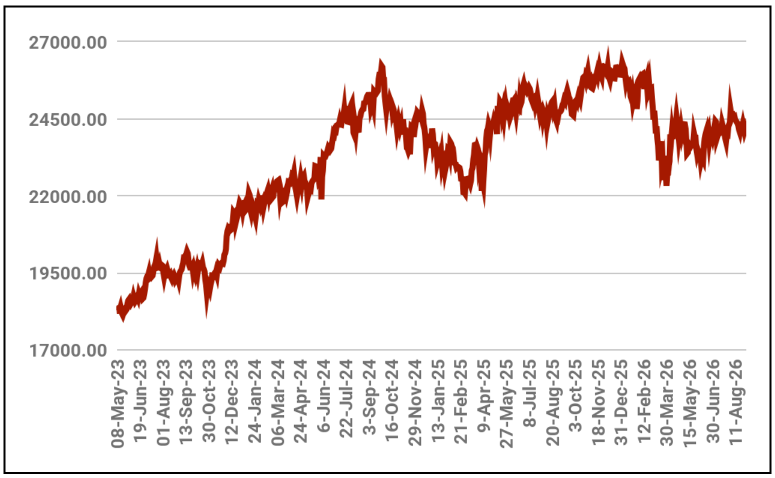
SHRIRAM Insight

HAR HAATH MEIN DHAN KI REKHA

EQUITY MONTHLY REPORT

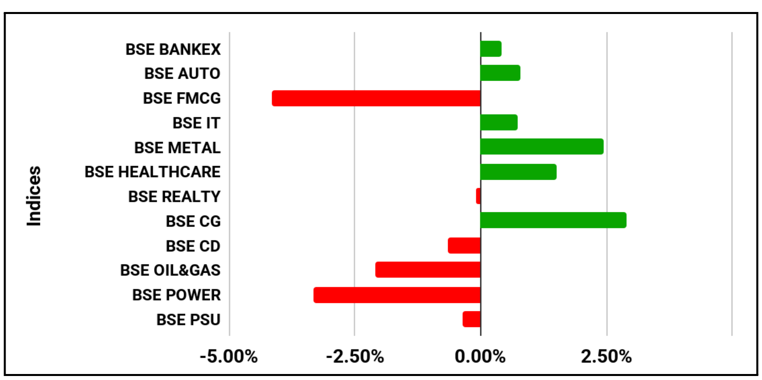
August 2026

Nifty Movement



(Source: NSE)

Sectoral Indices(% change)



(Source: Investing.com)

Market Commentary

Indian market presented a mixed performance in August 2026. Large-cap equities faced global headwinds and closed lower, while broader markets rallied, retail inflation ticked up, and merchandise exports recorded an unprecedented surge.

The BSE **Sensex** lost 1137.37 points or 1.46% to close at 76957.27 and the NSE **Nifty** down 303.20 points or 1.24% to settle at 24080.40. The BSE **Mid-Cap** index up 1.43% to settle at 49203.59. The BSE **Small-Cap** index increased 4.34% to settle at 58522.35.

The **gross domestic product** quickened to 7.8% in the first quarter of FY27, up from revised 6.9% in the same quarter last year. April-June quarter growth remained on par with the previous quarter's 7.8% expansion.

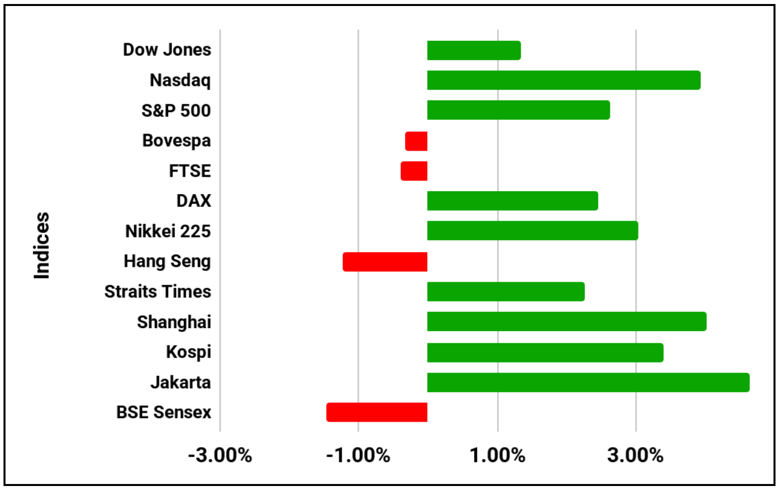
Inflation rate rose to 4.82% in August of 2026, the highest since December of 2024, from 4.45% in the previous month.

