMR Airports*	Consumer Discretionary (ex-Autos)	10.6	Stake purchase + FCCB buyback (from foreign promoter)	1,085	7.3
JSW Energy	Utilities	10.2	Preferential allotment (incl. warrants)	317	1.0
Godrej properties	Real Estate	5.7	Market purchase	258	4.5
Adani Energy Solutions	Utilities	18.2	Market purchase	197	1.5
Maruti	Autos	43.7	Market purchase	123	0.2
Grasim Industries	Chemicals	19.9	Market purchase	108	0.5
Jindal Stainless	Metals & Mining	6.7	Market purchase	58	0.8
Lodha	Real Estate	9.0	Market purchase	44	0.4
Indus Towers	Telecom	11.2	Market purchase	29	0.2
Gateway	Industrials	0.3	Market purchase	3	0.9
Total				4,269	

Buybacks have resumed after favourable tax change



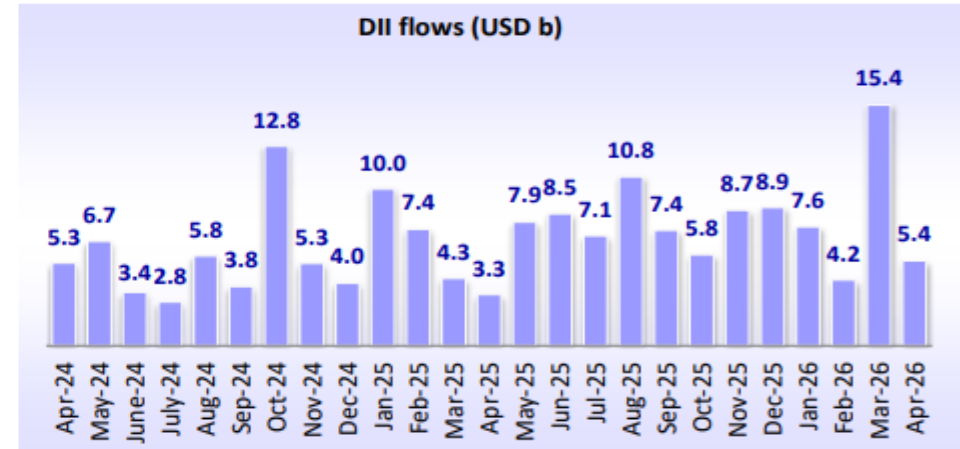
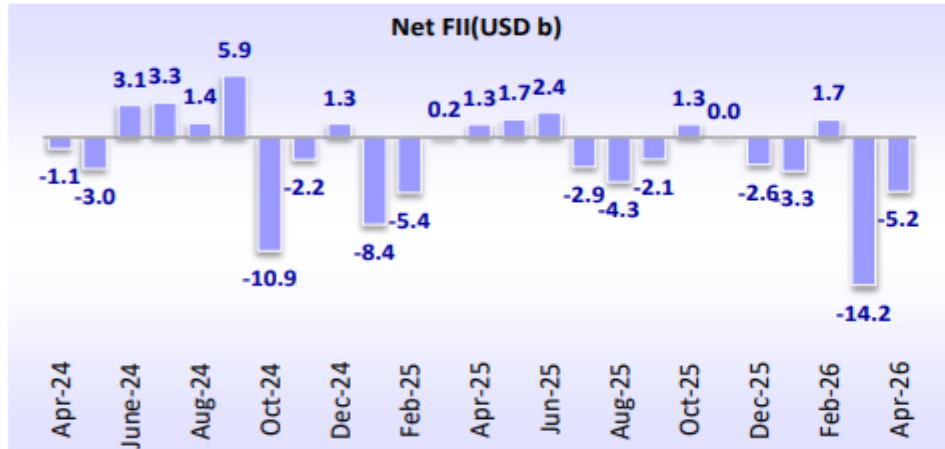
FY27 YTD Buyback announcements

Company	Sector	Buyback Type	Size (INR Cr)
Wipro Ltd.	IT	Tender Offer	15,000
Bajaj Auto	Automobile	Tender Offer	5,633
Aurobindo Pharma	Pharma	Tender Offer	800
Cyient	ERD	Tender Offer	720
Kajaria Ceramics	Building Materials	Tender Offer	297
Rolex Rings	Auto - Anc	Tender Offer	180
Windlas Biotech	Pharma	Tender Offer	47
Jagsonpal Pharma	Pharma	Tender Offer	40

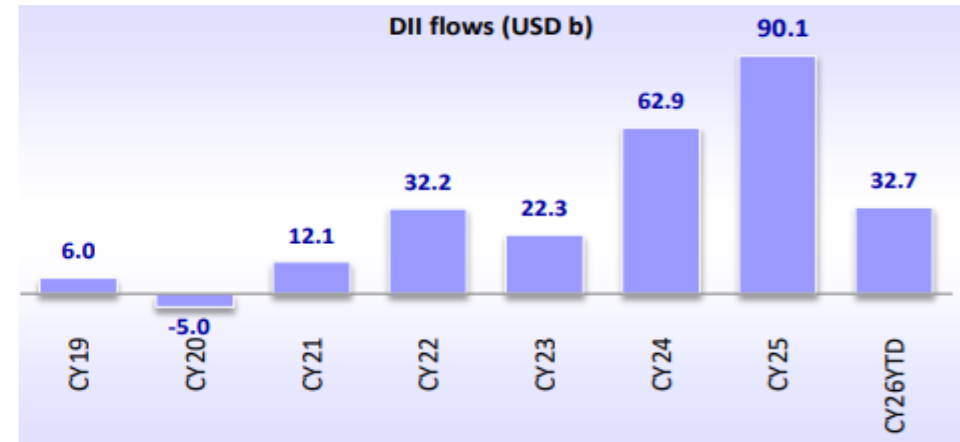
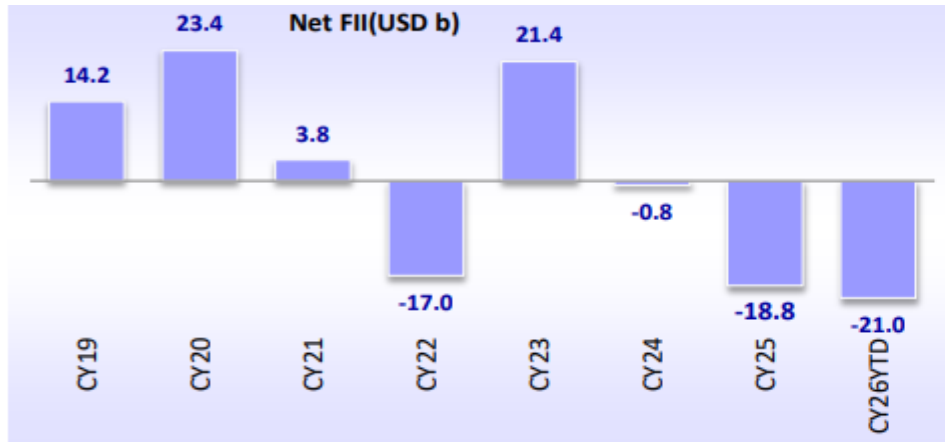
FII continue to be net sellers of Indian equities in FY26



