



MONTHLY DIGEST

OCTOBER - 2026

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The big money is
not in the buying or selling,
but in the waiting

- Charlie Munger

Global Markets

In global markets, the US market saw divergence between the Dow Jones and NASDAQ. Dow Jones fell by 4% due to rising bond yields and risk-off sentiment, but NASDAQ rose 3%, showing investor bullishness in AI-led tech stocks. The broader S&P 500 index ended almost flat. Among other developed markets, FTSE (UK), DAX (Germany) and CAC (France) fell in September. Nikkei (Japan) clocked gains. September was not a good month for Chinese and other emerging markets, with Shanghai Composite and MSCI Emerging Market indices underperforming versus the US market (S&P 500).

Indian Equity Markets

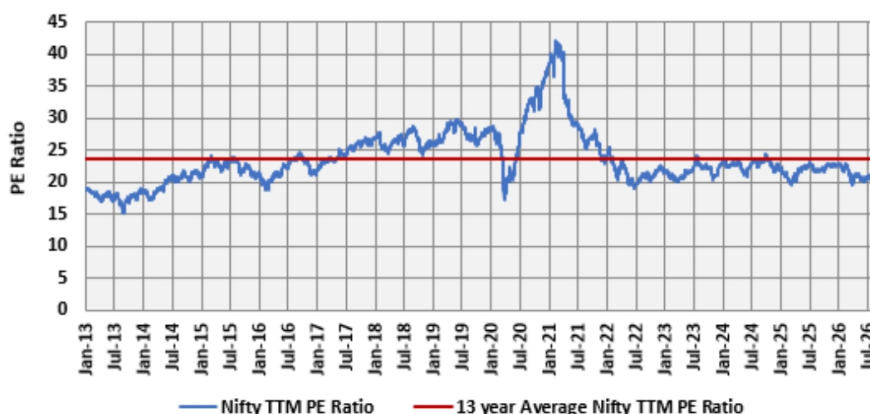
The market was very volatile in September. Broader market fell in line with the frontline indices. Midcaps underperformed large caps, but surprisingly small caps continued to outperform large caps despite valuation concerns. Large caps fell 5.9%, midcaps 7.1%, while small caps fell 3.1%. Almost all industry sectors were in red in September. Automobiles, Consumer Durables, IT, Financial Services and Realty underperformed versus the broad market.

Debt, Forex and Commodity

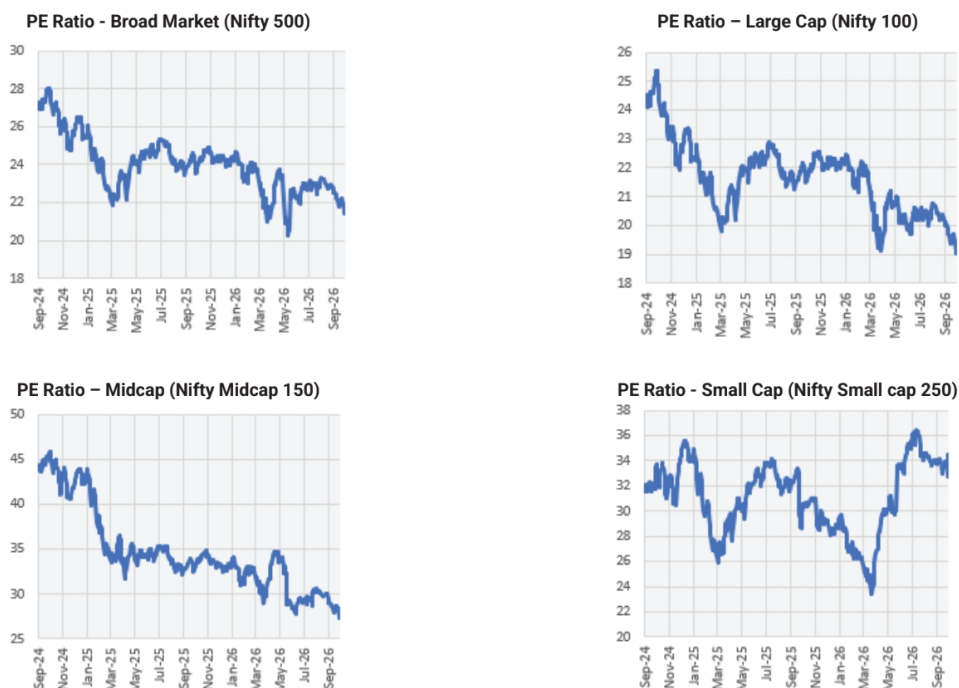
Central banks hiking interest rates, surging global bond yields, high crude oil prices, weakening INR and FII sell-off have been major headwinds for equity market this month. US Federal Reserve, European Central Bank and Bank of Japan hiked respective interest rates by 25 bps in September. The 10 year US Treasury Bond yields rose by nearly 50 bps in September to 25 year high to 5.27%. UK and Japanese 10 year Government bond yields are also at multi decade high at levels last seen in the late 90s / early 2000s. High global bond yields, inflation pressures and weakening INR (falling 0.8% versus USD MOM) have been major headwinds for Indian bond market. The 10 year G-Sec firmed up by 23 bps in September, while the 364 Day T-Bill yield surged by 39 bps. Rising bond yields posed headwinds for precious metals prices market. Gold prices fell by 4.8%, while silver fell by 6.6% in September

