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SINCE : 1966

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



MONTHLY DIGEST

NOVEMBER - 2026

SECURITY INVESTMENTS LIMITED

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GIFT-IFSC is a tax-neutral financial centre that aims to compete with hubs like Singapore as it provides fiscal incentives and a lighter regulatory environment.

Global Markets

The US market was range-bound, with the S&P 500 declining by 0.9%. However, the NASDAQ crashed by nearly 7% as investors are increasingly concerned about the massive amounts of investments made in Artificial intelligence and are unsure about the returns on these indices. Overall, the US economic data is strong, which implies that the US Federal Reserve may hold interest rates high or increase it, in the near future if inflation increases. Among other developed markets, Germany, the UK and France posted modest gains, while Japan declined. Emerging markets underperformed versus developed markets.

Indian Equity Markets

The equity market consolidated after the sharp correction in September 2026. Large-cap stocks outperformed mid- and small-cap stocks. While large-caps rose by 1%, midcaps and small caps fell by 3.7% and 5.8%, respectively. Foreign Institutional Investors (FIIs) continued to be net sellers in October 2026, with net sales of Rs 34,843 crores continuing the previous month's trend. Mutual funds made net purchases of nearly Rs 39,251 crores. The Nifty closed above the sentimental level of 23,000, rising 1.9% in October while the Sensex rose by 2.7%. Among the industry sectors, IT, Media, PSU Banks and Pharma were the top-performing sectors. Capital goods, Realty, Consumer Durables, Metals, and Power were the underperforming

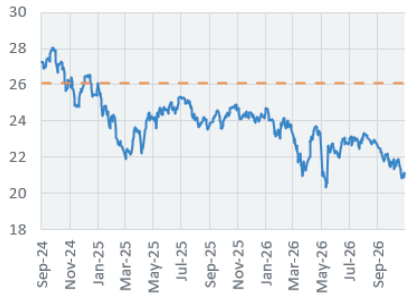
Debt, Forex and Commodity

Central banks hiking interest rates, surging global bond yields, high crude oil prices, weakening INR and FII sell-off have continued to be major headwinds for the equity market this month as well. US Federal Reserve, European Central Bank, and Bank of Japan hiked their respective interest rates by 25 bps in September. The 10-year US Treasury Bond yields rose by nearly 50 bps in September to a 25-year high to 5.27%. UK and Japanese 10-year government bond yields are also at multi-decade highs at levels last seen in the late 90s / early 2000s. In its October monetary policy committee meeting, the RBI raised the repo rate by 25 bps to 5.5%. The 10-year G-Sec yield rose 23 bps to close the month at 7.41%. The 364-day T-Bill yield rose by 49 bps, indicating shrinking surplus liquidity in the banking system. The yield creep was higher in the shorter range of the yield curve, with the 91 Day T-Bill yield rising by 41 bps. High developed market bond yields are negative for equities, especially emerging market equities, as it triggers risk off sentiment among global investors / FIIs as Government Bonds become more attractive and FIIs shift their allocation from emerging market equities to US Treasury Bonds.

Valuations

The overall geopolitical, economic, and market environment is uncertain. However, current valuations provide attractive entry points for long-term investors. 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 mid-cap stocks. The large-cap PE multiple is well below 20, which is reasonably attractive if we compare with historical valuations. The mid-cap PE multiple is around 26, which puts it in the attractive zone compared to the historical PE multiple. Small-cap valuations have fluctuated considerably. From September 25 to March 26, the small-cap PE fell from 30 to 24, but valuations jumped again to 34 – 35 levels. Even though valuations have moderated, at a benchmark index level, small-cap valuations are still above 30.

