



marketbuzz



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View from the Top

On the global, U.S. equity markets declined amid a continued surge in crude oil prices. Investor sentiment weakened further after a closely watched Labor Department report showed that U.S. unemployment unexpectedly fell in February 2026. European markets fell amid concerns about the potential impact of the ongoing Middle East conflict on global economic growth and elevated inflation, which kept investor sentiment bearish. Asian equity markets declined as caution prevailed following the expansion of the Middle East conflict—triggered by U.S.–Israeli attacks on Iran—to Cyprus, Sri Lanka, Turkey, and Azerbaijan.

Back home, Domestic equity markets witnessed a sharp decline amid escalating geopolitical tensions in West Asia involving Iran, Israel, and the U.S., which increased uncertainty in global trade and energy markets. The pressure intensified after shipping through the Strait of Hormuz, which accounts for nearly 20% of the world's crude oil supply, was halted, raising concerns over a prolonged supply shock. Market sentiment weakened further after the U.S. Federal Reserve kept interest rates unchanged in its Mar 2026 policy meeting but adopted a hawkish stance, warning that elevated energy prices could revive inflationary pressures. A depreciating rupee and sustained selling by foreign institutional investors added to the weakness.

In the domestic debt market, bond yields rose amid elevated crude oil prices, which dragged the rupee to record lows, stoking inflation concerns and reinforcing expectations of a more hawkish policy stance from the RBI. The sell-off deepened after the central government's excise duty cut on fuel stoked concerns over the fiscal outlook. The move is expected to have a fiscal impact of Rs. 1.5 lakh crore to Rs. 1.75 lakh crore in FY27.

Outlook

We are pleased to bring to you the latest version of the Monthly Market Buzz for March. Happy Reading!!!

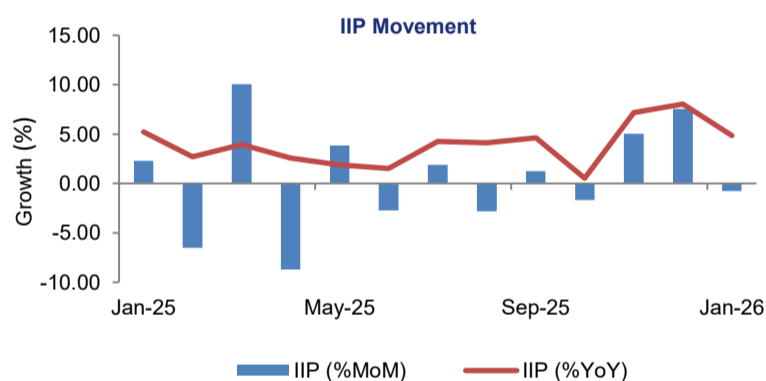
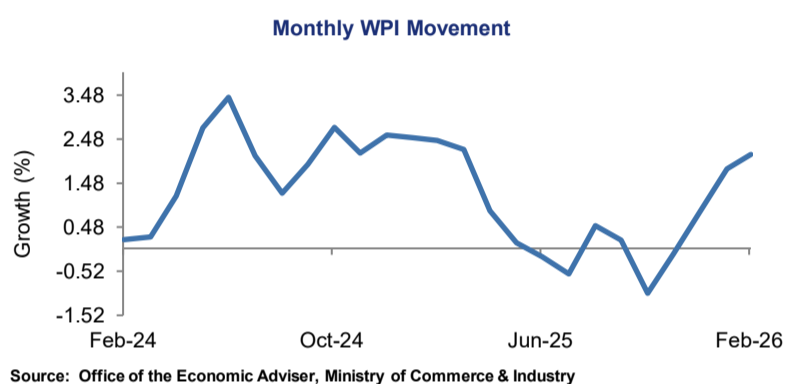
Mr. Narendra Agrawal
Head - Branch Banking & Retail Liabilities
Retail Branch Banking



