

August 10th, 2025

Dear Reader,

We fear we'll sound like a broken record if all we discuss is valuations, keeping cash and doing staggered deployments on falls. Hence, we'll include a short story this time.

Once upon a time, there was a powerful king. His palace was a massive consumer of the kingdom's resources as well as producer of technology and science. The wonderful technology built in the palace brought prosperity to the whole kingdom. But the king lived more lavishly than he could afford. One fine day, he told the citizens to stop using gold coins - that the king has the gold - and they should use the bronze coins issued by the king. And so it went for some time, until the king issued more coins than the gold he had. The king declared that there was no need for gold, and that his word was enough and kept issuing more coins. This went on for some more time. But finally, the citizens started whispering - "how will the king ever repay his debt? When we give him clothes, he just makes more coins and gives it to us. What if the king goes bankrupt?".

The king devised a clever plan to maintain his hegemony. He started punishing anyone who would barter - King's Coins were mandatory. The king also increased the tax on everyone. Merchants had to pay him a tax when they supplied clothes or jewellery to him. And the merchants had to - after all, the king was the biggest consumer of fine clothes and jewellery. The king's plan was to increase the revenue and bring down his debt. This went on for a long time as well. But, as all kingdoms decline, the king too eventually lost his power and a new world order emerged.

If you were smiling while reading the story, you of course understood that the US is the King, USD is the King Coin, the Tariffs are the new Tax on the world and so on. While we know how this ends, we don't know how long before the reign ends and what the new world order may look like.

We don't pretend to be fortune tellers - anyone who claims that they can time the exact bottom and top of the market is either a God or a charlatan. Our job at Wealth Beacon is to be your light on the journey to wealth - by focusing on diversification, fundamentals, situational awareness and your unique needs. Focusing on lead indicators helps us decide if it is time to be defensive, strategic or aggressive. In our experience, this adds a decent alpha to the portfolios.

Click below to read the full market update.

Happy Reading!

Wealth Beacon Team

You may contact us at: contact@wealthbeacon.ai / <http://www.wealthbeacon.ai>

India Economic Indicators

Indicator	Jun-25	May-25	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 (% BE)	17.90%	0.80%	

Source: MoSPI, CGA, DPIIT and Ministry of Commerce

India - G-Sec Yields

Tenor	Current	Last	Change
1-Year	5.73%	5.71%	0.41%
5-Year	6.07%	6.01%	1.03%
10-Year	6.39%	6.39%	-0.07%

Source: CCIL RBI Weekly Statistical Supplement

Broader Indices Snapshot

Broad indices	2w Ago	1m Ago	YTD
NIFTY 50	-1.91%	-3.13%	3.59%
NIFTY 500	-2.48%	-3.61%	4.75%
NIFTY Midcap 150	-3.04%	-3.64%	9.04%
NIFTY Small cap 250	-4.83%	-6.26%	9.51%
S&P 500	0.01%	2.07%	7.48%
Nasdaq 100	1.45%	3.65%	10.64%

Source: NSE, Yahoo Finance

Key Valuation Ratios

Index	P/E	P/B	Div Yield
NIFTY 50	21.48	3.32	1.37
NIFTY 500	23.66	3.59	1.22
NIFTY Midcap 150	32.86	4.7	0.87
NIFTY Small cap 250	31.38	3.7	0.71
S&P 500	29.58	5.36	1.21
Nasdaq 100	41.42		

Source: multpl, gurufocus

US Treasury Yields

Tenor	Current	1M Ago	6M Ago
US 10-Year Treasury	4.24%	4.34%	4.50%

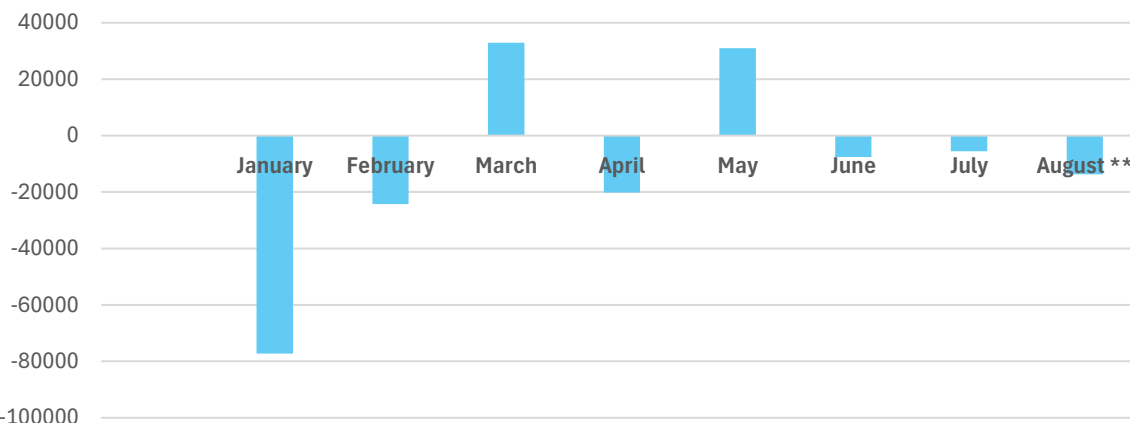
Source: U.S. Department of the Treasury (home.treasury.gov)

Precious Metals

Broad indices	2W Ago	1M Ago	YTD
Gold (INR)	2.59%	3.52%	13.76%
Silver (INR)	0.34%	4.02%	13.74%

Source: IBJA

Monthly FPI Net Investments (Calendar Year - 2025)



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