

EQUITY MARKET UPDATE

March 2026



Global Market Update

Indices	Index Movement in Feb-26	Current PE	10 Yr Average
*US	0.2	24.4	19.5
UK	6.7	16.7	14.4
Japan	10.4	22.7	20.0
Hong Kong	-2.8	13.5	11.5
Singapore	1.8	16.9	14.0
China	-4.9	12.1	8.9

Data Source: Axiscap Research & Crisil Research; Data till February 28, 2026. PE: Price to Equity Ratio. *US Dow Jones Industrial Average is considered.

- US economy slowed down to an annualised 1.4% in Q4CY25, from 4.4% in Q3CY25. Fed maintained funds rate at 3.5-3.75% in its Jan-26 meeting after three consecutive cuts
- Eurozone GDP expanded 1.3% on-year in Q4CY25 against 1.4% in Q3CY25. ECB maintained its key interest rate at 2.15% in Feb-26 meeting, maintaining the main refinancing rate at 2.15% and deposit facility rate at 2.0%
- UK economy expanded 1.0% on-year in Q4CY25 vs a downward revised 1.2% in Q3CY25. BoE held rates unchanged at 3.75% to balance easing inflation pressure against weakening economy
- Japanese economy grew annualised 0.2% in Q2CY25, compared to revised 2.6% contraction in Q3CY25. BoJ held its key short-term interest rate at 0.75%, ahead of Feb-26 general elections
- PBoC left its benchmark lending rates unchanged for a ninth consecutive month in Feb-26, a signal that policymakers were not in a hurry to introduce broad monetary easing after recent targeted measures. LPR held at 3.0%, while five-year LPR, remained at 3.5%.

(Source: CRISIL Research. US: United States, ECB: European Central Bank; PBoC: People's Bank of China; UK: United Kingdom; GDP: Gross Domestic Product, BoJ: Bank of Japan, LPR: Loan Prime Rate)



Indian Market Update

Indices	Index Movement in Feb-26	Current PE	10 Yr Average
BSE Sensex	-1.2	23.1	24.0
BSE Small Cap	0.5	26.9	29.5
BSE Auto	4.9	33.5	28.3
BSE Bankex	1.6	15.9	21.4
BSE Capital Goods	5.7	50.0	38.3
BSE Consumer Durables	7.0	62.7	56.0
BSE FMCG	0.0	35.3	37.5
BSE Healthcare	6.2	37.3	31.8
BSE IT	-18.7	21.2	25.2
BSE Metals	4.1	22.1	12.9
BSE Mid Cap	1.0	30.3	30.6
BSE Oil & Gas	5.3	10.4	10.8
BSE PSU	4.3	12.3	11.3
BSE Realty	-0.6	34.4	46.5

Data Source: Axiscap Research & Crisil Research; * Data till February 28, 2026 is considered

INDEX PERFORMANCE

- Indian equities ended marginally lower in Feb-26, navigating a volatile environment shaped by domestic policy developments and global uncertainties. Investor focus remained on the budget, which reinforced growth expectations and policy continuity, supporting market sentiment. Stable domestic inflation prints also guided expectations around policy moves by the RBI.
- Both benchmark indices saw marginal dip. The BSE Sensex dropped 1.19% to settle at 81,287 points, while the Nifty 50 rose 1.03% to end at 25,179.
- Markets also witnessed phases of recovery driven by resilience in domestic flows and expectations of continued policy stability. Later in the month, the US Supreme Court's ruling on tariffs contributed to global market movements and influenced investor positioning.
- The upside remained limited by persistent foreign fund outflows and profit-booking at higher levels. Stronger-than-expected global economic data reduced expectations of near-term rate cuts, while rising crude oil prices intermittently pressured sentiment due to concerns around inflation
- Most key sectoral indices rose in February. The BSE Power gained 9.77%, the BSE Consumer Durables and the BSE Healthcare advanced 7.17% and 6.45%, respectively

(Source: BSE and Crisil Research, US: United States, GST: Goods & Services Tax, MPC: Monetary Policy Committee. FI: Foreign Institutional Investment)

INFLATION:

