



# ATLAS

Monthly Market Review  
February 2026



KGV	Div.	Umsatz 29.10.2010	Stück	Tsd. Euro	Stück (€)
2010	2011 Rend.s	936060	43869	935077	
1.7	1.7	936060	157881	1739312	
		936060	170072	3213370	

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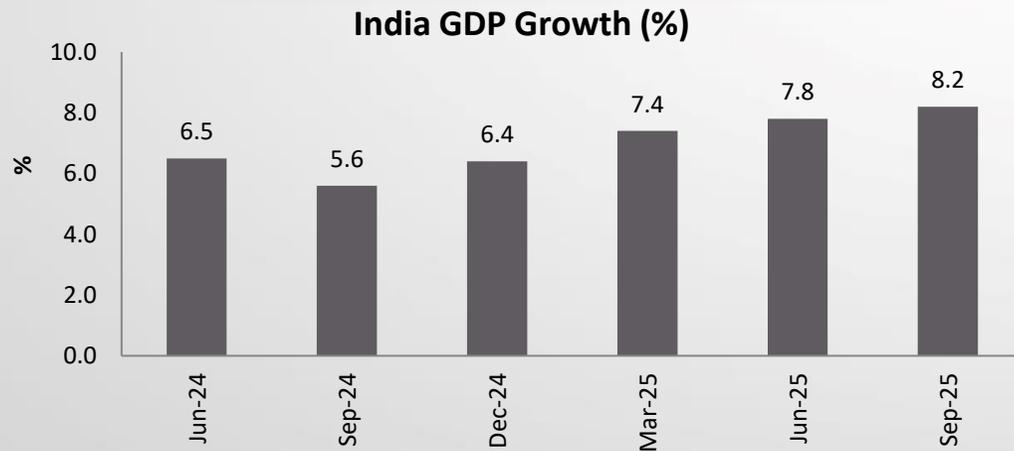
# MACRO ECONOMIC INDICATORS

## GDP and Current Account Deficit Trend



### MACRO

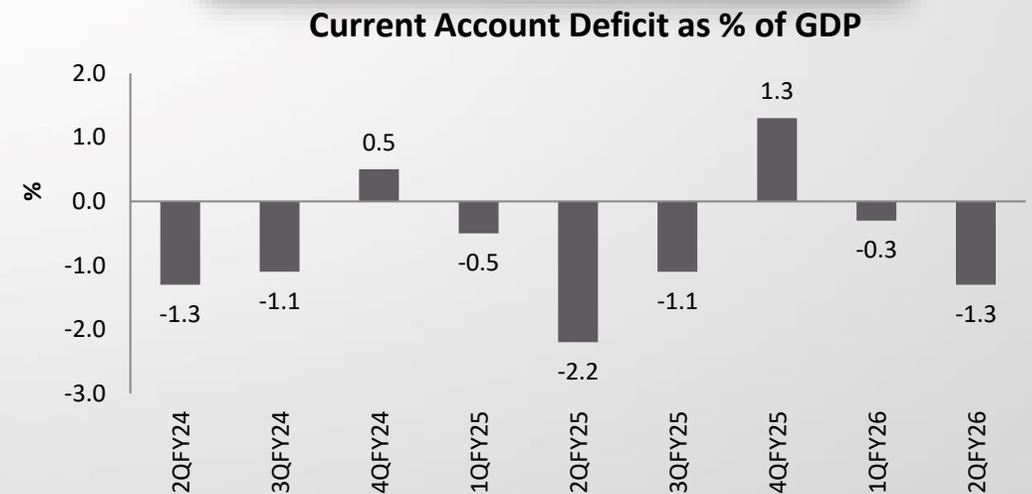
GDP grew by 8.2% YoY in 2QFY26



Source: Refinitiv

GDP of the Indian economy witnessed a growth of 8.2% YoY in the second quarter of FY26. In the Jul-Sep quarter of preceding previous year, the GDP growth rate was 5.6%.

Current a/c balance remained in deficit in 2QFY26



Source: Refinitiv

India's current account deficit moderated to US\$ 12.3 billion (1.3% of GDP) in 2QFY26 from US\$ 20.8 billion (2.2% of GDP) in 2QFY25.

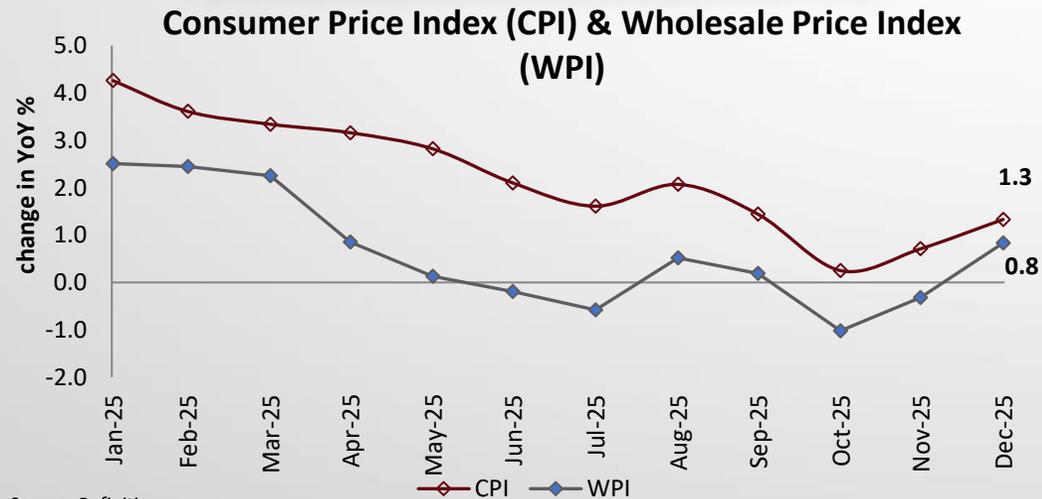
# MACRO ECONOMIC INDICATORS

## Inflation and Trade Data Trend



### MACRO

CPI inflation rose in Dec 2025



Source: Refinitiv

CPI-based inflation rose to 1.33% YoY in Dec 2025, driven by higher costs in personal care, vegetables and pulses. WPI-based inflation climbed to an eight-month high of 0.83% YoY in Dec 2025.

Trade deficit widened YoY in Dec 2025



Source: Refinitiv

Merchandise trade deficit widened annually to \$25.04 billion in Dec 2025, compared to \$20.63 billion in Dec 2024. Exports rose 1.88% YoY and imports increased 8.76% YoY during the same period.

