

November 2025

Market Outlook

Corporate Earnings Revival and US
Trade Deal to Lead Markets Higher



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Outlook Summary

Equity View

Large Cap

Equities rebounded in Oct-25, Nifty gained 4.5% outperformed small caps.

- YTD, Nifty is up ~9%, mid caps up 1.3% and small caps declined 2.4% decline.
- FPIs have turned positive bringing in ~\$1bn in Oct.
- Domestic investors continue to absorb supply and remains market's "domestic shield."
- Valuations have cooled; earnings downgrades have reduced.
- India now relatively more appealing v/s EMs.

Asset Class	Sub-category	Index	Closing Level	InCred Outlook
Indian Equities	Large Cap	Nifty 50	25,722	Neutral <i>(Since: Jun-24 Level: 23,519)</i>

-  **Quick Overview**
- Maintain stance; Suggest 3 months stagger amidst evolving global and steady domestic canvas.

Mid and Small Cap

Mid caps and Small caps gained 4.7% and 3.2%, respectively.

- Midcap and Smallcap indices trade at ~23% and ~55% premiums to their respective LPAs.
- Moderating earnings and slightly stretched valuations continue to remain key concerns.

Asset Class	Sub-category	Index	Closing Level	InCred Outlook
Indian Equities	Mid and Small Cap	BSE Midcap	47,045	Underweight <i>(Since: Feb-24 Level: 41,531)</i>

-  **Quick Overview**
- Consider phased investments over a 6months period, limiting allocation to 20% for mid and 10% for small caps.

Fixed Income View

RBI held rates steady in Oct-25; stance unchanged, Repo at 5.50%

- Fed's rate cut widens Fed-Repo spread to 125–150 bps (vs. 350–400 bps avg). Duration trade largely played out; limited incremental upside ahead.
- Positive liquidity outlook has quickened rate transmission across markets.
- Debate on terminal rate continues; near-term repo cuts uncertain—duration view stays tactical.
- Yield curve steepening as GOI sticks to H2FY26 borrowing plan with higher long-tenor supply.
- Weak demand from insurers/pension funds keeps long yields range-bound.
- Short-to-mid yields may soften on liquidity measures, CRR cut risk, and RBI support (bull steepening).

Asset Class	Sub-category	Index	Closing Level	InCred Outlook
Fixed Income	G-Sec	10-year G-Sec	6.53%	Positive on 2y-5y maturity funds and high yield strategies
	AAA Corporate	3y AAA	6.72%	
	AA Corporate	3y AA	7.67%	
	A Corporate	3y A	8.91%	



Quick Overview

- ~45% in accrual strategies, ~20% in dynamic/long-duration, ~35% in high-yield assets.
- Credit environment stable; spreads remain attractive.

Other Asset Classes

Global Equities

Asset Class	Sub-category	Index	Closing Level	InCred Outlook
Global Equities	US	S&P 500	6,840	Neutral
	Europe	MSCI Europe	191	Negative
	China	Shanghai Composite	3,955	Neutral

USA

- Rich valuations, narrow market rally, concentrated earnings, open trade risk are key reasons.

Europe

- Lack of earnings, rich valuations and strong Euro is a headwind for exports.

China

- We now have turned Neutral (from positive) given sharp rise in valuations and 20% 1yr returns.

Precious Metal

- Gold's record rally driven by strong ETF inflows, central bank buying, and a weaker USD; minor drag from profit-taking.
- YTD, gold is up ~54%.
- Weaker USD, lower U.S. rates, and rising global risks continue to support gold.
- Global Equities face pressure from rich valuations, favouring gold positioning.
- While gold looks stretched, buying on dips remains prudent.
- Reinvesting gains into gold MLDs offers an attractive hedge opportunity

Asset Class	Sub-category	Index	Closing Level	InCred Outlook
Precious Metal	Gold	LBMA USD	4,012	Neutral
	Silver	LBMA USD	49	Neutral (since – Jun'24 Level – \$29/Oz)

Other Asset Classes

Commodities – Crude

- Brent averaged \$65/bbl in Oct, lower vs. Sept.
- Rising supply and easing seasonal demand to drive inventory buildup and price decline.
- EIA projects: ~\$62/bbl in 4Q25 and ~\$52/bbl in 1H26.
- Inventories seen rising ~2.6mn bbl/day in 4Q25, staying elevated through 2026.
- Russia-Ukraine tensions and potential new sanctions remain key supply risks.

Asset Class	Sub-category	Index	Closing Level	InCred Outlook
Commodities	Crude	Brent Crude (US\$/bbl)	65.1	Negative



Equities Rally Broadly; Precious Metals Extend Gains

Gold and Silver continue to outperform major indices, Emerging Markets outperformed while Indian markets performed in line.

