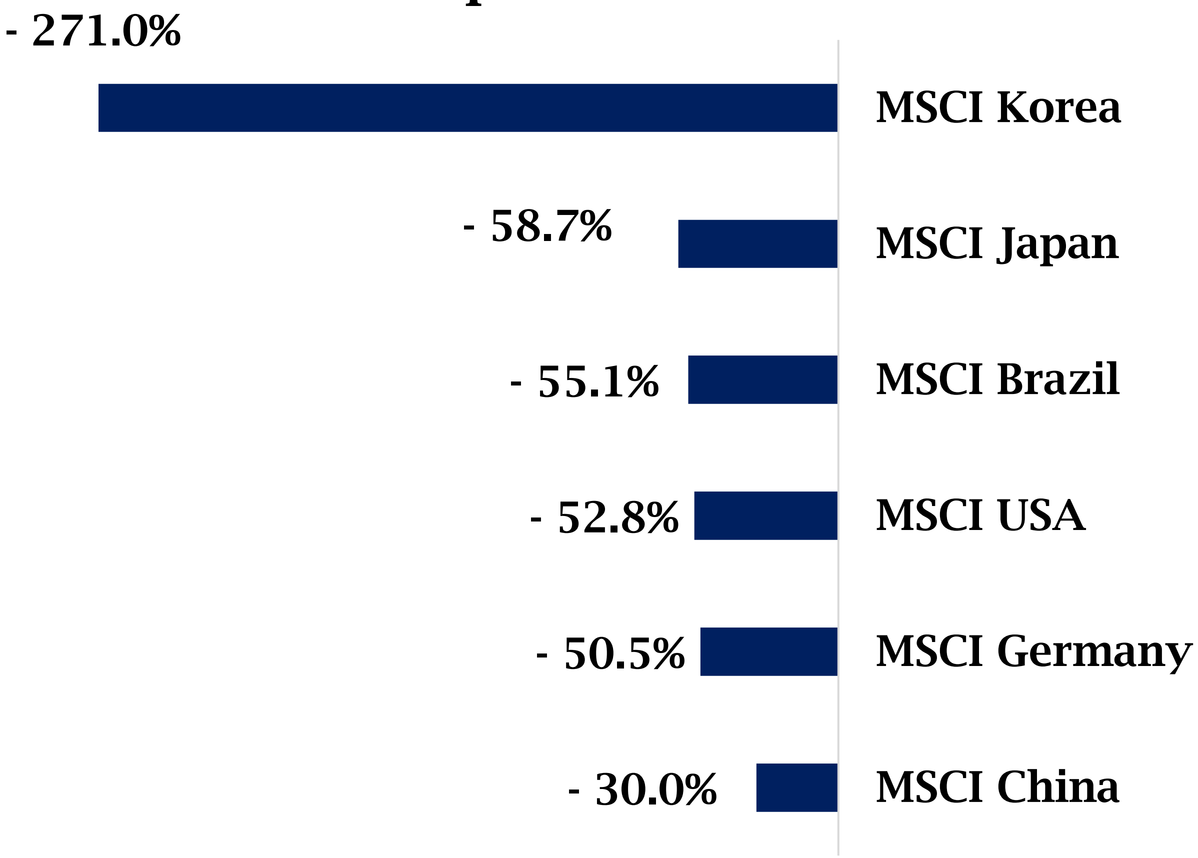
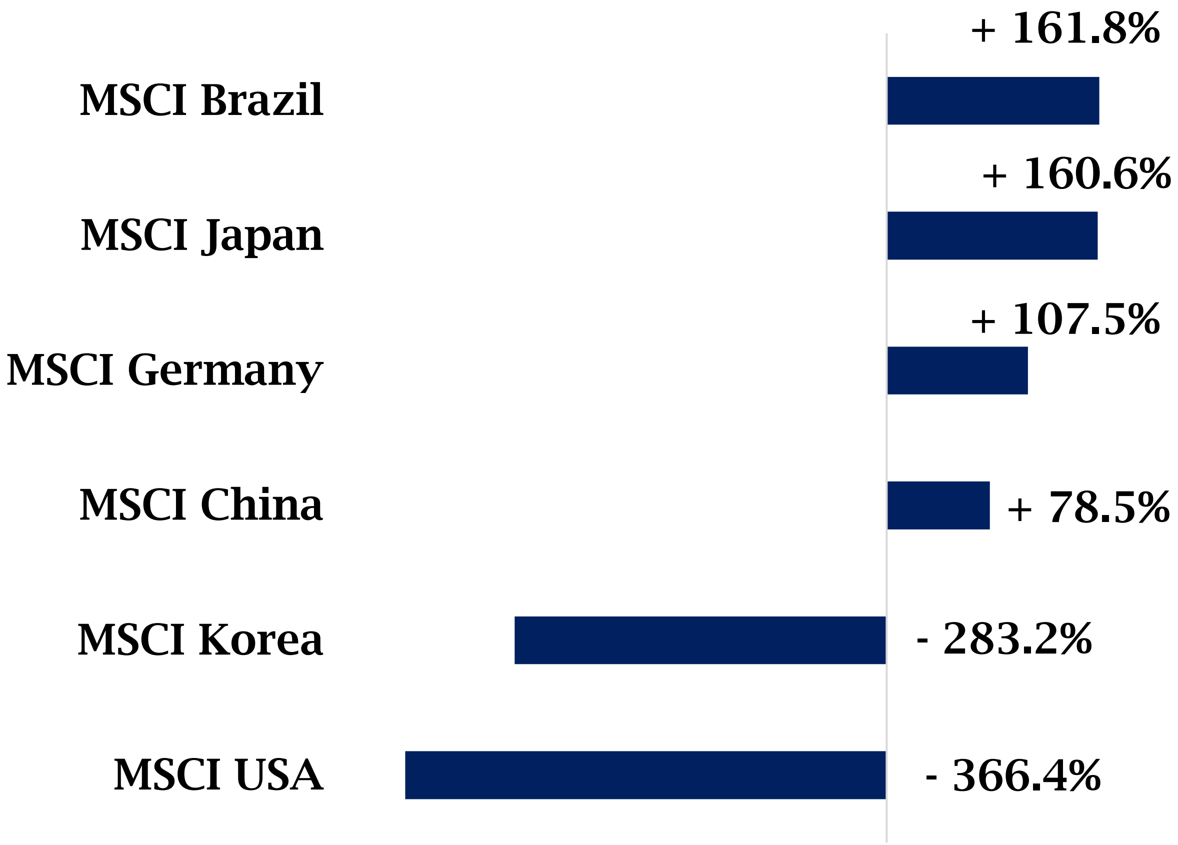
# Performance of MSCI India in US$ terms

