TATA CAPITAL WEALTH

ATLAS

Monthly Market Review
August 2026

TABLE OF CONTENTS

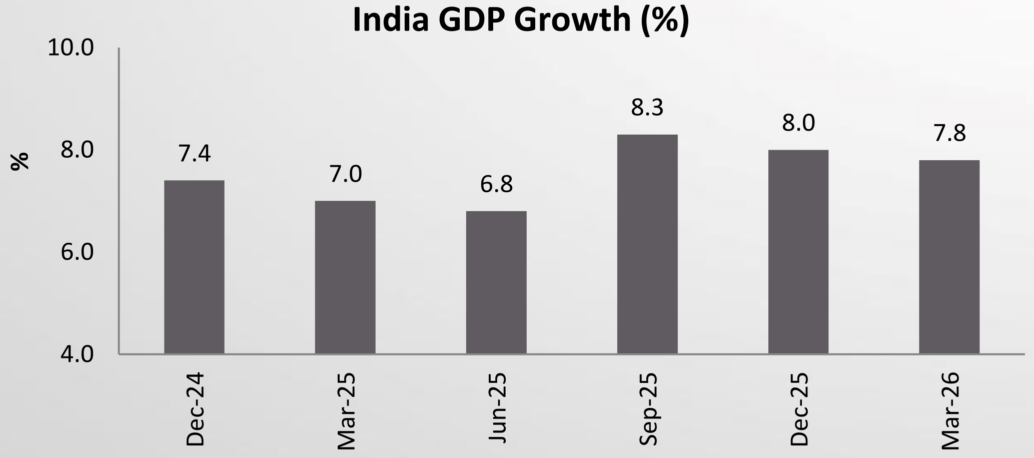
MACRO ECONOMIC INDICATORS

GDP and Current Account Deficit Trend

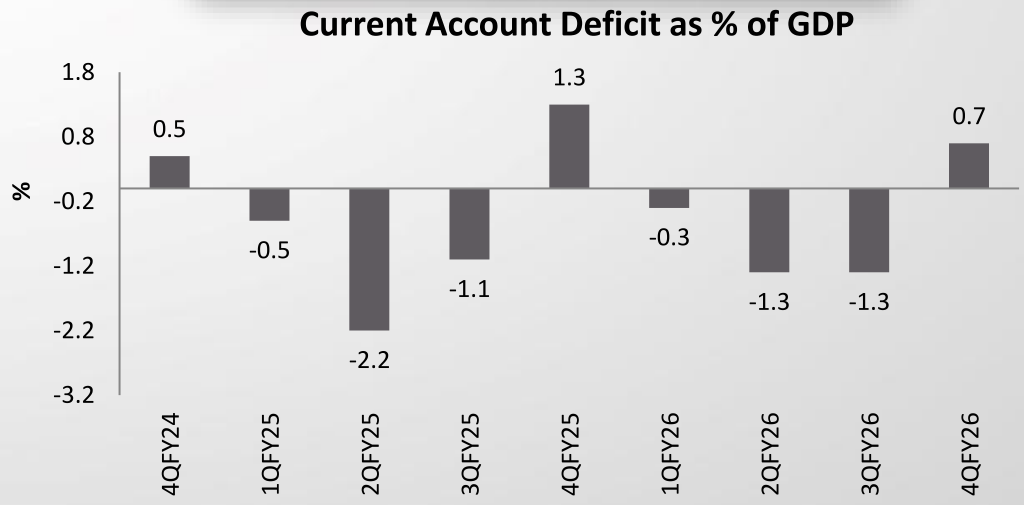
MACRO

GDP grew by 7.8% YoY in 4QFY26

Current a/c balance recorded a surplus in 4QFY26



Source: Refinitiv



Source: Refinitiv

GDP of the Indian economy at constant (2022-23) prices witnessed a growth of 7.8% YoY in the fourth quarter of FY26. In the Jan-Mar quarter of last year, the GDP growth rate was 7.0%.

According to the RBI data, India’s current account recorded a surplus of US$ 7.1 billion (0.7% of GDP) in 4QFY26, compared with a higher surplus of US$ 13.7 billion (1.4% of GDP) in 4QFY25.

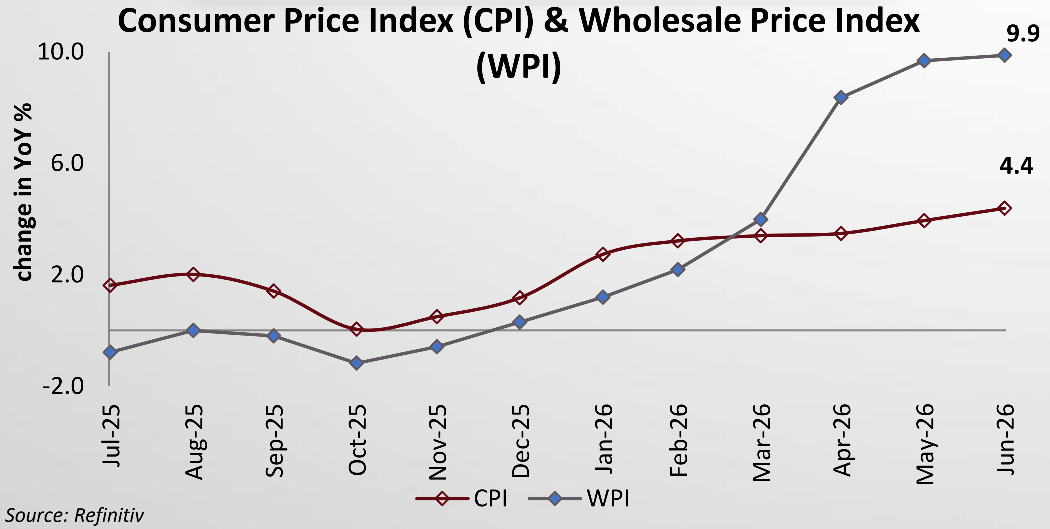
TATA CAPITAL WEALTH

MACRO ECONOMIC INDICATORS

Inflation and Trade Data Trend

MACRO

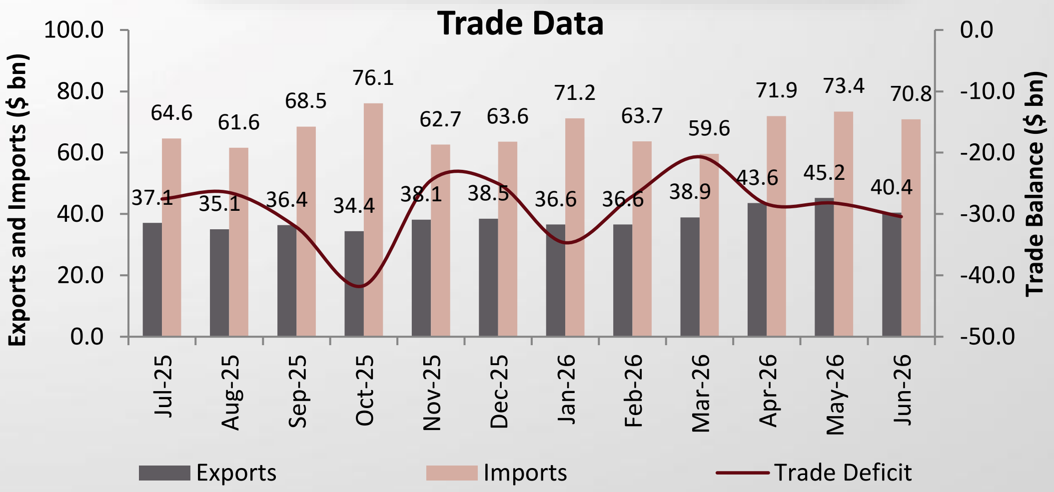
CPI inflation rose in Jun 2026



Source: Refinitiv

CPI-based inflation rose to 4.38% in Jun 2026, exceeding the RBI's target rate of 4%. WPI-based inflation rose 9.87% YoY in Jun 2026, due to a sharp increase in food and primary article prices.

Trade deficit widened YoY in Jun 2026



Source: Refinitiv

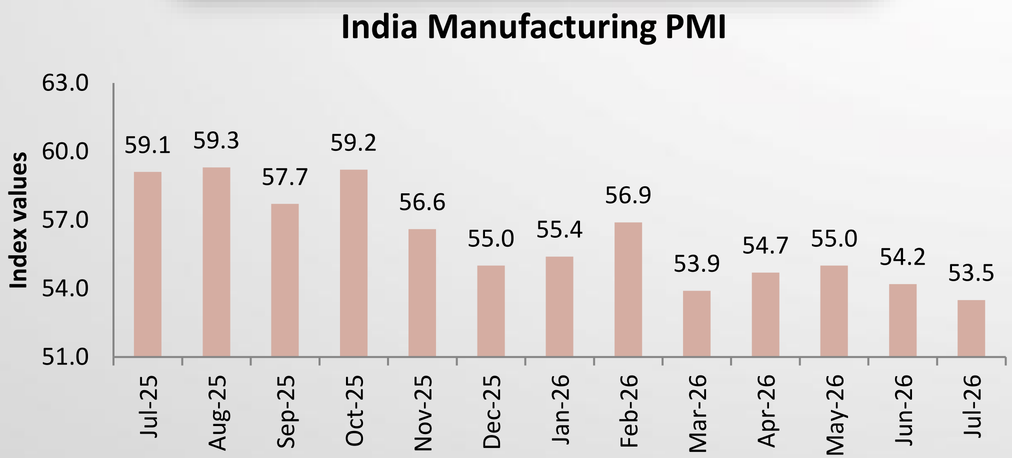
Merchandise trade deficit widened to $30.43 billion in Jun 2026, compared with $19.10 billion in Jun 2025. Exports increased 15.52% YoY, while imports rose 30.99% YoY.