PE Ratio – Broad Market (Nifty 500)



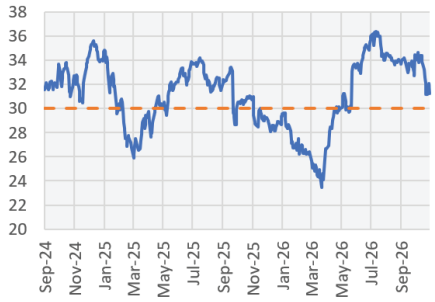
PE Ratio – Large Cap (Nifty 100)



PE Ratio – Midcap (Nifty Midcap 150)



PE Ratio - Small Cap (Nifty Small cap 250)



Source: NSE. Advisorkhoj Research. As on 31st October 2026. PE ratios are based on Trailing Twelve Months (TTM) Earnings Per Share (EPS).
Orange dashed lines represent long term (10 year) average PE ratios

The market bounced back from lower levels with support from domestic investors and FIIs in pre-Diwali rally. AI trade reversal and signal given by the Government on capital gains taxation has supported momentum in the market. Our consumption-oriented economy, fiscal consolidation, rising per capita income and favourable demographics support the long-term India Growth Story. Indian companies are likely to benefit from the structural reforms made by the Government e.g. Atmanirbhar Bharat, Make in India, Digital India, Atal Innovation Mission, Defence sector reforms, labour law reforms etc. Investors should continue to invest through SIP and have a long investment horizon.

Bite Sized Trivia

In the last 20 years large cap funds on average gave positive returns over 5 year investment periods in 98% of instances

Large cap funds on average gave double digit (10%+) returns in 77% of the instances over 5 year investment periods

Average rolling returns of large cap funds over 5 year investment periods was 11%.

In the last 20 years mid cap funds on average gave positive returns over 5 year investment periods in 99% of instances

Mid cap funds on average gave 12%+ returns in almost 80% of the instances over 5 year investment periods

Average rolling returns of mid cap funds over 5 year investment periods was 16%.

In the last 18 years small cap funds on average gave positive returns over 5 year investment periods in 99% of instances

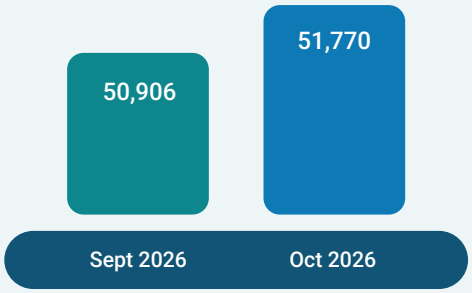
Small cap funds on average gave 12%+ returns in 86% of the instances over 5 year investment periods

Average rolling returns of small funds over 5 year investment periods was 18%.

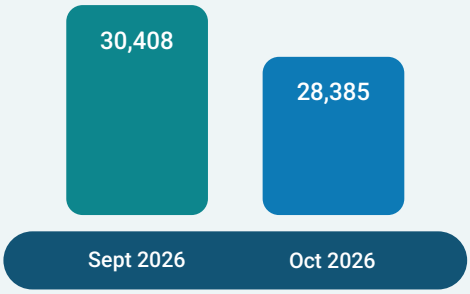
Market Roundup - *Global Markets*

AI stocks crashed due to increasing investments in data centres and no clear visibility on revenues.

