

**Domestic Equity Market Update**

- Indian equities ended the week on a mixed note, with the large cap-oriented BSE Sensex ending lower by 0.36% & Nifty 50 ending lower by 0.47% WoW, respectively. The BSE Midcap index ended lower by 0.48% and the BSE Small cap index ended higher by 1.48%.
- On the BSE sectoral front, indices ended on a mixed note. Bank Index, Auto and Consumer Durables were the biggest underperformers.
- Domestic equity markets ended the week on a mixed note after renewed geopolitical tensions revived oil-led inflation worries. Mid-week, the markets found support on hopes of West Asia de-escalation, while late-session buying lifted sentiment despite weak global cues and rising crude.

Global Market Updates

- US equity markets ended the week on a positive note as investors grew more optimistic about a potential end to the Iran conflict. Technology stocks led the gains. However, markets remained cautious ahead of a key policy update, amid concerns over persistent inflation and growth risks.
- European equity markets ended the week on a positive note as investor sentiment improved on hopes of de-escalation in the Middle East conflict. Optimism was further supported by positive developments in the renewable energy sector.
- Brent oil futures rose from 108.01 USD/bbl to 111.66 USD/bbl amid fears that a prolonged Middle East conflict could block tanker traffic through the Strait of Hormuz for weeks.

Macro Data & Domestic News Released During the Week

- According to government data released, the net Goods and Services Tax (GST) revenue in March 2026 rose 8.2% YoY to Rs 1.78 trillion, excluding compensation cess receipts (which have now largely ended). This marked the strongest growth in the last six months of the GST 2.0 regime. In absolute terms, March 2026 net GST revenue is the highest in the last six months, surpassing January 2026 Rs 1.70 trillion.
- Rating agencies like Crisil and CareEdge reported a moderation in rating ratios during the H2 FY26 compared with the H1 FY26, while India Ratings & Research (Ind-Ra) said that the upgrade-to-downgrade (U/D) ratio dipped in FY26 relative to FY25. ICRA, however, said that the credit ratio improved to 3.1x in FY26 from 2x in FY25, with 388 upgrades versus 124 downgrades. The agency said that the default rate remained low at 0.4%, indicating benign credit conditions.
- The Ministry of Railways ferried 1,670 mt of cargo in FY26, marking a 3.3% YoY increase, but falling about 30 mt short of its target laid out in the revised estimates of the Union Budget. Coal cargo, at 818 mt in FY26, recorded a 0.5% YoY decline. The ministry has set a target to achieve 3,000 mt of freight by 2031.
- As per the NSO data, India's Industrial Production grew 5.2% YoY in February 2026, mainly due to improvement in manufacturing sector. The factory output, measured in terms of IIP, expanded by 2.7% YoY in February 2025. NSO revised the industrial production growth for January 2026 to 5.1% YoY.
- According to the EY Economy Watch report if the impact continues through FY27, India's GDP growth could fall from the projected 7% YoY to roughly 6% YoY, while Consumer Price Index (CPI) inflation could increase from 4% YoY to about 5.5% YoY.
- As per Crisil Ratings, India's residential real estate industry appears to have entered a phase of calibrated growth after a strong post-pandemic surge that saw it clock a CAGR of 26% in sales value from FY22 to FY25.
- As per RBI data, banking credit grew by 13.8% YoY in the fortnight ended March 15, 2026, lower compared to 14.5% YoY growth recorded in the previous fortnight. On the other hand, deposits saw 10.8% YoY growth in the fortnight compared to 10.2% YoY in the previous fortnight.

