Global Navigator

July 2026

HSBC Mutual Fund

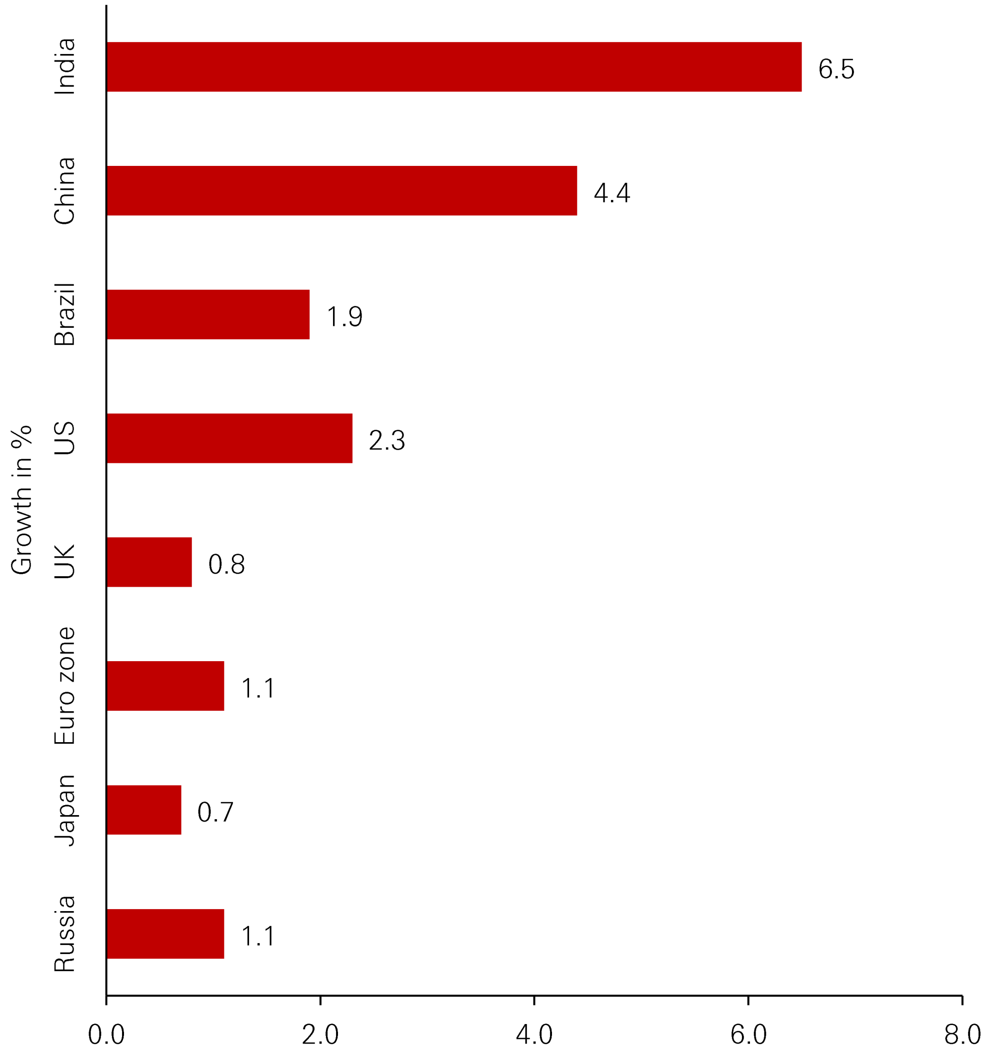
Global Update

Global Economic Update

	GDP		Inflation		Industrial Growth	
	Current	Previous	Current	Previous	Current	Previous
US	2.1% Q1 2026	0.5% Q4 2025	4.2% May’26	3.8% Apr’26	1.7% May’26	1.4% Apr’26
Eurozone	0.3% Q1 2026	1.2% Q4 2025	3.2% May’26	3.0% Apr’26	0.3% Apr’26	-2.8% Mar’26
UK	0.9% Q1 2026	0.9% Q4 2025	2.8% May’26	2.8% Apr’26	-0.2% Apr’26	0.0% Mar’26
China	5.0% Q1 2026	4.5% Q4 2025	1.2% May’26	1.2% Apr’26	4.5% May’26	4.1% Apr’26
Japan	1.8% Q1 2026	0.7% Q4 2025	1.5% May’26	1.4% Apr’26	-1.7% May’26	2.0% Apr’26
India	7.8% Q4 FY26	8.0% Q3 FY26	3.9% May’26	3.5% Apr’26	5.1% May’26	4.9% Apr’26

Major Global Central Bank	Latest Key Interest rate
US Federal Reserve	3.75%
Bank of England	3.75%
European Central Bank	2.40%
Bank of Japan	1.00%
Reserve Bank of India	5.25%

IMF GDP Projections for 2026 (April'26)



Source: Crisil, Bloomberg, Respective Central Banks, IMF. Data as on 30 June 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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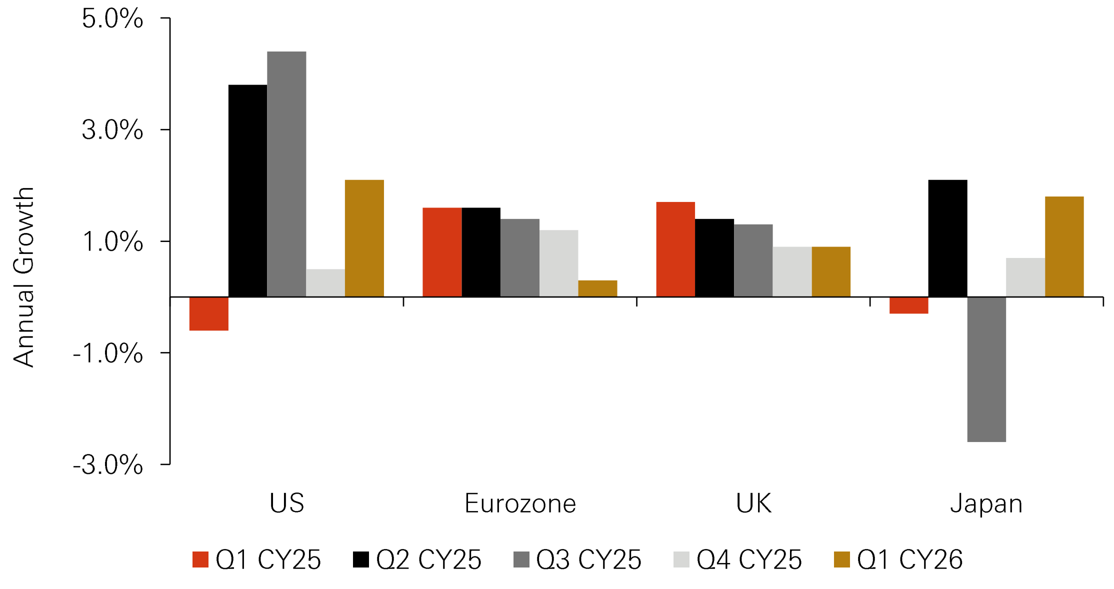
Global Economic Update



The Fed held rates steady, stressing data-dependence and resilience in growth

- The US economy experienced a notable rebound in the first quarter of calendar year 2026, growing at an annualised 2.1% vs 0.5% in the previous quarter.
- The US Federal Reserve (Fed) held interest rates at 3.50-3.75% for the fourth consecutive meeting. Projections were split, with officials evenly divided between hiking rates and either holding or cutting rates.

British economy grew 0.9% in the first quarter

- The UK's economy grew 0.9% on-year in the first quarter of 2026, matching the pace recorded in the previous quarter.
- The Bank of England (BoE) kept interest rates unchanged at 3.75% in a 7–2 vote in June, balancing easing inflation with the ongoing uncertainty from volatile energy prices.

Eurozone economy grew 0.3% in the first quarter of 2026

- The eurozone economy expanded 0.3% in the first quarter of calendar year 2026, compared with 1.2% in the fourth quarter of calendar year 2025.
- The European Central Bank raised its interest rate by 25 basis points (bps) to 2.40%, deposit facility rate by 25 bps to 2.25% and marginal lending facility rate by 25 bps to 2.65% in June, reinforcing its commitment to stabilising inflation at the 2% medium-term target.

Japan's economic growth accelerated to 1.8% in the first quarter

- The Japanese economy grew at an annualised 1.8% in the first quarter of calendar year 2026, rebounding from a downwardly revised 0.7% expansion in the fourth quarter of calendar year 2025.
- The Bank of Japan (BoJ) raised its key short-term policy rate by 25 bps to 1% in June to curb inflation risks from rising energy costs, while maintaining accommodative conditions and signalling further data-dependent rate hikes.

Source : Crisil, Data as on 30 June 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- 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	8.85	10.23
Nasdaq	28.24	-3.88	35.23	43.64	21.39	-33.10	43.42	28.64	20.36	12.79	17.15
Nikkei	19.10	-12.08	18.20	16.01	4.91	-9.37	28.24	19.22	26.18	39.18	13.87
Hang Seng	35.99	-13.61	9.07	-3.40	-14.08	-15.46	-13.82	17.67	27.77	-10.73	0.39
FTSE	7.63	-12.48	12.10	-14.34	14.30	0.91	3.78	5.69	21.51	5.70	3.92
Cac 40	9.26	-10.95	26.37	-7.14	28.85	-9.50	16.52	-2.15	10.42	3.12	5.62
Xetra Dax	12.51	-18.26	25.48	3.55	15.79	-12.35	20.31	18.85	23.01	2.06	8.09
Shanghai	6.56	-24.59	22.30	13.87	4.80	-15.13	-3.70	12.67	18.41	3.16	2.81
Brazil Bovespa	26.86	15.03	31.58	2.92	-11.93	4.69	22.28	-10.36	33.96	6.76	11.07
Russia RTS	0.18	-7.65	45.28	-10.42	15.01	-39.18	11.63	-17.56	24.73	-15.17	-1.96
Nifty 50 TRI	30.27	4.64	13.48	16.14	25.59	5.69	21.30	10.09	11.88	-8.10	12.50
BSE Sensex TRI	29.56	7.23	15.66	17.16	23.23	5.80	20.33	9.49	10.38	-9.73	12.31

Source: Crisil, BSE, NSE and Financial websites Figures in red indicate negative returns in that period. *CY26- CYTD (till June 30, 2026) *10-year CAGR, Data as on 30 June 2026
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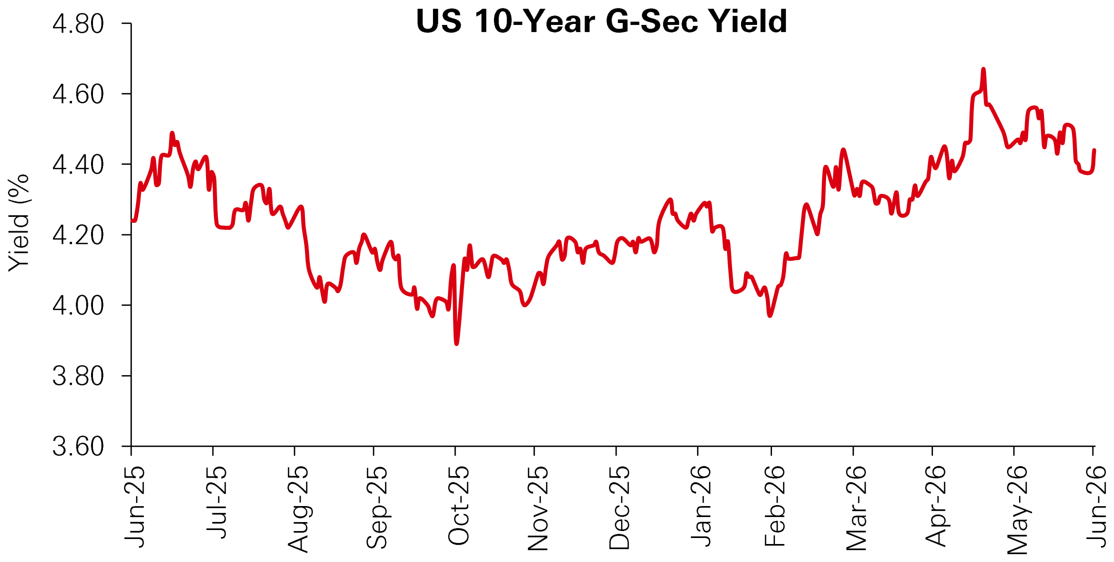
US Fixed Income Markets - Overview

US treasury yield declined marginally in June'26

- The US 10-year benchmark Treasury yield eased to 4.42% on June 30 from 4.45% on May 29 as investors balanced expectations of a prolonged restrictive monetary policy stance against signs of moderating inflation.
- During the early part of the month, Treasury yields rose, supported by stronger-than-expected nonfarm payrolls and retail sales data for May, which underscored the resilience of the US economy. These data points reinforced market expectations that the Federal Reserve could maintain higher interest rates for a longer period.
- Additionally, the Federal Reserve's policy decision on June 16 to keep its benchmark rate unchanged, while signalling that further rate hikes were likely to bring inflation back to its 2% target—provided upward pressure on yields.
- However, in the latter half of the month, Treasury yields moderated as demand for safe-haven government bonds increased. Market sentiment improved after the release of the May 2026 Personal Consumption Expenditures (PCE) Price Index, the Fed's preferred inflation gauge, which rose less than expected on a monthly basis. This indicated a potential easing in underlying inflationary pressures, even though inflation remained elevated on an on-year basis.



Global bond yields			
	30-June-26	**29-May-26**	**Change**
US 10-Year (%)	4.42	4.45	-0.03
UK 10-Year (%)	4.76	4.81	-0.05
German 10-Year (%)	2.91	2.93	-0.02
Japan10-Year (%)	2.68	2.66	0.02

Source: Crisil, Refinitiv, Data as on 30 June 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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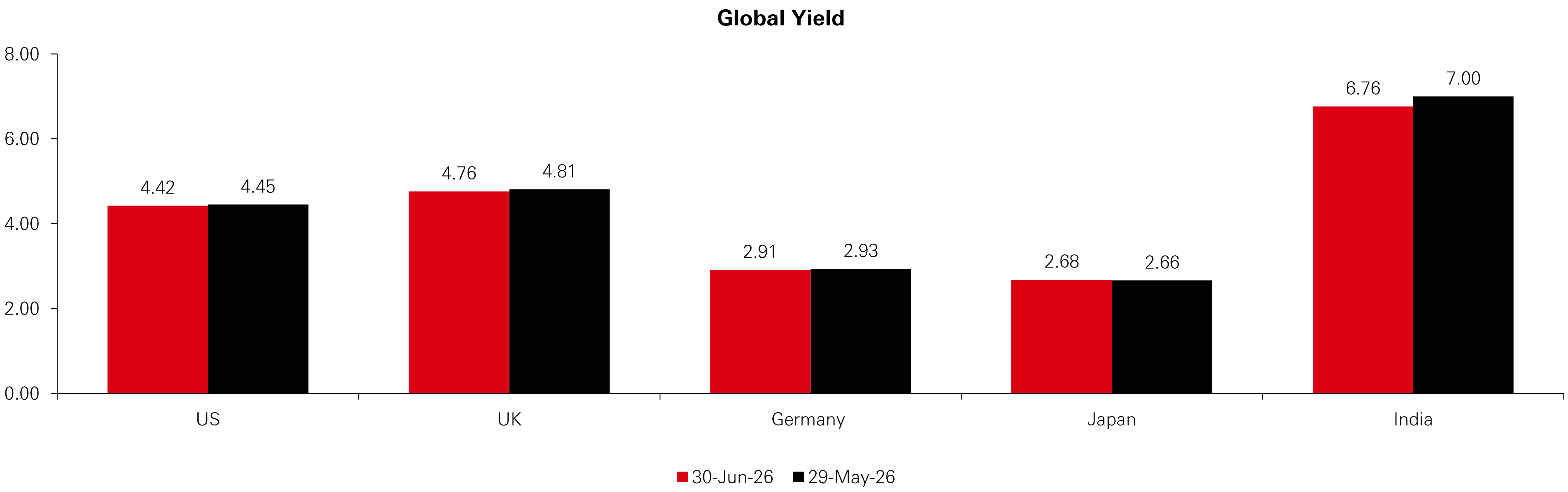
Global Yield and Where India Stands



	US	UK	Germany	Japan	India
Current Yield (%)	4.42	4.76	2.91	2.68	6.76
Inflation (%)	4.20	2.80	2.30	1.50	3.93
Real Yield (%)	0.22	1.96	0.61	1.18	2.83

