Global Navigator

April 2026

HSBC Mutual Fund

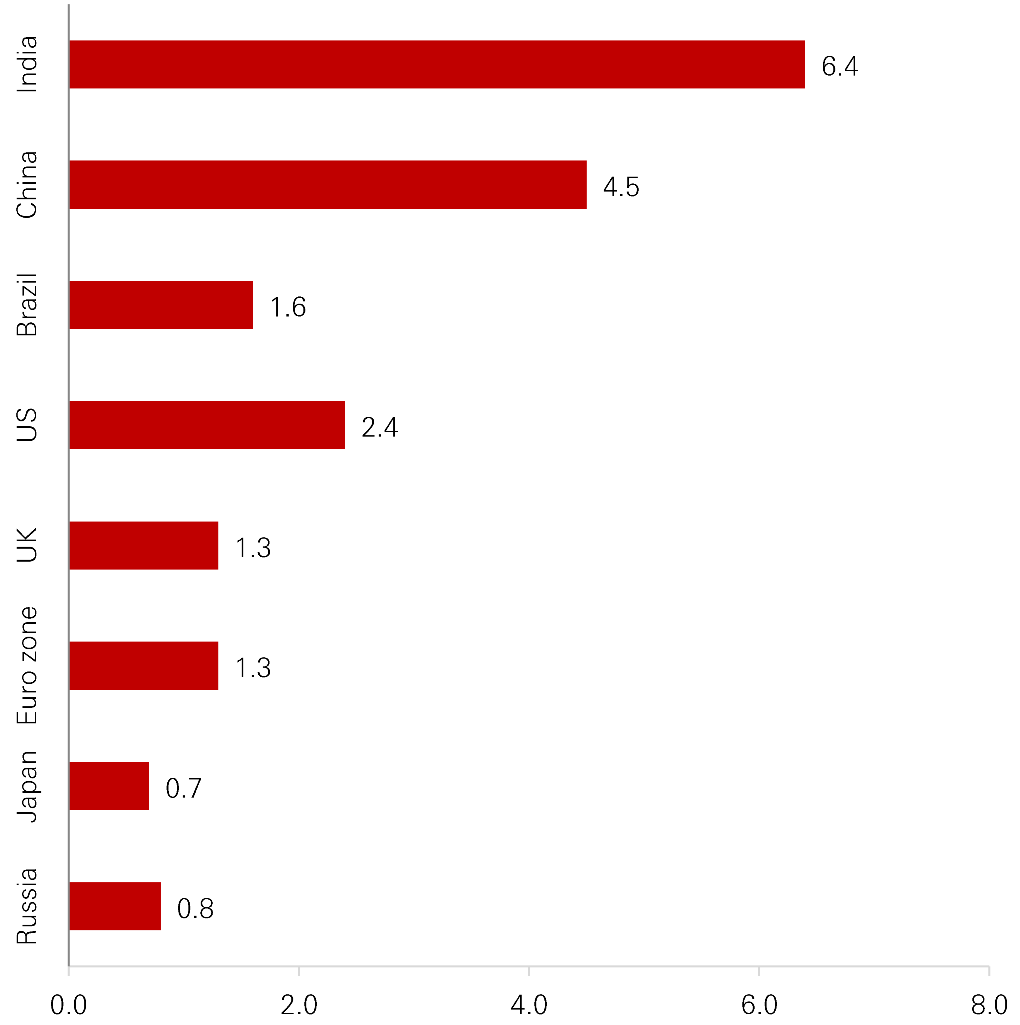
Global Update

Global Economic Update

	GDP		Inflation		Industrial Growth	
	Current	Previous	Current	Previous	Current	Previous
US	0.7% Q4 2025	4.4% Q3 2025	2.4% Feb'26	2.4% Jan'26	1.4% Feb'26	2.3% Jan'26
Eurozone	1.2% Q4 2025	1.4% Q3 2025	1.9% Feb'26	1.7% Jan'26	-1.2% Jan'26	2.2% Dec'25
UK	1.0% Q4 2025	1.3% Q3 2025	3.0% Feb'26	3.0% Jan'26	0.4% Jan'26	0.5% Dec'25
China	4.5% Q4 2025	4.8% Q3 2025	1.3% Feb'26	0.2% Jan'26	6.3% Jan-Feb'26	5.2% Dec'25
Japan	1.3% Q4 2025	-2.6% Q3 2025	1.3% Feb'26	1.5% Jan'26	0.3% Feb'26	0.7% Jan'26
India	7.8% Q3 FY26	8.4% Q2 FY26	3.2% Feb'26	2.7% Jan'26	5.1% Feb'26	5.2% Jan'26

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%

IMF GDP Projections for 2026 (January'26)



Source: Crisil, Bloomberg, Respective Central Banks, IMF. Data as on 31 March 2026

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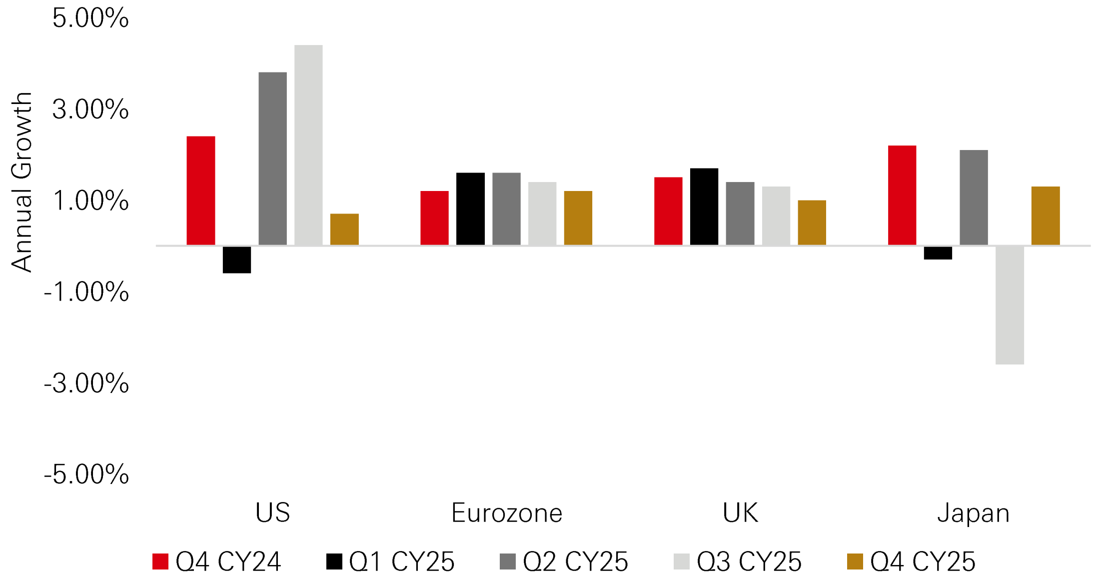
Global Economic Update



The US GDP growth slowed to 0.7% in the fourth quarter of 2025

- The US economy expanded an annualised 0.7% in the fourth quarter of calendar year 2025 compared with a 4.4% expansion in the third.
- The US Federal Reserve (Fed) kept a steady hand on its overnight lending rate, maintaining a target range of 3.5% to 3.75%. The central bank's dot plot suggests a cut may be on the cards in 2026. Fed Chair said he wouldn't use the term stagflation to describe the US economy.

The UK economy grew 1.0% in the fourth quarter

- The British economy expanded 1% on-year in the fourth quarter of 2025, compared with a 1.3% rise in the third.
- The Bank of England unanimously voted to keep the bank rate at 3.75% in March since the West Asia conflict has caused a sharp rise in global energy and commodity prices.

Eurozone economy grew 1.2% in the fourth quarter

- The Eurozone economy grew 1.2% on-year in the fourth quarter of calendar year 2025, compared with a 1.4% expansion in Q3.
- The European Central Bank (ECB) kept interest rates unchanged at its March 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 advanced at an annualised pace of 1.3% in the fourth quarter of 2025, compared with a 2.6% contraction in the previous quarter.
- The Bank of Japan held its policy rate at 0.75% but signalled a tightening bias amid rising inflationary pressures from higher oil prices and a weakening yen, as well as ongoing uncertainty stemming from the West Asia conflict.

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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	-3.58	8.90
Nasdaq	28.24	-3.88	35.23	43.64	21.39	-33.10	43.42	28.64	20.36	-7.11	14.90
Nikkei	19.10	-12.08	18.20	16.01	4.91	-9.37	28.24	19.22	26.18	1.44	10.33
Hang Seng	35.99	-13.61	9.07	-3.40	-14.08	-15.46	-13.82	17.67	27.77	-3.29	1.20
FTSE	7.63	-12.48	12.10	-14.34	14.30	0.91	3.78	5.69	21.51	2.47	3.60
Cac 40	9.26	-10.95	26.37	-7.14	28.85	-9.50	16.52	-2.15	10.42	-4.08	4.86
Xetra Dax	12.51	-18.26	25.48	3.55	15.79	-12.35	20.31	18.85	23.01	-7.39	7.04
Shanghai	6.56	-24.59	22.30	13.87	4.80	-15.13	-3.70	12.67	18.41	-1.94	2.29
Brazil Bovespa	26.86	15.03	31.58	2.92	-11.93	4.69	22.28	-10.36	33.96	16.35	12.02
Russia RTS	0.18	-7.65	45.28	-10.42	15.01	-39.18	11.63	-17.56	24.73	-3.38	-0.68
Nifty 50 TRI	30.27	4.64	13.48	16.14	25.59	5.69	21.30	10.09	11.88	-14.44	12.53
BSE SENSEX TRI	29.56	7.23	15.66	17.16	23.23	5.80	20.33	9.49	10.38	-15.51	12.34

Source: Crisil, BSE, NSE and Financial websites Figures in red indicate negative returns in that period. *CY26- YTD (till March 31, 2026) *10-year CAGR, Data as on 31 March 2026
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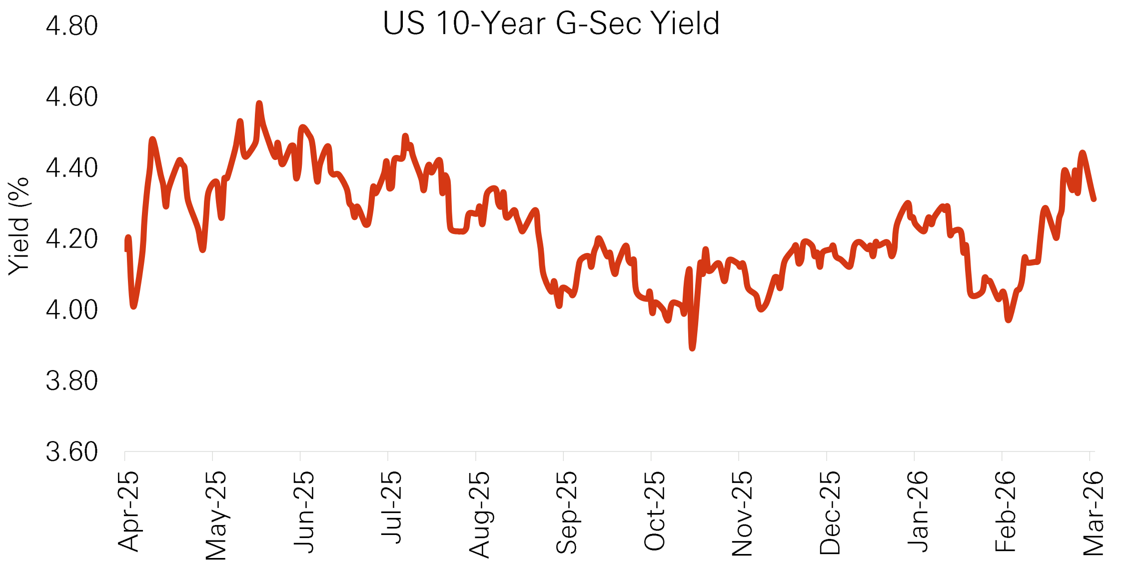
US Fixed Income Markets - Overview

US treasury declined in March’26

- The yield on the 10-year benchmark US Treasury paper ended at 4.31% on March 31 vs 3.96% on February 27
- March trading was characterised by a steady early-month climb, a brief mid-month dip and a sharp re-pricing post the Fed meeting. Yields moved higher as investors continued to push out the expected timing of easing and demanded greater compensation for duration risk
- Yield rose further in mid-month. A key driver was the Fed message: policy left unchanged but a dot-plot implication of fewer cuts (one cut), which pushed up the expected path of short rates embedded in the 10-year
- The repricing was reinforced by energy-driven inflation risk cited in the same commentary, which tends to lift breakeven inflation and increase compensation demanded for inflation uncertainty in nominal yields.
- Separately, late-month market commentary framed stubborn yields as an anchor on rate-cut optimism. This is consistent with a market-clearing level dominated by policy-path repricing plus term premium rebuild



Global bond yields			
	31-Mar-26	27-Feb-26	Change
US 10-Year (%)	4.31	3.96	0.35
UK 10-Year (%)	4.92	4.24	0.68
German 10-Year (%)	3.01	2.65	0.35
Japan10-Year (%)	2.36	2.12	0.24

Source: Crisil, Bloomberg, Data as on 31 March 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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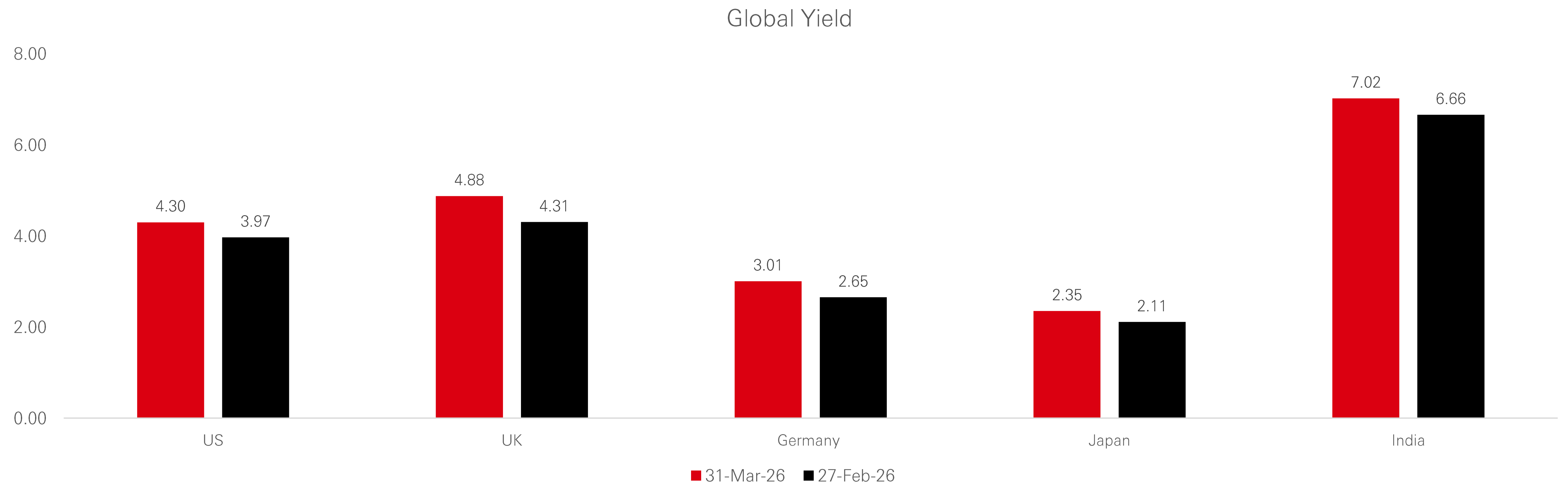
Global Yield and Where India Stands



