

IONIC WEALTH
BY ANGEL ONE

Asset X:
Investment Strategy

05, June 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 proposed to stagger our equity allocation at 33% for next 3 months since Apr-25. We stick by the deployment strategy. We maintain our large cap bias with 60% allocation there. It is an active manager’s market in the SMID category. We also continue with a bias towards low volatility as a factor.

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 okay, building a pool for global assets in current times will make sense. Deploy in basket of US, EU and China.

Mid & Long duration bond mix is optimal

A portfolio with 3–5-year bonds and long duration bonds, a 70:30 mix between mid & long duration will be ideal (Note: We are tactically changing the mix from initial 60:40). 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. 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

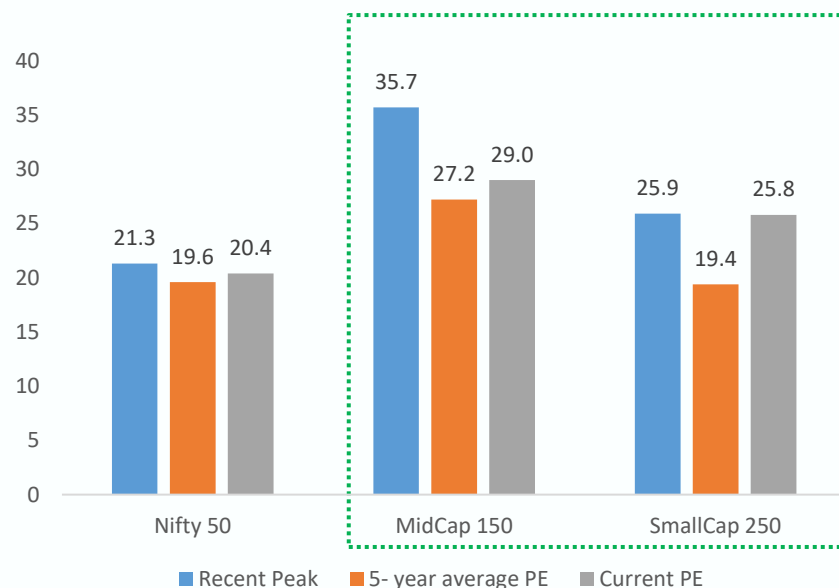
Growth is primarily driven by GCC and Flexible Office space while India focus business continues to anchor



India Equity: Staggered Deployment, Continued Large Cap Bias, Active Manager's Market, Market Undertone Is Now More Bullish

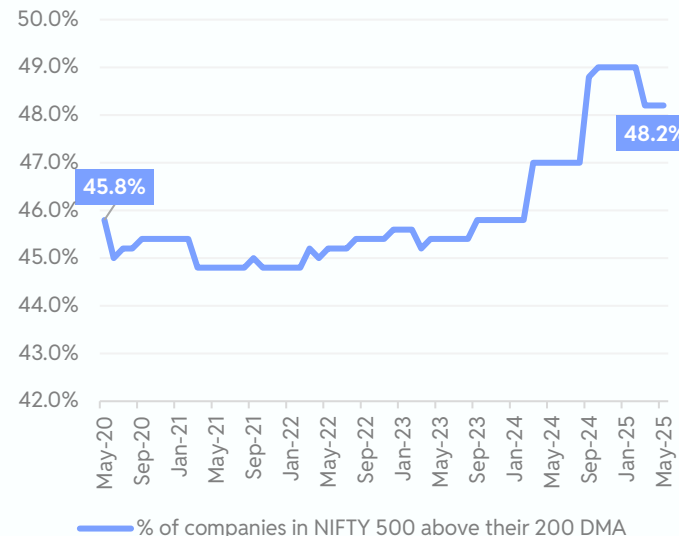
Valuations

Active manager's market; index level valuations are now off recent peaks though they continue to be above 5-year average