Source : Crisil, Data as on 30 June 2026, Inflation Data as of May 2026. Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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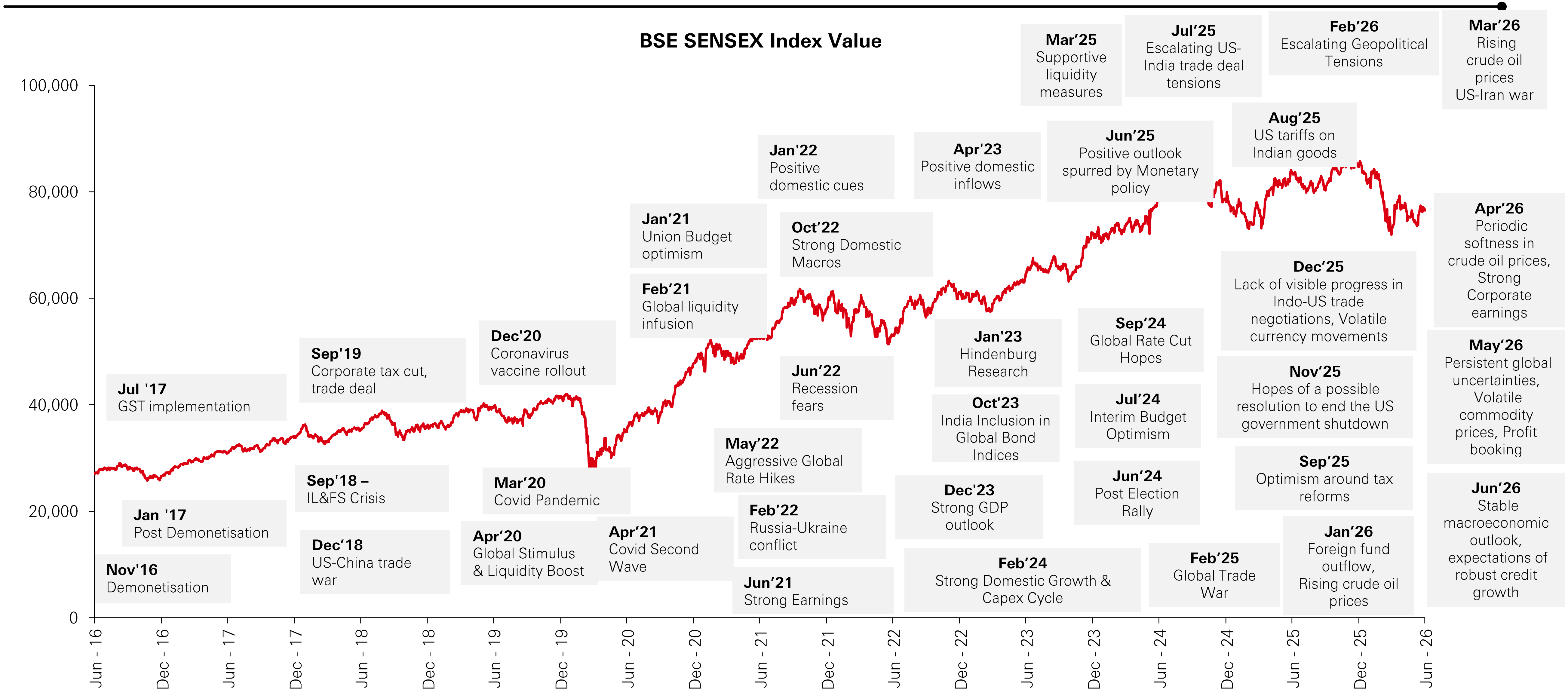
Domestic Equity

History Of Equity Markets Through Major Events



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History Of Equity Markets Through Major Events

Performance of major equity indices

Nov '16 - Dec '16
Demonetisation

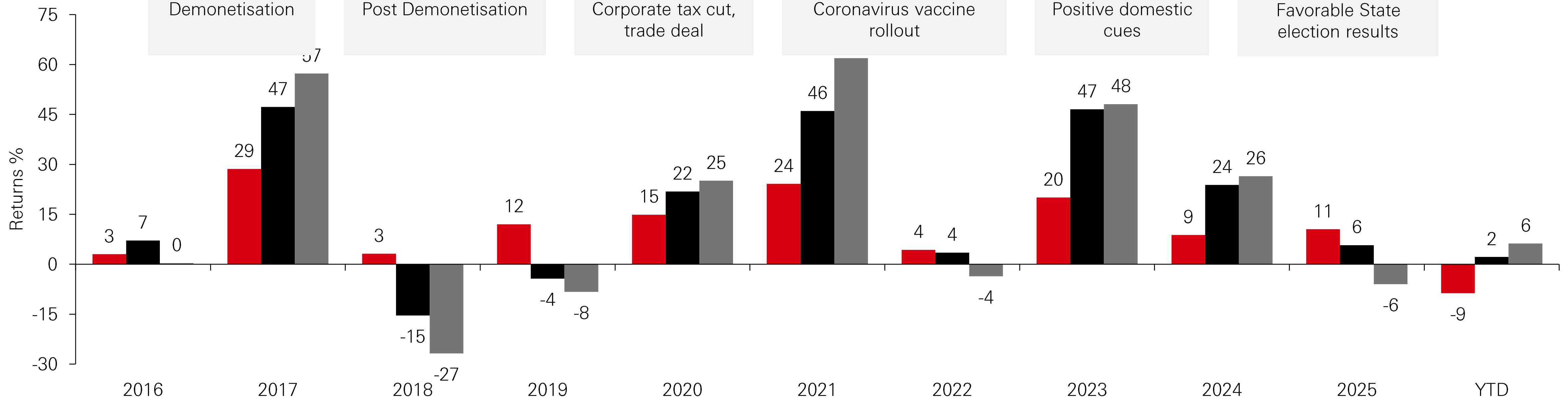
Jan '17 - Dec '18
Post Demonetisation

Mar'19-Dec'19
Corporate tax cut, trade deal

Apr'20 - Dec'20
Coronavirus vaccine rollout

Jan'22 - Dec'22
Positive domestic cues

Jan'23 - Dec'23
Favorable State election results



Dec'18 - Feb'19
Geopolitical jitters

Dec'19 - Mar'20 Covid Pandemic

Jan'22 - Jun'22
Russia-Ukraine conflict

Dec'23 - Jan'24
Geopolitical jitters
Central Bank Decisions

Dec'24-Jan'25
US Tariff War
Economic uncertainty

Mar'25-Sep'25
US tariffs on Indian goods
New GST reforms
Upbeat Growth Data

Oct'25-Dec'25
Strong corporate earnings
Mixed Global Cues
Easing inflation data
Upbeat growth data
Lack of progress in India-US trade deal
Foreign fund outflows

Jan'26-Jun'26
Inflation concerns
Foreign fund outflows
Profit Booking
Volatile commodity prices
Stable macroeconomic outlook,
expectations of robust credit growth

■ Nifty 50 ■ Nifty Midcap 100 Index ■ Nifty Smallcap 250 Index

Source: NSE, Crisil, Data as on 30 June 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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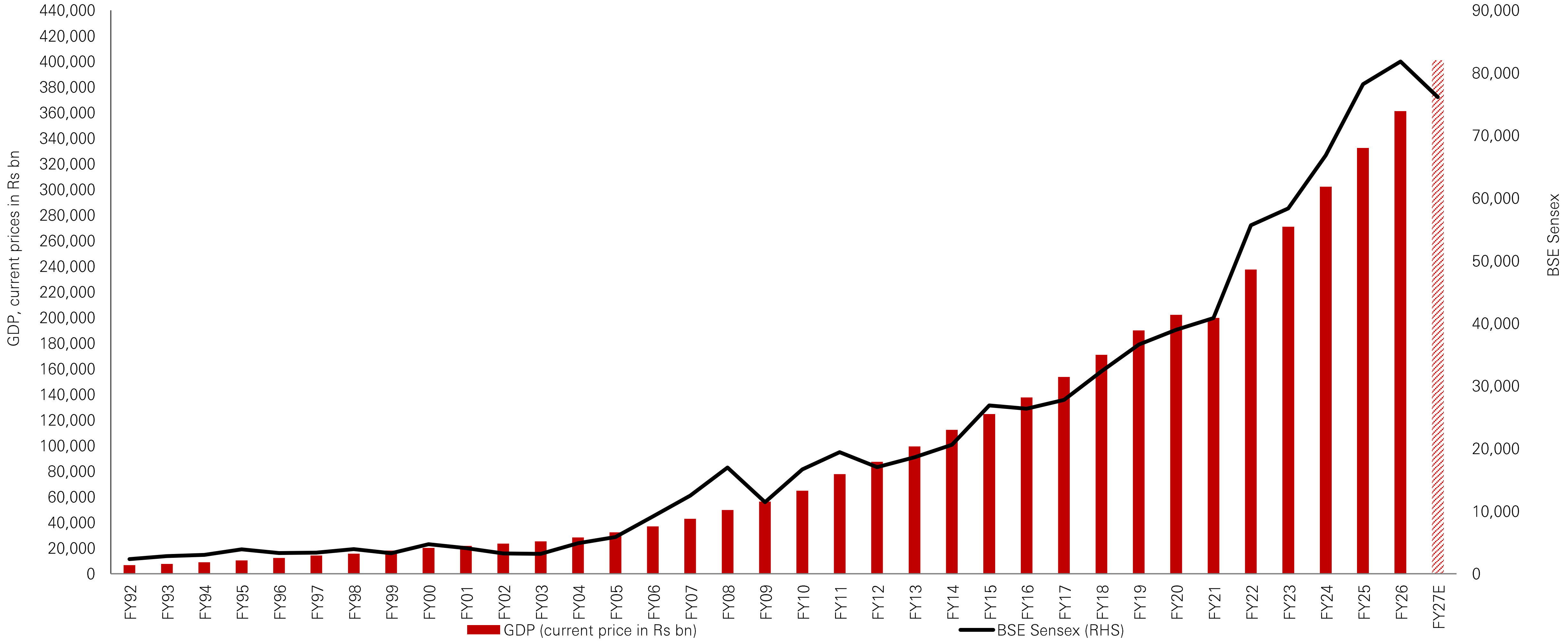
Equity Mirrors Economic Growth In The Long Term

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 2027 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 30 June 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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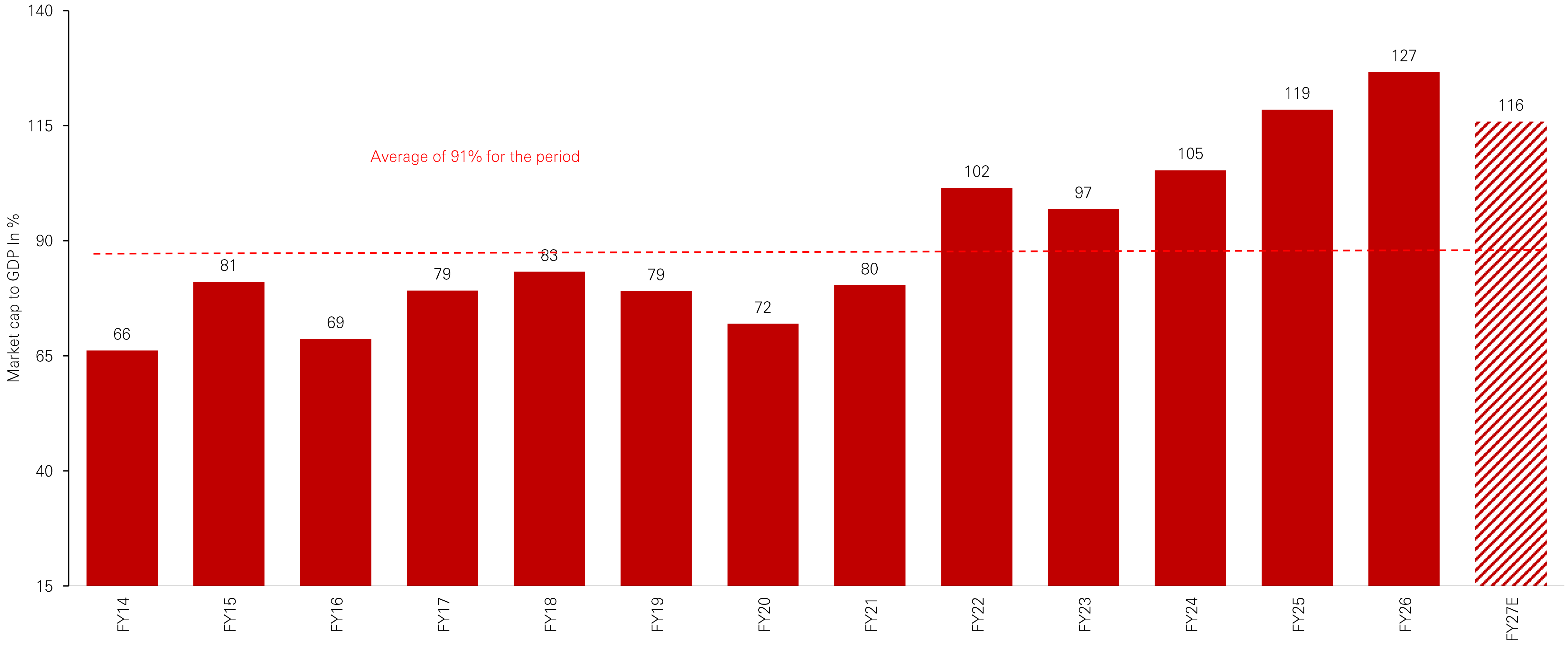
HSBC Mutual Fund

India Market Cap To GDP (%)



Shaded area represents estimates (E) – FY27
Source: Crisil, MOSPI, Bloomberg,
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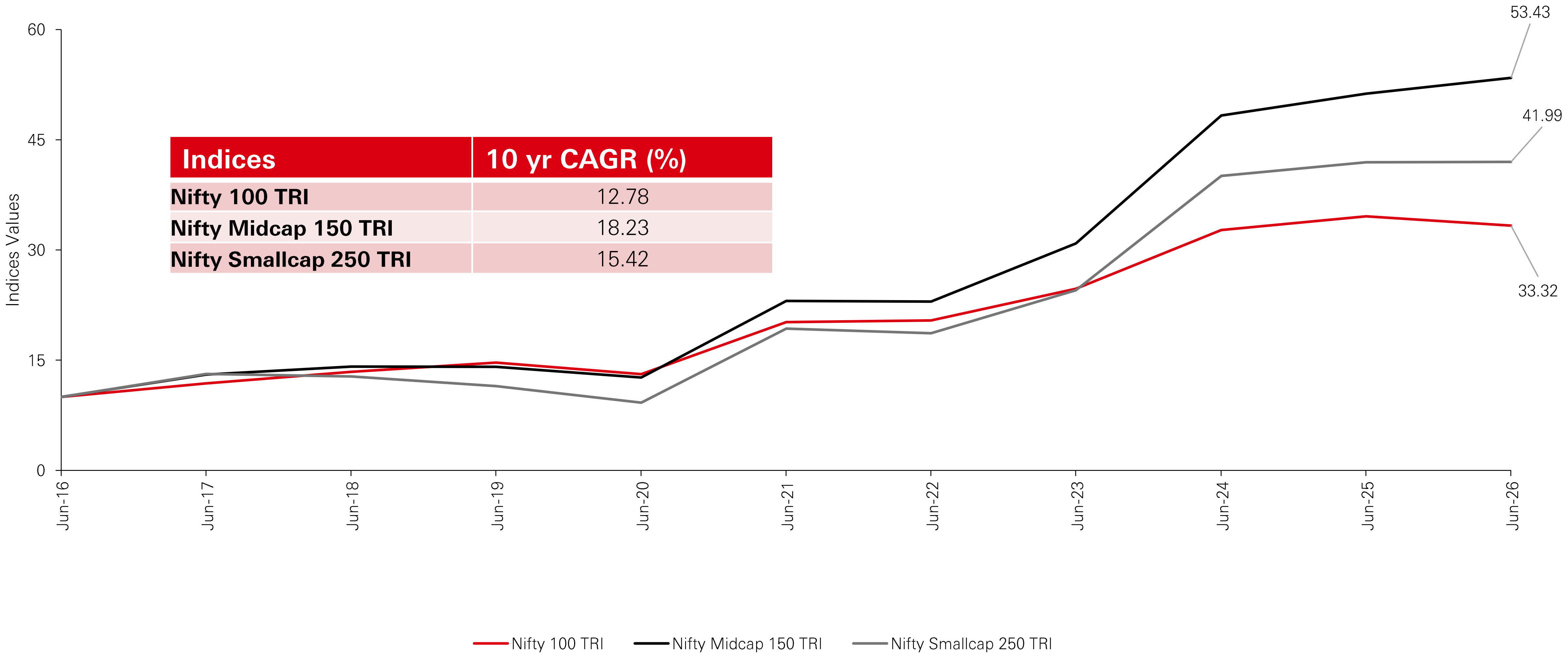
Nifty Mid-cap 150 TRI Vs Nifty Small-cap 250 TRI Vs Nifty 100 TRI

Indices	10 yr CAGR (%)
Nifty 100 TRI	12.78
Nifty Midcap 150 TRI	18.23
Nifty Smallcap 250 TRI	15.42



Source: Crisil, NSE. Data as on 30 June 2026, data represents YTD values. The indices values are rebased to 10
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Indian Market - Performance Trends

Indices	% Change										
	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24	CY25	CY26	10-year CAGR*
Nifty 50 TRI	30.27	4.64	13.48	16.14	25.59	5.69	21.30	10.09	11.88	-8.10	12.50
BSE SENSEX TRI	29.56	7.23	15.66	17.16	23.23	5.80	20.33	9.49	10.38	-9.73	12.31
BSE Metal TRI	52.82	-16.20	-10.16	18.43	72.68	15.70	35.50	10.24	29.81	9.63	21.32
BSE CG TRI	41.42	-0.49	-8.79	12.52	54.75	17.17	68.15	22.53	-0.21	21.62	19.74
BSE CD TRI	102.87	-8.32	21.53	22.19	47.73	-10.93	26.40	29.31	-6.51	-0.34	17.91
BSE Power TRI	22.03	-14.30	-0.64	11.38	73.68	28.51	36.45	21.28	-5.30	25.10	17.65
BSE Realty TRI	107.24	-30.69	27.58	9.20	55.40	-9.97	80.16	33.45	-17.06	-4.87	15.92
BSE PSU TRI	22.69	-18.69	-1.12	-12.80	47.95	28.30	61.48	24.34	12.09	2.22	15.80
BSE Oil & Gas TRI	37.81	-12.40	10.59	-0.55	31.72	20.45	17.30	16.50	14.07	-8.95	14.22
BSE Healthcare TRI	1.10	-5.38	-2.80	62.61	21.54	-11.50	37.97	44.30	-2.72	12.84	12.97
BSE BANKEX TRI	39.98	5.65	21.12	-2.12	12.97	21.91	12.12	7.15	16.66	-2.15	12.85
BSE Auto TRI	33.31	-21.33	-9.94	14.27	20.59	17.83	47.71	23.40	22.59	-5.97	12.74
BSE IT TRI	13.29	27.26	11.84	60.05	58.45	-22.70	28.28	22.21	-12.94	-29.49	10.80
BSE FMCG TRI	33.26	12.11	-2.14	13.19	11.70	19.08	29.65	3.25	-0.23	-10.25	9.79

