

IONIC WEALTH
BY ANGEL ONE

Asset X:
Investment Strategy

05, August 2025



“Asset X” is a multi-asset strategy that aims to highlight the most important signals in the financial markets, across the major asset classes. We strive to marry clarity of thought with brevity.

Key highlights

“Asset X” is a multi-asset strategy that aims to highlight the most important signals in the financial markets, across the major asset classes. We strive to marry clarity of thought with brevity. There’s a lot happening in the world right now which is shaping investor’s expectations amidst uncertainty. Our aim remains to create robust, long-term strategies.

Domestic Equity: Remain At Neutral Allocation

At 22100 levels, we completed deployment to neutral equity allocation in Mar-25. We then had proposed to stagger our equity allocation at 33% for next 3 months since Apr-25. Now, we prefer to deploy 75% of the corpus upfront, with ~25% dry powder for pull back. Large cap deployment can happen before SMIDs. We have no market cap/sector bias at the current juncture. We favour active managers and have moderate expectations from the market

In Foreign Equities, diversify across economies, staggering will be a good seeding strategy

Global markets have risen in the past month, and earnings have been rather promising, building a pool for global assets in current times will make sense. Deployment in basket of US, EU and China will be ideal Countries like Korea can also be invested in with LRS pool. According to us , foreign equity can be ~25% of one’s equity portfolio

Mid & Long duration bond mix could be optimal

A portfolio with 3–5-year bonds and long duration bonds, a 70:30 mix between mid & long duration will be an ideal portfolio mix (Note: We had tactically changed the mix from initial 60:40 in June). Rate cut, growth slowdown and liquidity injection is likely to advantage this mix.

INR likely to be rangebound

It depends on global macros especially DXY. We expect INR to hover in 84-88 range

Precious metals will continue to offer hedge against equity volatility, inflationary expectations, geopolitics, etc.

Silver can likely outperform Gold, albeit with higher volatility.

Unlisted Equity has become favorable

after tax announcements and conventional asset classes losing upside hereon. IPO listing way of exit can continue to gain steam

Commercial RE is improving

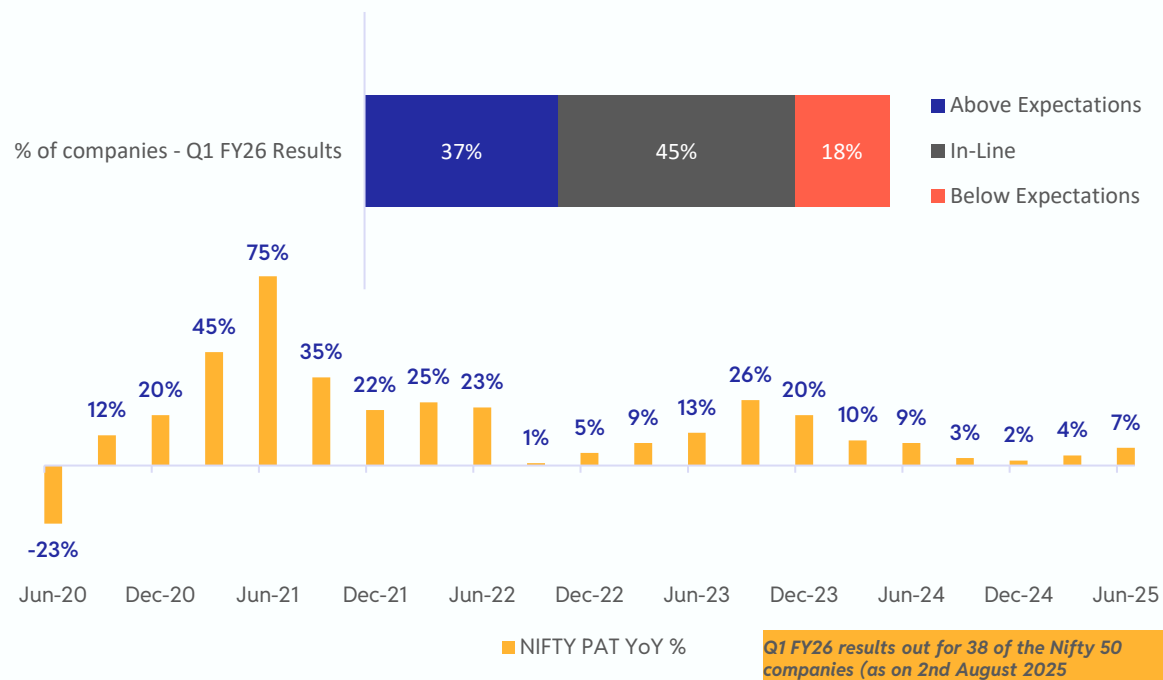
Growth is primarily driven by GCC and Flexible Office space while India focus business continues to anchor



