ICICI PRUDENTIAL MUTUAL FUND

THE MONTH GONE BY

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

The Biggest Asset Bubbles in History

- **1630s** – The Dutch Tulip Bulb Market Bubble
- **1720s** – The South Sea Bubble
- **1980s** – Japan's Real Estate and Stock Market Bubble
- **1990s** – The Dotcom Bubble
- **1996-2006** – The United States Housing Bubble

Phases of an ASSET BUBBLE

01 Catalyst
Investors notice a new trend, such as a new product or technology.

02 Boom
Prices gain momentum as more investors enter the market, creating an environment for a boom.

03 Herd Mentality
The fear of missing out drives more investors to acquire assets.

04 Euphoria
Though asset prices reach unprecedented heights, investors disregard the signs of caution.

05 Prices Crash
When investors detect speculation, asset prices reverse and fall quickly.

06 Panic
Investors are desperate to liquidate the asset at any price.

What is the solution? Diversifying the portfolio across different asset classes and sectors/themes acts as the first line of defense. Do not enter a stock just because the herd is buying it – it could be a trap. Investors can consider mutual fund schemes as the fund manager does the heavy lifting of selecting fundamentally strong companies and tracking market developments.

While we ponder about the course ahead, it is important to connect the dots with key market events of February 2026.

The tussle between Equity market bulls and bears continues

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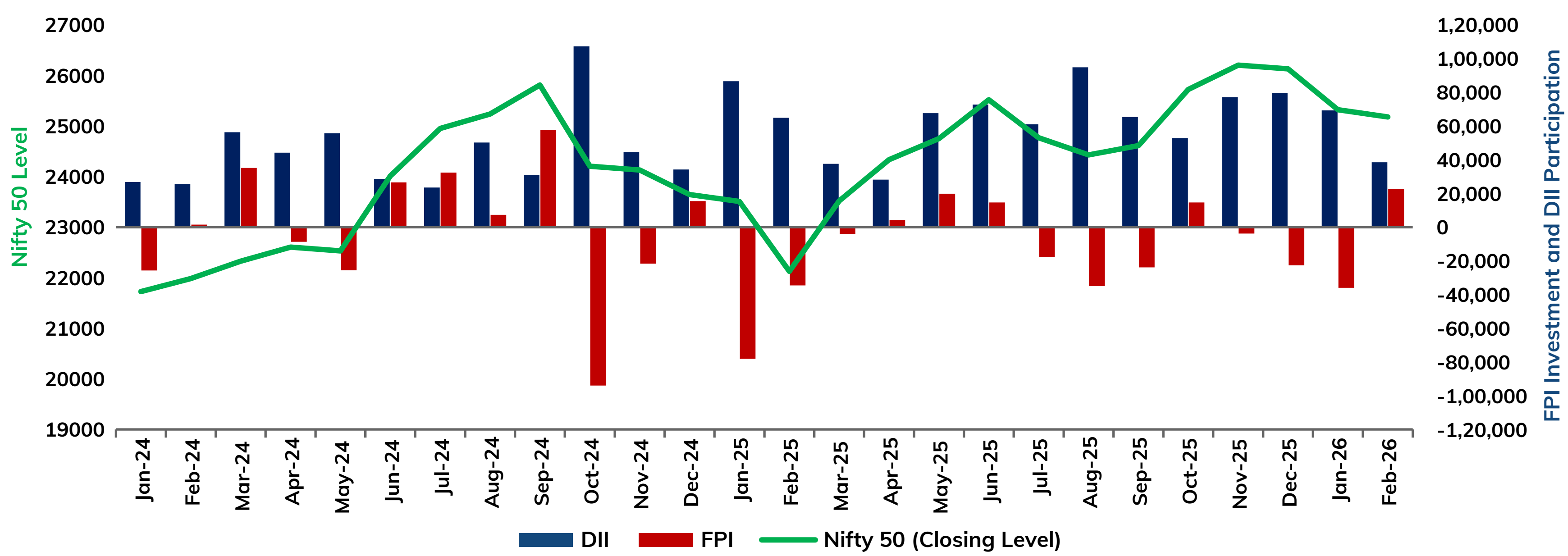
In February 2026, Foreign portfolio investments in Indian equities staged a comeback following the landmark **India-EU free trade agreement and the U.S.-India interim trade deal, which would enhance India's export competitiveness. The Union Budget 2026-27 reaffirmed the Government's commitment to fiscal consolidation** and maintaining a strong thrust on capital expenditure. **India's headline inflation continues to remain benign. Rabi sowing concluded with higher acreages under all major crops.** Industrial activity remained strong and the services sector sustained its healthy growth.

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



The global equity market is in a state of flux – While renewed geopolitical turmoil and artificial intelligence-led disruptions in the Information Technology (IT) sector pose risks to growth prospects, **robust macroeconomic developments, including improving corporate earnings, have contributed to the positive sentiment.**

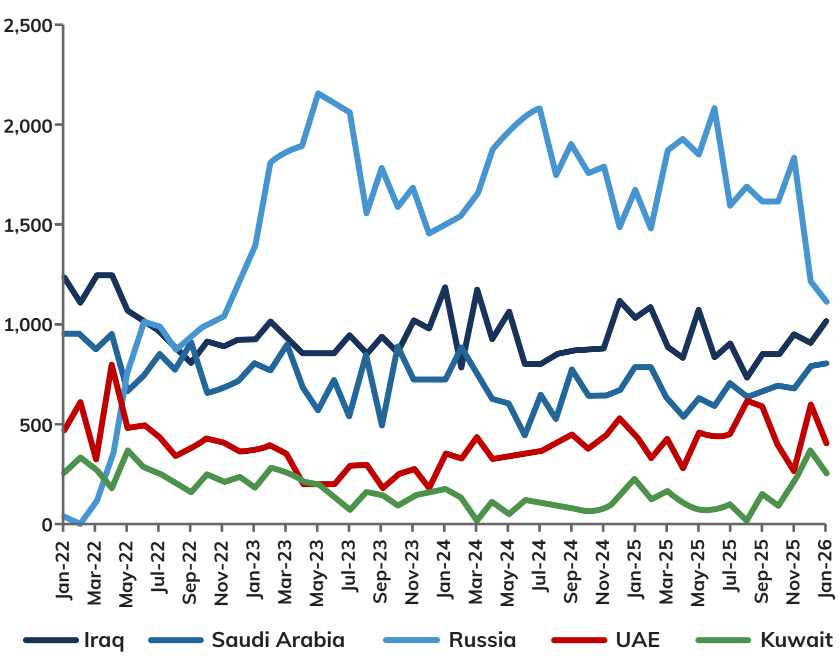
Source: National Securities Depository Limited (NSDL). February 2026 FPI data as on February 27, 2026. FPI: Foreign Portfolio Investment. DII: Domestic Institutional Investment. U.S.: United States. EU: European Union. Past performance may or may not sustain in future. The sector(s) /stock(s) mentioned 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).

Brent Crude Oil prices sway to the tunes of rising geopolitical risks

The U.S. and Israel strikes on Iran have stoked concerns related to the closure of the Strait of Hormuz, disruptions to global oil supply chains and the consequent rise in oil prices.

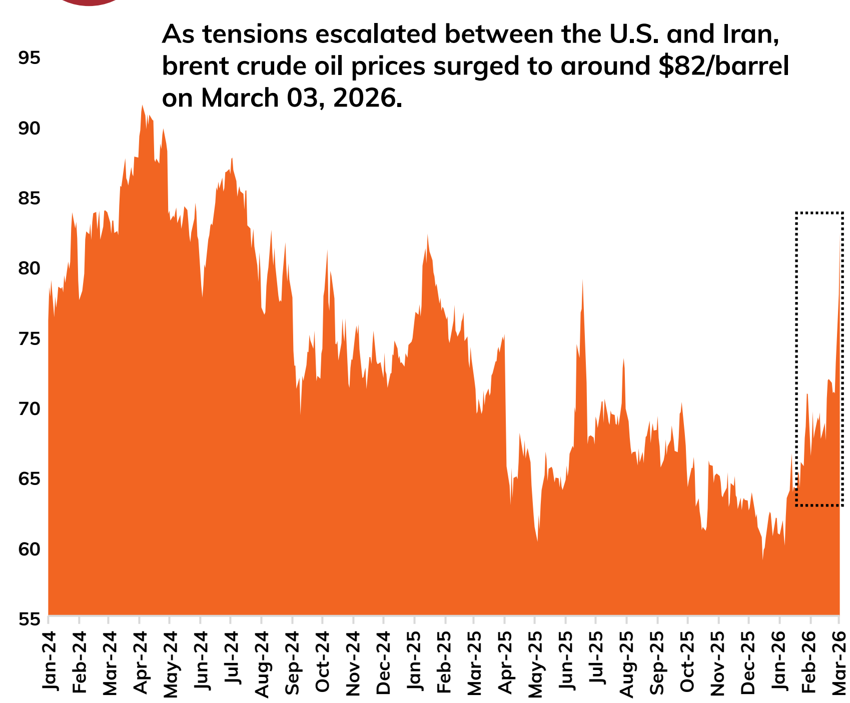
Tightened U.S. sanctions on Russian oil companies and persistent Ukraine attacks on Russia's energy infrastructure have impeded the country's oil export capabilities. Given the backdrop of geopolitical complexities, Indian refiners have been actively redirecting focus to Africa and Middle Eastern countries like Saudi Arabia.

INDIA'S CRUDE OIL IMPORTS FROM SELECT COUNTRIES (NUMBERS IN THOUSAND BARRELS PER DAY)



Source: Kpler. UAE: United Arab Emirates. U.S.: United States.

BRENT CRUDE OIL PRICE ($/BARREL)



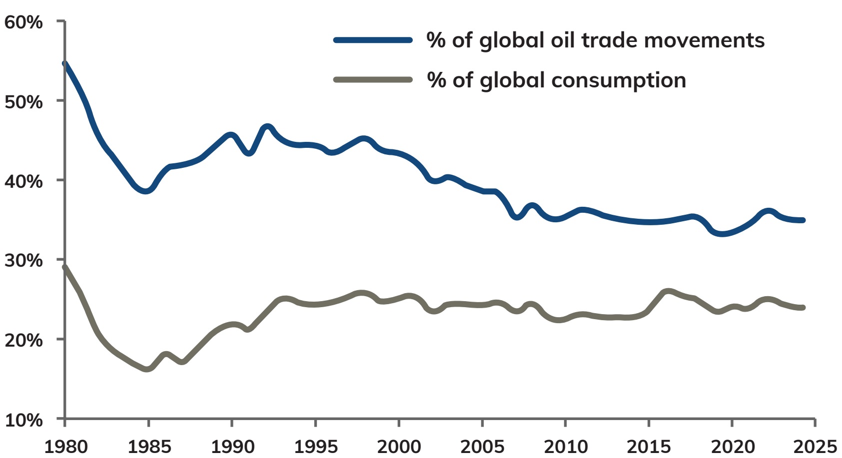
Source: Reuters. Data as on March 03, 2026.

Energy forms an integral part of the U.S.-India strategic partnership. India intends to purchase $500 billion of U.S. energy products, aircraft, precious metals, technology products and coking coal over the next 5 years (Source: The White House report).

Why is the Strait of Hormuz of prime importance for global oil trade?

The Strait of Hormuz is a critical maritime passage connecting the Persian Gulf to the Gulf of Oman and the Arabian Sea. About 20% of the world's oil is shipped through the Strait of Hormuz, making it one of the world's most important oil chokepoints. **Closure of the pathway amid the escalating tensions between U.S.-Israel and Iran can create substantial supply delays and raise shipping costs, potentially exerting upward pressure on global energy prices.**

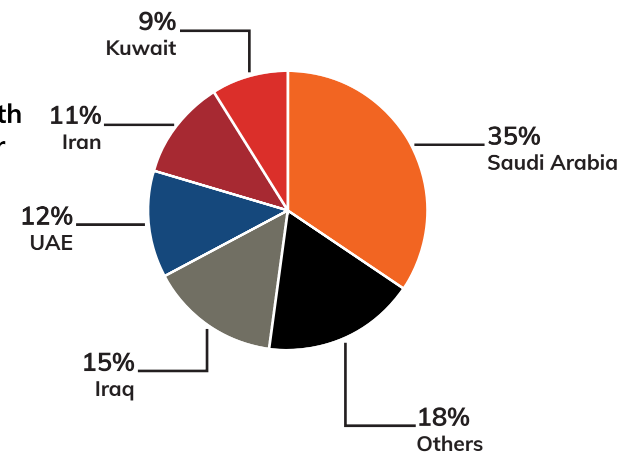
OIL TRANSITING THE STRAIT OF HORMUZ



Source: CLSA, BP Energy Institute.

SHARE OF OPEC'S OIL PRODUCTION BY MEMBERS (%)

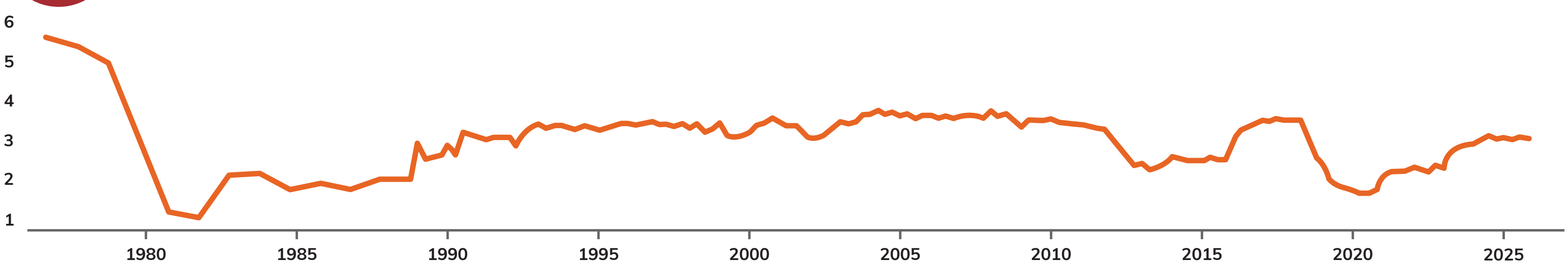
Iran is OPEC's fourth largest oil producer



Source: Bloomberg. UAE: United Arab Emirates. Data as on January 2026.

While Iran is a major oil producer, challenges such as the maximum pressure campaign imposed by the U.S. and limited foreign capital have impacted its oil production growth.

