

MONTHLY MARKET REVIEW

November 2025

“An investment in
knowledge pays the
best interest.”
– Benjamin Franklin.





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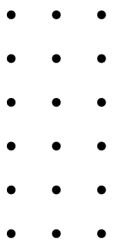
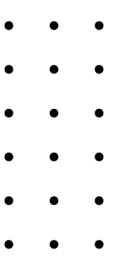
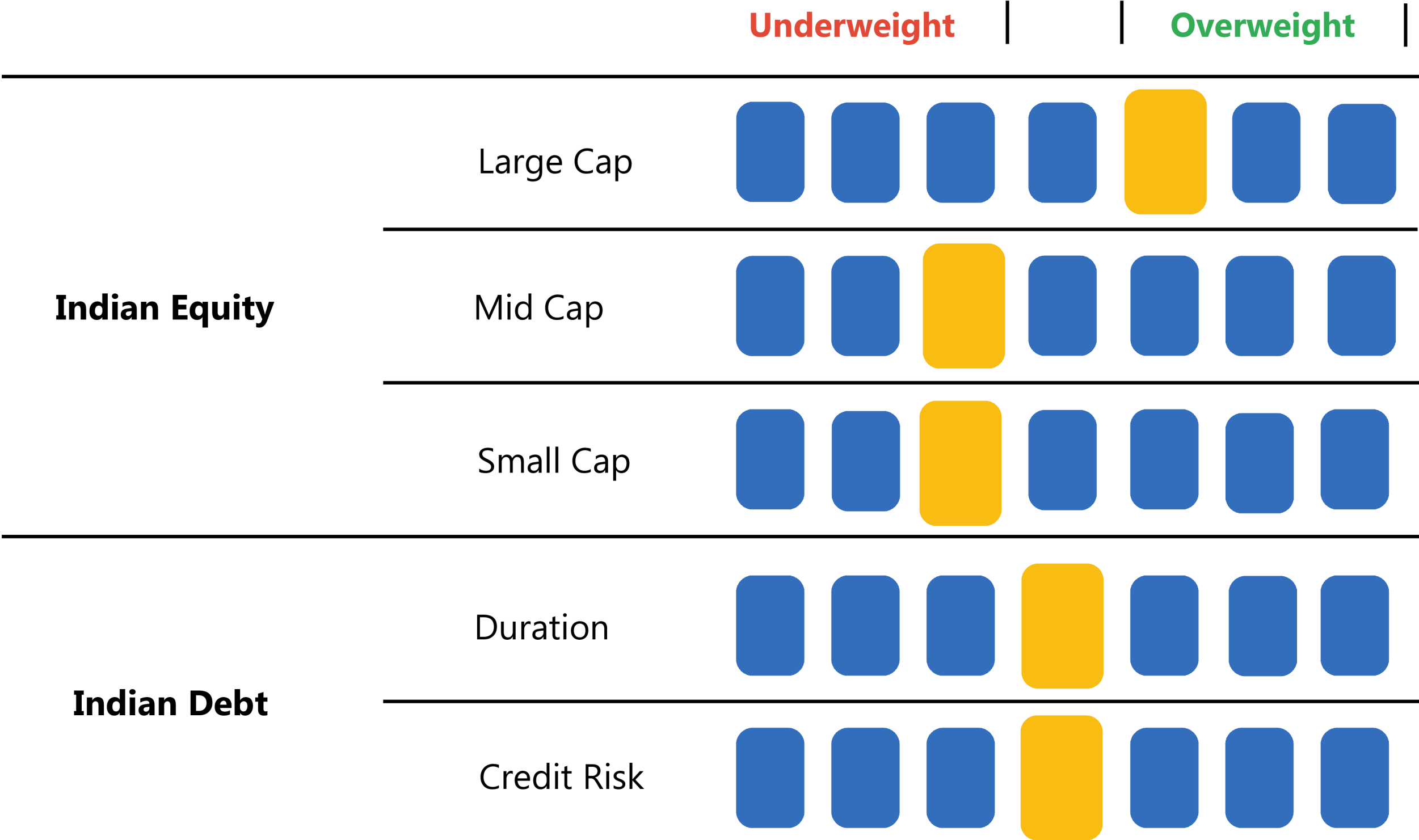


Snapshot



- **Asset class views:** Overweight large-caps, neutral-to-cautious on mid/small caps, and neutral on Indian debt.
- **Chinese solar manufacturing:** China's PV sector faces profit compression, export risks, and policy uncertainty, with top players reporting significant declines in shipments and margins.
- **Indian equity market:** October saw volatile moves with FPI outflows, a weaker rupee, tariff risks, and large-caps outperforming amid softened domestic flows.
- **Indian equities - sectoral:** PSU banks, metals, and autos led performance on policy support and demand; FMCG and IT underperformed due to profit-taking and global headwinds.
- **Indian equities - valuation:** Large-caps trade below 5-year PE/PB averages, mid-caps are fairly valued, and small-caps are stretched, with defence and consumption sectors most expensive.
- **India debt markets:** Yields rose on supply and fiscal worries; RBI holds repo rate at 5.50 with neutral stance and possible scope for easing.
- **India macro data:** CPI and WPI inflation reached multi-year lows, GDP for FY26 revised up to 6.8%, and employment remains steady amidst narrowing trade deficit.
- **US equity market:** Initial gains on rate-cut hopes faded on profit-taking; Fed cut rates 25bps as valuations remained stretched but earnings momentum held.
- **US macro updates:** GDP growth and inflation are resilient despite weakened confidence and higher unemployment, with near-term risks from government shutdowns.
- **US debt market/global commodities:** 10-yr yield stabilized; gold and silver rallied on safe-haven demand, while Brent remained volatile amid OPEC signals.
- **Global equity markets:** Europe traded steady on Fed expectations; Asia mixed, with Japan gaining on weak yen and China volatile amid stimulus hopes.
- **Asset class returns:** Silver and US equities led, China lagged, and Indian G-Secs and gold delivered moderate returns in October.

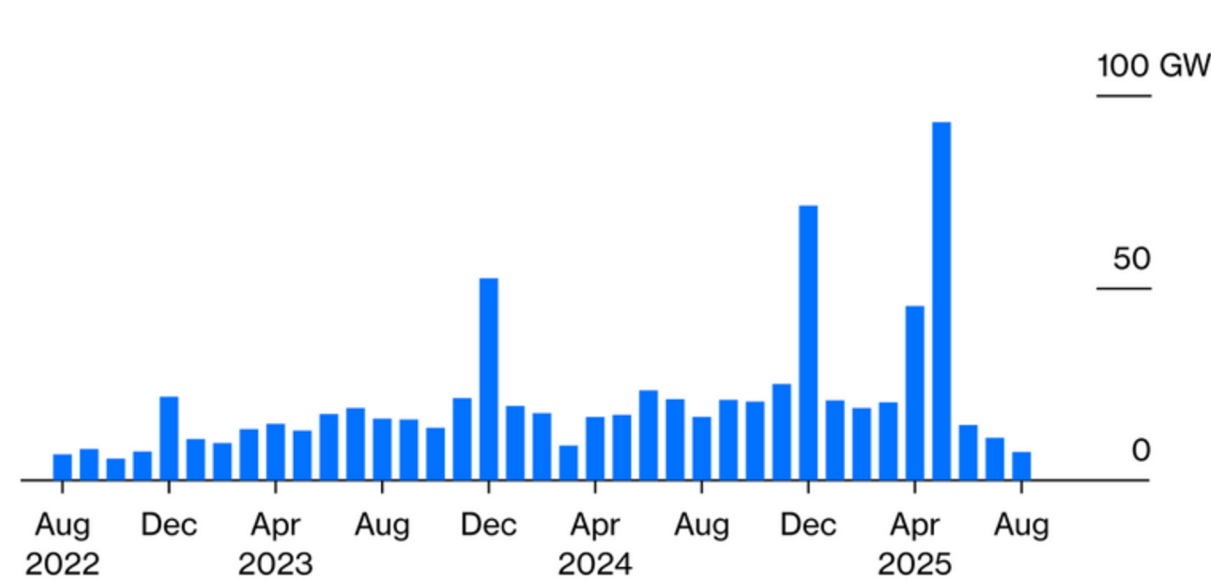
Asset Class Views



Chinese solar manufacturing - a core sector at risk?

