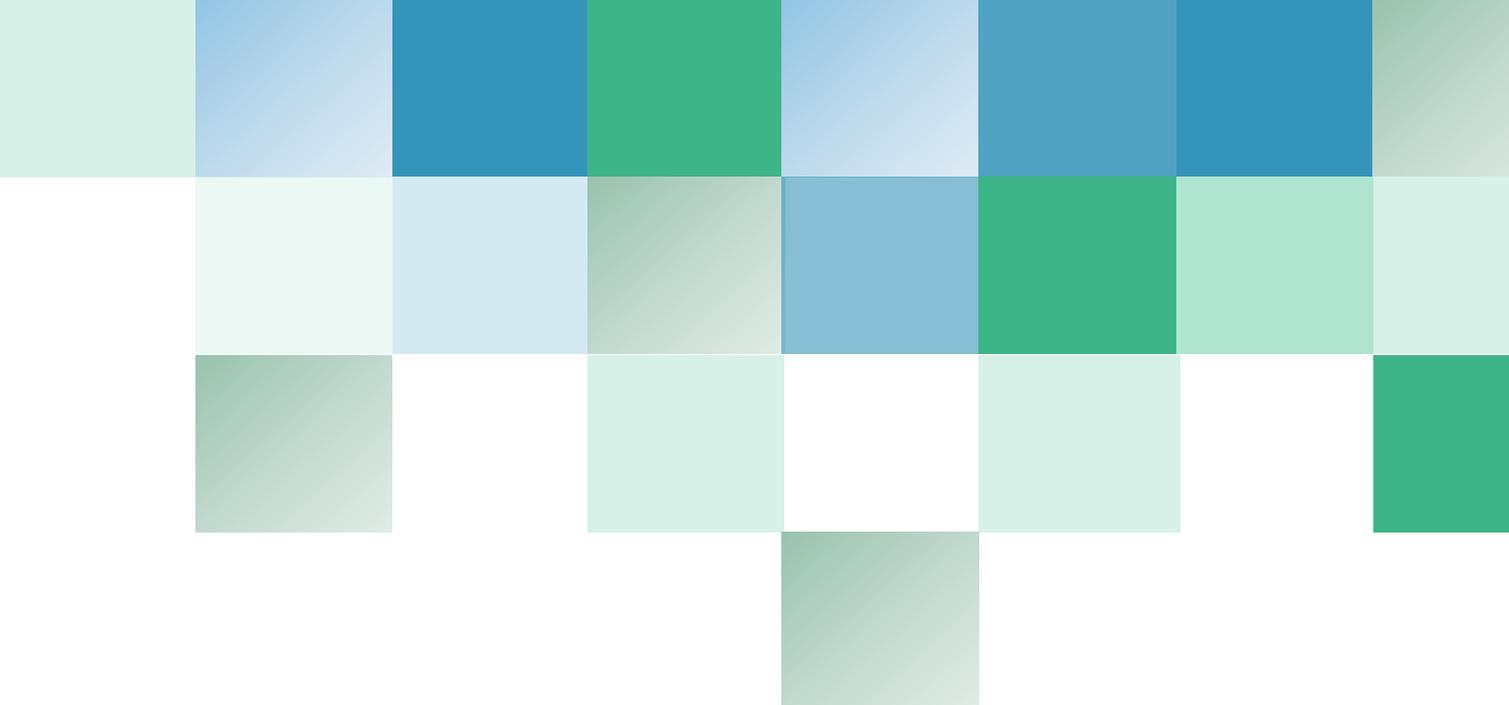


# PORTFOLIO FACTSHEET

January 2026



## Clarity Without Complacency

The past few weeks have delivered an unusual degree of policy clarity, spanning domestic fiscal choices and a reset in India's external trade relationships. The FY27 Union Budget has reinforced fiscal discipline as the governing constraint for policy, while trade agreements with the US and the EU have reduced external uncertainty and improved medium-term visibility. Markets have responded positively, but the significance of these developments lies less in near-term growth impulses and more in how macro risks, capital flows, and earnings visibility evolve from here.

