buoyant

PORTFOLIO FACTSHEET

November 2025

Deals, Deficits and Domestic defenses

The macro debates that shaped the past quarter haven't disappeared, but they are evolving. What looked like a near-term US–India trade agreement now sits in a more strategic lane, where questions of technology sovereignty carry more weight than tariff schedules. At the same time, the fiscal equation is tightening: revenues are trailing the glide path, capex has been front-loaded, and the deficit math now requires a gentler second half. Layer on a record goods trade deficit, softer capital inflows and a more intervention-heavy RBI, and the external account has become an active macro variable again. Markets have started to register this shift. Headline indices held up, but breadth weakened, sector leadership narrowed, and risk appetite rotated toward liquidity and earnings visibility rather than cyclicality.

What kept the month orderly was not macro comfort but domestic flows. Foreign investors sold, promoters took liquidity, and primary issuance continued — yet markets stayed resilient because mutual funds, insurers and retail investors absorbed the supply. That support has cushioned volatility, but it has not resolved the underlying uncertainties; it has only bought the market more time. Until clarity emerges on fiscal consolidation, external balances and the trajectory of the US–India relationship, choppiness will remain a feature, not a glitch. For investors, that is not a setback but a setup: periods like these often turn good businesses into mispriced ones, and strong balance sheets into compelling entry points. Our stance remains unchanged — disciplined, patient, and ready to lean in when the fog lifts and a good company becomes a great investment.

Portfolio Metrics

Performance consistency

%	1-yr rolling returns		3-yr rolling returns		5-yr rolling returns		7-yr rolling returns	
	Buoyant portfolio	BSE 500 TRI	Buoyant portfolio	BSE 500 TRI	Buoyant portfolio	BSE 500 TRI	Buoyant portfolio	BSE 500 TRI
Count (#)	3,106		2,376		1,645		915	
Average returns	26.3	16.7	21.0	15.4	23.4	16.9	20.2	15.2
Median	17.7	12.0	22.7	16.2	23.4	16.9	20.9	15.2
Maximum	133.4	102.1	52.7	33.9	42.4	29.2	25.6	17.7
Minimum	-42.7	-33.3	-7.9	-6.3	10.1	10.2	14.3	12.7
Outperformance against benchmark (% no of obs)	**62%**		**80%**		**96%**		**100%**	

Relative returns

30-Nov-25	1 month	3 months	6 months	1 year	2 years	3 years	5 years	Since Inception
TWRR (%)								
Buoyant Portfolio	**1.5%**	**7.8%**	**10.9%**	**15.1%**	**19.3%**	**24.1%**	**29.6%**	**22.2%**
BSE-500 TR Index	1.0%	6.6%	5.6%	6.3%	16.2%	15.3%	18.6%	15.5%
Absolute (%)								
Buoyant Portfolio					42%	91%	266%	569%
BSE-500 TR Index					35%	53%	135%	293%

Source: Bloomberg for Indices.
The performance data for the Portfolio Manager and Investment Approach provided above has not been verified by SEBI or any other regulatory authority. Performance data for periods up to 12 months is presented as absolute Returns, while data for periods exceeding 12 months is shown as TWRR. The TWRR figures provided above are net of expenses. Past performance is not indicative of future results and does not guarantee future returns. The above data is for Buoyant Opportunities PMS since June 01, 2016.

Risk metrics

Key ratios	1-yr	2-yr	3-yr
Sharpe ratio (X)	0.6	1.0	1.4
Information ratio (X)	3.6	0.6	1.4
Standard deviation (%)	14.1	12.5	12.6
Beta (X)	0.9	0.9	0.9
Sortino (X)	1.2	1.9	3.0

Source for all tables: Bloomberg for Indices, Buoyant Capital analysis

1. The US-India deal: From “almost done” to “its complicated”

Through most of the past quarter, it seemed that the first tranche of a US–India trade agreement was finally within reach. Negotiators on both sides had signalled that the commercial components were largely aligned, and the deal being discussed covered roughly USD 15–20 billion of bilateral goods exposure. For a brief period, the conversation shifted away from if the agreement would materialise to when it would be announced.

