![Way2Wealth]

DECEMBER 2025

MONTHLY REPORT

Data as on November 28, 2025
Source: Bloomberg

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NIFTY 50
Closing- 26202.95
PE – 22.81
PB – 3.56x
Div Yield – 1.28%

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NIFTY MIDCAP 150
Closing –22395.40
PE – 33.41
PB – 4.49x
Div Yield – 0.80%

NIFTY SMALL CAP 250
Closing –16732.60
PE – 29.18
PB – 3.56x
Div Yield – 0.72%

10 Yr. GOI Yield
6.53%

CRUDE
63.27
$/bbl

USD/INR
89.36

GOLD
4,239
$/Oz

Indicators	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24
Sensex	2.11%	4.57%	0.57%	-1.69%	-2.90%	2.65%	1.50%	4.37%	5.80%	-5.60%	0.80%	-7.30%	0.52%
Nifty 50	1.87%	4.51%	0.75%	-1.38%	-2.93%	3.10%	1.70%	4.25%	6.30%	-5.80%	-0.60%	-8.40%	-0.31%
Nifty Midcap 150 Index	1.59%	4.79%	1.39%	-2.86%	-2.85%	4.09%	6.10%	4.15%	7.61%	-10.40%	-6.14%	-4.90%	0.50%
Nifty SmallCap 250 Index	-3.36%	3.72%	1.13%	-3.72%	-3.67%	5.73%	9.60%	1.93%	9.10%	-13.20%	-11.49%	-3.60%	-0.20%
S&P 500 Index	0.13%	2.27%	3.53%	1.91%	2.17%	4.96%	5.50%	-1.10%	-5.80%	-1.40%	4.80%	2.10%	4.70%
Nifty 50 EPS TTM (Rs)	1210	1128	1127	1128	1122	1092	1092	1078	1079	1075	1078	1069	1069
Nifty 50 Price/Earnings (PE Ratio)	23	23	22	22	22	23	22	22	21	20	21	22	23
Nifty Midcap 150 (PE Ratio)	33	34	33	32	33	35	34	34	34	33	38	40	37
India Economic Indicator													
Bank Credit Growth (YoY%)	11.42%	11.50%	10.29%	10.22%	9.82%	9.59%	9.75%	11.59%	10.31%	10.85%	11.46%	11.28%	11.15%
Bank Deposit Growth (YoY%)	10.25%	9.50%	9.84%	10.06%	10.15%	10.37%	9.96%	11.40%	9.94%	10.54%	10.84%	11.50%	11.21%
Debt Market Indicator													
RBI Repo Rate (%)	5.50	5.50	5.50	5.50	5.50	5.50	6.00	6.00	6.25	6.25	6.50	6.50	6.50
G-sec 10 year Yield (%)	6.53	6.53	6.68	6.57	6.37	6.32	6.29	6.36	6.58	6.70	6.70	6.76	6.75
Corp Bond 10 Yr AAA Yield (%)	7.22	7.25	7.29	7.39	7.19	7.11	7.03	7.08	7.17	7.17	7.17	7.24	7.40
Corp Bond 10 Yr AA Yield (%)	8.16	8.18	8.17	8.27	8.06	7.96	7.79	7.81	7.92	7.92	7.92	8.04	8.09
Corp Bond 10 Yr A Yield (%)	9.51	9.46	9.58	9.64	9.37	9.30	9.18	9.36	6.70	6.70	6.70	9.73	9.79
Corp Bond 5 Yr AAA Yield (%)	6.92	6.94	6.92	7.09	6.81	6.85	6.79	6.96	7.34	7.34	7.34	7.46	7.36
Corp Bond 1 Yr AAA Yield (%)	6.60	6.65	6.65	6.60	6.42	6.70	6.63	6.89	7.71	7.71	7.73	7.78	7.63
CD 1 Yr (%)	6.35	6.40	6.35	6.35	6.29	6.33	6.55	6.79	7.62	7.62	7.65	7.63	7.55
Commodity & Currency													
Gold Price (USD)	4,239	4,093	3,859	3,448	3,290	3,303	3,289	3,289	3,085	2,858	2,798	2,625	2,643
Gold (Rs/10gm)	126,033	120,450	114,761	101,967	98,068	95,676	95,058	93,928	88,691	84,789	81,798	75,913	76,400
Crude($)	63.27	65.07	67.02	68.12	72.53	67.61	63.90	63.12	74.74	73.18	76.76	74.64	72.94
INR/1 USD	89.36	88.77	88.79	88.17	87.60	85.75	85.58	84.50	85.46	87.51	86.62	85.60	84.49
INR/1 EURO	103.62	102.76	104.32	103.04	100.15	100.52	96.94	96.01	92.08	90.98	89.95	89.20	89.22
Flows													
FII-Equity (Rs.cr)	-3765	14610	-23885	-34993	-17741	14590	19860	4223	-3973	-34574	-72,677	16,437	-22,602
FII-Debt (Rs.cr)	-3969	3507	1085	6766	-234	-6121	19615	-25993	37789	10517	12041.06	13,375	-968
MF-Equity (Rs.cr)	43,465	24,690	38392	70534	43720	45519	67642	18063	6579	35394	55073.23	28,138	35,633
MF-Debt (Rs.cr)	-72201	52794	-28225	-65288	-33716	-30911	-104054	-23854	-81165	-95817	-51536.26	-56,887	-32,395

