

Market Outlook

April 2026



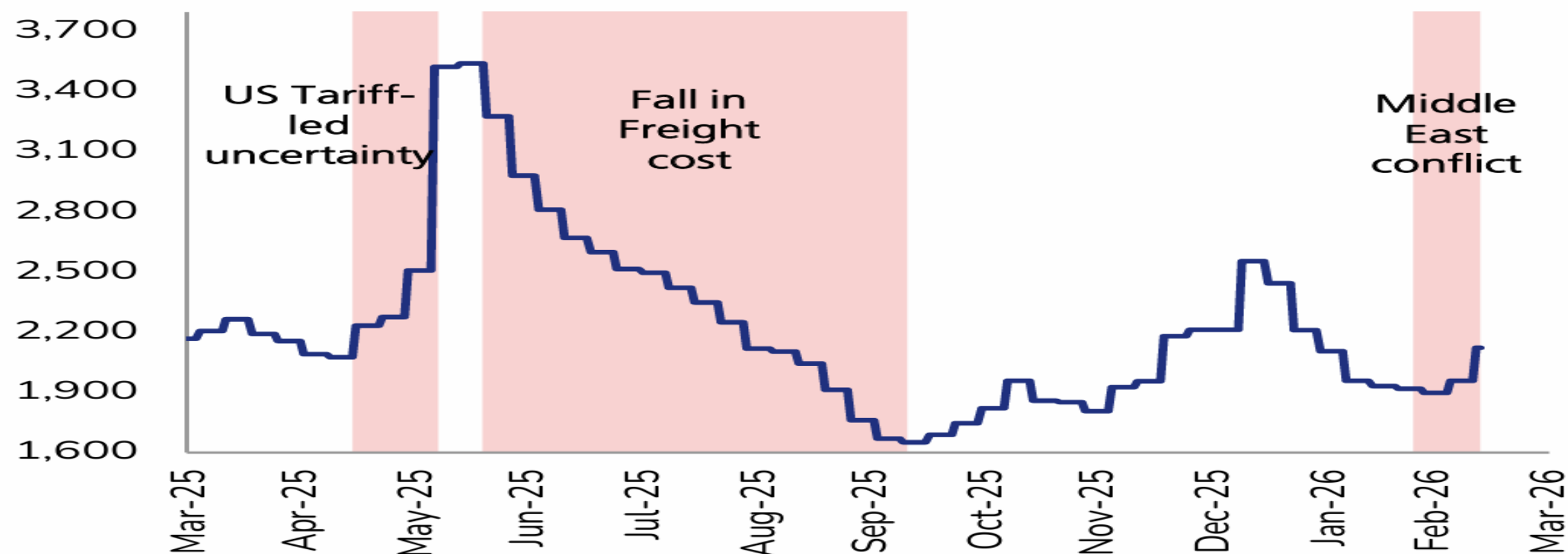
Global Economy

April 2026



World Freight Index Up 10.6% Since The Onset Of Gulf Conflict

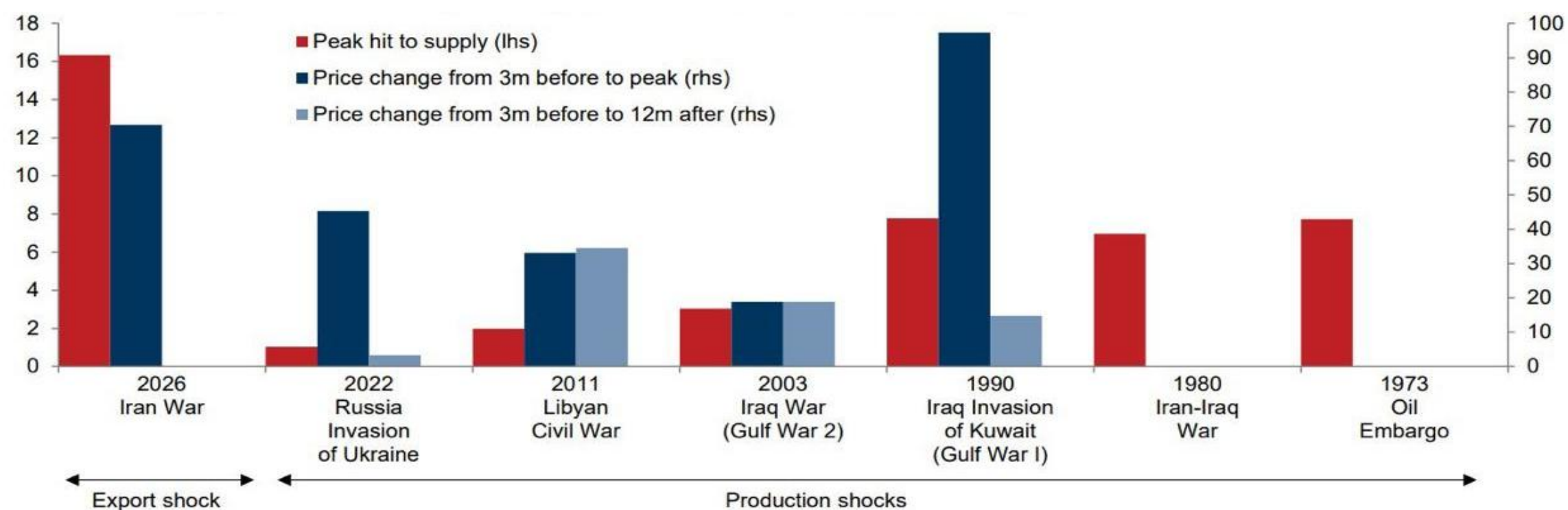
World Freight Index (USD/40ft container)



Source: Bloomberg, JM Financial, 16th Mar 2026

Largest Oil Supply Shock From The Persian Gulf In History

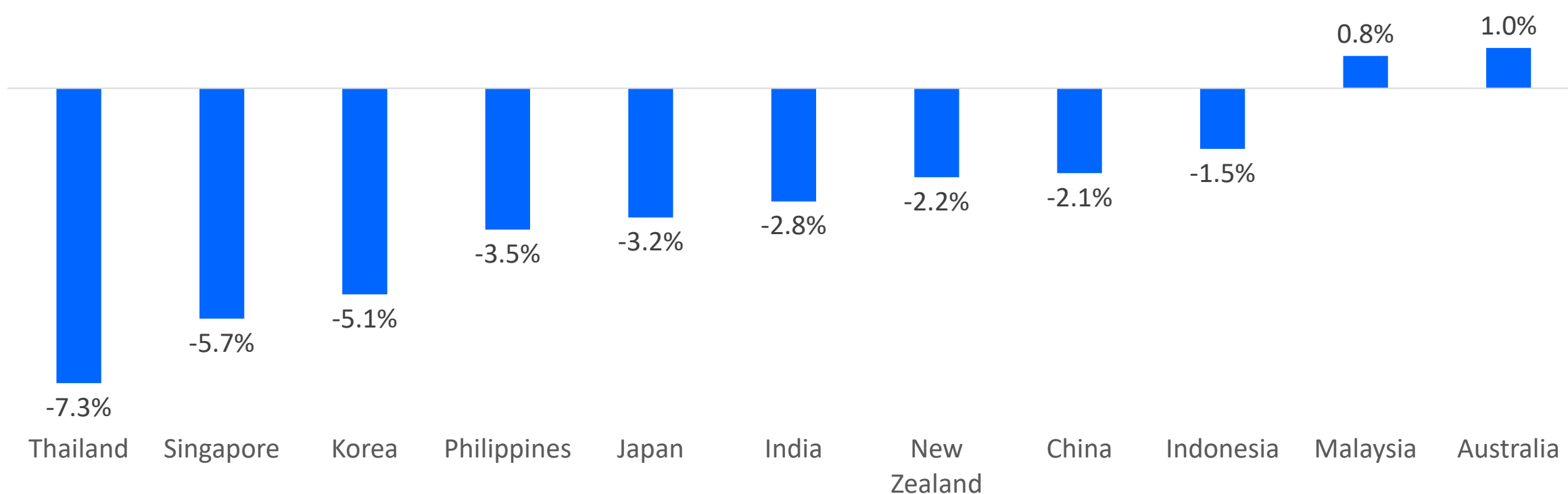
Historical Oil Supply Hit Events (% Of Global Supply , LHS) vs. Corresponding Price Change (% , RHS)



Source: IEA, ICE, Goldman Sachs GIR, as per latest data available. Note: Peak Price is the highest daily close price. For the 2026 Iran war, peak hit to supply is defined as the estimated latest hit to Persian Gulf oil exports based on reported vessel count; peak price is taken to be highest realized daily close price since February 28.

