

Investment Institute

India's great transformation continues

OCTOBER 2026

Amundi
Investment Solutions

Make in India: advancing the manufacturing transformation

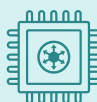


Electronics

75% to 0%

Imported share of phones sold in India, 2014-2024

Government incentives and global partnerships have helped India assemble more electronics locally and increase exports



Semiconductors

\$18.6_{bn}

Investment committed to approved semiconductor projects

Investment aims to strengthen India's chipmaking capabilities and reduce reliance on imports



Defence

75%

FY2026-27 defence procurement budget for Indian suppliers

Supporting production in India and a greater role for Indian suppliers, including private companies

India's consumers: the spending shift continues



From essentials to extras

As incomes rise, consumers spend more on goods and services beyond everyday essentials



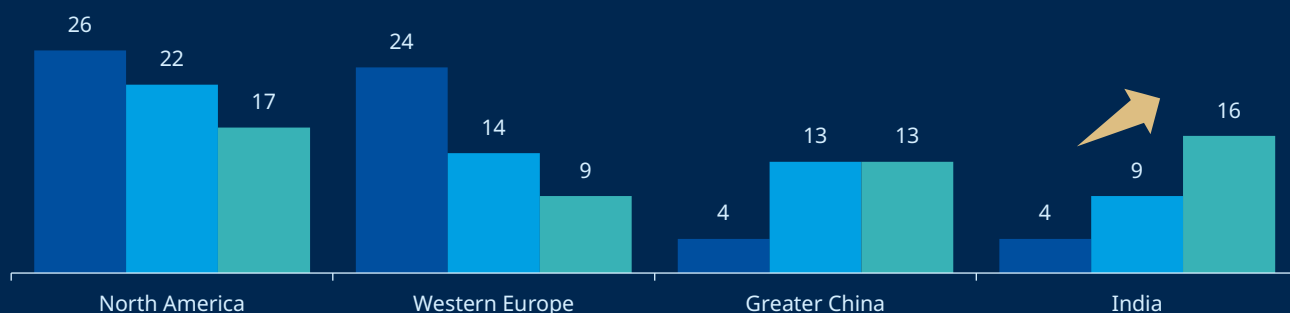
From basic to premium

Higher-income consumers increasingly choose premium products with more features



Share of global consumer spending (%)

■ 1997 ■ 2023 ■ 2050 (forecast)



Source: Amundi Investment Institute, McKinsey. Data is as of 22 October 2025.

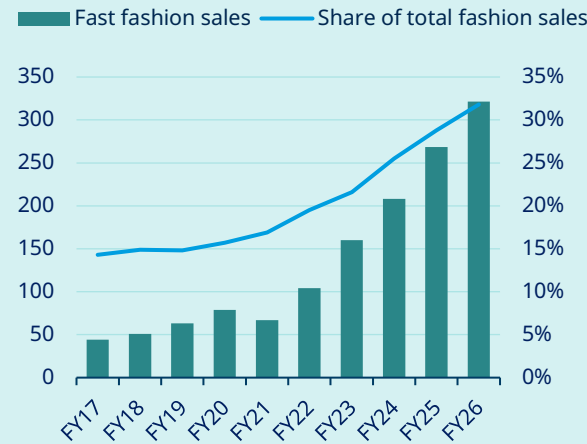


India's changing spending habits

As incomes rise, consumers spend more on goods beyond everyday essentials.

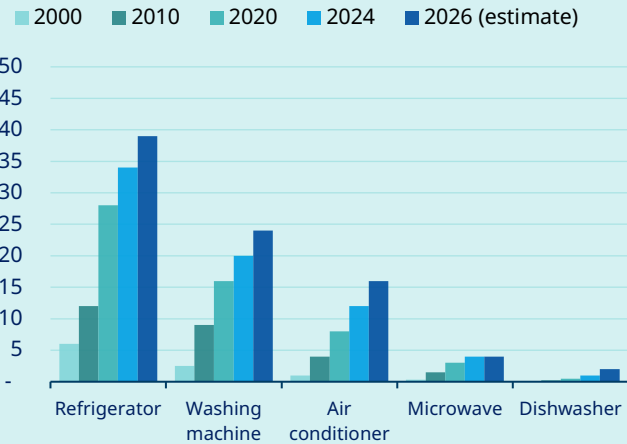
The rise of fast fashion

Sales (INR bn)



More households own appliances

Households owning each appliance (%)



Source: SBI MF, CMIE, Motilal Oswal, Euromonitor, Morgan Stanley. Data is as of 25 September 2026.

