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Market Outlook *Presentation*

May 2026

Critical events despite which India came out resilient

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2020

COVID-19

Self-Dependence

- Supply chain collapse exposed the fragility of just-in-time globalisation.
- Nations pivoted to self-reliance.
- India's Atmanirbhar Bharat became the doctrine.

2022

Russia–Ukraine

Dedollarisation

- SWIFT weaponisation accelerated currency diversification.
- Central banks bought record gold.
- India-Russia trade in INR/Rupee settled trades rose sharply, multi-polar reserve currency debate intensified.

2025

India–Pakistan

Defence Confidence

- Operation Sindoor demonstrated credible conventional deterrence and indigenous systems capability – BrahMos, Akash, Astra, drones.
- Defence exports surged.
- Confidence in Make-in-India defence established.

2025-26

Fragmentation away from the US-led order

Energy Security

- Trump tariffs, EU industrial policy, IPEF, and bilateral FTAs are redrawing trade maps.
- India positioned as the non-aligned, high-growth alternative supply chain hub — between East and West.

2026

US–Iran Tensions

Trade Fragmentation

- Strait of Hormuz risk crystallized India's energy vulnerability.
- India accelerated domestic production, renewables capex, strategic reserves and diversified to Russia, UAE, Saudi Arabia simultaneously.

<u>Whenever Investors questioned India, India's perceived weakness had been an opportunity in hindsight</u>

Framework for growth is well in-place

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01 GROWTH

Demographic Dividend & Formalisation

- 3rd largest economy by PPP
- Per capita income to grow exponentially
- Formalization and urbanization of the economy is well underway
- UPI paving the way to a digital economy
- Middle class: 550M by 2030

02 INDIGENISATION

Make-in-India & PLI Surge

- PLI outlay: ₹2.0 lakh cr across 14 sectors
- Defence exports: ₹21,083 cr FY25 (record)
- Smartphone exports: $18bn (Apple assembles 25% of iphones in India)
- Electronics PLI: India targets USD 200 bn of exports by 2030
- Semi-conductor fab: ₹76,000 cr incentive

03 INFRASTRUCTURE

The Infrastructure Supercycle

- Capex FY26 Budget: ₹11.21 lakh cr (+10%)
- PM Gati Shakti: 1,500+ infra projects
- Highways – goal - 50km/day construction pace
- Renewables: 100GW+ installed; 500GW by 2030
- Railways modernisation: ₹2.5 lakh cr/yr

04 INNOVATION

Digital India & AI Ecosystem

- IndiaAI Mission: ₹10,372 cr approved
- DOGE-equivalent savings via JAM Trinity (~3.5 Lakh Cr)
- Startup unicorns: 115+ (3rd globally)
- IT services exports: $200bn FY25
- AI patents filed by Indians: 2nd globally

- **All the 4 pillars are mutually re-enforcing -** a formalizing, consuming middle class funds the tax base that finances capex, which enables manufacturing, which accelerates the digital and startup ecosystem.

The world is undergoing fragmentation

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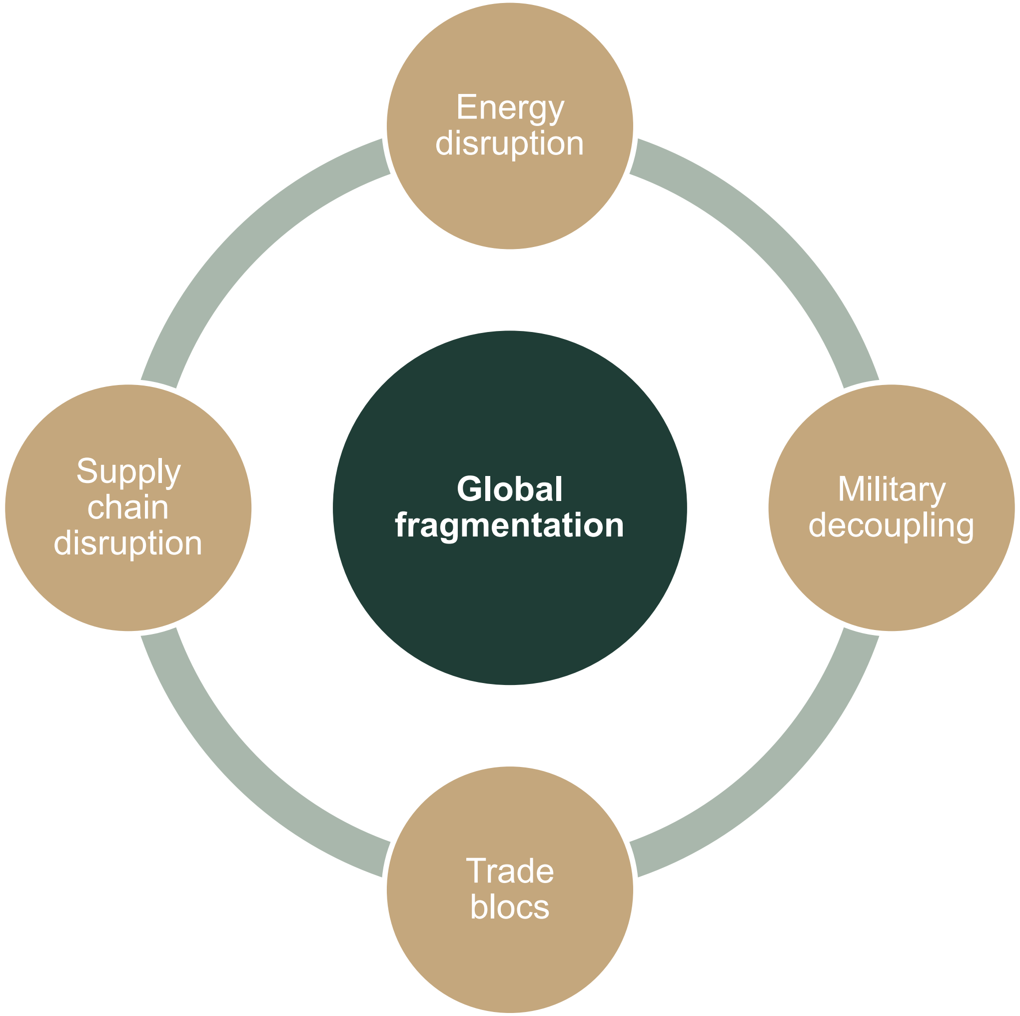


