

Global Economy

- Real GDP in the Euro Area grew 1.20% y-o-y in Q4 2025, revised down from 1.30%, marking the slowest annual growth in over a year.
- Actual GDP growth in Japan was 1.30% y-o-y in Q4 2025, revised up from estimate of 0.20%, rebounding from a 2.60% contraction in Q3.
- The government in China set a GDP growth target of 4.50%–5.00% during the March 2026 “Two Sessions.”
- At the same sessions, Beijing launched an anti-involution campaign as EV production capacity swelled to ~50 million units annually versus only 16 million sales in 2025 and solar panel output far exceeded domestic demand. The measures tightened project approvals, industry consolidation, and shifted toward innovation-driven growth to curb price wars and stabilize global clean-tech supply chains.
- The U.S. has authorized release of 172 million barrels from its Strategic Petroleum Reserve in 2026–27, with 86 million barrels already contracted, as part of a coordinated 400+ million barrel IEA effort to stabilize oil markets amid the West Asia war.

Indian Economy

- Real GDP in India grew 7.60% in FY 2026, revised up from 7.40%, the fastest pace since FY 2022.
- The government stayed on track with its fiscal deficit target of 4.50% of GDP for FY 2026, aiming to lower it to 4.30% next year.
- The Employees’ Provident Fund Organization (EPFO) kept the EPF deposit rate at 8.25% for FY25-26, unchanged for the third year.
- Foreign Portfolio Investors (FPIs) sold about USD 6.55 billion in Indian assets in early March, while Domestic Institutional Investors (DIIs) bought around USD 5.20 billion, cushioning the impact.
- India, a major importer of crude and exporter of refined fuels, cut excise duty on petrol and diesel by INR 10.00 per liter to ease losses of oil companies, while imposing export duties of INR 21.50 per liter on diesel and INR 29.50 per liter on ATF from 26 March 2026 to secure domestic supply during the global oil shock.

Indian Debt Market

- RBI announced open market operation purchases worth INR 1 trillion in two tranches to provide durable liquidity support.
- Between 17–27 March 2026, a series of Variable Rate Repo (VRR) auctions infused about INR 2.73 lakh crore, offsetting tight liquidity caused by GST and advance tax outflows.
- On 24 March 2026, RBI injected INR 55,840 crore of short-term liquidity through a three-day VRR auction.
- On 25 March 2026, RBI rejected all bids for INR 35,000 crore in Treasury Bills, amid strong tax inflows and higher yield demands from market participants.
- About USD 820 million of the selling occurred in the debt market, reversing the USD 1.20 billion inflows recorded in February and reflecting pressure from rising yields and rupee weakness.
- RBI has introduced new prudential norms that cap dividend payouts by most banks at 75% of their profit after tax, linking it to banks’ capital strength and compliance with regulatory requirements.
- The Rupee fell sharply in March, sliding past INR 92.35 per US Dollar mid-month and INR 95.20 by the end of March, driven by capital outflows, rising crude prices, and a widening current account deficit.

Indian Startups

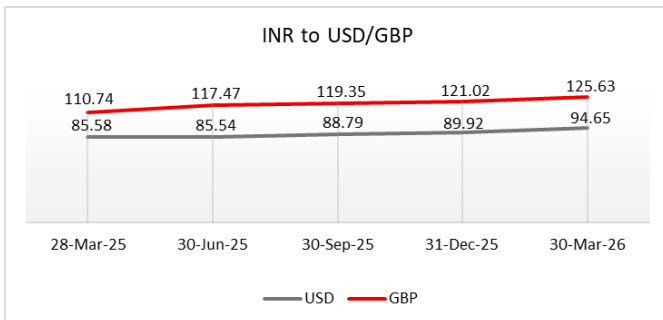
- 93 Indian start-ups raised total funding of around USD 1,182.50 million in the month of Mar 2026, while the details of 1 other remained undisclosed. There is 43% decrease in funding as compared to Feb 2026.
- Fintech, EMS (Electronic Manufacturing Services), Solar Energy, Deep Tech & Health Tech are major segment that secured USD 229 million, USD 122 million, USD 122 million, USD 105 million & USD 103 million funding respectively.

Impact of Iran-Israel-US conflict on Indian Economy

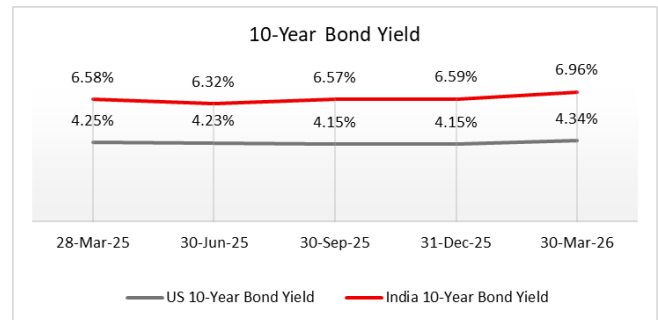
The Iran-Israel-US conflict is creating strong headwinds for India's economy, given its dependence on Middle Eastern imports. India imports nearly 85% of its crude oil, with over 60% sourced from Gulf nations and Iran, making energy security highly vulnerable to disruptions in the Strait of Hormuz. Annual LPG demand of 25-27 million tonnes is met half through imports, of which 55-60% comes from Iran and Gulf suppliers; supply shocks have already led to rationing and prioritization of household use. Fertilizer demand stands at 35-36 million tonnes, with 60% of imports from the Middle East and Iran, raising risks to food supply chains for staples like wheat and rice. Aluminium imports, particularly ~2 million tonnes of scrap annually, are heavily Gulf-dependent, and price surges have impacted automotive, construction, and packaging industries. Logistics are equally strained, as sea routes through Hormuz and the Red Sea face higher insurance costs and rerouting delays, inflating freight charges.

India is responding by diversifying crude and LPG imports from Russia, fertilizers from China and Canada, and exploring recycling for aluminium, but inflationary pressures remain. The combined effect is rising input costs, risks to food and energy security, and stress on industrial supply chains, with resilience hinging on diversification and rapid supply chain adaptation.

Over the past quarter, movements in gold, silver, crude oil, bond yields, and exchange rates reflected evolving macro expectations and shifts in global risk sentiment. The charts below summarize these key trends.



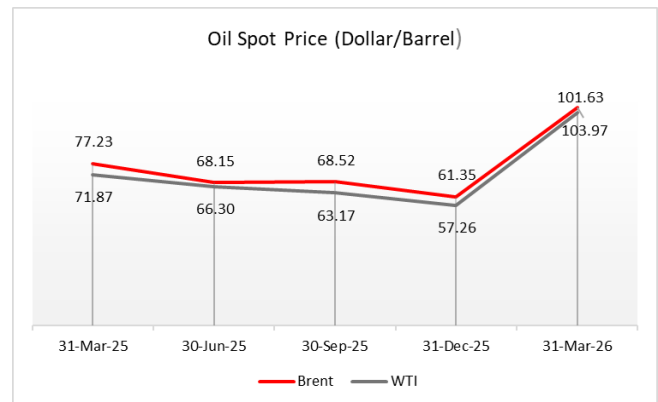
In March 2026, the rupee depreciated 3.90% vs USD and 2.50% vs GBP.



In March 2026, US bond yields firmed slightly, while Indian yields rose more noticeably.



In March 2026, gold fell ~13.00% and silver ~28.00% before a late rebound, ending the month below earlier highs.



In March 2026, Brent surged ~52.00% and WTI ~46.00% from late-Feb lows, ending the month above \$100.