Source: Crisil, BSE, Figures in red indicate negative returns in that period. *10-year CAGR, Data as on 30 June 2026, CY26 is YTD (till 30 June 2026) (CD- Consumer Durable/ CG – Capital Goods)
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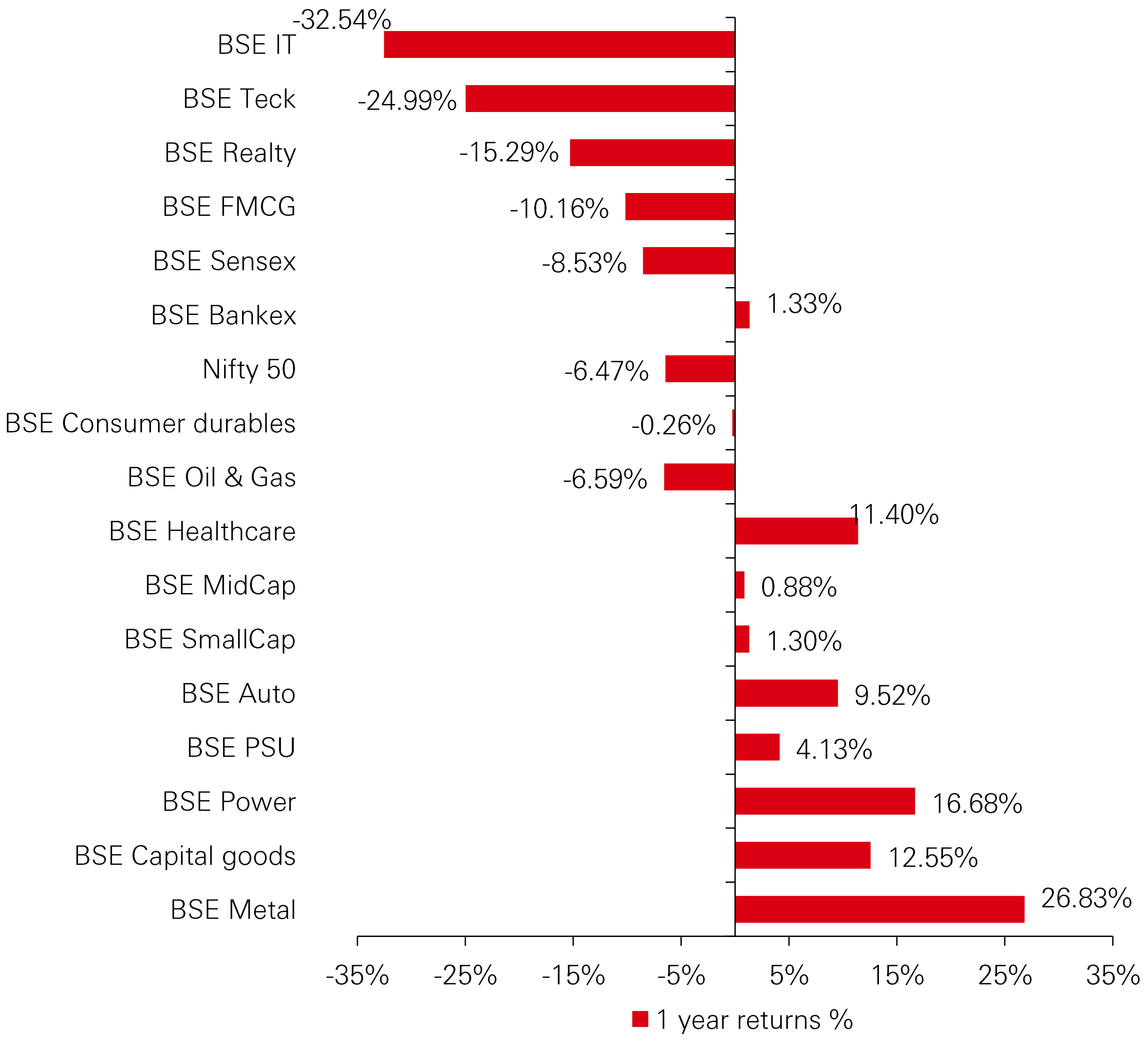
Equity Market Review

Indian markets edged higher in June'26

- Indian equities witnessed a recovery in momentum during June, with the benchmark indices ending higher compared with May, supported by improving global cues and easing crude oil prices, despite intermittent volatility. The market remained influenced by a mix of domestic policy signals and external developments, including geopolitical trends and foreign fund flows. The BSE Sensex gained 2.28% to close at 76,478.67 on June 30 from 74,775.74 on May 29, while the Nifty 50 rose 1.35% to 23,865.75 from 23,547.75 over the same period.
- As the month progressed, markets strengthened further, aided by a stable macroeconomic outlook and expectations of robust credit growth.
- Towards the latter part of the month, equities maintained their positive bias, with domestic resilience and improving external conditions supporting overall sentiment.
- Sectoral performance reflected a mixed trend, with clear divergence across segments. The BSE Bankex, BSE Realty and BSE Healthcare gained 6.38%, 5.86% and 5.34%, respectively.



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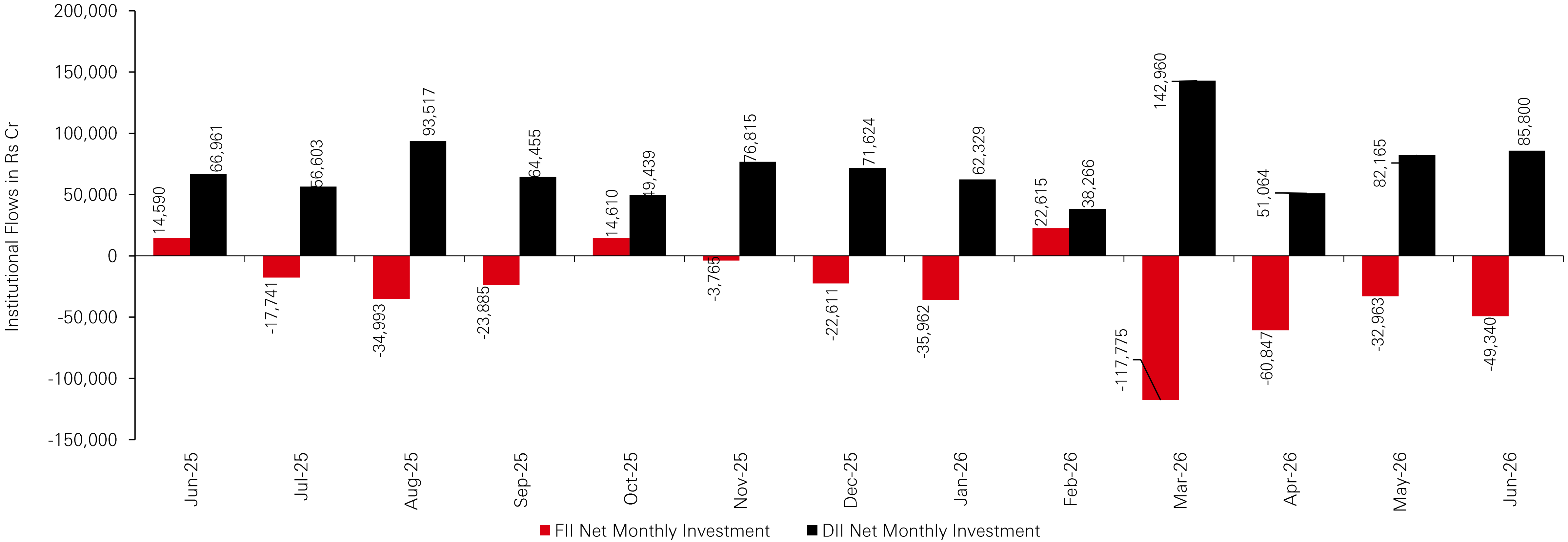
FII DII Graph



Foreign institutional investors sold equities worth Rs 49,340 crore till June 30, compared with Rs 32,963 crore till May 29.

However, domestic institutional investors purchased equities worth Rs 85,800 crore till June 30, compared with Rs 82,165 crore till May 29, thereby supporting the market.

Source : FII (NSDL), DII (NSE), Data as on 30 June 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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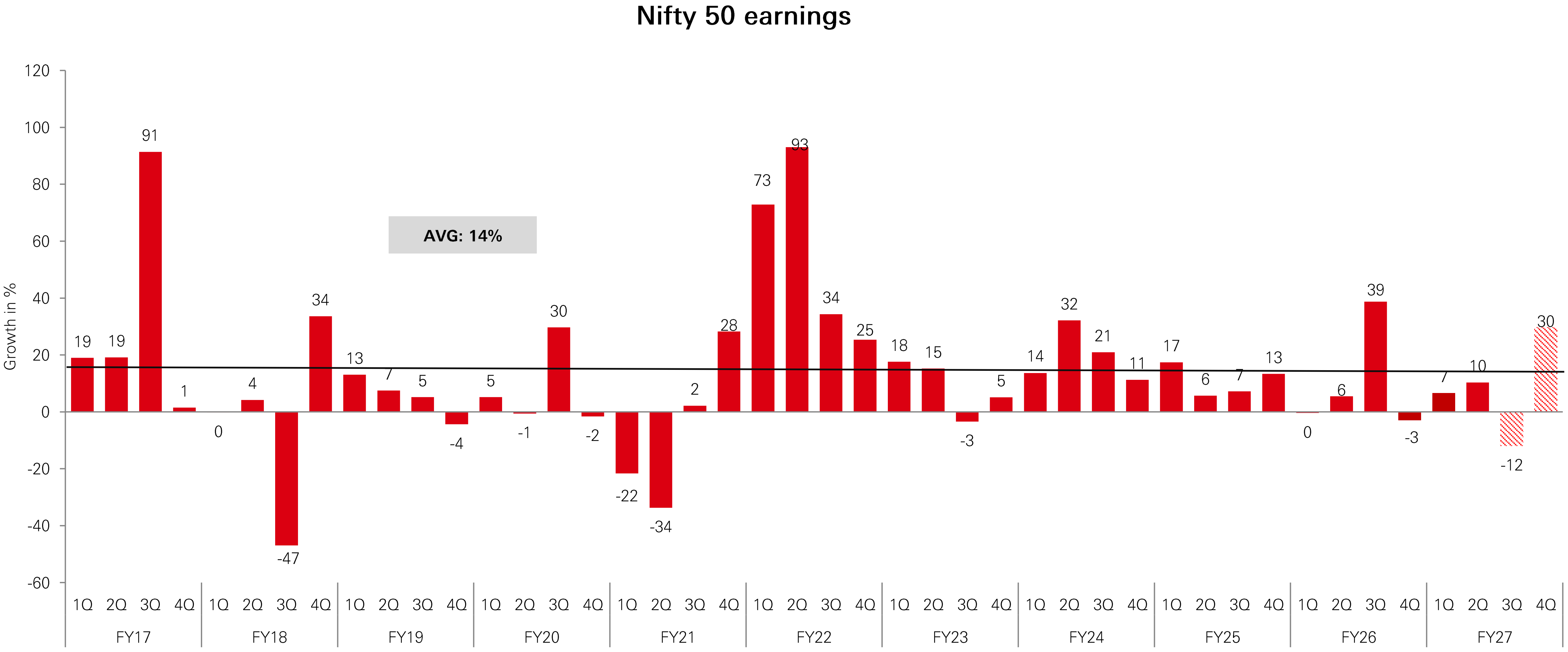
Earnings Growth – Quarterly Trend



Nifty 50 EPS Growth (Y-o-Y)

Estimates – shaded portion of FY27

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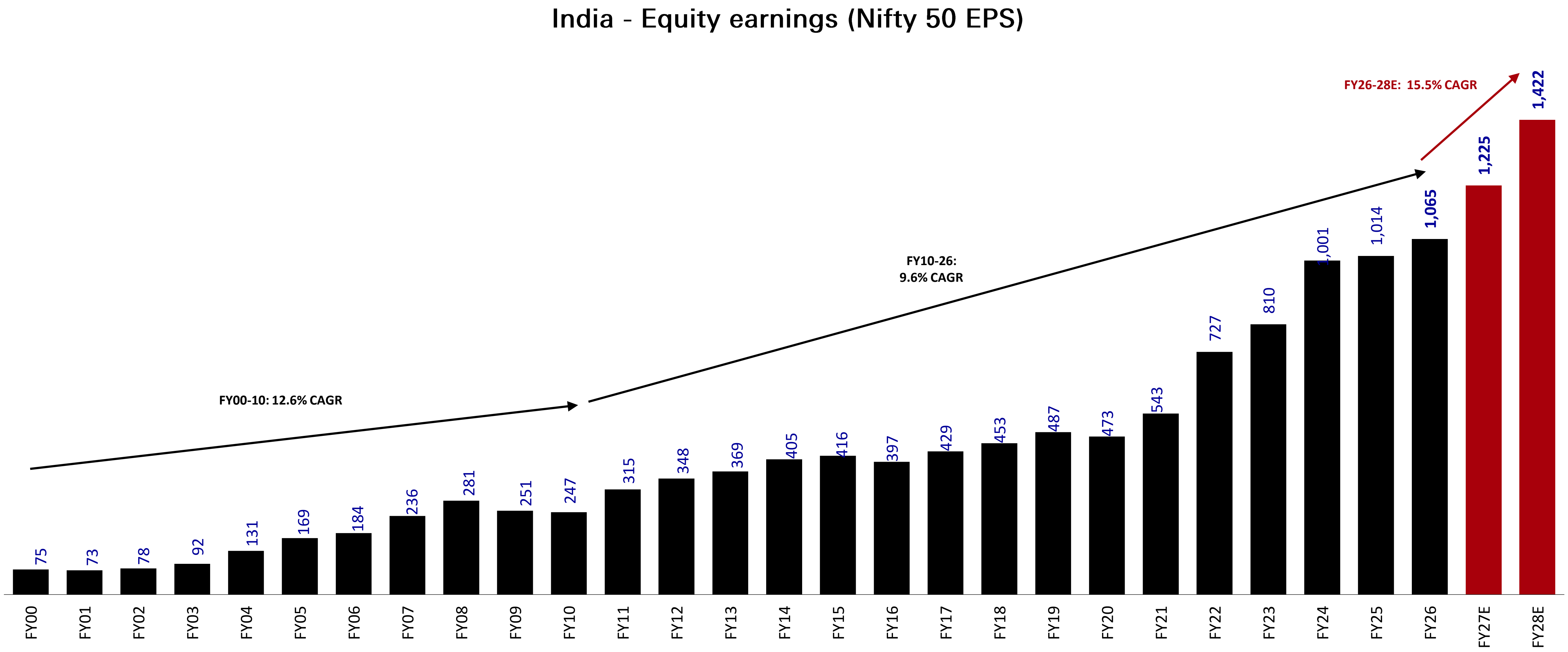
Earnings trend