Source: Bloomberg, W2W Research

Summary:-

- As of 28th November 2025, Nifty 50 was trading at a PE of 22.81x and Nifty Midcap 150 was trading at a PE of 33.41x.
- India's CPI inflation in October 2025 dropped to 0.25%, compared to 1.54% in September 2025. Meanwhile, India's WPI inflation rose to -1.21% in October 2025, compared to 0.13% in September 2025, driven largely by falling wholesale prices
- Bank credit growth decreased to 11.42% year-over-year as of 28th November 2025, compared to 11.50% year-over-year in October 2025. However, the growth of bank deposits rose to 10.25% year over year.
- GST collections surged to 1.70 lac cr in November 2025 as compared to Rs. 1.96 lac cr in Oct 2025.
- India's Manufacturing PMI declined to 56.6 in November 2025 from 59.2 in October 2025. India's Services PMI surged to 59.8 in November 2025 from 658.9 in October 2025.

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Debt Market Review

- The U.S. 10-year Treasury yield fell to 4.02% on November 28, 2025, from approximately 4.10% the month prior, amid investors' assessment of the Republican–Democratic spending bill standoff, reopening the U.S. government, which would restore federal employee pay and support consumer spending. Meanwhile, the US unemployment rate rose to 4.4% in September 2025, the highest level in four years, raising the expectations of further rate cuts.
- In the Eurozone, German bond debt markets were marked by rising concerns over public finances and shifting central bank expectations, while volatility persisted, investors leaned defensive amid global volatility. Germany's 10-year Bond yield stabilized around 2.69%, near its highest level. UK CPI inflation moderated to 3.6% YoY, but this was not enough to support Gilts as uncertainty about the Budget dominated the overall sentiments. The UK Budget drew focus, pushing gilt yields higher ahead of the event. However, the announcement was well received, as fiscal headroom exceeded expectations, and forecast gilt supply was lower than anticipated. The UK 10-year gilt yield rose to 4.44%.
- The Japanese government bond market underperformed for the month as the government announced a 21.3-trillion-yen fiscal stimulus package, which raised investors' concerns over Japan's already substantial debt burden. The depreciating yen adds to the inflationary risks in the Japanese economy, with the October CPI rising 3% YOY. The 10-year Japanese Government Bond yield surged to 1.81%,
- China's 10-year government bond yields rose in November to 1.83%, driven by high leverage pressures, weak demand, and cautious investor sentiment, with local currency bond issuance remaining steady but risks mounting from structural imbalances.
- The Indian 10-Year G-sec yield stabilized around 6.53% on November 28, 2025, as the retail inflation dropped to an all-time low at 0.25% in October 2025, due to a steep fall in food prices, raised the expectations of an interest rate cut in December 2025, and positive sentiment around the possible inclusion of Indian bonds in the Bloomberg Global Aggregate Index influence yields.
- Banking system liquidity stood at an average of ₹1.9 lakh crore in November 2025, as the liquidity surplus narrowed due to tax outflows.
- India's IIP growth slowed sharply to 0.4% in October 2025, down from the revised 4.6% print in September 2025. While the manufacturing sector output grew 1.8% year-on-year in October 2025, mining activity and electricity production contracted. WPI inflation plunged to -1.21% from 0.52%; a sharp fall of 173 basis points as the GST cuts across major products of mass consumption led to a sharp fall in wholesale prices.

