

Monthly Market Outlook – Mar 2026



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Global Equity Markets – Grappled with winds of the war

Country	Absolute One Month Returns - Feb 26 (%)	Returns since onset of Middle East Tensions (%)
South Korea	20	-11
Indonesia	-1	-10
Japan	10	-8
Taiwan	10	-7
Switzerland	6	-7
France	5	-6
Germany	3	-5
UK	7	-5
Eurozone	4	-4
India	1	-4
Brazil	3	-3
Singapore	2	-3
US	0	-3
Hong Kong	-3	-3
China	1	-2
Russia	-1	0

- The heat of regional conflict in Middle east is being felt globally as markets are facing downward pressure
- Before falling, the Korean markets had superlative gains driven by jump in semiconductors shipment. The markets declined > 10% in 10 days due to its heavy dependency on 'Strait of Hormuz' for energy transport
- The conflict sparked a \$18* Bn sell off in the EMs (excluding China) within a week, which is the largest level since Covid outbreak in 2020

Returns data is from Feb 01,2026 to Feb 27,2026 is considered for first table. Data from Feb 27,2026 to March 10,2026 is considered for the second table. *Data from Feb 27,2026 to March 05,2026 is considered. Past performance may or may not sustain in the future. Returns are absolute returns. EM: Emerging market, Bn: Billion. Data Source: MFIE Research and ACE MF. MFI Explorer is a tool provided by ICRA Analytics Ltd. For their standard disclaimer please visit <https://icraanalytics.com/home/Disclaimer>. Past performance may or may not sustain in future. The sector(s)/stock(s) mentioned in this document do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future positions in the sector(s)/stock(s). The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors



Sector Spotlight – From Optimism to Panic in record time

Sectors	One Month Absolute Returns - Feb 26 (%)	Returns since onset of Middle East Tensions (%)
Oil & Gas	8	-8
Bankex	4	-6
Infra	8	-5
Auto	7	-5
Financials	3	-5
Energy	7	-5
Realty	2	-5
CD	8	-3
Metal	8	-3
FMCG	2	-3
Telecom	1	-2
IT	-19	-2
Power	12	-1
CG	9	0
HC	7	0

- Prior to the rise in tensions in the Middle East, Indian markets had demonstrated a good recovery, largely fueled by FII investments.
- Nevertheless, the IT sector remained under pressure from AI-related challenges
- Since the conflict began, a substantial sell-off has occurred, especially within the oil and gas industry, with no index immune to downward pressure

Returns data is from Feb 01,2026 to Feb 27,2026 is considered for first table. Data from Feb 27,2026 to March 10,2026 is considered for the second table, Returns are absolute returns. Indices used: Power Sector- BSE Power TRI , Bankex Sector- BSE Bankex TRI , FMCG Sector- BSE FMCG TRI , Energy Sector- BSE Energy TRI , For Capital Goods Sector - BSE CG Index , Auto Sector- BSE AUTO Index , Oil & Gas Sector- BSE Oil & Gas TRI Index , Finance Sector- BSE Financial Services TRI , Metal Sector BSE METAL TRI, Telecom Sector- BSE Telecom TRI , HC Sector- BSE HC TRI , Realty Sector- BSE Realty TRI , Consumer Durables Sector - BSE CD TRI , IT Sector- BSE IT TRI is considered. CG: Capital Goods, CD: Consumer Durables, IT: Information Technology, FMCG: Fast moving Consumer Goods. AI: Artificial Intelligence. Data Source: MFIE Research. MFI Explorer is a tool provided by ICRA Analytics Ltd. For their standard disclaimer please visit <https://icraanalytics.com/home/Disclaimer>. Past performance may or may not sustain in future. The sector(s)/stock(s) mentioned in this document do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future positions in the sector(s)/stock(s). The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors

India – Caught in the eye of the storm

In the vast expanse of the ocean, when a powerful cyclone forms, the surrounding environment becomes intensely turbulent. Winds accelerate, waves rise unpredictably, and visibility diminishes as the storm gathers force. Yet at the very center of this system lies the eye of the storm — a small region where conditions appear relatively calm, even as powerful winds continue to rage in the surrounding.

The global economic landscape today bears resemblance to the outer layers of such a storm. Persistent geopolitical tensions, AI related worries, global valuations and uneven growth has resulted in significant volatility in global markets. These forces act like strong winds, influencing capital flows, currency movements, and investor sentiment across regions.

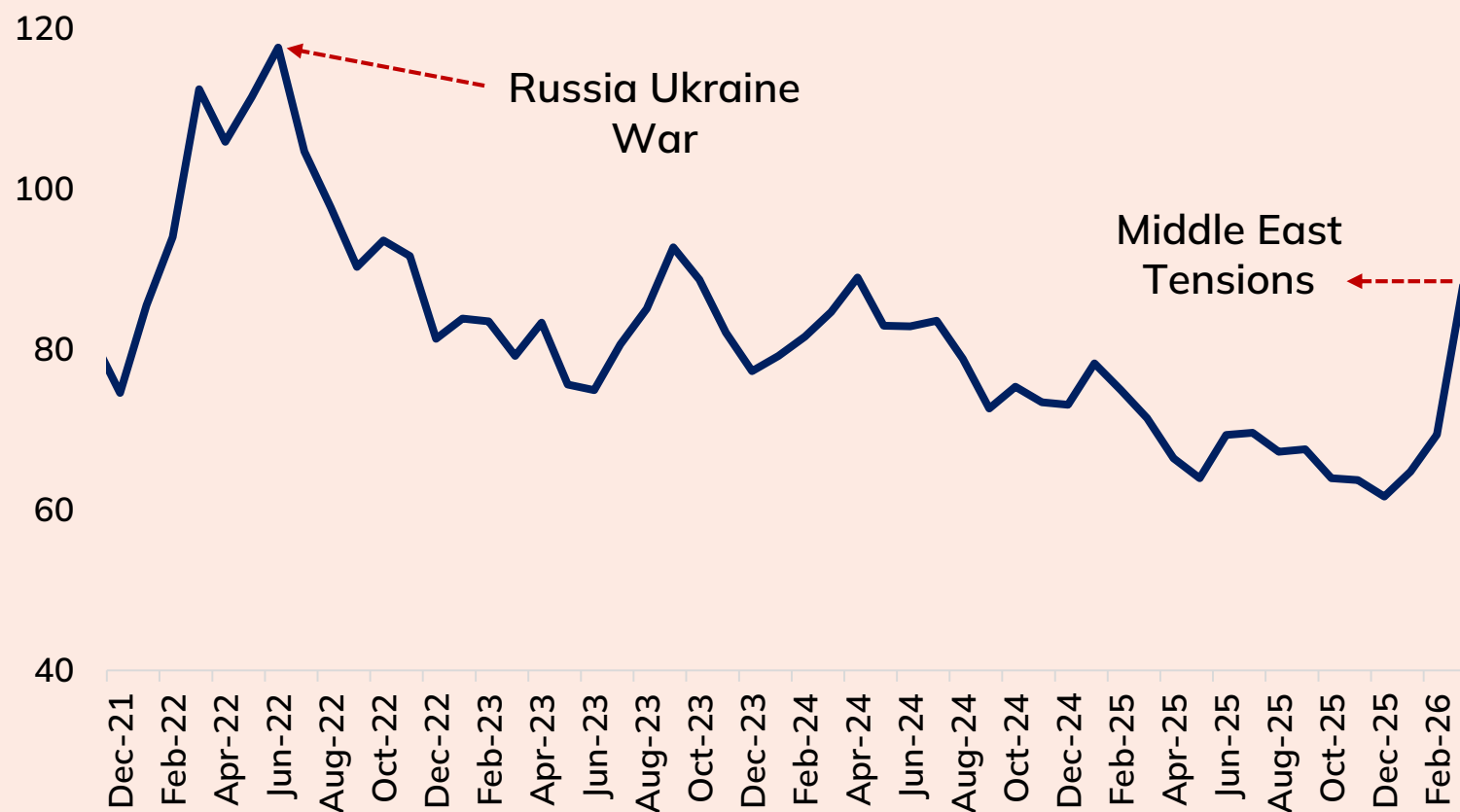
Amid this turbulence, India appears to be positioned closer to the calmer center of the system. Relatively resilient domestic demand, policy support, improving earnings, valuation froth settling, and supportive macroeconomic conditions have created a pocket of comparative stability within the broader global environment.

However, the eye of the storm is not detached from the storm itself. It remains part of the same system, surrounded by the same powerful forces. While India's domestic fundamentals provide a degree of insulation, it is not immune to key risks such as prolonged geopolitical tensions, AI disruptions, Global stock valuations and domestic heated equity supply market



Global Turmoil – Oil on the boil

Brent Crude Oil Prices (US\$/bbl)



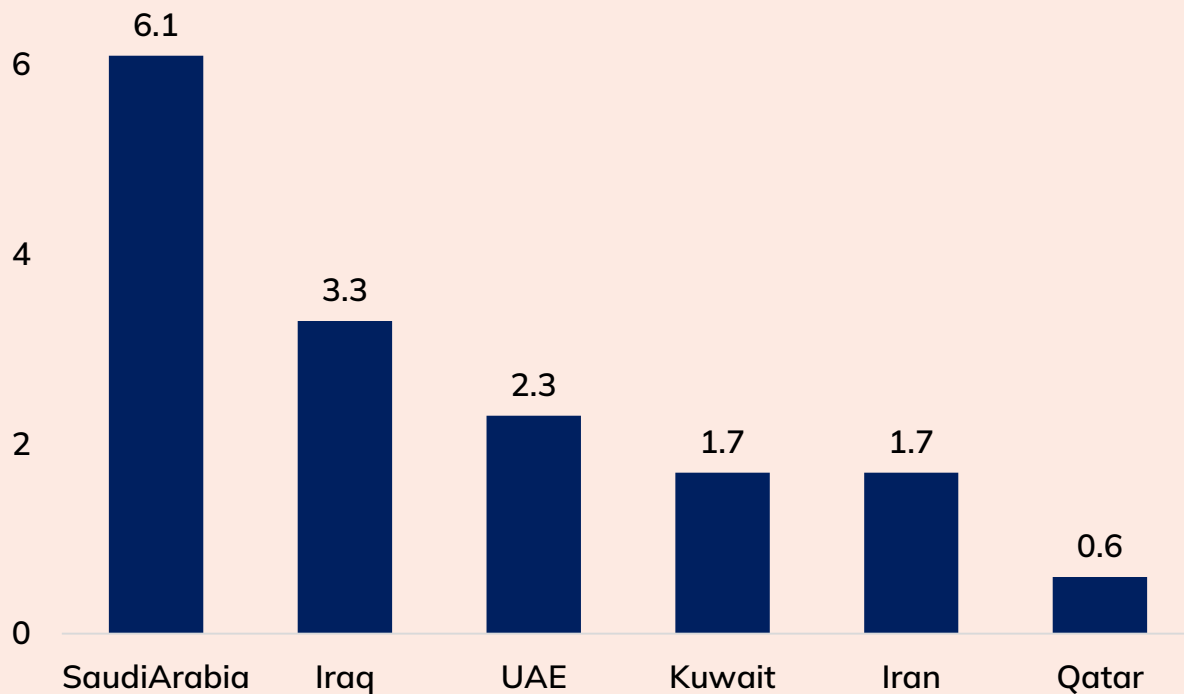
- The surge in Oil and LNG prices is testing the resilience of global economy once again
- IMF stated that a 10% increase in oil price for a year is likely to cause 40 bps increase in inflation and 10-20 bps slowdown in growth



Global Turmoil – Oil prices to remain volatile

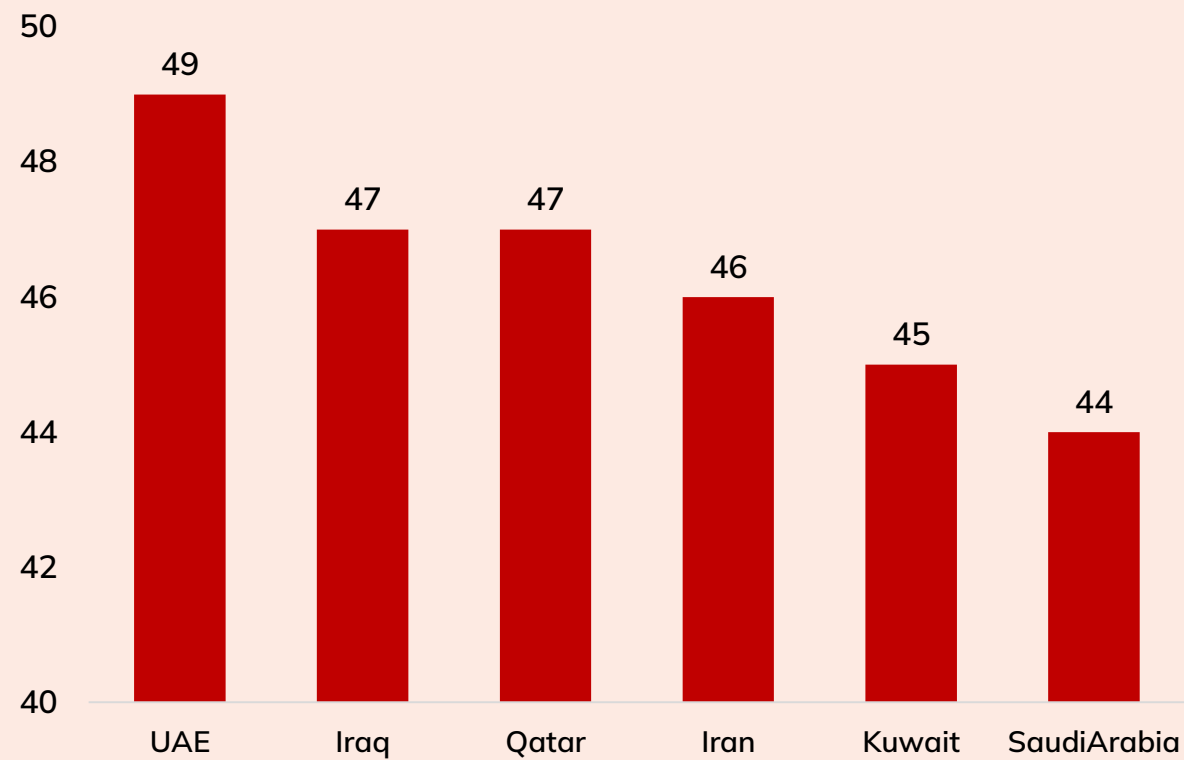
Closure of 'Strait of Hormuz', which is a vital chokepoint for oil transport, will cause Middle East Oil output to fall thereby pushing the oil prices higher

Export via Strait of Hormuz (Mbd)



Oil storage facilities throughout the Gulf are rapidly reaching their capacity which can lead to production halts and further oil shortages

Oil storage capacity used by Key Gulf Countries (%)



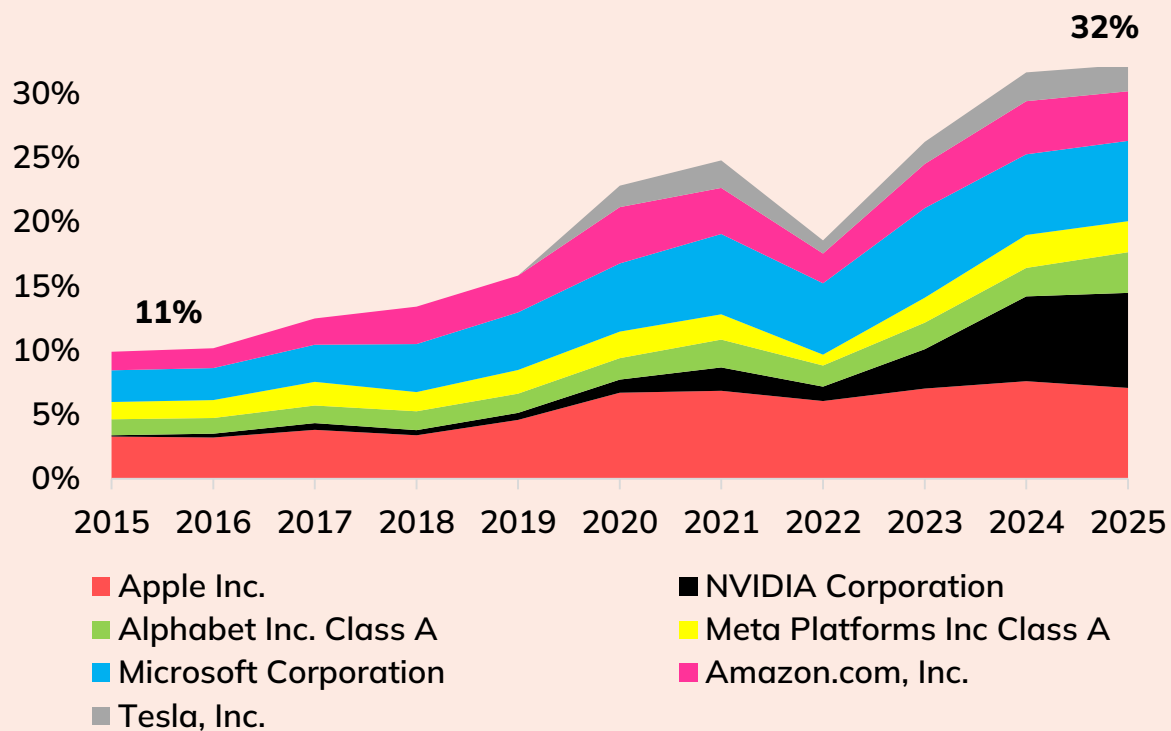


Global Turmoil – Tech creating Turbulence

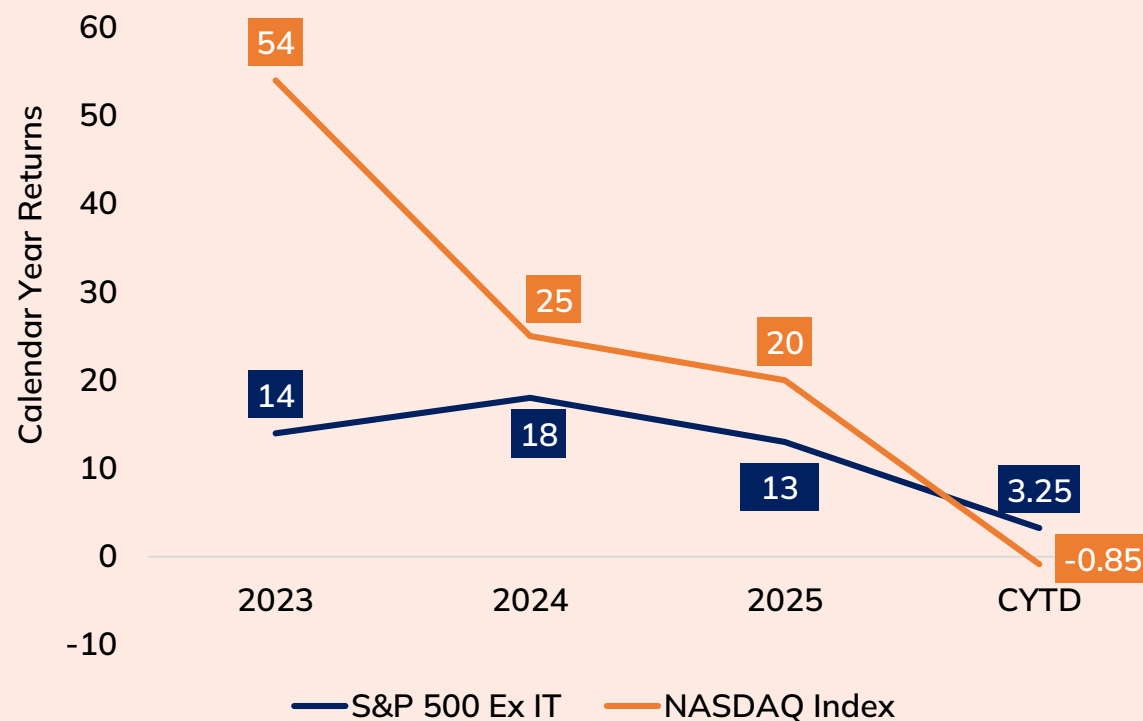
AI led optimism led to three spectacular years of outperformance by US Tech stocks
thereby elevating their valuations.

