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Weekend Macro *by InsPIRE*

14 November 2026
Volume I, Issue 24

Where Macroeconomics, Markets, and Climate Converge

A Weekly Brief by InsPIRE

Economic Crosscurrents: Inflation, Financial Markets and the Sustainability Imperative

This edition of Weekend Macro by InsPIRE examines key developments in the Indian and global economies amid inflationary pressures, geopolitical uncertainty and financial-market volatility. India's retail inflation rose to 6.09 % in October, exceeding the RBI's upper tolerance limit and complicating the monetary policy outlook. The edition also reviews employment trends, export performance, direct tax collections, manufacturing incentives and infrastructure investment, highlighting their implications for growth and job creation.

Global financial markets witnessed divergent trends, with European equities advancing while US technology stocks faced volatility amid concerns over AI valuations. Currency, bond and commodity markets remained sensitive to US monetary policy, crude oil prices and geopolitical developments. In India, the rupee weakened to ₹94.20 per dollar, while the benchmark 10-year government security yield rose to 7.31 %. The edition also examines developments in banking, digital payments, manufacturing and defence.

The Climate and Sustainability Lens focuses on COP31, particularly the debates on electrification, climate finance and technology transfer, alongside the contribution of renewable energy to India's energy security. Collectively, these developments underline the importance of sustaining growth, containing inflation, strengthening external resilience and advancing a more competitive and sustainable economy.

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Highlights of the Issue

India's inflation rises to 6.09%; monetary policy faces fresh challenges

Employment trends and export performance: Assessing growth prospects

Manufacturing, infrastructure and public investment gather momentum

Global equity markets: AI valuations, volatility and regional divergence

Indian equity markets: Navigating volatility and changing investor sentiment

Rupee under pressure amid rising crude prices and global uncertainty

Banking, digital payments and financial services: Emerging developments

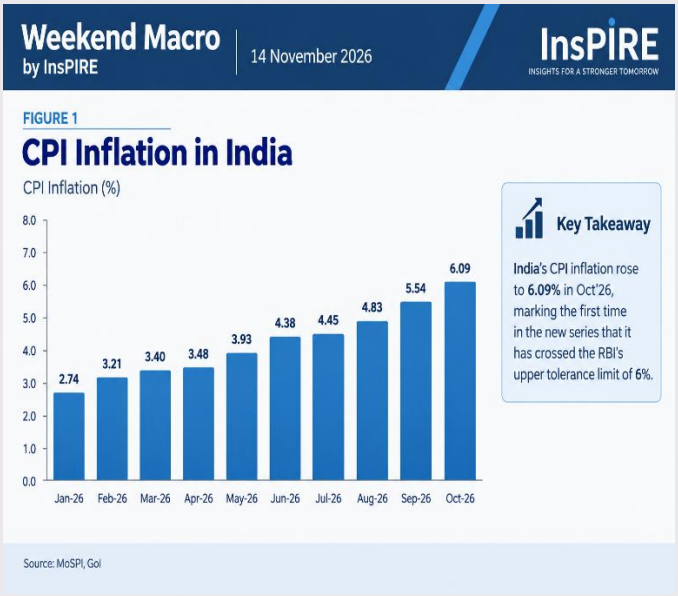
COP31: Climate finance, electrification and India's energy transition

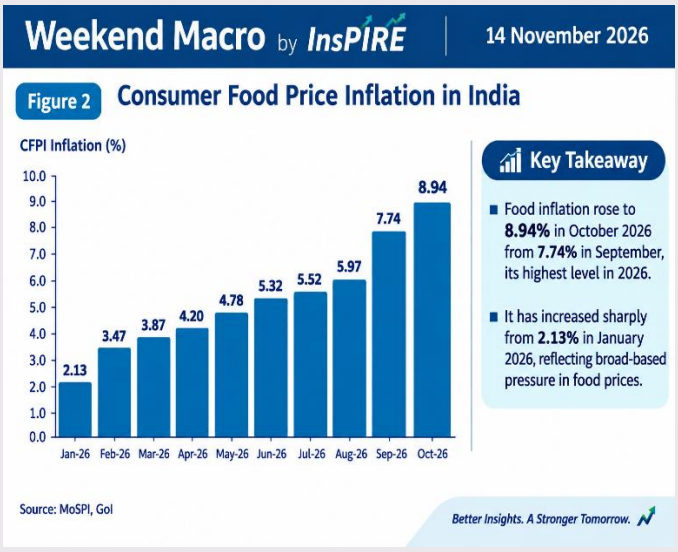
Insight

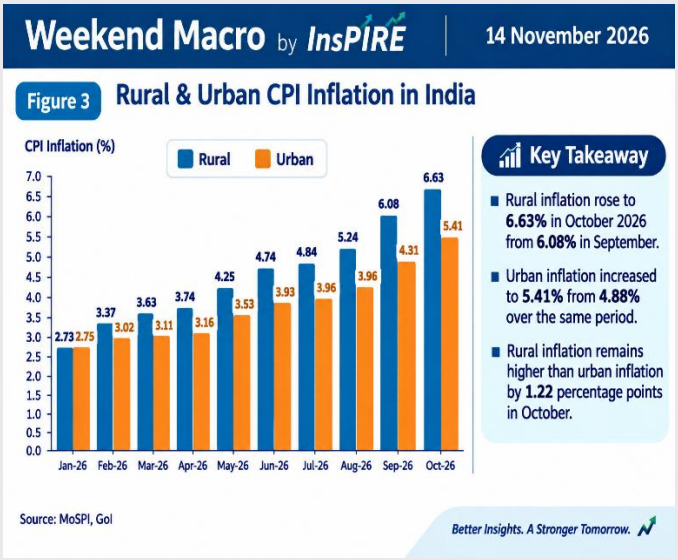
India's Inflation Crosses the 6% Threshold: Food Price Pressures Complicate the RBI's Policy Outlook

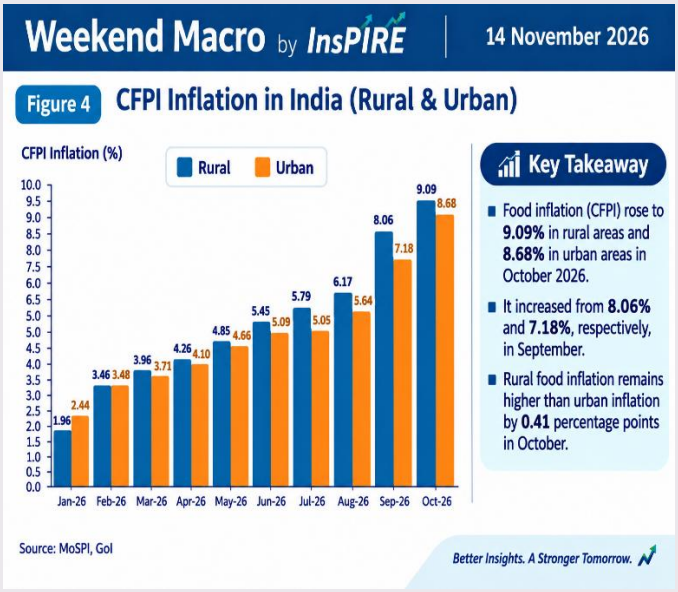
India's retail inflation surged to 6.09% in October 2026, up from 5.54% in September (Figure 1), breaching the Reserve Bank of India's upper tolerance limit of 6% for the first time under the new CPI series (base 2024=100). The latest reading signals a renewed intensification of price pressures, driven predominantly by food inflation, which accelerated to 8.94% from 7.74% in the preceding month (Figure 2). Rural inflation remained considerably higher at 6.63%, compared with 5.41% in urban areas, reflecting the disproportionate impact of rising food prices on rural household budgets (Figure 3). Food inflation in rural areas rose to 9.09%, compared to 8.68% in urban areas (Figure 4). The increase was particularly pronounced in essential food items, with onion prices registering inflation of 116.22%, followed by garlic at 60.74%, ginger at 48.32% and lemon at 47.30%. In contrast, potato prices declined by 14.24%, while cauliflower recorded deflation of 10.57%. Importantly, inflationary pressures were not confined to food. Restaurants and accommodation services recorded inflation of 10.06%, while transport inflation increased to 5.84%.

Core inflation, excluding food and fuel, also edged upwards to 4.75% from 4.60% in September, suggesting a gradual broadening of price pressures. The increase also needs to be viewed against the unfavourable base effect associated with the previous year's GST rate reductions, which has influenced the year-on-year inflation trajectory.









The October inflation print presents a significant challenge for monetary policy, particularly as inflation has now moved above the RBI's upper tolerance limit. The central bank must therefore balance the need to restore price stability against the potential implications of monetary tightening for economic activity, investment and credit growth. SBI Research, in its November 12 *Ecowrap*, has revised its earlier assessment of a possible 50-basis-point rate increase and now considers a more moderate 25-basis-point hike in December 2026 more likely. Its assessment rests on improving external conditions, easing liquidity pressures, the revival of foreign portfolio investment and the recent appreciation of the rupee. According to SBI Research, foreign portfolio inflows have reached approximately US$7.68 billion since November 4, while the rupee has appreciated by around 0.7% and Brent crude prices have declined by approximately 11.1%. These developments could moderate imported inflation and provide some relief to the external sector. SBI Research estimates that currency appreciation could reduce imported inflation by 10–15 basis points. It also expects the terminal repo rate to settle around 6%, with a 50% probability of a lower terminal rate of 5.75%. However, the prospect of further monetary tightening cannot be discounted if food inflation remains elevated. The RBI will need to assess whether the current inflationary episode is primarily a supply-side phenomenon or whether it is becoming more persistent through broader price pressures. A sustained increase in core inflation would make the policy response considerably more complex.

Looking ahead, the trajectory of food prices, weather conditions, international commodity markets and exchange-rate movements will be critical in determining the inflation outlook. SBI Research expects inflation to remain above 6% in November, potentially reaching around 6.3%, before moderating subsequently. Although concerns surrounding a possible El Niño could create risks for agricultural production, its assessment suggests that the impact may remain geographically concentrated, with potential vulnerabilities in oilseeds, sugarcane and pulses. The report identifies production risks across parts of Rajasthan, Punjab, Uttar Pradesh and Maharashtra during the Kharif season, and Madhya Pradesh, Uttar Pradesh and West Bengal during the Rabi season. Meanwhile, the anticipated moderation in crude oil prices, supported by prospects of de-escalation in the US–Iran conflict, could ease imported inflationary pressures. For India, the immediate policy priority should be to address food supply constraints through effective market interventions, improved logistics, timely imports where necessary and better agricultural price monitoring. SBI Research has also called for expanding the Department of Consumer Affairs' price-monitoring coverage beyond the existing 41 essential food items to strengthen the early identification of inflationary pressures. Ultimately, containing inflation will require a coordinated

approach combining prudent monetary policy with supply-side interventions. The October numbers are a reminder that sustaining macroeconomic stability requires not merely controlling headline inflation but also protecting household purchasing power, particularly among rural and lower-income consumers.

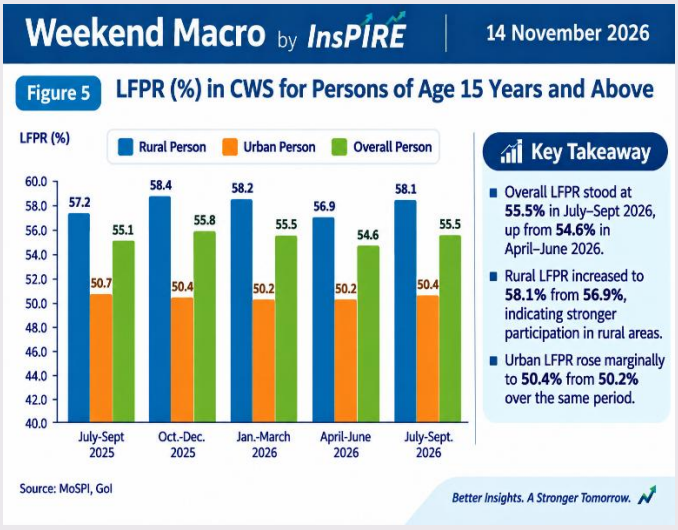
India Macro & Policy Tracker

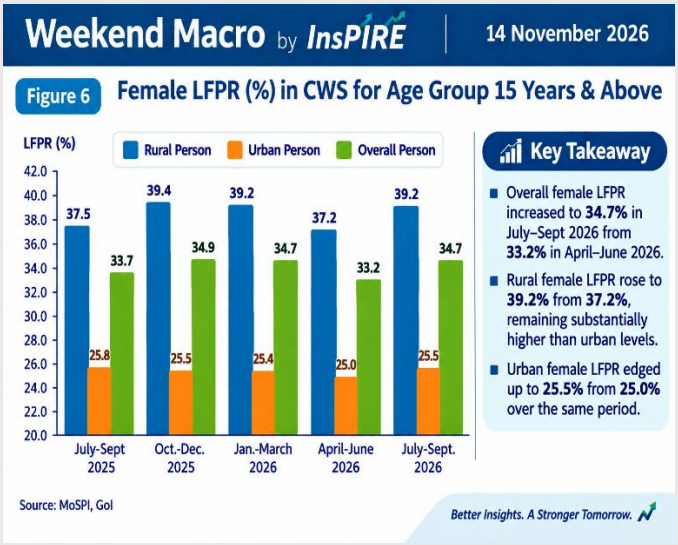
India's Labour Market Gains Momentum: Rising Participation and Improving Employment

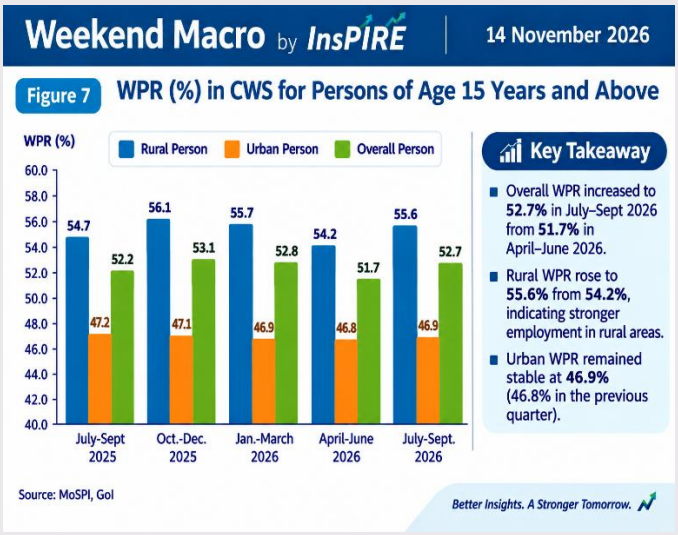
India's labour market registered an improvement during July–September 2026, with higher workforce participation and employment, accompanied by a decline in unemployment. According to the latest Periodic Labour Force Survey (PLFS) released by MoSPI on November 10, the Labour Force Participation Rate (LFPR) for persons aged 15 years and above increased to 55.5%, from 54.6% in the previous quarter. Rural LFPR rose to 58.1%, while urban LFPR edged up to 50.4%. Female LFPR also improved significantly, from 33.2% to 34.7%. The Worker Population Ratio (WPR) increased to 52.7% from 51.7%, with female WPR registering a notable rise from 31.3% to 32.8%. Meanwhile, the overall unemployment rate declined to 5.1% from 5.4%, driven largely by a fall in rural unemployment from 4.8% to 4.3%. Urban unemployment, however, remained broadly stable at 6.8%.

The employment composition reveals important rural–urban differences. The share of self-employed workers in rural areas increased to 62.7% from 61.4%, while regular wage and salaried employment in urban areas rose marginally to 49.6%. Encouragingly, the share of casual labour declined in both rural and urban areas. However, the share of rural workers engaged in agriculture increased sharply from 52.9% in the previous quarter to 56.7%, while employment in the secondary and tertiary sectors declined to 21.9% and 21.4%, respectively. This rising dependence on agriculture underscores the continuing challenge of creating productive non-farm employment opportunities in rural India. Urban employment, by contrast, remained predominantly concentrated in the services sector.

The latest estimates indicate that an average of 57.9 crore persons aged 15 years and above were employed during the quarter, including 17.4 crore women. While improving labour market indicators are encouraging, the larger challenge lies in translating higher participation into productive, remunerative and sustainable employment. Low female workforce participation, rural dependence on agriculture and the persistence of informal employment require sustained policy attention. Accelerating labour-intensive manufacturing, strengthening MSMEs, promoting women-led enterprises, improving vocational skills and expanding rural non-farm activities will be critical. Ultimately, India's demographic dividend will depend not merely on generating more jobs but on creating better-quality employment opportunities that support inclusive and sustainable economic growth.





