VARDAN

Monthly Newsletter
April 2026

Global Economy

- The Fed kept the federal funds rate unchanged at the 3.50%–3.75% for a 3rd consecutive meeting in April 2026. Annual inflation rate in the US jumped to 3.30% in March 2026, marking the highest level since May 2024 and a sharp increase from 2.40% in February.
- The Bank of Japan kept its short-term policy rate unchanged at 0.75% at its April 2026 meeting, leaving borrowing costs at their highest level since Sep 1995. It raised its FY2026 core inflation outlook to 2.80% from 1.90%.
- People's Bank of China maintained its key lending rates unchanged for an 11th straight month in April 2026. China's annual inflation eased to 1.00% in March 2026 from February's over three-year high of 1.30%, lower than market expectations of 1.20%.
- The UAE officially exited OPEC effective May 1. UAE energy minister stated that the exit is a strategic move that can help meet global energy demands.

Indian Economy

- The RBI has revised its FY2027 real GDP growth forecast to 6.90% and projected headline CPI inflation at 4.60%, cautioning that global geopolitical uncertainty and crude oil volatility could impact both growth and price stability.
- In the first 11 months of FY2026 (April–February), 22 states utilised 55.27% of their combined annual budgeted capex of INR 10.22 trillion, amounting to INR 5.65 trillion, according to CAG data.
- The government has introduced a temporary one-time relief allowing SEZ (Special Economic Zone) units to sell manufactured goods in the domestic market at concessional customs duty rates to ease global trade disruptions, with a minimum 20% value addition requirement and a cap of 30% of export value.
- With the signing of the India-NZ FTA, the EEPC expects India's engineering exports to New Zealand are expected to rise to USD 280-300 million over the next five years from USD 140.5 million in 2025-26, according to EEPC India.

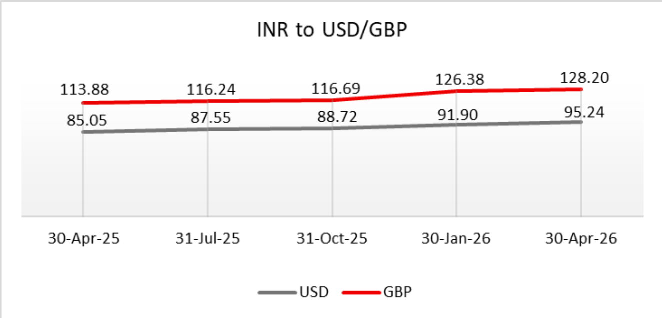
Indian Debt Market

- RBI's MPC unanimously decided to maintain the status quo on repo rate, keeping it at 5.25% and the monetary policy stance was maintained at 'neutral'.
- India's forex reserves fell by USD 4.82 billion to USD 698.49 billion in the week that ended on 24 April 2026.
- Currency in circulation surged 11.90% (y-o-y) by the end of FY2026, the highest since FY2021, to INR 41.68 trillion.
- The RBI issued final norms on asset classification, provisioning, and income recognition for banks, introducing a new Expected Credit Loss (ECL) framework, effective April 2027. The new rules require banks to set aside money in advance for loans that might go bad in the future, instead of waiting for defaults to happen.
- Banking system liquidity averaged a INR 4 trillion surplus in April 2026, driven by year-end government spending and G-sec redemptions, prompting the RBI to absorb excess funds via two INR 2 trillion Variable Rate Reverse Repo(VRRR) operations on April 10 and 17, 2026.
- RBI has stated that nearly 98.50% of all the INR 2,000 bank notes in circulation have been returned to the banking system.

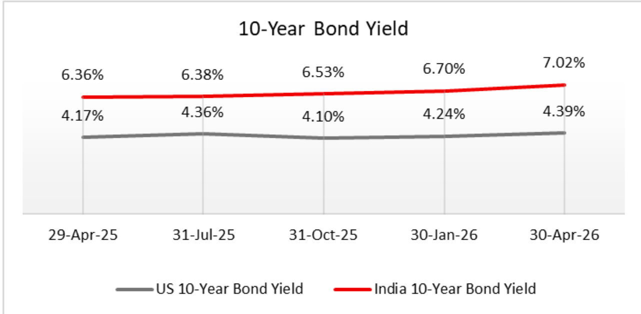
Indian Startups

- 69 Indian start-ups raised total funding of around USD 506.80 million in the month of April 2026. There is 57% decrease in funding as compared to March 2026.
- Fintech, Deep Tech, Quick Commerce, & D2C Brands are major segment that secured USD 73 million, USD 71 million, USD 56 million & USD 41 million funding respectively.

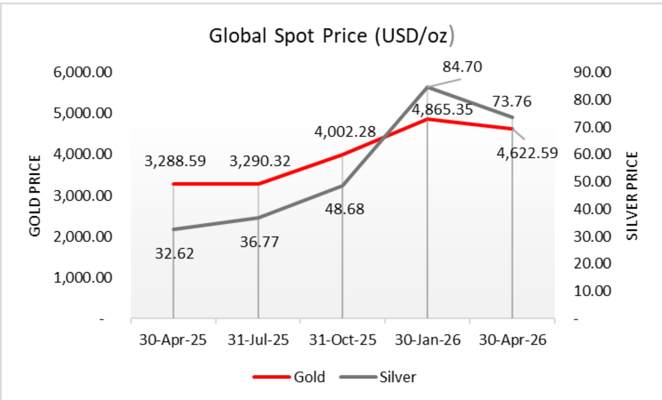
Over the past quarter, movements in gold, silver, crude oil, bond yields, and exchange rates reflected evolving macro expectations and shifts in global risk sentiment. The charts below summarize these key trends.



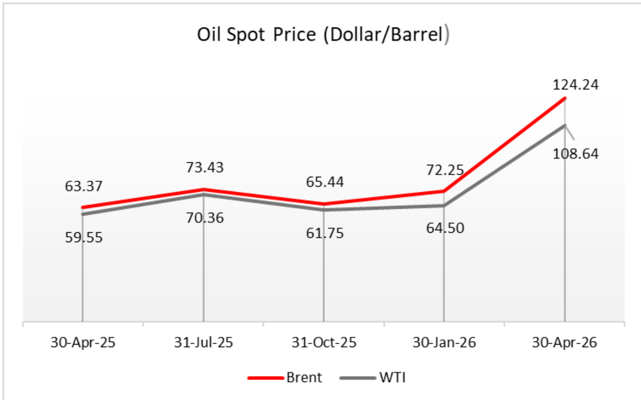
The rupee weakened modestly in April 2026, down 0.62% vs USD and 2.04% vs GBP.



In March 2026, US bond yields firmed slightly and Indian yields rose by 0.82%.



Gold and silver both fell by about ~3% from the start of April, marking a modest decline after earlier highs.



Oil prices dipped on April 17 when Iran announced the Strait of Hormuz reopening, then rebounded sharply, with Brent up 19% and WTI 7% by month-end.

Recent geopolitical developments have reinforced how quickly market sentiment can shift amid evolving trade dynamics and policy uncertainty.

While short-term volatility may persist, such phases often create selective opportunities for disciplined capital allocation.

In this environment, we are identifying attractive debt investment opportunities where elevated yields provide strong downside protection and steady income. Our strategy remains focused on resilience, quality, and long-term compounding.