

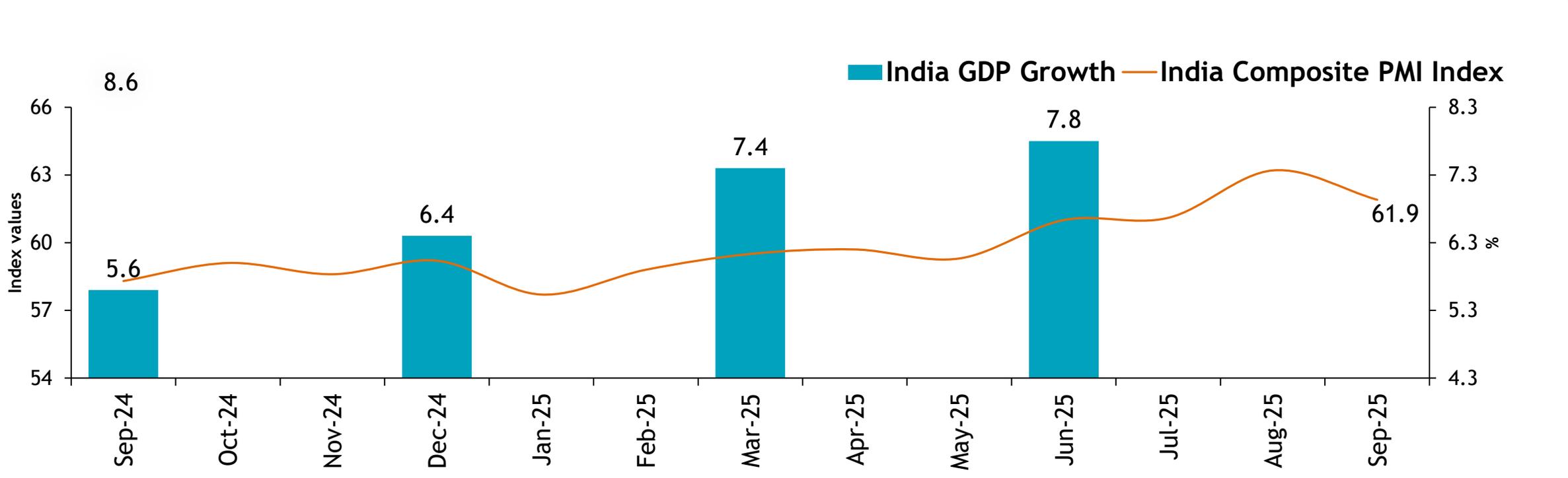
Monthly Factbook

September 2025

Indian Economic Indicators

India Composite PMI & GDP Growth

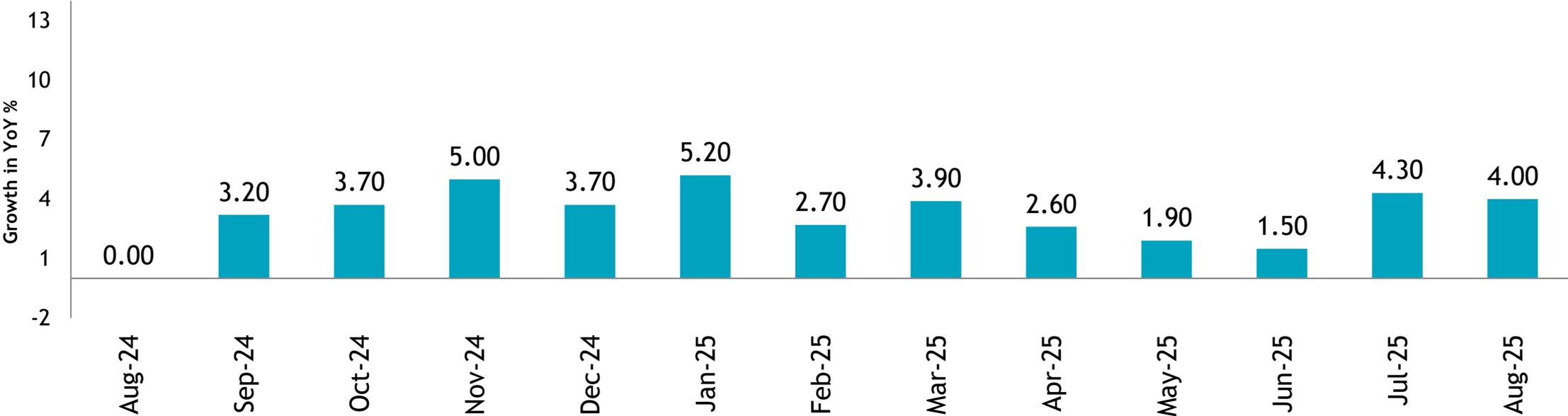
Indian economy at constant (2011-12) prices witnessed a growth of 7.8% YoY in the first quarter of FY26.



Source: Refinitiv; PMI >50 denotes expansion and <50 is contraction

Index of Industrial production (IIP)

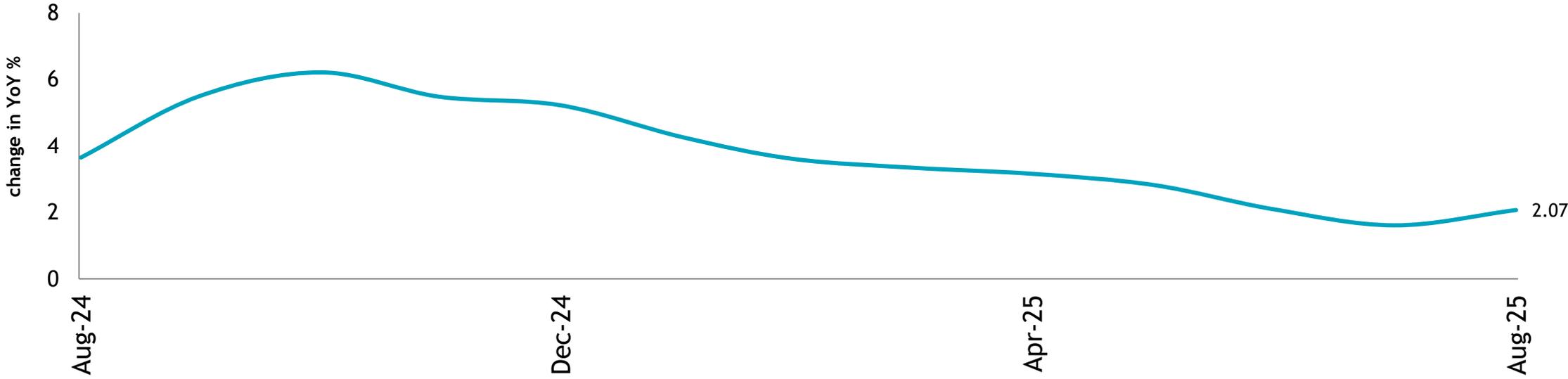
The Index of Industrial Production (IIP) grew by 4.0% YoY in Aug 2025, slowing from a revised 4.3% increase in Jul 2025.



Source: Refinitiv

Consumer Price Index

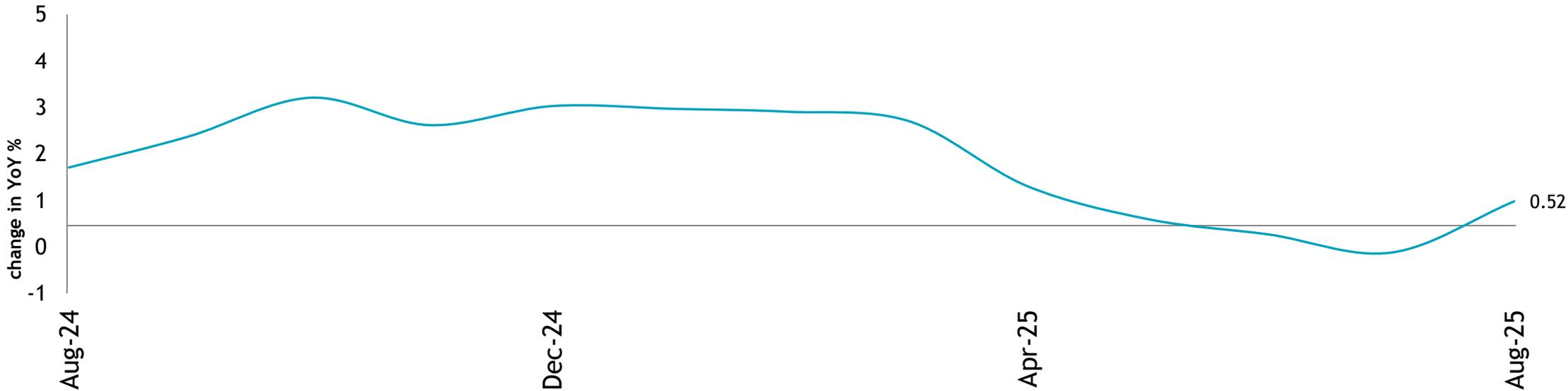
India's Consumer Price Index (CPI)-based inflation rose to 2.07% YoY in Aug 2025, up from 1.61% in Jul 2025.



Source: Refinitiv

Wholesale Price Index

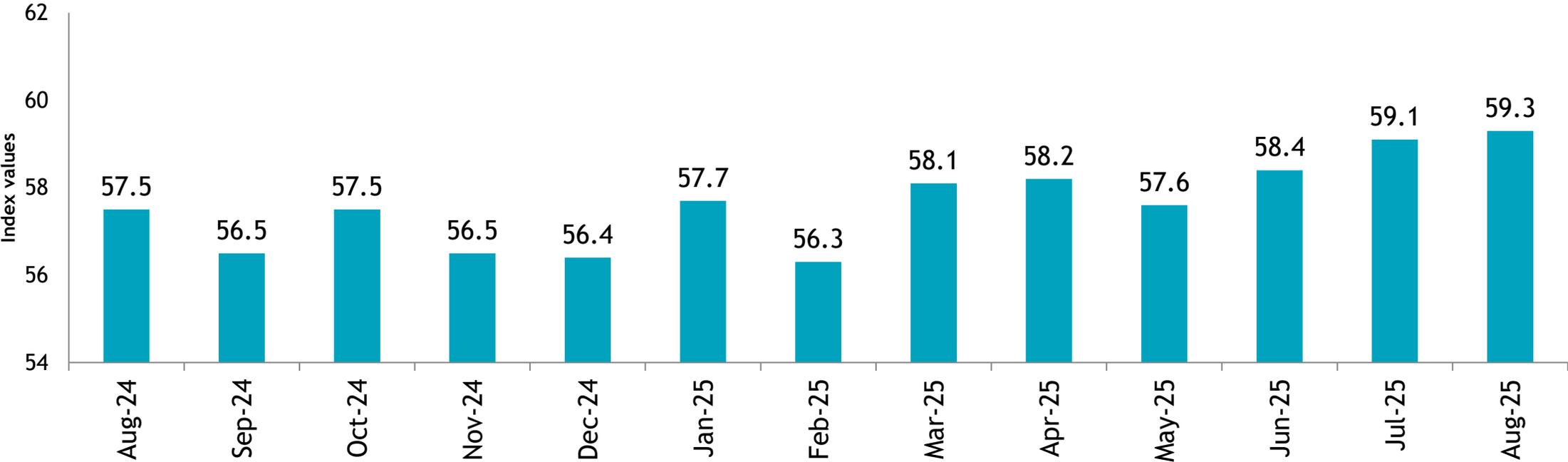
India's wholesale price index (WPI)-based inflation rose by 0.52% YoY in Aug 2025.



