



MONTHLY DIGEST

FEBRUARY - 2026

SECURITY INVESTMENTS LIMITED



Courage taught me no matter how bad a crisis gets... any sound investment will eventually pay off.

- Carlos Slim Helú

Global Markets

CY 2025 was a very strong year for global equities. The rally seen in the Global markets in 2025 continued in January 2026, with MSCI Emerging Market index up 8.8%, Shanghai Composite up 3.8%, S&P 500 gaining 1.36% MOM.

Indian Equity Markets

The market has been volatile since the start of the year. Uncertainty about tariffs, geo-political tensions, escalating global trade conflicts, depreciating INR and continuing FII sell offs have been headwinds for the equity market. The Nifty closed January well below the psychologically important 26,000 level at 25,321 (down 3% month on month). The Sensex closed Jan below the psychologically important 85,000 level at 82,270 (down 3.5% month on month). Midcaps and small caps underperformed versus large cap stocks. FIIs continued to be net sellers in 2026, pulling out Rs 35,962 crores (on a net basis) from Indian equities in January. Mutual funds, on the other hand, supported the market as net buyers with purchase of Rs 36,648 crores in January. India was an underperformer in the emerging market pack and FIIs continued reallocating their investments to other emerging markets including China. As far as industry sectors are concerned, all sectors except metals was in red in January. Realty, Telecom, Consumer Durables, Auto, Healthcare and Infra underperformed the broader market index in January.

Debt, Forex and Commodity

US Federal Reserve cut federal funds rate by 25 bps in October 2025. This followed a 25-bps rate cut in September. The Fed 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%. In January 2026, US Treasury bond yields have remained firm due to robust GDP growth outlook of the US economy. US bond yields rose in January due to geo-political tensions over Greenland. Spike in Japanese bond yields rattled global bond markets. 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, Gold and Silver continued to make record highs in January. Gold rose by 24% in January, while silver rose by 45%. On 30th January, gold and silver crashed in global commodity markets. In MCX, Gold futures crashed 26% from its peak. Silver futures crashed 46% from its peak. 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. INR continued to depreciate versus the US Dollar closing above 91 to the dollar.

Budget highlights

Fiscal deficit target has been set at 4.3% of GDP for 2026-27, reaffirming the government's commitment to fiscal consolidation. In FY 25-26, the fiscal deficit has been estimated at par with the Budget estimates of FY 25-26, at 4.4% of GDP. Finance Minister proposed to raise capex target to Rs 12.2 lakh crore for FY 26-27 from Rs 11.2 lakh crore earmarked for current fiscal. India will target a debt-to-GDP ratio of 55.6% of gross domestic for the fiscal year 2026-27, Finance Minister Nirmala Sitharaman said, down from the near 56.1% in the current year.

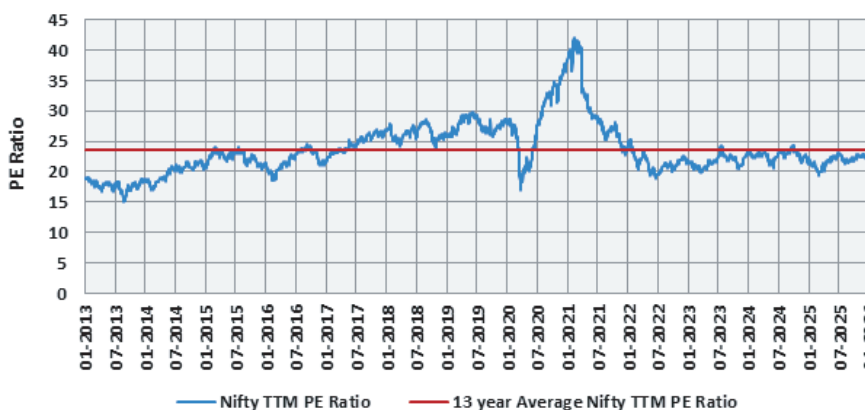
Reduction in TCS rate for pursuing education and medical education under liberalized remittance scheme from 5 per cent to 2 per cent. The government has cut the TCS on overseas tour packages to 2%, down from the earlier rates of 5% and 20%, with no minimum amount condition. This will lower the upfront tax burden when booking international tour packages.

