IONIC WEALTH
BY ANGEL ONE

Asset X:
Investment Strategy

November 5, 2026



What We Are Seeing

Equities

Domestic Equities: Earnings and high-frequency indicators continue to be strong, although growth may taper slightly. Valuations remain reasonable and below long-term averages. We remain constructive on domestic equities and continue to favour one-shot deployment. However, we have revised our Large Cap-to-SMIDs allocation to 70:30 from 60:40, trimming SMID exposure, as large caps have delivered strong September-quarter earnings and FPI selling has eased, with early signs of a return to net buying. Within sectors, we remain bullish on Financial Services and, more selectively, Nifty Metals. However, RBI rate hikes, elevated crude and high wholesale inflation pose as downside risks for equities.

Global Equities have been volatile in the recent period as the Fed's decision to hike rates, elevated bond yields, sustained geopolitical tensions and questions over the ROI of the AI-driven capex cycle have weighed on investor sentiment. October 2026 also saw emerging markets underperform developed markets, despite resilient underlying economic and corporate fundamentals. Uncertainty surrounding the US midterm elections added to market volatility. However, with the Democrats securing majority in both chambers, a key source of uncertainty has now been removed, allowing markets to refocus on underlying fundamentals and macroeconomic developments. We had earlier recommended adding portfolio stabilisers to help navigate potential volatility and continue to favour this approach. For fresh allocations, we recommend a well-diversified mix of developed markets, including the US, alongside select emerging markets outside India.

Fixed Income & Commodities

Domestic debt markets: Bond yields remain elevated, tracking the rise in US Treasury yields alongside increased expectations of further rate hikes in both the US and India. FPI flows remain volatile adding further pressure on yields. With the RBI potentially delivering another rate hike in the December policy meeting, we favour keeping portfolio modified duration between 3Y-5Y.

In Commodities, we remain constructive on gold, supported by strong structural fundamentals, however, near-term headwinds remain. One-shot allocation into gold ETFs can be considered.

Alternates

Rapid advances in AI, space and defence technologies continue to drive investor interest across **Unlisted Equities**, including deep-tech PE and VC. However, recent IPOs listing below pre-IPO valuations have tempered appetite for late-stage private deals. The preference is shifting towards companies still two to three years from listing, where entry valuations and risk-return trade-off may be more reasonable

Commercial Real Estate sees a steady growth path with Bangalore, Hyderabad, Mumbai & Pune markets leading the charge.

Currency

INR remains vulnerable amid middle-east tensions, volatile FPI flows and widening trade deficit. Although continued support from the RBI could help curtail excess volatility. We expect the INR to remain within 92–98/USD range.

AssetX brings you facts and data that cut through market noise. We highlight the most important signals across major asset classes in the global financial markets, so your investment strategy always stays on point.



What We Are Doing

Deployment Notes

- Within Equity, we continue with our total equity allocation of 75%
  - **In domestic equity** we continue to maintain the positioning adopted in **July 2026**, with a **10% higher allocation to domestic equity, however, have changed large caps and SMIDs split to 70:30, from 60:40.** Sectorally, **w**e remain constructive on **metals**, supported by a positive commodities outlook, and **financials**, backed by improving credit growth, ample liquidity, and supportive RBI measures.
  - In **global equity**, we continue to view the opportunity set as attractive and maintain our **lump-sum deployment approach** with a **70:30 allocation between developed markets (including the US) and emerging markets (excluding India).** Also, we continue to favour adding **portfolio stabilizers** (such as healthcare, financials, non-AI sectors) as suggested in August 2026, which could help improve risk-adjusted returns.

- As a tactical overlay, our factor analysis suggests maintaining 50% in momentum and 50% in low volatility.

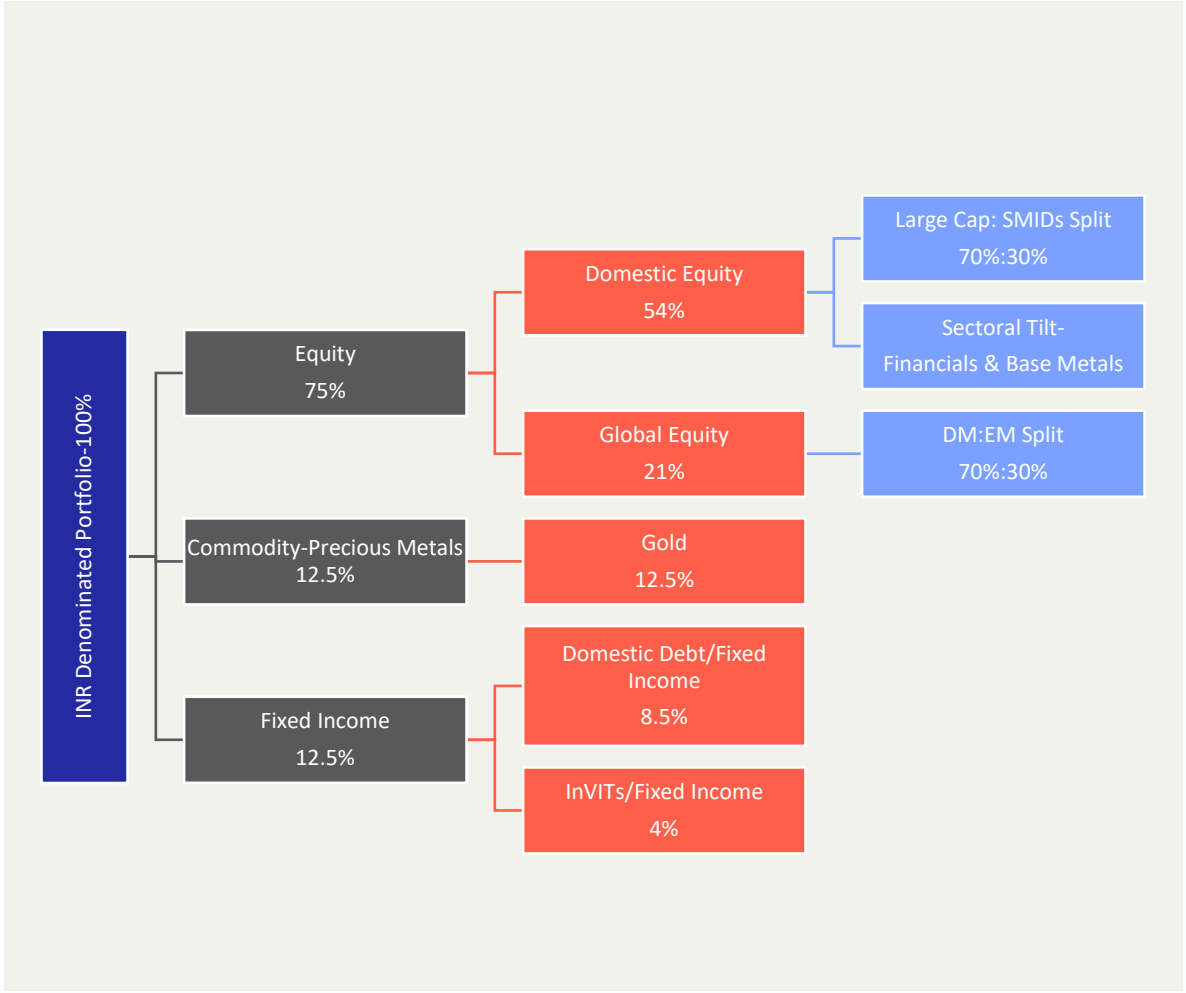
- **In Fixed Income**, given the increase in domestic and global volatility in yields, we favour a **3–5 year portfolio duration**. **InvITs** can also form part of the portfolio, offering diversification alongside stable and predictable income streams. For investors with **USD exposure**, **REITs** can be considered as part of the mix, with a preference for residential, healthcare, and data-centre segments.

- Within **commodities**, we prefer allocating **100% of the commodities exposure to gold for INR-only investors**. Investors with **USD exposure** can diversify their commodities allocation across **gold, agriculture, and base metals**.