Over the past month, that timeline has begun to slip. The stumbling block is no longer tariffs or quotas but technology sovereignty. India’s concerns centre on access to mission-critical software, avionics architecture and long-term sustainment control for advanced platforms. Any arrangement that leaves India dependent on an external supplier for upgrades, diagnostics or lifecycle management — especially for an asset class that can involve USD 100+ million per aircraft and multi-decade service commitments — naturally invites hesitation. What began as a trade negotiation has migrated into a strategic discussion, and strategic discussions move at a different pace.

This shift does not signal an impasse; it simply means the deal now hinges on reconciling a structural question about autonomy with a commercial question about market access — the kind of issue that inevitably lengthens timelines. What once looked imminent is now likely to advance over several rounds, shaped more by alignment on defence, technology and long-term capability building than by quarterly urgency. The discussion remains alive, but its centre of gravity has clearly moved to areas where solutions depend as much on strategic comfort as on economics, and expectations of a near-term external boost will need to adjust to this slower cadence.

2. The tightening fiscal math

Through the first seven months of the year, the Centre’s fiscal math has begun to tighten. Total receipts have grown only c4.5%, far below the 12–13% assumed in the Budget. Direct taxes are tracking at c5% growth versus an expected 16%, and indirect taxes at c2% versus ~8%. Even with stronger non-tax revenues, the cumulative shortfall means that nearly 55% of the full-year deficit has already been reached, and the second half now requires tax growth of 25–30% to stay on target — an ambitious ask in a year of muted nominal GDP.

Expenditure, meanwhile, has been front-loaded. Capex is up 30% YoY, but revenue spending is flat, leaving little room for further compression without compromising ongoing schemes. The arithmetic, therefore, has less margin for error than it did at the start of the year.

The pressure is not confined to the Centre. State budgets are being pulled increasingly by redistributive schemes — and the cumulative cost is no longer trivial. Several large states now carry annual freebie bills ranging from ₹150–600 bn, spanning electricity subsidies, cash transfers, farm waivers, and social-sector entitlements. In some cases, these commitments consume 25% of state revenue, crowding out capital expenditure and widening revenue deficits that had only recently stabilised. States that were running fiscal deficits near 2.5 to 3% of GSDP are now drifting toward the upper end of that band, not because receipts are collapsing but because discretionary payouts are expanding faster than their tax base.

The combined effect is a fiscal landscape where both tiers of government are operating with narrower corridors. Consolidation is still possible, but it must now be managed more deliberately — through tighter control on revenue spending, improved buoyancy as refunds normalise, and a more realistic phasing of capex. The macro conclusion is straightforward: the glide path has not broken, but it has steepened, and policy space is less elastic than it appeared even one quarter ago.

3. Widening external balance gap and the RBI heavy hand

The external account, which had been unusually stable through last year, is now showing clear signs of strain. The goods trade deficit has widened sharply, touching USD 42 billion on a monthly annualised basis in October — roughly 12% of GDP on that metric, and the highest in the current cycle. Exports fell c12% YoY in the month, with declines across textiles, gems & jewellery, pharma and leather, while imports rose c17% YoY, driven not only by gold and oil but also by 30%+ growth in non-oil, non-gold categories. Domestic demand remains firm; external demand does not — and the gap is now visible in every headline number.

On a quarterly basis, the current account deficit has moved from a benign 0.3% of GDP earlier in the year to around 1.3% of GDP in the September quarter. More importantly, capital flows have not kept pace. Net FPI flows turned negative, net FDI has been soft, and other components of the capital account — banking capital, short-term credit, external borrowings — have oscillated between mild inflows and outright outflows. Taken together, the capital account printed its weakest reading in years, around –0.5% of GDP, turning the overall balance of payments marginally negative.

Into this backdrop, the currency has required heavier management. The central bank has been an active presence on both the spot and forward markets. Spot sales have been sizeable across multiple weeks, but the more telling shift is the build-up of the forward book: the RBI now holds a net short dollar position of roughly USD 60–65 billion, concentrated in shorter maturities. This allows the Bank to smooth volatility without drawing down headline reserves, but it also means that the currency regime is leaning more heavily on derivative instruments than in previous cycles.

The broader picture is not one of vulnerability — reserves remain ample, services exports continue to provide a strong offset, and remittance inflows are steady — but one of transition. The comfort of last year's external backdrop has faded. A wider goods deficit, a softer capital account, and a more intervention-dependent rupee suggest that the external sector will once again influence macro conditions rather than merely reflect them. As long as merchandise trends remain weak and global demand uneven, the balance of payments will stay a live variable, and the currency will trade more as a policy-managed asset than a purely market-cleared one.

