

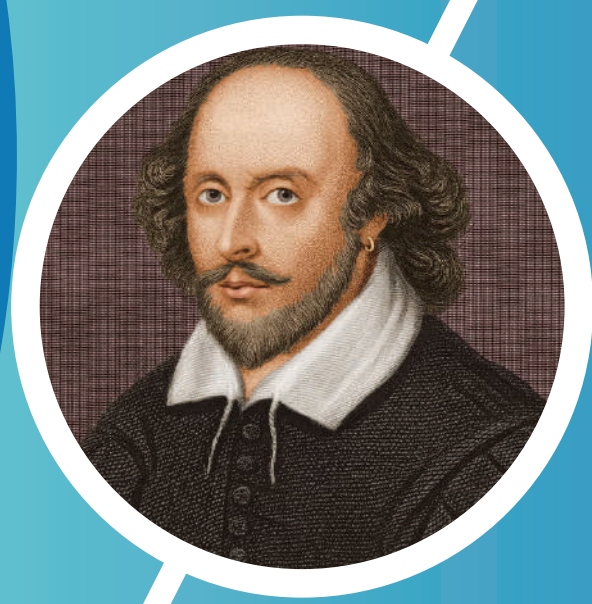


MONTHLY DIGEST



JANUARY - 2026

SECURITY INVESTMENTS LIMITED



Gold—what can it not do, and undo?

- William Shakespeare

Global Markets

CY 2025 was a very strong year for global equities. MSCI ACWI was up 22% in 2025. Emerging markets outperformed developed markets with MSCI EM rallying 34% in dollar terms. MSCI China was up 31%, and MSCI Brazil was up almost 50% in dollar terms. MSCI India, on the other hand, was up by just 3% in dollar terms. Among developed markets, MSCI Japan was up 25%, MSCI UK up by 35%, MSCI Germany up by 36%, MSCI France up by 28% in dollar terms. The S&P 500 underperformed emerging and major developed markets but still had a strong year rallying 16% in CY 2025. Artificial Intelligence was one of the most important themes in global equity market. The tech heavy NASDAQ 100 outperformed the S&P 500 by rallying 24% in CY 2025.

Indian Equity Markets

The market closed CY 2025 near all-time highs. Nifty and Sensex closed the year above the important sentiment levels of 26,000 and 85,000 respectively. Large caps outperformed midcap and small cap segments in 2025. This was a challenging year for small caps specially and the Nifty Small Cap 250 Index ended in the red. Foreign Institutional Investors (FII) were net sellers in CY 2025. Net FII sale in 2025 was to the tune of Rs 1.7 trillion. FII sell-off can be attributed to India's underperformance vis a vis other emerging market. Industry sectors like Metals, Automobiles, Banks, Financial Services, Telecom, Oil & Gas outperformed in CY 2025. Sectors like Realty, IT, Consumer Durables, Power and Healthcare underperformed in 2025.

Debt, Forex and Commodity

US Federal Reserve cut federal funds rate by 25 bps in October 2025. This followed a 25-bps rate in September. The Fed has acknowledged that "downside risks" to employment (labour market) has increased. In the MPC meeting in December RBI cut repo rate by 25 bps to 5.25%. The 10-year bond yield traded flat on a month-on-month basis. The 1-year bond yield fell by 15 bps in November. The RBI cut repo rates by 125 bps in CY 2025. Long-term bond yields declined in the first half of the year but have remained in tight range since then. The 10-year bond yield is around 6.6%. Short-term bond yields are also trading in a narrow range over the last few months. The 364 T-Bill yield is currently around 2.6%. Inflation has cooled down considerably and we have seen deflation (in WPI) over the last 2 months of the year. US interest rate cuts and low inflation can create conditions for RBI to cut rates further in 2026, but it also needs to balance priorities of INR depreciation and economic growth.

In the commodities market, precious metals had a dream run in CY 2025. Gold was up 75% in 2025, while silver's rally was even more spectacular, multiplying 2.7X in CY 2025 (rising 168% on a YOY basis). Precious metals are expected to extend their rally in 2026 with continuing central bank purchases, falling US interest rates, geo-political uncertainties and shifting geo-political dynamics. Crude prices slid below \$60 per barrel mark.

