

Global Navigator

March 2026



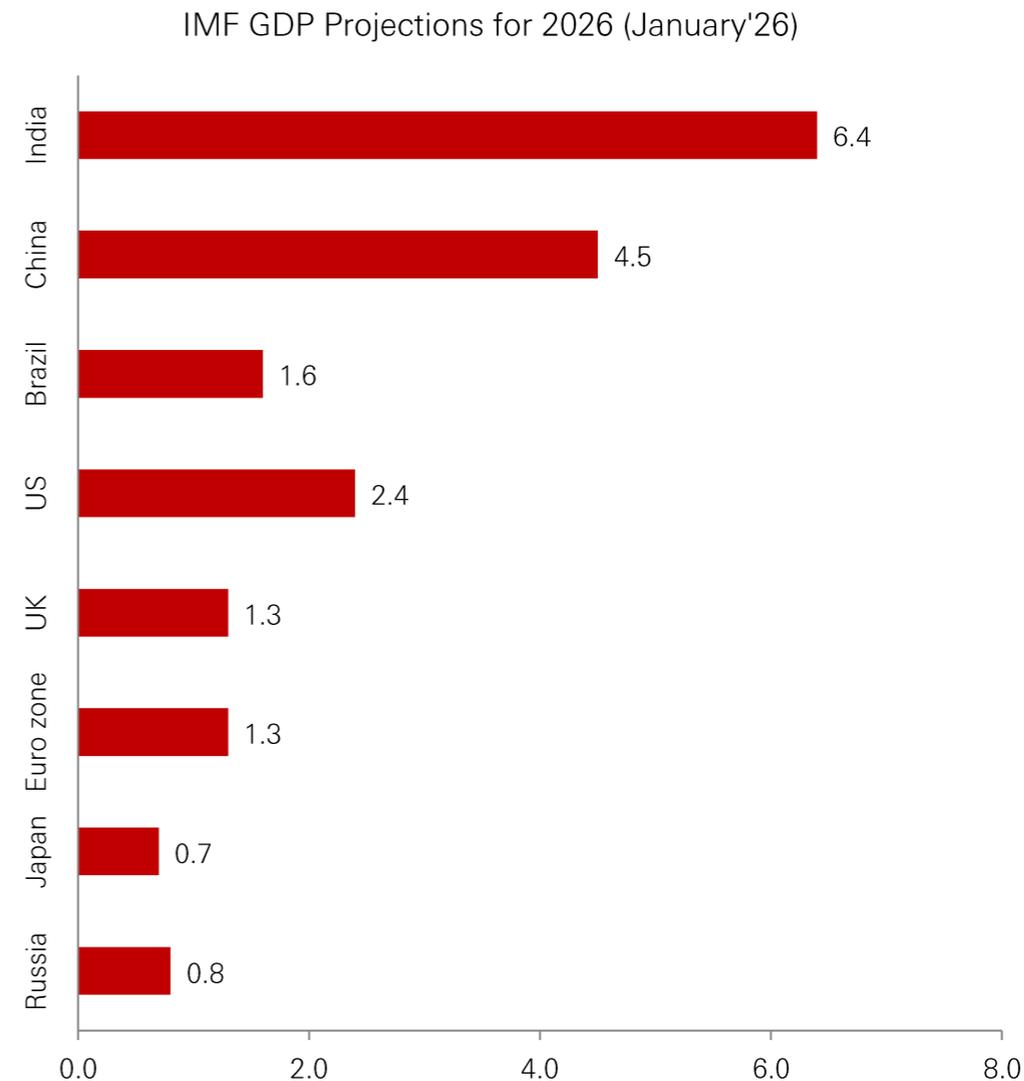
HSBC Mutual Fund

Global Update

Global Economic Update

	GDP		Inflation		Industrial Growth	
	Current	Previous	Current	Previous	Current	Previous
US	1.4%	4.4%	2.4%	2.7%	2.3%	1.3%
	Q4 2025	Q3 2025	Jan'26	Dec'25	Jan'26	Dec'25
Eurozone	1.3%	1.4%	1.7%	2.0%	1.2%	2.2%
	Q4 2025	Q3 2025	Jan'26	Dec'25	Dec'25	Nov'25
UK	1.0%	1.2%	3.0%	3.4%	0.5%	2.3%
	Q4 2025	Q3 2025	Jan'26	Dec'25	Dec'25	Nov'25
China	4.5%	4.8%	0.2%	0.8%	5.2%	4.8%
	Q4 2025	Q3 2025	Jan'26	Dec'25	Dec'25	Nov'25
Japan	0.2%	-2.6%	1.5%	2.1%	2.6%	-2.2%
	Q4 2025	Q3 2025	Jan'26	Dec'25	Dec'25	Nov'25
India	7.8%	8.4%	2.8%	1.3%	7.8%	7.2%
	Q3 FY26	Q2 FY26	Jan'26	Dec'25	Dec'25	Nov'25

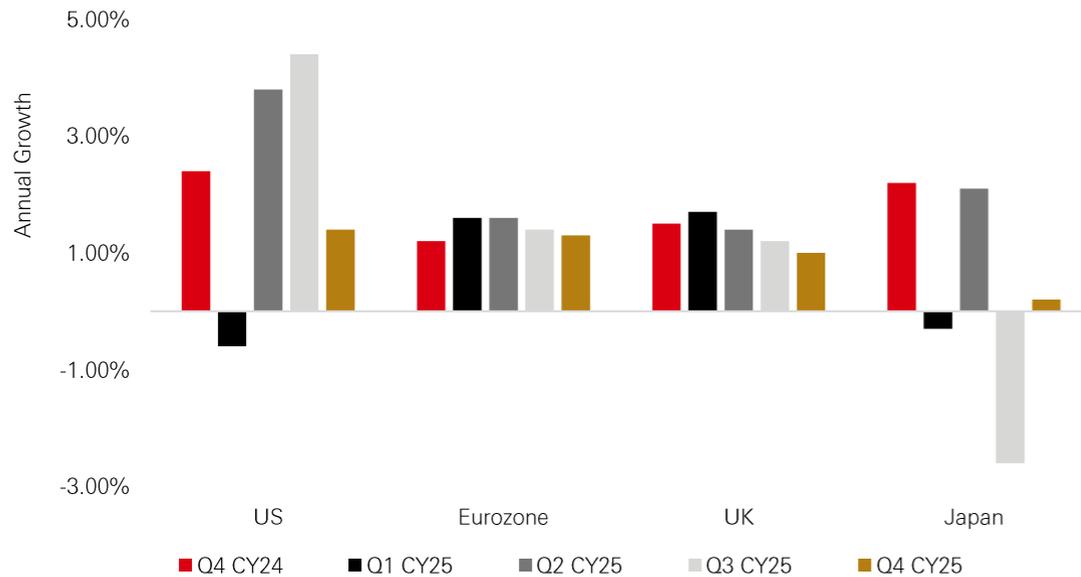
Major Global Central Bank	Latest Key Interest rate
US Federal Reserve	3.75%
Bank of England	3.75%
European Central Bank	2.15%
Bank of Japan	0.75%
India RBI	5.25%



Source: Crisil, Bloomberg, Respective Central Banks, IMF. Data as on 27 February 2026

Past performance may or may not be sustained in future and is not a guarantee of any future returns., GDP – Gross Domestic Product, IMF – International Monetary Fund

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The US GDP growth slowed to 1.4% in the fourth quarter

- The US economy grew at a sluggish 1.4% annualised rate in the fourth quarter of calendar year 2025, compared with a robust 4.4% expansion in the previous quarter.
- Minutes of the Federal Open Market Committee meeting in January indicated officials maintained a cautious, hawkish stance, emphasising inflation risks remain and progress towards the 2% target could be uneven. Policymakers broadly agreed there is no urgency to cut rates and preferred to keep policy restrictive for longer, while noting future decisions will remain data-dependent.

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UK economy grew 1.0% in the fourth quarter

- The UK economy expanded 1.0% on-year in the fourth quarter of calendar year 2025, compared with a downwardly revised 1.2% growth in the third quarter.
- The Bank of England kept its bank rate unchanged at 3.75% in February, with a narrow 5-4 vote, as policymakers balanced easing inflation pressures against risks from a weakening economy.

Eurozone economy grew 1.3% in the fourth quarter

- The eurozone economy expanded 1.3% on-year in the fourth quarter of calendar year 2025, compared with 1.4% in the third quarter.
- The European Central Bank (ECB) decided to keep its key interest rates unchanged at its February meeting—the main refinancing operations rate at 2.15%, the marginal lending facility rate at 2.4% and the deposit facility rate at 2%.

Japanese economy returned to growth in the fourth quarter

- The Japanese economy grew an annualised 0.2% in the fourth quarter of calendar year 2025, compared with a revised 2.6% contraction in the previous quarter.
- The Bank of Japan announced it will begin testing blockchain technology to settle central bank reserves and deposits held by commercial banks as part of a new sandbox project.

Global- Performance trends

Global indices	% Change										
	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24	CY25	CY26 *	10-year CAGR*
DJIA	25.08	-5.63	22.34	7.25	18.73	-8.78	13.70	12.88	12.97	1.90	9.50
Nasdaq	28.24	-3.88	35.23	43.64	21.39	-33.10	43.42	28.64	20.36	-2.47	15.46
Nikkei	19.10	-12.08	18.20	16.01	4.91	-9.37	28.24	19.22	26.18	16.91	11.90
Hang Seng	35.99	-13.61	9.07	-3.40	-14.08	-15.46	-13.82	17.67	27.77	3.90	1.93
FTSE	7.63	-12.48	12.10	-14.34	14.30	0.91	3.78	5.69	21.51	9.86	4.33
Cac 40	9.26	-10.95	26.37	-7.14	28.85	-9.50	16.52	-2.15	10.42	5.29	5.84
Xetra Dax	12.51	-18.26	25.48	3.55	15.79	-12.35	20.31	18.85	23.01	3.24	8.21
Shanghai	6.56	-24.59	22.30	13.87	4.80	-15.13	-3.70	12.67	18.41	4.89	2.98
Brazil Bovespa	26.86	15.03	31.58	2.92	-11.93	4.69	22.28	-10.36	33.96	17.17	12.10
Russia RTS	0.18	-7.65	45.28	-10.42	15.01	-39.18	11.63	-17.56	24.73	2.42	-0.10
Nifty 50 TRI	30.27	4.64	13.48	16.14	25.59	5.69	21.30	10.09	11.88	-3.53	15.00
BSE SENSEX TRI	29.56	7.23	15.66	17.16	23.23	5.80	20.33	9.49	10.38	-4.55	14.78

Source: Crisil, BSE, NSE and Financial websites Figures in red indicate negative returns in that period. *CY26- YTD (till February 27, 2026) *10-year CAGR, Data as on 27 February 2026

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US treasury prices ended higher in February'26

- The yield on the 10-year benchmark US Treasury paper ended at 3.97% on February 27 vs 4.26% on January 30.
- In February, the US 10-year Treasury yield exhibited heightened volatility, driven by macroeconomic data releases, evolving Fed expectations and trade-related developments, including the US Supreme Court's ruling on tariffs.
- At the beginning of February, yields moved higher following stronger-than-expected non-farm payrolls in January and a steady unemployment rate, reinforcing labour market resilience.
- A key development during the month was the US Supreme Court's ruling on tariffs, which introduced additional uncertainty around trade policy and its potential inflationary implications. The decision heightened concerns about renewed tariff measures and their pass-through impact on import prices, thereby influencing inflation expectations.
- Overall, the 10-year yield in February reflected a market balancing resilient domestic economic data with evolving trade and policy risks. The trajectory remains firmly data-dependent, with inflation trends, labour market conditions, Fed communication and trade developments likely to guide near-term direction.

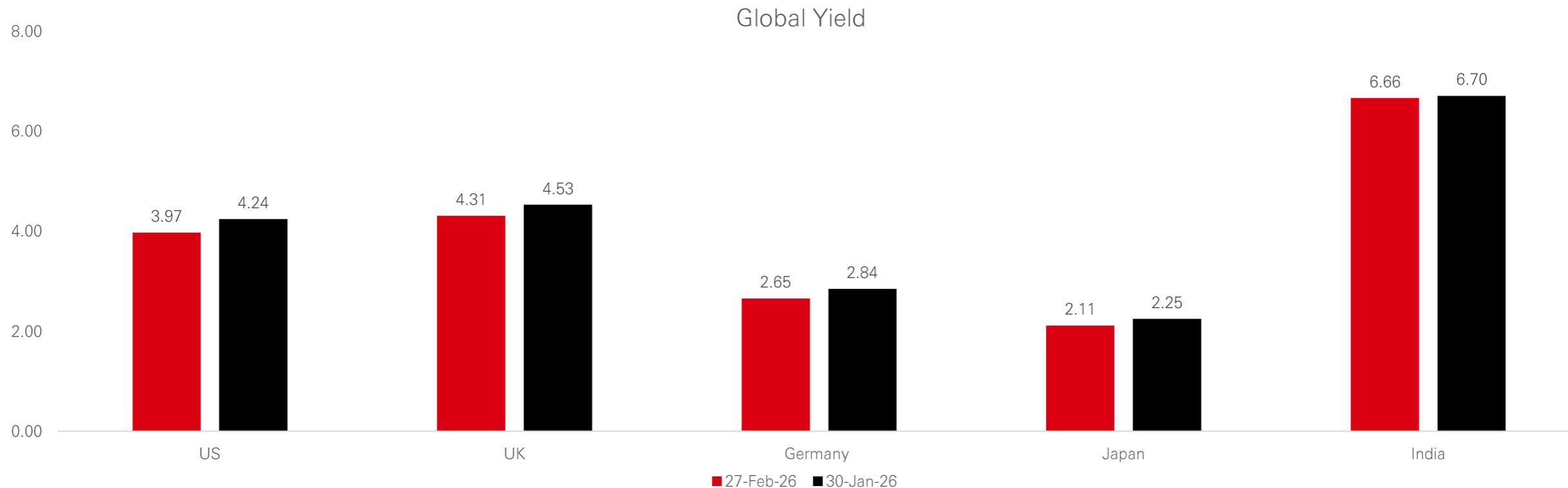


Global bond yields			
	27-Feb-26	30-Jan-26	Change
US 10-Year (%)	3.97	4.24	-0.27
UK 10-Year (%)	4.31	4.53	-0.22
German 10-Year (%)	2.65	2.84	-0.19
Japan 10-Year (%)	2.11	2.25	-0.13

Source: Crisil, Bloomberg, Data as on 27 February 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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Global Yield and Where India Stands



