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Empowering decisions

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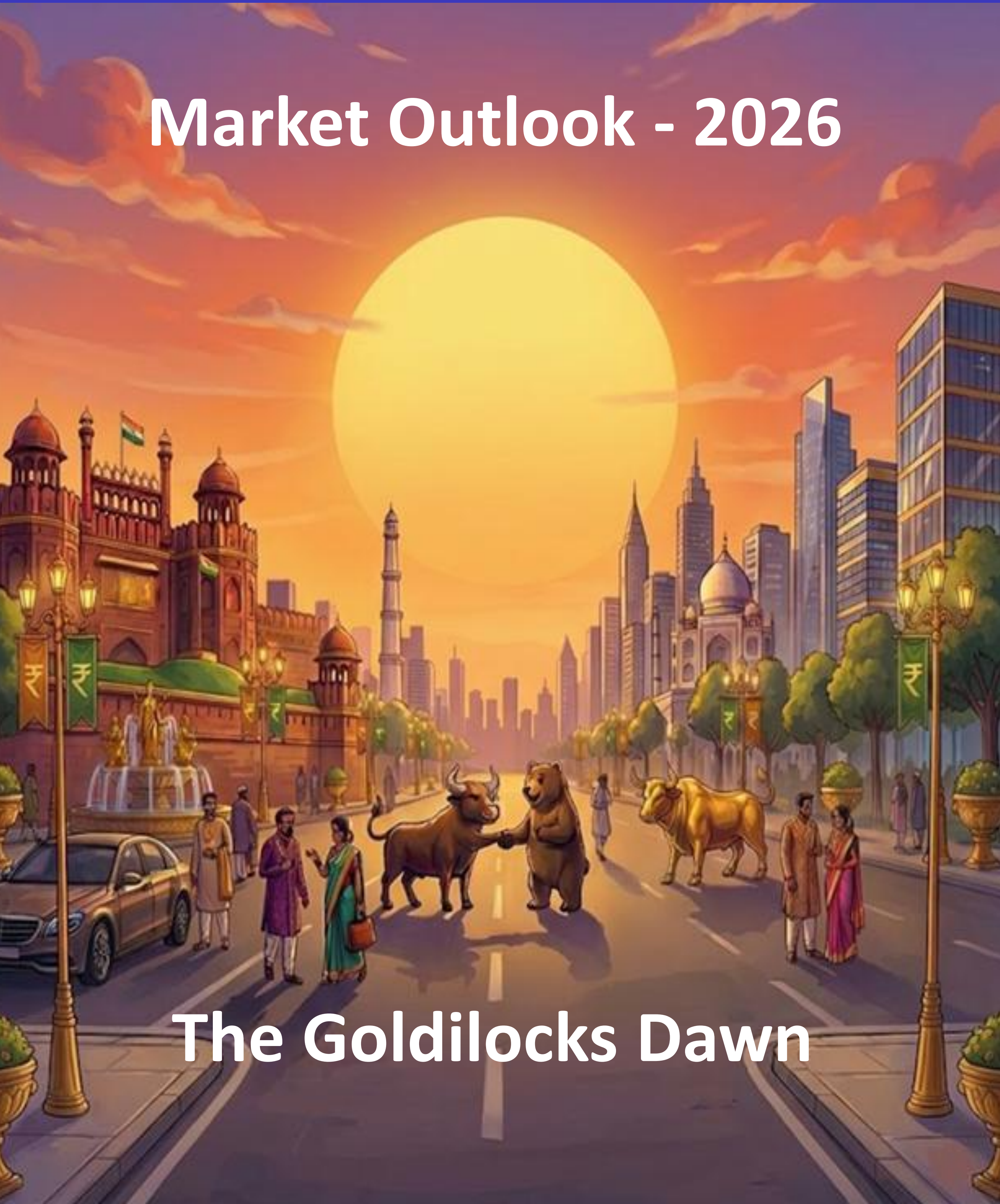
Powering India's Investments

Market Outlook - 2026



The Goldilocks Dawn

Agenda

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- 2026: The Goldilocks Dawn
  - Summary Of The Outlook
- 2025: State Of Markets
- Sectoral Outlook
- Potential Risks for 2026
- Key Expectations 2026.
- SIP Picks
- What Do Charts Foretell?
- Technical Picks
- ETF Picks

Yogi Berra once said, "It's tough to make predictions, especially about the future."

As investors, we must try, and our annual outlook offers our thoughts on the markets and economy.

2026- Looking Forward

- Trump's trade policies are expected to diminish further as an influence on the global economy.
- AI will remain a dominant factor shaping economic and market conditions going forward.
- Emerging markets rotation is anticipated, with India as a key beneficiary.
- Easing geopolitical tensions and tariff reversals are expected to improve the global trade environment. India- Us trade deal expected in the first quarter.
- RBI and GoI's combined reflation push with rate cuts, CRR reduction, and liquidity infusion.
- Structural domestic demand and rising household equity allocation underpin market strength.
- Digital infrastructure improvements and the digitisation of payments have created new economic opportunities.
- Nominal GDP growth expected to enter double digits in 2026, driving earnings recovery.
- Corrected valuations and historically low foreign-portfolio-investor exposure create upside potential.
- Expectation from markets – Goldilocks scenario for Indian economy, Broad-based recovery, Industrial Metals to shine, Rupee to remain stable.

2025- Looking Backwards

What did we expect?

1. Prefer Large caps over mid and small stocks

- **Result : ✓**

	2024	2025	% Change
Nifty50 Index	**23645**	**26129**	**10.5%**
Nifty MidCap Index	57199	60484	5.7%
Nifty SmallCap Index	18769	17713	-5.6%

2. Nifty Target 26400

- **Result : ✓**

	High	Low	Close
Nifty50 Index	**26326**	21743	26130

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STATE OF THE - MARKETS - 2025

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2025: State of Markets

- Goldilocks Scenario : Strong Growth – Lower Inflation – Lower Interest Rates -Robust PMI
- Dovish Global Central Banks
- Capital Rotated Toward North Asia
- World Market Capitalisation Shatters Records in 2025
- The Fed's Gift: Lower Rates Ignite Equities as the Dollar Dives
- Large-Caps Outpace Broad Market; Metals Surge on Global Rally
- From First-Half Turmoil to China's Strategic Surge
- Market Migration: The $2025 Global Pivot to Value and Domestic Strength
- A Year When Indian Retailers Asserted Their Presence

Goldilocks - Strong Growth – Lower Inflation – Lower Rates -Robust PMI – Dovish Central Bankers

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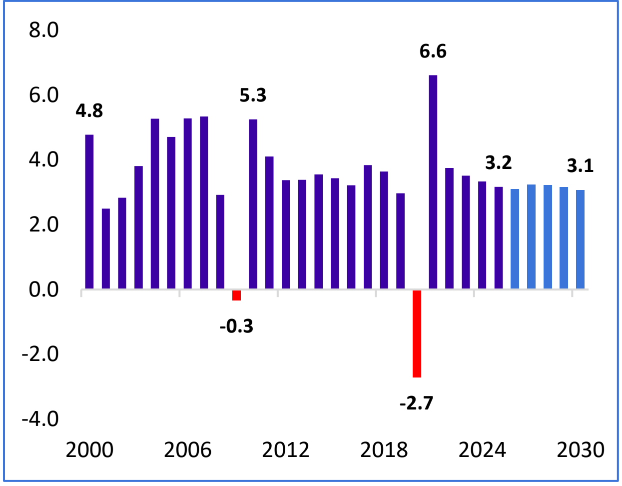
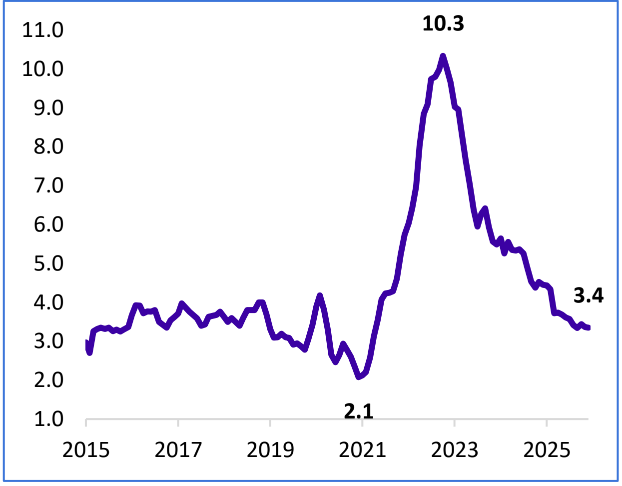
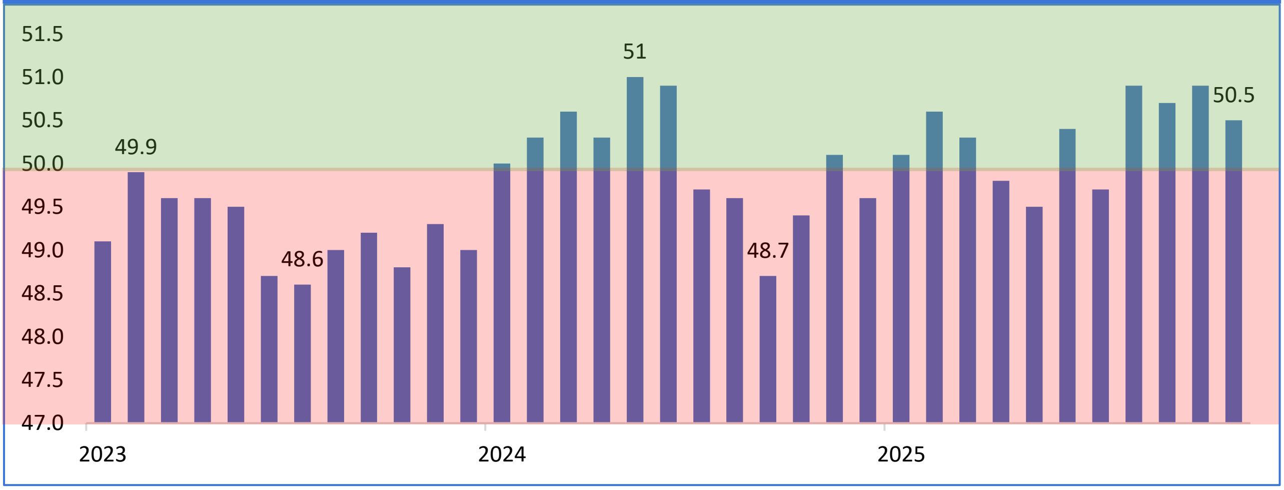
World Annual GDP Growth (%)



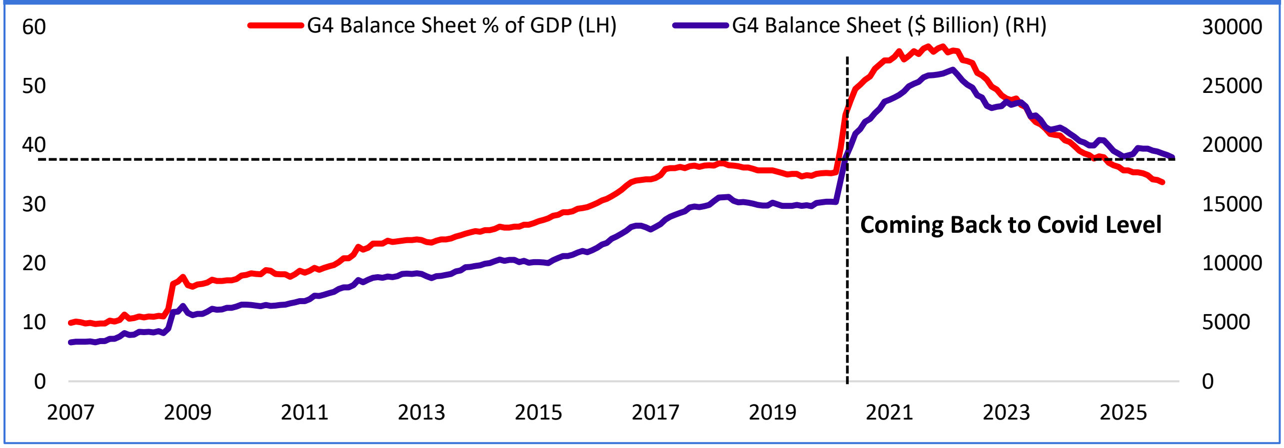
World Economy Weighted Inflation YoY %



Global Manufacturing PMI



Group 4 Central Banks Balance Sheet



Source: Bloomberg; HSL Prime Research

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Dovish Global Central Banks

Group of 10 Policy Rate in 2025		
Country	Policy Rate	Change
New Zealand	2.25	-2.50
Canada	2.25	-1.00
Sweden	1.75	-1.00
Eurozone	2.15	-1.00
United Kingdom	3.75	-1.00
Switzerland	0.00	-1.00
Denmark	1.60	-1.00
United States	3.75	-0.75
Australia	3.60	-0.75
Norway	4.00	-0.50
Japan	0.75	0.50

Interest rate cuts galore
As inflation moderates, a global interest rate-cutting cycle has accelerated, with G10 central banks alone delivering more than 32 cuts totalling 1,000 basis points in 2025. This surge in easing marks a dramatic shift from the cautious normalisation seen during the 2024 pivot year.

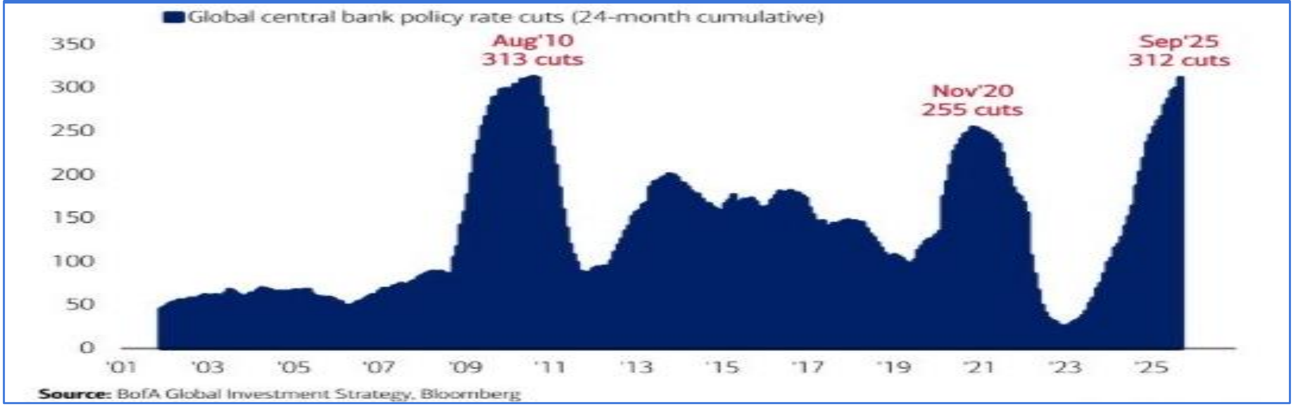
Latin America		
Country	Policy Rate	Change
Argentina	29.00	-11.00
Mexico	7.00	-3.25
Dominican Republic	5.25	-0.75
Peru	4.25	-0.75
Chile	4.50	-0.50
Colombia	9.25	-0.25
Trinidad & Tobago	3.50	0.00
Venezuela	14.70	1.03
Brazil	15.00	3.75

Asia Central Bank Policy Rate in 2025		
Country	Policy Rate	Change
Philippines	4.50	-1.50
India	5.25	-1.25
Indonesia	4.75	-1.25
Thailand	1.25	-1.00
South Korea	2.50	-0.75
Hong Kong	4.00	-0.75
Malaysia	2.75	-0.25
China	3.00	-0.10
Taiwan	2.00	0.00
Vietnam	4.50	0.00
Kazakhstan	18.00	3.75

Europe & Africa Central Bank Policy Rate in 2025		
Country	Policy Rate	Change
Turkey	38.00	-12.00
Russia	16.00	-5.00
Poland	4.00	-1.75
South Africa	6.75	-1.25
Iceland	8.00	-1.25
Czech Republic	3.50	-0.50
Nigeria	27.00	-0.25
Hungary	6.50	0.00
Ukraine	15.50	2.50

Mid-East Central Bank Policy Rate in 2025		
Country	Policy Rate	Change
Egypt	20.00	-7.25
Bahrain	5.25	-0.75
Oman	4.25	-0.75
Qatar	4.35	-0.75
Saudi Arabia	4.25	-0.75
UAE	3.65	-0.75
Kuwait	3.50	-0.50
Israel	4.25	-0.25
Morocco	2.25	-0.25
Lebanon	20.00	0.00

Global Central Bank Policy Rate Cuts (2-year cumulative)



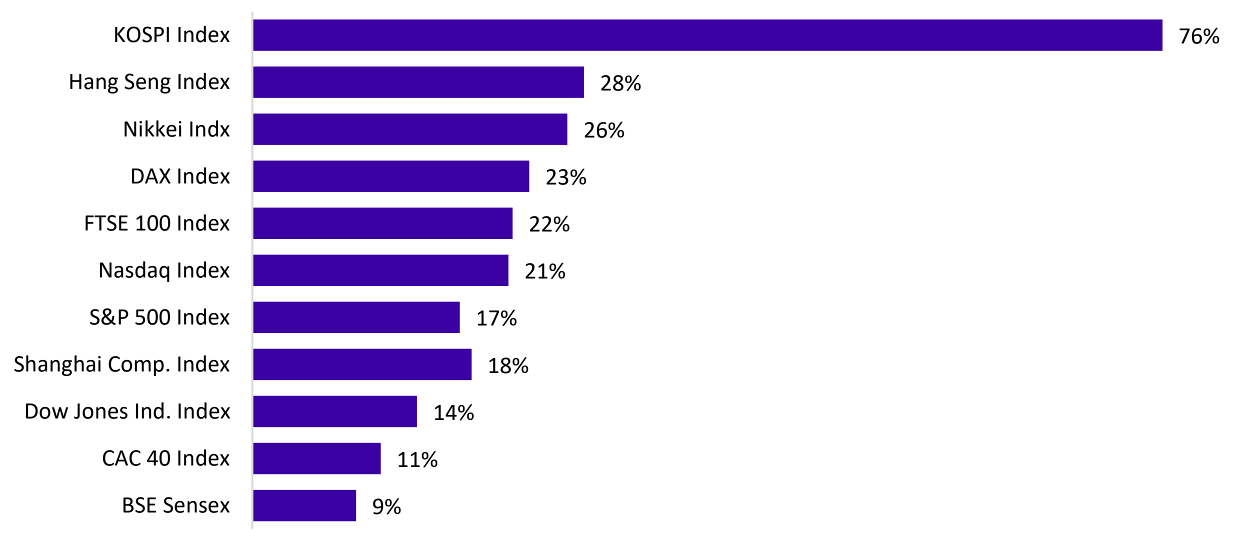
Source: Bloomberg; HSL Prime Research

Capital Rotated Toward North Asia

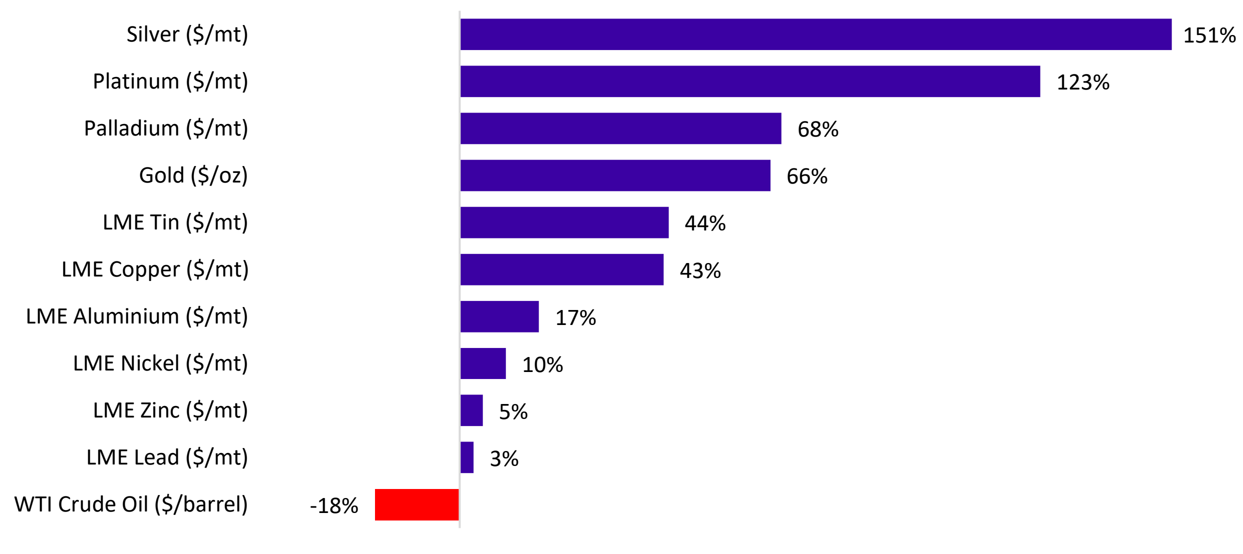
- The South Korean market has emerged as a leader among major global indices, fueled by a significant surge in AI-related stocks and government reforms aimed at revitalising local capital markets.
- In contrast, Indian indices have lagged behind their peers due to persistent foreign fund outflows.
- This shift in investor sentiment stems largely from growing uncertainty regarding future U.S.-India trade agreements. Consequently, capital rotated toward North Asian markets where policy support remains robust.

Year 2025
Korea Leads
India Legs

Major Global Indices Performance (CY2025 in percentage)



Major Global Commodities Performance (CY2025 in percentage)



Source: Bloomberg; HSL Prime Research

World Market Capitalisation Shatters Records in 2025

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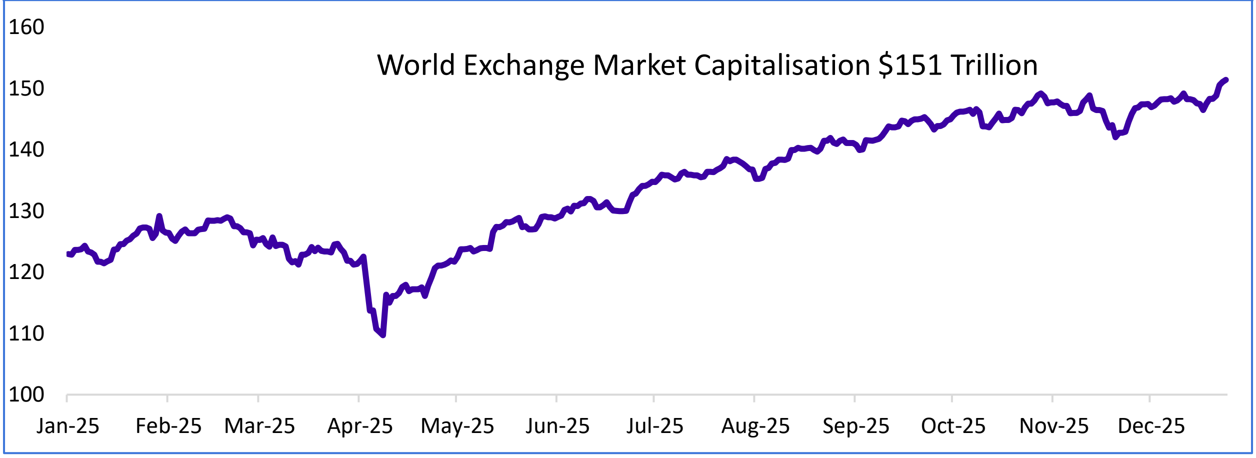
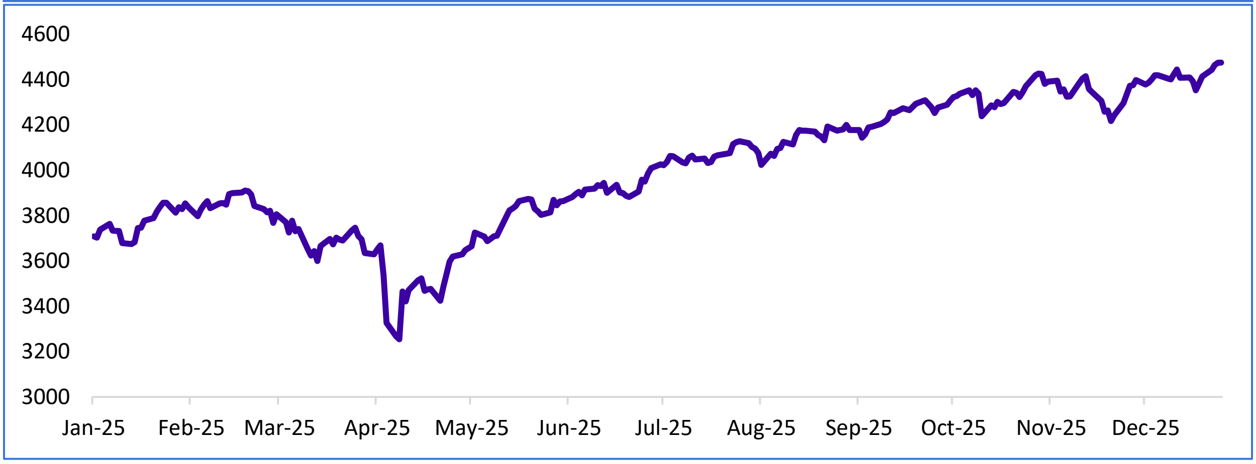
- The world exchange market capitalisation witnessed a staggering 22% leap in 2025, biggest jump since 2019, surging from $123.6 trillion in 2024 to a record $151.1 trillion.
- Remarkably, financial market volatility remained grounded and resilient even as geopolitical tensions and U.S. trade tariff volatility intensified.

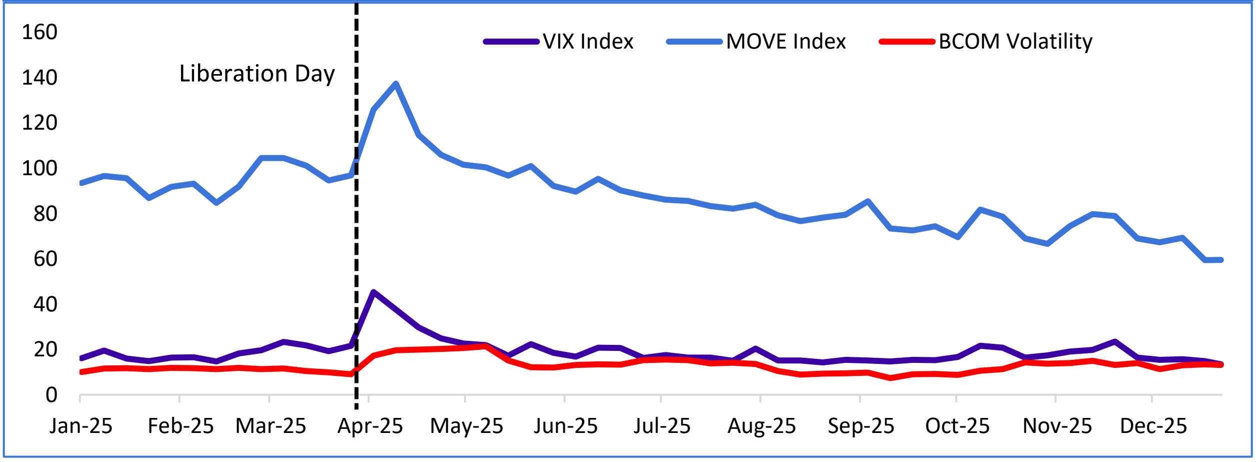
Bloomberg World Equity Market Capitalisation ($ Trillion)



MSCI World Index



Equity, Bond and Commodity Volatility



Source: Bloomberg; HSL Prime Research

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The Fed's Gift: Lower Rates Ignite Equities as the Dollar Dives

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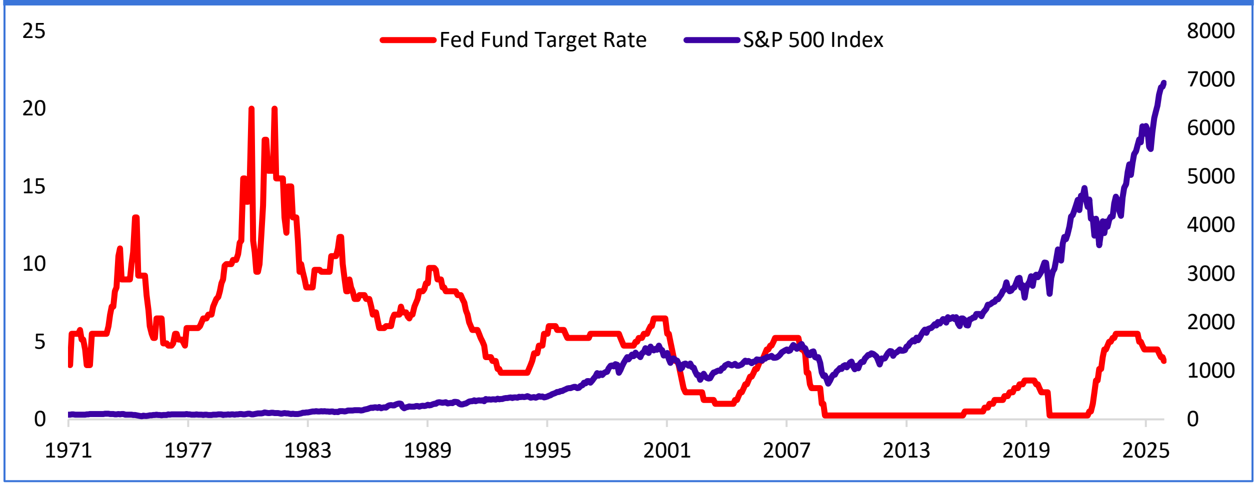
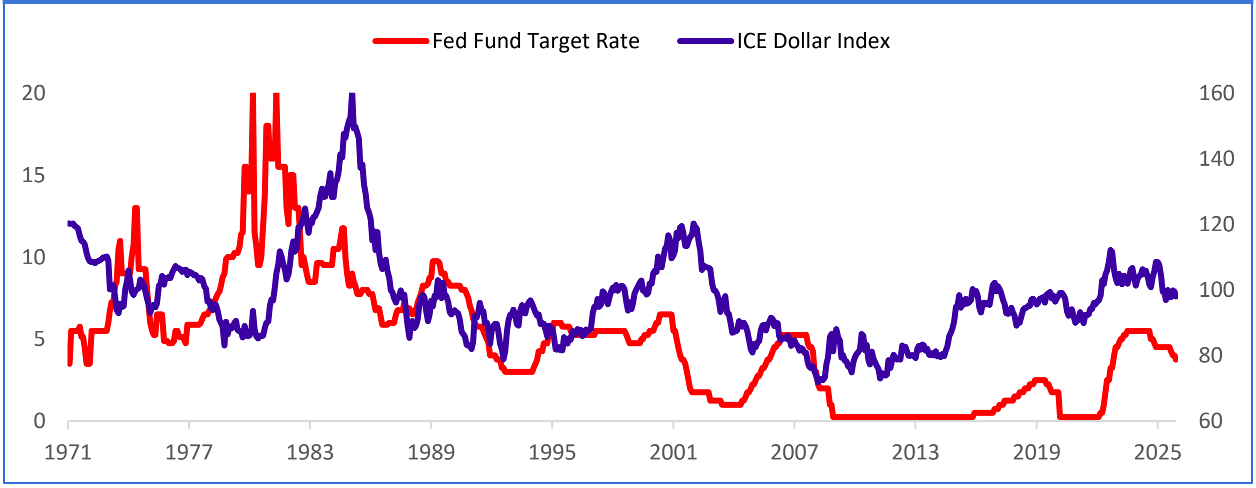
Historically, falling U.S. interest rates have supercharged equity markets, fueling a risk-on rally as borrowing costs decline. This monetary easing has simultaneously sent the U.S. dollar into a tailspin, weakening the dollar and providing a powerful tailwind for global liquidity and emerging-market assets.

