


# RENAISSANCE INVESTMENT MANAGERS

RENAISSANCE OPPORTUNITIES PMS FACTSHEET

OCTOBER 2026

# Market Outlook

**Dear Investors,**

October tested investors' patience but rewarded it. The **Nifty 50 gained ~1.9% to 23,053**, snapping a two-month losing streak, despite Brent holding above $100, a rupee hovering near 95 per dollar and the RBI turning to rate hikes. The index swung between ~22,200 and ~23,200 through the month, yet the more important story was beneath the surface: **the Q2 FY27 earnings season has been the strongest in several quarters**.

We continue to believe that this divergence between **macro anxiety and corporate delivery** is where long-term opportunities are created.

**Market Snapshot**

Nine of the 16 sectoral indices ended the month higher. **Nifty IT surged ~17.7%** as TCS's results triggered a sharp rebound in a sector that had been among the year's worst performers. Metals were the main laggard. Foreign flows remained a drag, but domestic liquidity continued to absorb the supply.

**Q2 FY27 Results: Scorecard So Far**

As per our review of results declared till 31 October, the season has beaten expectations on every line:

| Metric (YoY) | Actual | Broker estimates |
|---|---|---|
| Nifty 50 earnings (35 of 50 companies reported) | +22% | +20% |
| Sales (230 companies in coverage) | +26% | +19% |
| EBITDA | +24% | +14% |
| PAT | +33% | +19% |
| PAT excluding OMCs | +30% | +22% |

*Source: Broker Report, Renaissance Research*

Three things stand out:

- **Breadth:** 22 of 24 sectors delivered PAT growth and 81% of large-caps met or beat estimates. This is the highest earnings growth in 12 quarters, building on the Q1 recovery (Nifty sales +19%, PAT +18%).

- **Leadership:** Banks and financials, metals, and oil & gas contributed 78% of incremental earnings. Healthcare and cement were the only drags. Reliance, JSW Steel, ICICI Bank, Coal India and Axis Bank alone explained 59% of the Nifty's earnings increase, so the upside is concentrated.

- **Upgrades are back:** Nifty FY27 EPS estimates were raised by 1.1% to Rs1,247 after a long period of cuts. At these estimates the Nifty trades at about 18.5x FY27 earnings.

The quality of the beat matters. Reliance's profit rose ~41% on a 68% jump in O2C EBITDA, while its retail profit fell 24%. Small-cap growth (+34%) is also flattered by a weak base (+4% a year ago). We therefore see this as a genuine but uneven recovery, which favours stock selection over index exposure.

# Market Outlook

**Policy Turns: RBI Hikes**

On 7 October, the **RBI raised the repo rate by 25 bps to 5.50%,** its first hike since February 2023, and shifted its stance to calibrated tightening. It lifted its FY27 GDP forecast to 7.1% and CPI forecast to 5.2%. Retail inflation had risen to **5.54% in September**, a 23-month high, led by food (7.74%). The next MPC meeting is on 2–4 December.

Higher rates are a tailwind for bank margins but a headwind for rate-sensitive and highly leveraged businesses. We are positioned accordingly, favouring balance-sheet strength and pricing power.

**Growth Remains Intact**

Gross GST collections for September (released 1 October) rose **14.7% YoY to ~Rs2.04 lakh crore**, the third straight month above ₹2 lakh crore, with import-linked collections up ~26%. The consumption and capex cycle continues to show up in the numbers.

**Foreign Flows: Sellers Tiring?**

FPIs sold **$4.8bn** of Indian equities in October, the second consecutive month of outflows, taking 2026 outflows to about **$33.1bn**. However, they turned **net buyers (about $665mn) in the last week of the month**. With foreign ownership at multi-year lows, further selling has a limited incremental impact and any reversal can be a meaningful support.

**Early November: A Shift in Market Sentiment**

The first few sessions of November have brought a sharp improvement in market sentiment. The Nifty extended their gains to ~6% over five sessions till 4th November, supported by a broad-based recovery and a decisive return of foreign buying. FPIs purchased ~$2.2bn over the four sessions from 30 October to 4 November, their strongest such buying spell since 2023. The US midterm outcome has also raised hopes of de-escalation in the US-Iran conflict; Brent fell nearly 9% on 4 November and was trading near $94 per barrel on 5 November, easing pressure on India's import bill, inflation outlook and rupee. The rupee strengthened to ~94.52 per dollar, while lower oil prices supported equities and bonds. The rally is encouraging, but its durability will depend on sustained FPI participation, further cooling in crude and the quality of the ongoing Q2 FY27 results.

