

# Monthly Market Update

March 2026 — India & Global Markets Review



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## Heightened Volatility

Geopolitical tensions, elevated oil prices, and global macro uncertainties are driving market swings.

## India's Resilience

India's structural growth story and strong domestic fundamentals continue to provide stability amid external headwinds.

## What's Inside

Global & domestic market landscape, asset class performance, and key investor guidance.

# Market Outlook

## Geopolitical Tensions

- West Asia tensions keep global markets volatile.
- Strait of Hormuz risks remain a key monitorable.
- Risk-off sentiment may drive short-term swings.

## Oil Price Movement

- Higher crude and gas prices raise inflation risks.
- Global rate cuts could be delayed.
- India may see mildly elevated inflation and bond yields.

## Rates, Currency & Flows

- A strong US dollar and higher US yields are shaping flows.
- Indian Rupee weakened amid global dollar strength and risk-off sentiment.
- FII flows may stay volatile near-term.
- Steady DII inflows should support stability.

## Domestic Fundamentals

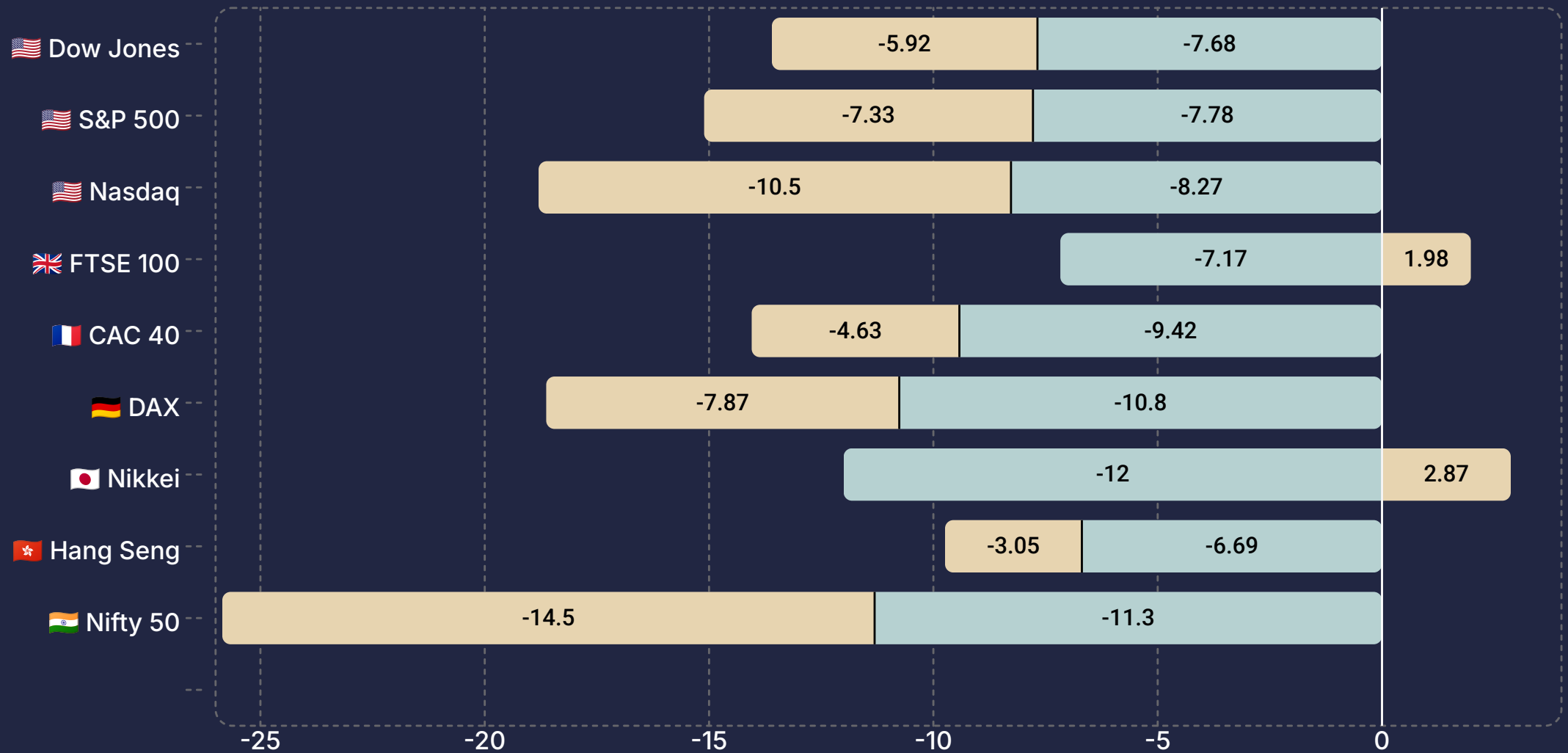
- India's structural growth story remains intact.
- Resilient demand and strong institutional flows are supportive.
- Earnings may stay mixed, with sectoral divergence.