On the fiscal front, the message is unambiguous. Revenue expenditure has been compressed, capital expenditure restrained for a second consecutive year, and budget arithmetic tightened. This improves predictability and reduces tail risks, but also signals that incremental growth will increasingly depend on private demand, external conditions, and financial transmission rather than fiscal expansion.

Externally, recent trade developments mark a meaningful shift in direction. The US–India agreement has reduced escalation risk and reset currency and capital-flow expectations, while the EU–India deal expands India's medium-term export opportunity set through broad-based tariff relief. Both improve visibility and resilience, even as their direct growth impact remains gradual and execution-dependent.

Crucially, these developments do not restore the conditions that powered the post-COVID rally. The environment ahead is one of lower slack, tighter arithmetic, and higher dispersion, where outcomes are shaped by earnings quality, balance-sheet strength, and valuation discipline rather than liquidity or multiple expansion.

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## 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						
Count (#)	3,168		2,438		1,707		977	
Average returns	26.1	16.5	21.0	15.4	23.5	16.9	20.3	15.3
Median	17.4	11.6	22.9	16.2	23.6	16.9	21.1	15.4
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
<b>Outperformance against benchmark (% no of obs)</b>	<b>62%</b>		<b>81%</b>		<b>96%</b>		<b>100%</b>	

### Relative returns

31-Jan-26	1 month	3 months	6 months	1 year	2 years	3 years	5 years	7 years	Since Inception
<b>TWRR (%)</b>									
Buoyant Portfolio	-1.2%	0.3%	5.1%	18.2%	16.3%	23.8%	26.7%	22.8%	21.6%
BSE-500 TR Index	-3.3%	-2.6%	1.0%	7.7%	8.7%	16.4%	16.4%	15.6%	14.8%
<b>Absolute (%)</b>									
Buoyant Portfolio					35%	90%	226%	322%	562%
BSE-500 TR Index					18%	58%	114%	176%	279%

### Risk metrics

Key ratios	1-yr	2-yr	3-yr
Sharpe ratio (X)	0.9	0.7	1.4
Information ratio (X)	3.7	1.9	1.2
Standard deviation (%)	13.4	12.5	12.5
Beta (X)	0.9	0.9	0.9
Sortino (X)	1.7	1.5	3.0

Source: Bloomberg, Buoyant Capital analysis

- Data pertains to Buoyant Opportunities PMS – Discretionary Portfolio. Inception date is 31 May 2016
- The performance data for the Portfolio Manager and Investment Approach provided above has not been verified by SEBI or any other regulatory authority, but is audited on an annual basis
- 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.

## Macro Update: Policy, Trade and the Shape of the Next Phase

The past few weeks have seen an unusually dense cluster of policy signals, spanning domestic fiscal choices and a reset in India's external trade relationships. Taken together, these developments matter less for near-term headline growth and more for how macro risks, capital flows, and earnings visibility evolve over the next cycle. Broadly, these shifts can be grouped into two buckets: the Union Budget, which clarifies the government's fiscal priorities, and recent trade agreements, which reshape India's external risk profile and export opportunity set.

While none of these developments are individually transformational, their combined effect is to reduce uncertainty at the margin—particularly around fiscal credibility, currency stability, and policy direction—at a time when global conditions remain fluid.

### The Budget: Fiscal Discipline Over Growth Impulse

The FY27 Union Budget makes it clear that fiscal prudence has become the binding constraint for policy. Revenue expenditure (excluding defence, subsidies, and interest) has been reduced to ₹16.0 trillion, sharply lower than the ₹17.2 trillion provided in the Budget Estimates and ₹17.9 trillion in the original projections. Capital expenditure has also been curtailed again, lowered to ₹10.95 trillion from the earlier budgeted ₹11.2 trillion, marking a second consecutive year of relatively flat public investment. Taken together, these choices signal a deliberate pivot away from extending the post-COVID capex cycle, even as nominal GDP growth assumptions remain supportive.

