

**Global Economy**

- US annual inflation rate slowed for a second consecutive month to 3.40% in July line with expectations and US government budget deficit widened to USD 432 billion in July due to an acceleration in federal spending, marking the largest monthly deficit since March 2021.
- Japan's annual inflation rate accelerated to 1.90% y-o-y in July from 1.60% in June, hitting a seven-month high and Japan's trade deficit widened to JPY 634.50 billion in July 2026 from JPY 156.30 in July 2025.
- Eurozone annual inflation accelerated slightly to 2.90% in July from 2.80% in June, remaining above the ECB's 2.00% target, showed preliminary estimates.
- The Bank of Korea raised its base rate by 25 bps to 3.00% in August 2026, the first back-to-back hike since early 2023. This market is worth tracking as GDP growth was upgraded to 3.30% (from 2.60%), inflation remains above the 2.00% target, and household debt has surged to 105% of disposable income — a mix of resilience and risk with global spillover implications.

**Indian Economy**

- India's consumer price index rose 4.50% y-o-y in July from 4.40% in June, marking a second consecutive month above the RBI's 4.00% target.
- Centre's fiscal deficit widened to INR 3.10 trillion in Q1 FY27, a 24% y-o-y increase from INR 2.80 trillion a year ago, reaching 18.20% of the full-year budget estimate.
- India has signed a long-term supply arrangement with Mauritius for petrol, diesel and aviation fuel, strengthening energy cooperation between the two countries.
- India's crude oil imports increased to 13.30% y-o-y to 21.40 million metric tonnes in July and the import bill has increased by more than 41% y-o-y to USD 13.7 billion, according to PPAC data.
- MSCI will add four companies (Adani Energy Solutions, Billionbrains Garage Ventures, Laurus Labs and Lenskart Solutions) to its Global Standard Index and it will remove Astral, Balkrishna Industries and SBI Cards, effective from 1 September.
- India's electronics exports surged over 11-fold to INR 4.20 trillion in FY2025-26, with mobile phone exports contributing INR 2.60 trillion, positioning India as the world's second-largest manufacturer.

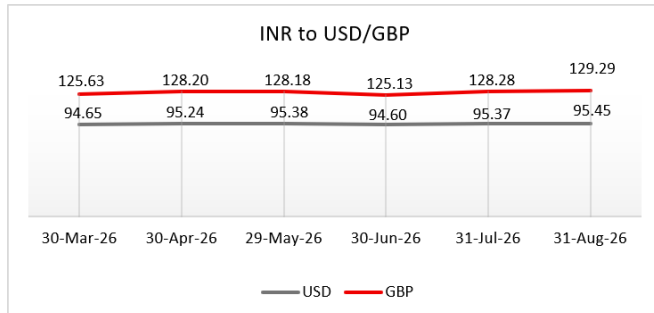
**Indian Debt Market**

- The RBI kept the repo rate unchanged at 5.25% for the fourth consecutive policy review and retained its neutral stance. It raised its FY27 growth forecast to 6.70% from 6.60% and lowered its inflation projection to 5.00% from 5.10%.
- India's foreign exchange reserves stand at a record high of USD 729.33 billion as of August 28, 2026, unchanged from the previous week's level of USD 729.3 billion. This marks the highest reserve position ever, driven by strong NRI inflows under the FCNR(B) scheme.
- RBI has shortened the swap facility window FCNR (B) deposits by a month to August 31, from the originally announced deadline of September 30, noting the higher-than-expected foreign currency inflow.
- RBI proposed restrictions on NBFCs, barring them from offering revolving credit facilities and only offering term loans. This will not be applicable to NBFCs authorized to issue credit cards.
- The government approved the RBI's proposal for introduction of one billion plastic notes of Rs 10 and Rs 20 for field trials. Plastic bank notes are proposed to be issued along with paper notes.
- The New Development Bank (BRICS Development Bank) is set to invest USD 7.50 billion in India over five years, including USD 5 billion in sovereign lending and a planned USD 2.50 billion-equivalent rupee bond programme.