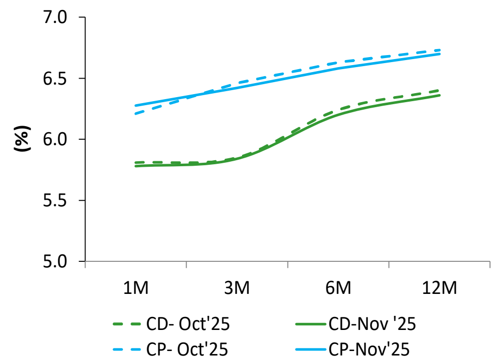
Debt Market Outlook

- The US 10-year Treasury yield could fall further due to the rising probability of the Federal Reserve cutting interest rates at the next policy meeting in January 2026, after the U.S. unemployment numbers rose last month. However, the fiscal concerns, weaker foreign demand, and global rate dynamics may restrict the fall. The 10-year Treasury yield, currently around 4.14%, is likely to fluctuate between 3.95% and 4.20%.
- In December 2025, Europe's debt markets are in a resilient but cautious phase. Strong investor demand and stable ECB policy underpin confidence, yet tightening spreads, sector headwinds, and geopolitical risks may dampen the sentiment. 10-year German Bond yields, currently around 2.77%, are expected to fluctuate between 2.6% and 2.9%. The UK debt market is characterized by falling gilt yields, improved fiscal headroom, and cautious optimism following the government's latest budget. While borrowing needs remain high, the outlook is stabilizing due to policy credibility, resilient investor demand, and BOE oversight.
- The BoJ raised rates by 25 basis points to 0.75%, the highest level since 1995, due to persistent inflation, which may keep the yields elevated. Rising Japanese bond yields have improved returns on yen assets, reducing Japanese demand for foreign bonds and pushing yields higher in the U.S. and Germany. Further tightening could have global spillovers, as a slowdown in the yen-carry trade, where investors borrowed in yen to invest in emerging market assets, may raise borrowing costs for emerging market governments.
- China's debt market in December 2025 may be defined by falling yields, deflationary pressures due to weak consumption, and housing market stress. Investors may stay defensive while preparing for further monetary easing in 2026 by the PBOC to support growth, while managing yields to ensure demand for government debt issuance.
- On the domestic front, India's bond market held firm as the RBI cut repo rates by 25 bps to 5.25% while retaining a neutral stance, driven by robust growth and low inflation. The 10-year bond yield eased to 6.45% in a knee-jerk reaction to the policy. This month, the Bond market may remain steady, supported by the RBI rate cut, record-low inflation, and liquidity measures that shape the fixed-income landscape.
- Meanwhile, the RBI will buy bonds worth Rs. 50,000 crore on Dec 18, 2025, including liquid securities such as the 7.18% 2033 and the former benchmark 6.33% 2035 bonds. Reserve Bank of India announced the sale (re-issue) of two dated securities namely 6.01% GS 2030 and 7.09% GS 2074 for a notified amount of Rs. 30,000 crore. The auction will be conducted on Dec 19, 2025. RBI conducted the auction of 11-day Variable Rate Repo for the notified amount of Rs. 75,000 crore, for which amount of Rs. 24,969 crore was accepted, and the cut-off yield stood at 5.26%.