India Equity: 75% now, 25% on pullbacks in volatility, 'buy on dips' market, no sectoral/market cap bias, active managers will have more opportunity

Earnings

Q1FY26 looks better compared to the past quarter, mixed bag so far, earnings growth will be important for markets to show robustness



Source: Bloomberg, Ionic Wealth, Motilal Oswal. Data available as on July 2025

Our Hypothesis

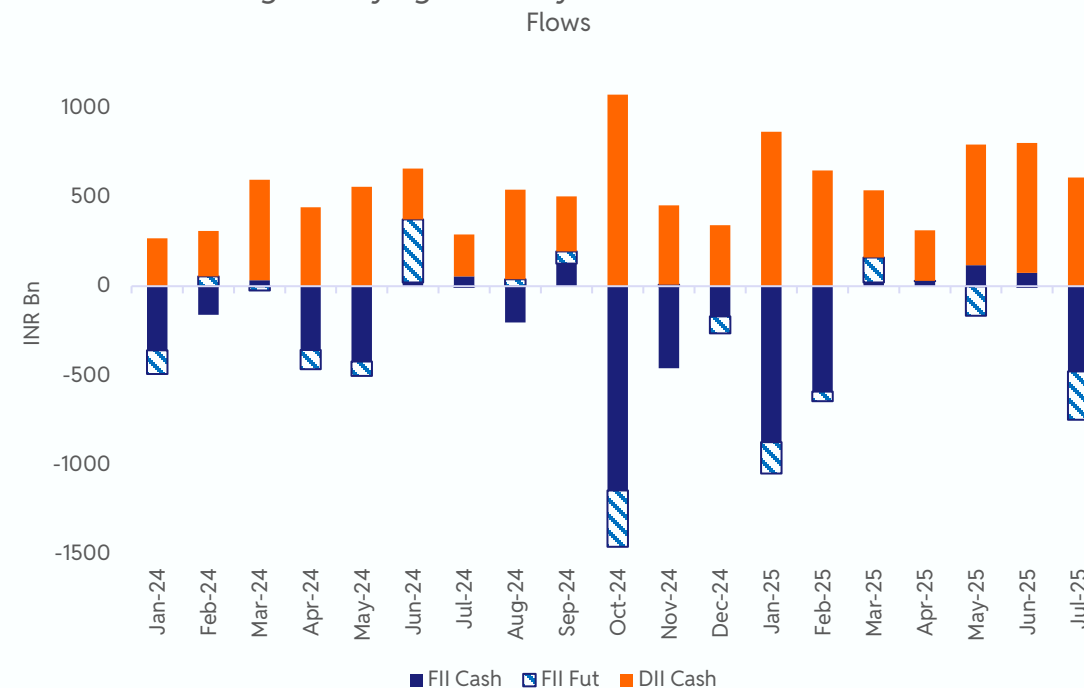
Markets have underlying strength although it's subjected to trade deal and earnings ahead. We prefer 75% deployment now and saving 25% for attractive levels on pullbacks, given volatility is high

Drivers

Valuations, earnings, global and domestic macros, rate cut cycle, domestic growth, strength of dollar and the US economy

Flows

Market showed some resilience despite the FII outflows, primarily due to the strong DII buying. FIIs are yet to make a comeback