	US	UK	Germany	Japan	India
Current Yield (%)	4.30	4.88	3.01	2.35	7.02
Inflation (%)	2.40	3.00	2.70	1.30	3.21
Real Yield (%)	1.90	1.88	0.31	1.05	3.81

Source : Crisil, Data as on 31 March 2026, Inflation Data as of 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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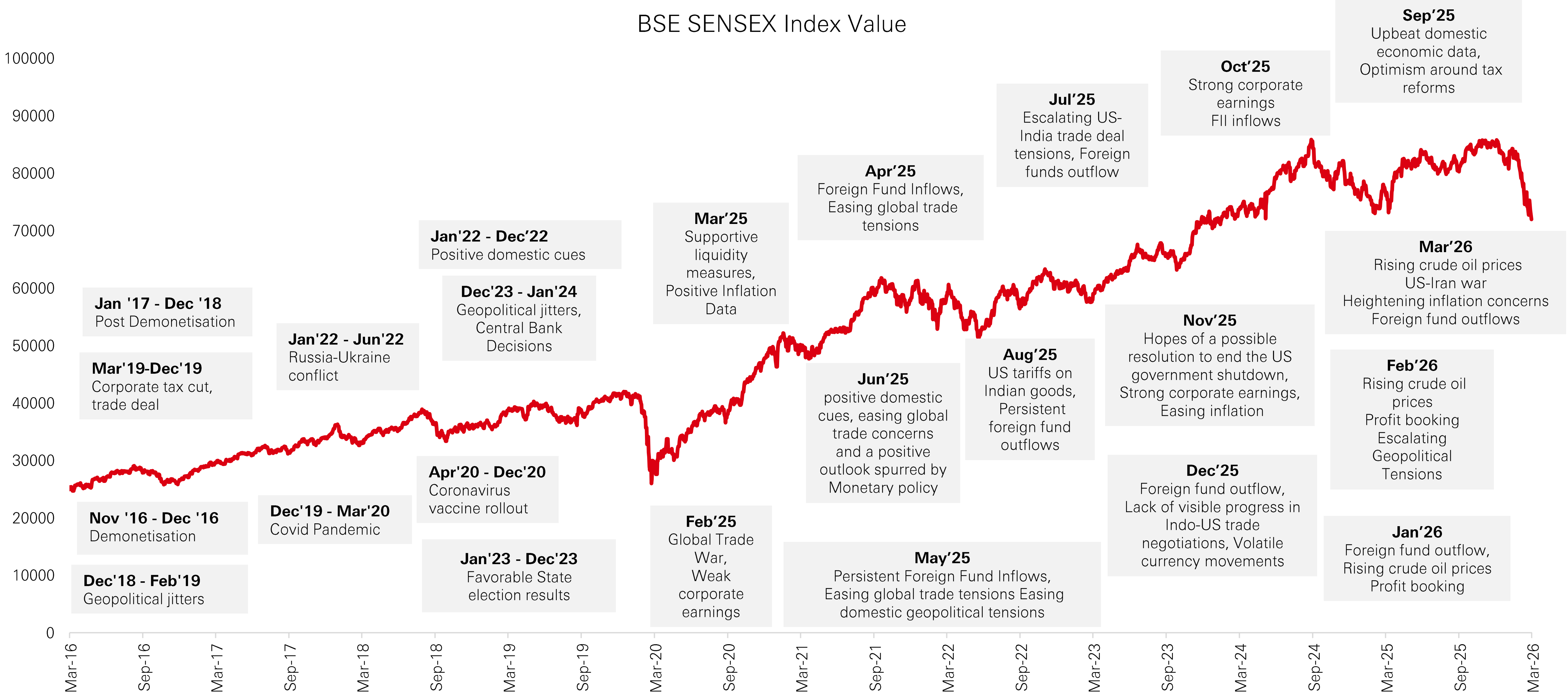
Domestic Equity

History of Equity markets through major events



Source: BSE, Crisil, Data as on 31 March 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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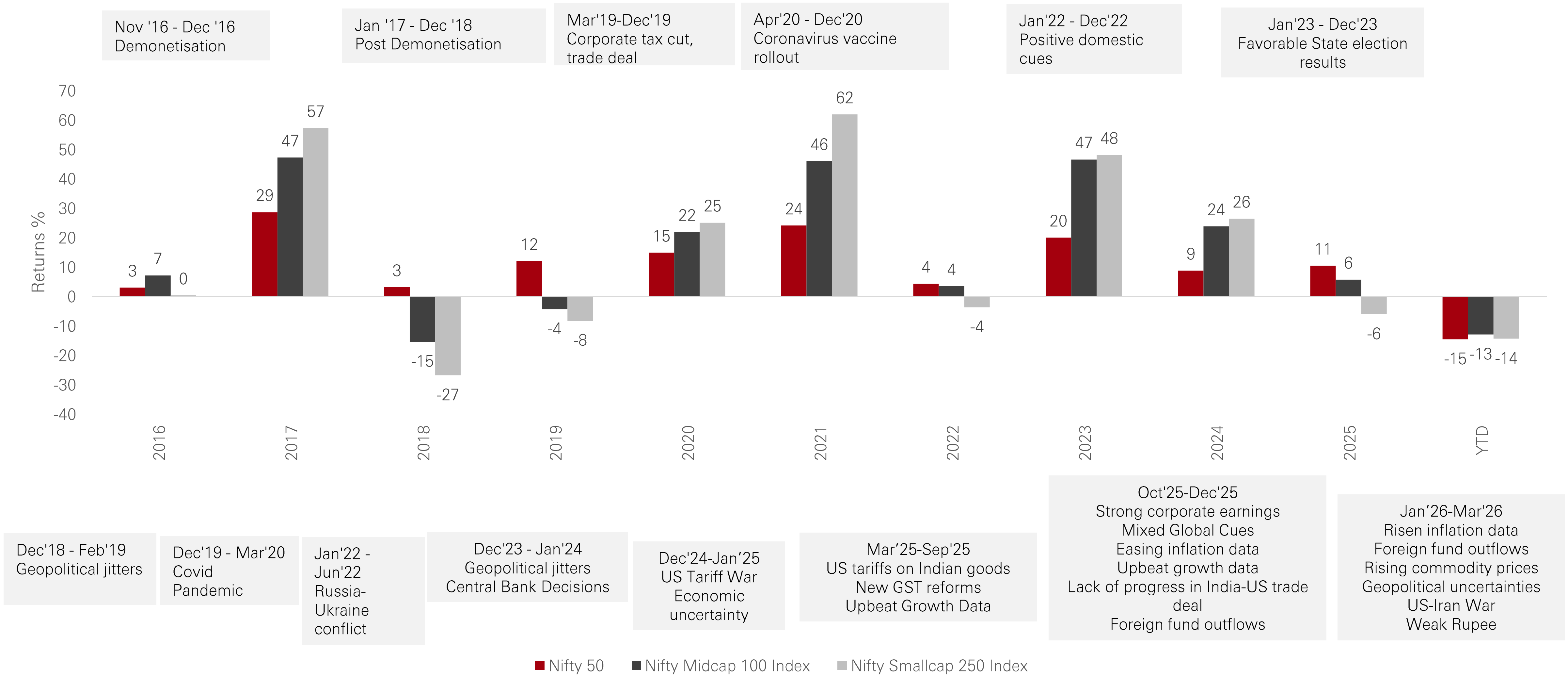
History of Equity markets through major events

Performance of major equity indices



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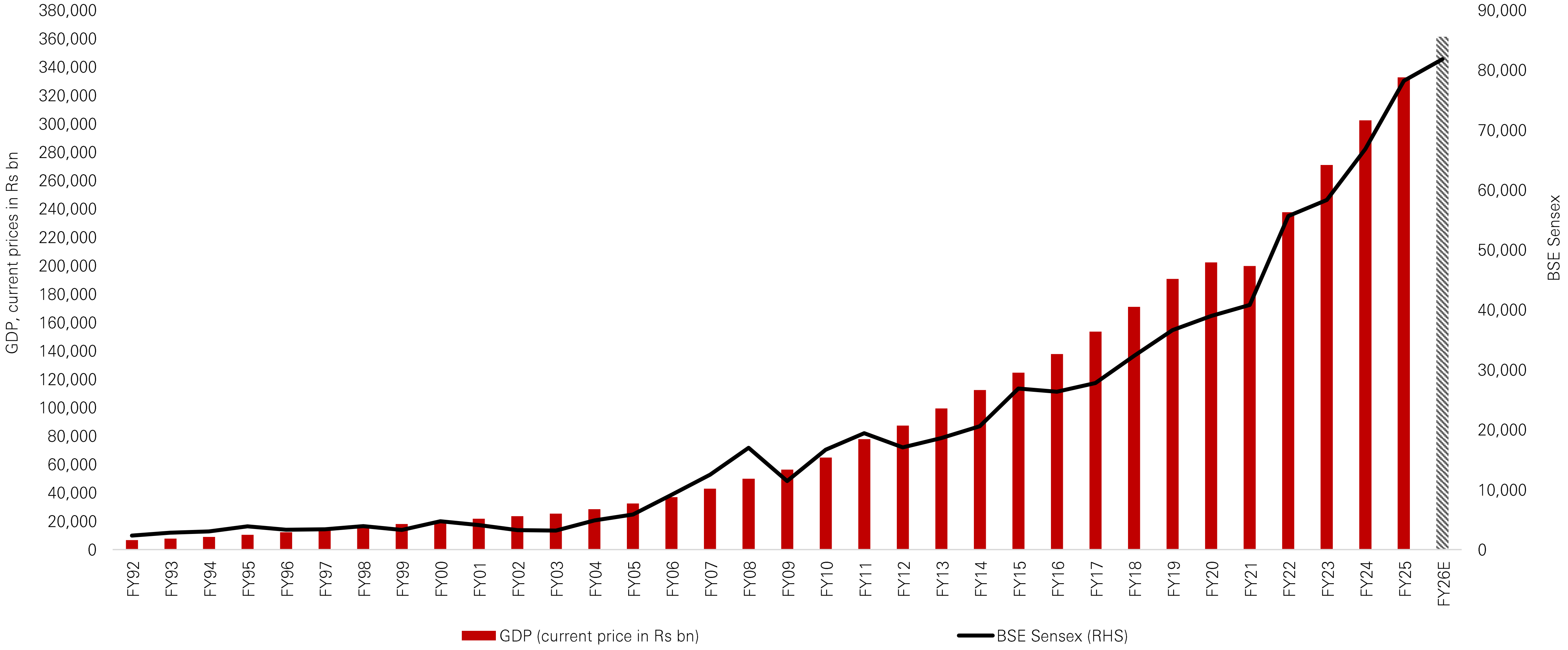
Equity mirrors economic growth in the long term

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 31 March 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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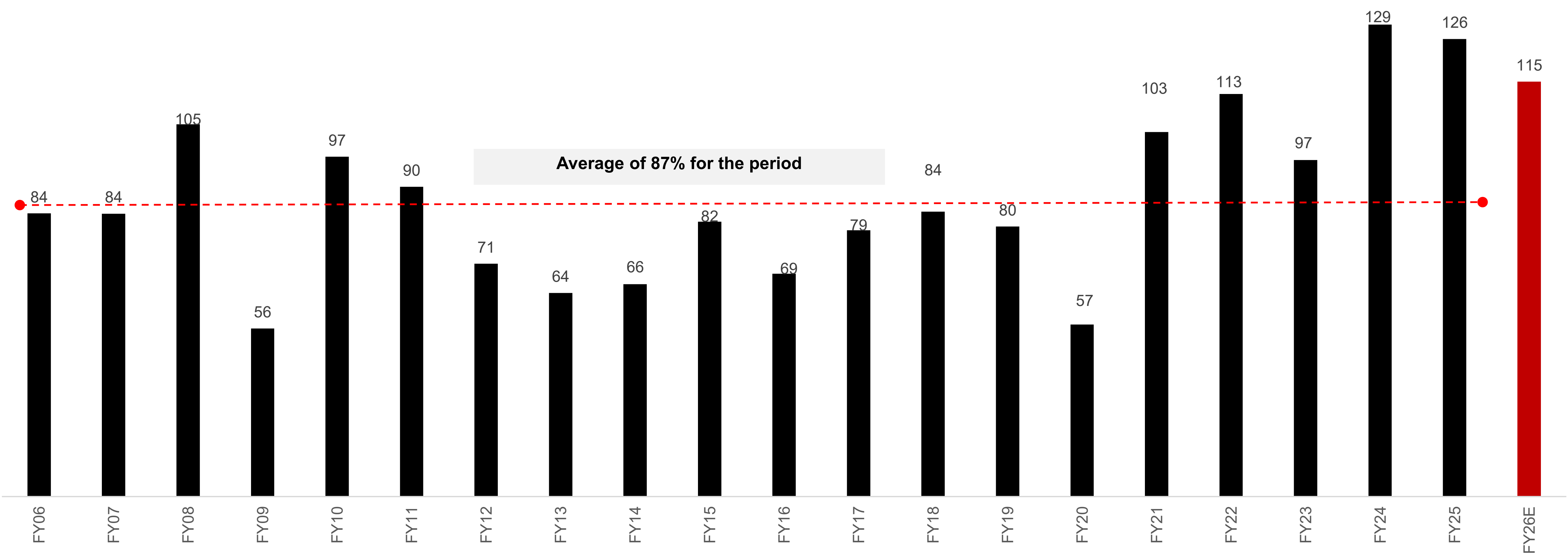
India Market cap to GDP (%)