## MSCI India's underperformance since Sept 2024 relative to

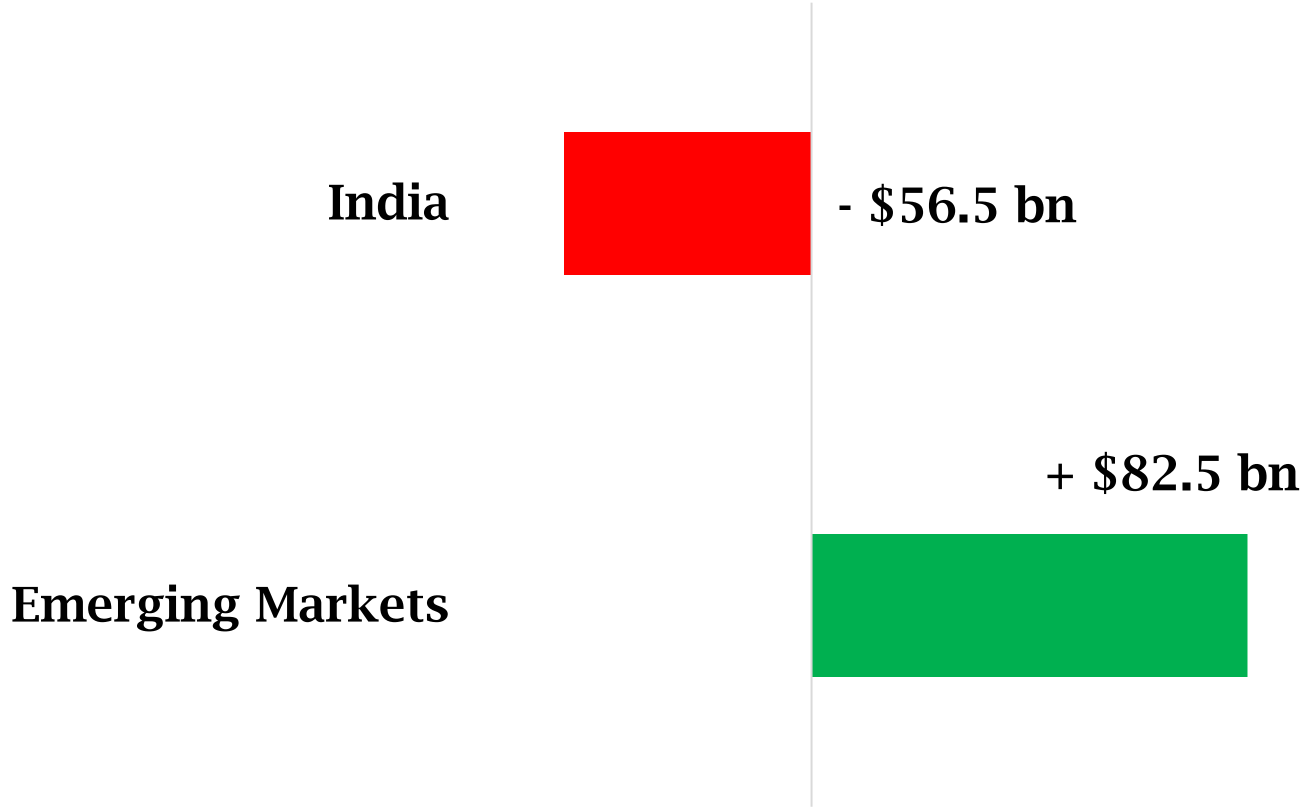



## MSCI India's 20-Year Performance relative to




Source: Bloomberg, Sundaram Asset Management Singapore. For Chart 1, data is from 30th September 2024 till 31st May 2026. For Chart 2, data is from 31ST May 2006 till 31st May 2026

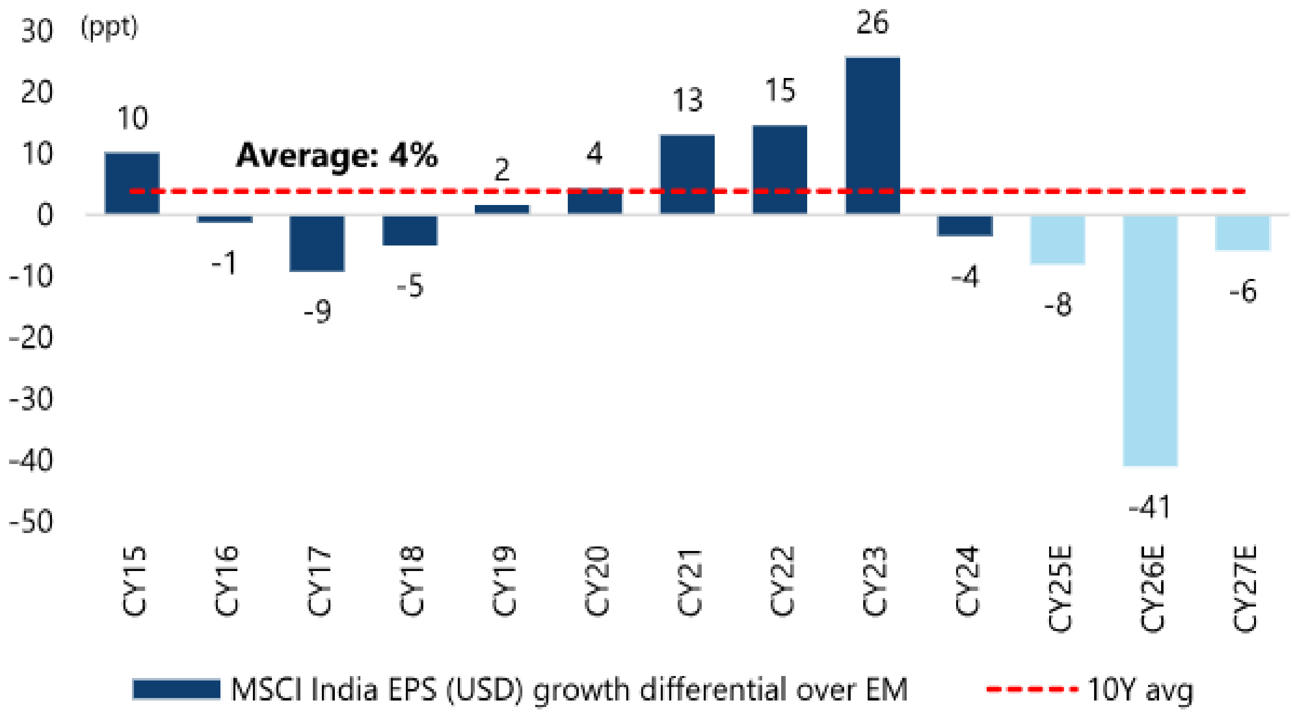
# Cumulative Foreign Flows from October 2024 till end-March 2026