The budget proposed to deepen the corporate bond market with the introduction of total return swaps (TRS). This will improve access to capital are positive for bond market.

Income Tax Act, 2025, will come into effect from 1 April 2026. The New Income Tax will be revenue neutral i.e., no change in rates for taxpayers, however the rules will be simplified. The simplified income tax rules and forms will be notified shortly, giving adequate time to taxpayers to acquaint themselves with its requirements. The forms have been redesigned such that ordinary citizens can comply without difficulty. With stable macros and revival in consumption growth, the long-term outlook for Indian equities remains very bright. Investors should remain disciplined and continue to invest through SIP.

Valuations

Valuation of Nifty 50 is also below its long-term historical average. Current valuations provide a good entry point for investors.



Indo US Trade Deal

The market has rebounded after the successful negotiation of Indo US Trade Deal. Tariffs on India’s exports to the US have been reduced to 18%. This will make India’s exports to the US more competitive than many other countries who have higher tariff rates imposed on their exports to the United States. While India has reduced tariffs on US industrial goods exports, it has maintained protection on agricultural goods.

Outlook

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

Countries facing highest US tariffs:

- Brazil: 50%
- Myanmar: 40%
- Laos: 40%
- China: 37%
- South Africa: 30%

US Tariffs on Southeast / South Asian countries:

- Vietnam: 20%
- Bangladesh: 20%
- Pakistan: 19%
- Malaysia: 19%
- Cambodia: 19%
- Thailand: 19%
- India: 18%

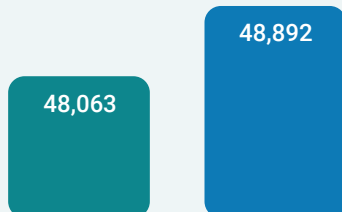
Countries facing lowest US tariffs

- Japan: 15%
- South Korea: 15%
- Switzerland: 15%
- EU: 15%
- UK: 10%
- Australia: 10%

Market Roundup - Global Markets

Global equity risk sentiments was positive in January. Non US developed markets and China outperformed the US market. Tension between US and other NATO allies over Greenland subsided after US and NATO agreed on the framework of a deal. However, geo-political tensions prevail in the middle east over nuclear talks with Iran.

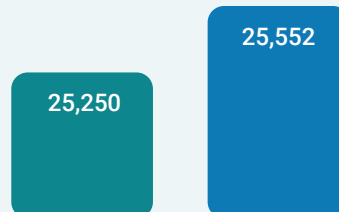
Dow Jones : **1.72% MOM** ↑



Dec 2025

Jan 2026

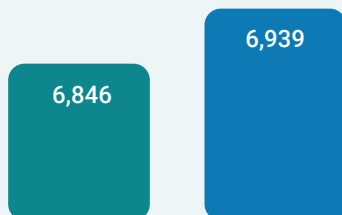
Nasdaq : **1.2% MOM** ↑



Dec 2025

Jan 2026

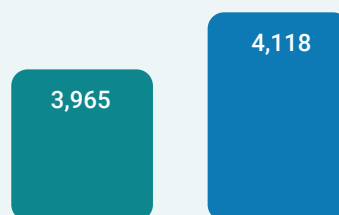
S&P 500 : **1.36% MOM** ↑



Dec 2025

Jan 2026

Shanghai Composite : **3.86% MOM** ↑



Dec 2025

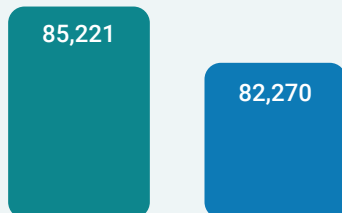
Jan 2026

*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 due to continued FII sell-off and INR depreciation versus the US Dollar. The market saw a sell off on Budget Day after the finance minister raised STT on F&O transactions. However, the market rebounded strongly, after US and Indian Governments announced a Trade Deal between the two countries. Reduction in US tariffs will make Indian exports more competitive compared to other emerging markets. Overall market sentiment is positive.