Source: Refinitiv

India Manufacturing PMI

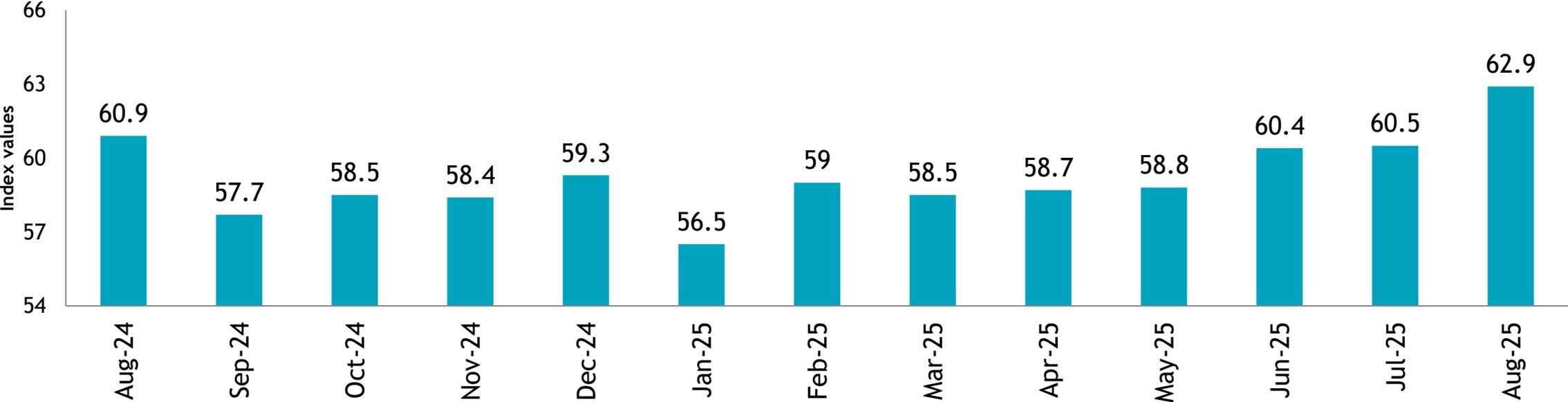
The Manufacturing Purchasing Managers' Index (PMI) rose to 59.3 in Aug 2025 from 59.1 in Jul.



Source: Refinitiv; PMI >50 denotes expansion and <50 is contraction

India Service PMI

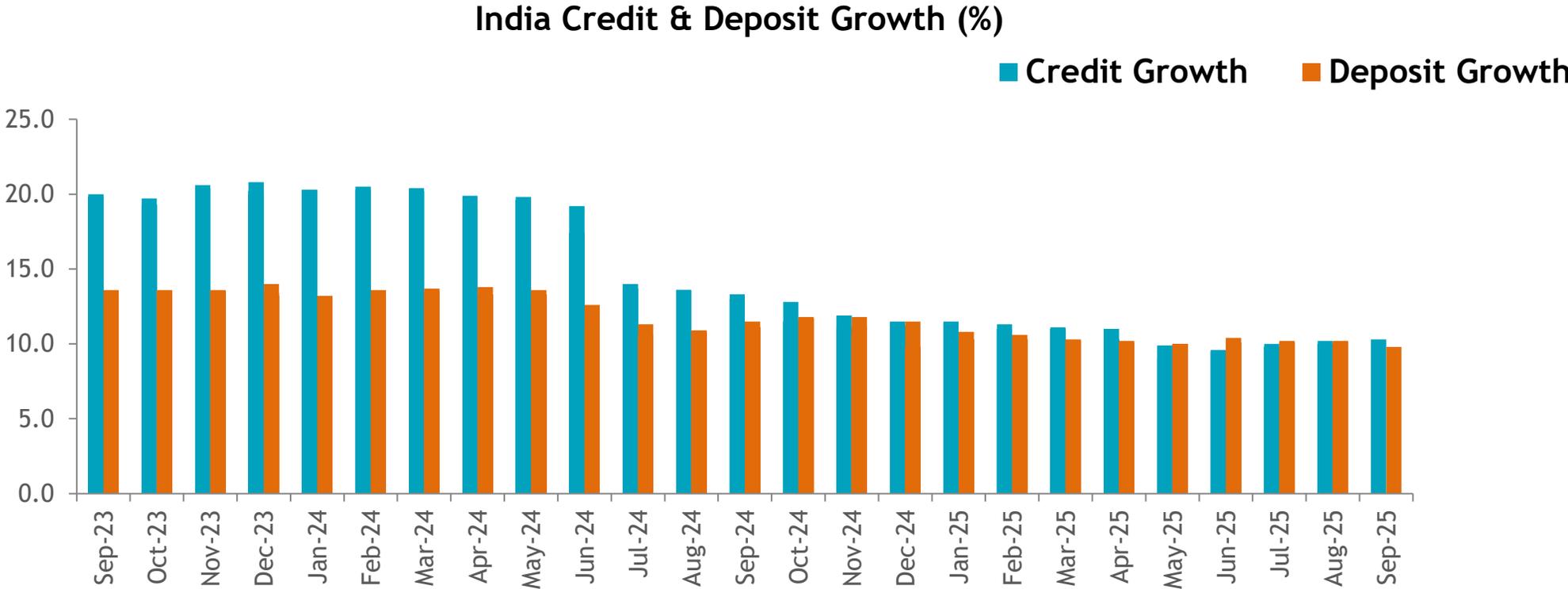
India's Services Purchasing Managers' Index (PMI) climbed to a 15-year high of 62.9 in Aug 2025 from 60.5 in Jul 2025.



Source: Refinitiv; PMI >50 denotes expansion and <50 is contraction

India Credit Growth and Deposit Growth

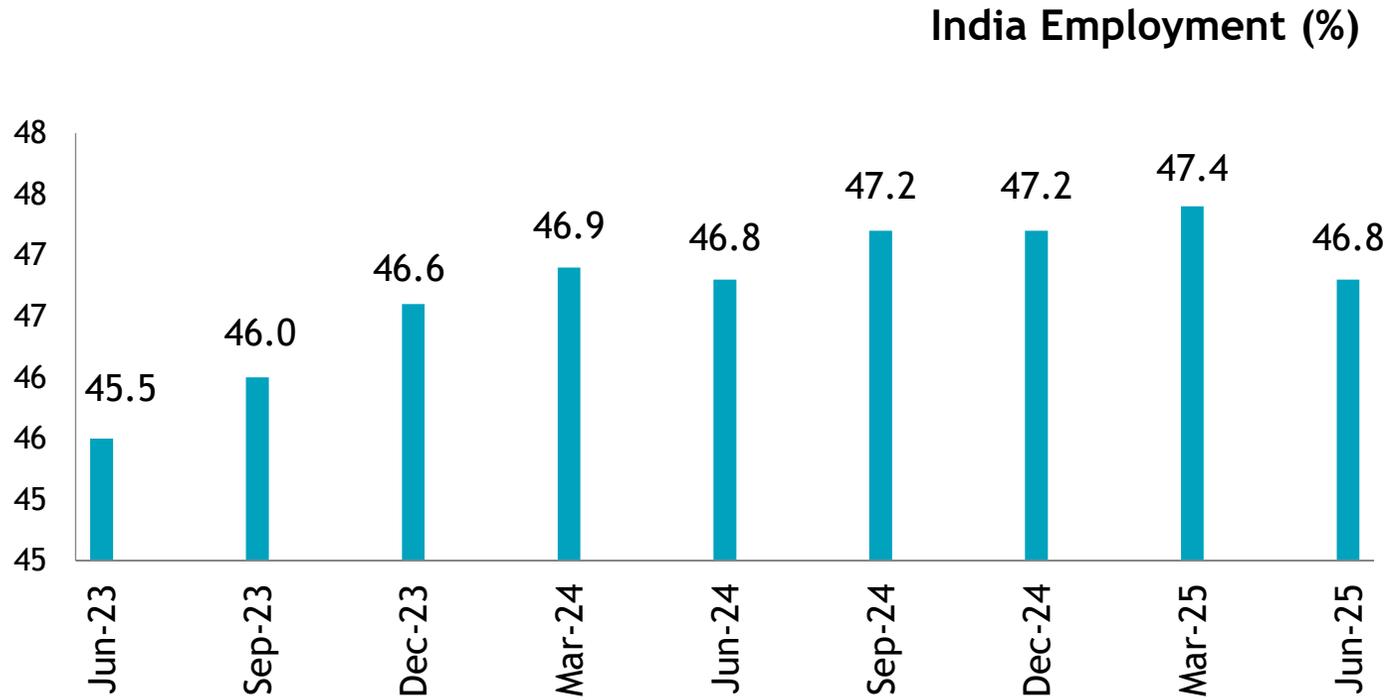
According to RBI, banks' credit and deposit witnessed a growth of 10.3% & 9.8%, respectively, as of Sep 05, 2025.



Source: Refinitiv

India Employment (%)

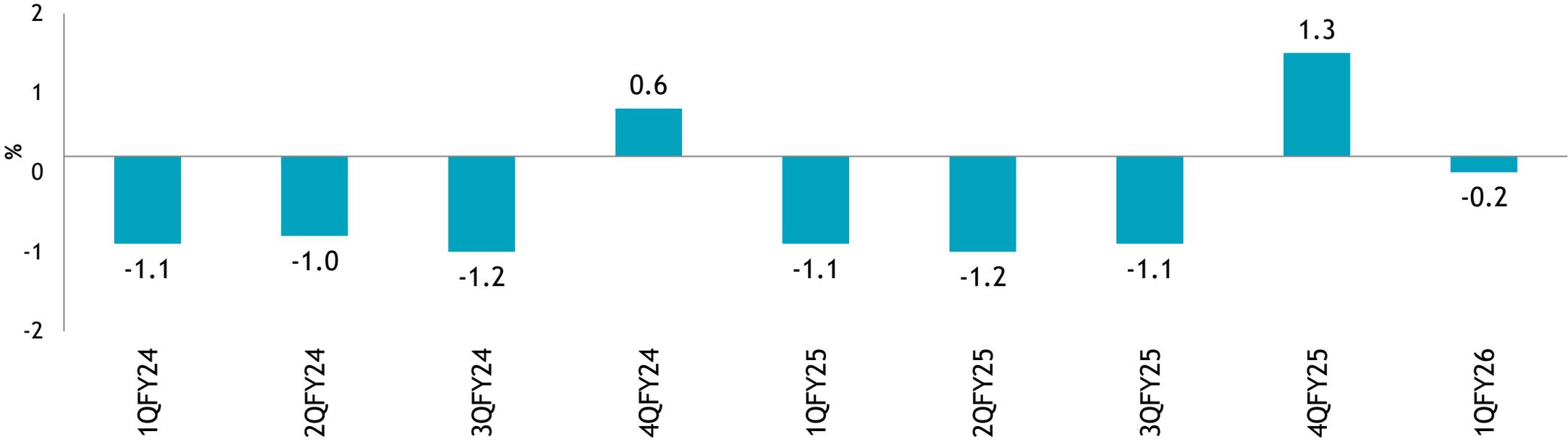
As per Periodic Labour Force Survey, India's employment increased to 46.80% in Jun 2025 same as Jun 2024.



