

Executive Summary:

Our initial thesis positioning gold as the asset class of the decade, and our bullishness on silver, was based on:

- Gold:
 1. We are in a geopolitically volatile environment
 2. The world is shifting from globalization to a more transactional order as trust erodes
 3. De-dollarization is a structural theme
 4. We are moving towards an inflationary world
- Silver:
 1. Gold-to-Silver Ratio was favourable towards Silver
 2. Silver demand outweighed Silver supply significantly

What has happened since?

- The West Asia war has caused oil prices to surge
- Some countries are selling gold in order to finance their energy needs
- Money is flowing into the USD as a **perceived** safe haven asset
- Producers are diversifying their buyers and consumers their sources
- The Silver rally had caused the Gold-to-Silver ratio to become favourable towards Gold

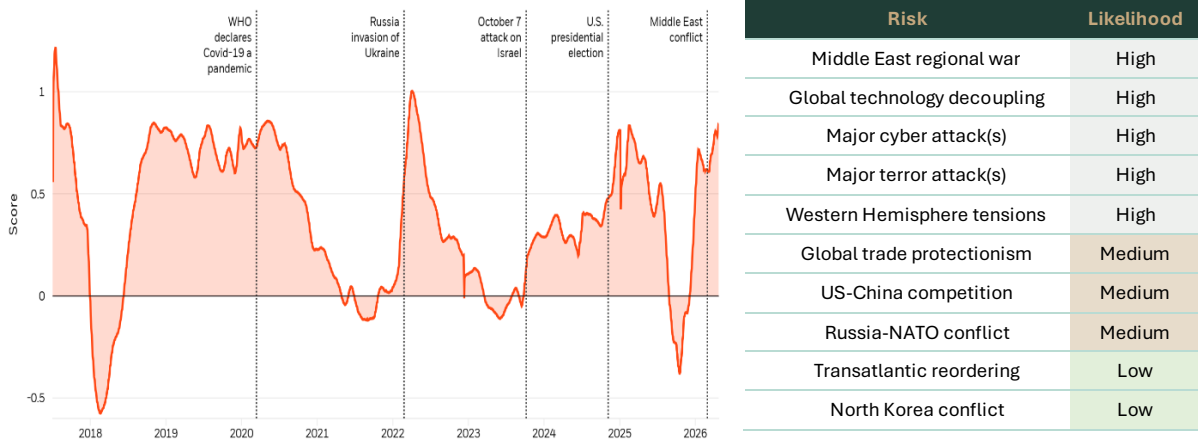
What is our strategy going forward?

- We recommended booking profits from Silver in Jan-26 when the Gold-to-Silver ratio crossed levels below 50 – stopping incremental allocation to both the precious metals
- We published an investment note in Jan-26 highlighting our bias towards Indian equities over Gold. Nifty-to-Gold ratio still remains favourable
- We wait to allocate further to Gold and Silver as we expect some cool off. However, we **reiterate our belief that Gold is the asset class of the decade and hold onto our current allocation to precious metals**
- We consider Silver as part of our total Gold (Precious metals) allocation. We will take the total Gold (Precious metals) allocation to 5%/7.5%/10% of the portfolio depending on portfolio customization
- We remain bullish on Indian markets
- **Our allocation of Gold : Silver remains firm in the proportion of 2/3rd : 1/3rd**



Detailed Note:

Our initial rationale and recent events – Current geopolitical environment is eroding trust



