

Investment Strategy

October 2025

Bird's Eye
View



Equity Market Wrap & Strategy

India received its **third sovereign rating upgrade** from Japan's R&I, to **BBB+ (Stable)**, on fiscal consolidation, strong domestic demand, and external stability

Tax concessions and GST rate cuts are expected to boost demand.

Strong retail investor activity (DII flows) continues to anchor growth and limit impact of global volatility.

Unemployment rate **fell to 5.1% in August 2025** as rural employment indicators improved.

Banking liquidity slipped due to tax outflows **but could rebound in October on CRR cuts and government spending.**

Challenges - Global slowdown amid tariff wars could affect economy. Simultaneously, delays in domestic activity pick-up could hit corporate earnings and dampen market performance.

Strategy - India may experience near-term volatility amid global uncertainties. However, easing inflation, RBI's pro-growth stance, GST reforms, rating upgrade from R&I and expected improvement in liquidity are likely to support market activity. Large-cap equities and select mid and small cap ideas remain preferred choices for long-term investment.

Debt Market Wrap & Strategy

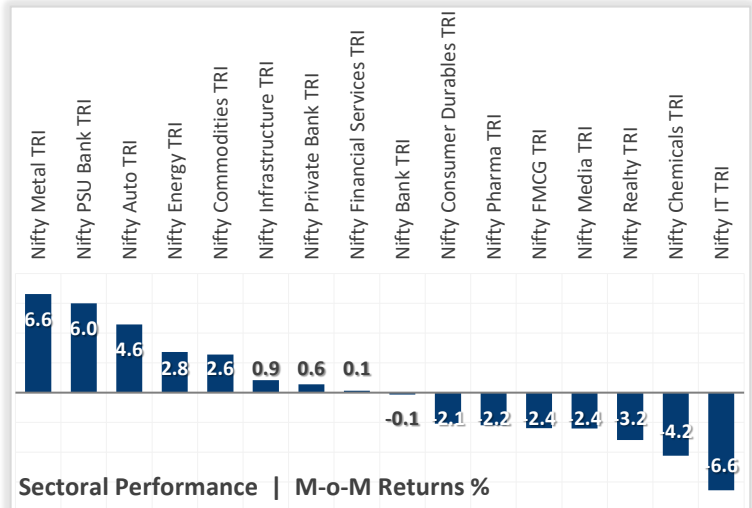
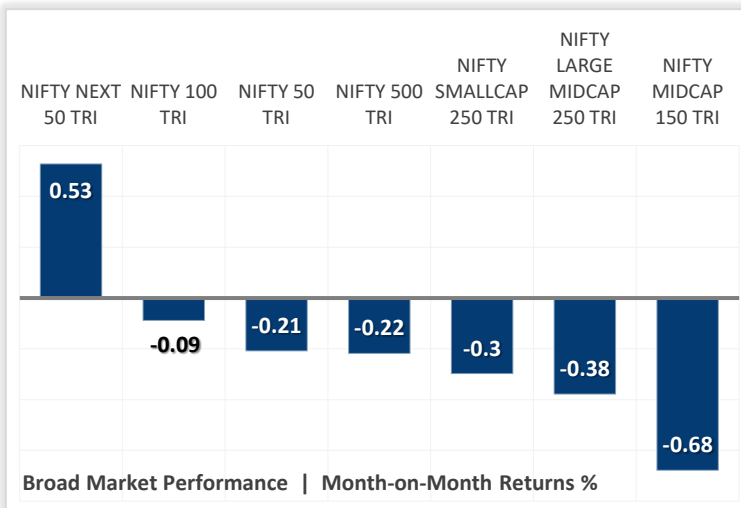
The US Federal Reserve cut interest rates in September on rising downside risks in employment. Several central banks toed the Fed's stance, cutting rates to support their economies.

However, the RBI has already frontloaded rate cuts, while keeping liquidity ample. Inflation trends below the RBI's target and recent GST reforms would keep growth stable. The RBI kept the repo rate unchanged at its October policy meet.

The impact of front-loaded monetary policy and recent fiscal measures is still playing out. However, the MPC lowered growth projections while highlighting benign inflation, which has opened up room for further rate cuts. The MPC would therefore wait for greater clarity to emerge before its next course of action.

Strategy - Allocation to the short end of the yield curve and dynamic bonds is preferred as yields look attractive. We also see prudence in having some allocation to Gold & Silver as a hedge against global uncertainties with Silver seen more as a tactical allocation at current levels.