Since onset of 2026, the AI led optimism has been losing steam but valuations still continue to remain high

Weightage of Mag-7 stocks in S&P 500



US Big Tech losing momentum?



Data Source: Morgan Stanley, Nuvama Institutional Equities and ICICI Securities. Mag-7 is acronym used for Magnificent 7 stocks; a group of the seven largest and most influential technology-focused companies in the U.S. stock market. The companies that make up the 'Mag-7' include – Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia, Tesla. Past performance may or may not sustain in future. Data as of Nov 30, 2025 for 'Weightage of Mag-7 stocks in S&P 500' and data as on Feb 28, 2026 for 'US Big Tech losing momentum?'. AI – Artificial Intelligence, IT: Information Technology, CYTD: Calendar Year Till Date. The sector(s)/stock(s) mentioned in this document do not constitute any recommendation of the same and ICICI Prudential Mutual Fund may or may not have any future positions in the sector(s)/stock(s). The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors



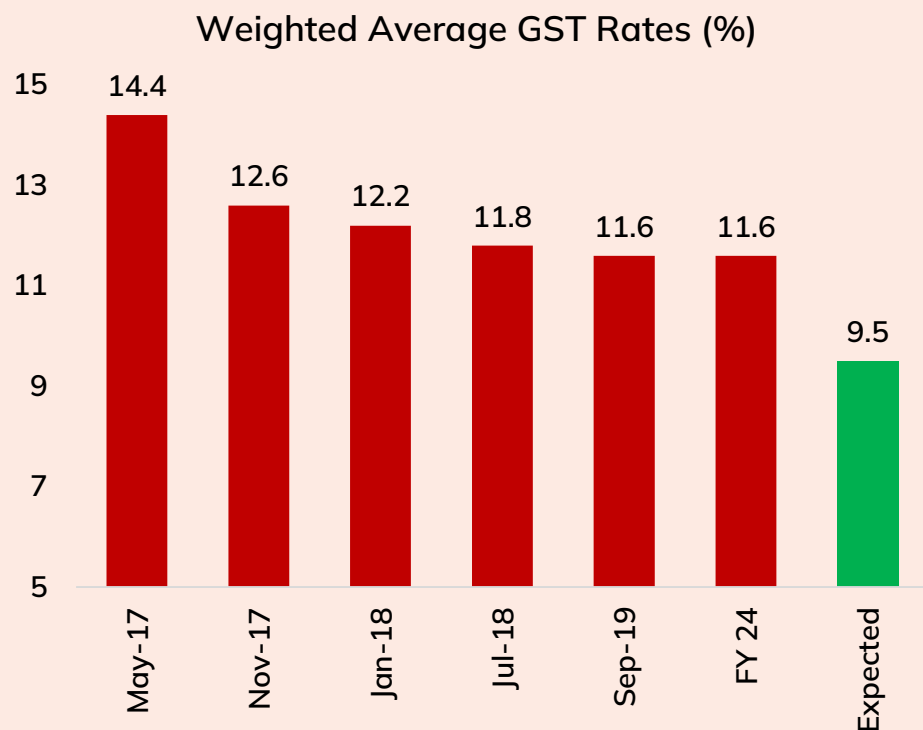
In today's macro environment, India increasingly appears like the eye of a storm which has relatively stable conditions while chaos surrounds it



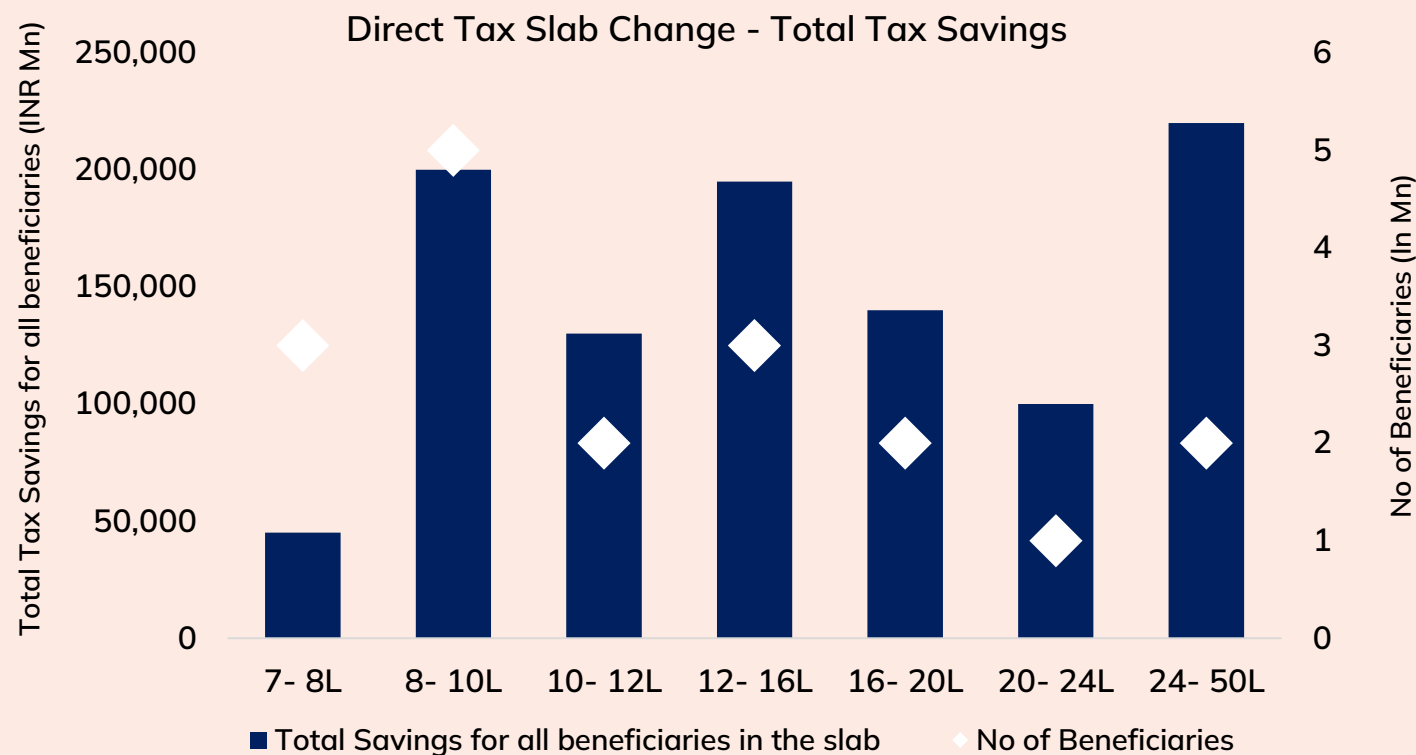
Indian Economy – Policy remains supportive

The recent fiscal stimulus delivered by the Govt. (GST Rate Cuts + Direct Tax Benefits) are likely to accelerate the domestic consumption in the economy

GST Rate Cuts: Benefit to the Households from GST Rationalization is likely to be ~0.6 % of the GDP



Direct Tax Slab Change: ~20 Mn Tax Payers likely to save a total of Rs 1030 Bn

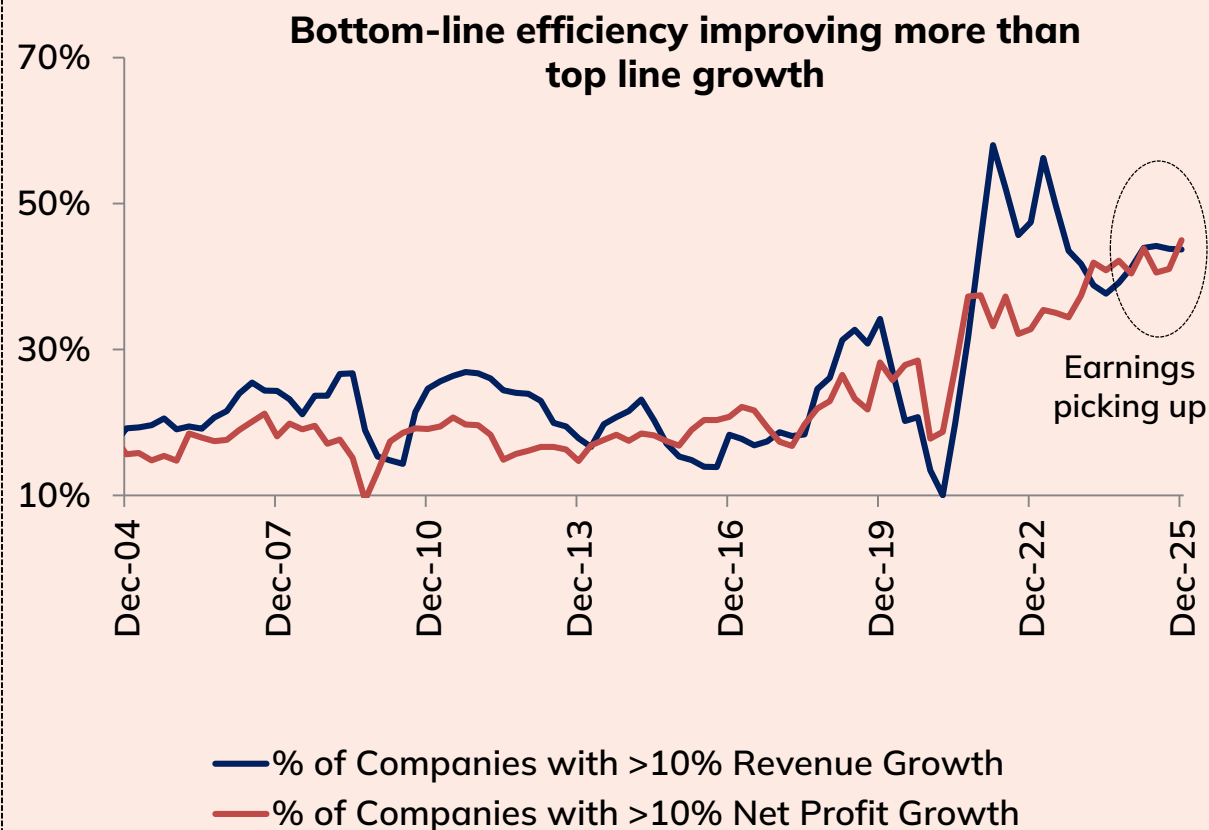
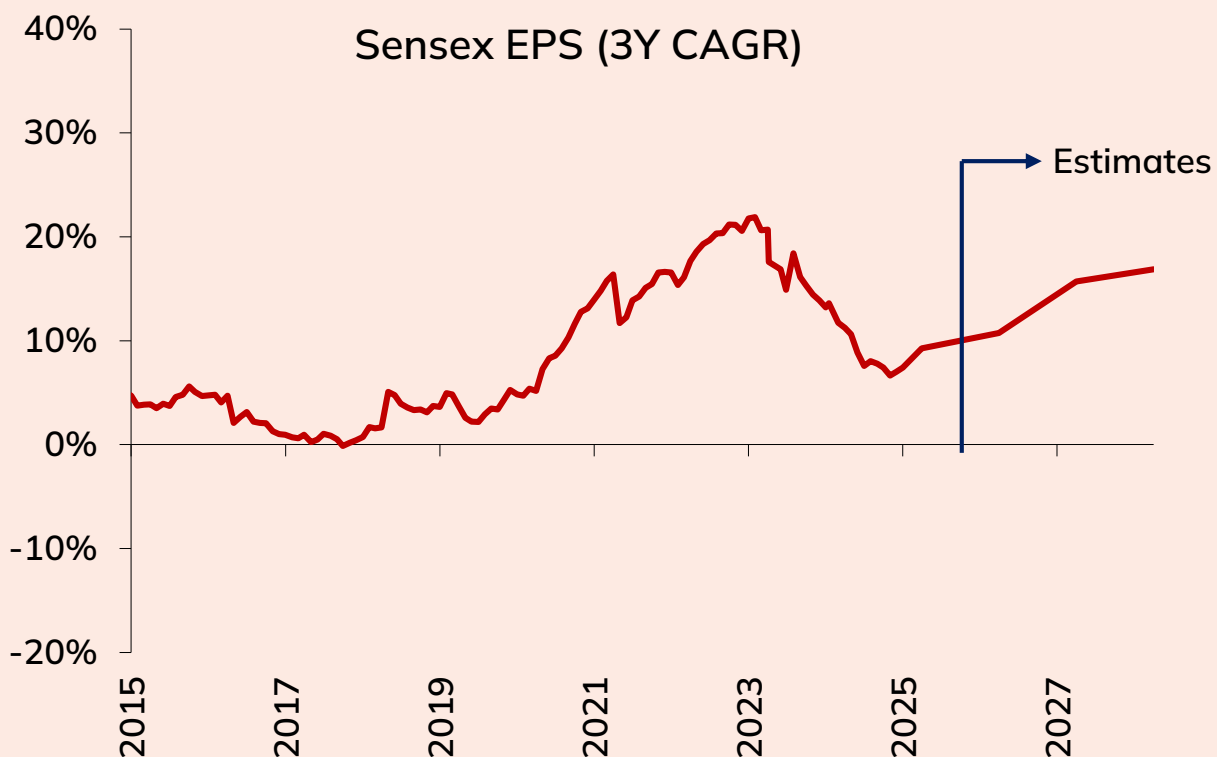


Data Source: IIFL, Kotak Institutional Equities and [IBEF](#). For calculations of benefit from change in tax slabs for individual, Kotak Institutional Equities have made following assumptions: 1) Projected total 2026 salaried income tax filers, based on growth rates of FY2023-24. 2) Assumed uniform distribution of filers/ tax payers among income tax slabs 3) Assumed that 80% of the tax payers are in the new tax regime and 4) Not assumed the impact of standard deduction in the calculations. GST: Goods & Services Tax, GDP: Gross Domestic Product, Mn: Million, FY: Financial Year, L: Lakhs. The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors



Indian Economy – Earnings cycle set to resume

Earnings growth is picking up after a prolonged mid cycle slowdown, driven by RBI rate cuts, bank deregulation, liquidity infusion, tax cuts etc.

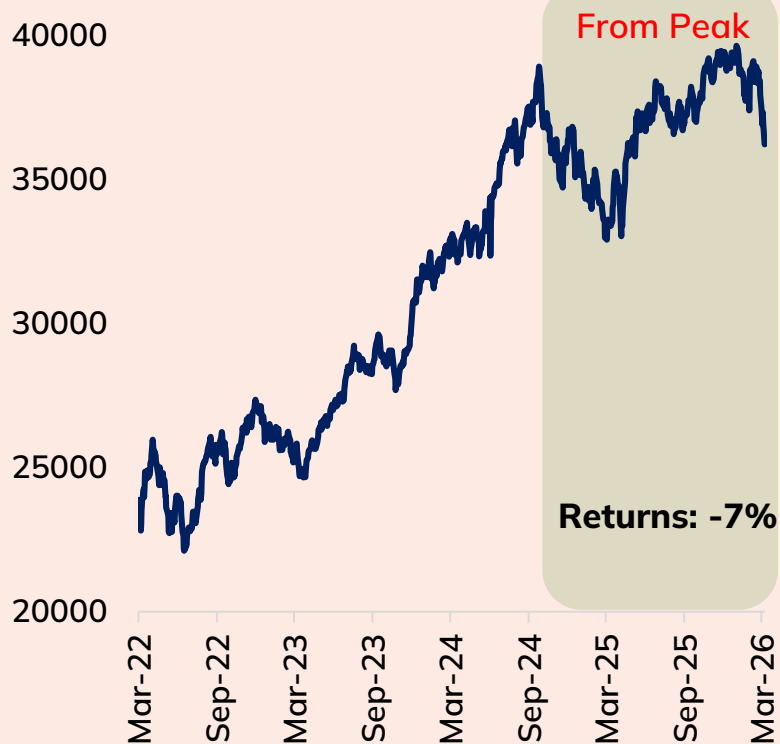




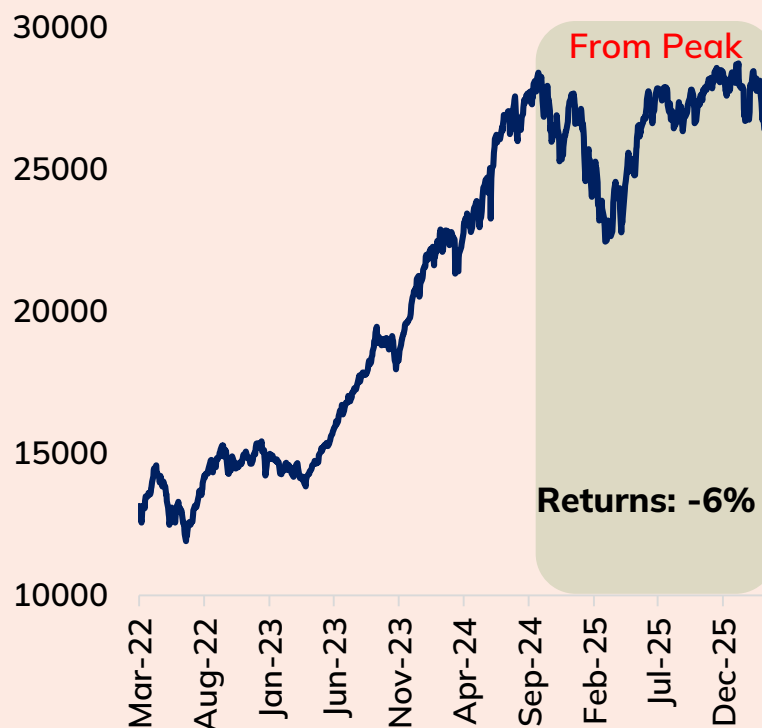
Indian Economy – Domestic Market Froth Settles

Indian equities returns which were superlative across market cap segments have come off from peaks seen in 2024. The frothiness has begun to settle suggesting that market valuations have now cooled-off

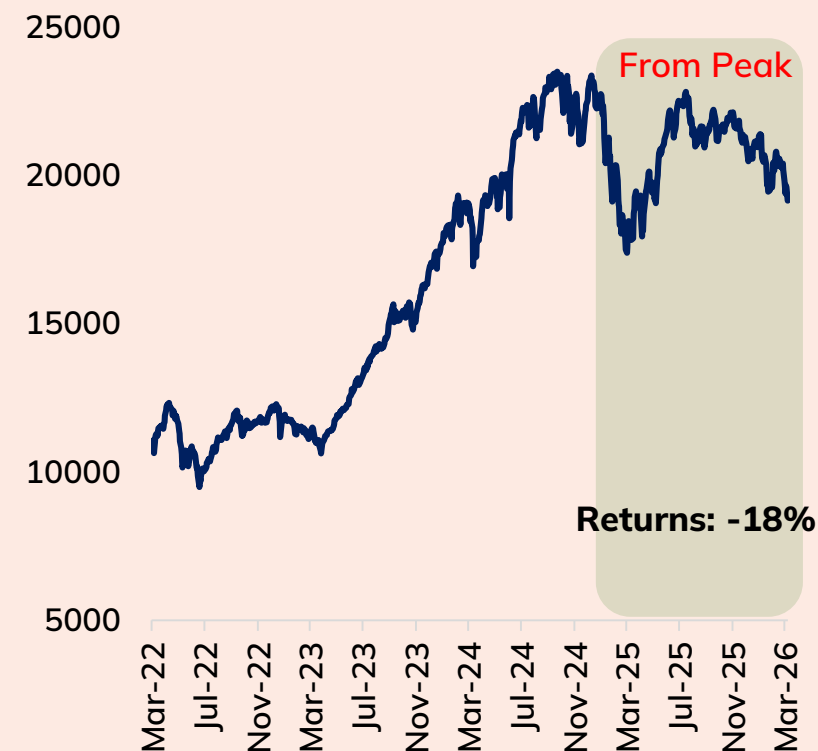
NIFTY 50 - TRI



Nifty Midcap 150 - TRI



Nifty Smallcap 250 - TRI





Indian Economy – Domestic Market Froth Settles

Domestic market exuberance has come off.

