

# PORTFOLIO FACTSHEET

May 2026



## Complexity, Capital Flows and Calibrated Risk

The West Asia conflict has lasted long enough for second-order effects to matter more than the initial shock. Brent is now c.US\$30/bbl above pre-conflict levels, urea import prices have nearly doubled, and India's headline reserves have fallen c.US\$46bn from the pre-conflict peak to US\$682bn. The issue is not yet systemic stress, but the costs are now visible across fiscal, earnings and external-account channels.

Policy has responded accordingly. The RBI's June 5 FCNR package effectively reopens the 2013 playbook, subsidising hedge costs for 3 – 5 year dollar deposits to attract NRI flows. It is the fastest BoP lever available, and a US\$40–50bn inflow could cover much of the FY27 gap. But it is not free: India is borrowing expensive dollars, and the exit risk shifts to 2029–31. More equity-oriented levers are still available to be deployed.

Markets, meanwhile, have behaved better than the macro headlines suggest. April-May 2026 rally went well beyond relief, with 92% of c.4,000 listed companies ending positive and the median stock up c.20%. The strength has continued into May, supported by oversold conditions and uninterrupted domestic flows.

Our portfolio stance remains constructive but calibrated. We are focused on earnings resilience, balance-sheet strength and valuation discipline, while staying nimble to add risk where volatility / liquidity creates genuine mispricing.

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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	Buoyant portfolio	BSE 500 TRI	Buoyant portfolio	BSE 500 TRI	Buoyant portfolio	BSE 500 TRI
Count (#)	3,288		2,558		1,827		1,097	
Average returns	25.9	16.2	21.2	15.4	23.6	16.7	20.5	15.2
Median	17.1	11.2	23.0	16.1	23.6	16.4	21.2	15.2
Maximum	133.4	102.1	52.7	33.9	42.6	29.2	25.6	17.7
Minimum	-42.7	-33.3	-7.9	-6.3	10.1	10.2	14.4	12.5
<b>Outperformance against benchmark (% no of obs)</b>	<b>64%</b>		<b>82%</b>		<b>96%</b>		<b>100%</b>	

### Relative returns

31-May-26	1 month	3 months	6 months	1 year	2 years	3 years	4 years	5 years	7 years	Since Inception
<b>TWRR (%)</b>										
Buoyant Portfolio	-0.78%	-3.73%	-2.48%	8.11%	12.03%	18.92%	20.98%	20.92%	20.72%	20.64%
BSE-500TR Index	-0.17%	-2.34%	-5.39%	-0.07%	4.14%	13.46%	13.31%	12.29%	13.89%	14.03%
<b>Supplementary Data</b>										
<b>Absolute (%)</b>										
Buoyant Portfolio					25%	68%	114%	158%	274%	553%
BSE-500TR Index					8%	46%	65%	79%	149%	272%

### Risk metrics

Risk metrics	1-year	2-year	3-year	5-year	7-year	SI
Sharpe ratio (X)	0.1	0.3	0.8	0.9	0.8	0.6
Jensen's alpha (%)	8.1	7.8	6.2	9.0	6.2	4.8
Information ratio (X)	2.4	2.6	0.9	1.1	0.9	0.5
Standard deviation (%)	17.6	16.4	14.7	15.6	14.7	24.2
Standard deviation - benchmark (%)	17.1	16.7	15.2	14.5	15.2	16.9
R-squared (X)	1.0	1.0	0.9	0.8	0.9	0.8
Beta of portfolio (X)	0.9	0.9	0.9	0.9	0.9	1.0
Sortino ratio (X)	0.1	0.5	1.4	1.6	1.4	0.9

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.

## Uncertainties have not changed; complexity has

The market's first instinct was to price in the conflict as a shock and move on. That instinct has not aged well. Brent is now c.US\$98/bbl, c.US\$30 above pre-conflict levels; sustained for a year, that adds c.US\$50bn to India's oil import bill. Open-market gas costs for fertiliser units are up 70–80%, and urea import prices have nearly doubled. The conflict has lasted long enough for second-order costs — fiscal, earnings and external — to become the relevant variable.

Fertiliser is a useful example. This is not yet an availability problem, but it is clearly a cost problem. India is importing c.6.4 MT of urea for Kharif 2026 alone, against normal full-year imports of c.8 MT, and has already issued a second tender for 7 MT. Stocks cover c.52% of the revised Kharif requirement, which should be adequate for the season. But emergency procurement is arriving at nearly double the pre-conflict price, while higher gas-linked costs on domestic production flow directly into the subsidy bill.