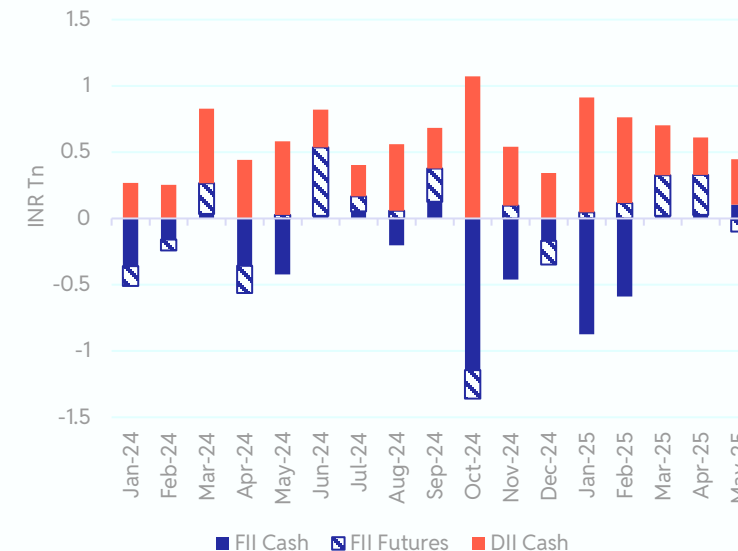
Breadth

Market breadth has improved in Q1CY25



Flows

DII's have remained robust, FIIs are tiptoeing back



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

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

Our Hypothesis

At 22100 levels, we completed deployment to neutral equity allocation. We proposed to stagger our equity allocation at 33% for next 3 months since Apr-25.

Drivers

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

Risks

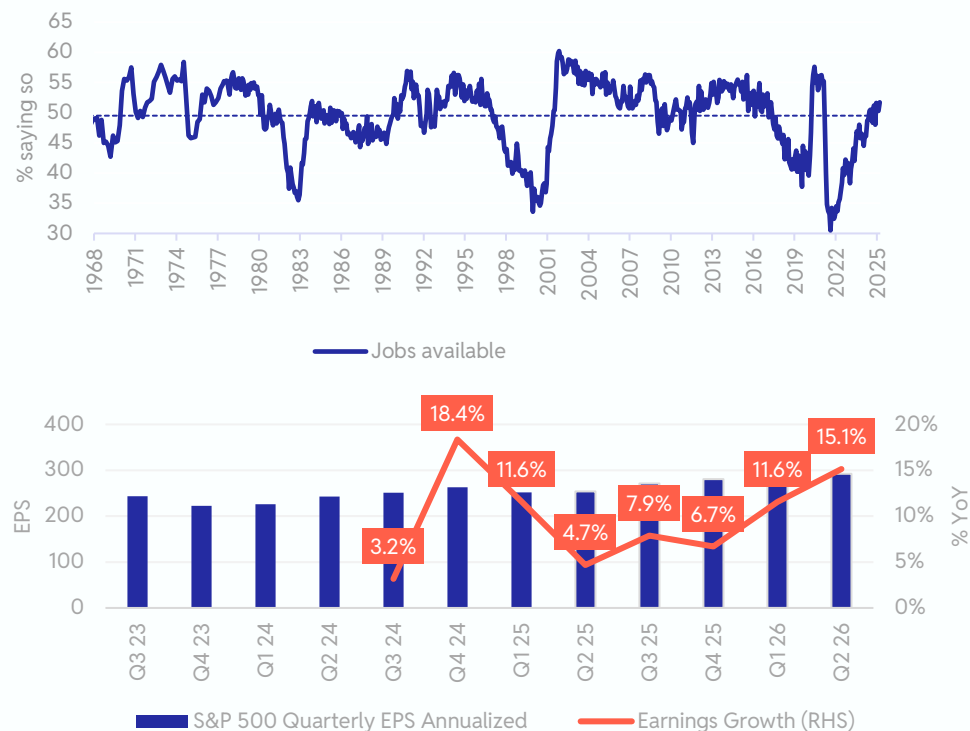
India macro weakening further and no signs of earning revival