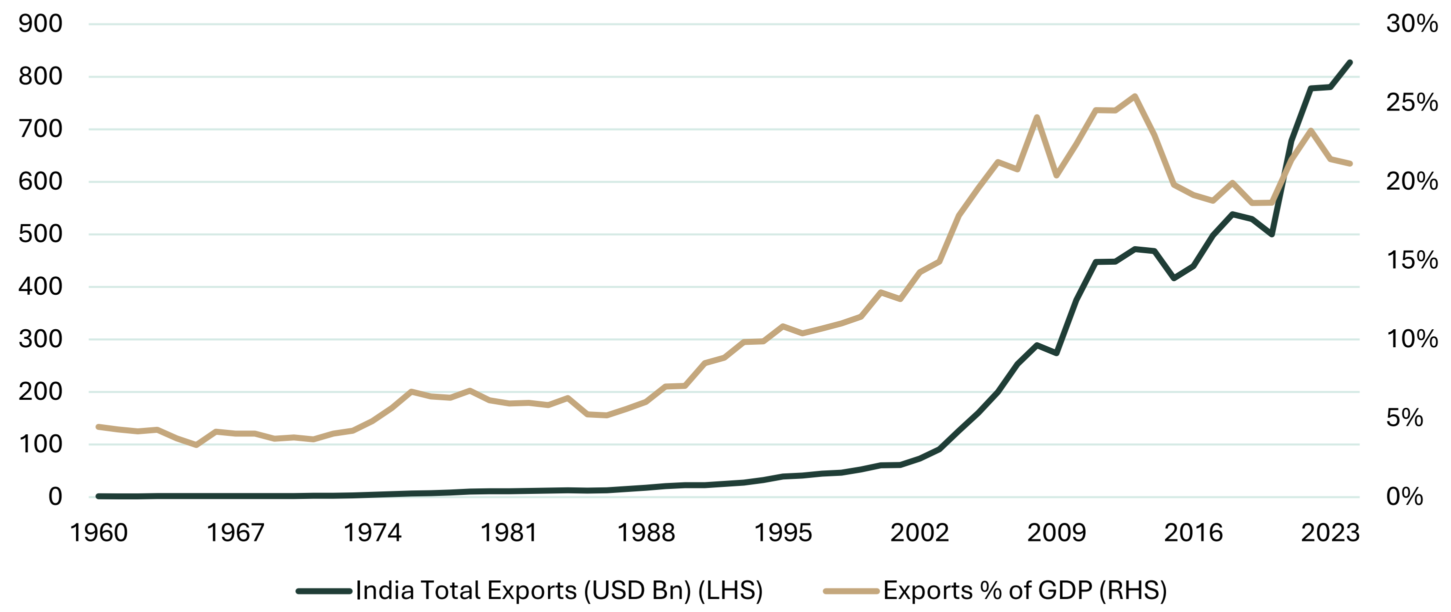
Trade Partner	Agreement Type	Date	Status
EFTA	TEPA	Mar-24	In force (Oct-25)
United Kingdom	CETA	Jul-25	Signed; implementation ongoing
Oman	CEPA	Dec-25	Signed
New Zealand	FTA	Apr-26	Negotiations concluded
European Union	FTA	Jan-26	Announced
United States	Interim Trade Framework	Feb-26	Framework agreed

