



MONTHLY MACRO REVIEW

7th April 2026

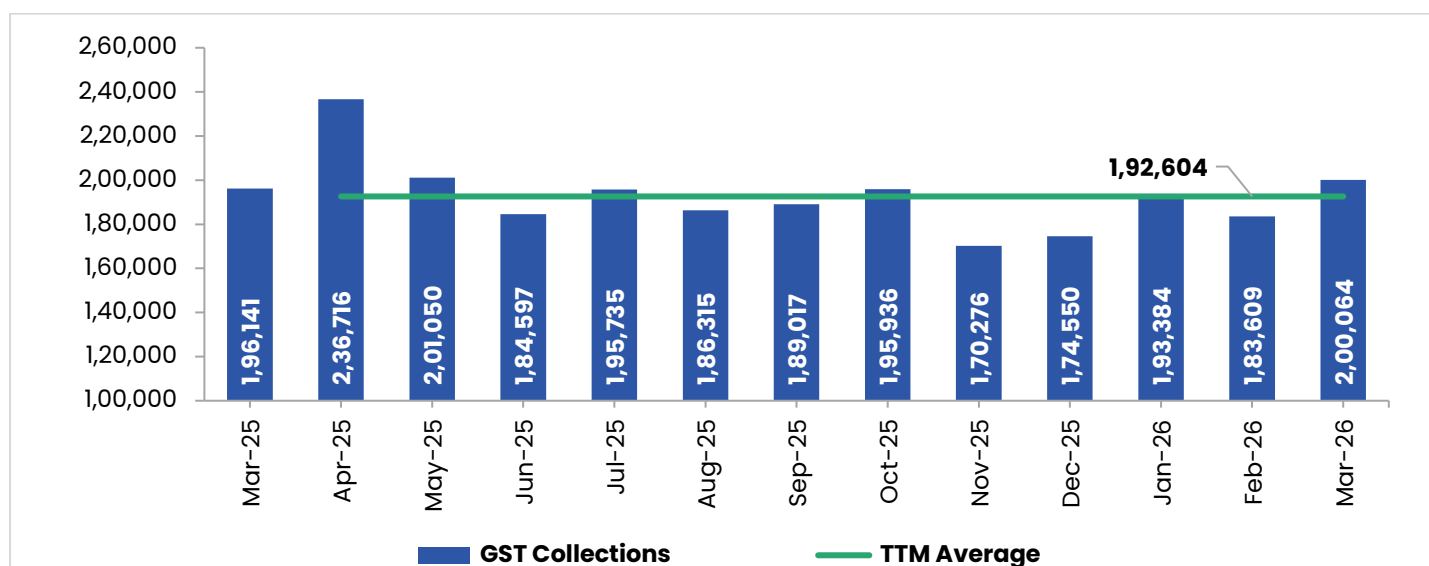
BONANZA WEALTH



GST COLLECTIONS

India's gross Goods and Services Tax (GST) revenue collections for Mar-26 registered a growth of 8.8% YoY reaching to Rs 2.00 lakh crore. This was the highest collections in past 10-months. The gross GST collections from domestic transactions increased by 5.9% YoY to Rs 1.46 lakh crore. On the other hand, revenue from imported goods stood at Rs 53,861 crore. This marked a strong rise of 17.8% YoY. The gross GST collections comprised of CGST which amounted to Rs 40,549 crore, SGST at Rs 53,268 crore and IGST at Rs 1.06 lakh crore.

The net GST collections after adjusting for refunds reflected an 8.2% YoY growth and amounted to Rs 1.78 lakh crore. The total gross GST collections for FY26 amounted to Rs 22.27 lakh crore which rose by 8.3% YoY. On the other hand, the total net collections for FY26 grew by 7.1% YoY to Rs ~19.35 lakh crore.