IRAN'S OIL OUTPUT, QUARTERLY CRUDE PRODUCTION (MILLION BARRELS A DAY)



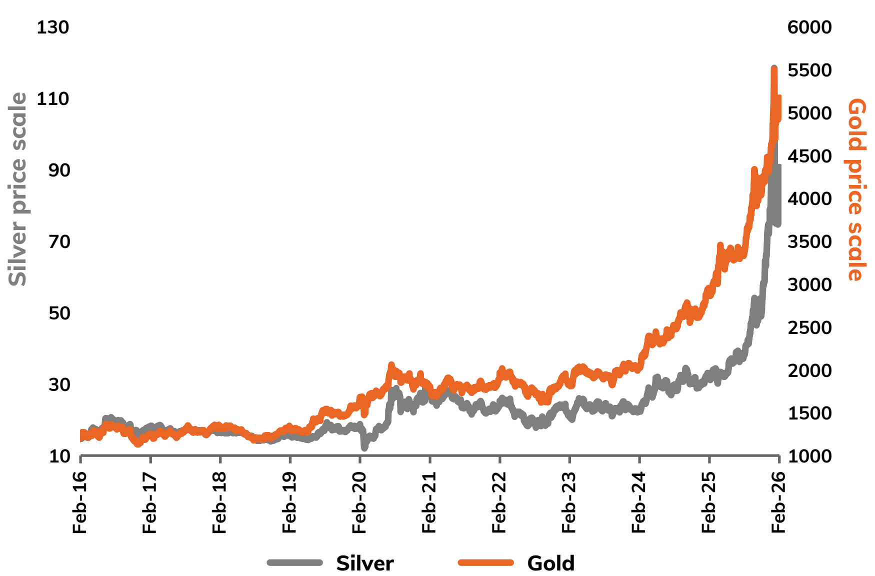
Source: Bloomberg. Report as on January 2026. OPEC: The Organization of the Petroleum Exporting Countries. U.S.: United States.

The Allure of Precious Metals

Gold prices declined to $4,685/ounce in early-February 2026 from a high of $5,501/ounce in January 2026, owing to profit-taking and revised margin requirements that triggered gold liquidation.

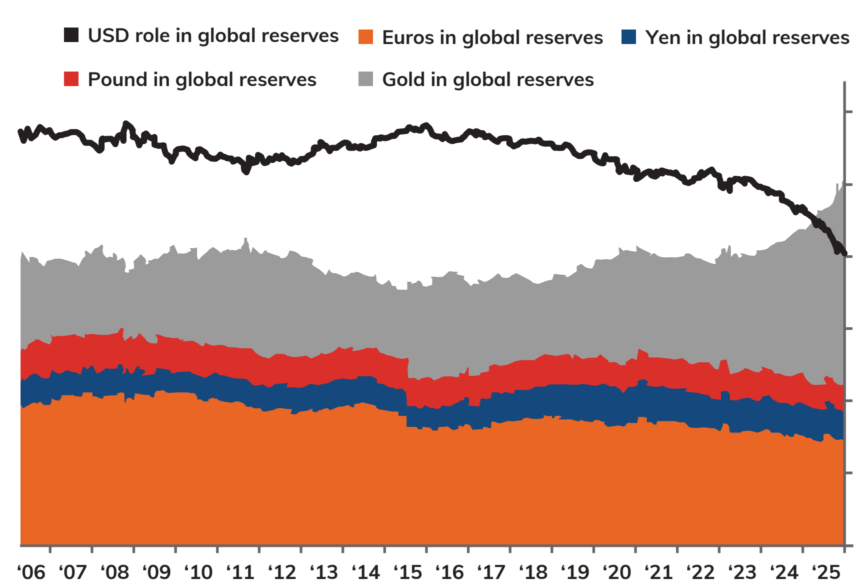
However, the yellow metal rebounded to $5,171/ounce on February 25, 2026 amid renewed geopolitical risks and global trade tensions: a) On February 24, 2026, the U.S. president imposed a 10% import duty on trading partners for a period of 150 days, which was subsequently increased to 15%, after the Supreme Court rule against the global duties levied earlier.* **b) The conflict between the U.S. and Iran has rattled global markets, boosting the demand for relatively stable assets.**

GOLD AND SILVER PRICES (LBMA, $/OUNCE)



Source: LBMA: London Bullion Market Association. Data as on February 25, 2026. The gold price in India was around ₹1,59,008/10 gms on February 25, 2026.

GOLD STRENGTHENS ITS POSITION IN GLOBAL RESERVES (%)



Source: International Monetary Fund (IMF), Bloomberg. February 23, 2026. USD: U.S. Dollar.

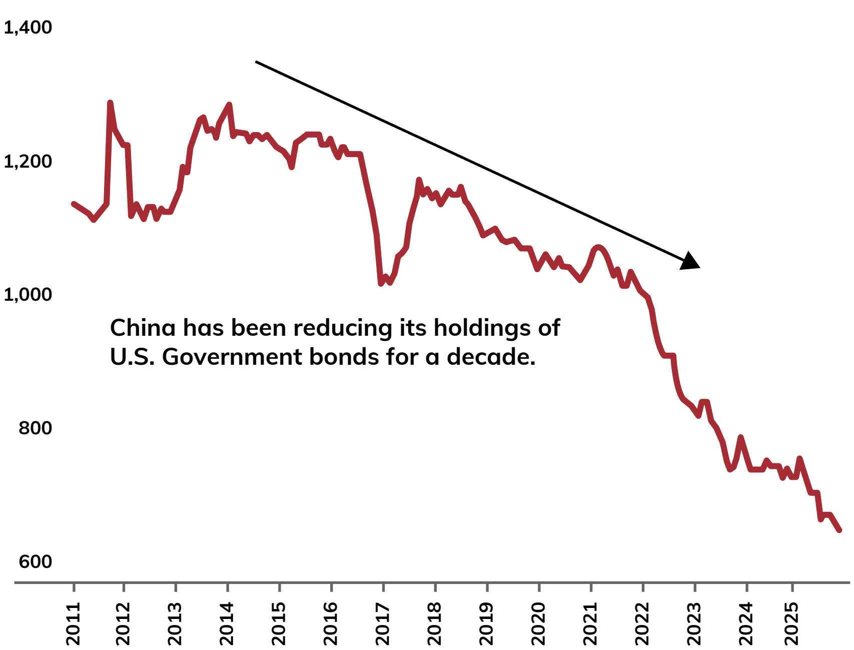
Silver prices recouped to $90/ounce on February 25, 2026, owing to rising geopolitical risks, persistent supply deficit and rising industrial demand for application in electronics, solar panels and electric vehicles.

*Some goods may be exempt import duty due to the need of the U.S., including certain critical minerals, agricultural products, pharmaceuticals, passenger vehicles, aerospace products and informational materials (Source: White House). 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).

Why is China reducing its exposure of U.S. Treasuries?

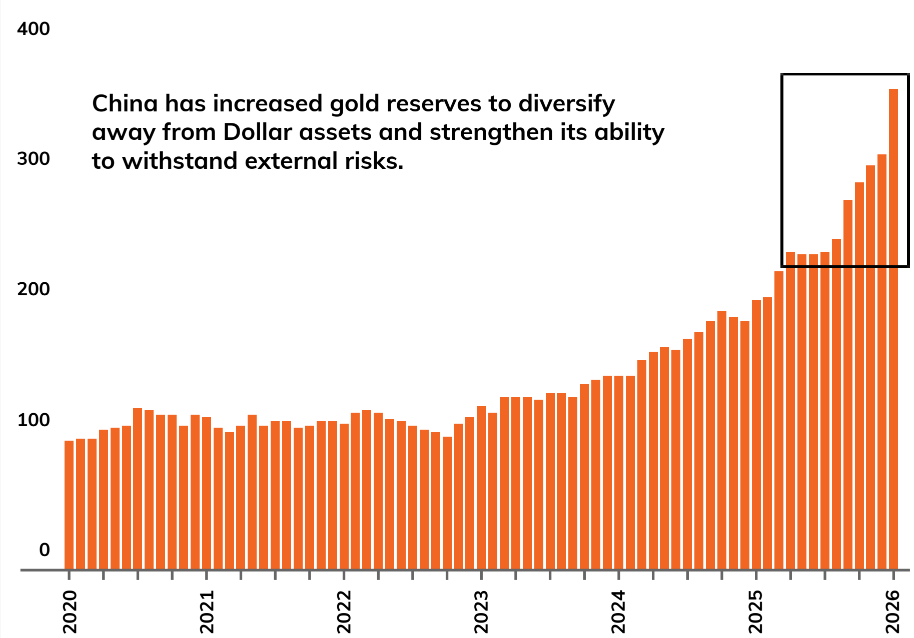
China's holdings of U.S. Treasuries dropped to $682.6 billion in November 2025, marking its lowest level since 2008: a) Chinese authorities cited **concentration risk and volatility in the U.S. debt market.** b) In recent months, **the 'sell America' trade** was fuelled by concerns around ballooning U.S. debt levels and threats to independence of the U.S. Federal Reserve. c) In the wake of unresolved geopolitical tensions, **China continues to increase its gold reserves.**

CHINA'S HOLDINGS OF TREASURY SECURITIES ($, BILLION)



Source: U.S. Department of the Treasury, Bloomberg. Report as on February 2026. U.S.: United States.

CHINA'S OFFICIAL HOLDINGS OF GOLD ($, BILLION)



Source: The People's Bank of China, Bloomberg. Report as on February 2026.

Another key development that caught the attention of market participants is that China's industrial profits rose 5.3% year-on-year in December 2025, marking a recovery from the sharp contraction of 13.1% in November 2025. This was driven by the strategic move **to diversify exports away from the U.S. market coupled with the efforts of the Chinese government to stimulate domestic demand.**

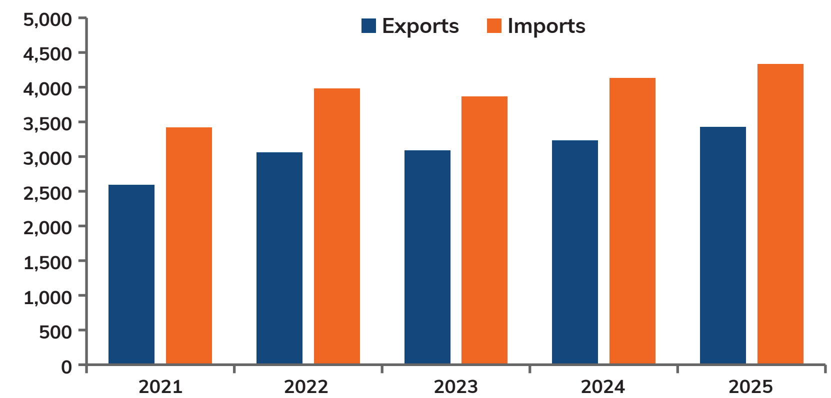
The State of the U.S. Economy

The real gross domestic product of the U.S. economy increased at an annual rate of 1.4% in the fourth quarter of 2025, down from 4.4% in the previous quarter. **While consumer spending and investment increased, government spending and exports declined.**

In January 2026, the total non-farm payroll employment rose by 130,000 and the U.S. unemployment rate stood at 4.3%. Job gains occurred in health care, social assistance and construction.

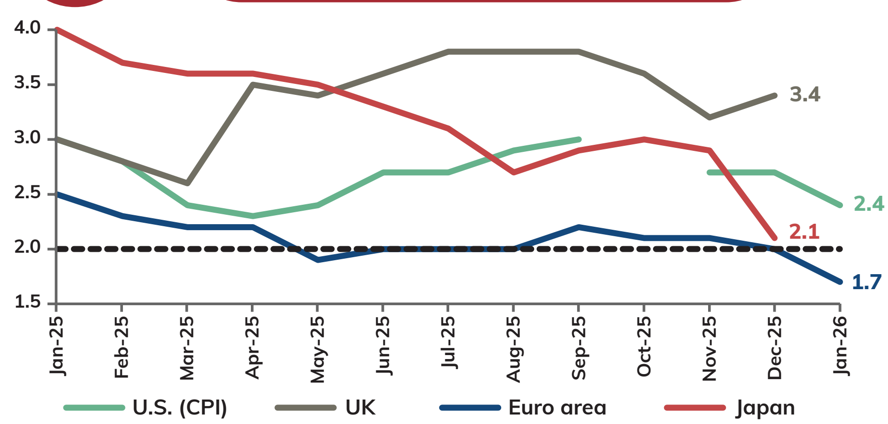
In January 2026, the U.S. Consumer Price Index increased 2.4% on an annual basis, which is still above the target of 2%. During the month, inflation moderated across major advanced economies – In the Euro area, headline inflation eased due to lower energy costs. In December 2025, Japan's inflation recorded a sharp decline, largely due to a fall in electricity and energy prices, while inflation in the UK picked up, driven by higher services and food prices.

U.S. INTERNATIONAL TRADE IN GOODS AND SERVICES ($, BILLION)



Source: U.S. Bureau of Economic Analysis, U.S. Census Bureau. Report as on February 19, 2026. U.S.: United States.

HEADLINE INFLATION OF SELECT ADVANCED ECONOMIES (%)



Source: Reserve Bank of India Bulletin, February 2026. U.S.: United States. CPI: Consumer Price Index. UK: United Kingdom. U.S. Inflation data is not available for October 2025 due to the U.S. Government shutdown.

In a year that witnessed a challenging global trade environment, the U.S. goods and services trade deficit dropped marginally to $901.5 billion in 2025, down from $903.5 billion in 2024.

Further adjustments to the target range for the federal funds rate would depend on the trajectory of inflation and the strength of the job market.

The historic U.S.-India Trade Deal

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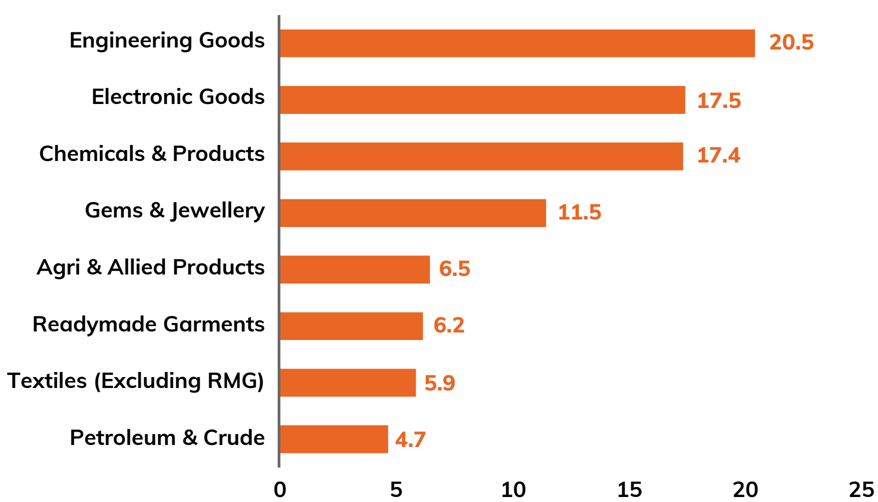
The U.S.-India Bilateral Trade Agreement marks a milestone in India's global trade engagement, securing sustained preferential access for Indian exports in the U.S. market valued at over $30 trillion. The pact would **enhance India's price competitiveness, strengthen its relative positioning in the U.S. market and expand export opportunities across labour-intensive industries,** manufacturing segments and high-value product categories.

The U.S. will substantially lower the reciprocal tariff on India from 25% to 18%, opening doors to opportunities across key sectors including textiles, leather, gems and jewellery, agriculture, machinery, home décor, pharmaceuticals and technology-driven industries.

