

Market Outlook

In summary: Developed world growth holding up well. Higher crude prices gradually seeping through global inflation

Global Macro:

- Global growth has been steady till March 2026, though flare up in West Asia conflict can lead to negative surprises on growth. Among the DMs, US has held on well, while Europe is witnessing slowdown pressures.
- Global inflation is likely to have bottomed out. Higher crude and energy prices will lead to a pass-through to inflation. Prolonged continuation of the conflict resulting in elevated crude prices will lead to inch up in inflation from hereon.
- US Labour market remains moderate, as un-employment been inching up gradually and monthly job creation remains volatile.
- Global rate cut cycle is likely behind us. Markets have re-priced hawkish monetary path post the West Asia war and rate hikes are being priced across all DMs (ex-US) over the next 12 months.
- Global geo-politics may continue to induce bouts of volatility.

Domestic Macro:

- Flare up in West Asia conflict will lead to higher crude prices, and will be negative for domestic macros on account of the large import dependence for crude and energy products. However, domestic macros were healthy before the crisis, and should provide buffer to absorb some of the price shocks.
- New GDP series was released by the government during the year. As per the new series, growth was strong in Q3FY26 at 7.8%, though moderately lower than Q2FY26 growth of 8.4%. FY26 growth is expected to be higher at 7.6% in the new series vs 7.4% in the old series. However, nominal growth is weak, partly due to low inflation. Growth is expected to moderate in FY27 due to the impact of West Asia crisis, even as GST rate cuts boost consumption.
- Inflation has started inching up but is likely to remain within RBI's inflation band. Core inflation has come in below 4% in the new series, due to lower weightage of gold and silver. Any pass through of higher crude prices to the consumers, as well as weaker monsoons will impact the inflation trajectory going forward.
- Current account deficit is likely to widen on account of higher crude prices. The level of crude prices and timelines for normalisation for crude will bear watching. However, import cover remains comfortable at close to 11 months. Capital account is witnessing pressure on account of FDI repatriation and portfolio outflows. Additionally, West Asia crisis will be a key monitorable from a CAD perspective on account of high dependence on remittances from the Middle East.

Source: Invesco Asset Management (India). EM: Emerging Markets, DM: Developed Markets, Bps: Basis points. Note based on our views. CAD: Current Account Deficit.

Disclaimer: The information provided herein may include statements/data of future expectations that are based on current views and assumptions and involves known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied.

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Equity:

- Expect cyclical recovery in corporate earnings likely in FY27 but growth momentum to be much lower than 2021-24. Returns need to be calibrated accordingly.
- Valuations have seen reasonable correction; steep underperformance relative to other developed and emerging markets can potentially reverse.
- Stability in INR, resolution of ME conflict and moderation in global tech trade will be key to reversal of FII flows.
- Flexi-cap funds (growth or value) and multi-asset strategies are well positioned under current market conditions.

Fixed Income:

- Inflation has started inching up, though will remain within RBI's inflation band over the coming months.
- On the fiscal side, the central government likely met the projected deficit of 4.4% in FY26, which will be a consolidation from 4.8% in FY25. Fiscal consolidation is expected to continue in FY27 with Gol budgeting for 4.3% deficit. Debt / GDP is budgeted to decline to 55.6% in FY27 vs 56.1% in FY26. West Asia crisis could lead to higher fertiliser and fuel subsidies and will bear watching.
- FY2027 will be challenging year for Fixed Income market as RBI's rate cut cycle comes to end and as fiscal supply pressure remains high. West-Asia conflict further adds pressure.
- Currently, the market yields are quite elevated with wide term & credit spreads and provide a favorable risk-reward.

Source: Invesco Asset Management (India). EM: Emerging Markets, DM: Developed Markets, Bps: Basis points. Note based on our views. ME: Middle East.

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Global Macro

West Asia crisis could lead to crude prices being higher than pre-war; will have a large bearing on macros

Wars	Year	Crude (Low)	Crude (High)	% change	Duration of elevated price	Oil Supply Disruption %
Yom Kippur War /Arab Oil Embargo	1973–74	3	12	300%	4–5 years	7%
Iranian Revolution	1979	14	39	179%	6 years	11%
Iran–Iraq War	1980–88	25	40	60%	3–4 years	16%
Iraqi invasion of Kuwait / Gulf War	1990–91	21	46	119%	6 months	2%
Iraq War	2003	25	37	48%	3–5 months	2%
Libyan Civil War	2011	95	125	32%	8–10 months	3%
Russian invasion of Ukraine	2022	75	130	73%	4–6 months	
US - Iran - Israel Conflict	2026	60	115	92%	1 month & ongoing	20%

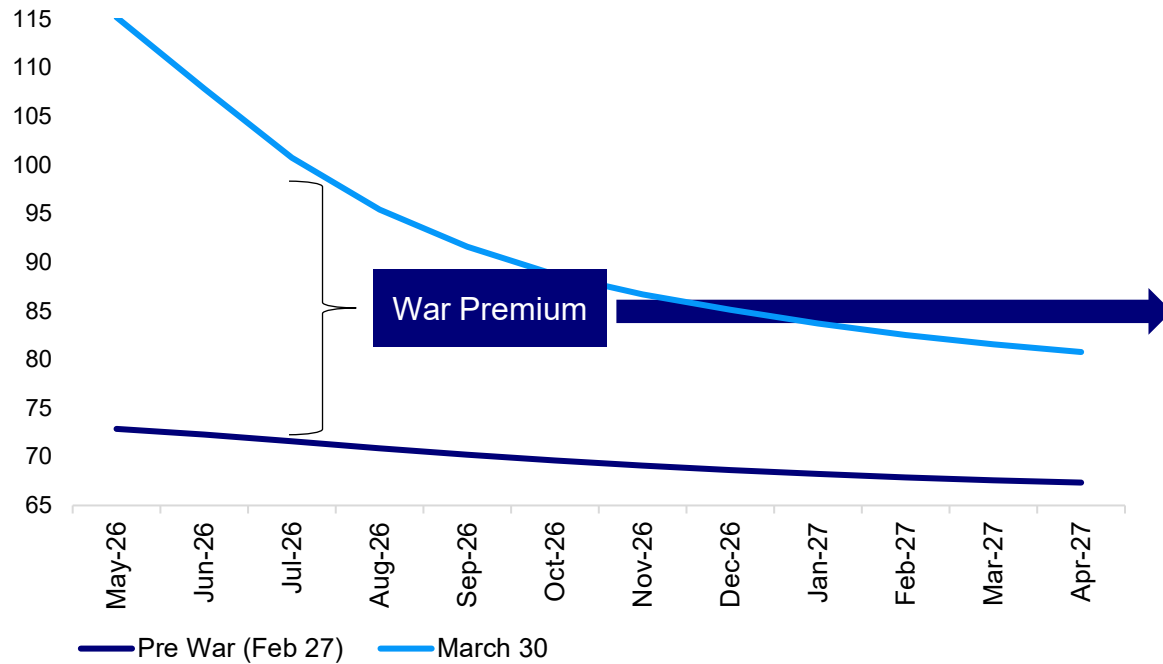
- Disruption due to the current war is on the higher side as compared to the recent wars
- Impact of the current war seems to be on the higher end as reflected in the increase in crude prices and crude supply disruption

Source: Nirmal Bang, JP Morgan. **Note:** The color indicates the intensity of changes. Green indicates the lower intensity while red indicates the higher intensity.

Oil futures in sharp backwardation indicating crude markets factoring in “quick” de-escalation, 1-year forward premium has inched up as conflict progresses

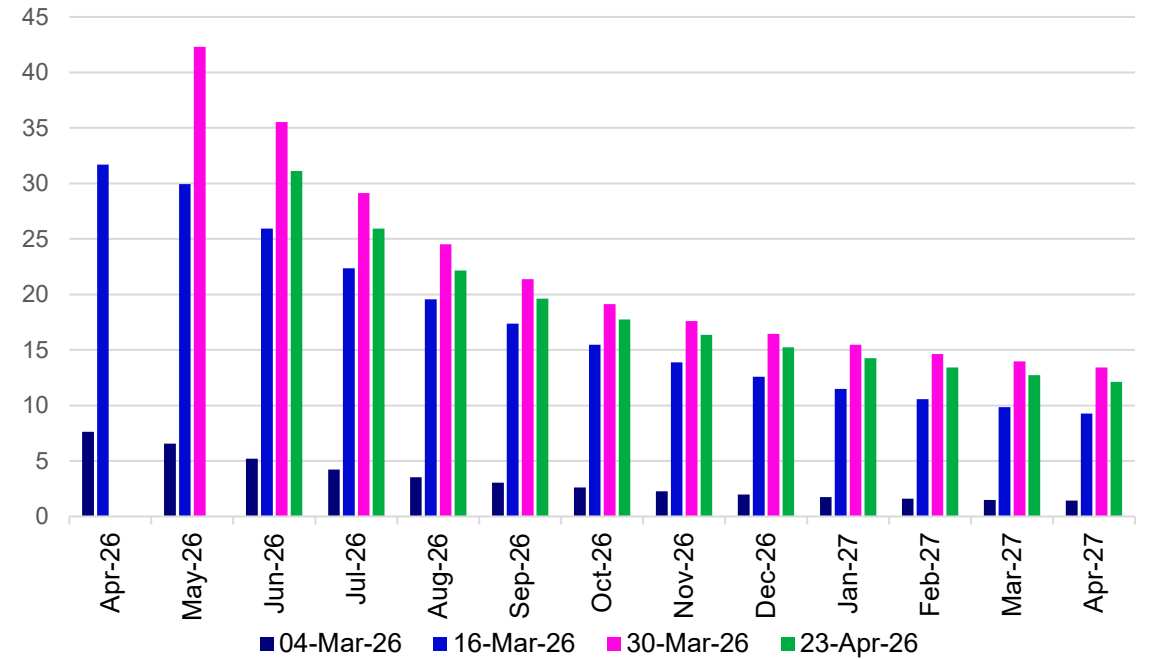
Crude futures remains in sharp backwardation indicating market pricing in normalization

Oil Futures Curve



Gap of futures contracts vs pre-War curve continues to increase for 12-m forward contracts

Vs Feb 27, 2026



Source: Bloomberg

PMIs have been steady across countries. Services PMI showing mild moderation. Manufacturing PMIs remain sluggish, although improving...

Manufacturing PMIs												
	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25
US	52.3	51.6	52.4	51.8	52.2	52.5	52.0	53.0	49.8	52.9	52.0	50.2
Eurozone	51.6	50.8	49.5	48.8	49.6	50.0	49.8	50.7	49.8	49.5	49.4	49.0
Japan	51.6	53.0	51.5	50.0	48.7	48.2	48.5	49.7	49.0	50.1	49.4	48.7
UK	51.0	51.7	51.8	50.6	50.2	49.7	46.2	47.0	48.0	47.7	46.4	45.4
China	50.8	52.1	50.3	50.1	49.9	50.6	51.2	50.5	49.5	50.4	48.3	50.4
India	53.9	56.9	55.4	55.0	56.6	59.2	57.7	59.3	59.1	58.4	57.6	58.2
Brazil	49.0	47.3	47.0	47.6	48.8	48.2	46.5	47.7	48.2	48.3	49.4	50.3
Indonesia	50.1	53.8	52.6	51.2	53.3	51.2	50.4	51.5	49.2	46.9	47.4	46.7
Mexico	48.9	47.1	46.3	46.1	47.3	49.5	49.6	50.2	49.1	46.3	46.7	44.8

Services PMIs												
	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25
US	49.8	51.7	52.7	52.5	54.1	54.8	54.2	54.5	55.7	52.9	53.7	50.8
Eurozone	50.2	51.9	51.6	52.4	53.6	53.0	51.3	50.5	51.0	50.5	49.7	50.1
Japan	53.4	53.8	53.7	51.6	53.2	53.1	53.3	53.1	53.6	51.7	51.0	52.4
UK	50.5	53.9	54.0	51.4	51.3	52.3	50.8	54.2	51.8	52.8	50.9	49.0
China	52.1	56.7	52.3	52.0	52.1	52.6	52.9	53.0	52.6	50.6	51.1	50.7
India	57.5	58.1	58.5	58.0	59.8	58.9	60.9	62.9	60.5	60.4	58.8	58.7
Brazil	50.1	53.1	51.3	53.7	50.1	47.7	46.3	49.3	46.3	49.3	49.6	48.9

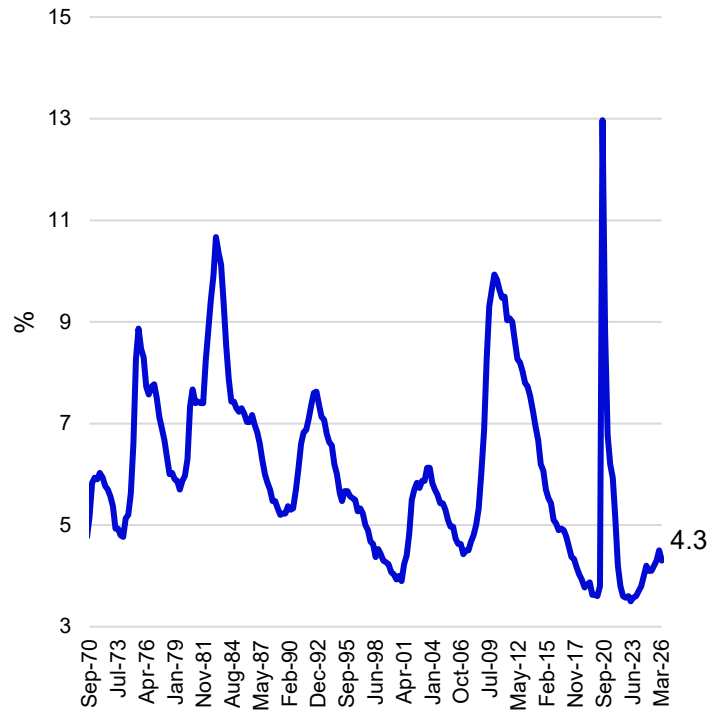
- PMIs for developed countries remain steady.
- Manufacturing PMIs remain sluggish, though improving in recent months
- Services PMIs have shown a mild moderation, though the starting point has been strong.
- India PMIs look robust across manufacturing and services.

Weak Average Strong

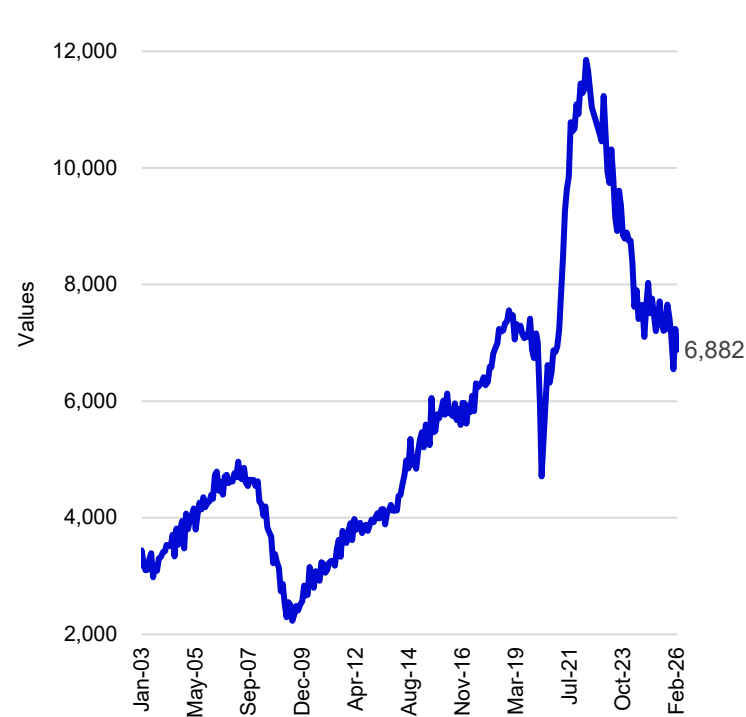
Source: Bloomberg. PMI: Purchasing Managers' Index

US labor market has moderate, as unemployment rate inches up and job creation remains volatile. Job openings and wage growth have tapered down, but remain elevated vs historic levels

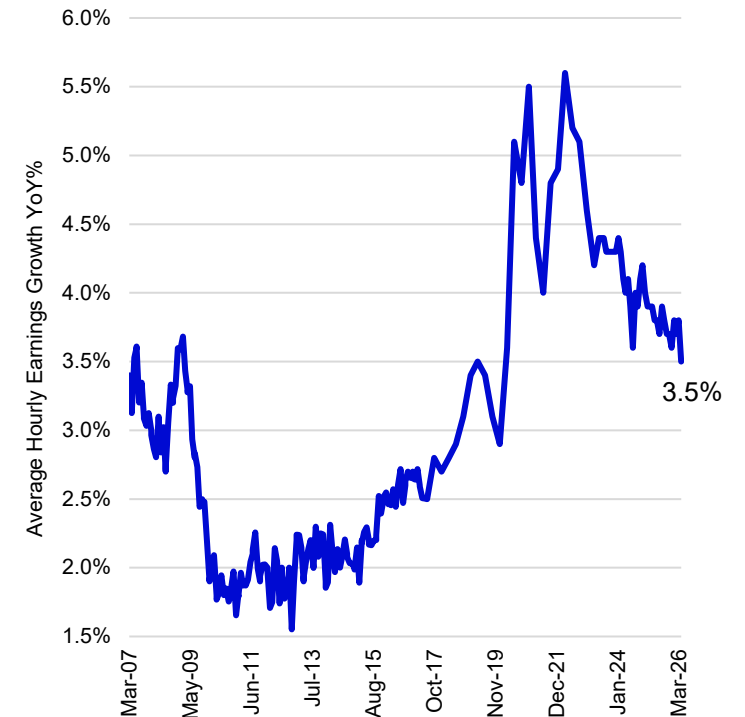
US unemployment rate - %



US job opening in '000



US employee earnings

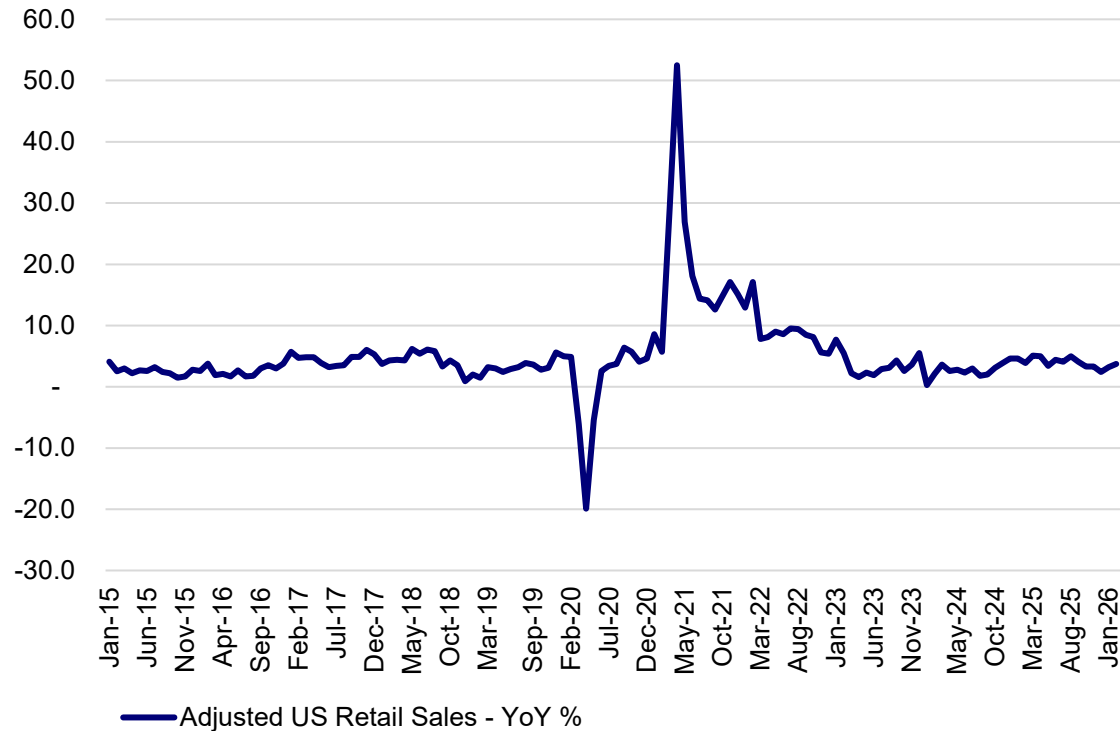


- US labor market has been showing gradual signs of weakening. Unemployment rate has been slowly inching up and reached levels of 4.3%.
- Employee earnings have tapered down; however they are increasing at a decent pace compared to last 15 years.

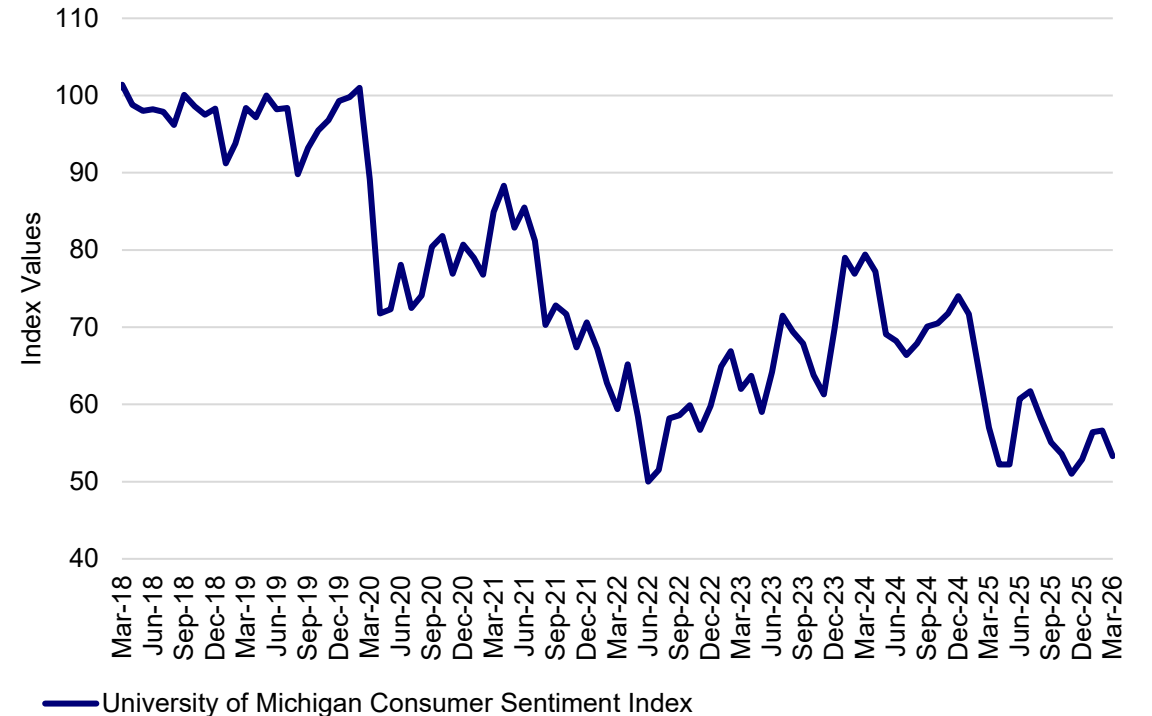
Source: Bloomberg

US's Consumer spending has remained robust despite the gradual moderation in labor markets; US consumer sentiment remains weak vs historical levels

Adjusted US Retail Sales - YoY %



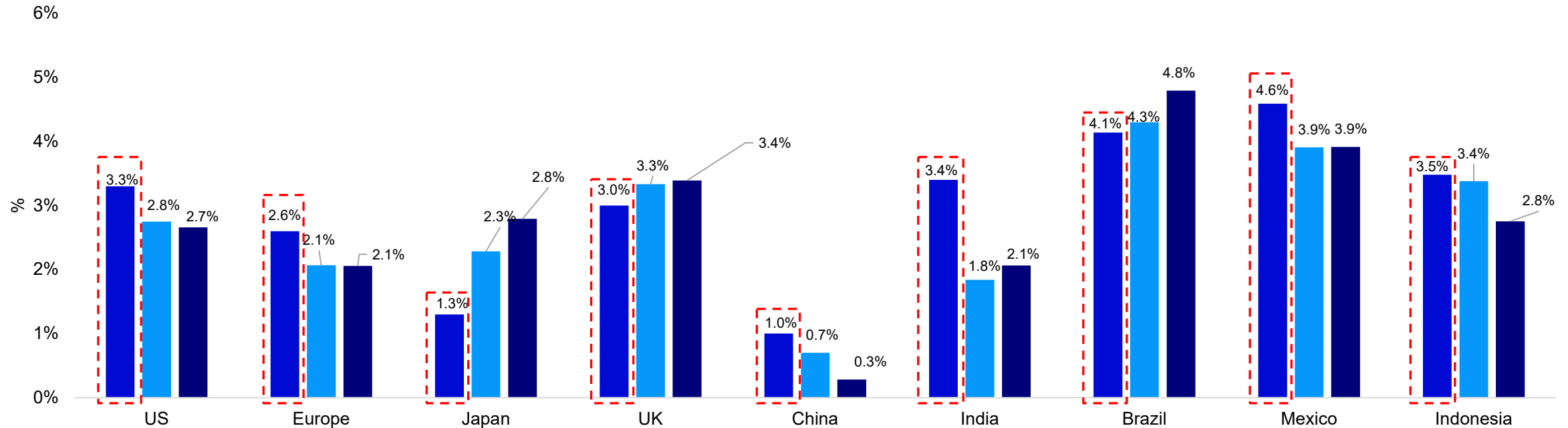
University of Michigan – Consumer sentiment index



Source: Bloomberg. Data as at end March 2026.

Inflation likely to have bottomed out. Going forward, higher crude and energy prices could spill over to inflation

Headline CPI Inflation



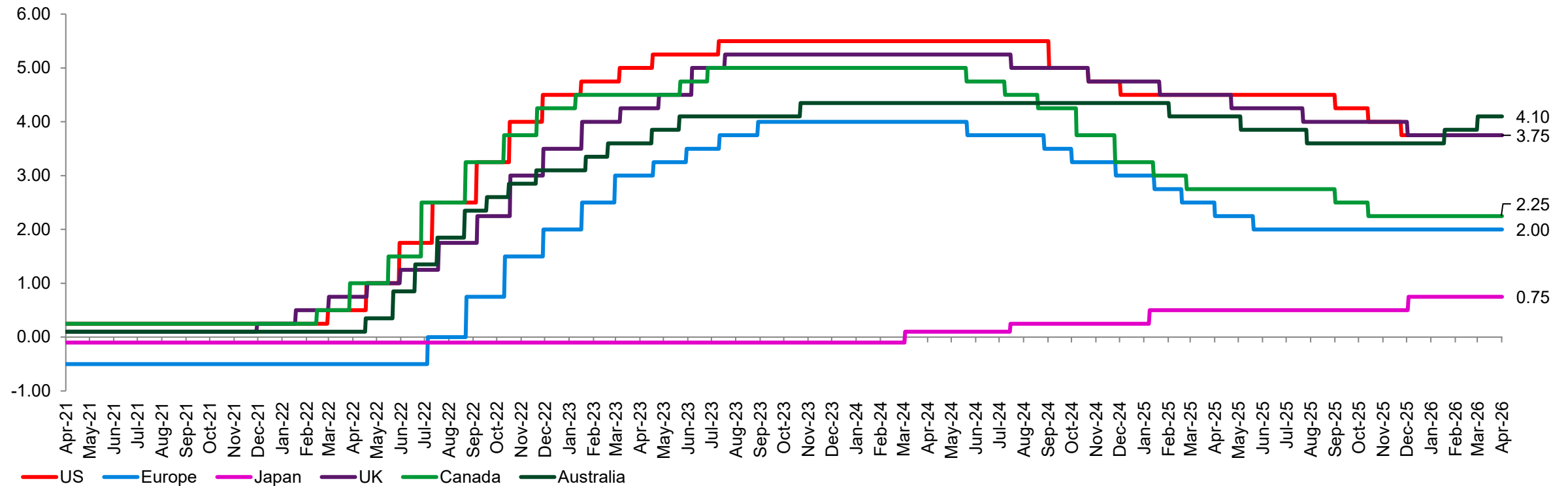
■ Current ■ 6m Avg ■ 1 yr Avg

- Inflationary trends show a mixed bag, indicating broad based moderation in global inflation is behind us.
- Higher energy prices have led to spike in inflation in some of the geographies including US and Europe.
- As inflation also picks up in China, it will further add inflationary pressures to other countries.

Source: Bloomberg. Data as at end Dec 2025.

Rate cuts largely behind us, some of the DM central banks have started hiking rates

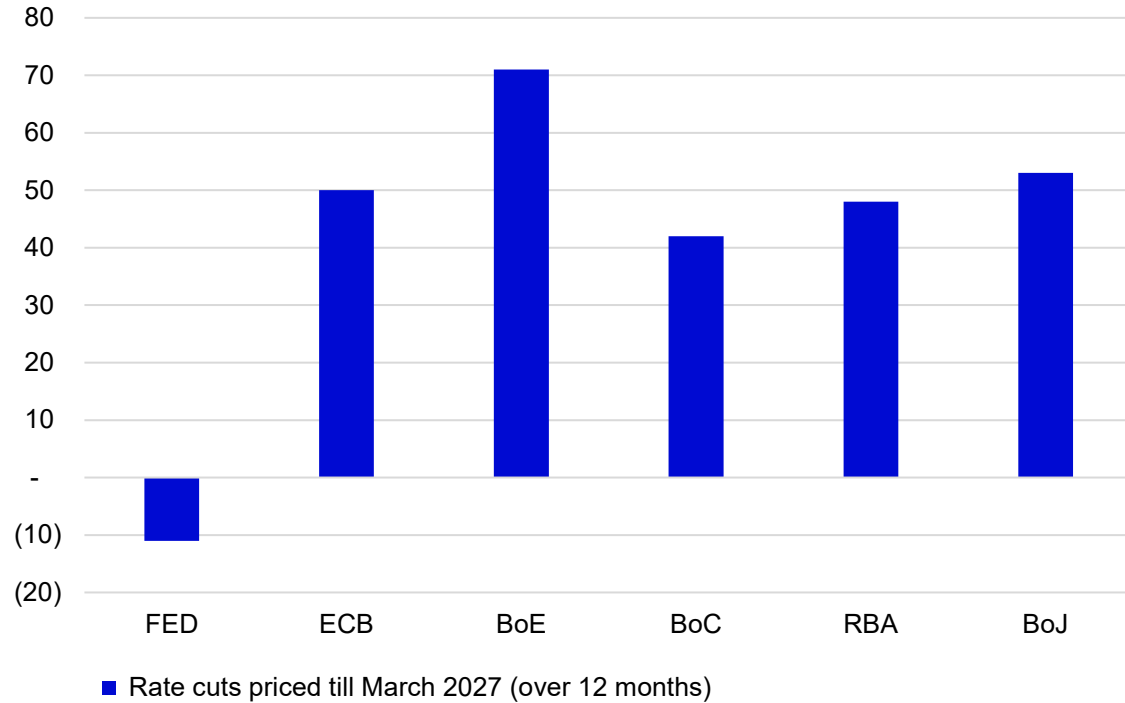
DM - Policy rates



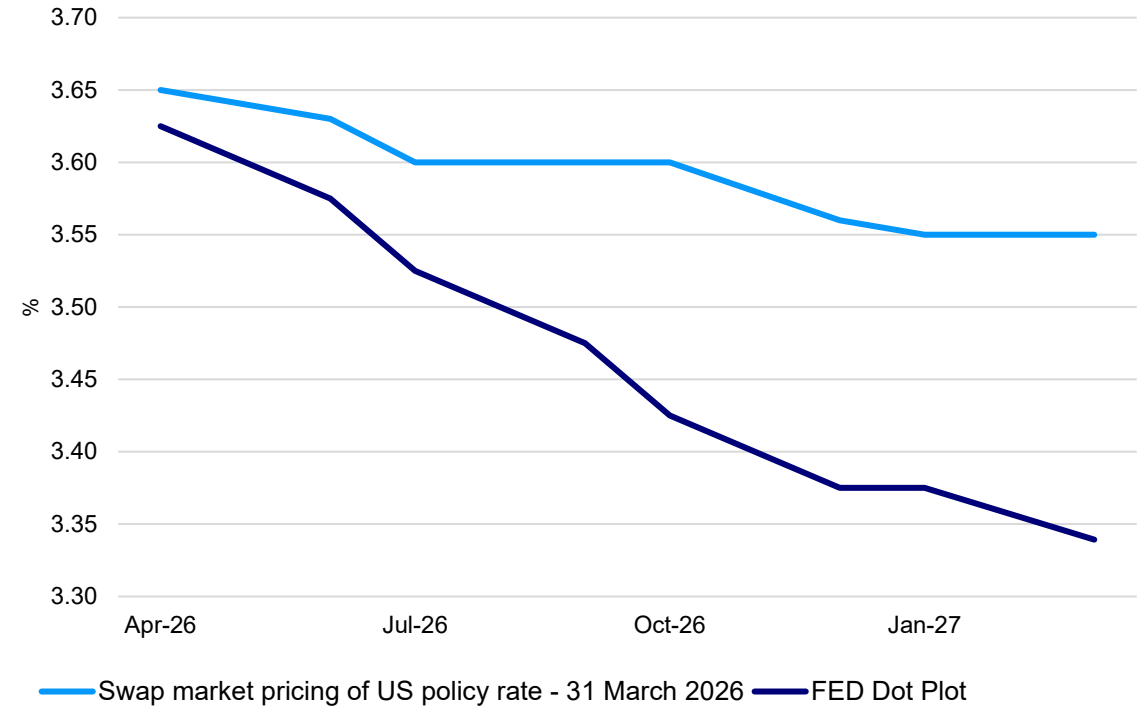
Source: Bloomberg.