Wholesale prices increased 9.92% yoy in August 2026, accelerating slightly from a 9.78% rise in July.

Industrial production expanded by 6.7% from the previous year in July of 2026, slowing from the upwardly revised, over two-year high of 8.8% in June.

Trade deficit was at $26.86 billion in August of 2026, remaining stable when compared to the $26.68 billion in the corresponding period of the previous year. Imports rose by 14.7% annually to $70.67 billion while exports rose by 25.5% to $43.81 billion.

Global Indices (% change)



(Source: [Investing.com](https://www.investing.com))

The **current account deficit** widened to $4.2 billion, or 0.5% of GDP, in Q1 of fiscal 2026-27, from $3.4 billion, or 0.4% of GDP, a year earlier.

The **HSBC Composite PMI** stood at 54.3 in August 2026, down slightly from the flash reading of 54.6 but unchanged from July's reading. The manufacturing PMI eased to 52.8 in August 2026 from 53.5 in July while the services PMI was revised lower to 54.1 in August 2026 from a preliminary estimate of 54.5, following a final reading of 53.3 in the previous month.

The **fiscal deficit** for the first four months of this fiscal year through July stood at 4.55 lakh crore rupees, or 26.8% of annual estimates. The fiscal deficit narrowed from 29.9% reported in the comparable year-earlier period.

Infrastructure output rose by 5.4% from the previous year in July of 2026, extending the upwardly revised, ten-month high of 6% in the previous month.

Passenger vehicle sales soared 33.2% year-on-year in August 2026, accelerating from a 31.2% jump in the previous month to 374,056 units, according SIAM.

Passenger vehicle (PV) exports declined 17% year-on-year in August, contrasting with a 36.5% surge in domestic dispatches, as per SIAM. Domestic PV dispatches surged to 439,309 units in August - up from 321,901 a year earlier - making it the highest ever for the month. In contrast, PV exports declined 17% to 68,230 units from 82,246. Overseas shipments of passenger cars fell 51.5% to 21,181 units in August from 43,650 a year earlier. Utility vehicle (UV) exports beat the trend, rising 23.7% to 46,400 units from 37,522 units. Van exports declined 39.6% to 649 units. Passenger car dispatches increased 23.8% to 112,011 units. Van sales rose 10.9% to 11,961 units. PV production increased 25.7% to 454,266 units from 361,489 units. UV production grew 28.3%, passenger car production 22.1% and van output 11.5%. Two-wheeler exports rose 28.5% to 555,292 units, while domestic dispatches increased 10.5% to 2.03 million units. Three-wheeler exports increased 31.3% to 56,166 units, alongside a 22.8% rise in domestic dispatches to 93,764 units.

Global

Global markets experienced a strong, growth-led rebound in August 2026. Investors shrugged off a bruising tech correction from July, piling back into artificial intelligence (AI) winners and mega-caps on the back of blockbuster corporate earnings. However, this equity optimism stood in stark contrast to the bond market, where sticky inflation and escalating geopolitical tensions pushed yields to multi-year highs.

Chinese stock benchmark - Shanghai Composite Index gained 4.02%. In the US, the Dow Jones Industrial Average soared 1.34%, the S&P 500 up 2.62%, and the Nasdaq increased 3.93%.

China

- The People's Bank of China kept its key lending rates at record lows for a 15th straight month in August 2026, the one-year loan prime rate (LPR), the benchmark for most corporate and household borrowing, was kept at 3.0%, while the five-year LPR, a reference rate for mortgages, remained at 3.5%.
- The annual inflation climbed to 0.8% in August 2026 from July's six-month low of 0.5%. On a monthly basis, consumer prices increased 0.4%, topping forecasts of a 0.3% gain and reversing a 0.1% drop in July.
- Trade surplus widened to USD 119.09 billion in August 2026, up from USD 101.09 billion a year earlier. Exports jumped 25.0% yoy to USD 401.44 billion while imports surged 28.2% yoy to USD 282.36 billion, accelerating from a 27.5% jump in July.
- The unemployment rate rose to 5.3% in August 2026 from 5.2% in the previous month.
- China's foreign exchange reserves rose to $3.438 trillion in August 2026, up from $3.419 trillion a month earlier.

