



# MONTHLY DIGEST

MARCH - 2026

SECURITY INVESTMENTS LIMITED



Big market price changes happen when lots of people are forced to reevaluate their prejudices, not necessarily when the world actually changes.

- Jack D. Schwager

## Global Markets

Global financial markets have been thrown into turmoil since US and Israel launched airstrikes on Iran. Iran has retaliated with missile and drone attacks on Israel and US military bases in the region. Commercial traffic through Strait of Hormuz, one of the most critical shipping lanes for Middle East crude oil and LNG to importing countries, has virtually come a halt. Brent Crude price has jumped by \$13 dollars per barrel. Developed markets (ex US) has crashed by 5 to 11% since hostilities broke out 28th February 2026. The Dow Jones is down 3%. China has fared relatively well, with Shanghai down 1% since the outbreak of war. Among the other major market developments of last month was the deep correction in technology stocks globally due to concerns about potential disruption caused by Artificial Intelligence on the technology industry. The tech heavy NASDAQ was down 2% in February.

## Indian Equity Markets

Sensex crashed by 2,370 points since war started in Middle East last week and is now trading below the sentimental 80,000 level. Nifty broke below the key support level of 25,000. With crude oil prices skyrocketing and Strait of Hormuz through which 30 – 50% of India's crude oil and LNG import flows, virtually shut, trade deficit will widen putting pressure on the INR. Falling INR will have an adverse impact on FII flows, which turned positive in February. India can get temporary reprieve by buying relatively cheap Russian crude without attracting US Sanctions. We expect volatility to continue, with deeper cuts in share prices if the war in Middle East continues to escalate.

On a YTD basis, Nifty 50 is down 6.3%, while the broader market index (Nifty 500) is down 5.8%. Small cap stocks have underperformed with Nifty Small Cap 250 Index down 7.5% on a YTD basis. As far as industry sectors are concerned, Technology was the worst performer in February. Most of the tech heavyweights in Nifty dragged the market down. Nifty IT TRI was down 20% in February due to concerns about potential disruption caused by Artificial Intelligence on the technology industry in India. While large corporations are making significant investments in AI related tech infrastructure, we are seeing reduction in traditional tech spending, which may have an impact on profitability of tech companies in India. On the other hand, Power, Metals, Oil and Gas, Healthcare, Capital Goods, Consumer Durables, Automobiles, Infrastructure and Banking outperformed the broad market.

## Debt, Forex and Commodity

The 10-year G-Sec yield softened slightly in February after rising for 3 consecutive months. However, bond yields may rise again if the conflict in Middle East reignite inflationary expectations globally. Precious metals recovered after crashing in late January / early February. On a month-on-month basis, gold was down about 4%, while silver was down 20%. However, precious metals jumped after war broke out in the middle east. Growing geo-political uncertainty may trigger rise in precious metals prices but a strengthening US dollar may temper the rally. Brent crude prices have risen to \$87 per barrel. Commodity market experts are predicting crude oil prices to cross \$100 per barrel if the Strait of Hormuz remains shut for oil tankers for a prolonged period of time.

## Valuations

Valuations are well below peaks across all market cap segments. Valuation premiums of midcap and small caps over large cap have narrowed considerably.

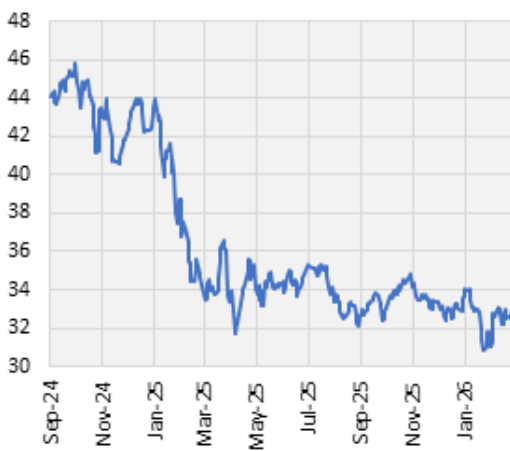
### PE Ratio - Broad Market (Nifty 500)



### PE Ratio - Large Cap (Nifty 100)



### PE Ratio - Midcap (Nifty Midcap 150)



### PE Ratio - Small Cap (Nifty Small cap 250)



India's strong GDP growth (7.8% in Q1, 8.2% in Q2 and 7.8% in Q3) was driven primarily by strong private consumption and manufacturing growth. The Government has reiterated its commitment to meet the fiscal deficit target of 4.4%. The Government has forecast FY 2026-27 GDP growth rate to be in the range of 7 – 7.4%, which is the highest among major economies. With stable macros and robust growth, the long-term outlook for Indian equities remains very bright.

