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EDITORIAL

1. RBI'S SHIFT TOWARDS TIGHTER MONETARY TRANSMISSION

The Reserve Bank of India's fourth bi-monthly policy actions mark a shift towards tighter monetary conditions, driven by mounting inflationary risks, external sector pressures and the need to strengthen the transmission of monetary policy.

The October 2026 monetary policy review ended the pause in policy rates that had continued since December 2025, with the Monetary Policy Committee (MPC) unanimously raising the repo rate by 25 basis points to 5.50%. This marked the RBI's first repo-rate increase after 21 consecutive MPC meetings without a rate hike. A majority of MPC members also supported changing the policy stance from 'neutral' to 'calibrated tightening'. The decision reflects growing concerns over the persistence and broadening of inflationary pressures. Consumer Price Index (CPI) inflation rose to 5.54% in September 2026, remaining above the RBI's 4% medium-term target for the fourth consecutive month. This raises concerns about second-round price effects and firming up inflation expectations.

The inflationary outlook has been further strained by elevated and volatile crude oil prices amid geopolitical tensions in West Asia, besides weather-related uncertainties arising from a weak monsoon and El Niño conditions. Crude prices exceeding $100 per barrel increased the import bill, exerted pressure on the rupee and raised production and transportation costs. The RBI has also undertaken a slew of measures to curb rupee depreciation and maintain orderly conditions in the foreign exchange market, as persistent currency pressures can further raise import costs and intensify domestic inflationary pressures. While monetary policy cannot directly address these supply-side shocks, timely tightening can help contain their spillover into broader prices and prevent inflation from becoming entrenched.

However, the resilience of domestic economic activity has provided the RBI with some policy space to address these risks. Following stronger- than- expected GDP growth of 7.8% in April–June 2026, the Central Bank revised its FY2026-27 growth projection upwards from 6.7% to 7.1%. This signals a preference for tighter monetary conditions in the near term, with the possibility of further rate increases or a pause depending on the evolving inflation and growth outlook. The Central Bank has clarified that the stance is measured and data-dependent, rather than signalling a predetermined series of rate hikes.

Liquidity management has emerged as another important channel for reinforcing monetary policy transmission. On October 9, the RBI increased the minimum daily cash reserve ratio (CRR)

maintenance requirement for banks from 90% to 99% of the prescribed requirement, effective from the fortnight beginning October 16. The overall CRR ratio remains unchanged. Under the earlier arrangement, banks could maintain lower reserve balances on certain days and compensate through higher balances on others, provided the prescribed fortnightly average was met. The revised requirement reduces this flexibility.

Although the immediate liquidity impact of this change is expected to be limited, its significance lies in strengthening the alignment between the policy rate and short-term money-market conditions. Banking system liquidity had expanded following foreign inflows, including funds mobilised through the FCNR(B) deposit window. By limiting banks' flexibility in managing daily reserve balances, the RBI is reinforcing liquidity discipline and seeking to ensure that surplus liquidity does not weaken the transmission of policy signals to money-market rates.

The impact of the repo-rate increase will be felt across households, businesses and through changes in borrowing costs and spending decisions. Borrowers with repo linked floating-rate loans are likely to experience faster repricing. Higher borrowing costs could moderate demand for housing, automobiles and other interest-sensitive purchases, while increasing financing costs for businesses undertaking fresh investments or seeking working capital. Deposit rates may also increase gradually as banks compete for funds.

Interest-rate action, however, cannot by itself reverse the effects of high international oil prices, geopolitical uncertainty or deficient rainfall. Excessive tightening could also constrain productive credit, particularly for micro, small and medium enterprises, and weigh on consumption and private investment. The policy challenge, therefore, is to strike a balance between containing inflation and sustaining growth. Monetary tightening can help moderate inflationary pressures, but effectively managing inflation and addressing underlying vulnerabilities requires a balanced mix of monetary, fiscal and supply-side interventions.

Sunil Kumar Goyal
Chief General Manager

2. SUSTAINING BANKING GROWTH AND PROFITABILITY: BALANCING AMBITION WITH RISK DISCIPLINE

Indian banking is in its strongest position in years. Public sector banks (PSBs) recorded a historic ₹1.98 lakh crore profit in FY 2025-26, marking an 11.1% increase and their 4th consecutive year of profitability. And across all scheduled commercial banks (SCBs), gross NPAs fell to 1.8% in March 2026, a multi-decade low.

The turnaround reflects years of sustained reforms which include recognizing bad loans, strengthening recovery mechanisms, recapitalising, improving governance and enforcing stricter lending practices. A stronger balance sheet, however, is just the beginning. The real test will be to sustain this growth without compromising on quality.

Funding growth with stable deposits

Credit demand remains strong across retail, agriculture, MSMEs, infrastructure and the corporate sector. In FY 2025-26, advances grew by 15.7%, outpacing deposit growth of 10.6%. When credit growth outruns deposit growth, banks face greater competition for funds, pushing up borrowing costs and putting pressure on both profit margins and liquidity.

The solution lies in building depositor trust through better service, seamless digital banking and a stable base of retail and other long-term deposits rather than just accumulating more deposits.

Lending must follow the same principle of discipline. Loan quality should be assessed by the returns generated over its lifetime, rather than just disbursement targets. Before sanctioning a loan, banks must evaluate cash flows, credit bureau records, leverage and exposure concentration, whilst continuing to monitor accounts for early signs of stress. Identifying potential defaults early is far less costly than dealing with losses later. At the end of the day, credit growth is sustainable only when returns compensate for funding and operating costs, expected credit losses and the deployed capital.

Protecting the quality of earnings

Profitability depends on how effectively banks manage net interest income, fee-based revenue, operating efficiency and credit costs. Since deposit and lending rates don't adjust at the same pace, protecting margins requires disciplined pricing, sound asset-liability management and regular assessments of interest rate sensitivity and funding concentration.

Banks can also strengthen profitability by diversifying income through transaction banking, cash management, trade finance and remittances. Equally important is distinction between sustainable revenue streams and one-off gains. Treasury profits and recoveries can boost earnings, but they don't necessarily reflect long-term earning capacity. This difference helps assess whether profitability can hold up against changes in interest rates, market conditions and credit costs.

Technology investments must translate into tangible outcomes, whether through lower transaction costs, improved customer service, stronger risk controls or greater operational resilience. The value of these investments lies in the results they deliver, not the amount spent.

Risk management as a strategic capability

Today's risks are interconnected. Inflation shapes household finances, while interest rate movements influence banks' funding costs and borrowers' repayment capacity. Geopolitical developments, energy price volatility and supply-chain disruptions add to operating costs and working-capital needs for importers, exporters and manufacturers. For banks, these pressures can show up as softer borrower cash flows, higher reliance on credit lines, delayed repayments and rising credit costs.

Borrower-level monitoring should therefore sit alongside sector analysis and combined stress tests that model several shocks together: higher input costs, softer demand and tighter financing. A stress test is valuable when it informs decisions on limits, concentration, capital and liquidity.

Digital banking brings its own set of risks, including phishing, ransomware, identity theft, payment fraud and vulnerabilities in third-party technology. Banks need strong access controls, real-time fraud detection, sound data governance, effective vendor oversight and regularly tested incident-response plans. The goal is to prevent avoidable breaches and to restore operations quickly when disruptions occur.

Risk management must be embedded at every stage of decision-making, from product design and performance targets to employee incentives and capital allocation. Boards play a central role in keeping growth strategies aligned with the Bank's risk appetite and in ensuring that emerging concerns are identified and escalated early.

Preparing for the expected credit loss

The RBI's final Expected Credit Loss (ECL) directions, issued on 27 April 2026, take effect from 1 April 2027. They apply to scheduled commercial banks other than regional rural banks, small finance banks and payments banks. Instead of waiting for a loss event, banks must estimate expected losses early. Assets with no significant rise in credit risk carry a 12-month loss allowance, those with a significant rise carry lifetime expected losses and credit-impaired assets follow the Stage 3 requirements. Existing NPA classification norms stay in place.

Effective implementation requires reliable historical data, validated models, credible macroeconomic scenarios, clear governance structures and adequately trained personnel. Banks should assess how different scenarios affect provisioning, earnings, capital adequacy and loan pricing, recognising that the impact will vary with portfolio quality, data maturity and modelling approaches. Early preparation will help banks adopt Expected Credit Loss (ECL) provisioning in a way that strengthens risk assessment without unnecessarily restricting productive lending.

The road ahead: disciplined growth, durable trust

What distinguishes banks isn't the size of their balance sheets, but the quality of their decisions. This requires an integrated approach to credit, market, liquidity, operational and cyber risks, supported by reliable data, rigorous stress testing and timely action on early warning signals.

India needs banks capable of financing households, farmers, entrepreneurs, businesses and infrastructure at scale. The opportunity is considerable, and so is the responsibility.

Virendra Prakash Bansal
Deputy General Manager
SMEAD, Head Office

3. GLOBAL ECONOMY: FOOD IS THE NEW OIL

More than seven months into the West Asia war, the global economic shock is changing address, from the fuel pump to the dinner plate. The Food and Agriculture Organization Food Price Index rose to 136.0 points in Sep'26, its highest level since Nov'22. The vegetable oil prices up by 18.3% and cereal prices by 17.2% on YoY basis, driven by severe climate shocks and intensifying transport disruptions.

The IMF's October 2026 World Economic Outlook trims its full-year forecast for world food price inflation to 5% (from 8% in July) but now assumes Hormuz shipping begins resuming only in Mar'27, with prewar conditions not until Oct'27.

This second phase matters more than the first. Energy shocks hit fast and fade, while food shocks arrive late, linger through crop cycles and fall hardest on the poorest countries and households. The IMF's headline numbers mask this structural pain. It raised its forecast for global growth to 3.1% from July's 3.0%, as AI-driven investment offsets higher energy prices.

Although, this stable headline number masks large cross-country offsetting movements and a greater concentration of global growth, as 32 economies now generate 95% of growth, down from 54 in Apr'26, leaving vulnerable, energy-importing nations behind. A lower full-year food forecast is also less comforting than it looks, since it averages in a year that began with cereal prices near historical lows, and a March reopening of Strait of Hormuz pushes the shock into the next crop cycle.

From the Pump to the plate

The paradox is that the world is not short of grains. The FAO estimates the 2026 cereal harvest at 2,979 million tonnes, the second-largest on record. Yet it has cut its 2026/27 cereal trade forecast to 505.8 million tonnes, 3.5% below last season, reflecting disruptions to key export routes and logistical constraints in the Black Sea region that keeping Russian and Ukrainian wheat in store.

That distinction matters. Food security depends not only on how much grain is grown, but also on how efficiently it moves from surplus regions to deficit ones. With two of the world's main corridors impaired at once, the immediate shock is to transport, fertilizer costs and trade flows rather than to aggregate production itself. That is why the pressure first appears in crop prices, long before it shows up on supermarket shelves.

Food and Agriculture Organization Price Indices (YoY, %)

Crop-based foods are up 15–18% in a year; meat and dairy are not



Source: FAO Food Price Index

Fertiliser is another critical link, at the peak of the trade route closure, the FAO estimated that 1.5–3 million tonnes of fertiliser trade a month was held up. High energy prices also raise farm costs and the IMF assumes natural gas, the key input for nitrogen fertiliser, will be 48% dearer this year than in 2025. It makes crops more valuable as fuel, with biofuel demand supporting maize and soy oil.