The Indian Rupee (INR) has been weakening against US Dollar (USD) due to rising trade deficit, FII outflows and uncertainty about Indo US trade deal.

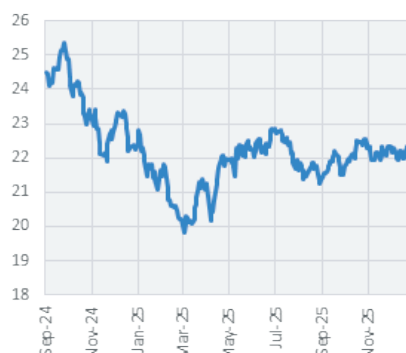
Valuations

Valuations have moderated from their peaks across all market cap segments despite large caps and midcaps reaching all-time highs. However, there are concerns about valuations in pockets of small cap stocks. Though valuations are well below peaks, valuation of Indian equities is still higher than valuation of emerging market equities. Though market sentiments were bullish, it remains to be seen whether profit booking continues at higher levels.

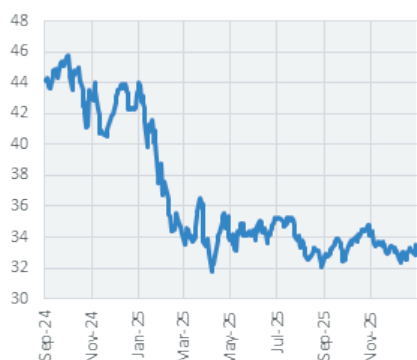
PE Ratio - Broad Market (Nifty 500)



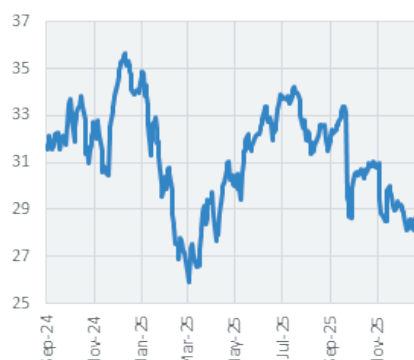
PE Ratio – Large Cap (Nifty 100)



PE Ratio – Midcap (Nifty Midcap 150)



PE Ratio - Small Cap (Nifty Small cap 250)



India's Q2 GDP growth surprised the market on the upside; Q2 GDP growth rate was fastest in the last 6 quarters. Despite trade headwinds due to US tariffs, 8.2% GDP growth in Q2 shows strong consumption growth in India. From a long-term perspective, favourable macros driven by strong / resilient GDP growth, rising per capita income, expected surge in private sector capex spending on the back of Government spending on infrastructure, foreign investment flows in India etc. make the outlook for Indian equities positive. Investors should have long investment horizon and continue to invest in a disciplined way, with focus on asset allocation and quality.

