

PORTFOLIO FACTSHEET

March 2026



Conflicts, Corrections and Calibrated Shift

The current West Asia conflict presents a familiar but nuanced risk for India—one that is more about price than availability in oil, but tighter on supply in gas. While about two-thirds of India's LNG imports transit Hormuz, system-level adjustments remain possible at the margin, albeit with cost implications. Our base case implies a c.USD 14–15 billion burden, largely split between the government and corporates, with a smaller portion passed through to the end consumer. The resulting external impact—CAD widening to c.1.8% of GDP and a reserve draw of c.USD 28–30 billion (reflecting lower remittances and higher FII outflows)—remains within historical tolerance.

Transmission remains contained across fiscal, earnings, and external channels. The burden is absorbed through subsidies, partial pass-through, and modest margin compression, implying a limited c.3–3.5% drag on profits—incremental, not structural. The more relevant vulnerability lies in positioning rather than fundamentals.

In this context, from their 52-week highs, while the large caps are down c.17% (median), the broader market has corrected c.39%, with c.85% of stocks down over 20%—a reset that reflects positioning unwind alongside earnings normalisation.

Against this backdrop, we have transitioned our stance to Aggressive—the fourth such shift in almost a decade—anchored in improved valuations, manageable conflict costs, continued domestic flow support, and a transition toward a more sustainable consumption-led growth model.

We do not know what comes next. But given the balance of probabilities, it is better to position for clarity when it emerges, rather than defend against uncertainty while it still lingers.

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 (#)	3,227		2,497		1,766		1,036	
Average returns	26.0	16.4	21.1	15.4	23.5	16.8	20.4	15.3
Median	17.7	11.5	23.2	16.2	23.6	16.6	21.2	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	12.5
Outperformance against benchmark (% no of obs)	63%		81%		96%		100%	

Relative returns

31-Mar-26	1 month	3 months	6 months	1 year	2 years	3 years	5 years	7 years	Since Inception
TWRR (%)									
Buoyant Portfolio	-11.7%	-10.6%	-4.2%	6.0%	10.7%	21.0%	22.0%	19.2%	20.0%
BSE-500 TR Index	-11.4%	-13.9%	-9.6%	-3.1%	1.3%	12.9%	11.8%	12.6%	13.2%
Absolute (%)									
Buoyant Portfolio					23%	77%	170%	243%	499%
BSE-500 TR Index					3%	44%	74%	129%	237%

Risk metrics

Risk metrics	1-year	2-year	3-year	4-year	5-year	7-year	SI
Sharpe ratio (X)	-0.03	0.3	1.0	1.0	1.0	1.0	0.5
Jensen's alpha (%)	9.4	9.3	8.6	8.6	10.5	8.6	5.1
Information ratio (X)	2.8	2.7	1.3	1.3	1.3	1.3	0.5
Standard deviation (%)	14.7	15.2	14.3	14.3	15.4	14.3	24.2
Standard deviation - benchmark (%)	14.4	15.2	14.4	14.4	14.1	14.4	16.8
R-squared (X)	1.0	1.0	0.8	0.8	0.7	0.8	0.8
Beta of portfolio (X)	0.8	0.9	0.9	0.9	0.9	0.9	1.0
Sortino ratio (X)	0.0	0.4	1.7	1.7	1.8	1.7	0.8

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

Notes:

- 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.

West Asia crisis: the price vs supply shock

Before assessing the implications of the current West Asia conflict, it is useful to frame India's exposure more precisely. India imports c.5 mb/d of crude and c.35 BCM of LNG annually, of which c.23 BCM (c.⅔) transits the Strait of Hormuz. While both flows share geographic exposure, the nature of risk differs materially.

For oil, the risk is largely price, not availability. Partial bypass mechanisms exist—Saudi Arabia's East–West pipeline (3–5 mb/d), the UAE's Fujairah route (c.0.7 mb/d spare), incremental OPEC+ supply, and coordinated SPR releases. Even so, c.10 mb/d of Hormuz flows (c.10% of global demand) lacks immediate substitutes, implying adjustment via price. For India, this translates into a higher import bill rather than physical scarcity.

Gas is more constrained. LNG flows through Hormuz have no viable bypass, and existing alternatives—such as the Dolphin pipeline (c.20.5 BCM)—are already near capacity. A full disruption would strand c.112 BCM annually (c.20% of global LNG trade), in a system already running close to utilisation. Unlike oil, this is both an availability and price shock.