SHARE OF INDIA'S KEY EXPORTS TO THE U.S. IN FY25



What's in store for India?

- **Highly competitive rate of 18% on $900 billion worth of global imports of the U.S.**
- **Zero duty on $150 billion worth of global imports of the U.S.**
- **No additional duty on $720 billion worth of global imports of the U.S.**
- **Continued exemption on $350 billion worth of global imports of the U.S.**
- **Preferential treatment on 232 tariffs.**






Source: Ministry of Commerce and Industry. Press Information Bureau. CareEdge Ratings. U.S.: United States. FY: Financial Year. RMG: Ready-made garments. 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 RBI leaves the Repo Rate unchanged

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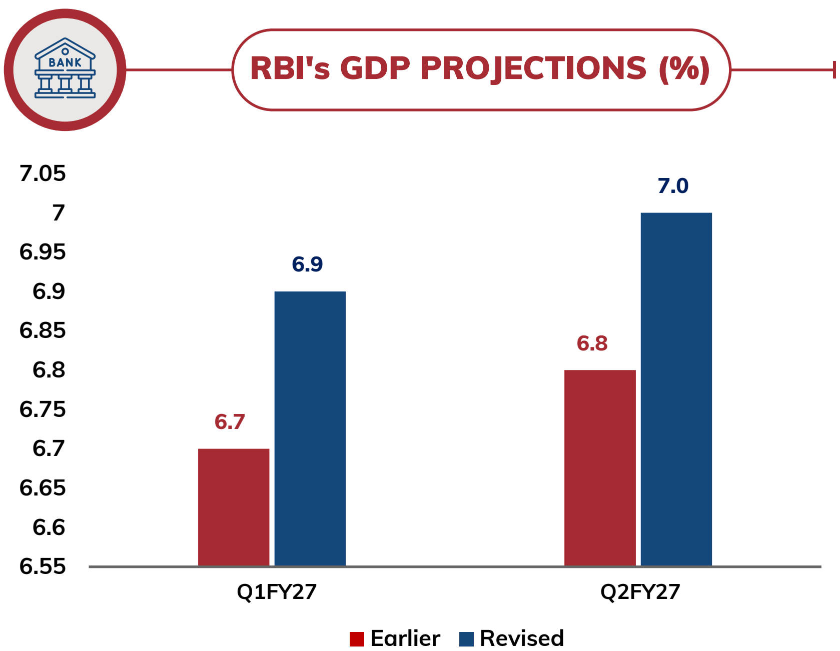
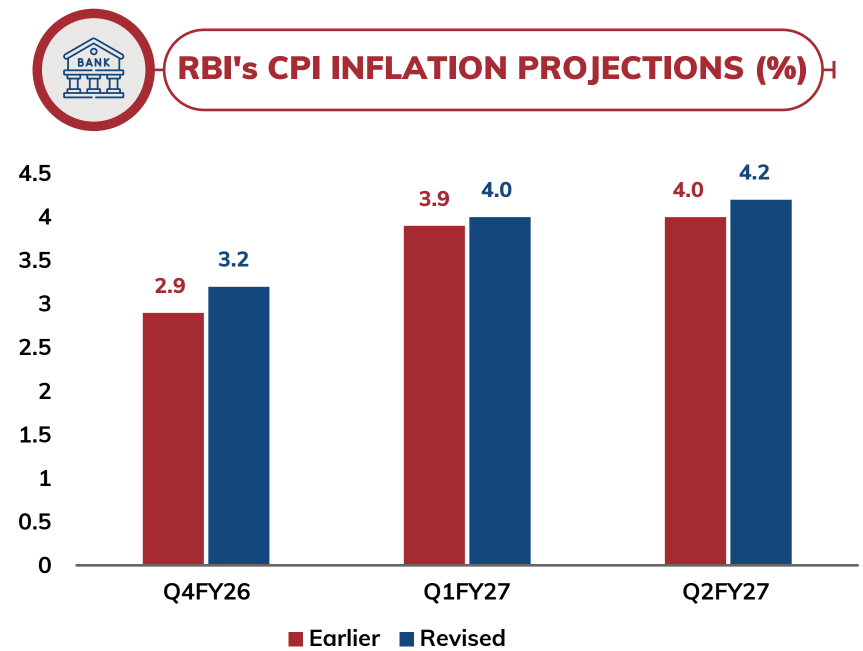
In February 2026, the Monetary Policy Committee of the Reserve Bank of India (RBI) kept the repo rate unchanged at 5.25% and maintained a neutral stance. This decision was backed by **strong economic growth momentum and a benign inflation environment.**

- **The RBI has revised the real GDP growth projections for Q1FY27 and Q2FY27 upwards to 6.9% and 7.0% respectively,** owing to robust domestic demand, buoyant services sector, robust credit growth, healthy kharif production and the Government's continued thrust on capital expenditure.
- **India's external trade prospects have strengthened through recent trade agreements designed to boost exports,** diversify markets and foster economic integration. Key deals include the U.S.-India interim trade deal, the comprehensive India-Oman Comprehensive Economic Partnership Agreement (CEPA), the India-New Zealand Free Trade Agreement (FTA) and a major agreement with the European Union.

RBI's GDP PROJECTIONS (%)



RBI's CPI INFLATION PROJECTIONS (%)



Source: RBI Monetary Policy Statement 2025-26 dated February 04 to 06, 2026. GDP: Gross Domestic Product. CPI: Consumer Price Inflation. Q: Quarter. FY: Financial Year. RBI: Reserve Bank of India.

- **CPI inflation for Q1FY27 and Q2FY27 are projected at 4.0% and 4.2% respectively, after taking into consideration upside risks,** including geopolitical uncertainty, volatility in energy prices and adverse weather events.

Unveiling India's Q3FY26 GDP Growth as per the new series

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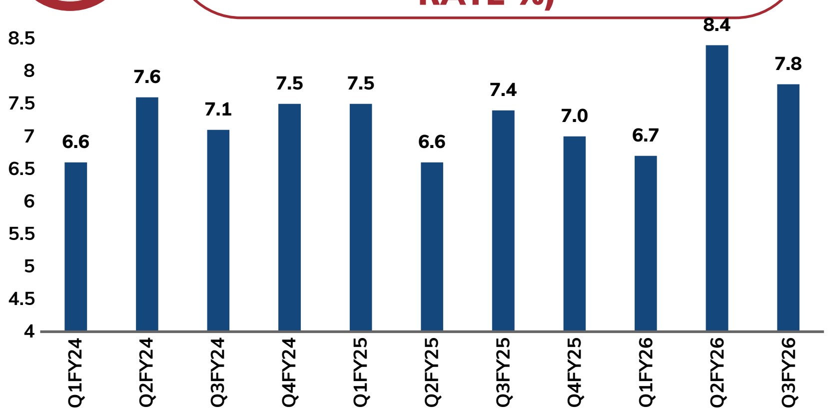
In February 2026, the Ministry of Statistics and Programme Implementation introduced a new series of Gross Domestic Product (GDP) estimates with 2022-23 as the base year. **India's real GDP grew 7.8% year-on-year in Q3FY26, compared to 8.4% in the preceding quarter, as per the revised GDP series.** According to the Second Advance Estimate, the full-year growth for FY26 has been revised higher to 7.6% from the earlier estimate of 7.4%.

India's encouraging growth momentum was supported by the Goods and Services Tax (GST) rate rationalization, income tax cuts, monetary policy stimulus measures by the central bank and benign retail inflation.

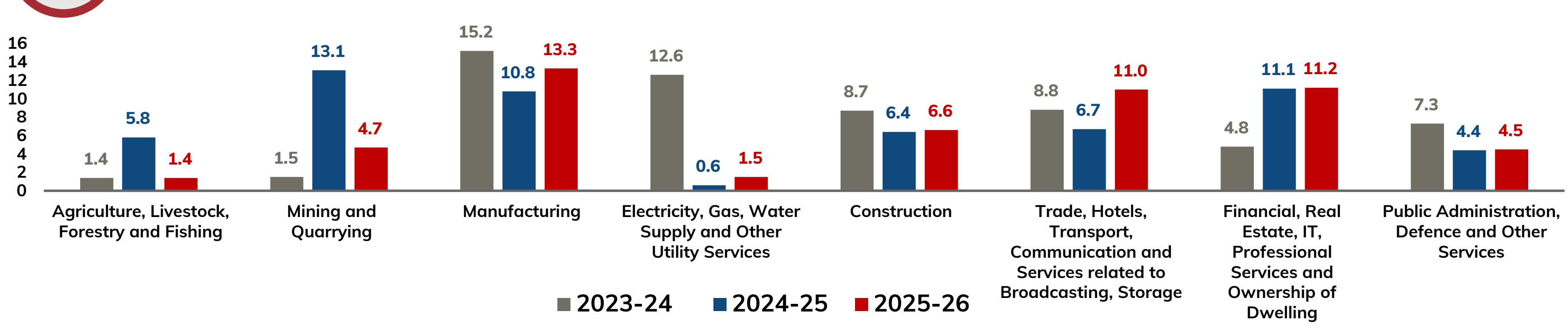
INDIA'S QUARTERLY REAL GDP ESTIMATE (YEAR-ON-YEAR GROWTH RATE %)



GDP by Expenditure	2023-24				2024-25				2025-26		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Private Final Consumption (PFCE)	6.4	5.3	5.4	6.0	6.1	5.6	6.0	5.6	9.2	8.0	8.7
Government Final Consumption (GFCE)	-0.1	-0.9	0.9	2.5	7.5	7.0	7.6	3.6	5.8	6.6	4.7
Gross Fixed Capital Formation (GFCF)	8.0	8.8	6.2	6.1	6.5	6.6	6.3	6.2	4.9	8.4	7.8

The services sector should continue to be resilient, with strengthening domestic demand. Improving corporate sector performance and production-linked incentives would boost manufacturing activity.

SECTOR-WISE GROWTH RATES (%) OF REAL GVA IN Q3 OF 2023-24, 2024-25 AND 2025-26



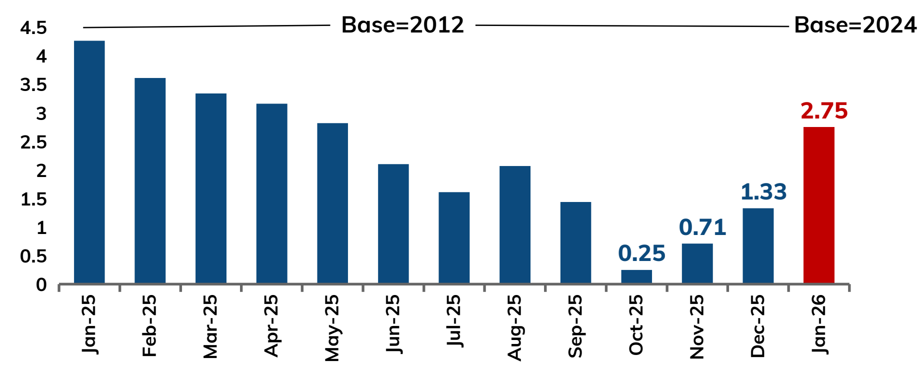
Source: Ministry of Statistics & Programme Implementation (MoSPI), Report as on February 2026. FY: Financial Year, GDP: Gross Domestic Product, Q: Quarter, GVA: Gross Value Added, IT: Information Technology. Past performance may or may not sustain in future.

India's retail inflation rises to 2.75% under the new series

In January 2026, India's retail inflation rate, based on the Consumer Price Index (CPI), rose to 2.75% year-on-year under the revised base year 2024. The new series captures a broader basket of goods and services compared to the **previous 2012-based series.** The revised weights highlight declining food share in household expenditure and **focus on the importance of housing, services and transport-related items in alignment with the current consumption behaviour.**

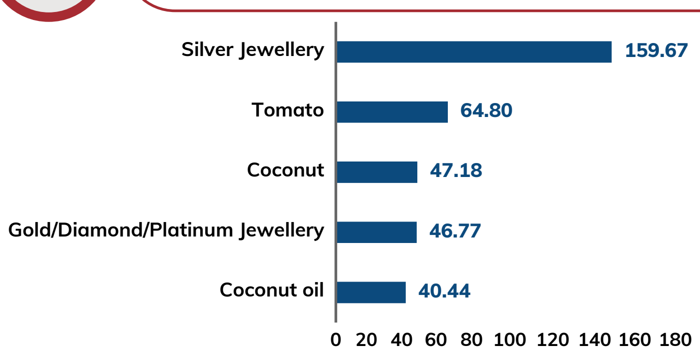
Divisions, Weights and Inflation basis revised base year 2024	Weights (%)	Inflation Y-o-Y (%)
Food and beverages	36.75	2.11
Housing, water, electricity, gas and other fuels	17.67	1.53
Transport	8.80	0.09
Clothing and footwear	6.38	2.98
Health	6.10	2.19
Personal care, social protection and miscellaneous goods and services	5.04	19.02
Furnishings, household equipment and routine household maintenance	4.47	1.45
Information and communication	3.61	0.16
Restaurants and accommodation services	3.35	2.87
Education Services	3.33	3.35
Pan, tobacco and intoxicants	2.99	2.86
Recreation, sport and culture	1.52	2.32

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

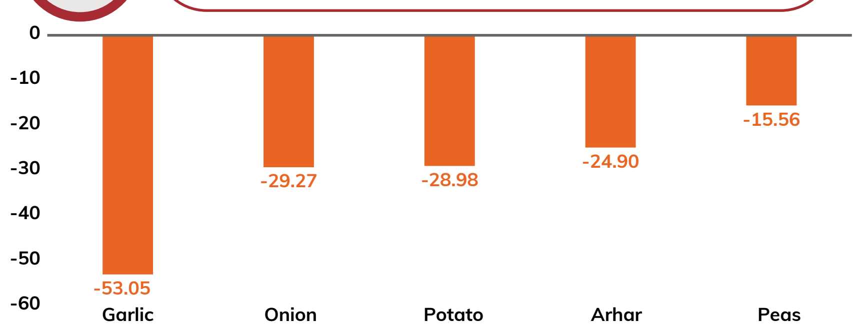


According to the new CPI divisions, **price pressures in personal care, social protection and miscellaneous goods and services were elevated, with inflation recorded at 19%.** This can be largely attributed to high prices of the precious metals component.