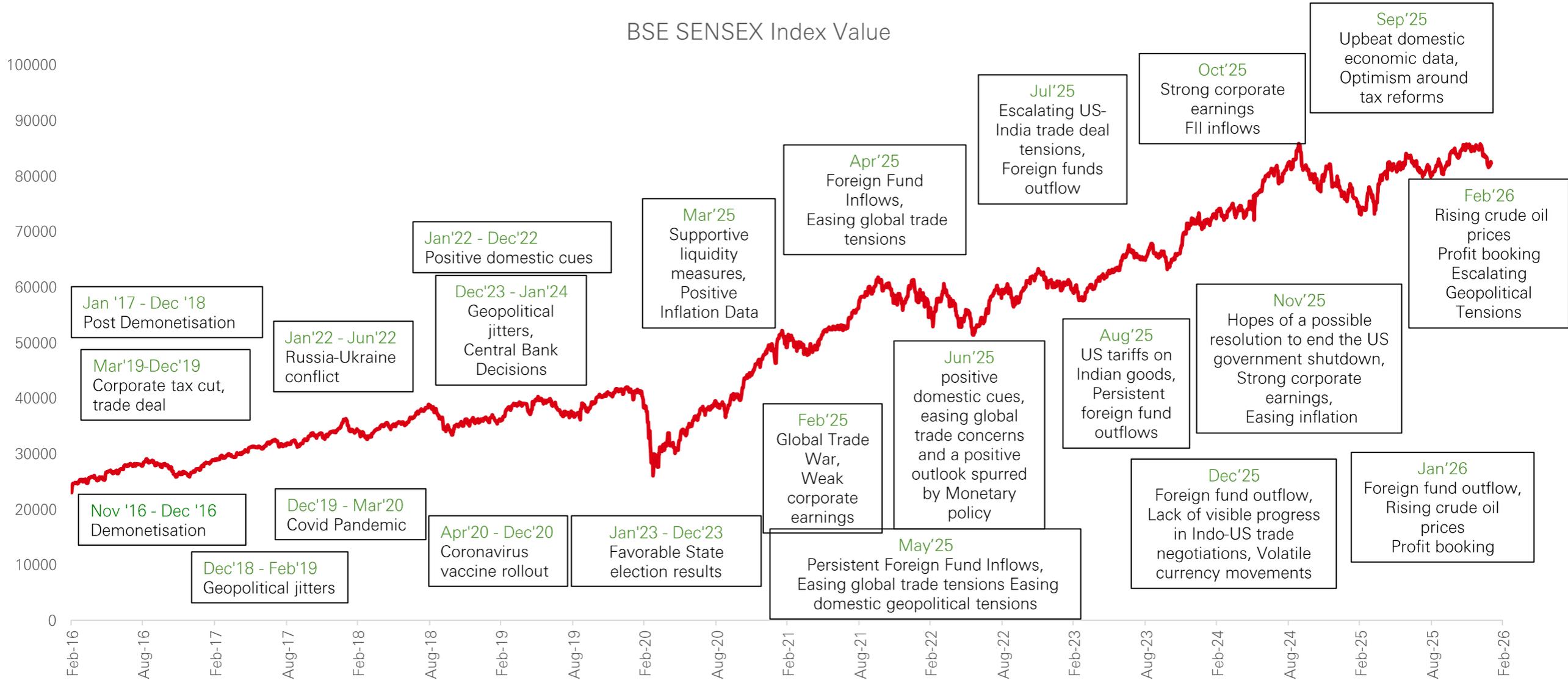
	US	UK	Germany	Japan	India
Current Yield (%)	3.97	4.31	2.65	2.11	6.66
Inflation (%)	2.4	3	1.9	1.5	2.75
Real Yield (%)	1.57	1.31	0.75	0.61	3.91

Source : Crisil, Data as on 27 February 2026, Inflation Data as of January 2026. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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Domestic Equity

History of Equity markets through major events

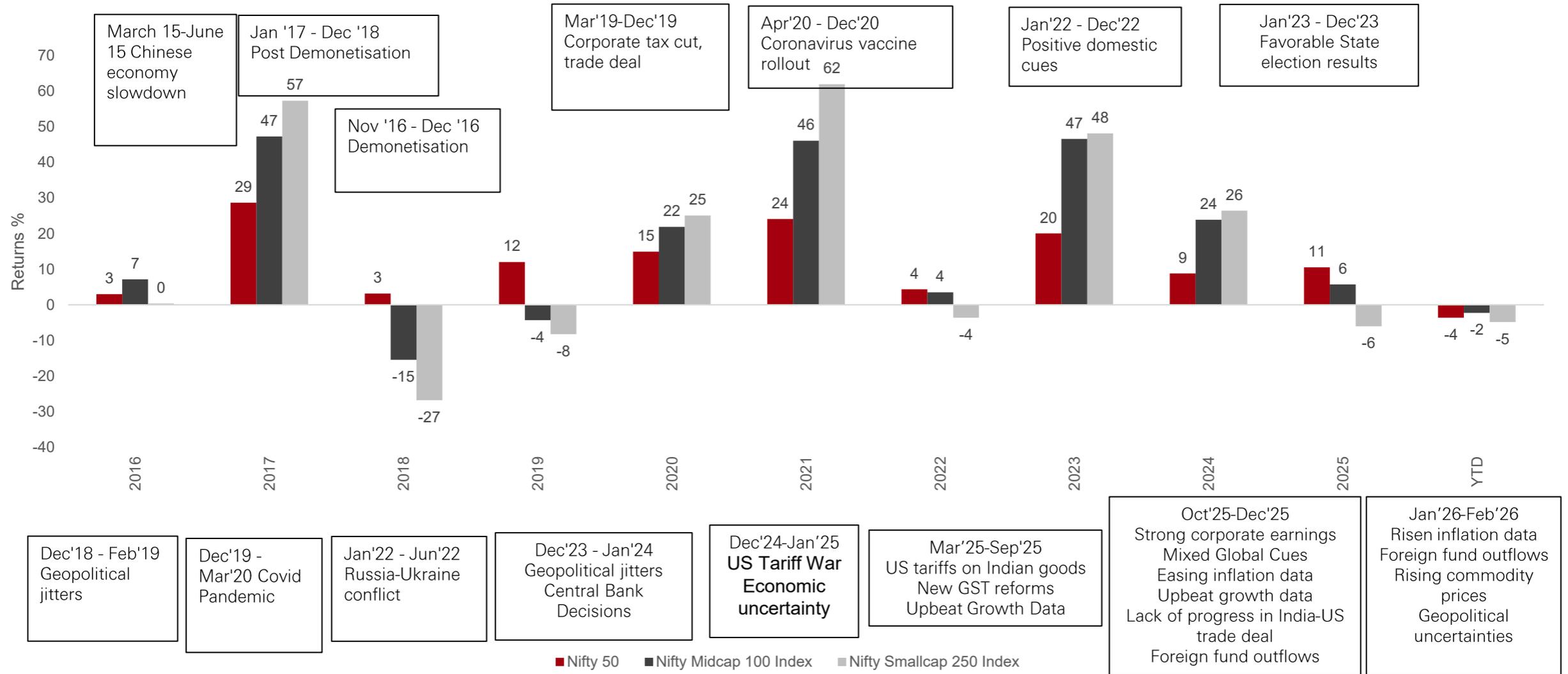


Source: BSE, Crisil, Data as on 27 February 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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History of Equity markets through major events

Performance of major equity indices

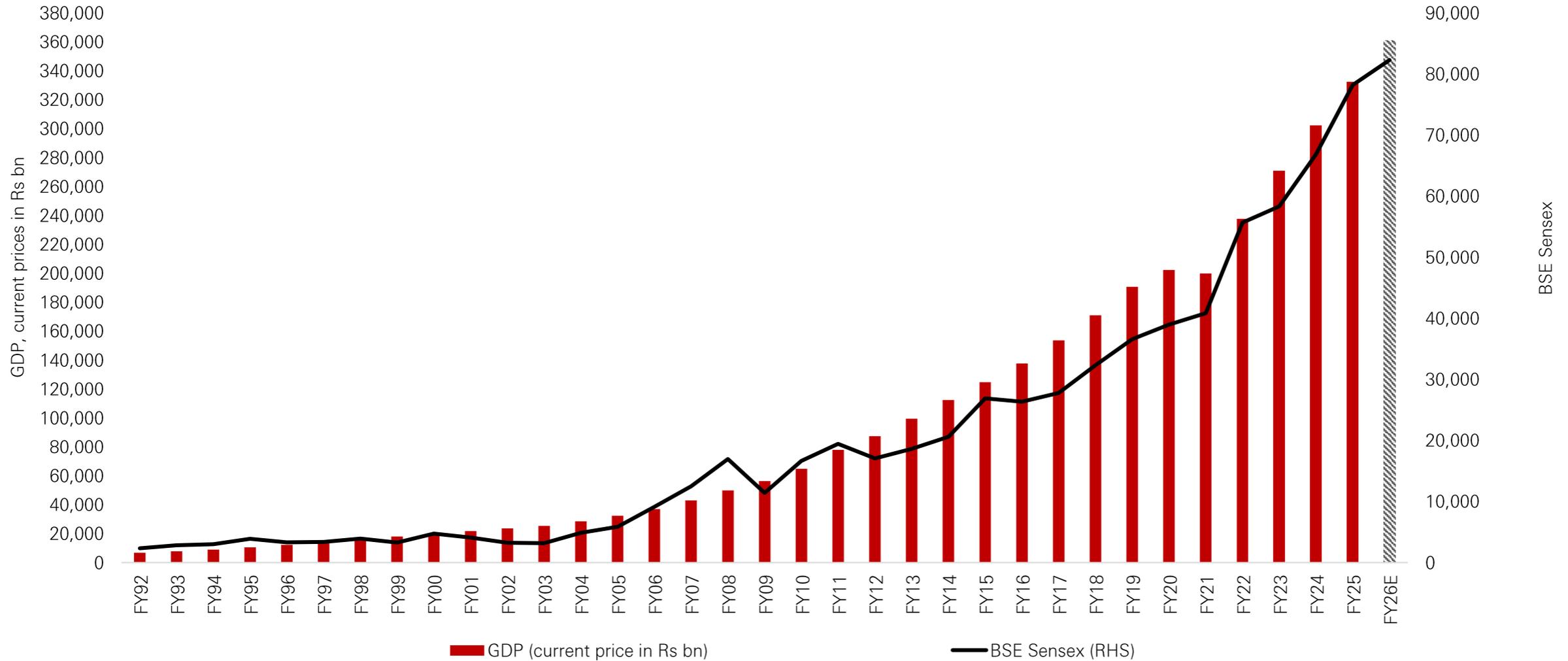


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Equity mirrors economic growth in the long term

GDP - The Indian economy is expected to carry the momentum of last year's GDP growth into the current fiscal year as well

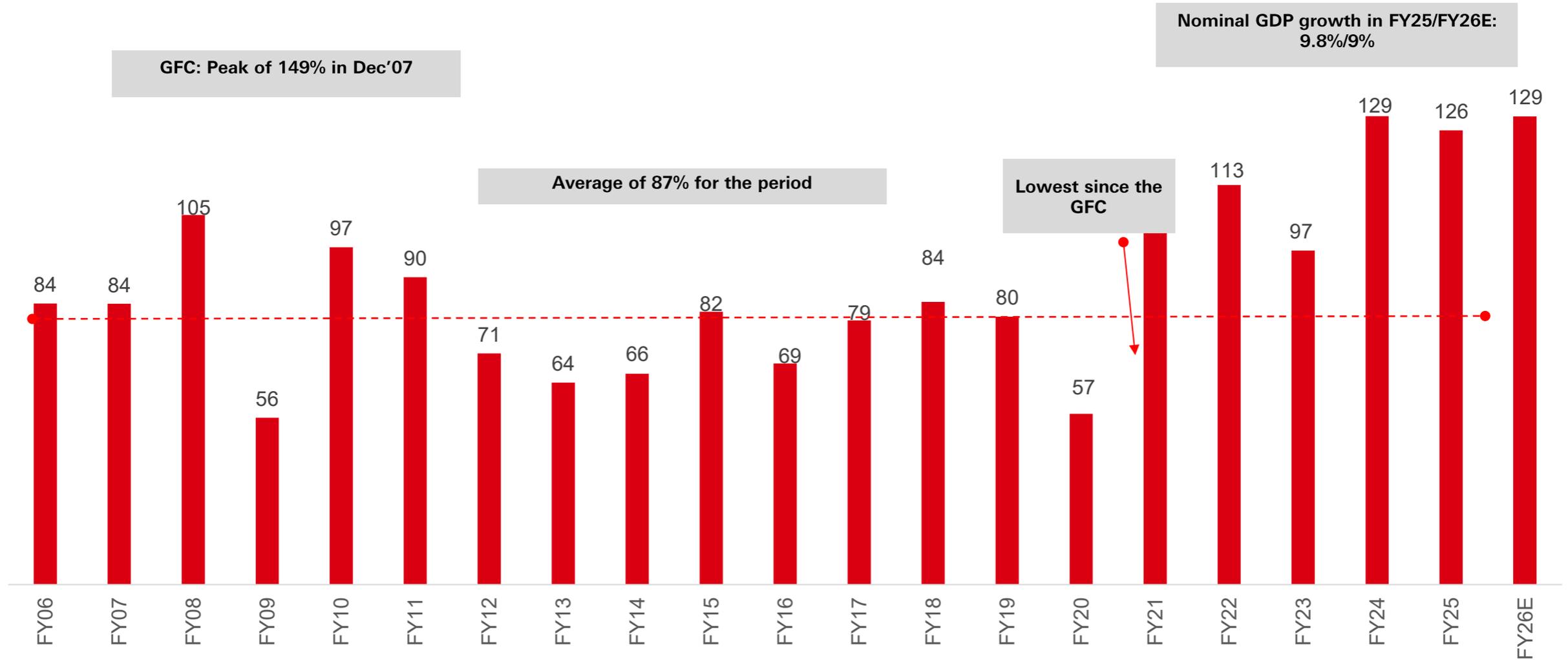


Source: Crisil, Bloomberg, BSE, IMF, The GDP projection for fiscal year 2026 is shown shaded in this graph is for illustration purposes only and is not guaranteed, (GDP for FY18 to FY23 has base year 2011-12, while FY24, 25, and 26 has base year 2022-23)

Data as on 27 February 2026, Past Performance May or May not be sustained in future. Investors should not consider the same as investment advice GDP – Gross Domestic Product.

