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India UNWRAPPED WEEKLY

NEWSFLASH

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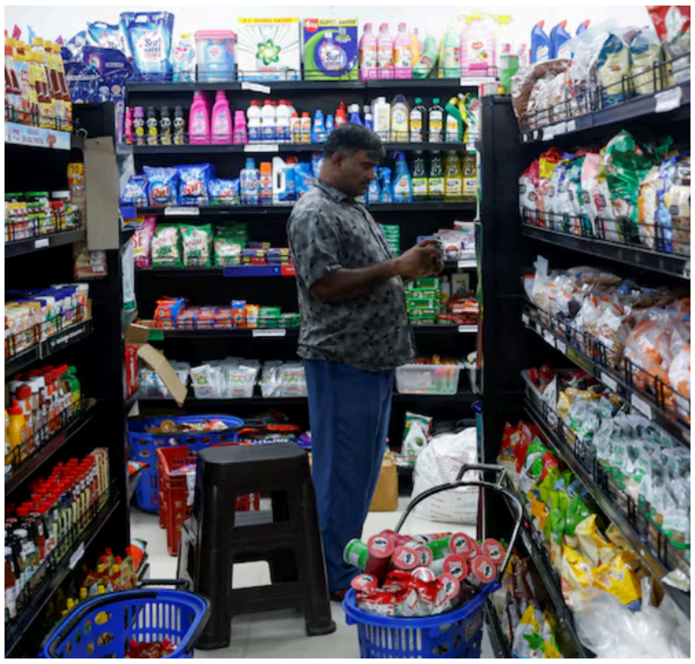
INDIA'S INFLATION TANKS TO RECORD LOW, BOOSTING DECEMBER RATE-CUT HOPES



India's annual retail inflation tumbled to a record low of 0.25 % in October 2025, down sharply from a revised 1.44 % in September, surprising analysts who had expected around 0.48 %. The steep fall was driven by a 5.02 % drop in food prices and a dramatic 27.6 % decline in vegetable costs helped by recent GST cuts and favourable base effects. Meanwhile, core inflation (excluding food and energy) held at 4.4 %, limiting immediate rate-cut expectations. With inflation well below the Reserve Bank of India's tolerance band for the second consecutive month, markets now see increasing scope for a rate cut in December.

FESTIVE SEASON DATA LIFTS INDIA'S ECONOMIC OUTLOOK DESPITE TARIFF PRESSURES

A report by SBI Mutual Fund highlights that strong festive-season signals are bolstering India's economic outlook, even amid global uncertainty and rising tariff pressures. Demand for high-value discretionary goods such as autos and home appliances surged, while GST collections held up and inflation remained subdued. The report also flagged tighter liquidity in the banking system—attributed to increased cash demand and possible central-bank forex interventions. Although export risks and global headwinds persist, domestic consumption appears resilient, giving the economy a brighter near-term momentum.

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CABINET APPROVES RS 45,060 CR TOWARDS EXPORT PROMOTION

The Union Cabinet has approved a ₹45,060-crore package to strengthen India's export ecosystem and support exporters, especially MSMEs facing rising global tariffs. Of this, ₹25,060 crore will fund the new Export Promotion Mission, aimed at improving market access and boosting competitiveness. Another ₹20,000 crore will go toward a fully guaranteed credit scheme that offers exporters easier, collateral-free working capital. The Cabinet also reduced royalty rates on several critical minerals to encourage domestic production and support industries dependent on these essential raw materials.

INDIA'S FOREX RESERVES FALL BY $2.7 BILLION TO $687.73 BILLION AS OF NOVEMBER 7

India's foreign exchange reserves fell by $2.7 billion to $687.73 billion for the week ending November 7, according to the latest RBI data. The decline was mainly due to a drop in foreign currency assets, which slipped by $2.45 billion, reflecting both currency valuation changes and market movements. Gold reserves also recorded a notable fall of $1.95 billion, while Special Drawing Rights dipped by $51 million. The article notes that the RBI keeps a close watch on these fluctuations and may intervene when required to smooth out sharp volatility in the rupee and maintain market stability.

RBI EASES REPAYMENT RULES FOR EXPORTERS AMID TURMOIL

The Reserve Bank of India (RBI) has introduced several relief measures for exporters facing global headwinds. Under the new guidelines, exporters now have up to 15 months (vs. 9 previously) to realise and repatriate export proceeds. The time available for shipping goods against advance payments has been extended to three years or per contract terms, up from one year. The maximum credit period for pre and post shipment export credit has been stretched from 270 days to 450 days for loans disbursed until March 31 2026. Banks are also authorised to defer term loan instalments and working capital interest falling due between September 1 and December 31 2025. These changes are aimed at easing liquidity and payment cycle pressures on exporters.

PRE-BUDGET MEETINGS WITH GOVT: ECONOMISTS URGE FM TO PUSH CAPEX PEDAL

During the pre Budget meetings, economists encouraged Finance Minister Nirmala Sitharaman to keep public capital spending at the forefront of the upcoming Budget. They argued that higher capex would help sustain growth, particularly with private investment still uneven and the housing market beginning to soften. Public investment, they said, often boosts overall economic activity, even if it slows fiscal consolidation somewhat. A few experts also highlighted that many states are struggling with high debt levels, leaving them with limited space to invest more.