As of 31st Oct 2025												
EM and DM	Current Level	1M	3M	6M	1Y	CY25TD	CY24	CY23	CY22	CY21	CY20	CY19
MSCI Emerging Markets	1,402	4.1%	12.7%	26.0%	25.2%	30.3%	5.1%	7.0%	-16.9%	-4.6%	15.8%	15.4%
MSCI World Index (Developed equities)	4,390	1.9%	7.7%	19.8%	20.4%	18.4%	17.0%	21.8%	-1.9%	20.1%	14.1%	25.2%
Key Equity Indices												
S&P 500	6,840	2.3%	7.9%	22.1%	19.9%	16.3%	23.3%	24.2%	0.1%	26.9%	16.3%	28.9%
MSCI Europe	191	2.4%	5.0%	8.3%	12.9%	12.5%	5.8%	12.7%	-0.6%	22.4%	-5.4%	22.2%
Nikkei	52,411	16.6%	27.6%	43.8%	34.1%	31.4%	19.2%	28.2%	16.2%	4.9%	16.0%	18.2%
Shanghai Composite	3,955	1.9%	10.7%	20.6%	20.6%	18.0%	12.7%	-3.7%	-18.3%	4.8%	13.9%	22.3%
Nifty	25,722	4.5%	3.9%	5.7%	6.3%	8.8%	8.8%	20.0%	25.2%	24.1%	14.9%	12.0%
BSE Mid Cap	47,045	4.7%	2.8%	9.7%	2.3%	1.3%	26.1%	45.5%	47.5%	39.2%	19.9%	-3.0%
BSE Small Cap	53,876	3.2%	0.8%	13.7%	-2.0%	-2.4%	29.3%	47.5%	44.9%	62.8%	32.1%	-6.8%
Other Assets (levels)												
Brent Crude	65.1	67.0	72.5	62.1	73.2	74.6	77.0	85.9	77.8	51.8	66.0	53.8
Gold	4,012	4.9%	21.6%	24.8%	46.7%	53.8%	25.5%	14.6%	15.1%	-4.3%	24.6%	18.4%
Silver	49	6.0%	35.2%	52.4%	45.8%	69.4%	21.5%	-0.6%	3.1%	-12.8%	46.8%	16.7%
Dollar index	99.8	97.8	100.0	100.2	104.0	108.5	101.3	103.5	95.7	89.9	96.4	96.2
Credit/ Yields (%)												
India 10-year G-sec	6.53	6.58	6.37	6.36	6.85	-0.03	-0.06	7.33	6.45	5.87	6.56	7.37
US 10-year G-sec	4.08	4.15	4.37	4.22	4.28	-0.11	0.18	3.87	1.51	0.91	1.92	2.68
Germany 10-year G-sec	2.63	2.71	2.70	2.44	2.39	0.11	0.17	2.57	-0.18	-0.57	-0.19	0.24

Broad-based gains across markets; Real Estate leads followed by PSU Banks

Equities continued to stay positive in October, with the Nifty, mid and small-cap indices delivering decent gains.

- Large Caps performed in-line with the broader markets in Oct-25, while on CYTD basis Nifty is outperforming the mid & small cap indices by 7.5% and 11.0%, respectively.
- Value outperformed Growth index in Oct-25, while both these indices outperformed the quality index. With earnings growth tapering, businesses with better quality of growth continue to see investor interest.
- While most sectors ended in the green this month, Real Estate, PSU Banks and Telecom delivered the highest returns in Oct-25.
- Media, Auto and FMCG were the worst performing sectors in Oct-25.

As of 31st Oct 2025	1M	3M	1Y	CY25TD	CY24	CY23	CY22	CY21	CY20	CY19
Overall Markets										
Nifty	4.5%	3.9%	6.3%	8.8%	8.8%	20.0%	25.2%	24.1%	14.9%	12.0%
Nifty Equal weight	4.2%	6.0%	7.2%	12.0%	9.7%	29.8%	38.0%	32.6%	17.6%	2.7%
BSE Mid cap	4.7%	2.8%	2.3%	1.3%	26.1%	45.5%	47.5%	39.2%	19.9%	-3.0%
BSE Small Cap	3.2%	0.8%	-2.0%	-2.4%	29.3%	47.5%	44.9%	62.8%	32.1%	-6.8%
Styles										
Nifty 200 Quality 30	3.7%	4.4%	-1.0%	1.4%	12.7%	29.9%	21.7%	nm	nm	nm
MSCI India Value	4.6%	3.4%	2.6%	5.1%	12.1%	25.9%	24.1%	31.5%	23.7%	9.6%
MSCI India Growth	4.0%	4.0%	7.1%	7.9%	16.5%	14.8%	20.0%	22.7%	10.1%	7.3%
Financials										
NSE Financials	4.3%	1.8%	13.6%	15.4%	9.4%	13.2%	24.0%	14.0%	4.5%	25.6%
Nifty Bank	5.7%	3.2%	12.2%	13.6%	5.3%	12.3%	36.1%	13.5%	-2.8%	18.4%
Nifty Private Bank	6.0%	3.6%	11.2%	13.2%	-0.4%	13.8%	37.9%	4.6%	-2.9%	16.2%
Nifty PSU Banks	8.7%	19.5%	21.7%	25.1%	14.5%	32.3%	125.8%	44.4%	-30.6%	-18.3%
Asset heavy sectors										
BSE Oil and Gas	6.4%	6.9%	4.3%	9.9%	13.2%	12.8%	31.5%	24.3%	-4.4%	7.2%
BSE Capital Goods	3.1%	3.2%	1.9%	3.9%	21.8%	66.9%	93.5%	53.4%	10.6%	-10.0%
BSE Utilities	3.2%	3.6%	-11.3%	1.6%	13.0%	32.6%	62.0%	64.4%	-0.4%	-7.3%
NSE Infrastructure	6.2%	5.5%	8.4%	13.0%	15.9%	39.1%	47.5%	35.6%	12.2%	2.5%
Services oriented sectors										
NSE IT	6.1%	1.2%	-11.6%	-17.6%	22.0%	24.1%	-8.2%	59.6%	54.9%	8.4%
BSE Telecom	7.2%	2.9%	4.0%	5.1%	25.8%	30.8%	24.9%	43.0%	13.6%	12.9%
NSE Financial services	4.3%	1.8%	13.6%	15.4%	9.4%	13.2%	24.0%	14.0%	4.5%	25.6%
Others										
NSE Media	-0.3%	-5.4%	-23.8%	-15.4%	-23.9%	19.9%	7.6%	34.6%	-8.6%	-29.7%
NSE Auto	1.0%	13.3%	14.0%	17.4%	22.6%	47.6%	70.2%	19.0%	11.5%	-10.7%
NSE FMCG	2.7%	0.7%	-5.1%	-1.0%	-0.3%	29.0%	51.6%	10.0%	13.5%	-1.3%
NSE Pharma Index	3.4%	-2.6%	-2.5%	-5.3%	39.1%	33.6%	18.3%	10.1%	60.6%	-9.3%
NSE Real Estate	9.2%	3.9%	-5.2%	-10.0%	34.4%	81.3%	61.7%	54.3%	5.1%	28.5%

