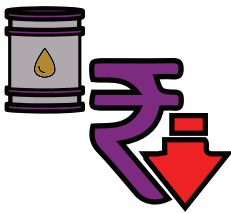
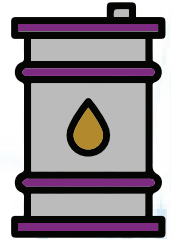


April 2026

## IN TURBULENT TIMES, RETURNS FOLLOW DISCIPLINE; AND DISCIPLINE BEGINS WITH ALLOCATION.

Dear Clients,

March 2026 has unfolded like a reminder of how quickly the global narrative can change. What began as geopolitical friction involving the United States, Israel, and Iran has now extended into the economic bloodstream of the world through the Strait of Hormuz. With a significant portion of global oil supply disrupted, crude prices have surged past \$110 per barrel, driven as much by uncertainty as by actual supply concerns. The ripple effects have pushed currencies, inflation expectations, and global markets into a more volatile phase.



For India, these developments have translated into a familiar pattern. Elevated oil prices have put pressure on the rupee, while foreign investors have turned sellers amid a broader risk-off sentiment. Equity markets have turned volatile, balancing global concerns with domestic strength. At the same time, a parallel shift is unfolding: the AI story is being rewritten. While concerns around job losses remain, the focus is steadily moving toward efficiency gains and stronger revenue growth. Companies and investors alike are beginning to prioritize durable earnings and consistent free cash flow. Alongside this, India's move to ease foreign investment rules for neighbouring countries signals a practical approach—supporting growth and capital inflows while managing geopolitical realities. It reflects an understanding that long-term economic momentum must be preserved even as short-term uncertainties play out.

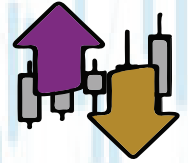
In such an environment, the importance of asset allocation becomes especially evident. A well-constructed hybrid portfolio is designed precisely for phases like this, where different assets respond differently to the same global event. While equities may face intermittent pressure due to global developments and foreign outflows, the presence of debt helps cushion the overall portfolio, reducing the impact of sharp drawdowns. This balance allows investors to remain invested without being forced into reactive decisions, which are often driven more by emotion than by long-term strategy.



Looking ahead, uncertainty is likely to persist in the near term. The trajectory of the Middle East conflict, the direction of oil prices, and the behaviour of global capital flows will continue to influence market sentiment. However, markets

tend to find their footing once there is greater clarity—even if the news itself is not entirely positive. Over the medium term, India’s structural growth drivers, coupled with adaptive policymaking, remain intact.

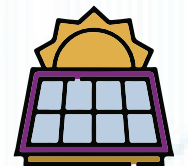
In essence, this phase is a reminder that market ups and downs are normal. What matters is having a balanced investment approach, so you’re not overly affected by sudden changes. Having spread investments across different assets helps you stay steady. It lets you ride through the noise with more confidence, keeping your focus where it truly belongs—on your long-term goals.



## NAVIGATING VOLATILITY WITH CONVICTION

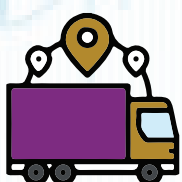
The portfolio experienced volatility during the period, in line with broader market movements. Within this environment, we saw a mix of outperformers and underperformers. **Waaree Energies** and **Zydus Wellness** emerged as the key movers, while **SBI**, **BankBees**, and **Blue Dart** lagged during the month.

The recent rise in crude oil prices has indirectly accelerated the shift toward renewable energy. As traditional energy becomes more expensive, the case for clean energy strengthens. **Waaree Energies**, being a prominent player with strong integration across the solar value chain, is well-positioned to benefit from this transition. Its performance reflects growing investor confidence in this long-term structural trend.



Amid rising geopolitical tensions, investors have gravitated toward defensive sectors such as FMCG. **Zydus Wellness** has benefited from this shift, supported by its strong portfolio of everyday health and nutrition brands like Sugar Free, Complian, Glucon-D, and Nycil. These products cater to essential consumer needs, which tend to remain stable even during periods of uncertainty, making the company a reliable performer.

The banking sector faced pressure as global uncertainties raised concerns about economic growth. Additionally, rising bond yields have increased the cost of funds for banks, weighing on investor sentiment. However, this appears to be a short-term challenge. The underlying fundamentals remain strong, with non-performing assets (NPAs) under control and expected to improve further. We continue to maintain a constructive long-term view on the sector.

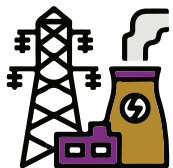
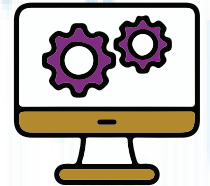


Rising crude oil prices have also affected the logistics sector, and **Blue Dart** has not been immune. Higher fuel costs, combined with concerns around global slowdown and supply chain disruptions, have created near-term pressure on margins. That said, these challenges appear cyclical in nature. As crude oil prices stabilize, we expect margin pressures to ease, supporting a recovery in performance.

## POSITIONING FOR FUTURE GROWTH

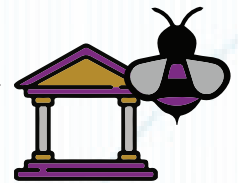
We have recently added a set of carefully selected investments to the portfolio, aimed at capturing emerging opportunities across key sectors of the economy. These additions include **Nippon India ETF Nifty IT**, **Groww BSE Power ETF**, **Azad Engineering**, **Nippon India ETF Nifty BankBees**, and **Swiggy**.

The **IT sector** has seen a sharp correction due to concerns around the rapid rise of Artificial Intelligence. However, this reaction appears overdone, creating an opportunity for better risk-adjusted returns. Additionally, IT companies tend to be less affected by oil price shocks and can benefit from a weakening rupee, making them a useful hedge in the portfolio.



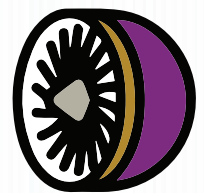
The **Power sector** is experiencing strong growth, driven by rising energy demand. Factors such as the expansion of data centres, increasing AI adoption, and modernization of power grids to support renewable energy are fueling this trend. To capture this opportunity broadly, we have added the **Groww BSE Power ETF** to the portfolio.

**Banks** play a crucial role in supporting economic growth. With India's macroeconomic fundamentals remaining strong, the banking sector currently offers attractive valuations. To benefit from this, we have included **Nippon India ETF Nifty BankBees** in the portfolio.



**Swiggy** is evolving from a food delivery platform into a full-stack convenience provider. Its rapid growth in the quick commerce segment, reflects a shift in consumer behavior toward instant gratification. Swiggy is well-positioned to capture this fast-growing market.

**Azad Engineering** operates in a highly specialized segment, manufacturing complex and critical components such as turbine blades and airfoils for gas, nuclear, and thermal industries. The technical complexity and precision required in this field make the company stand out as a unique player.



*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.*

## THE WAY FORWARD




As the portfolio evolves alongside changing market conditions, these actions reflect a deliberate and forward-looking reallocation, balancing near-term opportunities with long-term conviction while staying anchored to the Hybrid Portfolio's core philosophy. By adding exposure to structural growth themes, the portfolio is thoughtfully positioned for resilience today and relevance in the years ahead.

Warm regards,  
Team Hedge

 [www.hedgeequities.com](http://www.hedgeequities.com)

 [info@hedgegroup.in](mailto:info@hedgegroup.in)

 +9193493 12345

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