TOP 5 ITEMS WITH HIGH INFLATION IN JANUARY 2026 (YEAR-ON-YEAR, %)



TOP 5 ITEMS WITH LOW INFLATION IN JANUARY 2026 (YEAR-ON-YEAR, %)



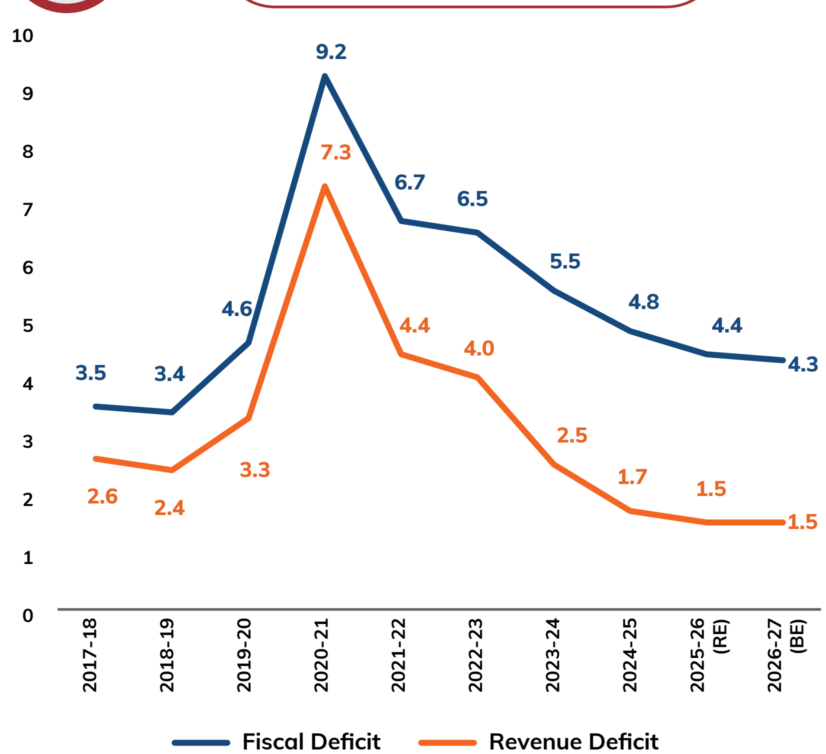
Source: Government of India, Ministry of Statistics and Programme Implementation (MoSPI), National Statistics Office. The above inflation data is of January 2026 based on the New CPI (2024 =100) Series. The weights also pertain to the revised series. Y-o-Y: Year-on-Year.

Government of India's commitment to fiscal consolidation

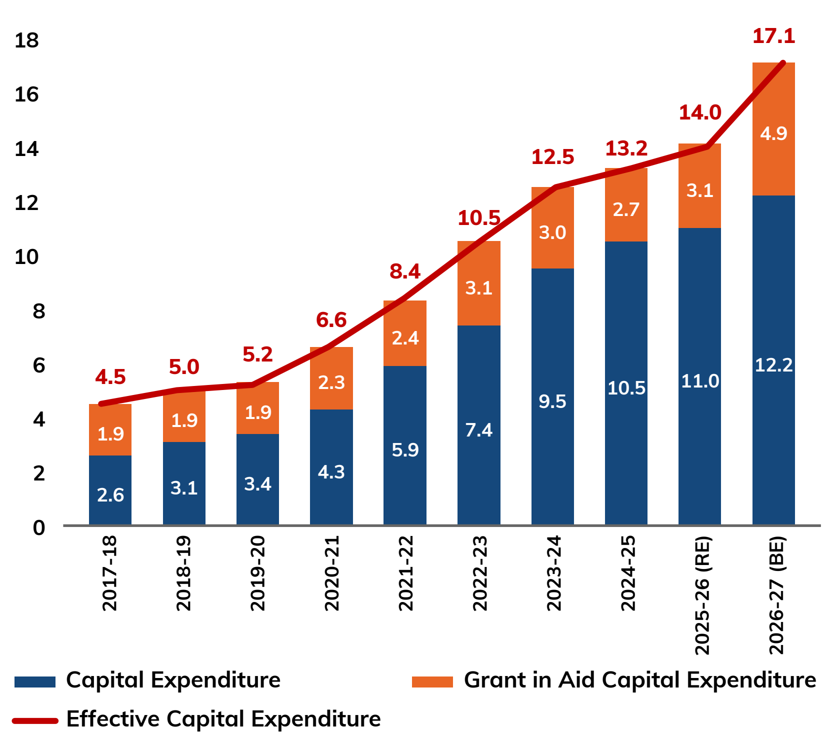
India's fiscal deficit has declined significantly from 9.2% of the Gross Domestic Product (GDP) in FY21 to 4.8% of the GDP in FY25 and is estimated at 4.3% of the GDP for FY27 (Budget Estimates), re-affirming the Government's commitment to fiscal management. **The total expenditure of the Central Government in FY27 (Budget Estimates) is projected to be ₹53.47 lakh crore,** indicating a growth of 7.7% over FY26 (Revised Estimates) of ₹49.65 lakh crore.

Effective Capital expenditure includes the Government of India's Capital Expenditure (₹12.22 lakh crore) and Grants-in-aid to states (₹4.93 lakh crore) for creation of capital assets. The reduction in the fiscal deficit, combined with a sustained emphasis on capital expenditure, is expected to crowd in private investment and improve productive capacity.

DEFICIT TRENDS (% OF GDP)



TREND IN CAPITAL EXPENDITURE (₹, LAKH CRORE)



Source: Government of India, Union Budget 2026-27 Document. RE: Revised Estimate, BE: Budget Estimate. GDP: Gross Domestic Product. FY: Financial Year.

The Credit-Deposit ratio of India's Banking system climbs to a fresh high

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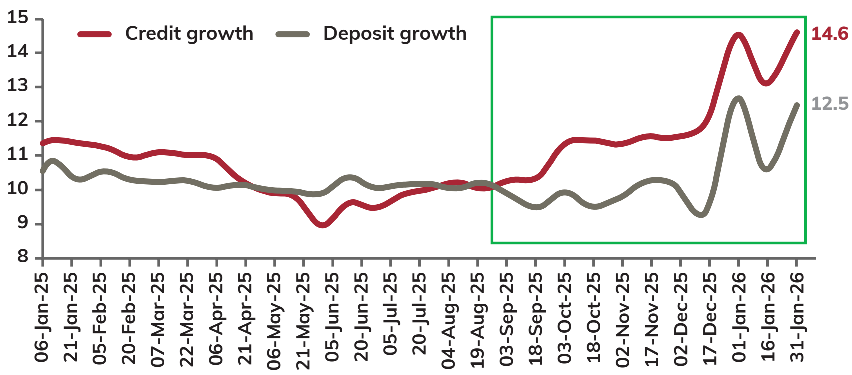
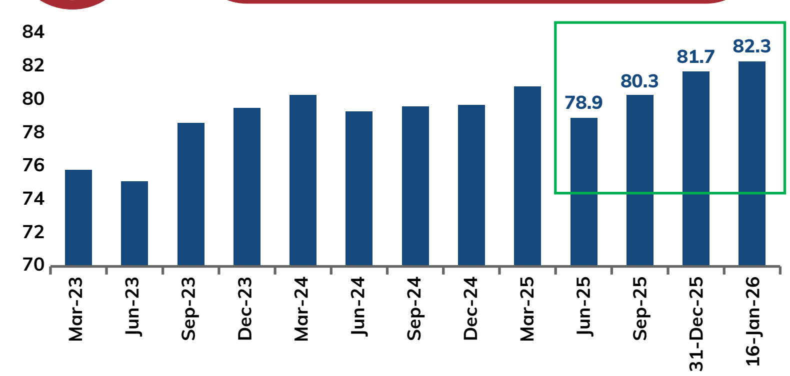
As of January 31, 2026, India's total bank credit registered a 14.6% year-on-year growth, underpinned by steady retail demand, a rise in MSME lending, increased NBFC-related exposures and a pickup in infrastructure financing. **The Credit-Deposit ratio of India's banking system hit a high of 82.3%** during the month as deposit growth continues to trail credit expansion.

CREDIT AND DEPOSIT GROWTH (YEAR-ON-YEAR, %)



Source: Reserve Bank of India (RBI) Bulletin, February 2026. MSME: Micro, Small and Medium Enterprises. Scheduled commercial banks' data are inclusive of regional rural banks. Data includes the impact of the merger of a non-bank with a bank. NBFC: Non-Banking Financial Company. GST: Goods and Services Tax.

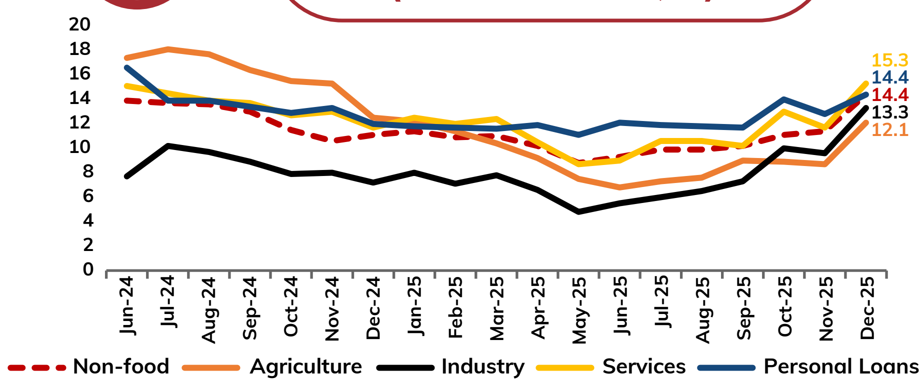
CREDIT-DEPOSIT RATIO (%)



Source: Reserve Bank of India (RBI), CareEdge Ratings. The quarter-end data reflects last fortnight's data of the quarter and compares post-merger figures. Under the Banking Laws (Amendment) Act, 2025, the definition of fortnight has been revised from alternate Fridays to the 15th and the last calendar day of a month, w.e.f. December 15, 2025.

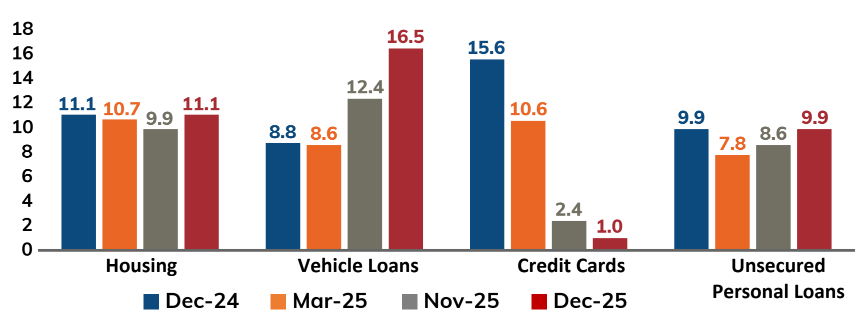
In December 2025, non-food bank credit recorded a year-on-year growth of 14.4%, driven by personal loans, double-digit growth in MSME lending and an uptick in corporate borrowings.

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



Source: Reserve Bank of India (RBI), CareEdge Ratings.

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

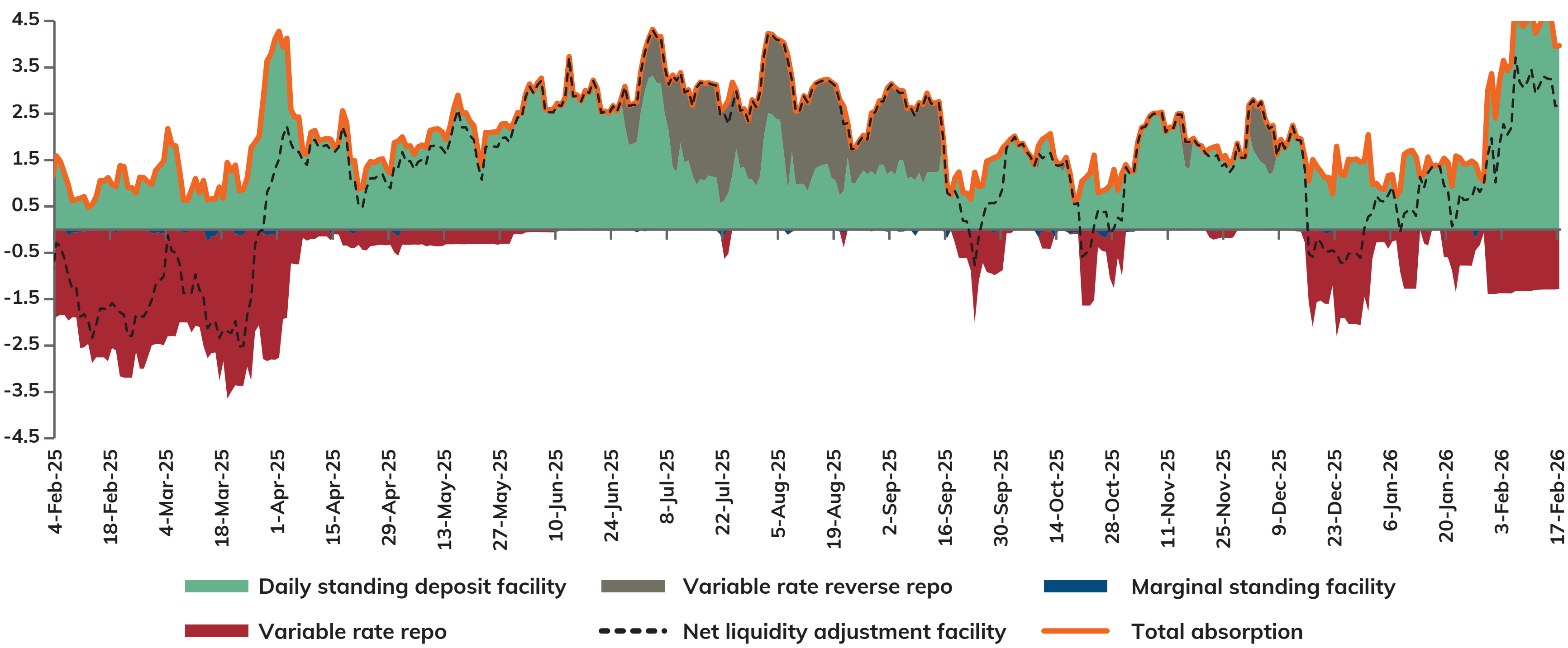


Source: Reserve Bank of India (RBI), CareEdge Ratings. Note: unsecured personal loans include consumer durables and other personal loans.

India's Banking System Liquidity

In January 2026, India's banking system liquidity rose, primarily induced by accelerated government spending and a series of liquidity-augmenting measures by the RBI. The central bank conducted six variable-rate repo (VRR) auctions in the second half of January 2026 to address the transient liquidity tightness. Further, it conducted open market operations (OMOs) purchase auctions amounting to ₹1.5 lakh crore and 3-year USD/INR Buy/Sell Swap auction of USD 10 billion.

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



Source: Reserve Bank of India (RBI) Bulletin, February 2026. USD: U.S. Dollar. INR: Indian Rupee.