Source: Crisil, MOSPI, Bloomberg, Data as on 31 March 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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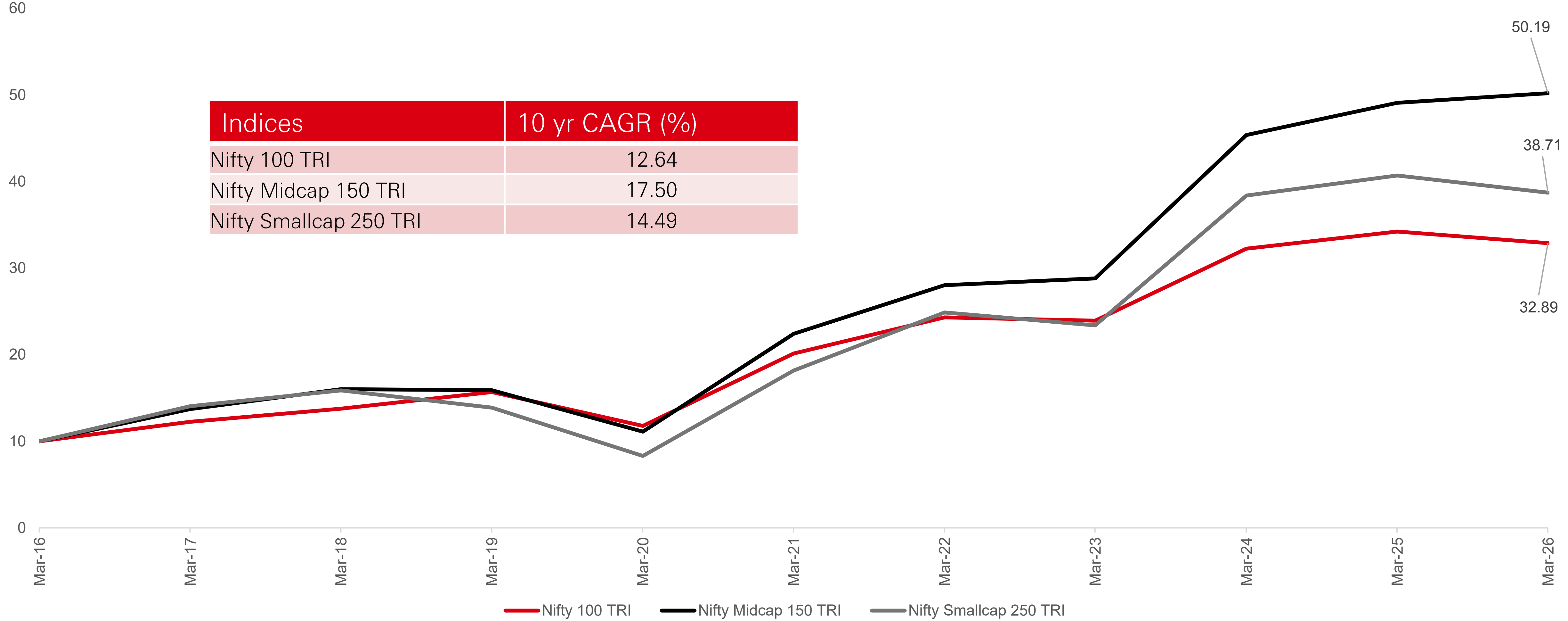
Nifty Mid-cap 150 TRI vs Nifty Small-cap 250 TRI vs Nifty 100 TRI

Indices	10 yr CAGR (%)
Nifty 100 TRI	12.64
Nifty Midcap 150 TRI	17.50
Nifty Smallcap 250 TRI	14.49



Source: Crisil, NSE. Data as on 31 March 2026, data represents YTD values. The indices values are rebased by 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	-14.44	12.53
BSE SENSEX TRI	29.56	7.23	15.66	17.16	23.23	5.80	20.33	9.49	10.38	-15.51	12.34
BSE Metal TRI	52.82	-16.20	-10.16	18.43	72.68	15.70	35.50	10.24	29.81	0.31	21.73
BSE CG TRI	41.42	-0.49	-8.79	12.52	54.75	17.17	68.15	22.53	-0.21	-4.08	18.66
BSE CG TRI	102.87	-8.32	21.53	22.19	47.73	-10.93	26.40	29.31	-6.51	-12.29	16.91
BSE Power TRI	22.03	-14.30	-0.64	11.38	73.68	28.51	36.45	21.28	-5.30	3.04	16.75
BSE PSU TRI	22.69	-18.69	-1.12	-12.80	47.95	28.30	61.48	24.34	12.09	-4.01	16.20
BSE Realty TRI	107.24	-30.69	27.58	9.20	55.40	-9.97	80.16	33.45	-17.06	-25.86	15.60
BSE Oil & Gas TRI	37.81	-12.40	10.59	-0.55	31.72	20.45	17.30	16.50	14.07	-10.72	14.71
BSE BANKEX TRI	39.98	5.65	21.12	-2.12	12.97	21.91	12.12	7.15	16.66	-15.25	12.56
BSE Auto TRI	33.31	-21.33	-9.94	14.27	20.59	17.83	47.71	23.40	22.59	-15.76	12.55
BSE Information Technology TRI	13.29	27.26	11.84	60.05	58.45	-22.70	28.28	22.21	-12.94	-23.85	11.56
BSE Healthcare TRI	1.10	-5.38	-2.80	62.61	21.54	-11.50	37.97	44.30	-2.72	-4.47	11.36
BSE FMCG TRI	33.26	12.11	-2.14	13.19	11.70	19.08	29.65	3.25	-0.23	-17.46	10.02

Source: Crisil, BSE, Figures in red indicate negative returns in that period. *10-year CAGR, Data as on 31 March 2026, CY26 is YTD (till 31 March 2026) (CD- Consumer Durable/ CG – Capital Goods))
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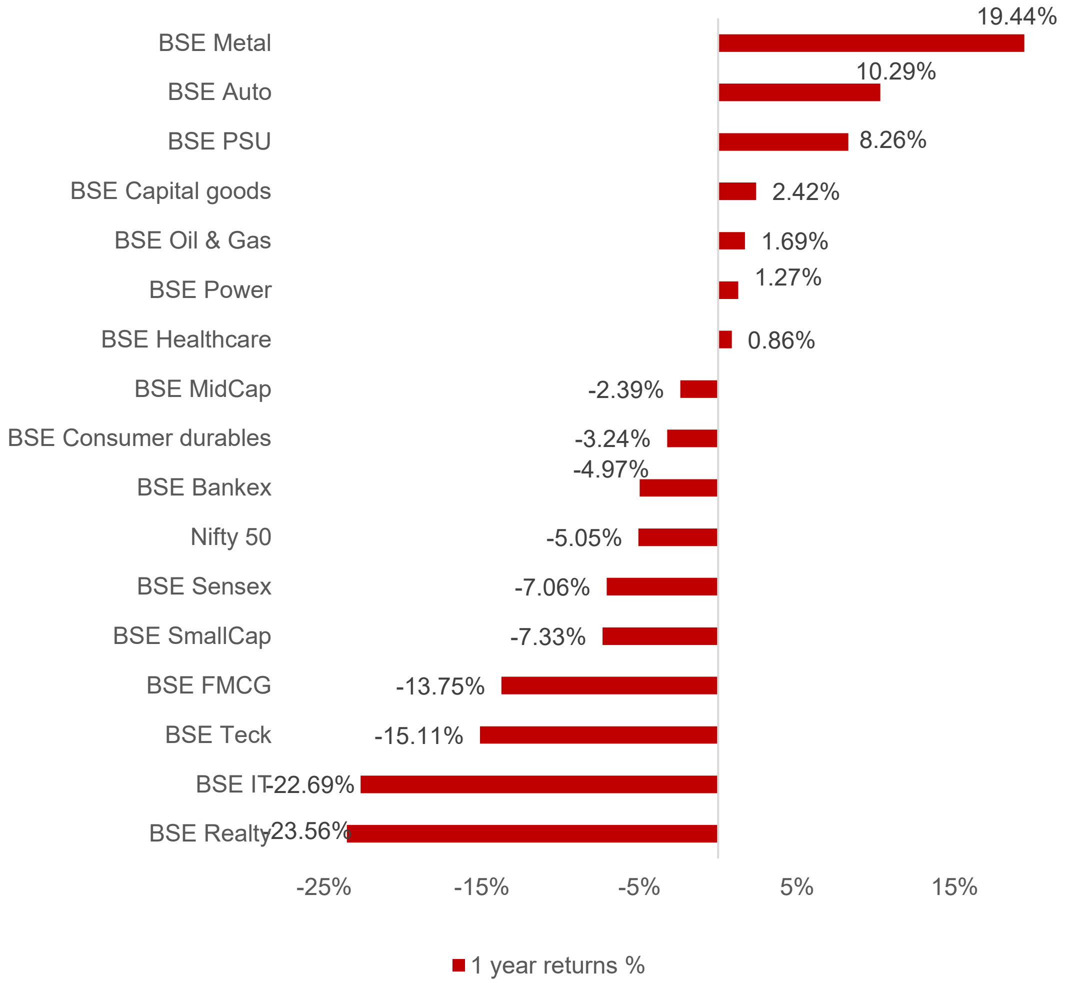
Equity Market Review

Indian equity indices declined sharply in March'26

- The beginning of US-Iran war on February 28, which was subsequently met by sustained retaliatory responses by Iran, plunged global markets into turmoil in March. The geopolitical uncertainty and soaring oil prices stoked panic selling, leading both Indian benchmark indices to their fourth straight monthly falls in March.
- The BSE Sensex slipped below the 74,000-point mark for the first time since April 2025 before settling at 71,948 points at March-end, marking a 11.5% fall as compared with the end of the preceding month. The Nifty 50 slipped below the 23,000-point mark to close at 22,331 points, reflecting a 11.3% on-month fall
- Oil prices hovering above the $100-per-barrel level led to heightening inflation concerns. This, coupled with a downward slide in the rupee and persistent foreign fund outflows, severely dented investor confidence.
- The Fed's decision on March 19, 2026 to maintain its policy rate also contributed to the subdued market sentiment during the month.



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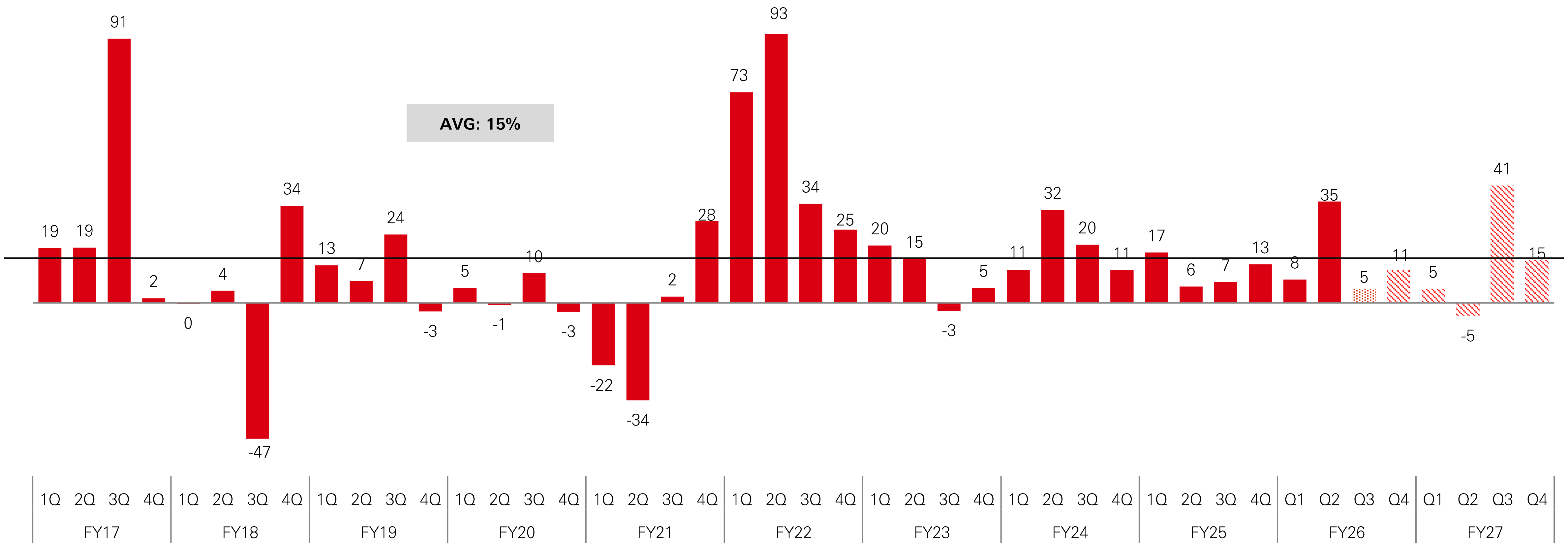
Earnings growth – quarterly trend

Nifty 50 earnings



Nifty 50 EPS Growth (Y-o-Y)

Estimates – shaded portion of FY26 and FY27

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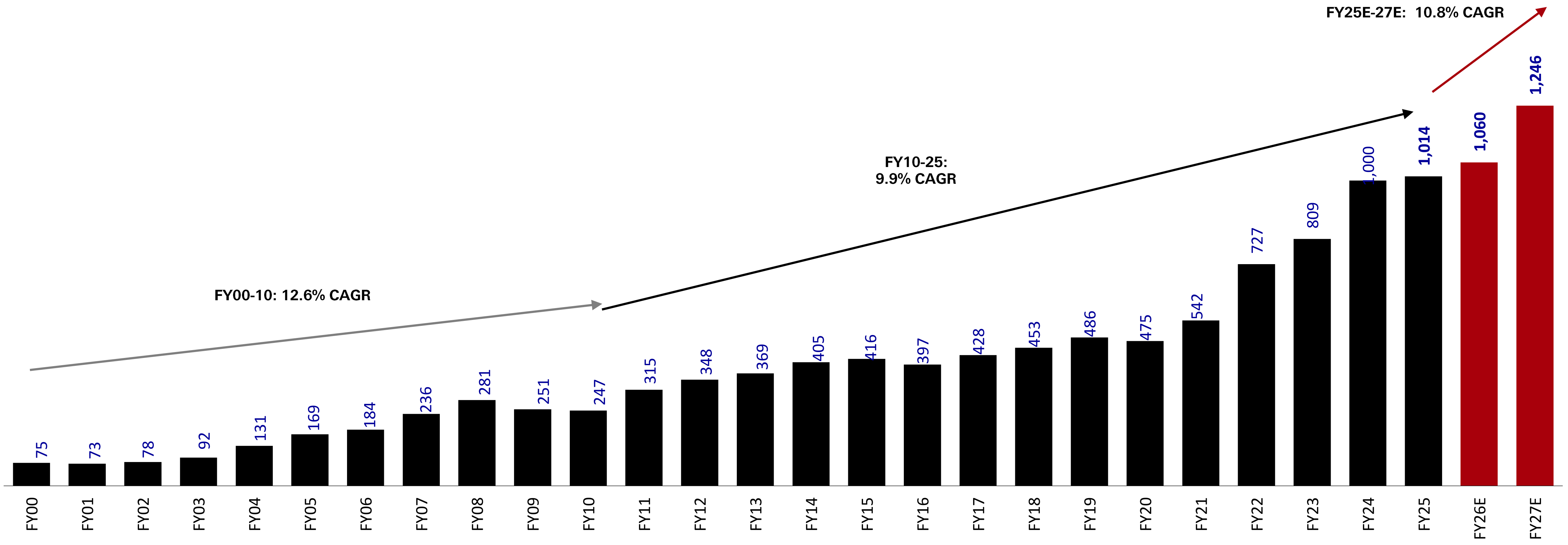
Earnings trend