Global Macro & Markets

Global Macro

Fed Cuts Rates; Policy Shift Sets Global Tone

		Quarterly GDP Sept-25 SA qoq (%)	Inflation Sept-25 yoy (%)	Current Policy Rate Oct-25	10Y bond yield 6-Nov-25
US		3.8%	3.0%	3.75% - 4.00%	4.14%
Europe		0.2%	2.1%	2.00%	2.67%
Japan		0.5%	2.9%	0.50%	1.69%

USA

- Fed cut rates by 25bps to 3.75%-4.00% in Oct-25, while striking cautious note about future rate cuts.
- It reiterated that job gains have slowed and unemployment rate has "edged up".
- Powell called labour market "less dynamic and somewhat softer" than earlier this year.
- Fed has indicated potential additional reductions in Dec-25, however, the current lack of economic data creates additional uncertainty regarding forthcoming decisions.

Europe

- ECB kept its key interest rate unchanged at 2% at its October meeting and emphasized and repeated that policy was in a good place as economic risks recede.
- The view of inflation was broadly unchanged.
- While the economy has continued to grow despite the challenging global environment, it cautioned that the outlook is still uncertain.
- It added that it would follow a meeting-by-meeting with a data-dependent approach.

Japan

- BOJ held rates steady at 0.50% in October, extending the pause in its hiking cycle from subzero rates that began in March last year.
- BOJ Governor indicated that it needs more certainty about the performance of the US economy, which affects Japan's exports and currency and wants more time to assess incoming data.
- BOJ revised its growth forecast for the current fiscal year to 0.7% from 0.6% in the previous

Global Macro

U.S. Government Debt Imbalances are mushrooming

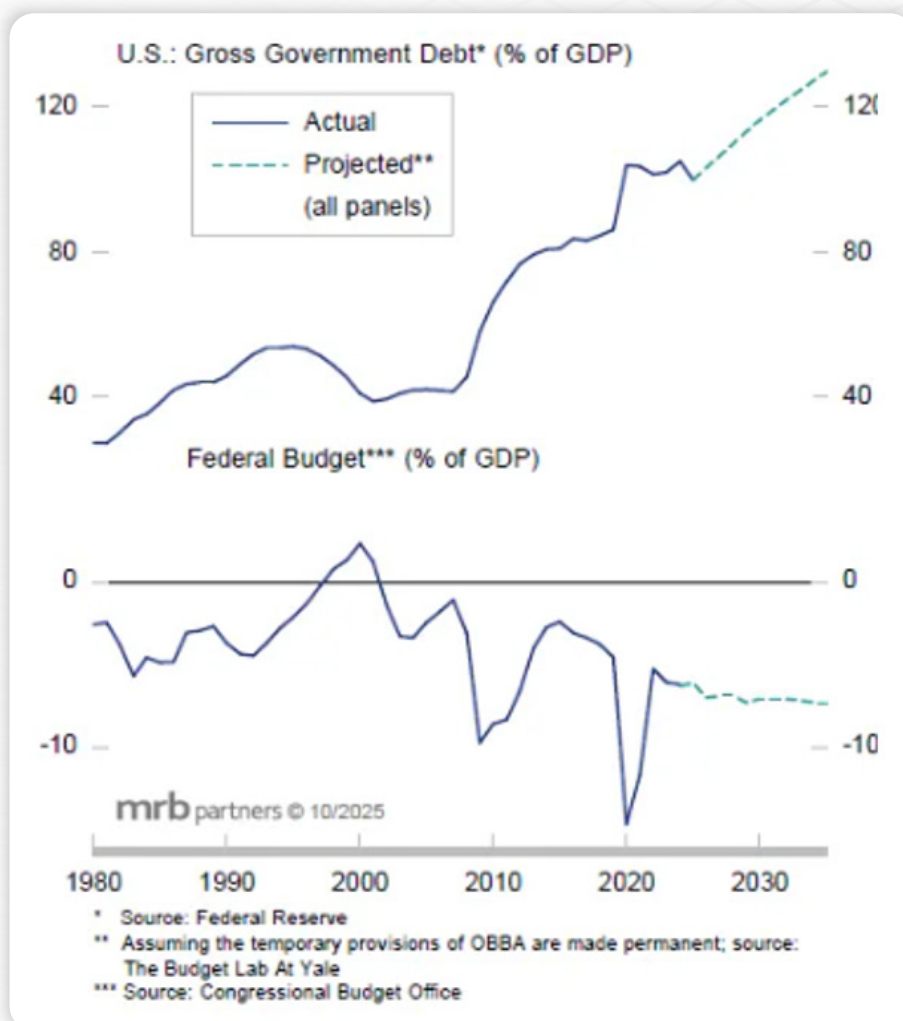


Figure 1.

