



# **MONTHLY MACRO REVIEW**

**7<sup>th</sup> May 2026**

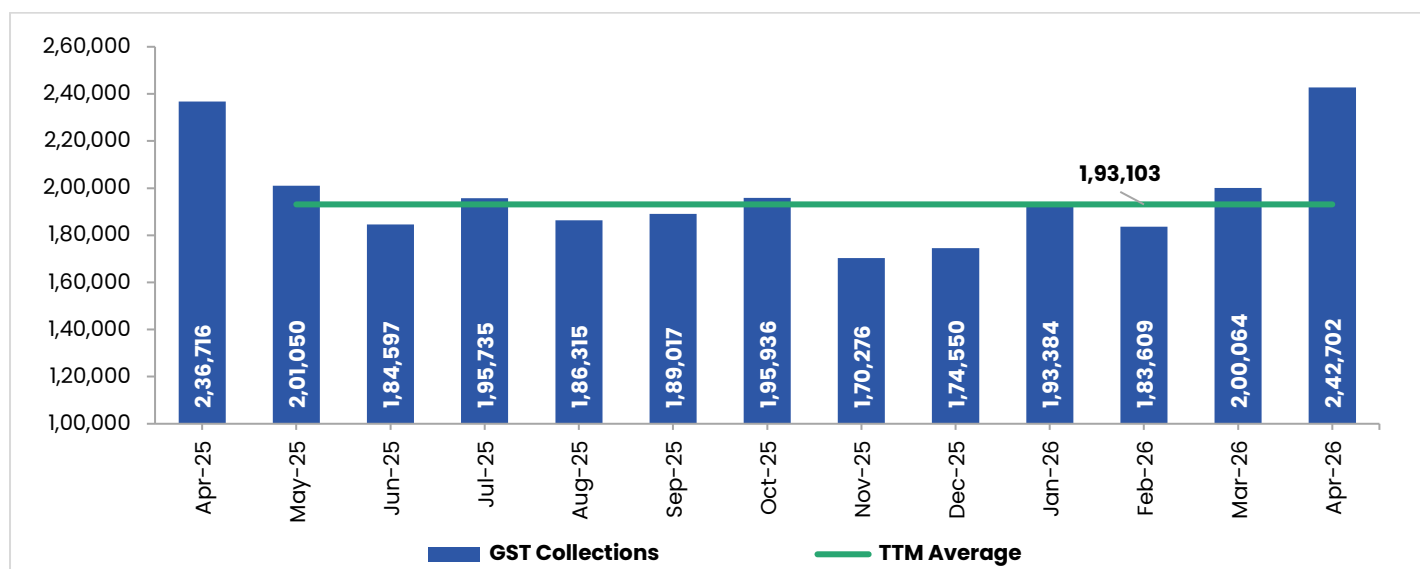
**BONANZA WEALTH**



# GST COLLECTIONS

India's gross Goods and Services Tax (GST) revenue collections for Apr-26 registered a growth of 8.7% YoY reaching to Rs. 2.43 lakh crore. This marked the highest ever monthly GST collection recorded so far. The gross GST collections from domestic transactions increased by 4.3% YoY to Rs. 1.85 lakh crore. On the other hand, revenue from imported goods stood at Rs. 57,580 crore. This reflected a strong growth of 25.8% YoY. The gross GST collections comprised of CGST which amounted to Rs. 52,140 crore, SGST at Rs. 61,331 crore and IGST at Rs. 1.29 lakh crore.

The net GST collections after adjusting for refunds amounted to Rs. 2.11 lakh crore. It reflected a growth of 7.3% YoY. Domestic refunds rose sharply by 54.6% YoY to Rs. 19,996 crore, while the total refunds stood at Rs. 31,793 crore which marked a growth of 19.3% YoY.