Source: Bloomberg, JPMorgan, EPFR Research, Sundaram Asset Management Singapore. Data is from October 2024 till May 2026

# MSCI India lagging in earnings growth vs EM universe

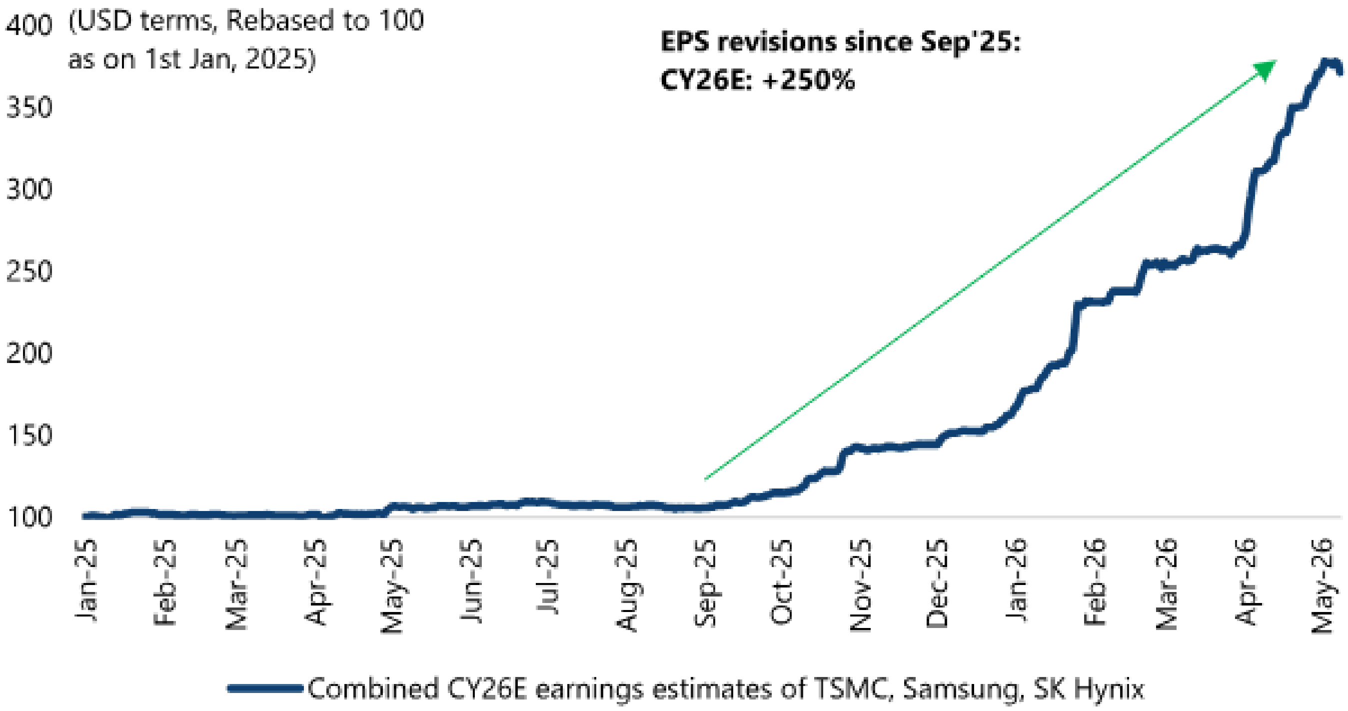
Exhibit 6 - MSCI India earnings growth differential over EMs




Source: Source: Bloomberg, Jefferies. Estimates are bloomberg consensus

# EM earnings boosted by significant upgrades to the key AI picks & shovels

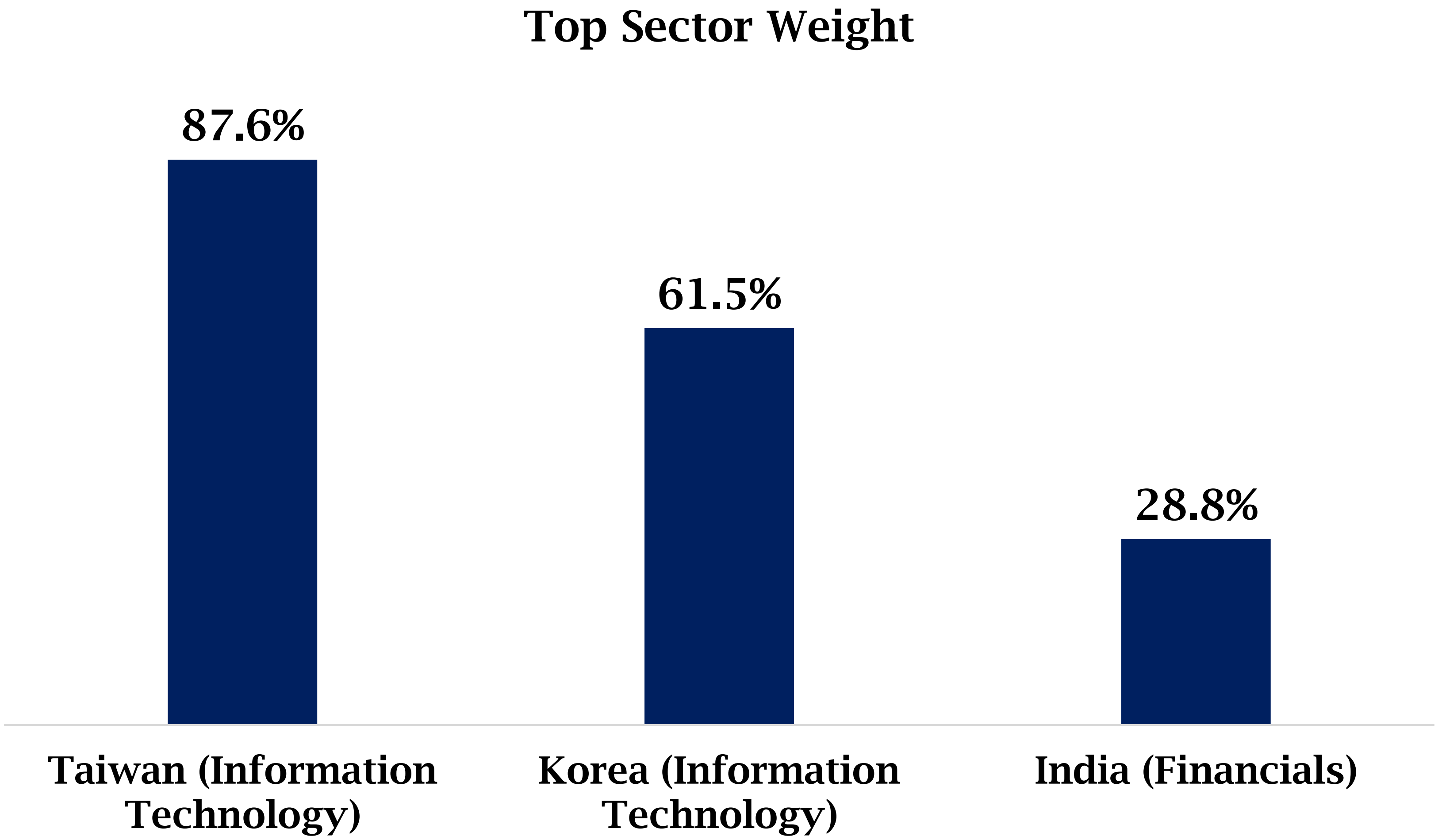
**Exhibit 7 - CY26E combined consensus earnings estimates trend of TSMC, Samsung and SK Hynix**