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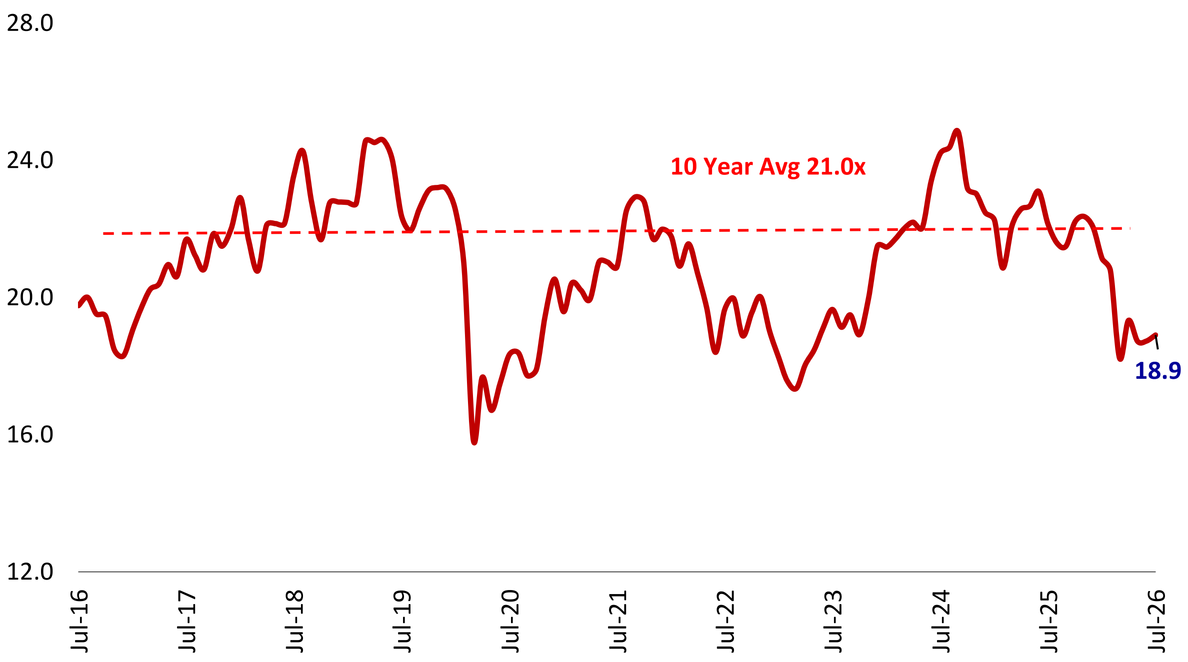
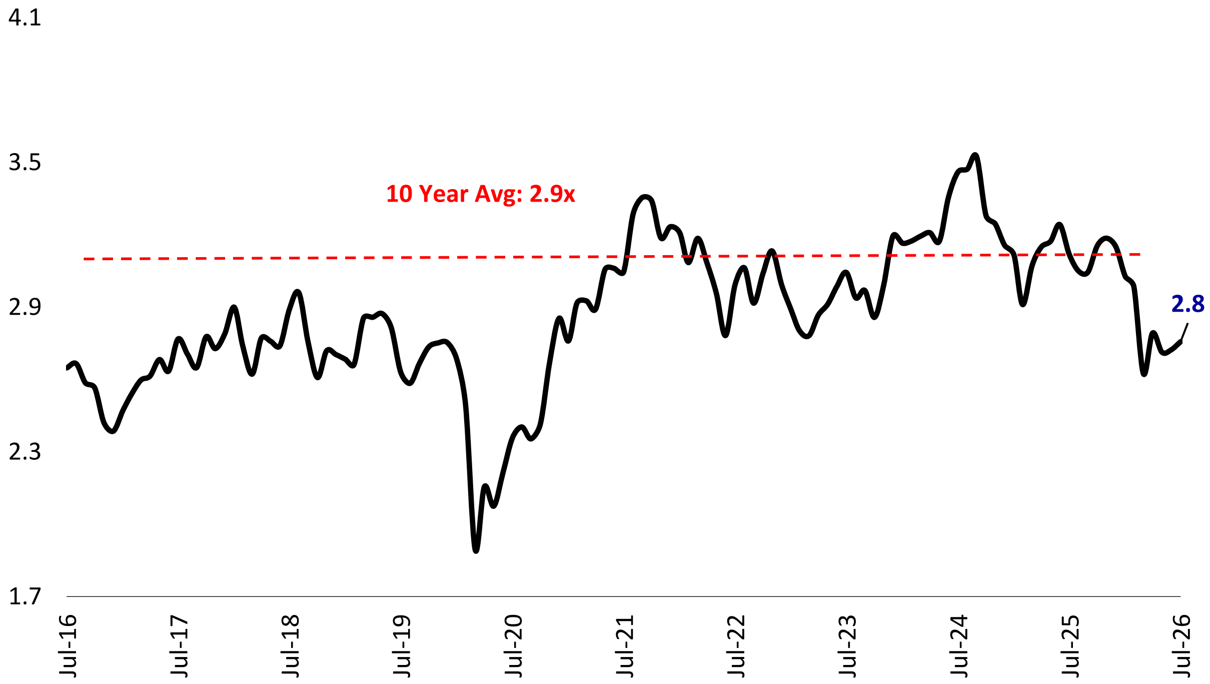
Market Valuations

Nifty50 - Price to Earnings (PE)



Nifty 50 - Price to Book (PB)



Overall, valuations have cooled from peaks, with both P/E and P/B below historical averages.

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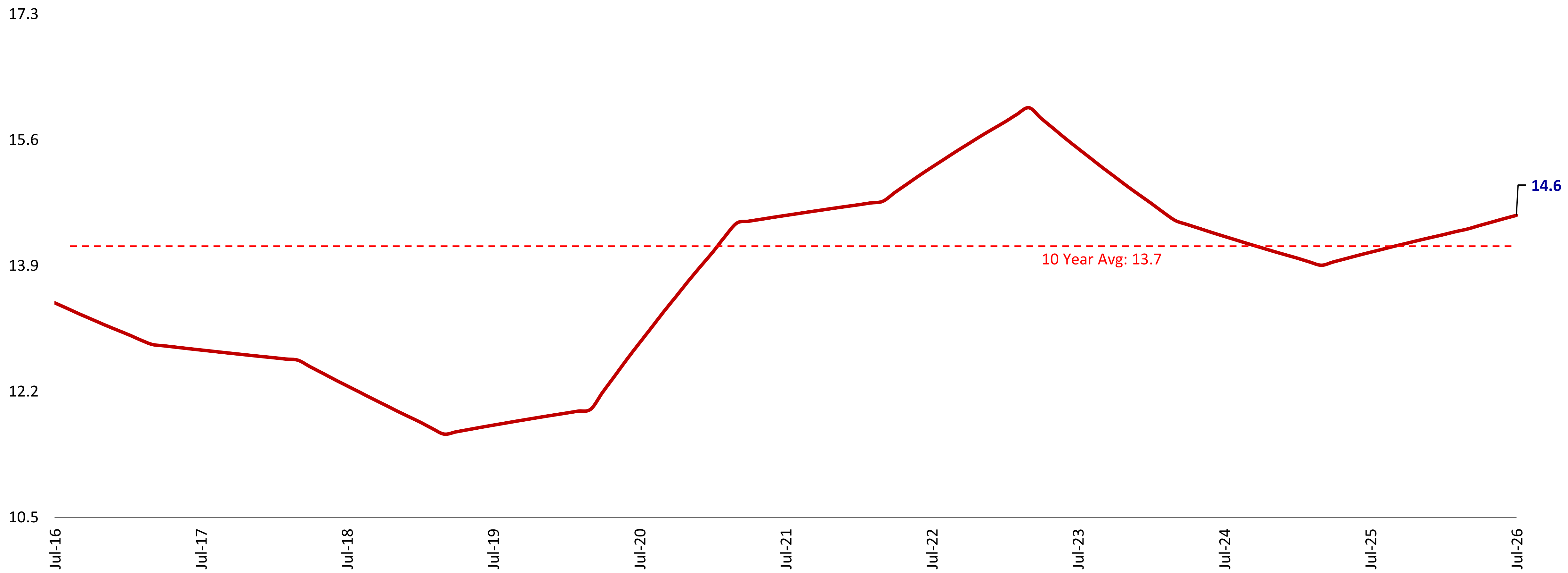
Capital Efficiency Of Indian Corporates Optimizing



Source: NSE, Crisil, Data as on 29 May 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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Equity Market Outlook

- Global markets were soft in June despite 21% MoM decline in crude oil price. MSCI World Index declined 0.8% with the US (S&P 500) down 1.1%.
- BSE Sensex and NSE Nifty were up 2.6%/1.7%, respectively, broader market was also strong with NSE Midcap index up 1% and BSE Smallcap index up 5.4% for the month.
- FIIs sold a further US$3 bn in June taking the total selling to US$27.4 bn in last 4 months. This, however, continues to offset by DIIs. Domestic MFs invested US$5.6 bn while Insurance invested US$3.1 bn in June.
- Industrial production growth (IIP) rose to 5.1% (YoY) in May from 4.9% (YoY) in April. Gross GST revenue collection was Rs 1.95 tn in May'26, up 13.9% (YoY). Growth has also been impacted by the rationalization of GST rates from 22nd Sep 2025.
- Nifty consensus EPS estimate for CY26/27 were largely unchanged in June 2026 as per Bloomberg. Accordingly, Nifty now trades at 18.3x 1-year forward PE. This is now at a 6% discount to its 5-year average and in-line with its 10-year average.
- Correction in crude and fertilizer prices back to pre-conflict level is supportive for H2FY27 growth. Government has absorbed most of the impact and shielded the economy. We believe government should be able to boost infra spending in H2FY27 although full year may be flattish given the impact of the conflict on government finances.
- India's growth should remain robust in FY27, supported by the interest rate cuts by RBI, the GST rate cut, and income tax rate cut announced by the Union government in FY26. These should support consumption and private sector capex. However, risk of a below normal monsoon with negative consequences for food production and leading to higher food inflation is also another stress in the near term.
- India's investment cycle to be on a medium-term uptrend supported by government investment in infrastructure, support to manufacturing and pickup in private investments.
- Announcements of potential trade deals with EU and US should help support private capex driven by improved medium term tariff certainty and export competitiveness. Nifty valuations are now in-line with 10-year average. We remain constructive on Indian equities on a longer-term basis.

Source: HSBC Asset Management, India, Data as on 30 June 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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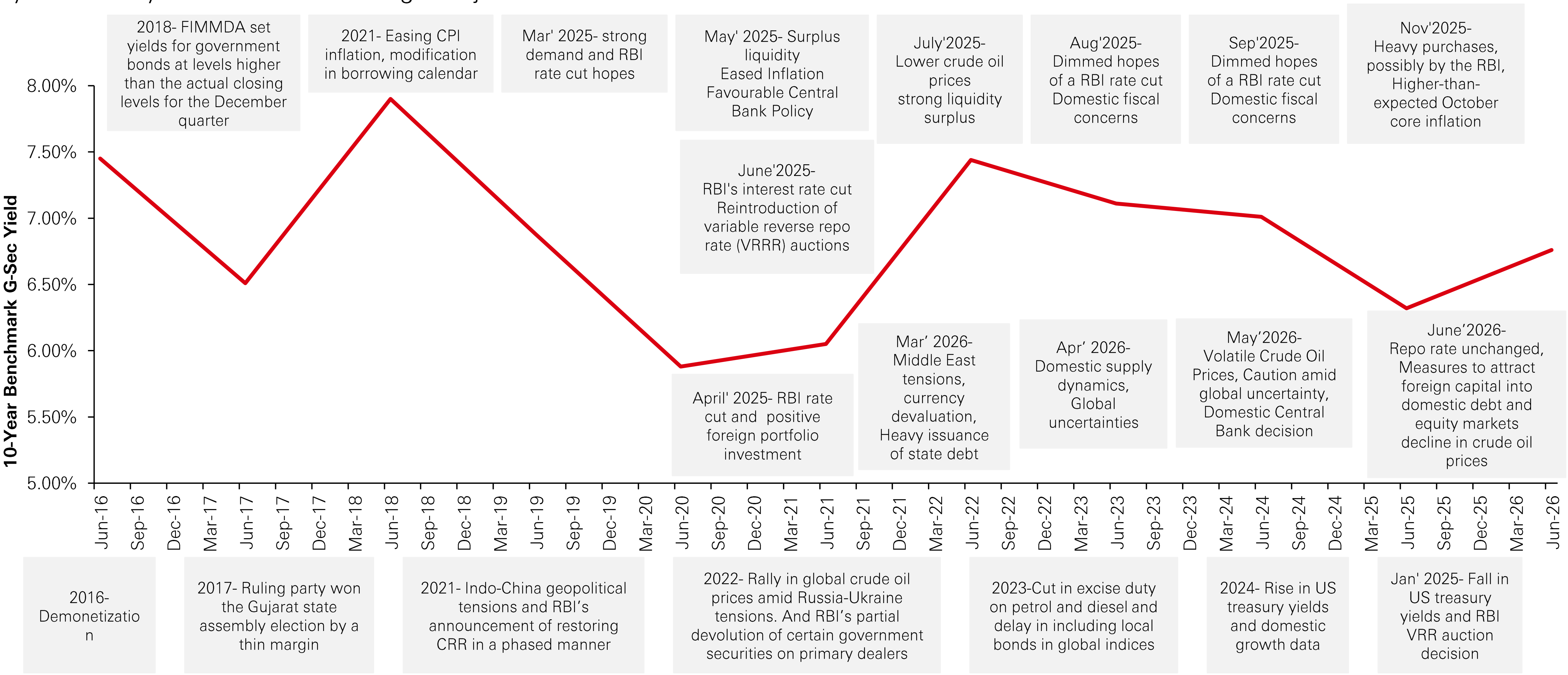
Domestic Debt

History Of Debt Markets Through Major Events

10-year G-Sec yield movement through major events



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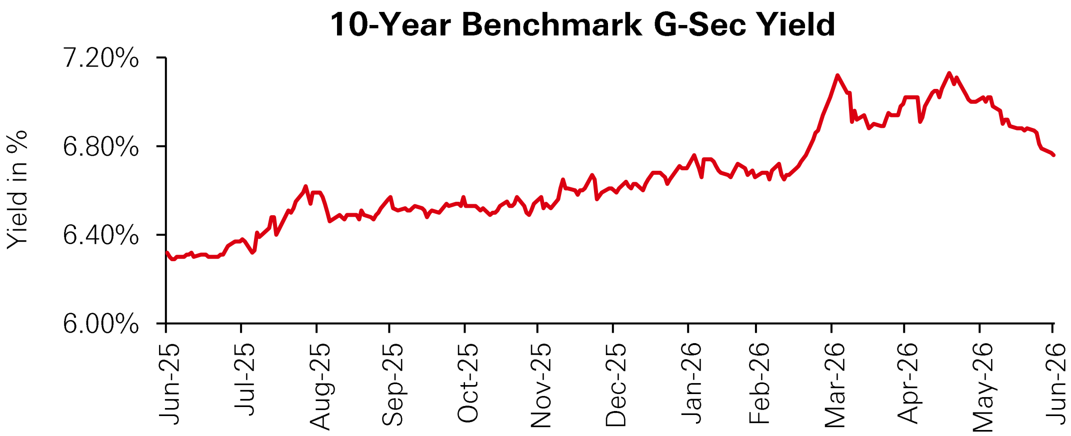
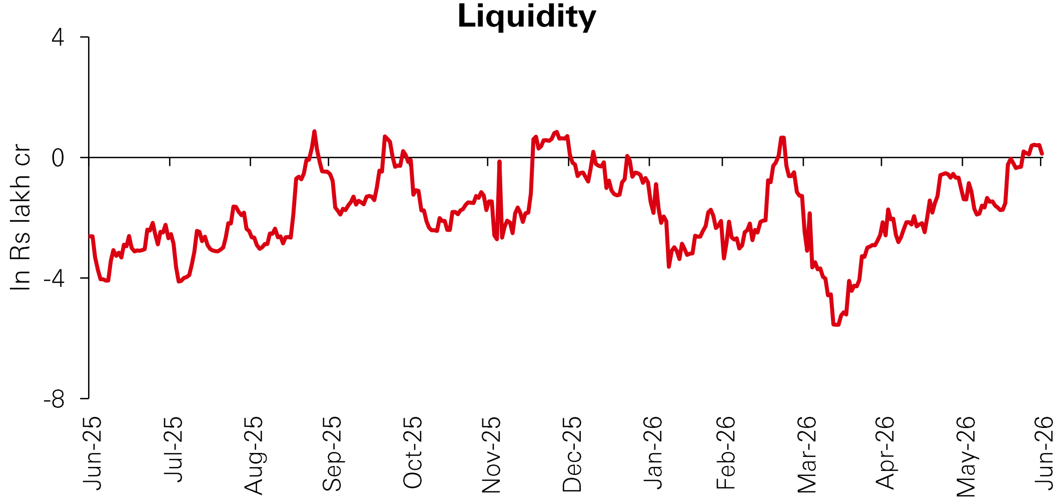
Debt Market Review

- The interbank call money rate declined to 5.45% on June 30 from 5.55% on May 29, reflecting effective liquidity management by the Reserve Bank of India (RBI). The central bank's actions contained overnight funding costs despite a marginal liquidity deficit in the banking system.
- The yield on the benchmark 10-year government security (G-sec; 6.48% GS 2035) fell to 6.76% on June 30 compared with 7.00% on May 29.
- In the first half of the month, the benchmark yield was largely range-bound as investors weighed domestic monetary policy signals against evolving global developments.
- Yields had edged higher at the beginning of June amid concerns over imported inflation and tighter monetary conditions. However, the yields softened after the RBI kept the repo rate unchanged and introduced measures to attract foreign capital into domestic debt and equity markets.
- A key policy measure included the expansion of the fully accessible route to cover all new issuances of 15-, 30- and 40-year G-secs. This gave foreign investors unrestricted access to these long-duration instruments, boosting market sentiment and moderating yields.