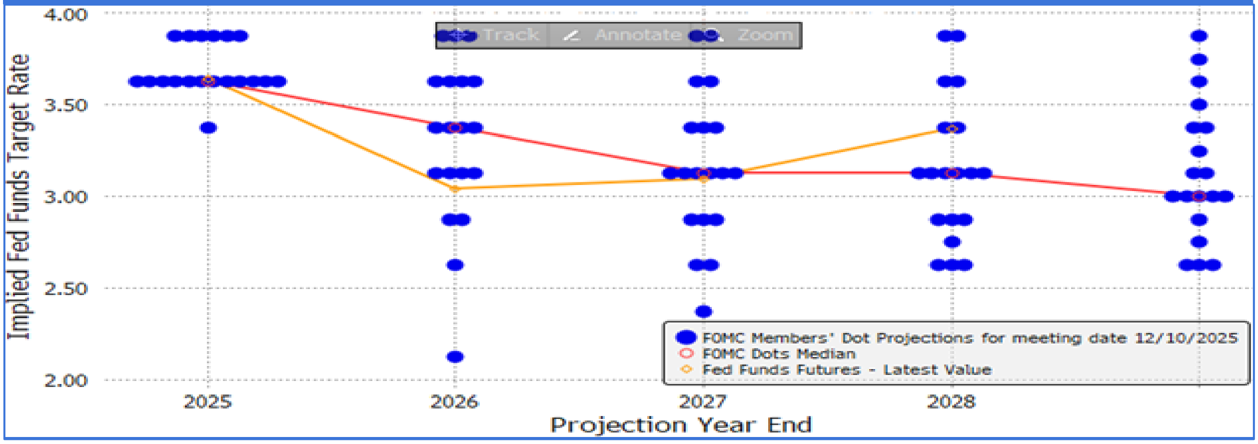
US Fed Fund Target Rate vs S&P 500 Index



US Federal Reserve Target Rate vs ICE Dollar Index



US Federal Reserves Dot Plots



Source: Bloomberg; HSL Prime Research

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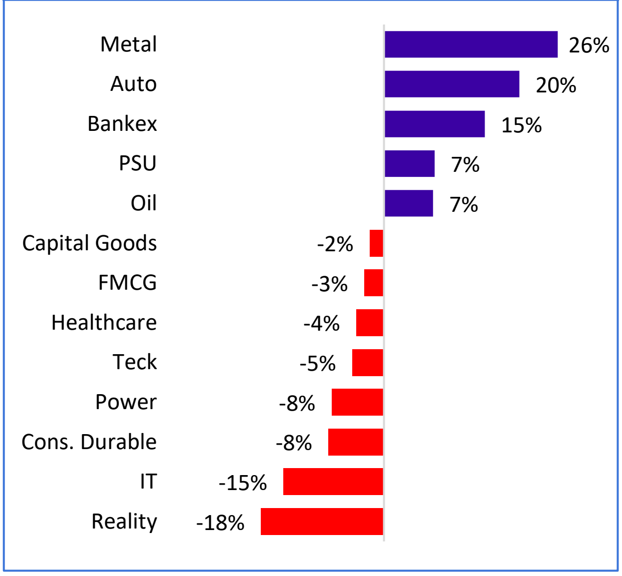
Large-Caps Outpace Broad Market; Metals Surge on Global Rally

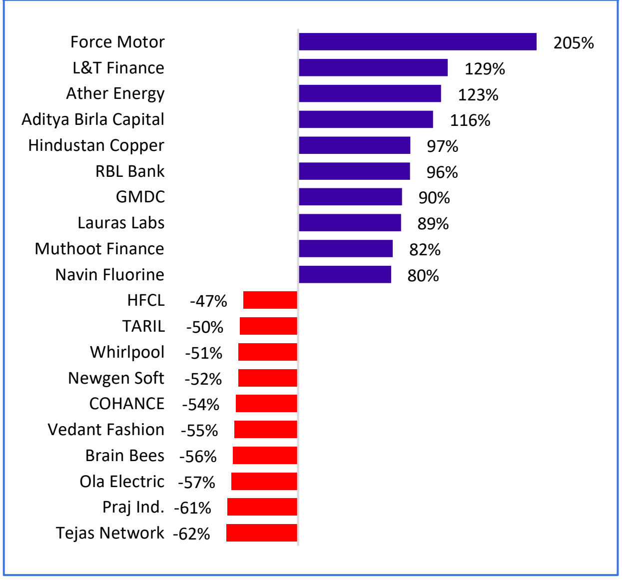
- The Nifty 50 has showcased relative resilience, outperforming the broader market as investors seek the safety of large-cap stability amid recent volatility.
- Among the sectoral indices, the Metal sector emerged as the top gainer, propelled by a strong rally in global commodity prices and supply tightness.
- Realty index lagged behind, burdened by visible cooling in housing demand.

Year 2025
Large Caps leads with Metal gain the most

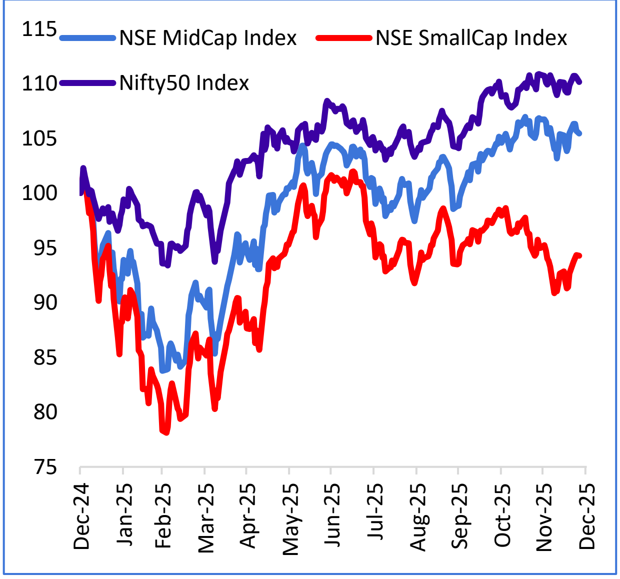
India BSE Sectoral Performance (CY2025 in percentage)



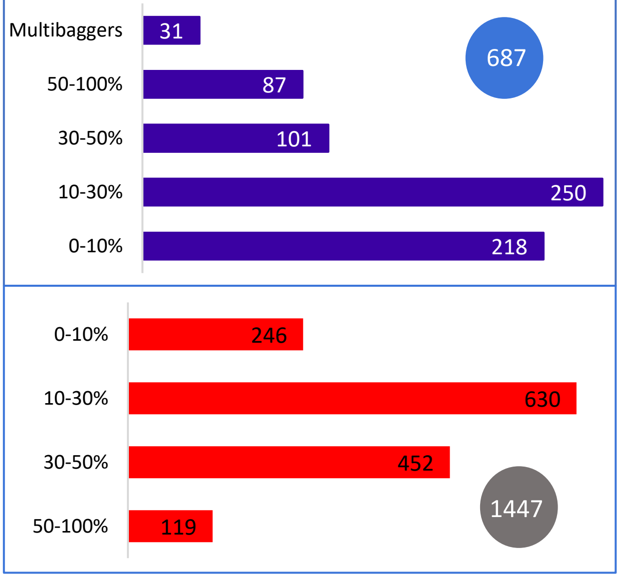
NSE 500 Index Top and Bottom 10 Stocks Performance (CY2025 in percentage)



Major Indices (Base 31 Dec. 2024=100)



68% of Stocks End The Year in Red

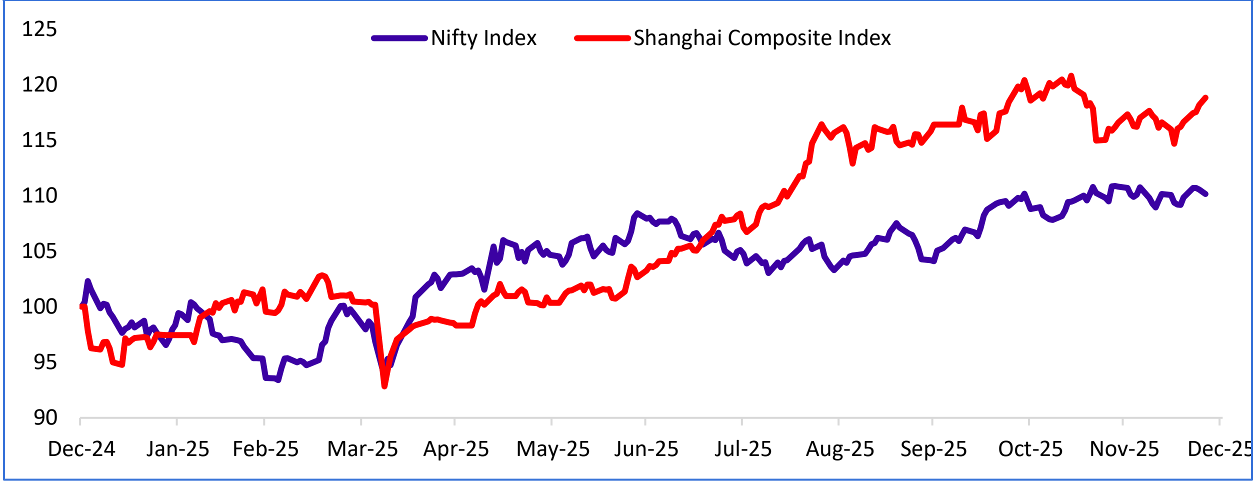


Source: NSE, Bloomberg; HSL Prime Research

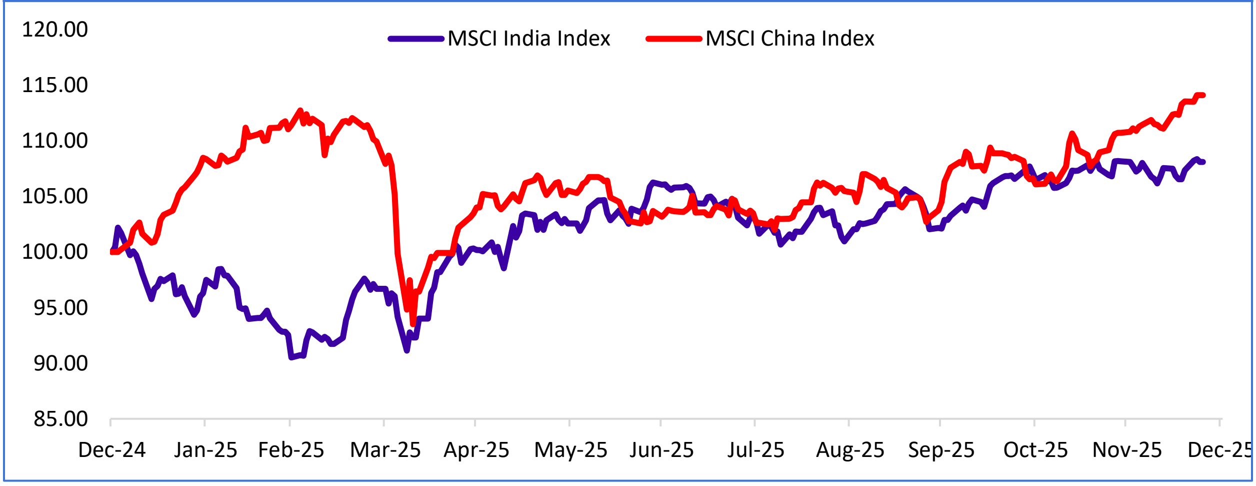
From First-Half Turmoil to China's Strategic Surge

The year began with a volatile, zigzag performance as markets struggled for direction, but the narrative shifted dramatically as China began to outpace India on US imposed higher tariff rate.

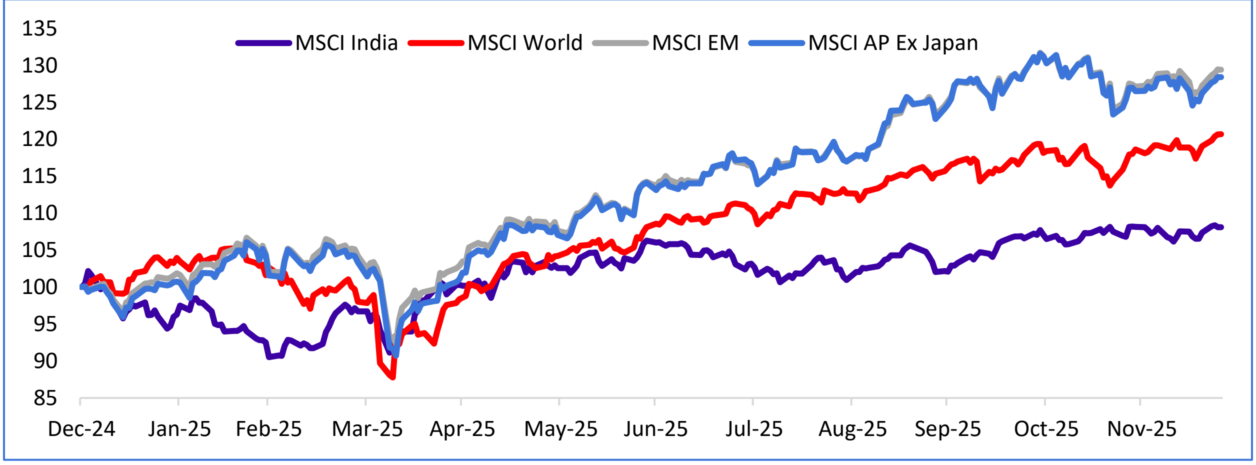
India vs China Benchmark Index Performance (31 Dec. 2024=100)



MSCI India vs MSCI China (31 Dec. 2024=100)



MSCI India, MSCI World, MSCI EM & MSCI Asia Pacific Ex Japan Index (31 Dec. 2024=100)



Source: Bloomberg; HSL Prime Research

Market Migration: The $2025 Global Pivot to Value and Domestic Strength

- Foreign capital in Asia undergone a significant reallocation, favouring China and Japan while reducing exposure to India due to stretched valuations and currency volatility.
- Simultaneously, institutional investors are pivoting back to Western markets, with the US and Europe attracting substantial inflows driven by improved growth outlooks and attractive "value buying" opportunities in a lower-rate environment.

Foreign Institutions Investments ($ million)					
Country	Date	QTD	YTD	12M	YoY Level
Asia					
China	30SEP2025	68828.5	96225.2	53538.7	
India	29DEC2025	-431.6	-17885	-18653.8	-18777.8
Indonesia	30DEC2025	2244.5	-1062.9	-1028.3	-2136.4
Japan	19DEC2025	50052.7	45693.7	45693.7	44070.2
Malaysia	30DEC2025	-1353.5	-5096.6	-5073.7	-6039.8
Philippines	29DEC2025	-231.2	-882.6	-884.6	-476.1
S. Korea	30DEC2025	-3119.2	-3925	-3764.1	-6190.2
Sri Lanka	30DEC2025	-37.5	-127.4	-127.1	-94.4
Taiwan	30DEC2025	-15265.8	-7832.2	-8645.8	9557.5
Thailand	30DEC2025	-330.7	-3211.4	-3222	909.7
Vietnam	30DEC2025	-1055.6	-4781	-4778.7	-1601.2
America					
Brazil	26DEC2025	125.7	4914.3	4845.3	11320.8
Canada	31OCT2025	9029.4	-15878.7	-21686.8	-18283.4
Chile	30SEP2025	-1264.7	-2057.3	-1999.1	-885.1
Colombia	30SEP2025	595.3	1193.8	1422	1172.7
United States	31OCT2025	47397	523426	726161	626836
EMEA					
Bulgaria	31OCT2025	-21	-41	-42.2	-29.3
Czech Republic	31OCT2025	99	1338.9	1777	6.2
Dubai	30DEC2025	-158.3	1288	1293.6	709.9
Euro Area	31OCT2025	51722.3	357299.6	474873.4	52218.5
France	31OCT2025	2409	385	10118	-14768
Germany	31OCT2025	-2320.1	-1173.3	-2242.8	2567.9
Hungary	30SEP2025	395.9	106.1	171.5	103.1
Israel	30SEP2025	1019	-3363.6	-6963.6	1064
Italy	31OCT2025	-1818.6	-10026.4	-12537.3	-15827.2
Luxembourg	30SEP2025	129161.0	324470.0	432852.7	265962.5
Netherlands	30JUN2025	25081.1	66500.8	63547.9	73698.7
Poland	31OCT2025	427.1	-4590.3	-4674.6	-7074.2
Qatar	25DEC2025	-5.8	232.7	195.0	849.5
Romania	31OCT2025	2129.6	16721.9	16081.7	-1874.9
South Africa	23DEC2025	-898.6	-12341.0	-12464.2	-4619.6
Switzerland	30SEP2025	-3179.3	3616.0	-3699.0	8451.0
Turkey	19DEC2025	227.0	1984.0	1883.0	4438.0
Ukraine	31OCT2025		2.0	2.0	-3.0
United Kingdom	30SEP2025	29119.9	30092.3	29629.8	39817.4

Source: Bloomberg; HSL Prime Research

A Year When Indian Retailers Asserted Their Presence

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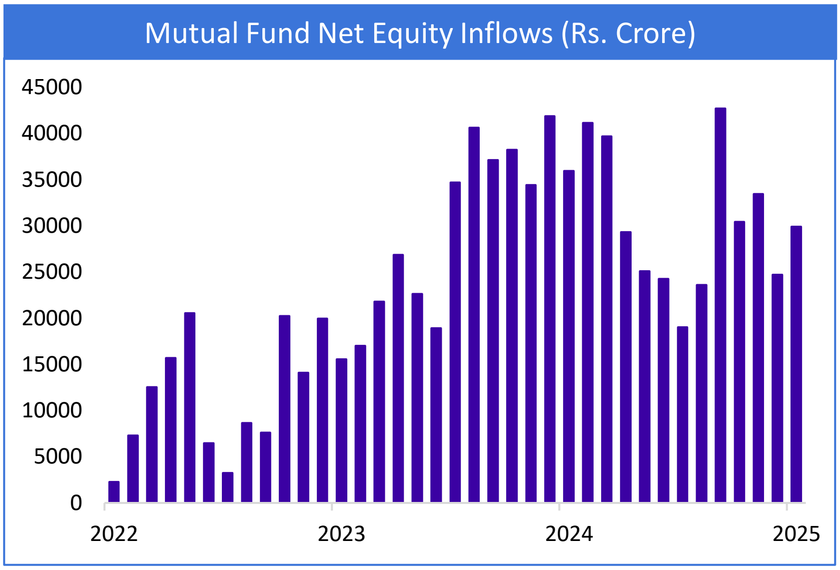
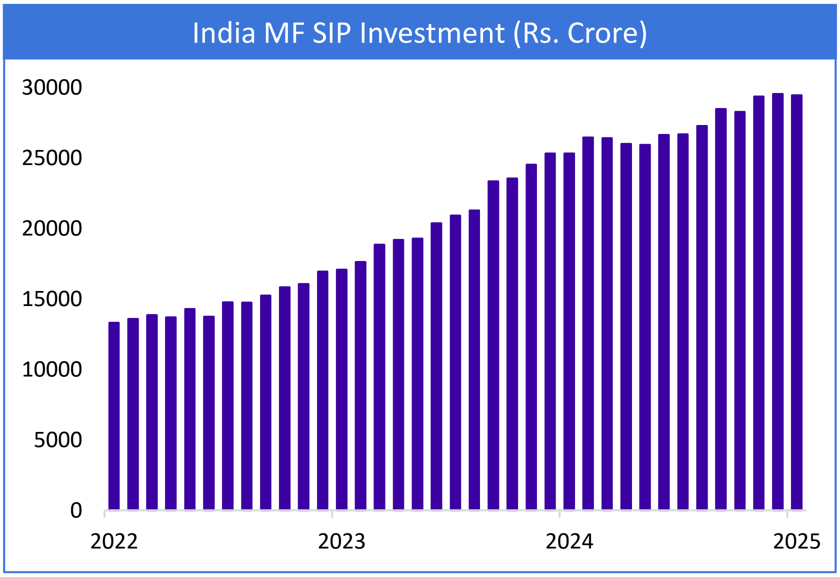
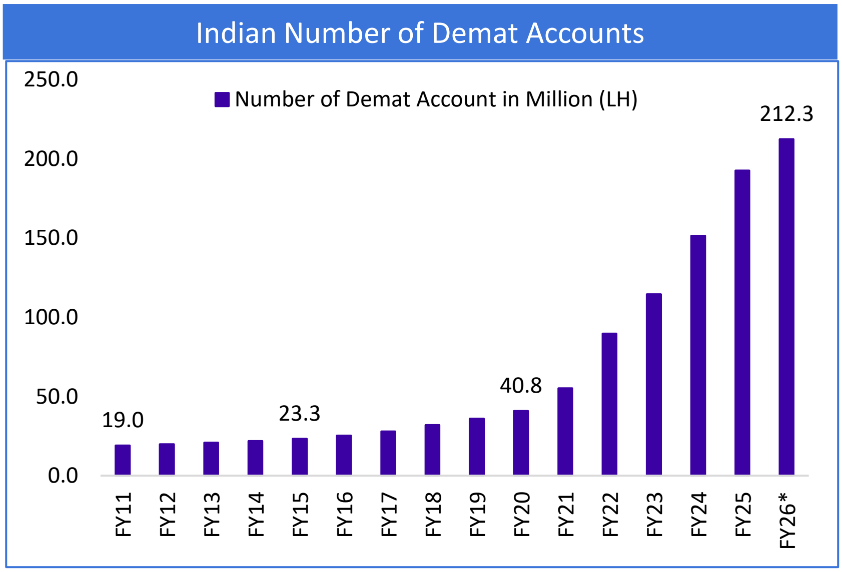
MF Equity Inflows Remained Volatile with Market Swings



Record Investments by Retail Investors through SIP



Exponential Growth in Demat Account Opening



(Source: NSE, AMFI, HSL Prime Research)

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SECTOR OUTLOOK

Sectoral Outlook

- **Automobile:** Dynamic growth driven by policy reforms and electrification.
- **BFSI:** Robust performance anticipated with improving credit growth.
- **Capital Goods:** Strong investment upcycle, though valuations warrant caution.
- **Cement:** Volume recovery expected via housing and infrastructure demand.
- **Chemicals:** Healthy volume-led rebound expected in CY26.
- **Consumption:** Gradual recovery with a continued shift toward premiumisation.
- **Defence:** Bullish momentum supported by record order inflows and indigenisation.
- **IT:** AI-driven recovery expected to accelerate in the second half.
- **Metal:** Robust demand fuelling significant capacity expansion.
- **Oil & Gas:** Rising consumption and refining expansion amid global price volatility.
- **Power:** Demand revival and strong renewable capacity additions.
- **Pharma:** Steady growth momentum with gradual margin improvement.
- **Telecom:** Positive outlook driven by 5G adoption and data growth.

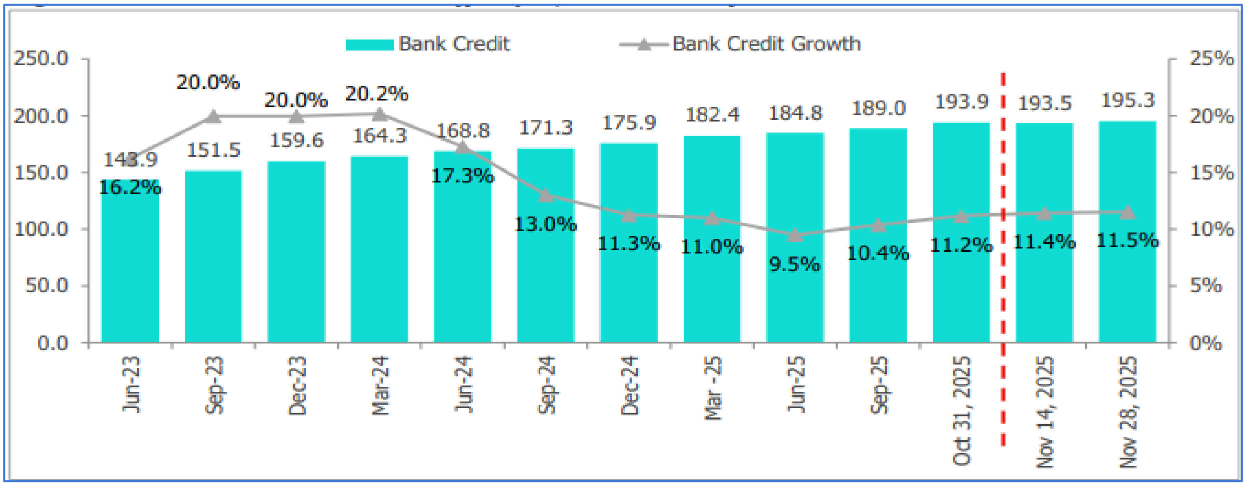
Automobile

- India's automobile sector in 2025 has emerged as a dynamic powerhouse, driven by robust sales growth, policy reforms, and a decisive pivot toward electrification amid global uncertainties.
- Record festive demand, GST reductions, and EV incentives have fueled a 3-4% overall sales uptick, positioning India as the world's third-largest auto market with over 4.3 million passenger vehicles sold annually.
- GST 2.0 slashed rates on small cars from 28% to 18%, boosting affordability for middle-class buyers and triggering pent-up demand. Electric vehicles gained traction with 5% GST, urban adoption for low running costs, and new affordable models. Penetration hit 3-4% in passenger cars, projected to reach 15% by 2030.
- India's automobile sector anticipates 6-8% sales growth in 2026, fueled by policy tailwinds like GST rationalization, income tax relief, and easing monetary conditions that enhance affordability across segments.
- To keep up with the growing demand, several auto makers have started investing heavily in various segments of the industry during the last few months.
- **Top picks: Maruti Suzuki, Hero Motocorp, Bharat Forge**

Source:RBI, CareEdge HSL Prime Research

BFSI

- After holding rates for more than two years, the RBI cut its repo rates by 125 bps in 2025 as inflation eased out significantly and remained within comfort levels of RBI. It has also reduced CRR providing the banks with higher lending capacity. It also revised upwards its GDP forecast indicating higher economic activity which would result in higher credit growth for banks.
- India's BFSI sector witnessed one of its most active years with foreign banks, insurers, private equity firms and sovereign investors committing an estimated $14-15 billion through strategic stake purchases in the latter half.



