

Infinity by Nuvama Private

Executive Summary of the 98th Global Investment Advisory Committee (GIAC) Meeting

21st October 2026

Current stance

The committee decided to maintain existing equity allocations despite recent weakness across portfolios and heightened geopolitical risks. Considering impending geopolitical developments in the Middle East and the US midterm elections the committee will convene another GIAC meeting shortly to reassess asset allocation and equity positioning

Gold remains the preferred strategic precious metal allocation, supported by central-bank demand and ETF buying. The committee also noted the tactical call to re-enter silver in Conservative (1.5% weight) and Balanced (2% weight) portfolios which was done at the beginning of this month. Though silver has seen some drawdown post this re-entry, the committee is willing to hold this tactical position for the time being though on a relative basis it is less constructive on silver as compared to gold. Fixed-income positioning remains cautious, with a preference for shorter duration. Existing REIT / InvITs exposure continues to remain unchanged. Offshore portfolios retain diversified equity exposure, with technology weightings below the benchmark and allocations spread across financials, healthcare and industrials. The committee also intends to retain some cash from new offshore inflows to take advantage of potential market volatility

Key variables to monitor

- **Middle East tensions and oil prices:** The outcome of peace talks expected in early November'26 could influence oil prices and global risk appetite.
- **US midterm elections:** The outcome of the elections could have implications for geopolitical developments and market volatility.
- **Domestic equity allocation:** The committee is looking to wait and take a call once there is greater clarity on unravelling geopolitical events.
- **Taxation and policy:** Possible changes to STT, capital gains taxation for FPIs and broader policy consistency.
- **Gold:** Continued ETF buying, central-bank demand and the potential effect of a peace agreement on gold prices.
- **Silver:** A tactical exposure has been taken however key issues to monitor going forward would be industrial and investment demand.
- **China's trade surplus:** Has implications for Indian manufacturing, industrialisation and employment
- **Fixed income:** Bond yield movements and a possibility of further rate tightening.

What's changed since our last meeting

US

US CPI inflation rose to 3.7% year-on-year in September'26, from 3.4% in August. Core inflation increased to 2.6%, while energy prices rose 20.4% over the year. The monthly CPI increase was 0.6%, with gasoline accounting for more than half of the rise. The labour market remained subdued, with non-farm payrolls increasing by 29,000 in September and unemployment at 4.2%. The Federal Reserve's target rate stands at 3.75%–4.00% ahead of its next FOMC meeting. Market sentiment was also affected by concerns about AI financing and technology valuations. Investors were assessing whether the scale of capital expenditure and debt raised by AI companies could be justified by future returns. At the same time, escalating Middle East tensions pushed Brent crude above USD 110 per barrel, adding to inflation concerns and uncertainty over the outlook for monetary policy.

India

India's CPI inflation rose to 5.54% in September'26, from 4.82% in August, bringing it closer to the RBI's upper tolerance limit of 6%. On 7th October 2026, the RBI raised the repo rate by 25 basis points to 5.50%, its first increase in nearly four years, and shifted its stance to calibrated tightening. It also raised its FY27 inflation forecast to 5.2% while projecting GDP growth at 7.1%. The external environment has become more challenging as higher crude prices and global risk aversion have weighed on the rupee. This increases the risk of imported inflation and pressure on India's current account. China's trade surplus reached approximately USD 938.1 billion in the first nine months of 2026, reinforcing concerns about its export competitiveness and the pressure this could place on Indian manufacturers.

Viewpoints

The committee reviewed the performance of the domestic model portfolios and the tactical decision to introduce silver on 1st October, 2026. Though silver post re-entry has seen some drawdown, but the committee noted that they would like to maintain allocation. The current allocation to silver is at 1.5% in the conservative portfolio and 2% in the balanced portfolio. The growth portfolio had no room for silver, given its allocation of 90% to equity and 10% to gold.

GIAC also discussed whether it is prudent to reduce equity exposure in the portfolio especially the growth profiles at least temporarily, given the risk of escalation in the Middle East and reinvesting once clarity emerges. However, the committee did not take that decision on account of tax implications of selling and booking profits. The final decision was to maintain existing equity allocations and revisit this positioning keeping in view the impending US midterm elections and related developments in the Middle East for which a separate GIAC meeting would be convened shortly.

Gold remains the committee's preferred strategic precious metal allocation. Members cited strong ETF buying, particularly from North America and Europe, and central-bank demand as supportive factors. The committee acknowledged that a geopolitical risk premium may have contributed to gold's performance, Nevertheless, the broader outlook for gold remains constructive in the committee's assessment. Silver in comparison to gold presents a less compelling picture as industrial demand for silver is lower as compared to last year and it remains to be seen whether demand from data centres and other industrial applications would provide adequate support, though buying through exchange traded products continues to some extent. Committee continues to retain its tactical allocation to silver.

On China and India, the committee expressed concern about China's growing trade surplus and its implications for Indian manufacturing. Participants questioned whether India could expand industrial production and employment at sufficient scale, and raised concerns about slowing household demand, rising household leverage and the gap between real and nominal growth. Taxation and policy consistency were identified as important factors affecting foreign investment. Participants discussed possible reductions in capital gains taxes for FPIs, changes to STT and greater certainty around retrospective taxation would help in reviving FPI sentiments.

The committee also discussed the potential implications for global bond yields and the dollar, particularly if overseas creditors become less willing to finance US deficits. The committee noted that yields could be in focus with markets reportedly pricing in the possibility of further rate tightening. Keeping this scenario in view fixed-income allocations have been kept unchanged with the preference towards shorter-duration exposure rather than taking a directional position on interest rates. Members also discussed the difficulty central banks face in responding to supply-driven inflation from higher oil prices when government debt levels are already elevated with overall global growth slowing. REITs & InvITs exposure also remains unchanged within portfolios.

The offshore portfolio was down approximately 1.8% over the preceding month. Technology exposure was around 27%, below the 31% cited for the MSCI World index. The portfolio remains diversified across financials, healthcare and industrials, with technology exposure deliberately kept below the benchmark. Materials had been a significant source of weakness, reflecting exposure to gold, silver and other commodities, including indirect exposure through uranium, copper and gold-mining companies. As of 15th October 2026, silver accounted for approximately 1.84% of the portfolio, compared with an original allocation of 1.94%, while gold exposure was above 4%. For anticipated new offshore inflows, the preference is to retain some cash rather than invest the entire amount immediately. The committee expects to reconvene shortly to review the fluid geopolitical developments, market conditions and the implications for portfolio positioning.

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Shiv Sehgal
President & Head
Institutional Securities



Alok Saigal
President & Head
Nuvama Private

Other Committee members

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- Kapil Gupta, Managing Director - Equity Research, Nuvama Institutional Equities
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