U.S.

- The Fed unanimously raised the target range for the federal funds rate by 25bps to 3.75%-4.00% in September 2026 as expected, marking the first rate hike since 2023.
- The economy added 162,000 jobs in August 2026, following an upwardly revised 23,000 rise in July. Private Nonfarm Payrolls increased by 127,000 in August of 2026. The unemployment rate remained unchanged at 4.1% in August 2026.
- The economy expanded at an annualized rate of 1.5% in the second quarter of 2026, slowing from 2.1% in the previous quarter.
- The annual inflation rate steadied at 3.4% in August 2026, the same as in July. On a monthly basis, the CPI rose 0.4%, the most in three months. Core CPI rose 0.3% on the month, above 0.2% in July. The annual rate however, slowed to 2.4%, from 2.5% in the previous month.
- Trade deficit widened to $88.6 billion in July 2026, compared with a $71.1 billion shortfall in June. Exports declined 2.1% to $310.7 billion while imports rose 2.8% to $399.3 billion.
- The S&P Global Composite PMI came in at 56 in August 2026, above July's reading of 54.5. The manufacturing PMI was at 53.9 for a third consecutive month in August of 2026, revised higher from the flash estimate of 53.2 while the services PMI rose to 56.5 in August of 2026 from 54.6 in July
- The ISM Manufacturing PMI fell to 54.6 in August 2026 from July's near four-year high of 55.6. The ISM Services PMI rose to 55.4 in August 2026 from 54.1 in July.

Auto Sales August' 26

Maruti Suzuki India reported a 21.3% year-on-year rise in total sales to 2,19,220 units in August 2026, compared with 1,80,683 units in the same month last year, as domestic passenger vehicle sales continued to drive growth. The automaker's domestic sales, including light commercial vehicles, rose 34.3% to 1,80,078 units from 1,34,050 units a year earlier. Exports, however, declined 7.4% to 33,844 units from 36,538 units.

Hero MotoCorp reported total dispatches rose 2.64% year-on-year (YoY) to 5,68,398 units in August 2026, up from 5,53,727 units in the corresponding period of the previous year. Domestic dispatch advance by 4.4% YoY to 5,42,305 units in August 2026, compared with 5,19,139 units dispatched in August 2025. However, its export dispatch stood at 26,093 units, down by 24.6% YoY from 34,588 units in the same period of 2025.

Tata Motors Passenger Vehicles posted a 56% YoY increase in total wholesales, including EVs and exports, at 67,753 units from 43,315 units in August 2025. Domestic sales rose 59% to 65,253 units, while exports grew 8% to 2,500 units.

Bajaj Auto Ltd reported a 28% rise in total sales to 5,35,764 units in August compared to 4,17,616 units in the same month last year. Total domestic sales increased 10% to 2,55,708 units last month, as against 2,32,398 units in the year-ago period. Exports of two-wheelers stood 53% higher at 2,41,850 units last month as compared to 1,57,778 units in the same month a year ago.

Mahindra & Mahindra reported a 42% jump in total vehicle sales to 1,07,648 units in August compared with the same month last year. The overall auto sales for August 2026 stood at 1,07,648 vehicles, a growth of 42%, including exports. It said domestic sales of commercial vehicles stood at 27,415 units, registering a year-on-year growth of 22%.

TVS Motor Company posted total sales increased 21% year-on-year to 6,16,540 units in August 2026, compared with 5,09,536 units in August 2025. Total two-wheeler sales grew 21% to 5,91,437 units last month. Domestic two-wheeler sales rose 18% to 4,33,796 units in August from 3,68,862 units in the same month last year. The company's international business recorded 29% year-on-year growth, with sales rising to 1,74,452 units in August 2026.

