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**INDIA | STRATEGY | SECTOR UPDATE**

JM Financial

# JM India Pulse

## Examining high-frequency, sectoral and economic indicators


Image generated by ChatGPT

# Strategy

## JM India Pulse – Jan'26

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**In this note, we lay out the most important monthly market, sectoral and economic indicators tracked by the JM Financial research team. The indicators span high-frequency macro variables and sector-level operating metrics that help assess near-term growth momentum and emerging inflection points. FII selling intensified in Jan'26, exerting pressure on the currency (INR), and equities witnessed outflow of USD 3.3bn. The rally in gold prices widened the trade deficit and also reflected in the elevated CPI print. The domestic environment reflects selective strength led by improving discretionary consumption and a recovery in credit growth amid easing financial conditions. Household financialisation remains resilient even as digital payment growth normalises. Industrial activity has held up, but weak infrastructure capex continues to constrain momentum, whereas real estate volumes remain weak with prices supported by lower inventory.**

- **Macro highlights:** FII selling intensified in Jan'26, with outflows of USD 3.3bn in equities. Consistent FII selling exerted pressure on the currency (INR), which reverted to positive flows in Feb'26 (USD 2.9bn) post the announcement of the trade deal with the US. GST collections remained resilient at 6% YoY in Jan'26 despite the rate rationalisation exercise carried out in Sep'25. Although SIP flows were flat, net inflow in gold ETFs outpaced flows in equity in Jan'26. The rally in gold prices made its presence felt across high frequency indicators, as high gold imports widened the trade deficit and also reflected in the elevated CPI print.

- **Consumption holds up in early 2026**: Consumption trends held up in Jan'26, with strong auto volumes sustaining the pickup seen towards the end of 2025, indicating continued discretionary demand. Consumer sentiment across urban and rural segments remains elevated, pointing to steady underlying confidence. Telecom subscriber growth remains positive, reinforcing that digital consumption trends are intact at the start of 2026.

- **Household financial activity strong but momentum normalising:** Household financial activity remained strong in Jan'26, though growth rates are moderating from last year's elevated levels. Digital payment growth remains ~20%, indicating steady expansion rather than rapid acceleration. Equity participation remained resilient, with SIP flows sustaining at INR 310bn, while MF AUM moderated from December levels amid softer markets in Jan'26. Demat account growth continues to slow versus FY25, signalling a more mature phase of retail participation.

- **Credit growth remains firm, deposit growth improving:** Credit momentum remained firm in Jan'26, with system credit growth holding at 14.6% YoY and non-food credit at 14.5%, indicating sustained lending activity across segments. Deposit growth has improved to 12.5% YoY, while the CD ratio remains elevated at around 82%, indicating that banks are lending out a significant share of their deposits. Lending rates have eased gradually over the year, with private bank MCLRs lower than early-2025 levels.

- **Industrial activity holding up, but infra capex remains weak:** Industrial indicators were broadly stable in Jan'26, with both services (58.5) and manufacturing (55.4) PMIs staying in expansion, while IIP growth remains strong at 8.1% YoY. However, capex activity continues to show weakness, with infrastructure orders declining 14.8% YoY and tenders declining 4.8% YoY, pointing to uneven project flow. Sectorally, cement production remains healthy, and though prices rose in Jan'26 (vs. Dec'25) they are still down 7.3% YoY. Steel prices exhibited positive YoY growth in Jan'26 after a prolonged weak phase.

- **Oil prices rise, input cost pressures remain:** Brent crude edged up to USD 66/bbl in Jan'26 from Dec'25 lows and is currently trading at ~USD 71/bbl on the back of renewed US-Iran tensions. Power indicators were uneven with renewable generation growth slowing sharply to 3.8% YoY in Jan'26 even as installed renewable capacity continues to expand at a strong pace. The renewable share in total generation reduced to 14.6%. Input commodity prices rose in Jan'26, with copper prices surging 42.9% YoY, aluminium prices rising 21.4% and petcoke prices remaining elevated.

# Market and sectoral indicators

## Valuations ease further in Jan'26

Market valuations declined further across the board in Jan'26, extending the moderation seen into 2025 year-end. The Nifty50 eased to 19.7x from 20.9x in Dec'25, while mid-cap and small-cap multiples also moved lower, indicating continued compression in broader markets. Sectorally, the pullback was pronounced in FMCG and Real Estate, with FMCG declining to 28.1x and Real Estate to 25.7x, both marking their lowest levels in the past year. Jan'26 reflected a continued adjustment in market pricing at the start of 2026.

**Exhibit 1: Market valuations: Month-end indicators (1-year forward P/E)**

| 1Y forward P/E | Unit | Jan'25 | Feb'25 | Mar'25 | Apr'25 | May'25 | Jun'25 | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Average FY26 YTD | Average FY25 YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nifty50 | Ratio | 19.2 | 18.2 | 19.4 | 20.1 | 20.4 | 20.9 | 20.3 | 19.9 | 20.0 | 20.8 | 21.1 | 20.9 | 19.7 | 20.4 | 20.0 |
| NSE Mid Cap 100 | Ratio | 32.5 | 27.8 | 28.0 | 27.9 | 30.6 | 29.0 | 28.2 | 26.9 | 27.3 | 28.6 | 29.1 | 28.8 | 27.3 | 28.4 | 32.4 |
| NSE Small Cap 100 | Ratio | 22.4 | 19.7 | 23.3 | 23.5 | 25.0 | 26.4 | 24.8 | 23.9 | 24.0 | 25.2 | 24.5 | 24.1 | 22.8 | 24.4 | 22.3 |
| NSE Auto | Ratio | 20.8 | 18.4 | 19.4 | 20.4 | 21.4 | 21.6 | 21.4 | 22.6 | 23.6 | 23.2 | 26.0 | 25.8 | 24.1 | 23.0 | 22.5 |
| NSE Banks (1Y forward P/B) | Ratio | 1.8 | 1.9 | 2.0 | 2.1 | 2.1 | 2.2 | 2.2 | 2.0 | 2.0 | 2.1 | 2.0 | 1.9 | 1.8 | 2.0 | 2.0 |
| NSE Energy | Ratio | 13.8 | 12.4 | 13.4 | 14.1 | 14.8 | 14.0 | 13.9 | 13.4 | 13.9 | 14.5 | 14.2 | 14.0 | 13.9 | 14.1 | 15.6 |
| NSE FMCG | Ratio | 38.2 | 35.2 | 36.1 | 37.7 | 36.9 | 34.8 | 36.8 | 39.7 | 35.4 | 36.7 | 35.8 | 35.4 | 28.1 | 35.7 | 39.1 |
| NSE IT | Ratio | 28.5 | 24.8 | 24.2 | 23.8 | 24.6 | 25.3 | 23.2 | 22.9 | 21.7 | 22.8 | 23.7 | 24.1 | 23.6 | 23.6 | 27.9 |
| NSE Metals | Ratio | 13.7 | 13.2 | 14.3 | 13.7 | 14.5 | 14.6 | 14.2 | 13.8 | 14.7 | 15.2 | 13.9 | 14.7 | 14.1 | 14.3 | 15.2 |
| NSE Pharma | Ratio | 27.9 | 25.6 | 27.0 | 27.6 | 27.4 | 28.6 | 29.5 | 27.6 | 27.5 | 28.4 | 29.2 | 28.6 | 27.6 | 28.2 | 29.5 |
| NSE Real Estate | Ratio | 37.2 | 31.1 | 32.7 | 33.2 | 35.2 | 35.0 | 33.3 | 31.2 | 30.2 | 32.6 | 30.2 | 29.0 | 25.7 | 31.6 | 45.1 |

Source: Bloomberg, JM Financial

## Consumption holds up in early 2026

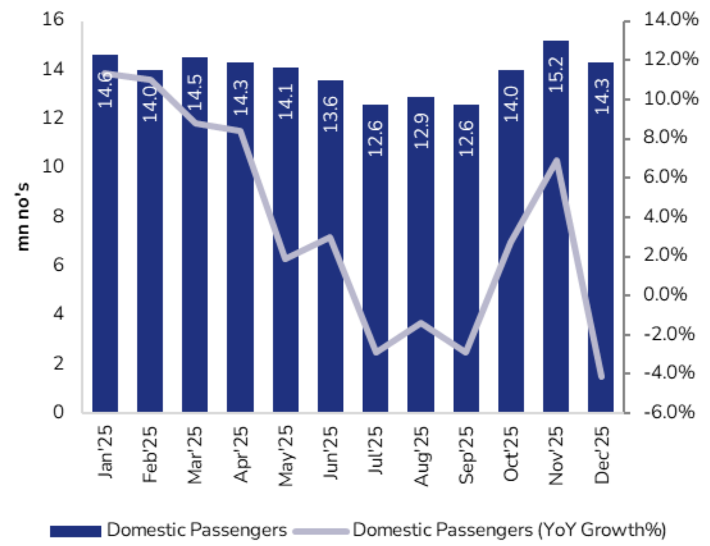
Consumption trends are holding up in Jan'26, with strong auto volumes sustaining the pickup seen towards the end of 2025, indicating continued discretionary demand. Domestic air passenger growth turned negative in Dec'25, impacted by the Indigo shutdown, though hotel occupancy was stable. Consumer sentiment across urban and rural segments remains elevated, pointing to steady underlying confidence. Telecom subscriber growth remains positive, reinforcing that digital consumption trends are intact at the start of 2026.