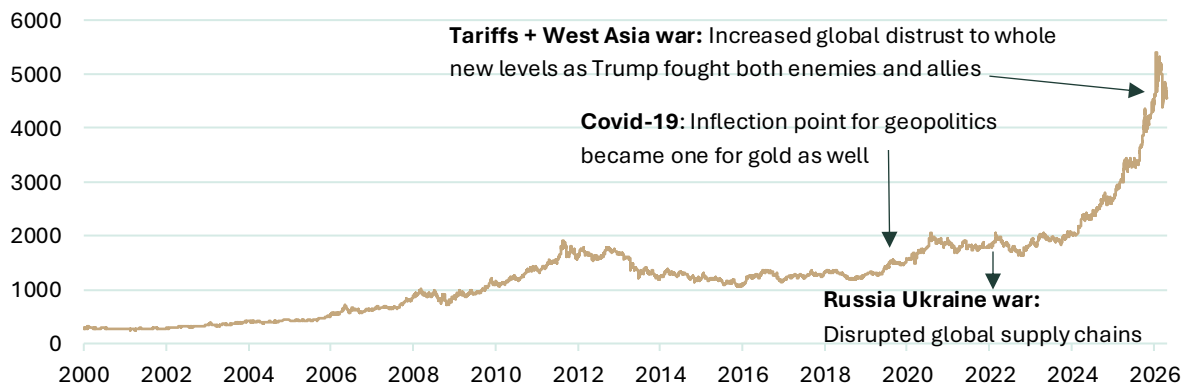
Source: Blackrock; The BlackRock Geopolitical Risk Indicator (BGRI) measures the level of market attention to specific geopolitical risks by analysing the frequency and sentiment of financial news and brokerage reports.

COVID-19 acted as a systemic **"inflection point,"** replacing global interconnectedness with increasing fragmentation and transforming temporary supply chain bottlenecks permanent:

- **Trust erosion:** Global cooperation came under pressure, prompting nations to pivot from cost-efficient globalization to transactional relationships to secure key resources
- **Weaponization of Finance:** The West freezing Russian sovereign assets became a major catalyst for de-dollarization. By blocking Russia's money, the U.S. and its allies signalled that the dollar-based system could be used as a political tool
- **Security Breakdown:** The Russia-Ukraine war further dismantled the post-Cold War security architecture, weaponizing energy and food supplies

These events have collectively ushered in a new era where geopolitical conflict is no longer a peripheral risk, but the primary driver of global trade protectionism and market instability.

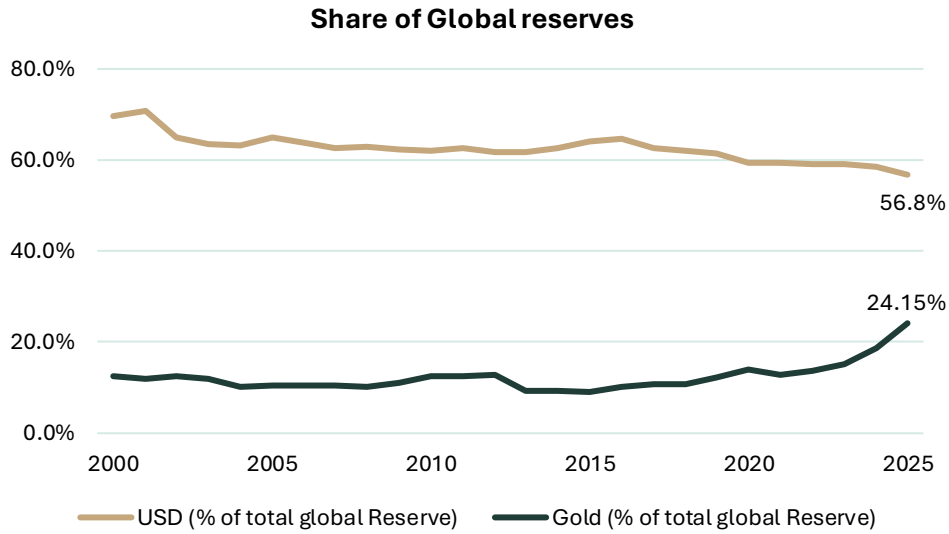
Gold Spot Price (USD)



Source: Investing.com



De-dollarization remains well under way:



Source: IMF COFER

The West Asia war has spike Crude and Brent Oil prices well above \$100 a barrel – which has increased stress on Central bank balance sheet around the world. Facing currency pressure from rising energy import costs post the Iran conflict, energy-importing economies like Turkey (according to economic times, financial times etc.) sold and swapped ~60 tonnes of gold (>\$8 billion) in March 2026 to raise foreign exchange liquidity - its largest drawdown in nearly seven years. Russia (according to mining.com) similarly sold ~22 tonnes, though to fund a widening war-driven budget deficit. Despite the headline supply pressure, global central banks remained net buyers of gold and are estimated to purchase ~800-900 tonnes of gold in 2026.