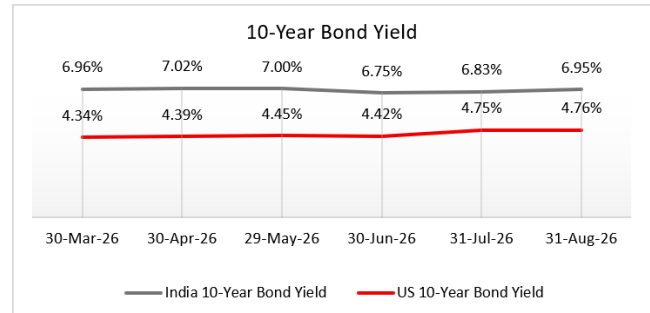
**Indian Startups**

- In Aug 2026, 71 Indian start-ups raised total funding of around USD 1014.00 million. There is an increase of 42% in fund-raising compared to July 2026.
- Mobility Tech, Health Tech, Fin Tech and D2C Brand were the major segments, securing USD 254 million, USD 242 million, USD 112 million and USD 84 million respectively. Notably, USD 120 million in the Mobility Tech segment was raised by a single company, River. River is into designs and manufacturing of premium utility-focused electric scooters for urban commuting and last-mile mobility.

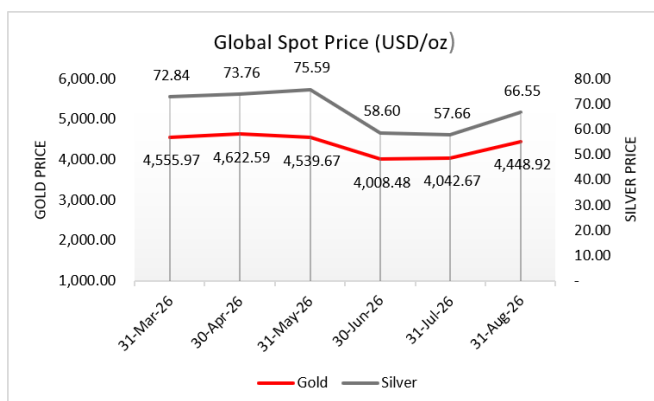
The last six months' trends in gold, silver, crude oil, bond yields, and exchange rates highlight evolving macroeconomic expectations and shifts in global risk sentiment. The charts below summarize these key trends.



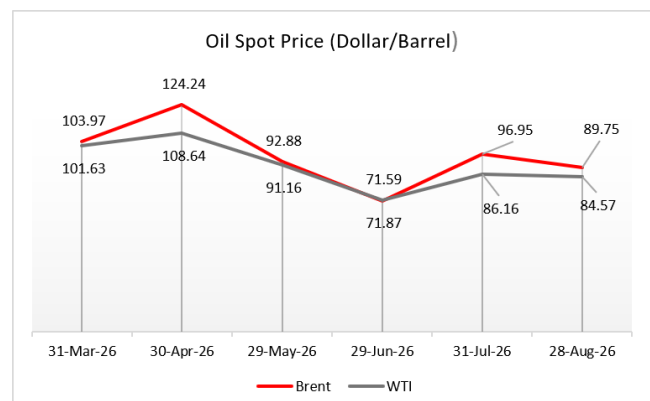
The rupee closed August at INR 95.45/USD and INR 129.29/GBP, showing continued weakness as persistent capital outflows and strong dollar demand outweighed brief mid-year recovery.



India's 10-year yield ended August at 6.95%, steady after mid-year easing, while US yields climbed to 4.76%, driven by stronger US growth data and Fed tightening expectations.



Gold rebounded to \$4,448.92/oz and silver to \$66.55/oz in August, recovering from June lows as safe-haven demand rose amid geopolitical tensions.



Brent settled at \$89.75/barrel and WTI at \$84.57/barrel, easing from July highs as supply concerns moderated but Middle East risks kept prices elevated.

Recent geopolitical developments underscore how quickly market sentiment can shift in response to evolving trade dynamics and policy uncertainty. Such transitions often bring short-term volatility, but they can also create selective opportunities for disciplined capital allocation.

In the current environment, elevated yields in certain segments may, in our assessment, present a more attractive risk-reward balance and potential for current income. Identifying such opportunities requires a careful and measured approach, with emphasis on quality and resilience.

Our strategy remains anchored in capital preservation, prudent risk management, and long-term value creation. This communication is intended to provide general insights only and does not constitute any assurance, guarantee, or indication of returns.