



MONTHLY MACRO REVIEW

10th February 2026

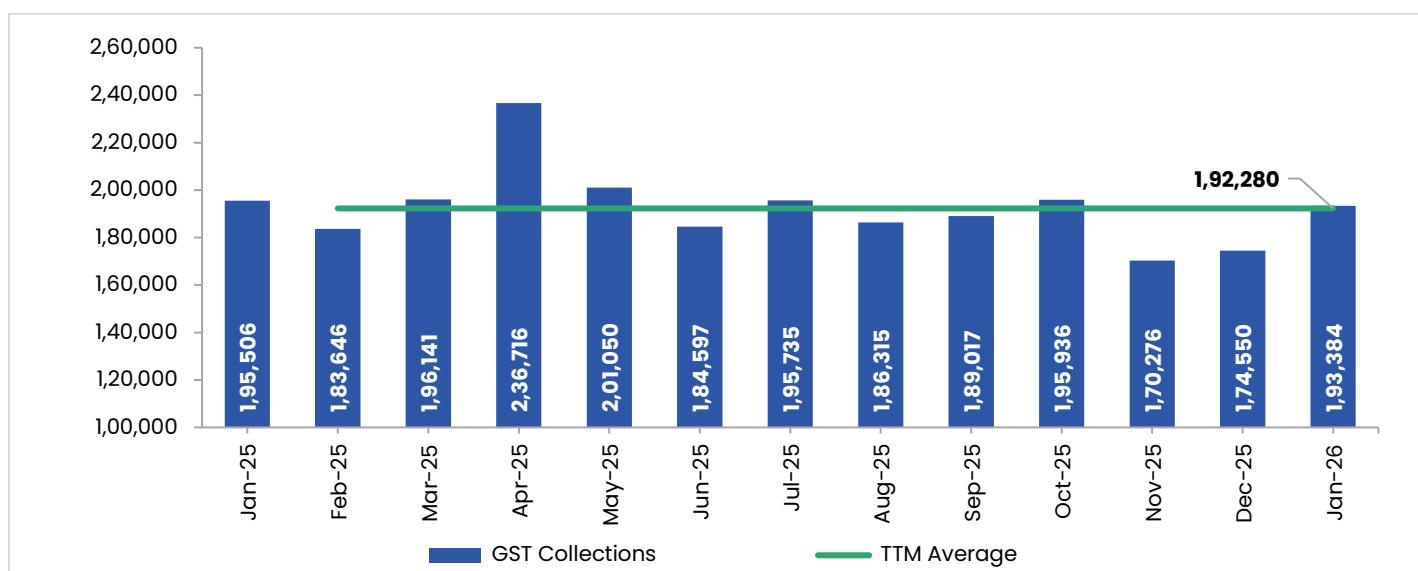
BONANZA WEALTH



GST COLLECTIONS

India's gross Goods and Services Tax (GST) revenue collections for Jan-26 reflected a 6.2% YoY increase reaching to Rs 1.93 lakh crore. The gross GST collections from domestic transactions increased by 4.8% YoY to Rs 1.41 lakh crore. Meanwhile the revenue from imported goods reached to Rs 52,253 crore and this marked a rise of 10.1% YoY. The gross GST collections were made up of CGST which amounted to Rs 38,792 crore, then Rs 47,817 crore came from SGST and Rs 1.06 lakh crore from IGST.

The net GST collections after adjusting for refunds reflected a 7.6% YoY growth and it amounted to Rs 1.70 lakh crore. The gross GST collections so far for FY26 amounted to Rs 18.43 lakh crore which rose by 8.3% YoY meanwhile the net collections so far for FY26 marked a 6.8% YoY growth standing at Rs 15.95 lakh crore.



The post settlement figures on state wise basis showed that Maharashtra led the GST collections table. It marked a growth of 15.0% on YoY basis which amounted to Rs 17,747 crore. Following Maharashtra, Gujarat was in second place and it recorded net revenues of Rs 7,742 crore. Karnataka was third closely with net revenues of Rs 7,684 crore. Next in line were Uttar Pradesh and Tamil Nadu recording net collections of Rs 7,451 crore and Rs 6,618 crore, respectively.

The Union Budget 2026 was declared on 1st February and notably, there hasn't been major reforms in the GST front. However, the budget strengthens the system in terms of valuation, refunds, dispute resolution and towards the place-of-supply rules.

