

Market Outlook

November 2025

BlissMoney Fintech Pvt Ltd

December 2025 | Market Outlook Report

November Performance

8.2%

India GDP Q2 FY26

6-quarter high, beat consensus

+1.9%

Nifty 50 Return

Outperformed S&P 500

+4.0%

Gold Return (Nov)

Safe haven demand strong

₹12.92T

Direct Tax Collection

+7% YoY growth

~90.27

USD/INR

Record highs, trend set to reverse

Global Context: Mixed Signals

Federal Reserve & USD

- **85% probability** of December rate cut
- Market easing; volatility expected
- Favorable for emerging markets if cuts proceed

Tether's Gold Impact

- **116 tons** of physical gold reserves
- Among largest non-sovereign holders
- Driving gold demand, crypto-commodity convergence

Eurozone

PMI 52.4 | 11th month above 50 | Manufacturing weakness
(49.6)

China

Industrial PMI <50 for 8 months | Profits down 5.5% YoY |
Property and real estate weakness

India's Economic Growth

8.2%

Q2 FY26 GDP (YoY)

8.0%

H1 FY26 Growth

Manufacturing

+9.1%

Services

+9.2%

Consumption

+7.9%

Key Outlook

- September quarter marks **earnings cycle bottom**—improvement ahead
- December & January historically **seasonally positive** for equities
- FY26 full-year growth locked at **7%+**

Investment Opportunities: Sector Outlook

✓ Constructive Sectors

- **Banking & Financials** — Credit growth, margin expansion
- **Infrastructure & Capex** — Government spending momentum
- **Consumption** — Tax relief & GST cuts driving demand
- **Auto & Ancillaries** — Strong H2 FY26 setup
- **REITs** — 6x growth, 6-7% yield, ₹10.8L Cr opportunity

⚠ Cautious Sectors

- **IT Services** — Global tech slowdown, AI disruption
- **Metals** — China property weakness, demand concerns
- **Fintech** — Regulatory uncertainty, frothy valuations
- **Bitcoin** — Worst 2025 performer, -16% in November

Currency Dynamics: Rupee Reversal Ahead?

90.27

USD/INR Current

November weakness: -1.73% depreciation to record highs

12-month depreciation: ~6.57% against USD

Reversal Signals Emerging

- Fed rate cuts narrow yield differentials
- FPI selling exhausting, passive Emerging Market flows resuming
- Strong domestic growth & fiscal metrics
- Expected rupee reversal from depreciation cycle

December-January: Key Catalysts & Actions

Immediate Catalysts

- RBI Dec meeting — 25bp cut expected
- Fed Dec 9-10 — 85% cut probability
- Q3 FY26 earnings
- Union Budget Feb 1 — policy announcements

Investment Strategy

- Tilt toward large caps with strong liquidity
- Decrease mid/small cap exposure
- Maintain sector focus: Banks, Infra, Consumption
- Gold/REITs for diversification & income

Bottom Line: Indian equities well-positioned for December-January strength. December and January historically seasonally positive. Nifty/Bank Nifty all-time highs with broader market participation expected. FPI flows stabilizing. Earnings cycle bottoming supports forward growth visibility.