Source:RBI, CareEdge HSL Prime Research

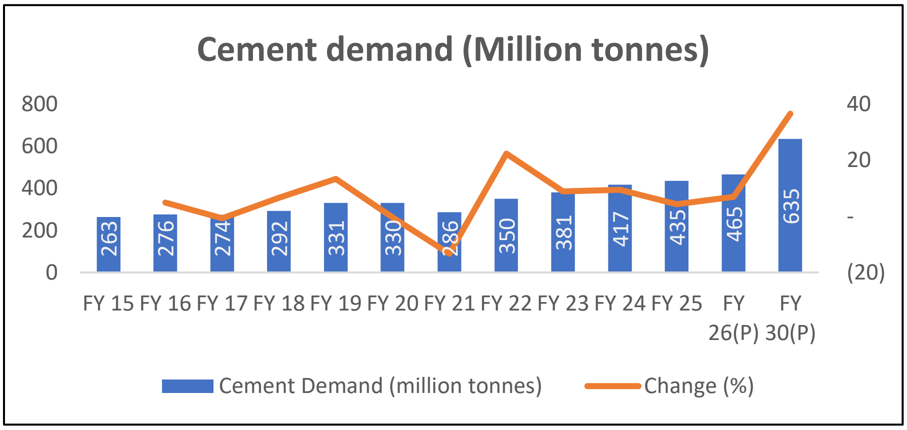
- Indian BFSI sector is likely to deliver a robust performance for 2026 on back of easing margin pressures and improving credit growth driven by increased spending on infrastructure
- Most banks have cleaned up their balance sheets and strengthened their lending practices.
- Microfinance stress is also expected to bottom out by Q3FY26 and AUM growth should tick up on back of reforms undertaken in the industry.
- **Top Picks: SBI, PNB Housing Finance**

Capital Goods

- India's total capital expenditure has reached an all-time high of ₹31.6 trillion on a trailing-twelve-month basis, signaling one of the strongest investment upcycles in recent years. This resurgence is anchored by the central government, which saw its capex surge by 40% year-on-year in the first half of FY26, with significant spending directed toward roads and railways, while aggregate state-level capex also grew by 13%.
- Private capex outlay was delayed mainly due to uncertainty in the business climate, including tariffs, volatile capital flows, and financial market fluctuations.
- Defence capex is projected to rise in FY27, while transmission momentum continues with HVDC project awards. While public investment has historically done the heavy lifting, it is increasingly attracting private sector too, which accounted for 88% of the Rs.15.1 trillion in new investment announcements made in H1 FY26.
- Earnings visibility for quality capital goods and industrial companies remains good. The sector is expected to contribute meaningfully to incremental index earnings over FY26 to FY28, with mid-teens EPS growth for quality companies.
- We remain cautious because of valuation concerns. Sector valuations are well above long-term averages, and prior cycles with peak margins and elevated multiples have delivered limited index-level returns over extended periods.
- **Top Picks : Cummins, Siemens**

Cement

- Demand momentum in the Indian cement sector stayed subdued, impacted by heavy monsoons, regional floods, and festive disruptions that curbed construction activity.
- while power and freight costs may see some softening, raw material cost pressure from limestone/gypsum and energy inputs is likely to persist, potentially keeping cost structures elevated compared with historical averages.
- Supportive housing initiatives such as Pradhan Mantri Awas Yojana (PMAY) and demand from tier-II/III city real estate are expected to sustain strong volumes, while expansion in industrial and commercial construction, including logistics parks and data centres, adds incremental consumption.



- In FY27, the Indian cement industry is set to witness significant capacity additions as producers actively expand to capture anticipated demand growth. Major players like UltraTech Cement are commissioning new integrated and grinding units adding over 14 MTPA in FY26 and a similar quantum into FY27, while industry reports project that 160–170 million tonnes of new grinding capacity will come online between FY26 and FY28, backed by about ₹1.2 trillion in capex, much of it through brownfield expansions that have shorter gestation periods and lower execution risk.
- For FY27, cement volumes are projected to grow robustly, likely in the 6–8% range, underpinned by sustained housing demand, government infrastructure capex, and urbanisation.
- The combination of healthy volume growth and controlled price increases should help sector revenue and margin recovery in FY27.
- **Top Picks: Ultratech Cement, Birla Corp**

Chemicals

- We expect healthy volume led rebound in CY26 after subdued CY25 for chemical companies in general, on (1) high channel inventory and (2) steady pricing decline on China-led low-cost imports. We note that several players such as Navin Fluorine, Aether Industries, SRF etc. have reported strong growth in the last few quarters.
- As global channel inventory has already started easing, given steady on-ground demand, we expect CY26E to see a healthy rebound for most specialty-chemical players. This will also get accelerated with an expected push by global innovators to launch new products, which augurs well for Indian specialty-chemical companies, on the back of their positioning in the global supply chain. However, bulk-chemical companies may take some more time for earnings recovery, pricing woes continue (though largely stable now), keeping their earnings growth weak.
- We prefer SRF, Navin Fluorine, Vinati Organics, Atul and Aether Indutries. We feel that companies with higher share of patented products are better placed vs. generics/higher share from bulk, which may see a gradual volume growth recovery, especially as aggressive low-cost exports from China may continue.
- Agrochemical sales were hurt from destocking, and rise in competitive intensity from Chinese/generic and that led to sharp decline in prices. The agrochemicals sector has been reeling under immense pressure in the recent past largely due to a) adverse climatic conditions in key regions; b) higher global channel stocks; c) dumping by China, piling pressure on prices; d) geo-political uncertainties and e) tariff related issues.
- We believe that the worst is largely behind and the sector is heading toward a gradual recovery. It is gradually improving with recovery likely in the medium term. We note that there has been excess rainfall in many parts of India in this season, and that had played as spoilsport for the agro-chem players. We remain positive on **Dhanuka Agritech and Coromandel International.**

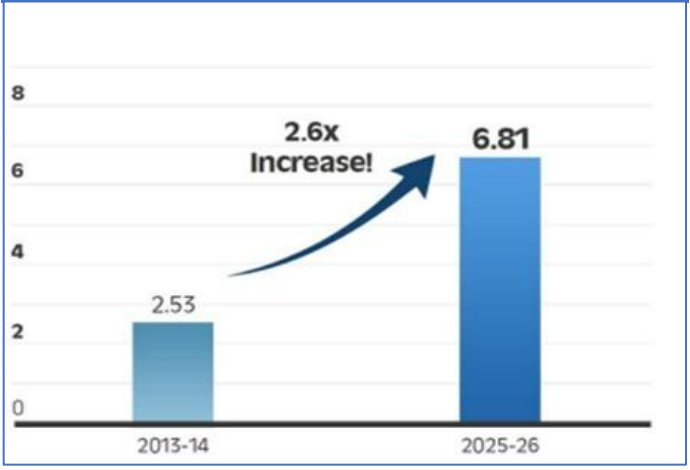
Consumption

- The Indian consumer sector showed resilience in CY2025 amid multiple headwinds, delivering single digit volume growth, with initial signs of recovery visible towards the second half of the calendar year. The year was impacted by both geopolitical uncertainties as well as domestic demand slowdown. While urban demand continued to be sluggish on account of sustained periods to high inflation, which has since cooled down.
- Premiumisation continues to be a key trend across categories and the same is expected to play out even in 2026. Consumer preferences have tilted towards experiential consumption, leading to product innovations across premium categories. Improved revenue mix, with higher share of premium and innovative products is expected to provide another vector to margins for FMCG companies in the upcoming year.
- Going forward, we expect the sector to stage a gradual recovery in 2026 as companies report positive offtake, starting November 2025, after continued impact of the new GST regime in October. A strong run up to the wedding season, bumper harvest from a good monsoon, benign inflation and favourable monetary policy environment remain key drivers. Whereas decline in key commodity prices and demand offtake under the new GST regime will be key monitorables.
- **Top Picks : HUL, Marico, Dabur**

Defence

- India's defence sector has been witnessing many developments lately, such as ongoing negotiations with various countries for defense deals, including export ramp-up; recent DAC approvals; Defence Ministry TPCR roadmap; ongoing emergency procurement; and expectations of higher budgetary allocation.
- Overall, India's defence spending has seen a significant increase in recent years, due to the country's focus on modernising its armed forces and indigenising its defence procurement.
- India's defence sector outlook is highly positive, driven by strong domestic production, increased government spending, robust order books, and supportive government policies. The Government is also encouraging private players' participation in large projects and moving away from nomination-based tenders. the sector eyes a production target of Rs 3 trillion by 2029. However, the 2026 outlook depends heavily on whether new domestic "fabs" and joint ventures can begin narrowing these gaps.
- The Indian defence sector maintained its strong momentum into FY26, supported by record order inflows, resilient margins, and robust policy support. Listed defence companies reported mixed performance in Q2FY26, with strong order inflow in the quarter, margin improved, and supply chain challenges sorted out. While the outlook is bullish, earnings can be "lumpy" due to milestone-linked payments and potential supply chain risks in critical alloys and semiconductors.
- Following "Operation Sindoor" in May 2025 (which validated indigenous drone defense), there is a massive push for loitering munitions, swarm drones, and Unmanned Ground Vehicles (UGVs).
- The sector's growth in 2025 was underpinned by a massive budget allocation of Rs 6.81 trillion (approx. $78.7 billion) for FY 2025–26, representing a 9.5% increase over the previous year.

India's Defence Budget (Rs Lac Crore)



(Source: Q2FY26 result press release)

- The goal is to have 75% of all capital procurement sourced from domestic industry. In FY25, an impressive 92% of contracts were awarded to Indian firms.
- **Top Picks: Bharat Electronics, HAL and GRSE**

IT

- Fast-moving innovations in technologies, such as the adoption of artificial intelligence (AI), cloud modernisation, and the expansion of Global Capability Centres (GCCs), have paved the way for a new trend in the IT sector
- In 2025, the Indian IT industry is estimated to reach a revenue of approximately $283 billion, reflecting a growth rate of around 5%.
- 2025 was the year of the "Data Center Boom." Massive capital expenditures from "Hyperscalers" (Microsoft, Amazon, Google) focused on AI-optimized server racks and GPU clusters.
- GCCs have emerged as the primary growth engine and India now hosts over 1,600 GCCs, which are increasingly handling end-to-end product engineering rather than just back-office support.
- The availability of AI devices has also boosted overall spending by more than $30 billion. With the replacement cycle unchanged, the stronger performance in 2025 will result in a lower relative growth rate for 2026, as demand has been pulled forward
- Gartner forecasts India's IT spending to exceed $176 billion, a 10.6% increase from 2025. Worldwide IT spending is expected to total $6.08 trillion in 2026, an increase of 9.8% from 2025. Most IT services companies maintained their FY26 revenue guidance while keeping margin outlooks unchanged.
- While global macro-uncertainty in the US and Europe may lead to moderate, mid-single-digit revenue growth in the first half of the year, the sector is expected to see a sharper recovery in the second half as AI-driven productivity gains and cost-optimization projects mature. **Top Picks: TCS, Coforge**

India IT Spending Forecast, 2025-2026 (Millions of U.S. Dollars)

Mn-US$	2025 Spending	2025 Growth (%)	2026 Spending	2026 Growth (%)
Data Center Systems	7,788	29.2	9,385	20.5
Devices	60,443	9.4	66,442	9.9
Software	21,032	12.1	24,741	17.6
IT Services	31,854	7.0	35,383	11.1
Communications Services	38,348	3.8	40,414	5.4
Overall IT	1,59,465	8.7	1,76,365	10.6

Worldwide IT Spending Forecast (Millions of U.S. Dollars)

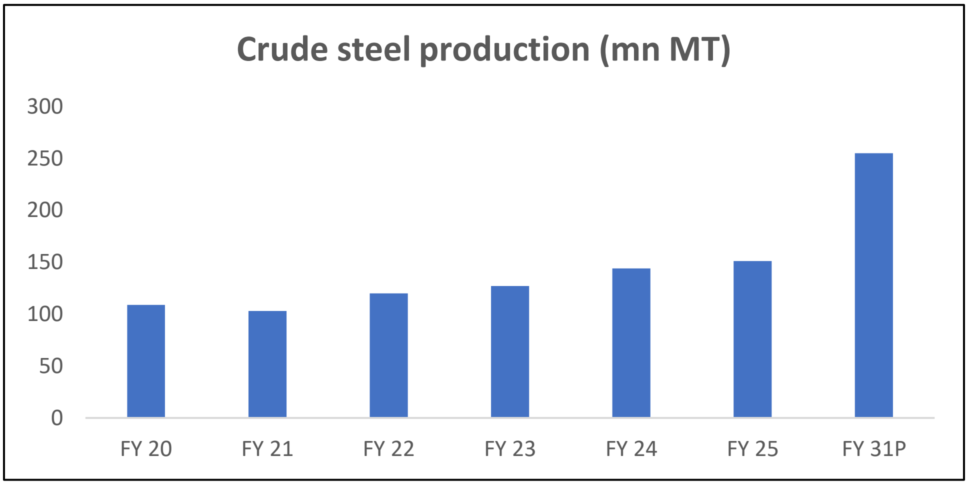
Mn-US$	2025 Spending	2025 Growth (%)	2026 Spending	2026 Growth (%)
Data Center Systems	4,89,451	46.8	5,82,446	19.0
Devices	7,83,157	8.4	8,36,275	6.8
Software	12,44,308	11.9	14,33,037	15.2
IT Services	17,19,340	6.5	18,69,269	8.7
Communications Services	13,04,165	3.8	13,63,058	4.5
Overall IT	55,40,421	10.0	60,84,085	9.8

Source: Gartner

Metal

- India's metals and mining sector in FY27 will likely benefit from robust steel demand growth of 8-10% CAGR, propelled by massive infrastructure spending under PM Gati Shakti, highways, railways, and urban housing initiatives. Automotive and real estate sectors drive additional volumes, with per capita consumption rising toward 120+ kg amid rising middle-class urbanization and EV manufacturing push.

- Sector gears up for substantial capacity additions in FY27, with steel players commissioning 20-25 MT through greenfield expansions and debottlenecking, led by JSW Steel's 5-7 MT at Vijayanagar and Dolvi, Tata Steel's KPO-II Phase 2 (3 MT), and Jindal Steel & Power's Angul ramp-up to 9.5 MT.



- Capacity expansions by leaders adding 20-25 MT through FY27 ensure supply aligns with demand, supported by PLI schemes for specialty steel and reduced import duties on key alloys.
- Aluminum demand is expected to surge 7-9% on power sector capex and renewables.
- Aluminum producers like Hindalco and NALCO target 0.5-1 MT via smelter upgrades and bauxite mine integrations, while NMDC adds 10-15 MT iron ore output from Nagarnar and Chhattisgarh expansions amid PLI incentives.
- **Top picks: Jindal Steel, JSW Steel**

Oil & Gas

- India's oil consumption is growing faster than any other major economy, driven by urbanization and a rebound in industrial activity.
- The notification of the Petroleum and Natural Gas Rules, 2025, has modernized the licensing framework, specifically aimed at revitalizing aging domestic fields like Mumbai High through global partnerships (e.g., ONGC-BP).
- With a capacity exceeding 258 MMTPA, the country is increasingly exporting refined products to Europe and Asia, even as domestic demand for diesel and jet fuel hits record highs.
- India offers opportunities worth $67 Bn investment as the share of Natural Gas increases from 6.7% to 15% in the energy mix by 2030. A significant development is the expansion of India's City Gas Distribution (CGD) network, aiming for complete national coverage. India's E&P sector offers investment opportunities worth $100 Bn by 2030.
- India's oil demand is expected to rise 37% to 7.4 million barrels per day (mbpd) and natural gas by 85% to 139 billion cubic metres by 2035. Higher oil output could help to maintain crude oil prices in the range of $60-75 per barrel in 2026.
- Forecasts suggest a potential oversupply of several million barrels per day, especially as U.S. shale production remains high and new international projects come online. At the same time, energy demand is fragmenting. It could be negative for E&P companies.
- a potential global oil surplus in 2026 as non-OPEC+ production (U.S., Guyana, Brazil) continues to rise. This could push Brent toward the $55–$60 range, benefiting Indian refiners' margins but challenging domestic exploration (upstream) profitability.
- **Top Picks: MGL, IGL, Oil India, and Reliance Inds.**

Sectoral Breakdown (2024-2030)		
Focus Area	**Objective**	**Metric/Target**
Exploration (E&P)	$100 Billion Investment	1 Million sq. km. by 2030
Natural Gas	$67 Billion Investment	15% share in energy mix by 2030
Refining Capacity	Expansion	310+ MMTPA by 2030
Biofuels	20% Ethanol Blending	By 2025-26

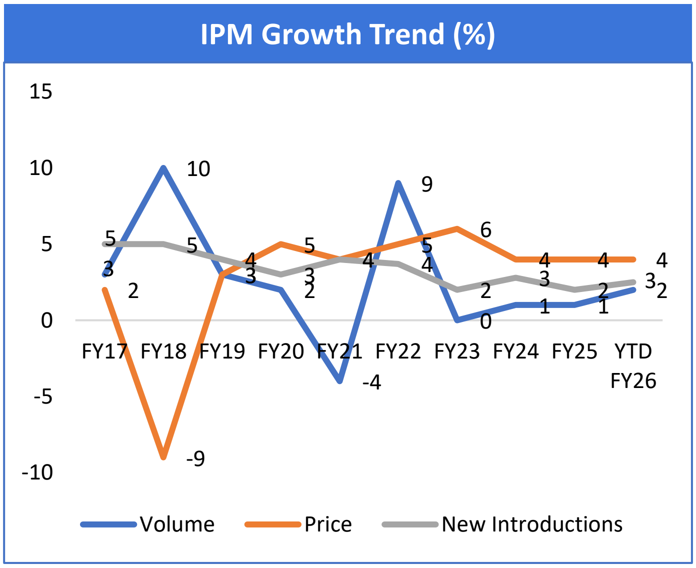
(Source- MoPNG)

Power

- Overall power demand for the year remained largely subdued due to prolonged monsoons and a high base effect. Demand is expected to revive in 2026, supported by a lower base and strengthening industrial activity across sectors.
- The nation added 44.5 GW of renewable capacity until November 2025, nearly doubling prior-year additions; while capacity growth remained robust, connectivity and land/ROW issues continue to strand significant installed capacity.
- DCR-compliant solar OEMs have seen substantial order book growth from large government orders; however, rising competition and sector oversupply are expected to compress margins and impact return metrics.
- Power sector demand revival and resolution of connectivity issues remain critical triggers for sector recovery.
- **Top Picks : Tata Power, CESC, ACME Solar**

Pharma & Healthcare

- India Pharma Market (IPM) had been consistently growing at 9-10% CAGR over FY12-22, the industry value growth has slowed to ~8% over the past 2-3 years, likely owing to muted growth in the Acute therapies due to tepid price hikes for the NLEM portfolio, and partly owing to some volume impact from generic-generic substitution/increasing usage of Jan Aushadhi generics.
- By March-2026, the drug company patents on many of these Semaglutide drugs (GLP-1) is due to expire in India. This will open the market to domestic companies who are developing their own cheaper versions, which are expected to flood the market and make prices more affordable. Experts predict the market for weight loss drugs in India is expected to be huge over the next 3-5 years.
- In the US, FY27E will be muted, with companies like Dr. Reddy's, Zydus Lifesciences, Natco and Cipla impacted from gRevlimid genericization (Jan-2026), but base business is dependent on company-specific launches; given lower shortages, US price erosion is not expected to come down further. While Pharma margin would be affected by gRevlimid drop, consistent weakness in API prices is a positive.
- Most of the players have been expanding beds on the back of growing demand for better healthcare needs. In the initial phase, it would drag overall operational performance, however the margin should see gradual improvement as they gain better occupancy. We expect growth momentum to continue with a scope of improving occupancy across the hospital network and steady increase in ARPOB. We believe the next capex phase, started from FY25 onwards, would support growth but this time it is more strategic expansion with a focus on the asset-light model.
- **Top Picks: Sun Pharma, Eris Lifesciences, IPCA Labs, Emcure Pharma and Apollo Hospital**



Telecom

- The number of telephone subscribers in India increased from 1,218.36 million at the end of June 2025 to 1,228.94 million at the end of September 2025, registering a quarterly growth rate of 0.87% and a yearly growth rate of 3.22%. The total number of Internet subscribers increased from 1002.85 million at the end of June 2025 to 1017.81 million at the end of September 2025, registering a quarterly growth rate of 1.49%. Rural connectivity has outpaced urban growth, bridging the digital divide significantly.
- India became the 5th country globally to deploy its own indigenous 4G/5G stack (via BSNL), marking a major shift toward Atmanirbhar (self-reliant) telecom infrastructure.
- Over 5.15 lakh 5G Base Transceiver Stations (BTS) have been installed, covering 99.9% of districts. 5G subscribers now exceed 390 million, fueled by affordable 5G smartphones and the expansion of Fixed Wireless Access (FWA), which has reached 13 million users.
- 2025 saw the full-scale deployment of AI-based fraud detection. The "Sanchar Saathi" portal and the "1600" series for financial calls have become central to protecting consumers from spam and scams.
- The Indian telecom sector's outlook is positive, driven by strong subscriber growth, increasing Average Revenue Per User (ARPU) from 5G services, and a continued shift from 2G to 4G/5G. Over the next five years, rise in mobile-phone penetration and decline in data costs will add 500 million new internet users in India, creating opportunities for new businesses.
- India's telecom sector shows strong growth, driven by massive data demand, rapid 5G adoption, and government support (PLI schemes, new Act), with rising subscribers (over 1.2B), increased revenue, and a shift towards digital services, though operators like Vi face challenges, as Jio and Airtel lead in 5G/broadband expansion, boosting overall digital economy and data consumption. The sector is expected to evolve from being a passive data conduit to an active, "aware" infrastructure.
- **Top Picks: Bharti, Bharti Hexacom and Indus Tower**

Indian Telecom ARPU Chart (Q2 FY26 - Data as of Sept 30, 2025)		
Company	ARPU -Rs (Sept 30, 2025)	QoQ Change
Bharti Airtel	256.0	-0.002
Reliance Jio	211.4	1.20%
Vodafone Idea (Vi)	167.0	1.80%
BSNL (State-run)	92.0	N/A

(Source: Q2FY26 result press release)

Potential Risks for 2026

In 2026, Investors could closely monitor these risks to monitor the potential of the investment outlook.

Is AI a bubble? – We think its not - Huge investment cycle but a long way to go

- A negative shock or disappointment relative to high expectations around the AI theme poses a risk to equity markets.
- An earnings or strategy announcement that is otherwise strong in absolute terms could still trigger volatility if expectations run too far ahead.
- Excessive borrowings by the AI mega caps to finance investments into AI, instead of relying solely upon their free cash flow, could also worry markets.

High debt – Credit Event ?

- A credit event that leads investors to worry that default risk is systemic rather than idiosyncratic poses a risk to both equities and credit, across private and public markets.
- Any data or event that limits the Fed's ability to cut rates poses the risk of disappointing markets and triggering a reassessment of risk asset valuations.
- An unexpectedly hawkish BoJ that pushes Japanese bond yields and the JPY sharply higher would pose a risk to equities and corporate bonds, given its role as a key source of global liquidity.

IPO rush will it kill The Goose That Laid the Golden Eggs ?

- With over **190 companies** aiming to raise over **₹2.5 lakh crore** in 2026, the secondary market faces a "liquidity drain" as capital is diverted toward new listings.

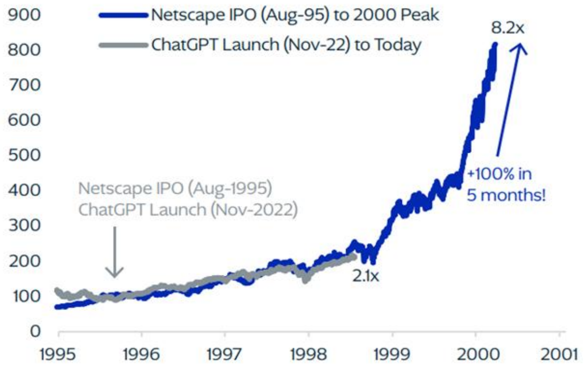
Continued FII outflows?

Even after the 2025 consolidation, India still trades at a premium compared to other emerging markets like China or Brazil. Foreign investors withdrew nearly ₹3 lakh crore from Indian equities in 2025. While there are hopes for a reversal in 2026, several factors may keep foreign capital away.

Potential Risks for 2026 - AI BUBBLE ?

AI Bubble? If this rally were to follow 2000 script.. Nasdaq is about to fly !

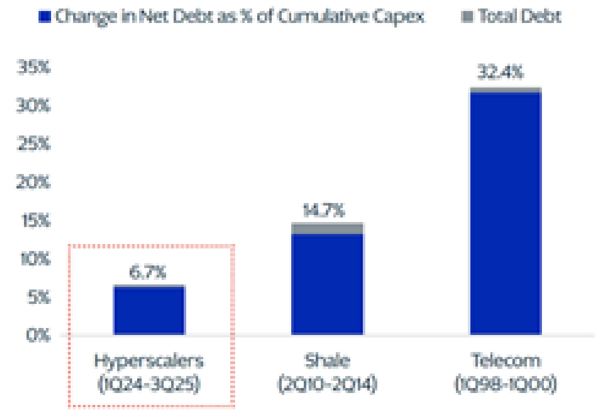
Nasdaq 100 Performance,
(Indexed to 100 at Netscape IPO and ChatGPT Launch)



Data as at December 10, 2025. Source: Bloomberg, KKR Global Macro & Asset Allocation analysis.

AI Investment Cycle Huge - But Lot More Room Left

Prior Investment Cycles: % of Capex Funded With Debt



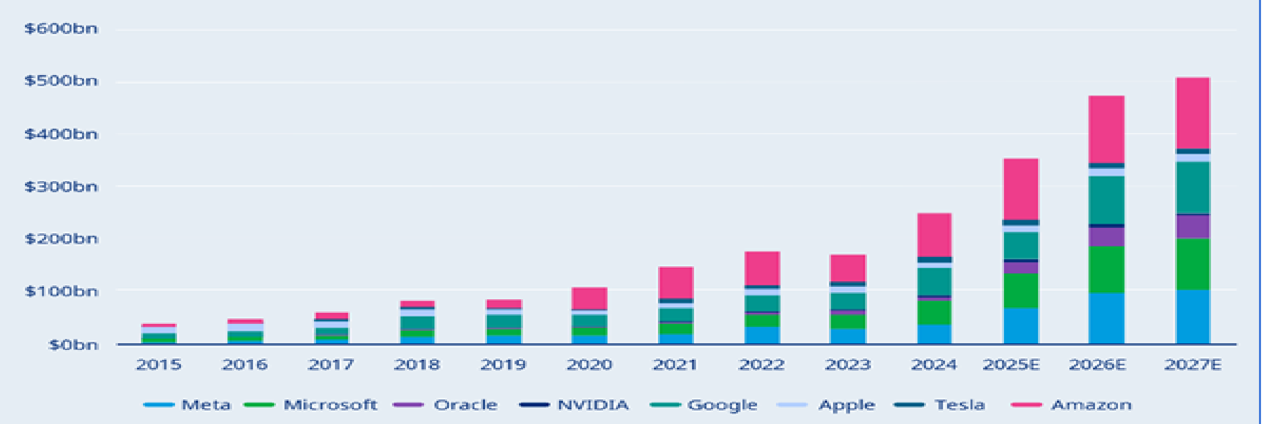
Data as at October 31, 2025. Source: Wells Fargo Securities, FactSet.

Magnificent Seven Capex
R&D spending is now running near the Equivalent of Almost 29% if Total US Tech-Related Equipment and Intellectual Property Investment

	Mag. 7 Capex + R&D US$ Millions	Y/Y % Change	R&D US$ Millions	Capex US$ Millions
2011	34,438		21,647	12,792
2012	48,796	42%	27,909	20,887
2013	58,619	20%	32,417	26,202
2014	76,908	31%	42,037	34,871
2015	89,158	16%	52,205	36,953
2016	106,589	20%	61,055	45,534
2017	132,613	24%	76,237	56,376
2018	178,117	34%	94,790	83,327
2019	194,603	9%	114,484	80,119
2020	241,680	24%	133,564	108,116
2021	310,817	29%	165,434	145,383
2022	384,757	24%	212,745	172,012
2023	406,579	6%	239,601	166,978
2024	515,220	27%	262,308	252,912
2025	690,039	34%	309,272	380,767
2026	874,690	24%	368,768	505,922

2025 and 2026 are Bloomberg consensus estimates for the Magnificent 7. Data as at November 17, 2025. Source: Bloomberg, KKR Global Macro & Asset Allocation analysis.

AI /Data centre-related investment is expected to top $450 billion in 2026

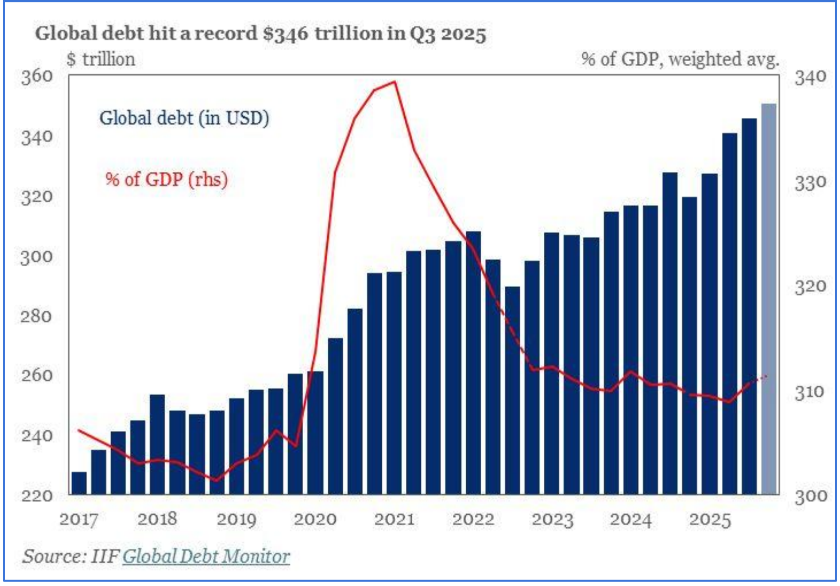


Source: FactSet, Mercer. Data as of September 30, 2025.