Valuations have settled relatively but continue to remain on higher side

Period	As a % of Total Market Cap			
	Top 50 Stocks	Next 50 Stocks	Midcap-150 Stocks	Smallcap-250 Stocks
2015	59.8	14	15.2	11
2016	58.8	14.1	15.3	11.8
2017	53.4	14.7	17.3	14.6
2018	58.3	13.7	16.3	11.7
2019	61.8	13.1	15.6	9.5
2020	60.9	13.3	15.5	10.2
2021	55.6	13.1	16.8	14.4
2022	56.7	12.5	16.1	14.7
2023	51.4	13.1	17.6	17.8
2024	46.1	13.8	19.3	20.8
2025	46.7	13.9	20.0	19.4
Feb-26	46.7	14.5	20.0	18.8

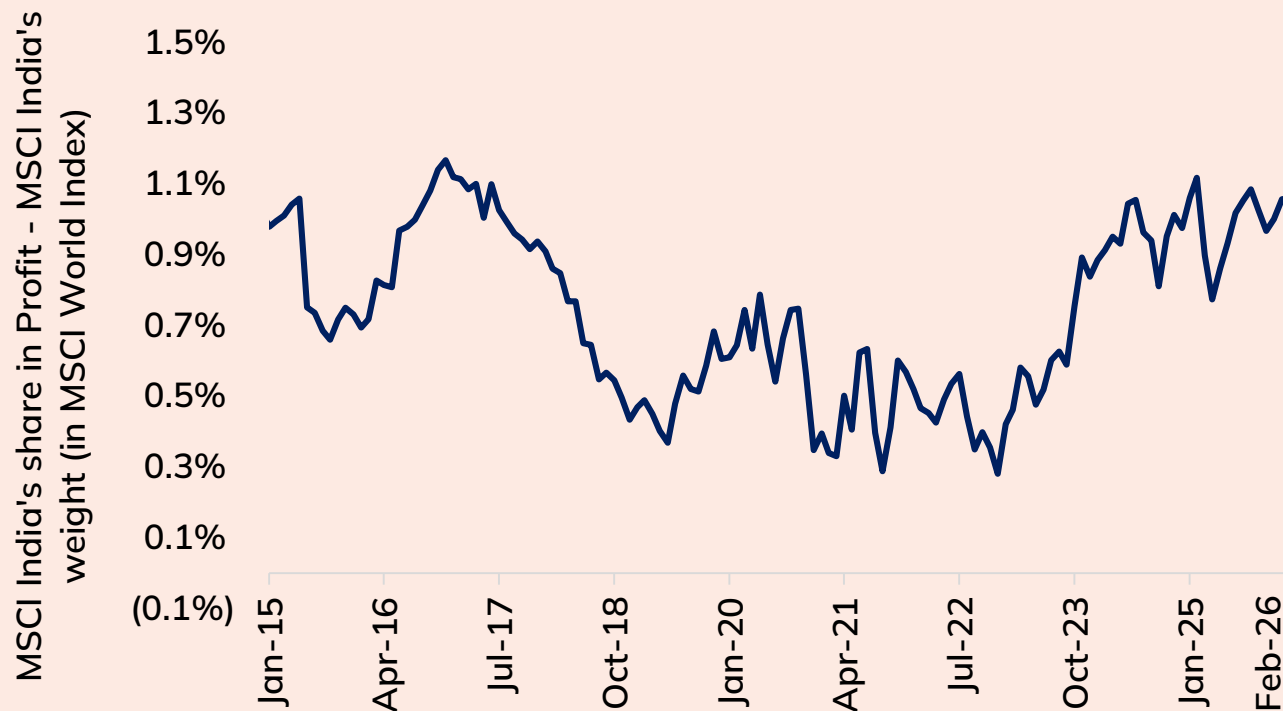
Source: NSE. Data as on Feb 28, 2026. Data is on calendar year basis. Past performance may or may not sustain in future. Red indicates high valuations, Amber indicates neutral valuations and Green indicates attractive valuations. The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors



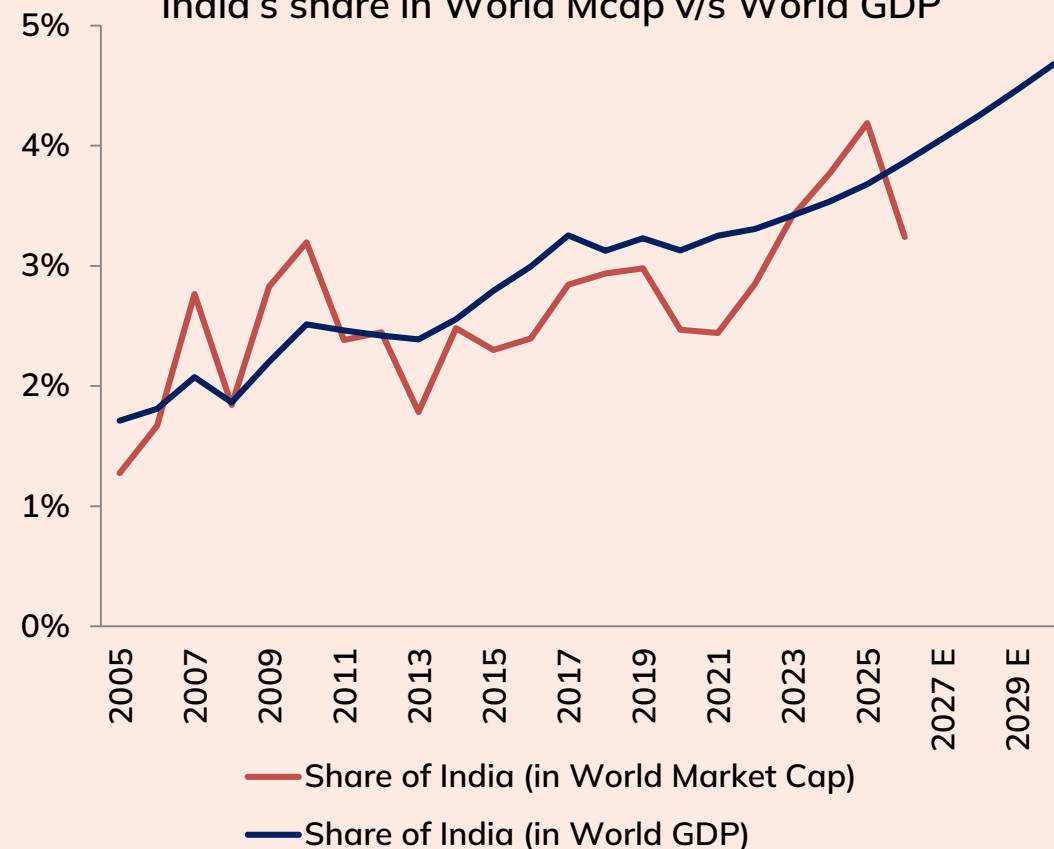
Indian Economy – Negativity factored in

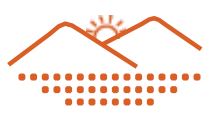
India has experienced a rapid decline in its market share within MSCI basket, despite demonstrating relatively stronger growth, indicating a market slip due to weaker sentiment than a structural loss

India's profit share is higher relative to its index weight



India's share in World Mcap v/s World GDP

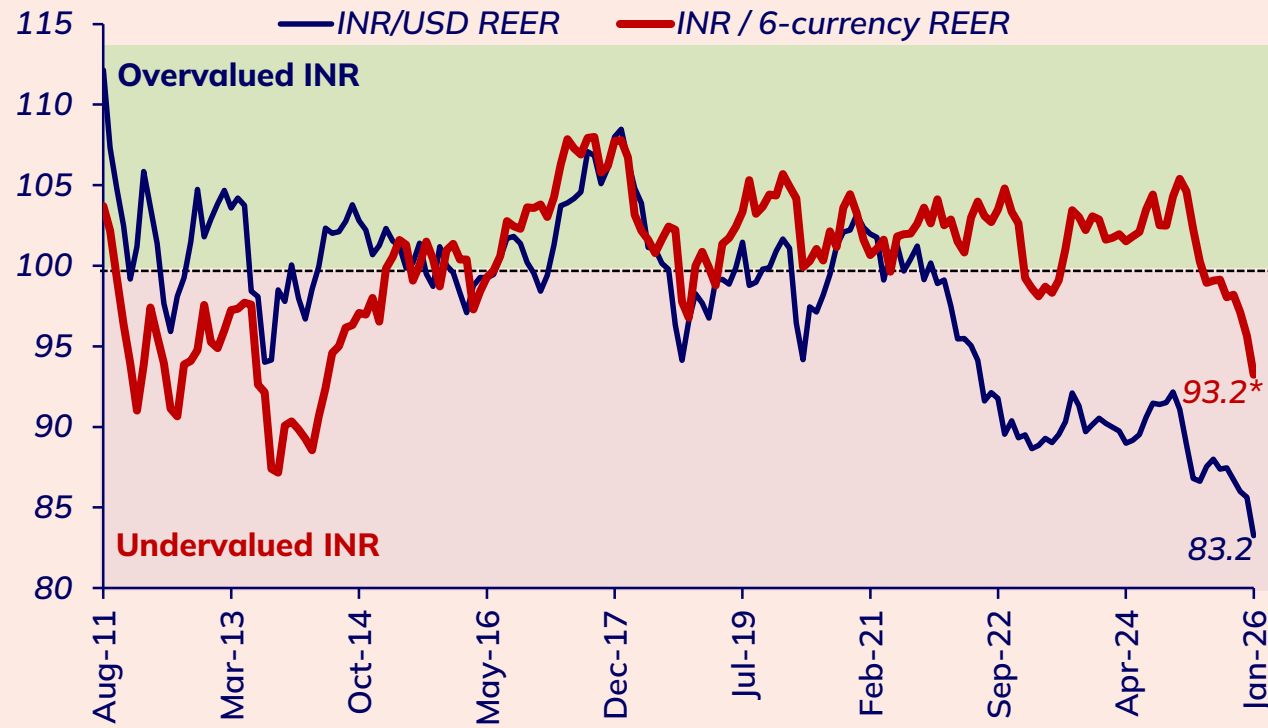




Indian Economy – Rupee slippage, Not a macro breakdown

The INR faced a tough time despite India's macro strength, making it undervalued.
Attractive rupee valuations can be eye catching for foreign investors

INR/ 6 Currency weighted REER and INR/USD REER (Real Effective
Exchange Rate) falls to a decade low



INR depreciation is in check when compared to historic episodes

Particulars	Taper Tantrum (2013)	NBFC Liquidity Crisis (2018)	Covid-19 (2020)	Russia Ukraine War (2022)	Current
CPI Inflation	8.4%	5.1%	5.8%	6.1%	2.8% [^]
GDP Growth	6.4%	7.2%	-5.8%	9.7%	7.7% [*]
Brent Crude Price	100	69	23	101	88 ^{&}
Fiscal Deficit (as a % of GDP)	4.8	4.0	9.2	6.7	4.4 [*]
INR Depreciation (v/s USD)	-15.9%	-15.7%	-6.9%	-10.8%	-8.1% [#]

Source: CLSA Research. The 6-currency weighted REER for India measures the rupee's real purchasing power against a basket of currencies of major trading partners (i.e. US, Europe, Japan, UK, China, and Singapore). In the left hand side chart, the green shade indicates overvalued / stronger INR and the Red shade indicates undervalued / weaker INR. The 2015-16 reading is based as 100. [^]Data as on Jan 31, 2026. [&]Data as on March 09, 2026. [#]Data as been calculated from Sep 2024 to Feb 2026. ^{*}CLSA Estimates for FY26. For GDP growth and Fiscal deficit as a % of GDP, the FY figures have been considered. CPI Inflation and Brent Crude Oil Prices have been considered at the beginning of the period. The depreciation has been calculated in absolute percentages for the period. The following periods are considered: Taper Tantrum (May 13 to Sep 13), Liquidity Crisis (Jan 18 to Oct 18), Covid-19- Feb 20 to April 20, Russia Ukraine War : Feb 22 to Dec 22. NBFC: Non Banking Financial Companies, INR: Indian Rupee, GDP: Gross Domestic Product, CPI: Consumer Price Index. The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors



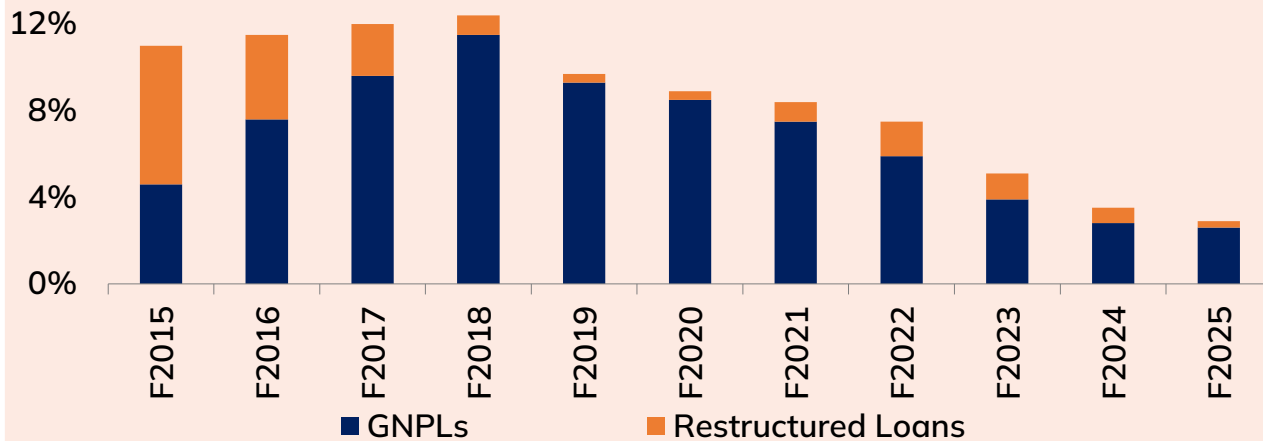
Alongside recent positive trends, India's macroeconomic stability supports a stronger long-term structural narrative



Strength in Long Term Macros

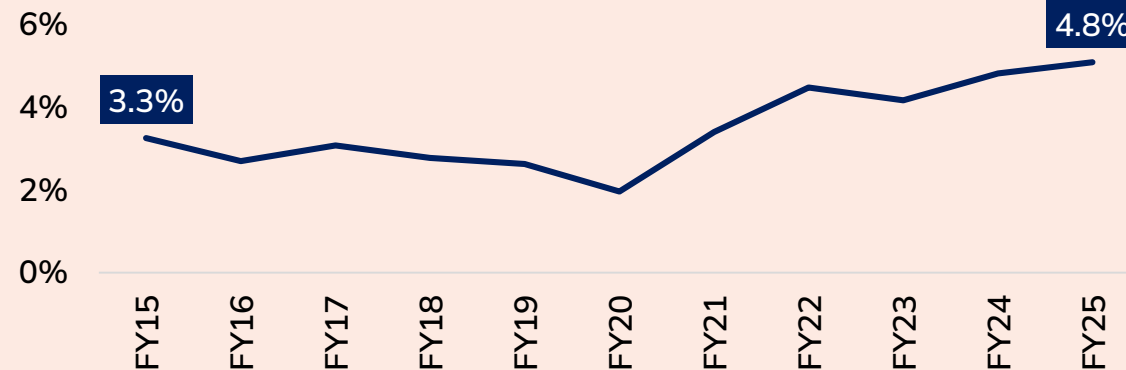
Asset quality of Banks getting better

Bank's Impaired Loans Ratio



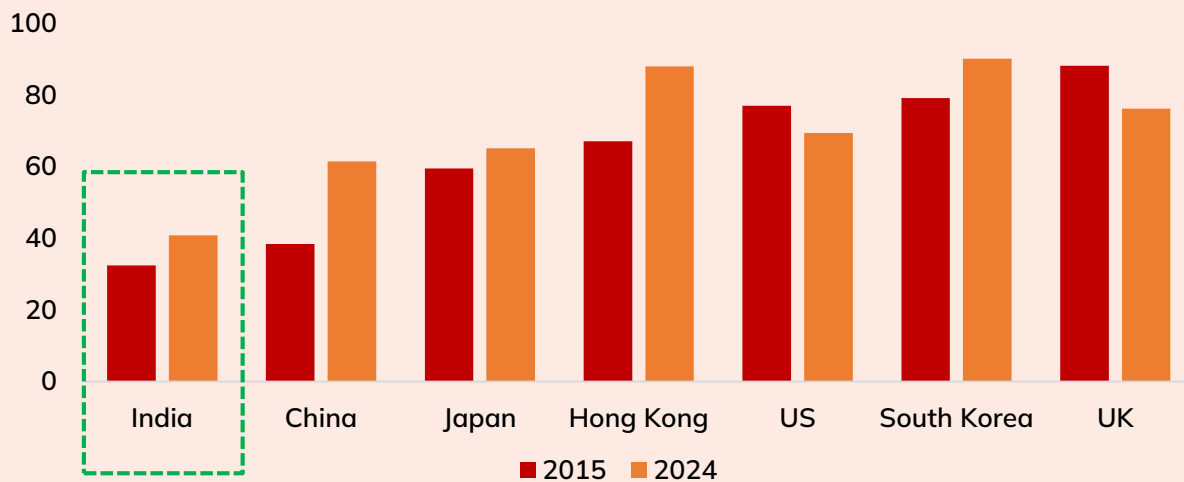
Profitability of the companies improving

Corporate Profit (as % of GDP)



India's Household Debt remains benign

Household Debt (as a % of GDP)



Fiscal Prudence in check

Center Fiscal Deficit (as a % of GDP)