During January 2026, the weighted average call rate (WACR) largely hovered in the upper half of the policy corridor, reflecting liquidity pressures arising from a rise in currency in circulation and Goods and Services Tax (GST) outflows. However, **liquidity induced by the RBI and government spending towards the end of the month, directed the WACR below the repo rate in February 2026.**

India's trade deficit widens to a three-month high

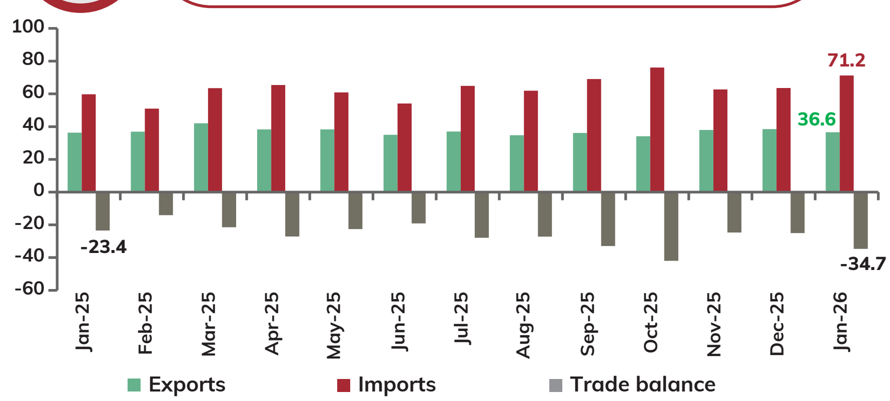
In January 2026, India's merchandise trade deficit widened to $34.68 billion, up from $25.04 billion in December 2025, reflecting sharper rise in merchandise imports. **While merchandise imports surged to $71.23 billion in January 2026, registering a 19.19% year-on-year growth, merchandise exports stood at $36.56 billion,** recording a marginal year-on-year growth of 0.61%. **In recent months, India signed trade agreements** with the United Kingdom, Oman, the European Free Trade Association (EFTA), New Zealand, the European Union and an interim trade deal with the U.S., which is expected to **boost exports.**

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

In January 2026, Engineering goods, petroleum products, dairy and poultry products, marine products and iron ore drove merchandise exports.

The top 5 export destinations exhibiting positive growth in January 2026 compared to January 2025 were the **United Arab Emirates, China, Hong Kong, Netherland and Italy.**

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



In January 2026, Gold, silver, electronic goods, machinery and non-ferrous metals contributed positively to merchandise imports.

The top 5 import sources exhibiting growth in January 2026 compared to January 2025 were **Switzerland, the United Arab Emirates, China, the U.S.A and the UK.**

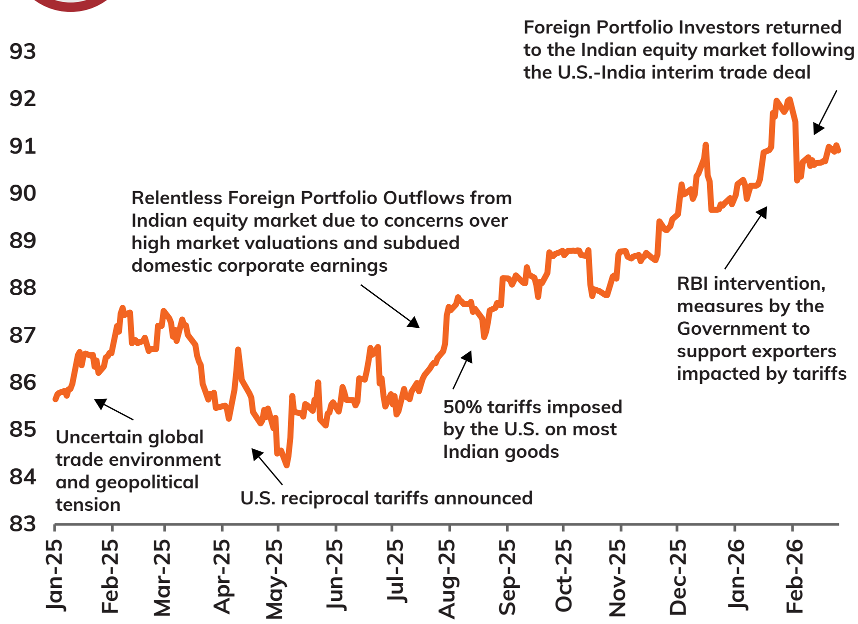
Source: Reserve Bank of India (RBI) Bulletin, February 2026. DGCI&S: Directorate General of Commercial Intelligence and Statistics. Ministry of Commerce & Industry. The above mentioned top export and import destinations are in terms of change in value. U.S.A: United States of America, UK: United Kingdom. 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).

The Indian Rupee stages a comeback

While the Indian Rupee strengthened to 90 levels against the U.S. Dollar in February 2026, rising crude oil prices could strain the import bill of India and consequently weaken the domestic currency. The factors supportive of the Indian Rupee are:

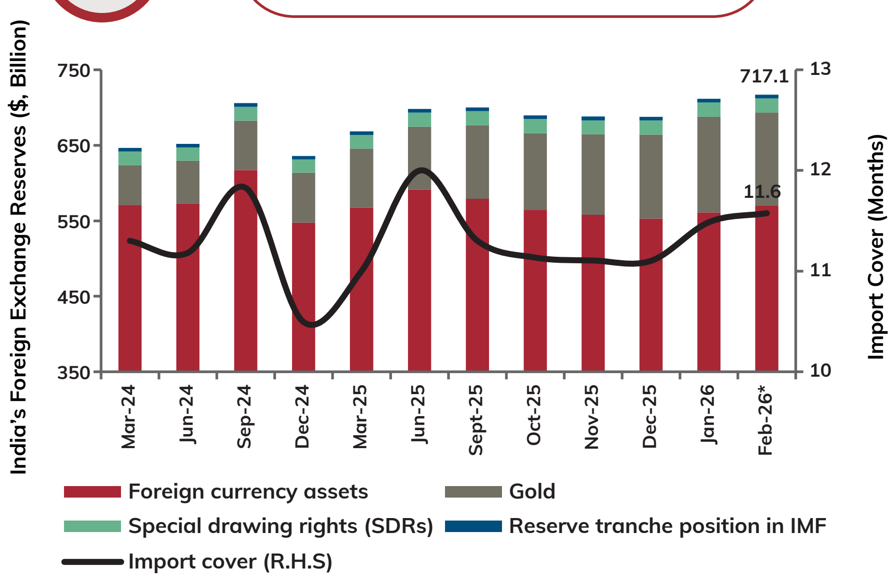
- **Investor sentiment improved following the U.S.-India interim trade deal,** which is likely to open markets for exports across key industries and support the domestic currency.
- **Foreign Portfolio Investors purchased Indian equities worth ₹22,615 crore in February 2026,** following announcement of the U.S.-India trade deal and the Government's focus on fiscal consolidation.
- **India's foreign exchange reserves remain healthy,** providing cover for goods imports for almost a year and around 96% of the external debt outstanding.

USD/INR



Source: Reuters. Data as on January 29, 2026. U.S.: United States. INR: Indian Rupee. USD: U.S. Dollar.

INDIA'S FOREIGN EXCHANGE RESERVES ($, BILLION)

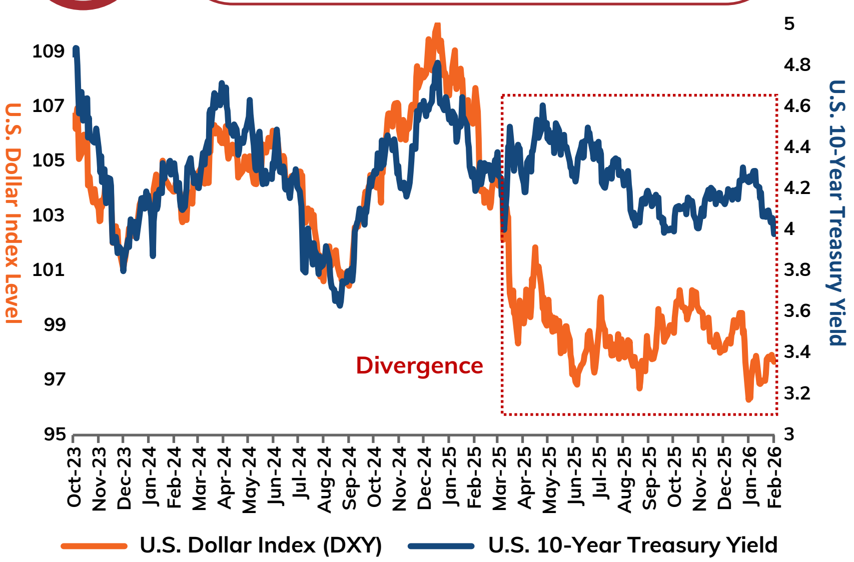


Source: Reserve Bank of India (RBI) Bulletin, February 2026. *Data as on February 06, 2026. The import cover data is based on annualized merchandise imports as per the balance of payments statistics. IMF: International Monetary Fund, R.H.S: Right-hand side.

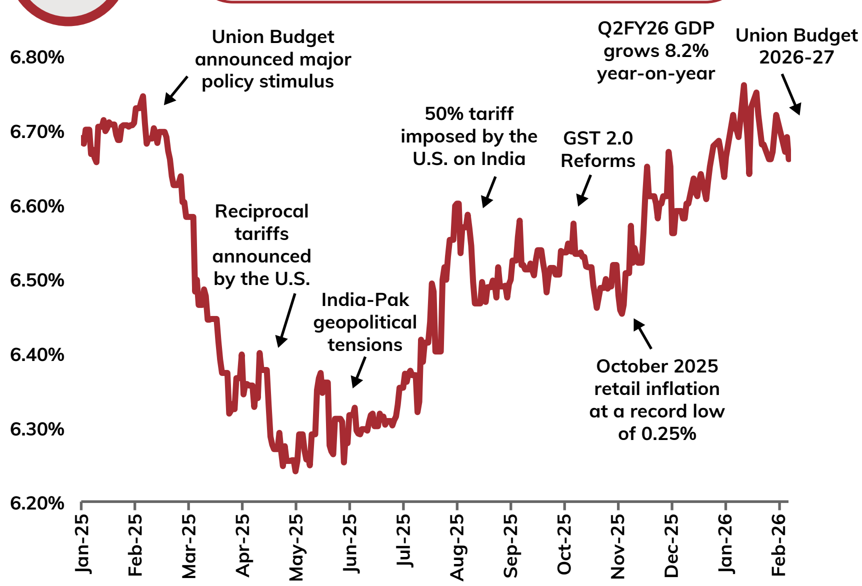
The trajectory of Bond Yield

The U.S. 10-year Treasury yield cooled to around 3.97% on February 27, 2026, following a sell-off in equity markets as Artificial Intelligence-led disruptions sparked concerns of structural changes in the Information Technology (IT) sector, which could impact the labour market. **Further, the annual inflation rate in the U.S. moderated to 2.4% in January 2026,** down from 2.7% in December 2025. **Investors continued to demand for relatively stable assets amid the ongoing global trade policy uncertainties** and heightened geopolitical risks in the Middle East.

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



INDIA 10-YEAR G-SEC YIELD (%)



Source: Reuters. Data as on February 27, 2026. RBI: Reserve Bank of India. Moody's; Press Information Bureau news, G-sec: Government securities. U.S.: United States. GST: Goods and Services Tax. 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 10-Year G-sec yield stabilized around 6.66% on February 27, 2026. The RBI effectively managed banking system liquidity and implemented monetary policy stimulus measures, which would further bolster economic growth. **The Union Budget 2026-27 balanced growth imperatives by adhering to a credible path of fiscal consolidation** and maintaining a strong thrust on capital expenditure. In February 2026, Foreign Portfolio Investors invested ₹18,791 crore in India's debt market (Source: National Securities Depository Limited, Indian debt market includes Debt General Limit, Debt Voluntary Retention Route and Debt Fully Accessible Route).

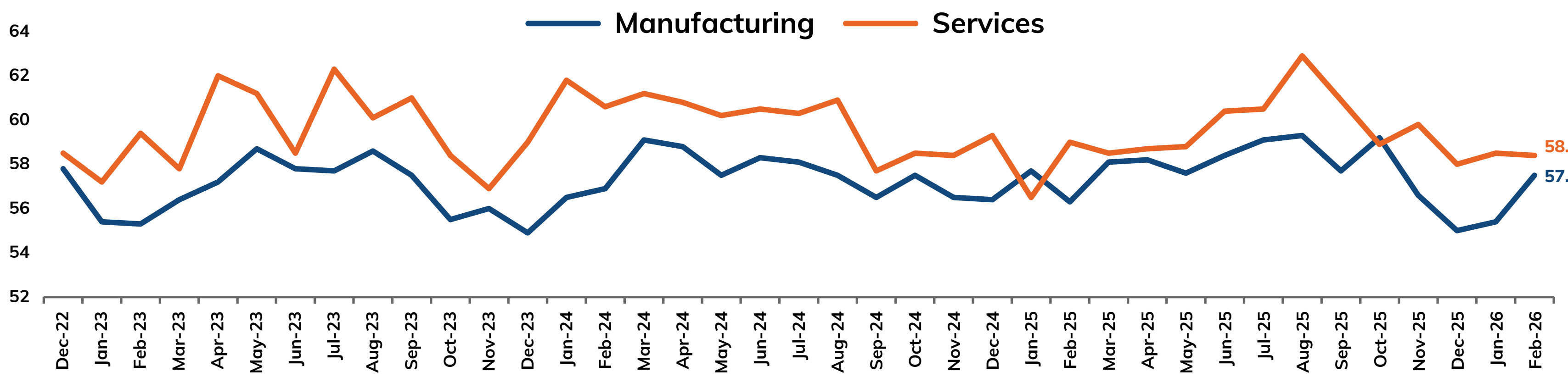
India's private sector registered stronger output growth

The HSBC Flash India PMI Composite Output Index, which measures the combined performance of India's manufacturing and services sectors, rose to 59.3 in February 2026 from 58.4 in January 2026, supported by growth in new domestic orders and a quicker upturn in factory production.

Business activity: Aggregate new orders increased at the fastest pace since November 2025, supported by strong demand, local tourism and marketing efforts.

Manufacturing activities gathered momentum: The HSBC Flash India Manufacturing PMI rose to 57.5 in February 2026 from 55.4 in January 2026. Goods and Services Tax (GST) rate cuts, new product strategies and reduced logistics costs improved the profitability of businesses.

