



FORTNIGHTLY MACRO REVIEW

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BONANZA WEALTH

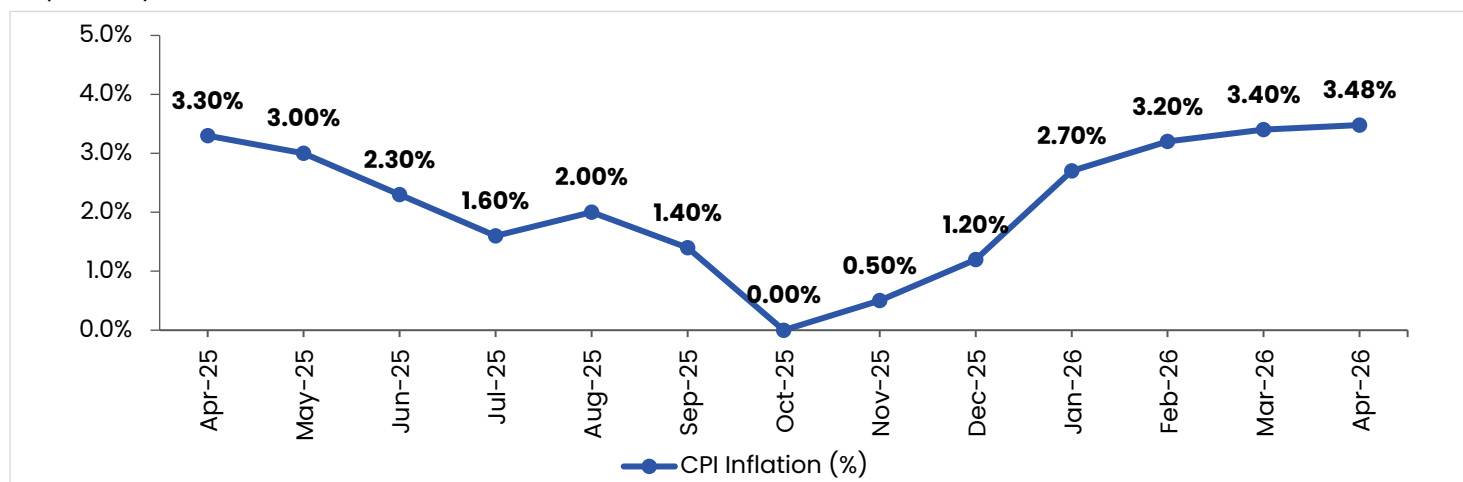


CPI INFLATION

Consumer Price Index (CPI) inflation inched up to 3.48% (Provisional) in Apr-26 from 3.40% (Final) in Mar-26. This indicated gradual build-up of price pressures amid elevated geopolitical tensions and volatile commodity markets. The corresponding rural and urban inflation rates stood at 3.74% (Provisional) and 3.16% (Provisional), respectively. Despite the increase in the inflation rate, it remained below the RBI's 4% medium-term target. Food inflation in Apr-26 rose to 4.20% (Provisional) in comparison to 3.87% (Final) in Mar-26. Housing inflation for the month of Apr-26 remained stable at 2.15% (Provisional) as against 2.11% (Final) in Mar-26.

High inflation was observed in silver jewellery, coconut (copra), gold, diamond and platinum jewellery, while tomato and cauliflower also recorded price pressures. Low inflation was recorded in potato, onion, motor car and jeep, peas, chickpeas and air conditioner. Among major sub-categories, higher inflation was observed in personal care and effects, pan, tobacco and intoxicants as well as restaurant and accommodation services. The inflation in restaurant and accommodation services remained elevated partly due to higher commercial LPG prices and supply related disruptions following the rise in global energy prices.

Among states with a population of more than 50 lakh, highest inflation was recorded in Telangana at 5.81% followed by Andhra Pradesh at 4.20%. Tamil Nadu came in third by recording 4.18%. Karnataka and Rajasthan recorded 4.00% and 3.77% respectively.