CPI inflation went up to 2.75% on-year in January-26 from 1.33% in December-25

India's WPI inflation went up to 1.81% in January-26, compared with 0.83% in December-25

(Source: CRISIL Research; CPI: Consumer Purchase Index; WPI: Wholesale Price Index)



Indian Market Update

Flows	Feb-26	Jan-26	Dec-25
*FPI (Net Purchases / Sales) (Rs Cr)	22,614	-35,962	-22,600
MFs (Net Purchases / Sales) (Rs cr)	-2,842	36,648	33,781

Earnings Growth (%) (Consolidated)	FY26E	FY27E	FY28E
Sensex	1.4	14.7	15.9

Macro Indicators	Latest Update	Previous Update
GDP (YoY%)	7.8% (Q3FY26)	8.2% (Q3FY26)
IIP (YoY%)	4.8% (Jan 2026)	7.8% (December 2025)
Crude (\$ bbl)	72.9 (Feb 28)	69.3 (Jan 31)
Core Sector Growth (YoY%)	4.0% (Jan 2026)	3.7% (December 2025)
#Trade Deficit (\$ mn)	-34,678 (Jan 2025)	-25,040 (December 2025)
Current Account Deficit (\$ bn)	-12.3 (Q2FY26)	-2.7 (Q1FY26)

Note: Data Source: Axiscap Research and Crisil Research; *Sourced from NSDL
 Data till Feb 28, 2026 is considered. CAD: Current Account Deficit; GDP: Gross Domestic Product, IIP: India Industrial Production; FPI: Foreign Portfolio Investment; MF-Mutual Fund; E-Estimate; FY: Financial Year. #Only merchandise Trade balance has been considered



DOMESTIC & GLOBAL DEVELOPMENTS

- Indian GDP grew 7.8% on-year in Q3FY26, compared with 8.4% in the last quarter
- In terms of gross value added, the economy grew 7.8% vs 8.6%
- Indian GDP, which expanded 6.5% on-year in FY25, is expected to expand at 7.4% in FY26. Risks to trade, moderating fiscal support and the waning benefits of statistical factors will weigh on growth next fiscal. At 6.7%, growth for FY27 will remain marginally above the pre-pandemic decadal trend rate of 6.6%, on account of healthy consumption, supportive monetary policy, a mild improvement in private investment and low crude oil prices.
- DIIs picked up equities worth Rs 209 billion in Feb-26 compared with 623 billion in Jan-26 supporting market. FPIs bought equities worth Rs 226 billion in Feb-26, following selling of Rs 209 billion in Jan-26.
- Inflation is set to rise due to the low base effect on food inflation. However, softer global commodity prices will help keep inflation within the RBI's target band of 2-6%. The impact of the rate revision in the will extend into the first half of fiscal 2027.

(Source: Crisil Research and NSDL. DI: Domestic Institutional Investor, FY: Financial year; GDP: Gross Domestic Product; FPI: Foreign Portfolio Investor, FI: Foreign Institutional Investment, GST: Goods & Services Tax)



Outlook & Triggers

Global Update: Global Update: U.S. benchmark equity index experienced a volatile month, ultimately stalling near record highs as a rotation away from mega-cap AI stocks took hold. S&P 500 slipped 0.9% in Feb 2026 and the Nasdaq100 fell 2.3%. In the UK, the FTSE 100 index rallied 6.7%, hitting new highs driven by resilient company earnings and a rotation into cyclical "old economy" sectors. The Stoxx600 of Europe experienced significant volatility, reaching record highs before retreating due to geopolitical tensions and energy sector concerns. The index rose 3.7% in Feb 2026.

China's equity markets experienced a 'slow bull' trend, aiming for a sustainable rally through curbs over speculative activity. Property stocks faced pressure, while tech and AI sectors saw gains, supported by strong global tech earnings. The Shanghai Composite index rallied 1.1% in Feb 2026. Japan's Nikkei225 index surged over 10% to breach 59,000 for the first time due to investor optimism over Prime Minister Sanae Takaichi's landslide election victory and expected fiscal stimulus.

