

Investment Strategy

February 2026

Bird's Eye
View



Equity Market Wrap & Strategy

Budget 2026 avoided large subsidies, focusing on **growth measures, through key pillars - manufacturing, services and infrastructure**, even while keeping fiscal deficit under control.

Announcement of **India-US trade deal removes uncertainty and cost impact and is expected to support strong long term economic growth.**

FTA between India and EU **provides Indian exporters access to a wider market, while preserving policy space for sensitive sectors.**

The **Budget, US trade deal, and EU FTA** would boost economic growth in the medium to long term. Also, sector-level impact is still awaited.

Revival in earnings remains key for FII flows to turn positive and recently announced trade deal along with a growth-focused Budget would be key drivers.

Earnings trends will set the tone for equity markets in the near term, while tailwinds from the US trade deal and Budget will guide in the medium to long term.

Strategy - Along with large caps, investors should allocate to mid caps and select small caps in a staggered manner and increase overall allocation to equities.

Debt Market Wrap & Strategy

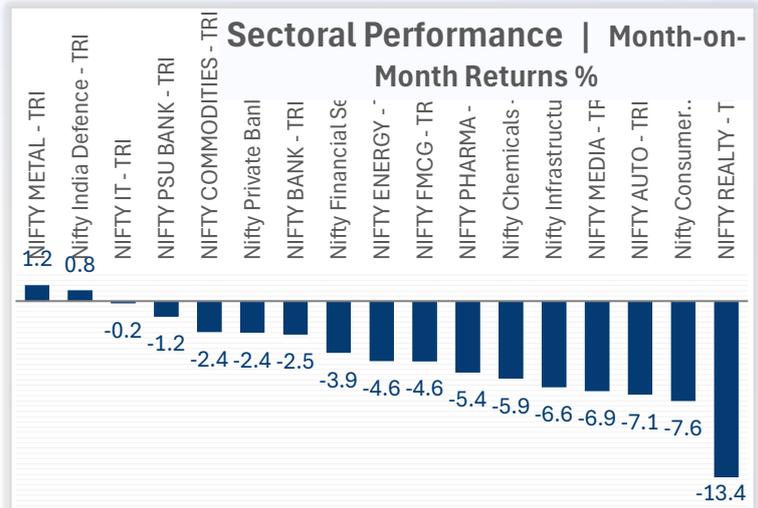
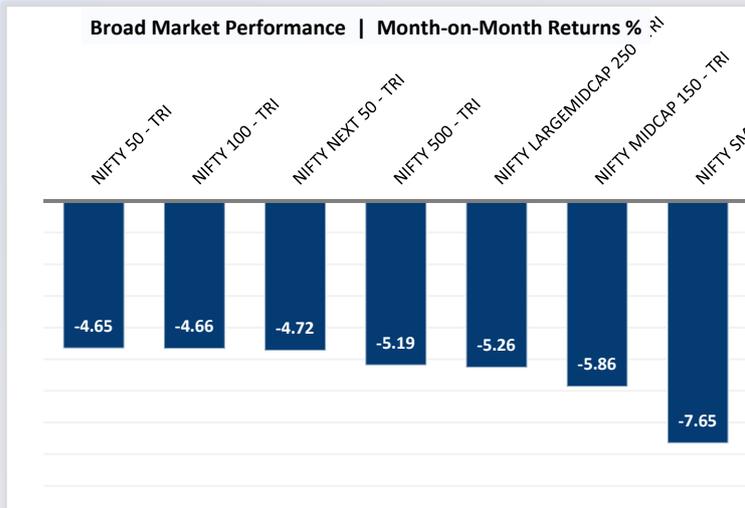
10-year bond yields surged post Budget 2026 despite fiscal deficit targets being on track.

Despite multiple rate cuts, bond yields stayed high and the RBI would focus on transmission of these rate cut benefits in the system. Currently, yields offer an attractive entry point and the RBI's liquidity management measures would help ease yields further.

Therefore, there is an opportunity at current levels to add exposure to fixed income in the portfolio through accrual strategies

Strategy - Allocation to accrual/short end of yield curve as yields are attractive and tactical allocation dynamic bonds to capitalize on any easing in the medium to long end of the yield curve. We also see prudence in having some allocation to Gold & Silver as a hedge against global uncertainties.

