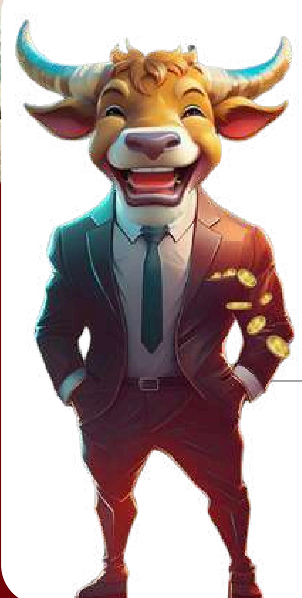
India UNWRAPPED WEEKLY



NEWSFLASH

27th October- 2nd November

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INDIAN ECONOMY RESILIENT: GDP GROWTH TO NEAR 7% IN FY26

Chief Economic Adviser V. Anantha Nageswaran said India's economy remains robust despite global challenges, with GDP growth likely to approach 7% in FY26. He attributed this resilience to sound macroeconomic fundamentals, strong domestic demand, GST reform benefits, and fiscal prudence. Inflation is easing, while manufacturing and services show sustained momentum. Although private investment and bank credit growth are still moderate, non-bank funding and equity inflows have increased. Nageswaran highlighted that several global rating agencies have upgraded India's outlook, hinting at a possible shift to an 'A' sovereign rating if stability continues.

INDIA POISED TO EMERGE AS GLOBAL REFINING AND ENERGY HUB: PURI

Petroleum and Natural Gas Minister Hardeep Singh Puri said India is entering a transformative phase in its energy sector and aims to become a global refining and energy hub. He highlighted India's expected contribution of about 30–33% to global energy demand growth. He noted that India's focus on clean energy and innovation will play a pivotal role in shaping a sustainable energy future. The country is accelerating ethanol blending, boosting exports, and expanding the share of natural gas while integrating petrochemical production and green energy initiatives.

INDIA'S GROWTH STRONG, TRADE DIVERSIFIES AMID US TARIFF STRAIN

A government report projects India's economy to stay strong in FY26, powered by resilient domestic demand, easing inflation, and tax cuts that are boosting household consumption. It notes moderate food-price pressures despite erratic weather and shrinking oilseed acreage. Exports are diversifying beyond traditional markets, even as tariff discussions with the US continue. The report highlights India's resilience amid global uncertainty, supported by prudent fiscal management, proactive monetary policy, and ongoing structural reforms aimed at sustaining long-term growth momentum.

GOVERNMENT'S H1 FISCAL DEFICIT STANDS AT 36.5% OF FULL-YEAR TARGET: CGA DATA

The Controller General of Accounts (CGA) reported that India's fiscal deficit for the first half of FY26 (April–September) stood at ₹5.73 lakh crore, accounting for 36.5% of the full-year target. Capital expenditure rose nearly 40% year-on-year, crossing half of the annual outlay, reflecting continued government push on infrastructure. Though revenue collections were slightly below expectations, stronger non-tax and disinvestment receipts provided fiscal support, keeping the deficit trajectory broadly on track for FY26.

US TO CONTINUE DOMINATING GLOBAL INVESTMENT FLOWS, FINANCE EXECUTIVES SAY

Finance executives at the Future Investment Initiative in Riyadh said the United States will continue to dominate global investment flows despite risks such as high government debt, tariffs and potential market bubbles. Firms including BlackRock and Goldman Sachs reported a return of capital to US assets and expect markets to remain investors' preferred destination over the next eighteen months. Panelists warned geopolitical and policy uncertainties could redistribute some flows but affirmed the US's structural appeal for global capital.

INDIA MARITIME WEEK 2025 ATTRACTS ₹12 LAKH CRORE INVESTMENT

Union Minister Sarbananda Sonowal announced that India Maritime Week (IMW) 2025 concluded with record investments of ₹12 lakh crore and over 600 MoUs, a 41% rise from GMIS 2023. Prime Minister Narendra Modi launched major Maritime Amrit Kaal Vision 2047 initiatives, including SCI's ₹1 lakh crore fleet expansion, PSU shipbuilding orders, and a ₹12,000 crore Green Tug Programme. With 85 nations, 1 lakh delegates, and 500 exhibitors, IMW 2025 reinforced India's maritime leadership, sustainability, and Viksit Bharat 2047 vision.

INDIAN BOND YIELDS JUMP AS FED'S HAWKISH TONE DAMPENS RBI RATE-CUT OUTLOOK.

India's long-term bond yields have surged as U.S. Treasury yields climbed after the Federal Reserve took a cautious stance on further rate cuts. The Reserve Bank of India (RBI) had signalled "room for further rate cuts" thanks to benign inflation and easing food prices. However, given external headwinds — the Fed's hawkish tone, a stronger dollar and rising yields globally — the RBI may adopt a more cautious approach to easing.

INDIA MAY PUT CLIMATE FINANCE, ADAPTATION AT CORE OF COP30 AGENDA

India is reportedly planning to place climate finance and adaptation at the core of the agenda for the COP30 summit in Brazil. As a key voice for the Global South, India will likely intensify pressure on developed nations to fulfill their financial commitments. This push aims to secure substantial funding for developing countries to manage the severe impacts of climate change and finance their green transitions, making finance a critical issue for the upcoming climate negotiations.

INDIA CROSSES 500 GW POWER CAPACITY, NON-FOSSIL SOURCES EXCEED 50%

India plans to make climate finance and adaptation the central pillars of its agenda at the upcoming COP30 summit in Belem, Brazil. As a leader of the Global South, India is demanding that developed nations urgently increase accessible, grant-based climate finance to help developing countries transition their economies and build resilience against climate shocks. The country will emphasize the principle of "common but differentiated responsibilities," calling for global financial architecture reforms and stronger action on the Loss and Damage Fund, reinforcing that adaptation is an existential, not merely a strategic, need.

INDIA ENGINEERS NEW EXPORT MIRACLE THAT CAN BEAT OIL

Electronics are becoming India's new export miracle, poised to surpass petroleum products. Driven largely by the Production Linked Incentive (PLI) scheme and Apple's manufacturing shift, electronics exports surged 42% in the first half of FY26 to $22.2 billion. This shift positions India as a major global electronics manufacturing hub, with Apple's iPhone shipments accounting for about 45% of the sector's total exports, signifying a rapid transformation in the country's export profile.

MSME SECTOR STAYS RESILIENT IN Q2, EYES FESTIVE SEASON BOOST: SIDBI REPORT

The latest Sidbi report indicates strong resilience in the MSME sector during the second quarter. Despite challenging global economic conditions, small and medium enterprises maintained robust operational stability. The sector is now looking forward to a substantial boost from the upcoming festive season, anticipating a surge in domestic demand and increased revenues. This positive sentiment underscores a firm recovery path, aided by domestic consumption and targeted financial measures, highlighting the sector's importance to economic stability.

PRIVATE SECTOR CAPEX LED THE WAY IN H1FY26 WITH MANUFACTURING BOOST

Private sector capex surged in the first half of FY26, showcasing strong investment momentum led by manufacturing and electricity projects. New private investment plans jumped by 41% compared to the previous half-year, reflecting corporate optimism and the impact of government schemes like PLI. This private push, which constitutes over 70% of fresh investment announcements, signals a significant shift towards long-term structural growth in the economy.

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