



Monthly Newsletter

March 2026



Budget Boost & FPI Comeback: India & Global Trends

(Feb 2026)



February 2026 Performance

Nifty 50 25,178.65 ▼ 0.56%	BSE Sensex 81,287.19 ▼ 1.19%	Mid Cap 56,056.40 ▲ 1.18%	Small Cap 17,811.40 ▲ 1.19%	Gold (₹/10g) 1,61,580 ▲ 0.60%
---	---	--	--	--

Market Recap — February 2026

Indian equity markets ended February 2026 in mixed territory. The Nifty 50 declined 0.56% to 25,178.65 and the BSE Sensex fell 1.19% to 81,287.19, while the Nifty Midcap 100 and Smallcap 100 indices rose 1.18% and 1.19% respectively as broader-market sentiment recovered. The month was defined by the Union Budget on February 1, which set a credible 4.3% fiscal deficit target and a record ₹12.2 lakh crore capex outlay.

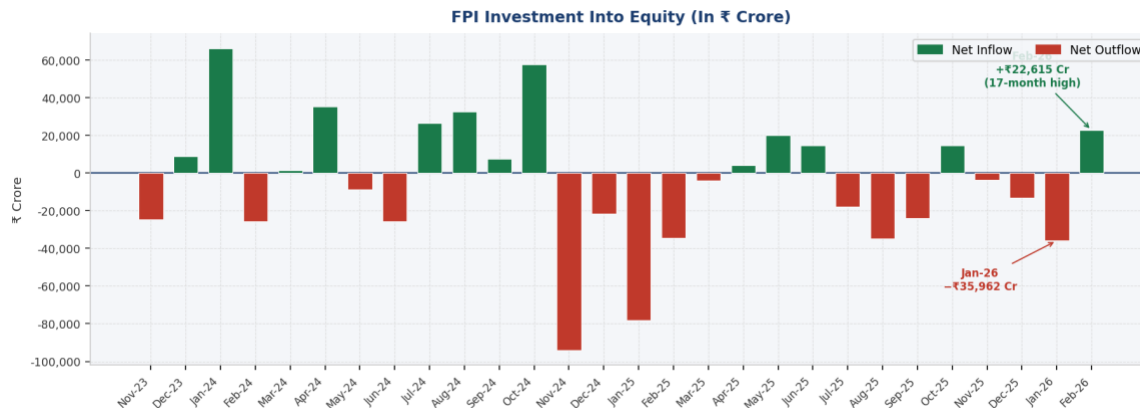
The month had two distinct phases. Pre-Budget nervousness saw the Nifty dip below 25,200 as investors held positions defensively. Post-Budget, the tone shifted markedly: capital goods, defence, railways, pharma, and infrastructure stocks surged on the announcement, and FPIs turned net buyers within days — recording inflows of ₹22,615 crore, the highest monthly inflow in 17 months. Late-month profit-booking in IT (on AI capex moderation concerns) and select financials trimmed early gains.

Sectoral performance favoured rate-sensitive and Budget-beneficiary themes. Pharma (+4.0%), PSU Banks (+3.8%), Healthcare (+2.7%), Metal (+2.5%), and Realty (+2.1%) led the gainers, while IT (-7.3%) was the clear underperformer on global tech rotation and AI capex concerns. Gold saw extreme volatility, crashing over 25% from its late-January peak of ₹1,78,850/10g before recovering to close near ₹1,61,580/10g as Middle East tensions began to build.

Global Market Overview

Global equity markets were mixed in February. The US S&P 500 declined approximately 1.4%, weighed by concerns over the pace of AI capital expenditure after Microsoft and Alphabet indicated moderation in near-term spending, and by sticky core PCE inflation at 2.7%. European equities, by contrast, gained approximately 2.1% (Euro Stoxx 50) on ECB rate cut optimism and positive spillover from the India-EU FTA concluded in January.

