








Monthly Market Review

September 2025



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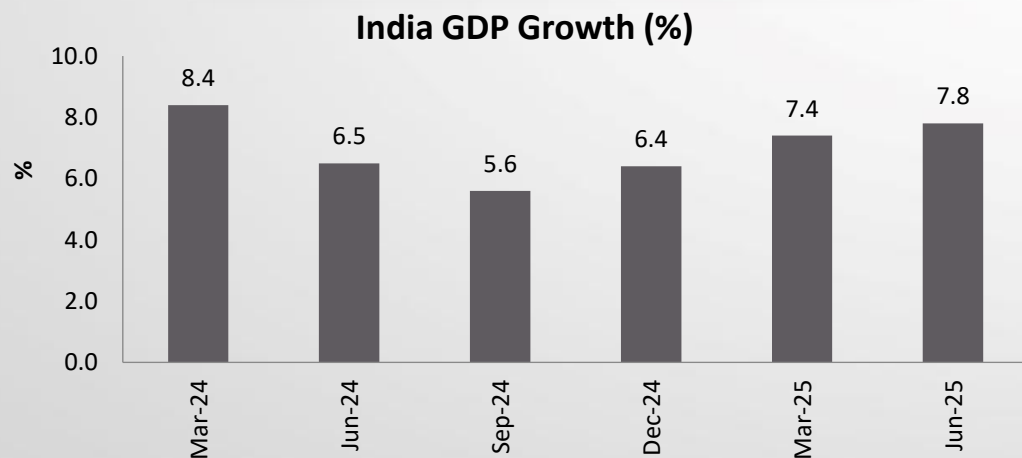
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MACRO ECONOMIC INDICATORS

GDP and Current Account Deficit Trend



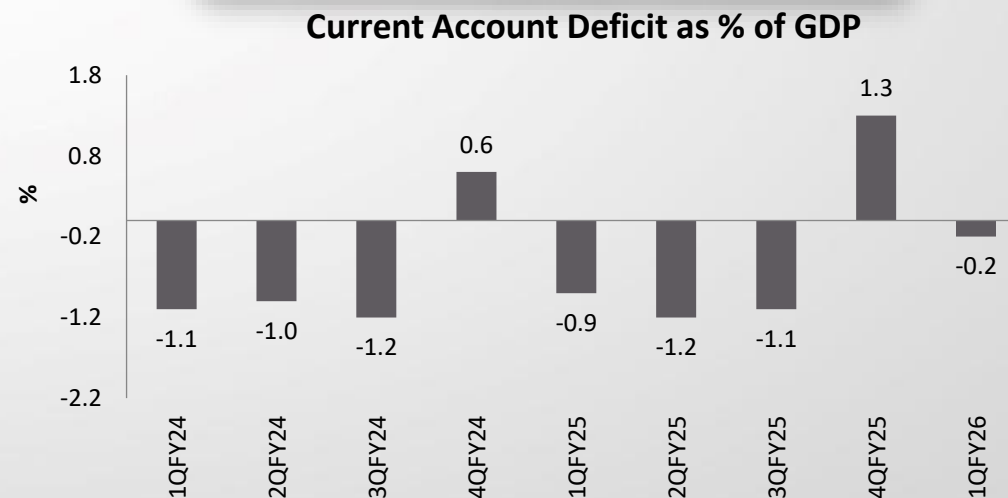
GDP grew by 7.8% YoY in 1QFY26



Source: Refinitiv

GDP of the Indian economy witnessed a growth of 7.8% YoY in the first quarter of FY26. In the Mar-Jun quarter of last year, the GDP growth rate was 6.5%.

Current a/c balance remained in deficit in 1QFY26



Source: Refinitiv

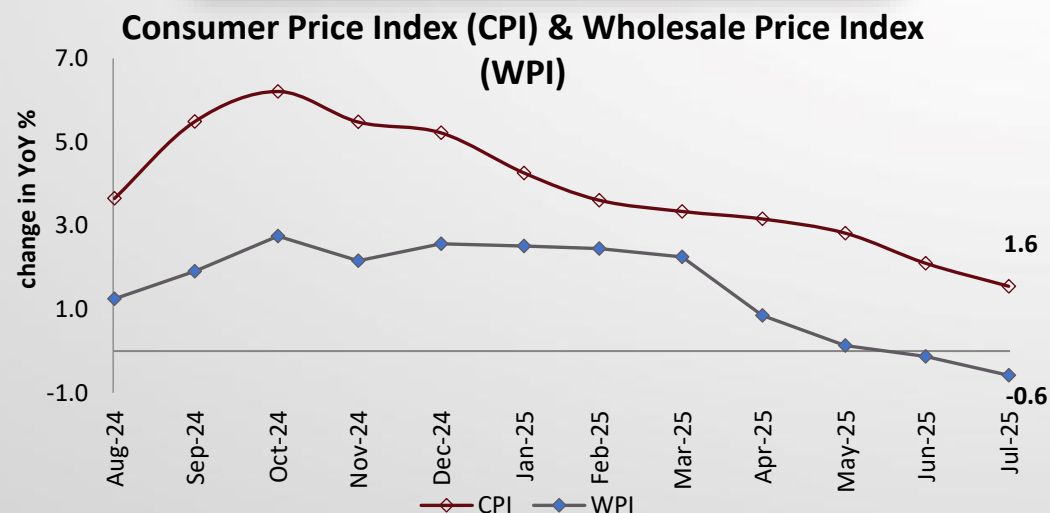
Current account balance recorded a deficit of US\$ 2.4 billion (0.2% of GDP) in 1QFY26 as compared with US\$ 8.6 billion (0.9% of GDP) in 1QFY25.

MACRO ECONOMIC INDICATORS

Inflation and Trade Data Trend

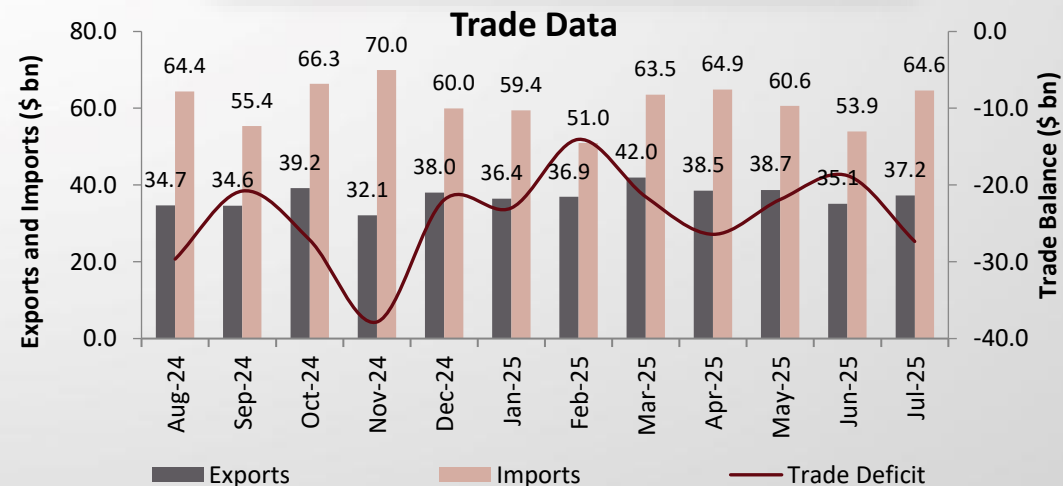


CPI inflation eased in Jul 2025



CPI-based inflation fell to 1.55% YoY in Jul 2025, down from 2.10% in Jun 2025, driven by easing food price pressures. WPI-based inflation fell by 0.58% YoY in Jul 2025.

Trade deficit widened YoY in Jul 2025



Merchandise trade deficit widened annually to \$27.35 billion in Jul 2025 compared to \$24.77 billion in Jul 2024. Exports rose by 7.29% YoY in Jul 2025, and imports increased 8.59% YoY.