North Asia Is Vulnerable To Energy Shock

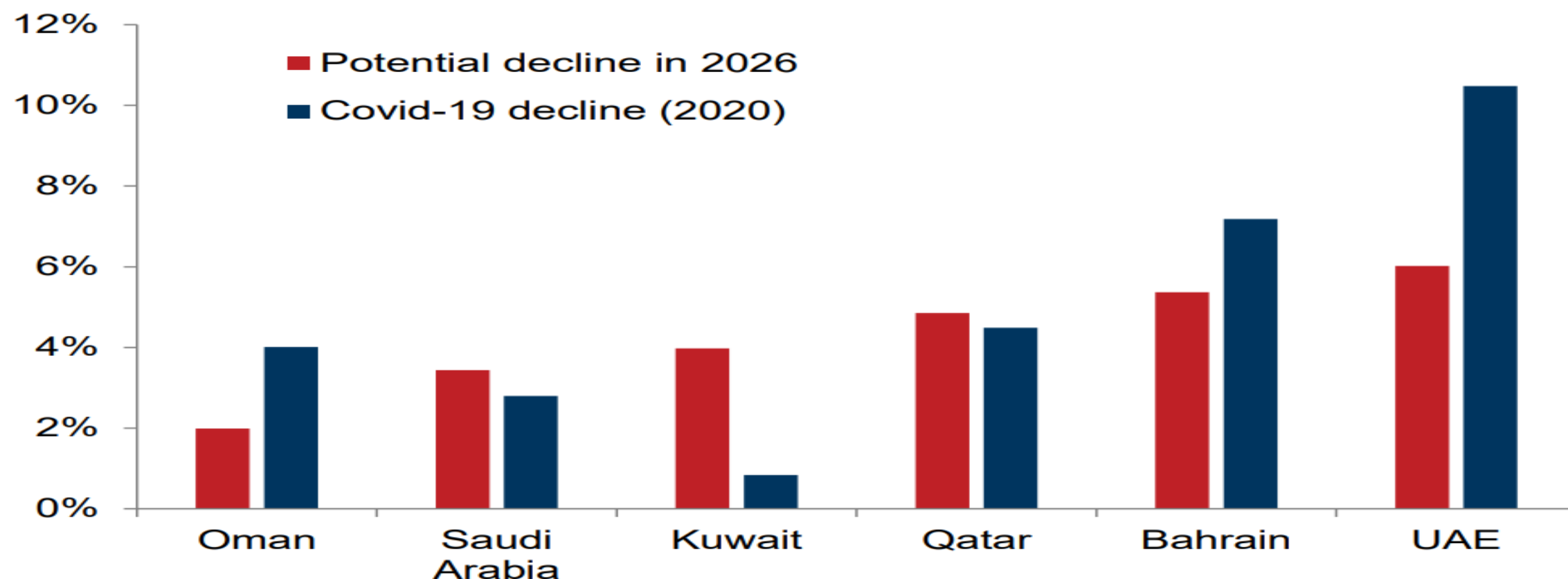
Energy Trade Balance (% of GDP)



Source: UN Comtrade, World Bank, Axis Bank Research Report March 2026

Gulf Countries Will Face Bigger Growth Hit Than Covid

Decline in non-oil GDP among GCC economies, %



Source: Haver Analytics, Goldman Sachs GIR, 20th Mar 2026

Inflationary Pressures Expected To Gather Pace In Near Term

US Crude Oil Production



Source: Bloomberg, Macrobond, Apollo Economist April 2026

Growth Down And Inflation Up In 2026

	GDP Growth %					CPI Inflation %					Monetary Policy Rate %				
	2025	2026F		2027F		2025	2026F		2027F		2025	2026F		2027F	
		New	Old	New	Old		New	Old	New	Old		New	Old	New	Old
Global	3.5	3.1	3.5	3.4	3.4	2.4	3.3	2.4	2.5	2.4	3.74	3.6	3.3	3.4	3.2
Developed Markets	1.7	1.4	1.9	1.5	1.7	2.6	3.3	2.3	2.2	2.1	2.71	2.8	2.5	2.5	2.4
US	2.1	2.3	2.8	2.2	2.1	2.7	3.6	2.8	2.3	2.5	3.62	3.1	3.1	3.1	3.1
Euro area	1.5	0.6	1.2	1.0	1.3	2.1	3.3	1.7	2.1	1.7	2.0	2.5	2.0	1.8	1.5
Japan	1.1	0.4	0.7	0.6	0.8	3.2	2.1	1.6	2.6	2.2	0.75	1.2	1.3	1.8	1.8
Emerging Markets	4.7	4.2	4.6	4.5	4.5	2.3	3.3	2.5	2.7	2.6	4.41	4.2	3.9	4.0	3.7
Emerging Markets ex China	4.6	4	4.5	4.6	4.5	3.9	4.7	4.0	4.0	3.9	6.22	5.9	5.5	5.6	5.3
Emerging Asia	5.5	4.8	5.1	5.1	5.1	0.9	2.4	1.5	2.0	2.0	2.72	2.8	2.6	2.9	2.7
China	5.0	4.5	4.7	4.5	4.5	0.0	1.0	0.1	0.8	0.8	1.4	1.4	1.2	1.4	1.2
Emerging EMEA	3.4	3.3	3.8	3.7	3.7	9.2	7.0	6.4	5.8	5.5	8.42	7.4	6.8	6.1	5.8
Latin America	2.4	2.3	2.3	2.4	2.2	3.7	4.7	3.9	3.9	3.6	8.59	8.0	7.3	7.7	6.8

Source: BofA Global Research 1st April 2026, Haver Note: GDP growth and CPI inflation forecasts are expressed as yoy avg. Monetary policy rates are eop. Old forecasts as of February 27, 2026.

Key Take Away

- The Iran–Israel conflict has triggered an energy shock, with ~20% of global oil flows exposed via the Strait of Hormuz, pushing up crude and gas prices.
- Elevated energy prices increase the risk of global inflation moving higher, which may raise the probability of rate hikes.
- Global debt has hit a record high of \$348 trillion in 2025. Global yields have edged higher since the conflict.
- Countries in North Asia are more vulnerable to the energy shock and gulf countries also face a bigger growth hit than Covid -19.
- The global macro environment is increasingly shaped by geopolitics-led energy shocks rather than demand-led growth cycles and inflation, interest-rate and currency dynamics remain vulnerable to further escalation