Source: Mospi

Current Account Deficit as % of GDP

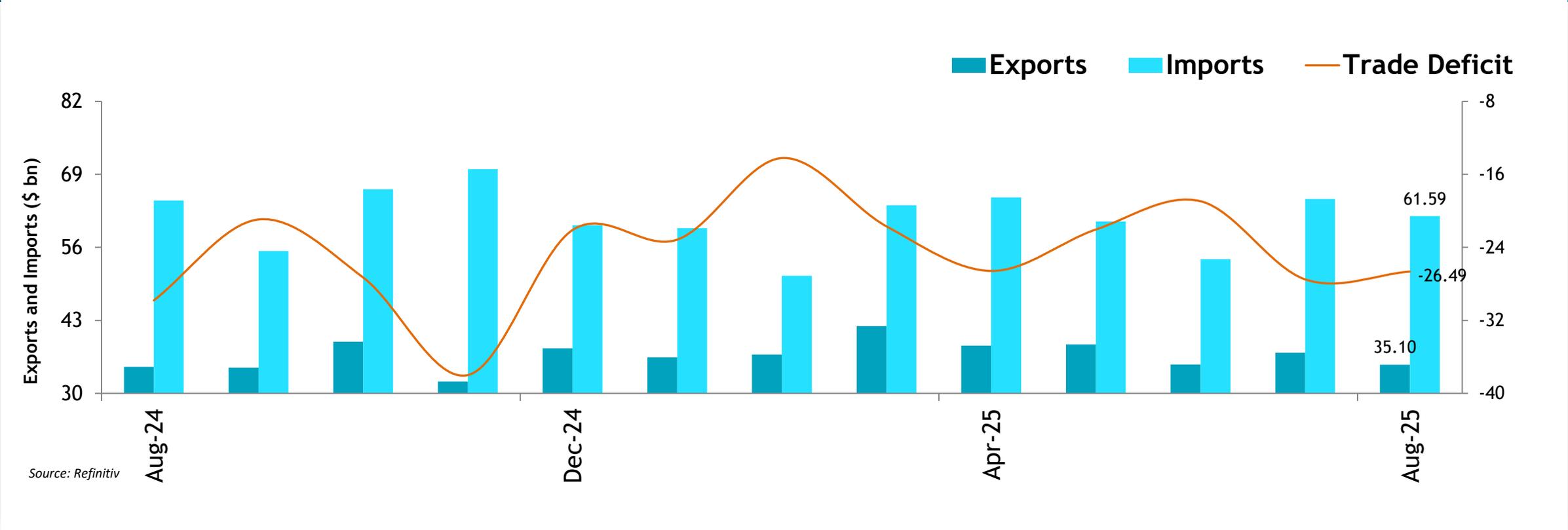
India's current account balance recorded a surplus of US\$ 13.5 billion (1.3% of GDP) in Q4 FY25 .



Source: Refinitiv

Trade Data

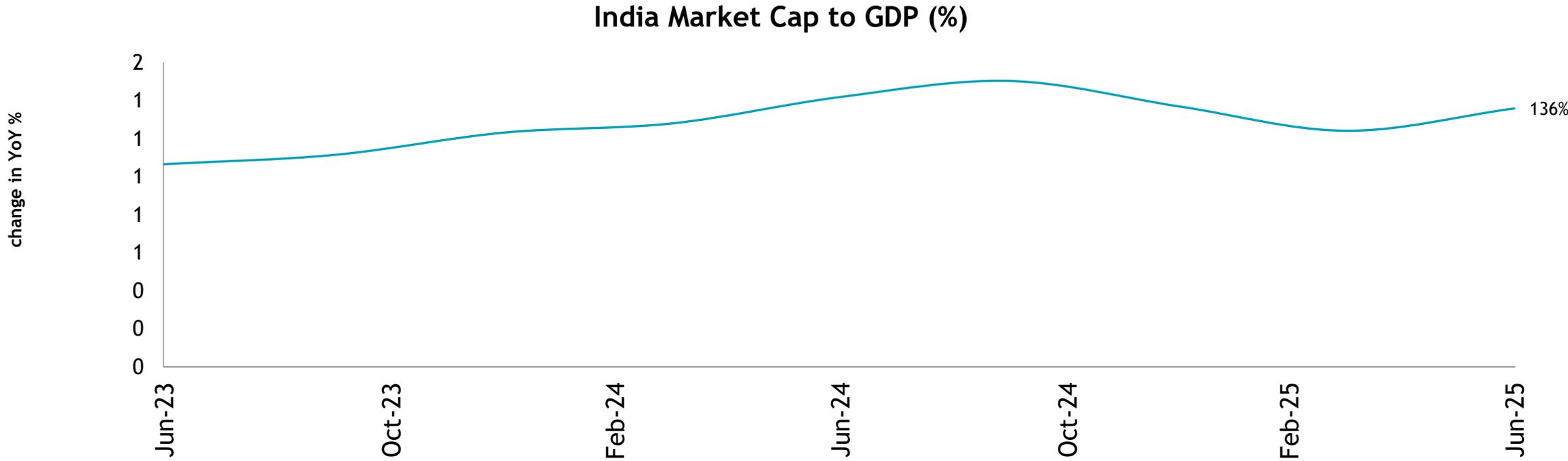
India's merchandise trade deficit narrowed annually to \$26.49 billion in Aug 2025, compared to \$35.64 billion in Aug 2024.



Source: Refinitiv

India Market Cap to GDP (%)

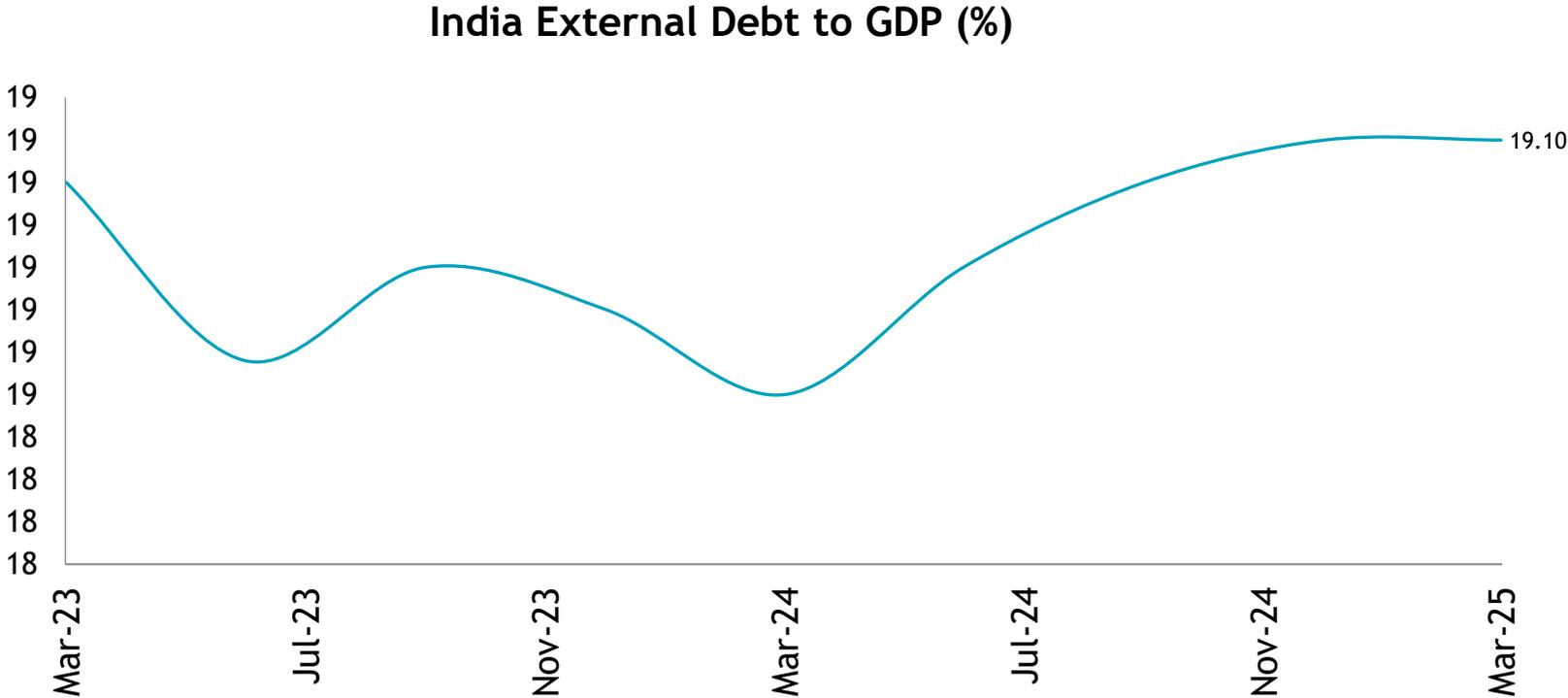
India's market capitalization to GDP ratio increased to 136% in the first quarter of FY26.



Source: Refinitiv & NSE

India External Debt to GDP (%)

According to the Ministry of Finance, India's external debt to GDP increased by 19.10% in Mar 2025 compared to 18.50% in Mar 2024.



Source: Finmin

Key Domestic Market Highlights

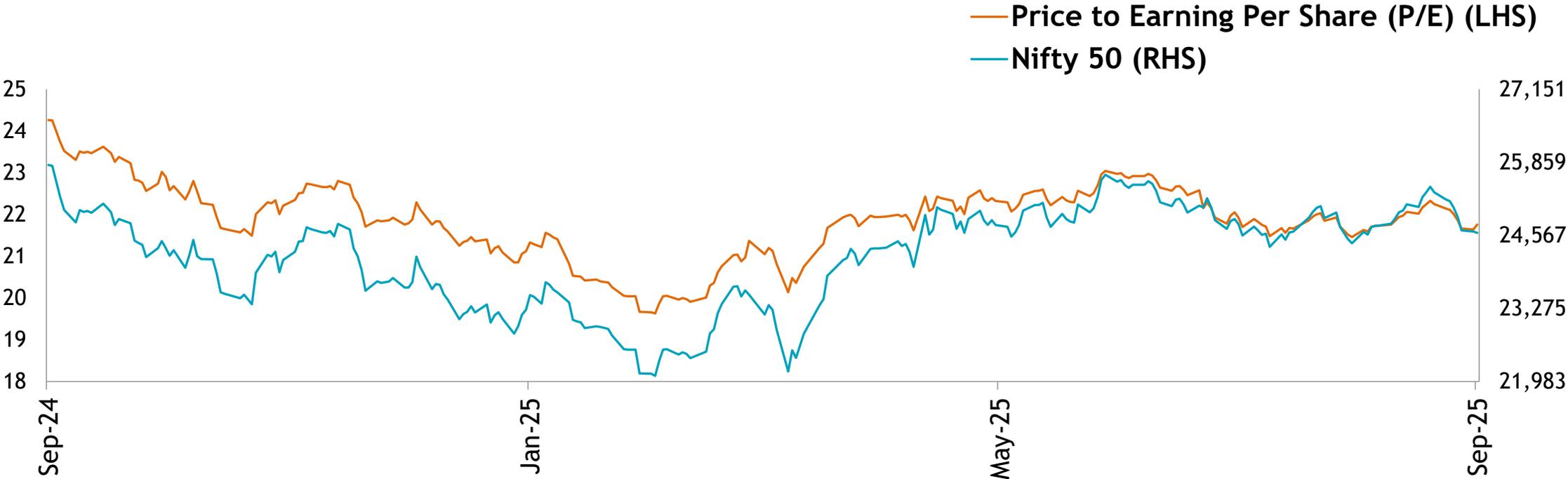
Indian markets rose following robust macroeconomic indicators.

- Domestic equity markets rose following robust macroeconomic indicators, as India's economy expanded by 7.8% YoY in Q1 FY26, marking the strongest growth in five quarters, while the Services PMI surged to 62.9 in Aug 2025, its highest level in over 15 years, driven by a sharp rise in new orders and resilient demand.
- Sentiment was further boosted as the GST Council simplified the existing four tax slabs (5%, 12%, 18%, 28%) into a two-rate structure of 5% & 18% and proposed a special 40% slab for select luxury items such as high-end cars, tobacco, and cigarettes. Gains extended after the U.S. Federal Reserve delivered its first rate cut of the year in Sep 2025, citing recent weakness in the labor market.
- However, overall gains were capped amid lingering uncertainty over India–U.S. trade negotiations and continued foreign institutional investor outflows from domestic equities.