# MACRO ECONOMIC INDICATORS

## Manufacturing and Services PMI Trend

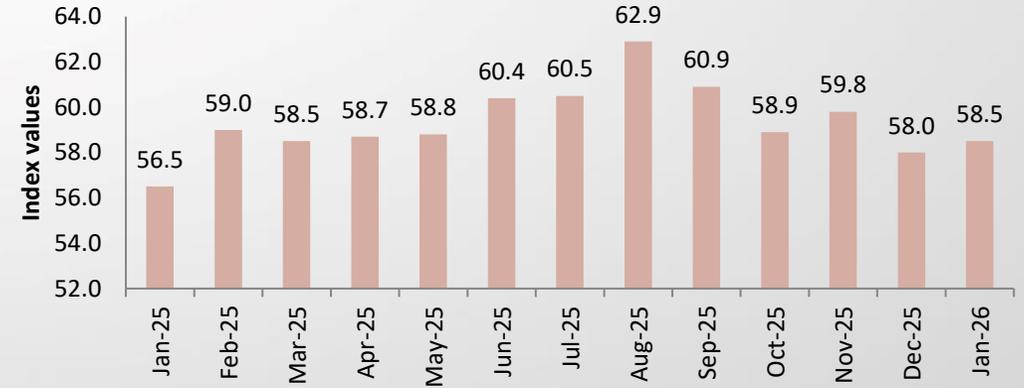
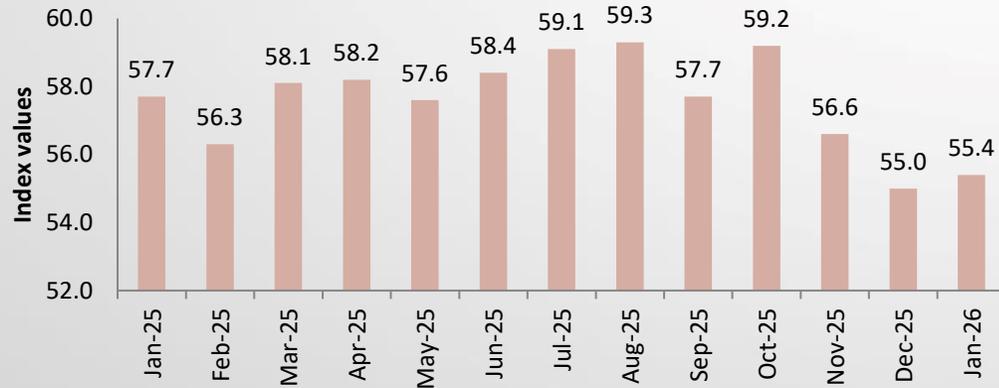


Manufacturing PMI rose in Jan 2026

Services PMI rose in Jan 2026

**India Manufacturing PMI**

**India Service PMI**



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

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

Manufacturing PMI rose to 55.4 in Jan 2026 from 55.0 in Dec 2025, indicating a continued solid improvement in operating conditions at the start of the year.

Services PMI rose to 58.5 in Jan 2026 from 58.0 in Dec 2025, supported by an uptick in new orders and job creation.

# MACRO ECONOMIC INDICATORS

## IIP and GST Trend



### MACRO

Industrial production accelerated in Dec 2025

Index of Industrial production (IIP)

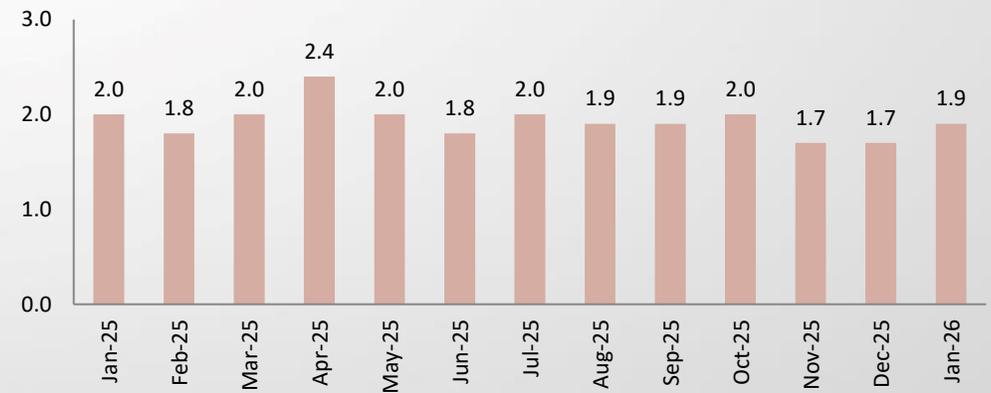


Source: Refinitiv

The Index of Industrial Production (IIP) rose 7.8% YoY in Dec 2025. Among the key sectors, mining, manufacturing, and electricity grew by 6.8%, 8.1%, and 6.3%, respectively.

GST revenue rose YoY in Jan 2026

GST Collections (Rs. Lakh Crore)



Source: PIB

The total gross Goods and Services Tax (GST) revenue grew by 6.2% YoY and stood at Rs. 1.93 lakh crore in Jan 2026, compared to Rs. 1.96 lakh crore in Jan 2025.

# MACRO ECONOMIC INDICATORS

## International Gold and U.S. 10 Year Treasury Trend



### MACRO

Gold prices rose MoM in Jan 2026

U.S. Treasury yields rose MoM in Jan 2026



Gold prices rose as geopolitical tensions continued to escalate. Expectations of U.S. Federal Reserve rate cuts further boosted demand for the yellow metal.

U.S. Treasury prices rose in Jan 2026 as Treasury yields fell in response to weakening labor-market indicators and expectation of further Federal Reserve rate cuts.

Gold data as on 30th Jan 2026; U.S. 10 Year Treasury Yield data as on 30th Jan 2026