Bite Sized Trivia

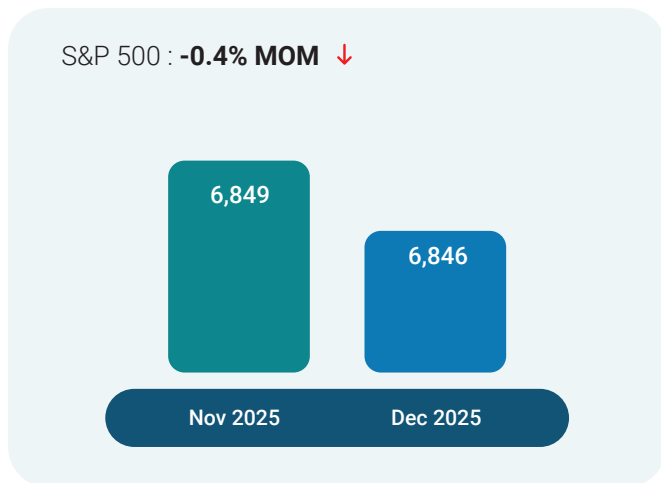
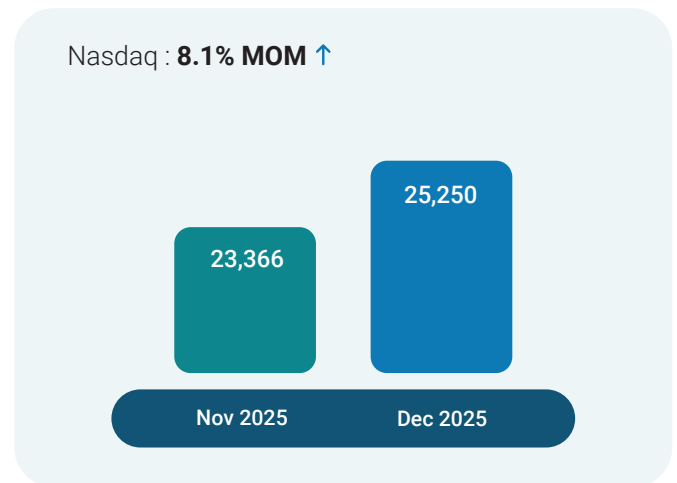
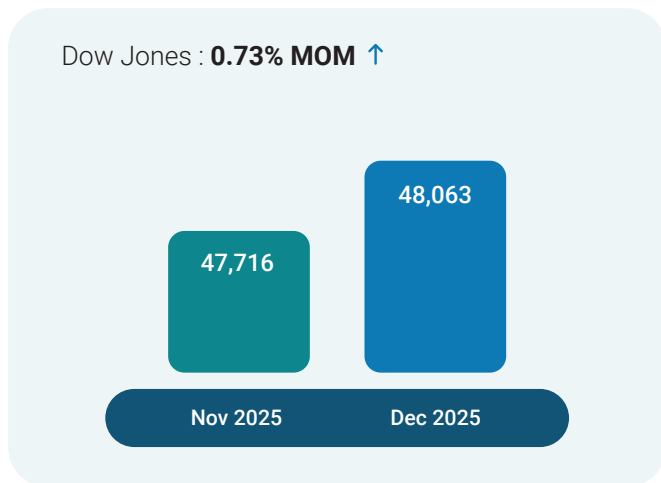
United States has the highest gold reserves (8,133 tonnes), among all countries. India (880 tonnes) is among Top 10 countries with highest gold reserves.

As per World Gold Council's estimates total holding of physical gold by central banks and investors globally is \$5.1 Trillion, larger than India's GDP

In the last 20 years, Gold has given 15.33% CAGR return. Nifty 50 and Nifty 500 have given 13.1% and 13.3% returns respectively. S&P 500 (US) has given 12.6% returns in INR terms

Market Roundup - Global Markets

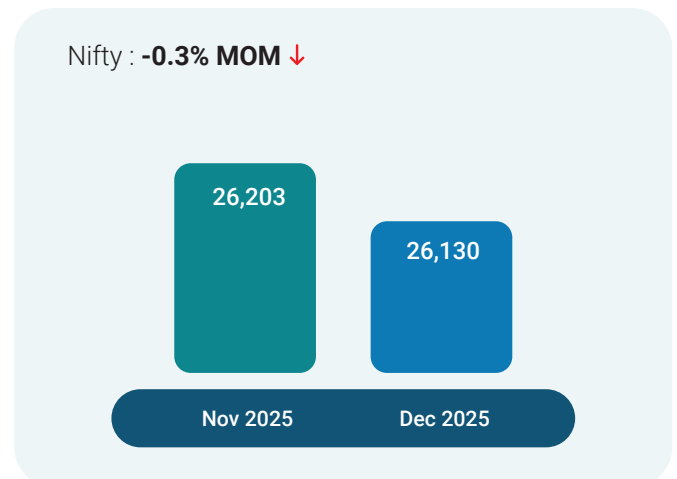
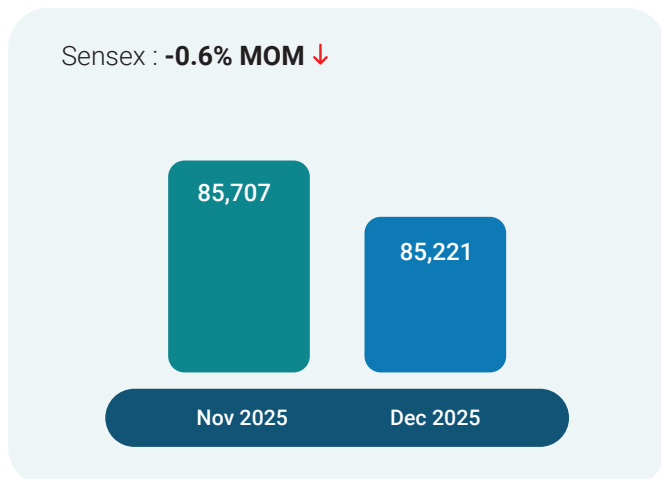
CY 2025 was a good year for global markets. Artificial Intelligence was a major trend in 2025. Emerging markets outperformed developed markets including the United States. Global GDP expected to show sturdy growth in 2026.