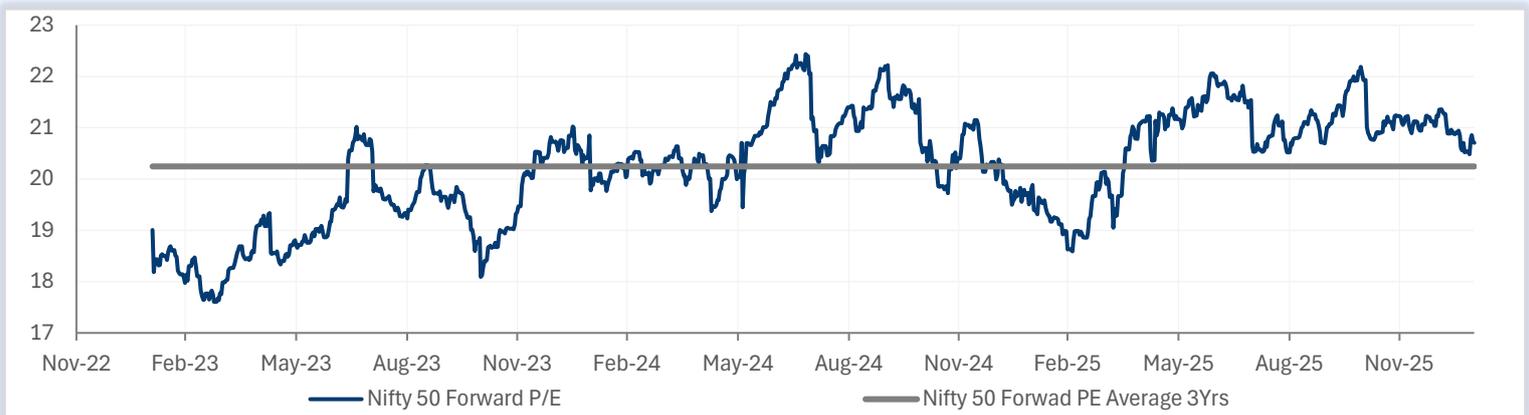
Story in Charts



Source: ACE MF; Data as on 02nd Feb 2026

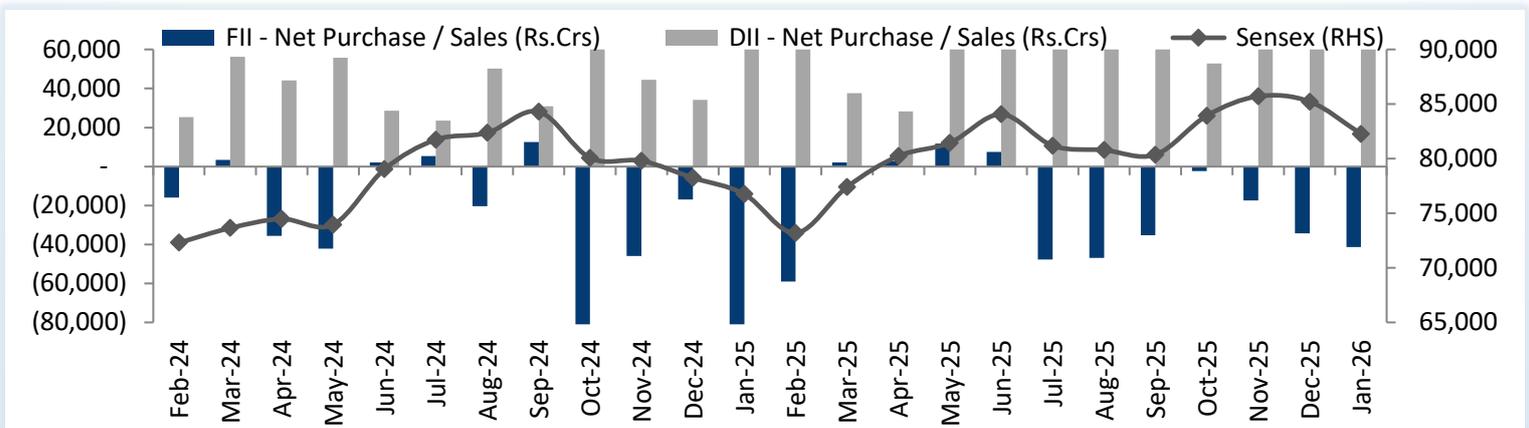
Indian equities slid in January as large caps fell ~4.6%, while the correction in midcaps and small-caps was sharper; down 5.86% and 7.65% respectively,

Market breadth turned negative, signalling broader risk-off mixed with profit-taking rather than a clean sector rotation.