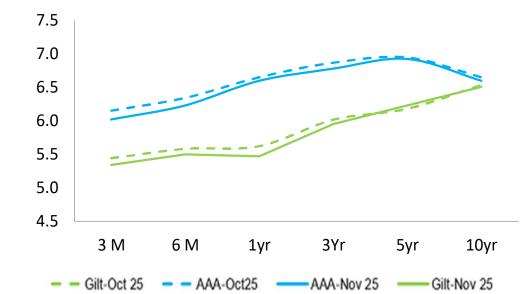
Investment Strategy

- In light of the current macroeconomic environment characterized by easing inflation, steady policy rates, and strong credit fundamentals **Corporate bond funds, Short term funds, and Money market funds** are well-positioned to offer reliable returns. These funds are particularly well-suited for **conservative to moderately risk-tolerant investors** with a **medium-term investment horizon of three to five years**, aiming to avoid excessive exposure to credit or duration risks.
- By focusing investments in corporate bond funds, short-term funds, and money market instruments, investors can achieve a well-balanced mix of capital preservation and attractive return potential. They maintain a relatively low risk profile within the debt fund category. With interest rates expected to remain stable and potentially decline later in the year these funds stand to benefit from **steady accrual income** and **capital appreciation** if yields fall.

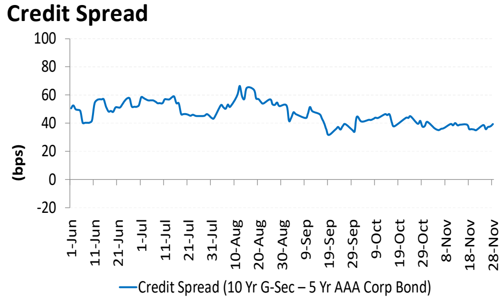
CD/CP Rate



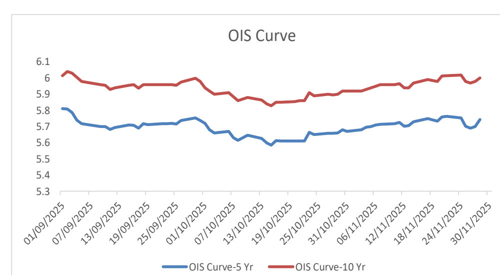
G-Sec and AAA Corp Bond Yield



Credit Spread



OIS Curve



Source: Bloomberg, W2W Research

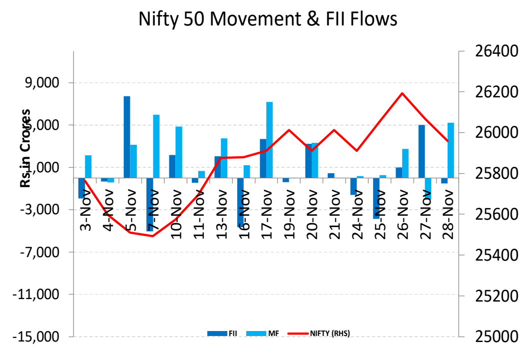
Equity Market Review

- The US market experienced turbulence in November, driven by shifting expectations for Federal Reserve policy, intensifying scrutiny of AI-related spending, and a White House press release announcing a national initiative to accelerate scientific discovery through AI. The S&P 500 fell over 3% during the first three weeks of the month on fears of an AI Bubble. However, near the end of the month, fears receded on expectations for interest rate cuts. Therefore, the S&P 500 posted a modest gain of 0.13% at 6849.09.
- Eurozone equities advanced modestly, with the Euro Stoxx 50 up by 0.11% for the month, supported by fiscal stimulus measures in Germany, improved sentiment around defense and infrastructure spending, and rising hopes for a Russia-Ukraine de-escalation. The UK markets showed resilience with the FTSE 100 gaining nearly 0.03% despite persistent inflation challenges and weak household sentiment, supported by defensive sectors and renewed strength in energy. The government's Autumn Budget, which emphasized fiscal prudence and targeted supply-side reforms, helped stabilize market confidence.
- Japanese markets exhibited high levels of volatility through November, with Nikkei 225 plunging by 4.12% amid dramatic swings and "Sell Japan" fears before rallying strongly toward the month-end, driven by stimulus measures and Fed signals provided late-month support.
- In November 2025, Chinese equity markets were shaped by a real estate downturn, a consumption slowdown, and political risks, yet selective opportunities emerged in fast-growing industries. Overall sentiment remained fragile, with investors cautious but not entirely retreating. The Shanghai Composite fell by 1.67% after strong year-to-date gains, with investors increasingly focused on structural headwinds.