Data to watch

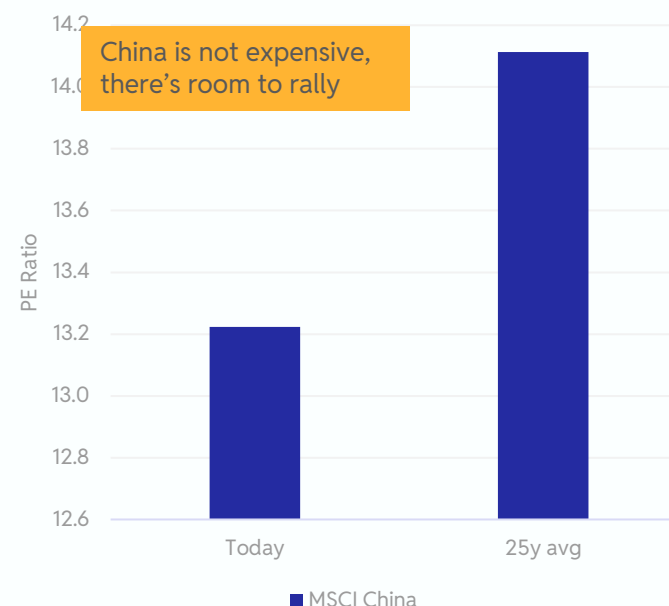
Earnings, interest rates, geopolitics, sentiments, FII and DII flows, domestic demand

Global Equities: Seeding Phase, Diversify Across Geographies

Jobs available have stayed above it's long term average. There is very little weakness to be seen in hard US data. **Earnings have been strong**

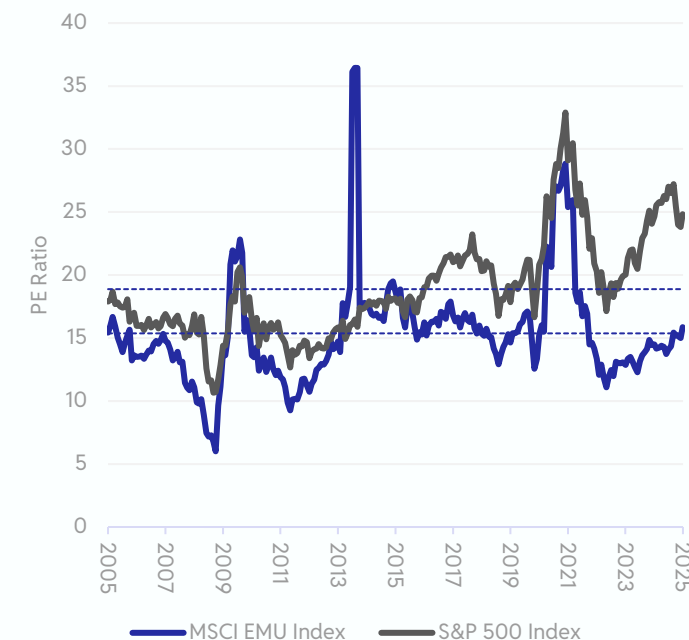


We believe **next leg of China will be at the intersection of technology and consumption.** In light of tariffs, **expect a higher volatility ahead but continued stimulus measures are controlling downside**



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

Europe appears promising. It can be a good diversification in the overall global equities strategy.



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

Source: FactSet, Ionic Wealth, Data available as on June,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

