



Wealth  
India

## MONTHLY INVESTMENT PERSPECTIVES November-25

### GLOBAL MACRO: RECALIBRATING THE MACRO LANDSCAPE

The U.S. economy continues to outperform other major developed markets despite lingering risks of a government shutdown. In contrast, Europe faces near-stagnation, though Germany's industrial sector shows early signs of recovery. Across Asia, Japan's reflation efforts stand in sharp contrast to China's slowing growth and increasingly assertive geopolitical posture, while India and Southeast Asia benefit from robust domestic demand and supply chain diversification. Central banks remain cautious in their policy stance. The U.S. Federal Reserve has implemented moderate rate cuts but signals uncertainty over further easing in December amid inflation and labor market dynamics. The Bank of England has held rates steady, hinting at potential easing in 2026, while most emerging market central banks have paused or moderate rate adjustments as inflation pressures subside. Inflation is easing across many developed economies, supported by subdued wage growth and slack labor conditions, paving the way for a gradual shift toward monetary easing if disinflation persists. Overall, the macroeconomic environment remains complex, balancing risks of persistent inflation against slowing growth, shaping a cautious yet vigilant outlook for investors as they head into 2026.

### GLOBAL EQUITIES: SELECTIVE RISK TAKING AMID MACRO DISPERSION

Global equity markets commenced November with robust momentum, driven by U.S. technology giants that are fostering renewed optimism about artificial intelligence and digital transformation. Benchmark indices such as the S&P 500 and Nasdaq recorded initial gains of approximately 2–3%, supported by strong Q3 earnings and diminishing concerns over a potential U.S. government shutdown as progress toward resolution advances. European and UK markets exhibited mixed performance amid persistent uncertainties about economic growth and political developments, whereas Japan has benefited from supportive inflationary trends and corporate governance reforms. In emerging markets, select rallies were observed, led by structural growth narratives in India and Southeast Asia, despite cautious global trade sentiments. Valuations in developed markets remain elevated yet are sustained by robust earnings momentum. Investor interest continues to favour growth sectors—particularly those associated with artificial intelligence—while small caps and value-oriented segments underperformed.

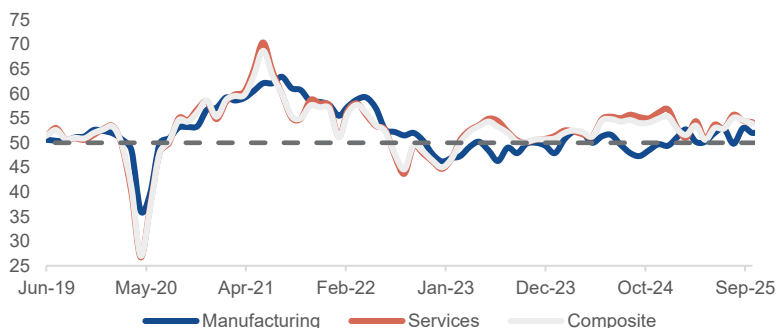
### GLOBAL FIXED INCOME: DIVERGING MONETARY POLICIES

The current global fixed-income landscape is characterized by stabilization and cautious optimism, as central banks increasingly adopt accommodative monetary policies amid improving risk sentiment. The US economy is on a trajectory toward a soft landing with moderating growth and inflationary pressures; the Federal Reserve raised rates by 25 basis points in mid-September but signaled possible cuts before year-end, leading to a steepening of the US Treasury yield curve as 10-year yields remain near 4.16%. In contrast, short-term yields have declined, reflecting eased near-term rate expectations. In North America, the Bank of Canada has already initiated cuts to support growth, while the European Central Bank and Bank of England maintain a more cautious stance, holding rates steady to balance inflation control with economic development, resulting in relatively stable or slightly flattened yield curves in those regions. This environment underscores divergent monetary policy actions and nuanced yield curve signals across major economies as markets navigate evolving economic data and geopolitical risks.