INDIAN ECONOMY

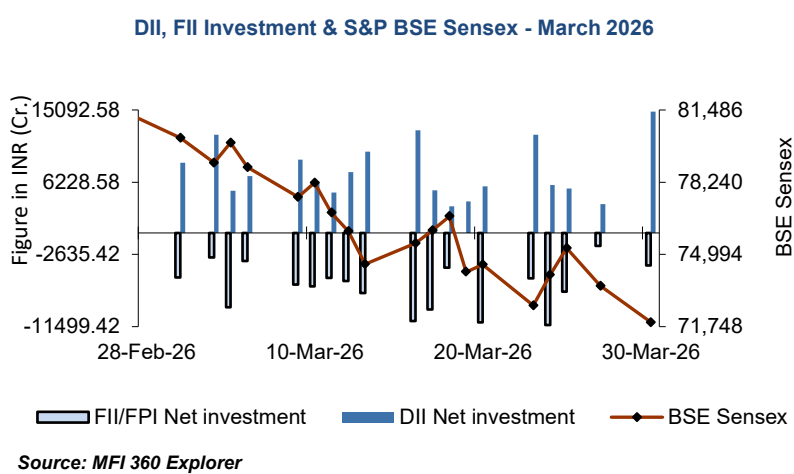
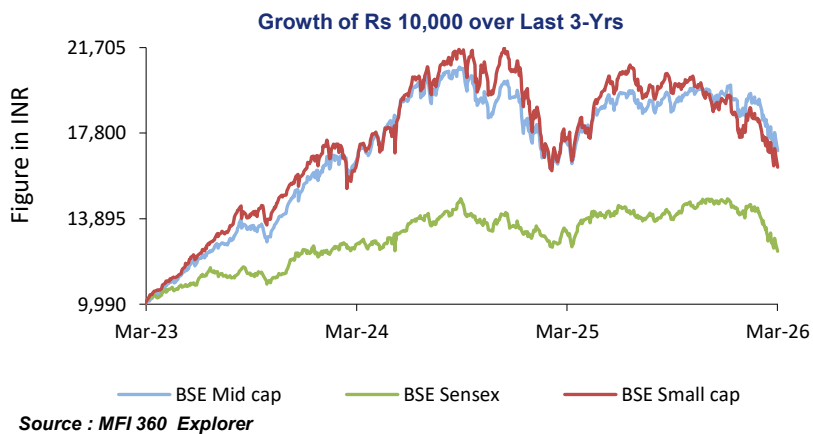
Economic Releases in March-2026			
Key Indicator	Period	Actual	Previous
Repo Rate	Mar-26	5.25%	5.25%
Reverse Repo	Mar-26	3.35%	3.35%
CRR	Mar-26	3.00%	3.00%
Index of Industrial Production (IIP)	Feb-26	5.20%	5.10%
Wholesale Price Index Inflation(WPI)	Feb-26	2.13%	1.81%
Export (Y-o-Y)	Feb-26	-0.57%	0.61%
Import (Y-o-Y)	Feb-26	25.00%	19.87%