CETA - Comprehensive Economic and Trade Agreement; FTA – Free Trade Agreement

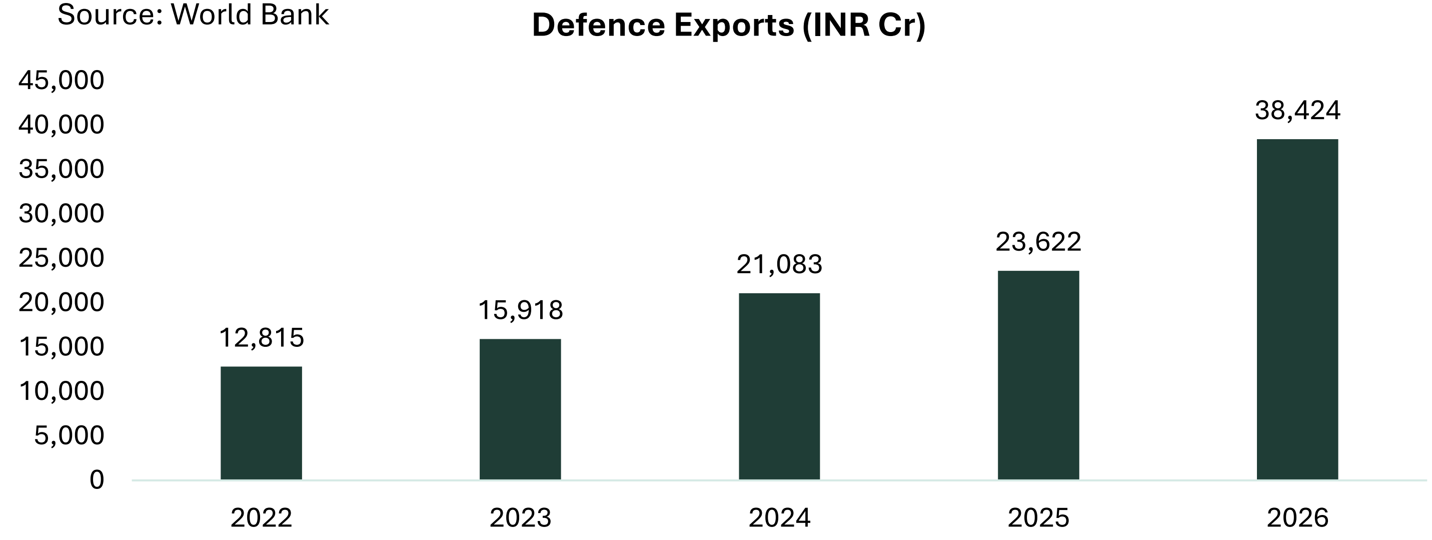
TEPA – Trade and economic partnership; CEPA is Comprehensive Economic Trade Partnership

- Despite global disruptions, India is able to navigate complex geopolitics via diplomacy and trade
- The benefit of these FTAs are longer in tenure, but benefits will come in a continuous stream
- Despite the recent tariff barriers, India textile exports were up 2.5% - Apr-26

India has scope to go increase exports as % of GDP



Source: World Bank



Source: PIB

- India's export footprint has expanded dramatically over six decades
- Defence, Electronics, White goods, and other manufacturing led sectors are seeing strong growth in exports due to a dual engine of government support and FDI