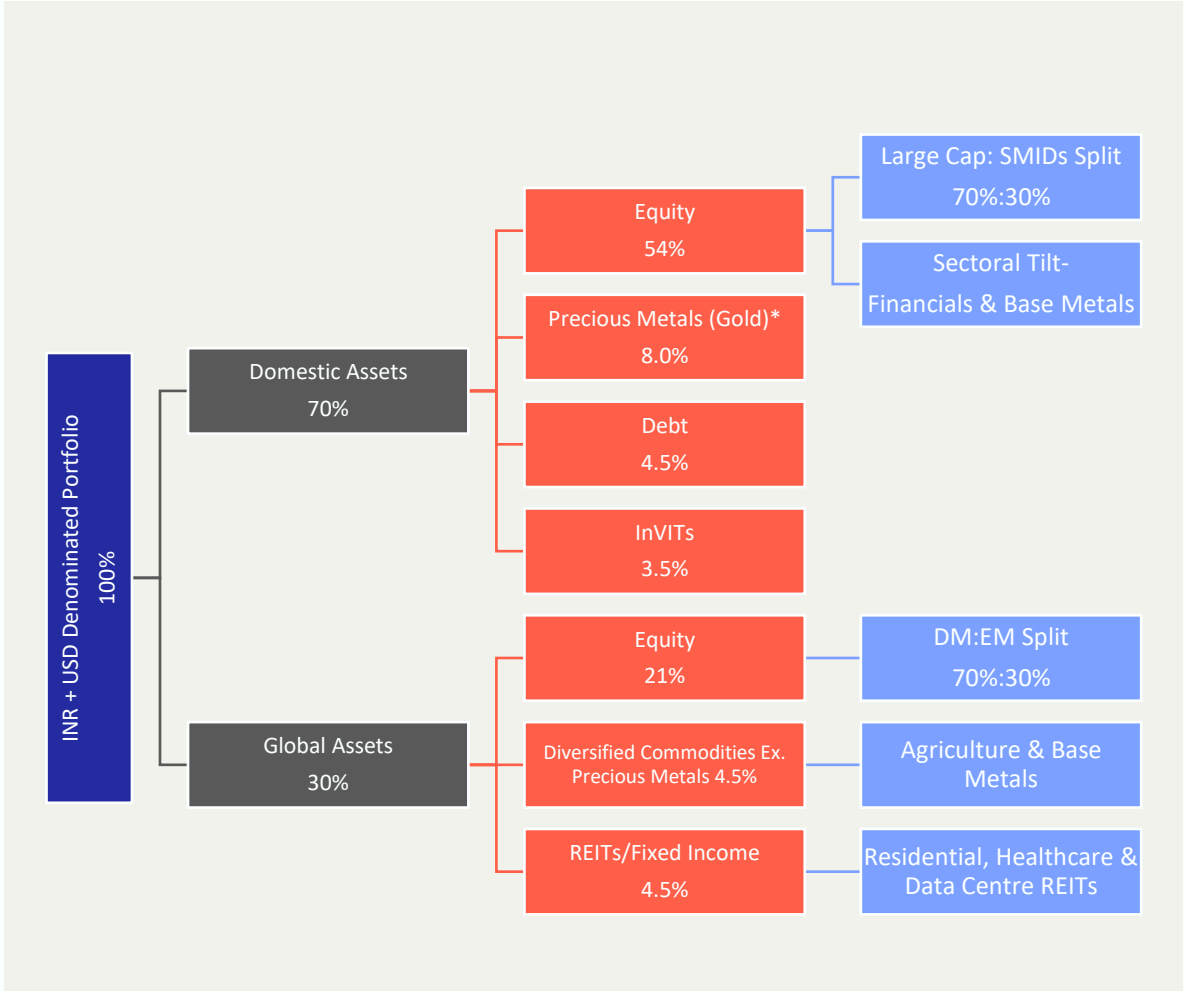


Asset Allocation Strategy (For Fresh Allocation)

INR Denominated Portfolio



INR + USD Denominated Portfolio



* We prefer investing in gold in USD given it avoids the domestic gold import duty premium (currently 15%) that INR gold carries, along with deeper global liquidity and lower exposure to domestic policy volatility.

Momentum Cools, Low Volatility Steadies the Basket

6 Month Relative Strength and Relative Momentum



Factor	1 Month	3 Months	6 Months	1 Year	3 Years
Low Volatility	2.36%	-7.50%	-3.18%	-7.85%	8.51%
Momentum	-2.23%	-6.65%	-5.28%	-9.15%	8.47%
Quality	2.92%	-4.56%	-2.54%	-5.53%	7.43%
Value	2.43%	-5.05%	-7.22%	-12.12%	4.07%
Nifty 50	2.81%	-5.46%	-3.94%	-10.38%	6.51%

- Momentum lagged in the October rebound, while Low Volatility kept pace with the market
- Both stay in the Leading quadrant against Nifty 50, though their momentum is fading
- Value is still Lagging but has started to turn up; not yet a reversal
- **Our View:** Retain the 50:50 split, with Low Volatility balancing Momentum's cooling

Risks

- Momentum could slip into Weakening if its pullback continues
- If Value's turn gathers pace, Low Volatility offers some exposure with better defensive quality

Data available as of October 2026

Domestic Equity: Constructive, Market-Neutral Across Sizes

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We remain constructive on Indian risk assets: September-quarter earnings and macro data are very strong, and valuations are reasonable to attractive, especially in large caps and in large caps and financials. We expect earnings to taper and stay watchful over the next few weeks.

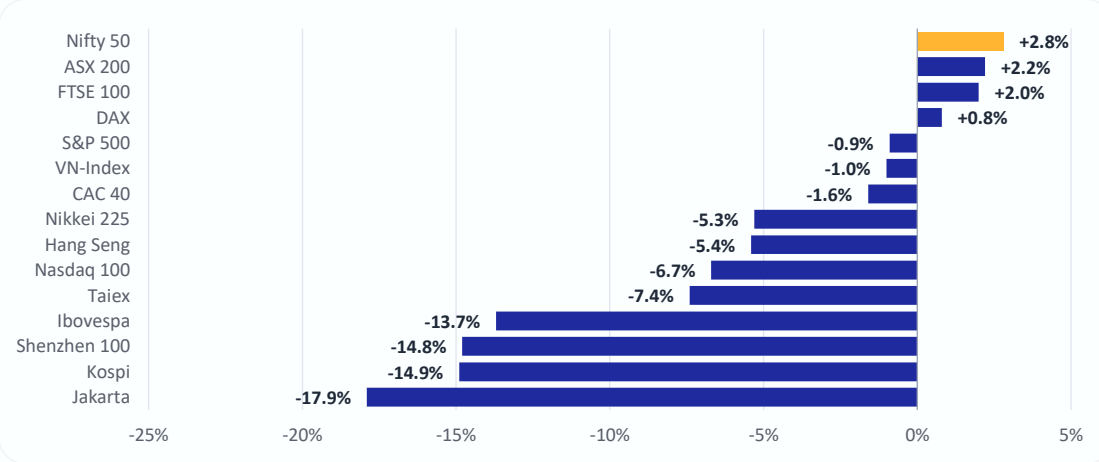
High-frequency indicators (HFI)

Indicator	May 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26	Trend
GST gross collections % yoy	3.2	13.9	15.4	14.8	14.7	22.9*	▲
2W retail, FADA % yoy	7.5	22.1	28.3	19.7	33.1	–	▲
PV retail, FADA % yoy	23.3	32.6	19.1	16.1	32.1	–	▲
IIP % yoy	5.0	8.8	7.4	7.8	6.7	–	▼
CPI % yoy	3.93	4.38	4.45	4.83	5.54	–	▲
WPI % yoy	9.9	10.0	9.8	9.9	11.4	–	▲
PMI manufacturing	55.0	54.2	53.5	52.8	55.1	54.7	►
PMI services	59.8	57.4	53.3	54.1	55.2	56.2	▲
PMI composite	59.3	57.1	54.3	54.3	55.9	56.7	▲
UPI value % yoy	18.9	20.3	19.1	20.0	18.0	16.0	▼

*Source: Bloomberg, Ionic Wealth (as of 2 Nov 2026). Shading is relative within each row (inverted for CPI, WPI); arrows show latest vs prior print (green print (green favourable, red unfavourable, ► broadly flat). 2W/PV: Sep flattered by a low base. UPI: Oct is the full month (NPCI, via Fortune India). *GST is on India). *GST is on an ex-cess base; on a cess-inclusive base, growth is still ~18%.*

India led global peers in October in dollars

Index price change, %, in US$, 30 Sep–30 Oct 2026



India was one of four indices to rise (+2.8% in US$), ahead of the S&P 500 (−0.9%) and the Nasdaq 100 (−6.7%).