The balance-of-payments pressure is similarly broad. Oil and LNG widen the merchandise deficit directly; corporate earnings face a c.7–8% annualized aggregate hit over a six-month disruption, concentrated in energy-, feedstock- and logistics-exposed businesses rather than the entire market. FII equity flows have already turned negative, and headline reserves are down c.US\$46bn from the pre-conflict peak to US\$682.3bn. Adjusted for the RBI's net short forward book, effective deployable reserves are lower — still meaningful firepower, but no longer an untouched buffer.

## Unusual times may call for unusual actions

On June 5, the RBI effectively reopened the 2013 FCNR playbook. Banks raising fresh 3–5 year FCNR(B) deposits will have the full hedge cost absorbed by the RBI (for FCNR, 1.5% subvention for ECB) until September 30, with CRR and SLR also waived. The economics change immediately: 5-year USD FCNR rates, earlier at 3.05–3.40%, can now move to 5.5–6.0% without banks taking open currency risk or reserve drag.

The context is clear. India's CAD is expected to widen from 0.8–0.9% of GDP in FY26 to 2.1–2.3% in FY27 — roughly US\$65bn — with crude near US\$90–95/bbl, weak net FDI, uncertain FPI flows, and the rupee has already depreciated to c.₹95. FCNR is the fastest BoP lever available. It is not free. Once SOFR, sovereign spread and the RBI's c.2.5% hedge subsidy are included, India is effectively borrowing dollars at 9–10% all-in.

The comparison with 2013 is useful, but imperfect. Then, the RBI mobilised US\$34bn through FCNR and ECB flows by offering banks a 3.5% swap against a 6–7% market hedge cost. Today's subsidy is smaller, though the headline USD return for NRIs is comparable. The starting point is also much stronger: in 2013, the CAD was 4.9% of GDP, reserves were US\$275bn, import cover was thin, and the rupee had collapsed. Today, headline reserves are still equal to roughly 10–11 months of import cover. The CAD remains well below the old crisis zone.

Bank economics are less compelling this time. FCNR deployment spreads have compressed from 250–300 bps in 2013 to 50–100 bps now, making this less a bank P&L trade and more a BoP/liquidity exercise. The offset is scale: India's GDP is 2.2x larger, the NRI base is c.35mn versus c.25mn, and annual remittances are now c.US\$120–130bn.

A US\$40–50bn inflow is a plausible base case, but the upside case is not trivial. NRE deposits are already near US\$100bn; a 30–35% rotation into FCNR can generate US\$30–35bn before fresh money arrives. Add leveraged NRI books — where 9–20x leverage on US\$1–2bn of equity can create US\$10–40bn of gross deposits — and a US\$80–90bn outcome becomes arithmetically possible, though it requires both retail rotation and institutional leverage to fire together.

For banks, this can inject ₹24–47 lakh crore of equivalent INR liquidity, ease CD-ratio pressure, and buy 12–18 months of liability relief. For the BoP, US\$40–50bn covers much of the FY27 gap; US\$80–90bn would be

materially rupee-supportive. The risk is the exit. These are dollar liabilities maturing in 2029–31, and the RBI will need either reserve accumulation or refinancing to avoid recreating a maturity wall.

There is also a cleaner lever available. The June 5 package removed capital gains tax and 20% withholding tax for FPIs in government securities, but equity FPIs still face 12.5% LTCG and 20% STCG, collected at source. That matters when FPIs have already sold ₹2.2 lakh crore of Indian equities in 2026. If India is willing to subsidise dollar deposits to stabilise the BoP, rationalising equity taxation for foreign investors would be the more permanent signal. The fiscal cost is likely modest in a year of weak FPI flows; the signalling value could be much larger.

## The April rally went well beyond relief

April began as a relief rally. It ended as something broader, stronger and more surprising. The headline indices recovered sharply, but the real story was breadth: across c.4,000 listed companies, 92% ended April positive, with the median stock up c.20%. The strongest gains came where the preceding correction was deepest — small caps and microcaps led large caps by a wide margin — an unusual pattern in the middle of genuine macro uncertainty.

