

Weekend Macro *by InsPIRE*

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RBI's Hawkish Turn: Inflation risks and the policy dilemma

Inflation Watch: Rising retail and wholesale prices

Industrial Pulse: Core sector growth hits a 30-month high

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Where Macroeconomics, Markets, and Climate Converge

A Weekly Brief by InsPIRE

Resilience in a Changing Global Economy

The defining feature of today's economic landscape is the growing interconnectedness of risks. Geopolitical tensions are reshaping energy markets, financial volatility is influencing investment decisions, and climate change is imposing rising economic and human costs. These forces are no longer separate concerns; together, they are redefining the choices facing policymakers and businesses.

For India, strong industrial activity and expanding trade opportunities provide a foundation for resilience, but rising inflation, energy-import costs and currency pressures demand careful management. The challenge is not simply to sustain growth, but to make it more resilient to external shocks. This calls for credible monetary policy, stronger domestic supply chains, diversified energy sources and accelerated investment in climate-resilient infrastructure and clean energy.

This issue of Weekend Macro by InsPIRE explores these shifting dynamics across the global economy, financial markets and climate change, highlighting their implications for India. In an uncertain world, lasting economic strength will depend not merely on responding to immediate pressures, but on anticipating risks, adapting to structural change and turning disruption into opportunity.

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Insight

RBI's Hawkish Turn: Balancing Inflation Risks Against Growth Resilience

The RBI's October MPC minutes mark a decisive shift in India's monetary policy: from supporting growth through potential easing to containing the risk of persistent inflation through calibrated tightening. Although the 25-basis-point repo rate hike to 5.50% was unanimous, the change in stance to calibrated tightening signals that rate cuts are off the table in the near term, with the next move likely to be either a pause or a further hike. The policy pivot reflects an increasingly difficult trade-off: GDP growth has strengthened to 7.8% in Q1 FY2026–27, prompting an upward revision of the full-year forecast to 7.1%, but inflationary pressures are broadening amid elevated food and energy prices, geopolitical uncertainty and emerging signs of cost pass-through. CPI inflation increased to 4.83% in August, while core inflation rose to 4.2%. The RBI projects inflation at 5.2% for the financial year, with a peak of 6% in the third quarter. Higher food and energy prices, an erratic monsoon, El Niño conditions, geopolitical tensions and the risk of cost pressures spreading across goods and services have strengthened the case for pre-emptive action. The RBI's immediate priority is now to prevent a supply-side shock from becoming entrenched inflation, without undermining the growth momentum it seeks to preserve.

Governor Sanjay Malhotra's statement was somewhat hawkish, emphasising the broadening of price pressures and the risks arising from strong monetary and credit growth. He indicated that rate cuts were off the table in the near term, leaving a hike or pause dependent on incoming evidence. Dr Indranil Bhattacharyya similarly favoured pre-emptive tightening, citing rising underlying inflation, higher household expectations and the likelihood of further cost pass-through. Saugata Bhattacharya argued that resilient growth and tightening output slack justified a stronger focus on inflation persistence, while stressing that the pace of adjustment must remain calibrated. Dr Poonam Gupta supported a rate increase to preserve the credibility of the inflation-targeting framework, warning that policy should not wait for definitive evidence of generalisation when inflation could approach the upper tolerance limit.

The other members shared the concern over inflation but differed on the appropriate policy signal. Dr Nagesh Kumar highlighted strong manufacturing growth, investment prospects and export resilience, while attributing inflation largely to supply-side factors and preferring to retain a neutral stance. Professor Ram Singh also supported a 25-basis-point hike but opposed changing the stance, arguing that significant rate increases could weaken consumption and investment when clear signs of demand-driven overheating were absent. All six members voted for the rate increase; however, Dr Nagesh Kumar and Professor Ram Singh favoured retaining the neutral stance. The distinction is important: unanimity on the immediate action did not imply unanimity on the future policy direction.

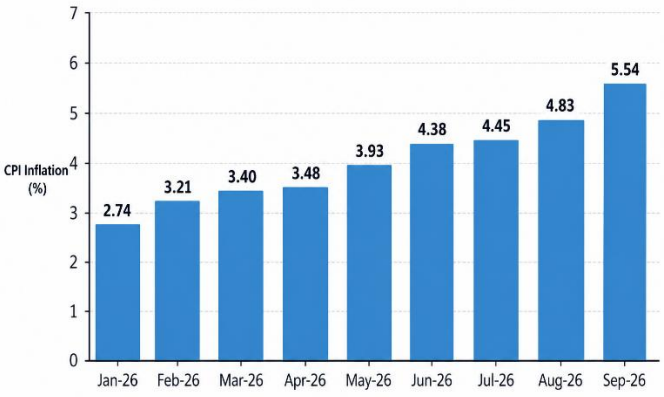
For markets and businesses, the message is one of heightened vigilance rather than an automatic commitment to a prolonged rate-hiking cycle. Borrowing costs could remain elevated, while banks and firms will need to assess the implications for credit demand, investment and working capital. The trajectory of crude oil prices, food inflation, inflation expectations and evidence of second-round price effects will be critical. The October minutes suggest that the RBI is increasingly prioritising the prevention of persistent inflation over the possibility of near-term monetary easing. The challenge will be to anchor expectations without unnecessarily disrupting India's growth momentum.

India Macro & Policy Tracker

Beyond the 5% Mark: Can India Contain Inflation Without Sacrificing Growth?

India's inflation trajectory has taken an uncomfortable turn. Retail inflation rose to 5.54% in September 2026 from 4.83% in August (Figure 1), crossing the 5% mark for the first time under the revised Consumer Price Index (CPI) series with base year 2024. More concerningly, food inflation accelerated to 7.74% from 5.97% (Figure 2), placing renewed pressure on household budgets and complicating the monetary policy outlook.

Figure 1: CPI Inflation in India



Source: MoSPI, GoI

Figure 2: Consumer Food Price Inflation in India



Source: MoSPI, GoI

The increase is predominantly supply-driven, but its implications extend beyond food prices. Onion inflation surged to 108.09% year-on-year, while garlic and lemon prices rose by 54.62% and 36.41%, respectively. Although potato and tomato prices remained below their year-earlier levels, the broader food basket reflects significant price volatility. Inflation in restaurants and accommodation services reached 9.36%, while personal care and miscellaneous goods and services recorded 13.75%. These increases suggest that price pressures are not confined to a handful of essential commodities.

The rural–urban divide is equally significant. Urban inflation rose to 4.88% from 4.31%, while rural inflation increased to 6.08% from 5.24%. With food accounting for a substantial share of rural household expenditure, persistent price increases could erode purchasing power, weaken consumption and disproportionately affect lower-income households. Meanwhile, transport inflation reached 5.01%, adding to concerns about input costs and the potential transmission of higher energy prices.

The outlook remains clouded by deficient monsoon conditions, emerging El Niño risks, elevated global commodity prices and rupee weakness. SBI Research estimates that inflation could peak at 6.7–6.8% in November, with average FY2026–27 inflation at around 5.3%. These projections remain conditional on the evolution of supply-side pressures.

For the RBI, the challenge is to distinguish temporary food-price shocks from persistent, broad-based inflation. SBI Research highlights possible monetary tightening, including a calibrated increase in rates or a larger repo-rate adjustment. However, aggressive tightening cannot directly

resolve supply shortages and could constrain credit and economic activity.

The appropriate response must therefore combine vigilant monetary policy with effective food-supply management, timely market interventions and measures to strengthen agricultural resilience. Containing inflation without undermining growth will depend on preventing supply shocks from becoming entrenched inflationary expectations.

Wholesale Inflation Surges to 11.39%: Rising Cost Pressures Threaten Economic Stability

India's inflationary pressures are intensifying, raising concerns about production costs, corporate profitability and the outlook for consumer prices. Provisional data released by the Office of the Economic Adviser show that wholesale price index (WPI) inflation accelerated to 11.39% in September 2026 from 9.92% in August (Table 1), reflecting mounting pressures across commodities, energy and manufactured products.

Fuel and Power inflation surged to 25.85% from 22.93%, driven by mineral oils and crude petroleum and natural gas. Inflation in Primary Articles rose to 8.67%, while Manufactured Products inflation climbed to 9.76% from 8.37%. The broad-based increase suggests that cost pressures are spreading through industrial supply chains.

Manufacturing faces particular challenges. Inflation in basic metals reached 16.96%, chemical products 16.74%, and rubber and plastic products 13.47%. Textile inflation stood at 13.85%. Such increases could squeeze corporate margins or translate into higher prices for downstream industries and consumers. Meanwhile, the WPI Food Index recorded inflation of 8.66%, up from 7.05% in August, reinforcing concerns about food-price pressures.

Table 1: WPI Inflation in India

Month	All Commodities (%)	Primary Articles (%)	Fuel & Power (%)	Manufactured Products (%)	Food Index (%)
Jan-26	1.19	-0.09	-3.83	2.82	-0.36
Feb-26	2.18	1.64	-3.37	3.61	1.27
Mar-26	3.98	2.58	3.20	4.80	1.92
Apr-26	8.36	3.96	25.00	6.68	3.29
May-26	9.88	5.26	30.80	7.68	4.58
Jun-26	9.97	7.00	27.18	7.78	6.23
Jul-26	9.78	8.61	19.82	8.29	6.56
Aug-26	9.92	7.76	22.93	8.37	7.05
Sep-26	11.39	8.67	25.85	9.76	8.66

Source: Office of the Economic Adviser, Ministry of Commerce and Industry, GoI

Producer Price Index (PPI) data offer an additional perspective. The Output PPI for all commodities rose to 112.5 in September from 110.8 in August. The indices for agriculture, forestry and fishing, mining and quarrying, and manufactured products increased to 118.7, 129.2 and 111.0, respectively. These movements indicate rising prices received by producers across key sectors, although the PPI release reports index levels rather than a comparable overall year-on-year inflation rate.

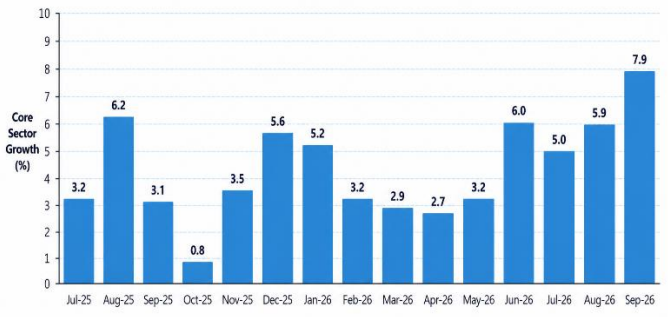
The simultaneous rise in wholesale prices and output producer prices warrants close monitoring. Higher production costs may eventually feed into retail inflation, although the extent and timing of pass-through depend on demand, competition and firms' pricing power.

The policy priority is to ease supply bottlenecks, strengthen energy security and improve logistics and commodity-market efficiency. Monetary policy must remain alert to second-round price effects without unnecessarily constraining investment and demand. India's challenge is to contain inflationary pressures while preserving the momentum of industrial production and economic growth.

India's Core Sector Growth Hits 30-Month High of 7.9% in September

India's core industries recorded a 30-month-high growth of 7.9% in September 2026, up from an upwardly revised 5.9% in August (Figure 3), supported by a sharp recovery in coal production, robust iron ore output, record growth in refinery products and a favourable base effect. Seven of the nine sectors improved month-on-month, with iron ore growth more than tripling to 18.4%, coal rebounding to 10.7% and refinery products expanding 10.3%, their strongest growth under the new series. Electricity output grew 11.4%, while steel production accelerated to 4.9%. Infrastructure spending, including outlays on roads and railways, higher electricity demand and exports supported industrial activity. However, cement growth eased to 9.8%, while fertiliser, natural gas and crude oil output contracted. Despite the strong year-on-year performance, the overall core industries index declined 1.74% month-on-month to a five-month low, indicating some sequential moderation. Cumulatively, core sector output grew 5.1% during April–September FY27, compared with 2.5% in the corresponding period a year earlier. Since the core industries account for around 40% of the Index of Industrial Production (IIP), the September performance provides a positive signal for industrial activity, although ICRA expects IIP growth to moderate to 6–7% from 8% in August, partly due to an elevated base effect.

Figure 3: Core Sector Growth



Source: Office of Economic Adviser, Ministry of Commerce & Industry, GoI

India–New Zealand FTA Takes Effect, Opening New Export Opportunities for Indian Businesses

India marked a milestone in its trade partnership with New Zealand on Monday by flagging off its first consignment under the free trade agreement (FTA), which came into force on 20 October 2026. The consignment, a JCB-18Z mini-excavator manufactured in Maharashtra, signals the beginning of new export opportunities for Indian businesses. Under the agreement, New Zealand will eliminate tariffs on 100% of Indian goods exports, providing zero-duty access from the outset to engineering goods, pharmaceuticals, textiles, marine products, chemicals, leather and footwear, gems and jewellery, and electronic goods. Plastic articles and agricultural products will also benefit from tariff elimination. Commerce and Industry Minister Piyush Goyal described the agreement as an opportunity for businesses, innovators, students, farmers and educationists in both countries. While India has offered market access across 70.03% of its tariff lines, covering approximately 95% of New Zealand's export value, sensitive sectors—including dairy, sugar and several agricultural products—remain protected from tariff concessions. Other imports will be subject to phased tariff reductions, quotas, minimum import prices or seasonal restrictions, as applicable. The agreement also provides for streamlined pharmaceutical market access and improved customs clearance, with standard cargo targeted for clearance within 48 hours and express shipments and perishable goods within 24 hours.

Beyond merchandise trade, the FTA seeks to deepen economic engagement through services, investment and professional mobility. It provides market access across 118 services sectors and sub-sectors, including information technology, healthcare and engineering, alongside most-favoured-nation treatment in 139 sectors. Skilled Indian professionals will have access to a new

temporary employment visa pathway covering 5,000 people, with stays of up to three years in eligible fields. Indian students will be permitted to work up to 20 hours a week while studying, while eligible graduates will receive extended post-study work opportunities; the agreement also provides for 1,000 annual working-holiday visas for young Indians. New Zealand has committed to investing $20 billion in India over 15 years. With bilateral trade currently around $1.2 billion annually, the two countries aim to double trade by 2030. New Zealand's Trade and Investment Minister Todd McClay emphasised that effective implementation and business awareness would be essential to realising the agreement's potential. The FTA, negotiated from March to December 2025, offers India an opportunity to diversify export markets, strengthen services trade and attract investment, although its ultimate benefits will depend on how effectively businesses utilise the new market-access provisions.