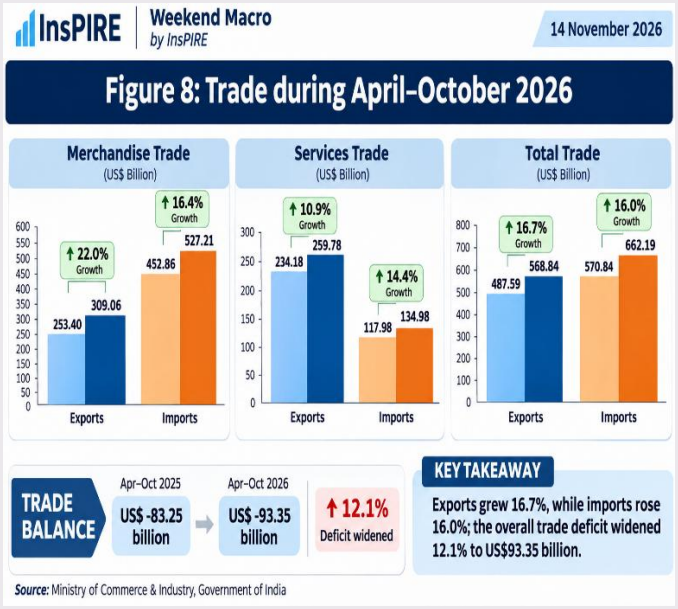


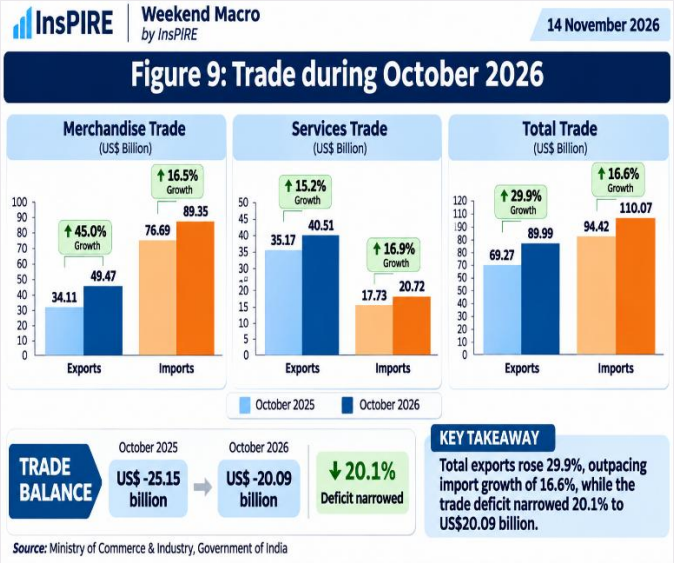
Moody's Retains India's FY27 Growth Forecast at 7%, Citing Economic Resilience

Moody's Ratings has retained its growth forecast for the Indian economy at 7 % for FY27, citing resilient domestic demand, robust consumption and emerging signs of a revival in private investment despite external energy supply shocks. The rating agency believes that India's strong macroeconomic fundamentals and broad-based economic momentum will enable it to sustain growth close to 7 % over the medium term, although inflationary pressures and monsoon-related uncertainties remain key risks. It also noted that a sustained acceleration in private investment, particularly in manufacturing, could lift growth beyond its baseline projections by strengthening employment generation and productivity. The assessment underscores the resilience of India's domestic growth drivers amid an uncertain global environment, while highlighting the importance of converting improving investment sentiment into a durable expansion of productive capacity.

Strong Export Growth Signals Resilience in India's External Trade

India's external trade performance strengthened during April–October 2026–27, with combined merchandise and services exports estimated at US$568.84 billion, registering a growth of 16.66 % over the corresponding period of the previous year (Figure 8). Merchandise exports rose by a robust 21.96 % to US$309.06 billion, while services exports increased by 10.93 % to US$259.78 billion. October witnessed particularly strong momentum, with total exports estimated at US$89.99 billion, up 29.90 % year-on-year (Figure 9). This expansion reflects the resilience of India's export sector and the growing contribution of both manufacturing and services to external trade. Non-petroleum exports also remained buoyant, increasing by 18.01 % during the first seven months of the fiscal year.





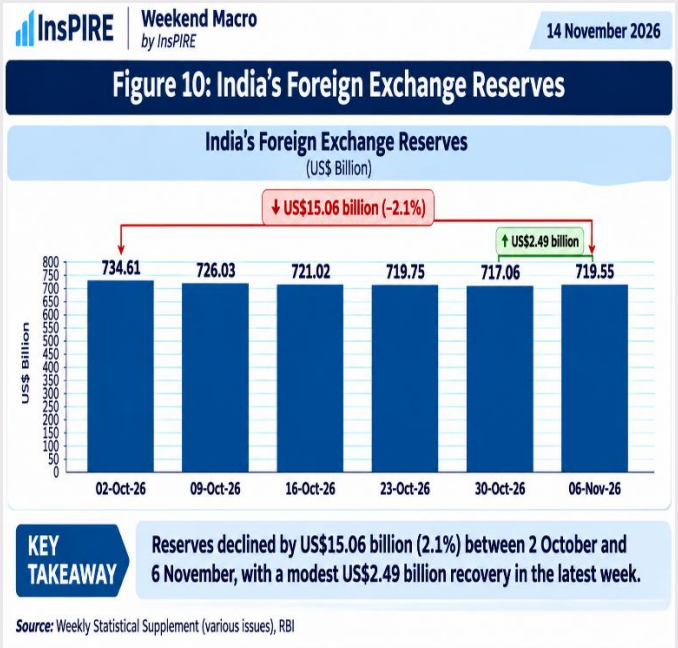
The growth in merchandise exports was broad-based, with petroleum products, electronic goods, gems and jewellery, chemicals, and engineering goods emerging as the major drivers in October. Petroleum product exports surged by 140.21 % year-on-year to US$8.89 billion, while electronic goods exports rose by 62.70 % to US$6.64 billion. Gems and jewellery exports increased by 40.06 %, and engineering goods exports by 36.01 % to US$12.74 billion. Several other categories, including cereals, oil meals, textiles, pharmaceuticals and marine products, also recorded positive growth. The diversification of export growth across sectors is encouraging, particularly the strong performance of electronics and engineering goods, which points to the expanding role of manufacturing in India's export basket.

However, the rise in imports continues to pose a challenge to the overall trade balance. During April–October 2026–27, total imports increased by 16 % to US$662.19 billion, resulting in an overall trade deficit of US$93.35 billion, compared with US$83.25 billion a year earlier. The merchandise trade deficit widened to US$218.15 billion from US$199.46 billion, although the services trade surplus improved to US$124.80 billion from US$116.21 billion, providing an important cushion.

In October, the combined trade deficit narrowed to US$20.09 billion from US$25.15 billion a year earlier, supported by stronger export growth. Going forward, sustaining export competitiveness, diversifying markets and strengthening domestic manufacturing capabilities will be important for containing the trade deficit and improving the resilience of India's external sector.

India's Forex Reserves: A Modest Recovery Amid Persistent External Pressures

Figure 10 shows that India's foreign exchange reserves declined from US$734.61 billion on 2 October 2026 to US$717.06 billion on 30 October, before recovering marginally to US$719.55 billion on 6 November. Despite the latest weekly increase of US$2.49 billion, reserves remained US$15.06 billion below their level at the beginning of October, indicating that the recent recovery has so far been limited.



The decline in India's foreign exchange reserves during October reflects the combined impact of foreign exchange market intervention, the deployment of funds mobilised through the special

FCNR(B) swap facility and valuation changes in reserve assets. As reported by *Business Standard* and *Mint*, reserves had fallen to US$717.06 billion in the week ended 30 October, with foreign currency assets accounting for much of the decline; RBI dollar sales to support the rupee and the deployment of FCNR(B) resources were identified as important contributing factors. This followed a decline from the record high of US$785.71 billion reached in early September, after substantial foreign currency inflows through the special swap arrangements. The subsequent recovery to US$719.55 billion in the week ended 6 November was driven predominantly by a US$2.21 billion increase in the value of gold reserves, while foreign currency assets rose by only US$232 million.

The *Financial Express* has also highlighted the changing balance-of-payments dynamics: despite a surplus of US$8.8 billion in September, supported by a strong capital account surplus, the current account deficit widened, with reserve depletion expected to remain a consideration in the second half of FY2026–27.

Nevertheless, reserves remain a substantial external buffer, standing US$28.44 billion above their end-March 2026 level. The recent decline should therefore not be viewed in isolation as a sign of external vulnerability; rather, it underscores the importance of monitoring the durability of capital inflows, the rupee's trajectory, oil prices and the RBI's intervention requirements.

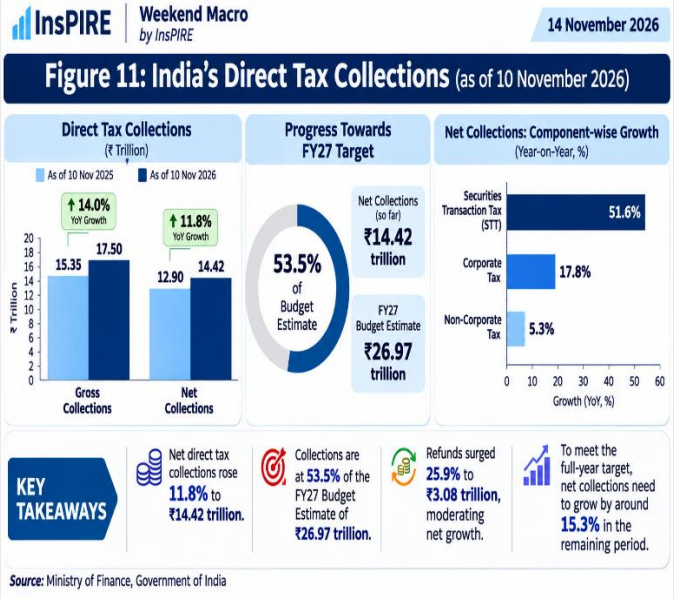
SEZ Drawback Rules and EOU Job Work: Clarifying Customs Compliance Requirements

Recent amendments to the Special Economic Zones (SEZ) Rules, 2006, have raised important questions regarding the administration of customs procedures and the treatment of export-oriented units. The Commerce Ministry's October 30, 2026 notification, which amends Rule 24(2), introduces the expression "any other similar scheme" alongside drawback, without specifying which schemes are covered. The amendment also requires SEZ units, developers and Domestic Tariff Area (DTA) suppliers to claim drawback before the Specified Officer, potentially creating a conflict with earlier CBIC circulars that direct DTA suppliers to approach their jurisdictional Customs authorities. This lack of procedural clarity calls for an early CBIC clarification, particularly on claim filing and disbursement, brand-rate fixation, earlier supplies and pending claims. Separately, the existing customs provisions governing Export Oriented Units (EOUs) do not permit duty-free imported raw materials to be sent directly from the port to a job worker. Such materials must first be received and accounted for at the EOU before being sent for job work, in accordance with the applicable exemption conditions and customs circulars. Although the Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) Rules, 2022, permit job work, they do not override these requirements. Taken together, these issues underline the importance of harmonising statutory provisions with administrative procedures and ensuring regulatory clarity for exporters, SEZ units and EOUs. *(Source: "Clearing doubts on SEZ drawback claims and EOU job work" by TNC Rajagopalan, Business Standard, 10 November 2026)*

Direct Tax Collections Grow 11.8% as Rising Refunds Moderate Revenue Growth

India's net direct tax collections rose 11.8 % year-on-year to ₹14.42 trillion as of November 10, 2026, accounting for 53.5 % of the FY27 Budget Estimate of ₹26.97 trillion (Figure 11). While gross collections grew by 14 % to ₹17.50 trillion, a 25.9 % surge in refunds to ₹3.08 trillion moderated the growth in net receipts. Corporate taxes remained the principal driver, with net collections increasing 17.8 %, reflecting the resilience of corporate earnings, while non-corporate tax collections grew by a relatively

modest 5.3 %, partly due to a sharp rise in refunds. Securities transaction tax collections recorded particularly strong growth of 51.6 %, indicating buoyancy in market-related tax revenues. However, net direct tax collections need to grow by around 15.3 % over the remaining period to achieve the full-year target, implying that revenue mobilisation will need to gather pace. The contrasting performance of corporate and non-corporate taxes, alongside the sharp increase in refunds, will therefore remain important factors shaping the government's direct tax revenue outlook for FY27.



Stand-Up India Extended to 2031 with ₹4,111 Crore Credit Guarantee Support

The Union Cabinet has approved the continuation of the Stand-Up India scheme until March 31, 2031, along with a credit guarantee corpus of ₹4,111 crore to strengthen lending support for entrepreneurs from underserved communities. The extended scheme aims to provide financial assistance to at least 2.5 lakh additional women and Scheduled Caste and Scheduled Tribe entrepreneurs, building on the more than 2.75 lakh beneficiaries supported since its launch in April 2016. It facilitates loans ranging from above ₹10 lakh to ₹1 crore for setting up greenfield enterprises across manufacturing, services, trading and agriculture-allied activities, covering up to 85 % of project costs. With credit guarantee coverage also set at 85 % of the loan amount, the initiative seeks to reduce lending risks and improve access to institutional finance. Its continuation reinforces the government's focus on promoting entrepreneurship, expanding economic opportunities and strengthening financial inclusion among women and historically underserved communities. The key challenge will be to ensure effective implementation, timely credit delivery and sustained support to help new enterprises become viable and generate employment.

NITI Aayog Calls for a Demand-Driven Next Phase of PLI Schemes

The production-linked incentive (PLI) schemes have made significant progress in mobilising investments and expanding manufacturing output, but their performance in employment generation remains relatively modest, according to NITI Aayog's first comprehensive assessment. By FY26, the 14 schemes had attracted investments of approximately ₹2.4 trillion, equivalent to 76 % of the envisaged target, and generated production worth ₹22.66 trillion, or 64 % of the target. However, they had created only about 849,000 jobs against the target of 3 million, representing 28 % achievement. With 58 % of the schemes' aggregate implementation period completed, the Aayog cautions against judging their performance solely against full-tenure targets, given the gestation period involved in manufacturing investments.

Large scale electronics manufacturing, pharmaceuticals, telecommincations and networking products, and food products are among the sectors progressing broadly on track, although

outcomes vary considerably across sectors. The assessment highlights the need to move beyond a uniform, supply-driven incentive framework towards a more differentiated and outcome-oriented approach. While investment typically precedes the commissioning of facilities and the scaling up of production and employment, persistent weaknesses in certain sectors underline the importance of addressing sector-specific constraints, including technology adoption, capital requirements and global competition. The Aayog has therefore called for refining the design of future PLI schemes, with greater emphasis on demand-side measures such as domestic procurement, strategic government purchasing, export market development and policies that encourage consumption of domestically manufactured high-value goods. The central policy challenge will be to translate the substantial investments mobilised into sustained production growth, stronger export competitiveness and, crucially, higher employment generation. The next phase of the PLI programme will need to balance incentives for capacity creation with measures that ensure manufacturing expansion delivers wider economic and employment benefits.

PLI Scheme Extended to 2036 to Strengthen India's Medical Devices Manufacturing

The Department of Pharmaceuticals has extended the production-linked incentive (PLI) scheme for medical devices by eight years, until FY36, while easing eligibility conditions to encourage fresh investment and deepen domestic manufacturing. The revised framework will utilise the existing outlay of approximately ₹2,700 crore, discontinue the minimum sales threshold for claiming incentives and reduce the minimum investment requirement. Companies will also have three years to establish manufacturing facilities across four target segments, with differentiated incentive rates of 5–9 % depending on the complexity and import dependence of the products. Particular emphasis has been placed on value chain integration and the domestic production of high-end medical equipment that is currently imported or only assembled in India. The first phase of the scheme has reportedly generated production exceeding ₹16,000 crore and facilitated domestic manufacturing of more than 60 high-end devices and components. The extension and relaxation of norms represent an important policy push to move India beyond the manufacture of basic medical consumables towards advanced medical technology, reduce import dependence and strengthen the competitiveness of its medtech industry.

Crude Oil Correction Offers Macroeconomic Relief for India

The sharp correction in crude oil prices, with India's crude basket falling below $90 per barrel to $89.29 on Tuesday from an average of $120 in October, could provide substantial macroeconomic relief during the second half of FY27. Lower oil prices are expected to ease wholesale inflation by reducing input costs for industry, moderate the petroleum import bill and help contain the current account deficit, while also limiting pressure on government finances through lower fertiliser subsidy requirements. The RBI's April 2026 Monetary Policy Report estimated that a 10 % decline in crude prices relative to its baseline could reduce inflation by around 50 basis points and raise real GDP growth by 15 basis points. However, the benefits may be more pronounced for wholesale than retail inflation, as domestic fuel prices are influenced by taxation and oil marketing companies' pricing decisions. While the outlook for crude prices has improved, geopolitical uncertainties in West Asia could continue to generate volatility. A sustained moderation in oil prices would nevertheless strengthen India's external-sector resilience and

provide policymakers with greater room to manage inflationary pressures and fiscal risks.