India Update: The Indian equity market declined for the third consecutive month; this time due to rising geopolitical tensions between Iran and the US and persistent concerns over AI-led disruption. FPIs invested Rs.22,615 crores in Feb 2026 compared to net outflow of Rs.35,962 crores in Jan 2026. (Source: NSDL)

Market barometers BSE Sensex and NSE Nifty50 slipped 1.2% and 0.6%, respectively, on-month in Feb 2026. Sector-wise, BSE Power (+9.0%), BSE Consumer Durables (+7.0%) and BSE Healthcare (+6.2%) were leaders, whereas, BSE Infotech (-18.7%), BSE Realty (-0.6%) and BSE FMCG (-0%) were laggards. (Source: BSE)

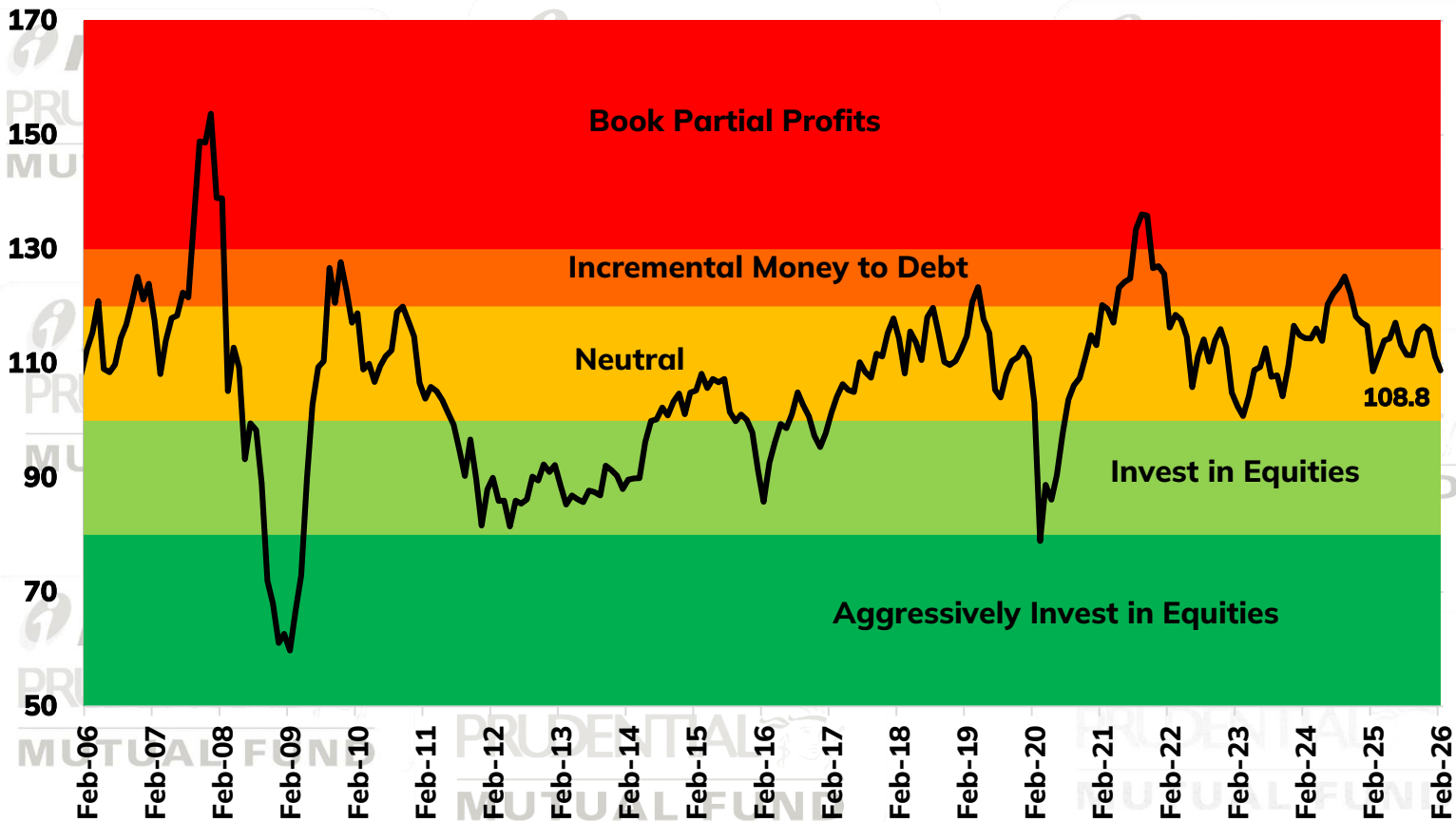
Our view going forward:

