

# JM India Pulse

Examining high-frequency, sectoral and economic indicators



# Strategy

## JM India Pulse – Dec'25

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. In Dec'25, the INR breached the 90/USD mark as FII selling in equities intensified while domestic flows supported the equity markets. Concerns around the government's fiscal situation hardened yields further. 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 pricing pressure and uneven infrastructure capex continue to constrain momentum, whereas real estate volumes remain weak with prices supported by lower inventory.

- **Macro highlights:** India's external balance widened marginally to USD 25bn in Dec'25, but has improved significantly over the preceding two months versus the steep deterioration to USD 42bn in Oct'25. FII selling intensified in equities as the trade deal with US is delayed; meanwhile, domestic flows through SIPs remained robust aiding the domestic equity markets. The uptick in CPI inflation was led by the rally in precious metals in Dec'25. Bond yields hardened further in Dec'25, reflecting concerns around government's fiscal constraints due to muted tax collections.
- **Discretionary demand strengthening, confidence gradually improving:** Consumption momentum strengthened through late 2025 led by a pickup in passenger vehicles and EVs, alongside improvement in hotel and air travel metrics in Nov'25, pointing to stronger discretionary services demand heading into year-end. This improvement is increasingly supported by sentiment, with both urban and rural consumer confidence indices trending higher towards the end of 2025.
- **Household financial activity strong, but momentum normalising:** In Dec'25, household financialisation remained robust, but growth visibly moderated from last year's highs, particularly in the digital payments category. UPI transaction growth has eased to ~20% YoY, materially lower than FY25 levels, signalling that digital payments are transitioning from rapid adoption to steady usage expansion. In contrast, equity participation continues to deepen, with MF AUM rising to INR 35.7trln and SIP flows touching INR 310bn, reflecting sustained household preference for financial assets despite market volatility.
- **Credit growth reaccelerates amid easing financial conditions:** In Dec'25, system credit growth accelerated to 14.5% YoY, alongside an improvement in deposit growth to 12.7% YoY. The rise in non-food credit growth by ~14% YoY indicates that the expansion is broad-based across borrower segments rather than driven by a single category.
- **Industrial activity holding up, but pricing and infra capex remain weak spots:** Industrial activity remained resilient in Dec'25, with services and manufacturing PMIs staying in expansion despite some softening versus Nov'25 while manufacturing output strengthened with IIP accelerating to 8% YoY in Dec'25. In contrast, the capex cycle continues to look uneven, with infrastructure orders and tenders turning negative into year-end. A divergence is also evident at the sector level, where cement and steel volumes remain supportive, but pricing power has weakened with cement prices sliding 9.6% YoY in Dec'25.
- **Real estate activity soft, prices holding up on lower inventory:** Real estate activity has remained soft through FY26YTD, with housing sales and new launches continuing to contract, though the pace of decline has moderated in Sep'25. At the same time, unsold inventory has steadily declined, indicating supply has remained broadly aligned with demand conditions. This has helped prices remain resilient, with pan-India price growth still in high single digits, albeit moderating from last year.



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## Market and sectoral indicators

### Valuations lower across market in Dec'25

In Dec'25, market valuations had declined across the board, with the Nifty50, NSE Midcap and NSE Smallcap indices all trading at lower 1Y forward P/E multiples than recent months. Sector-level data show a similar pattern with most sector P/E multiples easing into December. This reflects a more cautious valuation environment rather than one of continued multiple expansion in earlier months.