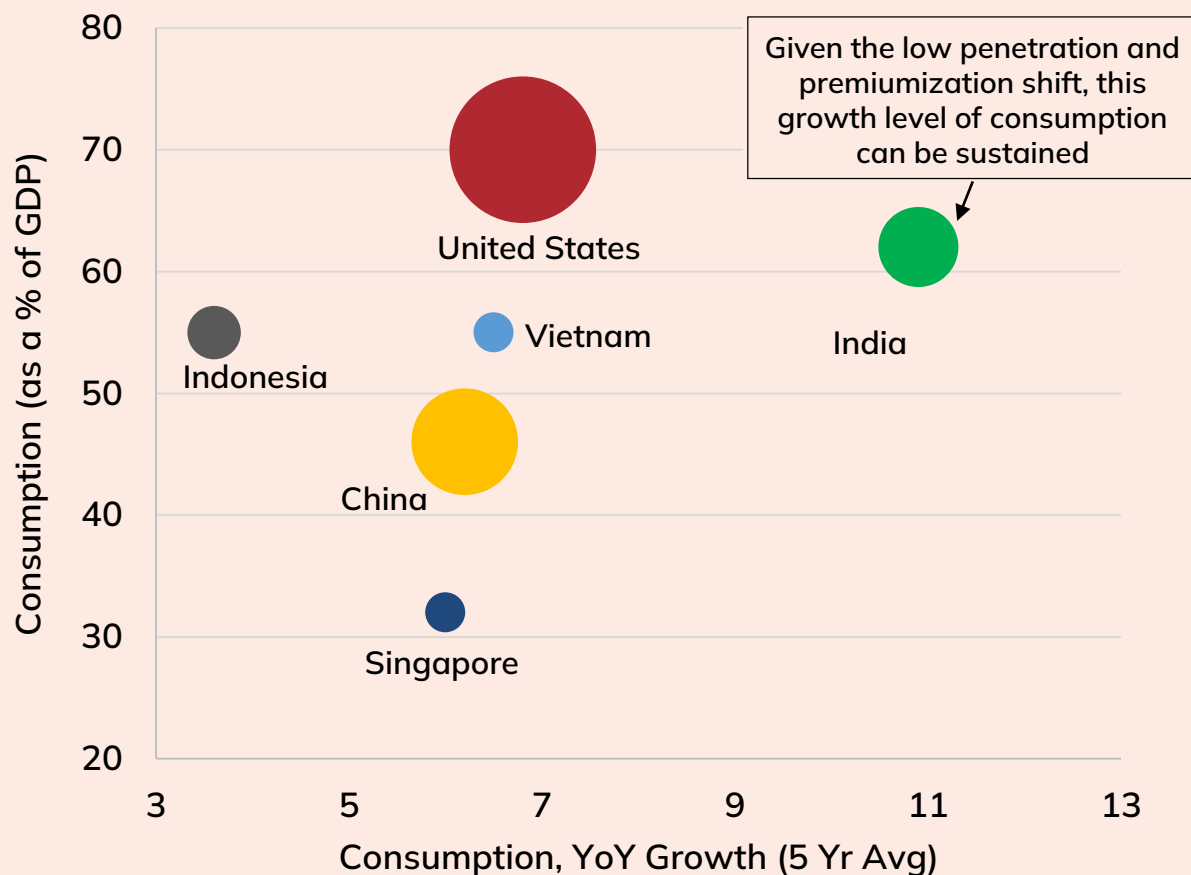




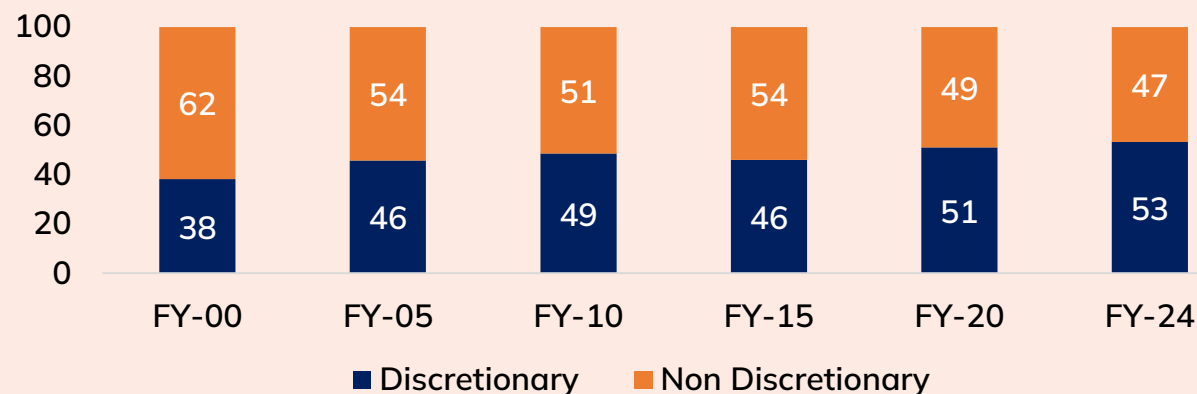
Strength in Long Term Macros

India's consumption story remains structurally strong with a clear shift towards premiumization, underpinned by rising incomes, expanding disposable surplus and comfortable inflation levels

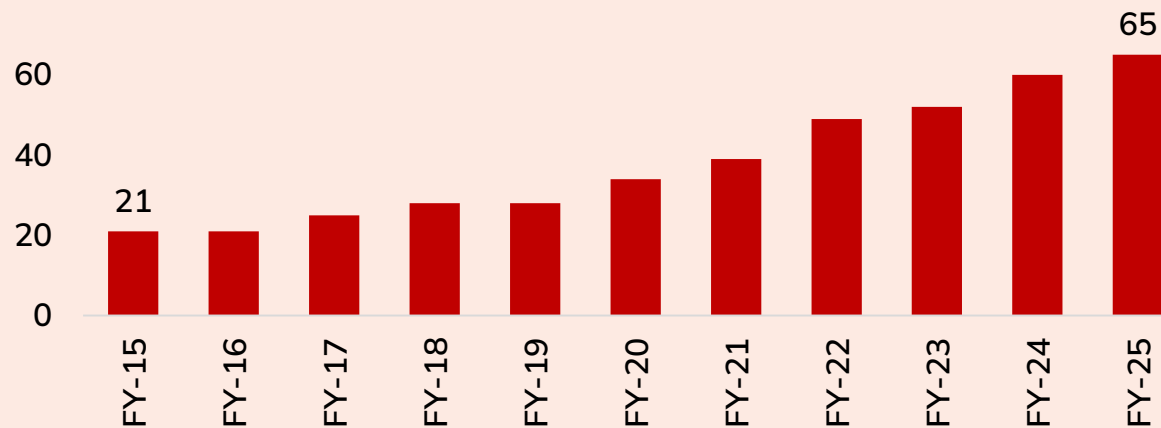
Trends in Consumption Across Countries



Trends in Consumer Spending (%)



Premium Cars (as a % of PV Sales)

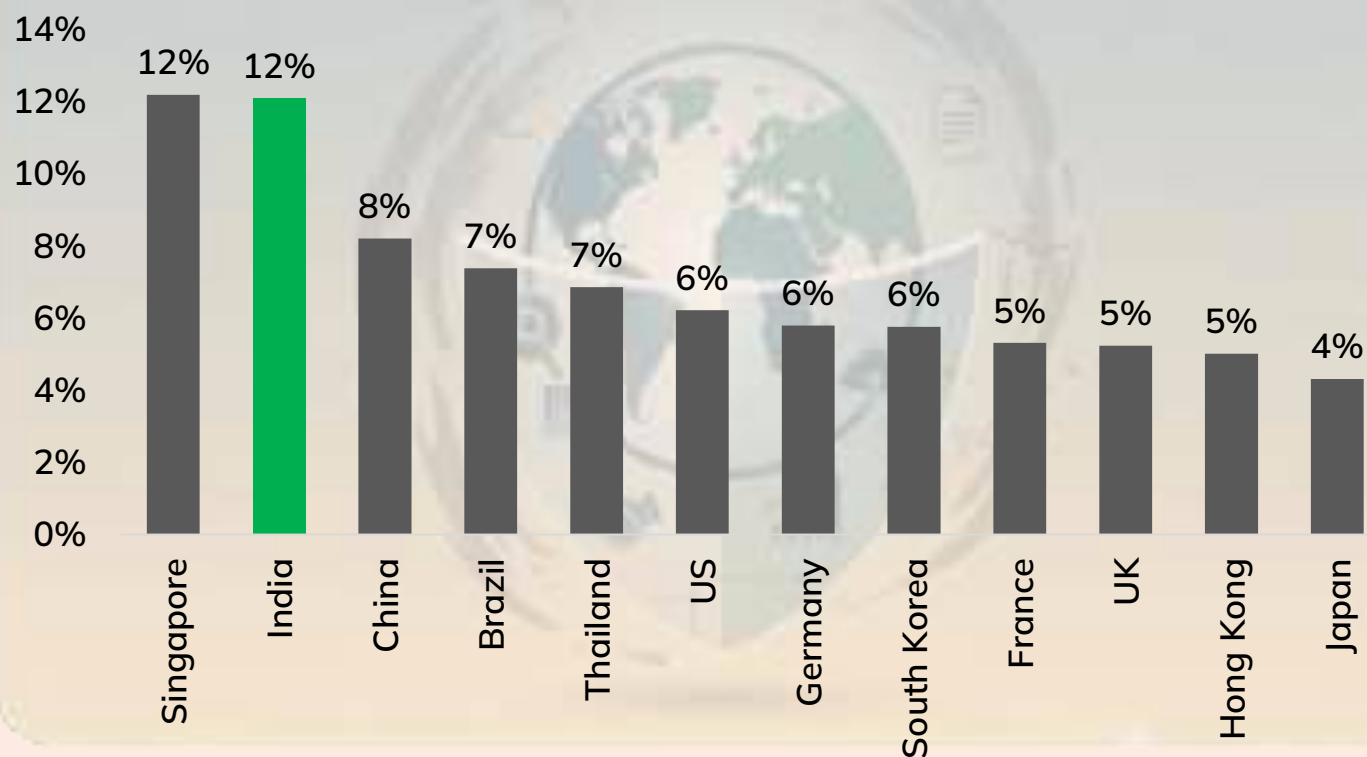




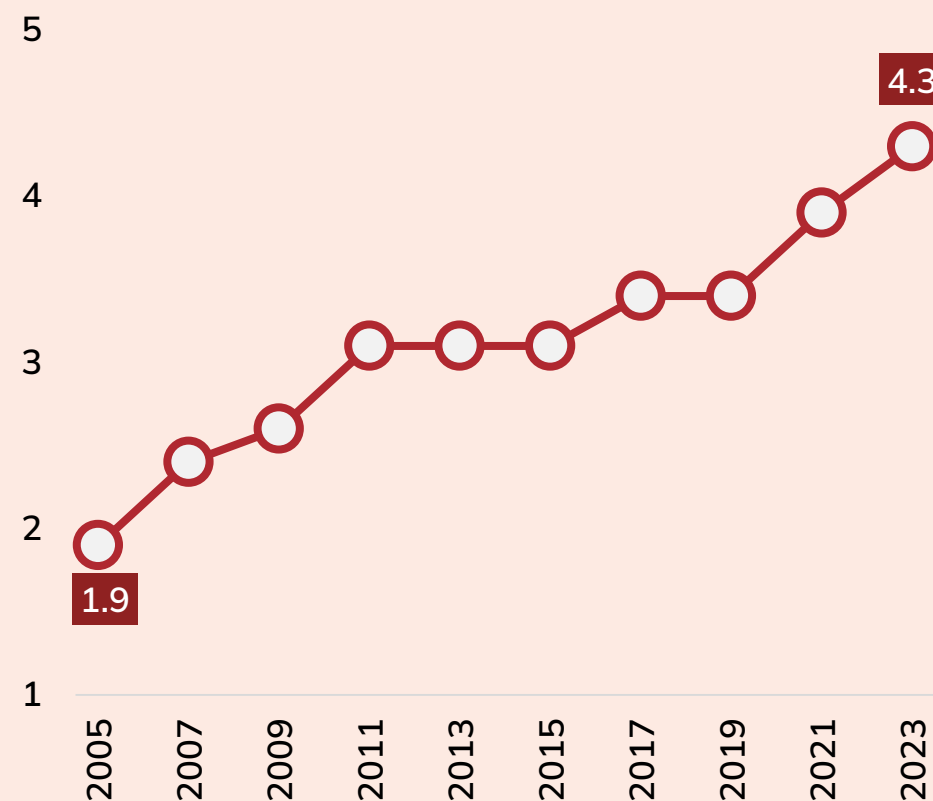
Strength in Long Term Macros

India's services export growth has almost doubled the average rate of rest of the world, cushioning India's external balances from supply side shocks

India's Services Exports grew at one of the fastest rates in last two decades



India's share in world services export (%)



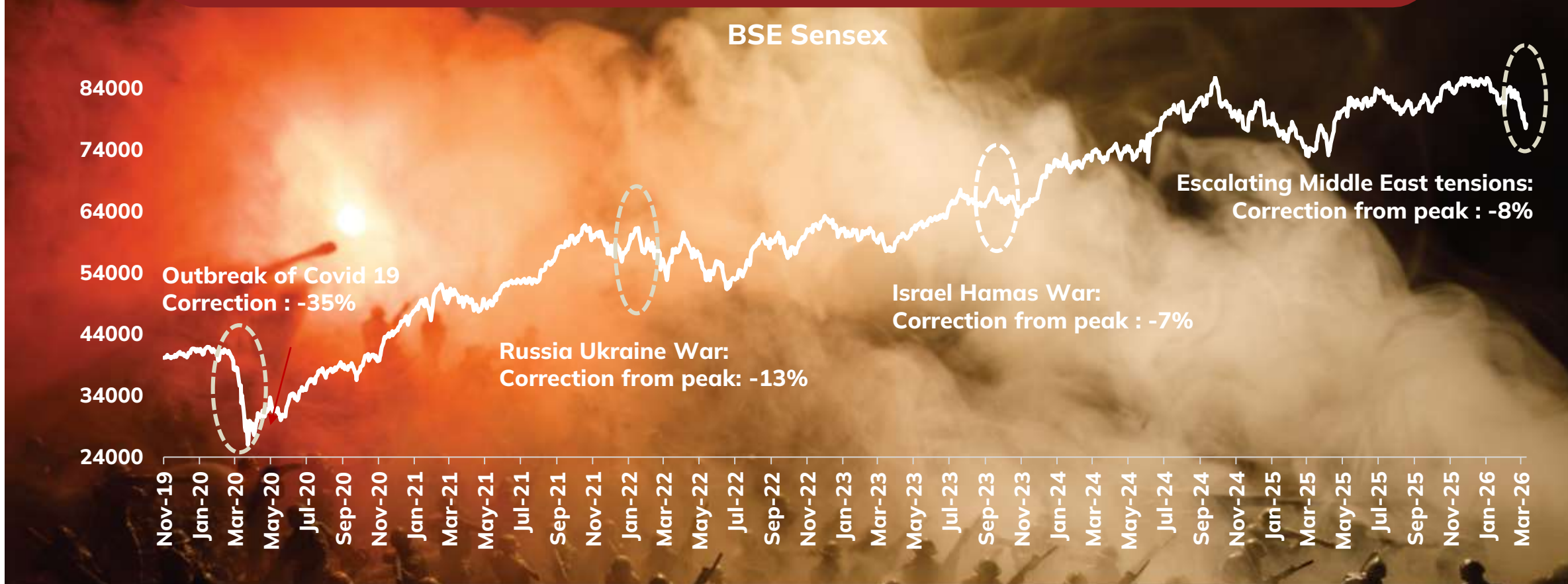


Key risks to our view



Escalating Geo-political Tensions

Due to its interdependence on global countries for trade, India, like many other nations, is not immune to the effects of geopolitics and global events



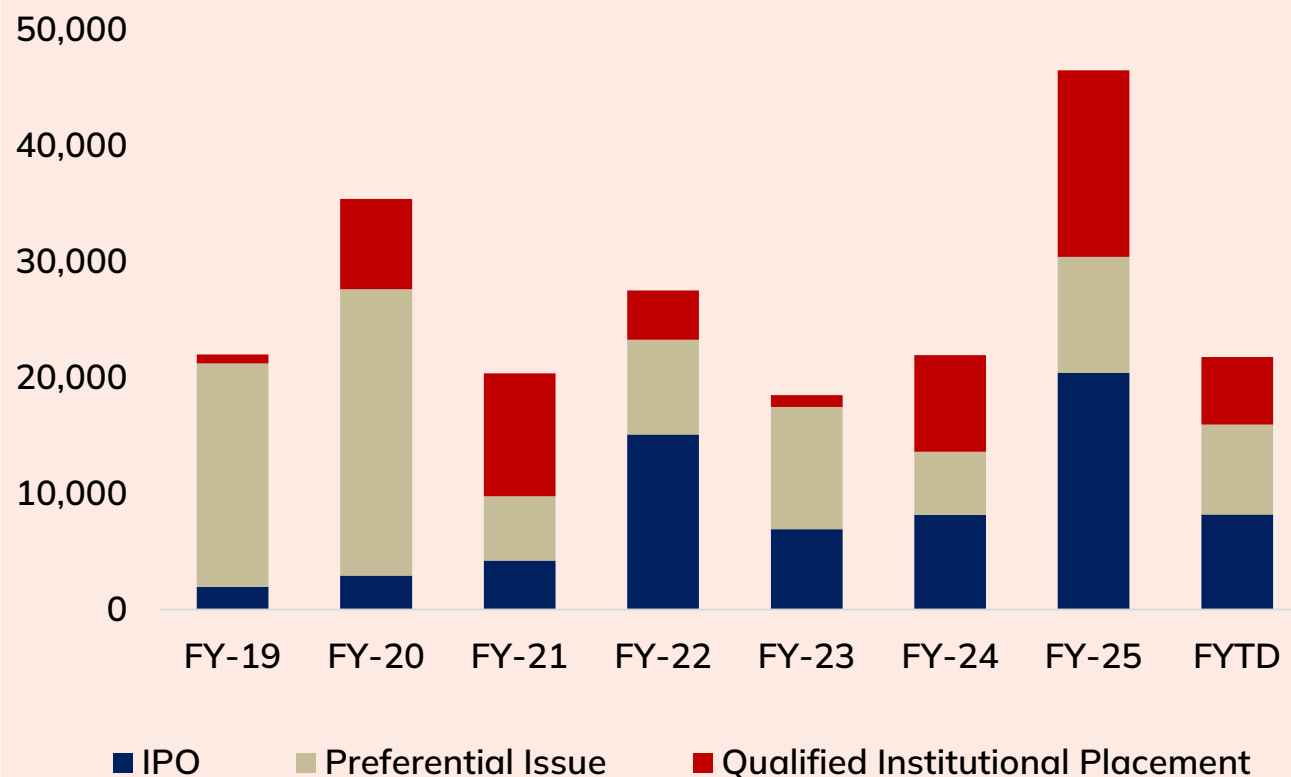
Data Source: Ace MF. Corrections have been calculated from peak just before the event to the bottom due to the event. Periods considered: Covid 19: Feb 25,2020 to March 23,2020; Russia Ukraine War : Jan 18,2022 to Mar 07,2022; Israel Hamas War: Sep 18,2023 to Oct 26,2023 and Middle East Tensions: Feb 11,2026 to Mar 09,2026. Returns are calculated on absolute basis. The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors



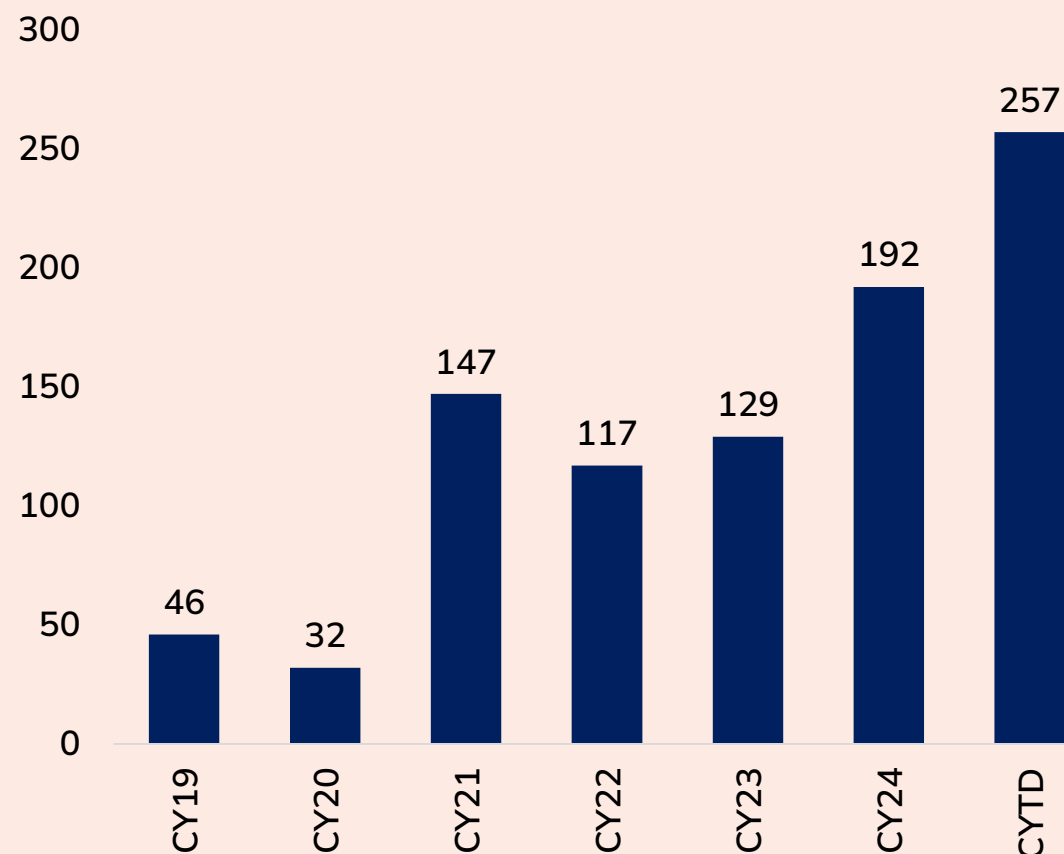
Supply Heavy Equity Landscape – Era of Elevated Issuances