4. A Month of Highs, Lows, and Selective Enthusiasm

On the surface, the equity market held its ground this month. The Nifty rose c1.9%, the Sensex posted similar gains, and the headline narrative suggested resilience. But the internals told a different story. The BSE-500 was up barely 0.9%, mid-caps were roughly flat, and small-caps fell between 3–3.5%, marking their weakest relative performance in several months. What appeared to be a broad rally on paper was, in practice, a narrow climb supported by a handful of liquid, large-cap names.

Sector trends reinforced that divergence. Technology stocks delivered 4–5% gains as earnings stability and global cues improved at the margin. Autos, supported by a strong festival season and firmer retail demand, were up 3–4%. Banks also managed to move higher, rising 2–3%, helped by steady credit growth and contained credit costs. In contrast, real estate reversed sharply, dropping 4–5%, while metals and power declined 3–4%, giving back a portion of the outsized gains built up earlier in the year. The market's leadership — once broad and momentum-driven — is now increasingly confined to cash-flow compounders and balance-sheet strength.

Breadth indicators captured this shift bluntly. Only 35% of Nifty-500 stocks outperformed the index during the month, and advance–decline ratios weakened even on days when the benchmark closed higher. Volatility in the mid- and small-cap segments rose meaningfully as these pockets digested a combination of stretched valuations, uneven earnings delivery, and reduced risk appetite. What looked like steady index performance was, in effect, a slow rotation of capital toward liquidity and visibility — and away from anything that required the market to believe two or three quarters into the future.

This does not point to a breakdown in sentiment; rather, it reflects a market that is absorbing a shifting macro narrative. With external balances under pressure, fiscal conditions tightening at the margin and the US–India trade equation becoming less predictable, investors are choosing to pay for certainty and penalise cyclicality. Index levels have stayed firm, but the tone beneath them has clearly changed — this is a market that is no longer running, only pacing itself.

5. Who is holding up the Tent, please?

If the past month's price action had to be explained in one chart, it would be the flow dashboard. Almost every category of "smart money" — global investors, promoters, and primary issuance — has been a net supplier of equity. And yet, markets have refused to meaningfully correct. The reason is simple: domestic investors are absorbing everything.

Mutual funds have continued to record sizeable inflows, month after month, providing liquidity even on days when foreign investors have been persistent sellers. Insurance companies and retail investors have added their own steady contributions, creating a base of flows that has become both a stabiliser and, unintentionally, an exit route for others. The irony is hard to miss: domestic investors are keeping index levels afloat at precisely the moment when global and insider flows are turning more cautious.

The composition of selling underscores this dynamic. Foreign portfolio investors have been net sellers again after a brief respite, promoters have used the strength in markets to pare stakes, and primary issuance — though more moderate than last year — continues to draw capital out of the secondary market. In a different year, this combination would have produced meaningful index-level pressure. This year, domestic money has offset it almost entirely.

For now, this flow configuration is helping cushion volatility. But it also means the market's apparent resilience is being propped up by a buyer base whose motivations differ from those exiting. Domestic flows are steady, long-duration, and savings-led; foreign flows are more tactical and valuation-sensitive. Promoter selling often reflects capital allocation or liquidity management. When these motivations collide, price stability can coexist with a shift in underlying ownership that looks remarkably one-sided.

None of this suggests an imminent reversal in domestic behaviour — but it does frame the market's current stability for what it is: a liquidity phenomenon rather than a fundamentals-led upswing. Until some of the macro uncertainties resolve, domestic investors will remain the fulcrum around which price action hinges, even as others quietly move to the sidelines.