That pattern continued into May. From the March lows to end-May, the median large cap gained c.10%, broadly consistent with an index-level recovery. The median small cap rose c.19%, and the median microcap c.21% — more than double the large cap move. The tails tell the same story: roughly one in five large caps gained more than 30% over the two months; for small caps it was one in four, and for microcaps, one in three.

Two forces explain this. One is mechanical: the smaller the company, the sharper the March fall, and therefore the larger the bounce from oversold levels. The other is structural: domestic flows — SIPs, insurance and retail participation — continued uninterrupted, providing a steady bid for the broader market. The rally did not resolve the macro uncertainty. It reflected a growing belief that domestic liquidity can remain a floor even when fundamentals are unsettled. That belief may be right. It is also now an important risk variable.

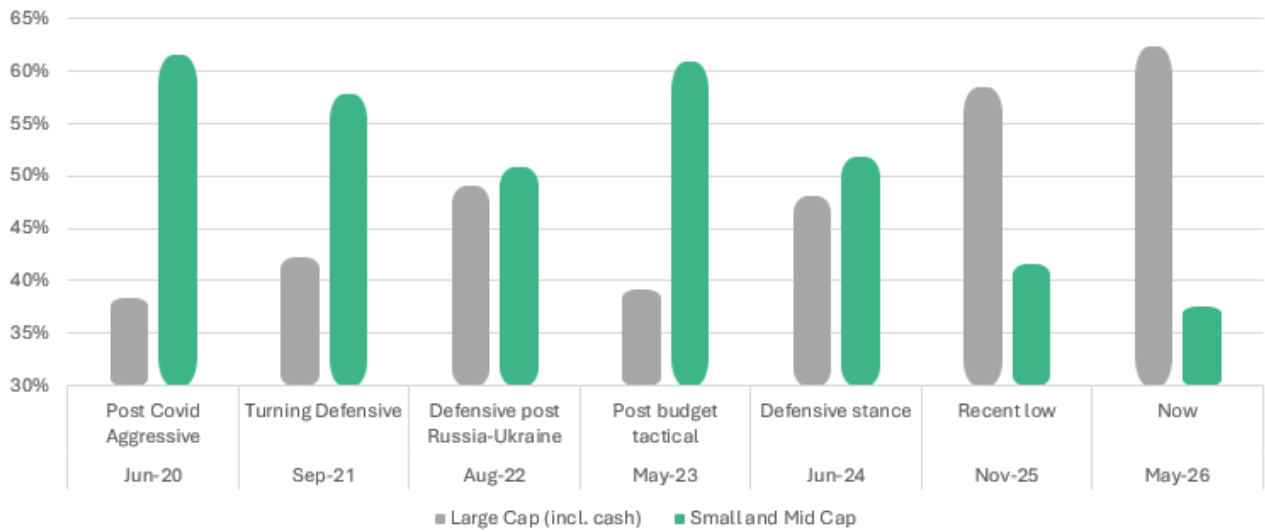
## Calibrated, not complacent

We entered April after shifting the portfolio stance to Aggressive, our fourth such change in nearly a decade. The rationale was not that risks had disappeared, but that the balance of probabilities had improved: the correction looked more flow-driven than earnings-led, valuations had reset, the geopolitical cost to India looked quantifiable, domestic flows remained supportive, and the economic impulse was shifting from public capex toward household consumption. Execution, however, was always meant to be gradual. The first step was to raise beta within the core portfolio while retaining pricing power, low cyclical and balance-sheet strength; the second was to increase satellite exposure; and the third, contingent on further correction or clearer earnings normalization, was to add selectively to SMID exposure.

