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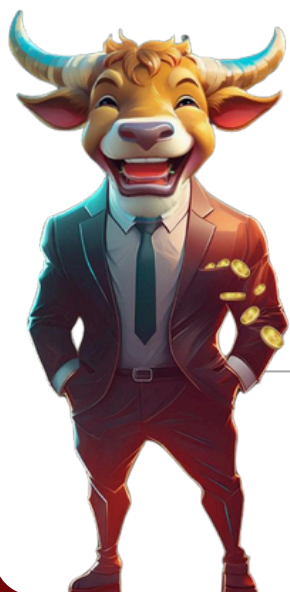
ICFAI BUSINESS SCHOOL

MUMBAI



India

UNWRAPPED WEEKLY



NEWSFLASH

9th March - 15th March

Design Credits - Dhruvik Baser and Deval Patel

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UK ECONOMY UNEXPECTEDLY FLATLINED IN JANUARY, OFFICIAL FIGURES SHOW



The economy of United Kingdom showed no growth in January, according to official data, reflecting weak business activity and global economic pressures. Rising energy prices linked to tensions in Middle East and uncertainty in global trade weighed on manufacturing and services. Economists warn prolonged stagnation could complicate inflation control and fiscal planning for the government. The slowdown highlights fragile economic conditions across advanced economies as geopolitical tensions and high commodity prices continue to challenge growth prospects in 2026.

INDIA STANDS TALL IN SHAKY WORLD ECONOMY AS FITCH LIFTS FY26 GROWTH VIEW TO 7.5%

Fitch Ratings has raised India's FY26 GDP growth forecast to 7.5%, citing strong domestic demand, resilient services, and government infrastructure spending. Despite global economic uncertainty and rising oil prices, India remains one of the fastest-growing major economies. Analysts note stable banking conditions and expanding consumption are supporting growth momentum. However, risks remain from external shocks, especially higher crude prices and geopolitical tensions, which could impact inflation, trade balances, and fiscal stability in the coming months.



JNPA WAIVES CHARGES ON STUCK CARGO, EXPORTERS TO GET ₹12 CRORE RELIEF



Jawaharlal Nehru Port Authority (JNPA) has waived storage and related charges on export cargo stranded due to disruptions linked to the West Asia crisis. The move will provide relief of about ₹12 crore to exporters whose shipments were delayed by shipping disruptions and logistical bottlenecks. The waiver aims to ease financial pressure on exporters and maintain trade flows during geopolitical instability. Authorities expect the measure to support India's export sector while global shipping routes and supply chains remain uncertain.

RUPEE HITS NEW LOW AS CRUDE SURGE PRESSURES BONDS AND CURRENCY MARKETS

The Indian Rupee fell to a new record low as rising global crude oil prices triggered pressure on India's currency and bond markets. Higher oil prices increase import costs for India, worsening the trade deficit and raising inflation concerns. Investors reacted cautiously, leading to volatility in financial markets. Analysts say persistent high energy prices could further weaken the rupee unless global oil prices stabilize or strong capital inflows help offset the pressure on the currency.