Source: Bloomberg

Nifty 50 forward P/E eased from 21.2 on December 31, 2025 to 20.7 on January 31, 2026, correcting from October highs, but remaining above its three-year average of 20.2.



Source: Internal Mirae Asset Sharekhan Research Desk

FIIs continued heavy selling with Rs. 34,350 crore outflow in Dec-25 and Rs. 41,435 crore in January 2026 amid currency depreciation, while DIIs offset the pressure with strong inflows of Rs. 79,620 crore and Rs. 69,221 crore respectively.

Mutual Fund Model Portfolios

Aggressive Portfolio

Click to Invest

Large Cap

40%

- Nippon India Large Cap Fund
- ICICI Prudential Large Cap Fund

Mid Cap

15%

- WhiteOak Capital Mid Cap Fund
- Edelweiss Mid Cap Fund

Small Cap

10%

- Bandhan Small Cap Fund
- Nippon India Small Cap Fund

Flexi Cap

25%

- HDFC Flexi Cap Fund
- Parag Parikh Flexi Cap Fund

Thematic

10%

- ICICI Prudential Manufacturing Fund
- Mirae Asset Great Consumer Fund

Aggressive Investor : You are ready to take high risks, and very easily adapt when things don't go as you had planned, financially. Your objective is to get the highest return possible in the long term, and you accept the ups and downs along the way.

Moderate Portfolio

Click to Invest

Large Cap

40%

- Nippon India Large Cap Fund
- ICICI Prudential Large Cap Fund

Large &
Mid Cap

10%

- HDFC Large & Mid Cap Fund
- Bandhan Large & Mid Cap Fund

Balanced
Advantage

10%

- HDFC Balanced Advantage Fund
- ICICI Prudential Balanced Advantage Fund

Corporate Bond
& Short Duration

30%

- Kotak Corporate Bond Fund
- Mirae Asset Short Duration Fund

Gold & Silver

10%

- Mirae Asset Gold ETF / Fund of Fund
- ICICI Prudential Silver ETF / Fund of Fund

Moderate Investor: You are an average risk taker and try to adapt when things don't go as you had planned, financially. Your long-term objective is to get a better return than a Fixed Deposit, net of tax, even if the short-term performance could sometime be below expectations.

Mutual Fund Model Portfolios

Conservative Portfolio

Click to Invest

Corporate Bond
& Short Duration

70%

- Aditya Birla Sun Life Corporate Bond Fund
- ICICI Prudential Corporate Bond Fund
- Mirae Asset Short Duration Fund
- HDFC Short Term Fund

Balanced
Advantage

20%

- ICICI Prudential Balanced Advantage Fund
- HDFC Balanced Advantage Fund

Gold & Silver

10%

- Mirae Asset Gold ETF/Fund of Fund
- ICICI Prudential Silver/ETF Fund of Fund

Conservative Investor: You are unwilling to take risks, and get very uneasy when things don't go as you had planned, financially. Your long term objective is to try to get a slightly better return than a fixed deposit, net of tax.

Regular Income Basket

Click to Invest

Balanced
Advantage

70%

- ICICI Prudential Balanced Advantage Fund
- HDFC Balanced Advantage Fund

Multi Asset

30%

- WhiteOak Capital Multi Asset Allocation Fund
- SBI Multi Asset Allocation Fund

Investor: You are investing lumpsum amount and want regular income from investment. You are ready to take moderate risk.

Note: Investors should consider using a SWP of around 6–7% per annum, or opt for the dividend option to receive regular income."

Build India Basket

Click to Invest

Thematic/
Sectoral

80%

- Tata India Consumer Fund
- Mirae Asset Great Consumer Fund
- ICICI Prudential Manufacturing Fund

Flexi Cap/
Multi Cap

20%

- ICICI Prudential Multicap Fund
- Parag Parikh Flexi Cap Fund

Investor: You are ready to take high risk and want to participate in growth story through thematic and sectoral schemes.

Note: Kindly refer scheme information document (SID) for scheme level riskometer details.

for detailed report.

Click here

for detailed report.

Top Picks

Mutual Fund

Mutual fund strategies across equity, hybrid, fixed income and thematic categories.

For details [Click here](#).

ETF & SIF

ETF strategies across equity & fixed income and SIF strategies across equity and hybrid.