Domestic Equity Markets

Price to Earning Per Share vs Nifty 50

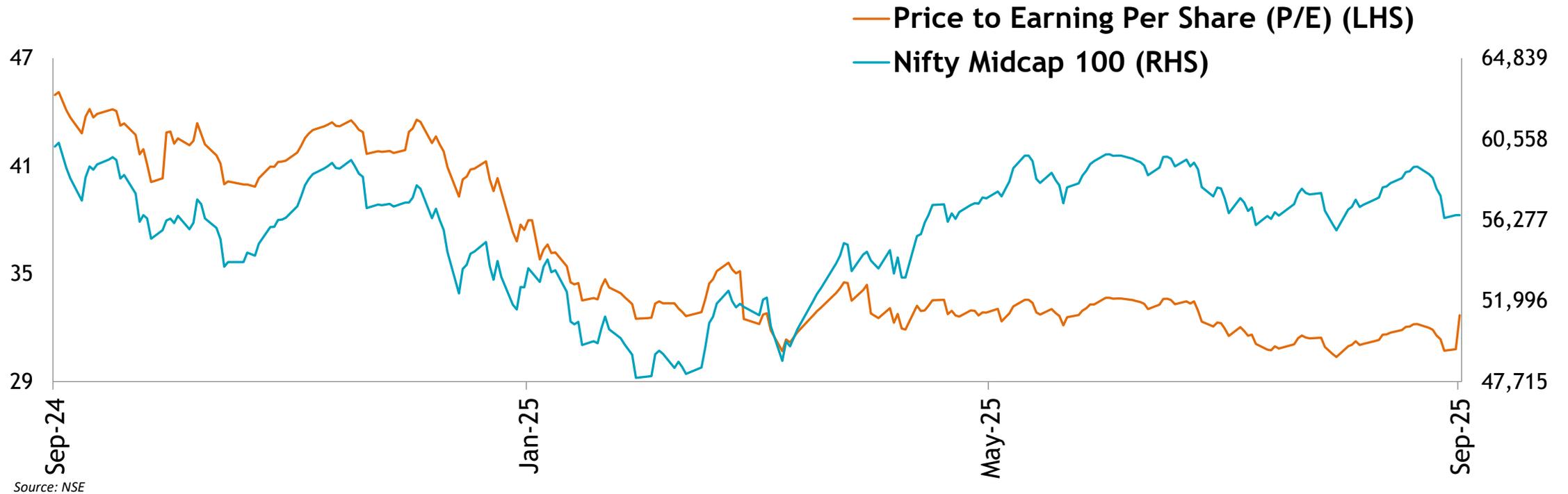
During the month, BSE Sensex rose 0.57% and Nifty 50 rose 0.75% to close at 80,267.62 and 24,611.10 respectively.



Source: NSE

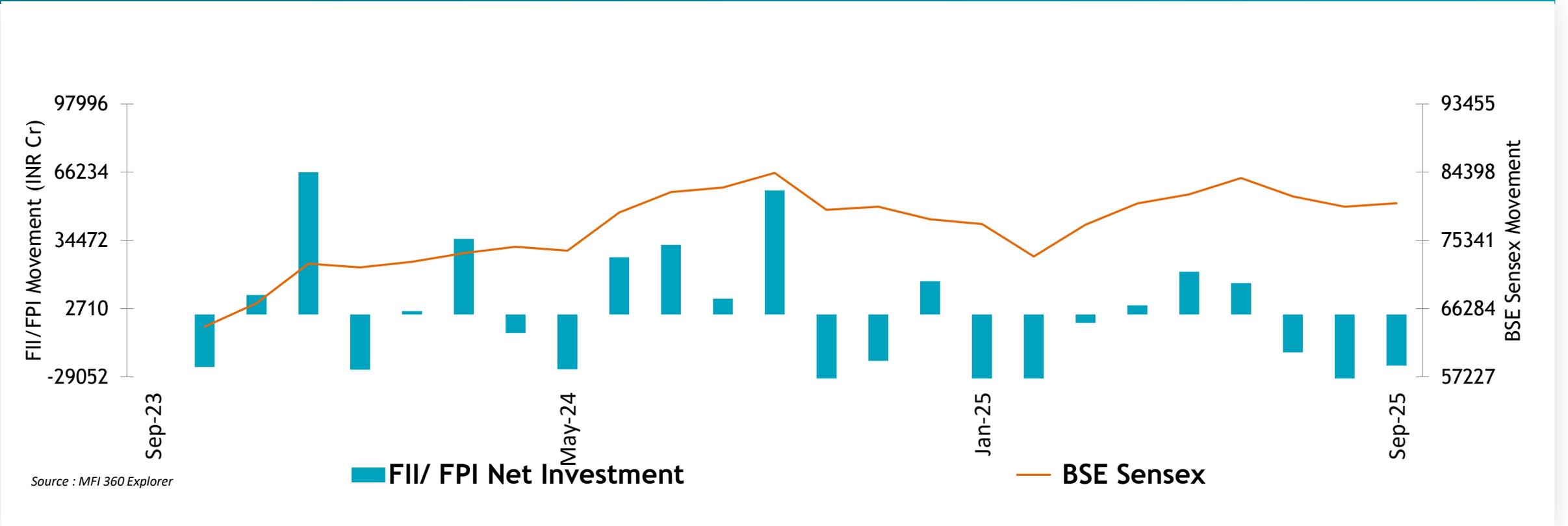
Price to Earning Per Share vs Nifty Midcap 100

During the month, Nifty Midcap 100 rose 1.44% and Nifty Small cap 100 rose 1.95% to close at 56,529.30 and 17,562.75 respectively.



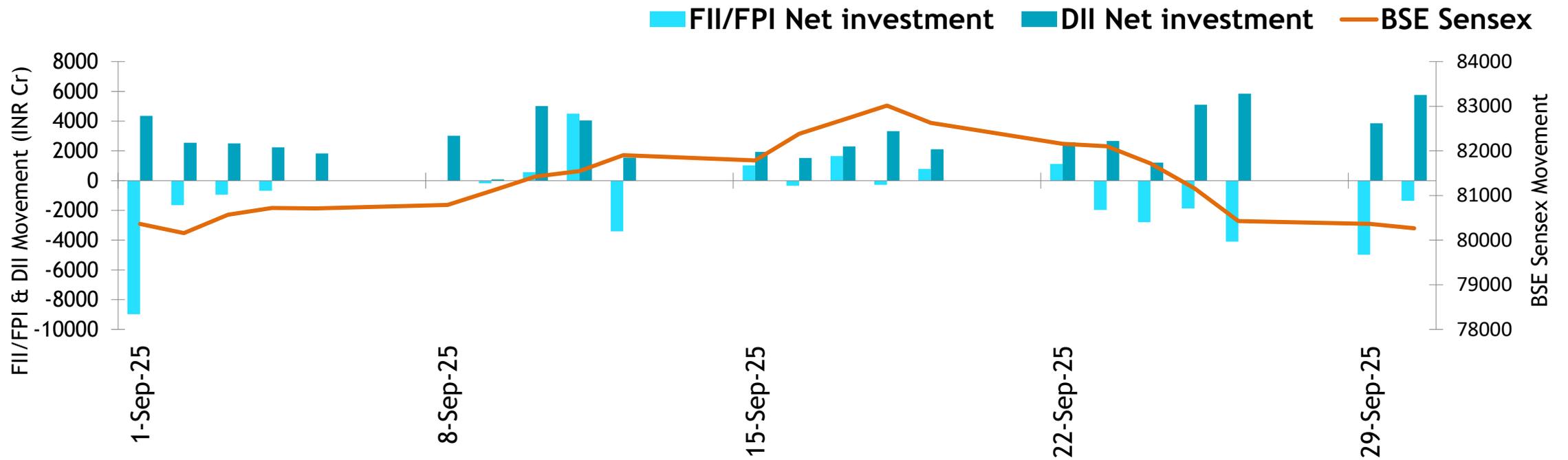
FII/FPI Investment and BSE Sensex - Last 24 Months

FPIs were net sellers of domestic stocks worth Rs. 23,884.72 crore in Sep 2025.



DII, FII/FPI Investment and BSE Sensex - During the Month

Domestic mutual funds remained net buyers in the equity segment to the tune of Rs. 44,582.20 crore in Sep 2025.



Source : MFI 360 Explorer

Returns of Major NSE Indices

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	CYTD	
Media 10.30%	Metal 45.20%	Realty 110.22%	IT 23.64%	Realty 28.49%	Pharma 60.43%	Metal 69.66%	PSU Bank 70.92%	Realty 81.64%	Pharma 38.72%	Auto 16.24%	IT returns represented by NIFTY IT
Smallcap 10.20%	Auto 10.75%	Smallcap 57.47%	FMCG 13.57%	Finance 25.65%	IT 54.75%	Smallcap 61.94%	Metal 21.83%	Smallcap 48.26%	Realty 34.07%	Metal 16.05%	Metal returns represented by NIFTY Metal
Pharma 9.26%	Midcap 5.41%	Midcap 54.53%	Finance 10.54%	Largecap 10.42%	Smallcap 25.02%	IT 59.58%	FMCG 17.59%	Auto 47.78%	Smallcap 26.19%	PSU Bank 15.08%	Realty returns represented by NIFTY Realty
Midcap 8.41%	Finance 4.93%	Metal 48.71%	Largecap 1.13%	IT 8.39%	Midcap 24.31%	Realty 54.26%	Auto 15.36%	Midcap 43.82%	Midcap 23.58%	Finance 10.67%	Auto returns represented by NIFTY Auto
FMCG 0.33%	PSU Bank 4.11%	Finance 41.56%	Pharma -7.77%	Midcap -0.28%	Metal 16.14%	Midcap 46.81%	Finance 9.55%	Pharma 33.72%	Auto 22.44%	Largecap 3.26%	Pharma returns represented by NIFTY Pharma
IT -0.03%	Largecap 3.60%	Media 32.80%	Midcap -13.26%	FMCG -1.29%	Largecap 14.82%	PSU Bank 44.37%	Largecap 3.64%	PSU Bank 32.40%	IT 21.83%	Midcap -0.48%	Media returns represented by NIFTY Media
Auto -0.32%	FMCG 2.78%	Auto 31.47%	PSU Bank -16.47%	Smallcap -8.27%	FMCG 13.42%	Media 34.56%	Midcap 2.97%	FMCG 29.10%	PSU Bank 14.35%	FMCG -3.68%	Finance returns represented by NIFTY Finance
Largecap -2.41%	Smallcap 0.36%	Largecap 31.15%	Metal -19.84%	Pharma -9.34%	Auto 11.43%	Largecap 25.04%	Smallcap -3.66%	IT 24.16%	Largecap 11.65%	Smallcap -5.97%	FMCG returns represented by NIFTY FMCG
Finance -5.41%	Media -0.85%	FMCG 29.47%	Auto -22.99%	Auto -10.69%	Realty 5.11%	Auto 18.96%	Media -10.25%	Largecap 20.11%	Finance 9.35%	Pharma -8.36%	PSU Bank returns represented by NIFTY PSU Bank
Realty -15.02%	Realty -4.20%	PSU Bank 24.17%	Media -25.80%	Metal -11.20%	Finance 4.46%	Finance 13.96%	Realty -10.84%	Media 19.94%	Metal 8.35%	Media -15.12%	Largecap returns represented by Nifty 100
Metal -31.35%	IT -7.25%	IT 12.21%	Smallcap -26.68%	PSU Bank -18.25%	Media -8.55%	Pharma 10.12%	Pharma -11.46%	Metal 18.72%	FMCG -0.33%	Realty -17.56%	Midcap returns represented by Nifty Midcap 150
PSU Bank -32.91%	Pharma -14.18%	Pharma -6.32%	Realty -32.87%	Media -29.72%	PSU Bank -30.50%	FMCG 9.96%	IT -26.11%	Finance 13.24%	Media -23.71%	IT -22.34%	Smallcap returns represented by Nifty Small cap 250