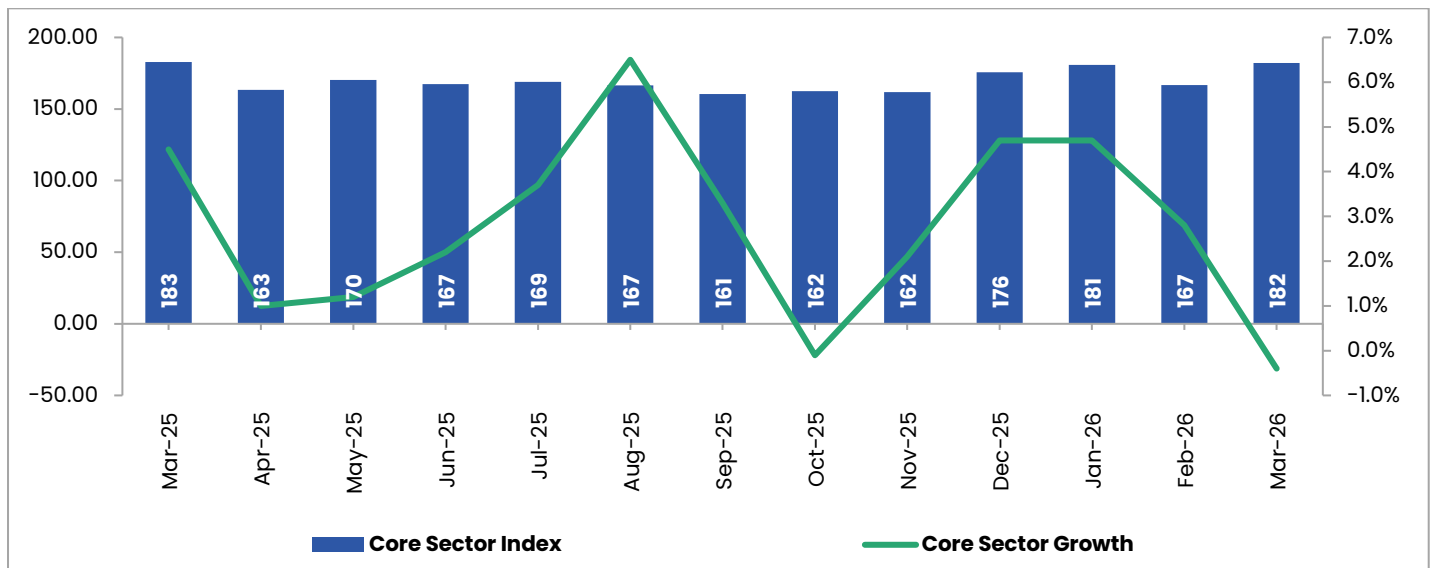
The post settlement figures on a state wise basis showed that Maharashtra continued to lead the GST collections table. It registered a growth of 40.0% on a YoY basis by amounting to Rs. 22,929 crore. Following Maharashtra, Uttar Pradesh was in the second place. It recorded net revenues of Rs. 10,178 crore. Karnataka came in third by recording net revenues of Rs. 9,958 crore. Gujarat and Tamil Nadu were also among the top contributors. They recorded net collections of Rs. 9,916 crore and Rs. 8,413 crore, respectively.

Overall the GST figures for the month of Apr-26 reflected continued economic activity amidst the ongoing West Asia conflict. Strong growth in import related revenues also played a key role in supporting the overall GST collections during the month.

# CORE SECTOR

The Index of Eight Core Industries (ICI) contracts by 0.4% (Provisional) in Mar-26 as against a growth of 4.5% recorded in the same month last year. This marks the lowest level since Aug-24. The decline was largely driven by a sharp contraction recorded in the fertilizer, crude oil, coal and electricity production. Core sector output together account for 40.27% of the Index of Industrial Production (IIP). The final ICI print for Feb-26 was revised upward to 2.8% (Final) from the previous reading of 2.3%.

Notably four out of eight key industries experienced growth in the month of Mar-26. Positive output growth was recorded in sectors like Natural Gas (6.4%), Cement (4.0%), Steel (2.2%) and Refinery Products (0.1%). Overall gains remained concentrated in construction linked sectors such as steel and cement. However, contractions were observed in Fertilizers (-24.6%), Crude Oil (-5.7%), Coal (-4.0%) and Electricity (-0.5%). On a cumulative basis for Apr-25 to Mar-26, steel and cement remained the strongest performers with growth of 9.1% and 8.6% respectively.