On the demand side, substitution is uneven. Power can partially revert to coal, and some industrial demand can shift—albeit inefficiently. However, city gas distribution and fertilisers (consuming c.22.5 BCM annually, with c.12 BCM Hormuz-exposed) have limited near-term alternatives. With kharif sowing approaching, disruption risks extending from input inflation to potential supply constraints.

While India can access spot LNG markets, this entails competing for a limited pool of non-Hormuz cargoes. In a full disruption, the global shortfall exceeds c.300 mcm/day, making full substitution unlikely. Adjustment is possible at the margin, not in entirety.

Bottom line: oil exposure transmits primarily through prices; gas exposure introduces binding supply constraints. The impact is therefore not binary, but a mix of higher import costs, selective supply stress, and second-order effects on inflation, subsidies, and external balances.

The Cost of the Conflict for India

We assess the impact of the current West Asia conflict through two lenses: the P&L impact—what the shock costs and who absorbs it—and the cash flow impact—what it does to India's external balance.

On the P&L, our base case assumes oil remains elevated by c.USD 30/bbl for three months, alongside a c.USD 15/MMBtu spike in LNG. This translates into a gross incremental cost of c.USD 14–15 billion (₹1.3 lakh crore), comprising crude (c.USD 8.6 billion), gas ex-fertiliser (c.USD 2.2 billion), and fertilisers (c.USD 3.5 billion).

The burden is uneven. The government absorbs a little over half—primarily via fertiliser subsidies and partial fuel pass-through—while corporates bear most of the remainder, with a smaller portion passed on to consumers. Importantly, this sits on top of existing buffers—RBI dividend flows and prior capex underspend—limiting fiscal slippage to c.20 bps (deficit moving from c.4.3% to c.4.5% of GDP). The corporate impact is similarly contained, implying a c.3–3.5% drag on the FY27 profit pool—incremental, not trajectory-altering.

The more relevant lens is the balance of payments. Starting from a c.USD 40 billion CAD baseline, the shock adds c.USD 20–22 billion of incremental energy outflows, alongside a potential c.USD 12–13 billion drag from GCC-linked remittances. This takes the CAD to c.USD 70–75 billion (c.1.8% of GDP)—a deterioration, but still within historical stress ranges.

On the capital account, a recovery in net FDI—driven by lower outward flows—partly offsets weaker FPI, leaving an overall reserve draw of c.USD 28–30 billion. Against deployable reserves of c.USD 450–460 billion (excluding Gold, SDR and forward short position), this implies a low single-digit utilisation of available buffers.

Bottom line: the shock is measurable across fiscal, earnings, and external accounts, but remains within India's capacity to absorb. The adjustment plays out through higher costs and a moderate reserve drawdown—not through systemic stress.

Our positioning going into the conflict

The portfolio's defensive stance—maintained since September 2021, with a progressive reduction in small cap exposure from March 2024—was not a reaction to recent developments, but the culmination of views evolving across three related dimensions: trade, the macro transition, and the underlying flow dynamic.

On trade (US conflict), the key variable was always the currency, not GDP. India's goods exports to the US are not large enough for tariff changes to materially alter growth. The more relevant channel was the INR and the associated risk premium. In a world where trade increasingly shapes capital flows, India's perceived position within a fragmented global order carries disproportionate weight—informing a preference for businesses with domestic demand visibility over those reliant on external conditions.

At the macro level, the post-COVID growth impulse had been driven by public sector capex, with Central and State governments alongside PSUs accounting for a significant share of incremental investment. Through 2024, this began to shift. State spending tilted toward revenue expenditure and transfers, while the Centre's ability to offset remained constrained. At the same time, a sizeable transfer to households (c.₹6 trillion, or c.1.7% of GDP) altered the composition of demand. The transition from capex-led to consumption-led growth is inherently uneven, typically accompanied by a moderation in corporate profit growth as the impulse shifts.

The third layer was flows. While FII outflows drew attention (c.USD 20 billion over CY2024–25), the broader picture was one of sustained supply. Promoter selling and corporate issuance together took total equity supply to c.USD 100 billion. This was absorbed by domestic inflows (c.USD 125+ billion), driven by mutual funds and continued financialisation of household savings. The result: a resilient market, even as underlying ownership gradually rebalanced.