Markets have started pricing in hikes across most of the developed markets over the next year

Market pricing of policy rate changes – change in bps



Swap markets and FED expectations on policy rates

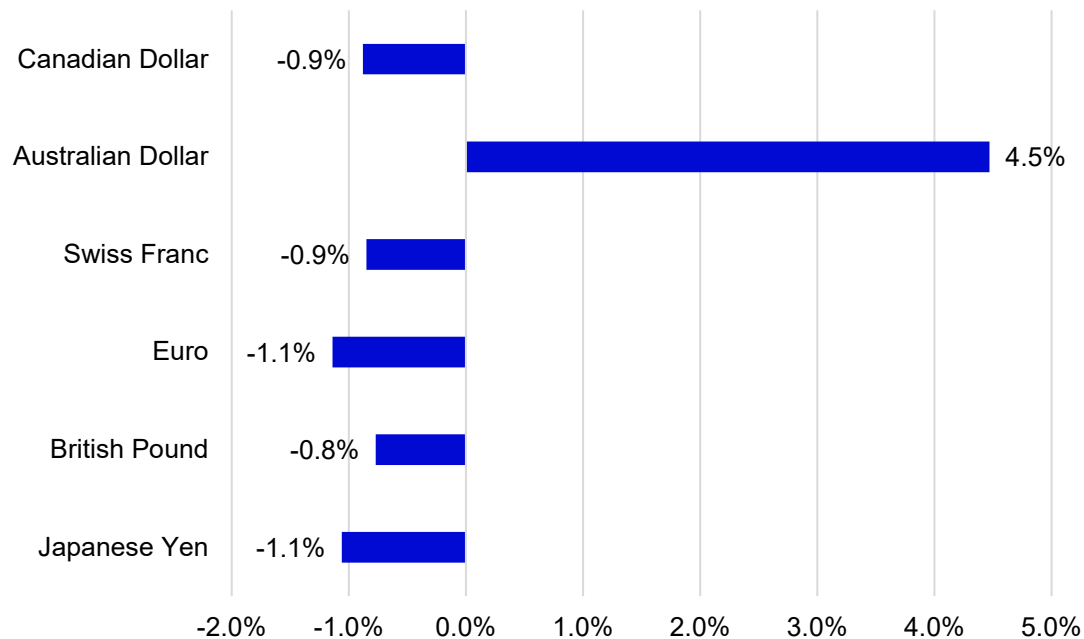


Source: Bloomberg data as at 31 March 2026. FED: US Federal Reserve, ECB: European Central Bank, BoJ: Bank of Japan, BoE: Bank of England. RBA : Reserve Bank of Australia, BoC: Bank of Canada

USD has strengthened across the key DMs; EM currencies reaction has been a mixed bag

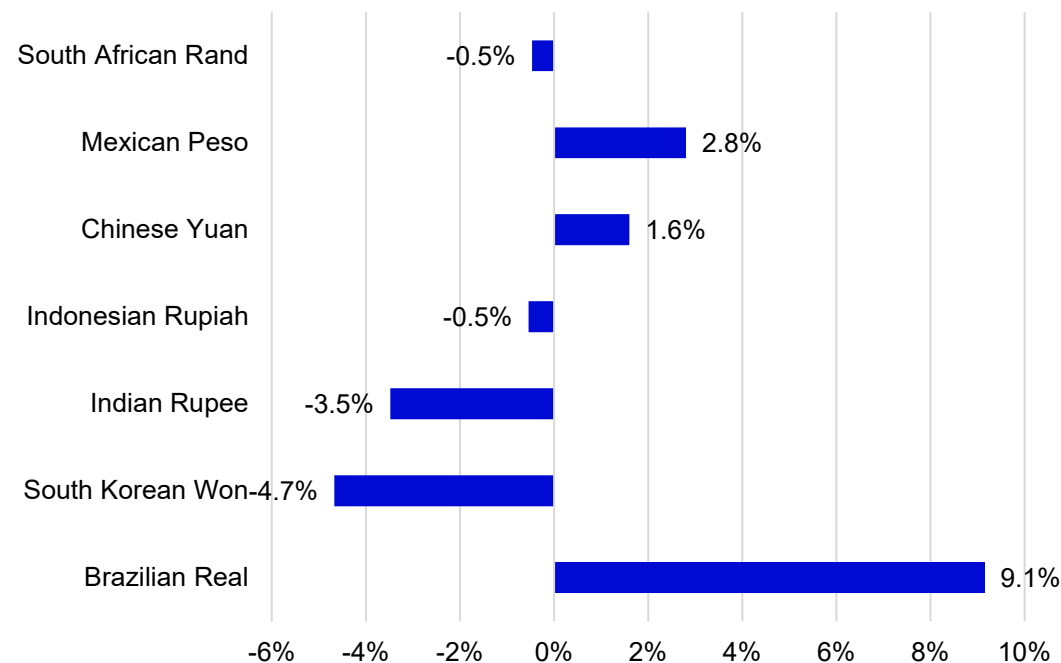
Developed Markets

1 Jan 2026 – 31 Mar 2026 % change in select currencies vs USD



Emerging Markets

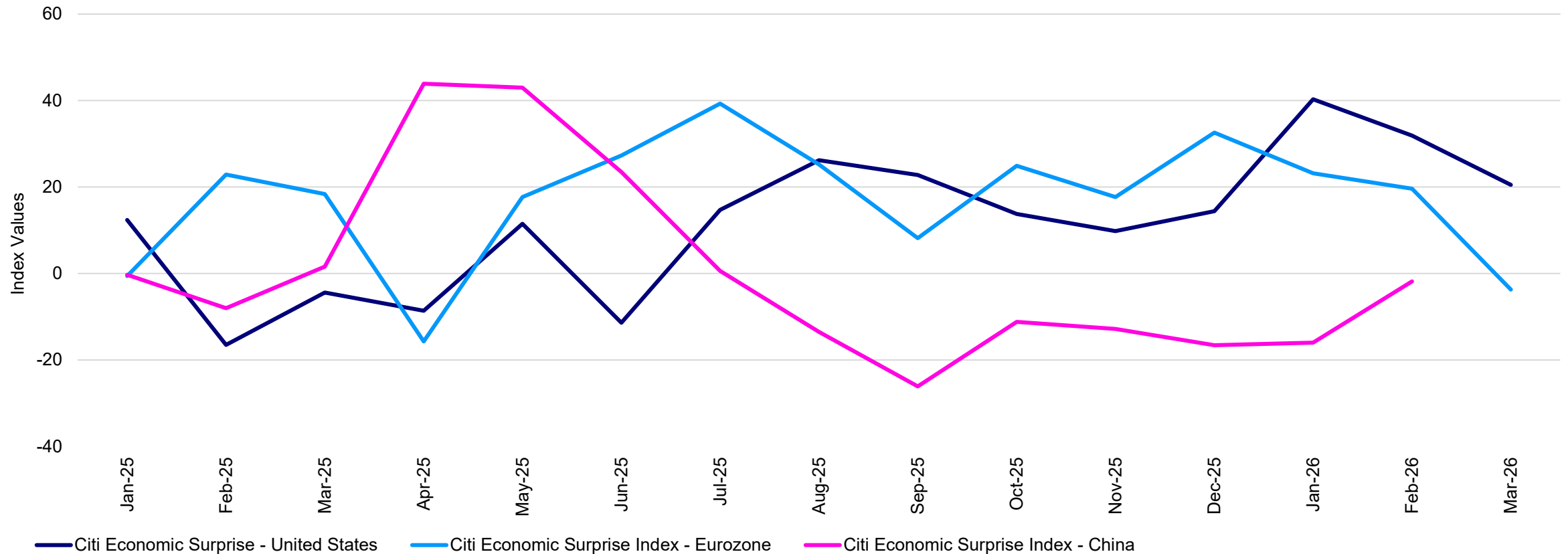
1 Jan 2026 – 31 Mar 2026 % change in select currencies vs USD



Source: Bloomberg. DM: Developed Market.

US economic surprise index has held up well in steady expansion zone; Europe slipped into contraction while China continues in contraction zone

Citi Economic surprise index



Source: Bloomberg. Data as at end March 2026

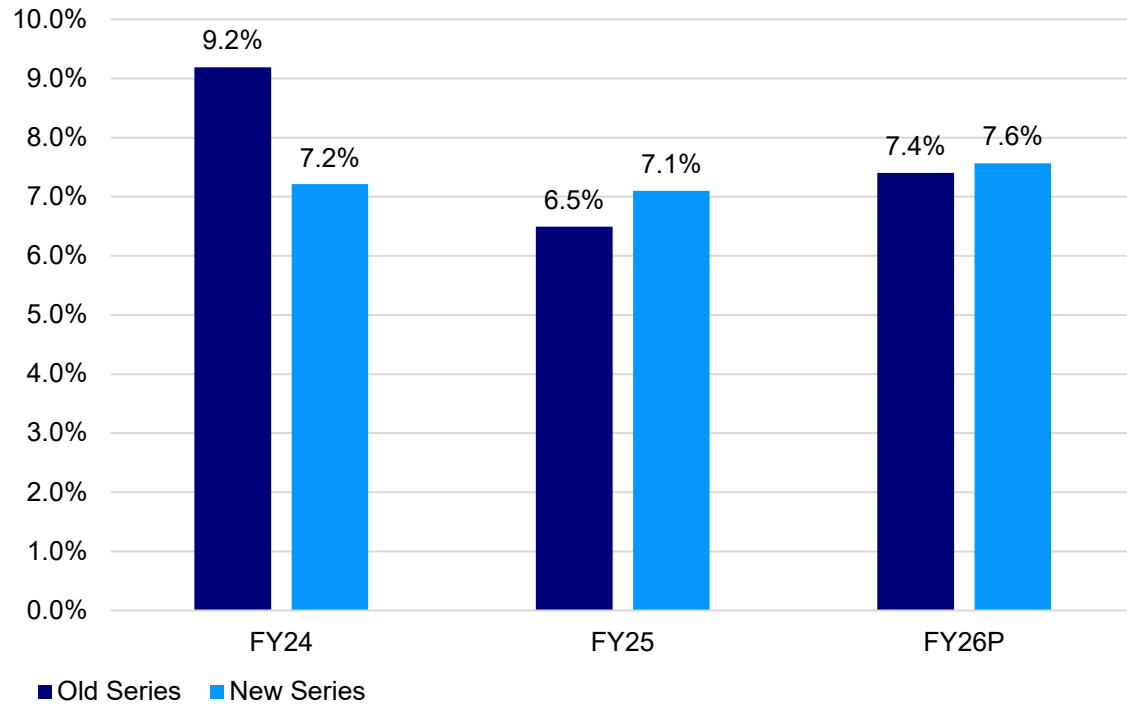
Note: Above 0 is positive for growth and below 0 is negative for growth.

Domestic Macro

New GDP series shows more consistent growth than old series; size of economy lower by ~3% as per new series

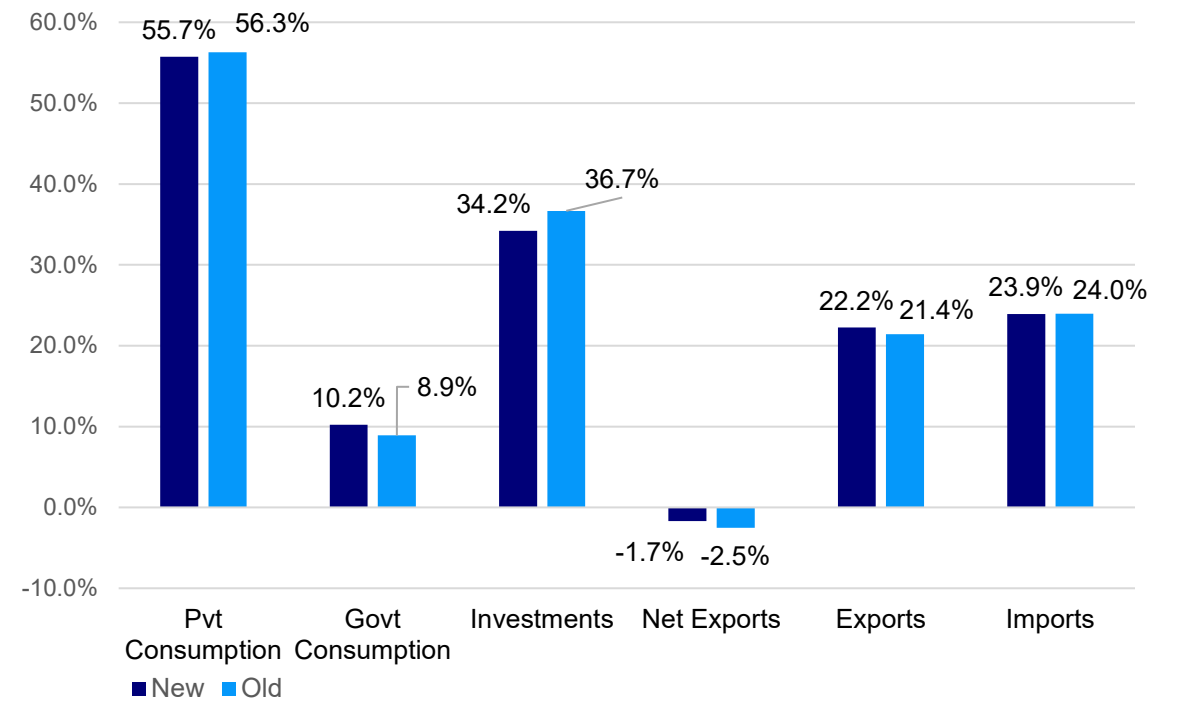
GDP growth consistently ~7% in new series

GDP Growth %



Share of consumption lower and investments higher in new series

% Share in FY26 GDP

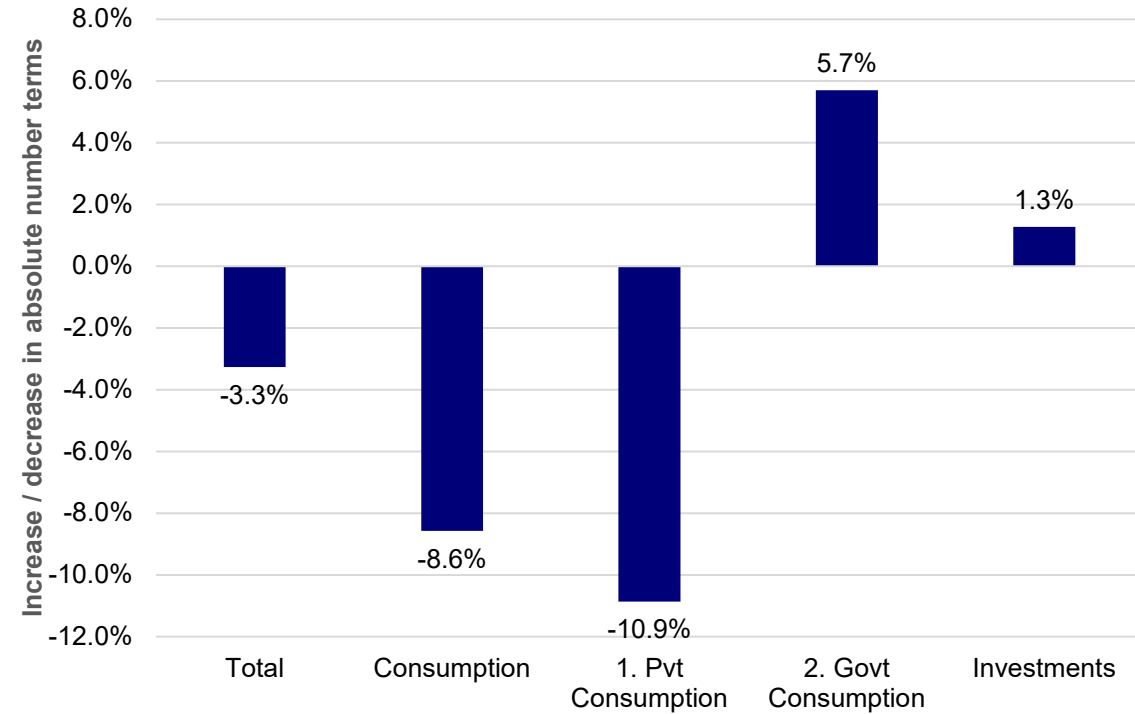


Source: MOSPI. Bloomberg. P: Provisional

GDP & GVA as per new series is ~3% lower than old series

Consumption lower and investments higher in new GDP series

Difference in FY26 nominal GDP series (New - Old)



Industry segment higher while unorganized segment lower in the new GVA series

Difference in FY26 nominal GVA series (New - Old)



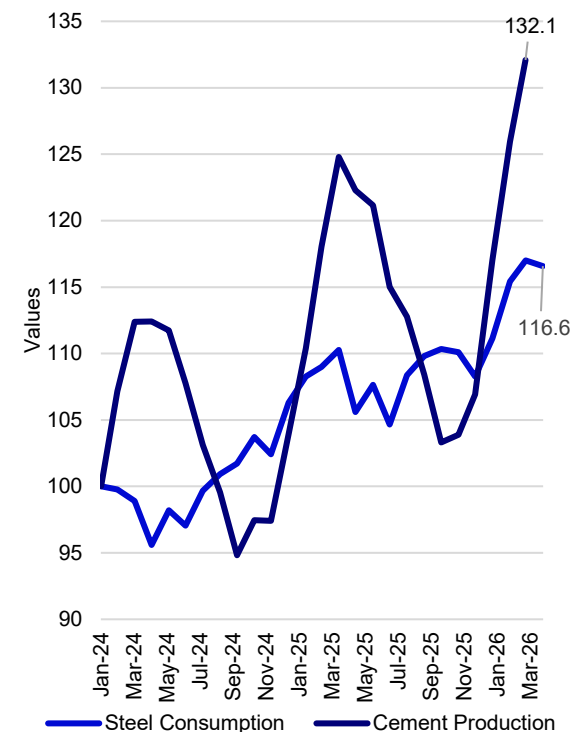
- Lower GDP in new series will have implications for fiscal math – since Govt has transitioned to debt / GDP as an anchor.
- Due to lower GDP, the FY26 debt / GDP will be higher by ~15bps as compared to the earlier series

Source: Bloomberg

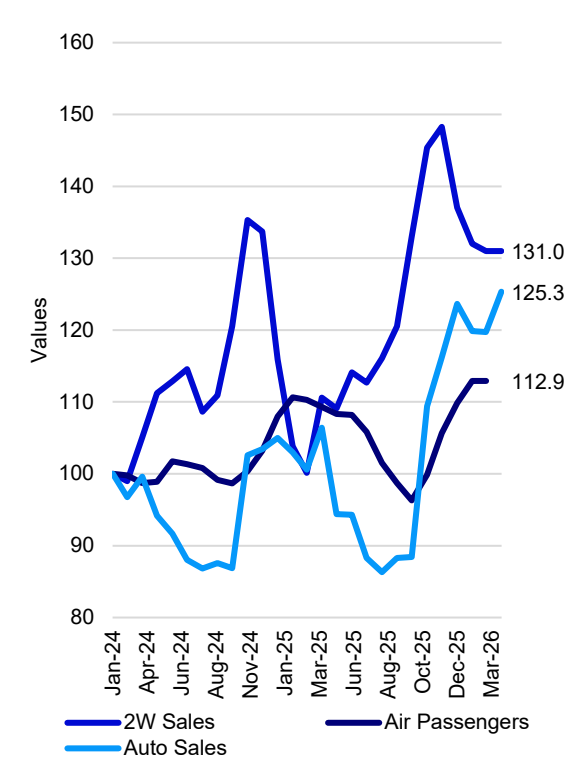
High frequency indicators have shown improvements post GST rate cuts and festive season

Values are rebased to 100 based on 3 month moving average

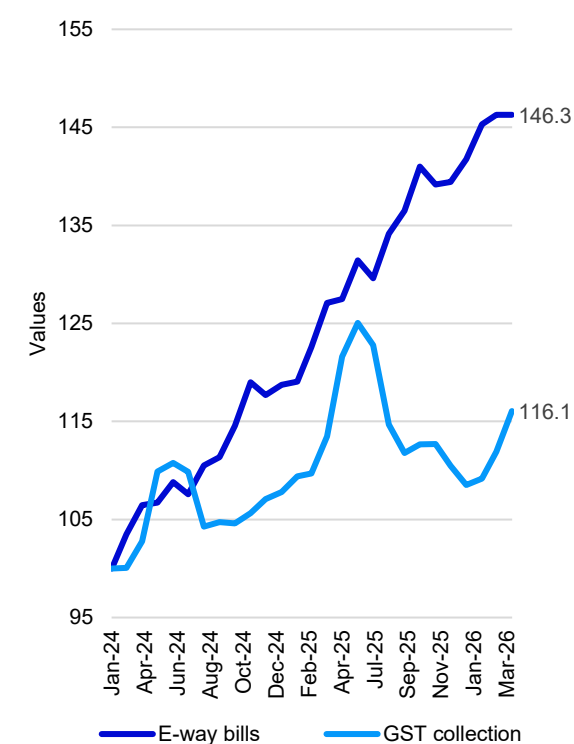
Commodity consumption / production



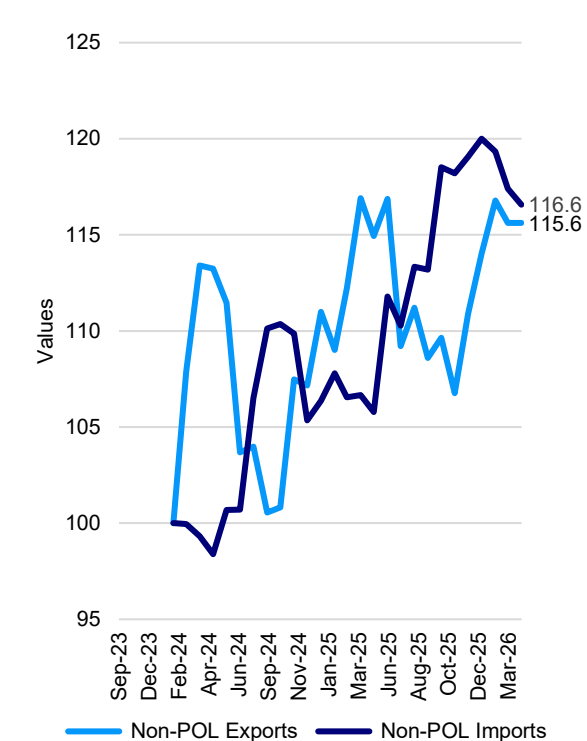
Vehicle Sales/Movement



Goods movement



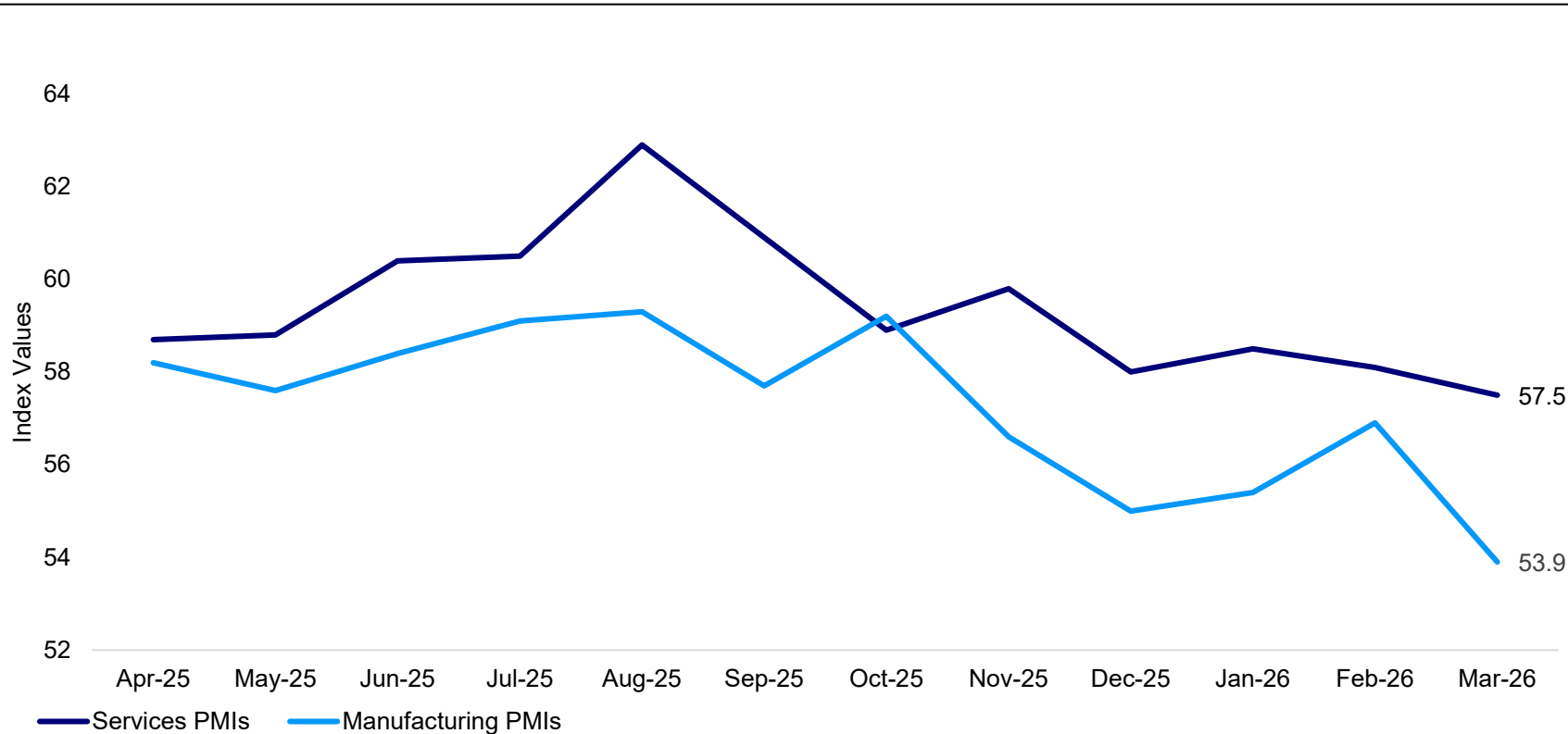
Non Oil - Exports and Imports



- High frequency indicators for India have been improving in recent months. Auto sales data shows improvement.
- GST collections have tapered off post the GST rate cuts. However, volume data remains strong as reflected in generation of e-way bills.

Source: Invesco India Asset Management. CMIE. POL: Petroleum

PMIs across manufacturing and services have tapered down recently, however it has remained above the neutral level mark continuously over the past year



- Manufacturing PMIs have tapered but continue to show healthy demand conditions.
- Services PMIs continues to remain elevated.

Source: Bloomberg. PMI: Purchasing Managers' Index

New CPI series factors in new consumption basket, weightage of food has reduced while core items increased

Changes in new CPI series vs earlier series

	Old	New
Base Year	2012	2024
No of items	299	358
Market coverage	310 towns	434 towns
Data Collection	Manual	Real time, tablet based
Free food / Food subsidy	Included in CPI	Not included in CPI

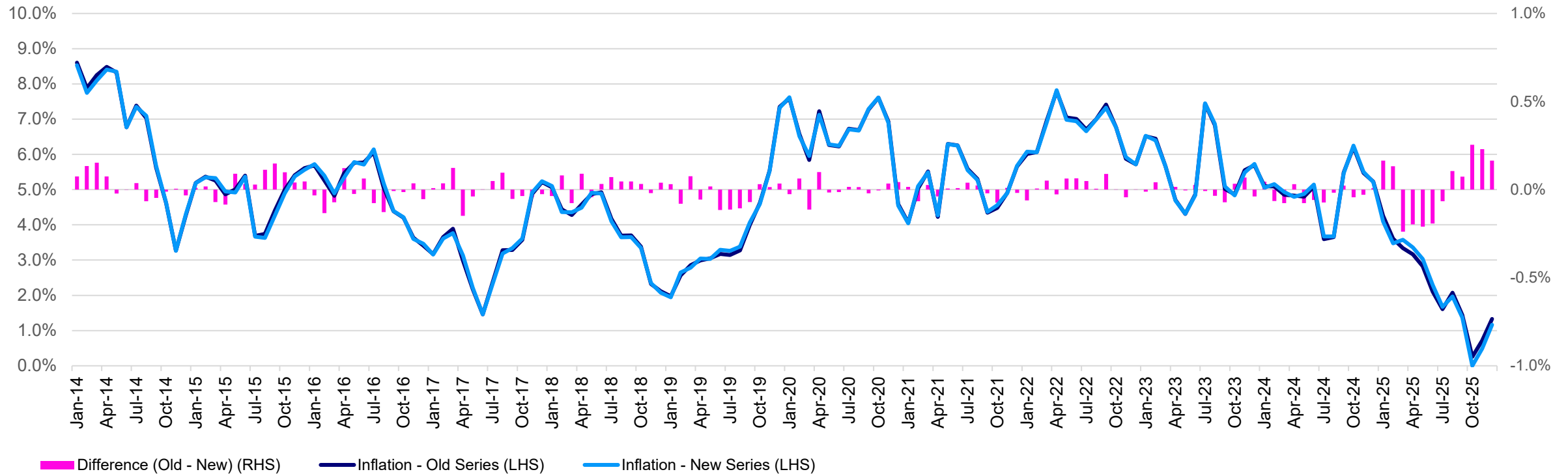
- The new series has expanded the number of covered items, while also increasing the breadth and depth of data collection
- Lower weightage of in new CPI series is expected to keep inflation less volatile
- In terms of other key items, weightage of core items, petrol + diesel has increased in new series, while precious metals has reduced

Weightage of food has reduced, and core items have increased

Items	Old Weights	New Weights	Difference
Food & Beverages	45.86	36.75	-9.11
Pan, tobacco	2.38	2.99	0.61
Clothing & Footwear	6.53	6.38	-0.15
Housing, Water, Electricity, Gas	16.91	17.66	0.75
Furnishing	3.8	4.47	0.67
Health	5.89	6.1	0.21
Transport	6.36	8.8	2.44
Information & Comm	2.23	3.61	1.38
Recreation	1.68	1.52	-0.16
Education	4.46	3.33	-1.13
Restaurant	0.01	3.35	3.34
Personal Care	3.89	5.04	1.15

Source: MOSPI. Bloomberg. Data as at 31 March 2026

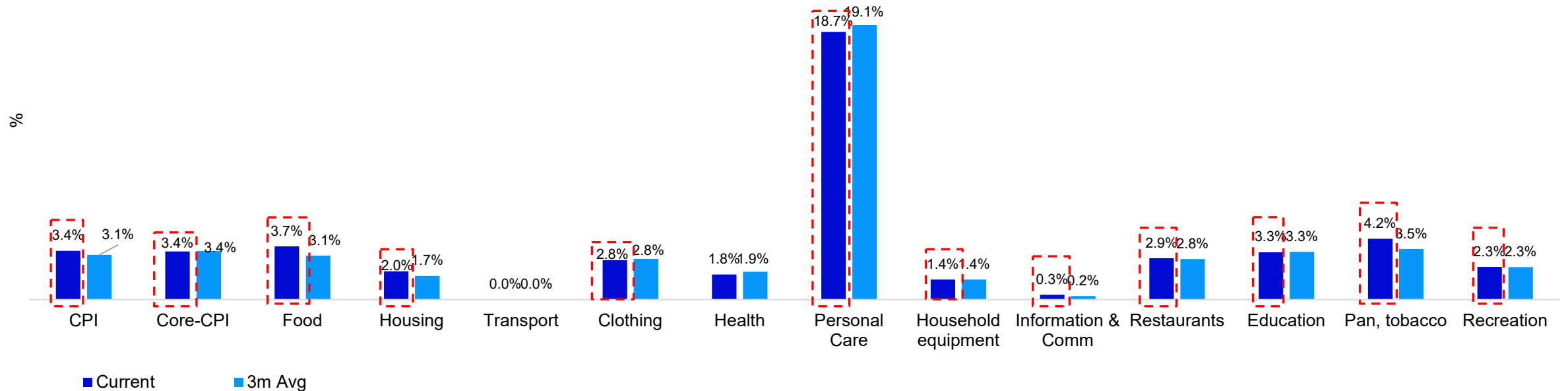
Headline inflation in the new series and the old series are close to each other, despite the difference in composition...