Source: Moneycontrol, CMIE, Ionic Wealth, Data available as on July 2025

Risks

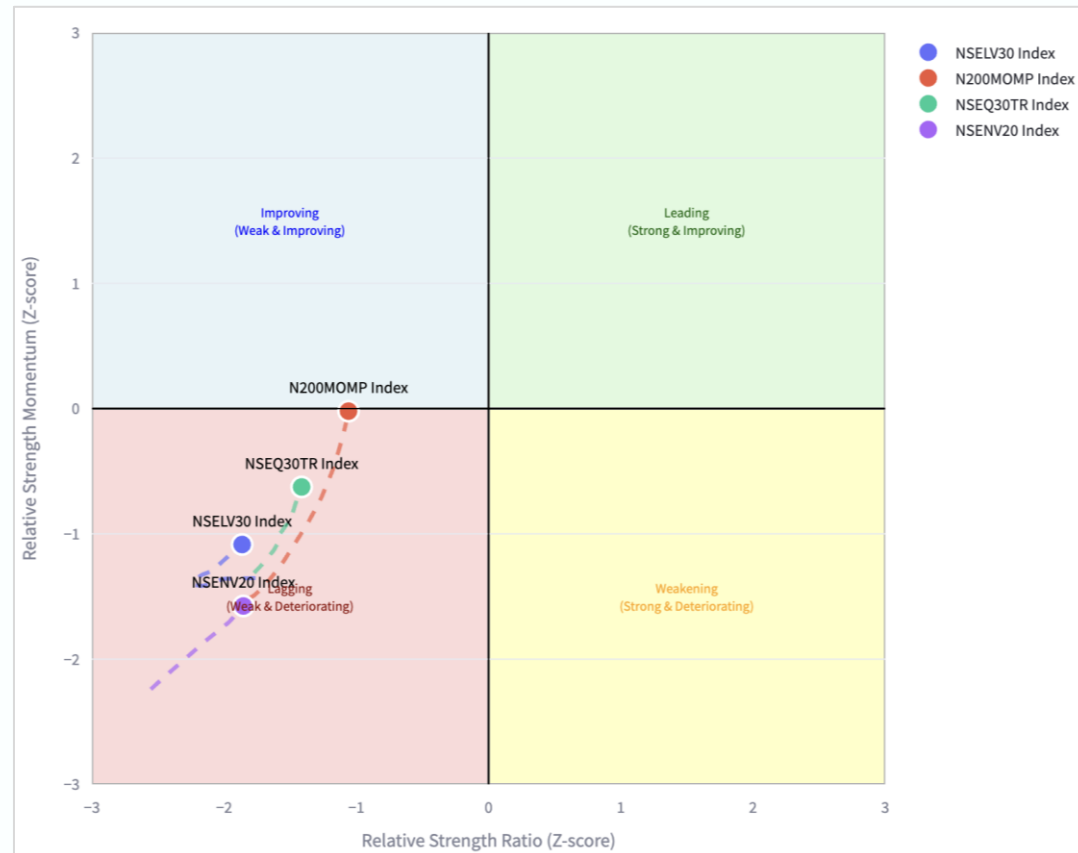
India macro weakening further and no signs of earnings revival

Data to watch

Earnings, interest rates, geopolitics, sentiments, FII and DII flows, domestic demand

India Equity Factors- Weakness All Around, but a rebound in Momentum

6 Month Relative Strength and Relative Momentum



Factor	1 Month	3 Months	6 Months	1 Year	3 Years	10 Years
Low Volatility	-0.94%	2.63%	3.65%	-1.11%	15.64%	12.13%
Momentum	-5.28%	3.27%	2.36%	-18.33%	19.07%	15.94%
Quality	-2.62%	2.27%	-0.36%	-8.24%	12.57%	9.85%
Value	-3.12%	-0.77%	-5.32%	-11.56%	12.78%	12.56%
Nifty 50	-3.03%	1.78%	5.36%	-0.73%	13.02%	11.24%

Interpretation

- Recent Outperformance:** Table and RRG shows relative strength improving in Momentum
- Momentum only factor** with higher relative momentum to Nifty 50
- Short Term (3 Month) favors:** Momentum and Quality Factor
- Our View:** Deployment should start in Momentum factors and should complete in a 3 month period

What it explains?

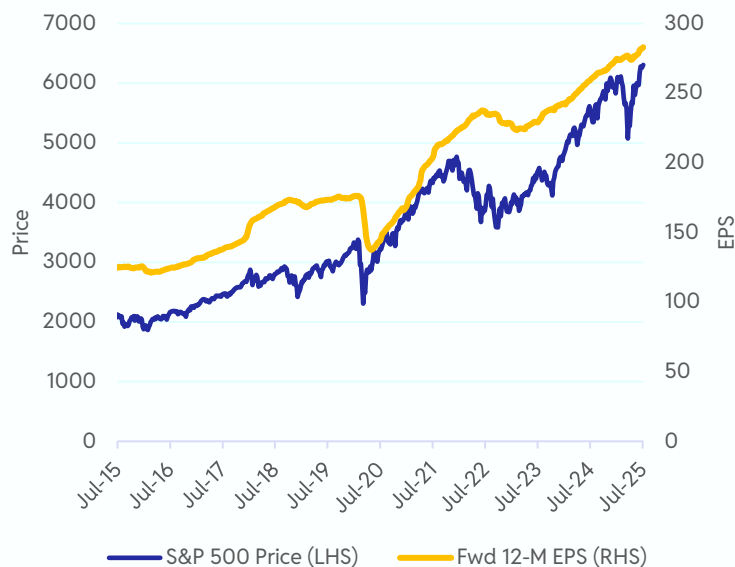
- Relative performance of each factor to Nifty 50 (x-axis)
- Momentum of change in relative performance (y-axis)

