FORTNIGHTLY MACRO REVIEW

17th August 2026

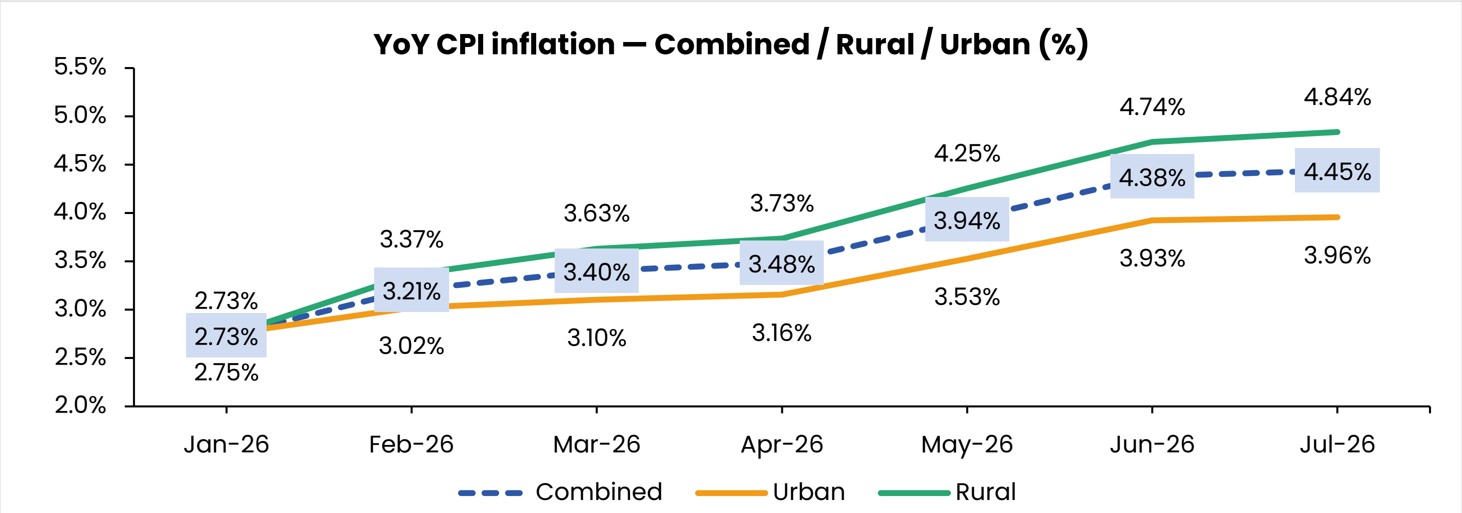
BONANZA WEALTH

CPI INFLATION

Consumer Price Index (CPI) inflation increased to 4.45% (Provisional) in Jul-26 from 4.38% (Final) in Jun-26. This marks the second consecutive month that headline inflation has remained above the RBI's medium-term target of 4.00%. The increase was largely driven by higher food prices with food inflation rising to 5.52% in Jul-26 from 5.32% in Jun-26. The corresponding rural and urban inflation rates stood at 4.84% and 3.96%, respectively.

Housing inflation stood at 2.22% (Provisional) in Jul-26 compared with 2.10% in Jun-26. Across the CPI basket, inflation remained elevated in Food & Beverages at 5.24%, Transport at 4.43% and Restaurants & Accommodation Services at 7.72%. Personal Care, Social Protection and Miscellaneous Goods & Services also remained elevated at 14.77%.

High inflation was observed in Silver Jewellery (109.84%), Ginger (83.62%), Garlic (35.36%), Gold/Diamond/Platinum Jewellery (32.98%) and Onion (22.54%). Low inflation was recorded in Potato (-16.56%), Motor Car & Jeep (-6.72%), Lady's Finger (-5.52%), Peas (-5.27%) and Tomato (-4.59%).



Among states with a population of more than 50 lakhs as per Census 2011, highest inflation was recorded in Telangana at 6.32% followed by Andhra Pradesh at 5.72%. Tamil Nadu came in third by recording 5.44%. Madhya Pradesh and Karnataka recorded 4.91% and 4.89% respectively.

Core inflation remained steady at 4.16%. Core inflation (excluding precious metals) stayed mild at 3.05%. This suggests that the recent inflationary pressures are largely supply-driven, offering some comfort to the RBI's MPC.