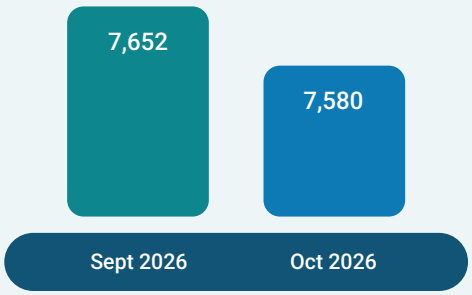
Dow Jones : **1.7% MOM** ↑



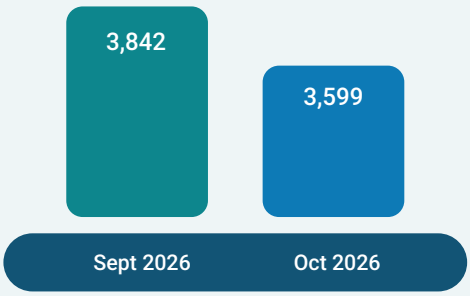
Nasdaq 100 : **- 6.5% MOM** ↓



S&P 500 : **- 0.93% MOM** ↓



Shanghai Composite : **- 6.33% MOM** ↓

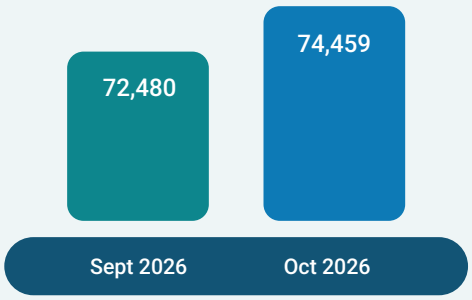


*Index values are closing prices on the last trading sessions of the respective months

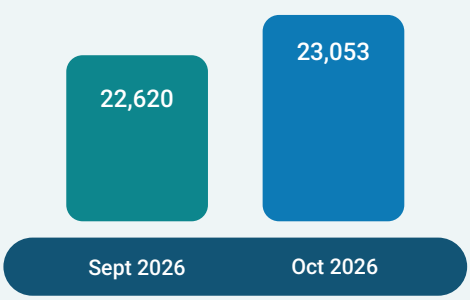
Market Roundup - *Indian Equity Market*

AI trade reversal and hope of end to US / Iran War sparked off rally in Indian equity market. Market may maintain uptrend till the Union Budget with expectation of incentives for foreign and domestic investors.

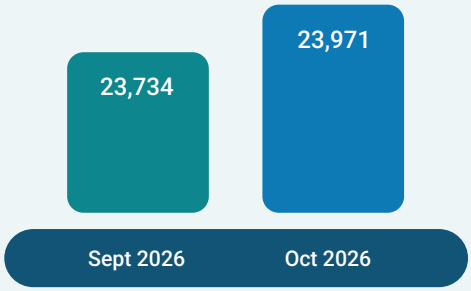
Sensex : **2.7% MOM** ↑



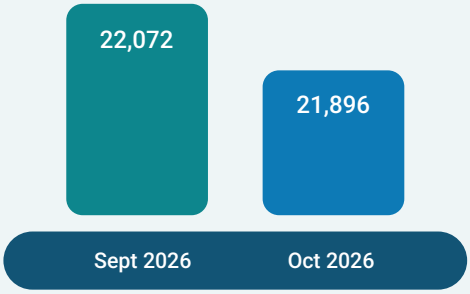
Nifty 50 : **1.9% MOM** ↑



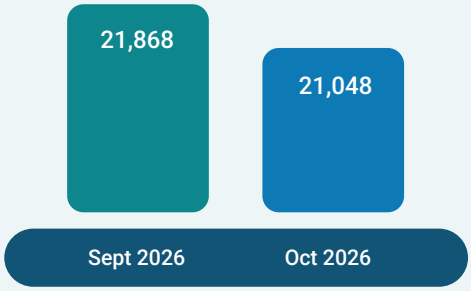
Nifty 100 (Large Cap) : **1.0% MOM** ↑



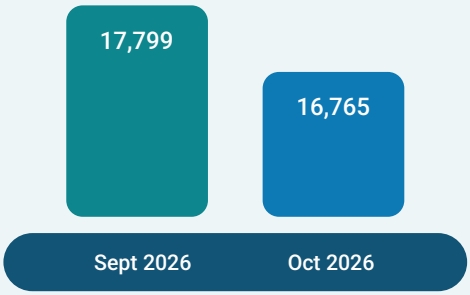
Nifty 500 (Broad Market) : **-0.8% MOM** ↓



Nifty Midcap 150 (Midcap) : **- 3.7% MOM** ↓



Nifty Small Cap 250 (Small cap) : **-5.8% MOM** ↓

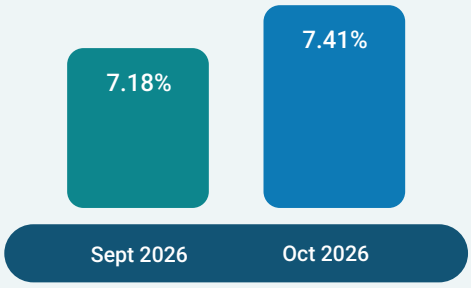


*Index values are closing prices on the last trading sessions of the respective months

