

TRENDS & TIDES

India's GDP growth remains robust at 7.8% YoY in Q4FY26, FY26 GDP growth accelerates to 7.7% YoY



FY26 GDP growth picks up to 7.7% YoY from 7.1% in FY25

Q4FY26 GDP growth also remains healthy at 7.8% YoY, despite the impact of the West Asia conflict in March 2026

Real Growth YoY%	Share FY26	FY25	FY26	FY26			
Sector				Q1	Q2	Q3	Q4
Agriculture	18%	4.2%	3.0%	4.4%	2.7%	1.7%	3.6%
Industry	20%	8.7%	9.0%	7.9%	11.0%	10.7%	6.8%
Mining	2%	11.7%	5.2%	4.5%	6.1%	4.7%	5.4%
Manufacturing	16%	9.3%	10.7%	10.4%	12.7%	12.8%	7.3%
Electricity	2%	2.9%	1.7%	(2.0%)	3.6%	1.5%	4.1%
Services	62%	7.8%	9.0%	7.6%	9.2%	9.4%	9.7%
Construction	9%	7.3%	7.4%	5.3%	8.9%	6.7%	8.4%
Trade, Hotels, Transport, Communication	14%	6.6%	11.0%	9.7%	10.5%	11.2%	12.5%
Financial services, Real estate, Professional Services	26%	10.0%	10.4%	9.2%	10.3%	11.6%	10.4%
Public Admin, Defence & Other Services	12%	5.0%	5.0%	4.0%	5.4%	4.9%	5.8%
Real GVA	100%	7.3%	7.9%	7.1%	8.6%	8.0%	7.9%
Real GDP		7.1%	7.7%	6.8%	8.3%	8.0%	7.8%

← Agriculture witnessed subdued growth in FY26, although Q4 was relatively better

← Manufacturing growth slowed in Q4, likely due to raw material shortages, though overall FY26 growth remained healthy

← Construction activity picked up in Q4, even as FY26 remained flat overall

← Trade+ reported the strongest growth in both Q4 and FY26

← Financial services supported by the recovery in credit growth

Source: MOSPI, 360 ONE Asset Research

Private consumption recovered in FY26, supported by GST rationalisation

Fixed investment growth picked up in Q4, while net trade was also supportive

Real Growth YoY%	Share FY26	FY25	FY26	FY26			
				Q1	Q2	Q3	Q4
Consumption Expenditure	66%	5.9%	7.4%	8.2%	7.1%	7.6%	6.8%
Private Consumption	56%	5.8%	7.7%	8.7%	7.2%	8.2%	7.1%
Government Consumption	10%	6.5%	5.5%	5.8%	6.6%	4.6%	4.9%
Gross Capital Formation	35%	6.1%	7.7%	4.2%	6.8%	8.1%	11.4%
Fixed Investments	32%	6.4%	8.2%	4.9%	8.4%	8.2%	10.8%
Changes in Stocks	1%	1.7%	10.4%	5.7%	11.0%	14.7%	10.3%
Valuables	1%	1.9%	-9.1%	-28.9%	-28.4%	-2.8%	41.3%
Exports	22%	6.6%	6.3%	6.6%	9.7%	5.8%	3.7%
Less Imports	24%	5.3%	5.6%	7.0%	6.0%	7.2%	1.9%
Real GDP	100%	7.1%	7.7%	6.8%	8.3%	8.0%	7.8%

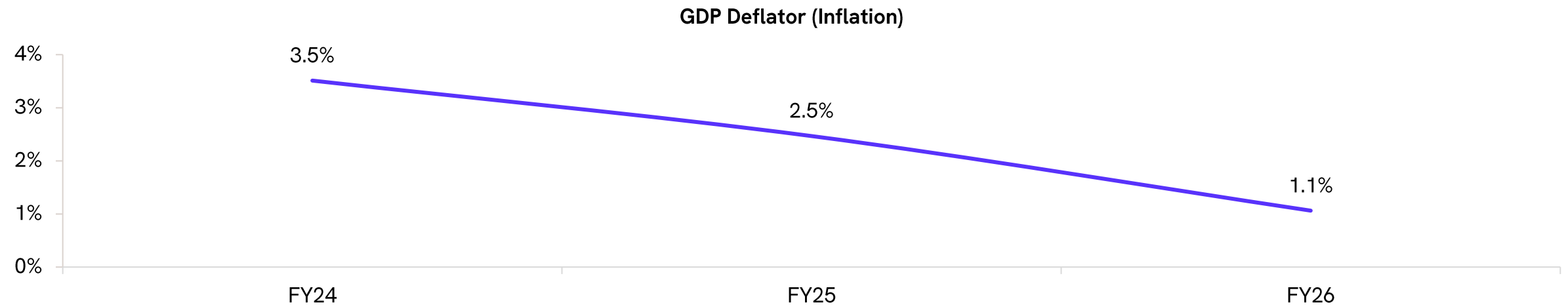
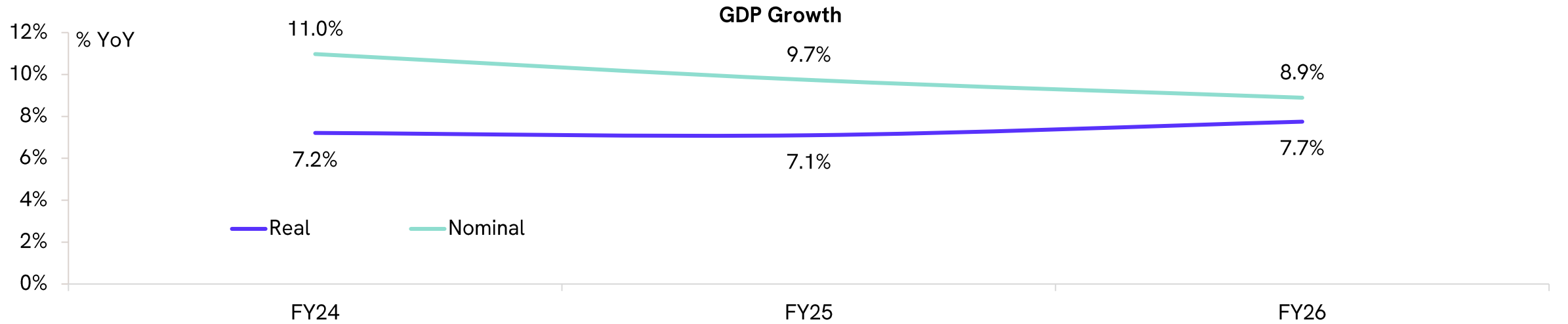
← GST rationalisation drove a recovery in private consumption in FY26