**Exhibit 2: Consumption and demand monthly indicators**

| Consumption & Demand | Unit | Jan'25 | Feb'25 | Mar'25 | Apr'25 | May'25 | Jun'25 | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Average FY26 YTD | Average FY25 YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Domestic Airline Passengers | % YoY | 11.3% | 11.0% | 8.8% | 8.4% | 1.9% | 3.0% | -2.9% | -1.4% | -2.9% | 2.7% | 6.9% | -4.2% | | 1.3% | 6.7% |
| International Airline Passengers | % YoY | 17.0% | 12.5% | 8.7% | 17.2% | 7.3% | 1.6% | 6.1% | 7.8% | 5.8% | 8.3% | 9.4% | 7.2% | | 7.9% | 15.2% |
| Wholesale Passenger Vehicle Sales | % YoY | 4.9% | 2.2% | 6.3% | 7.6% | 3.7% | -3.1% | 2.4% | -0.9% | 11.6% | 13.3% | 22.2% | 18.6% | 17.9% | 9.3% | 6.5% |
| Wholesale 2-Wheeler Sales | % YoY | 8.9% | -2.2% | 11.6% | -14.4% | 9.0% | 10.4% | 18.4% | 15.4% | 10.7% | 2.7% | 21.5% | 34.7% | 25.0% | 13.3% | 8.8% |
| Wholesale Commercial Vehicle Sales | % YoY | 5.2% | -29.5% | -20.6% | -33.4% | -28.2% | -29.4% | -24.0% | 8.7% | 14.2% | 12.6% | 26.6% | 28.0% | 26.8% | 0.2% | -0.4% |
| Retail Electric Vehicle Sales | % YoY | 17.1% | -2.8% | -5.3% | 44.4% | 26.8% | 29.4% | 4.1% | 18.7% | 13.5% | 6.7% | 11.6% | 42.4% | 26.8% | 22.4% | 21.8% |
| Hotels ARR | % YoY | 9.5% | 14.6% | 11.0% | 10.7% | 7.2% | 8.8% | 4.3% | 7.1% | 8.1% | 9.9% | 9.6% | 6.3% | | 8.0% | 5.4% |
| Hotels Occupancy | % | 67% | 73% | 66% | 67% | 59% | 62% | 61% | 59% | 62% | 59% | 73% | 69% | | 63% | 63% |
| Electricity Units Consumed | % YoY | 1.0% | 2.0% | 5.7% | 2.8% | -4.8% | -2.3% | 2.6% | 3.8% | 3.5% | -5.8% | -0.6% | 5.8% | 4.5% | 1.0% | 3.7% |
| Fuel Consumption (Petrol+diesel) | Metric Ton | 11,047 | 10,517 | 11,589 | 11,710 | 12,374 | 11,627 | 10,857 | 10,121 | 10,185 | 11,285 | 12,074 | 12,026 | 11,503 | 11,376 | 10,931 |
| Index of Consumer Sentiments: Total | Index | 110 | 110 | 112 | 111 | 112 | 116 | 117 | 120 | 112 | 115 | 116 | 119 | 118 | 115.7 | 110.0 |
| Index of Consumer Sentiments: Urban | Index | 106 | 104 | 108 | 109 | 108 | 109 | 111 | 109 | 112 | 109 | 114 | 113 | 114 | 110.6 | 104.0 |
| Index of Consumer Sentiments: Rural | Index | 112 | 113 | 114 | 112 | 115 | 119 | 120 | 125 | 112 | 118 | 118 | 122 | 120 | 117.9 | 112.8 |
| Gold Price | USD/ounce | 2,798 | 2,858 | 3,124 | 3,289 | 3,289 | 3,303 | 3,290 | 3,448 | 3,859 | 4,003 | 4,239 | 4,319 | 4,894 | 3,793 | 2,534 |
| Gold Price | INR/10 gram | 82,500 | 85,100 | 89,100 | 94,700 | 95,600 | 96,300 | 98,800 | 102,500 | 117,000 | 121,100 | 126,900 | 134,200 | 166,300 | 115,340 | 74,910 |
| Telecom Wireless Subscribers | % YoY | 2.0% | 2.0% | 2.3% | 0.1% | 0.3% | 0.7% | 1.2% | 2.3% | 3.8% | 4.4% | 5.0% | 5.4% | | 2.6% | 3.5% |
| Telecom Internet Subscribers | % YoY | 5.9% | 4.4% | 3.3% | 1.7% | 6.7% | 6.8% | 8.4% | 2.9% | 1.8% | 0.4% | 10.1% | | | 4.8% | 16.5% |