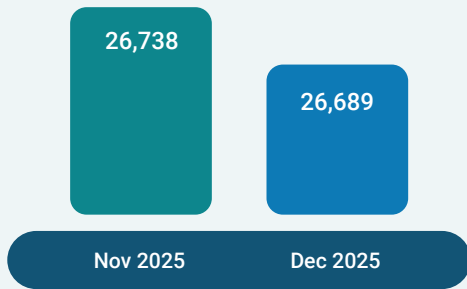
*Index values are closing prices on the last trading sessions of the respective months

Market Roundup - Indian Equity Market

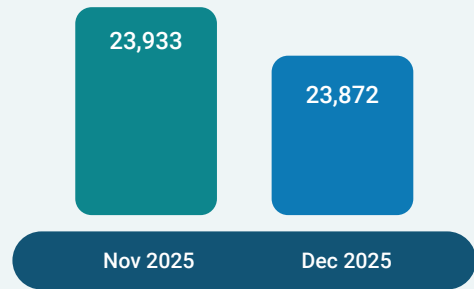
India underperformed versus other emerging markets in CY 2025. The market bounced in Q3 of FY 2025-26. Large caps outperformed in CY 2025. Major indices like Sensex and Nifty are trading near their all time highs. We are seeing profit booking on rallies. Market is waiting for global cues, clarity on Indo US trade deal and most importantly, the Union Budget, to break-out from the current range.



Nifty 100 (Large Cap) : **-0.2% MOM ↓**



Nifty 500 (Broad Market) : **-0.3% MOM ↓**

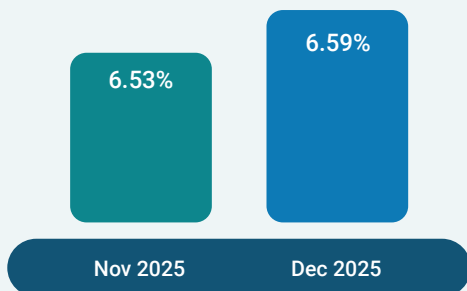


*Index values are closing prices on the last trading sessions of the respective months

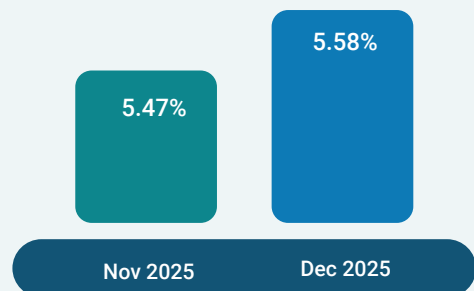
Market Roundup - Debt and Forex Market

The RBI cut repo rates by 125 bps in CY 2025. However, INR depreciation is putting upward pressure on bond yields. Lower crude prices may relieve the pressure on INR in 2026.