Our assessment of portfolio risk amidst market correction

We assessed portfolio risk across key stress channels—energy, margins, flows, regulation, supply chains, and demand—and classified exposures into three zones. Red (>3.5) accounts for c.3–4% of the portfolio, Amber (2.5–3.5) c.9–10%, and the balance—c.75–80%—sits in Green (<2.5). At the portfolio level, the dominant transmission channel is flow risk, with c.80–85% of holdings exposed to foreign investor positioning, versus c.25% with direct sensitivity to crude and gas. Margin pressures are more widespread (c.50–55%), but remain within a range that can be absorbed through pricing power and operating leverage.

This distinction between flow-driven and earnings-driven risk is central. Energy and margin shocks are visible but contained; the bulk of risk instead sits in positioning. Over longer periods, however, prices and earnings converge closely—on a 10-year rolling basis (average), large caps have delivered c.12% returns alongside c.12% earnings growth, while small caps have delivered c.13% returns against c.14% earnings growth. In that context, while drawdowns in a conflict scenario are unavoidable, their nature matters. A flow-driven correction—where prices adjust ahead of fundamentals—is inherently more tractable than an earnings-led downturn, which requires a recovery in business performance before valuations can normalise. For a portfolio where earnings visibility remains intact, this tilts the preference toward absorbing flow-driven volatility rather than reacting to it.

As of the end of March 2026, markets had corrected (from their 52-wk highs) far more than headline indices suggest. While large-cap indices indicate a relatively contained drawdown (median c.17%), the broader market has seen a median correction of c.39%, with c.85% of stocks down more than 20%—the impact most pronounced in small and mid-caps. This is best characterised as a flow-driven reset layered on an earnings normalisation cycle, rather than a structural deterioration in fundamentals.

We are transitioning our portfolio stance to “Aggressive”

Taken together, the current environment combines elevated price volatility with relatively stable underlying earnings trajectories. The recent drawdown, while sharp at the surface, appears driven more by positioning than by any structural deterioration in fundamentals. In such phases, the distinction between flow-driven and earnings-led corrections becomes important—the former tends to create opportunity, with prices adjusting faster than underlying value.

Against this backdrop, we have moved our portfolio stance to Aggressive—the fourth such shift in nearly a decade of operation. The basis is four-fold: valuations, following a broad-based correction, have reset to more favourable levels; the India-specific costs of the current conflict are quantifiable and manageable; structural domestic flows continue to provide a degree of downside support; and the transition from government-capex-led to consumption-led growth, while creating a near-term earnings air pocket, represents a more sustainable medium-term foundation.

How We Plan to Execute

We intend to increase portfolio beta in a calibrated manner, through three levers, in sequence.

First, by upgrading the beta profile within the core portfolio. The core has been built around businesses with pricing power, low cyclical, and strong balance sheets. Within this, we will selectively tilt toward higher-conviction positions that retain these characteristics while offering improved risk-reward at current prices.

Second, by increasing satellite allocation. During the defensive phase, satellite exposure averaged c.41% of the portfolio and is expected to move higher as conviction in the recovery builds, should the markets correct further.