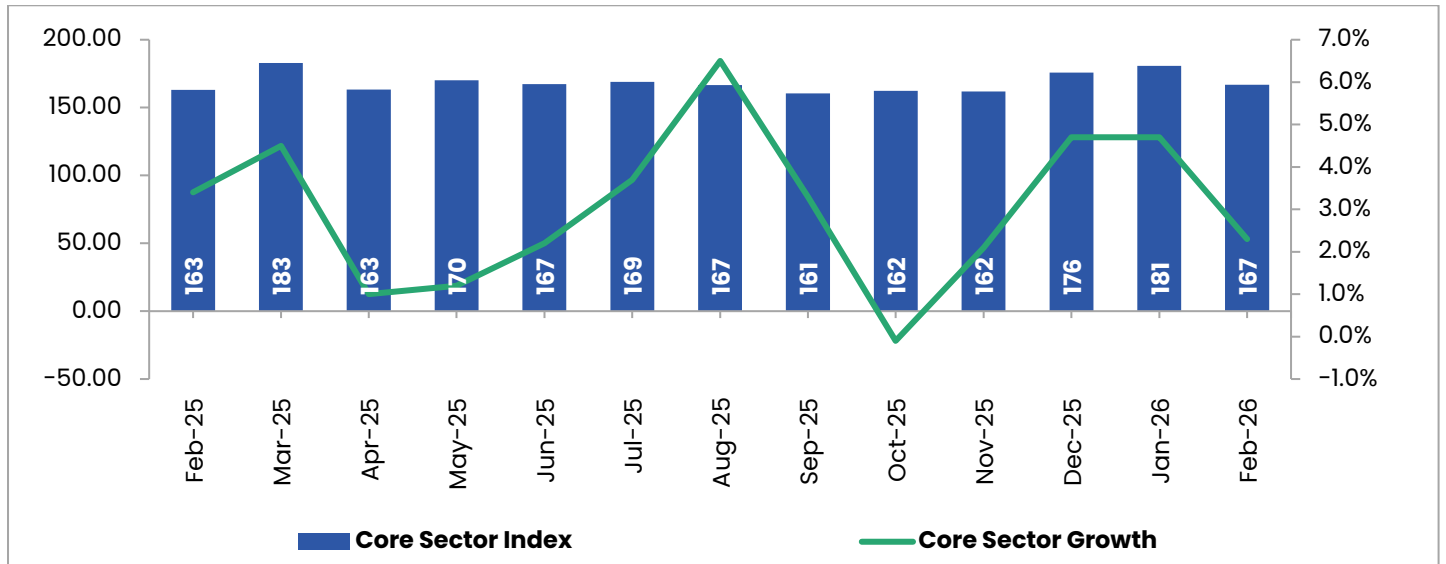
The post settlement figures on a state-wise basis showed that Maharashtra led the GST collections table. It marked a growth of 14.0% on a YoY basis by amounting to Rs 18,001 crore. Following Maharashtra, Karnataka was in the second place and recorded net revenues of Rs 7,565 crore. Uttar Pradesh came in third with net revenues of Rs 7,530 crore. Next in line were Tamil Nadu and Gujarat, recording net collections of Rs 6,882 crore and Rs 6,835 crore, respectively.

Overall, the GST collections continue to show steady growth. Furthermore it is largely supported by resilient domestic demand and strong import trends. Going ahead, the ongoing conflict in the West Asia and volatility in commodity prices remain important factors to watch.

CORE SECTOR

The Index of Eight Core Industries (ICI) expanded by 2.3% (Provisional) in Feb-26 as against 3.4% recorded in the same month last year. Core sector output together account for 40.27% of the Index of Industrial Production (IIP). The final ICI print for Jan-26 was revised upward to 4.7% (Final) from the previous reading of 4.0%.

Notably, five out of eight key industries experienced growth in Feb-26. Positive output growth was recorded in sectors like Cement (9.3%), Steel (7.2%), Fertilizers (3.4%), Coal (2.3%) and Electricity (0.5%). Overall gains have been persistent in cement and steel sectors. However, contractions were observed in Crude Oil (-5.2%), Natural Gas (-5.0%) and Refinery Products (-1.0%). On the cumulative basis for Apr-25 to Feb-26, steel and cement remained the strongest performers with growth of 9.7% and 9.2% respectively.