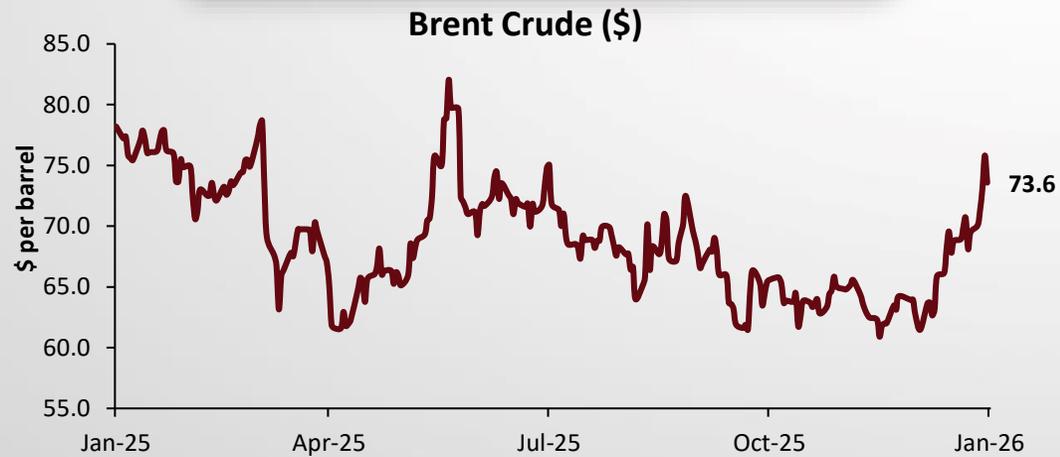
# MACRO ECONOMIC INDICATORS

## Crude and USD/INR Currency Trend



### MACRO

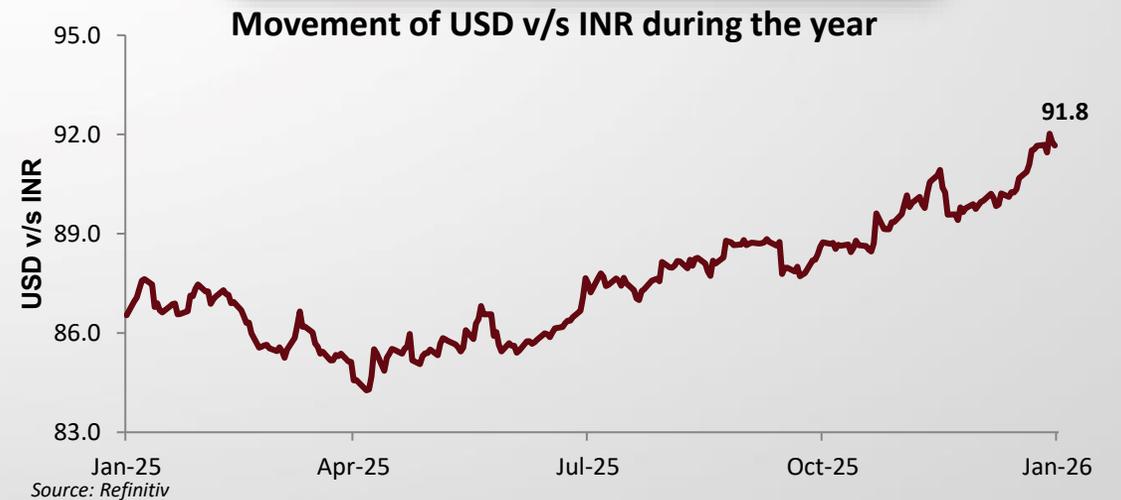
Crude oil prices surged MoM in Jan 2026



Source: Refinitiv

Brent crude rose on near-term supply concerns from ongoing geopolitical tensions, with gains supported by speculation of possible U.S. action in Iran that could disrupt production.

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



Source: Refinitiv

The Indian rupee weakened in spot trading against the U.S. dollar amid concerns over the potential imposition of additional U.S. tariffs on Indian exports.

# EVENT UPDATE

## RBI MPC kept repo rate unchanged at 5.25%



### MACRO

#### Key Highlights

- RBI kept the key policy repo rate unchanged at 5.25%
- RBI decided to continue with the neutral stance
- For FY26, retail inflation is projected at 2.1%
- For FY26, real GDP growth is projected at 7.4% (as per the First Advance Estimates)

Policy Rates / Reserve Ratio	05-Dec-25	06-Feb-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

- Domestic drivers like strong agriculture, GST rationalization, benign inflation, and robust corporate and financial balance sheets should sustain growth amid supportive monetary conditions. External uncertainties pose downside risks, while swift trade and investment deals offer upside potential.
- Real GDP growth for FY26 is projected at 7.3%, with Q3 at 7.0% and Q4 at 6.5%. For FY27, Q1 is estimated at 6.7% and Q2 at 6.8%, with risks are evenly balanced.

#### Inflation Outlook

- Inflation outlook remains favorable with bright food supply prospects supported by higher kharif output, healthy rabi sowing, adequate reservoirs, and good soil moisture. International commodity prices, except some metals, are expected to moderate. CPI inflation for FY26 is projected at 2.0%, with Q3 at 0.6% and Q4 at 2.9%. For FY27, Q1 is estimated at 3.9% and Q2 at 4.0%, with risks are evenly balanced.

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

# EVENT UPDATE

## U.S. Fed maintained the interest rate in Jan 2026

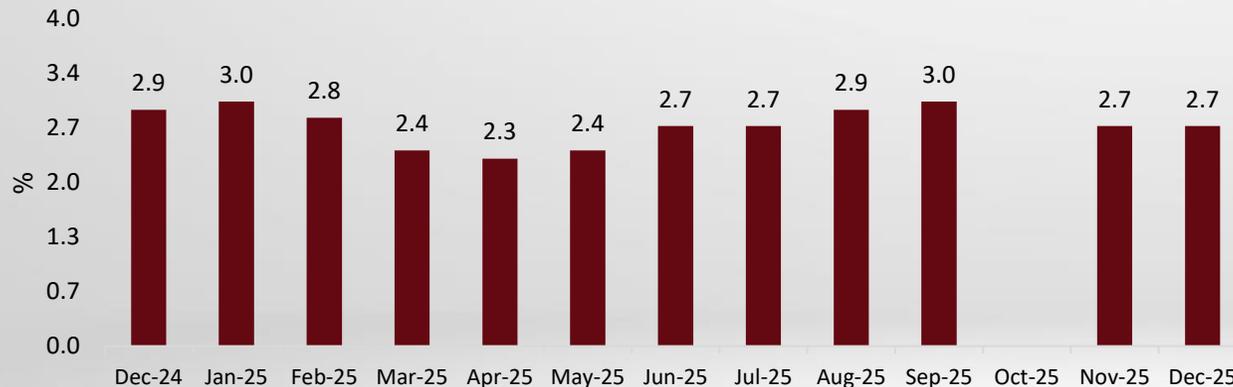


### MACRO

#### Key Highlights

- The U.S. Federal Reserve decided to **maintain the target range for the federal funds rate at 3.50–3.75% on Jan 28, 2026**, following three consecutive quarter point rate cuts. The Fed said its decision to leave **rates unchanged reflected elevated uncertainty surrounding the economic outlook**.

#### U.S. Inflation(%)



Source: Refinitiv

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

- U.S. consumer Price Index (CPI) climbed 0.3% in Dec 2025, according to the Labor Department.
- Excluding food and energy, core CPI rose 0.2%, slightly below economists' expectations of 0.3%.
- The **annual rate of consumer price growth remained unchanged at 2.7% in Dec 2025**, matching Nov's figure.

#### 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.

# DOMESTIC & GLOBAL

## Equity Market Update

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# INDIAN EQUITY MARKET DASHBOARD

## January 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	-3.44	-1.91	1.70	7.42	12.77	13.54	14.09
Nifty 50	-3.04	-1.45	2.64	8.97	14.08	14.52	14.23
Nifty 100	-2.90	-1.67	2.45	8.89	14.99	14.78	14.31
Nifty 500	-3.27	-2.56	1.08	7.98	16.72	16.52	15.05
Nifty Midcap 150	-3.50	-2.41	0.85	8.90	23.55	23.07	18.75
Nifty Smallcap 250	-5.50	-8.88	-7.77	0.01	20.14	21.64	15.30
Nifty Microcap 250	-5.66	-10.54	-10.93	-6.03	25.69	30.26	19.31
<b>Sectoral Indices</b>							
Nifty Metal	5.91	11.51	27.79	41.68	23.00	32.67	24.12
Nifty PSU Bank	5.76	10.27	31.73	43.80	32.01	39.10	15.39
Nifty IT	0.89	7.06	9.10	-8.74	10.91	11.33	15.30
Nifty Bank	0.05	3.17	6.75	21.17	14.56	15.12	15.09
Nifty Energy	-0.52	-2.96	0.81	4.94	15.40	18.87	17.53
Nifty Oil & Gas	-3.59	-1.56	5.20	12.57	16.80	18.66	17.20
Nifty Pharma	-4.44	-2.06	-4.57	1.98	21.57	13.10	7.04
Nifty Infrastructure	-4.81	-4.20	1.26	10.54	22.81	21.29	15.76
Nifty Auto	-5.10	-0.19	13.48	18.06	27.18	23.34	14.56
Nifty Healthcare	-5.10	-5.44	-6.59	1.34	21.79	14.90	8.80
Nifty FMCG	-7.65	-8.65	-7.86	-7.87	6.66	11.19	12.18
Nifty Realty	-10.80	-17.35	-14.07	-14.73	24.32	21.06	18.18

Domestic equity markets declined during the month as investors evaluated the impact of fresh U.S. tariffs and rising geopolitical tensions. Persistent selling by foreign institutional investors along with a fall in the rupee to a record low further added to the losses. However, domestic economic resilience and the landmark EU trade agreement helped markets stabilise as the month drew to a close.