Outlook

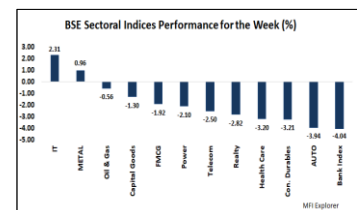
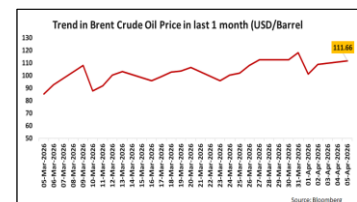
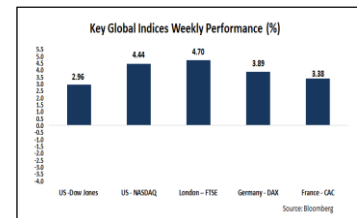
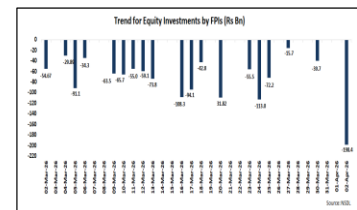
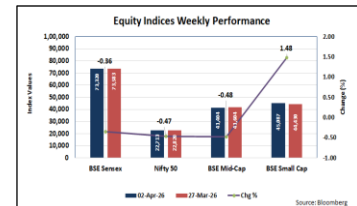
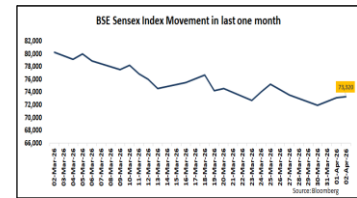
Going forward, the Indian equity market is likely to be driven by any moves around the final details pertaining to India-US trade deal, crude price volatility, rising concerns over AI-led disruptions, geopolitical tensions, movement in the US Dollar index and INR, improvement in consumption demand, FPI/DII flows and moves by the RBI to support liquidity.

With the recent correction, driven by the ongoing war in the middle east and the blockade of Strait of Hormuz by Iran, the market valuations have come off and are now looking reasonable. Most of the Broad Indian indices are trading at a meaningful discount to their past averages. The selling pressure from FPIs rose in the month of March driven by weakening INR and expectations of impact on the Indian economy from the rising energy prices. Indian markets have seen similar issue in 2022, when the Russia-Ukraine war started, but as the crude oil prices came off, the markets moved higher, and the economic growth surprised on the upside. Interestingly, Mutual Funds' cash, as a percentage of their total AUM, has dipped to recent lows, suggesting that Indian Mutual Funds feel that valuations are right to deploy higher cash.

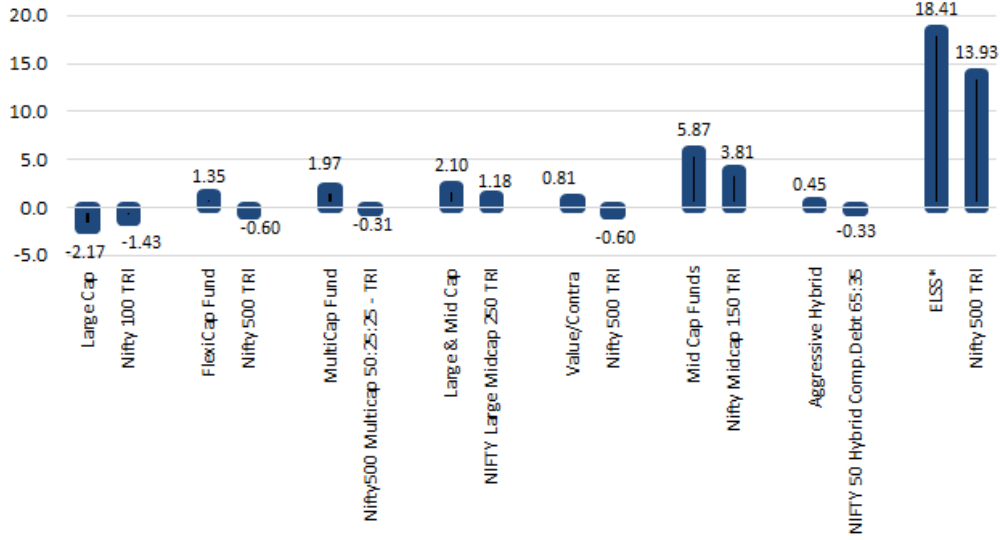
The US-Iran conflict has emerged as the near-term risk to markets which can drive oil prices higher and be near term sentiment-negative event. If the conflict is contained to existing players and the energy prices come off due to movement of tankers in Persian Gulf, investors could use the market volatility due to this event as an investing opportunity.