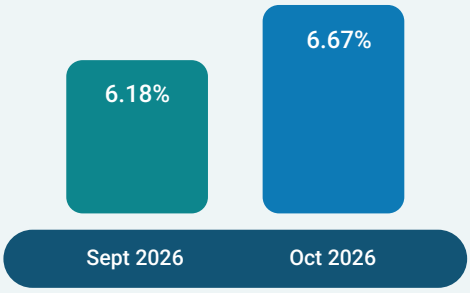
Market Roundup - *Debt and Forex Market*

Yields rose due to inflation expectations. Crude oil prices have retreated in last few days on hopes that the US Iran War will come to an end. The mid term defeat of Republicans in the US has strengthened expectations of lower inflation.

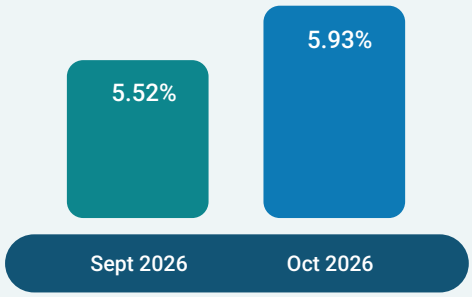
10 year G-Sec Yield* (%) : **23.0 bps MOM** ↑



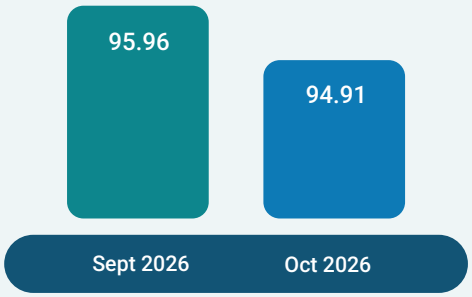
364 Day T-Bill Yield* (%) : **49 bps MOM** ↑



91 Day T-Bill Yield* (%) : **41 bps MOM** ↑



USD to INR : **- 11 bps MOM** ↓

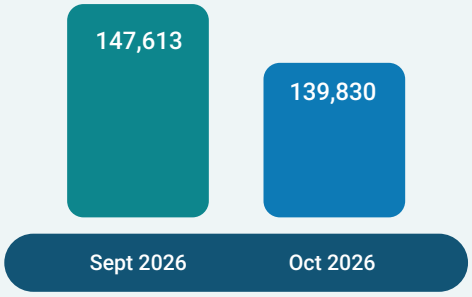


*Yields as on the last auction days of the respective months. Source: RBI

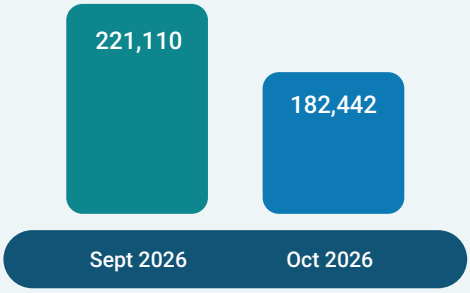
Market Roundup - *Commodities Market*

Precious metals crashed in the last few trading sessions in the month of October. While high inflation usually triggers gold and silver price rise, global investors / FIIs have been more attracted to US Government Bonds. With interest rates high, the interest income from Government bonds make them more attractive than Gold and Silver.