Source: NSE, Crisil, Data as on 30 June 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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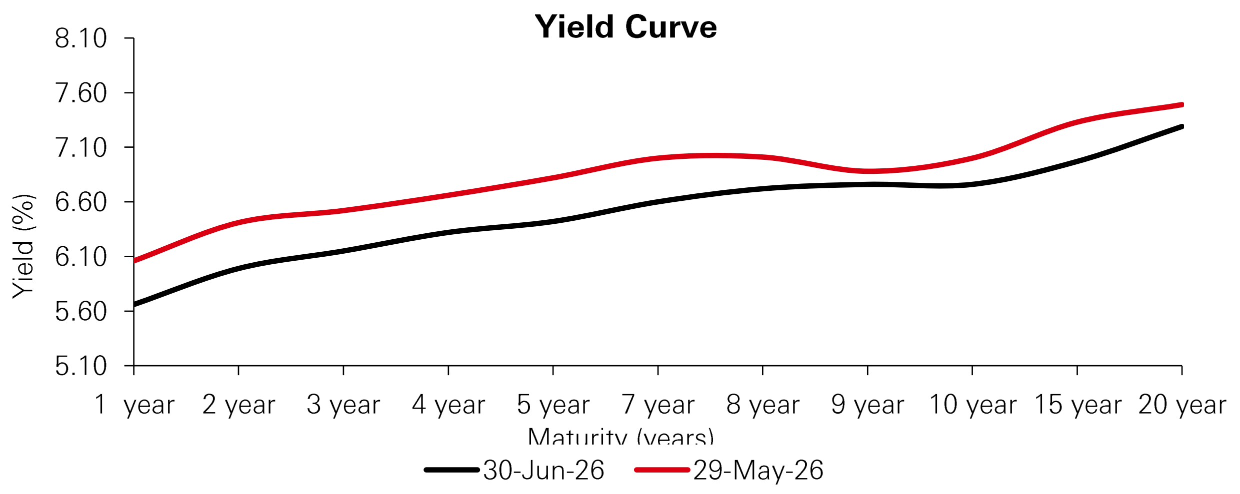
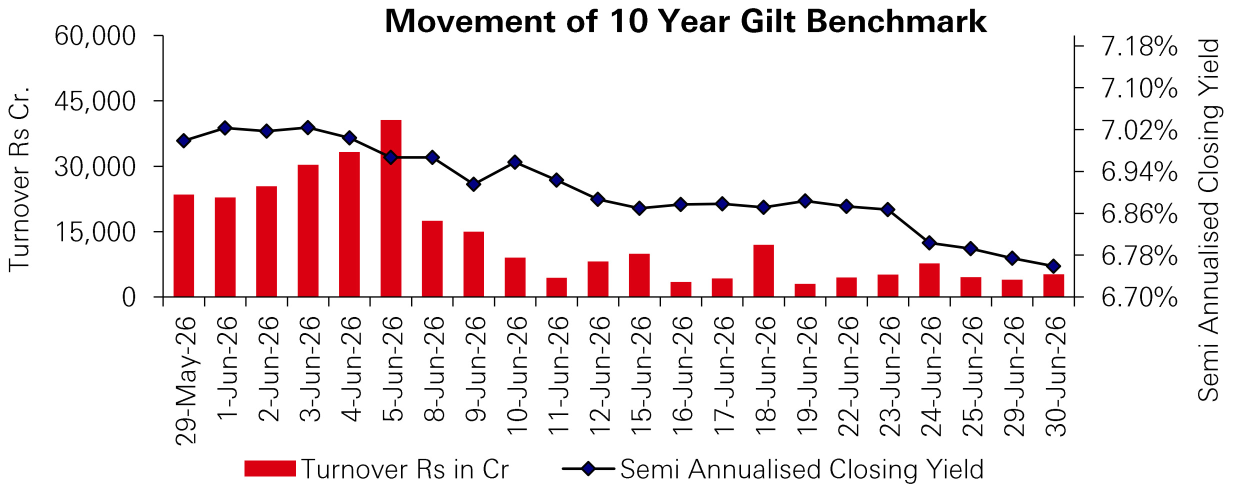
Debt Market Review

Debt Market Indicators	30-June-26	29-May-26
Call rate	5.45%	5.55%
3-Month CP rate	6.63%	8.00%
5 Year Corp Bond rate	7.29%	7.83%
10 Year Gilt	6.76%	7.00%
Repo	5.25%	5.25%
SDF	5.00%	5.00%
CRR	3.00%	3.00%
1-Month CD rate	6.19%	6.00%
3-Month CD rate	6.20%	7.21%
6-Month CD rate	6.70%	7.70%





Source: Crisil Fixed Income database. Data as on 30 June 2026.
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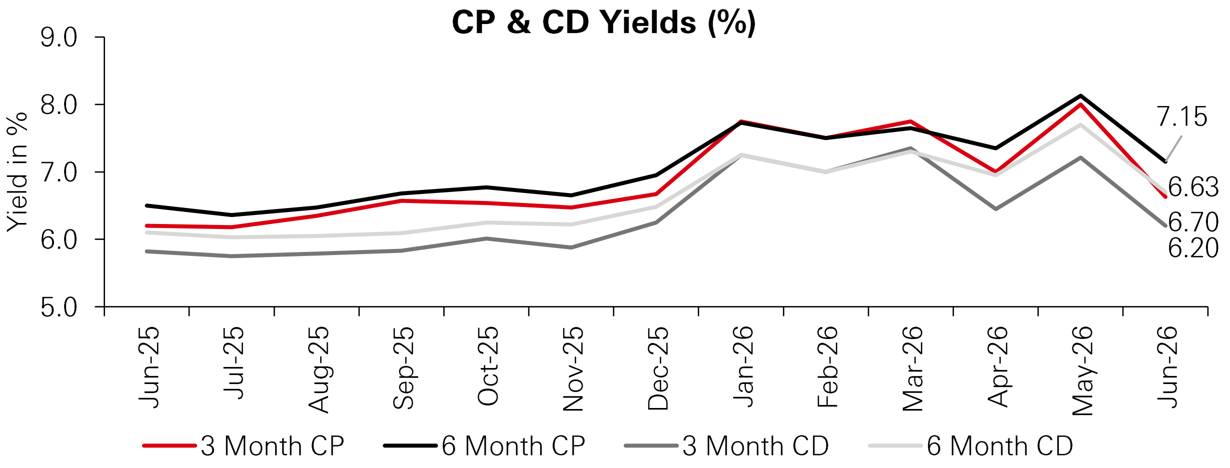
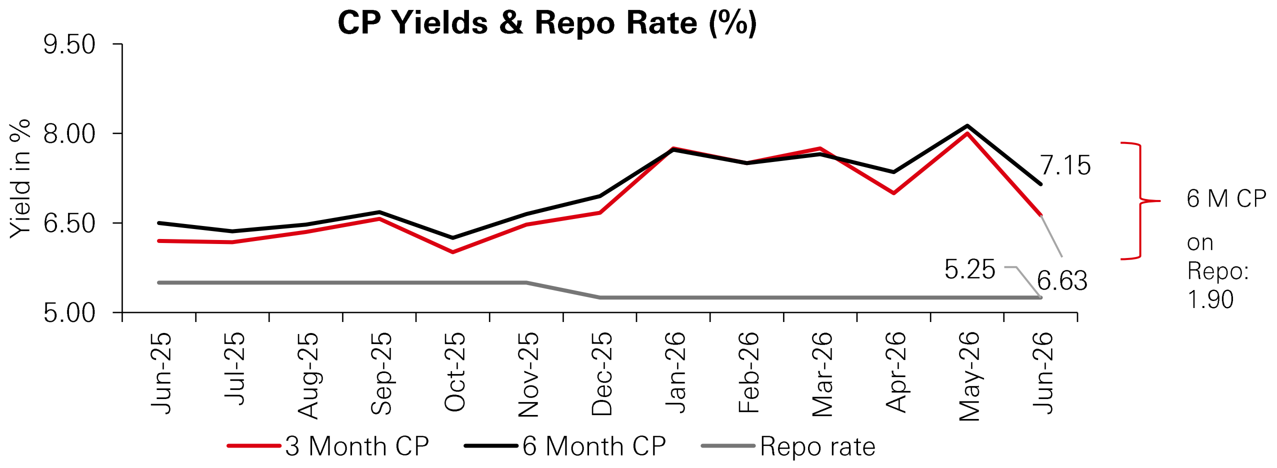
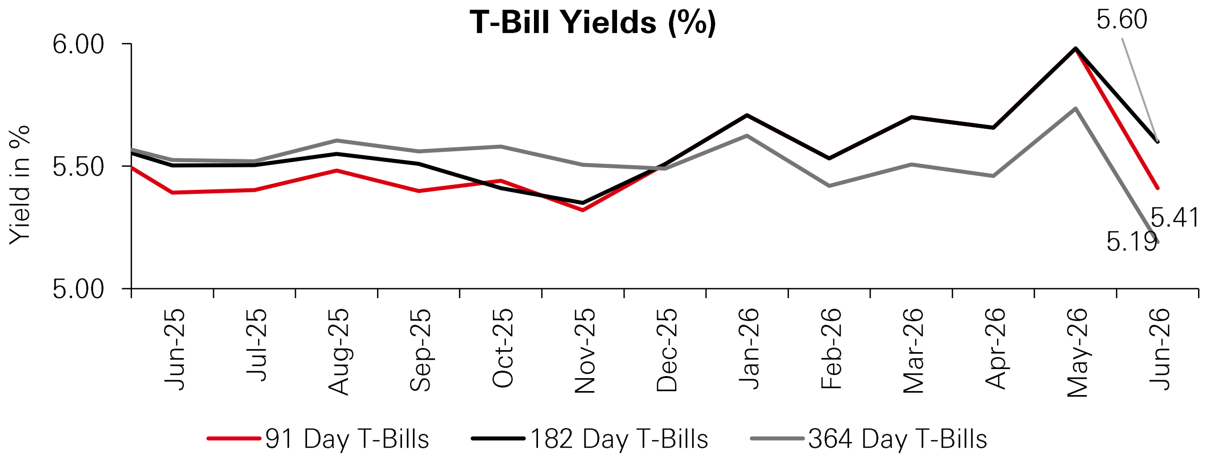
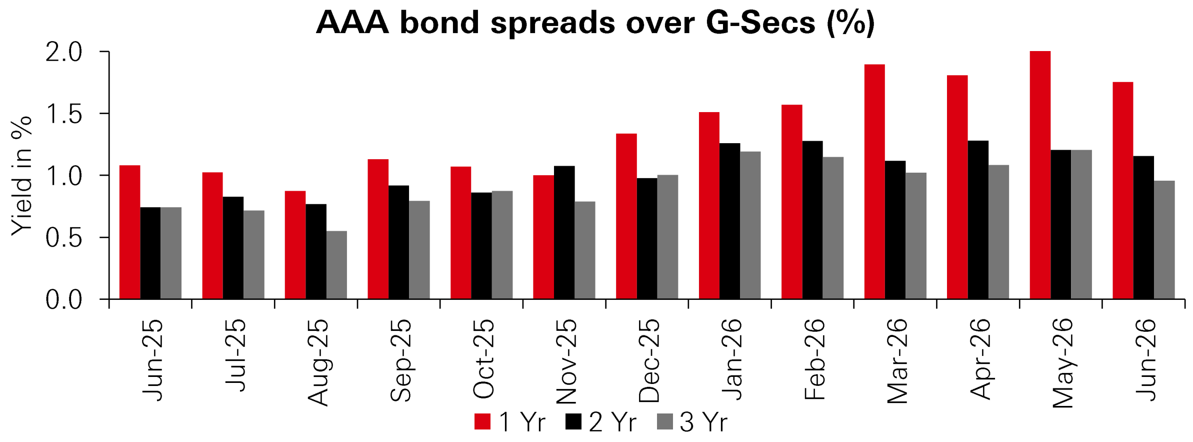
Debt Market Review









Source: Crisil, Data as on 30 June 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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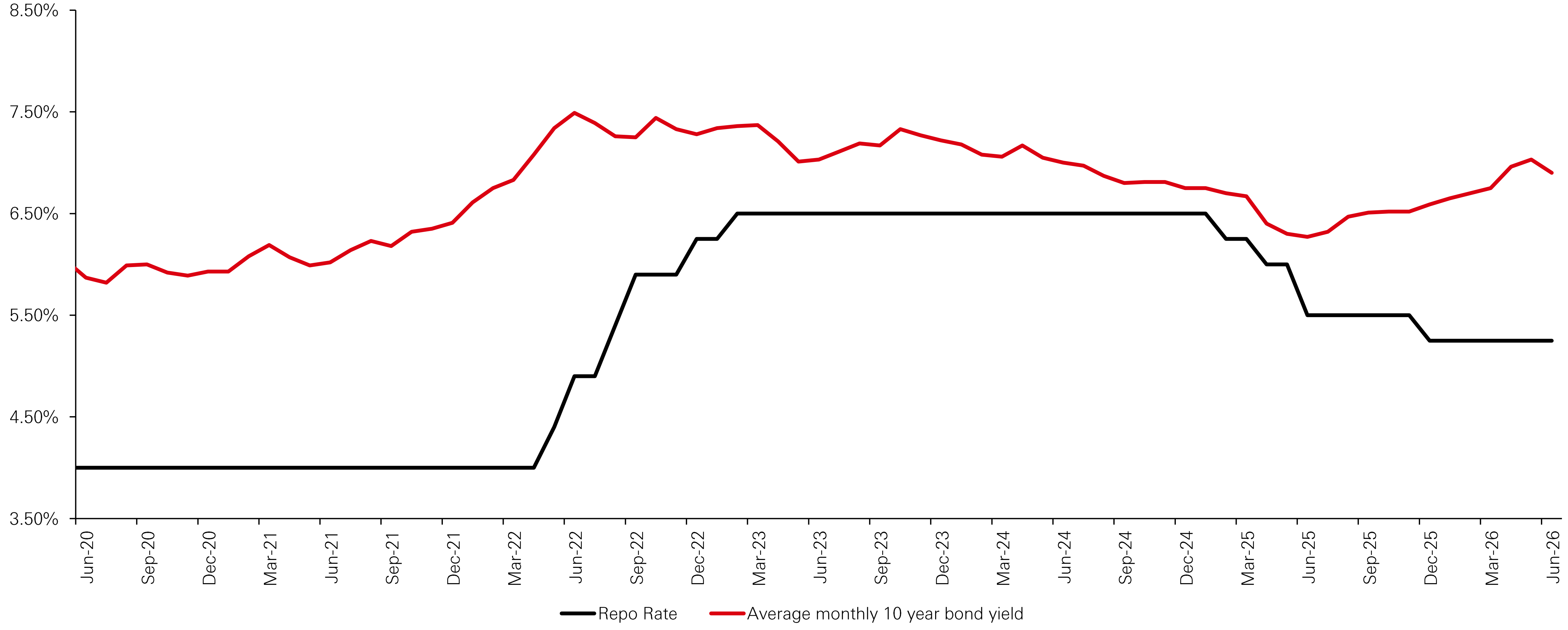
RBI Maintained Repo Rate At 5.25% in June 2026 Policy Meeting



Source: RBI, Crisil, Data as on 30 June 2026
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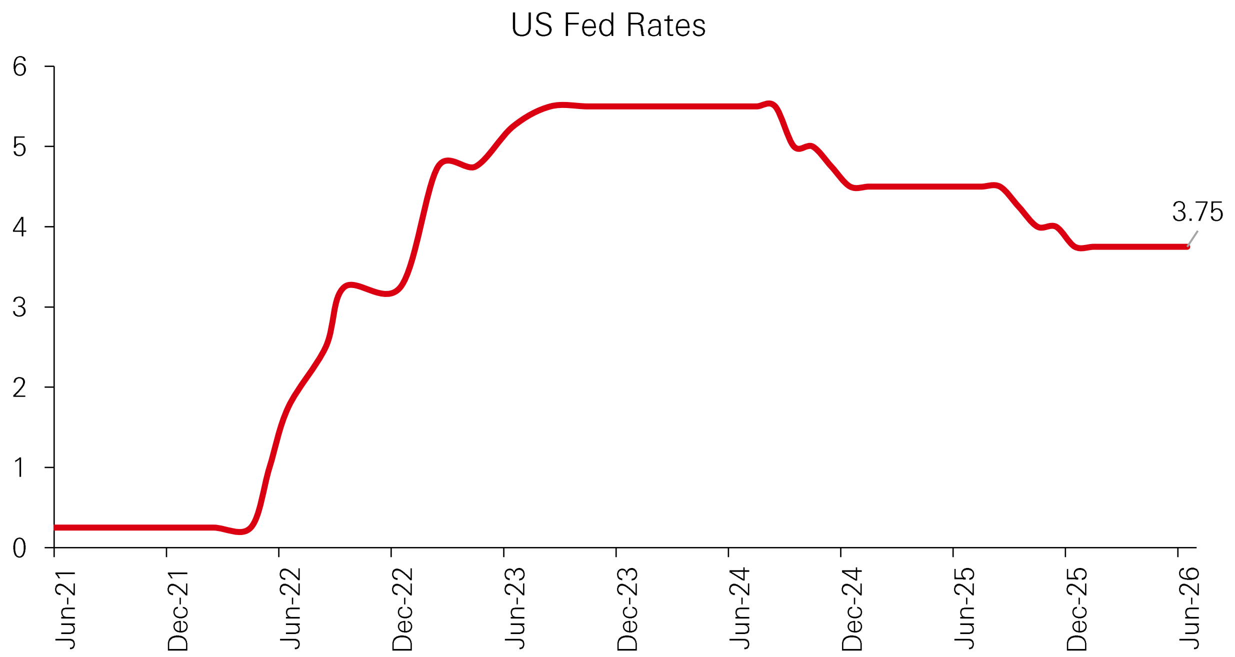
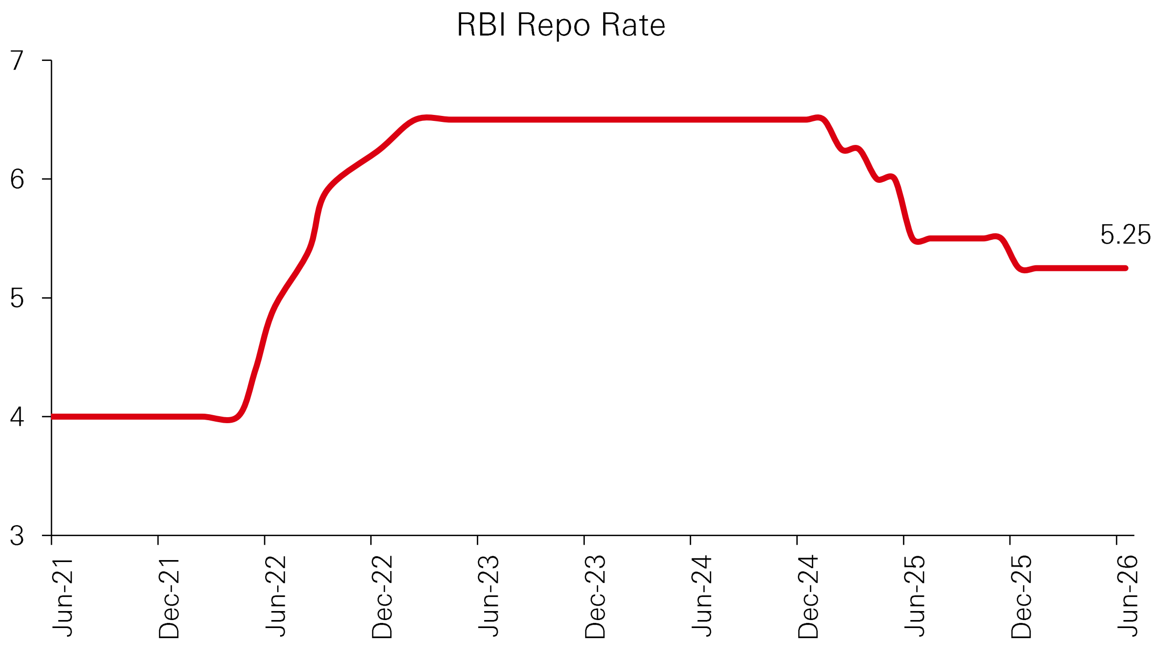
US Fed And RBI Kept The Key Rates Unchanged In June 2026





- The US Federal Reserve kept interest rates unchanged at 3.50–3.75% for a fourth straight meeting, with policymakers evenly split between supporting future rate hikes and favoring either holding rates steady or cutting them.
- The RBI's Monetary Policy Committee unanimously kept the repo rate unchanged at 5.25%, maintained a neutral policy stance, and signaled a data-dependent, flexible approach amid global uncertainties, inflation risks, and growth concerns.