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India Market cap to GDP (%)



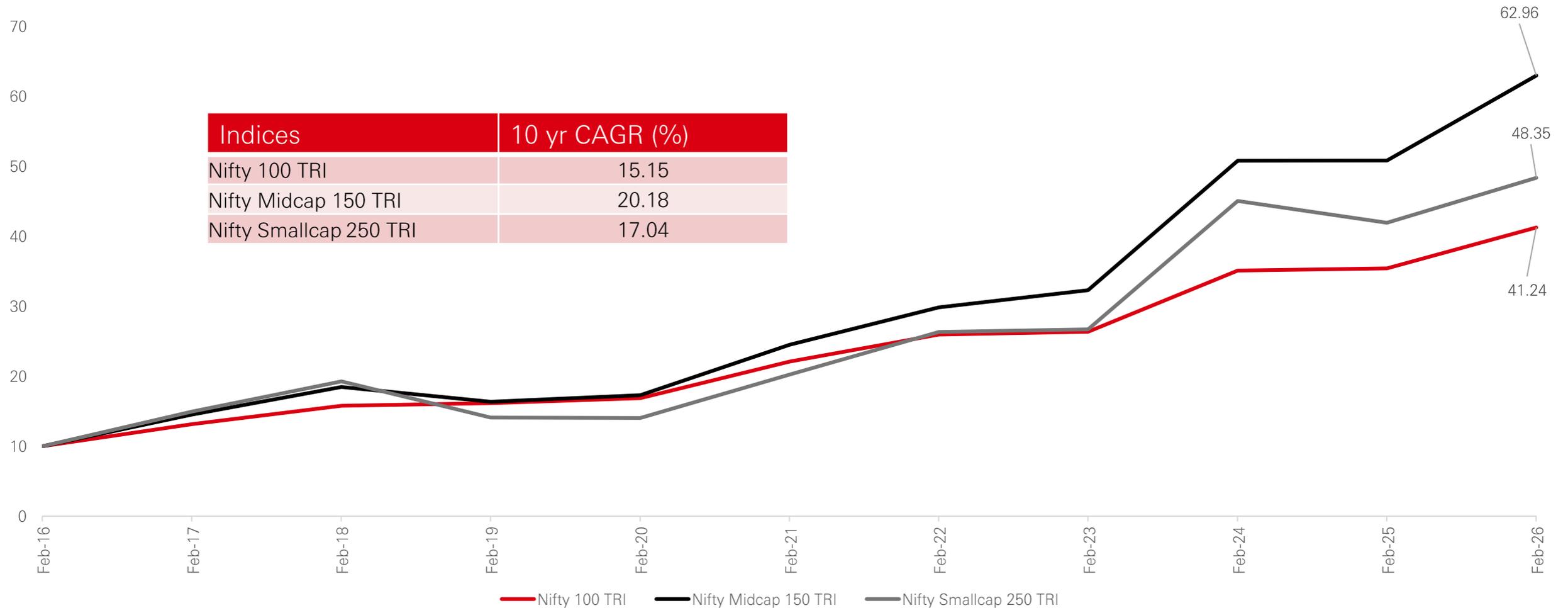
Shaded area are Estimates (E) – FY26

Source: Crisil, MOSPI, Bloomberg, CRISIL estimates; (GDP for FY18 to FY23 has base year 2011-12, while FY24, 25, and 26 has base year 2022-23)

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Nifty Mid-cap 150 TRI vs Nifty Small-cap 250 TRI vs Nifty 100 TRI



Source: Crisil, NSE. Data as on 27 February 2026, data represents YTD values. The indices values are rebased by 10

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Indian market - Performance trends

Indices	% Change										10-year CAGR*
	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24	CY25	CY26	
Nifty 50 TRI	30.27	4.64	13.48	16.14	25.59	5.69	21.30	10.09	11.88	-3.53	15.00
BSE SENSEX TRI	29.56	7.23	15.66	17.16	23.23	5.80	20.33	9.49	10.38	-4.55	14.78
BSE Metal TRI	52.82	-16.20	-10.16	18.43	72.68	15.70	35.50	10.24	29.81	9.87	24.59
BSE Capitalgoods TRI	41.42	-0.49	-8.79	12.52	54.75	17.17	68.15	22.53	-0.21	5.12	21.11
BSE Realty TRI	107.24	-30.69	27.58	9.20	55.40	-9.97	80.16	33.45	-17.06	-10.85	19.69
BSE PSU TRI	22.69	-18.69	-1.12	-12.80	47.95	28.30	61.48	24.34	12.09	9.31	18.89
BSE Consumerdurables TRI	102.87	-8.32	21.53	22.19	47.73	-10.93	26.40	29.31	-6.51	-1.33	18.57
BSE Power TRI	22.03	-14.30	-0.64	11.38	73.68	28.51	36.45	21.28	-5.30	7.59	18.48
BSE Oil & Gas TRI	37.81	-12.40	10.59	-0.55	31.72	20.45	17.30	16.50	14.07	3.21	17.51
BSE BANKEX TRI	39.98	5.65	21.12	-2.12	12.97	21.91	12.12	7.15	16.66	2.07	16.53
BSE Auto TRI	33.31	-21.33	-9.94	14.27	20.59	17.83	47.71	23.40	22.59	-0.39	15.83
BSE Information Technology TRI	13.29	27.26	11.84	60.05	58.45	-22.70	28.28	22.21	-12.94	-18.87	13.23
BSE Fast Moving Consumer Goods TRI	33.26	12.11	-2.14	13.19	11.70	19.08	29.65	3.25	-0.23	-7.79	12.12
BSE Healthcare TRI	1.10	-5.38	-2.80	62.61	21.54	-11.50	37.97	44.30	-2.72	0.42	11.91

Source: Crisil, BSE, Figures in red indicate negative returns in that period. *10-year CAGR, Data as on 27 February 2026, CY26 is YTD (till 27 February 2026) (CD- Consumer Durable/ CG – Capital Goods))

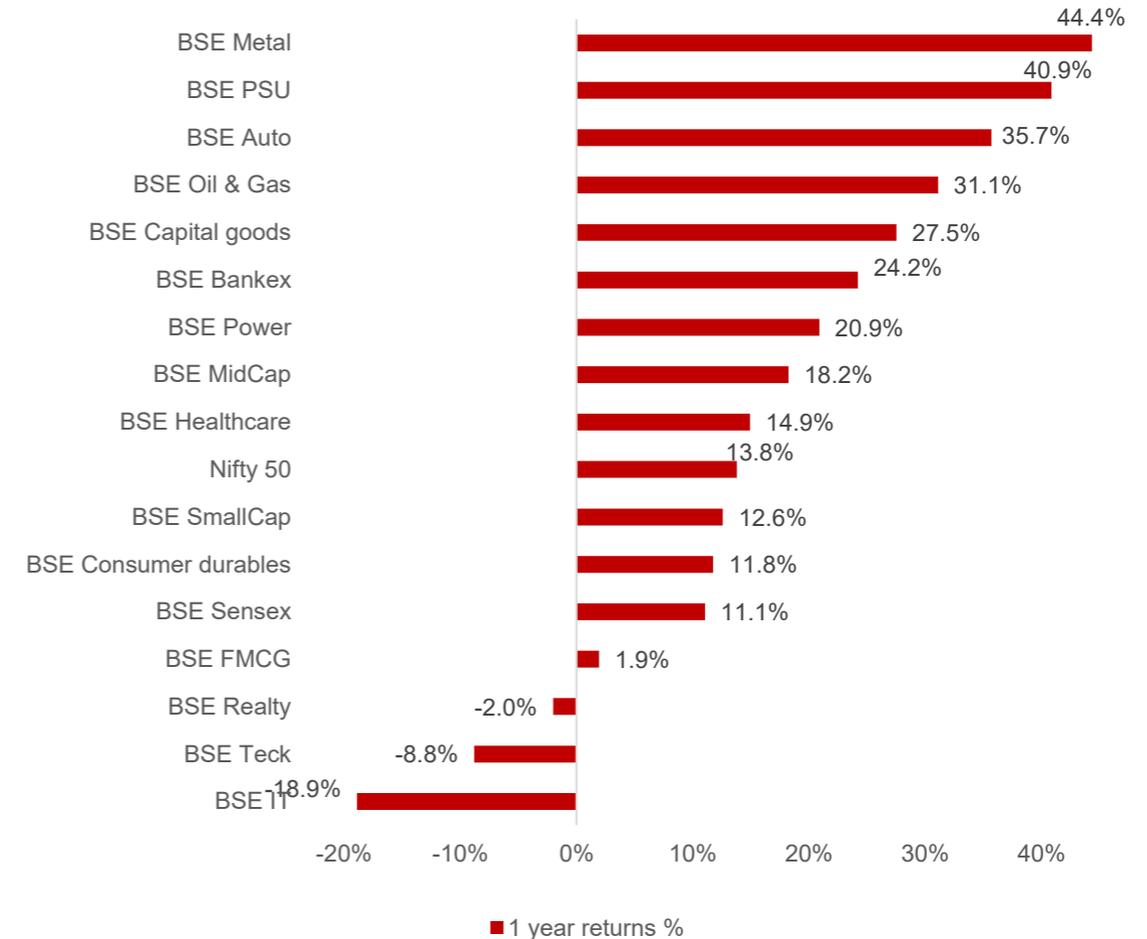
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Indian equity indices slipped in February'26

- Indian equities ended lower in February, navigating a volatile environment shaped by domestic policy cues, global economic data and rising geopolitical uncertainties. Investor sentiment was mixed, with optimism around the trade agreement between India and the United States (US) and steady domestic macro indicators providing intermittent support.
- While both benchmark indices rose sporadically, they remained under pressure due to persistent foreign fund outflows and sectoral weakness.
- The BSE Sensex declined 1.19% during the month to settle at 81,287 points, while the Nifty 50 fell 0.56% to close at 25,179 points.
- Stronger-than-expected US jobs data dampened expectations of near-term rate cuts, even as concerns over artificial intelligence-led disruptions and escalating US-Iran tensions weighed on global risk sentiment. Rising crude oil prices pressured markets, raising concerns over inflation and external balances.



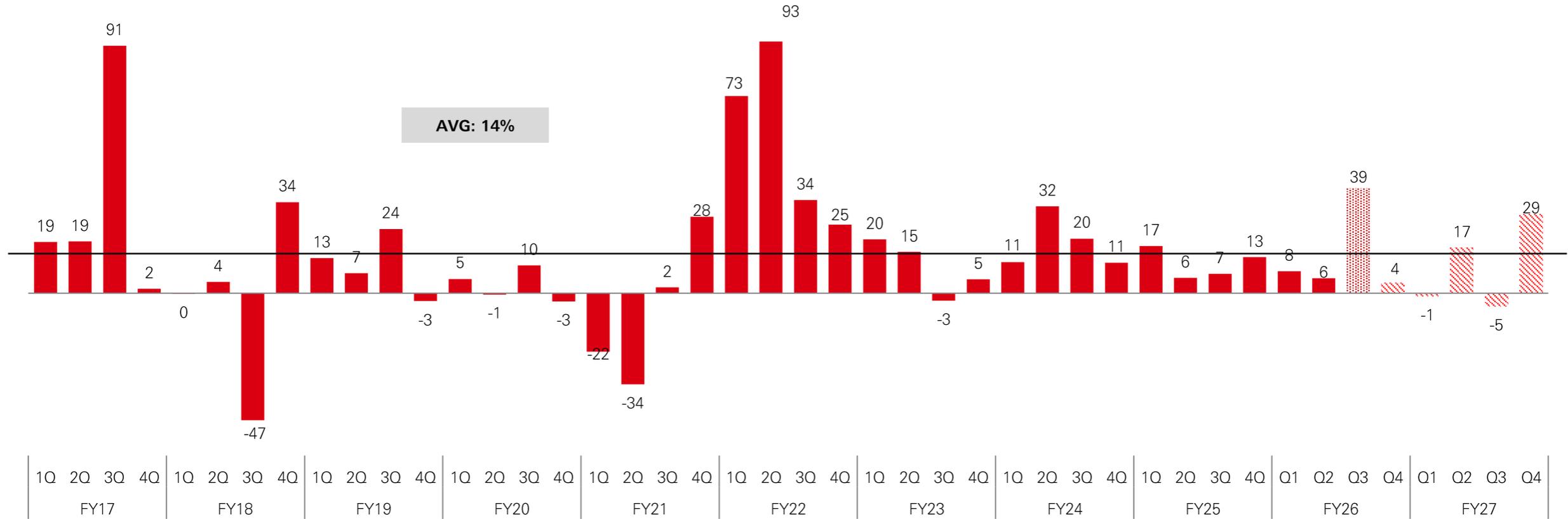
Source –Crisil, Data as on 27 February 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns. GDP – Gross Domestic Product

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Earnings growth – quarterly trend

Nifty 50 earnings



Nifty 50 EPS Growth (Y-o-Y)

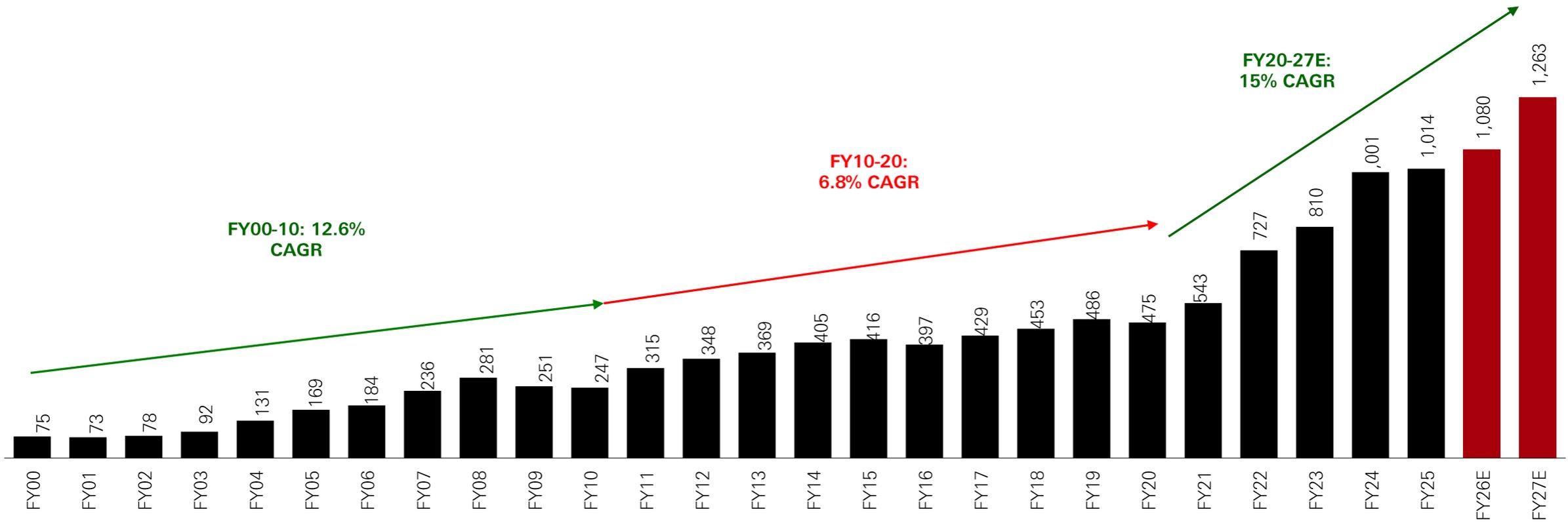
Estimates – shaded portion of FY26 and FY27

Source: Crisil, Bloomberg, Data as on 27 February 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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Earnings trend