This discipline, however, rests on tighter arithmetic. The budget assumes corporate tax growth of ~11% and income tax growth of ~12%, alongside flat GST collections despite ongoing rate rationalisation. The divestment target of ₹80,000 crore remains aspirational, while expenditure on defence, subsidies, and interest is projected to grow by only ~6% in FY27E, sharply lower than the ~16% growth estimated for FY26E. Should these assumptions prove optimistic, borrowing would ordinarily adjust; however, if fiscal consolidation remains non-negotiable, the more likely adjustment mechanism is further compression in capital expenditure. As a result, while the budget reduces macro tail risks and supports market confidence, incremental growth increasingly depends on private investment, external demand, and financial conditions rather than fiscal expansion.

### US–India Trade Agreement: A Macro-Financial Reset

The recent US–India trade announcement marks a directional reset after a prolonged period of tariff uncertainty. While India may still be negotiating from a less favourable position relative to the pre-tariff-war baseline, markets are forward-looking. The key development is the reduction in escalation risk and the signalling of policy intent toward stability rather than confrontation.

At a mechanical level, exports to the US account for roughly ~2% of India's GDP on a gross basis, limiting the direct GDP sensitivity to tariff changes. However, the external balance had become increasingly flow-sensitive going into the announcement, with a widening current account deficit, moderation in net FDI inflows, and volatile FPI flows. Against this backdrop, the market reaction was telling: the INR appreciated by ~1.5% against the USD overnight, while GIFT Nifty rose over 3%, despite limited detail on final terms. This reflects a repricing of tail risks rather than near-term earnings upgrades. By reducing the probability of a negative feedback loop involving tariffs, currency weakness, and portfolio outflows, the agreement stabilises currency expectations, lowers hedging demand, and improves capital-flow confidence. In that sense, the payoff from the deal is less about trade arithmetic and more about breaking an adverse macro-financial reflexivity loop.

### India–EU Trade Deal: Expanding the External Opportunity Set

The EU–India trade agreement represents a structural improvement in India's external trade framework after nearly two decades of negotiations. While its direct GDP impact will be modest and back-ended, the agreement materially improves export competitiveness by offering preferential access to over 99% of Indian exports by value, with meaningful tariff relief in labour-intensive and manufacturing sectors. Importantly, this operates on a large base with low existing penetration, creating room for sustained medium-term expansion without aggressive assumptions.

In quantitative terms, goods trade between India and the EU stands at ~USD 137bn in FY25, comprising ~USD 76bn of exports and ~USD 61bn of imports, alongside services trade of ~USD 80–85bn annually. Despite this scale, India accounts for only ~1–1.5% of total EU imports, and less than 3% in several large categories such as electronics, machinery, chemicals, and pharmaceuticals. Tariff elimination—often from levels of 10–26% to near-zero—improves export economics meaningfully in labour-intensive sectors, where margin expansion potential is estimated at 300–600 bps depending on product mix. Import liberalisation on the Indian side remains phased and calibrated, with transition periods extending up to a decade in sensitive categories. The earnings impact is therefore likely to be gradual and back-ended into FY28 and beyond, but trade visibility and export durability improve materially.

## What doesn't really change?

### **Why the Easy (Post-COVID) Phase Is Behind Us**

Equity returns between 2020 and September 2024 were driven by a rare and front-loaded combination of forces: a sharp earnings rebound from pandemic-depressed bases, significant valuation re-rating supported by abundant liquidity, and a surge in retail participation that accelerated sentiment and multiples. As base effects faded by FY25, earnings growth normalised toward more sustainable mid-single- to low-double-digit trajectories, while valuations—particularly outside large caps—moved well above long-term averages, leaving limited room for disappointment. With retail participation stabilising and incremental liquidity becoming less abundant, a meaningful portion of future returns has effectively been pulled forward, making further broad-based multiple expansion less likely.

