

IONIC WEALTH
BY ANGEL ONE

The Investing Pantheon

January 2026



“The Investing Pantheon”, harmonizes timeless wisdom with modern innovation. Just as the ancient Pantheon stands as a sanctuary for all Gods, our Investing Pantheon embraces comprehensive topics in investing, across asset classes and styles.



Global Diversification Across Assets and Geographies Is The Key

A well-diversified portfolio outperformed traditional, more concentrated portfolios in 2025 as dispersion across asset classes, regions and themes increased. With macroeconomic dynamics continuing to shift in 2026—driven by divergent growth trajectories, policy paths and geopolitical risks—diversification is likely to remain a key source of resilience and relative outperformance.

Rest Of The World Continues To Outperform The US -

Our thesis of rest of the world continuing to outperform US in 2026 has played out so far as risks related to US investments intensify.

Highly Volatile Nature + Parabolic Up Move Calls For Incremental Caution In Silver-

Silver has delivered superior returns so far, but with significantly higher volatility. On a risk-adjusted basis, it underperforms gold and even several major global equity markets, warranting a measured allocation in overall portfolio.

Gold Increasingly Looks Favourable Than US Treasuries As Safe-haven Asset

Gold continues to garner traction amid strong demand drivers including persistent central bank buying in a move to diversify away from US treasuries. Low volatility in gold means further allocation could likely be considered as long as fundamentals remain intact.

EM Play Could Likely Continue -

EMs are positioned to benefit from persistent USD weakness, improving fundamentals, and the higher portfolio diversification away from US.

EM Debt Could Continue To Benefit From USD Weakness, Improving Global Liquidity– Ideal For Curbing Overall Portfolio Risk -

EM debt to likely benefit from continued US rate cut cycle, higher real rates, FX tailwind

The US Continues to Face Fiscal Strain, While the Technology Sector Witnesses Expanding Margins -

US Tech though overvalued has seen record margin expansion, supporting the fundamental strength. However, fiscal policy overcrowding monetary policy could be a possible headwind for the US corporates.

Rising Geopolitical Tensions Fueling Global Defense Spending -

As global tensions remain a constant theme for some years now, defense budgets continue to grow as countries focus on national security.

Renewable Energy Continues To Gain Traction Amid Energy Transitioning Goals & Rapidly Increasing Power Demand -

The energy transition continues to gather momentum globally, even as power demand accelerates at an unprecedented pace, supported by electrification, EV adoption, data centres and industrial reshoring.

Base Metals Basket Look Favourably Positioned -

Base metals including copper & aluminium stand to benefit from rapidly increasing demand as supply tries to play catch up.

Uranium Supported By Structural Deficits & Critical Usage In Nuclear Energy-

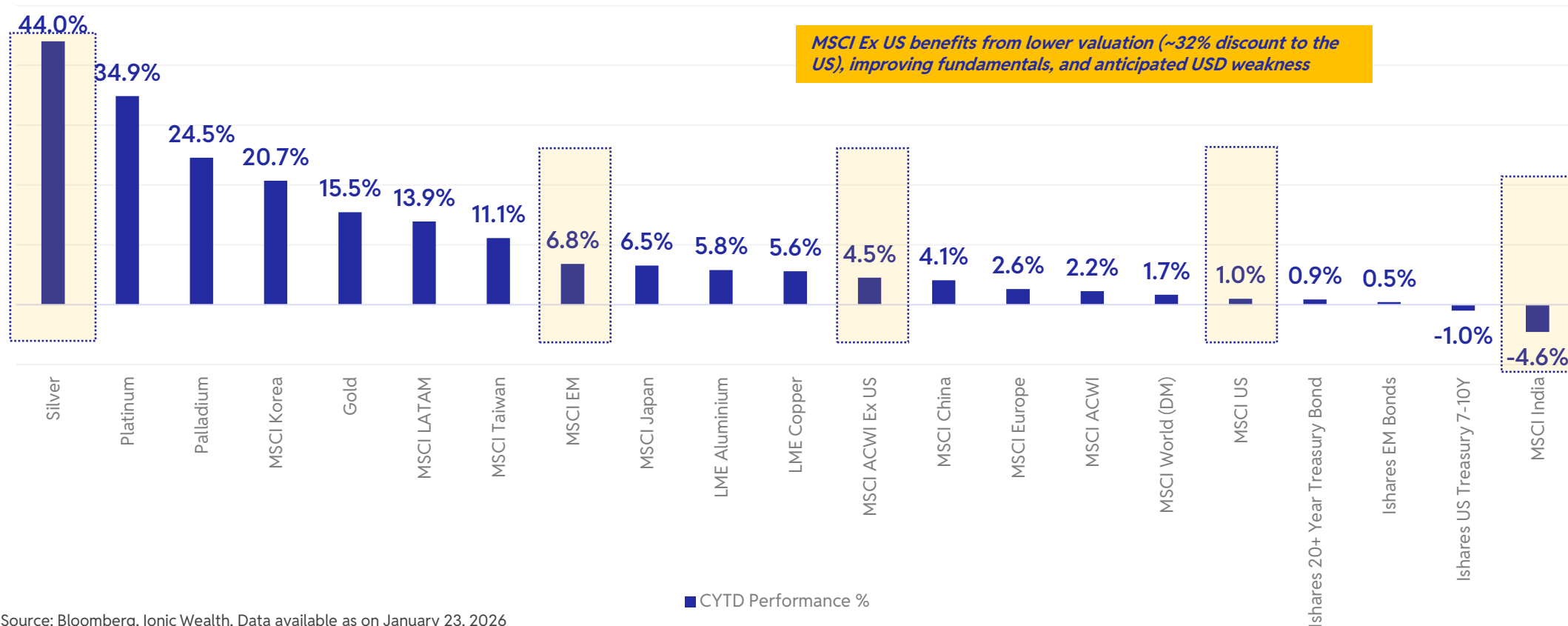
Uranium, a critical metal for nuclear energy is likely to continue with the positive momentum as structural supply deficits persist.

EU-India Trade Deal Comes At An Opportune Time-

The trade deal is expected to be most beneficial to India's labor-intensive sectors, supporting employment generation and broader economic growth.