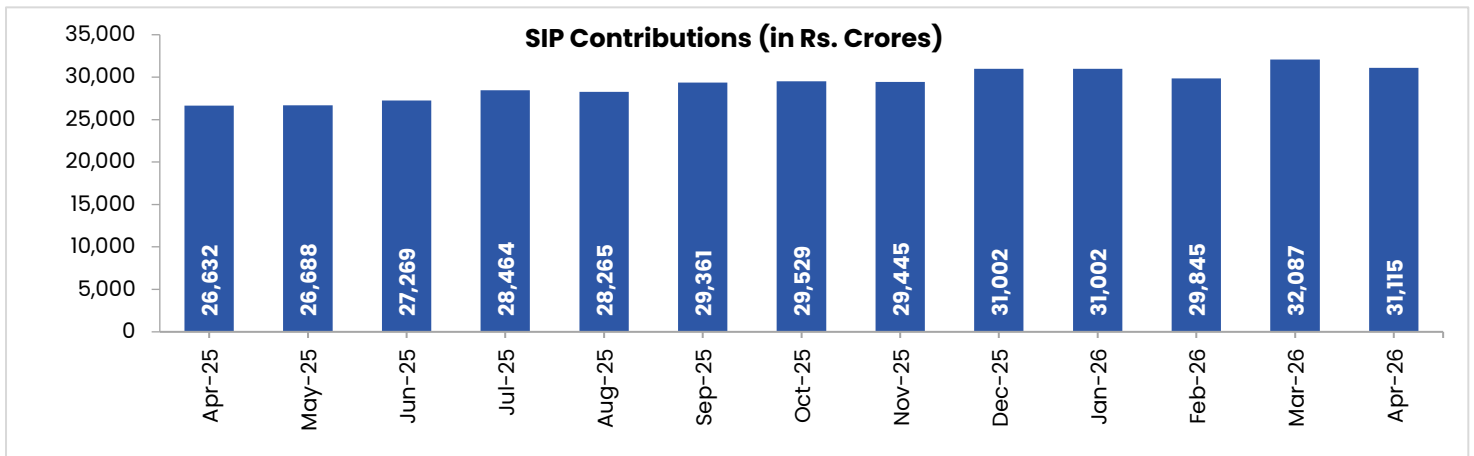
Going forward, the inflation trajectory is expected to remain sensitive to global crude oil movements, monsoon performance and domestic food supply conditions. The Government had until recently cushioned the impact of elevated global energy prices, with retail fuel prices remaining largely stable despite continued geopolitical tensions in West Asia. Effective 15th May 2026, retail petrol and diesel prices were hiked by Rs. 3 per litre, marking the first increase in four years. The CNG prices were also hiked by Rs. 2 across several major cities including Mumbai and Delhi.

However, fuel repricing trends, weakness in the rupee and weather related risks including the likely El Niño conditions during the monsoon season will remain key monitorables for the inflation outlook ahead.

RETAIL PARTICIPATION

The Indian Mutual Fund industry saw a sharp rebound in Apr-26 with net inflows of Rs. 3.22 lakh crore as against net outflows of Rs. 2.40 lakh crore in Mar-26. The turnaround was largely driven by recovery in debt fund flows after the year end distortion in the month of Mar-26. Furthermore, equity mutual funds remained resilient with net inflows of Rs 38,440 crore during the month. Open-ended mutual funds maintained a positive streak for the 62nd consecutive month. SIP inflows slowed to Rs 31,115 crore in Apr-26 from Rs 32,087 crore in Mar-26. This indicates that the investors are viewing equities as a disciplined long term wealth creation avenue rather than a short term allocation opportunity. The industry's net asset under management (AUM) increased sharply by ~11.1% MoM to Rs 81.92 lakh crore in Apr-26 from Rs 73.73 lakh crore in Mar-26.

Within the open-ended equity fund category, mid-cap and small-cap funds hit record highs in the month of Apr-26. Small-cap funds rose by 9.94% MoM to Rs. 6,886 crore followed by mid-cap funds that increased by 8.05% MoM to Rs. 6,551 crore. Large cap funds reported Rs. 2,525 crore marking a 15.79% MoM decline. Flexi cap funds continued to lead equity flows by attracting Rs 10,148 crore during the month. This reflected growing investor preference for diversified strategies over concentrated market bets.



Debt funds witnessed net inflows of Rs 2.47 lakh crore in Apr-26 as against net outflows of Rs 2.95 lakh crore in Mar-26. Liquid funds led the recovery by attracting inflows of Rs 1.65 lakh crore, followed by overnight funds and money market funds. Corporate bond funds also witnessed improved traction during the month. Gold ETFs rose by 34.19% MoM to Rs. 3,040 crore from Rs 2,266 crore in Mar-26. PM Modi urged citizens to avoid buying gold for a year and following this the Government raised the effective import duty on gold and silver to 15% from 6% earlier. This is likely to weigh on gold ETF inflows in the coming months, as elevated domestic prices and weaker retail sentiment toward physical gold could spill over into ETF allocations.

The sharp reversal in debt fund flows was largely seasonal in nature as March typically witnesses year-end treasury adjustments, advance tax-related outflows and corporate liquidity management activities. Overall, the flow trend in Apr-26 indicates that domestic participation in Indian equities continues to remain strong despite ongoing global uncertainties. Also, the steady SIP inflows, healthy participation across equity categories and the normalisation in debt fund flows after the financial year-end suggest that investors are gradually becoming more disciplined and long-term oriented.



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