MACRO ECONOMIC INDICATORS

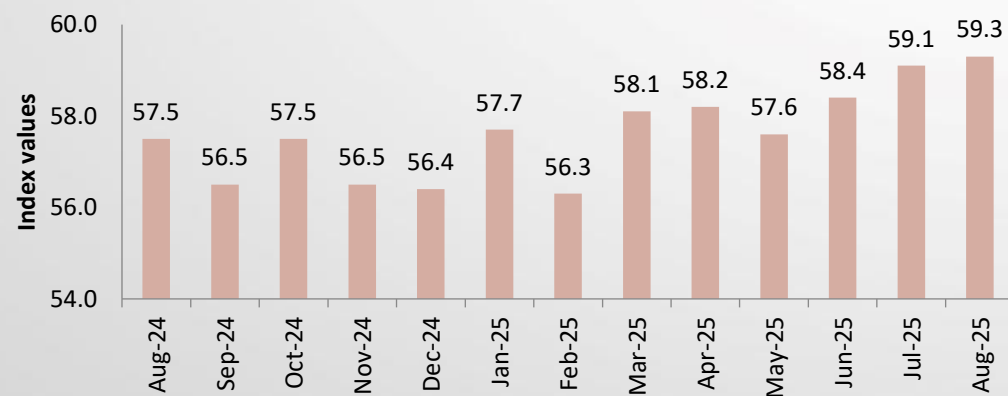
Manufacturing and Services PMI Trend



Manufacturing PMI rose in Aug 2025

Services PMI rose in Aug 2025

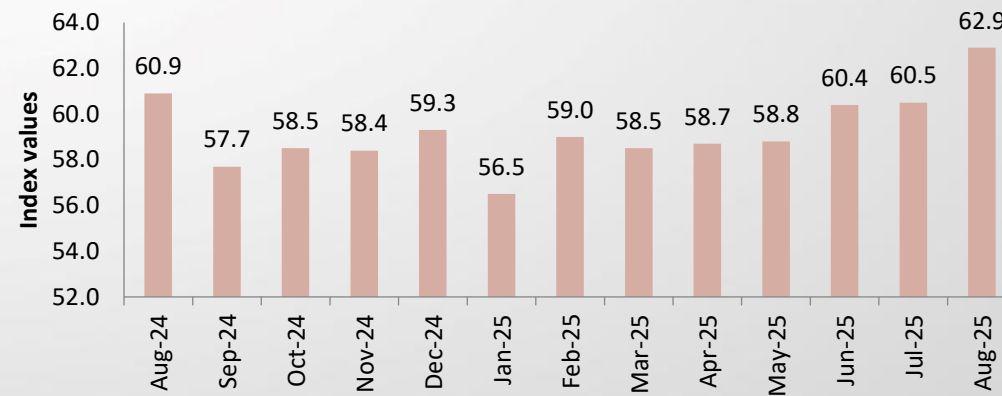
India Manufacturing PMI



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

Manufacturing PMI rose to 59.3 in Aug 2025 from 59.1 in Jul, driven by strong demand and better alignment of supply with orders.

India Services PMI



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

Services PMI climbed to a 15-year high of 62.9 in Aug 2025 from 60.5 in Jul 2025, driven by strong growth in new orders and rising output, supported by robust international demand.

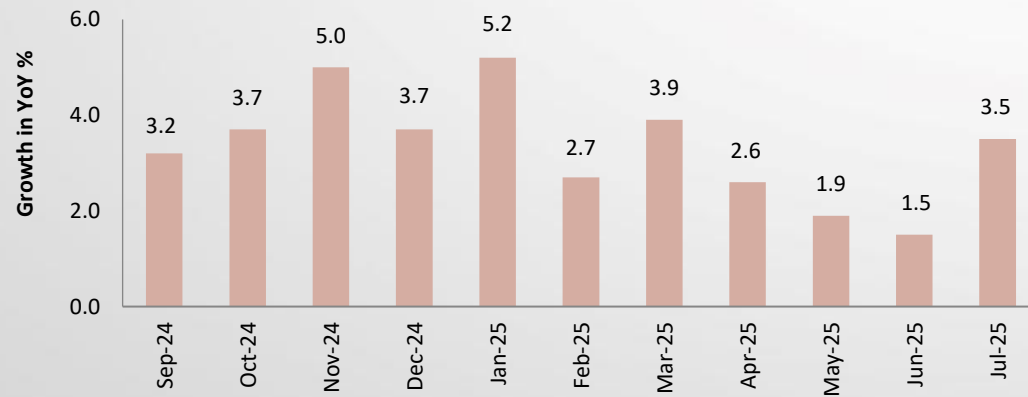
MACRO ECONOMIC INDICATORS

IIP and GST Trend



Industrial production accelerated in Jul 2025

Index of Industrial production (IIP)

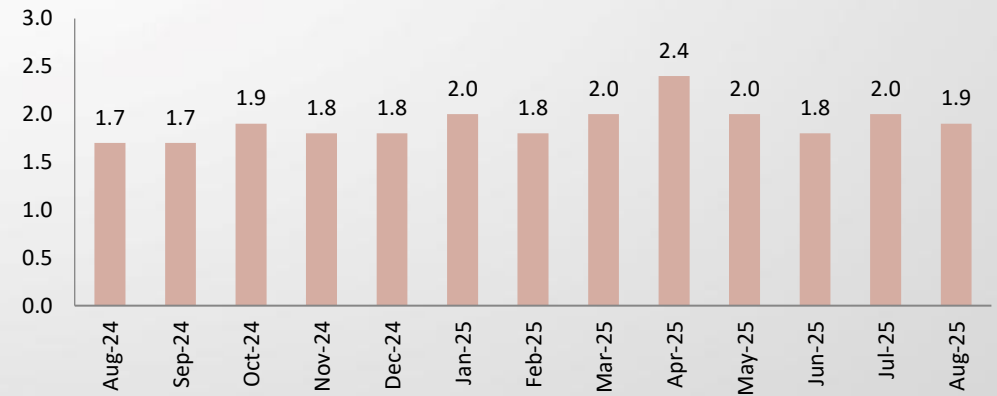


Source: Refinitiv

Industrial Production grew by 3.5% YoY in Jul 2025. Within the sectoral breakdown, manufacturing and electricity rose by 5.4% and 0.6% respectively, while mining contracted by 7.2% in Jul 2025.

GST revenue rose YoY in Aug 2025

GST Collections (Rs. Lakh Crore)



Source: PIB

The total gross Goods and Services Tax (GST) revenue grew by 6.5% YoY and stood at Rs. 1.9 lakh crore in Aug 2025, compared to Rs. 1.7 lakh crore in Aug 2024.