Positioning

What we recommend and why

One-shot deployment

For fresh investments, stagger over the first ~10 days of November given key macro events (US mid-terms, war), after that one shot deployment.

70:30 large-cap : SMID

Trim SMID to 30% from 40%, still captures smaller-company growth.

Overweight Financials; Metals Sectorally

Banks: 20–24% growth at 11–15x. Metals ride peak-cycle profits (+100–140%), so size them selectively.

Data available as of October 2026

Our Hypothesis

- Constructive: profits +28%; Nifty 19.2x trailing, 17.8x forward (~15% below 10-year average)
- Selective: PEG ~1.0 on durable ~18% growth; small caps ~25% above own average
- Rupee, bonds: neutral near term

Drivers

- Profits +28% on sales +26%; 71% of companies grew profit
- Corporate tax +21%, GST +23%, real GDP +7.8%
- Banks: 20–24% growth at 11–15x
- FPI ownership at a 17-year low; selling easing (₹6,300 cr net bought in last week of Oct, prov.)

Risks

- RBI hikes; a second is possible in December
- Crude (Brent US$117 on 23 Oct) hits OMC profits
- WPI at 11.4% squeezes margins
- El Niño stress in agri and finance; record FII outflows

Data to watch

- 12 Nov CPI; 16 Nov WPI
- 14 Nov results season ends; 30 Nov Q2 GDP
- 2–4 Dec RBI; 15 Dec advance tax
- Nifty: support 21,800–22,100; resistance 23,800–24,500

Data cut-off: HFIs as of 2 Nov 2026; latest prints Oct 2026 (PMI, GST, UPI), Sep 2026 (CPI, WPI, IIP, FADA). Earnings and valuations per Ionic note (1 Nov) and MOFSL (Oct); Nifty forward P/E at the 2 Nov close; flows to 30 Oct 2026 (provisional).

1. Bloomberg (ASSETX_NOV 2026 DATA) – GST, FADA 2W/PV, IIP, CPI, WPI, S&P Global PMI, NPCI UPI; May per Asset X Oct 2026.
2. NPCI UPI (Oct 2026) via Fortune India; GSTN (Oct 2025–26); CDSL/NSDL flows via Free Press Journal (30 Oct); NSE closing prices.
3. EY India, Economy Watch, Oct 2026 – Brent; MoSPI release calendar, RBI MPC schedule, Income Tax Act (advance-tax date).
4. Ionic Wealth, India note (1 Nov 2026) – Screener.in, CBDT, GSTN, MoSPI, RBI, NSDL; house view, positioning; Nifty zones: Ionic technical view.
5. Motilal Oswal, India Strategy, "The HEAVY Lift!", Oct 2026 – forward P/E, 10-year average, small-cap premium; P/E rebased to 2 Nov close.
6. Bloomberg, exchange data, Banque de France FX rates – Oct 2026 index changes in US$ (TWD, VND approx.).

Domestic Equity: Earnings Surged, But Growth May Taper Slightly

1,226 companies (62% of market value) have reported the September quarter: profit +28% on sales +26%. The growth is real but cyclical-led: half came from oil refining, power and metals, banks and lenders are metals, banks and lenders are the durable engine, and wages are lagging profits.

Profit grew 22–28% at the median in every size bucket

Sept-quarter results by market-value rank; each cell: median / aggregate

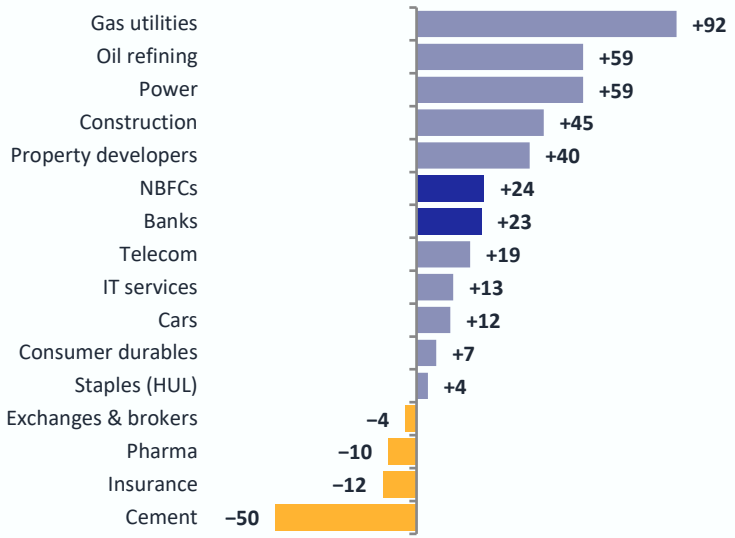
Size bucket	Reported	P/E (x)	Profit YoY %	EPS YoY %	Sales YoY %
Top 100	66 / 100	33.6 / 19.7	22.3 / 28.7	21.3 / 28.7	20.8 / 26.2
101–250	88 / 150	34.1 / 21.6	28.4 / 22.8	28.1 / 22.8	19.9 / 25.2
251–500	118 / 250	31.9 / 22.8	24.1 / 29.0	23.2 / 29.0	23.9 / 27.3
Beyond 500	954 / 5,039	20.8 / 24.8	22.9 / 43.5	17.0 / 43.5	20.6 / 24.4
All	**1,226 / 5,539**	**23.2 / 20.6**	**23.3 / 28.3**	**19.7 / 28.3**	**20.9 / 25.9**

- *Medians: exclude companies loss-making a year ago*
- *Aggregates: P/E = market value ÷ TTM profit; sales growth sales-weighted*
- *Beyond 500: aggregate inflated by turnarounds; +10% on year-ago profitable base*
- *Excluded: 48 of 1,274 (4 demerged Vedanta entities, 44 implausible figures)*

Data available as of October 2026

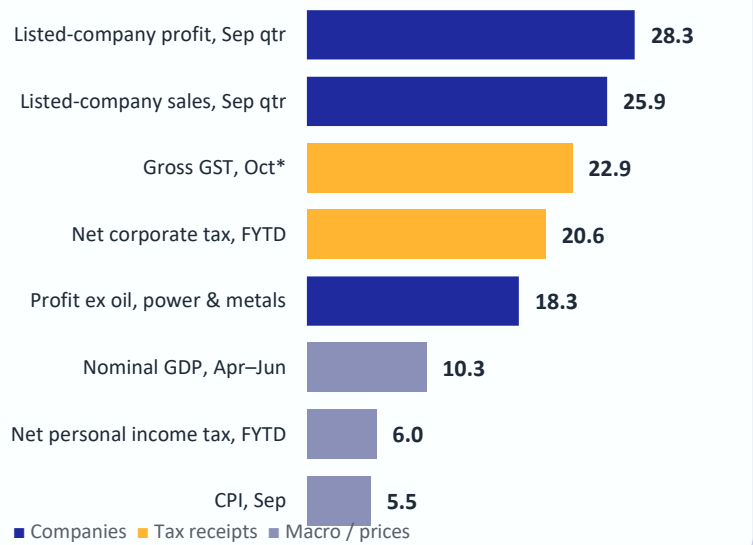
Sector profit growth, Sept quarter

Year-on-year %; metals (+100% to +140%) off-scale



Profits and tax receipts are outrunning GDP and wages

*Year-on-year %; latest period. *GST ex-cess base (cess-inclusive ~18%)*



By company size

- **Growth was broad:** median profit rose 22–28% in every bucket; fastest for companies ranked 101–250 (**28.4%**)
- **Valuation:** the typical top-500 company trades at **32–34x**
- **Beyond 500:** the 43.5% aggregate growth comes from turnarounds

Sectors

- **Financials first:** banks and lenders pair **20–24%** profit growth with **11–15x** multiples and are the best value.
- **Cyclicals selectively:** refining look cheapest but are on peak-cycle earnings
- **Expensive:** staples, durables and pharma, for little or slow growth

The economy

- **Profits outpace GDP:** profits (**+28%**) and corporate tax (**+21%**) grow 2–3x as fast as nominal GDP (**+10-11%**)
- **GST flattered by dearer oil:** Oct imports **+42%** vs **+15.8%** for domestic collections
- **Margins at risk:** WPI at **11.4% but partially mitigated by operating leverage.**

Data cut-off: Sept-quarter results as of 1 Nov 2026 (1,226 companies, 62% of market value); tax receipts to 14 Oct 2026; GST for Oct 2026.

