

INDIA | 1 September 2025

India Weekly Watch

ECONOMY IN MINUTES – B2K Analytics Research

Macro Indicators: Quarterly	Latest	Qtr ago	Yr ago
Real GDP Growth: Q1 FY2026 (%)	7.81	7.38	6.51
Nominal GDP Growth: Q1FY2026 (%)	8.82	10.76	9.65

Macro Indicators: Monthly	Latest	Mth ago	Yr ago
IIP YoY: July (%)	3.47	1.52	4.98
IIP: Manufacturing YoY: July (%)	5.44	3.68	4.71
Service Exports: July (USD Bn)	34	32	31
Capex: April-July (Rs Bn)	3,469	2,751	2,613
Gross Tax Collection: April-July (Rs Bn)	10,929	8,690	10,842
Bank Credit: Non-Food YoY: July (%)	9.88	9.33	13.56
Bank Credit: Industry YoY: July (%)	5.99	5.49	10.16
Bank Credit: Services Sector YoY: July (%)	10.60	9.00	14.47
Bank Credit: Personal Loans YoY: July (%)	3.31	12.11	13.96
WALR^: On Fresh Rupee Loans: YoY: July (%)	8.80	8.62	9.40
WADTDR^: On Fresh Rupee Term Deposits YoY: July (%)	5.61	5.75	6.51

Rates and Yields (%)	29-Aug	Wk ago	1 Yr ago
Call Money Rates	5.07	5.51	6.39
91-day Treasury Bills	5.49	5.46	6.58
364-day Treasury Bills	5.60	5.58	6.70
1-year G Secs	5.67	5.65	6.74
5-year G Secs	6.29	6.27	5.77
10-year G secs	6.57	6.52	6.87
AA Corporate Bonds: 1-year	8.45	7.16	10.19
AA Corporate Bonds: 5-year	10.36	10.53	8.94
AA Corporate Bonds: 10-year*	8.99	8.99	8.48
AAA Corporate Bonds: 1-year	6.69	6.55	7.72
AAA Corporate Bonds: 5-year	7.00	6.86	7.40
AAA Corporate Bonds: 10-year	7.52	7.14	7.72

Demand/ Supply	29-Aug	Wk ago	1 Yr ago
Net Liquidity Injected (+)/Absorbed (-): (Rs Bn)	-2,431	-2,189	-1,223
Deposit Growth (%): 08-Aug-2025	10.05	10.17	10.87
Non-food Credit Growth (%): 08-Aug-2025	10.1	9.88	13.55

Global Indicators	29-Aug	Wk ago	Yr ago
Federal Funds Rate (%)	4.33	4.33	5.33
S&P 500	6,460	6,467	5,648
Shanghai (SSE) Composite Index	3,858	3,826	2,842

Indian Markets	29-Aug	Wk ago	Yr ago
NSE Nifty 50	24,427	24,870	25,236
NSE Nifty 100	25,003	25,496	26,274
NSE Nifty 500	22,463	22,991	23,735
NSE Nifty Bank	53,656	55,149	51,351
BSE Sensex	79,810	81,307	82,366
BSE Market Cap (Rs Bn)	4,43,655	4,53,657	4,64,400
NSE India VIX	11.75	11.73	13.39
NSE Nifty 50 PE	21.5	21.9	23.5