Precious Metals > MSCI EM > World ex US > US: The Pegging Order Of Performance in 2026 seems a continuation of 2025....

World Ex US continues to outperform as we had earlier anticipated. Silver has continued to outperform as of now; however the inherent volatile nature of the commodity warrants measured allocation hereon.

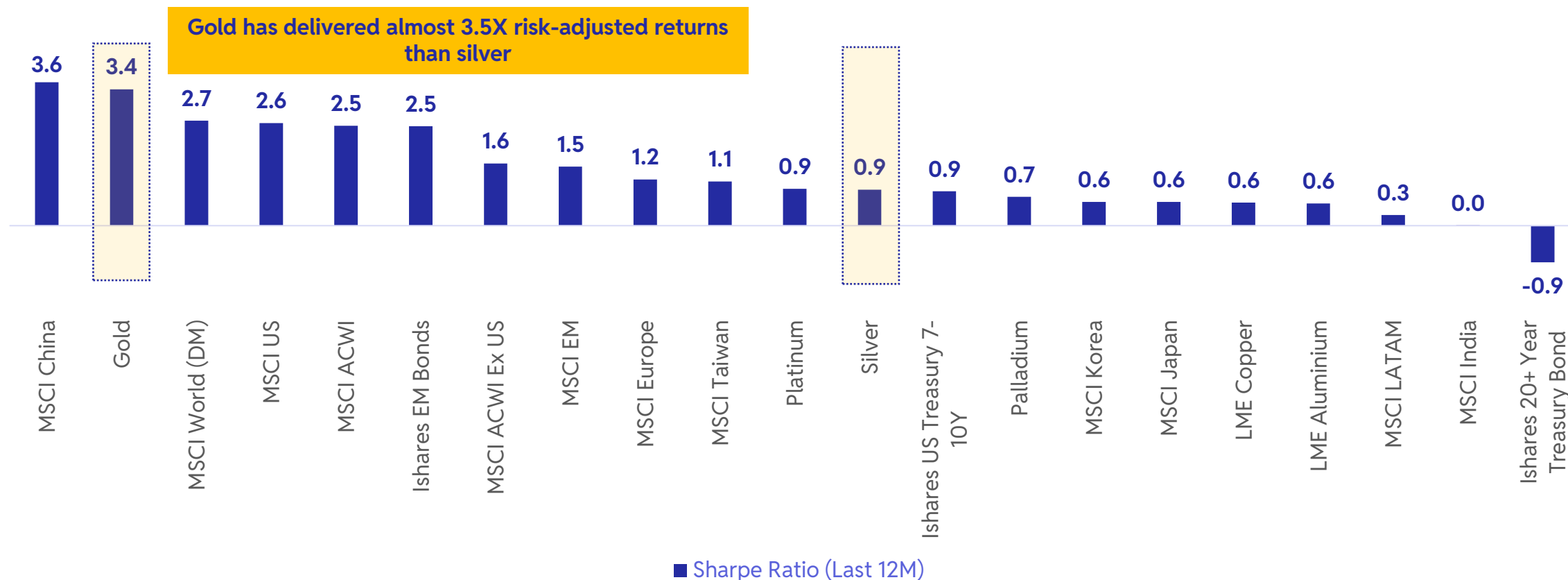


Source: Bloomberg, Ionic Wealth, Data available as on January 23, 2026

The hypothesis of rest of the world continuing to outperform the US seems to be working well so far, aided by plausibility of structural decline in USD and improving fundamentals especially in emerging markets. Silver buoyed by geopolitical tensions, dollar weakness, and persistent supply deficits may continue to benefit, albeit with bouts of heightened volatility.

Silver's Elevated Volatility Dampens Its Risk-Adjusted Appeal

On a risk adjusted basis, silver returns fall short of assets like Gold, and equity markets like China, US & EM.



Source: Bloomberg, Ionic Wealth, Data available as on January 23, 2026

Silver's extreme volatility makes it an imperfect hedge during periods of heightened uncertainty, as sharp price swings can undermine its defensive appeal.

Higher Gold, Lower Bonds: The New Normal

Gold remains well supported amid USD weakness and a structural shift away from U.S. Treasuries as the primary safe haven asset



Source: Bloomberg, Ionic Wealth, Data available as on January 23, 2026

Gold is no longer just a cyclical rates trade; it has evolved into a **strategic allocation in a regime of fiscal stress, geopolitical fragmentation, and declining confidence in traditional safe havens.**

EM Play Could Continue Aided By Persistent USD Weakness & Macroeconomic Tailwinds

Emerging markets like China Korea, Taiwan & LATAM nations like Brazil & Mexico continue to offer lucrative opportunities at relatively lower valuations. The EM trade stands to benefit from favourable macroeconomic conditions, persistent USD weakness and improving global liquidity.