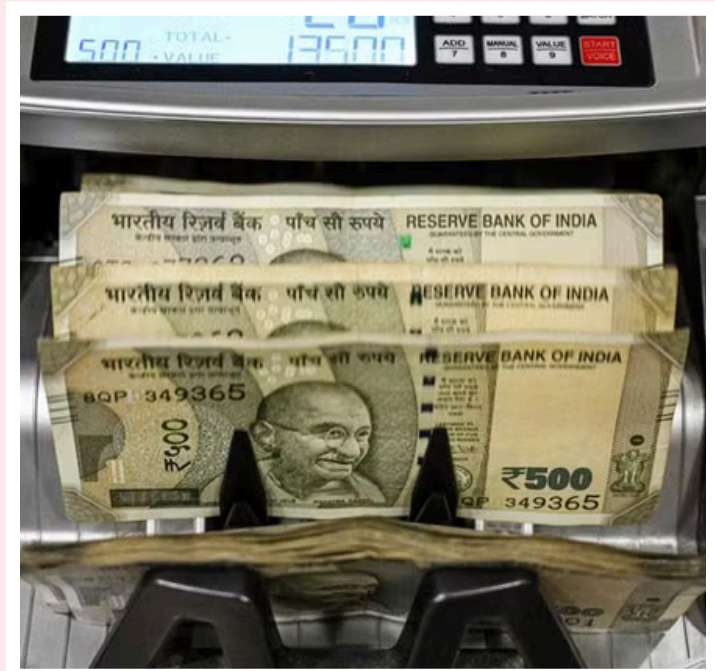
CRUDE AT \$115 PER BARREL COULD RAISE INDIA'S OIL IMPORT BILL BY \$64 BILLION



If global crude oil prices rise to \$115 per barrel, India's annual oil import bill could increase by about \$64 billion. As the world's third-largest oil importer, India is highly sensitive to energy price shocks. Higher import costs could widen the current account deficit and put pressure on the rupee. Economists warn that sustained high prices could also push inflation higher and strain fiscal planning, making energy price trends a critical risk factor for the Indian economy in 2026.

RBI STEPS UP SUPPORT FOR RUPEE, BOND MARKETS AS CRUDE OIL PRICES SURGE

The Reserve Bank of India has stepped up measures to support the rupee and stabilize bond markets amid a sharp surge in global crude oil prices. The central bank intervened in currency markets and used liquidity tools to manage volatility. Rising oil costs have triggered concerns about inflation and external balances in India. Policymakers aim to prevent excessive market fluctuations while maintaining financial stability as geopolitical tensions continue to influence global commodity prices.



INDIA-UK FREE TRADE AGREEMENT TO COME INTO FORCE IN A MONTH: PIYUSH GOYAL



Piyush Goyal said the long-negotiated free trade agreement between India and the United Kingdom could come into force within a month. The deal aims to boost bilateral trade by lowering tariffs, improving market access, and strengthening cooperation in sectors like services, manufacturing, and technology. Officials expect the agreement to expand exports and attract investment. The pact is seen as a significant step toward deeper economic ties and stronger trade partnerships between the two economies.

LOK SABHA APPROVES ₹2.81 TRILLION GROSS ADDITIONAL EXPENDITURE IN FY26.

The Lok Sabha approved ₹2.81 trillion in additional expenditure for FY26 to support government programs and fiscal commitments. The spending includes allocations for subsidies, infrastructure projects, and administrative requirements. The approval allows the government of India to meet rising financial needs amid global economic uncertainty. Officials say the extra funds will help maintain development initiatives while ensuring fiscal management remains aligned with economic priorities and welfare commitments.



₹1 TRILLION STABILIZATION FUND TO GIVE FISCAL HEADROOM: FM SITHARAMAN



Finance Minister Nirmala Sitharaman announced a ₹1 trillion economic stabilization fund aimed at giving the government fiscal flexibility during global economic shocks. The fund will help India manage external risks such as volatile oil prices, global slowdown, or financial instability. By creating fiscal buffers, policymakers hope to protect growth and maintain economic stability. The initiative is part of broader efforts to strengthen resilience against geopolitical tensions and unpredictable global economic conditions.

INTERNATIONAL MONETARY FUND WARNS OIL PRICE SURGE MAY FUEL INFLATION

International Monetary Fund Managing Director Kristalina Georgieva warned that sustained high oil prices due to the Middle East conflict could trigger global inflation pressures. Rising energy costs may increase production and transport expenses worldwide, complicating central banks' efforts to control inflation. Georgieva emphasised that geopolitical tensions remain a major economic risk. Prolonged disruptions in energy markets could slow global growth while pushing prices higher across many economies.



INDIA INFLATION QUICKENS IN FEBRUARY BUT STAYS WITHIN COMFORT ZONE



Retail inflation in India rose slightly in February but remained within the target range set by the Reserve Bank of India. Higher food and fuel prices contributed to the increase, although overall price pressures remain moderate. Economists say stable inflation supports economic growth while giving policymakers room to manage external shocks. However, continued increases in global crude prices could push inflation higher in the coming months, making energy costs a key factor for future monetary policy decisions.

PRICE PRESSURES : ON NEW SERIES OF CONSUMER PRICE INDEX, INFLATION

India is set to introduce a revised Consumer Price Index (CPI) series using data from the 2023–24 Household Consumption Expenditure Survey. The update will change the base year, revise the basket of goods, and adjust their weights to reflect current spending patterns. This aims to provide a more accurate measure of inflation in a changing economy. While inflation remains within the RBI's comfort range, continued food price pressures highlight the need for close monitoring to maintain price stability.



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