- US government is providing unusually aggressive fiscal stimulus amidst an economic expansion
- This is positive for economic growth but increased the risk that the bond market will become unnerved.
- Increased debt issuance will need to compete for existing savings and at some point could drive yields much higher.

Indian Macro Outlook

India Market Outlook

Macro indicators hold steady

GST collections increase in Oct; Credit growth steady; Core industries output growth softens vis-à-vis last month

- ▶ Oct-25 will be remembered as a landmark month for India's auto retail, where reforms, festivities, and rural resurgence came together to deliver record-breaking results
- ▶ Manufacturing PMI rose to 59.2 in Oct from 57.7, driven by strong demand, higher output, and job growth, even as input costs eased and selling prices climbed.
- ▶ GST collections grew 4.6% y-o-y , a sharp rise in the onset of the recent GST rate rationalisation in late Sept-25 indicating sustained consumer demand during the festive season.

	As on	Unit	Latest	Last	One year back
O/s non-food Credit Growth	Sept-25	yoy (%)	10.2%	9.9%	13.0%
Consumption					
Auto Volumes					
PV	Oct-25	Units Sold	5,57,373	2,99,369	5,00,578
2W	Oct-25	Units Sold	31,49,846	12,87,735	20,75,578
Industries					
Power Consumption	Oct-25	yoy (%)	0.0%	3.2%	0.7%
Manufacturing PMI	Oct-25	X	59.2	57.7	57.5
Core Industries output	Sept-25	yoy (%)	3.0%	6.5%	2.4%
Overall, Economy					
GST Collection	Oct-25	Rs Trn	1.96	1.89	1.87

Source: Bloomberg, FADA, Company Data

India Macro Outlook

Indias Q1 GDP Growth At 7.8%, Highest In Five Quarters

- India's economy grew 7.8% y-o-y in real terms in Q1 FY26 (₹47.89 lakh crore), marking an acceleration from last year's pace and beating market expectations. However, this surge was driven by statistical factors and one-offs such as front-loaded government spending.
- Nominal GDP eased to low of 8.8% (₹86.05 lakh crore), reflecting strong activity despite softer price pressures. The GDP deflator fell sharply to around 1%, one of the lowest in recent years, which mechanically boosted the real growth print (2/3rd of the deflator is based on WPI and rest on CPI).
- This unusually low deflator highlights that part of the strength in real GDP stems from the inflation adjustment rather than purely higher output.
- Real Private Final Consumption Expenditure (PFCE) has reported 7.0% growth rate during Q1FY26 as compared to the 8.3%, driven primarily by a rebound in rural demand. Government Final Consumption Expenditure (GFCE) registering 9.7% growth rate in nominal terms during Q1FY26.
- Inflation cooled to 1.54% in Sept, the lowest reading in more than eight years, driven by a sharper-than-expected drop in food and beverage inflation to 1.4% (an 81-month low), even as several other categories saw a sequential rise in year-on-year inflation.

	As of	Unit	Latest	Last	1 year back
Real GDP quarterly	Jun-25	yoy (%)	7.80%	7.40%	6.50%
Real GDP Annual	FY25	yoy (%)	6.50%	9.20%	7.60%
Inflation	Sept-25	yoy (%)	1.54%	2.07%	5.49%
Policy Rate	Oct-25	%	5.50%	5.50%	6.50%
IIP	Sept-25	yoy (%)	4.00%	4.00%	3.20%
INR/USD	Oct-25	X	88.77	88.84	84.06

Source: Bloomberg, MOSPI



Flow, Valuations, Earnings

Flows, Valuations, Earnings

DII Inflows at all time highs; FII flows turn in Oct-25

- FIIs posted net inflows in Oct-25 at \$1.6bn (after 3 months of outflows), continuing to remain net sellers to the tune of \$16bn CYTD.
- DII & MFs continued to be net buyers at \$6.0bn and \$2.0bn respectively. In CY25YTD, DIIs have invested ₹72.9bn worth of Indian equities.
- FIIs stay net buyers in debt markets at \$0.4bn while MFs continued to be net sellers at \$0.7bn.
- SIP flows continue to come at all time high levels.

Figure 2. - SIP inflows inch up in Sept-25; up 20%yoy

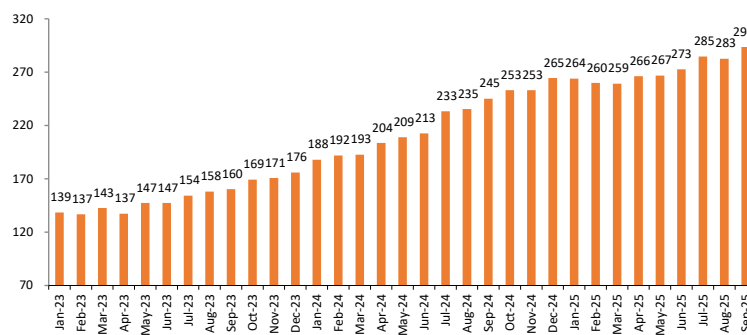


Figure 3. - FIIs turn net buyers while DIIs and MFs remain net buyers of Equities

