

IBS®

ICFAI BUSINESS SCHOOL

MUMBAI



इंदीव

UNWRAPPED

WEEKLY



NEWSFLASH

5th January - 11th January

Design Credits - Jaini Shah & Urvansh Jain

<http://www.kautilyaibsm.com>

RBI CONSIDERS FRESH RELIEF MEASURES FOR EXPORTERS AFTER LOW MORATORIUM UPTAKE



The Reserve Bank of India is considering new support measures for exporters after its earlier loan moratorium scheme witnessed limited participation. This response suggests that the existing relief framework may not have adequately addressed exporters' specific challenges. The RBI is now exploring more targeted and flexible options to provide effective financial assistance, ease liquidity pressures, and better support exporters in managing credit stress amid ongoing economic uncertainties.

INDIA SERVICES SECTOR GROWTH SLOWS TO 11-MONTH LOW IN DECEMBER

India's services Purchasing Managers' Index (PMI) declined to an 11-month low, signalling a moderation in growth momentum. The slowdown was driven by weaker expansion in new business inflows and a softer pace of hiring across service firms. However, the sector continued to remain in expansionary territory, supported by resilient domestic demand conditions and a gradual improvement in export orders, reflecting underlying stability despite easing growth pressures.



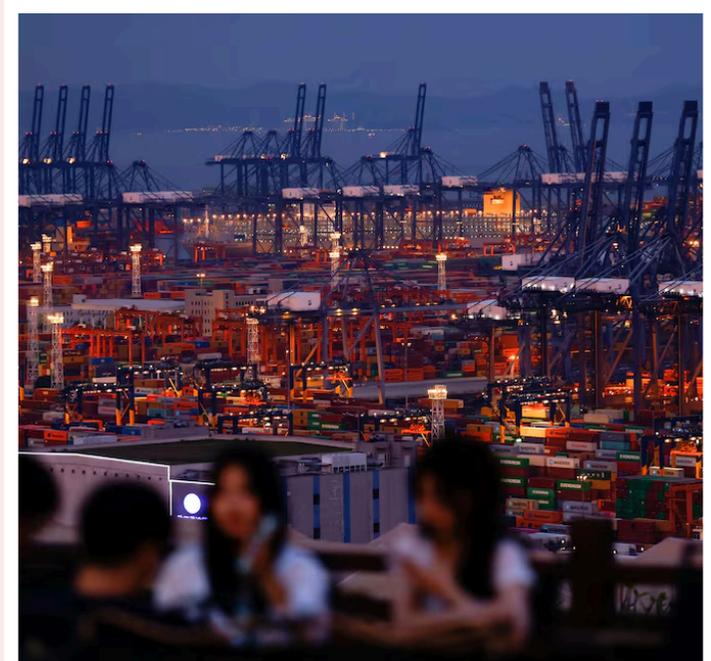
CHINA LIKELY TO TARGET - 5% GDP GROWTH IN 2026 TO FIGHT DEFLATION



China is likely to target economic growth of around 5% in 2026, supported by a mix of fiscal stimulus and accommodative monetary policy. These measures aim to counter persistent deflationary pressures, subdued consumer spending, and prolonged weakness in the property sector. Policymakers are expected to focus on boosting domestic demand, stabilising real estate activity, and sustaining overall economic momentum amid continued structural and global challenges.

UN FORECASTS GLOBAL ECONOMIC GROWTH TO SLOW TO 2.7% IN 2026

The United Nations has forecast a moderation in global economic growth in 2026, attributing the slowdown to rising trade fragmentation, ongoing geopolitical tensions, and tighter global financial conditions. These factors are expected to weigh on investment and cross-border trade. Despite the challenging outlook, India and the United States are projected to outperform the global average, supported by relatively stronger domestic demand, resilient labour markets, and stable economic fundamentals.



TRUMP APPROVES BILL PROPOSING 500% TARIFF ON INDIA OVER RUSSIAN OIL IMPORTS



US President Donald Trump has signed legislation that allows the imposition of punitive tariffs of up to 500% on countries continuing large-scale imports of Russian crude oil. The move significantly escalates geopolitical and trade risks, potentially impacting global energy markets and international trade relations. Nations such as India could face economic pressure as the law aims to curb Russia's oil revenues while intensifying diplomatic and commercial tensions worldwide.

US TO RECEIVE 30–50 MILLION BARRELS OF VENEZUELAN OIL, SAYS TRUMP

US President Donald Trump announced that the United States will take custody of an estimated 30–50 million barrels of Venezuelan oil under an existing sanctions framework. The oil would be sold in international markets, with the proceeds managed under US supervision. The move signals a tougher approach to sanctions enforcement, while aiming to control revenue flows, influence global oil markets, and increase economic pressure on the Venezuelan government.