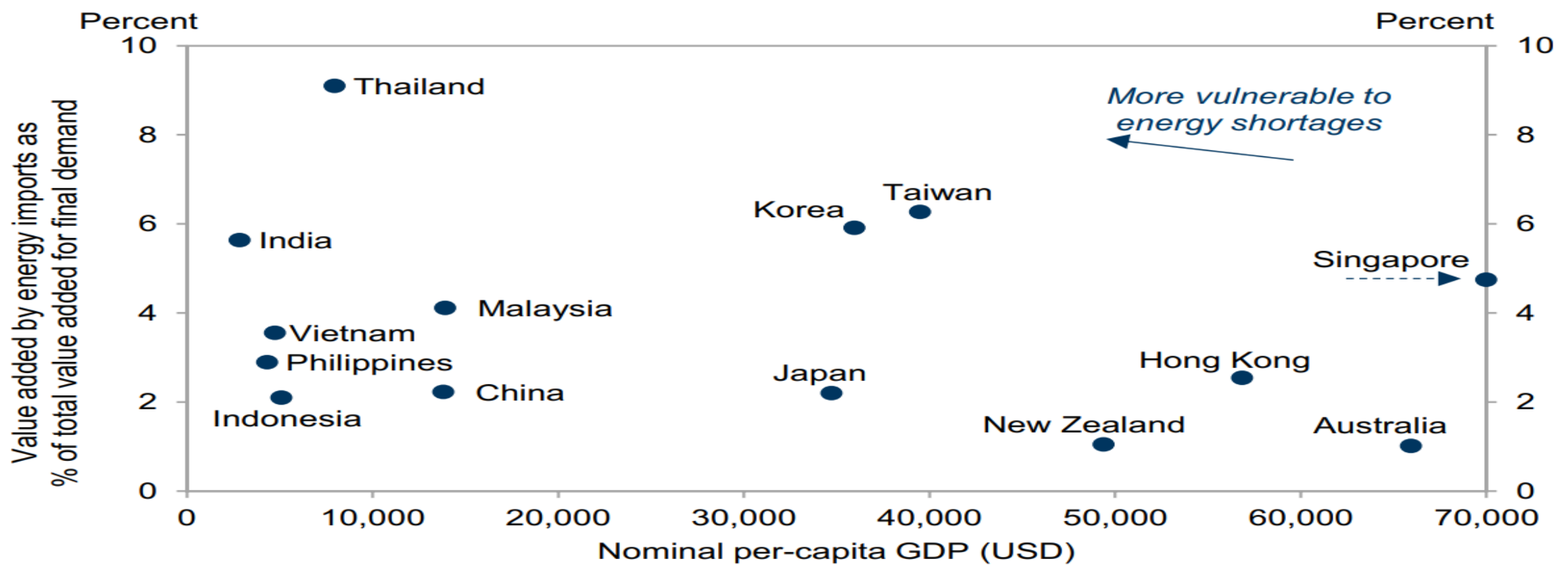
Source: KMAMC Internal, U.S. Energy Information Administration (EIA) analysis, based on Vortexa tanker tracking and Panama Canal, Apollo Chief Economist Report as of April 2026, IIF, Global Debt Monitor Feb 2026, Haver Analytics, Goldman Sachs GIR, 20th Mar 2026, UN Comtrade, World Bank, Axis Bank Research Report March 2026 | Data as on 31st March 2026/ As per latest data available | Kotak Mahindra Asset Management Company Limited (KMAMC) is not guaranteeing or promising any returns/futuristic returns. As per latest data available

Indian Economy

April 2026

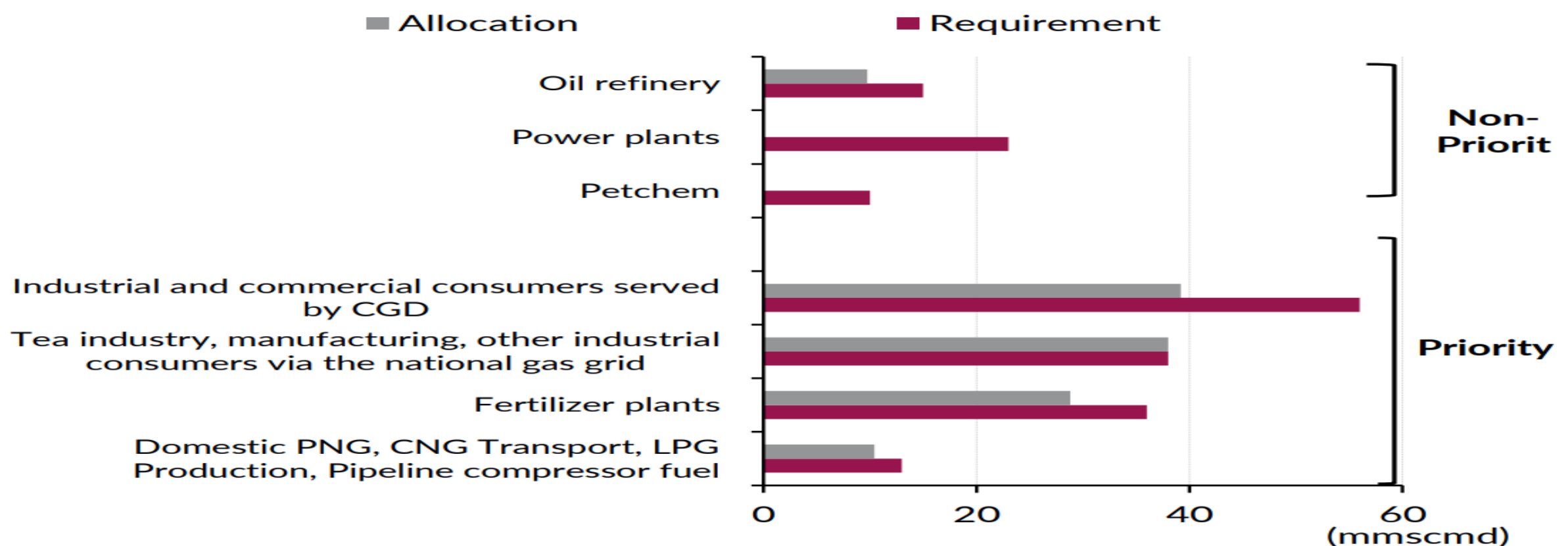


India Most Vulnerable To Energy Shortages Among Key Asian Markets



Source: OECD, IMF, Goldman Sachs Global Investment Research 26th Mar 2026

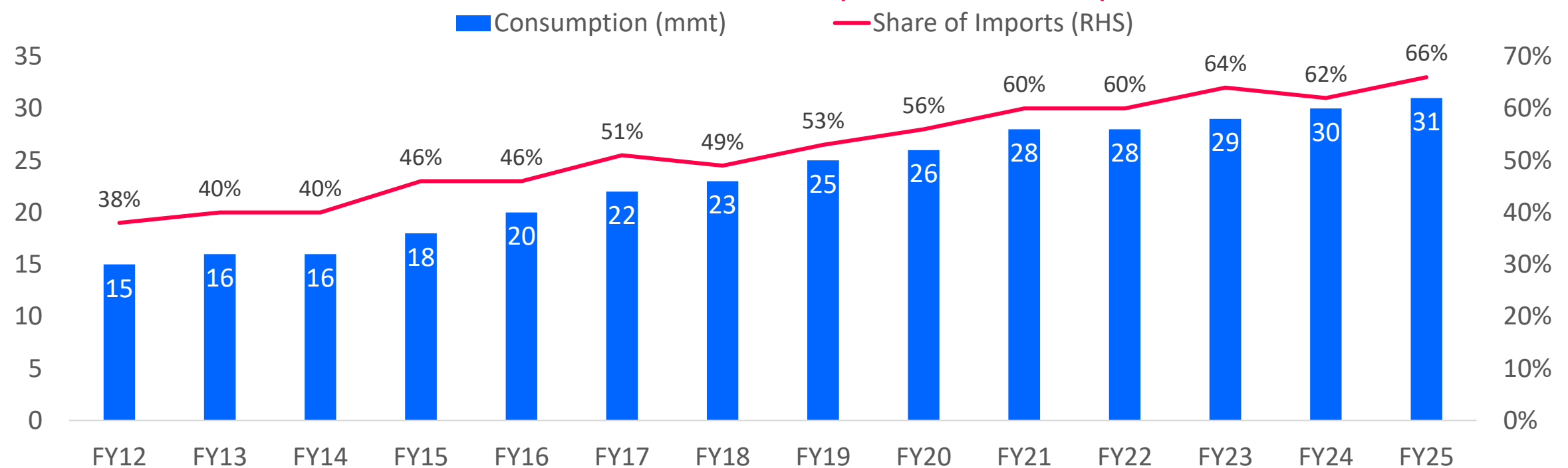
1/3rd Of India's Gas Supply Disrupted



Source: MoPNG, Axis Bank Research Report March 2026 | The stocks/sectors mentioned do not constitute any kind of recommendation and are for information purpose only. Kotak Mahindra Mutual Fund may or may not hold position in the mentioned stock(s)/sector(s).