- On the domestic front, in November 2025, the Indian Benchmarks were stable, driven by global rate expectations, easing inflation, and a rebound in domestic liquidity flows. Despite persistent foreign selling early in the month, strong earnings from banks and IT, along with improving consumption indicators, helped the markets stabilize and close on a positive note. Nifty closed by 1.87% at the 26202.95 level, and Sensex ended up by 2.11% at the 85,706.67 level.

Indices Performance

Index	30-Nov-25	30-Nov-24	Change	% Chg
India				
Sensex	85,707	79,803	5903.9	7.4%
Nifty 50	26,203	24,131	2071.9	8.6%
US				
Dow Jones	47,716	44,911	2805.8	6.2%
Nasdaq	23,366	19,218	4147.5	21.6%
EC				
FTSE 100	9,721	8,287	1433.2	17.3%
Asia				
Nikkei 225	50,254	38,208	12045.9	31.5%
Hang Seng	25,859	19,424	6435.3	33.1%
Shanghai Comp	3,889	3,326	562.1	16.9%
Bovespa	159,072	125,668	33404.0	26.6%
RTS	1,078	754	324.0	43.0%
Other				
MSCI WORLD	4,398	3,810	587.9	15.4%
MSCI EM	1,367	1,079	288.4	26.7%
MSCI EM Asia	754	596	158.0	26.5%

Nifty 50 Price & FII and MF flows



Equity Market Outlook

- The US equity outlook remains cautiously optimistic, supported by further Fed rate cuts, attractive valuations, and strong earnings momentum, though investors remain watchful of policy signals, delayed data, and the durability of the AI trade. Meanwhile, in December, the Fed cut rates by 25 bps to 3.75% and revised its projections toward a more neutral stance, upgrading near-term GDP and lowering PCE inflation while highlighting the trade-off between sticky inflation and emerging labour-market weakness.
- European equities may remain modestly positive, underpinned by ECB stability and fiscal support. While risks remain from geopolitics and global trade, locally focused firms are positioned to benefit from Europe's push for autonomy and cyclical recovery. The FTSE 100 is thriving due to global exposure; however, domestic economic headwinds are restricting the gains. Hence, investors may remain caution, keeping UK equities range-bound.
- Japan's equity market is stabilizing after a volatile November. The Nikkei 225 is holding near the 50,000 level, despite the BOJ's rate hike. In December, Japan's equity market may be supported by expectations of a US Fed rate cut and fiscal expansion abroad.
- In December 2025, Chinese equity markets may remain under pressure from weak consumption, housing stress, and deflationary trends, but stimulus expectations and foreign inflows are providing some cushion. The near-term outlook is cautious, with the Shanghai Composite facing downside risks.
- On the domestic front, Indian equities may remain resilient with the Nifty 50 at record highs, but valuation pressures, earnings fatigue, and macro headwinds in the broader market point to consolidation rather than sharp rallies. Markets will also be influenced by the US–India trade agreement, while higher gold and other imports have widened the trade deficit, and muted capital flows are pressuring the currency, keeping equities range-bound.
- Meanwhile, the RBI MPC cut the repo rate by 25 bps to 5.25% on December 5 while maintaining a neutral stance, with the Governor calling current conditions a "Goldilocks" phase with strong growth and controlled inflation. The FY26 inflation is projected at 2% and GDP growth is raised to 7.3%.