- ☐ Markets are likely to remain volatile near-term, but strong domestic fundamentals, steady institutional inflows, and resilient demand continue to provide stability.

# Global Market Snapshot

■ MTD % (Mar 2026)
 ■ YTD % (Jan-Mar 2026)

Index



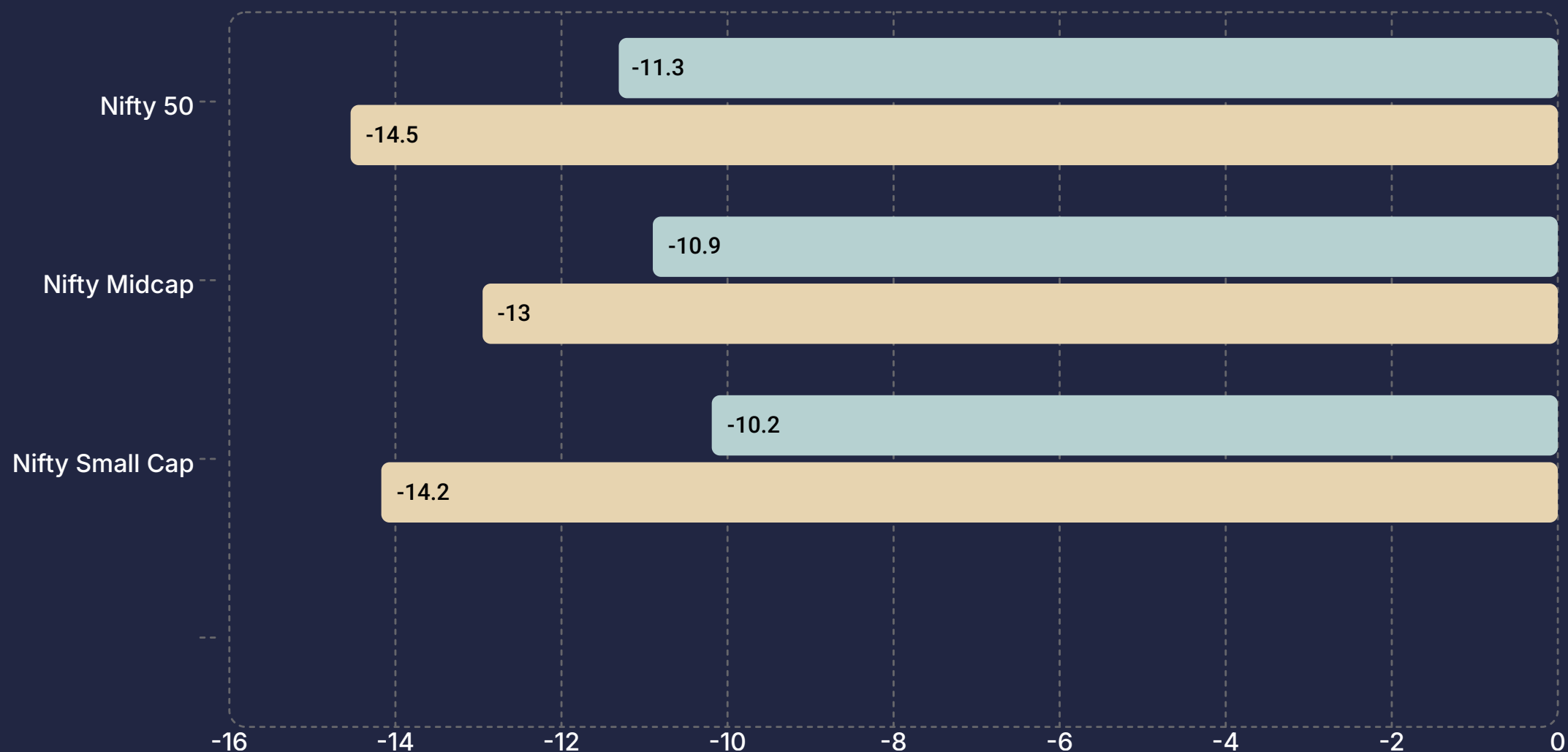
Global equity markets saw a broad-based selloff in March 2026, with nearly all major indices posting negative month-to-date returns. The hardest-hit markets were the Nikkei (-12%), Nifty 50 (-11.31%), and DAX (-10.76%), while U.S. benchmarks also declined sharply. Despite March weakness, the FTSE 100 and Nikkei remained in positive territory year-to-date, highlighting some underlying resilience even amid the broader correction.