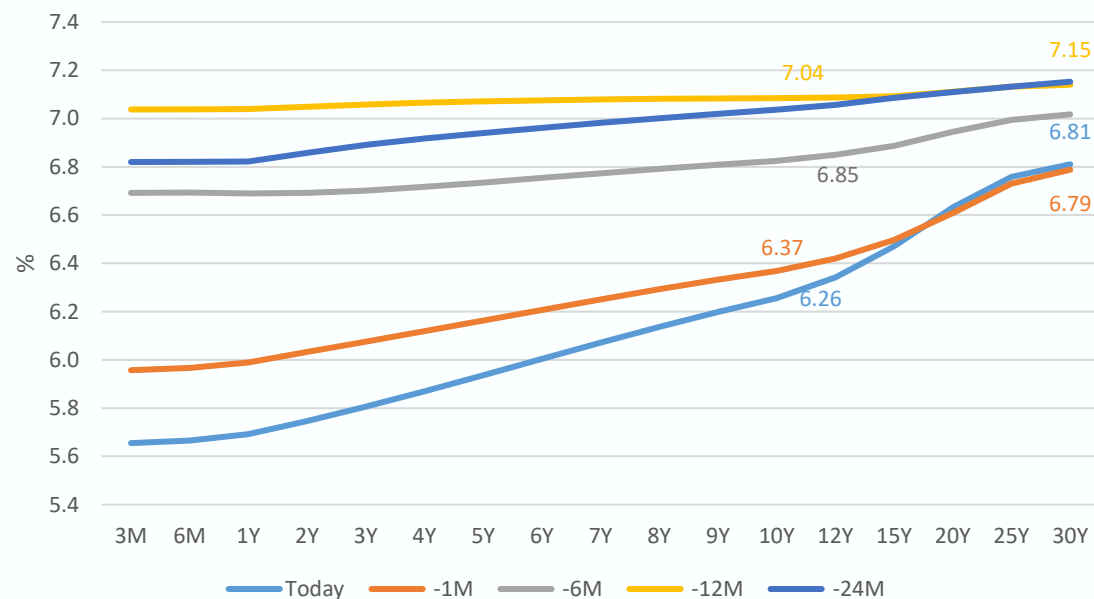
India Debt: Mix of Medium Term And Long Term Debt

An ideal mix can be **70% allocation in the 3-5 years duration and 30% in the longer duration**. Amidst all the equity noise, 10-year yield has fallen by 50bps in last 6 months.

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

Strong domestic demand, RBI's injection of liquidity, rate cuts, lower inflation and easing of currency pressures have also reflected on lower long term yields, more is possible.

RBI's liquidity injection means the transmission of rate cuts is also happening



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

Source: Bloomberg, Ionic Wealth, Data available as on June,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