Global Debt Markets

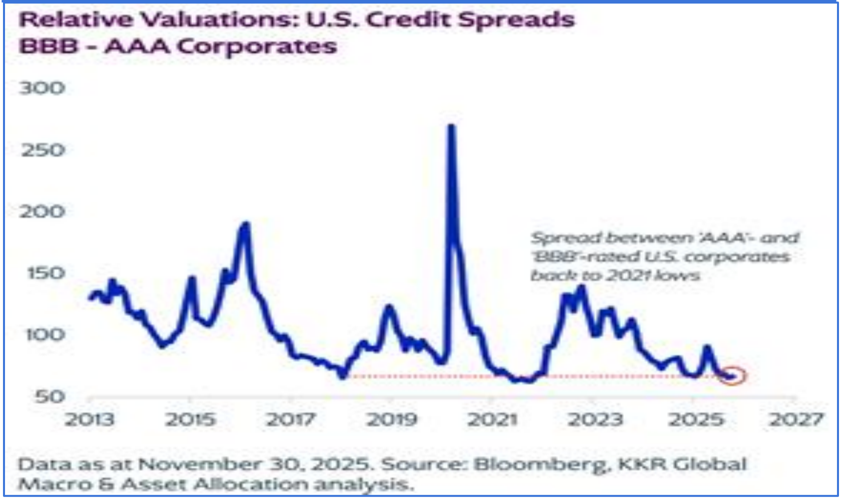
Global debt on track to surpass $350 trillion by year-end.

Global Debt at Record $346 trillion in Q3 2025



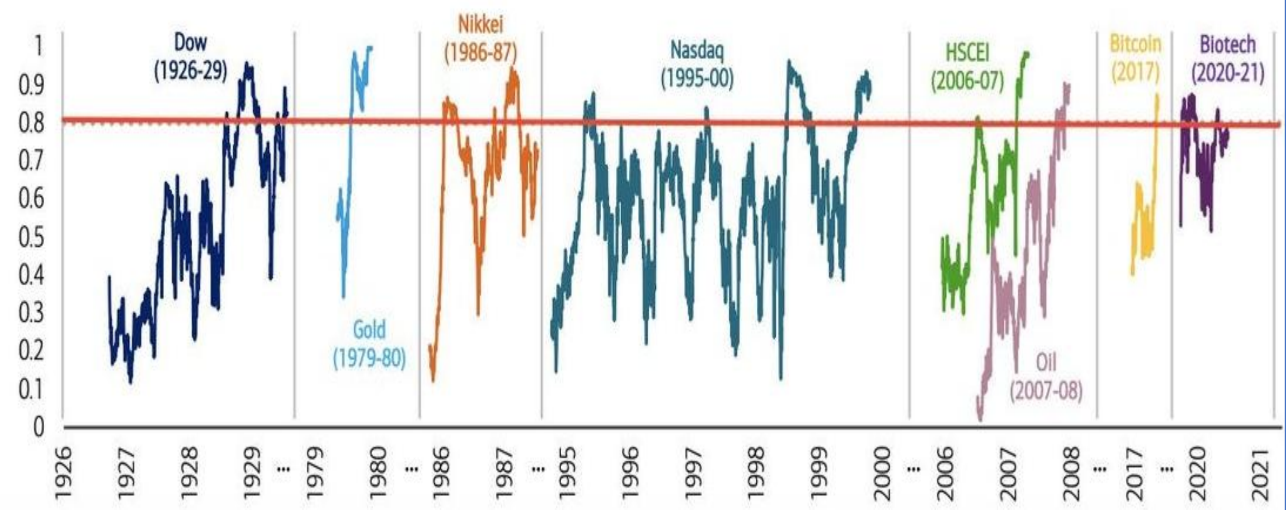
Credit Market spreads expected to widen

US Credit Spread BBB-AAA Corporates

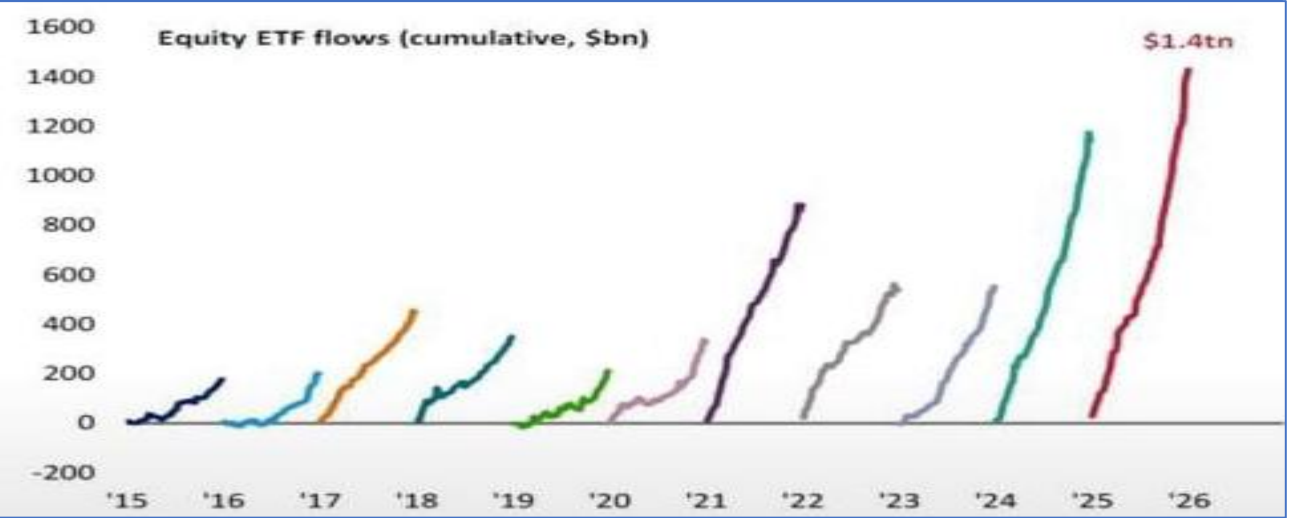


Potential Risks for 2026 - AI BUBBLE ?

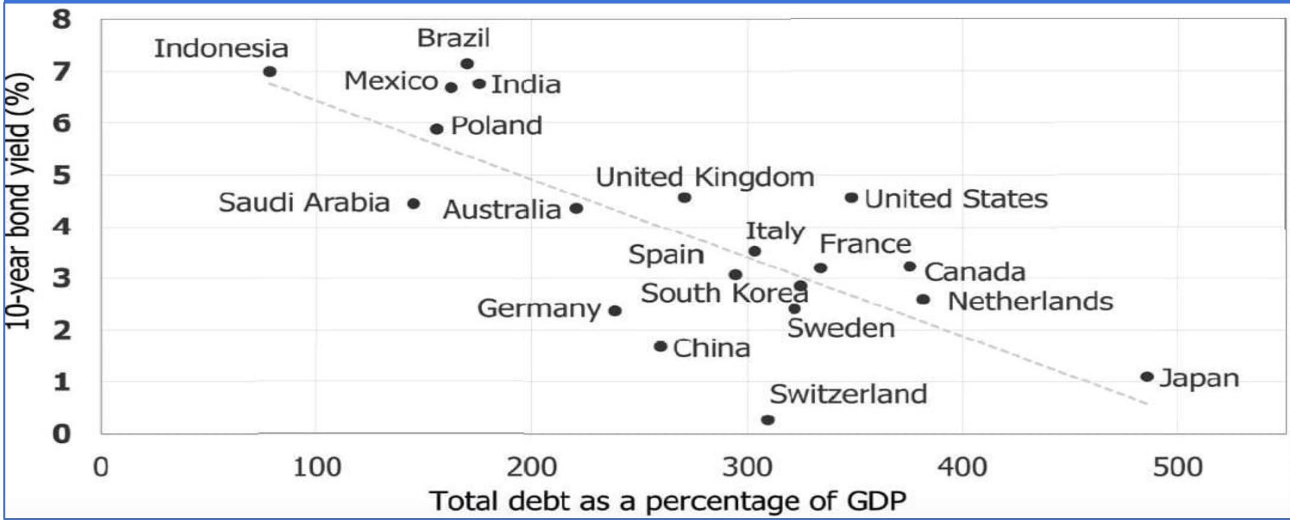
History of Investment Bubbles



Equity ETF Inflows ($ billion)



Total Debt as percentage of GDP vs the 10 Year Bond Yields

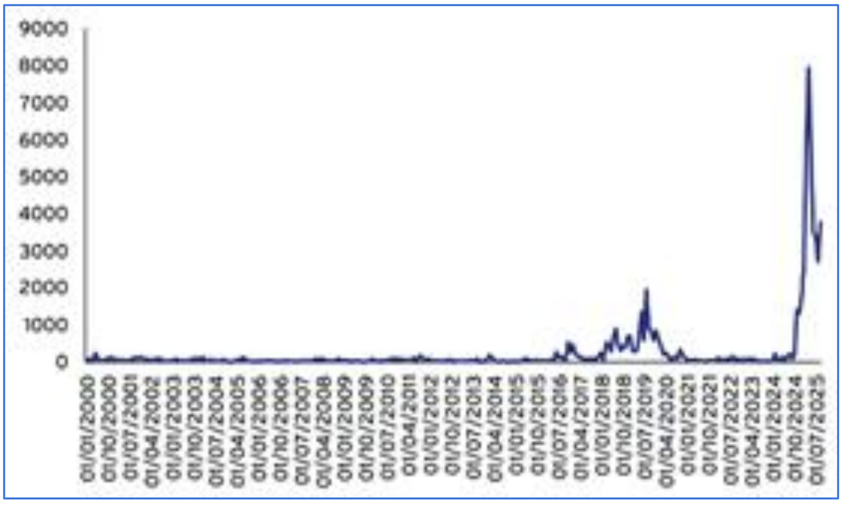


Key Expectations 2026

- Global Trade Uncertainty To Gradually Come Down
- China GDP Likely To Remain Stable
- Crude Oil To Remain Subdued
- Central Bankers Demand For Gold To Keep It Buoyant For 2026 As Well
- India – Ample Liquidity, Robust GDP Growth
- US – S&P 500: 11% Earnings Growth, 9% Return Expected, Yearly Target 7600
- India Markets FY27 Nifty Earnings Expected To Grow By 16%
- Nifty Yearly 11% Return, Price Target 28720
- Important Events of 2026

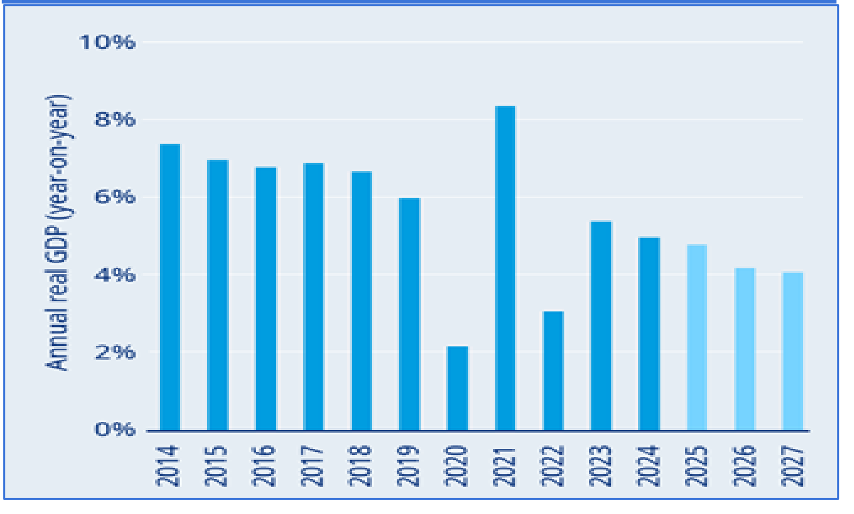
Trade Uncertainty To Gradually Come Down

Trade Policy Uncertainty Index



China GDP likely to Remain Unchanged

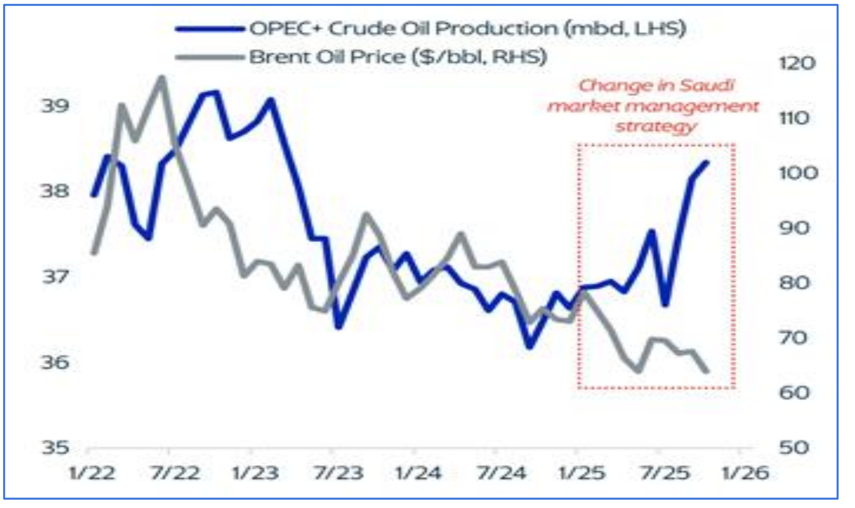
China's Economic Growth Projections



(Source: CareEdge, Bloomberg)

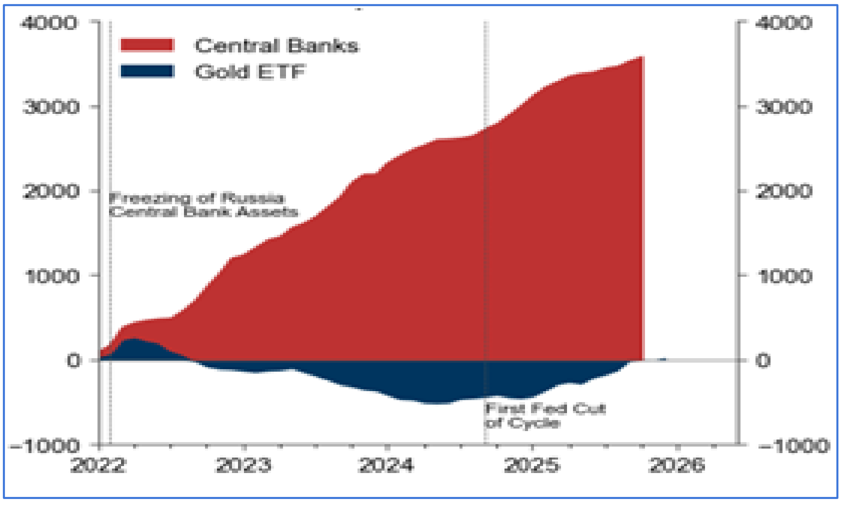
Brent Crude Oil & OPEC+ Production

Crude Oil To Remain Suppressed



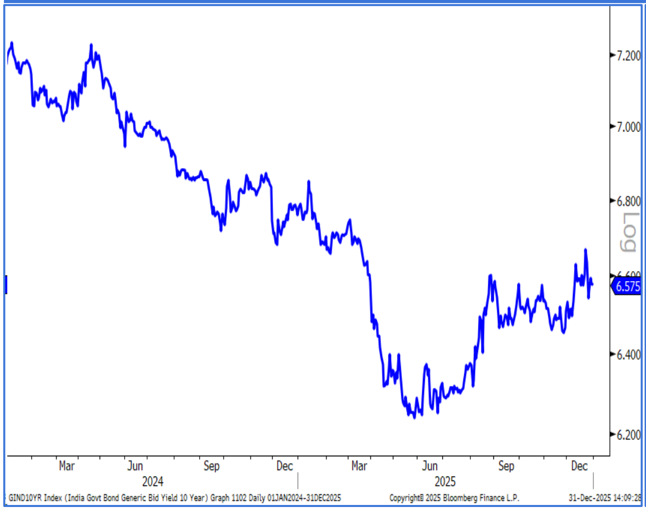
Central Banks & Gold ETF Demand

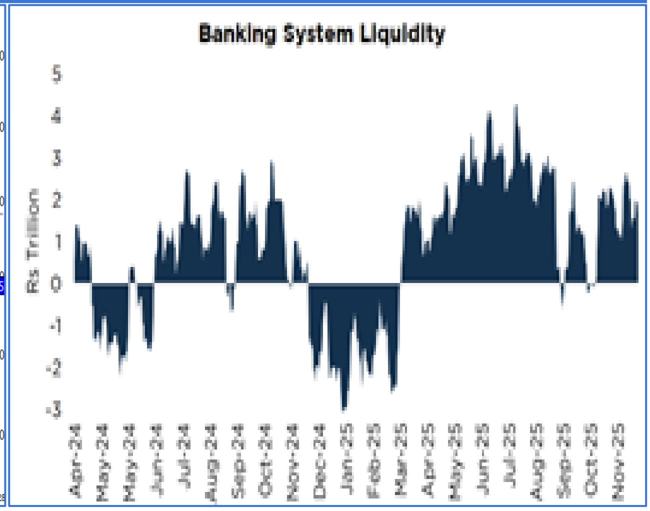
Central Bankers Demand For Gold To Keep It Buoyant For 2026 As Well



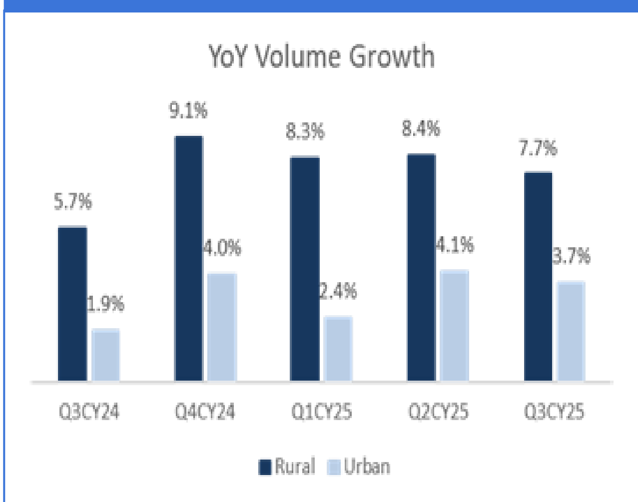
(Source: Bloomberg)

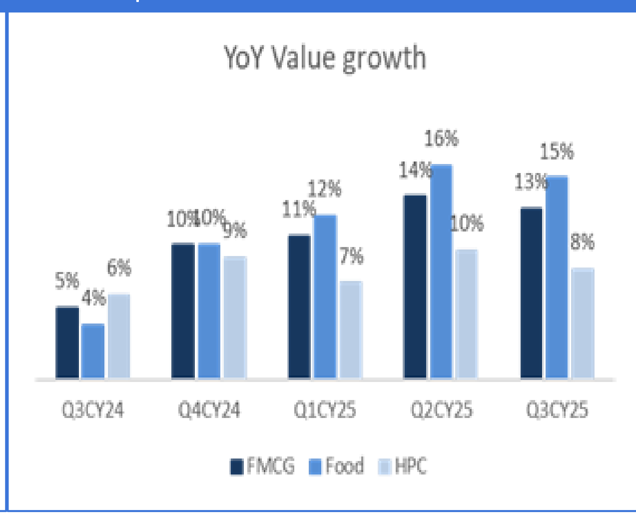
Indian System Liquidity to Remain Robust



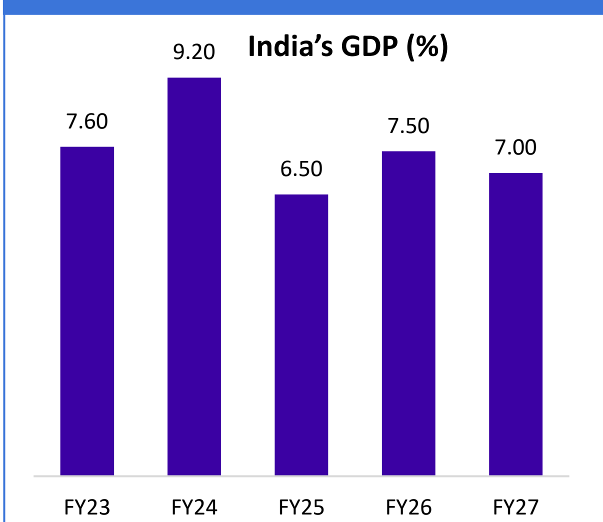


Rural Growth Continues to Outpace Urban





India's GDP Growth



	Q3FY26 (P)	Q4FY26 (P)	FY26 (P)	FY27 (P)
	Growth (YoY %)			
By Sector				
Agriculture	3.2	3.0	3.3	3.3
Industries	6.6	6.4	6.7	7.2
Services	9.0	8.7	9.0	7.7
GVA	**7.3**	**7.1**	**7.5**	**7.0**
By Expenditure				
Consumption	7.5	7.1	7.4	7.3
Investment	7.3	7.0	7.3	6.9
Govt. Expend.	7.4	6.8	4.8	7.2
GDP	**7.2**	**6.9**	**7.5**	**7.0**

(Source: Bloomberg, HSL Prime Research)

HDFC securities 25 YEARS
Powering India's Investments

S&P 500 Exp. Price
2026: 7600
2027: 8130

S&P 500 Price Target

S&P 500 EPS
2026: $303
2027: $334

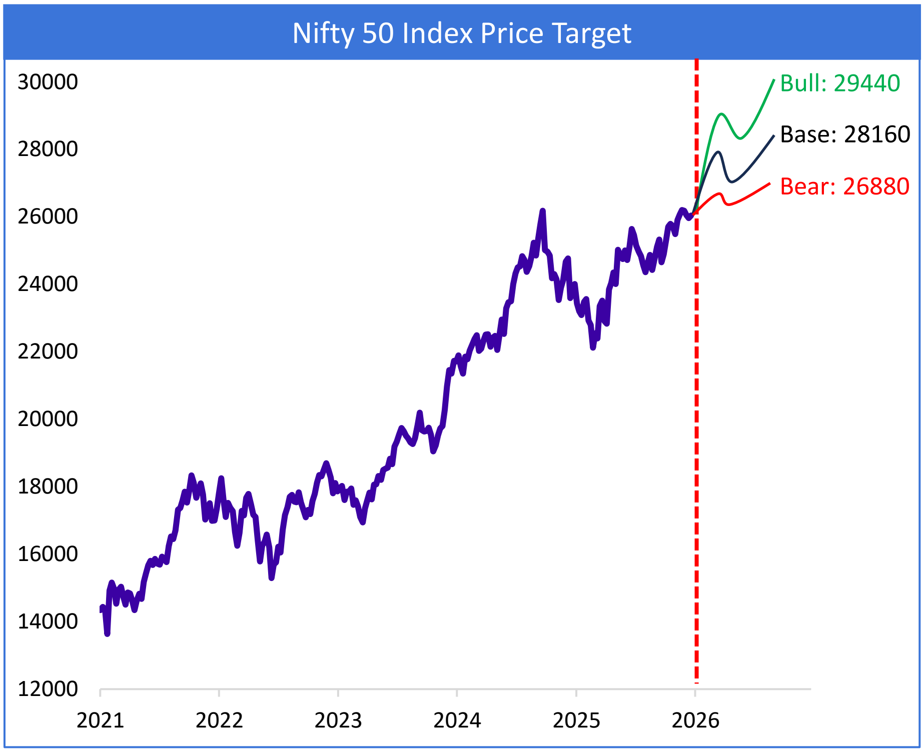
S&P 500 EPS (US$/Share)

(Source: Bloomberg)

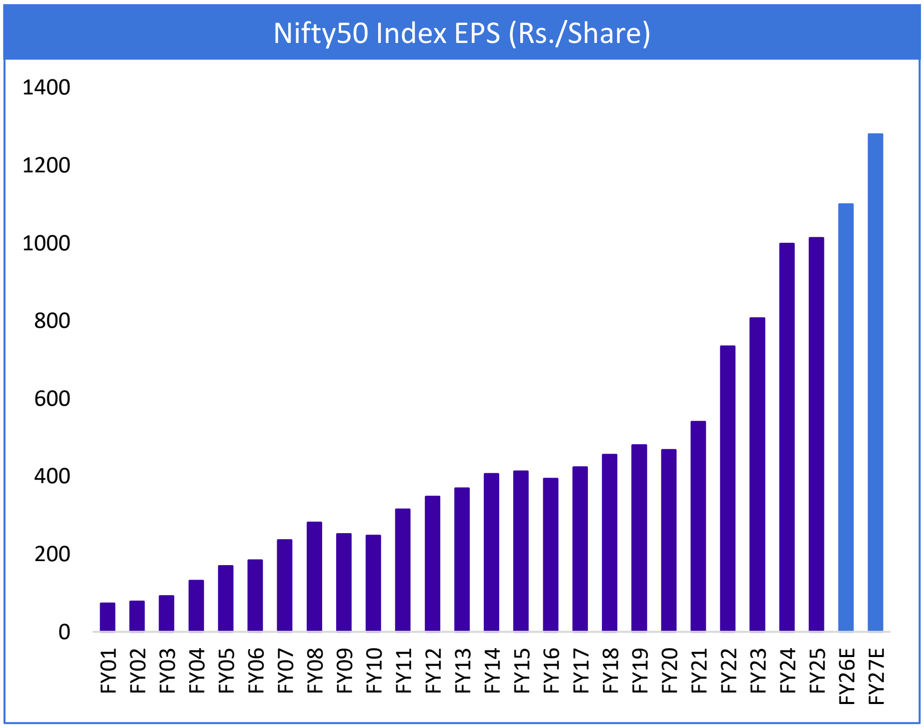
Key Expectations 2026

HDFC securities 25 YEARS
Powering India's Investments

Nifty 50 Price 2026:
Bear: 26880
Base: 28160
Bull: 29440

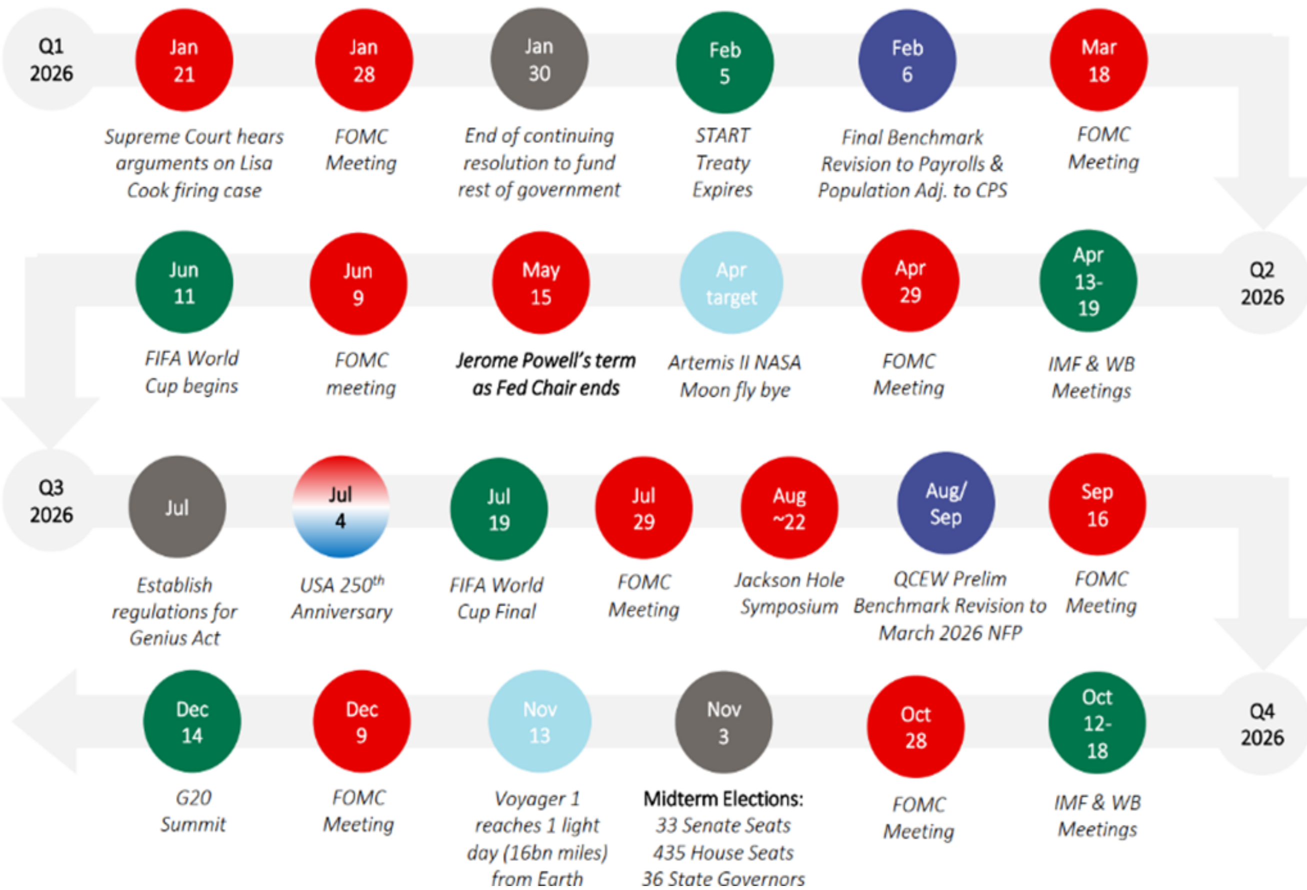


Nifty 50 Earnings:
2026E: 1100
2027E: 1280



(Source: Bloomberg)

Important Events of 2026




What Do Charts Foretell ?