# Indian Equity Markets

MTD % (Mar 2026)

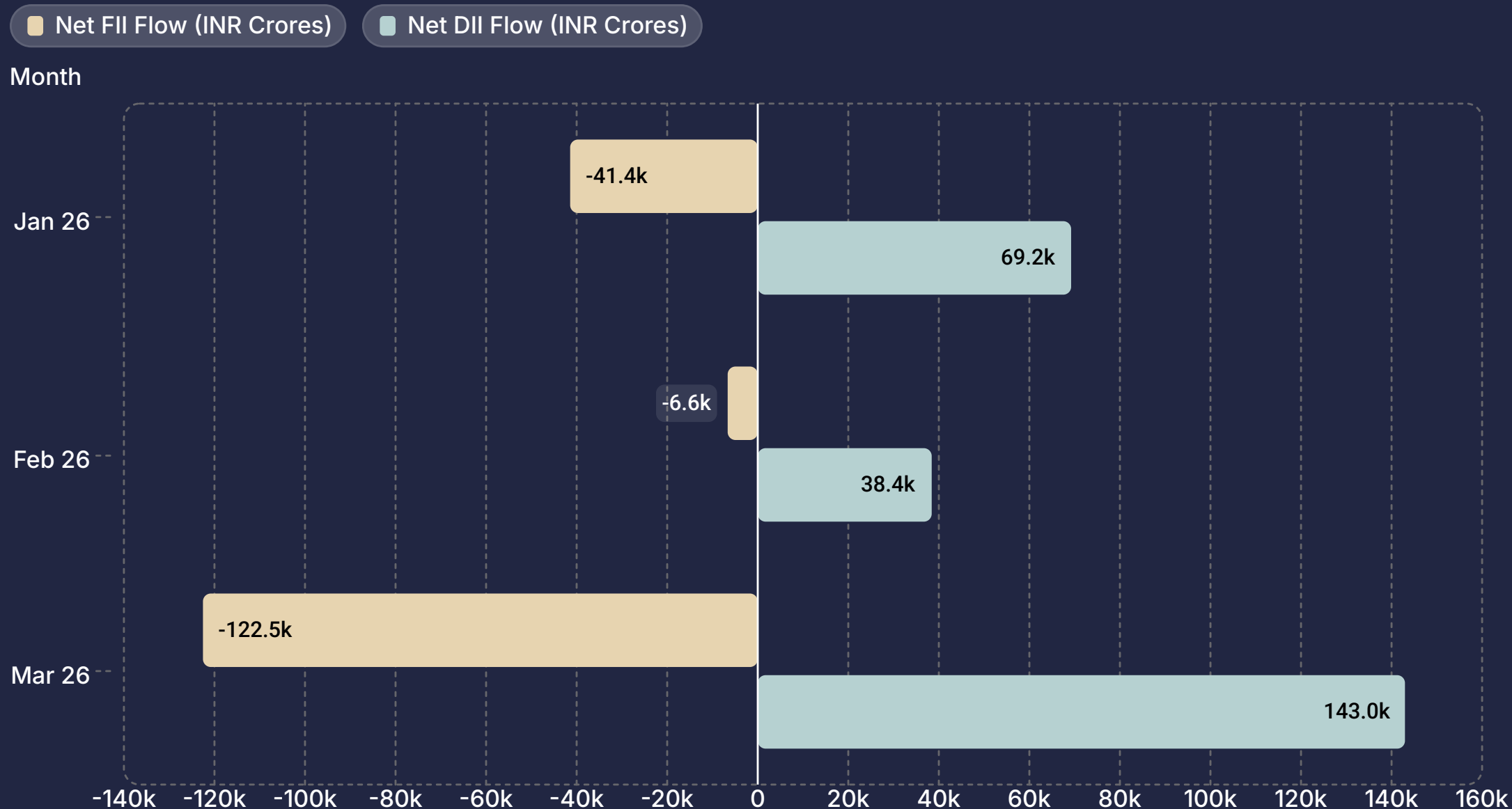
YTD % (Jan-Mar 2026)