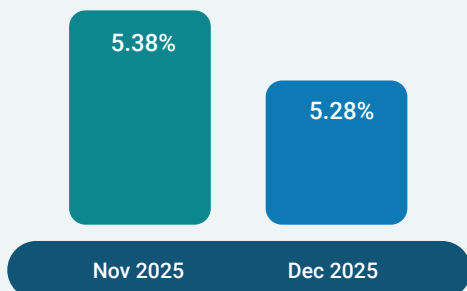
10 year G-Sec Yield* (%) : **6 bps MOM ↑**



364 Day T-Bill Yield* (%) : **1.15 bps MOM ↑**



91 Day T-Bill Yield* (%) : **-10 bps MOM ↓**



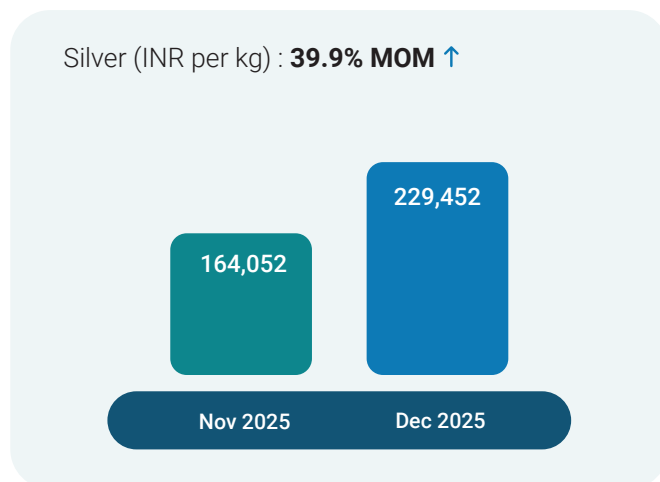
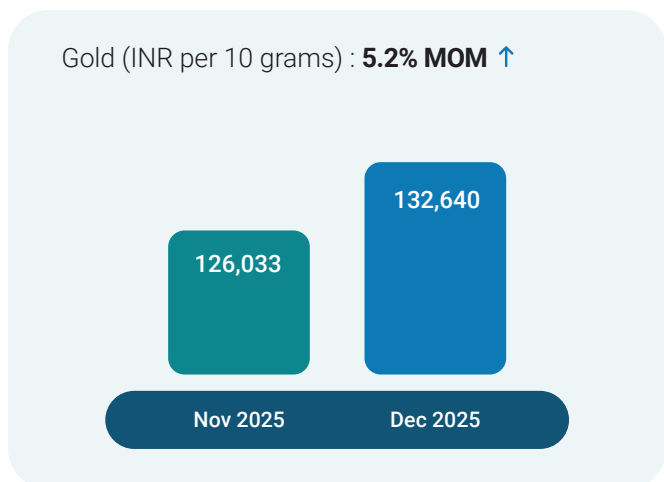
USD to INR : **0.7 bps MOM ↑**



*Yields as on the last auction days of the respective months. Source: RBI

Market Roundup - Commodities Market

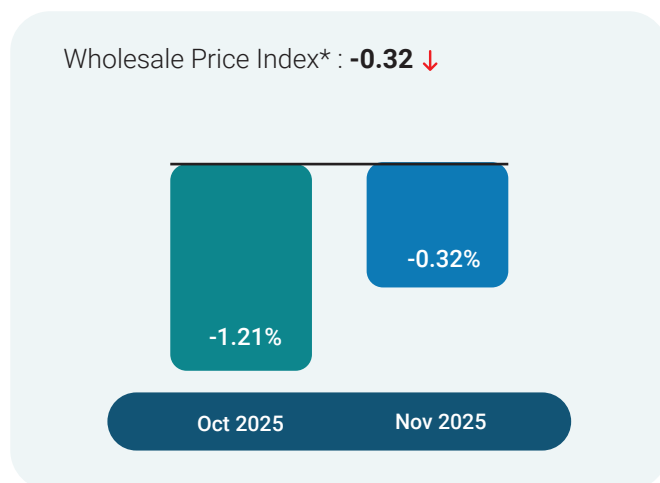
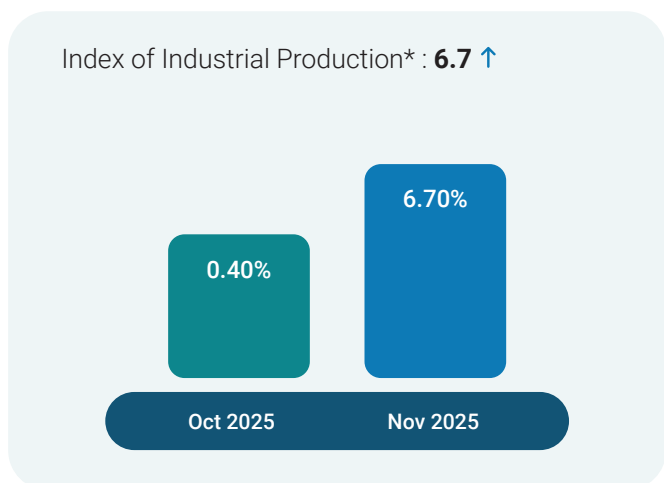
Precious metals continue to rally due to geopolitical uncertainties, expectations of lower US interest rates, wedding season demand and continued gold purchases by central banks. Precious metals are expected to extend their rally further we go into 2026.