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

1-year forward P/E	Unit	Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	Average	
															FY26 YTD	FY25 YTD
Nifty50	Ratio	19.1	18.9	18.0	19.3	20.0	20.4	20.8	20.2	19.9	19.9	20.7	20.7	20.5	20.3	20.0
NSE Mid Cap 100	Ratio	32.5	32.5	27.8	28.2	27.7	29.5	28.0	27.2	26.1	26.4	28.5	28.9	28.6	27.9	32.3
NSE Small Cap 100	Ratio	23.7	22.4	19.7	23.2	23.5	25.7	27.0	25.4	24.5	24.5	25.7	24.9	24.2	25.0	22.3
NSE Auto	Ratio	20.7	20.8	18.4	19.4	20.5	21.5	21.6	21.3	22.6	23.6	22.4	22.6	22.3	22.0	22.7
NSE Banks (1-year forward P/B)	Ratio	2.0	1.8	1.9	2.0	2.1	2.1	2.2	2.1	2.0	2.0	2.0	2.0	1.9	2.0	2.0
NSE Energy	Ratio	14.2	13.8	12.4	13.4	14.1	14.8	14.1	13.9	13.5	14.0	14.6	14.2	14.0	14.1	15.8
NSE FMCG	Ratio	38.0	37.0	33.9	34.9	36.4	35.8	33.6	35.9	38.9	34.5	35.6	34.6	34.1	35.5	39.2
NSE IT	Ratio	29.1	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	27.9
NSE Metals	Ratio	13.2	13.7	13.2	14.3	13.8	14.4	14.6	14.3	13.9	14.8	15.3	13.9	14.8	14.4	15.4
NSE Pharma	Ratio	30.6	27.9	25.6	27.0	27.6	27.7	29.1	29.9	27.9	27.7	28.5	29.3	28.5	28.5	29.7
NSE Real Estate	Ratio	43.7	37.2	31.1	32.7	33.3	34.3	34.3	33.6	31.4	30.4	32.8	30.2	29.0	32.2	45.9

Source: Bloomberg, JM Financial

### Discretionary demand strengthening, confidence gradually improving

Consumption momentum strengthened towards the end of 2025 led by a pickup in passenger vehicles and EVs, alongside improvement in hotel and air travel metrics in Nov'25, pointing to stronger discretionary services demand heading into year-end. This improvement is increasingly supported by sentiment, with both urban and rural consumer confidence indices trending higher towards the end of 2025. Telecom trends reinforce this direction, with wireless and internet subscriber growth turning incrementally positive in Nov'25 after a prolonged weak phase, signalling improving digital consumption.