Source: Bloomberg, Jefferies. Estimates are consensus estimates

SUNDARAM ASSET MANAGEMENT SINGAPORE
Sundaram Finance Group

# Indian Market remains well-diversified compared to its key Asian peers

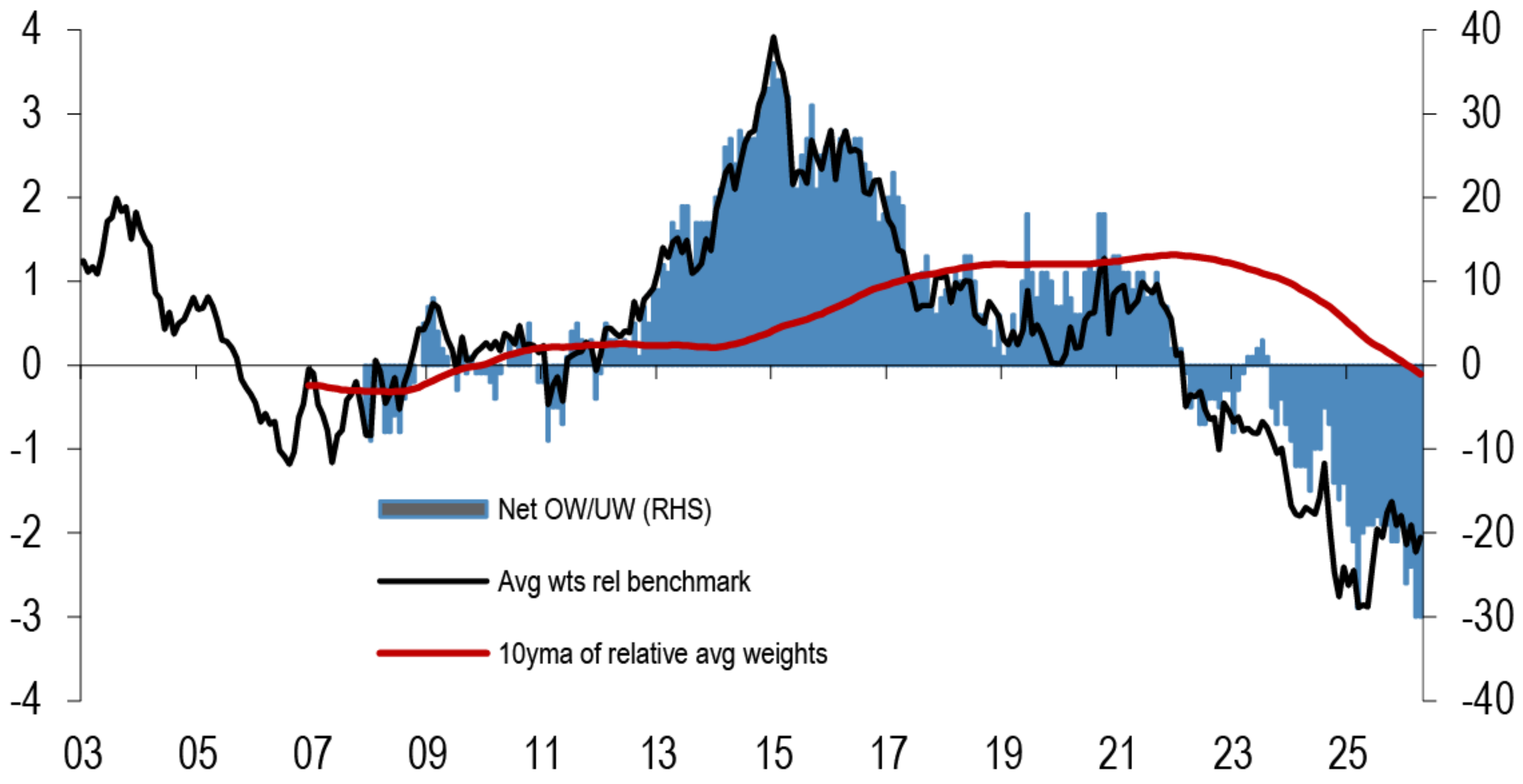



Source: Sundaram Asset Management Singapore. Data as of 30th April 2026

"Sensitivity: Public"