Despite geopolitical shocks, India is expected to deliver

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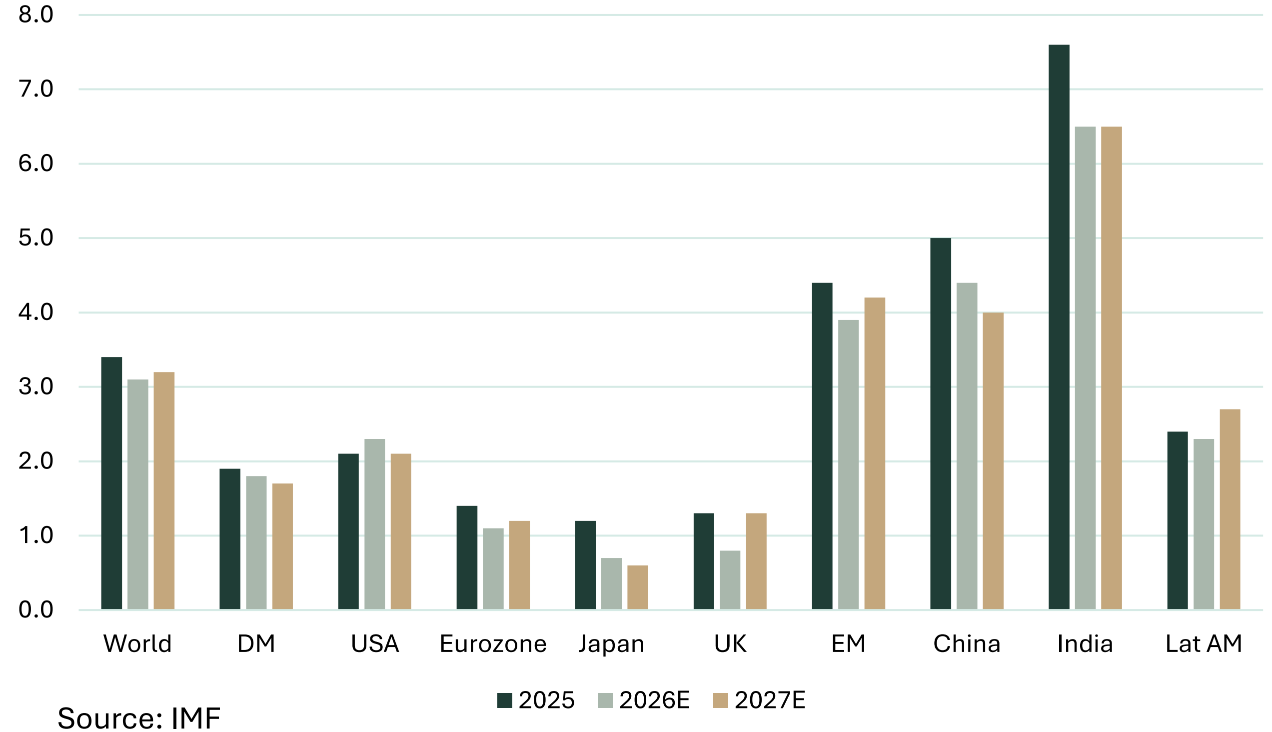
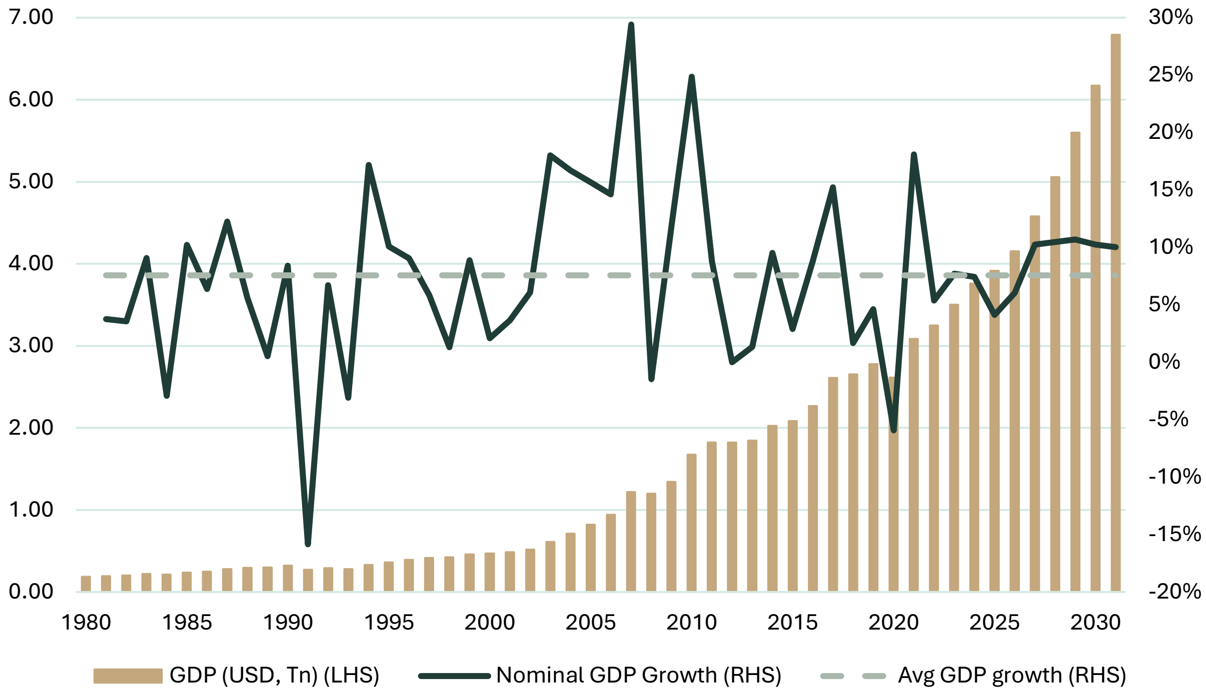
GDP Growth (%) v/s other major economies



Source: IMF

India is expected to grow above the average rate



Source: IMF; 2026 onwards are projections

- India is expected to grow at a rate (>10% nominal growth rate) higher than the historical average (7.6%)
- With ambitions to make manufacturing USD 1 Trn of GDP, it is likely to be the growth driver during the decade
- USD 3,000 GDP per capita is generally considered an inflection point for consumption, financialization and urbanization

2026 – A year of allocation and opportunity

- Strategic positioning is largely complete - sectors, supply chains, and capital structures are largely calibrated to the new order.
- The framework to adapt is in place → Ready to take off, fundamentals are intact (but fiscal strength due to energy and fertilizers will be known after a lag) however geopolitics volatility is to continue (although further escalation looks less probable)
- **Companies know which theme they are playing**: Defence, energy transition, AI, domestic consumption, or infrastructure.
- Earnings visibility is improving as decisions begin to yield operating leverage, with improved capacity utilization, and increasing ROEs