1. Ionic Wealth, India note (1 Nov 2026) – Screener.in (all 5,539 listed companies), company announcements, CBDT, GSTN, MoSPI, RBI, NSDL, ICE Brent, PPAC; sector and index figures are own calculations and may differ from exchange aggregates.
2. EY India, Economy Watch, Oct 2026 – nominal GDP and tax receipts (MoSPI, CGA); Bloomberg – CPI (Sep 2026).
3. GSTN, Oct 2026 and Oct 2025 collections (ex-cess base and cess-inclusive).

Domestic Equity: Valuations below peak support the view

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The Nifty trades at ~17.8x forward earnings (2 Nov close), ~15% below its 10-year average. Large and mid caps de-rated 31–36% from the Sep-24 peak; small caps keep a ~25% premium and the widest bond-yield gap.

Trailing earnings yield vs 10-year G-sec (7.30%, 30th Oct)

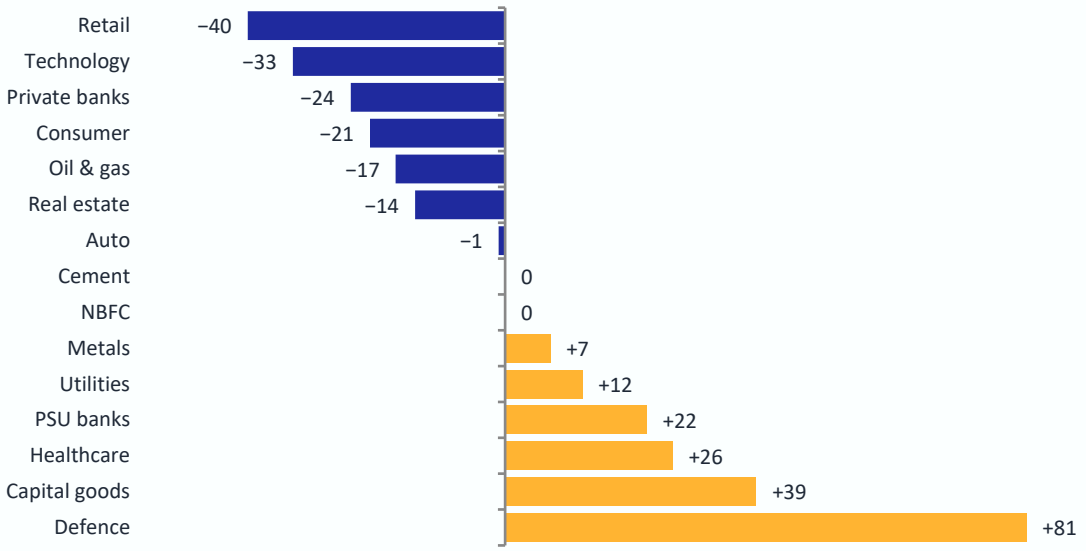
Index P/E and earnings yield, 22–23 Oct; yield-gap percentile (0 = cheapest)

Index	P/E (x)	Earn. yield	Gap vs G-sec	Percentile
Bank Nifty	12.7	7.9%	+ 0.6 pp	5th
Nifty 100	18.8	5.3%	-2.0 pp	13th
Nifty 50	19.2	5.2%	-2.1 pp	18th
Nifty 500	21.2	4.7%	-2.6 pp	34th
Midcap 150	27.1	3.7%	-3.6 pp	56th
Smallcap 250	32.2	3.1%	-4.2 pp	100th

Data available as of October 2026

Sector valuations vs own 10-year average

12M forward multiple, % premium / (discount) to 10Y avg, Sep-26



P/E: Retail, Tech, Consumer, Auto, Healthcare, Cap goods, Defence. P/B: banks, NBFC. EV/EBITDA: O&G, Real estate, Cement, Metals, Utilities. Navy = discount, orange = premium.

Against bonds

- The Nifty 50 earnings yield is **2.25 points below the 7.30% 10-year**, 18th percentile since 2011 (0 = cheapest).
- **Only banks beat the bond yield** (Bank Nifty 12.7x, 7.9% yield); **small caps are the most expensive**.
- At 19x, the PEG is 0.6–0.8 on 34% reported growth (24% ex-Reliance and IOC), but **about 1.0 on durable 18% growth: fair, not cheap**.
- The 10-year rose from 7.16% at end-September to 7.47% on 26 Oct (7.30% on 29 Oct).

By sector

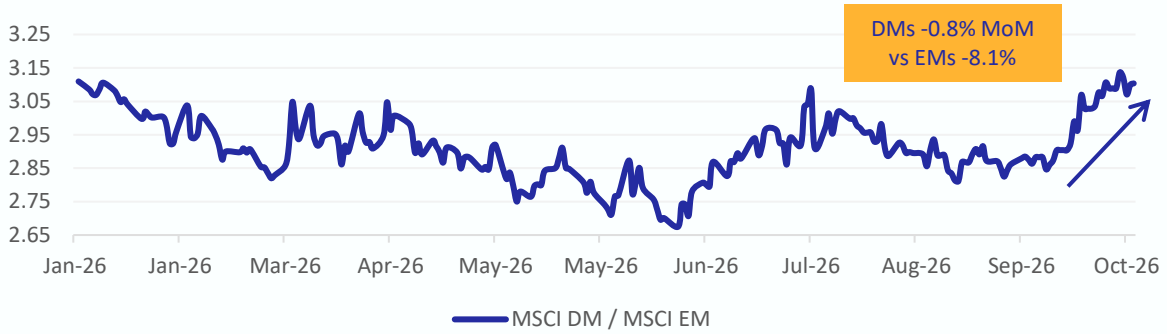
- Banks and lenders offer **20–24% growth at 11–15x**.
- Consumer staples, durables and pharma are **expensive for little or no growth**.
- Against their own 10-year averages, Retail (−40%), Technology (−33%) and Private banks (−24%) trade at the **deepest discounts** and Defence (+81%) and Capital goods (+39%) at the **highest premiums**.
- **Our view:** reasonable, not cheap; we prefer **financials** and, more selectively, **metals**

Data cut-off: 30 Oct 2026 for prices; trailing valuations 22–23 Oct; forward valuations and sector multiples per MOFSL (Sep 2026), Nifty rebased to the 2 Nov close; yields to 29 Oct.

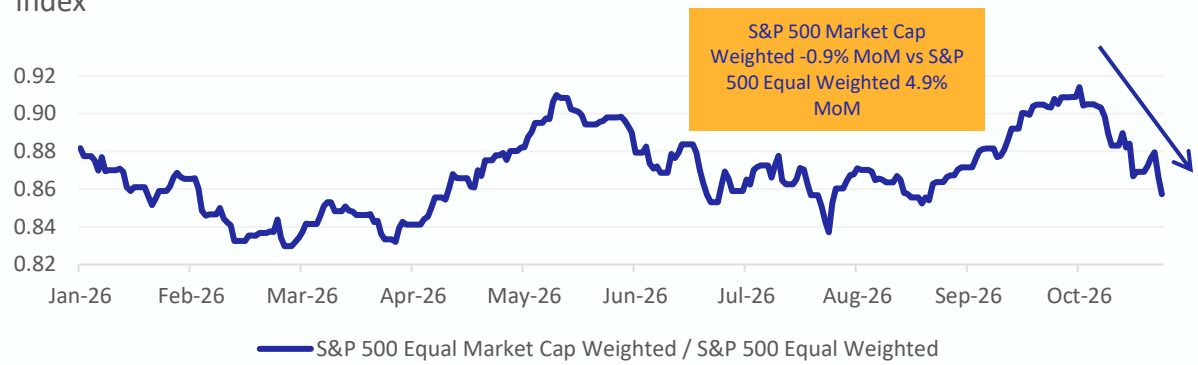
1. Motilal Oswal Financial Services, India Strategy, "The HEAVY Lift!" (2QFY27 Preview), Oct 2026 – forward valuations, sector multiples (12M forward vs 10-year average), Sep-26 data.
2. Ionic Wealth, India note (1 Nov 2026) – NSE index valuations and percentiles (22–23 Oct); Bloomberg / Trading Economics 10-year G-sec yields (to 29 Oct).
3. Ionic Wealth calculations: sector discount = MOFSL 12M forward multiple ÷ 10-year average − 1; Nifty forward P/E = MOFSL Sep-26 (17.2x) × 23,441 ÷ 22,620 (NSE closes, 2 Nov and 30 Sep); gap = earnings yield − 7.47%.