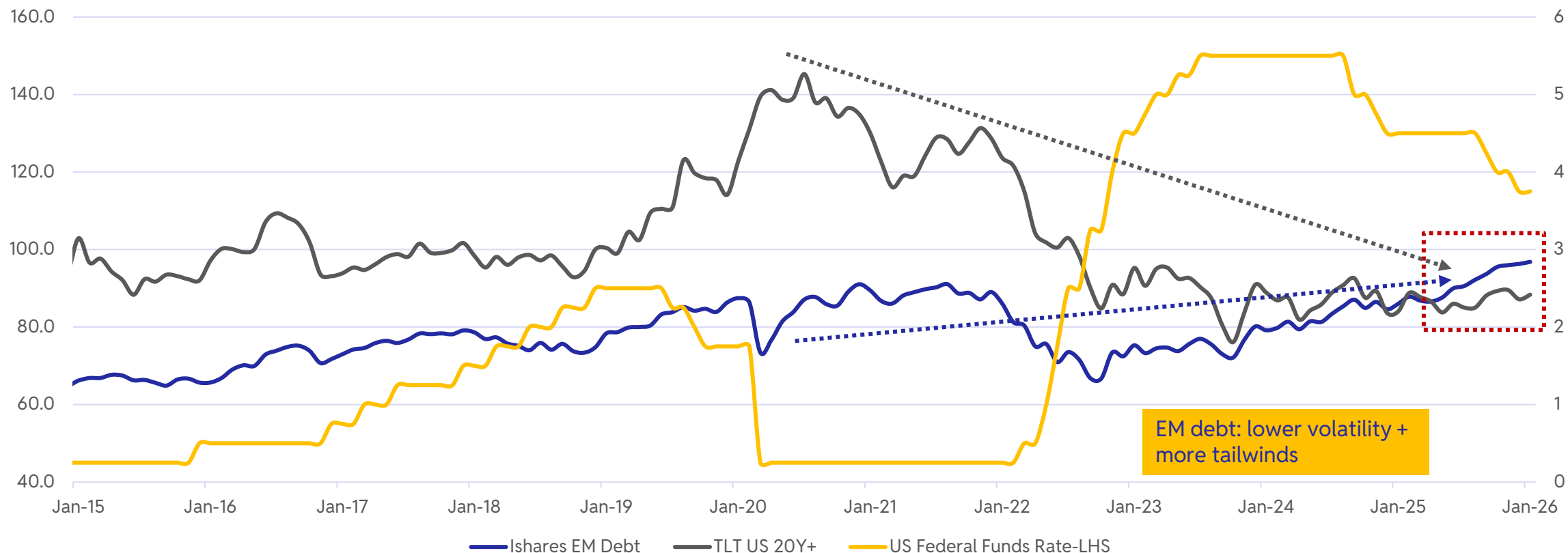
Source: Bloomberg, Ionic Wealth, Data available as on January 23, 2026

Source: Bloomberg, Ionic Wealth, Data available as on January 23, 2026

EM trade is transitioning from a valuation-led opportunity to a **macro-supported re-rating**, where improving growth differentials, easing financial conditions, and currency tailwinds could drive sustained outperformance versus developed markets.

EM Debt: Sustaining Momentum Amid Higher Real Yields and FX Tailwinds

In 2025, Emerging Market (EM) debt significantly outperformed long-term US Treasuries. The performance gap was driven by a "Goldilocks" environment for emerging markets: high carry, a weakening US dollar, and resilient domestic fundamentals that contrasted with the interest rate volatility in the US.



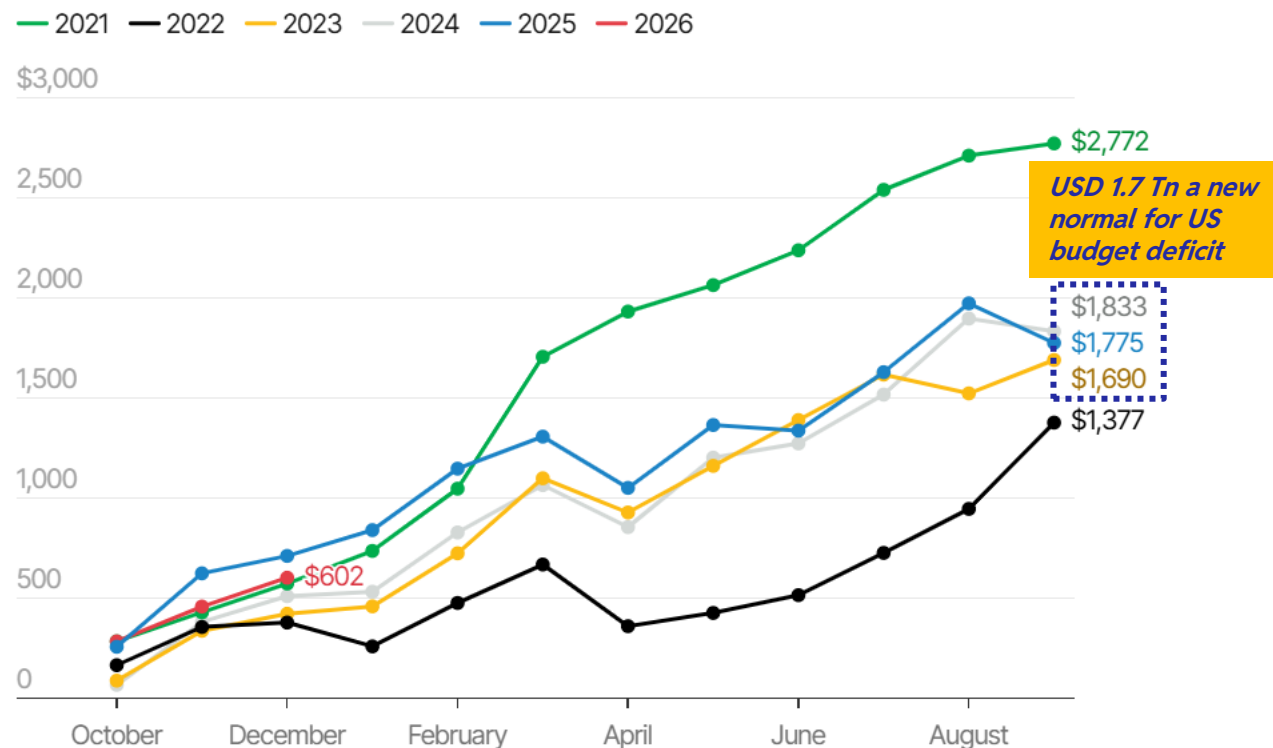
Source: Bloomberg, Ionic Wealth, Data available as on January 23, 2026

EM debt is seemingly positioned to outperform in 2026 driven by high real yields and potential currency gains as EM central banks capitalize on early inflation victories. Conversely, TLT remains pressured by US fiscal deficit concerns and a rising term premium, limiting its upside compared to the high-carry EM landscape.