Exhibit 2. Consumption & Demand monthly indicators

Consumption & Demand	Unit	Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	Average	
															FY26 YTD	FY25 YTD
Domestic Airline Passengers	% YoY	8.2%	11.3%	11.0%	8.8%	8.4%	1.9%	3.0%	-2.9%	-1.4%	-2.9%	2.7%	6.9%		2.0%	6.7%
International Airline Passengers	% YoY	9.7%	17.0%	12.5%	8.7%	17.2%	7.3%	1.6%	6.1%	7.8%	5.8%	8.3%	9.4%		7.9%	15.2%
Wholesale Passenger Vehicle Sales	% YoY	18.8%	4.9%	2.2%	6.3%	7.6%	3.7%	-3.1%	2.4%	-0.9%	11.6%	13.3%	22.2%	18.6%	8.4%	6.6%
Wholesale 2-Wheeler Sales	% YoY	-4.1%	8.9%	-2.2%	11.6%	-14.4%	9.0%	10.4%	18.4%	15.4%	10.7%	2.7%	21.5%	34.7%	12.1%	8.8%
Wholesale Commercial Vehicle Sales	% YoY	3.8%	-26.6%	-29.5%	-20.6%	-33.4%	-28.2%	-29.4%	-24.0%	8.7%	14.2%	12.6%	26.6%	28.0%	-2.8%	-1.0%
Retail Electric Vehicle Sales	% YoY	-0.9%	16.8%	-2.8%	-5.3%	44.4%	26.8%	29.4%	4.1%	18.7%	13.5%	6.7%	11.6%	41.5%	21.8%	22.3%
Hotels ARR	% YoY	9.2%	9.5%	14.6%	11.0%	10.7%	7.2%	8.8%	4.3%	7.1%	8.1%	9.9%	9.6%		8.2%	5.4%
Hotels Occupancy	%	70%	67%	73%	66%	67%	59%	62%	61%	59%	62%	59%	73%		63%	63%
Electricity Units Consumed	% YoY	4.9%	1.0%	2.0%	5.7%	2.8%	-4.8%	-2.3%	2.6%	3.8%	3.5%	-5.8%	-0.6%	6.5%	0.7%	4.0%
Fuel Consumption (Petrol+diesel)	Metric Ton	11,375	11,047	10,517	11,589	11,710	12,374	11,627	10,857	10,121	10,185	11,285	12,069	12,013	11,360	10,918
Index of Consumer Sentiments: Total	Index	109	110	110	112	111	112	116	117	120	112	115	116	119	115.4	109.9
Index of Consumer Sentiments: Urban	Index	105	106	104	108	109	108	109	111	109	112	109	114	113	110.1	103.7
Index of Consumer Sentiments: Rural	Index	111	112	113	114	112	115	119	120	125	112	118	118	122	117.7	112.8
Gold Price	USD/ounce	2,625	2,798	2,858	3,124	3,289	3,289	3,303	3,290	3,448	3,859	4,003	4,239	4,319	3,671	2,504
Gold Price	INR/10 gram	76,350	82,500	85,100	89,100	94,700	95,600	96,300	98,800	1,02,500	1,17,000	1,21,100	1,26,900	1,34,200	1,09,678	74,067
Telecom Wireless Subscribers	% YoY	-0.7%	-0.8%	-0.9%	-0.7%	-0.7%	-0.7%	-0.6%	-0.5%	0.3%	1.4%	1.9%	2.2%		0.4%	1.0%
Telecom Internet Subscribers	% YoY	7.4%	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: CMI, Industry, JM Financial

## Household financial activity strong but momentum normalising

In Dec'25, household financialisation remained robust, but growth visibly moderated from last year's highs, particularly in the digital payments category. UPI transaction growth eased to ~20% YoY, materially lower than FY25 levels, signalling that digital payments are transitioning from rapid adoption to steady usage expansion. In contrast, equity participation continues to deepen, with MF AUM rising to INR 35.7trln and SIP flows touching INR 310bn, reflecting sustained household preference for financial assets despite market volatility. However, FY26YTD demat account growth has slowed to the ~23% versus over ~33% last year, indicating that incremental on-boarding is giving way to deeper monetisation of existing investors. Insurance trends have also improved into year-end, particularly in life, pointing to rising protection awareness.

### Exhibit 3. Financialisation and Housing Balance Sheet monthly indicators

Financialisation and Household Balance Sheet	Unit													Average		
		Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	FY26 YTD	FY25 YTD
Credit Card Spends	% YoY	13.9%	10.6%	12.1%	22.5%	17.7%	15.1%	15.3%	12.3%	13.6%	23.0%	6.2%	11.5%		14.3%	15.5%
UPI Transaction Value	% YoY	27.5%	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%	33.0%
Online transactions volume (mobile+NEFT+IMPS)	% YoY	32.4%	32.3%	24.9%	29.8%	27.3%	27.2%	26.0%	27.9%	26.1%	23.8%	20.2%	27.3%		25.7%	42.1%
Equity Mutual Fund AUM	INR bn	30,575	29,468	27,397	29,453	30,576	32,054	33,468	33,278	33,085	33,683	35,167	35,658	35,725	33,633	28,798
SIP Flow	INR bn	265	264	260	259	266	267	273	285	283	294	295	294	310	285	234
Demat Accounts	mn no.s	178.0	182.2	185.3	188.0	190.3	192.5	194.5	197.0	199.5	202.5	205.0	207.5		198.6	163.2
Demat Accounts	% YoY	37.2%	35.0%	33.0%	30.6%	28.6%	26.6%	26.3%	24.7%	22.9%	21.4%	19.9%	16.3%		23.3%	33.6%
Life Insurance APE	% YoY	-2.3%	5.4%	-6.7%	1.6%	2.4%	5.5%	4.6%	13.2%	-1.7%	-0.6%	16.8%	25.8%	25.5%	10.2%	14.9%
Non-Life Insurance GDPI	% YoY	-0.3%	6.6%	-2.8%	0.5%	13.5%	6.5%	5.2%	2.8%	1.6%	13.2%	0.1%	24.2%	13.7%	9.0%	8.3%