Global Equities: Near-Term Higher Allocation To DMs Remains Reasonable As Sentiments Stays Tested, 70:30- DM:EM Intact

DMs remained more resilient in October, as elevated macro uncertainty weighed more on EMs



Tech rout led to S&P 500 equal weighted index to perform better than market weighted index



Source: Bloomberg, Ionic Wealth, Data available as of October 2026

Earnings growth for EMs>DMs, however higher yields + DXY strength + pockets of credit stress hurting the sentiment

	1M Return	YTD Return	1Y Fwd PE	1M PE Change	YTD PE Change	1M EPS Change	YTD EPS Change
MSCI DM	**-0.8%**	**9.8%**	**17.4**	**-2.6%**	**-13.2%**	**0.8%**	**28.8%**
United States	-1.0%	10.5%	18.5	-3.3%	-16.4%	1.1%	35.1%
Europe	2.1%	9.6%	14.4	-0.2%	-6.6%	2.0%	20.7%
Japan	-4.0%	16.2%	15.1	-5.5%	-12.0%	0.7%	28.3%
MSCI EM	**-8.1%**	**11.6%**	**8.4**	**-12.7%**	**-36.1%**	**0.6%**	**68.9%**
China	-7.2%	-19.0%	9.3	-7.6%	-22.9%	-0.9%	4.9%
Taiwan	-6.2%	60.1%	16.3	-12.0%	-11.0%	3.0%	68.8%
South Korea	-16.8%	52.9%	3.6	-24.3%	-61.6%	1.5%	330.6%
Brazil	-12.1%	1.6%	7.7	-8.7%	-19.8%	-4.3%	24.5%

Source: Bloomberg, Ionic Wealth, Data available as of October 2026

Our Hypothesis
Volatility in the global markets could continue as markets assess the path of further rate hikes, bond yield situation, geo-political tensions, ROI visibility on rising AI capex as well as possible policy changes after democrats gaining majority in both chambers in US midterm elections. US could continue as an anchor position, while within EMs a diversified basket of China, South Korea, Taiwan and Brazil could make an optimal global portfolio position. Additionally, adding portfolio stabilizers like defensives, non-AI markets, diversified indices and uncorrelated asset classes could help curb any future volatility.

Drivers
Elevated bond yields, continued war, DXY strength, AI capex reckoning, but at the same time continued strong fundamentals

Risks
Bouts of AI fatigue, geo-political tensions, Fed hikes rates more than expected, dramatic changes in fiscal policies.

Data to watch
ETF flow trends, earnings growth, Fed rate action, war situation. AI Capex.

US Sectors: Strong EPS Growth Meets Macro Headwinds

Earnings growth remain strong, while PE multiples continue to de-rate

	S&P 500 Sector Weights	1M Return	3M Return	6M Return	YTD Return	PE	Earnings Yield	YTD PE Change	YTD EPS Change
S&P 500	**100%**	**-0.9%**	**1.2%**	**5.1%**	**10.7%**	**18.4**	**5.4%**	**-16.6%**	**35.8%**
Communications	8.4%	-15.2%	-12.7%	-19.9%	-11.8%	15.2	6.6%	-29.0%	43.7%
Real Estate	1.8%	5.0%	-4.0%	-2.6%	7.9%	34.6	2.9%	1.2%	15.2%
Materials	1.7%	6.5%	4.9%	2.1%	14.5%	17.5	5.7%	-9.2%	43.2%
Information Technology	37.4%	-6.8%	3.3%	11.8%	19.1%	18.5	5.4%	-29.7%	70.1%
Utilities	2.1%	10.1%	-2.0%	-7.3%	1.7%	16.6	6.0%	-5.6%	10.6%
Industrials	8.1%	0.2%	-6.8%	-4.1%	7.9%	22.5	4.4%	-6.5%	17.4%
Healthcare	10.3%	9.7%	13.8%	26.7%	19.4%	20.0	5.0%	7.6%	0.7%
Financials	12.2%	5.8%	-0.7%	8.4%	3.1%	15.0	6.7%	-9.4%	17.6%
Energy	3.9%	14.0%	18.0%	18.3%	56.6%	13.6	7.3%	-15.0%	112.6%
Consumer Staples	5.0%	11.4%	6.6%	5.2%	15.9%	23.2	4.3%	11.5%	4.5%
Consumer Discretionary	9.0%	3.9%	-2.3%	-3.8%	-2.6%	22.5	4.4%	-14.7%	30.1%

YRI S&P 500 SECTORS WEIGHTING RECOMMENDATIONS* (Oct 30, 2026)

S&P 500 Sectors	Weight Recommendation	Week-to-Date	Month-to-Date	Year-to-Date
S&P 500		-0.6	-0.9	10.7
Communication Services	MW	-8.5	-15.2	-11.9
Consumer Discretionary	UW	1.0	3.9	-2.6
Consumer Staples	UW	1.6	11.4	15.9
Energy	OW	1.0	14.0	56.6
Financials	OW	1.1	5.8	3.1
Health Care	OW	3.1	9.8	19.4
Industrials	OW	1.7	0.2	7.9
Information Technology	MW	-1.8	-6.8	19.1
Materials	OW	2.0	6.5	14.5
Real Estate	UW	1.4	5.0	7.9
Utilities	MW	2.0	10.1	1.7

Source: LSEG Datastreamand © Yardeni Research.

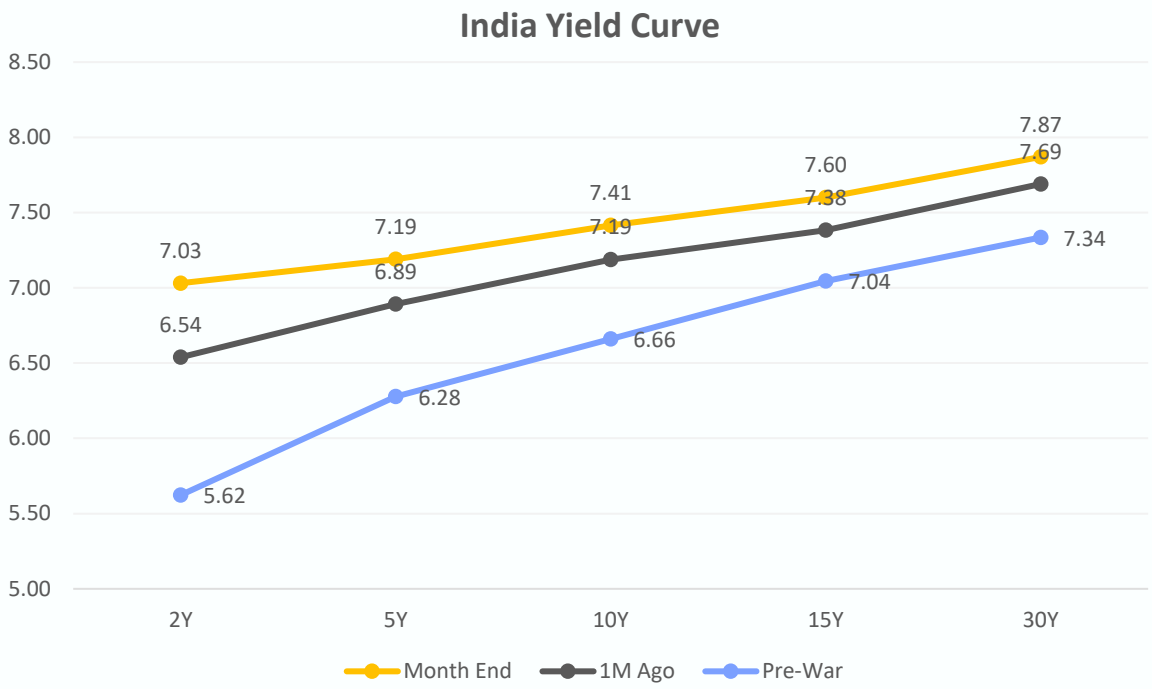
* OW = overweight, MW = market weight, and UW = underweight.