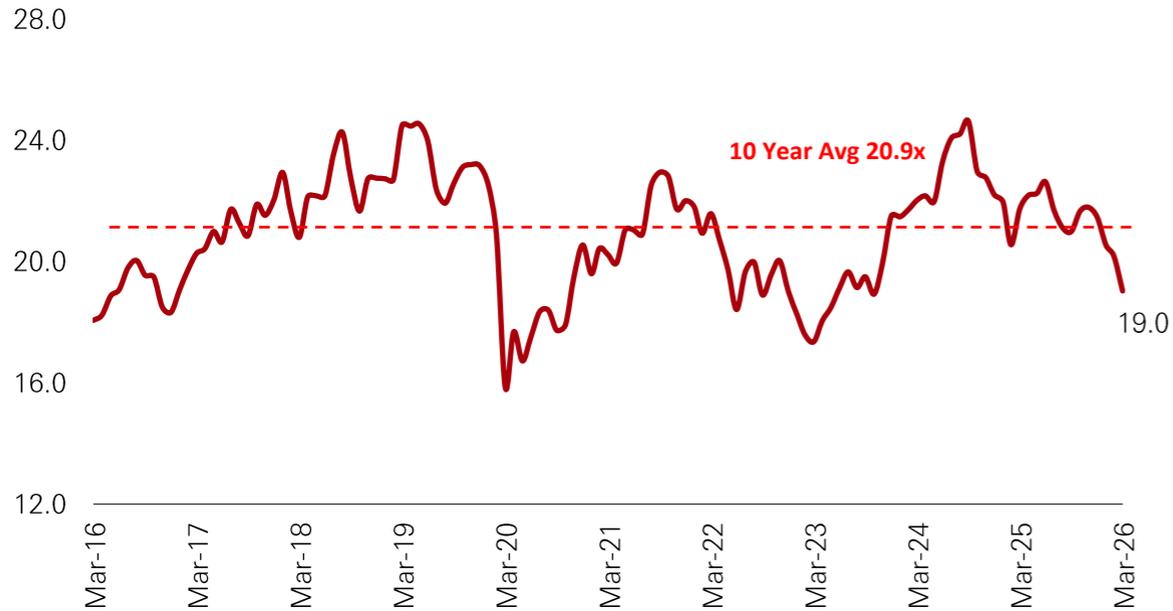
India - Equity earnings (Nifty 50 EPS)



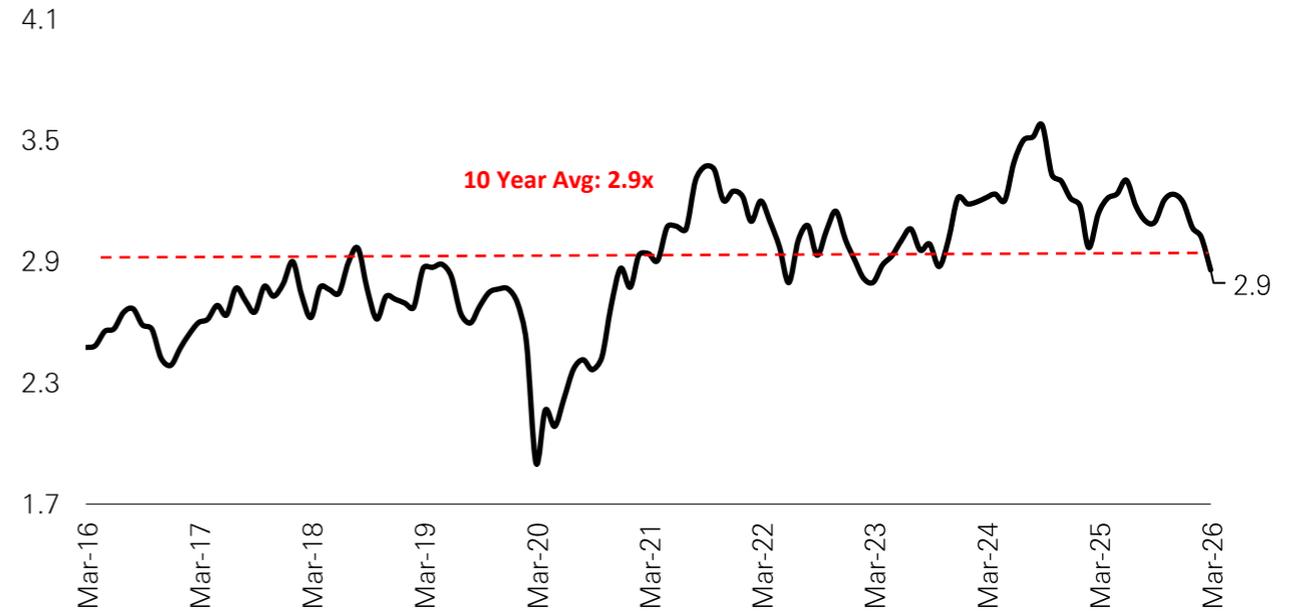
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Market valuations – Nifty 50

Large Cap - Price to Earnings (PE)



Large Cap - Price to Book (PB)



Source: Crisil, Bloomberg. Large Cap - Nifty 50

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- Global markets delivered a positive return in February. MSCI World index rose 0.6% in Feb while US (S&P 500) was down 0.9%. MSCI Europe rose 3.1% and MSCI Japan rose 8.6%. MSCI EM was up 5.4% although MSCI China was down 5.8%.
- FIIs turned investors in Indian equities in February, buying stocks worth US\$1.7 bn while DIIs invested US\$4.6 bn completely driven by Insurance. Domestic MFs were only marginally positive.
- Industrial production growth (IIP) softened to 4.8% (YoY) in January from a strong 7.8% (YoY). Gross GST revenue collection was Rs 1.83 tn in Feb'26, up 8.1% (YoY). Growth has also been impacted by the rationalization of GST rates from 22nd Sep 2025.
- Government announced a strong 7.8%yoy real GDP growth for Q3FY26 vs 8.4% (YoY) in Q2FY26 under the new series.
- Nifty consensus EPS estimate for CY26/27 were largely unchanged in Feb'26 as per Bloomberg. Nifty now trades on 19.5x 1-year forward PE. This is now in-line with its 5-year average and a ~10% premium to its 10-year average.
- The recent conflict in the Middle East has the potential to add significant macro-economic uncertainty if not resolved quickly. Excluding the same, we are sanguine on India's macro-economic outlook.
- Recent announcement of potential trade deals with EU and US should help support private capex driven by improved medium term tariff certainty and export competitiveness.
- Interest rate cuts by the RBI, the GST rate cut, and income tax rate cut announced by the Union government should significantly help boost private sector consumption and support private capex.
- India's growth remains quite resilient despite the global macro-economic challenges. Interest rate and liquidity cycle are supportive of a pick-up in growth going forward.
- On the headwinds, we have Weak global growth is likely to remain a headwind on demand going forward. Risk of tariffs, general policy uncertainty, mercantilist policies of certain countries and geo-political conflicts. Benign global prices of crude oil and fertilizers have been a positive for India from inflation, fiscal deficit and corporate margins perspective in FY24-25. However, a sustained sharp increase in these commodities would be a headwind for India. Sharp slowdown in government capex.

Source: HSBC Asset Management, India, Data as on 28 February 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

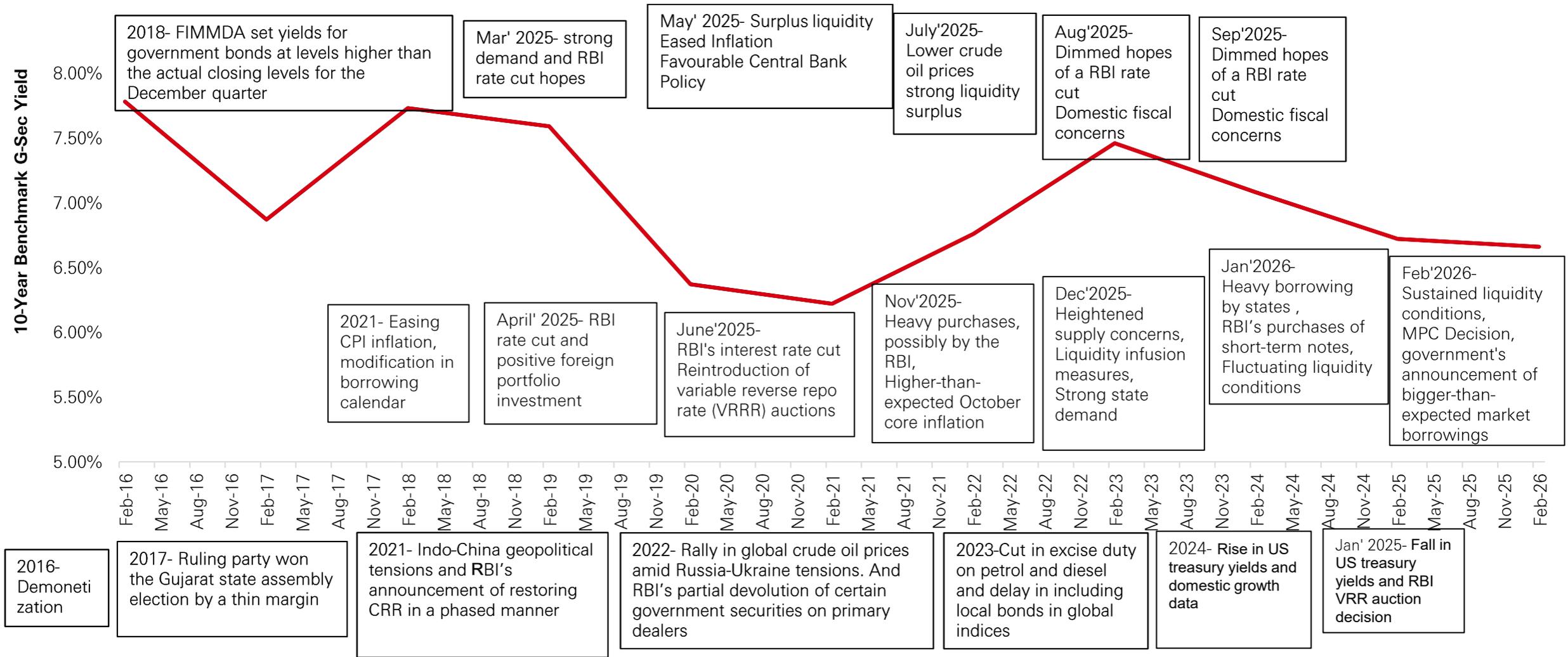
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Domestic Debt

History of Debt Markets through major events

10-year G-Sec yield movement through major events



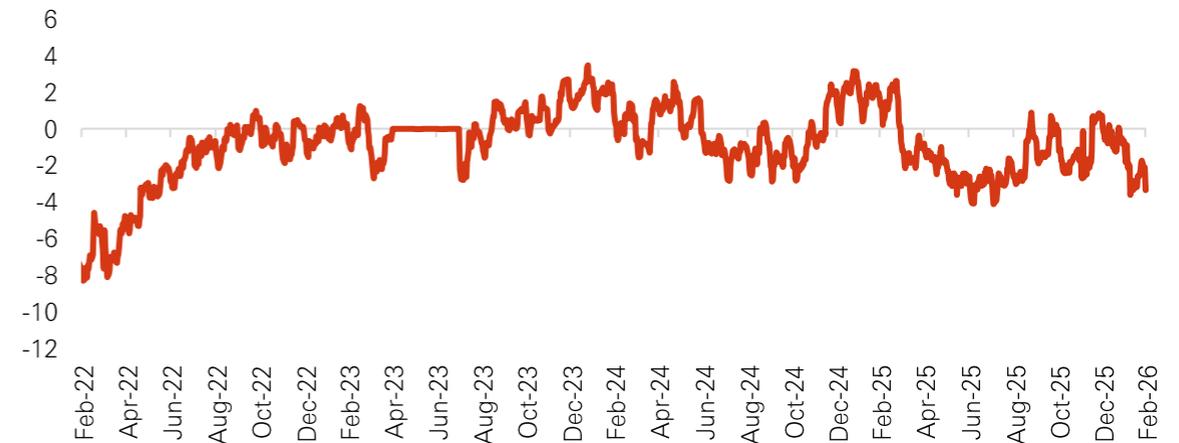
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- The weighted average call rate (WACR) ended at 5.11% on February, 27, 2026, well below the policy rate of 5.25%. The surplus liquidity position also fuelled substantial parking of funds in the RBI's Standing Deposit Facility (SDF).
- Earlier in the month, the Monetary Policy Committee (MPC) of the RBI decided to maintain a status quo on policy rates and to retain a neutral policy stance. The decision was likely to have been influenced by factors such as the limited room offered by the combination of low retail inflation, the expectations of a GDP growth rate of at least 7% in fiscal 2027 and the central bank's focus on facilitating better transmission of reduced policy rates.
- Meanwhile, the benchmark 10-year government bonds saw mixed trends during the month. The government's announcement of bigger-than-expected market borrowings, the RBI's perceived refrainment from making fresh liquidity support announcements and rising geopolitical tensions intermittently exerted some degree of pressure on bond prices

10-Year Benchmark G-Sec Yield



Liquidity (Rs lakh cr)



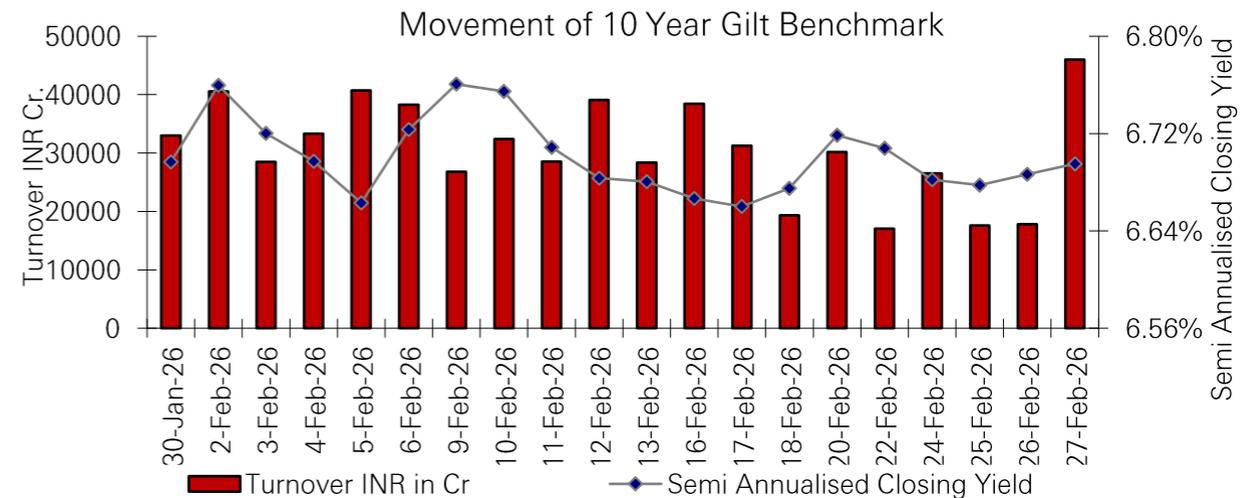
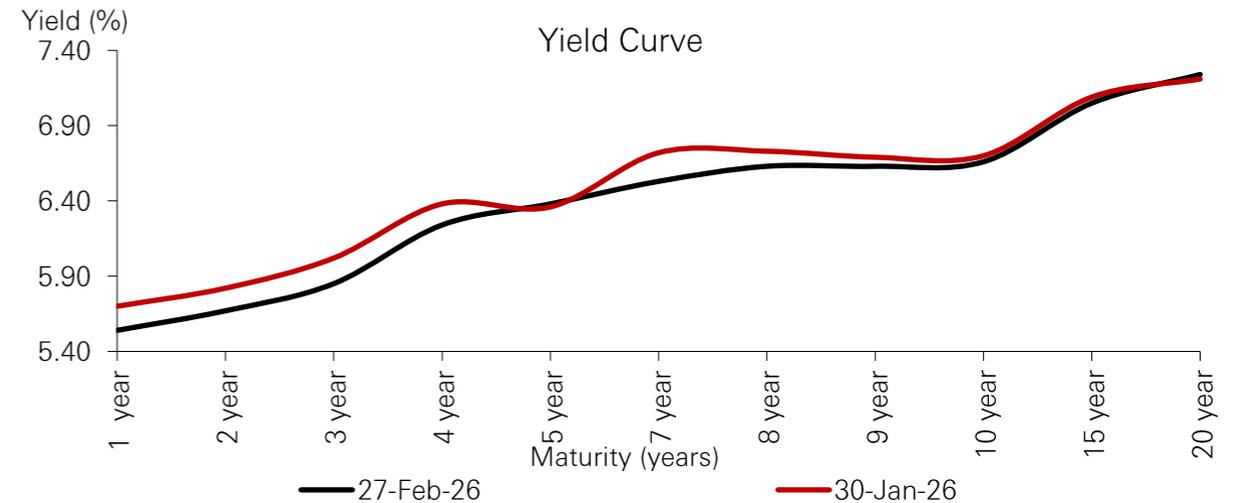
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Debt Market Review

