



# **BEYOND THE NOISE, BACK TO FUNDAMENTALS**

# Market Data & Macros

## MARKET SNAPSHOT

**BSE Sensex:** 71,947 (-11.49% MoM)  
**Nifty 50:** 22,331 (-11.31% MoM)  
**Nifty Bank:** 50,275 (-16.94% MoM)  
**Nifty Midcap:** 52,650 (-10.94% MoM)  
**Nifty Small-Cap:** 15,203 (-10.19% MoM)  
**Nifty PE Ratio:** 19.62

\*\* MoM" an abbreviation for "Month on Month Performance".  
 Data as on 30<sup>th</sup> March, 2026.

**Brent Crude:** 107.46  
**Gold (Rs/10 gms):** 1,46,145  
**10-year G-sec yield:** 7.00%

Data as on 30<sup>th</sup> March, 2026.



March 2026 was defined by a sharp resurgence in geopolitical risk, with the Iran-Israel-U.S. conflict driving volatility across global markets. Disruptions around the Strait of Hormuz—responsible for ~20% of global oil supply—triggered a significant energy shock, pushing Brent crude up ~50–60% during the month to ~\$115–\$120/barrel, one of the sharpest monthly moves on record. This led to a rapid repricing of global inflation expectations and delayed rate cut outlooks.

Global equities reacted negatively, with the S&P 500 witnessing its steepest monthly decline since 2022, while energy stocks remained the only outperformers. Bond yields moved higher globally, reflecting persistent inflation concerns. Indian markets were not insulated. The NIFTY 50 and Sensex declined ~10–11% during March, impacted by heavy foreign selling, with FII outflows estimated between ₹1.1 and ₹1.5 lakh crore (\$12–19 billion), among the highest on record.

Currency pressures intensified, with the INR depreciating to record lows of ~₹94/USD, driven by elevated crude prices, dollar strength, and sustained capital outflows. Commodities remained central to market movements. While crude dominated, second-order effects were visible with rising input costs across sectors. Gold declined ~15% during the month—its worst performance since 2008—while silver saw sharper volatility and downside, indicating liquidity pressures and a stronger dollar environment overriding typical safe-haven demand.

Sharp moves in oil, currency, and global yields highlight how quickly external shocks can impact domestic markets. In such phases, disciplined asset allocation and portfolio rebalancing become especially critical, as market corrections often distort original asset allocations, increasing unintended risk exposure. Systematically realigning portfolios back to their intended mix allows investors to book profits in relatively resilient assets and redeploy into assets with better valuations. Maintaining diversification across asset classes, with a focus on fundamentally strong, domestically driven sectors, remains key to navigating such uncertain environments while staying aligned with long-term investment objectives.



## In The News:

- U.S. 10-year Treasury yield rose to ~4.5% in March**, pushing back rate cut expectations amid sticky inflation and rising oil prices.
- China's manufacturing PMI at ~49.3** marked a second consecutive month of contraction, signalling weak global demand.
- India's forex reserves declined** by over \$15 billion to ~\$710 billion in March as the RBI intervened to stabilise the rupee.
- HDFC Bank lost ~\$16 billion in market value** following management changes and investor concerns.
- Global LNG prices surged ~20–25%** as geopolitical tensions disrupted energy supply chains.



# From Director's Desk

## Volatility Is the Price of Long-Term Returns

March 2026 was a month that challenged even the most seasoned investors. And, closer to home, the impact was equally sharp. The Nifty 50 saw a sharp double-digit decline during the month, driven by heavy foreign selling and a rupee that touched record lows against the dollar. It has been, by any measure, an uncomfortable month. Geopolitical tensions, currency pressure, and surging energy costs created an environment that felt, at moments, deeply unsettling. We understand that. And we think it is worth pausing, not to react, but to reflect.