Flow summary (USD b)	2024	CYTD-2025	Total
Sellers	**60**	**60**	
FIIs	15	23	38
Promoters	**21**	**23**	44
Promoters (bulk, block deals)	*10*	*12*	
IPO OFS	*11*	*11*	
Company raising	**24**	**14**	38
IPO fresh issue	*8*	*7*	
QIP	*16*	*7*	
Buyers	**60**	**60**	120
Mutual Funds	51	49	
Ins, Banks and Retail	9	11	

6. Time to prepare for when the weather clears

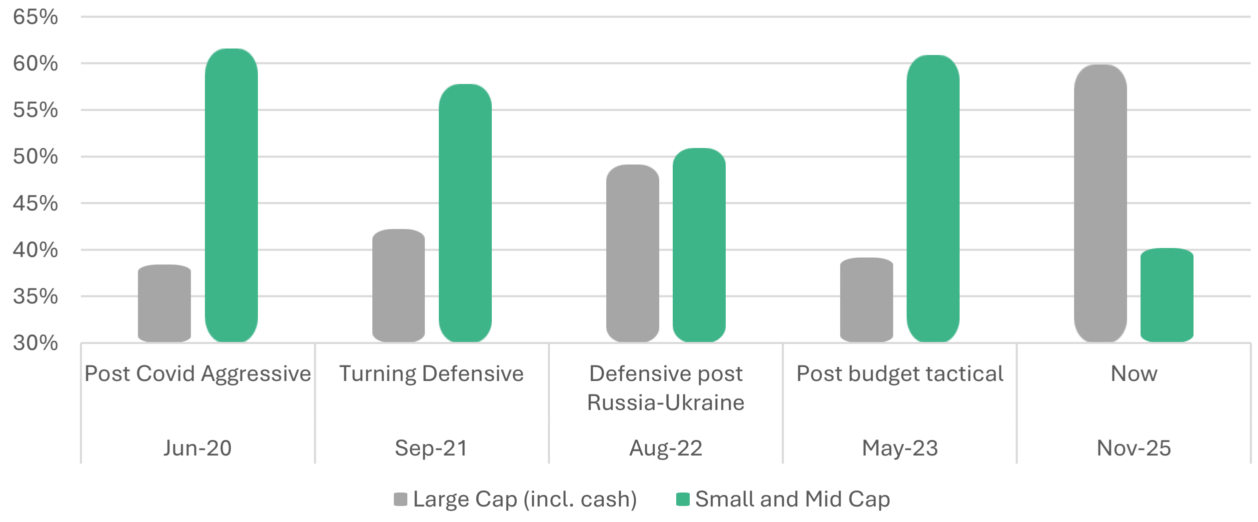
Markets rarely struggle with bad news; they struggle with competing narratives. This month has offered plenty of them. A trade deal that looked imminent now needs a fresh strategic bridge. Fiscal arithmetic that seemed manageable earlier in the year is tightening at the edges. The external account, once a passive stabiliser, is beginning to assert itself again. And beneath the surface of rising indices, the market's breadth is telling a quieter, more cautious story.

In environments like these, volatility is not an anomaly — it is the equilibrium. Different data points will point in different directions, and the market will continue to oscillate until one narrative decisively outweighs the others. That process takes time, and it rarely aligns with investor impatience. But for long-term portfolios, periods of uncertainty often serve a different purpose: they widen the gap between what a business is worth and what the market is willing to pay for it.

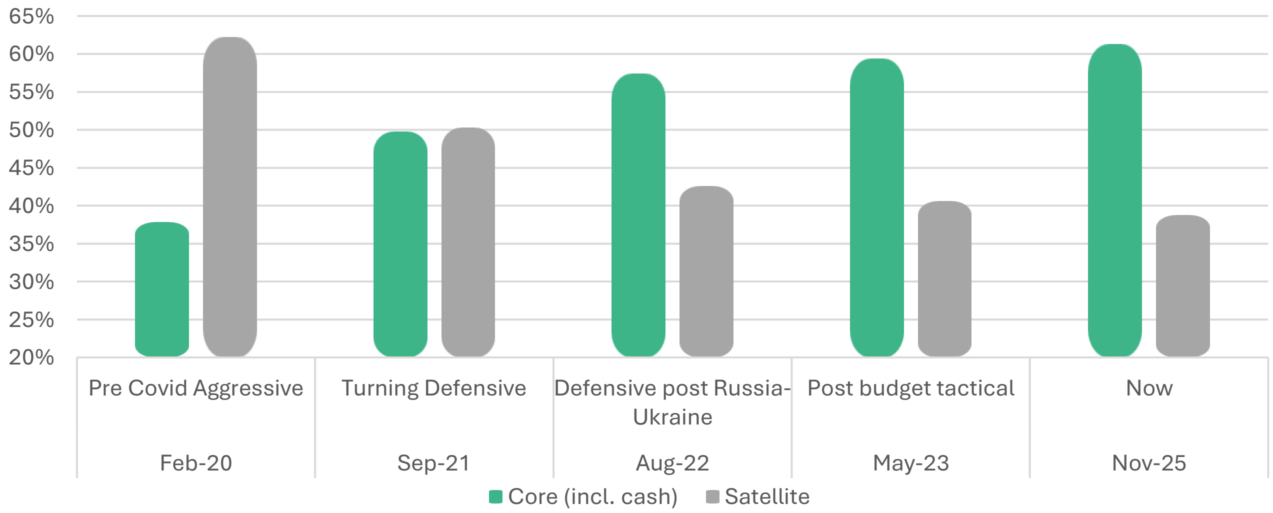
The goal is not to front-run clarity, but to be ready for it. When external pressures ease, when the fiscal picture stabilises, or when global risk appetite turns, the companies that we already know well — the ones with durable earnings, strong balance sheets and the ability to take market share through cycles — tend to become mispriced first, and correct hardest. That is when a good business quietly becomes a great investment.