*Commodity prices are based MCX closing spot prices on the last trading sessions

Economic Indicators

India's macro position remain strong with better than expected GDP growth, robust IIP growth and low inflation. Overall macro position is favourable for long term equity investors.



*Based on latest Government published data.

Knowledge Bite: Gold and Silver Funds: Unleash the Power of Precious Metals

Gold and silver have held a special place in Indian culture for centuries as symbols of purity, prosperity, and good fortune. Beyond their emotional and cultural value, both metals have emerged as powerful financial assets that can enhance portfolio resilience and long-term wealth creation. In this article let's explore why Gold and Silver could be a valuable addition to your investment portfolio.

Why Invest in Gold and Silver?

India remains one of the largest consumers of gold worldwide. Whether it's Akshaya Tritiya, Dhanteras, or a wedding celebration, gold continues to be an integral part of Indian life. As household incomes rise, the appetite for precious metals only grows stronger. Gold and silver are time-tested **stores of value**. When inflation erodes the purchasing power of money, these metals often shine. Historically, both have delivered robust long-term appreciation while maintaining stability, when traditional assets like stocks or bonds face turbulence.

- **Gold's long-term growth:** Over the past 20 years, gold has multiplied many times over, consistently beating inflation. Gold prices surged nearly 17X from about **Rs 7,400 per 10 grams in Nov 2005 to Rs 1.32 lakh per 10 grams in Dec 2025**.
- **Silver's rising importance:** Silver prices too have surged significantly, driven by industrial, technological, and renewable energy applications. Silver is an essential component in **solar panels, electric vehicles, semiconductors, and smartphones**. The metal saw a 14 X jump from roughly **Rs 12,500 per kg to Rs 2.29 lakh per kg** in the same period.



Precious metals also act as **safe-haven assets**, performing strongly during financial uncertainty. Their limited supply and global demand make them ideal components of a balanced investment portfolio.

Event	From	To	Nifty 500 TRI	Gold (MCX Spot)
Global Financial Crisis	08-Jan-08	27-Oct-08	-63.4%	7.8%
Taper Tantrum	01-Jan-13	30-Aug-13	-11.9%	6.5%
Yuan Devaluation	03-Aug-15	29-Feb-16	-17.9%	17.1%
COVID-19 Pandemic	23-Mar-20	19-Aug-20	-37.2%	-1.0%

Instead of buying physical bullion—which involves storage costs and purity risks—investors can opt for investment into **Gold and Silver Fund of Funds (FOFs)** which invest in ETFs and come with the added benefit of a fund manager's expertise in managing the portfolio, and the ease of investing through SIPs. Gold and Silver Fund of funds provide a cost-efficient, transparent, and convenient way to gain exposure to precious metals without worrying about storage or making charges.

Gold Funds: The Modern Way to Invest in Gold

Instead of buying physical gold in the form of jewellery or coins, investors today prefer **Gold Mutual Funds (Fund of Funds)** which invest in Gold Exchange Traded Funds (ETFs). Gold ETFs track the price of gold and offer an efficient, transparent, and secure way to invest in the metal.

Key Benefits of Investing in Gold Fund of Funds

- **Inflation hedge:** Gold maintains value even when prices rise.
- **High liquidity:** Buy or sell units anytime through your investment platform.
- **Cost efficiency:** No making, purity, or storage costs involved.
- **Safety:** Funds invest in ETFs, that are backed by 24-carat gold of 99.95% purity.
- **Portfolio stability:** Gold often moves inversely to equities, reducing portfolio risk.