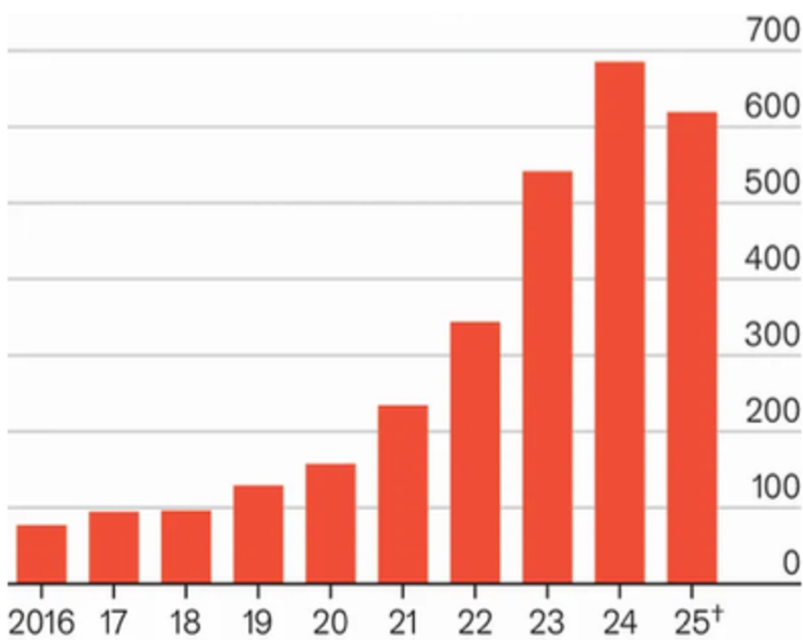


Historical Chinese solar additions:



(Source: Bloomberg - Trouble Is Brewing in Solar Power's Heartlands)

Chinese solar cell manufacturing:



(Source: The Economist)

Performance and module shipments of the top ten Chinese PV listed companies in H1 2025:

Ranking	Company	H1 2025 module shipments (GW)	Revenue (RMB billion)	YoY change (%)	Net profit attributable to parent company (RMB billion)
1	Jinko Solar	41.84	318.31	-32.63	-29.09
2	LONGi	39.57	328.13	-14.83	-25.69
3	JA Solar	33.79	239.05	-36.01	-25.8
4	Trina Solar	32	310.56	-27.72	-29.18
5	Tongwei	24.52	405.09	-7.51	-49.55

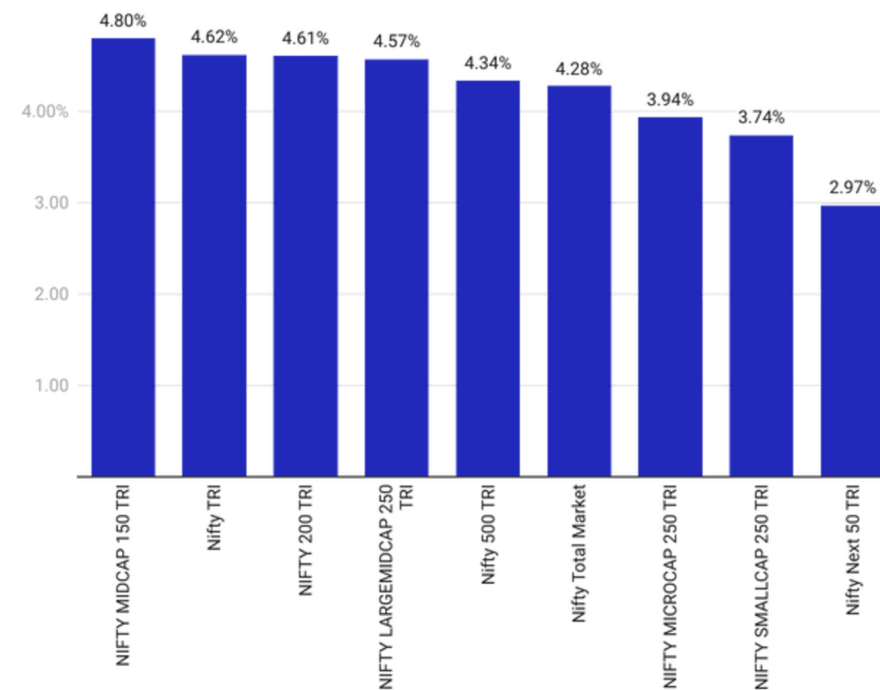
(Source: <https://www.pv-tech.org/>)

- Chinese solar manufacturing faces severe overcapacity, with recent additions far outpacing global demand, leading to a sharp decline in module prices and industry-wide margin compression.
- Top Chinese PV firms (Jinko, LONGi, Trina, JA Solar, Tongwei) reported combined net losses of nearly US\$1.54 billion in H1 2025, with double-digit revenue declines and significant profit erosion.
- The sector is undergoing consolidation, with weaker players exiting or restructuring, and the risk of further defaults or bankruptcies is rising due to persistent oversupply and falling prices.
- Equity risks** are elevated as losses and restructuring threaten the financial health of major solar companies, with potential spillover effects on related sectors and global supply chains.
- Leading indicators:** quarterly results, policy changes, sector consolidation, and global demand trends, as these will determine the pace of recovery or further stress in the industry.

Indian - Equity Market



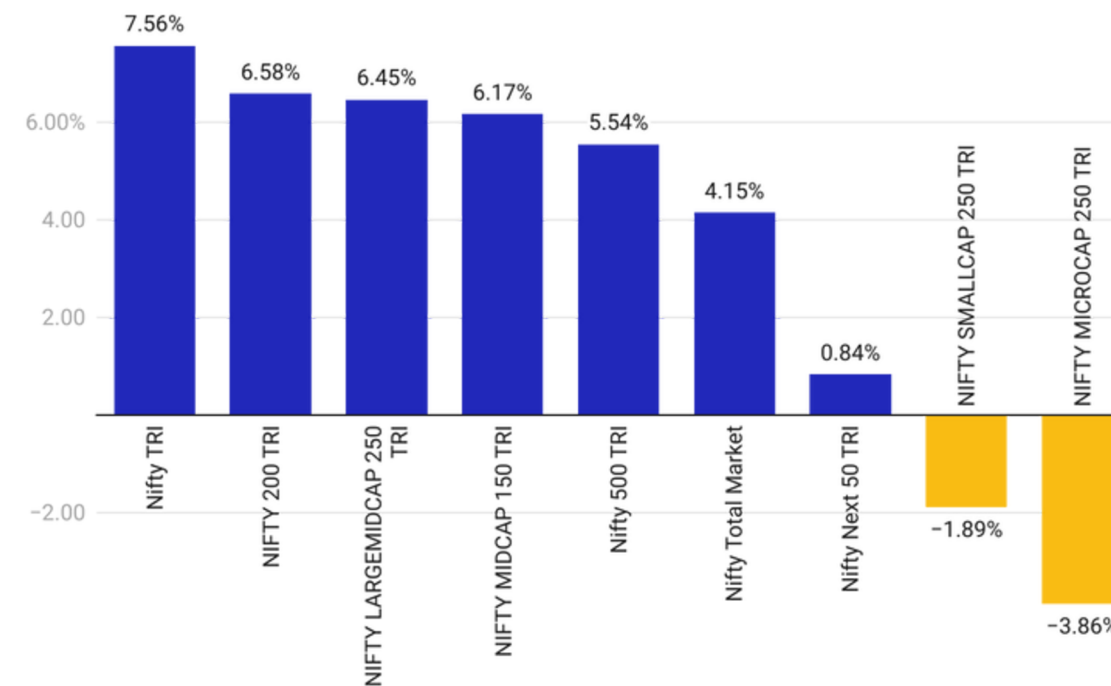
1 Month Returns



Absolute Returns (30th Sep to 31st Oct 25)
Source: NGEN • Created with Datawrapper

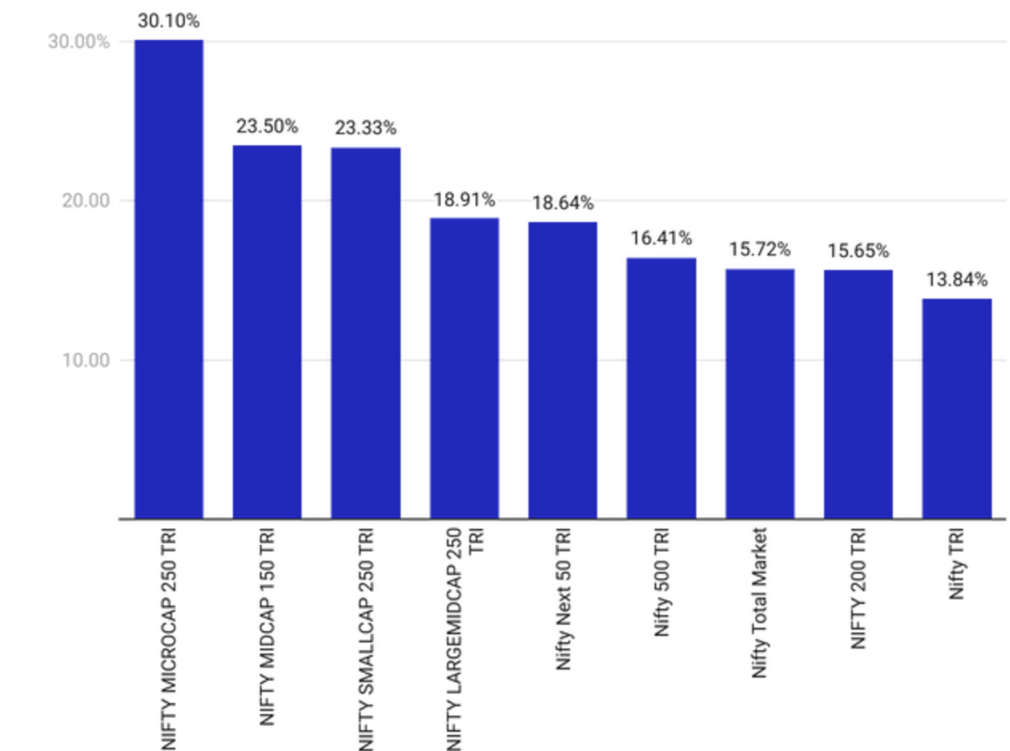
(Source: NGEN)

