



FORTNIGHTLY MACRO REVIEW

14th October 2025

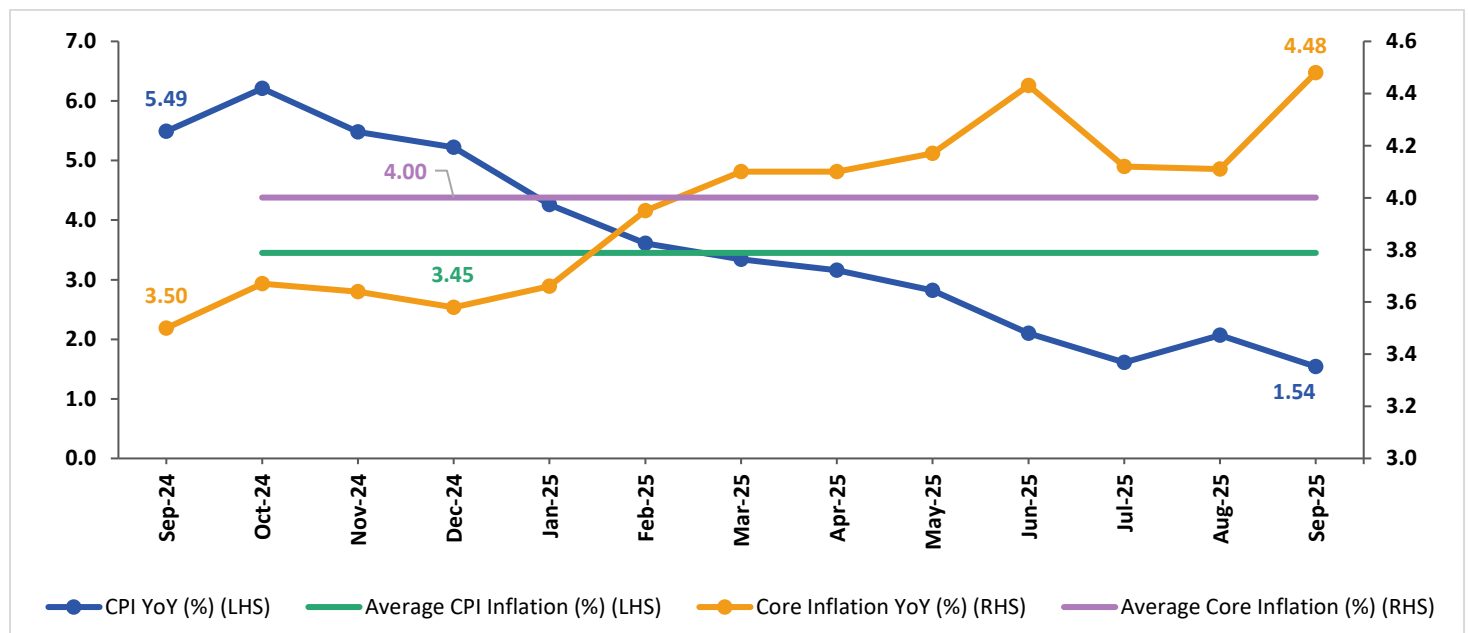
BONANZA WEALTH



CPI INFLATION

Consumer Price Index (CPI) eased to 1.54% (provisional) in Sep-25, as against 2.07% (final) in Aug-25, driven by persistent cooling in food and beverages. This marks the lowest inflation level since June 2017. Food inflation which accounts for nearly half of the CPI basket, decreased by (-2.28%), marking its 4th consecutive month in the deflationary trajectory. The easing food inflation has provided meaningful relief to households, particularly in rural areas where headline inflation softened to 1.07% and 2.04% in urban areas.

Among the major categories, a decline was observed in vegetables (-21.38%), pulses (-15.32%) and spices (-3.07%). However, inflation persisted in personal care (19.39%), oils and fats (18.34%) and fruits (9.93%) indicating continued price pressures in selected items. Fuel and light inflation declined to 1.98% (Provisional) in Sep-25 from 2.32% (final) in Aug-25.