- Difference between new and old series at a headline level are minimal
- Difference at sub-indices level could be more material given the change in weightage, components, and method of calculations.

Headline inflation remains below the 4% threshold for over a year now, although has started inching up. Core inflation steady and printing lower in the new inflation series

India Inflation and its components



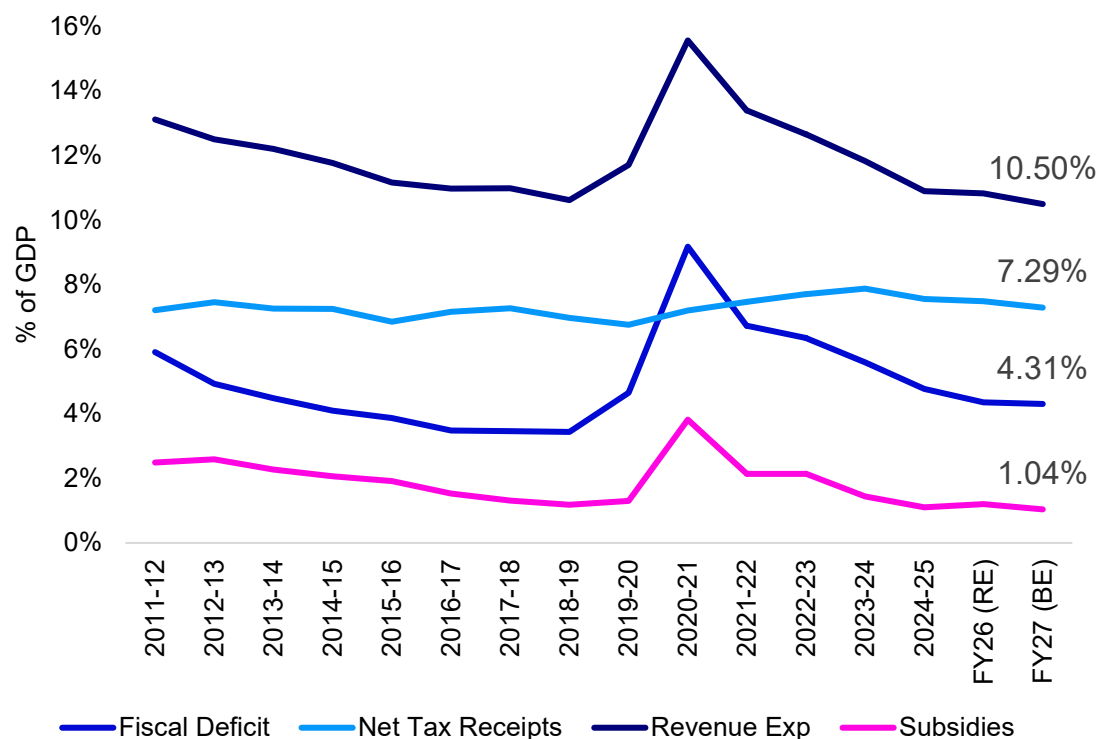
- Food inflation was in deflation in the old series, and has normalized to regular levels in the new series.
- Core CPI has remained comfortably within the 4% threshold in the new inflation series. Weightage of gold & silver, which was pushing up core inflation in the old series, has come down thereby supporting core inflation prints.

Source: Bloomberg. Data as at 31 March 2026.

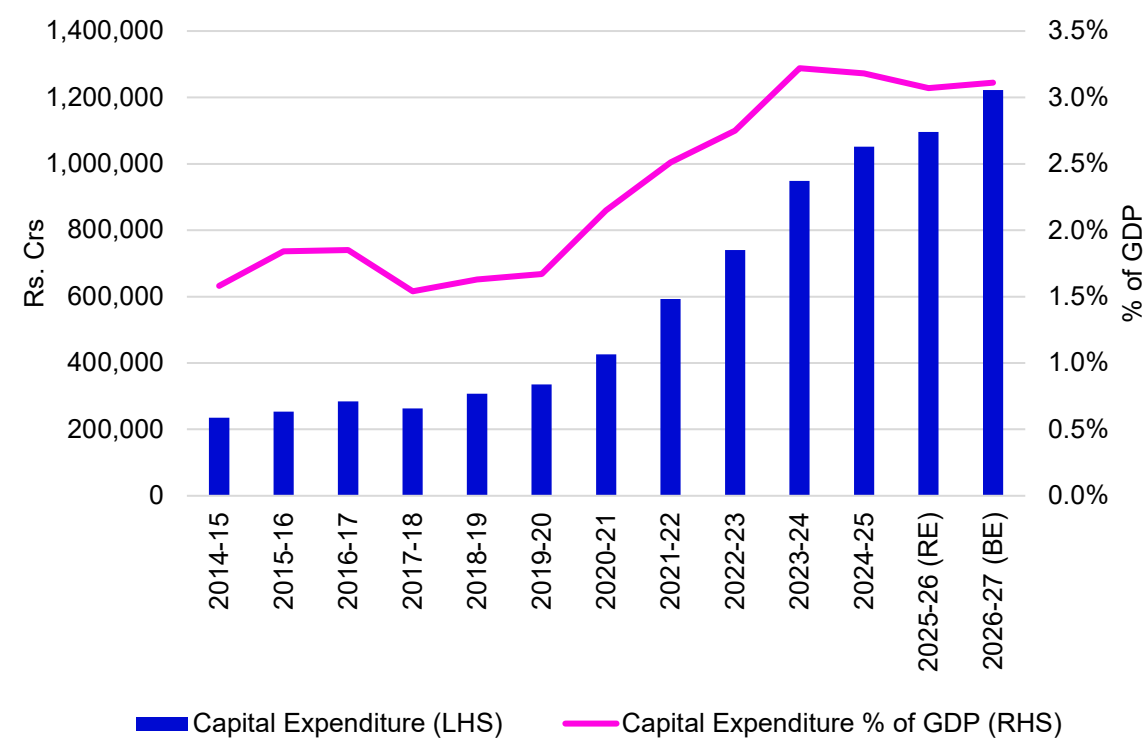
Note: 3 months average is calculated since Jan 2026.

Budgeted fiscal deficit for FY27 is on path of consolidation; with continued focus on capex spending and no populist spending

Fiscal Deficit



Capex as % of GDP



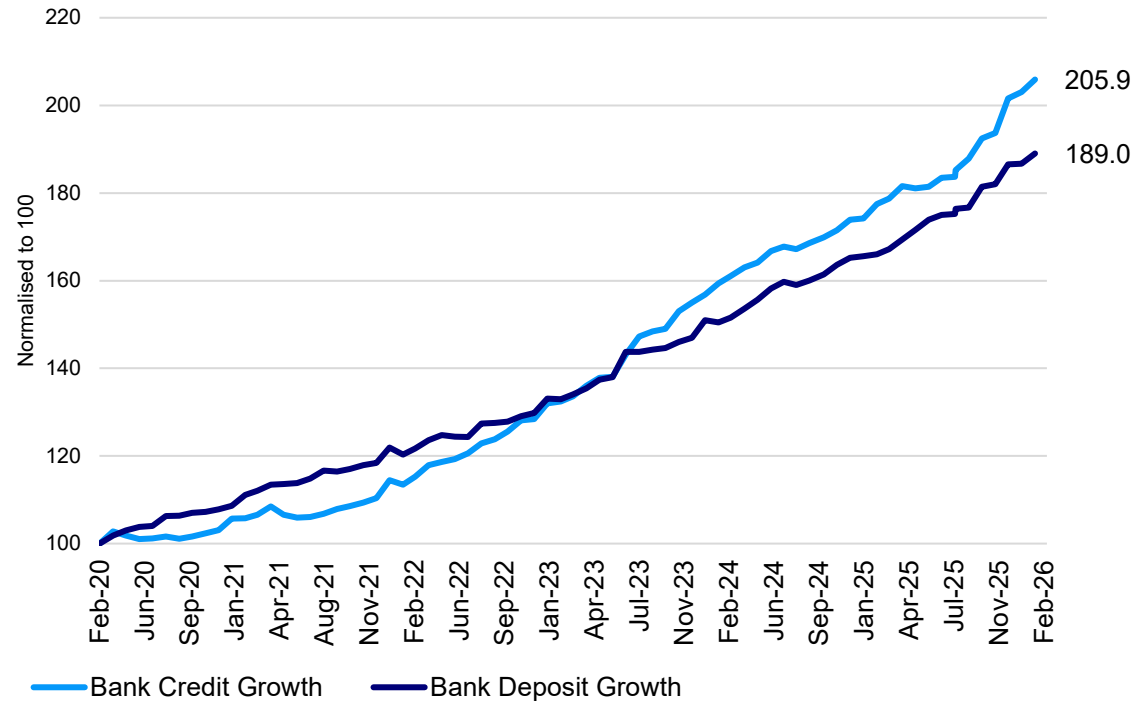
- FY27 fiscal math looks credible with Nominal GDP growth assumption at 10% and net tax revenue growth at 7.2% from FY26BE.
- Capex spending thrust from Government to ensuring continuity.
- Higher fuel & fertilizer subsidies would bear watching.

Source: CMIE; Invesco Asset Management (India). BE: Budget Estimates.

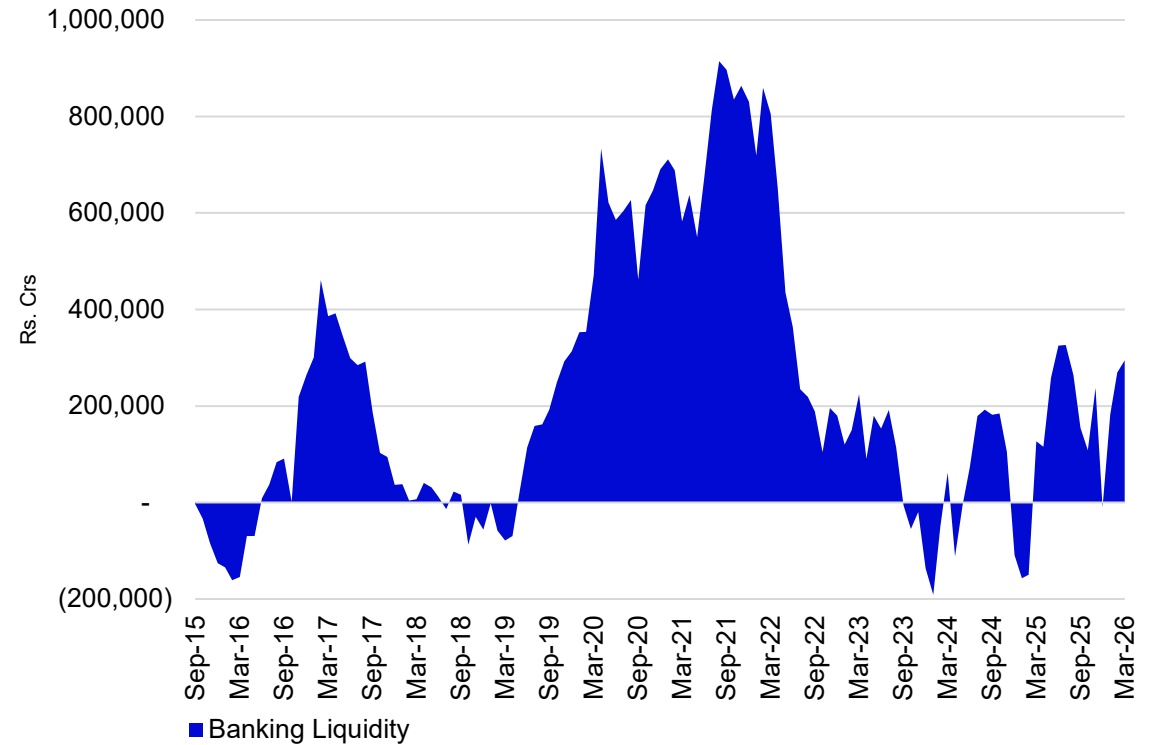
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Credit growth has started inching up post GST rate cuts and supported by RBI easing

Credit growth and Deposit growth



Systemic Liquidity

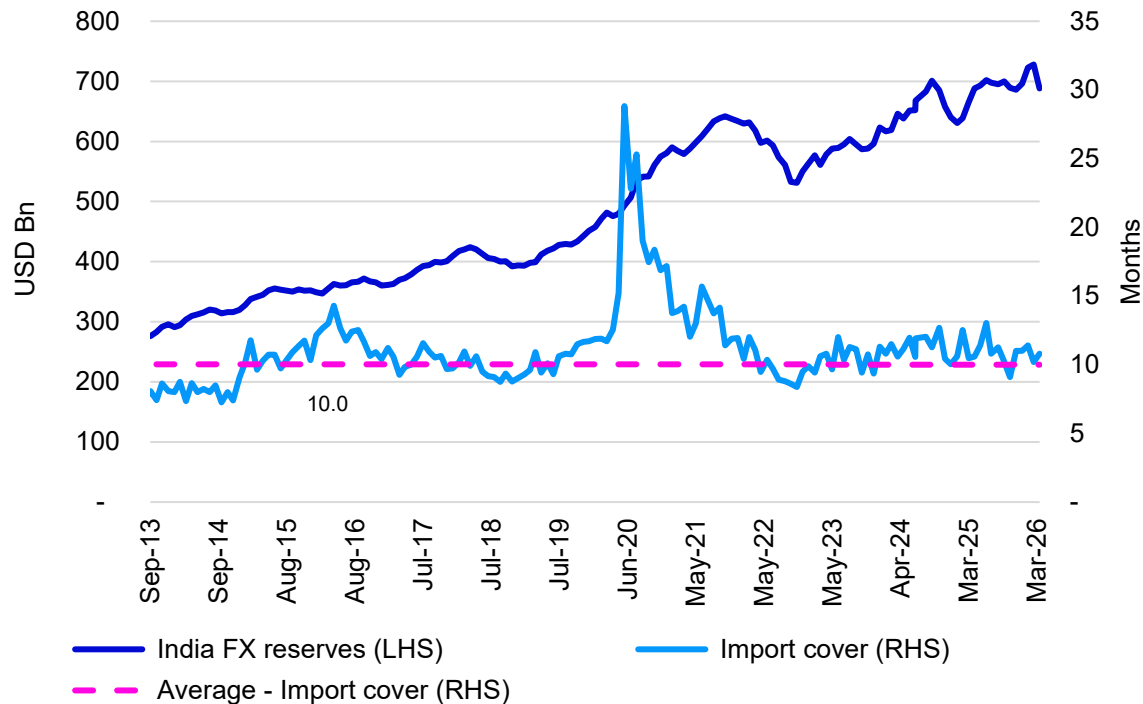


- Credit growth has been stronger than deposit growth rate.
- Liquidity conditions remain benign to ensure appropriate monetary transmission.

Source: Bloomberg.

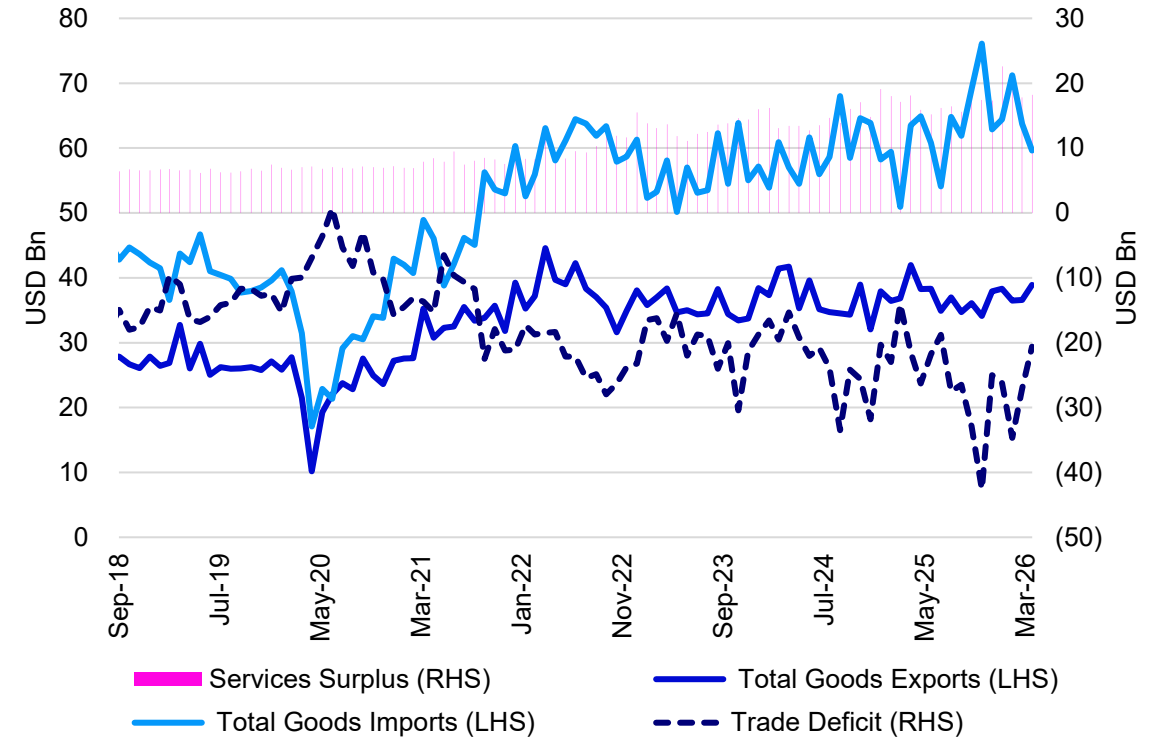
Foreign exchange reserves healthy despite the recent dip; import cover remains comfortable

FX Reserves (USD bn) and Import Cover (Months)



Note: Average is for period between March 2013 to March 2020

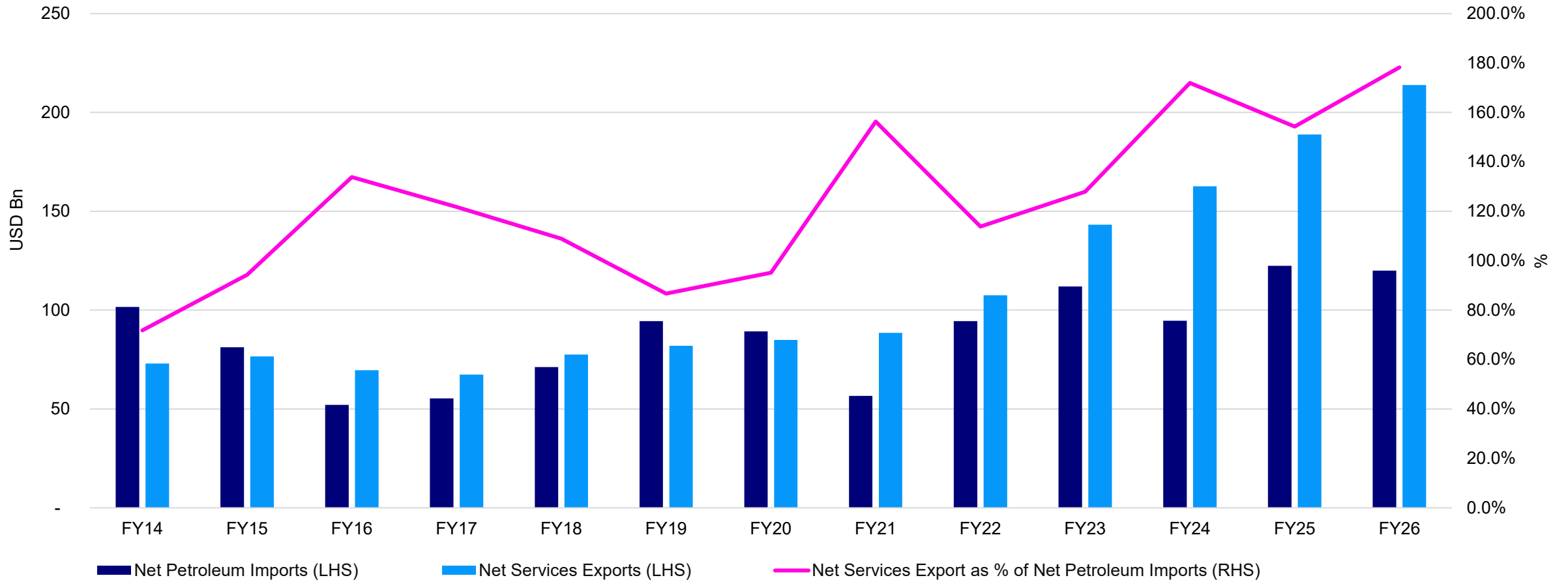
India monthly Exports / Imports – USD bn



- Robust services exports have provided strong cushion to CAD, capital flows remains the volatile item. Import cover is around pre-Covid average.
- Maturity profile of RBI's forward book has elongated, providing immediate respite

Source: Bloomberg. Data at end of Mar 2026. CAD: Current Account Deficit.

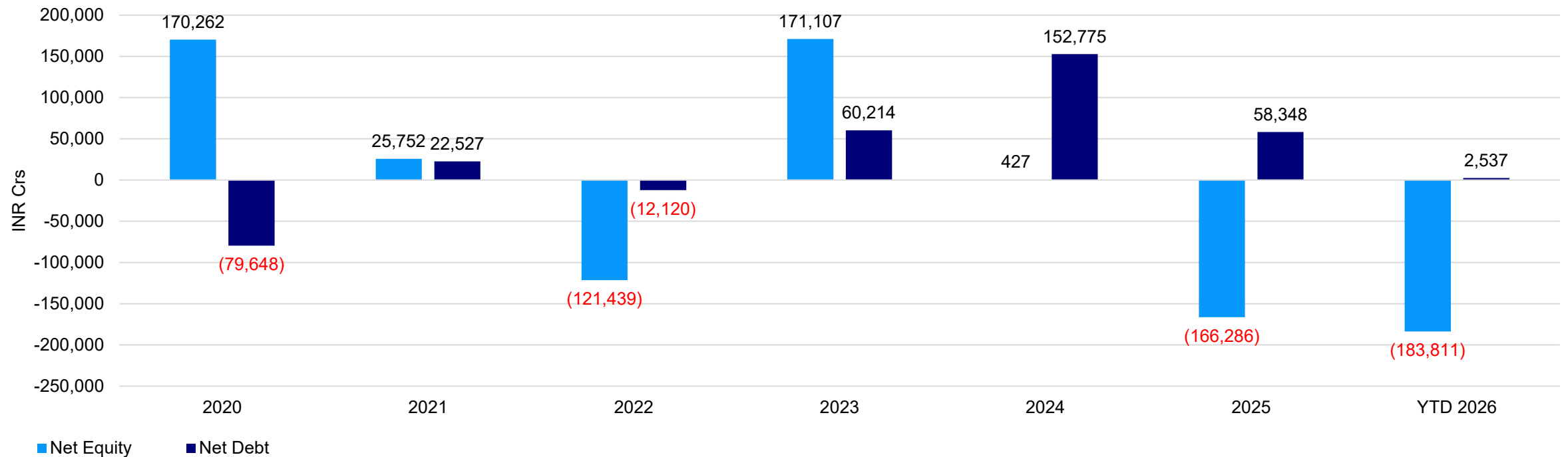
India's service exports have seen significant rise post Covid and now covers more than the annual net petroleum imports thereby strengthening external position



Source: CMIE; IAMI

Equity witnessing second consecutive year of large FPI outflows. Debt segment continues to witness inflows, though pace has moderated

Annual FPI flows

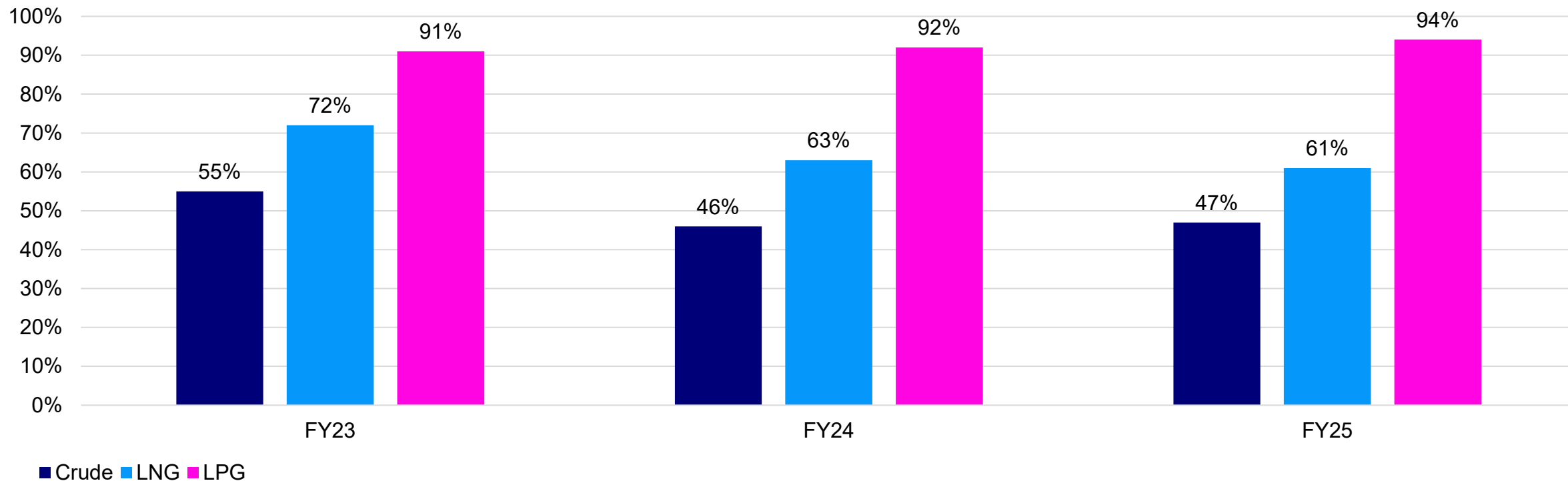


Source: BoFA. YTD: Year to date till April 24, 2026.

West Asia conflict – India Impact

Exposure to Middle East remains high, specially for oil & gas imports. Prolonged West Asia conflict could become a pain point for domestic macros

Proportion of imports from Middle East (%)



- Overall imports from Middle East remain very high, ranging from 47% in crude to 94% for LPG
- Crude imports – India has been able to diversify through other geographies including Russia (estimated at >30% in FY25).
- LPG remains most concentrated to the Middle East, and hence the most exposed.

Source: Ministry of Commerce, Gol. LPG is considered as a combination of propane and butane. **Note:** Middle East exposure comprises of Saudi Arabia, UAE, Iraq, Kuwait, Oman, Qatar, Bahrain, Iran.

Strait of Hormuz constraints likely to persist for some time...

Strait of Hormuz (SoH) accounts for 27% of seaborne oil trades and 20% of global consumption origin

Oil and petroleum flow through SoH (mbd)	2021	2022	2023	2024	1QCY25
Crude oil/condensates	14	16	16	14	14
Petroleum products	5	6	6	6	6
Total flows through SoH	19	22	21	20	20
Global seaborne oil trade	73	74	76	76	76
SoH share (%)	27	29	28	27	26
Global POL consumption	97	100	102	103	102
SoH share in global consumption (%)	20	22	21	20	20

SoH also accounts for ~20 of global LNG trade

LNG flows through SoH (mmt)	2021	2022	2023	2024	1QCY25
Qatar	79	80	79	77	81
UAE	6	5	5	6	5
SoH (Qatar + UAE)	84	85	84	83	86
Global LNG trade	372	402	401	411	437
SoH share (%)	23	21	21	20	20

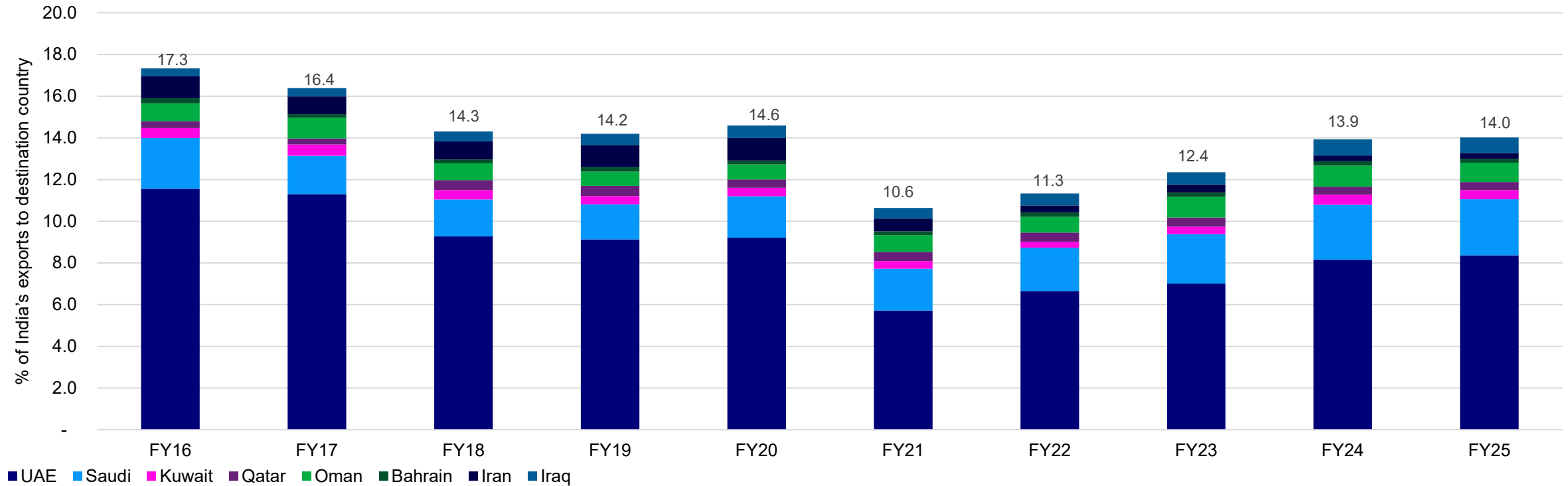
Nearly 9% of SoH oil shipments go to Asia, with 15% to India

Country-wise oil imports via SoH (mbd)	2021	2022	2023	2024	1QCY25
China	4.2	4.5	5	4.8	5.4
India	2.3	2.4	2	1.9	2.1
South Korea	1.4	1.7	1.7	1.7	1.7
Japan	1.8	1.9	1.7	1.5	1.6
Europe	0.5	0.9	1	0.7	0.5
US	0.6	0.7	0.5	0.5	0.4
Other Asia	2.1	2.2	2.1	2.1	2
Others	1.5	1.6	1.6	1.1	0.6
Total	14.4	15.9	15.6	14.3	14.2
Asia share (%)	82	80	80	84	90
India share (%)	16	15	13	13	15

Source: Emkay Global Financial Services Limited. SoH: Strait of Hormuz. MDB: Million barrels per day

14% of India's exports goes to the Middle East, which can further exacerbate the current account pressures

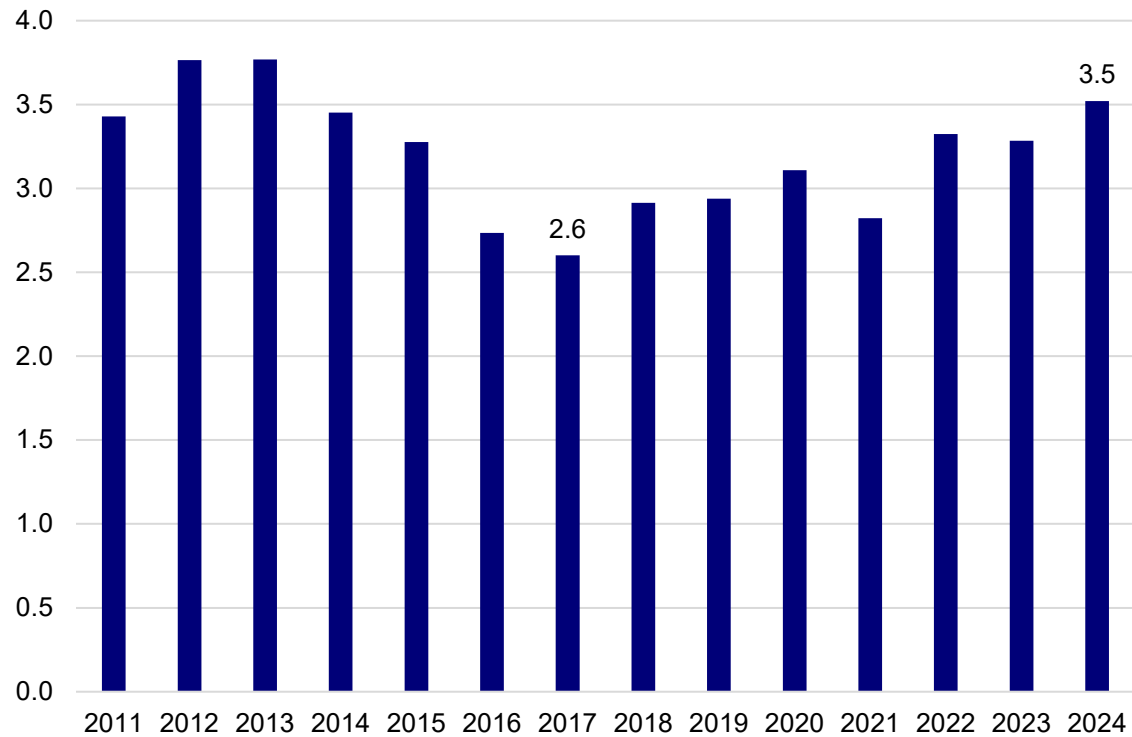
UAE is the largest export destination, comprising of over 8% of India's exports



Source: Ministry of Commerce, GoI.