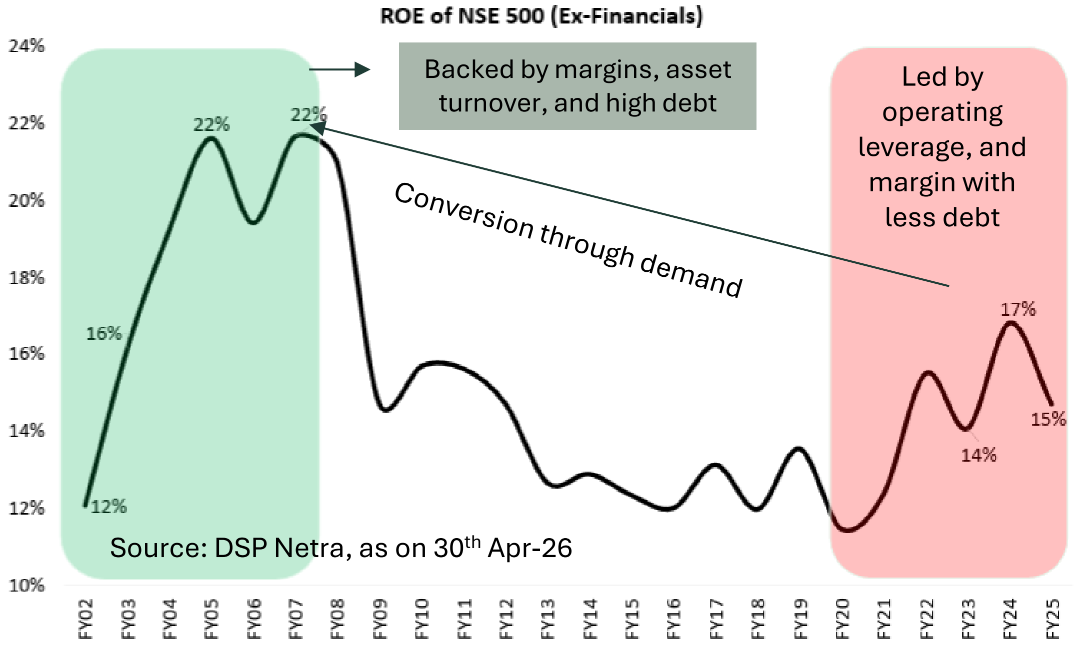
Company	Relevance
	Infra leader, into Data Centers, Energy Transition
	Commodity cycle; selective on metals
	Global + domestic auto exposure; EV narrative intact
	Mining pick-up, Leadership in Rare Earth Elements
	Non-ferrous metals; Rare Earth Mining
	Leader in mining materials
	Leader in smart infra, automation, mobility
	Integrated power equipment manufacturer
	Leader in boilers, heaters - manufacturing play
	Leader in oil refining, energy theme
	EMS AC Penetration - consumption play
	QSR space leadership position, supply chain moat
	Defence + auto; structural order momentum
	Infrastructure Lending Leader, Valuation Comfort
	Consumer durables; import-sub and exports

www.newsip.in › nmdc-and-gmdc-forge-alliance-to
NMDC and GMDC Forge Alliance to Boost India's REE Mining
Mar 17, 2026 · This strategic alliance is set to focus on the exploration and development of **Rare** Earth Elements (**REEs**) and other related minerals, essential for various high-tech industries.

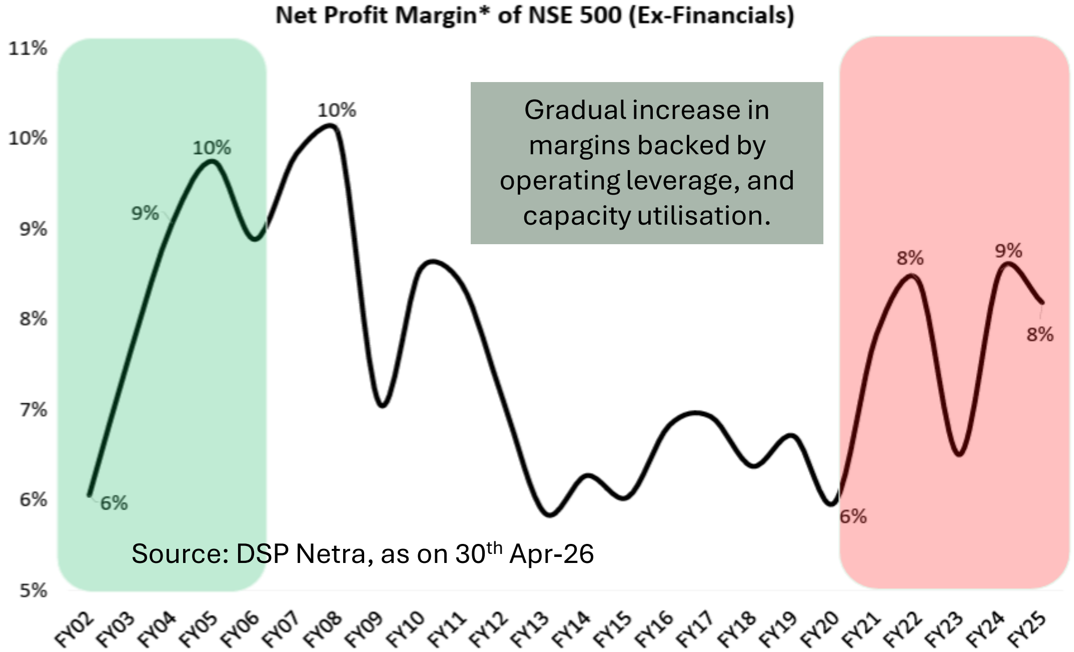
www.newsbytesapp.com › news › business
Larsen & Toubro aims 12%-15% revenue growth by 2031
8 hours ago · **Larsen** & Toubro is strategically focusing on data centres and semiconductors, aiming for 12%–15% revenue CAGR over five years as part of its technology-driven transformation plan.