With the recent correction, opportunities in the Indian equity market may get broad based as valuations have come off across market caps. Fund Managers who can be fairly nimble and identify growth ideas, could generate alpha vs their peers. While FPIs have been big sellers in the Indian markets, India's relative underperformance vs its peers in the recent months is likely to gradually make the Indian markets attractive for them. The FPI's holdings in Indian markets have also fallen to recent lows which implies that they may not be willing sellers for long.

Investment deployment strategy could be 60% lumpsum and rest 40% to be staggered over the next 3-4 months. All allocations should be done in line with the risk profile and product suitability of the investor. Mutual Fund investors can look to focus on categories like Flexicap, Multicap, Large and Midcap, Value and Hybrid funds while using STPs as an instrument to invest in Midcap and Smallcap funds. Aggressive investors may also look at Business Cycle Funds for allocation. All allocations should be done in line with the risk profile and product suitability of the investor.



**Avg. Returns of Recommended Funds vs Benchmark in last one year
(Absolute %)**



Note:* ELSS performance is for 3 years on CAGR basis

Returns Absolute %			Returns Compounded Annualised %			
Category Average of Recommended Funds	1 Month	6 Months	1 Year	2 Years	3 Years	5 Years
Large Cap Funds	-8.99	-8.91	-2.17	2.31	13.99	12.82
Flexi Cap Funds	-8.39	-8.74	1.35	4.64	16.07	14.65
Multi Cap Funds	-2.34	-8.43	1.97	4.62	19.72	18.90
Large & Mid Cap Funds	-8.10	-7.96	2.10	5.82	18.84	15.86
Mid Cap Funds	-7.64	-7.09	5.87	8.65	22.98	18.87
Small Cap Funds	-5.29	-10.99	1.55	4.87	21.47	19.31
Value/Contra Funds	-8.24	-6.73	0.81	3.72	17.93	17.24
Focused Funds	-8.28	-6.63	1.63	5.75	17.14	15.70
Aggressive Hybrid Funds	-6.06	-5.64	0.45	5.66	14.16	12.58
Dynamic Asset Allocation Funds	-5.29	-3.37	2.07	4.99	12.65	11.77
Equity Linked Saving Schemes	-6.17	-8.79	-0.01	5.43	18.41	14.85
Business Cycle Funds	-7.38	-9.99	2.55	6.06	14.77	--
Nifty 50 TRI	-8.65	-8.31	-1.57	1.77	10.62	10.11
Nifty 500 TRI	-8.28	-8.43	-0.60	1.86	13.93	12.01
NIFTY Large Midcap 250 TRI	-8.28	-7.39	1.18	3.15	16.51	14.05
Nifty Infrastructure TRI	-7.38	-4.14	3.14	1.84	20.17	16.89