CORE SECTOR

The Index of Eight Core Industries (ICI) expanded by 3.7% (Provisional) in Dec-25 as against 5.1% 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 Nov-25 was revised upward to 2.1% from the previous reading of 1.8%. The upward revision in the print highlights a mild recovery in key production segments.

Notably, five out of eight key industries experienced growth in Dec-25. Positive output growth was recorded in sectors like Cement (13.5%), Steel (6.9%), Electricity (5.3%), Fertilizers (4.1%) and Coal (3.6%). Overall gains have been persistent in cement and steel sectors. However, contractions were observed in Crude Oil (-5.6%), Natural Gas (-4.4%), and Refinery Products (-1.0%). On the cumulative basis for Apr-25 to Dec-25, steel and cement remained the strongest performers with growth of 9.5% and 8.8% respectively.



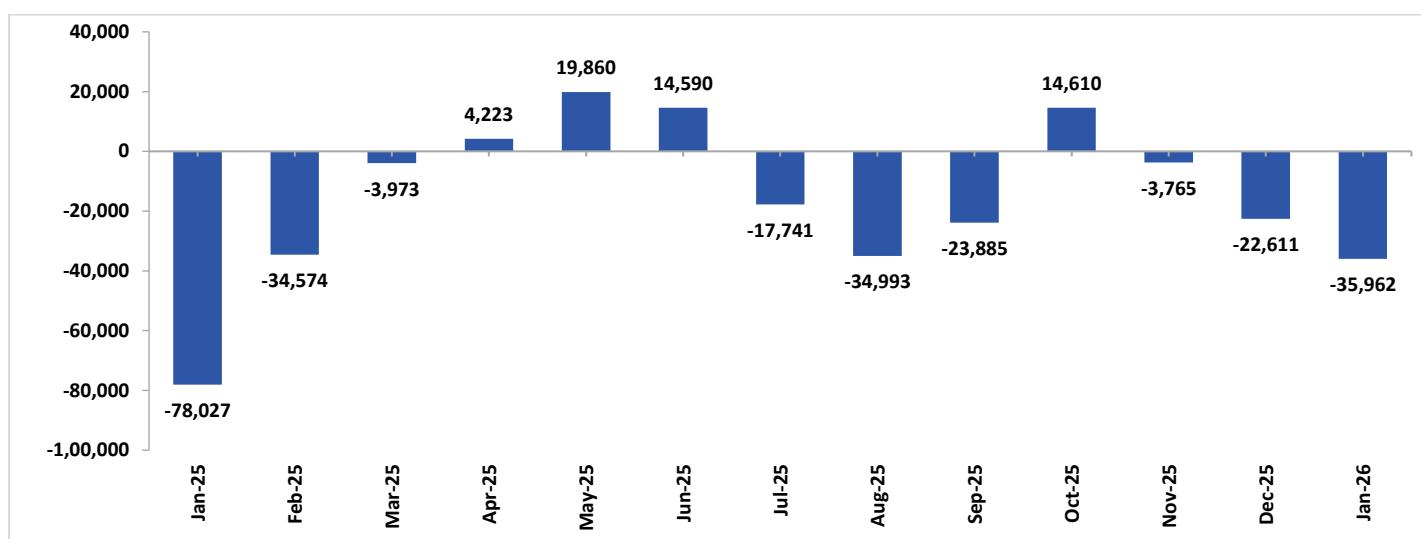
The cumulative growth of the Index of Core Industries (ICI) during Apr-25 to Dec-25 stood at 2.6% (Provisional) over corresponding period of the previous year.

Overall the strong demand from infrastructure linked sectors such as steel and cement and front-end government spending on roads and railways helped offset continuous weakness from oil and gas in the December month.

FPI FLOWS

Foreign Portfolio Investors (FPIs) remained net sellers in equities in Jan-26 by withdrawing Rs 35,962 crore. The outflows for current month were comparatively higher than the outflows of Rs 22,611 crore recorded in Dec-25.

So far in FY26, the FPIs have been net sellers in 6 out of 10 months. Sector wise net inflows were recorded in Metals and Mining (Rs 11,526 crore), Capital Goods (Rs 2,761 crore) and Chemicals (Rs 140 crore). Majority of the sectors observed net outflows. The top net outflows were recorded in Financial Services (Rs 8,592 crore), FMCG (Rs 7,497 crore) and Healthcare (Rs 6,162 crore).