India's FTAs: Greater Market Access, but Persistent Trade Imbalances

India's experience with existing trade agreements highlights the challenge of translating greater market access into balanced trade outcomes. Since signing its first FTA with Sri Lanka in 1998, India has expanded its trade arrangements to cover 23 partner countries through bilateral agreements and regional blocs, including ASEAN and the European Free Trade Association (EFTA). Yet, India recorded an aggregate trade deficit with these partners throughout the period under review, with the deficit widening from $8.2 billion in 1998 to $127 billion in 2025. The number of partner countries with which India ran a trade deficit also increased from 11 to 16 over this period. The UAE, Singapore and South Korea together account for nearly half of India's imports from these partners, underscoring the concentration of trade flows. The experience suggests that FTAs alone do not guarantee export gains; their benefits depend on domestic competitiveness, market access utilisation, product diversification and the ability of Indian businesses to integrate into global value chains. The India–New Zealand agreement will therefore need to be assessed not merely by the expansion of bilateral trade, but also by its contribution to export growth, investment and a more sustainable trade balance.

FM Sitharaman Calls for Global Convention on Economic Sanctions Amid Rising Spillover Risks

Finance Minister Nirmala Sitharaman has urged the international community to explore a multilateral convention on economic sanctions outside the Bretton Woods Institutions, including the World Bank and the International Monetary Fund (IMF), citing the growing economic and financial consequences of primary and secondary sanctions for countries beyond those directly targeted. Speaking at a meeting of the International Monetary and Financial Committee during the IMF–World Bank annual meetings in Bangkok, she also highlighted the wider spillover effects of trade and technology restrictions, carbon taxes, and industrial and labour policies. Her remarks came amid concerns over US sanctions on Russia and Iran and the potential implications for countries such as India, particularly in balancing affordable energy imports with access to export markets. Sitharaman further warned that large fiscal deficits, high public debt and heavy investment in artificial intelligence were pushing up bond yields in major economies, creating capital-flow pressures, exchange-rate volatility and tighter financing conditions for emerging markets. She called for sound macroeconomic management, stronger fiscal buffers, efficient public spending, targeted social protection and close fiscal-monetary coordination. Turning to India, she highlighted the economy's resilience, supported by infrastructure investment, robust manufacturing, domestic consumption and healthier bank and corporate balance sheets. The

IMF has projected India's growth at 7% in both FY27 and FY28, with the country contributing nearly 18% of global growth. While inflation expectations remain anchored, she cautioned that rising food, freight and energy costs could spread to core inflation, requiring monetary vigilance and targeted supply-side interventions. Sitharaman also emphasised growth-oriented fiscal consolidation, which prioritises capital expenditure while improving spending efficiency, and noted that more than $130 billion had been raised through foreign currency non-resident (bank) deposits, strengthening India's foreign exchange reserves.

India's Crude Oil Import Bill Surges 47% to $15.4 Billion in September

India's crude oil import bill surged 47% year-on-year to $15.4 billion in September 2026, driven primarily by a sharp increase in international oil prices amid escalating tensions and supply disruptions in West Asia. While crude import volumes rose by a relatively modest 7% to 21.7 million tonnes, the average price of the Indian crude basket climbed to $116.09 per barrel from $69.61 a year earlier. Disruptions affecting shipping through the Strait of Hormuz and threats to the Bab el-Mandeb route constrained supplies and raised energy costs. Russia remained India's largest crude supplier, accounting for 35% of imports, while the top five suppliers together contributed around 70%. The net oil and gas import bill increased 40% to $13.4 billion as petroleum product exports fell 24.6% to $4.8 billion. For April–September FY27, India's crude oil import bill rose 46.4% to $90.6 billion, underscoring the growing pressure of elevated energy prices on the country's external balance and import costs.

Power Distribution Goes Digital: Government Unveils Unified Framework for DISCOMs

The Ministry of Power has launched a unified framework for digitalisation of the electricity distribution sector, prepared by the Central Electricity Authority (CEA), to address rising electricity demand, greater renewable energy integration and growing consumer expectations for reliable and affordable power. The framework adopts a need-based approach, enabling distribution utilities (DISCOMs) to select digital technologies according to their network conditions, investment priorities and expected benefits. Key capabilities include smart metering, supervisory control and data acquisition (SCADA), geographic information systems (GIS), outage management, distributed energy resource management and artificial intelligence-enabled analytics. The initiative aims to facilitate the integration of renewable energy, electric vehicles and energy storage systems, empower consumers through better consumption management and dynamic pricing, and improve power quality by reducing outages and enhancing voltage stability. It also seeks to modernise network assets, improve energy accounting and reduce aggregate technical and commercial (AT&C) losses to below 10%, while strengthening cybersecurity to protect grid infrastructure, communications and consumer information. A five-year implementation sequence will guide DISCOMs from GIS connectivity and advanced metering infrastructure towards more sophisticated AI- and machine-learning-based outage management, predictive fault detection and automatic restoration. The framework marks an important step towards a more efficient, resilient and data-driven electricity distribution system.

India and Poland Aim to Double Bilateral Trade to $12.6 Billion by 2030

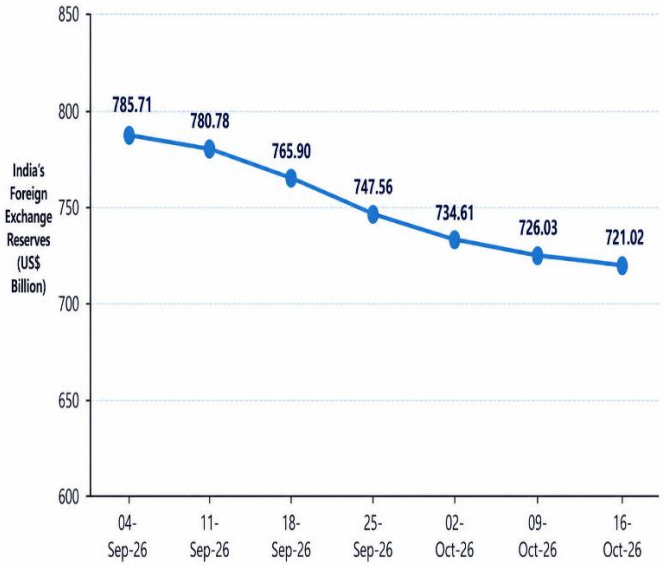
India and Poland signed four agreements following talks between Prime Minister Narendra Modi and Polish Prime Minister Donald Tusk, with the two countries aiming to double bilateral trade from the current $6.3 billion by 2030 by leveraging the India–EU free trade agreement. They also established a defence industry dialogue to promote co-

development, co-production and greater business-to-business engagement. The partnership is set to expand across strategic sectors, including defence, space, nuclear energy, critical minerals and coal gasification. The leaders also discussed the implications of the Ukraine conflict for global food and energy security, with Modi reaffirming India's willingness to contribute to meaningful efforts to achieve peace. Private-sector agreements spanning space, railways, mining and coal gasification further underscored the growing economic and industrial ties between the two countries.

India's Foreign Exchange Reserves Decline 8.23% in Six Weeks After Record Peak

India's foreign exchange reserves have declined sharply from their historic high of US$785.71 billion on September 4, 2026, falling by US$64.69 billion, or 8.23%, to US$721.02 billion as of October 16, according to RBI data (Figure 4). The sustained week-on-week decline reflects, in part, the RBI's foreign-exchange market interventions to contain pressure on the rupee, alongside the redeployment of resources mobilised through the special swap facility for FCNR(B) deposits and other foreign-currency borrowings. The drawdown follows a period of global financial uncertainty and external pressures, highlighting the central bank's efforts to manage currency volatility and maintain orderly market conditions. While the decline is substantial, it should be viewed in the context of the factors influencing reserve movements rather than interpreted solely as evidence of capital flight.

Figure 4: India's Foreign Exchange Reserves



Source: Weekly Statistical Supplement, RBI

Corporate News

Festive Demand Drives Car Sales as Dealer Inventories Remain Under Control

India's passenger vehicle industry is entering the festive season with lower dealer inventories than a year ago, supported by robust retail demand and stronger bookings. In September 2026, retail registrations rose 32.1% year-on-year to 427,213 units, outpacing the 21.8% growth in manufacturers' dispatches to 454,574 units and narrowing the wholesale-retail gap by 45% to 27,361 vehicles. Consequently, dealer inventories stood at 43–45 days at the end of September, compared with around 60 days a year earlier, although they increased from 38–40 days in August as dealerships prepared for festive demand. Automakers are ramping up production, while discounts, exchange offers and loyalty benefits are supporting purchases across selected models.

Dealer sentiment remains upbeat, with more than three-fourths of respondents to the Federation of Automobile Dealers Associations' September survey expecting sales growth in October. However, the staggered timing of Dussehra and Diwali could spread deliveries across October and November, making sustained demand after the festive season crucial to prevent inventory accumulation and maintain sales momentum.

India's Smartphone Shipments Plunge 26% as Rising Memory Costs Hit Demand

India's smartphone market recorded its sharpest quarterly decline in a decade, with shipments falling 26% year-on-year to 35.6 million units in the July–September quarter of 2026, according to Omdia. Rising memory prices forced manufacturers to increase handset prices, dampening demand despite the onset of the festive season. All five leading brands reported lower shipments, with Vivo experiencing the steepest decline of 34%, followed by Xiaomi at 28%, Oppo at 24% and Apple at 20%. Samsung proved relatively resilient, with shipments declining by just 1% to 6.7 million units, enabling it to overtake Vivo and capture 19% of the market, compared with Vivo's 18%. The slowdown also reflected fewer exclusive launches, limited availability of affordable models and reduced promotional incentives during online festive sales, disproportionately affecting Chinese manufacturers, whose combined market share fell to 68% from 75% a year earlier. The outlook remains challenging, with India's smartphone shipments projected to decline to 132–133 million units in calendar year 2026 from 153 million in 2025. Sustained price pressures and weakening affordability could continue to constrain demand, making competitively priced devices and stronger festive-season sales strategies critical to reviving market momentum.

Tata Motors' CV Business Swings to ₹1,257 Crore Profit as Revenue Jumps 36%

Tata Motors' commercial vehicle business reported a consolidated net profit of ₹1,257 crore in Q2FY27, reversing a loss of ₹867 crore in the year-ago quarter, as higher vehicle sales and lower fair-value losses on investments supported earnings. Revenue from operations rose 36.3% year-on-year to ₹25,338 crore, while EBITDA increased 31% to around ₹2,800 crore, although the margin narrowed by 40 basis points to 10.9% amid rising commodity costs. Commercial vehicle wholesales surged 42% to 135,100 units, driven by domestic growth of 30% and an export increase of 177%. The company expects double-digit industry growth for FY27 but anticipates higher commodity costs, particularly for metals and tyre rubber, and is adopting calibrated price increases to protect margins without disrupting demand. Its domestic commercial vehicle market share reached 36.2% in the first half of FY27.

Adani Power's Q2 Profit Surges 142% to ₹7,019 Crore on Higher Revenue

Adani Power reported a 142% year-on-year increase in net profit to ₹7,019.32 crore in Q2FY27, while operating revenue rose 29.8% to ₹17,014.06 crore. The growth was driven by higher electricity demand, increased power sales, improved merchant realisations and higher tariffs under power purchase agreements (PPAs), alongside one-time prior-period revenue recognition of ₹2,422.25 crore, mainly reflecting revisions to historical energy charges under certain PPAs. Finance costs declined 9.7% to ₹760.23 crore, supported by strong operating cash flows and controlled debt utilisation. For the first half of FY27, net profit increased 91.4% to ₹11,885.92 crore. The company is also progressing with its capacity expansion programme to add 23,720 MW of new thermal power capacity to meet India's growing electricity demand.

UltraTech Cement's Q2 Profit Rises 21.3% on Strong Volumes and Cost Optimisation

UltraTech Cement reported a 21.27% year-on-year increase in consolidated net profit to ₹1,494 crore in the September quarter of FY27, supported by higher sales volumes, cost optimisation and a stronger focus on premium products. Revenue from operations rose 18.81% to ₹23,295 crore, while consolidated sales volumes increased 12.9% to 38.22 million tonnes. Domestic grey cement sales volumes grew 13.8% to 35.94 million tonnes, and capacity utilisation improved to 71% from 66% a year earlier. The company also recorded a 2% increase in sales realisation, contributing to improved profitability despite a monsoon-affected quarter and continuing geopolitical tensions in West Asia. Total expenses rose 18.44% to ₹21,339 crore, broadly in line with revenue growth, while overseas production declined 1.4% to 1.75 million tonnes. UltraTech attributed its performance to disciplined execution, an expanding market footprint, cost efficiencies and premiumisation. However, its shares traded 2.98% lower at ₹10,601.90 on Monday, indicating that the strong quarterly results did not translate into immediate gains in the stock market.

Hindustan Zinc's Q2 Profit Soars 142% on Higher Metal Prices and Record Production

Hindustan Zinc Ltd (HZL), a Vedanta Group company, reported a 142% year-on-year surge in net profit to ₹6,412 crore in Q2FY2027, supported by higher metal prices, record production and lower zinc production costs. Revenue from operations increased 77% to ₹15,093 crore, while EBITDA more than doubled to a record ₹9,285 crore. Zinc production costs, excluding royalty, declined 29% to $703 per tonne, aided by improved mined grades, higher output, greater use of renewable power and better by-product realisations. Mined metal production rose 5% to a record 271,000 tonnes, refined metal production increased 7% to 264,000 tonnes, and silver output climbed 20% to 173 tonnes. Stronger realisations and sales also boosted revenue from zinc and silver, which rose 54% and 141%, respectively. The robust performance extended to the first half of FY27, with net profit increasing 143% to ₹11,881 crore and EBITDA rising 108% to ₹17,359 crore. Separately, the company secured a letter of intent for the Gundlupet Rare Earth Element and Yttrium Block in Karnataka, marking a step towards diversifying into critical minerals and broadening its future growth opportunities.

JSW Steel's Q2 Profit Surges 225% to ₹5,279 Crore on Record Sales

JSW Steel reported a 225.3% year-on-year jump in consolidated net profit to ₹5,279 crore in Q2FY27, while revenue rose 20.7% to ₹54,486 crore, with both figures exceeding market estimates. The performance was driven by higher sales volumes, improved steel prices and better cost management. Quarterly production reached a record 7.27 million tonnes, while sales hit an all-time high of 7.46 million tonnes, including record domestic sales of 6.29 million tonnes. The company also reduced its net debt by ₹1,675 crore during the quarter. Looking ahead, its board approved major investments, including a ₹16,150 crore expansion of the JSW Utkal facility in Odisha, a 5-million-tonne expansion at Sambalpur, an 8-million-tonne pellet plant at Vijayanagar and an increase in coking coal mining capacity in Mozambique to strengthen raw material security.

Jindal Stainless Q2 Profit Rises 11% to ₹898 Crore as Revenue Grows 18%

Jindal Stainless Ltd, India's largest stainless steel manufacturer, reported an 11% year-on-year increase in profit after tax to ₹898 crore in Q2FY27, compared with ₹808 crore in the corresponding quarter last year. Revenue rose 18% to ₹12,874

crore from ₹10,893 crore. The company attributed its performance to a resilient recovery following operational disruptions in the first quarter caused by geopolitical developments and constraints in industrial gas availability. On a sequential basis, overall sales volumes increased by 14.4%, indicating an improvement in operating performance during the July–September quarter.