- On a macro level, Fiscal Deficit is well under control, inflation outlook is benign given supply side reforms, demand environment continues to remain robust
- GDP data for Q3FY26 came in at 7.8% highlighting the sustained resilience & strengthening of Indian economy
- Indian markets have underperformed global peers significantly in recent times, cooling-off valuations. Rupee has also depreciated – making a case for FI comeback
- However, despite recent corrections from its peak in 2024, the overall market valuations continue to remain in the neutral zone.
- While the narrative around India's long term structural growth continues to remain positive, there may be minor hiccups in the interim due to – geo-political tensions, complex trade dynamics, choppy FI flows, soaring global valuations & volatile macros
- We continue to recommend investing in hybrid / multi asset allocation schemes to manage anticipated interim volatility
- If investing in equities for long term, we recommend schemes with flexibility to maneuver dynamically across sectors / market cap

U.S. – United States of America; US Fed: Federal Reserve of US; FY: Financial year. FI – Foreign Portfolio Investor. AI – Artificial Intelligence.



Equity Valuation Index



Equity Valuation index is calculated by assigning equal weights to Price-to-Earnings (PE), Price-to-Book (PB), G-Sec*PE and Market Cap to GDP ratio. G-Sec – Government Securities. GDP – Gross Domestic Product, Data as on February 28, 2026. Equity Valuation Index (EVI) is a proprietary model of ICICI Prudential AMC Ltd. (the AMC) used for assessing overall equity market valuations. The AMC may also use this model for other facilities/features offered by the AMC and any other factor which the AMC may add/delete from time to time.

Our Recommendation

Market is expected to remain volatile due to various macro situations. Hence we recommend schemes with flexibility to invest across Asset Classes, Market Cap & Sectors/ themes

Asset Allocation Flexibility

HYBRID

1. ICICI Prudential Equity & Debt Fund
2. ICICI Prudential Multi-Asset Fund
3. ICICI Prudential Balanced Advantage Fund
4. ICICI Prudential Equity Savings Fund
5. ICICI Prudential Dynamic Asset Allocation Active FOF (erstwhile ICICI Prudential Asset Allocator Fund (FoF))

Flexibility across Marketcap/Sector/Theme

1. ICICI Prudential Business Cycle Fund
2. ICICI Prudential Flexicap Fund
3. ICICI Prudential Thematic Advantage Fund (FOF)

SIP/STP Strategy

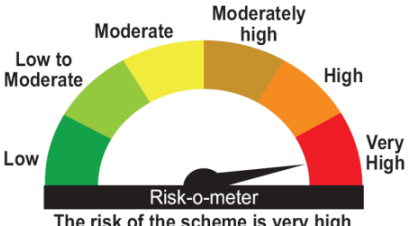
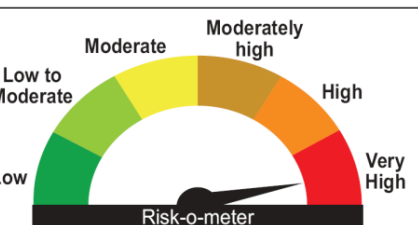
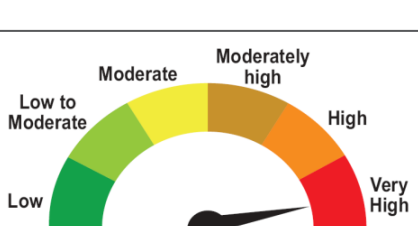
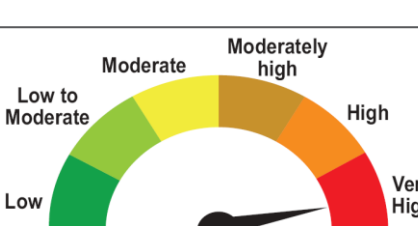
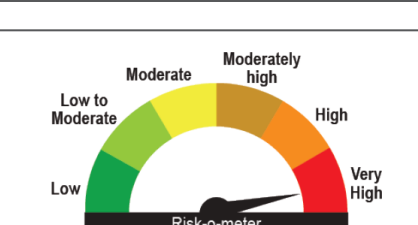
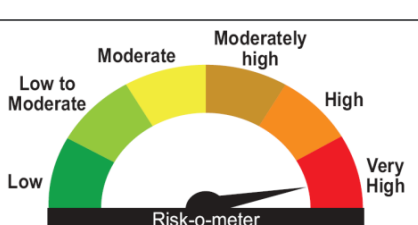
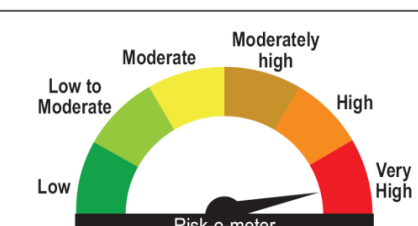
Continue SIP/STP as the long term structural story of India remains intact, strongly recommend ICICI Prudential Booster STP#