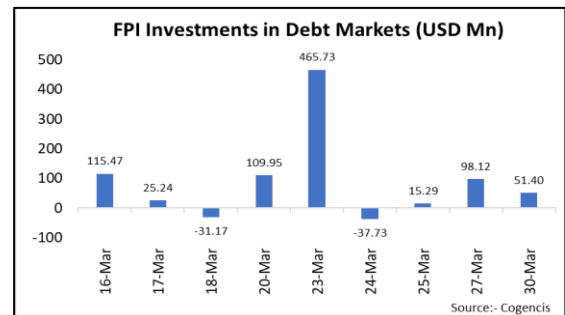
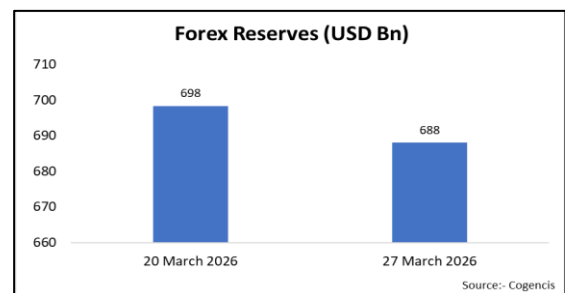
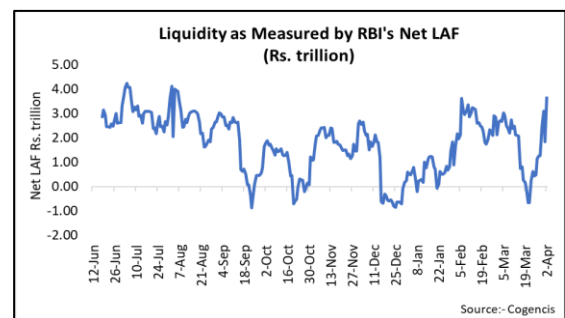
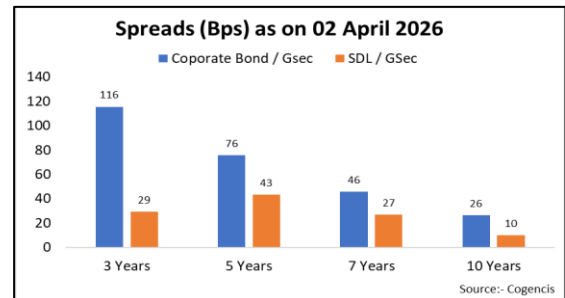
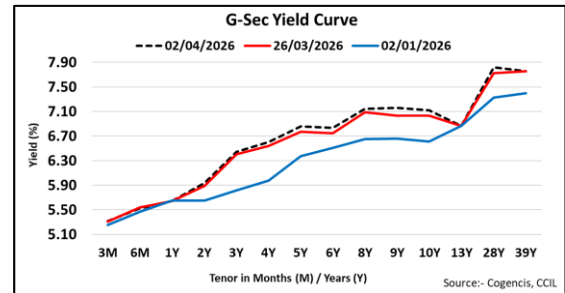
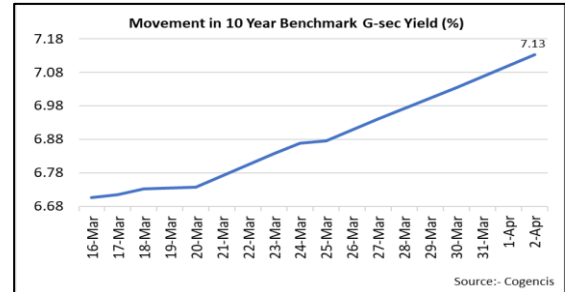
Note: Data as on April 02, 2026. Returns less than 1 year are in absolute % terms, whereas returns above 1 year are in CAGR terms.
Data has been sourced from ACE MF.

Weekly Overview - Fixed Income Markets & Mutual Funds for week ended April 2, 2026

- Domestic G-Sec prices closed the week ended 02nd April 2026 on a negative note wherein the yield on the 10-year benchmark, the 6.48% G-Sec 2035 bond, closed 19 bps higher at 7.13% as against its previous weekly close of 6.94% on 27th March 2026.
- In case of AAA rated corporate bonds, yields up to the one-year segment yields were mixed in the range of (-)119 bps to 28 bps on a WoW basis. In case of the greater than one-year segment, yields fell by up to 11 bps on a WoW basis.
- Movement in G-sec yields :-**
 - Indian G-sec yields surged, after the US President signaled the possibility of more aggressive strikes on Iran, driving crude oil prices higher and clouding India's macroeconomic outlook ahead of the RBI's April 2026 interest rate decision.
 - The total G-sec auction for the week stood at Rs 290 bn. There was no SDL auction during the week. There was no 10-year G-sec auction during the week. The G-secs' auction was for the following: 6.68% GS 2040 & 7.43% GS 2076.
 - Banking system liquidity improved, wherein liquidity, as measured by the RBI's net Liquidity Adjustment Facility (LAF), stood at a daily average surplus of ~Rs 2.76 trillion during the week as against a daily average surplus of ~Rs 588 bn during the previous week.
- Macro Data released during the week :-**
 - According to government data released, the net Goods and Services Tax (GST) revenue in March 2026 rose 8.2% YoY to Rs 1.78 trillion, excluding compensation cess receipts (which have now largely ended).
 - Government data showed that as of February 2026, India's fiscal deficit escalated to Rs 12.5 trillion, capturing 80.4% of the year's aimed target. This decrease from last year showcases improved financial governance. Strong non-tax revenue, fueled by RBI transfers, contributed significantly.
 - Latest data released by the RBI showed that the total forex reserves fell USD 10.28 bn to USD 688.05 bn during the week ended March 27, 2026 on the back of a decline in foreign currency assets and gold reserves.
- Other macro-economic news :-**
 - According to CEO of CareEdge Global IFSC Limited, rising global crude oil prices due to tensions in West Asia could push up India's inflation significantly. A USD 10 increase per barrel in crude oil prices could raise India's headline inflation by 55-60 bps in FY27.
 - According to the RBI, the central government plans to issue Rs 8.2 trillion worth of G-secs in H1 FY27, which is 51% of the revised borrowing estimate of Rs 16.09 trillion for FY27. The strategy includes 26 weekly auctions and green bonds to raise funds for sustainable projects.
 - According to the Chief Economic Advisor, V Anantha Nageswaran, in the monthly economic review, the combined impact of West Asia's conflict on India across growth, inflation, the fiscal balance, and external balances is likely to be significant.
- Global Updates :-**
 - The US Labor Department said that job openings in the US fell to 6.88 mn in February 2026 from an upwardly revised 7.24 mn in January 2026. Job openings in the US decreased from an upwardly revised level in the month of February 2026.
 - According to the European Central Bank's Consumer Expectations Survey, inflation expectations in the Euro Area declined, with median expectations for the next 12 months falling to 2.5% YoY in February 2026 from 2.6% YoY in January 2026. The survey captured responses before the outbreak of the Middle East war.
 - As per flash estimate from Eurostat, Eurozone Inflation rose to 2.5% YoY in March 2026 from 1.9% YoY in February 2026. A similar higher rate was last seen in January 2025. Eurozone inflation accelerated to the highest since early 2025 as energy prices surged amid the war in Iran.
- Outlook :-**

