

EQUITY MARKET UPDATE

February 2026



Global Market Update

Indices	Index Movement in Jan-26	Current PE	10 Yr Average
*US	1.7	25.3	19.4
UK	2.9	15.4	14.4
Japan	5.9	22.6	20.0
Hong Kong	6.9	13.9	11.5
Singapore	5.6	15.2	13.9
China	4.5	12.7	8.9

- US economy accelerated to an annualised 4.3% in Q3FY25, from 3.8% in Q2FY25. Fed maintained funds rate at 3.5-3.75% in its Jan-26 meeting after three consecutive cuts
- Eurozone economy slowed to 0.3% on-year in Q4FY25, from 1.4% in Q3FY25. ECB left borrowing costs unchanged in Dec-25, maintaining main refinancing rate at 2.15% and the deposit facility rate at 2.0%
- UK economy moderated to 1.3% on-year in Q3FY25 from 1.4% in Q2FY25. BoE held bank rate at 3.75% in Jan-26 meet, awaiting clearer picture on inflation
- Japanese economy contracted 2.3% in Q3FY25, against 2.1% expansion in Q2FY25. BoJ held its key short-term interest rate by at 0.75% at its Jan-26 meeting
- PBoC kept key lending rates at record lows for the eighth consecutive month in Jan-26. The one-year LPR remained at 3.0%, while five-year LPR was unchanged 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)

Data Source: Axiscap Research & Crisil Research; Data till January 31, 2026. PE: Price to Equity Ratio. *US Dow Jones Industrial Average is considered.



Indian Market Update

Indices	Index Movement in Jan-26	Current PE	10 Yr Average
BSE Sensex	-3.5	23.6	24.0
BSE Small Cap	-6.3	27.9	29.5
BSE Auto	-5.2	31.3	28.2
BSE Bankex	0.5	15.9	21.4
BSE Capital Goods	-0.7	48.8	38.3
BSE Consumer Durables	-7.8	59.8	55.2
BSE FMCG	-7.9	35.7	37.5
BSE Healthcare	-5.6	36.7	31.7
BSE IT	-0.3	26.1	25.2
BSE Metals	5.5	22.3	12.9
BSE Mid Cap	-3.8	32.0	30.4
BSE Oil & Gas	-2.1	10.9	10.8
BSE PSU	4.5	12.6	11.3
BSE Realty	-10.3	36.5	46.4



INDEX PERFORMANCE

- Jan-26 began positively, with Indian equities seeing early gains because of strong auto sales, optimism about 3QFY25 earnings and some positive global cues. However, optimism eventually waned due to persistent FII outflows. Rising geopolitical uncertainty, US government's declaration of interest in acquiring Greenland and its aftermath plunged global and Indian markets into a frenzy
- Both benchmark indices saw a monthly fall, with BSE Sensex shedding 3.5% value vis-a-vis Dec-25 to settle at 82,270, while the Nifty 50 fell 3.1% before closing at 25,321
- Indian bourses also saw fall due to rising crude oil prices, a weaker rupee and mixed corporate earnings. The Indian government's announcement of a new tax on cigarettes and caution ahead of the Union Budget, also led to some losses
- Most key sectoral indices fell in Jan-26. Biggest loser was BSE Realty Index (10.3% fall) due to profit booking amid stretched valuations, cyclical normalisation amid higher prices, lower launch activity and unfavourable base effect, with weakness in broader markets. BSE Fast Moving Consumer Goods Index and BSE Consumer Durables Index were other losers, bearing brunt of FII sell-off due to high valuation concerns, trade-tariff-induced uncertainty and tepid corporate earnings

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

INFLATION:

CPI inflation went up to 1.33% on-year in December-25 from 0.71% in November-25

India's WPI inflation went up to 0.83% in December-25, compared with -0.32% in November-25

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

Data Source: Axiscap Research & Crisil Research; * Data till January 31, 2026 is considered



Indian Market Update

Flows	Jan-26	Dec-25	Nov-25
*FPI (Net Purchases / Sales) (Rs Cr)	-35,962	-22,600	-3,765
MFs (Net Purchases / Sales) (Rs cr)	36,648	33,781	38,174

Earnings Growth (%) (Consolidated)	FY26E	FY27E	FY28E
Sensex	2.1	12.9	16.3

Macro Indicators	Latest Update	Previous Update
GDP (YoY%)	8.2% (Q2FY26)	7.8% (Q1FY26)
IIP (YoY%)	7.8% (December 2025)	6.7% (November 2025)
Crude (\$ bbl)	69.3 (January 31)	61.3 (December 31)
Core Sector Growth (YoY%)	3.7% (December 2025)	1.8% (November 2025)
#Trade Deficit (\$ mn)	-25,040 (December 2025)	-24,532 (November 2025)
Current Account Deficit (\$ bn)	-12.3 (Q2FY26)	-2.4 (Q1FY26)