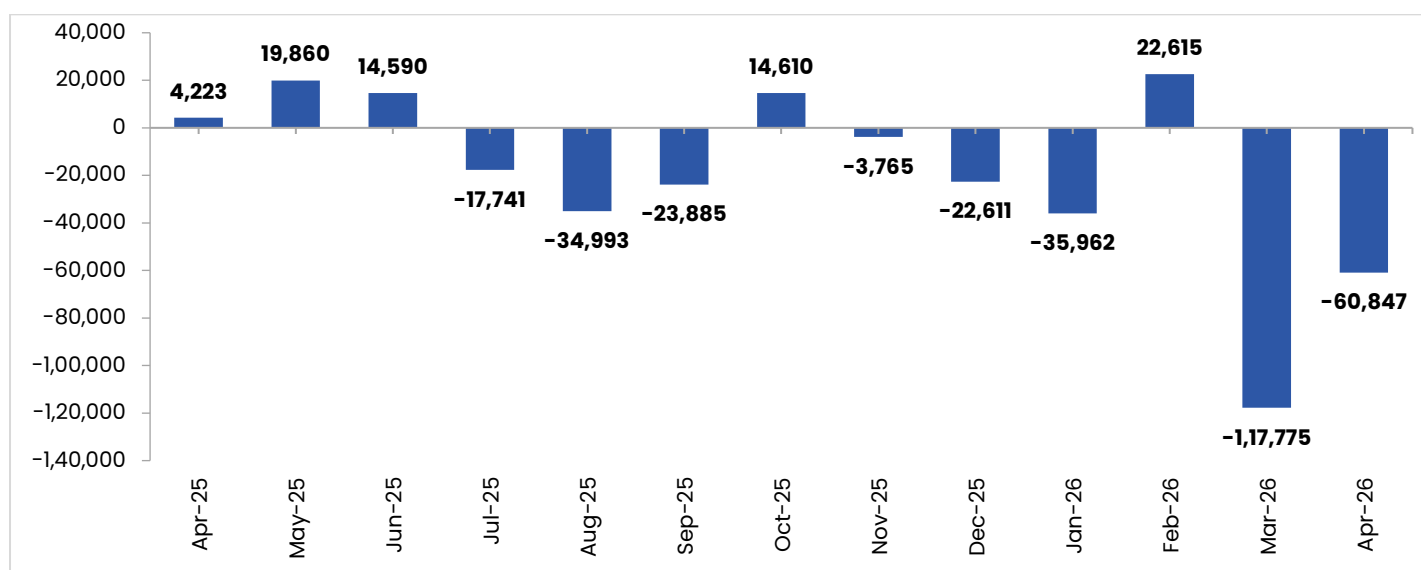
The cumulative growth of the Index of Core Industries (ICI) during Apr-25 to Mar-26 stood at 2.6% (Provisional) over the corresponding period of the previous year.

Overall, infrastructure linked sectors like the steel and cement continued to support the core sector despite a broad based weakness in energy and fertilizer segments. Looking ahead, uncertainty in global energy markets amid ongoing tensions in West Asia may continue to pose challenges for the core sector.

# FPI FLOWS

Foreign Portfolio Investors (FPIs) continued to be net sellers of Rs. 60,847 crore in Apr-26 in comparison to the net outflows of Rs. 1.18 lakh crore recorded in Mar-26. The outflows were majorly due to escalating geopolitical tensions and global macroeconomic uncertainties.

In the first half of Apr-26, sector-wise inflows were recorded in Others (Rs. 730 crore), Power (Rs. 601 crore) and Diversified (Rs. 5 crore). On the other hand, major outflows were observed in Financial Services (Rs. 19,152 crore), Consumer Services (Rs. 5,336 crore) and Healthcare (Rs. 4,481 crore).