1 Year Returns



(Source: NGEN)

3 Year Returns



31st Oct 2022 to 31st Oct 25 (CAGR)
Source: NGEN • Created with Datawrapper

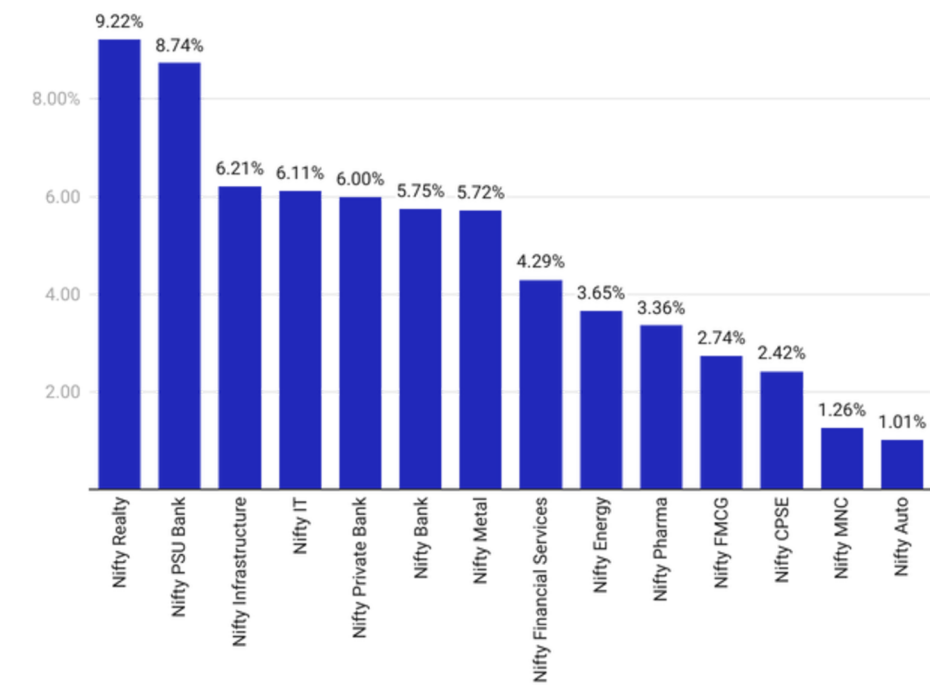
(Source: NGEN)

- Indian equities rallied sharply in October 2025, buoyed by strong earnings from major companies, robust festive demand, and solid macro data, with broad gains across large, mid, and small-cap segments.
- Improved foreign investor flows returned as lower US inflation revived hopes of global rate cuts, adding depth and capital to the Indian market alongside positive global cues.
- Domestic consumption in automobiles, durables, and real estate saw a boost from the festive period, further strengthening sectoral leadership in banks, energy, and property.
- However, heading into November, risks include stretched equity valuations, continued global macro and policy uncertainty (particularly around US interest rates and inflation), and possible global shocks from geopolitics or sectoral sell-offs.

Indian - Equity Market (Sectoral)

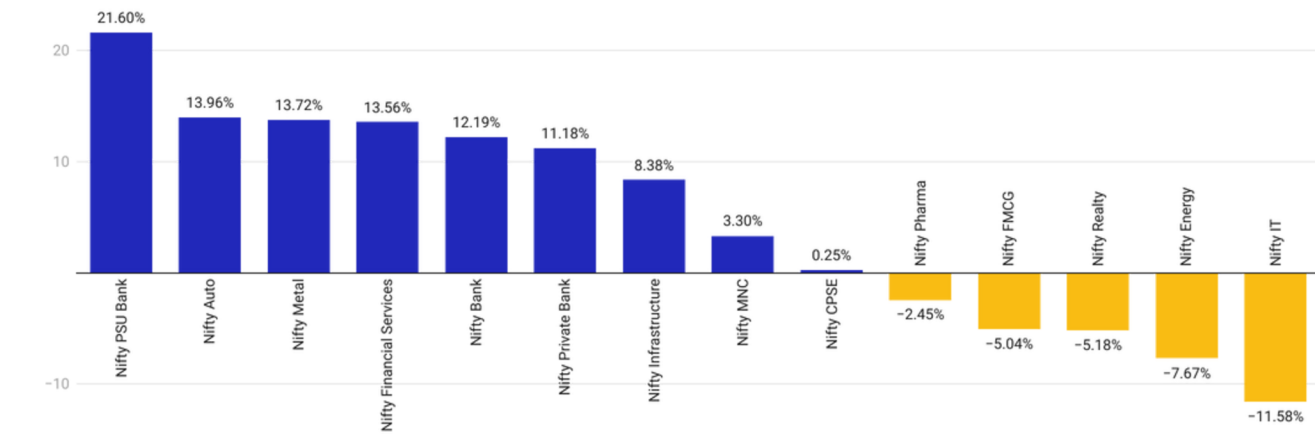


1 Month Returns



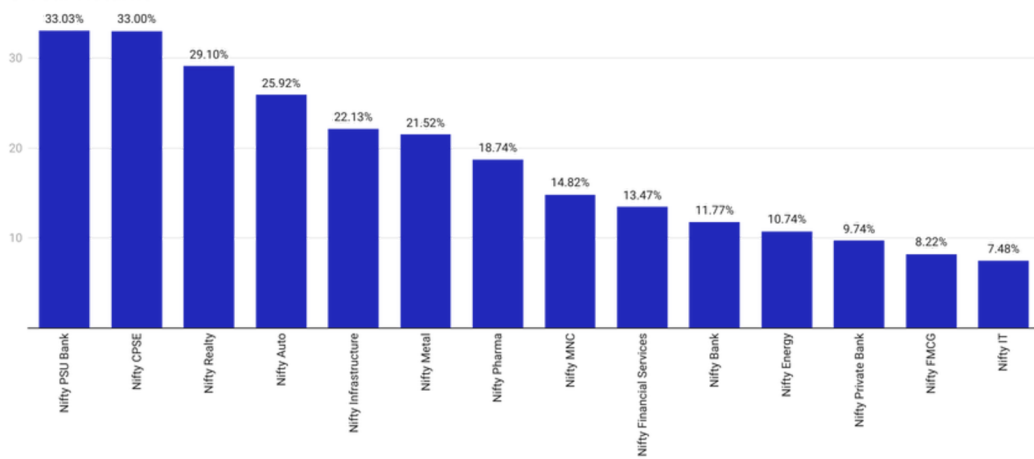
From 30th Sep to 31st Oct (Absolute Returns)
Source: NGEN • Created with Datawrapper

1 Year Returns



From 31-Oct-24 to 31-Oct-25 (CAGR Returns)
Source: NGEN • Created with Datawrapper