“India’s consumption habits continue to evolve in two main ways: consumers are buying more goods and services beyond everyday essentials, while higher-income households are increasingly choosing premium products.”

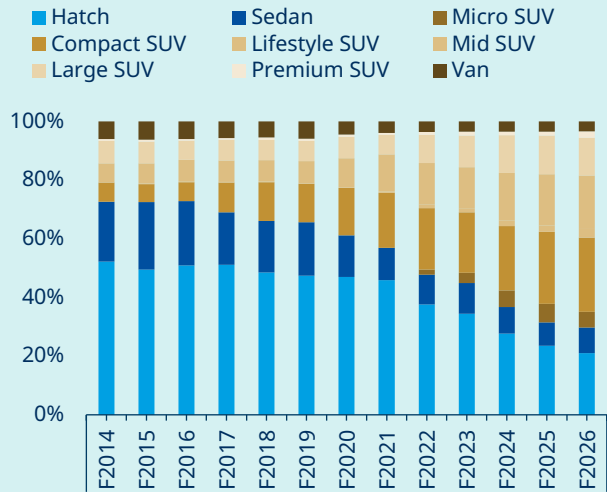
Alessia Berardi, Head of Global Macroeconomics and Emerging Markets Strategy, Amundi Investment Institute



Higher-income consumers continue to trade up

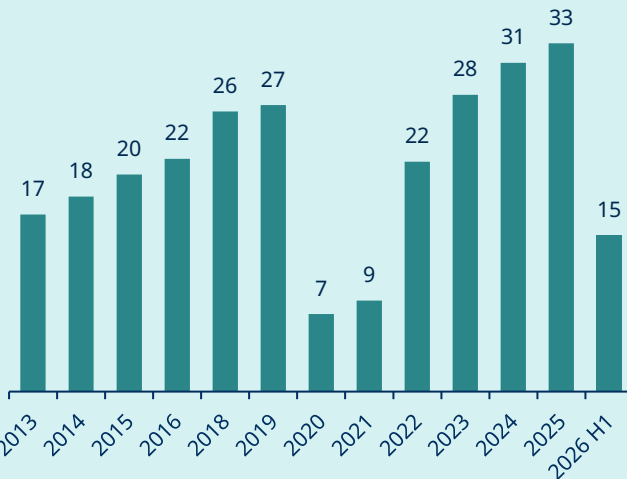
Higher-income consumers are choosing more premium cars and travelling abroad more often.

SUVs gain ground in India's car market



International travel by Indians

Departures (millions)



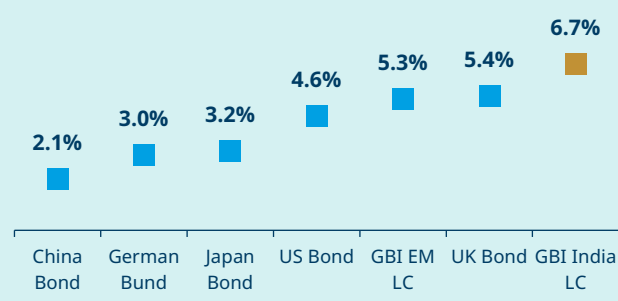
Source: SBI MF, SIAM, Company Data, Morgan Stanley, Ministry of Tourism, CLSA. Data is as of 25 September 2026.