Equity Market Outlook

- The decision of the US Government to enforce reciprocal tariff on most countries points towards its intent to aggressively pursue and resolve the wrong that it believes it is suffering since the globalisation era. It is estimated that these tariffs are likely to affect trade worth roughly US\$1tn, thereby impacting Global GDP in FY26/27 by 0.5%. India too is likely to suffer a 0.5% impact on its GDP with higher tariffs. Indian situation has clearly gotten complex with Indian tariff being raised to 50% - among highest globally. It would have sizable direct and indirect impact on India – though there is no certainty that it will not change again for better. Although it remains fluid and there is to and fro that's happening over last few months. One needs to see how it plays out over next 3-6 months before making any structural view on this aspect.
- While the theory of US getting short-changed by its trading partners is debatable, there is little doubt that the country was amongst the biggest beneficiaries of globalisation. As the US dominance in the global economy increased, it benefited from global savings moving back the US to fund its large fiscal and trade deficit at an interest rate of under 2-3% on an average for the past 15-20 years. On the other hand, the benefits of increased local manufacturing that is being perceived as one of the end goals of these tariffs may not be easy to materialise given ecosystem challenges. Global manufacturing supply chains have been established over the past 40-50 years and are almost impossible to move to the US easily. This is due to various limiting factors that US suffers from like lack of labour skillset and ecosystem to produce these products at competitive costs. Thus, in the near term, the strategy of stepping back from globalisation is likely to hurt US consumers as the cascading effect of these tariffs trickle down in the form of higher inflation, higher real interest rates and lower economic growth. We might have stagflation as a consequence of US policies in US and deflation globally driven by oversupply not consumed by US, like in the past.

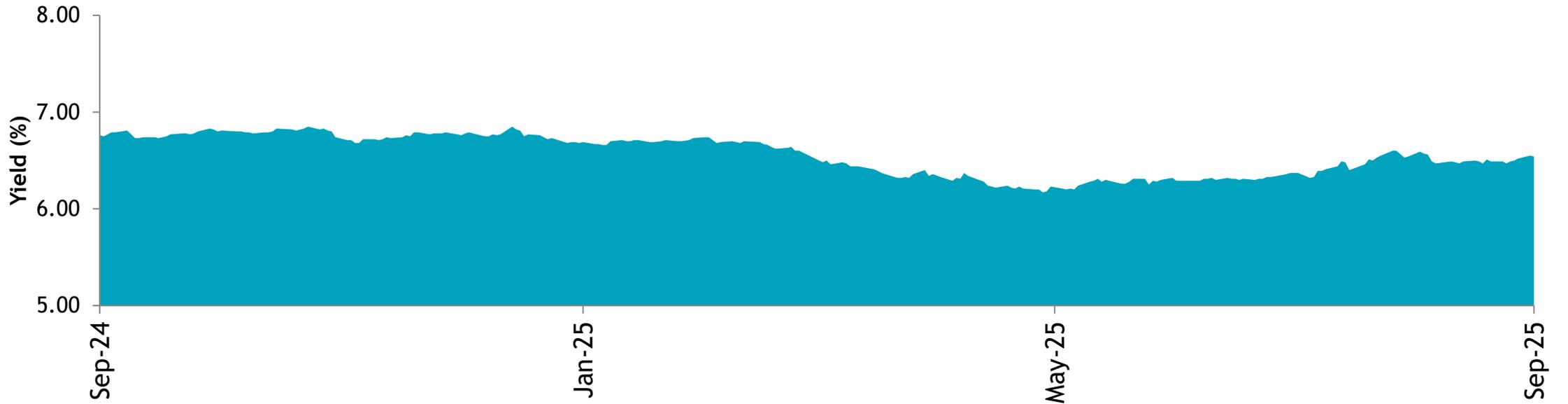
Equity Market Outlook

- Indian macro remains best among the large economies and cyclical growth is normalising from last year. The last Gross Domestic Product (GDP) print came in at 7.4% and 7.8% in 4QFY25 and 1QFY26 respectively, after weak prints of 5.4% and 6.2% respectively for 2Q/3QFY25. FY25 GDP growth came at 6.5%. Current Account Deficit has improved significantly and is expected to be ~1% for FY25E/FY26E. Most domestic macro and micro indicators remain steady. Given these aspects, despite the global geo-political and economic dark clouds, the domestic equity market remains focused on earnings. While the structural earning growth has been healthy at >15% CAGR (Compounded Annual Growth Rate) for FY20-24, FY25E has moderated to mid-high single digit, which is a cause of concern. Thankfully 4QFY25/1QFY26 earnings have been along the expected line of consensus. Monetary policy has become very accommodative, both in terms of system liquidity (vs FY25) as well as administrative majors around lending. 1QFY26 nifty earnings growth was 8-9%YoY growth – directionally improving from previous quarters.
- We believe that FY25 was a cyclical slowdown driven by factors such as,
 - 1) Reduced Govt spending during 1HFY25, which has reversed during next 2 quarters
 - 2) Significantly above average monsoon in southern part of country; and
 - 3) Stringent liquidity and administrative actions by RBI on retail credit (which has also reversed).
- Select Consumer discretionary and Financials, Pharma, industrials, Telecom, Hospital, Hotels, Aviation and Real Estate are witnessing a healthy earnings cycle whereas FMCG, Commodities and IT continues to face headwind. Indian equity market trades at 21xFY26E/19xFY27E consensus Nifty earnings – in a fair valuation zone from medium term perspective – given longevity of earnings growth potential in India. For the broader market, while the last years correction has taken out the froth in mid-caps and small caps, they continue to trade at 15-25% premium to their own historical valuations – indicating that the strong earnings revival is a must for this part of the market to do well. Stock pickers market and consolidation might be the theme of the year given muted earnings and above average valuations.

Domestic Debt Markets

10-Yr Benchmark Bond

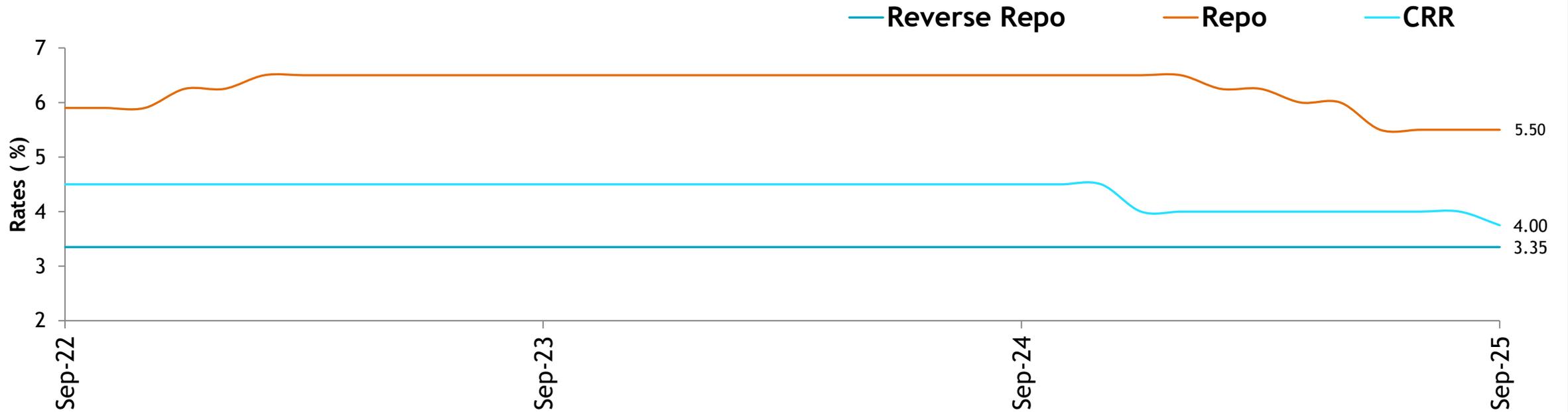
Bond yields fell after the government projected a smaller net revenue loss from recent GST revisions than initially expected.



Source: Refinitive

Movements of Key Policy Rates in India

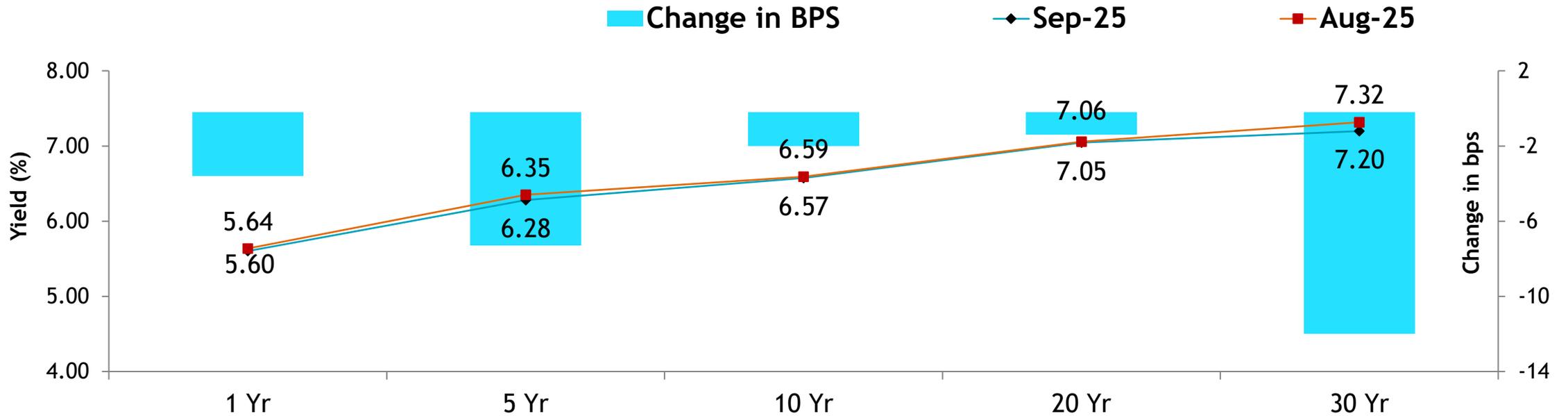
MPC in its fourth bi-monthly monetary policy review of FY26 decided to maintain the policy repo rate at 5.50%.