Sector Performance

Sector Index	30-Nov-25	30-Nov-24	Change	% Chg
BSE Auto	61,750	52,898	8852.1	16.7%
Bankex	66,946	59,298	7648.1	11.4%
BSE CD	61,868	62,469	-601.0	-1.0%
BSE CG	69,209	70,700	-1491.7	-2.1%
BSE FMCG	20,407	20,427	-19.1	-0.1%
BSE HC	44,884	43,666	1218.3	2.8%
BSE IT	36,306	42,783	-6477.9	-15.1%
BSE Metal	34,112	30,537	3575.4	11.7%
BSE Oil	28,207	26,813	1394.5	5.2%
BSE Power	6,613	6,783	-170.3	-2.5%
BSE PSU	20,350	19,896	453.7	2.3%
BSE Real	7,015	7,960	-945.0	-11.9%
BSE TEC	18,300	19,552	-1252.2	-6.4%

Investment Strategy

- A supportive macro environment marked by softening inflation, accommodative liquidity policies, and reduced interest rate scenarios are poised to boost consumption and strengthen the structural growth story, offering a compelling long-term opportunity for investors. As per the current market levels, large caps are likely to remain attractive from the risk-reward perspective. Investors with moderate to aggressive risk appetite with a short to medium term outlook can invest in multi-asset funds or Balanced Advantage funds. While investors with medium-to-long-term outlook can opt to invest in large-cap-oriented schemes such as flexi caps, multi caps, and large & mid-cap funds. Given the uncertainty in markets, investors can opt for staggered investments over the next 3 to 6 months with a 3+ year investment horizon and review the investment plan as more clarity emerges.
- Looking ahead, the medium-term outlook for India's economy appears optimistic. This optimism is fuelled by policy continuity, benefits from Production-Linked Incentive schemes, opportunities arising from shifts in the global supply chain, enhanced infrastructure investments, the potential of resurgence in private sector capex, and the enduring robustness of consumption.

Review

Gold:

- Gold prices reached a record high of Rs. 1,26,900 on November 20, supported by a spike in central bank buying. Q3 purchases totaled 220 tons, a 28% increase from the previous quarter. Prices stayed resilient as the Fed signaled a cautious path forward, citing economic 'fog' and weak inflation.
- U.S.-China tensions also lingered, while trade talks showed signs of progress; however, no structural resolution has been reached yet, which kept the gold price firm.

Silver:

- Silver remains a standout performer in 2025, balancing its dual role as a safe-haven and industrial metal. Silver prices climbed for the third consecutive month in November, reaching Rs. 1,54,000. Prices surged to a fresh all-time high of Rs. 170,000 in mid-November before retreating in the final week, reflecting broader market volatility.
- Momentum was supported by bullish long-term forecasts and strong industrial demand, especially from the solar and electronics sectors. Renewed focus on clean energy infrastructure and expectations of lower interest rates continued to boost silver's appeal.

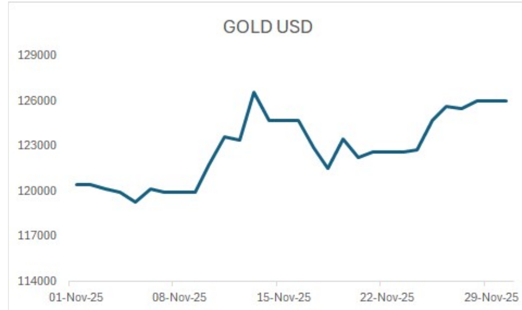
Crude oil prices:

- Crude oil futures experienced a downward trend, starting the month at approximately $65.07 and ending at $63.27 per barrel. The price saw notable volatility, with a significant drop mid-month followed by a partial recovery influenced by concerns about a potential global economic slowdown and supply outpacing demand.
- The U.S. Energy Information Administration (EIA) indicated that global supply growth was surpassing demand, which contributed to the downward pressure on prices.