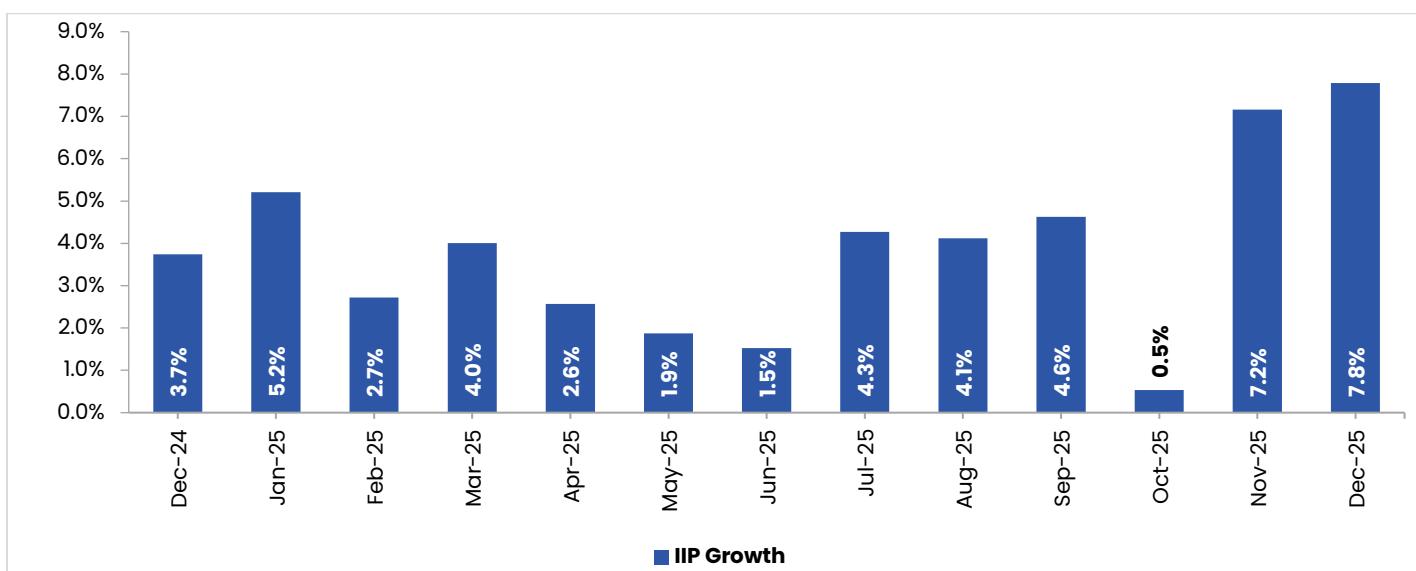
Overall, the key reasons for FPI outflows include disputes regarding US tariff threats to Europe over Greenland followed by stronger US dollar, weakness in rupee, elevated bond yields and stretched valuations. Another factor driving FPI outflows were a shift in allocation towards an Artificial Intelligence focused markets like USA, Taiwan and South Korea. Due to global uncertainties, investors have moved towards safe-haven assets such as gold and silver.

On the other hand, the Debt/Hybrid segment witnessed a turnaround. Overall, the net inflows for Debt/Hybrid segment amounted to Rs 6,722 crore for Jan-26 as against the net outflows of Rs 15,958 crore in Dec-25. The Union Budget 2026 proposed to increase the Securities Transaction Tax (STT) on futures and options. The proposed increase in STT on futures and options under Union Budget 2026 introduces near-term uncertainty regarding foreign investor participation. However, progress on the US-India trade front, particularly lower tariffs on Indian goods, remains an important medium-term sentiment driver.

IIP GROWTH

India's industrial production surged to a 2-year high of 7.8% in the Dec-25 reading. This was majorly driven by strong performances in mining, manufacturing and electricity sectors. Manufacturing sector forms nearly 78% of the index. It expanded by 8.1% in Dec-25 as against 8.5% in Nov-25. Mining activity recorded a 6.8% increase following a 5.8% rise in Nov-25. Electricity output rebounded strongly by 6.3% after the contraction of (-1.5%) observed in the previous month.