For details [Click here](#).

PMS

Portfolio Management Services (PMS) strategies across equities - large cap, mid cap, small cap, multi cap and fixed income strategies.

For details [Click here](#).

AIF & Corporate FD

Alternative Investment Fund (AIF) strategies across listed equities, private equity (from early stage to growth stage companies), private credit debt, and real estate-focused investments.

Corporate Fixed deposit include opportunities from top rated companies.

For details [Click here](#).

DISCLAIMER

Investments in the securities market are subject to market risks. Please read all the related documents carefully before investing. Please refer the Risk Disclosure Document issued by SEBI and go through the Rights and Obligations and Do's and Don'ts issued by Stock Exchanges and Depositories before trading on the Stock Exchanges. For commodities derivatives, please note that Commodities Derivatives are highly leveraged instruments. PMS is not offered in Commodity Derivative Segment by Sharekhan Limited. Before investing in the asset class consider your investment objectives, level of experience and risk appetite carefully. Brokerage will not exceed SEBI prescribed limit.

Sharekhan Ltd ('Sharekhan') is a distributor/referrer/facilitator for third party non-Broking products/services such as Mutual Funds, Portfolio Management Services, Corporate Fixed Deposits (FDs), Alternative Investment Funds, Insurance and any other third-party products thereby only facilitating investments for customers based on customer's eligibility, request and discretion. Third party products are not Exchange traded products, and the broker is just acting as distributor and all disputes with respect to the distribution activity, would not have access to SCORES/ODR, Exchange investor redressal forum or Arbitration mechanism.

The information mentioned herein or the third-party products/services displayed on our website or offered to the customers shall not be construed to be or treated as an advice, offer of solicitation or sale. The information contained herein is from sources believed reliable viz; Corporate FD issuers or other third-party product issuers/manufacturers, publicly available information & Rating Agencies etc. The products listed or displayed on the website or offered to the customers are offered and issued by third-party issuers. Sharekhan does not guarantee the accuracy, completeness, truthfulness, or reliability of the information provided by these third parties. Customers opting for or accepting such third-party products / services, shall be at their sole discretion, due-diligence, independent analysis and at their own evaluation of the risk involved in such investments. Sharekhan holds no responsibility as regard to the fees, any discrepancies, errors or omissions, losses, damages or any other transaction between the customer and third party. Any investment in such third-party products / services shall constitute a binding contract or transaction between the customer and the third-party entity. Third party products and services will be offered subject to prevailing rules and regulations in force. Sharekhan makes no warranty or representation regarding any information, materials or content provided by the third-party issuers in any manner whatsoever and disclaims its liabilities in respect thereof. Any action on the customer's part based on the said information, materials or content is at the customer's own risk and responsibility. Sharekhan reserves its right to correct any part of the said information, material or content at any time as and when required at its sole discretion.

The information contained herein is obtained from publicly available data or other sources believed to be reliable, and Mirae Asset Sharekhan has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on a reasonable basis, Mirae Asset Sharekhan, its subsidiaries and associated companies, their directors, and employees ("Mirae Asset Sharekhan and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent Mirae Asset Sharekhan and its affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views.

For detailed Mutual Fund disclaimer visit - <https://www.sharekhan.com/MediaGalary/MutualFund/MF-Disclaimer-Mirae-sharekhan.pdf>

For detailed Insurance disclaimer visit https://www.sharekhan.com/MediaGalary/Newsletter/Insurance_Disclaimer.pdf

For detailed Corporate FD disclaimers visit - <https://www.sharekhan.com/MediaGalary/Common/corporatefd-disclaimer.html>

Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-6750 2000.

Correspondence/Administrative Office Address - Gigaplex IT Park, Unit No 1001, 10th floor, Building No.9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai – 400708. Tel: 022 61169000 / 61150000.

Registration and Contact Details: Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Regn No.: INH000006183. CIN: U99999MH1995PLC087498. SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD) / MCX - Commodity: INZ000171337; BSE – 748, NSE – 10733, MCX – 56125, DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund/SIF: ARN 20669 (date of initial registration: 03/07/2004, and valid till 02/07/2026); IRDAI Registered Corporate Agent (Composite) License No. CA0950, valid till June 13, 2027. Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com For any complaints/ grievances, email us at igc@sharekhan.com or you may even call the Customer Service desk on 022- 41523200/ 022-61151111