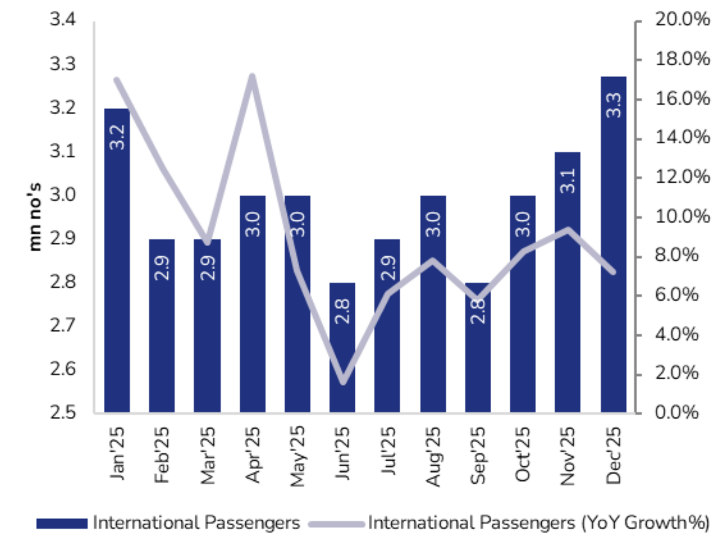
Source: CMIE, Industry, JM Financial

**Exhibit 3: Monthly domestic airline passenger traffic**



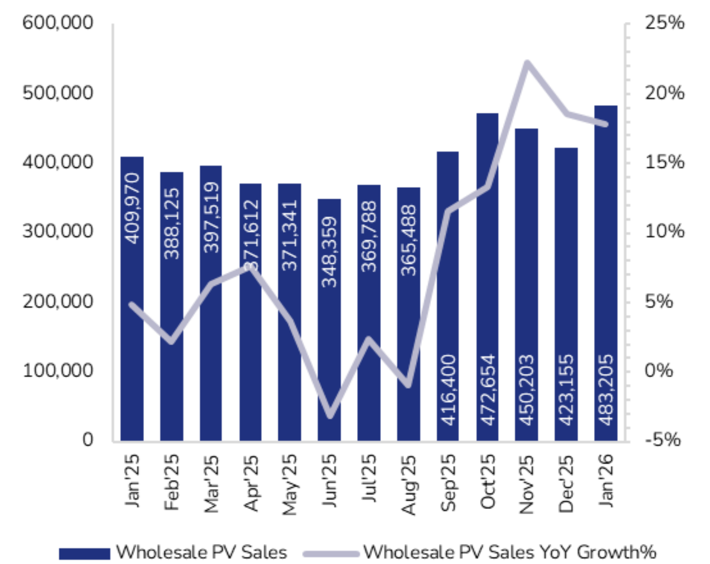

Source: DGCA, JM Financial

**Exhibit 4: Monthly international airline passenger traffic**



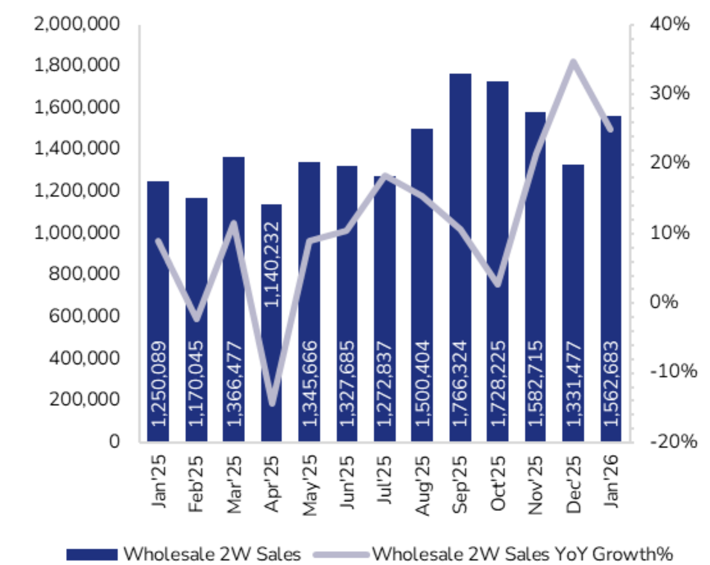

Source: DGCA, JM Financial

**Exhibit 5: Monthly wholesale PV sales**




Source: Industry, JM Financial

**Exhibit 6: Monthly wholesale 2W sales**

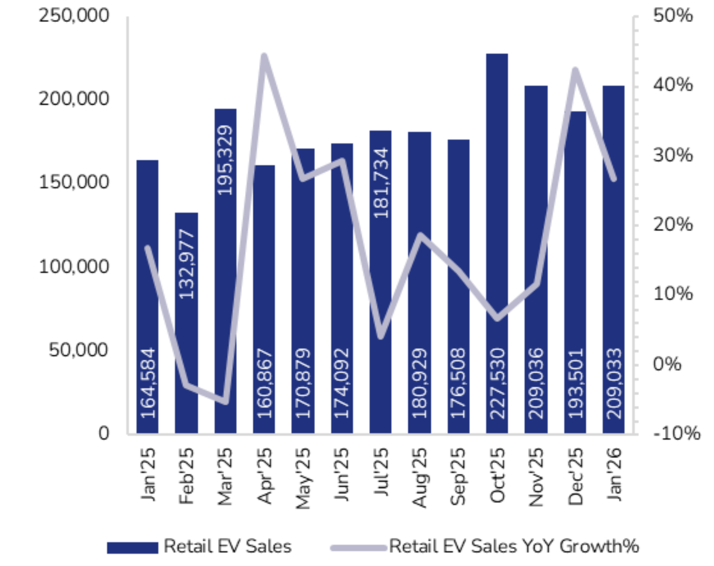



Source: Industry, JM Financial

**Exhibit 7: Monthly wholesale CV sales**

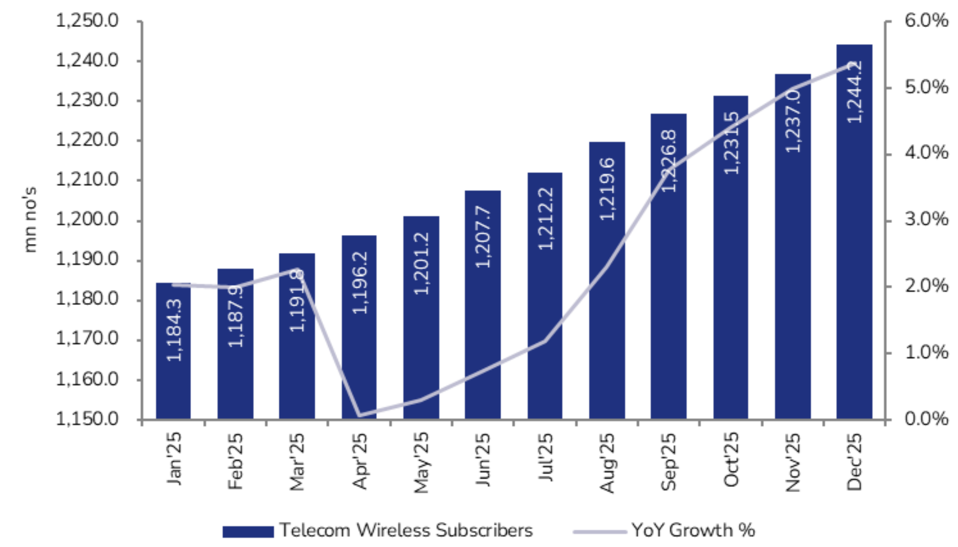

Source: Industry, JM Financial

**Exhibit 8: Monthly retail EV sales**




Source: Industry, JM Financial

**Exhibit 9: Monthly telecom wireless subscribers**




Source: Industry, Company

## Household financial activity strong but momentum normalising

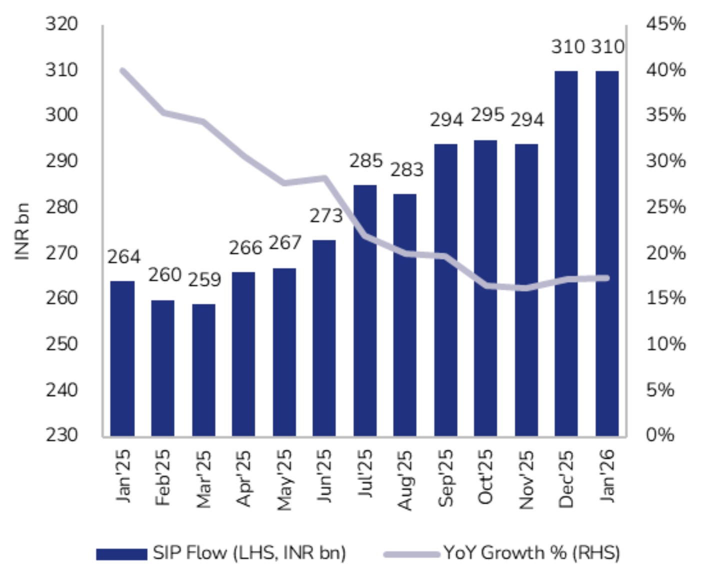
Household financial activity remained strong in Jan'26, though growth rates are moderating from last year's elevated levels. Digital payment growth remains ~20%, indicating steady expansion rather than rapid acceleration. Credit card spends remain positive but uneven month to month. Equity participation stayed resilient, with SIP flows sustaining at INR 310bn, while MF AUM moderated from December levels amid softer markets in Jan'26. Demat account growth continues to slow versus FY25, signalling a more mature phase of retail participation. Insurance growth remains positive, though less elevated than the sharp year-end pickup seen in late 2025.

**Exhibit 10: Financialisation and housing balance sheet monthly indicators**

| Financialisation and Household Balance Sheet | Unit | Jan'25 | Feb'25 | Mar'25 | Apr'25 | May'25 | Jun'25 | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Average FY26 YTD | Average FY25 YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Credit Card Spends | % YoY | 10.6% | 12.1% | 22.5% | 17.7% | 15.1% | 15.3% | 12.3% | 13.6% | 23.0% | 6.2% | 11.5% | 8.8% | | 13.7% | 15.5% |
| UPI Transaction Value | % YoY | 27.5% | 20.2% | 25.2% | 21.9% | 23.0% | 19.8% | 21.5% | 20.6% | 20.6% | 16.1% | 22.1% | 20.3% | 20.7% | 20.7% | 32.4% |
| Online transactions volume (mobile+NEFT+IMPS) | % YoY | 32.3% | 24.9% | 29.8% | 27.3% | 27.2% | 26.0% | 27.9% | 26.1% | 23.8% | 20.2% | 27.3% | 24.7% | | 25.6% | 42.1% |
| Equity Mutual Fund AUM | INR bn | 29,468 | 27,397 | 29,453 | 30,576 | 32,054 | 33,468 | 33,278 | 33,085 | 33,683 | 35,167 | 35,658 | 35,725 | 34,868 | 33,756 | 28,865 |
| SIP Flow | INR bn | 264 | 260 | 259 | 266 | 267 | 273 | 285 | 283 | 294 | 295 | 294 | 310 | 310 | 288 | 237 |
| Demat Accounts | mn no's | 188.0 | 190.3 | 192.5 | 194.5 | 197.0 | 199.5 | 202.5 | 205.0 | 207.5 | 210.5 | 213.2 | 216.3 | | 205.1 | 170.7 |
| Demat Accounts | % YoY | 30.6% | 28.6% | 26.6% | 26.3% | 24.7% | 22.9% | 21.4% | 19.9% | 16.3% | 18.2% | 17.0% | 16.7% | | 20.4% | 34.9% |
| Life Insurance APE | % YoY | 5.4% | -6.7% | 1.6% | 2.4% | 5.5% | 4.6% | 13.2% | -1.7% | -0.6% | 16.8% | 25.8% | 25.5% | 12.0% | 10.4% | 14.0% |
| Non-Life Insurance GDPI | % YoY | 6.6% | -2.8% | 0.5% | 13.5% | 6.5% | 5.2% | 2.8% | 1.6% | 13.2% | 0.1% | 24.2% | 13.7% | 14.9% | 9.5% | 8.2% |