Note: Data Source: Axiscap Research and Crisil Research; *Sourced from NSDL
 Data till January 31, 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

- India's growth accelerated to 8.2% in the Q2FY26, compared with a growth of 7.8% in the Q1FY26
- In terms of gross value added, the economy grew 8.1% in Q2FY26 vs 7.8% in previous quarter
- US government's push to acquire Greenland, intervention in Venezuela and issuance of newer tariff threats stoked deeper geopolitical uncertainty. This led to risk-off sentiment in global markets and fuelled another sharp correction in Indian markets. Weak corporate earnings and lack of progress on US-India trade deal, led to FII sell-off in Jan-26
- DII's picked up equities worth Rs 601 billion in Jan-26 compared with 716 billion in Dec-25 supporting market. FPIs sold equities worth Rs 360 billion in Jan-26, following selling of Rs 226 billion in Dec-25.
- Moderate growth but above trend, driven by healthy consumption and revival in private investment. Consumption expected to derive support from low interest rates, improved disposable incomes due to income tax cuts and reduced prices of mass consumption items by GST rate cuts. High base and moderating government capex is expected to drive growth

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



Outlook & Triggers

Global Update: U.S. benchmark equity index was range bound in Jan 2026. The S&P 500 rose 1.37% and the Nasdaq rose 0.95% on-month as on Jan 31, 2026. Gold and silver prices tumbled after US President announced former Fed governor Kevin Warsh as his pick to chair the U.S. Fed. In the UK, the FTSE 100 index continued to rally in Jan 2026 and reached new highs, crossing the 10,000 mark. The index rose 2.9% on-month in Jan 2026 owing to appealing equity valuations. The Stoxx600 of Europe also fared well with 3.1% gains driven by a combination of robust corporate earnings, resilient economic data in the Eurozone, and a rebound in tech and banking stocks. China's equity markets rallied due to investor optimism surrounding AI, expectations of fresh policy support from Beijing, and early signs of a stabilizing economy. The Shanghai Composite index rallied 3.8% in Jan 2026. Japan's Nikkei225 index rallied 5.9% owing to strong foreign inflows, weaker Yen, capital rotation out of China.

India Update: Indian equity market saw a sharp fall due to concerns over potential US tariffs, weaker Rupee and sector rotation to AI-related industries in developed economies. FPIs sold Rs35,962 crores in Jan 2026 compared to net outflow of Rs. 22,611 crores in Dec 2025. (Source: NSDL)

Market barometers BSE Sensex and NSE Nifty50 slipped 3.5% and 3.1%, respectively, on-month in Jan 2026. Sector-wise, BSE Metals (+5.5%), BSE Bankex (+4.5%) and BSE Infotech (+0.5%) were leaders, whereas, BSE Realty (-10.3%), BSE FMCG (-7.9%) and BSE Consumer Durables (-7.8%) were laggards. (Source: BSE)

