Indian equities started Q3 in the red, as slowing economic growth and concerns about Prime Minister Modi’s budget plan weighed down markets.

The S&P BSE SENSEX dropped 5% in July, its worst monthly performance since October 2018. Small-caps and mid-caps in particular struggled, with the S&P BSE SmallCap and S&P BSE MidCap declining 11% and 8% respectively.

The S&P BSE Information Technology was the only S&P BSE Sector to finish the month in the green, gaining 1%. The S&P BSE Industrials was the sectoral laggard, declining 11%.

The S&P BSE SENSEX Inverse Daily Index was one of the few bright spots on our dashboard, gaining 6%. The S&P BSE IPO Index ended its three-month winning streak, declining 2%, though it is still up 10% year-to-date.

Following the global trend, Indian bond yields declined in July, leading Indian fixed income indices to finish in the black. The S&P BSE India 10 Year Sovereign Bond Index sat at the top of the table, gaining 4%.