# 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 100 -2.9
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 50 -3.0
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 -3.3
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	BSE Sensex -3.4
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 Midcap 150 -3.5
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	Nifty Smallcap 250 -5.5

- On CYTD basis, Nifty 100 witnessed the lowest decline, while Nifty Smallcap 250 witnessed the highest fall.
- Out of nine full calendar years, the Nifty Smallcap 250 has been the top performer in five years.

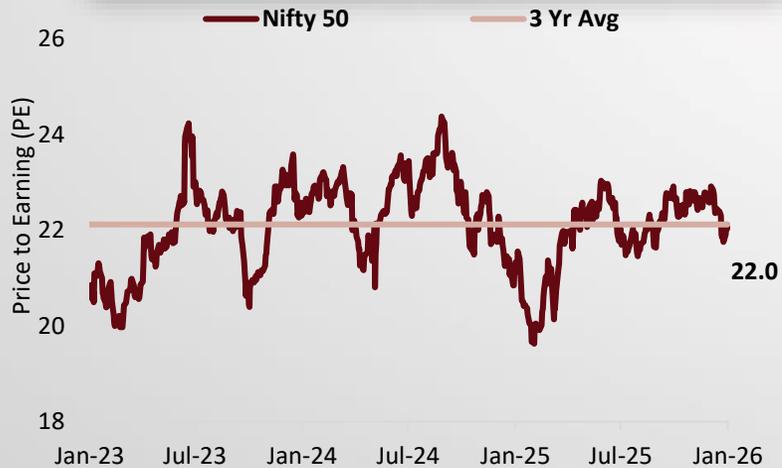
# RELATIVE TRAILING VALUATIONS (P/E)

## Large Cap vs Mid Cap vs Small Cap



### DOMESTIC

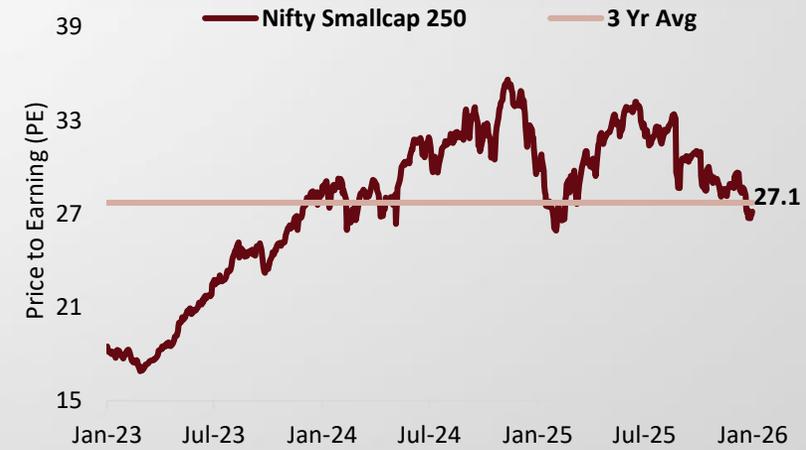
Nifty 50 trailing PE remained below the 3-year average mark



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



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



- Currently, Midcap & Small cap valuations are expensive compared with Large cap.
- Large cap, Midcap and small cap are trading below their 3-year average level.

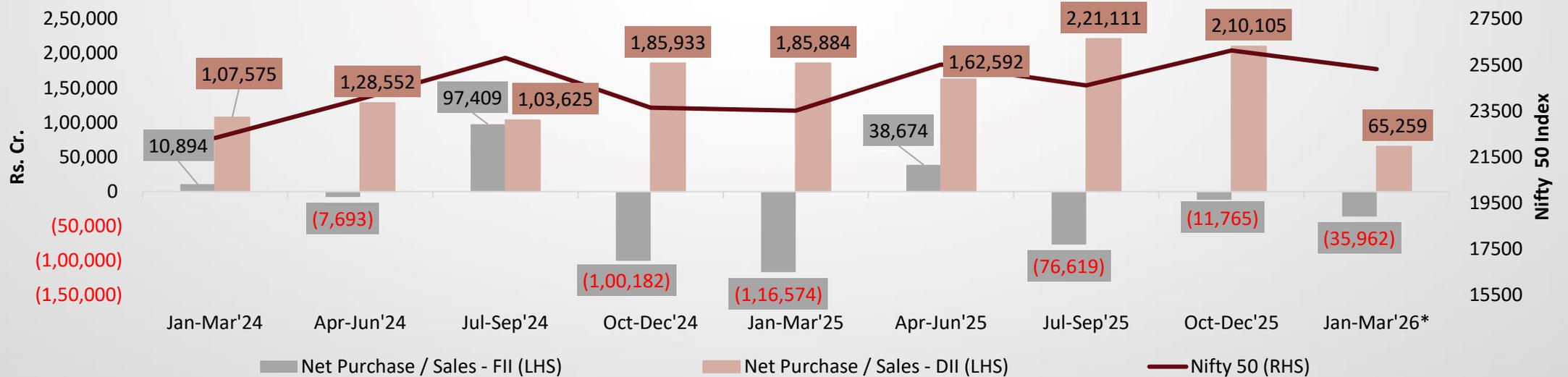
# EQUITY FLOWS

## Quarterly FII & DII Flows



### DOMESTIC

Quarterly Net FII & DII Flow (Cash) in Rs. Cr. V/S Nifty 50



- FIIs were net sellers in equity segment in Jan 2026 for the third consecutive month, with an outflow of Rs. 35,962 crore.
- Mutual funds have been net buyers in equity segment in the last 59 months till Jan 2026, except Apr 2023 and Aug 2022.

# GLOBAL EQUITY MARKET DASHBOARD

## January 2026



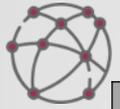
### GLOBAL

Emerging Markets	Index	Absolute (%)					CAGR(%)		
		1 Month	3 Months	YTD	6 Months	1 Year	2 Years	3 Years	5 Years
South Korea	Kospi	23.97	27.19	23.97	60.98	107.95	44.64	29.15	11.90
Brazil	Brazil Ibovespa	12.56	21.28	12.56	36.29	43.93	19.15	16.93	9.52
Taiwan	Taiwan TAIEX	10.70	13.57	10.70	36.20	35.39	33.88	28.07	16.18
China	Shanghai Composite	3.76	4.13	3.76	15.25	26.44	21.52	8.15	3.40
<b>India</b>	<b>Nifty 50</b>	<b>-3.10</b>	<b>-1.56</b>	<b>-3.10</b>	<b>2.23</b>	<b>7.73</b>	<b>7.96</b>	<b>12.76</b>	<b>13.16</b>
Indonesia	Jakarta Composite	-3.67	2.03	-3.67	11.29	17.22	7.50	6.79	7.27
Developed Markets									
Japan	Nikkei 225	5.93	1.74	5.93	29.83	34.86	21.22	24.96	14.01
UK	FTSE 100	2.94	5.21	2.94	11.94	17.92	15.75	9.57	9.78
Europe	Euro Stoxx 50 Pr	2.70	5.05	2.70	11.80	12.54	13.12	12.62	11.29
Germany	DAX	0.20	2.42	0.20	1.97	12.95	20.49	17.50	12.79
France	CAC 40	-0.28	0.07	-0.28	4.56	2.22	3.02	4.69	8.51
US	Russell 3000	-1.30	-3.61	-1.30	6.04	13.69	22.18	25.35	13.50

- Asian equities mostly gained as investors looked past geopolitical concerns and U.S. shutdown risks, shifting focus to upcoming big-tech earnings and the Fed's rate decision. Chinese shares rose as geopolitical and trade tensions eased after the U.S. signaled a pause on proposed tariffs and reached a framework agreement with NATO on a potential Greenland deal.
- Japanese markets advanced as the yen steadied amid speculation of possible coordinated FX intervention with the U.S.