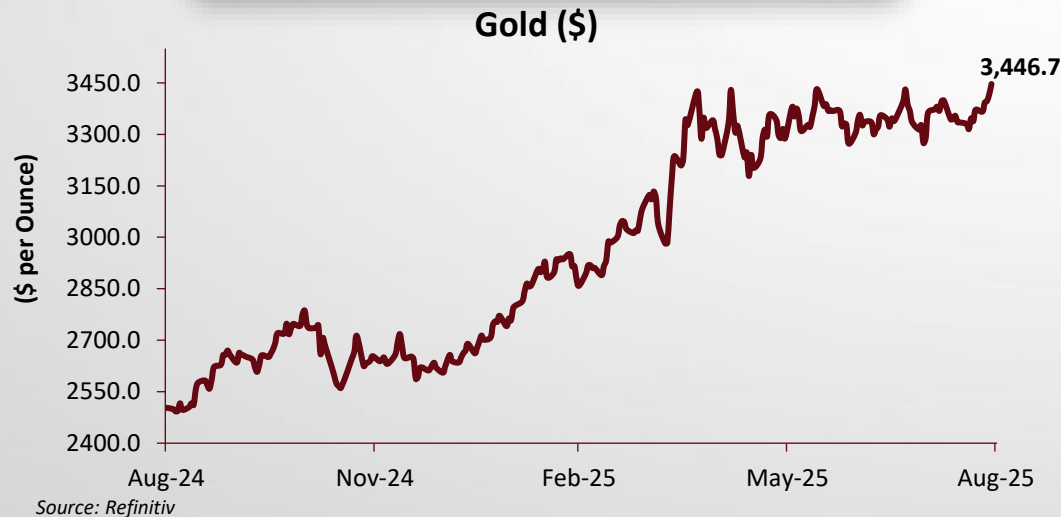
MACRO ECONOMIC INDICATORS

International Gold and U.S. 10 Year Treasury Trend



Gold prices rose MoM in Aug 2025

U.S. Treasury yields fell MoM in Aug 2025



Gold prices rose as renewed U.S. trade tensions and expectations of interest rate cuts boosted safe-haven demand. Gains extended after the Fed Chair's hinted at possible rate cuts in Sep 2025.



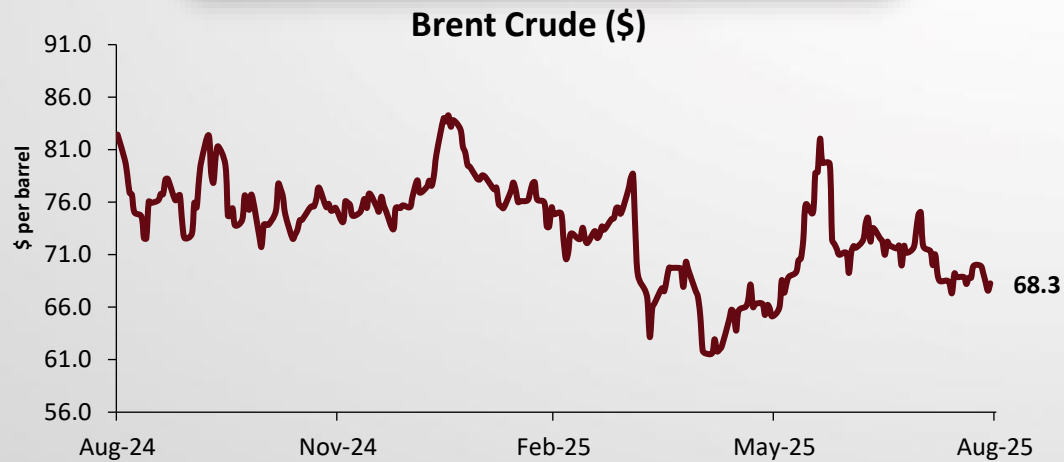
U.S. Treasury prices rose after the Federal Reserve Chair signaled that interest rate cuts could be on the horizon. Additional support came as investors placed bets on a potential rate cut in Sep 2025.

MACRO ECONOMIC INDICATORS

Crude and USD/INR Currency Trend



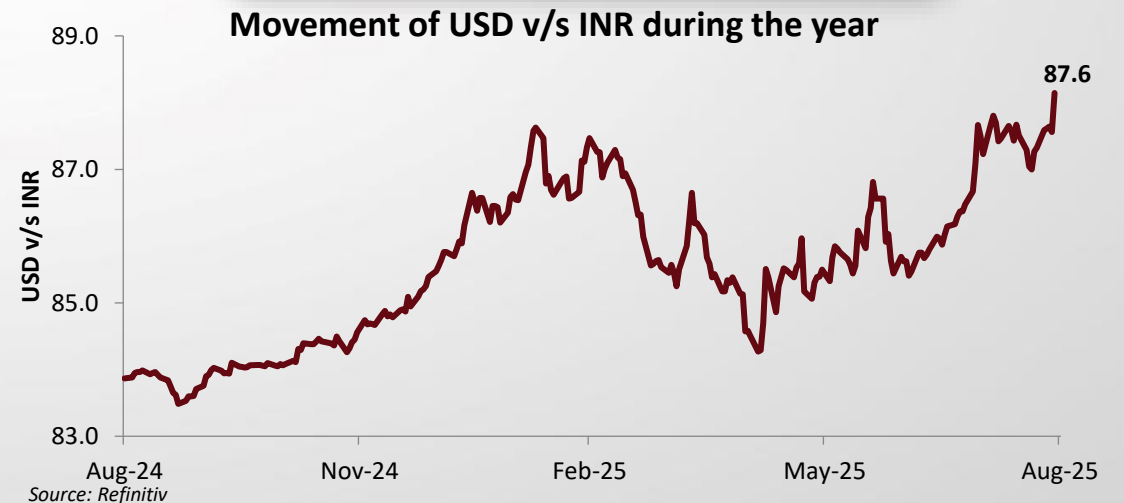
Crude oil prices fell MoM in Aug 2025



Source: Refinitiv

Brent crude dropped as trade policy threats heightened concerns over global tech tensions and digital tax disputes, potentially impacting the U.S. economic and energy outlook.

Rupee fell against U.S. dollar on MoM in Aug 2025



Source: Refinitiv

The rupee weakened on foreign fund outflows and tariff concerns, with steep U.S. duties boosting dollar demand. Though optimism over GST reforms limited losses.

EVENT UPDATE

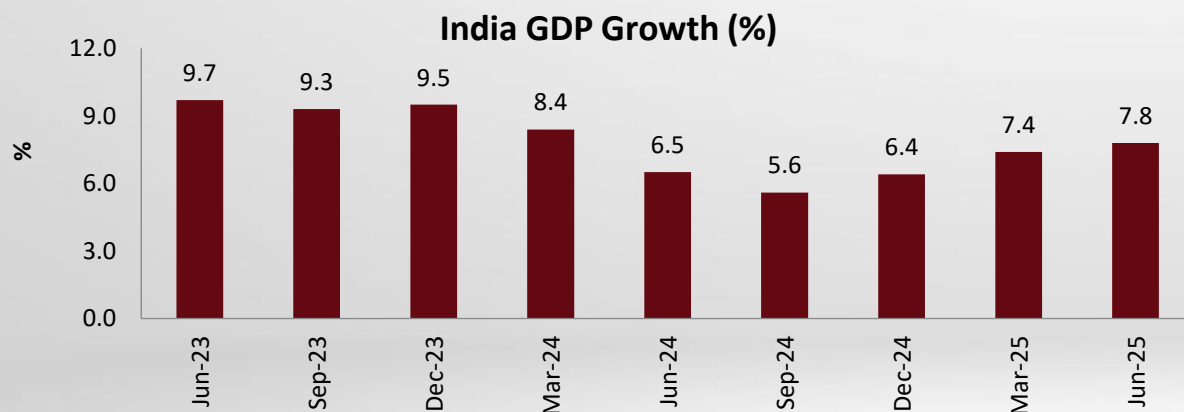
India's GDP grew 7.8% in Q1FY26



MACRO

Key Highlights

- **GDP of the Indian economy** at constant (2011-12) prices witnessed a growth of **7.8% YoY** in the first quarter of FY26.
- On the sectoral front, the growth of **Manufacturing sector** increased marginally to **7.7%** in Q1 of FY26 from 7.6% in same quarter of previous fiscal year.



Source: Refinitiv

Gross Value Added (GVA)

- Gross Value Added (GVA) in Q1FY26 was **7.6%** compared to **6.5%** growth in the same quarter of the preceding year

Gross Fixed Capital Formation (GFCF) & Private Final Consumption Expenditure (PFCE)

- **GFCF** indicates how much of the new value added is invested rather than consumed, **decreased its share marginally to 30.4% YoY from 30.6%**. **PFCE**, a marker to gauge how households have spent on buying goods and services, **increased marginally to 60.3% from 60.1%**.