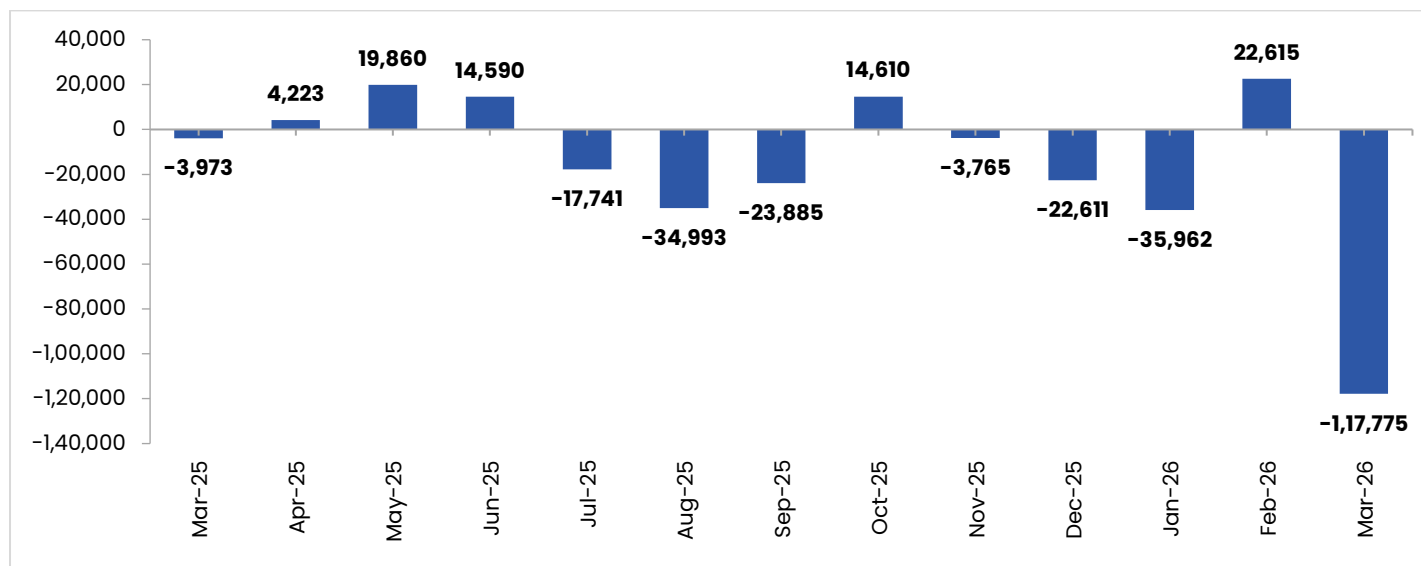


The cumulative growth of the Index of Core Industries (ICI) during Apr-25 to Feb-26 stood at 2.9% (Provisional) over corresponding period of the previous year. Looking ahead, risks persists due to higher crude oil prices amid the geopolitical tensions in West Asia and rupee depreciation.

FPI FLOWS

Foreign Portfolio Investors (FPIs) turned net sellers of Rs 1.18 lakh crore in Mar-26 as against the net inflows of Rs 22,615 crore recorded in Feb-26. This marked the highest monthly outflow which surpassed the previous record of Rs 94,017 crore set in Oct-24. FPIs have been net sellers in every single trading session in Mar-26 which indicates a reallocation away from the EMs rather than a tactical profit booking. The outflows were largely driven by the ongoing conflict in West Asia, weakening rupee, high bond yields and concerns over the impact of elevated crude oil prices. Overall the FPIs withdrew Rs 1.80 lakh crore in FY26.

For the month of Mar-26, sector-wise inflows were recorded in Capital Goods (Rs 3,148 crore) and Others (Rs 2,515 crore). On the other hand, major outflows were observed in Financial Services (Rs 60,655 crore), Automobile and Automobile components (Rs 12,498 crore) and Construction (Rs 9,154 crore).