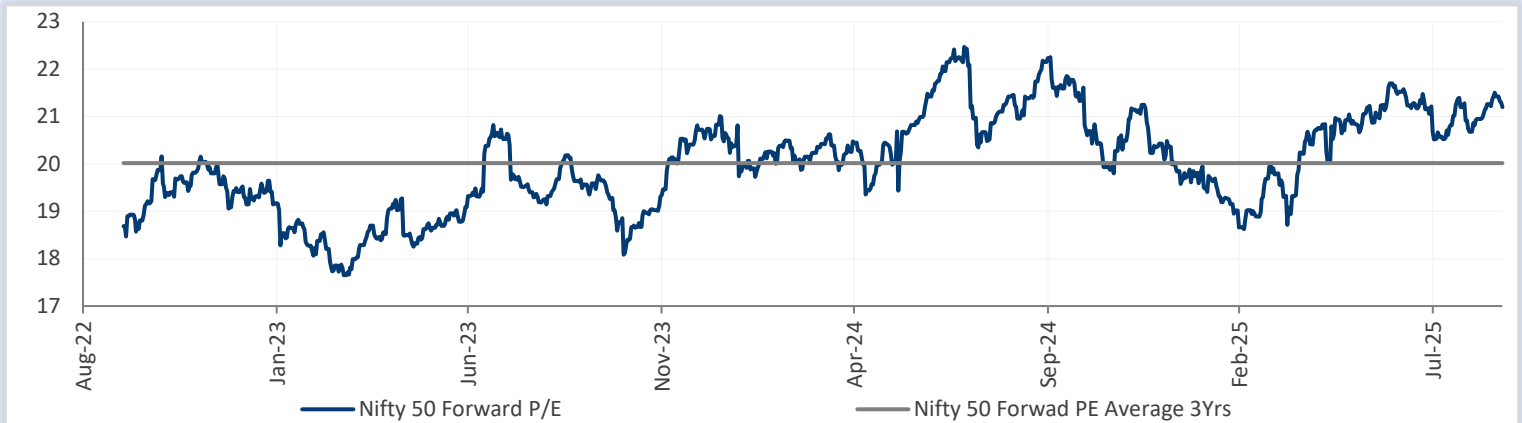
Story in Charts



Source: MFI360 Explorer; Data as on 30th June 2025

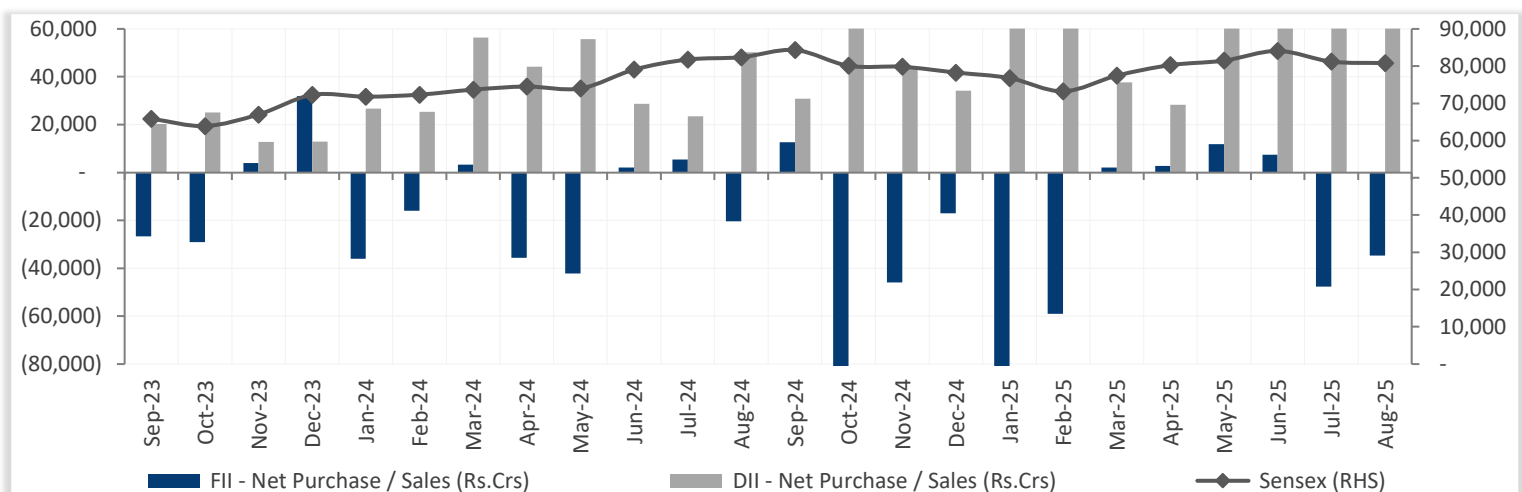
All major indices barring the Nifty Next 50 were flat or declined amid global uncertainties, though GST reforms cushioned the fall.

September was a story of two halves with 50% of sectoral indices ending in the green.



Source: NSE

Though broad indices put up a neutral show, Nifty's forward PE is at 20.84, easing from 20.67 as of August-end and a three-year average of 20. Recent GST reforms and credit rating upgrade by Japan's R&I helped cushion markets from a steeper fall.



Source: Internal Mirae Asset Sharekhan Research Desk

The US Fed cut interest rates by 25 bps at its recent meet, as employment risks intensify. Meanwhile, Indian bond yields stayed high making the spread vis-à-vis US yields attractive. Along with these, the ratings upgrade from Japan make India an appealing investment option for FIIs, reviving flows in the medium to long term.

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

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Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

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: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

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Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com

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