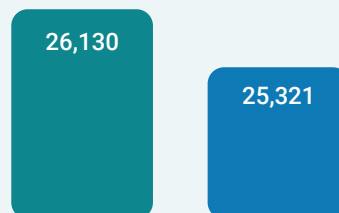
Sensex : **-3.5% MOM** ↓



Dec 2025

Jan 2026

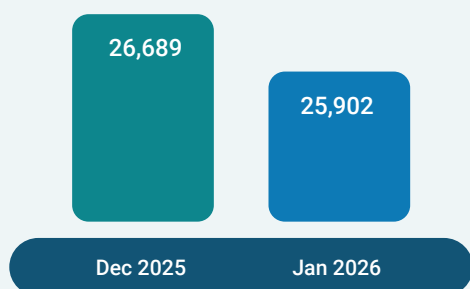
Nifty : **-3.1% MOM** ↓



Dec 2025

Jan 2026

Nifty 100 (Large Cap) : **-2.9% MOM ↓**



Nifty 500 (Broad Market) : **-3.3% MOM ↓**

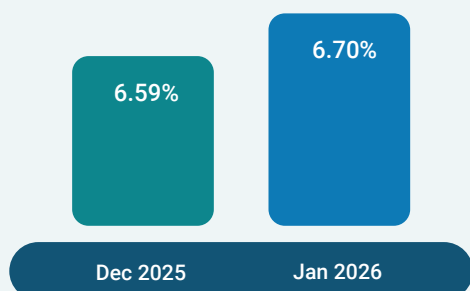


*Index values are closing prices on the last trading sessions of the respective months

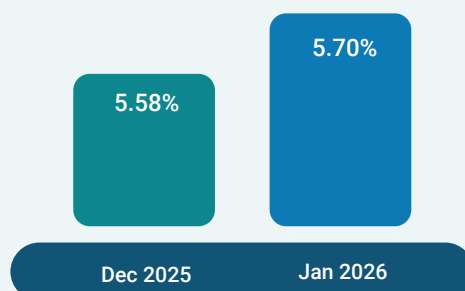
Market Roundup - Debt and Forex Market

Debt market situation continues to be tight as long term and short term bond yields stiffened. Huge supply of State Government debt in Q4 of FY 2025-26, pushed up bond yields and led to decline in bond prices. The INR depreciated further against the US Dollar due to continuing FII sell off and widening trade deficit due to rising imports. The Indo US trade deal relieved pressure on INR, with INR breaking below the USD / INR 90 level.

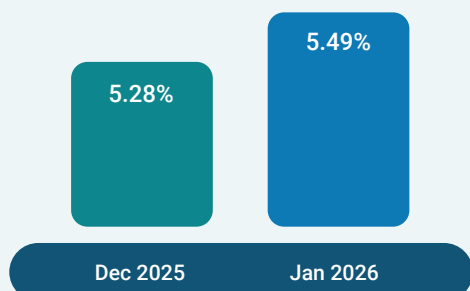
10 year G-Sec Yield* (%) : **11 bps MOM ↑**