Risks

- Intermittent and immediate weakness can be seen in momentum factor; but should be used for deployment

Global Equities: Seeding Phase, Diversify Across Geographies

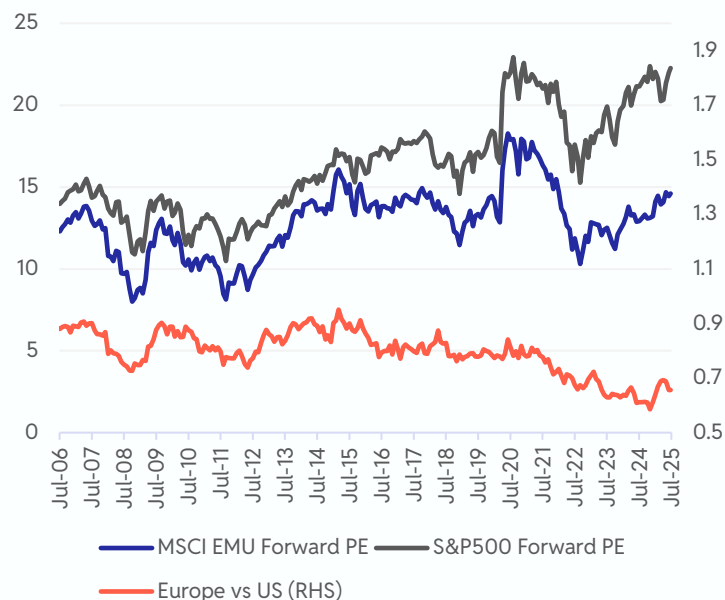
S&P 500 and earnings both reach record highs, reinforcing the alignment between US equity prices and corporate profit expansion...



S&P 500 Price vs Earnings

Source: FactSet, Ionic Wealth, Data available as on July,2025

..Europe's lower forward valuations amidst rising earnings suggests potential undervaluation and room for multiple expansion.



Europe Forward Valuations

Source: Bloomberg, Ionic Wealth, Data available as on July,2025

China's M1 money supply recovery alongside steady GDP growth indicates early signs of liquidity revival supporting economic stabilization, alongside announces plans like \$70B infra capex.



China's Liquidity

Source: Bloomberg, Ionic Wealth, Data available as on July,2025

Our Hypothesis

Stagger and diversify across global economies. This is a good seeding phase

Drivers

Reasonable Chinese valuations, uptick in data, tariffs, tech unleash, Chinese stimulus to revive its economy

Risks

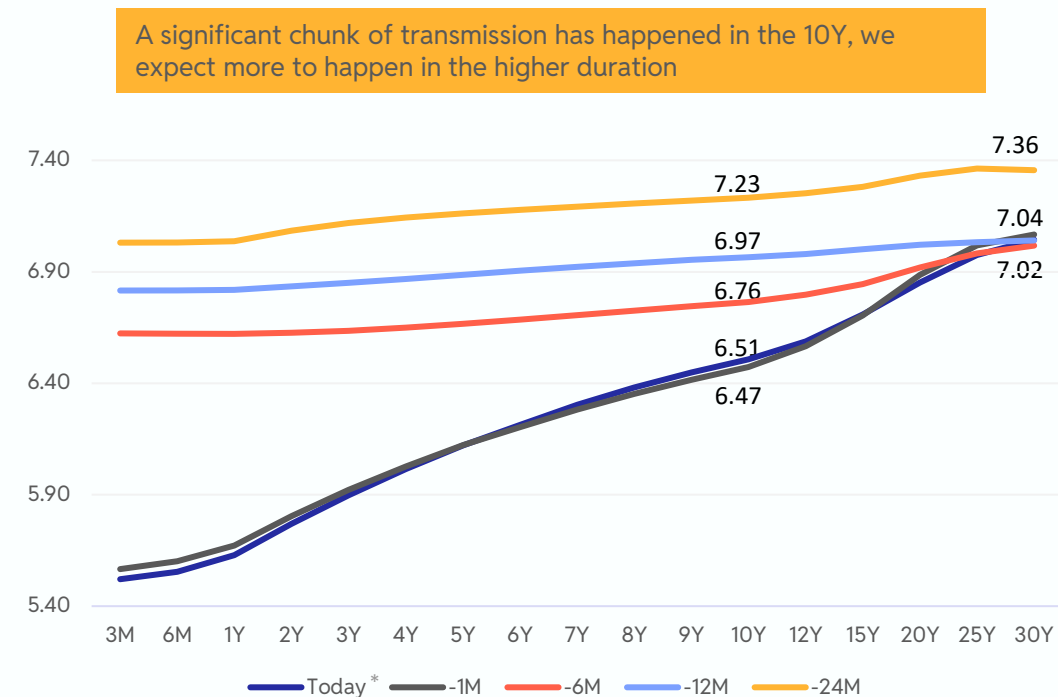
Growth not picking up, more of Trump uncertainty, significant earnings downgrades