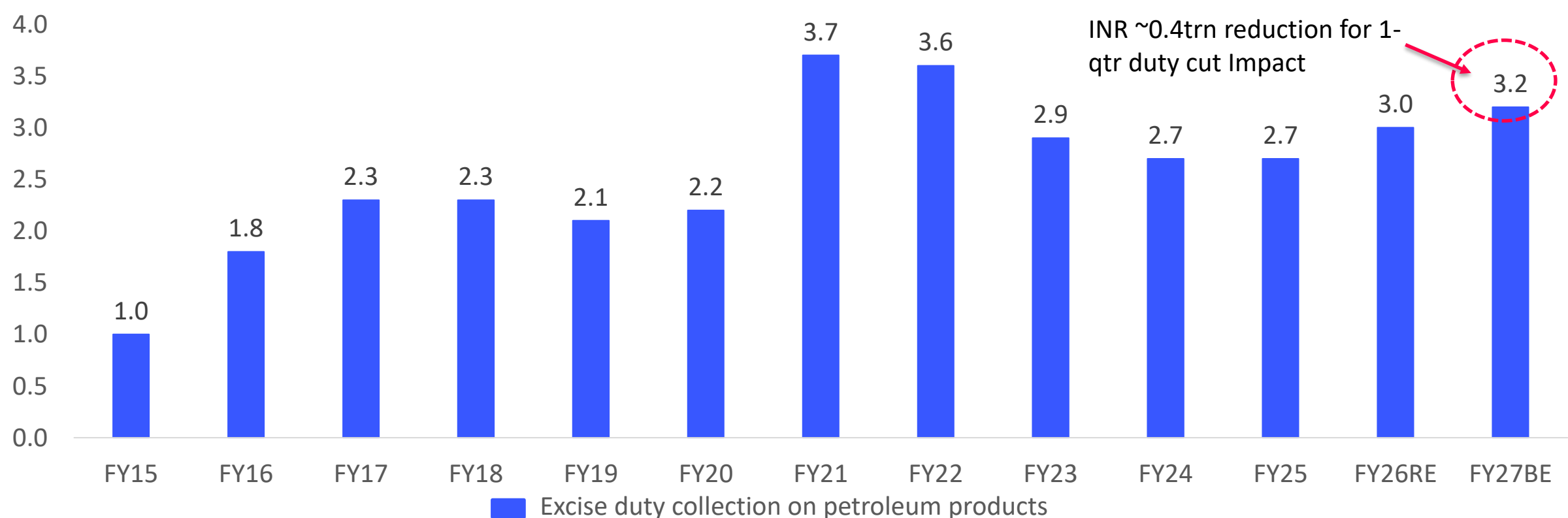
India's LPG Surge Has Increased Dependence On Imports

India's LPG Consumption, Which Doubled Over The Last Decade Through Schemes Like PMUY, Has Increased Dependence On Imports



Source: PPAC, Ambit Capital Research, Report as on 13th March 2026. LPG stands for Liquefied Petroleum Gas | PMUY : Pradhan Mantri Ujjwala Yojana

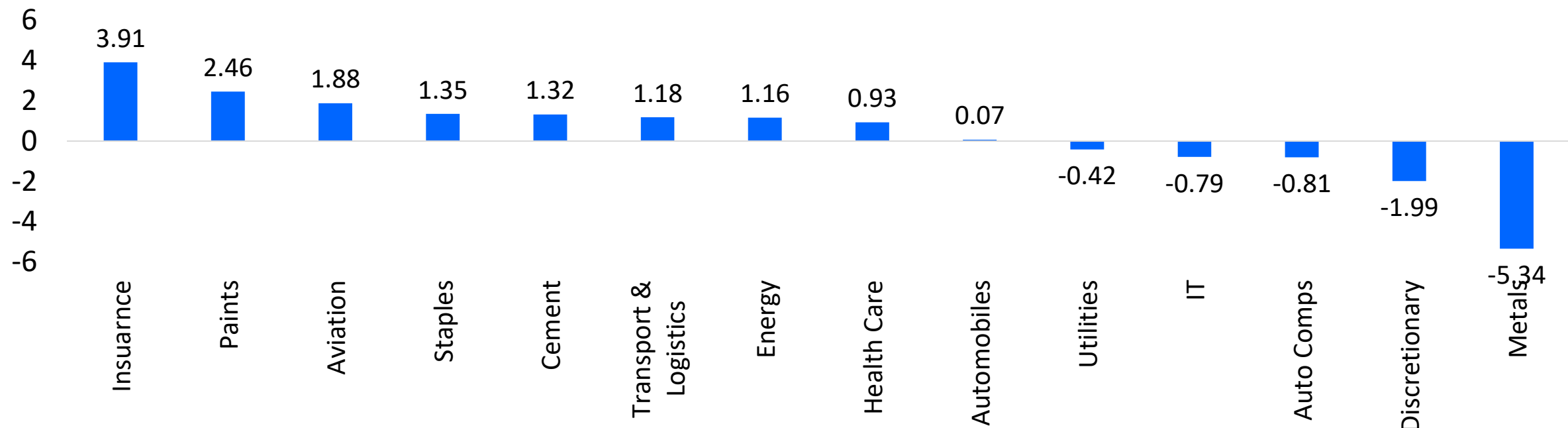
Central Excise Duties Cut On Petrol And Diesel Can Lead To A Quarterly Revenue Loss Of ~0.4trn



Source: Budget documents, Jefferies research 27th Mar 2026

Crude Price Movement Impacts Across Sectors

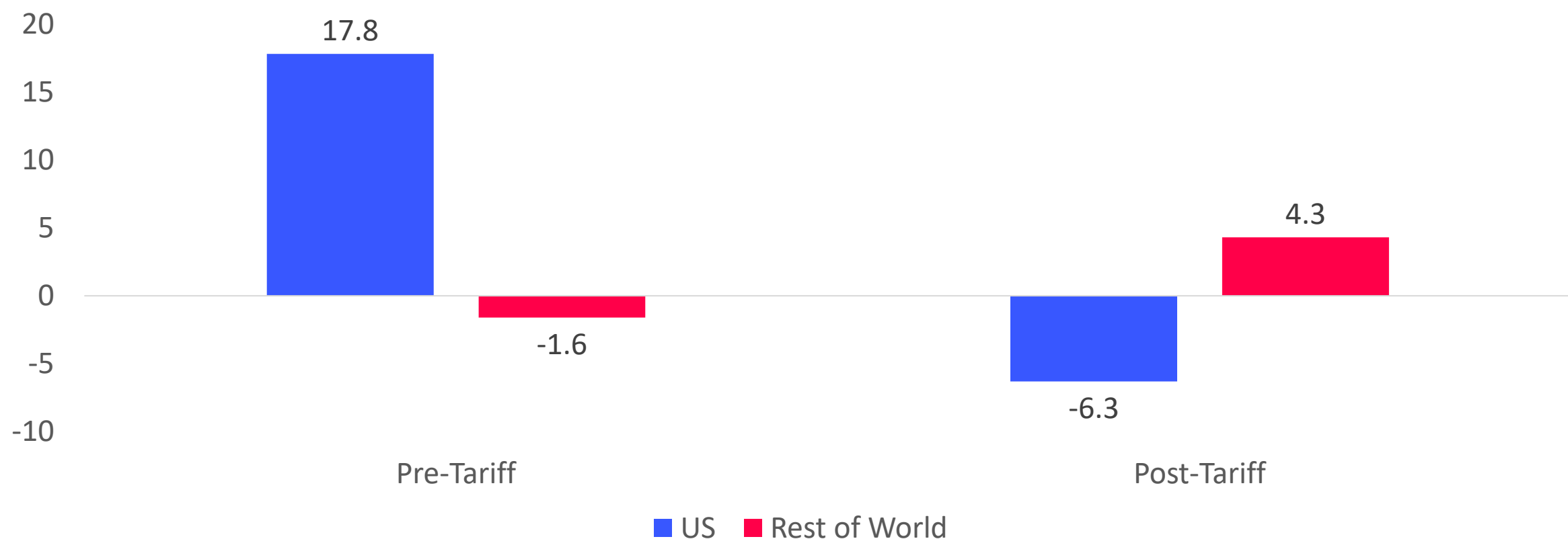
Sectors And Their Historic Linkage To Crude Prices - Negative Values Denote The Sector Moves Up When Crude Prices Increase



Source: Bloomberg, Bernstein Analysis Report dated 25th March 2026 | The stocks/sectors mentioned do not constitute any kind of recommendation and are for information purpose only | The Index names mentioned do not constitute any kind of recommendation and are for information purpose only | . Kotak Mahindra Mutual Fund may or may not hold position in the mentioned stock(s)/sector(s).

