Dear Reader,

The volatility in the Equity markets continues unabated. As Indian companies report Q1 earnings, the results are mixed. Nifty is down 3.12% from our June 28th newsletter where we pointed out the need for some dry powder. Keep that powder dry and be ready to fire when conditions align. The story is still playing out. As information gets democratised, Patience is one of the virtues that acts as a source of alpha in the market.

On the other hand, companies in Nasdaq 100 have reported good earnings. Indian markets have hugely underperformed the world markets in 2025. Markets like these reinforce the need for diversification in portfolios.

One notable stock movement this week was a 30% single day fall in IEX. The fall finally happened when the regulator announced market coupling implementation which will break IEX's monopolistic position in Electricity spot trading. This risk was well known and hanging - it was a matter of if and not when. And yet some fund managers ignore the risk. The two active funds that had large positions in the stock, greater than 4% of AUM, were Old Bridge Focused Fund & SBI Infrastructure fund.

At Wealth Beacon, an evaluation of present and past portfolio quality is done before we add a scheme to our model portfolios. The IEX episode is a good reminder of why a deeper evaluation of a scheme is important before putting our clients' and our hard earned money there.

Click below to read the full market update.

Happy Reading!
Wealth Beacon Team

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Wealth Beacon

Market Update

India Economic Indicators

Indicator	Jun-25	May-252	Trend
CPI Inflation	2.10%	2.82%	Cooling
WPI Inflation	-0.13%	0.39%	Sharp Drop
Trade Deficit	$18.78B	$21.88B	Narrowing
Fiscal Deficit (% GDP)		5.60%	Data Pending

Source: MoSPI, CGA, DPIIT and Ministry of Commerce

Macroeconomic Update

As expected June CPI eased to multi-year low driven primarily by contraction in food inflation (trend may not sustain). Though the trade deficit has shown contraction, it likely reflects a broader slowdown in economic activity, particularly in consumption and industrial demand.

Broader Indices Snapshot

Broad indices	2w Ago	1m Ago	YTD
NIFTY 50	-1.24%	-3.12%	7.17%
NIFTY 500	-1.15%	-2.32%	9.23%
NIFTY Midcap 150	-0.62%	-2.15%	13.56%
NIFTY Small cap 250	-1.51%	-2.15%	15.65%
S&P 500	1.34%	3.07%	8.19%
Nasdaq 100	1.93%	3.06%	9.05%

Source: NSE, Yahoo Finance

Indian Equity Market Update

Indian Equity Market continued the longest period of decline for 2025, marking four consecutive loosing weeks. Selling has been braod based owing to weakness in earnings reported so far, and expensive valuations.

Key Valuation Ratios

Index	P/E	P/B	Div Yield
NIFTY 50	21.93	3.43	1.37
NIFTY 500	24.34	3.75	1.18
NIFTY Midcap 150	32.34	4.66	0.88
NIFTY Small cap 250	32.98	4	0.65

Source: NSE

India - G-Sec Yields

Tenor	Current	Last	Change
1-Year	5.71%	5.58%	2.32%
5-Year	6.01%	6.14%	-2.12%
10-Year	6.39%	6.38%	-

Source: CCIL RBI Weekly Statistical Supplement

Bond Market Update

The bond market is suggesting a pasue in RBI rate cut in near term but a possible morentary easing in medium term.

US Treasury Yields

Tenor	Current	1M Ago	6M Ago
US 10-Year Treasury	4.42%	4.41%	4.58%

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

Precious Metals

Broad indices	2W Ago	1M Ago	YTD
Gold (INR)	0.89%	2.71%	10.55%
Silver (INR)	3.67%	8.69%	13.65%

Source: IBJA

Precious Metal Update

Gold is currently in a consolidation phase, pausing after a strong YTD rally. Silver's higher volatility means returns may amplify both upside and downside swings. We view silver as a tactical exposure within precious metals.

Key Event Updates

Q1 FY26 Result Season

The Q1 FY26 earnings season is mid way, there has been not much to cheer in IT sector earnings. FMCG earnings have been a mixed bag too, with Nestle profit dropping ~13% despite revenue growth of ~6%, reflecting margin pressures/pricing challenges.

US Q2 Earnings Season

Earnings in US has been coming ahead of expectations showing bother good revenue and profit growth. Financials and AI-related tech emerged as standout sectors. S&P 500 & Nasdaq 100 returns have been reflective of the same