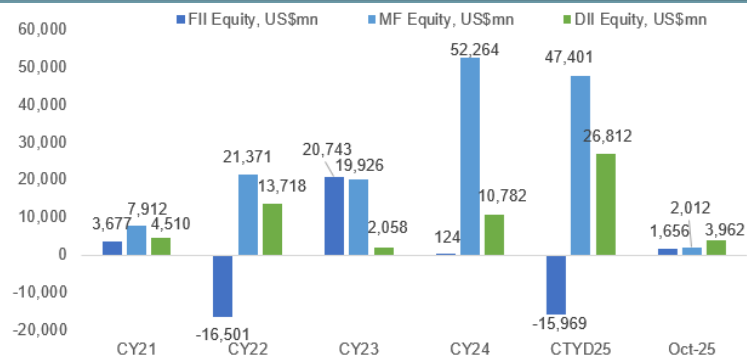
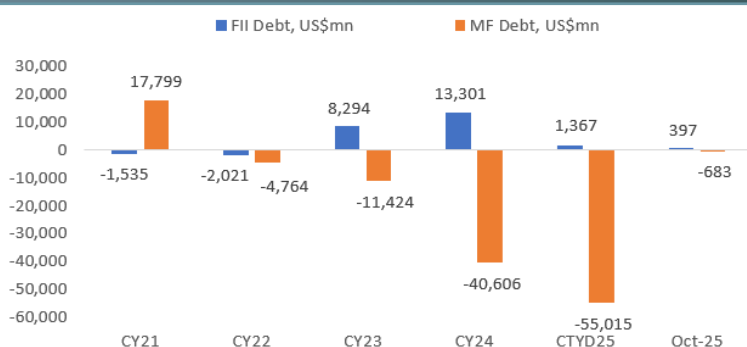


Figure 4. - FIIs remain net buyers, while mutual funds continue to be net sellers



Foreign Portfolio Investor Flows in Indian Markets

Foreigners have been investing in the primary markets even as they have been withdrawing from the secondary markets. In October, however, the flows have been positive

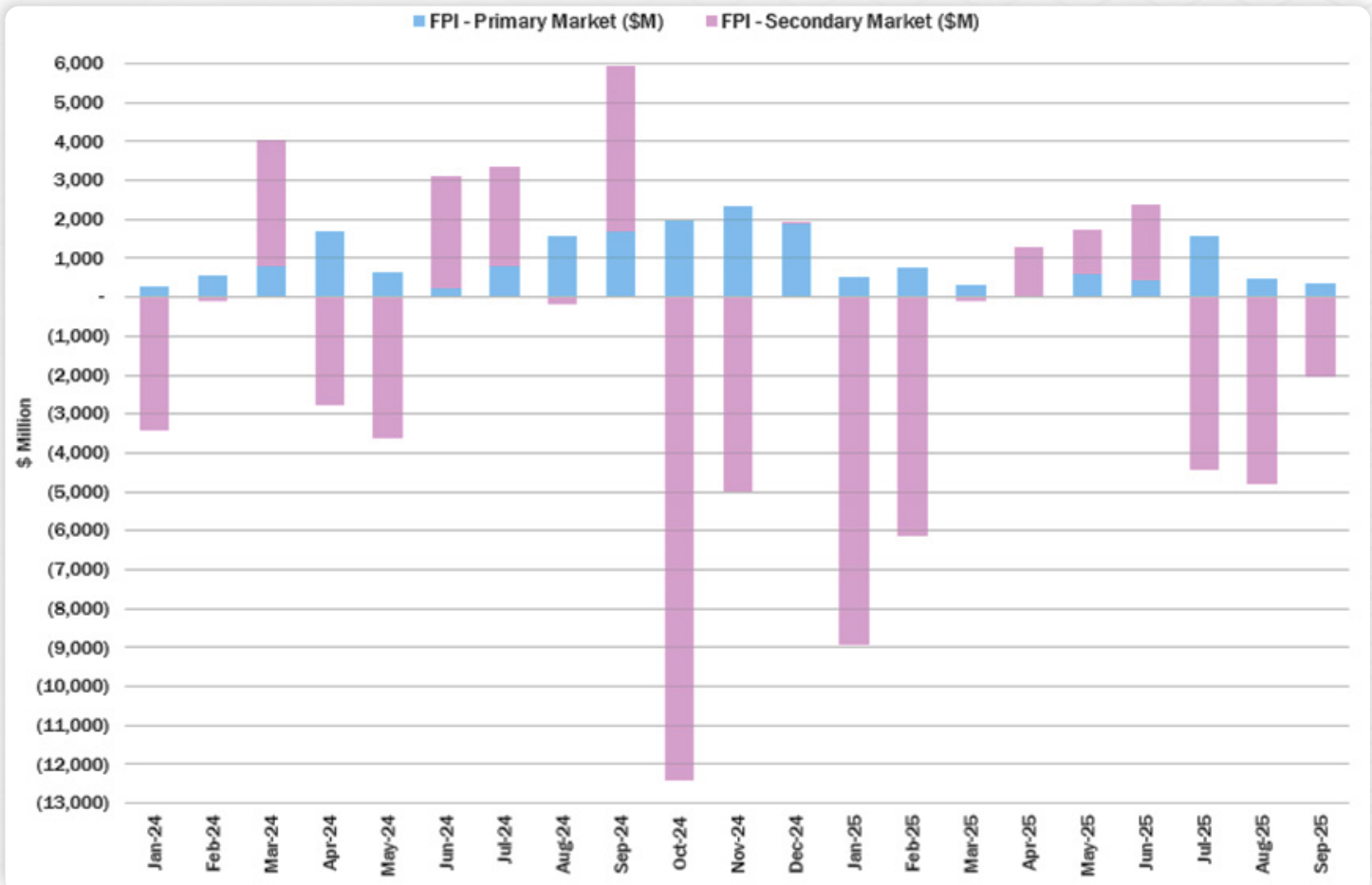


Figure 5.