MACRO ECONOMIC INDICATORS

Manufacturing and Services PMI Trend

MACRO

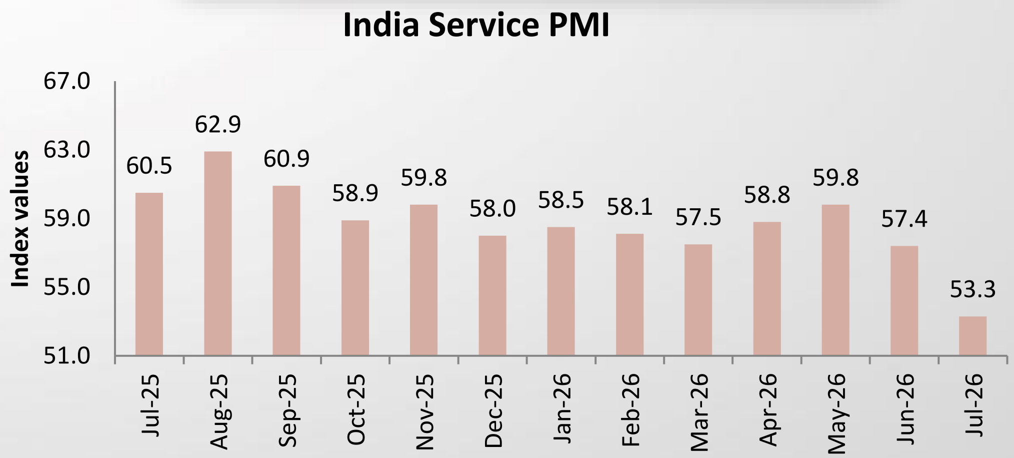
Manufacturing PMI eased in Jul 2026



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

Manufacturing PMI eased to 53.5 in Jul 2026 from 54.2 in Jun 2026. Output and new orders continued to expand, although total sales grew at one of the slowest rates in more than four years.

Services PMI decreased in Jul 2026



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

Services PMI fell to a four-year low of 53.3 in Jul 2026 from 57.4 in Jun 2026, as business activity and new business inflows were moderated by softer demand and intense competition.

Monthly Market Review

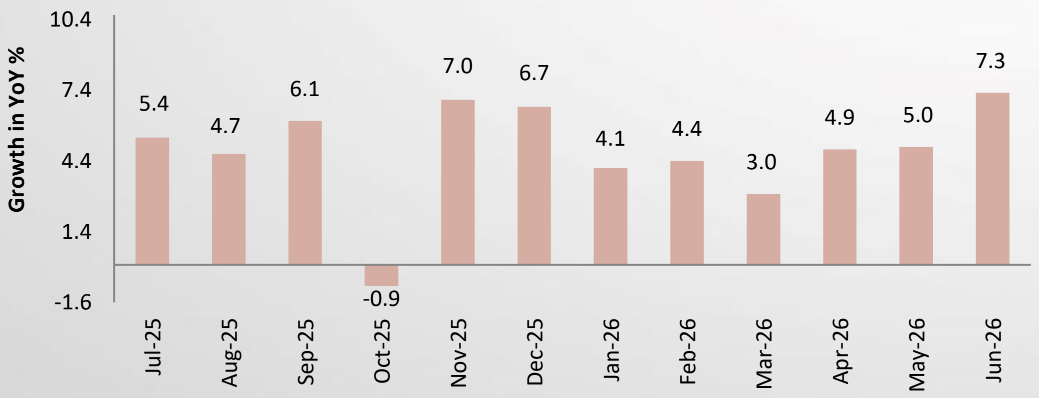
MACRO ECONOMIC INDICATORS

IIP and GST Trend

MACRO

Industrial production accelerated in Jun 2026

Index of Industrial production (IIP)

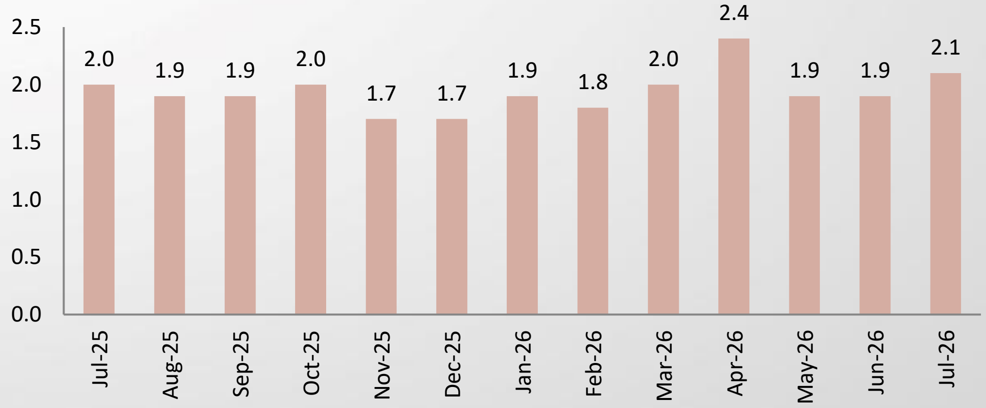


Source: Refinitiv

The Index of Industrial Production expanded by 7.3% YoY in Jun 2026, driven by stronger manufacturing growth, which improved to 7.8% in Jun 2026 from 5.2% in the previous month.

GST revenue rose YoY in Jul 2026

GST Collections (Rs. Lakh Crore)



Source: PIB

Total gross Goods and Services Tax (GST) revenue grew 15.4% YoY to Rs. 2.11 lakh crore in Jul 2026 from Rs. 1.83 lakh crore in Jul 2025.

ATLAS
Monthly Market Review

TATA CAPITAL WEALTH

MACRO ECONOMIC INDICATORS

International Gold and U.S. 10 Year Treasury Trend

MACRO

Gold prices rose MoM in Jul 2026

Source: Refinitiv

Gold prices rose as concerns about global inflation eased in the early part of Jul 2026, reducing expectations of an interest rate hike by the U.S. Federal Reserve.

U.S. Treasury yields rose MoM in Jul 2026

Source: Refinitiv

U.S. Treasury prices dropped after the U.S. President said the Iran memorandum of understanding was no longer valid, driving oil prices higher and triggering a broad selloff in bonds.

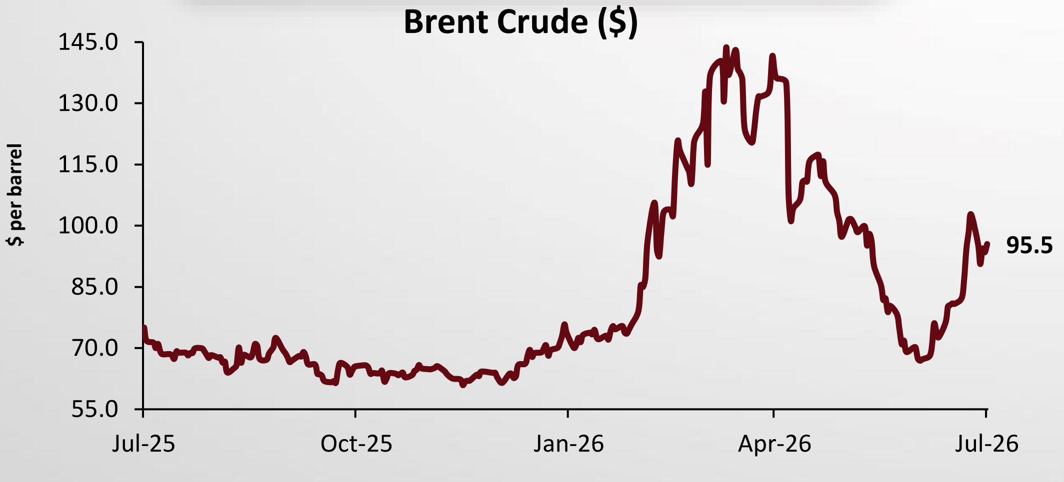
Gold data and U.S. 10 Year Treasury Yield data as on 31st Jul 2026

