

December 2025

MARKETS ARE A CHRISTMAS TREE- EACH ORNAMENT TELLS A STORY

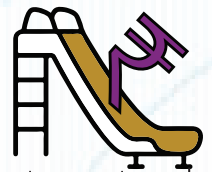
Dear Clients,

November unfolded like a Christmas scene steadily coming into focus, as fresh economic signals added new warmth and colour to the month. Inflation softened like the first gentle snowfall of December, helped by easing food prices and the lingering benefits of GST rationalisation. With the air turning cooler and calmer, expectations for a December rate cut grew stronger; much like waiting for a wrapped present under the tree that everyone knows is about to be opened.



India brought its own festive brilliance with a striking GDP growth of 8.2% in Q2 FY26. What made the tree glow even brighter was how widespread the strength was : manufacturing, construction, and services all lit up at once, creating a rich, warm display of both consumption and investment. Corporate earnings added more ornaments to the tree, with banks, autos, industrials, and capital goods showing strong demand and expanding margins, and even globally exposed sectors like IT and chemicals slowly regaining their shine.

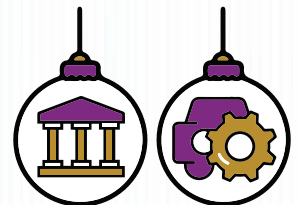
Exports lit up again, adding fresh sparkle even as the rupee's slight weakening felt more like a passing winter breeze than a real chill. Global cues flickered but leaned supportive, with central banks signalling future easing and India's strong reserves acting as the sturdy stand keeping the Christmas tree steady.



Just like a tree that stands strong when the right ornaments hold it together, our investments remain anchored in high-conviction names which fit our value-migration theme and have strong entry barriers. These are the ornaments that keep shining even when the lights around them flicker.

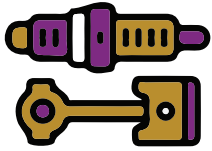
LIGHTS THAT BRIGHTENED THE SEASON

As the Christmas tree glowed through a busy results season, some ornaments shone especially bright - **Muthoot Finance** and **Pricol** added clear, festive brilliance with strong performance and strategic momentum while others like **Sanghvi Movers** and **Schneider** offered a softer, steadier light. Together, these contrasting glimmers created a balanced, harmonious glow across the tree, setting the stage for brighter moments in the seasons ahead.



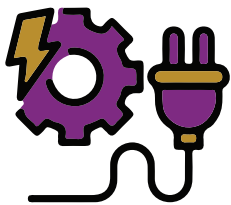
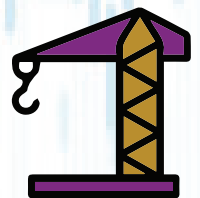
Muthoot Finance Limited delivered an outstanding Q2 performance, boldly elevating its FY26 growth guidance from 15% to 30-35%, fuelled by rising gold prices, powerful industry tailwinds and a steadfast regulatory landscape. Profitability is poised for seamless normalization following

consolidation, underpinned by healthy margins and accelerating asset quality enhancements through proactive NPA recoveries.



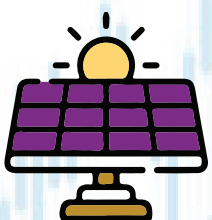
Pricol Limited emerged as a standout performer this month, capitalizing on the powerful synergies from its strategic acquisition of Sundaram Auto Components unlocking exciting opportunities in precision plastic products. Robust industry tailwinds amplify Pricol's edge, with impending ABS regulations set to ignite demand for its disk brakes starting next year, propelling a vast market opportunity. Pricol has already secured substantial orders from leading domestic OEMs, positioning it for accelerated growth.

Sanghvi Movers Limited encountered temporary headwinds this quarter, primarily from elevated operating costs tied to its promising Saudi expansion launch. Despite this, other business verticals delivered solid performance, bolstered by a strong order book. Management had anticipated these near-term pressures and remains prepared to leverage its strengths for enhanced resilience and growth in the coming periods.



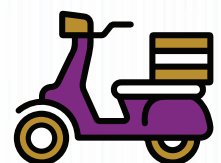
Schneider Electric Infrastructure saw margin pressure in the recent quarter as higher raw-material and input costs weighed on profitability. Despite this near-term profit booking, the company's long-term fundamentals remain strong supported by robust grid-modernisation demand, a healthy order pipeline, and ongoing capacity expansion.