Source : RBI, Federal Reserve.gov, Data as on 30 June 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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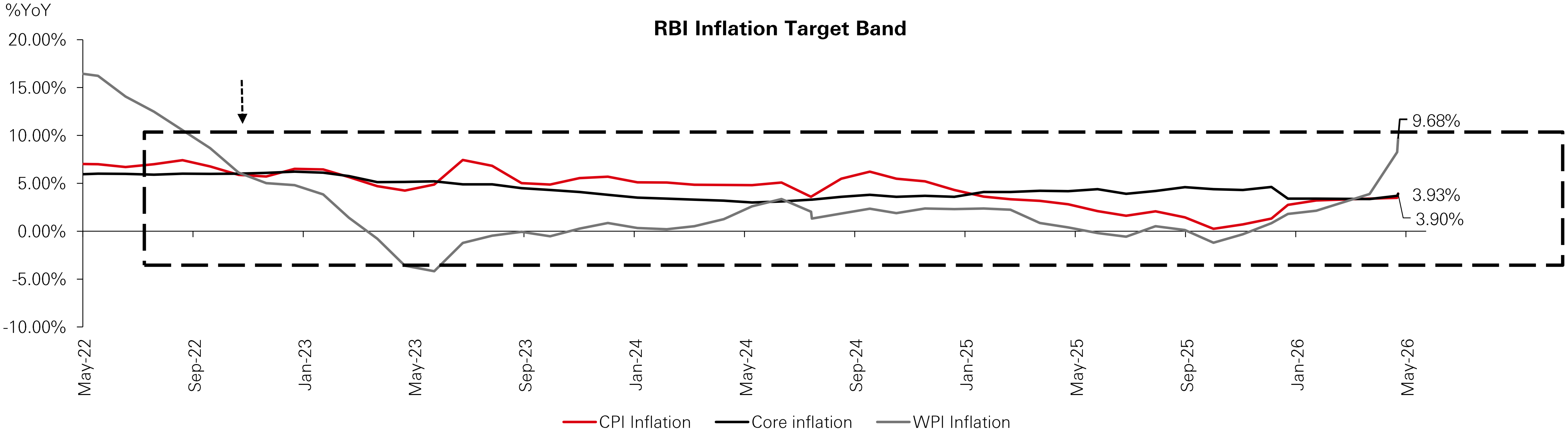
Inflation Target And Trend

CPI inflation below the RBI's target range average



- Inflation based on the Consumer Price Index accelerated to 3.93% in May from 3.48% in April, marking the highest reading under the revised series, which was introduced in January with a new base year (2024) and consumption basket.
- Meanwhile, inflation based on the Wholesale Price Index (WPI) climbed to 9.68% in May from 8.26% in April (revised from an earlier estimate of 8.30%).
- While core CPI rose to 3.90% in May 2026 from 3.70% in April 2026.

Source: Crisil, MOSPI, RBI, Data as on 30 June 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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Debt Market Outlook

- June 2026 narrative was majorly dominated by two major themes – the Iran conflict and its resolution with an interim deal in place, and global Central Bank monetary policy decisions.
- The global Central Bank meetings witnessed a globally synchronized tightening impulse driven by Iran war-related inflation concerns. By the time a breakthrough in the US–Iran talks came through, a few global Central Banks had already acted and hiked to tackle the inflationary pressures, whereas others paused and took a data-dependent approach.
- India's monetary policy outcome was of a delicate balancing. Unlike some of the EM Central Banks, India's RBI MPC maintained a calm demeanor amid a chaotic environment, signalling patience rather than complacency. It unanimously voted to pause on the Repo Rate at 5.25% while maintaining a neutral stance. While inflation pressures will be keenly watched, inflation does not seem to be broad based
- The RBI and the Government coordinated move reignited foreign investor interests in Indian markets.
- The ease of doing business measures (for debt investments), would act as an enabler for a possible addition to Bloomberg Global Agg. Index in the upcoming mid-July review, which should help both in bringing in capital flows as well as incremental demand for IGBs.
- The material downward shift in the yield curve came following the dovish undertones in RBI Governor's media interaction.
- This has resulted in a rally across asset classes as markets have pushed back rate hike expectations, and some segments are back to pre-war levels. However, there is still room for yields to soften.
- The dollar inflows into the system due to the recent FX measures announced will push system liquidity into a large surplus.
- This can result in further softening of rates and spreads of corporate bonds and SDLs can compress as banks will look to deploy the surplus cash.

Source: HSBC Asset Management, India, Data as on 30 June 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

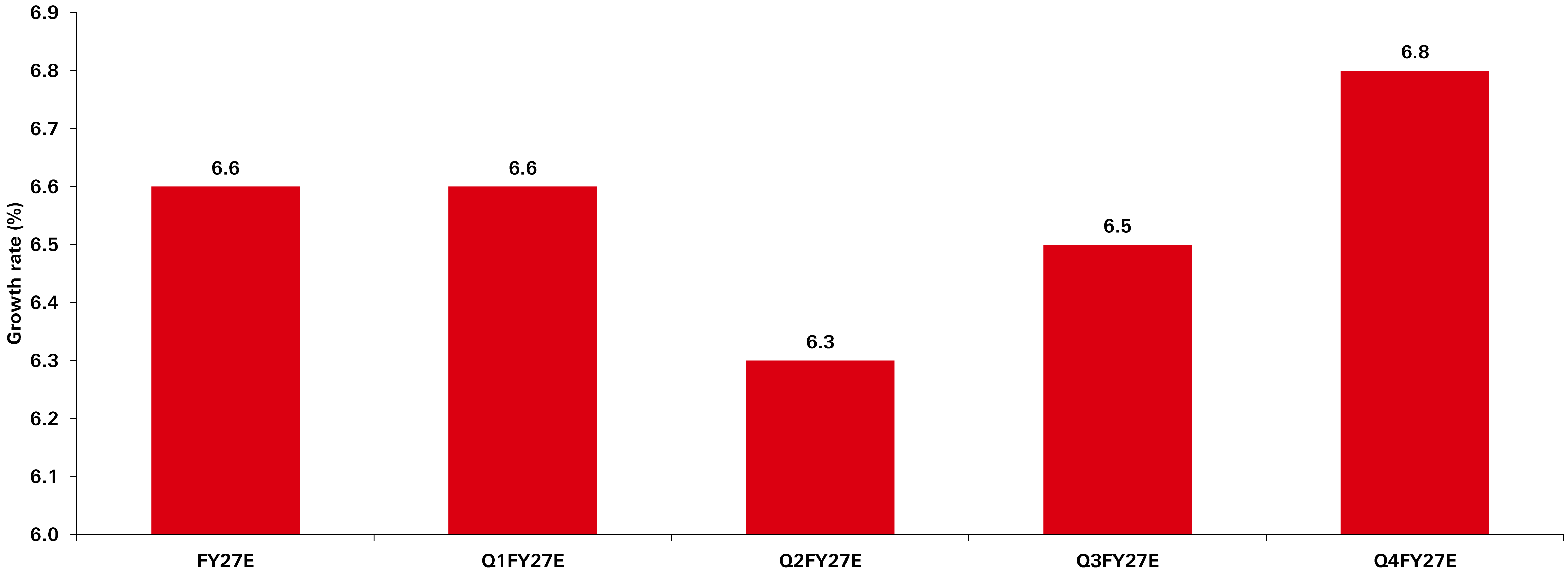
Indian Economic Environment

	Indicators	Jun-26	May-26	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25
Debt Indicators	Currency in circulation (Rs billion)	43177	42826	42289	41320	40445	39800	39079	38512	38184	38071	38097	38147	38427
	Repo rate	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
	10-year G-sec yield	6.76%	7.00%	7.02%	7.02%	6.66%	6.70%	6.60%	6.54%	6.53%	6.57%	6.59%	6.38%	6.32%
	Call rate	5.45%	5.55%	5.20%	7.00%	5.12%	4.80%	4.85%	5.50%	5.10%	5.00%	5.45%	4.95%	5.25%
	Forex reserves ($ billion; mthly. avg.)	675	688	700	703	724	696	692	689	699	701	693	698	699
Economy	GDP	NA			7.80%			8.00%			8.30%			6.80%
	Fiscal deficit (Rs billion)	NA	1623.54	3623.03	2665.2	2712.42	1255.65	-1208.29	1515.27	2520.21	-250.3	1297.37	1876.84	2675.69
	Gross Tax Collections (Rs crore)	NA	258244	266339	604833	177715	257532	647837	222,040	249,036	521,391	251,053	223,901	353,778
	IIP, %y/y	NA	5.10%	4.90%	4.10%	5.10%	4.80%	8.00%	7.20%	0.50%	4.60%	4.10%	4.30%	1.50%
	Exports, $ billion	NA	45.20	43.56	38.92	36.61	36.56	38.51	38.13	34.38	36.38	35.1	37.24	35.14
	Imports, $ billion	NA	73.41	71.94	59.59	63.71	71.24	63.55	62.66	76.06	68.53	61.59	64.59	53.92
	Manufacturing PMI	54.20	55.00	54.70	53.90	56.90	55.40	55.00	56.60	59.20	57.70	59.30	59.10	58.40
	Services PMI	57.40	59.80	58.80	57.50	58.10	58.50	58.00	59.80	58.90	60.90	62.90	60.50	60.40
	GST collections (Rs crore)	194,812	194,184	242,702	200,064	183,609	193,384	174,550	170,276	195,936	189,017	186,315	195,735	184,597
	CPI inflation, % y/y	NA	3.93%	3.48%	3.40%	3.21%	2.75%	1.33%	0.71%	0.25%	1.44%	2.07%	1.61%	2.10%
	WPI inflation, % y/y	NA	9.68%	8.30%	3.88%	2.13%	1.81%	0.83%	-0.32%	-1.02%	0.13%	0.52%	-0.58%	-0.19%
	India crude oil import (mbpd)	NA	21.57	20.18	19.39	19.43	21.094	21.585	21.24	20.9	19.9	19.6	18.9	20.3
Sector update	Auto – Passenger vehicles	NA	37.62%	26.30%	11.60%	9.80%	12.20%	27.90%	18.6%	16.5%	0.20%	-6.90%	2.30%	-6.80%
	Auto – Two-wheelers	NA	14.87%	28.40%	19.30%	35.20%	26.20%	39.40%	21.2%	2.15%	6.66%	7.14%	8.70%	-3.40%
	Auto – Commercial vehicles	NA	12.75%	15.00%	13.60%	23.40%	27.30%	28.00%	24.2%	9.87%	25.67%	3.75%	4.60%	-6.00%
	Auto – Tractors	NA	19.59%	26.80%	29.10%	34.20%	43.00%	37.10%	30.1%	14.84%	45.39%	28.30%	8.00%	10.50%
	Infra – Coal	NA	-9.30%	-8.70%	-4.00%	2.30%	3.10%	3.60%	2.10%	-8.50%	-1.20%	11.40%	-12.30%	-6.80%
	Infra – Electricity	NA	8.70%	4.10%	0.80%	0.50%	3.80%	6.30%	-1.50%	-6.90%	3.10%	4.10%	3.70%	-1.20%
	Infra – Steel	NA	5.00%	6.20%	7.70%	7.20%	9.90%	10.10%	6.70%	5.90%	14.40%	13.60%	16.60%	9.70%
	Infra – Cement	NA	8.40%	9.40%	4.70%	9.30%	10.70%	13.70%	14.60%	5.20%	5.00%	5.40%	11.60%	8.20%

Source – Crisil, Mospi, Financial Websites, RBI, PIB Data as on 30 June 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.

RBI Expects 6.6% GDP Growth For FY27



The RBI has projected India's real gross domestic product (GDP) growth for fiscal 2027 at 6.6%, with the first quarter at 6.6%, the second quarter at 6.3%, the third quarter at 6.5% and the fourth quarter at 6.8%, reflecting underlying domestic resilience, although downside risks persist from prolonged global supply disruptions, financial market volatility, and weather-related uncertainties.

Source : RBI, Data as on 30 June 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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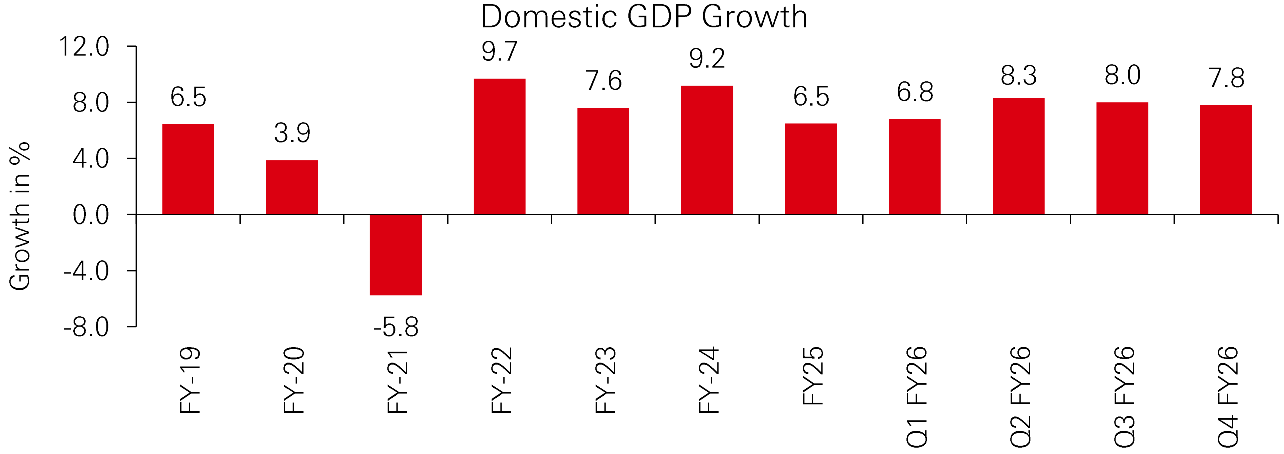
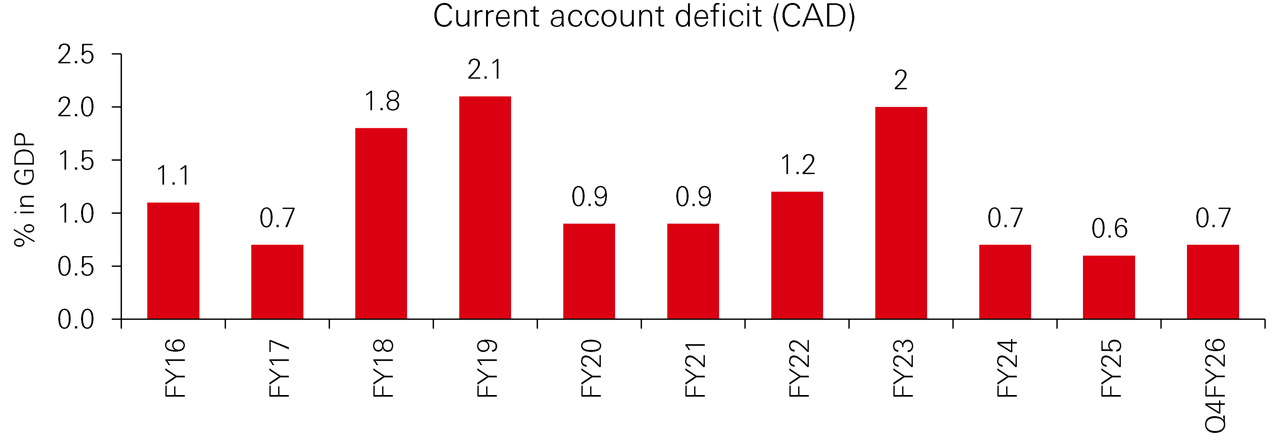
Indian Economic Environment

India surprises with 7.8% growth in March quarter, 7.7% for full fiscal

- According to the latest data released by the National Statistics Office, India's real gross domestic product (GDP) grew 7.8% in the quarter ended March 31, 2026.
- That was slightly slower than the upwardly revised 8.0% in the preceding quarter owing to disruptions caused by the West Asia conflict.
- On the demand side, growth was driven by robust private final consumption and gross fixed capital formation, while the largest contributors on the output side were manufacturing (10.7% growth), trade, hotels, transport and communication-related services (11%), and financial, real estate and professional services (10.4%).
- The fourth-quarter performance propelled growth for the full fiscal 2026 to 7.7%, compared with 7.1% in Q4 fiscal 2025.
- Chief Economic Advisor described the growth in fiscal 2026 as broad-based, alluding to the pick-up in services sector growth rate, along with double-digit growth in manufacturing.