Dependence on Middle East for remittances remains high

Remittances is a critical contributor to current account

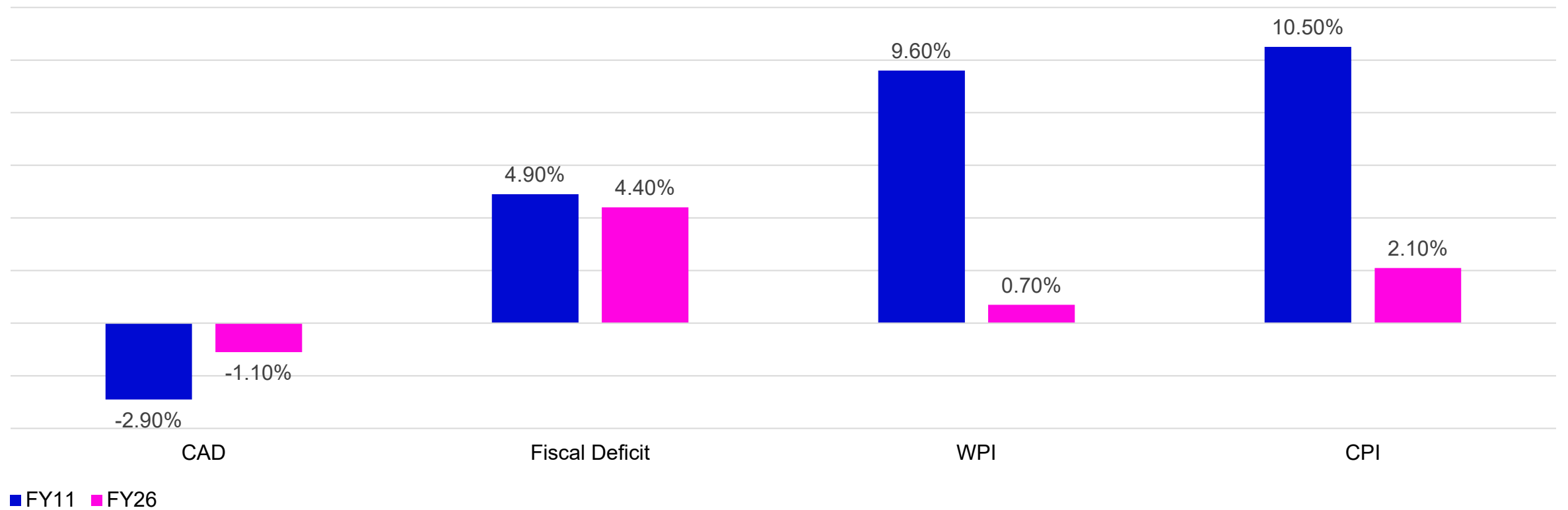


Source: RBI, World Bank

Middle East is the largest block contributing towards remittances

% of inward remittances	FY17	FY21	FY24
UAE	26.9	18	19.2
Saudi Arabia	11.6	5.1	6.7
Kuwait	6.5	1.5	3.9
Qatar		5.7	4.1
Oman	1	0.6	2.5
Bahrain	0.7	0.7	1.5
Total	46.7	31.6	37.9
USA	22.9	23.4	27.7

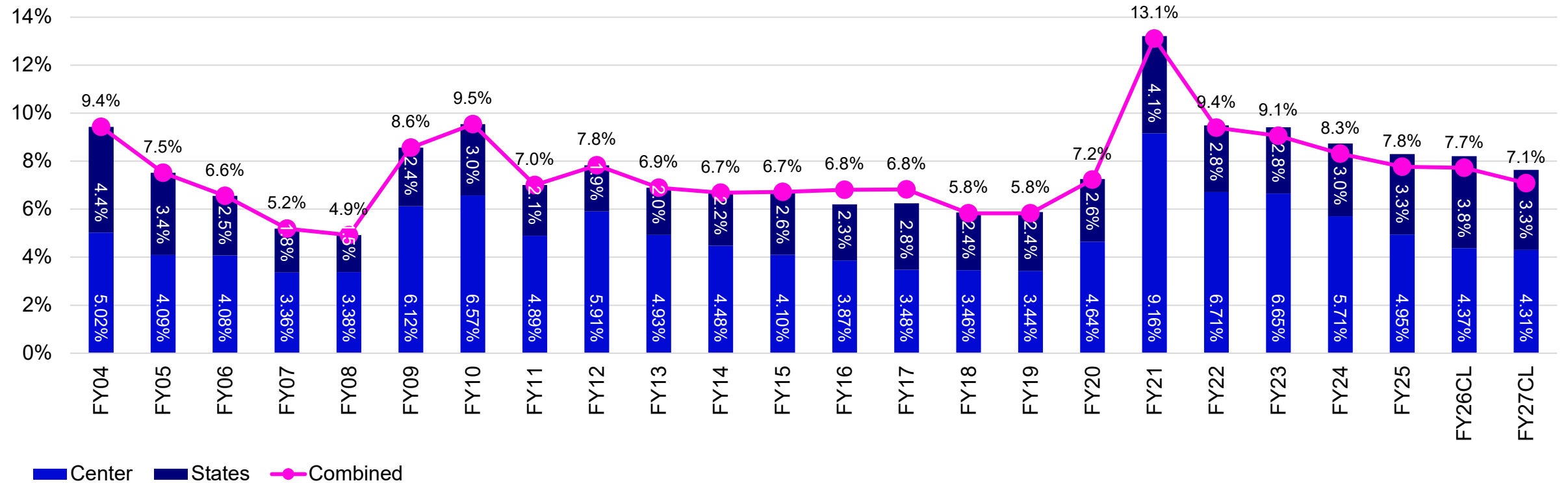
However; unlike 2012 oil crisis, India is very well placed this time on CAD and Inflation



Source: MOSPI

Besides, central fiscal deficit is solid though pressures building up in state balance sheets

Combined fiscal deficit projected at 7.1% of GDP in FY27

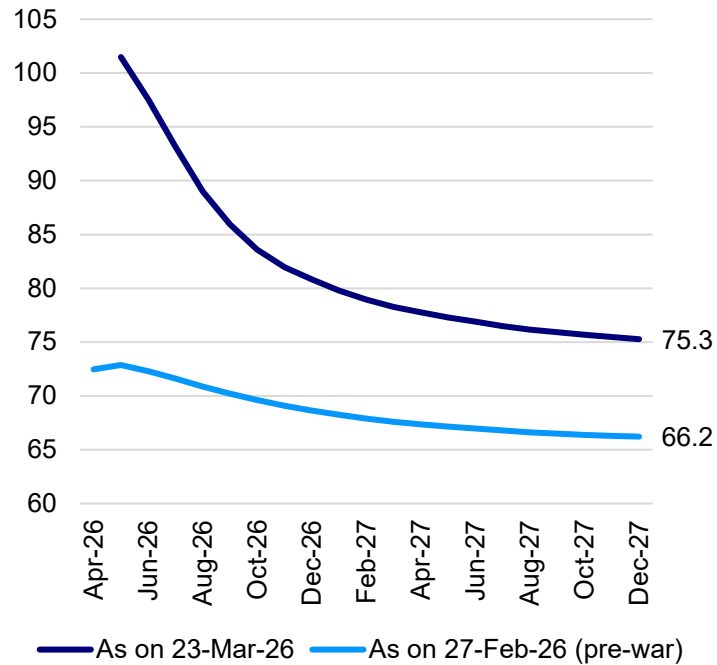


Source: CLSA. CL: CLSA Estimates.

Energy costs remain the primary risk for India; market pricing is not fully reflecting an extended conflict

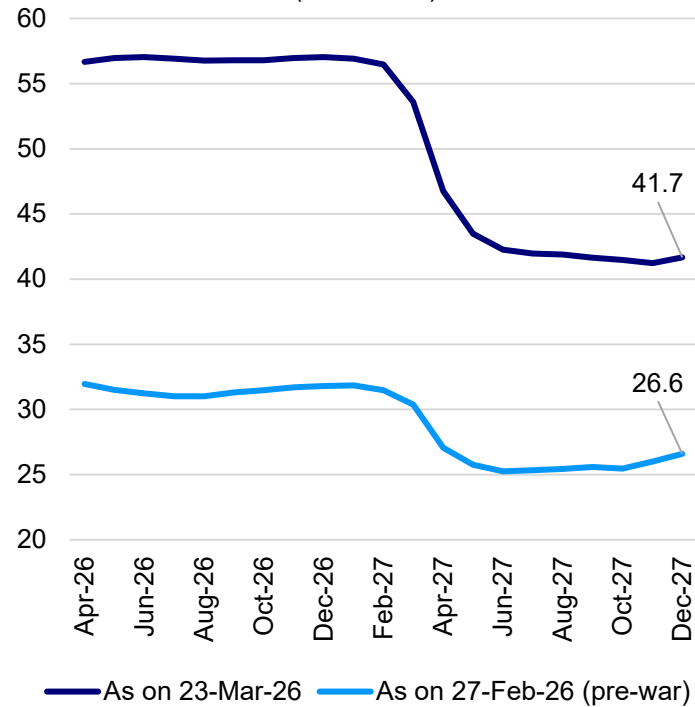
While, the Brent forward curve has dropped on de-escalation news, it still signals >USD80/bbl for the rest of CY26

Brent forward curve (USD/bbl)



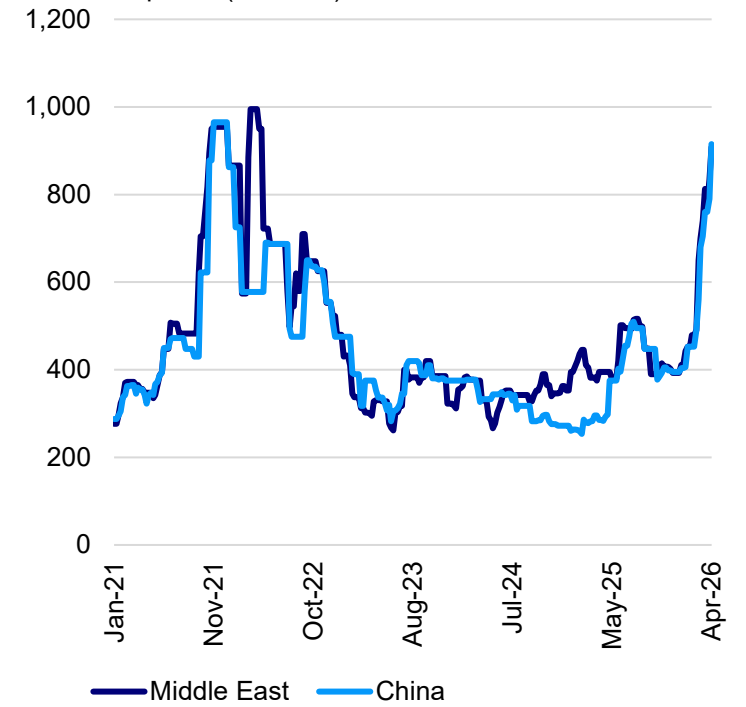
Similarly, gas futures still expect prices to remain at least ~50% higher by Dec-27 compared to pre-war

Dutch TTF forward curve (EUR/MWh)



Global urea prices have risen 40-50% since the start of the crisis

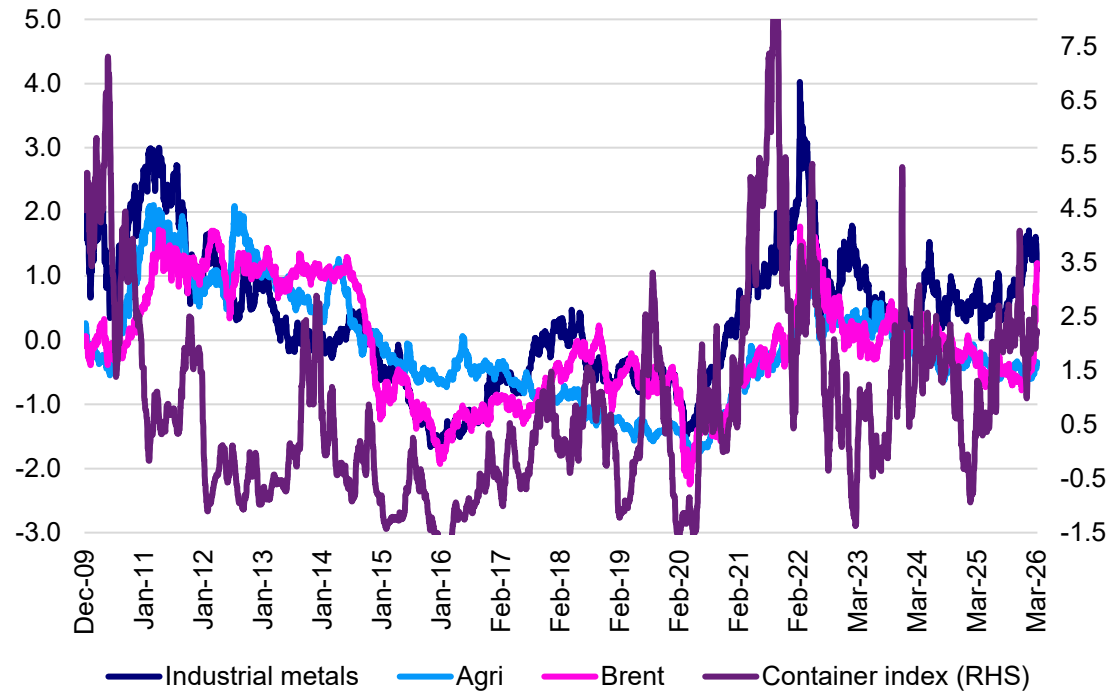
Global urea prices (USD/ton)



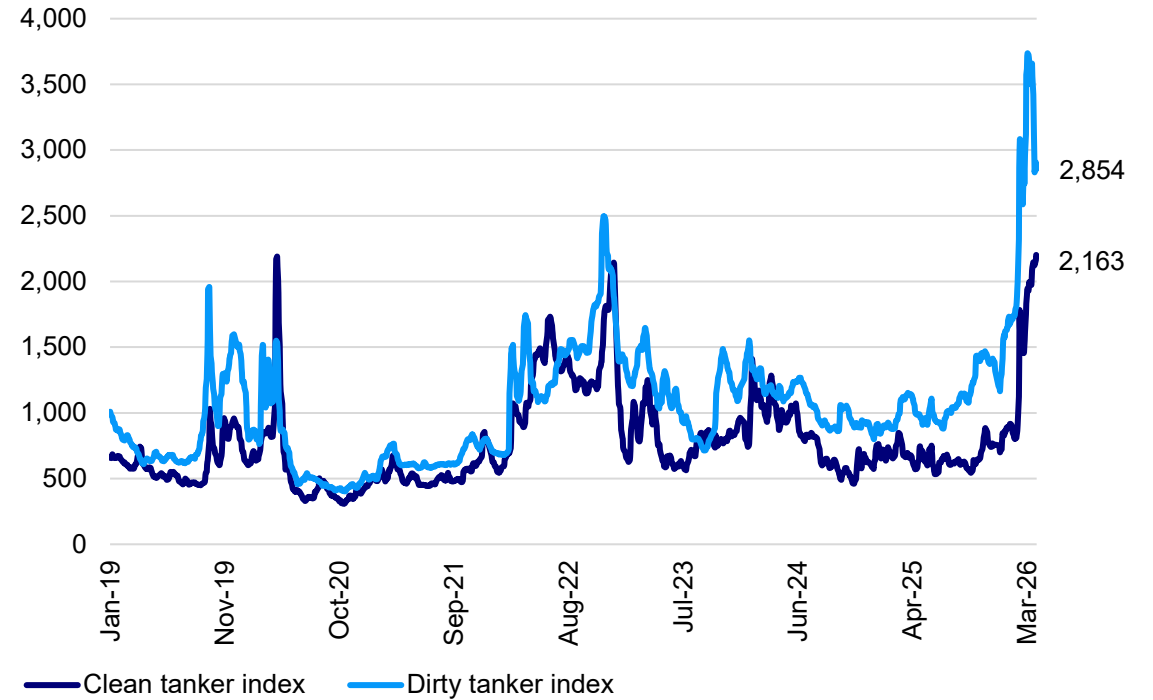
Source: Emkay Global Financial Services Limited. BBL: Barrel. EUR/MWh: Euro per Megawatt-hour.

Sharp hike in key commodities and select metals can lead to inflation pick-up

While prices have risen over the last few weeks, the increase is much lower (so far) than during the post-covid supply shock



...while tanker freight rates have shot up by ~80%
Tanker freight rates

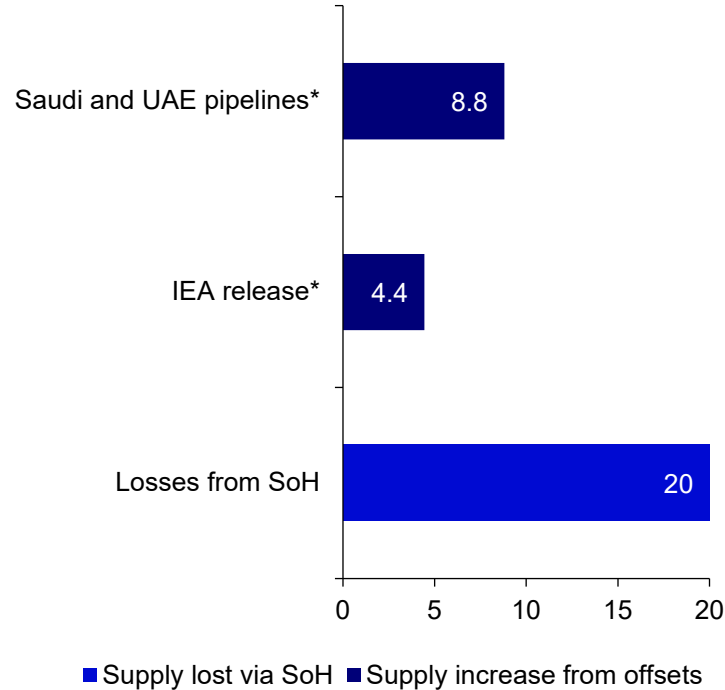


Source: Emkay Global Financial Services Limited. BBL: Barrel. EUR/MWh: Euro per Megawatt-hour. Dirty Tanker Index: Measures the average transportation costs of shipping unrefined crude oil and fuel oil on major global routes.

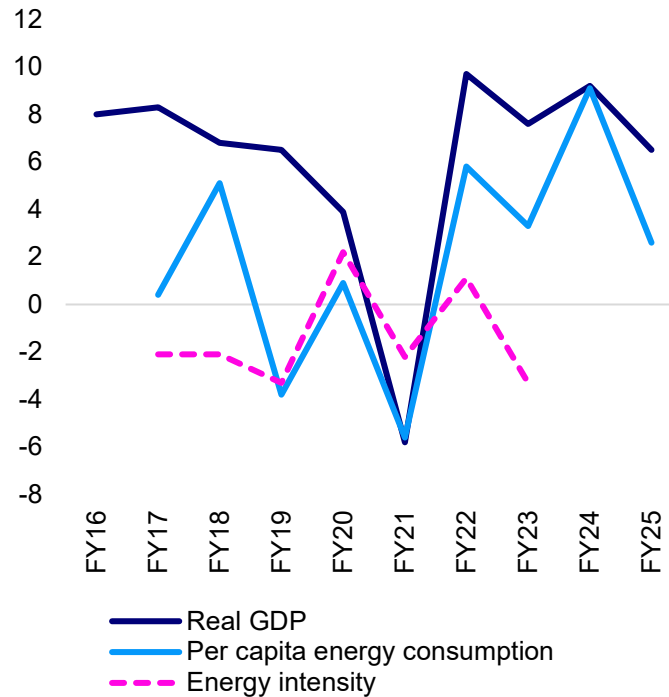
India has some offsets - oil sensitivity has reduced over the years, but price elasticity still strong

Alternatives to Strait of Hormuz (SoH) only partially offset the supply hit

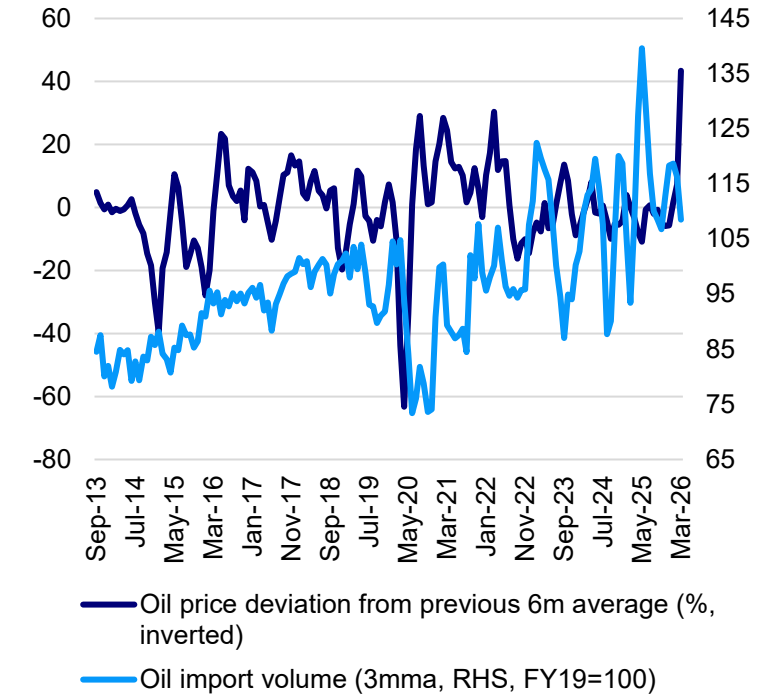
Supply loss via SoH and offsets (mbd)



India growth, per capita energy consumption, and energy intensity (YoY, %)



India's oil import demand is relatively inelastic, even at a higher price

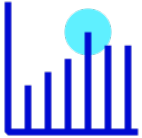


Source: Emkay Global Financial Services Limited.

Equity Outlook

Summary - Equity Market Outlook

We prefer domestic oriented industries; value opportunities have begun to emerge in global sectors



Domestic Factors

- India remains one of the faster growing large economies. Global geopolitical conflicts and tariffs could hurt; will increase importance of strengthening domestic demand drivers
- Economic headwinds from weak job creation and docile income growth could recede as we move into the second half with tax cuts, GST rationalization and easy monetary policy
- CPI likely to rise; may impact real incomes but aid corporate revenue growth
- Investment cycle is stable but still not broad-based. Power, defense and parts of manufacturing doing the heavy lifting. Wholesale credit seeing signs of pickup
- Earnings expectations for FY27 are cautiously optimistic on the back of lower base of FY26 and recent fiscal and monetary measures but will be challenged by the ME conflict



Global Factors

- Global economy, driven by US, continues to hold well but is at risk of slowing due to impending tariff conflicts
- AI driven investment cycle in US/China have supported recent growth but can be at risk if investment returns get pushed out in time.
- Current US policies may imply a different economic environment for the world. Volatility in trade policies with USA as a partner is impairing the global investment climate
- Geopolitical situation remains unstable, and any new/ further escalations may translate into disrupted logistics and/or raw material price and impact inflation
- Another big pivot by Central Banks has been higher allocation towards gold as a part of their reserves compared to USD



Recommendation

- We maintain a pro-cyclical stance and are overweight financials, consumer discretionary and healthcare. Our current portfolio skew is more towards domestic investment and consumption growth opportunities
- Mean reversion in certain domestic and global cyclicals and a value opportunity in IT services is also attracting our attention
- Our overarching view remains that India is at the cusp of seeing a better economic growth cycle in the coming decade compared with previous one, which in turn would make its equity market one of the attractive investment destinations on a 3–5-year scale

Note: The sectors referred above should not be construed as recommendations from Invesco Asset Management (India) Private Limited and/or Invesco Mutual Fund. The Scheme may or may not have any present or future positions in these sectors.

Disclaimer - The information provided herein may include statements/data of future expectations that are based on current views and assumptions and involves known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied.

2025 a year of many extremes; stay watchful of potential areas of mean reversion in 2026

Global Extremes:

- Strong technology-led market performance: Magnificent 7 contributed 40% of S&P 500 gains in 2025, share of market cap rises to 33%, up from less than 20% two years earlier
- US dollar retreated 9% in 2025; most global currencies appreciated v/s the dollar
- Record-breaking gains in global precious metals – gold doubled, silver more than tripled
- Tariff and Geopolitics dominated headlines and drove most economic decisions

Local Extremes:

- Earnings growth slowed well-below trend (mid-single digit EPS growth for Nifty in 2025 v/s more than 20% between 2021-24)
- India underperformed global and emerging markets by ~20%; foreign outflows were at a record US\$20bn
- Sharp underperformance of INR v/s the USD
- Median equity returns for the Nifty 500 at -2%, negative for the first time post-Covid
- Unusually low inflation can likely mean revert in 2026

Source: Invesco Asset Management (India).

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India – expected to be one of the fastest growing large economy

Country	GDP (Dec 24) (USD Bn)	Market Cap (15 April 2026) (USD Tn)	2025E (GDP Estimates)		2026E (GDP Estimates)		2027E (GDP Estimates)
			Before tariff announcement	After tariff announcement	Before tariff announcement	After tariff announcement	
			India	3,910	4.93	6.50%	
Saudi Arabia	1,240	2.67	3.40%	3.40%	3.60%	3.60%	3.60%
China	18,744	14.46	4.50%	4.20%	4.20%	4.00%	4.60%
Canada	2,244	4.49	1.70%	1.90%	1.90%	1.90%	1.80%
Brazil	2,186	1.04	1.90%	1.90%	1.50%	1.50%	1.80%
United States	28,751	73.56	2.00%	1.40%	1.40%	0.50%	2.10%
United Kingdom	3,686	4.09	0.90%	0.80%	1.50%	1.20%	1.20%
Mexico	1,856	0.39	0.50%	-0.50%	1.20%	1.00%	1.90%
South Africa	401	0.51	2.00%	1.20%	1.90%	1.50%	1.80%

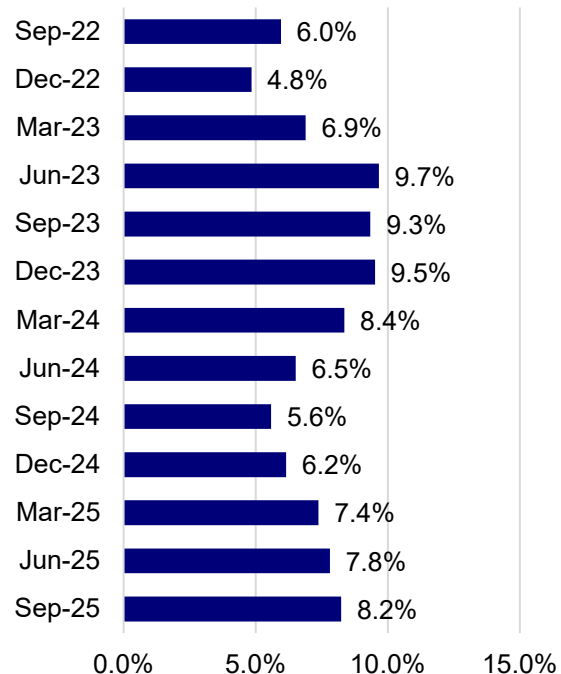
Source: Morgan Stanley. Bloomberg. For India data is for financial year, rest calendar year. E: Estimate. Tn: Trillion. GDP Data as at 15 April 2026

Note: The absolute GDP number are Nominal GDP numbers, while growth rate is based on Real GDP data.

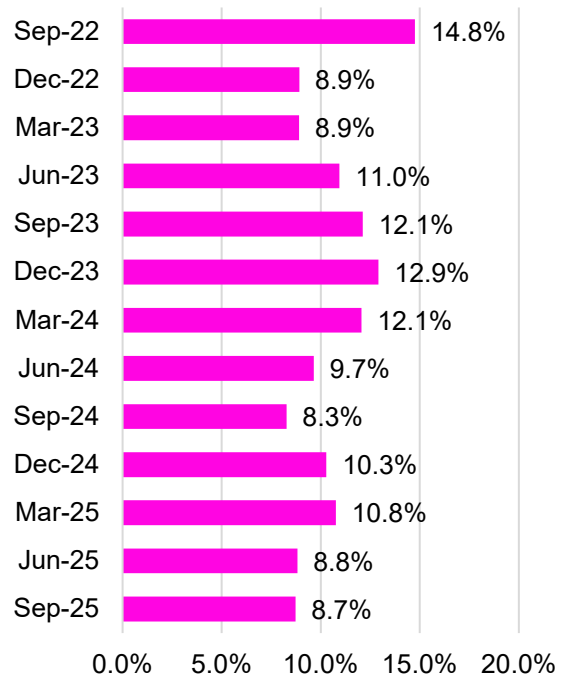
Disclaimer: The information provided herein may include statements/data of future expectations that are based on current views and assumptions and involves known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied.

