

25th Oct, 2025

Dear Reader,

This was a special week that happens in India only once a year - Indian stock market has a 1 hour special trading session on Diwali - called 'Muhurat Trading' and it is considered auspicious to buy/sell instruments in this 1 hour. We sent out a note to our (paid) clients before the session on 20th Oct, 12:45pm to not invest in Gold/Silver but instead to buy some NIFTYBEES. It so happened that Gold and Silver started a big correction (-4.7% and -6.85% respectively) soon after. Nifty is also correcting slightly, but not to the same extent.

Were we timing the markets when we sent the note? No, not really. We are absolutely not soothsayers! Let us see what led to the note and a glimpse into how the investment process works for us at Wealth Beacon.

We periodically review, estimate and update our long term return expectations from different asset classes - gold, silver, India large/mid/small cap, real estate, nasdaq 100 etc. This is probabilistic and is based on the future expectations of earnings and current valuations. This table is called the 'Capital Market Expectations' table in our system. Combined with historical volatility and correlations, this is what leads to asset allocation decisions for us. It is part math and part art.

When the future expectations change, the optimal asset allocation changes - that means we would advise our clients to increase weights in asset classes that can do better and may reduce weights in asset classes that we don't expect to do so well in the future. Sometimes, the changes are minor and we don't trigger a rebalance, but merely change the allocation of new money.

While reviewing these expectations, we had downgraded future returns from Gold and Silver and upgraded Nifty 50 TRI returns. The earnings downgrade cycle in India is ending after 6 quarters. Financials, select IT, defense, metals etc. will likely see earnings upgrades. Even the IMF has increased their estimate of India's FY26 GDP to 6.8% - and the IMF has historically been fairly accurate in their India GDP estimate. The Q2FY26 earnings season has kicked off on a good note with 331 companies declaring results as of 24th Oct 2025. All metrics (Sales, Op Profit, PAT and EPS) growth are trending higher. For companies with market cap greater than 100,000 Cr median EPS growth is around 8.78%. Nifty 50 average EPS growth stands at 7.8%, with 17 out of 50 reported earnings so far.

Click below to read our Market Update - a compilation of important metrics for you.

Warm Regards,
Wealth Beacon Team

If you have feedback or haven't already gotten your portfolio analyzed and streamlined, you may contact us at: contact@wealthbeacon.ai.

India Economic Indicators

Indicator	Sep-25	Aug-25	Trend
CPI Inflation	1.54%	2.07%	Decreasing
WPI Inflation	0.13%	0.52%	Decreasing
Trade Deficit	\$16.61B	\$9.88B	Increaseing
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	5.58%	5.67%	-1.60%
5-Year	6.15%	6.13%	0.38%
10-Year	6.54%	6.52%	0.28%

Source: CCIL RBI Weekly Statistical Supplement

Broader Indices Snapshot

Broad indices	2w	1m	YTD
NIFTY 50	2.02%	4.62%	9.68%
NIFTY 500	1.49%	4.30%	10.99%
NIFTY Midcap 150	0.67%	4.42%	14.58%
NIFTY Small cap 250	0.63%	3.22%	14.08%
S&P 500	3.80%	2.36%	15.66%
Nasdaq 100	4.87%	3.63%	20.31%

Source: NSE, Yahoo Finance

Key Valuation Ratios

Index	P/E	P/B	Div Yield
NIFTY 50	22.67	3.53	1.3
NIFTY 500	24.71	3.69	1.15
NIFTY Midcap 150	34.39	4.37	0.82
NIFTY Small cap 250	30.86	3.66	0.68
S&P 500	30.27	5.61	1.17
Nasdaq 100	38.53	4.23	0.67

Source: multpl, gurufocus

US Treasury Yields

Tenor	Current	1m	6m
US 10-Year Treasury	4.00%	4.17%	4.27%

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

Precious Metals

Broad indices	2w	1m	YTD
Gold (INR)	-0.01%	7.29%	35.43%
Silver (INR)	-10.61%	6.47%	42.41%

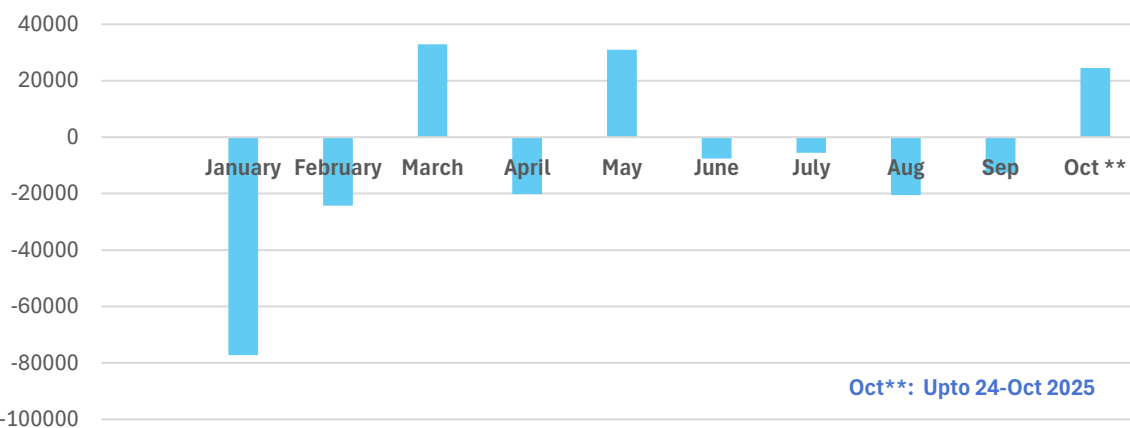
Source: IBJA

Currency Update

Currency	Current	1m	6m
U.S Dollar	87.82	88.78	85.51

Source: CEIC Data

Monthly FPI Net Investments (Calendar Year - 2025)



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