US- Fiscal Strain Remains, While Tech Margins Continue To Expand At An Unprecedented Pace

Fiscal deficit in the US is set to be again around USD 1.7 Tn in FY26

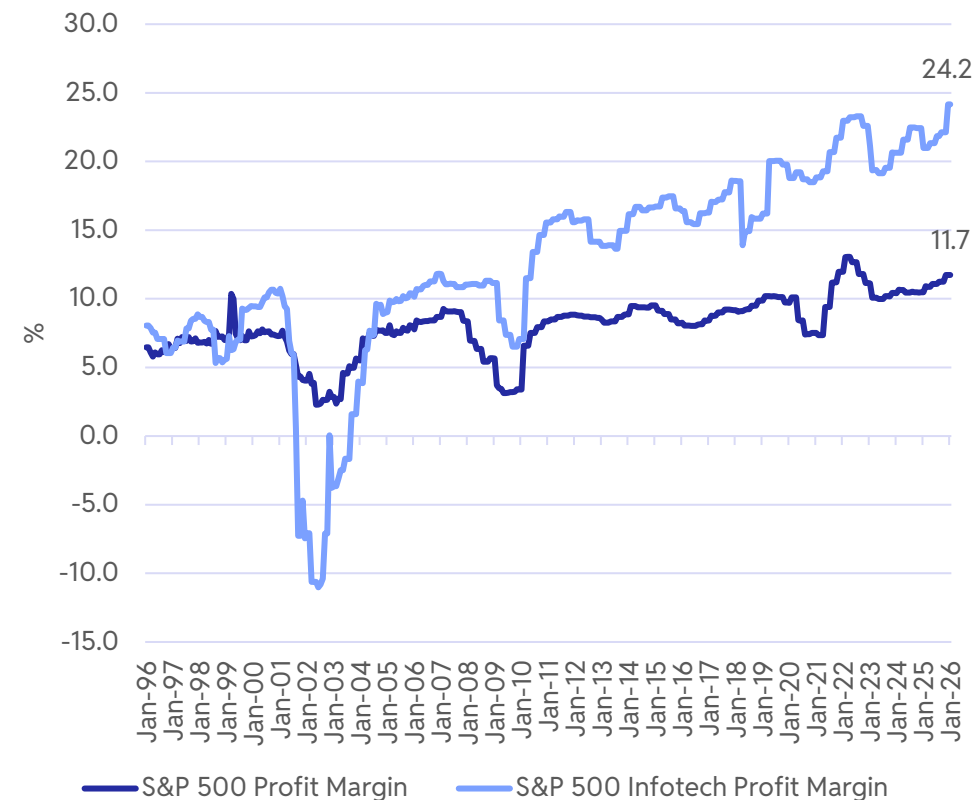
Cumulative federal deficit in billions of dollars (nominal), FY2021-2026



The federal fiscal year starts in October.

Source: Bipartisan Policy Center

While uncertainty around monetary policy and macroeconomic environment persists, tech companies have seen a continued rise in profit margins, widening the gap with S&P 500 margins to record levels

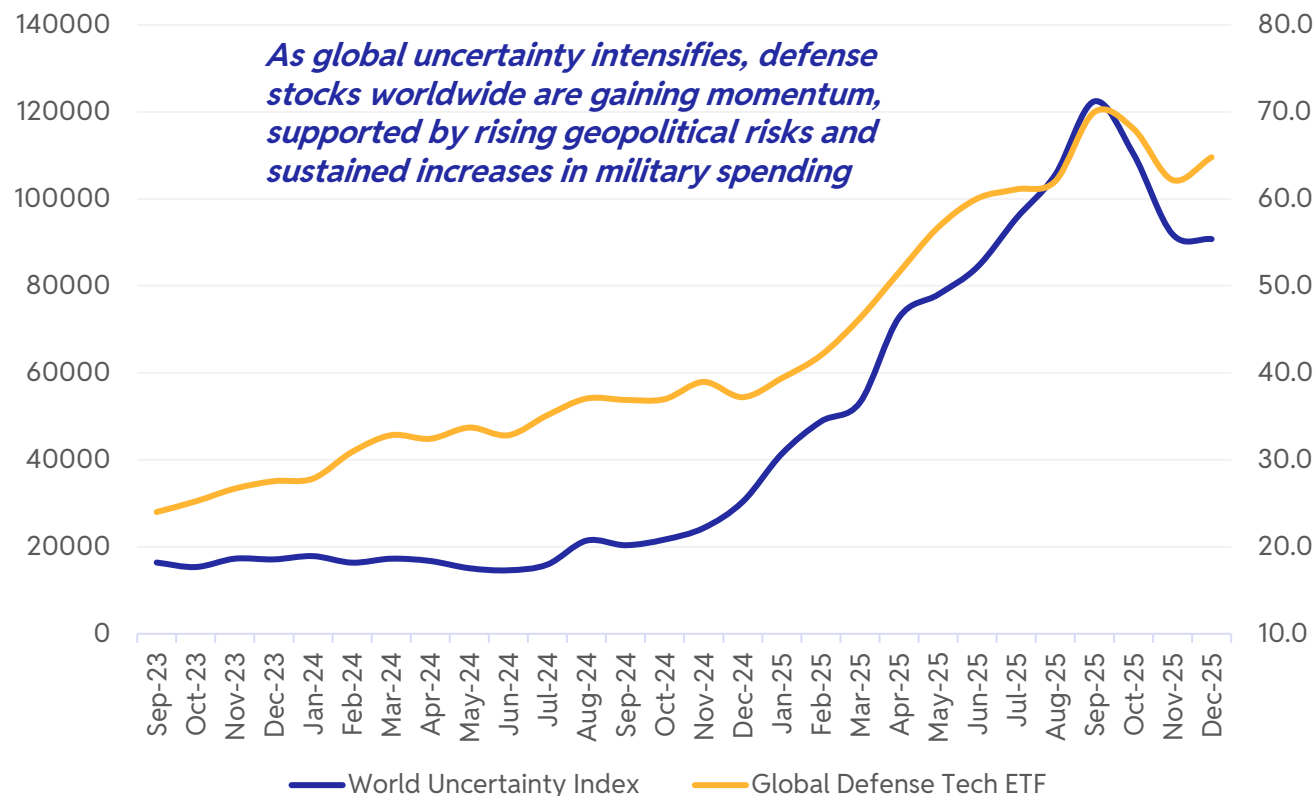
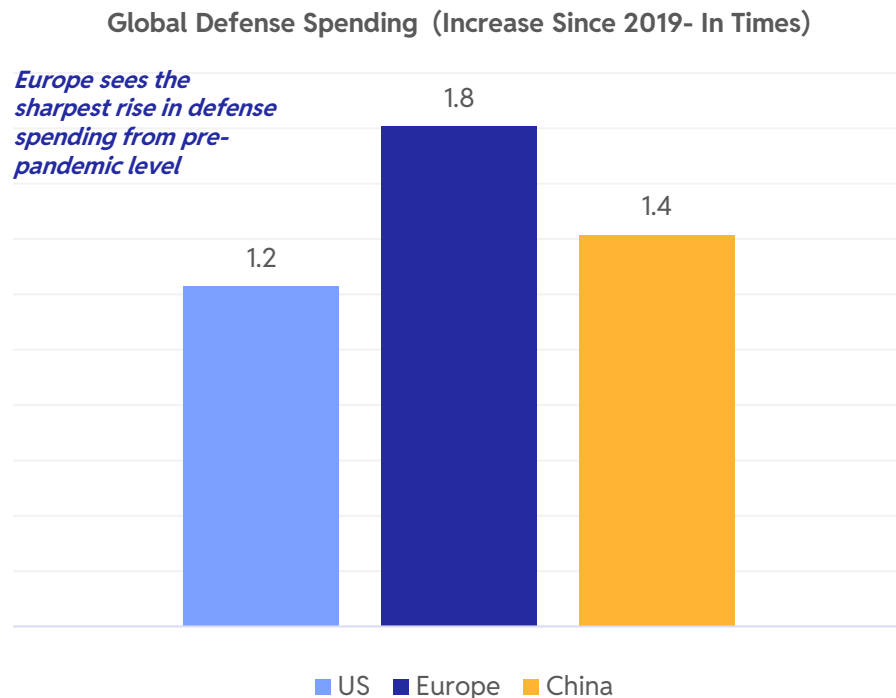