← Fixed investment reported strong double-digit growth in Q4

← Net exports (exports minus imports) positively contribute to GDP as export growth outpaced import growth in real terms in Q4

Softer inflation drags nominal GDP growth to 8.9% YoY in FY26

However, inflation has bottomed out in FY26 and is expected to rise meaningfully in FY27



Source: MOSPI, 360 ONE Asset Research

Leading indicators flag a slowdown in economic activity

Raw material shortages and rising energy costs appear to be weighing on economic activity

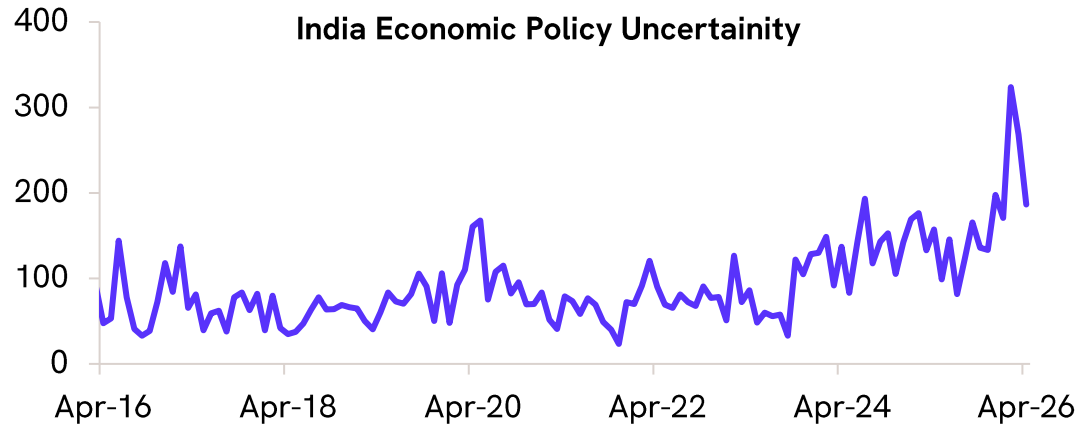
Indicator	Unit	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
2 Wheeler Registrations	YoY%	52%	-3%	11%	21%	25%	29%	13%
Tractor Registrations	YoY%	14%	58%	15%	23%	37%	13%	25%
3 Wheeler Registrations	YoY%	7%	22%	35%	18%	24%	10%	7%
Passenger Car Registrations	Cr Nos.	14%	22%	28%	11%	28%	26%	13%
MGNREGS Work Demanded	YoY%	1.3	1.5	1.8	2.0	2.4	1.8	
Airport Passengers Handled	YoY%	5%	7%	-3%	4%	0%	-4%	-5%
E-way Bill Generations	YoY%	8%	28%	24%	16%	19%	13%	12%
GST Collections	YoY%	5%	-4%	1%	2%	3%	2%	3%
Steel Consumption	YoY%	2%	7%	5%	8%	8%	14%	8%
Cement Production	YoY%	7%	16%	15%	12%	9%	4%	
Steel Production	YoY%	7%	12%	11%	13%	9%	8%	6%
Air Cargo Handled	YoY%	-2%	16%	9%	9%	18%	0%	10%
Railway Freight	YoY%	2%	4%	3%	3%			
Port Cargo	YoY%	12%	14%	13%	8%	5%	1%	2%
PMI Manufacturing	Index	59.2	56.6	55.0	55.4	56.9	53.9	54.7
PMI Services	Index	58.9	59.8	58.0	58.5	58.1	57.5	58.8