El Niño: The Slower Second Shock

Hormuz is a shock that a ceasefire can end, though the El Niño has to run its course. The National Oceanic and Atmospheric Administration (NOAA) puts the odds of a strong to very strong event lasting through Jan–Mar'27 above 83%. The FAO already links firmer sugar partly to weak crop prospects in India and Thailand, and a fourth monthly rise in palm oil to dry weather in South-east Asia. The IMF's October outlook lists drought and water stress worsened by the ongoing El Niño among its downside risks, noting that past episodes have typically pushed up food prices and weighed on activity where food takes a large share of household budgets, including low-income countries.

Food shocks outstay fuel shocks as they are harder to look through, because they shape what households expect. The IMF's new research on cost-of-living crises finds that inflation expectations rise during such episodes and stay above pre-crisis levels three years later. Poorer households face inflation about 0.8 percentage point above the headline rate, which implies 23 million more people fell into extreme poverty in 2021–24 than previously estimated.

This is why central banks are leaning against a supply shock they cannot fix. The global inflation is expected to peak at 4.7% in 2026 before easing to 4.1% in 2027 (IMF), a temporary rise driven mainly by energy and food, and the Fed raised rates in September for the first time since 2023. The burden is lopsided. Energy importers with little stake in the AI boom face the hardest mix of dearer imports, weaker currencies, squeezed real incomes and less fiscal room, and it expects outright shortages in some poorer economies that lack stocks and are outbid by wealthier buyers for cargoes.

Two amplifiers could make matters worse. The IMF warns that prolonged disruption could push more countries to turn protectionist to safeguard domestic supply, and that curbs on key inputs would amplify bottlenecks and inflation.

India is confronting both shocks simultaneously. Food inflation rose to 7.74% in Sep'26, pushing headline CPI to 5.54%. Rural food inflation reached 8.06% in households that spend 47% of their budgets on food. Price pressures are also broadening, as items with inflation above 4% now account for 37% (up from 23% in Apr'26) of the CPI basket. Meanwhile, the southwest monsoon ended 12.6% below its long-period average, with East and Northeast India recording their driest season since 1901.

Strong growth gives the RBI room to act against rising inflation, as it raised the repo rate to 5.50% on 7th Oct'26 and projects CPI at 6.0% in Q3 and 5.2% in FY27. The IMF also sees inflation at 5.0% with a strong growth forecast at 7.0% in FY27. India's buffers are substantial but uneven. Wheat and rice stocks at about 2.8 times the buffer norm in the Central Pool, leaving room for open market sales. While edible oils remain heavily import-dependent and gas-based fertiliser production remains exposed to disruptions in Gulf energy supplies.

Going ahead, globally the policy priority should be to deploy grain stocks early, shield poor households through direct transfers. There is an opportunity too. Gulf states import 70–90% of their staple food, and few suppliers can match India's combination of production scale and grain reserves. Reliable, rules-based exports would earn India goodwill in a region that supplies much of its energy and fertiliser. If the first phase of the West Asia conflict was about oil, the second may be about food. The critical indicators to watch are no longer just crude prices or tanker movements, but crop conditions, shipping routes and global food inventories. In that sense, food is becoming what oil once was, the commodity through which geopolitics reaches the household budget.

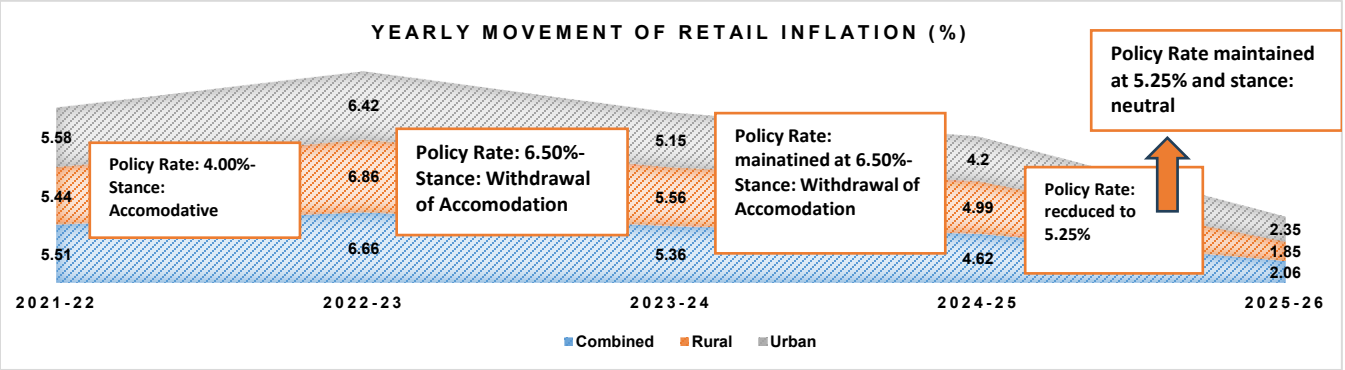
Kartik Khandelwal
Officer (Economics)
Head Office, SMEAD

4. INDIA'S INFLATION TREND

India's retail inflation accelerated to **5.54% in September 2026**, compared with **4.83% in August** and **4.50% in July**. This is the highest CPI inflation reading recorded so far in 2026 and places headline inflation above the RBI's 4% target, although it remains below the 6% upper tolerance limit.

Increase in Inflation affects near term growth prospects and squeezes purchasing power for low-income and rural communities.

Historical Trend in Inflation since 2021:



2021–2022: Reopening and commodity shock: As economic activity resumed after COVID 2020-2021 pent up demand recovered faster than supply in several sectors. Global energy, food and industrial commodity prices also rose, resulting in a sharp increase in inflationary pressures. The post-pandemic period was marked by supply-chain bottlenecks, higher freight costs and global commodity volatility.

2022-23: Pick up in inflationary trend: In 2022–23, India's retail Consumer Price Index (CPI) inflation averaged around 6.7%, staying above the Reserve Bank of India's (RBI) upper tolerance threshold of 6% for much of the period and peaking at 7.8% in April 2022. The outbreak of the conflict in early 2022 severely disrupted global supply chains, pushing up international prices for crude oil, natural gas, fertilizers, and wheat.

2023–2024: Moderation with volatility: Inflation moderated from its earlier peak, and it averaged around 5.4% during this period. However, the decline was uneven. Food prices continued to produce periodic spikes, particularly in vegetables, cereals, pulses and other essential items. Core inflation generally became less intense as supply constraints eased.

2024-25: Tamed Inflation: The moderation in overall inflation was actively contained by the government and the Reserve Bank of India (RBI) through timely release of food buffer stocks, targeted open market sales, import duty adjustments, stock limits on sensitive commodities, and a pro-growth monetary stance. During this period, the Inflation growth averaged around 4.6%.

2025-26: Dipping to low: it was on account of sharp price corrections and strong agricultural supplies led to food deflation starting mid-2025, with steep price drops in key items like vegetables, pulses, and horticultural produce (potatoes, onions, tomatoes, and garlic down 20–40%). During this period, the inflation growth rate was averaged around 2.1%.

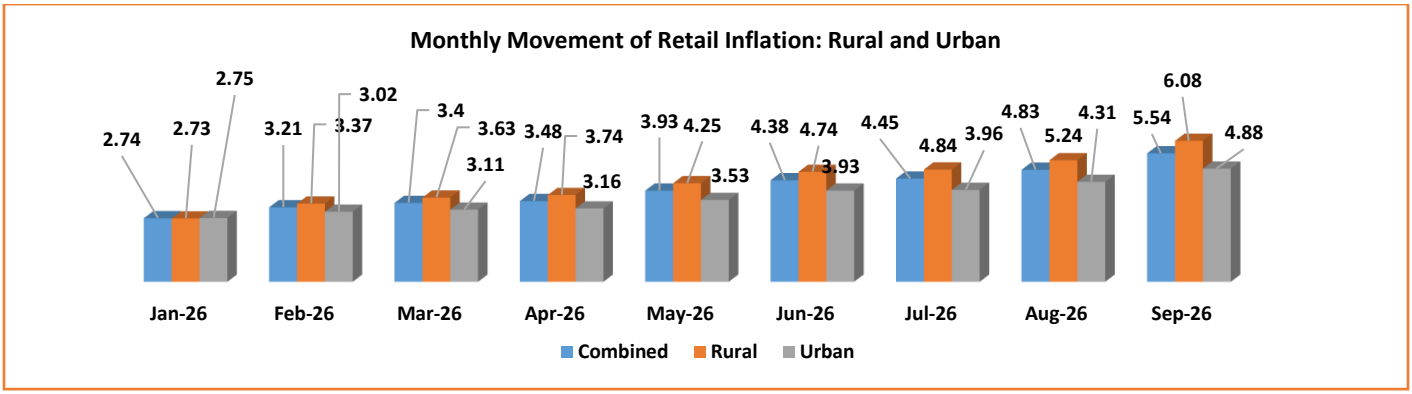
2026-27: Renewed food-led acceleration: The latest increase has been driven mainly by food inflation. Food inflation rose to 7.74% in September 2026, while headline CPI reached 5.54%. Rural inflation was 6.08%, compared with 4.88% in urban areas.

Retail Inflation is past two months

Indicator	August 2026	September 2026
Headline CPI	4.83%	**5.54%**
Food inflation	5.97%	**7.74%**

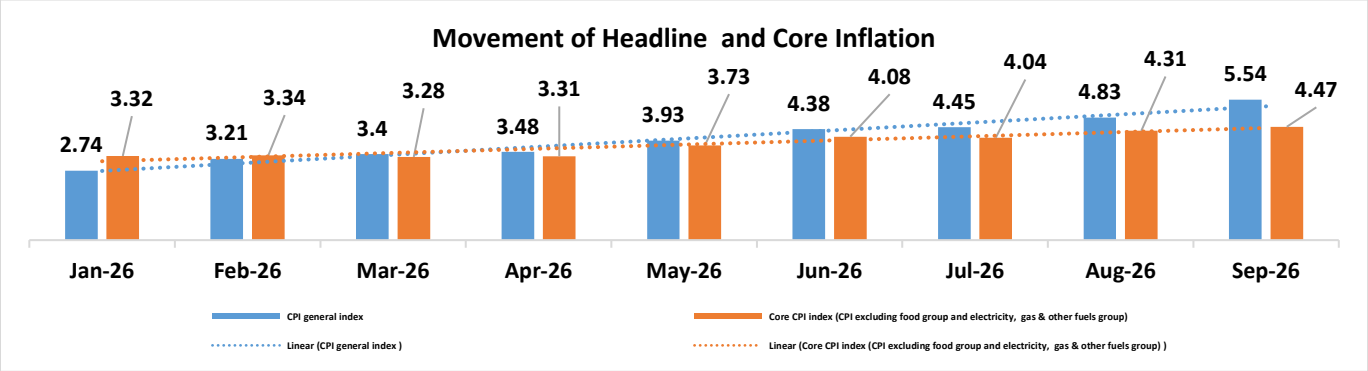
Between August and September, headline inflation increased by **71 bps**, while food inflation increased by **177 bps**.