Year-on-Year % Change

- The growth of **Agriculture, Livestock, Forestry & Fishing** increased to **3.7%** in Q1 of FY26 compared to **1.5%** growth in Q1 of FY25, while **Mining & Quarrying** fell by **3.1%** in the same period.

DOMESTIC & GLOBAL

Equity Market Update

INDIAN EQUITY MARKET DASHBOARD

August 2025



DOMESTIC

Index Name (Broader Market Indices)	Absolute (%)				CAGR(%)		
	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
BSE Sensex	-1.55	-1.41	9.99	-1.95	11.65	17.05	13.14
Nifty 50	-1.21	-0.71	11.33	-2.01	12.49	17.92	13.23
Nifty 100	-1.31	-0.77	12.12	-3.72	12.54	18.16	13.27
Nifty 500	-1.82	-1.00	13.74	-4.41	14.67	20.36	14.18
Nifty Midcap 150	-2.78	-1.52	17.31	-4.83	21.19	27.62	18.12
Nifty Smallcap 250	-3.58	-1.65	19.63	-8.62	21.93	28.86	15.60
Nifty Microcap 250	-3.84	-1.91	18.33	-8.05	29.72	39.35	20.95
Sectoral Indices							
Nifty Auto	5.86	7.86	22.85	-3.74	24.61	27.27	13.28
Nifty FMCG	0.75	1.98	12.03	-9.17	10.51	15.11	12.65
Nifty IT	-0.34	-5.24	-4.70	-15.93	9.56	16.73	13.98
Nifty Metal	-1.21	0.07	11.93	-1.81	16.21	32.31	19.85
Nifty PSU Bank	-1.38	-3.14	20.32	-2.65	31.95	35.97	8.44
Nifty Infrastructure	-2.01	-0.60	16.35	-5.07	20.96	24.32	13.21
Nifty Healthcare	-3.53	3.71	13.57	-0.49	22.23	18.03	8.01
Nifty Energy	-3.84	-5.80	12.62	-22.08	7.35	18.78	18.31
Nifty Bank	-3.91	-3.15	11.87	5.32	11.65	18.58	12.77
Nifty Oil & Gas	-3.99	-4.85	12.98	-18.94	9.73	17.98	17.06
Nifty Pharma	-4.20	2.16	10.56	-5.42	20.64	15.36	5.86
Nifty Realty	-4.49	-8.04	9.43	-17.08	23.82	31.80	18.88

- Indian equities ended lower, mainly due to the US imposing steep tariffs on Indian exports. This led to heavy selling by foreign investors, pressuring the rupee.
- Overall sentiment remained cautious amid global headwinds and elevated valuations

BROADER MARKET INDICES PERFORMANCE

Calendar Year wise



DOMESTIC

2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)	CYTD (%)
Nifty Midcap 150 6.5	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 4.4
Nifty 500 5.1	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 3.2
Nifty 100 5.0	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 3.1
Nifty 50 4.4	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 1.2
BSE Sensex 3.5	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 -1.4
Nifty Smallcap 250 1.4	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 -6.6

- On CYTD basis, Nifty 50 witnessed the highest gain, while Nifty Smallcap 250 and Nifty Midcap 150 fell the most.
- Out of nine full calendar years, the Nifty Smallcap 250 has been the top performer in five years.

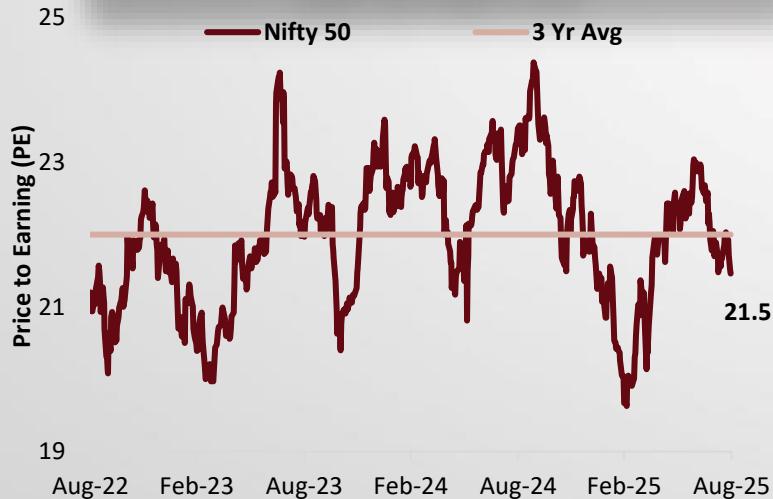
RELATIVE TRAILING VALUATIONS (P/E)

Large Cap vs Mid Cap vs Small Cap

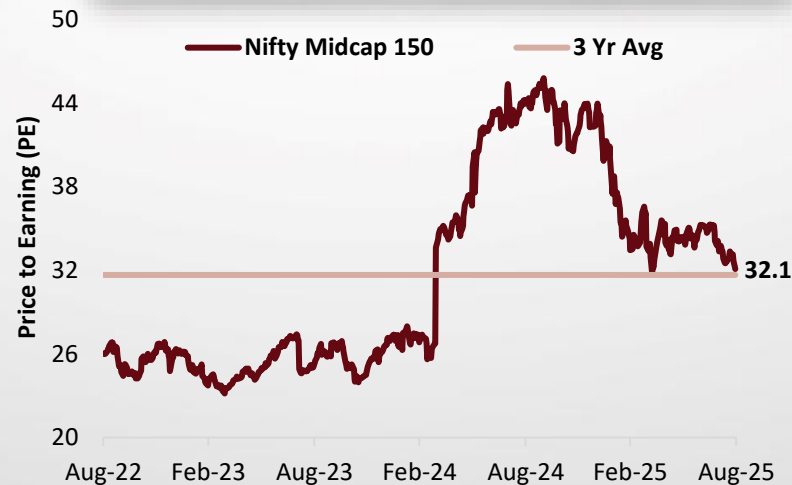


DOMESTIC

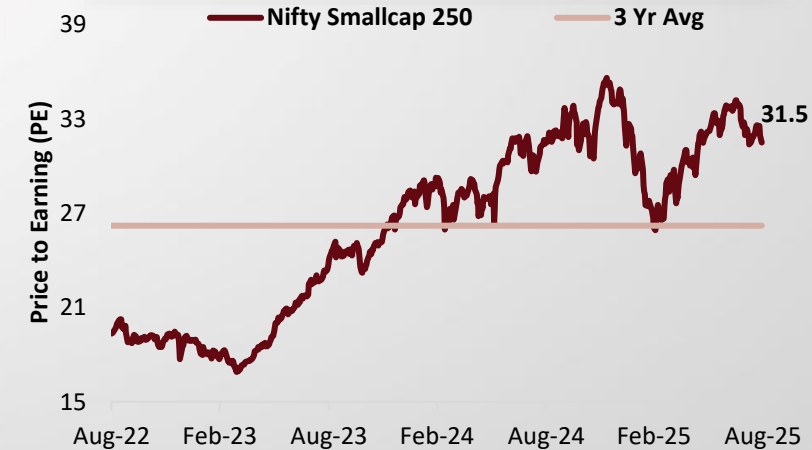
Nifty 50 trailing PE remained below the 3-year average mark



