INDIA WEEKLY KICKSTART

NIFTY gained +2% as oil cooled off, but underperformance continued; FIIs returned after 8 weeks, but lagged North Asia; We adjust our earnings modestly upwards but expect EPS cuts to continue

Sunil Koul
+44(20)7051-4931 | sunil.koul@gs.com
Goldman Sachs International

Amorita Goel, CFA
+65-6654-5445 | amorita.goel@gs.com
Goldman Sachs (Singapore) Pte

Timothy Moe, CFA
+65-6889-1199 | timothy.moe@gs.com
Goldman Sachs (Singapore) Pte

- **Performance:** NIFTY gained 2% w/w, but lagged MXAPJ (+4%). Rate-sensitives led, while exporters lagged.
- **Valuation/Flows:** MSCI India fP/E traded at 20.5x, at about a 60% premium to MXAPJ. FIIs turned net buyers after 8 weeks, with +$0.5bn inflows wtd (-$30bn YTD). DIIs bought $0.9bn wtd (+$48bn YTD).
- **Macro:** Amid a more favourable balance of payments outlook, our economists expect INR to stabilize ahead.

Focus: Modestly Raising India Earnings Forecast

- **Underperformance continued despite oil relief.** As Brent crude prices cooled off this week, Indian equities gained 2-3% wtd, but lagged MXAPJ and MSCI EM as AI-exposed North Asian markets rallied. Foreign flows in Indian equities turned positive for the first time in 9 weeks, although North Asian markets (Korea, Taiwan) attracted greater foreign capital than India.
- **Macro outlook has incrementally improved.** India's macro outlook still looks significantly weaker than pre-Middle East War months, but has improved incrementally recently amid expectations of lower oil prices post a US-Iran deal to reopen Hormuz, and stronger-than-expected Q1 growth.
- **Earnings looking resilient in 1H.** 1QCY26, MXIN quarterly earnings surprised positively. Consensus expects 2Q growth to remain resilient, moderating slightly to 9% yoy (from 11% prev. quarter).
- **We modestly raise our earnings growth forecast**, by 2pp to 10% for CY26 MSCI India, incorporating recent macro forecast changes by our economists and commodity strategists, and resilient 1Q earnings.
- **Expect earnings down-cycle to continue.** Broad-based EPS cuts in India continued despite cooling oil prices, with weaker trends in India vs. most APAC markets. We expect the EPS down-cycle to continue in the coming months, and expect the consensus CY26 EPS growth of 13% to come closer to our 10% expectation.
- **We expect India's relative underperformance to continue near-term**. While a stable INR and lower oil prices help foreign sentiment at the margin, flows are unlikely to meaningfully return as India's EPS outlook is weaker than most markets in the region. Valuations also stay vulnerable to a potential rate hiking cycle ahead. We stay marketweight Indian equities within EM and Asia equity allocations.

Focus: Adjusting India Earnings Forecast

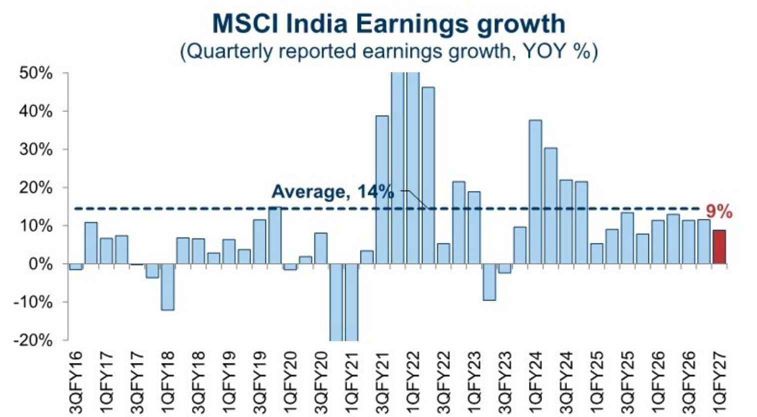
Exhibit 1: India's macro outlook still looks significantly weaker than pre-Middle East War months, but has modestly improved recently amid lower oil prices and stronger-than-expected Q1 growth

India's GS Macro forecasts for CY26 (%yoy)			
Forecasts being made at	Pre-Gulf War Assumptions (27 Feb)	Old Assumptions (26 Mar)	New Assumptions (19 Jun)
Real GDP	7.1	5.9	6.5
CPI Inflation (average)	3.9	4.6	4.6
Current account balance (% of GDP)	-0.9	-2.0	-1.2
Repo rate (%, eop)	5.25	5.75	5.75
Fiscal Balance (% of GDP)	-4.3	-4.7	-4.7
Brent average price ($/bbl)	64	95*	85
12m USDINR	91	95	97

**We assumed Indian oil importers paid a premium of c.$10/bbl above $85/bbl Brent price in our 26 March update. We remove this assumption in our 19 June update.*

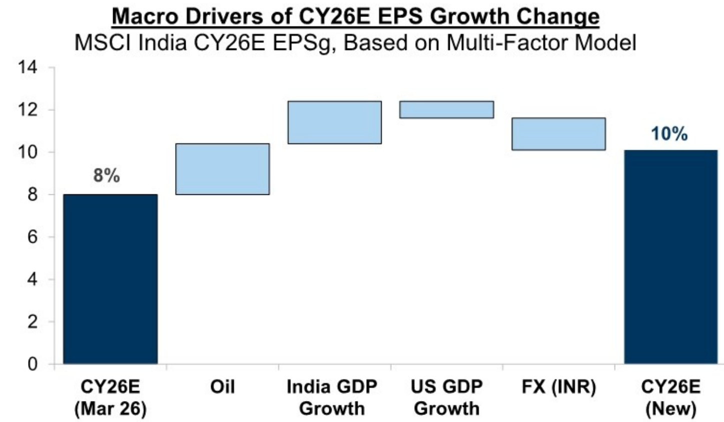
Source: Goldman Sachs Global Investment Research

Exhibit 2: Ahead of the 1QFY27 / 2QCY26 reporting season, consensus expects MSCI India quarterly earnings growth to remain resilient, moderating slightly to 9% yoy (from 11% prev. quarter)



Source: Bloomberg, Goldman Sachs Global Investment Research

Exhibit 3: We adjust our CY26 MSCI India earnings growth forecast upwards by 2pp to 10%, incorporating recent macro forecast changes by our economists and commodity strategists



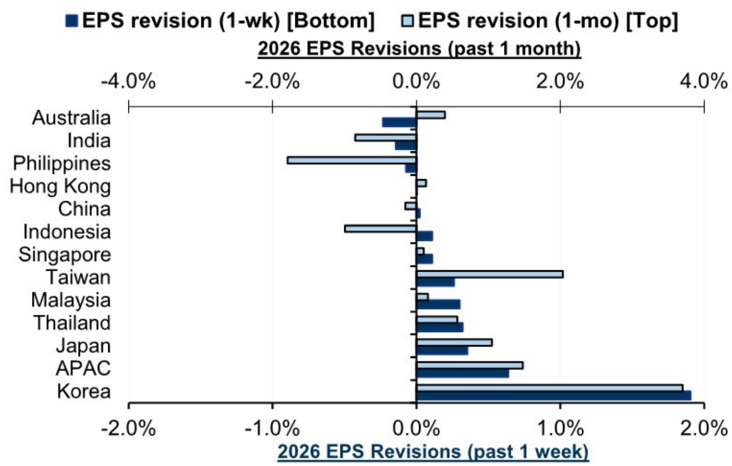
Source: Goldman Sachs Global Investment Research

Exhibit 4: Broad-based earnings downgrades in Indian equities continued despite cooling oil prices in recent weeks

	MSCI India Sectors	Since end-Feb CY2026E	1-month CY2026E	1-week CY2026E
Exporters	Pharma	(2%)	(0.8%)	0.0%
	Infotech	1%	0.0%	(0.0%)
Defensives	Staples	(1%)	(0.2%)	(0.0%)
	Utilities	(2%)	(1.2%)	(0.1%)
	Telco	(3%)	(0.7%)	(0.0%)
Consumer Disc.	Autos & Components	(3%)	(0.5%)	(0.0%)
	Cons. Svcs., Durable	(3%)	(0.7%)	(0.3%)
Investment cyclicals	Industrials	(8%)	(4.2%)	0.1%
	Cement	0%	(0.7%)	(0.3%)
Commodity cyclicals	Energy	(12%)	(1.6%)	(0.6%)
	Metals & Mining	6%	2.9%	0.0%
Financials	Banks	(1%)	0.0%	0.0%
	Insurance	(3%)	0.2%	(0.0%)
	NBFCs	(0%)	(0.1%)	(0.0%)
	MSCI India	**(3%)**	**(0.5%)**	**(0.1%)**
	NIFTY Midcap 100	**(4%)**	**(0.7%)**	**(0.2%)**

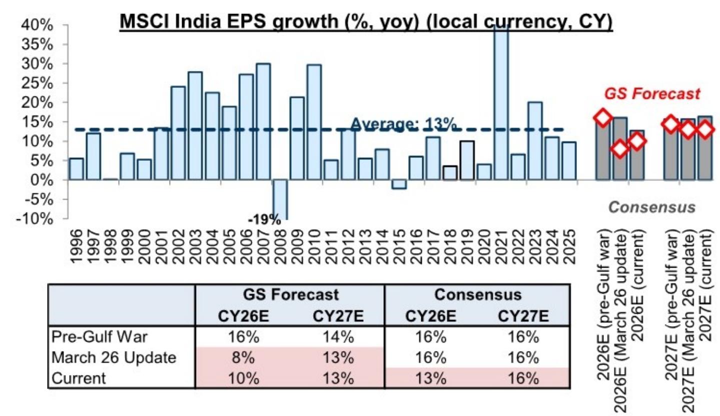
Source: FactSet, Goldman Sachs Global Investment Research

Exhibit 5: EPS outlook in India is weaker than most markets in APAC region, despite cooling oil prices



Source: FactSet, I/B/E/S, MSCI, Goldman Sachs Global Investment Research

Exhibit 6: We continue to expect an EPS downgrade cycle in the coming months, and expect consensus CY26 EPS growth forecast of 13% to come closer to our 10% expectation

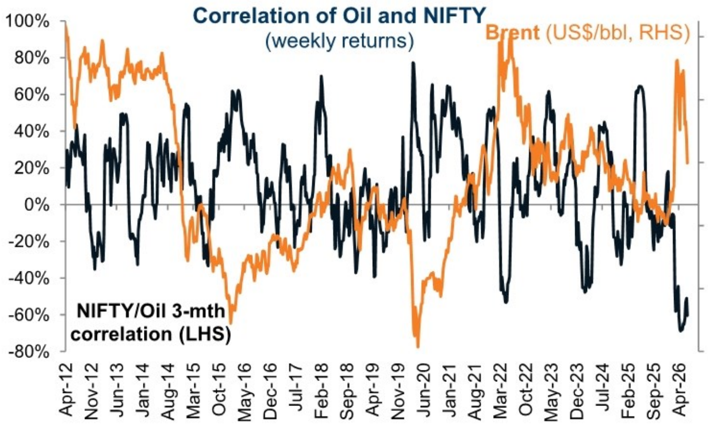


	GS Forecast CY26E	GS Forecast CY27E	Consensus CY26E	Consensus CY27E
Pre-Gulf War	16%	14%	16%	16%
March 26 Update	8%	13%	16%	16%
Current	10%	13%	13%	16%