Index



Indian equity markets saw a broad-based selloff across large, mid, and small cap segments in March 2026. Nifty 50 was the worst MTD performer at -11.31%, while Nifty Small Cap led YTD losses at -14.17%. Mid caps and small caps also posted double-digit declines, underscoring the widespread weakness across the market.

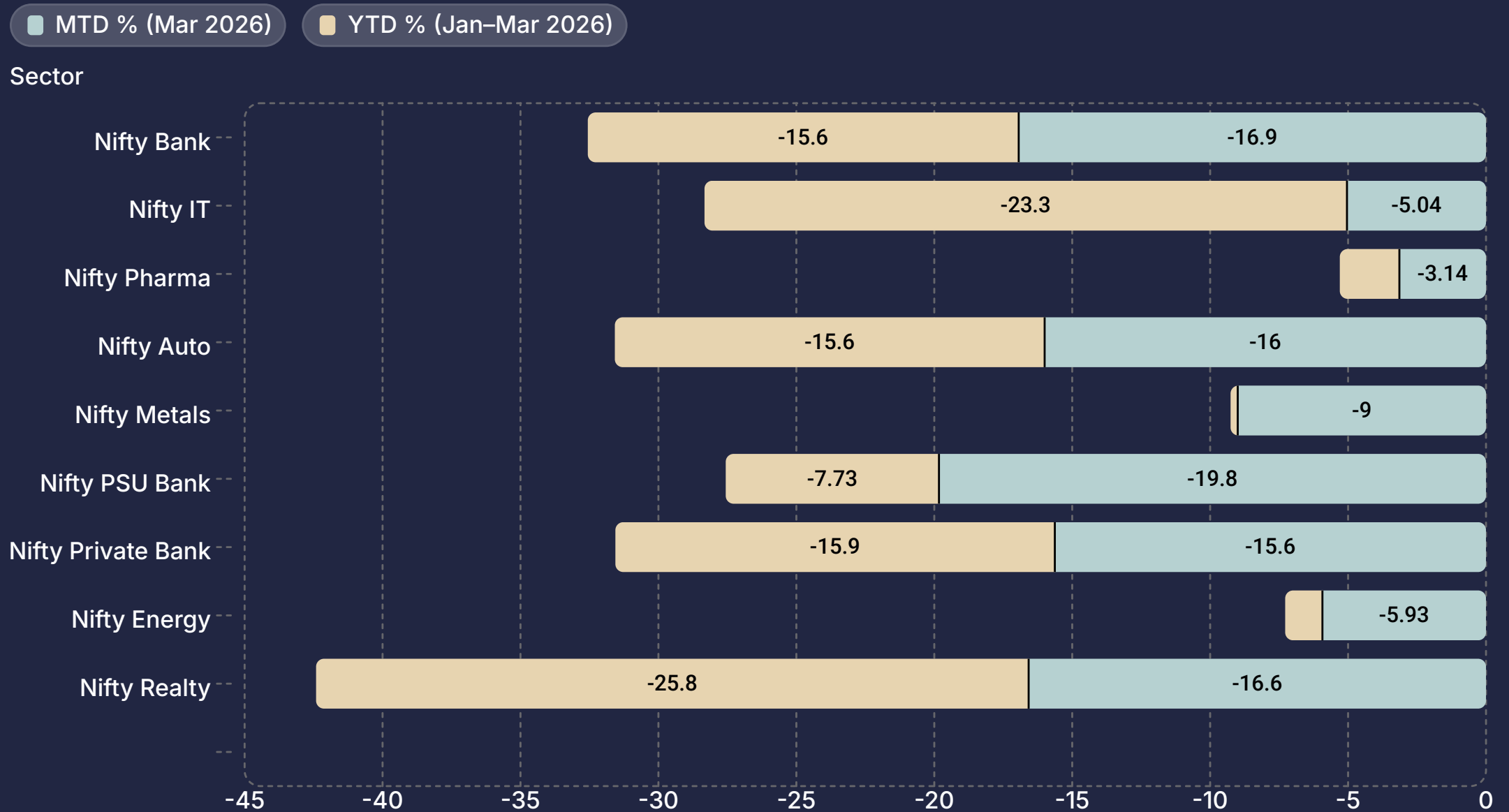
# FII / DII Trend



FII outflows intensified sharply in March 2026, reaching a quarterly high of ₹1,22,540 Cr, while DII inflows also rose to a quarterly peak of ₹1,42,960 Cr, more than offsetting the selling pressure. January saw significant FII outflows of ₹41,435 Cr, but strong DII support of ₹69,221 Cr helped steady the market. February was relatively calmer, with FII outflows easing to ₹6,641 Cr and DII inflows at ₹38,423 Cr.

📌 DII inflows in March were strong enough to absorb the record FII outflows and provide a meaningful cushion to market sentiment.

# Sectoral Performance



Sectoral performance remained weak across the board in March, with banking stocks bearing the brunt of the selloff. Nifty PSU Bank was the worst hit at -19.83% MTD, while Nifty Bank and Nifty Private Bank also saw steep declines of -16.94% and -15.63% respectively. On the more resilient side, Nifty Pharma fell just -3.14% MTD and -2.16% YTD, while Nifty Energy also held up relatively better at -5.93% MTD. YTD, IT has recorded the sharpest decline at -23.29%, and Realty remains under pressure with a -25.83% drop.