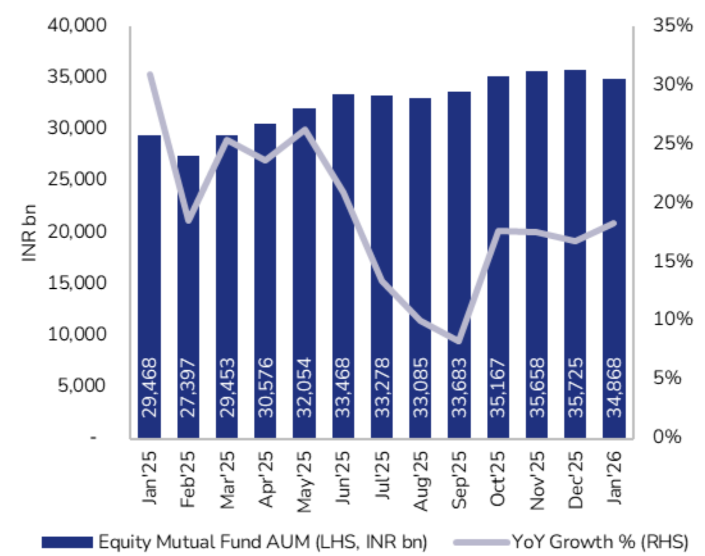
Source: Industry, JM Financial

**Exhibit 11: Monthly SIP flow (INR bn)**



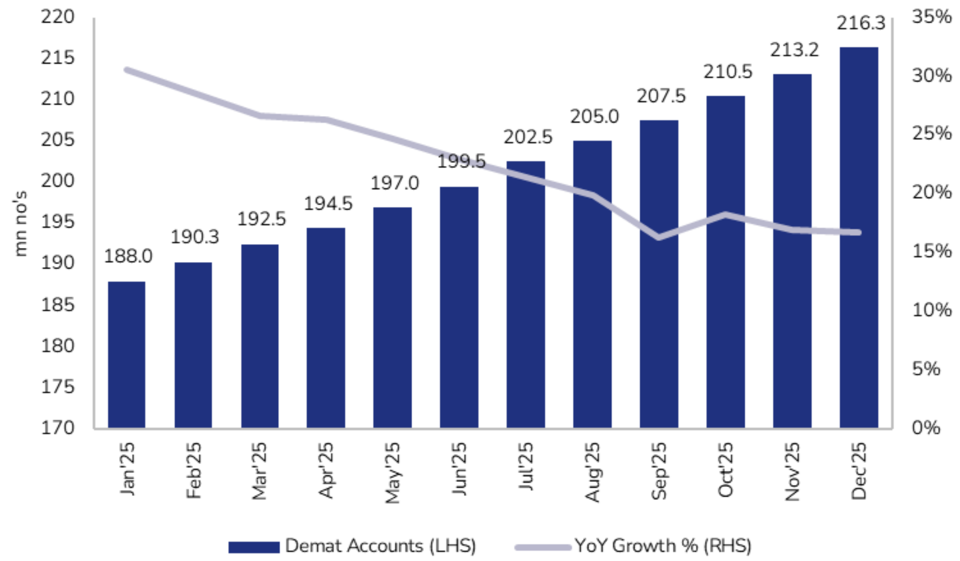

Source: AMFI, JM Financial

**Exhibit 12: Equity mutual fund AUM (INR bn)**




Source: AMFI, JM Financial

**Exhibit 13: Monthly demat accounts**




Source: NSDL, CDSL, JM Financial

## Credit growth remains firm, deposit growth improving

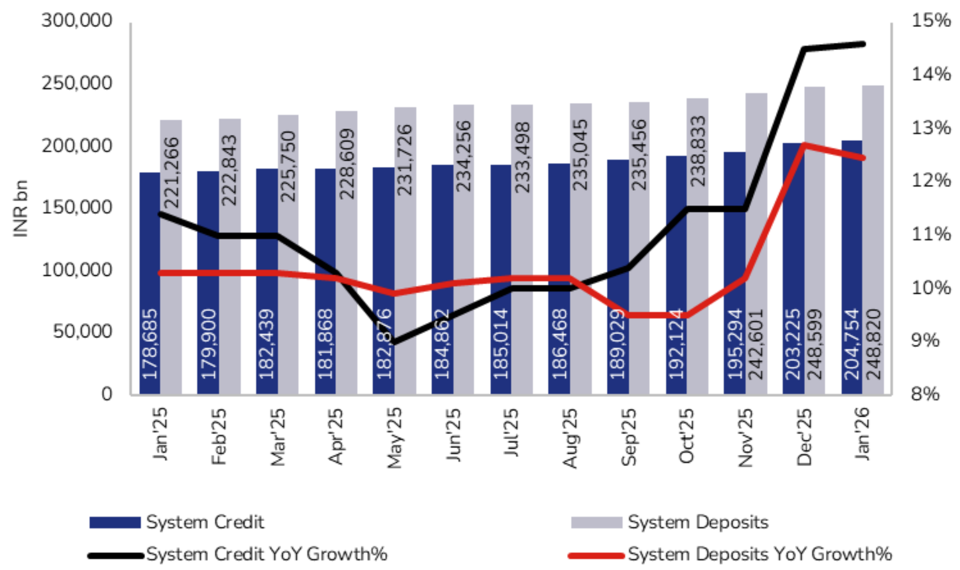
Credit momentum remained firm in Jan'26, with system credit growth holding at 14.6% YoY and non-food credit at 14.5%, indicating sustained lending activity across segments. Deposit growth has improved to 12.5% YoY, while the CD ratio remains elevated at around 82%, indicating that banks are lending out a significant share of their deposits. Lending rates have eased gradually over the year, with private bank MCLRs lower than early-2025 levels.

**Exhibit 14: Banking monthly indicators**

| | | | | | | | | | | | | | | | Average | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Banking | Unit | Jan'25 | Feb'25 | Mar'25 | Apr'25 | May'25 | Jun'25 | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | FY26 YTD | FY25 YTD |
| System Credit | % YoY | 11.4% | 11.0% | 11.0% | 10.3% | 9.0% | 9.5% | 10.0% | 10.0% | 10.4% | 11.5% | 11.5% | 14.5% | 14.6% | 11.1% | 14.4% |
| System Deposits | % YoY | 10.3% | 10.3% | 10.3% | 10.2% | 9.9% | 10.1% | 10.2% | 10.2% | 9.5% | 9.5% | 10.2% | 12.7% | 12.5% | 10.5% | 11.7% |
| CD Ratio | % | 81% | 81% | 81% | 80% | 79% | 79% | 79% | 79% | 80% | 80% | 81% | 82% | 82% | 80.1% | 79.7% |
| Private Banks MCLR | % | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% | 9.8% | 9.6% | 9.6% | 9.5% | 9.5% | 9.3% | 9.2% | 9.2% | 9.5% | 10.0% |
| PSU Banks MCLR | % | 9.1% | 9.1% | 9.1% | 9.1% | 9.0% | 9.0% | 9.0% | 8.9% | 8.8% | 8.8% | 8.8% | 8.8% | 8.8% | 8.9% | 8.9% |
| Non-food credit growth | % YoY | 12.2% | 12.0% | 11.0% | 10.2% | 8.8% | 9.3% | 10.4% | 11.4% | 11.6% | 11.8% | 14.4% | 13.0% | 14.5% | 11.5% | 14.2% |
| SDL yields (10Yr) | % | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% | 7.4% |
| OIS Yields (INR SWAP, 1 month) | % | 6.5% | 6.5% | 6.1% | 5.9% | 5.7% | 5.4% | 5.4% | 5.5% | 5.5% | 5.5% | 5.4% | 5.3% | 5.3% | 5.5% | 6.6% |
| Call money Rates | % | 6.6% | 6.4% | 6.3% | 5.9% | 5.8% | 5.4% | 5.4% | 5.4% | 5.5% | 5.5% | 5.4% | 5.4% | 5.4% | 5.5% | 6.6% |
| SBI FD Rate 3 - 5Yr | % | 6.8% | 6.8% | 6.8% | 6.8% | 6.6% | 6.3% | 6.3% | 6.3% | 6.3% | 6.3% | 6.3% | 6.3% | 6.3% | 6.4% | 6.8% |
| SBI FD Rate >5Yr | % | 6.5% | 6.5% | 6.5% | 6.5% | 6.3% | 6.1% | 6.1% | 6.1% | 6.1% | 6.1% | 6.1% | 6.1% | 6.1% | 6.1% | 6.5% |

Source: RBI, SBI, Industry, JM Financial

**Exhibit 15: Monthly system credit and system deposits**




Source: Industry, JM Financial

## Industrial activity holding up but infra capex remains weak

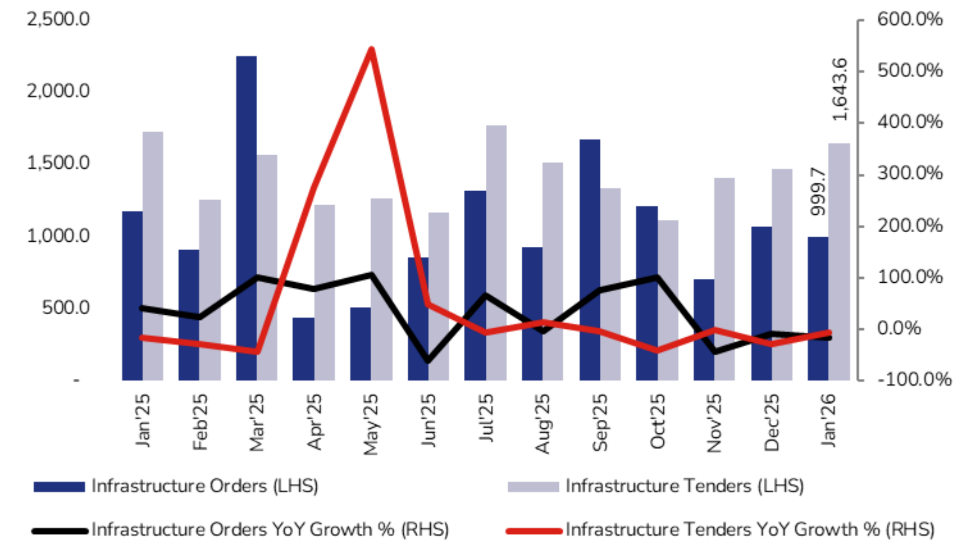
Industrial indicators were broadly stable in Jan'26, with both services (58.5) and manufacturing (55.4) PMIs staying in expansion, while IIP growth remains strong at 8.1% YoY. Core sector output also saw a sequential improvement in Dec'25, suggesting underlying activity is holding up. However, capex activity continues to show weakness, with infrastructure orders falling 14.8% YoY and tenders declining 4.8% YoY, pointing to uneven project flow. Sectorally, cement production remains healthy, and though prices rose in Jan'26 (vs. Dec'25), they are still down 7.3% YoY. Steel prices exhibited positive YoY growth in Jan'26 after a prolonged weak phase, while logistics indicators such as ports and air cargo continue to reflect steady goods movement.