Data to watch

Monetary and fiscal policy of China, rest of the world moves towards US, DXY, real yields, high frequency data

India Debt: Mix of Medium Term And Long-Term Debt

An ideal mix can be **70% allocation in the 3-5 years duration and 30% in the longer duration**. Within long duration, we prefer instruments higher than 30Y on tenor



Source: Bloomberg, Ionic Wealth, Data available as on July,2025

* As of 4th August, 2025

Our Hypothesis

Long duration has strategically played out, more is possible in coming months but we are tactically moving a bit towards medium duration

Drivers

Increased demand, start of India rate cut cycle, higher spreads, OMOs

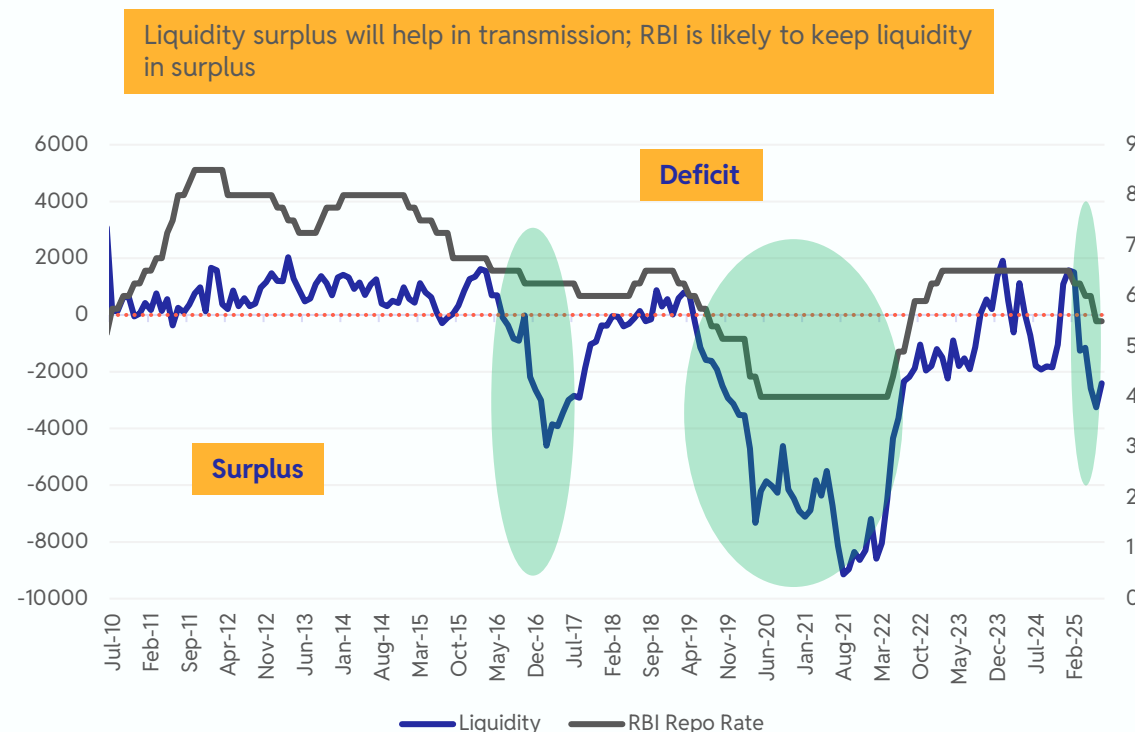
Risks

Domestic/US growth & inflation remaining higher, geopolitics, weak currency and delayed rate cuts

Data to watch

RBI policy, high frequency data, crude oil, more FII inclusions

With RBI's efforts to inject liquidity and start of a rate cut cycle, it appears that effective rate cut is more than the headline as call rate lingers lower



Source: Bloomberg, Ionic Wealth, Data available as on July,2025

Currency: Driven By Global Factors, Likely Rangebound

Currency outlook remains broadly rangebound, driven by global factors such as DXY volatility. India is an emerging market, net importing economy and therefore DXY weakness is being used to build forex reserves so far.



