WB Wealth Beacon

19-Sep-2025

Dear Reader,

In our last newsletter, we touched upon what might provide an up move to the Indian equity markets - tariff resolution or another GDP surprise. The somewhat visible thaw in India-US trade relations led to a small hope led up move in Nifty +2.26%. NASDAQ 100 continued to outperform with gains of +3.44%. The rally in US stocks is clearly led by AI - those are the stocks gaining massive market capitalization and investments continue to flow there. Some analysts have turned cautious on the US market - notably Chris Wood of Jeffries said that he is calling a top on US market capitalization as a percentage of worldwide capitalization at 67%. While nobody can predict the future, one can look at facts. (1) The biggest NASDAQ companies are actually global companies. e.g., Meta gets more than 60% of its revenue from outside the US, Alphabet's share is greater than 50%, Microsoft is at 49% and so on. (2) Those who work with AI believe that it is likely that AI will take up 5 to 10% of the services revenue - that's $2.5T to $5T of topline for all AI companies together.

While there may be a short term shakeout, we remain constructive on technology as an investment thesis. The author is also reminded of a book he read many years ago - The Price of Tomorrow by Jeff Booth. The book rightly argues that the traditional economy built on labour and capital is inflationary by design and technology is the ultimate deflator. Even a look at India shows that the biggest gains have been had in stocks applying technology to everyday operations - Zomato, PB Fintech etc. Note that technology is not just software - as an example, Intuitive Surgicals holds 60% share of the robotic surgery market. If you think about the biggest jumps in productivity of human society, those have been led by Technology - which requires R&D! Our hope is that India will also create large technology companies rooted in R&D - which is the only way for our economy to escape the middle economy trap in the next 2-3 decades.

In other news, this week saw the launch of India's first SIF - Specialized Investment Fund. The first SIF is a long-short fund from Quant AMC. In theory, these funds should do more quantitative trading including short positions and should outperform Mutual Funds in sideways and bearish markets. While we cannot recommend such funds just yet - we need some evidence and historical performance, SIFs offer a promising new addition to portfolios. Please contact our team in case you want to test the waters with SIFs. Last week, REITs were given parity with equity in terms of tax treatment and saw impressive gains. Our portfolios have benefitted from this change and we remain constructive on this asset class as a good diversification asset.

Happy Reading!
Wealth Beacon Team

If you haven't already gotten your portfolio analyzed and streamlined, you may contact us at:
contact@wealthbeacon.ai / http://www.wealthbeacon.ai

Disclaimer: Securities mentioned are illustrative and are part of our portfolios. (Meta, GOOG, MSFT, ISRG)

Wealth Beacon

Market Update

India Economic Indicators

Indicator	Aug-25	Jul-25'	Trend
CPI Inflation	2.07%	1.55%	Increaseing
WPI Inflation	0.52%	-0.58%	Increaseing
Trade Deficit	$9.88B	$11.72B	Narrowing
Fiscal Deficit (% BE)	17.90%	17.90%	

Source: MoSPI, CGA, DPIIT and Ministry of Commerce

India - G-Sec Yields

Tenor	Current	Last	Change
1-Year	5.77%	5.82%	-0.98%
5-Year	6.18%	6.24%	-0.99%
10-Year	6.51%	6.47%	0.52%

Source: CCIL RBI Weekly Statistical Supplement

Broader Indices Snapshot

Broad indices	2w	1m	YTD
NIFTY 50	2.34%	1.84%	7.67%
NIFTY 500	2.88%	2.15%	10.06%
NIFTY Midcap 150	3.44%	2.16%	14.54%
NIFTY Small cap 250	3.51%	2.67%	15.85%
S&P 500	2.81%	3.05%	13.31%
Nasdaq 100	4.14%	4.82%	17.20%

Source: NSE, Yahoo Finance

Key Valuation Ratios

Index	P/E	P/B	Div Yield
NIFTY 50	22.25	3.38	1.34
NIFTY 500	24.56	3.62	1.16
NIFTY Midcap 150	33.88	4.59	0.8
NIFTY Small cap 250	33.41	3.67	0.69
S&P 500	29.67	5.34	1.17
Nasdaq 100	33.14	4.52	0.68

Source: multpl, gurufocus

US Treasury Yields

Tenor	Current	1m	6m
US 10-Year Treasury	4.13%	4.30%	4.23%

Source: U.S. Department of the Treasury (home.treasury.gov)

Precious Metals

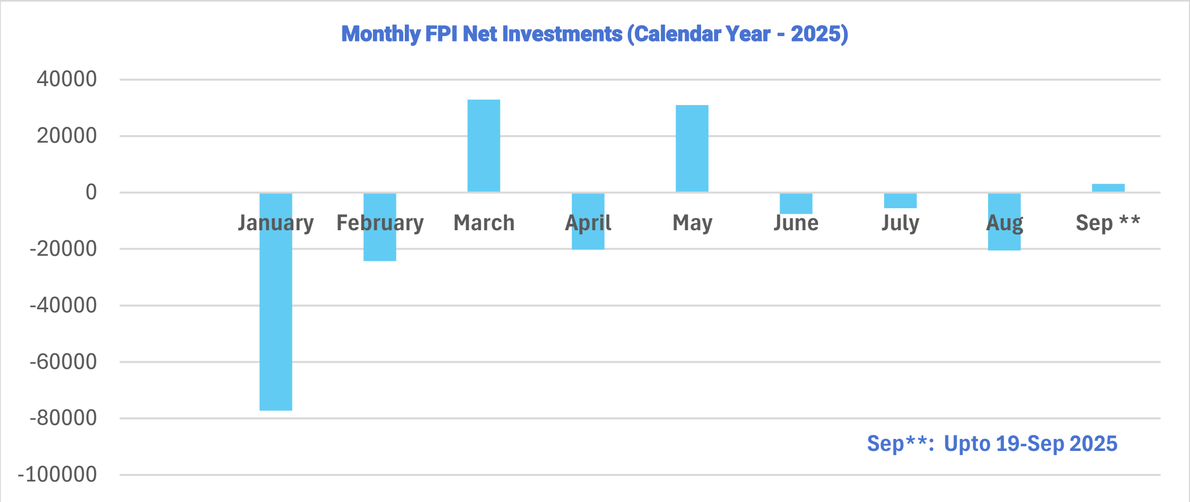
Broad indices	2w	1m	YTD
Gold (INR)	3.23%	10.48%	23.07%
Silver (INR)	3.92%	12.37%	27.18%

Source: IBJA

Currency Update

Currency	Current	1m	6m
U.S Dollar	88.07	87.31	86.91

Source: CEIC Data



Disclaimer

This document is intended solely for informational purposes and is not to be construed as financial, investment, or tax advice. The data, views, and opinions expressed are based on publicly available sources believed to be reliable but are not guaranteed for accuracy or completeness. The report does not consider the specific investment objectives, financial situation, or risk profile of any individual investor. Past performance is not indicative of future results. All mutual fund investments are subject to market risks. Please read all scheme-related documents carefully before investing. Readers are advised to consult their financial advisor before making any investment decisions. The planner/author accepts no liability for any loss arising from the use of this information.