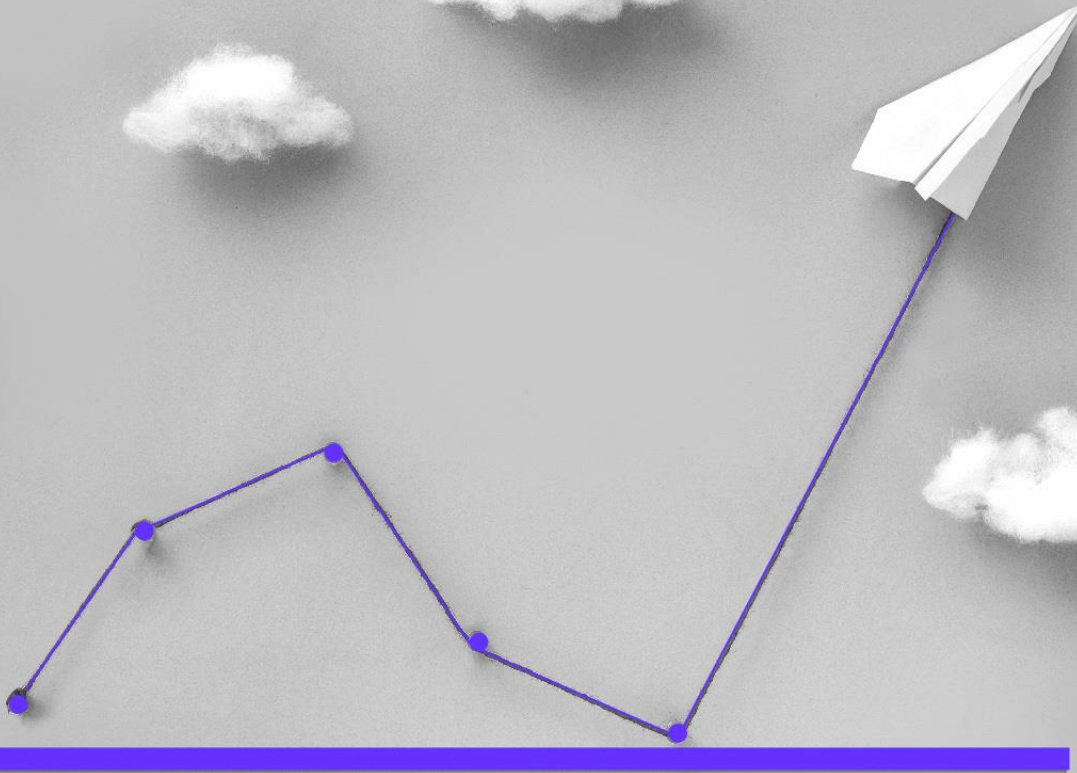


TRENDS & TIDES

**India's GDP growth
accelerates to 7.8% YoY in
Q1FY26**



GDP growth picks up to 7.8% YoY in Q1FY26, driven by Financial Services+ **asset 360 ONE**

Manufacturing, Trade+, and Public Admin+ also reported stronger growth compared to the previous quarter

Real Growth YoY%	Share		FY25				FY26
Sector	FY25	FY25	Q1	Q2	Q3	Q4	Q1
Agriculture	14%	4.6%	1.5%	4.1%	6.6%	5.4%	3.7%
Industry	22%	4.5%	7.8%	2.1%	3.5%	4.7%	5.8%
Mining	2%	2.7%	6.6%	(0.4%)	1.3%	2.5%	(3.1%)
Manufacturing	17%	4.5%	7.6%	2.2%	3.6%	4.8%	7.7%
Electricity	2%	5.9%	10.2%	3.0%	5.1%	5.4%	0.5%
Services	64%	7.5%	7.2%	7.4%	7.5%	7.9%	9.0%
Construction	9%	9.4%	10.1%	8.4%	7.9%	10.8%	7.6%
Trade, Hotels, Transport, Communication	18%	6.1%	5.4%	6.1%	6.7%	6.0%	8.6%
Financial services, Real estate, Professional Services	24%	7.2%	6.6%	7.2%	7.1%	7.8%	9.5%
Public Admin, Defence & Other Services	13%	8.9%	9.0%	8.9%	8.9%	8.7%	9.8%
Real GVA	100%	6.4%	6.5%	5.8%	6.5%	6.8%	7.6%
Real GDP		6.5%	6.5%	5.6%	6.4%	7.4%	7.8%

← The manufacturing sector growth picks up as higher operating profit growth of listed manufacturers offset weaker industrial production

← The construction sector reports weaker growth in line with the slowdown in cement production and finished steel consumption

← Gross Value Added (GVA), a better indicator of economic growth than GDP, also improves to 7.6% YoY in Q1FY26 from 6.8% in Q4FY25

GDP = GVA + (indirect taxes – subsidies)