364 Day T-Bill Yield* (%) : **12 bps MOM ↑**



91 Day T-Bill Yield* (%) : **21 bps MOM ↑**



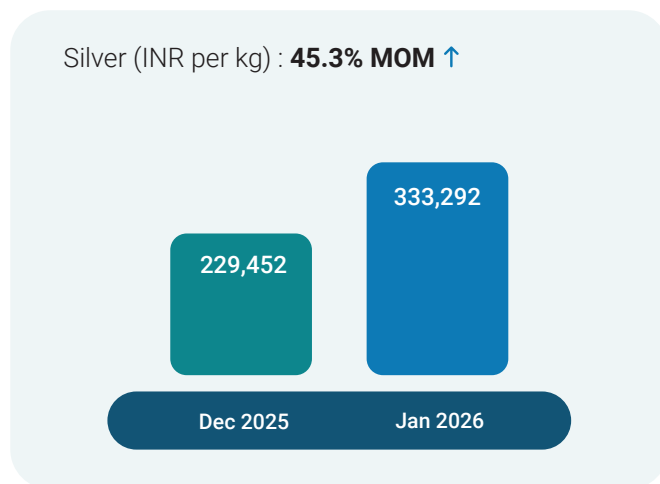
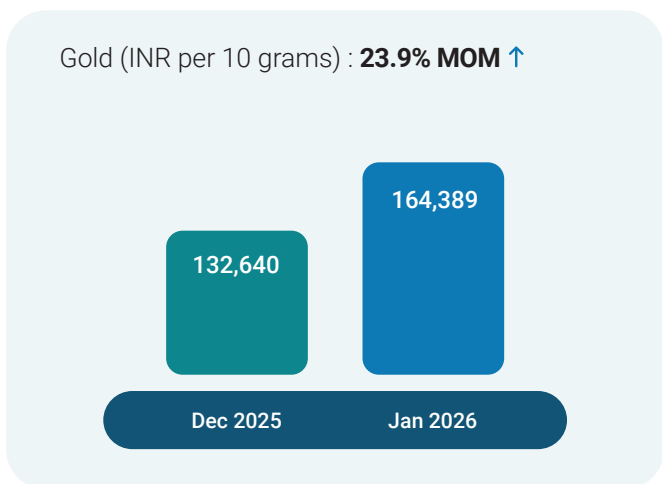
USD to INR : **1.9 bps MOM ↑**



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

Market Roundup - Commodities Market

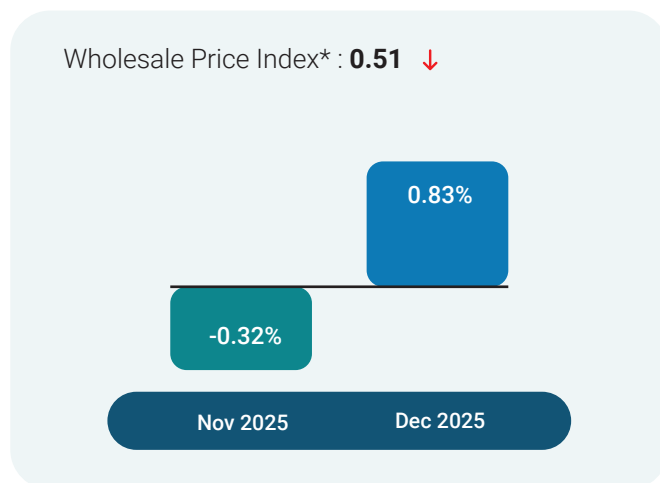
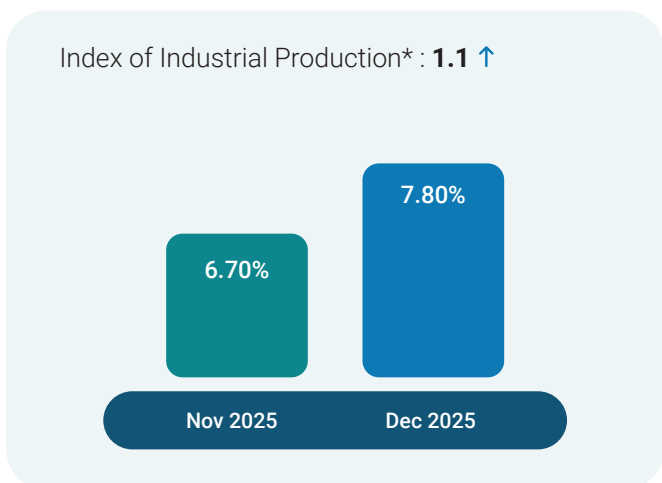
Precious metals continue to rally due to geopolitical uncertainties, expectations of lower US interest rates, wedding season demand and continued gold purchases by central banks. Gold and silver prices crashed on Friday (30th January) due to strong US Dollar and rising US bond yields. Gold and silver are seen a safe haven assets in times of economic and geo-political uncertainties. However, rising US Treasury Bond yields along with US Dollar, widely considered to be safe haven assets dented the shine in precious metals, which had surged to unprecedented levels due to speculative buying. President Trump's choice for US Federal Reserve Chairman, Kevin Warsh, who is known for his hawkish views on interest rates, is also one of the reasons why Gold and Silver crashed. While correction in precious metals was overdue, we have most likely, not seen the end of the precious story. The policy decisions made by the new Fed Chair will determine the course of precious metal prices in the near term.



