

# Executive Summary of the 91<sup>st</sup> Global Investment Advisory Committee (GIAC) Meeting

20<sup>th</sup> February 2026

## Current stance

The committee observed that the performance over the last month was flat relative to benchmarks. The one year return for the portfolios is approximately 18–21%, which is quite significant in a market environment where headline indices have been largely range bound. The outperformance continues to be driven meaningfully by gold, silver and REIT allocations. During the month, the committee fully exited emerging market equities, booking approximately 18% returns. International equity exposure is now nil. Proceeds from the emerging market exit, along with prior silver profit booking, have been parked in debt money market funds. This has increased temporary liquidity within portfolios.

The committee has maintained gold and silver allocations neutral at approximately 3.75% and 2.50%, respectively. Equity exposure remains slightly overweight, with portfolios tilted toward large caps and underweight mid and small cap segments. Duration exposure remains neutral, with no active duration calls. REIT allocations remain intact and have performed well. The committee will continue to evaluate upcoming REIT and InvIT opportunities.

## Key variables to monitor

- Nifty range: Market expected to remain in the 25,000–26,000 band in the near term, with limited visibility of a breakout.
- Foreign institutional flows: No immediate catalyst for incremental foreign inflows into India; global AI and geopolitical themes continue to dominate attention.
- Earnings quality: Q3 earnings showed modest beats (~3–4%), largely driven by banking; broader earnings momentum remains selective.
- Valuations & margins: Margins remain elevated; valuation comfort is still debated among market participants.
- Credit growth composition: Strong growth in gold loans; sustainability depends on gold prices and regulatory stance.
- Trade deficit impact: Rising gold imports contributing to widening trade deficit; linkage between gold lending and external balances noted.
- Energy theme: Global energy theme viewed positively for the rest of the year; domestic and global ETF/mutual fund routes under evaluation.
- Precious metals outlook: Gold supported by central bank buying (~750+ tonnes expected), ETF inflows and geopolitical premium; silver expected to remain volatile but supported by investment demand.
- Liquidity positioning: Elevated money market allocation maintained temporarily pending better entry points.

## What's changed since our last meeting

### US

Minutes of the Federal Reserve's January meeting showed that there was a consensus among Fed officials to maintain interest rates at 3.50% to 3.75%, which was widely expected. But the discussion showed that there were divergent opinions on future policy, with some officials tending to wait for more conclusive signs that inflation is on a clear path to moderation, while others gave greater weight to labour market developments. Fed Chairman Jerome Powell reiterated that future rate decisions would be made on a meeting by meeting basis, and solely in response to incoming economic information. Meanwhile, US stocks gained after the Supreme Court ruled that former President Donald Trump had acted beyond his authority in setting certain tariffs.

### India

India's retail inflation rose to 2.75% in January under a newly revised Consumer Price Index series, marking the first time since August that inflation has returned within the Reserve Bank of India's target band. The updated data series incorporates a 2024 base year and revised consumption weights to better reflect current spending patterns, including food and housing. In its latest policy meeting, the RBI's Monetary Policy Committee kept the repo rate unchanged at 5.25% and retained a neutral stance, after cumulative rate cuts of 125 basis points since February 2025. The central bank marginally upgraded its FY26 GDP growth forecast to 7.40 %.

## Viewpoints

The committee discussed the importance of USD in the new world order. A weaker dollar has profound effects on global liquidity, and it's all interconnected. It reduces the cost of servicing dollar-denominated debt, which is a huge relief for emerging markets. These countries, often burdened with a substantial dollar debt, suddenly find themselves with more capital to deploy into growth, investment, and infrastructure, instead of scrambling to hedge against dollar risks or repayment. A weaker dollar is an easing of global financial conditions. It boosts commodity prices, improving the terms of trade for commodity exporting nations, and encourages capital flows into riskier assets as investors chase returns. It's like opening a valve in the system where capital starts moving more freely, risk appetite increases, and global markets breathe easier. This is why the dollar is so critical to the macro picture, it's viewed as a fulcrum of global liquidity.

The committee noted that despite a largely sideways market environment, portfolios have delivered strong one year returns of ~20%+, materially ahead of benchmarks. Members emphasised this performance, particularly given the challenging backdrop for broader markets.

The decision to fully exit emerging market equities was driven by risk reward considerations following meaningful gains. At present, there is no allocation to international equities. The committee agreed that there is limited near term visibility for global allocations and that capital will remain parked in money market instruments until better clarity emerges.

From a domestic equity standpoint, positioning remains slightly overweight but not aggressive. The broad consensus is that markets may remain range bound in the near term. While some expect potential weakness toward lower levels, there is also recognition that markets rarely move in line with consensus expectations.

Members observed that the previous cycle (2021–2024) saw broad based participation, whereas the next leg, whenever it emerges, is likely to be significantly more stock selective. Banking and financials have delivered strong relative performance over the past two years. Broader sectors require careful selection.

On precious metals, the structural dollar debasement thesis remains intact. Gold continues to be supported by central bank accumulation, ETF flows and geopolitical risk premium. A year end target of higher levels remains under discussion. Silver is expected to remain volatile; margin related adjustments have flushed out speculative excess. Investment demand is projected to rise, potentially keeping the silver market in deficit. Tactical discipline remains: trimming during euphoria and adding during sharp corrections.

The committee also discussed a constructive view on the global energy theme for the remainder of the year, including exposure through domestic and offshore structures. Detailed evaluation of ETFs and actively managed funds will be undertaken before any allocation.

REITs and InvITs have delivered strong returns, and the committee remains constructive on participating in future opportunities, subject to liquidity and structural considerations.

The meeting concluded with no immediate change to overall asset allocation beyond the completed exit from emerging markets and the increase in money market exposure. The committee will continue to monitor foreign flows, earnings trends, gold loan growth, trade deficit dynamics and geopolitical developments before deploying excess liquidity.

## Co-Chair Committee member



**Shiv Sehgal**  
President & Head  
Institutional Securities



**Alok Saigal**  
President & Head  
Nuvama Private

## Other Committee members

- ▶ Ajay Marwaha, Head, Nuvama Fixed Income Advisory
- ▶ Ajay Vora, Head, Equities, Nuvama Asset Management
- ▶ Kapil Gupta, Executive Director, Equity Research, Nuvama Institutional Equities
- ▶ Onkarpreet Singh Jutla, Chief Investment Officer, Nuvama Private
- ▶ Keyur Ajmera, Chief Risk Officer, Nuvama Group
- ▶ Harigeet Menon, Fund Manager, Infinity, Nuvama Private
- ▶ Karan Paul, Fund Manager, Infinity, Nuvama Private

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