MACRO ECONOMIC INDICATORS

Crude and USD/INR Currency Trend

MACRO

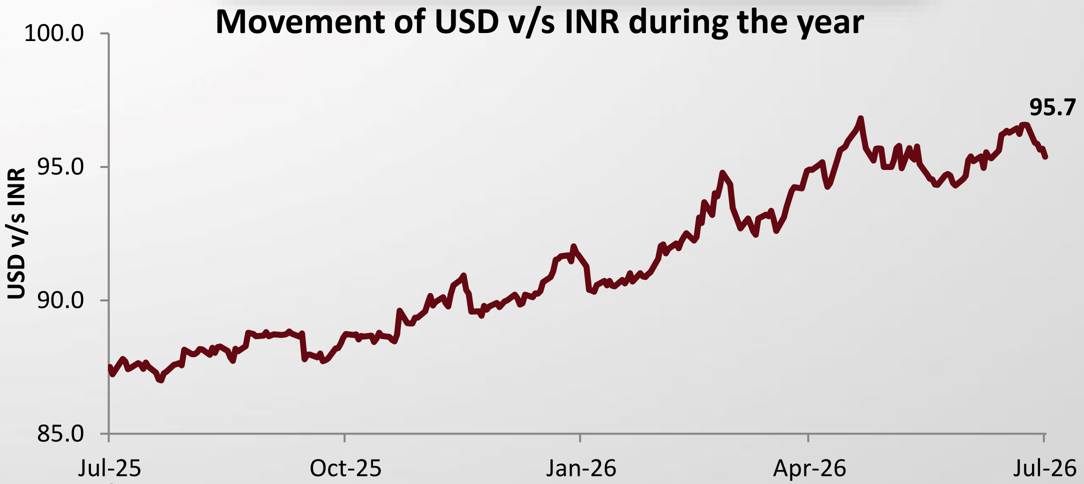
Crude oil prices rose MoM in Jul 2026



Source: Refinitiv

Brent crude rose after the U.S. President declared the Iran ceasefire "over" at the NATO summit, raising concerns over renewed conflict and potential disruptions in the Strait of Hormuz.

Rupee fell against U.S. dollar on MoM in Jul 2026



Source: Refinitiv

The Indian rupee fell against the U.S. dollar, pressured by rising crude oil prices amid renewed geopolitical tensions.

Brent Crude data and Rupee data as on 31st Jul 2026

EVENT UPDATE

RBI MPC kept repo rate unchanged at 5.25% in Aug 2026

MACRO

Key Highlights

- RBI **kept the key policy repo rate unchanged at 5.25%**
- RBI decided to **continue with the neutral stance**
- For **FY27**, **retail inflation is projected at 5.0%**
- For **FY27**, **real GDP growth is projected at 6.7%**

Policy Rates / Reserve Ratio	05-Jun-26	05-Aug-26	Status
CRR	3.00%	3.00%	↔
SLR	18.00%	18.00%	↔
SDF	5.00%	5.00%	↔
Repo Rate	5.25%	5.25%	↔
MSF	5.50%	5.50%	↔
Bank rate	5.50%	5.50%	↔
Fixed Reverse Repo Rate	3.35%	3.35%	↔

Growth Outlook

- According to the RBI, while global economic turbulence, elevated energy prices, supply chain pressures, and an uneven south-west monsoon under El Niño conditions pose risks to growth, the impact is expected to be mitigated by government initiatives on climate-resilient agriculture, crop diversification, and water conservation. Considering these factors, **the RBI projects real GDP growth at 6.7% for FY27, with quarterly growth of 7.0% in Q1, 6.4% in Q2, 6.5% in Q3, and 6.8% in Q4. Real GDP growth for Q1 FY28 is projected at 7.3%, with risks assessed as broadly balanced.**

Inflation Outlook

- **The RBI has projected CPI inflation at 5.0% for FY27, with Q2 at 4.7%, Q3 at 5.9%, and Q4 at 5.5%. Inflation for Q1 FY28 is projected at 5.3%, with risks assessed as broadly balanced.** Core inflation is projected at 4.3% for FY27, and core inflation excluding precious metals is expected to remain lower in the near term, indicating contained demand-side pressures.

↑ increased compared to previous policy ↓ decreased compared to previous policy ↔ No change

TATA CAPITAL WEALTH

EVENT UPDATE

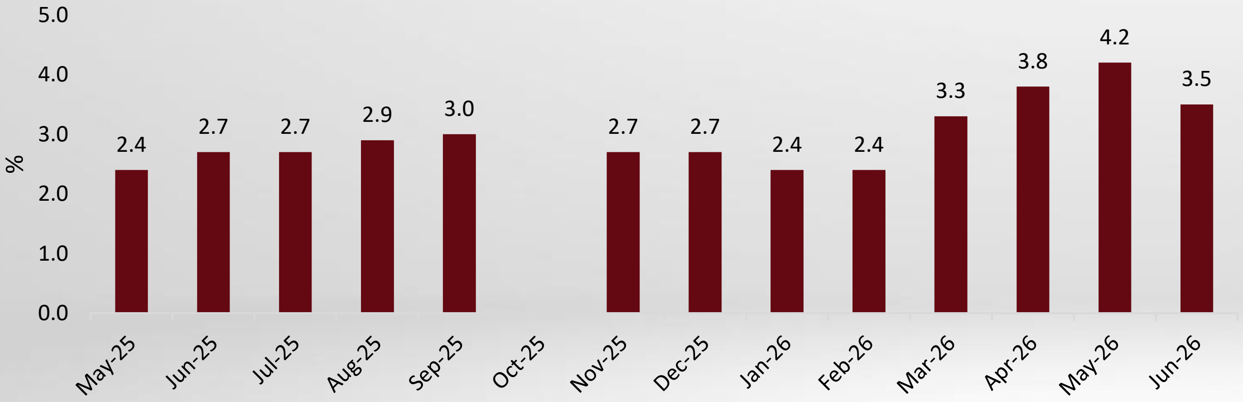
U.S. Fed maintained the interest rate in Jul 2026

MACRO

Key Highlights

- The U.S. Federal Reserve announced on Jul 29, 2026, that it had once again decided to **leave interest rates unchanged** following its two-day monetary policy meeting. The Fed said it would maintain the **target range for the federal funds rate at 3.5%-3.75%**, keeping rates unchanged for the fifth consecutive meeting.

U.S. Inflation(%)



Source: Refinitiv

Note: The monthly Consumer Price Index (CPI) report for Oct-25 was not released due to a federal government shutdown.

U.S inflation Peaking

- The U.S. Consumer Price Index (CPI) fell by 0.4% MoM in Jun 2026 after rising 0.5% in May 2026, according to the Department of Labor. The latest CPI data showed that **headline inflation slowed to 3.5% YoY**, below the market expectation of 3.8%. **Core inflation, which excludes volatile food and energy prices, also moderated to 2.6%**, outperforming forecasts of 2.8%.

To Conclude

- The Federal Open Market Committee (FOMC) seeks **to achieve maximum employment and inflation at a rate of 2% over the longer run.** Uncertainty about the economic outlook remains elevated, and the Committee is attentive to risks on both sides of its dual mandate. In support of its objectives, the Committee decided to maintain the target range for the **federal funds rate at 3.50% to 3.75%.**

DOMESTIC & GLOBAL

Equity Market Update

ATLAS
Monthly Market Review

TATA CAPITAL WEALTH

INDIAN EQUITY MARKET DASHBOARD

July 2026

DOMESTIC

Index Name (Broader Market Indices)	Absolute (%)				CAGR(%)		
	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
BSE Sensex	2.28	2.20	-4.38	-2.76	6.75	9.53	12.10
Nifty 50	2.36	2.28	-2.98	-0.43	8.56	10.39	12.27
Nifty 100	2.49	2.98	-0.89	1.54	10.23	10.92	12.48
Nifty 500	2.20	3.93	2.27	3.37	12.29	12.53	13.55
Nifty Midcap 150	1.73	5.43	8.09	9.01	18.53	17.91	17.80
Nifty Smallcap 250	1.28	7.37	14.05	5.19	17.13	15.27	15.06
Nifty Microcap 250	0.24	9.83	18.68	5.71	20.89	20.64	19.80
Sectoral Indices							
Nifty IT	17.13	5.29	-18.57	-11.16	3.03	2.22	13.16
Nifty Auto	9.03	11.70	8.39	23.01	23.44	24.52	12.91
Nifty Realty	9.02	13.98	15.51	-0.74	17.12	18.15	16.27
Nifty Pharma	4.98	14.39	22.85	17.24	21.77	13.81	9.29
Nifty Healthcare	4.01	12.62	21.16	13.17	21.25	14.18	10.87
Nifty Oil & Gas	1.99	-3.63	-4.20	0.78	12.43	12.89	15.24
Nifty Metal	1.77	-0.33	8.51	38.66	24.48	18.64	20.26
Nifty FMCG	0.93	-3.28	-3.47	-11.06	-0.70	8.15	9.95
Nifty Infrastructure	0.42	0.39	3.43	4.73	16.54	17.42	13.80
Nifty Bank	-0.46	4.89	-3.46	3.06	8.71	11.45	12.31
Nifty PSU Bank	-1.47	-0.69	-6.60	23.04	22.73	29.23	11.99
Nifty Energy	-2.38	-4.77	10.92	11.81	14.58	17.22	17.59

- Domestic equities gained early in the month on easing crude prices amid progress in U.S.-Iran talks and softer-than-expected U.S. inflation, which boosted hopes of a less hawkish Fed. However, gains moderated later as crude prices surged on escalating Gulf tensions.