Source: FactSet, Goldman Sachs Global Investment Research

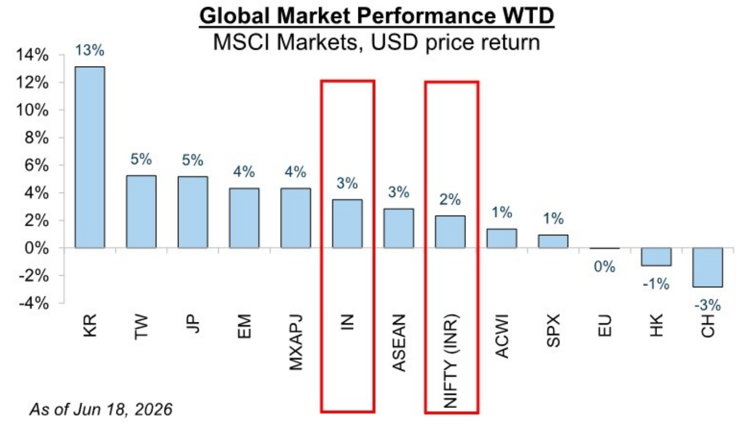
Focus: Underperformance Despite Oil Relief

Exhibit 7: Indian equities have been strongly correlated (negatively) with oil prices in the recent months



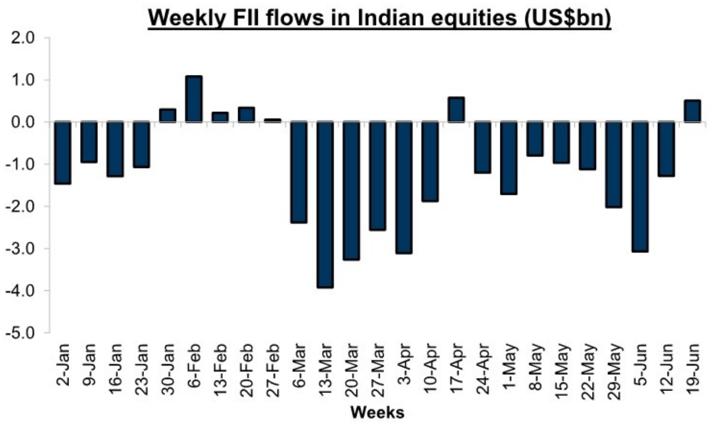
Source: FactSet, Goldman Sachs Global Investment Research

Exhibit 8: Indian equities were up 2-3% wtd as Brent crude prices cooled off, outperforming select global markets, but lagging AI-exposed North Asian markets



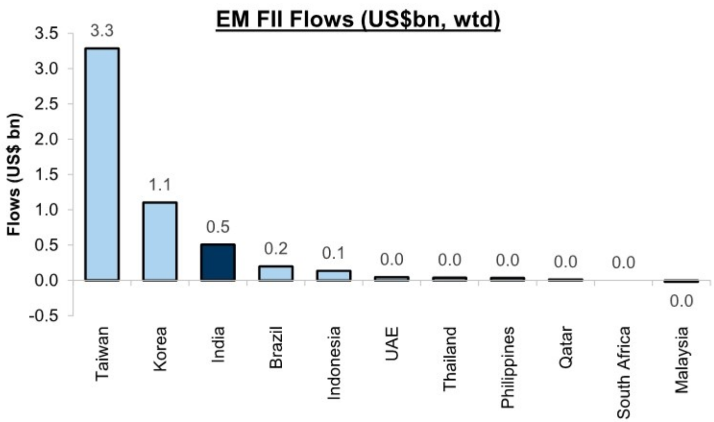
Source: FactSet, MSCI, Goldman Sachs Global Investment Research

Exhibit 9: Foreign flows in Indian equities turned positive for the first time in 9 weeks



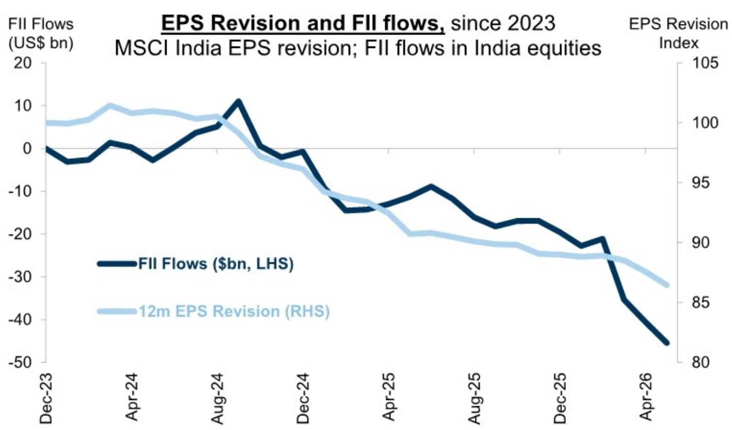
Source: Bloomberg, Goldman Sachs Global Investment Research

Exhibit 10: However, North Asian markets attracted greater foreign capital than India



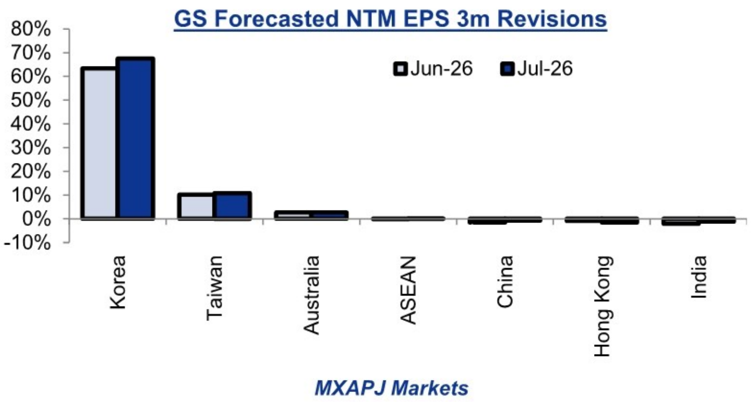
Source: Bloomberg, Goldman Sachs Global Investment Research

Exhibit 11: While lower oil and a stable INR will be incrementally supportive for foreign sentiment, global capital is unlikely to return meaningfully if the earnings outlook remains weak



Source: Bloomberg, Refinitiv Eikon, Goldman Sachs Global Investment Research

Exhibit 12: Our Earnings Revisions Leading Indicator (ERLI) points to a weak earnings cycle in India over the next couple of months



Source: Goldman Sachs Global Investment Research

Views: MW India; Expect NIFTY to reach 26,500 in 12m

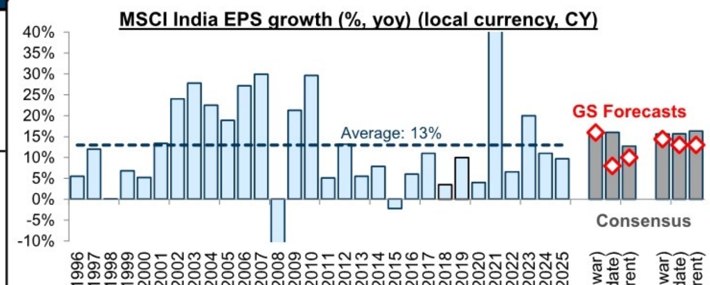
Exhibit 13: We expect NIFTY to reach 26,500 by June'27; We prefer defensive sectors over cyclicals.

India's Macro forecasts (GSe)				
Calendar year (%yoy)	**CY24**	**CY25E**	**CY26E**	**CY27E**
Real GDP	7.2	7.5	6.6	7.1
CPI inflation (average)	5.0	2.2	4.6	5.1
Current account balance (% of GDP)	-0.7	-0.4	-2.0	-1.8
Repo rate (%, eop)	6.50	5.25	5.75	5.75
Fiscal balance (% of GDP)	-4.7	-4.5	-4.7	-4.6

Note: Numbers highlighted in blue are GS forecasts

MSCI India GS Sectors	GS Allocation	NIFTY weight (%)	MSCI India weight (%)	Consensus estimates: CY26E EPS g.	Consensus estimates: CY27E EPS g.	Current Valuation: NTM P/E (X)	Current Valuation: LTM P/B (X)
Banks	OW	30%	21%	12%	16%	14	2
Energy (Refiners, E&P) ↑	OW	10%	8%	11%	8%	16	2
Staples	OW	6%	6%	3%	9%	41	10
TMT (Telcos, Internet)	OW	7%	6%	73%	51%	41	6
Defense	OW	1%	2%	15%	15%	39	11
Div. Fins (NBFCs ↓Insurance)	MW	7%	10%	15%	17%	20	3
Autos ↓	MW	7%	8%	14%	22%	23	4
Metals & Mining	MW	4%	4%	37%	17%	13	2
Utilities	MW	3%	4%	11%	10%	17	2
Cons. Retail, Apparel & Services	MW	3%	3%	16%	20%	61	16
Cement	MW	2%	2%	22%	15%	43	4
Durables ↓	MW	0%	1%	19%	21%	55	13
Real Estate	MW	0%	1%	24%	25%	26	4
Industrials (ex-Defense)	UW	7%	9%	25%	28%	35	8
Infotech	UW	8%	7%	11%	8%	16	5
Pharma	UW	5%	6%	5%	15%	33	5
Chemicals & Other Materials	UW	1%	2%	24%	21%	34	5
Oil Marketing Cos. (OMCs) ↓↓	UW	0%	1%	(51%)	16%	17	1
MSCI India		**100%**	**100%**	**13%**	**16%**	**20.5**	**3.3**

Allocation	Market	Index	EPS growth (%) CY26E	EPS growth (%) CY27E	Index target (12m)
Overweight	Korea	KOSPI	320	35	12,000
	Taiwan	TWSE	48	30	51,000
	China A	CSI300	20	13	5,500
Marketweight	India	NIFTY	10	13	26,500
	Malaysia	FBMKLCI	8	8	1,820
	Hong Kong	MXHK	16	7	17,600
	Singapore	FSSTI	6	8	5,400
	China	MXCN	8	12	85
Underweight	Philippines	FBMKLCI	0	8	6,200
	Indonesia	JCI	1	8	6,300
	Thailand	SET	8	6	1,650
	Australia	AS51	6	5	9,200
Asia Pacific ex Japan (USD)		**MXAPJ**	**60**	**22**	**1,080**



	GS Forecast CY26E	GS Forecast CY27E	Consensus CY26E	Consensus CY27E
Pre-Gulf War	16%	14%	16%	16%
March 26 Update	8%	13%	16%	16%
Current	10%	13%	13%	16%

Source: FactSet, I/B/E/S, MSCI, Goldman Sachs Global Investment Research

Performance summary: Global Markets, Commodities, FX, and Rates

Exhibit 14: Performance summary of Global equities, Asia-Pacific equity indices, Commodities, FX, and Rates

Global Equities (local currency)

Indices	Ticker	Level	Price return (%) 1-week	1-mo	Ytd	RSI (14D)
Nikkei 225	NKY	71,250	7.9	12.5	41.5	70.8
MSCI EM	MXEF	1,790	4.3	9.2	27.5	61.7
MXAPJ	MXAPJ	920	4.3	8.8	27.4	61.3
NASDAQ	CCMP	26,518	2.4	0.7	14.1	55.6
Euro STOXX 50	SX5E	6,311	2.0	7.9	9.0	69.9
MSCI AC World	MXWD	1,128	1.4	3.3	11.1	58.4
MSCI World	MXWO	4,834	1.0	2.5	9.1	56.5
S&P 500	SPX	7,501	0.9	0.4	9.6	55.1