Eicher Motors Limited's **Royal Enfield** reported total motorcycle sales of 1,26,479 units for August 2026, representing an 11% year-on-year increase over 1,14,002 units sold in August 2025. Domestic sales reached 114,204 units, up from 102,876 units a year ago. International business contributed 12,275 units, growing 10% from 11,126 units in the same period last year.

Escorts Kubota Limited Agri Machinery Division said that its Agri Machinery Business in August 2026 sold 10,072 tractors as against 8,456 tractors sold in August 2025, thereby registering a growth of 19.1% on year-on-year (YoY) basis. While domestic tractor sales jumped by 20.5% to 9,523 tractors, exports declined by 0.9% to 549 units in August 2026 over August 2025.

AUTO SALES DATA (Y-o-Y)

Company	TOTAL SALES		% Ch	DOMESTIC SALES		% Ch	EXPORTS		% Ch
	AUG-26	AUG-25		AUG-26	AUG-25		AUG-26	AUG-25	
MARUTI	219220	180683	21.33	185376	144145	28.60	33844	36538	-7.37
HEROMOTOCO	568398	553727	2.65	542305	519139	4.46	26093	34588	-24.56
TMPV	67753	43315	56.42	65253	41001	59.15	2500	2314	8.04
BAJAJ-AUTO	535764	417616	28.29	255708	232398	10.03	280056	185218	51.20
M&M	107648	75901	41.83	101594	72353	40.41	6054	3548	70.63
TVSMOTOR	616540	509536	21.00	442088	374169	18.15	174452	135367	28.87
EICHERMOT	126479	114002	10.94	114204	102876	11.01	12275	11126	10.33
ESCORTS	10072	8456	19.11	9523	7902	20.51	549	554	-0.90

(Source:BSE)

AUTO SALES DATA (M-o-M)

Company	TOTAL SALES		% Ch	DOMESTIC SALES		% Ch	EXPORTS		% Ch
	AUG-26	JUL-26		AUG-26	JUL-26		AUG-26	JUL-26	
MARUTI	219220	241421	-9.20	185376	211365	-12.30	33844	30056	12.60
HEROMOTOCO	568398	533416	6.56	542305	501403	8.16	26093	32013	-18.49
TMPV	67753	63760	6.26	65253	62611	4.22	2500	1149	117.58
BAJAJ-AUTO	535764	474677	12.87	255708	220192	16.13	280056	254485	10.05
M&M (PV)	107648	103860	3.65	101594	99790	1.81	6054	4070	48.75
TVSMOTOR	616540	629675	-2.09	442088	445411	-0.75	174452	184264	-5.32
EICHERMOT	126479	118232	6.98	114204	105317	8.44	12275	12915	-4.96
ESCORTS	10072	8731	15.36	9523	8194	16.22	549	537	2.23

(Source:BSE)

AUTO SALES DATA - COMMERCIAL VEHICLE (Y-o-Y)

Company	TOTAL SALES		% Ch	DOMESTIC SALES		% Ch	EXPORTS		% Ch
	AUG-26	AUG-25		AUG-26	AUG-25		AUG-26	AUG-25	
TMCV	44411	29863	48.72	36619	27481	33.25	7792	2382	227.12
ASHOKLEY	21038	15239	38.05	19438	13622	42.70	1600	1617	-1.05
FORCEMOT	3802	2403	58.22	3721	2295	62.14	81	108	-25.00
SMLMAH	1175	842	39.55	1095	815	34.36	80	27	196.30

(Source:BSE)

AUTO SALES DATA - COMMERCIAL VEHICLE (M-o-M)

Company	TOTAL SALES		% Ch	DOMESTIC SALES		% Ch	EXPORTS		% Ch
	AUG-26	JUL-26		AUG-26	JUL-26		AUG-26	JUL-26	
TMCV	44411	39641	12.03	36619	33876	8.10	7792	5765	35.16
ASHOKLEY	21038	19590	7.39	19438	17980	8.11	1600	1610	-0.62
FORCEMOT	3802	3770	0.85	3721	3738	-0.45	81	32	153.13
SMLMAH	1175	1603	-26.70	1095	1521	-28.01	80	82	-2.44

(Source:BSE)