What Do Charts Foretell?

- Commodities Boom
- Metals Stocks To Shine
- US Dollar Index To Remain Weak
- Rupee Trend Reversal Below 89
- MSCI India Near Demand Zone
- FPI Extreme Short Positions – Expect Short Covering
- Nifty: Technical Observations
- Nifty: Ascent To Continue

Fresh breakout indicates upcoming bullish momentum in Commodities like Energy, Grains, Industrial Metals along with Precious Metals

Bloomberg Commodity Index (Monthly Chart)

Dr. Copper Is New Silver

LME 3 Month Forward Copper ($/mt) (Monthly Chart)

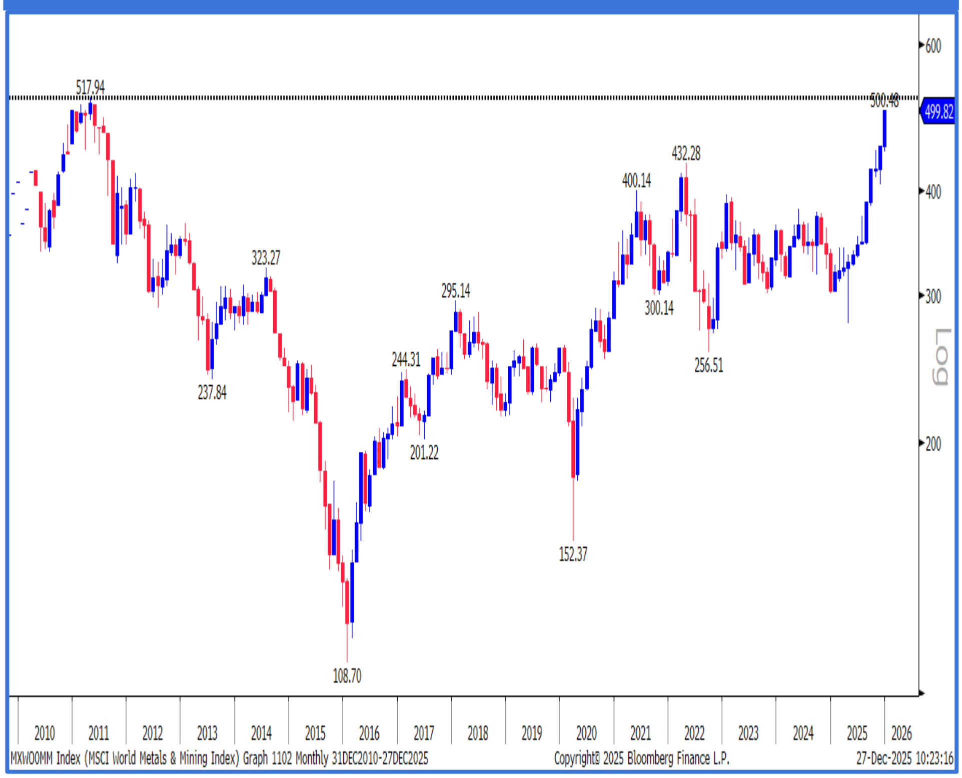
Source: Bloomberg; HSL Prime Research

Dow Jones U.S. Industrial Metals & Mining Index Breakout Index Showing Upcoming Bullishness in Industrial Metals and Mining Stocks

U.S. Industrial Metals & Mining Index (Monthly Chart)

The Verge of Long-Term Breakout

MSCI World Metal & Minning Index (Monthly Chart)



Source: Bloomberg; HSL Prime Research

Rupee Trend To Reverse Below 89

USDINR Below 89 Could Lead to Long Term Trend Reversal

Spot USDINR Weekly Chart

Sustained At lower Range; Boon for Metals and Emerging Markets

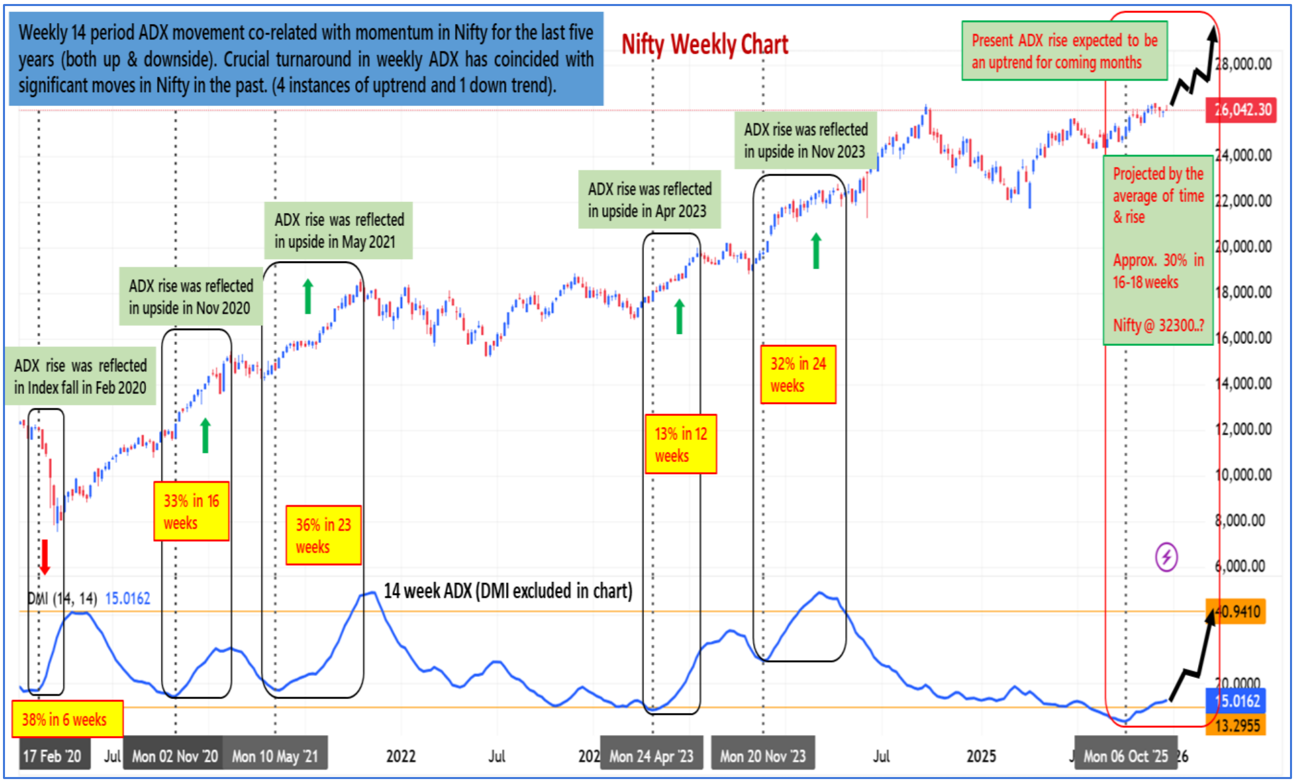
ICE Dollar Index (Monthly Chart)

Source: Bloomberg; HSL Prime Research

Nifty: Ascent to Continue

HDFC securities 25 YEARS
Powering India's Investments

Nifty50 Index (Quarterly Chart)

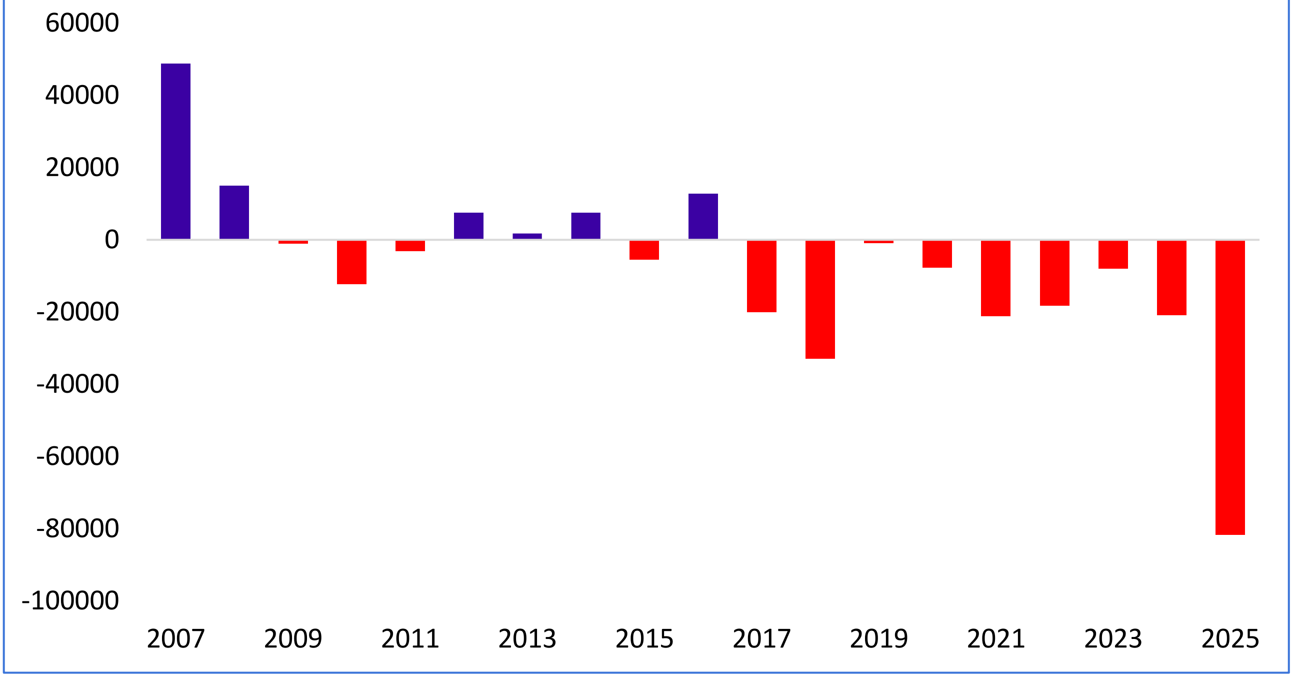


Source: TradingView; HSL Prime Research

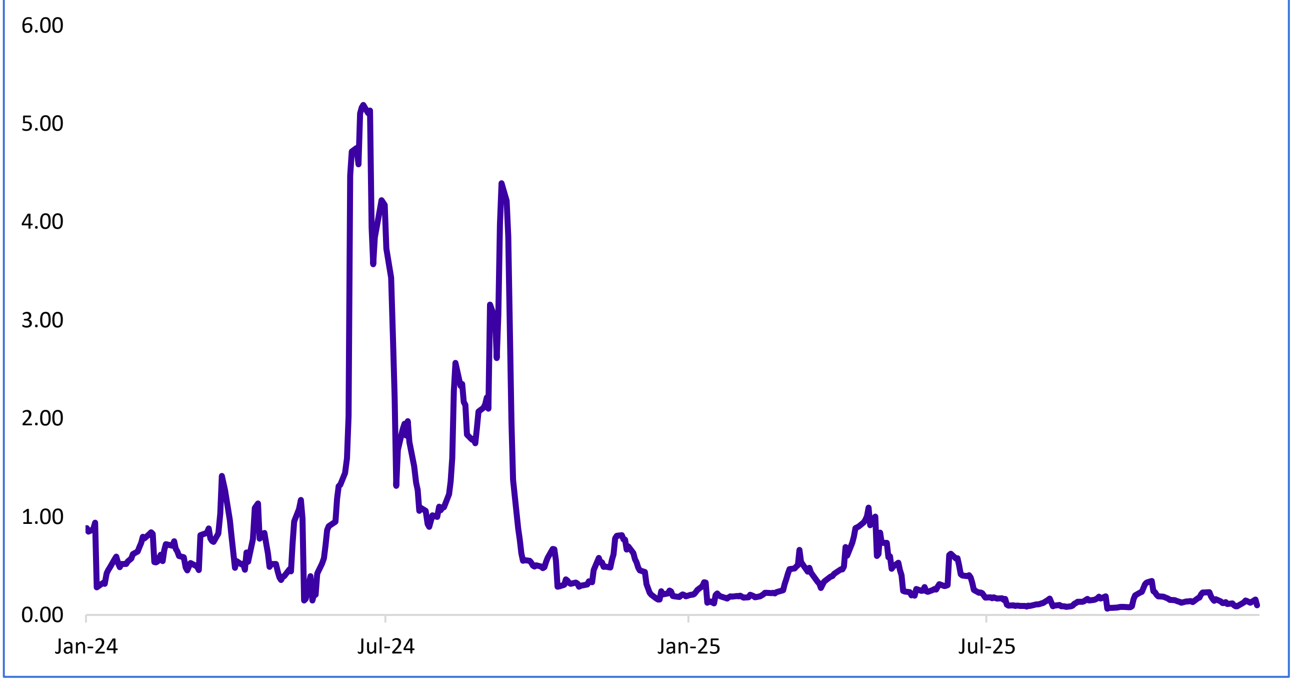
PRIME RESEARCH

2025 – Sold Index Futures Aggressively
FPIs Are Extremely Short

FII Net Index Futures (in Rs. Crore)



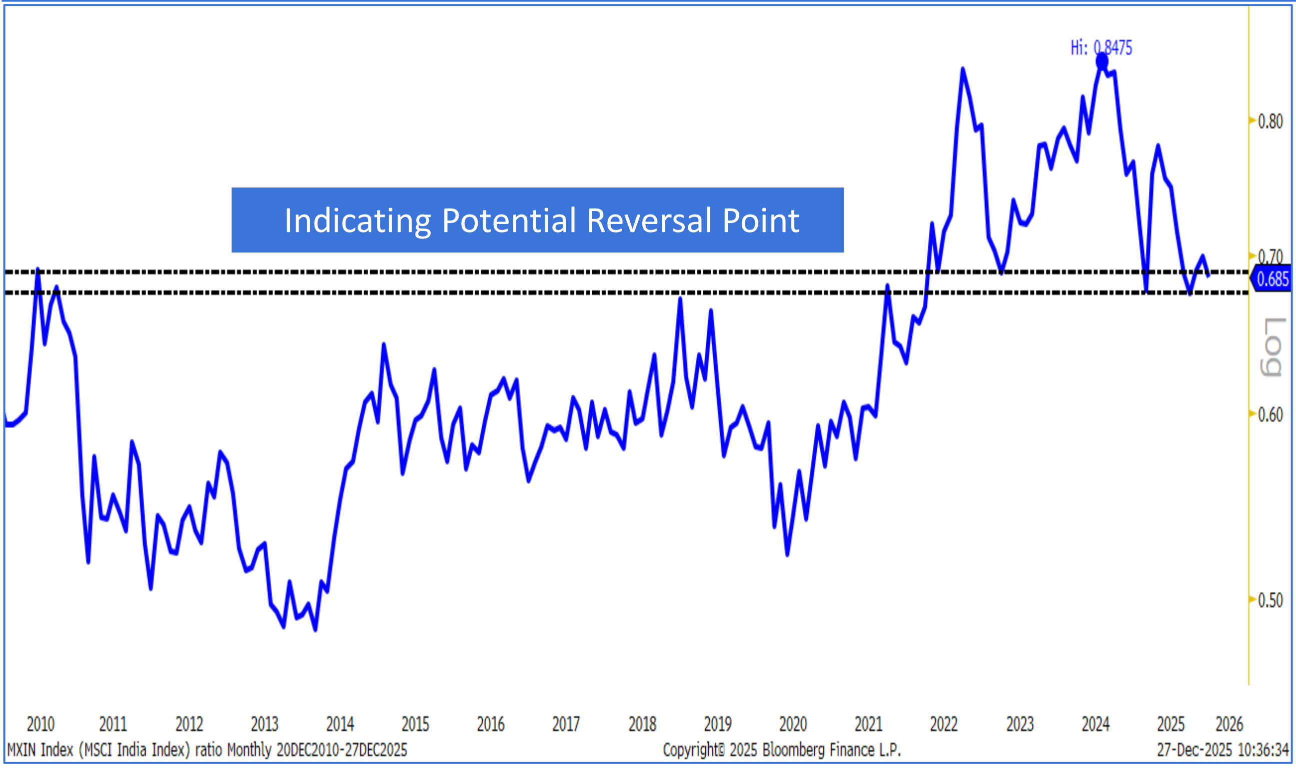
FII Long to Short Ratio



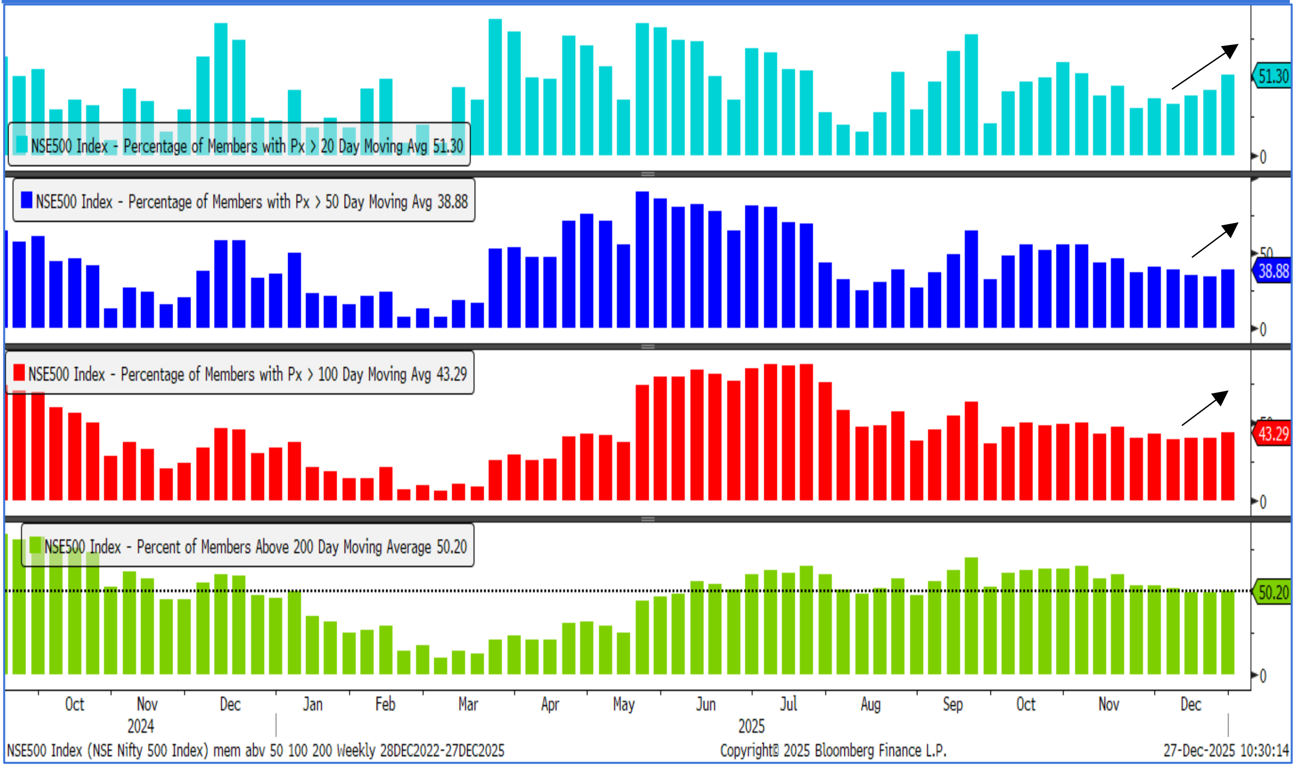
Source: NSE; HSL Prime Research

MSCI India Near Demand Zone

MSCI India vs MSCI World Ratio Chart



NSE500 Member Above Major Moving Averages



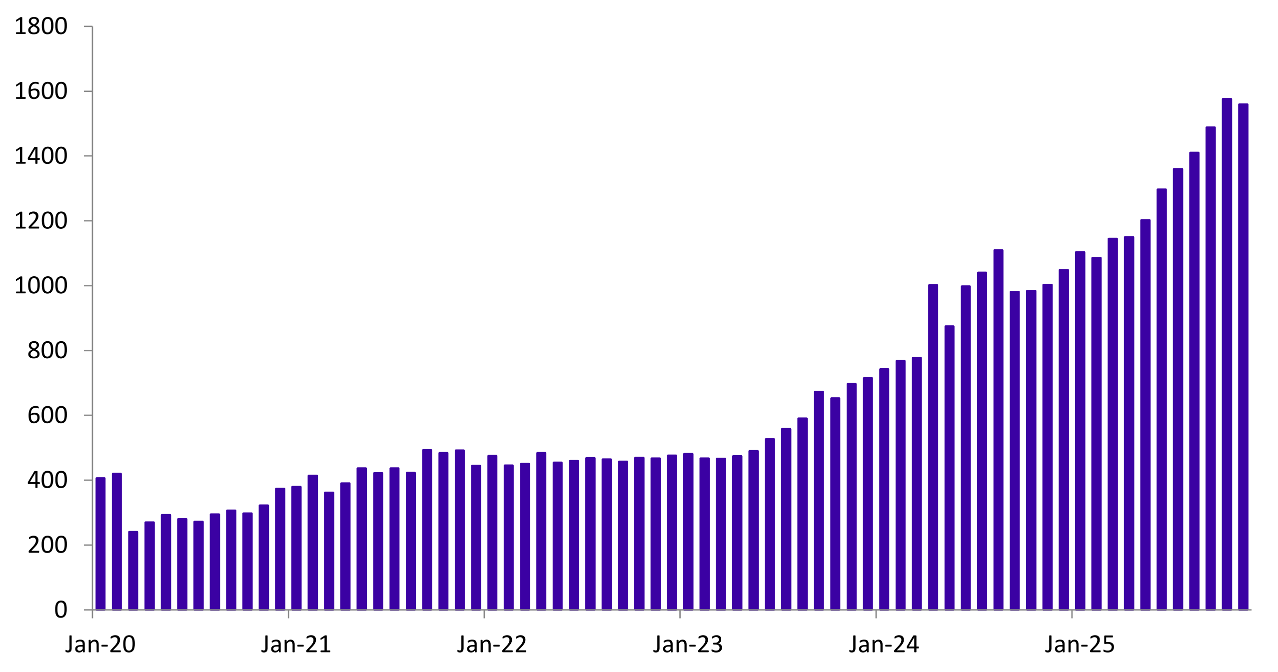
Source: Bloomberg; HSL Prime Research

High Stock Futures Positions

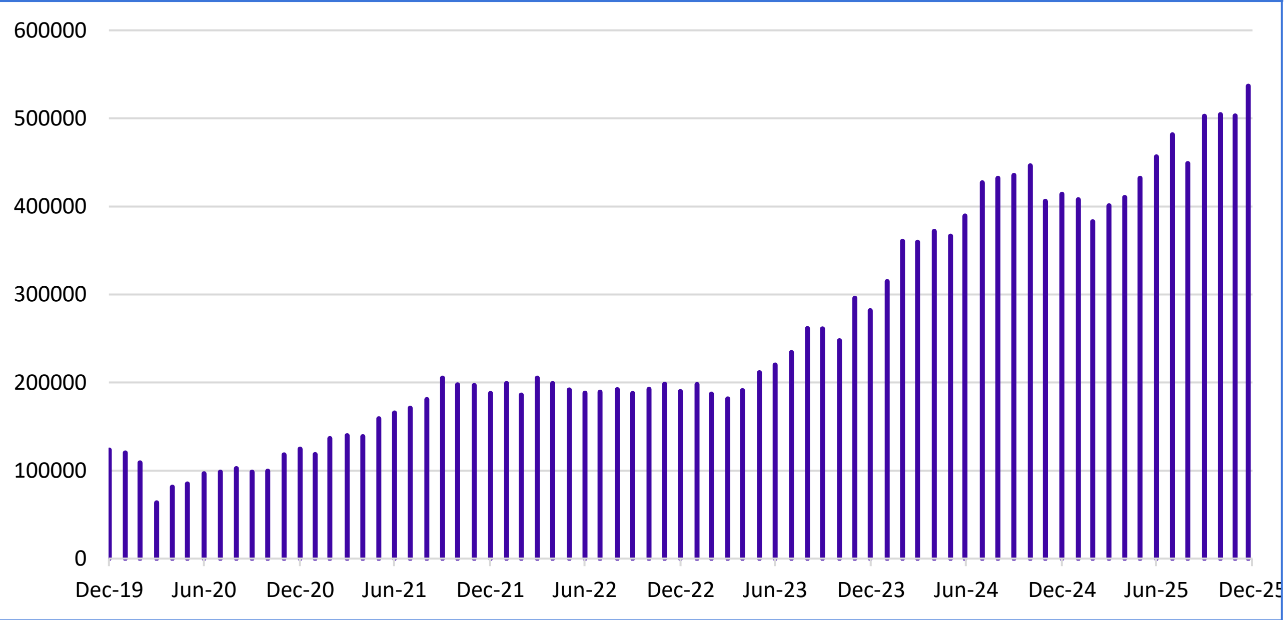
HDFC securities 25 YEARS
Powering India's Investments

Stock Futures On The Rise - Traders Are Gradually Shifting From Indices To Stocks

Total Stock Futures OI Surged Whopping 50% YoY (in number of shares)



Stock Futures OI Value Crosses Rs. 5 Lakh Crores



Source: NSE, Bloomberg; HSL Prime Research

PRIME RESEARCH

PRIME RESEARCH
Empowering decisions

HDFC securities | 25+ YEARS
Powering India's Investments

Stocks to Accumulate

2026

SIP Picks

December 29, 2025

DIYSIP Picks for 2026

HDFC securities 25 YEARS
Powering India's Investments

Accumulate these stocks over the next 12 months

1. Emcure Pharma (Rs. 1430)
2. Grasim Ind. (Rs. 2817)
3. Indraprastha Gas (Rs. 193)
4. Jindal Steel (Rs. 986)
5. Kirloskar Brothers (Rs. 1602)
6. LG Electronics (Rs. 1521)
7. Northern Arc (Rs. 252)
8. Shipping Corporation (Rs. 224)
9. State Bank of India (Rs. 966)
10. Surya Roshni (Rs. 267)

Emcure Pharmaceuticals Ltd.

Key Statistics

Industry	**Pharmaceuticals**
Market Cap (Rs Cr)	27,108
LTP* (Rs)	1,428
52 Week High	1,519
52 Week Low	889

Share holding Pattern % (Sep, 2025)

Promoters	77.9
Institutions	7.6
Non-Institutions	14.5
Total	100

Financial Summary

Particulars (Rs Cr)	FY24	FY25	FY26E	FY27E
Net Sales	6658	7896	8878	10035
EBITDA	1243	1474	1820	2139
APAT	498	681	883	1080
Diluted EPS (Rs)	27.5	36.4	47.2	57.7
RoE-%	16.8	15.3	17.8	18.5
P/E (x)	51.8	39.3	30.3	24.8
EV/EBITDA (x)	22	18.7	15.7	13

About the Company

Emcure Pharma is a leading Indian pharmaceutical firm with six brands in the domestic top 300, holding dominant positions in gynecology, cardiology, and pain management while expanding into dermatology and wellness. The company has established a significant global footprint in Europe and Canada through the strategic acquisitions of Tillomed, Marcan, and Mantra Pharma. Operating 13 Indian manufacturing facilities, Emcure produces complex APIs, biotherapeutics, and specialised injectables under stringent global standards. These operations are backed by prestigious accreditations from international regulatory bodies, including the US FDA, UK MHRA, and Health Canada.

Key Triggers

- Emcure Pharmaceuticals is one of the leading player in the Indian Pharma Market (IPM) with a market share of 2.3% as on Sep-2025. The company has a strong international presence which contributed to ~54% of its overall FY25 revenue, to complement its domestic portfolio.
- International business remains well-diversified, with no single geography outside of Europe and Canada accounting for 5% of total sales. Emcure's product portfolio in international markets comprises a mix of specialty branded generics, injectables and generic products. Company has built a complex portfolio (~40% of export sales), comprising chiral molecules, injectable, iron compounds and biologics.
- Recently, the company announced the commercial launch of Poviztra, semaglutide injection, across India. With this launch, Emcure becomes the first Indian company to exclusively distribute and commercialise Poviztra, a second brand of Novo Nordisk's Semaglutide injection for weight management.
- It is one of the leading players in gynecology and has scaled up brands across multiple therapies such as cardiac, VMN, anti-infective and antivirals, leading to one of the highest prescription coverages among specialists in the IPM. Healthy organic growth and contribution from deals, to drive ~15% overall sales CAGR and 21% EBITDA CAGR over FY25-28E.
- Clean compliance track record, recent deal related to GLP products and strong outlook in both domestic and international business support our positive view on the stock.

Key Risks/Concerns

- Generic players in regulated markets are adversely affected by severe price erosion and by intense competition and considerable consolidation in distribution channels.
- Postponement of niche launches and higher price erosion in the Europe/US/Canada market may impact revenue and profitability.
- The risk of additional drugs coming under price control is a major risk to the Indian business of Emcure. The value growth of India's business would largely depend on the extent of price control on the drugs.
- About 50% of revenue comes from export markets, and hence, the company faces the risk of currency fluctuations.
- Slower growth than IPM, delay in new launches, and market share gains could hurt business and profitability for the company.