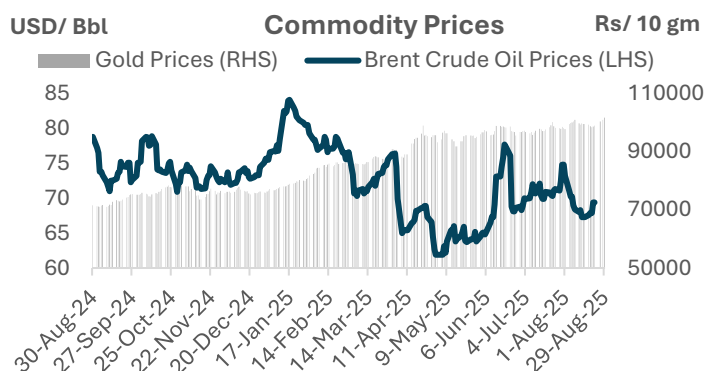
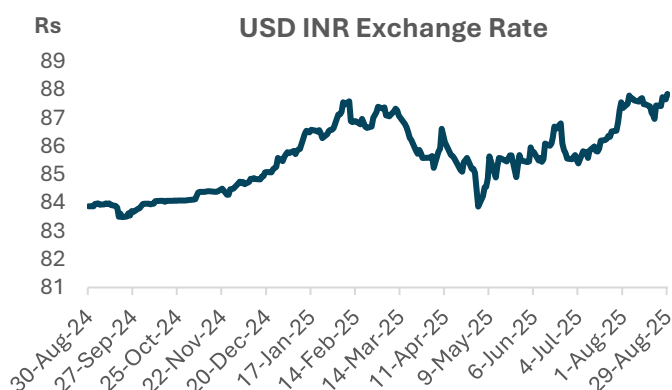
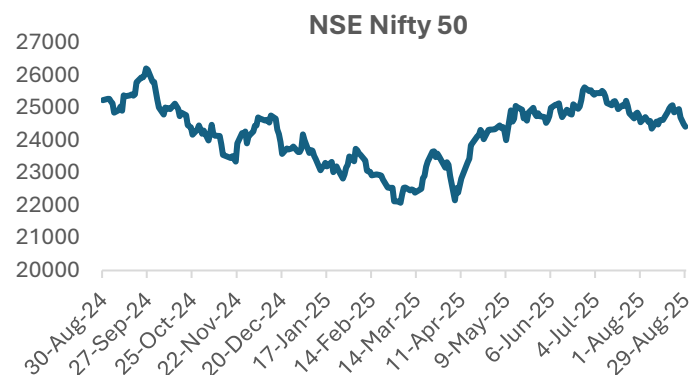
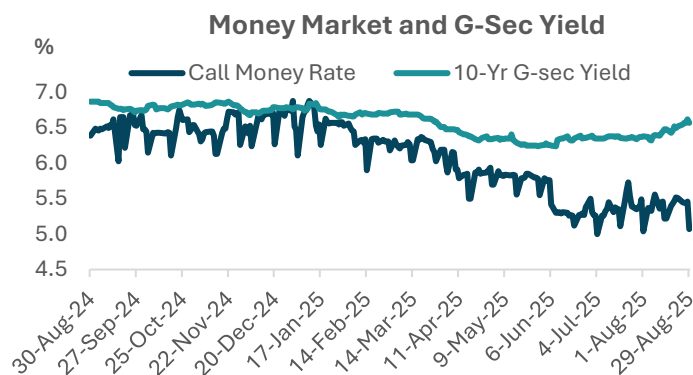
Commodity Prices	29-Aug	Wk ago	Yr ago
Gold (USD/Ounce)	3,429	3,334	2,513
Gold (Rs/ 10 gms)	1,01,768	98,935	71,590
Brent Crude Oil - Spot (USD/Barrel)*	69	70	79
Brent Crude Oil - Futures (USD/Barrel)	68	68	74

Forex Market	29-Aug	Wk ago	Yr ago
USD-INR	87.85	87.44	83.87
EUR-INR	102.47	101.34	92.91
JPY-INR	0.60	0.59	0.58
GBP-INR	118.58	117.13	110.50
US Dollar Index	97.69	97.60	101.62
Forex Reserves (USD Bn): 22-Aug	691	695	682

Institutional Flows for the Week	29-Aug	Wk ago	Yr ago
Mutual Funds: Debt (Rs Bn): 20-Aug	-77.82	-59.54	-126.9
Mutual Funds: Equity (Rs Bn): 20-Aug	103.27	172.98	124.71
FPI-Equity (USD Bn)	-0.78	-1.22	2.82
FPI-Debt (USD Bn)	-0.20	0.78	0.61

Note: *: Data is for day before, ^: WALR: Weighted Average Lending Rate, WADTDR: Weighted Average Domestic Term Deposit Rate

Source: RBI, MoSPI, CCIL, NSE, BSE, NSDL, US Department of Treasury, S&P Global, Federal Reserve, ICE, IMF, LBMA, Hang Seng, Nikkei, Shanghai stock exchange, CMIE



- ❖ Despite the mixed signals from major high frequency indicators impacted by the early monsoon and tariff woes, the GDP growth far exceeded market expectations and RBI's estimates of 6.5% in Q1FY2026.
- ❖ IIP growth recovered to a four-month high due to growth in manufacturing and infrastructure/ construction demand. Electricity sector recorded subdued growth of 0.55%, after two months of contraction. Mining sector continues to contract at -7.24%, as monsoon disrupted economic activity.
- ❖ In August, foreign investors have pulled out nearly USD 3.3 billion from Indian equity markets. This marks the sharpest sell-off since February as investors were weighed down by concerns over US tariffs.
- ❖ The government has extended the import duty exemption on cotton till 31st December 2025 to stabilise raw material costs, strengthen global competitiveness, and sustain employment in textile-apparel value chain. Cotton textile exports account for 33% of India's total textile exports and this strategic intervention is aimed to make Indian textiles more competitive in the international market.
- ❖ A US Federal Appeals Court has ruled that most of Trump's tariffs are illegal.

Our View

- ❖ India's stronger than expected GDP growth reduces the chances of a rate cut in the MPCs September meeting.
- ❖ The US tariffs pose a significant downside risk to India's GDP growth and particularly for Indian exporters, as higher tariff reduce demand for Indian-made goods.

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