Asia-Pacific major equity indices (local currency)

Indices	Ticker	Level	Price return (%) 1-week	1-mo	Ytd	RSI (14D)
Korea	KOSPI	9,052	11.4	15.4	114.8	65.9
Taiwan	TWSE	46,465	5.2	9.9	60.4	65.5
Philippines	PCOMP	6,135	3.8	2.9	1.4	57.5
China - CSI 300	SHSZ300	4,942	3.4	2.0	6.7	57.9
Singapore	FSSTI	5,193	3.3	2.5	11.8	63.6
Indonesia	JCI	6,177	2.8	0.2	(28.6)	46.8
Malaysia	FBMKLCI	1,712	1.7	(0.0)	1.9	55.4
India	NIFTY	24,013	1.7	1.2	(8.1)	57.8
Australia	AS51	8,829	0.3	2.0	1.3	54.5
Thailand	SET50	1,023	(0.4)	2.1	22.4	59.0
Hong Kong	HSI	23,925	(3.2)	(6.6)	(6.7)	33.2
China - HS H Share	HSCEI	7,976	(4.8)	(6.7)	(10.5)	30.8

Global Commodities

Commodities	Ticker	Level	Price return (%) 1-week	1M	Ytd	RSI (14D)
LME Copper	LMCADS03 Comdty	13,691	(0.1)	0.8	10.2	52.1
Iron Ore	IORA Comdty	101	(0.9)	(7.1)	(2.9)	32.2
CMX Gold	GC1 Comdty	4,171	(1.0)	(7.5)	(3.9)	36.3
Baltic Dry Bulk	BDIY Index	2,659	(2.6)	(12.9)	41.7	31.9
Brent	CO1 Comdty	80	(8.8)	(28.4)	30.9	30.8
WTI	CL1 Comdty	77	(9.4)	(28.6)	34.0	31.8

Note: Pricing data are as of Jun 19, 2026

Currencies / Rates

Currency (-ve value denotes depreciation against base currency)	Level	Change(%) 1-week (%)	1M	Ytd	RSI (14D)
US Dollar index	100.8	1.0	1.5	2.5	70.8
USDINR	94.3	0.8	2.3	(4.7)	41.5
JP Morgan EM Crncy	47.2	(0.6)	(0.5)	1.3	45.2
USDJPY	161.3	(0.6)	(1.4)	(2.8)	67.8
USDEUR	0.9	(0.9)	(1.2)	(2.5)	66.1

Rates	Level	Change (bps) 1-week	1M	3M	YTD
IN Govt. 10Y	6.9	(0.7)	(22.6)	15.1	29.6
US Treasury 10Y	4.5	(2.6)	(21.3)	20.4	28.6

Source: Bloomberg, FactSet, Refinitiv

India: Sector performance

Exhibit 15: Price performance of MSCI India sector indices

MSCI India GICS Sectors

Price Performance 1-wk	Ytd	Name	Ticker	Consensus estimates: P/E (X) CY 2026E	P/E (X) CY 2027E	EPS Growth (%) CY 2026E	EPS Growth (%) CY 2027E	P/B (X) CY 2026E	D/Y (%) CY 2026E	ROE (%) CY 2026E
2%	-5%	**MSCI India**	**MXIN**	**21.9**	**18.8**	**13**	**17**	**3.1**	**1.3**	**15.1**
5%	14%	Industrials	MXIN0IN	41.2	32.8	23	25	7.7	0.6	20.3
3%	-7%	Comm Svcs.	MXIN0TC	40.8	29.2	49	39	6.5	1.6	17.2
3%	-5%	Cons Disc.	MXIN0CD	34.5	27.4	16	26	5.2	0.9	15.7
3%	13%	Utilities	MXIN0UT	18.4	16.7	11	10	2.4	2.1	13.7
2%	-7%	Financials	MXIN0FN	17.1	14.7	14	16	2.2	1.1	13.9
2%	-6%	Staples	MXIN0CS	41.9	38.4	3	9	9.4	1.7	23.3
1%	-13%	Energy	MXIN0EN	15.2	13.9	-7	10	1.6	1.6	11.3
1%	5%	Materials	MXIN0MT	18.2	15.2	33	19	3.0	1.1	16.1
1%	7%	Healthcare	MXIN0HC	35.1	30.5	5	15	4.9	0.6	14.7
-2%	-30%	Tech	MXIN0IT	15.7	14.5	11	8	4.5	4.4	30.0

Source: FactSet, I/B/E/S, MSCI, Bloomberg, Refinitiv, Goldman Sachs Global Investment Research

Exhibit 16: Price performance of NSE sector indices

Local Index	Ticker	Price Performance (%): 1-week	Price Performance (%): Ytd	Sector Leaders & Laggards *(Price performance relative to NIFTY)*: Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
NIFTY	NIFTY	2%	-8%								
NIFTY 500	NSE500	2%	-3%	-1%	0%	0%	1%	0%	3%	2%	0%
Nifty Midcap 50	NIFTYM50	3%	3%	1%	-1%	0%	1%	1%	5%	5%	-1%
NIFTY Midcap 100	NSEMCAP	3%	3%	0%	-1%	0%	2%	0%	6%	5%	-1%
NIFTY Small Cap 100	NSESMCP	3%	6%	-5%	0%	-2%	1%	1%	11%	3%	2%
NIFTY Realty	NSEREAL	5%	-8%	-7%	-3%	-8%	0%	-5%	14%	0%	2%
NIFTY Energy	NSENRG	3%	15%	-4%	0%	3%	6%	5%	10%	2%	-3%
NIFTY Infra	NSEINFR	3%	-1%	-1%	0%	-2%	5%	1%	3%	1%	0%
NIFTY PSU Banks	NSEPSBK	2%	2%	2%	1%	9%	9%	-9%	0%	-2%	5%
NIFTY Finance	NSEFIN	2%	-4%	1%	-1%	2%	3%	-4%	2%	1%	2%
NIFTY Services Sector	NSESRV	2%	-9%	1%	-1%	2%	-2%	-1%	-1%	0%	1%
NIFTY Banks	NSEBANK	2%	-3%	2%	0%	3%	2%	-6%	2%	1%	4%
NIFTY FMCG	NSEFMCG	1%	-11%	-3%	0%	-5%	0%	0%	5%	-1%	-2%
NIFTY Metals	NSEMET	1%	17%	-5%	9%	9%	4%	2%	8%	7%	-5%
NIFTY Autos	NSEAUTO	1%	-6%	2%	2%	-2%	6%	-4%	2%	3%	-1%
NIFTY Pharma	NSEPHRM	0%	8%	2%	-1%	-1%	6%	8%	-3%	7%	-2%
NIFTY Infotech	NSEIT	-1%	-28%	3%	2%	3%	-19%	6%	-6%	1%	-8%

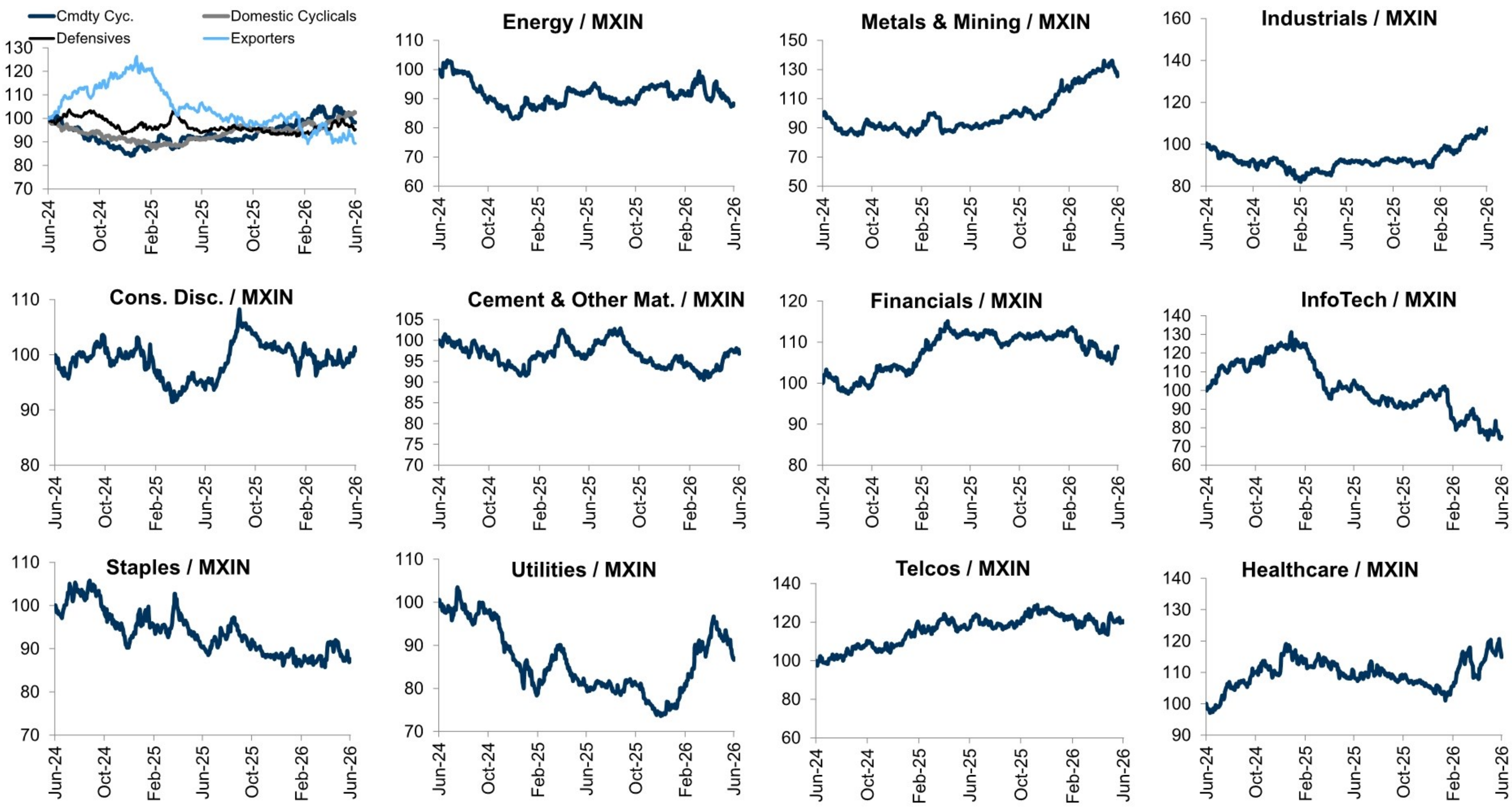
Relative price performance over 2% | Relative price performance below -2%

Source: Bloomberg

Relative performance of MSCI India sectors

Exhibit 17: Price performance of sectors relative to MSCI India over the past 2 years