However, in the near term, rapidly shifting geo-political dynamics is likely to keep market volatile in coming days and weeks. Investors should remain disciplined and continue to invest through SIP. Market volatility will give you an opportunity to average the rupee cost of your investment.

### Bite Sized Trivia – How have international markets moved since the start of Iran War

#### US and Europe

- Dow Jones (US): 3% ↓
- FTSE (UK): 6% ↓
- DAX (Germany): 7% ↓
- CAC (France): 7% ↓

#### Asia

- Nikkei (Japan): 5% ↓
- KOSPI (S.Korea): 11% ↓
- Shanghai Composite (China): 1% ↓
- Nifty (India): 19% ↓

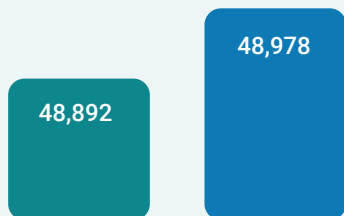
#### Brent Crude Prices

- 27 Feb: \$72.2/bbl.
- 2 Mar: \$76.2/bbl.
- 4 Mar: \$78.1/bbl.
- 6 Mar: \$87.4/bbl.

## Market Roundup - Global Markets

Technology stocks have come under pressure due to potential disruption caused by AI, as well massive investments required for data centres. Since companies are making substantial investments in AI, many large corporations may cut down traditional tech spending if there is a slowdown in the developed markets. This may have an impact on the tech sector in India.

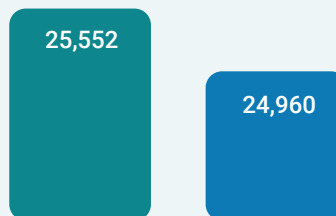
Dow Jones : **0.18% MOM** ↑



Jan 2026

Feb 2026

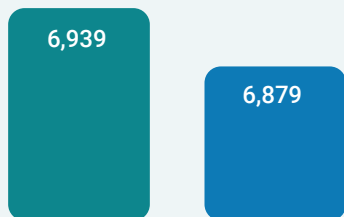
Nasdaq : **- 2.3% MOM** ↓



Jan 2026

Feb 2026

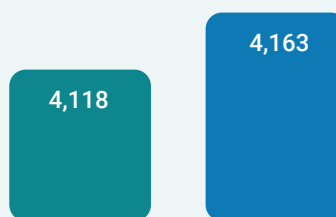
S&P 500 : **- 0.86% MOM** ↓



Jan 2026

Feb 2026

Shanghai Composite : **1.09% MOM** ↑



Jan 2026

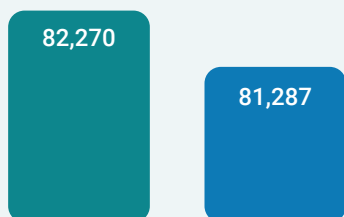
Feb 2026

\*Index values are closing prices on the last trading sessions of the respective months

## Market Roundup - Indian Equity Market

Tech stocks, including many Nifty heavyweights, dragged down the indices. On the other hand, consumption driven cyclical sectors. The biggest risk for the market is oil and gas supply, as well overall global risk sentiments.

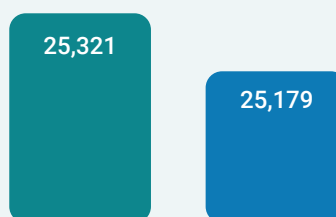
Sensex : **-1.2% MOM** ↓



Jan 2026

Feb 2026

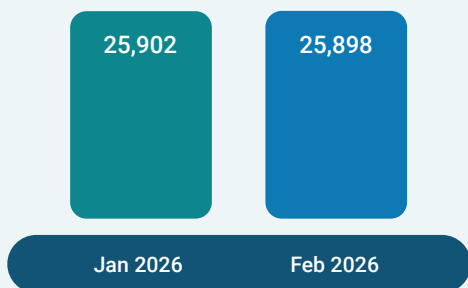
Nifty : **-0.6% MOM** ↓



Jan 2026

Feb 2026

Nifty 100 (Large Cap) : **0.0% MOM**



Nifty 500 (Broad Market) : **0.4% MOM** ↑

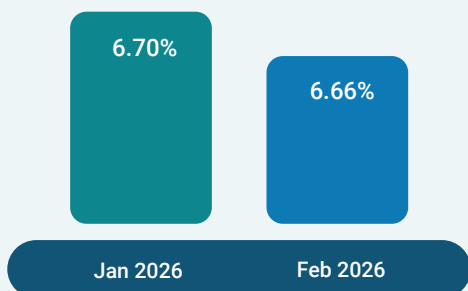


\*Index values are closing prices on the last trading sessions of the respective months