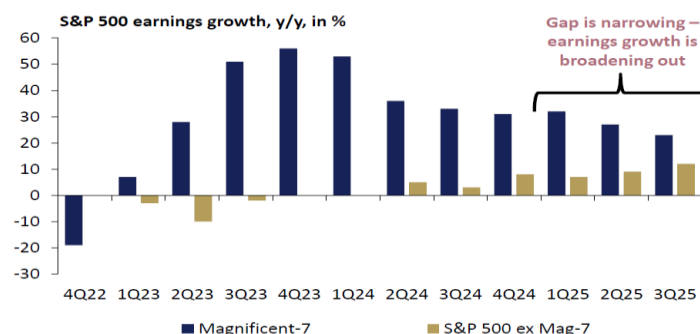
### GLOBAL COMMODITIES: STRUCTURAL PERSPECTIVE ON TACTICAL DRIVERS

Gold prices started the year 2025 with impressive momentum and stand out as a core allocation driven by a combination of structural and tactical factors. Gold prices have appreciated ~50% year to date, briefly trading around \$3950 per ounce, propelled by increased safe-haven demand, ongoing central bank purchases, and the de-dollarization trend. Gold demand in 2025 features strong physical investment, ETF inflows, and sustained central bank buying, all amid a tight supply environment. Central banks worldwide are on track to purchase over 1,000 tonnes of gold in 2025, primarily driven by diversification away from the dollar and the safeguarding of reserves against geopolitical and economic shocks. Gold's recent price rally is also driven by expectations of prolonged low interest rates and a dovish stance from central banks, along with rising concerns over U.S. government shutdown risks and a subdued dollar. While the long-term direction of gold depends on various macroeconomic factors such as real interest rates, global liquidity, and fiscal policy, the current environment indicates that gold remains a relevant part of portfolios for diversification and risk management.

### US PMI



Source: Bloomberg (as of 12 Nov, 25)

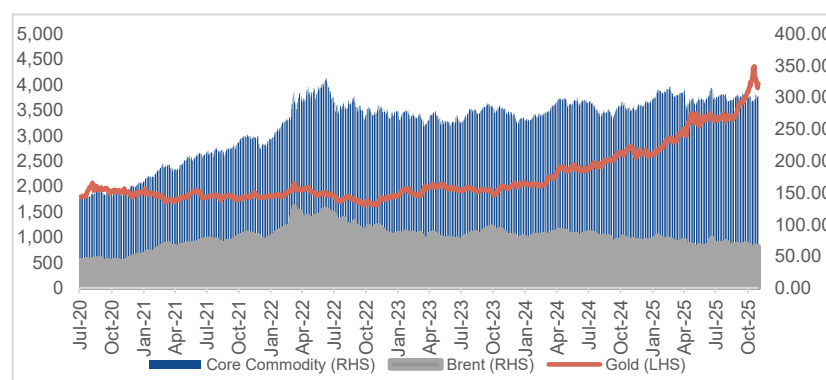


Source: LGT, Bloomberg (November)

### Global central bank policy stance



Source: LGT, Bloomberg(November)



Source: Bloomberg (as of 12 Nov, 25)

## INDIA MACRO: INDIA-US TARIFF IMPACT: GROWTH AND POLICY OUTLOOK

India's economic activity showed resilience in October, supported by festive demand and recent GST rate reductions that spurred discretionary consumption. High-frequency indicators such as robust auto sales, improved two-wheeler and passenger vehicle registrations, and strong PMI readings—notably the manufacturing PMI, which reached a multi-year high—signal healthy momentum. Urban demand is expected to strengthen further on account of income tax relief, GST cuts, and accommodative monetary policy, while rural consumption should remain stable, aided by above-normal monsoon, favorable rabi output, and rising real wages. Nonetheless, headwinds persist, including weak GST collections, subdued electricity demand, and global trade uncertainties, including elevated U.S. tariffs on Indian exports. Despite these near-term risks, the medium-term outlook remains constructive, underpinned by structural reforms, infrastructure investments, bilateral trade agreements, and a sound external position characterized by low current account deficit and adequate foreign exchange reserves.