Source: RBI, Refinitiv

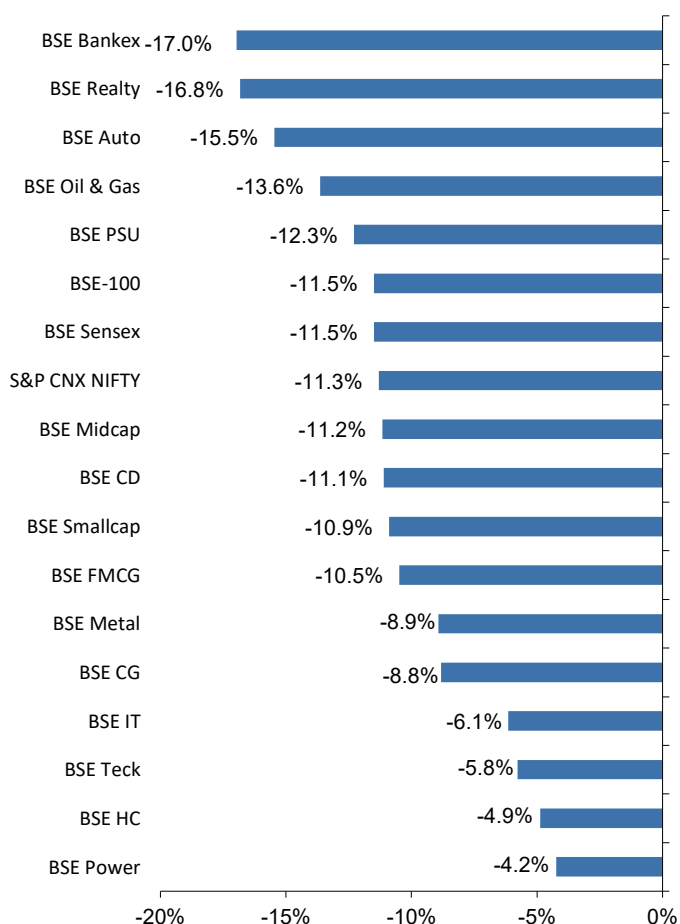


- India's Consumer Price Index (CPI)-based inflation rose to 3.21% YoY in Feb 2026, compared to 2.74% in Jan 2026, amid trade uncertainty and geopolitical tensions in the Middle East. Food price inflation also increased to 3.47% YoY in Feb 2026, up from 2.13% in Jan 2026.
- India's wholesale price index (WPI)-based inflation rose 2.13% YoY in Feb 2026, accelerating from 1.81% in Jan 2026, driven by higher prices of both food and non-food articles.
- India's merchandise trade deficit widened to \$27.10 billion in Feb 2026, compared with \$14.42 billion in Feb 2025. Exports fell 0.81% YoY to \$36.61 billion, while imports rose 24.12% YoY to \$63.71 billion over the same period.
- The Manufacturing Purchasing Managers' Index (PMI) rose to 56.9 in Feb 2026, up from 55.4 in Jan 2026. This marks a four-month high and indicates a notable improvement in operating conditions. Factory output expanded at the fastest pace in four months, supported by strong domestic demand and rising new orders, although growth in new export orders slowed to its weakest level in 17 months.
- India's current account deficit widened to US\$ 13.2 billion (1.3% of GDP) in Q3FY26 from US\$ 11.3 billion (1.1% of GDP) in Q3FY25.
- The Pension Fund Regulatory and Development Authority (PFRDA) has revised the payout structure for NPS distributors (Points of Presence), allowing them to earn a Rs. 200 onboarding fee per new subscriber, paid in quarterly instalments, along with an annual charge of 0.20% of assets under management (AUM), also payable on a quarterly basis. The AUM-based charge will apply only to active accounts, while dormant accounts are excluded, and a reduced Rs. 100 onboarding fee will be applicable for fully digital, non-face-to-face enrolments under NPS All Citizen, NPS Vatsalya and NPS Lite schemes.
- SEBI chairman has warned that India's fast-expanding capital markets need more regulated investment advisers, cautioning that the shortfall is increasingly being filled by unregulated influencers, which can distort investor behaviour and erode trust. He highlighted that the number of registered investment advisers has declined since 2021 even as the investor base has grown, noting that about 62% of prospective investors are influenced by influencers, and said SEBI is working on regulatory and digital measures to strengthen the advisory ecosystem and reinforce investor protection.
- NITI Aayog has proposed a seven-point strategy, including Rs. 7,500 crore in incentives and structural reforms, to boost manufacturing and exports of sports goods, aiming to position India as a global hub through duty rationalisation, stronger testing infrastructure, specialised clusters, and branding initiatives, with significant export growth and job creation targeted by 2036.

Indian Equity Market



Monthly returns as on March 30 2026



Source: MFI 360 Explorer

- Indian equity markets witnessed a highly volatile month in Mar 2026, shaped predominantly by escalating geopolitical tensions in the Middle East and their cascading impact on crude oil prices, currency stability, and investor risk appetite. The month began on a weak footing as intensifying hostilities involving the U.S., Israel and Iran triggered a sharp surge in global crude oil prices, reviving concerns over inflation and India's external balances given the country's heavy dependence on oil imports. Market sentiment deteriorated further as disruptions to shipping routes, including repeated closures of the Strait of Hormuz, heightened fears of a prolonged global energy supply shock. Sustained foreign institutional investor outflows, a depreciating rupee, and pressure on banking and cyclical stocks compounded the decline during this phase.