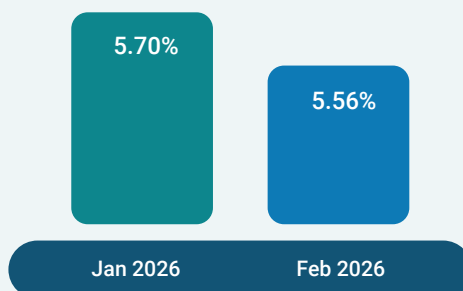
## Market Roundup - Debt and Forex Market

While bond yields softened in February, outbreak of conflict in Middle East affecting Oil and Gas supplies and rising crude prices, may reignite inflationary expectations and push bond yields up. INR may also come under pressure versus a strengthening US dollar.

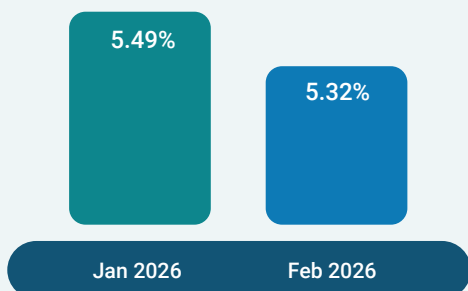
10 year G-Sec Yield\* (%) : **-4 bps MOM** ↓



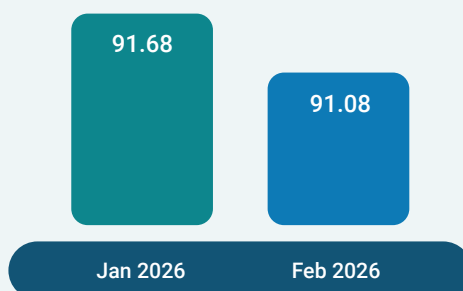
364 Day T-Bill Yield\* (%) : **-14 bps MOM** ↓



91 Day T-Bill Yield\* (%) : **-17 bps MOM** ↓



USD to INR : **0.7 bps MOM** ↓

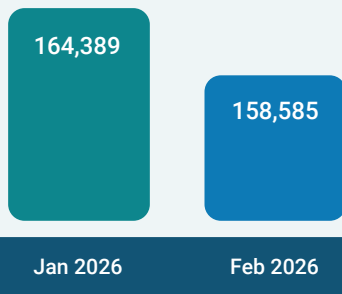


\*Yields as on the last auction days of the respective months. Source: RBI

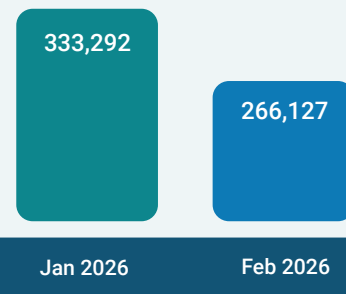
## Market Roundup - Commodities Market

Precious metals recovered after crashing in late January / early February. Geopolitical uncertainty can push precious metals higher as investors look for safe haven assets. However, strengthening US Dollar and rising US Treasury bond yields can temper precious metals rally. Investors must cautious and avoid speculative buying since gold and silver prices are quite high, as it is.

Gold (INR per 10 grams) : **-3.5% MOM** ↓



Silver (INR per kg) : **-20.2% MOM** ↓



\*Commodity prices are based MCX closing spot prices on the last trading sessions

## Economic Indicators

Index of Industrial Production\* : **-2.8** ↓



Wholesale Price Index\* : **0.98** ↑



\*Based on latest Government published data.

# Knowledge Bite: Plan cashflow for your Retirement- SWP Vs IDCW

**Systematic Withdrawal Plan (SWP)** is a mutual fund investment solution which gives fixed cash-flows at regular intervals. You can specify the amount, the intervals (e.g. monthly, quarterly, annual etc.) and day of the month, quarter etc., when SWP should take place and the amount credited to your bank account. IDCW, formerly dividend option, is a mutual fund plan, whereby the profits made by the scheme are paid out to the investors in form of regular payouts e.g. monthly, quarterly, annual etc. You can plan your retirement or other cash-flow needs either through SWP or IDCW depending on your tax situation.