Favorable liquidity and rich valuations have kept the IPO pipeline robust.
Until the IPO markets cool-off, markets may remain under pressure

Primary Market Activity (\$ Bn)



No. of DRHPs filed with SEBI Annually

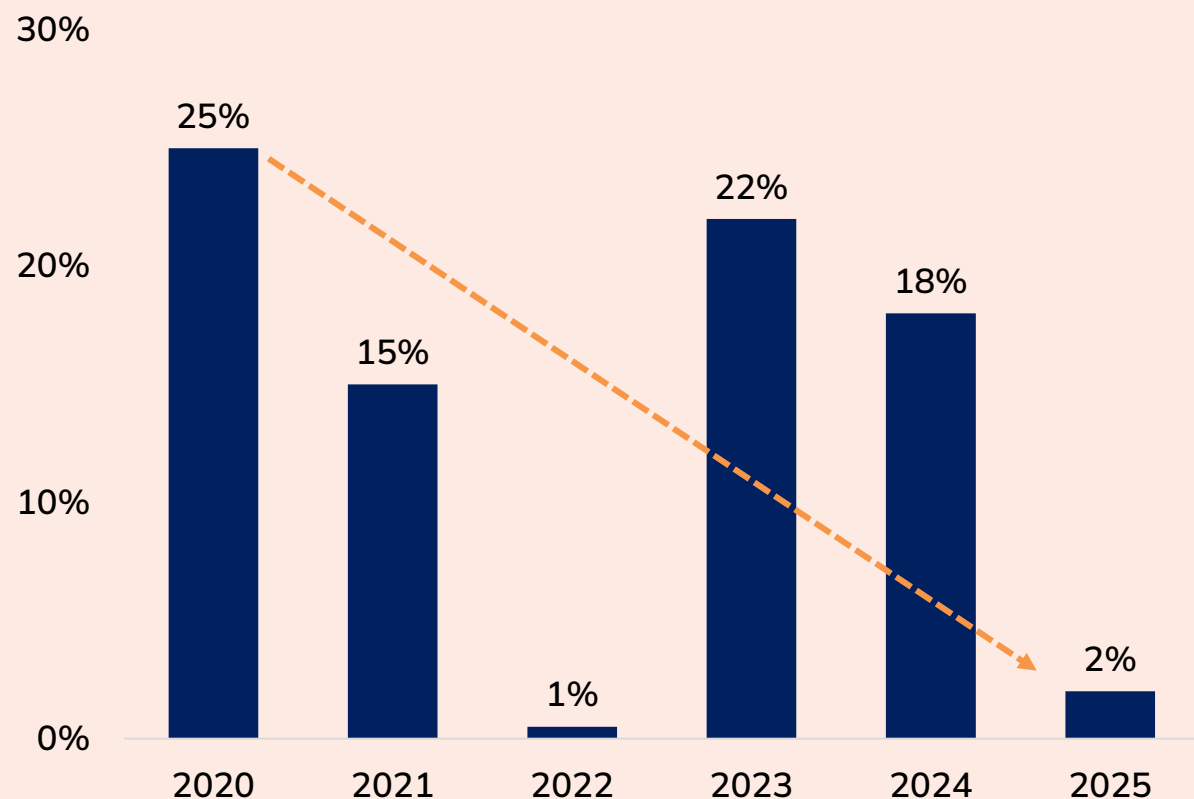




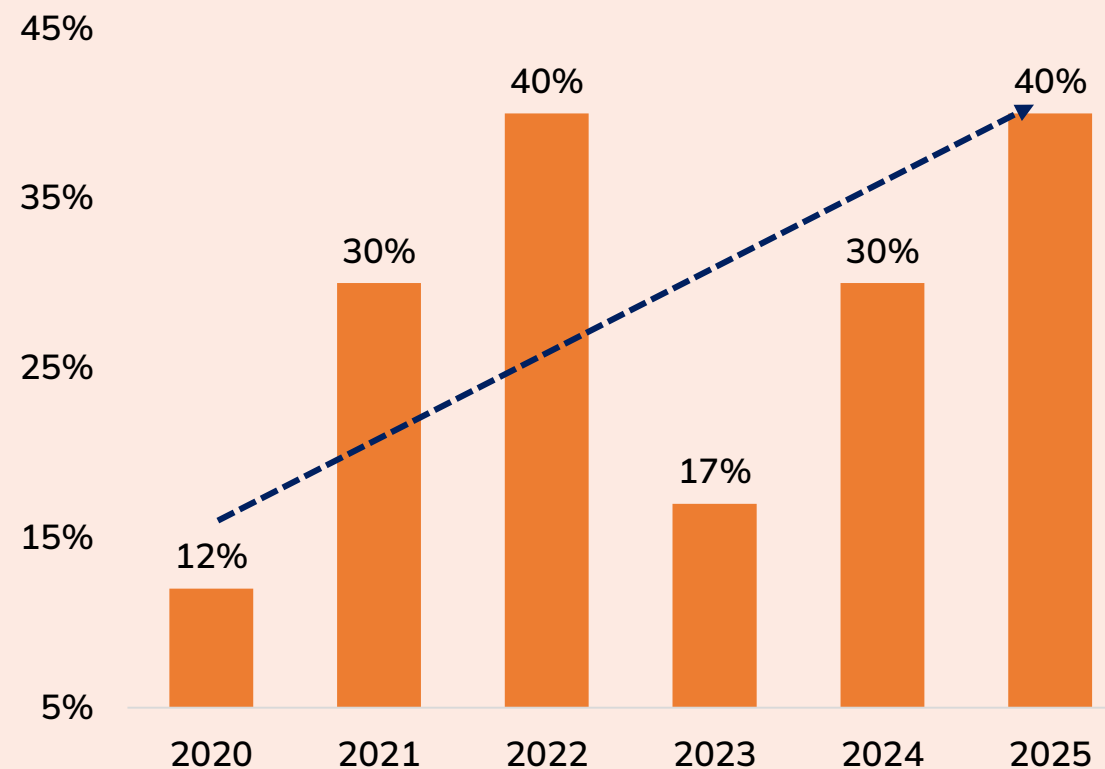
Supply Heavy Equity Landscape – Too Many IPOs, Too Little Alpha

Historical trends show moderating IPO returns and increasing negative outcomes.
With this outcome, absorption of new issuances in a IPO supply heavy market remains questionable

Median One Month Return Post IPO



% of Stocks with Negative One Month Returns





Key Takeaways



Global markets are in turmoil given geo-political tensions. As a result trade dynamics are increasingly getting complex



This is adding additional pressure to already volatile global macros



Indian economy though resilient, is caught in the eye of the storm. Fundamentally, macros are sound and long term prospects led by reforms are good



However, with on-going geo-political tensions, choppy FII flows and volatile global macros, there may be prolonged intermittent volatility



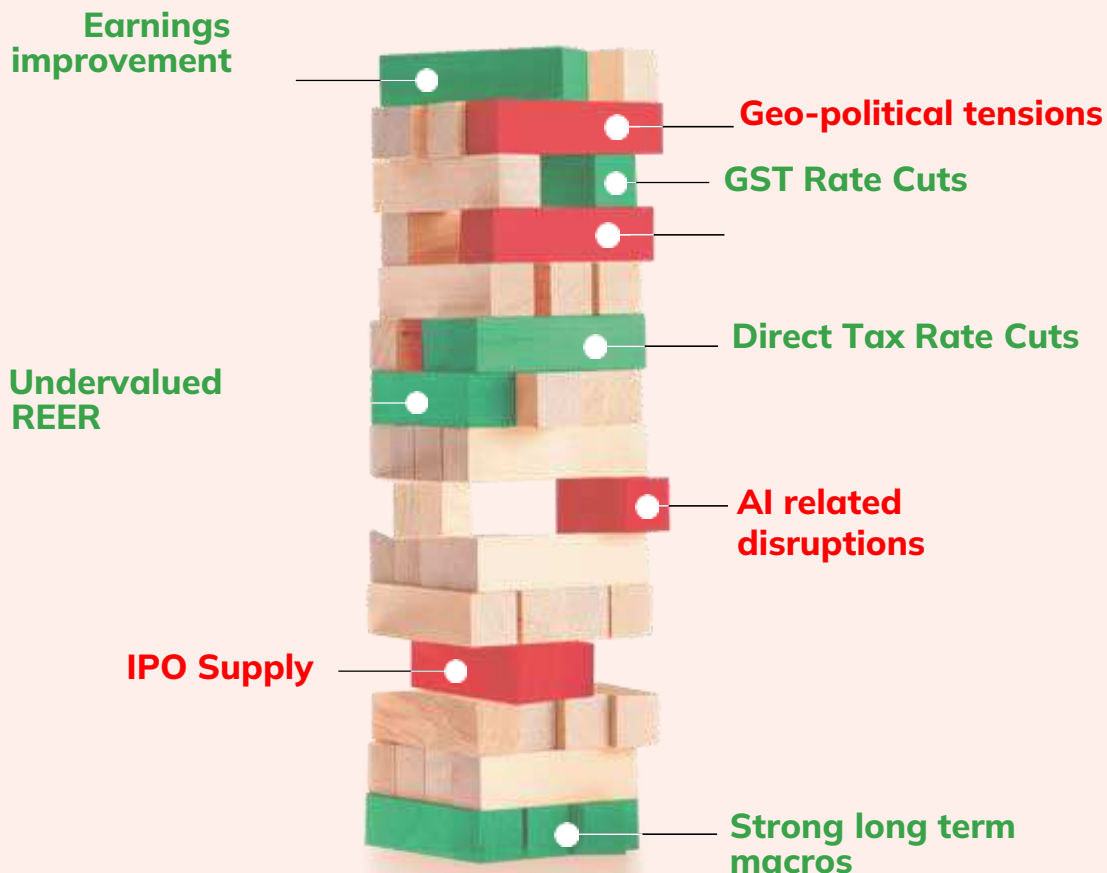
We continue to recommend investing in hybrid / multi asset allocation schemes to manage anticipated interim volatility



If investing in equities for long term, we recommend lump sum / SIP in schemes with flexibility to maneuver dynamically across sectors / market cap



Investment Playbook 2026



The base block of Indian economy is getting stronger with earnings downgrade easing, fiscal support (GST and Direct Tax cuts), improving liquidity, undervalued REER, time & price correction in market and long term macros remaining stable

Having said that, 'the wrong pull' such as AI led disruption, IPO oversupply in the market, geo-political tensions etc. can still shake the structure

Thus, better balance gives a room to build. However it is prudent to remain cautious



Scheme Recommendations

Hybrid / Asset allocation schemes with one level higher speed than earlier to manage volatility



- ICICI Pru Equity & Debt Fund
- ICICI Pru Multi-Asset Fund
- ICICI Pru Balanced Advantage Fund
- ICICI Pru Dynamic Asset Allocation Active FOF**

Dynamic / Schemes with flexibility which can maneuver between sectors or themes



- ICICI Pru Flexicap Fund
- ICICI Pru Focused Equity Fund
- ICICI Pru Value Fund^
- ICICI Pru Large & Midcap Fund
- ICICI Pru Business Cycle Fund
- ICICI Pru India Opportunities Fund
- ICICI Pru Rural Opportunities Fund
- ICICI Pru Innovation Fund

Large cap biased schemes for long term wealth creation



- ICICI Pru Large Cap Fund&
- ICICI Pru Equity Minimum Variance Fund

Hybrid / Asset allocation schemes with one level higher speed than earlier to manage volatility

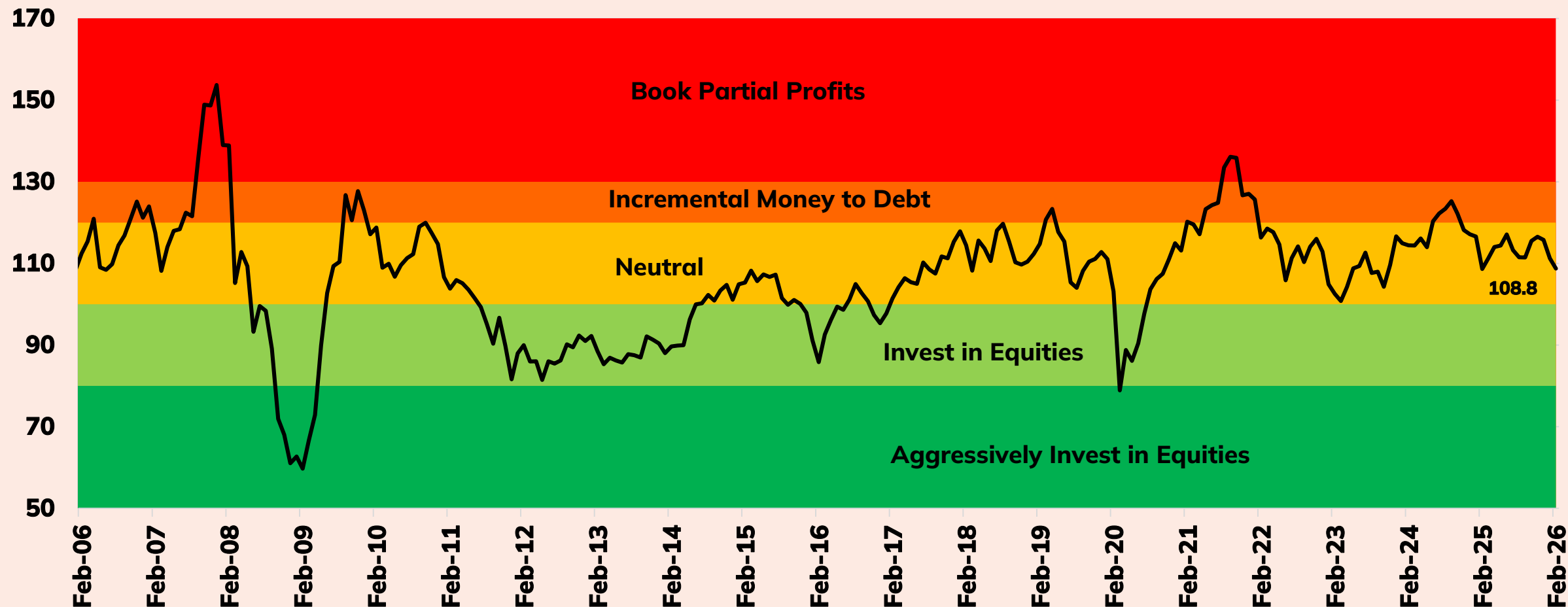


- iSIF Hybrid Long Short Fund
- iSIF Equity Ex-Top 100 Long-Short Fund



Our In-house Equity Valuations Index

Although markets have seen time & price correction since their peaks, but the overall valuation continues to remain in the neutral zone. Macro positives warrant for moving one step ahead but with a watchful eyesight on key triggers



Data as on Feb 28, 2026 has been considered. Equity Valuation Index (EVI) is a proprietary model of ICICI Prudential AMC Ltd. (the AMC) used for assessing overall equity market valuations. The AMC may also use this model for other facilities/features offered by the AMC. Equity Valuation index is calculated by assigning equal weights to Price-to-Earnings (PE), Price-to-Book (PB), G-Sec*PE and Market Cap to GDP ratio any other factor which the AMC may add/delete from time to time. G-Sec – Government Securities. GDP – Gross Domestic Product. The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors



Walking the talk

At market peak in Sep-24, we were overall cautious on equities and hence our asset allocation schemes too had lower equity exposure. As we believe that high valuations have now cooled-off, the equity exposure across these schemes have been increased gradually

EQUITY RANGE

		Sep-24	Feb-26
65-80%	▶ ICICI Prudential Equity & Debt Fund	67.3%	74.2%
10-80%	▶ ICICI Prudential Multi-Asset Fund	50.5%	62.4%
0 - 100%*	▶ ICICI Prudential Dynamic Asset Allocation Active FOF^	37.4%	51.1%
30-80%	▶ ICICI Prudential Balanced Advantage Fund	31.8%	52.4%
10-25%	▶ ICICI Prudential Regular Savings Fund	21.7%	21.9%
15-50%	▶ ICICI Prudential Equity Savings Fund	16.3%	21.5%

Data as on Feb 28, 2026. FOF: Fund of Fund. The net equity exposure is calculated net of stock futures and options (Notional Exposure of Index Put Options only). It includes exposure in REITs. The portfolio of the scheme is subject to changes within the provisions of the Scheme Information document of the scheme. Please refer to the SID for investment pattern, strategy and risk factors. The asset allocation and investment strategy will be as per Scheme Information Document. ^Pursuant to SEBI's framework on Fund of Fund Schemes, the Scheme features has been modified with effect from November 25, 2025. Kindly refer to the AMC's website for detailed information. Erstwhile ICICI Prudential Asset Allocator Fund (FOF) Investors may please note that they will be bearing the recurring expenses of this Scheme in addition to the expenses of the underlying Schemes in which this Scheme makes investment. *Please note that total Non Debt Allocation of the scheme will be 35-100%. Compulsorily convertible debentures and foreign equity has been included in the net equity exposure. The information contained herein is solely for private circulation for reading / understanding of registered Mutual Fund Distributors and should not be circulated to investors/prospective investors

Fixed Income Outlook

March 2026





The Month Gone By Key Highlights

In the previous month, we encountered three major events – one was the Union Budget, followed by the announcement of lower tariffs by the USA and at the far end of the month, we witnessed the first strikes in the USA & Israel vs. Iran war.



**Union Budget
2026-27**



**US – India
Tariff Cut**



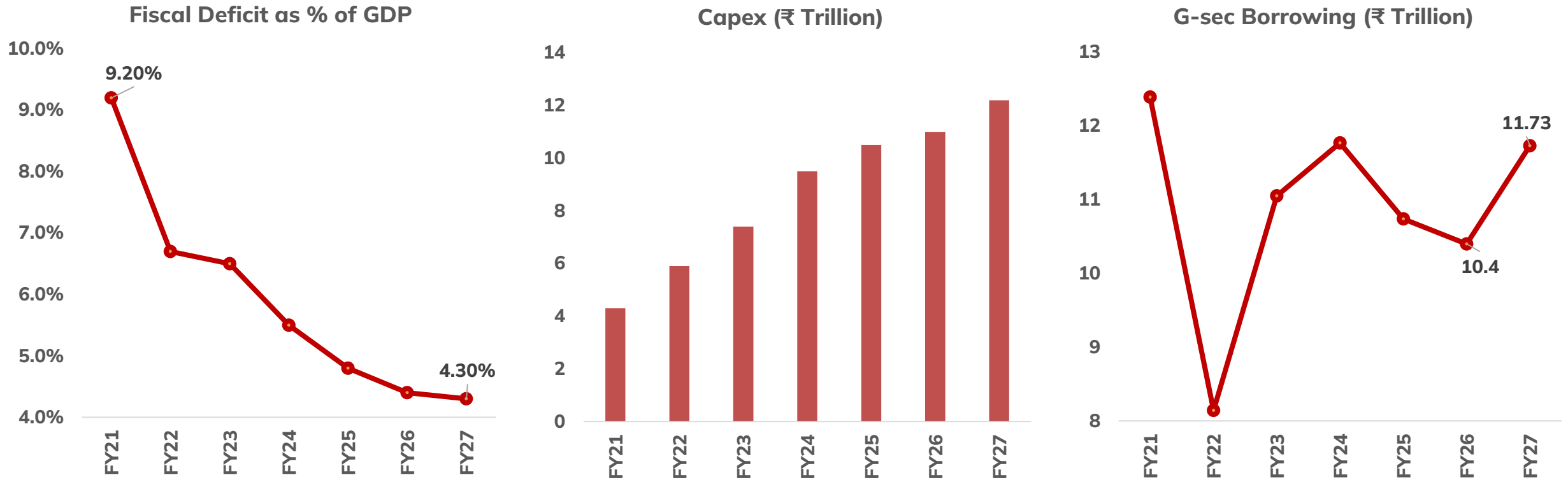
**US – Iran
War**



Budget 2026-27

Capex + Fiscal Prudence

In the Union Budget for FY2026-27, the Govt. continued its focus on consolidating the fiscal deficit, while also increasing allocation to capital expenditure. Lastly, the move to borrow higher to fund the deficit was a dampener for market sentiments, and pushed up G-sec yields.