Regional Pattern of latest Headline Inflation



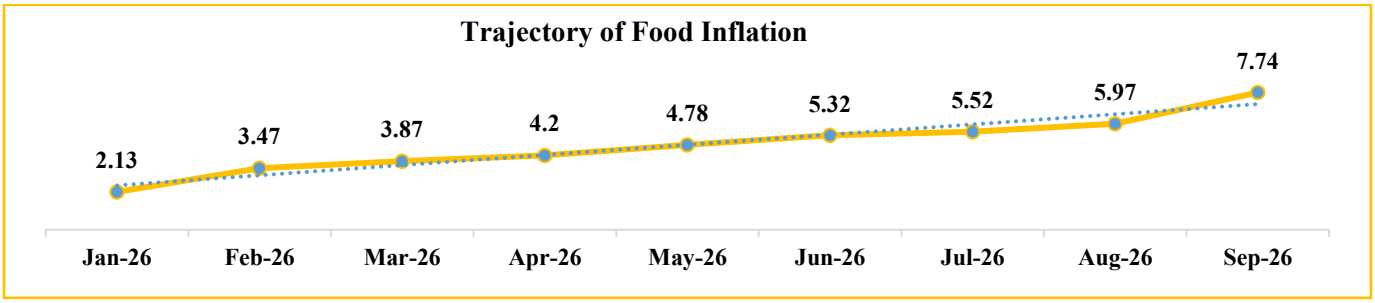
Rural inflation exceeded urban inflation by **1.20 percentage points** in September'26. This gap is significant because rural households generally devote a larger share of their expenditure to food, making them more vulnerable to food-price shocks.

Core Inflation Behaviour and reasons for the recent uptick in Overall Inflation



From the above graph, it is observed that India's core inflation is also **rising modestly but persistently**, indicating that underlying price pressures are no longer confined to food and fuel. It rose to about **4.5% in September 2026** from 4.3% in August'26; which is the cleaner signal of broadening inflation.

Food-price acceleration: The principal reason for the September increase was the sharp rise in food inflation. The increase in the Consumer Food Price Index from 5.97% to 7.74% accounted for most of the acceleration in headline CPI inflation.



The food-price increase reflects higher prices of vegetables, weather related supply chain disruptions, monsoon related production uncertainty, logistics and storage constraints, higher transportation costs and base effects from the corresponding period of the previous year.

Weather and supply risks: Food inflation in India remains sensitive to rainfall, crop arrivals, regional production conditions, and supply-chain efficiency. Weather disruptions can affect perishables quickly and may subsequently influence cereals, pulses, edible oils, and other food categories.

Fuel and input-cost transmission: Higher energy and transportation costs can raise the cost of moving agricultural produce and manufactured goods. If sustained, these pressures may gradually pass through to non-food goods and services. This suggests that inflation was not entirely confined to food, although the September acceleration itself was still dominated by food prices.

Risk Scenarios:

Scenario	Key assumptions	Inflation implication
Baseline	Food prices moderate and energy costs remain manageable	Inflation gradually moves toward the RBI projection
Upside risk	Food supply weakens, crude prices rise, or the rupee depreciates	Inflation moves closer to or above 6%
Benign scenario	Food prices correct sharply and global commodity prices soften	Inflation to be below 4% target
Persistent inflation	Food pressures spread to services and core goods	Inflation remains above target for longer

Implications

1. **Households:** The impact is likely to be more severe for rural and lower-income households because food constitutes a larger share of their consumption basket. Higher food prices can reduce discretionary spending and weaken real purchasing power.
2. **Monetary policy:** The rise in inflation reduces the scope for aggressive monetary easing. However, because the shock is largely food-led, the RBI may continue to distinguish between temporary supply-side inflation and persistent core inflation. In this recent Monetary Policy Committee Review in October 2026, **RBI changed the stance of the Monetary Policy Committee to Calibrated Tightening from Neutral.** This outlines that now RBI is adopting more cautious approach towards inflation as the Economic growth has been resilient.

RBI's Inflation Projection:

The RBI has raised its FY2026–27 CPI inflation projections to **5.2% from 5.0%**. It has also projected inflation at an average of approximately **5.8% over the next three quarters**, while raising its core-inflation projection for FY2026–27 to **4.4% from 4.3%**.

The latest September reading of 5.54% is above the RBI's FY2026–27 average projection, meaning that inflation would need to moderate during subsequent months for the annual forecast to remain achievable.

Going Forward:

Based on the assessments, it is perceived that Inflation is tilted to the upside. While food inflation may eventually ease with improved supplies, the RBI will remain watchful of second-round effects particularly whether elevated food prices feed into wages, services and core inflation. This supports a calibrated, inflation-focused approach, with limited room for aggressive monetary easing in the near term**.**

Period	Outlook
Immediate months	Inflation likely to remain elevated because of food-price pressures
Next three quarters	Average inflation projected around 5.8%
FY2026–27	RBI projection of 5.2%
Medium term	Moderation possible if food and energy pressures ease
Key risk	A sustained food shock spreading into core inflation

India's inflation outlook has shifted **from a period of moderation to one of renewed acceleration**, with September's 5.54% CPI underscoring the growing weight of food-price pressures. While elevated food inflation remains the immediate driver, the steady rise in core inflation is the more important warning sign: it suggests that supply-side shocks may gradually transmit into manufacturing costs and services prices, making inflation more broad-based and persistent.

The coming months will therefore be decisive. A timely kharif harvest, adequate market arrivals, and healthy rabi sowing could ease food prices and contain headline inflation. Conversely, adverse weather, weak sowing progress, or higher global commodity costs could keep inflation above the comfort zone and reinforce second-round effects.

Overall, India faces an **elevated but potentially manageable inflation phase**. The policy priority should be to protect food supply through timely buffer-stock releases, import and distribution measures, and close monitoring of perishables, while the RBI should remain vigilant on core inflation.

Surabhi Tewari
Senior Manager (Economics)
Head Office, SMEAD

5. HIGHLIGHTS OF THE RBI'S MONETARY POLICY ANNOUNCED ON 07.10.2026

A. Policy Rate / Reserve Ratio	Previous	Now	Change
Policy Repo Rate	5.25%	5.50%	**25 bps ↑**
Standing Deposit Facility (SDF)	5.00%	5.25%	
MSF Rate	5.50%	5.75%	
Bank Rate	5.50%	5.75%	
B. Reserve Ratios			
Cash Reserve Ratio (CRR)	3.00%	3.00%	**No Change**
Statutory Liquidity Ratio (SLR)	18.00%	18.00%	

a. **Policy Rate:** Monetary policy Committee (MPC) unanimously increased **the repo rate by 25 bps to 5.50%** in its fourth bi-monthly monetary policy of FY'27.

b. **Stance:** MPC also decided to change its stance from ***'neutral'*** *to* ***'calibrated tightening'***.

c. **Rationale:** The MPC's decision centers on combating rising inflation with headline CPI inflation projected to average almost 5.8% over the next three quarters and core inflation at 4.4% for FY27.

It also expects to curtail the second round effects (inflation expectations and firm level pricing behavior etc.), which take time to manifest and are difficult to extract from available data. While there is limited evidence of demand side pressures, risks in view of strong growth in monetary and credit aggregates exist.

Given the current conditions, the shift in stance signals that rate cuts are off the table in the near term and policy action ahead can only be a rate hike or a pause, depending on the evolving conditions and the outlook. The duration and extent of rate hike cycle would be contingent on the actual growth-inflation developments and outlook.

i. Economy and Inflation Outlook

Economy Outlook

- **Global economy** conditions have been in flux since Aug'26 MPC meeting due to the re-escalation of the West Asia conflict and crude oil price volatility. While growth remains resilient, accelerating inflation has forced major central banks into a hawkish stance, highlighted by a 25 bps rate hike by the US Fed and ECB in September.
- Tighter financial markets and fiscal sustainability concerns are currently keeping global bond yields at record highs. Significant downside risks persist because the conflict remains unresolved. The global outlook faces ongoing threats from further financial tightening, high public debt, and elevated valuations in AI-related assets.
- **Indian economy** remains resilient. Real GDP growth in Q1 FY27 at 7.8% was higher than expected. This growth was strongly supported by robust manufacturing, strengthening services, strong private consumption, and a rebound in both merchandise and services exports.
- High-frequency indicators for Jul–Aug'26 show that this domestic momentum has sustained into Q2 FY27, bolstered by double-digit growth in merchandise exports.
- Going forward, the domestic outlook faces risks from global uncertainty, volatile energy prices, a deficient southwest monsoon, and strong El Niño conditions threatening agriculture growth.

However, these risks are expected to be mitigated by active supply source diversification, healthy foodgrain buffers, and proactive government interventions.

- Sustained investment activity will likely be driven by strong capacity utilization, robust credit flows, infrastructure spending, and new bilateral trade agreements.

Taking all these factors into consideration, **RBI's real GDP projections** have been revised as under:

MPC Meeting	Q2 FY'27	Q3 FY'27	Q4 FY'27	FY'27	Q1 FY'28
05.08.2026	**6.4%**	**6.5%**	**6.8%**	**6.7%**	**7.3%**
07.10.2026	**7.2%↑** *(80 bps)*	**6.9%↑** *(40 bps)*	**6.8%↔** *(no change)*	**7.1%↑** *(40 bps)*	**7.1%↓** *(20 bps)*

Inflation Outlook

- Headline CPI inflation rose to 4.8% in Aug'26 from 4.5% in Jul'26. The rise is led by higher food and fuel inflation. Also, a pickup in core inflation indicating some signs of widening price pressures. The weighted share of items in headline CPI recording inflation above 4.0% increased steadily to about 37% in Aug'26.
- The near-term outlook points towards, the continued pressures from supply side on account of the deficient monsoon, ongoing El Niño conditions and high energy and other commodity prices, the pass through of which is still continuing.

Considering these factors, the RBI's projections for Inflation have been revised as under:

MPC Meeting	Q2 FY'27	Q3 FY'27	Q4 FY'27	FY'27	Q1 FY'28
05.08.2026	**4.7%**	**5.9%**	**5.5%**	**5.0%**	**5.3%**
07.10.2026	**4.9%↑** *(20 bps)*	**6.0%↑** *(10 bps)*	**5.7%↑** *(20 bps)*	**5.2%↑** *(20 bps)*	**5.6%↑** *(30 bps)*

Core inflation (CPI excl. food & fuel) is projected at 4.4% for FY'27 (10 bps higher than projected earlier).

ii. Liquidity and Financial Market Conditions

- During Aug-Sep'26, system liquidity increased substantially led by the RBI measures to attract capital flows. It stood at an average daily surplus of ₹5.9 lakh crore since the last MPC meet. The measures taken to absorb liquidity combined with quarterly advance tax outflows moderated the surplus liquidity in September.
- The weighted average call rate (WACR) largely traded in the lower half of the policy corridor *(14 bps lower the repo rate since last MPC)*.
- Short-term money market rates moderated significantly, while G-Sec yields hardened in Aug-Sep'26, amidst renewed geopolitical tensions in West Asia, rise in global bond yields and increase in crude oil prices. Credit growth continues to remain robust *(18.1% YoY as of 15th Sep'26 up from 10.4% a year ago)* and broad-based across sectors.
- Going forward, the RBI will use an appropriate mix of liquidity management tools and strive to align the weighted average call rate (WACR) with the policy repo rate.

iii. Financial Stability

- The system-level financial parameters related to capital adequacy, liquidity, asset quality and profitability of SCBs continue to remain robust. Similarly, the system-level parameters of NBFCs are also sound.

iv. External Sector

- India's current account deficit (CAD) remained modest and sustainable in Q1 FY27, though a rising merchandise trade deficit widened it in July.
- Net FDI registered sustained improvement with inflows at $13.8 Bn during Apr-Aug'26, higher than $9.6 Bn a year ago. FPI recorded net outflows of $10.3 Bn during Apr-Oct 5, 2026, capital flow measures undertaken in the Jun'26 policy have supported inflows. Thereby, the balance of payments is expected to record a healthy surplus in FY27.
- India's forex reserves continue to remain adequate ($734.6 Bn as of 2nd Oct'26) with import cover of around 11 months and external debt cover of 94.4%.
- Going forward, the slowing global trade and high energy prices present future risks, the external sector should remain resilient, supported by strong remittances, a buoyant services surplus, and bilateral treaties with major trading partners.

v. Additional Measures

a) **Inter-operability among NBFC Account aggregators –** With an objective to enhance customer convenience, RBI enabling aggregation of financial information through all account aggregators from one account aggregator. RBI also facilitating SEBI regulated depositories to include information related to deposit accounts in their consolidated account statement (CAS). The measures will be implemented by 31st Dec'26

b) **Constitution of the Financial Market Consultative Committee (FMCC) –** RBI is setting up a Technical Consultative Committee for Financial Markets to adapt to fast-evolving market infrastructure. It will serve as an official forum for the RBI to engage with stakeholders on policy and operational issues across the money, govt. securities, forex, and derivatives markets.

vi. Our View:

The RBI's MPC decision of a 25 bps hike (as anticipated) is a prudent pre-emptive recalibration rather than an aggressive tightening move. With growth proving stronger than expected and inflationary pressures broadening amid elevated energy and food risks, the window for continued monetary accommodation had narrowed.