ALL POSSIBILITIES ON TABLE: PIYUSH GOYAL ON RESUMING FTA TALKS WITH CANADA

India and Canada are trying to restart their free trade talks, and Piyush Goyal has said that every option is open as both sides look for a way forward. Recent meetings between the two countries focused on rebuilding trust and finding common ground on trade, investment, and smoother economic cooperation. The talks had stalled earlier, but the renewed engagement shows that both governments want to move past old friction and see if a workable path for a deeper partnership can be created again.

INDIA OPEN TO LEADING WTO REFORMS, BUT SEEKS CONSENSUS ON AGENDA: PIYUSH GOYAL

India has signaled that it's willing to take a leading role in pushing reforms at the WTO, but it wants all major decisions to be shaped through broad agreement rather than rushed through by a few powerful countries. Piyush Goyal emphasized that any reform agenda must reflect the concerns of developing and least developed nations, not just advanced economies. He also highlighted long pending issues such as public stockholding and the need to fix the dispute settlement system, saying these must be handled through genuine consensus.

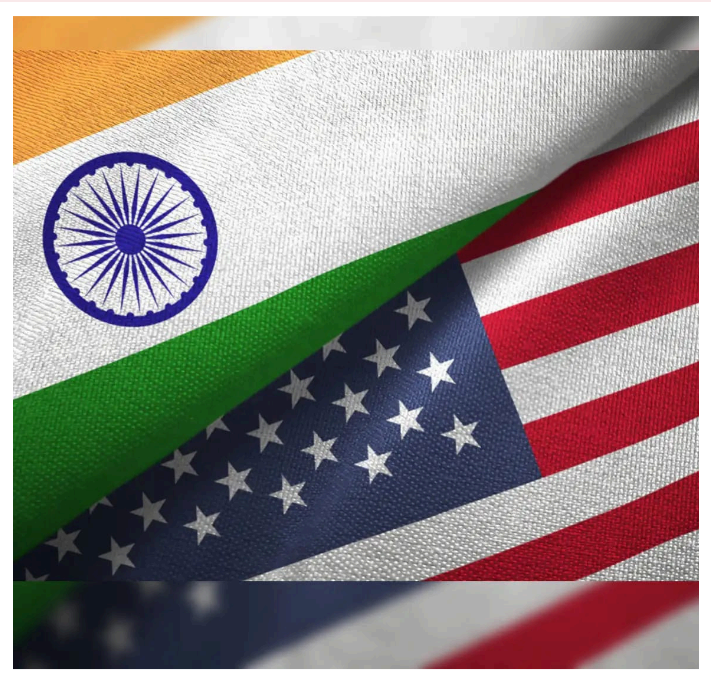
INDIA SECOND-LARGEST BUYER OF RUSSIAN CRUDE IN OCTOBER: REPORT

India emerged as the second-largest buyer of Russian crude in October, purchasing roughly €2.5 billion worth of oil, based on CREA's estimates. When coal and other oil products are included, India's total fossil fuel imports from Russia reached around €3.1 billion for the month. Even with international pressure to scale back such trade, India continues to rely on these supplies because the prices remain attractive and the country needs steady, affordable energy to support its growing economy.

INDIA TO BE THE WORLD'S LARGEST DRIVER OF ENERGY-DEMAND GROWTH BY 2035: IEA

The IEA says India will likely be the biggest contributor to growing global energy needs by 2035, as rapid urban growth and strong pushes toward clean energy keep driving up demand. A large portion of new capacity will come from wind and solar, pushing non-fossil sources toward 70 percent by 2035. Yet, coal won't disappear it'll continue to play a part to ensure a steady supply. To support all this change, India needs major upgrades in its power transmission and storage systems.

INDIA-US TRADE DEAL: OFFICIALS SUGGEST ANOTHER NEGOTIATION ROUND MAY NOT BE REQUIRED TO CONCLUDE BTA DEAL



Officials say India and the U.S. are close to wrapping up their bilateral trade agreement, and they might not even need another formal round of talks. Most of the tricky issues seem to have been worked through, and both sides want the deal to stay within global trade rules. India has made it clear that it won't sign anything that puts its farmers, dairy sector, fishers, or workers at risk, and Goyal has repeated that the deal needs to be genuinely fair for the country.

INDIA'S ECONOMY TO GROW AT 6.5% THROUGH 2027 DESPITE TRUMP TARIFFS: MOODY'S RATINGS

India is expected to keep growing at about 6.5% a year until 2027. Moody's says this momentum is mostly coming from big government spending on infrastructure and steady demand from Indian households. Even though the U.S. raised tariffs, exporters have managed to shift their markets and keep overall exports moving up. Inflation has eased a bit and capital inflows are helping the economy stay stable. The only weak spot Moody's points out is that private companies are still hesitant to invest heavily.

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