ICICI PRUDENTIAL MUTUAL FUND

THE MONTH GONE BY

An insightful roundup of relevant stories in the recent month backed by interesting data points

During the American Civil War in 1861, the Union implemented a naval blockade, which cut off around 80% of Britain's raw cotton supply. During this period, British mills faced shortages of raw cotton. In response to this crisis, British manufacturers turned to alternative sources of cotton, with India emerging as a primary supplier. As demand for Indian cotton surged, prices in Mumbai (erstwhile Bombay) began to gain traction. Several investors poured their money into joint-stock companies, driven by the belief that prices would continue to rise.


The above image is for illustration purpose only.

The tables turned when the blockade was lifted, allowing U.S. cotton to re-enter the global market. This led to a dramatic decline in the demand for Indian cotton. Several companies went bankrupt, resulting in significant financial losses for investors.

Past events provide a crucial lesson: Investors should prioritize the fundamentals of a business than merely chasing quick profits, which could often be speculative in nature.

ICICI Prudential Mutual Fund, Registration No.: MF/003/93/6

Indian Equity Market Bulls strive to reclaim lost ground

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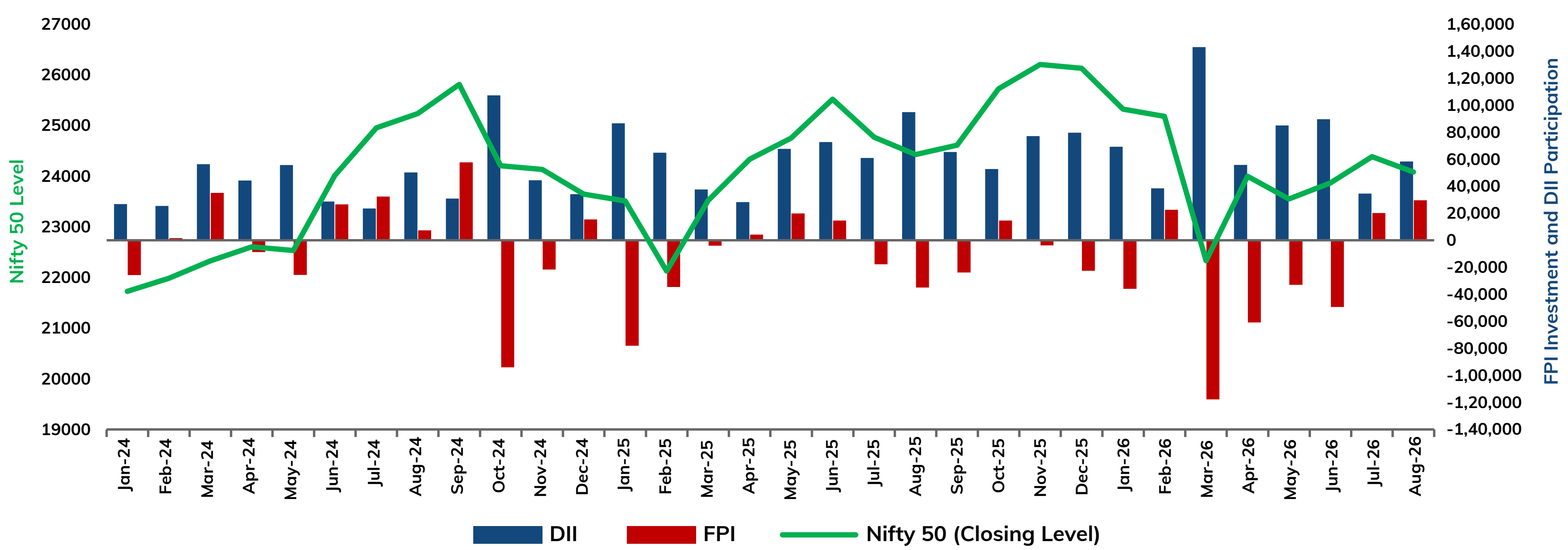
The global economy continues to face a web of challenges stemming from a fragile geopolitical environment and fresh tariffs imposed by the U.S. on trading partners.

Despite global headwinds, the Indian economy has exhibited resilience on the back of buoyant domestic demand, expansion in services activity and healthy foreign exchange reserves. The Indian equity market picked-up steam, **supported by resilient corporate earnings and a rebound in net buying by foreign portfolio investors.** The financial parameters of scheduled commercial banks remain healthy, underpinned by **comfortable liquidity conditions, strong credit growth and improving asset quality. Robust government spending on infrastructure** serves as a key catalyst for steady investment activity.

MONTHLY FPI NET INVESTMENTS IN INDIAN EQUITIES, DII PARTICIPATION (₹, CRORE) AND NIFTY 50 CLOSING LEVEL



Source: National Securities Depository Limited (NSDL). August 2026 FPI and DII data as on August 31, 2026. FPI: Foreign Portfolio Investment. DII: Domestic Institutional Investment. U.S.: United States. Past performance may or may not sustain in future.

Deadlocked U.S.-Iran talks leave the Strait of Hormuz in limbo

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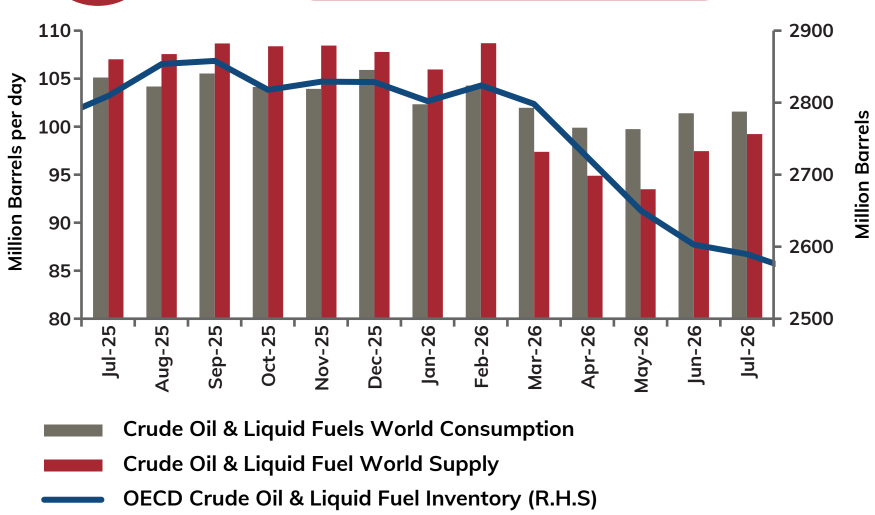
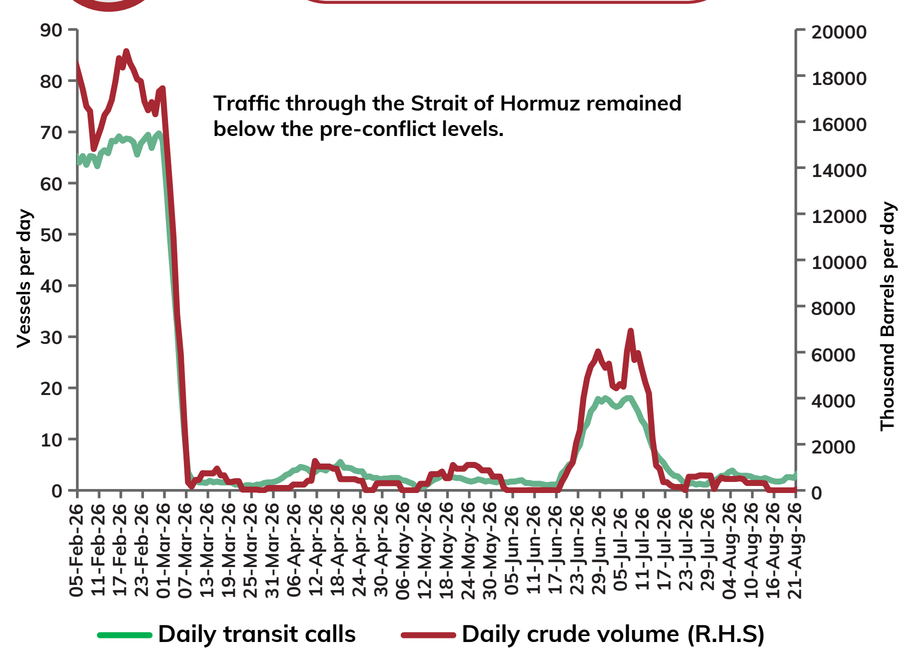
Brent crude oil prices traded around $90/barrel on August 31, 2026 amid unresolved geopolitical tensions: a) The U.S.-Iran standoff restricted global shipments of products like crude oil, liquefied natural gas and fertilizers through the Strait of Hormuz. **b) The continued presence of U.S. naval forces in the Gulf** exerted substantial economic pressure on Iran. **Potential U.S. economic sanctions targeting Iran's trade partners** could further disrupt global energy supplies. **c) Low global oil inventories coupled with a pick-up in Chinese imports** have also contributed to the upward pressure on prices. **d) Ukrainian drone strikes impacted Russia's domestic crude processing capacity,** further compounding uncertainties.

GLOBAL OIL INVENTORIES DECLINED



Source: Reserve Bank of India (RBI) Bulletin, August 2026. U.S. Energy Information Administration (EIA). R.H.S: Right-hand side. OECD: Organisation for Economic Co-operation and Development. The monthly world oil supply and consumption figures (million barrels per day) represent the average daily supply and consumption during the month. Inventory (million barrels) represents the stock level at month-end.

TRANSIT THROUGH THE STRAIT OF HORMUZ



Source: Reserve Bank of India (RBI) Bulletin, August 2026. 7-day moving average is taken for data on the Strait of Hormuz Daily Transit calls and Crude volume. U.S.: United States.

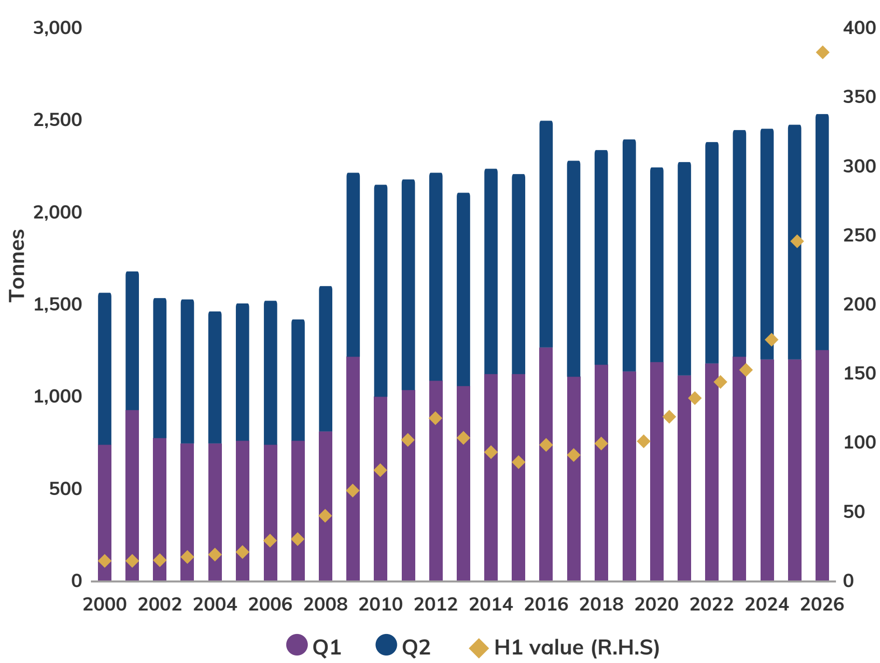
Amid prolonged supply constraints, the Organization of the Petroleum Exporting Countries (OPEC) lowered its global oil demand growth forecast for 2026 to 580,000 barrels per day from the previous estimate of 780,000 barrels a day.

The Glitter of Gold

Gold prices traded around $4,600/ounce toward the end of August 2026 (LBMA price) amid ongoing geopolitical tensions, a weaker U.S. Dollar Index, softer-than-expected U.S. non-farm payroll growth and renewed inflows into Gold Exchange Traded Funds (ETFs).

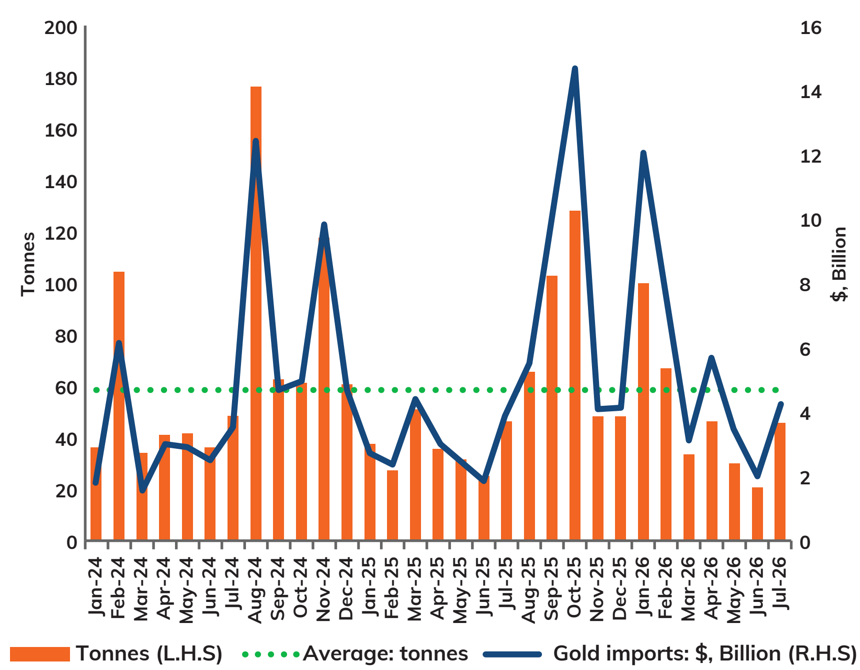
As per the World Gold Council, investment could continue to be the primary catalyst for global gold demand growth through the second half of the year, supported by Asian buying. **Further, global central banks have increased their gold holdings** to diversify foreign exchange reserves amid geopolitical tensions. **On the domestic front, India's gold imports rebounded in July 2026 following two consecutive months of weakness** coupled with restocking by retailers in preparation for the upcoming festive season.

GLOBAL GOLD DEMAND (QUARTERLY DEMAND IN TONNES AND $, BILLION)



Source: ICE Benchmark Administration, Metals Focus, World Gold Council. Data as of June 30, 2026. Q: Quarter. HI: First half. R.H.S: Right-hand side.

INDIA'S MONTHLY GOLD IMPORTS (TONNES AND $, BILLION)



Source: Ministry of Commerce and Industry, Centre for Monitoring Indian Economy (CMIE), World Gold Council. July 2026 data includes World Gold Council estimates. R.H.S: Right-hand side.