3 Year Returns



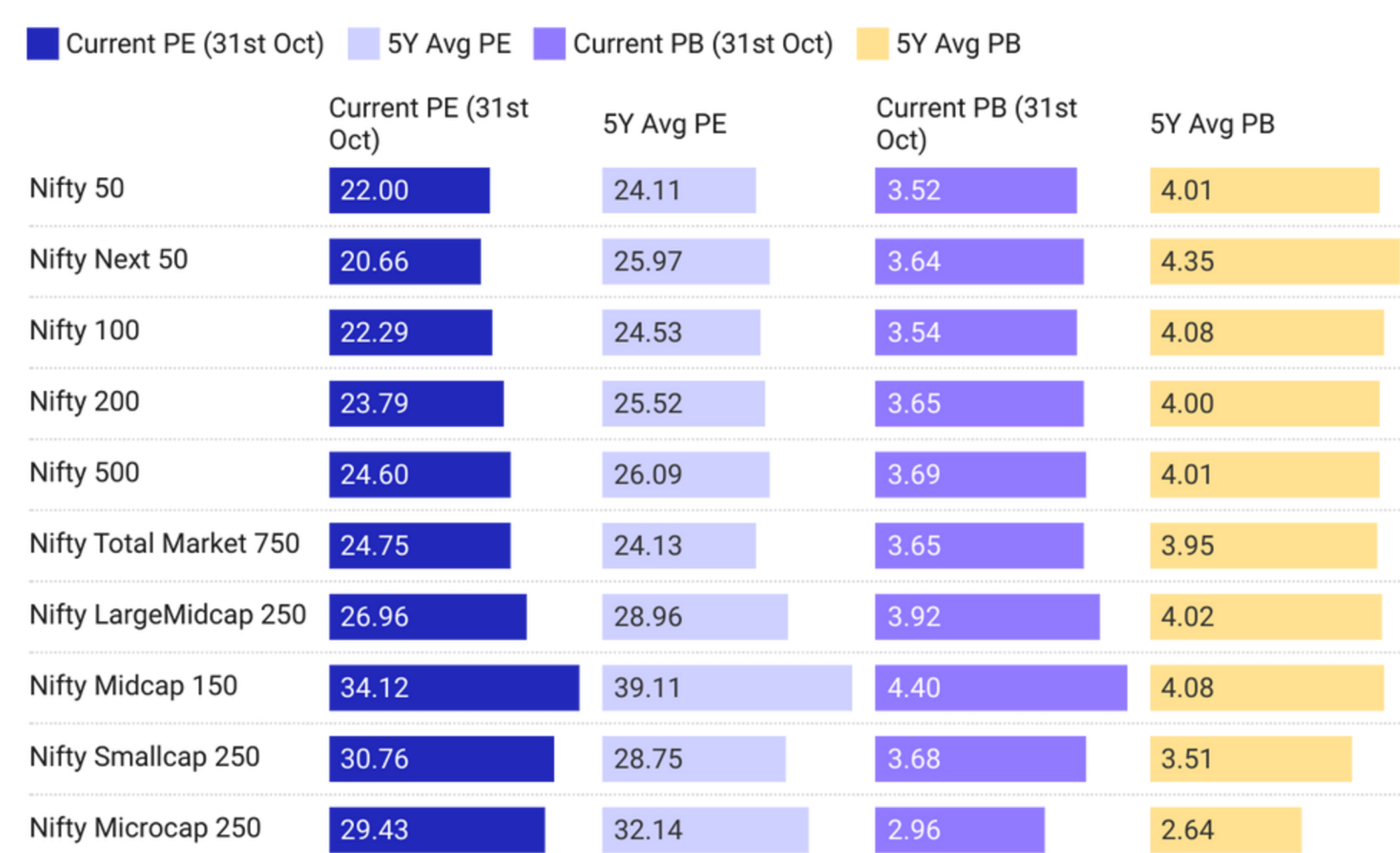
From 31-Oct-22 to 31-Oct-25 (CAGR Returns)
Source: NGEN • Created with Datawrapper

- Markets saw a broad-based advance in October, with cyclical and rate-sensitive sectors leading the uptrend.
- The Nifty Realty index posted an impressive 9.22% gain in October 2025, driven by several interrelated drivers. Expectations of upcoming interest rate cuts by the Reserve Bank of India boosted investor enthusiasm, as such moves typically make housing finance more affordable and encourage property demand.
- IT services recovered as US growth concerns eased and large-cap names delivered stable earnings. Digital transformation and AI-linked deal wins continued to support valuations.
- The Nifty Metal Index posted strong gains in October 2025. Key reasons for the performance include rising domestic infrastructure spending, higher global commodity prices, and improving economic signals from China, which boosted demand and investor sentiment towards metals.
- The Nifty PSU Bank index rose by 8.74% in October 2025, marking one of the strongest performances among all sectoral indices for the month.
- PSU Banks extended their rally on improving asset quality, credit growth, and attractive valuations.
- Expectations around increased foreign direct investment (FDI) limits in PSU banks fueled optimism, as ongoing discussions between the Finance Ministry and the RBI suggested a likely inflow of global capital. Enhanced credit practices, higher return on assets, and digitalization initiatives further strengthened these banks' balance sheets.
- The Auto Index gained 1.10%, driven by strong festive demand, GST rate cuts, and record retail vehicle sales across segments like two-wheelers and passenger vehicles. The month saw a 40.5% year-on-year rise in retail vehicle sales, led by a 51.8% surge in two-wheelers and an 11.4% increase in passenger vehicles.

Indian Equity Market (Valuation)



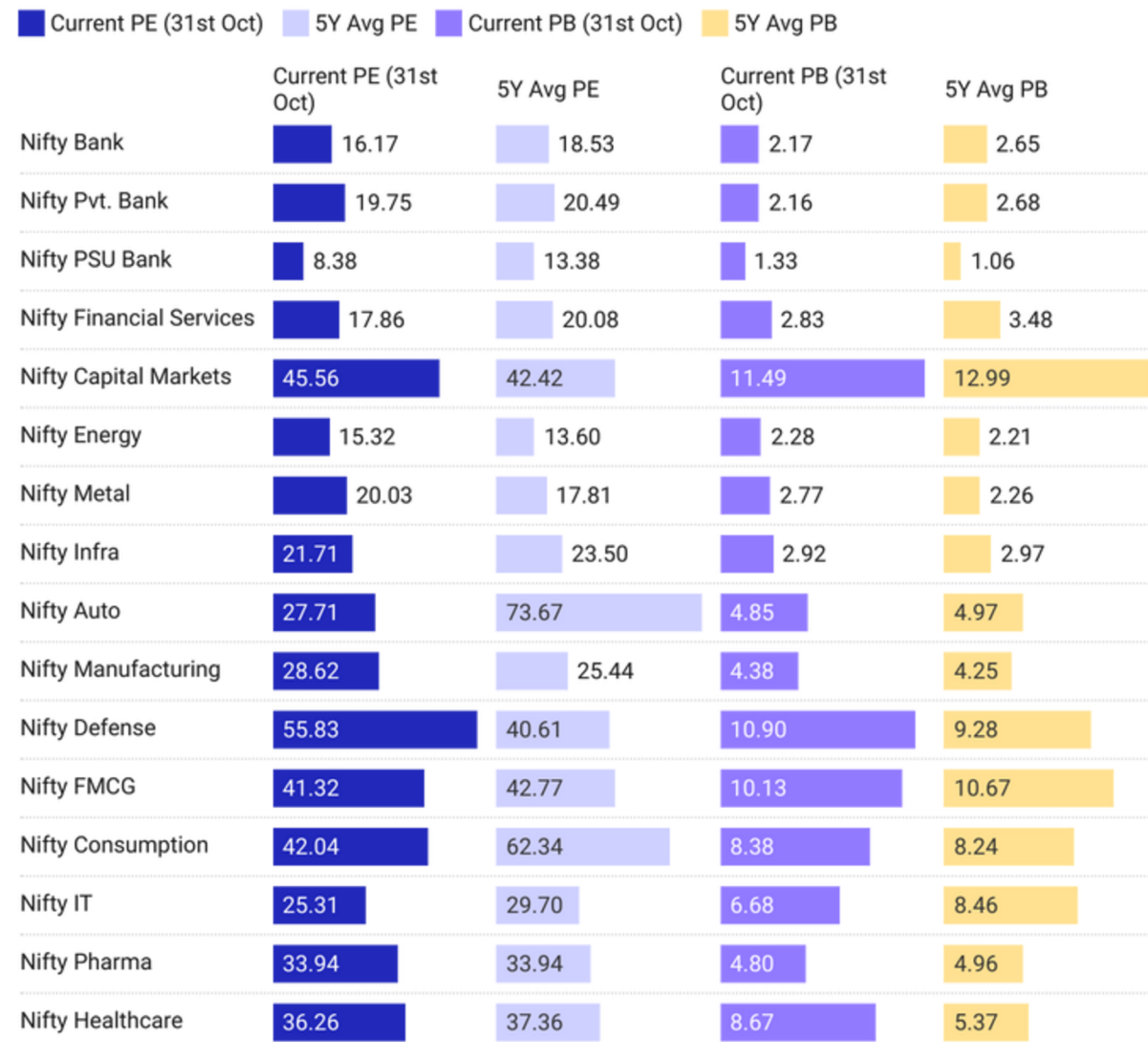
Valuation - Broader Market Indices



Data taken on 5th Oct
Source: <https://trendlyne.com/> • Created with Datawrapper

- Large-caps (Nifty 50, Next 50) are trading slightly below their 5-year average valuations, indicating fair or mildly attractive levels.
- Midcap and smallcap indices continue to trade at a premium, showing that growth optimism and liquidity remain strong despite stretched valuations.
- Broader markets look expensive relative to history, while large-caps offer better risk-adjusted opportunities.