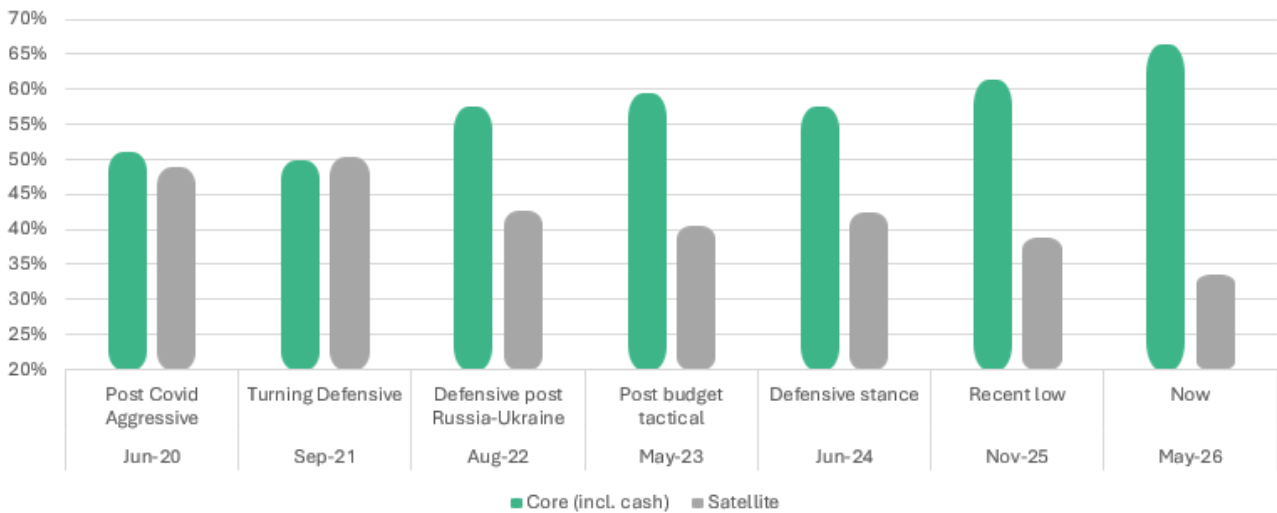
The portfolio stance remains constructive, but not careless. Macro uncertainty has not disappeared; it has become more complex, more fiscal, and more external account linked. At the same time, market behavior has been stronger than the macro headlines would suggest, supported by domestic flow, improving breadth, and a correction that had already reset parts of the market.

Our job in this phase is not to predict the next headline, but to manage the portfolio through it. We remain focused on businesses where earnings resilience, balance-sheet strength and valuation discipline offer a margin of safety, while staying ready to add risk where volatility creates genuine mispricing. The direction is clear; the execution remains calibrated. In uncertain markets, the opportunity is rarely abandoned discipline. It is in preserving enough of it to act when the right prices finally appear.

## Market Cap (Select periods)



## Core vs. Satellite (Select periods)



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

## Sectoral allocation

Banking	20.6%
FMCG	10.0%
Healthcare	8.8%
Insurance	8.7%
NBFC	6.7%
Information Technology	5.8%
Automobile	5.2%
Industrials	4.9%
Telecom	4.7%
Miscellaneous	3.8%
Retail	3.0%
Chemicals	1.1%
Media	1.5%
Real Estate	0.7%
Textiles	0.6%
Cash	8.1%

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

## Core vs. Satellite

<b>Core (incl. cash)</b>	<b>66.5%</b>
<b>Satellite</b>	<b>33.5%</b>
<i>Cyclicals</i>	9.7%
<i>Turnaround</i>	12.0%
<i>Challenger</i>	11.7%

## Market cap allocation

Large Cap	54.3%
Mid Cap	23.8%
Small Cap	13.8%
Cash	8.1%

# Blogs and Media

Our recent blogs and media Appearances

## Blogs

- [Multibaggers, mirages and market math – The Economic Times](#) - May 16, 2026
- [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

## Media Appearances

- [Jigar Mistry \(CNBC TV 18\)](#) 2 June 2026
- [Jigar Mistry \(CNBC TV18\)](#) 11 February 2026
- [Jigar Mistry \(CNBC TV18\)](#) 20 January 2026
- [Jigar Mistry \(NDTV Profit\)](#) 31 December 2025
- [Jigar Mistry \(CNBC TV18\)](#) 23 December 2025
- [Jigar Mistry \(PMS Bazaar\)](#) 08 December 2025
- [Jigar Mistry \(CNBC TV18\)](#) 05 December 2025
- [Jigar Mistry \(ET Now\)](#) 10 November 2025
- [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

# Buoyant Capital Pvt Ltd

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

[buoyantcap.com](http://buoyantcap.com)

## Compliance/Grievances:

Mayuri Jangid  
Email: [compliance@buoyantcap.com](mailto:compliance@buoyantcap.com)  
Phone: +91-22-6931-9912

## Queries/Customer Care:

Care Team  
Email: [care@buoyantcap.com](mailto:care@buoyantcap.com)  
Phone: +91-22-6931-9999

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3501 / 3704 Kohinoor Square  
Dadar West, Mumbai



Tel: +91 22 6931 9999



[care@buoyantcap.com](mailto:care@buoyantcap.com)