India - Equity earnings (Nifty 50 EPS)



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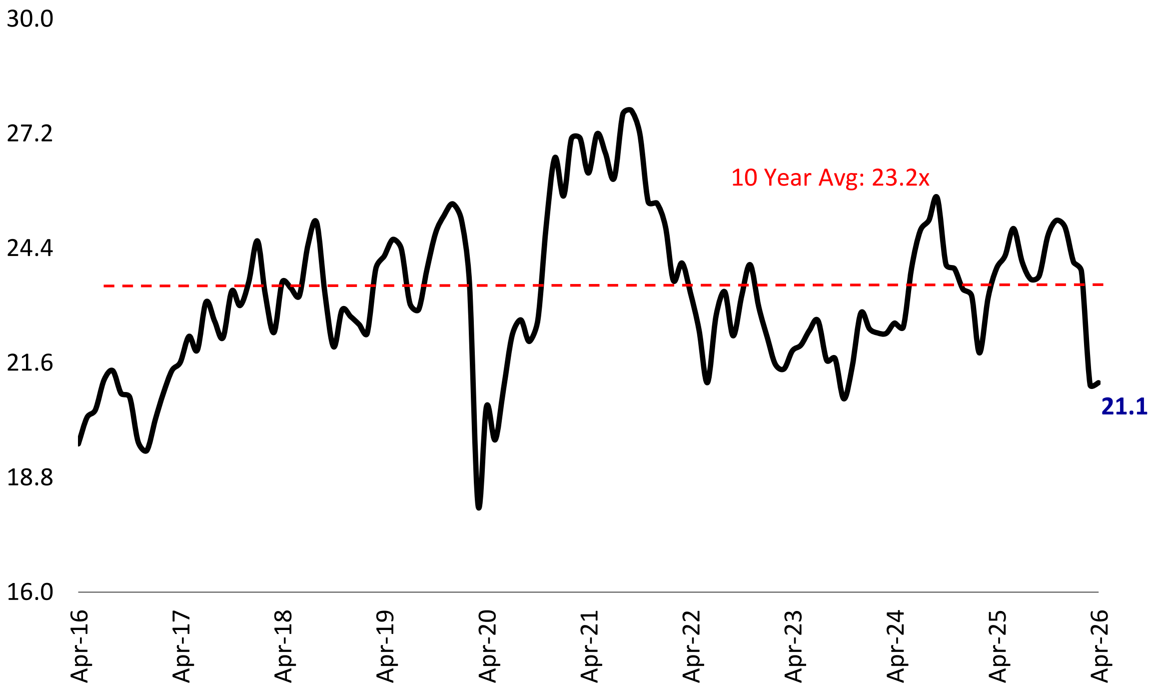
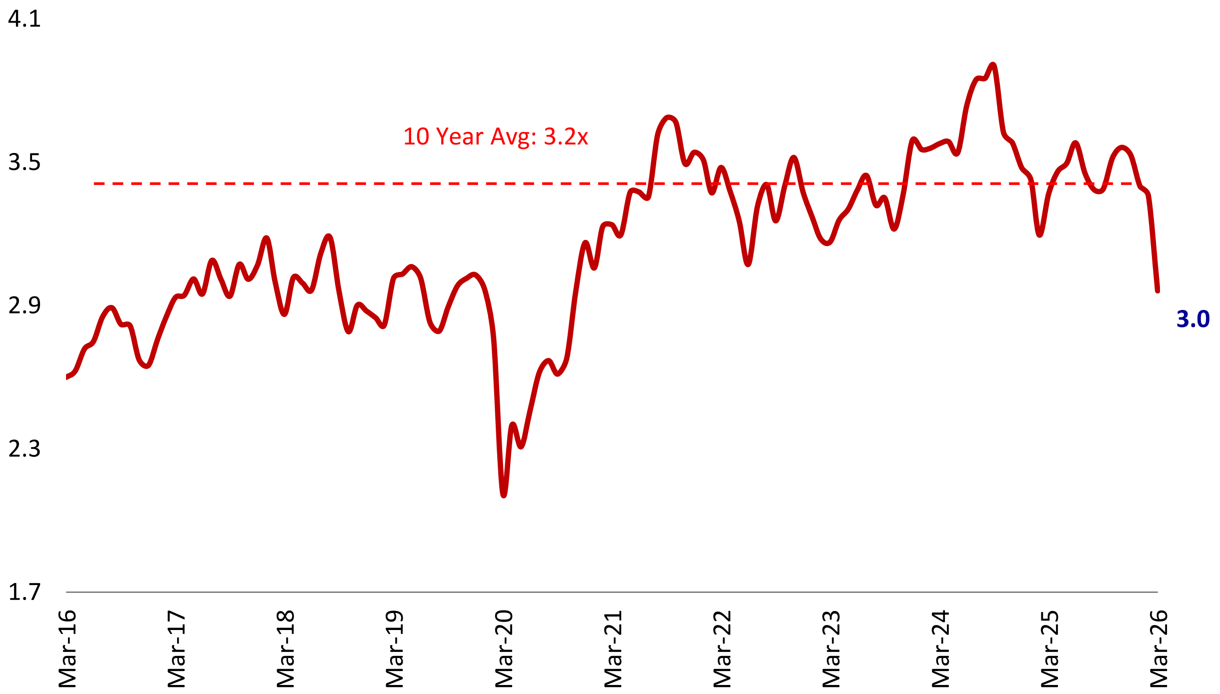
Market valuations

Nifty50 - Price to Earnings (PE)



Nifty 50 - Price to Book (PB)



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Equity Market Outlook

- Indian equity indices saw a massive cut in March'26 with sharp spike in crude price due to the middle east conflict. This led to heavy FII selling in Indian equities in March.
- Global markets also saw a sharp cut as crude rose 63% MoM in March. MSCI World index dropped 6.6% in Feb with the US (S&P 500) was down 5.1%. MSCI Europe declined 10.3% and MSCI Japan dropped 13.1%. MSCI EM was down 13.3% with MSCI China was down 7.7%.
- FIIs sold an unprecedented US$14.2 bn in Indian equities in March which was completely offset by DII purchases of US$15.4 bn.
- Gross GST revenue collection was Rs 2 tn in Mar'26, up 8.8% 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 Mar'26 as per Bloomberg. However, given the sharp correction, Nifty now trades on 17x 1-year forward PE. This is now at a 13% discount to its 5-year average and a ~6% discount to its 10-year average.
- While the markets remain hopeful of a quick resolution, the Middle East conflict is starting to exert significant macro-economic pressure on India. Sharp increase in crude price and weaker rupee will be headwinds for FY27 growth if things are not resolved quickly. While government is absorbing part of the impact, this will impinge on government's ability in the near term to boost infra spending.
- India's growth expected to remain robust despite these challenges. Interest rate cuts by the RBI, the GST rate cut, and income tax rate cut announced by the Union government should support consumption and private sector capex. Consumers are expected be able to absorb a sharp increase in pump prices as prices have remained unchanged for the last 4 years.
- India's growth remains quite resilient despite the global macro-economic challenges. Expect 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 below 10-year average. Remain constructive on Indian equities on a longer-term basis however near-term outlook remains more uncertain due to geo-political conflicts.

Source: HSBC Asset Management, India, Data as on 31 March 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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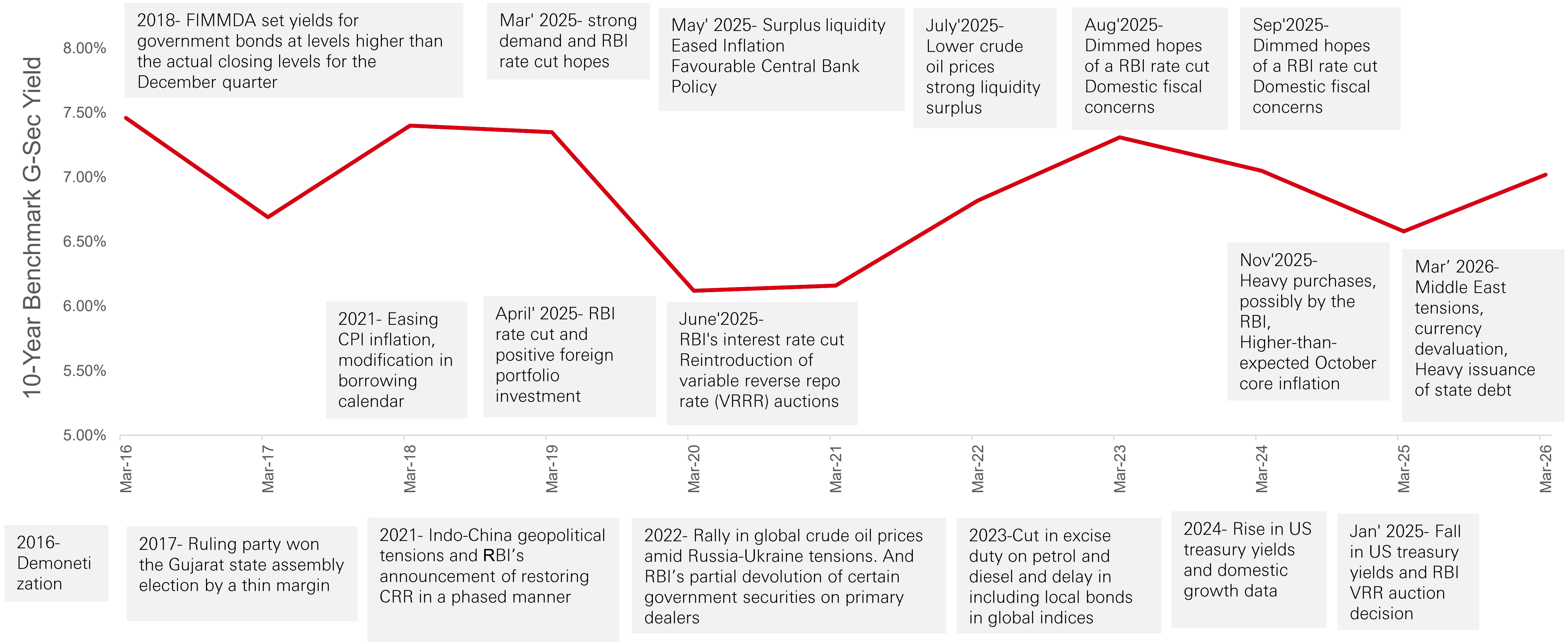
Domestic Debt

History of Debt Markets through major events

10-year G-Sec yield movement through major events



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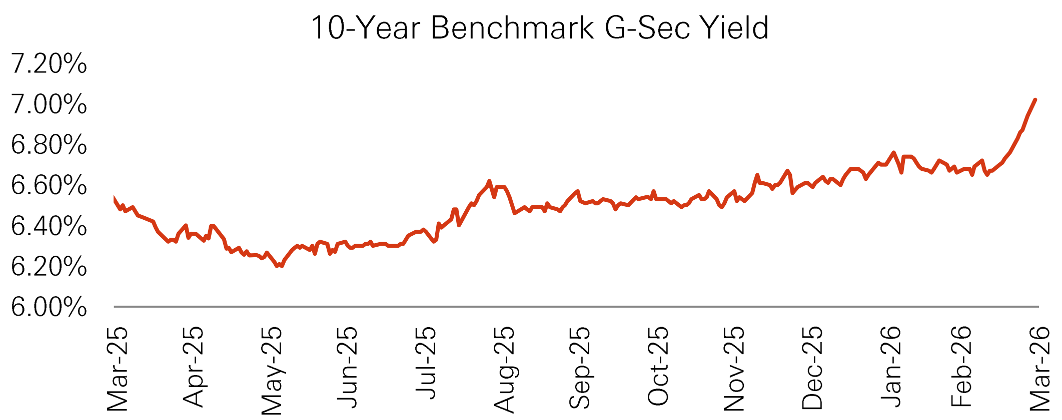
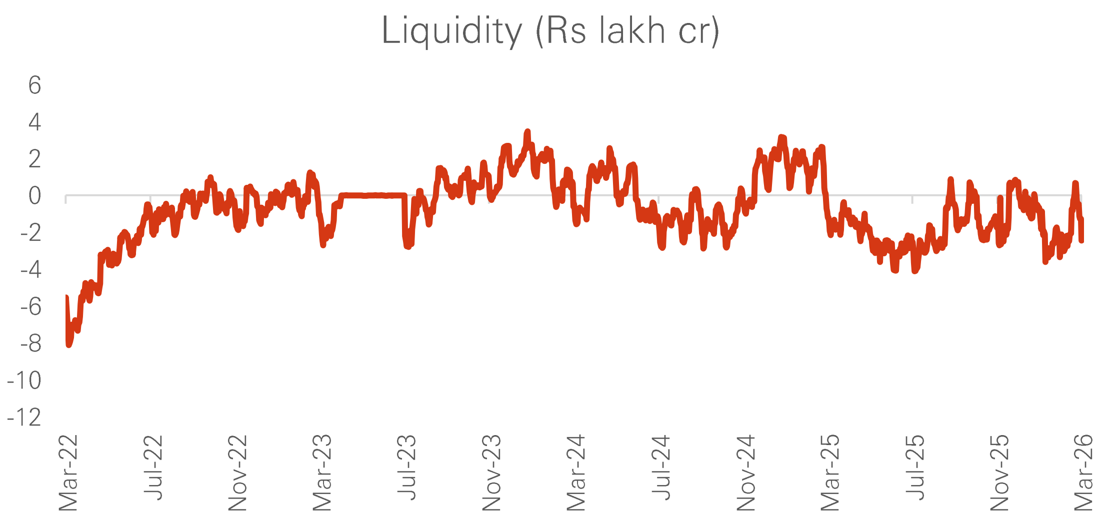
Debt Market Review

- The RBI's funding squeeze pushed inter-bank call money rates above the policy rate of 5.25% by March 16. With the call rates hovering at 5.28% to 5.34% during the latter half of the month, the weighted average call rate came in at ~6.90% on March 27. This was higher than 6.66% recorded on February 27
- Meanwhile, a combination of domestic and global headwinds pushed yields on India's 10-year government securities (G-secs) to a 16-month high in March. The Middle East conflict pushed oil prices above $100 per barrel, triggering concerns about ballooning import costs and domestic inflation for India, the world's third-largest oil importer. On the domestic front, fresh all-time lows in the Indian rupee, massive supplies of state debt and a broad selloff of government bonds amid oil shocks added to the supply-side pressure on bonds. The yield on the benchmark 10-year 6.48% GS 2035 paper broke 6.70% by the second half of the month before climbing to7.02% by March 30. These were the highest yields witnessed since January 2025.
- Bond prices began their downward trajectory at the very onset of the month with the outbreak of conflict in the Middle East. Restricted movement of vessels through the Gulf of Hormuz led to a surge in global crude prices and supply disruptions, which led to rising concerns about domestic inflation and currency devaluation given that India imports more than 80% of its crude oil requirements.