The accompanying shift of stance to calibrated tightening is particularly significant as it restores a positive real-rate buffer while retaining flexibility to respond to incoming data.

While the upward revision of FY27 growth to 7.1% (up by 40 bps from last policy) provides policy space to tighten without materially compromising momentum. In our view, the policy has appropriately prioritized inflation credibility without undermining growth momentum.

Going forward, the policy rate outlook will remain data driven. If the supply side shocks are transient in nature, inflation may normalize. However, if these shocks cause second round effects like broader price increases, then inflation may become more persistent, it may require more hawkish approach.

6. CLASSROOM

BALTIC DRY INDEX (BDI)

The **Baltic Dry Index (BDI)** is a shipping and trade index that tracks the cost of transporting raw materials like coal and steel. It is a daily economic indicator created by the London-based Baltic Exchange. The BDI is often seen as a leading economic indicator, giving insight into global trade activity. It reflects supply and demand for shipping capacity. It is based on assessments of shipping rates across selected international routes and reflects both demand for ships and the availability of shipping capacity.

BDI Index

The BDI combines three vessel-size indices:

Index	Weight	Typical vessel use
Baltic Capesize Index (BCI)	40%	Large cargoes, particularly iron ore and coal
Baltic Panamax Index (BPI)	30%	Coal, grain and other bulk cargoes
Baltic Supramax Index (BSI)	30%	Smaller and more varied bulk cargoes

The index is calculated by assessing multiple shipping rates across more than 20 routes for each of the BDI component vessels. A rising Baltic Dry Index signifies increased demand for shipping and typically, an improving global economic climate. Conversely, a falling Baltic Dry Index can be a sign of declining demand for commodities and a potential slowdown in global economic activity.

The index is currently moving around 2,500 points experiencing a sharp pullback after peaking near 3,400-3,620 points in September 2026, sliding through consecutive sessions due to softer demand across capesize, panamax, and supramax vessel.

Why is the BDI a leading Economic Indicator

An increase in demand for iron ore, coal or grain can raise demand for bulk carriers and push freight rates upwards. This may signal stronger commodity trade and industrial activity.

BDI is a widely watched gauge of economic activity, tracking the cost of shipping dry bulk goods across global routes. Its movement reflects supply and demand in the shipping industry, making it a leading indicator of broader trade and growth trends.

Benefits of tracking BDI

- Higher freight rates can raise the landed cost of imported raw materials and intermediate goods.
- Shipping costs affect import bills and the competitiveness of exports.
- Higher transportation costs can contribute to input-cost and inflationary pressures, particularly in import-dependent economies.
- A sharp rise can also signal port congestion, vessel shortages, longer shipping routes, weather-related disruptions or geopolitical developments, rather than stronger demand alone.
- Policymakers can use BDI alongside commodity prices, trade data and inflation indicators to assess external cost pressures and global economic conditions.

Ayesha Bhati
Senior Manager (Economics)
SMEAD, Head Office

7. GIST OF RBI CIRCULARS

Date of the circular	October 07, 2026
Ref No.	RBI/2026-27/286 DOR.MRG.REC. No.242/00-00-001/2026-27
Subject	Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Twelfth Amendment Directions, 2026

The RBI's Twelfth Amendment Directions, 2026 revise certain provisions of the Capital Adequacy Directions, 2025, to align them with international standards. Under the amended norms, clearing member banks are required to apply a 2% risk weight on their trade exposures to a Qualified Central Counterparty (QCCP) arising from OTC derivatives, exchange-traded derivatives, and securities financing transactions (SFTs), including client-clearing exposures where the bank is obligated to compensate clients in the event of a QCCP default. The amendment also clarifies that incurred CVA losses for Exposure at Default (EAD) calculations must be based on the CVA write-down recognized in the bank's financial statements, without considering offsetting DVA adjustments deducted from capital. Further, such EAD reductions will not be applicable for CVA risk capital calculations, and banks must maintain adequate documentation and reconciliation of CVA write-downs. Additionally, the earlier provisions under paragraph 213(2)(iv)(c), (d), and (e) have been deleted.

Date of the circular	October 19, 2026
Ref No.	RBI/2026-27/294 DOR.MRG.REC. No.248/00-00-020/2026-27
Subject	Reserve Bank of India (Commercial Banks - Miscellaneous) Second Amendment Directions, 2026

The Reserve Bank of India (RBI) has reviewed the regulatory framework governing non-option derivative contracts and, exercising its powers under Section 35A of the Banking Regulation Act, 1949, has issued the Reserve Bank of India (Commercial Banks - Miscellaneous) Second Amendment Directions, 2026. These amendment directions have come into effect immediately upon their issuance. As part of the amendment, Section C titled "Limits for Non-Option Derivative Contracts" under Chapter IV (Paragraph 37) of the Reserve Bank of India (Commercial Banks - Miscellaneous) Directions, 2025, has been deleted. This change reflects RBI's decision to remove the existing regulatory provisions relating to limits on non-option derivative contracts from the Directions.

8. ESG UPDATES



1. **CEA draft regulations propose Energy Storage requirements for New Renewable Energy Projects**

- The Central Electricity Authority (CEA) issued draft regulations proposing co-located energy storage systems for new ground-mounted solar and onshore wind projects commissioned after 1 July 2027.
- The draft provides for storage capacity equivalent to at least 10% of the installed project capacity, with a minimum storage duration of two hours.
- For projects commissioned from 1 July 2029 to 30 June 2031, the proposed minimum storage duration increases to four hours, supporting renewable energy integration and grid stability.

2. **CERC Approves Tariff for India's First Surface Hydrokinetic Power Project**

- The Central Electricity Regulatory Commission (CERC) approved a tariff of ₹3.39 per unit for a 1 MW pilot surface hydrokinetic project being developed by Bhakra Beas Management Board (BBMB).
- The technology uses the kinetic energy of flowing water near the surface, without requiring a conventional dam or change in water elevation.
- The pilot may help create regulatory and commercial pathways for an emerging renewable-energy technology.

3. **Self -assembly of Organic molecules opens a new path to Green Hydrogen production**

- Researchers reported a strategy combining a naturally occurring amino acid with a light-absorbing organic molecule for solar-driven hydrogen production.
- The approach uses completely metal-free organic materials, potentially addressing cost and sustainability concerns associated with some conventional photocatalysts.
- The research could support future applications in green hydrogen, artificial photosynthesis and solar-fuel technologies.

4. **GOBARdhan guidelines introduce CBG offtake assurance and pricing framework**

- The government notified operational guidelines for the ₹23,731 crore GOBARdhan scheme to develop India's compressed biogas (CBG) ecosystem.
- CBG producers are assured offtake of up to 100% of CBG available for sale, subject to technical and operational feasibility; City Gas Distribution (CGD) companies also receive phased CBG obligations.
- The framework sets an initial administered CBG price of about ₹98/kg and provides financial assistance for eligible new and upgraded CBG plants.

5. **NMDC sets net-zero operational emissions target for 2047**

- National Mineral Development Corporation (NMDC) has set a target of net-zero operational emissions by 2047, covering Scope 1 and Scope 2 emissions.
- Its roadmap targets at least 90% reduction in operational emissions through energy efficiency, renewable energy, fleet electrification, low-carbon fuels, CCUS and demand-side management.
- The roadmap is divided into short-, medium- and long-term phases covering FY26–FY30, FY30–FY40 and FY40–FY47.

6. **India on track to add about 8 GW wind energy capacity in FY 27**

- India is projected to add approximately 7.5–8 GW of wind energy capacity during FY 2026–27, reflecting continued momentum in renewable energy development.
- As of 30 September 2026, India's cumulative installed wind energy capacity reached 59.20 GW, with 3.11 GW of additional capacity installed during April–September 2026, including 680.75 MW during September 2026.
- The continued expansion of wind energy capacity is expected to strengthen India's renewable energy portfolio and support its long-term clean energy and decarbonisation objectives.

7. **Green hydrogen incentives awarded for 8.62 lakh tonnes per annum capacity**

- Under the National Green Hydrogen Mission, incentives have been awarded for about 8.62 lakh tonnes per annum of green-hydrogen production capacity.
- Incentives have also been awarded for 3,000 MW per annum of domestic electrolyser manufacturing capacity.
- The mission has an outlay of about ₹19,744 crores and is intended to build a domestic green-hydrogen market and strengthen energy security.

8. **India could add 45–50 GWh of battery storage over the next two financial years**

- CRISIL expects 45–50 GWh of battery-energy-storage capacity to be commissioned over the current and next financial year, compared with about 1 GWh in FY26.
- The expected growth is linked to a strong project pipeline and increasing participation of storage-linked projects in government auctions.
- For ESG and green-finance stakeholders, the trend highlights the growing role of storage in integrating intermittent renewable generation.

9. **IREDA releases its first-ever ESG Report**

- Indian Renewable Energy Development Agency **(**IREDA) released its first-ever ESG Report at its 39th Annual General Meeting on 29 September 2026.
- The development strengthens ESG disclosure and governance practices within a major public-sector renewable-energy financing institution.
- IREDA is a Navratna CPSE under MNRE and finances renewable-energy projects across sectors including solar, wind, hydro, storage, waste-to-energy and green hydrogen.