Valuation - Sectoral



Data taken on 5th Nov
Source: <https://trendlyne.com/> • Created with Datawrapper

- **Attractive or Reasonable:** IT, PSU Banks, Financial Services, and Infrastructure are trading near or below their 5-year averages.
- **Expensive:** Defence, Capital Markets, FMCG, and Consumption sectors have valuations well above historical norms due to strong demand and investor enthusiasm.
- **Neutral or Fairly Valued:** Energy, Manufacturing, and Pharma are supported by steady earnings growth and stable multiples.

India - Debt Markets



Debt Market Indicators:

Categories	31 Oct 2025	Week Ago	Month Ago	6 Month Ago
Repo Rate	5.5%	5.50%	5.50%	6.00%
Call Rate	5.66%	5.58%	5.69%	5.94%
5 Year G-Sec	6.19%	6.15%	6.29%	6.09%
10 Year G-Sec	6.54%	6.54%	6.58%	6.36%
1 Year AAA Corporate Bond	6.97%	6.95%	7.00%	7.11%
3 Year AAA Corporate Bond	6.78%	6.75%	6.78%	7.07%
5 Year AAA Corporate Bond	6.94%	6.92%	7.01%	7.04%

Source: https://www.kotakmf.com/daily_newsletter • Created with Datawrapper

(Source: [kotakmf.com](https://www.kotakmf.com))

- The 10-year government bond yield rose toward 6.6% in late October, reaching a four-week high due to a surge in US yields and global hawkish Fed comments
- The 10-year G-Sec yield held firm at 6.54%, unchanged from September, while the 5-year yield eased slightly to 6.19% (from 6.29% a month ago). Shorter tenor yields were relatively stable, indicating a balanced demand-supply environment.
- Liquidity tightened mid-month due to tax outflows and festive-related currency demand but normalized later. Weighted average call money rates stayed within the policy corridor.
- Liquidity support from RBI and its ongoing bond purchases helped sentiment, with the central bank actively supporting the market amid slightly higher yields and evolving demand-supply dynamics.

10 Year G-Sec Movement



Source: Ngen • Created with Datawrapper

(Source: [Investing.com](https://www.investing.com))

- The call rate fluctuated between 5.5–5.7%, ending the month at 5.66%, broadly aligned with the policy corridor. Liquidity tightened intermittently due to festive cash demand and GST outflows, but was actively managed by the RBI through short-term operations.
- The short end of the curve remained stable, supported by steady liquidity and moderate T-bill demand.

India - Macroeconomic Data



Data snapshot:

Data	Latest Value	Latest Update Date	Unit
Inflation rate	1.54%	Sep-25	percent
Interest rate (policy rate)	5.50%	01-Oct-25	percent
Unemployment rate	5.20%	Sep-25	percent
GDP annual growth rate	7.80%	June 2025 (Q1 FY26)	percent
Government debt to GDP	81.92%	2024 (latest annual)	percent of GDP
Current account balance	-2 351 USD mn	Jun-25	USD million
Current account to GDP	-0.60 %	2024 (latest annual)	percent of GDP
Gold reserves	880.18 t	Sep-25	tonnes
Manufacturing PMI	59.2	Oct-25	index points
10-year government bond yield	6.51%	06-Nov-25	percent

Source: NGEN • Created with Datawrapper

- India's retail inflation dropped to 1.54% YoY in Sep 2025 from 2.07% YoY in Aug 2025. Inflation fell to its lowest level in over eight years, driven by a sharp decline in food prices. Food inflation turned negative at -2.28%, with rural and urban areas both seeing deflation due to falling costs of vegetables, pulses, and cereals.
- India's wholesale price index (WPI)-based inflation decelerated to 0.13% YoY in Sep 2025, a significant drop from the 0.58% rise recorded in Aug 2025, driven by falling food and fuel prices.

Excerpt of consumption indicators:

		Change								12 Month Avg		12 Month Avg		Absolute										
Consumption/Demand (% YoY*)	Units	Sept-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25	As of Sept '25	as of Sep'24	As of Sept '25	as of Sep'24	Sept-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Units		
Personal Loans	% chg, YoY		11.8	11.9	12.1	11.1	11.9	11.7	11.7	12.0	24.5	59.2	53.3		62.1	61.6	61.5	60.6	59.8	59.5	58.8	INR Tr		
Retail Payments	% chg, YoY		9.8	12.0	13.4	12.6	19.2	13.9	6.3	14.1	19.8	81.3	71.4		81.1	84.0	79.6	82.0	82.1	93.8	74.5	INR Tr		
Rural Wage Growth	% chg, YoY		2.6	5.6	6.6	6.6	6.5	5.9	6.1	5.8	5.8	445	422		443.8	451.1	453.5	451.1	448.5	446.0	443.8	Rs./day		
Non-Oil Imports	% chg, YoY	24.3	-14.3	9.1	-1.6	10.6	17.6	9.4	-11.2	7.2	6.6	46	43	54.5	48.3	49.1	40.3	46.1	44.7	44.5	39.1	USD Bn		
Passenger cars sales (ex Uvs)	% chg, YoY	10.4	-1.0	3.2	-10.3	-10.1	-5.1	-3.7	-4.6	-2.3	-16.3	114	118	118	106	112	101	109	106	122	124	000 no's		
Passenger cars sales (incl Uvs)	% chg, YoY	6.2	-7.7	1.0	-6.1	-0.1	5.0	5.1	2.6	2.3	5.3	348	341	369	317	335	309	338	341	376	369	000 no's		
POL Consumption	% chg, YoY	7.0	2.6	-3.9	0.5	0.7	0.2	-3.1	-5.2	1.5	3.2	20.0	19.8	18.6	18.7	19.5	20.0	21.2	20.2	20.9	19.1	Mn Tonnes		
Two wheelers	% chg, YoY	6.7	7.1	8.7	-3.4	2.2	-16.7	11.4	-9.0	1.1	20.3	1629	1617	2161	1834	1567	1560	1656	1459	1657	1385	000' no's		
Consumer Price Inflation	% chg, YoY	1.5	2.1	1.6	2.1	2.8	3.2	3.3	3.6	3.5	4.9	3.5	4.9	1.7	1.9	2.2	2.7	3.1	3.4	3.7	4.4	3MMA		
Core CPI (ex food and fuel)	% chg, YoY	4.4	4.1	4.2	4.4	4.3	4.2	4.1	4.0	4.0	3.5	4.0	3.5	4.2	4.2	4.3	4.3	4.2	4.1	3.9	3.8	3MMA		

YTDA= Year to Date Average, Avg= Average
FY24 Avg: Average considered for the same period in FY24 as for FY25

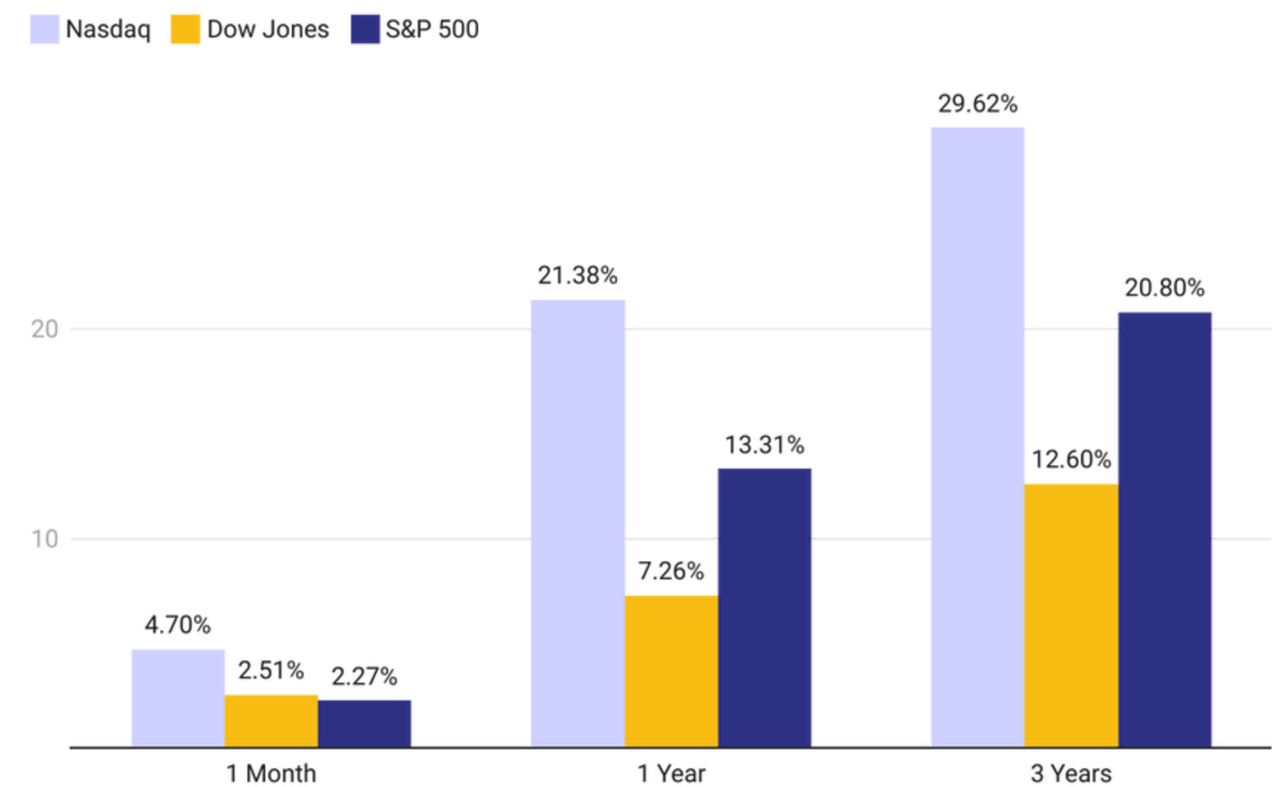
(Source: TATHYA by DSP Mutual Fund, Oct 23, 2025)