Source: Bloomberg, Ionic Wealth, Data available as on January 23, 2026

Despite technology-led strength driving record profit margins, ongoing fiscal expansion risks keeping inflation higher, thereby limiting the scope for rate cuts and creating potential headwinds for US corporates.

Escalating Tensions Fuel Higher Global Defense Outlays

World uncertainty index is on the rise reflecting the escalating geo-political tensions. In response to growing tensions, most key economies have bulked up their defense spending.



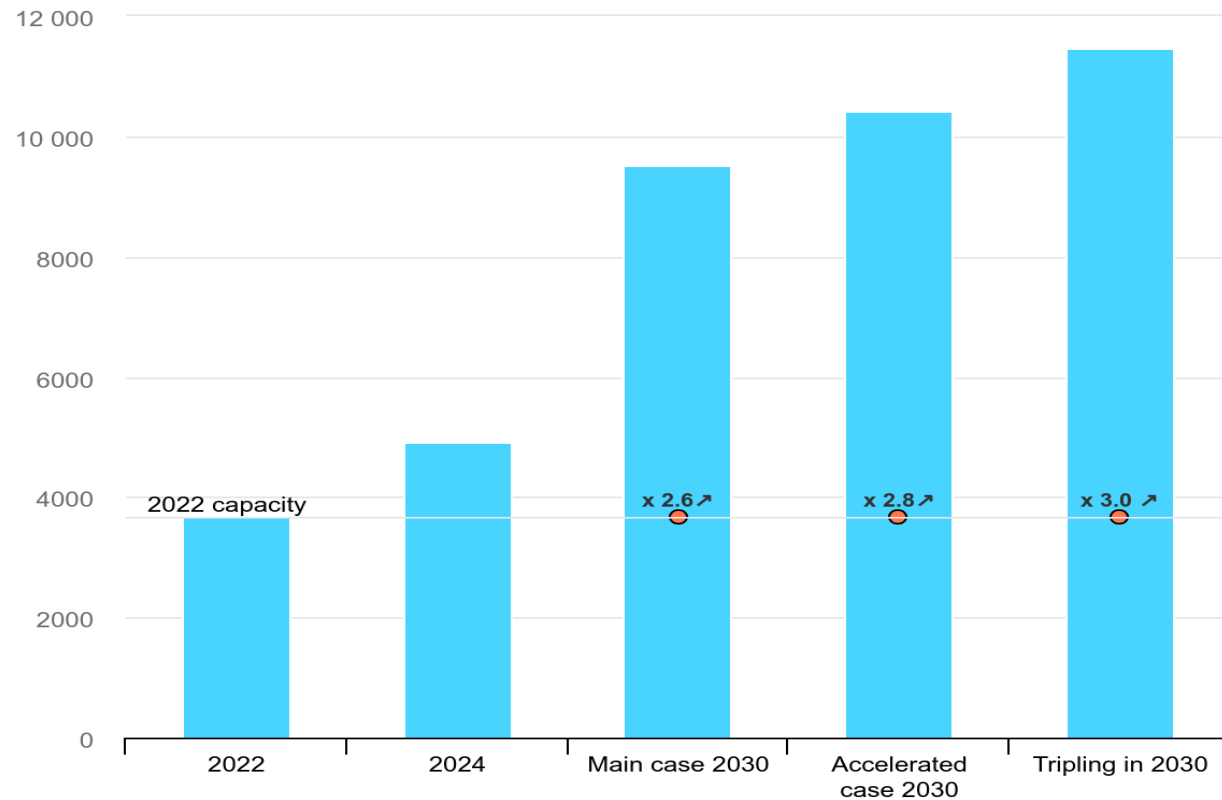
Source: Bloomberg, Ionic Wealth, Data available as on January 23, 2026

Source: World Uncertainty Index, Ionic Wealth, Data available as on January 23, 2026

Across the world, defense spending has risen sharply as nations respond to heightened and persistent geopolitical tensions. This sustained increase in military budgets is translating into accelerating inflows into global defense ETFs, which are increasingly viewed by investors as a structural, long-duration theme rather than a cyclical trade.