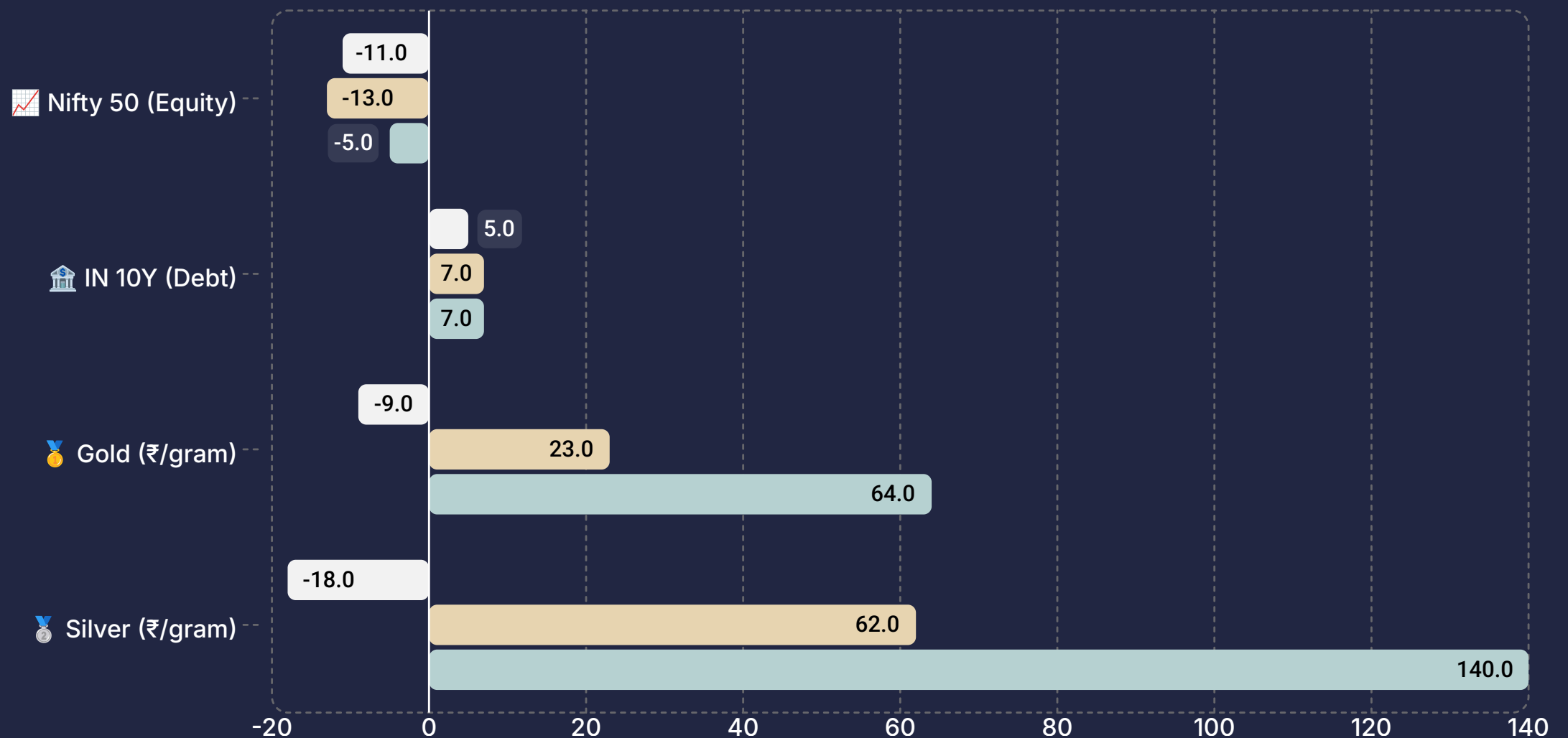
📌 Defensive sectors such as Pharma and Energy have shown relative resilience and may be worth focusing on in a volatile market.

# Asset Class Performance

Precious metals — particularly silver — have been standout performers over the past year, while equities have faced headwinds. Debt has delivered steady, modest returns across all time horizons.

1 Month (%)
6 Months (%)
1 Year (%)

Asset Class



🏆 Silver delivered an extraordinary **140% return** over 1 year, while 🏆 Gold gained **64%**. 📈 Nifty 50 (Equity) returned **-5%** over 1 year, and 🏠 IN 10Y (Debt) provided a steady **7%** return — underscoring the value of diversification.