We have added **Amber Enterprises India Limited** to our stock universe, perfectly aligned with the value migration theme of globalization to nationalization driven by its strong positioning in the fast-growing EMS sector. Amber Enterprises is well-positioned for strong growth, supported by its strategic acquisitions in PCB manufacturing and the benefits of the Electronics Component Manufacturing Scheme (ECMS).



Waaree Energies Limited has been added to our universe as a part of gaining exposure into the solar industry. Waaree is one among the India's largest solar module and cell manufacturer and aligns with our value migration theme of globalization to nationalisation. The positioning of company across the solar value and diversification into BESS, Inverter business and Green Hydrogen among others strengthens the company's position in renewable space.

Eternal Limited has been added to our universe, fitting well with the value migration theme of physical to digital. The company stands out as a leader in the emerging quick commerce segment with the backbone of profitable food delivery business. Gaining exposure in the quick commerce segment is crucial as convenience rapidly becomes a fundamental expectation for consumers in today's fast-paced world..

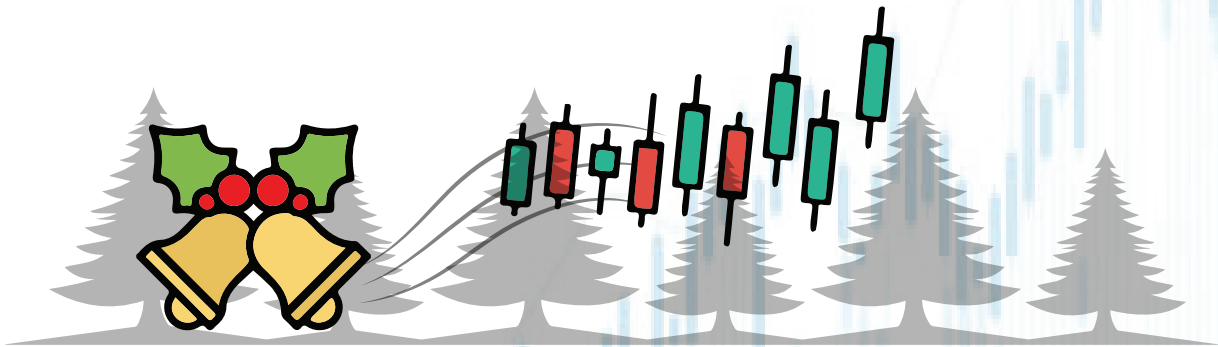


We exited International Gemmological Institute India Ltd (IGIL) as part of our shift toward higher-conviction, structurally stronger themes with clearer long-term visibility. While IGIL remains the leader in lab-grown diamond certification, backed by brand trust, technical expertise, we chose to reallocate our capital to opportunities with sharper growth catalysts within our thematic framework.



Note: The stocks mentioned above are part of a broader stock universe of approximately 50 stocks that we actively track. Individual portfolio holdings may vary based on factors such as market conditions, portfolio strategy, and timing of entry. These stocks are highlighted for reference and may not be present in all client portfolios.

CLOSING THE YEAR WITH A CHRISTMAS FLOURISH



As the Christmas season settles in, November feels like the quiet moment by the fireplace; when you pause, reflect, and prepare for the next chapter. Markets, too, move through these cycles of activity and calm, each phase shaping the strength of what comes next. Our focus remains on businesses built to withstand seasons of change - those with deep competitive strength, clear value migration tailwinds, and resilience at their core.

Thank you for sharing this journey with us as we look forward to the opportunities the new season will bring. Wishing you and your family a bright and sparkling Christmas filled with peace, joy, and new beginnings.

Merry Christmas and Happy New Year !

**Warm regards,
Team Hedge**

Disclaimer:

The information contained in this report, website, or email does not constitute an offer to sell or solicit an offer to buy any security. **It is prepared for private circulation only** and is not intended as financial advice. Hedge Equities Ltd assumes no responsibility for any investment decision made based on this information. None of the materials constitute a prospectus under any jurisdiction's applicable laws. The content is confidential and intended solely for the personal use of the recipient. It must not be reproduced, redistributed, or shared without prior written consent from Hedge Equities Ltd. While the information and opinions are derived from sources believed to be reliable, Hedge Equities Ltd makes no representation or warranty regarding their accuracy, completeness, or timeliness. Investments in securities or other financial instruments carry inherent risks, and past performance does not guarantee future results. Hedge Equities Ltd does not guarantee the correctness or reliability of the data presented and disclaims any liability for errors, omissions, or any decisions made based on this content. Unauthorized use, dissemination, or copying of this material, in whole or part, is strictly prohibited. Recipients of this information are not considered clients of Hedge Equities Ltd by virtue of receiving this material.