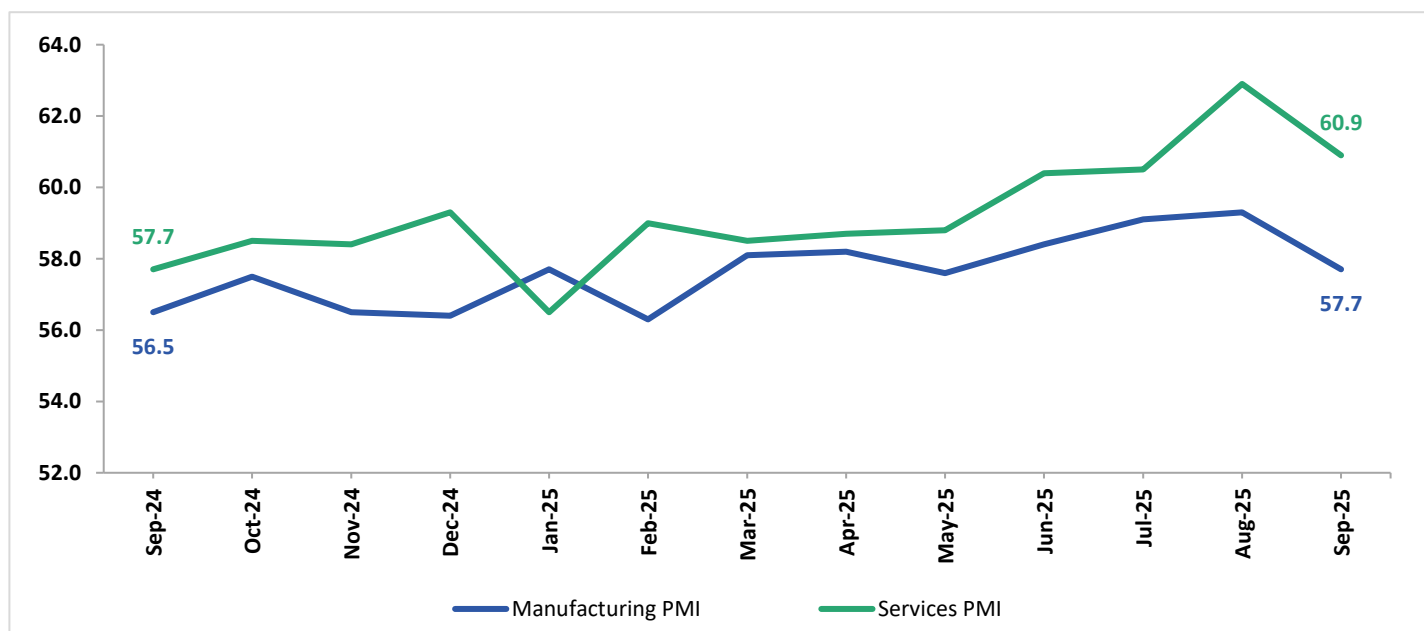


Core inflation which excludes food and fuel prices rose to 4.48% in Sep-25 from 4.11% in Aug-25. Looking ahead, inflationary pressures are expected to remain subdued, supported by easing input costs, better supply conditions. Additionally, the recent GST rationalisation may help keep prices in check over the coming months. The RBI's revised inflation forecast for FY26 at 2.6% from 3.1% earlier underscores confidence in a stable price environment.

PMI INDICATOR

India's private sector economy maintained strong growth in Sep-25, though momentum eased slightly from recent highs as both manufacturing and services recorded expansions at a slower pace. The Manufacturing PMI moderated to 57.7 in Sep-25 from 59.3 in Aug-25, reflecting a slower rise in output, new orders, and input purchases. Growth remained solid overall, supported by resilient domestic demand, while new export orders picked up, offsetting some weakness from US tariff impacts.

