



WEALTH FIRST

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"Bull markets are born on pessimism, grow on skepticism, mature on optimism, and die on euphoria"
- Sir John Templeton

Global Equities (in USD terms)

- Global equities paused after a strong 10-month run and largely moved sideways in November.
- Developed market equities (MSCI World) returned roughly +0.3% in November, with Europe and Japan modestly outperforming the U.S., while emerging markets underperformed by about 2.5–3 percentage points.
- U.S. large caps (S&P 500) were essentially flat for the month, while the Nasdaq slipped as investors took profits in AI-heavy mega-cap technology after an extended outperformance stretch.
- European equities (ex-UK) rose about 1.3%, supported by strong financials and IT earnings, while the UK gained around 0.4% with defensives and energy cushioning weak consumer sentiment.
- Asia ex-Japan lagged, with Korea and Taiwan correcting 3–4% in USD terms, and India down marginally in USD though still outperforming the wider EM complex

Global Equities (in USD)		
	1m	1y
Nasdaq	-1.6%	21.5%
S&P 500	0.1%	13.5%
MSCI Europe	1.3%	23.9%
MSCI Emerging Equities	-2.5%	26.7%
Nifty 50	1.2%	2.8%

Domestic Equities (in INR Terms)

Domestic Equities (in INR)		
	1M	1Y
Nifty 50	1.9%	8.6%
Nifty Next 50	-1.0%	-2.2%
Midcap 150	1.6%	7.1%
Smallcap 250	-3.4%	-5.6%
IT	4.7%	-13.3%
Pharma	3.7%	3.4%
Auto	3.6%	18.9%
Real Estate	-4.7%	-11.5%
Power	-4.5%	-11.1%
Metals	-3.0%	13.9%
IPO	-3.8%	-1.7%

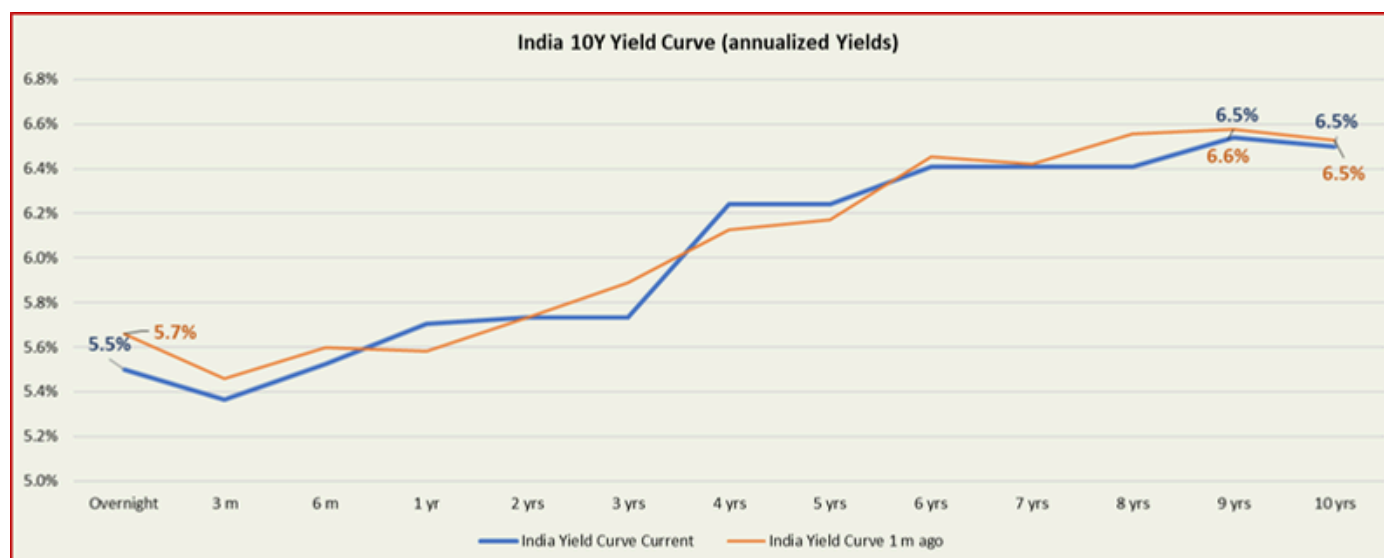
- After a strong run through October, Indian large caps consolidated but still delivered a positive month.
- The Nifty 50 and Sensex were up about 2% each in November, marking their third consecutive month of gains, and hit fresh record highs on 27 November after a 14-month hiatus.
- Both indices briefly touched new lifetime highs (Nifty ~26,310; Sensex ~86,056) before closing the month slightly below peaks amid profit-taking and FII selling.
- Within sectors, financials, IT, pharma and Auto led gains while Realty, Energy suffered.
- Large caps outperformed mid and small caps as stretched valuations in the broader market triggered some mean reversion.
- Domestic mutual fund SIP flows and insurance allocations remained strong, cushioning the impact of foreign selling.