India – near term growth tempered. Slowdown sharper in nominal GDP due to subdued inflation but this can likely change as inflation begins to rise

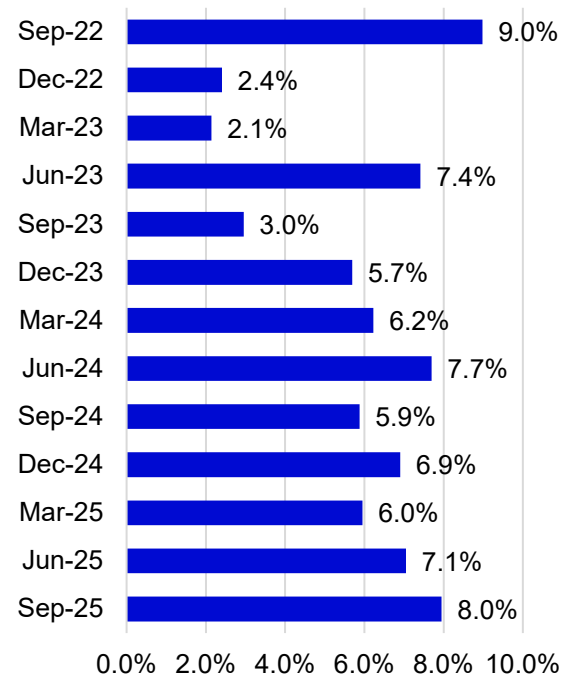
Real GDP Growth (YoY Growth)



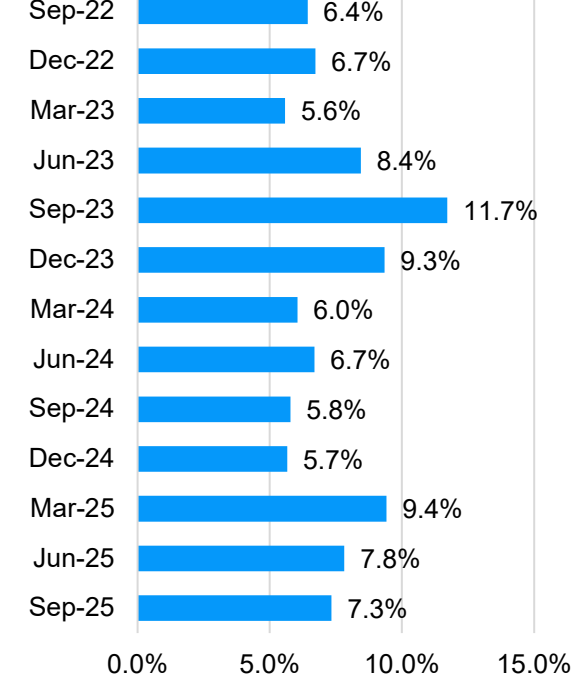
Nominal GDP Growth (YoY Growth)



Private Consumption Growth (YoY Growth)



Fixed Investment Growth (YoY Growth)



Source: Anand Rathi Institutional Equities

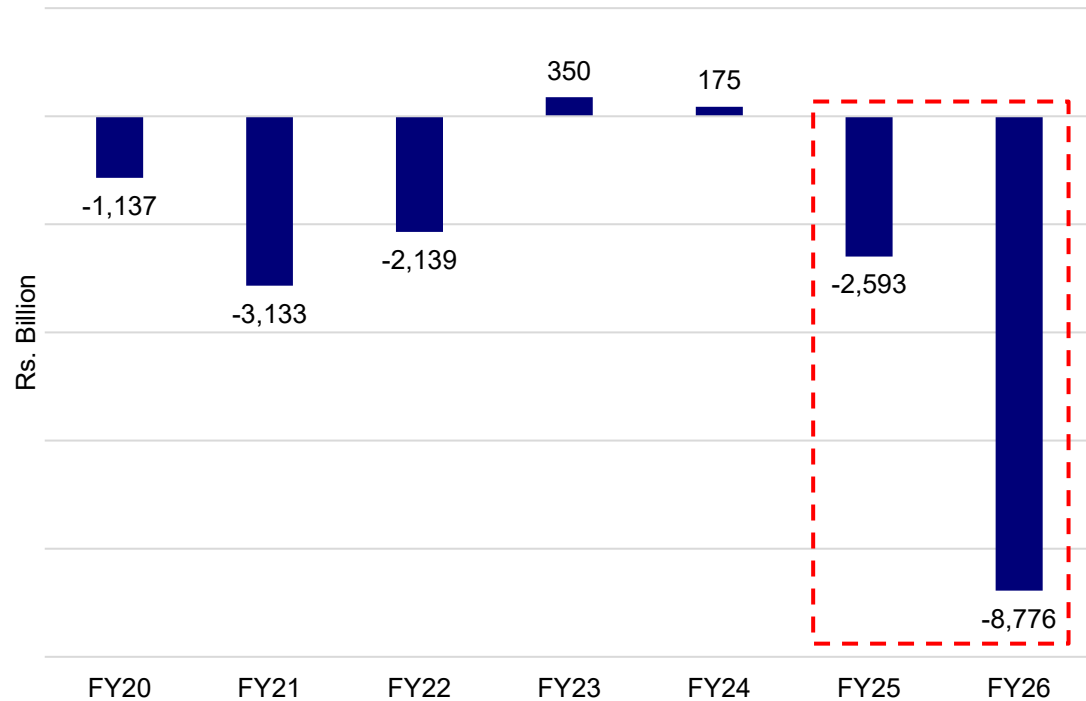
RBI relaxed several regulations starting 2025 to boost credit growth; will play out now in economy

Relaxations	Description
Reduction in repo rate	RBI had kickstarted the rate cut cycle in Feb-25, reducing the policy repo rate from 6.50% to 5.25% as of Dec-25
Reversal of risk weight increase on bank credit to NBFCs	Risk weight on bank funding to NBFCs were reduced by 25% in Feb-25, wherever the extant rating-based risk weights were below 100%.
Liquidity measures	RBI has bought (including announced) G-Secs worth Rs. 6.7 tn and announced dollar swap worth USD 25 bn in YTD FY25 (till Jan 2026).
Large Corporate exposure	Ceiling on exposures to large corporates by individual banks removed. Will enhance credit supply to large borrowers.
Reduction in cash reserve ratio	RBI announced cash reserve ratio cut of 150 bps (50bps in Dec-24, 100 bps reduction in a staggered manner starting Sep-25)
Review of risk weights on microfinance loans	Microfinance loans classified as consumer credit will carry 100% risk weight. Other microfinance loans may be classified under regulatory retail portfolio (RRP) with 75% risk weight, provided banks put in place appropriate policies to ensure fulfilment of the qualifying criteria of RRP.
Implementation of final LCR regulations	RBI reviewed the LCR framework for banks and came out with final guidelines on haircuts for HQLA and run-off rates on certain categories of deposits. As per RBI's impact analysis, the change in LCR for the system has been quantified at +6% and shall come into force with effect from Apr-26.
Project financing guidelines	As against the onerous draft directions which required a general provision of 5% of the funded outstanding to be maintained during the construction phase, and 2.5% during the operational phase, the provisioning requirements per the final guidelines were much lower, with projects which achieve financial closure by 1 st October 2025 (effectively the current stock of loans) being out of the ambit of these final directions.
Delayed implementation of ECL framework	In the MPC meeting held on Feb-25, the RBI Governor stated that the earliest implementation of ECL framework would be Mar-26.
PSL guidelines for SFBs	The additional component (35%) of PSL will be reduced to 20%, thereby making the overall PSL target for Small finance banks as 60% of Adjusted net bank credit or Credit Equivalent of Off-Balance Sheet Exposures, whichever is higher.
ECL framework	Banks given glide path until Mar 2031. This will likely even out the impact on their books
Revised Basel 3 norms for credit risk on capital charge	Applicable starting April 2027. To reduce risk weights on exposures to SME/real estate thus freeing bank capital.

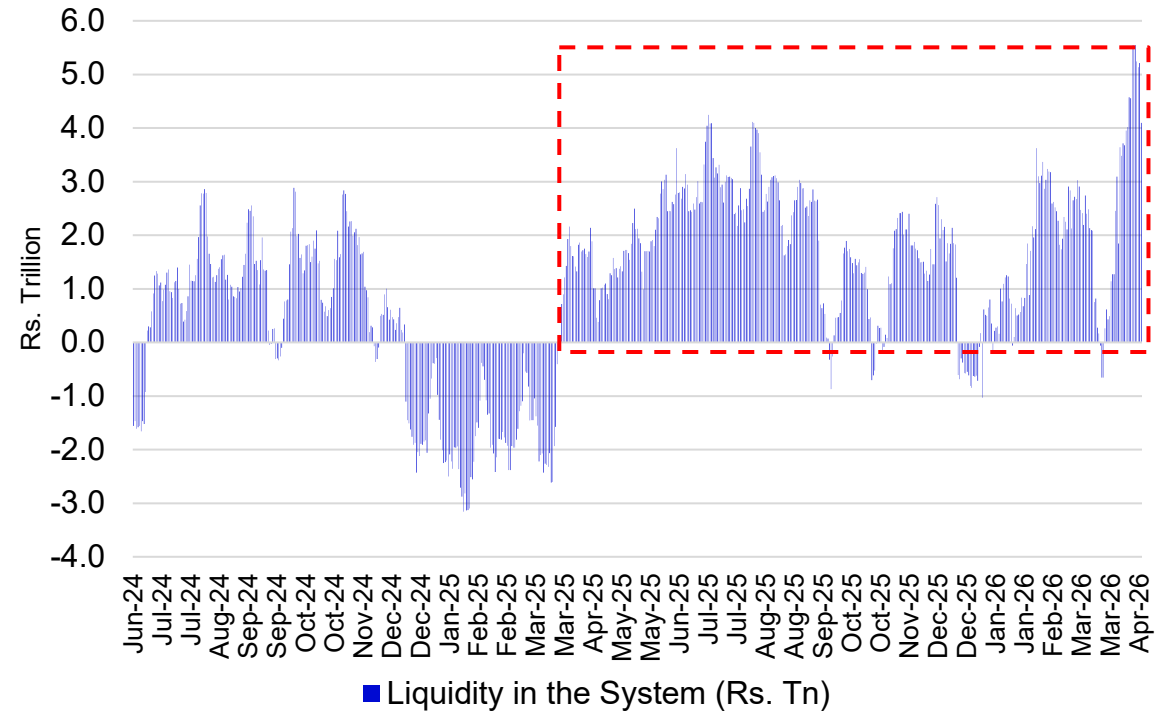
Source: Avendus Spark. NDTL: Net Total Deposits Liabilities. LCR: Liquidity Coverage Ratio. ECL: Expected Credit Loss. OMO: Open Market Operations. VRR: Variable Rate Repo. PSL: Priority Sector Lending. HQLA: High Quality Liquid Assets. SMF: Small and Medium Enterprises.

Decisive steps taken by RBI to ease liquidity in the system and rejuvenate growth but yet to show up in deposit growth

Open Market Operations



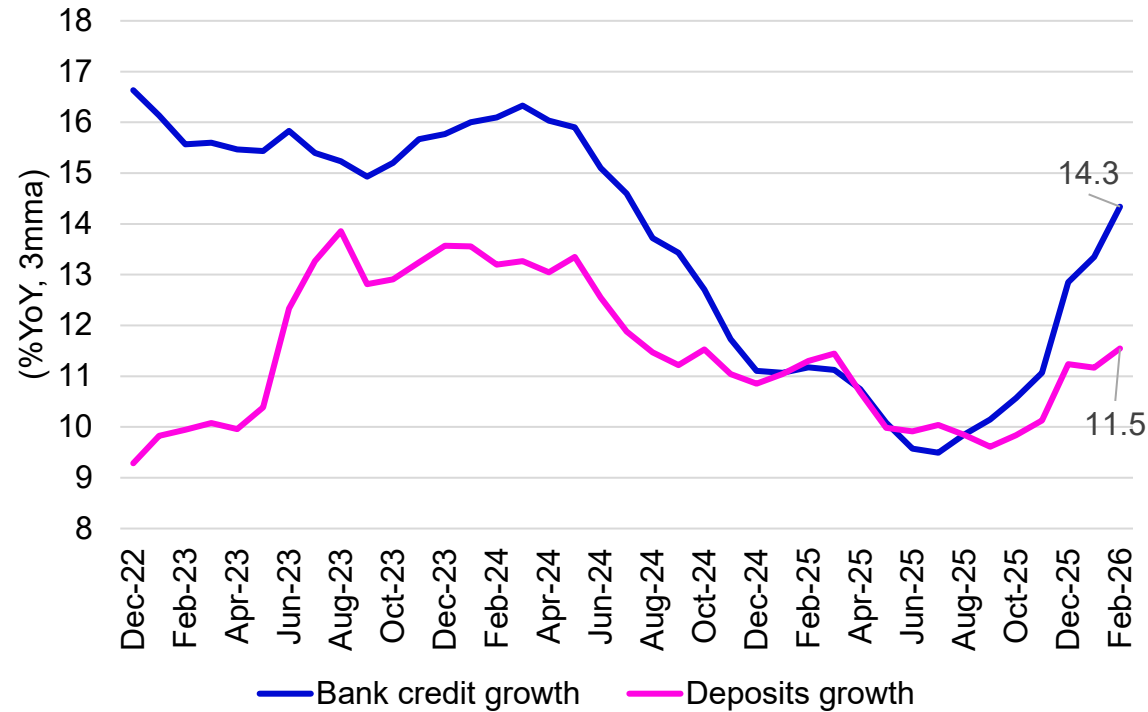
Liquidity in the system



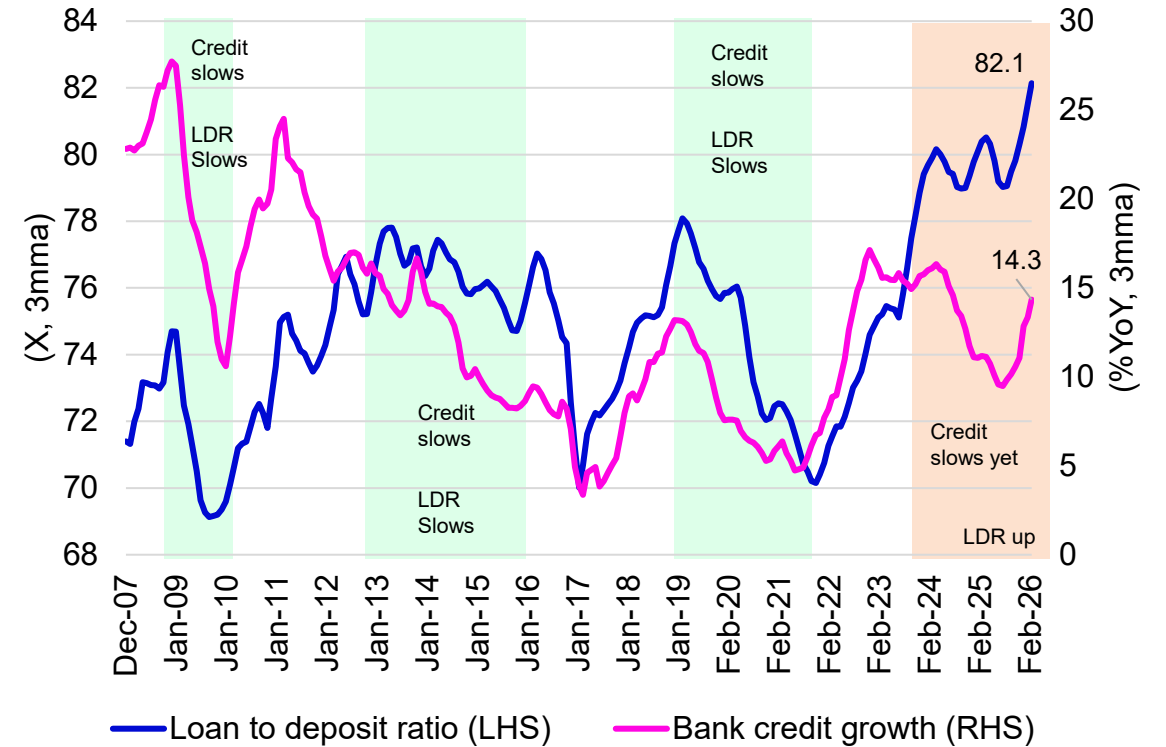
Source: Avendus Spark. The data for liquidity in the system showcases for 16th April 2026.

Demand for credit has begun to improve but deposit growth continues to present constraints

Deposit growth continues to undershoot credit growth



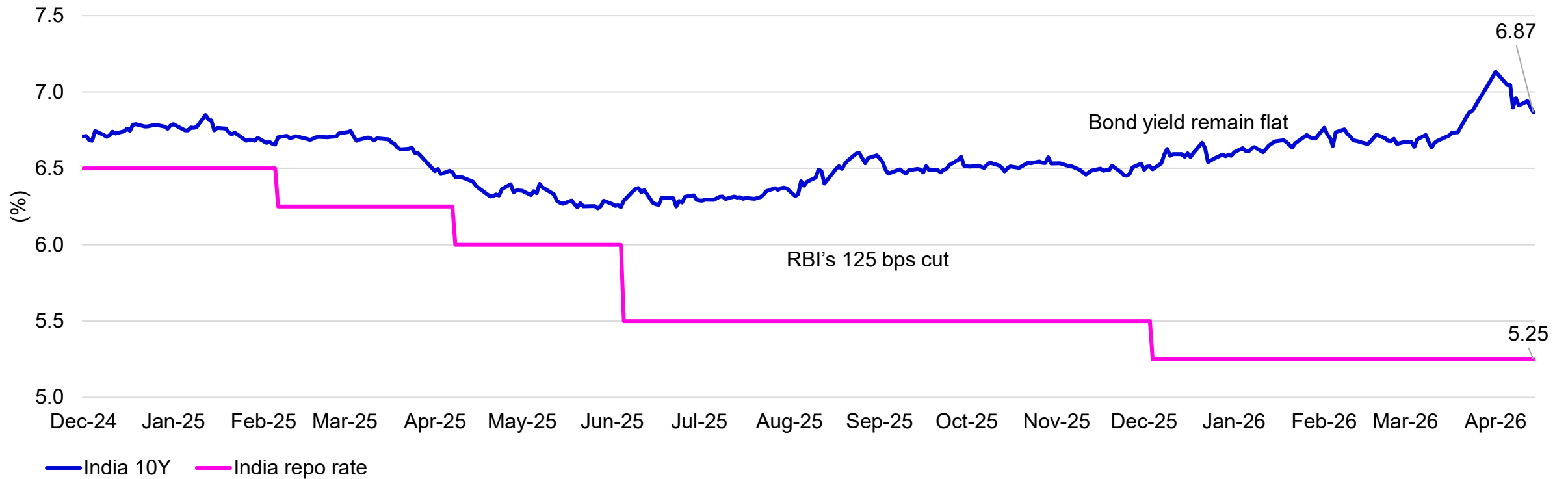
Banks' LDR now very high despite low credit growth



Source: Nuvama Research. 3MMA: 3 months moving average.

Domestic policy drags are receding, but not yet stimulative

Despite 125 bps cut, bond yields remains high

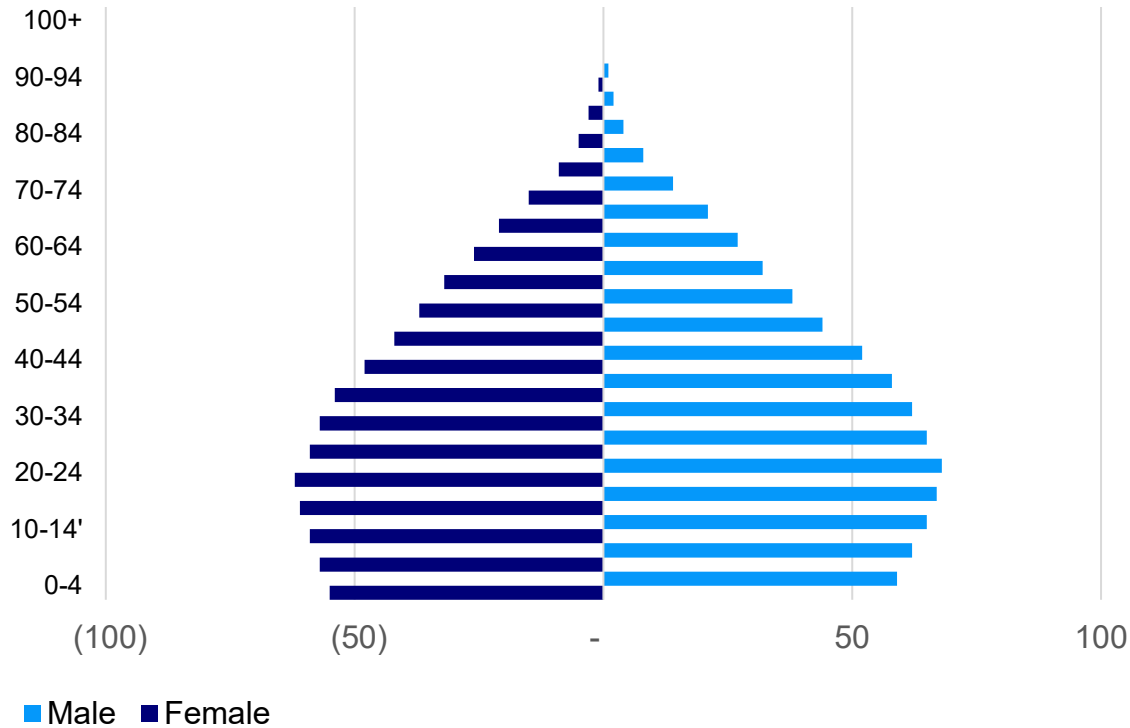


Source: Nuvama Research, Data as on 15 April 2026

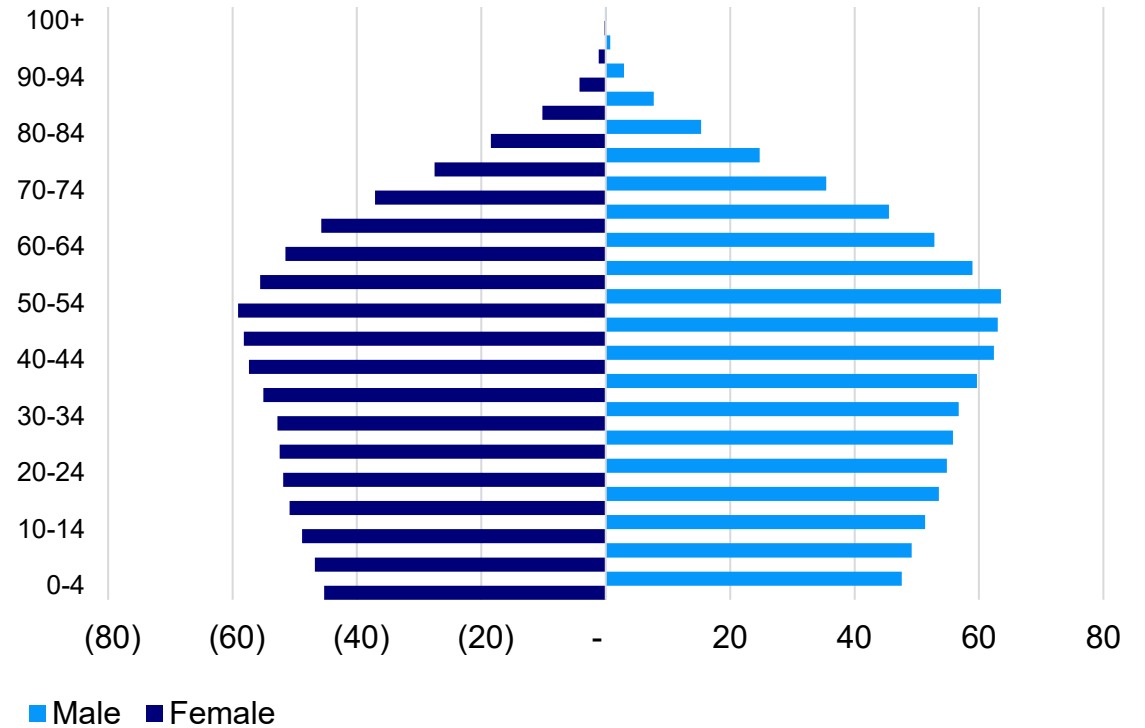
India consumption – long term growth supported by favorable demographics

Steady increase in working age population of India over the next three decades

Population pyramid of India, calendar year-ends, 2024 (in million)



Population pyramid of India, calendar year-ends, 2054 (in million)



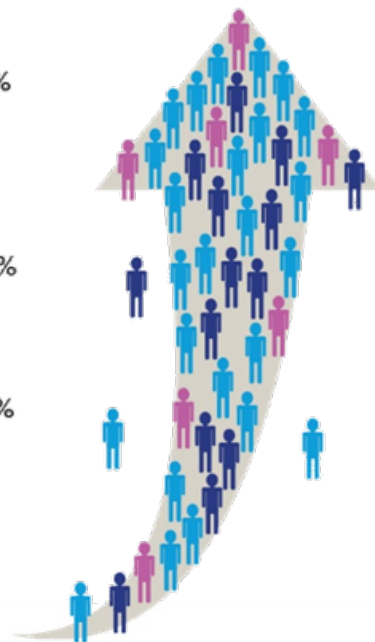
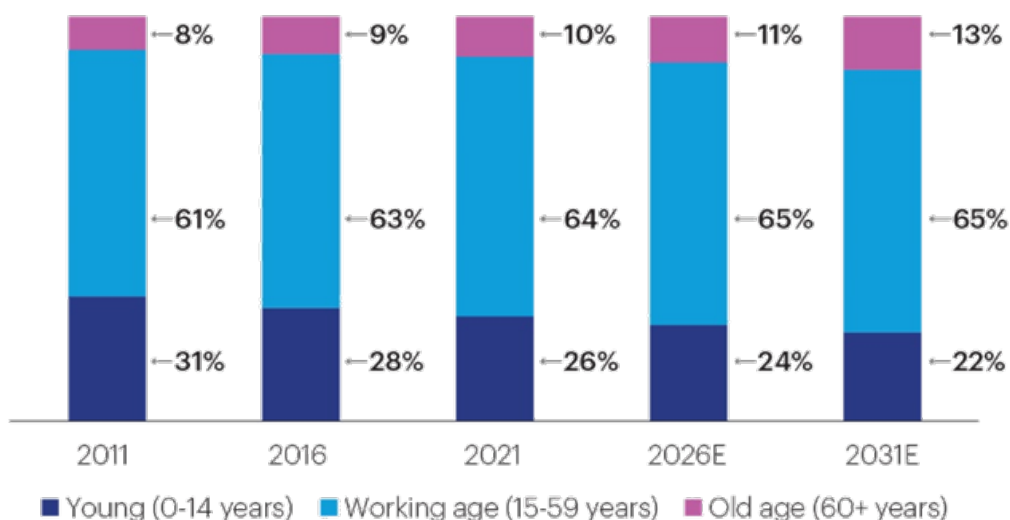
Source: Kotak Securities Limited

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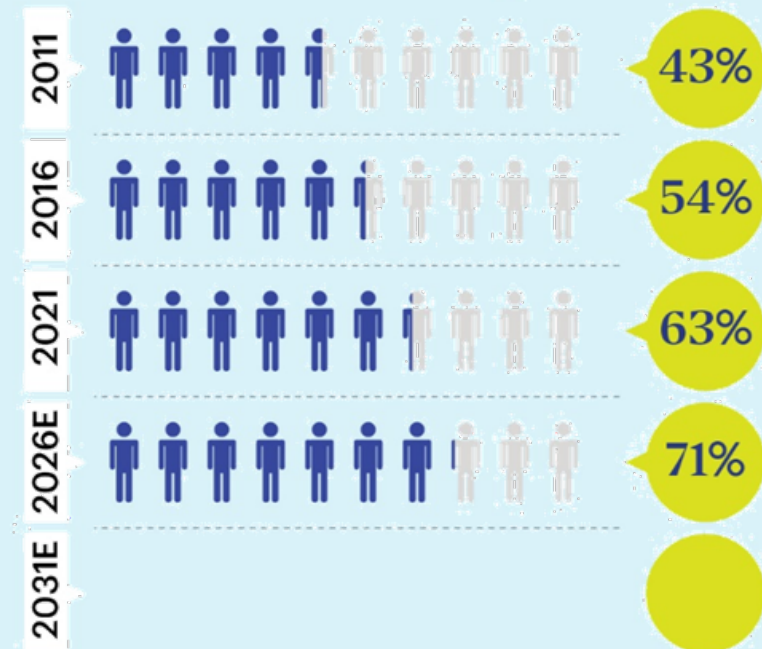
Demographic – workforce getting younger...

Rising young and earning population is a key positive for consumption

India's Population Composition



Within the working age cohort, Millennials and Gen Z are dominating the workforce

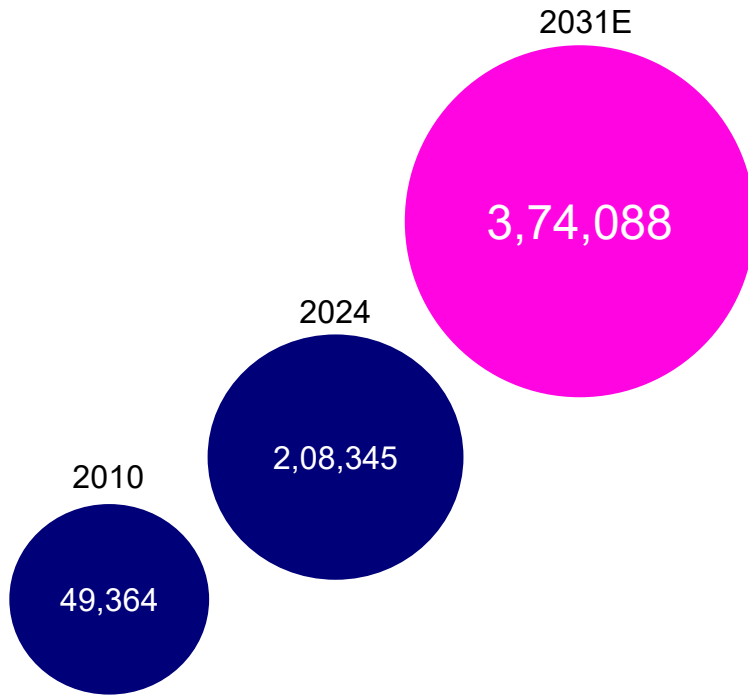


E- Estimates Source: CLSA

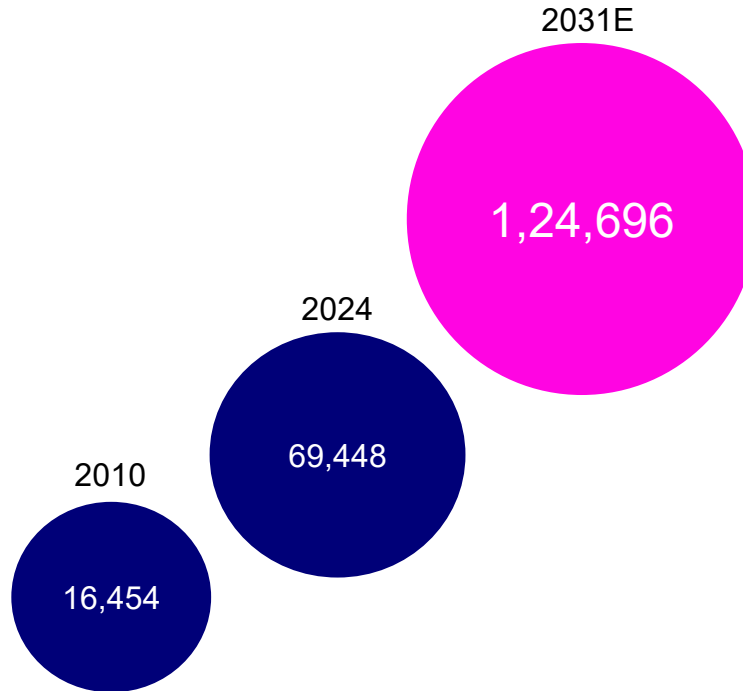
Disclaimer: The above chart is for illustration purposes only and should neither be used for the development or implementation of an investment strategy nor construed as an investment advice to any party. The information provided herein may include statements/data of future expectations that are based on current views and assumptions and involves known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied.

...and richer!

Per capita income (in INR)



Per household income (in INR) (Per month)



Household Income distribution

Income (INR)	2013	2024	2031E
0-8,80,000	86%	64%	47%
8,80,000-30,80,000	13%	33%	46%
30,80,000+	1%	3%	7%

E- Estimates

Source: Morgan Stanley Research, CLSA. Invesco Asset Management (India). **Note:** The per household income (in INR, per month) is calculated based on the assumption of four earning members within a single-family unit.

Disclaimer: The factors mentioned above include some of those that may contribute to driving consumption; these are indicative and do not represent an exhaustive list. The information provided above is for illustration purposes only and should neither be used for the development or implementation of an investment strategy nor construed as an investment advice to any party. The information provided herein may include statements/data of future expectations that are based on current views and assumptions and involves known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied.

Government also, in action along with RBI

GST rationalized after 8 years - A structural reform to boost growth

GST 2.0 changes

- GST slabs rates are rationalized from earlier four main slab rates (i.e. 5%, 12% 18% and 28%) to two slab rates (i.e. 5% and 18%) since September 22, 2025.
- Items currently in the 12% or 18% slab (e.g. Daily Essentials, Medical Instruments, Fertilizer Inputs, etc.) will move to the 5% slab.
- Items currently in the 28% slab (e.g. Small Cars, Compact SUVs, Two Wheelers, TVs, Air-Conditioners, etc.) will move to the 18% slab.
- A sin tax of 40% will apply to Tobacco and Luxury Goods, including high-end Cars and Bikes.