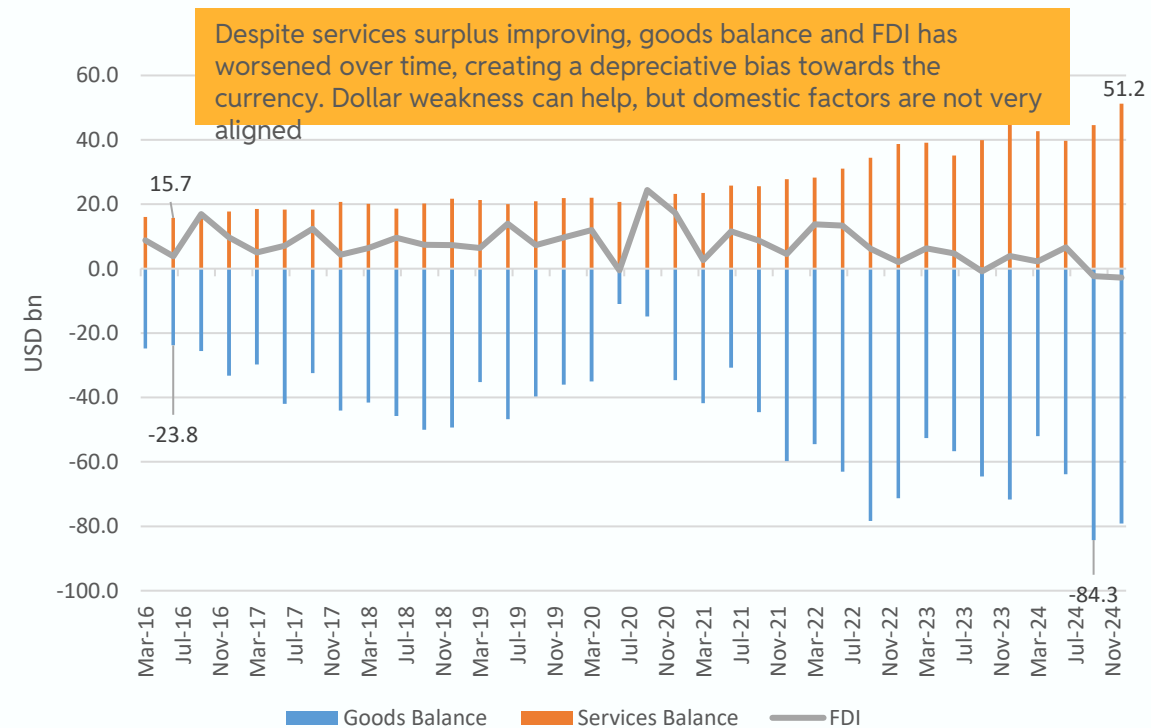
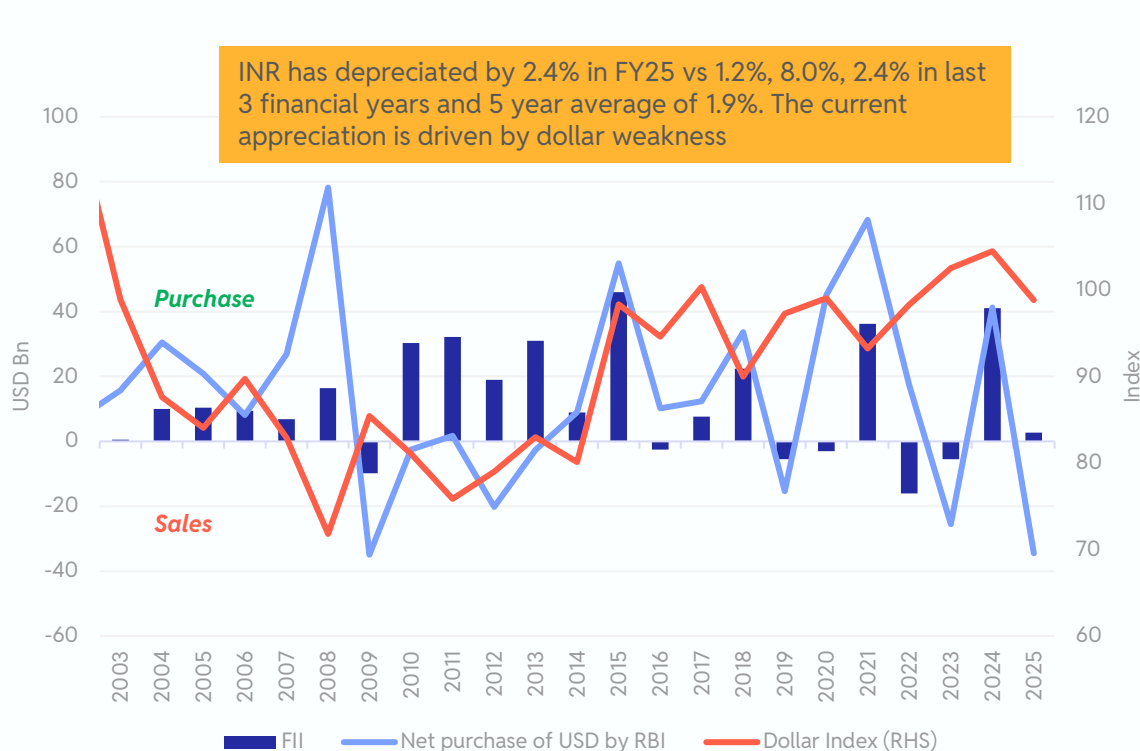
Domestic/US growth & inflation remaining higher, geopolitics, weak currency and delayed rate cuts

Data to watch

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

Currency: Driven By Global Factors, Likely Rangebound

INR is currently at 85.7. Given the macros, INR can be in the range of 84-88 in the near term. RBI is unlikely to intervene. Current account is comfortable now. Runaway appreciation or depreciation of currency is hard to imagine.