India's Exports Got Diversification Benefit

India's Goods Exports Growth (% , On-year)



Source: Ministry of Commerce and Industry, Crisil report dated 11th March 2026. Note: Pre-Tariff Represents April-August of fiscal 2026, while post-tariff September-January

Key Take Away

- Heightened geopolitical tensions in West Asia have increased India's near-term macro risks through a sharp rise in crude oil, LNG and fertilizer prices.
- India remains exposed to energy disruptions, with gas supply pressures and elevated reliance on imported fuel despite long-term diversification efforts.
- Although India's oil sensitivity has structurally declined, sustained high energy prices could still weigh on growth, inflation and fiscal balances.
- Recent fuel excise cuts may soften inflation but could add fiscal pressure if elevated prices persist. Domestic momentum has moderated, as reflected in softer PMI readings.
- India is entering a phase of heightened near-term uncertainty driven by geopolitical risks and elevated energy prices, which could weigh on growth, inflation and currency stability.

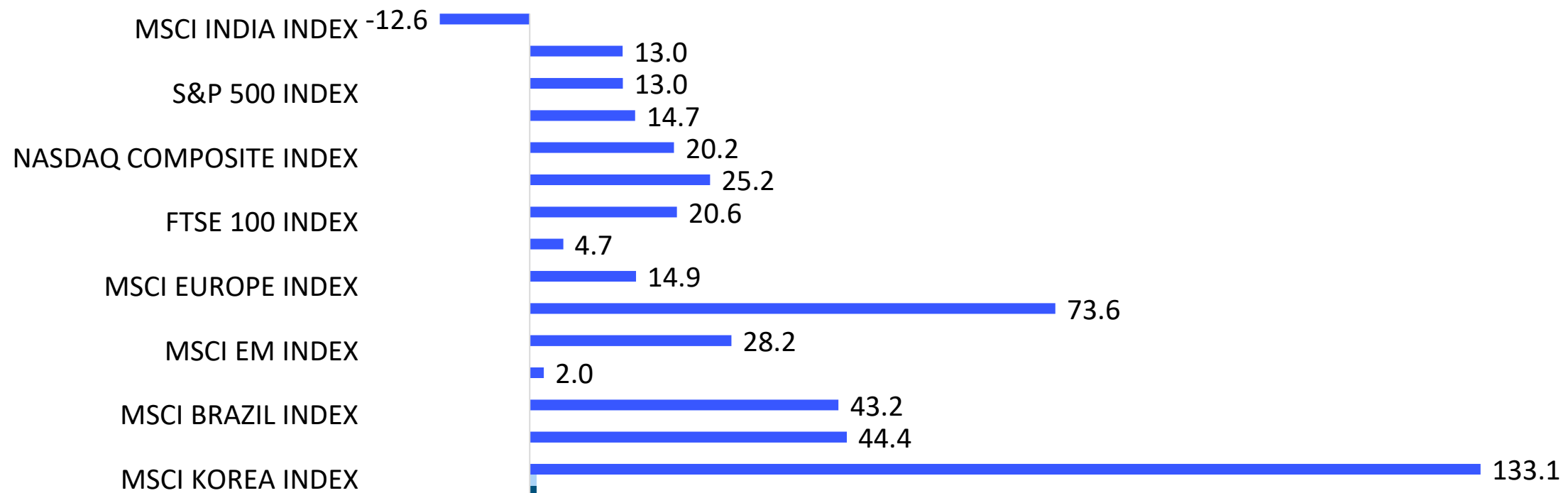
Equity Markets

April 2026



MSCI India Index Has Underperformed

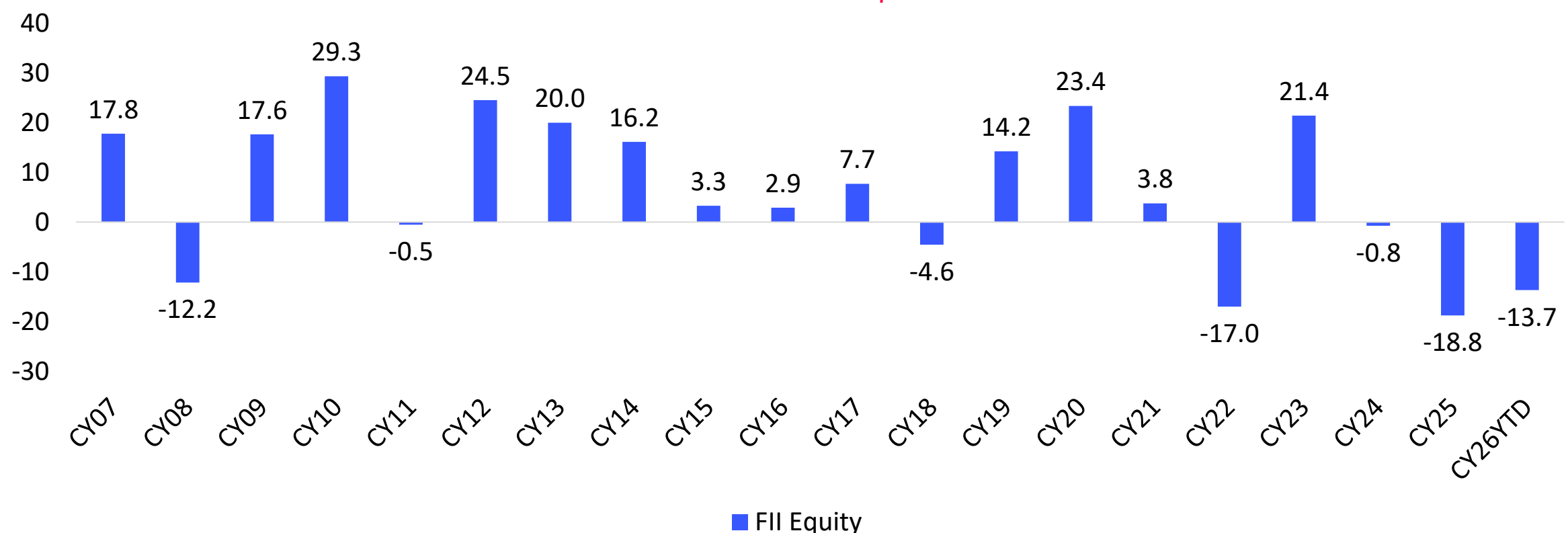
1 Year Returns (USD)



Source: Bloomberg, Data as on 30th March 2026 | The performance of the index shown does not in any manner indicate the performance of the Scheme. The Index names mentioned do not constitute any kind of recommendation and are for information purpose only | FTSE = Financial Times Stock Exchange, EM = Emerging Markets | Past performance may or may not be sustained in future.