Source: Indiabudget. FY27 figures are budget estimate. FY26 figures are revised estimates.

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US – India Tariff Cut Boost for Trade

The US President Donald Trump agreed to lower the 50% tariff (25% reciprocal tariff plus 25% penalty tariff) on Indian exports to the US down to 18%, ending months of trade friction between the countries.

Country	Reciprocal and Secondary Tariffs
India	18%
China	34%
Brazil	50%
Indonesia	19%
Pakistan	19%
Vietnam	20%
Bangladesh	20%

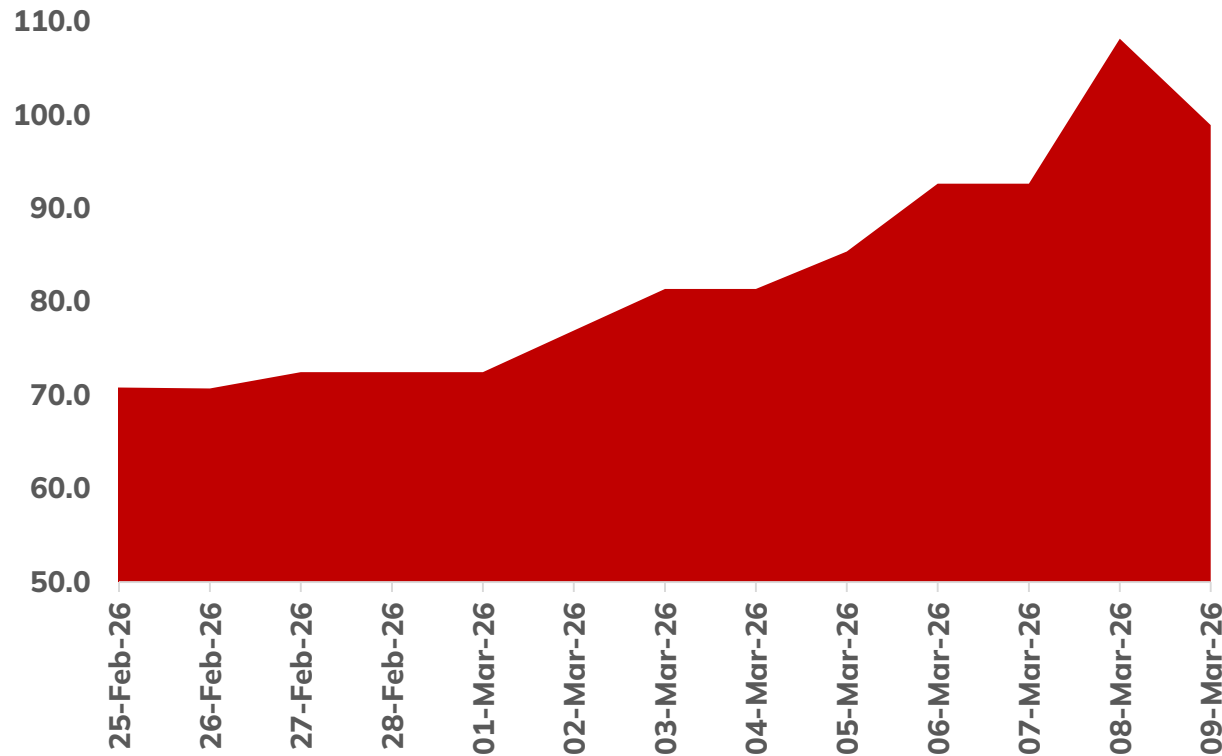
- The 18% tariffs are highly competitive compared to peers and neighboring countries.
- The US Supreme Court has however ruled against the “Liberation Day” tariffs, deeming it unlawful and exceeding the US President’s authority.
- As an alternative, Trump has invoked Section 122 of the Trade Act of 1974 which allows the President to impose up to 15% tariffs for a maximum 150 days.
- Also, in the meanwhile, Trump has sought other methods to impose permanent tariffs, using Sections 301 and 232.



US – Iran War Oil at Risk

The ongoing conflict with Iran by the USA and Israel has impacted many neighboring countries. The closure of the Strait of Hormuz is expected to impact 20% of global oil supply. Oil prices have risen over 35% since the start of the war.

Brent Crude Prices (US\$/bbl)



- India's oil import bill could potentially rise and widen the current account deficit if oil prices keep rising unabated.
- With limitations on purchase of Russian oil, and attack on oil refineries in the Gulf region, there is bigger concern on supply of oil and natural gas.
- India holds oil reserves for emergencies, stored in underground Strategic Petroleum Reserves (SPR).

Source: PIB; GST Council.



The Current Picture

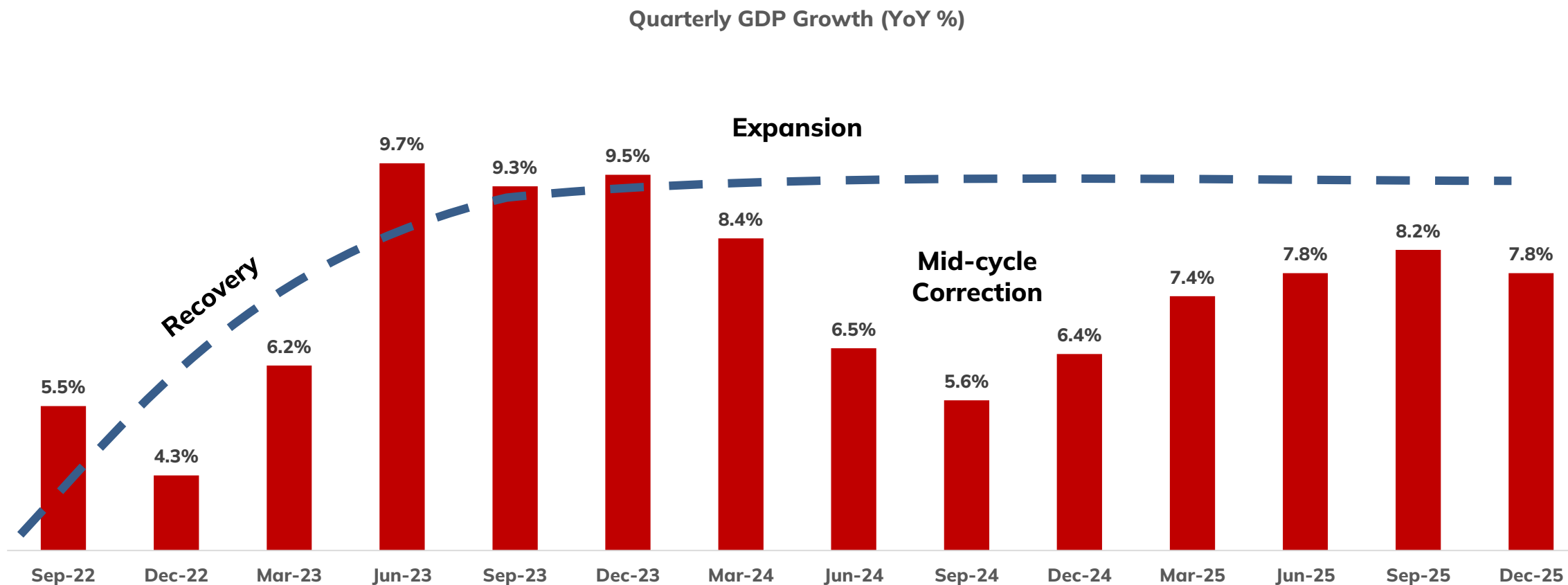
India in a Mid-Cycle
Recovery Phase



The Current Picture

India in a Phase of Mid-Cycle Recovery

India's economic expansion had faced a mid-cycle correction due to tighter money conditions and global uncertainty. Growth now appears to move back into its expansion trend due to support from fiscal and monetary stimulus.



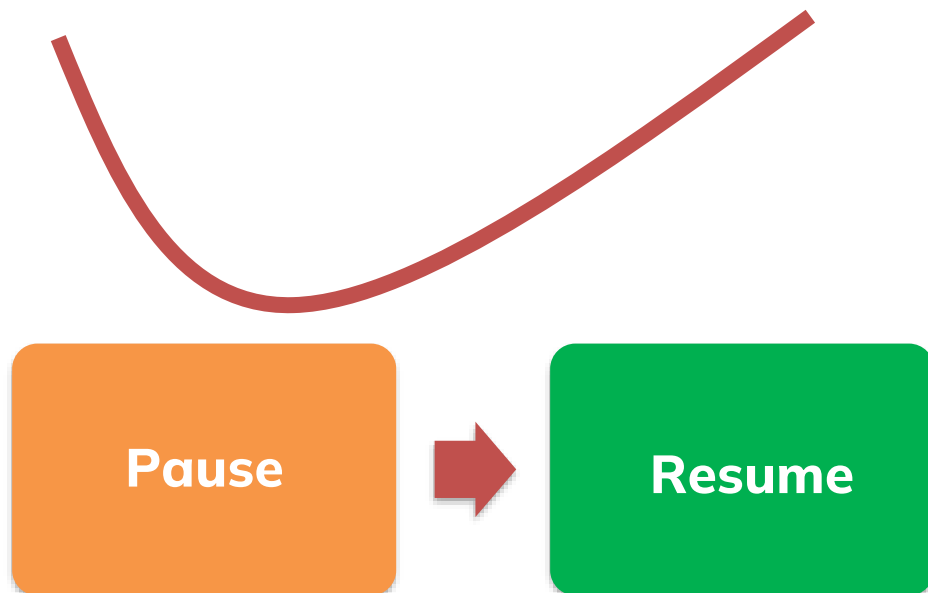
Source: PIB. Data as on Feb 28, 2026.



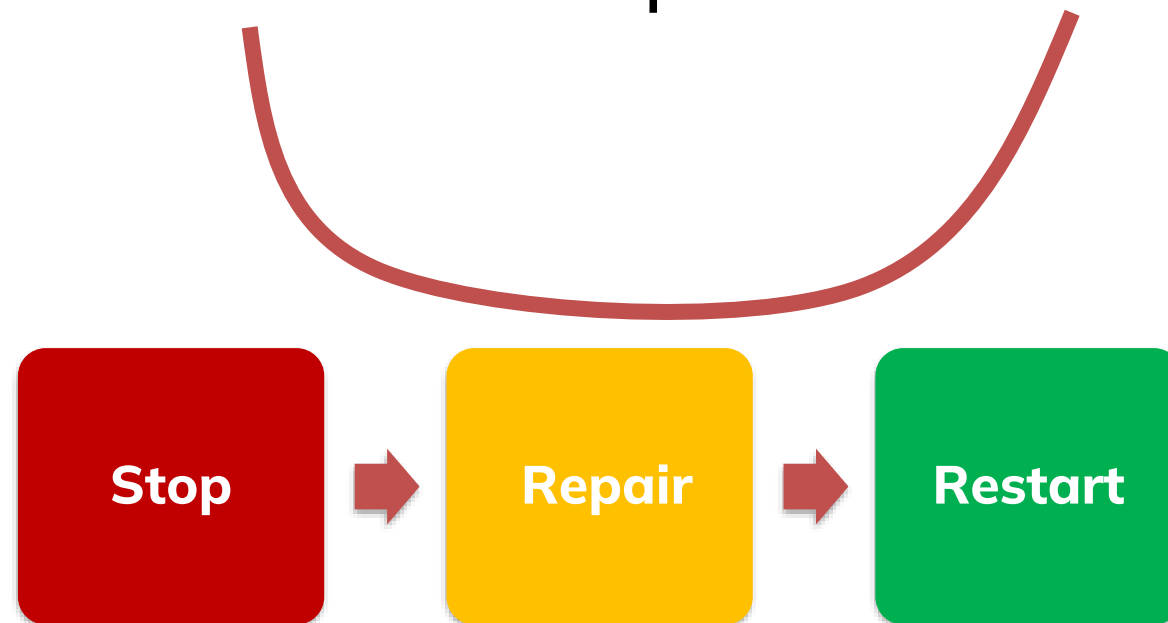
The Current Picture

How is Mid-Cycle Recovery Different?

Mid-cycle Recovery V-shaped



Recession Recovery U-shaped



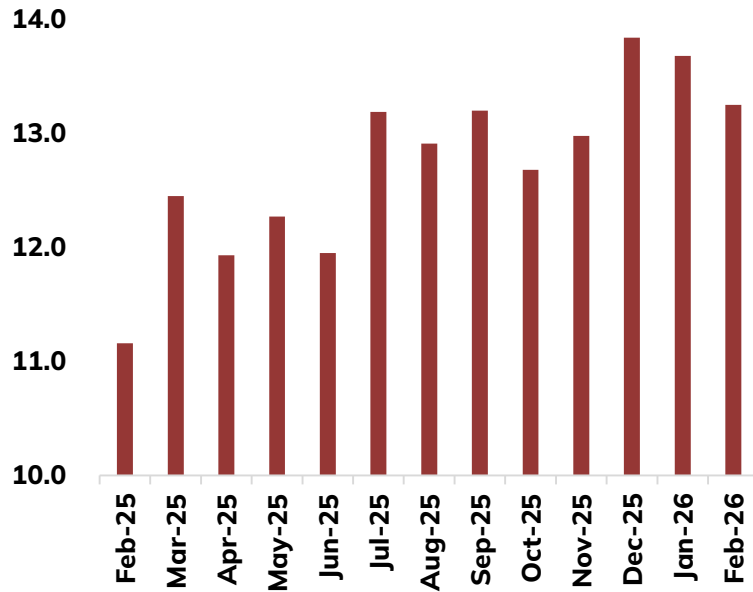


The Current Picture

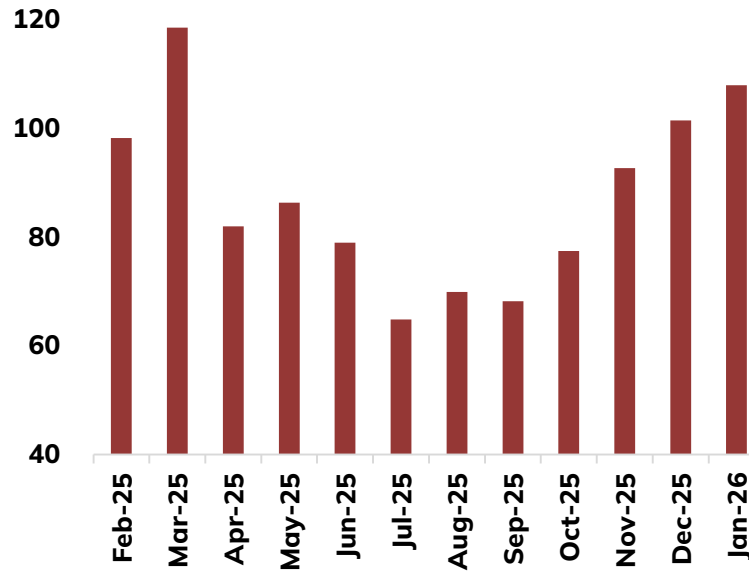
Indicators Showing Recovering Growth

E-way bills are at record high. Coal production output has grown steadily. Wholesale tractor sales were up 45% YoY in Sep 2025 indicating improved rural recovery.

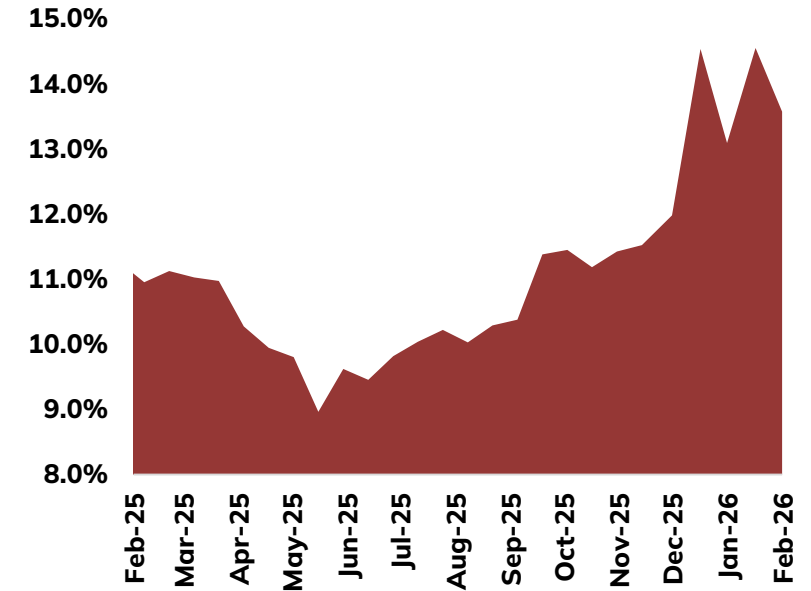
E-way Bills/Month (Crores)



Coal Production (Million Tonnes)



Credit Growth (YoY %)



Source: RBI; GST Council; Ministry of Coal. Data as on Feb 28, 2026. Coal data as on Jan 31, 2026 due to 1 month time lag.