- According to the RBI Monetary Policy Committee (MPC) minutes, India's economy showed strong resilience in Q1 FY26 with 7.8% growth, prompting an upward revision of the full- year forecast to 6.8%. Despite external pressures like US tariffs and visa fee hikes, GST 2.0 reforms are expected to cushion the impact by boosting domestic demand. However, the RBI cautioned against further rate cuts, warning of a potential "overdose" as the effects of previous monetary easing and fiscal measures are still unfolding.
- According to the RBI data, India's gold reserves rose to 880.18 metric tonnes by the end of Sep 2025, up from 879.58 tonnes at FY 2024-25 close, with 0.6 tonnes added in H1 FY26. The total value of the reserves stood at USD 95 billion as of Sep 26, 2025.

US - Equity Market



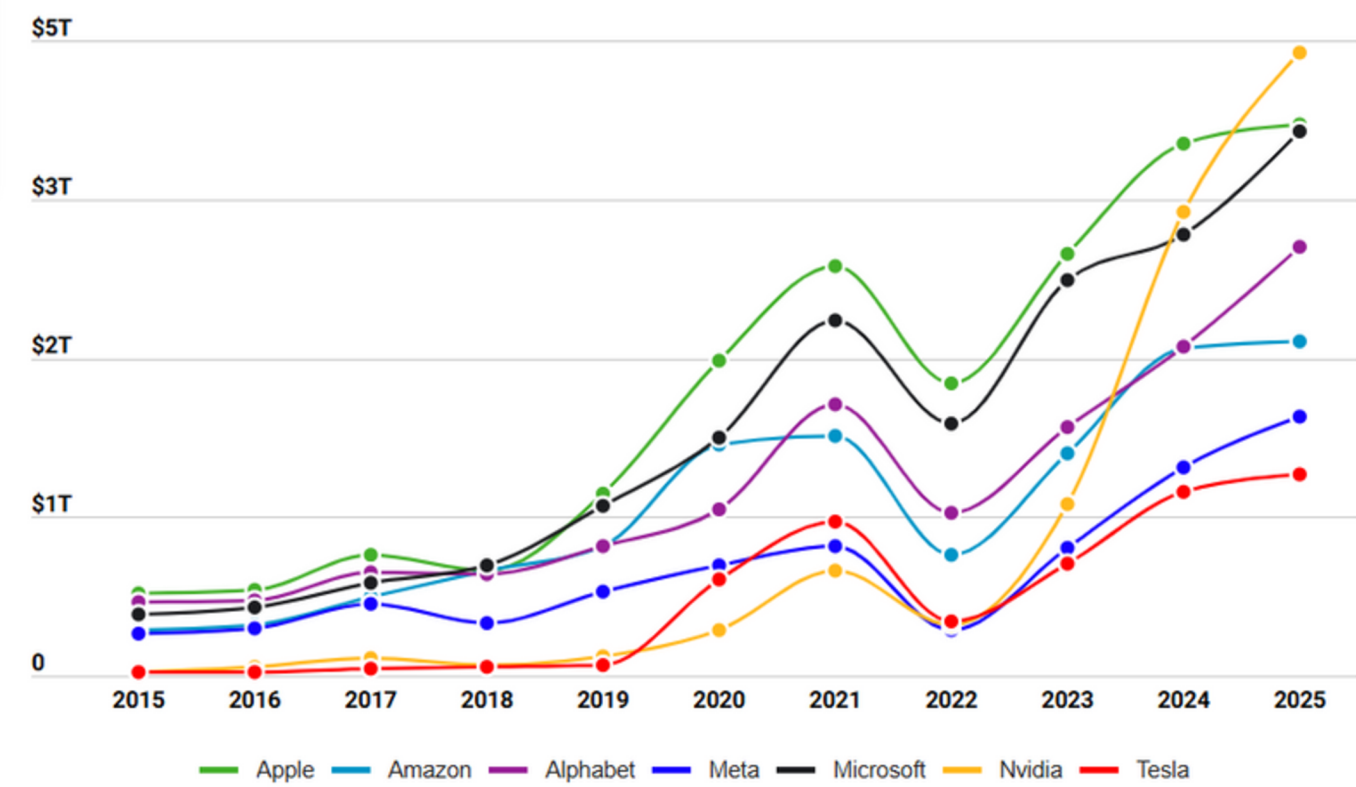
Trailing returns:



Source: NGEN, 1 Month (30 Sep – 31 Oct 2025), Absolute Returns for Returns less than 1 year, 1 Year and 3 Year CAGR • Created with Datawrapper
(Source: Ngen. Returns for up to one year are considered absolute, while returns of one year or more are calculated as CAGR.)

- In October 2025, the US stock market experienced strong performance, hitting record highs. The large-cap S&P 500 index rose about 2.3%, marking its sixth consecutive monthly gain, supported by robust Q3 earnings growth of around 10.7% year-over-year and easing US-China trade tensions.
- The Nasdaq Composite and Nasdaq-100 outperformed, gaining approximately 4.7% and 4.8% respectively, fueled by the rally in AI and semiconductor-related stocks, including the "Magnificent Seven" tech giants that led the market ascend.
- The Dow Jones Industrial Average also rose by about 2.5%, continuing its longest monthly winning streak since 2018.

The Magnificent 7's Market Cap by Company



2025 data as of October 21, 2025.
(Source: <https://www.fool.com/research/magnificent-seven-sp-500/>)

- Market movement was influenced by a hawkish Federal Reserve rate cut surprising expectations, government shutdown disruptions, and a cooler-than-expected inflation report driven by rent easing, reinforcing potential disinflation. Consumer tech, biotech, and EV stocks also saw notable gains. Overall, despite some political and inflation uncertainties, the outlook remained constructive into year-end, buoyed by strong earnings and seasonal tailwinds.
- Nvidia has become the largest of the Magnificent Seven stocks with a market cap of \$5 trillion, surpassing Apple and Microsoft as AI demand drives its growth. The Magnificent Seven—Nvidia, Apple, Microsoft, Alphabet, Amazon, Meta, and Tesla—now collectively dominate global markets, shaping equity trends and representing over \$19 trillion in total market value.