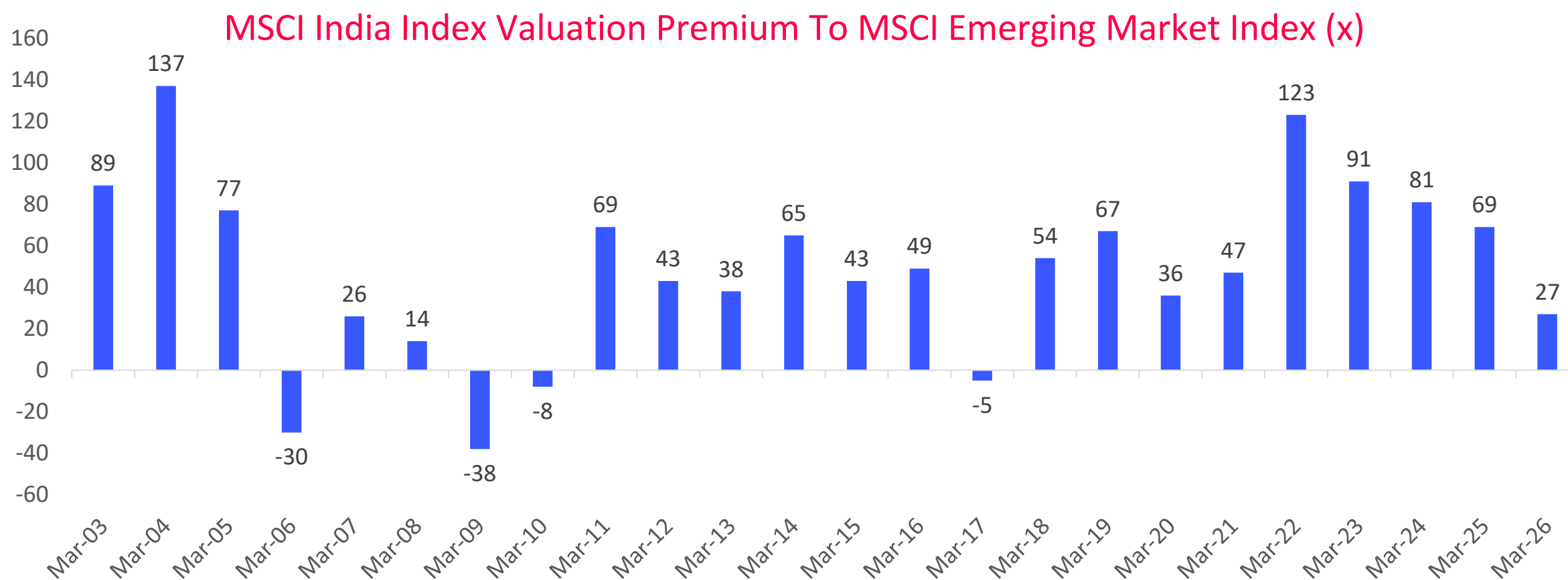
FII's Are Sellers In CYTD26 On Geopolitical Concerns

Flows In US\$B



Source: Bloomberg, Motilal Oswal Report Dated March 2026, as per latest data available

MSCI India's P/E Relative To MSCI EM Is At 16-year Low, Barring FY17



Source: Motilal Oswal Research April 2026 | The Index names mentioned do not constitute any kind of recommendation and are for information purpose only

Markets Bottoms Out Before The End Of The War

	BSE Sensex Index Levels (War Start)	BSE Sensex Index Levels (War Close)	BSE Sensex Index Levels (Bottom)
Kargil War	3378.4 (3 May 1999)	4625.4 (26 July 1999)	3378.4 (3 May 1999)
Invasion of Iraq	3192.9 (20 Mar 2003)	2966.9 (2 May 2003)	2924.0 (25 Apr 2003)
Russia Ukraine War	54529.9 (24 Feb 2022)	Ongoing	51360.4 (17 Jun 2022)

Source: Wikipedia, ICRA MFI, As per latest data available | The Index names mentioned do not constitute any kind of recommendation and are for information purpose only | Past Performance may or may not sustain in future. Kotak Mahindra Asset Management Company Limited (KMAMC) is not guaranteeing or promising any returns/futuristic returns.

Correction Is An Opportunity To Add

Equities	Neutral Weight*
Large cap	Over Weight
Midcap	Marginally Over Weight
Smallcap	Under Weight

*Marginal Overweight For Investors With Aggressive Risk Profile

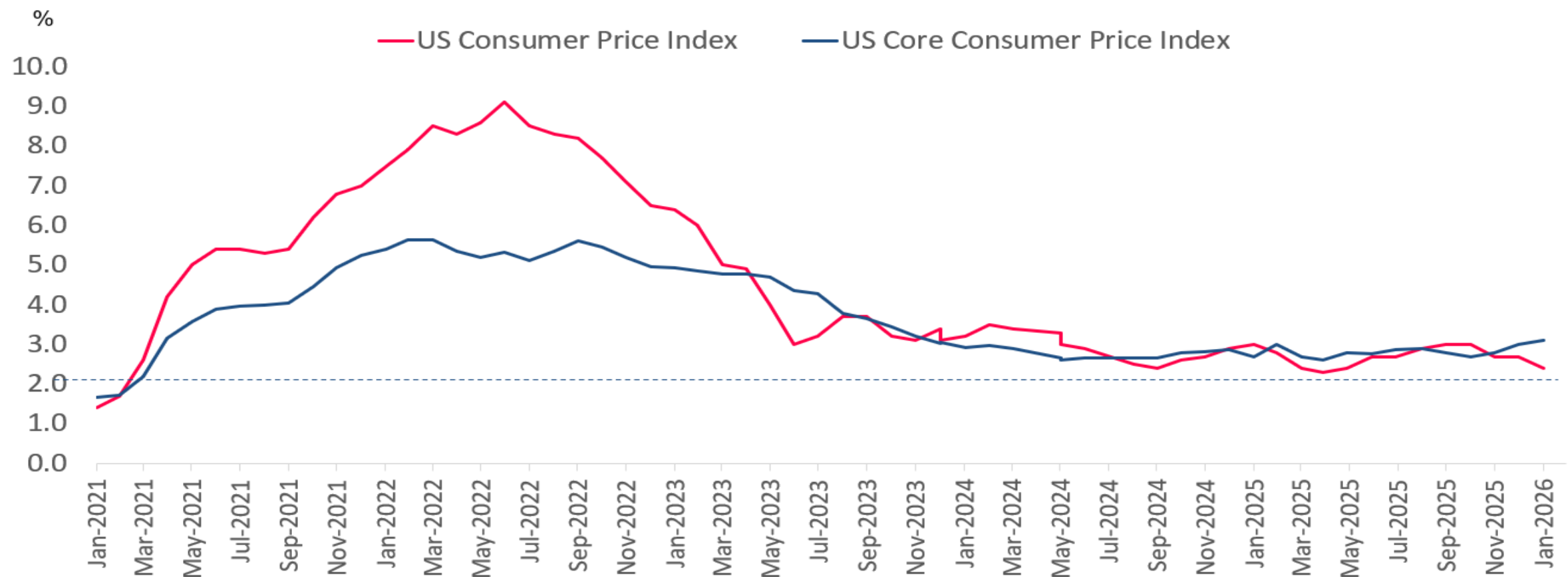
Source: KMAMC internal , OW – Overweight, UW – Under Weight, As per para 3.9 of SEBI Master Circular No. HO/24/13/11(1)2026-IMD-POD-1/I/7602/2026 dated March 26, 2026, Large Cap: 1st -100th company in terms of full market capitalization. Mid Cap: 101st -250th company in terms of full market capitalization. Small cap: 251st company onwards in terms of full market capitalization. The above does not constitute any kind of recommendation from Kotak Mahindra Mutual Fund and are for information purpose only