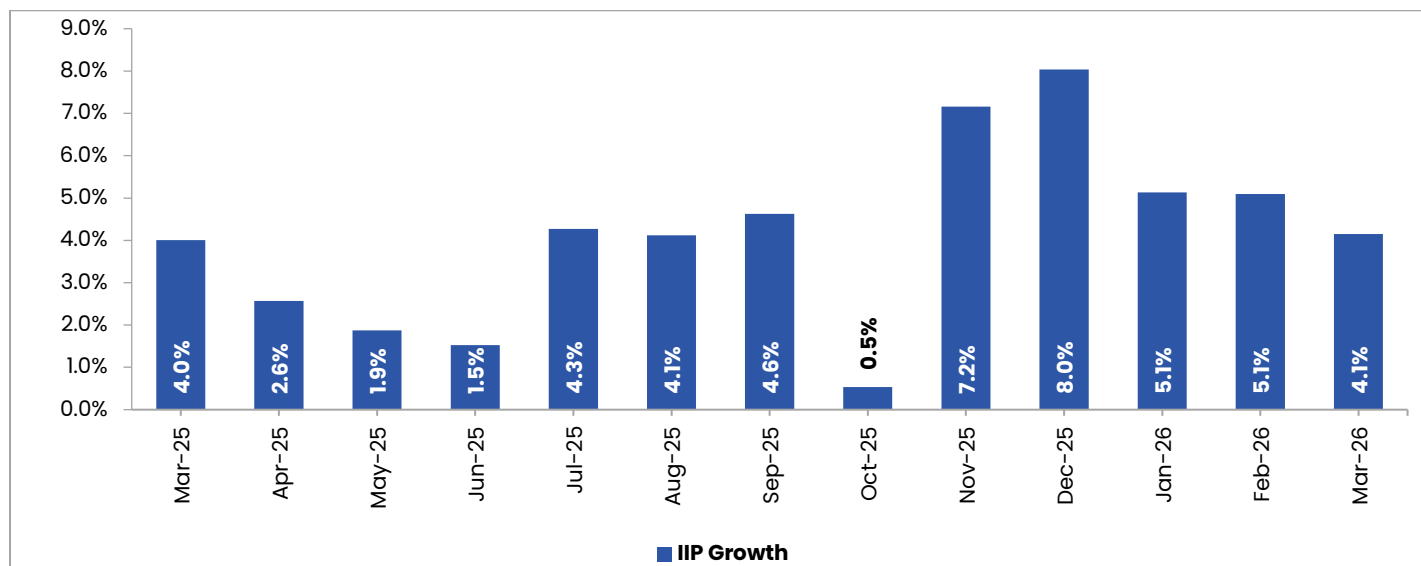
Meanwhile, the Debt/Hybrid segment recorded net outflows of Rs. 10,038 crore in Apr-26 in comparison to net outflows of Rs. 7,962 crore in Mar-26. So far in 2026, the equity withdrawals reached Rs. 1.92 lakh crore. They withdrew Rs. 35,962 in Jan-26, Rs. 1.18 lakh crore in Mar-26 and infused Rs. 22,615 crore in Feb-26. FPIs have been net sellers for three out of four months of 2026.

Overall Japan, South Korea and Taiwan are attracting FPI flows. In contrast, Indian markets are witnessing outflows amid challenges such as elevated energy prices and currency depreciation.

# IIP GROWTH

India's industrial production moderated to 4.1% (Provisional) in Mar-26 from 5.1% (Final) in Feb-26. The manufacturing sector forms nearly 78% of the index. It eased to 4.3% in Mar-26 as against 5.9% in Feb-26. Growth in mining activity improved to 5.5% following a 3.1% rise in Feb-26. Electricity output growth eased sharply to 0.8% from 2.3% which was recorded in the previous month. The IIP growth for FY26 stood at 4.1% YoY.

Among the 23 manufacturing sub-sectors, 14 recorded YoY growth. Within the manufacturing sector, higher weighted industries continued to anchor growth where Basic Metals grew by 8.6%, while Motor Vehicles, Trailers and Semi-Trailers surged by 18.1% and Machinery and Equipment recorded an 11.2% YoY growth. On the other hand, YoY declines were observed in Other Manufacturing which declined sharply by (-29.8%) while Chemical and Chemical products and Wearing Apparel contracted by (-3.5%) and (-14.6%), respectively. Tobacco products also dropped by (-10%) reflecting the impact of higher GST rates.