Valuations

Valuations seem reasonable at the broad market level. Nifty PE ratio is below the long-term historical (13 year) average valuation spanning multiple investment cycles. Nifty 50 earnings growth seems to be catching up with valuations as Q1 earnings growth of Nifty 50 companies beat the Street estimates.



Valuations have also moderated considerably for large cap and midcap stocks. However, there may be valuation concerns in pockets of the small cap space. Investors should continue SIPs in mid and small caps, with a long investment horizon. The overall geopolitical, economic and market environment is uncertain. However, current valuations provide attractive entry points for long term investors.



Source: NSE, Advisorkhoj Research. As on 30th September 2026. PE ratios are based Trailing Twelve Months (TTM) Earnings Per Share (EPS).

India's Q1 GDP growth beating expectations, strong Q1 corporate earnings growth and strong IIP data for August did not have an impact on the market. Technical indicators are signaling bearish market sentiments. Though the market may bounce back from lower levels with support of domestic investors, we can see profit booking at higher levels. Equity market may remain volatile as long as FII selling continues. In the long-term India Growth story is intact despite short term underperformance. India's consumption oriented economic, rising per capita and favourable demographics make India's economic even in dynamic geo-political climate. Investors should continue to invest through SIP and have long investment horizon.

Bite Sized Trivia – Investing thumb rules

50:30:20 Rule

Use 50% of your income for your basic living expenses (e.g. food, rent, EMI)

30% on discretionary expenses

20% of your income on investments of debt repayment

100 – Age Rule

Asset allocation rule
Equity allocation: (100 – Age)

Debt allocation: Your age
E.g. If you are 30 years old

Equity Allocation: 70%

Debt Allocation: 30%

Rule of 72

How many years will it take your money to double or shrink.

If return = 12%, investment will double in
= $72/12 = 6$ years

If inflation = 5%, investment will shrink
50% in = $72/5 = 14.4$ years

Market Roundup - Global Markets

Global markets, both developed and emerging markets were weak in September due to geo-political uncertainty and rising bond yields. High global yields has negative impact on emerging markets including India.

Dow Jones : - 4.3% MOM ↓



Nasdaq 100 : 3.2% MOM ↑



S&P 500 : - 0.44% MOM ↓



Shanghai Composite : - 3.61% MOM ↓

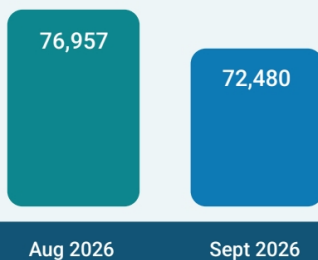


*Index values are closing prices on the last trading sessions of the respective months

Market Roundup - Indian Equity Market

High volatility gripped equity market in September. The headline indices, Sensex and Nifty broke down below key support levels. High bond yields, high crude price weakening INR and continued FII selling are major risk factors for Indian equities.