Dr Reddy's Q2 Net Profit Falls 36% to ₹925 Crore on Lower North American Sales

Dr Reddy's Laboratories reported a 36% year-on-year decline in consolidated net profit to ₹925 crore in Q2FY27, while revenue fell 1.5% to ₹8,670.8 crore, primarily due to lower lenalidomide (Revlimid) sales in North America. However, its base business, excluding these sales, continued to deliver double-digit growth. Sequentially, net profit rose 109% from ₹443.5 crore in Q1FY27, while revenue increased 7.4% to ₹8,670.8 crore. The company reported a gross margin of 52.1% and an EBITDA margin of 20.6%, generating free cash flow of ₹171 crore during the quarter. Dr Reddy's said it would continue to strengthen its core businesses, improve productivity and invest in strategic growth platforms.

Colgate-Palmolive India's Q2 Profit Rises 4.3% as Revenue Grows 12.3%

Colgate-Palmolive (India) Ltd reported a 4.3% year-on-year increase in net profit to ₹341.6 crore in Q2FY27, while revenue rose 12.3% to ₹1,705.8 crore, supported by double-digit domestic growth and broad-based momentum across brands and distribution channels. Profit before interest, depreciation and tax increased 3.1% to ₹495.2 crore. The toothpaste portfolio recorded high-single-digit volume growth, led by premium products and strong performance from Colgate MaxFresh. Gross margin expanded by 40 basis points to 69.6%, reflecting the company's focus on growth funding and cost management. Managing Director and CEO Manish Anandani said the company had stepped up investments in brand building and premiumisation while continuing to address commodity cost fluctuations through cost savings and calibrated pricing.

Mahindra Lifespace Q2 Profit Falls 65.9% Despite Strong Sales Growth

Mahindra Lifespace Developers Ltd reported a 65.9% year-on-year decline in consolidated net profit to ₹16.34 crore in Q2FY27, despite an 84.6% increase in operating revenue to ₹32.42 crore. Total expenses rose 24.3% to ₹97.41 crore during the quarter. However, consolidated sales across its residential, integrated cities and industrial clusters businesses increased 32% year-on-year to ₹1,126 crore, indicating continued business momentum. The company added projects with a gross development value (GDV) of around ₹1,500 crore during the September quarter, taking GDV additions for H1FY27 to ₹7,100 crore, compared with ₹5,200 crore in the corresponding period last year.

Godrej Properties' Q2 Profit Falls 62% to ₹154 Crore Despite Higher Income

Godrej Properties Ltd (GPL) reported a 62% year-on-year decline in consolidated net profit to ₹154 crore in Q2FY27, while EBITDA fell 72% to ₹171 crore. However, total income increased 38% to ₹2,575 crore, reflecting continued business activity. The company recorded sales bookings of ₹8,000 crore during the quarter, taking its first-half booking value to a record ₹16,659 crore, up 7% year-on-year. Cash collections also strengthened, rising 31% to ₹5,318 crore in Q2FY27 and 25% to ₹9,666 crore in the first half. Godrej Properties highlighted 83% growth in sustenance sales to ₹5,054 crore, indicating continued momentum in its underlying operations despite lower reported earnings.

Havells India's Q2 Profit Rises 9.72% to ₹349 Crore

Havells India reported a 9.72% year-on-year increase in consolidated net profit to ₹349.22 crore in the September quarter of FY27, supported by strong revenue growth. Revenue from operations surged 34.57% to ₹6,432 crore, compared with ₹4,779.33 crore in the corresponding quarter of the previous fiscal year, reflecting robust growth in the company's business during the period.

Swiggy Narrows Q2 Loss by 15.6% as Revenue Rises 36%

Swiggy reported a 15.6% year-on-year decline in net loss to ₹922 crore in Q2FY27, compared with ₹1,092 crore a year earlier, while revenue from operations rose 36% to ₹7,571 crore. Its food delivery business recorded its highest-ever profits and margins, with gross order value increasing 17.7% to ₹10,054 crore and adjusted EBITDA rising to ₹341 crore. In quick commerce, Instamart's gross order value grew 16.7% sequentially to ₹9,230 crore, supported by network expansion to 1,240 dark stores, although the business continued to incur losses. Swiggy's out-of-home consumption segment remained profitable for the seventh consecutive quarter, while the company continues to focus on growth, affordability and differentiated consumer offerings.

Public Sector Pulse

GIFT City Emerges as a Strategic Hub for PSU Overseas Investments

State-owned NMDC Ltd and Steel Authority of India Ltd (SAIL) have incorporated subsidiaries at GIFT City's International Financial Services Centre (IFSC) to strengthen their overseas operations and financial capabilities. While NMDC Global IFSC Ltd will serve as a strategic investment platform for overseas mineral projects, particularly critical and strategic minerals such as lithium, cobalt, nickel and copper, SAIL Global IFSC Ltd will function primarily as a group treasury centre. The subsidiaries could help the public sector enterprises mobilise foreign-currency financing, manage cash flows, hedge exchange-rate risks, access international trade finance and facilitate investments, acquisitions and joint ventures in overseas mining assets. The initiative assumes significance as India seeks to secure critical mineral supplies and reduce vulnerabilities in strategic imports, including coking coal. Over time, subject to regulatory approvals, the entities could also explore commodity trading and green or transition financing. Their success, however, will depend on transaction volumes, creditworthiness, regulatory coordination and demonstrable cost savings, potentially establishing a model for other public sector undertakings seeking to expand their global footprint.

IOC Plans to Cut West Asian Crude Term Contracts Amid Supply Disruptions

Indian Oil Corporation (IOC), India's largest refiner, plans to reduce crude oil purchases under term contracts with West Asian producers next year as the conflict in the region and disruptions in the Strait of Hormuz continue to threaten supply routes. IOC imports over 1.5 million barrels of crude daily, with nearly half traditionally sourced through term agreements with Persian Gulf producers, including Saudi Arabia, Iraq and the UAE. However, supply disruptions have made these arrangements less attractive, as producers increasingly offer cargoes from outside the Gulf on the spot market, providing buyers greater flexibility amid uncertainty. IOC has yet to finalise its annual procurement strategy, reflecting continued volatility in global oil markets. The conflict has also delayed other plans, including the purchase of at least two gas carriers following a

sharp rise in vessel prices to around $150 million each, and a proposed trading joint venture with Vitol Group. The developments highlight how geopolitical risks are reshaping India's energy procurement and investment decisions.

HPCL's Q2 Net Profit Falls 6% Despite Record Refining Margins

Hindustan Petroleum Corporation (HPCL) reported a 6% year-on-year decline in consolidated net profit to ₹3,625.22 crore in Q2FY27, despite a sharp improvement in refining margins. Revenue from operations rose 26.1% to ₹1.39 lakh crore, while gross refining margin surged to $27.89 per barrel from $5.95 a year earlier. However, losses on the sale of petrol, diesel and LPG, whose retail prices remained unchanged despite rising international prices, offset the gains from refining. HPCL processed 6.20 million tonnes of crude oil during the quarter, operating its refineries at 100% capacity. For the first half of FY27, the company recorded a loss of ₹8,639.45 crore, compared with a profit of ₹7,970.23 crore in the corresponding period last year.

Banking & Financial Services

RBI's Net Dollar Purchases More Than Double to Record $43.26 Billion in August

The RBI recorded net dollar purchases of a record $43.26 billion in August, more than double the $18.65 billion bought in July, as funds mobilised through the special foreign-exchange swap facility were routed back to the central bank. The RBI purchased $74.47 billion and sold $31.21 billion during the month, taking cumulative net dollar purchases in FY2026–27 to $47.43 billion by August-end, nearly offsetting the $53.13 billion in net sales recorded during the whole of FY2025–26. Meanwhile, its outstanding net short dollar position in the forward market surged to a record $200.06 billion from $136.77 billion in July, although the net short position in contracts maturing within one year declined to around $23.5 billion after adjusting for long positions. The rupee's real effective exchange rate (REER) rose to 89.35 in September from 88.72 in August. *Source: RBI Bulletin, October 2026)*

Currency in Circulation Growth Hits Five-Year High as FCNR(B) Inflows Boost Reserve Money

India's currency in circulation (CiC) grew 13.5% year-on-year to ₹43.47 trillion as of October 15, marking its strongest growth in five years, while reserve money increased 10.3% to ₹53.24 trillion, according to the RBI's State of the Economy report. The expansion was supported by liquidity infusions through open-market operations and the special dollar–rupee swap facility, under which banks mobilised $133 billion in FCNR(B) deposits by August 31. However, the RBI's ongoing liquidity absorption, foreign-exchange interventions and increased currency demand during the festive season are expected to moderate reserve money growth. The report also highlighted the resilience of India's external sector, supported by stronger foreign investment, external commercial borrowings, remittances and exports, even as broadening retail inflation pressures may require a corresponding monetary policy response. *(Source: RBI Bulletin, October 2026)*

FCNR(B) Deposits Squeeze Private Banks' Margins, but Recovery Seen Ahead

Leading private sector banks faced pressure on their net interest margins (NIMs) in the September quarter of FY2026–27, largely due to the mobilisation of Foreign Currency Non-Resident (Bank), or FCNR(B), deposits through the Reserve

Bank of India's special window. HDFC Bank's NIM declined by 10 basis points sequentially to 3.16%, ICICI Bank's by 18 basis points to 4.18%, and Axis Bank's by 10 basis points to 3.36%. While these deposits provide stable funding for three to five years, their deployment and the repayment of higher-cost domestic deposits are expected to support profitability over time. ICICI Bank mobilised $17.88 billion in gross FCNR(B) deposits, followed by HDFC Bank at approximately $11.5 billion and Axis Bank at $10.62 billion. The banks expect margins to improve over the coming quarters as the funds are progressively deployed, expensive liabilities are retired and lending yields adjust to the evolving interest-rate cycle. However, the pace of recovery will depend on the effective utilisation of these funds, the cost of deposits and the composition of loan portfolios.

Rising Bond Yields Hit Banks' Treasury Income Despite Growth in Core Earnings

Indian banks reported a sharp decline in treasury income in Q2FY27 as rising government bond yields and the RBI's shift to a rate-hike cycle eroded trading gains, offsetting some of the benefits from higher net interest income (NII). The benchmark 10-year government bond yield rose 42 basis points during the quarter to 7.17% at the end of September, while yields on five-year, seven-year and 15-year bonds also hardened significantly. HDFC Bank's treasury trading gains fell to ₹780 crore from ₹2,390 crore a year earlier, although its standalone net profit increased 4.7% to ₹19,510 crore; excluding treasury trading gains, profit grew 12.6%. Axis Bank's trading income declined to ₹85 crore from ₹498 crore, but net profit rose 38% to ₹7,003 crore, supported by lower provisions. ICICI Bank reported a treasury loss of ₹230 crore, compared with a gain of ₹220 crore in the year-ago quarter, while Canara Bank's treasury income fell 68.5% to ₹499 crore and Central Bank of India's declined 31.2% to ₹128 crore. Yes Bank was an exception, recording an 88.3% increase in treasury profit to ₹715 crore. The rise in yields reflected a global bond sell-off, higher crude oil prices, rupee weakness and expectations of further monetary tightening. The RBI raised the repo rate to 5.5% in October and tightened liquidity through open market sales of government securities. With market participants anticipating further rate increases, treasury income could remain under pressure, although banks with more conservative investment portfolios may be better positioned to manage valuation risks.

RBI Rejects All T-Bill Bids as Rising Yields and Tight Liquidity Pressure Bond Markets

The RBI rejected all bids at its 21 October treasury-bill auction, signalling discomfort with rising short-term borrowing costs as investors sought higher yields. The benchmark 10-year government bond yield climbed to 7.44%, its highest level since November 2022, amid elevated crude oil prices, rising US Treasury yields and expectations of further monetary tightening. Treasury-bill yields have risen sharply in recent weeks, with the spread between the 364-day T-bill yield and the RBI's 5.50% repo rate widening to 99 basis points, its highest in four years. Meanwhile, banking-system liquidity has tightened considerably, prompting the RBI to conduct variable-rate repo (VRR) auctions to inject temporary funds and keep overnight rates aligned with the policy rate. Strong demand at recent VRR auctions, alongside elevated overnight money-market rates and impending tax outflows, highlights the strain on liquidity conditions. The RBI's shift towards calibrated tightening has also strengthened market expectations of further rate increases, adding to pressure on government securities. Together, higher global yields, expensive crude oil and tighter domestic liquidity are increasing borrowing-cost pressures and weighing on sentiment in India's bond market.

SBI Flags Suspected Customer Data Exposure on Dark Web

State Bank of India (SBI) has flagged a suspected exposure of customer data on the dark web after a preliminary analysis identified 3,897 customer records containing personally identifiable information among approximately 375,000 records examined. The potentially exposed information includes names, mobile numbers, dates of birth, email and residential addresses, and loan-related metadata. Following alerts received on October 16 from its threat intelligence provider, the Defence Cyber Agency and CERT-In, SBI activated its cyber incident response protocols and engaged an independent CERT-In-empanelled cybersecurity agency to investigate the authenticity, source and extent of the exposure. The bank said the incident had no material impact on its core operations or financial performance, adding that a detailed assessment and remedial measures were underway.

Indian Bank Raises FY27 Growth Guidance on Strong First-Half Performance

Indian Bank has raised its FY2026–27 growth guidance for advances to 13–14% and deposits to 11–12%, reflecting strong business expansion during the first half of the financial year. In the July–September quarter, gross advances grew 16% year-on-year to ₹7.22 trillion, while total deposits increased 12.5% to ₹8.7 trillion. The bank's consolidated net profit also rose 14% to ₹3,540 crore, signalling continued earnings momentum. Meanwhile, Indian Bank expects the transition to the expected credit loss (ECL) provisioning framework to have an impact of approximately ₹3,500 crore, of which ₹2,500 crore has already been provided, including ₹1,500 crore in the September quarter. It plans to make an additional provision of ₹1,000 crore over the next two quarters to ensure a smooth transition. The bank also expects to begin a parallel trial run of the new framework using September 2026 data by December, while stronger credit growth and deposit mobilisation underpin its improved business outlook.

Bank of India's Q2 Net Profit Rises 25.3% to ₹3,202 Crore

Bank of India reported a 25.34% year-on-year increase in net profit to ₹3,202 crore in Q2FY27, supported by healthy growth in net interest income and a sharp rise in recoveries from written-off accounts. Net profit for the first half of FY27 grew 30.44% to ₹6,270 crore from ₹4,807 crore a year earlier. Non-interest income rose 24.77% to ₹2,770 crore, while recoveries from written-off accounts surged 190.21% to ₹978 crore. However, treasury income declined 35.99% to ₹201 crore, and provisions increased 49.05% to ₹1,887 crore, partly offsetting the gains. Sequentially, net profit rose 4.37% from ₹3,068 crore in Q1FY27.