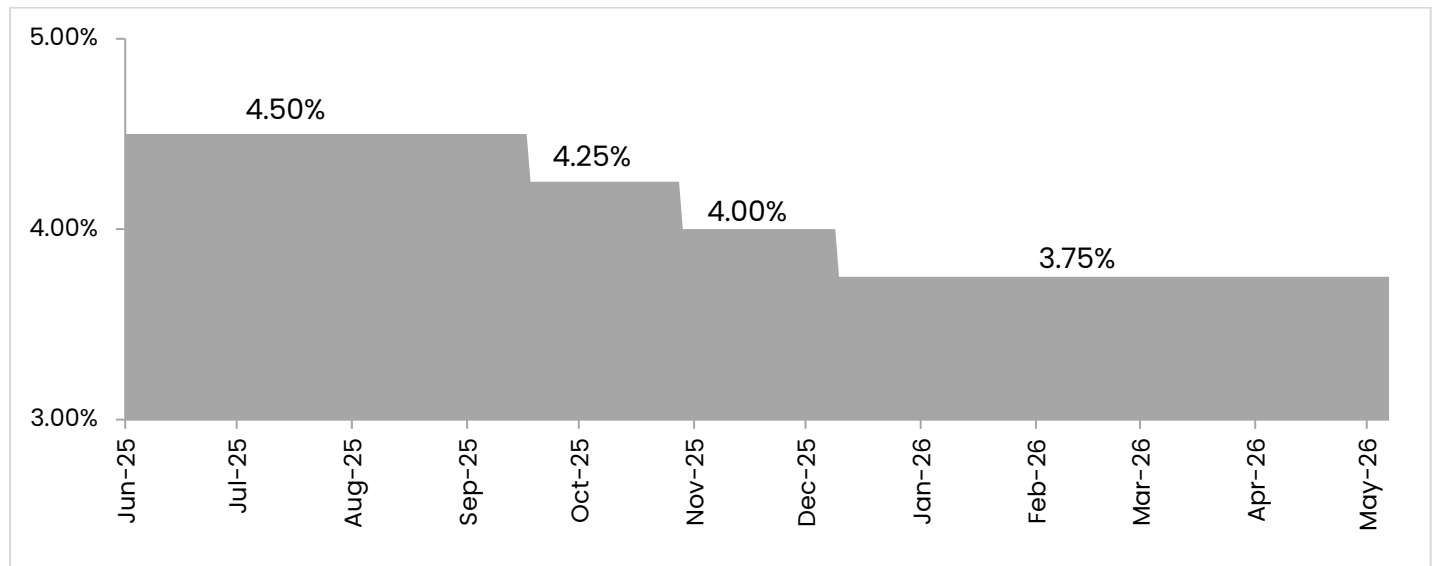
Under the use-based classification, all six categories recorded growth with Capital Goods (14.6%), followed by Infrastructure/Construction Goods (6.7%), Consumer Durables (5.3%), Intermediate Goods (3.3%), Primary Goods (2.2%) and Consumer Non-Durables (1.1%).

Looking ahead, sustained government infrastructure spending and improving domestic demand may continue to support industrial activity, though volatility in crude oil prices and geopolitical tensions in West Asia remain key risks to monitor.

# FOMC

The Federal Open Market Committee (FOMC) decided to keep the policy rate unchanged at 3.50%–3.75% in its Apr-26 meeting. This marks the third straight pause in interest rates primarily due to elevated inflationary pressures driven by rising global energy prices amid the ongoing conflict in West Asia. The decision was passed with an 8-4 vote. This marked the highest level of dissent within the Committee since Oct-1992 wherein four FOMC members had dissented.

The Committee reiterated that inflation remains elevated. It also noted that the recent increases in global energy prices continue to add upside risks to the inflation outlook.