Source: MOSPI, 360 ONE Asset Research

Private consumption recovers in Q1FY26, likely driven by rural sector

Fixed investments show healthy growth, while net exports remain a drag on overall growth

Real Growth YoY%	Share FY25	FY25	FY25				FY26
			Q1	Q2	Q3	Q4	Q1
Consumption Expenditure	66%	6.5%	7.0%	6.1%	8.3%	4.7%	7.1%
Private Consumption	56%	7.2%	8.3%	6.4%	8.1%	6.0%	7.0%
Government Consumption	9%	2.3%	-0.3%	4.3%	9.3%	-1.8%	7.5%
Gross Capital Formation	37%	6.7%	6.2%	7.7%	4.9%	7.8%	7.3%
Fixed Investments	34%	7.1%	6.7%	6.7%	5.2%	9.4%	7.8%
Changes in Stocks	2%	4.5%	7.5%	2.1%	3.5%	4.8%	5.9%
Valuables	1%	0.6%	-23.1%	25.8%	-0.5%	-29.8%	-22.5%
Exports	22%	6.3%	8.3%	3.0%	10.8%	3.9%	6.3%
Less Imports	23%	-3.7%	-1.6%	1.0%	-2.1%	-12.7%	10.9%
Real GDP	100%	6.5%	6.5%	5.6%	6.4%	7.4%	7.8%

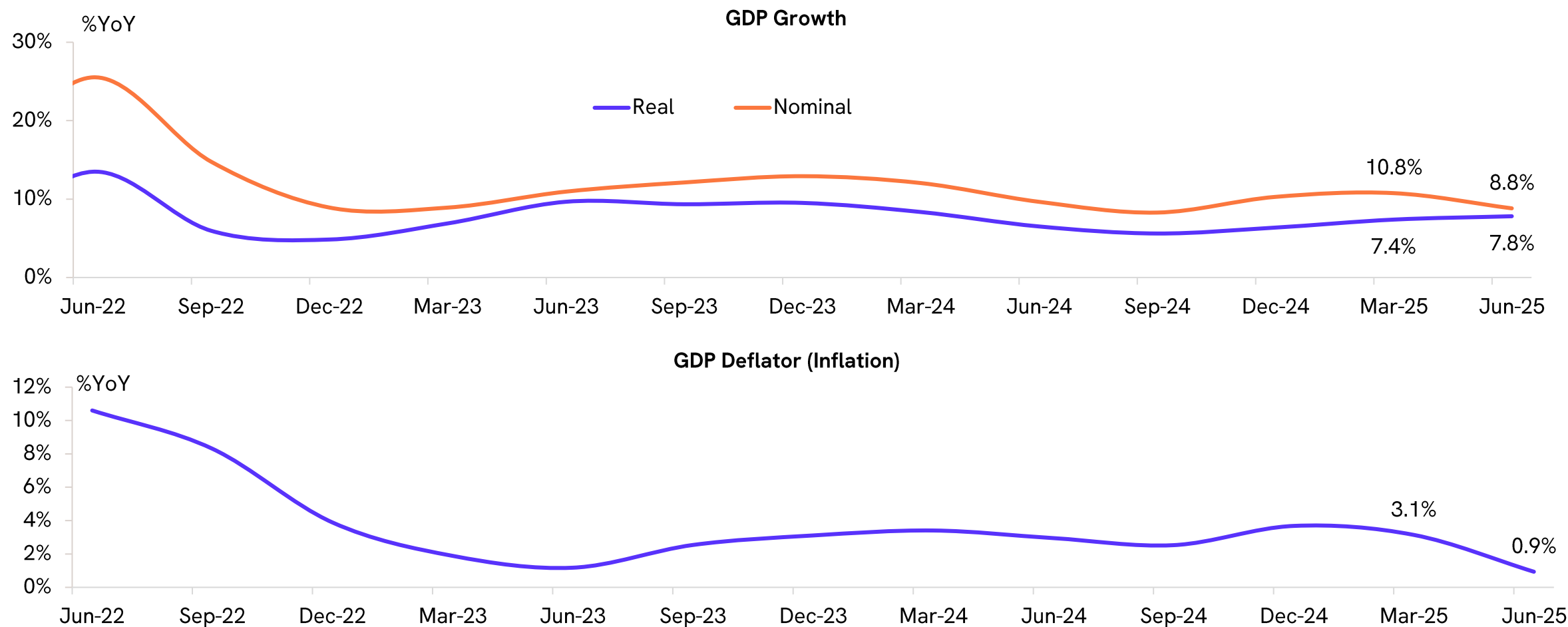
Private consumption recovers likely on account of strong rural demand, while urban consumption remains subdued

Fixed investments report healthy growth on account of robust central government capital expenditure

Net exports (exports minus imports) negatively contribute to GDP as import growth outpaces export growth in real terms