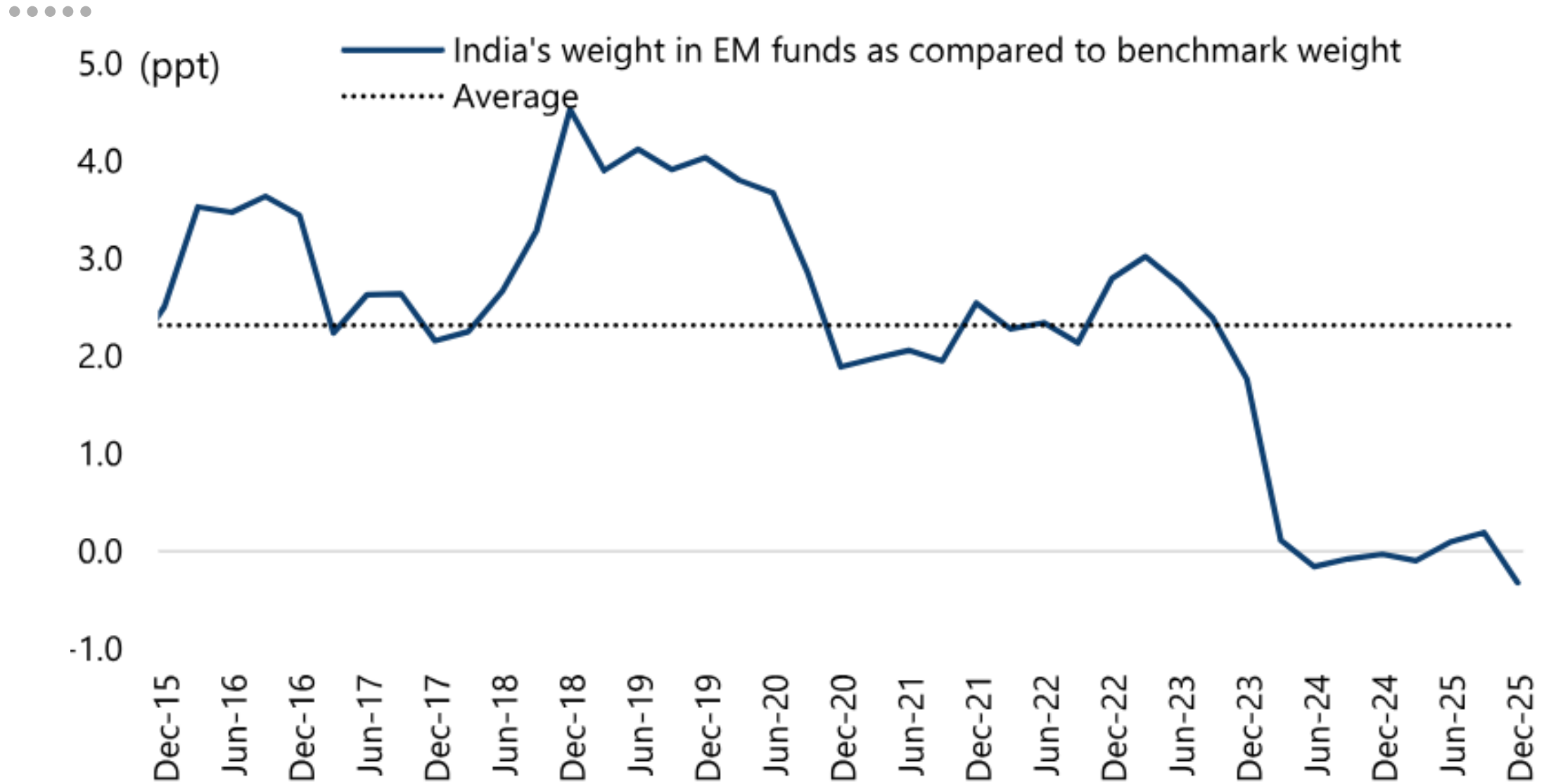
Monthly Institutional Flows (USD bn)



Yearly Institutional Flows (USD bn)

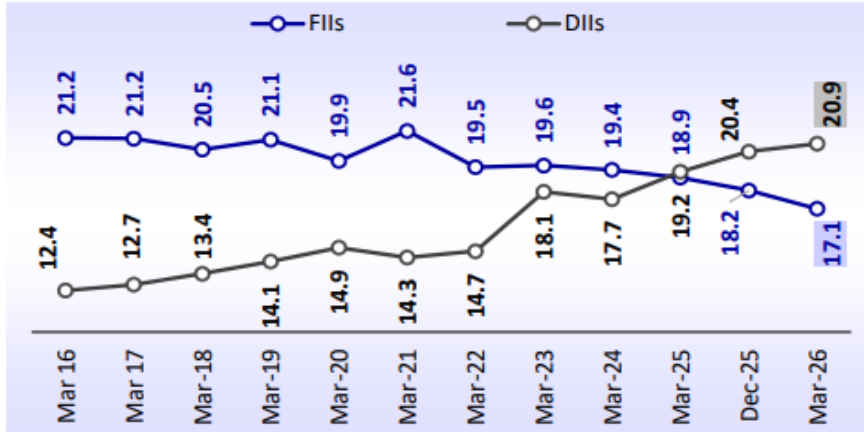


FPI underweight on India at all time highs

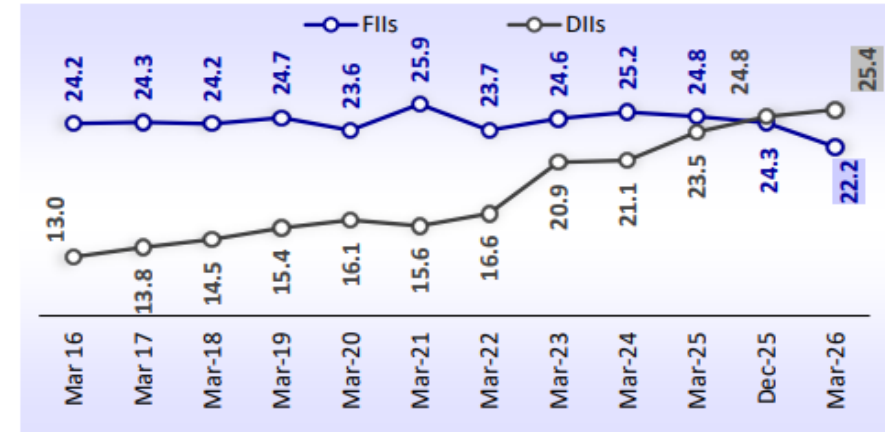


FPI underweight on India at all time highs

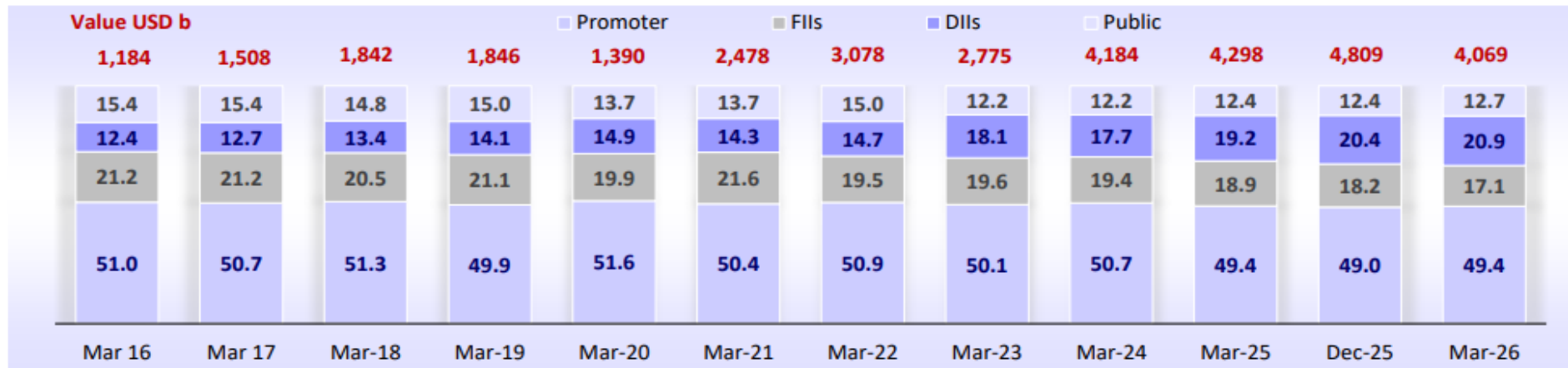
Trends in FII/DII holdings for Nifty-500 (%)