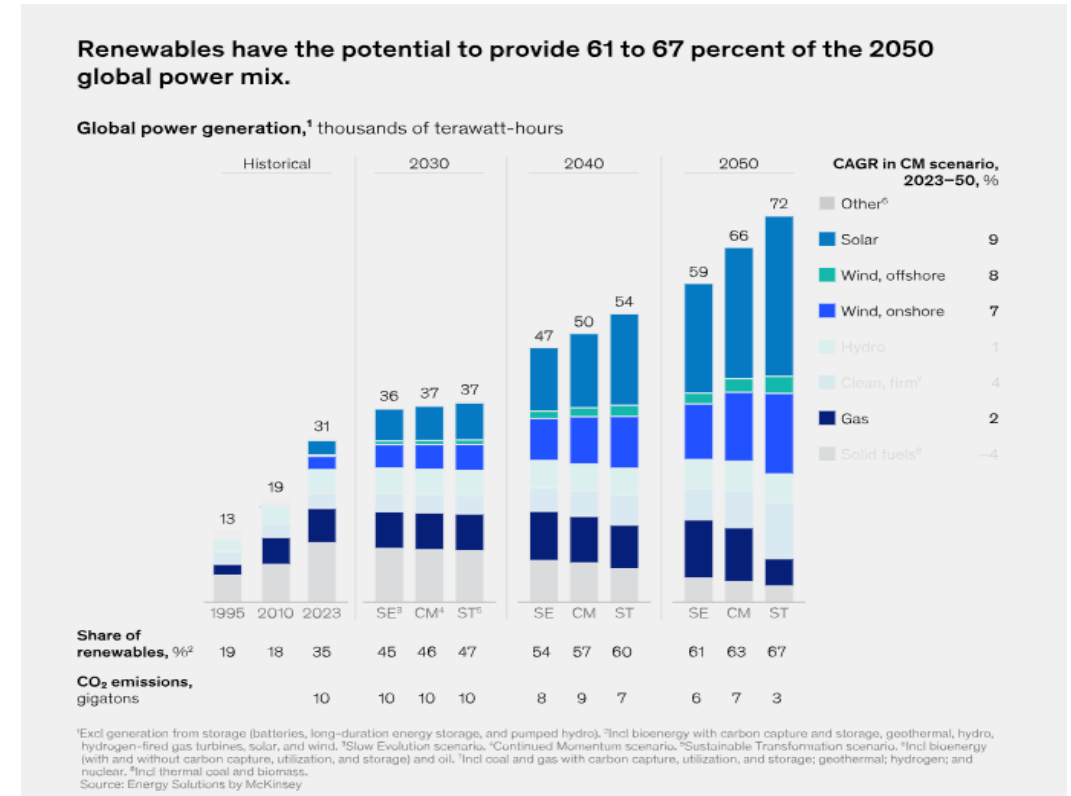
Renewables: Essential, Not Strategic

Global renewable power capacity is poised to expand rapidly through 2030- though is expected to fall slightly short of COP28 tripling pledge



Source: IEA

Renewables are projected to supply ~61–67% of global power generation by 2050, driven primarily by rapid growth in solar and wind

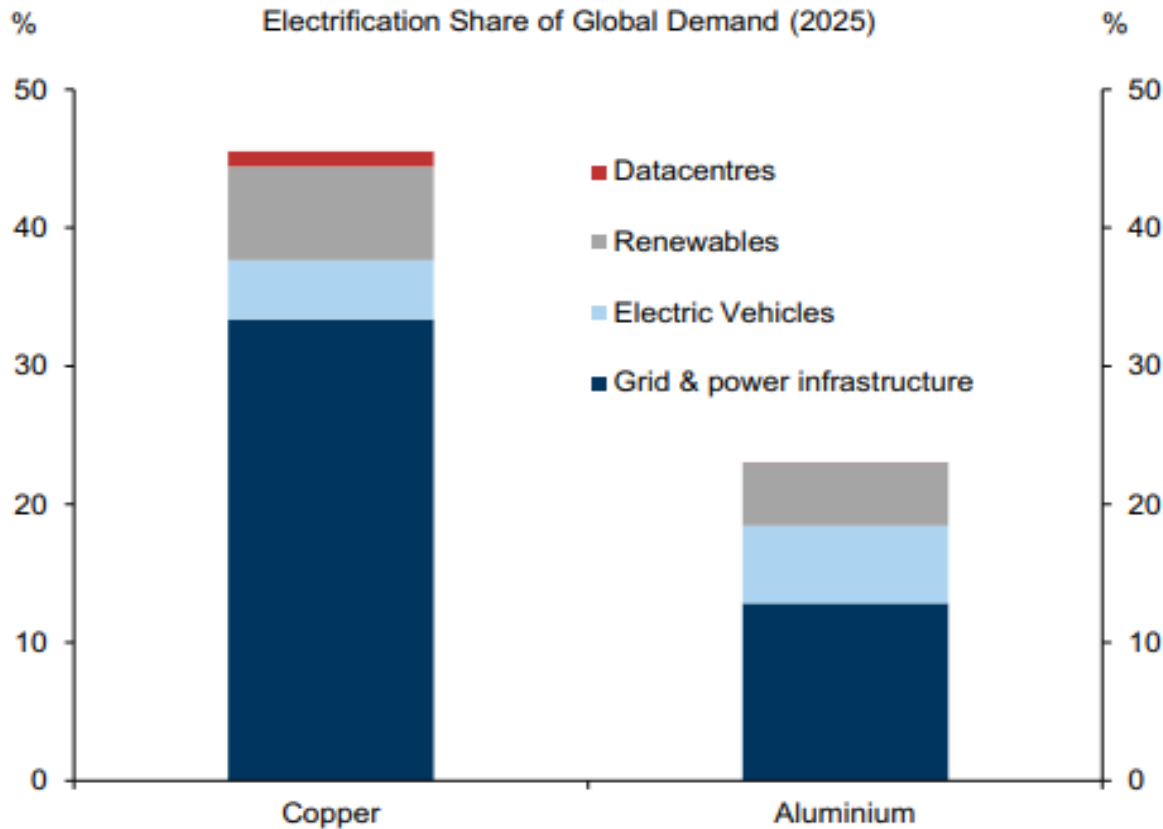


Source: McKinsey

Renewable energy has transitioned from a thematic opportunity to a core requirement for global power systems. While renewable capacity is set to expand rapidly through 2030, current trajectories still fall marginally short of the COP28 tripling ambition. Over the longer term, sustained growth in solar and wind positions renewables to supply ~60–67% of global power generation by 2050, underscoring their essential role in energy security and decarbonization.