Global Yields

- The longest U.S. government shutdown in decades (43 days) delayed key macro releases (jobs, inflation), forcing markets to lean on private-sector indicators and adding to volatility. Several private data points pointed to cooling labour demand and moderating inflation, reinforcing expectations of a December Fed rate cut.
- Fed funds futures moved to price an 80–90% probability of a December cut by month-end, versus sub-30% at the start of the month.
- U.S. Treasuries: the 10-year Treasury yield drifted around 4.0%, ending modestly lower over the month as weak labour data and sliding consumer confidence firmed expectations of a December Fed cut.
- Eurozone: German Bunds underperformed somewhat as higher-than-expected net borrowing plans weighed on sentiment, though inflation continued to cool toward the ECB's 2% target.
- UK Gilts: Gilts were broadly flat; moderating inflation (~3.6% YoY) and an underwhelming Autumn Budget kept the Bank of England in a “hold but dovish bias” mode.
- Japan: JGBs were among the weaker performers; the 10-year JGB yield moved higher as markets priced in a higher probability of further BoJ hikes given rising inflation in Tokyo and a very weak yen.

10 Year Government Yields (as of 1st of every month)					
Month	Japan	China	US	UK	India
1 Y ago	1.1%	1.7%	4.6%	4.6%	6.8%
6 M ago	1.4%	1.6%	4.3%	4.4%	6.4%
3 M ago	1.6%	1.8%	4.2%	4.7%	6.6%
1 M ago	1.7%	1.8%	4.1%	4.4%	6.6%
Dec-25	1.9%	1.8%	4.1%	4.5%	6.5%

Domestic Yields



- Indian government bonds traded in a tight range, with the 10-year G-Sec anchored just below 6.55% for most of the month.
- The benchmark 10-year yield largely oscillated in the 6.48%–6.58% band, supported by expectations of further RBI support via OMOs and CRR-related liquidity, even as rupee weakness and strong GDP data capped the downside.
- Market commentary suggests that RBI was an active buyer at the long end via NDS-OM and “others” category, helping to stabilise yields despite foreign selling and FX-related liquidity swings

India Macro Trends

Macro Trends	Nov-25	Oct-25
FII flows (in crs)	-3,765	14,610
DII flows (in crs)	77,084	52,794
FII flows - Debt (in crs)	-3,969	3,507
New Corporate Bond Issuances (in crs)	36,007	39,080
Surplus Liquidity (in crs)	3,61,346	3,60,648
GST Collection (in crs)	1,70,276	1,95,936
CPI	0.3%	1.5%
Manufacturing PMI	56.6	58.4
Services PMI	59.5	58.8
Forex Reserves (in billion dollar)	688.1	704.9