Source: Tradingview



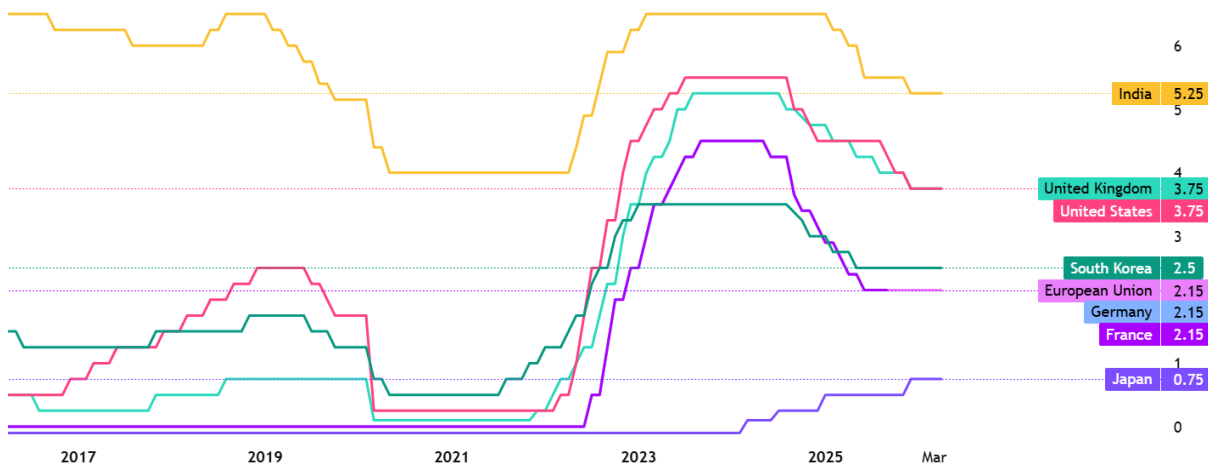
Increasing Oil and fertilizer prices are accelerating inflationary pressure around the world:

| CPI (%) | Argentina | Turkey | Russia | Mexico | Australia | Brazil | India | Indonesia | USA | UK |
|---------|-----------|--------|--------|--------|-----------|--------|-------|-----------|-----|-----|
| Feb-26 | 33.2 | 31.5 | 5.9 | 4.0 | 3.7 | 3.8 | 3.2 | 4.8 | 2.4 | 3.0 |
| Mar-26 | 32.6 | 30.9 | 5.9 | 4.6 | 4.6 | 4.1 | 3.4 | 3.5 | 3.3 | 3.3 |

| CPI (%) | South Africa | Germany | Euro Area | Canada | South Korea | Saudi Arabia | France | Italy | Japan | China |
|---------|--------------|---------|-----------|--------|-------------|--------------|--------|-------|-------|-------|
| Feb-26 | 3.0 | 1.9 | 1.9 | 1.8 | 2.0 | 1.7 | 0.9 | 1.5 | 1.3 | 1.3 |
| Mar-26 | 3.1 | 2.7 | 2.6 | 2.4 | 2.2 | 1.8 | 1.7 | 1.7 | 1.5 | 1.0 |