Recommended Schemes

1. ICICI Prudential Value Fund (erstwhile ICICI Prudential Value Discovery Fund)
2. ICICI Prudential India Opportunities Fund
3. ICICI Prudential Large & Mid Cap Fund
4. ICICI Prudential Multicap Fund
5. ICICI Prudential ELSS Tax Saver Fund
6. ICICI Prudential Focused Equity Fund

*ICICI Prudential Booster Systematic Transfer Plan (STP) is a facility where in unitholder (s) can opt to transfer variable amount(s) from designated open ended Scheme(s) of ICICI Prudential Mutual Fund to the designated open ended Scheme(s) of ICICI Prudential Mutual Fund. This feature does not in any way give assurance of the performance of any of the Schemes of ICICI Prudential Mutual Fund or provide any guarantee of returns through Transfer plans. Booster STP allows Investors to transfer the amount to Target Scheme basis the EVI calculated and corresponding Trigger Value to the same. Please read the terms & conditions in the application form before investing or visit www.iciciprumpf.com. SIP: Systematic Investment Plan, STP: Systematic Transfer Plan. None of the aforesaid recommendations are based on any assumptions. These are purely for reference and the investors are requested to consult their financial advisors before investing. Investors may please note that they will be bearing the recurring expenses of the relevant fund of funds scheme in addition to the expenses of the underlying schemes in which the fund of funds scheme makes investment.

Scheme Riskometers

<p>ICICI Prudential Multi-Asset Fund (An open ended scheme investing in Equity, Debt and Exchange Traded Commodity Derivatives/units of Gold ETFs/units of Silver ETFs/units of REITs & InvITs/Preference shares) is suitable for investors who are seeking*:</p>	 <p>The risk of the scheme is very high</p>
<ul style="list-style-type: none"> • Long term wealth creation • An open ended scheme investing across asset classes. 	
<p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	
<p>ICICI Prudential Value Fund (erstwhile ICICI Prudential Value Discovery Fund) (An open ended equity scheme following a value investment strategy.) is suitable for investors who are seeking*:</p>	 <p>The risk of the scheme is very high</p>
<ul style="list-style-type: none"> • Long Term wealth creation • An open ended equity scheme following a value investment strategy. 	
<p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	
<p>ICICI Prudential Business Cycle Fund (An open ended equity scheme following business cycles based investing theme) is suitable for investors who are seeking*:</p>	 <p>The risk of the scheme is very high</p>
<ul style="list-style-type: none"> • Long Term wealth creation • An equity scheme that invests in Indian markets with focus on riding business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles. 	
<p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	
<p>ICICI Prudential Flexicap Fund (An open ended dynamic equity scheme investing across large cap, mid cap & small cap stocks) is suitable for investors who are seeking*:</p>	 <p>The risk of the scheme is very high</p>
<ul style="list-style-type: none"> • Long Term wealth creation • An open ended dynamic equity scheme investing across large cap, mid cap and small cap stocks 	
<p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	
<p>ICICI Prudential Balanced Advantage Fund (An open ended dynamic asset allocation Fund) is suitable for investors who are seeking*:</p>	 <p>The risk of the scheme is very high</p>
<ul style="list-style-type: none"> • Long term capital appreciation/income • Investing in equity and equity related securities and debt instruments. 	
<p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	
<p>ICICI Prudential Focused Equity Fund (An open ended equity scheme investing in maximum 30 stocks across market- capitalisation i.e. focus on multicap) is suitable for investors who are seeking*:</p>	 <p>The risk of the scheme is very high</p>
<ul style="list-style-type: none"> • Long Term wealth creation • An open ended equity scheme investing in maximum 30 stocks across market-capitalisation. 	
<p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	
<p>ICICI Prudential Equity & Debt Fund (An open ended hybrid scheme investing predominantly in equity and equity related instruments) is suitable for investors who are seeking*:</p>	 <p>The risk of the scheme is very high</p>
<ul style="list-style-type: none"> • Long Term wealth creation solution • A balanced fund aiming for long term capital appreciation and current income by investing in equity as well as fixed income securities. 	
<p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	