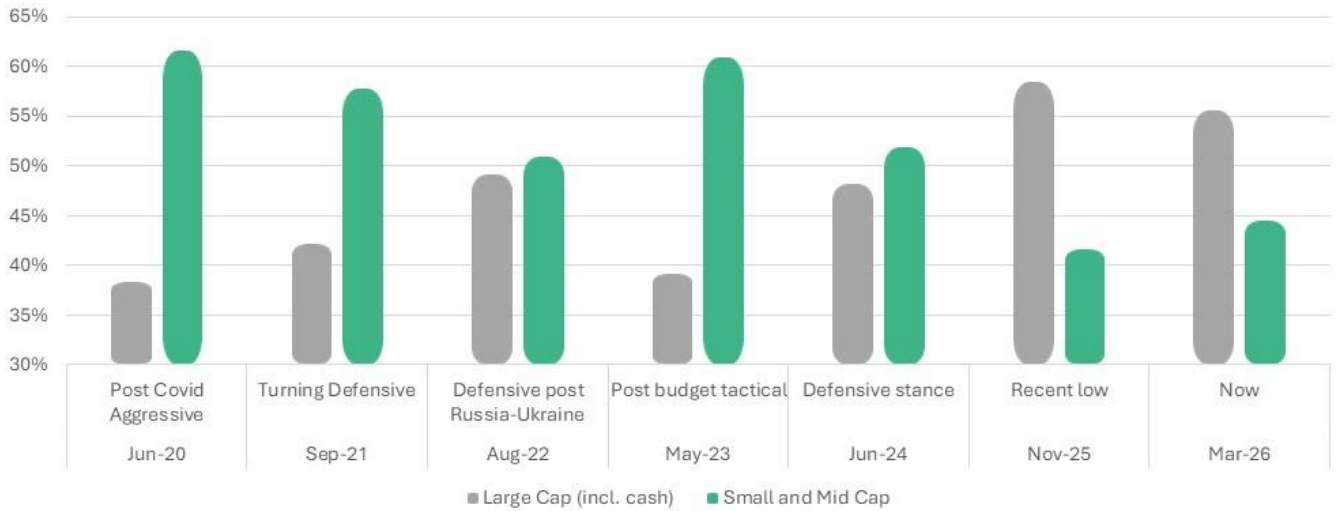
Third, and only upon further satisfactory correction, by adding to SMID exposure. While small and mid-caps have corrected more sharply than large caps, implied earnings assumptions in parts of the segment remain elevated relative to historical base rates. Incremental allocation will therefore be contingent on either further price adjustment or clearer evidence of earnings normalisation.

As with prior stance changes, this is not an inflection point for abrupt repositioning. A stance defines direction; portfolio construction remains continuous. The sequence outlined above represents a path of adjustment, not a set of immediate trades.

Conclusion

As always, we do not know what comes next. The situation in West Asia may worsen before it improves; the conflict may extend; earnings may take time to turn. But given the balance of probabilities, it is better to position for clarity when it emerges, rather than defend against uncertainty while it still lingers.

Market cap (select periods)



Core vs. Satellite (select periods)



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

Sectoral allocation

Banking	21.9%
Healthcare	10.1%
FMCG	9.0%
Insurance	8.7%
Information Technology	5.9%
NBFC	5.8%
Industrials	5.5%
Automobile	5.1%
Building Materials	4.7%
Telecom	4.1%
Chemicals	4.0%
Retail	3.4%
Media	1.8%
Real Estate	0.7%
Textiles	0.7%
Miscellaneous	3.5%
Cash	5.1%

Core vs. Satellite

Core (incl. cash)	64.9%
Satellite	35.1%
<i>Cyclicals</i>	9.2%
<i>Turnaround</i>	13.0%
<i>Challenger</i>	12.8%

Market cap allocation

Large Cap	50.4%
Mid Cap	25.2%
Small Cap	19.3%
Cash	5.1%

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

Buoyant Capital Pvt Ltd

3501 Kohinoor Square, N C Kelkar Marg
Dadar (West), Mumbai 400028. INDIA

buoyantcap.com

Compliance/Grievances:

Mayuri Jangid
Email: compliance@buoyantcap.com
Phone: +91-22-6931-9912

Queries/Customer Care:

Care Team
Email: care@buoyantcap.com
Phone: +91-22-6931-9999

ABOUT US

Buoyant Capital Pvt Ltd ("the PM") is registered as a Portfolio Manager with SEBI under SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time and the Circulars and Guidelines issued there under from time to time, vide SEBI Reg. No.: INP000005000 and as an Investment Advisor under SEBI (Investment Advisors) Regulations, 2013 as amended from time to time and the Circulars and Guidelines issued there under from time to time vide SEBI Reg. No.: INA000016995 and as the Sponsor and Manager of the Buoyant Capital AIF (a Category III AIF) under SEBI (Alternative Investment Funds) Regulations, 2012 as amended from time to time and the Circulars and Guidelines issued there under from time to time vide SEBI Reg. No.: INAIF322231125.

DISCLAIMER & DISCLOSURES

This document confidential and is intended only for the personal use of the prospective investors (herein after referred as the Clients) to whom it is addressed or delivered and must not be reproduced or redistributed in any form to any other person without prior written consent of the PM. This document does not purport to be all-inclusive, nor does it contain all of the information which a prospective investor may desire. This document is neither approved, certified nor are its contents verified by SEBI. The PM retains all the rights in relation to all information contained in the document(s) and to update the same periodically (or otherwise) from time to time. The document is provided on a personal/confidential. The document is neither a general offer nor solicitation to avail any service offered by the PM (a SEBI Registered Intermediary) nor is it an offer to sell or a generally solicit an offer to become an investor in the services offered by the PM. The delivery of this document at any time does not imply that the information herein is correct as of any time subsequent to its date of publishing. The contents of this document are provisional and may be subject to change. In the preparation of the material contained in this document, the PM has used information that is publicly available, certain research reports including information developed in-house. The PM warrants that the contents of this document are true to the best of its knowledge. However, the PM assumes no liability for the relevance, accuracy or completeness of the contents herein.