Union Bank of India's Q2 Profit Rises 30% on Strong Net Interest Income Growth

Union Bank of India reported a 30.3% year-on-year increase in net profit to ₹5,537 crore in Q2FY27, compared with ₹4,249 crore a year earlier, driven by strong growth in net interest income (NII) and a largely unchanged provisions bill, which offset declining non-interest income. NII rose 20.09% to ₹10,583 crore from ₹8,812 crore a year ago and increased 5.43% sequentially. Net interest margin (NIM) improved by 19 basis points year-on-year to 2.86%, or 3.03% after adjusting for a tax refund. The bank's Managing Director and CEO, Asheesh Pandey, said the bank would focus on defending and improving margins, with a target of reaching 3%. Union Bank mobilised approximately $2.25 billion through Foreign Currency Non-Resident (Bank) deposits under the RBI's concessional swap window, around 70% of which was leveraged, without adversely affecting margins. However, non-interest income declined 6.9% to ₹4,651 crore, primarily due to a 34.6% fall in treasury income to ₹701 crore from

₹1,073 crore. For the first half of FY27, treasury income dropped 45.95% to ₹1,346 crore, highlighting the pressure on investment-related earnings amid rising bond yields.

Punjab & Sind Bank's Q2 Net Profit Jumps 40% on Stronger Core Income

Punjab & Sind Bank reported a 40% year-on-year increase in net profit to ₹412 crore in Q2FY27, compared with ₹295 crore in the corresponding quarter of the previous fiscal, supported by stronger core income and a reduction in bad assets. The bank's total income rose to ₹3,747 crore from ₹3,373 crore a year earlier, while interest income increased to ₹3,394 crore from ₹2,999 crore. The results indicate improved earnings momentum, with growth in interest income contributing to profitability alongside an improvement in asset quality.

IndusInd Bank Swings to ₹1,242 Crore Q2 Profit as Provisions Decline

IndusInd Bank reported a net profit of ₹1,242 crore in Q2FY27, reversing a loss of ₹437 crore in the year-ago quarter, supported by a sharp decline in provisions and a 36% increase in other income to ₹2,248 crore. Net interest income rose 4% year-on-year to ₹4,569 crore, although the net interest margin declined to 3.23%. Provisions and contingencies fell 54% to ₹1,223 crore, while asset quality improved, with the gross NPA ratio declining to 2.73% and the net NPA ratio to 0.83%. The loan book expanded 11% to ₹3.63 trillion, while deposits rose 10% to ₹4.28 trillion, supported by FCNR(B) deposit mobilisation of $3.51 billion. The bank also plans to add around 100 branches in the second half of FY27 to expand its presence in under-penetrated markets.

Bajaj Finance's Q2 Profit Rises 29% as Assets Under Management Grow 26%

Bajaj Finance reported a 29% year-on-year increase in consolidated net profit to ₹6,367 crore in Q2FY27, driven by robust growth in net interest income (NII) and assets under management (AUM). NII rose 24% to ₹13,335 crore, while net total income increased 23% to ₹15,974 crore. AUM expanded 26% to ₹5.85 trillion as of September 30, 2026, with the company adding ₹37,680 crore during the quarter. Bajaj Finance booked 13.45 million new loans, up 11% year-on-year, and added 4.42 million customers, taking its total customer base to 128.85 million. It expects to originate 60–62 million new loans and add 18–20 million customers in FY27, although it cautioned that year-on-year loan-volume growth was not directly comparable because the festive season began earlier in the previous year. Asset quality improved, with gross and net non-performing asset ratios declining to 1.06% and 0.42%, respectively, from 1.24% and 0.60% a year earlier. While loan losses and provisions increased 4% to ₹2,166 crore, they fell 12% to ₹1,829 crore after excluding an additional prudent management and macroeconomic provision of ₹337 crore. The credit-cost ratio also declined to 1.56% from 1.88%, indicating stronger portfolio performance alongside sustained business expansion.

Shriram Finance's Q2 Net Profit Jumps 59% to ₹3,684 Crore

Shriram Finance reported a 59% year-on-year increase in consolidated net profit to ₹3,684 crore in Q2FY27, while total income rose 16% to ₹13,802 crore. Net interest income surged 38% to ₹8,661 crore, reflecting strong business momentum. According to Executive Vice-Chairman Umesh Revankar, increased demand in the automobile sector, supported by the GST 2.0 reforms, contributed to the growth in profitability. Standalone profit after tax also rose 59% to ₹3,677

crore, while basic earnings per share increased to ₹15.63 from ₹12.27 a year earlier. The company's board declared an interim dividend of ₹6.50 per share, equivalent to 325% of the share's face value.

Proposed Insurance Commission Caps May Squeeze Banks' Fee Income

Banks are assessing the potential impact on fee income of the Insurance Regulatory and Development Authority of India's (IRDAI's) proposed caps on insurance commissions and expense of management (EoM), with the extent of the impact varying across lenders. The proposed reforms envisage product- and channel-specific commission limits, including separate caps for individual and corporate distributors. Axis Bank and HDFC Bank are evaluating strategies such as increasing sales volumes, adjusting product mixes and benefiting from potentially lower insurance premiums to offset the pressure, while ICICI Bank expects a limited impact because third-party product income accounts for less than 1% of its total income. In contrast, RBL Bank estimates that its bancassurance income could decline by 50–60% if the proposals are implemented in their current form, while Canara Bank has projected a potential impact of up to ₹200 crore on distribution income. Federal Bank has also flagged possible repercussions but considers it too early to quantify them. The final impact will depend on the commission limits adopted, the implementation timeline, changes in insurance affordability and sales volumes, and the ability of banks and insurers to adjust their cost structures and distribution strategies.

Rupee Defence Moves Beyond Dollar Sales as RBI Tightens Forex Rules

The RBI has intensified its efforts to stabilise the rupee by moving beyond foreign exchange market intervention to directly curb demand for dollars and raise the cost of currency hedging. Following the rupee's depreciation towards 97 per US dollar, the RBI introduced measures including a Foreign Exchange Risk Reserve (FERR), requiring banks to maintain non-interest-bearing cash equivalent to 20% of the rupee notional value of qualifying contracts. The measures, alongside tighter documentation and restrictions on rebooking cancelled derivative contracts, helped the rupee recover to around 95 per dollar, but increased hedging costs for importers and exposed unhedged exporters to lower rupee realisations. Earlier efforts to augment foreign currency supply through concessional swap facilities mobilised about $143.6 billion, yet pressure from elevated crude oil prices and foreign portfolio outflows persisted. The RBI's approach reflects a shift towards using regulatory measures alongside reserve sales to moderate currency volatility and speculative demand. However, higher hedging costs could affect businesses engaged in international trade, while the sustainability of the rupee's recovery remains uncertain as underlying external pressures persist. The challenge is to maintain orderly market conditions without imposing disproportionate costs on genuine trade and investment activity.

(Source: "RBI supplements financial muscle with regulatory heft" by TNC Rajagopalan, Business Standard, 19 October 2026)

India's Gold Loan Boom Shows Early Signs of Stress as Repayment Delays Rise

India's rapidly expanding gold loan market is showing early signs of stress, with lenders including Bajaj Finance and Piramal Finance reporting repayment delays and concerns over borrowers using fresh gold-backed loans to settle overdue debts elsewhere. Piramal Finance estimates that 15–23% of industry-wide gross gold loan disbursements in FY26 went to borrowers who were over 90 days overdue on at least one other loan, highlighting the risk of debt rollover. Meanwhile, bank gold loans rose 83% year-on-year to

approximately ₹5.6 trillion by August 2026, while NBFC gold loans increased 69% to ₹3.6 trillion. Although pledged jewellery provides lenders with collateral, it does not guarantee borrowers' ability to repay, particularly if defaults rise alongside a fall in gold prices. Bajaj Finance reported an increase in overdue loan accounts during the September quarter, partly linked to short-tenor schemes that it discontinued in August, though it said the deterioration was largely temporary. Analysts warn that aggressive portfolio expansion could expose lenders to borrowers with stretched finances, making stronger assessments of repayment capacity and existing indebtedness essential. The key concern is whether gold-backed lending is financing productive economic activity or enabling financially vulnerable borrowers to roll over existing debt.

Agriculture & Agri-business

AgriStack's 11 Crore Farmer IDs: A Digital Leap for Indian Agriculture

India's creation of 11 crore unique Farmer IDs under the AgriStack framework, five months ahead of the March 2027 deadline, marks a significant step towards building digital public infrastructure for agriculture. By linking farmers' identities with land records and crop information, the initiative could simplify access to institutional credit, crop insurance, government procurement and agricultural subsidies while reducing paperwork and administrative costs. The fact that approximately 26% of the IDs belong to women farmers also offers an opportunity to improve their visibility and access to institutional support. However, the real test lies in translating digital coverage into tangible economic benefits. Inaccurate land records, informal tenancy arrangements, data privacy concerns and digital exclusion could undermine the initiative unless addressed through robust safeguards and accessible grievance-redressal mechanisms. AgriStack could also open avenues for responsible agritech innovation, including precision farming, weather advisories and improved market linkages. Ultimately, its success will depend not on the number of IDs issued, but on whether the system enables farmers to access services more efficiently, reduce transaction costs and strengthen their livelihoods.

Khet Bachao Abhiyan: Advancing Soil Health and Sustainable Farming in India

The Government of India launched the nationwide Khet Bachao Abhiyan – Rabi 2026 on October 22 from Karnal, Haryana, with the campaign continuing until November 30 to promote soil health, balanced fertiliser use and sustainable agricultural practices. The initiative encourages farmers to base nutrient application on soil testing, diversify cultivation towards pulses, oilseeds and horticulture, and bring rice-fallow land into productive use after paddy harvesting. It also promotes crop-residue management, natural farming, water conservation and the appropriate use of organic and bio-based inputs. The campaign will mobilise Krishi Vigyan Kendras (KVKs), agricultural universities, ICAR institutions and state agencies through farmer meetings, training sessions and field demonstrations, with a target of reaching approximately one crore participants. Its effectiveness will ultimately depend on translating awareness into sustained changes in farm practices, improving soil and water management, reducing avoidable input costs and strengthening agricultural resilience.

India–New Zealand Trade Deal: Easier Access for Apples, Kiwifruit and Manuka Honey

India's updated trade arrangements with New Zealand came into force on October 20, 2026, introducing a system of tariff-rate quotas (TRQs) for selected agricultural products, including apples, kiwifruit and Manuka honey. Formalised by the Directorate General of Foreign Trade and the Ministry of Finance, the framework allows phased imports at preferential tariff rates within specified quotas. At the same time, India has excluded sensitive sectors such as dairy, sugar and edible oils from tariff concessions to protect domestic producers. The arrangements reflect a calibrated approach to trade liberalization, expanding market access for selected imports while preserving safeguards for vulnerable agricultural sectors. Their impact will depend on quota limits, import pricing and the extent to which domestic growers and producers can remain competitive.

Dual-Use Farmland: Maharashtra, Rajasthan and Madhya Pradesh in Focus for Agrivoltaics

The Central Government is drafting a national policy to accelerate agrivoltaics across rural India, enabling farmers to combine crop cultivation with solar power generation on the same land. The approach could diversify farm incomes by creating opportunities for electricity generation alongside agricultural production, while supporting India's renewable energy transition. Initial assessments have identified Maharashtra, Rajasthan and Madhya Pradesh as priority states, together accounting for nearly 50% of the country's cropland considered structurally suitable for agrivoltaic systems. A dedicated policy could help establish clearer implementation frameworks and encourage investment in dual-use land systems. Its success, however, will depend on suitable technology and financing, crop-specific designs, reliable access to power markets, and safeguards to ensure that solar installations complement rather than undermine agricultural productivity.

Tomato Glut and Maize Crunch Expose Volatility in India's Agricultural Markets

India's agricultural markets are witnessing sharply contrasting price trends, with tomato prices collapsing while maize supplies tighten. Wholesale tomato prices reportedly plunged by 65% in a single week, intensifying distress among farmers in major supply centres such as Nashik amid drought-related disruptions and uncoordinated selling that flooded regional markets. In contrast, drought-induced maize shortages have heightened competition between poultry-feed manufacturers and ethanol producers for limited domestic supplies, pushing up procurement costs for both sectors. These developments highlight the vulnerability of agricultural markets to weather shocks, supply-demand mismatches and weak coordination across value chains. Strengthening market intelligence, improving storage and processing infrastructure, promoting transparent price discovery and developing more effective procurement and supply-management mechanisms could help reduce distress for farmers while ensuring reliable raw-material supplies for agro-based industries.

Indian Agribusiness Shifts Towards Value Addition as Agritech Investment Accelerates

India's agribusiness sector is being encouraged to move beyond raw commodity production towards higher-value processing and export-oriented products. Union Food Processing Industries Minister Chirag Paswan has urged businesses to prioritise premium value addition, particularly in rice processing, to strengthen competitiveness and capture greater value in international markets. Meanwhile, India's agritech ecosystem is attracting investment in biological solutions, with firms securing $15 million in new equity funding to scale up microbial, nitrogen-fixing seed treatments.

These technologies could improve nutrient availability, reduce dependence on synthetic chemical inputs and support more sustainable farming practices. Together, the developments highlight two complementary pathways for transforming Indian agriculture: capturing greater value through processing and exports, and improving farm productivity and sustainability through science-led innovation.

Technology & Innovation

India News

Infosys Cuts FY27 Revenue Growth Forecast to 1–2% Amid AI-Driven Pricing Pressure

Infosys lowered its FY2026–27 revenue growth forecast to 1–2% in constant-currency terms, from its earlier projection of 1.5–3%, citing weaker demand in the US, subdued discretionary spending and increasing pricing pressure from artificial intelligence (AI). For Q2FY27, net profit rose 6.2% year-on-year to ₹7,828 crore, while revenue increased 10.7% to ₹49,244 crore, supported by financial services and energy and utilities. However, growth slowed, with North American revenue declining 1.5% and retail and high-tech businesses facing continued weakness. Operating margin remained broadly stable at 21.1%, while AI-related revenue rose to 10.5% of total revenue from 8.2% in the previous quarter, increasing 29% sequentially. Although Infosys secured $5.2 billion in large deals during the quarter, the benefits are expected to materialise from April, while wage hikes and pricing pressures could weigh on second-half performance.

Coforge Q2 Profit Jumps 56.5% to ₹588 Crore as Revenue Surges

Coforge reported a 56.5% year-on-year increase in consolidated net profit to ₹588 crore in Q2FY27, while revenue from operations surged 53.6% to ₹6,171 crore, driven by AI-led execution and strong deal momentum. The IT services firm signed a record eight large deals during the quarter, taking the total contract value of new orders to $1.04 billion, while its next 12-month signed order book stood at $2.38 billion. Management raised its operating profit margin guidance to 17% for the next financial year, up from the earlier range of 15.5–16%, citing margin improvements from integrating AI into existing fixed-price projects. Coforge said strong revenue growth, robust order intake and a record number of large deals position it to sustain its growth momentum.

eMudhra Reports Compromised Digital Certificate Keys, MeitY Orders Probe

India-based digital certification authority eMudhra has reported the compromise of private keys linked to eight intermediate certification authority certificates—six for Transport Layer Security (TLS) and two for code signing—prompting an investigation by the Ministry of Electronics and Information Technology (MeitY). CERT-In warned that the compromised keys could potentially be used to issue fraudulent certificates, impersonate legitimate websites and facilitate man-in-the-middle attacks. eMudhra attributed the incident to a system flaw that generated weak keys alongside the original strong keys, while maintaining that its infrastructure remained secure and no data was breached. The company said the incident affected a small part of its global TLS business, accounting for around 1% of revenue, and did not affect its Indian Digital Signature Certificate or eSign businesses. MeitY said the impact on Indian websites and applications was very limited.