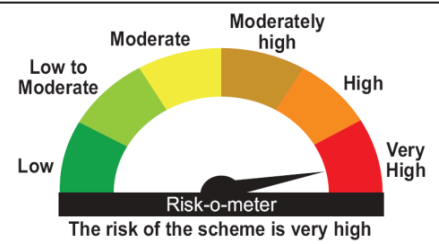
Please note that the Risk-o-meter(s) specified above will be evaluated and updated on a monthly basis. The above riskometers are as on Jan 31, 2026. Please refer to <https://www.icicipruamc.com/news-and-updates/all-news> for more details.

Scheme Riskometers

ICICI Prudential Large & Mid Cap Fund (An open ended equity scheme investing in both large cap and mid cap stocks) is suitable for investors who are seeking*:

- Long term wealth creation
- An open ended equity scheme investing in both large cap and mid cap stocks

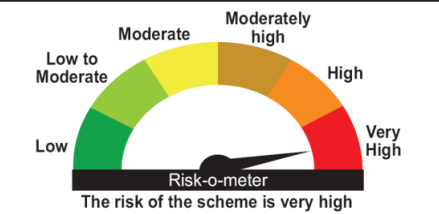
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



ICICI Prudential India Opportunities Fund (An open ended equity scheme following special situations theme) is suitable for investors who are seeking*:

- Long term wealth creation
- An equity scheme that invests in stocks based on special situations theme

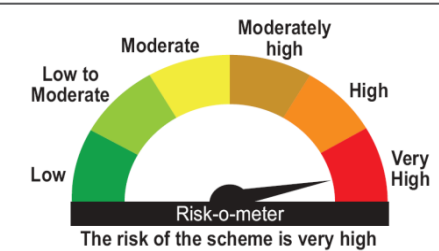
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



ICICI Prudential Multicap Fund (An open ended equity scheme investing across large cap, mid cap, small cap stocks) is suitable for investors who are seeking*:

- Long Term wealth creation
- An open ended equity scheme investing across large cap, mid cap and small cap stocks

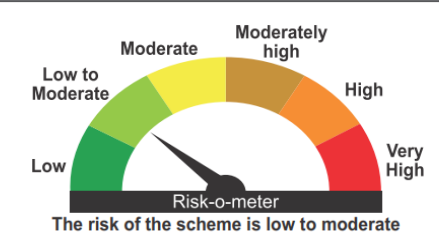
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



ICICI Prudential Equity Savings Fund (An open ended scheme investing in equity, arbitrage and debt) is suitable for investors who are seeking*:

- Long Term wealth creation
- An open ended scheme that seeks to generate regular income through investments in fixed income securities, arbitrage and other derivative strategies and aim for long term capital appreciation by investing in equity and equity related instruments.