Sensex : - 5.8% MOM ↓



Nifty 50 : -6.1% MOM ↓



Nifty 100 (Large Cap) : **-5.9% MOM ↓**



Nifty 500 (Broad Market) : **-5.9% MOM ↓**



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

Market Roundup - Debt and Forex Market

Global bond yields surged due to continuing geo-political tension, central banks hiking interest rates, higher Government borrowings in the developed markets and private sector borrowing for AI infrastructure. The US Federal Reserve (Fed), ECB (Europe) and BOJ (Japan) all hiked interest rates by 25 bps. The RBI also hiked repo rates by 25 bps in the October MPC meeting.

10 year G-Sec Yield* (%) : **23.0 bps MOM ↑**



364 Day T-Bill Yield* (%) : **39 bps MOM ↑**



91 Day T-Bill Yield* (%) : **2 bps MOM ↑**



USD to INR : **8 bps MOM ↑**



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

Market Roundup - Commodities Market

Rising bond yields posed headwinds for precious metals prices market. When yields are high FIIs find US Treasury Bonds more attractive than gold and silver as safe haven assets.

Gold (INR per 10 grams) : - **4.84% MOM** ↓



Silver (INR per kg) : - **6.6% MOM** ↓



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

Economic Indicators

Index of Industrial Production* : **1.3% ↑**



Wholesale Price Index* : **0.14% ↑**



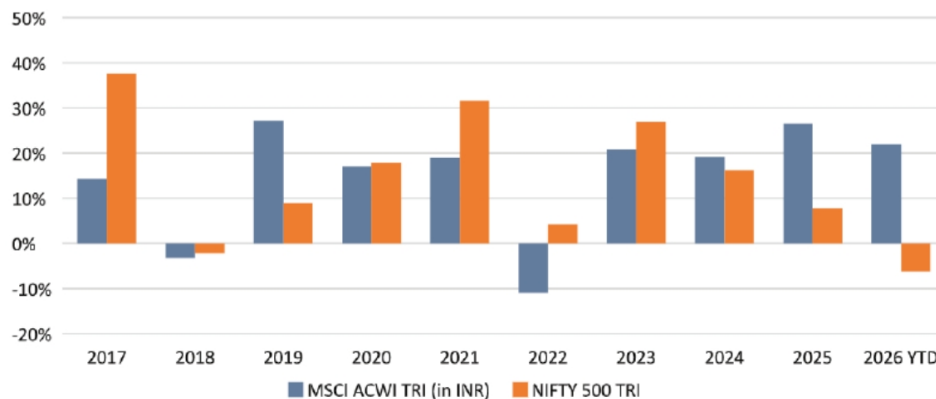
*Based on latest Government published data.

Knowledge Bite: Global Funds Through GIFT City and Mutual Funds: A Guide for Indian Investors

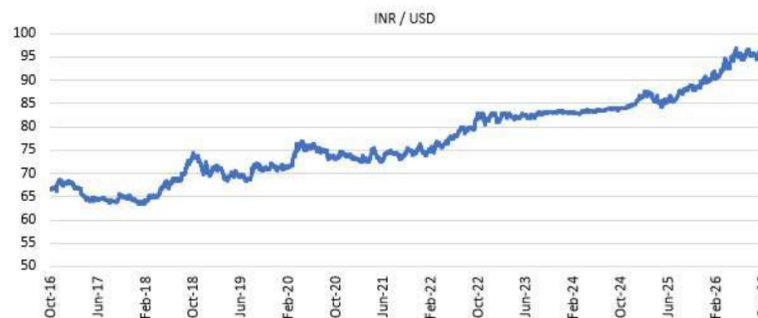
Global diversification has become increasingly important for Indian investors. Investing in international funds can provide exposure to economies, sectors, and companies that may not be available in India. For example, an investor whose portfolio is concentrated in Indian banks and technology companies may diversify by investing in US technology, European healthcare or Asian consumer businesses. Indian investors can access global markets mainly through two routes: international mutual funds offered by Indian AMCs and funds established in Gujarat International Finance Tec-City, popularly known as GIFT City. Although both routes provide overseas exposure, they differ in regulation, taxation, investment limits, currency, and accessibility.

Why invest in Global Funds?