Aluminium inventories drop as industrial demand remains strong

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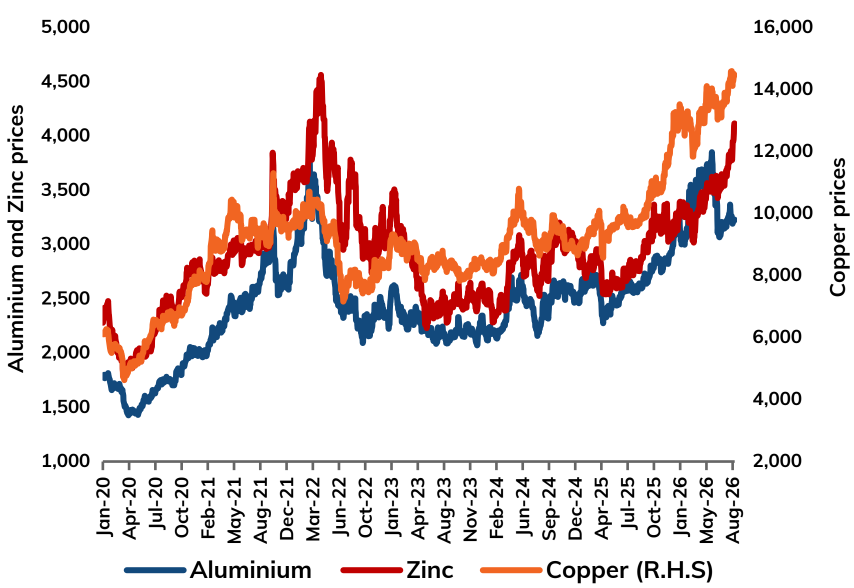
Aluminium prices rose to around $3,360/ton during early-August 2026 due to supply constraints resulting from the West Asia conflict. Declining aluminium inventories alongside rising prices indicate that the **demand is absorbing available supply faster than new production can replace it.** On the demand front, **aluminium consumption has remained steady across industries** like transportation, construction projects and electrical applications. **However, global aluminium supply faced constraints caused by the ongoing geopolitical turmoil, Chinese production limits and sanctions imposed on Russian aluminium.**

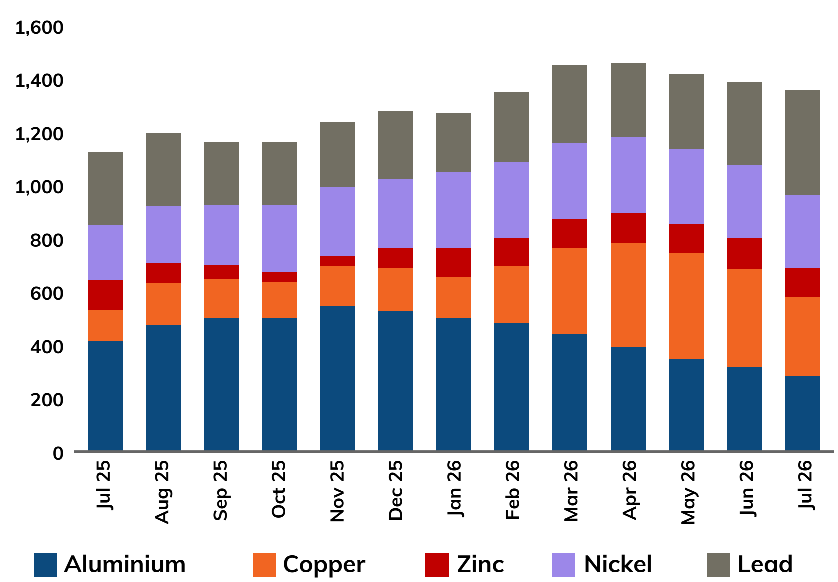
Aluminium prices stabilized around $3,230/ton during the second half of August 2026 as major Gulf producers committed to restore their primary smelting capacities, easing fears of a prolonged global supply crunch.

ALUMINIUM, ZINC AND COPPER PRICES ($/TON)



Source: LME: London Metal Exchange. Data as on August 31, 2026. R.H.S: Right-hand side.

INVENTORIES AT THE LONDON METAL EXCHANGE (THOUSAND TONNES)



Source: LME: London Metal Exchange, Thomson Reuters, Organization of the Petroleum Exporting Countries (OPEC) Monthly Oil Market Report as on August 12, 2026.

In recent months, severe winter storms in Chile, a leading global exporter of copper, resulted in operational disruptions across several copper mines in the region. Strong copper demand can be attributed to various industries, including Artificial Intelligence (AI), electric vehicles and renewable energy.

Ballooning U.S. Debt levels are a cause for concern

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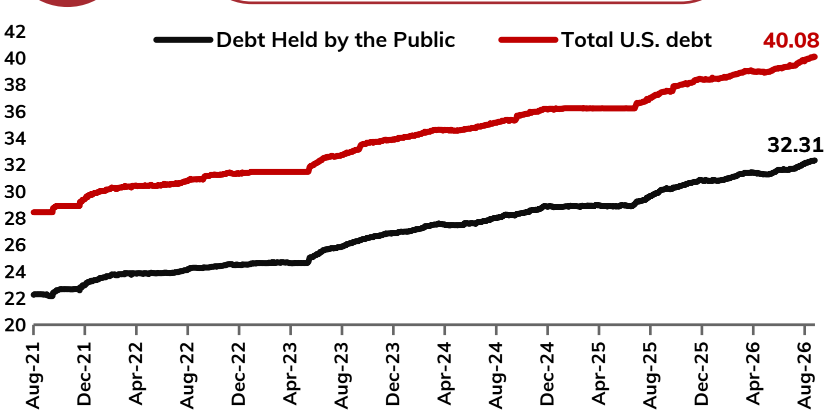
Rising U.S. Debt Levels strain the country's fiscal health: The total U.S. debt has climbed to $40.08 trillion due to several reasons: a) Massive financial outlays during the Covid-19 pandemic and the ongoing spending on defence increased borrowing requirements. b) Tax cuts have constrained Federal tax revenues. c) Programs like Social Security and Medicare continue to account for a large portion of government spending. d) Elevated Federal interest rates have pushed up the cost of servicing existing debt.

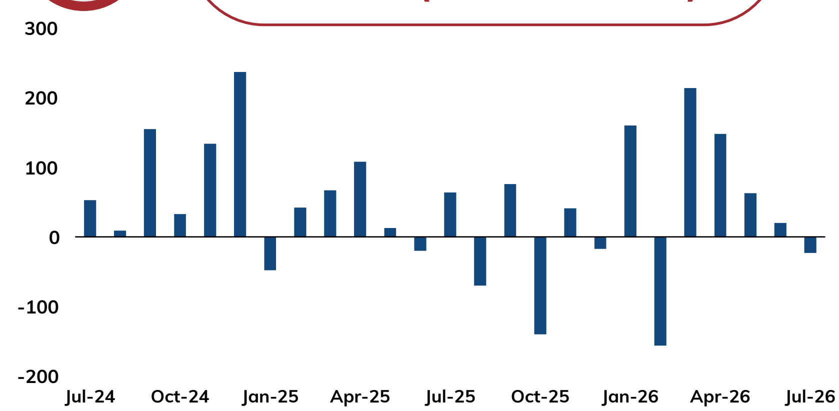
Unexpected Job Losses: In July 2026, the U.S. non-farm payrolls fell by 23,000 and the unemployment rate stood at 4.1%. While employment continued to trend up in health care, it declined in local government education and retail trade.

TOTAL U.S. DEBT ($, TRILLION)



Source: U.S. Treasury Department. Total debt is the sum of outstanding Treasury debt held by the public and intragovernmental holdings. Data as on August 27, 2026. U.S.: United States.

U.S. NONFARM PAYROLL EMPLOYMENT OVER-THE-MONTH CHANGE (IN THOUSANDS)



Source: Bureau of Labor Statistics. U.S. Department of Labour. Report as on August 07, 2026. U.S.: United States.

Inflation rate eases: While U.S. Consumer Price Index (CPI) inflation moderated to 3.4% year-on-year in July 2026, driven by a decline in energy prices, the print still remains above the central bank's target of 2%.

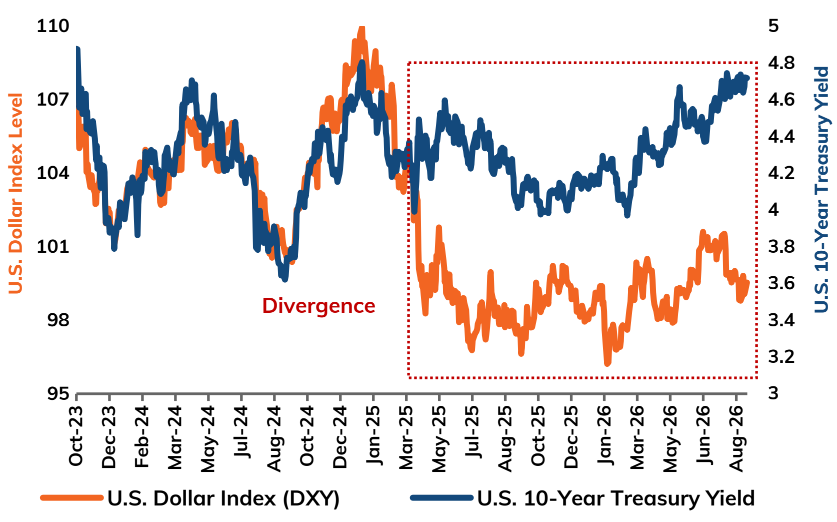
Gross Domestic Product (GDP) remains resilient: The U.S. real gross domestic product increased at an annual rate of 1.5% in the second quarter of 2026, driven by an increase in consumer spending, investment and exports (Source: Second estimate released by the U.S. Bureau of Economic Analysis).

Why did the U.S. 30-year Treasury yield rise to a 19-year high?

The U.S. 30-year Treasury yield climbed to a 19-year high of around 5.33% on August 18, 2026 as investors rushed to sell long-dated U.S. Treasury bonds. The U.S. national debt rose to $40.08 trillion in August 2026, raising concerns over the fiscal credibility of the U.S. Government in repaying its debts. **In July 2026, the U.S. fiscal deficit rose to $432.3 billion, its highest monthly total since March 2021,** pushing the year-to-date shortfall to nearly $1.8 trillion. **The U.S. Dollar Index weakened to 99 levels in August 2026 as investors began to seek gold amid ongoing geopolitical tensions.**

The U.S. Treasury announced a bond buyback program and then surprised the market by doubling the per-operation cap on long-end bond buybacks from $2 billion to at least $4 billion, with operations running from September 09, 2026 through November 04, 2026.

U.S. 10-YEAR TREASURY YIELD (%) AND U.S. DOLLAR INDEX



U.S. 30-YEAR TREASURY YIELD (%)

Source: Reuters. Data as on August 31, 2026. U.S.: United States.

In July 2026, the U.S. Personal Consumption Expenditures Price Index increased 3.7% year-on-year, which is well above the central bank's target. In August 2026, the Federal Reserve Chairman expressed concerns about elevated inflation levels while hinting that interest rates could move higher if there is no progress on easing price pressures.

The Trajectory of Indian Bond Yield

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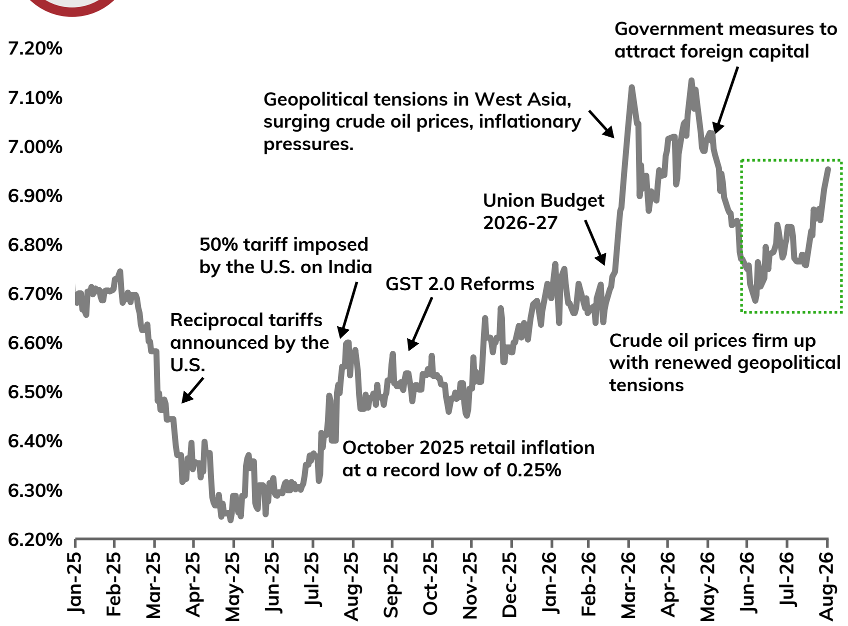
India 10-year G-sec yield softened in early August 2026 to around 6.75%, driven by a) Robust capital inflows under the Reserve Bank of India's swap facilities b) The Monetary Policy Committee's decision to keep the policy repo rate unchanged at 5.25%, while maintaining the neutral stance. **However, India 10-year G-sec yield subsequently reversed course and rose to around 6.95% on August 31, 2026,** reflecting higher crude oil prices and concerns related to the upward pressure on inflation.

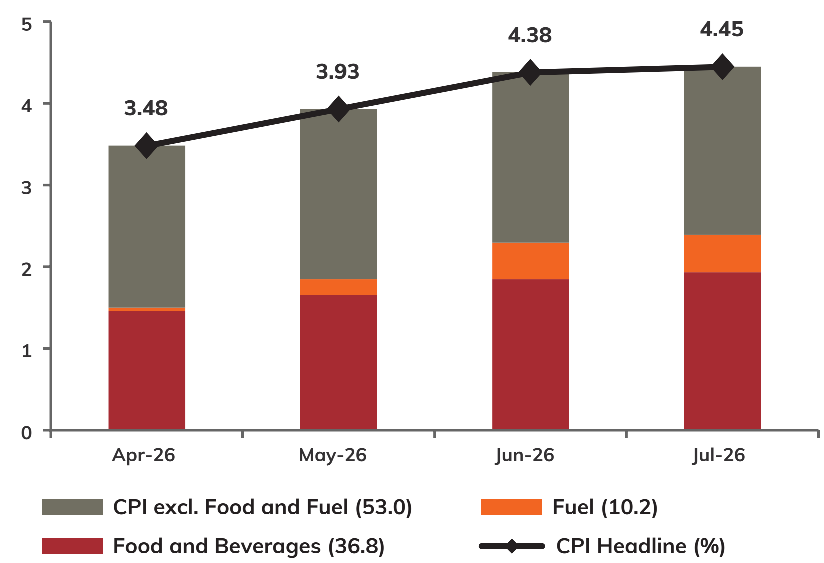
Driven by higher food and fuel prices, India's retail inflation rose to 4.45% year-on-year in July 2026. India's balance of payments recorded a deficit of $8.1 billion in the first quarter of FY 2026-27, against a $4.5 billion surplus in first quarter of FY 2025-26, as overseas portfolio investors offloaded their investment from local markets amid geopolitical turmoil. **The Indian Rupee has also weakened against the U.S. Dollar** amid concerns that elevated crude oil prices would strain the country's import bill.

INDIA 10-YEAR G-SEC YIELD (%)



Source: Reuters. Data as on August 31, 2026. Moody's, Press Information on Bureau news, G-sec: Government securities. U.S.: United States. GST: Goods and Services Tax. FY: Financial Year.