INDIA'S PURCHASING MANAGERS' INDEX (PMI)



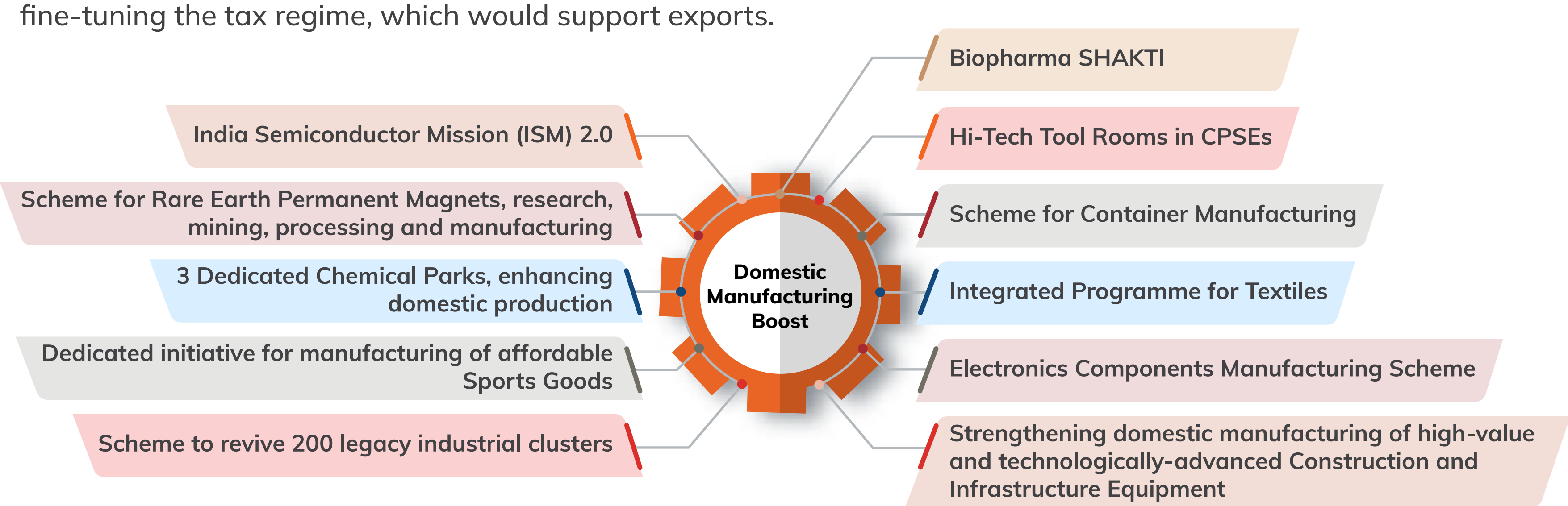
Source: S&P Global. Composite PMI indices are weighted averages of comparable manufacturing and services PMI indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The HSBC Flash India PMI is compiled by S&P Global from responses to questionnaires 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. Report as of February 20, 2026.

International orders: In February 2026, the HSBC Flash India Services PMI edged down to 58.4 from 58.5 in January 2026. Service providers experienced an increase in international orders, marking the fastest growth since August 2025. The rise in total new orders and international sales prompted companies to recruit additional staff.

Inflationary pressures: Companies in India lifted their selling prices in line with a rise in cost pressures.

Union Budget 2026-27 has a plan for strengthening India's Industrial Ecosystem

The Union Budget 2026-27 unveiled measures aimed at scaling up manufacturing across strategic sectors: Key allocations include ₹10,000 crore over five years for the **Biopharma SHAKTI programme, an increase in the Electronics Components Manufacturing Scheme outlay to ₹40,000 crore, development of rare earth corridors** across Odisha, Kerala, Andhra Pradesh and Tamil Nadu, **rejuvenation of Legacy Industrial Clusters, Container Manufacturing Scheme with an outlay of ₹10,000 crore over five years to build a globally competitive manufacturing ecosystem.** The Budget also introduced a series of **tax incentives and customs duty reforms** fine-tuning the tax regime, which would support exports.



TAX REFORMS TO BOOST THE SERVICES SECTOR

Clubbing of services under a single category of information technology services with a common safe harbour margin of 15.5%.	Safe harbour threshold for IT services increasing from ₹300 crore to ₹2,000 crore.	Approval of safe harbour for IT services by an automated rule-driven process.	Continuation of safe harbour for a period of five years at the company's choice.
Fastracking unilateral APA process for IT services with an aim to conclude it within a period of two years. Can be extended by a further period of six months on the taxpayer's request.	Extension of facility of modified returns for APA-availing entities to its associated entities.	Provision of tax holidays until 2047 to foreign companies providing cloud services to global customers through India-based data centre services. Related Entities providing data center services from India to get a safe-harbour of 15% on cost.	Exemption to global income of non-resident expert for a stay period of 5 years under notified schemes.

Source: Government of India, Ministry of Finance Budget Division, Key Features of Budget 2026-27 published in February 2026. IT: Information Technology. APA: Advance Pricing Agreement. CPSEs: Central Public Sector Enterprises. 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).

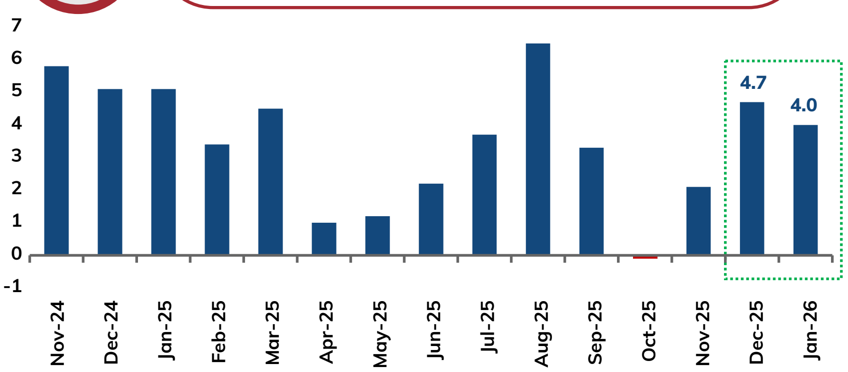
India's Core sector output growth moderates

ICICI PRUDENTIAL MUTUAL FUND

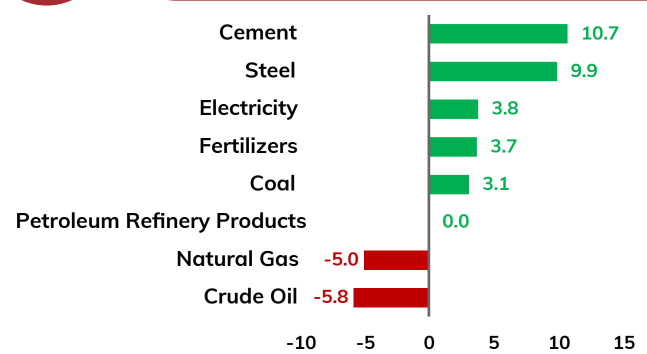
In January 2026, India's core sector growth eased to 4%, down from the revised 4.7% in December 2025, as energy-related sectors, such as crude oil, natural gas and refinery production remained under pressure. In recent months, **petroleum refinery products displayed subdued performance, denoting slower refining activity.**

Fertilizer production growth can be attributed to subsidies provided by the Government and increased rural demand. Growth in cement and steel production reflects housing activity and the Government's focus on infrastructure development. Coal production growth denotes continued demand from thermal power plants.

INDEX OF EIGHT CORE INDUSTRIES PERFORMANCE (YEAR-ON-YEAR, %)



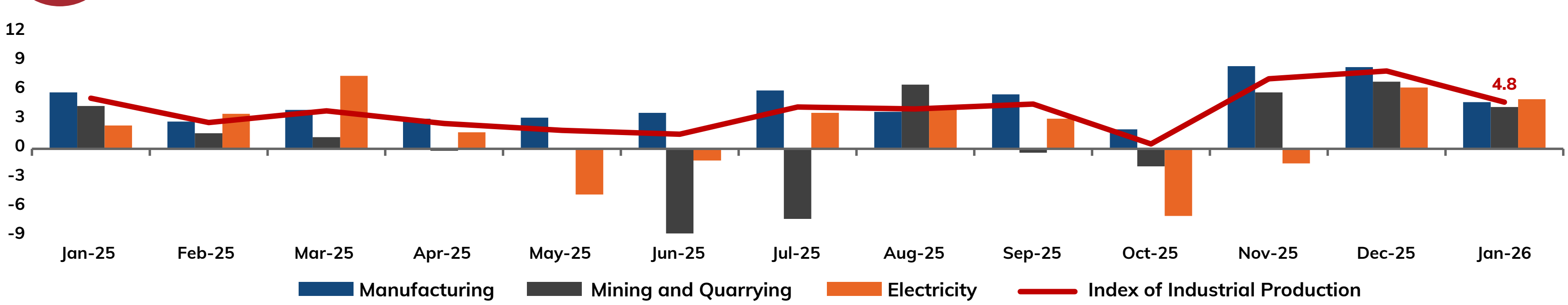
SECTOR OUTPUT GROWTH IN JANUARY 2026 (YEAR-ON-YEAR, %)



Source: Ministry of Commerce and Industry. The eight core sectors are: Coal, crude oil, natural gas, refinery products, fertilizers, steel, cement, and electricity. January 2026 print is provisional. The above data includes Year-on-year growth.

In January 2026, India's Index of Industrial Production (IIP) growth moderated to a three-month low of 4.8%.

INDEX OF INDUSTRIAL PRODUCTION - MANUFACTURING, MINING AND QUARRYING, ELECTRICITY (YEAR-ON-YEAR %)



Source: Ministry of Statistics and Programme Implementation (MoSPI). 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).

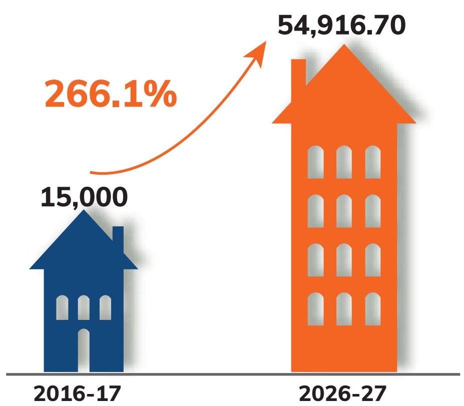
Union Budget 2026-27 allocations for Rural Development increased

ICICI PRUDENTIAL MUTUAL FUND

Union Budget 2026-27 allocations for Rural Development increased from ₹87,765 crore in 2016-2017 to ₹2,73,108 crore in 2026-27, making a rise of over 211% during the decade.

The total number of rural houses constructed over the past 11 years has increased to 3.70 crore, indicating policy emphasis on rural housing.

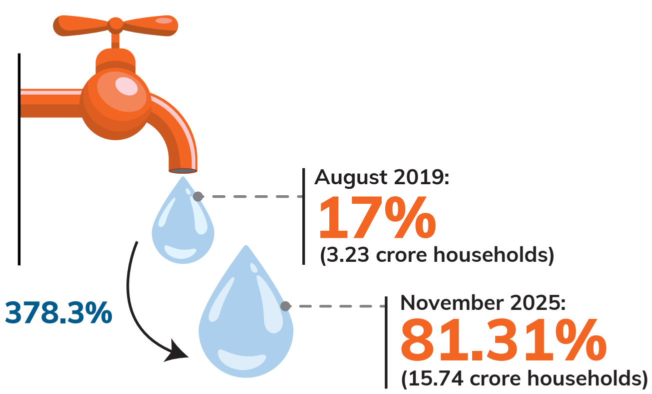
BUDGET ESTIMATES FOR PM AWAS YOJANA-GRAMEEN (₹, CRORE)



Source: Ministry of Finance

The proportion of rural households using improved drinking water sources increased, facilitating improvements in sanitation.

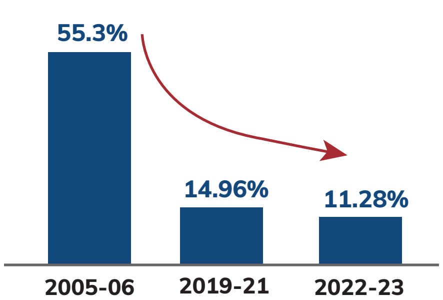
TAP WATER COVERAGE UNDER JAL JEEVAN MISSION



Source: Economic Survey 2025-26

Poverty levels have reduced significantly over the years, underpinned by sustained public investments in the social sector.

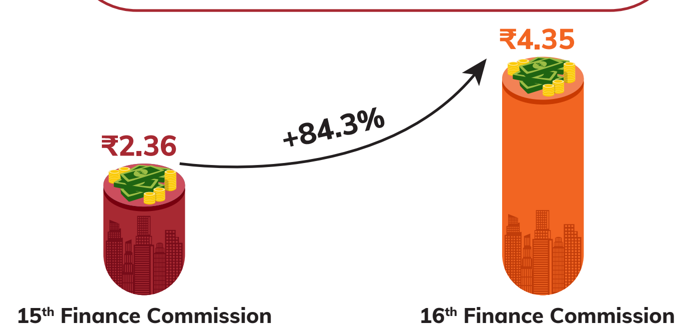
INDIA'S MULTIDIMENSIONAL POVERTY INDEX (MPI)



Source: NITI Aayog.

Direct fiscal transfers to panchayats have been increased, enhancing local financial autonomy.

CENTRAL FUNDING ALLOCATIONS TO GRAM PANCHAYATS (₹, LAKH CRORE)



Source: Ministry of Rural Development. Finance Commission is for a period of 5 years.

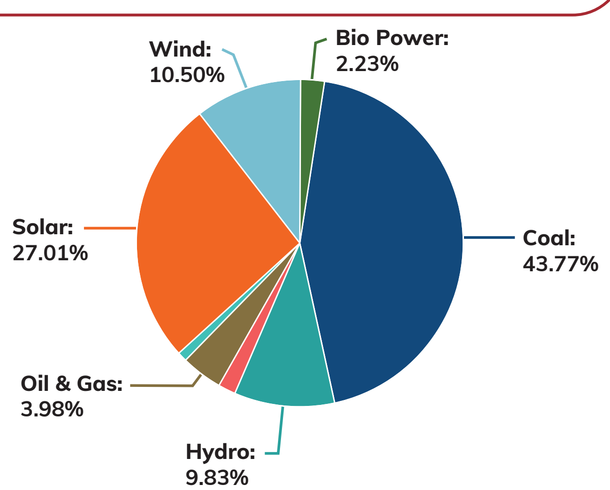
Union Budget 2026-27 reinforces India's renewable energy transition

ICICI PRUDENTIAL MUTUAL FUND

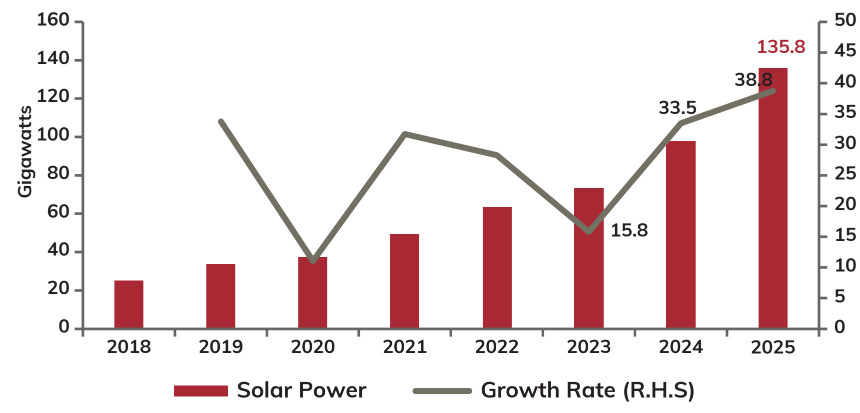
The Union Budget 2026-27 increased the allocation for Ministry of New and Renewable Energy (MNRE) to ₹32,914.7 crore, marking a rise of nearly 30% from the revised estimates of ₹25,301.22 crore for 2025-26, reinforcing India's commitment towards clean energy deployment.