www.insightsonindia.com › 2026/04/06 › transforming
India's Nuclear Energy Transformation: SHANTI Act & 100 GW ...
Apr 6, 2026 · **India**'s SHANTI Act 2025 aims for 100 GW **nuclear** capacity by 2047. Explore opportunities, challenges, environmental concerns, and policy **reforms** shaping **India**'s **nuclear**...

Stronger Fundamentals of Corporate India



Source: DSP Netra, as on 30th Apr-26



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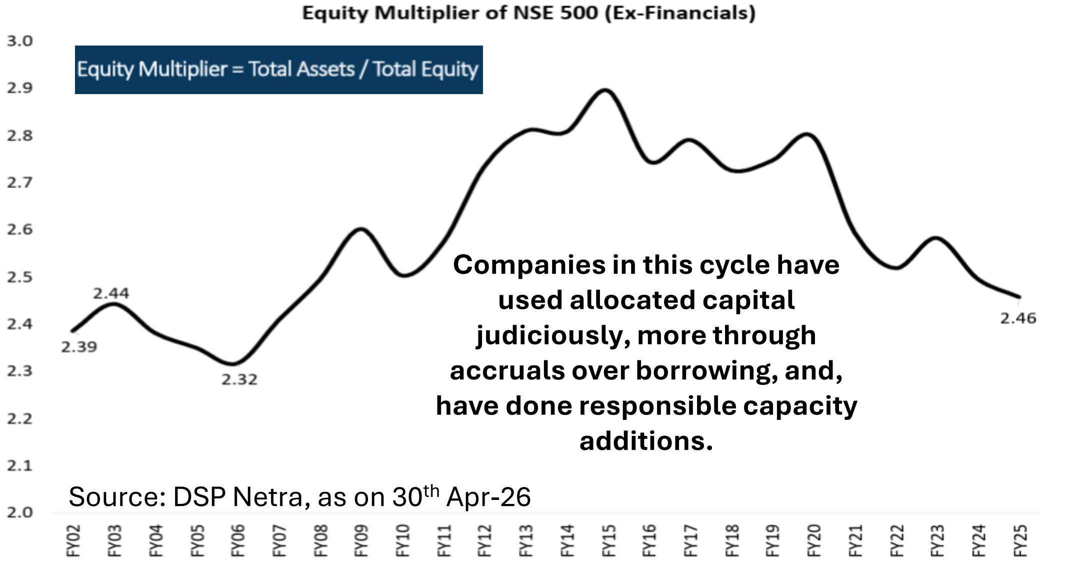