- FPIs were net sellers of Indian equities to the tune of ₹3,765 crore in November, taking year-to-date equity outflows to over ₹1.43 lakh crore.
- Domestic institutional investors (mutual funds + insurance) remained strong net buyers, with Moneycontrol data indicating net DII equity purchases of around ₹77,000 crore in November, significantly more than FII outflows
- Banking system liquidity swung between modest deficit and surplus through October–November as FX intervention drained ₹1.5–2 lakh crore, while CRR cuts and government spending replenished some of the shortfall.
- By late November, core liquidity was back in comfortable surplus (roughly ₹3.5–4 lakh crore), with RBI signalling a preference for a mild surplus environment and using VRR / VRRR to fine-tune overnight rates. Bank credit & deposits:
 - As of mid-November, bank credit was growing around 11.4% YoY and deposits about 10.2%, indicating healthy financial intermediation with no immediate signs of stress from higher rates
- GST collections in November 2025 remained strong at about ₹1.70 lakh crore, up roughly 0.7% YoY and continuing the streak of ₹1.6–1.8 lakh crore monthly prints seen through 2025. Though the number doesn't look strong but it is decent given the first impact of GST 2.0 is starting to materialise.
- CPI inflation fell to around 0.25% YoY in October, the lowest in the current series, driven by favourable base effects, easing food prices and soft core inflation.
- WPI inflation stayed negative (around -1.2% YoY), reinforcing the disinflationary backdrop, particularly in tradables and industrial inputs
- HSBC India Manufacturing PMI remained firmly in expansion territory (mid-50s), though the latest readings show some cooling from earlier highs.
- Services PMI accelerated to 59.8 in November (from 58.9 in October), marking 52 straight months above 50 and underscoring the dominance of domestic demand, even as services export growth slowed to an eight-month low.
- FX reserves hovered near \$690 billion, dipping temporarily due to spot intervention and then stabilising as the RBI increasingly relied on forwards.
- The current account deficit widened on the back of record merchandise trade deficits (October deficit above \$40 bn) and elevated gold imports, even as services exports remained strong.

Commodities

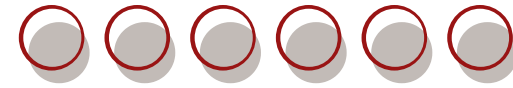
- Commodities diverged sharply: precious metals rallied, while energy remained under pressure and industrial metals were mixed.
- Brent crude traded around \$62–64/bbl, and WTI around \$58–60/bbl, marking a fourth consecutive monthly decline – the longest losing streak since 2023 – as the market focused on a looming supply surplus and OPEC+’s decision to hold output steady into Q1 2026.
- Prices briefly touched one-month lows around 21 November on headlines of possible progress in Russia-Ukraine talks, before stabilising on renewed geopolitical concerns and refinery throughput disruptions.
- Gold hovered around \$4,000–4,250/oz, gaining 5.3% in November and over 50% year-to-date, supported by: firm expectations of a Fed cut in December, ongoing central-bank buying, and heightened geopolitical and policy uncertainty.
- Silver continued to outperform: International prices remained near record highs, while on MCX, silver futures crossed ₹1.78 lakh/kg, with commentators flagging potential for ₹2 lakh by early 2026 given tight physical supplies and strong industrial demand
- Copper Prices surged toward record territory, trading near \$11,200/tonne by late October and holding elevated levels through November.

Commodities	Returns	
	1M	1Y
Brent Crude	-3.7%	-14.5%
Precious Metals		
Gold	5.3%	59.1%
Silver	15.6%	82.3%
Industrial Metals		
Steel	0.9%	-3.7%
Iron Ore	-0.9%	2.3%
Aluminium	-0.7%	10.1%
Copper	1.9%	27.0%
Zinc	0.2%	-0.4%
Nickel	-2.8%	-5.4%
Lead	-2.3%	-5.0%

Performance of Currencies against USD

Currencies against USD			
		1m	1 yr
India	USD/INR	-0.7%	-5.4%
AUD	USD/AUD	0.1%	0.6%
Japan	USD/JPY	-1.4%	-4.1%
China	USD/CNY	0.7%	2.4%
Euro	USD/EUR	0.5%	9.6%
Pound	USD/GBP	0.6%	3.9%
Dollar Index	DXI	-0.2%	-6.8%