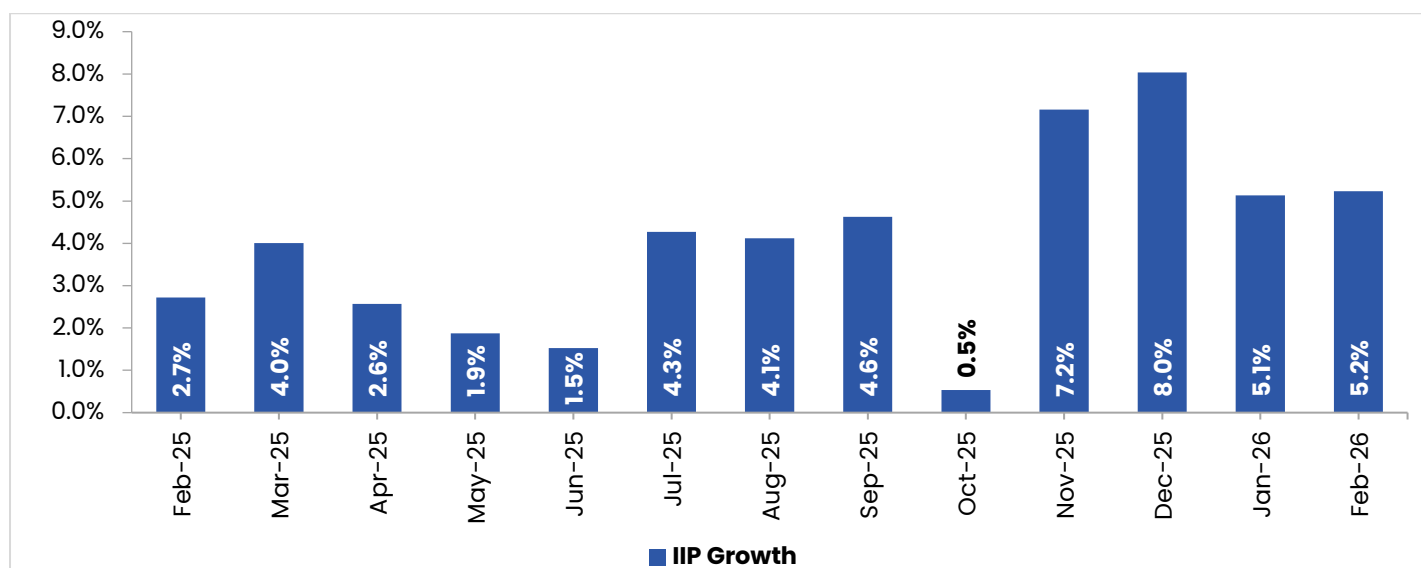
Meanwhile, the Debt/Hybrid segment recorded net outflows of Rs 7,962 crore in Mar-26 in comparison to net inflows of Rs 15,190 crore in Feb-26.

Looking ahead, the conflict in West Asia continues to pose a significant risk particularly through its impact on crude oil prices and supply chain disruptions through the Strait of Hormuz. FPIs also remained net sellers in other emerging markets like Taiwan and South Korea. On the domestic front, the upcoming RBI policy will be closely watched given the inflation risks arising from higher oil prices.

IIP GROWTH

India's industrial production rose to 5.2% in Feb-26 from 5.1% in Jan-26. Manufacturing sector forms nearly 78% of the index. It expanded by 6.0% in Feb-26 as against 5.3% in the month of Jan-26. Growth in Mining activity eased to 3.1% following a 4.3% rise in Jan-26. Electricity output growth moderated to 2.3% from 5.1% which was recorded in the previous month. The IIP growth from Apr-25 to Feb-26 stood at 4.1%YoY.

Among the 23 manufacturing sub sectors, 14 recorded YoY growth. Within the manufacturing sector, Basic Metals grew by 13.2% which was followed by Motor Vehicles, Trailers and Semi-Trailers that surged by 14.9% and Machinery and Equipment recorded a 10.2% YoY growth. On the other hand, YoY declines were observed in Wearing apparel which decreased by (-16.6%) followed by Tobacco products which declined by (-17.0%) and Other Manufacturing which reduced by (-12.4%).