Data as on 31st Jul 2026. Performance shown is for Total Return Index. Source: NSE, BSE

BROADER MARKET INDICES PERFORMANCE
Calendar Year wise

DOMESTIC

2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)	2025 (%)	CYTD (%)
Nifty Smallcap 250 58.5	BSE Sensex 7.2	BSE Sensex 15.7	Nifty Smallcap 250 26.5	Nifty Smallcap 250 63.3	BSE Sensex 5.8	Nifty Smallcap 250 49.1	Nifty Smallcap 250 27.2	Nifty 50 11.9	Nifty Smallcap 250 7.8
Nifty Midcap 150 55.7	Nifty 50 4.6	Nifty 50 13.5	Nifty Midcap 150 25.6	Nifty Midcap 150 48.2	Nifty 50 5.7	Nifty Midcap 150 44.6	Nifty Midcap 150 24.5	BSE Sensex 10.4	Nifty Midcap 150 4.3
Nifty 500 37.7	Nifty 100 2.6	Nifty 100 11.8	Nifty 500 17.9	Nifty 500 31.6	Nifty 100 4.9	Nifty 500 26.9	Nifty 500 16.2	Nifty 100 10.2	Nifty 500 -1.1
Nifty 100 32.9	Nifty 500 -2.1	Nifty 500 9.0	BSE Sensex 17.2	Nifty 100 26.4	Nifty 500 4.2	Nifty 50 21.3	Nifty 100 13.0	Nifty 500 7.8	Nifty 100 -3.8
Nifty 50 30.3	Nifty Midcap 150 -12.6	Nifty Midcap 150 0.6	Nifty 50 16.1	Nifty 50 25.6	Nifty Midcap 150 3.9	Nifty 100 21.2	Nifty 50 10.1	Nifty Midcap 150 6.0	Nifty 50 -5.9
BSE Sensex 29.6	Nifty Smallcap 250 -26.1	Nifty Smallcap 250 -7.3	Nifty 100 16.1	BSE Sensex 23.2	Nifty Smallcap 250 -2.6	BSE Sensex 20.3	BSE Sensex 9.5	Nifty Smallcap 250 -5.5	BSE Sensex -7.7

- On CYTD basis, Nifty Smallcap 250 witnessed the highest gain, while BSE Sensex followed by Nifty 50 witnessed the highest fall.
- Out of nine full calendar years, the Nifty Smallcap 250 has been the top performer in five years.

Performance shown is for Total Return Index; CYTD Performance as on 31st Jul 2026

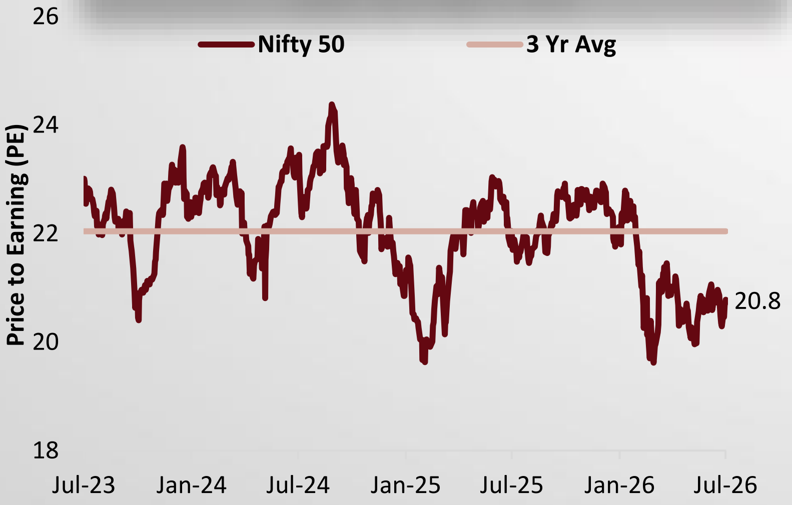
TATA CAPITAL WEALTH

RELATIVE TRAILING VALUATIONS (P/E)

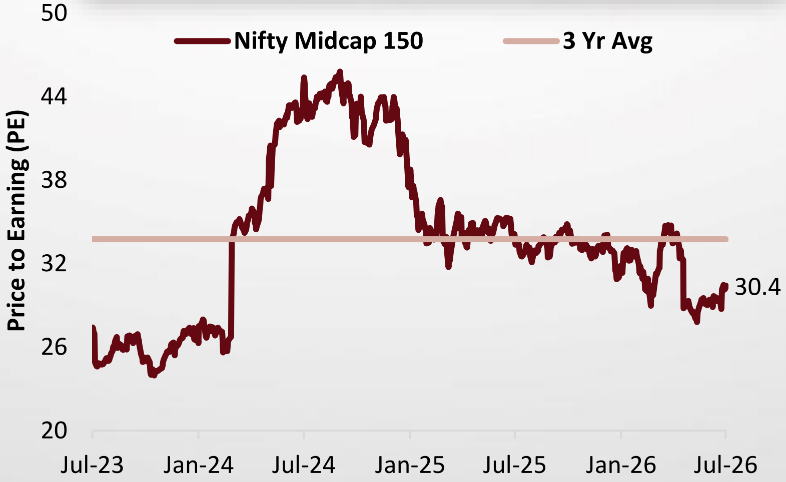
Large Cap vs Mid Cap vs Small Cap

DOMESTIC

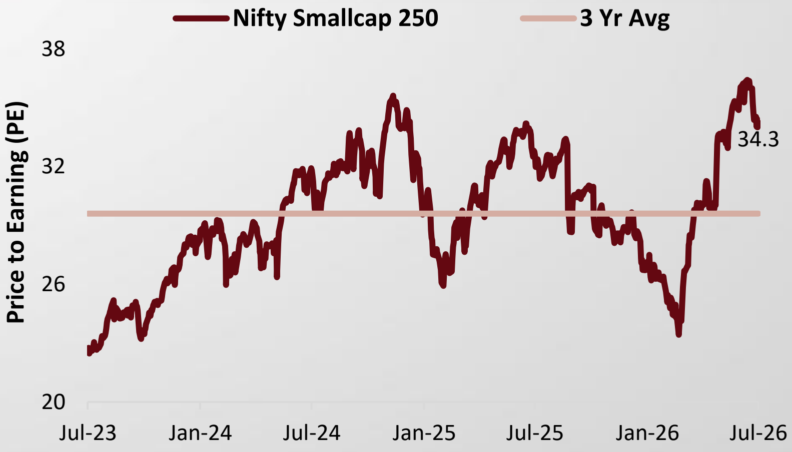
Nifty 50 trailing PE remained below the 3-year average mark



Nifty Midcap 150 trailing PE remained below the 3-year average level



Nifty Smallcap 250 trailing PE remained above the 3-year average level

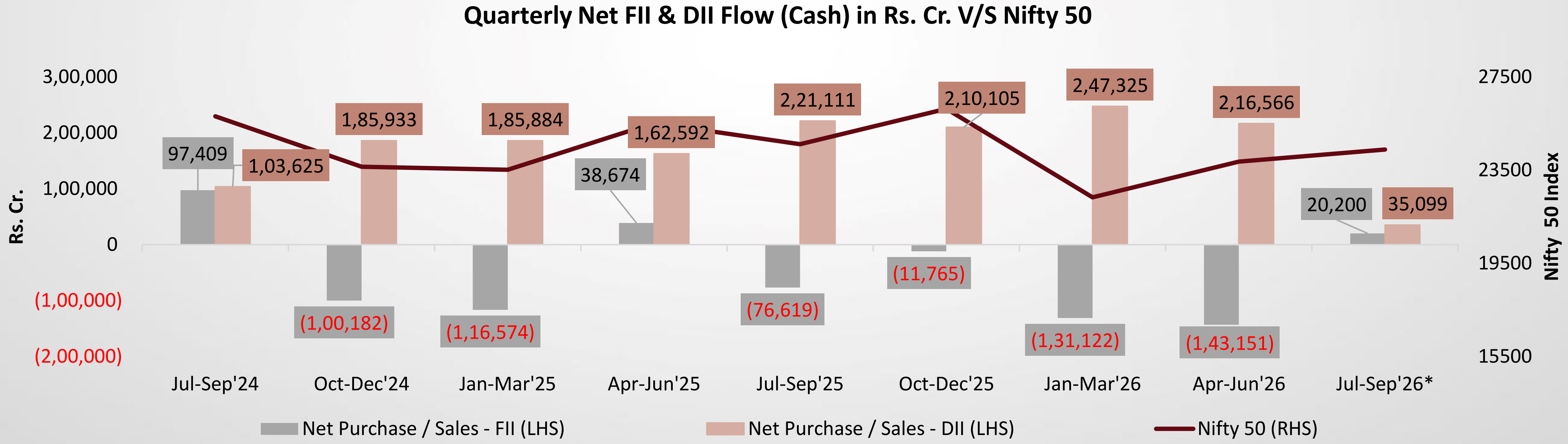


Large cap & Midcap are trading below their 3-year average level, while Small cap is trading above their 3-year average level.