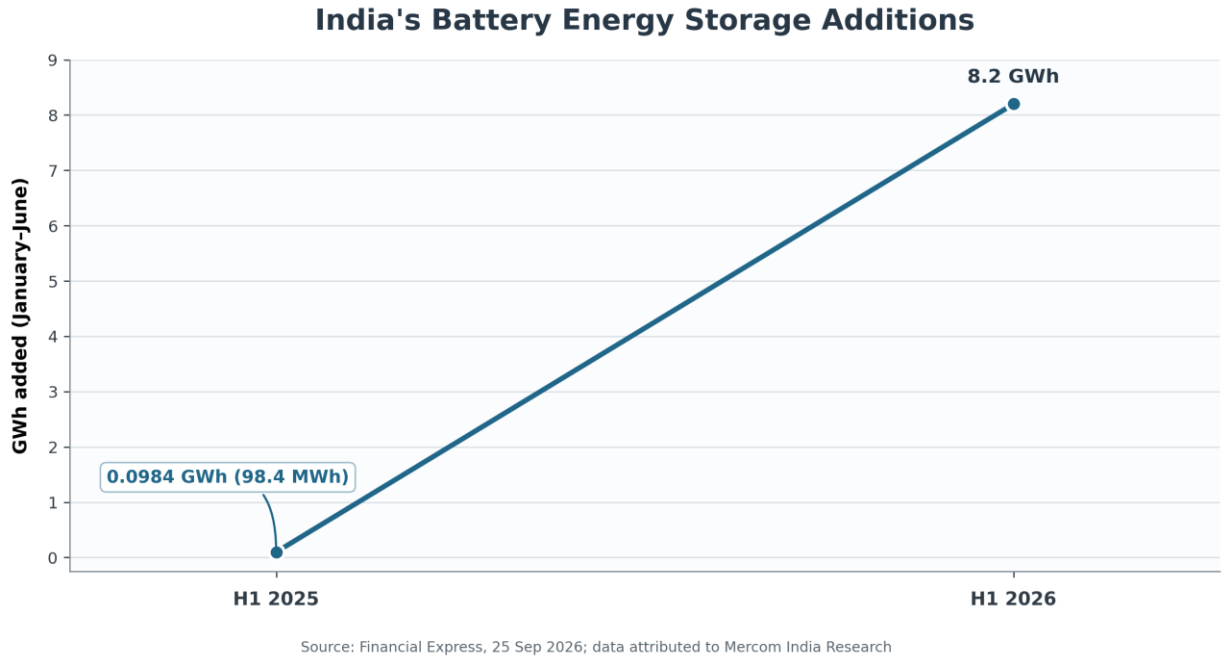
10. **Green Energy Corridor Phase-III approved with ₹1.86 lakh crores outlay**

- The Union Cabinet approved Green Energy Corridor Phase-III with a total outlay of ₹1,86,405 crores to strengthen intra-state transmission systems.
- The scheme will facilitate evacuation of up to 135 GW of renewable energy, including ₹50,000 crore for 50 GWh of Battery Energy Storage Systems (BESS).

- The initiative will enhance grid flexibility, reduce renewable-energy curtailment and enable greater integration of clean energy.

ESG Brain Teaser- *Which Sustainable Development Goal (SDG) focuses specifically on Climate Action?*

Smart Green Tip - *Avoid unnecessary "Reply All" emails. Fewer emails & smaller attachments mean less digital storage & transmission.*



Source: Financial Express, 25 Sep 2026; data attributed to Mercom India Research

India's battery energy storage additions witnessed a sharp rise in H1 2026, reaching 8.2 GWh, compared with just 98.4 MWh in H1 2025—an increase of more than 83 times. The surge took India's cumulative installed battery storage capacity to 9.3 GWh by June 2026. The growth was driven largely by the commissioning of several large-scale utility projects, particularly standalone battery storage systems. Standalone BESS accounted for 83% of cumulative installed capacity, highlighting the growing role of storage in grid balancing, peak-demand management and renewable-energy integration.

Ans. to ESG Brain Teaser*: SDG 13.*

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Disclaimer: The contents of this publication have been compiled from publicly available print and digital media sources for information and awareness purposes.

9. CLIMATE NEWS

India's Clean Energy Transition Achieves Historic Milestone in Q2 FY27:
In a monumental shift for the nation's power sector, India's renewable electricity generation, excluding large hydropower, crossed the 100 billion units (BU) threshold for the first time, reaching 101 BU during the second quarter of the financial year 2026–27 (July–September 2026). According to a quarterly report, this surge propelled combined non-fossil fuel generation—encompassing renewables, large hydro, and nuclear energy—to a record 177 BU, accounting for roughly 33% of India's total electricity output of 536 BU for the quarter. This dramatic expansion reflects an accelerating transition toward a cleaner power mix compared to the 163 BU recorded from non-fossil sources during the same period last fiscal year.

The primary catalysts behind this clean energy surge were solar and wind generation, which experienced rapid year-on-year growth. Solar generation climbed 39% to 51 BU, supplying 10% of India's overall electricity for the first time in a single quarter. Solar power also achieved an unprecedented daily record, generating 705 million units on 30 September 2026. Meanwhile, wind generation grew 29% to 45 BU, while large hydropower generation added another 60 BU to the grid. This green capacity surge was supported by the installation of approximately 7 GW of new renewable capacity during the quarter, vastly outstripping the mere 0.8 GW added from thermal sources.

Despite these landmark strides in clean energy, traditional power infrastructure continues to carry India's primary baseload requirements during periods of intense demand, such as when peak electricity demand hit a record 270 GW on 16 July 2026. Coal and lignite plants generated 351 BU, continuing to command a dominant 66% share of the country's generation mix with an average plant utilization rate of 68%. However, this massive fossil fuel output has put pressure on fuel supply lines. As of September 30, critical coal stocks at domestic power stations stood at 21 million tonnes, representing just 36% of the standard normative operational requirements. Furthermore, grid integration challenges remain a bottleneck; operational constraints and infrastructure limitations resulted in the curtailment of 1.8 BU of solar electricity during July and August.*(gktoday.in)*

India Standardizes Green Auto Fleet with New CAFE-3 Fuel Economy Norms:
In a major legislative push toward greener automotive transport, India's Ministry of Power notified the Corporate Average Fuel Economy-3 (CAFE-3) norms on 30 September 2026. Set to be implemented from April 2027 to March 2032, this regulatory framework mandates strict fleet-level fuel-consumption and carbon-dioxide reduction targets for passenger vehicle manufacturers. Unlike previous iterations, the new CAFE-3 framework eliminates separate concessions for small cars, setting a standardized reference vehicle weight at 1,229 kg and using a flatter weight adjustment for compliance calculations. This structural pivot closely aligns India's automotive policies with global trends, running parallel to the United States' updated 2031 mileage standards and the European Union's upcoming 2025 carbon-reduction mandates.

The primary objective of CAFE-3 is to achieve a targeted 16.7% improvement in fleet-wide fuel consumption over the next five years. To accomplish this, the national benchmark is engineered to progressively tighten, moving from 3.996 litres per 100 km in the 2027–28 fiscal year to a stringent 3.3273 litres per 100 km by 2031–32. Compliance will be monitored through a revised weight-based formula that evaluates the average mass of a manufacturer's entire sold fleet rather than individual car

models. Under this mathematical structure, lighter vehicles receive softer targets, while heavier vehicles face considerably stricter fuel efficiency thresholds, thereby incentivizing automakers to optimize overall fleet weight.

To accelerate the transition toward zero-emission mobility, the CAFE-3 rules heavily feature a system of super-credits to reward low-emission automotive technologies. Under this incentive mechanism, battery electric vehicles (EVs) will be counted as three vehicles for a manufacturer's compliance score, substantially offsetting the carbon footprints of their traditional internal combustion engine lineups. Additional regulatory compliance weights will also be extended to plug-in hybrids, strong hybrids, flex-fuel strong hybrids, and standalone flex-fuel vehicles. By assigning outsized compliance value to clean energy drivetrains, the Indian government aims to rapidly scale up clean vehicle production and curb transport-sector emissions. *(indiatoday.in)*

Maharashtra Implements Water Cuts and Borewell Ban Amid Drought :

Maharashtra is facing a severe water crisis as nearly 75 percent of its talukas have been declared drought-affected. In response, the state government has introduced several water conservation measures to manage dwindling resources. Beginning October 15, Pune will observe a weekly water supply suspension every Thursday to ensure that available reserves last until August 2027. Municipal bodies across the state have also been instructed to implement at least a 10 percent reduction in water supply from October 16. These restrictions come amid significantly lower reservoir levels, with Pune's Khadakwasla reservoir holding far less water than it did during the same period last year.

To protect groundwater resources, authorities in Nagpur have imposed an immediate ban on drilling new borewells and deepening existing ones. While current borewells may continue to operate, any unauthorized drilling will face legal action. The decision aims to prevent further depletion of groundwater reserves and secure drinking water availability for residents. Additionally, local authorities have been directed to conduct inspections and strictly enforce the restrictions across both urban and rural areas of the district.

The Marathwada region has been hit particularly hard, prompting officials to prioritize drinking water over irrigation. Industries have been asked to reuse at least 30 percent of their water, while reservoir levels have fallen sharply compared to last year. These measures aim to ensure water availability during the prolonged dry period ahead. *(downtoearth.org.in)*

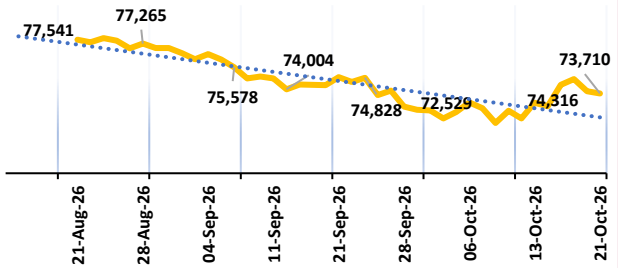
EU's Carbon Rules Enter Implementation Phase, Pressuring Indian MSMEs:

The European Union's Carbon Border Adjustment Mechanism (CBAM) has entered its implementation phase, creating fresh challenges for Indian exporters, particularly small and medium-sized enterprises (MSMEs). The new rules require importers to account for the carbon emissions embedded in products such as steel, aluminium, cement, fertilisers, electricity, and hydrogen. For Indian manufacturers like Gujarat-based Chandan Steel, the impact is already visible, with some smaller European buyers reducing or discontinuing orders due to higher compliance costs and additional paperwork.

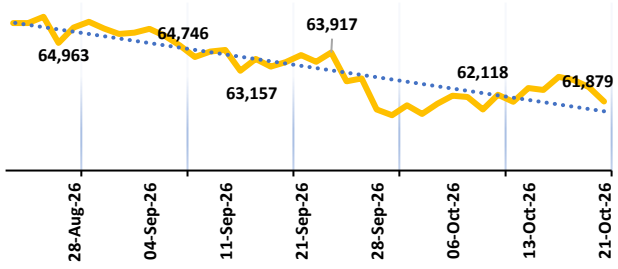
Beyond the future carbon charges, Indian exporters face the immediate task of measuring, verifying, and reporting emissions data throughout their supply chains. While EU importers are legally responsible for purchasing CBAM certificates, exporters may still feel the burden through reduced prices, contract changes, or lost business opportunities. Industry experts warn that MSMEs could face the greatest pressure as they adapt to the new reporting requirements while remaining competitive in the European market *(thewire.in).*

10. DAILY ECONOMIC INDICATORS

SENSEX

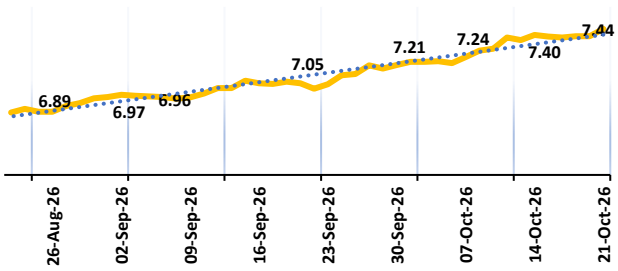


BANKEX

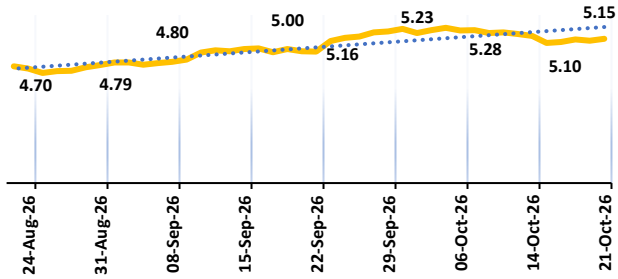


G SEC YIELD (10 Yr)

