



FORTNIGHTLY MACRO REVIEW

18th March 2026

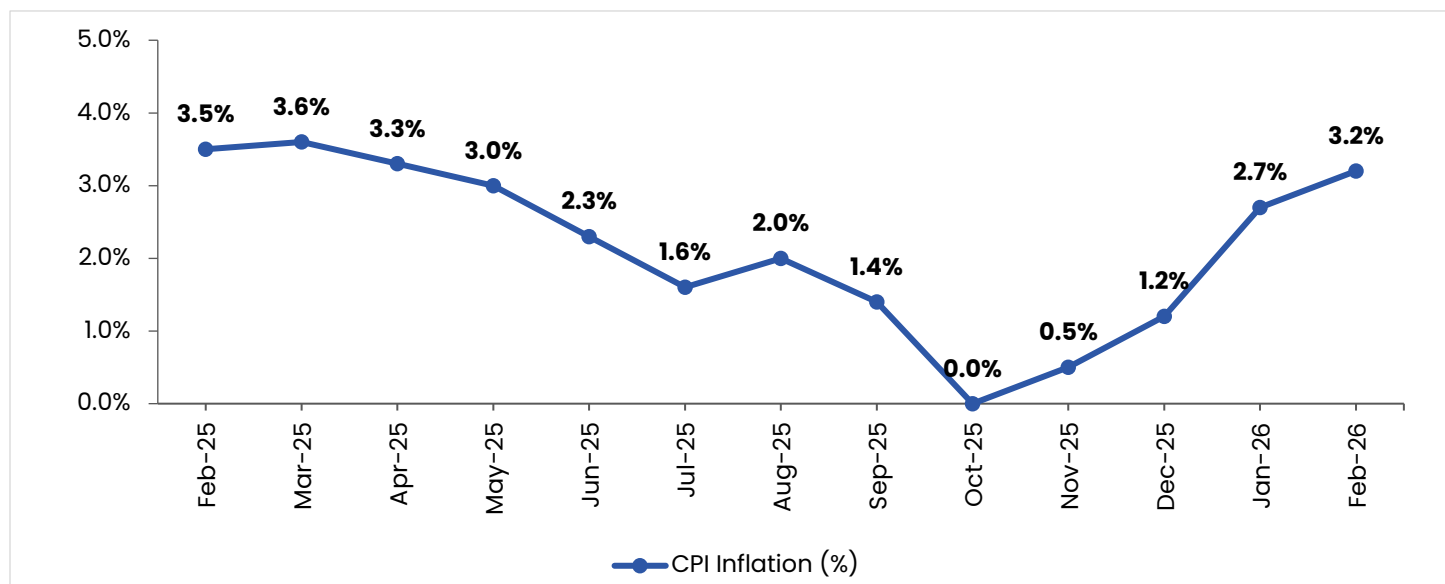
BONANZA WEALTH



CPI INFLATION

Consumer Price Index (CPI) rose to 3.2% (Provisional) in Feb-26 from 2.74% in Jan-26. This was primarily due to an increase in inflation within food and beverages, clothing, housing and utility services. The corresponding rural and urban inflation rates stood at 3.37% and 3.02%, respectively. Despite the increase in the inflation rate, it remained below the RBI's 4% medium-term target.

Food inflation in Feb-26 stood at 3.47% (Provisional) as against 2.13% (Final) in Jan-26. Housing inflation for the month of Feb-26 is 2.12% (Provisional) in comparison to 2.05% (Final) in the previous month. High inflation was observed in silver, gold, diamond and platinum jewellery. Along with this, coconut, tomato and cauliflower also recorded price pressures. Low inflation was recorded in Garlic, Onion, Potato, Arhar and Litchi.