# 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	Hong Kong 6.9
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	Japan 5.9
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	China 3.8
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	U.K. 2.9
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	Germany 0.2
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	U.S -1.3
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 -3.1

- On a CYTD basis, Hong Kong has been the top gainer, followed by Japan and China, while India followed by U.S. remained the lowest performers.

# 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	Intl 31.6	Gold 34.3
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	Gold 20.6	Intl 10.7
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 16.2	Cash 4.4
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	G-Sec 8.8	G-Sec 2.0
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	Cash 7.2	Indian Equity 1.2
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 3.1	Real Estate 0.9

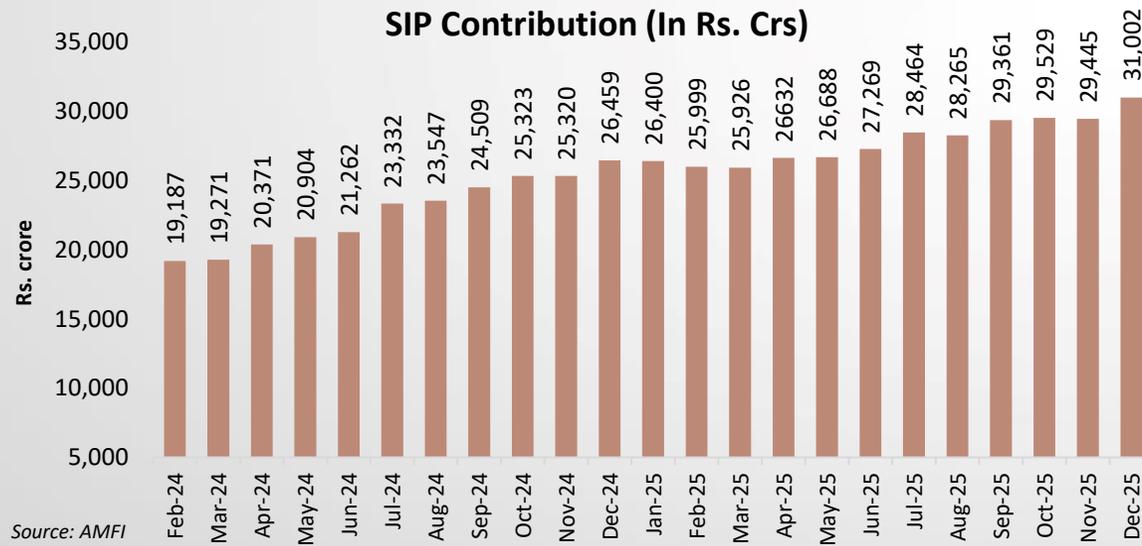
- On CYTD basis, Gold remained at the top followed by International Equity, while Real Estate followed by Indian Equity remained the lowest performers.

# MUTUAL FUNDS

## SIP Flows and SIP Returns Data



### DOMESTIC



- According to AMFI, monthly SIP inflows reached a new high in Dec 2025, standing at Rs. 31,002 crore. SIP AUM rose to Rs. 16.63 lakh crore, up from Rs. 16.53 lakh crore in Nov 2025, with 1,010.73 lakh outstanding SIP accounts.

Equity Broad MF category	Category average SIP returns (%)		
	3-year	5-year	10-year
Large cap	10.0	11.5	12.9
Large & Mid cap	11.7	14.0	15.1
Flexi cap	9.8	12.3	14.3
Multi cap	10.4	13.2	15.5
Mid cap	<b>12.8</b>	<b>15.8</b>	17.1
Small cap	8.0	13.8	<b>17.3</b>
Focused	10.1	12.0	13.9
Value	12.2	15.2	15.7

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

# 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	-2.88	-2.10	0.97	7.22	15.10	14.11	13.08
Large & Mid Cap	-3.35	-3.39	-0.49	6.97	18.35	17.86	14.99
Flexi Cap	-3.15	-3.44	-0.67	5.62	16.27	15.72	14.40
Multi Cap	-3.68	-4.30	-1.60	5.22	18.22	18.51	15.12
Mid Cap	-3.69	-4.29	-1.42	6.63	20.96	20.47	16.38
Small Cap	-4.58	-7.50	-6.22	0.52	18.00	21.61	16.67
Focused	-2.99	-2.82	0.01	6.55	16.14	15.34	14.16
Value	-2.46	-1.50	1.68	7.20	19.06	19.06	15.18
<b>Index:</b>							
Nifty 100	-2.90	-1.67	2.45	8.92	14.99	14.78	14.31
Nifty 500	-3.27	-2.56	1.08	8.00	16.72	16.52	15.05
Nifty Midcap 150	-3.50	-2.41	0.85	8.93	23.55	23.07	18.75
Nifty Smallcap 250	-5.50	-8.88	-7.77	0.01	20.14	21.64	15.30

- In the last one-month, Small Cap followed by Mid Cap categories fell the most, while Value category witnessed the least fall.
- It is to be worth noted that all the equity categories witnessed positive returns for 1 year and above periods.

# EQUITY MARKET ROUNDUP

## Key Takeaways & Outlook



### DOMESTIC

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

- Domestic equity markets declined during the month as investors evaluated the impact of fresh U.S. tariffs and rising geopolitical tensions. Market sentiment weakened after the U.S. President announced a 25% tariff on countries trading with Iran, a move expected to significantly affect India since it is one of Iran's largest trading partners.
- Persistent selling by foreign institutional investors along with a fall in the rupee to a record low further added to the losses. However, domestic economic resilience and the landmark EU trade agreement helped markets stabilise as the month drew to a close.

#### Outlook:

- India's equity market outlook is supported by strong domestic demand and a favourable macro environment marked by easing inflation and growth oriented policy measures even as the recent Budget related increase in Securities Transaction Tax has caused short term volatility. Valuations continue to normalize and domestic inflows remain steady, while global factors such as movements in crude oil continue to influence investor sentiment, particularly as India increases its monitoring of crude imports from Russia and the U.S. considering ongoing tariff related scrutiny. At the same time, with the India-U.S. trade deal now sealed, progress in bilateral economic engagement has taken a significant step forward, reducing external uncertainty and providing added layer of support to overall market stability.
- **Given the high valuations, investors may consider allocating to large-cap oriented funds, along with Multi-Asset and Balanced Advantage Funds. Additionally, investors may continue with SIPs or staggered investments to navigate current market volatility.**