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

Source: Bloomberg, Ionic Wealth, Data available as on June,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

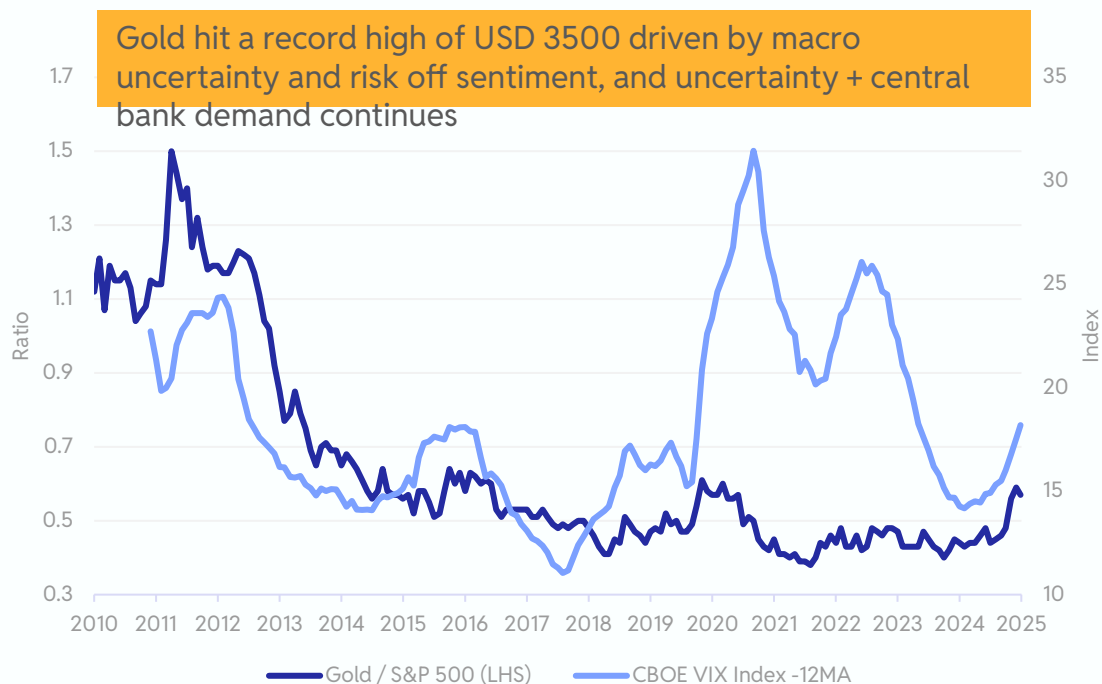
Data to watch

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

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

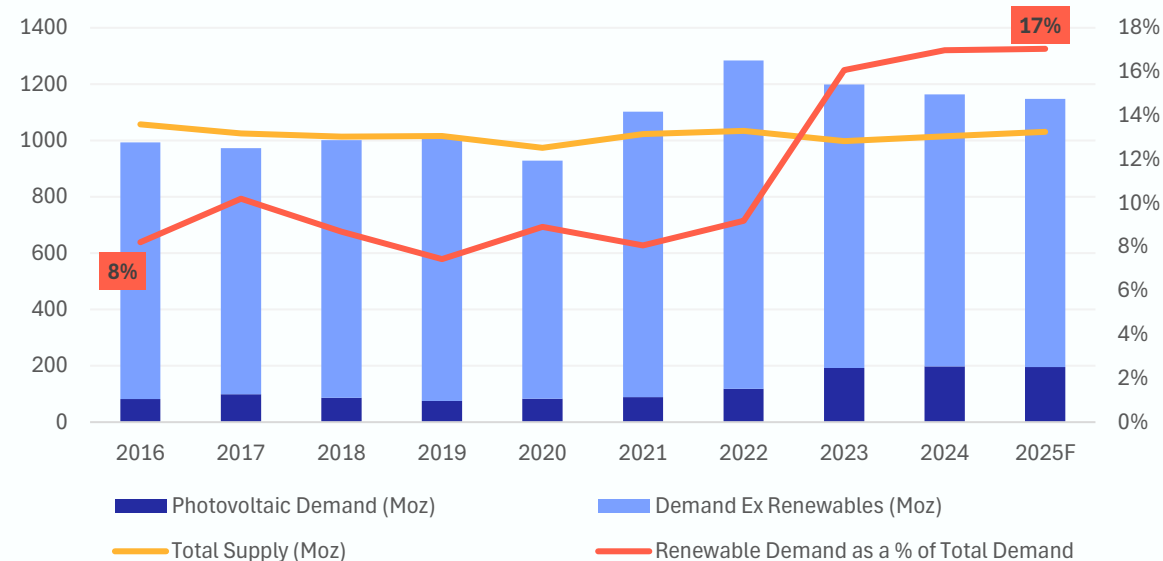
Gold continues to have a macro stage set up for its performance- possibility of higher inflation, lesser risk appetite, slower growth outlook, and immense policy uncertainty. Despite the current performance, we are of the view there's still money on the table as far as Gold is concerned.