**Exhibit 16: Industrial, infrastructure and logistics monthly indicators**

| | | | | | | | | | | | | | | | Average | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Industrial, Infrastructure & Logistics | Unit | Jan'25 | Feb'25 | Mar'25 | Apr'25 | May'25 | Jun'25 | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | FY26 YTD | FY25 YTD |
| Services PMI | Index | 56.5 | 59.0 | 58.5 | 58.7 | 58.8 | 60.4 | 60.5 | 62.9 | 60.9 | 58.9 | 59.8 | 58.0 | 58.5 | 59.7 | 59.3 |
| Manufacturing PMI | Index | 57.7 | 56.3 | 58.1 | 58.2 | 57.6 | 58.4 | 59.1 | 59.3 | 57.7 | 59.2 | 56.6 | 55.0 | 55.4 | 57.7 | 57.5 |
| IIP (manufacturing) | % YoY | 3.7% | 5.8% | 2.8% | 4.0% | 3.1% | 3.2% | 3.7% | 6.0% | 3.8% | 5.6% | 2.0% | 8.5% | 8.1% | 4.8% | 4.2% |
| Core Sector Index | Index | 173.8 | 163.0 | 182.9 | 163.3 | 170.2 | 167.3 | 168.9 | 166.5 | 160.5 | 162.3 | 162.4 | 175.7 | | 166.3 | 162.1 |
| Infrastructure Orders | % YoY | 41.4% | 25.2% | 101.6% | 77.8% | 105.8% | -59.1% | 67.1% | -3.3% | 75.3% | 101.3% | -42.3% | -7.2% | -14.8% | 30.1% | 67.0% |
| Infrastructure Tenders | % YoY | -15.6% | -26.8% | -42.4% | 274.8% | 543.4% | 49.5% | -4.6% | 15.0% | -3.4% | -40.9% | -1.4% | -28.6% | -4.8% | 79.9% | 12.7% |
| Cement Production | % YoY | 14.3% | 10.7% | 12.2% | 6.3% | 9.7% | 8.2% | 11.6% | 5.4% | 5.0% | 5.2% | 14.6% | 13.5% | | 8.8% | 4.2% |
| Cement Prices | % YoY | -2.0% | -0.1% | 0.5% | 4.1% | 5.8% | 5.8% | 6.3% | 4.4% | -5.7% | -7.1% | -7.4% | -9.6% | -7.3% | -1.1% | -4.8% |
| Finished Steel Production | % YoY | 8.3% | 4.7% | 9.3% | 6.6% | 8.1% | 16.0% | 10.4% | 11.8% | 13.9% | 7.9% | 10.0% | | | 10.6% | 5.1% |
| Finished Steel Consumption | % YoY | 11.2% | 11.2% | 12.7% | 8.4% | 6.5% | 9.5% | 7.5% | 10.5% | 8.3% | 2.6% | 4.1% | | | 7.2% | 11.8% |
| Domestic HRC Steel Price | % YoY | -14.0% | -10.3% | -5.5% | -1.1% | -3.3% | -5.1% | -5.5% | -1.9% | 1.8% | -0.3% | -2.6% | -0.7% | 10.2% | -0.9% | -10.1% |
| Domestic Rebar Price | % YoY | -0.2% | -17.6% | 4.1% | 7.2% | -0.5% | -6.9% | -11.2% | -6.2% | -6.0% | -9.0% | -14.0% | -10.7% | 1.9% | -5.5% | -1.1% |
| Port Volumes (Major + Minor Ports) | % YoY | 6.4% | 1.1% | 6.8% | 5.8% | 1.1% | 3.0% | 2.8% | 5.0% | 8.1% | 3.1% | 12.3% | 8.2% | | 5.5% | 3.2% |
| Port Container Volumes (Major + Minor Ports) | % YoY | 17.9% | 4.2% | 6.9% | 4.3% | 5.1% | 0.6% | 7.2% | 4.5% | 8.9% | 8.8% | 10.3% | 6.0% | | 6.2% | 11.4% |
| Rail Cargo | % YoY | 1.7% | -3.0% | 2.7% | 3.8% | 2.8% | 0.9% | 0.0% | 8.5% | 3.9% | 2.3% | 4.2% | 3.2% | | 3.3% | 2.1% |
| Air Cargo (Domestic + International) | % YoY | 13.2% | -2.9% | 7.7% | 9.0% | 9.3% | 23.0% | 25.3% | 19.1% | 34.9% | 40.0% | 67.6% | 47.0% | | 30.6% | 12.0% |
| Naukri Jobspeak Index - IT Sector | % YoY | -1.3% | -1.0% | -2.5% | 3.4% | -4.8% | 5.4% | -0.7% | -6.0% | 1.3% | -14.9% | 14.4% | 8.1% | -2.2% | 0.4% | 3.2% |