SUNDARAM ASSET MANAGEMENT SINGAPORE
Sundaram Finance Group

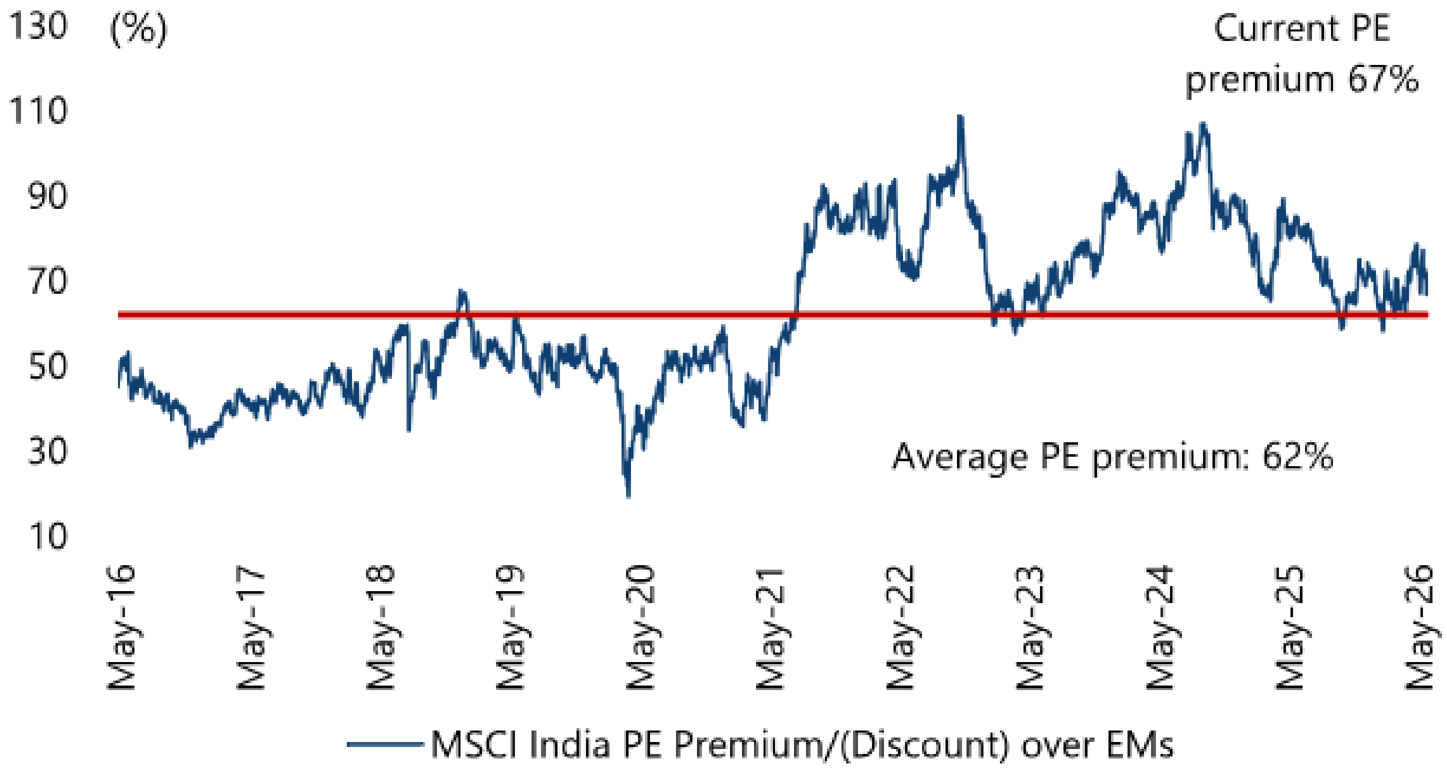
# India's Average Weighting relative to Benchmark is at its lows




Source: JPMorgan, Sundaram Asset Management Singapore. Data is as of 31st May 2026

# India's valuation premium a concern

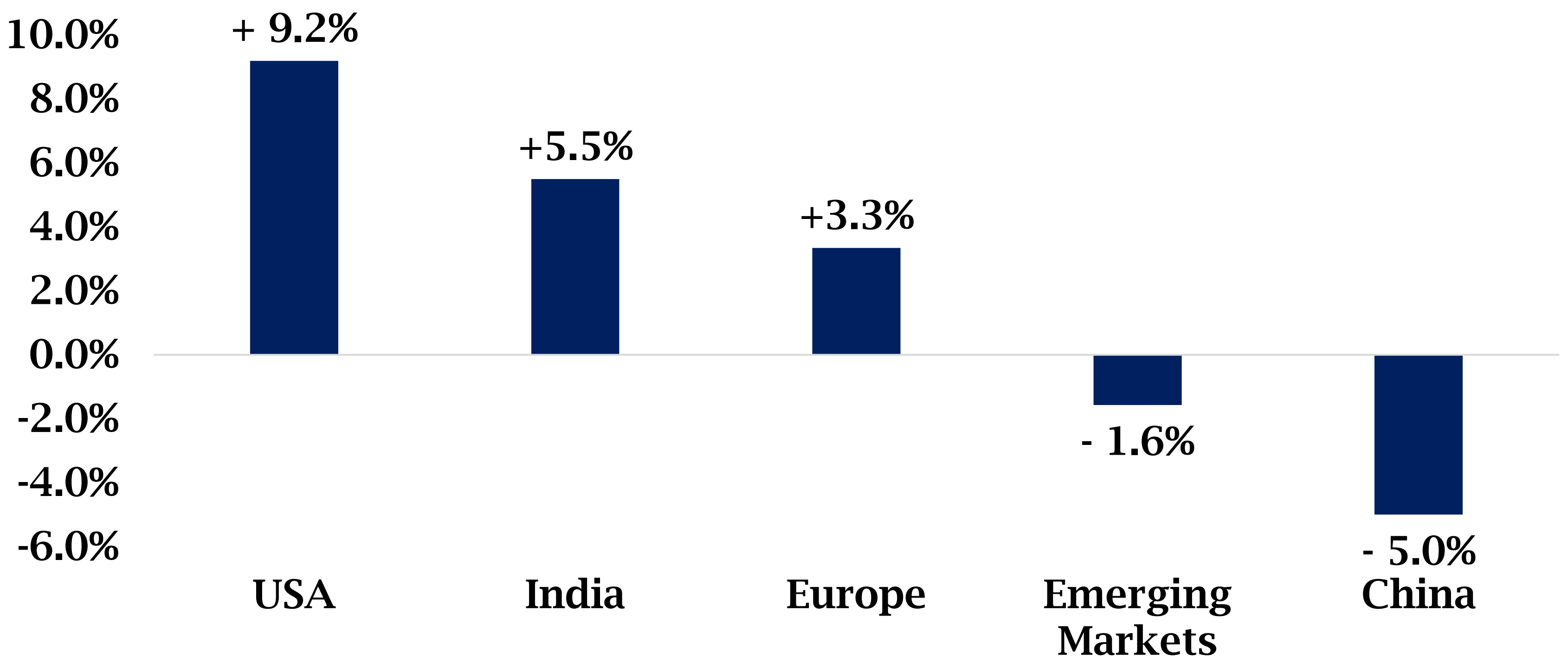
**Exhibit 11 - MSCI India's valuation premium to EMs**