Nifty Midcap 150 trailing PE continued to remain above 3-year average level



Nifty Smallcap 250 trailing PE continued to remain above 3-year average level



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

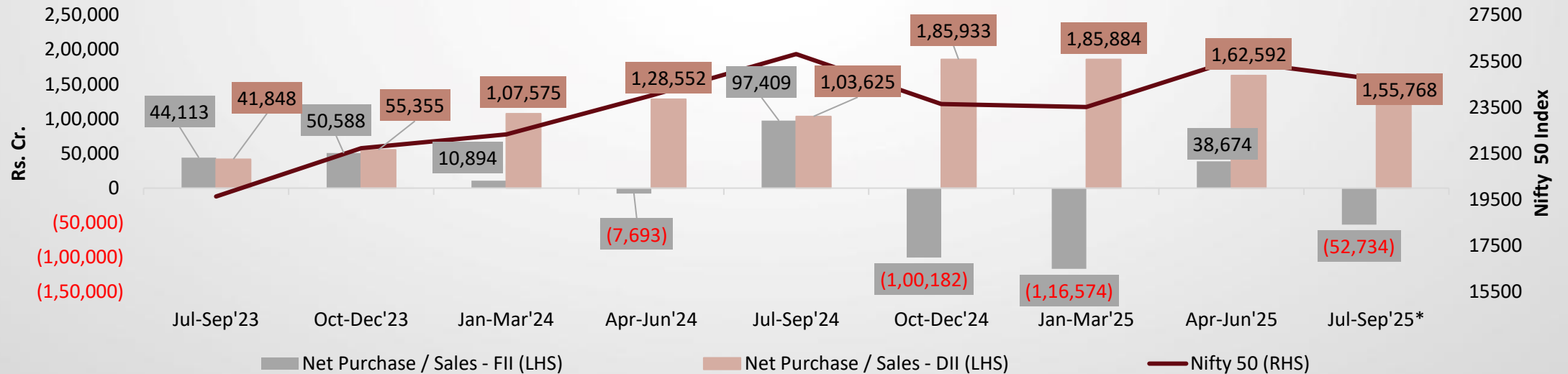
EQUITY FLOWS

Quarterly FII & DII Flows



DOMESTIC

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



- FII continued to remain net sellers in equity segment for Aug month also, with an outflow of ~Rs. 35,000 crore.
- Mutual funds have been net buyers in equity segment in the last 54 months till Aug 2025, except Apr 2023 and Aug 2022.

GLOBAL EQUITY MARKET DASHBOARD

August 2025



GLOBAL

Emerging Markets	Index	Absolute (%)					CAGR(%)		
		1 Month	3 Months	YTD	6 Months	1 Year	2 Years	3 Years	5 Years
China	Shanghai Composite	7.97	15.25	15.10	16.17	35.85	11.22	6.41	2.59
Brazil	Brazil Ibovespa	6.28	3.21	17.57	15.17	4.00	10.55	8.90	7.32
Indonesia	Jakarta Composite	4.63	9.12	10.60	24.88	2.09	6.13	2.94	8.38
Taiwan	Taiwan TAIEX	2.93	13.52	5.20	5.12	8.85	20.73	17.11	14.00
India	Nifty 50	-1.38	-1.31	3.31	10.41	-3.21	12.65	11.21	16.50
South Korea	Kospi	-1.83	18.10	32.78	25.79	19.19	11.66	8.83	6.50
Developed Markets									
Japan	Nikkei 225	4.01	12.52	7.08	14.97	10.56	14.46	15.01	13.05
US	Russell 3000	1.25	11.48	10.69	12.80	21.32	25.20	23.38	13.91
Europe	Euro Stoxx 50 Pr	0.60	-0.28	9.31	-2.05	7.96	11.62	15.03	10.34
UK	FTSE 100	0.60	4.73	12.41	4.29	9.71	11.15	8.05	9.02
Germany	DAX	-0.68	-0.40	20.06	5.99	26.50	22.46	23.05	13.06
France	CAC 40	-0.88	-0.62	4.38	-5.03	0.96	2.62	7.95	9.27

- European equity markets declined, weighed down by geopolitical concerns stemming from escalating clashes in Gaza and Ukraine, as well as political uncertainty in France.
- The Japanese market advanced after the U.S. President signed an executive order officially enacting the U.S.- Japan trade agreement

GLOBAL MARKET INDICES PERFORMANCE

Calendar Year wise



GLOBAL

2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)	CYTD (%)
U.K. 14.4	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 25.0
Germany 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	Germany 20.1
U.S. 5.7	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	China 15.1
India 3.0	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. 12.4
Japan 0.4	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	U.S. 10.7
Hong Kong 0.4	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	Japan 7.1
China -12.3	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 3.3

- On a CYTD basis, Hong Kong has been the top gainer, followed by the Germany and China.
- Out of the nine full calendar years, the U.S. markets have been the top performer in five.

ASSET CLASS PERFORMANCE

Calendar Year wise



ASSET CLASS

2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)	CYTD (%)
G-Sec 15.4	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 34.3
Gold 11.3	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 10.7
Real Estate 8.3	Real Estate 7.2	G-Sec 6.2	G-Sec 10.6	Indian Equity 17.9	Cash 3.2	Indian Equity 4.2	Gold 15.4	Indian Equity 16.2	Cash 4.4
Cash 7.5	Cash 6.6	Real Estate 5.1	Indian Equity 9.0	G-Sec 11.2	Real Estate 3.1	Real Estate 2.8	Cash 6.9	G-Sec 8.8	G-Sec 2.0
Intl 5.7	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	Indian Equity 1.2
Indian Equity 5.1	G-Sec 2.3	Intl -3.3	Real Estate 3.0	Real Estate 2.2	Gold -4.2	Intl -29.6	Real Estate 3.8	Real Estate 3.1	Real Estate 0.9

- On CYTD basis, Gold remained at the top followed by International equity (U.S).
- Till 2024, Indian equities has been among the top three gainers for the past five calendar years, while gold remained in the top two performing asset classes for five times in last seven years.

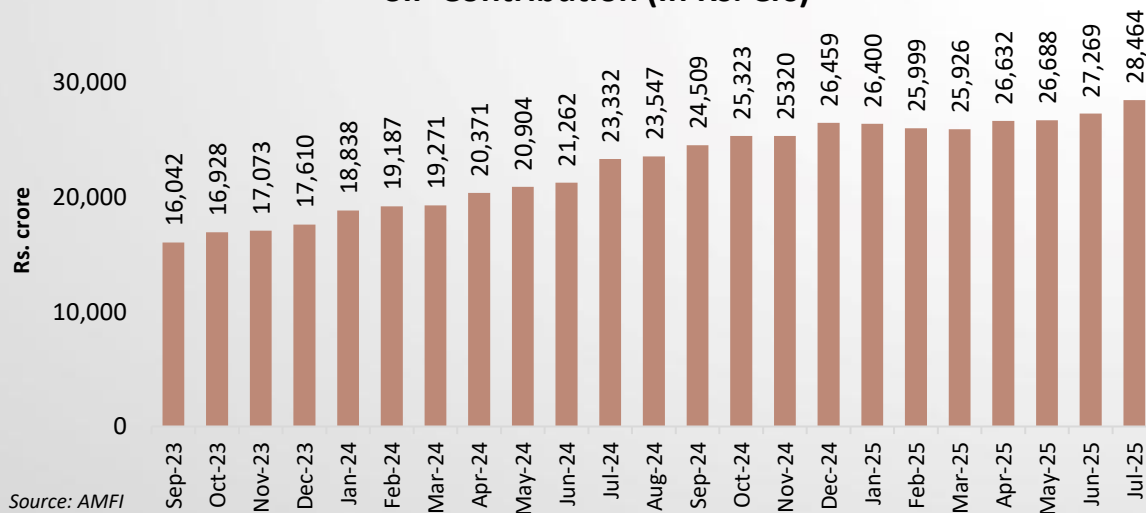
MUTUAL FUNDS

SIP Flows and SIP Returns Data



DOMESTIC

SIP Contribution (In Rs. Crs)



- According to AMFI, the monthly SIP contribution reached a new high in Jul 2025, standing at Rs. 28,464 crore. SIP AUM decreased to Rs. 15.19 lakh crore in Jul 2025, compared to Rs. 15.31 lakh crore in Jun 2025, with 944.97 lakh outstanding SIP accounts.