Flows, Valuations, Earnings

Valuations in equities have cooled from their recent peaks

Nifty P/E valuations remain around long period average; US Tariffs impact and earnings trend to determine the course ahead

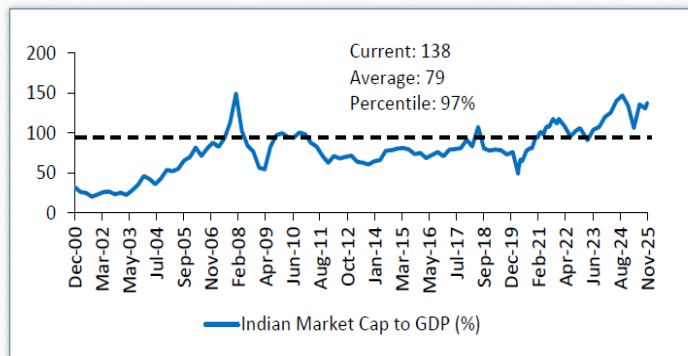


Figure 6. - India's market cap to GDP increases however still down from all time highs

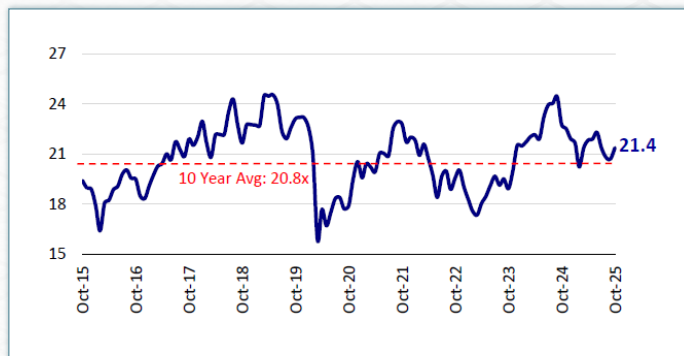


Figure 8. - Nifty valuation continues to hover around averages

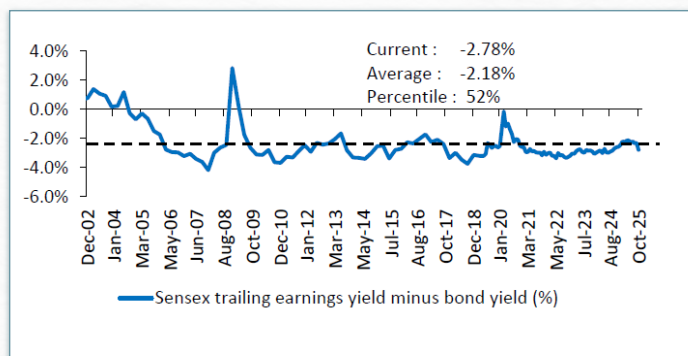


Figure 7. - Earnings yield to bond yield spread closer to average

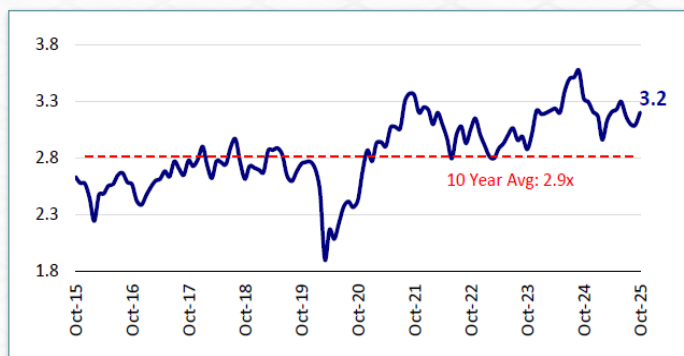


Figure 9. - On P/B basis, Nifty trades at a premium

Equity Macro Outlook

Equity Outlook & Strategy

Indian equities rebounded in Oct-25, with Nifty up 4.5%; midcaps and small caps gained 4.7% and 3.2%, respectively.

- YTD, the Nifty is up ~9%, while mid and small caps have lagged with gains of 1.3% and a 2.4% decline.
- FIIs remain net sellers amid global rate uncertainty, elevated US yields, and risk aversion toward emerging markets.
- Domestic investors continue to absorb supply, cushioning foreign outflows and reinforcing the market's "domestic shield."
- Valuations have reverted toward historical averages, reflecting cooling investor sentiment.
- Relative to peers, India's valuations now appear more balanced among EMs.
- Amid external headwinds, sluggish private capex, and tepid consumption, the government has prioritized measures to stimulate growth, with GST reform being a key structural initiative. A benign inflation backdrop and coordinated fiscal-monetary support are expected to reinforce recovery momentum, lift household confidence, and benefit consumption-oriented sectors in the near term.
- The near double-digit cut in Nifty-50 Bloomberg consensus EPS for CY26F-27F seems to have bottomed out, aided by government policy actions. The India MSCI P/E valuation premium vs. Asia has eased and provides comfort.
- Large FPI selling could be behind us as Oct-25 marked a meaningful reversal of flows aided by multiple developments viz. thawing of China – US ties, India – US bilateral trade talks expected to come to a positive closure, India's relative attractiveness improves in global scheme of things.