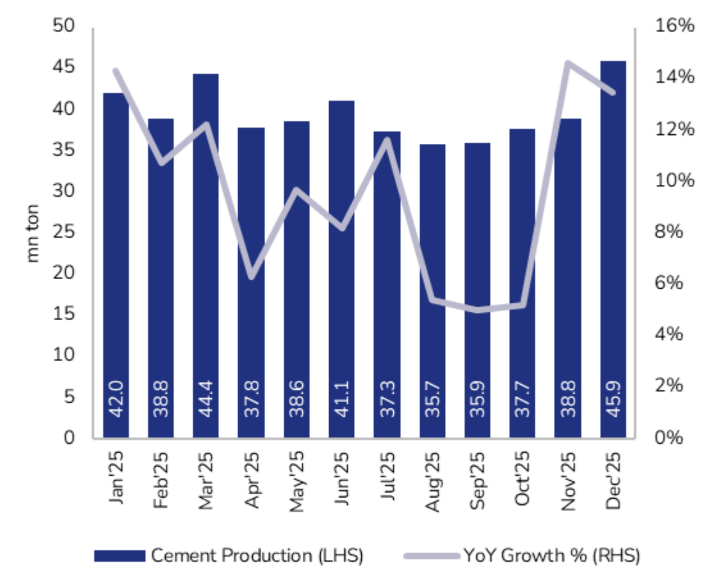
Source: Industry, JM Financial

**Exhibit 17: Monthly infrastructure orders and tenders**



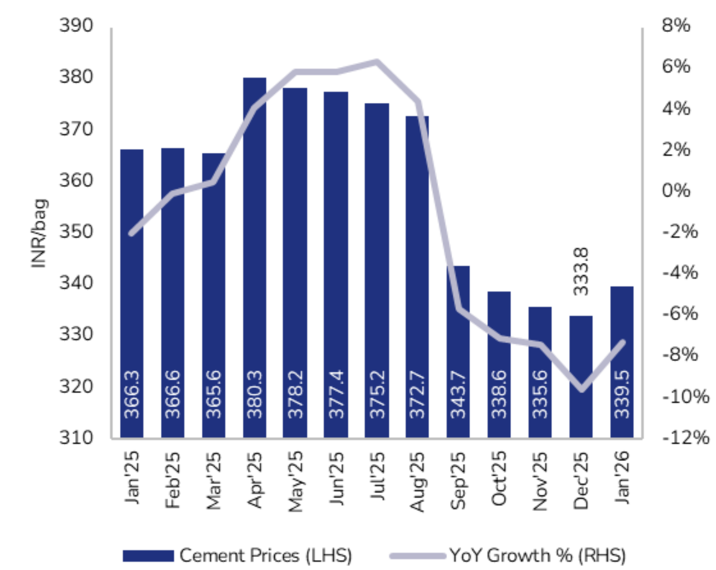

Source: Industry, JM Financial

**Exhibit 18: Monthly cement production (mn ton)**



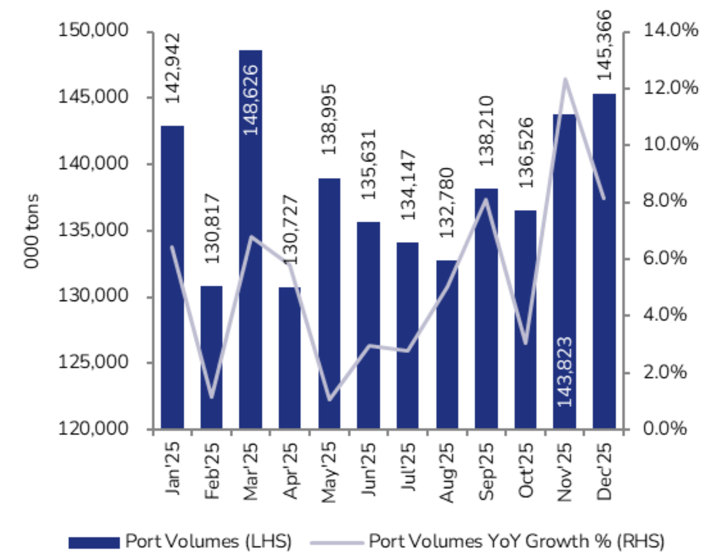

Source: Industry, JM Financial

**Exhibit 19: Monthly cement prices (INR/bag)**



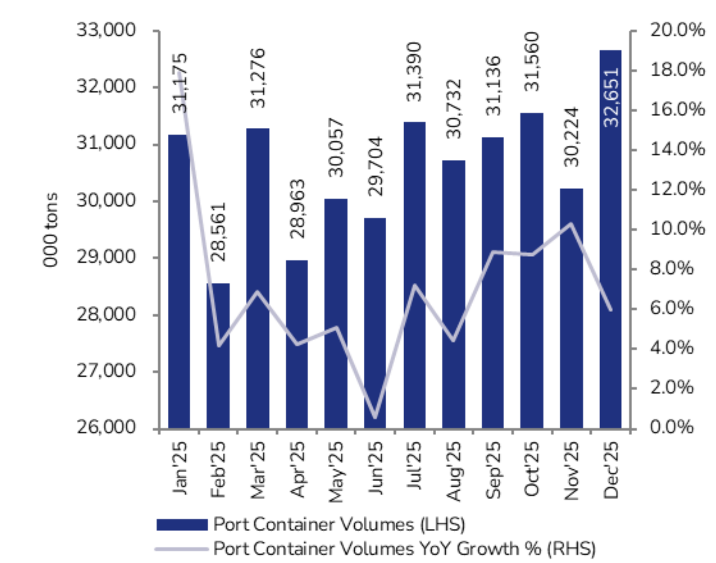

Source: Industry, JM Financial

**Exhibit 20: Monthly port volumes (000 tonnes)**




Source: Industry, JM Financial

**Exhibit 21: Monthly port container volumes (000 tonnes)**




Source: Industry, JM Financial

## Oil prices rise, input cost pressures remain

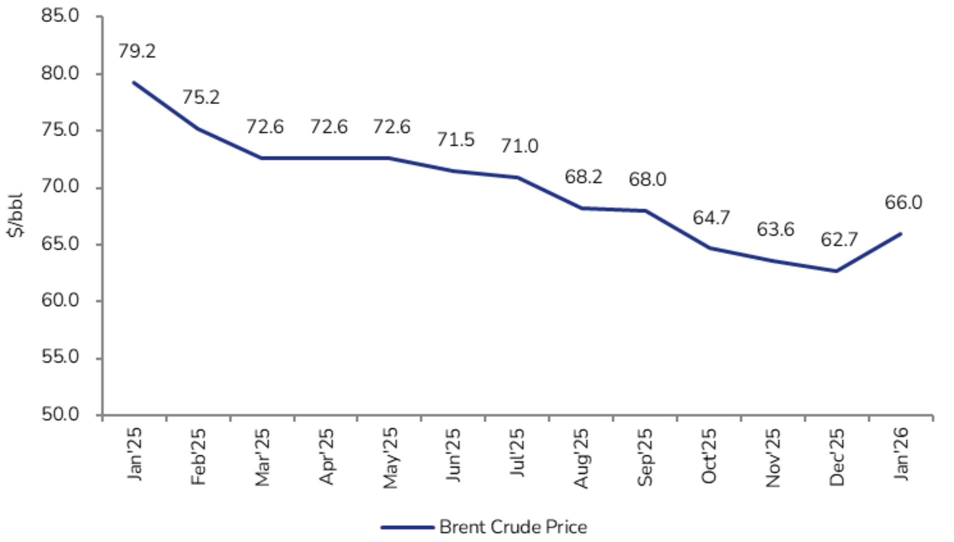
Brent crude edged up to USD 66/bbl in Jan'26 from Dec'25 lows and is currently trading at ~USD 71/bbl on the back of renewed US-Iran tensions. Domestic crude and gas production continue to contract YoY. Consumption trends are more stable, with crude demand modestly positive and gas consumption recovering in recent months. Power indicators were uneven with renewable generation growth slowing sharply to 3.8% YoY in Jan'26 even as installed renewable capacity continues to expand at a strong pace. The renewable share in total generation reduced to 14.6%. Input commodity prices rose in Jan'26, with copper prices surging 42.9% YoY, aluminium prices rising 21.4% and petcoke prices remaining elevated.

**Exhibit 22: Energy, power and input commodities monthly indicators**

| Energy, Power and Input Commodities | Unit | Jan'25 | Feb'25 | Mar'25 | Apr'25 | May'25 | Jun'25 | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Average FY26 YTD | Average FY25 YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Brent Crude Price | $/bbl | 79.2 | 75.2 | 72.6 | 72.6 | 72.6 | 71.5 | 71.0 | 68.2 | 68.0 | 64.7 | 63.6 | 62.7 | 66.0 | 68.1 | 79.8 |
| Crude Oil Production | % YoY | -0.9% | -4.7% | -1.3% | -2.0% | -0.6% | 0.0% | -0.4% | -0.9% | 0.0% | -0.5% | -2.3% | -4.0% | | -1.2% | -2.7% |
| Natural Gas Production | % YoY | -1.7% | -1.6% | -6.1% | -4.1% | 1.2% | -6.5% | -0.5% | -3.1% | -5.8% | -0.7% | -6.8% | -1.4% | | -3.1% | 1.9% |
| Crude Oil Consumption | % YoY | 3.0% | -5.2% | -3.1% | 0.2% | 1.1% | 0.5% | -4.4% | 4.8% | 7.0% | -1.5% | 0.6% | 5.1% | | 1.5% | 3.5% |
| Natural Gas Consumption | % YoY | -3.7% | -5.8% | -6.7% | -7.2% | -11.4% | -6.9% | -1.9% | -1.2% | 0.5% | -2.7% | 1.6% | 2.9% | | -2.9% | 7.0% |
| Electricity Generation: Non-Renewable | % YoY | -1.4% | 2.4% | 4.8% | -1.8% | -8.2% | -6.1% | -0.8% | 1.0% | 0.8% | -10.6% | -5.0% | 4.4% | 1.9% | -2.4% | 4.2% |
| Electricity Generation: Renewable | % YoY | 31.9% | 12.2% | 25.2% | 28.0% | 18.2% | 28.7% | 26.4% | 22.7% | 16.4% | 21.4% | 22.9% | 18.0% | 3.8% | 20.7% | 12.9% |
| Share of Renewable in Total Generation | % | 14.4% | 14.2% | 15.1% | 15.1% | 16.7% | 18.4% | 19.7% | 17.2% | 16.7% | 15.2% | 15.6% | 15.6% | 14.6% | 16.5% | 13.8% |
| Installed Capacity: Non-Renewable | % YoY | 2.3% | 1.8% | 1.5% | -1.2% | -1.2% | -0.4% | 0.3% | 0.5% | 0.7% | 1.0% | 1.6% | 1.0% | 1.1% | 0.3% | 2.0% |
| Installed Capacity: Renewable | % YoY | 22.3% | 22.8% | 20.0% | 21.4% | 21.9% | 24.7% | 25.0% | 26.1% | 27.6% | 28.2% | 28.4% | 27.5% | 28.3% | 25.9% | 17.5% |
| Coal Production | % YoY | 4.4% | 1.7% | 1.6% | 4.1% | 2.8% | -6.8% | -12.4% | 11.6% | -1.0% | -8.5% | 2.1% | 3.7% | 3.3% | -0.1% | 5.8% |
| Aluminium Price | % YoY | 15.6% | 19.4% | 16.4% | -5.0% | -6.0% | -0.9% | 8.3% | 8.9% | 7.3% | 6.6% | 7.9% | 11.6% | 21.4% | 6.0% | 14.0% |
| Copper Price | % YoY | 7.9% | 11.8% | 11.1% | -4.2% | -7.2% | -0.8% | 2.7% | 7.2% | 7.1% | 11.1% | 17.6% | 30.3% | 42.9% | 10.7% | 12.2% |
| Domestic Petcoke Price | % YoY | -4.7% | 2.1% | 10.1% | 11.8% | 5.3% | 3.7% | 5.3% | 6.1% | 10.6% | 25.1% | 24.9% | 18.6% | 19.5% | 13.1% | -9.5% |
| International Petcoke Price | % YoY | -1.8% | -1.7% | 2.7% | -5.5% | -3.7% | -3.7% | -0.9% | 6.1% | 21.1% | 21.5% | 18.2% | 9.9% | 9.1% | 7.2% | -13.4% |