Source: Industry, JM Financial

### Credit growth accelerates amid easing financial conditions

In Dec'25, system credit growth accelerated to 14.5% YoY, alongside an improvement in deposit growth to 12.7% YoY. This pickup coincided with the RBI's December rate cut and was reflected in the decline of short-term rates and MCLRs. The rise in non-food credit growth by ~14% YoY indicates that the expansion is broad-based across borrower segments rather than being driven by a single category.

### Exhibit 4. Banking monthly indicators

Banking	Unit													Average		
		Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	FY26 YTD	FY25 YTD
System Credit	% YoY	11.2%	11.4%	11.0%	11.0%	10.3%	9.0%	9.5%	10.0%	10.0%	10.4%	11.5%	11.5%	14.5%	10.7%	14.7%
System Deposits	% YoY	9.8%	10.3%	10.3%	10.3%	10.2%	9.9%	10.1%	10.2%	10.2%	9.5%	9.5%	10.2%	12.7%	10.3%	11.8%
CD Ratio	%	80%	81%	81%	81%	80%	79%	79%	79%	79%	80%	80%	81%	82%	80%	80%
Private Banks MCLR	%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	9.8%	9.6%	9.6%	9.5%	9.5%	9.4%	9.2%	9.6%	9.9%
PSU Banks MCLR	%	9.0%	9.1%	9.1%	9.1%	9.1%	9.0%	9.0%	9.0%	8.9%	8.8%	8.8%	8.8%	8.8%	8.9%	8.9%
Non-food credit growth	% YoY	10.8%	12.2%	12.0%	11.0%	10.2%	8.8%	9.3%	10.4%	11.4%	11.6%	11.8%	14.4%	14.4%	11.4%	14.3%
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)	%	6.7%	6.5%	6.5%	6.1%	5.9%	5.7%	5.4%	5.4%	5.5%	5.5%	5.5%	5.4%	5.3%	5.5%	6.6%
Call money Rates	%	6.5%	6.6%	6.6%	6.4%	6.3%	5.9%	5.8%	5.4%	5.4%	5.4%	5.5%	5.5%	5.4%	5.6%	6.5%
SBI FD Rate 3 - 5Yr	%	6.8%	6.8%	6.8%	6.8%	6.8%	6.6%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.3%	6.4%	6.8%
SBI FD Rate >5Yr	%	6.5%	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%	6.5%

Source: RBI, SBI, Industry, JM Financial

## Industrial activity holding up but pricing and infra capex remain weak spots

Industrial activity remained resilient in Dec'25, with services and manufacturing PMIs staying in expansion despite some softening versus Nov'25 while manufacturing output strengthened with IIP accelerating to 8% YoY in Dec'25. In contrast, the capex cycle continues to look uneven with infrastructure orders and tenders turning negative into year-end. A divergence is also evident at the sector level, with cement and steel volumes remaining supportive but pricing power weakening; cement prices dipped 9.6% YoY in Dec. Logistics indicators are a positive, with port volumes and air cargo accelerating in recent months.