Grasim Industries Ltd.

Key Statistics

Industry	**Diversified**
Market Cap (Rs Cr)	191,710
LTP* (Rs)	2,818
52 Week High	2,977
52 Week Low	2,277

Share holding Pattern % (Sep, 2025)

Promoters	43.1
Institutions	31.7
Non Institutions	25.2
Total	100

Financial Summary

Particulars (Rs Cr)	FY24	FY25	FY26E	FY27E
Net Sales	130978	148478	168836	193013
EBITDA	27194	28262	32308	39080
APAT	5625	3706	4292	5794
Diluted EPS (Rs)	85.2	55.5	64.3	86.7
RoE-%	6.3	3.8	4.7	5.3
P/E (x)	33	50.6	43.7	32.3
EV/EBITDA (x)	11.2	12.5	10.8	8.7

About the Company

Grasim (GIL) is a global leader in **Viscose Staple Fibre (VSF)** manufacturing, contributing 6% to the worldwide fiber basket through highly integrated, efficient operations. Its core standalone portfolio includes VSF, chemicals, and decorative paints, with **Chlor-Alkali** and specialty segments driving significant revenue. Consolidated interests extend to market-leading positions in cement via **UltraTech** and financial services through **Aditya Birla Capital**.

Key Triggers

- Revenue for the chemicals segment reached a two-year high, driven by all-round performance across caustic soda, chlorine derivatives and speciality chemicals. Speciality chemicals contribution increased to ~30% of revenue during H1FY26.
- Standalone margin bottoming out (given global VSF prices have bottomed out and should see recovery going ahead); net debt/EBITDA is likely to be < 3x despite huge capex and potential value unlocking for paints.
- The company reiterated its guidance to reach Rs 10,000 crore in revenue for Paints (and turn the segment profitable) in FY28. Management indicated revenue market share (including putty revenue) has crossed 10% in the organised decorative paints market. While we stay optimistic, further revenue traction in paints remains the key monitorable.
- Its group entities, UltraTech Cement and Aditya Birla Capital, are among the leaders in their respective segments, where Grasim holds a majority stake. The companies continue to do well in the recent quarters, and that also supports our positive view on the stock.

Key Risks/Concerns

- VSF demand remains impacted by economic downturns. It also faces intense competition from other fibres, mainly cotton and polyester staple fibre, leading to fluctuations in profitability.
- The company is a new entrant in the paints business, an industry characterised by high competition from a few established players. Losses in the segment may impact overall performance.
- Chemical segment performance remains volatile due to the nature (high fluctuations in pricing) of its business.
- GIL has been investing in subsidiaries, associates, and group entities over the years through cash generated from internal accruals and liquidation of current investments.

Indraprastha Gas Ltd.

Key Statistics

Industry	City Gas Distribution
Market Cap (Rs Cr)	27,094
LTP* (Rs)	193.5
52 Week High	229.0
52 Week Low	172.0

Share holding Pattern % (Sept, 2025)

Promoters	45.0
Institutions	41.3
Non Institutions	13.7
Total	100

Financial Summary

Particulars (Rs Cr)	FY25	FY26E	FY27E	FY28E
Net Sales	14928	16941	19021	20357
EBITDA	1973	1905	2212	2534
APAT	1713	1755	2012	2275
Diluted EPS (Rs)	12.2	12.5	14.4	16.3
RoE-%	16.9	15.6	15.9	16.0
P/E (x)	15.8	15.4	13.5	11.9
EV/EBITDA (x)	13.6	13.8	11.9	10.4

About the Company

Indraprastha Gas Ltd. (IGL) is one of the leading players in the CGD business in India and has strong business profile with exclusive position in the city gas distribution (CGD) business in National Capital Territory (NCT) and infrastructure exclusivity for its NCT operations.

Key Triggers

- IGL has been able to roll-out CNG and PNG distribution network across authorised GAs by installing infrastructure such as pipeline network, compressor stations and a marketing network. IGL has 954 CNG stations (FY24: 882), 12,049 Industrial and commercial PNG connections and 30.70 lakh domestic PNG connections as on Mar. 31, 2025.
- IGL achieved total sales volumes that grew 6.1% YoY to 9 million metric standard cubic metre per day (mmscmd) in FY25 (FY24: 8.4 mmscmd), considering an increase in its CGD infrastructure. Blended volume stood at 9.31mmscmd (+3% YoY, +2% QoQ) in Q2FY26. We expect volume growth at a ~7% CAGR over FY25-33E, supported by a strong portfolio of new geographical areas (GAs) that provides visibility into volume growth.
- IGL's capex in H1FY26 stood at Rs 580 crore, and capex is expected in the range of 1200-1400 crore in FY26E, and an additional Rs 700-800 crore could be spent on some diversification. IGL sees a very big opportunity in Saudi Arabia for I-PNG supply and forming a JV with MASAH Construction Company, Saudi Arabia to jointly develop and operate natural gas distribution networks in industrial cities across the Saudi Arabia. We expect volume growth at ~7% CAGR over FY25-33E, and a strong portfolio of new GAs ensuring volume growth visibility
- The tax rates on gas sourced from Gujarat and sold outside the state were revised. The earlier 15% Value-Added Tax (VAT) has been replaced with a 2% Central Sales Tax (CST), effective October 1, sparking optimism about margin expansion. IGL is expected to see a potential EBITDA/scm upside of 16-20% to a change in the tax rate on gas sourced from Gujarat.
- IGL achieved total sales volumes of 9 mmscmd in FY24 vs. 8.4 mmscmd in FY24. We expect 9.3 mmscmd and 10.1 mmscmd in FY26E and FY27E, respectively. IGL's total sales grew at a CAGR of 15% over one decade, and revenue is likely to grow at a CAGR of ~11% over the FY25-28E.

Key Risks/Concerns

- Economic slowdown, volatility in oil and gas prices and regulatory changes in Oil and Gas industry could impact its growth story in the future.
- Any unexpected change in the regulations regarding priority in allocation of natural gas for PNG-Domestic and CNG segments and/or pricing of end-product can adversely impact the CGD sector..
- Unforeseen delay in ongoing projects, allocated in new Geographical areas like Kaithal and Karnal in Haryana, Kanpur, Shamli, Meerut, Muzaffarnagar, Fatehpur, Hamirpur in UP and Ajmer, Pali and Rajsamand in Rajasthan could result in both time and cost overrun.

Jindal Steel Ltd.

Key Statistics

Industry	**Metals**
Market Cap (Rs Cr)	1,00,632
LTP* (Rs)	986
52 Week High	1,098
52 Week Low	723

Share holding Pattern % (Sep, 2025)

Promoters	62.4
Institutions	28.2
Non Institutions	9.5
Total	100

Financial Summary

Particulars (Rs Cr)	FY24	FY25	FY26E	FY27E
Net Sales	50,355	50,129	57,312	75,251
EBITDA	10,201	9,495	12,141	17,255
APAT	5,939	4,041	5,264	8,536
Diluted EPS (Rs)	59.2	40.3	52.5	85.2
RoE-%	14.3	8.8	10.6	15.2
P/E (x)	15.2	22.3	17.1	10.6
EV/EBITDA (x)	10.0	10.8	8.7	6.1

About the Company

Jindal Steel and Power Limited (JSPL), a flagship company of the OP Jindal Group, is one of India's leading industrial powerhouses, renowned for its dynamic presence in the steel, power, and mining sectors. Established in 1979 and headquartered in New Delhi, JSPL has evolved from a modest steel trading business founded by visionary industrialist Om Prakash Jindal into a vertically integrated conglomerate.

Key Triggers

- JSPL's brownfield expansion at Angul aims to double crude steel capacity from 6 MTPA to 12 MTPA by FY26E (total 15.9 MTPA), with further ramp-up to 25.2 MTPA by 2030 via ₹70,000 crore investment, including a new 6 MTPA Hot Strip Mill for high-margin flat products (auto, industrial), driving 15% volume CAGR to 11.5 MTPA sales by FY27E. This is a key re-rating catalyst, supported by government infra push and per capita steel consumption rising to 160 kg by FY31, with Phase II commissioning unlocking ₹3,000/ton realisation gains from a value-added mix rising to 40%+]
- Captive mines (Jitpur iron ore, Utkal/Gare Palma coal) and a 200 km slurry pipeline to Angul will boost self-sufficiency to 80%+, slashing costs by ₹2,000-3,000/ton amid coking coal at $250/ton; additional 5 MTPA mining approvals ensure security till 2040s.
- New HSM and downstream facilities will elevate flat steel contribution from 20% to 50% by FY27, targeting auto-grade HR/CR/galvanised sheets with 20-25% premium pricing, backed by quality certifications for exports (10% revenue).
- Net debt/EBITDA at 1.1x (H1 FY26) trends toward net cash by FY28 via ₹5,000+ crore annual accruals funding ₹7,500-10,000 crore capex internally, post non-core asset sales; dividend resumption signals confidence.
- India's ongoing infrastructure boom remains a major advantage for JSPL, with the government's focus on large-scale investments in sectors like railways, highways, defence, and affordable housing. Schemes such as Gati Shakti, the National Infrastructure Pipeline (NIP), and increased budgetary allocations for capital expenditure are driving a sharp rise in domestic steel consumption. JSPL, with its robust product portfolio ranging from rails, structural steel, and heavy plates to TMT bars, is well-positioned to capture this demand

Key Risks/Concerns

- The steel industry is sensitive to the business cycles, including changes in the general economy, interest rates, and seasonal changes in the demand and supply conditions in the market. Producers of steel products are essentially price-takers in the market, which directly exposes their cash flows and profitability to volatility of the steel industry.
- Steel manufacturing involves heavy machinery; breakdowns can cause significant downtime and safety incidents.₹10,000 crore fleet expansion over FY25-27 strains cash flows despite reserves, with 13-year average age exposing SCI to operational disruptions.
- The Government of India (GoI) has scrapped a 50% export tax on low-grade iron ore, and 45% duty on pellets to boost shipments in November 2022. Despite the removal of this export duty, the revenue and profitability of steel players operating in the industry remain susceptible to regulations and policies formulated by the governments around the world.

Kirloskar Brothers Ltd.

Key Statistics

Industry	**Pumps**
Market Cap (Rs Cr)	12,720
LTP* (Rs)	1601.8
52 Week High	2476
52 Week Low	1422

Share holding Pattern % (Sep, 2025)

Promoters	66.0
Institutions	15.9
Non Institutions	18.1
Total	100

Financial Summary

Particulars (Rs Cr)	FY24	FY25	FY26E	FY27E
Net Sales	4,001	4,492	4,944	6,240
EBITDA	520	601	692	892
APAT	344	421	474	632
Diluted EPS (Rs)	43.2	52.9	59.6	79.5
RoE-%	22.0	22.1	20.5	22.5
P/E (x)	37.1	30.3	26.9	20.1
EV/EBITDA (x)	23.7	20.3	17.2	12.9

About the Company

Kirloskar Brothers Limited (KBL), incorporated in 1920, is the flagship company of the Kirloskar Group which is a world-class pump manufacturing company with proficiency in engineering and fluid management systems. It is one of the largest companies, offering pumps, valves, and turbines with a portfolio of 250+ products, 100,000+ SKUs, 75+ pump types, and 28+ valve types, serving diverse sectors including agriculture, oil & gas, defence, industrial, and construction. KBL has built a strong brand reputation in domestic and global markets through its wide offerings.

Key Triggers

- KBL holds a strong domestic market position along with geographically diversified operations through subsidiaries. With decades of expertise, the company delivers a broad product portfolio and global reach, reinforcing its strong brand reputation. Vendor dependency is low, with high operational integration as key inputs for pumps like steel castings, motors, and anti-corrosive materials, which are primarily manufactured in-house via subsidiaries and JVs.
- Company received orders worth Rs. 1,220 cr in Q2FY26 (domestic + overseas) and as of September 2025, consolidated pending order book stands at Rs. 3,564 cr (+16.5% YoY), ensuring healthy visibility for the coming quarters. The company's strong order book, diversified operations, and solid execution record indicate robust growth prospects in H2FY26 and FY27. The standalone order book stands at Rs. 2,127 crores (+13% YoY). Internationally, the order book expanded to reach Rs. 1,289 cr, driven by significant growth in the US (21%) and Thailand (158%) in constant currency.
- KBL is focusing on the US data center market, where nearly 2,000 facilities have received planning approval, by shifting from individual pumps to modular, containerized pump houses for fire and cooling systems. The company has also entered the indigenous petroleum pump segment, breaking into a market previously dominated by American players, with an estimated domestic demand of 25,000–30,000 units annually. In addition, KBL is advancing nuclear power milestones by developing primary coolant pumps. In the UK, the AMP 8 water infrastructure program, which involves an £88 Bn investment over 5 years, is expected to provide significant opportunities, particularly for clear water pumps.
- KBL has reduced exposure to low-margin project business, focusing instead on products and value-added offerings to improve profitability. It is also implementing debottlenecking measures at subsidiaries like KPML and cutting energy costs through group captive solar at the TKSL foundry.
- Management is optimistic about achieving double-digit revenue growth for the full fiscal year, as 60% to 62% of the company's performance is realised in the second half (H2) of the year due to seasonality and government year-end spending.

Key Risks/Concerns

- Exposure to volatile raw material prices: The primary raw materials used for manufacturing pumps include pig-iron, gun metal, and steel scrap. The prices of these materials are inherently volatile and are driven largely by global and domestic demand-supply conditions.
- Foreign Exchange Risk: The company has considerable exposure to international markets regarding exports and international subsidiaries. Hence, foreign exchange fluctuations could impact its overall profitability

LG Electronics India Ltd

Key Statistics

Industry	**Consumer Durables**
Market Cap (Rs Cr)	1,03,424
LTP* (Rs)	1,522
52 Week High	1,749
52 Week Low	1,515

Share holding Pattern % (Oct, 2025)

Promoters	85.0
Institutions	7.3
Non Institutions	7.7
Total	100

Financial Summary

Particulars (Rs Cr)	FY24	FY25	FY26E	FY27E
Net Sales	21,352	24,367	26,803	29,551
EBITDA	2,225	3,110	3,350	3,886
APAT	1,511	2,203	2,408	2,761
Diluted EPS (Rs)	22.3	32.5	35.5	40.7
RoE-%	37.2	45.2	35.2	31.8
P/E (x)	70.0	48.0	42.9	37.4
EV/EBITDA (x)	46.7	32.9	29.5	25.1

About the Company

Incorporated in 1997 as a wholly owned subsidiary of LG Electronics, LG Electronics India Limited (LGEL) is one of the leading players in major home appliances and consumer electronics (excluding mobile phones) in India. LGEL offers a wide range of products in the home appliances and consumer electronics category (excluding mobile phones), to B2C and B2B consumers in India and outside India.

Key Triggers

- The company enjoys leadership positions across key categories such as refrigerators, washing machines and air conditioners, supported by a wide distribution network, local manufacturing scale and strong after-sales service. LGEL's market share in offline channel, which accounts for 78% of major home appliances and 77% of consumer electronics market (excluding mobile phones)
- LGEL has curated a wide range of portfolio across its 2 business segments – Home Appliances and Air Solutions; and Home Entertainment. Refrigerators had the highest revenue contribution across products categories, at 27.5% in FY25, followed by Air conditioners at 21.6% and Washing machines at 20.7%. Apart from core hardware business, the company is also investing in high margin B2B, AMC and data center cooling businesses.
- LG has delivered resilient performance despite external headwinds in recent quarters. With rising disposable income, increasing penetration of organized market and premiumisation expected to drive sustained growth in the industry, LGEL is at the forefront to capture the growth with its leadership position.
- LGEL aspires to create a global export hub in India through its new production facility in Sri City, Andhra Pradesh that will cater to exports in the South Asian countries. The company plans to invest about Rs 5,000 cr in a phased manner over the next 4-5 years in this new facility which it believes would be a strategic asset in consolidating its South India business and creating a global export hub. With initial plans to produce Room ACs from the new facility, the company aims to put up new production lines for refrigerators and washing machines as well in the following year.
- Going forward, the company has outlined a clear strategy to maintain its leadership position through new product development and industry leading technology. It aims to further drive penetration through the new LG essential series. Additional revenue drivers include increasing ancillary businesses such as AMCs, B2B and data center cooling products, which are high margin and have a huge runway for growth.

Key Risks/Concerns

- **Competitive Pressure:** The home appliances and consumer electronics market in India is highly competitive, with aggressive pricing and rapid product cycles from both global and Chinese brands. This could erode market share and squeeze margins over time.
- **Raw Material, Supplier & Supply Chain Risks:** A large share of inputs is still imported and procurement is concentrated among a few suppliers. Volatile commodity prices, geopolitical tensions, supply interruptions, or logistical bottlenecks can raise costs or delay production.
- **Foreign Exchange & Macro Risks:** With significant import exposure, fluctuations in foreign exchange rates can affect cost of goods sold and profitability. Economic slowdowns or weak consumer spending can also dampen demand for discretionary appliances.

Northern Arc Capital Ltd.

Key Statistics

Industry	**Financial Services**
Market Cap (Rs Cr)	4,088
LTP* (Rs)	253.0
52 Week High	290.0
52 Week Low	141.5

Share holding Pattern % (Sep, 2025)

Promoters	0.0
Institutions	15.0
Non Institutions	85.0
Total	100

Financial Summary

Particulars (Rs Cr)	FY24	FY25	FY26E	FY27E
NII	986	1348	1566	1870
PPoP	544	793	923	1149
APAT	308	305	440	583
Diluted EPS (Rs)	34.5	18.9	27.2	36.1
RoAA-%	2.9	2.4	3.0	3.4
ABV (Rs)	257.7	210.5	237.4	273.7
P/ABV (x)	1.0	1.2	1.1	0.9

About the Company

Established in 2009, Northern Arc Capital Ltd. (NACL) caters to the diverse retail credit requirements of the underserved households and businesses in India with focus on MSME, microfinance and consumer segments. Additionally, it provides finance to its partners for onward lending and fulfils the funding needs of these partners through the placements business and fund management business.

Key Triggers

- According to the CRISIL Report, India's credit-to-GDP ratio is relatively low compared to that of developing countries like China, indicating a significant untapped credit potential. Despite rural areas contributing 47% of GDP, they receive only 9% of banking credit, highlighting significant market opportunities for banks and NBFCs.
- It operates multi-channel offerings including Lending, Placements, and Fund Management, supported by proprietary technology solutions. This extensive network and technology infrastructure enable access to diverse investor pools, generating both fee and interest income, creating positive network effects and scalable growth.
- NACL follows a conservative credit policy for the unsecured segment wherein the company completely writes off accounts beyond 90 days. Consequently, it has demonstrated robust asset quality with GNPA/NNPA at 1.1%/0.6% respectively.
- Management has highlighted improving macro indicators, including RBI rate cuts and a favourable monsoon, as tailwinds for H2FY26. An increased share of D2C lending and higher placement volumes would enhance fee income, driving an expansion of RoA.

Key Risks/Concerns

- The company's financial performance is susceptible to interest rate risk; adverse changes in interest rates can affect net interest income, cash flows, and overall profitability.
- A significant portion of their lending portfolio involves unsecured credit facilities and debt instruments, which carry higher risks of non-performing assets (NPAs) if recovery fails. Slippage in high-ticket loans or concentrated exposures could impact asset quality and profitability.
- Intense competition exists from various public and private banks, NBFCs, and fintech companies, which could pressure margins and growth.

Shipping Corporation of India Ltd.

Key Statistics

Industry	**Logistics**
Market Cap (Rs Cr)	10,473
LTP* (Rs)	225
52 Week High	280
52 Week Low	138

Share holding Pattern % (Sep, 2025)

Promoters	63.8
Institutions	9.1
Non Institutions	27.2
Total	100

Financial Summary

Particulars (Rs Cr)	FY24	FY25	FY26E	FY27E
Net Sales	5,047	5,606	6,279	6,906
EBITDA	1,423	1,764	1,914	2,136
APAT	679	844	1,568	1,432
Diluted EPS (Rs)	14.6	18.1	33.7	30.7
RoE-%	9.4	10.6	17.6	14.2
P/E (x)	15.4	12.4	6.7	7.3
EV/EBITDA (x)	8.5	6.8	5.6	4.4

About the Company

Shipping Corporation of India Ltd (SCI), established in 1961 as a Government of India enterprise under the Ministry of Ports, Shipping and Waterways, operates India's largest fleet of about 55 vessels with over 6 million DWT capacity, spanning tankers, bulk carriers, liners, offshore, and specialized services. As a Navratna PSU, SCI supports national trade with 90% domestic cargo focus.

Key Triggers

- SCI plans to add 15-20 new vessels over FY25-27 with ₹10,000 crore capex, focusing on tankers and bulkers to tap crude import demand. This program leverages SCI's Navratna status for preferential financing and government backing, aiming to replace ageing vessels (average fleet age reduced to 13 years post-expansion) while boosting capacity by 20-25%. Revenue uplift of ₹2,500-3,000 crore annually, driven by higher utilisation rates (currently 82%) and improved TCE rates amid sustained Baltic Dry Index levels above 2,000 points, is expected from this program.
- Tanker division delivered 40%+ EBITDA margins in FY25 due to elevated spot rates from geopolitical tensions, with management guiding sustained strength in Nov 2025 concall amid Red Sea disruptions. Management guided for sustained 35-45% margins into FY26, citing Houthi attacks forcing 20%+ longer hauls from the Middle East to India/China,
- SCI's robust FY25 performance, culminating in record PAT of ₹804 crore (up 150% YoY) on revenue of ₹5,800 crore, enabled a 25% payout ratio with a ₹4.5/share dividend, nearly double prior years, supported by cash reserves swelling to ₹2,200 crore and minimal capex drag
- As a Maharatna PSU with the Government of India holding 63.8% stake, SCI stands to benefit from ongoing disinvestment momentum, potentially unlocking ₹5,000-7,000 crore via sale of non-core land parcels (Mumbai, Kolkata assets) and minority stake reductions.
- SCI is pivoting toward high-growth niches with newbuild orders for 4-6 Offshore Supply Vessels (OSVs) and 2 LNG carriers, targeting a 15% revenue CAGR through FY27, fueled by India's offshore oil/gas exploration push (ONGC/Reliance contracts) and LNG import tripling to 30 MMT by 2030. Management highlighted 85% utilization guidance for diversified fleet, with OSV day rates at $25,000+ amid global rig reactivation and LNG newbuilds securing 10-year charters at $80,000/day TCE.

Key Risks/Concerns

- SCI faces earnings pressure from normalizing freight rates post Red Sea peak, evident in Q2 FY26 profit drop of 35% YoY to ₹189 crore on 8% revenue decline to ₹1,339 crore, driven by softer bulk and liner segments despite tanker resilience.
- Ongoing government divestment (63.8% stake) remains stalled due to complex asset demerger challenges, delaying ₹5,000+ crore value unlock from non-core land sales;
- ₹10,000 crore fleet expansion over FY25-27 strains cash flows despite reserves, with 13-year average age exposing SCI to operational disruptions;

State Bank of India Ltd.

Key Statistics

Industry	**Financial Services**
Market Cap (Rs Cr)	892,139
LTP* (Rs)	966.3
52 Week High	999
52 Week Low	680

Share holding Pattern % (Sep, 2025)

Promoters	55.5
Institutions	37.2
Non Institutions	7.
Total	100

Financial Summary

Particulars (Rs billion)	FY24	FY25	FY26E	FY27E
NII	1599	1670	1788	2123
PPoP	867	1106	1274	1452
APAT	611	709	794	893
Diluted EPS (Rs)	68.4	79.4	86	96.8
RoAE-%	17.2	17.3	16.2	15.4
ABV (Rs)	382	454	553	625
P/B (x)	2.5	2.1	1.7	1.5

About the Company

SBI is India's largest commercial bank with balance sheet size of > Rs 69 trillion. It has nearly 23,000 branches and 63,791 automated teller machines (ATMs). Through its non-banking subsidiaries and joint venture companies, it offers a wide range of financial services, such as investment banking, credit cards, life insurance, general insurance, fund management, broking. Over the past two years, the bank has sharpened focus on retail credit to provide itself the necessary growth momentum and improve spreads.

Key Triggers

- The group's robust brand, a pan-India presence and wide reach in rural and semi-urban areas have resulted in diversified advances book and large and stable deposit base. In addition to its strong presence in corporate finance, the bank is a leader in the retail finance segment; it also offers other financial services such as investment banking and life insurance. The SBI group also has wide presence in overseas markets.
- The high proportion of CASA deposits helps the group to maintain its cost of deposits (CoD) at competitive level; CoD was at ~5.2% in H1FY26.
- Asset quality has improved over the past few years, driven by higher recoveries and write-offs. Standalone gross non-performing assets (GNPAs) improved to 1.82% as on March, 2025, compared with 2.24% and 2.78% as on March, 2024 and March, 2023. It stood at 1.73% as on Sep-2025.
- The bank is confident of growing faster than the industry at 12-14% for FY26. Stronger traction is expected in H2FY26 with improvement across retail, personal, agriculture, SME and corporate segments.
- Its key subsidiaries such as SBI AMC, SBI General Insurance, SBI Life Insurance etc. has immense value and that also aids in overall valuation of the stock.

Key Risks/Concerns

- Significant and continuous increase in delinquencies (GNPAs crossing 2.5%), and that could lead to decline in profitability
- Any material increase in credit cost from the current lows would hurt business and earnings
- Significant increase in Opex may hurt its profitability
- Weak performance from its key subsidiaries

Surya Roshni Ltd.

Key Statistics

Industry	**Steel Pipes**
Market Cap (Rs Cr)	5,812
LTP* (Rs)	267
52 Week High	359
52 Week Low	205

Share holding Pattern % (Sep, 2025)

Promoters	62.5
Institutions	6.6
Non Institutions	30.9
Total	100

Financial Summary

Particulars (Rs Cr)	FY24	FY25	FY26E	FY27E
Net Sales	7,809	7,536	8,500	9,909
EBITDA	572	579	655	842
APAT	329	347	387	527
Diluted EPS (Rs)	15.2	15.9	17.8	24.2
RoE-%	16.3	15.0	14.9	17.9
P/E (x)	19.8	18.8	16.9	12.4
EV/EBITDA (x)	11.4	10.8	9.5	7.2

About the Company

Surya Roshni was founded in 1973 as Prakash Tubes Private Limited, began its journey as a steel tube manufacturer and has since evolved into a multinational conglomerate. The company operates two primary business verticals: Steel Pipes & Strips and Lighting & Consumer Durables, maintaining a dominant market position in both sectors. In the steel pipes and strips segment, the company manufactures a diverse range of products used across agriculture, infrastructure, oil & gas, water and construction sectors.