DRIVERS OF INDIA'S CPI INFLATION (CONTRIBUTION IN PERCENTAGE POINTS)



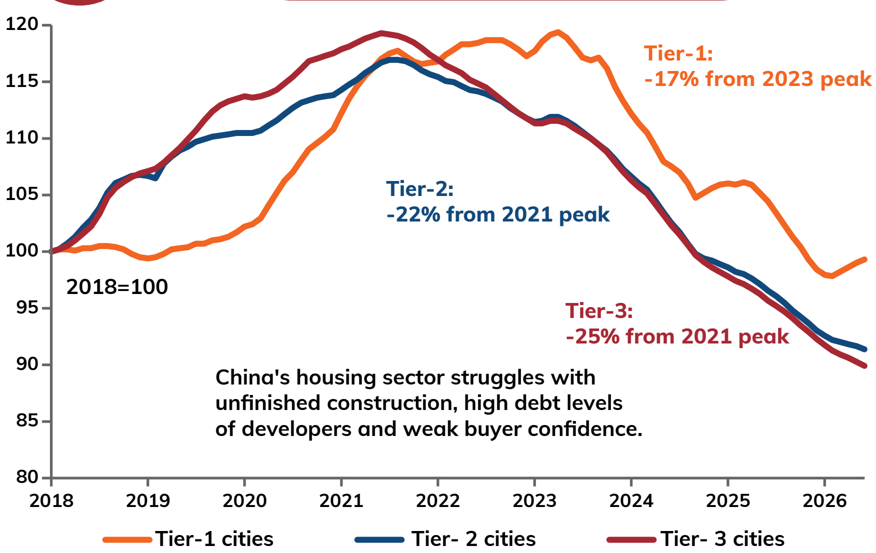
Source: Reserve Bank of India (RBI) Bulletin, August 2026. CPI: Consumer Price Index. Figures in parentheses indicate weights in Consumer Price Index-Combined (2024=100). Excl: Excluding.

China's economic monitor portrays a gloomy picture

China's economy lost momentum across multiple fronts in July 2026: **Fixed-asset investment dropped 6.7% year-on-year in the first seven months of 2026,** reflecting a continued plunge in real estate development. **Retail sales grew 0.6% year-on-year in July 2026, decelerating from 1% in June 2026, with a steep drop in purchases of big-ticket items** like automobiles.

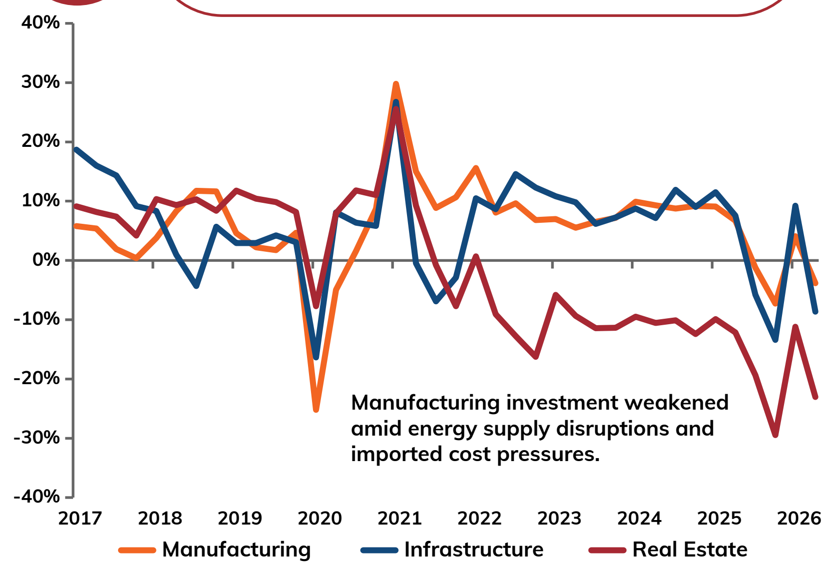
Household loans shrank during the month, reflecting sluggish housing activity and a weak labour market. The urban unemployment rate ticked up to 5.2% in July 2026 from 5.0% in the previous month. Further, **industrial output rose 4.5% year-on-year in July 2026, slowing from the 5.3% rise in June 2026, owing to extreme weather related disruptions** and subdued domestic demand.

EXISTING HOME PRICE INDEX IN 70 MAJOR CITIES



Source: Wind, KPMG Analysis. Report as on August 18, 2026.

GROWTH RATE OF FIXED ASSET INVESTMENT BY SECTOR (QUARTERLY, YEAR-ON-YEAR, %)



Source: Wind, KPMG Analysis. Report as on August 18, 2026.

On the positive front, China's exports surged 23.9% year-on-year in U.S. dollar value terms during July 2026, driven by global demand for Artificial Intelligence related technology, semiconductors and green energy products.

India's GDP growth displays strength despite persistent global headwinds

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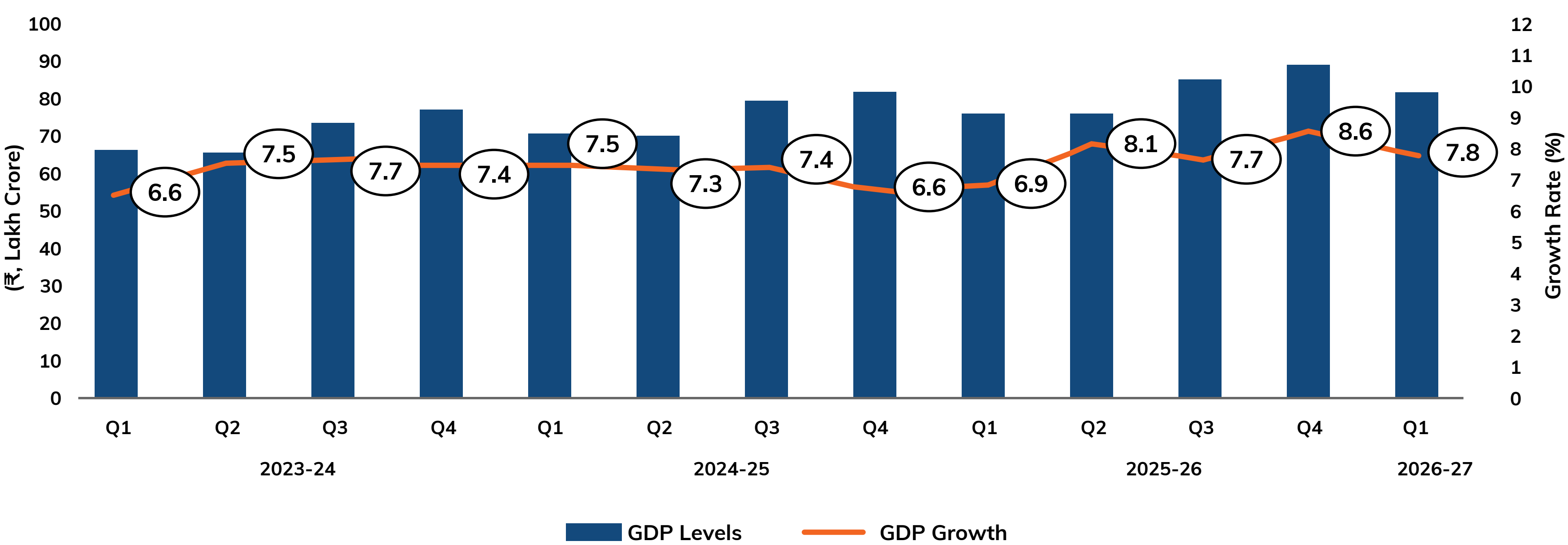
India's Gross Domestic product (GDP) growth stood at 7.8% year-on-year in the April-June 2026 quarter, higher than 6.9% recorded during the same period of the previous financial year. Economic growth was supported by **resilient consumption, government spending on infrastructure development and strong performance of exports.**

Growth in private final consumption expenditure (PFCE) remained healthy at 7.1% year-on-year in the April-June 2026 quarter, supported by tax cuts and the Goods and Services Tax (GST) rate rationalization. **Gross Fixed Capital Formation (GFCF) growth, an indicator for investments, rose to 11.9% year-on-year during the quarter,** indicating government spending on **roads, railways, urban transit systems and renewable energy grids,** alongside strong private corporate capital expenditure. **Industrial growth was supported by strong performance in manufacturing, construction and utilities, while financial, real estate & professional services and public administration drove services growth.**

QUARTERLY REAL GDP ESTIMATES (₹, LAKH CRORE) AND YEAR-ON-YEAR GROWTH RATES (%)



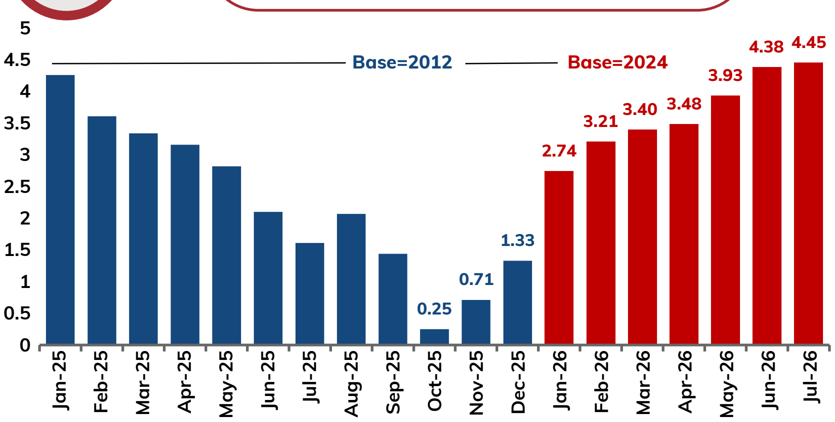
Source: Ministry of Statistics and Programme Implementation (MoSPI). CareEdge Ratings. Q: Quarter. FY: Financial Year. GDP: Gross Domestic Product. The sector(s) /stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s).

India's Retail Inflation edges up

India's retail inflation, based on the Consumer Price Index (CPI), inched up to 4.45% year-on-year in July 2026, up from 4.38% in June 2026, driven by higher food and fuel prices. **Food inflation rose to 5.52% year-on-year in July 2026** from 5.32% in the previous month, primarily **driven by higher prices of certain vegetables, spices and pulses.** While Kharif sowing has been delayed due to the uneven progress of the southwest monsoon, **high public foodgrain stocks could provide some cushion against price pressures.**

Fuel inflation remained elevated, driven by persistent geopolitical risks and tighter energy supplies. **Inflation in restaurants and accommodation services rose to 7.72% year-on-year in July 2026, driven by increased costs for commercial Liquefied Petroleum Gas (LPG).**

INDIA'S CPI INFLATION (YEAR-ON-YEAR GROWTH %)



Inflation basis revised base year 2024	June 2026 Y-o-Y (%)	July 2026 Y-o-Y (%)
Food and beverages	5.05	5.24
Housing, water, electricity, gas and other fuels	1.99	2.16
Transport	4.31	4.43
Clothing and footwear	3.23	3.38
Health	1.42	1.34
Personal care, social protection and miscellaneous goods and services	16.72	14.77
Furnishings, household equipment and routine household maintenance	2.19	2.40
Information and communication	0.43	0.63
Restaurants and accommodation services	6.91	7.72
Education Services	3.34	3.64
Paan, tobacco and intoxicants	4.83	4.79
Recreation, sport and culture	1.75	1.64

TOP 5 KEY ITEMS WITH LOW INFLATION IN JULY 2026


Potato


Motor car and Jeep


Okra


Peas


Tomato

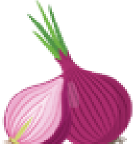
TOP 5 KEY ITEMS WITH HIGH INFLATION IN JULY 2026


Silver Jewellery


Ginger


Garlic


Gold/Diamond/Platinum Jewellery


Onion

Source: Government of India, Ministry of Statistics and Programme Implementation (MoSPI), National Statistics Office. Y-o-Y: Year-on-Year. Data as on July 2026. Based on the New CPI (2024 =100) Series. CPI: Consumer Price Index. The above key items with high/low inflation are at an All India combined level. The July 2026 inflation print is provisional.

From India's Agricultural Fields to markets

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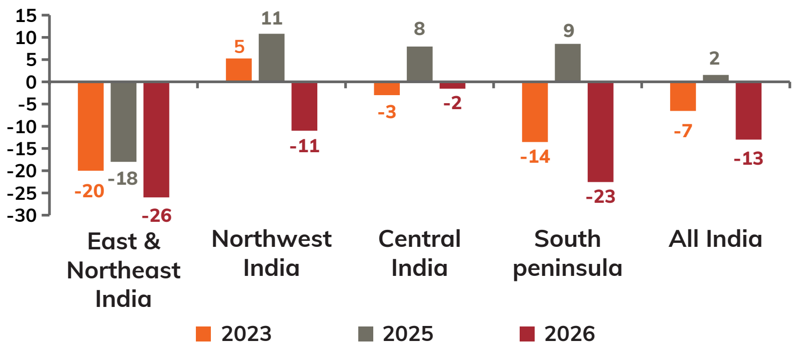
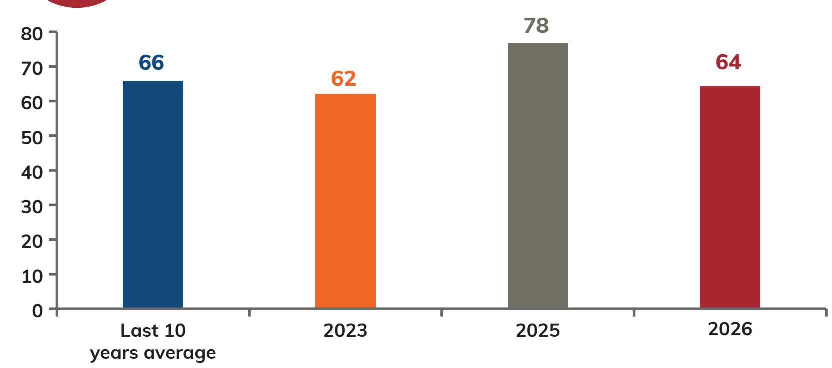
The cumulative rainfall deficit declined from 38% at end-June 2026 to 13% at end-July 2026 with a pick-up in monsoon activity across regions in India. **With increased rainfall in July 2026, the all-India reservoir storage stood close to its decadal average, which is relatively higher than the levels recorded during the El Nino year of 2023.**

SOUTHWEST MONSOON RAINFALL (DEVIATION FROM LONG PERIOD AVERAGE IN %)



Note: Data for rainfall pertains to June 01- August 21, 2026.
Source: India Meteorological Department (IMD).

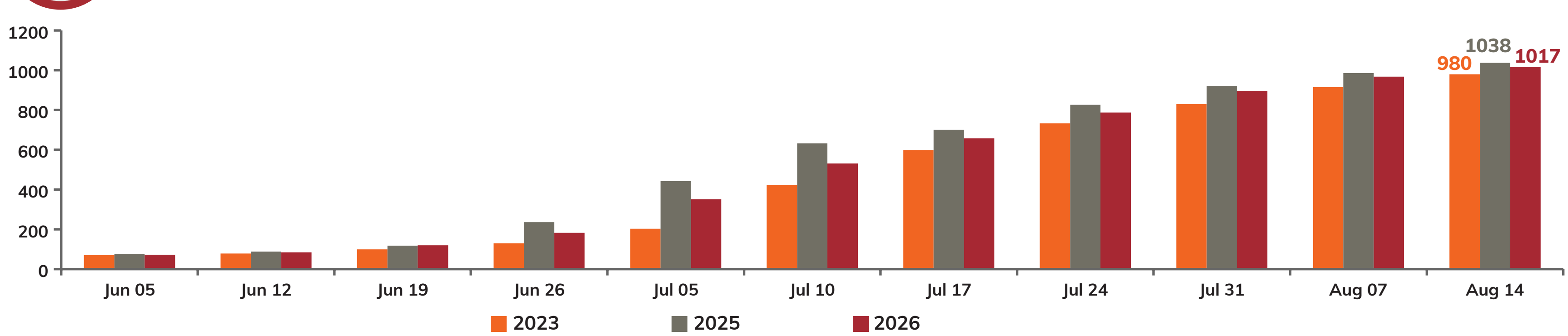
RESERVOIR LEVEL (% OF FULL RESERVOIR LEVEL)



Note: Data for reservoirs pertains to August 20, 2026.
Source: Central Water Commission.