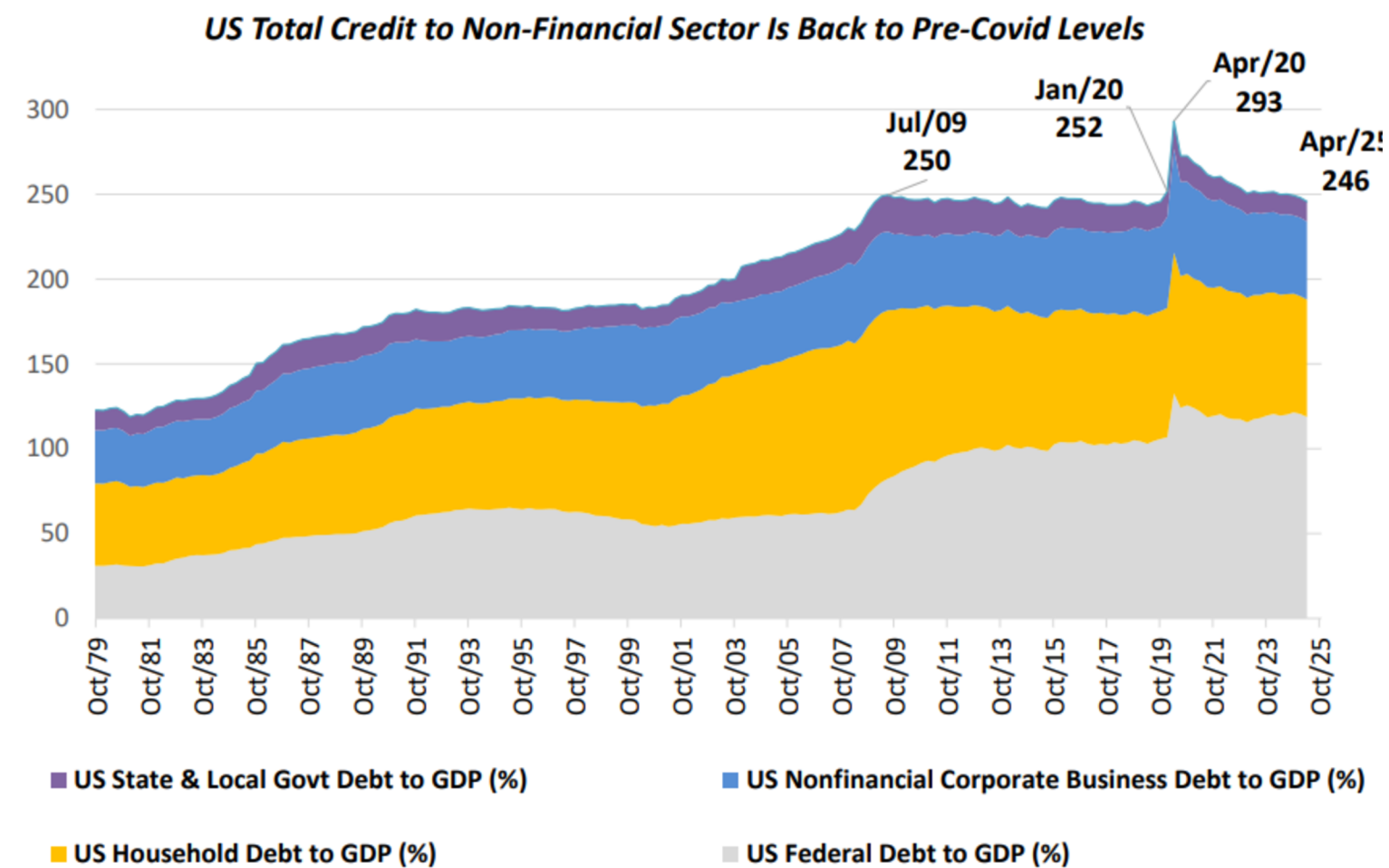
US - Key Macroeconomic Updates



Indicator	Value
Inflation Rate (%)	3.00
Interest Rate (%)	4.00
Unemployment Rate (%)	4.30
Consumer Price Index (CPI) (Points)	324.80
Imports (USD Billion)	358.78
Exports (USD Billion)	280.46
Core Consumer Prices (Points)	330.54
Producer Prices (Points)	149.16
Unemployed Persons (Thousand)	7384.00

Source: Various News Sources, Ngen • Created with Datawrapper

(Source: Ngen)



(Source: Netra - Early Warnings & Signals Through Charts - 5th Nov)

- In October 2025, US macroeconomic events were significantly influenced by ongoing dynamics in growth, inflation, labor market trends, and geopolitical factors.
- Economic growth solidified in Q3 with GDP growth estimates rising to about 2.7% annualized, reflecting strong consumer demand and steady business investment, particularly fueled by robust AI and high-tech sectors.
- The labor market showed softness, with employment growth subdued and delayed September employment data due to the federal government shutdown, which had persisted over four weeks by end-October. This shutdown added downside risks to near-term GDP growth because of lost output and reduced consumption from furloughed workers.
- Inflation remained above the Federal Reserve's 2% target, with core PCE inflation around 2.9% year-over-year in Q3. Higher goods prices and residual trade policy impacts contributed to inflationary pressures despite moderating service prices.
- The Federal Open Market Committee (FOMC) signaled a cautious approach with expectations of a 25 basis point rate cut at the October meeting, with further cuts forecasted in December and early 2026, aiming for a terminal federal funds rate of about 3.00%-3.25% by mid-2026.
- US total debt (government, businesses, and households) was 252% of GDP in Jan 2020 but has fallen to 246% by Apr 2025. So, overall leverage in the US economy has actually declined since COVID but US gov debt to GDP has fallen the least and remains the area of concern.

US - Debt Market & Global Commodities



Global Commodities:

Commodity	Price (31 Oct 2025)	Price(30th Sep 2025)	1 Month Difference
Gold (INR/10 gm)	120,450	114761.00	4.96%
Gold (\$/oz)	4,002	3858.18	3.72%
Silver (INR/1 kg)	148,699	141918.00	4.78%
Silver (\$/oz)	49	46.67	4.24%
Brent Crude (\$/bbl)	66	68.85	-4.75%
Crude Oil (INR/1 bbl)	5,367	5632.00	-4.71%
NYMEX Crude (\$/bbl)	62	63.07	-2.25%
Natural Gas (INR/1 mmbtu)	351	290.00	20.86%
Aluminium (INR/1 kg)	271	259.05	4.50%
Copper (INR/1 kg)	1,009	956.35	5.46%
Nickel (INR/1 kg)	1,343	1353.70	-0.78%
Lead (INR/1 kg)	184	184.65	-0.27%
Zinc (INR/1 kg)	308	288.55	6.74%
Mentha Oil (INR/1 kg)	1,004	1026.00	-2.13%
Baltic Dry Index	1,966	2134.00	-7.87%

Source: Aditya Birla Mutual Fund Daily Update • Created with Datawrapper

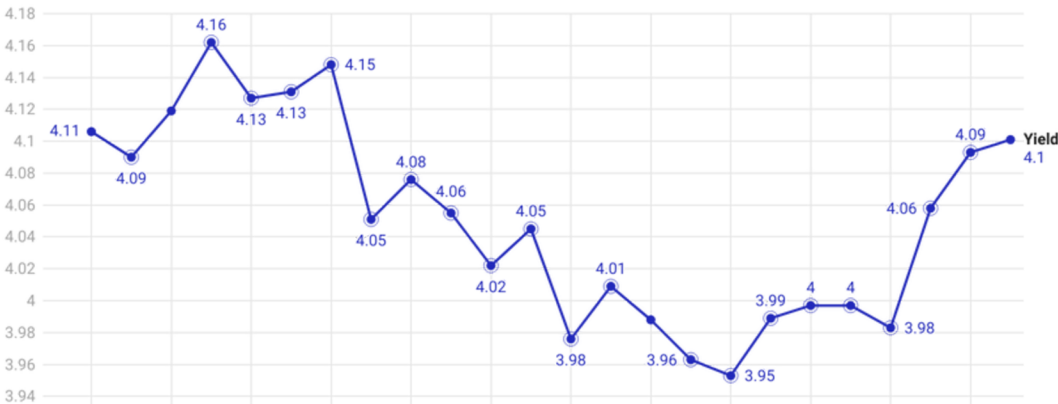
US rates:

CYTD Bond Yields Across Duration



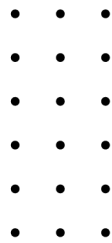
Source: Investing.com • Created with Datawrapper