Trends in FII/DII holdings for Nifty-50 (%)



Nifty-500 holding pattern (%) – DIIs continue to raise their stakes to an all-time high, while FIIs reduce to an all-time low



India's underperformance vs. EMs is close to historical troughs



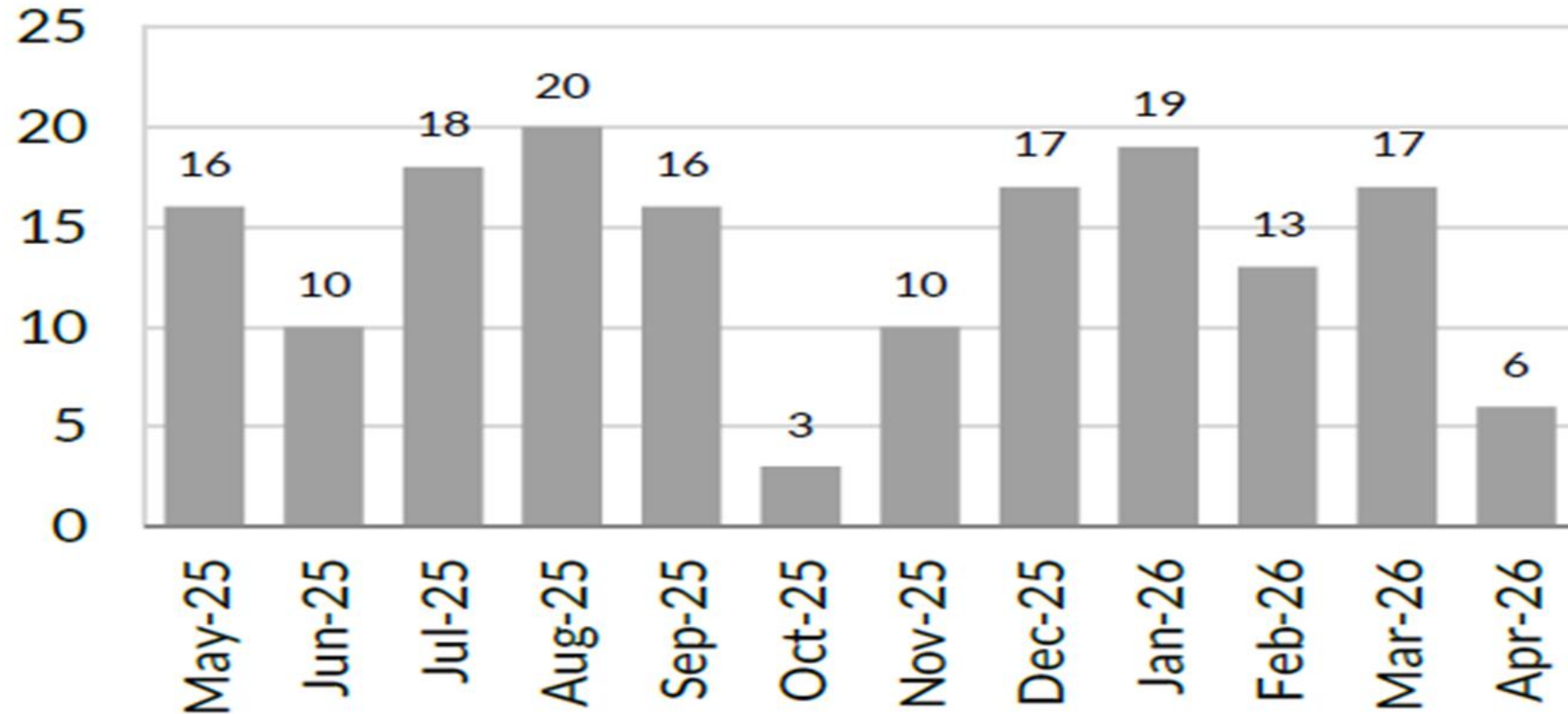
MSCI India lags by 40% vs. EM over past 2 years



Can few months of consistent performance bring FIIs back?



Performance over world MoM – India Rank



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



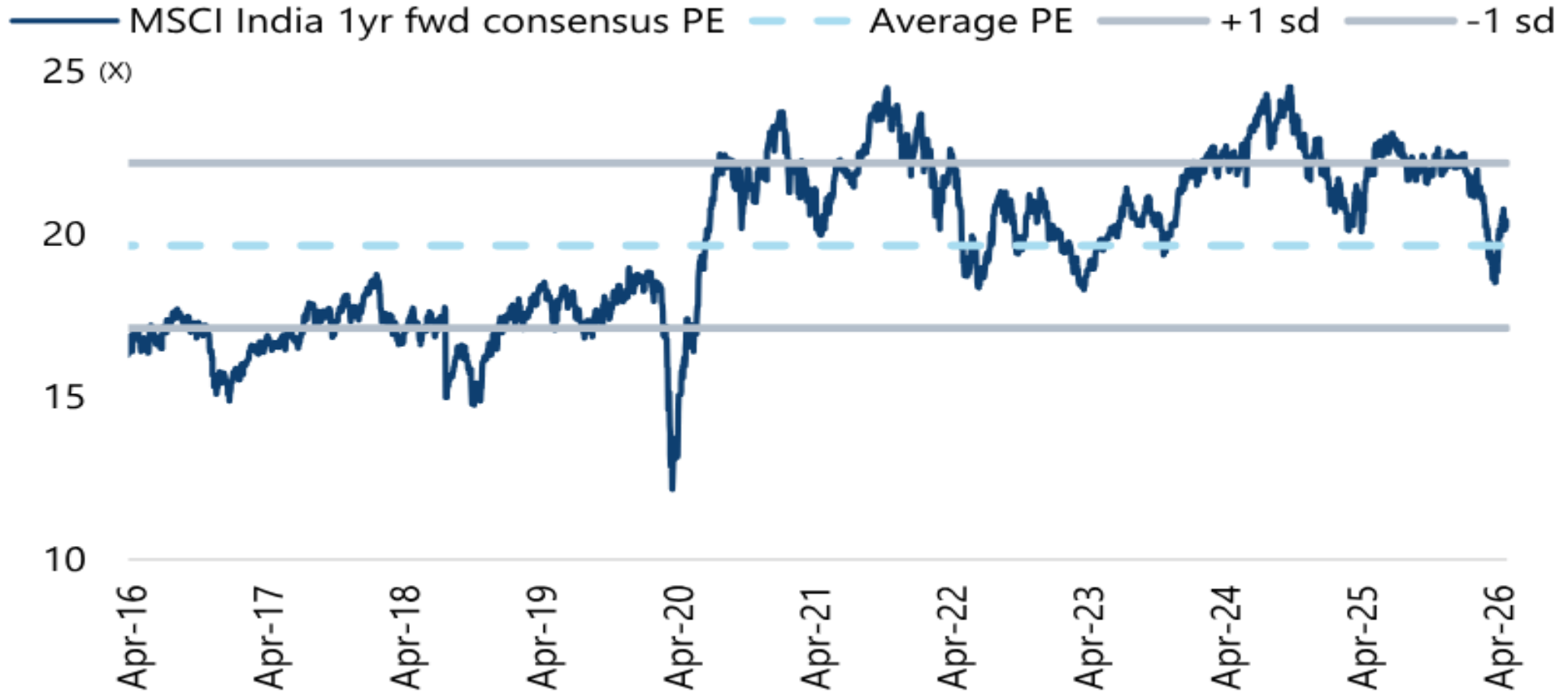
Nifty Smallcap 100	Drawdown during Jan-March	Date of Bottom	Bounce Back within the Next Fiscal Year	Peak Date	Bounceback Time (months)
2009	-24%	09-Mar-09	176%	18-Jan-10	11
2011	-21%	10-Feb-11	19%	07-Apr-11	2
2013	-21%	26-Mar-13	20%	31-Mar-14	12
2016	-24%	12-Feb-16	60%	31-Mar-17	14
2018	-20%	23-Mar-18	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%	23-Mar-26	?	?	?
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%