Source: Bloomberg, Yardeni, Ionic Wealth, Data available as of October 2026

- US equities remain supported by strong earnings momentum, led by Information Technology and Energy.
- IT now trades in line with the S&P 500 (18.5x vs 18.4x), significantly de-rated from the highs as bouts of the global AI rout continues despite strong earnings growth (70.1% EPS Change YTD).

India Debt: Higher Volatility Supports a 3–5Y Duration Strategy

At this juncture, we prefer to maintain a 3–5Y portfolio modified duration, given elevated volatility across both domestic and global markets.



Source: Bloomberg, Ionic Wealth, Data available as of October 2026

Persistently high crude prices are likely to keep India's bond yields elevated



Source: Bloomberg, Ionic Wealth, Data available as of October 2026

Our Hypothesis
Domestic bond yields could remain under pressure, driven largely by elevated global yields, particularly in the US. Further rate hike expectations in the US have risen as the new Fed Chair places greater emphasis on curbing inflation, while domestic rate hike expectations have also increased. Against this backdrop, we favour maintaining portfolio duration in 3–5 year range.

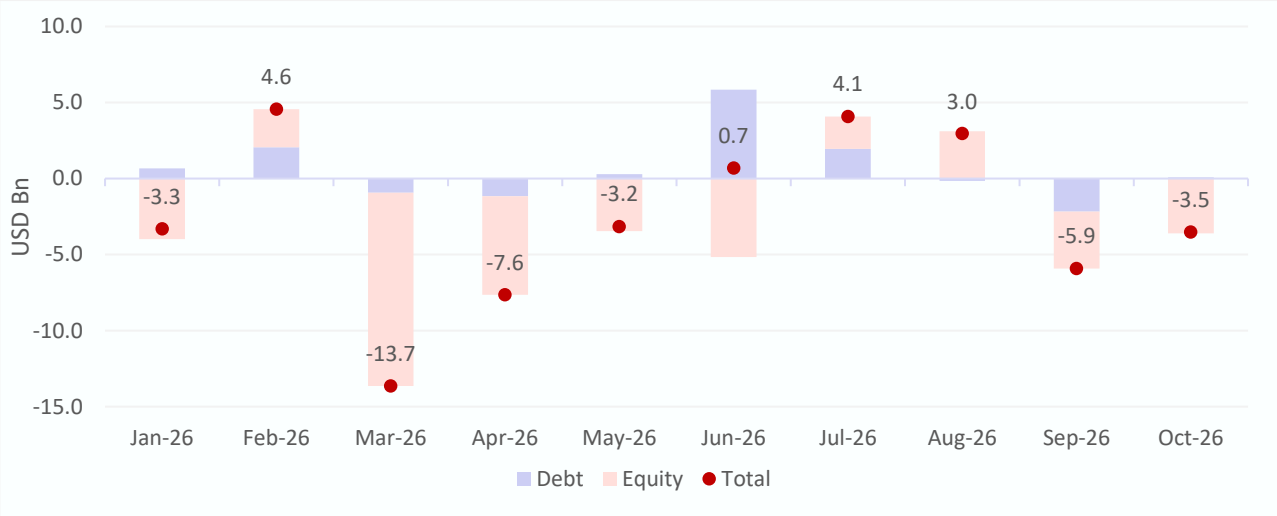
Drivers
Higher US treasuries, persistent geo-political tensions, and increasing possibility of rate hikes.

Risks
Stubborn inflation, rate hikes in the US, prolonged geo-political tensions

Data to watch
US FOMC policy, India & US inflation, US labour market data, domestic high frequency indicators, crude oil, inclusion in more global bond indices

INR: Higher Oil and FPI Outflows Keep INR Under Pressure

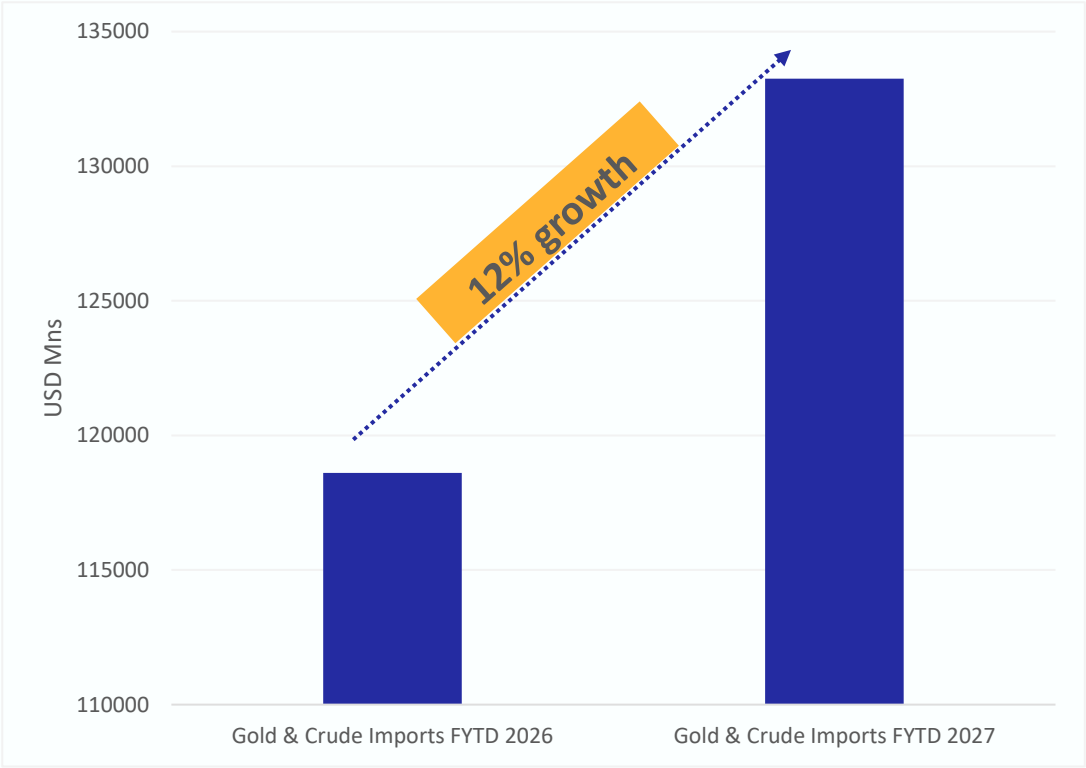
Persistent FPI outflows and geopolitical tensions remain headwinds for the INR. RBI intervention + active measures may help curb excess volatility



	Mar-26	Oct-26	Change in FYTD27
FX Reserves (USD Bn)	688.1	719.7	+31.6
RBI's Net Forward Position (USD Bn)	-103.1	-239.2	-136.1
Effective FX Reserves (USD Bn)	**585.0**	**480.5**	**-104.5**

Source: Bloomberg, Ionic Wealth, Data available as of October 2026

Higher crude and gold imports in FY27 so far have further widened the trade deficit, adding to INR pressure



Source: Bloomberg, Ionic Wealth, Data available as of October 2026

Our Hypothesis
Persistent tensions in the Middle East continue to weigh on the INR, with FPIs continuing to be net sellers for two consecutive months after recording inflows in July and August. A widening trade deficit, coupled with sustained FPI outflows, could keep the INR under pressure. We expect USD/INR to remain range-bound in the near term, with a trading range of 92–98

