

Insights Unwrapped

Hopeful Signs — But Is It Sustainable?

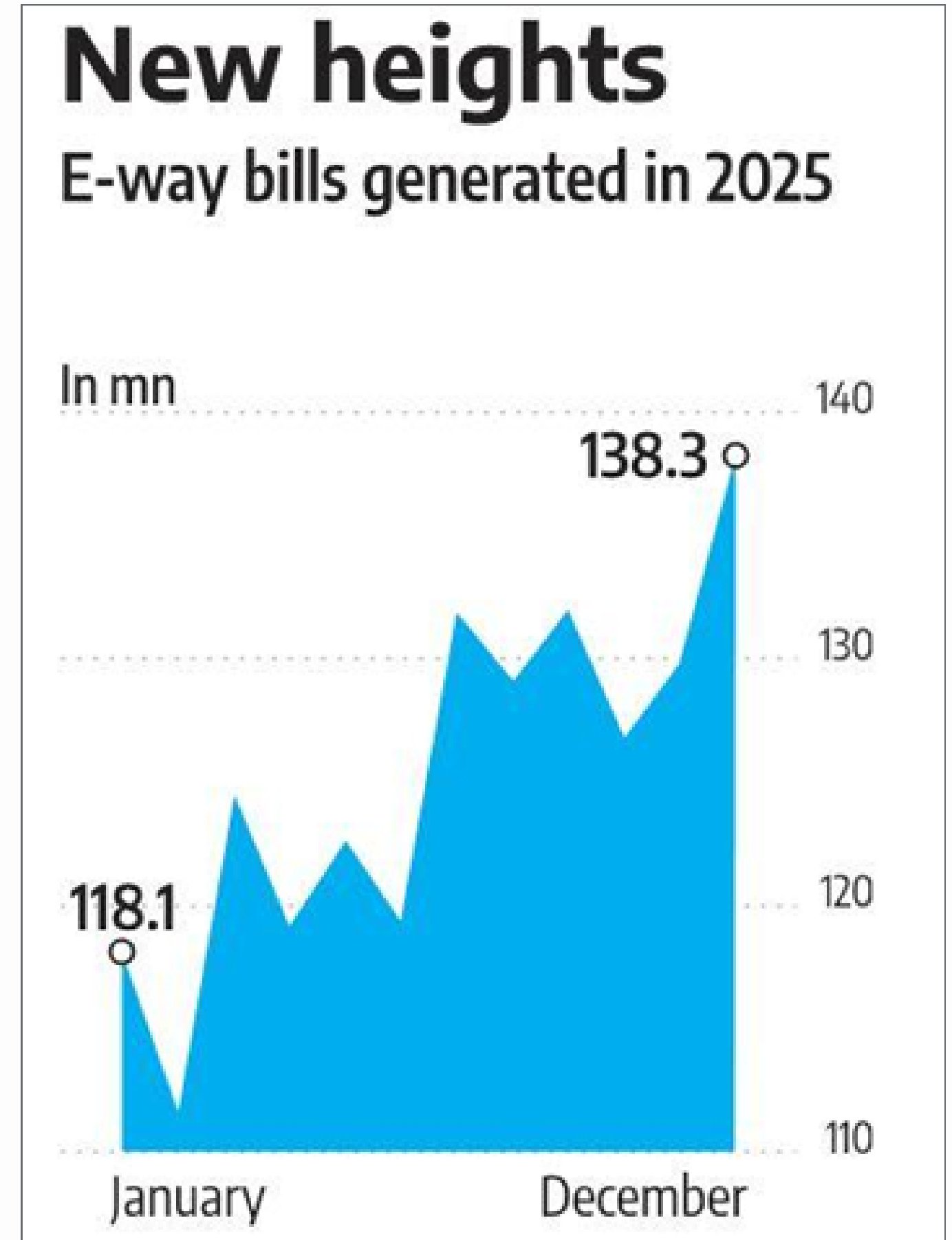


28th February 2026

www.sproutresearch.in

Record E-way Bills

India's goods movement touched a new high in December, with total e-way bill generation rising 23.6% year-on-year (Y-o-Y) to 138.39 million. The momentum continued into January 2026, with 136.8 million e-way bills generated, according to data released by the GST Network.