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

Economic Indicators

Stable inflation and rising factory output (IIP) indicate robust macro-economic environment. The RBI has boosted India's GDP growth forecast for FY 2025-26 to 7.4%. IMF data shows India above the US in Top 10 contributors to global GDP growth. Strong macro-economic environment, may attract FII investments and propel equity market rally, after a fairly long period of consolidation over the last 15 months or so.



*Based on latest Government published data.

Knowledge Bite: Why pausing your SIPs could be your biggest investment mistake

When markets turn volatile some investors may be clouded with doubts whether to keep investing or wait for the correction to get over. In the current volatile markets with the Nifty 50 dipping amid global trade tensions and domestic inflation jitters, the familiar panic is gripping retail investors. Social media is abuzz with stories of "smart" switches to high-flying sectoral funds or outright pauses on Systematic Investment Plans (SIPs). But before you hit that 'pause' button, let's dive into the technicalities and proven importance of SIPs. For starters, let us remember that for SIP investors there should be no doubts whether to invest in up markets or down markets. SIP is a disciplined way of investing in equities at different market levels. It is not important at what level you invest. Discipline trumps timing, each and every time. Pausing, switching, or disconnecting your SIPs isn't just risky; it can erode your wealth-building potential. We'll unpack the 'why' of disciplined and consistent SIP investments, in this article.

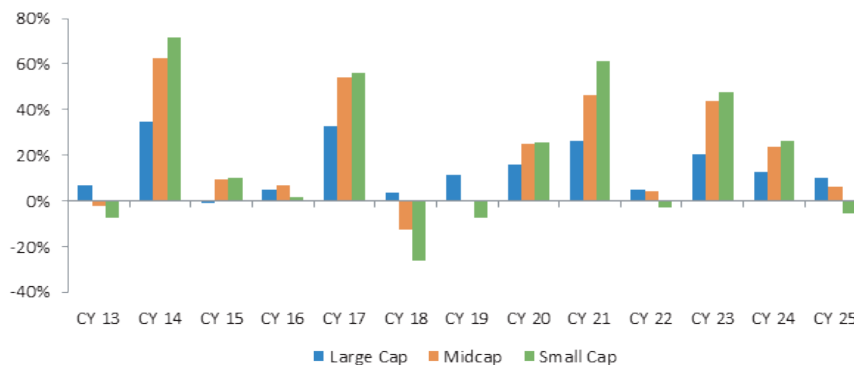
The Core Mechanics of SIPs: Rupee Cost Averaging in Action

At its heart, a Systematic Investment Plan (SIP) is a disciplined method to invest a fixed amount, say Rs 5,000 monthly, into mutual funds at regular intervals, regardless of market highs or lows. Unlike lump-sum investing, SIPs leverage **rupee cost averaging**, a technical powerhouse that buys more units when Net Asset Values (NAVs) are low and fewer when they're high, smoothing out volatility over time. This fundamental mechanics of mutual funds has helped turn many salaried professionals into crorepatis over 10-15 years. SIPs shine in India's equity-heavy market landscape, where indices like Nifty 500 have delivered 12-14% CAGR historically. But their real edge lies in behavioural discipline.