- The U.S. Dollar Index (DXY) slipped below 99.5 by late November as markets priced in a near-certain December Fed cut and a shallower terminal rate path.
- The Japanese yen weakened towards 154/USD, near nine-month lows, as markets doubted the speed and scale of BoJ tightening despite rising Tokyo inflation and repeated warnings from policymakers about the risks of a weak-yen, high-import-price loop.
- The INR was one of Asia’s weakest currencies in 2025 and remained under pressure through November: The rupee hovered above ₹89/USD, touching a then-record low of around 89.49 on 21 November before stabilising slightly below that level into month-end.
- INR has now depreciated ~5.4% YTD, its steepest annual fall since 2022, driven by: punitive U.S. tariffs (up to 50% on select Indian exports), a record merchandise trade deficit (October deficit > \$40 bn), and persistent portfolio and FDI outflows.
- RBI continued to defend the rupee more through FX forwards and calibrated spot intervention than through outright, aggressive defence of a level:
- The FX forward book has expanded again after a period of run-off, signalling a preference for smoothing volatility and liquidity rather than pegging a hard line



REITs – Emerging as a Promising Asset Class

Real Estate Investment Trusts (REITs) were introduced in India in April 2019, with the listing of Embassy Office Parks REIT marking the first. As of today, there are five publicly listed REITs –

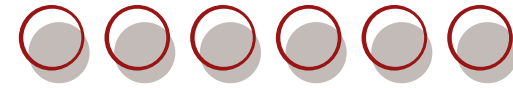
- Embassy Office Parks
- Mindspace Business Parks
- Brookfield India
- Nexus Select Trust
- Knowledge City REIT

With a combined market capitalization exceeding 1 lakh crore as of Q4 FY25, the segment has been gaining steady prominence in the Indian market, supported by SEBI's classification of REITs as equity instruments, rising institutional participation, and consistent performance across listed vehicles.

Overall returns of this asset class have been very impressive, as shown in the appended table. Though the nature of instrument is hybrid (Fixed Income + Real Estate), they delivered nearer to equity market returns with lesser volatility.

Total Return (XIRR): REITs vs NIFTY 50 TRI (as of Oct 31, 2025)

Total Return (XIRR)	Mindspace	Brookfield	Embassy	Nexus	Knowledge	NIFTY 50
1Y	32.15%	25.00%	16.80%	19.83%	-	7.59%
2Y	29.24%	27.06%	26.87%	21.53%	-	17.53%
3Y	14.52%	8.94%	14.34%	-	-	13.91%
Annualised Total (Price + Distribution) Return Since Inception						
Since Inception of REIT	16.07%	11.11%	12.15%	29.26%	15.52%	
NIFTY 50	18.51%	13.20%	14.07%	16.38%	4.57%	
Current Distribution Yield %						
FY25	5.54%	6.12%	5.30%	4.91%	-	



Contd...

Performance Highlights

- Including quarterly distributions, REITs' total annualized returns since inception range between 11%-29%, led by Mindspace (16.1%) and Nexus (29.3%).
- Brookfield and Embassy have delivered stable returns at ~11-12%, outperforming most fixed-income benchmarks
- On a 1-year basis, REITs have outperformed the NIFTY 50 TRI (7.6%), with Mindspace (+32.1%) and Brookfield (+25.0%) leading the pack
- Distribution yields of ~5-6% supported by consistent rental escalations and occupancy stability, continue to provide downside protection relative to equities.

REIT unitholders participate in:

1. Growth in NOI, which reflects operating performance
2. Cap-rate compression/expansion, similar to valuation multiples in equity
3. NAV accretion through acquisitions, development pipeline, and market rent resets
4. Price appreciation + income (7–12% CAGR including appreciation in most REITs since inception)
5. Business cyclicality, similar to equity sectors (IT hiring outlook, GCC demand, Grade-A supply, capex cycles)
- 6.