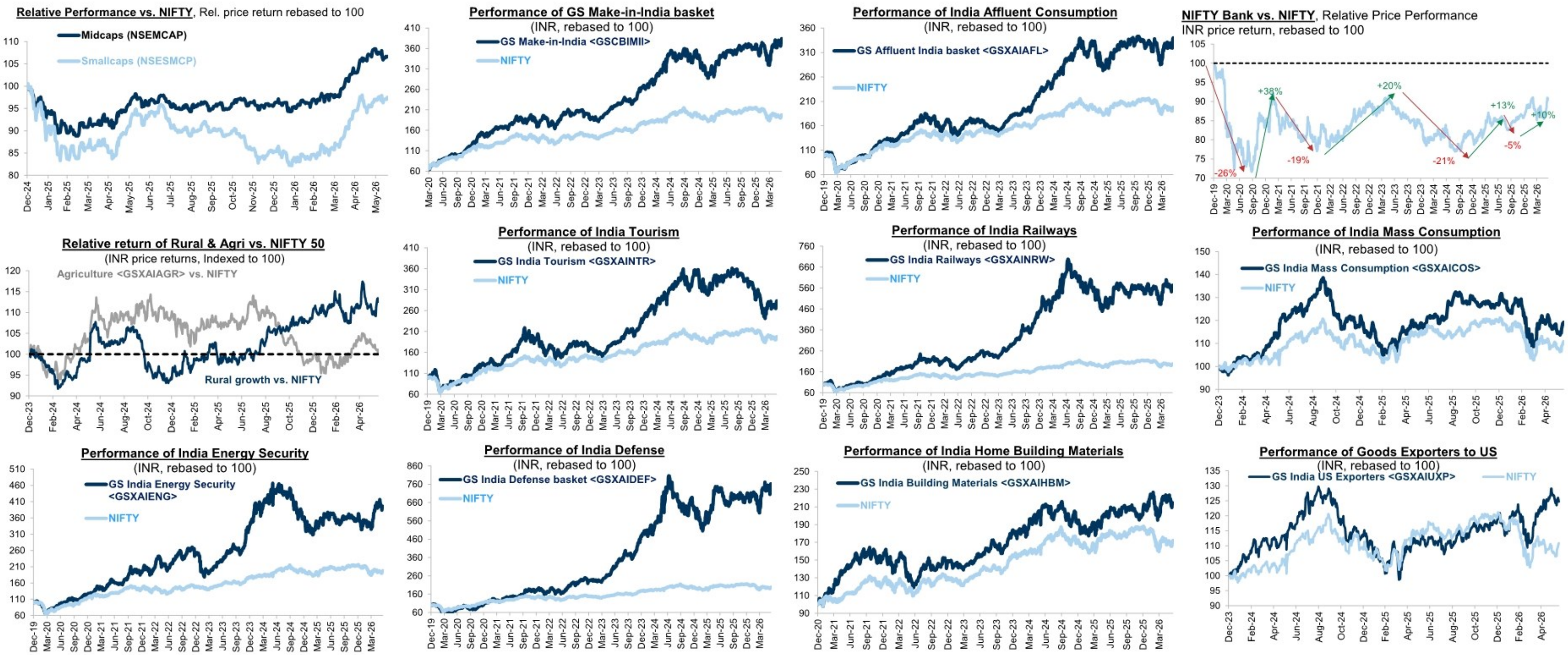
Commodity Cyclicals include Energy, Metals & Mining; Domestic Cyclicals include Industrials, Autos, Cement & Chemicals; Defensives include Staples, Utilities & Telcos; Exporters include Pharma & InfoTech



Source: FactSet, MSCI, Goldman Sachs Global Investment Research

Thematic monitor

Exhibit 18: Performance of thematic pockets in India



Price return (%)	Size (Large vs. Mid)	Make in India	Affluent Consumption	Agriculture	Rural Growth	Tourism	Railways	Energy Security	Defense	Home Building Materials	Mass Consumption	US Goods Exporters	Banks
2025	5%	8%	1%	0%	29%	-8%	3%	1%	11%	8%	9%	4%	17%
YTD	-11%	5%	3%	-7%	-5%	-13%	0%	10%	10%	4%	-7%	5%	-3%
1M	-1%	4%	5%	-1%	1%	5%	0%	0%	4%	-2%	1%	-1%	7%
WTD	-1%	5%	7%	3%	8%	7%	6%	3%	8%	2%	4%	1%	4%

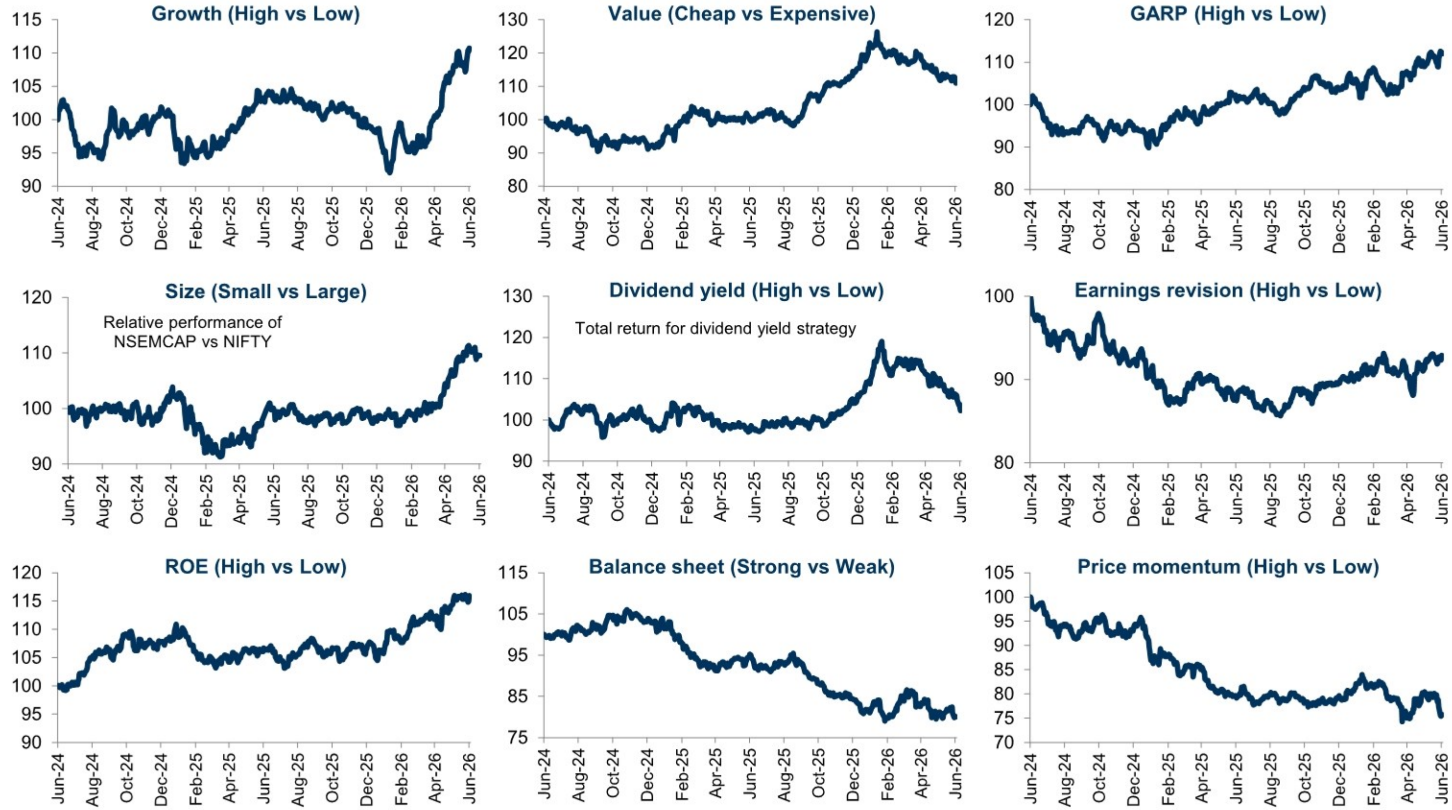
GSCBIMII, GSXAIAFL, GSXAIAGR, GSXAINTR, GSXAIDEF, GSXAIHBM, GSXAIENG, GSXAINRW, GSXAICOS, GSXAIUXP baskets developed by GS Global Banking & Markets.

Source: Bloomberg, FactSet, MSCI, Goldman Sachs Global Investment Research, Goldman Sachs FICC and Equities

Style investing monitor

Exhibit 19: Long/Short Performance of various styles

Performances are based on long-short, equal-weighted returns of top vs bottom quartile MSCI India stocks



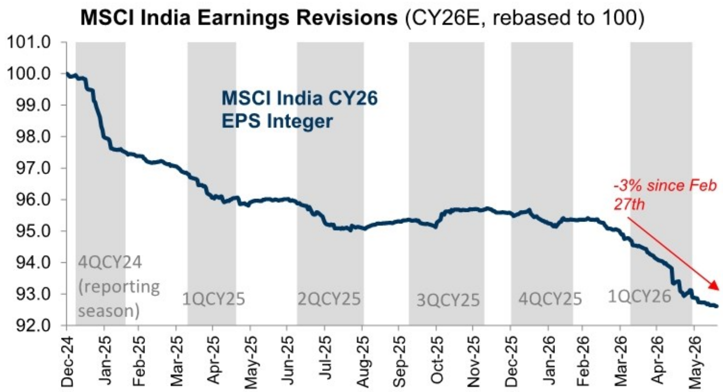
Price Return (%)	Growth (High vs Low)	Value (Cheap vs Expensive)	GARP (High vs Low)	Size (Small vs Large)	Dividend yield (High vs Low)	Earnings revision (High vs Low)	ROE (High vs Low)	Balance sheet (Strong vs Weak)	Price momentum (High vs Low)
2025	-2.7%	27.3%	11.8%	-4.5%	10.2%	-3.8%	-1.2%	-20.2%	-15.6%
YTD	12.8%	-4.8%	7.2%	11.7%	-4.5%	3.0%	8.6%	-2.6%	-5.5%
1M	3.5%	-1.0%	3.1%	0.9%	-4.9%	1.7%	1.5%	-0.8%	-5.8%

Note: Pricing as of Wednesday close.

Source: FactSet, MSCI, Goldman Sachs Global Investment Research

Earnings Revisions

Exhibit 20: Analysts have started adjusting their full-year earnings estimates lower, in response to the energy shock



Source: FactSet, MSCI, Goldman Sachs Global Investment Research

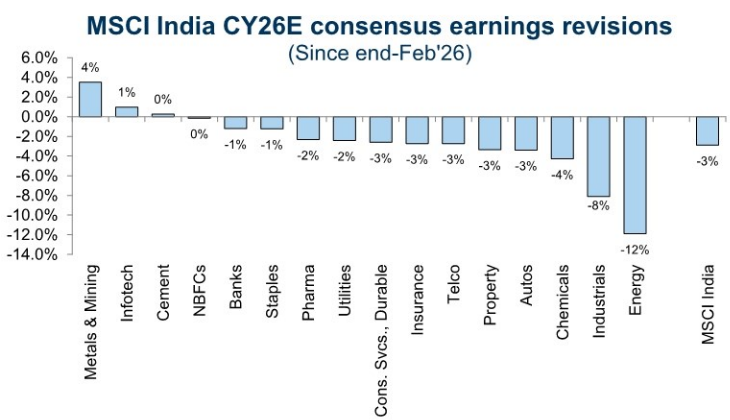
Exhibit 21: MSCI India CY26 earnings revisions by sector

		YTD	1-month	1-week
	MSCI India Sectors	**CY2026E**	**CY2026E**	**CY2026E**
Exporters	Pharma	(3%)	(0.8%)	0.0%
	Infotech	2%	0.0%	(0.0%)
Defensives	Staples	(5%)	(0.2%)	(0.0%)
	Utilities	(4%)	(1.2%)	(0.1%)
	Telco	(5%)	(0.7%)	(0.0%)
Consumer Disc.	Autos & Components	(2%)	(0.5%)	(0.0%)
	Cons. Svcs., Durable	(6%)	(0.7%)	(0.3%)
Investment cyclicals	Industrials	(9%)	(4.2%)	0.1%
	Cement	(6%)	(0.7%)	(0.3%)
Commodity cyclicals	Energy	(12%)	(1.6%)	(0.6%)
	Metals & Mining	10%	2.9%	0.0%
Financials	Banks	(1%)	0.0%	0.0%
	Insurance	(5%)	0.2%	(0.0%)
	NBFCs	(1%)	(0.1%)	(0.0%)
	MSCI India	**(3%)**	**(0.5%)**	**(0.1%)**
	NIFTY Midcap 100	**(3%)**	**(0.7%)**	**(0.2%)**

Note: Excludes IndusInd Bank and Tata Motors.