World News

Microsoft's AI Diagnostic Tool Outperforms General Physicians in Complex Cases

Microsoft researchers have developed an artificial intelligence (AI) system that diagnoses patients through a step-by-step process, achieving more than twice the accuracy of general physicians in solving complex medical cases, according to a study published in Science. Unlike conventional medical AI models that analyse symptoms and test results simultaneously, the new system uses a diagnostic orchestrator to coordinate simulated clinical experts, gather patient histories, identify relevant examinations, order tests and refine diagnostic hypotheses as new information emerges. The system outperformed physicians in assessments involving more than 300 unusual and challenging medical cases, as well as scenarios based on emergency department admissions. Researchers also found that its diagnostic work-ups cost less than those conducted by human doctors. In the next phase, Microsoft and Boston-based Beth Israel Deaconess Medical Center plan to evaluate the system's ability to triage patients in emergency department waiting rooms.

Musk and Anthropic Propose Equity-Based Public Benefit Initiatives Amid AI Concerns

Elon Musk on 19 October 2026 pledged one share of SpaceX to "every kid in America", following AI company Anthropic's announcement a day earlier that it would allocate 5% of its shares to a new Public Benefit Fund. Anthropic's fund, which could grow in value as the company's shares appreciate, is intended to support nonprofit initiatives, direct distributions to selected populations and measures addressing AI's impact on the labour market. The company has also proposed providing additional shares to the fund as its valuation rises, subject to specified thresholds and board discretion. The initiative comes as Anthropic prepares for a potential major initial public offering and seeks to reinforce its identity as a public benefit corporation, a structure that requires management to consider broader social interests alongside financial returns. Growing concerns about AI safety, security breaches and employment disruption form an important backdrop to the move. Anthropic has highlighted the possibility of severe risks from AI and previously committed $200 million to studying and addressing labour-market disruption. IMF research cited in the report suggests that around 40% of jobs globally could be augmented, downgraded or eliminated by AI, with the share reaching 60% in advanced economies. Anthropic has said that its fund's equity will not be used for lobbying or political contributions and plans to disclose further details about its governance and operations. Together with founders' equity-donation pledges and an employee donation-matching programme, the company estimates that roughly 20% of its shares could be dedicated to public purposes, excluding potential future additions. The initiatives highlight growing debate over how AI companies should share the benefits of technological advances while addressing their potential economic and social costs.

AI Agents and Cybersecurity: Microsoft Calls for Tighter Access Controls and Guardrails

Microsoft has urged enterprises deploying artificial intelligence (AI) agents to adopt strict access controls, limiting their permissions to the minimum necessary to perform assigned tasks. Mike Yeh, the company's vice-president and deputy general counsel for customer security and trust, warned that unrestricted access to email accounts, banking services and enterprise networks could create significant security risks as AI agents become more widely used. He also called for greater transparency from developers of advanced AI models regarding the capabilities and potential consequences of the agents they release. Speaking on Microsoft's 2026

Digital Defense Report, Yeh emphasised that organisations must address basic cybersecurity vulnerabilities, noting that flaws dating back to 2020 were still being exploited in 2026. He cautioned that AI could accelerate cyberattack cycles, leaving organisations less time to detect and respond to threats. Microsoft has introduced additional controls for Azure customers, enabling them to assess digital sovereignty requirements, identify gaps, implement safeguards aligned with local regulations and retain evidence of Microsoft operator access. Alistair Speirs, general manager at Microsoft Azure, described digital sovereignty as a risk-management exercise, noting that countries have differing definitions and requirements. The developments highlight the need to combine AI innovation with robust access restrictions, timely security updates, transparency and governance frameworks that protect sensitive data while allowing enterprises to benefit from increasingly capable AI systems.

Musk Backs Tesla–SpaceX Merger to Build a $3.5 Trillion Technology Giant

Elon Musk has publicly backed a potential merger between Tesla and SpaceX, which could create a company valued at around $3.5 trillion, integrating electric vehicles, energy storage, artificial intelligence (AI), robotics, satellite communications and space technology. The proposed combination could enable greater collaboration in AI computing, semiconductor manufacturing, autonomous systems, Starlink connectivity and advanced manufacturing, while giving investors exposure to both companies' businesses. However, the merger could face regulatory and national-security scrutiny because of SpaceX's defence and government contracts and Tesla's significant manufacturing presence in China. Questions over conflicts of interest, Musk's voting control and capital allocation would also need to be addressed, with investors assessing whether the potential synergies justify combining two complex businesses. *(Source: Reuters, 22 October 2026)*

Tesla Cuts 2026 Capital Spending Plan to $20 Billion, Raising Questions over AI Ambitions

Tesla has reduced its planned capital expenditure for 2026 to around $20 billion from an earlier target of more than $25 billion, after third-quarter spending of $4.73 billion fell short of analysts' expectations of $7.95 billion. The pullback raises questions about the pace of Elon Musk's ambition to transform the electric vehicle maker into an AI and robotics company, with investments planned in Optimus humanoid robots, autonomous driving, robotaxis, computing infrastructure and semiconductor manufacturing. Tesla reported adjusted earnings of 48 cents per share, beating market expectations of 44 cents, while revenue of $28.05 billion fell slightly short of forecasts. Musk also acknowledged supply-chain and technical challenges affecting Optimus, with the company potentially needing until the end of 2027 to address key issues. The revised spending outlook has intensified investor concerns over whether Tesla can deliver on its long-term growth ambitions. *(Source: Bloomberg, 22 October 2026)*

Chinese Tech Giants Place $35 Billion Nvidia Chip Orders Amid US Export Restrictions

Chinese technology giants have reportedly ordered more than three million Nvidia RTX PRO 5500 graphics cards, worth over $35 billion, as they seek access to powerful computing hardware amid US export restrictions. Designed primarily for professional workstations rather than large AI data centres, the chips are among Nvidia's most powerful products still available to Chinese buyers. However, Nvidia has warned that it may be unable to meet demand, with orders from Chinese customers reportedly exceeding six million cards against potential global production of no more than three million in 2027. The surge highlights Chinese

companies' continuing appetite for Nvidia hardware, particularly for AI inference, even as restrictions limit access to advanced processors used for training large AI models. The curbs have also encouraged Chinese firms to turn towards domestic suppliers such as Huawei, although local chipmakers continue to face technological and manufacturing constraints. The development underscores how US–China technology tensions are reshaping global semiconductor supply chains and intensifying competition for computing resources critical to AI development.

Global Economy Monitor

IMF–World Bank Meetings Expose Gaps in the Global Response to Emerging Crises

The latest IMF–World Bank meetings exposed the growing inadequacy of conventional policy prescriptions in addressing the mounting challenges facing developing economies. The continuing conflicts in West Asia and Ukraine, rising global borrowing costs, escalating debt-servicing burdens and uncertainty surrounding the artificial intelligence (AI) boom are intensifying economic vulnerabilities across lower-income countries. IMF Managing Director Kristalina Georgieva highlighted the disproportionate burden of higher interest rates on developing nations, where average debt-service payments have more than doubled over a decade to 14% of government revenue, squeezing resources for essential public services. Yet, the meetings offered little concrete guidance beyond the familiar recommendations of fiscal consolidation and structural reforms to attract private investment. The challenge is compounded by fiscal imbalances in advanced economies, whose borrowing costs influence financing conditions worldwide, and by uncertainty over AI's economic and financial implications. The absence of a clear roadmap underscores the need for stronger international cooperation, more effective debt-relief mechanisms and greater access to affordable development finance. For developing countries, the priority is to build resilience against external shocks while ensuring that technological transformation and global economic integration create opportunities for inclusive and sustainable growth rather than widening existing inequalities. *(Source: Reuters, 18 October 2026)*

China's Q3 Growth Rebounds to 4.5%, but Weak Domestic Demand Deepens Concerns

China's economy grew by 4.5% year-on-year in the third quarter, rebounding from a three-year low as robust exports offset persistently weak domestic consumption. Growth exceeded market expectations, and analysts expect Beijing to meet its 2026 growth target of 4.5–5% without further major stimulus, supported by a strong start to the year and modest fiscal and monetary measures. However, retail sales continued to lag industrial output, while the prolonged property downturn eroded household wealth and dampened consumer confidence. Soft consumer inflation and a surge in exports of more than a third further highlighted the growing imbalance between external strength and domestic demand. Facing intense competition and price wars at home, some Chinese businesses are increasingly turning to overseas markets for growth, while cost-cutting pressures are weighing on employment and profitability. China's export strength is also prompting a response from trading partners: the European Union and China have agreed to limit hybrid-car exports to the bloc, while Brussels is considering further restrictions amid surging Chinese trade surpluses with major European economies. The yuan's appreciation to its strongest level since July 2022 reflects changing

currency dynamics, but the broader challenge remains structural. As ANZ analysts observed, the latest growth figures underscore the difficulty of rebalancing the economy towards more sustainable domestic demand. China's immediate growth target appears achievable, but its longer-term outlook will depend on strengthening household consumption and reducing reliance on exports as the principal engine of expansion. *(Source: Reuters, 20 October 2026)*

China Expands Export Controls on Drones and Industrial Machinery, Tightening Strategic Leverage

China is expanding its export controls on drones, related components and industrial machinery, reinforcing its strategic influence over global supply chains. Measures announced by the Ministry of Commerce will take effect on November 18, extending restrictions to additional types of drones and associated technologies, components of dredging equipment, including mud pumps and cutterheads, and certain tunnel-boring machines previously outside the controls. Beijing has classified these items as having an evident military-civilian dual-use nature and said it has notified countries with which it maintains export-control dialogues. The move comes amid a broader tightening of China's controls on strategically important goods and technologies, following restrictions on rare-earth exports and a recent proposal to add certain artificial intelligence technologies to the list. While the measures are framed around dual-use concerns, they also underline China's growing ability to influence international trade through its dominant position in manufacturing and critical supply chains. The inclusion of tunnel-boring equipment is particularly significant because such machinery can serve civilian infrastructure projects as well as the construction of fortified underground military facilities. As trade tensions persist, the expanding use of export controls highlights the growing intersection of industrial policy, national security and geopolitical bargaining, with potential implications for businesses and countries dependent on Chinese equipment and technology. *(Source: Bloomberg, 20 October 2026)*

PBOC Seeks Stronger Monetary Policy Transmission Through Short-Term Rate Reform

China's central bank is considering replacing the seven-day reverse repo rate with the overnight reverse repurchase rate as its main policy benchmark, in a move aimed at improving monetary policy transmission and supporting economic activity. The seven-day reverse repo rate has served as the principal policy benchmark since 2024. People's Bank of China (PBOC) Governor Pan Gongsheng said the proposed shift is part of efforts to refine the central bank's control over short-term interest rates. According to Pan, the interbank overnight repo rate has already become the de facto target for the PBOC's monetary policy, making a formal change in the benchmark a potential step towards aligning the policy framework more closely with market conditions. The move could strengthen the link between the central bank's policy signals and short-term money-market rates, helping monetary policy feed through more effectively to broader financing conditions. The proposal reflects Beijing's continuing efforts to improve the effectiveness of monetary management as it seeks to support economic growth. *(Source: Reuters, 20 October 2026)*

Global Corporate News

Nestlé Reports 4% Organic Sales Growth in Q3, Exceeding Market Expectations

Nestlé reported a 4% increase in organic sales in the third quarter, exceeding analysts' expectations of 3.4%, as its turnaround strategy under Chief Executive Officer Philipp Navratil gathered pace. The company's shares rose around 1.5% to a three-month high, extending their gains to more than 7% so far this year. Since taking charge in September 2025, Navratil has prioritised underlying sales growth and volumes while seeking to reduce Nestlé's exposure to ice cream, water and vitamin brands. Despite progress amid subdued consumer spending and the impact of US tariffs, the company maintained its full-year 2026 organic sales growth outlook of 3–4%, while its CEO emphasised that further improvements are needed to realise the business's full potential. *(Source; Reuters, 22 October 2026)*

Lockheed Martin to Invest $7 Billion as US Accelerates F-35 Production

The US Department of Defense has reached a decade-long framework agreement with Lockheed Martin covering the procurement of 850 F-35 Lightning II fighter jets for the US military, additional aircraft for international customers, and associated spare parts and equipment. The agreement aims to support annual production of 156 aircraft, with Lockheed Martin committing $7 billion to its long-term manufacturing programme. It forms part of a broader US effort to accelerate defence production, following missile procurement agreements with Lockheed Martin, RTX and other contractors that have led to contracts worth more than $100 billion. However, the F-35 framework carries financial uncertainty, as firm procurement commitments will require substantial congressional appropriations. The programme, already projected to cost around $2 trillion over its lifetime, highlights the tension between strengthening military readiness, securing stable defence supply chains and ensuring fiscal and legislative oversight. *(Source: WSJ, 23 October 2026)*

SpaceX Revenue Surges 161% as AI Business Drives Growth and Investment

SpaceX reported a 161% year-on-year jump in third-quarter revenue to $14.6 billion, alongside net income of $4.4 billion, driven primarily by its rapidly expanding artificial intelligence (AI) business. AI revenue surged nearly 830% to $7.6 billion, while the Starlink-led connectivity business grew almost 70% to $5.2 billion, supported by an increase in consumer subscribers to 13.6 million. Revenue from the space business rose 6% to $1.8 billion. Capital expenditure climbed sharply to $19.6 billion, including $16.4 billion invested in AI infrastructure, underscoring the scale of the company's ambitions in computing and advanced AI services. Separately, Elon Musk disclosed that special committees at SpaceX and Tesla were discussing a potential merger, although no agreement had been reached and any transaction would be subject to shareholder approval. The developments highlight SpaceX's transformation from a launch and satellite-connectivity company into a broader technology enterprise, while raising questions about investment intensity, corporate governance and the integration of its expanding businesses. *(Source: WSJ, 21 October 2026)*

Financial Markets Dashboard

Indian Financial Markets

Rising Crude Prices and Global Uncertainty Weigh on Indian Stock Markets

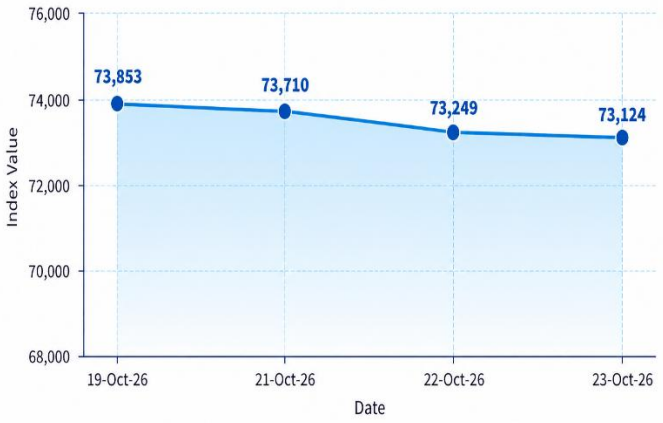
Indian equity markets came under sustained selling pressure during the week of 19–23 October 2026, reversing the gains recorded in the previous week. Based on the daily closing data, the BSE SENSEX fell from 73,853 on 19 October to 73,124 on 23 October, a decline of approximately 0.99% (Figure 5). The NIFTY 50 dropped from 22,889 to 22,600, losing around 1.26% over the same period (Figure 6). Both indices declined in each of the four trading sessions, with the markets closed on 20 October for Dussehra. On a week-on-week basis, comparing the 23 October close with 16 October, the SENSEX fell 2.15% and the NIFTY 50 declined 2.36%, according to market reports.