Source: RBI

India Yield Curve Shift (Month-on-Month)

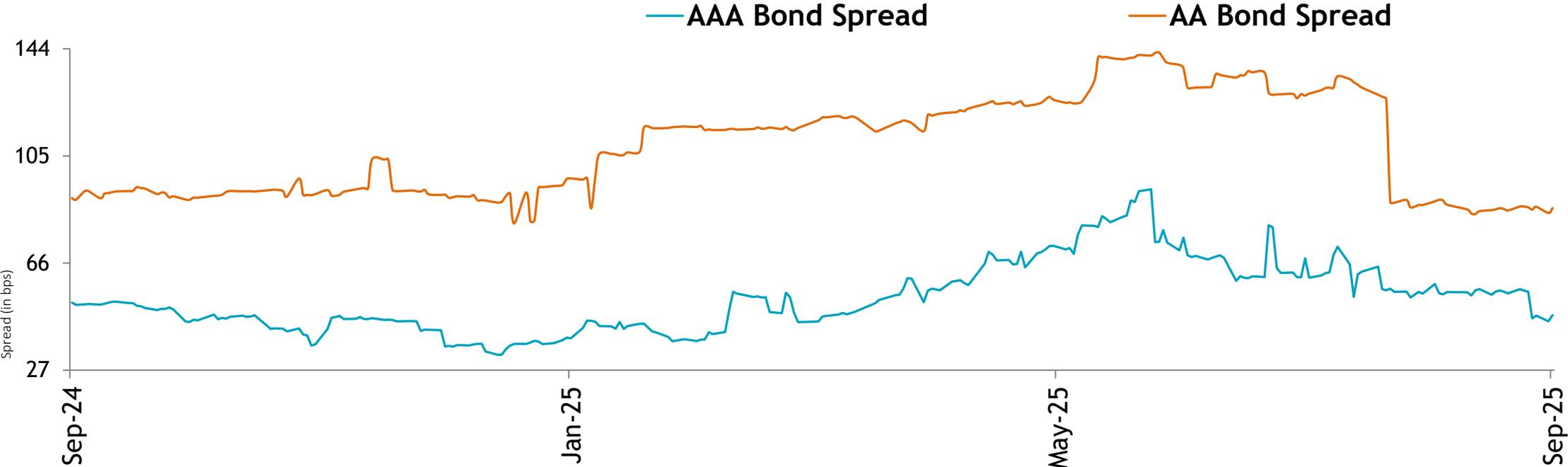
Yield on gilt securities fell up to 17 bps across the maturities.



Source: Refinitiv

10 Year Corporate Bond Spread (for AAA & AA bonds)

Yield on corporate bonds fell up to 11 bps across the curve, barring 1 year paper that increased by 9 bps, while 7 year paper was unchanged.



Source: Refinitiv

Category-wise Fixed Income returns

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	CYTD	
LD 8.94%	10 Y GILT 14.93%	LD 6.80%	LD 7.69%	LT 10.72%	LT 12.25%	ST 4.38%	LIQ 5.08%	LD 8.86%	10 Y GILT 9.55%	LT N/A%	LIQ Liquid Returns represented by Crisil Liquid Fund Index
ST 8.66%	LT 12.91%	LIQ 6.66%	LIQ 7.58%	10 Y GILT 10.46%	ST 10.39%	LD 4.23%	LD 3.65%	10 Y GILT 7.82%	LT 8.93%	LIQ N/A%	ST Short Term Returns represented by Crisil Short Term Bond Fund Index
LT 8.63%	ST 9.82%	ST 6.05%	ST 6.65%	ST 9.53%	10 Y GILT 9.23%	LIQ 3.60%	ST 3.59%	LT 7.29%	ST 7.94%	ST N/A%	LT Long Term Returns represented by Crisil Composite Bond Fund Index
LIQ 8.23%	LD 9.02%	LT 4.71%	10 Y GILT 6.03%	LD 8.60%	LD 7.45%	LT 3.44%	LT 2.51%	ST 7.26%	LIQ 7.32%	LD N/A%	LD Low Duration Returns represented by Crisil Low Duration Index
10 Y GILT 7.39%	LIQ 7.48%	10 Y GILT -0.05%	LT 5.91%	LIQ 6.86%	LIQ 4.60%	10 Y GILT 1.35%	10 Y GILT 0.46%	LIQ 7.13%	LD N/A%	10 Y GILT N/A%	10 Y Gilt 10 Year G-sec Returns represented by CRISIL 10 Yr Gilt

Asset Class Returns

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	CYTD	
Debt 8.63%	Debt 12.91%	Equity 35.32%	Gold 7.87%	Gold 23.79%	Gold 27.88%	Equity 28.88%	Gold 13.94%	Equity 24.74%	Gold 20.43%	Gold 51.17%	
Equity -0.75%	Gold 11.35%	Gold 5.12%	Debt 5.91%	Debt 10.72%	Equity 16.78%	Debt 3.44%	Equity 4.93%	Gold 15.41%	Equity 14.62%	Equity 3.45%	Equity Equity Returns represented by Nifty 200 Index
Gold -6.65%	Equity 5.08%	Debt 4.71%	Equity 0.31%	Equity 10.03%	Debt 12.25%	Gold -4.21%	Debt 2.51%	Debt 7.29%	Debt 8.93%	Debt N/A%	Debt Debt Returns represented by Crisil Composite Bond Fund Index
											Gold Gold Returns represented by domestic prices of gold

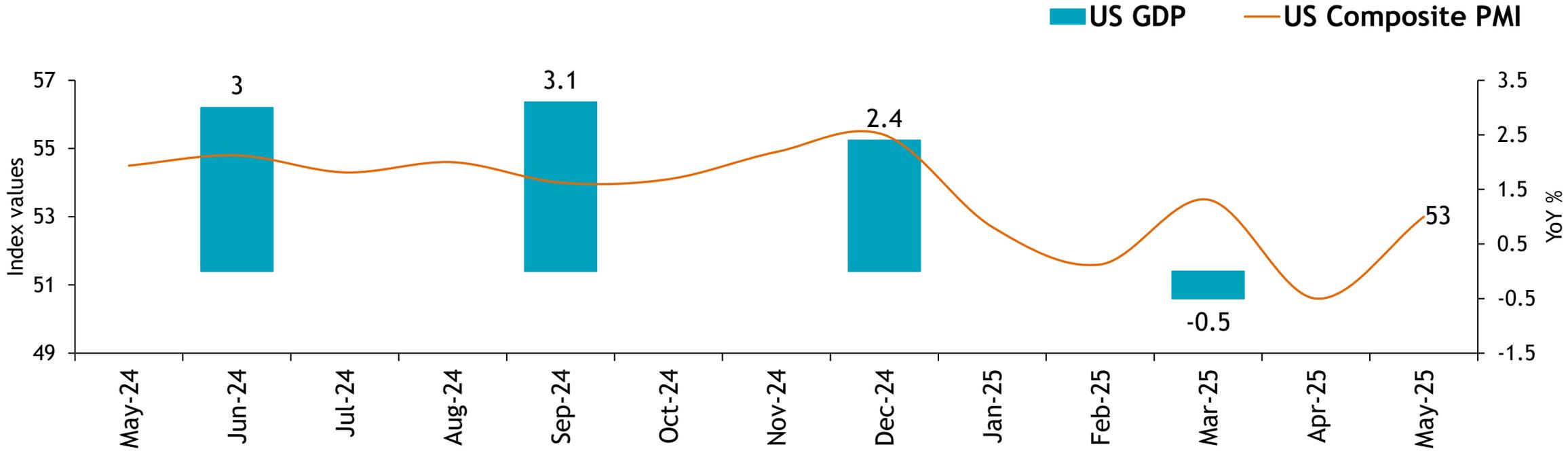
Fixed Income Outlook

- US FED may reduce rates in upcoming policies on weakness in labor markets, though sticky inflation may keep the policy makers data dependent.
- The fiscal deficit of the US continues to remain a concern, while chaotic trade policy keeps the markets guessing on the potential outcomes and impact on US economy.
- While not reducing rates in October 2025 policy, the RBI Governor pointed that some room for easing may be there, on sharper than expected drop in inflation and possible slowdown in exports on US tariffs.
- FII flows remained marginally positive in July 2025 as low inflation increased expectations of further rate easing from the RBI MPC.
- RBI MPC may reduce rates by 25bps in December 2025 if inflation remains low and US trade deal remains inconclusive.
- With market borrowings marginally reduced, sentiment turned positive, and yields have softened in past few weeks. However, no large drop in rates is expected as global situation remains murky.
- Liquidity is ample and RBI is trying to manage excess short-term liquidity through VRRR operations. Debt Market sentiments are more likely to be influenced by further data on inflation trajectory and growth, US FED moves, geo-political tensions, and evolving US tariff situation.

Global Markets

US Composite PMI & GDP Growth

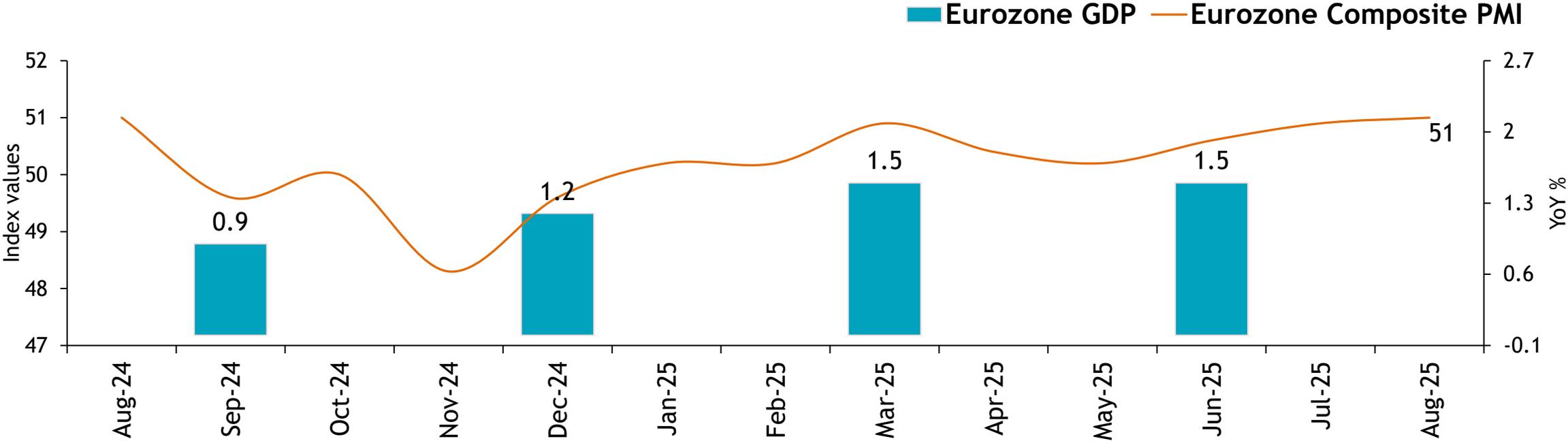
U.S. gross domestic product fell to 0.50% in the first quarter of 2025 after jumping by 2.40% in the fourth quarter of 2024.



Source: Refinitiv, fxtreet; PMI > 50 denotes expansion and < 50 is contraction

Euro Zone Composite PMI & GDP Growth

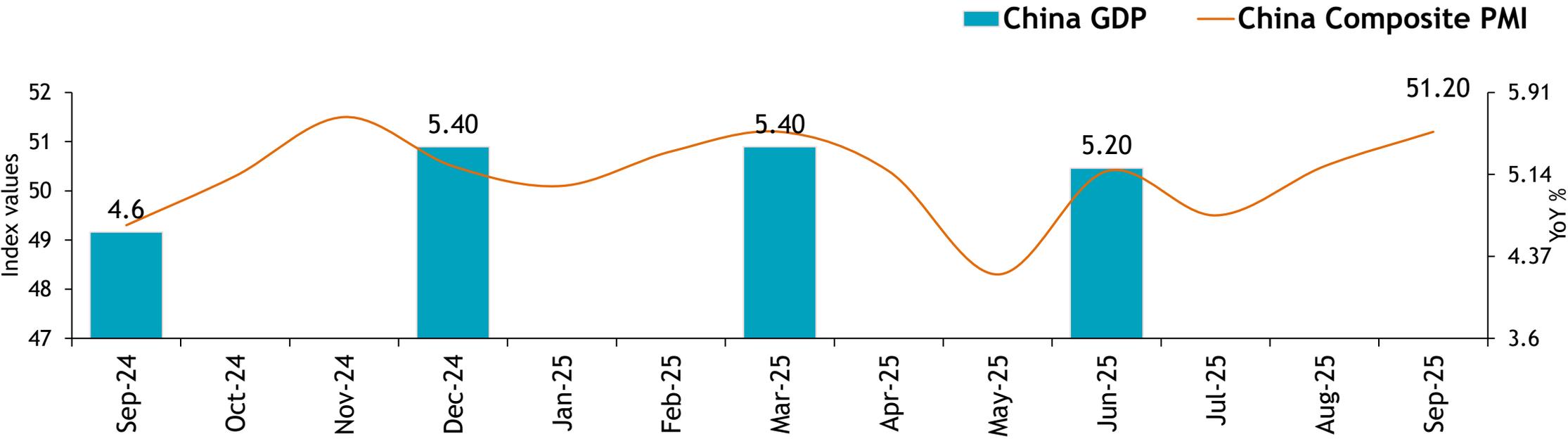
Year-on-year growth of the Euro zone economy grew to 1.5% in the second quarter of 2025 from 1.5% in the first quarter of 2025.