**Looking Beyond the Noise**

October showed that earnings, not headlines, ultimately drive markets. With earnings estimates moving up for the first time in a while and valuations having corrected, the risk-reward for patient investors has improved. **Our approach is unchanged: own high-quality businesses that can compound earnings through the cycle and use volatility to add to them at sensible valuations.**

**Happy Investing**

**Pankaj Murarka**
**Founder & CIO**

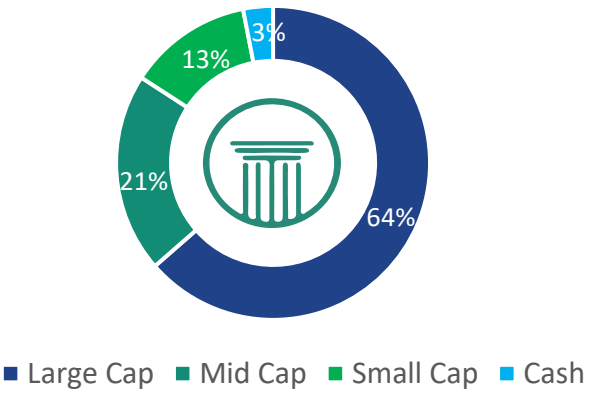
# Renaissance Opportunities Portfolio

Inception Date: 1st January 2018
Data as on 31st October 2026

## Investment Strategy

- Large cap biased portfolio
- Investing across businesses which are at different stages of their business lifecycle
- Optimal portfolio construction that strikes a balance between risk & reward
- Blend of growth & quality
- High-quality conviction ideas

## Portfolio Capitalization




### Top Holdings

| Company | Weight (%) |
|---|---|
| HDFC Bank Ltd | 8.37 |
| ICICI Bank Ltd | 6.52 |
| Kotak Mahindra Bank Ltd | 6.06 |
| Eternal Ltd | 5.27 |
| Tata Consultancy Services Ltd | 4.73 |

### Top Sectors

| Sector | Weight (%) |
|---|---|
| BFSI | 37.21 |
| Information Technology | 14.26 |
| Internet | 9.82 |
| Auto & Logistics | 8.02 |
| Pharma & Chemicals | 8.00 |

### Portfolio – Fundamental Attributes

| Particular | FY26 | FY27E | FY28E |
|---|---|---|---|
| PAT Growth (%) | 9.2 | 15.0 | 17.8 |
| ROE (%) | 15.4 | 15.6 | 16.3 |
| P/E | 18.9 | 16.4 | 13.9 |
| PEG | 2.05 | 1.09 | 0.78 |

### Portfolio – Risk Attributes*

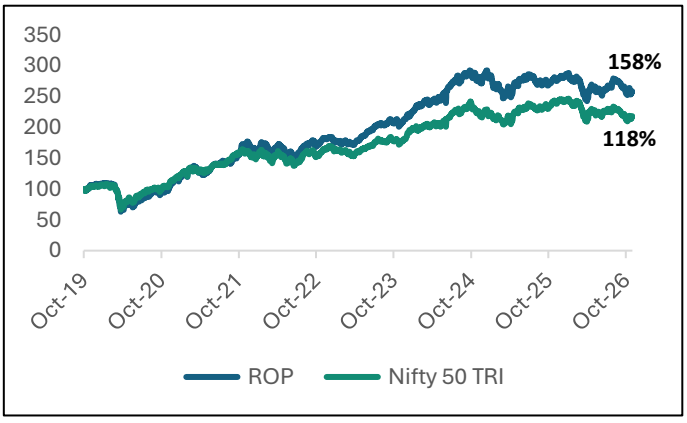
| Particular | ROP | Nifty 50 TRI |
|---|---|---|
| Standard Deviation (%) | 24.15 | 22.88 |
| Sharpe Ratio | 0.07 | 0.05 |
| Beta | 0.97 | 1.00 |
| Treynor's Ratio (%) | 1.83 | - |
| Information Ratio | 0.08 | - |

*3 years data

### Periodic Returns

| Period | ROP | Nifty 50 TRI |
|---|---|---|
| 1M | 0.75% | 1.95% |
| 6M | -1.37% | -3.13% |
| FYTD | 6.51% | 4.12% |
| 1Y | -7.07% | -9.45% |
| 3Y | 8.40% | 7.74% |
| 5Y | 8.85% | 6.70% |
| 7Y | 13.56% | 11.20% |

### Absolute Return




*The performance is based on TWRR basis, the performance related information provided herein is not verified by SEBI.*
*The performance data provided is net of all fees & expenses. Performance of individual client may differ depending on timing of entry and exit, timing of additional flows and redemptions.*

# Investment Philosophy

## Sustainable Quality Growth At Reasonable Price (SQGARP)™

### Sustainability

Companies with sustainable and Durable business models.

### Quality

Superior quality businesses as demonstrated by Competitive edge, Pricing power ,ROE, FCF. Good quality and competent quality and competent Management teams.

### Growth

Business that can deliver Superior growth over Medium term to long term

### Price

Ability to invest at reasonable valuations. Fair value approach to violation, focus on economic value of business.

### Statutory Details

Renaissance Investment Mangers Private Limited ("RIMPL") is registered under SEBI (Portfolio Managers) Regulations, 1993 as a Portfolio Manager vide Registration No. INP000005455. RIMPL is also an Investment Manager to Renaissance Alternate Investment Fund– Category III which is registered with SEBI as Alternate Investment Fund under SEBI (Alternative Investment Funds) Regulations, 2012 vide Registration No: IN/AIF3/18-19/0549.

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