Valuations reasonable after price and time correction

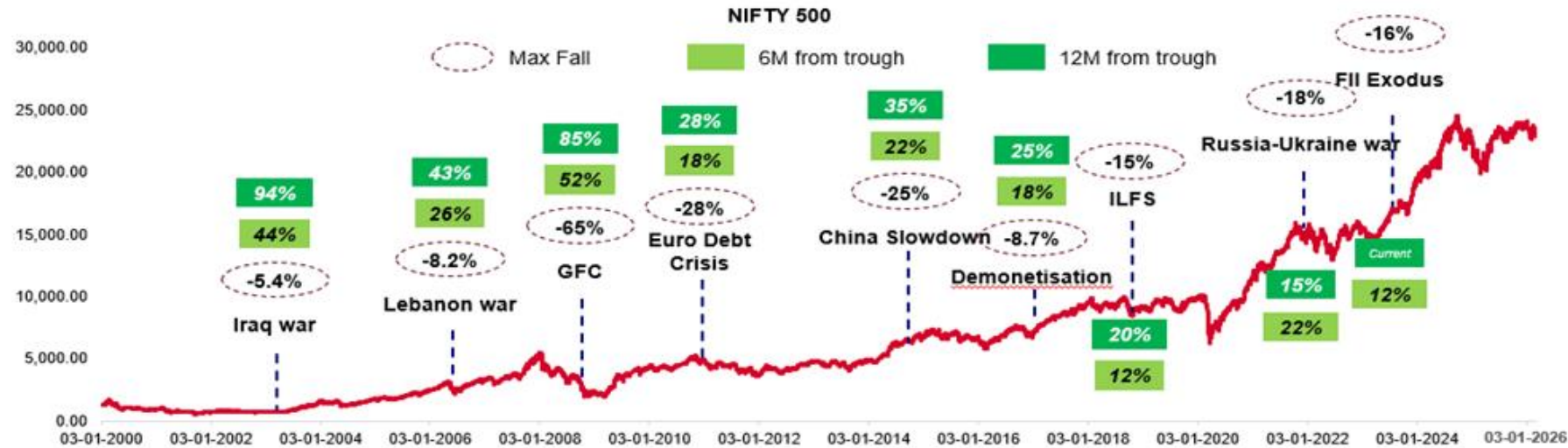
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MSCI India 1yr fwd consensus PE



As we discussed last month that geopolitical conflicts are the best times to invest