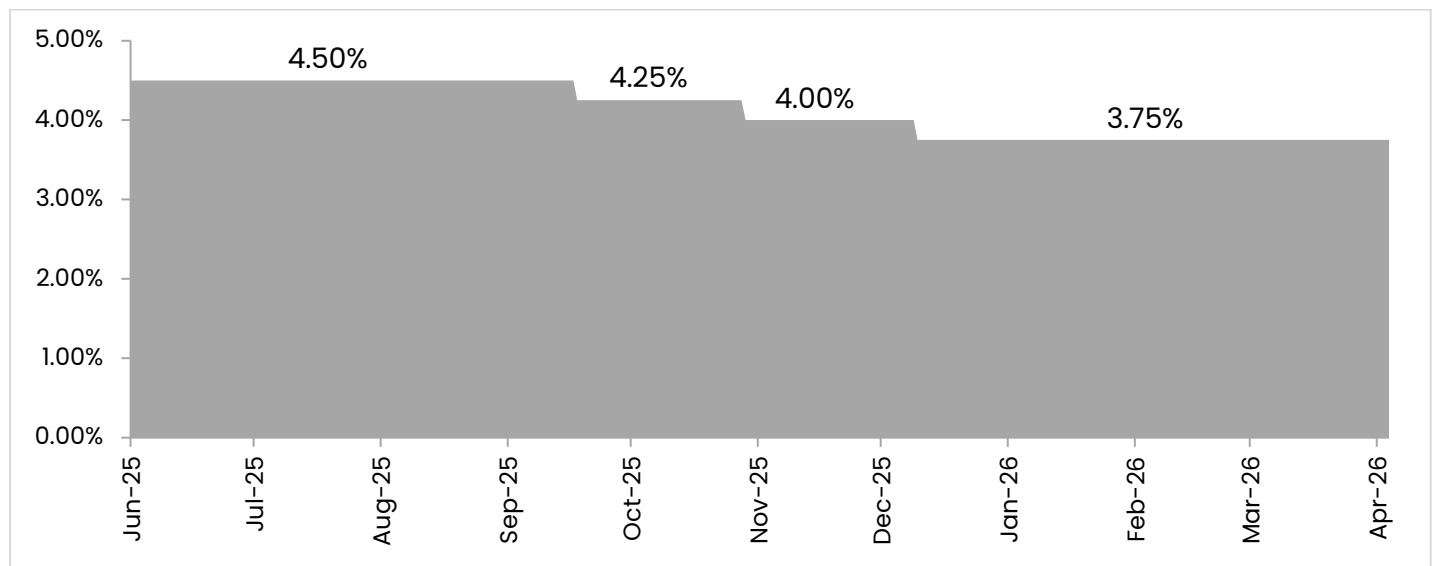
Under use-based classification, 5 out of 6 categories recorded growth with Capital Goods (12.5%), Infrastructure/Construction Goods (11.2%), Intermediate Goods (7.7%), Consumer Durables (7.3%) and Primary Goods (1.8%). The YoY decline was witnessed in Consumer Non-Durables which contracted by (-0.6%).

Looking ahead, the key factors to watch are emerging risks from the ongoing conflict in West Asia, rising crude oil prices and rupee depreciation.

FOMC

The Federal Open Market Committee (FOMC) decided to keep the policy rate unchanged at 3.50%–3.75% in its Mar-26 meeting. This marks the second straight pause after three consecutive 25 basis points rate cuts. The decision was passed with an 11-1 vote to keep the benchmark rates unchanged.

In its Summary of Economic Projections, the Federal Reserve revised its real GDP growth outlook upwards to 2.4% in 2026 from 2.3% in Dec-25. It also raised its 2027 GDP forecast by 0.3 points which now stands at 2.3%. On the other hand, the projected unemployment rate remained unchanged at 4.4%. Fed's core PCE inflation forecast was revised upwards by 0.2 points to 2.7% for 2026 and by 0.1 points to 2.2% for 2027.