- Mid-month, markets remained under stress as the conflict extended geographically and Brent crude breached the USD 100 per barrel mark for the first time in years. Risk aversion intensified amid rising volatility, hawkish commentary from the U.S. Federal Reserve, and mounting concerns that elevated energy prices could re-ignite global inflation. However, intermittent relief rallies emerged, driven by short covering, bargain buying by domestic investors, and periodic hopes of diplomatic de-escalation. These advances were further supported by assurances from the Indian government regarding the security of crude oil supplies and temporary softness in oil prices following easing geopolitical rhetoric and signs of improving inventories.

- Toward the latter part of the month, equity markets staged a stronger recovery as global cues stabilized and energy prices moderated. Broad-based buying was seen across cyclical, financial and domestic-oriented stocks, aided by easing volatility and improved risk sentiment. Nevertheless, the recovery proved fragile, with profit booking resurfacing amid renewed geopolitical uncertainty, continued weakness in the rupee, and persistent foreign selling.

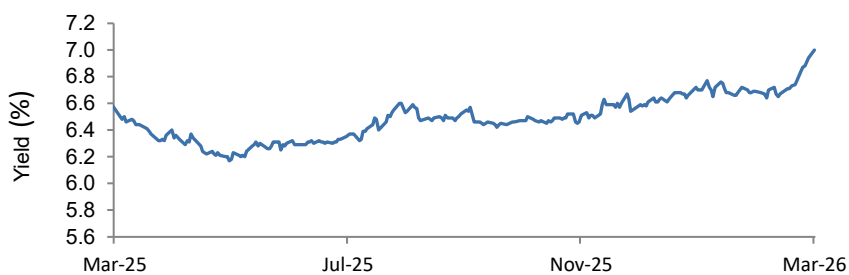


Indian Fixed Income

Indicators (Yield %)	March 30, 2026	February 27, 2026
Call Rate	6.90%	5.11%
FBIL 1 Mn Term Mibor	7.30%	6.00%
10-Yr benchmark bond	7.00%	6.69%
Reverse Repo	3.35%	3.35%
Repo	5.25%	5.25%
Bank Rate	5.50%	5.50%
CRR	3.00%	3.00%