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



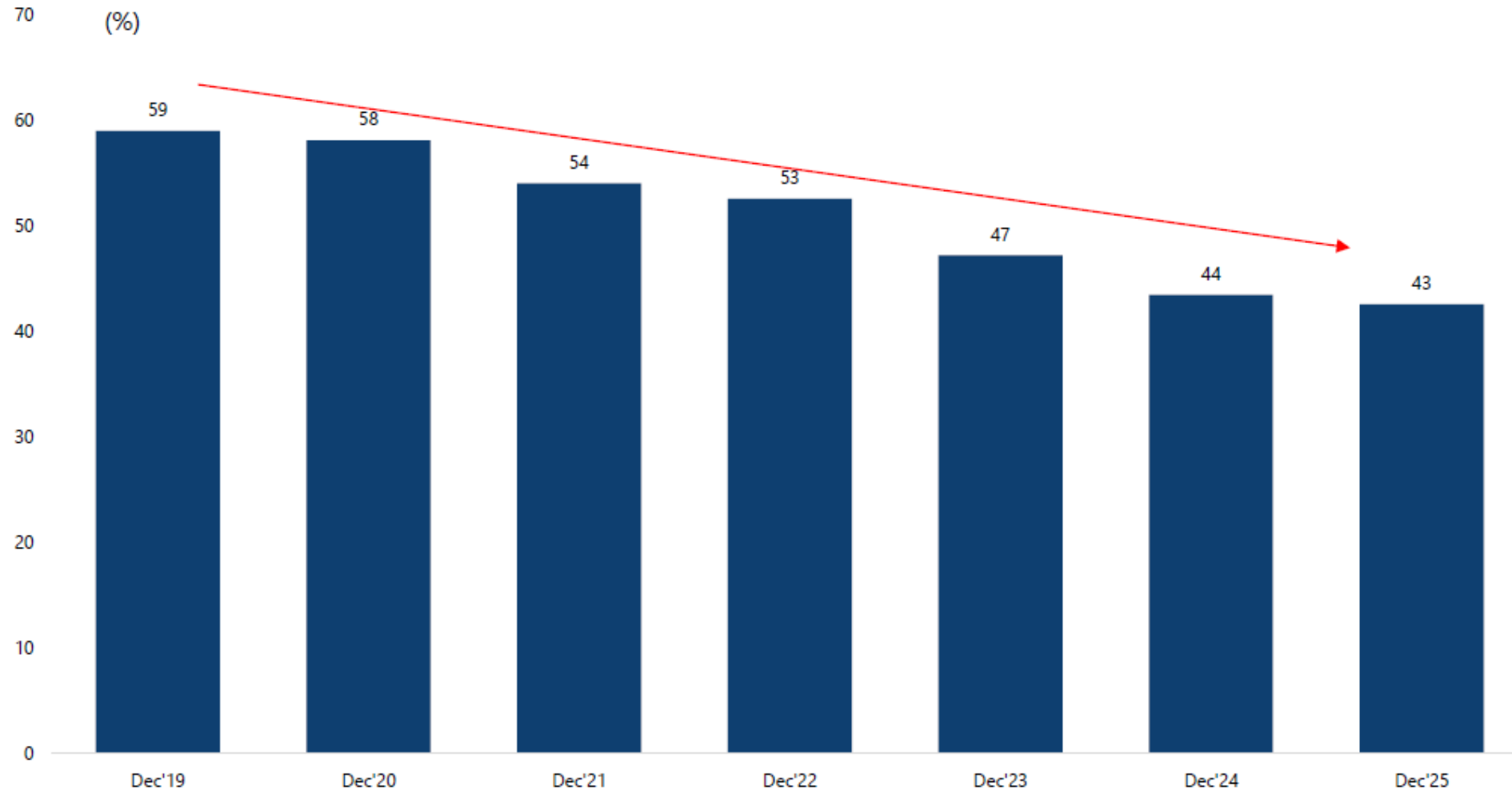
Themes we like



Weight of traditional leaders is in downtrend

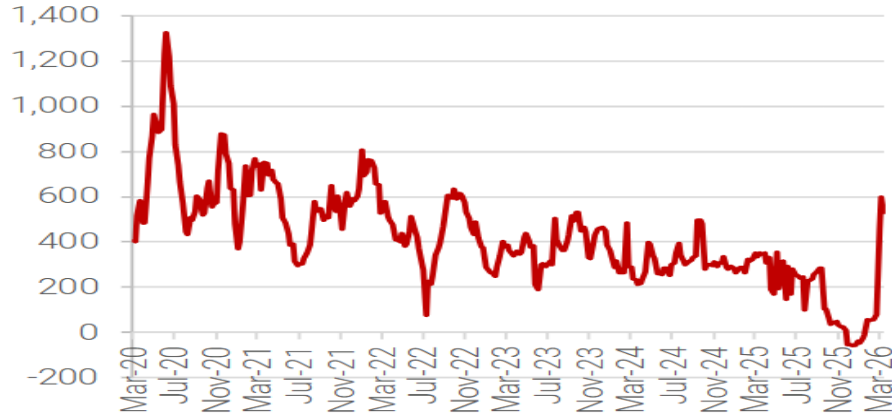


Combined weight of Banks, IT, Cons staples and RIL in MSCI India

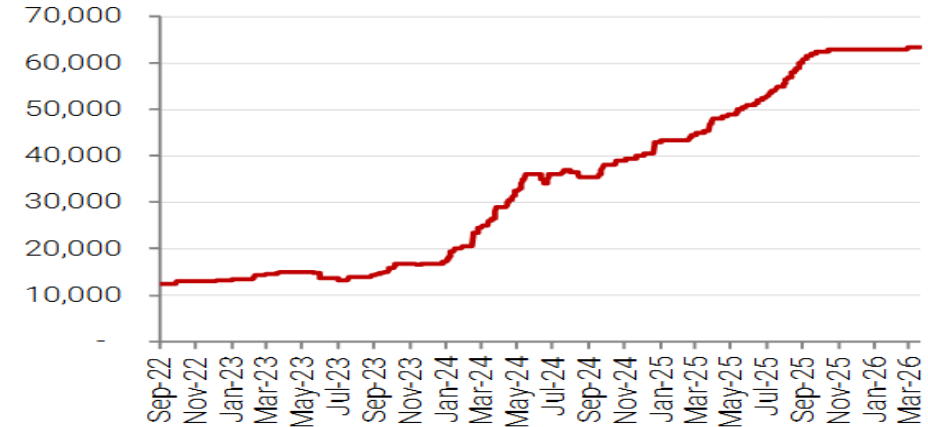


Chemicals: Margins are at decadal lows – can inflation change things?

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



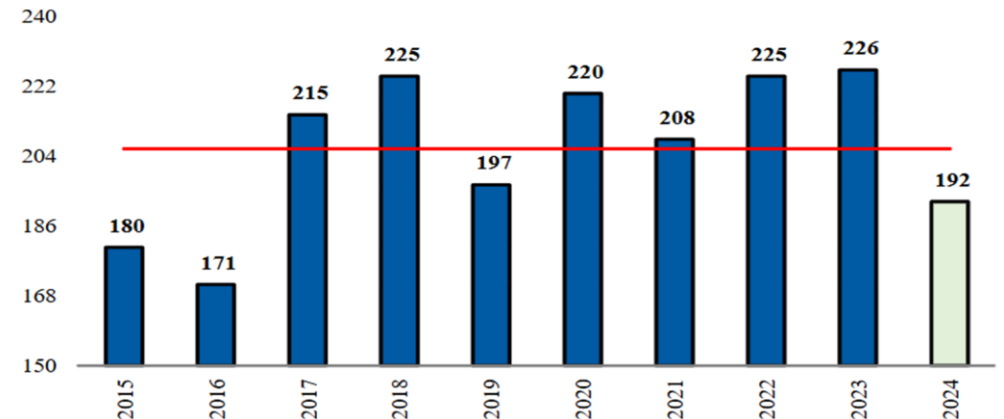
Spot prices for many chemicals at high levels (R32 RMB/ton)



Most chemical cos have derated significantly (P/BV)



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



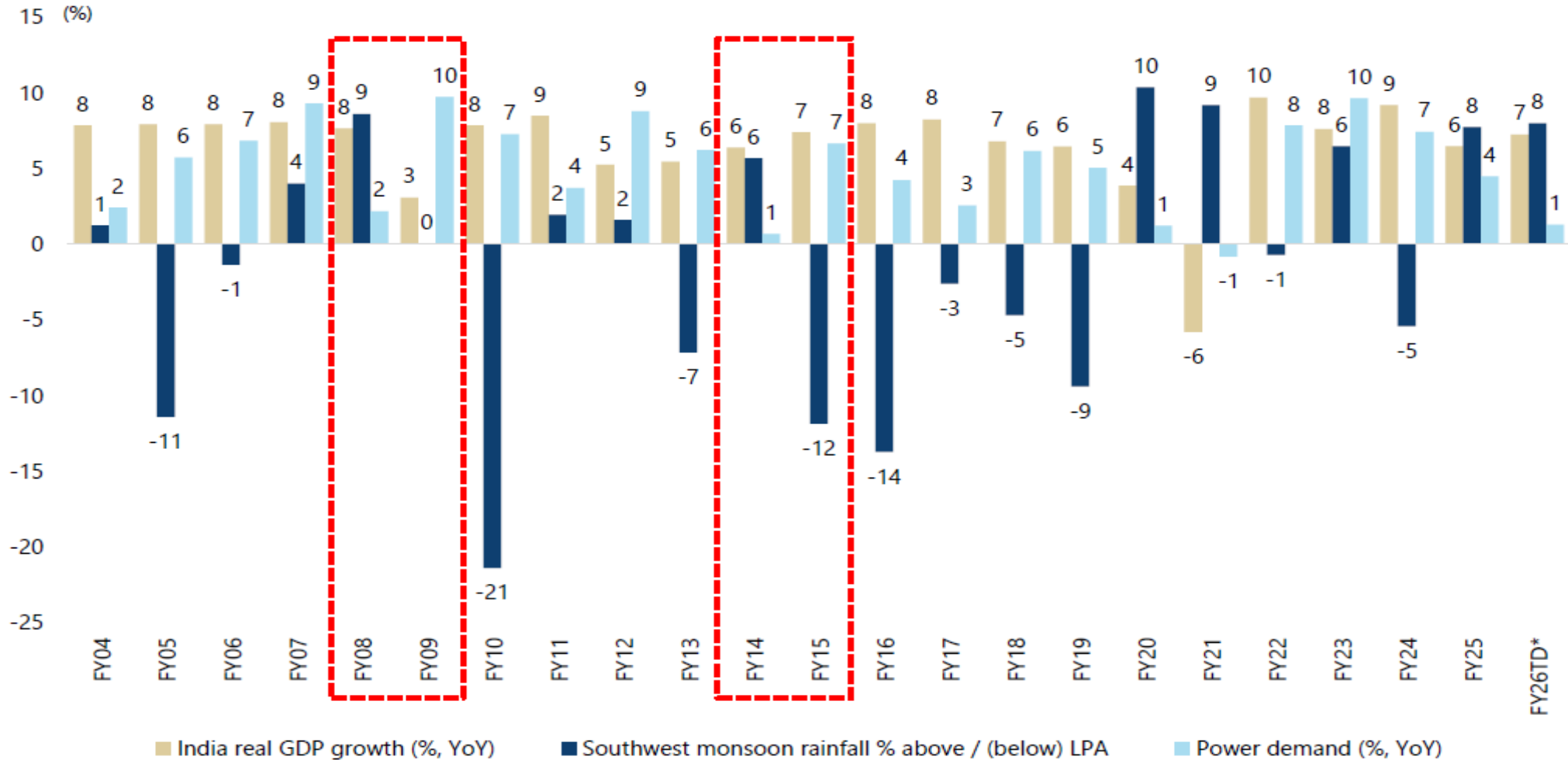
Chinese yuan devaluation can support commodity prices?



Power demand is bound to rebound



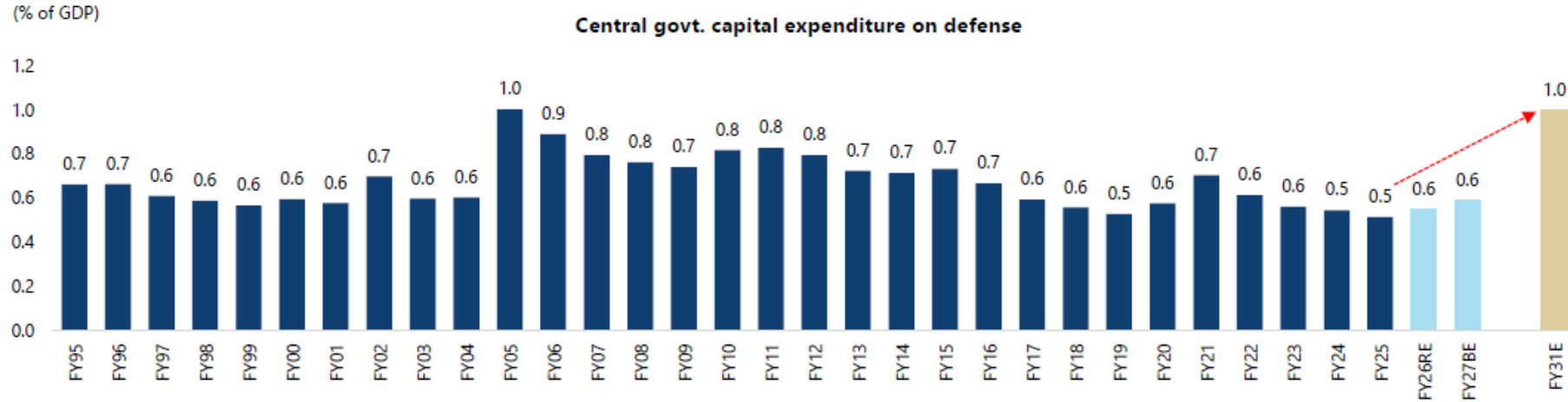
Normal monsoon may aid power demand to recover



