FIRST LIGHT

07 July 2026

RESEARCH

BOB ECONOMICS RESEARCH | MONTHLY ECONOMIC BUFFET

Economic Round-up: Jun 2026

METALS & MINING | Q1FY27 PREVIEW

Higher Steel prices to drive profitability and support margins

REAL ESTATE (REITS) | Q1FY27 PREVIEW

Supportive macro-environment; set up for strong performance

SUMMARY

INDIA ECONOMICS: MONTHLY ECONOMIC BUFFET

The major highlight of the month has been the Jun'17 MoU between US and Iran centering 60-day negotiation period. This has resulted in major downward correction in international oil prices (declined by -21% in Jun'26 over May'26 and in Jul'26 as well trading at similar levels) with the resumption in traffic flows in the Strait of Hormuz. On macro front, US economy showed some stress from supply related disruption and higher inflation impinging on consumer demand. Labour market conditions also remained weaker. Elsewhere in Eurozone, macro indicators still held ground, in Japan and China, it remained mixed.

Click here for the full report.

METALS & MINING: Q1FY27 PREVIEW

- Demand momentum to continue with a likely 7.0-8.0%YoY growth, driven by strong demand from construction and auto sectors
- Steel pricing improved by 8.1%YoY and 6.7%QoQ. Costs went up to some extent owing to coking coal price
- Maintain BUY on Goodluck India; HOLD on JSW Steel, Jindal Steel, Tata Steel & Hindalco; and SELL on SAIL

Click here for the full report.

BOBCAPS Research
research@bobcaps.in

REAL ESTATE (REITS): Q1FY27 PREVIEW

- Record office absorption (~25msf, +22.2% YoY) and supply (~21msf, +22.8% YoY); preference for high-quality workspaces
- REITs well-placed to improve utilisation; higher occupancy (~92%, ~+350bps YoY) and avg. in-place rents (~Rs 91.7psf/m, ~+5.2% YoY)
- Improved utilisation and controlled interest expense likely to result in NDCF growth of ~+28% and DPU growth of ~12%

Click here for the full report.

MONTHLY ECONOMIC BUFFET

06 July 2026

Economic Round-up: Jun 2026

Dipanwita Mazumdar
Economist

The major highlight of the month has been the Jun'17 MoU between US and Iran centering 60-day negotiation period. This has resulted in major downward correction in international oil prices (declined by -21% in Jun'26 over May'26 and in Jul'26 as well trading at similar levels) with the resumption in traffic flows in the Strait of Hormuz. On macro front, US economy showed some stress from supply related disruption and higher inflation impinging on consumer demand. Labour market conditions also remained weaker. Elsewhere in Eurozone, macro indicators still held ground, in Japan and China, it remained mixed.

Global central banks broadly adopted wait and watch data dependent approach in their recent policies. New Fed Chair however reiterated its commitment towards bringing inflation back to the targeted 2% level. On domestic front, government and RBI took concerted effort to encourage foreign capital flows. The measures were holistic from tax rationalisation to FPIs, expanding the scope of FAR to encouraging flows through the FCNR (B) and ECB route. This has supported flows through the FAR which went up to US$ 2.3 bn (net inflow) in Jun'26 and in Jul'26 as well the momentum is maintained at US$ 301mn (upto 3rd Jul'26). However, monsoon holds the key how major economic activities will shape out in the coming days. Jun'26 has been a deficit situation, but the Jul situation is changing. Thus, the spatial distribution holds the cue for prices of major vegetable items especially Tomato, Onion and Potato, amongst other which are the most volatile items in the CPI basket.

Global central banks: Recent central bank official commentaries suggest a more data dependent wait and watch approach. ECB has been ahead of the curve in its Jun'26 policy meeting and went for a rate hike in anticipation of any second order impact of war related shocks. Fed, BoE and RBI stayed put. Fed policy tone remained hawkish with new Fed Chair emphasising on bringing back inflation to the targeted 2% level. He however, refrained from participating in the dot plot projections. The forward rates are not pricing in any rate action on Fed's part in the next 3-months at least. On domestic front, RBI's policy backdrop has changed completely as during the time of policy announcement crude was trading at US$ 110/bbl (on 5 Jun 2026) and now there is considerable decline in crude prices to ~US$ 72/bbl. Thus, coming few months are crucial. Any undershooting of RBI's inflation projection will further make RBI cautious before taking any call on rates. Only upside risks emanate from El Nino conditions which have already developed in the tropical Pacific as per World Meteorological Organisation (WMO) 3 Jul 2026 update.

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

METALS & MINING | Q1FY27 Preview | 03 July 2026

Higher Steel prices to drive profitability and support margins

- **Demand momentum to continue with a likely 7.0-8.0%YoY growth, driven by strong demand from construction and auto sectors**
- **Steel pricing improved by 8.1%YoY and 6.7%QoQ. Costs went up to some extent owing to coking coal price**
- **Maintain BUY on Goodluck India; HOLD on JSW Steel, Jindal Steel, Tata Steel & Hindalco; and SELL on SAIL**

Sukhwinder Singh
Research Analyst
research@bobcaps.in

Overall sector performance: Sector will likely show good volumes growth performance during Q1FY27E, with growth estimated to be 7-8%YoY. Pricing improved, with an increase of 8.1%YoY and 6.7%QoQ, helped by strong demand; leading to price hike. Costs likely to increase up to some extent due to coking coal price hike from USD190/t in Q1FY26 to USD235/t in Q1FY27E. Overall, our coverage universe of 4 steel companies will likely show revenue growth of 8.9%YoY and EBITDA growth of 21.9%YoY.