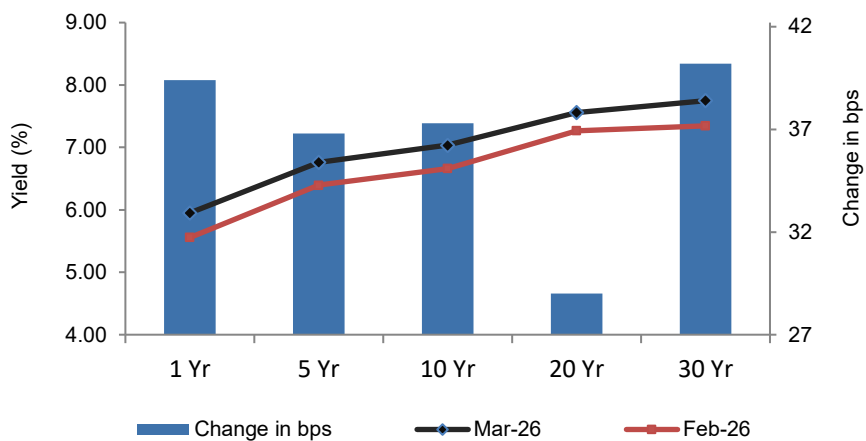
Source: Refinitiv

10-Yr Benchmark Bond



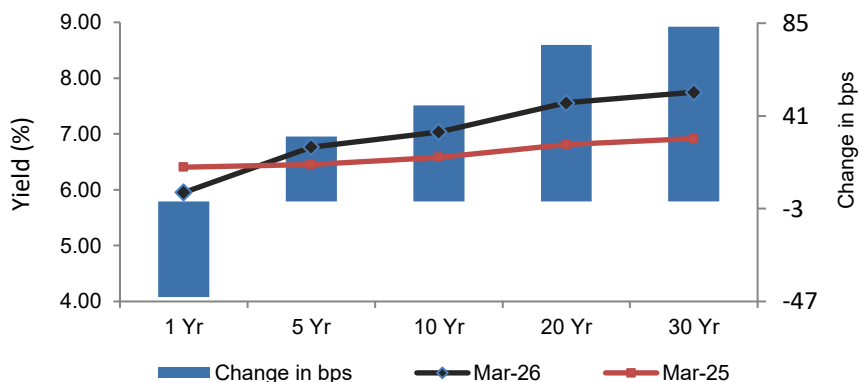
Source: CCIL

India Yield Curve Shift (Month-on-Month)



Source: Refinitiv

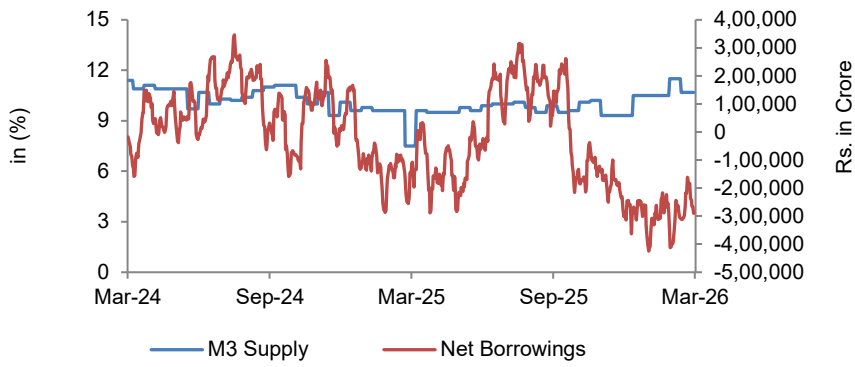
India Yield Curve Shift (Year-on-Year)



Source: Refinitiv

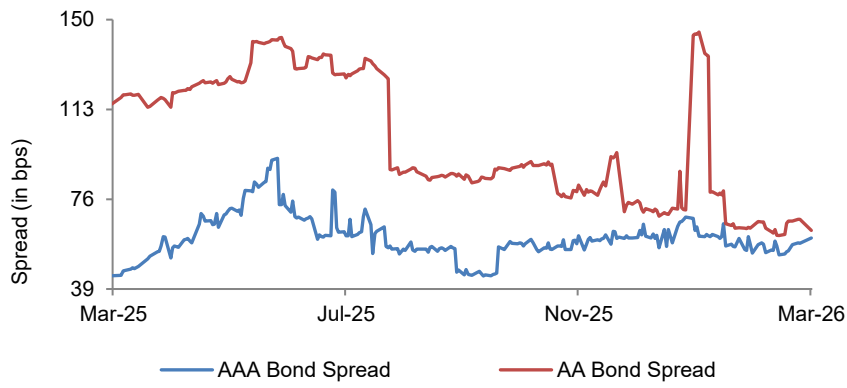
- Domestic bond market in Mar 2026 remained highly sensitive to global crude oil price movements, with developments in the Middle East conflict emerging as the dominant driver of yields throughout the month. Early in the period, bond yields hardened sharply as the escalation in regional tensions pushed crude oil prices higher, raising concerns over domestic inflation, external balances, and potential pressure on remittance inflows.
- Mid-month, market sentiment oscillated in response to shifting geopolitical signals. Temporary relief was seen when crude oil prices corrected on expectations of de-escalation and reports suggesting backchannel communications between Iran and the U.S. Yields softened marginally during these phases, aided by expectations of possible RBI intervention in both the debt and foreign exchange markets. Hopes of supply-side relief, including reports that the International Energy Agency could recommend a sizeable release from strategic reserves, further supported bond prices, even as uncertainty around future energy supplies persisted.
- However, these pullbacks proved short-lived, with yields resuming their upward bias as crude oil prices stabilized near or above USD 100 per barrel. The impact of sustained high energy costs became increasingly evident through rising inflation concerns, renewed pressure on the rupee, and growing expectations of a more hawkish policy stance from the RBI.
- Towards the latter part of March, the pressure intensified as the rupee slipped to fresh record lows, coinciding with rising U.S. Treasury yields ahead of key Federal Reserve policy decisions. Domestic yields reacted sharply at one point, with the 10-year benchmark recording its largest single-session jump since Oct 2023. Although sporadic reports of potential U.S.–Iran ceasefire discussions and episodic declines in crude prices helped limit volatility, these developments failed to meaningfully reverse the broader trend.
- Adding to fiscal concerns late in the month, the central government’s decision to cut excise duties on fuel raised apprehensions over the fiscal outlook, with the expected revenue impact estimated at Rs. 1.5 lakh crore to Rs. 1.75 lakh crore in FY27. This move further weighed on bond sentiment, offsetting the supportive influence of the RBI’s sizeable open market purchases and liquidity infusion.