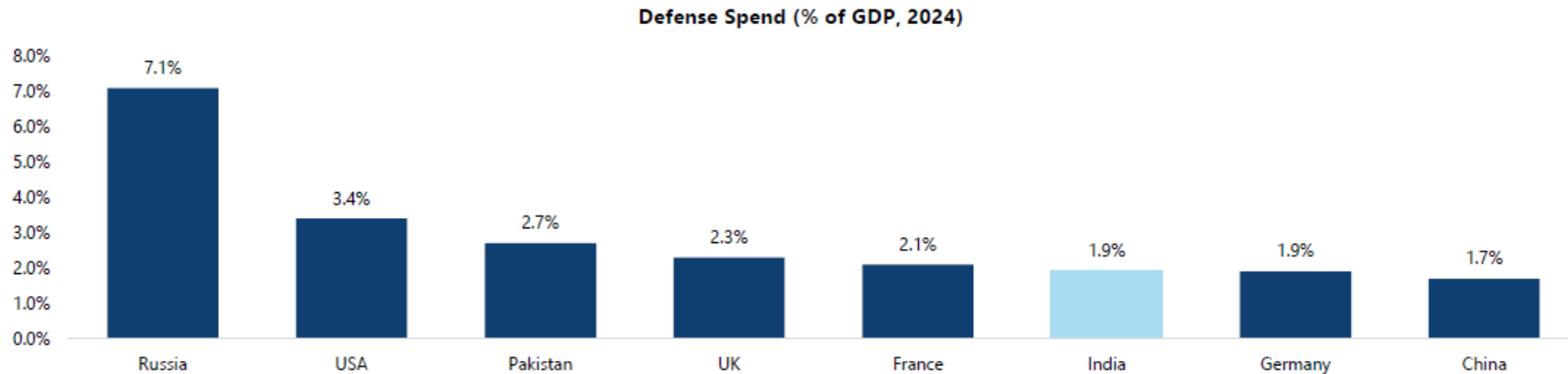
India's defense capex has to rise



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



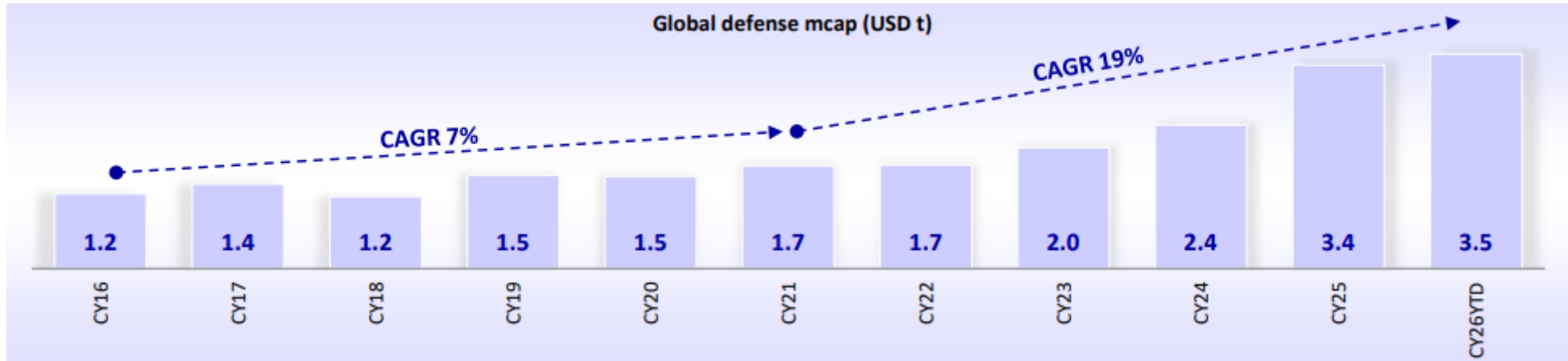
India defense spend is lower compared to other countries



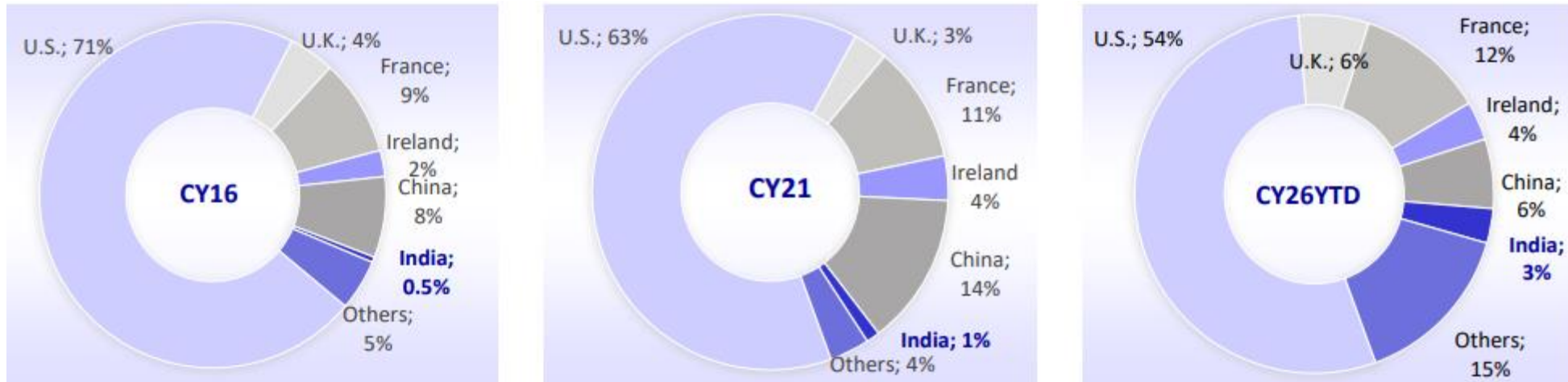
Rising geopolitical tensions can lead to accelerating defence spend



Aggregate market cap of global defense names (USD trn)

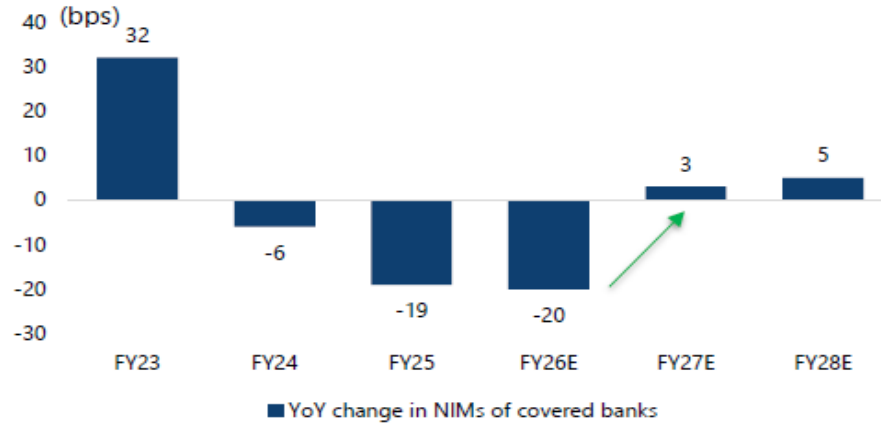


Contribution of key countries to global defense market cap (%)