# DOMESTIC & GLOBAL

## Debt Market Update

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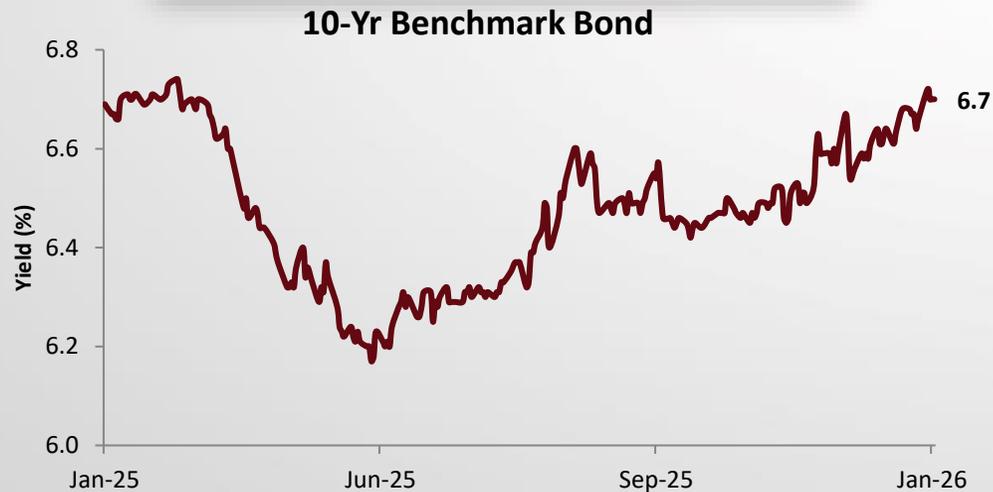
# DEBT MARKET

## Indian Government Bond and Policy Rate Trend



### INDIAN DEBT

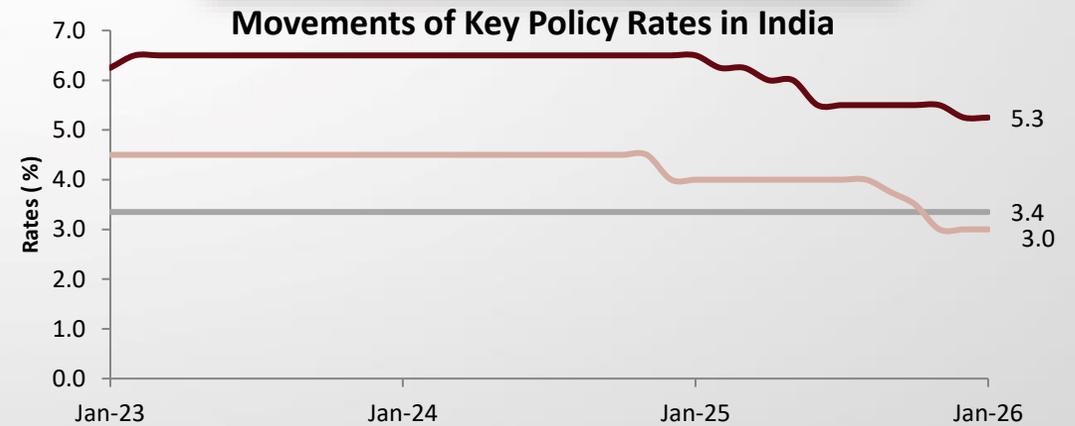
10-year benchmark G-sec yield rose by 11 bps MoM in Jan 2026



Source: Refinitiv

Bond yields climbed as record state borrowings triggered a broad selloff, with losses worsening after Bloomberg Index Services postponed India's Global Aggregate Index inclusion.

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



Source: RBI

The Monetary Policy Committee, in its sixth bi-monthly monetary policy review for FY26, decided to keep the policy repo rate under the liquidity adjustment facility unchanged at 5.25%.

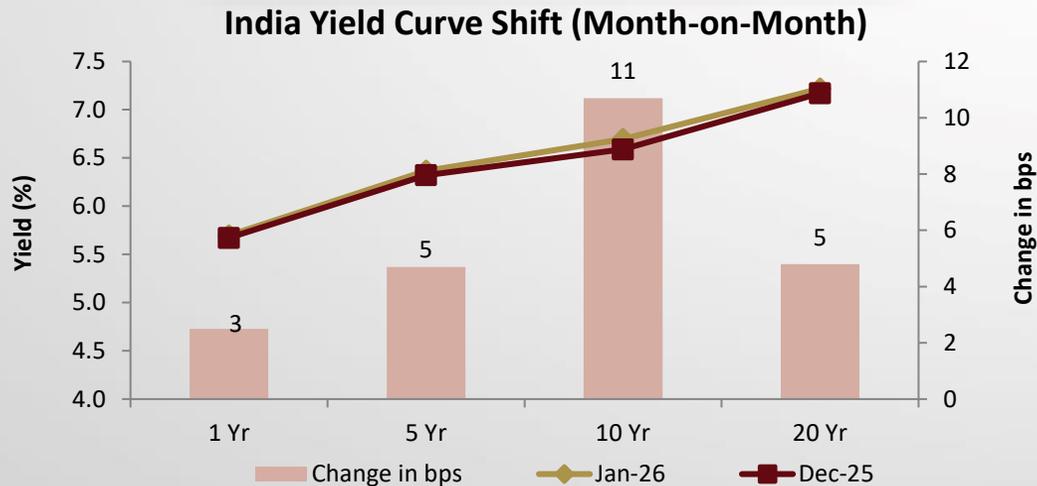
# DEBT MARKET

## Government Bond & Corporate Bond Yield Trend



### INDIAN DEBT

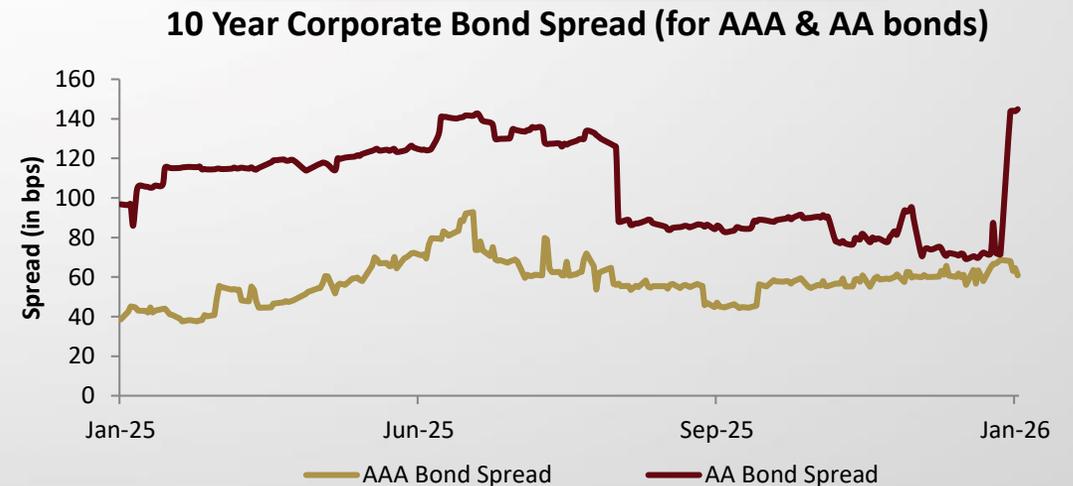
G-sec yields mostly rose during the month



Source: Refinitiv

Yield on gilt securities rose between 3 to 11 bps across the maturities, barring 11 year paper that was unchanged.