Debt Market Indicators	27-Feb-26	30-Jan-26
Call Rate	5.12%	4.80%
3-mth CP rate	7.50%	7.75%
5 yr Corp Bond	7.24%	7.29%
10 Yr Gilt	6.66%	6.70%
Repo	5.25%	5.25%
SDF	6.25%	6.25%
CRR	3.00%	3.00%
1-Month CD	6.85%	6.45%
3-mth CD rate	7.00%	7.25%
6-Month CD	7.00%	7.25%



Source: Crisil Fixed Income database. Data as on 27 February 2026.

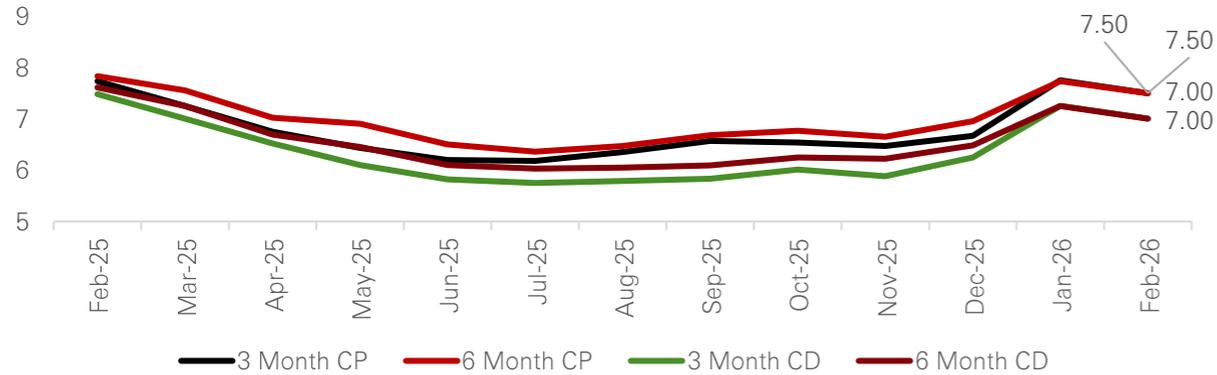
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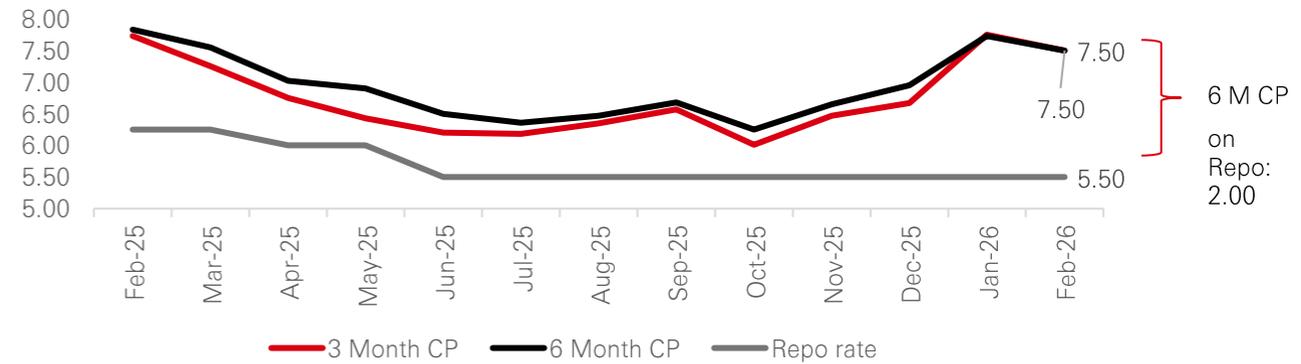
Debt Market Review

CP & CD Yields (%)



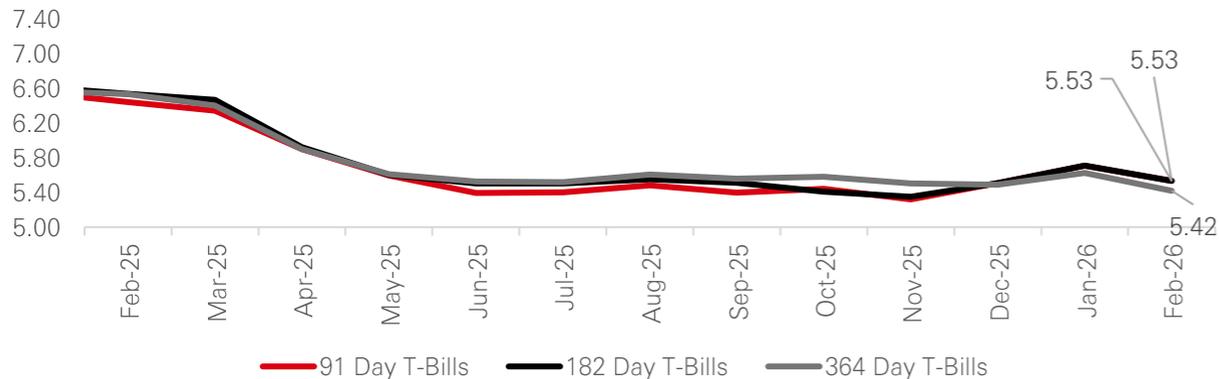
CP and CD largely steady in February

CP Yields & Repo Rate (%)



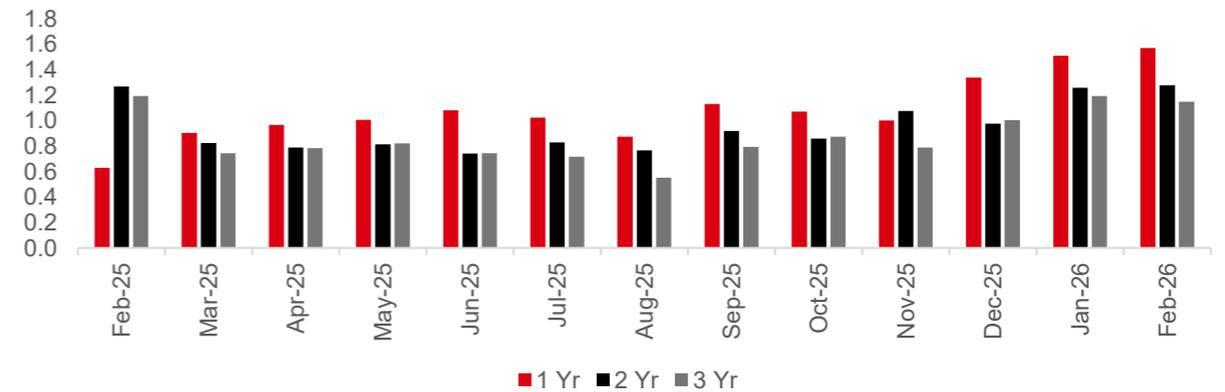
Spread of CPs over repo rate at 2.00 in February

T-Bill Yields (%)



T-Bill yields were steady in February

AAA bond spreads over G-Secs (%)



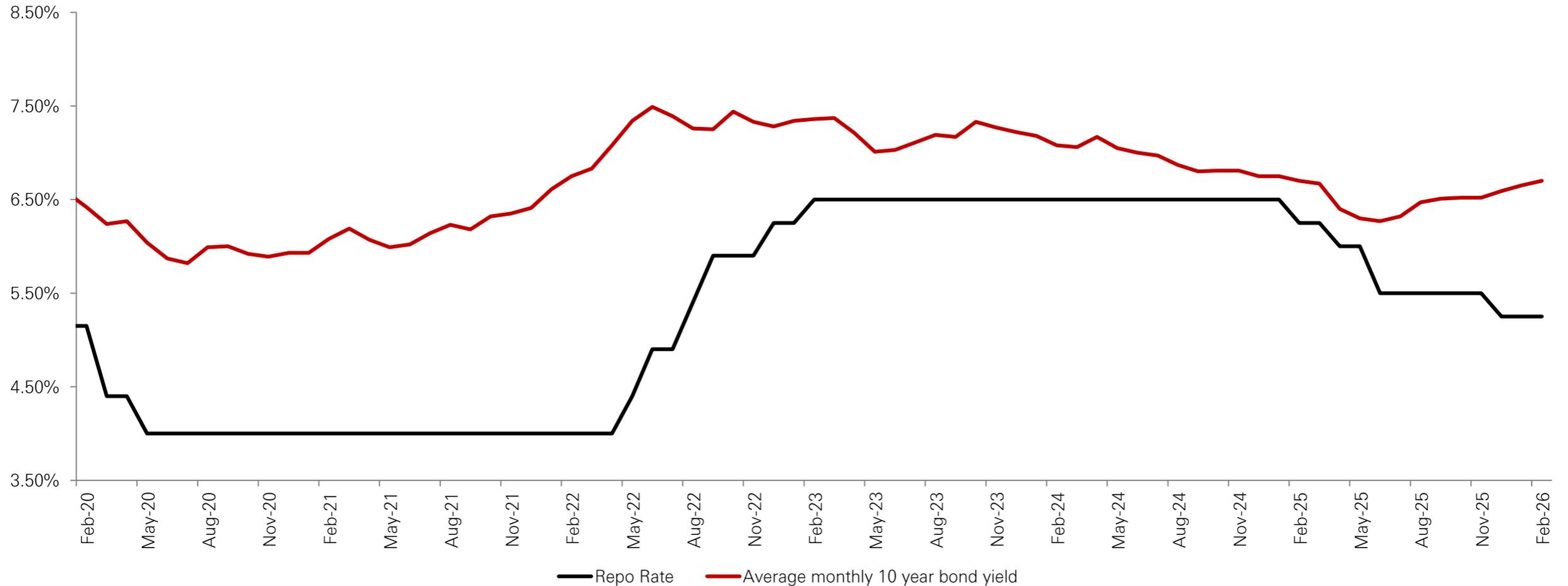
AAA corporate bond spreads were steady in February

Source: Crisil, Data as on 27 February 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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RBI Repo Rate reduced to 5.25% February policy meet



Source: RBI, Crisil, Data as on 27 February 2026

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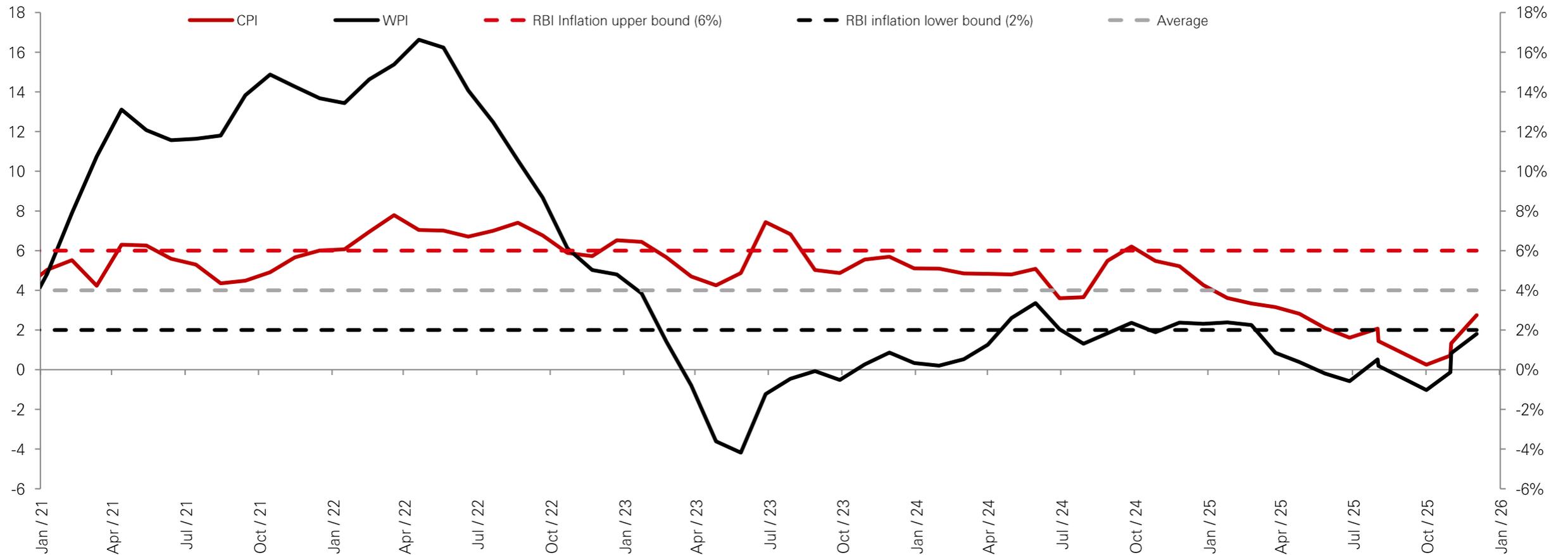
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Inflation target and trend

CPI inflation below the RBI's target range average

RBI target: 6% with +4 upper limit and -2% lower limit



Source: Crisil, MOSPI, RBI, Data as on 27 February 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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- Global economy and market continues to ride through a period of uncertainty.
- Amidst the trade policy uncertainty & geopolitical developments, esp. during the last two weeks of Feb'26 stirred another round of uncertainty.
- Indian markets were weaker, mainly towards the end of Feb, following the Artificial Intelligence (AI) scare trade and an extension of the US-Iran Nuclear talks in Feb'26. Geo-political risks continue to dictate terms currently and markets will be closely watching how things unfold.
- The beginning of March 2026 has been as tumultuous further intensifying risk aversion as also reflected in financial markets volatility and a rally in safe haven assets.
- India's economic activity has evinced resilience and is chugging along. February 2026 was an eagerly awaited period as the country released its revamped series for CPI inflation and GDP growth –The revised series indicated that the inflation levels trended & stayed lower, esp. Core inflation, and growth remained steady despite the global uncertainties. RBI MPC delivered a neutral hold with a 'data-driven' approach.
- On liquidity, the RBI stated that it would remain pre-emptive with sufficient allowance for unanticipated fluctuations in government balances, changes in currency in circulation, FX intervention, etc.
- To recall, following the budget announcement of a gross borrowing figure of INR 17.2 lakh crore and the net borrowing figure of INR 11.7 lakh crore which had dampened debt market sentiments; pushing yields higher across the curve, notwithstanding RBI's liquidity measures.
- Underweight on our G-Sec exposure in the 10-15 year segment and neutral on our exposure to 30-40 year G-Sec as levels in this segment remain favourable with 10 year to 30 year spreads still fairly wide at around 75 bps.
- SDLs offer good value over IGBs and once we move into next quarter there is possibility of spread compression with favourable scenario for allocation to SDLs across in the 5-11 year segment and tactically approach may be required to add position if spreads increase further.
- Once RBI pays dividend to the Government durable liquidity is expected to increase further. Corporate bonds in the 2-3 year segment are currently trading at above 110-125 bps spread over G-Sec. Going into April, these spreads may compress and hence remain positive on this segment across our bond funds.