Liquidity Monitor- M3 Supply and Net Borrowings



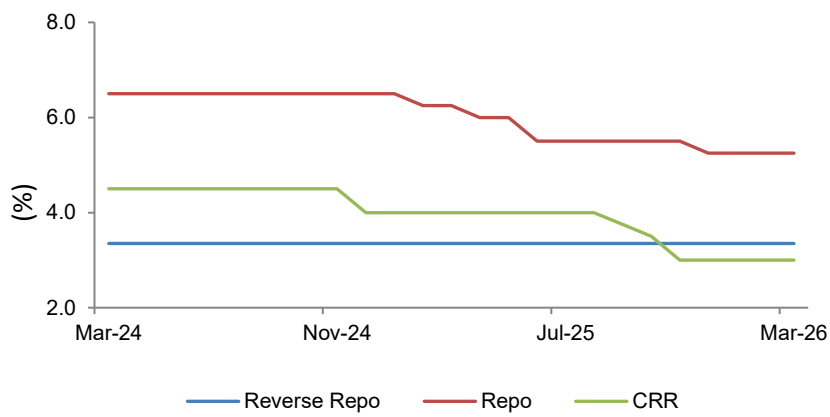
Source: Refinitiv

10 Year Corporate Bond Spread (for AAA & AA bonds)



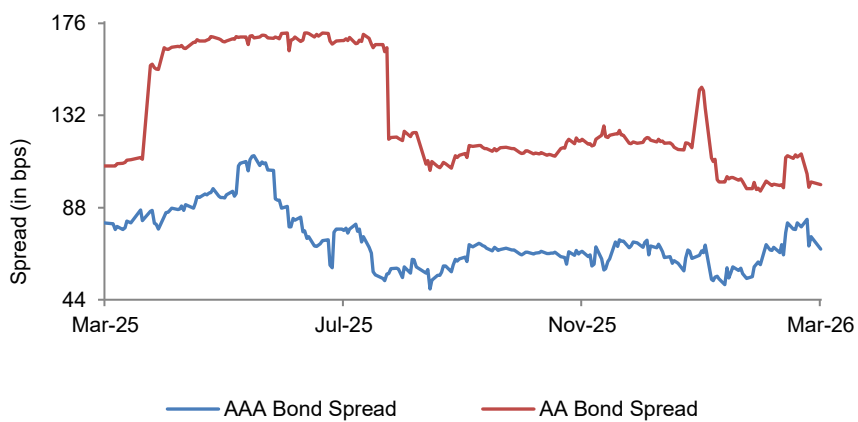
Source: Refinitiv

Movements of Key Policy Rates in India



Source: RBI

5 Year Corporate Bond Spread (for AAA & AA bonds)



Source: Refinitiv

GLOBAL EQUITY MARKET

Performance of Major International Markets (as on March 30, 2026)		
Indices	Country	1 Mth (%)
United States		
Nasdaq 100	U.S.	-8.04%
Nasdaq Composite	U.S.	-8.27%
Asia Pacific		
SET Composite Index	Thailand	-5.15%
Jakarta Composite	Indonesia	-13.89%
Straits Times Index	Singapore	-1.96%
KOSPI Index	South Korea	-15.48%
Nikkei Stock Average 225	Japan	-11.83%
Taiwan SE Weighted Index	Taiwan	-8.18%
Shanghai Composite Index	China	-5.76%
BSE Sensex	India	-11.49%
S&P/ASX 200	Australia	-8.02%
Europe		
FTSE 100	U.K.	-7.17%
CAC 40	France	-9.42%
DAX Index	Germany	-10.76%