- **Simplicity:** Gold Fund of Funds are mutual fund schemes. Unlike Gold ETFs, you do not need to have demat accounts to invest in Gold Fund of Funds. You can redeem units of Gold Fund of Funds with the AMC.
- **Disciplined investment:** You can invest in Gold Fund of Funds from your regular savings through systematic investment plan (SIP) to accumulate gold in your asset allocation over long investment horizon.

Silver Funds: The Metal of the Future

Once considered gold's lesser cousin, silver now plays a critical role in emerging technologies and green industries. From electric vehicles and solar panels to semiconductors and medical devices, silver's industrial demand continues to soar.

Why Consider Investing in Silver Fund of Funds

- **Rising industrial demand:** Silver is vital to renewable energy and electronic manufacturing.
- **Limited supply:** Many silver mines are witnessing reduced output, increasing long-term value potential.
- **Cost-effective entry:** Silver Fund of Funds allow small-ticket investments compared to physical bullion.
- **Portfolio diversification:** Silver prices outperform gold in certain market phases, offering richer diversification benefits.
- **Simplicity:** Silver Fund of Funds are mutual fund schemes. Unlike Silver ETFs, you do not need to have demat accounts to invest in Silver Fund of Funds. You can redeem units of Silver Fund of Funds with the AMC.
- **Disciplined investment:** You can invest in Silver Fund of Funds from your regular savings through systematic investment plan (SIP) to accumulate silver in your asset allocation over long investment horizon.

Gold & Silver Funds: The Best of Both Worlds

For investors seeking a balanced exposure to both metals, **Gold & Silver Funds of Funds (FOFs)** are ideal. These funds allocate investments between gold and silver ETFs, managed dynamically based on market conditions.

Why Combine Gold and Silver?

Diversifying across multiple asset classes is essential for long-term stability. Gold and silver both have **low correlation with equities**, which means they can help reduce portfolio volatility.

- **Gold** typically performs better during market downturns, offering stability.
- **Silver** often outpaces gold in bull markets, enhancing growth potential.

Together, they help balance risk and return across different market cycles.

By combining both metals, investors can benefit from **counter-cyclical performance** — where gold offers stability during uncertainty, and silver captures upside during growth phases.

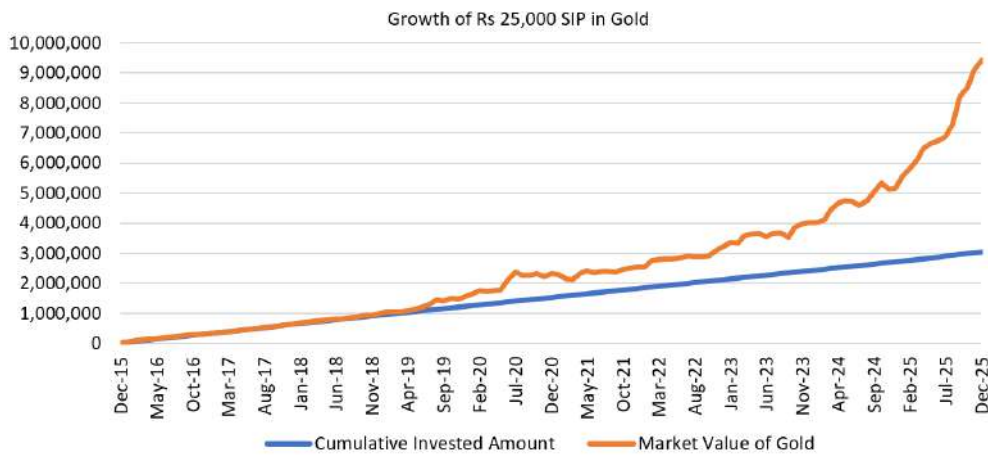
Why Invest in Precious Metals Now?

- **Global Central Bank buying:** Central banks worldwide have been increasing their gold reserves, underscoring long-term confidence in the metal. (see chart)
- **Falling interest rates:** Lower global interest rates often support higher gold and silver prices, as investors seek alternatives to low-yield assets.
- **Geopolitical tensions and inflation:** Trade wars, de-dollarization, and rising inflation drive investors toward safe-haven assets like gold and silver.
- **Technological boom:** Demand for silver is soaring due to its extensive use in renewable and high-tech industries.