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The Current Picture

Debt back in Favour

Core View

Shorter End



Buy & Hold

Tactical View

Longer End



Trade → Reduce Exposure
when Risk Premium
Reduces



Looking Ahead

War, Oil & Gas Shock to India



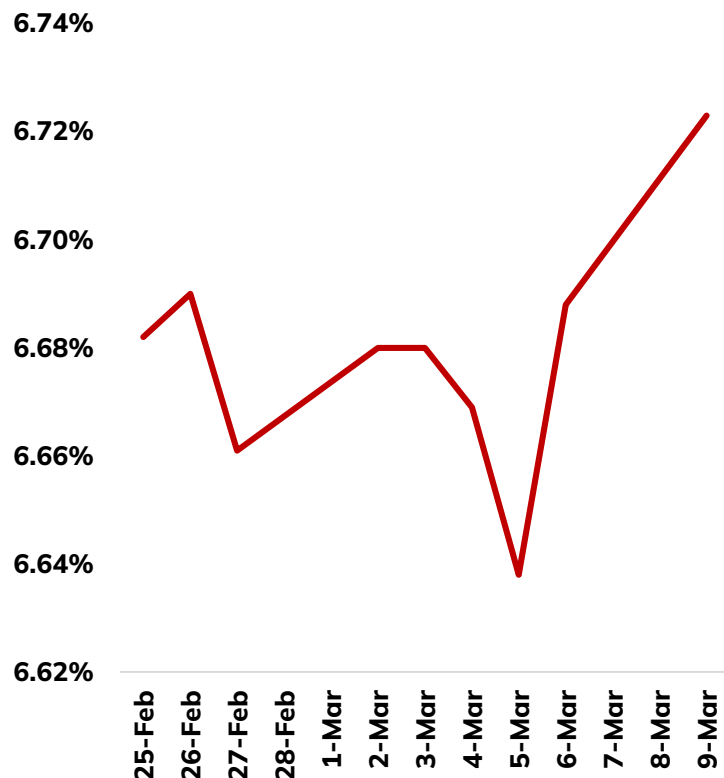


Looking Ahead

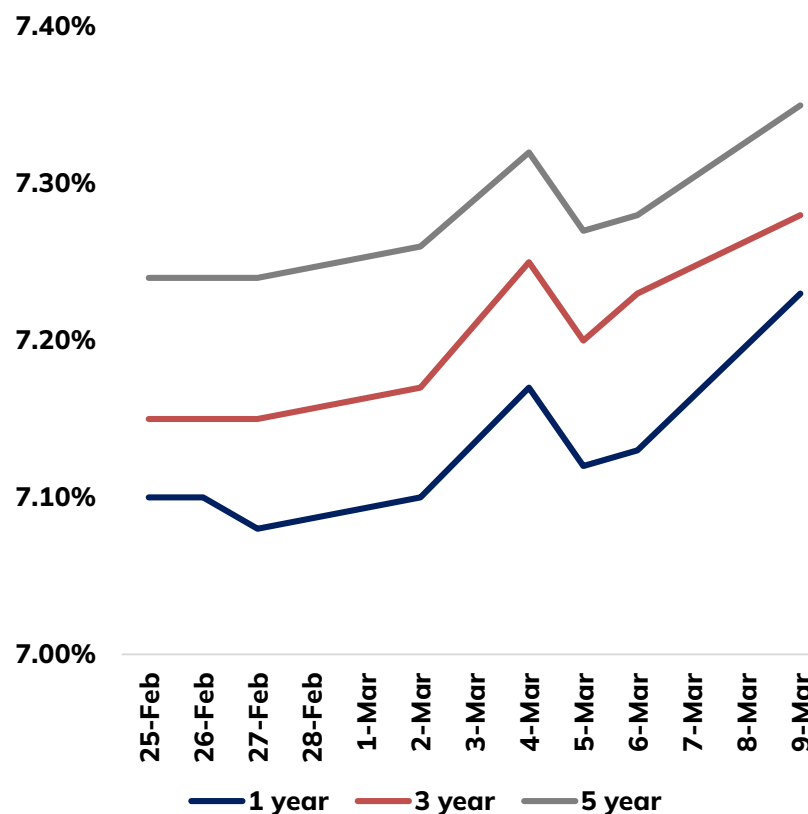
Oil Price Shock, Pushing Yields Higher

The impact of higher oil prices has already reflected in higher bond yields, assuming risk of higher inflation and impact on current account deficit and currency exchange rate.

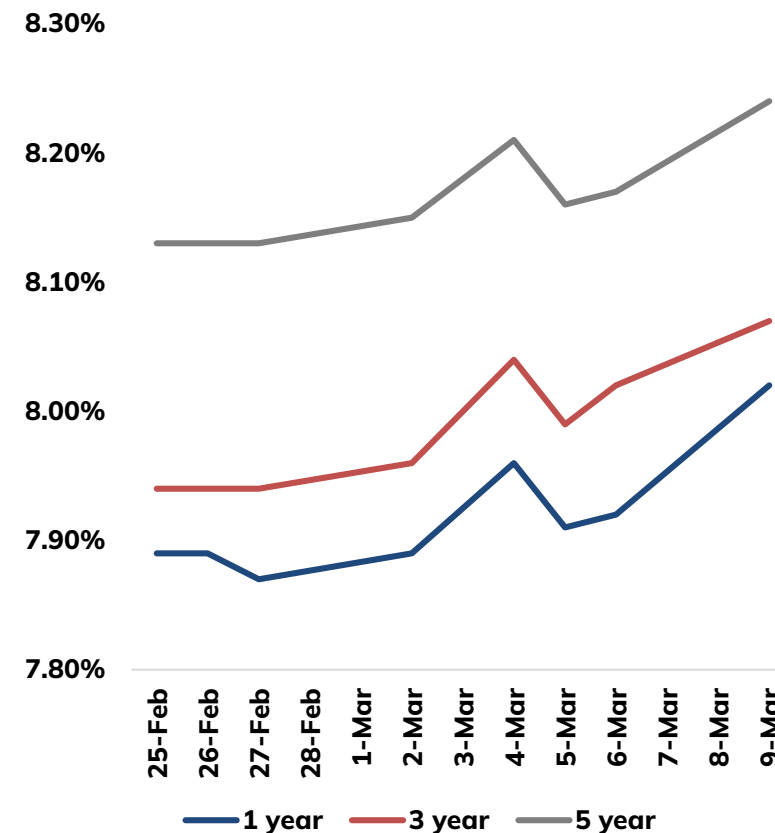
10Y G-sec Yields (%)



AAA Yields (%)



AA Yields (%)

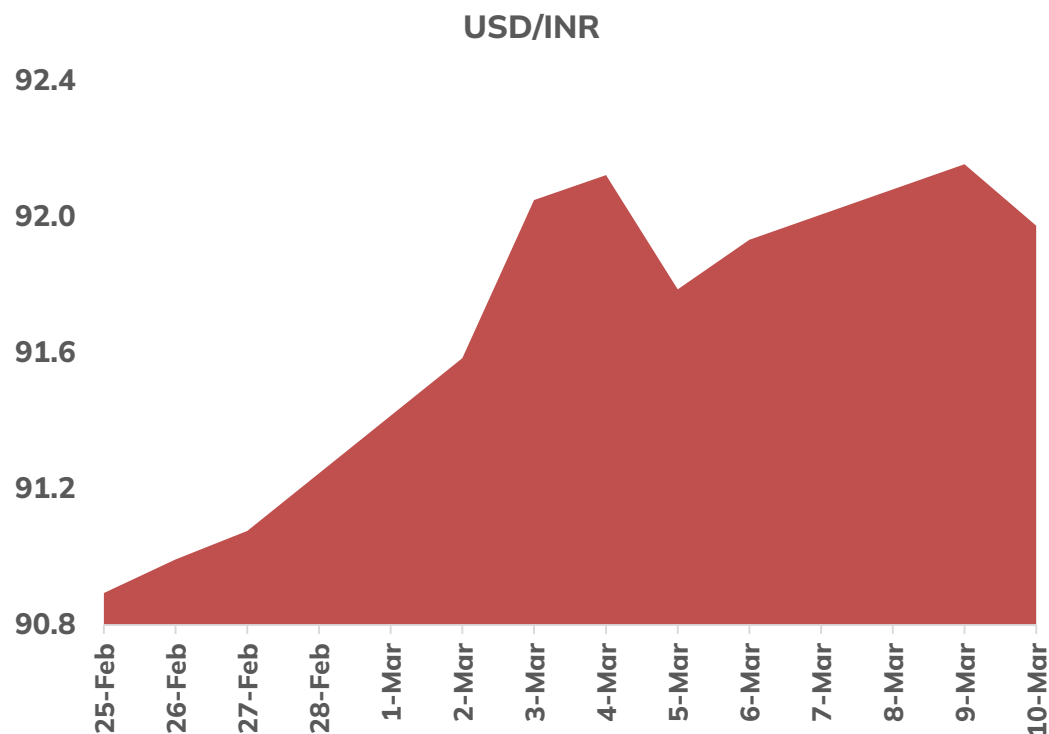




Looking Ahead

Oil Price Shock, Currency Pressure

The RBI recently sold dollars and bought bonds to stabilize markets and liquidity amid conflict-related volatility. As war-driven volatility can weaken the rupee, there could be a possibility that RBI may inject liquidity or buy bonds in order to cap the rise in yields.



Date	RBI's OMO-Purchase Amount
Mar 9, 2026	50,000 Crore
Mar 13, 2026	50,000 Crore

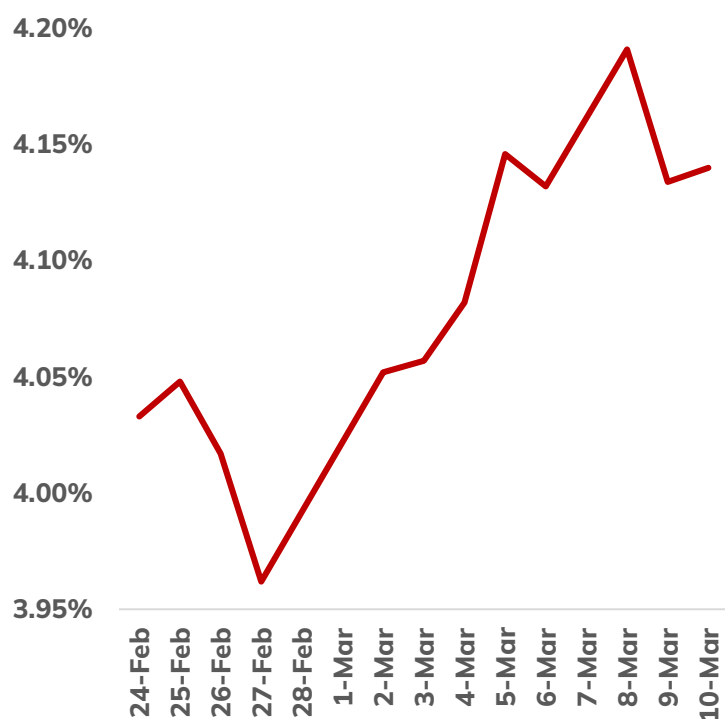


Looking Ahead

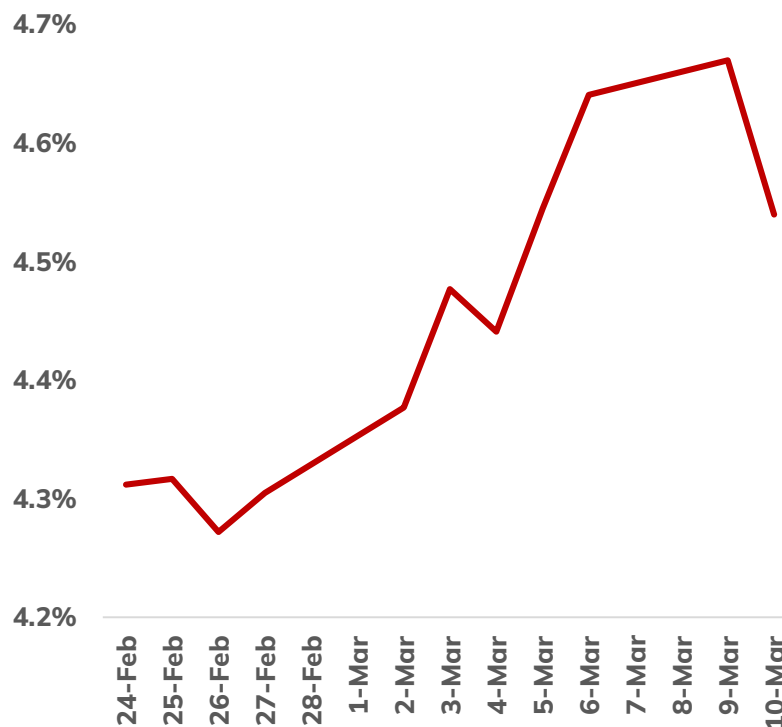
Oil Price Shock, Global Bond Market Spill overs

The war has already affected global bond markets. Oil-driven inflation fears triggered a global bond selloff, pushing yields higher. Since Indian bonds are increasingly integrated with global markets, global yield moves spill over into Indian G-secs.

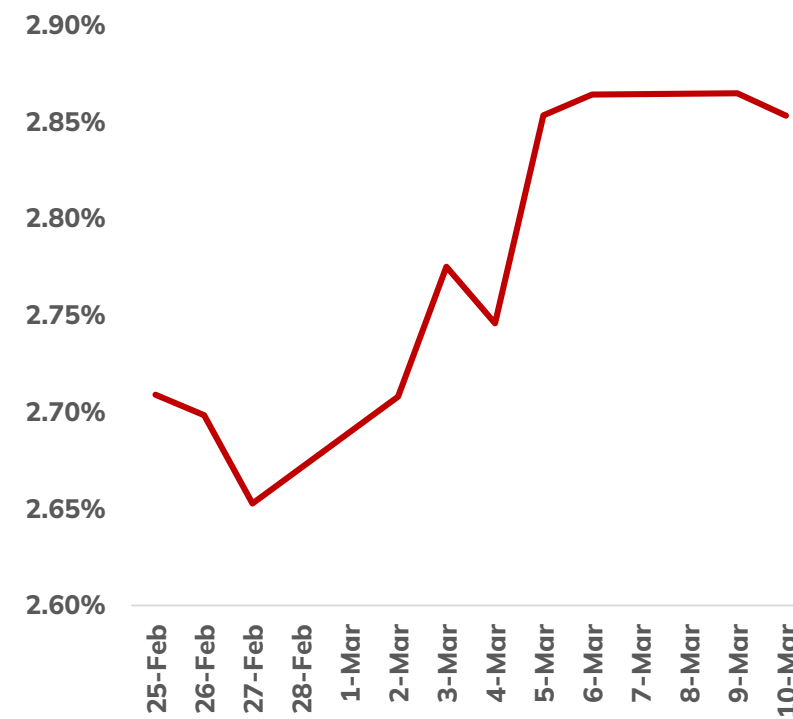
US 10Y Treasury Yield



UK 10Y Gilt Yield



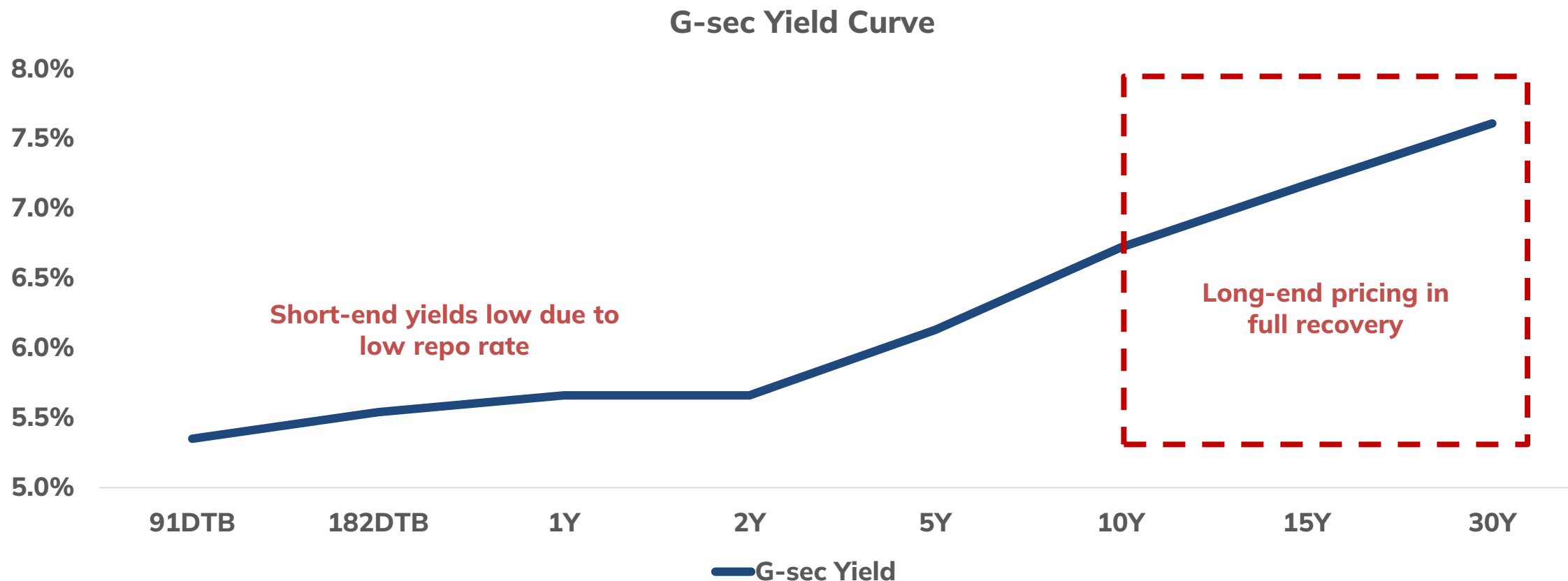
Germany 10Y Bund Yield





Looking Ahead Shape of the Yield Curve

The longer end of the G-sec yield curve has steepened. Given the wide term spreads on long-dated G-secs and wider spreads on SDLs, we expect the spreads to compress in the near term through rise in short-end of the curve.



Source: CCIL. Data as on Mar 10, 2026.

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Our View on Fixed Income

- We believe that continuance of war between the US and Iran war would increase market volatility, uncertainty and impact on economy.
- We think that the MPC's actions are helpful in fixing demand-side issues compared to resolving supply chain induced price inflation. Hence, we do not expect the RBI to withdraw policy easing and interrupt the recovery cycle.
- Given the uncertainty, we believe investors should focus on short-duration (less than 1 year) wherein yields are currently elevated. Higher duration can be a tactical choice, especially when hedged with OIS.
- For investment recommendation, we suggest savings, money market and floating rate category for short duration investments. We also recommend income plus arbitrage FOF for tax efficiency.



2026

Our Key Recommendations

**Our Focus
Products**



ICICI Prudential
Floating Interest
Fund

ICICI
Prudential
Savings Fund

ICICI
Prudential
Money Market
Fund

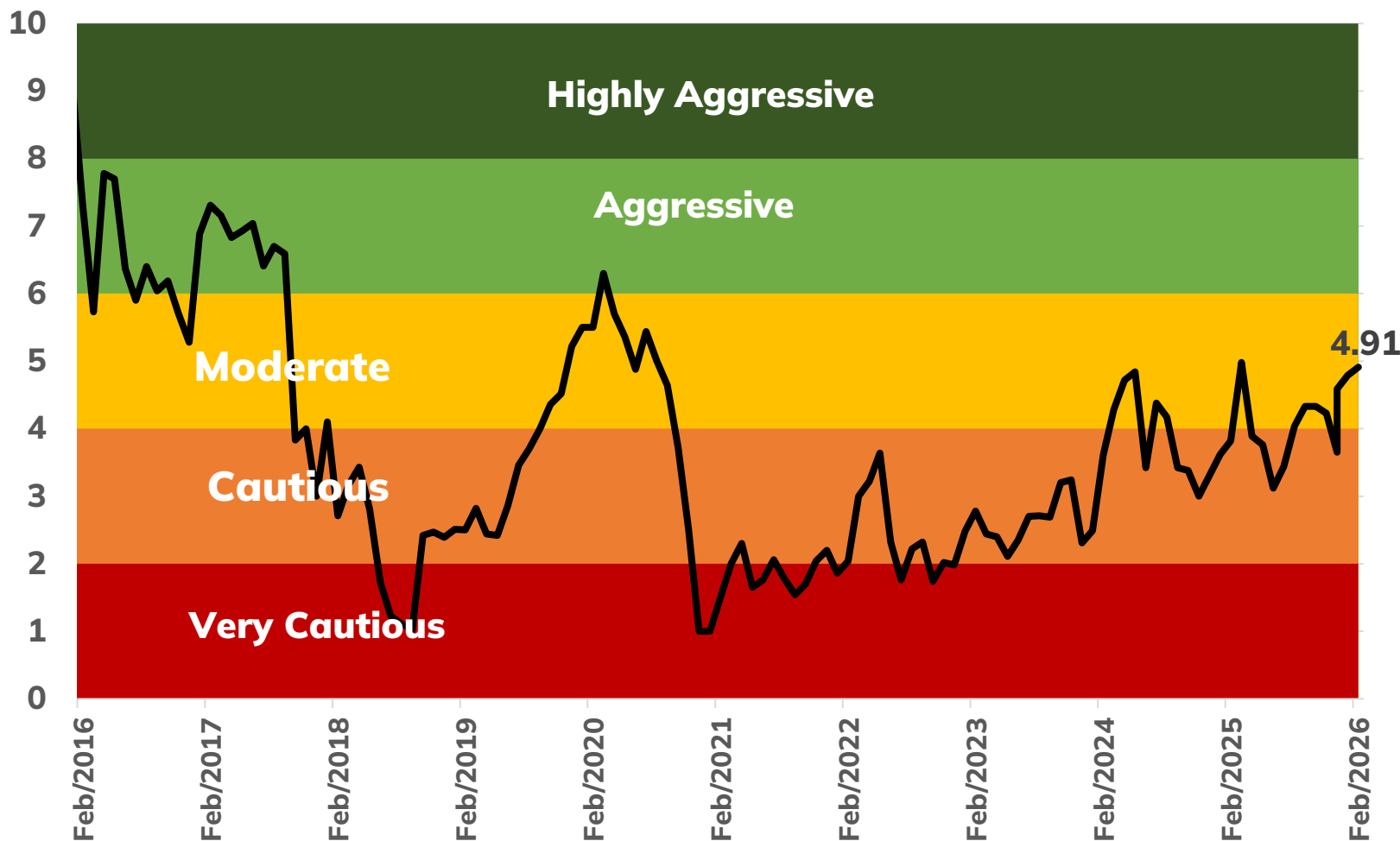
**For Tax
Efficiency**



ICICI Prudential
Income Plus
Arbitrage Omni
FOF



Fixed-Income Approach Debt Valuation Index



The index hints at moderately rewarding stance on duration. We would like to approach it with a combination of long duration G secs/SDL and short term corporate bonds.