Key Triggers

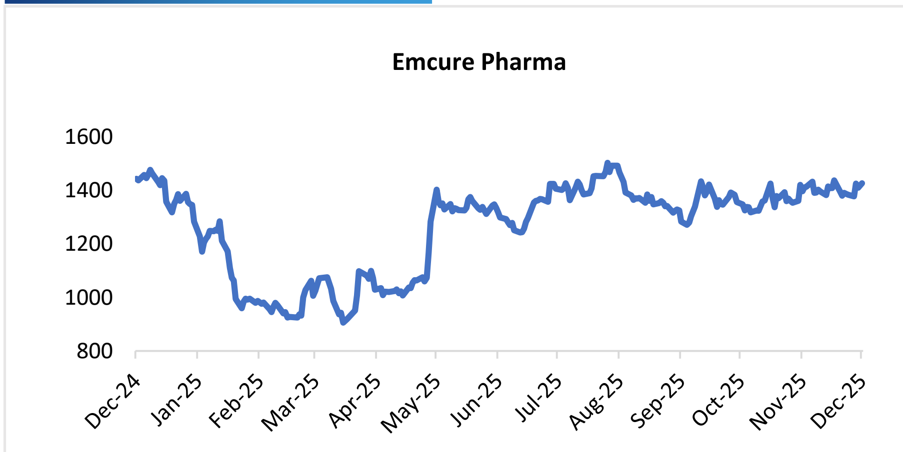
- Surya Roshni is well-positioned for sustained growth in FY26, backed by a confident outlook across its Lighting & Consumer Durables and Steel Pipes segments. Management targets full-year revenue of around Rs. 1,980 cr and EBITDA of approximately Rs. 180 cr in Lighting & Consumer Durables, driven by strong festive and winter-season demand, particularly in the second half.
- SRL maintains a robust ₹875 crore order book across steel pipes (₹700+ crore) and lighting as of Sep 2025, providing 4-6 months revenue visibility tied to infra/water projects, railways, and exports.
- The company's focus on deepening product mix quality, leveraging new capacities, and expanding distribution channels underpins expectations for improving returns on capital and sustained earnings growth
- Surya Roshni's steel pipes exports surged 45% YoY in Q2 FY26, contributing to 26% overall volume growth and EBITDA/ton at ₹5,013 (up 73% YoY), driven by Middle East demand for API and HSA pipes. The management emphasized 23% FY26 export volume growth guidance, supported by a new ₹105 crore Gujarat spiral pipe order
- Full ₹25 crore PLI-linked investments completed ahead of schedule have boosted LED lamps (up 37% YoY), street lighting (up 104% YoY), and new launches like digital water heaters, exhaust fans, induction appliances, and domestic wires targeting ₹150 crore FY26 revenue.
- Capacity utilisation remains healthy at 80%, while operational efficiencies and a rising share of value-added products are expected to bolster profitability

Key Risks/Concerns

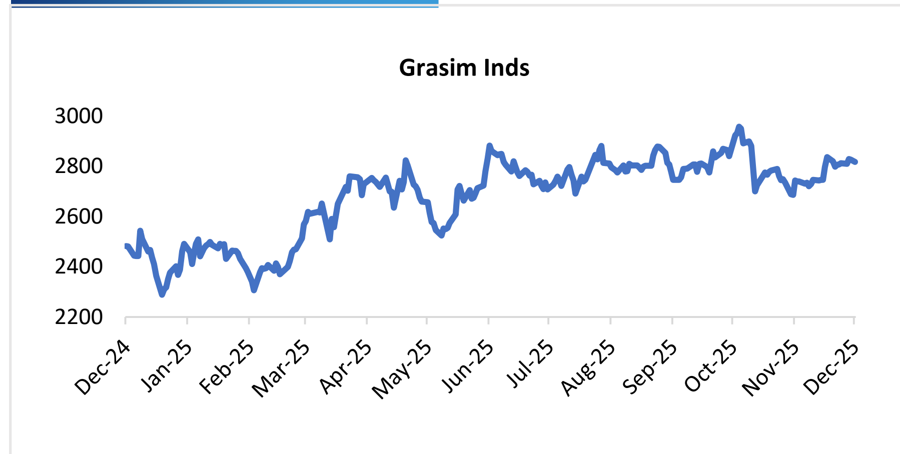
- As the company manufactures steel pipes, it is highly exposed to fluctuations in steel prices. In case of an adverse demand-supply scenario, the inability to pass on the raw material price hike to its buyers could adversely impact its profitability.
- SRL's business remains working-capital intensive, with a high inventory holding exposing the profitability to the volatility in raw material prices.
- Continued decline in LED prices could pressure margins if competitive intensity rises again or demand weakens, despite recent moderation in erosion

Price Chart

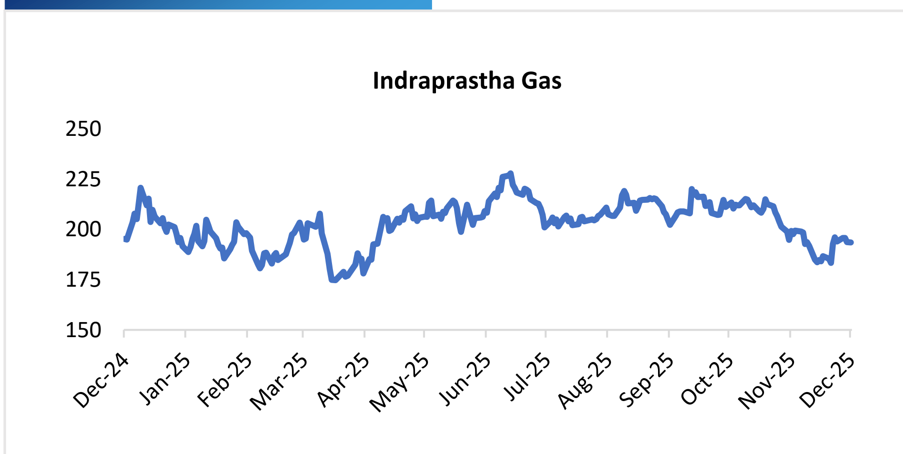
Emcure Pharma



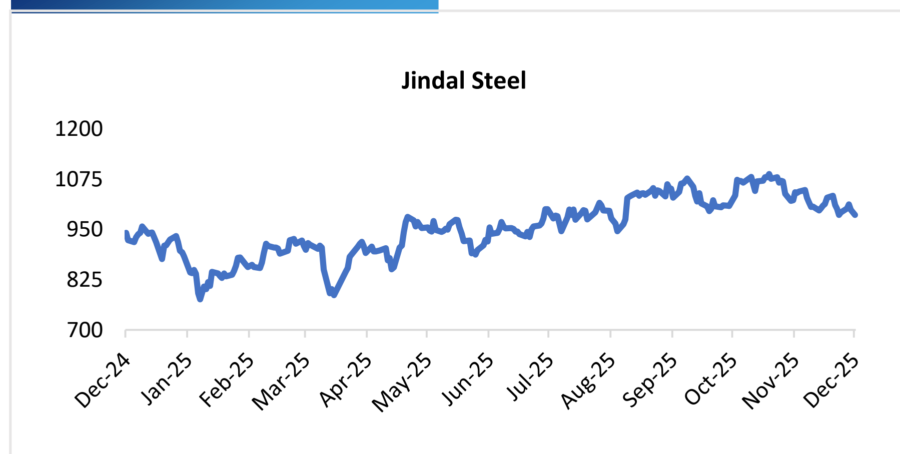
Grasim Ind.



Indraprastha Gas

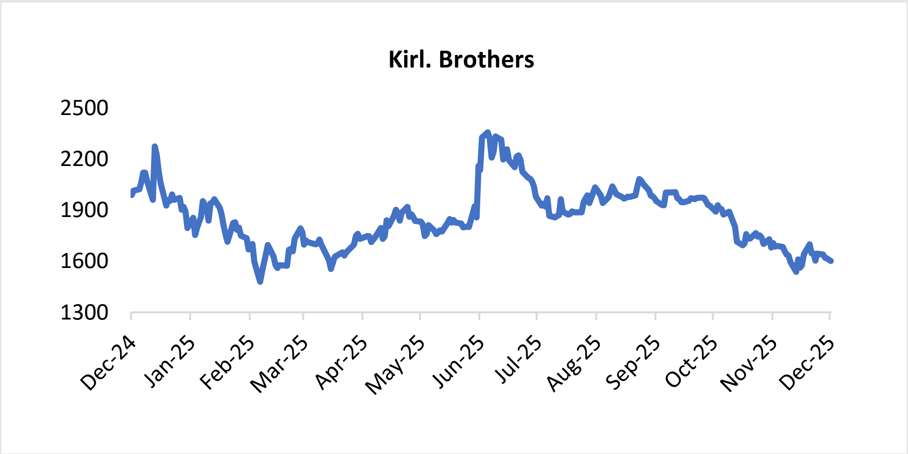


Jindal Steel

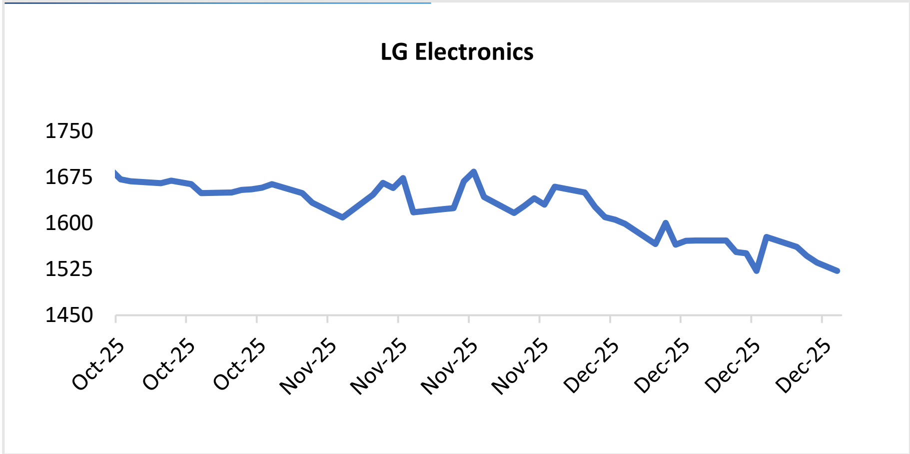


Price Chart

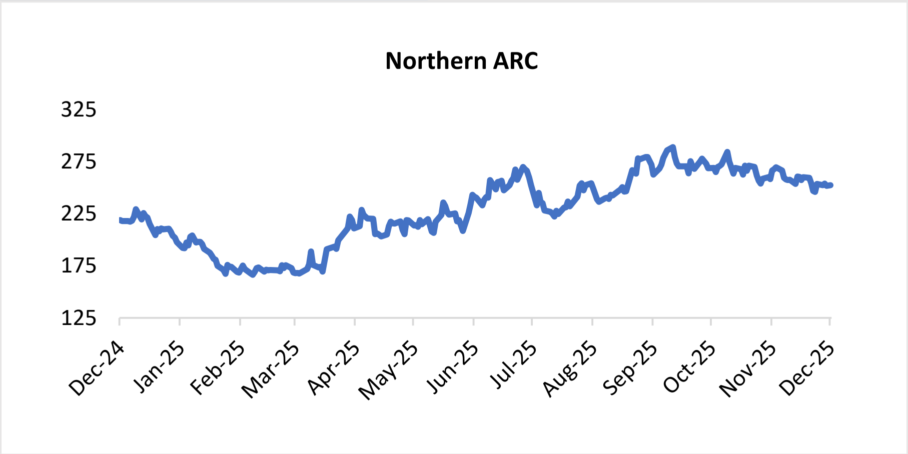
Kirloskar Brothers



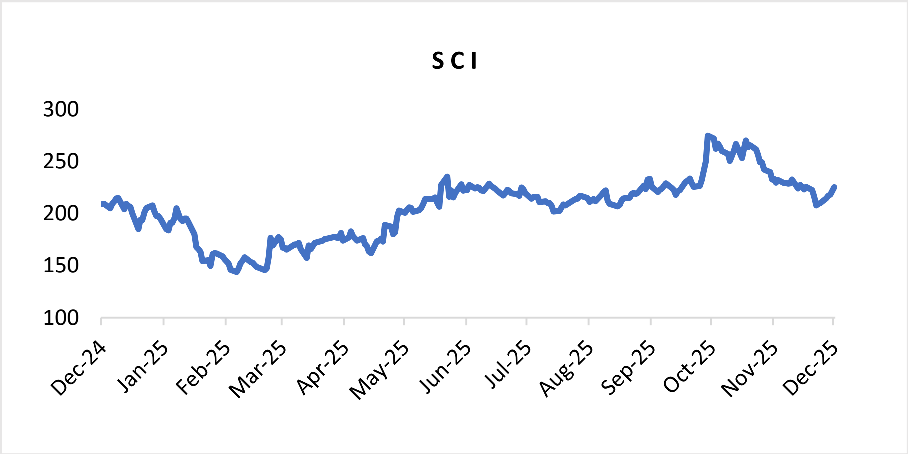
LG Electronics



Northern Arc

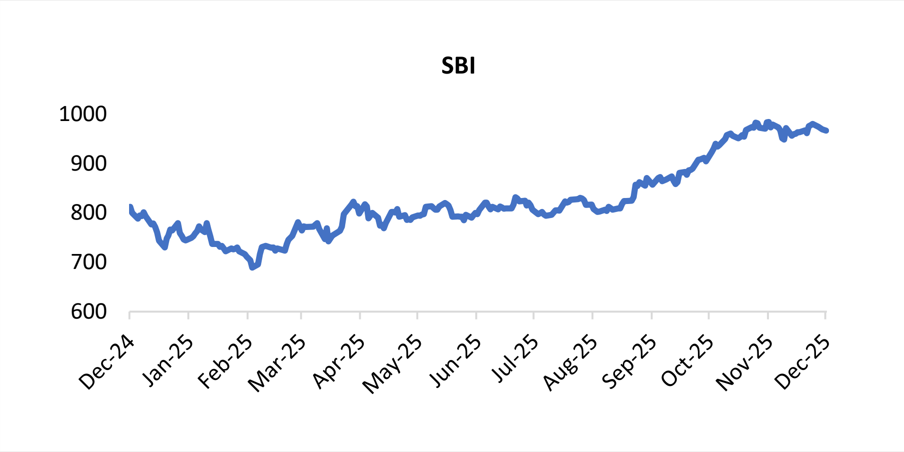


Shipping Corporation

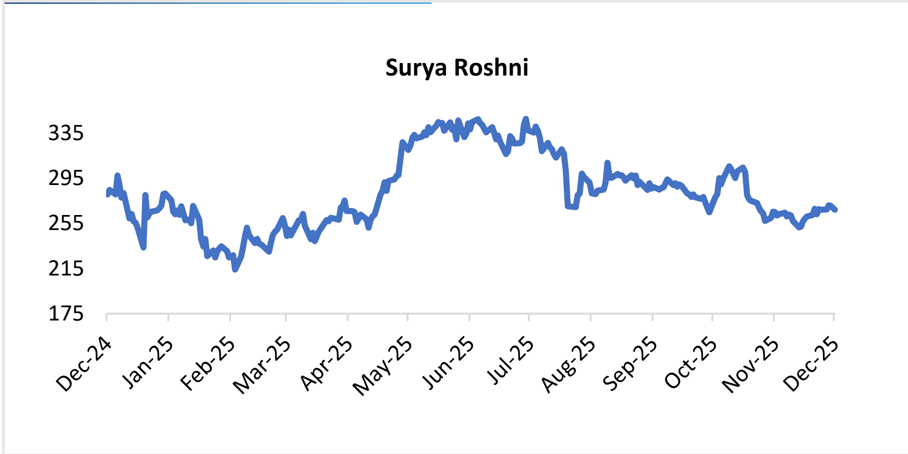


Price Chart

State Bank of India



Surya Roshni



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Company Name	Analyst	Qualification	Holding
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Grasim Inds	Kushal Rughani	MBA	No
Indraprastha Gas	Abdul Karim	MBA	Yes
Jindal Steel	Ashish Karkera	CA	No
Kirl. Brothers	Rishab A Jain	B.E, MBA	No
LG Electronics	Darshil Shah	CA, MBA	No
Northern ARC	Atul Karwa	MMS	No
S C I	Ashish Karkera	CA	No
SBI	Atul Karwa	MMS	No
Surya Roshni	Ashish Karkera	CA	No

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Technical Stock Picks 2026

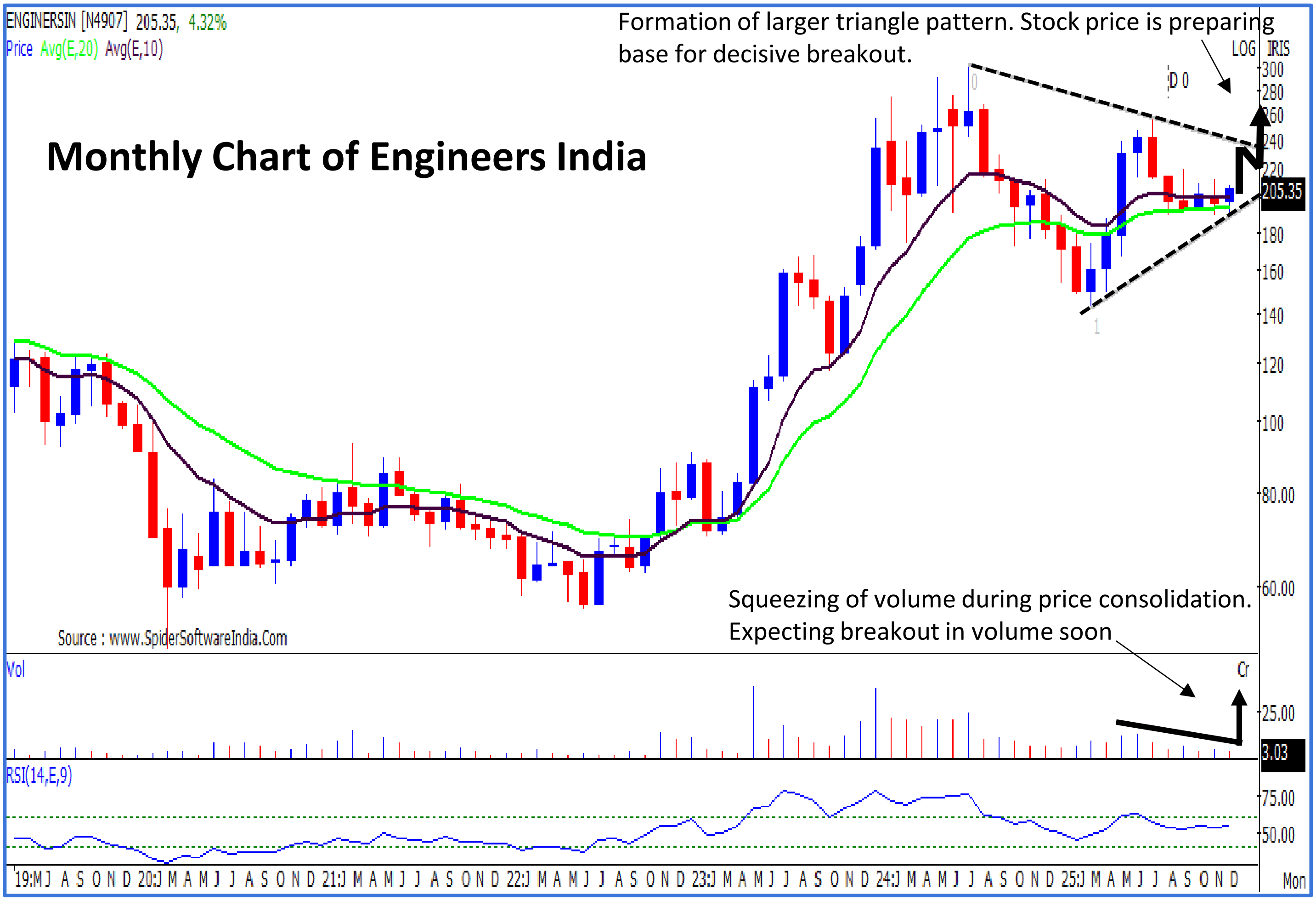
Technical Picks 2026

Level-Driven Recommendations With Defined Targets & Stoploss

Sr. No	Stock	Buying Range	Average Level	Targets	Stop Loss (Closing Basis)
1	Engineers India	205-211	194	238, 272	182
2	Granules India	617-633	579	720, 803	540
3	Indus Tower	419-425	385	475, 505	365
4	KFintech Ltd	1070-1105	1040	1265, 1375	998
5	NMDC Ltd	82.60-85	77.6	94, 104	73.4
6	Rolex Rings Ltd	125-132	115	155, 200	109
7	UPL Ltd	770-790	725	875, 950	690

Engineers India Ltd

Buying Range	CMP	Avg Level	Targets	Stoploss (Closing Basis)	Time-Frame
205-211	205.35	194	238, 272	182	1 Year

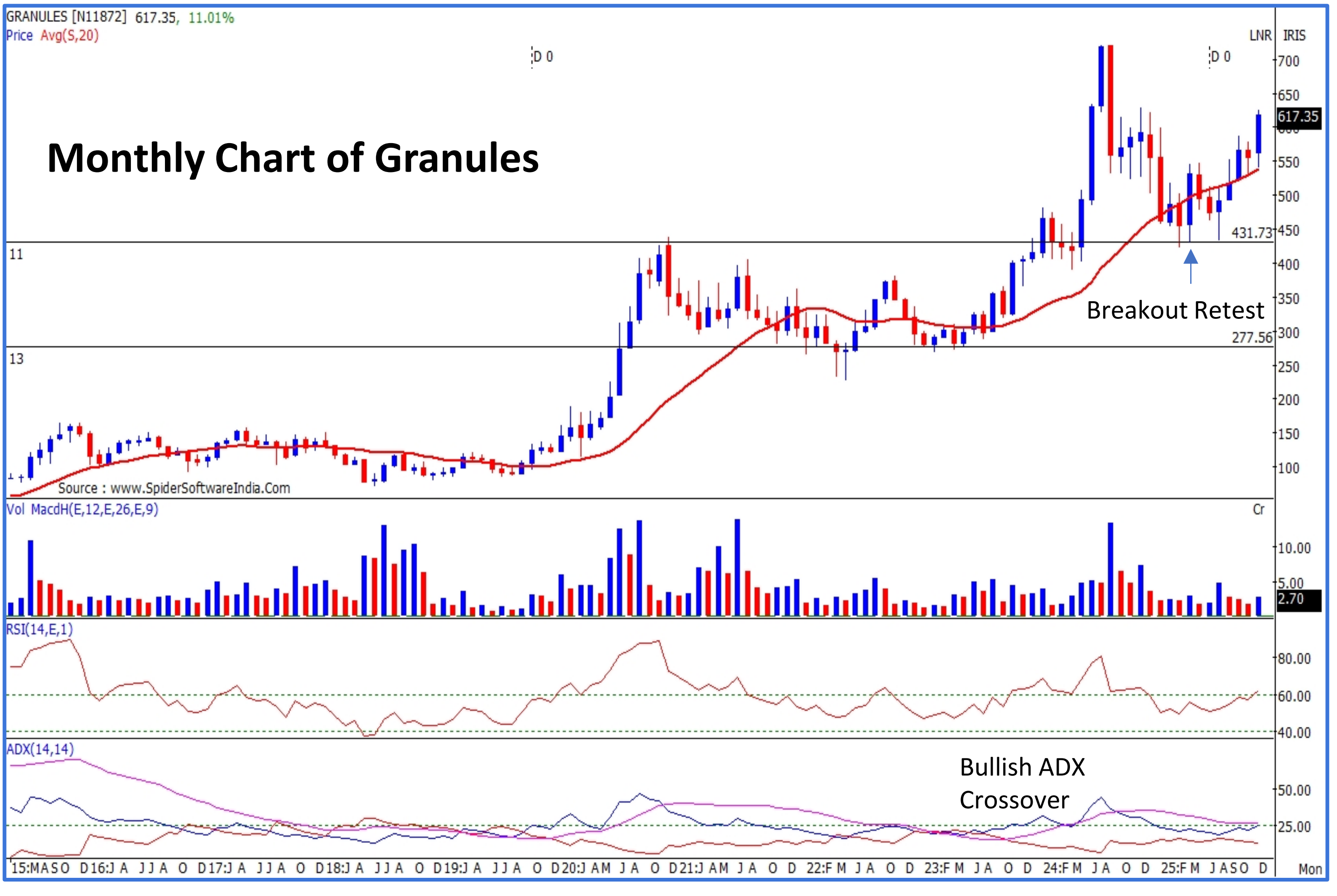


Rationales

- The stock price, as per the monthly chart, was moving in a narrow range over the last few months
- The monthly long-term chart is indicating a formation of a converging triangle type pattern, and the stock price is currently placed at the bottom of the triangle
- The stock price is placed above the cluster support, like the 10 & 20-month EMA, and the lower end of the triangle
- Monthly 14-period RSI is in a gradual ascending mode
- Volume has squeezed during consolidation in the stock price. It is expected to expand along with a price breakout in the near term

Granules India

Buying Range	CMP	Avg Level	Targets	Stoploss (Closing Basis)	Time-Frame
617-633	617.35	579	720, 803	540	1 Year

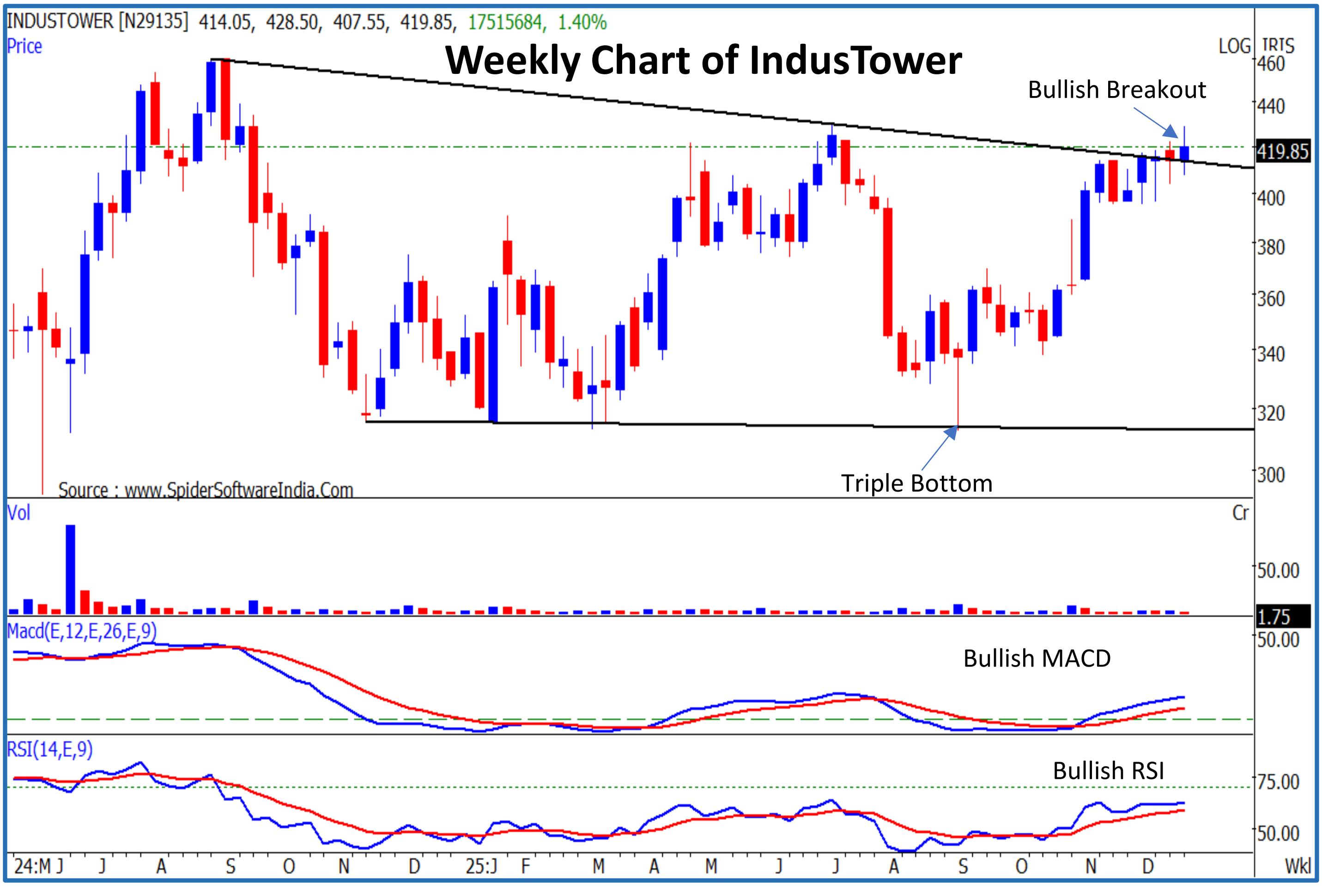


Rationales

- Stock price has been forming higher tops and higher bottoms on Monthly charts.
- Price is holding above the rising 20-month SMA, indicating long-term trend strength.
- Stock has broken out and is sustaining above the breakout zone, confirming bullish structure.
- Volumes are picking up, validating the ongoing up-move.
- Monthly RSI is crossing above 60, signaling strong bullish momentum.
- ADX is above 20, confirming the presence of a strong trend.
- +DMI remains above −DMI, indicating clear bullish dominance.

Indus Tower

Buying Range	CMP	Avg Level	Targets	Stoploss (Closing Basis)	Time-Frame
419-425	419.85	385	475, 505	365	1 Year

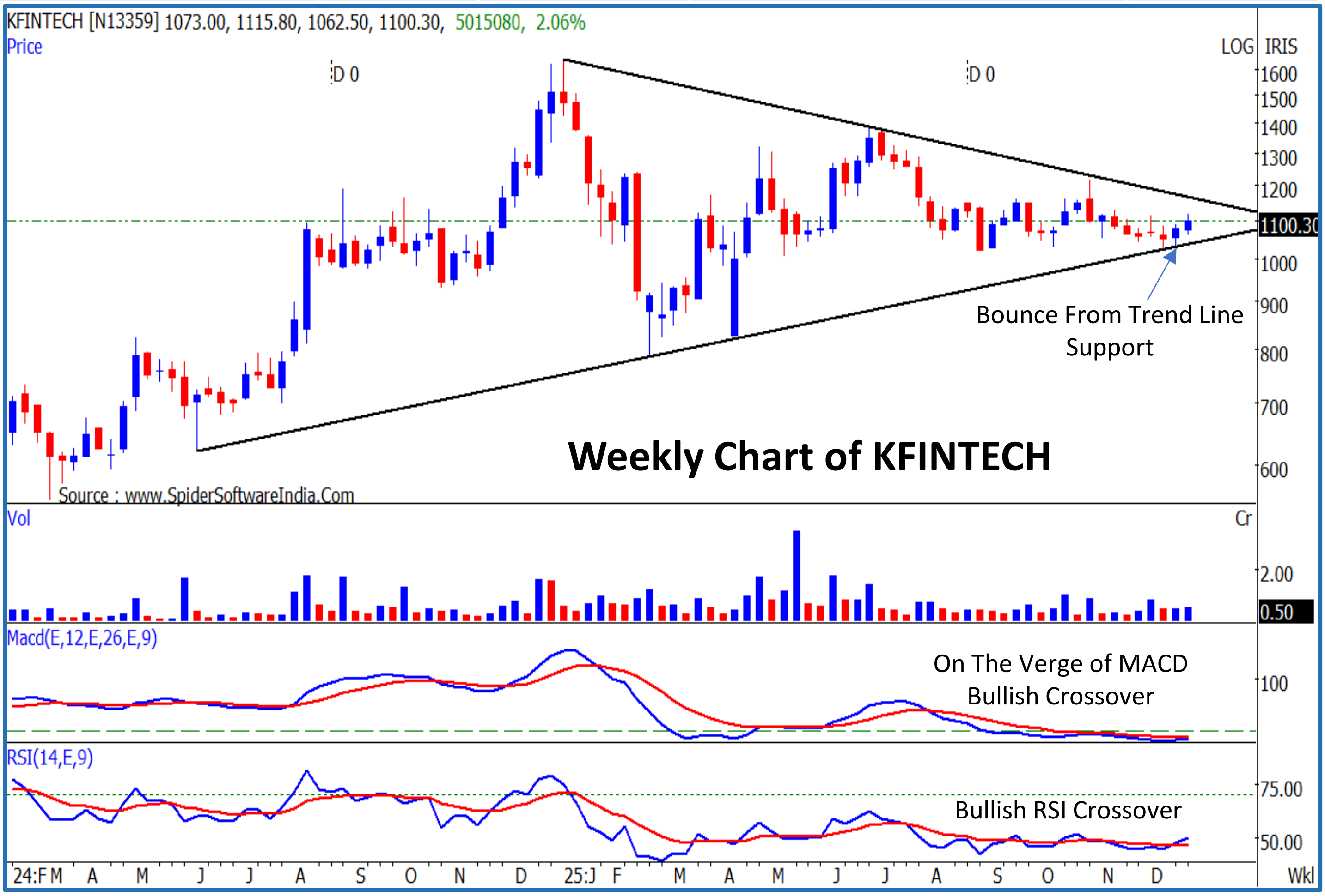


Rationales

- Stock price has broken out from downward sloping trend line on the Weekly charts.
- Primary trend of the stock is bullish as it is placed above 200 day EMA.
- Stock price has broken out on the daily chart with higher volumes.
- Stock is placed above all key moving averages, indicating uptrend on all time frames.
- Weekly RSI is sustaining above 50, indicating sustained uptrend for the underlying.
- Weekly MACD is placed above its equilibrium and signal line.
- Tripple bottom formation on the monthly chart.