Equity Broad MF category	Category average SIP returns (%)		
	3-year	5-year	10-year
Large cap	12.2	13.5	13.4
Large & Mid cap	15.6	17.0	15.9
Flexi cap	13.8	15.1	15.1
Multi cap	15.8	17.5	16.9
Mid cap	18.3	19.9	18.2
Small cap	16.1	20.2	19.1
Focused	13.6	14.2	14.4
Value	15.0	17.5	16.5

- Small cap category remained top performer in 5- & 10- year periods, while Mid cap category remained top performer in 3- year period. Large cap category has been the bottom performer across periods.

Performance is of regular plan growth option for SIP returns.
SIP performance as on 29th Aug 2025. Source: AMFI India, MFI 360 Explorer
<http://www.icraanalytics.com/legal/standard-disclaimer.html>

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	-1.38	-0.47	12.06	-3.81	13.46	17.73	12.16
Large & Mid Cap	-1.78	-0.24	14.91	-3.94	17.02	21.88	14.39
Flexi Cap	-1.51	0.10	13.84	-4.35	15.18	19.81	13.64
Multi Cap	-1.75	0.07	15.51	-4.00	18.06	23.37	14.86
Mid Cap	-1.63	0.82	17.97	-3.86	19.66	25.38	15.74
Small Cap	-2.98	-0.05	18.26	-6.41	19.32	28.27	16.95
Focused	-1.73	-0.43	12.88	-4.38	14.74	18.91	13.41
Value	-2.38	-1.35	12.12	-7.33	18.29	22.91	14.56
Index:							
Nifty 100	-1.31	-0.77	12.12	-3.73	12.54	18.16	13.27
Nifty 500	-1.82	-1.00	13.74	-4.42	14.67	20.36	14.18
Nifty Midcap 150	-2.78	-1.52	17.31	-4.85	21.19	27.62	18.12
Nifty Smallcap 250	-3.58	-1.65	19.63	-8.65	21.93	28.86	15.60

- In the last one-month, Small Cap category followed by Value and Large & Mid Cap categories fell the most.
- It is to be worth noted that all the equity categories witnessed positive returns for 3 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 after the **U.S. President unexpectedly doubled tariffs on Indian exports to 50%**, threatening India's manufacturing ambitions and potentially slowing economic growth. Losses deepened amid renewed Russia-Ukraine tensions, which dampened market sentiment.
- However, **the downside was limited by expectations that the Indian Prime Minister's Goods and Services Tax (GST) reforms could boost household consumption, ease inflationary pressures, and pave the way for further rate cuts by the RBI.**

Outlook:

- Domestic equity markets are showing **cautious optimism as investors evaluate the potential impact of ongoing trade negotiations between India and the United States, which could influence export-oriented sectors and foreign investment flows.** At the same time, GST rate cuts are possibly the most important steps being implemented and expected to support growth recovery. Lower interest rates environment coupled with some tax relief on consumption may help consumer discretionary segments.
- Though, **overall sentiment remains cautious amid global headwinds and elevated valuations.**
- 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

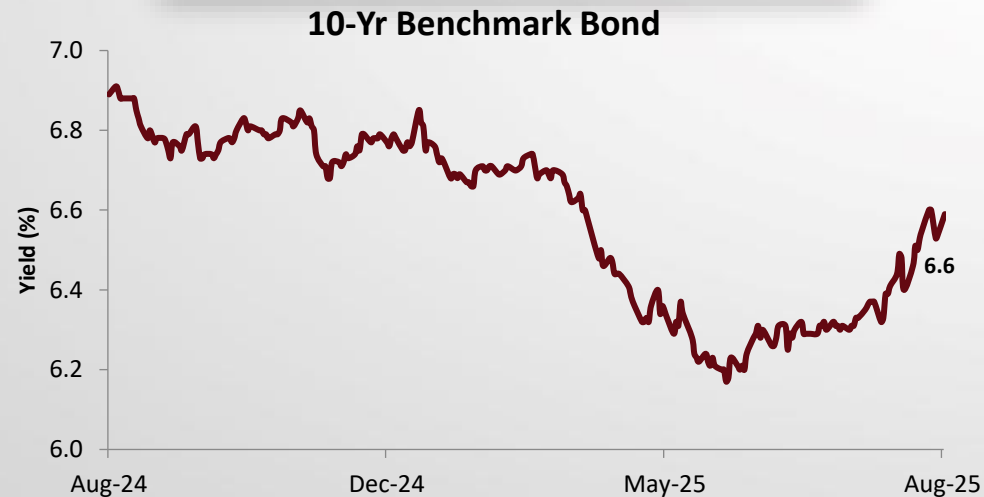
DEBT MARKET

Indian Government Bond and Policy Rate Trend



INDIAN DEBT

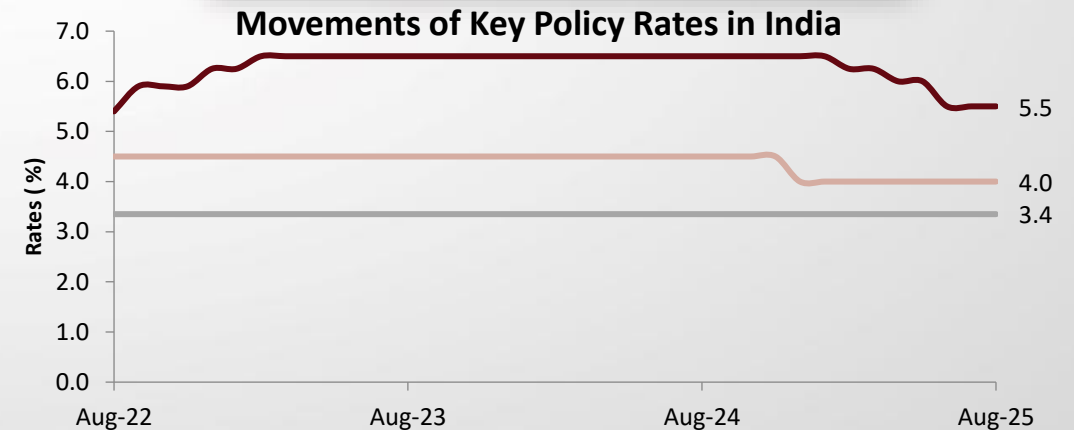
10-year benchmark G-sec yield rose by 21 bps MoM in Aug 2025



Source: Refinitiv

Bond yields rose after the RBI held rates steady in Aug 2025, defying expectations of further easing. Losses deepened following the Prime Minister's announcement of major GST reforms.

RBI kept repo rate unchanged in Aug 2025 monetary policy meeting



Source: RBI

The Monetary Policy Committee (MPC) in its third bi-monthly monetary policy review of FY26 decided to maintain the policy repo rate at 5.50%.

