INDEX OR STOCK

For long term investors, the benefits of index investing are very difficult to ignore. Buying a set of large businesses from different industries, when combined to create an index, gives us a diversified set of businesses with lower volatility, good growth potential and lower impact costs while entry and exit.

All that has changed in the last 12 months. Many indices are behaving like stocks or much worse. And countries have become themes instead of an economies with a diversified set of businesses. Seems the day of reckoning is here, when passive investors move in herds with amounts of capital that even large countries find difficult to manage.

To bring this out, we wanted to look at the volatility index (VIX) of the last 12 months for some markets, but to our surprise we discovered that not all of these markets measure VIX. So we moved to the next best thing: how much each market's index actually moved over the last year, compared with its own history:

MARKETS	LAST 1 YEAR AVERAGE RANGE	AVERAGE ANNUAL RANGE (2021-2025)
Korea (Korea Stock Price Index)	59.2%	28.5%
Taiwan (Taiwan Weighted Index)	47.2%	33.1%
India (Nifty 50)	15.9%	19.6%
USA (NASDAQ Composite)	25.4%	34.3%

Source: Investing.com, Data as on 30th October 2026

To put this is perspective, in past 1 year, out of 243 days, on 16% of days the KOSPI index has moved by 5% or more. That tops the volatility of even a small cap stock.

Out of the many things that AI trade has taught us, the two things have us even more convinced –

This Time Is Different works very well to a point where it stops working, always.

Momentum has a life of its own, till it doesn't.

Add to that the investor clamour for returns to materialise tomorrow instead of the compounding available over multiple decades and that is a heady mix.

India has multiple tailwinds that any investor should ignore at their own peril – diversified set of large businesses, young and hungry for growth populace, good balance sheets (government, corporate and household) and an entrepreneurship culture that is the envy of the world.

While we get punished for not being the direct beneficiaries of the AI trade, we will also benefit from the unwinding of the trade and perhaps, also need to be prepared for the deluge of the passive capital that may start flooding in as India becomes investible once again.

WHAT WE LIKE

STOCK

Buying a home is the biggest cheque most Indian families write. For millions, that cheque is financed by **LIC Housing Finance**, the country's largest housing financier by assets of INR 3.21 lakh crore. With a 25% profit CAGR and NPAs becoming half over four years, the business has strengthened its fundamentals, yet the stock trades at just 0.75x book value.

Since the HDFC merger, there are very few dedicated listed housing finance NBFCs to choose from. Among the listed pure-plays, LIC Housing Finance has by far the largest balance sheet, ahead of Bajaj Housing, Piramal Finance and PNB Housing and is also the cheapest of the group on valuation.

Its strength lies in its trust, scale and distribution. A vast branch and agent network gives the business a deep presence across Indian households, making it a strong proxy for a housing market expected to grow at 14–15% annually over the coming years. Rising incomes, Housing for All and a post-Covid preference for larger homes continue to support structural demand.

India's ₹30+ trillion housing-credit market is gradually opening up to capital-market funding, with LIC Housing Finance at the forefront of the emerging RMBS market. Securitisation can diversify funding, recycle capital and deepen investor participation in housing finance, while allowing India to expand the market without loosening the guardrails unlike USA.

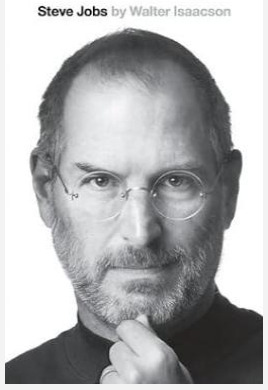
Slower loan growth remains the key concern as competition for borrowers intensifies. But with much of this risk reflected in the current price, the business offers an attractive entry point with compelling combination of steady fundamentals and valuation comfort.

BOOK

"Your time is limited, so don't waste it living someone else's life."

The book unveils the enigma called Steve Jobs – the taskmaster who attracted the best talent. A dropped-out student who sat in a calligraphy class simply because he was curious; years later it shaped the Macintosh's typography. Being fired from Apple hurt deeply and that led him to build NeXT and Pixar and stage a brilliant comeback.

He built two billion-dollar companies, Apple and Pixar and reading the book, you learn less about genius and more about nerve: following curiosity, surviving setbacks and choosing what truly matters while the clock is ticking. Our biggest learning – not only create a great product but also market it in a way that no one can.

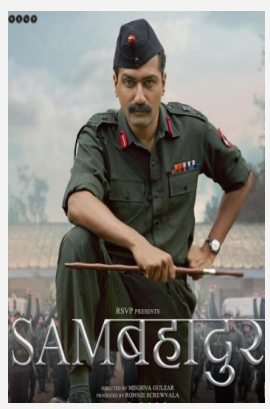


MOVIE

Magic happens when you get a very talented actor to portray a legendary character.

Sam Manekshaw was one of India's most decorated officers with over four decades of service and the first army officer to become Field Marshal. Directed by Meghna Gulzar, Sam Bahadur follows his monumental contribution across decades, and along the way shows India's evolution.

This movie celebrates the Indian army and covers the legendary figure who shaped modern Indian history very well, a reminder of what it takes to protect a nation. Watch it on ZEE5.



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