US 10 Year Bond Yield - October



Source: Investing.com • Created with Datawrapper

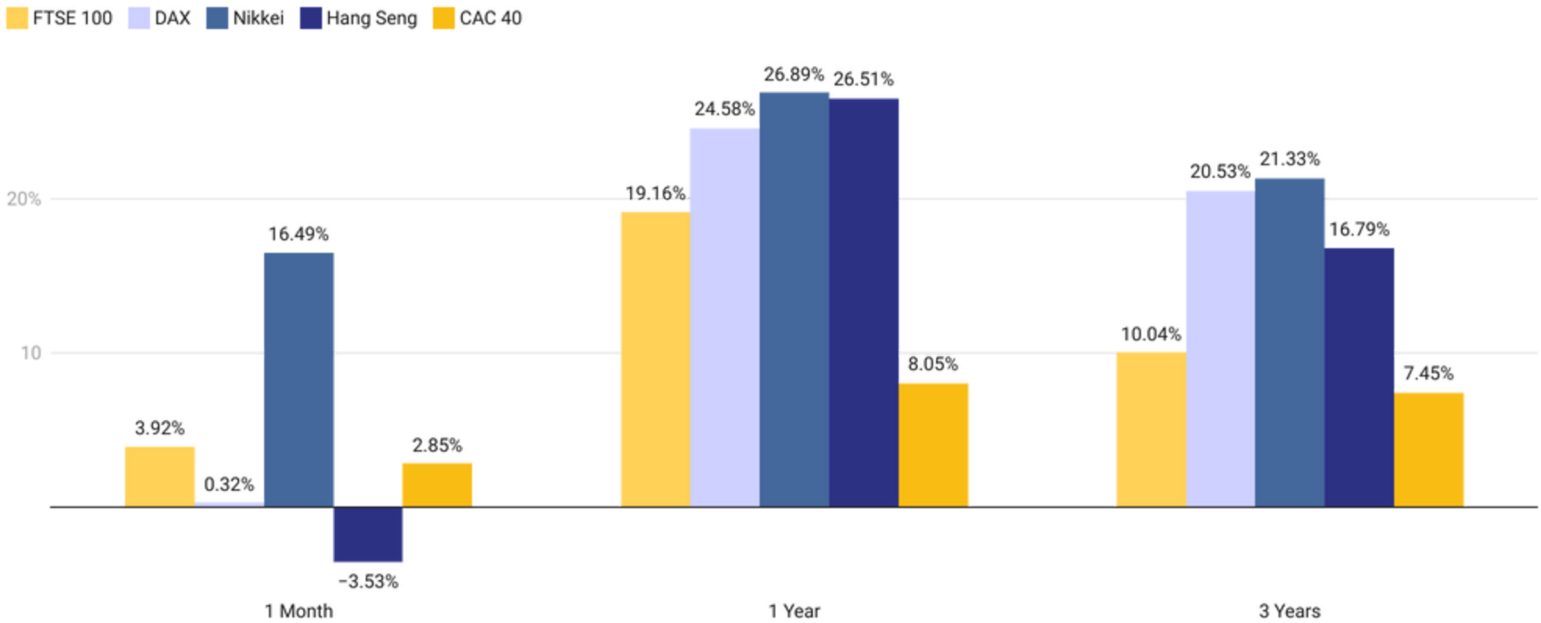
- The Federal Reserve made its first rate cut since 2024 in late October, boosting bond prices and causing yields to dip in response.
- The Fed cut its federal funds target range by 25 basis points at its meeting on October 29, 2025, lowering the range to 3.75 %-4.00 %.
- In the accompanying statement, the Fed noted that “uncertainty about the economic outlook remains elevated”.
- Chair Jerome Powell emphasised that the Committee will “carefully assess incoming data, the evolving outlook, and the balance of risks” before making further adjustments.
- After the temporary decline, yields rebounded toward the end of the month and stabilized, closing October at 4.10%, following the Federal Reserve's policy meeting and a generally positive tone in risk assets.
- Markets had largely expected two cuts this year (October + December), but Powell’s commentary implied that a further cut in December is “far from certain”, citing lack of full data and internal dissent.



Global Equity Markets



Global Indices



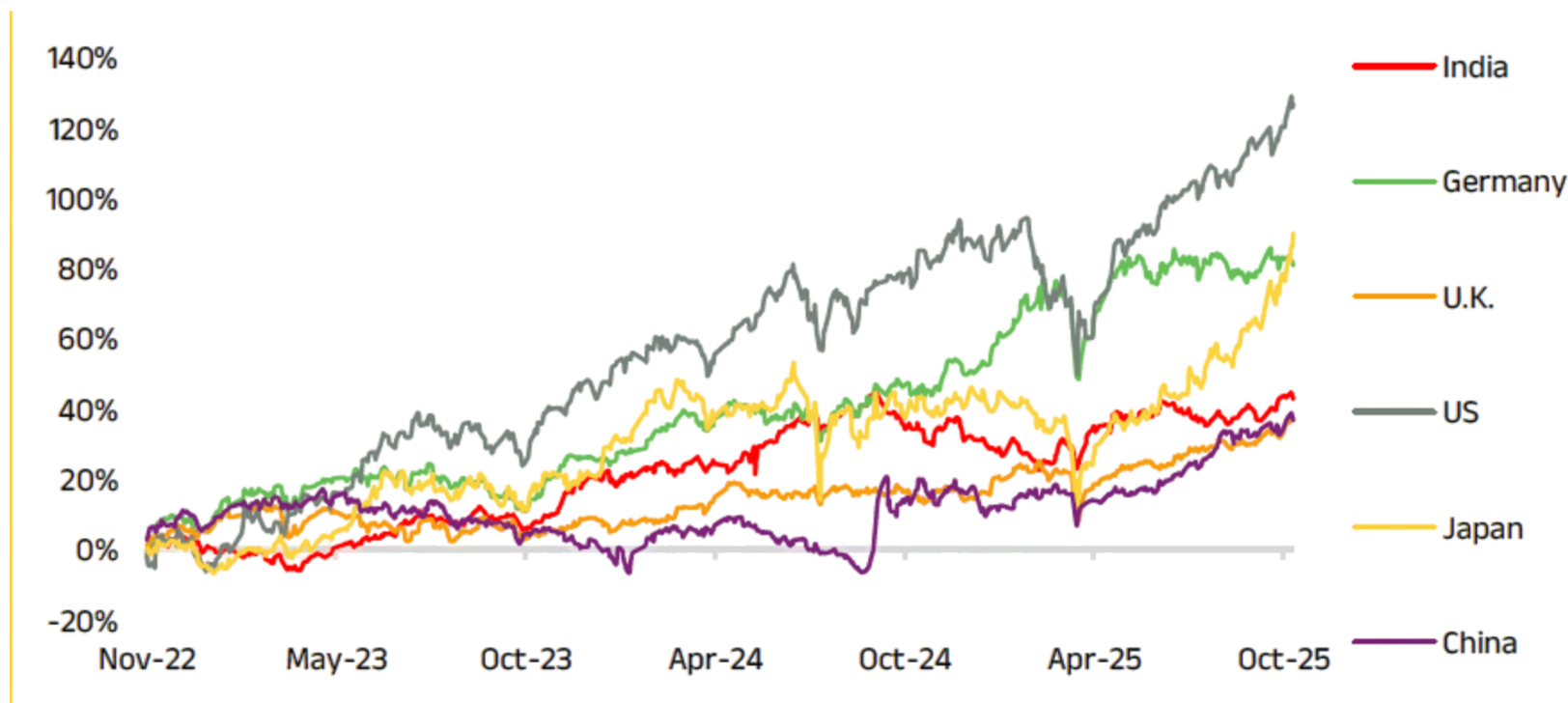
1 month (Sep 30 – Oct 31 2025) Absolute Returns, 1 and 3 Year CAGR
Source: NGEN • Created with Datawrapper

Source: NGEN,

Europe:

- European equities traded range-bound and mixed, with alternating weekly performances.
- Early weakness stemmed from political uncertainty in France and U.S.–China tensions.
- Mid-month gains came from Fed rate cut hopes and easing trade war fears.
- In later weeks, cooler U.S. inflation and corporate earnings boosted sentiment, but late-October saw mild correction as investors digested central bank signals and earnings results.

Comparative 3-year absolute performance of global indices:



Source: Aditya Birla Mutual Fund Daily Report - 4th Nov

Asia:

- Asian markets posted a steady uptrend through most of October, led by Japan.
- Early momentum came from chipmaking and AI-related stocks, with Nikkei Average surging over 31% YTD by month-end.
- Gains were periodically capped by U.S.–China trade tensions and policy uncertainty from the Bank of Japan.
- Toward month-end, the Nikkei rose sharply after expectations of fiscal stimulus under Japan’s new prime minister.
- Broader Asian sentiment was mixed, balancing rate cut hopes against ongoing geopolitical risks.

Asset Class Returns Snapshot



2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
7.73	17.30	41.29	7.70	31.49	45.80	31.60	14.4	26.91	25.02	70.04
1.38	14.21%	37.65	8.24	24.60	28.20	28.71	10.80	26.29	22.93	56.47
0.22	11.96	21.83	-1.10	20.30	18.40	3.89	4.25	14.90	20.69	29.15
-3.92%	10.10%	6.20	-2.14	13.04	17.89	-4.10	3.13	7.96	17.57	16.3
-6.60%	5.12	3.15	4.38	10.54	14.02	-8.00	12.55	7.20	16.24	6.46
-7.50	4.30	0.50	10.54	8.97	0.29	11.83	18.11	10.46	9.95	6.41

Silver (Domestic Price)	China Equity (Hang Seng)	Gold (Domestic Price)	G-Sec (CCIL Bond Index)	India Equity (Nifty 500 TRI)	US Equity (S&P 500)
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Sources:
https://www.edelweissmf.com/Files/Insights/viewpoint/Edelweiss_Mutual_Fund_-_TEMPO_-_July_09072025_063616_PM.pdf
Source: NGEN, Aditya Birla Mutual Fund Daily Equity Report
Data as on 31st Oct'25
NGEN data as on 7th Oct '25

Investments in securities market are subject to market risks, read all the related documents carefully before investing.

The contents herein shall not be considered as an invitation or persuasion to trade or invest. Unien Capital and its affiliates accept no liabilities for any loss or damage of any kind arising out of any actions taken in reliance thereon



THANK YOU

SEBI Registered Investment Advisers

Registration No. INA200014548

Type of Registration- Non-Individual

Validity of Registration- Perpetual