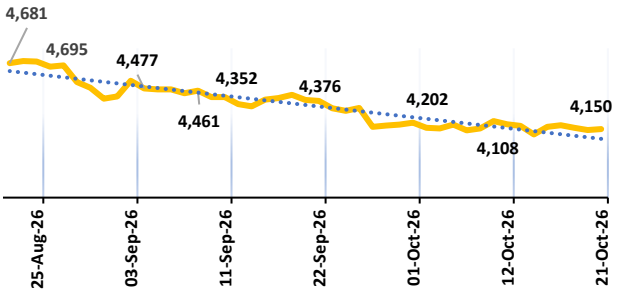
6.33 GS 2035



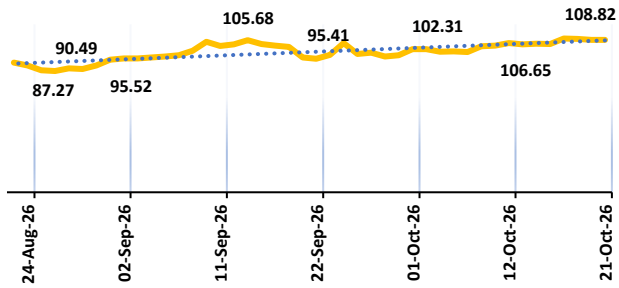
US TREASURY YIELD (10 Yr)



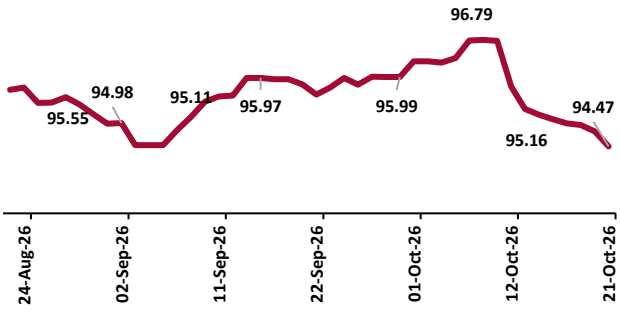
GOLD Futures ($)



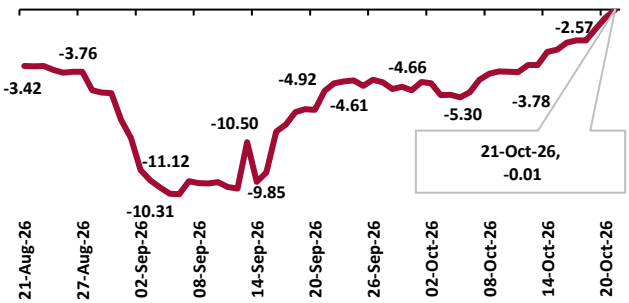
BRENT Oil Futures ($)



USD/INR



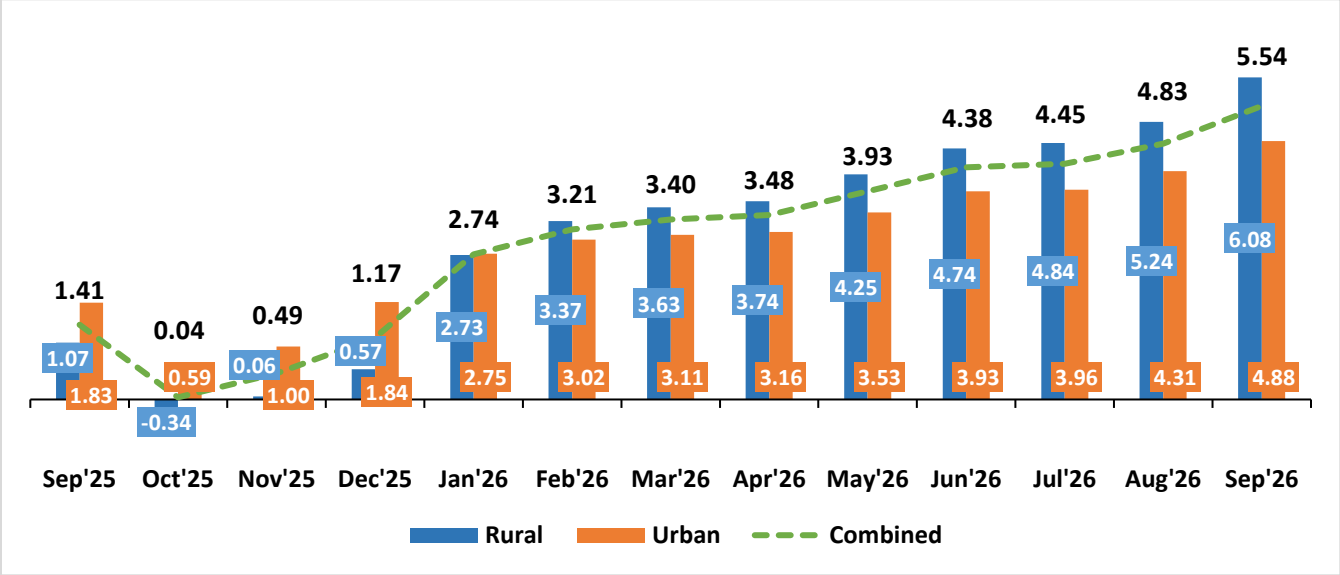
Systemic Liquidity under LAF - Net Liquidity (+ Surplus, - Deficit) - In ₹ Trn.