Source: Refinitiv, fxstreet; PMI > 50 denotes expansion and < 50 is contraction

China Manufacturing PMI & GDP Growth

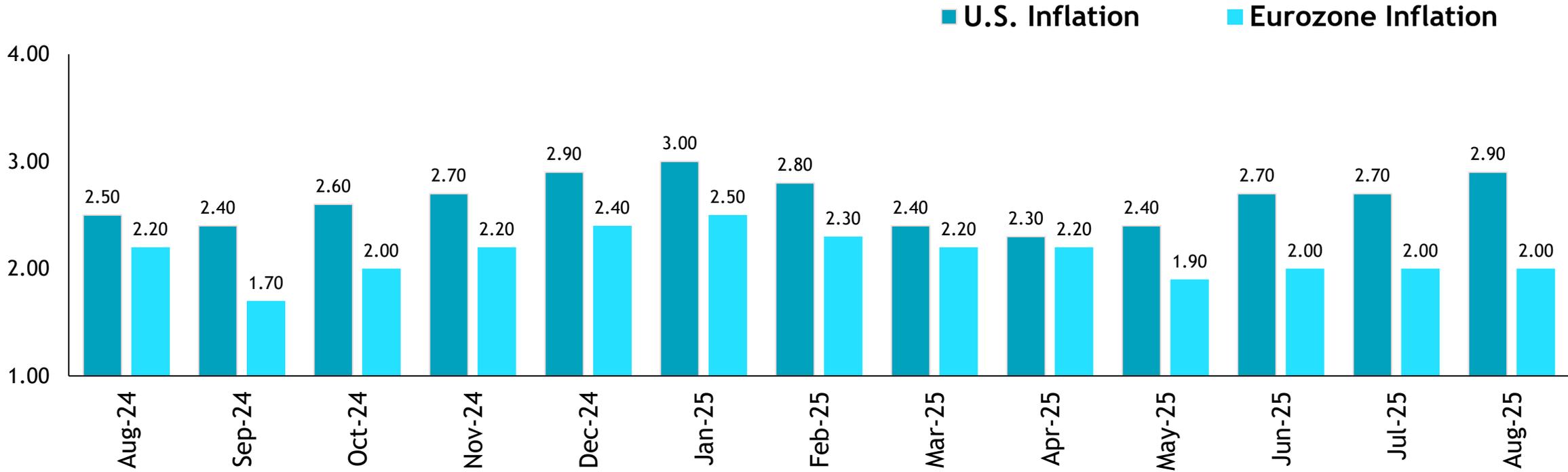
According to a survey, China's Caixin manufacturing PMI posted 51.20 in Sep 2025, compared to 50.50 in Aug 2025.



Source: Reuters, fxstreet; PMI > 50 denotes expansion and < 50 is contraction

US & Eurozone Inflation

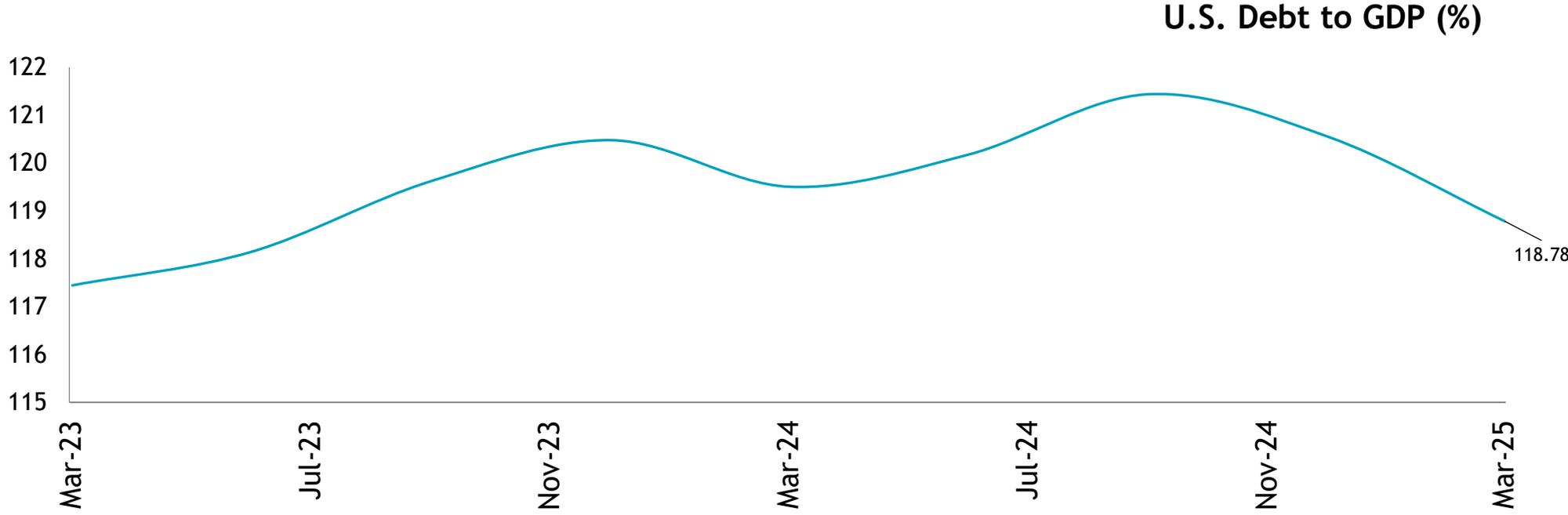
U.S. inflation stood at 2.90% and the eurozone inflation rate stood at 2.00% in Aug 2025.



Source: Refinitiv

U.S. Debt to GDP (%)

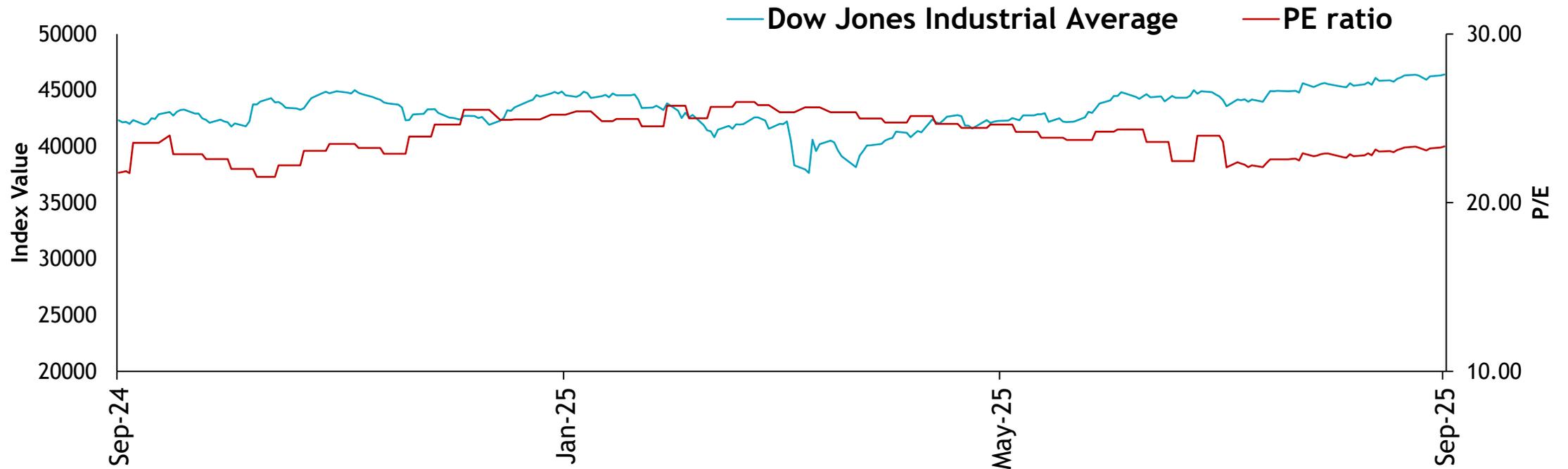
According to a report, the U.S. debt to GDP ratio rose to 118.78% in Mar 2025, compared to 120.55% in Dec 2024.



Source: Fred

Dow Jones Industrial Average and PE ratio

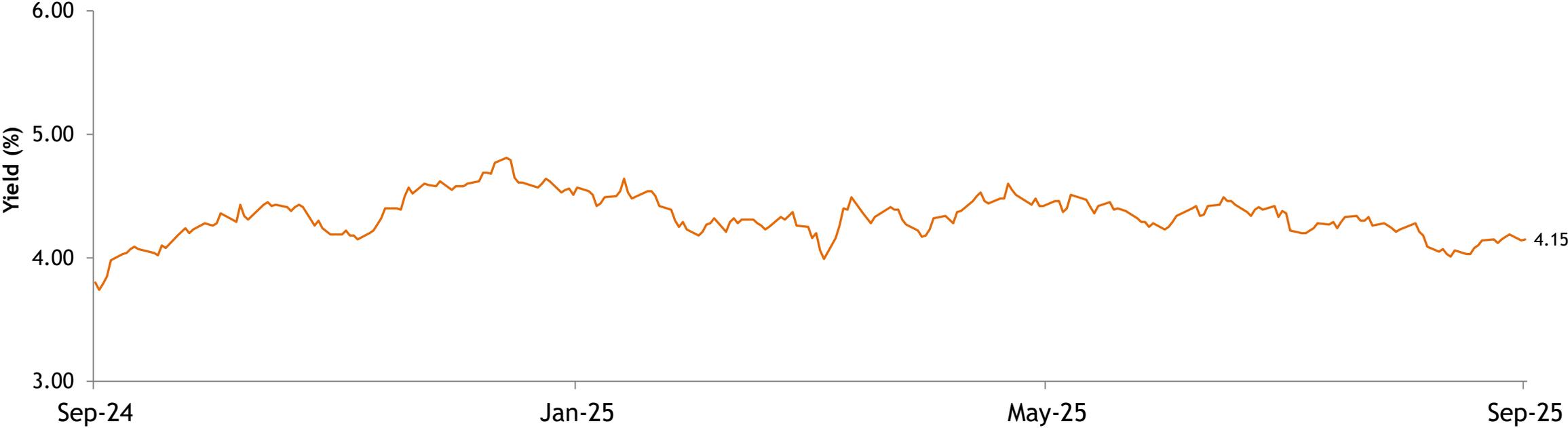
U.S. equity markets rose on optimism surrounding lower interest rates.