# Mutual Fund Category Performance

Rank	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
Rank 1	Small Cap -7.74%	Mid Cap -12.04%	Value -9.63%	Mid Cap 0.59%	Mid Cap 18.19%	Small Cap 16.47%
Rank 2	Mid Cap -9.07%	Small Cap -12.23%	Mid Cap -10.79%	Value -1.63%	Small Cap 15.51%	Mid Cap 15.52%
Rank 3	Multi Cap -9.11%	Value -12.54%	Large Cap -10.80%	Large & Mid -2.08%	Value 15.46%	Value 14.06%
Rank 4	Value -9.56%	Multi Cap -12.89%	Large & Mid -11.03%	Small Cap -2.37%	Multi Cap 15.31%	Multi Cap 13.92%
Rank 5	Flexi Cap -9.59%	Large & Mid -12.95%	Multi Cap -11.67%	Multi Cap -2.45%	Large & Mid 14.95%	Large & Mid 13.27%
Rank 6	Large & Mid -9.60%	Flexi Cap -13.24%	ELSS -11.85%	Flexi Cap -3.59%	Flexi Cap 12.80%	ELSS 11.48%
Rank 7	ELSS -9.62%	ELSS -13.24%	Flexi Cap -11.89%	Large Cap -4.36%	ELSS 12.57%	Flexi Cap 11.42%
Rank 8	Large Cap -10.11%	Large Cap 13.56%	Small Cap -13.30%	ELSS -4.45%	Large Cap 11.27%	Large Cap 9.98%

Across equity categories, Mid Cap and Small Cap funds have generally led performance over longer time horizons, while Large Cap funds consistently lag. Value funds also show strong performance over the 3-year horizon, highlighting meaningful strength in that category.

# Mutual Fund Category Performance

Rank	1 Month	3 Months	6 Months	1 Year	3 Years
Rank 1	Liquid 0.47	Liquid 1.41	Liquid 2.78	Money Market 6.37	Medium Duration 7.15
Rank 2	Ultra Short Duration 0.40	Ultra Short Duration 1.22	Money Market 2.53	Low Duration 6.26	Corporate Bond 7.01
Rank 3	Money Market 0.31	Money Market 1.18	Ultra Short Duration 2.51	Ultra Short Duration 6.08	Money Market 7.00
Rank 4	Low Duration 0.19	Low Duration 1.00	Low Duration 2.28	Liquid 6.06	Low Duration 6.89
Rank 5	Short Duration -0.35	Short Duration 0.39	Medium Duration 1.50	Medium Duration 5.72	Short Duration 6.83
Rank 6	Corporate Bond -0.46	Medium Duration 0.37	Short Duration 1.45	Short Duration 5.57	Liquid 6.78
Rank 7	Medium Duration -0.58	Corporate Bond 0.24	Corporate Bond 1.31	Corporate Bond 5.52	Ultra Short Duration 6.68

Across the selected horizons, Liquid and Money Market categories lead the short-term rankings, while Medium Duration and Corporate Bond funds strengthen over longer periods. Short Duration remains mixed but competitive in the mid-term, and Ultra Short Duration and Low Duration also show consistent strength in several horizons.



# What Should Investors Do?



## Stay Goal Oriented

Avoid reacting to short-term noise. Align investments with personal financial goals and time horizon – not market headlines.



## Continue SIPs

Systematic investing through volatility helps average cost and builds long-term wealth. Stay consistent with your SIP commitments.



## Diversify Across Assets

Maintain a balanced mix of equity, debt, and gold based on your risk appetite. The asset class performance data underscores the power of diversification.

# Our View – Staying the Course Amid Volatility

Markets have witnessed a healthy correction from recent peaks, bringing valuations closer to more reasonable levels. While near-term volatility may continue, such phases are a natural part of market cycles.

## For Existing Investors

- Remain patient and stay invested.
- Avoid reactive decisions based on short-term market moves.
- Focus on discipline and quality to navigate uncertainty.
- View market volatility as an opportunity to systematically deploy capital in a staggered manner.

## For New Investors

- Consider starting or adding in a staggered manner.
- The current environment may offer a constructive entry point.
- India's structural growth story remains strong, supported by domestic demand, policy continuity, and a favorable outlook.

- ☐ Maintaining a disciplined asset allocation strategy and staying invested through cycles remains key to participating in India's long-term growth journey.



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