Source: HSBC Asset Management, India, Data as on 28 February 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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Domestic Economy

Indian Economic Environment

	Indicators	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Feb-25
Debt Indicators	Currency in circulation (Rs billion)	40445	39800	39079	38512	38184	38071	38097	38147	38427	38344	37762	36997	36444
	Repo rate	5.25%	5.25%	5.25%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	6.00%	6.00%	6.25%	6.25%
	10-year G-sec yield	6.66%	6.70%	6.60%	6.54%	6.53%	6.57%	6.59%	6.38%	6.32%	6.27%	6.36%	6.58%	6.72%
	Call rate	5.12%	4.80%	4.85%	5.50%	5.10%	5.00%	5.45%	4.95%	5.25%	5.75%	6.00%	7.00%	6.50%
	Forex reserves (\$ billion; mthly. avg.)	722	696	692	689	699	701	693	698	699	689	682	658	638

Economy	GDP	NA	NA	7.80%			8.40%			7.80%			7.40%	
	Fiscal deficit (Rs billion)	NA	1255.65	-1208.29	1515.27	2520.21	-250.3	1297.37	1876.84	2675.69	-1731.69	1863.32	2304.18	1773.1
	Gross Tax Collections (Rs crore)	NA	257532	647837	222,040	249,036	521,391	251,053	223,901	353,778	243,753	271,478	590,999	219,870
	IIP, %y/y	NA	4.80%	8.00%	7.20%	0.50%	4.60%	4.10%	4.30%	1.50%	1.20%	2.70%	3.90%	2.90%
	Exports, \$ billion	NA	36.56	38.51	38.13	34.38	36.38	35.1	37.24	35.14	38.73	38.49	41.97	36.91
	Imports, \$ billion	NA	71.24	63.55	62.66	76.06	68.53	61.59	64.59	53.92	60.61	64.91	63.51	50.96
	Manufacturing PMI	56.9	55.4	55.0	56.6	59.2	57.7	59.3	59.1	58.4	57.6	58.2	58.1	56.3
	Services PMI	58.1	58.5	58.0	59.8	58.9	60.9	62.9	60.5	60.4	58.8	58.7	58.5	59.0
	GST collections (Rs crore)	183,609	193,384	174,550	170,276	195,936	189,017	186,315	195,735	184,597	201,050	236,716	196,141	183,646
	CPI inflation, % y/y	NA	2.75%	1.33%	0.71%	0.25%	1.44%	2.07%	1.61%	2.10%	2.82%	3.16%	3.34%	3.61%
	WPI inflation, % y/y	NA	1.81%	0.83%	-0.32%	-1.02%	0.13%	0.52%	-0.58%	-0.19%	0.39%	0.85%	2.05%	2.38%
India crude oil import (mbpd)	NA	21.094	21.585	21.24	20.9	19.9	19.6	18.9	20.3	21.3	21.0	22.7	19.1	

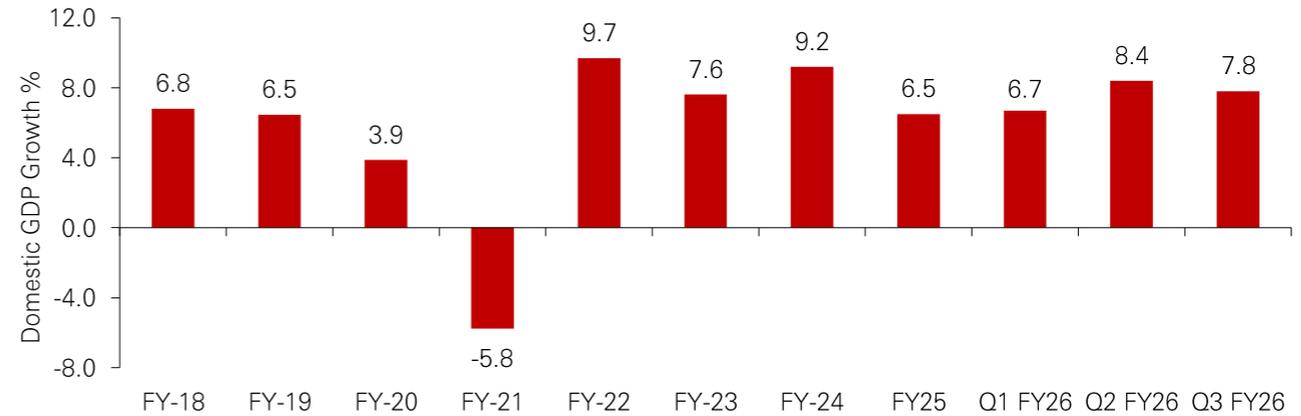
Sector update	Auto – Passenger vehicles	NA	12.20%	27.90%	18.6%	16.5%	0.20%	-6.90%	2.30%	-6.80%	-0.70%	3.40%	2.4%	2.4%
	Auto – Two-wheelers	NA	26.20%	39.40%	21.2%	2.15%	6.66%	7.14%	8.70%	-3.40%	2.20%	-16.70%	11.4%	-9.0%
	Auto – Commercial vehicles	NA	27.30%	28.00%	24.2%	9.87%	25.67%	3.75%	4.60%	-6.00%	-1.00%	-2.10%	-1.0%	-3.3%
	Auto – Tractors	NA	43.00%	37.10%	30.1%	14.84%	45.39%	28.30%	8.00%	10.50%	9.10%	7.70%	25.4%	13.6%
	Banks – Deposit growth	10.90%	9.60%	9.40%	10.20%	9.50%	9.50%	10.10%	10.10%	10.40%	10.00%	10.20%	10.60%	10.60%
	Banks – Credit growth	13.70%	9.20%	12.00%	11.40%	11.40%	10.40%	10.20%	9.80%	9.60%	9.80%	10.30%	11.80%	11.30%
	Infra – Coal	NA	3.10%	3.60%	2.10%	-8.50%	-1.20%	11.40%	-12.30%	-6.80%	2.80%	3.5%	1.6%	1.7%
	Infra – Electricity	NA	3.80%	6.30%	-1.50%	-6.90%	3.10%	4.10%	3.70%	-1.20%	-4.70%	1.70%	7.50%	3.6%
	Infra – Steel	NA	9.90%	10.10%	6.70%	5.90%	14.40%	13.60%	16.60%	9.70%	7.40%	4.40%	8.70%	6.9%
	Infra – Cement	NA	10.70%	13.70%	14.60%	5.20%	5.00%	5.40%	11.60%	8.20%	9.70%	6.30%	12.20%	10.8%

Source – Crisil, Mospi, Financial Websites, RBI, PIB Data as on 27 February 2026.

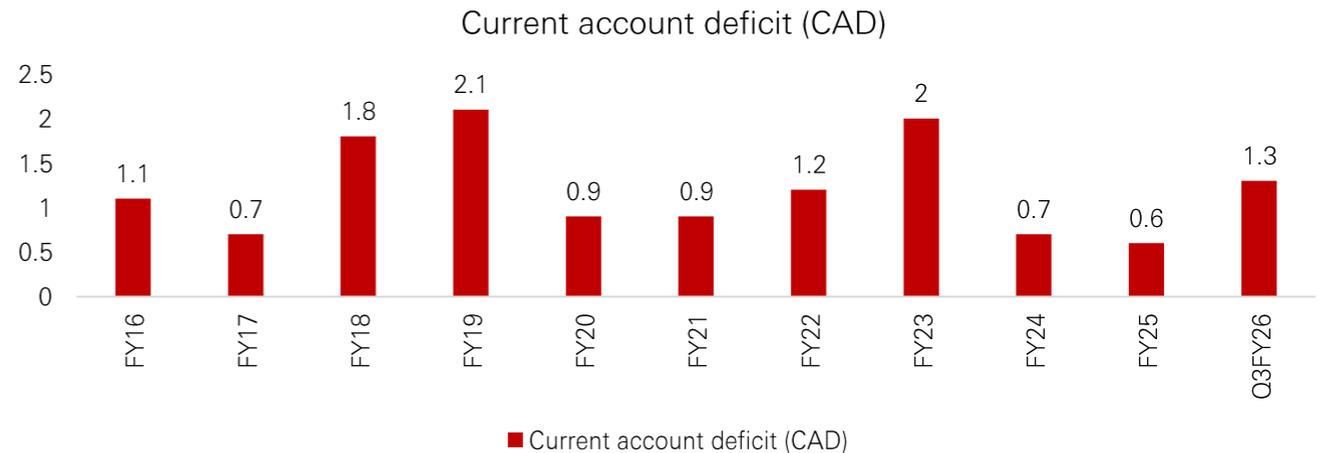
Past performance may or may not be sustained in future and is not a guarantee of any future returns. GDP – Gross Domestic Product. Note-The details provided above is as per the information available in public domain at this moment and subject to change. Please consult your financial advisor for any investment decisions. The sector(s)/stock(s)/issuer(s) mentioned in this document do not constitute any research report nor it should be considered as an investment research, investment recommendation or advice to any reader of this content to buy or sell any stocks / investments.

Indian economy grows 7.8% in the third quarter; outlook remains positive

- The Indian economy grew 7.8% during the quarter ended December 31, 2025. Although this was slower than the 8.4% growth (upwardly revised from an earlier 8.2% estimate) logged in the preceding quarter, it surpassed consensus expectations of 7-7.2% growth.
- The latest print was based on the Ministry of Statistics and Programme Implementation's (MoSPI's) new series of annual and quarterly national accounts estimates with the base year 2022–23, which replaced the previous 2011-12 series.
- The positive outlook was echoed by Moody's Ratings. The agency projected India's GDP to grow at 6.4% in the next fiscal, the fastest pace among G-20 economies, on the back of strong domestic consumption, policy measures and a stable banking system.



Gross domestic product expanded to 7.8% in Q3 of fiscal 2026

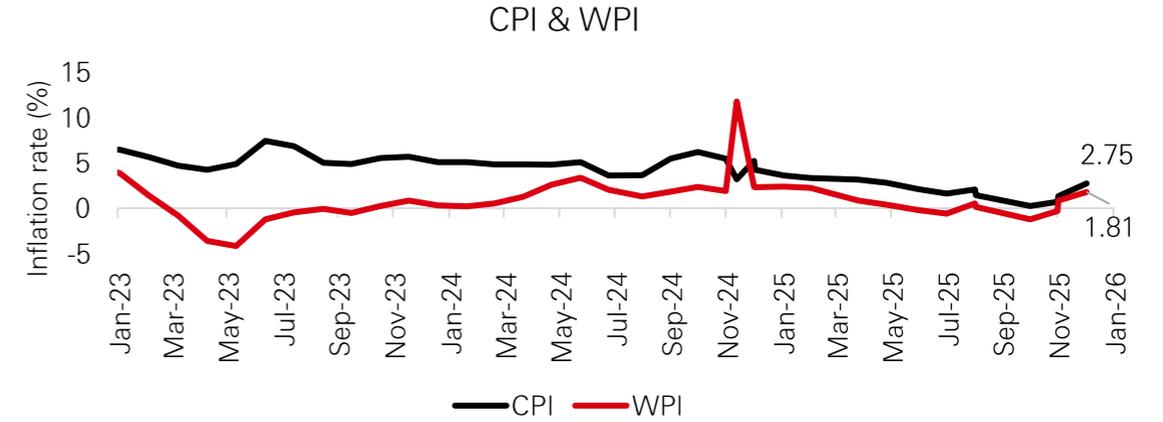
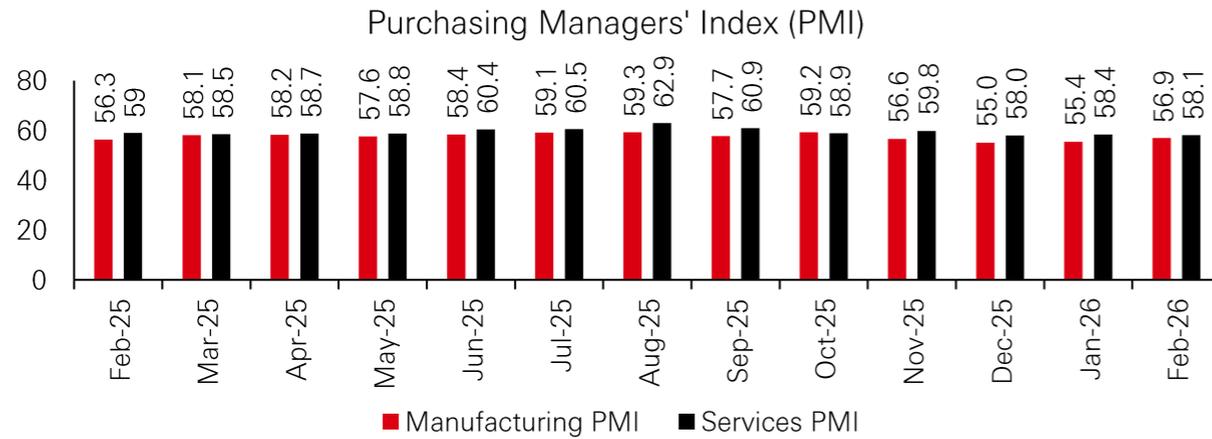