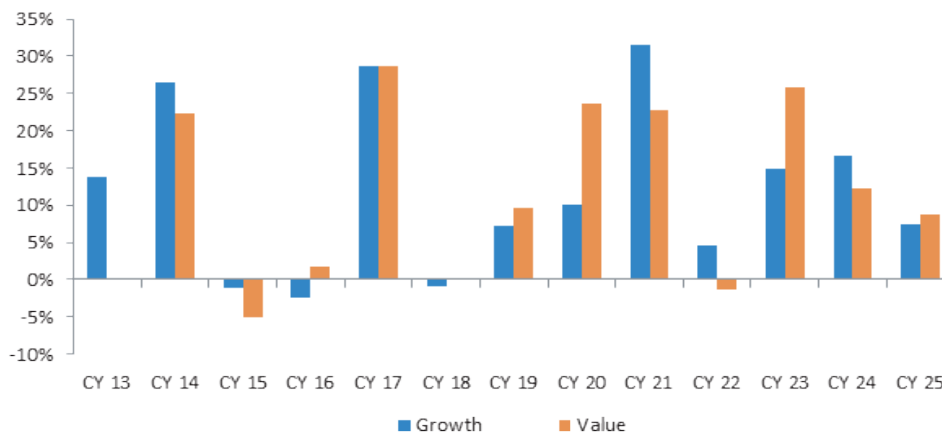
The Switching Trap: Chasing winners hurts more than helps

Market darlings like tech or PSU funds have surged 25-30% in late 2025, tempting investors to switch from "underperforming" diversified equity funds. But history screams caution: frequent switching triggers capital gains tax (12.5% LTCG post Rs 1.25 lakh exemption).

- **Winners rotate across market cap segments:** One market cap segment cannot outperform all the time. Winners rotate across market cap. Switching to winners in different market phases, may hurt portfolio performance in the long term.



- **Winners rotate across investment styles:** Different fund managers have different investment styles e.g. growth, value, GARP etc. Historical data shows that, winners rotate across investment style. Investing in a fund that is currently outperforming may not ensure that it will continue to outperform in the short to medium term.



Source: <https://www.msci.com/documents/10199/26d4d637-2b0d-4b21-a703-eaa33cd607ab>, [msci.com/www/fact-sheet/msci-india-value-index/010402852](https://www.msci.com/www/fact-sheet/msci-india-value-index/010402852)

- **Winners rotate across industry sectors:** Sector rotation is an active investment strategy and a characteristic of our equity markets. Investing in current winners may be counter-productive because winners change every year.

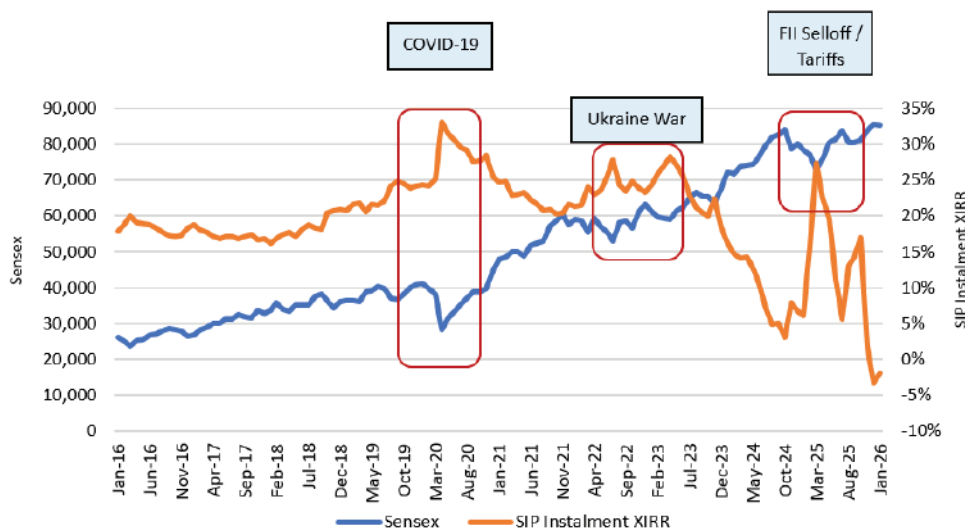
Rank	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
1	Healthcare	Oil & Gas	Oil & Gas	IT	Finance	IT	IT	FMCG	Auto	Healthcare
2	Oil & Gas	Auto	Finance	FMCG	Oil & Gas	Healthcare	Infra	Oil & Gas	Infra	IT
3	IT	Finance	Infra	Finance	IT	FMCG	Oil & Gas	Auto	Healthcare	Auto
4	FMCG	FMCG	Auto	Healthcare	Infra	Infra	Auto	Finance	FMCG	Infra
5	Auto	Infra	FMCG	Oil & Gas	FMCG	Auto	Healthcare	Infra	IT	Oil & Gas