### **Macro Backdrop: Supportive Growth, Narrower Degrees of Freedom**

As India enters 2026, the macro environment remains constructive but increasingly constrained. Growth is transitioning from a public capex-led impulse toward household consumption, a handover that is rarely seamless. Real GDP growth is expected to moderate even as nominal growth improves with normalising inflation, implying that volumes, mix, and operating leverage matter more than broad macro tailwinds. Fiscal support is becoming more targeted, public capex momentum is moderating, and external dynamics—trade uncertainty, capital flows, currency management, and the liquidity implications of FX intervention—add friction at the margin. The macro picture is not one of stress, but of less slack, increasing the likelihood of episodic liquidity tightness and more discriminating market outcomes.

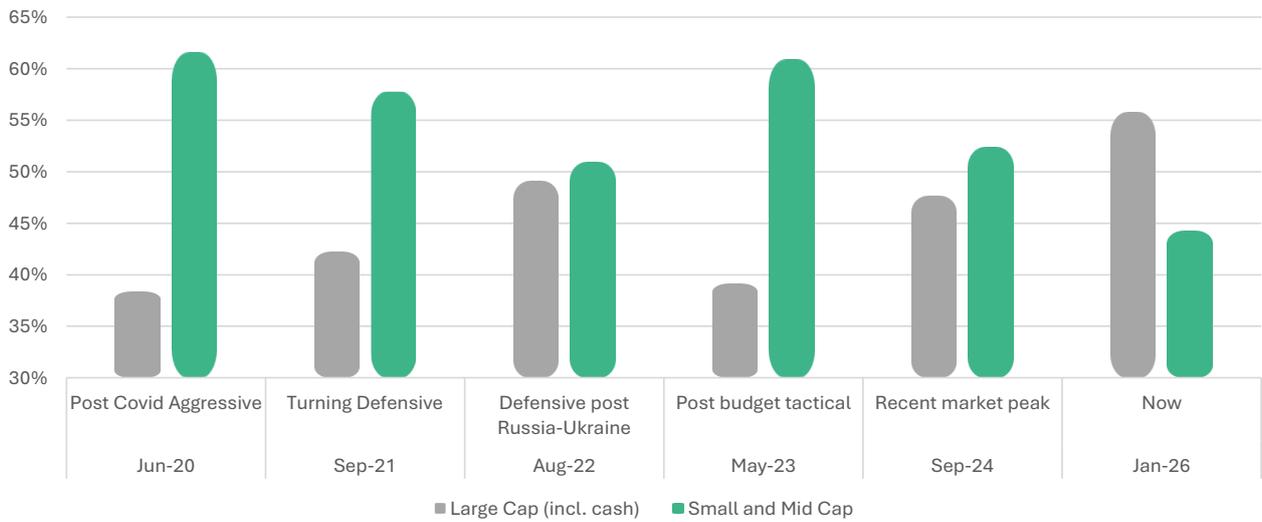
### **Earnings Outlook: Sequential Improvement, Structural Limits**

Corporate earnings are expected to improve sequentially through the latter part of FY26 as policy transmission and household demand gain traction, with 3QFY26 likely to provide the first meaningful read on normalisation after a softer first half. A sizeable transfer of purchasing power to households—through tax relief, GST rationalisation, and state-level spending—has supported discretionary demand, particularly in urban segments. However, this shift has come at the cost of moderating public capex, and the transition from a capex-led to consumption-led impulse has resulted in uneven earnings delivery across sectors. While near-term growth appears achievable, sustaining double-digit earnings growth beyond FY26 will ultimately require genuine income growth, operating leverage, and pricing power rather than continued reliance on policy transmission or pent-up demand.