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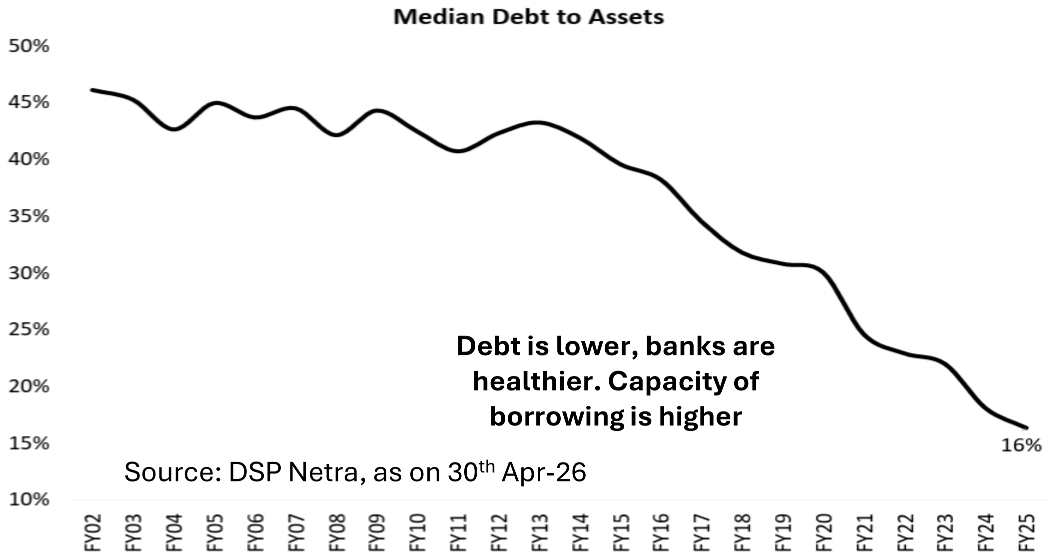
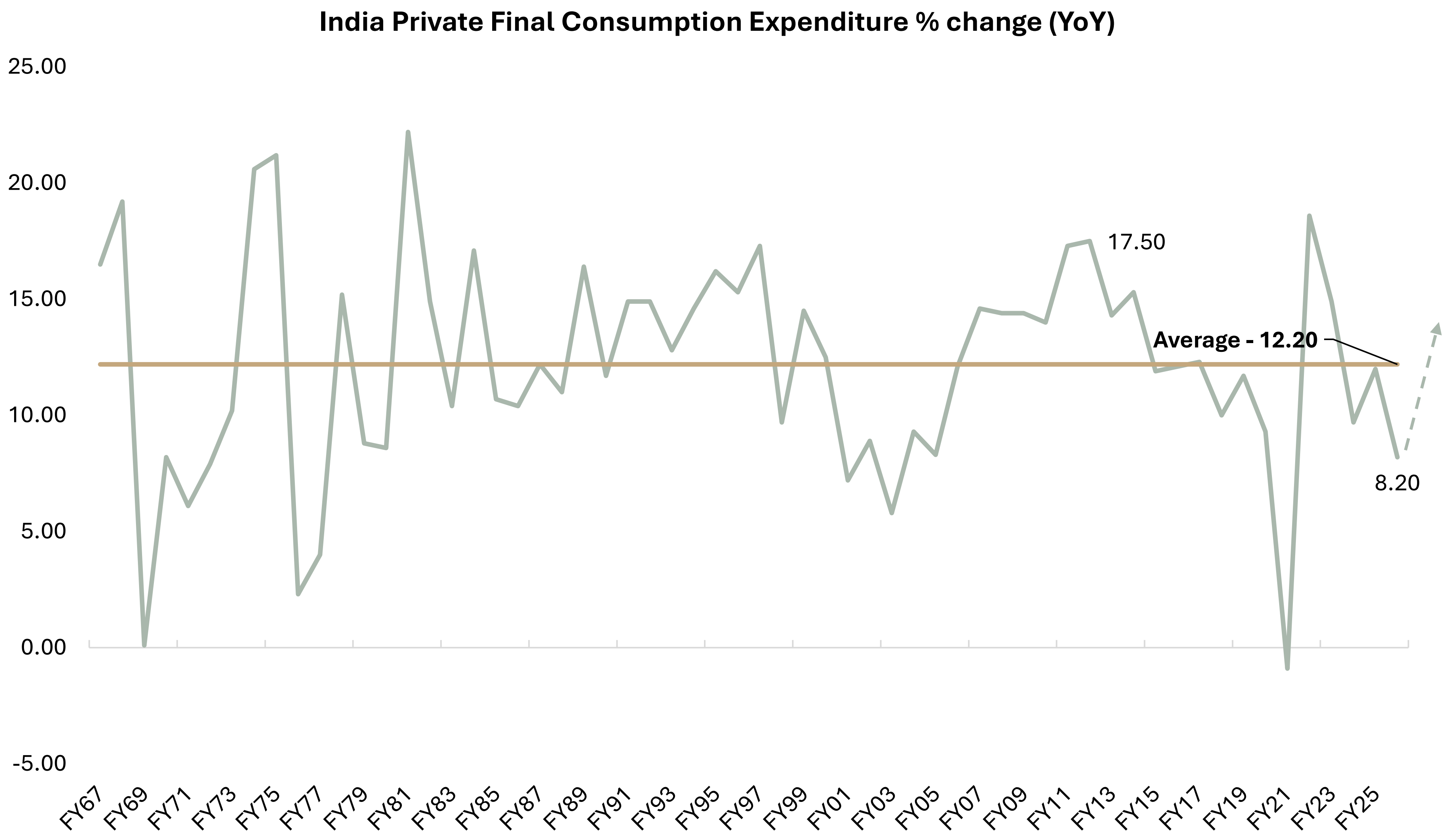


Source: DSP Netra, as on 30th Apr-26

India’s Private Consumption Is Cyclical, Currently At A Trough



- FY06 to FY14 India’s private consumption grew at nearly 15% average growth.
- Since FY18, PFCE has averaged just 10.4% on average, the slowest growth rate on record.
- There are visible levers for consumption demand to pickup, which will create a new leg of growth

Source – MOSPI. The Private final consumption expenditure (PFCE) is defined as the expenditure incurred by the resident households and non-profit institutions serving households (NPISH) on final consumption of goods and services, whether made within or outside the economic territory.

The Macro Domino Effect – Favouring Equities

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A single geopolitical de-escalation triggers a cascade – and sets the conditions for the next investment cycle.