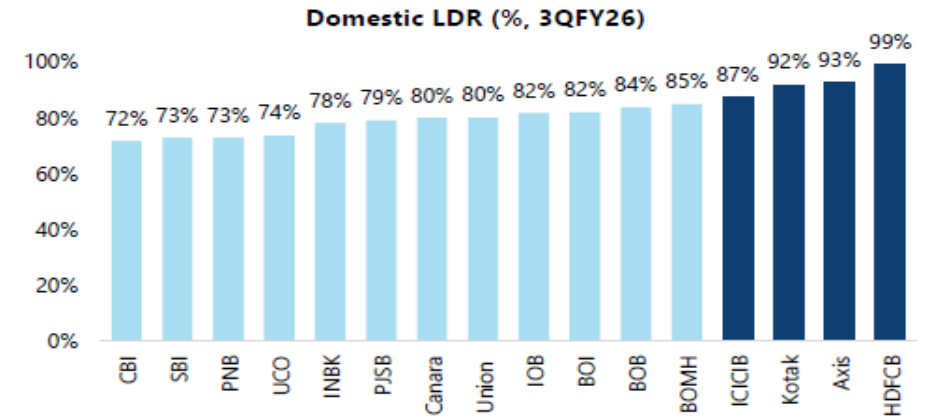


Why we believe financials are in a sweet spot

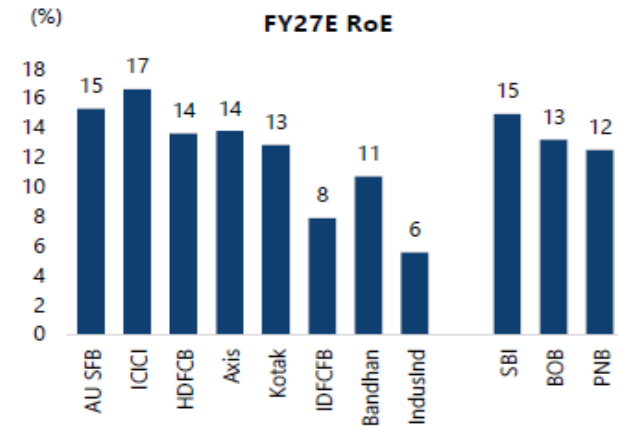
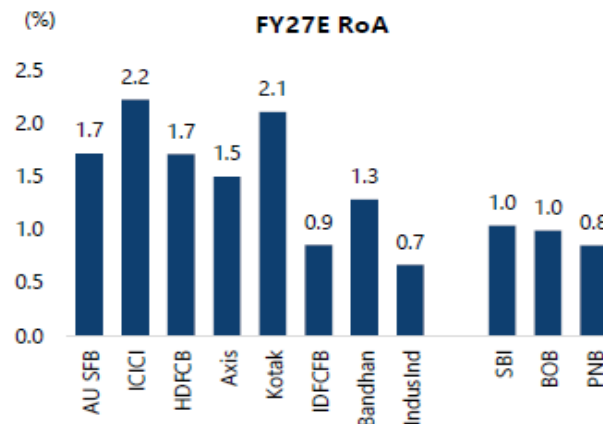
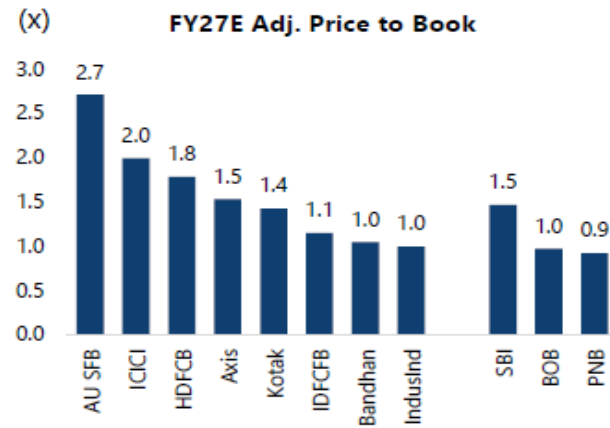
NIM compression behind now



PSU banks' LDR relatively lower than Pvt banks



Banks' valuations and return ratios



What should Investors do?



- We are constructive on the markets. After the rally, we believe bottom-up stock picking should be rewarded.
- We recommend to raise equity exposure in a staggered manner from hereon:
 - ✓ Top up allocations/SIPs
 - ✓ Sectors that can do well - Metals, healthcare, chemicals, power, auto ancillaries, private sector, financials and NBFCs, consumer discretionary.

Be Ready For Volatility

Events: US Tariff war, Energy Prices and Geopolitical uncertainty

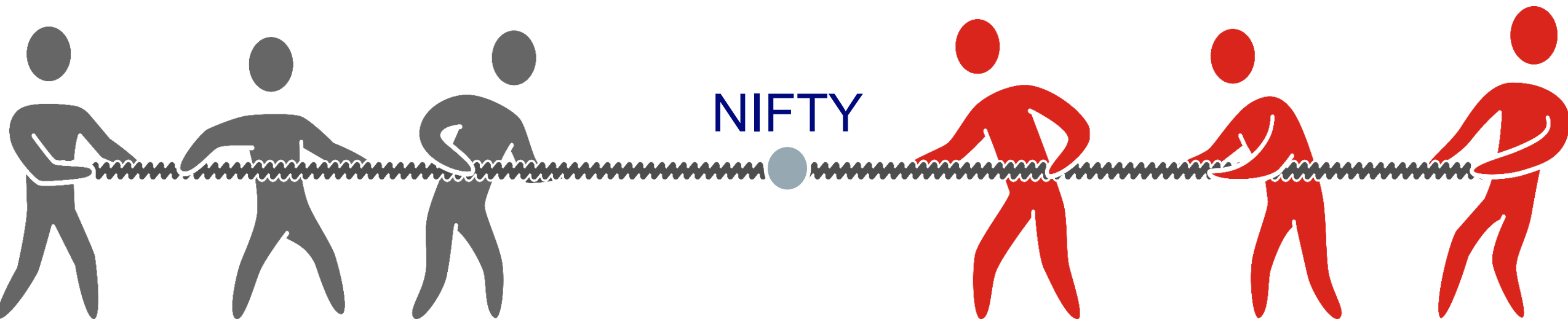


Extended Middle-East war
Global Liquidity Tightening

Risks to Earning Trajectory
External Shocks

Earnings Pickup
Yield Softening

Favourable India Macros
FII Flows Returning



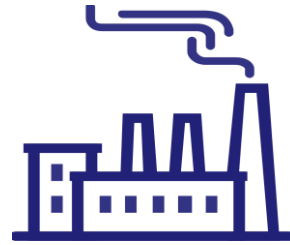
Fund Update

IKIGAI Emerging Equity Fund

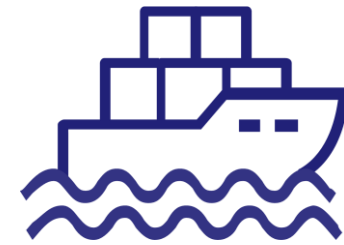
Key Investment Themes



**Big Getting Bigger,
Strong Getting Stronger**



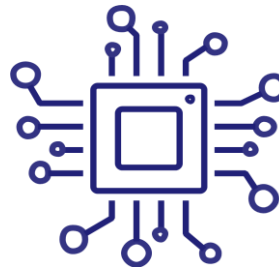
**PLI - Revival of Industrial Manufacturing
& Private sector Capex**