Source: Business Standard

Strong Earnings in Quarter Ending Dec'25

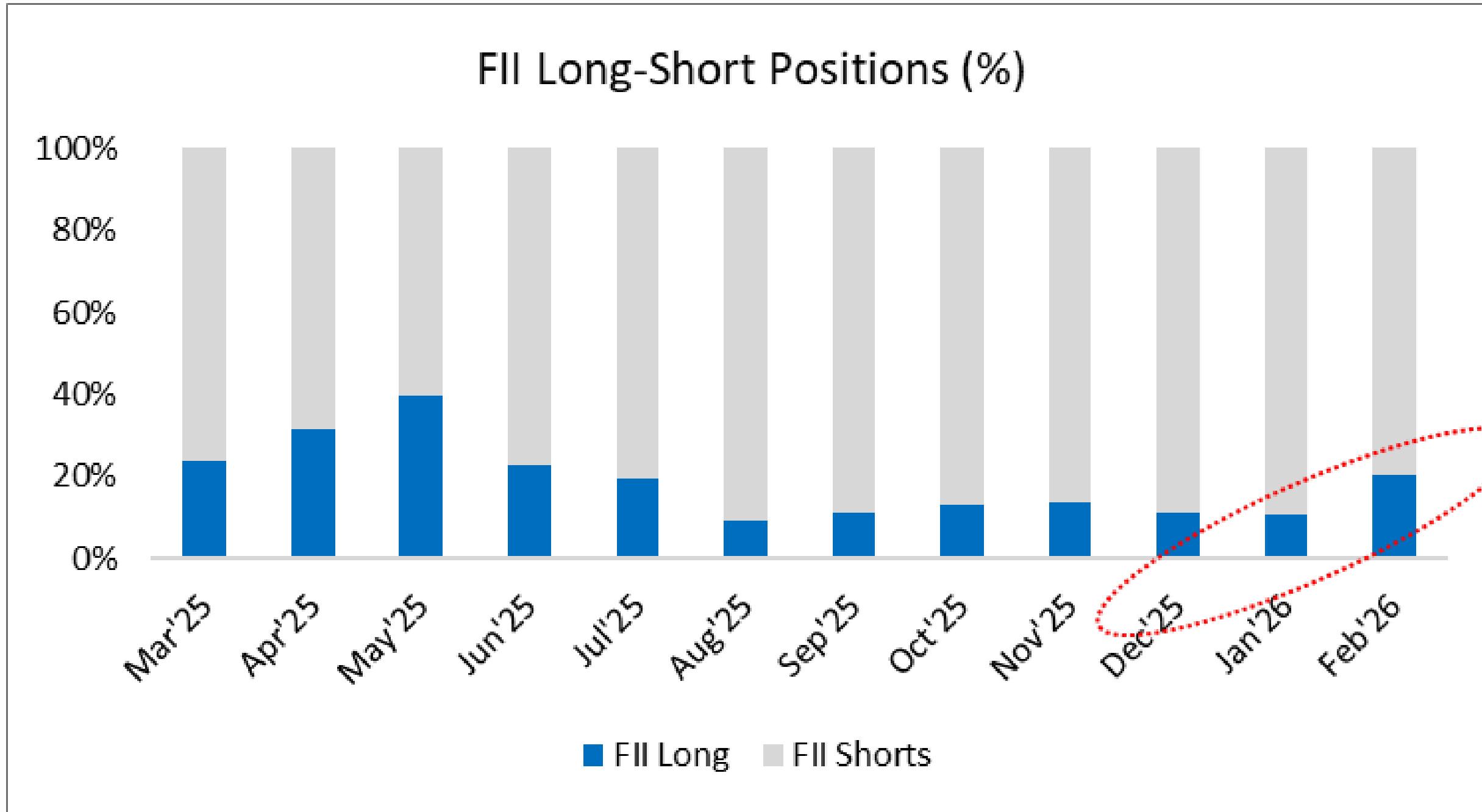
Q3FY26 Results Tracker

S. No.	Index	Net Sales		Operating Profit [^]		Net Profit ^{^^}		Valuations			
		Total Cos.	Results till date*	Qtr ending Dec (YoY %)	TTM ending Dec (YoY Change %)	Qtr ending Dec (YoY Change %)	TTM ending Dec (YoY Change %)	Qtr ending Dec (YoY Change %)	TTM ending Dec (YoY Change %)	P/E (Post Q3FY25) (x)	TTM P/E (Current) (x)
		(Nos.)	(Nos.)	(%)	(%)	(%)	(%)	(%)	(%)	(x)	(x)
1	Nifty 500 <i>Margin Change</i>	500	493	9.6%	7.6%	1.2%	12.6%	17.1%	19.8%	23.3	22.1
						-171bps	93bps	71bps	116bps		
2	Nifty 50 <i>Margin Change</i>	50	50	8.5%	7.5%	-5.9%	9.1%	10.2%	18.6%	21.7	20.2
						-350bps	37bps	20bps	128bps		
3	S&P BSE MidCap <i>Margin Change</i>	144	141	11.4%	9.2%	11.4%	13.3%	23.0%	24.6%	28.2	26.8
						-1bps	84bps	88bps	117bps		
4	S&P BSE SmallCap <i>Margin Change</i>	1,223	1,195	24.7%	19.8%	18.1%	11.7%	25.3%	10.2%	28.3	27.5
						-72bps	-97bps	3bps	-51bps		

*: Excl. cos listed in the last year; ^: Operating Profit excl. Other Income; PAT incl. share of assoc and profit from discontinued ops. but excl. exceptional items; Source: Sprout Research; Data source: ACE Equity,

- For **NSE 500 companies**, quarterly **sales growth stands at 9.6% YoY and PAT at 17% YoY**. On a TTM basis, cumulative sales have grown 8% YoY, while PAT is up a strong 20%.
- **BSE Mid and Small Caps have outperformed**, delivering **robust PAT growth of 23% YoY and 25% YoY**, respectively, supported by solid TTM momentum.
- Valuations have moderated, with the NSE 500 at ~22x trailing P/E and Mid/Small Caps in the 26–28x range.

FII Long-Short: Gradual Unwinding of Short Positions



Since August 2025, FII short positions remained elevated in the 88–90% range. However, in February, a significant short covering was observed, leading to an improved long–short ratio of 20% long to 80% short.

Source: ScanX.trade *YTD till 25 Feb'26

India Strengthens Its Global Trade Footprint

5 major trade deals in just 12 months



Over the past 6–7 months, India has successfully concluded five major trade agreements, the most recent being a pact with the United States that reduced reciprocal tariffs on Indian goods to 18%, subsequently revised to 15% following a Supreme Court ruling.

Earlier in January, India signed a landmark trade agreement with the European Union, often described as the “mother of all deals.” In 2025, it also signed trade agreements with the United Kingdom, along with bilateral pacts with Oman and New Zealand, further strengthening its global trade integration.

Also, India is continuing its trade talks with Israel, Gulf Cooperation Council (GCC) comprising of six middle eastern nations and with Canada.

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