Source: Bloomberg, Jefferies

# India’s Valuation Premium is Justifiable

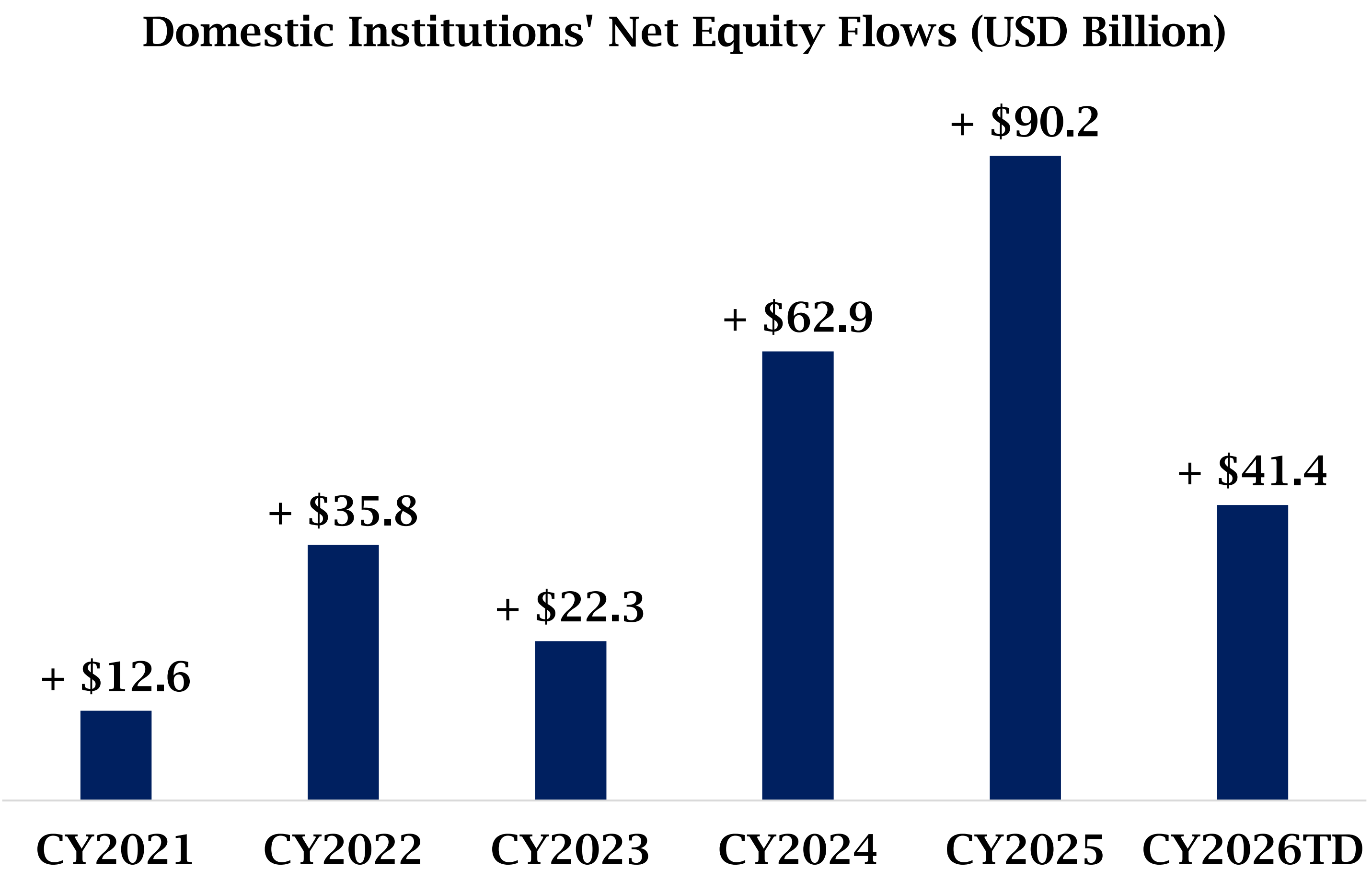
## Returns on Equity Adjusted for Cost of Equity*




| | | | | | |
|---|---|---|---|---|---|
| Total Companies Analyzed | 5,994 | 5,170 | 6,560 | 27,360 | 6,307 |

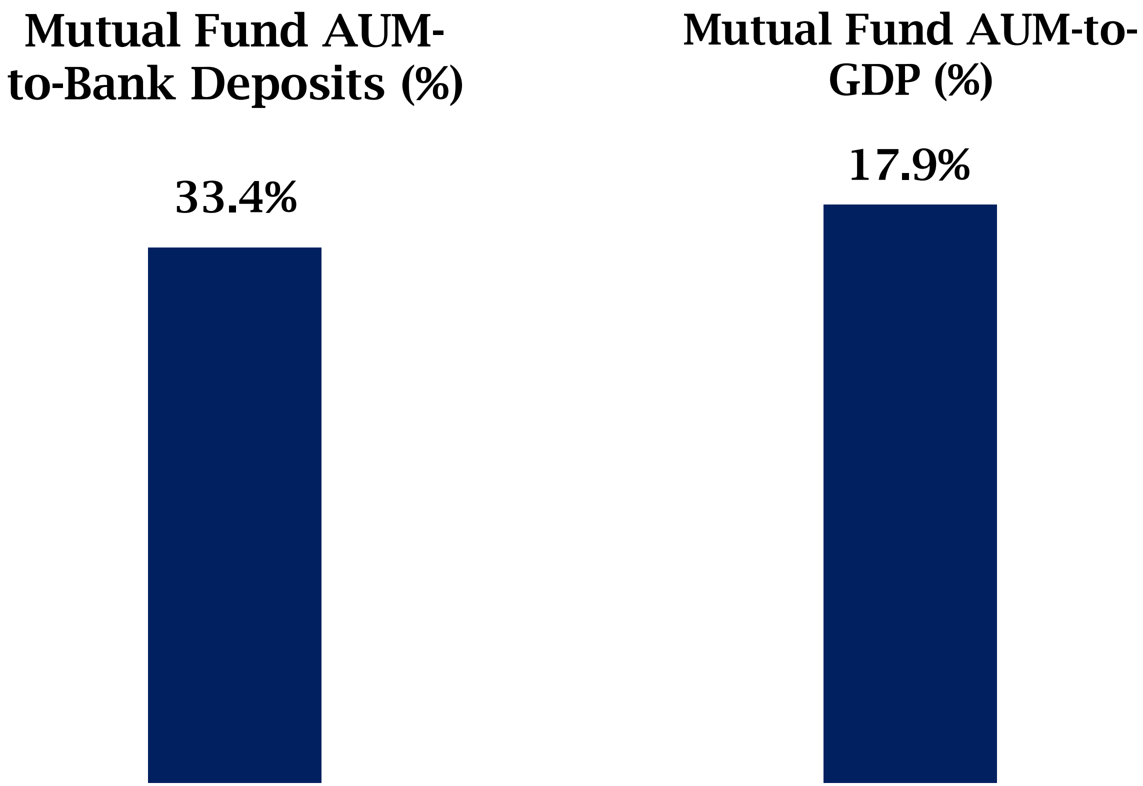
Source: Sundaram Asset Management Singapore, *Website of Aswath Damodaran (Professor at NYU School of Business). All data as of 31 December 2025