Pricing environment: Price of HRC steel for Q1FY27E averaged Rs57,200/t; higher by Rs3.900 from Rs53,300/t in Q1FY26 and higher by Rs3,577 from Rs53,623/t in Q4FY26. QoQ increase is by 6.7%. Improvement is on the back of strong demand that led to industry players taking price hikes during this period.

JSW Steel: Likely to see revenue growth of 1.8%YoY and EBITDA growth of 9.1%YoY. Volumes are likely to decline by 2.2%YoY. Numbers are not directly comparable as Q1FY27E excludes Bhushan Power & Steel volumes and financials, following its transfer to a JV in March 2026. Adj for BPSL volumes, growth is likely ~15%. EBITDA benefited from improved pricing, partly offset by higher coking coal costs. Consequently, EBITDA/t increased 11.6% YoY to Rs12,633.

Jindal Steel: Likely to see revenue growth of 15.8%YoY to be driven by incremental volumes from expanded capacity. Volume growth estimated at 14.5%YoY. Volumes likely to have declined QoQ due to impact of maintenance shutdown during the quarter. Pricing to see growth of 1.1%YoY and 5.7%QoQ.

Tata Steel: Likely to see revenue growth of 12.5%YoY, driven by volume growth in India aided by a low base. Q1FY26 has low volumes owing to maintenance shutdown. EBITDA growth of 38.3%YoY is on account of improved India profitability. Europe volumes are likely to be lower, given the fire incident in the UK.

REAL ESTATE (REITS) | Q1FY27 Preview | 06 July 2026

Supportive macro-environment; set up for strong performance

- **Record office absorption (~25msf, +22.2% YoY) and supply (~21msf, +22.8% YoY); preference for high-quality workspaces**
- **REITs well-placed to improve utilisation; higher occupancy (~92%, ~+350bps YoY) and avg. in-place rents (~Rs 91.7psf/m, ~+5.2% YoY)**
- **Improved utilisation and controlled interest expense likely to result in NDCF growth of ~+28% and DPU growth of ~12%**

Yashas Gilganchi
Research Analyst
research@bobcaps.in

Constructive Macro Environment: Over Q1FY27, ~24.6msf was absorbed (+22.2% YoY), with GCCs continuing to be the primary demand anchor (accounting for ~42% of total absorption). ~21msf (+22.8% YoY) of office space was delivered, with ~76% of the completions being green-certified assets (LEED or IGBC rated), in-line with occupiers' growing preference for high-quality workspaces**. Record absorption and a preference for Grade A office spaces continued to make for a supportive macro environment for demand to consolidate into REIT-managed properties**.

Expect utilisation to improve: Given the supportive macro environment, we believe REITs under our coverage are set to deliver average NOI growth of ~+41.2% (BIRET expected to outperform), on the back of improved average committed occupancy (~92%, ~+350bps YoY) and higher average in-place rents (~Rs 91.7psf/m, ~+5.2% YoY). As leasing momentum skews increasingly towards larger, high-quality workspaces, we believe **REITs are well-placed to capture leasing demand by GCCs and domestic enterprises, and expect REITs to report revenue growth on the back of improved utilisation of leasable area**.

Limited expansion in leasable area: In the absence of any material expansion in leasable area (except MINDSPACE) — we expect revenue growth driven by incremental space added to the portfolios to be limited, but continue to believe that expansion in leasable area remains key to driving DPU growth.

Lower cost of debt: As yields adjust lower (~-100bps over FY27E-FY29E) reflecting easing tensions in West Asia and recent concessions by the RBI to attract foreign inflows — we expect REITs under our coverage to have benefitted from controlled interest expenses (limited impact on avg. cost of debt) and expect REITs to work towards re-financing a larger portion of their outstanding debt to lower fixed-rates.

DPU growth of ~+12.1% YoY: We expect REITs under our coverage to deliver NDCF growth of ~+27.8% YoY over Q1FY27, driven by improved utilisation and controlled interest expense, resulting in DPU growth of ~+12.1% YoY.

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**
Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
SEBI Research Analyst Registration No: **INH000000040 (Perpetual)**
SEBI Stock Broker Registration No: **INZ000159332**
SEBI Depository Participant Registration No: **IN-DP-728-2022**
SEBI Merchant Banker Registration No: **INM000009926**
Phone: +91-22-61389300
Name of the Compliance Officer: Mr. Sameer Khobrekar
Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
For any queries or grievances, you may contact the Grievance Officer.
Name of the Grievance Officer: Mr. Nilesh Mehta
Email ID: head-customercare@bobcaps.in; Phone no: 92288 60945

Brand Name: **BOBCAPS**
Website: **https://www.bobcaps.in/**
CIN: **U65999MH1996GOI098009**

Logo:

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.
Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Analyst certification

Each of the analysts mentioned in this research report certify, with respect to the sections of the report for which they are responsible, that (1) all of the views expressed in this report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

Important disclosures

This product is a compilation of previously published research notes. To view the complete report along with the associated Analyst certifications and Company-specific disclosures, please click on the hyperlink accompanying each excerpt.

General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Other disclaimers

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an "as is" basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the "**Losses**") which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

Distribution into the United Kingdom ("UK"):

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd) ("**MSL**") who is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom (MSL and its affiliates are collectively referred to as **"MAYBANK**"). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the "Order"), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as "relevant persons").

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

No distribution into the US:

This report will not be distributed in the US and no US person may rely on this communication.

Other jurisdictions:

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.