EQUITY FLOWS

Quarterly FII & DII Flows

DOMESTIC



- FIIs were net buyers in the equity segment in Jul 2026, after remaining net sellers for the previous four months, with net inflows of Rs. 20,200 crore.
- Mutual funds have been net buyers in equity segment in the last 65 months till Jul 2026, except Apr 2023 and Aug 2022.

*Data as on 31st Jul 2026. Source: NSE, FPI NSDL

GLOBAL EQUITY MARKET DASHBOARD

July 2026

GLOBAL

Emerging Markets	Index	Absolute (%)					CAGR(%)		
		1 Month	3 Months	CYTD	6 Months	1 Year	2 Years	3 Years	5 Years
Indonesia	Jakarta Composite	10.51	-10.36	-27.88	-25.13	-16.68	-7.29	-3.46	0.54
Brazil	Brazil Ibovespa	3.47	-4.97	10.47	-1.86	33.76	18.09	13.42	7.87
India	**Nifty 50**	**2.17**	**1.61**	**-6.68**	**-3.70**	**-1.55**	**-1.14**	**7.26**	**9.11**
China	Shanghai Composite	-6.40	-6.81	-3.44	-6.94	7.25	14.19	5.20	2.44
Taiwan	Taiwan TAIEX	-6.52	10.77	48.88	34.48	83.16	39.37	35.95	20.09
South Korea	Kospi	-22.19	-0.05	56.51	26.24	103.22	54.29	35.78	15.53
Developed Markets									
UK	FTSE 100	3.53	4.71	9.43	6.30	19.00	13.96	12.16	9.09
Germany	DAX	2.53	5.50	4.65	4.44	6.50	17.67	15.92	10.51
France	CAC 40	1.26	4.87	4.42	4.71	9.49	6.30	4.31	5.17
Europe	Euro Stoxx 50 Pr	0.47	8.10	9.78	6.90	19.51	14.23	12.44	9.22
US	Russell 3000	-4.83	-0.84	0.49	1.81	7.97	14.76	18.14	10.60
Japan	Nikkei 225	-8.14	8.56	27.86	20.70	56.71	28.30	24.70	18.70

- Asian equity markets closed on a mixed note. Markets advanced later in Jul 2026 as optimism surrounding artificial intelligence (AI) boosted investor sentiment and partially offset concerns over escalating tensions in the Middle East earlier in the month.
- However, gains were limited as rising oil prices, driven by escalating regional tensions, heightened concerns about energy-driven inflation globally.

Data as on July 2026 end. Source: Refinitiv

ATLAS
Monthly Market Review

TATA CAPITAL WEALTH

GLOBAL MARKET INDICES PERFORMANCE

Calendar Year wise

GLOBAL

2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)	2025 (%)	CYTD (%)
Hong Kong 36.0	India 3.2	U.S 34.2	U.S 36.9	U.S 25.0	India 4.3	U.S 40.0	U.S 31.6	Hong Kong 27.8	Japan 27.9
India 28.7	U.S -3.3	Germany 25.5	Japan 16.0	India 24.1	U.K. 0.9	Japan 28.2	Japan 19.2	Japan 26.2	U.K. 9.4
U.S 27.8	Japan -12.1	China 22.3	India 14.9	Germany 15.8	Japan -9.4	Germany 20.3	Germany 18.9	Germany 23.0	Germany 4.7
Japan 19.1	U.K. -12.5	Japan 18.2	China 13.9	U.K. 14.3	Germany -12.4	India 20.0	Hong Kong 17.7	U.K. 21.5	Hong Kong 1.0
Germany 12.5	Hong Kong -13.6	U.K. 12.1	Germany 3.6	Japan 4.9	China -15.1	U.K. 3.8	China 12.7	China 18.4	U.S 0.5
U.K. 7.6	Germany -18.3	India 12.0	Hong Kong -3.4	China 4.8	Hong Kong -15.5	China -3.7	India 8.8	U.S 17.5	China -3.4
China 6.6	China -24.6	Hong Kong 9.1	U.K. -14.3	Hong Kong -14.1	U.S -29.6	Hong Kong -13.8	U.K. 5.7	India 10.5	India -6.7

- On a CYTD basis, Japan has been the top gainer, followed by U.K., while India followed by China remained the lowest performers.
- Out of the past nine full calendar years, U.S. markets have been the top performer in five years.

CYTD Performance as on July 2026 end. Source: Refinitiv, NSE

Index used for each of the Equity Markets: U.S. – Russell 3000, China – SSE Composite, Germany - DAX, Hong Kong – Hang Seng, India Nifty 50, U.K. – FTSE 100, Japan – Nikkei 225

ASSET CLASS PERFORMANCE

Calendar Year wise

ASSET CLASS

2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)	2025 (%)	CYTD (%)
Indian Equity 37.7	Gold 7.9	Intl 34.2	Intl 36.9	Indian Equity 31.6	Gold 13.9	Intl 40.0	Intl 31.6	Gold 74.7	Gold 7.3
Intl 27.8	Cash 6.9	Gold 23.8	Gold 28.0	Intl 25.0	Cash 4.8	Indian Equity 26.9	Gold 20.6	Intl 17.5	Cash 3.7
Real Estate 7.2	G-Sec 6.2	G-Sec 10.6	Indian Equity 17.9	Cash 3.2	Real Estate 4.5	Gold 15.4	Indian Equity 16.2	Indian Equity 7.8	G-Sec 2.3
Cash 6.6	Real Estate 5.1	Indian Equity 9.0	G-Sec 11.2	Real Estate 3.1	Indian Equity 4.2	Cash 6.9	G-Sec 8.8	Cash 6.4	Intl 0.5
Gold 5.1	Indian Equity -2.1	Cash 6.5	Cash 4.0	G-Sec 2.3	G-Sec 2.3	G-Sec 6.8	Cash 7.2	G-Sec 4.2	Real Estate 0.2
G-Sec 2.3	Intl -3.3	Real Estate 3.0	Real Estate 2.2	Gold -4.2	Intl -29.6	Real Estate 3.0	Real Estate 6.9	Real Estate 3.6	Indian Equity -1.1

- On CYTD basis, Gold remained at the top followed by Cash, while Indian Equity followed by Real Estate remained the lowest performers.
- Out of the past nine full calendar years, Indian equities, International and Gold has been among the top three gainers.

CYTD Performance as on July 2026 end. Source: RBI, NSE, Refinitiv, MCX

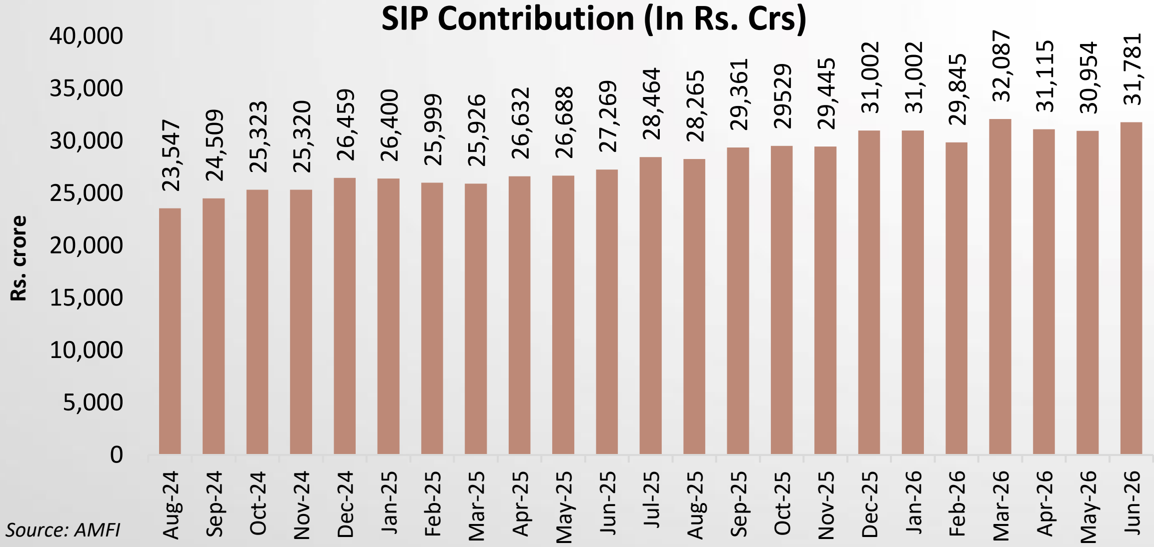
Index used for each of the Asset Class: Gold: Domestic Prices of Gold, Real Estate: House Price Index (Data updated upto March 2026), Intl: Russell 3000 Index, Indian Equity: Nifty 500, Cash: Category average of Liquid funds of Regular Plan Growth Option, G-Sec: Category average of Gilt funds of Regular Plan Growth Option

TATA CAPITAL WEALTH

MUTUAL FUNDS

SIP Flows and SIP Returns Data

DOMESTIC



Source: AMFI

Equity Broad MF category	Category average SIP returns (%)		
	3-year	5-year	10-year
Large cap	5.7	9.2	11.8
Large & Mid cap	9.1	13.1	14.7
Flexi cap	7.6	11.5	13.8
Multi cap	9.5	13.3	15.6
Mid cap	**12.0**	**16.0**	17.4
Small cap	11.1	15.6	**18.3**
Focused	7.9	11.3	13.5
Value	7.7	12.9	14.6

- According to AMFI, monthly SIP inflows stood at Rs. 31,781 crore in Jun 2026. SIP AUM increased to Rs. 17.71 lakh crore from Rs. 17.12 lakh crore in May 2026, while the number of outstanding SIP accounts stood at 1,051.59 lakh.