Nominal GDP growth slows to 8.8% YoY in Q1 from 10.8% in Q4FY25

GDP deflator (inflation) falls to 0.9% YoY in Q1 from 3.1% in the previous quarter, driving real growth higher



Source: MOSPI, 360 ONE Asset Research

Rural sector continues to perform well, but urban indicators remain weak

GST 2.0, along with income tax cuts, may drive an improvement in consumption-related indicators

Indicator	Unit	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Rural Wage Growth	YoY%	6%	6%	6%	6%	7%		
2 Wheeler Registrations	YoY%	5%	-6%	-1%	3%	8%	5%	-6%
Tractor Registrations	YoY%	4%	-16%	-7%	7%	2%	8%	11%
3 Wheeler Registrations	YoY%	7%	-2%	-6%	24%	6%	7%	1%
MGNREGS Work Demanded	Cr Nos.	2.7	2.7	2.4	2.7	3.8	3.5	2.0
Agricultural Credit	YoY%	12%	11%	10%	9%	7%	7%	
Passenger Car Registrations	YoY%	19%	-8%	10%	5%	1%	6%	0%
Airport Passengers Handled	YoY%	13%	11%	9%	10%	3%	4%	
E-way Bill Generations	YoY%	23%	15%	20%	23%	19%	19%	26%
GST Collections	YoY%	12%	9%	10%	13%	16%	6%	8%
Steel Consumption	YoY%	9%	11%	14%	6%	8%	9%	7%
Cement Production	YoY%	13%	9%	11%	6%	8%	7%	
IIP	YoY%	5%	3%	4%	3%	2%	2%	4%
PMI Manufacturing	Index	58	56	58	58	58	58	59
PMI Services	Index	57	59	59	59	59	60	61

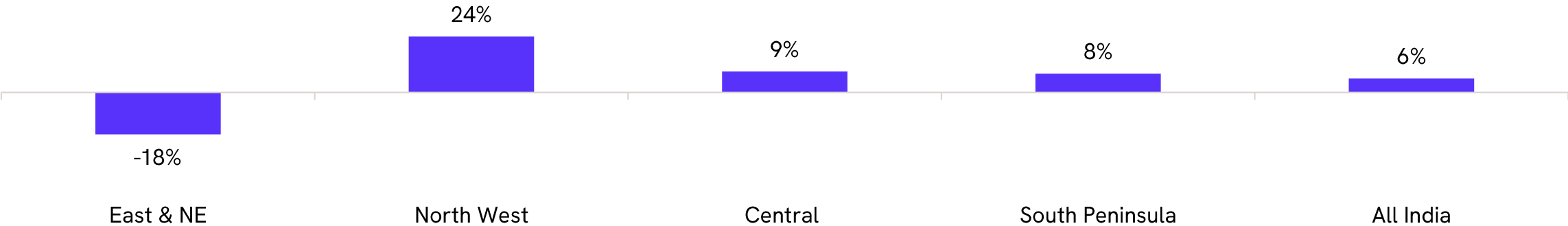
Source: MOSPI, 360 ONE Asset Research

Outlook: FY26 GDP growth is expected to be around 6.5-6.7% YoY

There are downside risks to growth, as higher US tariffs could significantly impact certain export-oriented sectors

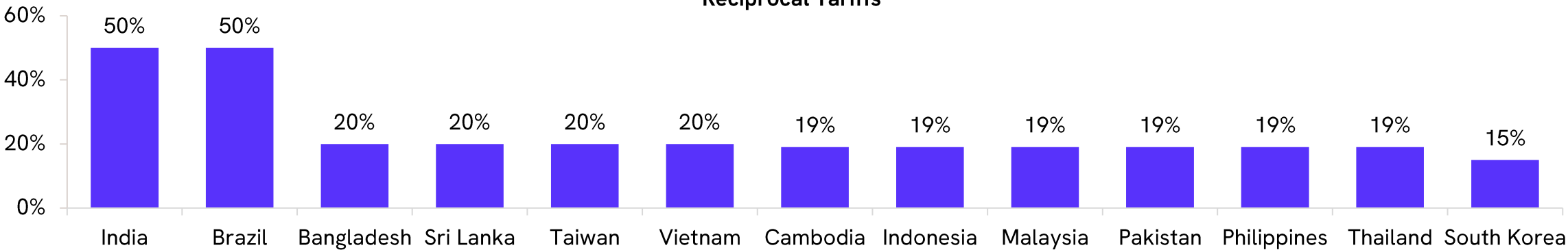
Healthy monsoon to support economic growth in FY26

% Deviation from Normal - Cumulative (as of 28th August)



If sustained, the 50% US tariff on imports from India could dampen economic growth

Reciprocal Tariffs



Source: CMIE, White House, 360 ONE Asset Research

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