The PM declares that the data and analysis provided shall be for informational purposes. The information contained in the analysis shall be obtained from various sources and reasonable care would be taken to ensure sources of data to be accurate and reliable. The PM will not be responsible for any error or omission in the data or for any losses suffered on account of information contained in the analysis. While the PM will take due care to ensure that all information provided is accurate, the PM neither guarantees/warrants the sequence, accuracy, completeness, or timeliness of the report. Neither the PM nor its affiliates or their partners, directors, employees, agents, or representatives, shall be responsible or liable in any manner, directly or indirectly, for views or opinions expressed in this analysis or the contents or any systemic errors or discrepancies or for any decisions or actions taken in reliance on the analysis and will not accept any liability, loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this document or any information in any manner whatsoever.

There can be no assurance that future results, performance, or events will be consistent with the information provided in this document and the past performance of the Portfolio Strategies described herein, if any, is not a guarantee or assurance for future performance. Any decision or action taken by the recipient of the document based on this information shall be solely and entirely at the risk of the recipient of the document. The distribution of this information in some jurisdictions may be restricted and/or prohibited by law, and persons into whose possession this information comes should inform themselves about such restriction and/or prohibition and observe any such restrictions and/or prohibition. Unauthorized disclosure, use, publication, dissemination or copying (either whole or partial) of this information, is prohibited.

The PM shall not treat the recipient/user of this document as a client by virtue of his receiving/using the contents of the document in full or part. This document may include certain forward-looking words, statements and scenario which contain words or phrases such as "believe", "expect", "anticipate", "estimate", "intend", "plan", "objective", "goal", "project", "endeavor" and similar expressions or variations of such expressions that are forward-looking statements, words, and scenario. Actual

outcomes may differ materially from those suggested by the forward-looking statements due to risks, uncertainties, or assumptions.

The PM takes no responsibility for updating any data/information. This document cannot be copied, reproduced, in whole or in part or otherwise distributed without prior written approval of the PM. Prospective investors/clients are advised to review this Document, Disclosure Document, Client Agreement, representations and presentation(s) and other related documents carefully and in its entirety and seek clarification wherever required from the SEBI Registered Intermediary/PM.

Prospective investors should make an independent assessment, consult their own counsel, business advisor and tax advisor as to legal, business and tax related matters concerning this document and other related documents before investing with/through the PM. The information contained in this document has been prepared for general guidance and does not constitute a professional advice/assurance and no person should act upon any information contained herein without obtaining specific professional advice/Assurance.

Each existing/prospective client, by accepting delivery of this document, agrees to the foregoing. The Investment portfolio is subject to several risk factors including but not limited to political, legal,

social, economic, and overall market risks. The recipient alone shall be fully responsible/ are liable for any decision taken based on this document.

The PM, its partners, employees, PMS clients, AIF schemes, Advisory clients may have existing exposure to the stocks that form part of the PMS portfolio/Advisory portfolio. Further, in view of the investment objective/strategy of the PMS/Advisory there may be situations where the PM may be selling a stock which is part of the PMS portfolio/Advisory portfolio scheme/AIF Portfolio scheme, as the case may be. The PM (including its affiliates) may offer services in nature of advisory, consultancy, portfolio management, sponsorship of funds, investment management of funds which may conflict with each other.

The PM operates from within India and is subject to Indian laws and any dispute shall be resolved in the courts of Mumbai, Maharashtra only.

Buoyant Capital Private Limited ("BCPL") is also an investment adviser registered with the U.S. Securities and Exchange Commission (the "SEC") under Section 203 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Our CRD number is 327612 and SEC File number is 801-129223. The regulatory disclosures and brochure are available at

<https://adviserinfo.sec.gov/firm/summary/327612>



3501 / 3704 Kohinoor Square
Dadar West, Mumbai



Tel: +91 22 6931 9999



care@buoyantcap.com