Among the 23 manufacturing sub-sectors, 16 recorded YoY growth. Within the manufacturing sector, Computer, Electronic & Optical Products grew by 34.9% followed by Motor Vehicles, Trailers & Semi-Trailers which grew by 33.5% and Basic Metals recorded an 12.7% YoY growth. On the other hand, YoY declines were observed in Other Manufacturing which decreased by (-14.9%) followed by Electrical Equipment by (-11.7%) and Wearing apparel reduced by (-8.1%).



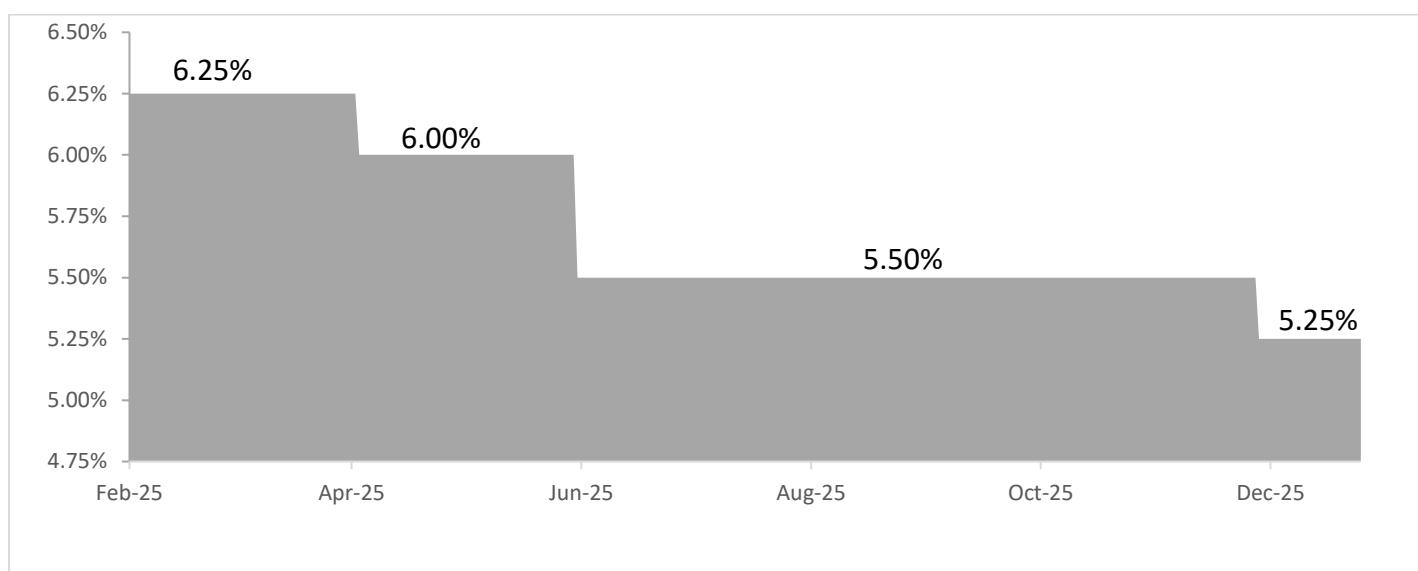
Under the use-based classification, all 6 categories recorded growth, with Consumer Durables (12.3%) being a standout performer followed by Infrastructure/Construction Goods (12.1%), Consumer Non-Durable (8.3%), Capital Goods (8.1%), Intermediate Goods (7.5%), and Primary goods (4.4%).

Overall, infrastructure and construction sectors continued to grow supported by sustained capex from Central and State Government levels. Going ahead, income tax relief, past RBI rate cuts and easing inflationary pressures continue to support the consumption outlook.

RBI MPC DECISION

The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) decided to keep the repo rate unchanged at 5.25% in its Feb-26 meeting. The MPC has also retained its neutral stance. The decision reflects that it will continue with the wait and watch approach and assess the evolving macroeconomic conditions to determine next course of action. The Marginal Standing Facility (MSF) and Bank Rate were maintained at 5.5%, while the Standing Deposit Facility (SDF) remained unchanged at 5.0%.

The GDP growth estimate for FY26 was increased moderately to 7.4% against the prior projection of 7.3%. In addition, the central bank revised its real GDP growth figures to 6.9% for Q1FY27 and 7.0% for Q2FY27.