Source: MFI 360 Explorer & Refinitiv

United States

- U.S. equity markets declined amid a continued surge in crude oil prices. Investor sentiment weakened further after a closely watched Labor Department report showed that U.S. unemployment unexpectedly fell in February 2026. Markets remained under pressure as a risk-off tone persisted following hawkish signals from central banks and diminishing expectations for interest rate cuts.

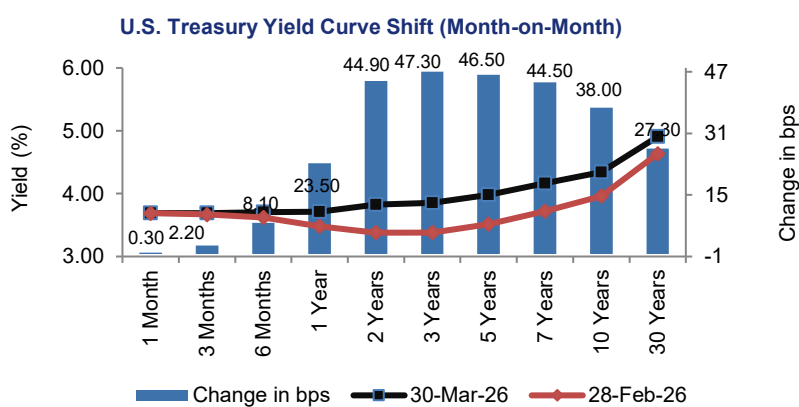
Europe

- European markets fell amid concerns about the potential impact of the ongoing Middle East conflict on global economic growth and elevated inflation, which kept investor sentiment bearish. Rising oil prices and fears that major central banks may raise interest rates added to the negative mood.

Asia

- Asian equity markets declined as caution prevailed following the expansion of the Middle East conflict—triggered by U.S.–Israeli attacks on Iran—to Cyprus, Sri Lanka, Turkey, and Azerbaijan. This escalation heightened concerns over global trade, pricing, and investment prospects. A cautious tone persisted as strikes targeting infrastructure in Iran, Qatar, and Saudi Arabia intensified worries about the prolonged economic impact of the conflict.

GLOBAL FIXED INCOME - U.S. TREASURY



- Yields on the 10-year U.S. Treasury fell, closing at 3.36%.
- U.S. Treasury prices fell as Iran ramped up attacks on energy and transport targets in the Gulf, pushing oil prices higher and reviving concerns about inflation that could keep U.S. interest rates elevated for longer. Additional pressure followed military strikes on Iran by the U.S. and Israel and subsequent retaliation by Tehran across the Middle East, which triggered a sharp rise in oil and gas prices and intensified fears of accelerating inflation.



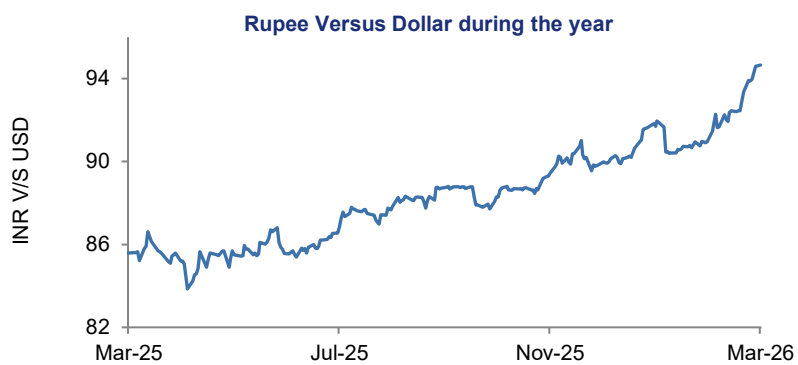
- Treasuries weakened further in tandem with a broader selloff in UK and European government bonds, as escalating Middle East tensions kept energy prices elevated and reinforced inflation anxieties. Prices also declined after the Federal Reserve left interest rates unchanged, as widely expected, while maintaining its projection for a single rate cut in 2026.



