ICICI PRUDENTIAL MUTUAL FUND

DEBT

Market Statistics

Our 'FMEG' framework (Fiscal, Monetary, Economic, Global) hints at a moderately rewarding stance on duration. We would like to approach it with a combination of long duration G secs/SDL and short term corporate bonds.

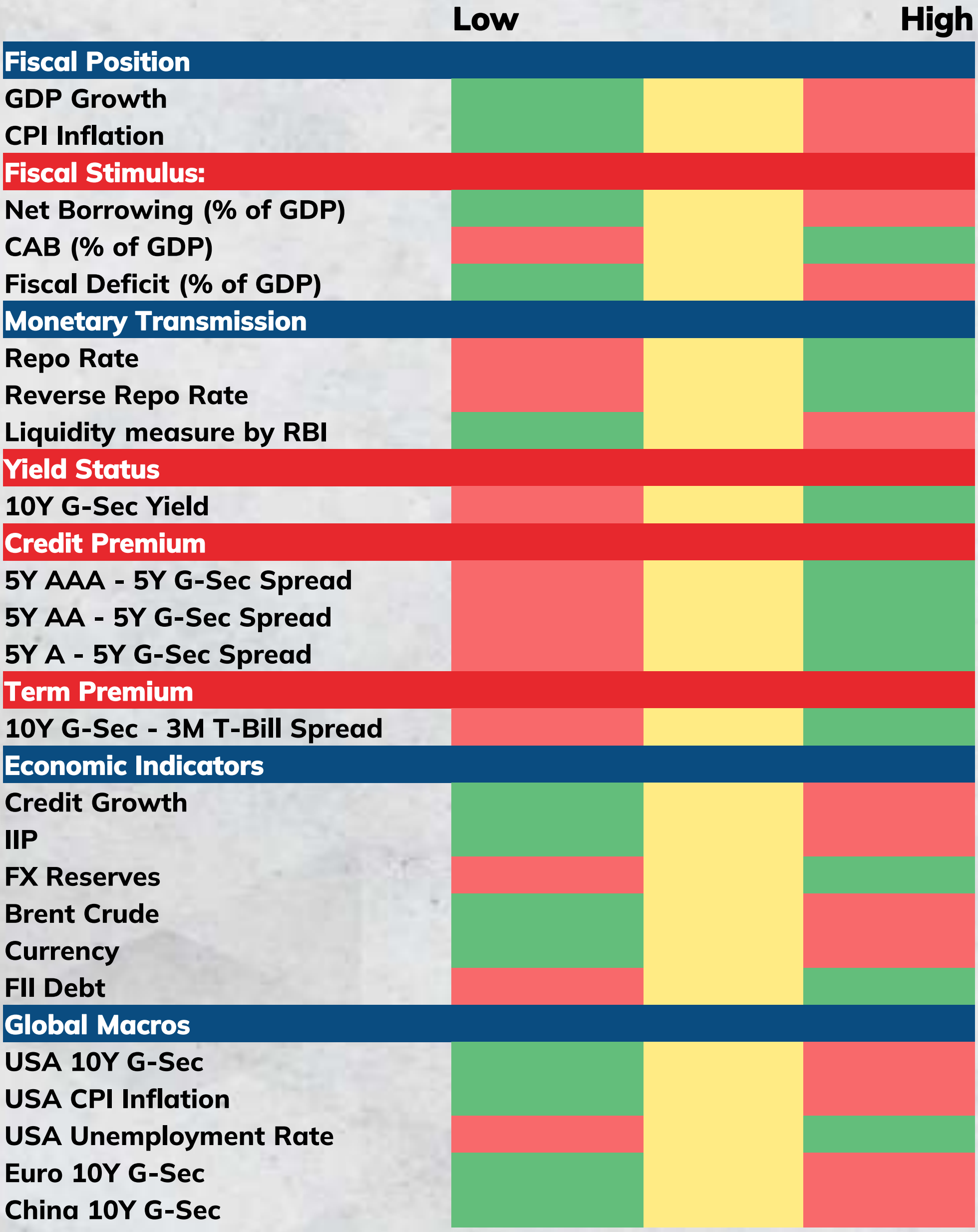
Parameters	GFC (Jul 2008)	Taper Tantrums (Aug 2013)	NBFC Crisis (Nov 2018)	Start of Covid (May 2020)	Current (Apr 2026)
Fiscal Position					
GDP Growth (%)	9.8	6.5	6.5	3	7.8 (Q3 FY26)
CPI Inflation (%)	6.2	10	2.3	6.3	3.4
Fiscal Stimulus:					
Net Borrowing (% of GDP)	2.2	5.1	2.7	2.4	-2.9 (FY26)
CAB (% of GDP)	-1.1	-5	-2.3	-0.8	-0.6 (FY25)
Fiscal Deficit (% of GDP)	2.6	4.9	3.5	4.6	4.4 (FY26)
Monetary Transmission					
Repo Rate (%)	9	7.25	6.5	4	5.25
Reverse Repo Rate (%)	6	6.25	6.25	3.35	3.35
Liquidity Infusion(+)/Absorption(-) (INR tln)	-0.28	-1.16	-0.81	5.14	2.58
Yield Status					
10Y G-Sec Yield (%)	9.2	8.5	7.7	5.9	7.0
Credit Premium					
5Y AAA - 5Y G-Sec Spread (bps)	148	94	114	108	96
5Y AA - 5Y G-Sec Spread (bps)	185	137	171	177	185
5Y A - 5Y G-Sec Spread (bps)	304	221	298	291	356
Term Premium					
10Y G-Sec - 3M T-Bill Spread (bps)	21	-247	92	253	174
Economic Indicators					
Credit Growth (%)	25.3	16.3	15.1	6.3	15
IIP (12 Months trailing)	5.6	4.4	0.2	-33.4	4.1 (Mar 2026)
FX Reserves (USD Bln)	306.6	275.5	393.7	493.5	697.1
Brent Crude (USD/Barrel)	124	114	58.7	35.3	108.2
Currency (USD/INR)	42.6	65.7	69.6	75.6	95.2
FII Debt (USD Bln)	0.8	-1.4	0.9	-2.7	-1.2
Global Macros					
USA 10Y G-Sec (%)	4	2.7	3.1	0.7	4.2
USA CPI Inflation (%)	3.8	1.5	2.2	0.1	2.4
USA Unemployment Rate (%)	6	7.3	3.5	13	4.4
Euro 10Y G-Sec (%)	4.5	1.8	0.4	-0.5	2.9
China 10Y G-Sec (%)	4.5	3.9	3.4	2.7	1.8