Source: <https://www.mutualfundtools.com/mutual-funds-research/mutual-fund-benchmark-monitor>

Pausing SIPs: Missing the golden low-NAV accumulation window

Pausing sounds harmless—"I'll restart when markets stabilize"—but it denies you the gift of lower NAVs during dips and higher returns when the market turns bullish. SIPs thrive on volatility. Technically, pauses break compounding's flywheel. Each missed instalment compounds at zero, widening the gap. On the other hand, SIP instalments in falling or flat markets can give high returns. The chart below shows the XIRR of all SIP instalments in HDFC Midcap Fund from 1st January 2016 till date along with corresponding Sensex levels. You can see that returns are higher whenever market is falling:

- In COVID-19, when markets crashed, you could have accumulated units at much lower cost (NAV) by continuing your SIP and hence returns (XIRR) were high post recovery.
- When the market crashed again during the Russia Ukraine War and Hamas attacked on Israel in 2022 / 2023, again you had the opportunity to accumulate units at lower cost (NAV) through SIP
- In the current market correction, which started with FII sell-off since September 2024 and continued throughout 2025 due to US tariffs, the XIRR is seen as tailing off since midcap funds underperformed during this period and the market has not yet recovered fully. However, if you remain invested you will be rewarded once the market recovers and makes new highs.



Source: https://www.mutualfundtools.com/advisory-tools/sip-de-tailed-analysis?scheme_name=HDFC%20Mid%20Cap%20Fund%20-%20Growth%20Plan&sip_amount=10000&start_date=01-01-2016&end_date=05-02-2026

tailed-analysis?scheme_name=HDFC%20Mid%20Cap%20Fund%20-%20Growth%20Plan&sip_amount=10000&start_date=01-01-2016&end_date=05-02-2026

Discontinuation: The Silent Wealth Killer

The worst scenario of all is of course disconnecting entirely. No inflows mean opportunity, no rupee averaging and less compounding effect. Let us assume that you planned to start a monthly SIP of Rs 10,000 in HDFC Midcap Fund on 1st January 2016, but you stopped your SIP whenever market fell. The table below shows the current value of the SIP instalments that you may have forgone, if you stopped your SIP in corrections. You would have invested Rs 3.5 lakhs less, but your corpus would have been lower by Rs 13.2 lakhs i.e. net opportunity loss of Rs 9.67 lakhs. Stopping SIP is a silent wealth destroyer.