CURRENCY

Movement of Major Currencies (as on March 30, 2026)				
Currency	Value (as on 30-Mar-2026)	1 Mth	3 Mth	1 Yr
U.S. Dollar	94.65	90.95	89.94	85.58
Pound Sterling	125.63	122.54	121.57	110.74
Euro	109.01	107.37	105.93	92.32
Yen (Per Rs.100)	59.00	58.00	58.00	57.00

Source: RBI



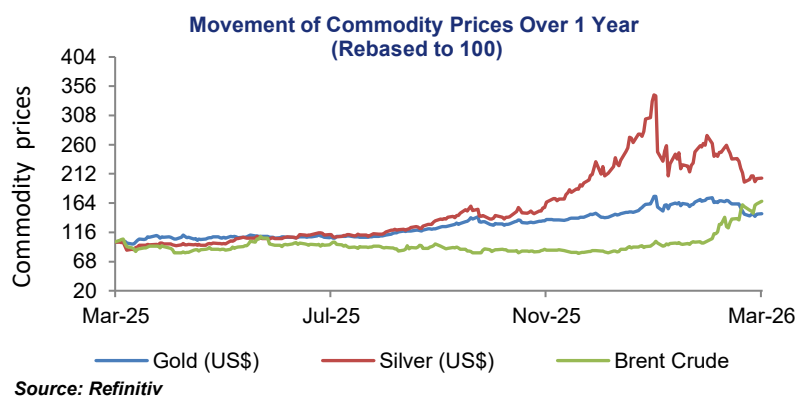
Source: RBI



COMMODITIES

Performance of Various Commodities					
Commodities	Last Closing (30-Mar-26)	Returns (in %)			
		1 Wk	1 Mth	6 Mth	1 Yr
Crude Brent (\$/Barrel)	125.19	9.43	65.33	81.83	67.05
Gold (\$/Oz)	4510.24	2.37	-14.53	16.90	46.25
Gold (Rs/10 gm)	146126.00	7.57	-7.86	27.33	64.76
Silver (\$/Oz)	69.98	1.23	-25.41	49.95	105.16
Silver (Rs/Kg)	228860.00	9.13	-14.00	61.26	127.28

Source: Refinitiv



Source: Refinitiv

INR

- The Indian rupee weakened against the U.S. dollar as crude oil prices crossed the \$101-per-barrel mark amid the escalating West Asia conflict. The currency also extended its decline due to negative trends in domestic equity markets and increased demand for the greenback. Losses were further compounded by pressure from dollar demand linked to maturing non-deliverable forwards and foreign portfolio outflows.

EURO

- The euro fell against the U.S. dollar as investors sought refuge in the greenback amid uncertainty over the trajectory of the Iran conflict. The currency also came under pressure as surging energy prices heightened concerns about Europe's import-dependent economy, typically pushing investors toward the relative safety of the dollar. Losses were extended after the Federal Reserve kept interest rates unchanged on Mar 18, 2026.

Crude

- Brent crude oil prices rose after Iran launched strikes on multiple energy sites across the Middle East in retaliation for an earlier attack on its South Pars gas field. Prices were further supported after Qatar warned of a potential production halt in the coming days, as the ongoing U.S.–Israeli confrontation with Iran has significantly disrupted key energy supply routes through the Strait. Gains were extended as mounting risks of output and supply disruptions dampened expectations of a resumption in export flows through U.S.-led diplomacy, following Iran's hardening stance in peace talks.

Gold

- Gold prices fell as investors weighed the U.S. President's claims that Iran would surrender soon—remarks that stood in sharp contrast to the assertive, hardline stance expressed by Iran's new leadership a day earlier amid the ongoing Gulf conflict. Prices also declined as expectations of near-term interest rate cuts faded, with inflation concerns rising alongside the prospect of a prolonged conflict. A stronger U.S. dollar and higher oil prices further reinforced inflation worries, adding pressure on gold.

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All information mentioned in this document pertains to the month ended March 30, 2026.

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