Source: Bloomberg, Ionic Wealth, Data available as on July, 2025

Our Hypothesis

INR is likely to be rangebound

Drivers

DXY, RBI action, cushion from FX, FII flows coming back, bond indices inclusion

Risks

Dollar strength, complete risk off and drying of EM liquidity

Data to watch

FX reserves, flows, DXY, geopolitics, inflation differential, yield movements

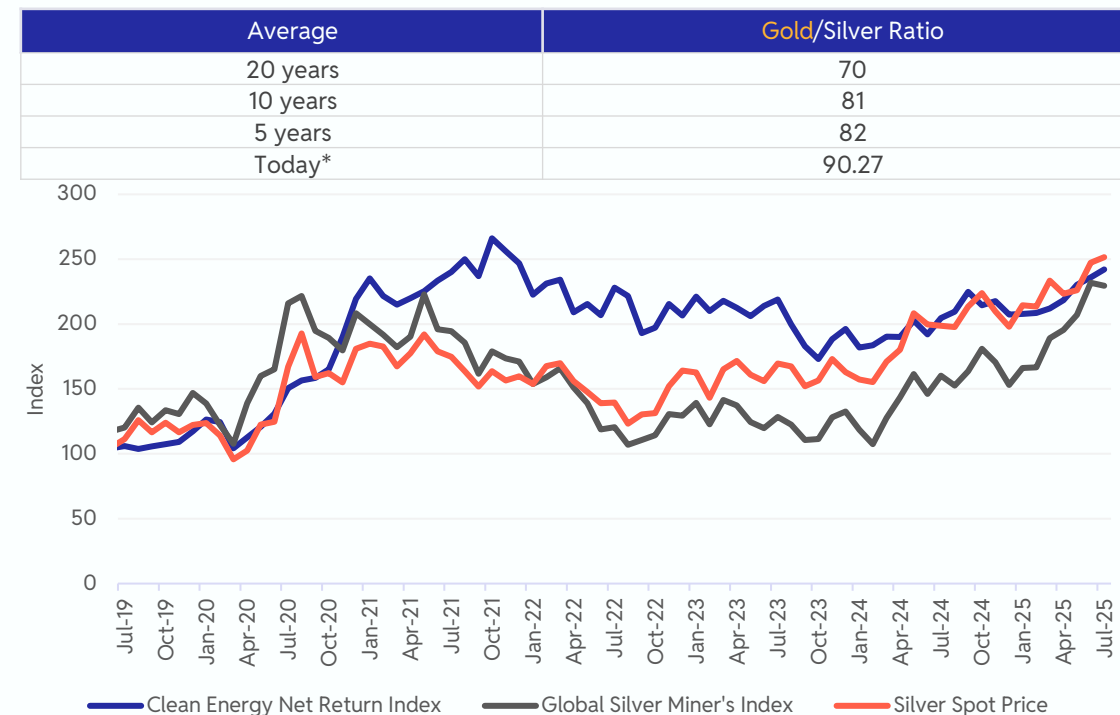
Commodities: Still Positive Precious Metals, Silver May Have More Space

Despite recent market volatility, gold ETF allocations as a share of total global ETF assets remain near historic lows. This suggests substantial runway for increased gold exposure as investors seek portfolio resilience, with even modest allocation shifts potentially amplifying the metal's upside in future diversification cycles.



Source: Bloomberg, Ionic Wealth, Data available as on July,2025

The gold-to-silver ratio remains above long-term averages, underscoring silver's relative value appeal. With both metals trending higher, a reversion toward historic norms could favor silver outperformance as cyclical and structural demand drivers strengthen. Silver has demand from industrials, especially clean energy and both tend to move together



Source: Bloomberg, Ionic Wealth, Data available as on July,2025

* As of 4th August, 2025

Our Hypothesis

Precious metals may have more upside left, Silver could possibly benefit more than Gold