Source: CMIE, 360 ONE Asset Research

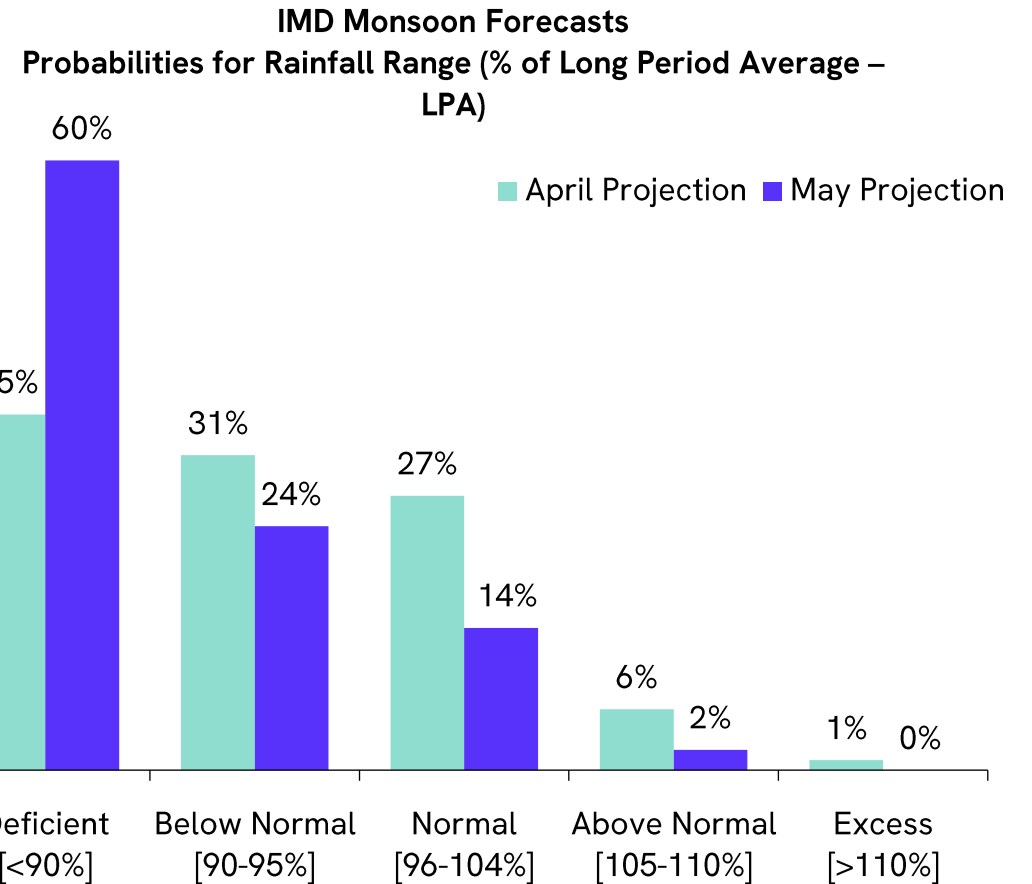
Outlook: FY26 GDP growth is expected to be around 6.3-6.5% YoY

Downside risks have intensified on a prolonged West Asia conflict and a likely sub-normal monsoon

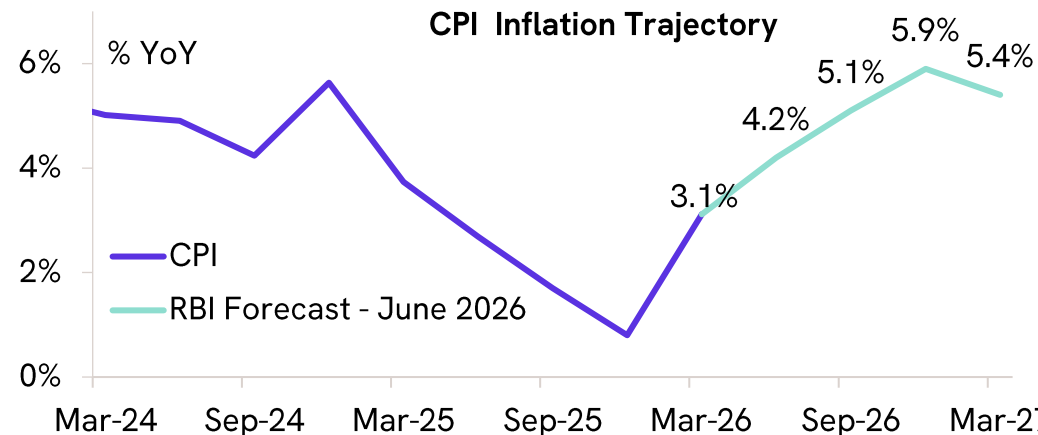
Higher economic uncertainty poses a risk to the growth outlook



IMD cuts 2026 SW monsoon forecast to 90% of LPA (from 92%), with deficient monsoon probability raised to 60% from 35%



Higher inflation could lead to policy rate hikes



Source: IMD, policyuncertainty.com, RBI, 360 ONE Asset Research

Note - RE: Revised Estimates, BE: Budget Estimates

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