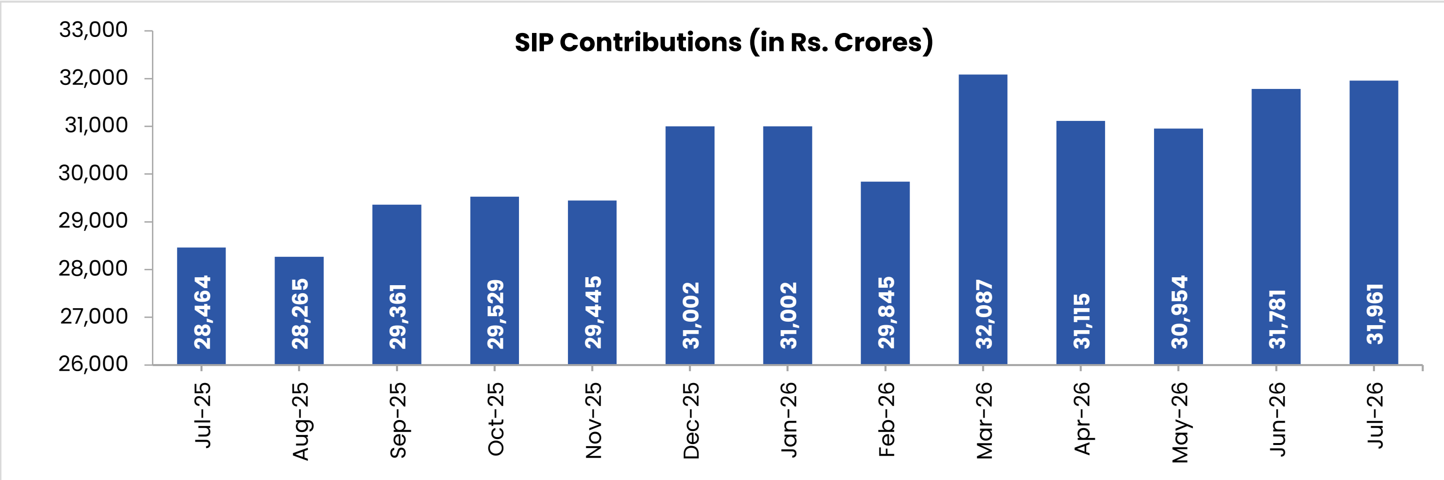
Overall, the inflation outlook remains exposed to external and weather-related risks. Uncertainty around the Strait of Hormuz continues to keep global energy prices volatile. On the domestic front, below-normal rainfall remains a key concern despite an improvement in sowing activity. Going ahead, edible oils remain a key area of concern as India relies heavily on imports amid elevated global prices. The trajectory of food inflation will largely depend on the distribution of rainfall across regions in the coming months.

RETAIL PARTICIPATION

The Indian mutual fund industry recorded net inflows of Rs. 2.36 lakh crore in Jul-26 as against net outflows of Rs. 52,949 crore in Jun-26. The sharp turnaround was largely driven by strong inflows into debt-oriented schemes.

The inflows into active equity mutual funds moderated by 14.8% MoM to Rs. 24,697 crore in Jul-26 from Rs. 28,973 crore posted in Jun-26. Despite the decline, equity mutual funds continued to attract fresh investments. SIP inflows hit a four-month high of Rs. 31,961 crore during the month in comparison to Rs. 31,781 crore in the previous month. This marks the fifth consecutive month where the SIP inflows have crossed the Rs. 30,000 crore level. The industry's net assets under management (AUM) rose to Rs. 85.76 lakh crore from Rs. 82.22 lakh crore in Jun-26.

Open-ended equity mutual funds maintained a positive streak for the 65th consecutive month. Within the open-ended equity fund category, small-cap funds emerged as the highest inflow category with Rs. 7,768 crore during the month registering a 38.7% MoM rise. This was followed by mid-cap funds which attracted Rs. 6,192 crore with a marginal 1.7% MoM increase. Large-cap funds witnessed net outflows of Rs. 1,322 crore compared to net inflows of Rs. 2,067 crore in the previous month. Flexi-cap funds remained among the bigger recipients of fresh money, although inflows fell by 10.0% MoM to Rs. 5,231 crore in Jun-26 as against Rs. 4,709 crore in Jul-26.



On the other hand, debt funds witnessed a sharp turnaround with net inflows of Rs. 1.88 lakh crore in Jul-26 as against net outflows of Rs. 1.09 lakh crore in Jun-26. Liquid funds accounted for the largest inflows of Rs. 1.19 lakh crore followed by Overnight funds with Rs. 40,413 crore and Money Market funds with Rs. 21,180 crore, respectively. The turnaround was concentrated heavily in shorter-term categories and was led by strong flows into liquid, overnight and money market funds. Importantly, the recovery was not uniform across debt categories. Corporate bond funds continued to see withdrawals, although outflows narrowed sharply to Rs. 785 crore from Rs 7,557 crore in Jun-26. Long-duration, dynamic bond, banking and PSU, and gilt funds also remained in negative territory.