Drivers

Chinese demand, hedge against inflation and geopolitical risk, DXY weakness

Risks

Dollar strength, growth improving for good without inflation

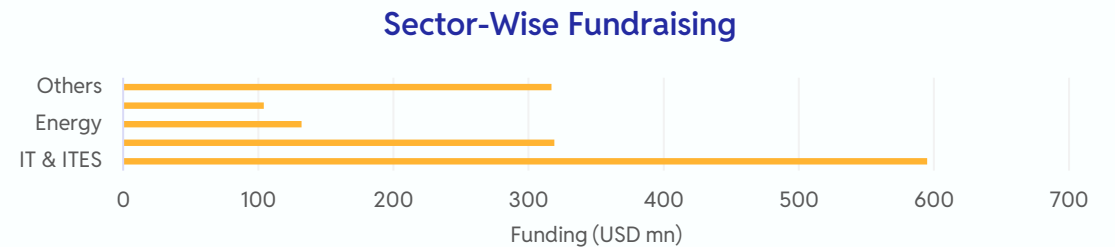
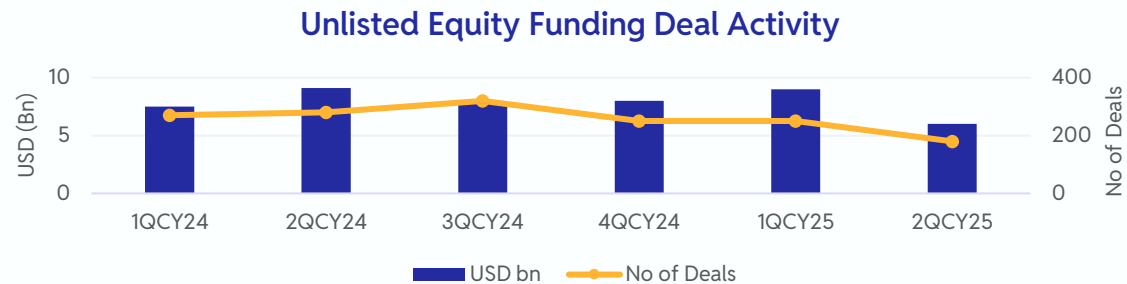
Data to watch

Sentiments, DXY, demand from Chinese central banks for Gold, industrial demand for silver

Unlisted Equities: Q2 CY 2025 Trends: Strong Fundraising, Strategic Exits Drive Market Dynamics

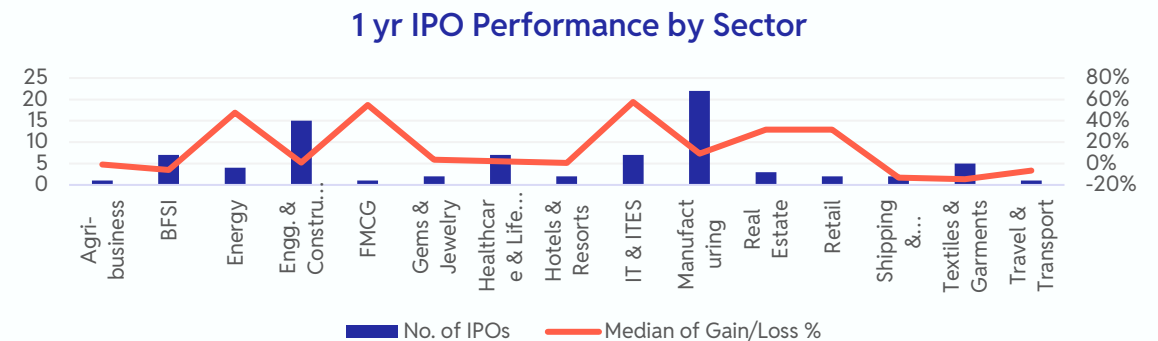
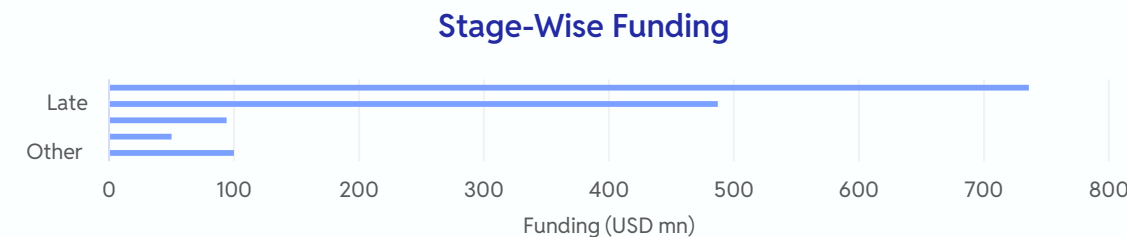
Deal activity in India's unlisted space cools sharply in Q2 CY'25, with funding and deal volumes both declining as investors adopt a wait-and-watch approach amid global headwinds and valuation mismatches; cautious optimism prevails for a rebound in H2 CY'25 as liquidity and sentiment improve