- Mid cap category remained top performer in 3- & 5-year periods, while Small cap category remained top performer in 10-year period.

Performance is of regular plan growth option for SIP returns.
SIP performance as on 31st Jul 2026. Source: AMFI India, MFI 360 Explorer
https://www.icraanalytics.com/terms-of-use/disclaimer

CATEGORY PERFORMANCE

Equity Mutual Funds

CATEGORY PERFORMANCE

Category	Absolute Returns (%)			CAGR (%)			
	1 month	3 months	6 months	1 year	3 years	5 years	10 years
Large Cap	2.50	3.74	0.19	1.15	10.39	10.39	11.48
Large & Mid Cap	1.77	5.27	5.07	4.50	14.39	13.45	13.83
Flexi Cap	2.15	5.62	4.48	3.68	12.53	11.89	13.11
Multi Cap	1.72	6.27	7.53	5.79	14.81	13.70	14.61
Mid Cap	1.59	6.49	9.73	8.20	17.68	15.66	15.65
Small Cap	1.12	8.86	15.97	8.52	15.96	15.44	16.49
Focused	2.28	5.93	4.34	4.29	12.46	11.83	12.82
Value	1.28	3.34	3.07	4.73	13.90	13.86	13.47
Index:							
Nifty 100	2.49	2.98	-0.89	1.54	10.23	10.92	12.48
Nifty 500	2.20	3.93	2.27	3.37	12.29	12.53	13.55
Nifty Midcap 150	1.73	5.43	8.09	9.01	18.53	17.91	17.80
Nifty Smallcap 250	1.28	7.37	14.05	5.19	17.13	15.27	15.06

- In the last one-month, Large Cap followed by Focused categories rose the most, while Small Cap followed by Value categories witnessed the least gain.

Performance is of regular plan growth option. MF Category average performance as on 31st Jul 2026. Performance shown is for Total Return Index. Source: NSE, MFI 360 Explorer. https://www.icraanalytics.com/terms-of-use/disclaimer

EQUITY MARKET ROUNDUP

Key Takeaways & Outlook

DOMESTIC

Domestic & Global factors that played out for the Indian markets:

- **Domestic equity markets advanced following an ease in crude oil prices at the beginning of the month, following reports of progress in indirect talks between Washington and Tehran in Doha**. Gains were extended supported by softer-than-expected U.S. inflation data for Jun 2026, which reinforced expectations of a less aggressive monetary policy stance from the U.S. Federal Reserve in the coming months. Investor sentiment was further aided by expectations that the upcoming MSCI Index rebalancing could result in the inclusion of additional Indian stocks, potentially attracting around US$2.3 billion in passive investment inflows.
- However, gains were partly capped later in the month as **crude oil prices surged amid escalating military activity across the Gulf region, raising concerns over potential disruptions to global energy supplies and tempering overall market optimism.**

Outlook:

- Domestic equity markets are expected to remain resilient in the near term, supported by healthy corporate earnings, improving foreign investor sentiment, and strong domestic economic fundamentals. While global trade developments, geopolitical uncertainties, and fluctuations in crude oil prices may continue to drive market volatility, **investors will closely track the remainder of the Q1 FY27 earnings season, foreign institutional investor flows, monsoon progress, and developments related to key trade agreements.** Nevertheless, the outlook remains constructive, underpinned by India's robust structural growth story, supported by strong domestic consumption, expanding manufacturing activity, and sustained infrastructure investments.
- **Diversified equity categories such as Flexi cap and Multi cap strategies provide exposure across market segments and could help investors navigate changing market conditions. Staggered investment approach through SIP/STP can be implemented to capture current volatility. Hybrid categories, such as Balanced Advantage, Multi Asset Allocation and Aggressive Hybrid participates in equities while aiming to manage near-term volatility.**

DOMESTIC & GLOBAL

Debt Market Update

DEBT MARKET

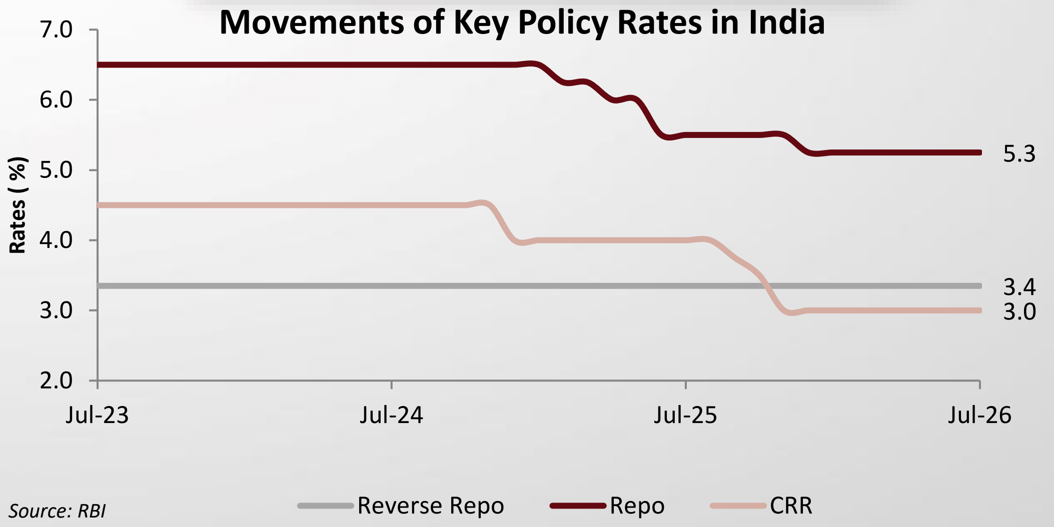
Indian Government Bond and Policy Rate Trend

INDIAN DEBT

10-year benchmark G-sec yield rose MoM in Jul 2026

Source: Refinitiv

RBI kept the repo rate unchanged in Aug 2026 monetary policy meeting



Source: RBI

Bond yields surged after the U.S. President declared that the peace deal with Iran was effectively over, triggering a sharp rise in crude oil prices.

The Monetary Policy Committee, in its third bi-monthly monetary policy review for FY27, decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 5.25%.

10-Yr Benchmark Bond data and Key policy rates data as on 31st Jul 2026

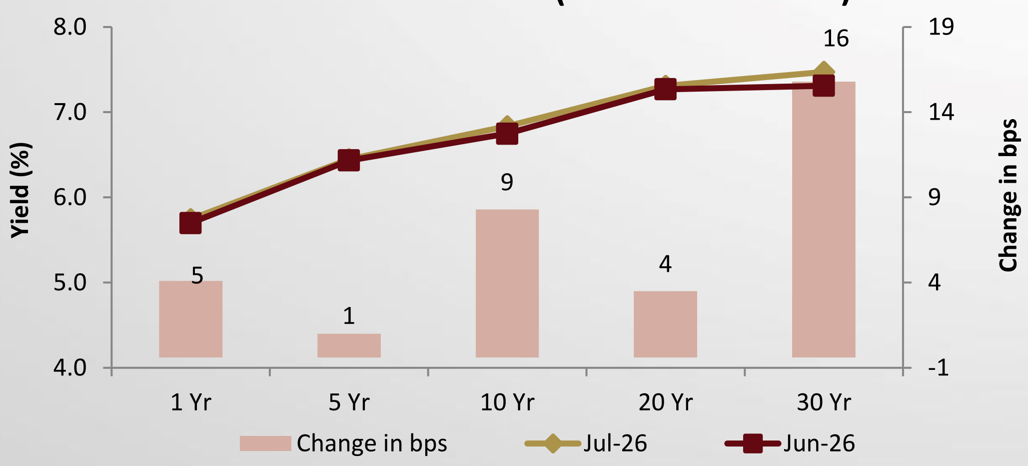
TATA CAPITAL WEALTH

DEBT MARKET

Government Bond & Corporate Bond Yield Trend

INDIAN DEBT

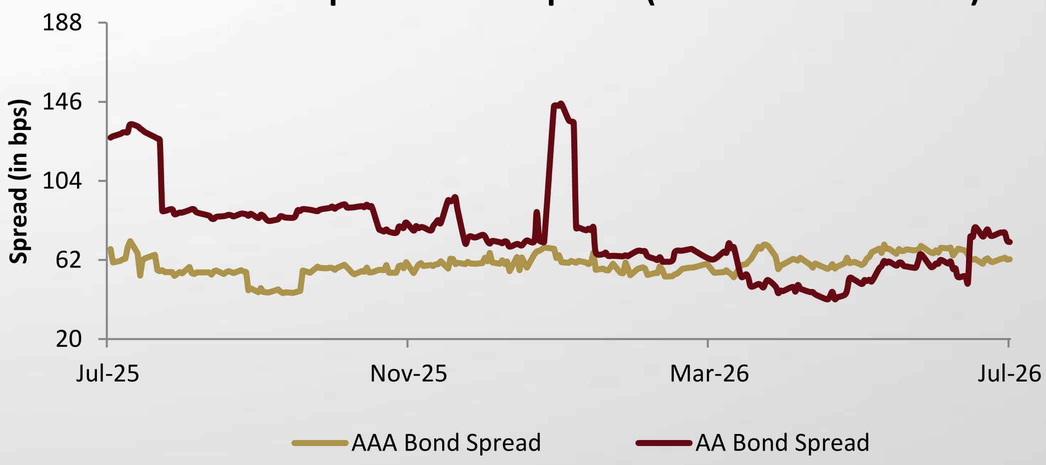
G-sec yields mostly rose during the month



Source: Refinitiv

Yield on gilt securities rose up to 17 bps across the maturities, barring 2 & 6 year papers that fell by 1 & 2 bps, respectively.