## INDIA EQUITIES: SECTOR UPDATE AND GST REFORMS

Indian equities remain in a consolidation phase as investors weigh steady—but unspectacular—earnings growth against a subdued macro and policy backdrop. Earnings are expanding in high single digits, but the absence of a strong domestic or global catalyst has kept markets range bound. Valuations appear reasonable at around 20 times forward earnings, somewhat below the U.S. (22 times) yet above China (12–13 times). India's traditional valuation premium—supported by structural stability, high ROEs, and services-driven growth—remains intact, though momentum has softened amid slower capex revival and patchy rural demand. From a global perspective, the Fed's recent policy easing supports risk sentiment, yet India-specific factors—such as trade uncertainties with the U.S., weak export competitiveness, and delayed investment traction—are capping upside potential. Tariff-related policy unpredictability, including pending U.S. court rulings that could reshape bilateral leverage, adds another layer of caution for corporate planning and investor positioning. Meanwhile, domestic macro fundamentals remain broadly stable: growth near 6.5%, inflation anchored around 4%, and fiscal discipline largely on track. These parameters should support eventual earnings acceleration once private investment picks up. Until clearer signals emerge on global trade outcomes and domestic policy priorities, a balanced stance—focusing on quality large-caps, selectively adding mid-caps with earnings resilience, and maintaining moderate cash or defensive exposure—appears optimal for navigating this phase and participating in the next growth leg.

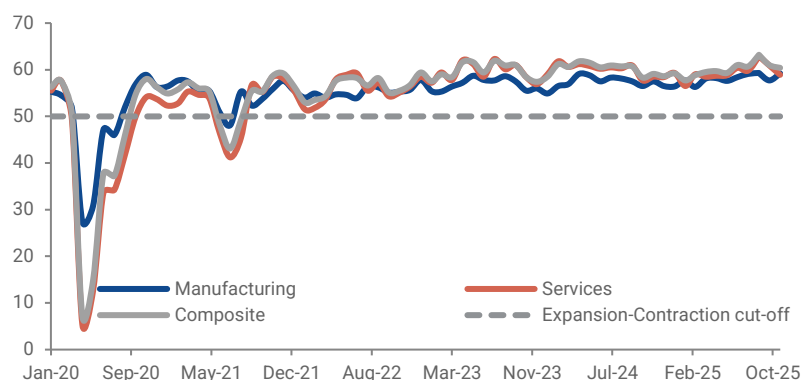
## INDIA FIXED INCOME: 2025 – REMAINING YEAR DURATION WITH DISCIPLINE

India's fixed-income market experienced a slight easing of external rate pressures following the FOMC's rate cut. However, domestic factors such as liquidity management, FX stability, and issuance discipline continue to be crucial. The RBI's open-market operations, potential 'Operation Twist,' and increasing state borrowings—along with the recent rejection of a 7-year bond auction—highlight a tighter policy stance. State Development Loan supply remains a dampening factor on yields, while RBI's FX interventions are reducing liquidity, making OMOs essential for curve control. The 10-year benchmark G-Sec is expected to trade in a 6.35%–6.60% range, though curve positioning will likely determine alpha generation. On the macro front, the rupee remains vulnerable to depreciation, inflation is projected to average around 4% in FY26 amid food-price volatility, and growth should stay near 6.5%, keeping monetary policy firmly data-dependent. In this environment, fixed-income portfolios should emphasize accrual strategies across 3–7-year segments, selectively add long-duration positions for roll-down and potential capital gains, and remain discerning in the high-yield credit space. Key monitoring variables include government bond auction results, the RBI's OMO calendar, rupee dynamics, monsoon-led inflation trends, and global rate signals. We continue to favor an overweight position on medium-to-long maturities for carry and duration gains and maintain an overweight stance on G-Secs versus corporate bonds, considering the widening term premia and high real yields.