Knowledge as an Economic Asset: A New Framework for India's National Accounts

India is considering a federated approach to measuring the contribution of knowledge to the economy, with sectoral ministries, state governments and research institutions sharing responsibility for developing specialised accounts. A committee constituted by the Ministry of Statistics and Programme Implementation has recommended moving beyond a single aggregate measure towards thematic accounts aligned with the System of National Accounts 2025. It has identified seven priority areas, including human capital, research and development, artificial intelligence, data and databases, high-tech products and the digital economy, while advocating a phased start with three areas. The proposed framework recognises that conventional national accounts often fail to capture the economic value of knowledge embedded in people, enterprises, technologies and products. By involving states as institutional partners in identifying and validating geographically rooted knowledge assets, the approach could improve the measurement of knowledge-driven growth, reveal capability gaps and strengthen evidence-based policymaking.

Making FTAs Work for MSMEs: A Push for Better Market Intelligence and Testing Infrastructure

The Federation of Indian Micro and Small & Medium Enterprises (FISME) has urged the government to undertake market-specific studies across 10 priority sectors to help MSMEs navigate the tariff, regulatory and compliance requirements of key export destinations and derive greater benefits from India's free trade agreements. The industry body has also proposed an inter-ministerial mechanism, led by the Department of Commerce, to align domestic testing infrastructure with overseas market requirements. Its recommendations recognise that preferential tariffs alone may not translate into higher exports, as costs associated with product testing, certification, rules of origin, labelling and packaging can erode the benefits, particularly for smaller consignments. Detailed product-level information on market access conditions in the EU, US, Canada and Australia, alongside identification of gaps in domestic testing facilities, could help MSMEs reduce compliance costs, improve export competitiveness and make more effective use of India's expanding network of trade agreements.

Corporate News

Tata Steel: Strong Domestic Performance Sets the Stage for an FY28 Earnings Upswing

Tata Steel's strong domestic performance and signs of recovery in its European operations are improving its earnings outlook, with FY28 expected to mark a stronger growth phase. Consolidated EBITDA rose 18.4% year-on-year to ₹10,530 crore in Q2FY27, supported by higher domestic volumes and improved performance at Tata Steel Netherlands following the restart of its Direct Sheet Plant. The management expects H2FY27 to significantly outperform the first half, aided by higher volumes and improved realisations. Over the medium term, capacity expansion at Kalinganagar and Neelachal Ispat Nigam, operational efficiencies and a better product mix are expected to strengthen earnings, while cost optimisation could provide further margin support. However, persistent losses in the UK operations, regulatory challenges in the Netherlands, elevated input costs and the potential impairment of European assets remain key risks. The outlook for FY28 will therefore depend on the sustainability of domestic demand, successful ramp-

up of expanded capacities and a durable recovery in European operations.

Tata Power's Q2 Profit Rises 33% on Strong Performance Across Business Segments

Tata Power reported a strong financial performance in Q2FY27, with profit after tax rising 33% year-on-year to ₹1,652 crore and revenue increasing 26 % to ₹19,886 crore, supported by growth across generation, renewables, transmission and distribution. For the first half of FY27, net profit rose 22 % to ₹3,053 crore, while revenue grew 17 % to ₹38,784 crore. The increasing contribution of regulated and long-term contracted businesses is strengthening earnings resilience and providing greater visibility of cash flows. The company installed 765 MW of renewable energy capacity during the first half, taking its total installed capacity to 8.6 GW, with utility-scale projects, rooftop solar adoption and solar manufacturing supporting profitability. Its investment of nearly ₹10,000 crore during H1 underscores its expansion ambitions, further reinforced by the board's approval of ₹11,871 crore for an 1,800 MW pumped storage project in Maharashtra. These investments position Tata Power to benefit from India's growing electricity demand and clean energy transition, although the ongoing legal dispute with Kleros Capital remains an issue to watch.

Adani Power Advances ₹30,181 Crore Odisha Project, Boosting Thermal Capacity

Adani Power has accelerated preparatory work on its proposed ₹30,181 crore, 2,400 MW ultra-supercritical thermal power project in Odisha, which has entered the environmental-clearance and public-consultation stage. The project, comprising three 800 MW units in Cuttack district, is expected to strengthen India's power-generation capacity through more efficient coal-based technology. However, its implementation will require significant resource mobilisation, including an estimated 9.67 million tonnes of coal and 42 million cubic metres of water annually, with the Mahanadi identified as the proposed water source. The environmental assessment has earmarked ₹1,908 crore for environmental protection, alongside an annual provision of ₹82 crore for environmental management. A public hearing scheduled for December 18 will provide an opportunity for stakeholders to raise concerns and offer suggestions before the subsequent regulatory appraisal. The project's progress will therefore depend not only on securing the necessary clearances but also on addressing environmental and water-sustainability concerns, which will be critical to balancing additional power-generation capacity with responsible resource management.

RIL's ₹2.7 Trillion Coal Gasification Project: A New Energy Investment Frontier

Reliance Industries Ltd (RIL) has signed an MoU with the Andhra Pradesh government to initially invest around ₹43,000 crore in an integrated underground coal gasification project in Eluru district, with the potential to attract total investments of approximately ₹2.7 trillion over three phases. The project will be developed across the Chintalapudi and Recherla coal blocks and could generate around 5,000 direct and 35,000 indirect jobs. The initial phase, involving an investment of ₹3,000 crore, will focus on exploration, technical evaluation, pilot demonstration and feasibility assessment, including safety and environmental safeguards. Subject to its successful completion, the second phase will involve commercial development, initially requiring around ₹40,000 crore. Unlike conventional coal gasification, underground coal gasification converts coal deposits into gas without extracting them through conventional mining, offering potential applications in energy and industrial feedstock. The project aligns with the government's broader push to promote coal gasification, strengthen domestic

energy and chemical feedstock availability, and reduce import dependence. Its success, however, will depend on technological and commercial viability, as well as effective management of environmental and safety risks.

Smaller Cities Drive India's Passenger Vehicle Market Expansion

Smaller cities and towns have emerged as the principal drivers of India's passenger vehicle market expansion, accounting for nearly 55% of incremental registrations during January–October 2026. Non-metro urban markets added around 3.89 lakh vehicles, more than the combined additions in rural and metropolitan areas, with registrations rising 17.5% year-on-year to 2.61 million units. Although rural India recorded the fastest growth at 27%, smaller cities continued to dominate in terms of absolute market expansion, reflecting rising aspirations, first-time purchases and vehicle upgrades. However, the 18 % decline in non-metro urban registrations in October raises questions about affordability pressures, financing costs and the sustainability of demand among aspirational buyers. The shift in the festival calendar, with Diwali falling in November this year, also complicates year-on-year comparisons. For automakers, the underlying trend reinforces the strategic importance of smaller cities, which account for over 57 % of total passenger vehicle registrations. The performance during the October–November festival period will be crucial in determining whether October's weakness was temporary or signals emerging constraints on demand. *(Source: Business Standard, 11 November 2026)*

Andhra Pradesh to Become a Larger Hub in Kia's Global Manufacturing Strategy

Kia India has announced an investment of approximately $2 billion to expand its manufacturing operations in Andhra Pradesh, raising its annual production capacity from 430,000 to 630,000 vehicles and generating an estimated 12,000 jobs. The expansion reinforces the company's long-term commitment to India and its ambition to develop the country into a global manufacturing, innovation and export hub. Kia's existing Anantapur facility has already emerged as a significant export base, having shipped more than 410,000 vehicles and kits to nearly 100 countries. The proposed investment also reflects the growing importance of India in the company's global production strategy, supported by an investment-friendly policy environment and partnerships with state governments. With a target of selling 410,000 vehicles annually in India by 2030, Kia's expansion is expected to strengthen local supply chains, deepen manufacturing capabilities and contribute to Andhra Pradesh's industrial development. The initiative highlights the potential of sustained government-industry collaboration in attracting large-scale investment and positioning India more prominently in global automotive value chains.

Bajaj Auto Leads PLI Incentive Payouts as Job Creation Lags

Bajaj Auto emerged as the largest beneficiary of the production-linked incentive (PLI) scheme for automobiles and auto components in FY26, receiving ₹625.65 crore, followed by Tata Motors with ₹403.18 crore and Ola Electric with ₹366.78 crore. Total incentive disbursements rose sharply during the year, with the five leading automakers together receiving nearly ₹2,000 crore. However, the scheme's performance remains uneven: investments reached ₹44,326 crore by March 2026, exceeding the five-year target by around 4 %, while employment generation stood at only 67,820 against the projected 148,147 jobs. Cumulative incremental sales were also relatively modest at ₹52,414 crore, or 23 % of the target. At the same time, incentivised electric vehicle volumes increased substantially, particularly in the two-

wheeler segment. The key challenge will be to translate the investments and expansion in EV production into higher domestic value addition, stronger component manufacturing and sustained employment across the automotive supply chain.

Indian Companies Tap External Markets for Infrastructure and Corporate Financing

Indian companies, including non-banking financial companies (NBFCs), filed proposals to raise $7.05 billion through external commercial borrowings (ECBs) and foreign currency convertible bonds (FCCBs) in September, down from $8.13 billion in August, reflecting a moderation in proposed overseas borrowing. Of the total, $6.71 billion was under the general permission route and $336.94 million under the special permission route. Major proposed borrowings included $1 billion by the National Bank for Financing Infrastructure and Development for on-lending, $500 million each by Hindustan Petroleum Corporation and HUDCO, and $300 million by REC. NHPC and Vodafone Idea also filed proposals to raise funds for working capital and capital-goods sourcing, respectively. Under the special permission route, IndiGo submitted three proposals aggregating around $337 million to finance aircraft-related capital goods through leasing companies. The diverse purposes of these proposed borrowings highlight the continued role of overseas financing in supporting infrastructure development, refinancing, corporate requirements and capital investment, even as the overall value of proposals moderated in September.

Public Sector Pulse

CPSE Capital Expenditure Gains Momentum, Supporting India's Investment-Led Growth

Capital expenditure by Central Public Sector Enterprises (CPSEs) remained robust during April–October FY27, with 63 enterprises achieving nearly 60 % of their annual capex target of ₹8.43 trillion. Aggregate expenditure rose 13 % year-on-year to approximately ₹5.03 trillion, broadly maintaining the pace recorded in the corresponding period of the previous year. The Railway Board and NHAI continued to lead infrastructure-related spending, while NTPC and Power Grid sustained investments in the power sector. Public sector oil companies also maintained their capex momentum despite elevated crude oil prices and supply disruptions arising from the West Asia conflict. The Centre's own capital expenditure added to this investment impetus, reaching ₹6.55 trillion during April–September FY27, or nearly 54 % of its annual target of ₹12.22 trillion. Together, central government and CPSE investments remain an important pillar of India's growth strategy, supporting infrastructure creation, strengthening productive capacity and generating demand across sectors. Sustained and timely execution of these capital expenditure programmes will be crucial not only for maintaining economic momentum but also for crowding in private investment and reinforcing the foundations of long-term growth.

India's Defence Manufacturing Opportunity: From Import Dependence to Global Competitiveness

The global defence spending surge, driven by heightened geopolitical tensions and the need to rebuild military capabilities after decades of underinvestment, is creating new opportunities for emerging-market defence manufacturers. India,

with its large domestic market and policy emphasis on indigenisation, is well positioned to participate in this expanding market, although its ability to translate potential into sustained gains will depend on execution. Persistent bureaucratic procurement processes, technology gaps and an evolving industrial ecosystem remain significant constraints. According to Morgan Stanley, the most promising opportunities for Indian manufacturers are likely to be concentrated in electronics, radars, sensors, missiles and ammunition, where domestic suppliers can benefit from import substitution. India's growing exports of artillery and mortar shells to countries in eastern and central Europe also indicate an emerging role in global supply chains. South Korea, however, offers a more established model, combining sustained domestic procurement, large-scale manufacturing and specialised supply chains to capture export opportunities. With European NATO members committing to substantially higher defence spending, demand for reliable, cost-competitive suppliers is expected to remain strong. For India, the challenge is to move beyond domestic localisation towards building technological capabilities, scaling up production, strengthening supply chains and ensuring timely delivery. Achieving this transition could enable India to reduce import dependence while securing a more meaningful position in the evolving global defence industry.

HAL's Growth Prospects Hinge on Tejas Mk1A Deliveries and Execution

Hindustan Aeronautics Ltd (HAL) reported a mixed performance in Q2FY27, with revenue rising 14.9 % year-on-year, broadly in line with expectations, while a 320-basis-point contraction in gross margin to 52.9 % weighed on profitability. Operating margins declined by a relatively modest 65 basis points to 22.8 %, supported by cost controls. The near-term growth outlook hinges on improved execution and the delivery of Tejas Mk1A aircraft, with better availability of GE engines expected to enable initial deliveries from Q4FY27. Beyond the immediate order pipeline, approvals for additional helicopter programmes, plans to expand Shakti engine production and strategic technology partnerships could strengthen HAL's manufacturing capabilities and long-term prospects. However, timely execution, resolution of supply-chain constraints and the pace of order conversion will remain critical to sustaining revenue growth and profitability as the company expands its production base.

Refining Margin Windfall Boosts Oil Marketing Companies' Earnings

A sharp improvement in refining margins enabled India's state-owned oil marketing companies (OMCs) to stage a strong earnings recovery in Q2FY27, despite a steep rise in crude oil prices amid the West Asia crisis. Indian Oil, BPCL and HPCL reported a combined adjusted net profit of nearly ₹29,900 crore, up 66.2 % year-on-year and the highest in 13 quarters, compared with a substantial loss in the preceding quarter. Higher refining margins, improved marketing profitability and a sharp reduction in excise duty payments following the March tax cut helped offset pressure from elevated crude costs and losses on retail fuel sales. Their combined EBITDA margin consequently improved to 10.1 %, against a negative 1.9 % in Q1FY27. Reliance Industries also reported record earnings from its oil-to-chemicals business, supported by firm fuel markets and stronger margin capture. However, the sustainability of this earnings recovery remains contingent on refining margins, crude price movements and domestic fuel pricing policies. Elevated LPG under-recoveries and foreign exchange losses also continue to pose challenges for state-owned OMCs.

Banking & Financial Services

FD Rates Edge Up Following RBI's Repo Rate Hike

Several major banks have begun raising interest rates on select fixed deposit (FD) tenures following the RBI's 25-basis-point repo rate hike in October, amid expectations of further monetary tightening and rising inflationary pressures. Bank of Baroda has increased the rate on its special 555-day deposit scheme by 10 basis points to a maximum of 7.5 %, while Federal Bank has enhanced the additional interest benefit for senior citizens, taking the maximum rate on select deposits to 7.5 %. Other lenders, including HDFC Bank, ICICI Bank and Kotak Mahindra Bank, have also revised rates on specific maturities. The increase in deposit rates has been accompanied by a rise in lending rates, with several public and private sector banks raising their marginal cost of funds-based lending rates by 5–20 basis points across select tenures. These developments indicate that the transmission of tighter monetary conditions is beginning to affect both depositors and borrowers, potentially increasing banks' funding costs and borrowing expenses for households and businesses. *(Source: "Banks raise deposit rates" by Subrata Nanda, Business Standard, 13 November 2026)*

UPI Merchant Discount Rate: Banks Prioritise Reinvestment over Revenue Gains

The proposed merchant discount rate (MDR) on select person-to-merchant (P2M) transactions through the Unified Payments Interface (UPI) could provide a new source of funding for strengthening the country's digital payments ecosystem. Although the National Payments Corporation of India (NPCI) has deferred implementation of the 0.40 % levy on transactions above ₹2,000, capped at ₹300, banks have indicated that the proceeds would largely be reinvested in expanding the platform rather than treated as an additional source of income. SBI, Axis Bank and Bank of Baroda have emphasised the need to channel the revenue towards acquiring more merchants, meeting infrastructure costs, enhancing technology and strengthening security. Brokerages estimate that the proposed levy could generate ₹15,000–20,000 crore for the payments ecosystem, with the revenue distributed among acquiring banks, issuing banks, payment service providers and app providers. The move reflects a broader recognition that sustaining UPI's rapid expansion will require continuous investment in technological infrastructure, cybersecurity and merchant outreach. However, the timing and operational details of implementation remain uncertain, and the challenge will be to balance the need for a financially sustainable payments ecosystem with UPI's affordability, accessibility and continued adoption by merchants and consumers.