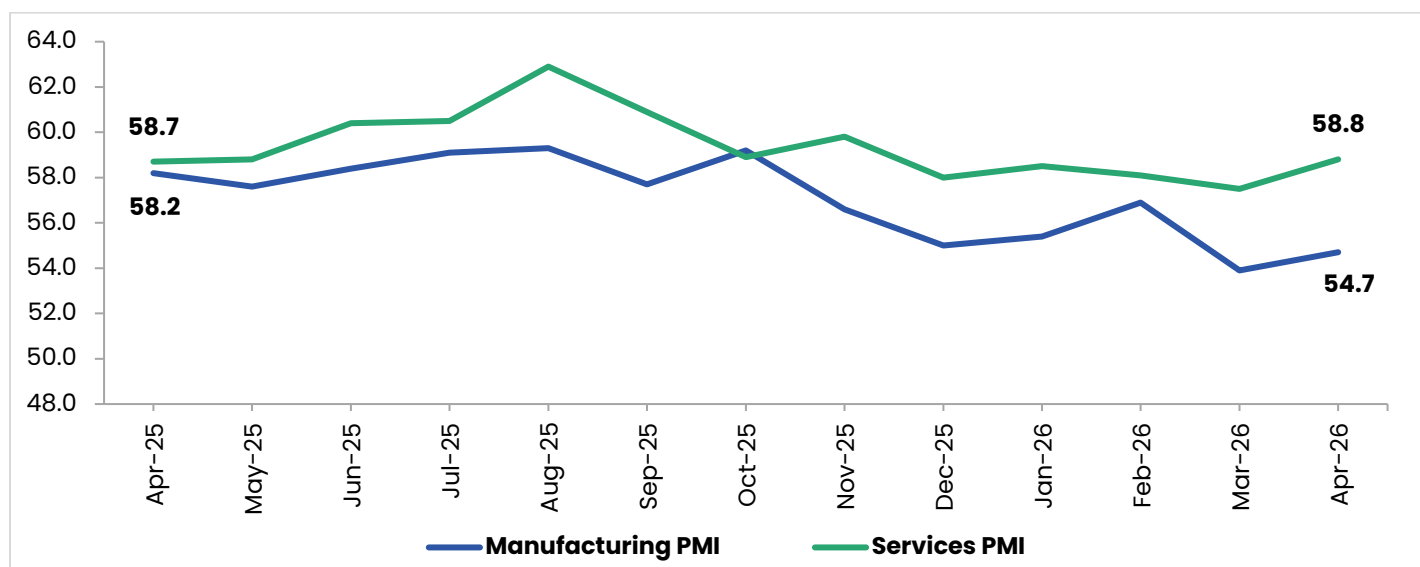
Based on the Fed dot plot policy, the policymakers continue to expect a rate cut of 25 bps for the remainder of 2026 followed by another 25 bps in 2027.

Chairman Jerome Powell continued to maintain a cautious and data-dependent stance. The April meeting also marked Powell's final meeting as Fed Chairman before the conclusion of his term on May 15. Although he is expected to continue serving on the Federal Reserve Board. Former Fed Governor Kevin Warsh is widely expected to succeed Powell as the next Chair of the Federal Reserve.

# PMI INDICATOR

India's private sector activity continued to expand in Apr-26 as both the manufacturing and services sectors recorded an improvement in output and new business.

The Manufacturing PMI rose to 54.7 in Apr-26 from 53.9 in Mar-26. The reading improved from the previous month although it has still remained among the weakest levels recorded in nearly four years. Growth in new orders and production recovered mildly which was supported by resilient demand and advertising efforts. Export orders also improved and registered a fastest increase in seven months with firms reporting better demand from several overseas markets. However rising geopolitical tensions in West Asia continued to exert pressure on the input costs. Also, Inflation reached its highest level since Aug-22 and employment growth marked a 10 month high.



The Services PMI increased to 58.8 in Apr-26 from 57.5 in Mar-26. This marked the strongest expansion since Nov-25. The improvement was mainly driven by stronger domestic demand along with higher activity in transport and logistics services. Export demand eased amid weaker tourism inflows and impact of the West Asia conflict. Input cost pressures moderated slightly though they remained elevated.

As a result the Composite Output Index rose to 58.2 in Apr-26 from 57.0 in Mar-26 signalling renewed momentum in overall private sector activity. Overall business sentiment remained positive supported by demand expectations marketing initiatives and rising client enquiries despite concerns around geopolitical risks and inflationary pressures.

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