Corporate bond yields increased during the month



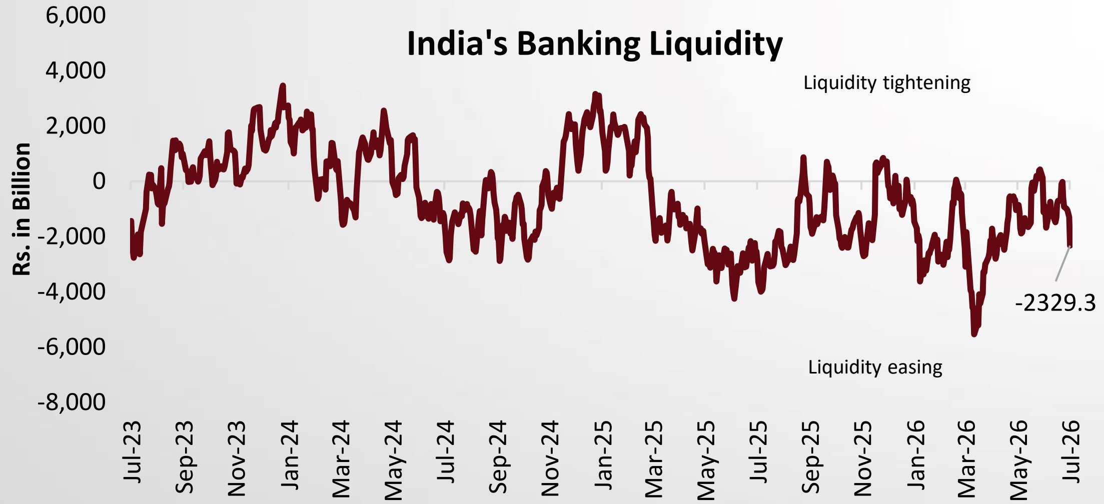
Source: Refinitiv; Spread= 10 year Corporate bond yield minus 10- year Gsec yield

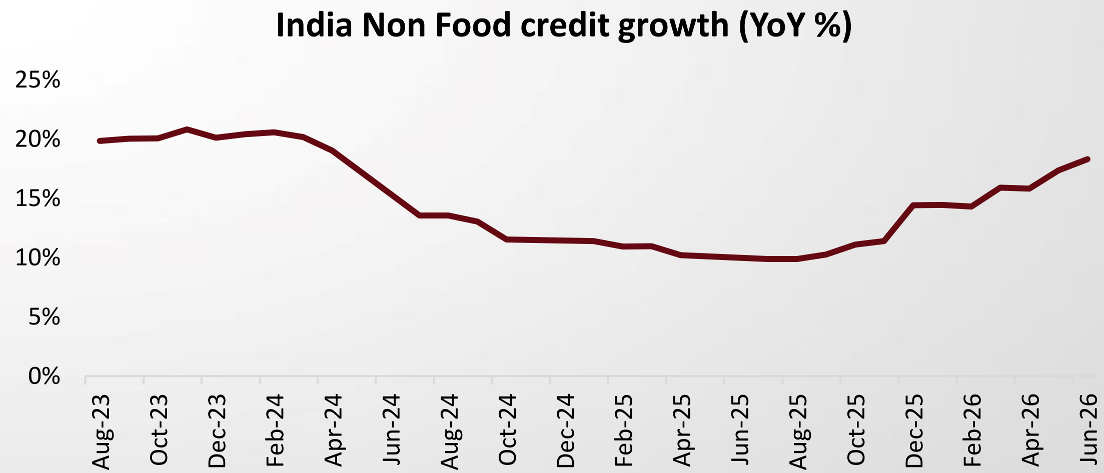
Yield on corporate bonds increased between 3 to 8 bps across the curve.

DEBT MARKET

System Liquidity

INDIAN DEBT



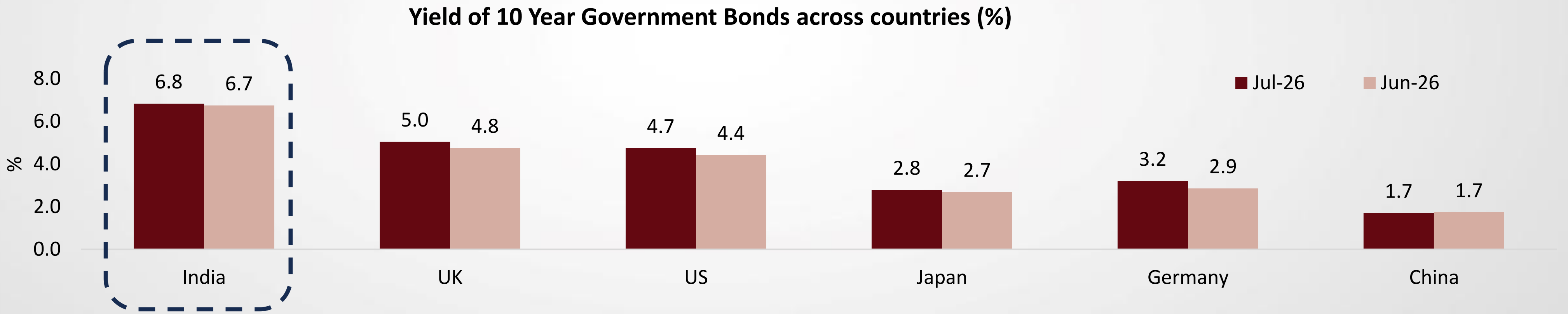


- Banking system liquidity remained in surplus during the month and improved compared with the previous month's average level. Liquidity conditions continued to be a key area of focus, as the RBI allowed banks to link bulk deposit rates to their liquidity profiles under the Liquidity Coverage Ratio (LCR) framework.
- The new guidelines provide lenders with greater flexibility to price bulk deposits based on their liquidity characteristics, enabling more efficient management of funding costs and asset-liability mismatches. This move is expected to strengthen liquidity management practices and support a more risk-sensitive deposit pricing framework, while maintaining uniform rates for similar deposits.

Banking liquidity data as on 31st Jul 2026; Non Food credit growth data as on 30th Jun 2026. Source: RBI

DEBT MARKET
Global

GLOBAL DEBT



Current Yield (%)	6.8	5.0	4.7	2.8	3.2	1.7
Inflation (%)	4.4	2.6	3.5	1.7	2.3	1.0
Real Yields (%): Jul-26	2.5	2.4	1.2	1.1	0.9	0.7

- Globally, 10-year Sovereign yields mostly rose during the month. All above economies witnessed positive inflation adjusted returns/yields with India being the highest followed by U.K. and U.S.

Real yields- Current yields minus latest inflation; Latest available inflation data;
Source: Refinitiv

CATEGORY PERFORMANCE

Debt Mutual Funds

CATEGORY PERFORMANCE

Category	Absolute Returns (%)			CAGR (%)		
	1 month	3 months	6 months	1 year	3 years	5 years
Overnight Fund	0.43	1.28	2.50	5.22	6.04	5.56
Liquid Fund	0.50	1.61	3.27	6.21	6.80	6.10
Ultra Short Term Fund	0.45	1.63	3.24	5.89	6.66	5.93
Low Duration Fund	0.41	1.72	3.13	5.69	6.88	6.08
Money Market Fund	0.47	1.73	3.26	6.06	7.00	6.27
Arbitrage Fund	0.61	1.50	2.84	5.81	6.68	5.82
NIFTY Ultra Short Duration Debt Index	**0.55**	**1.87**	**3.78**	**6.84**	**7.52**	**6.80**
Short Term Bond Fund	0.27	2.08	3.00	4.97	6.91	6.11
Medium Duration Fund	0.27	2.46	3.31	5.59	7.36	6.48
Banking and PSU Fund	0.24	2.16	3.04	4.92	6.90	5.98
Corporate Bond Fund	0.25	2.21	3.07	4.93	7.05	6.00
Credit Risk Fund	0.42	2.32	4.50	7.99	8.99	9.27
NIFTY Corporate Bond Index	**0.05**	**1.87**	**2.57**	**4.56**	**6.82**	**6.01**
NIFTY Medium Duration Debt Index	**-0.05**	**2.00**	**2.18**	**3.74**	**6.70**	**5.81**
Nifty Short Duration Debt Index	**0.22**	**1.81**	**2.77**	**5.06**	**6.98**	**6.09**
Dynamic Bond Fund	-0.04	2.28	2.76	3.57	6.40	5.68
Medium to Long Duration Fund	-0.01	2.59	2.93	3.63	6.26	5.53
Gilt Fund	-0.45	2.70	2.47	2.38	6.00	5.32

- Credit Risk Fund, Liquid Fund and Money Market Fund were the top performing categories over the past year, generating between 6% to 8% return.