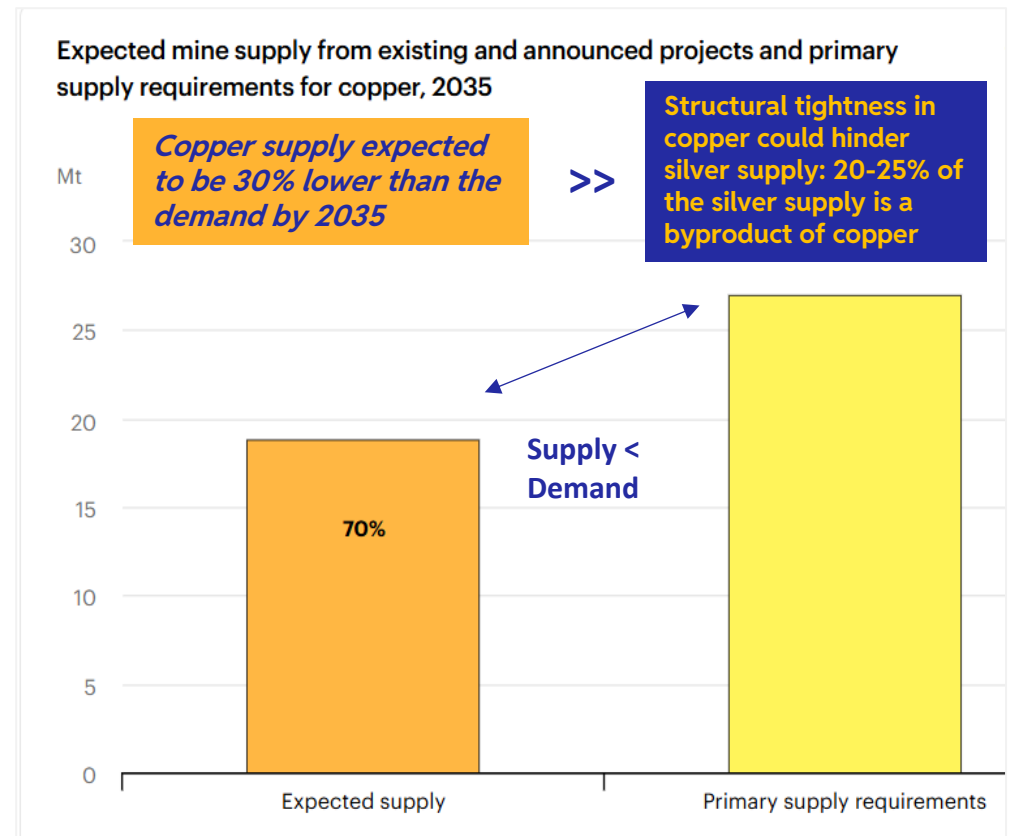
Base Metals Look Favourably Positioned

Strong demand in electrification for copper and aluminium..



Source: Goldman Sachs

...along with widening structural deficits in the industrial metals remain a strong driver for base metals basket