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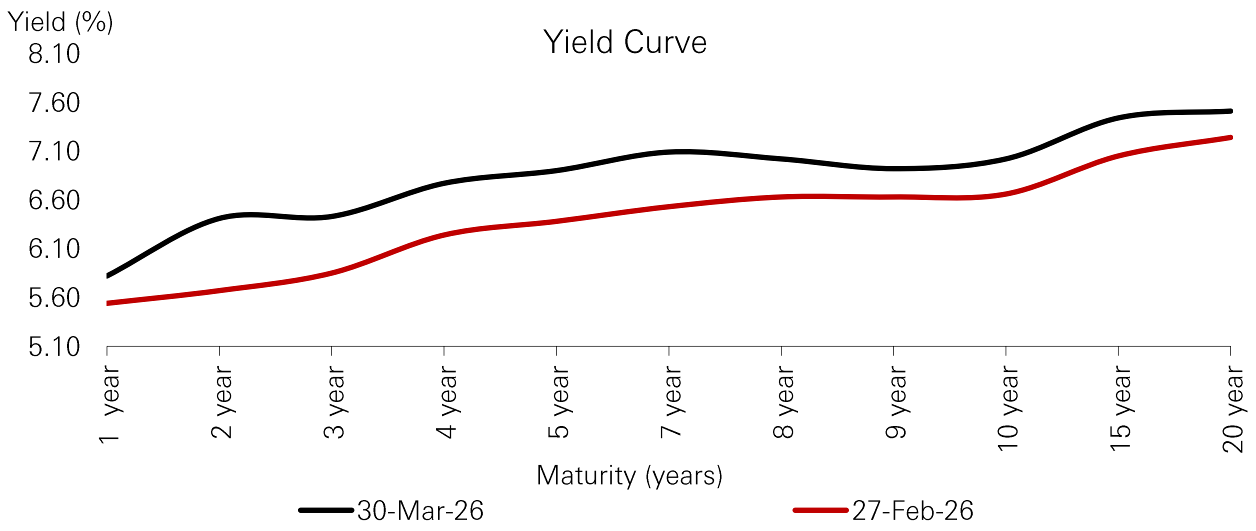
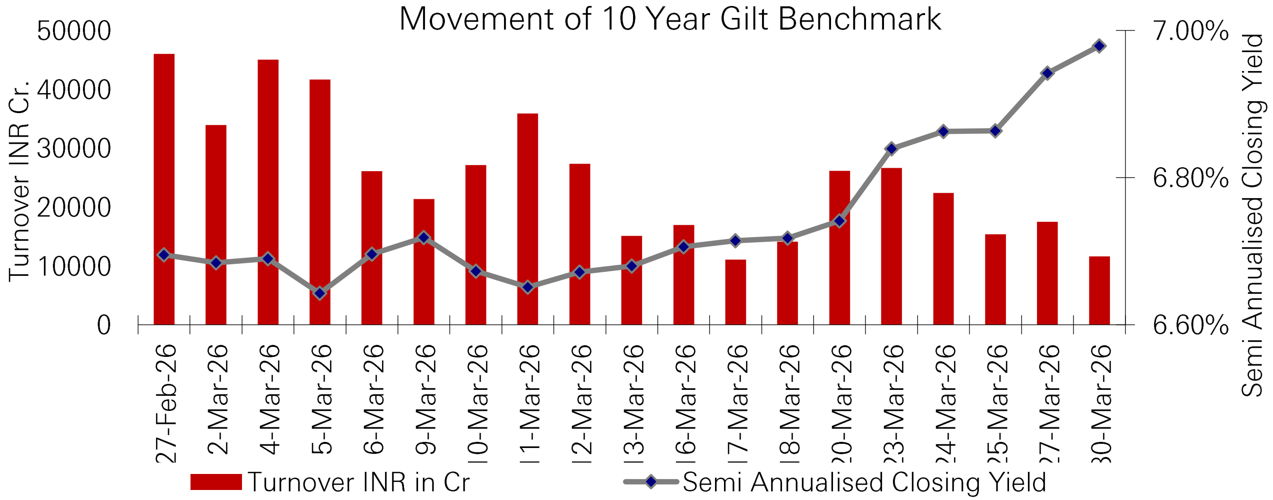
Debt Market Review

Debt Market Indicators	30-Mar-26	27-Feb-26
Call Rate	7.00%	5.12%
3-mth CP rate	7.75%	7.50%
5 yr Corp Bond rate	7.67%	7.24%
10 Yr Gilt	7.02%	6.66%
Repo	5.25%	5.25%
SDF	6.25%	6.25%
CRR	3.00%	3.00%
1-Month CD rate	7.49%	6.85%
3-mth CD rate	7.35%	7.00%
6-Month CD rate	7.30%	7.00%





Source: Crisil Fixed Income database. Data as on 31 March 2026.
Past Performance May or May not be sustained in future. Investors should not consider the same as investment advice
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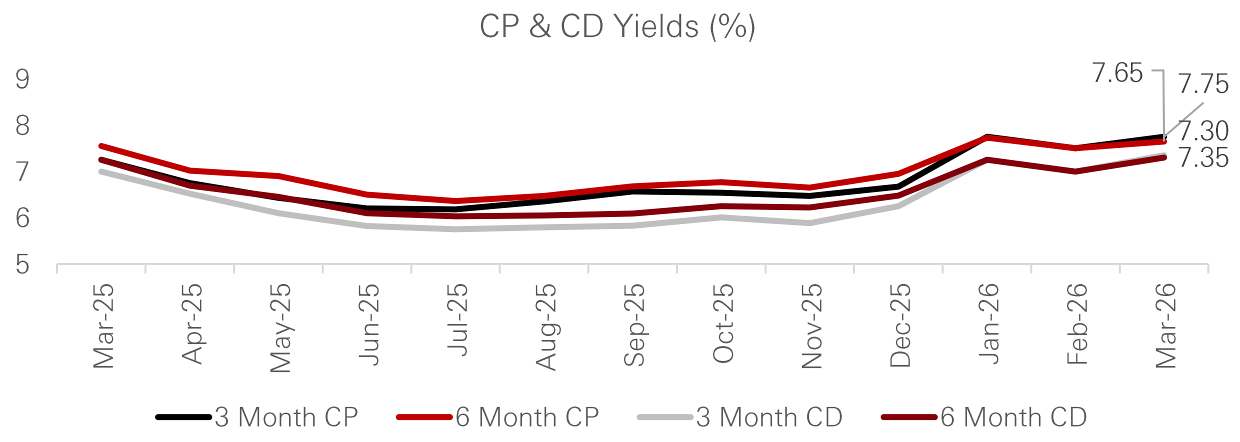
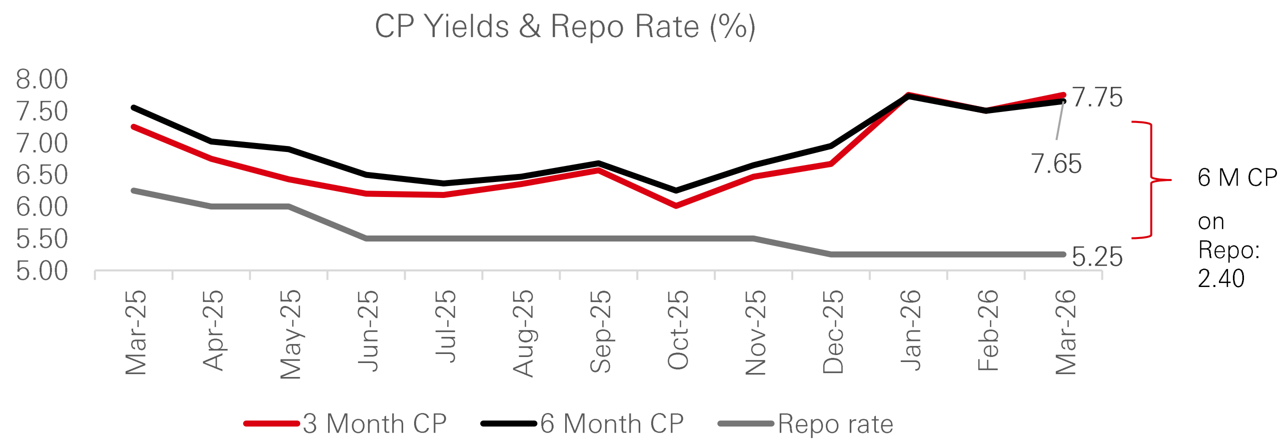
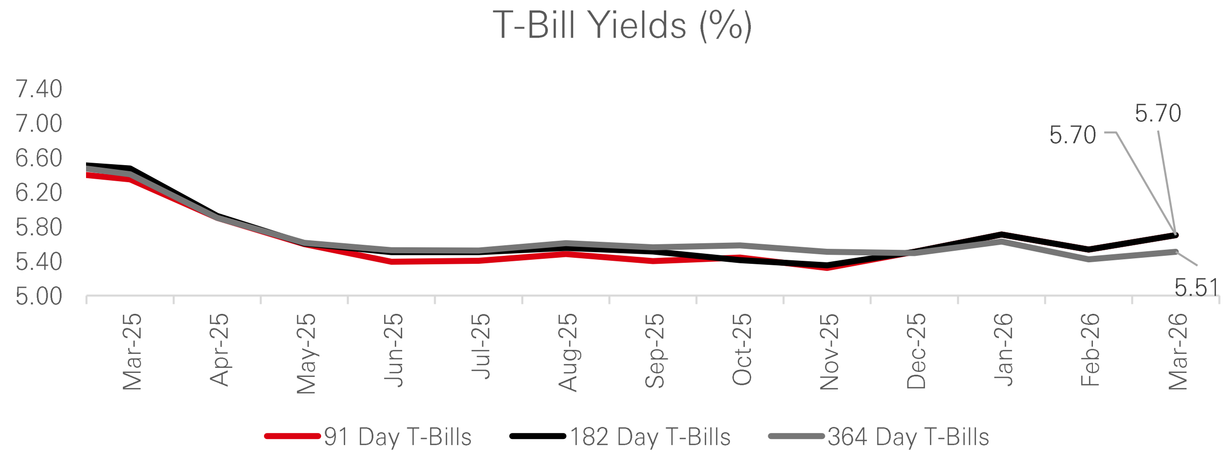
Debt Market Review



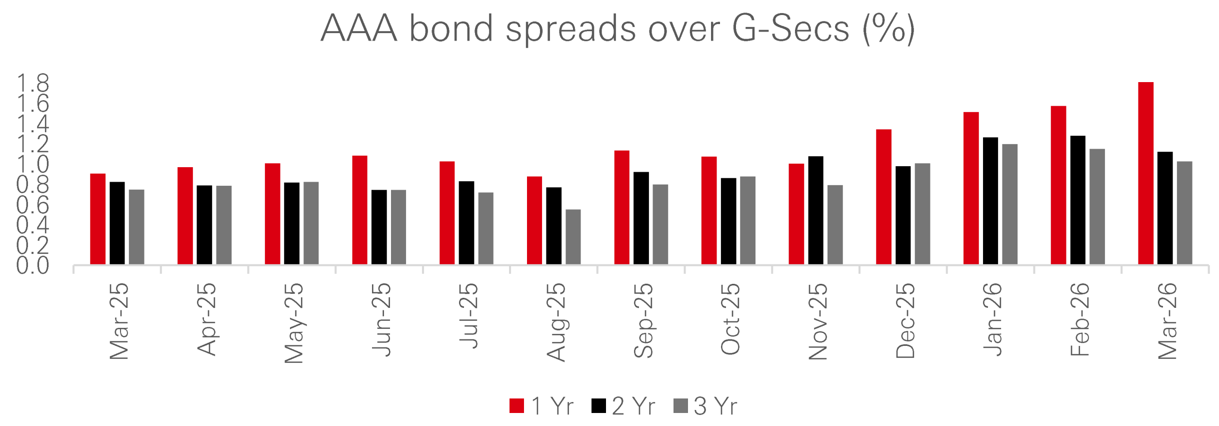
CP and CD largely steady in March



Spread of CPs over repo rate at 2.40 in March



T-Bill yields were steady in March



AAA corporate bond spreads were steady in March

Source: Crisil, Data as on 31 March 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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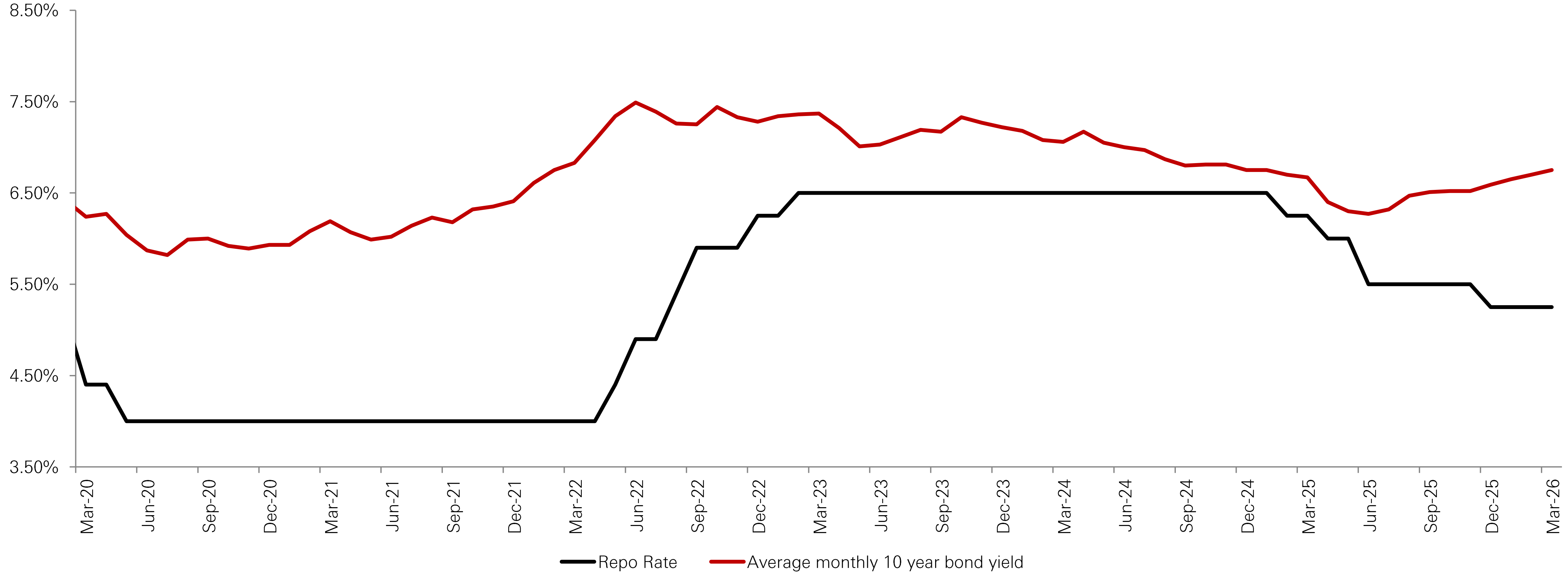
RBI Repo Rate reduced to 5.25% February policy meet