### Exhibit 5. Industrial, Infrastructure and Logistics' monthly indicators

Industrial, Infrastructure & Logistics	Unit													Average		
		Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	FY26 YTD	FY25 YTD
Services PMI	Index	59.3	56.5	59.0	58.5	58.7	58.8	60.4	60.5	62.9	60.9	58.9	59.8	58.0	59.9	59.6
Manufacturing PMI	Index	56.4	57.7	56.3	58.1	58.2	57.6	58.4	59.1	59.3	57.7	59.2	56.6	55.0	57.9	57.5
IIP (manufacturing)	% YoY	5.5%	3.7%	5.8%	2.8%	4.0%	3.1%	3.2%	3.7%	6.0%	3.8%	5.6%	2.0%	8.0%	4.4%	4.3%
Core Sector Index	Index	169.4	173.8	163.0	182.9	163.3	170.2	167.3	168.9	166.5	160.5	162.3	161.9		165.1	162.1
Infrastructure Orders	% YoY	93.6%	41.4%	25.2%	101.6%	77.8%	105.8%	-59.1%	67.1%	-3.3%	75.3%	101.2%	-42.3%	-7.2%	35.0%	69.8%
Infrastructure Tenders	% YoY	82.0%	-15.6%	-26.8%	-42.4%	274.8%	543.4%	49.5%	-4.6%	15.0%	-3.4%	-40.9%	-1.4%	-28.6%	89.3%	15.9%
Cement Production	% YoY	10.3%	14.3%	10.7%	12.2%	6.3%	9.7%	8.2%	11.6%	5.4%	5.0%	5.2%	14.5%		8.2%	4.2%
Cement Prices	% YoY	-3.0%	-2.0%	-0.1%	0.5%	4.1%	5.8%	5.8%	6.3%	4.4%	-5.7%	-7.1%	-7.4%	-9.6%	-0.4%	-5.1%
Finished Steel Production	% YoY	0.7%	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	4.2%	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	-14.5%	-14.0%	-10.3%	-5.5%	-1.1%	-3.3%	-5.1%	-5.5%	-1.9%	1.8%	-0.3%	-2.6%	-0.7%	-2.1%	-10.1%
Domestic Rebar Price	% YoY	-2.7%	-0.2%	-17.6%	4.1%	7.2%	-0.5%	-6.9%	-11.2%	-6.2%	-6.0%	-9.0%	-14.0%	-10.7%	-6.3%	-1.1%
Port Volumes (Major + Minor Ports)	% YoY	4.9%	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	13.2%	17.9%	4.2%	6.9%	4.3%	5.1%	0.6%	7.2%	4.5%	8.9%	8.8%	10.3%		6.2%	11.4%
Rail Cargo	% YoY	1.8%	1.7%	-3.0%	2.7%	3.8%	2.8%	0.9%	0.0%	8.5%	3.9%	2.3%	2.3%		3.1%	2.1%
Air Cargo (Domestic + International)	% YoY	14.1%	13.2%	-2.9%	7.7%	9.0%	9.3%	23.0%	25.3%	19.1%	34.9%	40.0%	67.6%		28.5%	12.0%
Naukri Jobspeak Index - IT Sector	% YoY	1.7%	-1.3%	-1.0%	-2.5%	3.4%	-4.8%	5.4%	-0.7%	-6.0%	1.3%	-14.9%	14.4%	8.1%	0.7%	3.7%

Source: Industry, JM Financial

## Oil prices ease but input cost pressures remain

The global energy backdrop was supportive in Dec'25 with Brent crude declining to USD 62.7/bbl in Dec'25, easing fuel cost pressures heading into year-end. However, domestic supply remains constrained, as oil and gas production continued to contract in the latest available data. Within power, while renewable capacity additions remain strong, the generation mix weakened in Dec'25, with the renewable share falling sharply. In contrast to softer crude, input commodities rose in Dec'25, with copper prices surging 30.3% YoY and petcoke prices remaining elevated.