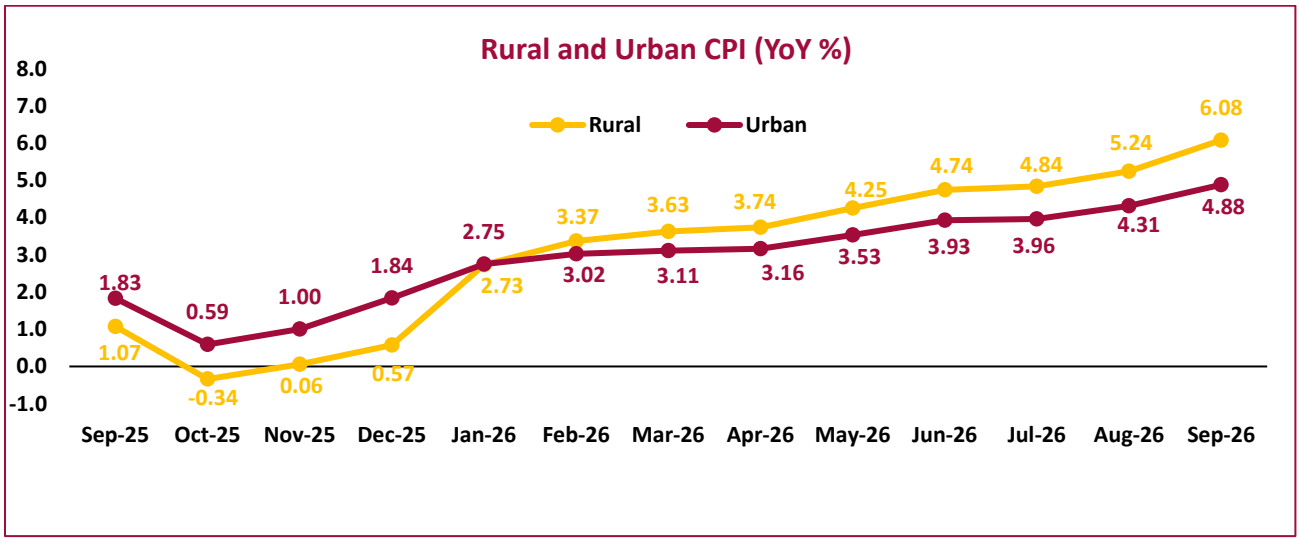


11. MONTHLY & FORTNIGHTLY ECONOMIC INDICATORS

CONSUMER PRICE INDEX (CPI) – New Base Year 2024

CPI increased to 5.54% in September 2026

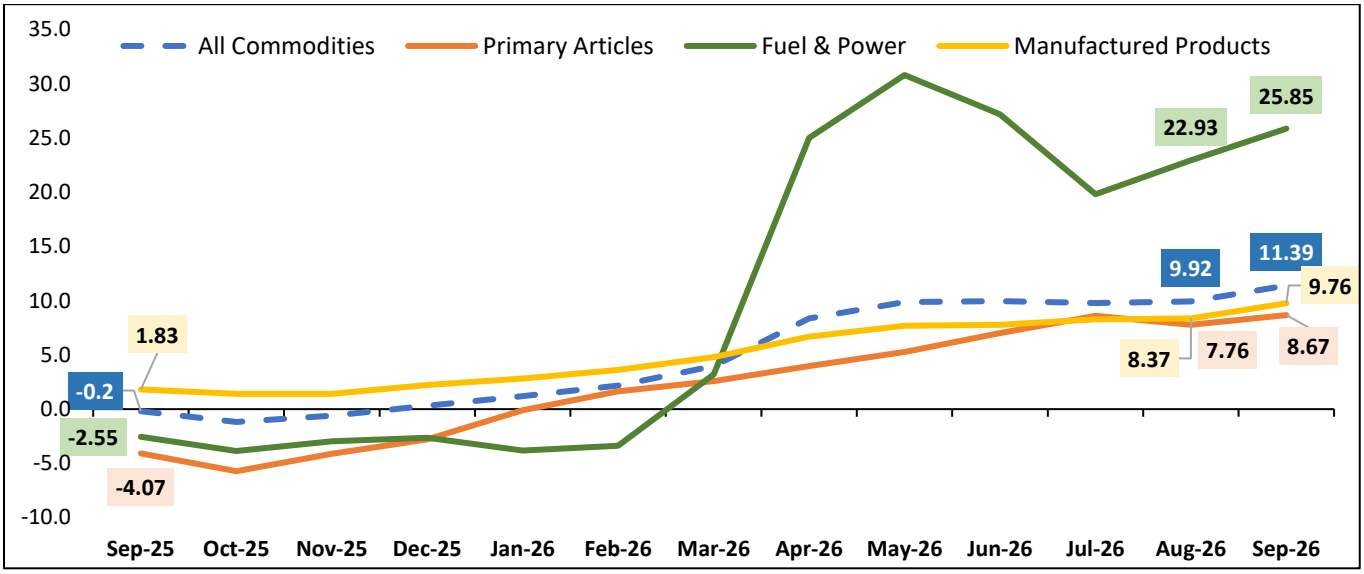




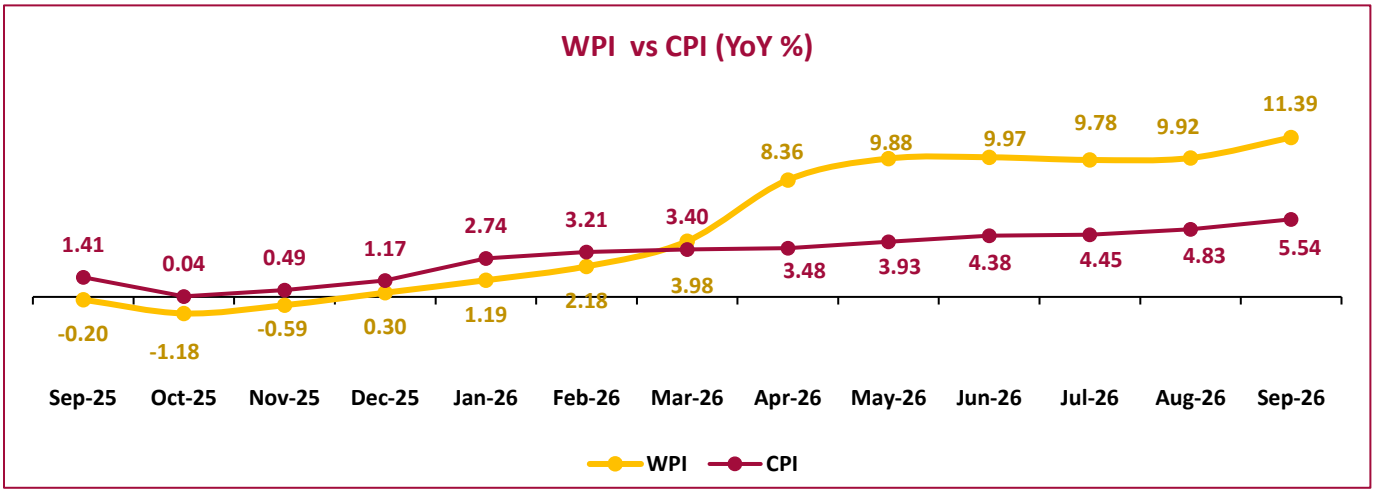
India's consumer inflation rose to 5.54% in Sep'26, up by 71 bps from 4.83% in Aug'26. Food Inflation accelerated to 7.74% in Sep'26 as compared to 5.97% in Aug'26. Inflation has increased across categories including clothing, household goods and education, in addition to food and transportation. Rural CPI inflation increased to 6.08% in Sep'26 from 5.24% in Aug'26 and urban inflation rose to 4.88% from 4.31%. Food and essential commodities have a relatively higher importance in rural household consumption. Top five States (having more than 50 lakhs population as per Census 2011) with highest inflation in Sep'26 are Tamil Nadu, Odisha, Madhya Pradesh, Telangana, and Andhra Pradesh.

WHOLESALE PRICE INDEX (WPI)- YOY %

WPI inflation increases to 11.39% in Sep'26



WPI Inflation YoY (%)	Primary Articles		Fuel & Power		Manufactured Products		All Commodities	
Weights	22.76%		14.11%		63.13%		100%	
	2025	2026	2025	2026	2025	2026	2025	2026
July	-4.51	8.61	-3.73	19.82	1.32	8.29	-0.79	9.78
August	-3.69	7.76	-3.08	22.93	2.03	8.37	0.00	9.92
September	-4.07	8.67	-2.55	25.85	1.83	9.76	-0.20	11.39

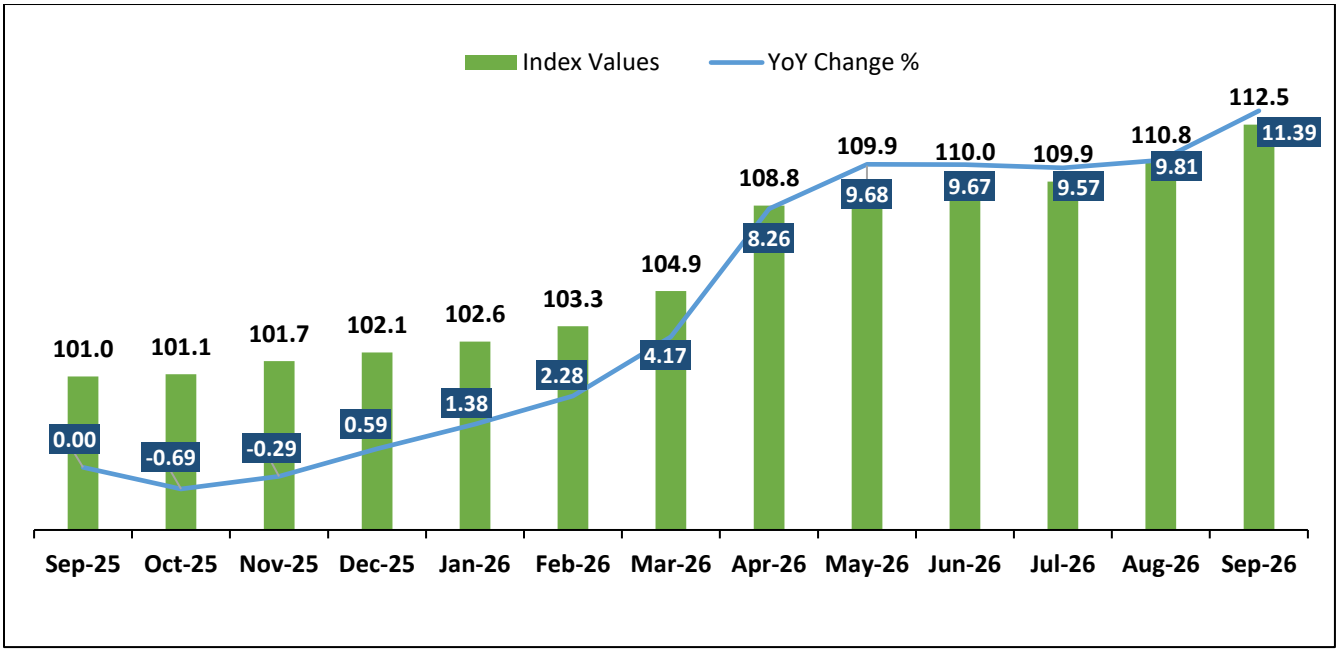


Wholesale Price Index inflation rose to 11.39% in September 2026 from 9.92% in August 2026. Wholesale price pressures rose significantly in Sep'26, driven by rising prices of fuel and power, food items and manufactured products. Inflation in Fuel & Power accelerated to 25.85% in September 2026 from 22.93% in the previous month, reflecting heightened energy price pressures. Inflation in Manufactured Products, the largest component of the WPI basket, rose to a high of 9.76% in Sep'26 from 8.37% in Aug'26.

PRODUCER PRICE INDICES

A. Output Producer Price Index (OPPI)

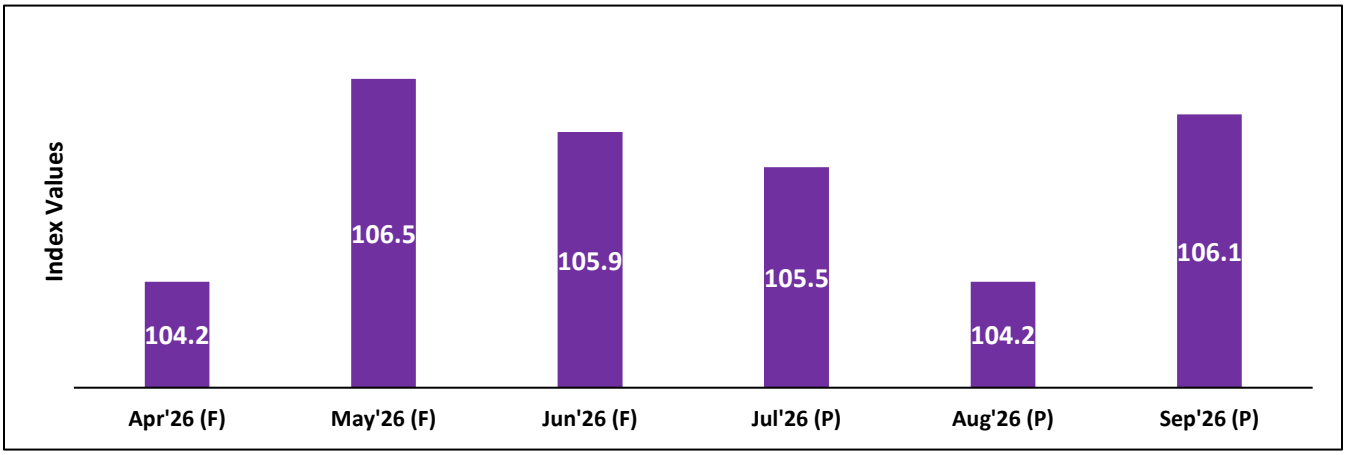
- All-India OPPI accelerated to 11.39% YoY in Sep'26 from 9.81% in Aug'26, reflecting a broad-based increase in prices across sectors. Manufacturing and mining recorded OPPI of 12.6% and 21.3%, respectively, indicating the continued pass-through of elevated crude petroleum, natural gas and other input costs.



Data Source: Office of Economic Adviser, Ministry of Commerce & Industry, PNB (EIC)

B. Trial Input Producer Price Index (IPPI)

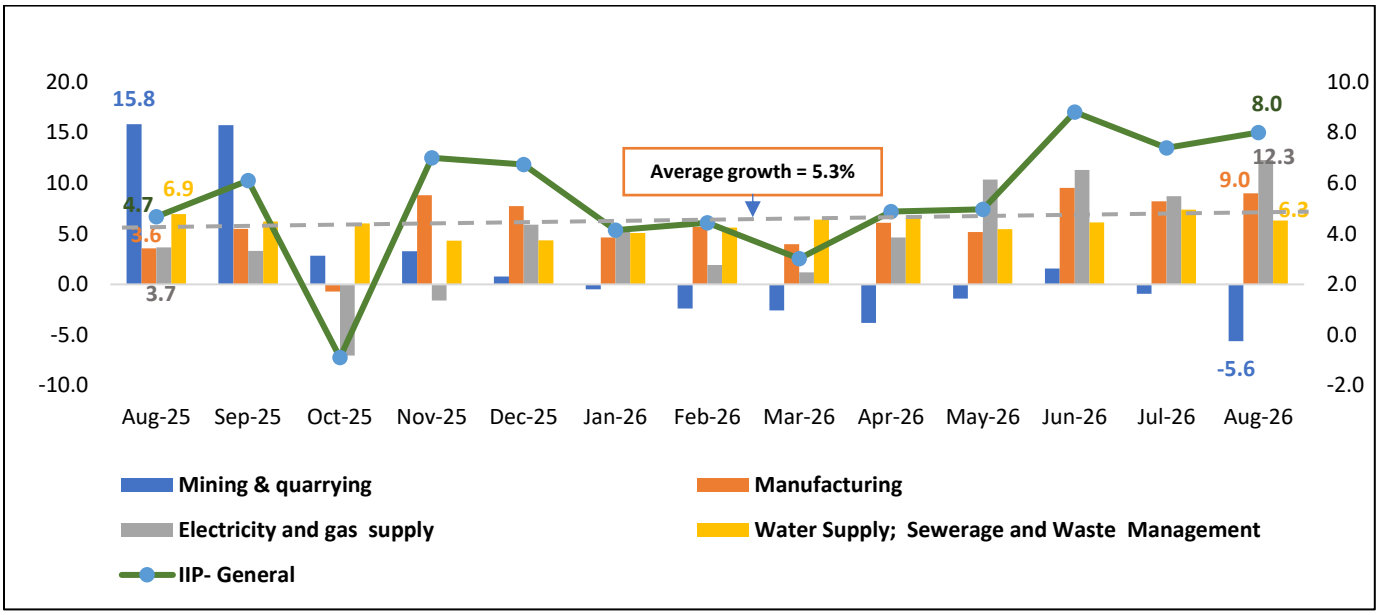
- The Trial IPPI for the manufacturing sector increased to 106.1 in Sep'26 from 104.2 in the previous month, registering a sequential increase of 1.82%.