Debt Markets

April 2026

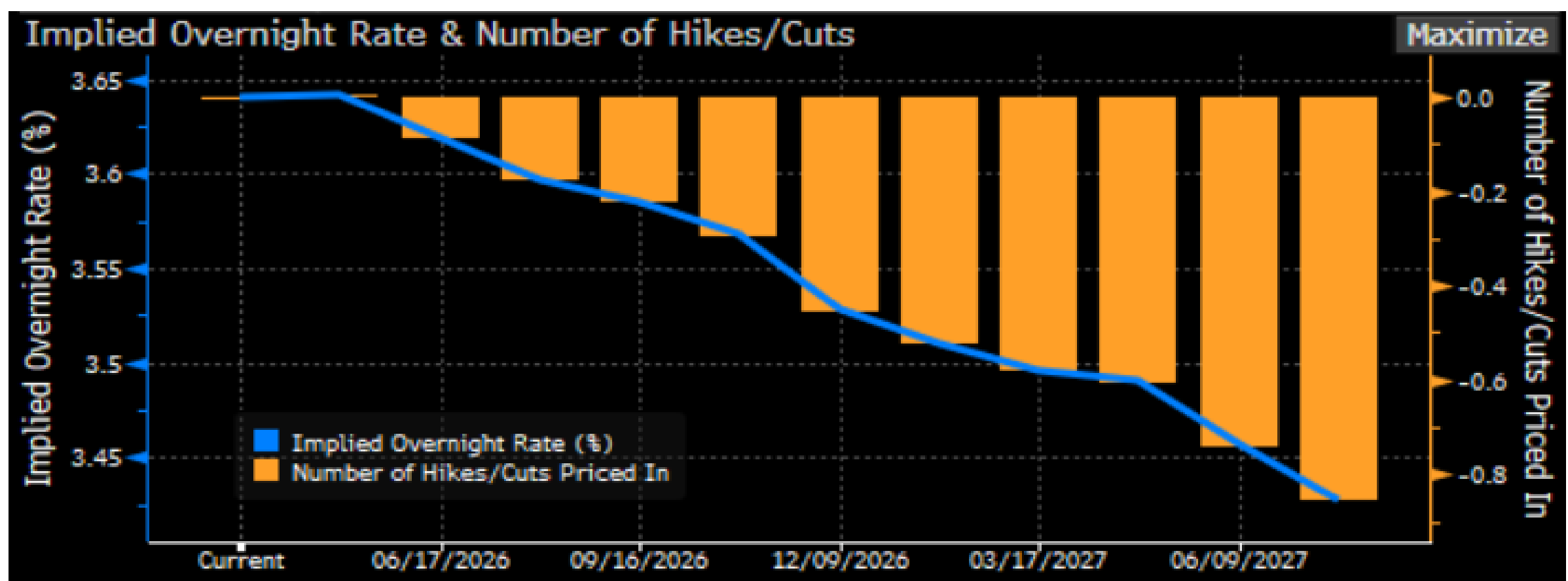


US Inflation Continue To Remain Broadly Stable



Source: Bloomberg I data as on 28th February 2026, as per latest data available

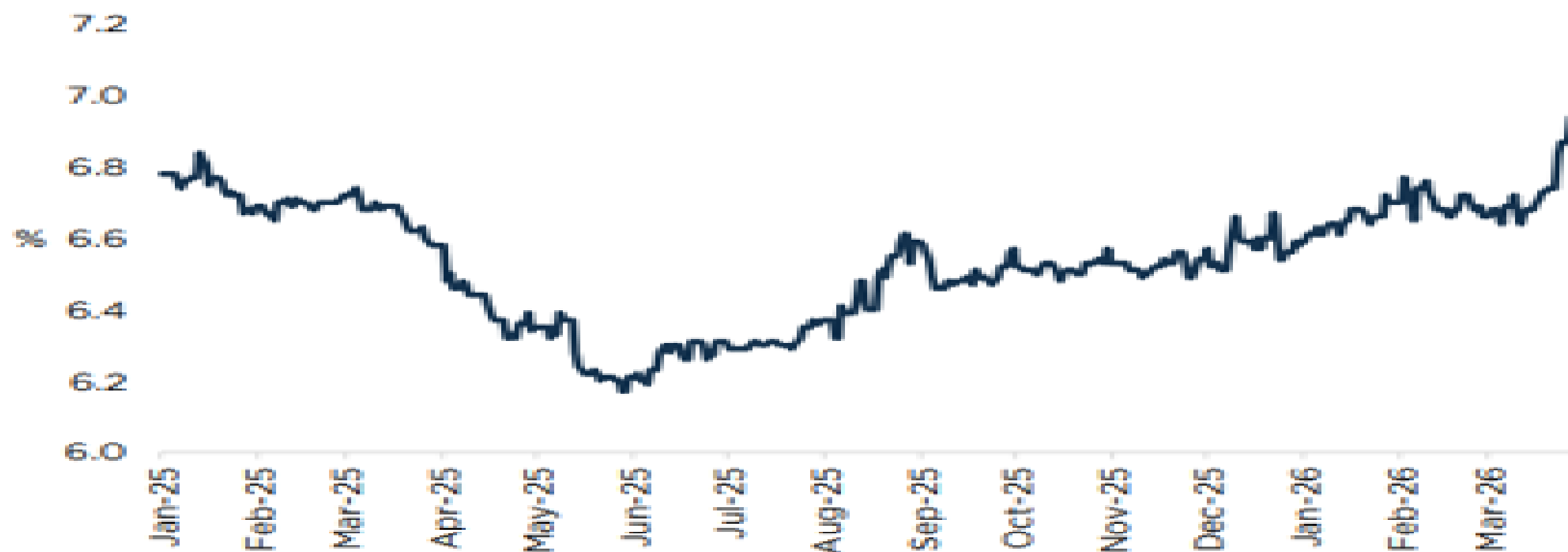
Fed Fund Futures Signals No Cuts For Now