Three reasons India remains in focus for investors

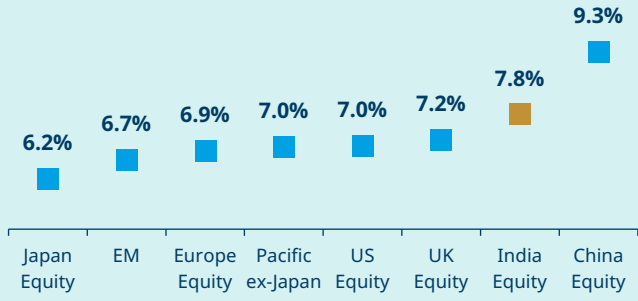


1 | Seeking long-term returns

Expected government bond returns over 10 years



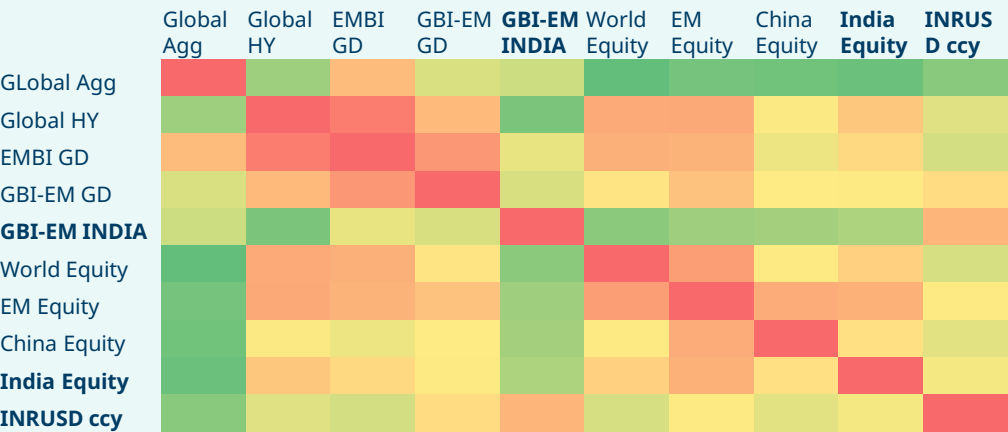
Expected equity market returns over 10 years



Source: Amundi CASM Model, Quant Solutions and Amundi Investment Institute teams. Fixed-income assets expected return is broken down into: **Carry**: proxied by the government or credit yield; **FX**: performance associated with FX exposure against the USD; and **Others**, which include elements such as valuations, rolldown, valuation, and sovereign/currency risk). For further information see full document.



2 | Diversifying portfolios



Both Indian equities and bonds display relatively low correlation to traditional building blocks, largely thanks to the diversification benefit of the currency exposure.

Source: Amundi Quant Solutions calculations, MSCI, Bloomberg. The table shows the long-term correlation between different asset classes. Assets are expressed in USD, foreign assets are hedged to USD if fixed income. The Global aggregate and the global HY indices are hedged, otherwise unhedged to USD. Correlation between asset classes can range between -1 (perfect decorrelation, deep green) and +1 (perfect correlation, red). Data is as of 23 September 2026. Long-term sample from end-2002. EMBI GD (Global Diversified is the benchmark for the EM Local Currency Sovereign Emerging Markets Debt. GBI-EM GD (Global Diversified) refers to EM sovereign and quasi sovereign debt, Hard Currency. Correlation may vary from -1 (deep green) to +1 (red). For further information see full document.



3 | Investing in an increasingly accessible market



Indian government bonds' inclusion in the JP Morgan GBI-EM Index has increased the demand from funds that track the index.



Faster registration makes it easier for foreign portfolio investors to access India's markets.



Growing domestic savings and demand from institutional investors are helping deepen markets and improve stability.

Amundi Investment Institute

In an increasingly complex and changing world, investors need to better understand their environment and the evolution of investment practices to define their asset allocation and help construct their portfolios.

This environment spans across economic, financial, geopolitical, societal and environmental dimensions. To help meet this need, Amundi has created the Amundi Investment Institute.

This independent research platform brings together Amundi's research, market strategy, investment themes and asset allocation advisory activities under one umbrella: the Amundi Investment Institute. Its aim is to produce and disseminate research and Thought Leadership publications which anticipate and innovate for the benefit of investment teams and clients alike.

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Date of first use: 29 September 2026.
Document ID: 5970999.

Document issued by Amundi Asset Management, "société par actions simplifiée"- SAS with a capital of €1,143,615,555 - Portfolio manager regulated by the AMF under number GP04000036 - Head office: 91-93 boulevard Pasteur, 75015 Paris - France - 437 574 452 RCS Paris - www.amundi.com.

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