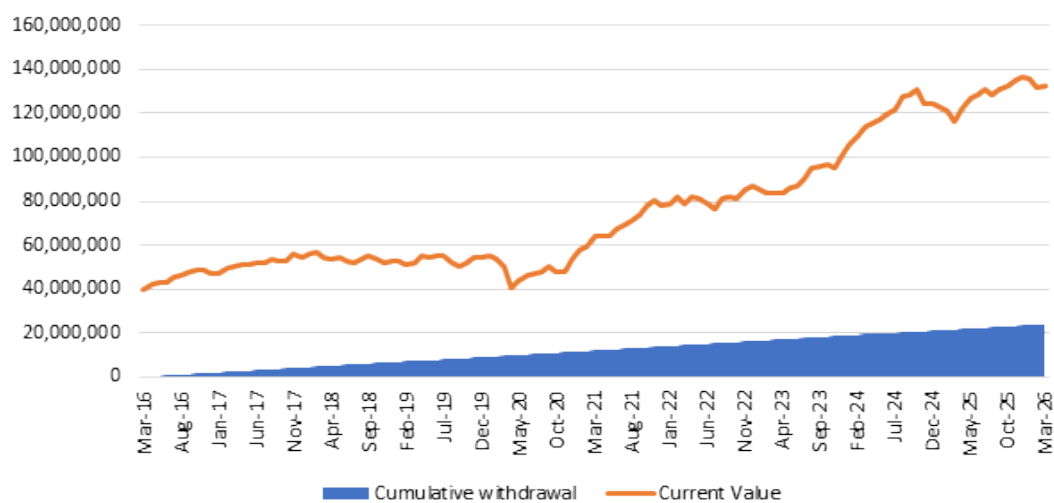
## SWP versus IDCW

Both SWP and IDCW (formerly known as dividend option) provide cash-flows to investors. However, there are important differences between the two: -

- Mutual fund IDCW payments are not guaranteed. The AMC may decide to change the payout rate or even stop IDCW for a period of time at their discretion.
- In SWP, you will continue to receive fixed cash-flows at regular intervals till you have sufficient unit balance of the SWP scheme in your folio.
- Mutual fund IDCW payments from either equity or debt-oriented schemes will be added to the investor's taxable income and taxed as per the income tax rate of the investor.
- SWP withdrawals will be subject to capital gains taxation, while dividends are taxed as per income tax rate of investors.

## Example of SWP

Suppose you invested Rs 4 crores in ICICI Prudential Equity and Debt Fund on 1st March 2016 and withdrew Rs 2 lakhs every month through SWP. The chart below shows that despite withdrawing Rs 1.2 crores on a cumulative basis over the last 10 years, the value of the balance units (after withdrawal) will be nearly Rs 13 crores. Therefore, for moderate rates of withdrawal, you can get both regular cash-flows as well as capital appreciation over long investment tenures.



## Tax Consideration

SWP follows the same tax implications as if funds are redeemed i.e. treated as capital gains or loss.

- Capital gains tax is levied on mutual funds upon redemption. The taxes are subject to the holding period and the type of funds viz. equity or a non-equity fund. The gains from redeemed equity funds that are held for a period of more than 12 months are called long-term capital gains and are taxed at 12.5% in excess of Rs 1.25 lakh p.a. The gains from redeemed equity funds held for less than 12 months are called short term capital gains and are taxed at a flat 20%.
- For all investments made in debt funds after 1 April 2023, the tax levied on the redeemed amount depends on the investor's slab rate.
- Dividends are added directly to income and are taxed per slab rates. For investors falling below Rs 12 lakh total income in the new regime, a Rs 60,000 rebate under Section 87A makes income tax zero even after standard deductions, keeping dividends tax-free if within limits.

## How is SWP beneficial for HNIs

Let us understand this by continuing with the previous example. Suppose you invested Rs 4 crores in ICICI Prudential Equity and Debt Fund on 1st March 2016 and withdrew Rs 1 lakh every month through SWP. In the first 12 months, the capital gains will be taxed at 20%. After 12 months, the capital gains in excess of Rs 1.25 lakhs will be taxed at 12.5%. For sake of comparison with IDCW (dividends), let us assume you receive the withdrawal amount (Rs 2 lakhs) as monthly dividends. The Government has abolished Dividend Distribution Tax, but the dividends will be taxed in your hands as per your income tax slab. Let us assume that your income tax rate is 30%. The table below shows how much capital gains tax you will have to pay, versus tax on dividends (if the cash-flows were in form of dividends). Clearly you can see that for investors in higher tax brackets, SWP is much more tax efficient.