Blackstone to Invest ₹5,000 Crore in IIFL Finance, Signalling Strong Confidence in India's NBFC Sector

Global alternative asset manager Blackstone is set to invest nearly ₹5,000 crore in IIFL Finance for an approximately 16 % stake, as part of a larger ₹6,414 crore capital-raising exercise. The transaction, which also involves investments by the company's promoters and Anchorage Capital, is expected to strengthen IIFL Finance's capital adequacy, improve its funding position and support the expansion of its gold loan and other secured retail lending businesses. With gold loans accounting for 53 % of its ₹1.24 trillion assets under management as of September 2026, the capital infusion will provide greater headroom for business expansion, technology investments and deeper co-lending partnerships with banks. Blackstone's global network and expertise in technology, data and artificial intelligence could also

strengthen the company's operational capabilities and governance framework. The investment reflects growing international investor interest in India's NBFC sector, where expanding retail credit demand and opportunities in secured lending are attracting substantial private equity capital. For IIFL Finance, the partnership could mark an important step towards its ambition of becoming one of India's leading diversified retail NBFCs.

Credit Guarantee Fund for Mudra Loans Extended to 2031 with ₹5,000 Crore Corpus

The Union Cabinet has approved the continuation of the Credit Guarantee Fund for Micro Units (CGFMU) under the Pradhan Mantri Mudra Yojana (PMMY) for five years until March 31, 2031, with a corpus of ₹5,000 crore to strengthen credit guarantee support for lending institutions. The scheme provides protection against default risks through the National Credit Guarantee Trustee Company Limited (NCGTC), thereby encouraging financial institutions to extend credit to micro enterprises. The extended framework is expected to facilitate loans worth ₹12.6 trillion over the next five years, building on the substantial expansion of Mudra lending since the scheme's launch. As of September 2026, more than 60.36 crore loans amounting to ₹43.34 trillion had been sanctioned under PMMY. The continuation of the credit guarantee mechanism is expected to reinforce access to institutional finance for micro and small businesses, support entrepreneurship and strengthen the role of micro enterprises in employment generation and inclusive economic growth.

Life Insurers Improve VNB Margins as Product Mix Shifts Towards Traditional Savings

A shift towards traditional savings, protection and annuity products helped most listed life insurers improve their value of new business (VNB) margins in H1FY27, even as the contribution of unit-linked insurance plans moderated at several companies amid volatile equity markets and changing customer preferences. LIC recorded a 470-basis-point year-on-year expansion in its VNB margin to 22.3 %, supported by strong growth in non-participating savings and term products, while Axis Max Life and ICICI Prudential Life also reported improved margins driven largely by a favourable product mix and stronger protection business. Canara HSBC Life witnessed a similar shift towards traditional products, whereas SBI Life maintained a broadly stable margin despite a lower ULIP share. HDFC Life was an exception, with ULIPs gaining a larger share of its product mix. The trend reflects insurers' growing emphasis on more predictable, margin-accretive products, although a recovery in equity markets could revive demand for market-linked insurance plans. *(Source: "New biz margins up for life insurers" by Aathira Varier, Business Standard, 13 November 2026)*

Agriculture & Agri-business

Centre Doubles Open Market Rice Sales Target to Curb Rising Prices

The Centre has doubled its open market rice sale target for FY27 to 5 million tonnes from 2.5 million tonnes to augment domestic supplies and contain rising retail prices amid concerns over lower production, particularly in southern states. Having already sold 2.5 million tonnes through e-auctions up to October, the government plans to release an additional 2.5 million tonnes over the remaining five months of the financial year. The intervention is backed by substantial public stocks of around 38 million tonnes, nearly 2.8 times the prescribed buffer norm. Alongside market sales, the government has tightened stock disclosure

requirements for traders, millers and retailers, authorised five southern states to impose stock limits until January 31, 2027, and expanded the allocation of Bharat Rice through designated agencies. These measures reflect a multi-pronged strategy to improve market availability, curb hoarding and moderate prices. Their effectiveness will, however, depend on timely releases, efficient distribution and the extent to which government stocks can offset potential production shortfalls and shortages of premium rice varieties.

Centre Raises Fertiliser Subsidies Sharply to Shield Farmers from Global Price Pressures

The Union Cabinet has substantially increased nutrient-based subsidy (NBS) rates for non-urea fertilisers for the rabi 2026–27 season, raising the total NBS allocation for FY27 to around ₹1.04 trillion, nearly 92 % above the Budget Estimate. The move seeks to shield farmers from elevated international fertiliser prices and rising input costs, particularly the sharp increase in sulphur prices, while supporting domestic manufacturers. The steepest increase has been in the per-kilogram subsidy on sulphur, which has risen by more than 260 % over the previous rabi season. A special support package for sulphur, extension of additional provisions to other phosphatic fertilisers and continuation of freight subsidy on single super phosphate are also expected to improve supply and production economics. The measures come amid a sharp decline in domestic complex fertiliser production during September, reflecting the impact of inadequate subsidy support and higher input costs. Industry stakeholders expect the revised rates to moderate prices of NP and NPK fertilisers, encourage higher production and promote a more balanced pattern of nutrient consumption, reducing the excessive preference for DAP. However, the substantial increase in subsidy commitments could push the overall fertiliser subsidy bill beyond ₹3 trillion in FY27, intensifying pressure on government finances. The policy challenge will be to balance farmer affordability and domestic production incentives with greater efficiency in fertiliser use and fiscal sustainability.

Rural Gender Divide in Agricultural Employment Widens Across States

The gender divide in rural agricultural employment widened across much of India in July–September 2026, with the gap between the proportions of employed women and men engaged in farming increasing in 14 of the 20 states covered by the Periodic Labour Force Survey. Across rural India, agriculture accounted for 74.5 % of employed women, compared with 47.2 % of men, reflecting the growing concentration of women in farm-based work even as more men move into non-farm occupations. Uttarakhand recorded the widest gender gap at 46.3 percentage points, followed by Bihar, Jharkhand and Haryana. Rajasthan had the highest proportion of rural women employed in agriculture at 90.2 %. Economists attribute the trend partly to male migration from poorer states, which increases women's involvement in subsistence farming, while higher incomes, education and mechanisation have contributed to declining female participation in states such as Kerala and Punjab. The findings point to the continuing concentration of rural women's employment in agriculture and the need to expand their access to better-paid non-farm opportunities and more productive forms of work. *(Source: "Farm work's gender skew widens in 14 of 20 states" by Himanshi Bhardwaj, Business Standard, 13 November 2026)*

Technology & Innovation

India News

Agnikul Cosmos Bets on Orbital Data Centres with ₹510 Crore Investment

Agnikul Cosmos is expanding its ambitions in the emerging orbital data centre market, announcing an initial investment of ₹510 crore to establish a dedicated manufacturing facility in Andhra Pradesh's Tirupati district. The proposed facility will produce orbital data centre units that can be integrated with the upper stage of the company's launch vehicle, enabling computing infrastructure to be deployed in space. The initiative seeks to tap growing global interest in space-based AI infrastructure, which could offer access to solar power and reduce dependence on the electricity and water resources required by terrestrial data centres. Agnikul has already secured Bengaluru-based NeevCloud as its first customer, while other Indian space-tech companies, including Pixxel and TakeMe2Space, are also exploring orbital computing capabilities. The investment marks a new dimension in India's private space sector, linking launch vehicle innovation with the rapidly expanding demand for AI computing and cloud infrastructure. Its commercial success, however, will depend on the economics, reliability and scalability of deploying and operating data centres in orbit.

Amazon Bets on Agentic AI to Transform India's Small Business Ecosystem

Amazon is looking to transform its relationship with India's nearly two million sellers by moving beyond a conventional online marketplace towards an AI-powered business partnership. Its next phase of development centres on agentic artificial intelligence, with AI agents expected to identify business opportunities and undertake tasks on sellers' behalf, while leaving critical decisions to them. The initiative builds on the growing adoption of AI-enabled seller tools, which are already helping businesses simplify product listings and improve operational efficiency. Amazon also aims to extend AI benefits to 15 million small businesses by 2030, as smaller cities and towns increasingly drive its e-commerce growth. More than 70 % of sellers participating in this year's Great Indian Festival came from Tier-II and Tier-III cities, highlighting the expanding geographical reach of digital commerce. Lower selling costs, simplified processes and programmes supporting artisans, women entrepreneurs and neighbourhood businesses are further broadening market access. With India's e-commerce market expected to expand substantially by 2030, the integration of AI into seller services could improve productivity, strengthen the competitiveness of small enterprises and enable businesses in smaller towns to access wider markets.

India Emerges as a Rising Contender in the Global AI Landscape

India is emerging as a rising contender in the global artificial intelligence (AI) landscape, with strong workforce capabilities and growing readiness to harness the technology, according to Boston Consulting Group's AI Maturity Matrix 2026. The report places India among economies with high preparedness for AI adoption but relatively lower exposure to its disruptive impact. Its key advantage lies in a large pool of AI specialists and an extensive IT services workforce whose experience in managed delivery and process operations provides a strong foundation for supervising and integrating AI systems. India's hosting of the 2026 AI Impact Summit further reflects its growing influence in shaping the global AI discourse. The assessment, which evaluates more than 75 economies across 33

indicators, highlights the importance of human capital in determining national AI readiness. For India, the opportunity lies in leveraging its skilled workforce and established technology services ecosystem to move beyond AI adoption towards developing, deploying and governing advanced AI solutions, while strengthening its position in the emerging global AI economy.

Bridging the Lab-to-Market Gap: Building India's Deep-Tech Ecosystem

India is entering a critical phase in its research and innovation journey, with the focus shifting from academic research towards translational research and the development of market-ready technologies. Speaking on the sidelines of the Infosys Prize ceremony, Infosys co-founder Kris Gopalakrishnan emphasised the need for greater private-sector funding to bridge the gap between laboratory discoveries and commercial applications. He noted that the number of deep-tech startups in India had increased from 450 to 4,500, but called for sustained investment to scale this ecosystem further, with an ambition of reaching 45,000 startups over the next decade. He also urged established companies to raise research spending from less than 1 % of revenue to around 3 %, create risk pools to support startups, partner with venture capital funds and pursue strategic acquisitions to access emerging technologies. The Infosys Prize Sabbatical programme, which brings award recipients to Indian laboratories to foster collaboration and share global research practices, is another initiative aimed at strengthening domestic research capabilities. Greater risk-taking by industry, deeper academia-industry collaboration and stronger funding for translational research will be crucial to converting India's research strengths into globally competitive products and technologies. *(Source; Interview of Kris Gopalakrishnan, Infosys cofounder and an ISF trustee, Business Standard, 13 November 2026)*

Andhra Pradesh Bets on Quantum Computing and AI to Build a Technology Hub

Andhra Pradesh is positioning itself as an emerging hub for advanced technology, manufacturing and clean energy, with Chief Minister N. Chandrababu Naidu announcing plans to establish South Asia's first quantum computing manufacturing facility across 250 acres in Amaravati, scheduled for inauguration on February 3, 2027. The state is also developing a 2 GW net-zero AI compute factory in the Orvakal zone of Kurnool district, involving an investment of around ₹8,000 crore by Clean Max Enviro Energy Solutions in partnership with Neysa, an AI cloud platform backed by Blackstone. These initiatives form part of a broader strategy encompassing critical minerals, semiconductors, solar manufacturing, battery storage, defence, drones and green hydrogen. The investment momentum was reinforced at the CII Partnership Summit 2026, where 73 MoUs and 15 preliminary agreements involving ₹5.84 trillion were exchanged on the first day, with the potential to generate over 107,000 jobs. Manufacturing and renewable energy accounted for a substantial share of the proposed investments. The state's plans, including a dedicated technology park to promote women's entrepreneurship, underline its ambition to attract large-scale investment and build a diversified, technology-driven industrial ecosystem.

World News

Nvidia's Leadership Crisis: Implications for the Global AI Ecosystem

Nvidia's reported leadership crisis has sent shockwaves through the global technology industry, with Chief Executive Officer Jensen Huang stepping down following revelations about alleged personal relationships, including one involving an executive at a Singapore-based data centre company reportedly under US investigation over the potential

smuggling of advanced AI chips into China. Chief Financial Officer Colette Kress has been named interim CEO, while the company's board is reportedly considering potential successors. Huang, who co-founded Nvidia in 1993, transformed it into a global powerhouse at the centre of the artificial intelligence revolution, with its market valuation at times exceeding $5 trillion. His departure raises concerns about leadership succession and governance at a company whose strategy and public identity have been closely associated with its founder. Given Nvidia's extensive investments and financial relationships across the AI ecosystem, the leadership transition could also have wider implications for technology companies, data-centre operators and investors. Nevertheless, analysts believe the company's strong business fundamentals should help sustain operations while the board considers a permanent successor.

OpenAI's Revenue Surges 50%, but Mounting Losses Highlight AI's Profitability Challenge

OpenAI's financial performance highlights the growing commercial potential of artificial intelligence as well as the substantial costs involved in scaling the technology. The company's revenue rose around 50 % to $10 billion in the third quarter, while its adjusted operating margin improved to minus 109 % from minus 150 % in the preceding quarter. However, operating losses widened to $10.9 billion from $10.1 billion, underscoring the enormous investment required to develop and operate advanced AI systems. The financial disclosure comes amid intensifying investor scrutiny of the profitability of AI businesses, even as capital continues to flow into the sector. Anthropic's preparations for a potential IPO, reportedly at a valuation of around $1.4 trillion, further highlight the strong investor appetite for leading AI companies. The contrasting trends of rapid revenue expansion and persistent losses point to a defining challenge for the industry: converting growing adoption and technological leadership into sustainable business models and long-term profitability.

Who Controls the Wallet? Banks and Payment Networks Brace for the Rise of Agentic Commerce

The rapid emergence of agentic artificial intelligence is opening a new frontier in the global payments industry, as AI assistants increasingly gain the ability to make purchases on behalf of consumers. While companies such as Stripe, Visa and Mastercard are developing technologies to facilitate these transactions, banks remain divided over how quickly to embrace the shift. Some institutions are enabling agent-led payments, while others, including JPMorgan Chase, are adopting a more cautious approach amid concerns over fraud, data security, unauthorised transactions and legal liability. The risks extend beyond conventional payment fraud to higher product returns, purchases from fraudulent online merchants and uncertainty over responsibility when an AI agent makes an erroneous transaction. The development could fundamentally reshape the relationship between consumers, merchants, banks and payment networks. Secure digital wallets and agentic payment tokens, which conceal card credentials and incorporate consumer-defined spending limits, are emerging as potential safeguards. The challenge will be to build a trusted regulatory and technological framework that allows agentic commerce to scale without compromising consumer protection. *(Source: "Banks Race to KeepPace With AI Bots" by AnnaMaria Andriotis, Ben Glickman and Gina Heeb, WSJ, November 13, 2026)*

Global Economy Monitor

US Jobs Growth Challenges Fears of Widespread AI-Driven Layoffs

The latest US employment data challenge concerns that artificial intelligence is already triggering widespread job losses among white-collar workers. Professional and business services added 70,000 jobs in October, the largest monthly increase since July 2022, with gains in management and technical consulting, legal services, and accounting. At the same time, AI-related infrastructure investment is generating demand for construction workers, particularly electricians and specialised contractors involved in data-centre development. However, the broader picture remains uneven: employment has weakened in areas such as document preparation, call centres, public relations and advertising, where tasks are more susceptible to automation. The emerging trend suggests that AI may initially reshape job roles and skill requirements rather than eliminate entire professions, favouring experienced workers who can combine domain expertise with AI capabilities. The longer-term impact will depend on how quickly businesses integrate the technology and whether productivity gains translate into new demand and employment opportunities. *(Source: US Bureau of Labor Statistics)*

US Inflation Moderates in October, but Underlying Price Pressures Persist

US consumer price inflation moderated in October 2026, with the Consumer Price Index (CPI) for All Urban Consumers rising 0.4 % month-on-month on a seasonally adjusted basis, compared with 0.6 % in September. The moderation was largely driven by a sharp easing in energy inflation, as the energy index increased 0.7 % following a 5.2 % rise in September. However, food inflation picked up to 0.5 % after remaining unchanged in the previous month, with both food-at-home and food-away-from-home prices increasing. Shelter costs rose 0.3 % and accounted for more than 30 % of the monthly increase in the overall index, underlining the continued contribution of housing costs to consumer inflation.