Registration No.: ICICI Prudential Mutual Fund 003/93/6 Time period considered: July 2008 – Markets post Global Financial Crisis (GFC), August 2013 – Markets post Taper Tantrums, November 2018- Markets post Credit Crisis, May 2020 – Start of COVID Crisis and Apr 2026–Current Valuations. All data is as of Apr 30, 2026 unless stated otherwise. Source: Reserve Bank of India, Edelweiss Securities, Kotak Securities, IIFL Research, CRISIL Research; %: Percentage; Tn: Trillion; Bln: Billion; INR: Indian Rupees; USD: Dollar of United States of America; FX: Foreign Exchange; Bps: Basis Points; Y: Year; M:Months; IIP: Index of Industrial Production; GDP: Gross Domestic Product, USA: United States of America, Euro: Europe, FII: Foreign Institutional Investor, CAB: Current Account Balance, CPI: Consumer Price Index. G-Sec yields is for 10 year Govt. Bond Yields (10Y G-Sec). Past performance may or may not sustain in future, NBFC : Non-Banking Financial Companies

Parameters ('FMEG' Framework)

The 'FMEG' (Fiscal, Monetary, Economic, Global) framework is a fixed income market checklist which can be used to determine market conditions for investment. It aims to navigate fixed income markets efficiently by reflecting on various data points used in the framework.

Key Parameters



Growth and inflation dynamic helps in understanding RBI's stance. Factors like fiscal deficit as % of GDP, gross borrowing helps in evaluating the fiscal position. A strong fiscal position would be positive for debt investments

We use factors like RBIs policy rates, system liquidity to assess monetary transmission. High credit premium and high term premium indicate risk-aversion and may hamper the transmission process

A fast growing economy may fuel higher inflation which is negative for fixed income markets. Higher FX Reserves can lead to stable currency and in-turn is positive for fixed income markets. Crude can have impact on Current account balance.

Global cues like yields in developed countries, inflation etc. influence our fixed income markets and hence used to understand valuations

Yields are expected to fall. Positive for Debt Investments

Yields are expected to remain range bound. Neutral for Debt Investments

Yields are expected to Rise. Negative for Debt Investments