05-Sep-2025

Dear Reader,

This weekend marks the start of festival season in India - season's greetings from our team. GoI has cut GST rates and the expectation is that this season will see increased household consumption expenditure. Estimates peg the impact at 0.16% boost to GDP - this has already been baked into the market levels and hence we did not see significant up move on the actual announcement. One big surprise was India's Q1 GDP growth coming in at 7.8%. While Indian macros are resilient, valuation concerns may continue the time correction for some more time. Another GDP surprise, or tariff resolution could become the trigger for the next up move. We remain very constructive on the long term outlook for Indian equities.

Gold and International equities have continued to outperform. We cannot stress enough the importance of diversification. Our basket of instruments beyond Indian equities includes Gold, REITs, Bonds and **International Equity**. International investing can be very rewarding - in fact the US market has been the best market over a 10 year period in dollar terms, delivering 14.55% CAGR. The second best was the Indian market, delivering 9.54% - that's a wealth gap of 1.56x! International investing also gives you access to successful business models that have no equivalence in India. A good example is AI stocks. Google (+22.5% CYTD), MSFT (+21.36% CYTD), NVDA (+24.11% CYTD) and a few other listed companies have benefitted massively from tailwinds in the sector. If you add in currency depreciation of INR, the gains are even more impressive. These companies are still trading at TTMPEs of 25, 37 and 49 respectively, which is cheaper than many stocks in India. International investing comes with a bunch of caveats though - including 40% inheritance tax on US-situs assets above $60K, higher volatility, significant efforts in tracking etc. Please be aware of recency bias before allocating money to US markets.

Currently, exposure to International equities is hampered via the MF route due to RBI's limit of $7B on Indian MFs as a whole. For our clients, we have a recommended method of taking international exposure via the LRS route. That's a route the author personally takes as well. If you are our Platinum/Diamond customer, please get in touch with our team for help regarding this.

In other news, our MF analysis algorithms received a significant upgrade this week. The new signal allows us to have confidence in schemes that are relatively new. This has resulted in a single change in the Medium Risk portfolio - we'll communicate that to our clients separately.

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

Wealth Beacon

Market Update

India Economic Indicators

Indicator	Jul-25	Jun-25	Trend
CPI Inflation	1.55%	2.10%	Cooling
WPI Inflation	-0.58%	-0.13%	Cooling
Trade Deficit	$11.72B	$18.78B	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	5.82%	5.74%	1.42%
5-Year	6.24%	6.29%	-0.69%
10-Year	6.47%	6.55%	-1.11%

Source: CCIL RBI Weekly Statistical Supplement

Broader Indices Snapshot

Broad indices	2w	1m	YTD
NIFTY 50	-0.48%	1.56%	5.22%
NIFTY 500	-0.71%	1.72%	6.96%
NIFTY Midcap 150	-1.21%	1.56%	10.70%
NIFTY Small cap 250	-0.86%	2.19%	11.92%
S&P 500	0.14%	1.35%	9.99%
Nasdaq 100	0.55%	-0.06%	12.16%

Source: NSE, Yahoo Finance

Key Valuation Ratios

Index	P/E	P/B	Div Yield
NIFTY 50	21.73	3.3	1.37
NIFTY 500	23.88	3.54	1.22
NIFTY Midcap 150	32.75	4.48	0.84
NIFTY Small cap 250	32.26	3.67	0.72
S&P 500	29.84	5.46	1.18
Nasdaq 100	34.19	4.61	0.71

Source: multpl, gurufocus

US Treasury Yields

Tenor	Current	1m	6m
US 10-Year Treasury	4.17%	4.22%	4.28%

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

Precious Metals

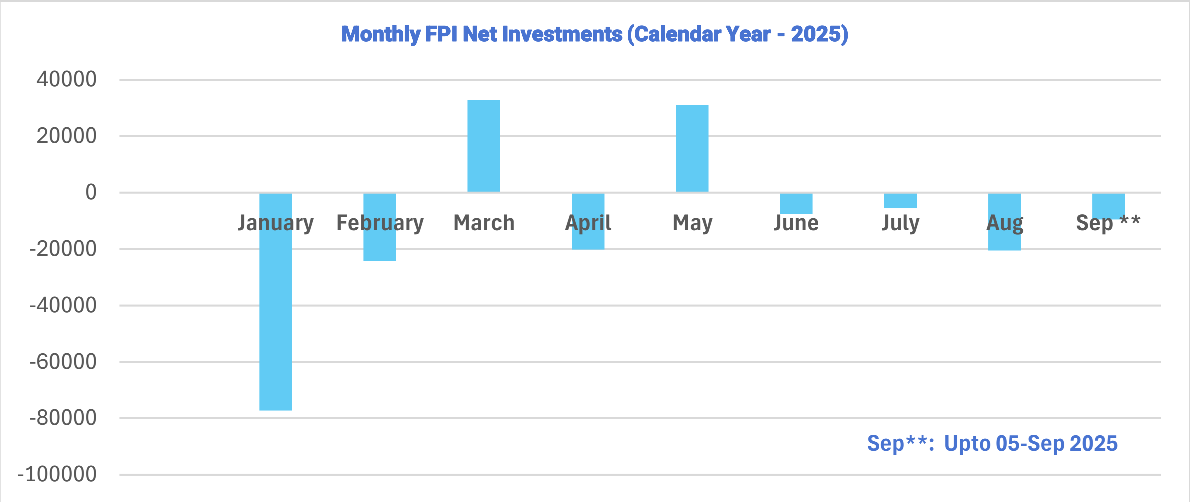
Broad indices	2w	1m	YTD
Gold (INR)	6.31%	5.31%	19.45%
Silver (INR)	8.13%	7.35%	21.88%

Source: IBJA

Currency Update

Currency	Current	1m	6m
U.S Dollar	88.29	87.65	85.79

Source: CEIC Data



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