Underlying price pressures remained relatively persistent, with core CPI inflation, excluding food and energy, rising 0.3 % for the third consecutive month. Increases in recreation, medical care, motor vehicle insurance, household furnishings and education contributed to the rise, although used vehicle prices declined by 1.2 %. The October data therefore indicate some moderation in headline monthly inflation, but limited evidence of a broad-based easing in underlying price pressures. An important qualification is that the US Bureau of Labor Statistics could not publish year-on-year inflation rates for October 2026 because the October 2025 data were unavailable following the lapse in government appropriations. Consequently, the monthly movements provide a useful indication of recent price trends, but a complete assessment of annual inflation dynamics remains constrained. *(Source: US Bureau of Labor Statistics)*

China's GDP Growth Picks Up to 4.5% in Q3, but Domestic Demand Remains Weak

China's economy grew 4.5 % year-on-year in Q3 2026, accelerating from 4.3 % in the previous quarter and marginally exceeding market expectations of 4.4 %. The improvement was supported by policy easing and resilient exports, particularly of AI-related components, high-tech manufactured goods and electric vehicles. Economic activity also gained momentum in September, with industrial production and retail sales recording their fastest growth in six months, partly reflecting the seasonal boost from the Golden

Week holiday. For the first nine months of 2026, GDP expanded 4.6 %, placing growth within the lower end of the government's full-year target of 4.5–5 %. However, the recovery remains uneven, with persistently weak domestic demand and an uncertain international environment posing significant challenges. Sustaining growth will therefore require further policy support, particularly to strengthen household consumption and domestic demand, while maintaining the momentum in high-tech manufacturing and exports. *(Source: National Bureau of Statistics of China)*

Japan's Economy Stagnates in Q3 as Consumption and Exports Weaken

Japan's economy stagnated in the third quarter of 2026, with GDP recording zero quarter-on-quarter growth, against market expectations of a 0.1 % expansion and following 0.4 % growth in Q2. The slowdown reflected weakening domestic demand, as private consumption declined 0.3 % amid persistent inflation and the effects of natural disasters, while government spending also contracted. Net exports subtracted 0.6 percentage points from GDP growth, as exports fell 0.2 % for the first time in a year amid softer global demand, while imports rebounded 2.5 %. The weakness in external demand was partly offset by a recovery in business investment, which increased 1.6 % after declining in the previous quarter. The figures highlight the challenges facing Japan's economic recovery, with subdued household consumption and external trade weighing on growth despite improving corporate investment. *(Source: Cabinet Office, Japan)*

Global Corporate News

Berkshire Hathaway's Q3 Earnings Fall 28% as Insurance Profits weaken

Berkshire Hathaway reported a 28 % year-on-year decline in net income in the third quarter, to $22.11 billion, as weaker investment gains and lower insurance underwriting profits weighed on its performance. Operating earnings, which Warren Buffett has identified as a more reliable indicator of business performance, declined 5.8 % to $12.71 billion, partly reflecting adverse currency movements. Performance across businesses was mixed, with railroad, energy, manufacturing, services and retailing operations reporting higher profits, while insurance earnings fell from the previous year's elevated base. Berkshire continued to deploy capital through share buybacks of approximately $9.6 billion during the quarter, even as it retained a substantial cash and Treasury bill reserve of around $357 billion. The results also mark a significant leadership transition, with Greg Abel taking over as chief executive and Howard Buffett assuming the chairmanship, signalling the beginning of a new chapter for the conglomerate after Warren Buffett's long stewardship. *(The Wall Street Journal, 10 November 2026)*

ExxonMobil Signals Potential Return to Venezuela's Oil Sector

ExxonMobil has taken a preliminary step towards re-entering Venezuela's oil sector, signing a memorandum of understanding with the Venezuelan government and state-owned Petróleos de Venezuela to evaluate potential drilling investments. The move comes nearly two decades after the company's exit and reflects renewed interest in the country's vast hydrocarbon

resources, estimated by Venezuela at around 300 billion barrels of proven reserves. However, Exxon has made clear that any investment decision will depend on substantial progress in regulatory reforms, policy stability, investment protection and the prospects of competitive returns. While the agreement opens the door to exploring opportunities in both developed and undeveloped oil fields, it does not represent a firm investment commitment. The potential return of a major international oil company could have significant implications for Venezuela's oil industry, but translating its resource potential into commercially viable production will depend on the country's ability to establish a predictable and investor-friendly operating environment. *(The Wall Street Journal, 10 November 2026)*

Mercedes-Benz Brings On-Device AI to Cars, Redefining the In-Car Experience

Mercedes-Benz is expanding the use of artificial intelligence in its vehicles through a partnership with MIT spinout Liquid AI to introduce more intuitive, on-device conversational capabilities. Unlike cloud-dependent systems, the new AI models process information directly within the vehicle, offering faster responses, improved privacy and greater reliability where network connectivity is limited. The technology is being rolled out in selected North American models through over-the-air updates, with a wider deployment planned during 2027. The system will enable drivers to use natural conversation to control functions such as navigation, climate settings, seat adjustments, music and phone calls, while more complex queries will continue to rely on cloud-based models. The initiative reflects a broader shift towards edge AI, as automakers seek to differentiate their products through smarter digital experiences while improving efficiency and data security. It also highlights the growing potential of specialised, lightweight AI models in applications where speed, connectivity and privacy are critical. (Source: *WSJ, 10 November 2026)*

Financial Markets Dashboard

Indian Financial Markets

Indian Equity Markets: FPI Revival, Mid-week Rally and Emerging Volatility

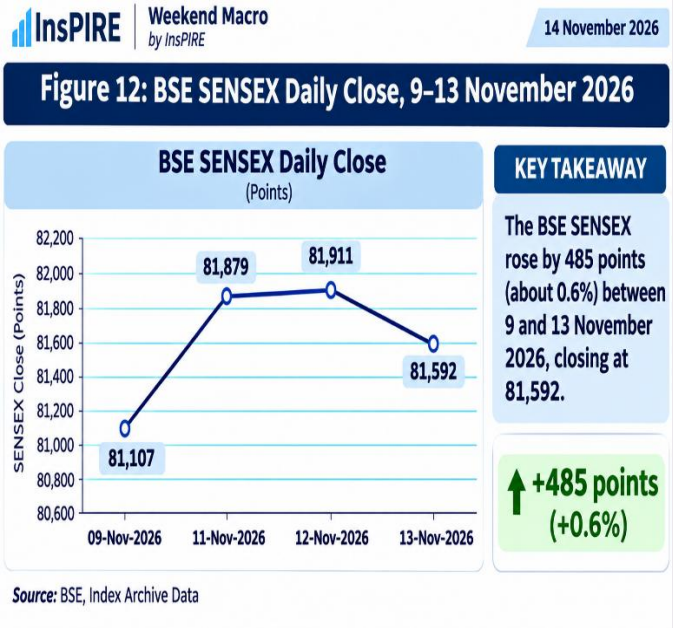
Indian equity markets followed a cautiously positive but uneven trajectory during 9–13 November 2026. After a subdued start to Samvat 2083, benchmark indices recovered over the following sessions, supported by easing crude oil prices, renewed foreign portfolio investment and improving corporate earnings expectations. The Sensex rose from 81,107 on 9 November to 81,911 on 12 November, before easing to 81,592 on 13 November (Figure 12). Similarly, the Nifty 50 advanced from 25,045 to 25,299 over the first three reported sessions, before closing at 25,144 on 13 November (Figure 13). Over the period, the Sensex gained 485 points, or approximately 0.6 %, while the Nifty rose by 99 points, or around 0.4 %. The correction on the final trading day, when the Sensex and Nifty declined by 0.39 % and 0.61 %, respectively, interrupted a three-session winning streak and reflected profit-booking amid renewed concerns over inflation and crude oil prices.

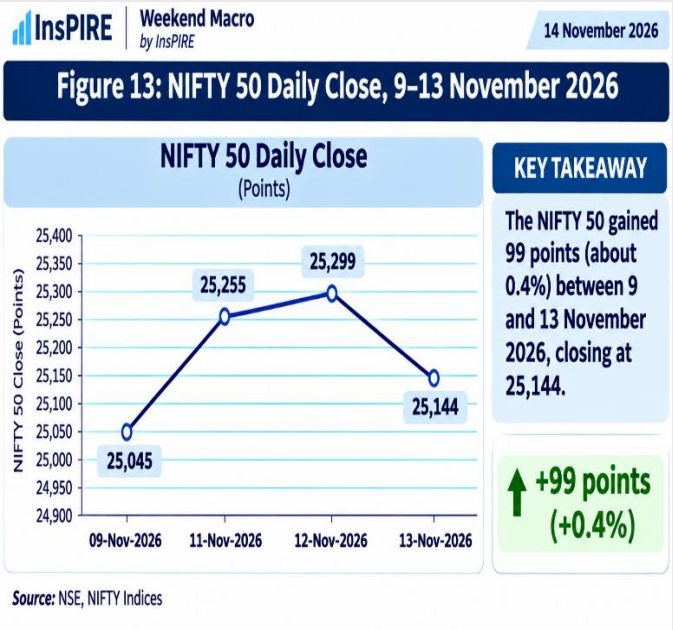
The mid-week recovery was supported by improving external sentiment and a significant turnaround in foreign portfolio investment. After withdrawing nearly ₹4.48 trillion from Indian equities between January and October 2026, FPIs returned strongly in November, with reported net equity purchases reaching approximately ₹84,290 crore during 2–13 November. Foreign investors also purchased

government securities worth ₹7,480 crore under the Fully Accessible Route (FAR), indicating a broader improvement in their appetite for Indian financial assets. The renewed interest reflected a combination of easing geopolitical concerns, relatively attractive valuations in select segments, resilient corporate earnings expectations and improving perceptions of India's macroeconomic fundamentals. Moderating crude oil prices, which declined to around US$92.50 per barrel by 12 November, also supported sentiment towards banking, financial and other oil-sensitive sectors. Banking and financial stocks led the recovery, while real estate and several mid- and small-cap stocks also recorded gains.

However, the rally remained vulnerable to shifts in domestic and global macroeconomic conditions. The rise in October retail inflation to 6.09 %, above the RBI's upper tolerance limit, heightened concerns about the possibility of further monetary tightening. Renewed pressure on crude oil prices, currency movements and uncertainty over the trajectory of US monetary policy added to investor caution. The contrasting behaviour of foreign and domestic institutional investors also remains relevant: although renewed FPI buying has supported market sentiment, the durability of the recovery will depend on whether these inflows are sustained and accompanied by broader domestic investor participation.

The outlook for Indian equities during Samvat 2083 is therefore cautiously constructive rather than unequivocally bullish. Resilient economic growth, improving corporate earnings, sustained foreign investment and relatively favourable crude oil prices could provide support, while elevated valuations in select segments, inflationary pressures and geopolitical uncertainties may generate intermittent volatility. The recent correction suggests that liquidity-driven gains alone may not be sufficient to sustain a broad-based rally. As markets consolidate around higher levels, earnings visibility, valuation discipline and the ability of the recovery to extend beyond a limited group of large-cap stocks will be critical in determining the durability of the market's upward momentum.





India Reclaims Fifth Spot Among World's Largest Stock Markets

India has reclaimed its position as the world's fifth-largest stock market, overtaking Taiwan following a recovery in domestic equities that lifted its

aggregate market capitalisation to approximately $5.45 trillion as of November 12, 2026. India now ranks behind the United States ($80 trillion), China ($13.3 trillion), Japan ($8.42 trillion) and Hong Kong ($5.67 trillion). The milestone underscores the growing scale and depth of India's equity markets and reinforces its position as an increasingly important destination for global investment. Supported by domestic investor participation, improving market sentiment and the long-term growth potential of the Indian economy, the recovery highlights the resilience of the country's capital markets. Sustaining this position, however, will depend on corporate earnings growth, continued investment flows and the ability of markets to maintain valuations amid global economic and financial uncertainties.

Equity MF Inflows Moderate as Investors Book Profits in Small- and Mid-Caps

Equity mutual fund inflows moderated in October, with net investments declining 14 % month-on-month to ₹32,994 crore, reflecting profit-booking and a more cautious approach towards small-cap and mid-cap funds following their strong inflows in previous months. Gross investments fell 12 % to ₹65,581 crore, while redemptions declined 10 % to ₹32,588 crore. Small-cap and mid-cap schemes together attracted ₹11,301 crore, down 33 % from September's record inflows, with their share in total net equity inflows falling to 34 % from 44 %. In contrast, large- and mid-cap funds witnessed a near doubling of net inflows to ₹8,484 crore. SIP contributions also edged down marginally to ₹32,160 crore from ₹32,490 crore in September. Despite the moderation, sustained inflows indicate that investor confidence in equity mutual funds remains broadly intact, alongside a more selective allocation strategy amid elevated valuations in some market segments.

Global Financial Markets

AI, Interest Rates and the Changing Dynamics of Global Equity Markets

Global equity markets presented a mixed but broadly resilient picture during 9–13 November 2026, with a clear divergence between the major developed markets and the Asia-Pacific region. European benchmarks recorded across-the-board gains, while Asian markets were divided between strong advances in Japan, South Korea and Taiwan and losses in Hong Kong, mainland China and Singapore. US markets remained volatile, with the Dow Jones Industrial Average and S&P 500 ending the period close to their opening levels, while the technology-heavy NASDAQ Composite registered a modest decline.

The contrasting performance reflected the interaction of several forces: optimism over corporate earnings and artificial intelligence (AI)-related investment, concerns about the sustainability of elevated technology valuations, changing expectations about the Federal Reserve's interest-rate trajectory and movements in crude oil prices. The *Wall Street Journal* reported that global markets initially benefited from renewed confidence in the AI investment cycle, including strong results from AI infrastructure company CoreWeave and continued demand for advanced semiconductors. However, concerns surrounding Nvidia's leadership transition and the possibility that AI-related capital expenditure may not generate commensurate returns subsequently unsettled technology shares. Persistent US inflation and rising Treasury yields added to investor caution

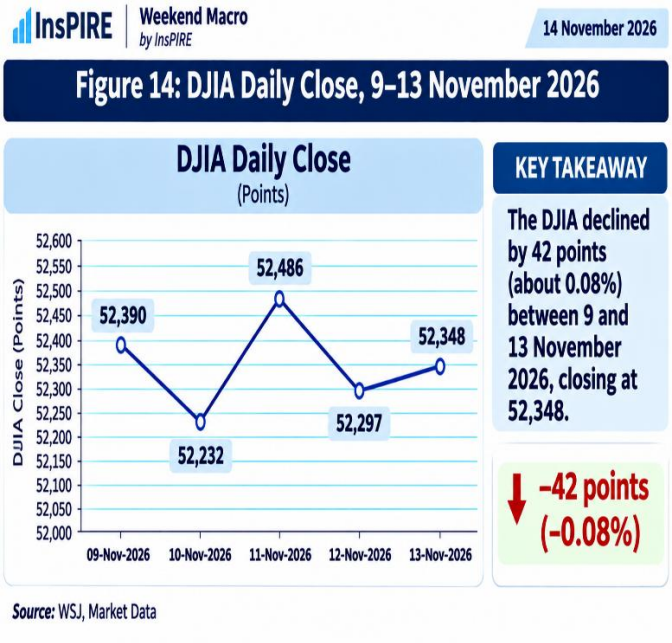
US Markets: Technology Volatility Amid Inflation and Rate Concerns

US equity markets experienced intermittent volatility during the week, as investors weighed corporate earnings and optimism surrounding AI against renewed inflation concerns and uncertainty over the Federal Reserve's policy outlook. The three major indices moved unevenly, with the Dow and S&P 500 broadly stable and the NASDAQ underperforming.

DJIA

The Dow Jones Industrial Average (DJIA) opened at 52,390 on 9 November and closed at 52,348 on 13 November, registering a marginal decline of 42 points, or 0.08% (Figure 14). The index initially slipped to 52,232 on 10 November, before recovering to 52,486 on 11 November. It subsequently eased to 52,297 on 12 November and recovered modestly on the final trading day. The relatively stable performance suggests that traditional large-cap and relatively defensive stocks provided some support even as technology-related uncertainty weighed on broader sentiment.

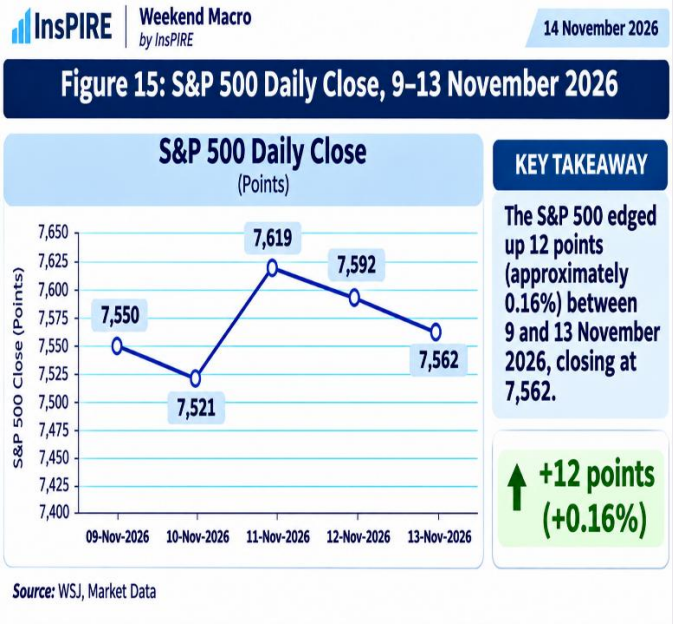
The *Wall Street Journal* reported that the Dow was more resilient than the S&P 500 and NASDAQ on 13 November, when technology and semiconductor shares came under pressure following Nvidia-related developments. The index's marginal weekly decline, compared with the sharper correction in technology-heavy stocks, points to some rotation away from high-growth technology exposures towards other market segments.