Source – Crisil, Mospi, Data as on 30 June 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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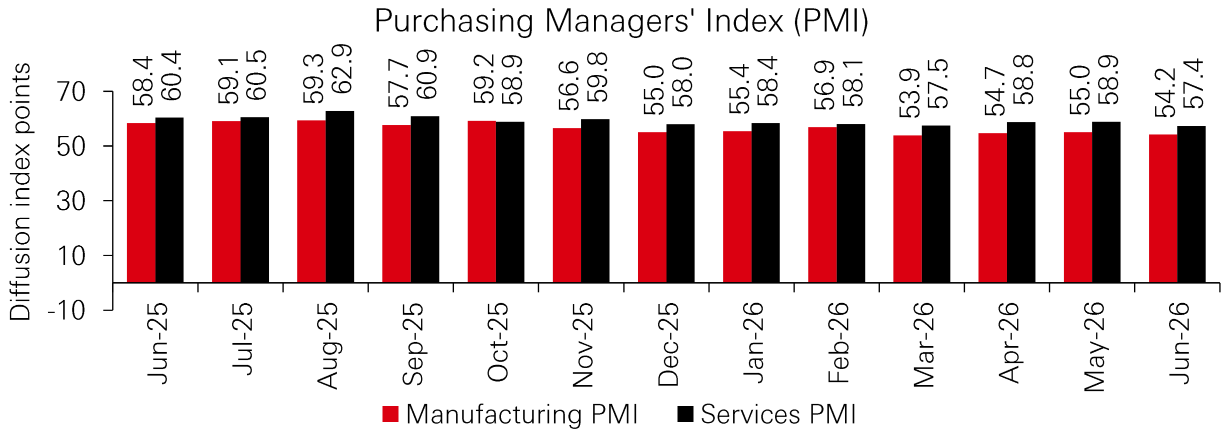
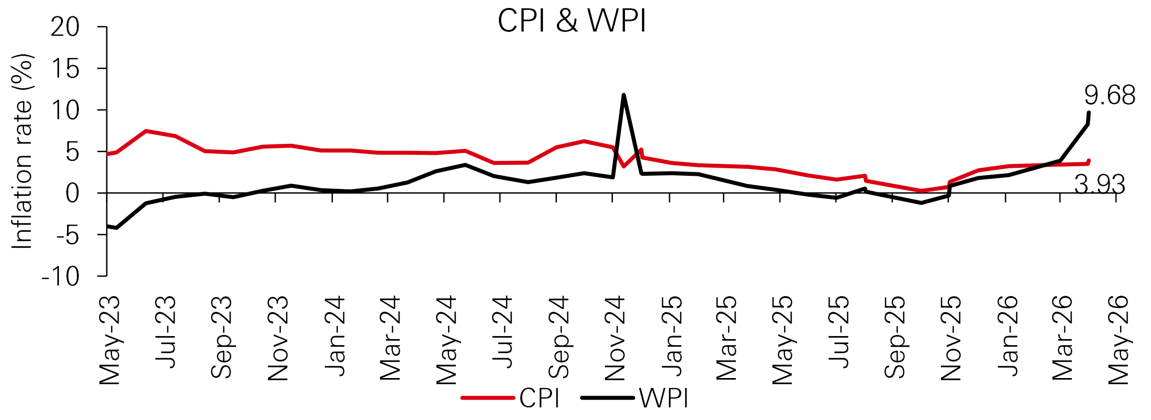
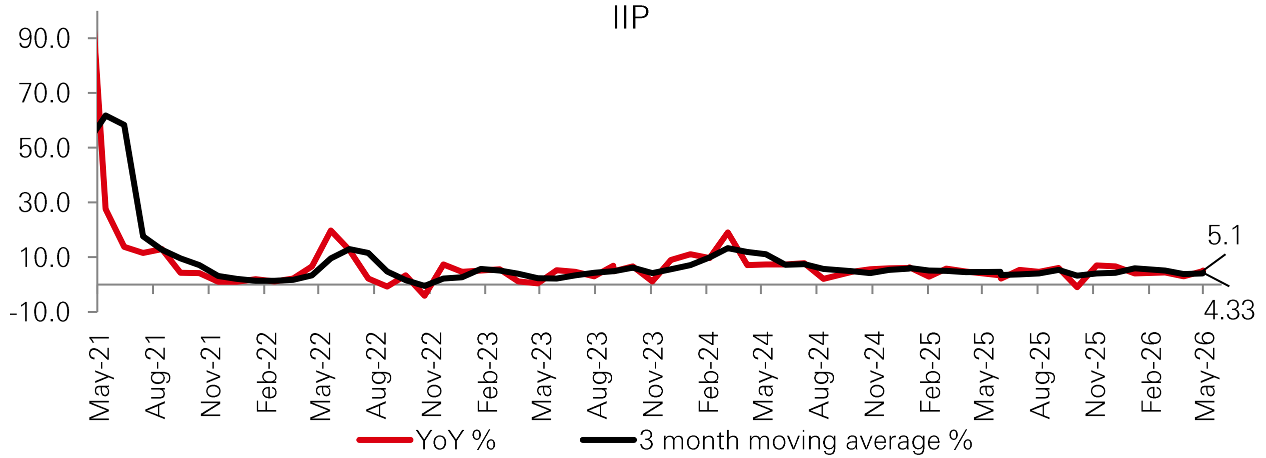
Indian Economic Environment



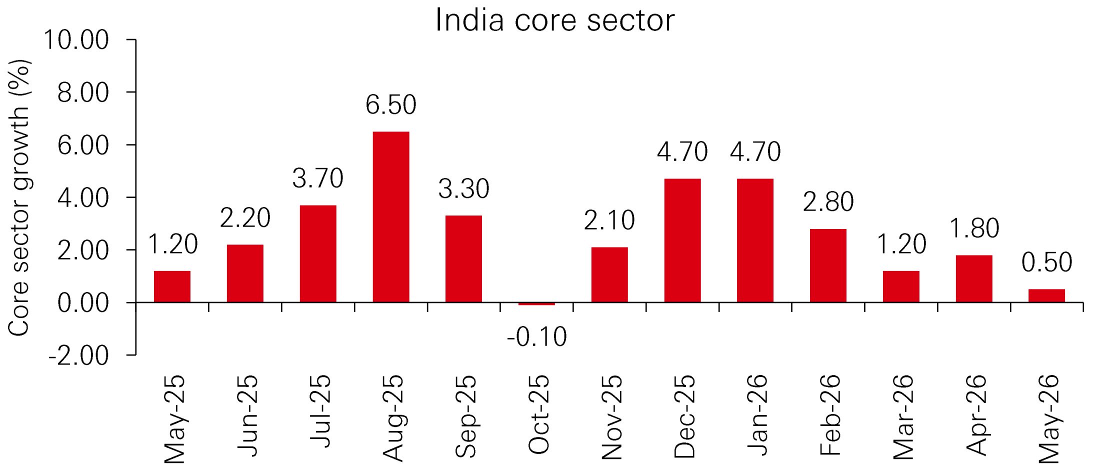
Domestic manufacturing activity and services activity eased in June



Retail inflation and wholesale inflation rose in May



Industrial output growth rose in May



Core sector growth slowed in May

Source –Crisil, Trading Economics, MOSPI, EAI, Data as on 30 June 2026, RBI- Reserve Bank of India GDP- Gross Domestic Product.
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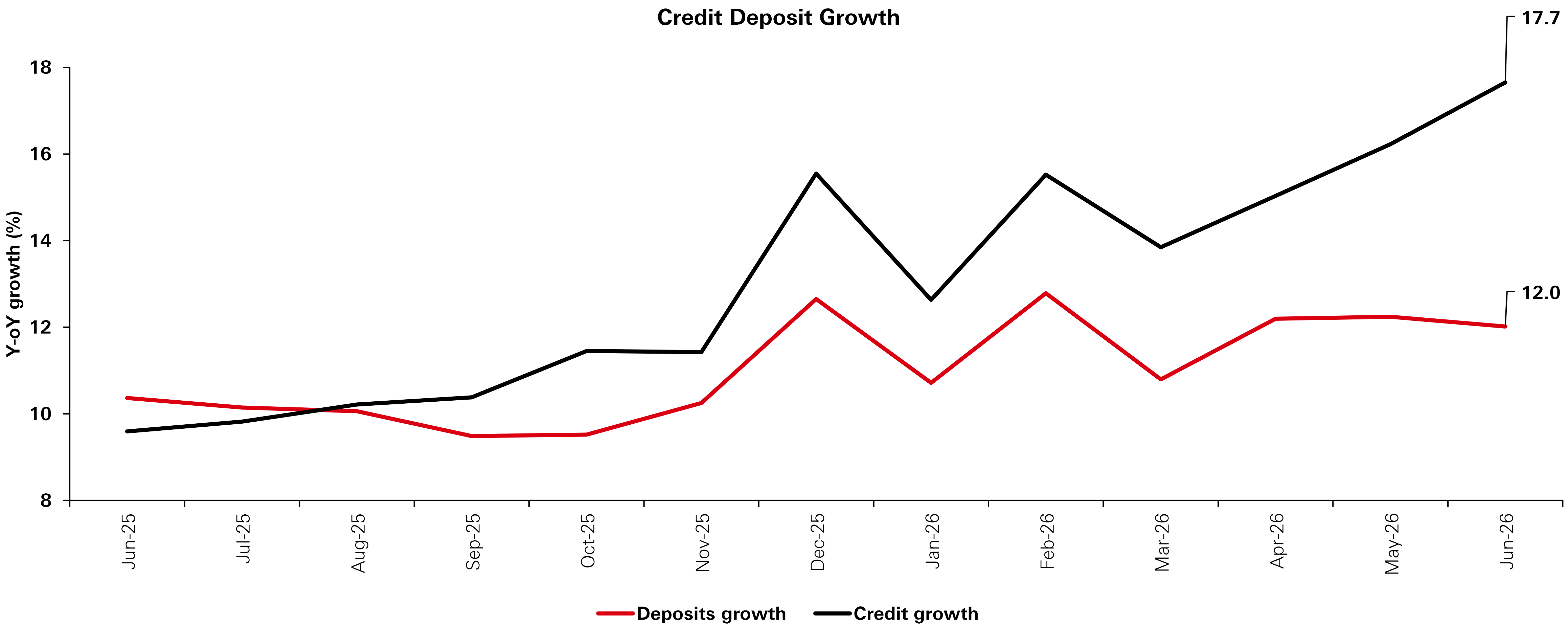
Credit Growth Eased While Deposit Growth Rose In June 2026



Credit growth consistently outpaced deposit growth during June 2025-June 2026, with lending momentum strengthening sharply from December 2025 onwards while deposit growth remained relatively stable.

Source RBI, Data as on 30 June 2026
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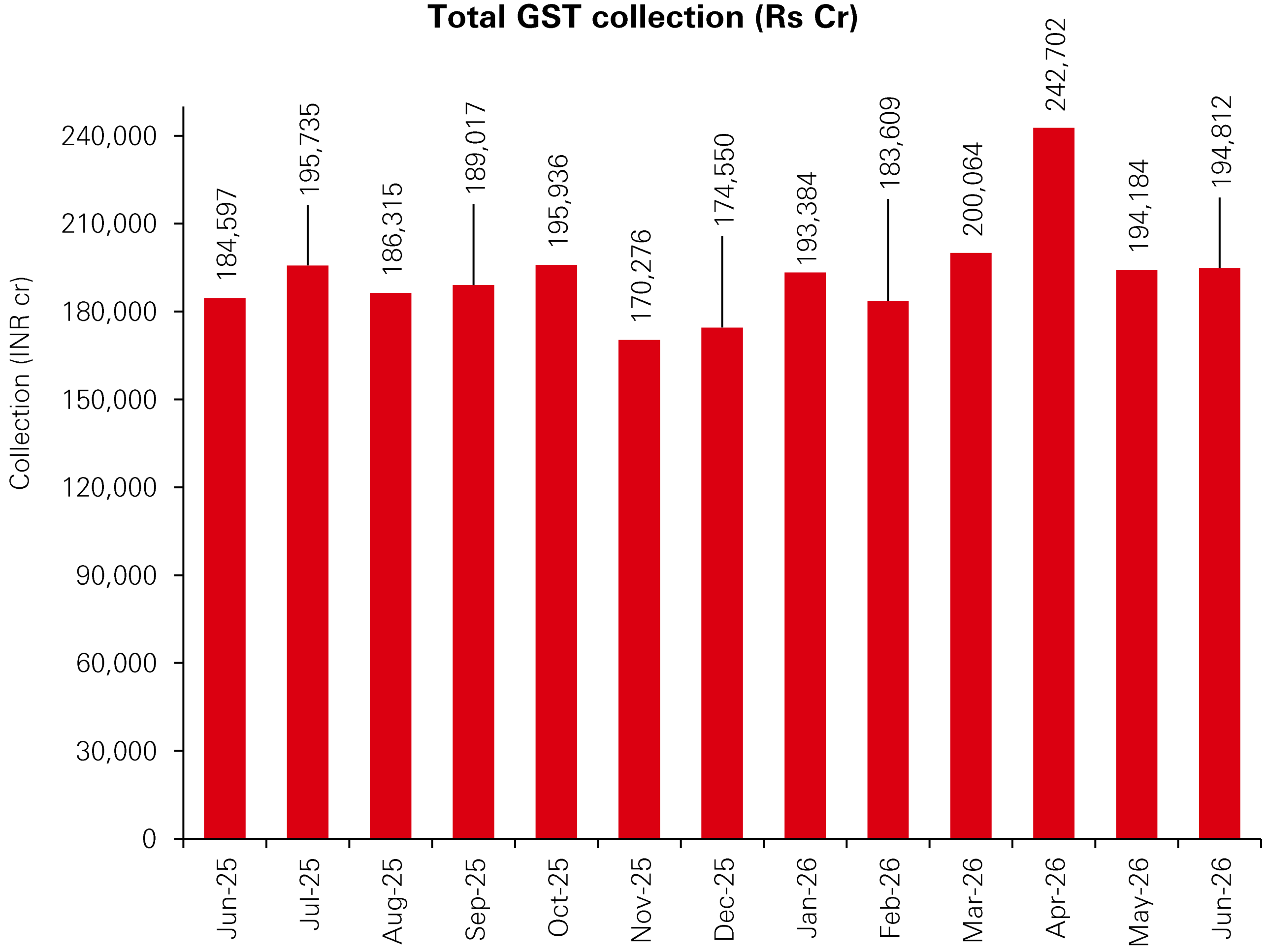
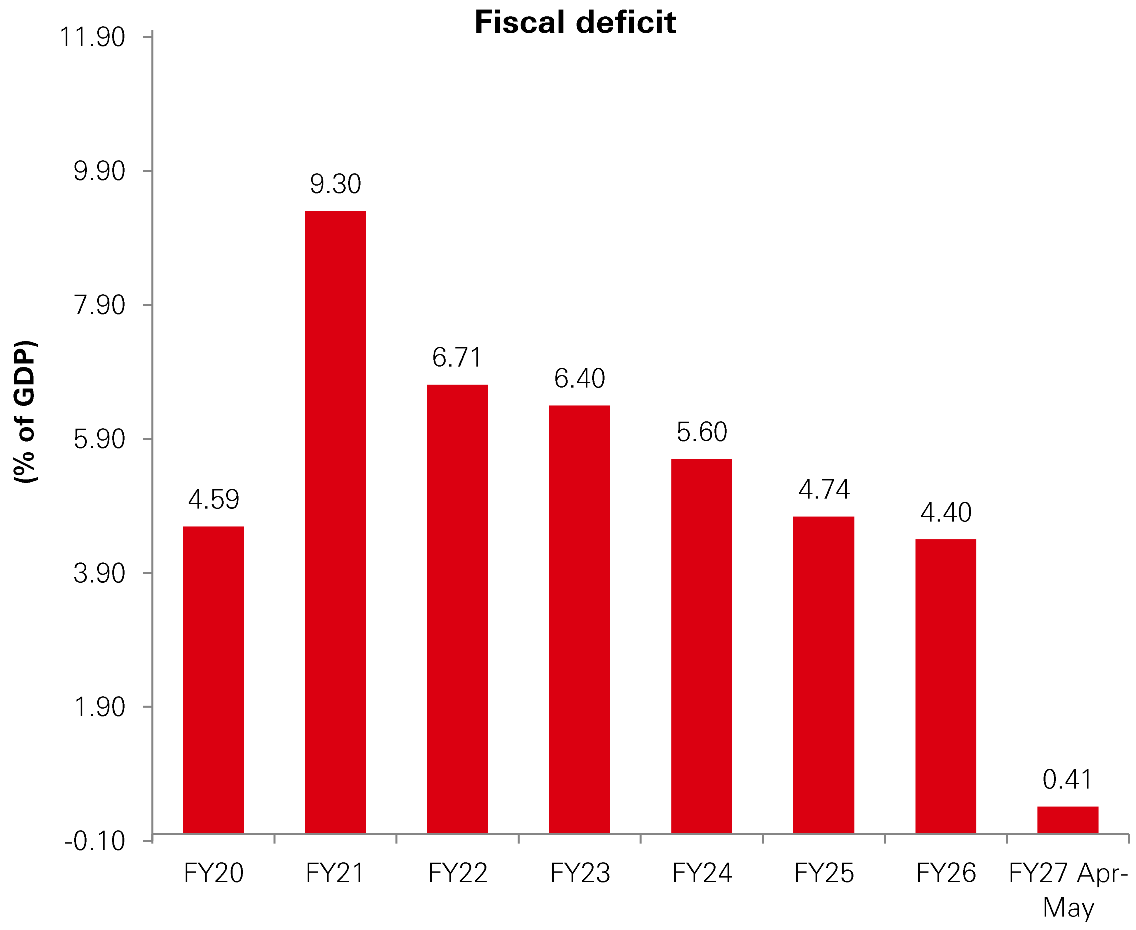
GST Collection Reaches Rs 1.95 Lakh Crore in June





As per reports, the government collected INR 1.95 lakh crore goods and services tax (GST) for the month of June. Fiscal deficit for April-May period stood at 0.41% of estimated GDP for FY27.