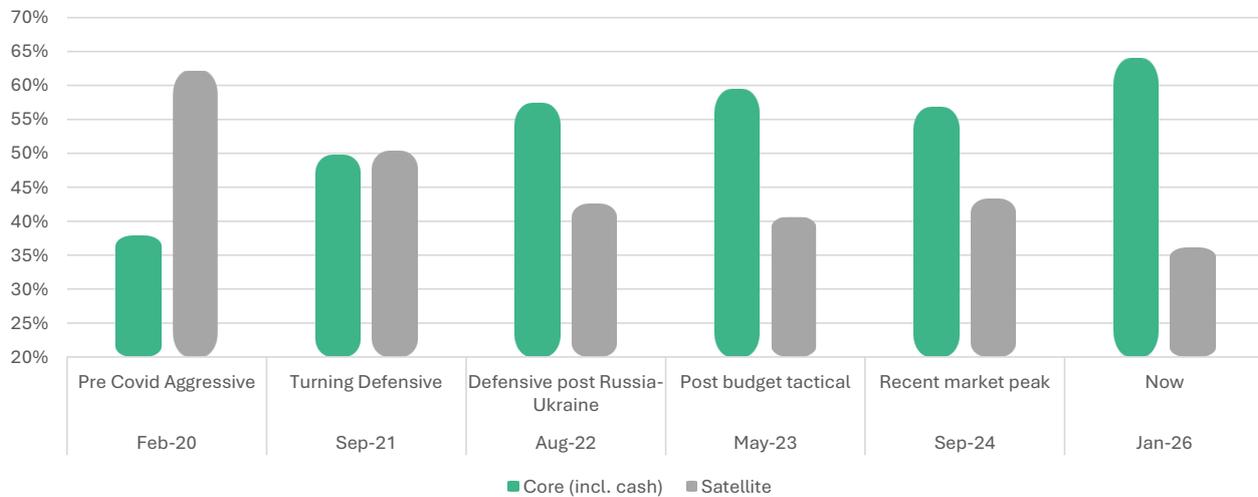
## From Momentum to Compounding

With the exceptional tailwinds of the post-COVID phase largely behind us, the investment environment heading into 2026 is more balanced than exuberant. Market leadership is likely to become narrower and more rotational, favouring businesses that can consistently deliver earnings, allocate capital prudently, and defend returns through the cycle. As liquidity-led returns give way to earnings-led outcomes, valuation discipline, balance-sheet strength, and cash-flow visibility matter far more than sentiment or flows. In this more normalised regime, a selective, resilient approach offers a stronger foundation for navigating higher dispersion and delivering durable compounding over time.

## Market cap (select periods)



## Core vs. Satellite (select periods)



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

## Sectoral allocation

Banking	23.5%
Insurance	9.0%
Health Care	8.6%
FMCG	8.0%
Automobile	5.2%
Industrials	5.2%
NBFC	4.7%
Chemicals	4.5%
Information Technology	4.5%
Building Materials	3.8%
Telecom	3.5%
Retail	3.3%
Oil & Gas	2.2%
Media	1.4%
Materials	1.3%
Misc	3.5%
Cash	6.5%

## Core vs. Satellite

<b>Core (incl. cash)</b>	<b>64.0%</b>
<b>Satellite</b>	<b>36.0%</b>
<i>Cyclicals</i>	12.2%
<i>Turnaround</i>	12.5%
<i>Value</i>	11.3%

## Market cap allocation

Large Cap	49.3%
Mid Cap	24.2%
Small Cap	20.0%
Cash	6.5%

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

## Media Appearances

- [Jigar Mistry \(CNBC TV18\)](#) 20 January 2025
- [Jigar Mistry \(NDTV Profit\)](#) 31 December 2025
- [Jigar Mistry \(CNBC TV18\)](#) 23 December 2025
- [Jigar Mistry \(CNBC TV18\)](#) 5 December 2025
- [Jigar Mistry \(ET Now\)](#) 10 November 2025
- [Jigar Mistry \(CNBC TV18\)](#) 18 September 2025
- [Jigar Mistry \(ET Now\)](#) 19 May 2025
- [Jigar Mistry \(CNBC TV18\)](#) 9 May 2025
- [Jigar Mistry \(ET Now\)](#) 11 April 2025
- [Jigar Mistry \(CNBC TV18\)](#) 7 April 2025
- [Jigar Mistry \(ET Now\)](#) 3 March 2025

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