Corporate bond yields mostly increased during the month



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

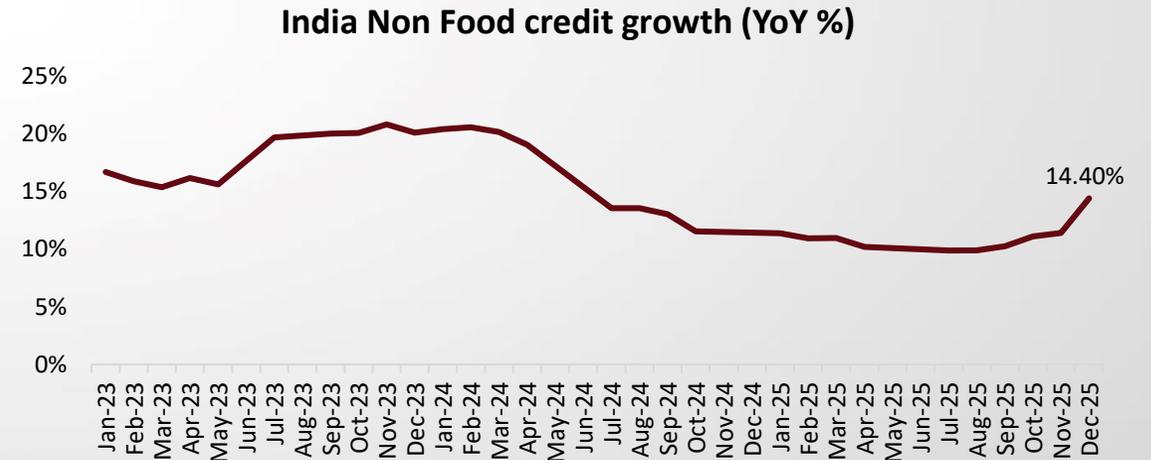
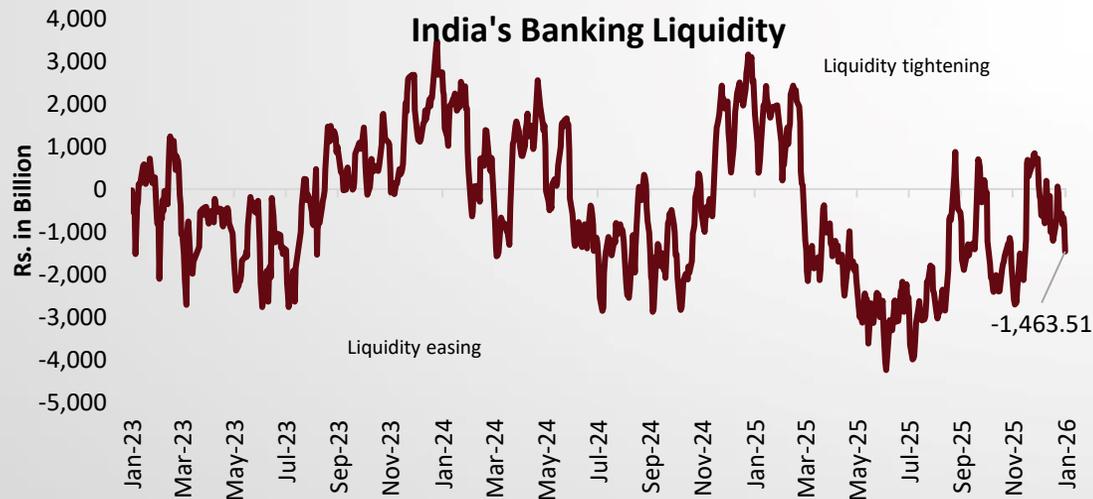
Spreads on AA corporate bonds increased on the back of tight liquidity conditions, weak deposit growth & high borrowing cost and weakening Rupee.

# DEBT MARKET

## System Liquidity



### INDIAN DEBT



- Banking system liquidity remained in surplus, though it moderated compared with the previous month's average. To address the tightening conditions, the RBI conducted multiple open market operations (OMOs), purchasing Government securities to inject liquidity into the system. Further liquidity-support measures were also announced by the central bank, including a USD/INR buy-sell swap auction of USD 10 billion for a 3-year tenor on Feb 4, 2026, and OMO purchase auctions of Government of India securities totaling Rs. 1,00,000 crore, to be carried out in two tranches of Rs. 50,000 crore each on Feb 5 and Feb 12, 2026.

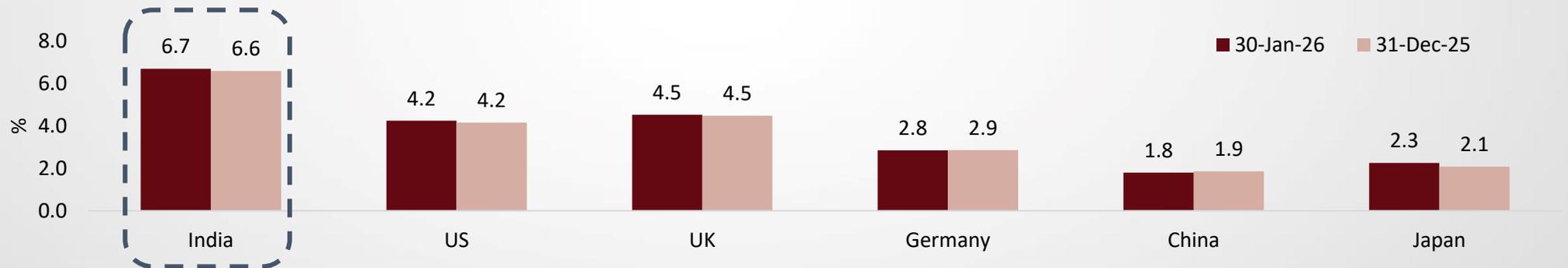
# DEBT MARKET

## Global



### GLOBAL DEBT

Yield of 10 Year Government Bonds across countries (%)



<b>Current Yield (%)</b>	6.7	4.2	4.5	2.8	1.8	2.3
<b>Inflation (%)</b>	1.3	2.7	3.4	1.8	0.8	2.1
<b>Real Yields (%):</b>						
<b>30-Jan-26</b>	5.4	1.5	1.1	1.0	1.0	0.2

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

# 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	1.29	2.65	5.59	6.27	5.36
Liquid Fund	0.43	1.40	2.83	6.27	6.84	5.76
Ultra Short Term Fund	0.26	1.16	2.56	6.39	6.72	5.68
Low Duration Fund	0.19	1.06	2.48	6.85	7.05	5.85
Money Market Fund	0.29	1.26	2.68	6.92	7.14	5.97
Arbitrage Fund	0.57	1.64	2.87	6.11	6.89	5.66
<b>NIFTY Ultra Short Duration Debt Index</b>	<b>0.35</b>	<b>1.40</b>	<b>2.95</b>	<b>6.99</b>	<b>7.56</b>	<b>6.45</b>
Short Term Bond Fund	0.02	0.65	1.91	6.79	7.09	5.91
Medium Duration Fund	0.18	0.91	2.20	7.37	7.50	6.58
Banking and PSU Fund	-0.05	0.56	1.84	6.66	7.10	5.75
Corporate Bond Fund	-0.06	0.55	1.80	6.89	7.27	5.82
Credit Risk Fund	0.43	1.33	2.98	10.38	8.88	7.77
<b>NIFTY Corporate Bond Index</b>	<b>-0.05</b>	<b>0.55</b>	<b>1.94</b>	<b>6.82</b>	<b>7.33</b>	<b>6.11</b>
<b>NIFTY Medium Duration Debt Index</b>	<b>-0.08</b>	<b>0.34</b>	<b>1.52</b>	<b>6.57</b>	<b>7.31</b>	<b>5.88</b>
<b>Nifty Short Duration Debt Index</b>	<b>0.09</b>	<b>0.87</b>	<b>2.23</b>	<b>7.01</b>	<b>7.35</b>	<b>6.09</b>
Dynamic Bond Fund	-0.06	0.36	0.79	4.86	6.70	5.40
Medium to Long Duration Fund	-0.08	0.33	0.68	4.82	6.57	5.08
Gilt Fund	-0.14	0.24	-0.09	3.41	6.43	4.91

- Credit Risk Fund, Medium Duration Fund and Money Market Fund were the top performing categories over the past year, generating between 7 to 10% return.