S&P 500

The S&P 500 edged up from 7,550 on 9 November to 7,562 on 13 November, a marginal gain of 12 points, or 0.16% (Figure 15). The index declined to 7,521 on 10 November, before rebounding sharply to 7,619 on 11 November. It then moderated to 7,592 on 12 November and 7,562 on 13 November. The mid-week recovery was therefore largely offset by the subsequent retreat.

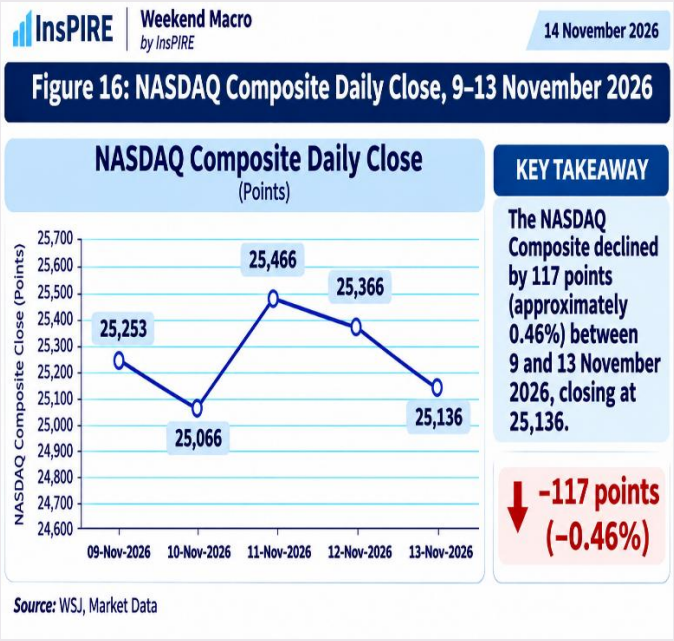
The index's limited net movement concealed considerable sectoral divergence. While corporate earnings and AI-related investment optimism supported parts of the market, technology and semiconductor stocks faced renewed selling pressure towards the end of the week. The *Wall Street Journal* highlighted how Nvidia's leadership turmoil raised broader questions about the sustainability of the AI investment boom and the relationship between large-scale infrastructure spending and future profitability. At the same time, rising Treasury yields and expectations of further Federal Reserve tightening constrained valuations, particularly for growth-oriented companies.



NASDAQ

The NASDAQ Composite was the weakest of the three major US indices over the reported period, declining from 25,253 on 9 November to 25,136 on 13 November, a fall of 117 points, or 0.46% (Figure 16). After slipping to 25,066 on 10 November, it rebounded to 25,466 on 11 November, its highest closing level during the period. The index subsequently declined to 25,366 on 12 November and fell more sharply to 25,136 on 13 November.

The relatively weaker performance reflected the sensitivity of technology and semiconductor shares to changing perceptions of AI-related investment risks. The *Wall Street Journal* reported that Nvidia's shares came under pressure following the departure of its chief executive, while losses extended to other semiconductor companies, including AMD and Broadcom. Investors were increasingly questioning whether the scale of investment in AI infrastructure would translate into sufficiently strong and sustainable earnings. Nevertheless, strong demand for AI computing capacity and better-than-expected results from some infrastructure providers continued to offer underlying support to the sector. The NASDAQ's performance thus reflected a reassessment of valuations and risk rather than a complete reversal of confidence in the longer-term AI opportunity.



AI Market Correction Reshapes Treasury Dynamics Amid Growth Uncertainty

The recent correction in artificial intelligence (AI) stocks has had an unexpected spillover into the US Treasury market, with bond yields declining even as economic growth indicators strengthened. From early October, the fall in technology stocks coincided with a sharp decline in 10-year Treasury yields, with movements in CoreWeave's share price and Treasury yields showing a notably high correlation over a short period. The shift reflected investors seeking the relative safety of government bonds amid concerns over stretched AI valuations and the sustainability of massive investments in data centres and computing infrastructure. The weakening AI trade could also affect economic growth through two channels: reduced household wealth and consumption as technology stocks decline, and a possible moderation in AI-related corporate capital expenditure. However, the relationship may prove temporary, as Treasury yields subsequently rebounded following higher-

than-expected inflation data, while technology stocks showed mixed movements. The episode highlights how concentrated investment themes can influence broader financial markets, although Treasury yields will ultimately remain anchored by expectations of growth, inflation and Federal Reserve policy. *(Source: "How the AI Trade Hijacked the Treasury Market for a Month" by James Macintosh, WSJ, November 14, 2026)*

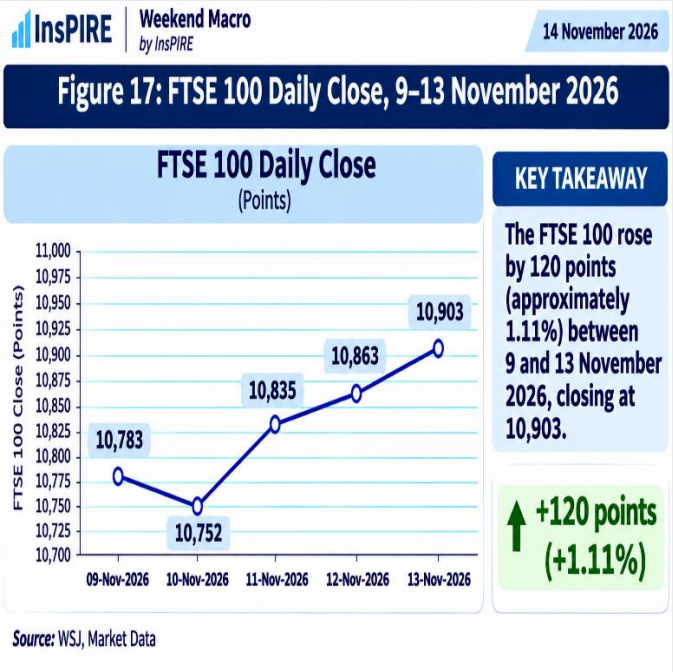
European Equities Extend Their Advance

European equity markets were the strongest-performing major regional group during the week. The FTSE 100, CAC 40 and DAX all registered gains between 9 and 13 November, with Germany's DAX and France's CAC 40 outperforming the UK benchmark. The region benefited from improved investor sentiment, strength in selected banking and industrial stocks, and some rotation of investment away from highly valued US technology shares. The *Wall Street Journal* reported that European equities advanced on 13 November, supported by easing oil prices and improved sentiment, with the broader Stoxx Europe 600 extending its record closing run.

FTSE 100

The UK's FTSE 100 rose consistently through the reported period, advancing from 10,783 on 9 November to 10,903 on 13 November, a gain of 120 points, or 1.11% (Figure 17). The index declined marginally to 10,752 on 10 November but recovered to 10,835 on 11 November and continued to strengthen to 10,863 on 12 November and 10,903 on 13 November. The sustained upward movement suggests relatively broad support for large-cap UK equities.

The *Wall Street Journal* noted that the FTSE 100 advanced on 13 November as European markets benefited from improving sentiment and lower oil prices. The UK economy also provided a relatively favourable backdrop, with third-quarter GDP growth reported at 0.7% quarter-on-quarter, accelerating from 0.5% in the previous quarter. However, the outlook remains sensitive to energy prices, global demand and the direction of interest rates.

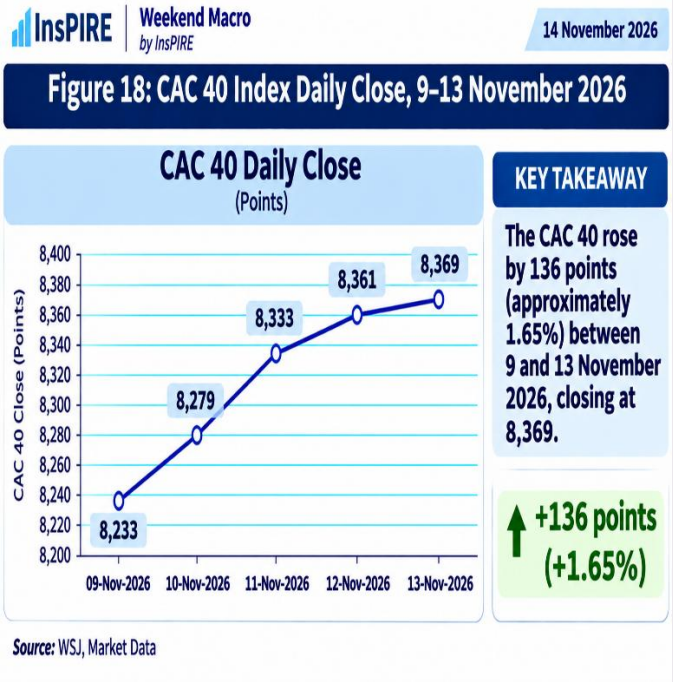


CAC 40

France's CAC 40 increased from 8,233 on 9 November to 8,369 on 13 November, gaining 136 points, or 1.65% (Figure 18). The index recorded gains in each of the five sessions, rising to 8,279 on 10 November, 8,333 on 11 November and 8,361 on 12 November, before closing at its period high of 8,369.

The steady advance indicates improving confidence in French equities, although performance across sectors was uneven. The *Wall Street Journal* reported that European markets were supported by a rotation away from the AI trade and gains in selected banking and other cyclical stocks. However,

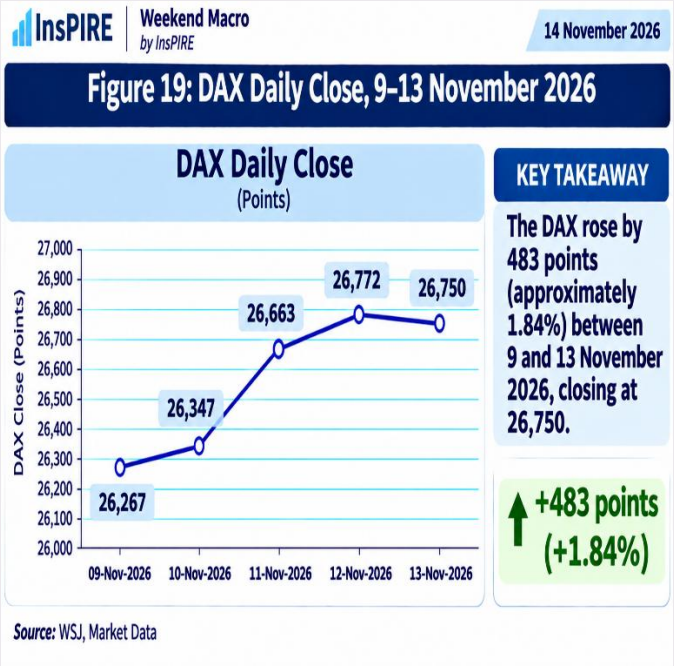
luxury stocks weighed on the Paris market in the final session, following earnings-related concerns at Richemont. This highlights the importance of sectoral composition in interpreting the CAC 40's performance. The index's overall gain nevertheless suggests that positive regional sentiment outweighed weakness in selected heavyweight stocks.



DAX

Germany's DAX recorded the strongest gain among the three European benchmarks, rising from 26,267 on 9 November to 26,750 on 13 November, an increase of 483 points, or 1.84% (Figure 19). The index advanced steadily to 26,347 on 10 November, 26,663 on 11 November and 26,772 on 12 November, before easing marginally on the final day.

The DAX's performance reflected the relatively positive momentum in European equities, supported by gains in selected industrial, financial and technology-related companies. The *Wall Street Journal* reported that European shares were supported by improving sentiment and a rotation away from some of the more highly valued AI-related stocks in the United States. Germany's industrial and technology supply chains may also benefit from continued investment in digital infrastructure, although the sustainability of these gains will depend on global demand, energy costs and the broader European growth outlook. The marginal decline on 13 November does not materially alter the index's positive weekly trend.



Asia-Pacific Markets: Semiconductor Momentum Drives Regional Divergence

Asia-Pacific equity markets recorded the widest divergence across the major regions. Japan's Nikkei 225, South Korea's KOSPI Composite and Taiwan's TAIEX registered strong gains, while the Shanghai Composite, Hang Seng and Singapore's FTSE Straits Times declined. Australia's S&P/ASX 200 recorded a modest increase. The contrasting performance reflected differences in market exposure to the

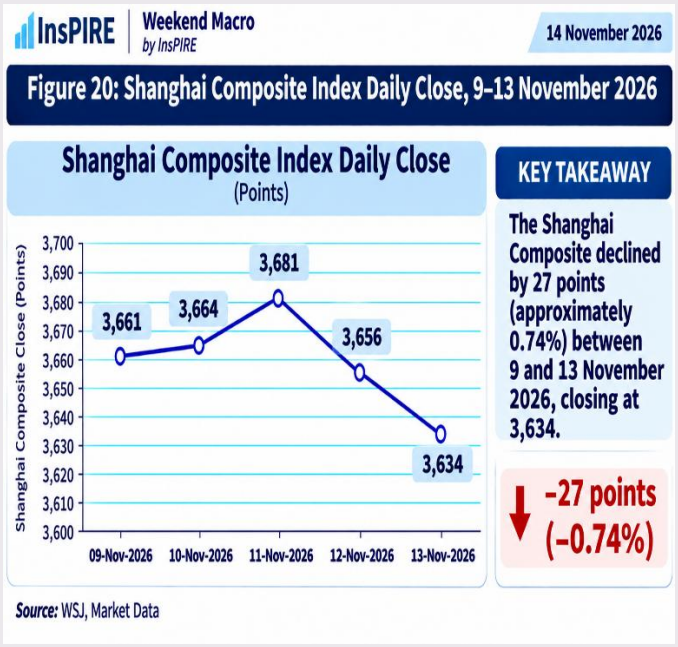
global technology and semiconductor cycle, domestic economic conditions and investor appetite for risk.

The *Wall Street Journal* reported that Asian technology shares initially benefited from improved sentiment towards AI-related demand, particularly following positive developments involving AI infrastructure companies and semiconductor investment. However, concerns over Nvidia and the potential implications for the wider AI ecosystem subsequently weighed on regional technology stocks. Taiwan and South Korea, with their significant semiconductor exposure, remained particularly sensitive to these developments.

Shanghai Composite

The Shanghai Composite declined from 3,661 on 9 November to 3,634 on 13 November, a loss of 27 points, or 0.74% (Figure 20). The index remained broadly stable at 3,664 on 10 November and rose to 3,681 on 11 November, before declining to 3,656 on 12 November and 3,634 on 13 November. The reversal in the latter part of the week suggests that the market struggled to sustain its mid-week gains.

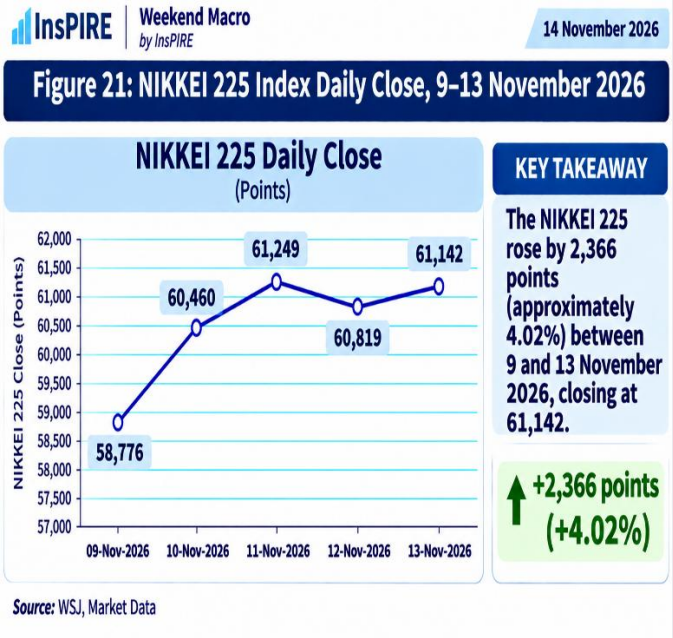
Chinese equities faced a mixed environment, with optimism over technology development and semiconductor investment counterbalanced by concerns about external restrictions on access to advanced AI chips and uncertainty surrounding the domestic growth outlook. The *Wall Street Journal* reported that investors were monitoring the possibility of tighter US restrictions on advanced semiconductor technology and their implications for Chinese technology companies. Such concerns could weigh on sentiment even as domestic efforts to strengthen technological self-reliance provide longer-term opportunities.