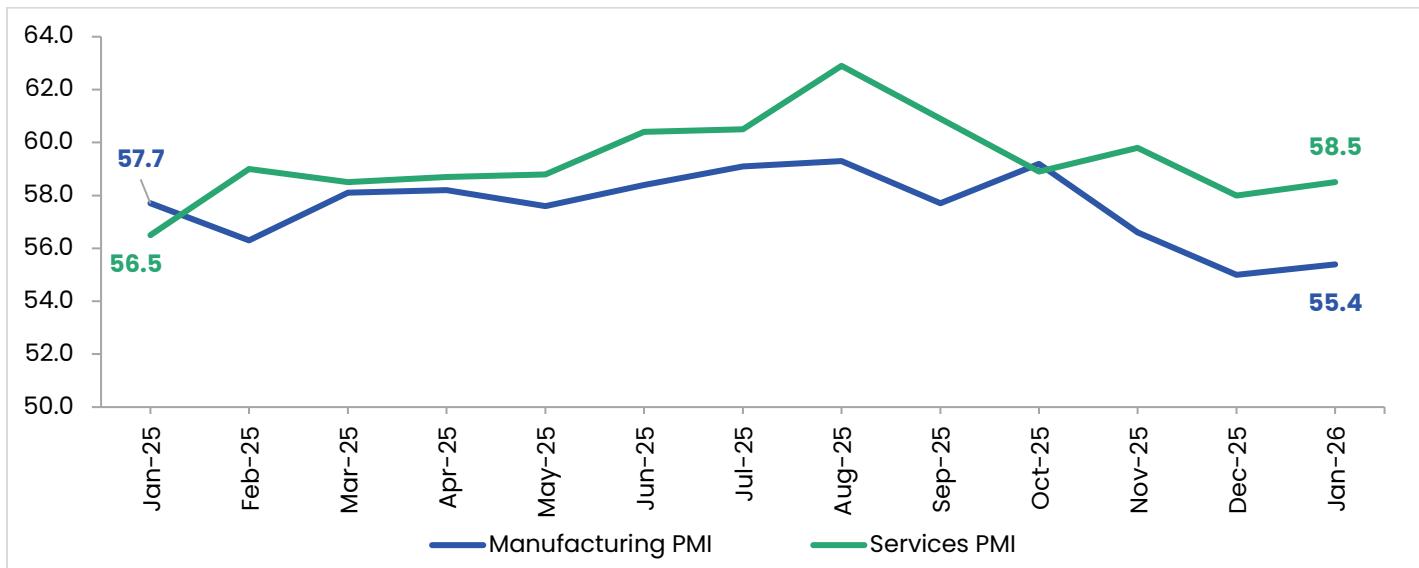
The RBI expects an uptick on the inflation front but is believed to be well within the risk tolerance band of 2-6%. It has slightly increased the FY26 CPI inflation forecast to 2.1% from 2.0% earlier. Furthermore, inflation projections were revised to 3.2% from 2.9% earlier for Q4FY26, while 4.0% for Q1FY27 and 4.2% for Q2FY27.

There is also a new proposition to give a one-time compensation to a limit of Rs 25,000 to cyber fraud victims. The Governor noted that the economy is under 'Goldilocks' zone which states that at present there is strong growth and inflation is under control. Moreover, the trade deals between US-India and India-EU are expected to further support growth.

PMI INDICATOR

India's private sector activity regained momentum at the start of the year which was supported by improved performance across both manufacturing and service sectors. The Manufacturing PMI expanded to 55.4 in Jan-26 and this came after it recorded a 2 year low in the previous month. The growth was largely driven by increases in new orders, employment, tech investments and buying levels. The PMI reading was below the flash estimate of 56.8 but remained above its long-run average. Consumer goods emerged as the strongest segment in the manufacturing category, while slowest improvement in operating conditions was observed in capital goods. Domestic demand continued to remain the key support even though new export orders increased at the weakest rate in 15-months.

The Services PMI rose to 58.5 in Jan-26 from 58.0 in Dec-25. The growth was driven by new business intakes and output. Hiring activity resumed due to rise in new work. The main driver of new business was the domestic market, however international orders from South and Southeast Asia showed a solid increase.



As a result, the Composite Output Index grew by 58.4 in Jan-26 from 57.8 in Dec-25. The December month data was an 11-month low. This also indicated a pickup in the overall private sector growth.

The Union Budget 2026 has added support to the demand trends. The measures are particularly focused on strengthening consumption in rural and the semi-urban areas.

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