KFintech Ltd

Buying Range	CMP	Avg Level	Targets	Stoploss (Closing Basis)	Time-Frame
1070-1105	1100.30	1040	1265, 1375	998	1 Year

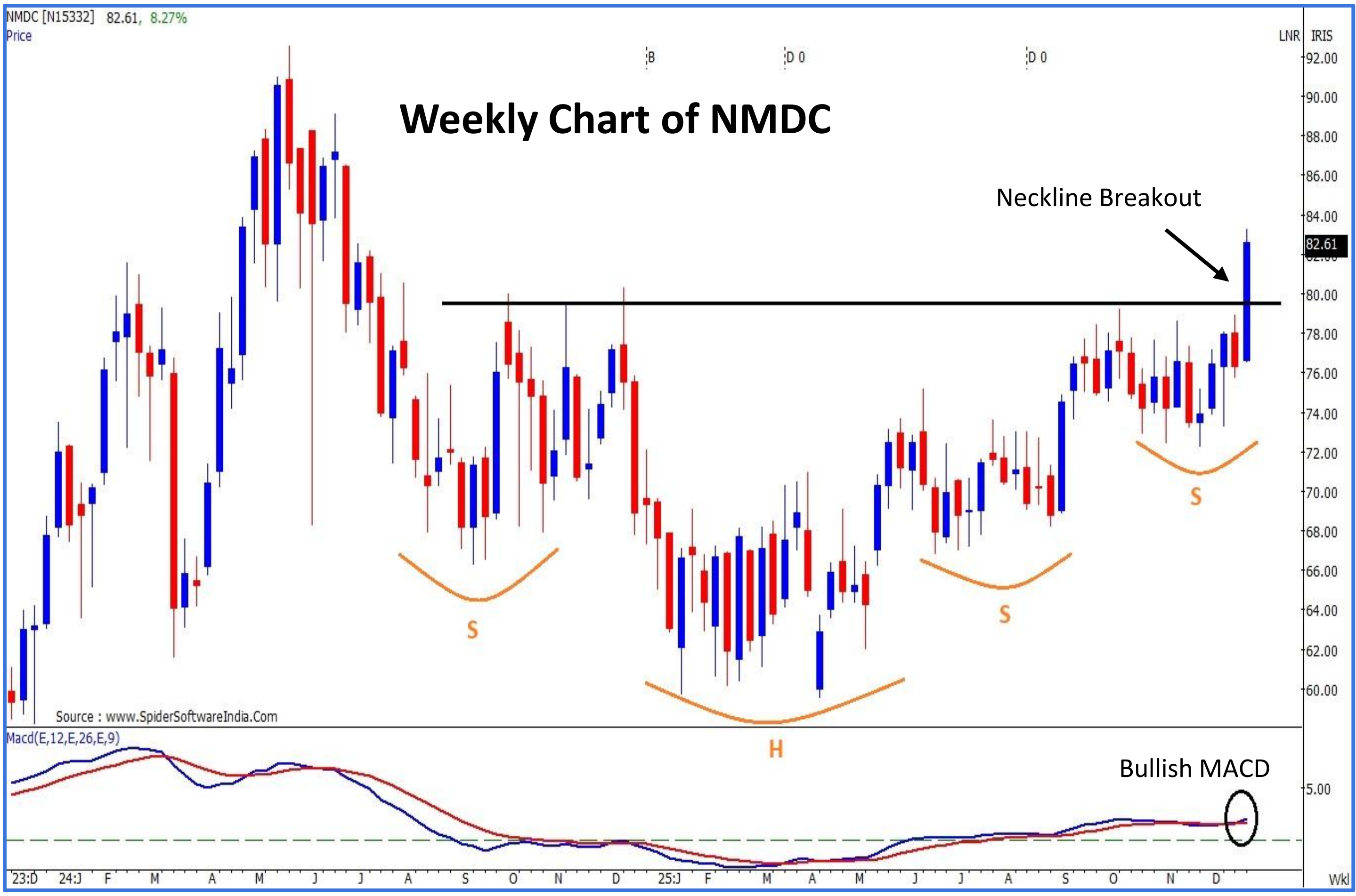


Rationales

- Symmetrical triangle consolidation suggests a continuation breakout setup.
- Higher lows indicate strong accumulation and sustained buying interest.
- RSI near 50 shows bullish support with momentum turning up.
- MACD convergence signals a potential bullish crossover ahead.
- Price holding above ₹1050 confirms strong demand and rejection of lows.
- Near support entry offers a favorable risk–reward with 20–25% upside.

NMDC Ltd

Buying Range	CMP	Avg Level	Targets	Stoploss (Closing Basis)	Time-Frame
82.60-85	82.61	77.60	94, 104	73.40	1 Year

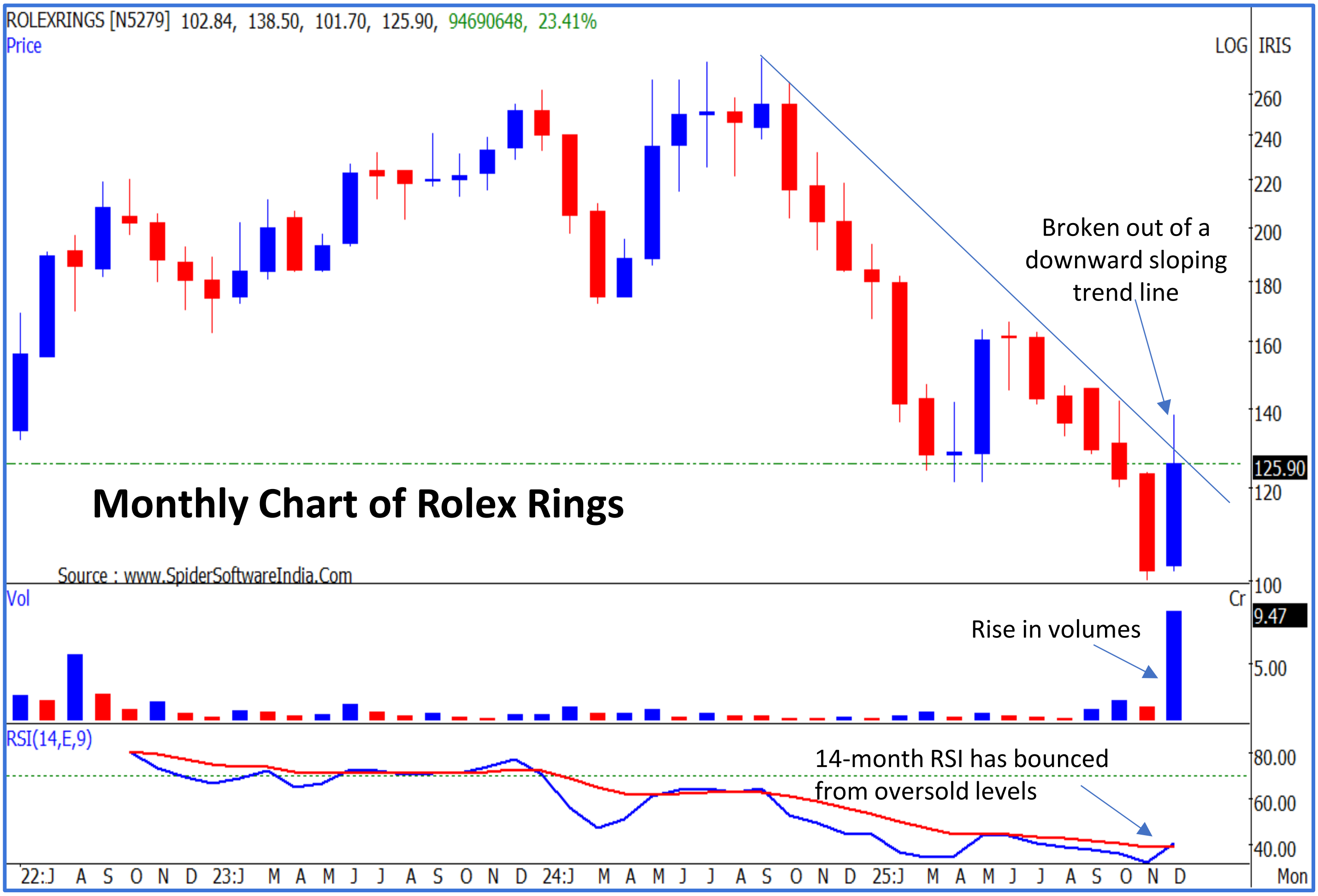


Rationales

- The stock price has witnessed a breakout from an inverted Head & Shoulders pattern.
- Price has been forming higher tops and higher bottoms on all degrees which bullish dow formation.
- The stock is trading above all key moving averages, indicating an uptrend across all time frames.
- The MACD indicator has turned bullish, confirming a fresh crossover.
- Price has formed a strong bullish candle on the weekly chart, indicating strong bullish momentum. Overall price structure and pattern is looking bullish.

Rolex Rings Ltd

Buying Range	CMP	Avg Level	Targets	Stoploss (Closing Basis)	Time-Frame
125-132	125.90	115	155, 200	109	1 Year

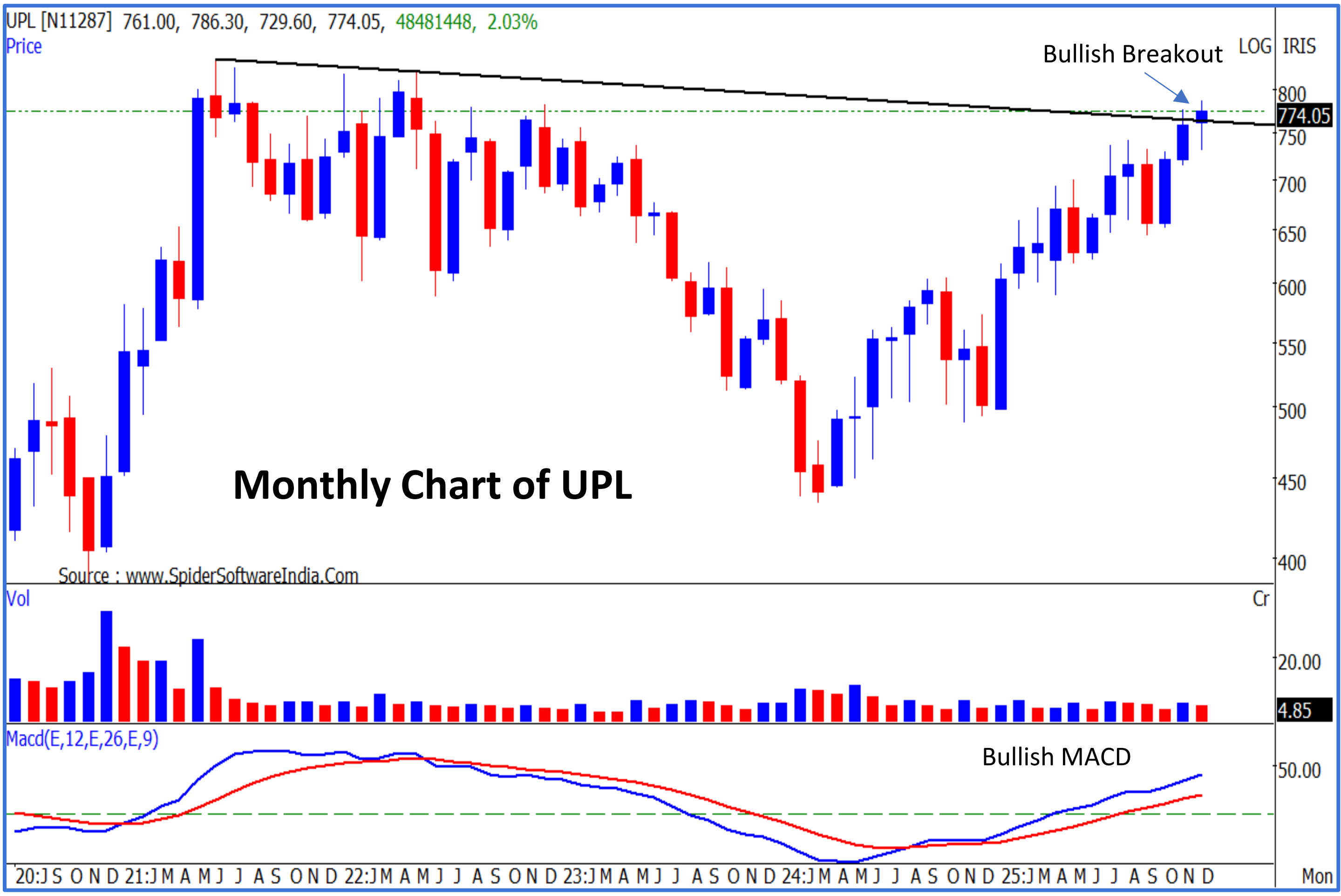


Rationales

- Stock price has corrected substantially from a high of 280 tested in September 2024 to a low of 99 tested in November 2025.
- In the process, stock has made a double bottom pattern on the long term charts.
- The bounce back seen in December 2025 has been accompanied with huge volumes.
- Momentum readings like the 14-month RSI have bounced back from oversold levels.
- Stock has also broken out of a downward sloping trend line and is placed above the 20 day and 50-day SMA on the daily timeframe.

UPL Ltd

Buying Range	CMP	Avg Level	Targets	Stoploss (Closing Basis)	Time-Frame
770-790	774.05	725	875, 950	690	1 Year



Rationales

- Stock price has broken out from downward sloping trend line on the monthly charts.
- Higher tops and higher bottoms on the weekly and monthly chart.
- Stock is placed above all key moving averages, indicating uptrend on all time frames.
- Weekly RSI is sustaining above 50, indicating sustained uptrend for the underlying.
- MACD is placed above signal and zero line on both weekly and monthly charts.
- Stock price has broken out from the consolidation which held for last 7 weeks.
- Price rise is accompanied by healthy volumes.

Exchange Trade Fund Picks

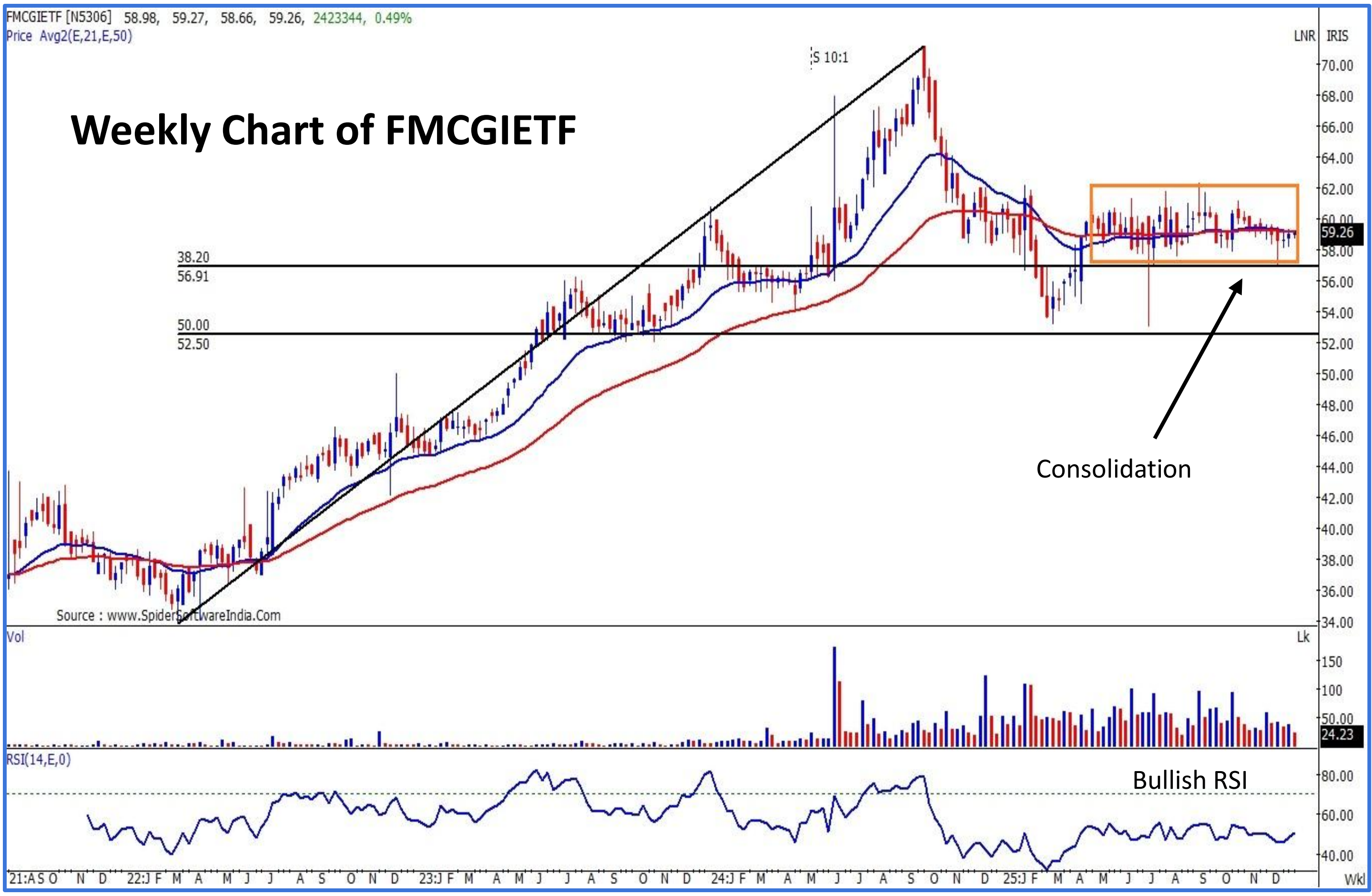
ETF Picks 2026

Level-Driven Recommendations With Defined Targets & Stoploss

Sr. No	ETF	Buying Range	Average Level	Targets	Stop Loss (Closing Basis)
1	ICICI Prudential Nifty FMCG ETF	59.24-60	56.63	65.40, 68.50	54.46
2	Mirae Asset Nifty Metal ETF	11.20-11.40	10.40	12.60, 13.50	10.00
3	Nippon India ETF Nifty PSU Bank BeES	94.89-95.25	91.00	105, 118	87.00

ICICI Prudential Nifty FMCG ETF (FMCGIETF | 543326 | INF109KC19V3)

Buying Range	CMP	Avg Level	Targets	Stoploss (Closing Basis)	Time-Frame
59.24-60	59.24	56.63	65.40, 68.50	54.46	1 Year

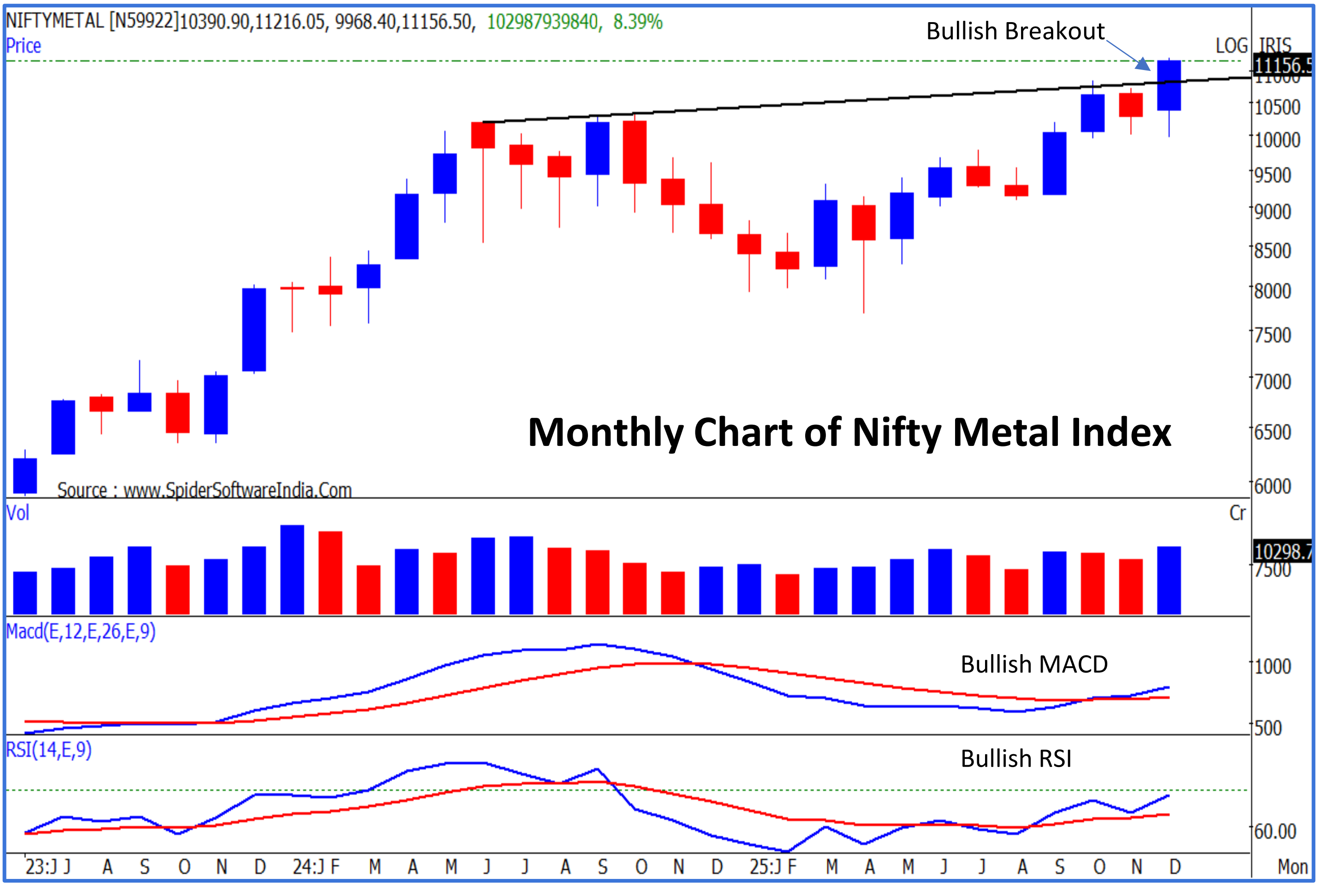


Rationales

- The ETF price has been in a prolonged consolidation phase for the last eight months
- The ETF found support near the 50% retracement of the prior up-move (33.80–71.20) and has rebounded from the lows
- The ETF is trading above its key moving averages on the daily chart, indicating a positive bias
- The RSI remains in bullish territory, reflecting sustained buying momentum
- Price has formed a doji candlestick pattern on the monthly chart, which may indicate a potential bullish reversal. Overall price structure and pattern is looking bullish.

Mirae Asset Nifty Metal ETF (METAL | 544268 | INF769K01LY7)

Buying Range	CMP	Avg Level	Targets	Stoploss (Closing Basis)	Time-Frame
11.20-11.40	11.20	10.40	12.60, 13.50	10	1 Year

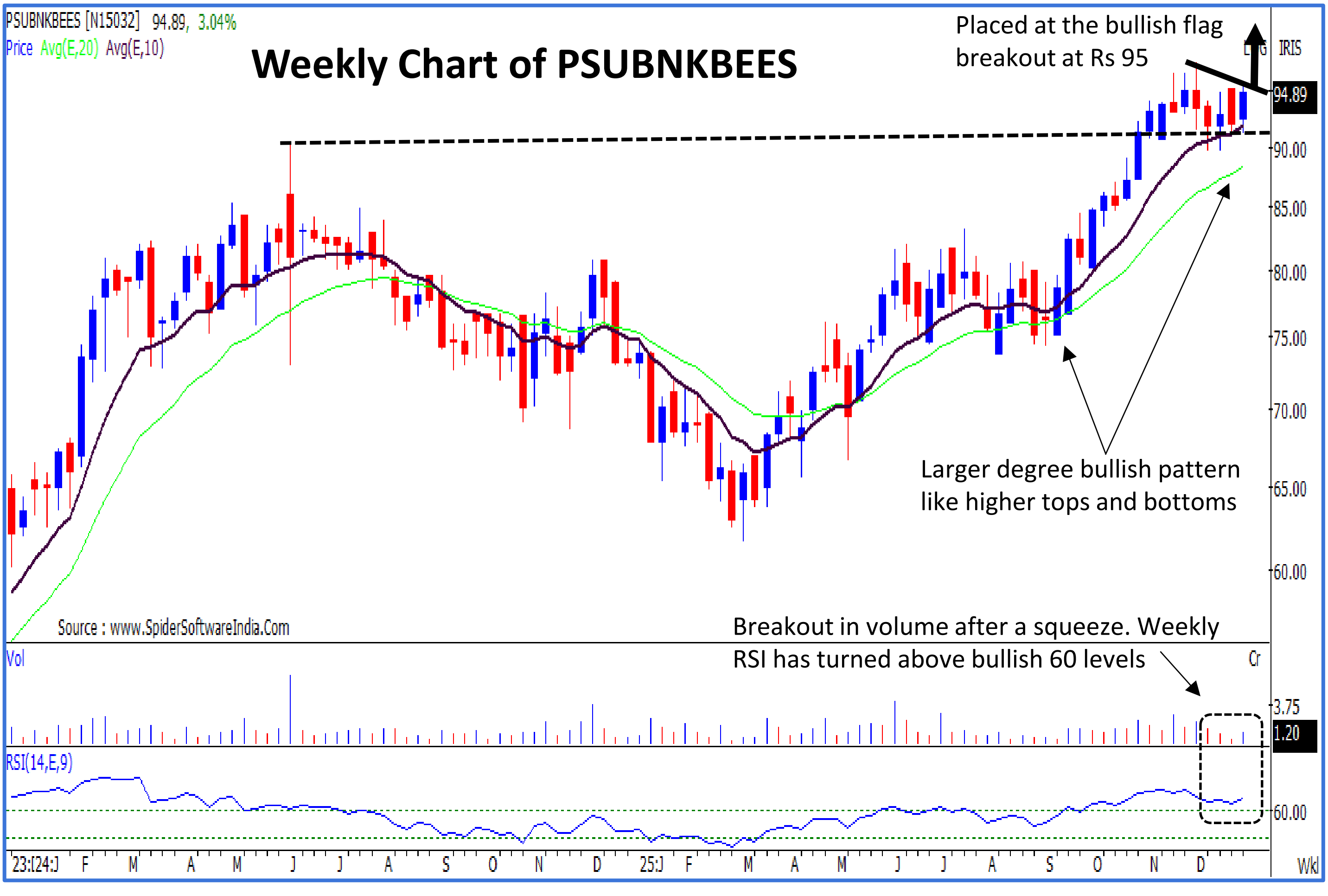


Rationales

- Index has broken out from upward sloping trend line on the monthly charts.
- Higher tops and higher bottoms on the weekly and monthly chart.
- Index is placed above all key moving averages, indicating uptrend on all time frames.
- Monthly RSI is sustaining above 50, indicating sustained uptrend for the underlying.
- MACD is placed above signal and zero line on both weekly and monthly charts.
- Price rise is accompanied by healthy volumes.

Nippon India ETF Nifty PSU Bank BeES (PSUBNKBEES | 590108 | INF204KB16I7)

Buying Range	CMP	Avg Level	Targets	Stoploss (Closing Basis)	Time-Frame
94.89-95.25	94.89	91	105, 118	87	1 Year



Rationales

- The PSU Bank ETF price has bounced back this week, after the downward correction of last week.
- We observe bullish flag type pattern on the weekly chart and currently the ETF prices are placed at the edge of breakout of the pattern around Rs 95-96 levels.
- The ETF price has now placed at the cluster support of 10 week EMA and support as per role reversal. The ETF price is expected to move up sharply from there.
- Volume has started to expand and weekly 14 period RSI indicates positive signal.
- Larger degree bullish pattern like higher tops and bottoms is intact on the long term charts.

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