...Silver is likely to be resilient in the current macro landscape, but higher chances of global growth slowdown can make it volatile. It may still be worth accumulating for longer term.



Note: CBOE VIX : Chicago Board Options Exchange's Volatility Index
Source: Bloomberg, Ionic Wealth, Data available as on June,2025

Average	Gold/Silver Ratio
20 years	70
10 years	81
5 years	82
Today	100



Source: Bloomberg, Ionic Wealth, Data available as on June,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

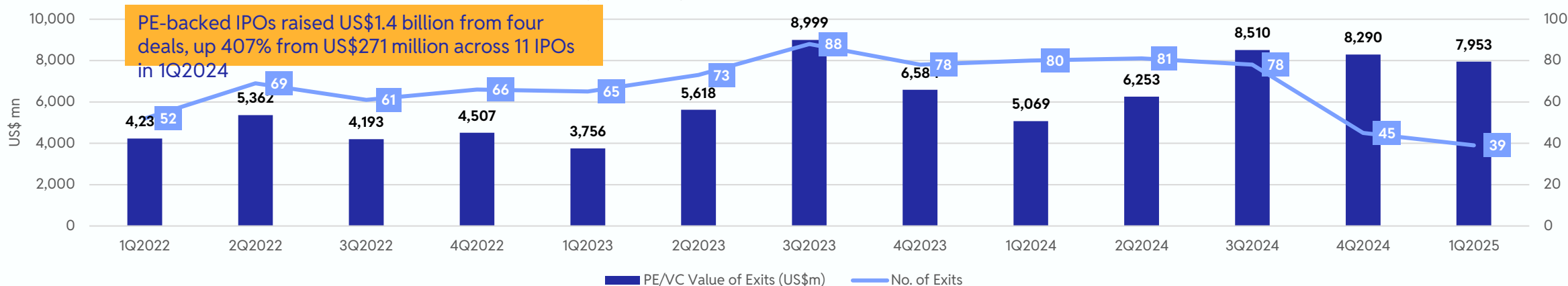
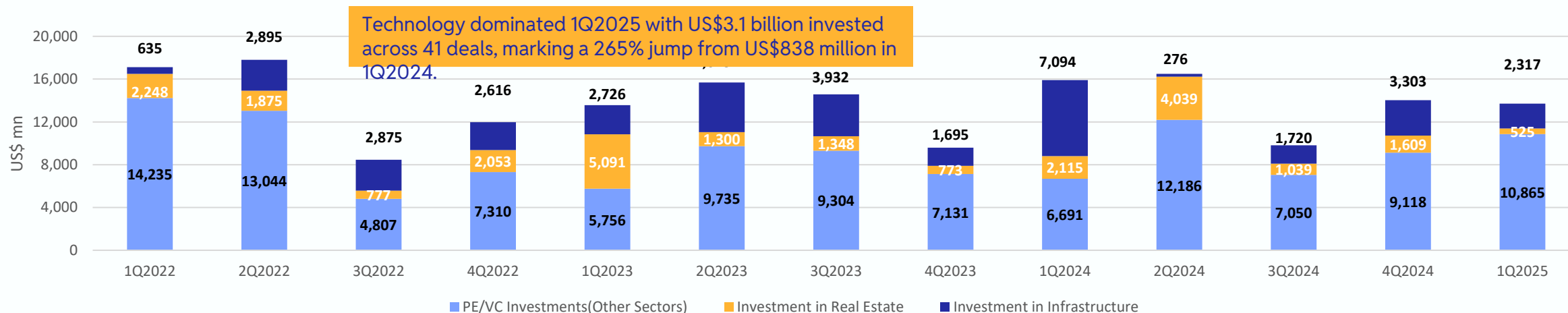
Risks

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: Q1 2025 Trends: Strong Fundraising, PE Exits through IPO Drive Market Dynamics



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

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

Our Hypothesis

Unlisted equity stands to benefit from momentum in consumer tech, digital health, EVs, enterprise IT, and modern logistics.