Source: Bloomberg I data as on 1st April 2026

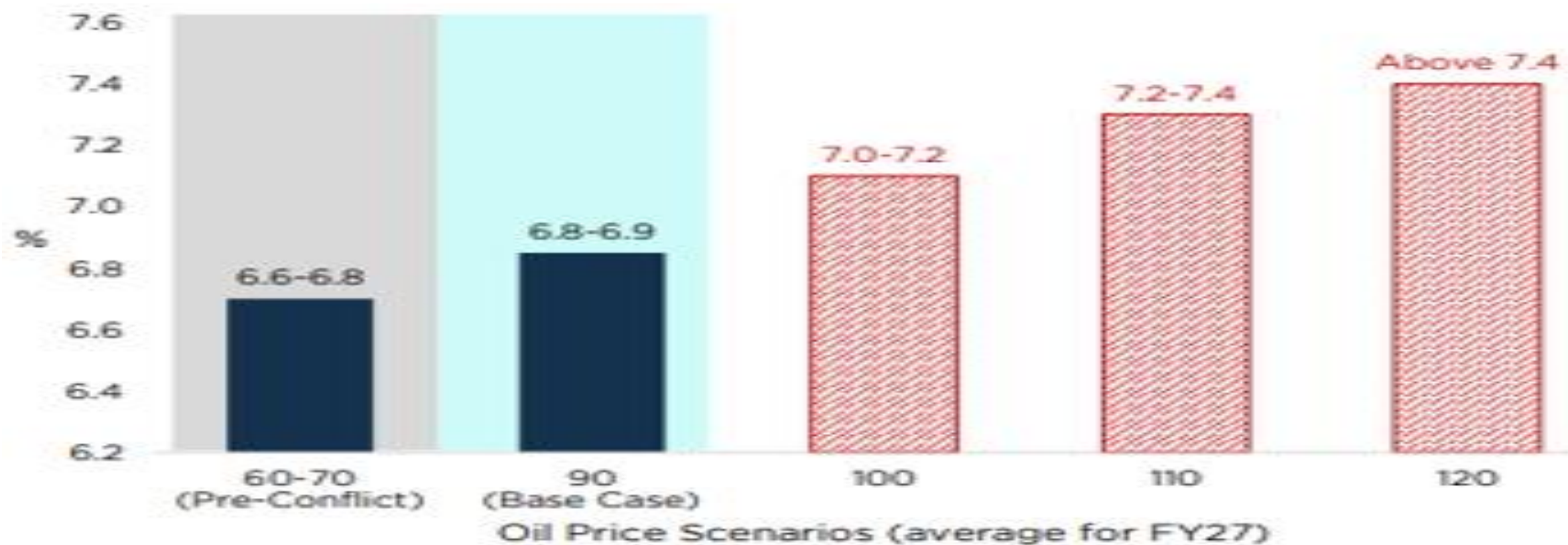
India 10Y G-Sec Yield Rises

Movement In India 10 Yr G Sec Yield



Source: Refinitiv, CareEdge. Data as of 30 March 2026

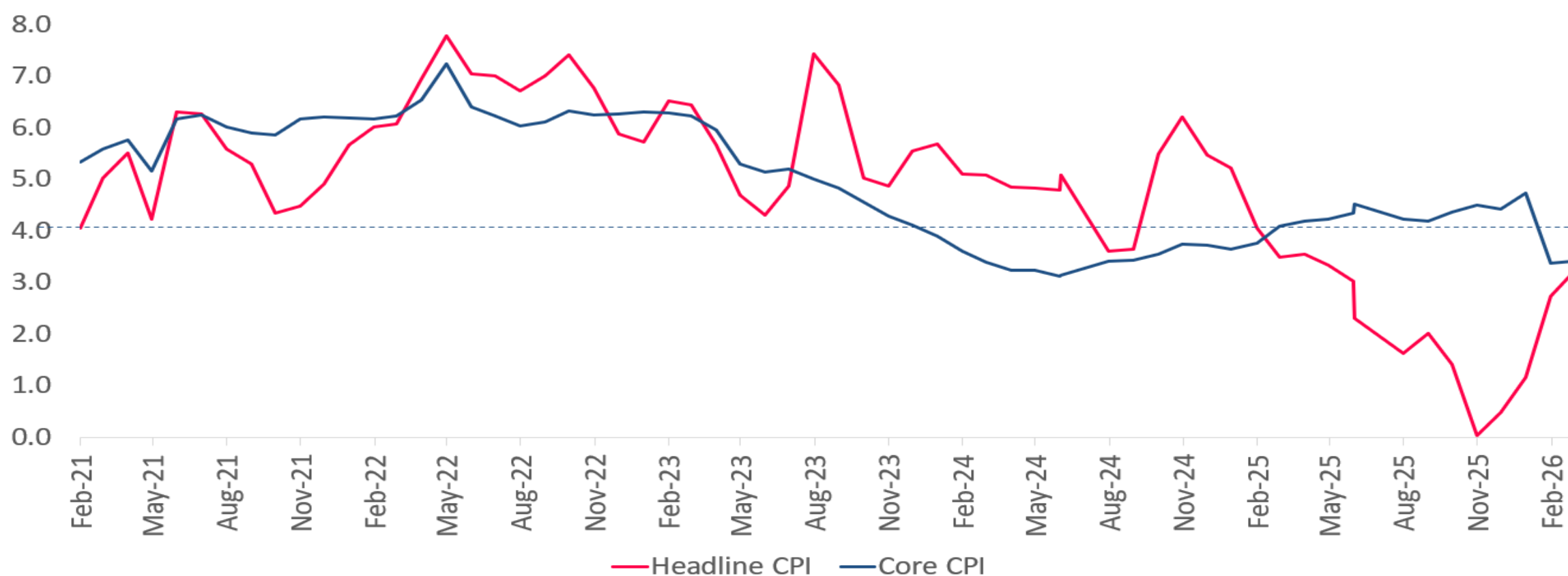
G Sec Yield Outlook – FY27



With 5-year OIS at ~6.80%—implying ~125 bps of rate hikes; the 10-year yield at ~7.25% looks broadly in line with market pricing.

Source: CareEdge Projections report dated 30 March 2026

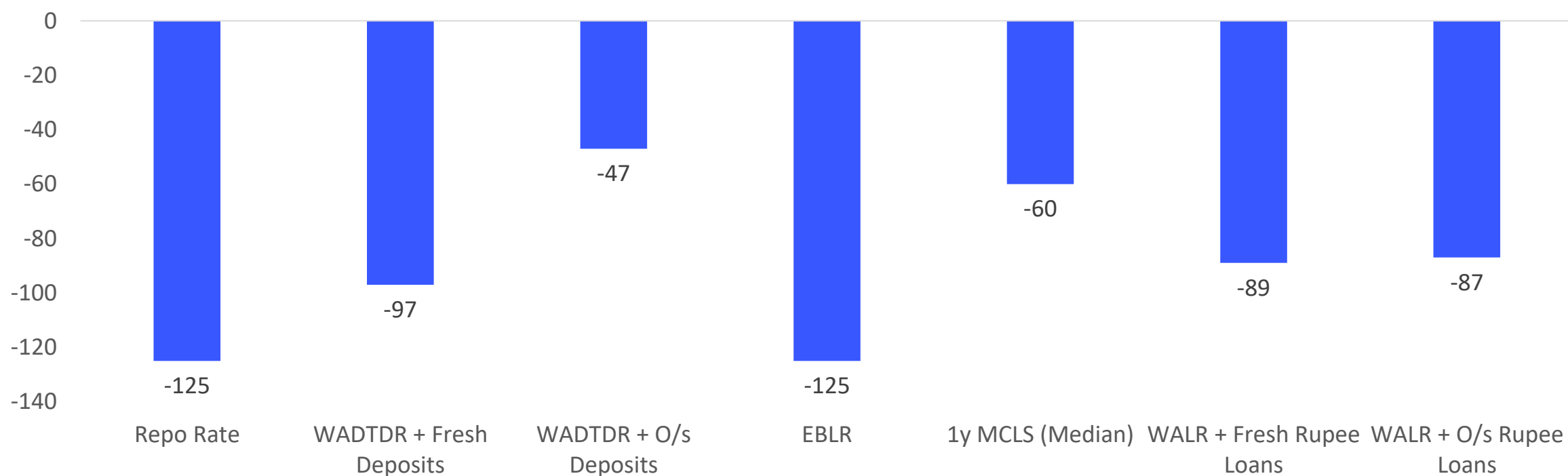
India's CPI Inflation Remains Comfortable As Of Now



Source: Bloomberg, MoSPI I data as on 28th February 2026, as per latest data available

Monetary Policy Transmission Continues

Change In Key Interest Rates Of Banks Since Feb-25



Source: RBI, CMIE, CareEdge Data on WADTDR and WALR is for February 2026; Data on MCLR is for March 2026 Note: WADTDR: Weighted Average Domestic Term Deposit Rate; EBLR: External Benchmark-based Lending Rate; MCLR: Marginal Cost of Funds-based Lending Rate; WALR: Weighted Average Lending Rate

Disclaimers & Risk Factors:

The document includes statements/opinions which contain words or phrases such as "will" , "believe", "expect" and similar expressions or variations of such expressions, that are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to risk or uncertainties associated with the statements mentioned with respect to but not limited to exposure to market risks, general and exposure to market risks, general economic and political conditions in India and other countries globally, which have an impact on our services and/or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices etc.

The information contained in this (document) is extracted from different public sources. All reasonable care has been taken to ensure that the information contained herein is not misleading or untrue at the time of publication. This is for the information of the person to whom it is provided without any liability whatsoever on the part of Kotak Mahindra Asset Management Co Ltd or any associated companies or any employee thereof. We are not soliciting any action based on this material and is for general information only. Investors should consult their financial advisors if in doubt about whether the product is suitable for them before investing.

The views expressed in this document/material are subject to change at any time based on market and other conditions. This is not an offer or solicitation for the purchase or sale of any security and should not be construed as such. References to specific securities and issuers are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations to purchase or sell such securities.

These materials are not intended for distribution to or use by any person in any jurisdiction where such distribution would be contrary to local law or regulation. The distribution of this document in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this document are required to inform themselves about, and to observe, any such restrictions.

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