# DEBT MARKET

## Sensitivity Analysis



### INDIAN DEBT

Sensitivity Analysis				Interest Rate Scenario's					
Category	Avg YTM (%)	Avg Maturity (Years)	Avg Mod duration (Years)	Increases			Decreases		
				0.25%	0.50%	1.00%	0.25%	0.50%	1.00%
Overnight Fund	5.31	0.00 Years	0.00 Years	5.31%	5.31%	5.31%	5.31%	5.31%	5.31%
Liquid Fund	5.98	0.04 Years	0.13 Years	5.95%	5.91%	5.85%	6.01%	6.04%	6.11%
Ultra Short Term Fund	6.71	0.26 Years	0.44 Years	6.60%	6.49%	6.27%	6.82%	6.93%	7.15%
Money Market Fund	6.27	0.15 Years	0.35 Years	6.19%	6.10%	5.92%	6.36%	6.45%	6.62%
Low Duration Fund	6.66	0.72 Years	0.86 Years	6.44%	6.23%	5.80%	6.87%	7.09%	7.52%
Short Term Bond Fund	7.01	2.96 Years	2.41 Years	6.41%	5.80%	4.60%	7.61%	8.21%	9.42%
Corporate Bond Fund	7.04	4.41 Years	3.03 Years	6.29%	5.53%	4.01%	7.80%	8.56%	10.07%
Banking and PSU Fund	6.83	3.72 Years	2.63 Years	6.18%	5.52%	4.20%	7.49%	8.15%	9.46%
Credit Risk Fund	7.85	2.89 Years	2.14 Years	7.31%	6.78%	5.71%	8.38%	8.92%	9.99%
Medium Duration Fund	7.44	4.76 Years	3.39 Years	6.59%	5.74%	4.05%	8.29%	9.13%	10.83%
Dynamic Bond Fund	6.82	11.09 Years	5.14 Years	5.53%	4.25%	1.68%	8.10%	9.39%	11.96%
Medium to Long Duration Fund	7.06	11.06 Years	5.69 Years	5.64%	4.21%	1.37%	8.48%	9.90%	12.75%
Gilt Fund	7.05	20.10 Years	8.62 Years	4.89%	2.74%	-1.57%	9.20%	11.36%	15.67%

- Credit Risk Fund, Medium Duration Fund and Medium to Long Duration Fund offer higher YTM's.

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)].

# DEBT MARKET ROUNDUP

## Key Takeaways & Outlook



### INDIAN DEBT

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

- Bond yields moved higher during the month as a record state borrowing programme sparked a broad selloff, intensifying the existing supply demand imbalance. States are expected to raise about Rs. 5 lakh crore through bond issuances between Jan and Mar 2026, adding substantial supply pressure.
- Losses deepened after Bloomberg Index Services postponed India's inclusion in its Global Aggregate Index, prompting an unwinding of positions built on that anticipation. However, the RBI's purchase of government securities through open market operations helped limit the extent of the rise in yields.

#### Outlook:

- Domestic bond markets are expected to remain cautious as investors watch for supportive cues, while the recently sealed India–U.S. trade deal is likely to lift risk sentiment and provide supportive backdrop for the rupee and bond yields. Despite the RBI's liquidity-injection measures through OMOs, longer-tenor FX buy-sell swaps, and VRR operations, yields continue to rise amid persistent supply–demand pressures, making further RBI action key to stabilising the curve. With inflation likely to firm due to the low base effect and limited expectations of additional rate cuts, investors remain cautious in their duration positioning.
- **India's fixed-income securities have largely exhausted their duration-driven gains, necessitating investors to shift focus toward accrual-based products for consistent returns, for more than 12 months investors may consider Low Duration Funds. For more than 2 years, investors may look at Short Duration, Banking PSU, Corporate Bond, Income Plus Arbitrage FOF, Dynamic Bond and Target Maturity Funds (matching with the average maturity of the funds and investment horizon). 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 February 2026	
Event	Date
CPI Inflation YoY Jan 2026	12-Feb-26
Passenger Vehicles Sales YoY Jan 2026	13-Feb-26
WPI Inflation YoY Jan 2026	13-Feb-26
Balance of Trade Jan 2026	16-Feb-26
Unemployment Rate Jan 2026	16-Feb-26
GDP Growth Rate YoY Q3FY26	27-Feb-26
Industrial Production YoY Jan 2026	28-Feb-26
Government Budget Value Jan 2026	28-Feb-26



### GLOBAL

Events for February 2026	
Event	Date
China CPI YoY Jan 2026	11-Feb-26
U.S. CPI YoY, NSA Jan 2026	11-Feb-26
U.K. ILO Unemployment Rate Dec 2025	17-Feb-26
Germany HICP Final YoY Jan 2026	17-Feb-26
U.K. CPI YoY Jan 2026	18-Feb-26
Japan CPI, Overall Nationwide Jan 2026	19-Feb-26
China Loan Prime Rate 1Y Feb 2026	20-Feb-26
U.S. Durable Goods Dec 2025	23-Feb-26

# MUTUAL FUND DASHBOARD

## Category Performance

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# MUTUAL FUND DASHBOARD

## Category Performance



### CATEGORY PERFORMANCE

Equity Category:	1 Yr	3 Yr	5 Yr	10 Yr
Large Cap	7.22	15.10	14.11	13.08
Large & Mid Cap	6.97	18.35	17.86	14.99
Multi Cap	5.22	18.22	18.51	15.12
Flexi Cap	5.62	16.27	15.72	14.40
Mid Cap	6.63	20.96	20.47	16.38
Small Cap	0.52	18.00	21.61	16.67
Focused	6.55	16.14	15.34	14.16
Value	7.20	19.06	19.06	15.18
Hybrid Category:				
Conservative Hybrid	5.78	8.85	8.08	7.78
Balanced Hybrid	6.16	--	--	--
Balanced Advantage	5.76	11.82	10.47	10.34
Multi Asset Allocation	20.24	18.99	17.45	13.72
Aggressive Hybrid	6.50	14.26	13.85	12.11

Debt Category	3 Mths	6 Mths	1 Yr	3 Yr
Money Market:				
Overnight	1.29	2.65	5.59	6.27
Liquid	1.40	2.83	6.27	6.84
Ultra Short Duration	1.16	2.56	6.39	6.72
Low Duration	1.06	2.48	6.85	7.05
Money Market	1.26	2.68	6.92	7.14
Accrual:				
Short Duration	0.65	1.91	6.79	7.09
Medium Duration	0.91	2.20	7.37	7.50
Banking & PSU Debt	0.56	1.84	6.66	7.10
Corporate Bond	0.55	1.80	6.89	7.27
Floating Rate	1.01	2.32	7.20	7.61
Credit Risk	1.33	2.98	10.38	8.88
Duration:				
Medium to Long Duration	0.33	0.68	4.82	6.57
Long Duration	0.19	-0.34	2.78	7.05
Dynamic Bond	0.36	0.79	4.86	6.70
Gilt	0.24	-0.09	3.41	6.43
Gilt Fund with 10 year constant duration	0.57	0.94	5.94	7.73

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 30th Jan 2026. Source: MFI 360 Explorer <https://www.icraanalytics.com/terms-of-use/disclaimer>

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