

03 July 2026

Key International events:

According to the University of Michigan, **Consumer Sentiment Index for the US was upwardly revised to 49.5 for June 2026 from the previously reported 48.9**. The revised reading is well above the record low of 44.8 in May 2026, but came in modestly below economist estimates of 50.0.

The ISM said that **US Manufacturing PMI dipped to 53.3 in June 2026 after rising to 54.0 in May 2026**. Economists had expected the index to edge down to 53.9.

The US Conference Board said that **Consumer Confidence Index for the US inched up to 91.2 in June 2026 from a downwardly revised 90.6 in May 2026**. A modest increase is seen Consumer Confidence Index in the month. Economists had expected the consumer confidence index to rise to 94.8.

The US Labor Department said that **job openings in US crept up to 7.59 mn in May 2026 from a downwardly revised 7.59 mn in April 2026**. Economists had expected job openings to decrease to 7.30 mn.

As per survey data from the European Commission, the **Eurozone Economic Sentiment Index rose to 95.0 in June 2026 from 93.7 in May 2026**, as tensions in the Middle East eased. The score was forecast to improve to 94.3.

Data from Eurostat showed that the **jobless rate of Eurozone came in at 6.2% in May 2026, unchanged from April 2026 but down from 6.3% seen in May 2025**. Economists had forecast the jobless rate to edge up to 6.3%.

As per Eurostat, **Eurozone Inflation weakened to 2.8% YoY in June 2026 from 3.2% YoY in May 2026**. This was the lowest rate since March 2026 and remained below the forecast of 3.0% YoY. Although inflation remained above the European Central Bank's 2% YoY target, recent decline in oil prices put downward pressure on energy inflation.

Final data from the UK Office for National Statistics showed that **UK GDP grew 0.6% QoQ in Q1 CY26, following a revised 0.1% QoQ expansion seen in Q4 CY25**. The UK economy expanded, primarily driven by services activity.

Survey data released by S&P Global showed that the **RatingDog China manufacturing Purchasing Managers' Index posted 51.7 in June 2026, down from 51.8 in May 2026**. Although the score fell to a three-month low in June 2026, it remained above the long-run survey trend of 50.8 since 2004.

According to a survey by the National Bureau of Statistics (NBS), the **official Manufacturing Purchasing Managers' Index (PMI) of China rose to 50.3 in June 2026 from 50.0 in May 2026**, it beat a median forecast of 50.0 in a Reuters poll. China's factory activity returned to expansion, driven by demand for chips, computers and other AI-related products.

Key Domestic events:

According to the Ministry of Statistics and Programme Implementation (MoSPI), **India's Index of Industrial Production (IIP) grew 5.1% YoY to stand at 122.7 in May 2026**, supported by expansion in manufacturing and electricity and gas supply. Manufacturing, which carries the largest weight in the index, grew 5.5% YoY, while electricity and gas supply rose 9.9% YoY.

As per RBI data, **India's external debt rose by USD 26.3 bn to USD 762.8 bn by March 2026 from a year earlier, while the external Debt-to-GDP ratio increased to 20.8% from 19.8%**. The USD remained the dominant currency in the external debt composition, accounting for 55.5% of the outstanding stock at the end of March 2026.

RBI Governor. Sanjay Malhotra said that even as the **Indian economy and the financial system have demonstrated remarkable resilience despite facing external shocks of significant magnitude**, the Reserve Bank will remain alert to evolving external and domestic risks.

According to Moody's Ratings, **India can withstand a potentially wider-than-forecast fiscal deficit this year without jeopardizing its investment-grade rating**, as higher energy prices are expected to pose temporary budget pressures. Moody's assigns India a Baa3 rating, the lowest investment-grade tier, with a stable outlook.

According to CRIF High Mark, the **microfinance industry's Gross Loan Portfolio (GLP) rose 0.7% MoM to Rs 333.5 trillion in May 2026 from Rs 331.2 trillion in April 2026**, reversing the muted movement seen over the previous two months. The portfolio had stood at Rs 331 trillion in March 2026.

According to EY, **India's economy is expected to grow at 6.6-6.8% YoY in FY27**, and a gradual normalisation of global energy markets is expected to ease supply-side pressures, improve cost conditions, and support growth and inflation outcomes.

According to the Comptroller and Auditor General (CAG) of India, Capital Expenditure (capex) by 20 states fell in proportionate terms in April-May 2026, as they utilised 5.86%, or **Rs 586.36 bn, of their combined budgeted capex allotment of Rs 10 trillion**. This is down from the 6.21% at the same point a year earlier.

Provisional data from the CMIE showed that the **value of new project announcements surged 28.6% YoY to Rs 14.5 trillion in the West Asia crisis-hit Q1 FY27**, primarily driven by private sector announcements in the power segment. New private sector project announcements rose over 70% YoY and MoM bases, to touch Rs 13.1 trillion. Government capex announcements more than halved both YoY and sequentially to Rs 1.4 trillion.