- **The Pradhan Mantri Surya Ghar: Muft Bijli Yojana has been allotted ₹22,000 crore in Budget 2026-27,** facilitating continued adoption of solar energy at the household level.
- **The Basic Customs Duty (BCD) on Sodium Antimonate, a key raw material for solar glass, has been eliminated** (reduced from 7.5% to Nil), which would lower manufacturing costs for domestic solar components and reduce reliance on imports. **The Budget has also proposed to extend basic customs duty exemption on imports of goods required for nuclear power projects till the year 2035.**

SOURCE-WISE ELECTRICITY INSTALLED CAPACITY AS ON JANUARY 31, 2026



INSTALLED SOLAR POWER CAPACITY (GIGAWATTS)



Source: NITI Aayog, Central Electricity Authority (CEA), National Power Portal (NPP), Reserve Bank of India Bulletin, January 2026. 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).

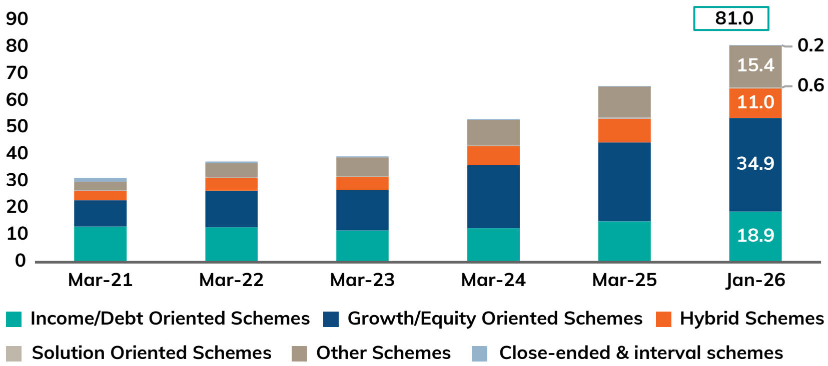
- **An allocation of ₹20,000 crore has been announced to support the development and deployment of Carbon Capture, Utilisation and Storage (CCUS) technologies across key industries,** including the chemicals sector, over the **next five years.**
- **India Semiconductor Mission 2.0 has been launched with a budget outlay of ₹1,000 crore** to strengthen India's role in the global semiconductor value chain.

India's Mutual Fund Industry has demonstrated remarkable growth

ICICI PRUDENTIAL MUTUAL FUND

In January 2026, the Net Assets Under Management (AUM) of India's mutual fund industry grew 20.5% year-on-year, reaching ₹81.01 lakh crore.

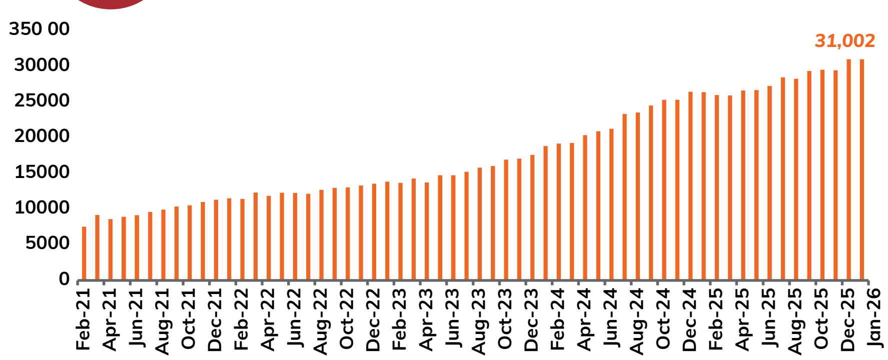
NET ASSETS UNDER MANAGEMENT (₹, LAKH CRORE)



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

In January 2026, Systematic Investment Plan (SIP) inflows remained steady at ₹31,002 crore, reflecting the inclination of investors towards disciplined, long-term investing.

SIP CONTRIBUTION (₹, CRORE)



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

Equity mutual funds clocked net inflows of ₹24,029 crore in January 2026, indicating continued confidence in the long-term growth prospects of Indian equities. Debt mutual funds staged a comeback with inflows of ₹74,827 crore, primarily led by liquid funds.

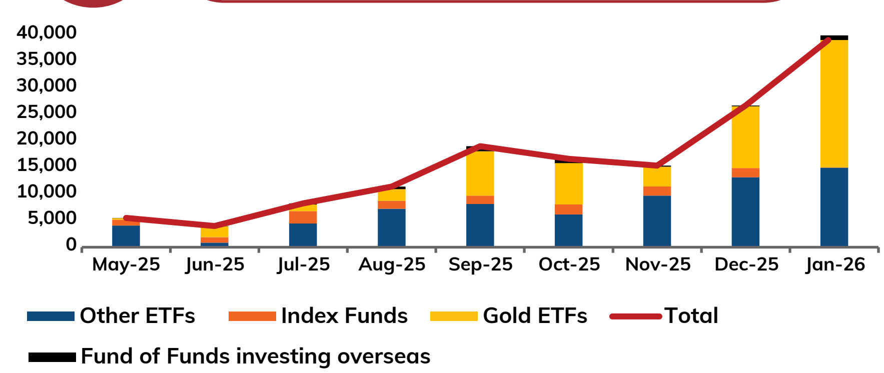
MONTHLY FLOW OF MUTUAL FUNDS (₹, CRORE)

Category	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25
Equity	24,029	28,054	29,911	24,690	30,422	33,430	42,702
Debt	74,827	-132,410	-25,693	1,59,958	-101,977	-7,980	1,06,801
Hybrid	17,356	10,756	13,299	14,156	9,397	15,294	20,879
Others	39,955	26,723	15,385	16,668	19,057	11,437	8,259
Solution-oriented schemes	342	345	320	261	286	320	283
Closed-ended and interval schemes	-49	-59	-467	-77	-331	-58	-131
Total	1,56,459	-66,591	32,755	2,15,657	-43,146	52,443	1,78,794

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 January 2026, Gold ETFs attracted inflows of ₹24,040 crore as investors diversified their portfolios with relatively stable assets amid geopolitical turmoil.

MONTHLY FLOW TREND OF PASSIVE SCHEMES (₹, CRORE)

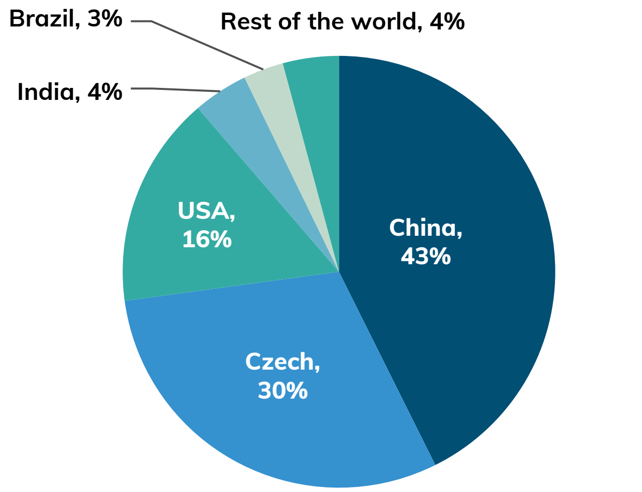


Source: Association of Mutual Funds in India (AMFI), CRISIL Intelligence.
ETFs: Exchange Traded Funds.

Leaders of the Global IPO Narrative

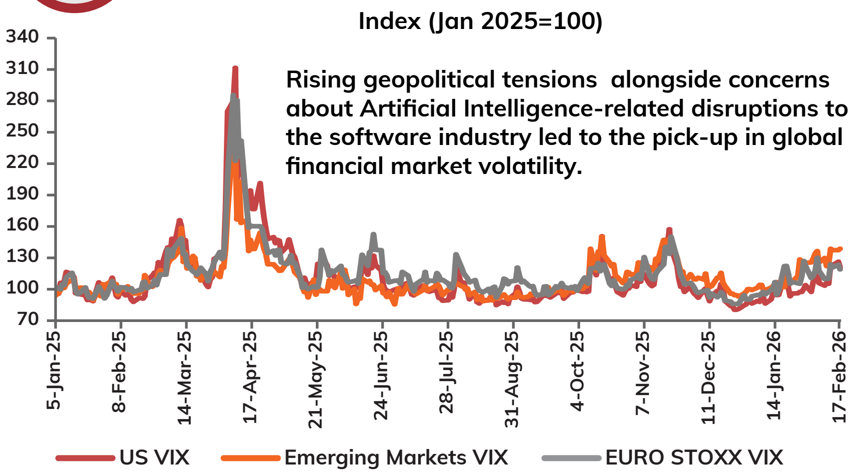
The sectoral analysis of Global IPO activity in January 2026 indicates concentration of capital in strategic and technology driven industries. Aerospace/Defense emerged as the leading sector, followed by Software and Semiconductors. Together, these sectors accounted for 69% of the total capital raised during the month, reflecting a strong investor preference for innovation-led, high growth and strategically aligned industries.

GLOBAL IPO AMOUNT RAISED (%)



Source: Securities and Exchange Board of India (SEBI) Bulletin, February 2026. Industry group and sector classification as per Bloomberg. IPO: Initial Public Offering.

VOLATILITY INDICES



Source: Reserve Bank of India (RBI) Bulletin, February 2026. U.S.: United States. VIX: Volatility Index.

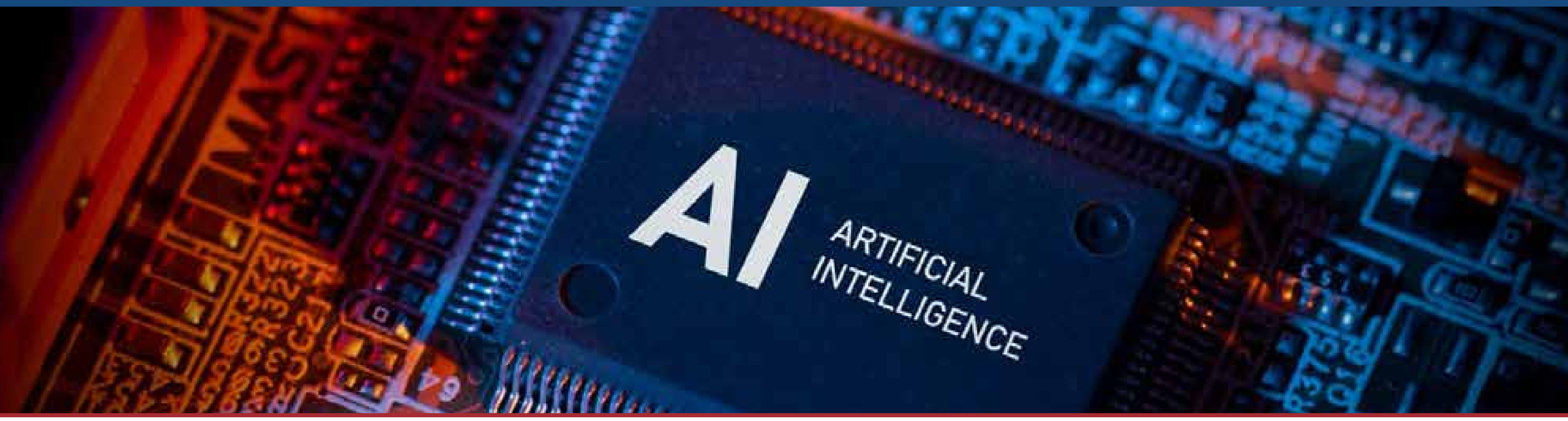
India's Systematic Investment Plan assets stood at ₹16.36 lakh crore in January 2026, representing 20.2% of the total mutual fund assets.

Contribution	Jan-2026	Dec-2025	Nov-2025	Oct-2025	Sep-2025	Aug-2025
Number of contributing SIP accounts (crore)	9.92	9.79	9.43	9.45	9.25	8.99
SIP monthly contribution (crore)	31,002	31,002	29,445	29,529	29,361	28,265
SIP assets (₹, Lakh Crore)	16.36	16.63	16.53	16.25	15.52	15.18
SIP assets as a percentage of industry assets	20.2	20.7	20.5	20.3	20.5	20.2

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

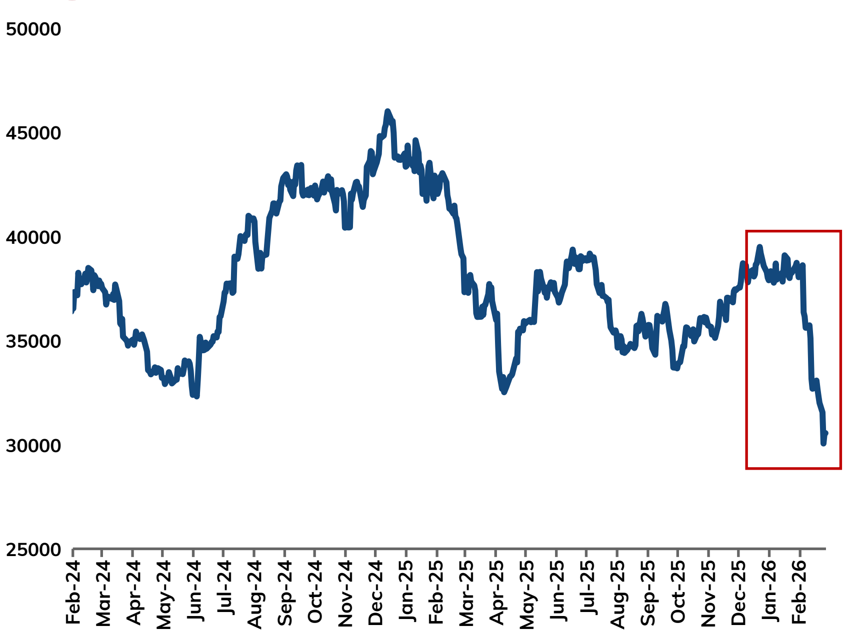
The moment of truth for the Information Technology sector

ICICI PRUDENTIAL MUTUAL FUND



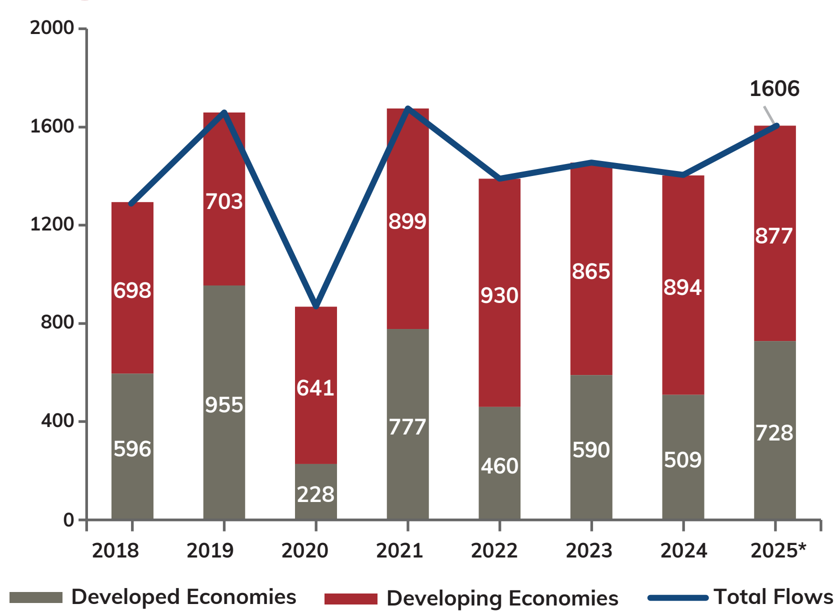
'Love it or hate it, you cannot ignore it' – Artificial Intelligence (AI) has been in the limelight as it automates processes, offers data insights and personalizes customer experiences. Global foreign direct investment (FDI) flows surged in 2025, led by **higher investments in data centres and advanced chips, reflecting rising demand for Artificial Intelligence (AI) infrastructure. However, the Information Technology sector is currently navigating a turbulent phase amid concerns related to the rapid advancement of Artificial Intelligence tools that could disrupt labour-intensive service-based business models.** Further, massive capital expenditure levels have led to excess competition and concerns **over stretched valuations in AI stocks.**

NIFTY IT INDEX



Source: National Stock Exchange (NSE). Data as on February 26, 2026. The above are closing prices. IT: Information Technology.