Source: Tradingview

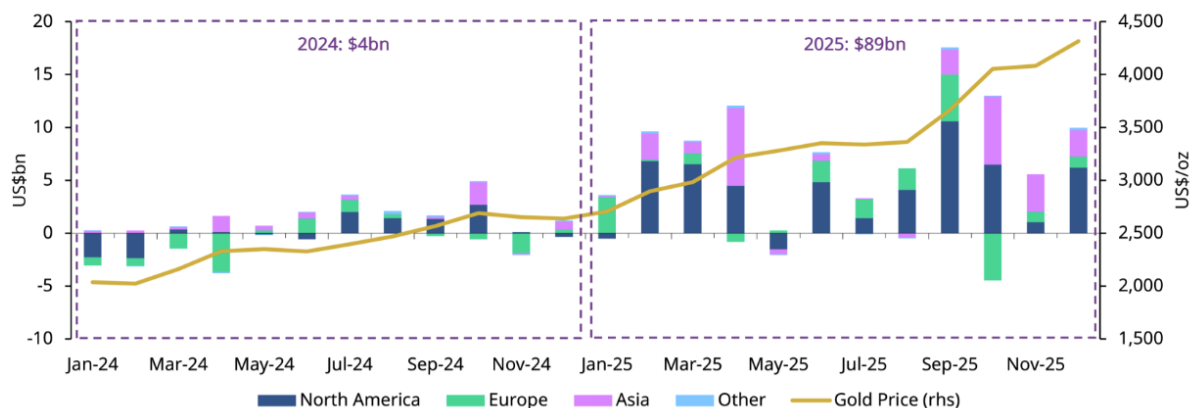
Resulting in interest rates to be higher (than Covid lows) for longer:



Source: Tradingview

Gold in 2025 had become the consensus trade. Compared to global equities and bonds, it was the only major asset class generating consistent positive returns, leading to a wave of accumulation across central banks, family offices, and retail investors alike.

ETF participation in gold increased significantly in 2025:



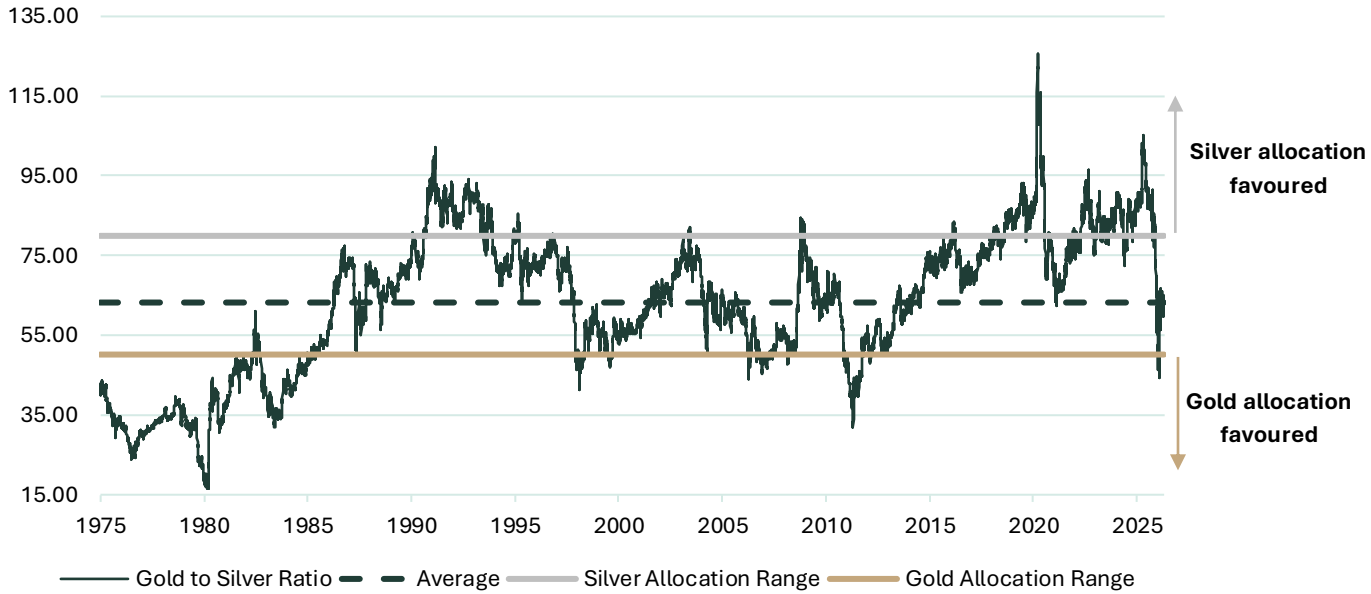
*As of 31 December 2025. Gold price based on the monthly average LBMA gold price PM in USD.