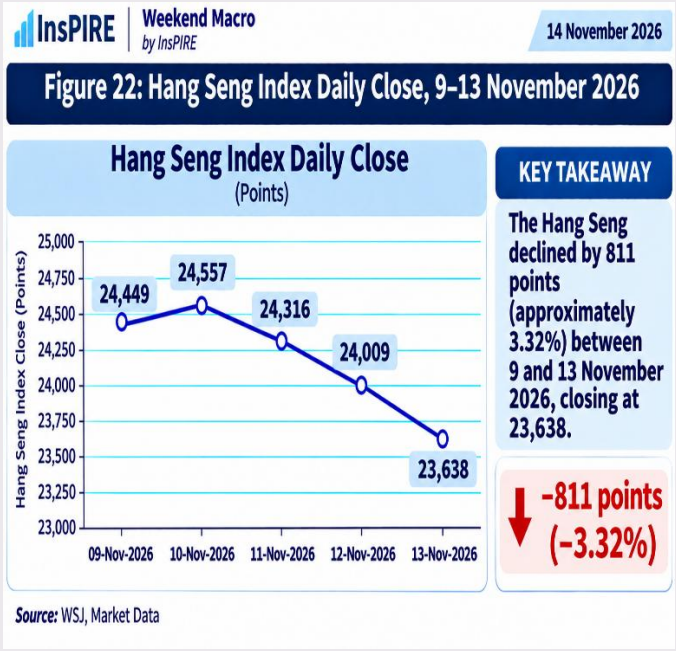


NIKKEI 225

Japan's Nikkei 225 was among the strongest-performing major indices, rising from 58,776 on 9 November to 61,142 on 13 November, a gain of 2,366 points, or 4.03% (Figure 21). The index recorded a sharp increase to 60,460 on 10 November and advanced further to 61,249 on 11 November. Although it corrected to 60,819 on 12 November, it recovered to 61,142 on 13 November.

The strong performance reflected renewed interest in Japanese equities, particularly technology and semiconductor-related companies, alongside improved global risk sentiment during the first part of the week. The *Wall Street Journal* reported that Japanese shares were supported by gains in chipmakers, including Kioxia and Advantest, even as investors remained attentive to uncertainty surrounding US and Japanese monetary policy. The index's resilience towards the end of the week, despite volatility in global technology shares, suggests that investor interest in Japan's technology and industrial sectors remained relatively strong.





Hang Seng

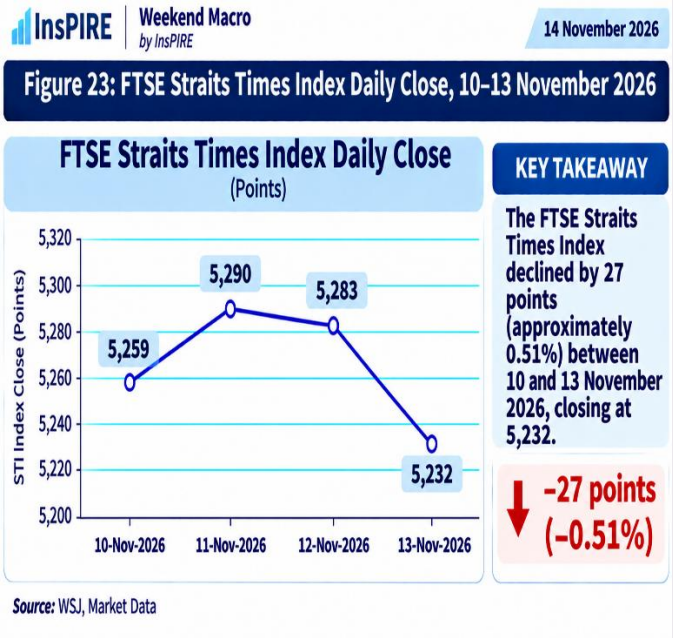
Hong Kong's Hang Seng was the weakest-performing index among the major markets covered in this analysis. It declined from 24,449 on 9 November to 23,638 on 13 November, shedding 811 points, or 3.32% (Figure 22). After edging up to 24,557 on 10 November, the index fell over the next three sessions to 24,316, 24,009 and 23,638, respectively. The persistent decline indicates sustained selling pressure towards the end of the period.

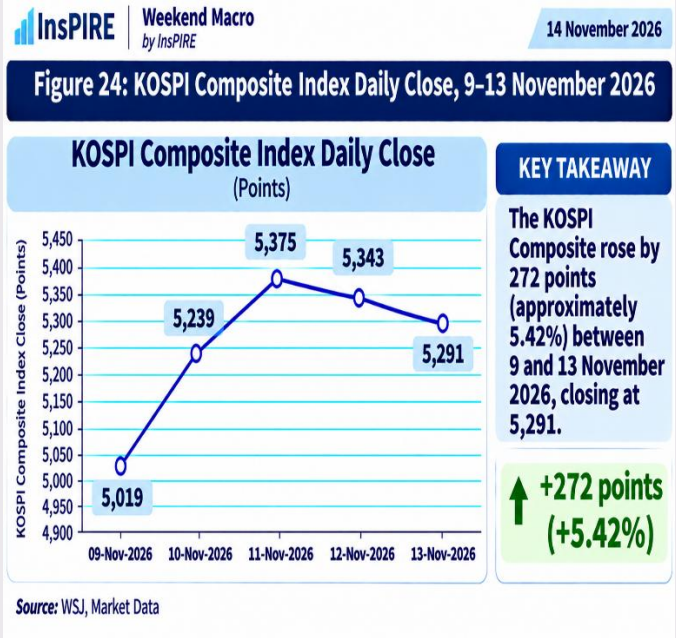
Technology stocks were an important source of weakness. The *Wall Street Journal* reported that Alibaba shares came under pressure amid concerns about possible US restrictions on Chinese AI companies' access to advanced semiconductors. This added to uncertainty surrounding the outlook for Hong Kong-listed technology companies. The decline in the Hang Seng, despite strength in several other Asian markets, underscores the continuing sensitivity of Hong Kong equities to China-related growth concerns, regulatory developments and global technology-sector volatility.

FTSE Straits Times

Singapore's FTSE Straits Times Index declined from 5,259 on 10 November to 5,232 on 13 November, a decrease of 27 points, or 0.51% (Figure 23). The index advanced to 5,290 on 11 November, eased marginally to 5,283 on 12 November and then declined to 5,232 on 13 November. Since the available observations begin on 10 November, the comparison covers four trading sessions rather than the full 9–13 November period.

The index's relatively modest decline suggests greater resilience than that displayed by Hong Kong equities, although the late-week correction indicates that Singapore was not entirely insulated from the broader regional weakness. Global interest-rate expectations, movements in the US dollar and investor risk appetite remain important influences on Singapore's financial and export-oriented sectors. The available index data do not, by themselves, establish a specific domestic catalyst for the decline.





KOSPI Composite

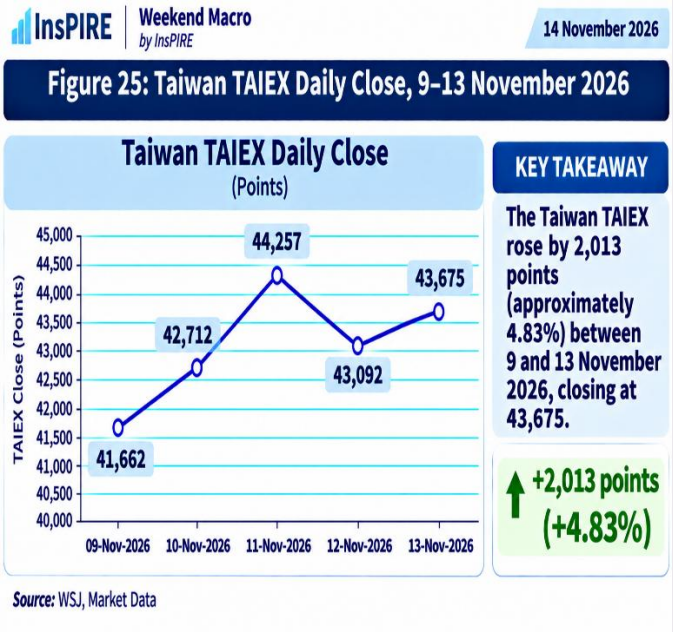
South Korea's KOSPI Composite recorded the largest gain among the indices covered, rising from 5,019 on 9 November to 5,291 on 13 November, an increase of 272 points, or 5.42% (Figure 24). The index advanced sharply to 5,239 on 10 November and 5,375 on 11 November, before easing to 5,343 on 12 November and 5,291 on 13 November. Despite the late-week moderation, the overall performance remained strongly positive.

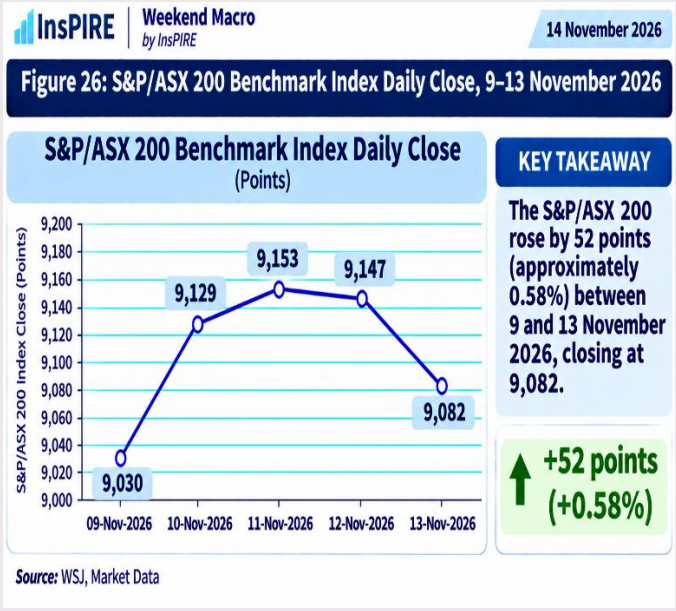
The rally reflected renewed investor interest in South Korean equities and optimism surrounding the semiconductor and technology sectors. The *Wall Street Journal* reported that regional markets initially benefited from improving sentiment towards AI-related investment and strong demand for advanced chips. However, the late-week decline in global semiconductor shares highlighted the KOSPI's exposure to developments in the US technology market. The index's substantial weekly gain nevertheless indicates that the positive momentum in Korean equities remained stronger than the late-week headwinds.

Taiwan TAIEX

Taiwan's TAIEX advanced from 41,662 on 9 November to 43,675 on 13 November, gaining 2,013 points, or 4.83% (Figure 25). The index rose to 42,712 on 10 November and surged to 44,257 on 11 November, before correcting to 43,092 on 12 November. It recovered partially to 43,675 on 13 November, remaining well above its opening level.

The strong performance reflected Taiwan's strategic position in the global semiconductor and AI supply chains. The *Wall Street Journal* reported that Taiwan Semiconductor Manufacturing Company (TSMC) approved investments in AI companies, while demand for advanced chips continued to support the broader technology ecosystem. However, Taiwan's dependence on global semiconductor demand also makes its equity market vulnerable to changes in US technology valuations, export restrictions and concerns about the profitability of AI-related investment. The index's sharp mid-week advance and subsequent correction illustrate both the strength of the underlying technology theme and the volatility associated with it.





S&P/ASX 200 Benchmark

Australia's S&P/ASX 200 rose from 9,030 on 9 November to 9,082 on 13 November, a gain of 52 points, or 0.58% (Figure 26). The index advanced to 9,129 on 10 November and 9,153 on 11 November, before easing to 9,147 on 12 November and 9,082 on 13 November. The market therefore recorded a modest overall gain, despite losing some of its mid-week momentum.

The relatively stable performance suggests that the Australian market was less exposed to the sharp technology-sector volatility that affected parts of Asia. Nevertheless, developments in global commodity prices, Chinese demand and US interest-rate expectations remain important influences on Australian equities. The *Wall Street Journal* also highlighted the sensitivity of the Australian dollar to a possible AI-sector correction, underscoring the broader transmission of global technology and financial-market developments to the Australian economy.

Outlook: Global Equities Face the Test of Sustainable Earnings Growth

The outlook for global equity markets remains cautiously constructive, although regional divergence and intermittent volatility are likely to persist. Corporate earnings, inflation trends and monetary policy will remain the key determinants of market direction. While continued investment in AI, semiconductors and digital infrastructure offers significant growth opportunities, concerns over elevated technology valuations and the sustainability of AI-related returns could trigger further corrections. Persistent US inflation, rising bond yields, geopolitical uncertainties and fluctuations in crude oil prices may also influence investor sentiment. Overall, a sustained market rally will depend on stronger earnings visibility and a favourable interest-rate environment. Investors are likely to favour fundamentally sound companies with credible growth prospects and reasonable valuations.

Tracking Commodity Trends

Global Commodity Markets: Geopolitical Uncertainty, Dollar Strength and Divergent Price Trends

Global commodity markets witnessed heightened volatility and divergent price movements during the week of 9–13 November 2026, reflecting the interplay of geopolitical developments, changing expectations regarding US monetary policy, movements in the US dollar and Treasury yields, and shifting investor sentiment following the US midterm elections. Energy prices came under pressure, while precious and industrial metals faced headwinds from a stronger dollar and concerns over global demand. Natural gas, however, recorded notable gains, highlighting the uneven performance across commodity segments. Agricultural markets remained influenced by global supply-and-demand assessments, export trends and regional crop developments.

Key Commodity Trends

- **Crude Oil and Energy:** Crude oil prices faced significant downward pressure early in the week amid expectations of a possible easing of US–Iran tensions following the US midterm elections. By 10 November, NYMEX crude had declined to around US$86.41 per barrel, from US$96.69 a week earlier, while Brent crude fell to approximately US$91.96 per barrel, compared with US$104.25 a week earlier. Nevertheless, continuing tensions in the Middle East and Eastern Europe sustained geopolitical risk concerns. In contrast, natural gas emerged as a notable outperformer, registering an increase of 8.6 % during the week.

- **Precious Metals (Gold and Silver):** Gold and silver prices remained under pressure from rising US Treasury yields, a stronger dollar and expectations of a less accommodative Federal Reserve policy. Resilient US labour-market and economic activity indicators reinforced concerns that interest rates could remain elevated for longer, reducing the appeal of non-yielding assets. Spot gold traded at around US$4,031 per ounce on 10 November, while broader weekly movements indicated a retreat in both gold and silver from their recent highs.

- **Industrial Metals (Copper):** Copper prices weakened, retreating to around US$6.25 per pound early in the week. The decline reflected concerns over global industrial demand and broader weakness in technology and semiconductor equities. Uncertainty surrounding regulatory scrutiny and local resistance to AI data-centre developments also contributed to concerns about the pace of investment in supporting infrastructure.

- **Agriculture and Grains:** Agricultural commodity markets remained focused on the US Department of Agriculture's World Agricultural Supply and Demand Estimates (WASDE), global export flows and regional crop conditions. Developments in wheat and grain sorghum markets, alongside reports of declining Ukrainian agricultural exports over the preceding three months, remained important considerations for global supply expectations.

Key Drivers of Commodity Price Movements

1. **US Midterm Elections and Geopolitical Developments:** The outcome of the US midterm elections prompted a reassessment of the political and policy outlook, including the potential implications for US–Iran relations, fiscal priorities and regulatory scrutiny of the technology sector. Expectations surrounding the possibility of de-escalation in the Middle East contributed to the early-week decline in crude oil prices, although continuing geopolitical tensions limited the easing of risk premiums.

2. **US Macroeconomic Data, Treasury Yields and the Dollar:** Resilient US employment and economic activity indicators, together with persistent inflation concerns, strengthened expectations that monetary policy could remain restrictive for longer. Firmer Treasury yields and dollar strength weighed particularly on precious metals and other dollar-denominated commodities, while influencing broader investor positioning across commodity markets.

3. **Geopolitical Risks and Capital Reallocation:** Continuing tensions in the Middle East and Eastern Europe sustained uncertainty over energy supplies and global trade flows. At the same time, volatility in equity markets and the reassessment of valuations in technology-related sectors influenced capital allocation across financial and commodity markets. These developments contributed to divergent price movements across energy, metals and agricultural commodities.

Indian Commodity Markets: Global Headwinds and Divergent Trends Across Commodity Segments

Indian commodity markets witnessed broadly negative price movements during the week of 9–13 November 2026, with bullion, crude oil and base metals facing selling pressure on the Multi Commodity Exchange (MCX). Natural gas, however, emerged as a notable outperformer, recording a sharp price increase. Agricultural commodity indices on the National Commodity and Derivatives Exchange (NCDEX) registered modest declines, reflecting a generally cautious trading environment.