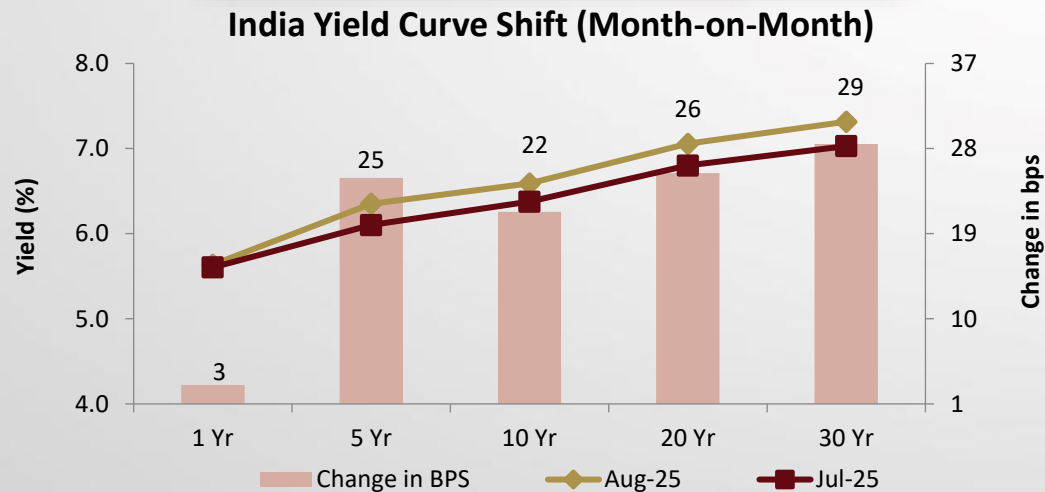
DEBT MARKET

Government Bond & Corporate Bond Yield Trend



INDIAN DEBT

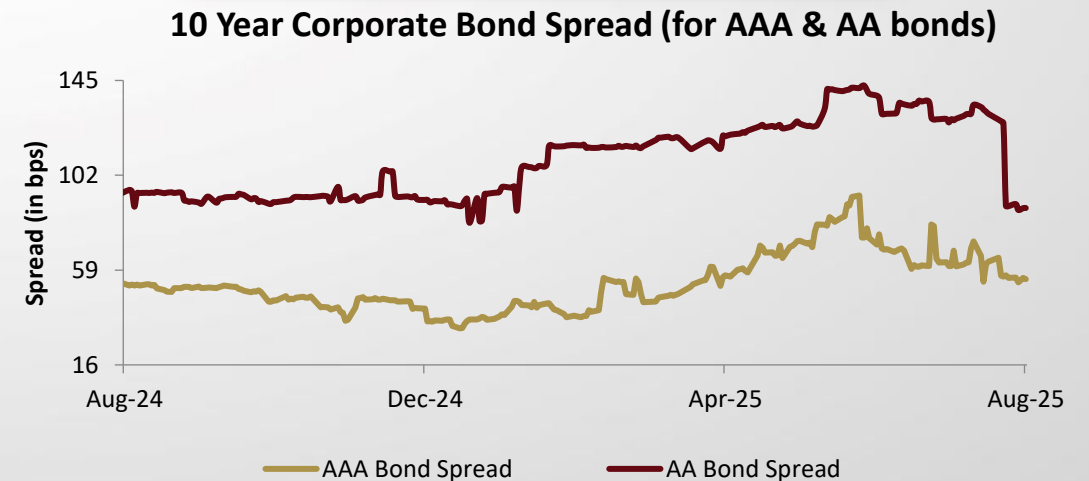
G-sec yields rose during the month



Source: Refinitiv

Yield on gilt securities rose between 3 to 29 bps across the maturities.

Corporate bond yields increased during the month



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

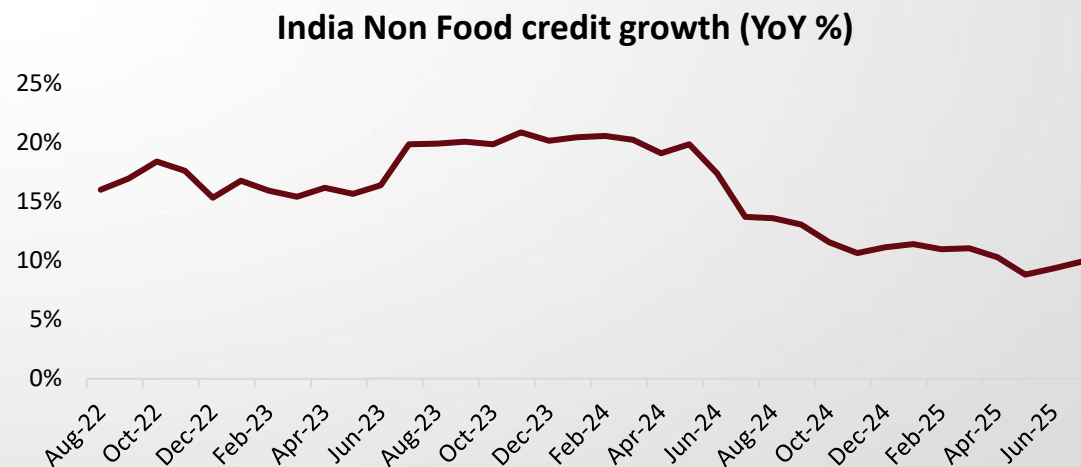
Yield on corporate bonds increased between 7 to 13 bps across the curve.

DEBT MARKET

System Liquidity



INDIAN DEBT



- Banking system liquidity remained in surplus for the fifth consecutive month, supported by the RBI's continued liquidity infusion through instruments such as open market operations (OMOs), USD/INR buy-sell swap auctions, and both daily and regular variable rate repo auctions.
- According to the latest RBI Bulletin, the Governor stated that, going forward, the central bank will remain nimble and flexible in its approach to liquidity management.
- The RBI aims to maintain adequate liquidity in the banking system to support the productive needs of the economy and ensure smooth transmission to money and credit markets.

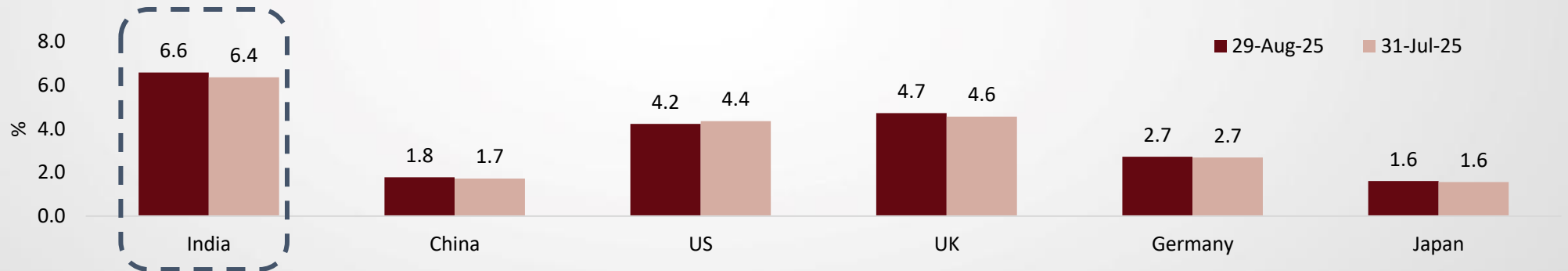
DEBT MARKET

Global



GLOBAL DEBT

Yield of 10 Year Government Bonds across countries (%)



Current Yield (%)	6.6	1.8	4.2	4.7	2.7	1.6
Inflation (%)	1.6	0.0	2.7	3.8	2.0	2.6
Real Yields (%): 29-Aug-25	5.0	1.8	1.5	0.9	0.7	-1.0

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

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	0.45	1.32	2.83	6.10	6.36	5.15
Liquid Fund	0.47	1.46	3.27	6.85	6.90	5.53
Ultra Short Term Fund	0.41	1.51	3.60	7.12	6.78	5.53
Low Duration Fund	0.34	1.46	4.04	7.67	7.08	5.80
Money Market Fund	0.42	1.59	3.98	7.65	7.18	5.80
Arbitrage Fund	0.38	1.41	3.08	6.51	6.76	5.40
NIFTY Ultra Short Duration Debt Index	0.51	1.68	3.84	7.76	7.67	6.26
Short Term Bond Fund	-0.03	0.73	4.27	7.98	7.22	6.03
Medium Duration Fund	-0.23	0.50	4.25	8.22	7.29	6.82
Banking and PSU Fund	-0.11	0.44	4.28	7.78	7.08	5.88
Corporate Bond Fund	-0.15	0.49	4.43	8.09	7.29	5.99
Credit Risk Fund	0.17	1.15	5.92	10.48	8.41	9.25
NIFTY Corporate Bond Index	0.14	0.86	4.47	8.11	7.37	6.38
NIFTY Medium Duration Debt Index	-0.25	0.23	4.34	7.84	7.32	6.19
Nifty Short Duration Debt Index	0.22	1.11	4.35	8.16	7.36	6.21
Dynamic Bond Fund	-1.16	-1.64	2.89	5.71	6.66	5.64
Medium to Long Duration Fund	-1.13	-1.42	2.83	5.72	6.53	5.38
Gilt Fund	-2.06	-3.18	1.65	4.08	6.35	5.21

- Credit Risk Fund, Medium Duration Fund and Corporate Bond Fund are the top performing categories over the past year, generating between 8 to 10% return.