US-Iran De-escalation

Diplomacy cools tensions; risk premium on Middle-East crude supply narrows.

Crude Oil cools off

Brent falls toward demand-led equilibrium; energy import bills ease.

Inflation Softens

Lower energy costs deflate headline CPI globally, reducing cost-of-living pressures.

Rates Peak

With inflation contained, central banks signal a pivot; cost of capital begins its descent.

Currency Stabilizes

EM currencies; including INR, firm as inflation risk recedes and dollar hedging unwinds.

<u>Reduction in cost of equity is favourable for equities</u>

AI Trade Reversal – Favourable for India

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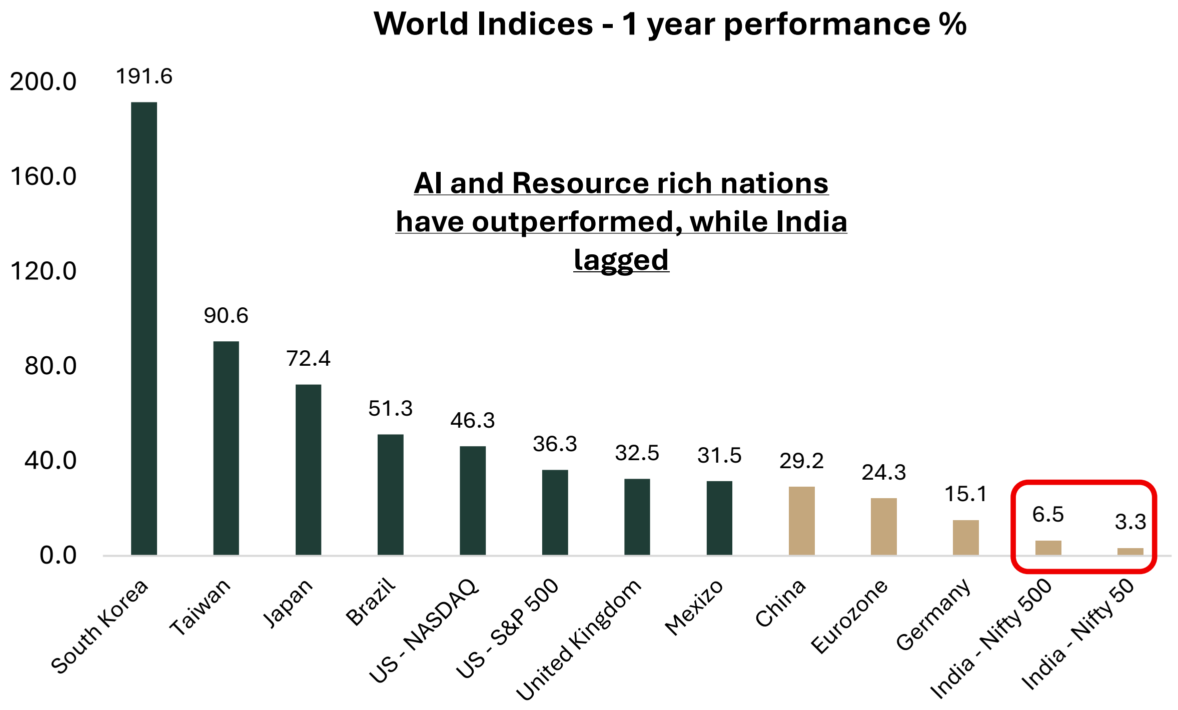

Why is India better positioned?

- Valuation Moderation: Indian equity premiums relative to the MSCI EM have contracted from a peak of 104% in late 2024 to roughly 50% (vs 7Y average of ~70%).
- Superior Macros: Credible central bank, moderate debt, fiscal prudence, etc.
- Market Breadth: The Indian market spans across; Industrials, Financials, Consumption, Healthcare, Infrastructure, Digital, etc., enabling diversified portfolios with lower unsystematic risks.

Returns	S&P 500	Mag 7	S&P 493	Mag 7 share
2021	27%	40%	23%	33%
2022	-19%	-40%	-12%	56%
2023	24%	76%	11%	63%
2024	23%	48%	14%	55%
2025	16%	23%	13%	46%
2026	-5%	-11%	-1%	83%

AI Trade reversal already panning out in the US?

Asset	YTD Return (%)
S&P 500	0.7
Meta	-1.0
GOOGL	-2.1
NVDA	-2.2
AAPL	-2.5
AMZN	-9.7
TSLA	-10.3
MSFT	-17.4

Sector	YTD Return (%)
Energy	27.6
Materials	17.4
Industrials	15.3
Cons. Staples	14.2
Utilities	11
Real Estate	8.9
Health Care	2.4
S&P 500	0.7
Comm. Services	0.1
IT	0.1
Cons. Disc	0.1
Financials	0.1

Source: IKIGAI; Returns as on 31st March 2026

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Thank *you!*

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- Compliance Officer and Grievances Redressal Officer: Mr. Sachin Diwedi (E-mail: compliance@praiva.in) Contact: **+91 9004139937**
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