# Domestic Inflows offer support amidst Foreign Outflows



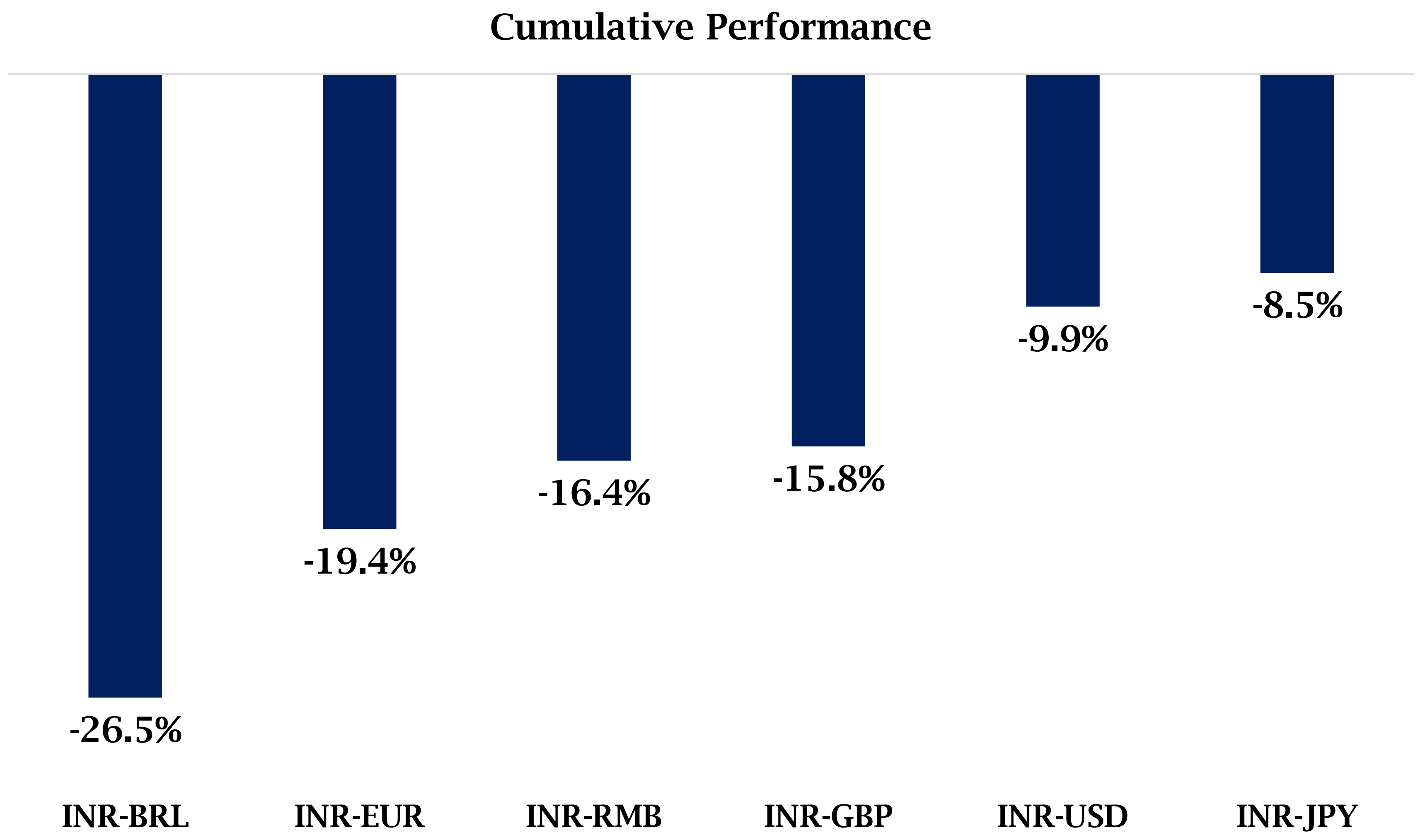

Source: Bloomberg, Sundaram Asset Management Singapore. Data as of 31 May 2026

# India's Financialization of Savings is just the beginning




Source: AMFI, RBI, Crisil Intelligence, Sundaram Asset Management Singapore

# India's Currency has been weak – 2025 beginning to end May 2026

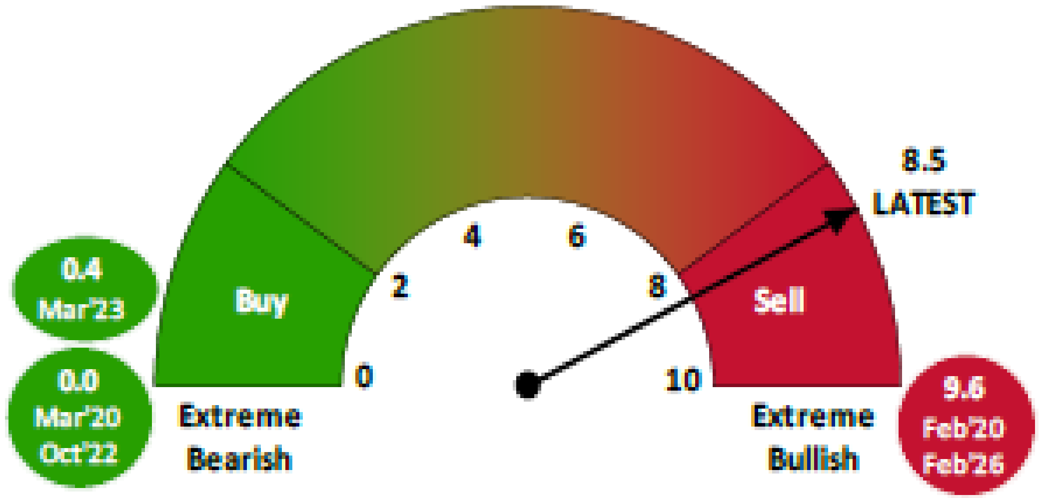



Source: JPMorgan, Sundaram Asset Management Singapore. Data is from end-December 2024 till 31st May 2026