FDI INFLOWS IN DEVELOPED AND DEVELOPING ECONOMIES ($, BILLION)



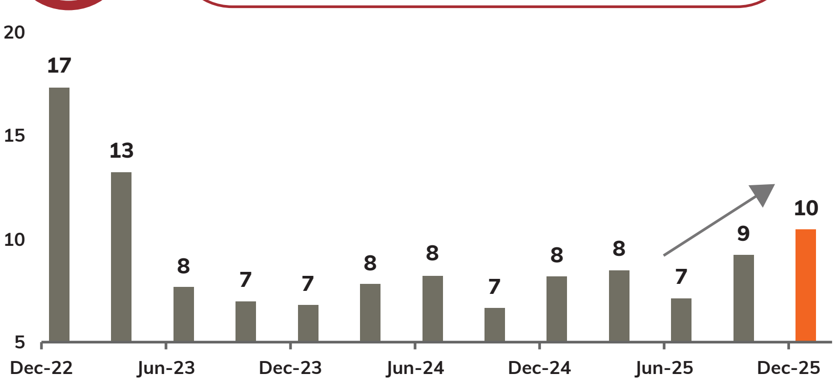
Source: Reserve Bank of India (RBI) Bulletin, February 2026. UN Trade and Development (UNCTAD). *Data for complete year 2025 is estimated based on first three quarters. FDI: Foreign Direct Investment.

Q3FY26 Corporate earnings growth – Thumbs up or down?

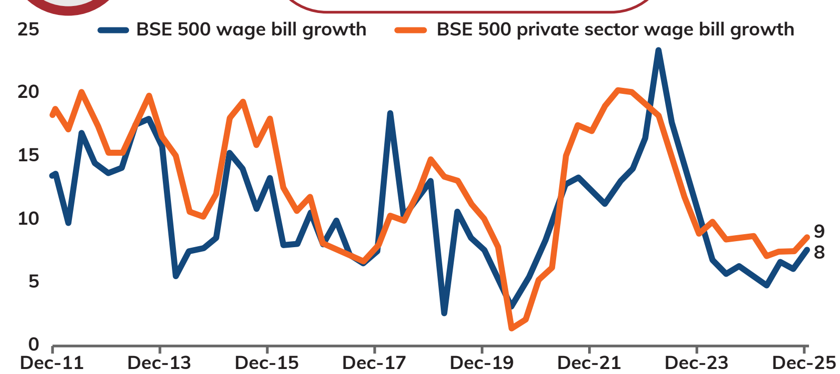
The Top-line growth for BSE 500 (excluding Oil Marketing Companies) accelerated to 10% year-on-year in Q3FY26, supported by cyclicals, financials, discretionary consumption and healthcare.

- **The Industrial sector recorded strong revenue growth,** supported by a healthy order backlog despite margin pressures from rising commodity costs and new labour regulations.
- **Factors supportive of the banking sector** have been a sequential improvement in credit growth, liquidity measures by the Reserve Bank of India (RBI), improved return on assets and robust capital buffers.
- **The consumer discretionary sector** benefited from the premiumization trend and festive demand. Further, monetary policy stimulus measures by the RBI, easing retail inflation and rationalization of the Goods and Services Tax (GST) rates provided an impetus to consumption.

BSE 500 INDEX TOP LINE GROWTH (YEAR-ON-YEAR, %)



WAGE BILL GROWTH (YEAR-ON-YEAR, %)



Source: Prowess, Nuvama Research. Oil Marketing Companies (OMCs) and fertilizers are excluded from the BSE 500 sample space. Past performance may or may not be sustained in the future. For Banking, Financial Services and Insurance (BFSI), Net Interest Income (NII) and Other Income (OI) is considered as top line. FY: Financial Year. Q: Quarter. U.S.: United States.

- **The Automobiles sector witnessed** a healthy revival in demand momentum during the quarter on the back of festive season demand and the GST rate cut.
- **While the pharmaceutical sector faced challenges from intense competition** and pricing pressures in the U.S. genetics market, it registered steady Profit After Tax (PAT) growth on the back of stable domestic demand.
- **The Information Technology (IT) sector** experienced tepid performance due to sluggish global demand and pricing pressures. The sector is currently grappling with concerns around the rapid advancement of Artificial Intelligence tools, facilitating faster productivity gains, thereby posing a threat to labour-intensive service-based business models.

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The narrative of High-Frequency Indicators

ICICI PRUDENTIAL MUTUAL FUND

In January 2026, E-way bills continued to exhibit double-digit growth supported by Goods and Services Tax (GST) rate rationalization. **Toll collections in January 2026 continued with the declining trend,** witnessed post the introduction of the FASTag Annual Pass scheme in August 2025. **Higher demand for electricity was primarily on account of the cold wave conditions across northern and eastern regions of the country, as well as from sustained industrial activity. Digital payments registered steady growth,** reflecting the need for operational convenience, faster transactions and the Government's commitment to building secure digital public infrastructure.

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

Indicator	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
GST E-way bills	23.1	14.7	20.2	23.4	18.9	19.3	25.8	22.4	21.0	8.2	27.6	23.5	15.8
GST revenue	12.3	9.1	9.9	12.6	16.4	6.2	7.5	6.5	9.1	4.6	3.6	6.1	6.2
Toll Collection	14.8	18.7	11.9	16.6	16.4	15.5	14.8	16.1	13.8	4.6	2.9	0.4	-1.8
Electricity demand	1.3	2.4	5.7	2.8	-4.8	-2.3	2.6	3.8	3.5	-5.8	-0.6	6.5	4.5
Petroleum consumption	3.0	-5.2	-3.1	0.2	1.1	0.5	-4.4	4.8	7.0	-1.5	2.8	5.3	2.9
Of which Petrol	6.7	5.0	5.7	5.0	9.2	6.8	5.9	5.5	8.0	7.4	2.6	7.1	5.6
Diesel	4.2	-1.3	0.9	4.2	2.1	1.5	2.4	1.2	6.5	-0.3	4.7	5.0	3.1
Aviation Turbine Fuel	9.4	4.2	5.7	3.9	4.4	3.3	-2.3	-2.9	-0.8	2.1	5.4	0.3	4.7
Digital Payments - volume	33.0	26.7	30.8	30.0	29.2	28.3	30.9	31.1	28.1	21.5	30.2	26.8	22.3

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

Source: Reserve Bank of India (RBI) Bulletin, February 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). Digital Payments data for January 2026 is provisional. The data on toll collections for January 2026 growth rate is calculated by aggregating daily data. 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.

In January 2026, rural demand strengthened with retail sales of two-wheelers and tractors witnessing a pick-up in growth, which was supported by healthy rural cash flows from the kharif harvest as well as the wedding season. Retail passenger vehicle sales continued to expand, albeit at a slower pace, reflecting normalization of markets following a period of high demand triggered by GST rate cuts.

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

	Indicator	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Urban Demand	Domestic Air Passenger Traffic	14.1	12.1	9.9	9.7	2.6	3.7	-2.5	-0.5	-2.5	3.5	7.0	-4.9	2.9
	Retail Passenger Vehicle Sales	15.5	-10.3	6.3	1.6	-3.1	2.5	-0.8	0.9	5.8	10.7	19.7	26.6	7.2
Rural Demand	Retail Automobile Sales	6.6	-7.2	-0.7	2.9	5.4	4.8	-4.3	2.8	5.2	40.5	2.1	14.6	17.6
	Retail Tractor Sales	5.2	-14.5	-5.7	7.6	2.8	8.7	11.0	30.1	3.6	14.2	56.5	15.8	22.9
	Retail Two-wheeler Sales	4.2	-6.3	-1.8	2.3	7.3	4.7	-6.5	2.2	6.5	51.8	-3.1	9.5	21.4

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

Source: Reserve Bank of India (RBI) Bulletin, February 2026. Airports Authority of India, Federation of Automobile Dealers Associations (FADA), Ministry of Rural Development, Government of India. The data on domestic air passenger traffic for January 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. GST: Goods and Services Tax.

The narrative of High-Frequency Indicators

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High-frequency indicators of industrial activity remained strong in January 2026. Automobile production recorded robust growth across segments, albeit at a slower pace, reflecting some normalization following the earlier surge in output on account of the Goods and Services Tax (GST) rate cuts.

High-Frequency Indicators – Indicators for Industrial Growth (Year-on-Year, Growth %)

Indicator	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Automobile production	9.4	2.3	6.5	-1.7	5.2	1.2	10.7	8.1	10.8	-2.8	22.3	37.1	15.0
Passenger vehicle production	3.7	4.5	11.2	10.8	5.4	-1.8	0.1	-4.1	16.1	9.8	22.8	23.1	5.6
Tractor production	23.7	-7.8	18.5	20.5	9.1	9.8	11.5	9.4	23.0	13.0	37.5	57.9	14.6
Two-wheelers production	10.3	1.6	5.6	-4.1	4.7	1.4	12.3	10.0	9.8	-5.6	20.9	39.9	16.1
Three-wheelers production	16.2	6.5	6.0	4.1	16.9	8.6	24.0	15.8	15.9	15.9	55.4	39.6	33.2
Crude steel production	7.4	6.0	8.5	9.3	11.0	12.6	13.8	12.8	13.7	8.9	10.8	5.3	4.1
Finished steel production	6.7	6.7	10.0	6.6	7.0	10.9	13.8	13.8	14.0	7.2	11.8	2.0	3.2
Imports of capital goods	15.5	-0.5	8.6	24.5	15.7	3.4	13.3	0.2	12.7	8.6	13.1	13.2	7.2

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

Source: Reserve Bank of India (RBI) Bulletin, February 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 and Tractor and Mechanisation Association. In the heatmap, red denotes the lowest values and green corresponds to the highest values of the respective data series.

The all-India unemployment rate declined to 4.8% in Q3FY26 from 5.2% in the preceding quarter. The Naukri JobSpeak Index showed deceleration in fresh hiring despite steady hiring in sectors such as BPO/ITES, hospitality and real estate. Meanwhile, the **demand for work under the Mahatma Gandhi National Rural Employment Guarantee Scheme continued to decline for the seventh-consecutive month, reflecting an improvement in rural labour market conditions.**

High Frequency-Indicators for Employment

Indicator	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Naukri Job Speak Index	3.9	4.0	-1.5	8.9	0.3	10.5	6.8	3.4	10.1	-9.3	23.5	13.2	3.4
PMI Employment: Manufacturing	54.8	54.5	53.4	54.2	54.9	55.1	53.3	53.1	52.1	52.4	50.9	50.5	51.1
PMI Employment: Services	56.3	56.2	52.5	53.9	57.1	55.1	51.4	52.2	51.9	51.4	51.6	49.8	50.8
MGNREGA: Work Demand	14.4	2.8	2.2	-6.5	4.4	4.4	-12.3	-26.2	-27.1	-35.1	-32.0	-28.9	-25.7

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

Source: Reserve Bank of India (RBI) Bulletin, February 2026. Ministry of Statistics and Program Implementation (MoSPI), Government of India, Info Edge, S&P Global. All PMI values are reported in index form. A PMI value >50 denotes expansion, <50 denotes contraction and =50 denotes no change. In the PMI heatmaps, red denotes the lowest value, yellow denotes 50 (or the no change value), and green denotes the highest value in each of the PMI series. MGNREGA is encoded in inverse scale - lowest is marked in green, highest is marked in red. Q: Quarter. FY: Financial Year. PMI: Purchasing Managers' Index. BPO/ITES: Business Process Outsourcing/Information Technology Enabled Services.

Other Key Developments

Global Debt is surging: The pace of global debt accumulation accelerated sharply in 2025, marking the fastest increase since the pandemic-era surge. Total global debt rose by nearly $29 trillion, reaching a new all-time high of $348 trillion, with roughly two-thirds of the increase originating in mature markets as deficit spending rose. Rising Artificial Intelligence (AI)-related investment is emerging as a new driver of corporate borrowing and capital markets activity (Source: Institute of International Finance, Global Debt Monitor, Report as on February 25, 2026).

Union Budget 2026-27 tax proposals for the financial sector: Securities transaction tax (STT) proposed to be raised on Futures to 0.05% from present 0.02%. STT on options premium and exercise of options are both proposed to be raised to 0.15% from the present rate of 0.1% and 0.125% respectively (Source: Government of India, Ministry of Finance).

Growth Connectors between cities to boost trade: As per the Union Budget 2026-27, the Government strives to develop Seven High-Speed Rail corridors as growth connectors between cities. These would include Mumbai-Pune, Pune-Hyderabad, Hyderabad-Bengaluru, Hyderabad-Chennai, Chennai-Bengaluru, Delhi-Varanasi, Varanasi-Siliguri. This initiative is expected to boost trade between regions, promote regional development and enhance connectivity (Source: Government of India, Ministry of Finance).

Borrowing plan of the Government of India: The Indian government proposed gross market borrowings of ₹17.2 lakh crore for the financial year 2026-27, up from the budgeted gross market borrowings of ₹14.8 lakh crore in the financial year 2025-26. The sharp rise in proposed gross market borrowings underscores the scale of funding infrastructure development, which would further accelerate economic growth. (Source: Government of India, Ministry of Finance).

And it is a wrap for the month

Rising geopolitical tensions alongside concerns about Artificial Intelligence (AI)-related disruptions to the software industry led to a rise in global financial market volatility.

The completion of the India-European Union (EU) free trade negotiations in end-January 2026 and the subsequent interim trade agreement between the U.S. and India would play a significant role in improving market access, enhancing export competitiveness and integrating Indian businesses into global value chains. On the fiscal front, the continued commitment to fiscal consolidation and debt sustainability signals prudent macroeconomic management.

PICTURE OF THE MONTH

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