USDINR:

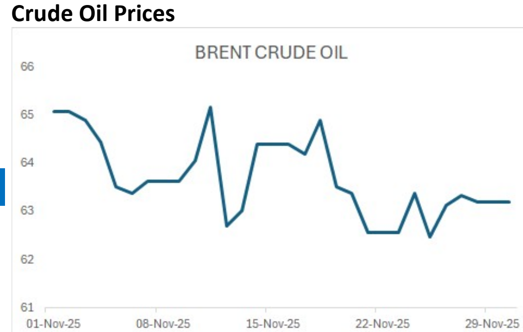
- USDINR remained volatile, with the Indian rupee weakening significantly against the US dollar, but timely interventions by the RBI provided some support, closing at the 88.72 level at the end of November 2025 due to factors like US trade tariffs, foreign fund outflows, and monetary policy decisions by both the US Federal Reserve (Fed) and the RBI.
- India's merchandise trade deficit widened to a 13-month high of $32.15 billion in October 2025, up from $26.49 billion in October 2025 as imports increased at a faster pace than exports. This turbulence for trade owing to flaring geopolitical turmoil and global trade uncertainties, has also dampened the Indian rupee.
- The U.S. Dollar Index traded within a tight range of 98.3 to 99.5 in November, ending the month at 99.06 with a modest monthly gain of +1.30%. While early weakness was offset by mid-month support from rising Treasury yields and safe-haven flows, however, the Fed's rate cut capped further dollar strength.

International Gold Prices



Silver Prices:

Crude Oil Prices



USD/INR

Outlook

Gold Prices:

- Gold prices in India edged higher at the beginning of December, extending their gains. The yellow metal may remain in demand due to its safe-haven appeal amid global uncertainties, fluctuating dollar, and bond yields. Central banks, particularly in emerging markets, may continue to increase their gold reserves as a strategic diversification move, which will keep the gold prices elevated.
- The modest uptick reflects sustained buying interest from retail and jewellery segments. Despite subdued movement in international markets, gold continues to attract Indian consumers and investors seeking stability and long-term value during periods of global economic uncertainty. Gold prices are expected to be on an uptrend and trade in the range of approximately ₹1,20,000 - ₹1,30,000 per 10 grams.

Silver Prices:

- Silver prices in India edged higher at the start of December, supported by renewed buying and steady demand from both industrial users and retail investors amid festive-season momentum.
- According to the Index of Industrial Production (IIP) data, India recorded a 4.0% growth rate in September 2025, highlighting the resilience of industrial activity. This sustained momentum may continue to support robust demand for silver.
- The Silver prices may remain steady, supported by consistent industrial usage, festive-season demand, and a relatively balanced global market outlook. Silver rate in India may hover between Rs 2,00,000 per kg to Rs 2,20,000 per Kg.

Crude oil prices:

- Global oil demand is estimated to have increased by only 0.8 million barrels per day, or 0.7% year-on-year, in 2025 Q3, indicating continued sluggish growth, which is likely to keep the oil prices under pressure.
- OPEC+ and its allied producers are set to increase output by a modest 137,000 barrels per day in December, a move that could add downward pressure on oil prices. While oil consumption in advanced economies is expected to remain steady, demand growth in China may slow due to the rapid adoption of electric and hybrid vehicles, potentially reducing overall oil demand. The Crude oil prices are expected to be in a range of approximately 57.00 to 65.00/barrel in November.

USDINR:

- The USDINR remains within a price range dominated by the RBI intervention, while sentiment that is generated based on US policy and the potential for calmer conditions may keep INR in the upward direction.
- Due to the sudden potential outbursts regarding difficult negotiating stances between the U.S and India, volatility still may be seen. However, if the US and India continue to show positive signs of achieving mutually beneficial outcomes, the USDINR may prove rather stable. The USDINR may remain in the range of ₹89.50 to ₹91.00 in December 2025.

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Source: Bloomberg, W2W Research