- There is low correlation between returns of international and Indian equities. International and Indian equities outperform / underperform in different market phases (see chart below). Adding global funds will add diversification to your overall investment portfolio



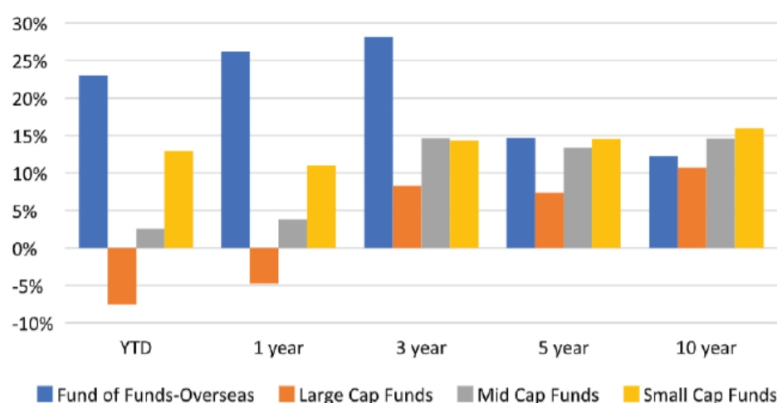
- You can benefit from INR depreciation by investing in foreign funds i.e. in addition to market returns in foreign currency, you get additional returns due to appreciation of foreign currency against INR. The INR has depreciated at an average rate of 4.5% annually over the last 10 years.



- You can hedge your currency risks, especially if you have planned expenses in foreign currency e.g. children's higher education or foreign vacations by investing in global funds.
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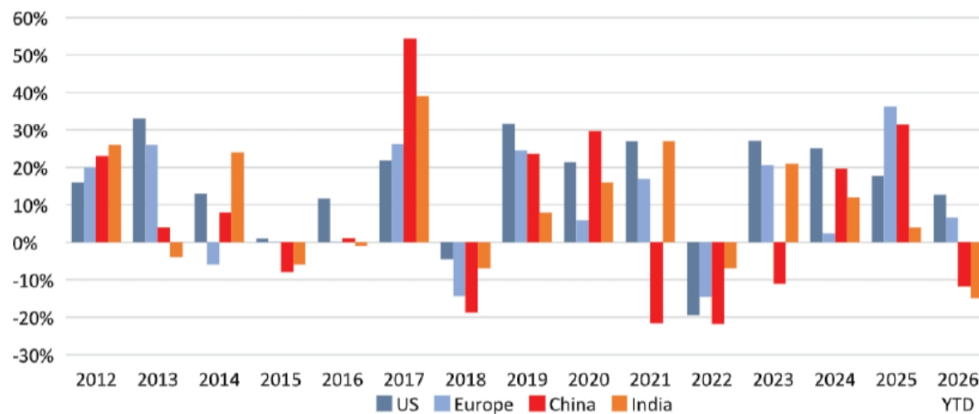
Global funds performance versus domestic equity funds

Global funds / fund of funds (overseas) have outperformed different equity categories in over the last to 3 years and YTD 2026. However over long periods, midcap and small cap funds have outperformed FOF (Overseas).



How have different global markets performed?

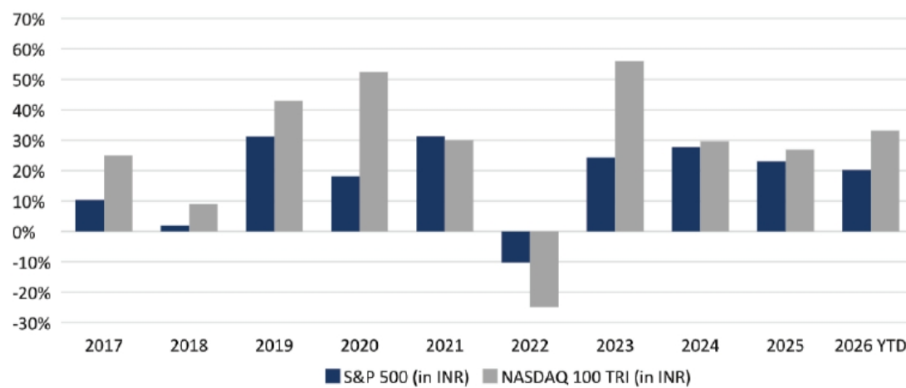
US market has generally been outperforming over the past few years (post COVID) primarily due to tech / AI play.