Impact of these changes

- The proposed changes would give fillip to consumption by enhancing purchasing power and stimulating demand.
- The GST 2.0 regime is estimated to provide benefit of Rs. 1.8 lakh crore (i.e. ~0.5% of GDP). A fall of ~7-10% in prices is likely to boost volume in some of the categories such as Consumer Durables, Autos, Insurance, Hospitality, etc.

Source: Axis Research, CRISIL Intelligence

Note: The sectors referred above should not be construed as recommendations, advice to buy, sell or in any manner transact in this sector and neither should it be considered as Research Report from Invesco Asset Management (India) Private Limited and/or Invesco Mutual Fund.

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Government nudge to consumption engine may boost the biggest section of the economy

Rs. 6.75 lakh crore consumption boost on the horizon



Income Tax relief
announced in FY26
Rs. 1 lakh crore
(~0.28% of GDP)

Interest rate cut benefit to
accrue in FY26
Rs. 45,000 crore
(~0.1% of GDP)

GST revision benefits to
accrue over 2 years
Rs. 1.8 lakh crore
(~0.5% of GDP)

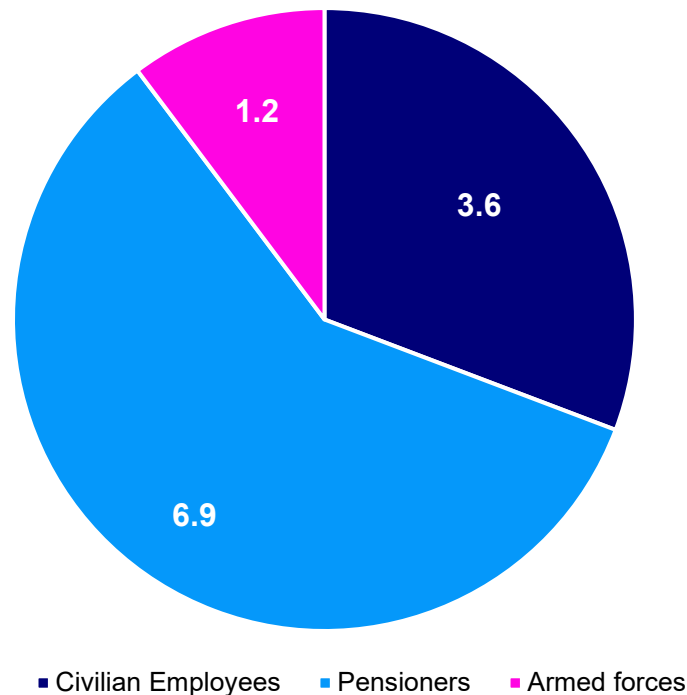
Upcoming 8th Pay Commission
benefit to accrue over 2 years
Rs. 3.5 lakh crore
(~1% of GDP)

Source: Nirmal Bang, Axis Research

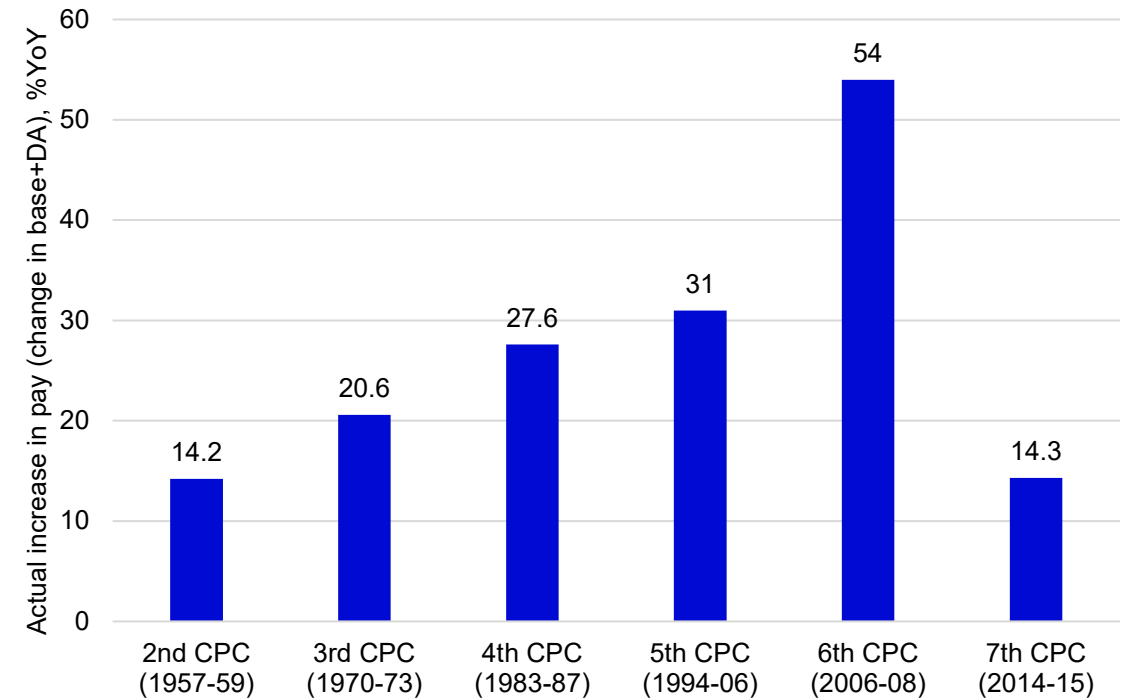
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Upcoming 8th Pay Commission can stimulate consumer demand over the medium term – once implemented

~11.7mn people will directly benefit from the 8th Pay Commission
Central government employees and pensioners (in mn) (FY25)



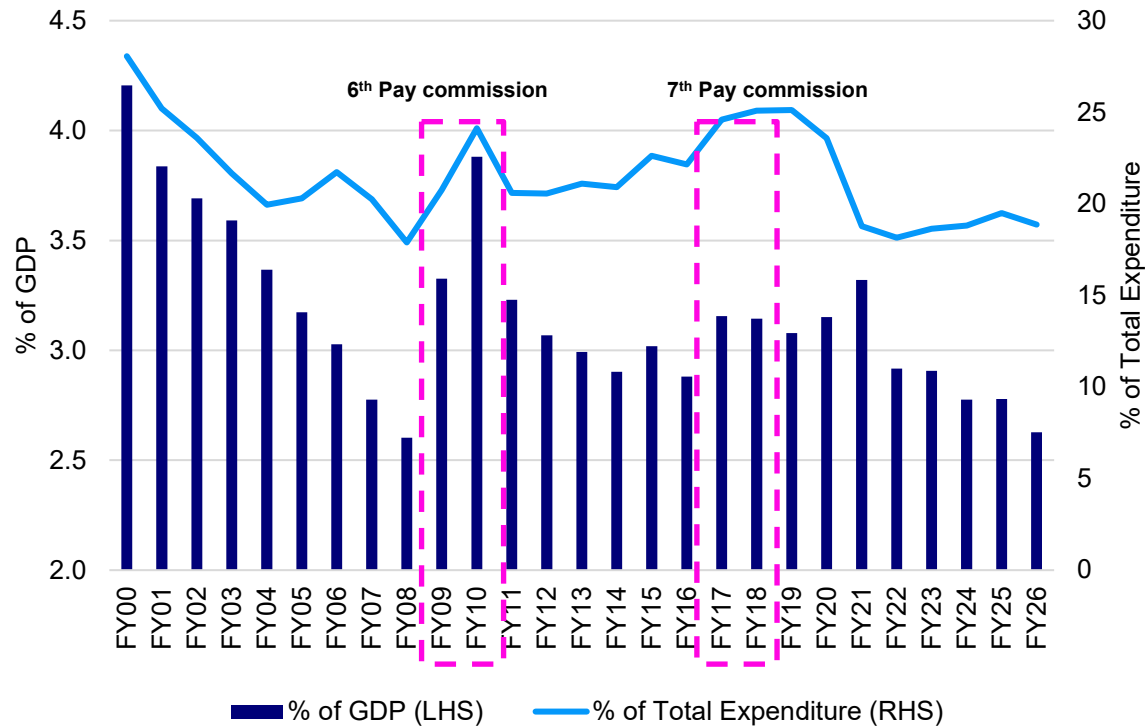
Historically, increases in salaries have been between 14-54% during implementation of pay hikes



Source: Ambit Capital research. Data as at 20 April 2026

Outgo towards 8th pay commission should be manageable at central level despite fiscal constraints; States also will have a role to play

Pension and wages seem to have a 1-year impact on finances



States' Pay Commission recommendations led to additional employee spending by at least Rs1 tn

State	Month/Year of Monetary benefit	Additional spend due to 8 th PC between FY18-20 (Rs bn)	% of GSDP
Karnataka	Apr'18	234	1.4%
Tamil Nadu	Oct'17	183	1.0%
Chhattisgarh	Jul'17	102	3.0%
Rajasthan	Oct'17	87	0.9%
Odisha	Sep'17	76	1.4%
Madhya Pradesh	Jul'17	69	0.7%
Gujarat	Aug'16	62	0.4%
Bihar	Apr'17	45	0.8%
Jharkhand	Apr'17	25	0.8%

Source: Ambit Capital research. Data as on 09th July 2025. GSDP: Gross State Domestic Product

Note: Pensions constitute Rs2.8 trillion, and salaries account for Rs 5.1trillion – if this pay commission translates into a similar increase as the 7th pay commission then it implies an additional outgo of INR 1.1 trillion

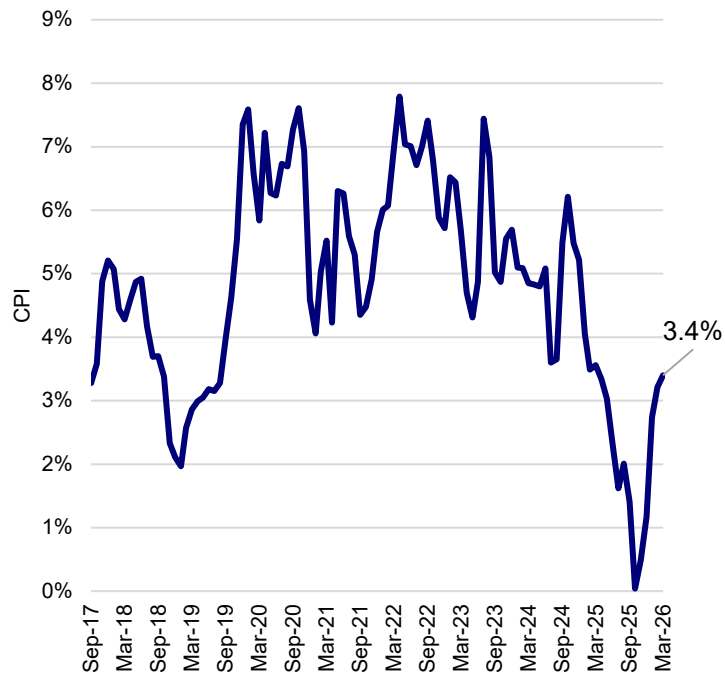
State governments have also opened the purse strings – more money into the hands of economically weaker section

S.No	State	Scheme Name	(INR Bn)				
			FY23	FY24	FY25BE	FY25RE	FY26BE
1	Madhya Pradesh	Ladli Behna Yojana	-	147.3	189	194.09	186.6
2	Maharashtra	Majhi Ladki Bahin Yojana	-	-	460	332	360
3	Karnataka	Gruha Lakshmi Yojana	-	169.6	286	235	0
4	West Bengal	Lakshmi Bhandar Scheme	119	136	144	231.9	267
5	Jharkhand	Mukhyamantri Maiya Samman Yojana	-	-	-	-	133
6	Odisha	Subhadra Yojana	-	-	100	111.9	101
7	Haryana	Lado Lakshmi Yojana	-	-	-	-	50
8	Telangana	Mahalakshmi Scheme Telangana	-	-	30.8	30.8	30.8
9	Tamil Nadu	Kalaignar Magalir Urimai Thittam (KMUT)	-	70	137	-	138
10	Chhattisgarh	Mahtari Vandan Yojana	-	-	30	30	55
11	Assam	Orunodoi Scheme	24.3	32	38	38	50
12	Himachal Pradesh	Indira Gandhi Pyari Behna Sukh Samman Nidhi Yojana	-	8	23	-	23
13	Delhi	Mahila Samridhi Yojana	-	-	20	-	51
Total			143.3	562.9	1457.8	1203.69	1445.4
As % GSDP			0.09	0.30	0.71	0.58	0.62

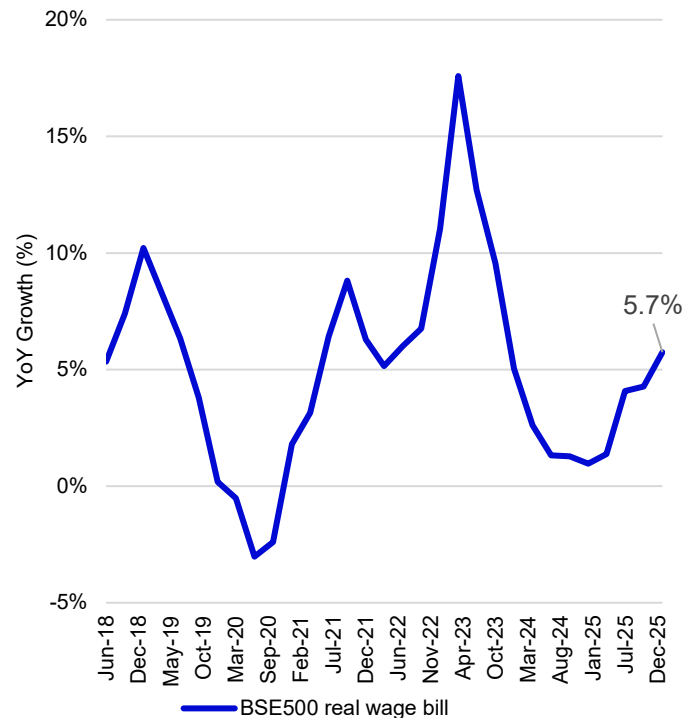
Source: Elara Securities Research

Inflation expected to rise in 2026-27 due to ME conflict; may impact real wages especially in rural areas

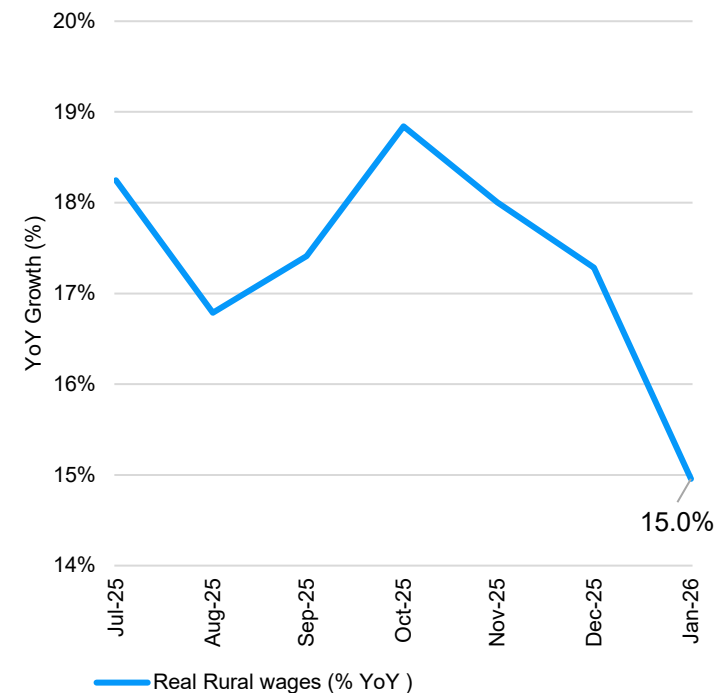
CPI



Real Wage bill



Real Rural Wage Growth



Source: Nuvama Research.

Note: Real wage bills are calculated by adjusting Consumer Price Index (CPI). Kindly note, post June'25 Rural wage methodology has changed.

Weak USD and geopolitics driving a more broad-based rally in commodity prices; can lead to inflation firming up in 2026

Aluminum

(Values are rebased to 100)



Copper

(Values are rebased to 100)



Brent

(Values are rebased to 100)

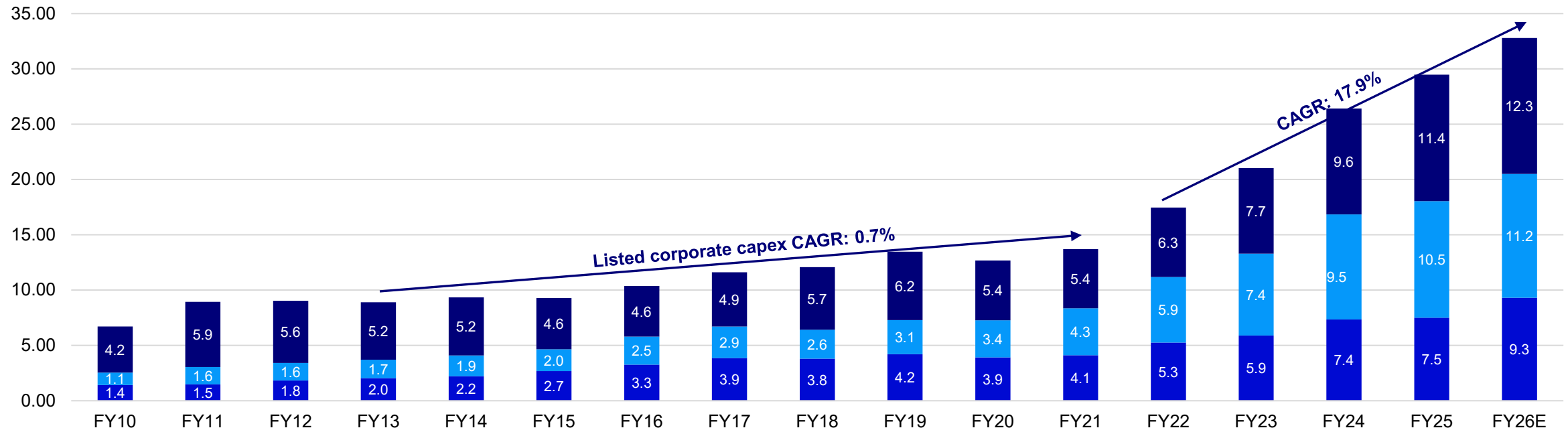


Source: Morgan Stanley

Corporate capex recovering post a “lost-decade” though still below potential. Falling interest rates can provide a further boost

Capex (Rs. Trillion)

■ State capex ■ Centre capex ■ Listed corporates capex

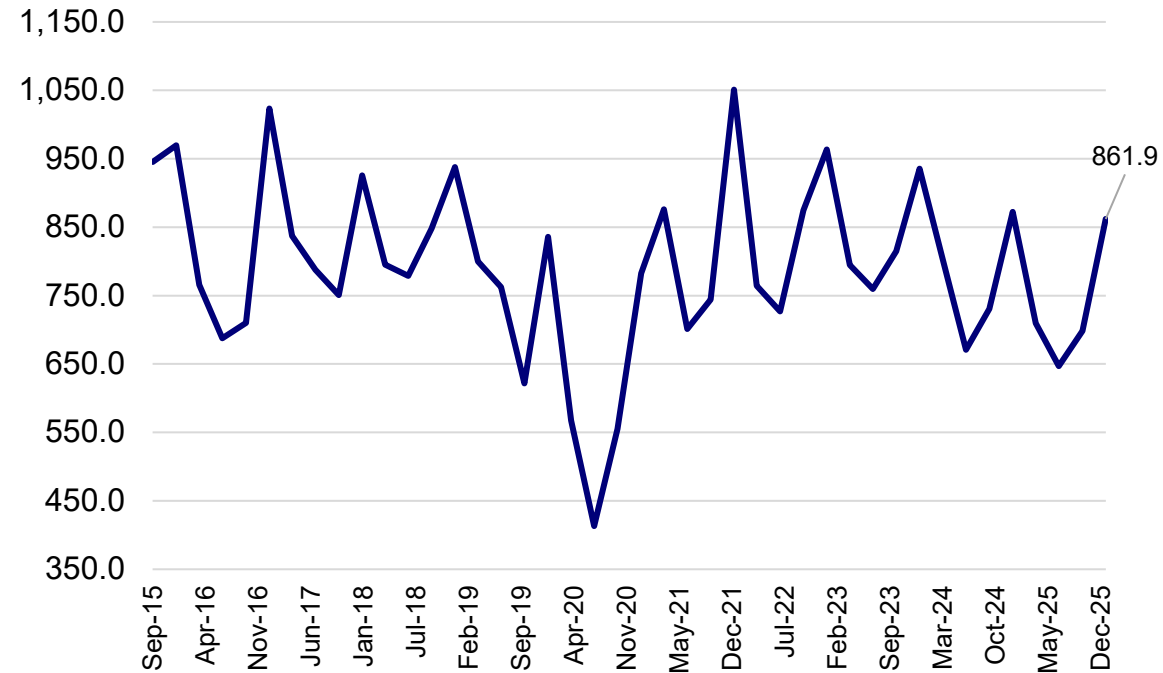


Source: ICICI Securities. E: Estimates. Data as at 15 April 2026

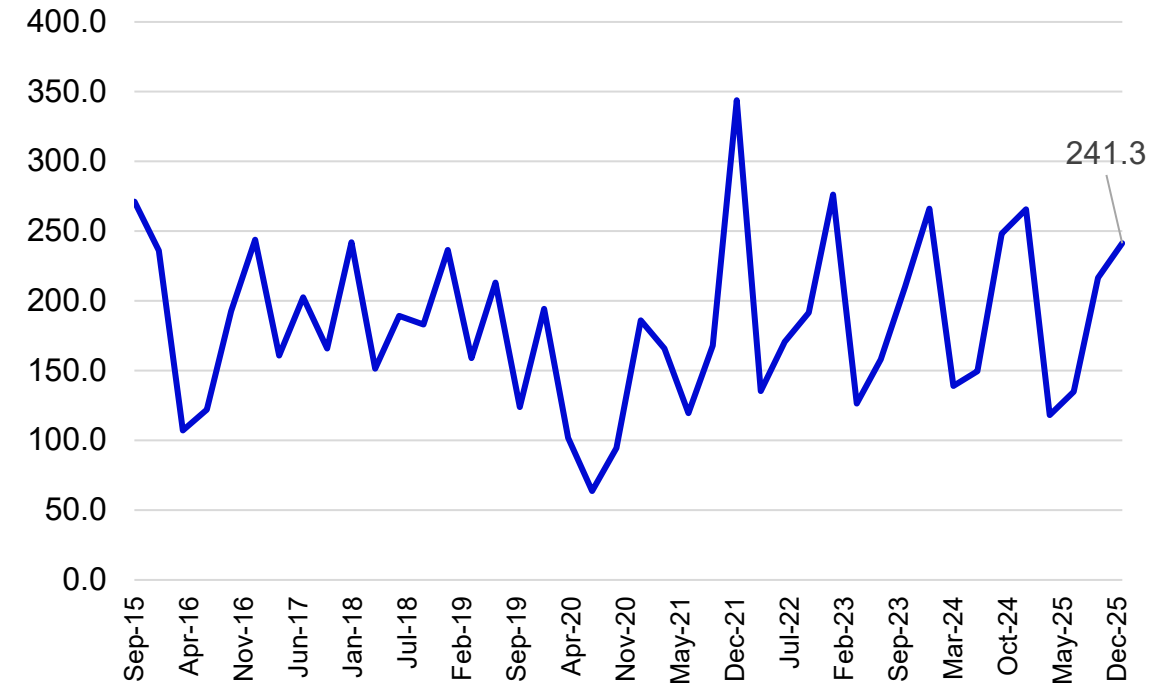
Disclaimer: The information provided herein may include statements/data of future expectations that are based on current views and assumptions and involves known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied.

Overall demand for gold has been stable – Central Banks increasing share of gold within reserves has driven prices higher

World Gold Demand (In tonnes)



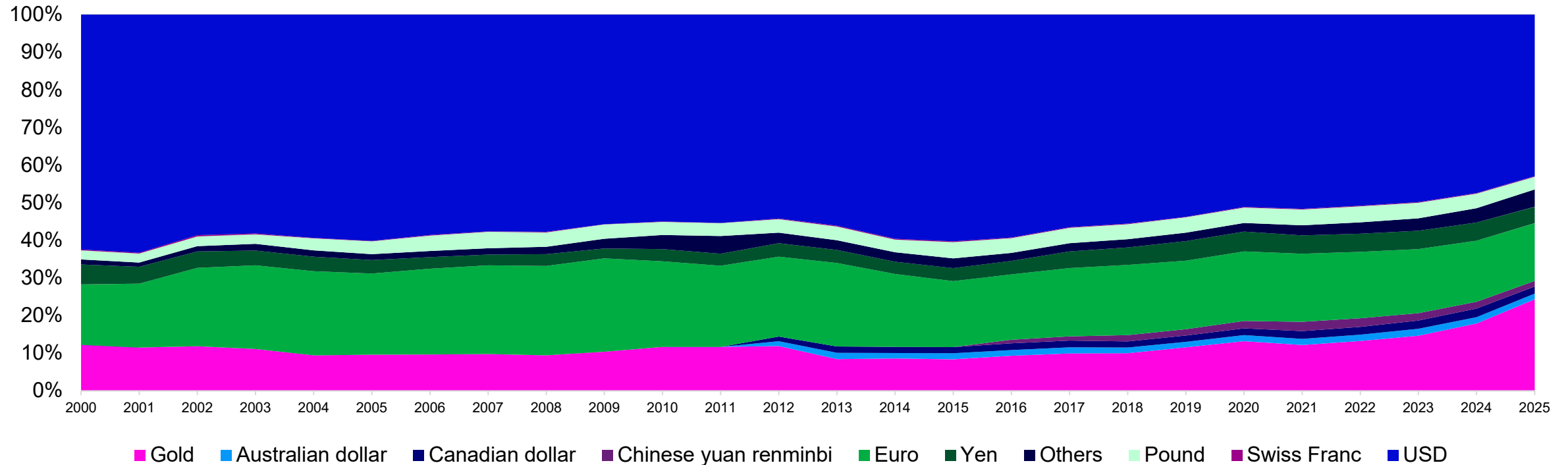
India Gold Demand (In tonnes)



Source: Morgan Stanley

Central Banks demand for USD has pivoted towards Gold but appears to have reached optimal levels

Global international reserves (in %)

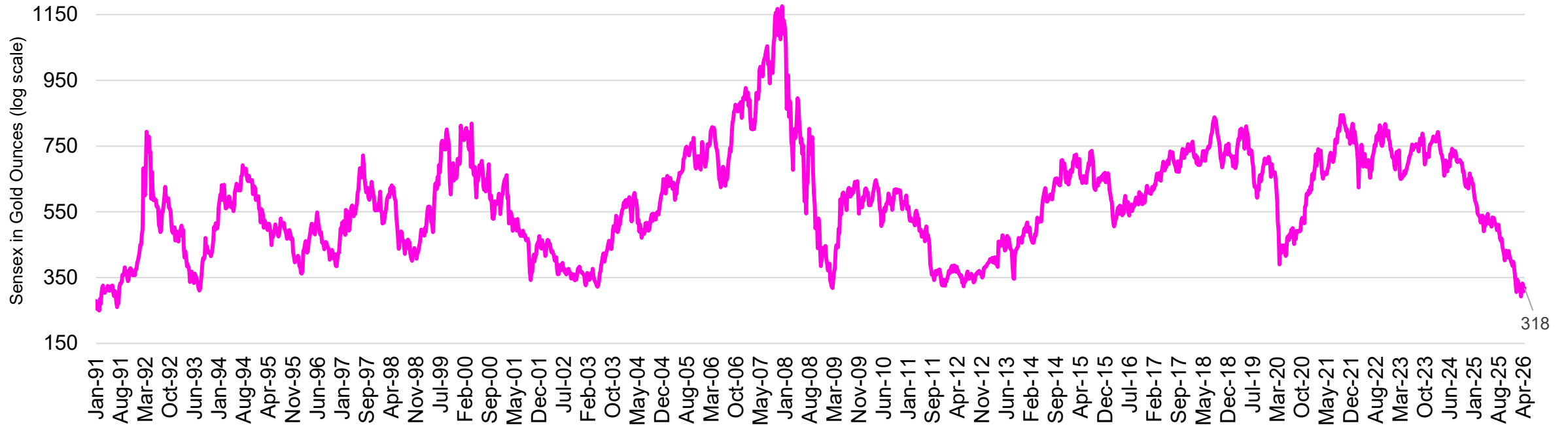


Source: Elara Securities Research

Disclaimer: It should not be construed as recommendations, advice to buy, sell or transact in any manner in these currencies neither should it be considered as Research Report from Invesco Asset Management (India) Private Limited and/or Invesco Mutual Fund. It shouldn't be used for development or implementation of an investment strategy. Invesco Asset Management (India) Private Limited/Invesco Mutual Fund is not guaranteeing or promising or forecasting any return.

Equities have lost considerable ground to Gold in recent years. Can the trend reverse?

Sensex in gold terms, lowest since 2012

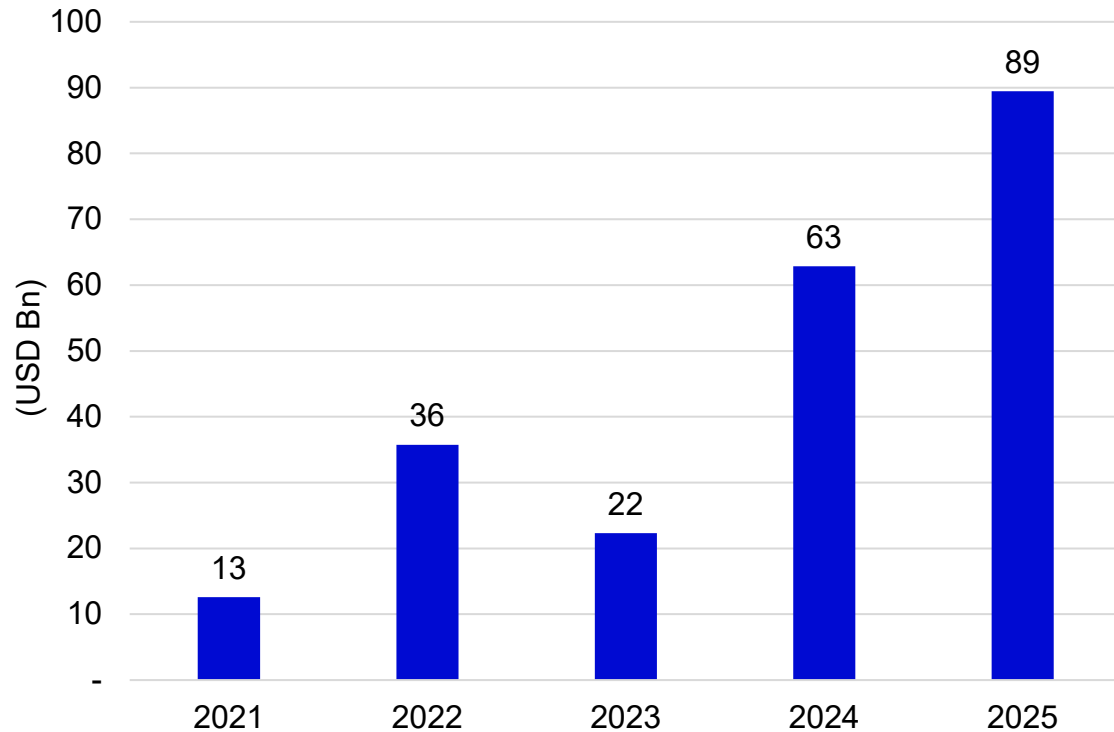


Source: Morgan Stanley.