Source- Crisil, gst.gov.in, Data as on 30 June 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

Forex Market Review

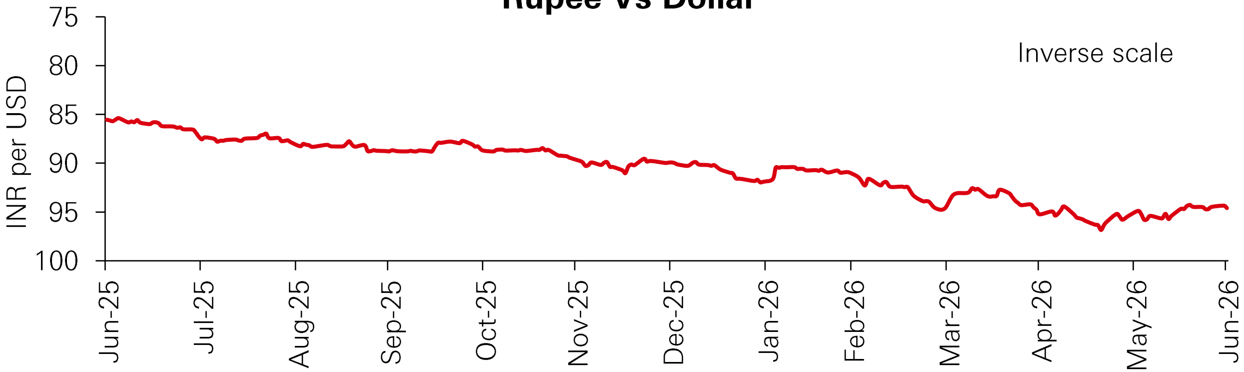
Rupee ended higher in June

- The Indian rupee ended June on a stronger note against the US dollar, supported by the Reserve Bank of India's (RBI) measures to attract dollar inflows, besides robust debt inflows and relatively lower crude oil prices.
- The local currency appreciated in a volatile month to Rs 94.60 (RBI reference rate) from Rs 95.38 in May.
- Early in the month, the rupee weakened due to strong dollar demand, foreign fund outflows and fluctuations in crude oil prices.
- Recovery set in mid-month, supported by likely RBI intervention, easing crude oil prices and improving sentiment amid expectations of de-escalation in geopolitical uncertainties. The gains, however, were capped by renewed expectations of a rate hike by the US Federal Open Market Committee, which kept the dollar firm, alongside intermittent foreign outflows.
- Towards the end of the month, the rupee came under pressure again due to weakness in the domestic equity markets and higher dollar demand from foreign banks, though periodic foreign inflows helped limit losses.

Rupee Movement V/s Global Currencies

	30-June-26	29-May-26	Change	% Change
USD	94.60	95.38	-0.79	-0.83%
GBP	125.13	128.18	-3.05	-2.38%
EURO	107.72	111.11	-3.39	-3.05%
100 YEN	58.27	59.89	-1.62	-2.70%

Rupee Vs Dollar



Rupee strengthened on the back of RBI measures aimed at attracting dollar inflows.

Source: RBI, Crisil. Data as on 30 June 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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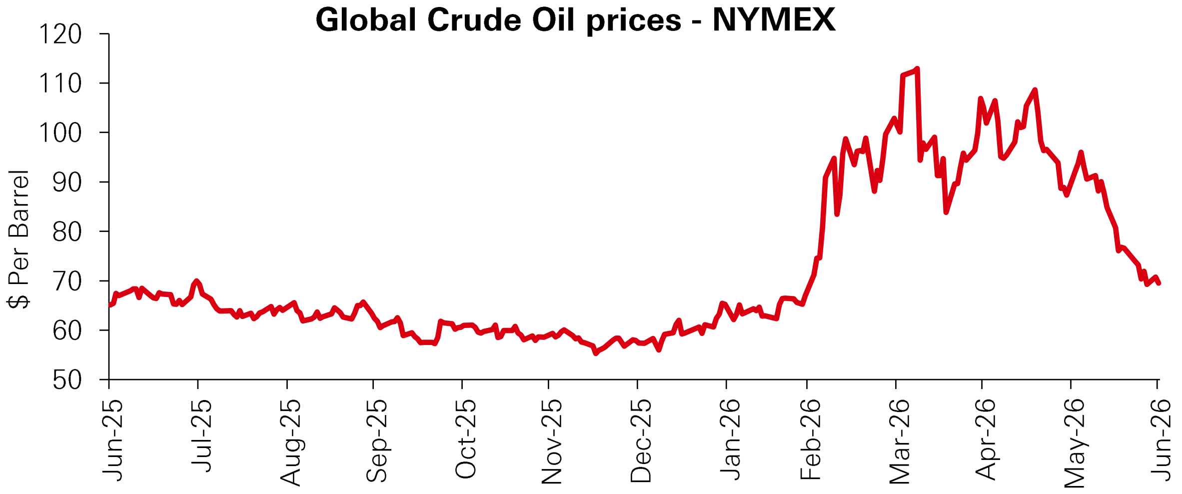
Commodity Market Review

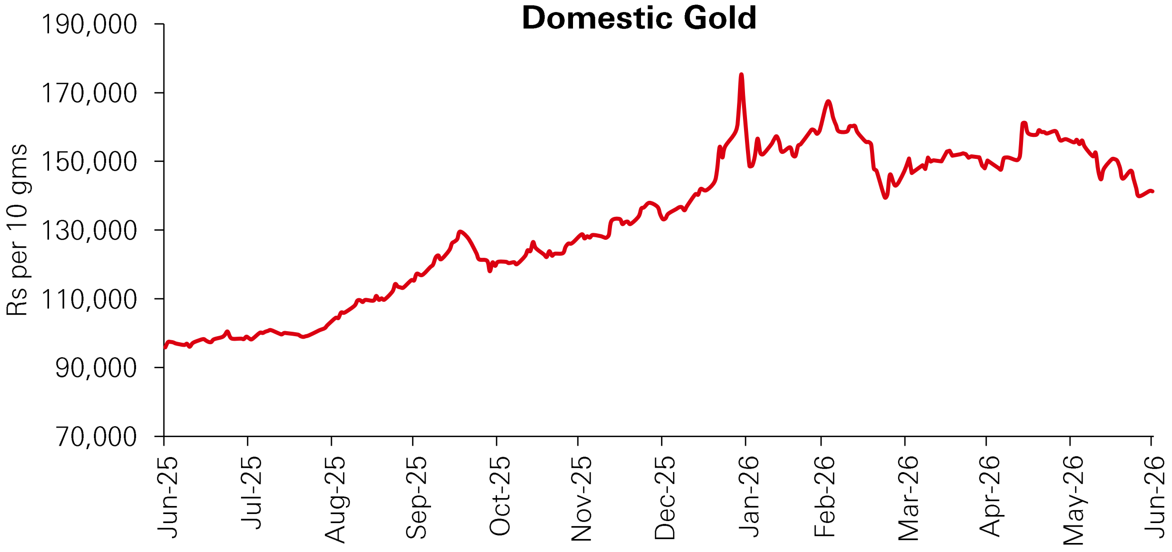
International crude oil prices declined in June

- The price of crude oil on the NYMEX declined 20.44% to $69.50/bbl on June 30 from $87.36/bbl on May 29, while that of Brent crude fell 19.94% to $72.95/bbl vs $91.12/bbl.
- Gains in early June reflected heightened concerns about potential disruptions in supply through the Strait of Hormuz.
- However, the gains were reversed as the US-Iran peace talks progressed. With the strait reportedly reopening for commercial traffic and oil flow remaining uninterrupted—and an extension in ceasefire easing fears—the prices cooled towards the month-end.



Domestic gold prices declined in June

- Gold prices ended at Rs 1,41,286 per 10 gm on June 30, down 9.70% from Rs 1,56,463 per 10 gm on May 29, as reported by the India Bullion and Jewellers Association (IBJA)
- Gold prices witnessed a sharp and sustained decline throughout June, driven by persistent strength in the US dollar and evolving global monetary policy expectations. Prices trended lower from the beginning of the month as a stronger dollar reduced the appeal of gold as an alternative investment. The decline intensified mid-month as renewed expectations of a Fed rate hike further strengthened the dollar and dampened safe-haven demand.



Source – Crisil, NYMEX. IBJA Data as on 30 June 2026.
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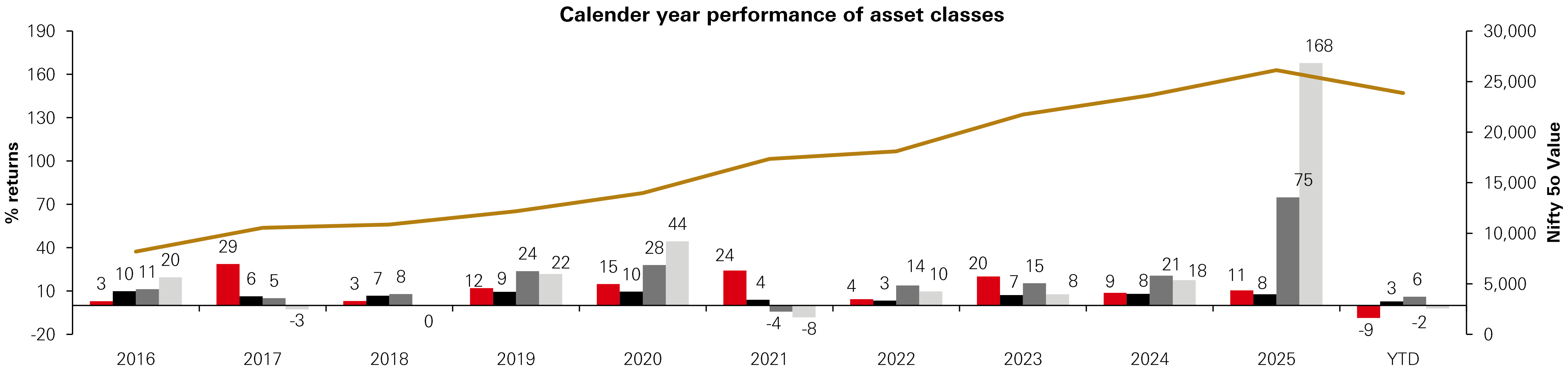
Asset Performance

History Of Asset Classes Through Major Events



2016–2017	2020 / 2022	2021	2023	2025–YTD
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** **US-Iran war** **Heightening inflation concerns** **Foreign fund outflows**

Equity Debt Gold Silver Nifty 50

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)
Source: NSE, Crisil Intelligence, Data as on 30 June 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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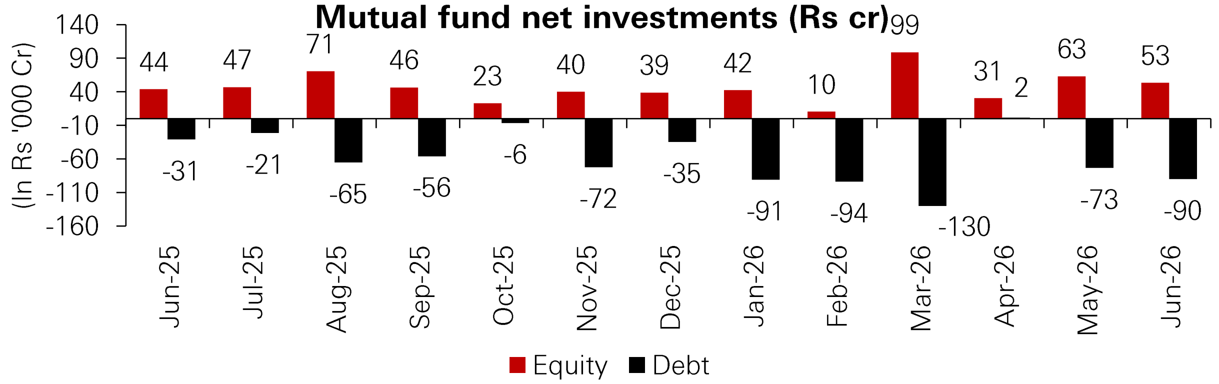
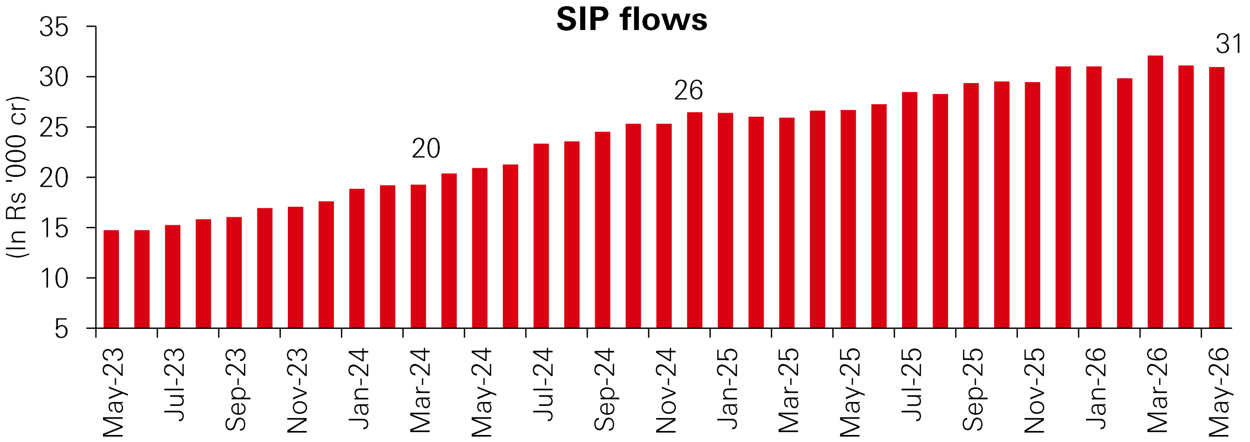
Market Sentiment In June 2026

Mutual funds net buyers in equity and sellers in debt



- Mutual funds were net buyers of Rs 53 thousand crore in equities in June 2026, down from Rs 63 thousand crore in May 2026. In debt, they were net sellers of Rs 90 thousand crore compared to net sellers of Rs 73 thousand crore.

Inflows through SIPs eased in May 2026



- Collections through systematic investment plans (SIP) eased to Rs 30,954 crore in May 2026 compared to Rs 31,115 crore in April 2026. The number of SIP accounts eased to 9.64 crore from 9.65 crore.

Source: Crisil, AMFI, Data as on 30 June 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
13-July-26	India Inflation Rate, June	3.93%
14-July-26	US Inflation Rate, June	4.2%
	India WPI Inflation, June	9.68%
15-July-26	China GDP Growth Rate QoQ Q2	1.3%
	India Balance of Trade, June	-
16-July-26	UK GDP, May	1.2%
17-July-26	Eurozone Inflation Rate YoY Final, June	3.2%
20-July-26	China Loan Prime Rate 1Y, July	3.0%
	India Infrastructure Output, June	0.5%
22-July-26	UK Inflation Rate, June	2.8%
23-July-26	Eurozone ECB Interest Rate Decision	-
24-July-26	Japan Inflation Rate, June	1.5%
28-July-26	India Industrial / Manufacturing Production, June	5.1% / 5.5%
29-July-26	US Fed Interest Rate Decision	3.75%
30-July-26	US GDP Growth Rate QoQ Adv Q2	3.6%
	UK BoE Interest Rate Decision	3.75%
31-July-26	Japan BoJ Interest Rate Decision	1.00%
	India Government Budget Value, June	Rs 1.62 lakh cr (April-May)

Source: Crisil, Data as on 30 June 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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RBI Policy Outcome and Key Takeaways

- The Reserve Bank of India (RBI)'s 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 bank rate are unchanged at 5.50%.The MPC decided to maintain its "neutral" stance, reflecting a calibrated approach amid rising global uncertainties, elevated energy prices and supply chain disruptions. The committee emphasised data-dependence and flexibility, choosing to wait for greater clarity on inflation risks and growth trade-off, before changing policy direction.
- The RBI has projected India's real gross domestic product (GDP) growth for fiscal 2027 at 6.6%, with the first quarter at 6.6%, the second quarter at 6.3%, the third quarter at 6.5% and the fourth quarter at 6.8%, reflecting underlying domestic resilience, although downside risks persist from prolonged global supply disruptions, financial market volatility, and weather-related uncertainties.
- The RBI has projected Consumer Price Index-based inflation for fiscal 2027 at 5.1%, 4.2% for the first quarter, 5.1% for the second quarter, 5.9% for the third quarter and 5.4% for the fourth quarter, with risks tilted to the upside from global supply disruptions, commodity price shocks, and weather-related uncertainties, although adequate foodgrain stocks and reservoir levels provide some cushion. The RBI sees core inflation at 4.7% for in this fiscal.
- RBI Governor Sanjay Malhotra said the global economic outlook remains clouded by the situation in West Asia, rising energy prices and persistent supply chain disruptions, all of which are hindering economic activity. However, the Indian economy remains resilient with strong domestic demand and sectoral momentum, though early signs of moderation are emerging amid rising cost pressures and global headwinds.

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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