### Exhibit 6. Energy, Power and Input Commodities' monthly indicators

Energy, Power and Input Commodities	Unit	Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	Average	
															FY26 YTD	FY25 YTD
Brent Crude Price	\$/bbl	73.8	79.2	75.2	72.6	72.6	72.6	71.5	71.0	68.2	68.0	64.7	63.6	62.7	68.3	79.9
Crude Oil Production	% YoY	0.0%	-0.9%	-4.7%	-1.3%	-2.0%	-0.6%	0.0%	-0.4%	-0.9%	0.0%	-0.5%	-2.3%		-0.8%	-2.7%
Natural Gas Production	% YoY	-1.7%	-1.6%	-6.1%	-4.1%	-1.3%	-3.8%	-2.9%	-3.3%	-2.1%	-3.8%	-5.1%	-2.5%		-3.1%	1.0%
Crude Oil Consumption	% YoY	2.0%	3.0%	-5.2%	-3.1%	0.2%	0.7%	0.5%	-3.9%	2.6%	7.0%	-0.4%	3.0%		1.2%	3.5%
Natural Gas Consumption	% YoY	-0.1%	-3.7%	-5.8%	-6.7%	-7.2%	-11.4%	-6.9%	-1.9%	-1.2%	0.5%	-2.7%	1.6%		-3.6%	7.0%
Electricity Generation: Non-Renewable	% YoY	4.4%	-1.3%	2.4%	4.8%	-1.8%	-8.2%	-6.1%	-0.8%	1.0%	0.8%	-10.6%	-5.0%	4.3%	-2.9%	4.8%
Electricity Generation: Renewable	% YoY	17.9%	31.9%	12.2%	25.2%	28.0%	18.2%	28.7%	26.4%	22.7%	16.4%	21.4%	22.9%	-0.9%	20.4%	10.8%
Share of Renewable in Total Generation	%	14.0%	14.4%	14.2%	15.1%	15.1%	16.7%	18.4%	19.7%	17.2%	16.7%	15.2%	15.6%	13.4%	16.5%	13.7%
Installed Capacity: Non-Renewable	% YoY	1.8%	2.3%	1.8%	1.5%	-1.2%	-1.2%	-0.4%	0.3%	0.5%	0.7%	1.0%	1.6%		0.2%	2.0%
Installed Capacity: Renewable	% YoY	21.4%	22.3%	22.8%	20.0%	21.4%	21.9%	24.7%	25.0%	26.1%	27.6%	28.2%	28.4%		25.4%	16.9%
Coal Production	% YoY	5.3%	4.4%	1.7%	1.6%	4.1%	2.8%	-6.8%	-12.4%	11.6%	-1.0%	-8.5%	2.1%		-1.0%	5.9%
Aluminium Price	% YoY	15.4%	15.6%	19.4%	16.4%	-5.0%	-6.0%	-0.9%	8.3%	8.9%	7.3%	6.6%	7.9%	11.6%	4.3%	13.8%
Copper Price	% YoY	6.4%	7.9%	11.8%	11.1%	-4.2%	-7.2%	-0.8%	2.7%	7.2%	7.1%	11.1%	17.6%	30.3%	7.1%	12.7%
Domestic Petcoke Price	% YoY	-9.0%	-4.7%	2.1%	10.1%	11.9%	2.0%	3.0%	4.9%	5.7%	10.1%	24.8%	24.8%	18.6%	11.7%	-10.1%
International Petcoke Price	% YoY	-12.9%	-1.8%	-1.7%	2.7%	-5.5%	-3.7%	-3.7%	-0.9%	6.1%	21.1%	21.5%	18.2%	9.9%	7.0%	-14.6%

Source: Industry, JM Financial

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

Real estate activity has remained soft through FY26YTD, with housing sales and new launches continuing to contract, though the pace of decline has moderated in Sep'25. At the same time, unsold inventory has steadily declined, indicating that supply has remained broadly aligned with demand conditions. This has helped prices remain resilient, with pan-India price growth still in high single digits, albeit moderating vis-a-vis last year.