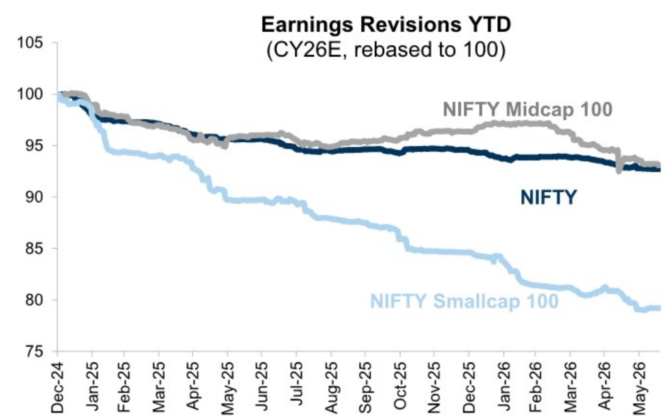
Source: FactSet, Goldman Sachs Global Investment Research

Exhibit 22: Cuts have been the steepest in downstream investment/manufacturing cyclical sectors like energy, chemicals, industrials, autos and property



Source: FactSet, Goldman Sachs Global Investment Research

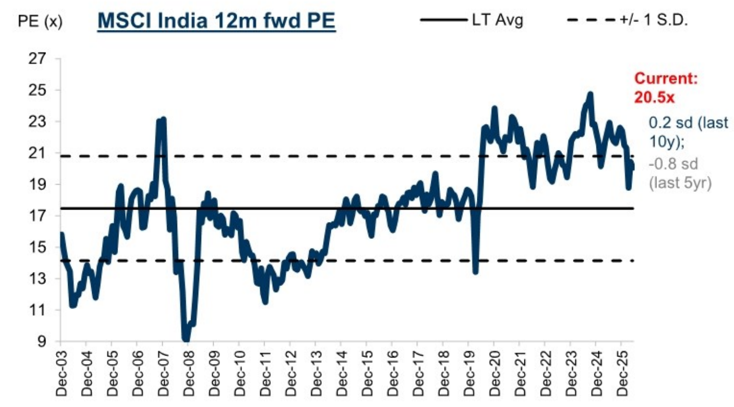
Exhibit 23: Cuts have been steeper in Mid/Small caps



Source: FactSet, Goldman Sachs Global Investment Research

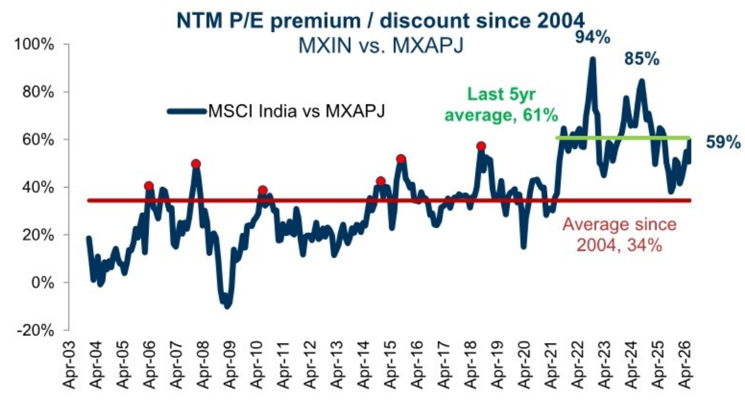
Valuations

Exhibit 24: MSCI India 12M forward P/E



Source: FactSet, MSCI, Goldman Sachs Global Investment Research

Exhibit 25: NTM P/E premium/discount of MSCI India vs. MXAPJ



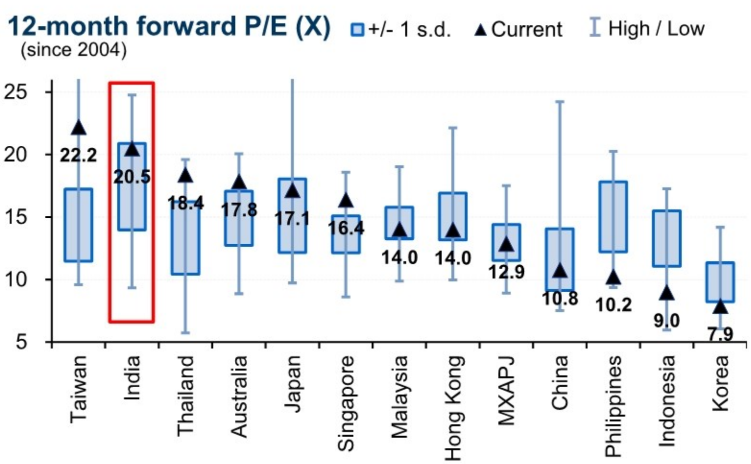
Source: FactSet, I/B/E/S, MSCI, Goldman Sachs Global Investment Research

Exhibit 26: MSCI India sector-level valuations

Current Valuation vs. History					
	Current		Z-score (since '04)		Avg. Z-score
MSCI India Sectors	P/E (NTM)	P/B (LTM)	P/E (NTM)	P/B (LTM)	
Cyclicals					
Industrials	36.2	8.3	1.9	1.5	**1.7**
Cons. Discretionary	30.3	5.4	1.8	0.9	**1.3**
Energy	15.5	1.7	1.0	-0.7	**0.2**
Materials	17.1	3.0	0.8	0.7	**0.8**
Exporters					
Tech	15.9	5.0	-0.9	-0.9	**-0.9**
Pharma	32.6	5.1	2.2	0.0	**1.1**
Financials					
Financials	15.9	2.4	-0.3	-0.7	**-0.5**
Defensives					
Utilities	17.1	2.3	1.1	0.4	**0.7**
Staples	40.7	9.8	0.9	-0.6	**0.1**
MSCI India	**20.5**	**3.3**	**0.9**	**-0.1**	**0.4**

Source: FactSet, MSCI, Goldman Sachs Global Investment Research

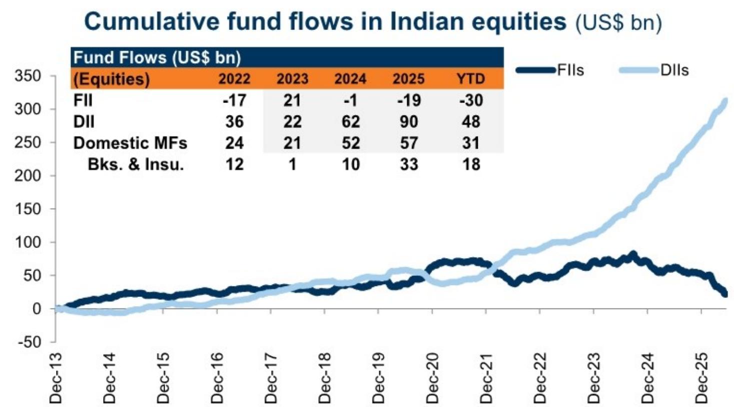
Exhibit 27: Historical 12M forward P/E (since 2004) of Asia-Pacific markets



Source: FactSet, MSCI, Goldman Sachs Global Investment Research

FII equity flows

Exhibit 28: Cumulative net foreign and domestic buying in cash equities since 2014



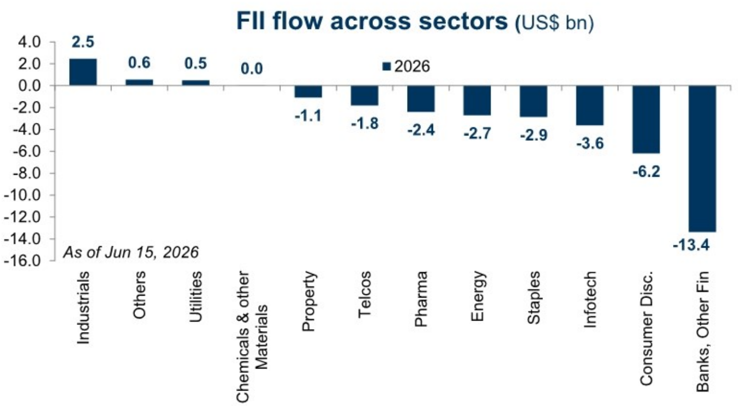
Source: Bloomberg

Exhibit 29: FII equity flows in EM Asia ($,bn)

FII Flows (US$ bn)						
Market	2022	2023	2024	2025	YTD	WTD
India	(17)	21	(1)	(19)	(30)	0.5
Korea	(10)	10	2	(4)	(77)	1.1
Taiwan	(44)	6	(20)	(8)	(12)	3.3
Philippines	(1)	(1)	(0)	(1)	(0)	0.0
Indonesia	4	(0)	1	(1)	(4)	0.1
Thailand	6	(6)	(4)	(3)	1	0.0
Malaysia	1	(1)	(1)	(5)	(1)	(0.0)
ASEAN	10	(7)	(4)	(10)	(4)	0.2
Emerging Asia	(60)	31	(23)	(41)	(123)	$5.0

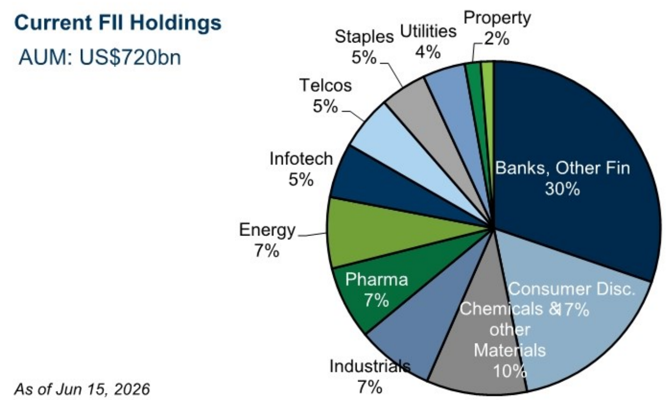
Source: Bloomberg

Exhibit 30: FII YTD flows across sectors



Source: NSDL, Goldman Sachs Global Investment Research

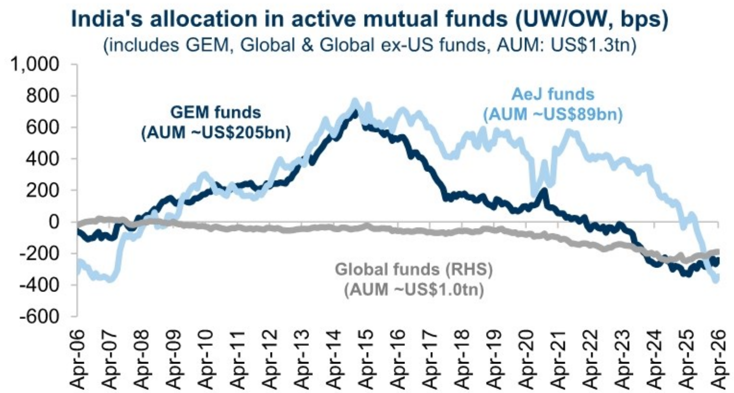
Exhibit 31: FII holdings across sectors



Source: NSDL, Goldman Sachs Global Investment Research

Foreign positioning in India

Exhibit 32: Exposure of active mutual funds globally to India is near a 2-decade low, relative to benchmark