1: Nifty December 2025 target range based on adjusted EPS expectations

	-1SD	10 Year Average	+1SD
Nifty 1-year forward PE	18.6	20.3	22.0
Nifty 50 EPS expectations in FY27		1250	
Nifty range at end of 2025	23,275	25,350	27,438



Key Takeways

- While the global canvas is still an evolving scene and warrants some amount of caution, markets may idle within a range in the near term.
- We continue maintaining a Neutral stance towards equities in view of the above and suggest staggered deployment over the next 3 months.
- Earnings recovery, return of economic momentum, supportive monetary policy, and favorable trade developments are likely to guide markets going ahead.

Equity Outlook & Strategy



Existing equity holdings:

- 1) SMID segment continues to trade at a premium relative to Large Cap stocks, and to its respective long period average valuations (while the premium has significantly reduced).
- 2) We remain marginally underweight in Mid and Small caps, but also suggest selective allocation to this space. Our preference for Large Caps reflects in suggesting 70% of equity portfolio towards this segment and balance towards broader markets.
- 3) Deploy over 3 months and extend the stagger to 6 months for any incremental mid and small cap allocation.
- 4) Alternative investment solutions such as MLD ideas can be actively considered offering principal protection and accelerated participation.



Investors sitting on the sidelines with cash in portfolios:

- 1) Prudent to deploy over the next 3 months into large caps and over the 6 months into mid & small caps
- 2) Buy the declines for greater than 2-year perspective.

Equity Portfolio Allocation

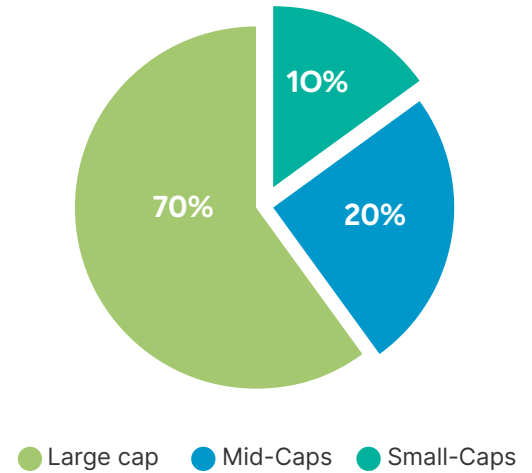


Figure 10.

Category	InCred Outlook
Large Cap	Neutral
Mid and Small Cap	Underweight

Fixed Income Outlook

Fixed Income Outlook

Given planned CRR cuts / front-ended Repo cut, medium term offers value

- G-sec yields have moved up by 30bps since June MPC and trade closer to 6.53%. Neutral policy stance, multiple Bond auctions at higher cut-off yields and expectations of higher CPI in Q1FY27 is weighing on market participants.
- AAA bond yields have seen hardening in the 10yr segment
- 3yr Spreads in the AA / A rated segment continue to remain attractive
- Short-term yields have remained steady amid the ongoing phased CRR reductions and supportive liquidity conditions in the system.

Figure 11. - Issuers with credit rating "A" offers higher credit spreads

3-year tenor	04-Nov-25	Dec-24	Dec-23	Dec-22
G sec	6.02	6.72	7.09	7.04
Credit Spreads (bp)				
AAA over G sec	70	81	56	71
AA over AAA	95	76	67	57
A over AA	124	184	134	191

Figure 12. - Yield curve has steepened significantly over the last 2 months

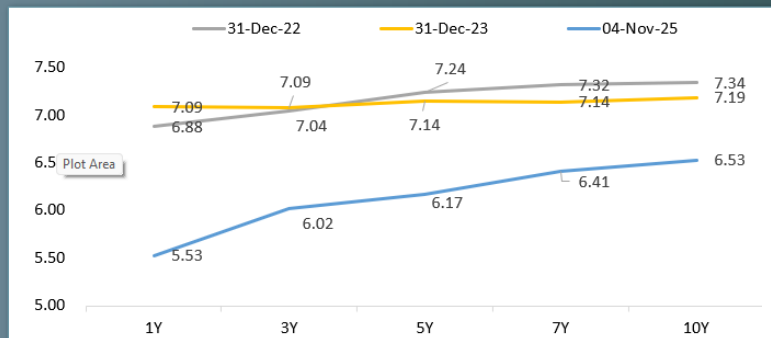
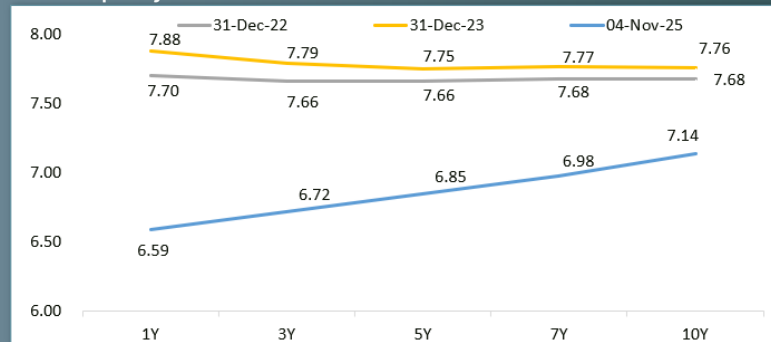


Figure 13. - AAA curve seen bull steepening given the sharp fall in short term liquidity