**China +1 Exports
Opportunity**



Consumption



Digitization

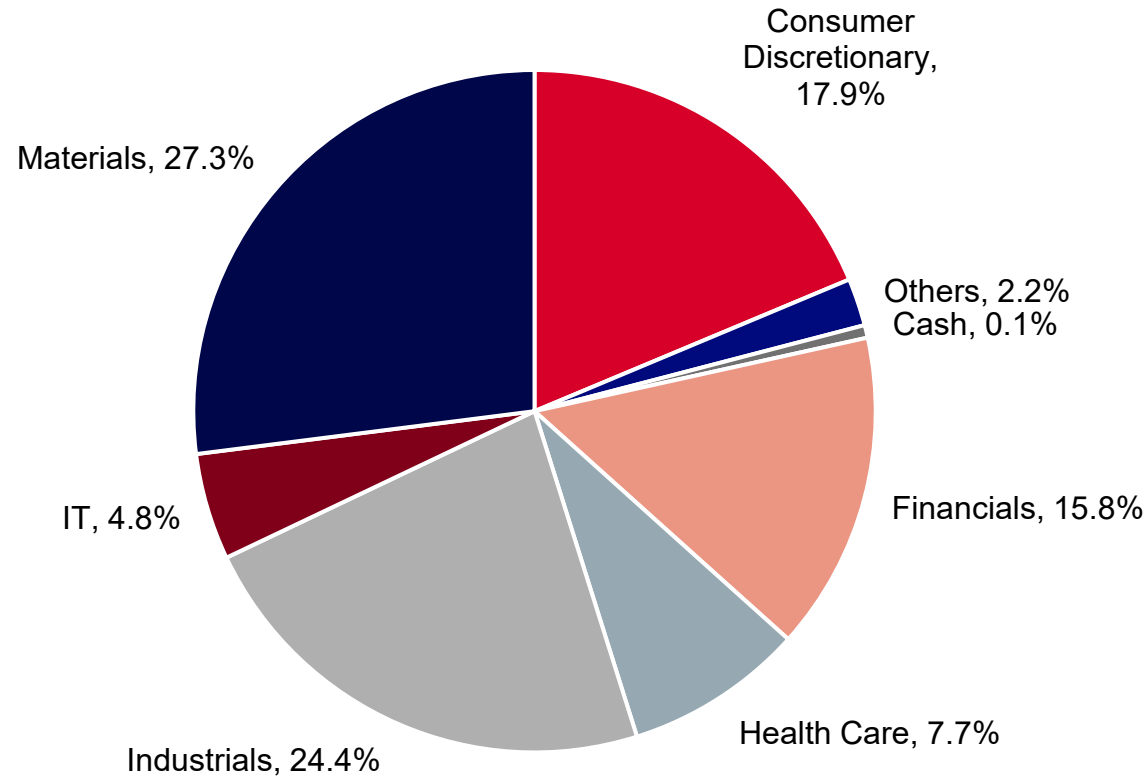


Financialization

Key Portfolio Statistics



Sector Allocation



Period Ended

**IKIGAI Emerging Equity Fund

EPS Growth FY27E	26%
EPS Growth FY28E	23%
Return On Capital	17%
Debt/Equity	0.2
EBITDA Margin	12%
Free Cash Yield	2%
Forward P/E	28x

Note: **Ex-Financials

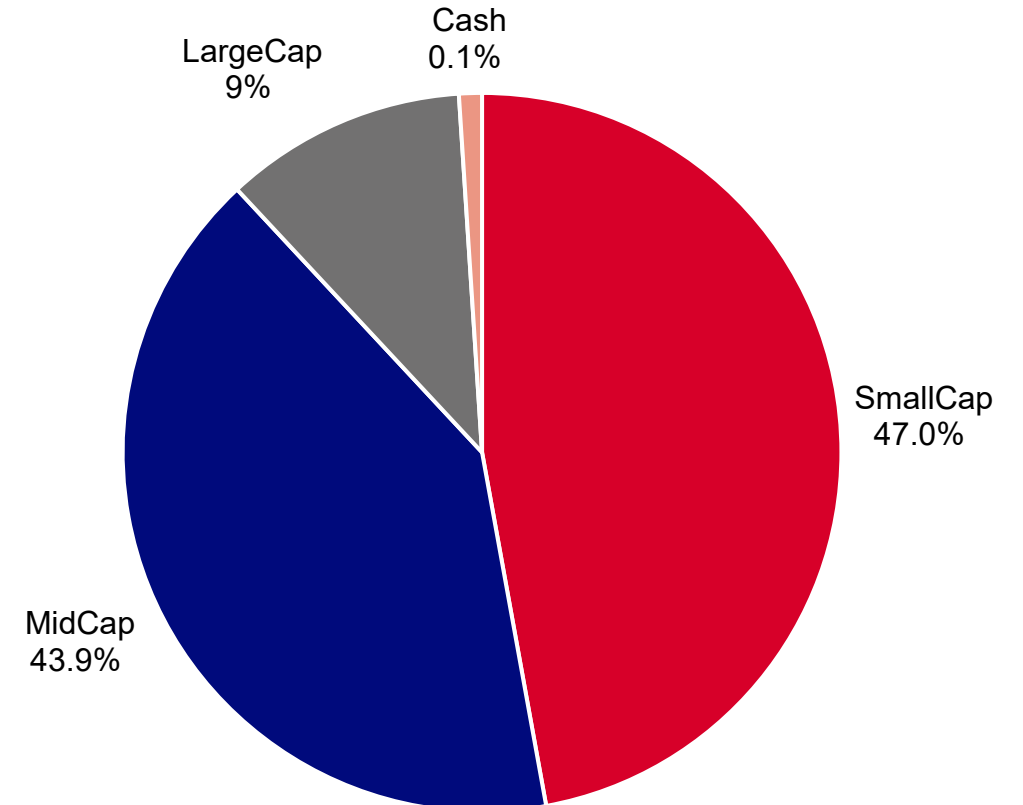
Top portfolio holdings and market cap breakup

Top 10 Stocks

Weights

Happy Forgings Ltd	4.83%
V.S.T Tillers Tractors Ltd	4.52%
Alkyl Amines Chemicals Ltd	3.84%
Century Plyboards (India) Ltd	3.80%
Kajaria Ceramics Ltd	3.75%
Welspun Corp Ltd	2.67%
Techno Electric & Engineering Company Ltd	2.61%
Styrenix Performance Materials Ltd	2.59%
Supreme Industries Ltd	2.34%
Hawkins Cookers Ltd	2.30%

Market Cap Allocation



Fund Performance



Period	Fund Return	Nifty 50	Nifty 500	Nifty MidSmall 400
Last 1 Month	14.19%	7.46%	10.50%	14.50%
Last 3 Months	6.60%	-5.23%	-1.72%	3.61%
Last 6 Months	0.73%	-7.27%	-4.86%	-1.86%
1 Year	12.38%	-1.38%	2.97%	10.04%
Since Inception (XIRR)	1.62%	1.00%	0.85%	1.62%

Top contributors to Fund performance in Apr'26



Stock	Apr'26 returns
Welspun Corp Ltd	56%
Oracle Financial Services Software Ltd	45%
Bharat Heavy Electricals Ltd	44%
Billionbrains Garage Ventures Ltd	43%
BSE Limited	36%
Techno Electric & Engineering Company Limited	30%
Kajaria Ceramics Limited	29%
Solar Industries (I) Ltd	28%
Styrenix Performance Materials Limited	26%
Thermax Ltd	25%

Stocks at/near all time highs	Away from ATH
Oracle Financial Services Software Ltd	-2%
Welspun Corp Ltd	-4%
The Federal Bank Limited	-5%
Navin Fluorine International Ltd	-5%
Billionbrains Garage Ventures Ltd	-5%
IPCA Laboratories Ltd	-6%
AU Small Finance Bank Limited	-6%
Sansera Engineering Limited	-6%
AIA Engineering Ltd	-6%
Jindal Steel Ltd	-6%

Thank You

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