Opportunity loss if SIP was stopped in market corrections

Instalments that you would have missed if SIP was stopped in market corrections						Opportunity Loss
Date	Sensex	SIP Instalment	Purchase NAV	Current NAV	Current Value	Current Value minus Instalment
01-01-2016	26,161	10,000	38.441	203.231	52,868	42,868
01-02-2016	24,825	10,000	35.668	203.231	56,979	46,979
01-03-2016	23,779	10,000	33.38	203.231	60,884	50,884
01-11-2016	27,877	10,000	46.491	203.231	43,714	33,714
01-12-2016	26,560	10,000	43.563	203.231	46,652	36,652
01-10-2018	36,526	10,000	52.011	203.231	39,075	29,075
01-11-2018	34,432	10,000	51.743	203.231	39,277	29,277
03-12-2018	36,241	10,000	52.109	203.231	39,001	29,001
01-01-2019	36,255	10,000	53.539	203.231	37,959	27,959
01-02-2019	36,469	10,000	51.334	203.231	39,590	29,590
01-03-2019	36,064	10,000	51.699	203.231	39,310	29,310
01-04-2019	38,872	10,000	56.362	203.231	36,058	26,058
02-05-2019	39,032	10,000	53.959	203.231	37,664	27,664
03-06-2019	40,268	10,000	55.514	203.231	36,609	26,609
01-07-2019	39,687	10,000	54.49	203.231	37,297	27,297
01-08-2019	37,018	10,000	49.576	203.231	40,994	30,994
03-09-2019	36,563	10,000	48.907	203.231	41,555	31,555
01-10-2019	38,305	10,000	50.617	203.231	40,151	30,151
01-11-2019	40,165	10,000	53.019	203.231	38,332	28,332
02-12-2019	40,802	10,000	53.205	203.231	38,198	28,198
01-01-2020	41,306	10,000	53.642	203.231	37,887	27,887
03-02-2020	39,872	10,000	55.105	203.231	36,881	26,881
02-03-2020	38,144	10,000	53.724	203.231	37,829	27,829
01-04-2020	28,265	10,000	38.257	203.231	53,123	43,123
04-05-2020	31,715	10,000	42.211	203.231	48,146	38,146
01-06-2020	33,304	10,000	44.579	203.231	45,589	35,589
01-07-2020	35,414	10,000	47.687	203.231	42,618	32,618
03-08-2020	36,940	10,000	49.515	203.231	41,044	31,044
01-09-2020	38,901	10,000	54.387	203.231	37,368	27,368
01-10-2020	38,697	10,000	54.985	203.231	36,961	26,961
03-02-2025	77,187	10,000	175.776	203.231	11,562	1,562
03-03-2025	73,086	10,000	162.615	203.231	12,498	2,498
01-04-2025	76,025	10,000	171.306	203.231	11,864	1,864
02-05-2025	80,502	10,000	177.303	203.231	11,462	1,462
02-06-2025	81,374	10,000	189.171	203.231	10,743	743
Total		3,50,000			13,17,742	9,67,742

Source: https://www.mutualfundtools.com/advisory-tools/sip-de-tailed-analysis?scheme_name=HDFC%20Mid%20Cap%20Fund%20-%20Growth%20Plan&sip_amount=10000&start_date=01-01-2016&end_date=05-02-2026

tailed-analysis?scheme_name=HDFC%20Mid%20Cap%20Fund%20-%20Growth%20Plan&sip_amount=10000&start_date=01-01-2016&end_date=05-02-2026

What should you do in volatile markets?

Markets have been volatile in the last year. Should you stop your SIP and wait for the correction to be over? At what level will the market bottom out? These questions should be irrelevant for SIP investors. SIPs make market timing irrelevant by averaging out your cost of acquisition. SIPs are designed to help you navigate the highs and lows, and average your costs. When markets rise, your SIP instalment will buy less; when market dips, your SIP instalment will buy more. Do not stop your SIPs due to market levels or movements. In market corrections, SIPs take advantage of volatility by bringing down the average cost of acquisition of your mutual fund units which will boost your portfolio returns over long investment tenures. Remain disciplined in your SIPs to create wealth over long investment horizons.

Importance of discipline

Mutual fund investments should be based on financial goals. SIPs are usually meant for your long-term financial goals e.g. children's higher education, children's marriage, retirement planning, wealth creation etc. Usually, these goals have 7 to 10 years or longer investment tenures. You should redeem your investments only when you have reached your financial goals. If you remain disciplined in your SIPs, irrespective of short-term market movements, you will be in a strong position to achieve your financial goals.

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	7.10	7.35
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
SBI Quality Fund	28th January 2026	11th February 2026
Kotak Services Fund	4th February 2026	18th February 2026
DSP Multi Asset Omni Fund of Funds	5th February 2026	19th February 2026
HDFC Nifty India Consumption Index Fund	4th February 2026	13th February 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.