Year	Withdrawal	Capital Gains	Capital Gains Tax	Tax on dividends
FY 2016	2,00,000	-	-	-
FY 2017	24,00,000	3,99,716	76,237	7,20,000
FY 2018	24,00,000	7,45,255	77,532	7,20,000
FY 2019	24,00,000	8,01,651	84,581	7,20,000
FY 2020	24,00,000	8,84,325	94,916	7,20,000
FY 2021	24,00,000	8,47,307	90,288	7,20,000
FY 2022	24,00,000	13,87,487	1,57,811	7,20,000
FY 2023	24,00,000	15,25,231	1,75,029	7,20,000
FY 2024	24,00,000	16,69,369	1,93,046	7,20,000
FY 2025	24,00,000	18,39,612	2,14,327	7,20,000
FY 2026	24,00,000	18,85,614	2,20,077	7,20,000

## Who should opt for IDCW options?

Investors whose total taxable income (including IDCW or dividend payouts) is less than Rs 12 lakhs can opt for IDCW or dividend option. While long term capital gains in excess of Rs 1.25 lakhs is taxed at 12.5%, income (including dividends) up to Rs 12 lakhs is totally tax free in the new tax regime. Let us assume that you invested Rs 1 crore in ICICI Prudential Equity and Debt Fund and you withdraw Rs 50,000 per month through SWP. The other option for you is that you take the dividend / IDCW option getting Rs 50,000 as monthly dividends. Further, let us assume that your income from other sources does not exceed Rs 6 lakhs. Let us now see, how dividend compares versus SWP.

Year	Withdrawal	Capital Gains	Capital Gains Tax	Tax on dividends
FY 2016	50,000	-	-	-
FY 2017	6,00,000	99,929	17,515	-
FY 2018	6,00,000	1,86,314	7,664	-
FY 2019	6,00,000	2,00,413	9,427	-
FY 2020	6,00,000	2,21,081	12,010	-
FY 2021	6,00,000	2,11,827	10,853	-
FY 2022	6,00,000	3,46,872	27,734	-
FY 2023	6,00,000	3,81,308	32,038	-
FY 2024	6,00,000	4,17,342	36,543	-
FY 2025	6,00,000	4,59,903	41,863	-
FY 2026	6,00,000	4,71,404	43,300	-

Consult with your relationship manager to discuss which option will be suitable for your investment needs and tax situation.

# Our References

## FD Interest Rates

Company	Investment Period (Months)	Rate of Interest (%) (Per Annum)	Senior Citizen (%) (Per Annum)
Bajaj Finance Limited	12 to 60	6.95	7.30
ICICI Home Finance	12 to 60	7.00	7.35
LIC Housing Finance	12 to 60	6.90	7.15
Mahindra & Mahindra Financial Services Limited	12 to 60	7.00	7.25
PNB Housing Finance Limited	12 to 60	6.90	7.15
Shriram Finance Limited Unnati Deposits	12 to 60	7.60	8.15
Sundaram Home Finance Limited	12 to 60	7.15	7.50

DISCLAIMER: Interest Rates are subject to change without any prior intimation. Please confirm the rate of interest before investing.

## NFO (New Fund Offer)

Scheme Name	Issue Opens On	Issue Closes On
The Wealth Company Small Cap Fund	5th Mar 2026	18th Mar 2026
Mirae Asset Silver ETF FOF	5th Mar 2026	18th Mar 2026
Kotak Quality Overseas Equity Omni FOF	6th Mar 2026	20th Mar 2026



AMFI-Registered Mutual Fund Distributor (ARN-1435)  
ARN Valid: 15-Feb-2025 to 15-Feb-2028

608-609, Skylark Building ,60, Nehru Place,  
New Delhi – 110019



## Services We Offer

### Planning


- Goal Planning
- Insurance Planning
- Tax Planning


### Financial Services

- Mutual Fund
- Fixed Deposit
- Life Insurance
- Health Insurance
- RBI Floating Rate Bonds
- Sovereign Gold Bonds
- Capital Gain Bonds
- NFO - Mutual Fund

### Miscellaneous Services


- Real Estate
- Home Loan
- National Pension Schemes
- NRI Desk
- Loan Syndication
- Succession Planning
- Share Demat Services
- Transmission of Financial Assets at Market Place

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