A bumper production in the previous year led to robust procurement of rice and wheat and comfortable public foodgrain stocks, which are well above the buffer norms. On July 03, 2026, the Government of India announced the Open Market Sales Scheme for rice and wheat for 2026-27, which is valid until June 30, 2027. **The scheme aims to enhance domestic food grain supplies, stabilize market prices and ensure food security.**

PROGRESS IN KHARIF SOWING (CUMULATIVE ACREAGE IN LAKH HECTARE)



Source: Reserve Bank of India (RBI) Bulletin, August 2026. Ministry of Agriculture and Farmers' Welfare.

India’s Merchandise Trade Deficit widens

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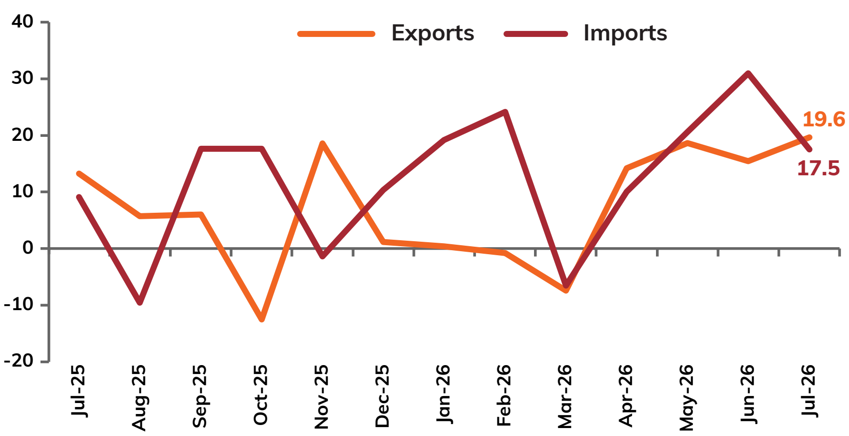
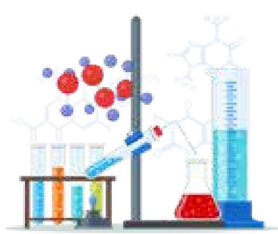
India’s merchandise trade deficit widened to a six-month high of $31.98 billion in July 2026 from $30.43 billion in June 2026 as the West Asia war pushed up global freight rates and the country’s oil import bill.

The U.S. Section 301 tariffs, levied an additional 10% tariff on India, which came into effect on July 24, 2026. However, India’s major export commodities to the U.S., such as smartphones, petroleum products and pharmaceuticals, remain outside its purview. India is likely to be less affected than economies like China, Vietnam and Thailand, which would face an additional 12.5% tariff under U.S. Section 301 tariffs.

INDIA’S MERCHANDISE EXPORTS AND IMPORTS (YEAR-ON-YEAR GROWTH, %)

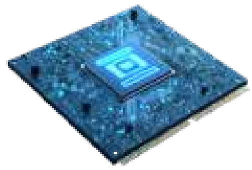


In July 2026, India's merchandise exports rose by 19.6% year-on-year to $44.24 billion, driven by petroleum products, electronic goods, engineering goods and chemicals.



INDIA’S MERCHANDISE TRADE DEFICIT, EXPORTS AND IMPORTS ($, BILLION)

In July 2026, India's merchandise imports increased by 17.5% year-on-year to $76.22 billion, driven by electronic goods, crude oil, petroleum products and fertilizers.

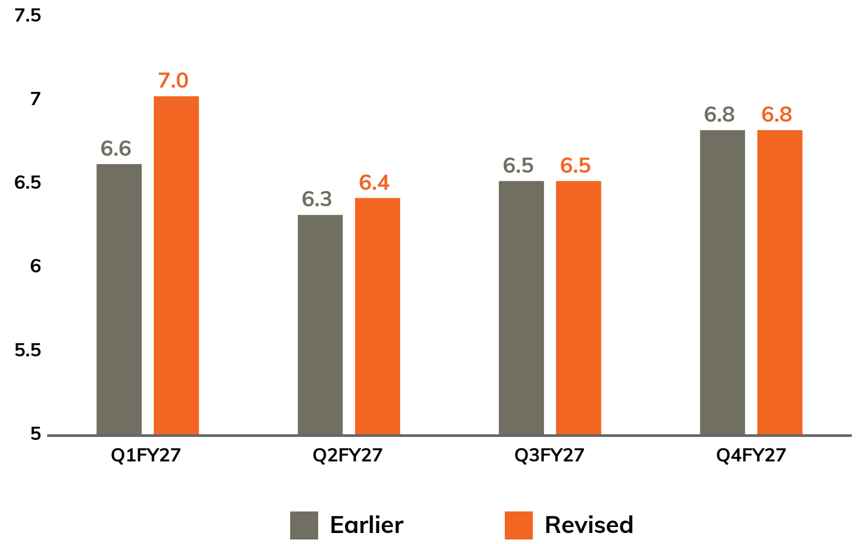


Stance of the Reserve Bank of India

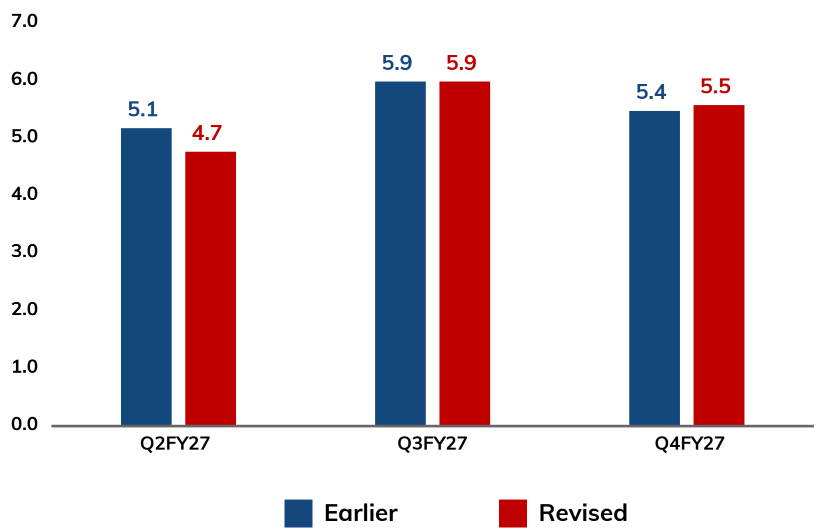
In August 2026, the Monetary Policy Committee decided to keep the policy repo rate unchanged at 5.25% and maintain a 'neutral' stance, indicating the need for greater clarity amidst uncertainties regarding south-west monsoon, geopolitics and global trade policy.

Economic growth has been supported by robust private consumption, conducive government initiatives, strong credit growth, sustained momentum in services and a rebound in merchandise exports due to recent trade agreements. **However, amid supply chain pressures, risks persist related to higher food, fuel and other input prices,** which could translate into a broad-based increase in inflation.

RBI'S PROJECTIONS - GROSS DOMESTIC PRODUCT (%)



RBI'S PROJECTIONS - CPI INFLATION (%)

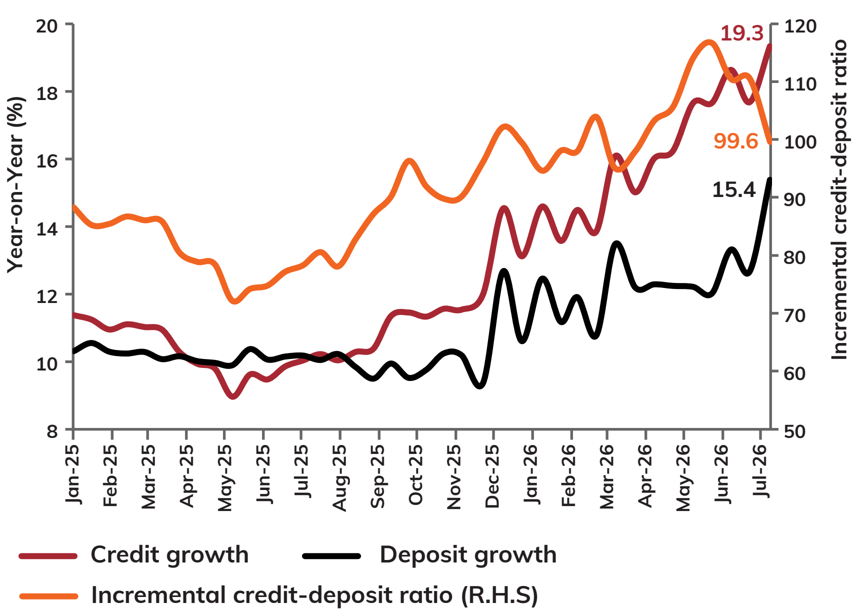


Source: Reserve Bank of India (RBI) Monetary Policy Statement 2026-27 dated Aug 03 to 05, 2026. GDP: Gross Domestic Product. CPI: Consumer Price Index. Q: Quarter. FY: Financial Year.

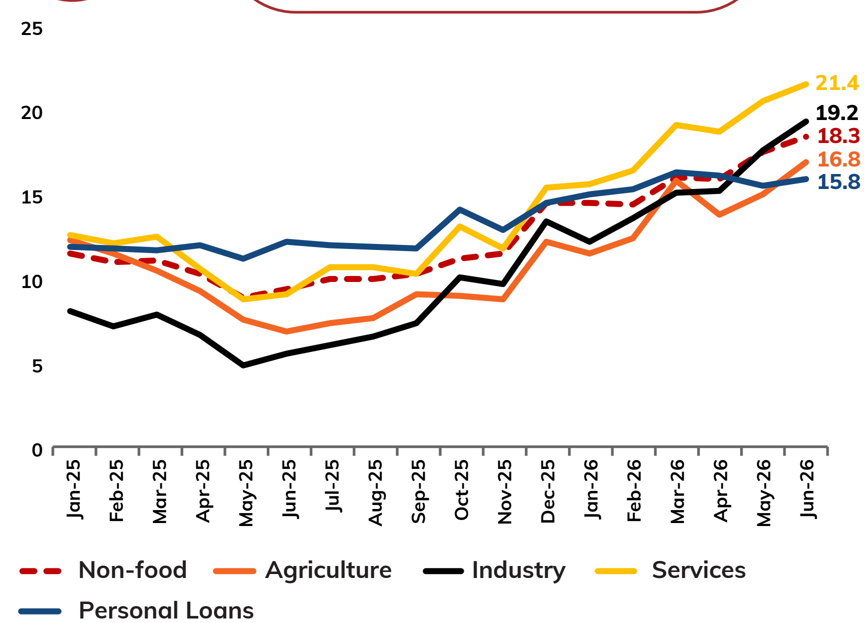
India's Bank Credit growth remains strong

As of July 31, 2026, bank credit growth strengthened to 19.3% year-on-year on the back of resilient retail credit, continued lending to Micro, Small and Medium Enterprises (MSMEs) and sustained demand from the services sector. **Lending to the services sector was supported by strong credit flows to Non-Banking Financial Companies (NBFCs) and commercial real estate.** Further, **credit to the agriculture segment accelerated** and industrial credit growth sustained its momentum, aided by an expansion in credit to the large industries.

BANK CREDIT AND DEPOSIT GROWTH OF SCHEDULED COMMERCIAL BANKS (YEAR-ON-YEAR, %)



BANK CREDIT GROWTH ACROSS NON-FOOD SEGMENTS (YEAR-ON-YEAR, %)



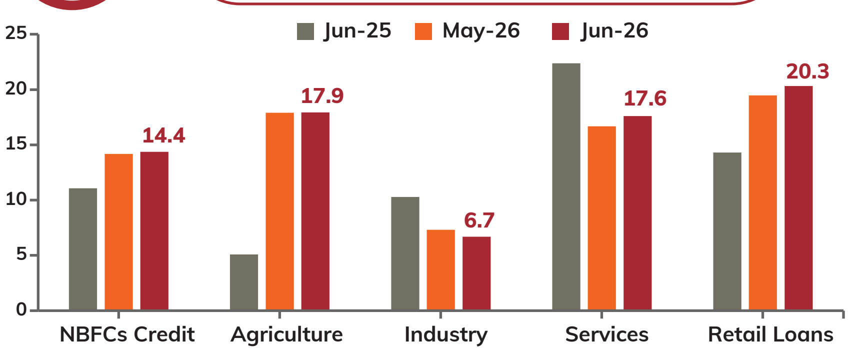
Source: Reserve Bank of India (RBI) Bulletin, August 2026. CareEdge Ratings. The above Scheduled commercial banks' data is inclusive of regional rural banks. Data includes the impact of the merger of a non-bank with a bank. With the change in the definition of fortnight vide the Banking Laws (Amendment) Act, 2025, data for scheduled commercial banks pertain to 15th and the last day of the month, effective December 15, 2025. R.H.S: Right-hand side. The sector(s) /stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s).

The incremental credit-deposit ratio has moderated with the recent deposit mobilization by scheduled commercial banks.

NBFC credit growth across major sectors

NBFCs' credit to the services sector gained traction, underpinned by segments like commercial real estate, trade and transport operators.

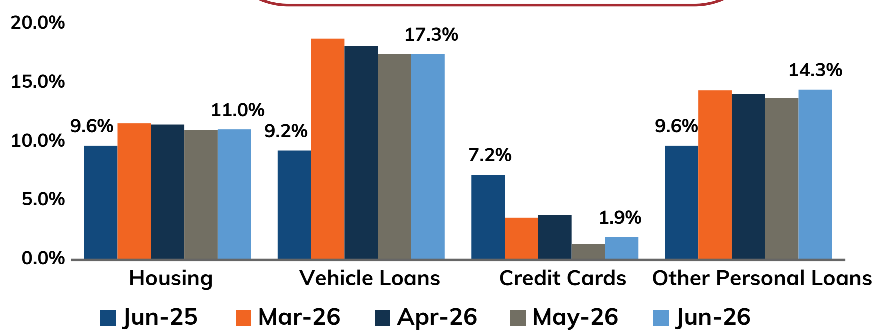
SECTORAL DEPLOYMENT OF NBFC CREDIT (YEAR-ON-YEAR, %)



Source: Reserve Bank of India (RBI) Bulletin, August 2026. NBFC: Non-Banking Financial Company.

Personal loan growth remained stable across key retail categories. Vehicle loans were supported by improved affordability following the GST rate cut.

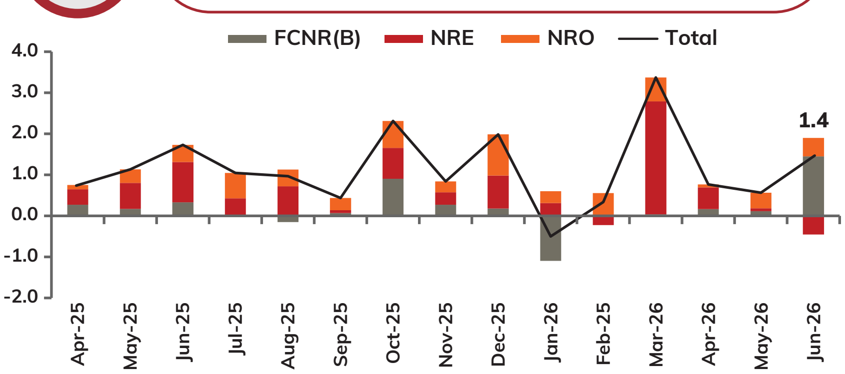
PERSONAL LOANS GROWTH ACROSS SELECT CATEGORIES (YEAR-ON-YEAR, %)



Source: Reserve Bank of India (RBI). CareEdge Ratings. GST: Goods and Services Tax.