According to the Ministry of Coal, **total coal imports declined to 21.13 mn tonnes (mt) in April 2026 from 24.27 mt a year earlier, a fall of 3.14 mt, or 12.95% YoY**. Overseas purchases by the power sector declined by almost a quarter, signalling progress in the government's efforts to reduce dependence on imported fuel through higher domestic supplies.

According to preliminary data from the Petroleum Planning and Analysis Cell (PPAC), **despite higher fuel prices, India's petrol consumption increased 7% YoY in June 2026, while diesel demand rose 5.52% YoY**.

Data from maritime intelligence firm Kpler showed that **India's imports of Russian crude oil climbed to a record 2.58 mn barrels per day (bpd) in June 2026**, driven by constrained supplies from West Asian producers and discounts offered by Moscow, amid subdued demand from China. With China significantly reducing crude oil purchases, Russia is offering oil at a discount of USD 2-5 per barrel to India.

According to provisional data released by the finance ministry, **Gross and Net Goods and Services Tax (GST) collections rose 13.9% YoY and 11.2% YoY respectively, in June 2026**, with the growth largely driven by robust revenues from imports even as domestic collections remained subdued. While net GST collections, after adjusting for refunds, increased to **Rs 1.62 trillion**, gross collections rose to **Rs 1.95 trillion**.

As per official data, **India's Power Consumption grew by 11.62% YoY to 166.46 bn units (BU) in June 2026 due to heat wave conditions and late onset of monsoon across the country**, which pushed usage of cooling appliances like air conditioners.

HSBC's India Manufacturing Purchasing Managers' Index (PMI) compiled by S&P Global, fell to 54.2 in June 2026 from 55 in May 2026. The June reading was also the second-lowest in four years, with only March 2026 (53.9) recording a weaker print during the period.

Government data showed that **India's fiscal deficit in April-May 2026 stood at Rs 1.62 trillion (USD 17.11 bn), or 9.6% of the Budget estimate for FY27**. The fiscal deficit in the corresponding period of the previous financial year stood at Rs 131.6 bn.

According to IMD, **India recorded its driest June 2026 in more than a decade and the fifth driest since rainfall records began in 1901**, with monsoon rainfall ending the month 39.8% below the long-period average. This deficit has delayed crucial crop sowing and prolonged heatwaves in northern regions.

Equity Round up: BSE Sensex opened at 77,055. It made a weekly high of 78,158 and a low of 76,329 before closing 663 points higher at 77,764.

Events to watch out for the next week:**International Events**

1. US S&P Global Composite PMI on 06 Jul'26
2. US Trade Balance for May'26 on 07 Jul'26
3. US FOMC Meeting Minutes on 08 Jul'26
4. Eurozone Sentix Investor Confidence for Jul'26 on 06 Jul'26
5. China FDI data for Jun'26 on 10 Jul'26

Domestic Events

1. Forex Reserves for week ended 3 July 2026 on 10 July 2026

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	77,764	0.86
Nifty 50	24,271	0.89
BSE 100	25,809	0.75
BSE 200	11,318	0.72
Nifty Midcap 150*	22,884	0.59
Nifty Smallcap 250*	17,996	1.65
BSE FMCG	18,629	1.56
BSE HC	50,088	3.14
BSE IT	26,730	0.30
BSE Auto	59,766	0.17
BSE BANKEX	65,450	-0.23
BSE CG	78,741	-2.71
BSE CD	60,699	2.24
BSE Oil & Gas	26,201	-0.41

* BSE Midcap and BSE Small Cap indices data is not available for 03rd July '26 so included Nifty Indices.

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.94% 2036)	6.72%	(-) 6 bps
Interbank Call	5.27%	(-) 10 bps
INR/USD	95.22	0.87%
Gold (Rs/10gm)	1,46,344	4.63%

Taken during market hours, 10 Year G-Sec (6.94% 2036) and Interbank Call as on 02 July '26

World Indices	Closing	% Change WoW
Dow Jones*	52,900	2.03
Nasdaq*	25,833	1.40
FTSE	10,613	1.07
DAX	25,675	3.02
Hang Seng	23,350	1.18
Nikkei	69,744	-3.62
Bovespa*	1,72,788	1.34
Indonesia Jakarta	5,876	-2.05

* Data as on 02 July '26

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	846.3	818.0	28.2
DII	861.2	822.9	38.3

Data for FPI from 29 June 2026 to 02 July 2026. Data for DII from 29 June 2026 to 01 July 2026.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	24,271	24,351	80

*July 2026 Expiry

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HDFC Bank House, 1 st Floor, C.S. No. 6 \ 242, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Phone: (91)-22-66527100, ext 7111, Fax: (91)-22-24900983 \ 24900858

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