6th Aug, 2026

Dear Investor,

The broader market remained cheerful during July 2026 post the on and off cease fire declaration. The benchmark remained stable and marginally up 1% with Nifty closing at 24383, breaking the resistance levels of 24000. While the crude prices came off to around $80 /barrel the better news was the return of FPI with increasing volatility in the tech market.

Return of foreign money in equities:

Foreign investors are showing renewed confidence in Indian markets as they turned net buyers in July after four consecutive months of selling, investing around $ 3 billion despite geopolitical tensions in West Asia and elevated crude oil prices. It is the highest monthly buying since June 2025. Indian markets are now looking attractive again to foreign investors again as the AI-driven rally in markets such as South Korea and Taiwan loses steam. We believe that the 'FOMO' (fear of missing out) AI trade drove massive rallies in other Asian markets cools off, India may now benefit.

Better than expected Q1 performance:

The 1Q 2027 performance has been better than expected post the calming down of the conflict, with the intensity of earnings cuts moderating. Further, the beat-miss ratio the several Index participants with most exceeding the estimates. Over the past two years, the Indian market has experienced a phase of heightened volatility, prolonged consolidation, and time correction, driven by uncertainties related to the US trade tariff war, evolving domestic policy dynamics, energy price shocks, and supply disruptions stemming from the West Asia conflict. India has largely borne the brunt of these geopolitical shocks. It initially faced a higher US tariff burden and subsequently grappled with elevated energy prices, which weighed on key macroeconomic indicators.

RBI policy decision of continuity:

The Reserve Bank of India (RBI), in its latest monetary policy review, raised its FY27 GDP growth forecast to 6.7% from 6.6% while keeping the repo rate unchanged at 5.25% and maintaining a neutral policy stance. It also lowered its inflation projection to 5%, signaling confidence that current price pressures are largely driven by temporary supply-side factors. We believe India's economy is likely to grow faster than the Reserve Bank of India's revised FY27 forecast of 6.7%, citing resilient domestic demand, improving agricultural prospects and strong economic activity.

Outlook and Valuations:
With so much of volatility in AI chip stocks and with investors questioning the return on such massive investments at last some rational sense seems to prevail. This alone can involve diversion of capital in to India going forward. With better earnings outlook and reasonable valuations, India looks attractive post 2 years of consolidation. Having ridden thro bad times lets enjoy the ATH going forward. Stay invested like a rock.

Thanks with Regards,

CA Rakesh Doshi

Principal Officer & Fund Manager

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