ELECTRIC 2-WHEELER RETAIL SALES

COMPANY	AUG-26	JUL-26	AUG-25	% (Y-o-Y)	% (M-o-M)
TVS MOTOR	**48910**	**55824**	25646	**90.71**	**-12.39**
BAJAJ AUTO LTD	**41071**	**45867**	12246	**235.38**	**-10.46**
ATHER ENERGY	**28733**	**30636**	19210	**49.57**	**-6.21**
HERO MOTOCORP	**18995**	**22989**	13769	**37.95**	**-17.37**
OLA ELECTRIC	**13849**	**14230**	19464	**-28.85**	**-2.68**
AMPERE/GREAVES ELECTRIC	**8614**	**10137**	4578	**88.16**	**-15.02**

(Source:BSE)

ELECTRIC 4-WHEELER RETAIL SALES

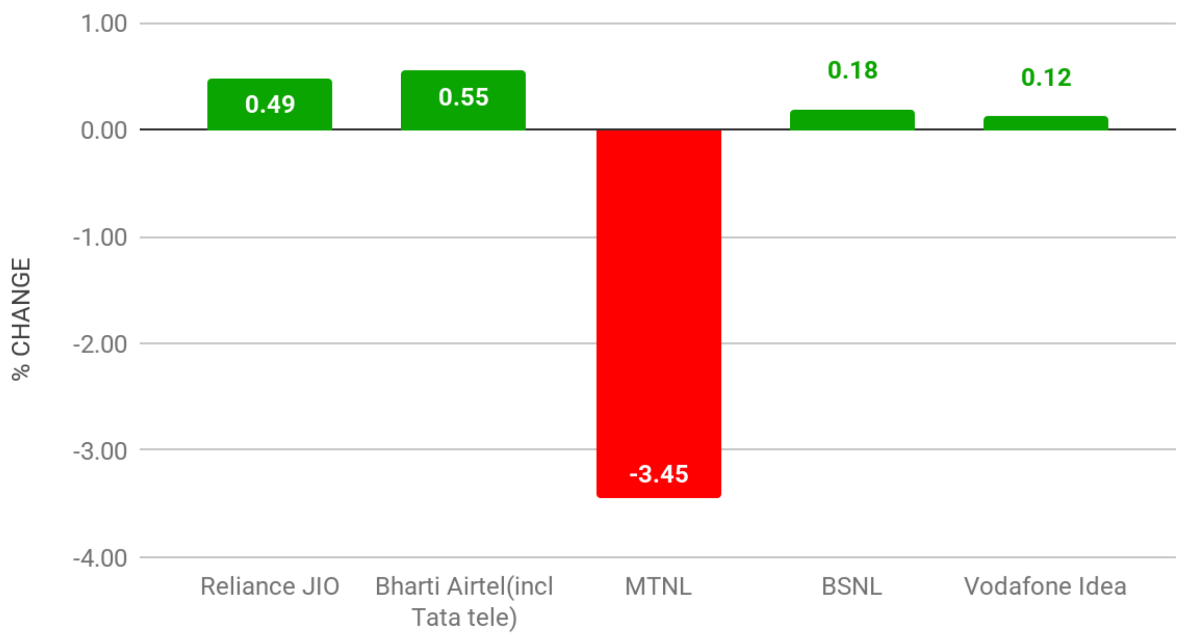
COMPANY	AUG-26	AUG-25	% (M-o-M)
TATA MOTORS	**13074**	14361	**-8.96**
MAHINDRA & MAHINDRA	**6409**	8089	**-20.77**

(Source:BSE)

Telecom Subscription Data as on 31st July 26

The number of total telephone subscribers in India increased from 1348.08 million at the end of June 2026 to 1354.28 million at the end of July 2026, thereby showing a monthly growth rate of 0.46%. Urban telephone subscription increased from 792.06 million at the end of June 2026 to 796.68 million at the end of July 2026 and the rural telephone subscription also increased from 556.01 million to 557.59 million during the same period. The monthly growth rates of urban and rural telephone subscription were 0.58% and 0.28% respectively during the month of July 2026.

Service Provider wise growth in total subscribers (June 26 - July 26)



Monthly growth in telecom subscription in %

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