Performance is of regular plan growth option. MF Category average performance as on 31st Jul 2026. Source: MFI 360 Explorer https://www.icraanalytics.com/terms-of-use/disclaimer

DEBT MARKET

Sensitivity Analysis

INDIAN DEBT

Sensitivity Analysis				Interest Rate Scenario's					
				Increases			Decreases		
Category	Avg YTM (%)	Avg Maturity (Years)	Avg Mod duration (Years)	0.25%	0.50%	1.00%	0.25%	0.50%	1.00%
Overnight Fund	5.34	0.00 Years	0.00 Years	5.34%	5.34%	5.34%	5.34%	5.34%	5.34%
Liquid Fund	6.30	0.04 Years	0.15 Years	6.26%	6.22%	6.15%	6.33%	6.37%	6.45%
Ultra Short Term Fund	6.93	0.24 Years	0.44 Years	6.82%	6.71%	6.49%	7.04%	7.15%	7.37%
Money Market Fund	6.84	0.18 Years	0.53 Years	6.71%	6.58%	6.31%	6.97%	7.11%	7.37%
Low Duration Fund	7.16	0.68 Years	0.89 Years	6.93%	6.71%	6.27%	7.38%	7.60%	8.05%
Short Term Bond Fund	6.99	3.11 Years	2.28 Years	6.42%	5.85%	4.71%	7.56%	8.13%	9.27%
Corporate Bond Fund	7.28	4.01 Years	2.77 Years	6.59%	5.90%	4.51%	7.98%	8.67%	10.05%
Banking and PSU Fund	7.12	3.65 Years	2.53 Years	6.49%	5.86%	4.59%	7.76%	8.39%	9.65%
Credit Risk Fund	7.98	2.71 Years	2.01 Years	7.47%	6.97%	5.97%	8.48%	8.98%	9.99%
Medium Duration Fund	7.65	4.81 Years	3.25 Years	6.83%	6.02%	4.40%	8.46%	9.27%	10.90%
Dynamic Bond Fund	7.17	10.89 Years	5.33 Years	5.84%	4.50%	1.84%	8.50%	9.83%	12.50%
Medium to Long Duration Fund	7.23	11.57 Years	5.72 Years	5.80%	4.37%	1.51%	8.66%	10.09%	12.95%
Gilt Fund	7.17	20.39 Years	8.48 Years	5.05%	2.93%	-1.31%	9.29%	11.41%	15.65%

- Credit Risk Fund, Medium Duration Fund and Corporate Bond Fund offer higher YTMs.

Note: Modified Duration indicates the sensitivity of a fund/bond with a change in interest rate scenario. It helps help investors predict how the bond’s price will be affected by the fluctuations in interest rates.
For eg: If a fund with a modified duration of 8 years and YTM of 8% sees a 50-bps interest rate fall in a year, then the estimated return will be 12% [Average YTM - (Modified Duration × Change in Interest Rate)].

Source: MFI 360 Explorer. https://www.icraanalytics.com/terms-of-use/disclaimer

Interest rate scenario indicates that if rate moves by 0.25%, 0.50% or 1%, then the respective column shows expected increase/decrease in Yield to Maturity (YTM). Data as on 31st Jul 2026

DEBT MARKET ROUNDUP

Key Takeaways & Outlook

INDIAN DEBT

Domestic & Global factors that played out for the Indian markets:

- **Bond yields rose amid uncertainty over the potential inclusion of Indian government bonds in the MSCI Index**. The upward pressure intensified as crude oil prices surged due to escalating geopolitical tensions in the Middle East, raising concerns about India's inflation outlook and broader macroeconomic stability.
- Yields climbed further after the U**.S. Federal Reserve kept interest rates unchanged at its Jul 2026 policy meeting, while uncertainty surrounding the future rate trajectory pushed U.S. Treasury yields higher.**

Outlook:

- The Indian debt market is expected to remain on a constructive trajectory, **supported by robust macroeconomic fundamentals, steady foreign capital inflows, and deeper integration with global bond markets.** While intermittent volatility may arise from geopolitical developments, fluctuations in crude oil prices, and changes in global interest rate expectations, the overall investment environment remains favorable. Market participants are also likely to closely track monsoon progress and trends in foreign participation within domestic debt markets. **Despite these near-term uncertainties, the medium-term outlook remains positive, underpinned by attractive real interest rates, strengthening foreign investor interest, and continued policy reforms aimed at enhancing market depth and efficiency.**
- **Given the current macro backdrop, we suggest to focus on accrual strategy. Expectation of range-bound yields offer favorable accrual opportunities with relatively low duration risk.**
- **For more than 12 months, investors may consider Low Duration Funds. For more than 2 years, investors can consider investing in Short Term, Corporate Bond, Banking & PSU or through Income Plus Arbitrage FOFs for tax efficiency. Along with MFs, AAA oriented quality Corporate FDs and Bonds can be looked at allocation in the debt portfolio.**

ECONOMIC CALENDAR

Upcoming Key Events for the Month

DOMESTIC

Events for August 2026	
Event	**Date**
CPI Inflation YoY Jul 2026	12-Aug-26
WPI Inflation YoY Jul 2026	14-Aug-26
Passenger Vehicles Sales Jul 2026	14-Aug-26
Balance of Trade Jul 2026	17-Aug-26
Unemployment Rate Jul 2026	17-Aug-26
Industrial Production YoY Jul 2026	28-Aug-26
GDP Growth Rate YoY 1Q FY27	31-Aug-26
Fiscal deficit (as a % of budget estimates)	31-Aug-26

GLOBAL

Events for August 2026	
Event	**Date**
Germany HICP Final YoY Jul 2026	12-Aug-26
U.S. Core CPI YoY, NSA Jul 2026	12-Aug-26
U.K. ILO Unemployment Rate Jun 2026	18-Aug-26
U.K. CPI YoY Jul 2026	19-Aug-26
Euro Zone HICP Final YoY Jul 2026	19-Aug-26
Japan CPI, Overall Nationwide Jul 2026	20-Aug-26
China Loan Prime Rate 1Y Aug 2026	20-Aug-26
U.S. New Home Sales-Units Jul 2026	25-Aug-26

Source: Refinitiv

MUTUAL FUND DASHBOARD

Category Performance

TATA CAPITAL WEALTH

MUTUAL FUND DASHBOARD

Category Performance

CATEGORY PERFORMANCE

Equity Category:	1 Yr	3 Yr	5 Yr	10 Yr
Large Cap	1.15	10.39	10.39	11.48
Large & Mid Cap	4.50	14.39	13.45	13.83
Multi Cap	5.79	14.81	13.70	14.61
Flexi Cap	3.68	12.53	11.89	13.11
Mid Cap	8.20	17.68	15.66	15.65
Small Cap	8.52	15.96	15.44	16.49
Focused	4.29	12.46	11.83	12.82
Value	4.73	13.90	13.86	13.47
Hybrid Category:				
Conservative Hybrid	3.39	7.54	7.38	7.09
Balanced Hybrid	4.37	--	--	--
Balanced Advantage	2.66	9.27	8.73	9.42
Multi Asset Allocation	11.20	14.30	13.55	12.62
Aggressive Hybrid	2.63	10.83	10.39	11.20

Debt Category	3 Mths	6 Mths	1 Yr	3 Yr
Money Market:				
Overnight	1.28	2.50	5.22	6.04
Liquid	1.61	3.27	6.21	6.80
Ultra Short Duration	1.63	3.24	5.89	6.66
Low Duration	1.72	3.13	5.69	6.88
Money Market	1.73	3.26	6.06	7.00
Accrual:				
Short Duration	2.08	3.00	4.97	6.91
Medium Duration	2.46	3.31	5.59	7.36
Banking & PSU Debt	2.16	3.04	4.92	6.90
Corporate Bond	2.21	3.07	4.93	7.05
Floating Rate	2.12	3.47	5.87	7.45
Credit Risk	2.32	4.50	7.99	8.99
Duration:				
Medium to Long Duration	2.59	2.93	3.63	6.26
Long Duration	2.96	2.23	1.88	6.09
Dynamic Bond	2.28	2.76	3.57	6.40
Gilt	2.70	2.47	2.38	6.00
Gilt Fund with 10 year constant duration	3.22	2.89	3.87	7.19

Note:<1 year return are absolute and ≥ 1 year returns are CAGR. Performance is of regular plan growth option for MF category performance. MF Category average performance as on 31st Jul 2026. Source: MFI 360 Explorer
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ATLAS
Monthly Market Review

TATA CAPITAL WEALTH

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