Gold (INR per 10 grams) : **- 5.27% MOM** ↓



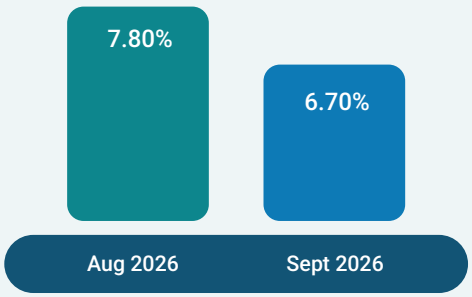
Silver (INR per kg) : **- 17.5% MOM** ↓



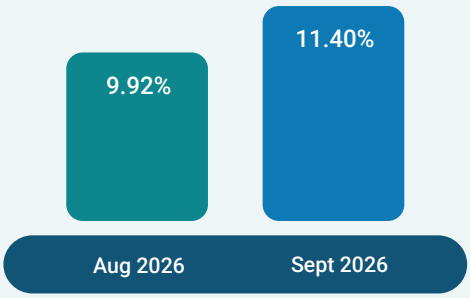
*Commodity prices are based MCX closing spot prices on the last trading sessions

Economic Indicators

Index of Industrial Production* : **1.1%** ↓



Wholesale Price Index* : **1.42%** ↑



*Based on latest Government published data.

Knowledge Bite: GIFT City IFSC- India's Gateway to Global Diversification

GIFT City's International Financial Services Centre (IFSC) is a two way bridge connecting foreign and Indian investors to Indian and global markets respectively. For foreign investors and NRIs, GIFT City provides its exposure to Indian equity market, real estate and alternative assets, while providing regulatory oversight and tax efficiency. For Indian investors, GIFT City provides global market access and investment opportunities that may not always available when investing through International mutual funds or Fund of Funds (FOFs). For instance, SEBI and RBI has enforced a $ 7 billion limit for the entire mutual fund industry and a $ 1 billion sub-limit for individual AMCs for investments in international securities. If the industry as whole or individual AMCs approach respective limits, they stop accepting new investments in international funds / FOFs. On the other hand, GIFT City always provide Indian investors exposure to global market subject to Liberalised Remittance Scheme (LRS) limit set by RBI.

Global investment opportunities for Indian investors – Outbound funds

- **Feeder funds / FOFs:** Exposure to international markets (developed markets, emerging markets, global markets i.e. both developed and emerging markets), specific sectors / segments (e.g. Technology, Blue-chip stocks etc), international ETFs etc through feeder fund structures.
- **Alternative Investment Funds:** Category III AIFs can pursue more flexible strategies than traditional mutual funds, including global allocation strategies, long-short approaches, and concentrated international portfolios.
- **Portfolio Management Services:** PMS can provide customised global portfolios for Indian investors.

AMC	Retail / HNI	Structure	Asset categories
DSP	Retail	IFSC - Retail	Global equity
PPFAS	Retail	IFSC - Retail	NASDAQ 100, S&P 500 (US)
PPFAS	HNI	PMS	Global equity (value strategy)
Edelweiss	Retail	IFSC Retail - Feeder	Greater China, US Technology stocks
Marcellus	HNI	PMS	Global equity
Mirae	HNI	AIF	Global market ETFs
ABSL	HNI	AIF	Global blue Chips
Kotak	Retail	IFSC - Retail	Global equity
HDFC	Retail	IFSC - Retail	Developed markets, Emerging markets
Whiteoak	HNI	AIF	Emerging Markets (excluding India)
Unifi	HNI	AIF	60% US, 8% Taiwan, 32% others

While retail schemes offer regular investors global market exposure, AIFs and PMS can serve sophisticated investors seeking customized strategies, alternative assets with no prescribed diversification limits. Resident Indians can remit up to $250,000 annually through the LRS route for GIFT City investments. GIFT City products are taxed at a fund level and not an investor level. The fund will pay long and short term capital gains tax as per applicable tax rules. The tax paid of the fund will not appear in the investor's 26AS statement since the tax will be paid under the scheme's PAN. The redemption proceeds are credited to the investor's bank account will be net of tax.

Investment opportunities in Indian market for foreign investors and NRIs – Inbound funds

GIFT City products provide global investors, including foreign portfolio investors, family offices, OCIs and NRIs, exposure to Indian equities, debt and alternative assets, without requiring the investors to navigate the full domestic regulatory onboarding process. For NRIs, GIFT City can be particularly attractive. It provides a route to invest in India-focused funds and securities through an international platform, while potentially offering operational, and tax efficiencies compared with investments through traditional routes.

