

Investment Strategy

September 2025

Bird's Eye
View



Equity Market Wrap & Strategy

1

India received its **first sovereign rating upgrade** from S&P Global Ratings in 18 years, **to BBB from BBB-**, with a **stable outlook**; this will lower borrowing costs.

2

Despite Trump's tantrums and weakening Rupee, **soft Brent crude oil prices below \$70/bbl and cooling inflation** will help battle the US's 50% tariff on Indian imports and mitigate the impact of imported inflation.

3

A **Rs.12-lakh tax rebate** will significantly boost household savings and **rationalised GST rate slabs** from four to two would ease taxation and slash consumer costs.

4

Repo rate cuts of 100 bps have reduced household borrowing costs. RBI has also injected liquidity to spur rate cut transmissions and retaining its GDP growth projection **at 6.5% for FY26 and 6.6% for Q1FY2027**.

5

Challenges - Global slowdown could affect the Indian economy, while a slow recovery in domestic activity may hit corporate earnings and dampen equities performance.

Strategy - Near-term volatility likely, but easing inflation, the RBI's pro-growth stance, GST reforms, S&P's rating upgrade and better liquidity would aid equities. We prefer large-caps and select mid-cap ideas for long-term investment.

Debt Market Wrap & Strategy

1

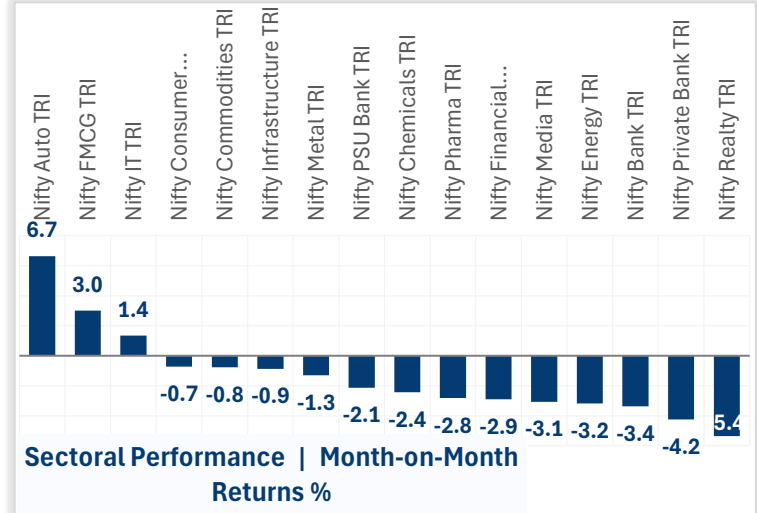
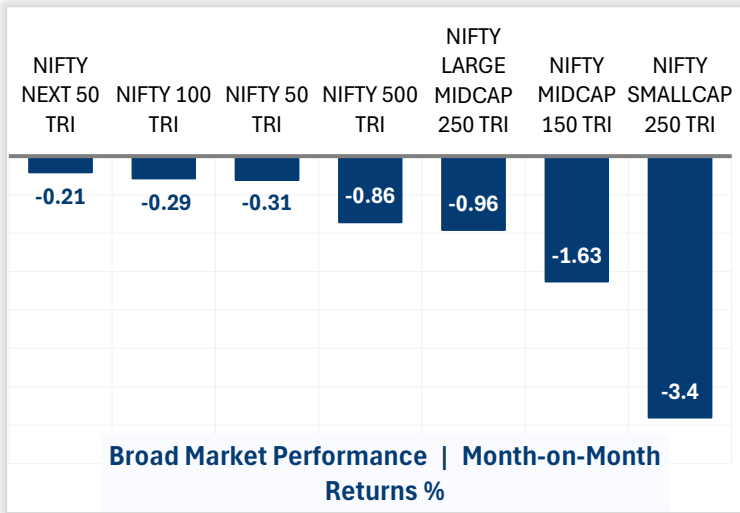
Repo rate stays at 5.5%, while policy stance is *Neutral*. RBI has stuck to its growth forecast at 6.5% despite US's tariff threats. The spotlight is now on transmission of rate cuts by ensuring enough liquidity. Yet, a hawkish stance limits room for further rate cuts.

2

Recent announcement of GST reforms may stress the fiscal deficit, pushing bond yields higher. However, S&P's recent rating upgrade for has helped somewhat ease the yield pressure.

Strategy - Shift allocation from the long end of the curve to short end of the curve, with limited room for further rate cuts. We also see prudence in having some allocation to precious metals (Gold & Silver) as hedge against global uncertainties.

