



NIFTY50 HITS ALL-TIME HIGH

WE PREDICTED IT.
PREPARED FOR IT.
STAYED THE COURSE.

Volatility rose. Sentiment softened. Doubts surfaced.

But through it all, we remained anchored in **data, fundamentals** and **our long-term view** of India's structural strengths.

And today, as the Nifty creates a new high, our conviction only gets stronger.

Key drivers of the rally

Market and Earnings Fundamentals

- Earnings improving after a year of sluggishness.
- Earnings-valuation gap narrowing, valuations now more reasonable.
- Broad-based sectoral participation: banks, consumption, financials leading.

Macro & Economic Drivers

- India GDP growth at 7% (Q2FY26) and FY26 growth outlook at 6.8%.
- Stable macro environment and resilient domestic demand.
- Policy optimism: expectations of RBI rate cuts + potential fiscal incentives.

Investor Flows & Sentiment

- Strong domestic flows supporting market.
- DIIs cushioning volatility despite uneven FII inflows.
- Improving risk appetite as valuations turn attractive.

Global Tailwinds

- Softer global inflation and Fed rate-cut expectations boosting EM sentiment.
- Cooler crude oil prices reducing India's inflation and fiscal pressures.
- Supportive global cues from easing geopolitical tensions, lifting the overall risk-on sentiment.

Understanding the Current Market Momentum

- The current rally is supported by visible earnings improvement, steady domestic flows and a firmer macro backdrop, creating a constructive setup for markets to move higher while still warranting attention to any drift towards a sentiment-driven momentum.
- Valuations are more balanced than in earlier peaks, giving the market some room to adjust, with the forward path likely to be shaped by how earnings trends develop.
- A mix of domestic stability + supportive global cues + improving fundamentals sets this phase apart from past liquidity-led rallies, with sustainability depending on how these factors continue to align.

Source: RBI, NSE Indices, Internal Analysis.

Past performance may or may not be sustained in future.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.