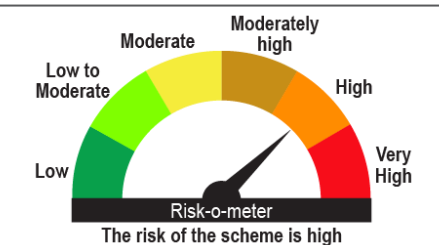
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



#ICICI Prudential Dynamic Asset Allocation Active FOF (erstwhile ICICI Prudential Asset Allocator Fund (FoF)) (An open ended Fund of Funds scheme investing dynamically in units of active equity and debt oriented schemes.) is suitable for investors who are seeking*:

- Long term wealth creation
- An Open-ended Fund of Funds scheme investing dynamically in units of active equity and debt oriented mutual fund schemes.

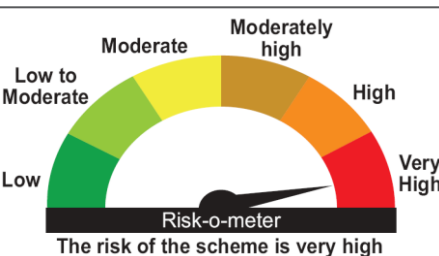
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



ICICI Prudential Thematic Advantage Fund (FOF) (An open ended fund of funds scheme investing predominantly in Sectoral / Thematic schemes.) is suitable for investors who are seeking*:

- Long Term wealth creation
- An open ended fund of funds scheme investing predominantly in Sectoral / Thematic equity oriented schemes

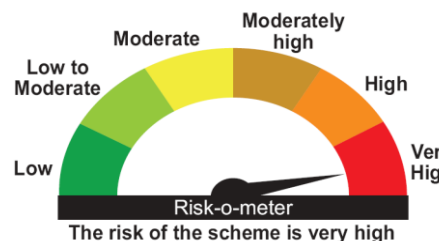
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



ICICI Prudential ELSS Tax Saver Fund (Erstwhile ICICI Prudential Long Term Equity Fund (Tax Saving)) (An open ended Equity Linked Savings Scheme with a statutory lock in of 3 years and tax benefit) is suitable for investors who are seeking*:

- Long Term wealth creation solution
- An Equity Linked Savings Scheme that aims to generate long term capital appreciation by primarily investing in equity and related securities and provides tax benefit under section 80C of Income Tax Act, 1961.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



Please note that the Risk-o-meter(s) specified above will be evaluated and updated on a monthly basis. The above riskometers are as on Jan 31, 2026. Please refer to <https://www.icicpruamc.com/news-and-updates/all-news> for more details. Investors may please note that they will be bearing the recurring expenses of the relevant fund of funds scheme in addition to the expenses of the underlying schemes in which the fund of funds scheme makes investment. #Pursuant to SEBI's framework on Fund of Fund schemes, features of the scheme have been modified w.e.f from November 25, 2025. Kindly refer to the AMC's website for detailed information.

Disclaimer

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

Disclaimer: In the preparation of the material contained in this document, the AMC has used information that is publicly available, including information developed in-house. Some of the material(s) used in the document may have been obtained from members/persons other than the AMC and/or its affiliates and which may have been made available to the AMC and/or to its affiliates. Information gathered and material used in this document is believed to be from reliable sources. The AMC however does not warrant the accuracy, reasonableness and / or completeness of any information. We have included statements / opinions / recommendations in this document, which contain words, or phrases such as “will”, “expect”, “should”, “believe” and similar expressions or variations of such expressions, that are “forward looking statements”. Actual results may differ materially from those suggested by the forward looking statements due to risk or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risks, general economic and political conditions in India and other countries globally, which have an impact on our services and / or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices etc. ICICI Prudential Asset Management Company Limited (including its affiliates), the Mutual Fund, The Trust and any of its officers, directors, personnel and employees, shall not liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this material in any manner. Further, the information contained herein should not be construed as forecast or promise. The recipient alone shall be fully responsible/are liable for any decision taken on this material.

The information contained herein is only for the purpose of information and not for distribution and do not constitute an offer to buy or sell or solicitation of any offer to buy or sell any securities or financial instruments in the United States of America ("US") and/or Canada or for the benefit of US persons (being persons falling within the definition of the term "US Person" under the US Securities Act, 1933, as amended) or persons residing in Canada.