Source: Bloomberg, Company Filings, ICE Benchmark Administration, World Gold Council



Our strategy going forward:

Gold-to-Silver Ratio

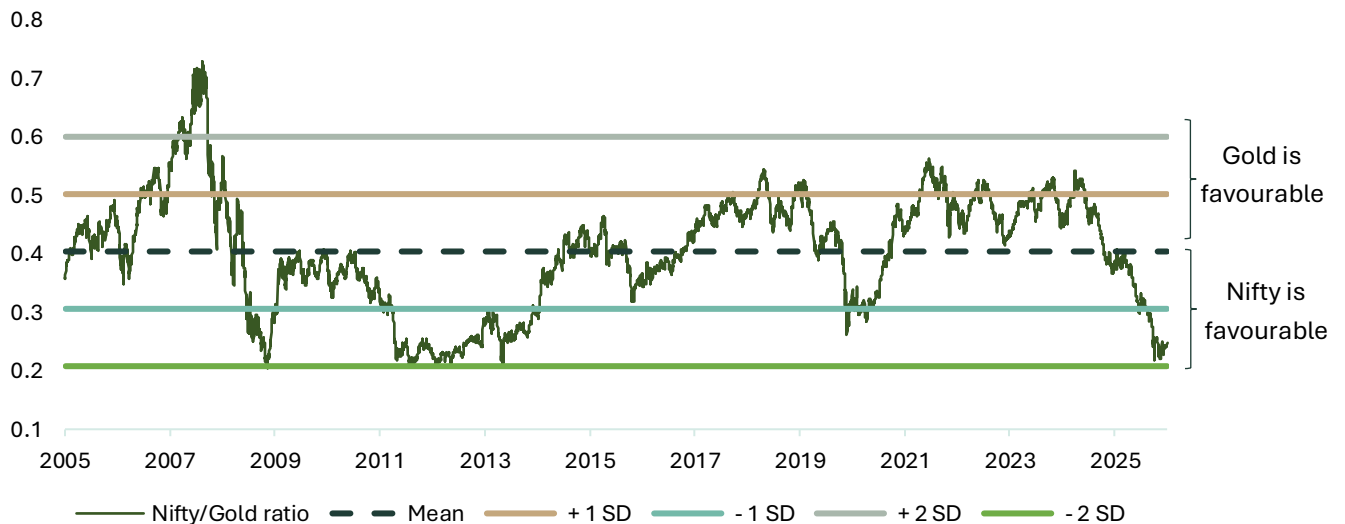


Source: Investing.com; ratio is calculated on futures price; Data is as on 28th April, 2026

We had earlier recommended a partial exit from silver, advising investors to book profits in the \$90–110/oz range (when Gold-to-Silver ratio breached below 50) and reallocate 50% of the position into gold. This changed our allocation to Gold and Silver from equal allocation to both to 2/3rd (Gold): 1/3rd (Silver). **We will wait to allocate further to silver when the ratio is favourable.**

Indian Equities:

Nifty 50/Gold Ratio



Source: Pravia Research, MCX, ACE MF



We reiterate our [initial note](#) on Nifty 50 to Gold ratio – which still continues to be favourable towards allocation to Indian equities

The current valuations for Indian equities in both absolute and relative terms remain favourable for allocation as we **continue to use this geopolitical volatility to allocate in our themes of interest.**

Precious Metals:

- We wait to allocate to Gold and Silver as we expect some cool off. However, we **reiterate our belief that Gold is the asset class of the decade.** This is because:
 - We don't expect geopolitical risk to reduce significantly in the medium term
 - Fragmentation amidst supply chains and between governments is increasing
 - ETF participation has enabled ease of Gold investment significantly
- We consider Silver as part of our total Gold (Precious metals) allocation. We will take the total Gold (Precious metals) allocation to 5%/7.5%/10% of the portfolio depending on portfolio customization
 - We however recommend allocation towards Gold if there is none
- **Our allocation of Gold : Silver remains firm in the ratio of 2/3rd : 1/3rd**



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- Registration granted by SEBI, membership of BASL and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.
- The securities quoted are for illustration only and are not recommendatory.

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