Source: EPFR, FactSet, MSCI, Goldman Sachs Global Investment Research

Exhibit 33: Global funds across EM/Asia/Global mandates are underweight India

		India allocation		
Equity Mutual Funds	Total Assets (US$ bn)	Avg. Fund allocation (%)	Benchmark (MSCI)	OW/UW (bp) vs. MSCI
Global ex-USA funds	415	0.9%	3.9%	-295 bp
EM Funds	205	9.5%	11.9%	-240 bp
Global funds	615	0.2%	1.4%	-115 bp
AEJ Regional funds	90	10.0%	13.5%	-345 bp
Overall (AUM wgt.)	$1,325 bn	2.5%	4.6%	-210 bp

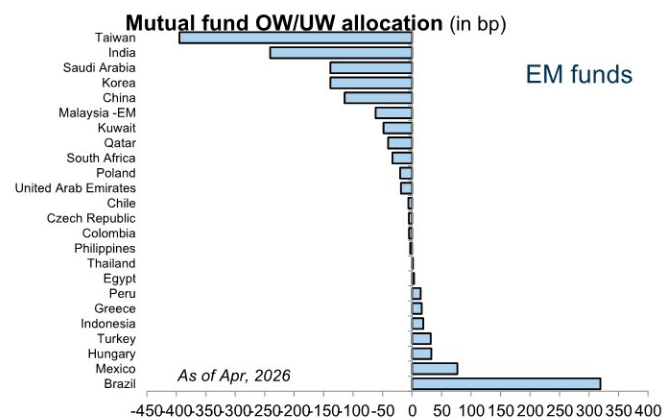
Note: As of Apr-end, 2026

Source: EPFR, FactSet, MSCI, Goldman Sachs Global Investment Research

Exhibit 34: Active fund allocations have shifted away from India to Korea/Taiwan in the recent months

Source: EPFR, Goldman Sachs Global Investment Research

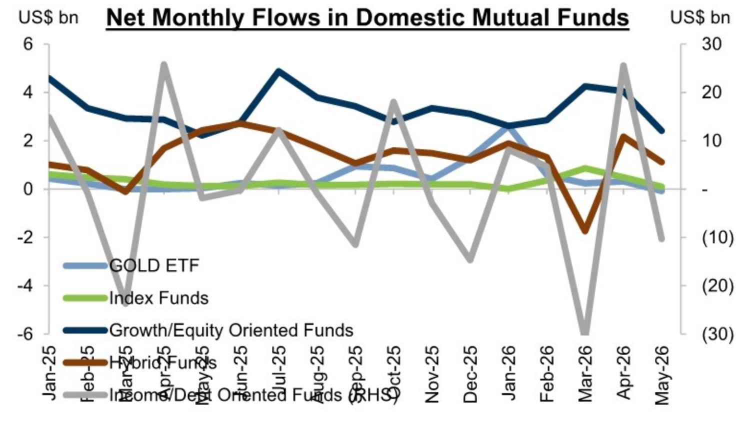
Exhibit 35: India is one of the most underweight markets in EM funds



Source: EPFR, FactSet, MSCI, Goldman Sachs Global Investment Research

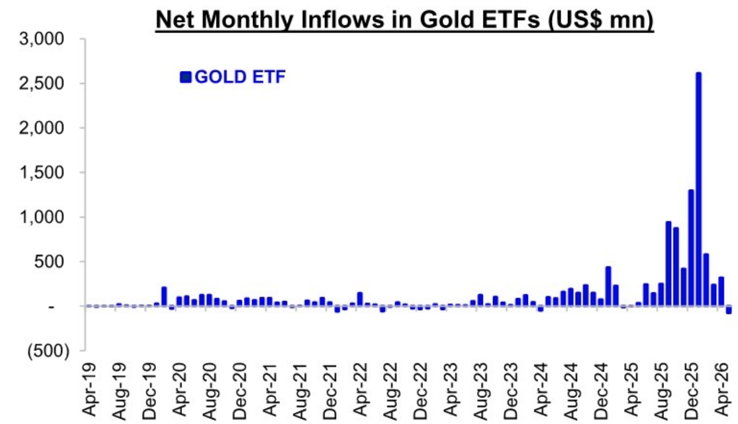
Domestic fund flows moderated in May

Exhibit 36: Domestic fund flows moderated in May across most asset classes



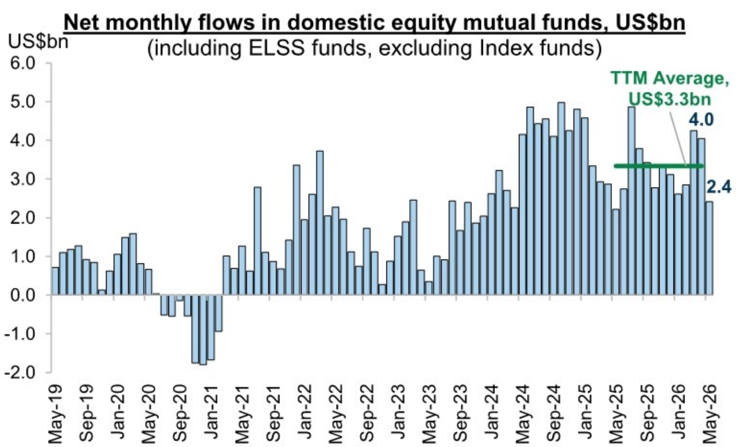
Source: AMFI, Goldman Sachs Global Investment Research

Exhibit 37: Flows in Gold ETFs turned negative for the first time in 13 months



Source: AMFI, Goldman Sachs Global Investment Research

Exhibit 38: Inflows in domestic equity funds moderated significantly by -40% mom, to US$2.4bn/month



Source: AMFI, Data compiled by Goldman Sachs Global Investment Research

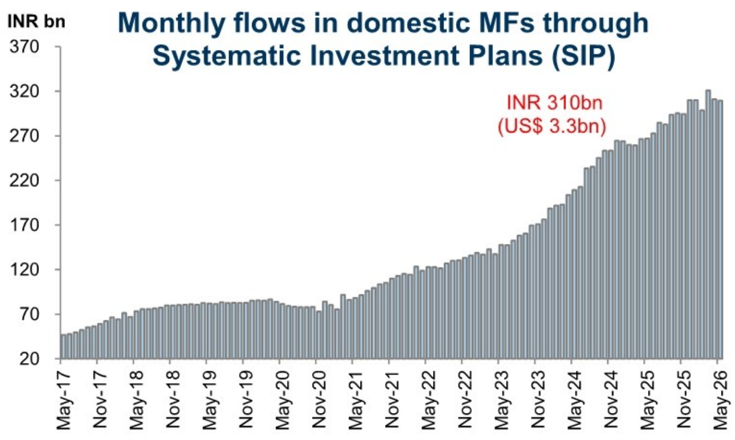
Exhibit 39: Across equity style categories, the slowdown was broad-based across largecap, midcap, smallcap, sector/thematic, value/contra funds etc.

Net Inflows in Equity Mutual Funds in May-26

Scheme type	Net Monthly Inflows (US$ mn)	Share of flows as % of overall flows	m-o-m change (%)
Flexi Cap Fund	+545	23%	(49%)
Small Cap Fund	+521	22%	(28%)
Mid Cap Fund	+462	19%	(33%)
Large & Mid Cap Fund	+345	14%	(27%)
Multi Cap Fund	+241	10%	(40%)
Large Cap Fund	+168	7%	(37%)
Focused Fund	+87	4%	(31%)
Sectoral/Thematic Funds	+68	3%	(67%)
Value Fund/Contra Fund	+54	2%	(66%)
Others	+0	0%	-
Dividend Yield Fund	-10	(0%)	-
ELSS	-70	(3%)	-
Equity MFs	**2,410**	**100%**	**(40%)**

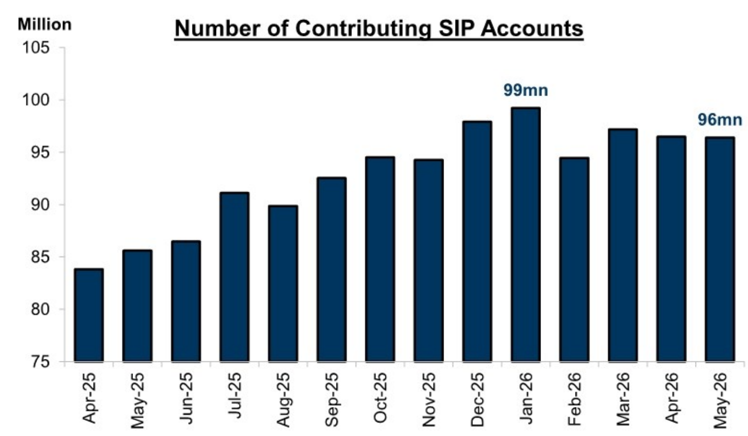
Source: AMFI, Goldman Sachs Global Investment Research

Exhibit 40: SIP dollar inflows moderated slightly by -0.5% mom, and have plateaued around INR 310bn/month (US$3.3bn) in the last 6 months...



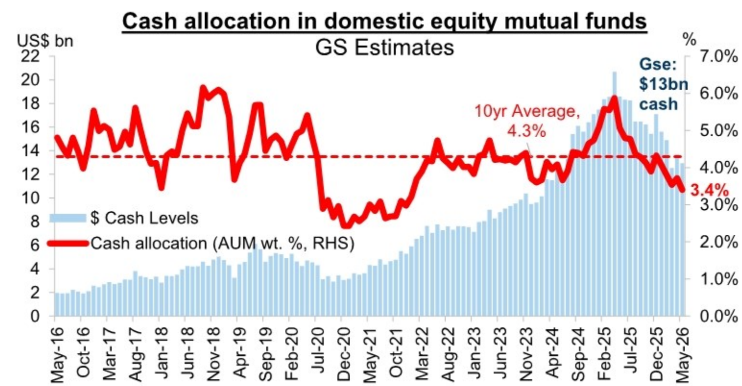
Source: AMFI, Goldman Sachs Global Investment Research

Exhibit 41: ... As growth in contributing SIP accounts has flattened



Source: AMFI, Goldman Sachs Global Investment Research

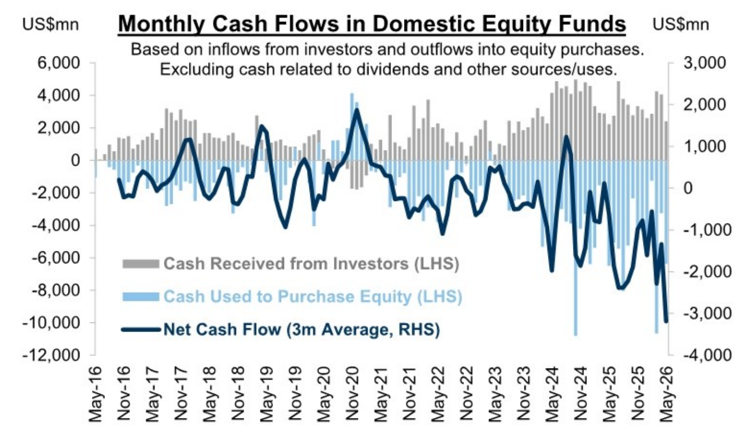
Exhibit 42: Funds have drawn down their cash allocations to 4-year lows of 3.4% of AUM, but still hold healthy $ cash levels of c.$13bn, per our estimate



Note: Cash allocations estimated based on a sample of ~200 equity funds (AUM $230bn). Cash levels estimated using GSe cash allocations on the full domestic equity mutual fund AUM of $380bn.