The liquidity condition, as measured by RBI's net LAF, improved, and remained in surplus on average during the week. According to the RBI, the central government plans to issue Rs 8.2 trillion worth of G-secs in H1 FY27. In its February 2026 MPC meeting, the RBI had kept the Repo Rate unchanged at 5.25% and continued with its neutral stance. India's retail inflation, measured by the Consumer Price Index (CPI), accelerated to 3.21% YoY in February 2026, from 2.74% YoY in January 2026, based on the new series data. India's Gross Domestic Product (GDP) growth for Q3 FY26 came in at 7.8% YoY with a new base year (2022-23). **The recent slashing of excise duty on petrol & diesel has resulted in concerns around Fiscal numbers resulting in near term pressure on bond yields. On the other hand, the probable inclusion of Indian G-secs in Bloomberg's index, persistent liquidity support, and government's continuous focus on fiscal consolidation may lead to favorable demand-supply dynamics, resulting in lowering of yields over the medium term. The recent likely actions by RBI in the forex market is also expected to be supportive of fixed income market in the medium term.** In the US, as widely anticipated and due to ongoing geopolitical disruption, the Federal Reserve kept rates unchanged in the March Policy meeting, keeping their target range at 3.50-3.75%. **In the near term, the persisting geopolitical tensions in Middle East, which has pushed crude prices higher, will continue to remain a key monitorable, as every USD 10/bbl increase in the price of crude impacts inflation by 30-40 bps. If crude prices remain elevated for a longer period, it could have an adverse effect on India's headline inflation, GDP growth and Current Account Deficit.**

If India's nominal growth picks up, it will aid in tax collection. This, along with persistent liquidity support, robust FPI inflows, any positive effect of recently concluded trade deals, and probable de-escalation of the Middle East conflict may aid in keeping liquidity condition comfortable and be a positive for debt yields during latter half of CY27. Thus, at this juncture, with lucrative yields, a case continues to exist for investment into corporate bond funds that are at the 1-4-year segment of the curve. Hence, investors can look at Corporate Bond Funds and Banking & PSU Debt Funds for a horizon of 15 months and above. For a horizon of 24 months and above, investors may consider Income Plus Arbitrage FoF or consider Dynamic Bond Funds for tactical opportunity. As yields in the less than 1-year segment remain tight, investors can consider Money Market Funds for a horizon of 3 months and above. Whereas for a horizon of up to 3 months, investors can consider Overnight Funds and Liquid Funds. Investors should invest in line with their risk profile and product suitability.



