

Investment Strategy

January 2026

Bird's Eye
View



Equity Market Wrap & Strategy

India enters 2026 **with pro-growth policies, rate cuts, and low inflation**, fostering a strong environment for sustained economic and equity recovery.

India's growth, **fueled by incentives, infrastructure, and competitive exports**, alongside favorable valuations and policy support, positions its equities for strong performance.

The **rupee hit 90/\$** due to trade uncertainty. Near-term weakness persists until negotiations progress and inflows stabilize, allowing for gradual depreciation.

Precious metals, especially silver, remain strong despite near-term volatility, with prices expected to soar on supply constraints and industrial demand.

Policy support is strong with attractive valuations, while a weak rupee and global uncertainties persist; Gold looks promising, diversification and disciplined allocation key.

Challenges - India's strong growth narrative faces risks from high US tariffs, global slowdown and trade uncertainties, but improving consumption, capex revival and attractive valuations could support equity performance.

Strategy - Large-cap equities and select mid and small cap ideas remain preferred choices for long-term investment.

Debt Market Wrap & Strategy

Despite 125 bps in rate cuts, **10-year yields rose 30 bps**, highlighting weak transmission driven by tariffs, currency falls, and reserves.

Indian bonds rallied early on easing hopes **but reversed in H2 as yields rose despite rate cuts, steepening the curve**.

November inflation rose to 0.71% from 0.25%, remaining well below the 4% target. This allows gradual, growth-conditional rate cuts.

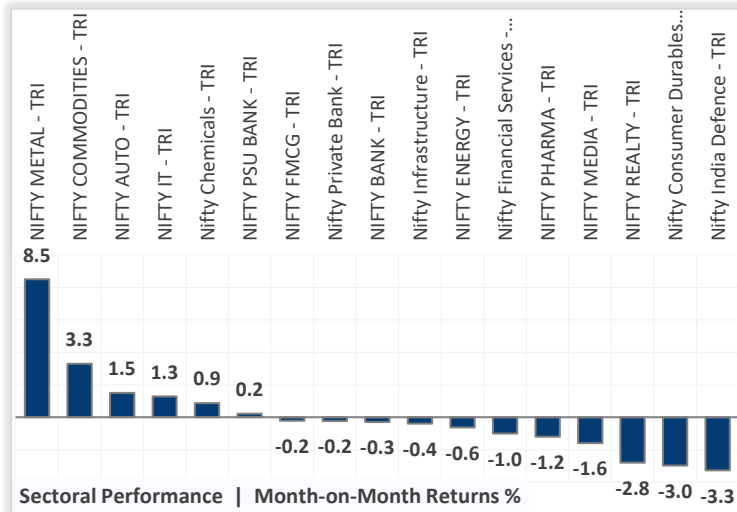
Strategy - Allocation to accrual/short end of yield curve as yields are attractive and tactical allocation dynamic bonds to capitalise on any easing in the medium to long end of the curve. We also see prudence in having some allocation to gold & silver as a hedge against global uncertainties.

Story in Charts



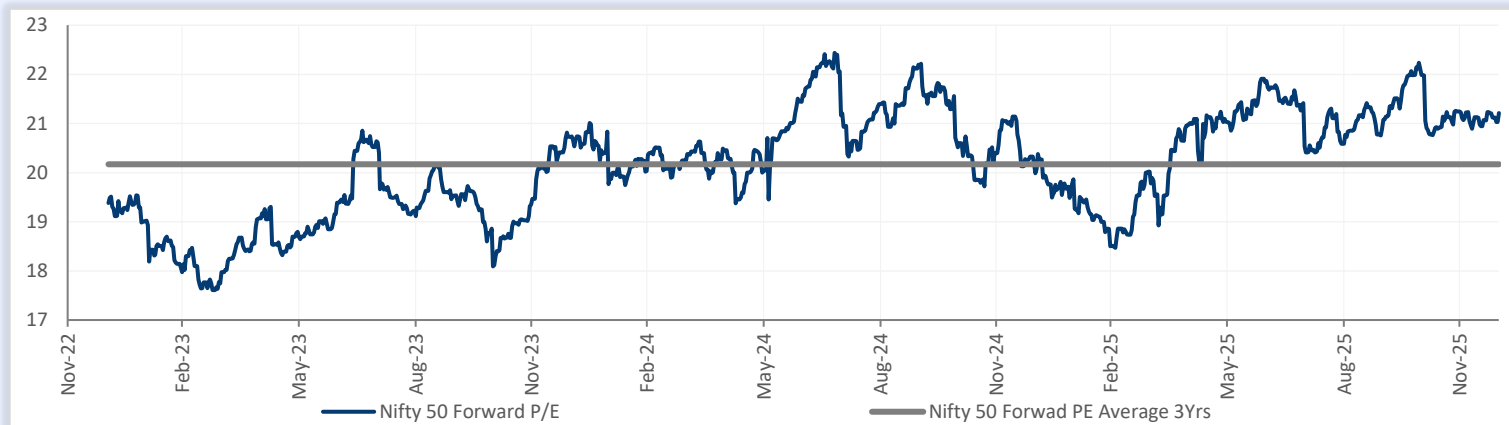
Source: ACE MF; Data as on 31st Dec 2025