Source: FactSet, Goldman Sachs Global Investment Research

Exhibit 43: Funds have deployed c.$2bn/month more cash in the Indian equity market than they have received from investors, in the last 6-12 months

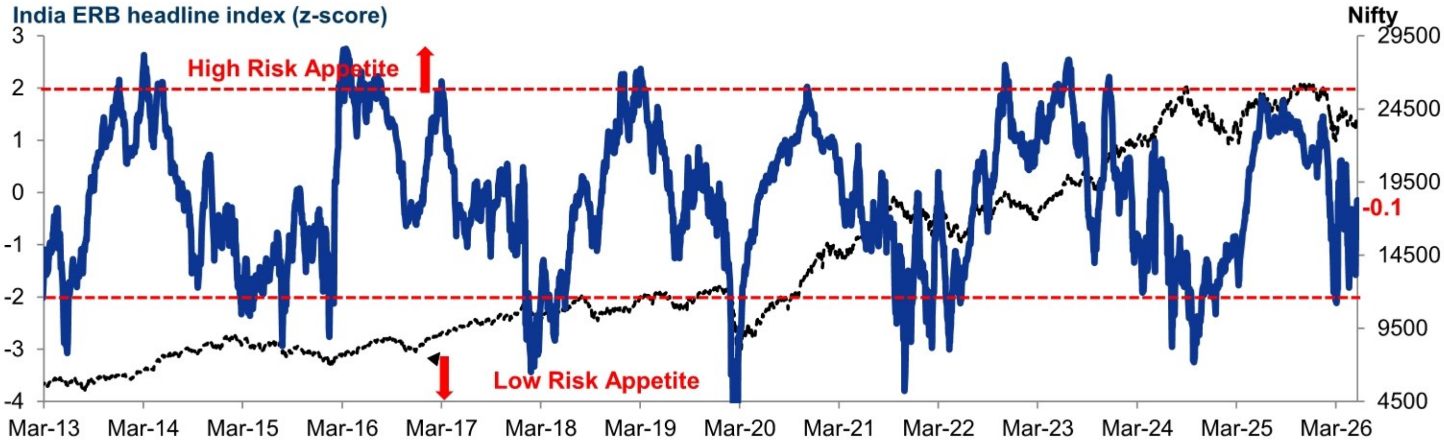


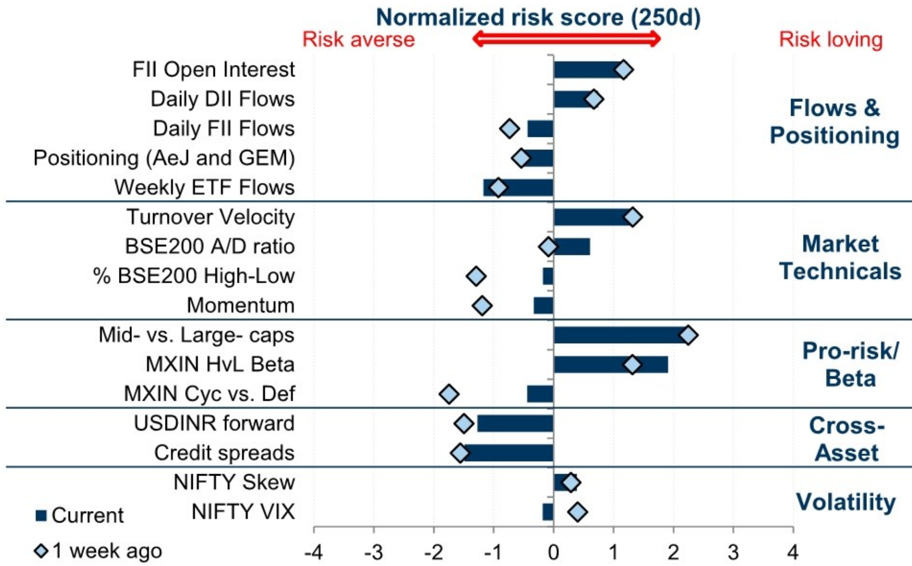
Source: Goldman Sachs Global Investment Research

India Equity Risk Barometer (GSSRIERB)

Exhibit 44: GS India Equity Risk Barometer (GSSRIERB)

For details, refer to India Strategy: Introducing GS India Equity Risk Barometer (GSSRIERB), March 30, 2017





Current	Jun 11, 2026	Unit
304362	336111	#, '000
165	441	US$mn
305	-120	US$mn
-6	-6	bps
-71	-71	US$mn
76	67	%
25	-58	%
8	-12	%
50	40	%
335	332	Index Level
210	205	Index Level
326	316	Index Level
97.7	98.4	FX Rate
61	61	bps
12	13	%
13	16	%

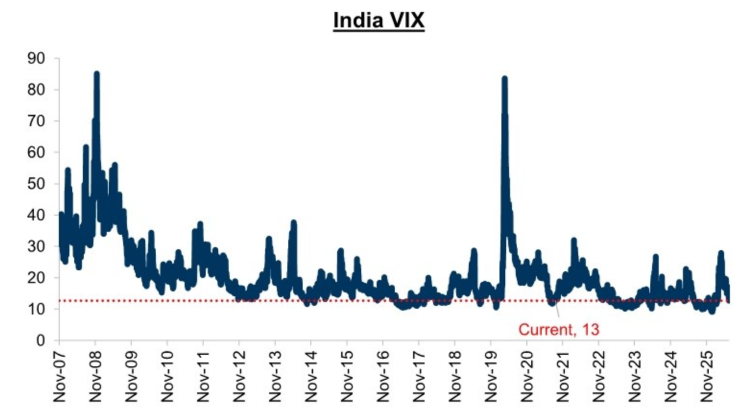
Source: Goldman Sachs Global Investment Research

Market Breadth, Volatility and Derivatives Positioning

Exhibit 45: Proportion of BSE200 stocks trading above their 200 DMA

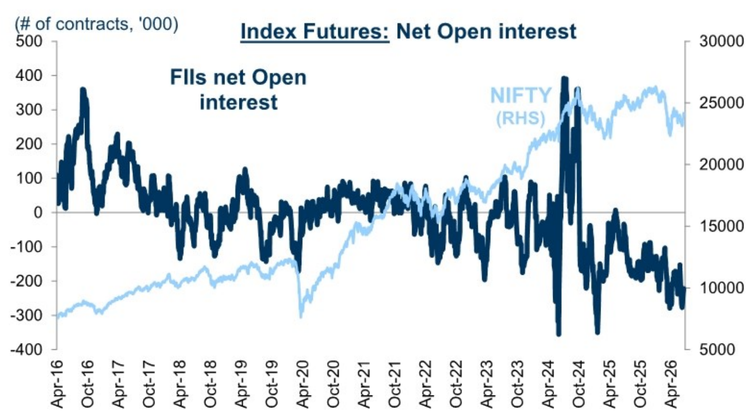
Source: FactSet, Goldman Sachs Global Investment Research

Exhibit 46: India VIX



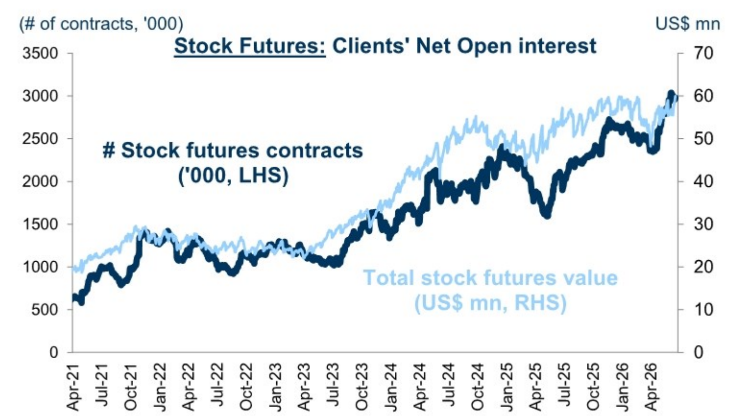
Source: Bloomberg

Exhibit 47: FIIs Index Futures Net Open Interest



Source: Bloomberg, NSE

Exhibit 48: Single Stock Futures (SSF) Net Open Interest



Source: Bloomberg, NSE

Disclosure Appendix

Reg AC

We, Sunil Koul, Amorita Goel, CFA and Timothy Moe, CFA, hereby certify that all of the views expressed in this report accurately reflect our personal views, which have not been influenced by considerations of the firm's business or client relationships.

Unless otherwise stated, the individuals listed on the cover page of this report are analysts in Goldman Sachs' Global Investment Research division.

Contributing Authors: Sunil Koul Goldman Sachs International, Amorita Goel, CFA Goldman Sachs (Singapore) Pte, Timothy Moe, CFA Goldman Sachs (Singapore) Pte.

Unless otherwise stated, the individuals listed in the Contributing Authors disclosure of this report are analysts in Goldman Sachs' Global Investment Research division.

Disclosures

MSCI disclosure

All MSCI data used in this report is the exclusive property of MSCI, Inc. (MSCI). Without prior written permission of MSCI, this information and any other MSCI intellectual property may not be reproduced or disseminated in any form and may not be used create any financial instruments or products or any indices. This information is provided on an "as is" basis, and the user of this information assumes the entire risk of any use made of this information. Neither MSCI, any of its affiliates nor any third party involved in, or related to, computing or compiling the data makes any express or implied warranties or representations with respect to this information (or the results to be obtained by the use thereof), and MSCI, its affiliates and any such third party hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in, or related to, computing or compiling the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. MSCI and the MSCI indexes are service marks of MSCI and its affiliates. The Global Industry Classification Standard (GICS) were developed by and is the exclusive property of MSCI and Standard & Poor's. GICS is a service mark of MSCI and S&P and has been licensed for use by The Goldman Sachs Group, Inc.

Basket disclosures

The ability to trade the basket(s) discussed in this research will depend upon market conditions, including liquidity and borrow constraints at the time of trade.

Regulatory disclosures

Disclosures required by United States laws and regulations

See company-specific regulatory disclosures above for any of the following disclosures required as to companies referred to in this report: manager or co-manager in a pending transaction; 1% or other ownership; compensation for certain services; types of client relationships; managed/co-managed public offerings in prior periods; directorships; for equity securities, market making and/or specialist role. Goldman Sachs trades or may trade as a principal in debt securities (or in related derivatives) of issuers discussed in this report.

The following are additional required disclosures: **Ownership and material conflicts of interest:** Goldman Sachs policy prohibits its analysts, professionals reporting to analysts and members of their households from owning securities of any company in the analyst's area of coverage. **Analyst compensation:** Analysts are paid in part based on the profitability of Goldman Sachs, which includes investment banking revenues. **Analyst as officer or director:** Goldman Sachs policy generally prohibits its analysts, persons reporting to analysts or members of their households from serving as an officer, director or advisor of any company in the analyst's area of coverage. **Non-U.S. Analysts:** Non-U.S. analysts may not be associated persons of Goldman Sachs & Co. LLC and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading in securities covered by the analysts.