Source: Refinitiv

U.S. 10 Year Treasury Yield

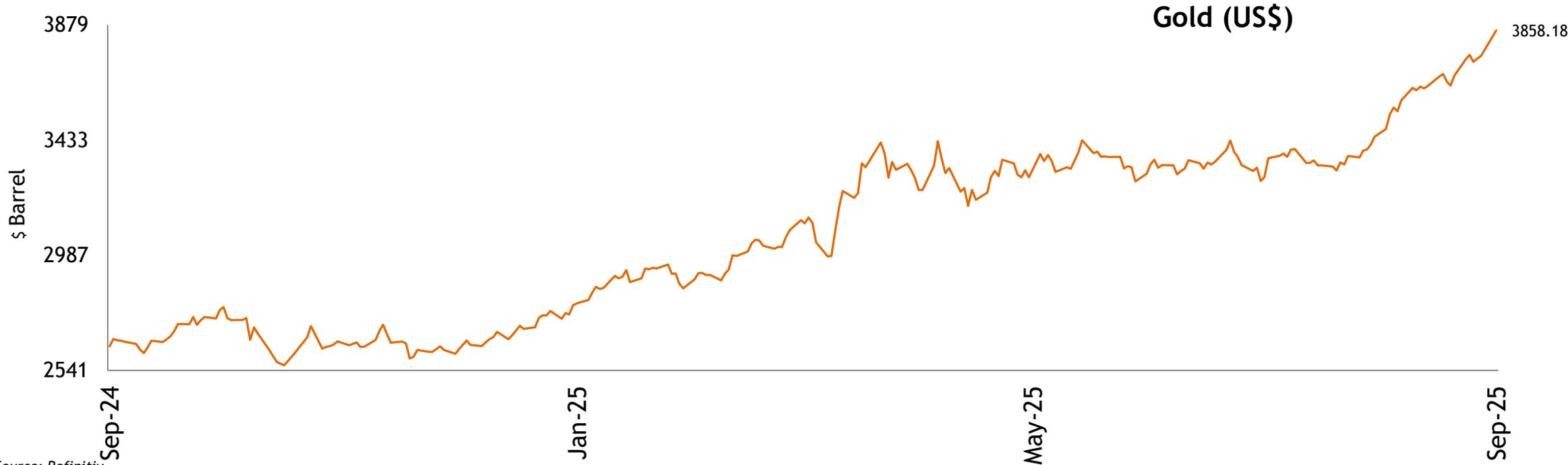
U.S. Treasury prices rose following the release of Aug 2025 consumer price data, reinforcing expectations of a Federal Reserve interest rate cut.



Source: Refinitiv

Gold

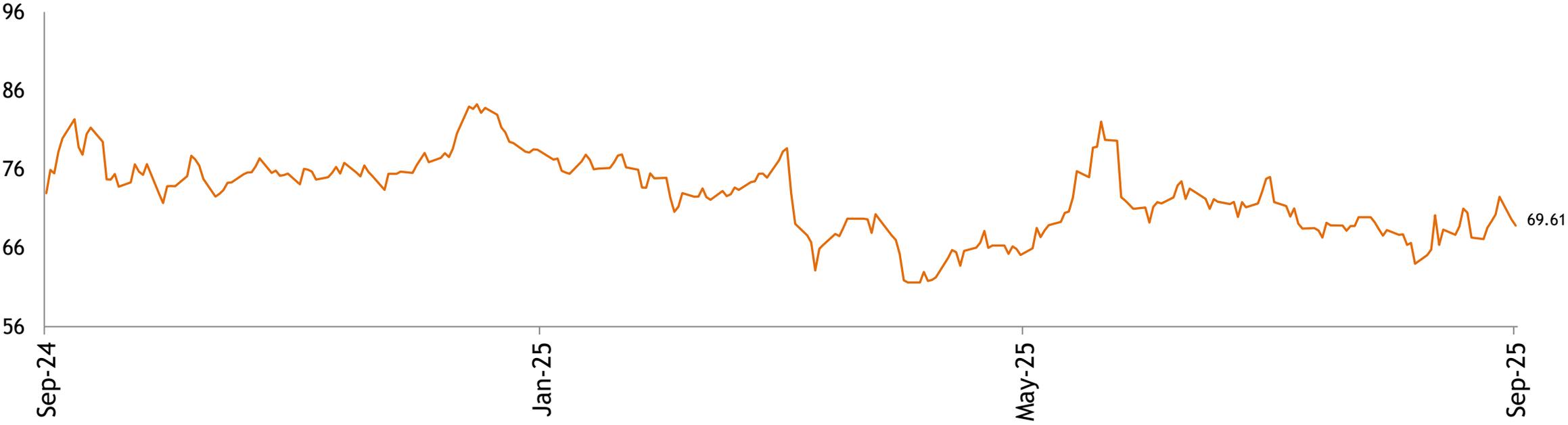
Gold prices rose as expectations for interest rate cuts by the U.S. Federal Reserve



Source: Refinitiv

Brent Crude

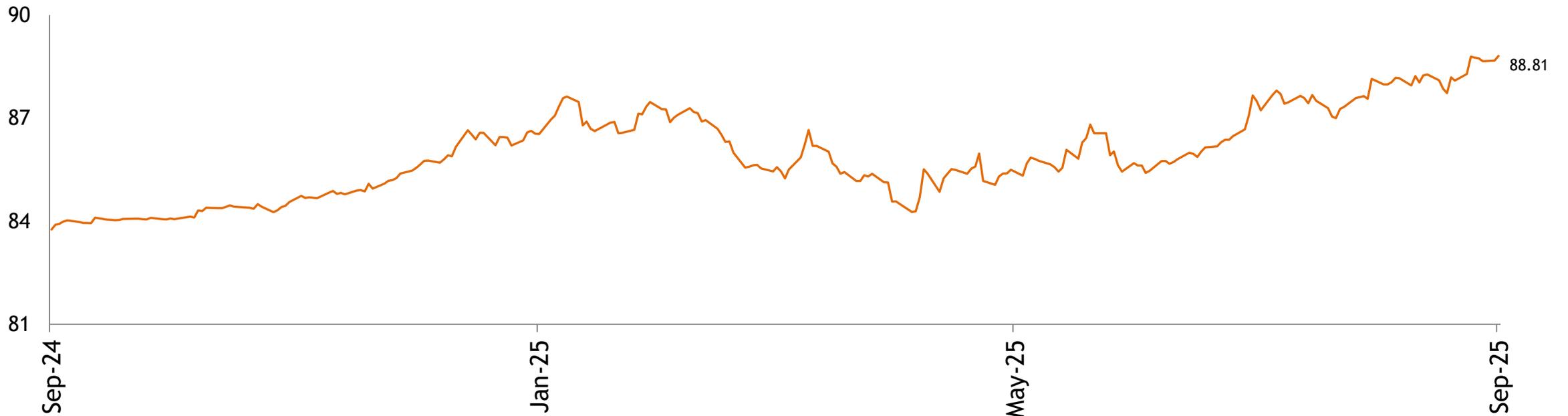
Brent crude oil prices rose on concerns over supply-side disruptions, driven by the escalating Russia-Ukraine war.



Source: Refinitiv

USD/INR

The Indian rupee fell in spot trade against the U.S. dollar as investors assessed the impact of the U.S. President's H-1B visa fee hike on Indian.



Source: Refinitiv

Returns of Major Global Indices

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	CYTD
DAX 9.56%	RTS 52.22%	HangSeng 35.99%	Nasdaq -1.04%	RTS 45.28%	Nasdaq 47.58%	CAC 28.85%	STI 4.09%	Nasdaq 53.81%	Nasdaq 24.88%	Kospi 42.72%
SSEC 9.41%	FTSE 14.43%	Nasdaq 31.52%	RTS -7.65%	Nasdaq 37.96%	Kospi 30.75%	Nasdaq 26.63%	FTSE 0.91%	Nikkei 28.24%	Nikkei 19.22%	HangSeng 33.88%
Nikkei 9.07%	DAX 6.87%	Kospi 21.76%	STI -9.82%	CAC 26.37%	Nikkei 16.01%	DAX 15.79%	Nikkei -9.37%	DAX 20.31%	DAX 18.85%	DAX 19.95%
CAC 8.53%	Nasdaq 5.89%	Nikkei 19.10%	CAC -10.95%	DAX 25.48%	SSEC 13.87%	RTS 15.01%	CAC -9.50%	Kospi 18.73%	HangSeng 17.67%	Nasdaq 17.46%
Nasdaq 8.43%	CAC 4.86%	STI 18.13%	Nikkei -12.08%	SSEC 22.30%	DAX 3.55%	FTSE 14.30%	DAX -12.35%	CAC 16.52%	STI 16.89%	SSEC 15.84%
Kospi 2.39%	Kospi 3.32%	DAX 12.51%	FTSE -12.48%	Nikkei 18.20%	HangSeng -3.40%	STI 9.84%	SSEC -15.12%	RTS 11.63%	SSEC 12.67%	FTSE 14.41%
RTS -4.26%	Nikkei 0.42%	CAC 9.26%	HangSeng -13.61%	FTSE 12.10%	CAC -7.14%	Nikkei 4.91%	HangSeng -15.46%	FTSE 3.78%	FTSE 5.69%	STI 13.53%
FTSE -4.93%	HangSeng 0.39%	FTSE 7.63%	Kospi -17.28%	HangSeng 9.07%	RTS -10.42%	SSEC 4.8%	Kospi -24.89%	STI -0.34%	CAC -2.15%	Nikkei 12.63%
HangSeng -7.16%	STI -0.07%	SSEC 6.56%	DAX -18.26%	Kospi 7.67%	STI -11.76%	Kospi 3.63%	Nasdaq -32.97%	SSEC -3.70%	Kospi -9.63%	CAC 6.98%
STI -14.34%	SSEC -12.31%	RTS 0.18%	SSEC -24.59%	STI 5.02%	FTSE -14.34%	HangSeng -14.08%	RTS -39.18%	HangSeng -13.82%	RTS --	RTS 0%

- CAC returns represented by CAC 40 Index (France)
- DAX Index returns represented by FSE DAX (Germany)
- FTSE returns represented by FTSE 100 (United Kingdom)
- HangSeng returns represented by HangSeng (Hong Kong)
- Nasdaq returns represented by Nasdaq 100 (US)
- Nikkei returns represented by Nikkei 225 (Japan)
- RTS returns represented by RTS Index (Russia)
- SSEC represented by SHANGHAI SE COMPOSITE (China)
- STI returns represented by FTSE Straits Times (Singapore)
- Kospi represented by Kospi Index (South Korea)

Key Global Equity Market Highlights

U.S.

- U.S. equity markets rose on optimism surrounding lower interest rates, fueling strength on Wall Street following the Federal Reserve's decision to cut rates by a quarter point on Sep 17, 2025. The U.S. Federal Reserve also signaled two additional rate cuts later this year, further boosting investor sentiment.
- Additional gains were driven by strong momentum in the technology sector. Markets extended their rally after a positive response to separate Labor Department reports on consumer price inflation for Aug 2025, which reinforced expectations of further rate cuts. However, gains were capped by uncertainty over the near-term outlook for the artificial intelligence trade.
- Concerns about high valuations continued to weigh on sentiment, especially after comments from the Federal Reserve Chair suggesting that stock prices may be overvalued.

Europe

- European equity markets closed on a mixed note. Stocks rose on expectations of further monetary easing by the U.S. Federal Reserve. Additionally, investors monitored trade developments and positioned themselves ahead of upcoming policy guidance and growth signals.
- However, gains were limited by concerns over the U.S. administration's trade policy and uncertainty surrounding the Federal Reserve's interest rate trajectory.

Key Global Equity Market Highlights

Asia

- Asian equity markets mostly rose during the month. The Japanese market advanced after minutes from the Bank of Japan's Jul 2025 meeting indicated that policymakers remain inclined to resume interest rate hikes if economic and price conditions evolve as expected.
- The Hong Kong market also gained, driven by a rally in tech stocks amid optimism over AI-driven demand.
- However, overall gains were limited following a slightly hawkish policy decision by the U.S. Federal Reserve. Investors reacted to comments from the Federal Reserve Chair, who noted that rising goods prices are contributing to inflation and that the Federal Open Market Committee (FOMC) expects inflationary pressures to persist into next year.

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