FCNR(B) deposits increased on the back of recent policy measures to attract foreign capital.

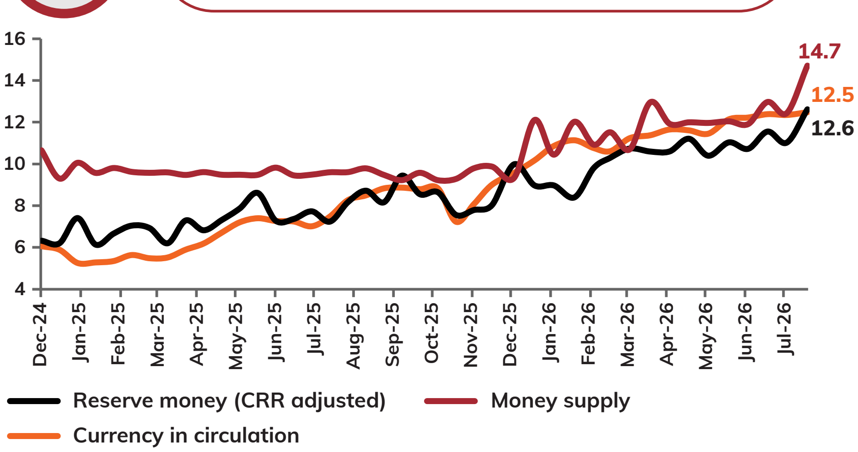
NET INFLOWS UNDER NON-RESIDENT DEPOSITS ($, BILLION)



Source: Reserve Bank of India (RBI) Bulletin, August 2026. FCNR(B): Foreign Currency Non-Resident (Banks) deposit, NRE: Non-Resident (External) Rupee deposits, NRO: Non-Resident Ordinary deposits.

In July 2026, the reserve money (adjusted for cash reserve ratio) expanded at a robust pace, while currency in circulation remained broadly steady.

SUSTAINED EXPANSION IN RESERVE MONEY AND MONEY SUPPLY (M_3)

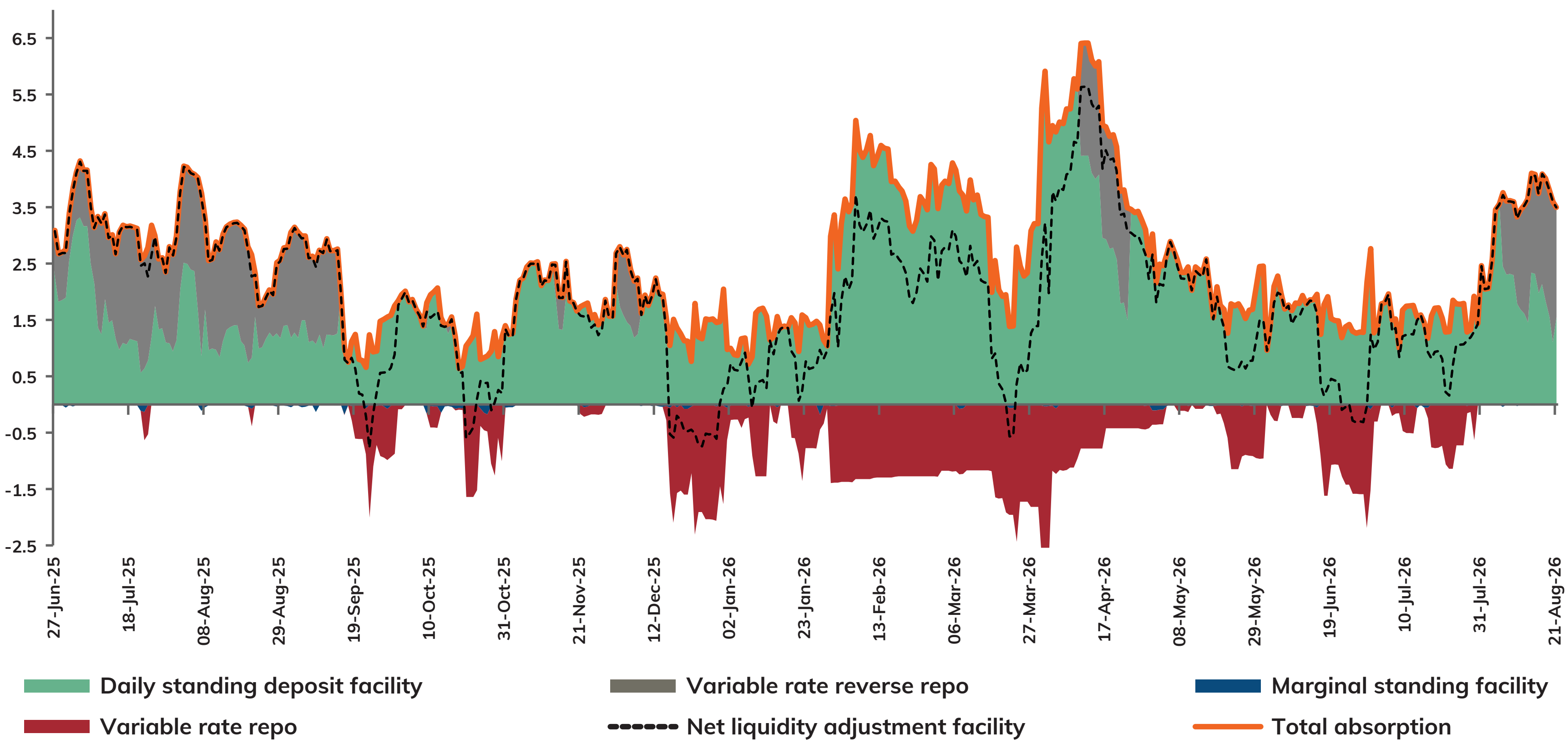


Source: Reserve Bank of India (RBI). CRR: Cash Reserve Ratio. The above is year-on-year growth %.

India’s Banking system liquidity improved

India’s banking system liquidity improved in August 2026 compared to the previous month, primarily driven by policy measures undertaken to attract capital inflows coupled with the drawdown of the government cash balances. With liquidity surplus in the banking system crossing ₹3.0 lakh crore for the first time in nearly four months, the central bank conducted sixteen variable rate reverse repo (VRRR) auctions (overnight to 7-days maturity) in August 2026, cumulatively absorbing ₹12.68 lakh crore (Source: Reserve Bank of India Bulletin, Data as on August 21, 2026).

INDIA'S BANKING SYSTEM LIQUIDITY (₹, LAKH CRORE)



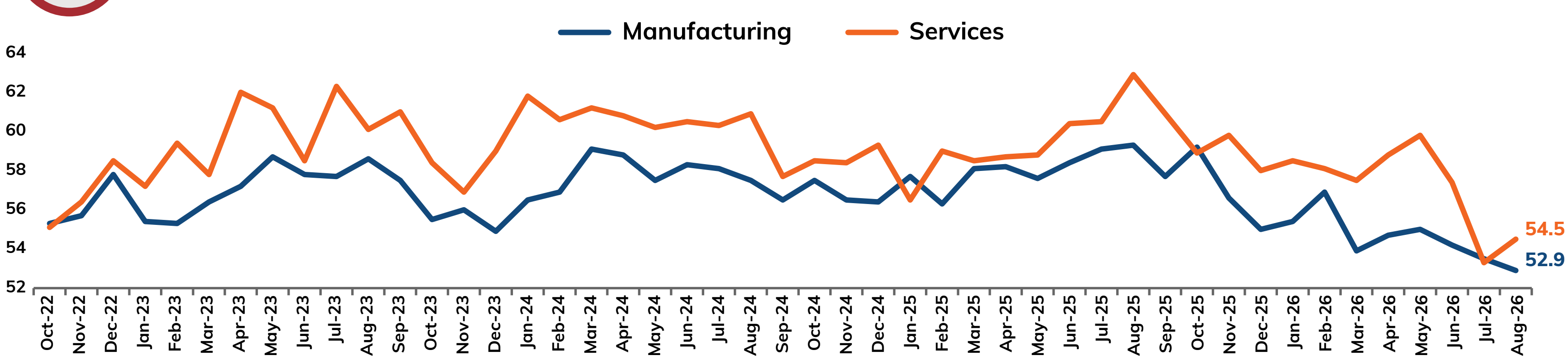
Source: Reserve Bank of India (RBI) Bulletin, August 2026. System liquidity is measured by the average daily net absorption under the liquidity adjustment facility (LAF).

Indian Private Sector Growth improves as service sector strengthens

The HSBC Flash India PMI Composite Output Index, which measures the combined output of India's manufacturing and services sectors, **rose to 54.6 in August 2026 from 54.3 in July 2026, indicating faster expansion of private sector activity.**

- **Business activity:** While new orders registered an increase in August 2026, the pace of growth was subdued compared to the trend observed in recent years. Businesses faced challenging market conditions, lower customer requirements and competitive pressures.
- **International sales:** Export orders picked up with stronger orders from diverse range of export markets, including the U.S., Germany, China, Singapore and Japan.

INDIA'S PURCHASING MANAGERS' INDEX (PMI)



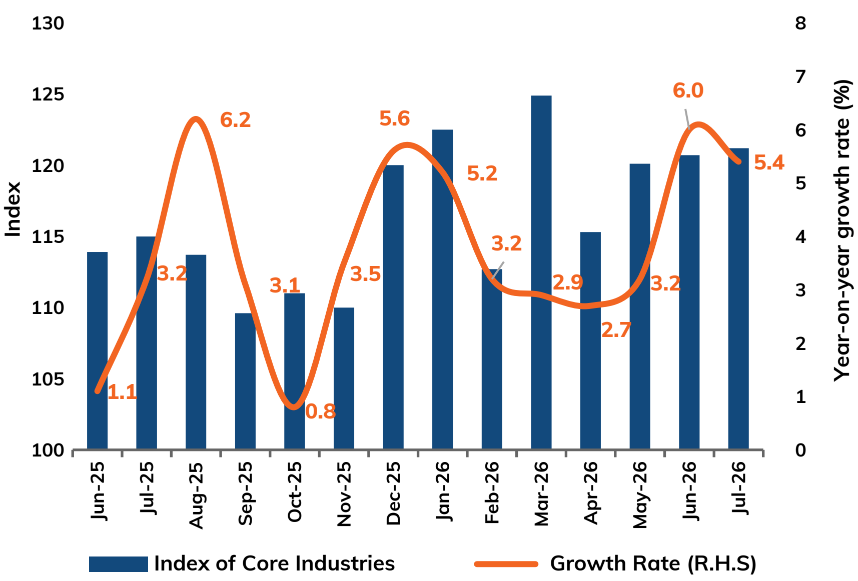
Source: S&P Global. Composite PMI indices are weighted averages of comparable manufacturing and services PMI indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The HSBC Flash India PMI is compiled by S&P Global from responses to questionnaires sent to survey panels of around 400 manufacturers and 400 service providers. The panels are each stratified by detailed sector and company workforce size, based on contributions to GDP. The services sector is defined by S&P Global as consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. GDP: Gross Domestic Product. PMI: Purchasing Managers' Index. U.S.: United States. Report as of August 21, 2026.

- **Hiring trend:** Job creation increased at the fastest rate since June 2025 with businesses hiring more workers to meet rising demand.
- **Input costs:** Indian firms continue to struggle with higher expenses related to electricity, raw materials (particularly steel), transport and technology.

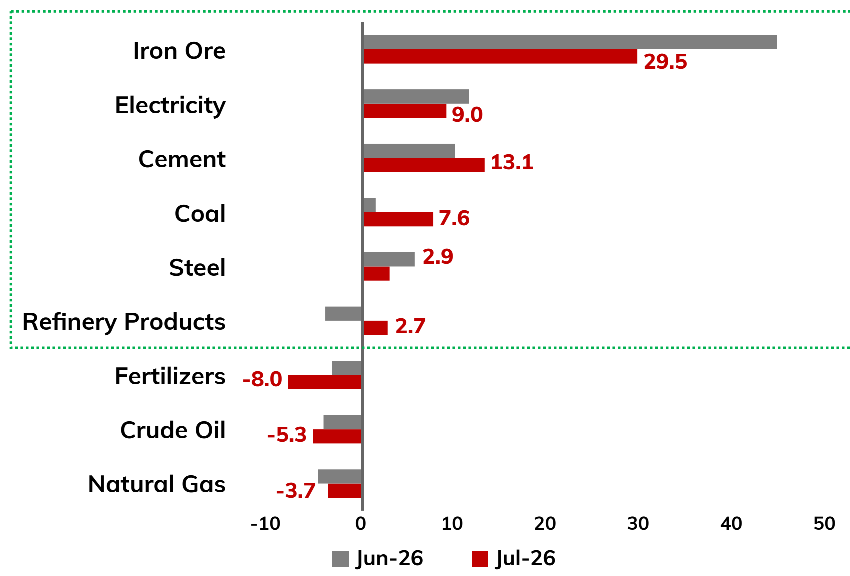
Why did India's core sector growth moderate?

In July 2026, India's Index of Core Industries moderated to 5.4% year-on-year from the revised growth rate of 6.0% recorded in June 2026. **While Iron ore output growth slowed sharply to 29.5% year-on-year in July 2026** from 44.5% in June 2026, partly due to an unfavourable base, **production continued to remain healthy on the back of higher demand from steelmakers and government's focus on infrastructure development. Cement production remained strong, indicating sustained construction** of roads, railways, housing and other infrastructure projects. **Electricity generation increased with stronger industrial activity** and higher power demand across households. **Coal output expanded, reflecting higher production from domestic mines** to meet the growing thermal power demand.

INDEX OF CORE INDUSTRIES



SECTOR-WISE GROWTH RATE (YEAR-ON-YEAR, %)



Source: Ministry of Commerce and Industry. The nine core sectors are: Iron ore, coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity. July 2026 print is provisional. R.H.S: Right-hand side. The sector(s) /stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s).