The US Federal Reserve held rates at 3.50-3.75% at its January 27-28 meeting and made no new comments in February, keeping the higher-for-longer baseline intact. US 10-year Treasury yields fluctuated in the 4.40-4.65% range, maintaining pressure on EM capital flows even as the FPI turnaround in India demonstrated selective re-engagement. Brent crude traded in the \$68-72/barrel range through most of February, with geopolitical premium beginning to build only in the final week as Middle East tensions rose.



Source: NSDL

➤ Union Budget FY27 — Key Highlights

- **Capex Outlay:** ₹12.2 lakh crore for FY27 (vs ₹10.9 lakh crore RE for FY26) — a 12% YoY increase, taking capex-to-GDP ratio to a record 3.4%. Beneficiaries: capital goods, railways, defence, and infrastructure.
- **Fiscal Deficit:** Targeted at 4.3% of GDP for FY27, narrowing from 4.7% (FY26 RE) — credible glide path that reassured global allocators on India's macro stability.
- **Defence:** Capex raised to ₹2.05 lakh crore (+9% YoY). Beneficiaries: HAL, BEL, Mazagon Dock, L&T Defence, MIDHANI.
- **Pharma & Healthcare:** Biopharma SHAKTI scheme launched to boost domestic biopharma manufacturing. PLI Phase-2 announced for APIs and complex generics.
- **Income Tax:** New regime slabs widened — no tax up to ₹12 lakh income (vs ₹7 lakh earlier). Estimated to leave ₹1 lakh crore in middle-class hands; positive for consumer discretionary.
- **F&O Markets:** STT on Futures raised from 0.02% to 0.05%. Mildly negative for NSE/BSE F&O volumes and exchange stocks.
- **Rozgar Mission:** New employment-linked incentive scheme launched. New base year GDP series released February 27.

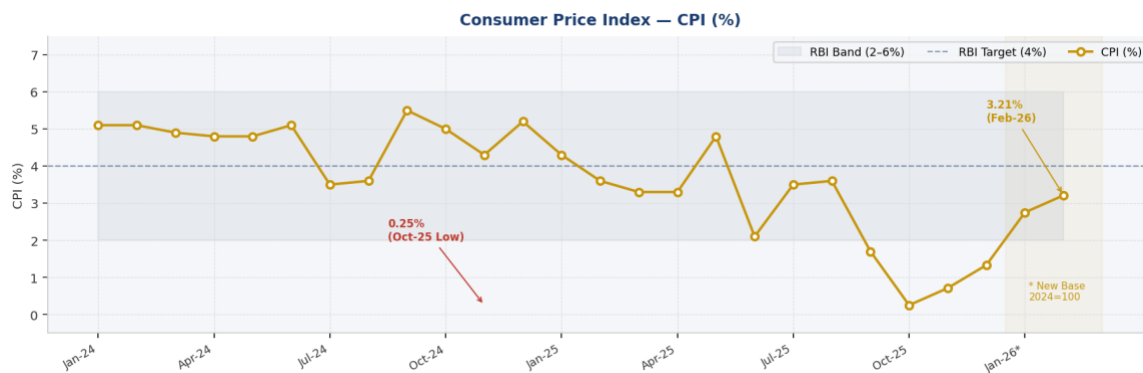
➤ FPI Activity — February 2026

- FPIs returned as net buyers in February 2026 with inflows of ₹22,615 crore — the highest monthly inflow in 17 months, reversing four consecutive months of outflows totalling ₹1.04 lakh crore.
- The turnaround was directly triggered by the Union Budget's credible fiscal glide path and ₹12.2 lakh crore capex commitment, which reassured global allocators on India's growth trajectory.
- Sectorally, FPI buying was concentrated in Healthcare (Budget's Biopharma SHAKTI scheme), Capital Goods and Infrastructure (direct Budget beneficiaries), and Financial Services. IT saw continued outflows on global tech rotation concerns.
- RBI MPC (February 5-7) held rates at 6.25% with a neutral stance. Governor Sanjay Malhotra noted the Budget's capex push provides space to remain on hold while monitoring the global rate environment.