INDIA AND GERMANY CLOSE TO \$8-BILLION SUBMARINE DEAL



India and Germany are close to finalising an \$8 billion submarine manufacturing deal, potentially India's largest defence agreement. The pact includes technology transfer and local construction of advanced submarines with air-independent propulsion, boosting India's naval capability. Negotiations are progressing ahead of German Chancellor Friedrich Merz's visit to India, reflecting deeper defence ties and strategic cooperation between the two nations.

BRAZIL INFLATION EASES TO 4.3% IN DECEMBER, OPENING DOOR FOR RATE CUT

Brazil's annual inflation eased to 4.3% in December from 4.5% in November, marking the lowest reading since August 2024. The drop was driven by slower food and clothing price increases. This moderation aligns with analyst expectations and may give the Central Bank room to consider cutting interest rates at its upcoming Copom meeting, as inflation pressures continue to ease.



US FED EXPECTED TO EXTEND PAUSE ON RATE CUTS AFTER STRONG JOBS DATA



US job growth slowed in December with just 50,000 new jobs, but the unemployment rate fell to 4.4%, easing concerns about labour market weakness. This has led traders to expect the Federal Reserve to pause further interest-rate cuts longer, likely delaying reductions until mid-year rather than early 2026. The data supports a cautious Fed stance as it balances employment strength with ongoing inflation control.

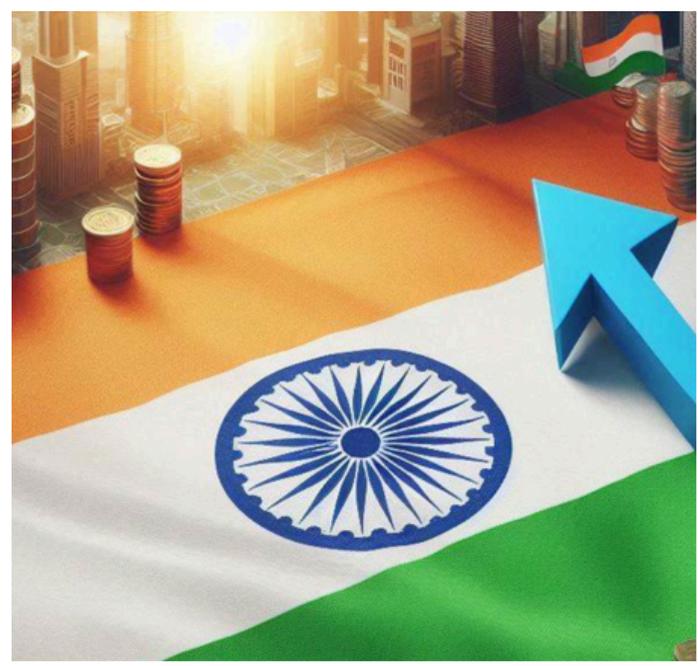
INDIA'S STARTUPS TURN TO AI APPLICATIONS IN 2026 AFTER MISSING INFRA BOOM

Indian startup founders and venture investors are shifting focus toward AI applications and enterprise software in 2026, after failing to capitalise on the AI infrastructure build-out earlier. The pivot reflects a broader strategy to leverage India's talent pool in services, tools and application-layer AI products rather than heavy capex infrastructure, as investors look for faster monetisation and product-market fit.





INDIA'S FY26 GDP GROWTH SEEN AT 7.4% DESPITE GLOBAL HEADWINDS: NSO



India's economy is projected to grow 7.4% in FY26 according to the National Statistics Office's first advance GDP estimates, up from 6.5% in FY25, showing resilience amid persistent global challenges. Nominal GDP is expected at 8%, the slowest since FY21. Growth is forecasted to moderate in the second half, with broad-based expansion across sectors. Strong output helps India stay on track to meet its fiscal deficit target.

INDIA TO DEEPEN ENGAGEMENT WITH SINGAPORE-BASED SHIP SAFETY AGENCY

India a founding member of the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP), plans to strengthen its cooperation with the Singapore-based Information Sharing Centre (ISC) to enhance maritime security and ship safety across Asian waters. Officials said India will work more closely with ReCAAP's Maritime Rescue Coordination Centre and may participate in upcoming high-level forums to boost information sharing and operational coordination.



IBS[®]
ICFAI BUSINESS SCHOOL
M U M B A I



NEWSFLASH

5th January - 11th January

<http://www.kautilyaibsm.com>