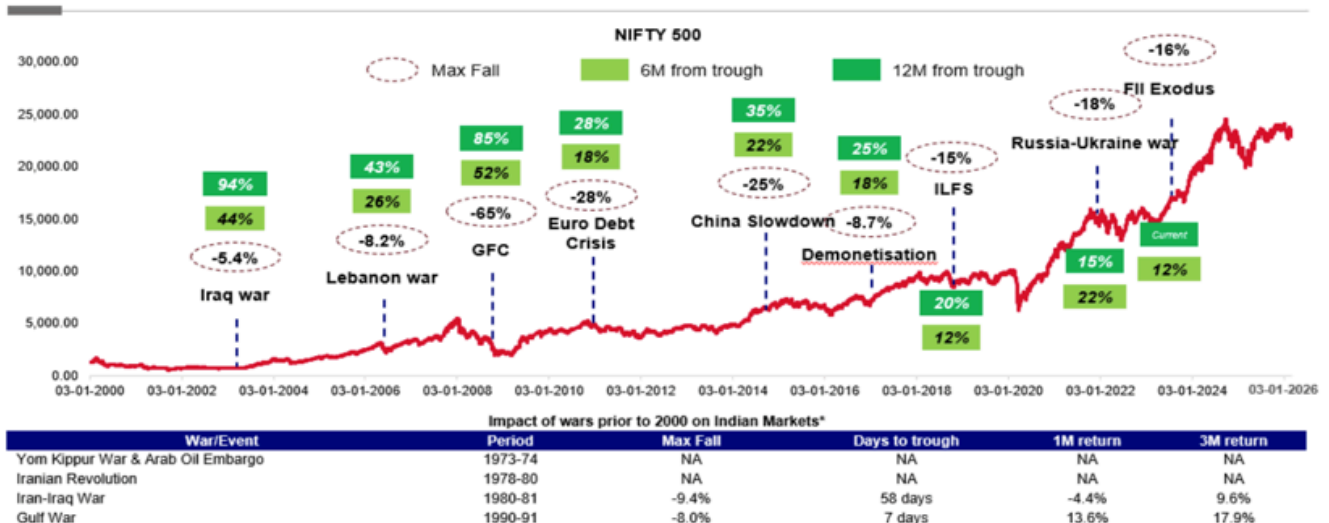
The most significant opportunities have rarely arrived in comfortable markets.

### What History Tells Us About Oil and Conflict

Geopolitical crises involving major oil producers have repeatedly triggered sharp spikes in energy prices. The Iranian Revolution saw an initial 13% impact, rising to 95% at T+1. The First Gulf War saw an initial 93% spike, which then normalised. The Russia-Ukraine War triggered a 23% initial move, followed by a reversion of -35% at T+1. In every instance, prices eventually normalised as global demand-supply conditions reasserted themselves. The spike is real. So is the mean reversion. The current shock is significant. History suggests that normalisation tends to follow, though the timing and trajectory remain uncertain.

### What History Tells Us About Indian Markets

How have Indian Markets reacted to geopolitical conflicts in the past?



The Nifty 500's journey through the Iraq War, the Global Financial Crisis, the Euro Debt Crisis, Demonetisation, IL&FS, and Russia-Ukraine has followed one consistent arc: a sharp drawdown, a trough, and, without exception, new highs.

Equally instructive: every time the Nifty delivered near-flat returns over an 18-month window, as it has between September 2024 and February 2026, the subsequent 12 and 36-month returns have historically been strongly positive. The current period fits that pattern precisely.

As Peter Lynch once observed, "Far more money has been lost by investors trying to anticipate corrections than lost in the corrections themselves." March 2026 is a timely reminder of exactly that.

**The honest view is this:** we do not know when the current volatility resolves.

**What we do know**, with the clarity that decades of market history provides, is that markets are cyclical. Expansion follows contraction. Recovery follows correction. Not because markets are kind, but because they are rational over time. Capital seeks opportunity, and opportunity is being created right now in the repricing we are witnessing.

This is also precisely the moment where our FAB framework, Framework, Allocation, and Behaviour, matters most. Your portfolio was built on a clear investment framework, calibrated to your goals and risk profile. Your allocation was designed to weather these cycles, not just capitalise on them. And behaviour, staying the course when instinct says otherwise, is where long-term wealth is truly protected.

If we have followed FAB with discipline, then this period of volatility, uncomfortable as it feels, does not call for intervention. It calls for conviction.

Markets have always been priced at the intersection of fear and fundamentals. India's structural story, domestic consumption, credit growth, and fiscal consolidation remain intact. The current environment is testing that thesis. History suggests it will hold.

**This is not the time to abandon strategy. It is the time to trust it.**