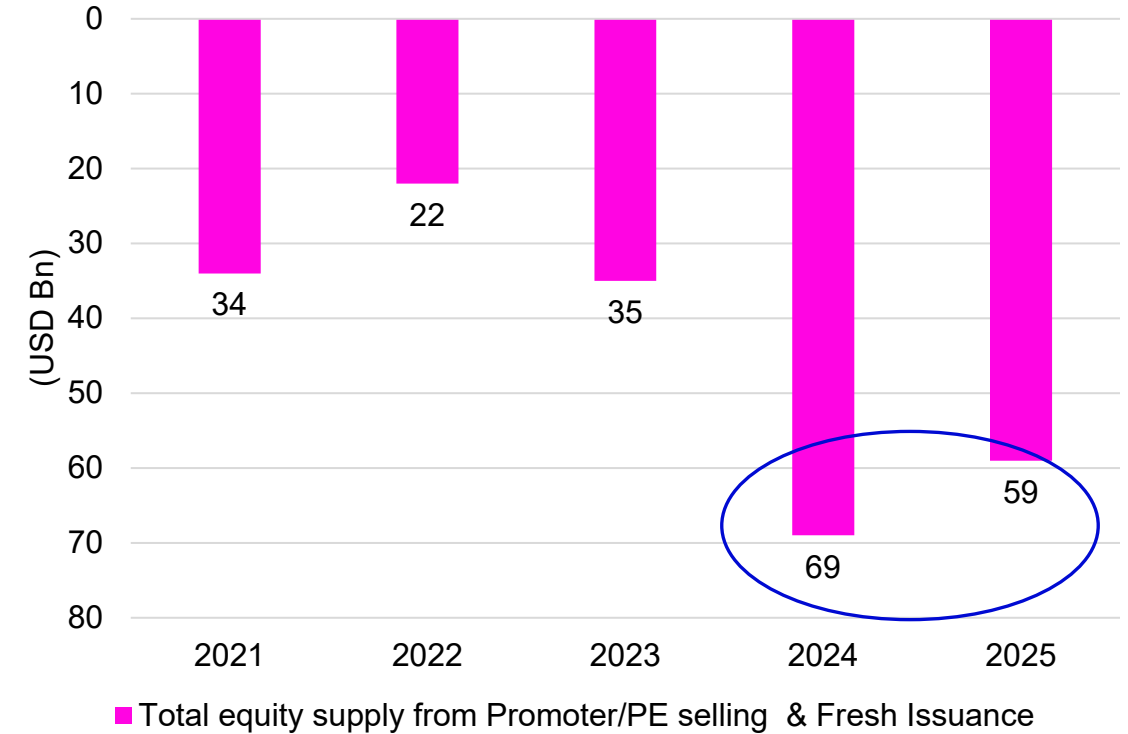
Note: The above calculation is based on Sensex vs Gold Ratio.

Strong DII flows could not buoy markets higher as FII outflows and promoter supply offset

DII flows have remained strong in the past 5 years



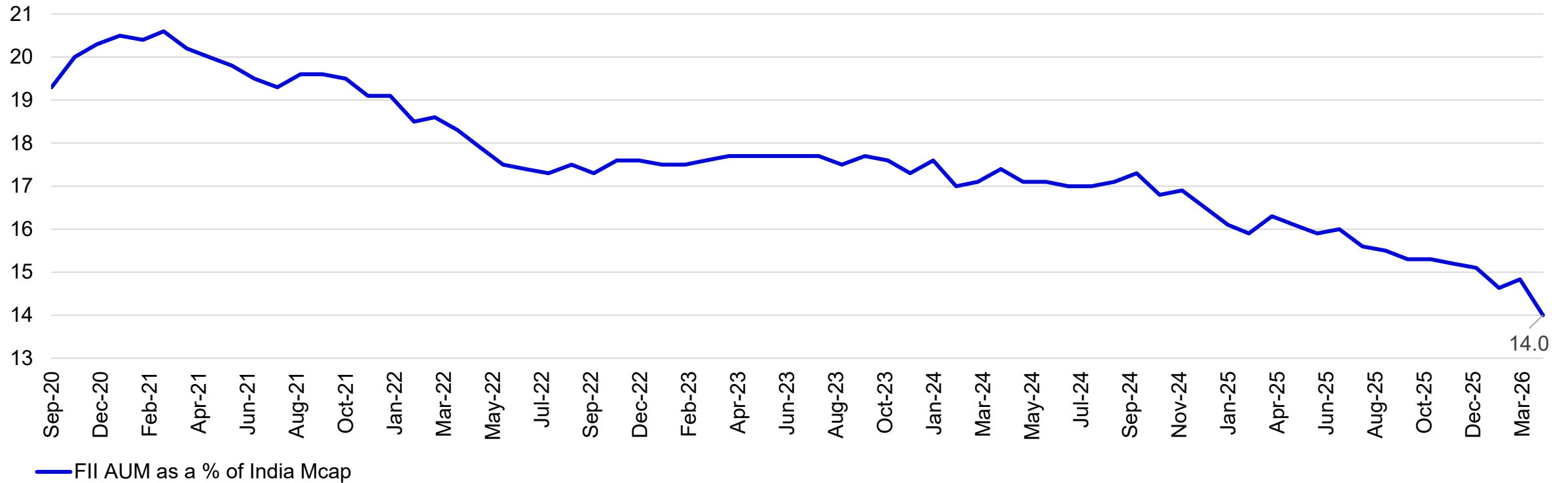
Promoter/Corporate supply also remained high



Source: Nuvama Research

FII ownership in Indian equities at a record low. Earnings, oil, currency and risk-on sentiments can potentially reverse trend

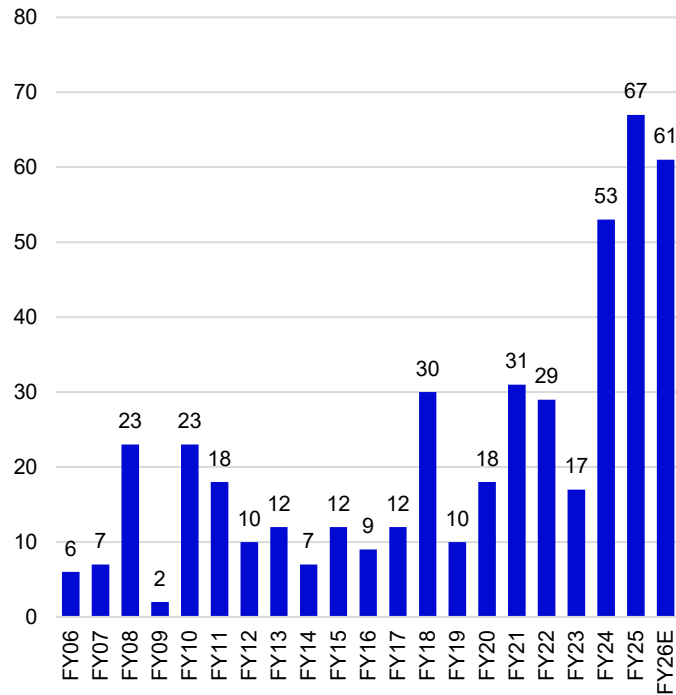
Monthly FII AUM as a percentage of India market cap



Source: CLSA

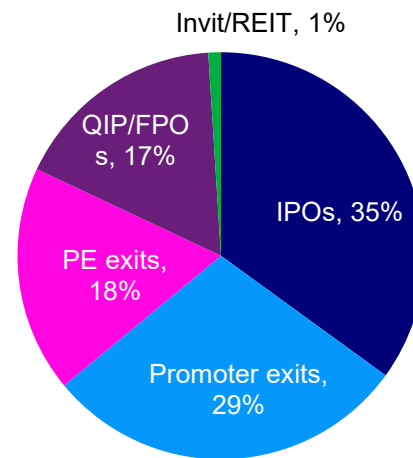
Equity supply to remain elevated - could cap market upside

Total equity supply (USD Billion)

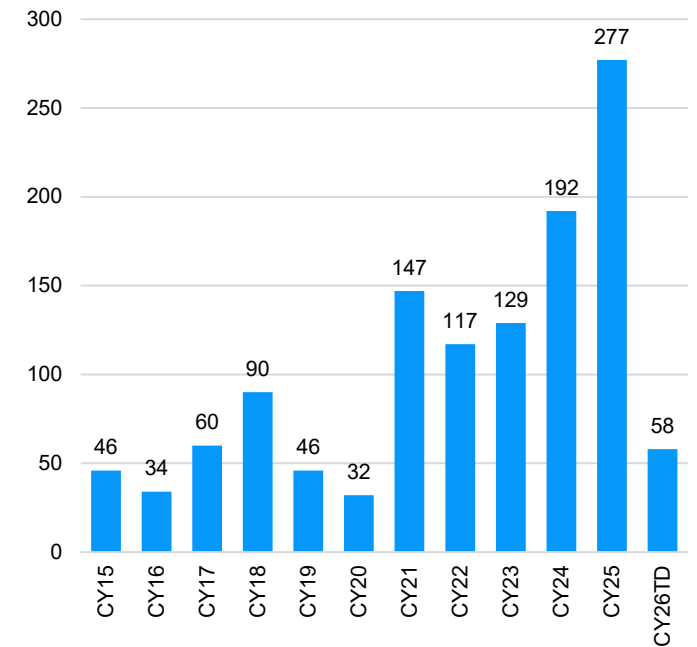


Equity fund raising through various instruments in CY25

Total Equity supply in CY25: US\$ 63bn



No. of DRHP's filed with SEBI annually (Count)

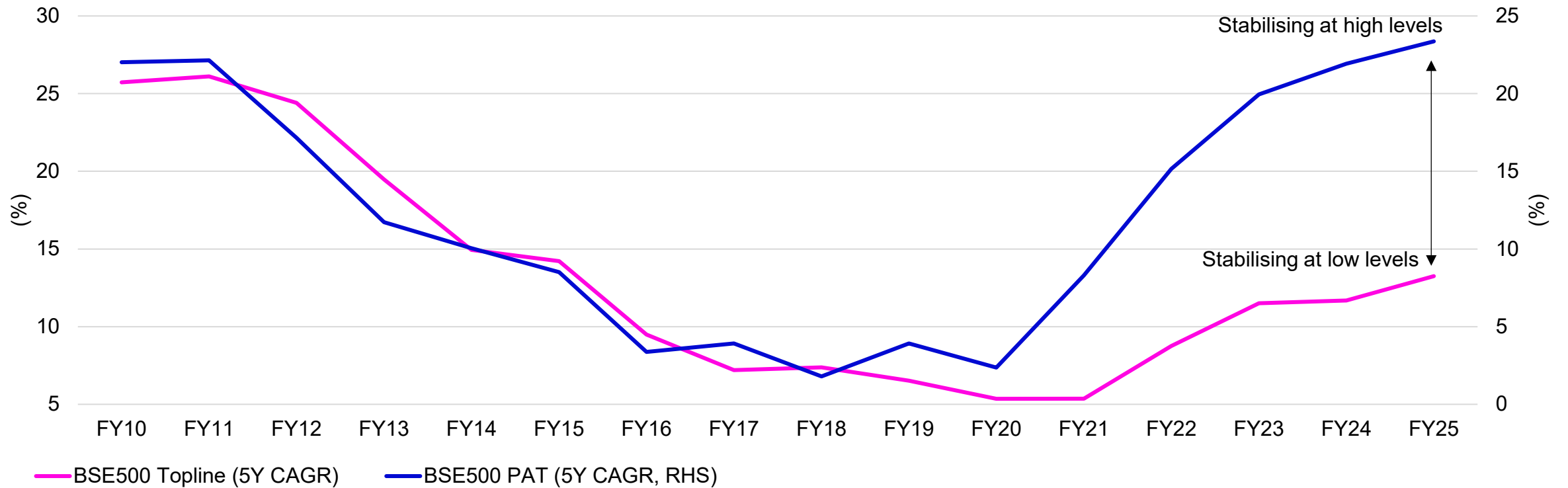


Source: Jeffries. DRHP: Draft Red Herring Prospectus. DRHP filed with SEBI is as at 10 April 2026.

Earnings and Valuations

Post-covid, India Inc has reported a good improvement in profits while top line has been lackluster; this needs to change

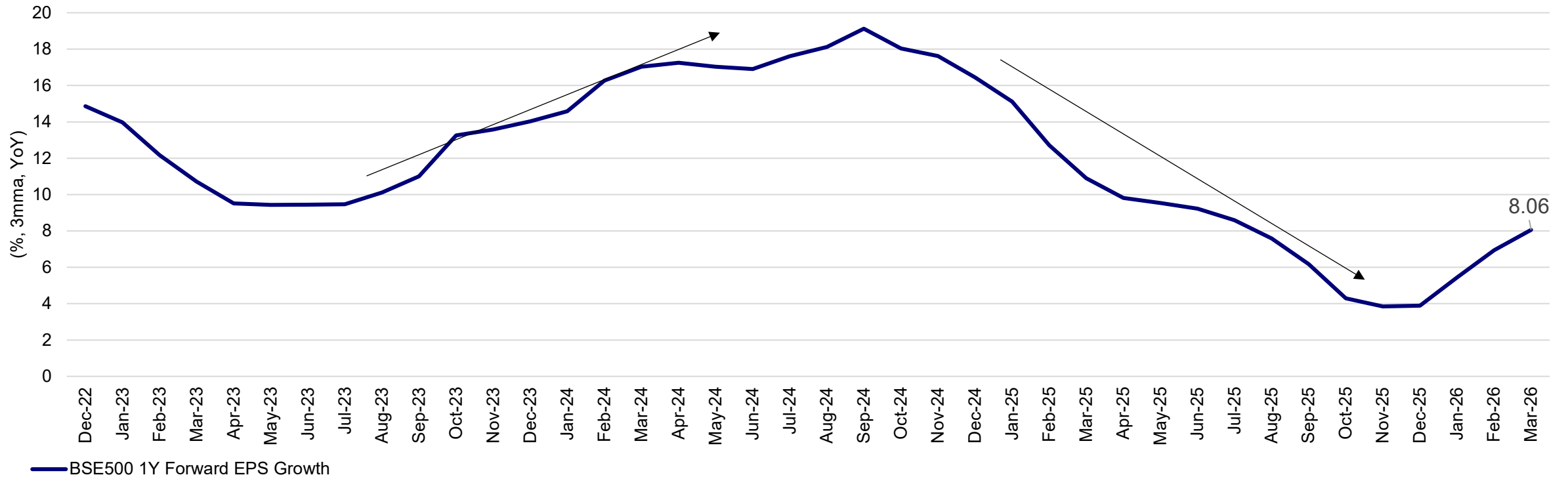
Profit growth diverges from weak top-line growth



Source: Nuvama Research

Earnings downgrade cycle has been steep but is likely bottoming out

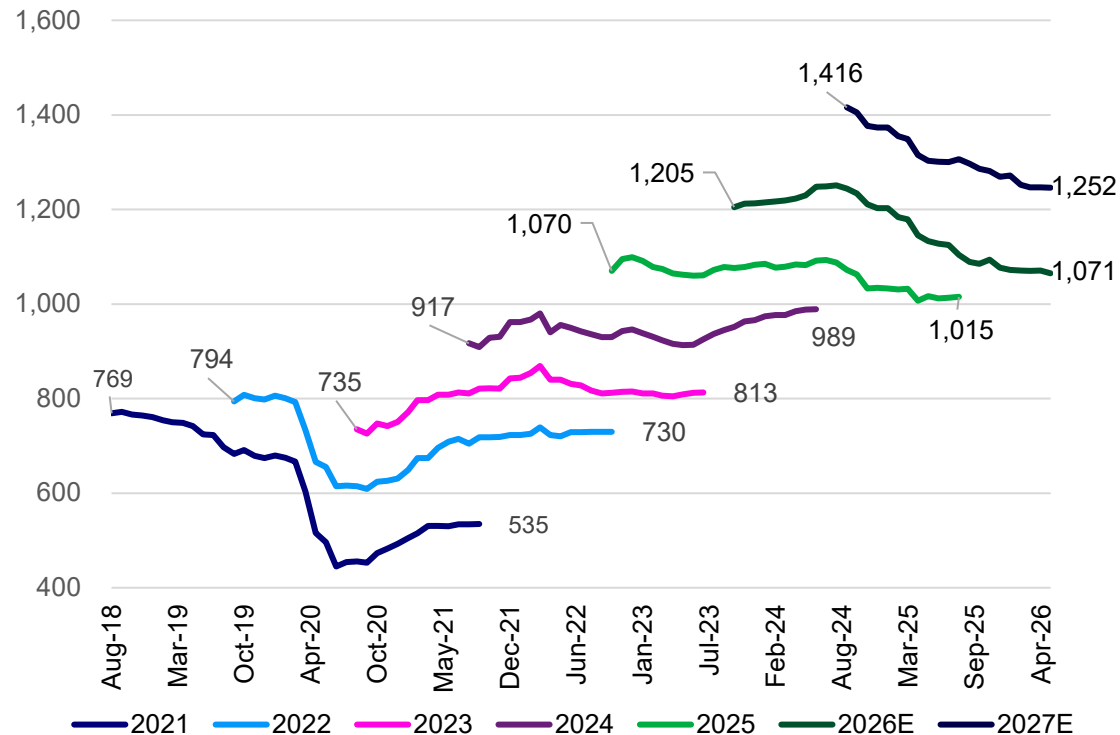
Sharp deceleration in 1Y forward earnings growth



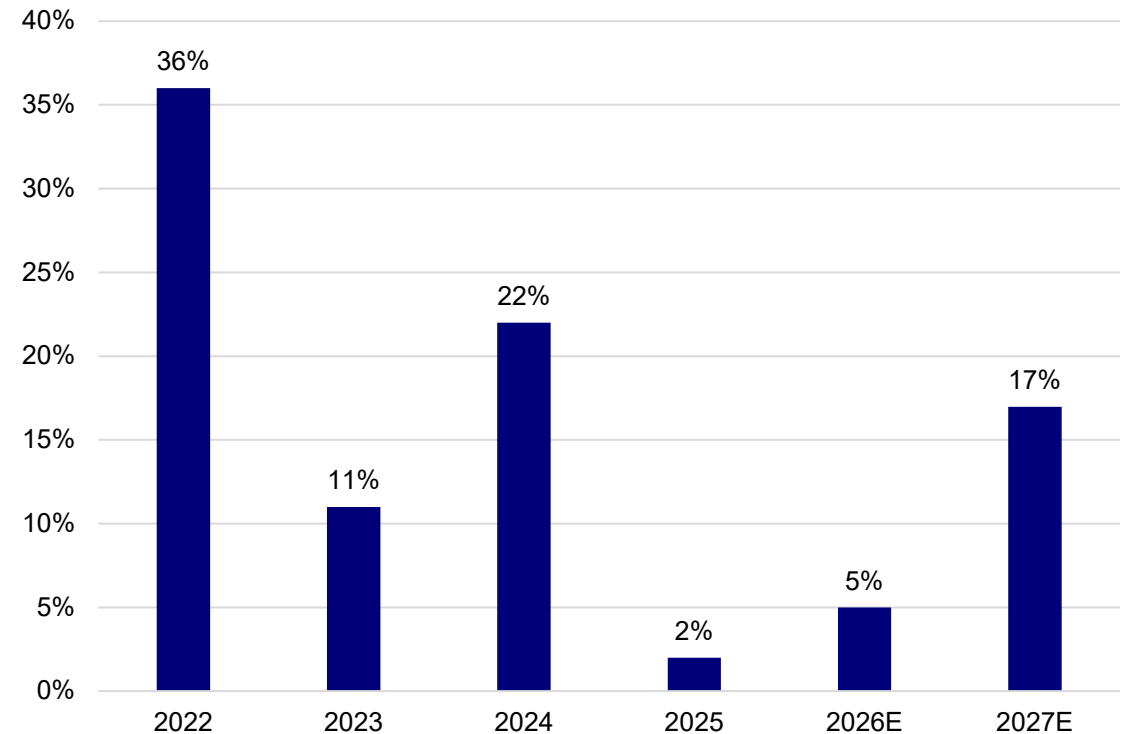
Source: Nuvama Research. 3MMA: 3 months moving average.

EPS growth downgraded – expected to pick up pace in FY27

Nifty-50 EPS estimates



Nifty-50 EPS Growth

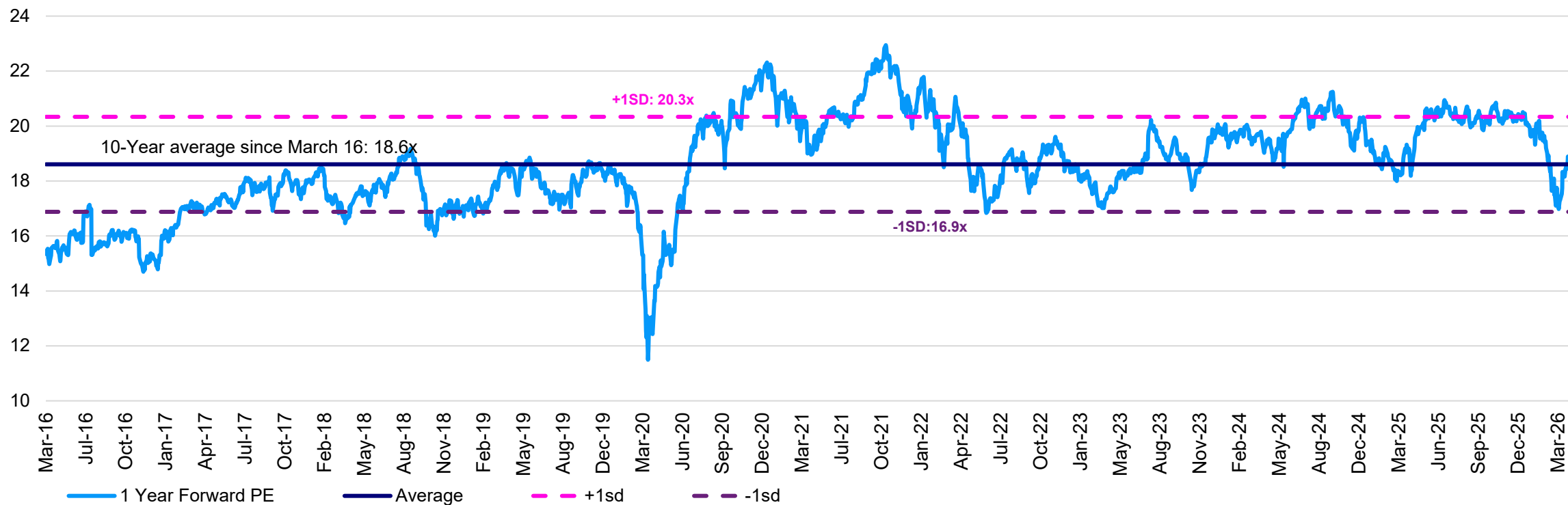


Past performance may or may not be sustained in future. Source: Kotak Institutional Equities. E: Estimates. Data as at 15 April 2026.

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Nifty 50 trades slightly above long-term average

1-Year Forward P/E – Currently trading at +1SD to its long-term average



Past performance may or may not be sustained in future.

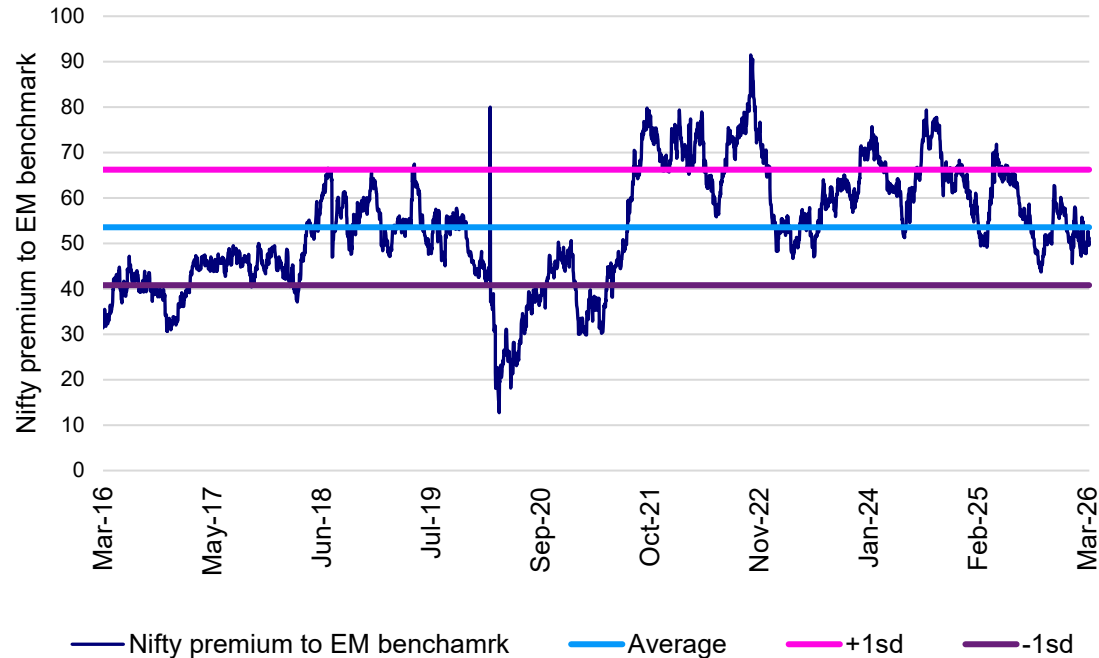
Source: Bloomberg, Invesco Asset Management (India) Research, Bloomberg. PE: Price to Earning- 1 Year forward PE. Data as on 22 April 2026.

Note: +1 Standard deviation is calculated by adding standard deviation of 1 year forward PE to its own average. It denotes that valuation/data is not exceptionally high.

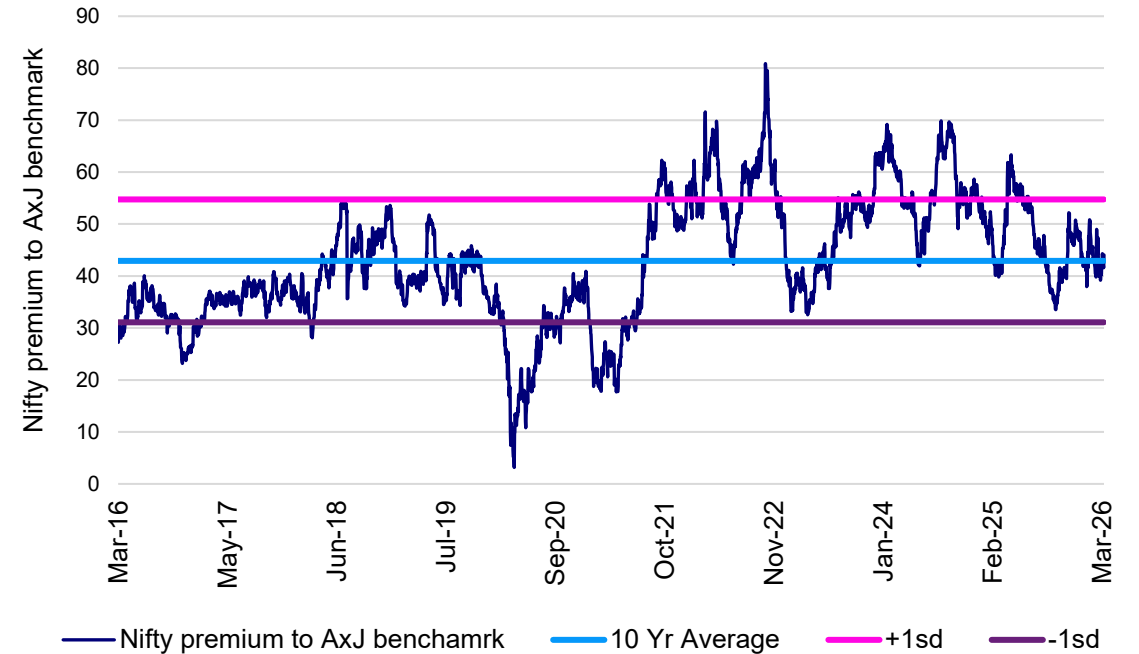
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Nifty 50 premium to emerging markets corrected sharply – now trades below 10-year average

Nifty 50 one-year forward PE premium to EM benchmark trades below 10-year average



Nifty 50 one-year forward PE premium to AxJ benchmark closer to 10-year average

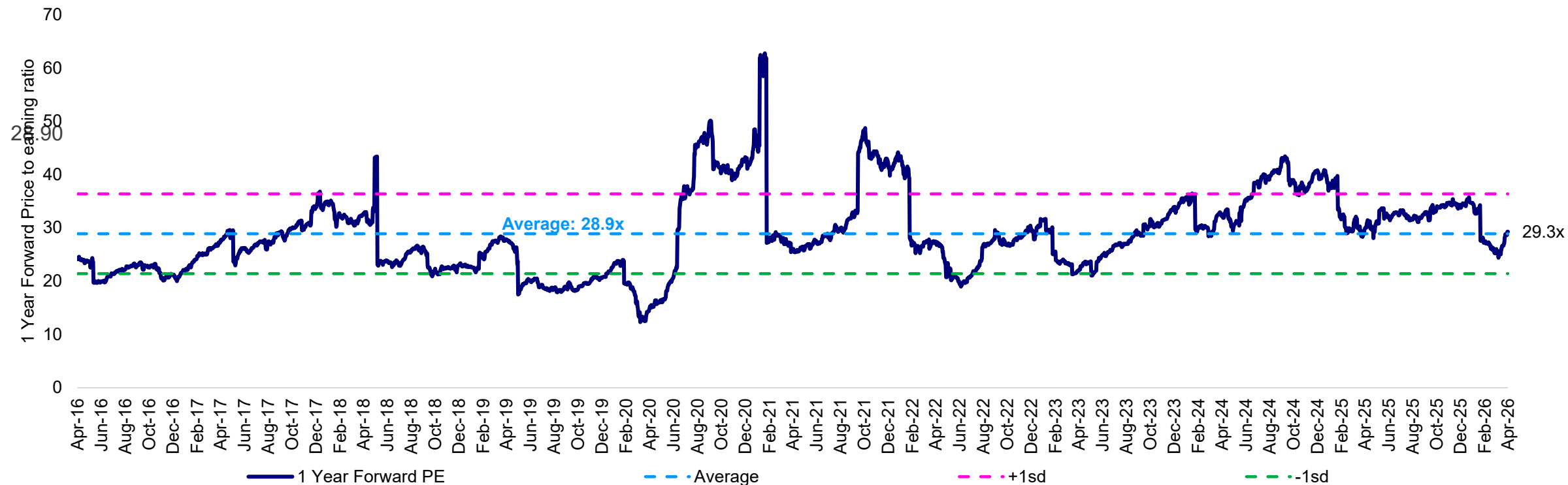


Source: Bloomberg, CLSA. EM: MSCI Emerging Market Index. AxJ: MSCI Asia Index (ex Japan). Data as at 31 March 2026.

Disclaimer: The above chart is for information purposes only and should neither be used for the development or implementation of an investment strategy nor construed as an investment advice to any party

Midcap valuations are now near averages; opportunity opens up

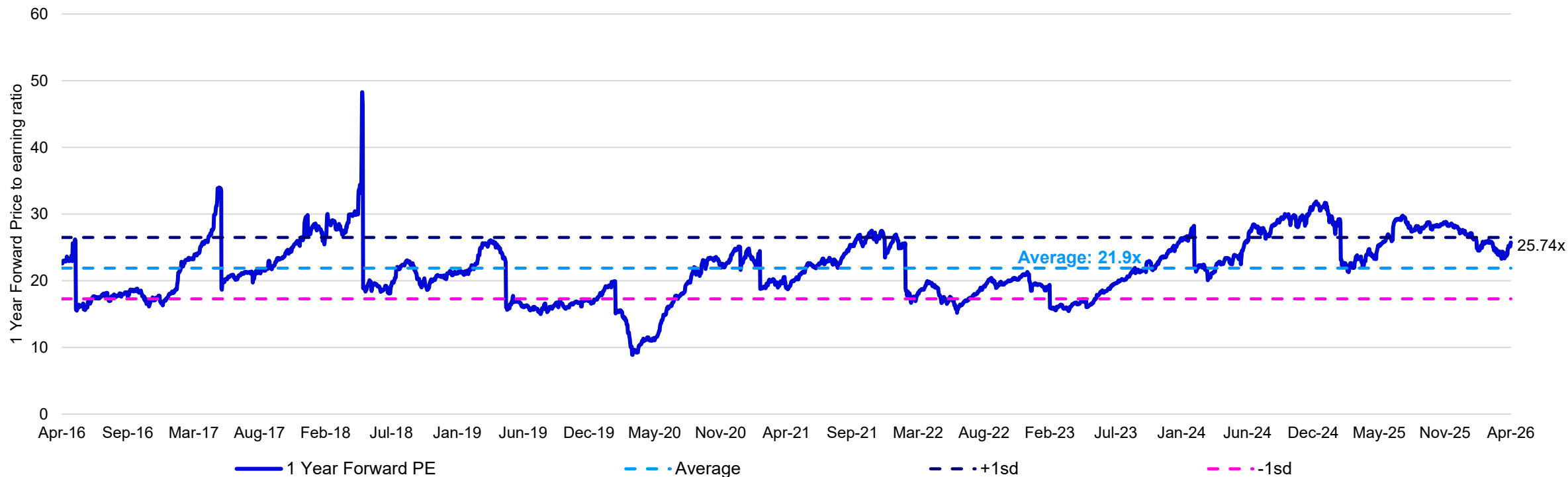
Mid cap valuations (Nifty Midcap 100)- based on 1 year forward PE



Past performance may or may not be sustained in future. Source: Invesco Asset Management (India) Research, Bloomberg, Kotak. Data as on 16 April 2026. The above chart is for illustration purpose only and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party or construed as a promise on minimum returns and safeguard of capital. Invesco Asset Management (India) Pvt. Ltd./Invesco Mutual Fund is not guaranteeing or promising or forecasting any returns. SD: Standard Deviation. **Note:** +1 or -1 Standard deviation is calculated by adding or subtracting standard deviation of 1 year forward PE to its own average. It denotes that valuation is not exceptionally high or low.