# Global Equities – look extended

**Chart 18: BofA Bull & Bear at 8.5**

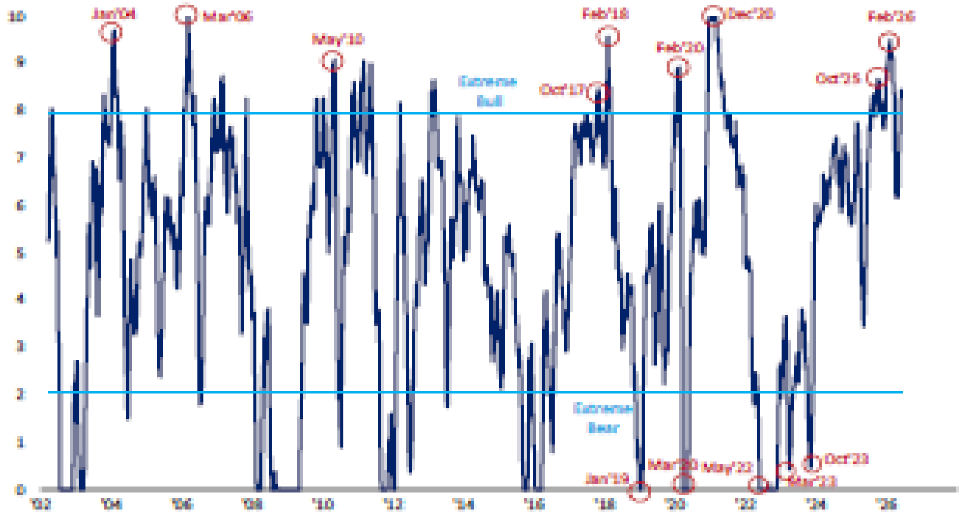
Up to 8.5 from 8.0




**Source:** BofA Global Investment Strategy

**Chart 19: BofA Bull & Bear Indicator at 8.5**

BofA Bull & Bear Indicator since 2002




**Source:** BofA Global Investment Strategy, EPFR Global, FMS, CFTC, MSCI.

# Global Equities – led by tech - US

# Global Equities – led by tech – Emerging Markets

Here is MSCI EM since March 1st. Incredible Tech performance but nothing else is working.

View Members Groups Period Cust 03/01/26 - 06/03/26

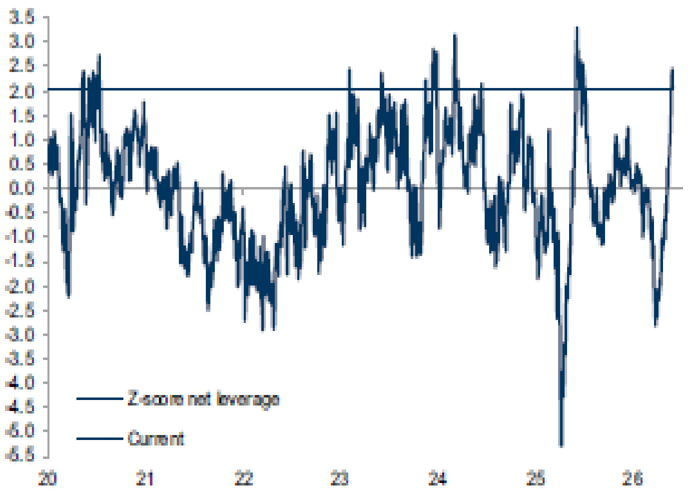
Movers All

| Groups (11) | Ticker | Level | Cust |
|---|---|---|---|
| MSCI EM | MXEF | 1789.14 | 11.08% |
| All Groups | | | |
| 1) MSCI EM/INF TECH | MXEFOIT | 2,996.91 | 44.49% |
| 2) MSCI EM/INDUSTRL | MXEFOIN | 264.02 | 2.45% |
| 3) MSCI EM/ENERGY | MXEFOEN | 507.00 | -0.95% |
| 4) MSCI EM/UTILITY | MXEFOUT | 245.55 | -3.45% |
| 5) MSCI EM/CONS DIS | MXEFOCD | 635.55 | -5.02% |
| 6) MSCI EM/COMM SVC | MXEFOTC | 185.10 | -5.83% |
| 7) MSCI EM/FINANCE | MXEFOFN | 424.61 | -6.40% |
| 8) MSCI EM/CON STPL | MXEFOCS | 372.94 | -7.23% |
| 9) MSCI EM/REAL EST | MXEFORL | 509.87 | -10.71% |
| 10) MSCI EM/HLTH CARE | MXEFOHC | 717.67 | -11.14% |
| 11) MSCI EM/MATERIAL | MXEFOMT | 492.34 | -12.46% |

# Global Equities – positioning in tech worrying

**Exhibit 1: Net leverage increased with the fastest velocity since 'Liberation Day'**

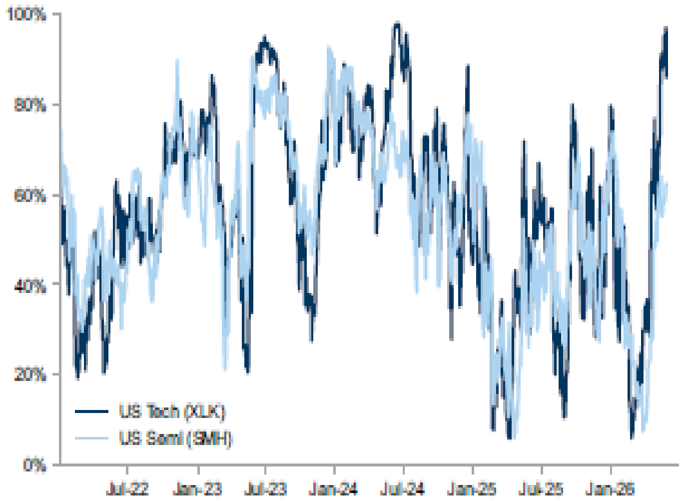
2y Z-score of chg. since April. Global hedge funds net leverage.




Source: Goldman Sachs FICC and Equities, Goldman Sachs Global Investment Research

**Exhibit 2: Option positioning in US-Tech ETF is very bullish**

5y percentile of option positioning* in US Tech and Semi.




*Average across call/put volume (2w), call skew (25d) and spot/vol correlation.

**Exhibit 3: Semiconductor stocks have been much in focus for retail investors**

30d rolling net flows, daily data in $bn, since 2019. Sum of the net notional (retail buy-sell) for the 30 constituents in the PHLX Semiconductor (SOX).


Source: Goldman Sachs FICC and Equities, Goldman Sachs Global Investment Research

# Global Equities – what keeps me awake at night besides IPL & World Cup!

- AI related:
  - Will all this massive capex in AI yield returns?
  - Asset light free cashflow model of big tech has U turned into Asset heavy negative free cashflow.
  - Circular nature of capex – investments routed back as orders – how solid are the earnings?
  - Social backlash over job losses and infrastructure pain points.
- Inflation
  - Global yields have moved up significantly since the beginning of 2026.
  - Middle East situation seems to be at a stalemate.
  - Tech inflation adding to the pressure.
- Mega IPOs will suck cash from existing investments.
- Private Credit problems spilling into private markets – Canary in the coal mine?
- When will the current bull market cycle in the US which started in March 2009 end?
- Trade barriers going up everywhere.