Additional disclosures required under the laws and regulations of jurisdictions other than the United States

The following disclosures are those required by the jurisdiction indicated, except to the extent already made above pursuant to United States laws and regulations. **Australia:** Goldman Sachs Australia Pty Ltd and its affiliates are not authorised deposit-taking institutions (as that term is defined in the Banking Act 1959 (Cth)) in Australia and do not provide banking services, nor carry on a banking business, in Australia. This research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act, unless otherwise agreed by Goldman Sachs. In producing research reports, members of Global Investment Research of Goldman Sachs Australia may attend site visits and other meetings hosted by the companies and other entities which are the subject of its research reports. In some instances the costs of such site visits or meetings may be met in part or in whole by the issuers concerned if Goldman Sachs Australia considers it is appropriate and reasonable in the specific circumstances relating to the site visit or meeting. To the extent that the contents of this document contains any financial product advice, it is general advice only and has been prepared by Goldman Sachs without taking into account a client's objectives, financial situation or needs. A client should, before acting on any such advice, consider the appropriateness of the advice having regard to the client's own objectives, financial situation and needs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests and a copy of Goldman Sachs' Australian Sell-Side Research Independence Policy Statement are available at: https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html. **Brazil:** Disclosure information in relation to CVM Resolution n. 20 is available at https://www.gs.com/worldwide/brazil/area/gir/index.html. Where applicable, the Brazil-registered analyst primarily responsible for the content of this research report, as defined in Article 20 of CVM Resolution n. 20, is the first author named at the beginning of this report, unless indicated otherwise at the end of the text. **Canada:** This information is being provided to you for information purposes only and is not, and under no circumstances should be construed as, an advertisement, offering or solicitation by Goldman Sachs & Co. LLC for purchasers of securities in Canada to trade in any Canadian security. Goldman Sachs & Co. LLC is not registered as a dealer in any jurisdiction in Canada under applicable Canadian securities laws and generally is not permitted to trade in Canadian securities and may be prohibited from selling certain securities and products in certain jurisdictions in Canada. If you wish to trade in any Canadian securities or other products in Canada please contact Goldman Sachs Canada Inc., an affiliate of The Goldman Sachs Group Inc., or another registered Canadian dealer. **Hong Kong:** Further information on the securities of covered companies referred to in this research may be obtained on request from Goldman Sachs (Asia) L.L.C. **India:** Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (India) Securities Private Limited, Research Analyst - SEBI Registration Number INH000001493, 10th Floor, Ascent-Worli, Sudam Kalu Ahire Marg, Worli, Mumbai-400 025, India, Corporate Identity Number U74140MH2006FTC160634, Phone +91 22 6616 9000, Fax +91 22 6616 9001. Goldman Sachs may beneficially own 1% or more of the securities (as such term is defined in clause 2 (h) the Indian Securities Contracts (Regulation) Act, 1956) of the subject company or companies referred to in this research report. Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Goldman Sachs (India) Securities Private Limited compliance officer and investor grievance contact details can be found at: https://www.goldmansachs.com/worldwide/india/documents/Grievance-Redressal-and-Escalation-Matrix.pdf, and a copy of the annual audit compliance report can be found at this link: https://publishing.gs.com/content/site/india-annual-compliance-report.html. **Japan:** See below. **Korea:** This research, and any access to it, is intended only for "professional investors" within the meaning of the Financial Services and Capital Markets Act, unless otherwise agreed by Goldman Sachs. Further information on the subject company or companies referred to in this research may be obtained from Goldman Sachs (Asia) L.L.C., Seoul Branch. **New Zealand:** Goldman Sachs New Zealand Limited and its affiliates are neither "registered banks" nor "deposit takers" (as defined in the Reserve Bank of New Zealand Act 1989) in New Zealand. This research, and any access to it, is intended for "wholesale clients" (as defined in the Financial Advisers Act 2008) unless otherwise agreed by Goldman Sachs. A copy of certain Goldman Sachs Australia and New Zealand disclosure of interests is available at: https://www.goldmansachs.com/disclosures/australia-new-zealand/index.html. **Russia:** Research reports distributed in the Russian Federation are not advertising as defined in the Russian legislation, but are information and analysis not having product promotion as their main purpose and do not provide appraisal within the meaning of the Russian legislation on appraisal activity. Research reports do not constitute a personalized investment recommendation as defined in Russian laws and regulations, are not addressed to a specific client, and are prepared without analyzing the financial circumstances, investment profiles or risk profiles of clients. Goldman Sachs assumes no responsibility for any investment decisions that may be taken by a client or any other person based on this research report. **Singapore:** Goldman Sachs (Singapore) Pte. (Company Number: 198602165W), which is regulated by the Monetary Authority of Singapore, accepts legal responsibility for this research, and should be contacted with respect to any matters arising from, or in connection with, this research. **Taiwan:** This material is for reference only and must not be reprinted without permission. Investors should carefully consider their own investment risk. Investment results are the responsibility of the individual investor. **United Kingdom:** Persons who would be categorized as retail clients in the United Kingdom, as such term is defined in the rules of the Financial Conduct Authority, should read this research in conjunction with prior Goldman Sachs research on the covered companies referred to herein and should refer to the risk warnings that have been sent to them by Goldman Sachs International. A copy of these risks warnings, and a glossary of certain financial terms used in this report, are available from Goldman Sachs International on request.

European Union and United Kingdom: Disclosure information in relation to Article 6 (2) of the European Commission Delegated Regulation (EU) (2016/958) supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council (including as that Delegated Regulation is implemented into United Kingdom domestic law and regulation following the United Kingdom's departure from the European Union and the European Economic Area) with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest is available at https://www.gs.com/disclosures/europeanpolicy.html which states the European Policy for Managing Conflicts of Interest in Connection with Investment Research.

Japan: Goldman Sachs Japan Co., Ltd. is a Financial Instrument Dealer registered with the Kanto Financial Bureau under registration number Kinsho 69, and a member of Japan Securities Dealers Association, Financial Futures Association of Japan Type II Financial Instruments Firms Association, and Investment Management Association of Japan. Sales and purchase of equities are subject to commission pre-determined with clients plus consumption tax. See company-specific disclosures as to any applicable disclosures required by Japanese stock exchanges, the Japanese Securities Dealers Association or the Japanese Securities Finance Company.

Global product; distributing entities

Goldman Sachs Global Investment Research produces and distributes research products for clients of Goldman Sachs on a global basis. Analysts based in Goldman Sachs offices around the world produce research on industries and companies, and research on macroeconomics, currencies, commodities and portfolio strategy. This research is disseminated in Australia by Goldman Sachs Australia Pty Ltd (ABN 21 006 797 897); in Brazil by Goldman Sachs do Brasil Corretora de Títulos e Valores Mobiliários S.A.; Public Communication Channel Goldman Sachs Brazil: 0800 727 5764 and / or contatogoldmanbrasil@gs.com. Available Weekdays (except holidays), from 9am to 6pm. Canal de Comunicação com o Público Goldman Sachs Brasil: 0800 727 5764 e/ou contatogoldmanbrasil@gs.com. Horário de funcionamento: segunda-feira à sexta-feira (exceto feriados), das 9h às 18h; in Canada by Goldman Sachs & Co. LLC; in Hong Kong by Goldman Sachs (Asia) L.L.C.; in India by Goldman Sachs (India) Securities Private Ltd.; in Japan by Goldman Sachs Japan Co., Ltd.; in the Republic of Korea by Goldman Sachs (Asia) L.L.C., Seoul Branch; in New Zealand by Goldman Sachs New Zealand Limited; in Russia by OOO Goldman Sachs; in Singapore by Goldman Sachs (Singapore) Pte. (Company Number: 198602165W); and in the United States of America by Goldman Sachs & Co. LLC. Goldman Sachs International has approved this research in connection with its distribution in the United Kingdom.

Goldman Sachs International ("GSI"), authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA") and the PRA, has approved this research in connection with its distribution in the United Kingdom.

European Economic Area: Goldman Sachs Bank Europe SE ("GSBE") is a credit institution incorporated in Germany and, within the Single Supervisory Mechanism, subject to direct prudential supervision by the European Central Bank and in other respects supervised by German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank and disseminates research within the European Economic Area.

General disclosures

This research is for our clients only. Other than disclosures relating to Goldman Sachs, this research is based on current public information that we consider reliable, but we do not represent it is accurate or complete, and it should not be relied on as such. The information, opinions, estimates and forecasts contained herein are as of the date hereof and are subject to change without prior notification. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Other than certain industry reports published on a periodic basis, the large majority of reports are published at irregular intervals as appropriate in the analyst's judgment.

Goldman Sachs conducts a global full-service, integrated investment banking, investment management, and brokerage business. We have investment banking and other business relationships with a substantial percentage of the companies covered by Global Investment Research. Goldman Sachs & Co. LLC, the United States broker dealer, is a member of SIPC (https://www.sipc.org).

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients and principal trading desks that reflect opinions that are contrary to the opinions expressed in this research. Our asset management area, principal trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this research.

We and our affiliates, officers, directors, and employees will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives, if any, referred to in this research, unless otherwise prohibited by regulation or Goldman Sachs policy.

The views attributed to third party presenters at Goldman Sachs arranged conferences, including individuals from other parts of Goldman Sachs, do not necessarily reflect those of Global Investment Research and are not an official view of Goldman Sachs.

Any third party referenced herein, including any salespeople, traders and other professionals or members of their household, may have positions in the products mentioned that are inconsistent with the views expressed by analysts named in this report.

This research is focused on investment themes across markets, industries and sectors. It does not attempt to distinguish between the prospects or performance of, or provide analysis of, individual companies within any industry or sector we describe.

Any trading recommendation in this research relating to an equity or credit security or securities within an industry or sector is reflective of the investment theme being discussed and is not a recommendation of any such security in isolation.

This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Clients should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. The price and value of investments referred to in this research and the income from them may fluctuate. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments.

Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. Investors should review current options and futures disclosure documents which are available from Goldman Sachs sales representatives or at https://www.theocc.com/about/publications/character-risks.jsp and https://www.goldmansachs.com/disclosures/cftc_fcm_disclosures. Transaction costs may be significant in option strategies calling for multiple purchase and sales of options such as spreads. Supporting documentation will be supplied upon request.

Differing Levels of Service provided by Global Investment Research: The level and types of services provided to you by Goldman Sachs Global Investment Research may vary as compared to that provided to internal and other external clients of GS, depending on various factors including your individual preferences as to the frequency and manner of receiving communication, your risk profile and investment focus and perspective (e.g., marketwide, sector specific, long term, short term), the size and scope of your overall client relationship with GS, and legal and regulatory constraints. As an example, certain clients may request to receive notifications when research on specific securities is published, and certain clients may request that specific data underlying analysts' fundamental analysis available on our internal client websites be delivered to them electronically through data feeds or otherwise. No change to an analyst's fundamental research views (e.g., ratings, price targets, or material changes to earnings estimates for equity securities), will be communicated to any client prior to inclusion of such information in a research report broadly disseminated through electronic publication to our internal client websites or through other means, as necessary, to all clients who are entitled to receive such reports.

All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client websites. Not all research content is redistributed to our clients or available to third-party aggregators, nor is Goldman Sachs responsible for the redistribution of our research by third party aggregators. For research, models or other data related to one or more securities, markets or asset classes (including related services) that may be available to you, please contact your GS representative or go to https://research.gs.com.

Disclosure information is also available at https://www.gs.com/research/hedge.html or from Research Compliance, 200 West Street, New York, NY 10282.