Hence, REITs are quasi-equity product and comparison with Nifty 50 rather than a pure hybrid benchmark might be make more sense.

Key Takeaway

With 5-6.1% distribution yields and 11-29% XIRR since inception, listed REITs continue to offer a liquid, regulated, and professionally managed vehicle for exposure to income-generating commercial real estate.

Supported by robust GCC-led leasing, rising institutional participation, and valuation normalization, REITs have emerged as a viable alternative to direct property ownership, offering diversified exposure and steady returns without the brunt of operational complexity or concentration risk.

BEHAVIOURAL FINANCE

Cognitive Load Framing

Cognitive Load Framing explains how investors, overwhelmed by information, unconsciously fixate on one or two visible cues—often the most emotional or repetitive—even if they’re irrelevant.

When the brain is overloaded, it seeks shortcuts, anchoring decisions to simplified signals instead of evaluating the full picture.

Real-Life Example: Mutual Fund Investors During March 2023 Volatility

In March 2023, global markets were shaken by US bank failures (Silicon Valley Bank, Credit Suisse). Indian news cycles were flooded with headlines like “Global contagion risk”, “Banking crisis looms”, and “Recession ahead”.

Many Indian investors panicked and:

- Stopped SIPs, even in diversified funds
- Redeemed debt funds, fearing interest rate volatility
- Ignored local signals—India's macro remained stable, inflation under control, and domestic flows strong

Why?

They framed the entire market through the “banking crisis” lens, ignoring actual fund exposure or India-specific resilience. They weren’t wrong on facts—but overwhelmed by context.

Impact

This kind of narrow framing—“global panic = exit everything”—led to poor timing and unnecessary churn, despite data showing Indian equity and hybrid funds rebounded just a few weeks later.

In volatile times, investors must resist framing decisions around headlines and refocus on context-specific signals that actually affect their portfolios.



Snippets

- Despite strong numbers, mega-cap tech did not lead another leg up; the market response suggests expectations are extremely elevated and investors are increasingly discriminating within the AI theme.
- Bitcoin had a very weak month, shedding more than \$18,000 in November, its largest dollar loss since May 2021, as risk appetite faded and regulatory concerns resurfaced; the move weighed heavily on crypto-linked equities.
- Even the rising probability of Kevin Hassett becoming Fed Chair is enough to move markets, because investors would immediately price in a much more aggressive rate-cut cycle and a pro-crypto regulatory tilt

Takeaways

- A dovish Fed path (and even the probability of Hassett) can revive FII flows, supporting India despite global uncertainty.
- Indian bond yields have a soft downward bias, but RBI can move cautiously to avoid adding pressure on the rupee.
- INR may stay under pressure, even if equities are strong, given trade deficits and tariff headwinds.
- Domestic liquidity (SIPs, insurance, retail) continues to provide a floor for Indian equities relative to other EMs.
- Gold and silver may remain elevated as global real yields fall and liquidity expectations rise.

Key Events

RBI MPC Meet decision: 5th Dec 2025

Fed rate decision: 10th Dec 2025

US-India trade deal

India-Russia Bilateral Talks

Market Watch





THANK YOU



Wealth First Portfolio Managers

CAPITOL HOUSE, 10 PARAS-2 BUNGLOWS,
Prahlad Nagar Rd, Prahlad Nagar,
Ahmedabad, Gujarat 380015



Wealth First Advisors

Wealth-First Advisors Pvt Ltd
408, Powai Plaza, Hiranandani Gardens,
Powai, Mumbai - 400 076.

204, Regent Chambers, Nariman Point,
Mumbai - 400021



Wealth First Finserv

2nd Floor, PJR Reddy Pearl Building,
Rd Number 39, CBI Colony, Jubilee Hills,
Hyderabad, Telangana 500033

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