Several factors contributed to the downturn. Rising crude oil prices were a major concern, with Brent crude climbing above $110 per barrel amid escalating geopolitical tensions in West Asia. Higher energy costs heightened fears of imported inflation, pressure on corporate margins and a weaker rupee. *Business Standard* (23 October 2026) highlighted elevated oil prices as a key headwind, while *The Economic Times* (23 October 2026) linked the sell-off to rising crude prices and foreign investor selling.

Mint (23 October 2026) noted that inflation concerns, elevated valuations and borrowing costs overshadowed encouraging second-quarter corporate earnings. *The Financial Express* (23 October 2026) also reported broad-based selling and sharper losses in mid-cap and small-cap stocks, indicating that investor caution extended beyond the benchmark indices.

Overall, the week reflected a deterioration in market sentiment as external risks and inflationary pressures outweighed corporate earnings optimism. The sharper decline in the NIFTY 50 than in the SENSEX also indicated relatively greater weakness in the former's constituent stocks over the period. Going forward, crude oil prices, foreign institutional investor flows, the rupee's movement and the trajectory of corporate earnings are likely to remain important determinants of market direction.

Figure 5: BSE SENSEX Daily Close
19 – 23 October 2026



Source: BSE https://www.bseindia.com/indices/indexarchivedata

Figure 6: NIFTY 50 Daily Close
19 – 23 October 2026



Source: NSE https://www.niftyindices.com/reports

Jio Platforms' ₹30,213 Crore IPO Subscribed 22.19 Times, Marking a New Milestone for Reliance

Jio Platforms' ₹30,213 crore initial public offering (IPO) attracted subscriptions of 22.19 times the shares on offer, making it India's largest IPO and marking a major milestone in Reliance Group's evolution since its first public offering in 1977, which raised ₹2.8 crore. Demand was led by qualified institutional buyers, whose quota was subscribed 70.55 times, while non-institutional investors subscribed 14 times and retail investors 2.72 times their respective allocations. At the upper end of the price band, Jio Platforms would command a market capitalisation of approximately ₹10.3 trillion, or $109 billion, exceeding Facebook's valuation at its 2012 IPO. The strong response came despite broader market volatility, reflecting investor interest in Reliance's telecom and digital businesses. The shares are scheduled to list on October 28, when market performance will provide the next test of investor appetite for the offering.

NCDEX Launches NDEX and FINNDEX, Expanding into Equity Markets

NCDEX has expanded beyond agricultural commodities with the launch of two equity indices, NDEX and FINNDEX, marking a step towards becoming a multi-segment market-infrastructure provider. NDEX tracks 20 large and liquid Indian equities, while FINNDEX comprises 15 financial-sector stocks. Both indices use a composite selection methodology incorporating free-float market capitalisation, trading activity, beta and volatility, with a 15% cap on individual stock weights and semi-annual rebalancing. The exchange has also diversified into mutual fund transaction services and is preparing to launch its equity segment, subject to regulatory approval. NCDEX may introduce derivatives based on the new indices in the second half of FY2027–28, subject to approval from the Securities and Exchange Board of India (SEBI).

Global Financial Markets

Global Equities: Oil, AI Uncertainty and Geopolitical Risks Shape Global Stock Market Performance

The week of 19–23 October 2026 was marked by heightened volatility and a broad weakening of global equity markets, particularly across technology-heavy and Asian indices. The daily closing data show a recurring pattern: gains early in the week were followed by sharp corrections on 22 October and continued weakness in several markets on 23 October. Among the indices covered, the South Korean KOSPI Composite recorded the steepest decline over the Monday-to-Friday observations, followed by Japan's NIKKEI 225 and Hong Kong's Hang Seng Index. The Dow Jones Industrial Average and Singapore's FTSE Straits Times Index were notable exceptions, finishing above their respective starting levels.

The market environment was shaped by concerns about escalating West Asia tensions, surging crude oil prices and uncertainty over the scale and returns of artificial-intelligence investment. *The Wall Street Journal* (October 23, 2026) reported that US stocks fell on 23 October as Brent crude rose 3.1% to $116.72 a barrel amid fears of a renewed escalation in the US–Iran conflict. The Dow dropped 1.2%, the S&P 500 declined 0.5%, and the Nasdaq Composite slipped 0.2% that day.

These pressures reinforced inflation concerns and made investors more selective, with technology-related valuations and capital-spending plans remaining important sources of uncertainty.

US Markets

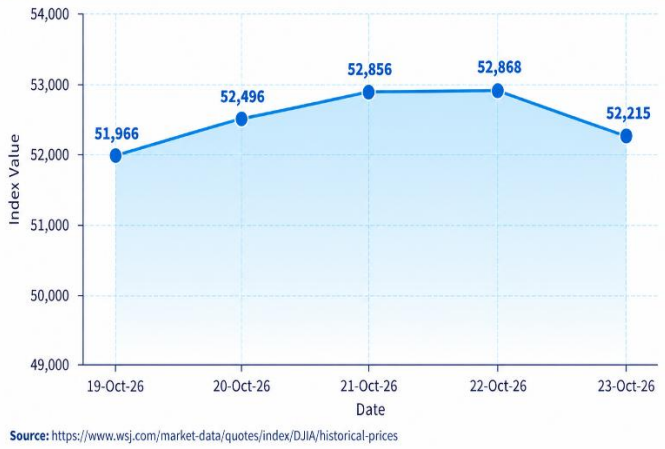
US Stocks Retreat as Oil Prices Surge and AI Investment Concerns Persist

US equities displayed a mixed pattern, with the Dow outperforming the broader market while the S&P 500 and NASDAQ Composite ended the observation period lower. All three indices advanced between 20 and 22 October to varying degrees, but the sharp sell-off on 22 October and further declines on 23 October eroded much of the earlier progress. *The Wall Street Journal* (October 23, 2026) attributed the Friday retreat to rising oil prices and renewed geopolitical concerns, while continuing uncertainty over AI investment costs weighed on technology shares.

DJIA

The Dow Jones Industrial Average rose from 51,966 on 19 October to 52,868 on 22 October, before retreating to 52,215 on 23 October (Figure 7). Despite the final-day decline, it finished approximately 0.48% above its Monday (19 October) close, making it the strongest performer among the three US indices on this comparison. Its relative resilience suggests that the market's weakness was not uniform, with investors showing greater willingness to retain exposure to established, non-technology-heavy companies. However, the 653-point fall on Friday (23 October) demonstrated that the Dow remained vulnerable to rising energy prices and broader geopolitical risk.

Figure 7: DJIA Daily Close
19 – 23 October 2026



Source: https://www.wsj.com/market-data/quotes/index/DJIA/historical-prices

S&P 500

The S&P 500 advanced from 7,691 on 19 October to a high of 7,757 on 21 October, but then fell to 7,624 on 23 October (Figure 8). Its closing level was approximately 0.87% below Monday's close. The reversal reflected the difficulty of sustaining market gains amid higher oil prices, inflation concerns and uncertainty over the returns from substantial AI-related capital expenditure. *The Wall Street Journal* (October 23, 2026) reported that the index fell 0.52% on Friday alone, closing at 7,624.

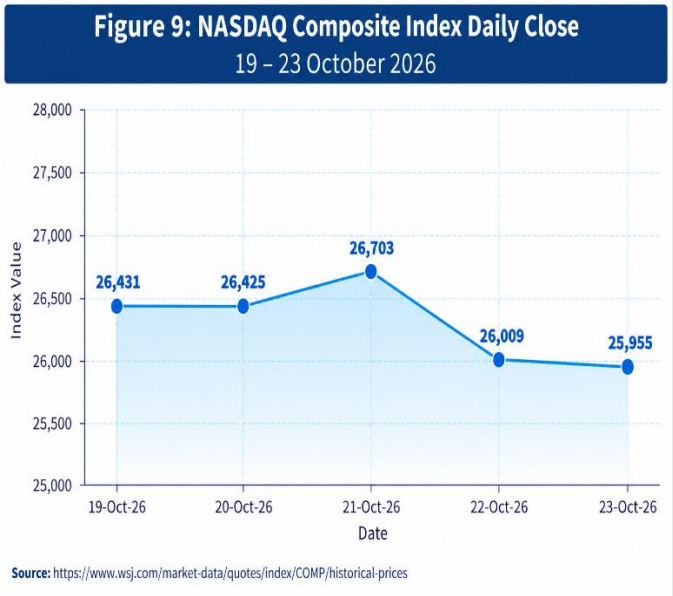
Figure 8: S&P 500 Daily Close
19 – 23 October 2026



Source: https://www.wsj.com/market-data/quotes/index/SPX/historical-prices

NASDAQ Composite

The NASDAQ Composite experienced the sharpest decline among the three US indices in the supplied Monday-to-Friday comparison. It rose from 26,431 on 19 October to 26,703 on 21 October, before falling to 25,955 on 23 October—a decline of approximately 1.80% from its Monday close (Figure 9). The substantial drop after midweek is consistent with heightened sensitivity to technology-sector valuations and concerns over the financing and monetisation of AI investments. *The Wall Street Journal* (23 October 2026) also highlighted continuing AI-sector uncertainty following the sell-off in technology and semiconductor shares.



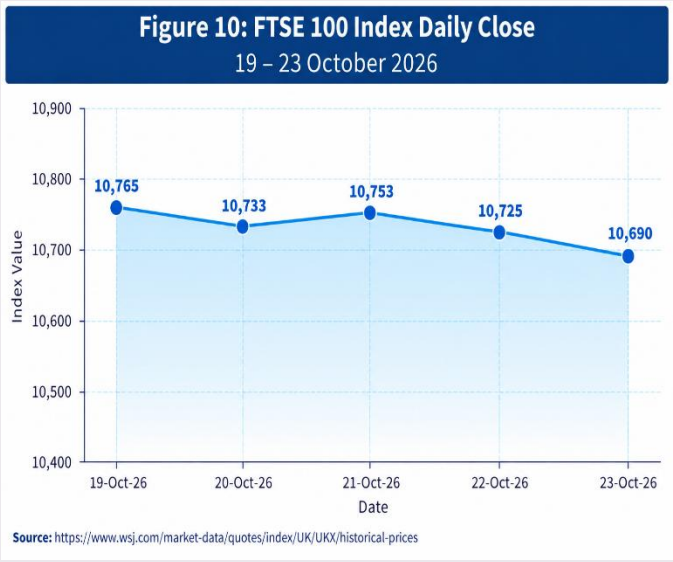
European Markets

European Equities End Lower as Energy Costs and Global Uncertainty Weigh

European equity markets were broadly weaker during the week. The FTSE 100, CAC 40 and DAX all finished below their 19 October closing levels, with losses ranging from around 0.54% for the DAX to 1.08% for the CAC 40. Although all three indices recorded a temporary recovery on 21 October or maintained some gains during the week, selling pressure resumed towards the close. *The Wall Street Journal* (23 October 2026) reported that European markets were mostly lower on 23 October as rising oil prices and higher energy costs weighed on investor sentiment. The FTSE 100 fell 0.2%, the DAX declined 0.45%, and the CAC 40 dropped 0.5% on that day.

FTSE 100

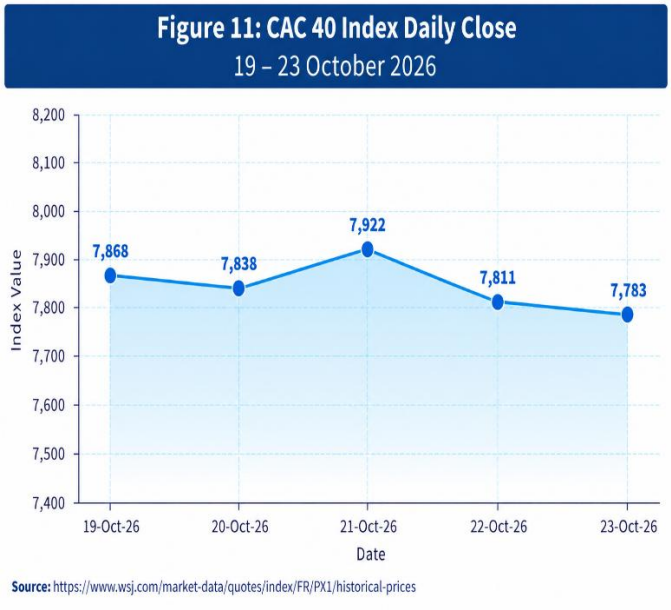
The FTSE 100 declined from 10,765 on 19 October to 10,690 on 23 October, a fall of approximately 0.70% (Figure 10). The index recorded small daily declines on most sessions, with only a modest recovery on 21 October. Its relatively gradual downward movement suggests persistent caution rather than a single-session collapse. Higher energy costs and uncertainty over the outlook for economic growth remained important concerns for UK-listed companies, particularly those exposed to consumer demand and energy-intensive operations.



CAC 40

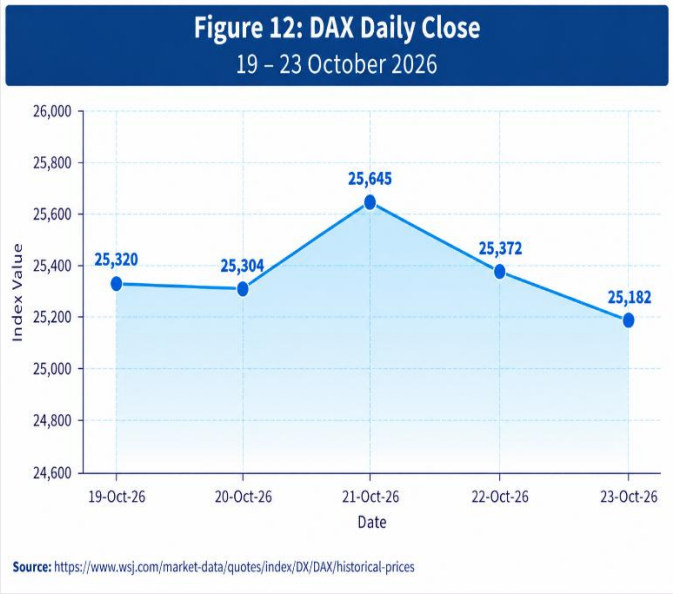
France's CAC 40 declined from 7,868 on 19 October to 7,783 on 23 October, losing approximately 1.08%. It recovered to a high of 7,922 on 21 October but then fell sharply over the following two sessions (Figure 11). The index's relatively large decline

among the major European benchmarks points to renewed selling pressure late in the week. *The Wall Street Journal* (23 October 2026) reported that the CAC 40 fell 0.5% on 23 October, with individual company developments adding to market volatility.