MCX: Non-Agri Commodity Trends

Bullion and other non-agricultural commodities initially opened the week on a positive note on 9 November, with MCX Gold briefly touching ₹1,43,900 per 10 grams and Silver reaching ₹1,88,460 per kg. However, prices subsequently reversed course, amid profit-booking following the Dhanteras rally, a stronger US dollar index (around 103) and firm US Treasury yields. These developments exerted downward pressure on precious metals, while crude oil and base metals also experienced selling pressure. Natural gas, in contrast, recorded a sharp increase, emerging as the strongest performer among the major energy contracts.

Exchange Developments: Separately, shares of MCX India witnessed a significant rally during the week, closing at ₹3,720 on 13 November, supported by strong Q2 and first-half FY27 financial performance. Investor sentiment was further strengthened by the exchange's decision to extend contract expiries to up to 12 months for base metals and 18 months for crude oil, alongside the consolidation of GST delivery hubs, effective November 2026. These

developments are expected to enhance the exchange's operational efficiency, expand trading flexibility and strengthen its market infrastructure.

NCDEX: Agricultural Commodity Trends

Agricultural futures on NCDEX maintained a cautious and relatively subdued trend during the week, with benchmark indices registering modest declines by the close on 13 November.

Benchmark Agricultural Indices: The NCDEX NDEX closed at 38,970.05, declining by 0.61 % on Friday, 13 November, while the FINNDEX ended at 55,580.15, down 0.47 %. The modest losses indicate relatively weak sentiment across the agricultural derivatives segment.

Oilseeds and Oilmeal Complex: Castor seed contracts for November and December traded in the range of ₹8,185–₹8,440 per quintal, while Cotton Seed Oilcake (COCUDAKL) was quoted at around ₹3,958 per quintal. Trading activity reflected market positioning amid steady domestic crushing operations and seasonal arrivals, with participants closely monitoring supply conditions and demand prospects.

Spices and Pulses: Major spice commodities, including Jeera, Turmeric and Dhaniya, largely remained range-bound, with selective buying emerging at lower price levels. In the pulses segment, Chana prices remained sensitive to government procurement and disposal policies, particularly in view of the anticipated changes in NAFED's auction rules during mid-November.

Overall, Indian commodity markets reflected the influence of global financial conditions, currency movements, seasonal supply factors and domestic policy developments. While the weakness in bullion and several non-agricultural commodities mirrored international price trends, agricultural markets remained relatively subdued amid evolving supply-demand conditions. The divergent performance across commodity segments underscores the importance of monitoring global macroeconomic developments alongside domestic production, procurement and trading policies.

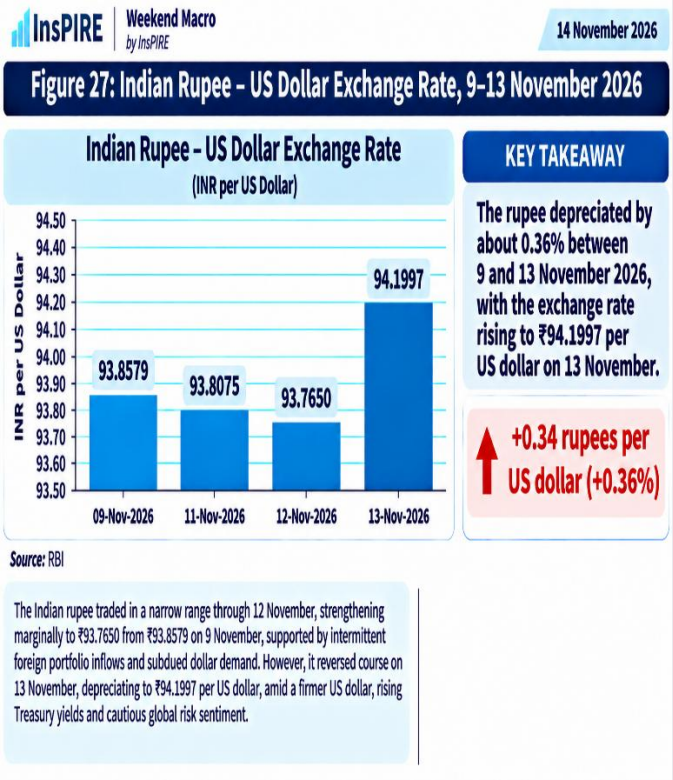
Rupee Watch

Indian Rupee: External Headwinds and the Challenge of Currency Stability

The Indian rupee exhibited a volatile trajectory against the US dollar during 9–13 November 2026, initially strengthening marginally before reversing its gains towards the end of the week. RBI data show that the exchange rate improved from ₹93.8579 per dollar on 9 November to ₹93.7650 on 12 November, before weakening sharply to ₹94.1997 on 13 November (Figure 27). This represented a depreciation of approximately 0.36 % over the period. The reversal reflected mounting external pressures, particularly a stronger US dollar, rising US Treasury yields and renewed concerns over crude oil prices.

The rupee weakened to ₹94.1997 per dollar on 13 November, while the yield on the benchmark 10-year government security rose six basis points to 7.31 %, reflecting pressure from rising crude oil prices and a firm dollar. Concerns over supply disruptions in the wake of fresh attacks on Saudi Aramco infrastructure and shipping disruptions in the Strait of Hormuz pushed Brent crude higher, adding to external-sector and inflation concerns. Meanwhile, India’s foreign exchange reserves rebounded by $2.49 billion to $719.55 billion in the week ended November 6, following eight consecutive weeks of decline, largely supported by an increase in gold reserves. The outlook for the rupee and bond yields will remain closely linked to

crude oil prices and broader global financial conditions.



Climate & Sustainability Lens

COP 31 - Key Developments

COP31: UK Reaffirms Climate Leadership, Emphasises Electrification and Global Cooperation

The UK has reiterated its commitment to global climate leadership at COP31 in Antalya, with Foreign Secretary Ed Miliband emphasising the importance of clean energy, electrification and international cooperation in accelerating climate action. In an interaction with *Carbon Brief*, Miliband defended the COP process as an essential multilateral platform for building coalitions and translating climate commitments into tangible action, despite growing criticism of its effectiveness. He reaffirmed the UK's commitment to its 2030 emissions-reduction target and expressed support for the Turkish presidency's 35×35 electrification pledge, arguing that reducing dependence on fossil fuels is increasingly important for energy security and economic stability, particularly amid geopolitical conflicts and volatile energy prices. On climate finance, he advocated reforms to multilateral development banks to mobilise greater resources for developing countries, including climate resilience and debt relief. He also called for stronger international cooperation on methane reduction and support for the Brazilian roadmaps on transitioning away from fossil fuels and combating deforestation. His intervention underscores an emerging convergence between climate action, energy security and economic resilience, while highlighting the need to move beyond negotiated commitments towards practical implementation, particularly in mobilising finance and technology for developing economies. *(Source: Carbon Brief 12 November 2026)*

China at COP31: Climate Finance, Energy Transition and the Push for Global Cooperation

China has called for stronger international cooperation and a renewed commitment to climate action at COP31 in Antalya, emphasising that the global transition towards a low-carbon economy must remain irreversible. Its negotiating position has focused on addressing the persistent shortfall in climate finance, ensuring that developed countries fulfil their financial commitments, and facilitating the transfer of clean-energy technologies to developing economies. China, alongside other BASIC and Like-Minded Developing Countries (LMDCs), has expressed concern over inadequate adaptation finance and opposed unilateral trade measures, including carbon border adjustment mechanisms, arguing that these could undermine the development prospects of emerging economies. Chinese Vice-President Han Zheng, representing President Xi Jinping at the leaders' summit, reiterated the importance of South–South cooperation, climate resilience and capacity-building, while urging developed countries to take the lead in providing climate finance. China also reaffirmed its commitment to accelerating electrification and strengthening green economic and technological cooperation. Its position at COP31 reflects an effort to balance global climate ambitions with the principles of equity, development and differentiated responsibilities, while reinforcing its role in shaping climate diplomacy and the priorities of the Global South. *(Source: Carbon Brief, 12 November 2026)*

COP31: Global Momentum Builds Behind the 35×35 Electrification Pledge

The Turkish COP31 presidency's 35×35 electrification pledge is gaining international support, with at least 14 countries, including Germany, South Korea and Pakistan, publicly backing the initiative. The voluntary commitment seeks to increase electricity's share of global final energy consumption to 35% by 2035, from around 23% currently. Carbon Brief reports that 15 countries had formally signed the pledge by Tuesday, while another 32 had indicated their support, with the UK also expected to endorse it and the EU widely anticipated to join. However, the proposed acceleration of electrification raises concerns about the environmental and human rights implications of increased mining for critical minerals, underscoring the need for appropriate safeguards. Meanwhile, COP31 negotiations remain marked by divergent positions on climate finance and adaptation. African countries are pressing for a clear roadmap to deliver the commitment to triple adaptation finance, while Pacific island nations have struggled to secure financial backing for the proposed Pacific Resilience Facility. These developments highlight the growing momentum behind electrification as a pillar of the global energy transition, but also expose the continuing divide between climate ambitions and the financial and institutional support required to translate them into equitable and sustainable outcomes. *(Source: Carbon Brief, 12 November 2026)*

AIIB's $1.6 Billion Climate Financing Package: Boosting Türkiye's Green Transition

The Asian Infrastructure Investment Bank (AIIB) has approved a record $1.6 billion climate policy-based financing package for Türkiye to support policy reforms aimed at accelerating its green transition and mobilising private investment. The agreement comes as Türkiye faces an estimated requirement of $68 billion in additional climate investment by 2030, with nearly half expected from private sources. The financing will support implementation of the country's Climate Law and its emissions-reduction roadmap, which includes an interim 2035 target and a net-zero ambition for 2053. Key priorities include scaling up sustainable finance, strengthening the emerging emissions trading system, accelerating

renewable energy deployment and improving climate resilience. The programme also envisages licensing 1,800 MW of wind and solar capacity by early 2027, bringing at least 180 industrial facilities into emissions reporting, and helping 225,000 farmers in water-stressed regions shift towards less water-intensive crops by 2028. This partnership illustrates the growing role of multilateral development banks in using policy-based financing to catalyse private climate investment, strengthen regulatory frameworks and align economic development with decarbonisation and climate adaptation objectives. *(Source: "COP31 host Turkey, AIIB strike record $1.6 billion climate policy deal" by Simon Jessop, Reuters, November 12, 2026)*

COP31: From Lofty Climate Pledges to Delivering on Past Commitments

The discussions at COP31 have brought the tension between ambitious climate targets and the realities of implementation into sharp focus. Building on last year's push for a transition away from fossil fuels, the COP31 presidency is seeking a new global electrification pledge. However, the proposal has exposed differences over priorities, financing and the pace of transition, with India choosing not to endorse the pledge in the absence of adequate climate finance commitments. The limited participation of several prominent world leaders, including those from countries that have traditionally championed climate action, also raises questions about the political momentum behind the negotiations. Meanwhile, concerns that electrification targets must be accompanied by commitments to expand green power, alongside calls for stronger international trade cooperation, underline the need for a more integrated approach to climate action. The debate over China's emissions trajectory further highlights how national economic interests shape climate choices. Ultimately, COP31's credibility will depend less on announcing new and ambitious targets than on ensuring that developed countries honour existing commitments, particularly on climate finance, technology transfer and support for developing economies. Delivering on past promises must take precedence over adding to an already crowded agenda of global climate pledges. *(Source: Carbon Brief, 12 November 2026)*

Climate Ambitions, Finance and Fossil Fuels: The Challenge of Building Consensus at COP31

The opening exchanges at COP31 in Turkey have exposed deep divisions among world leaders over the pace, financing and direction of the global climate transition, posing a challenge to negotiators seeking a consensus-based agreement. Small island states have called for urgent emission reductions, warning that rising sea levels threaten their very survival, while European leaders have advocated a faster shift towards electrification. Developing countries, in turn, have reiterated demands for greater financial support from advanced economies to fund clean energy transitions, climate adaptation and recovery from climate-related losses. Fossil fuel-producing nations continue to defend the role of oil, gas and coal in their development strategies. With the world already projected to exceed the Paris Agreement's 1.5°C warming threshold, geopolitical conflicts and inflation are further complicating climate diplomacy. The central challenge for COP31 will be to bridge these competing priorities and translate climate commitments into credible action on emissions, finance and energy transition. *(Source: Reuters 13 November 2026)*

Renewable Energy Saves India Over $100 Billion in Fossil Fuel Imports

India's rapid expansion of renewable energy capacity is delivering significant economic and energy security benefits, helping the country avoid more than $100 billion in coal and natural gas import costs between 2011 and 2025, according to the International Energy Agency's India Renewable

Energy Market Report 2026. Between March 2014 and September 2026, India added 168 GW of solar and 38 GW of wind capacity, while installed bioenergy capacity reached 12 GW. The IEA estimates that without the solar, wind and bioenergy capacity added since 2010, India would have required an additional 110 million tonnes of imported coal in 2025 alone. Cumulative savings on coal and gas imports could rise to $240 billion, or approximately ₹22.6 trillion, if international fuel prices remain around their 2024–25 average levels. These estimates underline how renewable energy is not merely supporting India's climate commitments but also reducing exposure to volatile international fuel markets, easing pressure on the import bill and strengthening long-term energy security. Sustaining the momentum in clean energy investment will therefore be critical to advancing both India's energy transition and its broader economic resilience.

Clean Energy, Data Centres and Manufacturing: ReNew's Expanding Andhra Pradesh Ambitions

ReNew Energy Global has announced fresh investments of approximately ₹80,000 crore in Andhra Pradesh, expanding its presence across digital infrastructure and clean-energy manufacturing. The proposed investments include a ₹67,000 crore, 1 GW green hyperscale data centre in Anakapalli; ₹11,000 crore in polysilicon and metallurgical silicon manufacturing facilities in Anakapalli and Nellore; and a ₹1,500 crore permanent magnet manufacturing facility in Rambilli. These projects are expected to take the company's cumulative investment in the state to around ₹1.62 trillion over seven years. ReNew's diversification into data centres reflects the growing convergence of digital infrastructure and clean energy, with access to reliable, competitively priced green power emerging as a critical requirement for data-centre operations. Its proposed entry into permanent magnets also seeks to strengthen domestic supply chains for components used in wind turbines, electric motors and other applications. The company has emphasised the strategic importance of reducing dependence on Chinese supply chains for critical clean-tech materials. ReNew's plans also underline the need to accelerate investments in battery storage and transmission infrastructure to address renewable energy curtailment and improve grid flexibility as India expands its clean-energy capacity. *(Source: Interview of Sumant Sinha, Chairman & CEO, ReNew, Business Standard, 13 November 2026)*

India's Green Hydrogen Mission: Bridging the Gap Between Ambition and Execution

India's National Green Hydrogen Mission, launched in January 2023 with an outlay of ₹19,744 crore and a target of producing 5 million tonnes annually by 2030, is yet to translate its ambitious goals into large-scale commercial capacity. Although major companies, including Reliance Industries, the Adani Group and NTPC, have committed around $180 billion to green hydrogen and ammonia projects, implementation remains slow, with no plant supported under the SIGHT subsidy scheme fully commissioned as of July 2026. The principal challenges are high production costs, uncertain demand, inadequate infrastructure and the absence of mandatory green hydrogen purchase obligations. Replicating the success of India's solar sector will therefore require more than production incentives. Phased consumption mandates for fertiliser plants and refineries, longer-term bankable purchase contracts, payment security and mechanisms such as Contracts for Difference could help bridge the cost gap and attract financing. Green ammonia for the fertiliser sector is likely to achieve commercial viability ahead of other applications, while refineries, steel and shipping may follow over the next decade. India's low renewable energy costs and growing private-sector interest offer a strong foundation, but converting investment

commitments into operational capacity will depend on creating reliable demand and a commercially viable project ecosystem. *(Source: "The delayed promise of green hydrogen" by Sudheer Pal Singh, Business Standard, 13 November 2026)*

BYD Broadens India Strategy, Exploring Plug-in Hybrids and Luxury EVs

BYD is exploring the introduction of plug-in hybrid electric vehicles (PHEVs) in India, signalling a possible expansion beyond its fully electric passenger vehicle portfolio. The company has begun evaluating the technology for Indian driving conditions, including road tests that reportedly achieved a range of 1,735 km, although no launch timeline or model selection has been finalised. The move comes alongside the launch of its luxury brand, Denza, in India, with the Z9 GT and D9 targeting the premium EV segment at introductory prices of ₹1.57 crore and ₹90 lakh, respectively. BYD's dual strategy reflects an effort to tap emerging opportunities across both the mass-premium and luxury ends of India's evolving electric mobility market. However, the commercial viability of PHEVs will depend on consumer awareness, charging infrastructure, pricing and the ability to differentiate them from conventional hybrids and pure EVs.

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