➤ WPI



➤ CPI



Source: MoSPI, DPIIT

- CPI inflation for February 2026 rose to 3.21% YoY (new base 2024=100), up from 2.75% in January, driven by a moderate uptick in vegetables — particularly tomato and onion — and a low base effect. CPI remains comfortably within the RBI's 2-6% tolerance band and below the 4% target.
- Wholesale Price Index (WPI) inflation rose to 2.13% YoY in February from 1.81% in January. The trend from near-zero WPI in Q2/Q3 FY26 to 2.13% in February 2026 reflects gradual normalisation of producer prices as commodity disinflation ebbs.
- Despite the February uptick, both CPI and WPI remain well-anchored. The RBI MPC at its February 5-7 meeting held rates at 6.25% with a neutral stance, retaining the option to cut later in CY2026 if growth softens and inflation remains in band.
- Core inflation (excluding food and fuel) remained subdued at ~3.1% in February, indicating that demand-side pressures are contained. The next CPI print (March 2026) is due April 14 and will be closely watched for any spillover from rising global crude prices in the final week of February.

Script Name	Feb-26 Close	30D %
Top 5 Nifty 50 Gainers		
SUNPHARMA	1,891.00	+6.8%
CIPLA	1,598.00	+5.9%
COALINDIA	432.50	+5.1%
ULTRACEMCO	11,420.00	+4.6%
NTPC	358.00	+4.2%
Top 5 Nifty 50 Losers		
INFY	1,612.00	-9.2%
TCS	3,481.00	-8.7%
WIPRO	265.00	-7.1%
HCLTECH	1,748.00	-6.4%
TECHM	1,478.00	-5.9%

Index	Feb-26	30D %
NIFTY PHARMA	22,830.0	+4.0%
NIFTY PSU BANK	6,620.0	+3.8%
NIFTY HEALTHCARE	14,290.0	+2.7%
NIFTY METAL	9,140.0	+2.5%
NIFTY REALTY	858.0	+2.1%
NIFTY CONSUMER D.	36,820.0	+1.9%
NIFTY FIN. SVCS.	23,680.0	+1.8%
NIFTY BANK	51,800.0	+1.5%
NIFTY AUTO	22,280.0	+1.1%
NIFTY CHEMICALS	27,600.0	+0.9%
NIFTY FMCG	51,610.0	-0.4%
NIFTY OIL & GAS	10,590.0	-1.2%
NIFTY MEDIA	1,348.0	-2.7%
NIFTY IT	31,050.0	-7.3%

Source: NSE, ICICI Direct Research

Rolling Monthly Index Returns (%)

Particular	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Nifty 50	6.0%	4.3%	1.7%	3.1%	-3.5%	-1.4%	0.8%	4.5%	-0.5%	0.3%	-3.2%	-0.6%
Nifty Midcap 50	7.4%	5.2%	4.5%	5.3%	-2.3%	-3.1%	1.5%	6.7%	-1.2%	1.2%	-4.5%	1.2%
Nifty Smallcap 50	8.5%	3.0%	7.8%	7.3%	-2.3%	-4.7%	1.6%	5.3%	-1.8%	2.3%	-3.4%	1.2%
Nifty 500	7.0%	3.8%	3.5%	3.6%	-3.0%	-2.0%	1.2%	4.3%	-0.8%	0.9%	-3.6%	-1.2%

Source: NSE / niftyindices.com

SEBI Registered Investment Advisor: Company Name: ORIM ADVISORS PRIVATE LIMITED | SEBI Registration Number: INA000018294 | CIN: U74999MH2021PTC373405
Address: 13/C, Mini Land, Tank Road, Bhandup West, Mumbai, Maharashtra 400078. Principal Officer & Compliance Officer: Vedant Sanjive Kumar Pathella | Contact: +91-7977016006 | Email: connect@orim.in

Disclaimer: Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, membership of BASL and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Past performance should not be considered as a guarantee of future returns.