### Exhibit 7. Real estate monthly indicators

Real Estate	Unit	Dec'24	Mar'25	Jun'25	Sep'25	Dec'25	Average	
							FY26 YTD	FY25 YTD
Pan-India Housing Sales	% YoY	-12.3%	-15.0%	-10.3%	-4.2%		-7.2%	-10.7%
Pan-India New Launches	% YoY	-25.2%	-14.9%	-11.5%	-3.6%		-7.6%	-17.0%
Pan-India Unsold Inventory	% YoY	-7.2%	-7.1%	-7.3%	-7.3%		-7.3%	-4.9%
Pan-India Price/sqft	% YoY	17.1%	12.6%	11.9%	9.4%		10.6%	13.0%

Source: Industry, JM Financial

## Economic indicators

### Monetary

- The uptick in headline inflation to 1.33% in Dec'25 versus 0.71% in Nov'25 looked steep; however, the reading is lower than market expectation of 1.56%. The downward pressure on headline from the food category moderated as deflationary forces weakened gradually, while the uptick was led by inflation in precious metals. Core inflation remained elevated at 4.7% in Dec'25 versus 4.3% in the previous month.
- 10Y G-sec yields rose further to 6.68% in Jan'26, this indicates that the bond market continues to signal an end to the rate cut cycle. Moreover the concerns around the government's fiscal constraints also led to the spike in yields.
- LAF liquidity remained in deficit during major part of Dec'25, which later turned into a surplus in Jan'26 (INR 1.2Tn) owing to active liquidity infusion by the RBI. Call rates moderated 10bps to 5.3% in Jan'26.

#### Exhibit 8. Monthly monetary indicators

Monetary	Unit													Average		
		Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	FY26 YTD	FY25 YTD
Currency with public (M0)*	INR trn	265.8	266.9	269.1	272.9	276.3	279.9	282.3	281.4	283.1	283.5	290.0	291.4	298.0	285.1	259.4
10 year G-sec	%	6.7%	6.8%	6.7%	6.7%	6.4%	6.3%	6.3%	6.4%	6.5%	6.5%	6.5%	6.5%	6.6%	6.4%	6.9%
Enduring Liquidity (Fc res+Gsec holdings of RBI)	INR trn	46.9	45.7	46.9	49.6	50.0	54.7	54.6	54.2	51.2	48.4	51.2	49.3	47.6	51.2	49.3
CPI inflation	%	5.2%	4.3%	3.6%	3.3%	3.2%	2.8%	2.1%	1.6%	2.1%	1.4%	0.3%	0.7%	1.3%	1.7%	4.9%
Core CPI Inflation	% YoY	3.7%	3.7%	4.2%	4.2%	4.4%	4.3%	4.5%	4.2%	4.3%	4.5%	4.4%	4.3%	4.7%	4.4%	3.5%

Source: CMIE, JM Financial

### Fiscal

- Government's capital spending gained further pace, with Apr-Nov capex making up 57.8% of FY26BE versus 46.2% last year. However, tax revenue collection remained muted at 49.1% of FY26BE, exerting pressure in terms of meeting the fiscal deficit target for FY26.