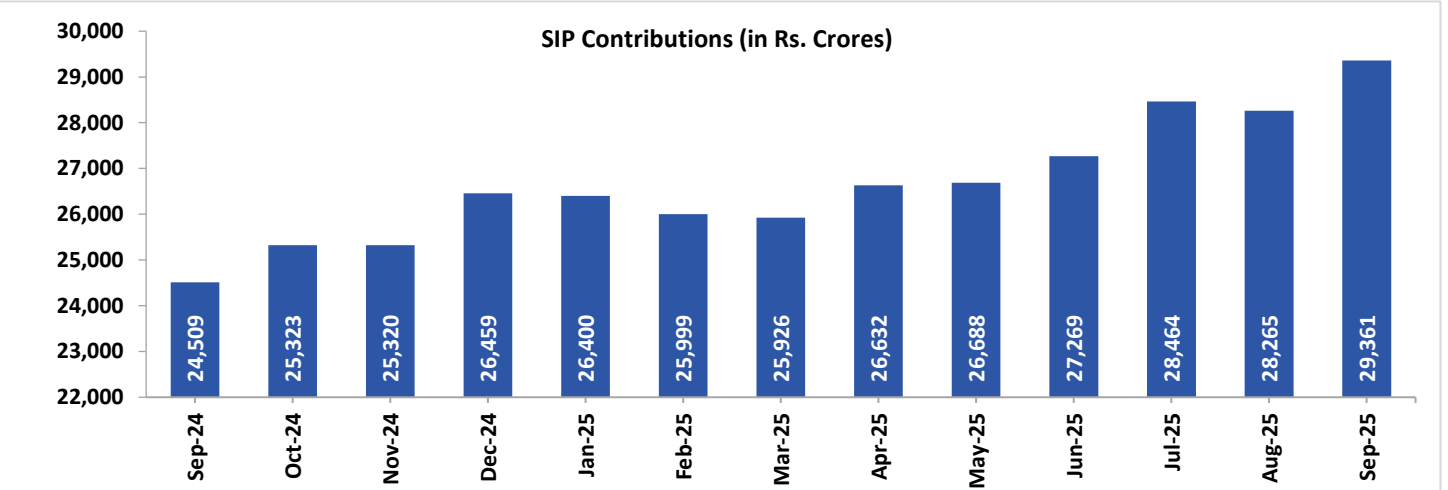
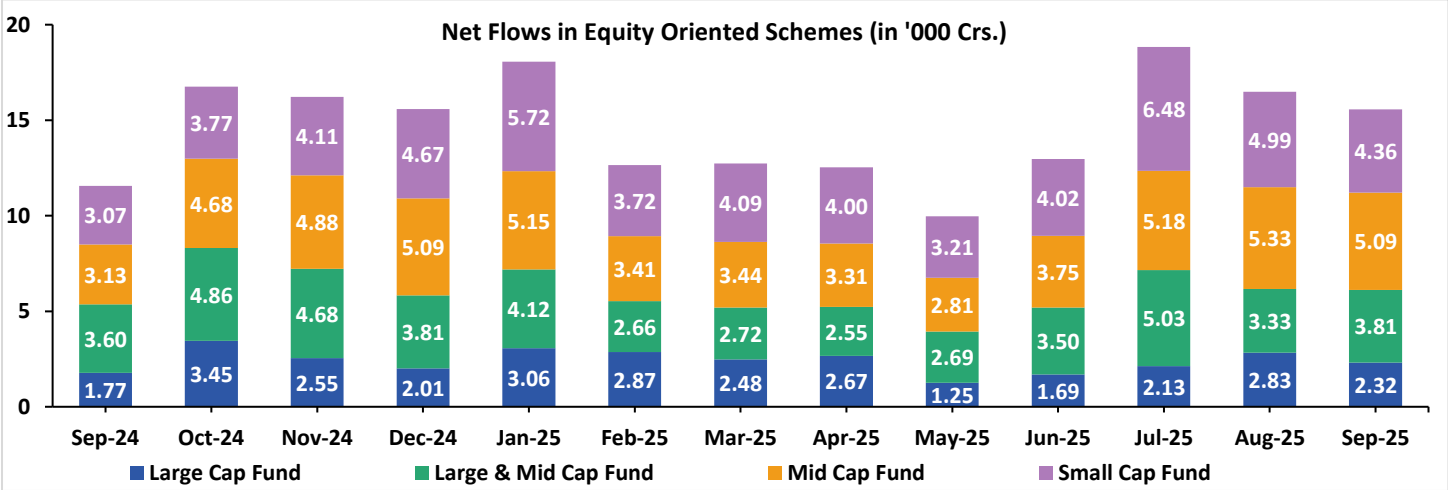
The Services PMI registered 60.9 in Sep-25, down from 62.9 in Aug-25, indicating a moderation in growth yet remaining above the long-run average. Demand conditions stayed favourable, although international sales rose at the weakest pace since Mar-25. Employment growth softened across both sectors, with most firms reporting sufficient workforce capacity.



The Composite Output Index fell to 61.0 in Sep-25 from 63.2 in Aug-25, signalling a slower yet strong pace of expansion. Inflationary pressures varied across sectors, rising in manufacturing but easing in services, as firms ended the month with stronger optimism supported by policy relief and healthy demand conditions.

RETAIL PARTICIPATION

The Indian Mutual Fund industry witnessed a reversal in Sep-25 with net outflows of Rs 43,146 crore as against net inflows of Rs 52,443 crore in Aug-25. Open-ended mutual funds maintained a positive streak for the 55th consecutive month. In Sep-25, equity mutual funds inflows eased to Rs 30,422 crore, registering a 9.0% MoM decline. The industry's net asset under management (AUM) grew to Rs 75.61 lakh crore in Sep-25, up from 75.18 lakh crore in Aug-25. Within the open-ended equity fund category, large caps fell by (-18.2%) MoM, while midcaps and small caps declined by (-4.6%) MoM and (-12.6%) MoM, respectively. Debt funds recorded net outflows amounting to Rs 1,01,978 crore in Sep-25, as against Rs 7,980 crore in Aug-25, primarily due to quarter-end liquidity requirements and festive season. Precious metals like gold and silver recorded good performance, with inflows into gold ETFs quadrupling to Rs 8,363 crore in Sep-25.



SIP inflows scaled a new high of Rs 29,361 crore, reflecting strong investor confidence despite global volatility. Though net flows weakened in September, steady SIP contributions and broad-based retail participation continue to reflect conviction in long-term wealth creation.



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