## CURRENCY: RANGEBOUND, NOT DIRECTIONLESS

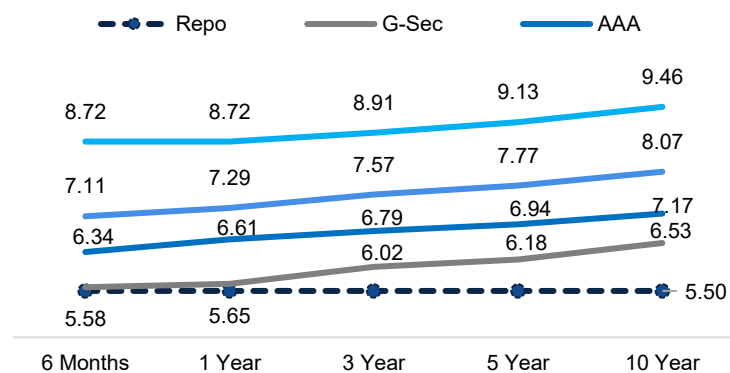
The USD/INR exchange rate has ranged between approximately 88.4 and 88.8 in early November 2025, reflecting relative stability amid global and domestic factors. Elevated external pressures like trade deficits and energy import costs have kept the rupee under some strain, yet the Reserve Bank of India's active interventions have contained excessive depreciation by managing liquidity and defending key levels. RBI's liquidity management through open market operations remains crucial in this environment. Looking ahead, the rupee is expected to trade in a range of 88.0 to 89.0 in the near term, with gradual appreciation to around 87.4 possible over the next 12 months if international conditions and capital flow improve. The trajectory of the INR will depend on global dollar trends, capital inflows, inflation volatility linked to the monsoon, and clarity on trade negotiations, especially tariff developments with the U.S. RBI's determined defense reduces downside risk, while upside depends on improved trade progress, risk sentiment, and export competitiveness. Overall, expect a largely range-bound USD/INR with modest volatility, actively managed by RBI operations, amid a cautious macro backdrop.