Crude oil and natural gas recorded a decline in production, reflecting higher reliance on crude imports and reallocations in existing supply chains. **Fertilizer production also dropped during the month as the ongoing West Asia conflict restricted input supplies.**

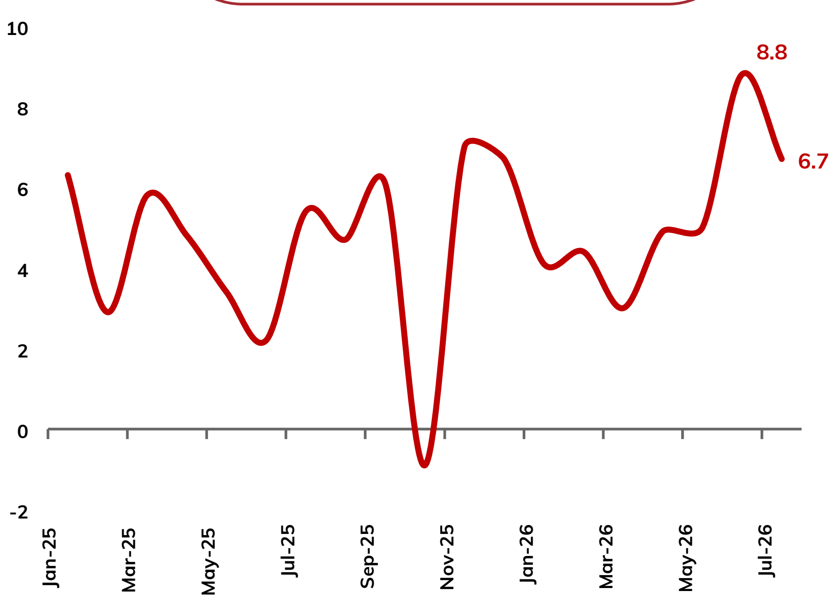
India's Industrial Production growth declines

ICICI PRUDENTIAL MUTUAL FUND

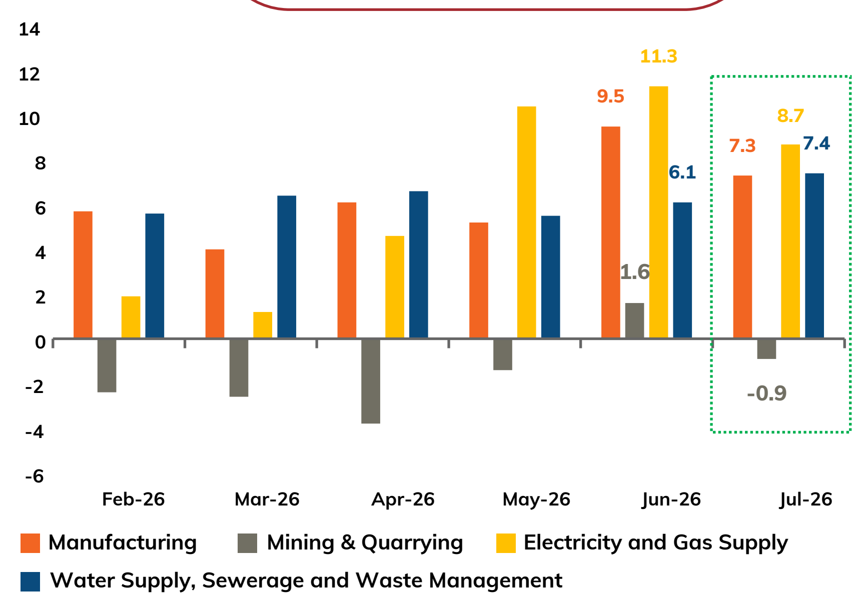
India's industrial output growth, measured by the Index of Industrial Production (IIP), slowed to 6.7% year-on-year in July 2026 from a revised 8.8% in June 2026 as **mining activity slipped into contraction and the pace of expansion in manufacturing eased,** weighing on overall industrial growth. **Mining sector output declined in July 2026, primarily due to a fall in the production of non-metallic minerals and fuel minerals.**

Manufacturing output grew 7.3% year-on-year in July 2026, lower than the 9.5% increase recorded in the previous month. Manufacturing output growth was primarily driven by machinery & equipment, motor vehicles, trailers and semi-trailers. **Capital-intensive sectors performed well, reflecting sustained investment demand** and infrastructure-led spending.

INDIA'S INDEX OF INDUSTRIAL PRODUCTION (YEAR-ON-YEAR GROWTH, %)



INDEX OF INDUSTRIAL PRODUCTION SECTORS (YEAR-ON-YEAR GROWTH, %)



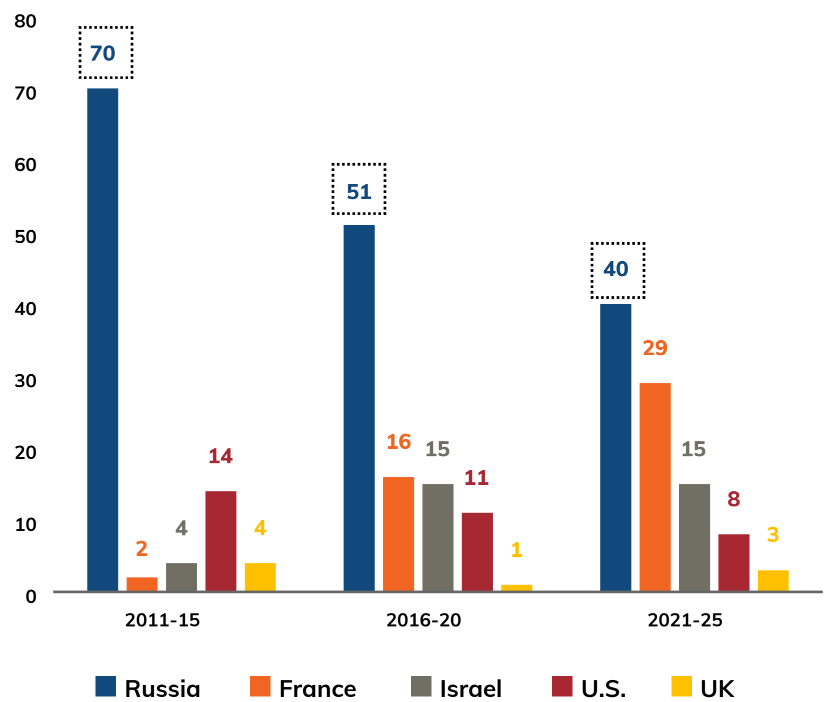
Source: Ministry of Statistics and Programme Implementation (MoSPI). The above is as per Base Year 2022-23. IIP: Index of Industrial Production. The sector(s) /stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s).

India's Defence Industrial Base expands

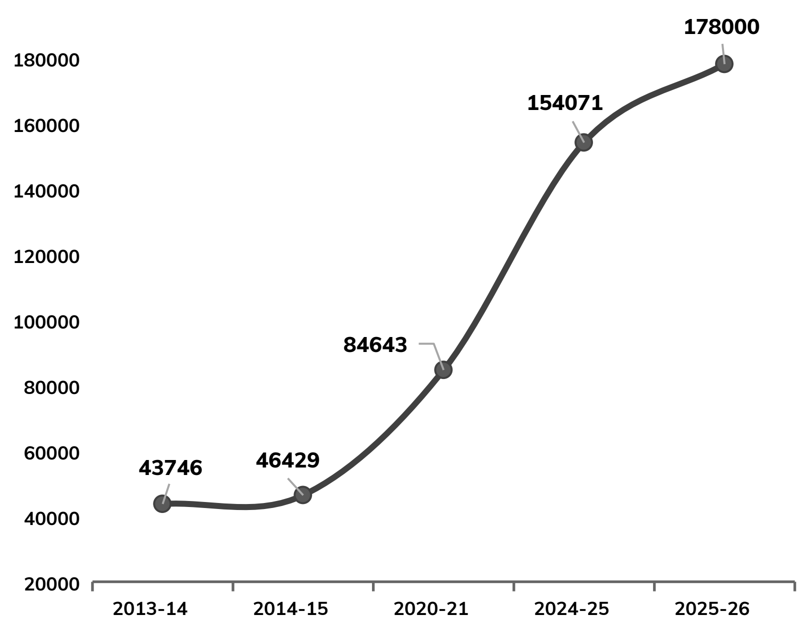
India's annual defence production surged to a high of ₹1.78 lakh crore in FY 2025-26, marking a growth of 15.6% over the previous fiscal year's output of ₹1.54 lakh crore. **Policy measures like Foreign Direct Investment liberalization (up to 74% under the automatic route), increased private sector participation and growing export capabilities are driving a structural shift in India's defence industry.**

While Russia continues to be India's key defence supplier, its share of imports has declined significantly from 70% in 2011-2015 to around 40% during 2021-2025. This reflects India's focus on domestic manufacturing and its efforts to diversify the procurement of military hardware.

INDIA'S DEFENCE IMPORTS FROM MAJOR COUNTRIES (%)



INDIA'S DEFENCE PRODUCTION (₹, CRORE)



Source: Stockholm International Peace Research Institute, CareEdge Ratings. Department of Defence Production. FY: Financial Year. U.S.: United States. UK: United Kingdom. The sector(s) /stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s).

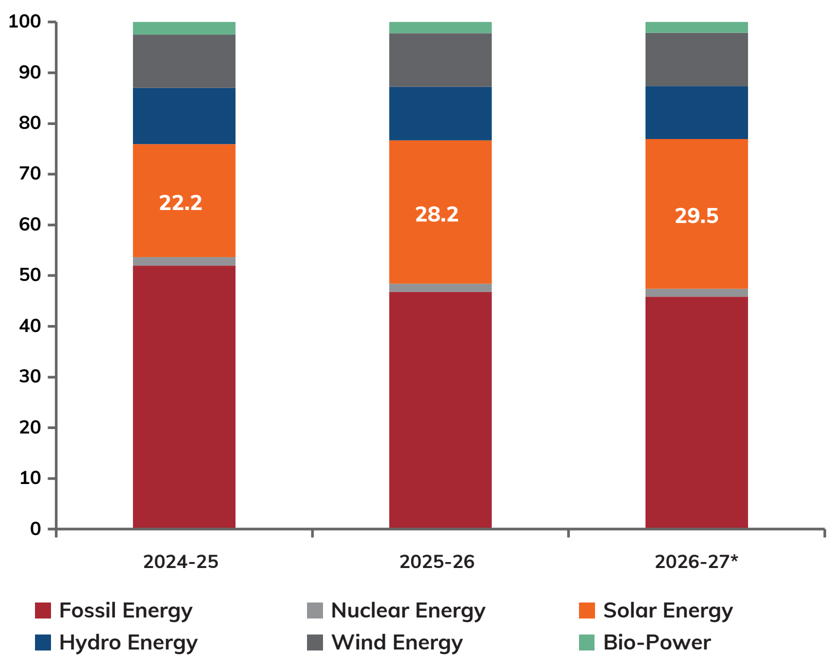
India's Clean Energy sector achieved a major milestone

ICICI PRUDENTIAL MUTUAL FUND

As on July 31, 2026, India crossed 300 Gigawatt (GW) of non-fossil fuel-based installed electricity generation capacity. Solar energy remains the key growth engine with an installed capacity of 164.59 GW as on July 31, 2026, up from 2.8 GW in 2014.

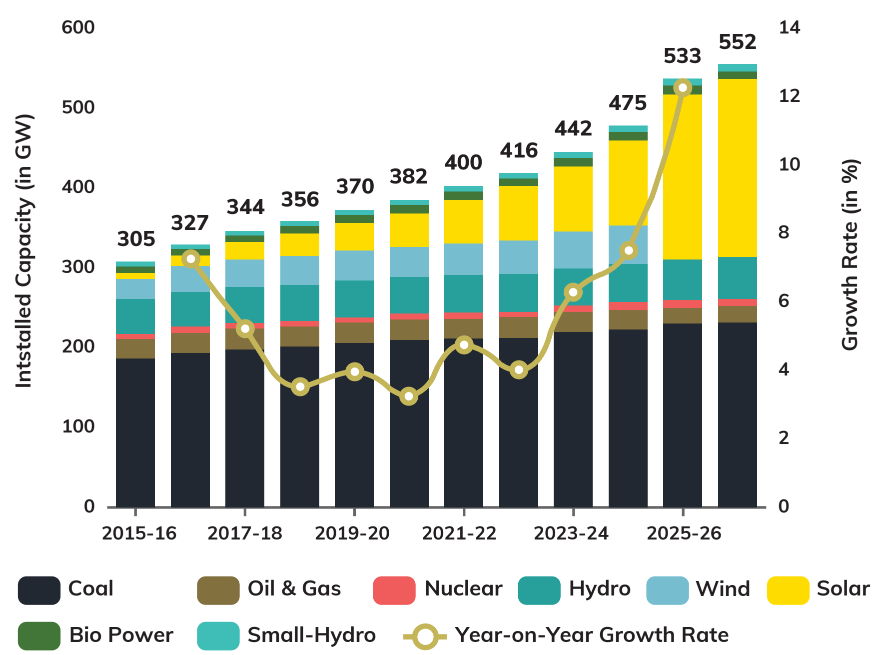
In July 2026, the Government of India approved the 'Pradhan Mantri Surya Sarovar Yojana' for the development of Floating Solar Photovoltaic Projects with Energy Storage Systems, which would help **generate clean electricity by utilizing reservoirs and industrial ponds.**

SHARE OF SOLAR ENERGY IN INSTALLED ELCTRICITY GENERATION CAPACITY (%)



Source: Reserve Bank of India (RBI) Bulletin, August 2026. Central Electricity Authority. *Data as on July 31, 2026. FY: Financial Year.

SOURCE-WISE ELECTRICITY INSTALLED CAPACITY TREND (GIGAWATT)



Source: NITI Aayog, Central Electricity Authority (CEA), National Power Portal (NPP). Data as on July 31, 2026.

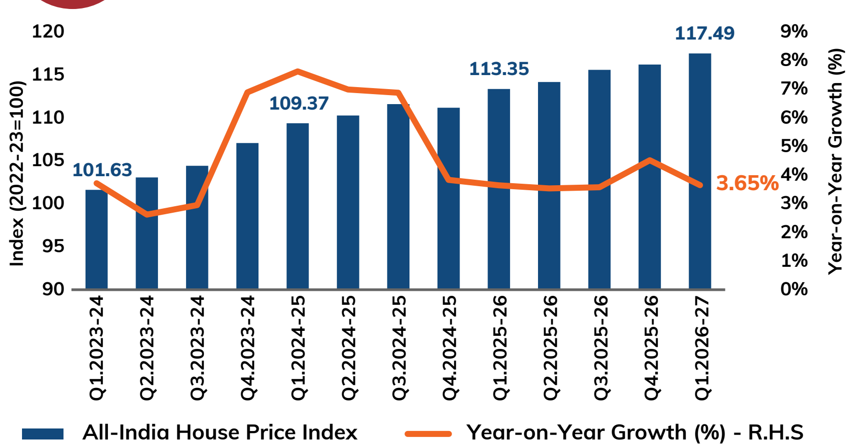
Unfolding the All-India House Price Index trend

ICICI PRUDENTIAL MUTUAL FUND

Analyzing price trends of the housing segment is important for monetary policy formulation as it may impact economic activity through private consumption of households, residential investment and credit allocation of the financial systems.

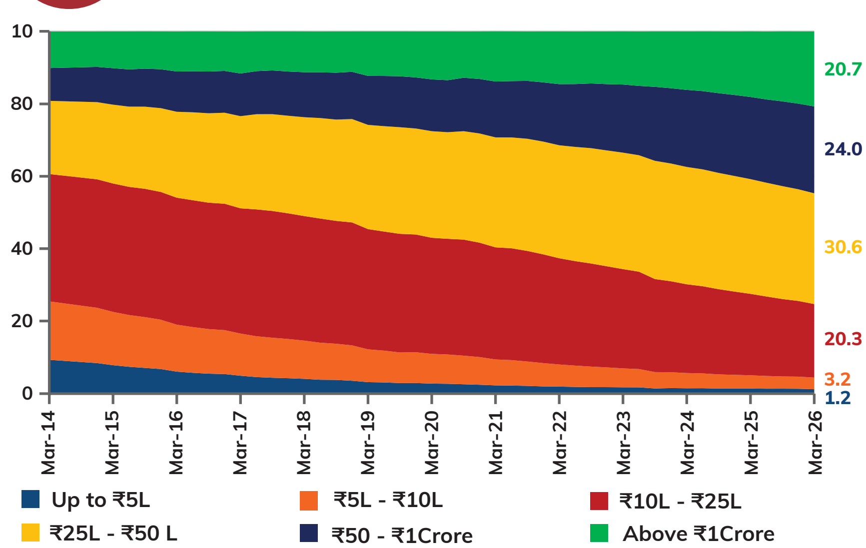
The Reserve Bank of India compiles the House Price Index (HPI) on a quarterly basis using transaction-level data received from the registration authorities. **In August 2026, the central bank released the All-India House Price Index for Q1 of 2026-27 with base year as 2022-23, covering eighteen major cities*. The Index stood at 117.5 in Q1 of 2026-27, registering an annual growth of 3.6%,** primarily contributed by cities such as Chandigarh, Jaipur, Kanpur, Lucknow and Thiruvananthapuram.