DEBT MARKET

Sensitivity Analysis



INDIAN DEBT

Sensitivity Analysis				Interest Rate Scenario's					
				Decreases			Increases		
Category	Avg YTM (%)	Avg Maturity (Years)	Avg Mod duration (Years)	0.25%	0.50%	1.00%	0.25%	0.50%	1.00%
Overnight Fund	5.46	0.00 Years	0.00 Years	5.46%	5.46%	5.46%	5.46%	5.46%	5.46%
Liquid Fund	5.80	0.04 Years	0.11 Years	5.83%	5.86%	5.91%	5.78%	5.75%	5.69%
Ultra Short Term Fund	6.25	0.27 Years	0.43 Years	6.35%	6.46%	6.68%	6.14%	6.03%	5.82%
Money Market Fund	6.12	0.20 Years	0.53 Years	6.26%	6.39%	6.65%	5.99%	5.86%	5.59%
Low Duration Fund	6.49	0.72 Years	0.82 Years	6.70%	6.90%	7.31%	6.29%	6.08%	5.67%
Short Term Bond Fund	6.69	3.13 Years	2.49 Years	7.31%	7.93%	9.18%	6.07%	5.44%	4.20%
Corporate Bond Fund	6.72	4.61 Years	3.25 Years	7.53%	8.34%	9.97%	5.90%	5.09%	3.47%
Banking and PSU Fund	6.58	4.40 Years	3.12 Years	7.36%	8.14%	9.70%	5.80%	5.02%	3.46%
Credit Risk Fund	7.46	2.83 Years	2.07 Years	7.97%	8.49%	9.53%	6.94%	6.42%	5.39%
Medium Duration Fund	7.13	4.74 Years	3.41 Years	7.98%	8.83%	10.54%	6.28%	5.42%	3.72%
Dynamic Bond Fund	6.77	12.45 Years	6.28 Years	8.34%	9.91%	13.05%	5.20%	3.63%	0.49%
Medium to Long Duration Fund	6.77	11.17 Years	5.83 Years	8.22%	9.68%	12.60%	5.31%	3.85%	0.94%
Gilt Fund	6.83	20.65 Years	9.18 Years	9.13%	11.42%	16.01%	4.54%	2.24%	-2.35%

- Credit Risk funds, Medium Duration funds and Gilt funds 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 x Change in Interest Rate)].

DEBT MARKET ROUNDUP

Key Takeaways & Outlook



INDIAN DEBT

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

- **Bond yields climbed as the RBI kept rates unchanged in its Aug 2025 monetary policy meeting**, opting for a wait and watch approach to assess the impact of earlier rate cuts on the economy, contrary to market expectations of a dovish tone or further easing.
- Losses were extended after the Indian Prime Minister announced sweeping changes to the Goods and Services Tax (GST) regime, reigniting fiscal concerns and fears of increased debt supply. However, **losses were restricted after a major global credit rating agency upgraded India's long-term sovereign credit rating from 'BBB-' to 'BBB'.**

Outlook:

- The Indian bond market is receiving mixed signals, while benign inflation expectations for FY26 create room for further rate cuts by the RBI, fiscal concerns continue to weigh on investor sentiment. Expectation of higher fiscal fallout from GST rate cut announcement and rising concerns on tax collections has dampened demand across both sovereign and state bonds.
- Moreover, a sharp decline in institutional buying has pushed yields higher, threatening the effectiveness of the 100 basis points of rate cuts already delivered this year. Market participants are now looking to the central bank for intervention to restore stability and support monetary transmission.
- **Investors may now turn their attention to accrual products, 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 September 2025	
Event	Date
CPI Inflation YoY Aug 2025	12-Sep-25
Passenger Vehicles Sales YoY Aug 2025	12-Sep-25
Balance of Trade Aug 2025	12-Sep-25
Unemployment Rate Aug 2025	12-Sep-25
WPI Inflation YoY Aug 2025	15-Sep-25
WPI Manufacturing YoY Aug 2025	15-Sep-25
Industrial Production YoY Aug 2025	29-Sep-25
Government Budget Value Aug 2025	30-Sep-25



GLOBAL

Events for September 2025	
Event	Date
Euro Zone ECB Refinancing Rate Sep 2025	11-Sep-25
U.S. CPI YoY, NSA Aug 2025	11-Sep-25
Germany HICP Final YoY Aug 2025	12-Sep-25
U.K. ILO Unemployment Rate Jul 2025	16-Sep-25
U.S. Industrial Production MoM Aug 2025	16-Sep-25
Euro Zone HICP Final YoY Aug 2025	17-Sep-25
U.K. BOE Bank Rate Sep 2025	18-Sep-25
China Loan Prime Rate 1Y Sep 2025	22-Sep-25

MUTUAL FUND DASHBOARD

Category Performance

MUTUAL FUND DASHBOARD

Category Performance



CATEGORY PERFORMANCE

Equity Category:	1 Yr	3 Yr	5 Yr	10 Yr
Large Cap	-3.81	13.46	17.73	12.16
Large & Mid Cap	-3.94	17.02	21.88	14.39
Multi Cap	-4.00	18.06	23.37	14.86
Flexi Cap	-4.35	15.18	19.81	13.64
Mid Cap	-3.86	19.66	25.38	15.74
Small Cap	-6.41	19.32	28.27	16.95
Focused	-4.38	14.74	18.91	13.41
Value	-7.33	18.29	22.91	14.56
Hybrid Category:				
Conservative Hybrid	4.12	8.56	9.17	7.63
Balanced Hybrid	1.46	--	--	--
Balanced Advantage	-0.83	11.07	12.16	9.68
Multi Asset Allocation	4.33	15.82	17.44	12.54
Aggressive Hybrid	-1.42	13.57	16.99	11.57

Debt Category	3 Mths	6 Mths	1 Yr	3 Yr
Money Market:				
Overnight	1.32	2.83	6.10	6.36
Liquid	1.46	3.27	6.85	6.90
Ultra Short Duration	1.51	3.60	7.12	6.78
Low Duration	1.46	4.04	7.67	7.08
Money Market	1.59	3.98	7.65	7.18
Accrual:				
Short Duration	0.73	4.27	7.98	7.22
Medium Duration	0.50	4.25	8.22	7.29
Banking & PSU Debt	0.44	4.28	7.78	7.08
Corporate Bond	0.49	4.43	8.09	7.29
Floating Rate	0.87	4.26	7.94	7.57
Credit Risk	1.15	5.92	10.48	8.41
Duration:				
Medium to Long Duration	-1.42	2.83	5.72	6.53
Long Duration	-3.97	1.07	3.19	7.22
Dynamic Bond	-1.64	2.89	5.71	6.66
Gilt	-3.18	1.65	4.08	6.35
Gilt Fund with 10 year constant duration	-1.41	3.51	7.28	7.51

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 29th Aug 2025. Source: MFI 360 Explorer <http://www.icraanalytics.com/legal/standard-disclaimer.html>

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