Source: RBI, Crisil, Data as on 31 March 2026
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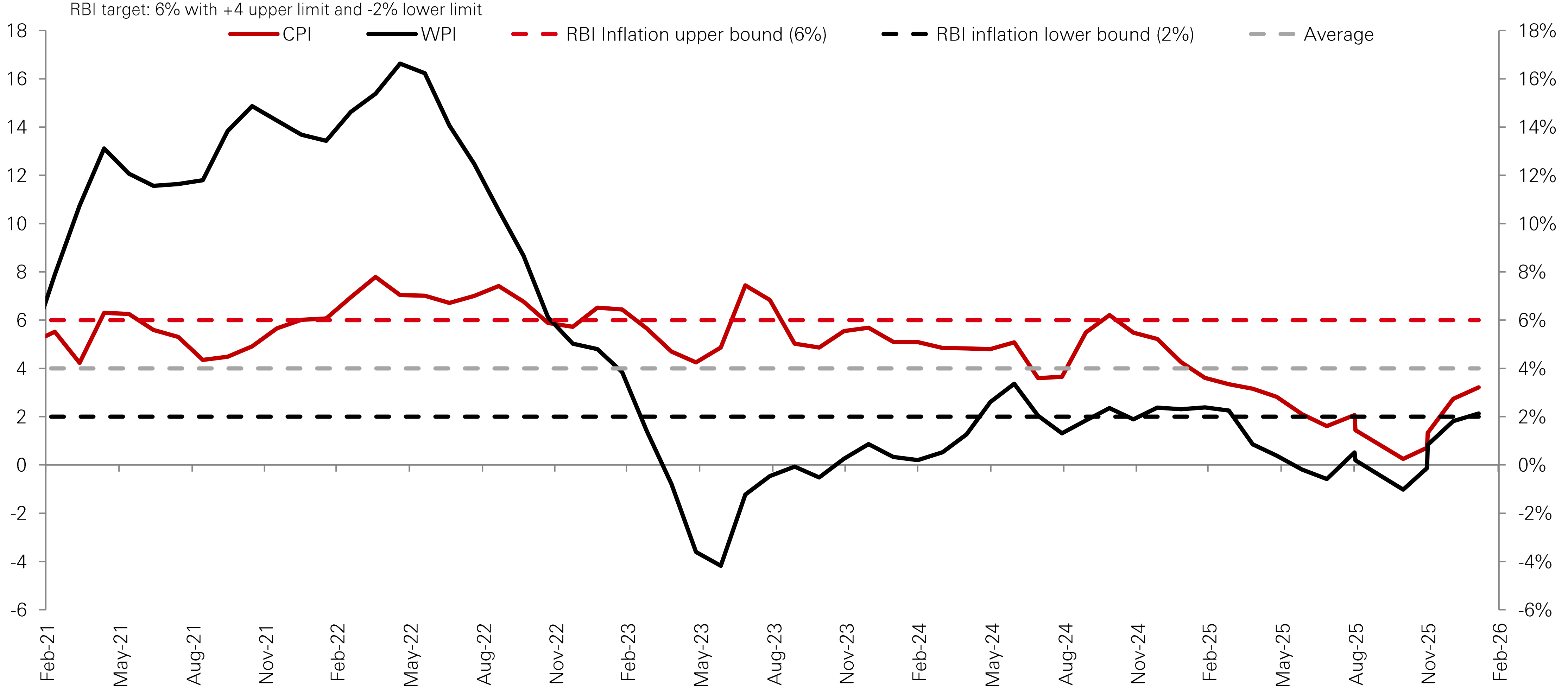
Inflation target and trend

CPI inflation below the RBI's target range average



Source: Crisil, MOSPI, RBI, Data as on 31 March 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

- Geopolitical uncertainty has crystallised into market volatility, and it persists amid uncertainty around de-escalation.
- Historically, oil prices are the usual channel for how geopolitical risk impacts the economy and eventually feeds into investment markets. March was no different, and both bonds and stocks saw a sell-off, this time around, engulfing gold & silver as well.
- In India, if oil prices hover near the US$100/bbl, it would cause adverse impact on macros - as the trade imbalance worsens, capital flows weaken and transpires into currency pressures, the fiscal costs rise, inflation accelerates, and growth stumbles. With India at a good starting point, on all these aspects, it limits the negative spillovers; and also leaves policy scope and space to absorb the shock, so far.
- On the fiscal front, the govt. has addressed the energy price costs via excise tax cuts on fuel and subsidy on fertilizer. Govt. has opted to pass on some price pressures onto consumers for cooking gas, rationing between household and commercial usage, while also stepping up its procurement efforts.
- On the FX front, after a likely phase of aggressive FX intervention, post the war, the RBI is taking up other measures to stem the rupee fall. The intensity and the duration of the conflict to determine the policy choices.
- The RBI MPC is on a neutral hold and has taken a 'wait & watch' approach given the global uncertainties. The RBI-MPC maintained a calm demeanor amid a chaotic environment. The policy statement reinforces that India is at a good starting point and thus, better equipped to navigate the current external headwinds/shock.
- RBI MPC is likely to maintain a long pause on policy rates while keeping the liquidity conditions in sufficient surplus. The external environment would continue to shape and influence the policy dynamics. Repo Rate expected to stay at 5.25% throughout CY26 and the risks of rate hikes in CY27 would start building up if oil prices/energy shock persist, and if weather-related risks seep into prices. Looks like a long pause on policy rates.
- 10 yr IGB levels moved sharply from 6.66% to 7.04% due to increased geo-political tensions. 10 yr IGB levels hit a high of around 7.15% in early April. Post the temporary ceasefire announcements between US and Iran yesterday and the MPC meeting, 10 yr IGB yields have softened significantly and are now trading in the 6.90%-6.95% band.
- IGB levels might not go back to pre-war levels and might remain range bound around the current levels.

Source: HSBC Asset Management, India, Data as on 31 March 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

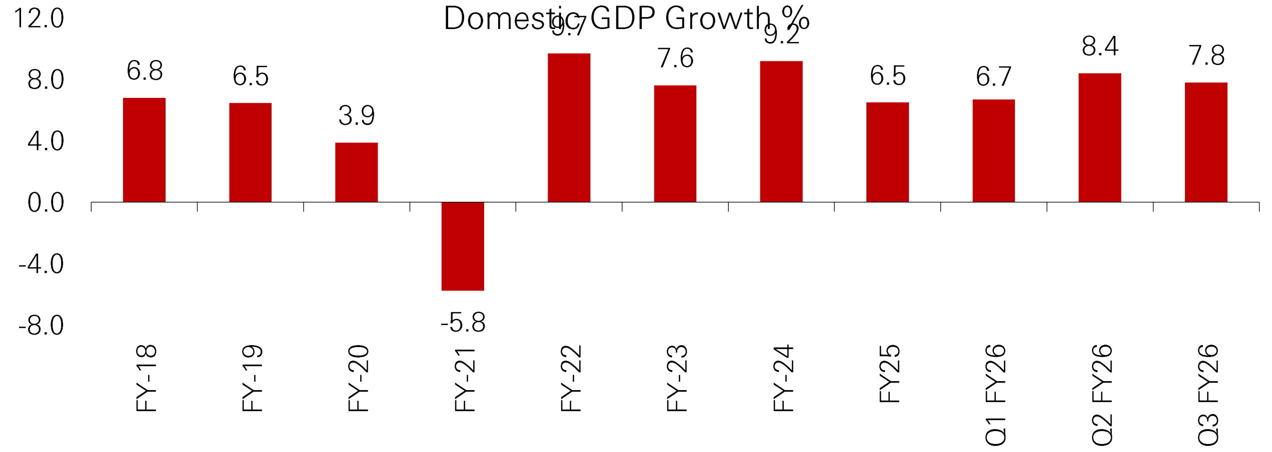
	Indicators	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25
Debt Indicators	Currency in circulation (Rs billion)	41320	40445	39800	39079	38512	38184	38071	38097	38147	38427	38344	37762	36997
	Repo rate	5.25%	5.25%	5.25%	5.25%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	6.00%	6.00%	6.25%
	10-year G-sec yield	7.02%	6.66%	6.70%	6.60%	6.54%	6.53%	6.57%	6.59%	6.38%	6.32%	6.27%	6.36%	6.58%
	Call rate	7.00%	5.12%	4.80%	4.85%	5.50%	5.10%	5.00%	5.45%	4.95%	5.25%	5.75%	6.00%	7.00%
	Forex reserves ($ billion; mthly. avg.)	703	724	696	692	689	699	701	693	698	699	689	682	658
Economy	GDP	NA			7.80%			8.40%			7.80%			7.40%
	Fiscal deficit (Rs billion)	NA	2712.42	1255.65	-1208.29	1515.27	2520.21	-250.3	1297.37	1876.84	2675.69	-1731.69	1863.32	2304.18
	Gross Tax Collections (Rs crore)	NA	177715	257532	647837	222,040	249,036	521,391	251,053	223,901	353,778	243,753	271,478	590,999
	IIP, %y/y	NA	5.20%	4.80%	8.00%	7.20%	0.50%	4.60%	4.10%	4.30%	1.50%	1.20%	2.70%	3.90%
	Exports, $ billion	NA	36.61	36.56	38.51	38.13	34.38	36.38	35.1	37.24	35.14	38.73	38.49	41.97
	Imports, $ billion	NA	63.71	71.24	63.55	62.66	76.06	68.53	61.59	64.59	53.92	60.61	64.91	63.51
	Manufacturing PMI	53.9	56.9	55.4	55.0	56.6	59.2	57.7	59.3	59.1	58.4	57.6	58.2	58.1
	Services PMI	57.5	58.1	58.5	58.0	59.8	58.9	60.9	62.9	60.5	60.4	58.8	58.7	58.5
	GST collections (Rs crore)	200,064	183,609	193,384	174,550	170,276	195,936	189,017	186,315	195,735	184,597	201,050	236,716	196,141
	CPI inflation, % y/y	NA	3.21%	2.75%	1.33%	0.71%	0.25%	1.44%	2.07%	1.61%	2.10%	2.82%	3.16%	3.34%
	WPI inflation, % y/y	NA	2.13%	1.81%	0.83%	-0.32%	-1.02%	0.13%	0.52%	-0.58%	-0.19%	0.39%	0.85%	2.05%
	India crude oil import (mbpd)	NA	19.43	21.094	21.585	21.24	20.9	19.9	19.6	18.9	20.3	21.3	21.0	22.7
Sector update	Auto – Passenger vehicles	NA	9.80%	12.20%	27.90%	18.6%	16.5%	0.20%	-6.90%	2.30%	-6.80%	-0.70%	3.40%	2.4%
	Auto – Two-wheelers	NA	35.20%	26.20%	39.40%	21.2%	2.15%	6.66%	7.14%	8.70%	-3.40%	2.20%	-16.70%	11.4%
	Auto – Commercial vehicles	NA	23.40%	27.30%	28.00%	24.2%	9.87%	25.67%	3.75%	4.60%	-6.00%	-1.00%	-2.10%	-1.0%
	Auto – Tractors	NA	34.20%	43.00%	37.10%	30.1%	14.84%	45.39%	28.30%	8.00%	10.50%	9.10%	7.70%	25.4%
	Banks – Deposit growth	10.80%	12.80%	9.60%	9.40%	10.20%	9.50%	9.50%	10.10%	10.10%	10.40%	10.00%	10.20%	10.60%
	Banks – Credit growth	13.80%	15.50%	9.20%	12.00%	11.40%	11.40%	10.40%	10.20%	9.80%	9.60%	9.80%	10.30%	11.80%
	Infra – Coal	NA	2.30%	3.10%	3.60%	2.10%	-8.50%	-1.20%	11.40%	-12.30%	-6.80%	2.80%	3.5%	1.6%
	Infra – Electricity	NA	0.50%	3.80%	6.30%	-1.50%	-6.90%	3.10%	4.10%	3.70%	-1.20%	-4.70%	1.70%	7.50%
	Infra – Steel	NA	7.20%	9.90%	10.10%	6.70%	5.90%	14.40%	13.60%	16.60%	9.70%	7.40%	4.40%	8.70%
	Infra – Cement	NA	9.30%	10.70%	13.70%	14.60%	5.20%	5.00%	5.40%	11.60%	8.20%	9.70%	6.30%	12.20%

Source – Crisil, Mospi, Financial Websites, RBI, PIB Data as on 31 March 2026.