ALL-INDIA HOUSE PRICE INDEX



Source: Reserve Bank of India. Q: Quarter. R.H.S: Right-hand side. *The eighteen cities are Mumbai, Delhi, Chennai, Kolkata, Bangalore, Lucknow, Ahmedabad, Jaipur, Kanpur, Kochi, Hyderabad, Thiruvananthapuram, Pune, Ghaziabad, Thane, Gautam Buddha Nagar, Chandigarh and Nagpur. The Q1 2026-27 print is provisional.

CREDIT LIMIT-WISE SHARE IN OUTSTANDING LOANS (%)



Source: Reserve Bank of India (RBI) Financial Stability Report as on June 2026. Credit limit is the sanctioned/operating credit limit. L: Lakh.

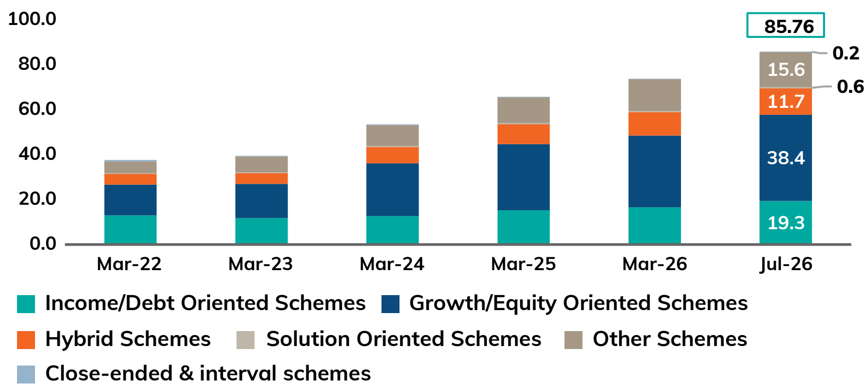
There has been a notable shift in the housing loan portfolios of banks over time. In recent years, loan distribution has moved toward higher-value segments, with the share of ₹50 lakh and above credit limits now accounting for 44.7% of the outstanding loans.

Growth of India's Mutual Fund Industry

ICICI PRUDENTIAL MUTUAL FUND

Net Assets Under Management of India's mutual fund industry reached a record high of ₹85.76 lakh crore in July 2026, up from ₹82.22 lakh crore in June 2026.

NET ASSETS UNDER MANAGEMENT OF INDIA'S MUTUAL FUND INDUSTRY (₹, LAKH CRORE)



Source: Association of Mutual Funds in India (AMFI), CRISIL Intelligence.

While equity mutual fund inflows moderated to ₹24,697 crore in July 2026, debt mutual funds staged a turnaround with inflows of ₹1.87 lakh crore. This was driven by liquid, overnight and money market funds.

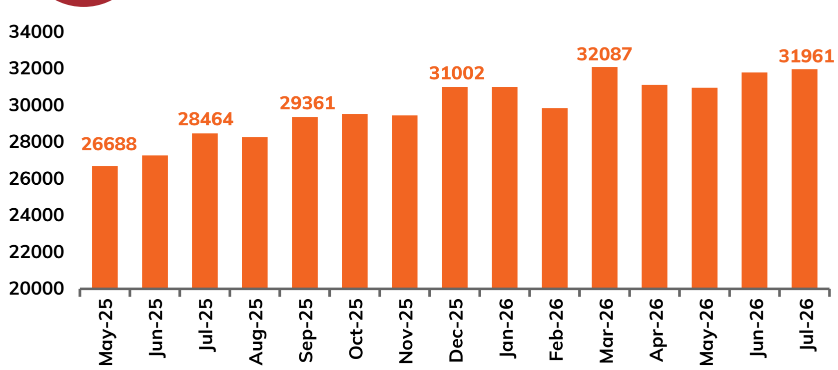
MONTHLY FLOWS OF MUTUAL FUNDS (₹, CRORE)

Category	Jul-26	Jun-26	May-26	Apr-26	Mar-26	Feb-26	Jan-26
Equity	24,697	28,973	22,908	38,440	40,450	25,978	24,029
Debt	1,87,511	-109,054	-96,949	2,47,490	-294,987	42,106	74,827
Hybrid	11,491	12,893	10,560	20,565	-16,538	11,983	17,356
Others	12,517	16,724	362	20,082	30,768	13,879	39,955
Solution-oriented schemes	379	321	270	307	256	247	342
Closed-ended and interval schemes	-693	-2,806	-1,173	-4,481	141	336	-49
Total	2,35,902	-52,949	-64,021	3,22,403	-239,910	94,530	1,56,459

Source: Association of Mutual Funds in India (AMFI). CRISIL Intelligence. Cells in green to red signify the highest to lowest inflows in that period.

In July 2026, Systematic Investment Plan (SIP) monthly contributions stood at ₹31,961 crore with the number of active SIP accounts reaching 9.90 crore.

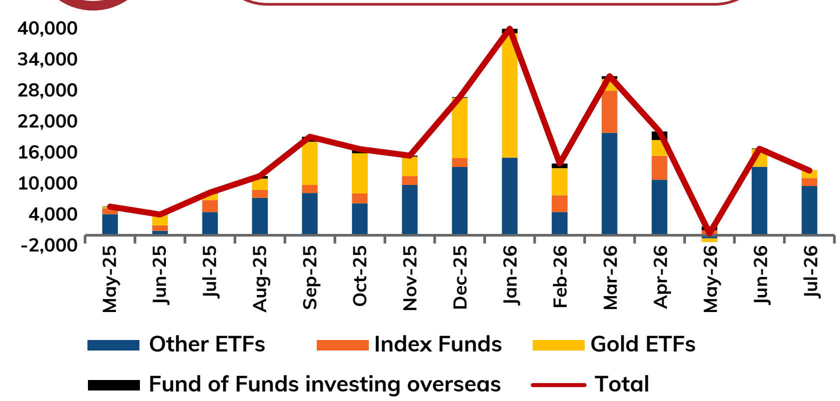
SIP CONTRIBUTION (₹, CRORE)



Source: Association of Mutual Funds in India (AMFI), CRISIL Intelligence. SIP: Systematic Investment Plan.

In July 2026, Other ETFs accounted for the largest share of passive fund inflows.

MONTHLY FLOW TREND OF PASSIVE SCHEMES (₹, CRORE)



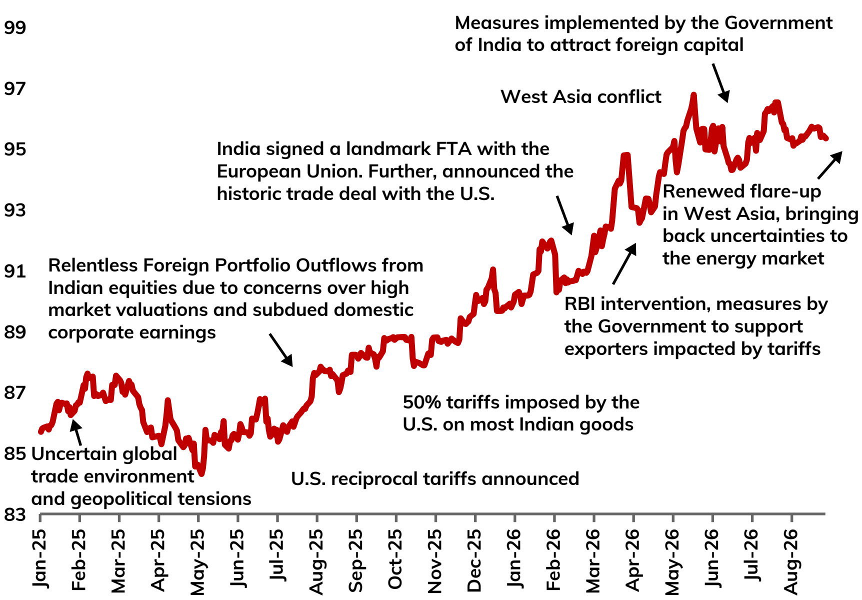
Source: Association of Mutual Funds in India (AMFI), CRISIL Intelligence. ETFs: Exchange Traded Funds.

The plight of the Indian Rupee

In August 2026, the Indian Rupee traded around 95.50 levels against the U.S. Dollar, weighed down by rising crude oil prices and the impact of lingering geopolitical tensions in West Asia. **However, there is the silver lining: Foreign portfolio investors bought Indian equities worth ₹29,631 crore in August 2026, reflecting confidence in the growth prospects of the economy.**

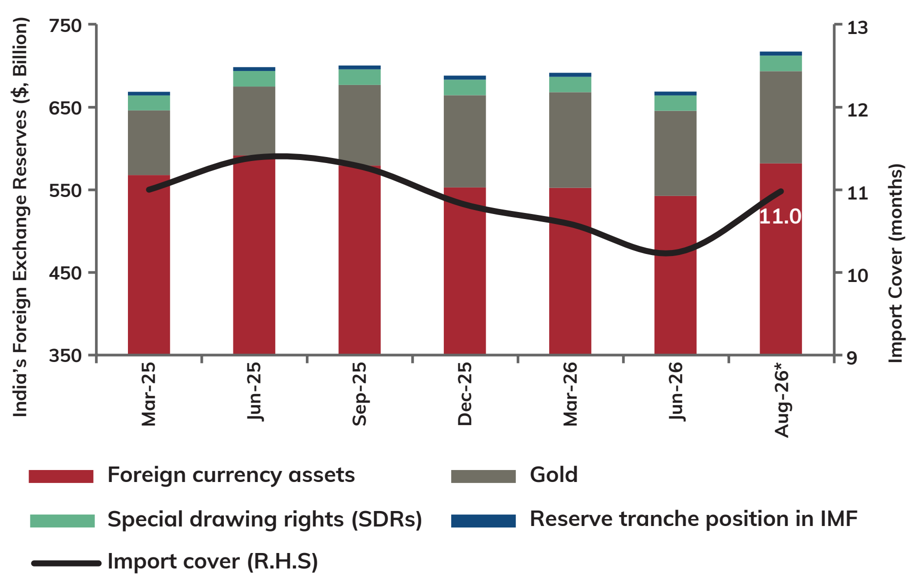
Additionally, India's bilateral trade agreements with countries would integrate India deeper into global value chains, thereby supporting domestic currency stability. **As on August 14, 2026, India's foreign exchange reserves remain comfortable to cover for 11.0 months of goods, which could help stabilize the domestic currency during periods of financial stress.**

USD/INR



Source: Reuters. Data as on August 31, 2026. U.S.: United States. INR: Indian Rupee. USD: U.S. Dollar. FTA: Free Trade Agreement. RBI: Reserve Bank of India.

INDIA'S FOREIGN EXCHANGE RESERVES ($, BILLION)



Source: Reserve Bank of India Bulletin, August 2026. R.H.S: Right-hand side. IMF: International Monetary Fund. *Data as on August 14, 2026. The import cover data is based on annualized merchandise imports as per the balance of payments statistics.

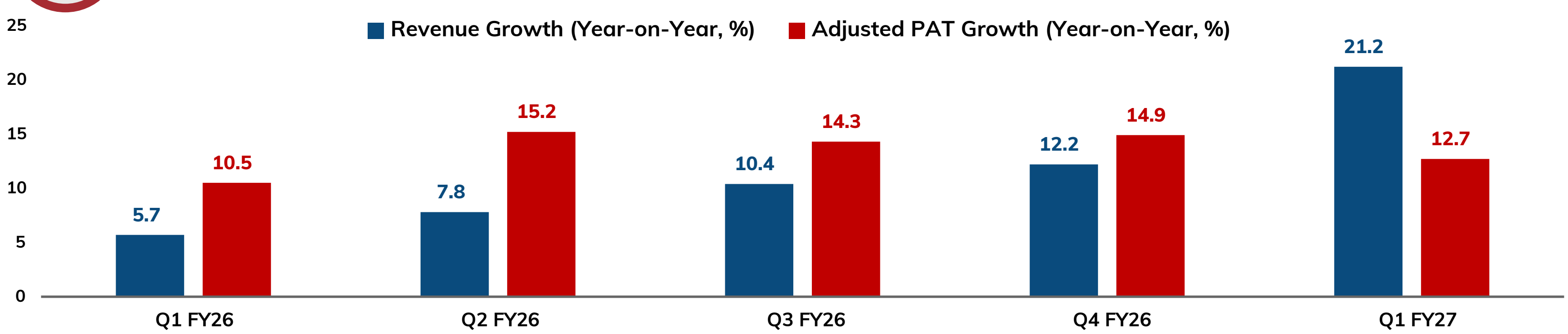
Q1 FY 2026-27 Corporate Earnings Performance – Thumbs up or down?

Businesses faced several external uncertainties, including geopolitical turmoil, elevated crude oil prices and an uncertain global trade environment in recent months. **Despite challenges, India's corporate sector displayed healthy earnings growth during Q1 FY 2026-27.**

Banks reported strong credit growth across segments with an improvement in asset quality; however, Net Interest Margin (NIM) pressure persists. **The automobile sector witnessed broad volume growth, driven by strong domestic demand for two-wheelers and passenger vehicles.** The Goods and Services Tax (GST) rate cut improved the affordability of vehicles, expanding household mobility.

During the quarter, the metals industry reported significant earnings growth, driven by favourable metal prices that offset muted sequential volumes. **Domestic steel demand gathered momentum on the back of increased housing activities** and focus of the government on infrastructure development.

NIFTY 500 REVENUE AND PAT GROWTH (YEAR-ON-YEAR, %)



Source: NSE 500 Companies data, Motilal Oswal Research, Data as of August 2026. Q: Quarter. FY: Financial Year. PAT: Profit After Tax.

The retail sector gained traction on the back of steady domestic demand, expansion of stores and resilient demand across premium product segments. **Power demand remained steady but faced challenges like land acquisition, unsigned power purchase agreements and transmission constraints.**

Information Technology sector performance was weak due to global economic uncertainties and delayed deals. **Artificial Intelligence served as a key growth driver** with increased adoption across various industries. **The generic pharmaceutical export segment continues to face severe pricing pressure in select high-margin niche markets, particularly in the U.S.,** posing challenges for the healthcare sector.

Source: Company reports. U.S.: United States. The sector(s) /stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s).

The Narrative of High-Frequency Indicators

In July 2026, Goods and Services Tax (GST) revenue growth strengthened, driven by healthy growth in domestic collections and robust growth in tax revenue from imports. During the month, **GST E-way bill generation indicated steady goods movement.** While growth in petroleum consumption rebounded, **aviation turbine fuel consumption remained subdued. Electricity demand gained traction as high humidity drove a surge in cooling needs.**

High Frequency-Indicators – Economic Activity (Year-on-Year Growth %)

Indicator	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
GST E-way bills (Volume)	25.8	22.4	21.0	8.2	27.6	23.5	15.8	18.8	12.9	11.8	10.9	14.5	6.0
GST revenue	8.2	6.9	10.0	7.6	0.7	6.1	6.2	8.1	8.8	8.7	3.2	13.9	15.4
Toll collection (Volume)	14.8	12.7	4.5	4.6	2.9	0.4	-1.8	-8.7	-4.0	-6.4	-7.2	-6.3	-6.3
Electricity demand (Volume)	2.6	3.8	3.5	-5.8	-0.6	5.8	3.8	1.0	0.8	3.0	10.8	10.8	10.7
Total consumption of petroleum products (Volume)	-4.4	4.8	7.0	-1.5	0.6	4.5	0.3	4.5	3.2	-6.5	-8.1	-3.5	2.9
Of which Petrol	5.9	5.5	8.0	7.4	2.6	7.1	6.1	6.1	7.6	6.8	3.4	7.5	9.2
Diesel	2.3	1.2	6.5	-0.3	4.8	5.2	3.3	4.3	8.1	0.8	1.6	6.2	10.0
Aviation Turbine Fuel	-2.3	-2.9	-0.8	2.1	5.4	0.2	5.5	4.0	0.6	-0.1	1.0	0.0	-0.6
Digital Payments - volume	30.9	31.1	28.1	21.5	30.2	26.8	25.4	23.5	21.0	22.3	21.3	21.7	16.6
Digital payments - value	16.6	5.3	13.4	8.8	14.7	15.2	11.3	17.9	12.6	14.4	10.8	20.2	18.2

<<<<<<Contraction---Expansion>>>>>>

Source: Reserve Bank of India (RBI) Bulletin, August 2026. Goods and Services Tax Network (GSTN), Central Electricity Authority (CEA), Ministry of Petroleum and Natural Gas, Government of India, National Payments Corporation of India (NPCI). The heatmap translates the data range for each indicator into a colour gradient scheme with red denoting the lowest values and green corresponding to the highest values of the respective data series. The heatmap is applied on data from April 2023 to the latest month for which data is available. For digital payments, heatmap is applied on data from April 2024 to the latest month for which data is available. Digital payments data for July 2026 are provisional. Gross GST revenue includes Integrated Goods and Services Tax, Central Goods and Services Tax, State Goods and Services Tax.