These trends point to a favourable long-term outlook for both metals, making now a compelling time to consider including precious metals within your portfolio.

SIP in Gold and Silver Fund of Funds

The chart below shows the growth of Rs 25,000 monthly SIP in gold over the last 10 years. You can see that with a cumulative investment of Rs 30 lakhs, you could have accumulated gold corpus worth nearly Rs 95 lakhs. Unlike physical gold, where you have to spend at least Rs 15,000 – 16,000 to buy 1 gram gold bars / coins, you can invest in gold fund of funds with much lower amounts through monthly SIPs, as low as, Rs 500.



The chart below shows the growth of Rs 25,000 monthly SIP in silver over the last 10 years. You can see that with a cumulative investment of Rs 30 lakhs, you could have accumulated silver corpus worth nearly Rs 1.3 crores.



Who Should Invest in Gold, Silver, or Dual-Metal Funds?

- Investors seeking **portfolio diversification** and stability.
- Those looking for **inflation protection** and wealth preservation.
- Individuals with **long-term investment horizons** for goals like marriage or retirement
- Investors who prefer **digital, low-cost** alternatives to physical gold and silver.

Before investing, assess your financial goals, risk tolerance, and investment horizon. Consulting a financial advisor will help you determine the right balance between precious metals and other asset classes in your portfolio.

Our References

FD Interest Rates

Company	Investment Period (Months)	Rate of Interest (%) (Per Annum)	Senior Citizen (%) (Per Annum)
Bajaj Finance Limited	12 to 60	6.95	7.30
ICICI Home Finance	12 to 60	7.00	7.35
LIC Housing Finance	12 to 60	6.90	7.15
Mahindra & Mahindra Financial Services Limited	12 to 60	7.00	7.25
PNB Housing Finance Limited	12 to 60	6.90	7.15
Shriram Finance Limited Unnati Deposits	12 to 60	7.60	8.15
Sundaram Home Finance Limited	12 to 60	7.15	7.50

DISCLAIMER: Interest Rates are subject to change without any prior intimation. Please confirm the rate of interest before investing.

NFO (New Fund Offer)

Scheme Name	Issue Opens On	Issue Closes On
Bank of India Banking & Financial Services Fund	8th January 2026	22nd January 2026
Motilal Oswal Diversified Equity Flexicap Passive Fund Of Funds	2nd January 2026	15th January 2026
Kotak Dividend Yield Fund	5th January 2026	19th January 2026
Mahindra Manulife Innovation Opportunities Fund	9th January 2026	23rd January 2026



AMFI-Registered Mutual Fund Distributor (ARN-1435)
ARN Valid: 15-Feb-2025 to 15-Feb-2028

608-609, Skylark Building ,60, Nehru Place,
New Delhi – 110019



Services We Offer

Planning


- Goal Planning
- Insurance Planning
- Tax Planning


Financial Services

- Mutual Fund
- Fixed Deposit
- Life Insurance
- Health Insurance
- RBI Floating Rate Bonds
- Sovereign Gold Bonds
- Capital Gain Bonds
- NFO - Mutual Fund

Miscellaneous Services

- Real Estate
- Home Loan
- National Pension Schemes
- NRI Desk
- Loan Syndication
- Succession Planning
- Share Demat Services
- Transmission of Financial Assets at Market Place

 +91 9350208491

 info@securityinvestments.in

 www.securityinvestments.in

 www.facebook.com/TheBestInvestments

 www.linkedin.com/company/security-investments-limited

 www.instagram.com/securityinvestmentsltd

 www.securityinvestments.in/blog/investment-insights-10

Disclaimer

We have gathered all the data, information, statistics from the sources believed to be highly reliable and true. All necessary precautions have been taken to avoid any error, lapse or insufficiency; however, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. We cannot be held liable for any loss arising directly or indirectly from action taken in on any information appearing herein without consultation with Security Investments Limited on specific investment actions. Please note that Mutual Fund investments are subject to market risks, read all scheme related documents carefully and consult with your Security Investments Limited relationship manager before making any investment decisions.