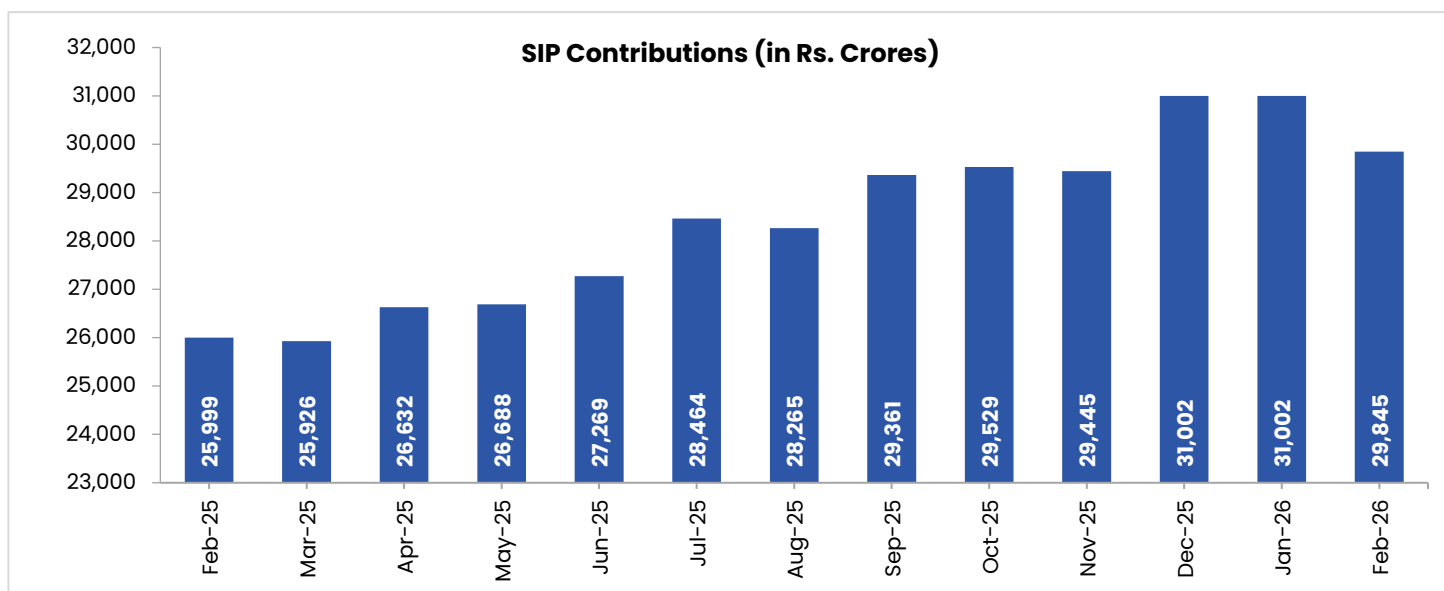
Among states with a population of more than 50 lakh, highest inflation was recorded in Telangana at 5.02% followed by Rajasthan at 3.53%. Kerala came in third by recording 3.50%. Andhra Pradesh and West Bengal recorded 3.45% and 3.44% respectively.

The potential impact of the ongoing conflict in the Middle East is not reflected in the February print. It has resulted in crude oil prices crossing the US\$ 100 per barrel and may remain elevated if conflict continues. The Government has increased LPG prices for retail and commercial cylinders by Rs 60 and Rs 115, respectively.

RETAIL PARTICIPATION

The Indian Mutual Fund industry recorded net inflows of Rs 94,530 crore in Feb-26 as against the net inflows of Rs 1.56 lakh crore in Jan-26. This represents a 39.6% MoM decline. On the other hand, equity mutual funds rose by 8% MoM to Rs 25,978 crore in comparison to Rs 24,029 crore registered in the previous month. Open-ended mutual funds maintained a positive streak for the 60th consecutive month. SIP inflows slowed to Rs 29,845 crore from Rs 31,002 crore in Jan-26.

The industry's net asset under management (AUM) scaled new highs of Rs 82.03 lakh crore during the month of February from Rs 81.01 lakh crore in Jan-26. The sustained momentum in the flows reflects investor participation despite market volatility and geopolitical tensions.



Within the open-ended equity fund category, large-cap funds marked an 5.3% MoM increase, while mid-cap and small-cap funds increased by 25.7% MoM and 31.9% MoM, respectively. Flexi cap funds continued to lead equity flows by attracting Rs 6,925 crore during the month.

Debt funds witnessed net inflows of Rs 42,106 crore in the month of Feb-26 slowing down from the net inflow of Rs 74,827 in the previous month. Gold ETFs although positive, saw a decline in net inflow by 78% MoM to Rs. 5,252 crore as against Rs 24,040 crore in Jan-26. Overall, net inflows moderated during the month however, equity schemes observed steady participation and passive investments in ETFs and index funds remained a key segment for investors.



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