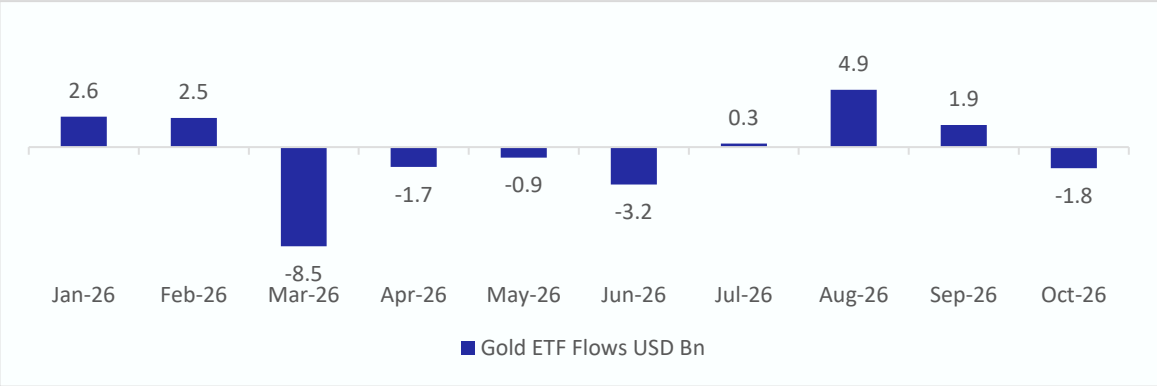
Drivers
Consistent support from the RBI, but at the same time persistent tensions between US & Iran, volatile FPI flows, trade deficit pressures

Risks
Persistence in US-Iran conflict for a prolonged time, sustained slowdown in FPI flows in domestic market, DXY strengthening

Data to watch
FX reserves, flows, DXY, geopolitics, inflation differential, yield movements

Commodities: Gold Retains A Structural Advantage, But Near-Term Headwinds Visible

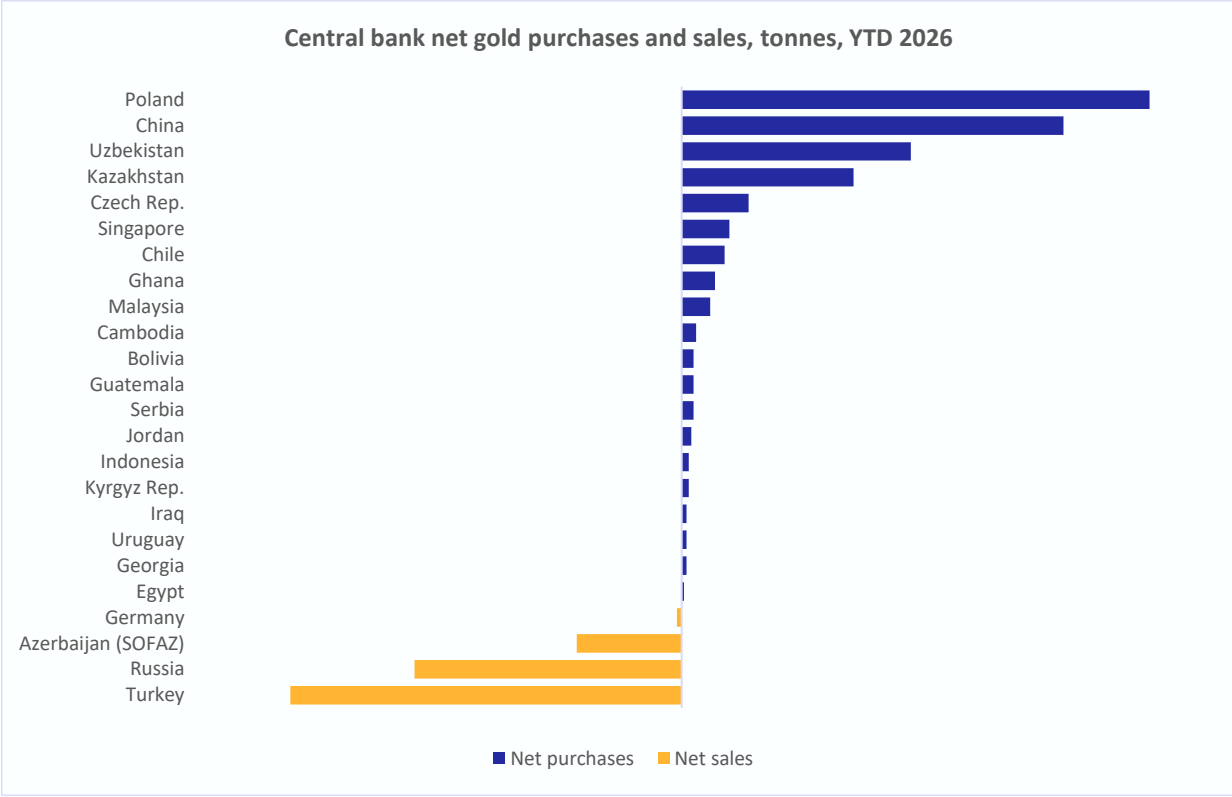
Gold Pulls Back on Higher Real Yields and ETF Outflows…





Source: Bloomberg, Kobeissi, Ionic Wealth, Data available as of October 2026

….however, Central Bank gold buying remains strong and structural to the gold thesis



Source: World Gold Council, Ionic Wealth, Data available as of October 2026

Our Hypothesis
Gold's long-term outlook remains strong, supported by sustained central bank buying. However, near-term headwinds are visible as real yields continue to edge higher and gold ETFs witness outflows. We retain our view of maintaining a 100% allocation to gold within the commodity exposure, from a long-term perspective.

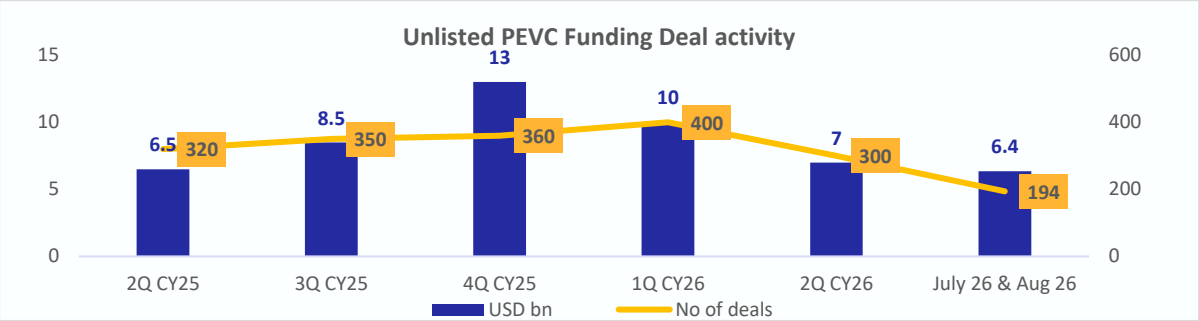
Drivers
Central bank demand for gold remains strong and is expected to continue providing structural support

Risks
Continued USD strength, reduced demand by Central Banks, ETF outflows, rate hikes in the US

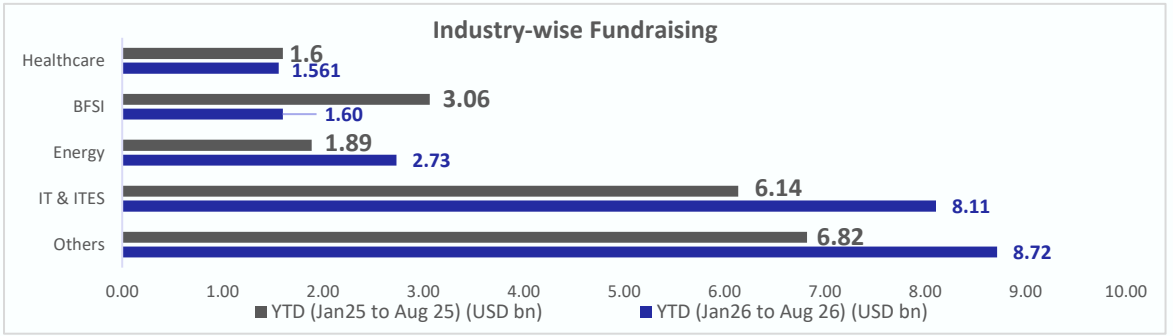
Data to watch
Sentiments, DXY, demand from China and other central banks for Gold