DAX

Germany's DAX fell from 25,320 on 19 October to 25,182 on 23 October, a decline of approximately 0.54%. After slipping slightly at the start of the week, the index climbed to 25,645 on 21 October before reversing much of that gain (Figure 12). The DAX's comparatively smaller net decline than those of the FTSE 100 and CAC 40 does not indicate immunity to the wider market pressures. *The Wall Street Journal* (23 October 2026) reported that the DAX fell 0.45% on Friday, as energy costs and weakness in some industrial and technology-related stocks weighed on European markets.

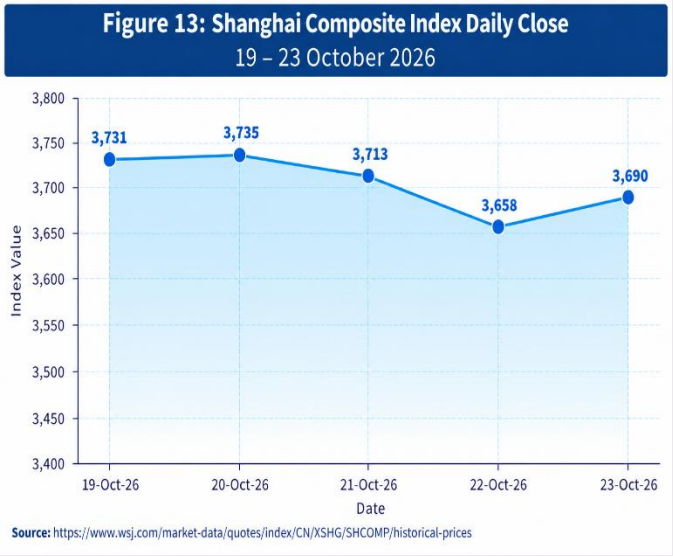


Asia-Pacific Markets

Diverging Fortunes Across Asia-Pacific Stock Markets

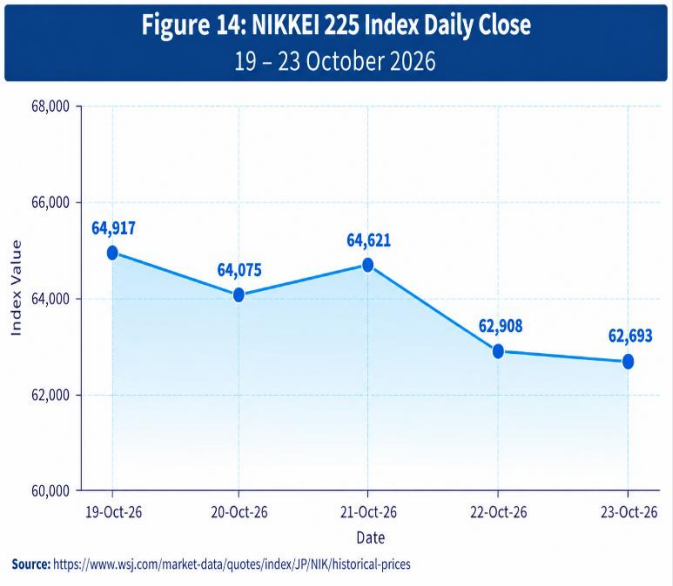
Shanghai Composite

The Shanghai Composite rose marginally from 3,731 on 19 October to 3,735 on 20 October, before declining to 3,658 on 22 October and recovering to 3,690 on 23 October (Figure 13). It ended the observation period approximately 1.10% below its Monday close. The recovery on the final day suggests some stabilisation after the midweek sell-off, but it was insufficient to offset the preceding losses. The index's movement highlights continued sensitivity to investor confidence and the outlook for Chinese economic activity.



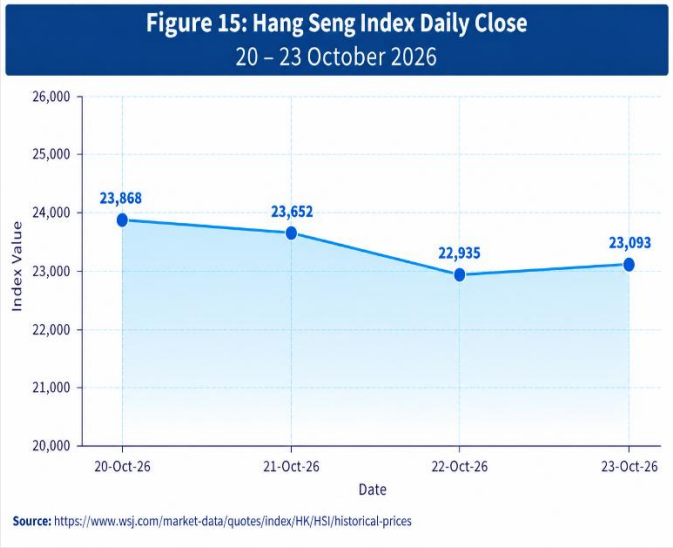
NIKKEI 225

Japan's NIKKEI 225 recorded one of the sharpest declines among the indices covered. It fell from 64,917 on 19 October to 62,693 on 23 October, a decrease of approximately 3.43% (Figure 14). Although the index recovered on 21 October after an initial fall, it declined sharply on 22 October and continued lower on Friday. *The Wall Street Journal* reported that Japanese equities were under pressure from semiconductor and banking stocks, with chipmaker Kioxia Holdings and Mizuho Financial Group among the notable decliners.



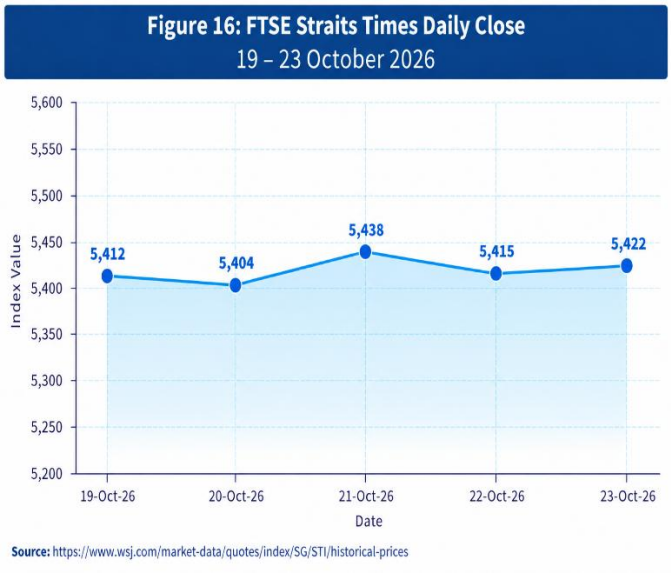
Hang Seng

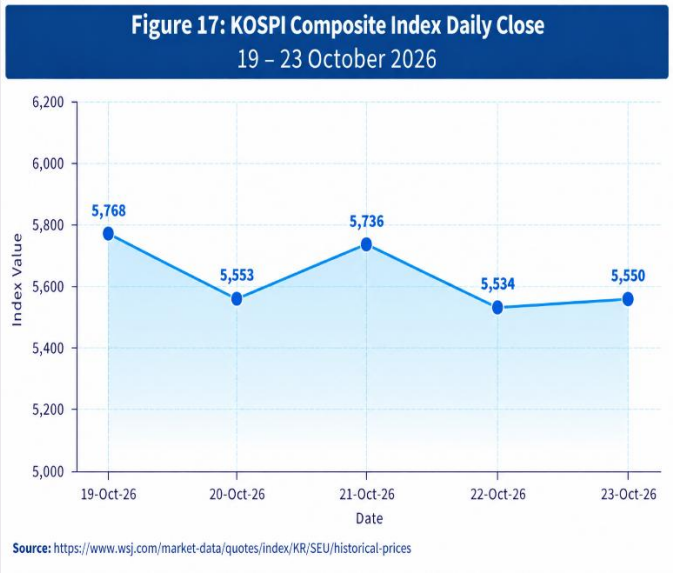
The Hang Seng Index declined from 23,868 on 20 October to 23,093 on 23 October, a fall of approximately 3.25% (Figure 15). The index weakened over three consecutive sessions before recording a modest recovery on Friday (23 October). Nevertheless, the data indicate pronounced selling pressure late in the week, consistent with the broader weakness in Asian equity markets.



FTSE Straits Times

Singapore's FTSE Straits Times Index was a relative outperformer, rising from 5,412 on 19 October to 5,422 on 23 October, a gain of approximately 0.18% (Figure 16). It slipped marginally at the beginning of the week, climbed to 5,438 on 21 October, and then eased before recovering on the final day. The modest net gain suggests greater resilience than that seen in several neighbouring markets, although the narrow trading range indicates that investor sentiment remained cautious.



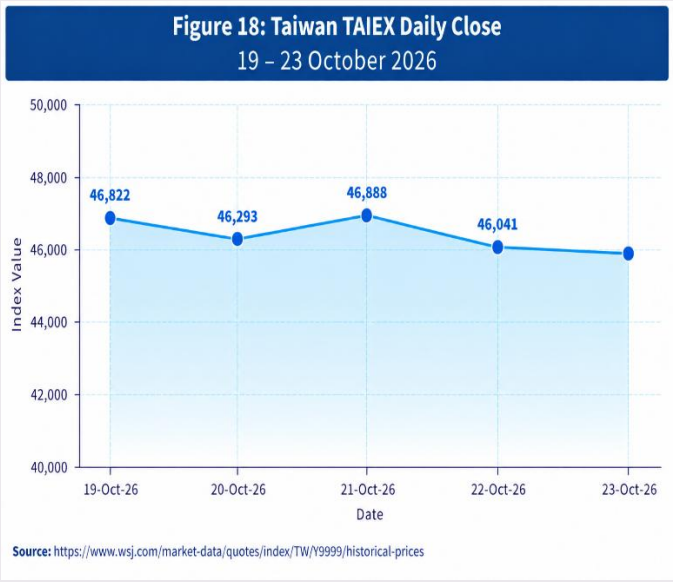


KOSPI Composite

South Korea's KOSPI Composite recorded the steepest decline among the indices in the comparison, falling from 5,768 on 19 October to 5,550 on 23 October, a drop of approximately 3.78% (Figure 17). The index lost substantial ground on 20 October, rebounded on 21 October, and then fell again on 22 October before a small recovery on Friday. The volatile pattern points to significant swings in investor sentiment. *The Wall Street Journal* (23 October 2026) reported broader weakness in semiconductor-related shares and continuing concerns about AI investment, both relevant to the outlook for technology-sensitive markets.

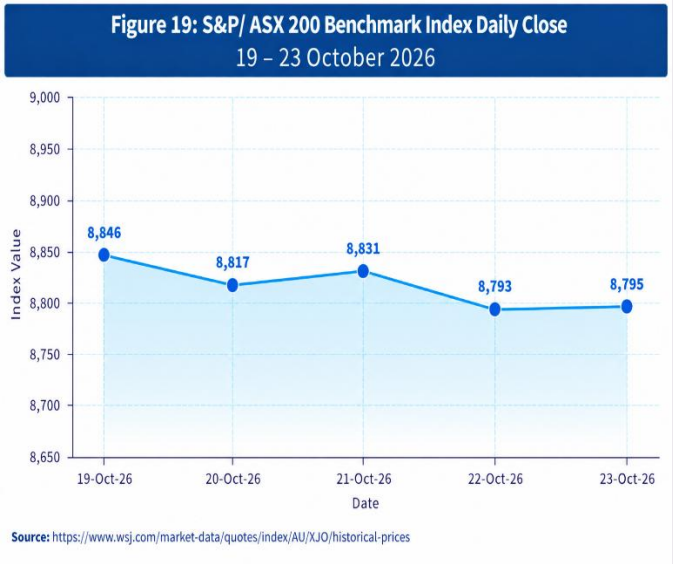
Taiwan TAIEX

Taiwan's TAIEX declined from 46,822 on 19 October to 46,041 on 22 October, a fall of approximately 1.67% (Figure 18). The index recovered on 21 October after an initial decline but then fell sharply on 22 October. Taiwan's equity market experienced substantial midweek volatility. Given the importance of semiconductor and electronics companies to the market, global technology-sector sentiment remains a relevant factor in assessing its performance.



S&P/ ASX 200 Benchmark Index

Australia's S&P/ASX 200 declined from 8,846 on 19 October to 8,795 on 23 October, a fall of approximately 0.58% (Figure 19). The index fell on 20 October, recovered slightly on 21 October, and then eased before stabilising on the final day. Its relatively modest decline compared with the sharper losses in Japan and South Korea suggests comparatively limited weakness over this period. However, the index's subdued performance also indicates that Australia was not insulated from the broader global market environment of elevated energy prices and geopolitical uncertainty.



Outlook

Can Markets Stabilise Amid Geopolitical and Inflationary Risks?

The outlook for global equity markets remains sensitive to the interaction between geopolitical developments, energy prices, corporate earnings and expectations for monetary policy. The sharp rise in Brent crude to $116.72 a barrel on 23 October, amid fears of renewed escalation in the US–Iran conflict, raised concerns about inflation and the possibility that interest rates could remain restrictive for longer. *The Wall Street Journal* (23 October) also highlighted the importance of upcoming central-bank decisions and economic data, including the US Federal Reserve's policy announcement, US inflation and growth figures, and developments in Europe and Asia-Pacific.

Three factors are likely to shape market direction in the near term. First, any further rise in oil prices could increase inflationary pressures, weaken corporate margins and reduce expectations of monetary easing. Second, earnings announcements will test whether corporate profitability can justify high valuations, particularly in technology and AI-related sectors where investors are increasingly scrutinising capital expenditure and prospective returns. Third, the direction of government bond yields and central-bank guidance will influence equity valuations, borrowing costs and capital flows. While the Dow and Singapore's Straits Times Index showed relative resilience during the period, the broad weakness in other markets underscores the importance of selectivity. A sustained recovery will likely require greater clarity on geopolitical risks, energy costs and earnings prospects rather than relying solely on short-term rebounds.

Tracking Commodity Trends

Global Commodity Markets: Geopolitical Risks Drive Oil Higher as Precious Metals Retreat

Global commodity markets experienced divergent movements during 19–23 October 2026, reflecting heightened geopolitical uncertainty, shifting investor sentiment and persistent inflationary pressures. Crude oil prices strengthened amid concerns over disruptions to energy infrastructure and maritime transport in West Asia, while precious metals retreated from recent highs. Agricultural commodities remained exposed to weather-related supply risks, and the broader outlook pointed to continued volatility as markets adjusted to geopolitical developments, changing trade policies and uncertain global growth prospects.