Category Average Returns as on 2 April 2026

Annualised Returns *	1 Day	1 Week	1 Month	2 Month	3 Months	6 Months	9 Months	1 Year	2 Year	3 Year
Overnight Funds	4.95	5.86	5.15	4.92	5.00	5.15	5.23	5.36	5.94	6.19
Liquid Funds	49.23	14.72	7.31	6.82	6.32	6.05	5.94	6.14	6.69	6.83
Floater Funds	-15.72	-0.46	-1.50	4.30	3.30	4.53	4.67	5.89	7.27	7.40
Low Duration Funds	-0.06	6.82	2.29	4.91	4.05	4.82	5.11	6.08	6.82	6.91
Money Market Funds	7.34	10.58	4.18	5.50	4.94	5.35	5.47	6.28	6.90	7.03
Ultra Short Duration Funds	13.55	12.51	5.54	6.18	5.23	5.36	5.45	6.02	6.58	6.68
Banking And PSU Funds	-26.85	-6.16	-6.60	1.38	0.56	2.85	3.23	4.75	6.56	6.76
Corporate Bond Funds	-30.22	-8.36	-7.47	1.26	0.30	2.68	3.18	4.89	6.75	6.91
Medium Duration Funds	-26.63	-13.28	-8.60	0.84	0.97	3.11	3.77	5.15	7.07	7.09
Short Duration Funds	-24.88	-6.65	-5.65	1.76	1.09	3.02	3.50	5.07	6.70	6.76
Medium To Long Duration Funds	-63.36	-34.28	-18.08	-3.39	-3.76	-0.34	0.01	1.49	5.20	5.83
Long Duration Funds	-129.02	-76.68	-41.13	-14.22	-13.04	-5.89	-4.30	-3.30	3.33	5.20
Dynamic Bond Funds	-44.52	-26.24	-14.69	-2.00	-2.60	0.22	0.53	1.68	5.47	6.12
Credit Risk Funds	-9.70	-1.60	-1.42	3.92	5.43	5.70	5.93	7.74	8.73	8.49
Gilt Funds / Gilt Funds with 10 year constant duration	-92.12	-58.88	-30.50	-8.73	-8.28	-3.29	-2.41	-0.96	4.41	5.50
Conservative Hybrid Funds	29.65	-37.54	-29.34	-11.31	-11.67	-2.51	-1.44	2.22	5.15	7.86
Index Funds	-32.11	-12.48	-5.07	2.01	2.24	3.91	4.02	5.54	7.09	7.20
Arbitrage Funds	37.70	6.57	5.84	6.03	6.17	6.14	5.79	5.92	6.52	6.79

* Return figures for all schemes are Annualised for < 1 year and Compounded Annualised for >= 1 year

Recommended Funds' Average Returns (% Annualised Returns)	1 Months	3 Months	6 Months	1 Year	2 Year	3 Year
Medium to Long Duration Funds & Long Duration Funds	-28.11	-7.86	-2.37	0.33	5.09	6.03
Dynamic Bond Fund	-11.18	-0.98	1.70	2.91	6.07	6.62
Gilt Funds & Gilt Funds with 10 year constant duration	-29.04	-7.34	-2.21	0.44	5.30	6.28
Short Duration / Medium Duration	-5.21	1.42	3.66	5.53	7.05	7.19
Banking and PSU Funds	-6.63	0.76	3.48	5.24	6.75	6.92
Corporate Bond Funds	-6.80	0.83	3.27	5.63	7.16	7.27
Ultra Short Duration Funds / Low Duration / Floater Funds	3.78	4.80	5.43	6.41	7.10	7.21
Money Market Funds	4.08	5.02	5.46	6.45	7.14	7.30
Liquid Funds & Overnight Funds	7.56	6.48	6.17	6.24	6.78	6.92
Arbitrage Funds	5.72	6.13	6.24	6.15	6.75	7.04

Please Note that all the Dividend options factor in the taxation applicable for corporates

Return figures for all schemes are Annualised for < 1 year and Compounded Annualised for >= 1 year

Returns shown in the chart above are for growth options.

Source for entire data stated above is Accord Fintech Pvt Ltd

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