Private Equity: Deal Momentum Cools As Exits Slow, Selective Deployment Persists

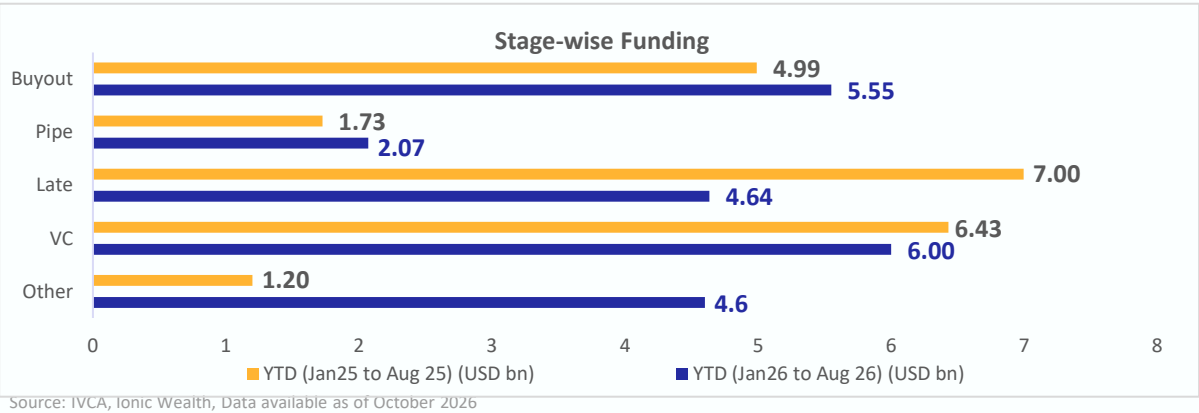
Funding momentum moderated through H1 2026, with quarterly deal value declining from $13bn in Q4 2025 to $7bn in Q2 2026. July–August 2026 recorded $6.4bn across 194 deals, indicating an improvement in average deal size but continued selectivity in deployment. Investors remain focused on high-conviction opportunities, with capital increasingly concentrated in larger, structured and differentiated transactions.



Fundraising remained mixed, with IT & ITES ($8.11bn), Others which includes manufacturing and sports tech ($8.72bn) and Energy ($2.73bn) witnessing growth. BFSI declined to $1.60bn, while Healthcare remained largely stable, indicating continued investor preference for technology-led sectors.

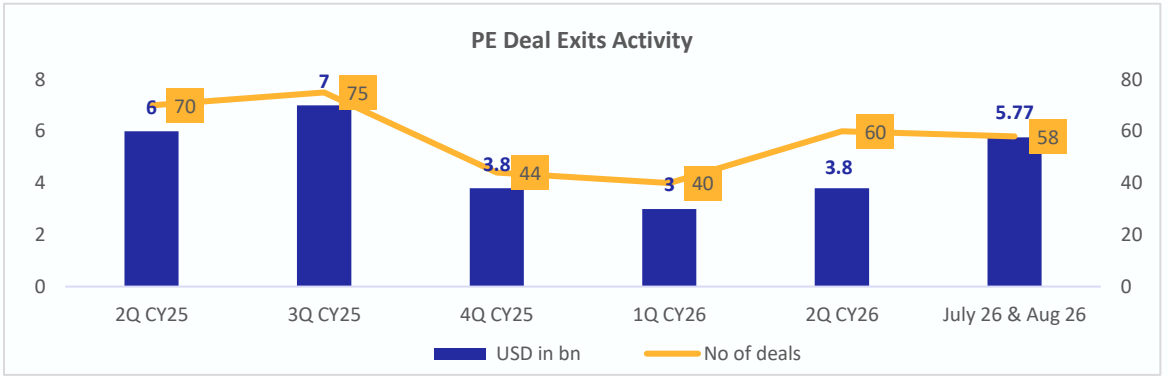


Buyout ($5.55bn), PIPE ($2.07bn) and Other-stage funding ($4.60bn) witnessed growth, while Late-stage funding declined to $4.64bn. VC remained relatively stable at $6.00bn, reflecting selective capital deployment and continued caution in late-stage investments.



Source: IVCA, Ionic Wealth, Data available as of October 2026

Exit activity showed signs of recovery in July–August 2026, with exit value increasing to $5.77bn across approximately 58 deals, compared with $3.8bn in Q2 2026. Strategic sales and IPO-led exits will remain critical to improving distributions and restoring investor confidence.



Source: IVCA, Ionic Wealth, Data available as of October 2026

Our Hypothesis
Investors are prioritising quality businesses, stronger fundamentals, structured transactions and clearer exit visibility over aggressive capital deployment.

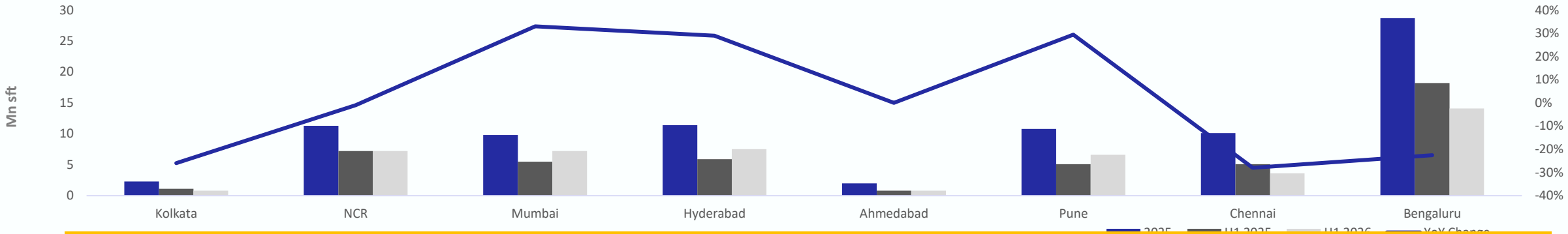
Drivers
Increased capital allocation towards Pipe-stage deals. Stable VC funding, supported by continued interest in emerging businesses and innovation-led sectors.

Risks
Continued weakness in late-stage and buyout funding. Valuation mismatches between investors and promoters potentially delaying transactions and exits.

Data to watch
Exit recovery, late-stage funding trends, Healthcare re-rating, and IPO pipeline conversion in H2 2026.

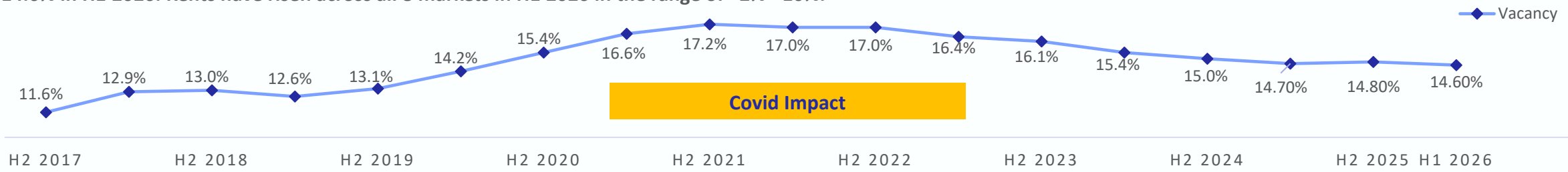
Real Estate: Commercial Momentum Intact As GCCs Anchor Demand

Office leasing across the 8 markets stood at 48.0 million sq. ft. in H1 2026, nearly matching (-2% YoY) the record half-year of H1 2025 despite heightened global uncertainty. While Bengaluru (14.1 million sq. ft.) moderated (-23% YoY) on a high base, Mumbai posted its strongest half-year on record (+33% YoY) and Hyderabad and Pune grew 29% each, reflecting a more balanced and geographically diversified expansion in office demand.



Positive on all markets except Kolkata & Ahmedabad. Hyderabad has shown regular improvement and requires close monitoring with cautious view. Bengaluru decline more a reason of base effect following a strong H1 2025.

With deliveries across the 8 markets have seen a 35% YoY increase in H1 2026, overall office completions still trail behind absorption due to which vacancy has compressed to 14.6% in H1 2026. Rents have risen across all 8 markets in H1 2026 in the range of ~2% - 10%.



Source: Knight Frank India RE

Our Hypothesis
Commercial RE on a steady growth path with Bangalore, Hyderabad, Mumbai & Pune markets leading the charge.

Drivers
GCCs contributing ~43% of overall leasing. Flex operators, India-facing businesses, and third-party IT services accounted for 24%, 20% and 13% of the total leasing.

Risks
Quality supply constraints, monetary tightening, and macro environmental factors.

Data to watch
New completions, vacancy levels, rental rate escalations, leasing transactions.

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