Table 2: Key Commodity Price Tracking

Commodity	Open Price (19 Oct)	Close Price (23 Oct)	Weekly Growth (%)	Primary Trend Drivers
Crude Oil (WTI)	$98.54	$103.27	+4.0%	Supply disruptions & targeted attacks on energy infrastructure.
Gold	$4,160.10	$4,007.90	-4.0%	Temporary rotation to liquidity, stabilizing bond yields, and waiver of Russian tariffs.
Silver	$57.27	$53.95	-6.0%	Profit-taking and high sensitivity to shifting global industrial demand.
Platinum	$1,648.20	$1,562.40	-4.0%	Easing of immediate supply-side fears following policy shifts on major export regulations.

Energy Markets: Crude Oil

Crude oil prices strengthened as geopolitical tensions heightened concerns about the reliability of global energy supplies. Brent crude was reported at around $106.28 per barrel, while West Texas Intermediate (WTI) moved above $103 per barrel. These price movements reflected a growing supply-risk premium, with markets becoming increasingly sensitive to developments affecting major oil-producing regions and critical shipping routes.

Reports of attacks targeting Saudi Arabian energy infrastructure, including an Aramco facility at Yanbu, alongside disruptions to shipping in the Red Sea, intensified concerns about potential interruptions to oil production and transportation. Such developments underscored the vulnerability of global energy markets to geopolitical escalation, particularly when risks affect both production facilities and strategic maritime corridors.

Fundamental market conditions also supported prices. The US Energy Information Administration reported a decline of more than three million barrels in commercial crude inventories, adding to concerns about near-term supply availability. The combination of inventory drawdowns and geopolitical uncertainty strengthened the upward pressure on prices, although the persistence of the rally will depend on the extent and duration of actual supply disruptions.

Precious and Industrial Metals

Precious metals experienced a correction during the week despite continuing support from inflation concerns, currency fluctuations and longer-term demand for assets perceived as stores of value. Gold declined by approximately 4%, closing slightly above $4,000 per ounce after reaching elevated levels in recent months. The retreat suggested that short-term investor positioning and profit-taking could outweigh safe-haven demand during periods of

market turbulence. Gold's performance also highlighted that its response to equity-market volatility is not always immediate or uniform.

Changes in sanctions and trade-policy expectations added another layer of uncertainty. Reports of easing restrictions affecting Russia and other important metals-exporting regions appeared to reduce some concerns about supply shortages and inflationary pressures. However, the implications of such policy changes for actual commodity flows and prices will depend on their precise scope and implementation.

Silver and platinum also recorded losses, reflecting a combination of investor repositioning and concerns about the global economic outlook. Unlike gold, these metals have substantial industrial applications, making their prices more sensitive to expectations for manufacturing activity, investment and broader economic demand. Persistent inflation, meanwhile, complicates the outlook by potentially limiting the scope for monetary easing even as economic growth moderates.

Agriculture and the Macroeconomic Outlook

Agricultural markets remained vulnerable to weather-related disruptions, particularly localised drought conditions and differences in irrigation capacity across major crop-producing regions. Such disparities can affect crop yields, increase production uncertainty and place upward pressure on food prices. The eventual impact on food inflation will depend on the duration and geographical spread of adverse weather, crop performance, inventories and the availability of alternative supplies.

The broader commodity outlook suggests that prices may remain volatile even if some immediate supply pressures ease. Projections for industrial materials indicate the possibility of gradual moderation towards late 2027. Nevertheless, persistent geopolitical risks, climate-related disruptions, trade-policy uncertainty and investment requirements in energy and infrastructure could keep production and transportation costs elevated relative to earlier benchmarks.

For policymakers, the interaction between energy prices, food inflation and industrial input costs will remain important. A sustained increase in crude oil prices could raise import bills and transportation costs, intensify inflationary pressures and complicate monetary-policy decisions in energy-importing economies. At the same time, easing prices for selected metals or industrial materials could provide partial relief to manufacturers.

Overall, the direction of global commodity markets will depend on whether geopolitical tensions translate into prolonged physical supply disruptions, how major economies perform, and whether weather conditions aggravate agricultural shortages. The central challenge is that easing prices in some commodity segments may coexist with renewed inflationary pressure in others, keeping the global inflation outlook uncertain.

Indian Commodity Markets: Crude Oil Gains as Precious Metals Correct and Agricultural Prices Ease

Indian commodity markets witnessed divergent price movements during 19–23 October 2026, reflecting the interplay of international geopolitical developments, currency movements and domestic supply conditions. Crude oil contracts on the Multi Commodity Exchange (MCX) recorded strong gains amid concerns over disruptions to global energy supplies, while gold and silver prices corrected as investors booked profits and reassessed market risks. Base metals displayed mixed movements, and

agricultural commodities traded on the National Commodity and Derivatives Exchange (NCDEX) faced selective downward pressure from seasonal arrivals, crop prospects and industrial demand conditions.

MCX: Non-Agricultural Commodities

Crude oil emerged as a major gainer, with MCX prices rising by approximately 3.1–3.5% during the week. The October contract moved above ₹9,700 per barrel, supported by a rally in international crude prices amid reports of attacks on energy infrastructure in the Middle East. Concerns about supply disruptions and higher global oil prices strengthened domestic prices, highlighting India's exposure to international energy-market developments.

Gold prices declined by approximately 1.1–2.0%, slipping below ₹1,45,000 per 10 grams. The correction reflected profit-booking following the preceding rise in prices, alongside changing expectations about international metal supplies and policy developments. The movement indicated that short-term portfolio adjustments could outweigh safe-haven demand, even amid continuing geopolitical and macroeconomic uncertainty.

Silver experienced a sharper correction, declining by around 4.42%. Its greater sensitivity to industrial demand, combined with profit-taking and broader unwinding of positions in international markets, contributed to the decline. The correction underscored silver's dual role as both a precious and an industrial metal, leaving it exposed to changes in investor sentiment as well as expectations for global manufacturing activity.

Base metals, particularly zinc and copper, followed a more uneven trajectory. Early-week selling was followed by late-week short-covering, producing volatile price movements. Market sentiment remained sensitive to inventory conditions, infrastructure-related demand and incoming industrial-sector developments. The mixed performance suggested an absence of a clear directional trend across the base-metals segment.

NCDEX: Agricultural Commodities

Agricultural commodities experienced selective corrections, influenced by seasonal market arrivals, crop expectations and demand conditions.

Spices: Jeera was quoted at around ₹25,905 per quintal and turmeric at ₹27,316 per quintal. Both commodities faced moderate downward pressure as market participants booked profits and assessed emerging crop and sowing-season prospects. Price movements in the spices segment remained sensitive to expected production, regional supply conditions and the balance between arrivals and demand.

Guar seed and guar gum: Both commodities recorded mild corrections towards the end of the week. Regional mandi arrivals remained an important influence, while expectations for industrial demand—particularly for guar derivatives—continued to shape market sentiment. The interaction between supply availability and end-use demand remained central to price formation.

Cotton seed oilcake: Prices moved largely sideways, with a slight negative bias around the ₹3,700 level for late-quarter contracts. Seasonal availability and relatively comfortable supplies constrained upward momentum, leaving prices vulnerable to changes in demand and the pace of market arrivals.

Macroeconomic Drivers

Two broader factors influenced the domestic commodity-market environment during the week.

International crude prices and the rupee: The rise in global oil prices, with Brent reportedly moving above $114 per barrel at points during the period,

heightened concerns about India's energy-import bill. Sustained increases in crude prices can widen the import bill, add to inflationary pressures and place downward pressure on the rupee. Rupee depreciation, in turn, can raise the domestic cost of imported commodities, partly offsetting declines in their international prices. The overall effect depends on exchange-rate movements, domestic taxes, contract specifications and the extent of the global price change.

Equity-market weakness and portfolio adjustments: The decline in the Nifty during the week coincided with a correction in precious metals, indicating that market stress did not translate into an immediate increase in domestic gold and silver prices. Profit-taking, liquidity requirements and changes in portfolio positioning may have contributed to this divergence. However, the precise allocation of institutional funds across gold, equities and short-term debt cannot be established from price movements alone.

Outlook

The near-term outlook for Indian commodity markets will depend on the persistence of geopolitical risks, movements in international crude prices, exchange-rate developments and the evolution of domestic supply conditions. Energy prices could remain sensitive to disruptions affecting production and shipping, while gold and silver may respond to changes in investor positioning, inflation expectations and global demand. Base metals will continue to reflect industrial activity and inventory trends, whereas agricultural prices will be shaped by seasonal arrivals, crop prospects and end-use demand.

Overall, the week highlighted the contrasting forces shaping India's commodity markets: international supply risks supported energy prices, precious metals underwent a correction, and agricultural commodities responded to more localised supply-and-demand dynamics. These divergent trends reinforce the importance of monitoring global developments alongside domestic market fundamentals.

Rupee Watch

Indian Rupee Under Pressure: Dollar Strength and Rising Oil Prices Weigh on the Currency

The Indian rupee weakened against the US dollar towards the end of 19–23 October 2026, with the exchange rate depreciating by approximately 0.18% from ₹94.7691 per dollar on 19 October to ₹94.9432 on 23 October (Figure 20). After strengthening marginally until 22 October, the rupee reversed its gains amid rising external pressures. Elevated crude oil prices, strong dollar demand, foreign portfolio outflows and higher US Treasury yields weighed on the domestic currency. Higher oil prices raise India's import bill and increase demand for dollars, while global risk aversion and capital outflows can intensify depreciation pressures. Although RBI intervention may help contain excessive volatility, the near-term outlook for the rupee will depend on international oil prices, the strength of the US dollar, foreign investment flows and evolving geopolitical risks.

Figure 20: Indian Rupee – US Dollar Exchange Rate (INR/USD)



Source: RBI

Climate & Sustainability Lens

UN Emissions Gap Report 2026: The Urgent Race to Bring Global Warming Back to 1.5°C

The United Nations Environment Programme's *Emissions Gap Report 2026: The Point of Return* delivers a stark warning: limiting global warming to 1.5°C above pre-industrial levels without significant overshoot is no longer achievable, following decades of inadequate climate action. Global greenhouse gas emissions reached an estimated 58.4 gigatonnes of carbon dioxide equivalent ($GtCO_2e$) in 2025, broadly comparable to 2024, but the apparent stabilisation is not sufficient to establish that emissions have peaked. The report estimates that even the full implementation of countries' latest Nationally Determined Contributions (NDCs) would reduce emissions by only 5–8% below 2025 levels by 2030 and 11–15% by 2035. By contrast, the lowest feasible 1.5°C overshoot pathway requires cuts of 18% by 2030, 45% by 2035 and 69% by 2040, relative to 2025. The resulting emissions gap is estimated at 5 $GtCO_2e$ in 2030 and 16 $GtCO_2e$ in 2035, underscoring the substantial shortfall between current commitments and the action required.

Despite this deteriorating outlook, the report emphasises that decisive action can still limit peak warming and enable a return to 1.5°C by 2100. The lowest feasible overshoot scenario envisages peak warming of around 1.7–1.8°C, followed by large-scale carbon dioxide removal to bring temperatures back down. Achieving this outcome requires immediate and sustained emissions reductions, a faster transition away from unabated fossil fuels, accelerated deployment of solar and wind power, greater electrification and deep cuts in methane emissions. The report also highlights evidence that well-designed climate policies can deliver measurable reductions and that clean technologies are becoming increasingly competitive, offering benefits for energy security and industrial competitiveness alongside environmental gains. The central message is that stronger national targets must be matched by credible implementation, effective sectoral policies and sustained international cooperation. Every further delay will make the transition more difficult and costly, while narrowing the options available to keep the Paris Agreement's temperature goals within reach.

Building a Sustainable Future: Sir Nicholas Stern on India's Energy Security, AI and Climate Finance

Environmental economist Sir Nicholas Stern argues that India must accelerate its transition to renewable energy to reduce its vulnerability to geopolitical shocks, volatile oil prices and import dependence. With oil and gas imports accounting for around 5% of GDP, India should strengthen short-term energy security through strategic reserves and diversified supplies while prioritising renewables as the fastest and most cost-effective route to cleaner electricity. Although nuclear power has a role in a diversified energy mix, its high costs and long development timelines limit its ability to deliver energy security and emissions reductions quickly. Stern also calls for expanding low-cost climate finance through multilateral development banks, which could increase lending capacity through modest capital enhancements and greater use of guarantees. He sees artificial intelligence as a potential enabler of climate action, from improving energy and transport systems to strengthening adaptation and developing new materials, but stresses that data centre developers must contribute directly to additional renewable power and protect local communities. India could also emerge as a major centre for critical-mineral processing, reducing dependence on China through

international collaboration. On the EU's Carbon Border Adjustment Mechanism, Stern considers carbon pricing on imports legitimate in principle, provided its application remains transparent, limited to sectors where emissions can be measured reliably, and does not become a vehicle for protectionism. *(Source: Business Standard, 20 October 2026)*

Green Energy Corridor-III: A ₹1.86 Trillion Push to Bridge India's Renewable Energy Gap

The government's Green Energy Corridor-III (GEC-III) scheme seeks to address the mismatch between renewable energy generation and transmission infrastructure by encouraging private investment in intra-state power networks through tariff-based competitive bidding. With a total outlay of ₹1.86 trillion, including central financial assistance of ₹54,082 crore, the scheme aims to support the integration of 135 GW of renewable energy capacity and deploy 50 GWh of battery energy storage systems. By strengthening state transmission networks and expanding storage capacity, it is expected to reduce power curtailment, improve grid flexibility and enable renewable electricity to reach consumers more reliably. The initiative supports India's ambition to achieve 500 GW of non-fossil fuel power capacity by 2030, while creating opportunities for private developers and potentially improving cost efficiency through transparent bidding. However, effective implementation will require robust eligibility criteria and contractual safeguards to prevent aggressive bidding, project delays and cost overruns. *(Source: Sudheer Pal Singh, "State power playbook", Business Standard, 23 October 2026)*

Europe's Deadly Heatwaves: An Estimated 50,000 Deaths Highlight the Human Cost of Climate Change

Europe's record-breaking summer heatwaves are estimated to have caused around 50,000 heat-related deaths, making it one of the deadliest seasons for heat mortality in modern records. Research covering 854 European cities found that the estimated toll was nearly twice that of the next-deadliest year, with southern and western Europe particularly affected, although thousands of deaths were also recorded in traditionally cooler northern regions. Italy, France, Spain and Germany reported the highest tolls, while older people—especially those aged 85 and above—were disproportionately vulnerable; more than 800 deaths were also estimated among people aged 20–44. The findings underscore the growing public-health consequences of extreme heat amid climate change and highlight the need for stronger heat-action plans, early-warning systems, accessible cooling facilities, resilient urban infrastructure and targeted protection for vulnerable populations. They also reinforce the importance of climate adaptation alongside emissions reduction, as increasingly severe heatwaves threaten public health, economic productivity and the resilience of European cities. *(Source: Carbon Brief, 23 October 2026)*

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