Hybrid PMS Newsletter

November 2026

Looking Beyond Volatility Towards Long-Term Growth

October was another eventful month for Indian financial markets, marked by persistent geopolitical tensions, elevated crude oil prices, tighter monetary conditions and continued foreign investor selling. While benchmark indices recorded modest gains, broader markets remained under pressure, reflecting cautious investor sentiment and increasingly selective capital allocation.



Geopolitical tensions in West Asia kept Brent crude elevated at around $117 per barrel, up nearly 10% during October. Higher oil prices pose risks to India's import bill, rupee, inflation and corporate profitability. Meanwhile, elevated US Treasury yields and uncertainty over the Federal Reserve's policy outlook continued to attract capital towards dollar assets, contributing to foreign investor outflows from Indian equities. Domestic institutional buying helped partly offset this pressure.

Global investors also became more cautious about AI-related stocks. After a strong rally in semiconductor, technology and data-centre businesses, attention is shifting towards whether heavy AI investments can deliver sustainable profits and adequate returns. The long-term opportunity remains promising, but valuations are facing greater scrutiny.

Weather risks added another concern, with the possibility of a strong El Niño raising fears over global agricultural production and food security. While countries such as the UK, Japan and Taiwan face supply-chain vulnerabilities, India remains relatively better positioned due to its agricultural base, foodgrain reserves and distribution network. However, uneven rainfall could still affect crop output, rural demand and food inflation.

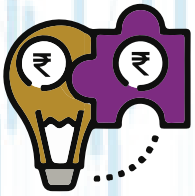


On the domestic front, the RBI raised the repo rate by 25 basis points to 5.50% amid rising inflation concerns. September retail inflation increased to 5.54% from 4.83% in August, while food inflation reached 7.74%. The RBI revised its FY27 inflation forecast to 5.2% and GDP growth projection to 7.1%, reflecting the challenge of balancing inflation control with economic growth.

Large IPOs also absorbed significant market liquidity. Jio Platforms' record ₹30,000 crore IPO, alongside other major offerings, diverted capital towards the primary market, temporarily reducing liquidity in listed equities and adding pressure on mid- and small-cap stocks.

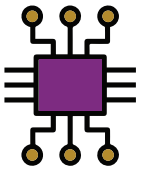
For Private Circulation Only

Despite these pressures, India's economy remained resilient, supported by consumption, manufacturing, services and infrastructure investment. Continued government spending and improving private investment activity provided further support to the growth outlook.



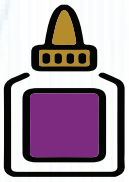
Indian equities showed a mixed recovery during October. The Nifty 50 gained approximately 1.9%, while the Nifty IT index rose nearly 17.7%, although broader markets remained under pressure. The ongoing earnings season has been relatively encouraging, with several companies reporting improved revenue growth and profitability compared with previous quarters. However, performance remains uneven, and sustained earnings improvement will be important for a broader market recovery.

October demonstrated that market uncertainty persists despite India's strong economic fundamentals. While global risks, inflation and liquidity conditions may cause short-term volatility, domestic demand, investment growth and improving corporate earnings continue to support India's long-term prospects.



For our Hybrid PMS portfolio, we continue to balance equities for long-term growth with high-quality fixed income for stability, regular income and diversification. This approach helps manage volatility while allowing us to take advantage of attractive investment opportunities as they emerge.

From the Portfolio Desk



October was a month of maintaining portfolio discipline amid changing market conditions. We made no changes to the Hybrid PMS portfolio, as we continue to remain confident in the long-term prospects of our existing holdings. Our focus remains on business fundamentals, earnings visibility and valuations rather than reacting to short-term market movements.



ITBEES and **Adani Ports** emerged as the strongest performers during the month. **ITBEES** benefited from the relative strength in the IT sector, while **Adani Ports** reflected the long-term opportunity in India's expanding trade, infrastructure and logistics ecosystem. On the other hand, **ICICI AMC** and **Muthoot Finance** were the key detractors, facing pressure amid broader market volatility and changing investor sentiment.



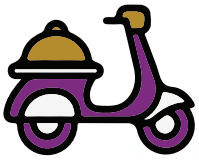
We continue to assess our holdings based on business quality, competitive advantages, earnings growth potential and valuation attractiveness. Short-term price fluctuations do not necessarily reflect changes in underlying business fundamentals, and we remain focused on owning quality businesses capable of delivering sustainable returns over time.

Note: The stocks mentioned above are part of a broader stock universe of approximately 75 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.

Positioning for the Months Ahead

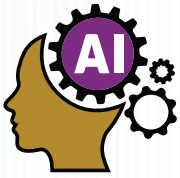


As we move into November, global uncertainties, geopolitical tensions and changing liquidity conditions may continue to influence market sentiment. Meanwhile, the ongoing corporate earnings season will provide important insights into business performance, margin trends and earnings growth, helping us assess company fundamentals and identify potential investment opportunities. Periods of market volatility also offer opportunities to selectively invest in quality businesses at more attractive valuations.



Our Hybrid PMS strategy is particularly well suited to navigating such market conditions. The combination of equities and high-quality fixed income provides a balance between long-term growth and portfolio stability.

We encourage investors to remain patient, look beyond short-term market noise and stay focused on long-term wealth creation. Market corrections are a natural part of investing and often provide opportunities for disciplined investors. By maintaining a balanced allocation, investing in quality businesses and allowing time for their earnings to compound, we believe the portfolio remains well positioned to participate in India's long-term growth journey.



Warm regards,
Team Hedge

www.hedgeequities.com info@hedgegroup.in +9193493 12345

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.

For Private Circulation Only