#### Exhibit 9. Monthly fiscal indicators

Fiscal	Unit													Average		
		Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	FY26 YTD	FY25 YTD
GST Collection	INR bn	1,646	1,955	1,836	1,961	2,367	2,011	1,846	1,957	1,863	1,890	1,959	1,703	1,746	1,927	1,787
Total Receipts (Centre)	INR bn	4,236	824	1,459	5,319	2,793	4,537	2,084	1,538	1,875	4,475	703	1,488		2,437	2,576
Total Expenditure (Centre)	INR bn	4,911	3,379	3,232	7,623	4,656	2,805	4,760	3,415	3,172	4,225	3,223	3,003		3,657	3,591
Capital Expenditure (Centre)	INR bn	1,718	720	545	2,401	1,598	616	538	718	847	1,492	370	405		823	761
Revenue Expenditure (Centre)	INR bn	3,193	2,658	2,687	5,222	3,058	2,189	4,222	2,697	2,326	2,733	2,853	2,598		2,835	2,830
Centre's GFD (% of BE)	% of BE	4.2%	15.8%	11.0%	14.3%	11.9%	-11.0%	17.1%	12.0%	8.3%	-1.6%	16.1%	9.7%		7.8%	6.3%
Centre's Cum. GFD (% of BE)	% of BE	56.7%	72.5%	83.5%	97.8%	11.9%	0.8%	17.9%	29.9%	38.1%	36.5%	52.6%	62.3%		31.2%	28.2%
Central net market borrowings: FYTD Cumulative	INR bn	16,525	18,674	13,571	8,035	6,313	3,515	13,888	11,843	6,966	-4,486	17,702	-1,192		6,819	5,443
States net market borrowings: FYTD Cumulative	INR bn	6,345	7,432	8,850	18,103	3,353	3,487	5,645	7,291	6,094	6,328	5,976			5,454	4,550

Source: CMIE, JM Financial

## External

- The INR depreciated by 0.6% to 90.09/USD in Dec'25, but the pressure on currency moderated in the first 16 days of Jan'26 though the pressure has renewed since then.
- The Merchandise trade deficit widened marginally to USD 25bn in Dec'25. Momentum in overall trade activity was not notable, as exports rose 1% MoM and imports 1.4% MoM; moreover, normalised gold imports (at USD 4.1bn; -12.1% YoY) aided the overall trade balance. We believe that normalisation in the trade deficit for the second consecutive month will cushion the INR over coming days.

### Exhibit 10. Monthly external indicators

External	Unit													Average		
		Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	FY26 YTD	FY25 YTD
Exchange Rate	INR/USD	84.99	86.27	87.05	86.64	85.56	85.19	85.90	86.11	87.52	88.32	88.42	88.83	90.09	87.33	83.88
Forex Reserves	USD bn	636	631	639	668	688	691	698	690	695	700	690	686	697	693	664
Trade Balance	USD bn	-20.6	-23.1	-14.1	-21.5	-27.1	-22.6	-19.1	-27.9	-27.2	-32.9	-41.9	-24.5	-25.0	-27.6	-24.9
Services Surplus	USD bn	19.2	18.0	17.1	18.1	15.9	15.8	16.2	16.4	15.6	18.8	17.4	17.4	18.1	16.9	15.1
CAD (% of GDP-Quarterly)	%	-1.1%			1.3%			-0.3%			-1.3%				-0.8%	-1.3%
Oil Prices	USD/t	533	571	542	524	489	463	516	507	492	490	467	467	460	483	582

Source: CMIE, JM Financial

## Flows (Net)

- FII selling in equities intensified in the first 16 days of Jan'26 to USD 2.6bn, after their sell-off of USD 2.6bn Dec'25. However, SIP flows continued to hold strong at INR 310bn in Dec'25.

### Exhibit 11. Flows monthly indicators

Flows (Net)	Unit													Average		
		Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	FY26 YTD	FY25 YTD
FII inflows- Equity	USD mn	1,321	-8,418	-5,353	975	530	1,738	2,373	-2,852	-4,314	-2,293	1,255	40	-2,633	-684	-235
FII inflow -Debt	USD mn	1,618	548	1,113	4,146	-2,180	1,197	-1,895	879	1,546	1,254	2,110	22	-1,459	164	1,135
Mutual fund net inflows-Equity	INR bn	458	487	363	243	387	399	470	638	490	401	391	435	391	445	392
Mutual fund net inflows-Debt	INR bn	-569	-515	-624	-806	-239	-829	-320	-212	-653	-559	-128	-722	-346	-445	-275
FDI Inflows	USD mn	-189	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

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New 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)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

\* REITs refers to Real Estate Investment Trusts.

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