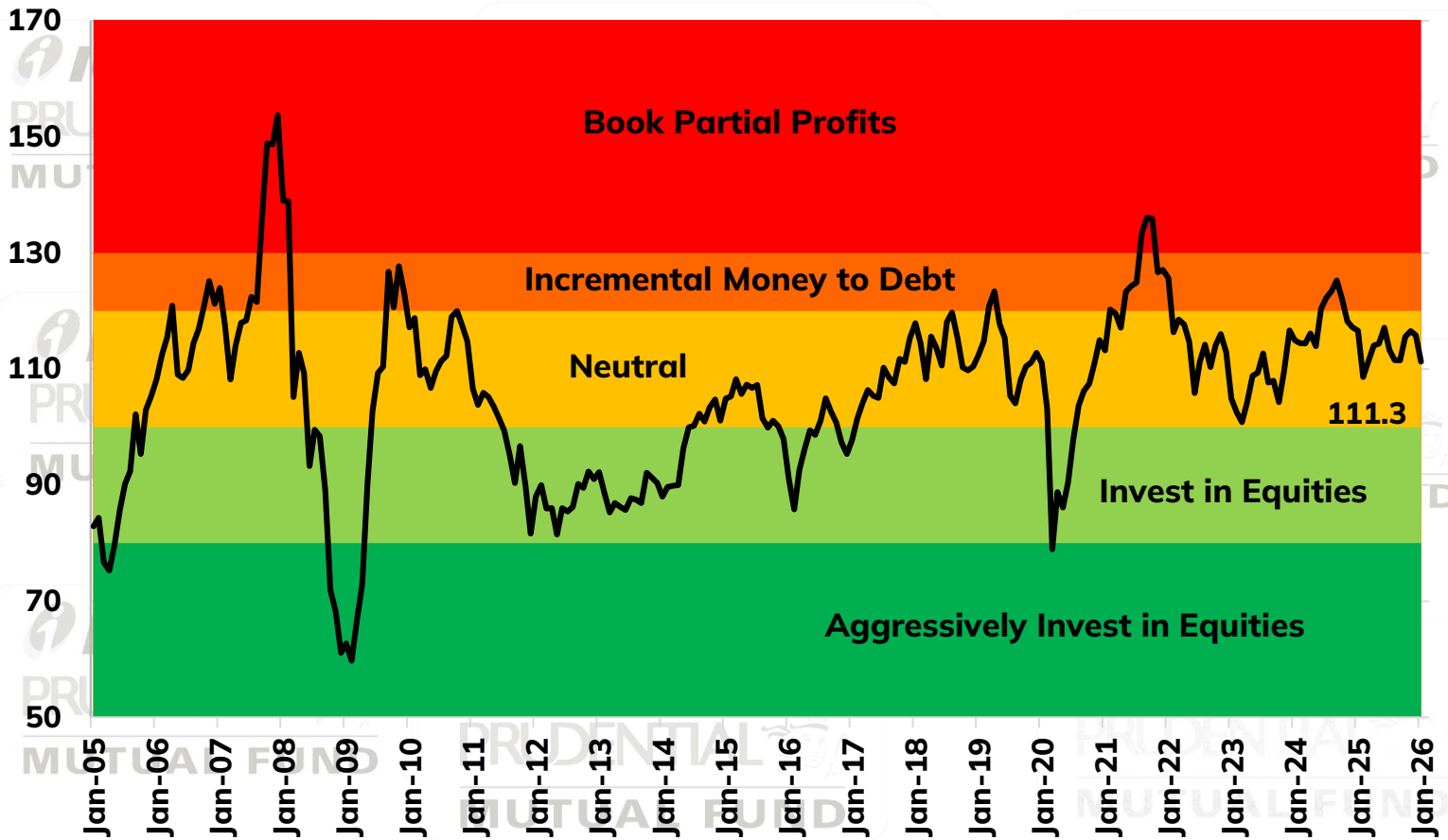
Our view going forward:

- The recently announced Economic Survey & Union Budget highlight the compounding effect of Govt.'s decade long reforms. Fiscal deficit is well under control, India remains one of the fastest growing major economy and inflation outlook is benign given supply side reforms
- Also, recent reforms - a combination of fiscal stimulus (Direct Tax cuts + GST rate cuts) & monetary stimulus (RBI rate cuts) bodes well for already healthy demand environment.
- Indian markets have underperformed global peers significantly in recent times, cooling-off valuations. Rupee has also depreciated – making a case for FII comeback
- However, despite recent corrections from its peak, 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 & trade tensions, choppy FII 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 unconstrained investing approach with flexibility to invest across sectors / themes / 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 January 31, 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

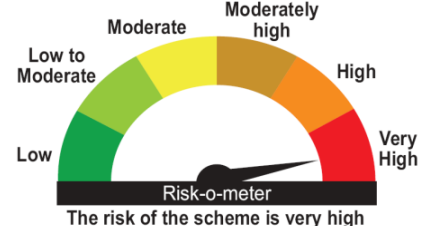
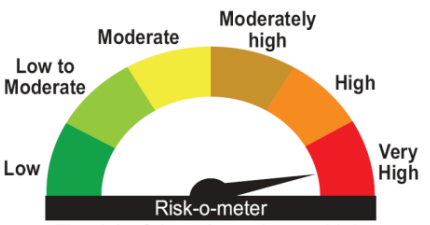
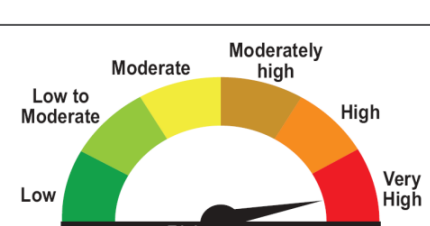
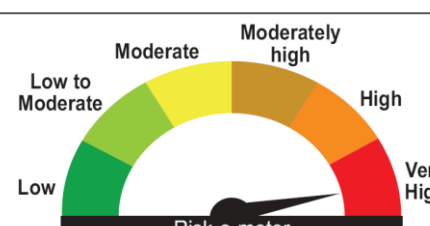
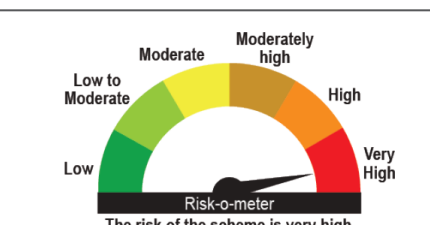
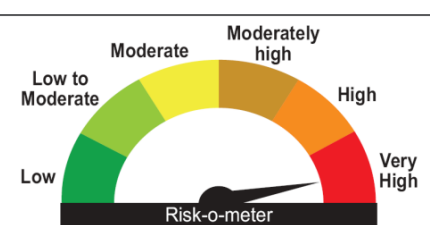
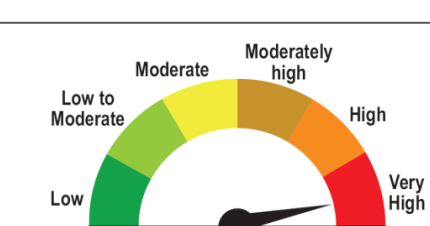
Continue SIP/STP as the long term structural story of India remains intact, strongly recommend ICICI Prudential Booster STP#