Gold ETFs recorded net inflows of Rs. 1,559 crore during the month compared to Rs. 3,443 crore in Jun-26. The latest numbers have remained in positive territory for the second consecutive month after witnessing outflows in May-26.

The mutual fund SIP stoppage ratio fell to 81.9% in Jul-26 from 91.2% in Jun-26. However, it remained higher than the 62.7% recorded in Jul-25. Overall, Jul-26 marked a sharp recovery in mutual fund flows led by debt schemes. Furthermore, steady SIP contributions and continued equity participation indicate that retail participation remains healthy.

Name
Jainam Doshi

Designation
Research Analyst

JAINAM BIMAL DOSHI

Digitally signed by JAINAM BIMAL DOSHI
DN: cn=JAINAM BIMAL DOSHI c=IN o=Personal ou=Personal
Reason: I am the author of this document
Location:
Date: 2026-08-17 19:03+05:30

Disclosure: M/s. Bonanza Portfolio Ltd hereby declares that the views expressed in this report accurately reflect its viewpoint with respect to the subject companies/securities. M/s. Bonanza Portfolio Ltd has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations. The analysts engaged in the preparation of this report or their relatives: (a) do not have any financial interests in the subject company mentioned in this report; (b) do not own 1% or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the report. (d) have not received any compensation for products or services other than investment banking, merchant banking, or brokerage services from the subject company in the past twelve months; (e) have not received any compensation or other benefits from the subject company or any third party in connection with this report; (f) have not served as an officer, director, or employee of the subject company; (g) are not engaged in market-making activity for the subject company; (h) The Research Analyst may use AI-enabled tools for preliminary research, data aggregation, and analytical assistance. Such tools are used only to support the research process and do not replace independent analysis, professional judgment, or regulatory responsibilities. All research reports and recommendations are reviewed and approved by the Research Analyst prior to publication. M/s. Bonanza Portfolio Ltd is a registered Research Analyst under the SEBI (Research Analyst) Regulations, 2014. The registration number is INH100001666, and the research analysts engaged in preparing reports are qualified as per the provisions of the regulations.

Disclaimer: This research report has been published by M/s. Bonanza Portfolio Ltd and is meant solely for the use of the recipient and is not for circulation. This document is for information purposes only, and the information, opinions, and views are not meant to serve as a professional investment guide for the readers. Reasonable care has been taken to ensure that the information given is believed to be fair and correct at the time, and the opinions based there upon are reasonable. However, due to the nature of research, it cannot be warranted or represented that it is accurate or complete, and it should not be relied upon as such. If this report is inadvertently sent or has reached any individual, it may be ignored and brought to the attention of the sender. Preparation of this research report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Past performance is not a guide to future performance. This report has been prepared on the basis of publicly available information, internally developed data, and other sources believed by Bonanza Portfolio Ltd to be reliable. This report should not be taken as the only basis for any market transaction; however, this data represents one of the supporting documents among other market risk criteria. Market participants should be aware of the risks involved in using this information as the sole source for any market-related activity.
"Investments in securities markets are subject to market risks. Read all the related documents carefully before investing." "Registration granted by SEBI, membership of BSE, and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors."
The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose custody this report comes should observe any such restrictions. The disclosures of interest statements included in this analysis are provided solely to improve transparency and should not be treated as an endorsement of the views expressed in the analysis. The price and value of the investments referred to in this report and the income from them may go down as well as up. Bonanza Portfolio Ltd or its directors, employees, affiliates, or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy, or reliability of such information, opinions, or views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates, or representatives of M/s. Bonanza Portfolio Ltd shall be liable. Research reports may differ between M/s. Bonanza Portfolio Ltd Research Analysts and other entities on account of differences in personal judgment and time horizons for which recommendations are made. The research entity has not been engaged in market-making activity for the subject company. The research analyst has not served as an officer, director, or employee of the subject company and has not received any compensation or benefits from the subject company or any third party in connection with this research report.

Bonanza Portfolio Ltd.
Bonanza House, Plot No. M-2, Cama Industrial Estate, Walbhat Road, Goregaon (E), Mumbai – 400063 Phone: 022-68363794/708
Website: https://www.bonanzaonline.com SEBI Regn. No.: INZ000212137 BSE CM: INB 011110237 | BSE F&O: INF 011110237 |
MSEI: INE 260637836 | CDSL: 120 33500 |NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186
Compliance Officer: Trupti Milind Khot, 022-62735507, compliance@bonanzaonline.com