In July 2026, retail automobile sales accelerated, led by stronger tractor and two-wheeler sales. Domestic air passenger traffic declined amid high aviation turbine fuel costs and capacity rationalization by major aviation carriers.

High Frequency-Indicators – Demand Conditions (Year-on-Year Growth %)

	Indicator	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Urban Demand	Domestic Air Passenger Traffic	-2.5	-0.5	-2.5	3.5	7.0	-4.9	3.1	-0.1	-1.3	-2.8	7.7	-1.2	-4.8
	Retail Passenger Vehicle Sales	5.6	0.9	5.8	10.7	20.4	26.6	7.2	26.1	21.5	18.1	23.2	32.6	19.1
Rural Demand	Retail Automobile Sales	0.3	2.8	5.2	40.5	2.1	14.6	17.6	25.6	25.3	17.4	9.5	23.6	25.9
	Of which Retail Tractor Sales	14.6	30.1	3.6	14.2	56.5	15.8	22.9	36.4	10.9	28.7	11.2	30.1	28.1
	Retail Two-wheeler Sales	-2.2	2.2	6.5	51.8	-3.1	9.5	20.8	25.0	28.7	17.2	7.5	22.1	28.3

<<<<<<Contraction---Expansion>>>>>>

Source: Reserve Bank of India (RBI) Bulletin, August 2026. Airports Authority of India, Federation of Automobile Dealers Associations (FADA). The data on domestic air passenger traffic for July 2026 growth rate is calculated by aggregating daily data. In the heatmap, red denotes the lowest values and green corresponds to the highest values of the respective data series. Data for retail automobile sales consists of sales of two wheelers, three wheelers, passenger vehicles, tractors and commercial vehicles. The heatmap is applied on data from April 2023 to the latest month for which data is available. The sector(s) /stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s).

The Narrative of High-Frequency Indicators

ICICI PRUDENTIAL MUTUAL FUND

In July 2026, Automobile production continued to register robust growth, led by passenger vehicles and two-wheelers. Capital goods imports remained strong in July 2026, suggesting sustained investment demand. **Domestic logistics activity strengthened, with railway freight movements and port cargo traffic registering healthy growth.**

High-Frequency Indicators for Industrial Activities and Services (Year-on-Year Growth %)

Indicator	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Automobile production (Volume)	10.7	8.1	10.8	-2.8	22.3	37.1	15.0	22.1	20.2	26.0	13.4	27.5	24.8
Of which Passenger vehicle production (Volume)	0.1	-4.1	16.1	9.8	22.8	23.1	5.6	9.8	9.0	12.8	10.9	17.6	26.4
Two-wheelers production (Volume)	12.3	10.0	9.8	-5.6	20.9	39.9	16.1	24.4	22.0	28.1	13.0	28.3	24.2
Three-wheelers production (Volume)	24.0	15.8	15.9	15.9	55.4	39.6	33.2	29.9	34.0	41.6	32.9	42.8	30.0
Tractor production (Volume)	11.5	9.4	23.0	13.0	37.5	57.9	14.6	80.0	28.6	18.1	15.5	10.2	6.7
Import of capital goods (Value)	13.5	0.2	12.8	12.0	14.8	17.9	5.2	17.0	11.7	21.6	18.0	38.7	25.5
Port Cargo Traffic	4.0	2.5	11.5	11.9	14.5	12.7	7.6	5.1	0.6	2.4	6.6	9.4	8.8
Railway freight traffic: freight originating	0.0	8.5	3.9	2.3	4.2	3.2	2.9	4.0	3.1	-1.0	1.4	4.0	8.9
Retail commercial vehicle sales	0.2	8.6	2.7	21.1	17.0	24.6	15.1	28.9	15.1	18.8	5.3	16.9	24.0
International Air Passenger Traffic	5.5	7.7	7.3	9.7	7.5	6.0	7.1	3.0	-18.5	-16.1	-9.1	-4.6	-4.0
Cement production	11.6	5.4	5.0	5.2	14.6	13.7	11.3	9.1	4.7	8.3	8.4	9.9	13.1

<<<<<<Contraction--Expansion>>>>>>

Source: Reserve Bank of India (RBI) Bulletin, August 2026. Central Electricity Authority (CEA), Ministry of Power, Society of Indian Automobile Manufacturers (SIAM), Office of Economic Adviser, Government of India, Joint Plant Committee, Directorate General of Commercial Intelligence & Statistics, Tractor and Mechanisation Association, Federation of Automobile Dealers Associations (FADA), Ministry of Railways, Airports Authority of India, Ministry of Commerce & Industry. In the heatmap, red denotes the lowest values and green corresponds to the highest values of the respective data series. The heatmap is applied on data from April 2023 to the latest month for which data is available.

In July 2026, the Naukri JobSpeak Index reflected some moderation in white collar hiring across certain industries like hospitality, pharmaceuticals and education. **Demand for work under the Viksit Bharat–Guarantee for Rozgar and Ajeevika Mission (Gramin) declined sharply during August 2026, which coincides with the kharif sowing season.**

High-Frequency Indicators for Employment

Indicator	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Unemployment rate (PLFS: All-India)	5.2	5.1	5.2	5.2	4.7	4.8	5.0	4.9	5.1	5.2	5.5	5.5	5.1
Unemployment rate (PLFS: Rural)	4.4	4.3	4.6	4.4	3.9	3.9	4.2	4.2	4.3	4.6	5.1	5.0	4.5
Unemployment rate (PLFS:Urban)	7.2	6.7	6.8	7.0	6.5	6.7	7.0	6.6	6.8	6.6	6.4	6.6	6.7
Naukri JobSpeak Index	6.8	3.4	10.1	-9.3	23.5	13.2	3.4	11.9	9.2	5.8	1.0	6.1	5.0
VB-G RAM G/MGNREGS: Work Demand	-12.3	-26.2	-27.1	-35.1	-32.0	-28.9	-25.7	-14.1	-23.2	-35.5	-27.8	-18.5	-39.2

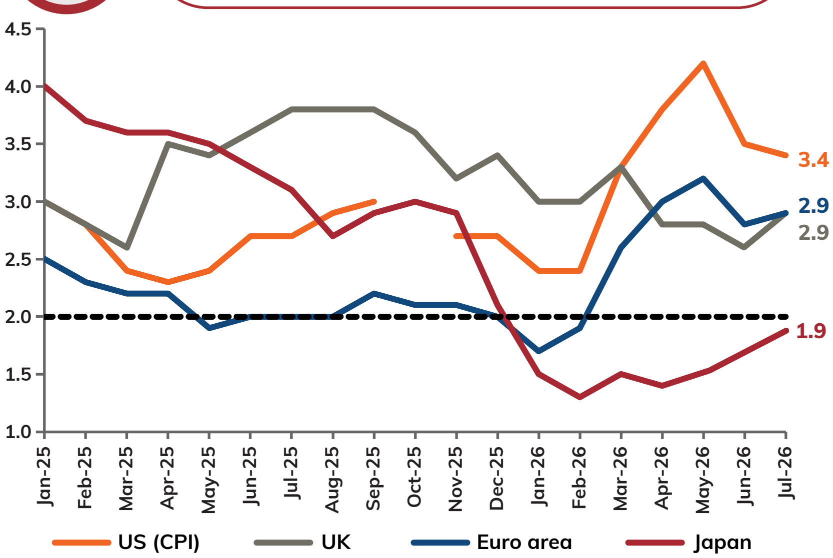
<<<<<<Contraction--Expansion>>>>>>

Source: Reserve Bank of India (RBI) Bulletin, August 2026. Ministry of Statistics and Program Implementation (MoSPI), Ministry of Rural Development, Info Edge. All Periodic Labour Force Survey (PLFS) indicators are in the current weekly status and for people aged 15 years and above. The year-on-year growth % has been calculated for the Naukri index and VB-G RAM G/MGNREGS work demand. The heatmap is applied to data from April 2023 to June 2026. The heatmap for PLFS unemployment rate is applied to data from April 2025 to July 2026. In the heatmap, red denotes the lowest values and green corresponds to the highest values of the respective data series. PLFS unemployment rate and VB-G RAM G/MGNREGS are encoded in inverse scale- lowest is marked in green, highest is marked in red. VB-G RAM G: Viksit Bharat–Guarantee for Rozgar and Ajeevika Mission (Gramin). MGNREGS: Mahatma Gandhi National Rural Employment Guarantee Scheme. The sector(s) /stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s).

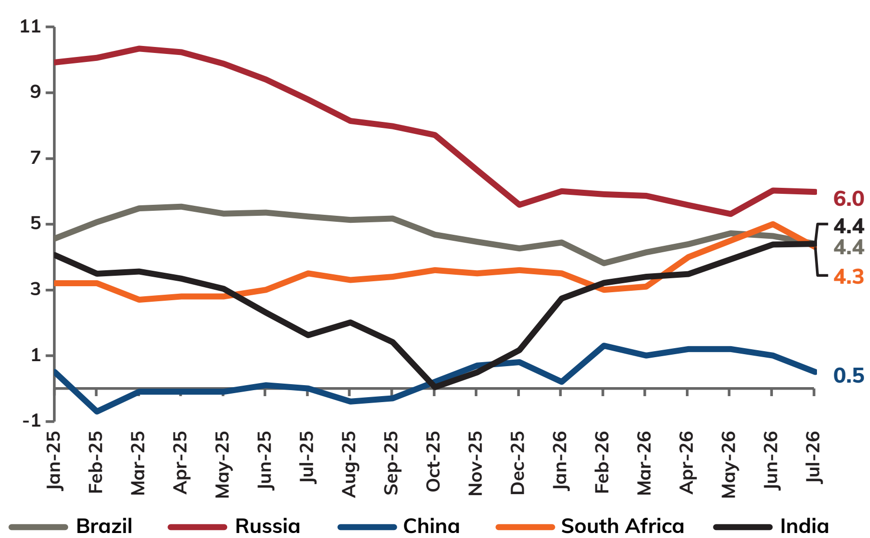
Other Key Developments

Headline inflation across economies: Among major Advanced Economies, inflation in the UK edged up during July 2026, owing to housing and household services. Inflation in the U.S. softened with a decline in gasoline and fuel prices. Inflation in the Euro area was driven by higher energy prices and persistently elevated services inflation. Among Emerging Market Economies, inflation softened in Brazil due to lower housing, food and beverages prices. In China, easing gasoline and commodity prices contributed to the decline in inflation. Further, inflation moderated in South Africa due to lower food and fuel prices.

HEADLINE INFLATION ACROSS SELECT ADVANCED ECONOMIES (%)



HEADLINE INFLATION ACROSS SELECT EMERGING MARKET ECONOMIES (%)



Source: Reserve Bank of India (RBI) Bulletin, August 2026. U.S. CPI data is not available for October 2025 due to the U.S. Government shutdown. U.S.: United States. UK: United Kingdom. CPI: Consumer Price Index. The sector(s) /stock(s) mentioned in this presentation do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future position in these sector(s)/stock(s).

Unlocking the National Offshore Exploration Scheme: In August 2026, the Government of India approved the 'Samudra Manthan' – the National Offshore Exploration Scheme with an outlay of ₹84,084 crore for implementation through FY 2030-31. By creating a robust offshore exploration ecosystem through domestic manufacturing capabilities, the Scheme would help build national capability in deepwater exploration and production, strengthening India's energy-security resilience (Source: Ministry of Petroleum & Natural Gas. FY: Financial Year).

Other Key Developments

Strengthening agricultural investment and income levels of farmers: The Government of India has approved the continuation of the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Scheme from 2026-27 to 2030-31 with a financial outlay of ₹3.15 lakh crore during this period. This would aid farmers to make timely investments in seeds, fertilizers, irrigation and agricultural machinery. (Source: Government of India document).

Presenting India's National Unified Scheme: India currently meets nearly 50% of its natural gas requirement through imports. Recent geopolitical developments and disruptions along the Strait of Hormuz, a route that carries nearly 55 to 60% of India's Liquefied Natural Gas (LNG) imports, have underscored the importance of strengthening domestic energy production. In this context, the Government of India approved GOBARdhan, the National Circular Bioenergy Scheme, with a total outlay of ₹23,731 crore on 06 August 2026. Through an integrated framework, it would promote Compressed Biogas production by ensuring stable pricing, capital assistance, pipeline connectivity and improved access to finance. (Source: Press Information Bureau, Government of India).

All India Wholesale Price Index (WPI) inflation: India's Wholesale Price Index (WPI) inflation moderated marginally to 9.78% year-on-year in July 2026 from 9.87% in June 2026, supported by a decline in fuel and power group inflation. However, inflation in primary and manufactured products registered an increase. The output producer price index (OPPI) also remained sticky at 9.6% in July 2026 due to elevated inflation in manufacturing products, agriculture, forestry & fishing and mining & quarrying (Source: Ministry of Commerce & Industry).

Sugar prices rise: The Government of India would allow duty-free imports of 1 million metric tons of raw sugar under the Tariff Rate Quota until October 31, 2026 with an aim to bring down high domestic prices (Source: Reuters).

Boost to domestic manufacturing of electronics: The Ministry of Electronics and Information Technology has approved 31 proposals under the Electronics Components Manufacturing Scheme (ECMS), enabling the domestic manufacture of several critical components and raw materials, including filters, coils, speakers, acetylene black and electrolyte additives. The latest approvals, involving an investment of ₹7,877 crore, take the total number of projects approved under the scheme to 106, with a cumulative investment commitment of ₹69,548 crore across 30 products in 15 States (Source: Ministry of Electronics & IT. Report as on August 17, 2026. IT: Information technology).

And it is a wrap for the month

ICICI PRUDENTIAL MUTUAL FUND

The West Asia conflict continues to challenge the global economy by disrupting key trade routes and global oil supply chains. U.S. tariffs have further compounded uncertainties around international trade.

Despite external headwinds, India's industrial activity has been largely resilient in the current fiscal year. Private consumption continued to be driven by buoyant discretionary spending, while investment activity remains steady on the back of robust government spending on infrastructure. Financial conditions are characterized by high credit growth, comfortable banking liquidity and a rebound in capital inflows. While India's retail inflation edged up above the central bank's target, it was primarily on account of supply side pressures. Indian refiners are actively diversifying crude oil sources to reduce dependence on Gulf suppliers.

PICTURE OF THE MONTH

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