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> <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>The risk of the scheme is very high</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> <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>The risk of the scheme is very high</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> <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>The risk of the scheme is very high</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> <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>The risk of the scheme is very high</p>
<p>ICICI Prudential Balanced Advantage Fund (An open ended dynamic asset allocation Fund) is suitable for investors who are seeking*:</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>The risk of the scheme is very high</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> <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>The risk of the scheme is very high</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> <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>	 <p>The risk of the scheme is very high</p>

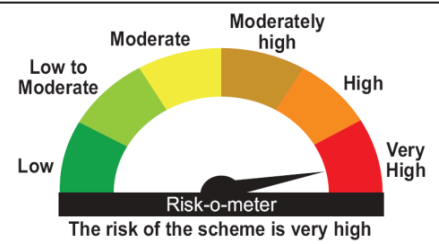
Please note that the Risk-o-meter(s) specified above will be evaluated and updated on a monthly basis. The above riskometers are as on December 31, 2025. Please refer to <https://www.icicipruamc.com/news-and-updates/all-news> for more details.

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

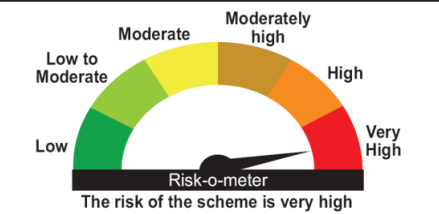
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



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

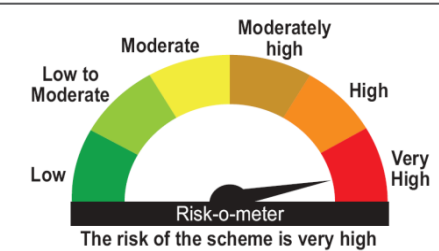
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



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

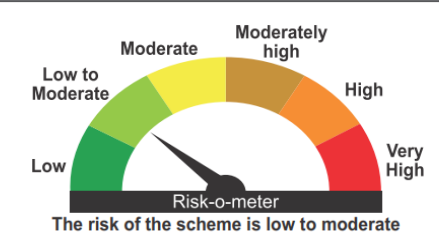
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



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.

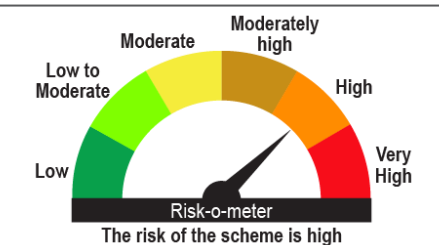
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



#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.

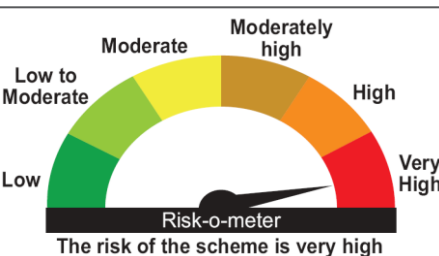
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



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

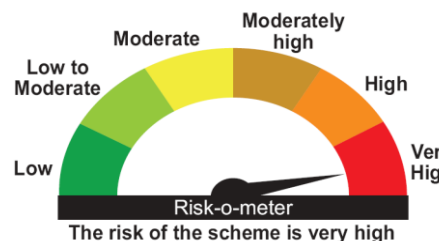
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



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 December 31, 2025. Please refer to <https://www.icicipruamc.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.

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