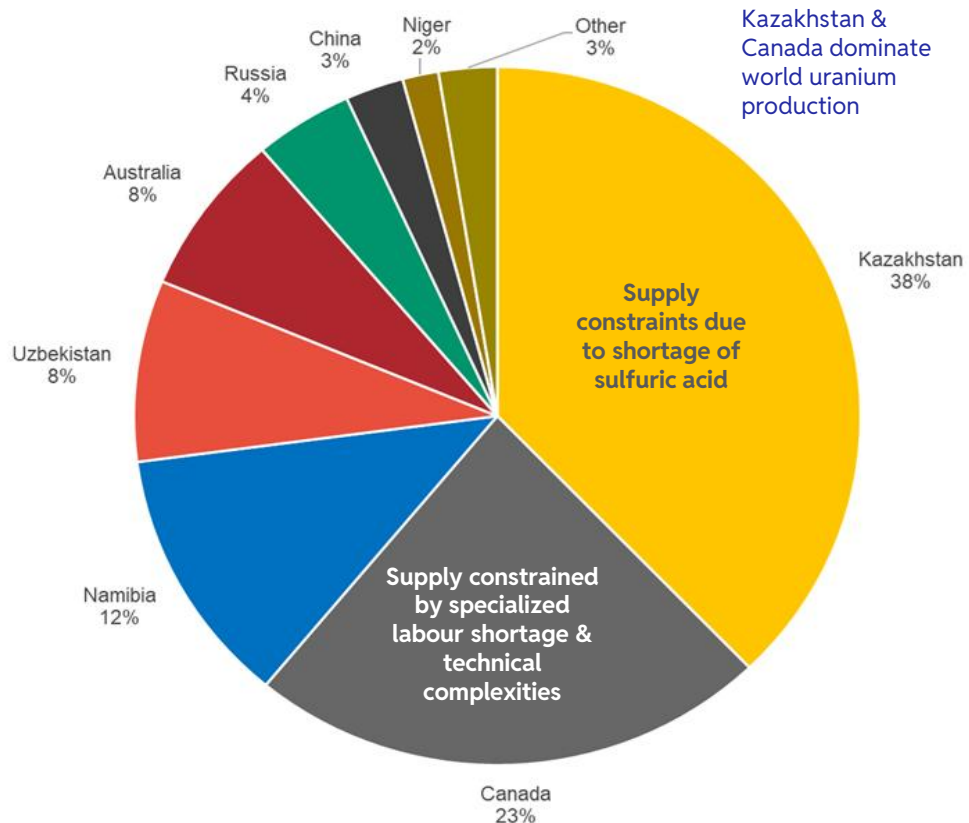


Source: IEA

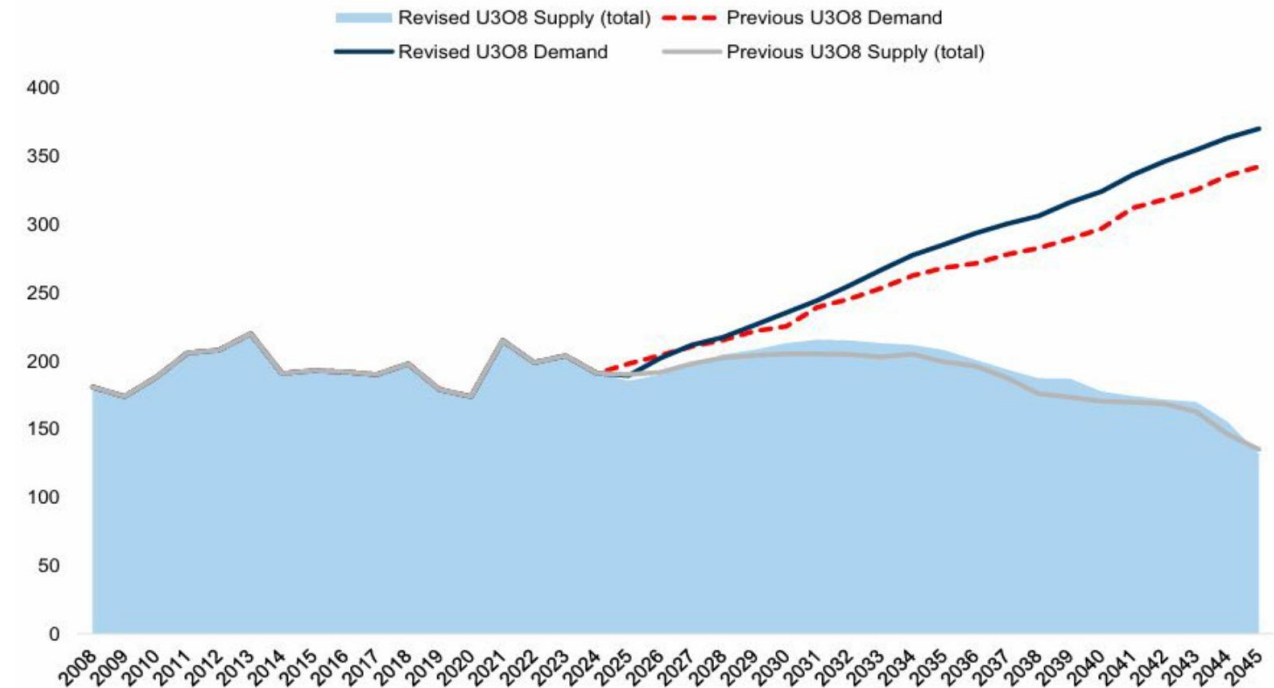
Base metals appear favourably positioned, with demand set to materially outpace supply including both in copper and aluminium. While copper is expected to be in about 8 MT supply deficit by 2035, aluminium has also transitioned from historical surplus to structural deficit amid China's capacity cap along with strong industrial demand.

Uranium Outlook Stays Positive as Structural Supply Constraints Lag Rising Demand

Supply remains "fragile" due to extreme geographic concentration and political shifts



While demand for uranium is expected to be much higher in the next 20 years than earlier projections, supply deficit is expected to widen by 32% as per Goldman Sachs



Source: Goldman Sachs Global Investment Research

Source: Spratt

Global uranium production is constrained by a **structural "supply wall"** where decade-long permitting and development timelines make it impossible for new mines to respond quickly to the current price surge. Additionally, dominant producers like Kazakhstan face sulfuric acid shortages and have adopted a "value over volume" strategy, while Western supply chains remain bottlenecked by the **geopolitical decoupling** from Russian enrichment and conversion services.

India-EU FTA: Likely To Support Growth & Sentiment Amid Global Uncertainty

The EU–India trade deal comes at an opportune time, as India continues to await progress on a long-drawn trade agreement with the US. While the terms of trade have been agreed upon, officials from both India & EU have indicated that the agreement is realistically poised to become operational in early 2027.

- Over **99% of Indian exports** by trade value will receive preferential (zero-tariff) entry into the EU.
- India's exports to EU, valued at USD 76 billion, are likely well-positioned for an upswing.
- Greater policy certainty and stronger trade ties with the EU could attract **higher FDI inflows** into manufacturing, green energy, pharmaceuticals, and technology, supporting the “Make in India” agenda.
- In a more protectionist global environment, a stable trade framework with the EU enhances **export visibility, investor confidence, and medium-term growth prospects** for the Indian economy.
- Labour-intensive sectors like textiles, apparel, leather, footwear, marine products, gems & jewellery, handicrafts, and engineering goods at ~USD 33 Bn exports are likely to see a meaningful boost, supporting employment generation and broader economic growth.
 - Tariff relief could **lower landed costs by 9-12%**, amplifying India's labour cost edge (textiles wages ~USD 0.15/hr vs EU at USD 20+/hr).
 - In addition, improved EU market access **embeds firms in value chains, boosts volumes and supports MSMEs via scale.**
 - Engineering goods could benefit from parts tariff elimination, aiding complex exports.



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- Gems/jewellery could also see a significant boost, **with elimination of 2.5-4% duty**, with market expecting bilateral trade to double in three years to USD 10 billion from USD 5.2 billion now.
- **Duties on textiles slashed from 9-12% to zero, could help India compete with countries like Bangladesh.**
- **Defence is not explicitly part of the core India-EU FTA tariff liberalization, but the broader agreement includes a new Security and Defence Partnership.** Indian firms could participate in co-development of drones, radars, naval systems, or semiconductors for defence. Builds on existing naval exercises and tech councils (AI, 6G); positions India as EU's diversification partner amid reduced US/China reliance, potentially accessing high-end components (sensors, avionics) while exporting affordable systems (missiles, artillery). Although, no tariff benefits, geopolitical barriers, regulatory hurdles, SDP adds options but competes with US/Israel deals offering faster tech.
- **India-EU FTA introduces calibrated liberalisation in autos** (~USD 2.2B current exports), cutting tariffs on 200–250k EU vehicles annually from 110% to 10–40% over 5–10 years, while eliminating duties on auto parts and CKD kits subject to localisation norms—balancing import access with domestic manufacturing incentives.
- **CKD-led localisation benefits incumbents** (BMW/Merc already ~70% CKD), improves cost competitiveness by 10–20%, and supports ancillaries under PLI.
- while **quotas cap EU share at ~5–6%**, protecting mass-market players (Maruti/Tata/Hyundai); benefits remain phased, with EVs excluded for the first five years.



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