IT & ITES dominates India's fundraising landscape in H1'CY25, outpacing BFSI & others as investor focus shifts toward technology-driven growth



VC and late-stage deals dominate India's private funding landscape in H1 CY'25, while buyout and PIPE activity remains subdued—reflecting investor preference for growth & scale amid a cautious macro backdrop

Sectoral IPO performance diverges: manufacturing & energy lead, while healthcare, retail, & shipping lag in post-listing return



Source: Vccedge, Ionic Wealth, Data available as on June,2025

Source: Vccedge, Ionic Wealth, Data available as on June,2025

Our Hypothesis

Unlisted markets could gain traction amid private capital's shift toward scalable, tech-enabled, and ESG-compliant models

Drivers

Favorable policy environment, rising startup maturity, and secondary market development.

Risks

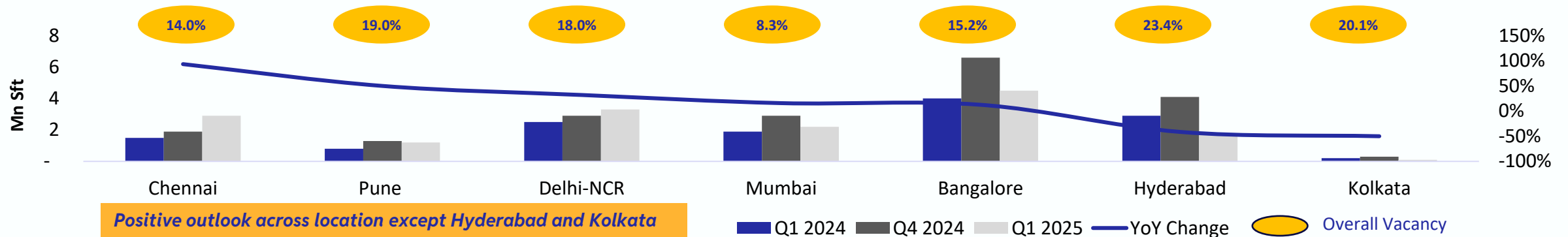
Delayed exit opportunities, inflated valuations, and governance lapses

Data to watch

Late-stage deal multiples, dry powder deployment rate, and IPO pipeline activity.

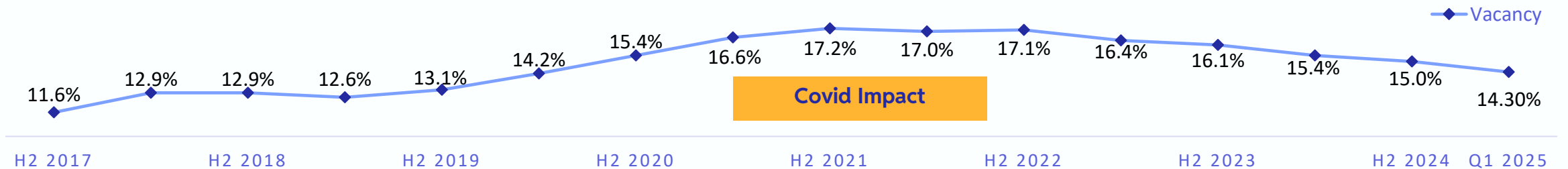
Real Estate: Commercial Real Estate – Scaling New Peaks

In Q1 2025, pan India office leasing got off to a strong start with gross leasing of ~15.9 Mn sft (up 15.0% YoY). Bengaluru & Delhi led from the front accounting for ~50% of the overall leasing, while Chennai trumped all markets in leasing growth.



Source: Colliers India

With absorption outpacing supply, vacancy levels have witnessed steady decline in last couple of years. With decline in vacancy levels, rentals surged 8% annually in Q1 2025



Source: Knight Frank India RE

Our Hypothesis

Commercial RE on a steady growth path with Bangalore & Delhi NCR market leading the charge.

Drivers

GCCs contributing ~45% of overall leasing and flex office space growing at rapid pace contributing over 20% of Q1 2025 leasing

Risks

Quality supply constraints, monetary tightening, and macro environmental factors

Data to watch

New completions, vacancy levels, rental rate escalations, leasing transactions

Reach us at hello@ionic.in

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