Drivers

Robust economic fundamentals, Improved capital market conditions

Risks

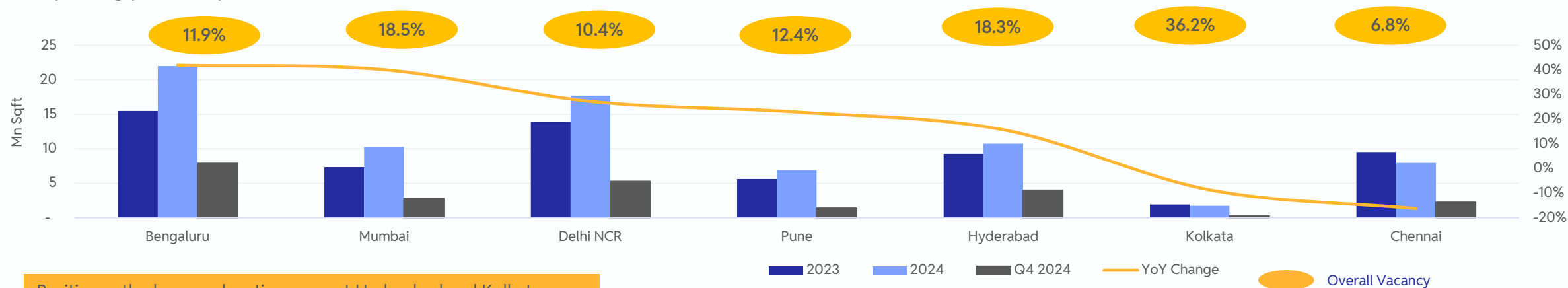
Opaque valuations, liquidity squeeze

Data to watch

Rate cut cycle, Liquidity, operational efficiencies

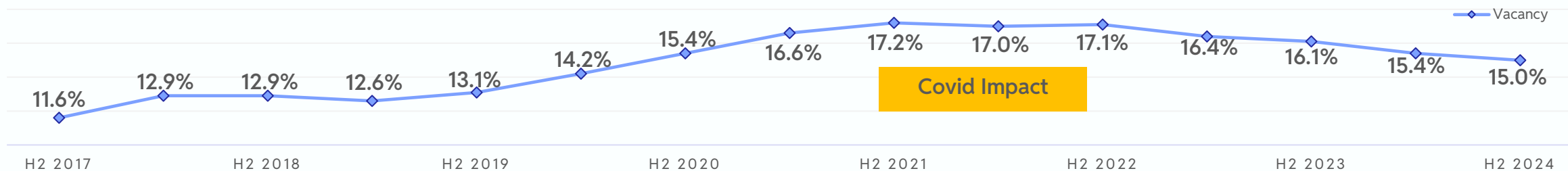
Real Estate: Commercial Real Estate – Scaling New Peaks

In 2024, pan India leasing achieved a record high, with gross leasing of ~77 Mn sqft (up 22.6% YoY) and with leasing of ~24 Mn sqft in Q4 2024 (up 13.6% YoY), surpassing previous peaks.



Positive outlook across locations except Hyderabad and Kolkata

With absorption outpacing supply, vacancy levels have witnessed steady decline in last couple of years



Source: Knight Frank, JLL Research, Data available as on June 2025

Our Hypothesis

Commercial RE poised for steady growth with Bangalore & Delhi NCR market leading the charge.

Drivers

GCCs contributing 35-40% of overall leasing and flex office space growing at rapid pace accounting for 15 Mn sqft leased (up 50% YoY)

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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