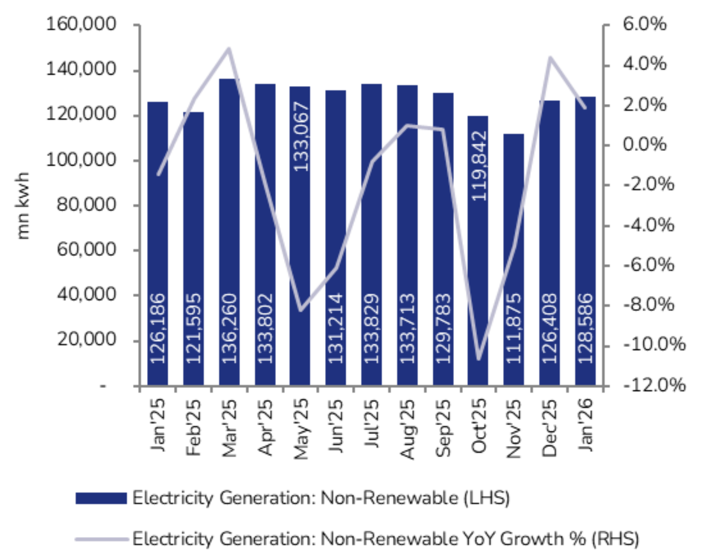
Source: Industry, JM Financial

**Exhibit 23: Monthly Brent crude price (USD/bbl)**



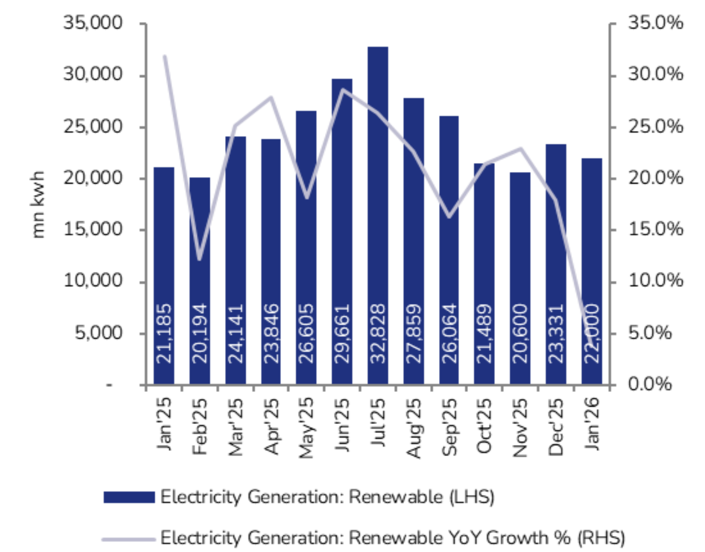

Source: Industry, JM Financial

**Exhibit 24: Monthly non-renewable electricity generation (mn kwh)**



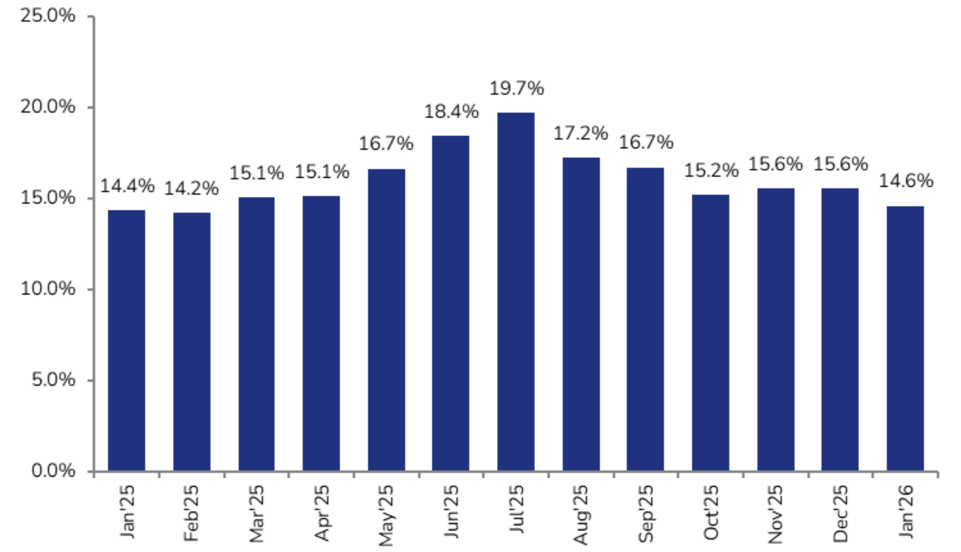

Source: CMIE, JM Financial

**Exhibit 25: Monthly renewable electricity generation (mn kwh)**



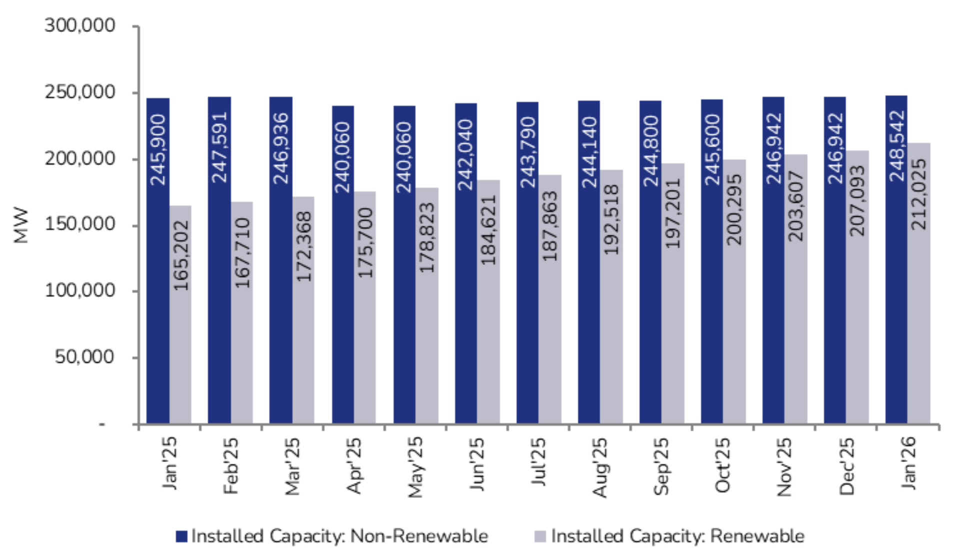

Source: CMIE, JM Financial

**Exhibit 26: Share of renewable in total generation**




Source: CMIE, JM Financial

**Exhibit 27: Non-renewable and renewable installed capacity (MW)**

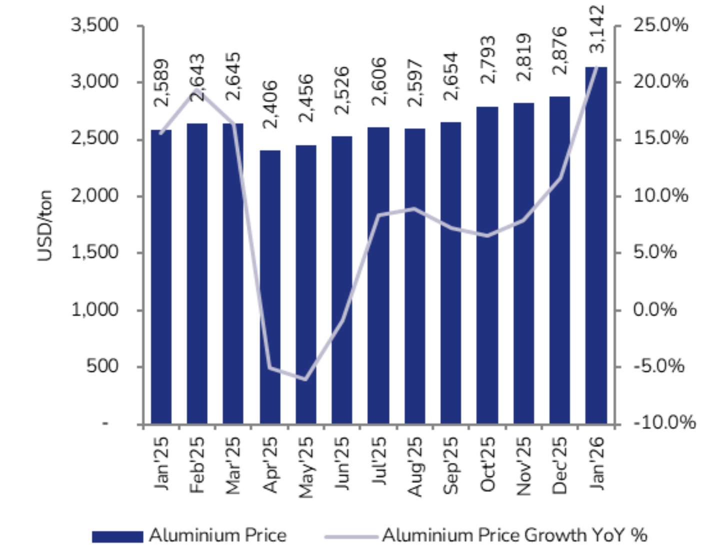



Source: CMIE, JM Financial

**Exhibit 28: Monthly copper price (USD/ton)**


Source: Industry, JM Financial

**Exhibit 29: Monthly aluminium price (USD/ton)**




Source: Industry, JM Financial

## Real estate activity soft, prices holding up on lower inventory

Real estate activity softened further in 3QFY26, with housing sales declining 15.9% YoY and new launches also down 19.9%, indicating weaker transaction momentum towards year-end. Despite this, unsold inventory continues to contract (-5.3% YoY), suggesting supply remains disciplined. Price growth has moderated to 6.5% YoY from double-digit levels earlier in the year, reflecting slower demand conditions even as inventory levels remain contained.

**Exhibit 30: Real estate monthly indicators**

| | | | | | | | Average | |
|---|---|---|---|---|---|---|---|---|
| Real Estate | Unit | Dec'24 | Mar'25 | Jun'25 | Sep'25 | Dec'25 | FY26 YTD | FY25 YTD |
| Pan-India Housing Sales | % YoY | -8.9% | -12.8% | -9.5% | -6.8% | -15.9% | -10.7% | -8.5% |
| Pan-India New Launches | % YoY | -24.4% | -10.6% | -12.7% | -22.6% | -15.9% | -17.1% | -7.9% |
| Pan-India Unsold Inventory | % YoY | -2.6% | -2.1% | -2.7% | -5.7% | -5.3% | -4.6% | -1.2% |
| Pan-India Price/sqft | % YoY | 15.8% | 12.2% | 11.6% | 11.0% | 6.5% | 9.7% | 12.2% |

Source: Industry, JM Financial

# Economic indicators

## Monetary

- Liquidity in the system was lower than adequate levels (INR 0.6tn) in Jan'26, which led to a slightly higher call rate, but it remained within the policy corridor. Liquidity has improved significantly in February to INR 2.6tn, pushing the call rates towards the lower end of policy corridor.
- CPI inflation print at 2.75% for Jan'26 seems elevated versus 1.17% (1.33% as per old base) in Dec'25, it was fuelled by the rally in precious metals; however, it met market expectations of 2.77%.