Current account deficit moderated to 1.3% of GDP on quarter for Q3FY26

Source – Crisil, Mospi, Data as on 27 February 2026 (GDP for FY18 to FY23 has base year 2011-12, while FY24, 25, and 26 has base year 2022-23)

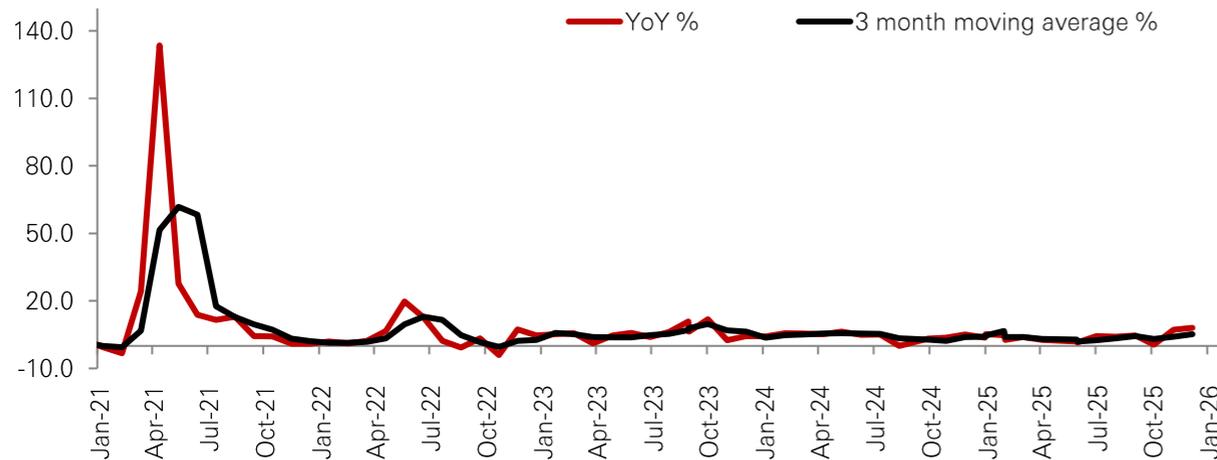
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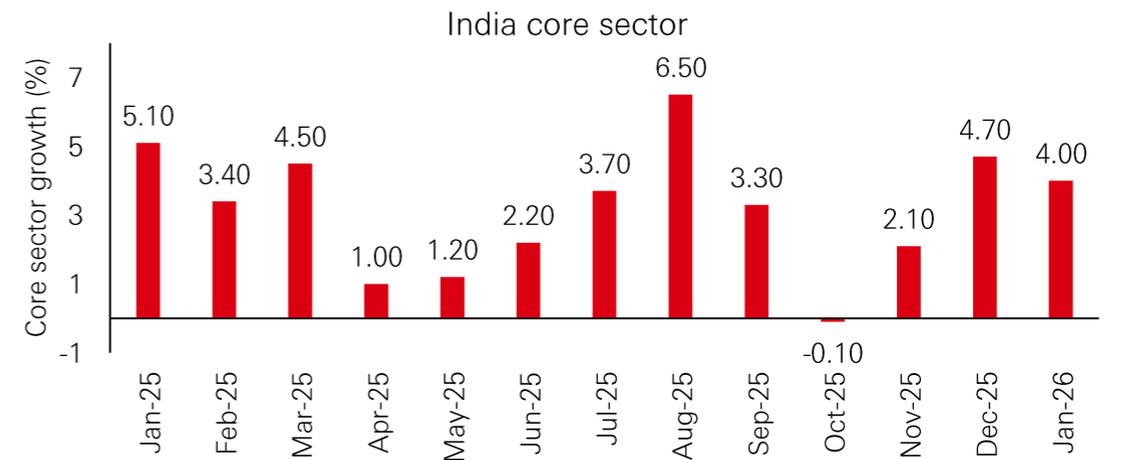


Domestic manufacturing activity rose while services activity eased in February

Retail inflation and wholesale inflation rose in January



Industrial output growth eased in January



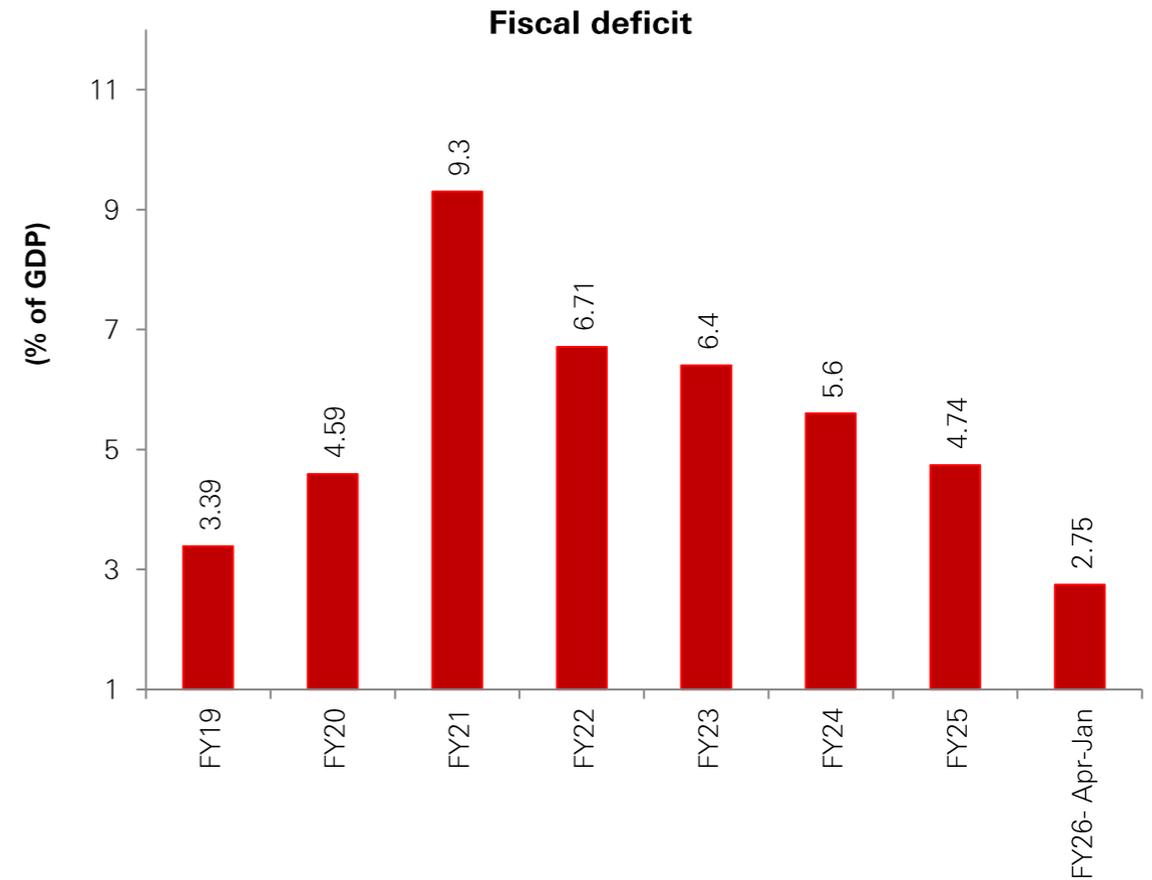
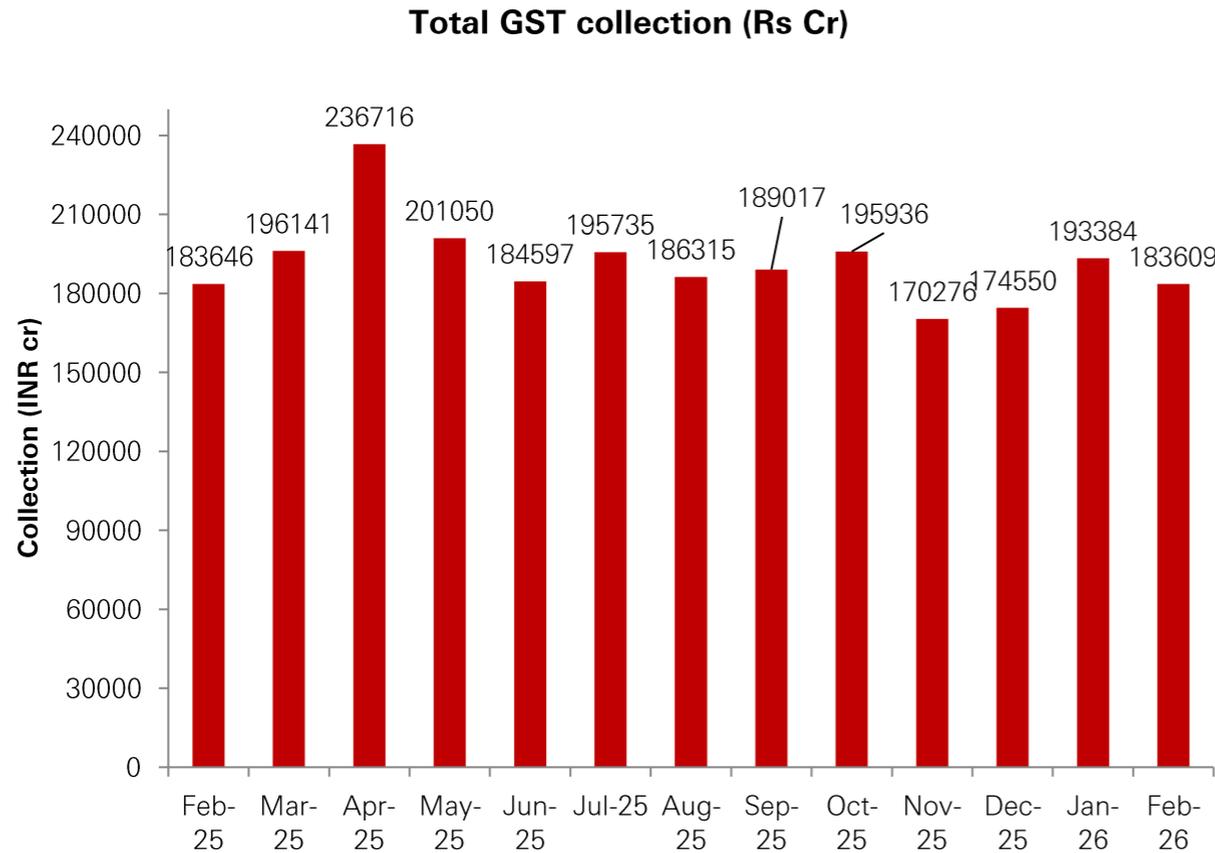
Core sector growth eased in January

Source –Crisil, Trading Economics, MOSPI, EAI, Data as on 27 February 2026, RBI- Reserve Bank of India GDP- Gross Domestic Product.

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GST collection INR 1.84 lakh crore in February



As per reports, the government collected INR 1.84 lakh crore goods and services tax (GST) for the month of February. Fiscal deficit for Apr-Jan period stood at 2.75% of estimated GDP for FY26.

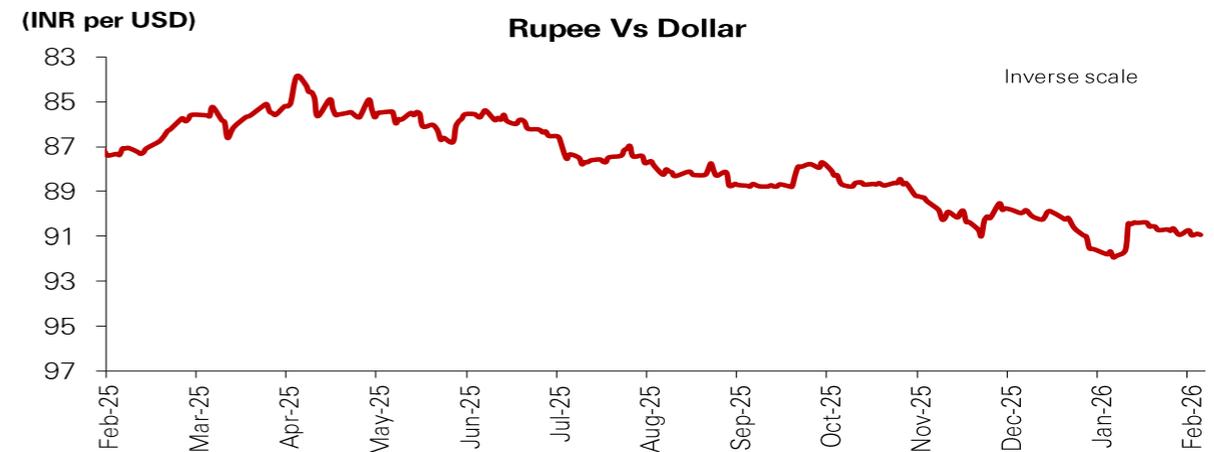
Source- Crisil, gst.gov.in, Data as on 27 February 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns. GST – Goods and Services Tax
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Currency & Commodity market update

Rupee ended higher in February

- The announcement of the long-awaited trade deal with the United States (US) helped the Indian rupee register its first on-month gain in ten months in February. The local unit ended the month at Rs 90.95 per dollar, which translates to a 1% gain as compared with January-end (Rs 91.90). However, the currency continued to remain near its record low, with weak foreign portfolio inflows and uncertainties surrounding tariffs and trade disruptions preventing it from pivoting on weakness in the dollar index and an intermittent fall in crude oil prices.
- Most gains during the month were in the opening week, with rising optimism surrounding the long-awaited India-US trade deal eventually culminating in an announcement on February 6. This development, coupled with the Reserve Bank of India's (RBI) status quo on policy rates and its signaling of a neutral policy stance in its February monetary policy meeting, led to upbeat investor sentiment during this week. It briefly propped the rupee close to the Rs 90 per dollar mark. Some gains arose from dollar sales by foreign banks.

Rupee Movement V/s Global Currencies				
	27-Feb-26	30-Jan-25	Change	% Change
USD	90.95	91.90	-0.94	-1.03%
GBP	122.54	126.38	-3.84	-3.04%
EURO	107.37	109.57	-2.20	-2.01%
100 YEN	58.34	59.72	-1.38	-2.31%



Rupee gained due to foreign portfolio inflows

Source: RBI, Crisil. Data as on 27 February 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns. US- United States

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International crude oil prices rose in February

- Crude oil closed at \$67.02 per barrel on February 27 on the New York Mercantile Exchange, up 2.78% on-month against \$65.21 per barrel on January 30.
- Crude oil prices were volatile through February, closing modestly higher amid fluctuating geopolitical and macroeconomic cues. Prices rebounded briefly following softer US inflation data and renewed geopolitical tensions. Toward the month-end, prices rose amid fresh uncertainties in the Middle East.