We recommend **Accruals + Active Duration Management** in the current scenario.

Data as on Feb 28, 2026. Debt Valuation Index considers WPI, CPI, Sensex returns, Gold returns and Real estate returns over G-Sec yield, Current Account Balance, Fiscal Balance, Credit Growth and Crude Oil Movement for calculation. RBI – Reserve Bank of India. Debt Valuation Index is a proprietary model of ICICI Prudential AMC Ltd. (the AMC) used for assessing overall debt valuations. The AMC may also use this model for other facilities/features offered by the AMC and any other factor which the AMC may add/delete from time to time.



Current Portfolio Positioning

Focus on Accruals

Scheme	AAA & Equivalent Exposure#	AA & Equivalent and Below Exposure	YTM
ICICI Prudential Credit Risk Fund	25.0%	75.0%	8.41%
ICICI Prudential Medium Term Bond Fund	42.0%	58.0%	7.99%
ICICI Prudential Floating Interest Fund	100.0%	--	7.07%
ICICI Prudential All Seasons Bond Fund	69.4%	30.6%	7.74%
ICICI Prudential Short Term Fund	81.9%	18.1%	7.41%
ICICI Prudential Corporate Bond Fund	99.5%	0.5%	7.26%
ICICI Prudential Banking & PSU Debt Fund	99.1%	0.9%	7.21%
ICICI Prudential Savings Fund	86.7%	13.3%	7.21%
ICICI Prudential Ultra Short Term Fund	87.2%	12.8%	7.11%
ICICI Prudential Money Market Fund	100.0%	--	6.77%
ICICI Prudential Liquid Fund	100.0%	--	6.49%

Data as on Feb 28, 2026. The Yield to Maturity (YTM) mentioned is based on scheme portfolios dated Feb 28, 2026. YTM is the rate of return anticipated on a bond if held until maturity. This should not be considered as an indication of the returns that maybe generated by the scheme. The securities bought by the scheme may or may not be held till their respective maturities. Past performance may or may not be sustained in future.

- AAA & Equivalent includes exposure to Sovereign rated securities, TREPs & Net Current Assets and A1+ securities.

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Riskometer

ICICI Prudential Balanced Advantage Fund (An open ended dynamic asset allocation fund) is suitable for investors who are seeking*:

- ☐ Long term capital appreciation/income
- ☐ Investing in equity and equity related securities and debt instruments

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

ICICI Prudential Multi-Asset Fund (An open ended scheme investing in Equity, Debt and Exchange Traded Commodity Derivatives/ units of Gold ETFs/units of Silver ETFs/units of REITs & InvITs/ Preference shares) is suitable for investors who are seeking*:

- ☐ Long Term Wealth Creation
- ☐ An open ended scheme investing across asset classes

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

ICICI Prudential Large Cap Fund (Erstwhile ICICI Prudential Bluechip Fund) (An open ended equity scheme predominantly investing in large cap stocks) is suitable for investors who are seeking*:

- ☐ Long term wealth creation
- ☐ An open ended equity scheme predominantly investing in large cap stocks

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

ICICI Prudential Equity Minimum Variance Fund (An open ended equity scheme following Minimum Variance theme) is suitable for investors who are seeking*:

- ☐ Long term wealth creation
- ☐ To generate long term capital appreciation by investing in Equity & Equity related instruments through a diversified basket with an aim to minimize the portfolio volatility

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them





Riskometer

ICICI Prudential Equity & Debt Fund (An open ended hybrid scheme investing predominantly in equity and equity related instruments) is suitable for investors who are seeking*:

- ☐ Long term wealth creation solution
- ☐ A balanced fund aiming for long term capital appreciation and current income by investing in equity as well as fixed income securities

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

ICICI Prudential Dynamic Asset Allocation Active FOF (Erstwhile ICICI Prudential Asset Allocator Fund (FOF)) (An open ended fund of funds scheme investing in equity oriented schemes, debt oriented schemes and gold ETFs/schemes.) is suitable for investors who are seeking*:

- ☐ Long term wealth creation
- ☐ An Open-ended Fund of Funds scheme investing dynamically in units of active equity and debt oriented mutual fund schemes.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

Investors may please note that they will be bearing the recurring expenses of the relevant fund of funds scheme in addition to the expenses of the underlying schemes in which the fund of funds scheme makes investment.

ICICI Prudential Flexicap Fund (An open ended dynamic equity scheme investing across large cap, mid cap & small cap stocks) is suitable for investors who are seeking*:

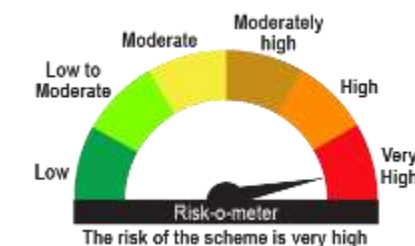
- ☐ Long term wealth creation
- ☐ An open ended dynamic equity scheme investing across large cap, mid cap and small cap stocks

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

ICICI Prudential Innovation Fund (An open ended equity scheme following innovation theme) is suitable for investors who are seeking*:

- ☐ Long term wealth creation
- ☐ An equity scheme that invests in stocks adopting innovation strategies or themes

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them





Riskometer

ICICI Prudential Focused Equity Fund (An open ended equity scheme investing in maximum 30 stocks across market-capitalization i.e. focus on multi cap) suitable for investors who are seeking*:

- ☐ Long term wealth creation
- ☐ An open ended equity scheme investing in maximum 30 stocks across market-capitalisation

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

ICICI Prudential Value Fund (Erstwhile ICICI Prudential Value Discovery Fund) (An open ended equity scheme following a value investment strategy) is suitable for investors who are seeking*:

- ☐ Long term wealth creation
- ☐ An open ended equity scheme following a value investment strategy

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

ICICI Prudential Large & Mid Cap Fund (An open ended equity scheme investing in both large cap and mid cap stocks) is suitable for investors who are seeking*:

- ☐ Long Term Wealth Creation
- ☐ An open ended equity scheme investing in both large cap and mid cap stocks.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

ICICI Prudential Business Cycle Fund (An open ended equity scheme following business cycles based investing theme) is suitable for investors who are seeking*:

- ☐ Long term wealth creation
- ☐ An equity scheme that invests in Indian markets with focus on riding business cycles through dynamic allocation between various sectors and stocks at different stages of business cycles

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them





Riskometer

ICICI Prudential India Opportunities Fund (An open ended equity scheme following special situations theme) is suitable for investors who are seeking*:

- ☐ Long term wealth creation
- ☐ An equity scheme that invests in stocks based on special situations theme

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

ICICI Prudential Rural Opportunities Fund (An open ended equity scheme following Rural and allied theme) is suitable for investors who are seeking*:

- ☐ Long term wealth creation
- ☐ An equity scheme following Rural and allied theme

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

iSIF Hybrid Long-Short Fund (An interval investment strategy investing in equity, debt securities, including limited short exposure in Equity and Debt through derivatives) is suitable for investors who are seeking*:

- ☐ Long term wealth creation
- ☐ An interval investment strategy investing in equity and debt securities, including limited short exposure in Equity and Debt through derivatives

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them

iSIF Equity Ex-Top 100 Long-Short Fund (An open ended investment strategy investing in equity and equity related instruments including limited short exposure in equity through derivative instruments of Ex – top 100 stocks) is suitable for investors who are seeking*:

- ☐ Long term wealth creation
- ☐ An interval investment strategy investing in equity and debt securities, including limited short exposure in Equity and Debt through derivatives.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them



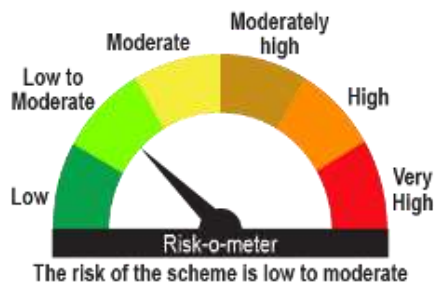


Risk-o-meters

Please note that the Risk-o-meter(s) specified will be evaluated and updated on a monthly basis. The below riskometers are as on Feb 28, 2026.
Please refer to <https://www.icicipruamc.com/news-and-updates/all-news> for more details.

ICICI Prudential Liquid Fund

(An open ended liquid scheme. A relatively low interest rate risk and moderate credit risk.)



This product is suitable for investors who are seeking*:

- Short term savings solution
- A liquid fund that aims to provide reasonable returns commensurate with low risk and providing a high level of liquidity

ICICI Prudential Banking & PSU Debt Fund

(An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal bonds. A relatively high interest rate risk and moderate credit risk.)

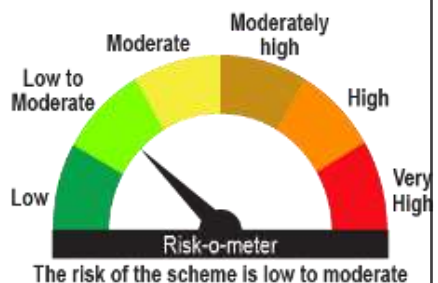


This product is suitable for investors who are seeking*:

- Short term savings
- An open ended debt scheme predominantly investing in debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds

ICICI Prudential Money Market Fund

(An open ended debt scheme investing in money market instruments. A relatively low interest rate risk and moderate credit risk.)

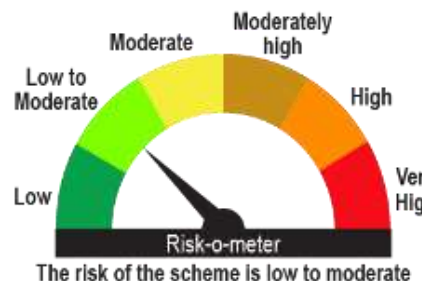


This product is suitable for investors who are seeking*:

- Short term savings
- A money market scheme that seeks to provide reasonable returns, commensurate with low risk while providing a high level of liquidity

ICICI Prudential Savings Fund

(An open ended low duration debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 6 months and 12 months. A relatively high interest rate risk and moderate credit risk.)



This product is suitable for investors who are seeking*:

- Short term savings
- An open ended low duration debt scheme that aims to maximize income by investing in debt and money market instruments while maintaining optimum balance of yield, safety and liquidity.

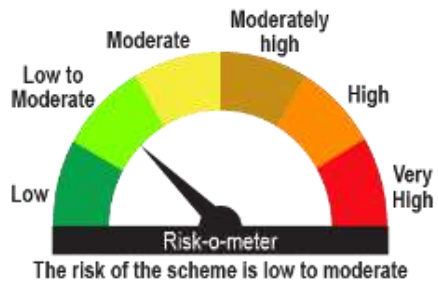


Risk-o-meters

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ICICI Prudential Floating Interest Fund

(An open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/derivatives). A relatively high interest rate risk and moderate credit risk.)



This product is suitable for investors who are seeking*:

- Short term savings
- An open ended debt scheme predominantly investing in floating rate instruments.

ICICI Prudential All Seasons Bond Fund

(An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and moderate credit risk.)



This product is suitable for investors who are seeking*:

- All duration savings
- A debt scheme that invests in debt and money market instruments with a view to maximize income while maintaining optimum balance of yield, safety and liquidity.

ICICI Prudential Ultra Short Term Fund

(An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months. A moderate interest rate risk and moderate credit risk.)



This product is suitable for investors who are seeking*:

- Short term regular income
- An open ended ultra-short term debt scheme investing in a range of debt and money market instruments.

ICICI Prudential Credit Risk Fund

(An open ended debt scheme predominantly investing in AA and below rated corporate bonds. A relatively high interest rate risk and relatively high credit risk.)



This product is suitable for investors who are seeking*:

- Medium term savings
- A debt scheme that aims to generate income through investing predominantly in AA and below rated corporate bonds while maintaining the optimum balance of yield, safety and liquidity.



Risk-o-meters

Please note that the Risk-o-meter(s) specified will be evaluated and updated on a monthly basis. The below riskometers are as on Feb 28, 2026. Please refer to <https://www.icicipruamc.com/news-and-updates/all-news> for more details.

ICICI Prudential Corporate Bond Fund

(An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk.)



This product is suitable for investors who are seeking*:

- Short term savings
- An open ended debt scheme predominantly investing in highest rate corporate bonds.

ICICI Prudential Short Term Fund

(An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 Year and 3 Years. A relatively high interest rate risk and moderate credit risk.)



This product is suitable for investors who are seeking*:

- Short term income generation and capital appreciation solution
- A debt fund that aims to generate income by investing in a range of debt and money market instruments of various maturities.

ICICI Prudential Medium Term Bond Fund

(An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 Years and 4 Years. The Macaulay duration of the portfolio is 1 Year to 4 years under anticipated adverse situation. A relatively high interest rate risk and moderate credit risk)



This product is suitable for investors who are seeking*:

- Medium term savings
- A debt scheme that invests in debt and money market instruments with a view to maximize income while maintaining optimum balance of yield, safety and liquidity

ICICI Prudential Income Plus Arbitrage Active FOF

(Erstwhile ICICI Prudential Income Optimizer Fund (FOF))

(An open ended fund of funds scheme investing in Debt oriented and arbitrage schemes.)



This product is suitable for investors who are seeking*:

- Short term savings
- An open ended fund of funds scheme investing in Debt oriented and arbitrage schemes.

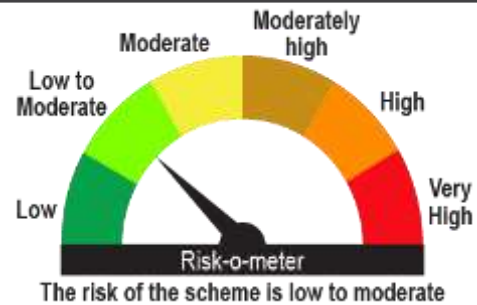


Risk-o-meters

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ICICI Prudential Equity Savings Fund

(An open ended scheme investing in equity, arbitrage and debt)

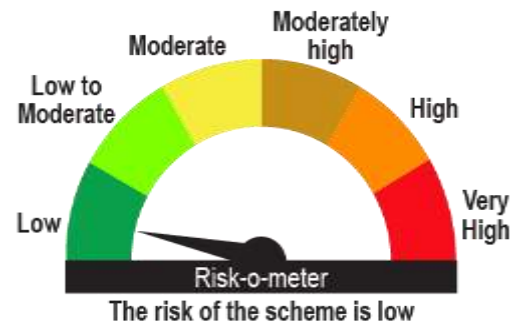


This product is suitable for investors who are seeking*:

- Long term wealth creation
- An open ended scheme that seeks to generate regular income through investments in fixed income securities, arbitrage and other derivative strategies and aim for long term capital appreciation by investing in equity and equity related instruments

ICICI Prudential Equity-Arbitrage Fund

(An open ended scheme investing in arbitrage opportunities)



This product is suitable for investors who are seeking*:

- Short Term Income Generation
- A hybrid scheme that aims to generate low volatility returns by using arbitrage and other derivative strategies in equity markets and investments in debt and money market instruments



Potential Risk Class

The Potential risk class (PRC) matrix based on interest rate risk and credit risk.

ICICI Prudential Credit Risk Fund

Potential Risk Class			
Credit Risk→	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)			C-III

ICICI Prudential Ultra Short Term Fund

Potential Risk Class			
Credit Risk→	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)		B-II	
Relatively High (Class III)			

ICICI Prudential Liquid Fund, ICICI Prudential Money Market Fund

Potential Risk Class			
Credit Risk→	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)		B-I	
Moderate (Class II)			
Relatively High (Class III)			

ICICI Prudential Savings Fund, ICICI Prudential Floating Interest Fund, ICICI Prudential Medium Term Bond Fund, ICICI Prudential All Seasons Bond Fund, ICICI Prudential Corporate Bond Fund, ICICI Prudential Banking & PSU Debt Fund, ICICI Prudential Short Term Fund

Potential Risk Class			
Credit Risk→	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)		B-III	



YTM Disclaimer



Scheme Name	ICICI Prudential Money Market Fund	ICICI Prudential Savings Fund	ICICI Prudential Floating Interest Fund	ICICI Prudential Banking & PSU Debt Fund	ICICI Prudential Corporate Bond Fund	ICICI Prudential All Seasons Bond Fund
Description	An open ended debt scheme investing in money market instruments. A relatively low interest rate risk and moderate credit risk	An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months and 12 months. A relatively high interest rate risk and moderate credit risk.	An open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/derivatives). A relatively high interest rate risk and moderate credit risk	An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal bonds. A relatively high interest rate risk and moderate credit risk.	An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk.	An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and moderate credit risk.
Annualised Portfolio YTM*:	6.77%	7.21%	7.07%	7.21%	7.26%	7.74%
Macaulay Duration	0.69 Years	0.98 Years	1.76 Years	3.47 Years	3.58 Years	6.35 Years
Residual Maturity	0.69 Years	1.34 Years	3.07 Years	5.94 Years	6.00 Years	14.03 Years

As per AMFI Best Practices Guidelines Circular No. AMFI/ 35P/ MEM-COR/ 72 / 2022-23 dated December 31, 2022 on Standard format for disclosure Portfolio YTM for Debt Schemes, Yield of the instrument is disclosed on annualized basis as provided by Valuation agencies. *in case of semi annual YTM, it will be annualized.

The Yield to Maturity (YTM) mentioned is based on scheme portfolio dated Feb 28, 2026. YTM is the rate of return of a bond if held until maturity. This should not be considered as an indication of the returns that maybe generated by the scheme. The securities bought by the scheme may or may not be held till their respective maturities.



YTM Disclaimer

Scheme Name	ICICI Prudential Short Term Fund	ICICI Prudential Liquid Fund	ICICI Prudential Credit Risk Fund	ICICI Prudential Medium Term Bond Fund	ICICI Prudential Ultra Short Term Fund
Description	An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 Year and 3 Years. A relatively high interest rate risk and moderate credit risk.	An open ended liquid scheme. A relatively low interest rate risk and moderate credit risk.	An open ended debt scheme predominantly investing in AA and below rated corporate bonds. A relatively high interest rate risk and relatively high credit risk	An Open Ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 Years and 4 Years The Macaulay duration of the portfolio is 1 Year to 4 years under anticipated adverse situation. A relatively high interest rate risk and moderate credit risk.	An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months. A moderate interest rate risk and moderate credit risk
Annualised Portfolio YTM*:	7.41%	6.49%	8.41%	7.99%	7.11%
Macaulay Duration	2.86 Years	0.13 Years	2.39 Years	3.71 Years	0.47 Years
Residual Maturity	4.53 Years	0.14 Years	3.65 Years	6.48 Years	0.54 Years

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Disclaimer



Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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