Indices fell in December with midcaps and smallcaps sliding sharply. The Nifty NEXT 50 alone rose, while Nifty Midcap 150 fell the most.



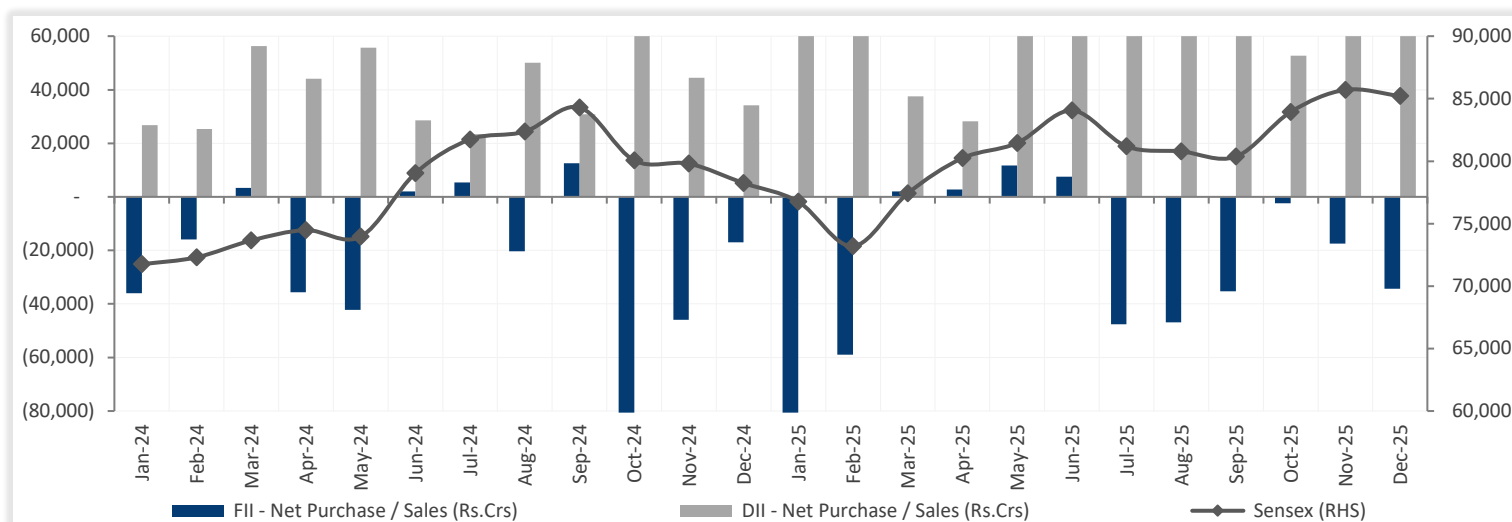
Source: ACE MF; Data as on 31st Dec 2025

Metals and commodities led gains, rising 8.5% and 3.3%, while Defence, Consumer Durables, and Realty segments were the biggest laggards.



Source: Bloomberg

FII continued heavy selling with Rs. 17,500 crore outflow in Nov-25 and Rs. 34,350 crore in Dec-25 as the Rupee slid, while DIIs offset the pressure with strong inflows of Rs. 77,084 crore and Rs. 79,620 crore respectively.



Source: Internal Mirae Asset Sharekhan Research Desk

FII outflows rose in November, but at a slower pace compared with July–September quarter. Strong DII inflows continued to support market stability and momentum.

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%

- Motilal Oswal Midcap 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.

Click here

for detailed report.

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