Domestic gold prices declined in February

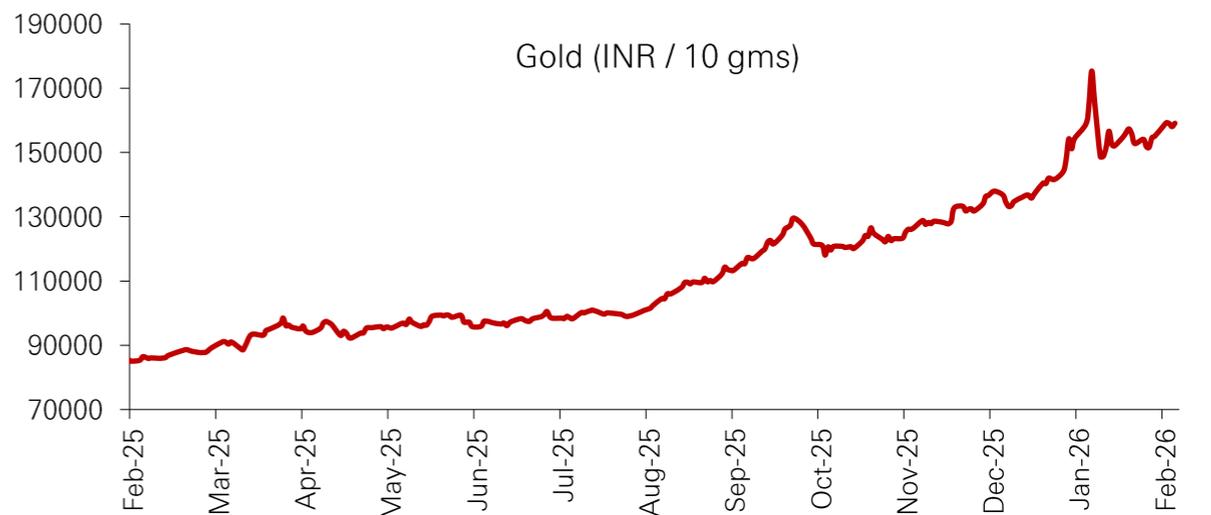
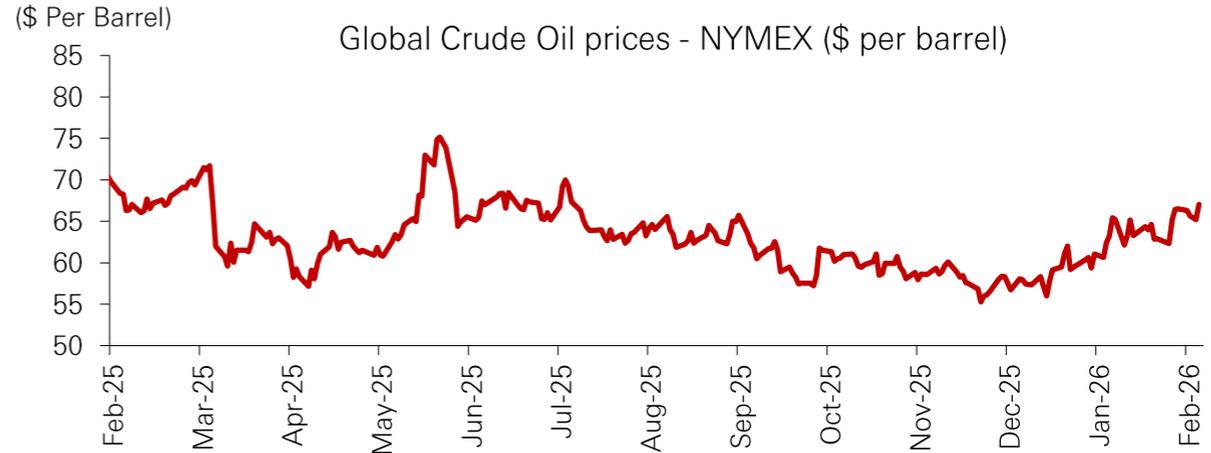
- Gold prices ended at Rs 1,59,097 per 10 gm on February 27, 2026, down 4.04% from Rs 1,65,795 per 10 gm on January 30, 2026, as reported by the India Bullion and Jewellers Association.
- The prices declined in February largely due to intermittent profit-taking and evolving expectations around the US monetary policy, following developments related to the Fed leadership outlook.
- However, losses were partially cushioned as the month progressed, with safe-haven demand supporting prices amid stronger-than-expected US economic data, escalating geopolitical tensions and a rise in crude oil prices.

Source – Crisil, NYMEX. IBJA Data as on 27 February 2026.

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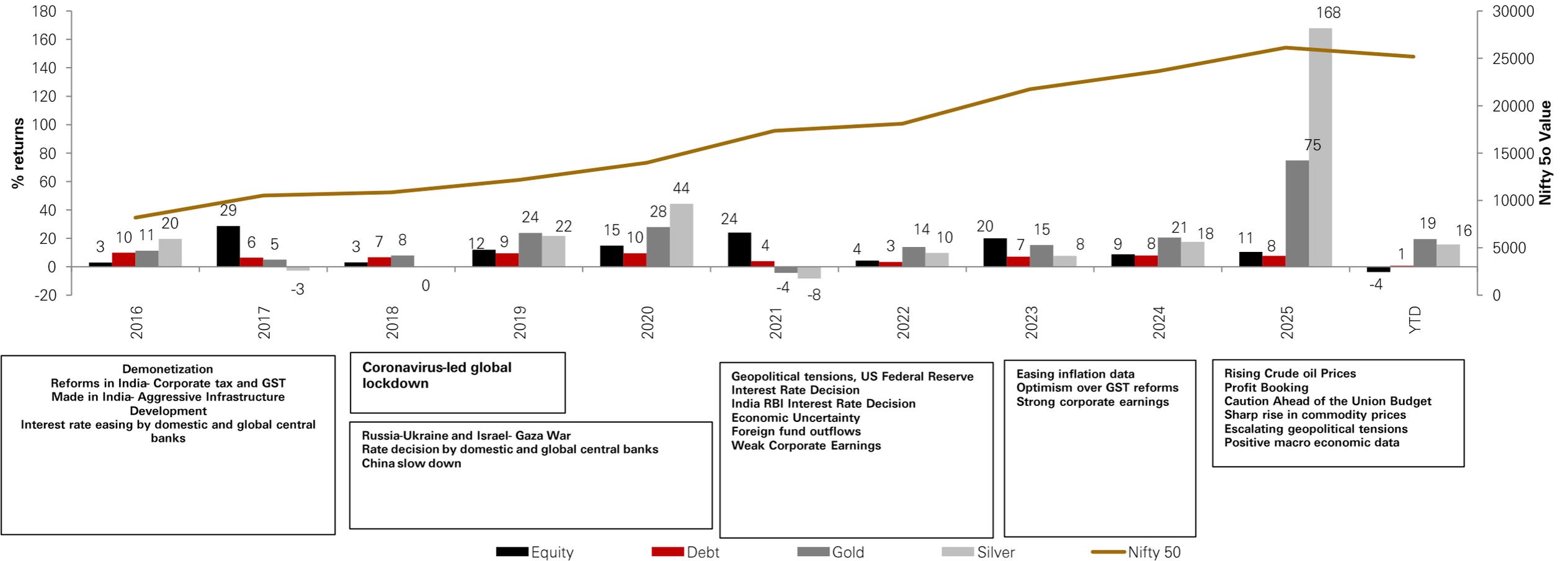
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Asset Performance

History of asset classes through major events

Calendar year performance of asset classes



Demonetization
 Reforms in India- Corporate tax and GST
 Made in India- Aggressive Infrastructure Development
 Interest rate easing by domestic and global central banks

Coronavirus-led global lockdown

Russia-Ukraine and Israel- Gaza War
 Rate decision by domestic and global central banks
 China slow down

Geopolitical tensions, US Federal Reserve
 Interest Rate Decision
 India RBI Interest Rate Decision
 Economic Uncertainty
 Foreign fund outflows
 Weak Corporate Earnings

Easing inflation data
 Optimism over GST reforms
 Strong corporate earnings

Rising Crude oil Prices
 Profit Booking
 Caution Ahead of the Union Budget
 Sharp rise in commodity prices
 Escalating geopolitical tensions
 Positive macro economic data

Equity- Nifty 50, Debt- CRISIL Short Term Bond Index

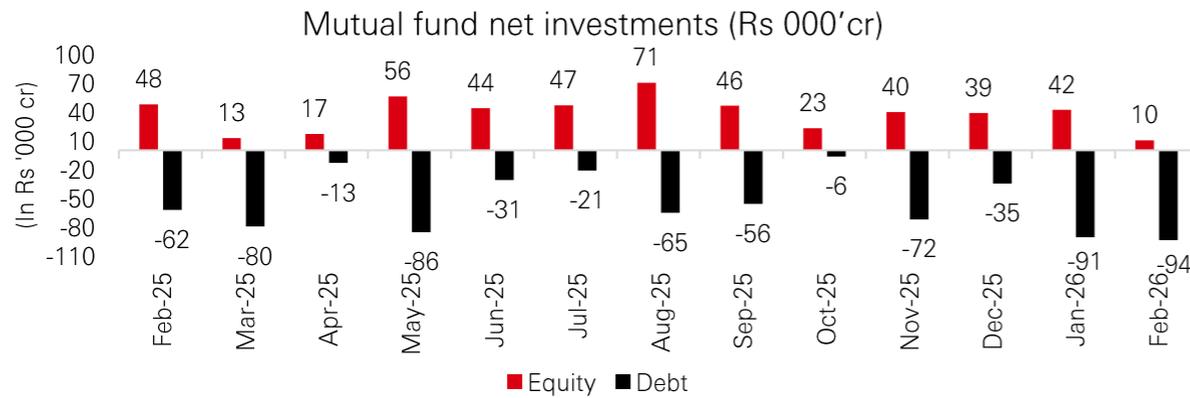
Gold and silver returns are based on spot rates from India Bullion and Jewellers Association (IBJA) and MCX

Source: NSE, CRISIL, Data as on 27 February 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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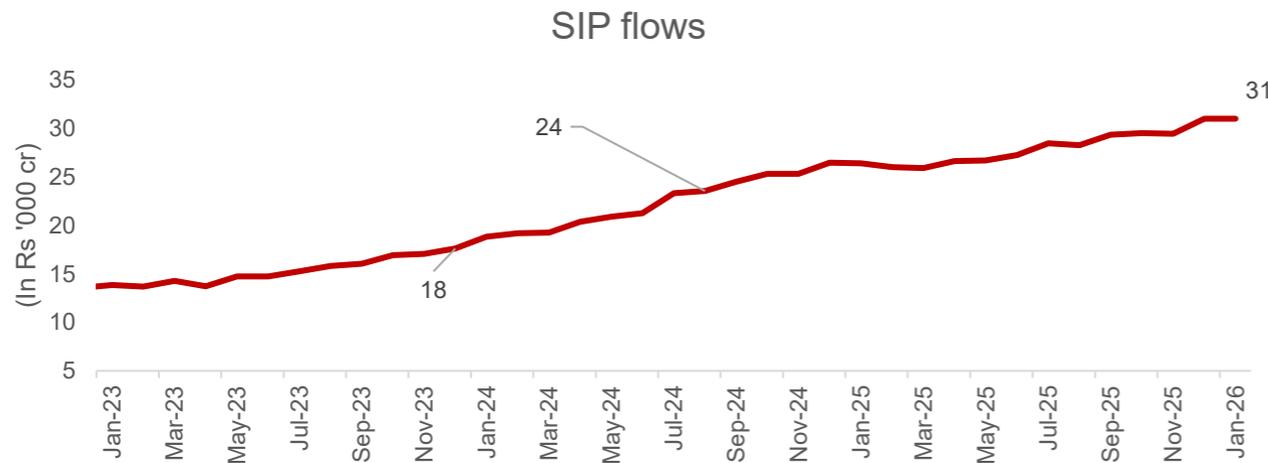
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Mutual funds net buyers in equity and sellers in debt



- Mutual funds were net buyers of Rs 10 thousand crore in equities in February 2026, lower than Rs 42 thousand crore in January 2026. The net sellers in debt at Rs 94 thousand crore compared to the selling of Rs 91 thousand crore.

Inflows through SIPs flat in January 2026



- Collections through systematic investment plans (SIP) flat at Rs 31,002 crore in January 2026 compared Rs 31,002 crore in December 2025. The number of SIP accounts rose to 9.92 crore from 9.79 crore.

Source: Crisil, AMFI, Data as on 27 February 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

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Economic Events Calendar

Date	Indicators	Previous
6-Mar-26	US Non-Farm Payrolls, Feb	130K
	Eurozone GDP Growth Rate YoY 3rd Est Q4	1.4%
10-Mar-26	China Import/ Export, Jan-Feb	5.7% / 6.6%
13-Mar-26	US GDP Growth Rate QoQ 2nd Est Q4	4.4%
16-Mar-26	India Unemployment Rate, Feb	5%
	India Balance of Trade, Feb	-\$34.68B
18-Mar-26	US Fed Interest Rate Decision	3.75%
19-Mar-26	UK BoE Interest Rate Decision	3.75%
20-Mar-26	India Infrastructure Output, Feb	4%
23-Mar-26	US Chicago Fed National Activity Index, Feb	0.18
31-Mar-26	India Government Budget Value, Feb	INR-9814B
	UK Current Account Q4	£-12.1B

Source: Crisil, Data as on 27 February 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.

US- United States, UK- United Kingdom, GDP- Gross Domestic Product, WPI- Wholesale Price Index

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- The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) voted unanimously to keep the repo rate unchanged at 5.25%.
- Accordingly, the standing deposit facility rate remains at 5.00%, while the marginal standing facility rate and the bank rate remain unchanged at 5.50%. The MPC decided to maintain a neutral stance, supported by low inflation rate and a favourable growth outlook.



- The RBI projected India's real gross domestic product (GDP) growth for fiscal 2026 at 7.4%. Growth projections for the first and second quarters of fiscal 2027 have been revised upwards to 6.9% and 7.0%, respectively. Growth continues to be supported by strong domestic demand, healthy agricultural prospects, rising private investment, elevated capacity utilisation, and supportive financial conditions. The central bank decided to defer the projections for the full year to the April policy meeting, as the new GDP series will be released later in the month.



- The RBI revised its inflation projection for the current fiscal upwards to 2.1% with fourth quarter inflation projected at 3.2%. Inflation based on the Consumer Price Index is projected at 4.0% and 4.2% for the first and second quarters of fiscal 2027, respectively. The RBI noted that inflation risks remain evenly balanced, with underlying pressures being subdued despite higher precious metal prices.

- The RBI governor Sanjay Malhotra said that amid elevated geopolitical uncertainties, the Indian economy is exhibiting resilience, characterised by robust growth and low inflationary pressures.
- The governor noted that the economy continues to show resilience, with the first advance estimates indicating sustained growth, largely driven by domestic factors, despite external challenges.

Source: Crisil, RBI Past performance may or may not be sustained in future and is not a guarantee of any future returns. RBI- Reserve Bank of India

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Mutual fund investments are subject to market risks, read all scheme related documents carefully.

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