Fixed Income Outlook

Overnight rates hover around Repo rate; Short term rates off peaks

Figure 14. - Banking system liquidity goes to neutral levels by end October

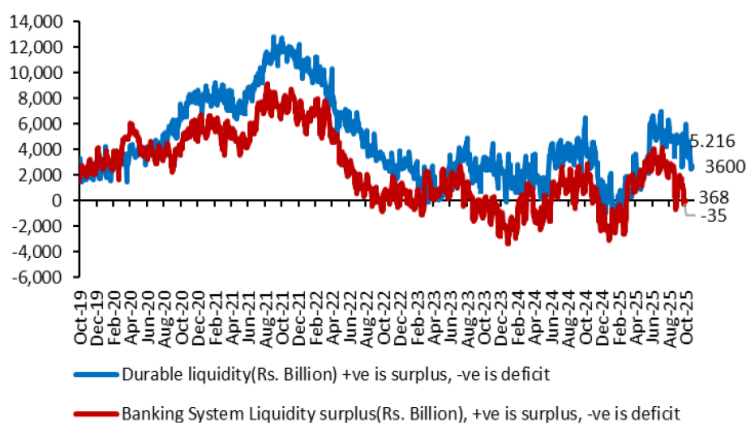
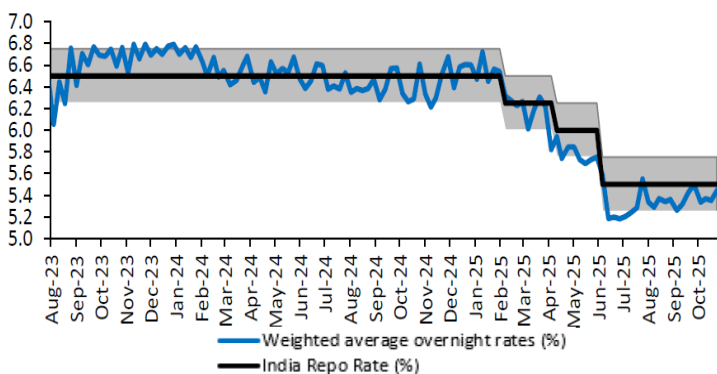


Figure 15. - Overnight rate anchor near repo rate (shaded area is policy corridor)



Note: The shaded area represents the policy corridor- where upper end represents MSF and lower end represent reverse repo rate followed by SDF

- Banking system liquidity saw a sharp moderation in October, primarily due to increased FX selling by RBI during the month.
- The 100 bps CRR cut, rolled out in four tranches from September to November 2025, will bring the ratio down to 3% and infuse ₹2.5 lakh crore of liquidity by year-end, aiding smoother policy rate transmission.
- Weighted Average Overnight Rates have inched back and are now anchored to the Repo Rate
- Accrual oriented strategies, to our mind, would benefit from the excessive liquidity seen in the banking system as term premia is expected to collapse in this segment of the term structure.

Fixed Income Outlook and Allocation Strategy



Outlook

- RBI maintained status quo on rates in Oct-25 and continued to hold on to its policy stance.
- With Repo Rate at 5.50% and view on durable liquidity positive, the recent transmission into market interest rates has seen acceleration.
- While debate around the terminal rate may persist amid shifting views on further easing, the jury is still out on incremental repo rate cuts from here. As highlighted earlier, as external volatility reshapes market expectations, a dynamic and continuously reassessed approach to duration remains essential.
- Given Fed's rate cut, the spread between Fed Funds rate and the Repo rate has increased to 125bps-150bps v/s historical averages of 350bps-400bps.
- The compelling opportunity that duration strategies have offered over the past 18m seems to have significantly played out for now. Incrementally, positioning majority of the fixed income portfolio into duration-driven funds may have marginal value addition in our view.
- The curve has steepened and is expected to steepen further given GOI sticking to its H2FY26 borrowings calendar with ~70% and higher supply coming in bonds with 10yr and longer-term maturities. This, coupled with a tepid demand from traditional bond buyers in this space viz. Insurance and Pension funds, we expect the long-term yields to be in range. Limited supply, outside chance of a rate cut, impending CRR reduction and RBI's active liquidity management could mean the short to medium term yields could come off further (bull steepening).



Deployment Strategy

- We, thus, suggest allocating upto 45% of fixed income portfolio towards accrual-oriented strategies. Consequently, allocation to dynamic / long duration strategies would be upto 20% of fixed income portfolio.
- Credit environment continues to remain stable, and credit spreads remain attractive. Thus, balance 35% allocation of fixed income portfolio is suggested towards high yielding assets (bonds /funds).

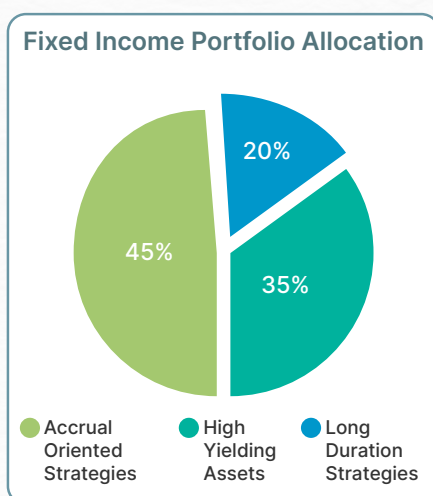


Figure 16.

Category	Outlook
Fixed Income	Positive on strategies focusing on 2yr – 5yr segment of the yield curve

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