Until then, positioning remains disciplined. We continue to lean toward quality and liquidity, maintain higher levels of optionality, and avoid crowding into areas where visibility is low and ownership is heavy. The chop will likely continue, but so will the opportunity set. When the weather clears — and it eventually will — we intend to be standing in the right part of the field.

Market cap (select periods)



Core vs. Satellite (select periods)



Source for all charts: Bloomberg for Indices, Buoyant Capital analysis

Sectoral allocation

Banking	22.1%
Health Care	9.2%
Insurance	9.1%
FMCG	6.1%
Information Technology	4.7%
Automobile	4.3%
Materials	4.2%
NBFC	3.9%
Industrials	3.4%
Building Materials	3.3%
Retail	2.8%
Oil & Gas	2.5%
Telecom	2.2%
Media	1.7%
Misc	6.5%
Real Estate	0.8%
Cash	8.8%

Core vs. Satellite

Core (incl. cash)	**61.3%**
Satellite	**38.7%**
Cyclicals	*15.4%*
Turnaround	*14.9%*
Value	*8.5%*

Market cap allocation

Large Cap	51.1%
Mid Cap	21.0%
Small Cap	19.1%
Cash	8.8%

Source for all tables: Bloomberg for Indices, Buoyant Capital analysis

Blogs and Media

Our recent blogs and media appearances

Blogs

- Muskets, markets and models – The Economic Times 28 June 2025
- Microfinance mysteries – Money control 27 Nov 2024
- Information vs Insights - The Economic Times 10 Nov 2024
- Goliaths and Grassroots – Money control 05 Nov 2024
- Big Bold Numbers – No Big Deal- Money control 22 Oct 2024
- Value Vacuum – The Economics Times 19 Oct 2024
- Recalibrating Rates – Money control 08 Oct 2024
- Inside Intel's Inertia – The Economic Times 05 Oct 2024
- Steel storms: Wild cyclical whiplashes – Money control 01 Oct 2024
- Doing nothing could be the riskiest option – The Economic Times 14 May 2024
- Ten-billion-dollar lesson – The Economic Times 22 February 2024
- Habit loop – Money control 15 January 2024

Media Appearances

- Jigar Mistry (ET Now) 3 March 2025
- Jigar Mistry (CNBC TV18) 13 January 2025
- Jigar Mistry (CNBC TV18) 20 December 2024
- Jigar Mistry (CNBC TV18) 13 December 2024
- Jigar Mistry (CNBC TV18) 29 October 2024
- Jigar Mistry (CNBC TV18) 21 October 2024
- Jigar Mistry (CNBC TV18) 4 July 2024
- Jigar Mistry (CNBC TV18) 4 June 2024
- Jigar Mistry (CNBC TV18) 18 May 2024
- Jigar Mistry (CNBC TV18) 24 April 2024
- Jigar Mistry (ET Now) 21 April 2024
- Jigar Mistry (CNBC TV18) 13 March 2024
- Jigar Mistry (CNBC TV18) 2 March 2024
- Jigar Mistry (ET Now) 1 March 2024
- Jigar Mistry (CNBC TV18) 29 February 2024
- Jigar Mistry (ET Now) 28 February 2024
- Jigar Mistry (CNBC TV18) 11 December 2023

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