## Manufacturing PMI recorded ease in momentum

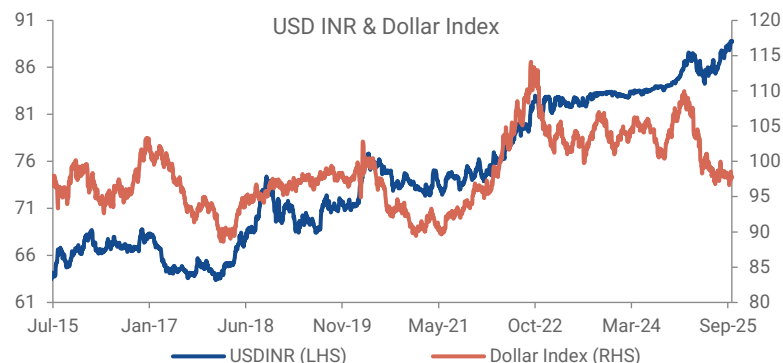


## Debt Market Snapshot

### Yield Levels as of October 31, 2025



## INR vs USD



TACTICAL ASSET ALLOCATION (TAA) VIEWS & PERFORMANCE

Asset Class Pairs	View	Favouring	Start Date	End Date / Open	Call Status	Alpha Return
Equities Vs Bonds	Positive	Equities	31-Dec-18	30-Apr-19	Close	5.90%
Large Cap Vs Mid Cap	Negative	Mid Cap	31-Dec-18	31-Jan-20	Close	-8.00%
Short Term Vs Long Term	Positive	Short Term	30-Nov-18	31-Dec-21	Close	-6.00%
USD / INR	Positive	USD	30-Nov-18	31-Jan-19	Close	2.20%
USD / INR	Positive	USD	31-Mar-19	30-Apr-19	Close	0.60%
USD / INR	Positive	USD	31-Jul-19	31-Dec-19	Close	3.70%
Gold Vs Cash	Negative	Cash	30-Nov-18	28-Feb-19	Close	-7.60%
Gold Vs Cash	Positive	Gold	31-Mar-19	30-Jun-21	Close	32.00%
Equities Vs Bonds	Positive	Equities	30-Nov-20	30-Apr-21	Close	11.80%
USD / INR	Negative	INR	31-Dec-20	31-Jan-21	Close	0.20%
USD / INR	Positive	USD	28-Feb-21	31-May-21	Close	-1.20%
USD / INR	Negative	INR	31-Aug-21	30-Sep-21	Close	-1.70%
Large Cap Vs Mid Cap	Negative	Mid Cap	31-Oct-20	30-Nov-21	Close	26.70%
Equities Vs Bonds	Positive	Equities	31-May-21	30-Nov-21	Close	8.90%
Short Term Vs Long Term	Positive	Short Term	30-Nov-18	31-Dec-21	Close	-5.90%
USD / INR	Positive	USD	31-Oct-21	31-Dec-21	Close	-0.70%
Gold Vs Cash	Positive	Gold	31-Jul-21	31-Jan-22	Close	-2.60%
Large Cap Vs Mid Cap	Positive	Large Cap	31-Dec-21	30-Apr-22	Close	0.90%
Gold Vs Cash	Positive	Gold	28-Feb-22	31-May-22	Close	-1.80%
Short Term Vs Long Term	Positive	Short Term	28-Feb-22	30-Jun-22	Close	2.20%
USD / INR	Positive	USD	31-Jan-22	31-Jul-22	Close	6.20%
Large Cap Vs Mid Cap	Positive	Large Cap	30-Jun-22	31-Jul-22	Close	-2.80%
Equities Vs Bonds	Positive	Equities	31-Dec-21	30-Sep-22	Close	0.80%
USD / INR	Negative	INR	31-Jul-22	30-Sep-22	Close	-2.60%
Large Cap Vs Mid Cap	Negative	Mid Cap	31-Jul-22	30-Nov-22	Close	-0.60%
USD / INR	Positive	USD	30-Sep-22	30-Nov-22	Close	0.10%
Gold Vs Cash	Negative	Cash	30-Jun-22	30-Sep-22	Close	6.50%
Equities Vs Bonds	Positive	Equities	31-Oct-22	31-Dec-22	Close	-2.00%
Large Cap Vs Mid Cap	Positive	Large Cap	30-Nov-22	31-Dec-22	Close	-1.80%
USD / INR	Negative	INR	31-Dec-22	31-Jan-23	Close	1.00%
Large Cap Vs Mid Cap	Negative	Mid Cap	31-Dec-22	31-Jan-23	Close	1.00%
Large Cap Vs Mid Cap	Positive	Large Cap	31-Jan-23	28-Feb-23	Close	-1.10%
USD / INR	Positive	USD	28-Feb-23	31-Mar-23	Close	-0.60%
Large Cap Vs Mid Cap	Positive	Large Cap	31-Mar-23	30-Apr-23	Close	1.70%
Corp Bonds Vs G-Secs	Positive	Corp Bonds	30-Nov-18	30-Jun-23	Close	7.80%
Short Term Vs Long Term	Positive	Short Term	30-Nov-22	30-Jun-23	Close	-0.97%
Equities Vs Bonds	Positive	Equities	31-Mar-23	30-Jun-23	Close	8.10%
Gold Vs Cash	Positive	Gold	30-Nov-22	31-Jul-23	Close	8.80%
USD / INR	Negative	INR	30-Apr-23	31-Aug-23	Close	-1.20%
Large Cap Vs Mid Cap	Negative	Mid Cap	31-Jul-23	31-Jul-23	Close	6.10%
Gold Vs Cash	Negative	Cash	30-Sep-23	31-Oct-23	Close	-6.32%
USD / INR	Positive	USD	30-Sep-23	31-Dec-23	Close	0.20%
Gold Vs Cash	Positive	Gold	31-Dec-23	30-Jun-24	Close	10.14%
USD / INR	Negative	INR	31-Dec-23	30-Sep-24	Close	-0.71%
Gold Vs Cash	Negative	Cash	30-Jun-24	30-Sep-24	Close	-12.32%
Corp Bonds Vs G-Secs	Positive	Corp Bonds	30-Jun-25	30-Sep-25	Close	4.44%
Short Term Vs Long Term	Negative	Long Term	30-Jun-23	31-July-25	Close	-1.16%
Large Cap Vs Mid Cap	Positive	Large Cap	30-Sep-23	30-June-25	Close	-13.85%
Equities Vs Bonds	Positive	Equities	30-Nov-24	30-Sep-25	Open	2.94 %
Corp Bonds Vs G-Secs	Negative	G-Sec	30-Sep-25	31-Oct-25	Open	1.06 %
Short Term Vs Long Term	Negative	Long Term	30-Sep-23	31-Oct-25	Open	0.06 %

M-o-m Summary	Equity vs. Bonds	Large vs. Mid	Corp. Bond vs. G-Secs	ST vs. LT	USD vs. INR	Gold vs. Cash
% of Months calls issued	50.6%	83.5%	94.9%	91.1%	59.5%	75.9%
Success Ratio (%)	58.5%	43.9%	57.9%	51.4%	55.3%	56.7%
Avg. positive alpha	3.9%	2.4%	0.6%	0.6%	1.0%	3.8%
Avg. negative alpha	-2.6%	-2.2%	-0.6%	-0.9%	-0.7%	-3.3%
Avg. alpha	1.2%	-0.2%	0.1%	-0.1%	0.2%	0.7%

Source: Bloomberg. Assuming a 6% annualized yield for cash. Note: Returns as of 31<sup>st</sup> Oct 2025.