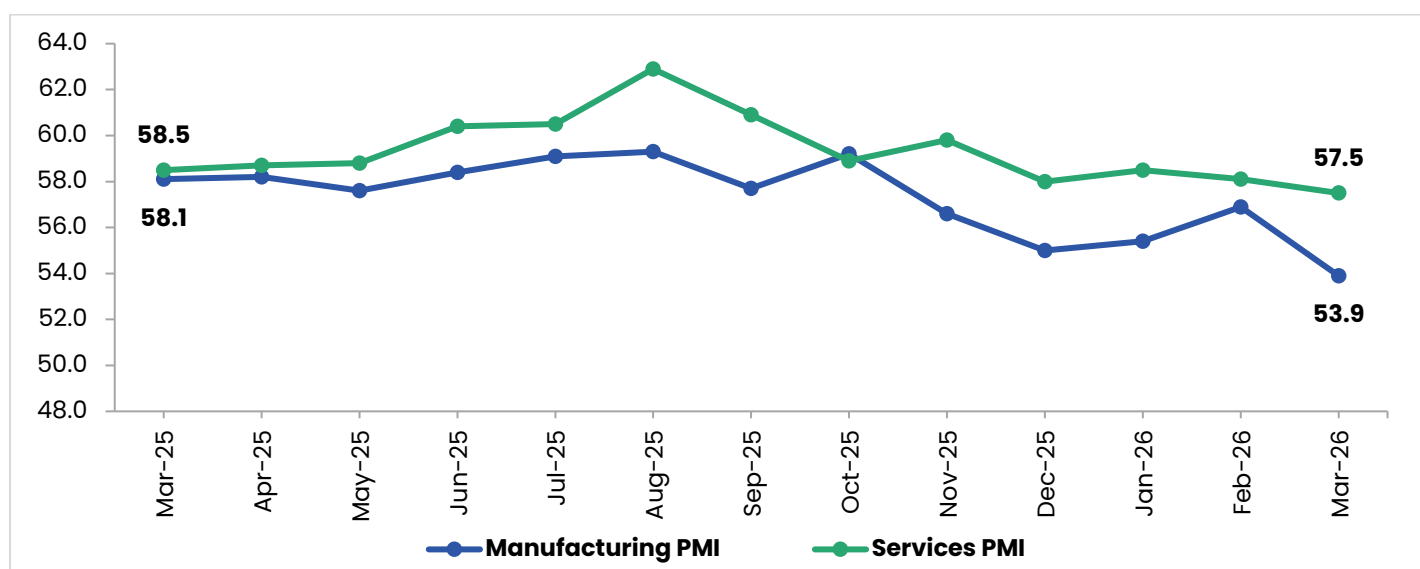
Based on the Fed dot plot policy, the policymakers continue to expect a rate cut of 25 basis points in both 2026 and 2027. The long run nominal neutral rate edged up slightly to 3.1% from 3.0%.

Chairman Jerome Powell described the current rate range as broadly neutral and he reiterated a cautious and data-dependent stance. He suggested that the bar for further rate action remains high at this stage. Overall, elevated inflation on goods from tariffs and ongoing conflict in West Asia has led the Fed to continue with the wait and watch approach before considering any further move.

PMI INDICATOR

India's private sector activity continued to expand in Mar-26 although the pace of growth slowed as both manufacturing and services sectors reported softer increases in output and new business.

The Manufacturing PMI declined to 53.9 in Mar-26 from 56.9 in Feb-26. This marked the lowest level in nearly 4 years. The moderation was driven by the impact of the war in West Asia on cost pressures, slower growth in new orders and output, increased competition. Input costs rose sharply across a broad range of items including aluminium, chemicals and fuels. Meanwhile, firms largely absorbed these increases, resulting in a muted rise in output prices. However, employment rose to the highest extent in 7 months.



The Services PMI also eased to 57.5 in Mar-26 from 58.1 in Feb-26 which indicated the slowest expansion in 14 months. This was largely driven by slowdown in growth of new business. At the same time export orders remained strong with demand coming from several global regions including Africa, Asia, Europe, etc. However, input cost inflation rose at the fastest pace since Jun-22 with Consumer Services and Finance & Insurance registering quickest increases. The moderation in the Services activity was milder as compared to Manufacturing activity.

As a result, the Composite Output Index declined to 57.0 in Mar-26 as against 58.9 recorded in the previous month. This signalled the weakest rate of expansion in private sector output since Nov-22. Overall, the ongoing conflict in the West Asia remains a key risk factor as it continues to impact input costs and overall business sentiment.

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