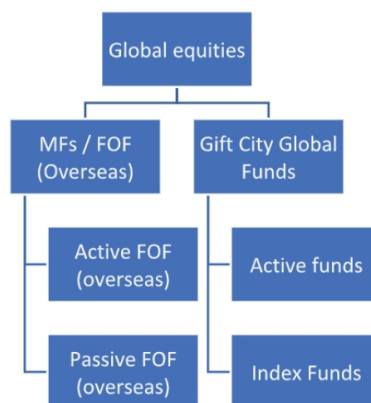
Source: US is represented by MSCI USA Index (USD), Europe by MSCI Europe Index (USD), China by MSCI China Index (USD) and India by MSCI India Index (USD)

Which sector / theme / index is outperforming in the US?

NASDAQ 100 which is the index of technology and innovation stocks in the US has consistently outperformed the broader S&P 500 index, despite tech heavyweights (the Magnificent 7) comprising around 35% of S&P 500 index



How to get exposure to foreign equities?



However, overseas investing by Indian mutual funds is subject to regulatory limits. Under the applicable SEBI framework, mutual funds can invest up to 1 billion USD per mutual fund within an overall industry-wide ceiling of 7 billion USD. Investments in overseas ETFs are subject to separate limits of US\$300 million per mutual fund within an aggregate industry limit of 1 billion USD. These limits have affected the availability of international mutual funds. Currently very few FOF (Overseas) are accepting new lump sum investments.

What is a GIFT City fund?

GIFT City funds can be structured as funds operating in an international financial centre and may invest in global equities, bonds, ETFs or other overseas securities. For Indian residents, investment in an outbound GIFT City fund usually involves remitting money under the RBI's Liberalised Remittance Scheme (LRS). The RBI permits a resident individual to remit up to 250,000 USD per financial year for permitted transactions under LRS. Currently HDFC AMC, PPFAS AMC, DSP AMC, Edelweiss AMC, Franklin Templeton AMC, and Tata AMC are offering global funds through GIFT City.

Feature	Indian international mutual fund	GIFT City global fund
Primary regulator	SEBI	IFSCA
Investment currency	Rupees (for NRIs, OCIs)	Often US dollars or another foreign currency
Investment process	Domestic mutual fund platform	IFSC platform, broker or fund distributor
Overseas investment limit	Subject to SEBI industry and fund-level limits	Not governed by the same SEBI mutual fund overseas ceiling
Minimum investment	Often relatively accessible	May be substantially higher, depending on the fund
SIP availability	Common in many schemes	Product-specific
Currency exposure	Embedded in fund returns	More explicit for foreign-currency investments
Investor convenience	Higher for retail investors	Requires greater documentation and remittance planning
Taxation	Short term capital gains (less than 24 months) – As per income tax rate of the investor Long term capital gains – 12.5%	Redemption proceeds will be net of taxes (no liability for investor). Short-term capital gains (investments held for 24 months or less): 30% plus applicable surcharge and cess (highest tax rate – 42.744%) Long-term capital gains: 12.5% plus applicable surcharge and cess (highest tax rate – 14.95%)

Indian international mutual funds or FOFs are generally suitable for investors seeking a familiar, rupee-based and relatively accessible route to global diversification. GIFT City funds offer another avenue, particularly for investors seeking direct foreign-currency exposure or access to international strategies that may be constrained under the domestic mutual fund overseas investment limits.

Our References

FD Interest Rates

Company	Investment Period (Months)	Rate of Interest (%) (Per Annum)	Senior Citizen (%) (Per Annum)
Bajaj Finance Limited	12 to 60	7.75	8.15
ICICI Home Finance	12 to 60	7.20	7.55
LIC Housing Finance	12 to 60	7.35	7.60
Mahindra & Mahindra Financial Services Limited	12 to 60	7.45	7.80
PNB Housing Finance Limited	12 to 60	7.25	7.50
Shriram Finance Limited Unnati Deposits	12 to 60	7.50	8.05

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
Whiteoak Capital - Diversified Equity Small Cap Active Fof	28th September 2026	12th October 2026
ICICI Prudential Contra Fund	28th September 2026	12th October 2026
Mirae Asset Life Cycle Fund 2056	28th September 2026	12th October 2026
Aditya Birla Sun Life BSE Total Market Index Fund	30th September 2026	14th October 2026
Kotak Nifty 500 Index Fund	5th October 2026	19th October 2026



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

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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



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