GLOBAL ASSET PERFORMANCE SNAPSHOT

	Asset	Equities						Commodities				
		Current	1m	3m	6m	1y		Current	1m	3m	6m	1y
Global	S&P 500 INDEX	6,840	2.3%	7.9%	22.8%	19.9%	TR Commodity CRB Index	302.5	0.6%	0.9%	4.8%	8.1%
	EURO STOXX 50 Price EUR	5,662	2.4%	6.4%	9.7%	17.3%	Indian Crude Oil Basket	67.1	-2.8%	-10.3%	7.1%	-7.1%
	FTSE 100 Index	9,717	3.9%	6.4%	14.4%	19.8%	Brent	65.1	-2.9%	-10.3%	3.1%	-11.1%
	Nikkei 225	52,411	16.6%	27.6%	45.4%	34.1%	Gold	4,002.9	3.7%	21.7%	21.7%	45.9%
							Aluminium	2,878.5	7.3%	12.3%	20.6%	10.7%
India	NSE Nifty 50 Index	25,722	4.5%	3.9%	5.7%	6.3%	Copper	508.9	4.8%	16.9%	11.6%	17.3%
	NIFTY Midcap 100	59,826	5.8%	4.2%	10.5%	6.6%	Corn	431.5	3.9%	9.5%	-7.7%	5.1%
	NIFTY Smallcap 100	18,381	4.7%	2.3%	11.7%	-1.2%	Soyabean	1,115.3	9.3%	10.7%	8.3%	6.8%
	NSE Nifty 500 Index	23,710	4.3%	3.5%	7.6%	4.5%						
Global		Fixed Income						Currencies				
	US Generic Govt 10 Yr	4.08%	4.15%	4.37%	4.16%	4.28%	Dollar Index	99.80	2.1%	-0.2%	0.3%	-4.0%
	German Bunds	2.63%	2.71%	2.69%	2.44%	2.39%	EUR/USD	1.15	-1.7%	1.1%	1.8%	6.0%
	JGB 10Yr Comp Yield	1.67%	1.66%	1.56%	1.33%	0.95%	USD/JPY	153.99	4.1%	2.1%	7.6%	1.3%
	UK Gilts 10 Yr	4.41%	4.70%	4.57%	4.44%	4.45%	GBP/USD	1.32	-2.2%	-0.4%	-1.3%	2.0%
	China 10Y	1.80%	1.87%	1.71%	1.63%	2.15%	USD/CHF	0.80	1.0%	-0.9%	-2.6%	-6.9%
India	India 10Y	6.53%	6.58%	6.37%	6.36%	6.85%	USD/CNY	7.12	0.0%	-1.1%	-2.1%	0.0%
	FBIL FBTB12M	5.58%	5.56%	5.56%	5.90%	6.54%	USD/HKD	7.77	-0.2%	-1.0%	0.2%	0.0%
	India 10Y AAA	7.25%	7.29%	7.19%	7.08%	7.34%	USD/INR	88.77	0.0%	1.3%	5.1%	5.6%
	India 1Y AAA	6.65%	6.65%	6.42%	6.89%	7.63%	USD/CAD	1.40	0.6%	1.1%	1.5%	0.5%

Source: Bloomberg Equity/Fixed Income Returns/Yields in local currencies. Commodities in USD. Numbers for Fixed Income are Yields as of Oct 31, 2025.

**Glossary:**  
US: United States, GDP: Gross Domestic Product, EU: European Union, SD: Standard Deviation, CAGR: Compounded Annual Growth Rate, RBI: Reserve Bank of India, G-Sec: Government Securities, bps: Basis Points, REER: Real effective exchange rate, PE: Price to Earnings Ratio, UK: United Kingdom, AI: Artificial Intelligence, ETFs: Exchange Traded Funds, GST: Goods and Services Tax, IT: Information Technology, FMCG: Fast moving consumer goods, EPS: Earnings Per Share, RBI: Reserve Bank of India, CASA: Current Account and Savings Account, CD Ratio: Credit Deposit Ratio, INR: Indian Rupee; PMI: Purchasing Managers' Index; FY: Fiscal Year; CRR: Cash Reserve Ratio; YTD: Year to date

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