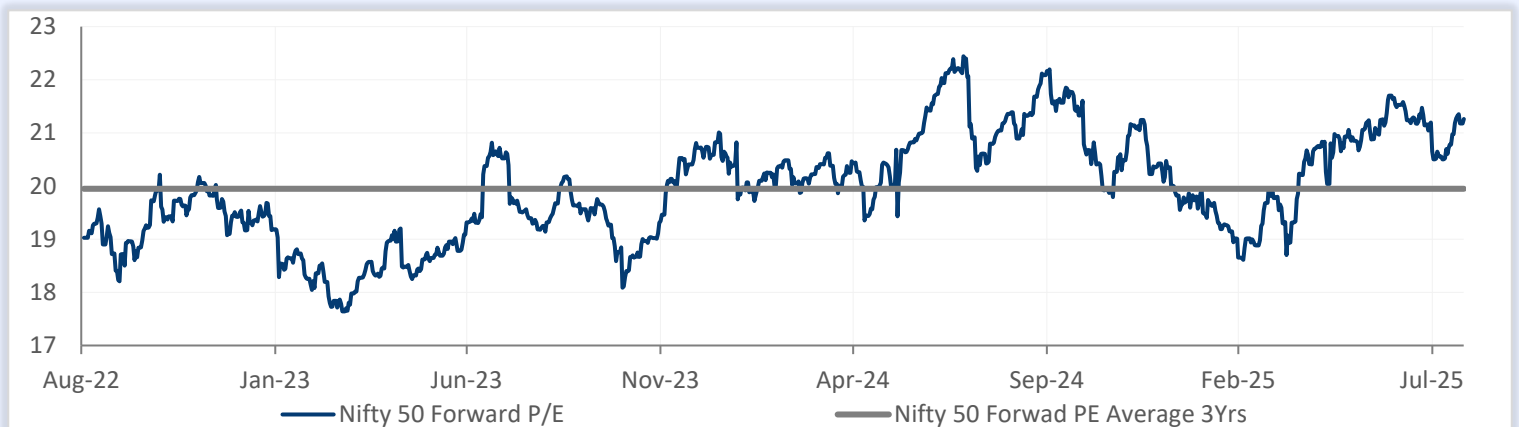
Story in Charts



Source: MF1360 Explorer; Data as on 30th June 2025

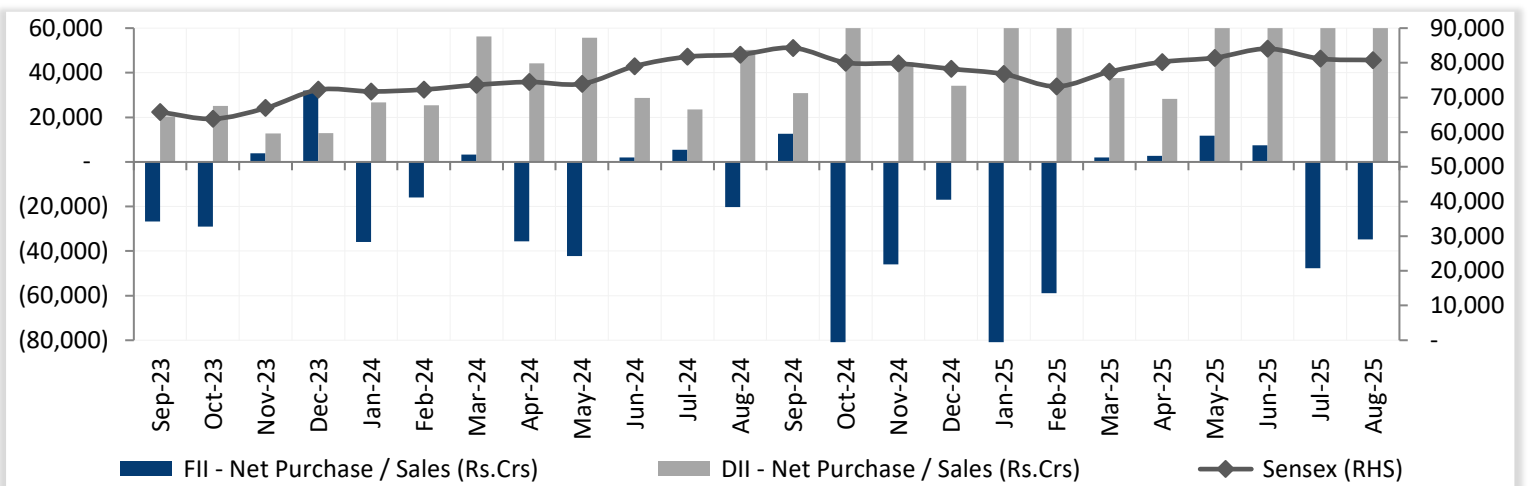
Global uncertainties and weak earnings hit major indices in August, with the Nifty Smallcap 250 and Nifty Midcap 150 leading the laggards...

...Except the Nifty Auto, FMCG, and IT indices all others slumped.



Source: NSE

...Still, the Nifty's forward P/E ratio stands at 21.26 as on August 25, 2025, above its three-year average. Despite tariffs, GST reforms and S&P's rating upgrade for India have kept markets afloat.



Source: Internal Mirae Asset Sharekhan Research Desk

The US Fed is more likely to cut rates in September, as labor supply and demand slow. Meanwhile, the rise in domestic bond yields, makes the spread versus US Treasuries attractive. Additionally, S&P's upgrade in India's credit rating to 'BBB' could make India appealing for FIIs and help revive inflows.

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%

- SBI Banking & Financial Services 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
- Mirae Asset 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
- SBI Banking & Financial Services 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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