Small-cap valuations elevated but receding; overall set-up appears attractive for investment from a 2–3-year horizon

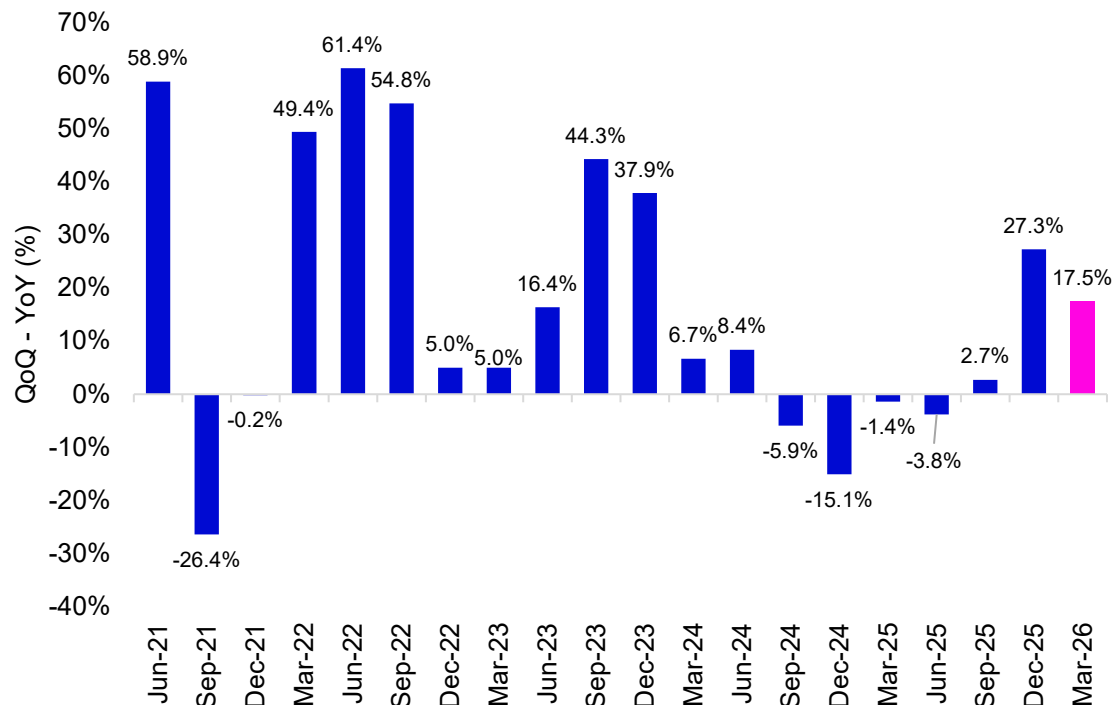
Small cap valuations (BSE 250 Small-cap Index)- based on 1 year forward PE



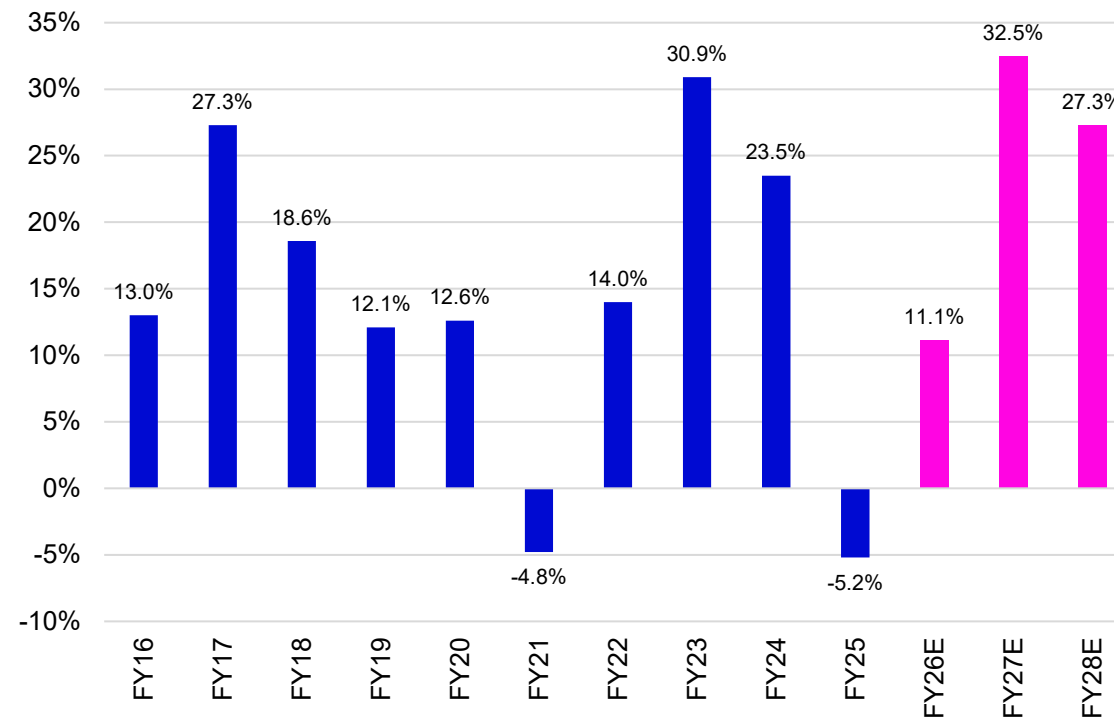
Past performance may or may not be sustained in future. Source: Invesco Asset Management (India) Research, Bloomberg, Kotak. Data as 16 April 2026. The above chart is for illustration purpose only and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party or construed as a promise on minimum returns and safeguard of capital. Invesco Asset Management (India) Pvt. Ltd./Invesco Mutual Fund is not guaranteeing or promising or forecasting any returns. SD: Standard Deviation. **Note:** +1 or -1 Standard deviation is calculated by adding or subtracting standard deviation of 1 year forward PE to its own average. It denotes that valuation is not exceptionally high or low.

Small-cap earnings revival is on the cards

PAT Growth – QoQ - YoY (%)



PAT Growth - YoY (%)



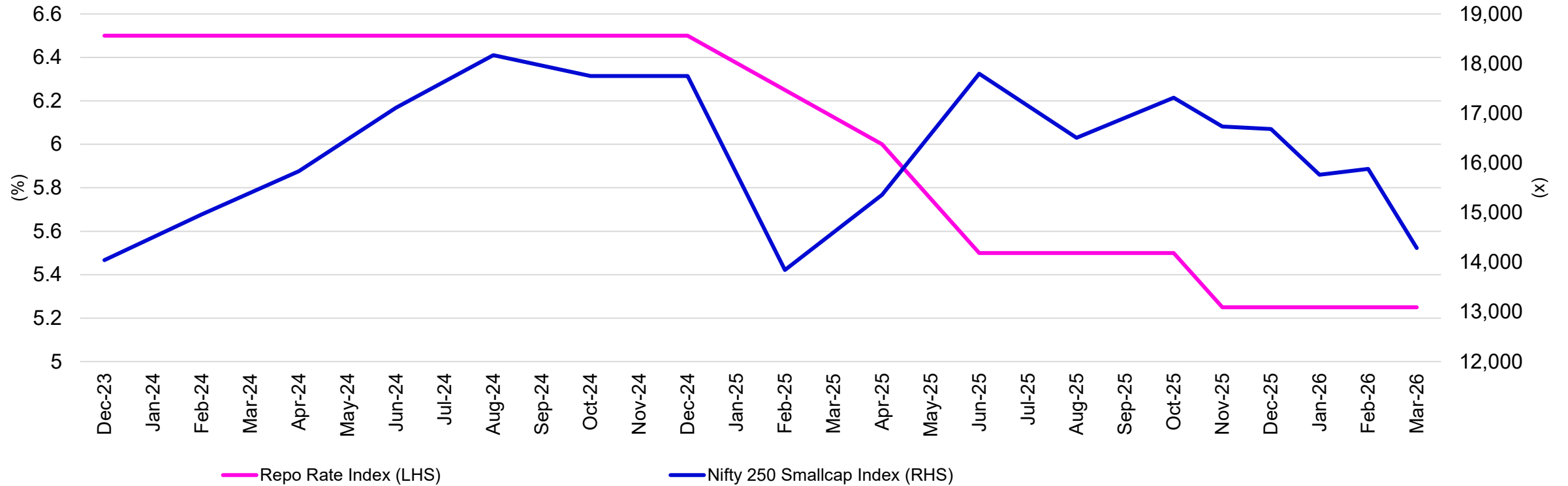
Past performance may or may not be sustained in future. Source: Motilal Oswal. PAT: Profit After Tax. ¹E: Estimates.

Note: The Small Cap universe considered here are of Motilal Oswal and around 170 companies are covered based on SEBI defined criteria. Pursuant to para 2.7 of SEBI Master Circular dated June 27, 2024: Large Cap companies mean 1st - 100th company, Mid Cap companies mean 101st - 250th and Small Cap companies mean : 251st company onwards in terms of full market capitalization based on average of full market capitalization of the stock on all such stock exchange or such other companies specified by SEBI, which is updated every six months as on end of June and December, each year.

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Small-caps have corrected despite policy easing

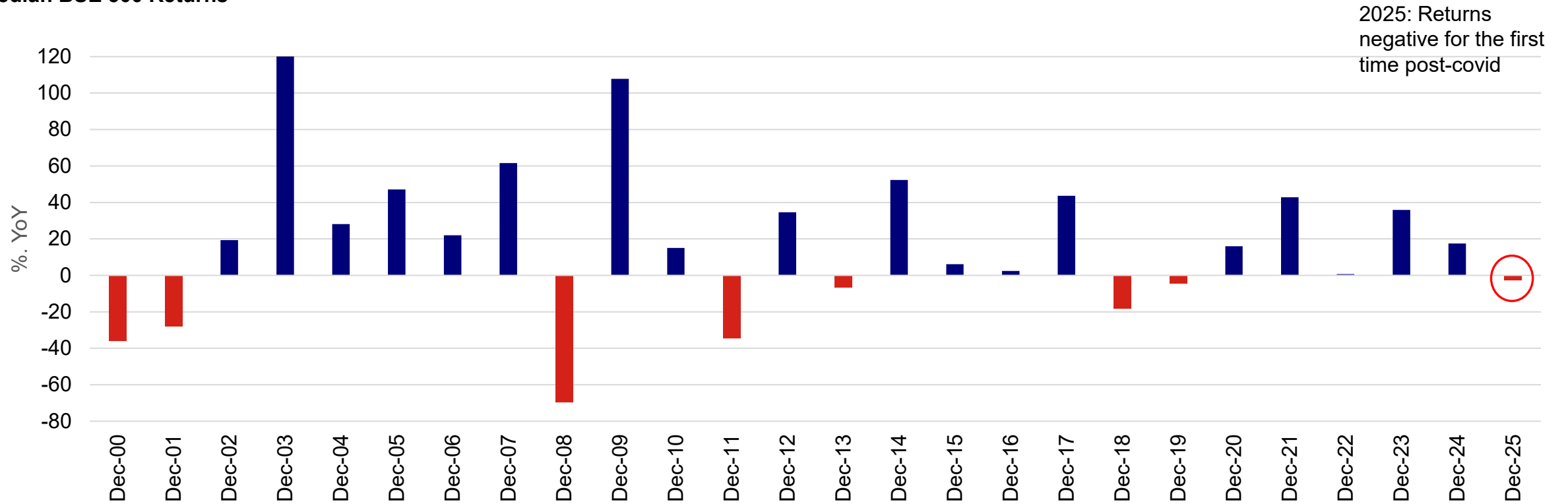
Small caps remain weak despite 125 bps rate easing



Source: Nuvama Research

Median stock returns turns negative for the first time in five years

Median BSE 500 Returns



Source: Nuvama Research

Fixed Income Outlook

Indian Fixed Income Market : Amidst geopolitical flare up and elevated fiscal supply



Domestic Macros

- Growth was strong in Q3FY26 at 7.8%, though moderately lower than Q2FY26 growth of 8.4%. FY26 growth is expected to remain strong at 7.6%. However, nominal growth is weak, partly due to low inflation. Growth is expected to moderate in FY27 due to the impact of West Asia crisis, even as GST rate cuts boost consumption.
- Inflation is expected to inch up on account of West Asia crisis and pass through of higher crude prices to the consumers. Weaker monsoons on account of El Nino conditions are also likely to impact food inflation.



Monetary Policy

- RBI has cut policy rates by 125 bps since Feb'25. with these cuts, the rate cut cycle is largely behind us. RBI is expected to be on a pause while keeping a close watch on West-Asia conflict.
- Inflation is expected to inch up but remain within RBI's inflation band of 4 +/- 2%.
- Liquidity is expected to be benign as RBI focusses on transmission of rate cuts undertaken earlier. However, the liquidity stance is expected to change along with the rate cycle.



Fiscal demand-supply

- Fiscal consolidation continues with FY26 fiscal deficit budgeted at ~ 4.4%, Govt likely to achieve the budgeted targets. Fiscal consolidation is budgeted to continue in FY27, with deficit expected to be around 4.3%
- Govt has articulated the commitment to bring debt / GDP below 50% +/- 1% by FY30.
- FY27 G-Sec gross borrowing calendar has been lowered to ₹16.09 lakh crore from the budgeted ₹17.2 lakh crore. Nonetheless, gross G-Sec supply is elevated and will test the market appetite.
- 1HFY27 G-Sec borrowing calendar has come better than expected



External factors

- Global conditions have flared up post the West Asia crisis. Additionally, global central banks have come to an end of rate cut cycle and fiscal pressure remain elevated.
- India's current account deficit is likely to widen on account of higher crude prices. Foreign exchange reserves remain comfortable, providing meaningful cover to absorb global volatilities.
- Capital account is witnessing pressure on account of FDI repatriation and portfolio outflows.
- Higher crude prices and weak capital account could lead to a BOP deficit in FY27. If so, this will be the third consecutive year of a BOP deficit.
- Currency under pressure has added to the negative Market sentiments.

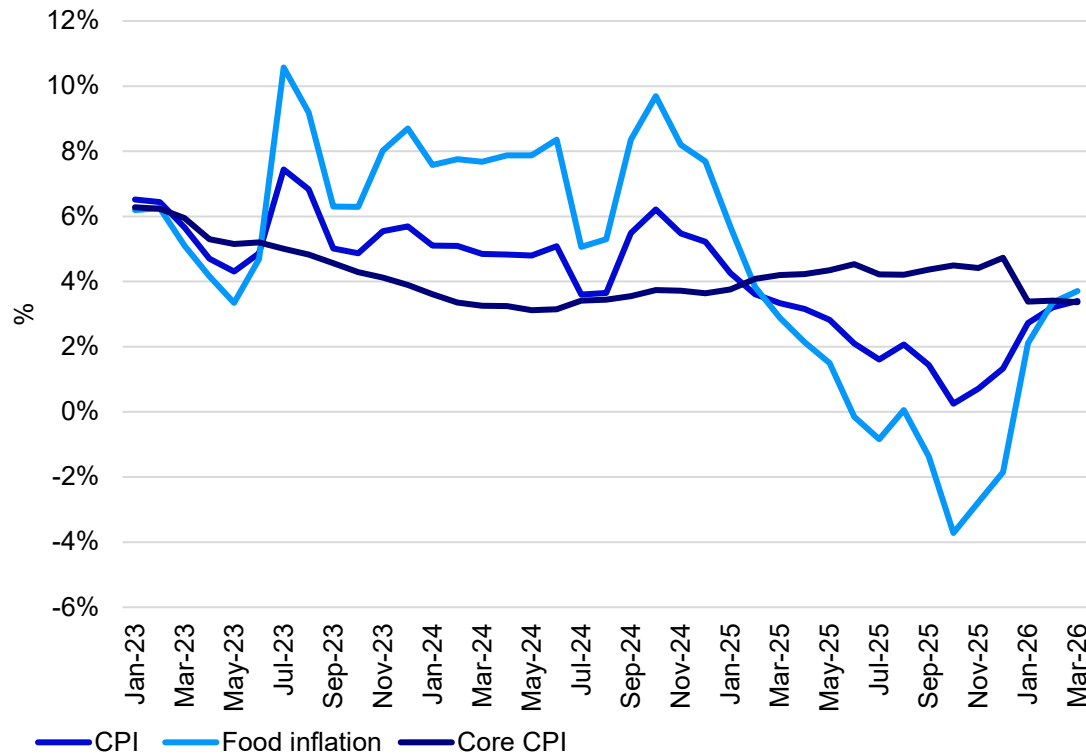


Risk factors

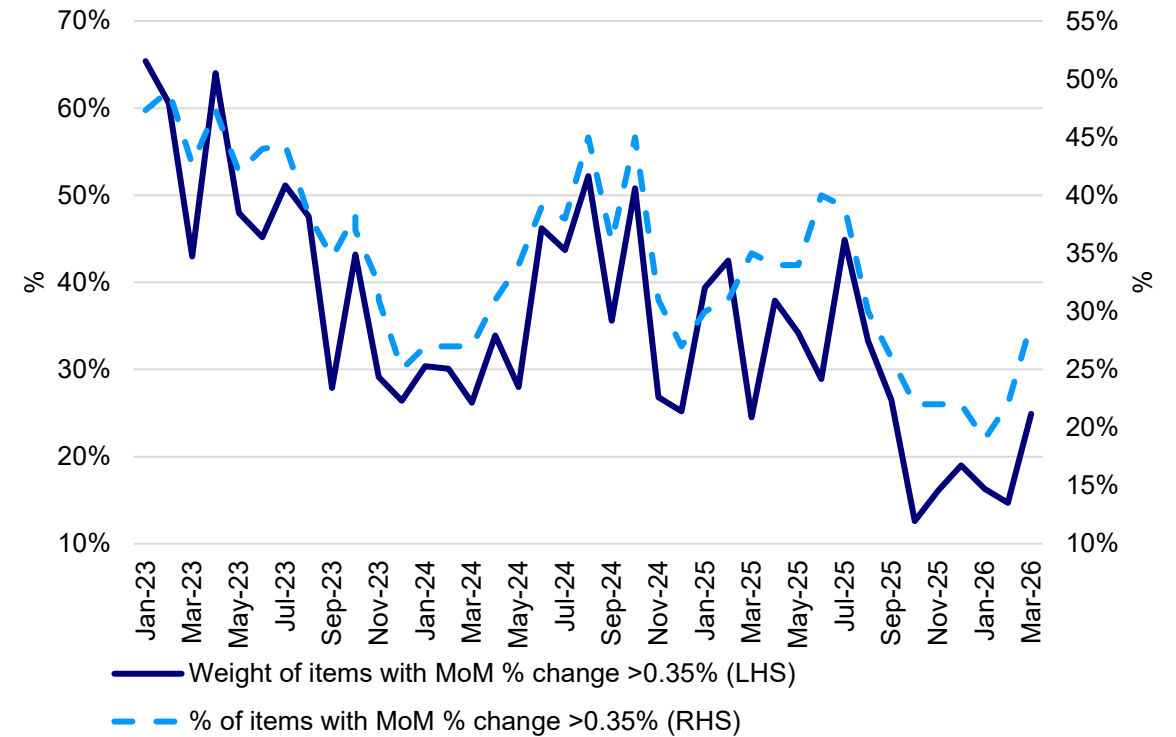
- Geo-political risks have flared up and seeping through of energy prices to the consumers will impact the inflation trajectory.
- Longer disruption in energy market can put fiscal pressure and worsen the trade deficit.
- Continued high fiscal deficits by developed economies can cause global bond yields to remain elevated and thereby cause capital flows in EMs to be moderate.

Inflation has started inching up but remains well within comfort levels as of now...

Food inflation



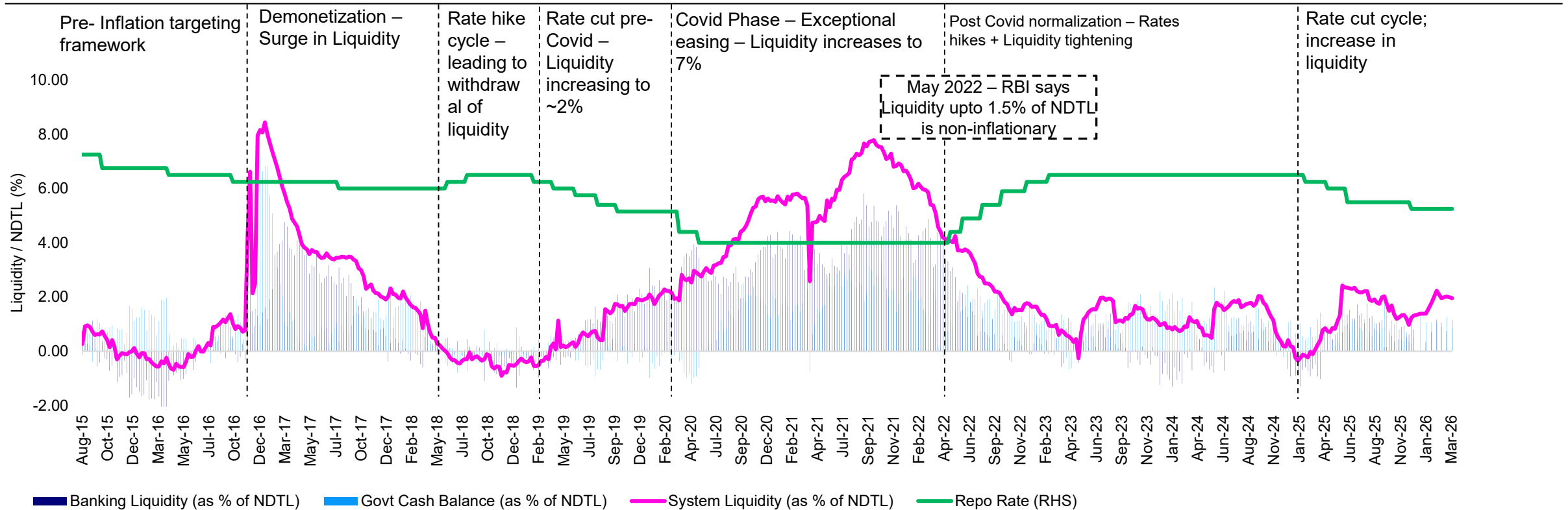
MoM% change in CPI components



- Core inflation has come below 4% threshold in the new CPI series. Food inflation has normalized to ~3.3% from a deflationary zone earlier..
- 29% of items, which have a weightage of 25% in CPI basket, have a monthly run rate inflation of less than 0.35%.

Source: CMIE / Bloomberg.

Liquidity remains ample on account of RBI actions through OMO's and Fx swaps

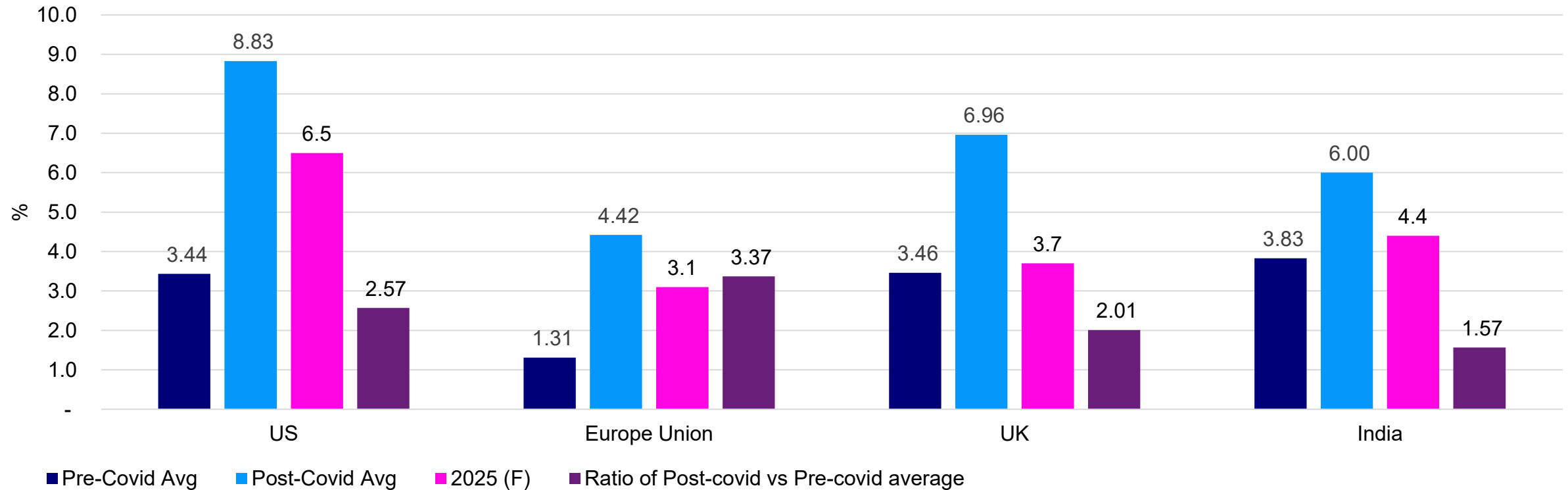


Source – Bloomberg

Disclaimer - The above chart is for illustration purpose only to show movement of system liquidity during various phases of rate cycle. The information alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy.

Fiscal deficit in US running high vs pre-covid average. India fiscal deficit post covid increased at a lower rate compared to US, Europe and UK

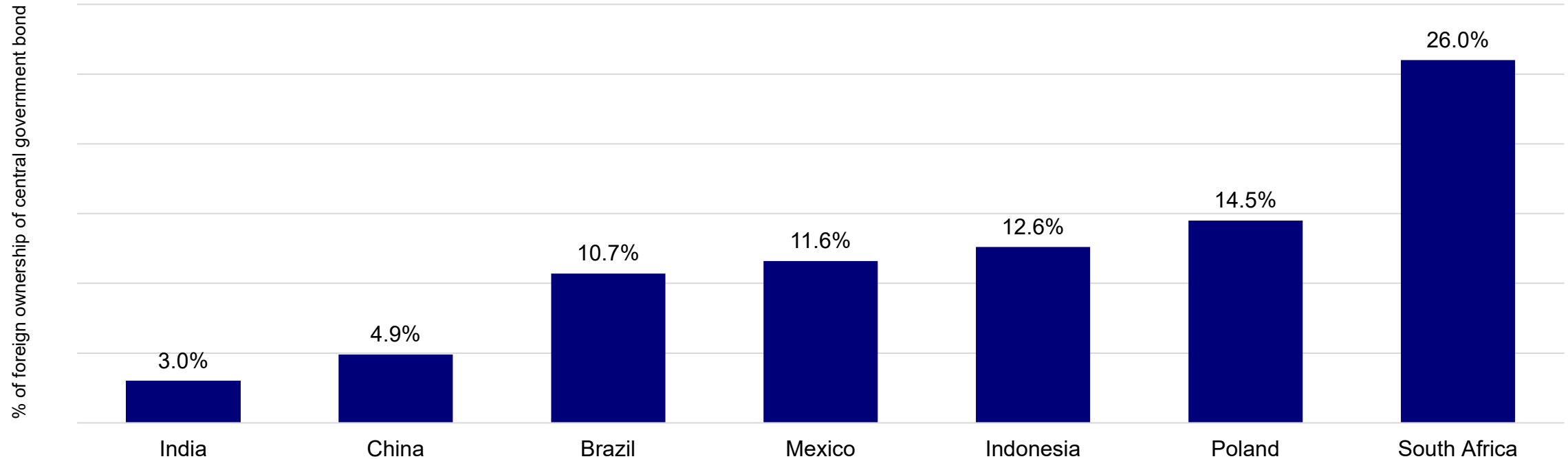
Annual Fiscal Deficit % of GDP



Source: Bloomberg; IAMI. Pre-Covid average is for 2014 to 2019. Post Covid average is for 2020 to 2024. For India annual data is for Fiscal year and for US and UK is for calendar year.

Indian bonds remain under-owned by foreign investors. Bond index inclusion continues to be a meaningful positive catalyst

Foreign ownership of central government bonds

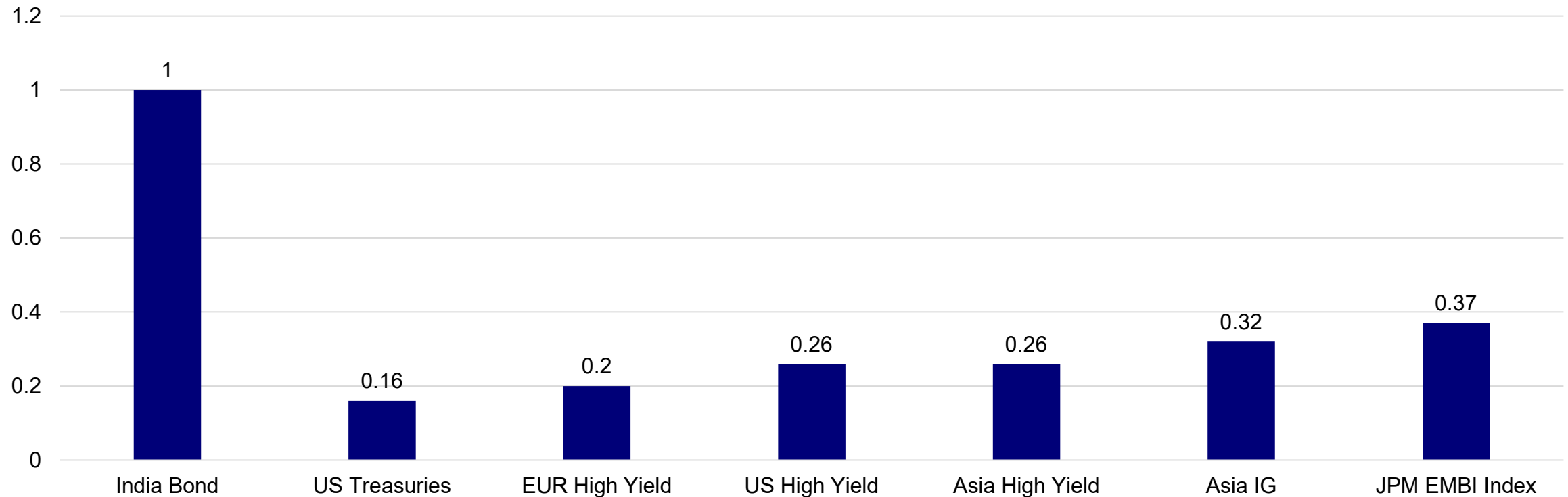


Despite index inclusion, foreign ownership of Indian bonds remains low in comparison to other EMs

Source: Bloomberg. HSBC. The number only includes pure nominal local currency central government bonds, which is a better reflection of foreign ownership. Data as per HSBC dated April 10, 2026

India Bonds provides low correlation vs Global / Emerging market bonds

Correlation vs India Bond



Source: Bloomberg. Data since 30 September 2015 till 30 September 2025. Weekly observation is applied.

Note: India Bond is represented by Markit iBoxx ALBI India TRI Index. US Treasury is represented by Bloomberg US Treasury Index. EUR HY is represented by Bloomberg Pan-European High Yield Index. US HY is represented by US Corporate High Yield Index (2% Issuer Cap). Asia HY is represented by J.P. Morgan JACI Non-Investment Grade Total Return Index. Asia IG is represented by J.P. Morgan JACI Investment Grade Total Return Index. JPM EMBI Index is represented by J.P. Morgan EMBI Global Diversified Composite Index.

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