**Exhibit 31: Monthly monetary indicators**

| Monetary | Unit | Jan'25 | Feb'25 | Mar'25 | Apr'25 | May'25 | Jun'25 | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Average FY26 YTD | Average FY25 YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Currency with public (M0)' | INR trn | 266.9 | 269.1 | 272.9 | 276.3 | 279.9 | 282.3 | 281.4 | 283.1 | 283.5 | 290.0 | 291.4 | 298.0 | 299.0 | 286.5 | 260.2 |
| 10 year G-sec | % | 6.8% | 6.7% | 6.7% | 6.4% | 6.3% | 6.3% | 6.4% | 6.5% | 6.5% | 6.5% | 6.5% | 6.6% | 6.6% | 6.5% | 6.9% |
| Enduring Liquidity (Fc res+Gsec holdings of RBI) | INR trn | 45.7 | 46.9 | 49.6 | 50.0 | 54.7 | 54.6 | 54.2 | 51.2 | 48.4 | 51.2 | 50.4 | 47.6 | 46.5 | 50.9 | 48.9 |
| CPI inflation | % | 4.1% | 3.5% | 3.6% | 3.3% | 3.0% | 2.3% | 1.6% | 2.0% | 1.4% | 0.0% | 0.5% | 1.2% | 2.8% | 1.8% | 4.9% |
| Core CPI Inflation | % YoY | 3.7% | 4.2% | 4.2% | 4.4% | 4.3% | 4.5% | 4.2% | 4.3% | 4.5% | 4.4% | 4.3% | 4.7% | 3.4% | 4.3% | 3.5% |

Source: CMIE, JM Financial

## Fiscal

- GST collection grew 6.2% YoY to INR 1.9tn; although this would reflect weaker buoyancy, the collection is still resilient considering it is on the back of rate rationalisation in Sep'25.
- Government's fiscal situation remained under control during Apr-Dec'25. Fiscal deficit forms 54.5% of FY27BE versus 56.7% last year. Tax revenue receipts remained under pressure (68.3% of FY27BE versus 71.3% last year). Capex intensity was strong at 70.3% of FY27BE versus 61.7% last year.

**Exhibit 32: Monthly fiscal indicators**

| Fiscal | Unit | Jan'25 | Feb'25 | Mar'25 | Apr'25 | May'25 | Jun'25 | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Average FY26 YTD | Average FY25 YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GST Collection | INR bn | 1,821 | 1,836 | 1,961 | 2,367 | 2,011 | 1,846 | 1,957 | 1,863 | 1,890 | 1,959 | 1,703 | 1,746 | 1,934 | 1,928 | 1,790 |
| Total Receipts (Centre) | INR bn | 824 | 1,459 | 5,319 | 2,793 | 4,537 | 2,084 | 1,538 | 1,875 | 4,475 | 703 | 1,488 | 5,759 | | 2,806 | 2,576 |
| Total Expenditure (Centre) | INR bn | 3,379 | 3,232 | 7,623 | 4,656 | 2,805 | 4,760 | 3,415 | 3,172 | 4,225 | 3,223 | 3,003 | 4,551 | | 3,757 | 3,591 |
| Capital Expenditure (Centre) | INR bn | 720 | 545 | 2,401 | 1,598 | 616 | 538 | 718 | 847 | 1,492 | 370 | 405 | 1,297 | | 875 | 761 |
| Revenue Expenditure (Centre) | INR bn | 2,658 | 2,687 | 5,222 | 3,058 | 2,189 | 4,222 | 2,697 | 2,326 | 2,733 | 2,853 | 2,598 | 3,254 | | 2,881 | 2,830 |
| Centre's GFD (% of BE) | % of BE | 15.8% | 11.0% | 14.3% | 11.9% | -11.0% | 17.1% | 12.0% | 8.3% | -1.6% | 16.1% | 9.7% | -7.7% | | 6.1% | 6.3% |
| Centre's Cum. GFD (% of BE) | % of BE | 72.5% | 83.5% | 97.8% | 11.9% | 0.8% | 17.9% | 29.9% | 38.1% | 36.5% | 52.6% | 62.3% | 54.5% | | 33.8% | 28.2% |
| Central net market borrowings: FYTD Cumulative | INR bn | 18,674 | 13,571 | 8,035 | 6,313 | 3,515 | 13,888 | 11,843 | 6,966 | -4,486 | 17,702 | -1,192 | 15,718 | | 7,807 | 5,443 |
| States net market borrowings: FYTD Cumulative | INR bn | 7,432 | 8,850 | 18,103 | 3,353 | 3,487 | 5,645 | 7,291 | 6,094 | 6,328 | 5,976 | 2,523 | | | 5,087 | 4,550 |

Source: CMIE, JM Financial

## External

- Foreign exchange reserves increased to USD 724bn in Jan'26 versus USD 697bn in the previous month, which is comfortable when compared to levels last year.
- The rally in precious metals deteriorated India's external account in Jan'26 as trade deficit widened to USD 34.7bn (USD 25bn prior). Gold imports were up 3x the normal monthly imports. We expect this to normalise in upcoming months. However, we don't expect any improvement in India's trade balance with the US despite the finalisation of the trade deal. Services surplus is at a record high of USD 24.5bn.

**Exhibit 33: Monthly external indicators**

| External | Unit | Jan'25 | Feb'25 | Mar'25 | Apr'25 | May'25 | Jun'25 | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Average | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | FY26 YTD | FY25 YTD |
| Exchange Rate | INR/USD | 86.27 | 87.05 | 86.64 | 85.56 | 85.19 | 85.90 | 86.11 | 87.52 | 88.32 | 88.42 | 88.83 | 90.09 | 90.80 | 87.67 | 84.12 |
| Forex Reserves | USD bn | 631 | 639 | 668 | 688 | 691 | 698 | 690 | 695 | 700 | 690 | 686 | 697 | 724 | 696 | 661 |
| Trade Balance | USD bn | -23.4 | -14.1 | -21.5 | -27.1 | -22.6 | -19.1 | -27.9 | -27.2 | -33.0 | -42.0 | -24.7 | -25.1 | -34.7 | -28.3 | -24.7 |
| Services Surplus | USD bn | 18.0 | 17.1 | 18.1 | 15.9 | 15.8 | 16.2 | 16.4 | 15.6 | 18.8 | 17.4 | 17.4 | 22.7 | 24.3 | 18.1 | 15.4 |
| CAD (% of GDP-Quarterly) | % | | | 1.3% | | | -0.3% | | | -1.3% | | | | | -0.8% | -1.3% |
| Oil Prices | USD/t | 571 | 542 | 524 | 489 | 463 | 516 | 507 | 492 | 490 | 467 | 467 | 460 | 482 | 483 | 581 |

Source: CMIE, JM Financial

## Flows (Net)

- FII selling intensified in Jan'26, with outflows of USD 3.3bn in equities. Consistent FII selling exerted pressure on the currency (INR) which later reverted to positive flows (USD 2.9bn) post the announcement of the trade deal with US.

**Exhibit 34: Flows monthly indicators**

| Flows (Net) | Unit | Jan'25 | Feb'25 | Mar'25 | Apr'25 | May'25 | Jun'25 | Jul'25 | Aug'25 | Sep'25 | Oct'25 | Nov'25 | Dec'25 | Jan'26 | Average | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | FY26 YTD | FY25 YTD |
| FII inflows- Equity | USD mn | -8,418 | -5,353 | 975 | 530 | 1,738 | 2,373 | -2,852 | -4,314 | -2,293 | 1,255 | 40 | -2,633 | -3,260 | -942 | -1,053 |
| FII inflow –Debt | USD mn | 548 | 1,113 | 4,146 | -2,180 | 1,197 | -1,895 | 879 | 1,546 | 1,254 | 2,110 | 22 | -1,459 | 475 | 195 | 1,076 |
| Mutual fund net inflows-Equity | INR bn | 487 | 363 | 243 | 387 | 399 | 470 | 638 | 490 | 401 | 391 | 435 | 391 | 417 | 442 | 478 |
| Mutual fund net inflows-Debt | INR bn | -515 | -624 | -806 | -239 | -829 | -320 | -212 | -653 | -559 | -128 | -722 | -346 | -908 | -492 | -299 |
| FDI Inflows | USD mn | 1,571 | -703 | -502 | 1,742 | 1,455 | 2,507 | 4,935 | -622 | -1,664 | -1,545 | | | | 973 | 66 |

Source: NSDL, AMFI, CMIE, JM Financial

# APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

| Rating System: Definition of ratings | |
|---|---|
| **Rating** | **Meaning** |
| **BUY** | Expected return >= 15% over the next twelve months. |
| **ADD** | Expected return >= 5% and < 15% over the next twelve months. |
| **REDUCE** | Expected return >= -10% and < 5% over the next twelve months. |
| **SELL** | Expected return < -10% over the next twelve months. |

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

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