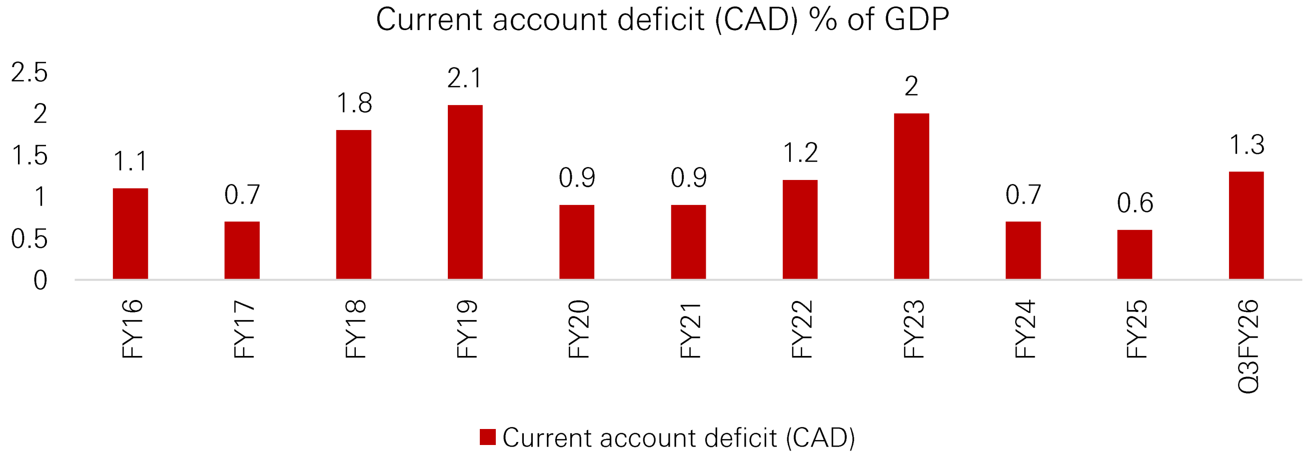
Indian Economic Environment

India's economic outlook positive amid global uncertainty, apprehensions remain

- The Indian economy appears to be on steady footing in spite of the ongoing conflict in West Asia.
- The Reserve Bank of India (RBI) has asserted confidence in the economy's resilience, stating that improved macroeconomic stability and a stronger financial sector provide ample buffers against external shocks.
- Crisil, too, has projected the country's real gross domestic product to expand a strong 7.1% in fiscal 2027, with increased private consumption and mild pick-up in private investment negating global trade tensions, US tariff actions and geopolitical frictions.
- A contrarian view, though, has been voiced by the Organisation for Economic Co-operation and Development, which has lowered the country's fiscal 2027 growth forecast to 6.1% from its previous projection of 6.2%, citing the impact of rationing of natural gas on production activity as well as the possibility of reduced fiscal support.



Gross domestic product eased 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 31 March 2026 (GDP for FY18 to FY23 has base year 2011-12, while FY24, 25, and 26 has base year 2022-23)
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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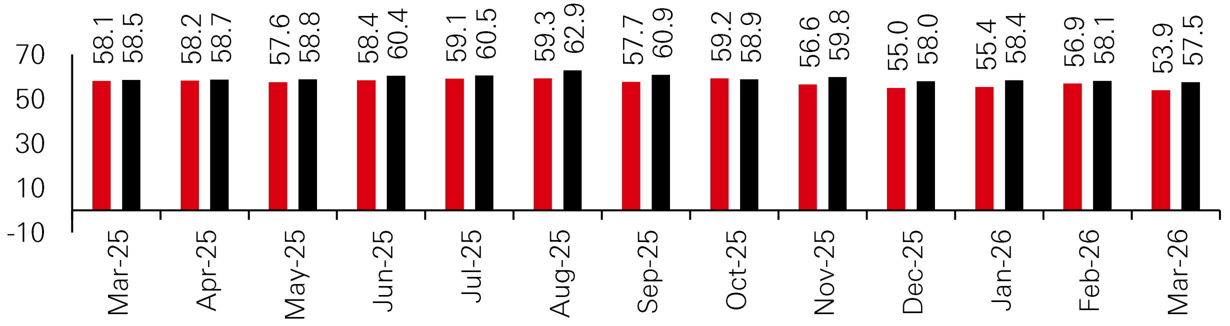
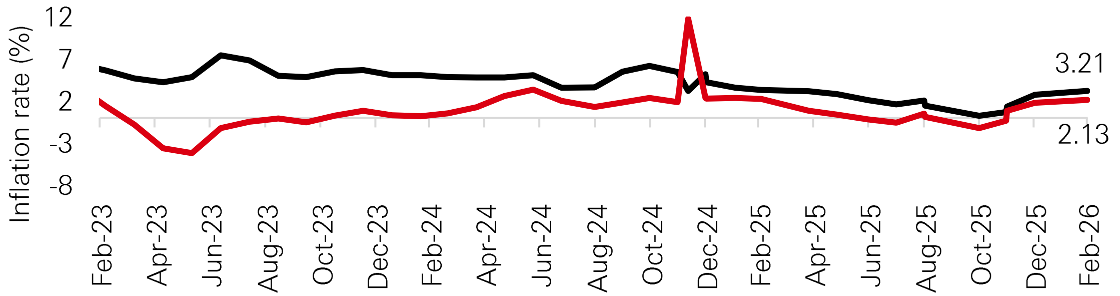
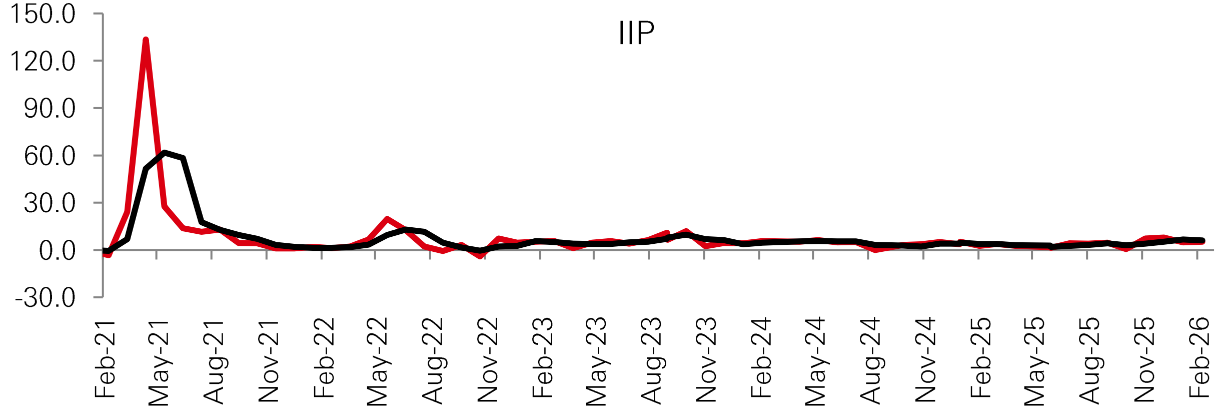
Indian Economic Environment



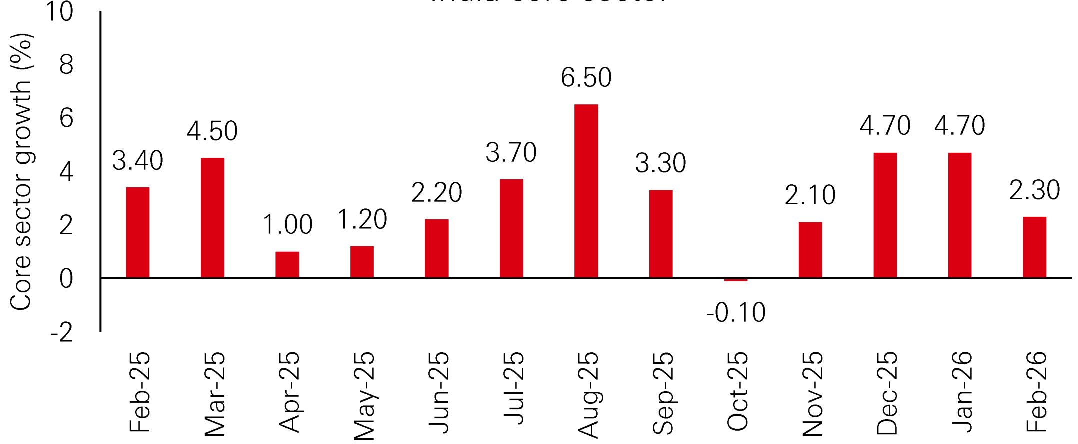
Domestic manufacturing activity and services activity eased in March



Retail inflation and wholesale inflation rose in February



Industrial output growth rose in February



Core sector growth eased in February

Source –Crisil, Trading Economics, MOSPI, EAI, Data as on 31 March 2026, RBI- Reserve Bank of India GDP- Gross Domestic Product.
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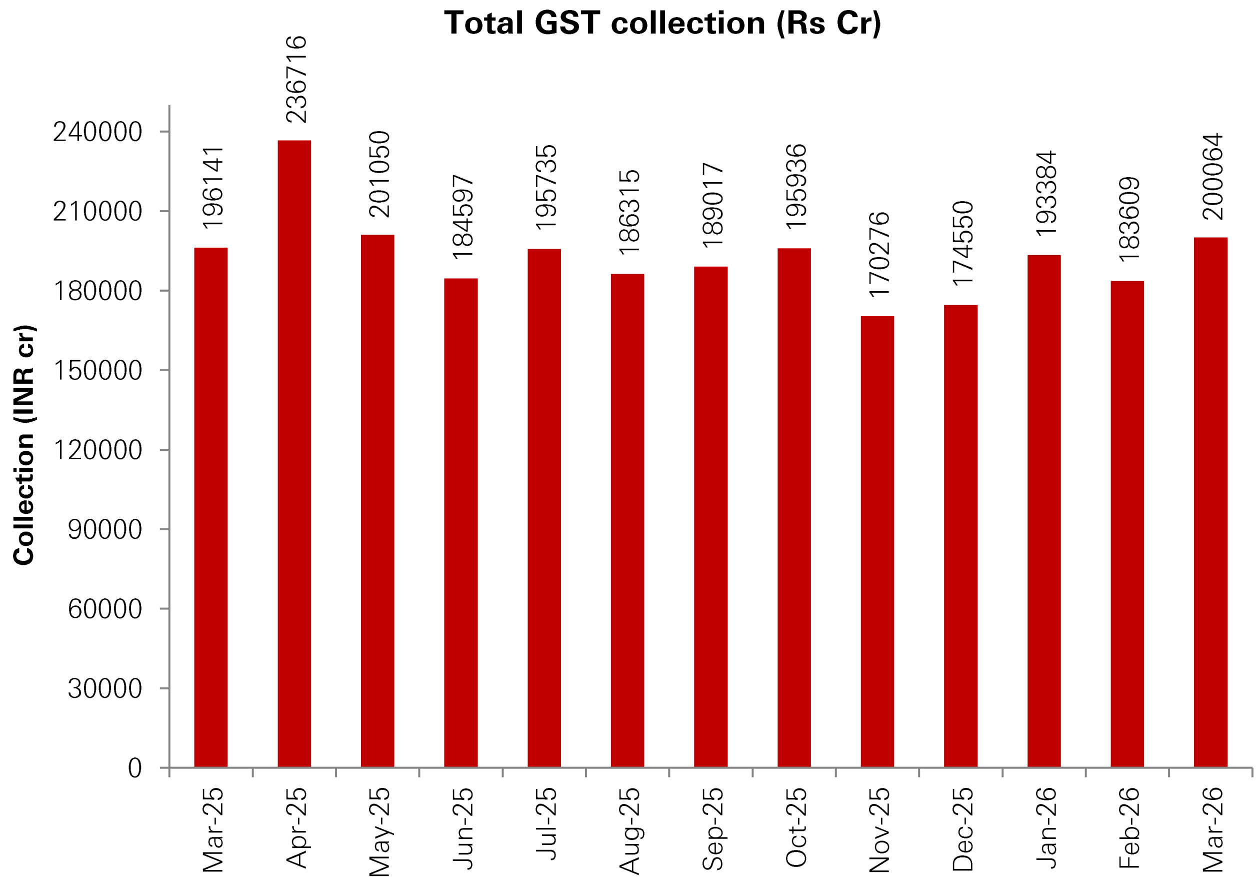
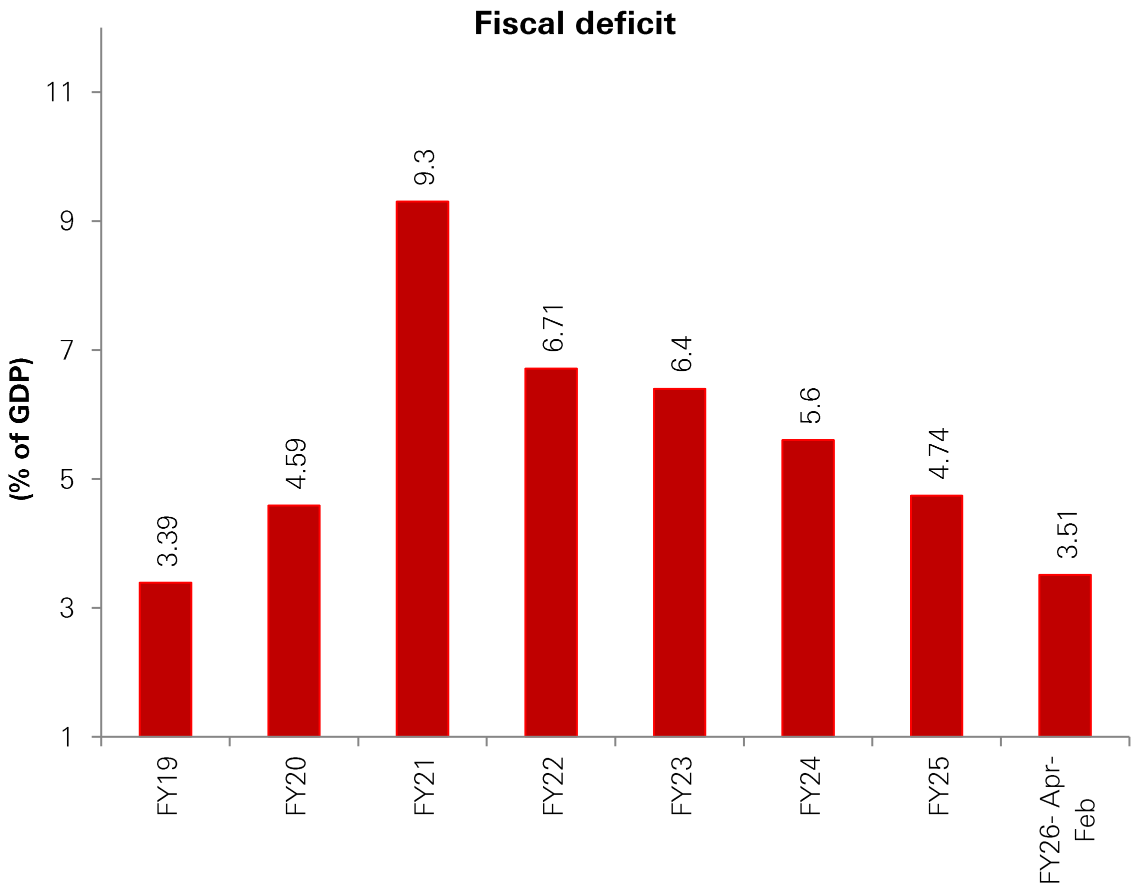
GST collection INR 2.00 lakh crore in March





As per reports, the government collected INR 2.00 lakh crore goods and services tax (GST) for the month of March.
Fiscal deficit for Apr-Feb period stood at 3.51% of estimated GDP for FY26.