AMC	Retail / HNI	Structure	Asset categories
HDFC	HNI	Cat III AIF - Feeder	Midcap, Small Cap, Flexicap, Nifty 50, Diversified Equity FOF
Sundaram	Retail	Feeder	Midcap
ABSL	HNI	Cat III AIF - Feeder	Flexicap
Mirae	HNI	Cat III AIF - Feeder	FOFs investing in Mirae diversified and thematic funds
Motilal Oswal	HNI	Cat III AIF – Feeder	Feeder into large and midcap fund, Investing in companies with founder's stake of more than 26%
DSP	HNI	Cat III AIF	India opportunities (diversified equity)
Carnelian	HNI	Cat III AIF	Long only flexicap
Kotak	HNI	Cat II and III AIFs Feeder	Equity funds, special situations funds, infrastructure investments, real estate AIFs
Edelweiss	HNI	Cat III AIF - Feeder	Multi manager FOFs
Nippon	HNI	Cat III AIF - Feeder	Large cap, Nifty 50, Long - Short

Benefits for Resident Indians and NRIs investing through GIFT City

- **No STT / CTT:** There is no Securities Transaction Tax / Commodities Transactions Tax and stamp duty on investments made through GIFT City.
- **Low entry thresholds for retail schemes:** While AIFs have minimum threshold of $150,000, retail schemes have much lower thresholds ($500 to $5,000) to enable wider participation from retail investors.
- **Exposure to sophisticated investment strategies for HNIs:** While entry threshold for Cat III AIFs is high, HNIs can get exposure to sophisticated investment products (both inbound and outbound) through AIFs.
- **No capital gains tax:** There is no capital gains tax in India for investments from overseas bank account by NRIs in GIFT City schemes specified under Section 10 (4d) of Income Tax Act). For Resident Indians, tax events may be triggered in GIFT City investments, unless they are investing in Cat III AIFs which are taxed at a fund level.
- **Access to global and Indian markets:** Provides access to Indian and international market through a single platform providing global diversification benefits to investors.
- **Simple onboarding process:** You may have to submit your KYC documents, even if you are an existing mutual fund investor. Your financial advisor or mutual fund distributor will advise you on the KYC requirements. Once the KYC process is complete, you can remit your funds to scheme's IFSC account and start investing.

Summary

AIFs in GIFT City may carry high minimum investment thresholds from $150,000 for regular investors and $50,000 for accredited investors in certain structures. Resident Indian investors should factor in foreign currency expenses e.g. children studying abroad in their GIFT City investment planning since investment in GIFT City schemes will be subject to RBI's overall LRS limit of $250,000 in a financial year.

NRIs need to decide how they want to invest in GIFT City i.e. through overseas bank account (most common), NRE or NRO accounts, since there will be implications on convertibility, repatriation and taxation. NRIs also need to factor in double taxation avoidance agreement (DTAA) implications when investing in GIFT City. For products that are taxed at fund level e.g. Cat III AIFs, registration for DTAA is not required but the need for DTAA registration may arise for other products.

You should clearly understand the terms e.g. lock-in period, exit load, how redemptions will be paid, tax implications, investment strategies and risk factors before investing. Since schemes offered through GIFT City are usually complex, investors should consult with mutual fund distributors, empanelled with AMCs offering GIFT City schemes, for end to end guidance in their investment journey.

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	7.30	7.65
LIC Housing Finance	12 to 60	7.35	7.60
Mahindra & Mahindra Financial Services Limited	12 to 60	7.80	8.15
PNB Housing Finance Limited	12 to 60	7.40	7.65
Shriram Finance Limited Unnati Deposits	12 to 60	7.85	8.40

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



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Investment decisions... *now easy!*

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

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New Delhi – 110019

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- 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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