Source- Crisil, gst.gov.in, Data as on 31 March 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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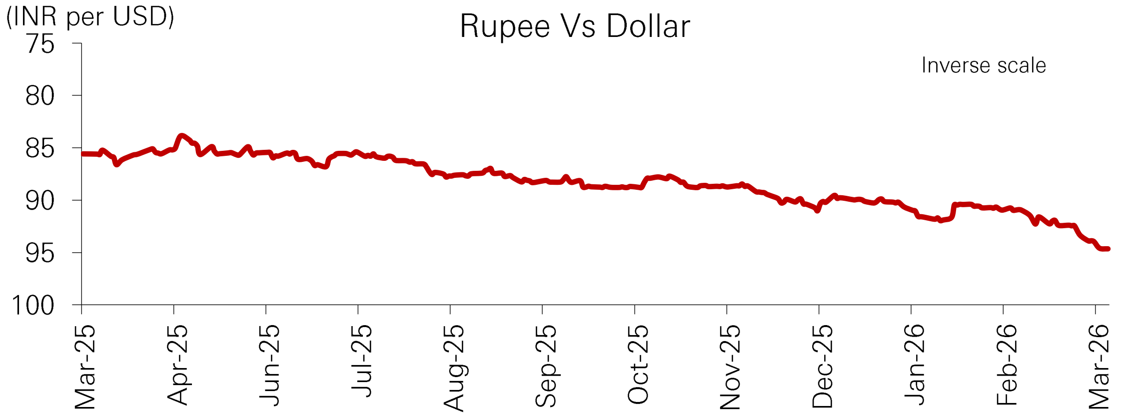
Currency & Commodity market update

Forex Market Review

Rupee ended lower in March

- The West Asia conflict led to severe oil supply and trade disruptions throughout March 2026. Heightened concerns about a possible energy crisis, coupled with persistent capital outflows and a stronger greenback, pushed the Indian rupee past the psychological barrier of 95 a dollar.
- The domestic unit eventually closed the month at Rs 94.65a dollar, reflecting a 4.1% fall compared with Rs 90.95 in the end of February. This was the worst monthly depreciation since 2020, the pandemic-affected year. In fiscal 2026, the rupee recorded a ~11% fall, marking its steepest decline in 14 years.
- However, the rupee made some early gains on improved sentiments following the Reserve Bank of India’s (RBI) Monetary Policy Committee’s neutral stance in March and optimism surrounding the India-US trade deal. Additionally, the RBI’s liquidity infusion measures helped generate some gains during the first half of March. However, these were insufficient to help the local unit withstand pressures caused by rising crude oil prices and persistent demand for the dollar from importers and corporates to deal with supply shocks amid escalating geopolitical uncertainties.

Rupee Movement V/s Global Currencies				
	30-Mar-26	**27-Feb-26**	**Change**	**% Change**
USD	94.65	90.95	3.70	4.07%
GBP	125.63	122.54	3.09	2.52%
EURO	109.01	107.37	1.64	1.53%
100 YEN	59.25	58.34	0.91	1.56%



Rupee declined due to worries over possible energy crisis

Source: RBI, Crisil. Data as on 31 March 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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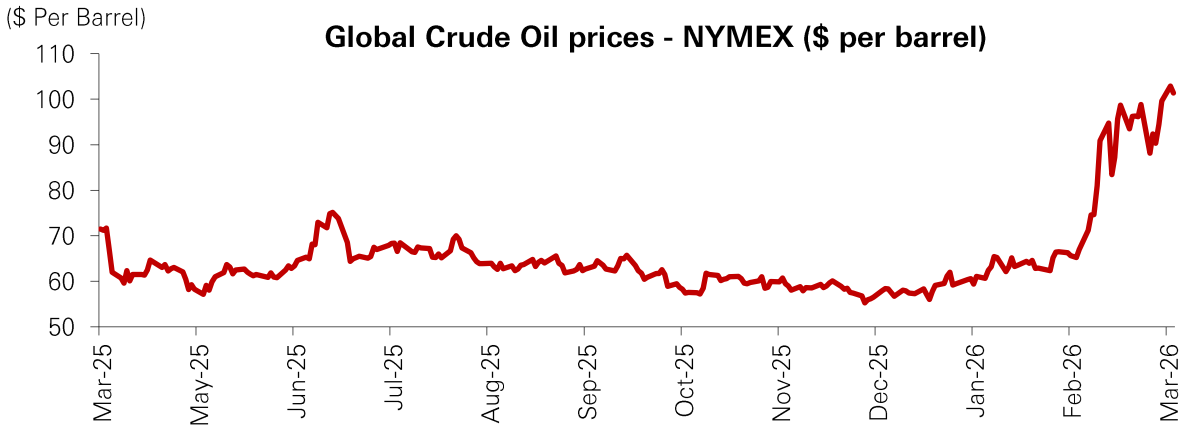
Commodity Market Review

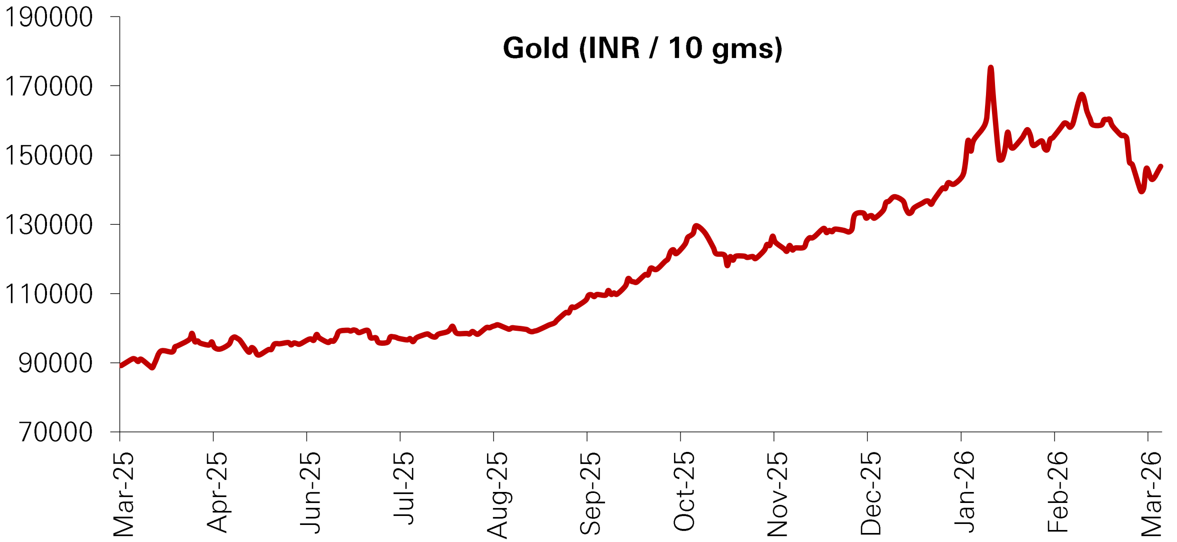
International crude oil prices rose in March

- Crude oil prices on the New York Mercantile Exchange closed at $101.38 per barrel on March 31, up 51.27% from $67.02 per barrel on February 27.
- Brent crude also closed 62.41% higher at $118.35 per barrel from $72.87 per barrel.
- The market was highly volatile, influenced by the escalating Middle East conflict, which repeatedly threatened global oil supplies and fuelled concerns over potential disruptions.



Domestic gold prices declined in March

- Gold prices ended at Rs 1,46,733 per 10 gm on March 30, down 7.77% from Rs 1,59,097 per 10 gm on February 27, as reported by the India Bullion and Jewellers Association
- The prices declined largely in March as a stronger US dollar and intermittent profit-booking kept prices under pressure
- However, renewed geopolitical tensions and risk-off sentiment provided some support, helping limit deeper losses
- Despite brief recoveries, overall price momentum remained weak amid persistent uncertainty around geopolitical tensions



Source – Crisil, NYMEX. IBJA Data as on 31 March 2026.
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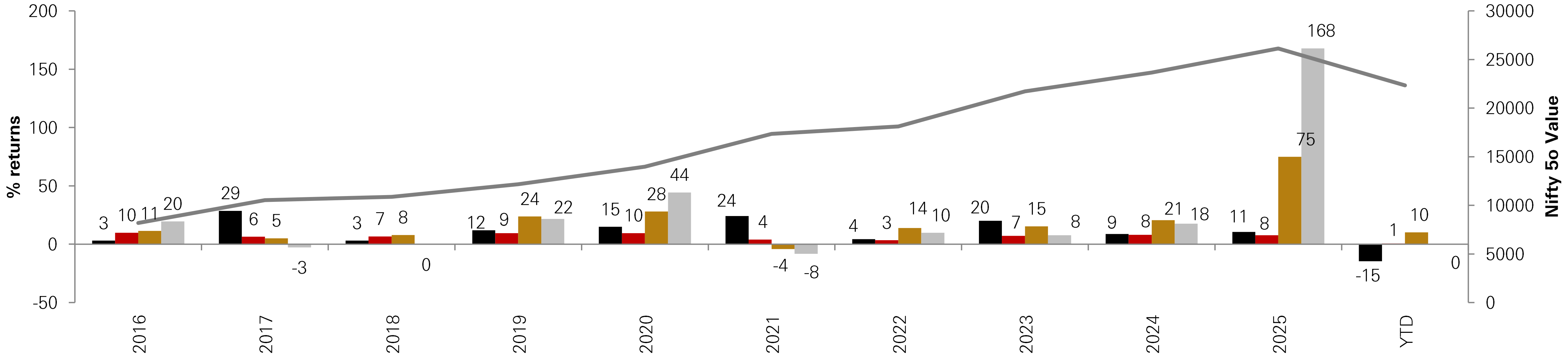
Asset Performance

History of asset classes through major events

Calender 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

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

Coronavirus-led global lockdown

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) and MCX
Source: NSE, CRISIL, Data as on 31 March 2026, Past performance may or may not be sustained in future and is not a guarantee of any future returns.
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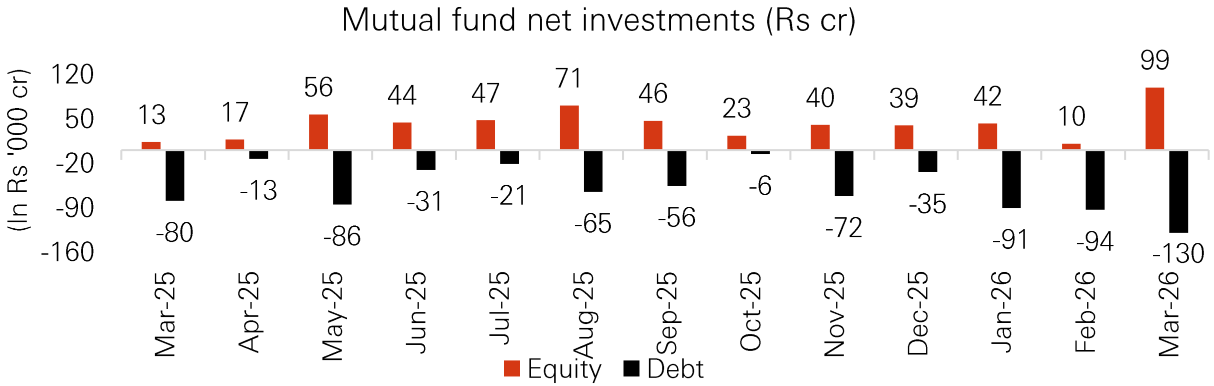
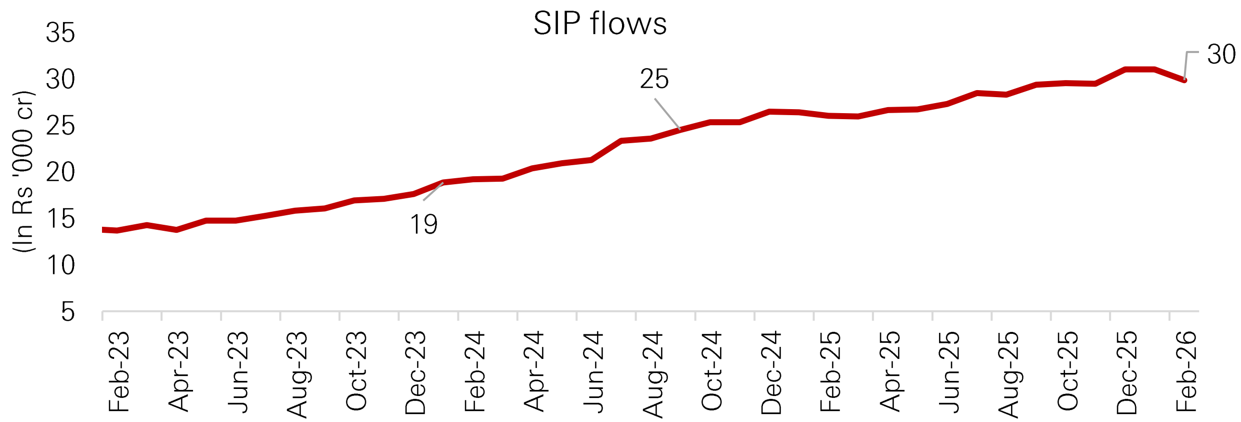
Market sentiment in March 2026

Mutual funds net buyers in equity and sellers in debt



- Mutual funds were net buyers of Rs 99 thousand crore in equities in March 2026, higher than Rs 10 thousand crore in February 2026. The net sellers in debt at Rs 130 thousand crore compared to the selling of Rs 94 thousand crore.

Inflows through SIPs eased in February 2026



- Collections through systematic investment plans (SIP) eased to Rs 29,845 crore in February 2026 compared Rs 31,002 crore in January 2026. The number of SIP accounts eased to 9.44 crore from 9.92 crore.

Source: Crisil, AMFI, Data as on 31 March 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
8-Apr-26	US FOMC Minutes	-
	India RBI Interest Rate Decision	5.25%
9-Apr-26	US GDP Price Index QoQ Final Q4	3.7%
10-Apr-26	US Inflation Rate, Mar	2.4%
14-Apr-26	India WPI Inflation, Mar	2.13%
15-Apr-26	Indian Balance of Trade, Mar	$-27.1B
	India Inflation Rate, Mar	3.21%
16-Apr-26	UK GDP, Feb	0.8%
20-Apr-26	China Loan Prime Rate 1Y / 5Y Apr	-
	India Infrastructure Output, Mar	2.3%
21-Apr-26	UK Inflation Rate, Mar	3%
28-Apr-26	Japan BoJ Interest Rate Decision	0.75%
	India Industrial Production, Mar	5.2%
	India Manufacturing Production, Mar	6%
29-Apr-26	US Fed Interest Rate Decision	3.75%
30-Apr-26	US GDP Growth Rate QoQ Adv Q1	-
	UK BoE Interest Rate Decision	-

Source: Crisil, Data as on 31 March 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'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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