F – Final; P – Provisional; Data Source: Office of Economic Adviser, Ministry of Commerce & Industry

INDEX OF INDUSTRIAL PRODUCTION (IIP)

IIP growth increases to 8.0% y-o-y in August 2026



IIP Growth YoY % (Sector-wise)

Component	Weight (%)	Aug'25	Jul'26	Aug'26
Mining & quarrying	**11.0**	15.8	-0.9	-5.6
Manufacturing	**76.1**	3.6	8.2	9.0
Electricity & Gas Supply	**10.9**	3.7	8.7	12.3
Water Supply, Sewerage & Waste Management	**2.0**	6.9	7.4	6.3
IIP Index -General	**100.0**	**4.7**	**7.4**	**8.0**

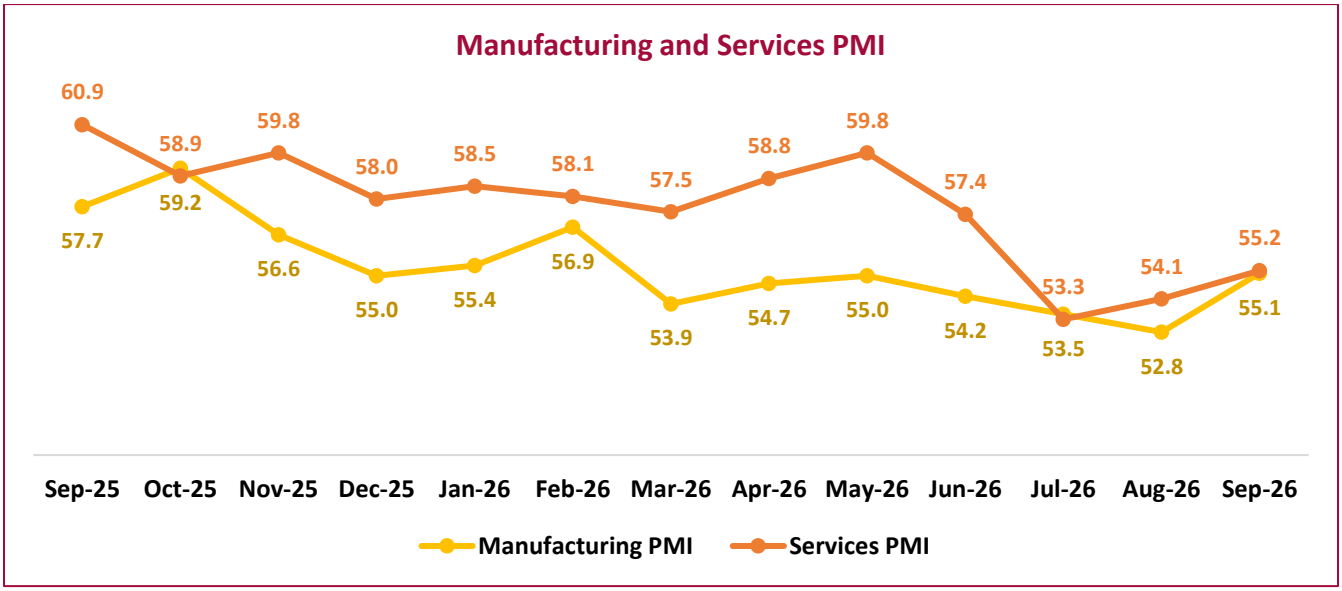
IIP Growth YoY % (Usage-wise)

Component	Weight (%)	Aug'25	Jul'26	Aug'26
Primary Goods	**31.1**	7.6	4.2	3.5
Capital Goods	**8.1**	6.0	19.0	16.9
Intermediate Goods	**22.4**	3.3	10.4	13.7
Infra/Construction Goods	**10.9**	9.2	8.0	12.0
Consumer Durables	**11.3**	0.9	12.0	11.1
Consumer non-durables	**16.2**	0.1	-0.8	2.1

Industrial output, as measured by Index of Industrial Production, accelerated to 8.0% in Aug'26 compared to 7.4% growth in Jul'26. IIP growth in August was driven by manufacturing and electricity & gas supply. The growth rates of the sectors, Manufacturing, Electricity & Gas Supply and Water Supply, Sewerage & Waste Management for the month of August 2026 are 9.0%, 12.3 % and 6.3 % respectively. Under use-based classification, all six segments recorded positive YoY growth rates in Aug'26.

PURCHASING MANAGERS' INDEX (PMI)

Services PMI increased to 55.2 and Manufacturing PMI increased to 55.1 in September 2026

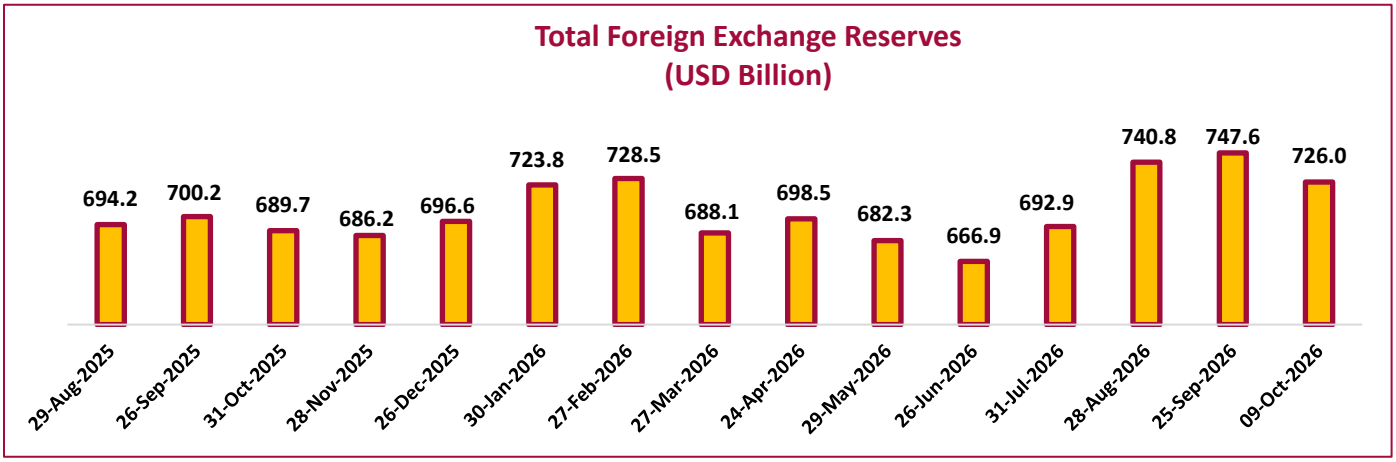


HSBC India Manufacturing PMI rose sharply to **55.1 in Sep'26 from 52.8 in Aug'26**, signalling a strong recovery in manufacturing momentum. It showed the highest improvement in the past 7 months, supported by faster growth in new orders and output. India's services sector continued to expand in Sep'26, with the HSBC Services **PMI rising to 55.2 from 54.1 in Aug'26,** regaining growth momentum towards the end of the quarter, supported by stronger sales and new business. India's **Composite PMI rose to** 55.9 in Sep'26, marking the strongest expansion in Q2 FY27. The reading indicated a simultaneous strengthening in both manufacturing and services, with stronger new orders supporting higher aggregate output and renewed employment growth.

PERFORMANCE OF OTHER LEADING INDICATORS

	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Bank deposit (YoY%)	9.4	10.8	10.2	12.7	10.6	11.3	16.2	13.3	12.2	13.3	15.4	17.6	19.4
Bank credit (YoY%)	10.8	12.0	11.5	14.5	13.4	14.0	17.1	16.5	17.7	18.6	19.3	19.5	20.6
Coal production (YoY%)	-1.0	-8.5	2.1	3.6	3.4	2.2	-4.1	-9.0	-9.5	1.4	7.6	-3.8	-
Electricity generation (YoY%)	0.9	-10.6	-5.0	4.4	2.2	-1.5	-1.1	2.3	7.5	8.3	7.4	7.8	10.5
Consumption of petroleum products (YoY%)	7.0	-1.5	0.6	4.5	0.3	4.5	3.2	-6.5	-8.1	-4.3	-0.4	-3.1	3.4
Cargo handled at major ports (YoY%)	11.5	11.9	14.5	12.7	7.6	5.1	0.6	2.4	6.6	9.2	8.8	8.4	-
GST Collections (in Rs. Lakh Crore)	1.9	2.0	1.8	1.8	2.0	1.9	2.0	2.4	1.9	1.9	2.1	2.0	2.0
Steel consumption (million tonnes)	13.3	13.3	13.0	14.4	14.9	13.4	16.3	13.0	14.3	14.2	14.4	14.6	14.4
Two-wheelers sales (Nos. in Lakhs)	26.0	26.4	24.2	20.1	23.8	23.6	24.0	23.8	24.0	24.0	24.8	25.9	30.1
Tractors sales (Nos. in Thousand)	154.4	173.6	102.0	79.7	97.7	88.5	112.5	114.7	118.4	136.0	86.3	79.3	130.6

FOREIGN EXCHANGE RESERVES

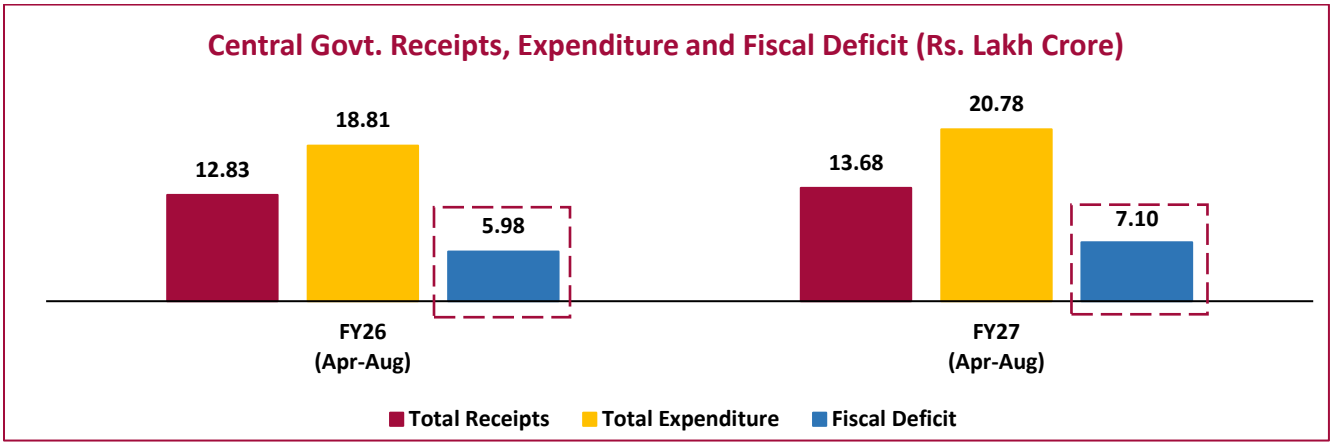


India's foreign exchange reserves stood at $726 billion in the week ending 9th October 2026. India's foreign exchange reserves had reached an all-time high of $785.706 billion in the week ended September 4.

E-WAY BILL GENERATION (No. in cr.)

	Sep -25	Oct -25	Nov -25	Dec -25	Jan -26	Feb -26	Mar -26	Apr -26	May -26	Jun-26	Jul-26	Aug-26	Sep-26
E-way bill Generation	13.2	12.7	13.0	13.8	13.7	13.3	14.1	13.3	13.6	13.7	14.0	13.9	14.2

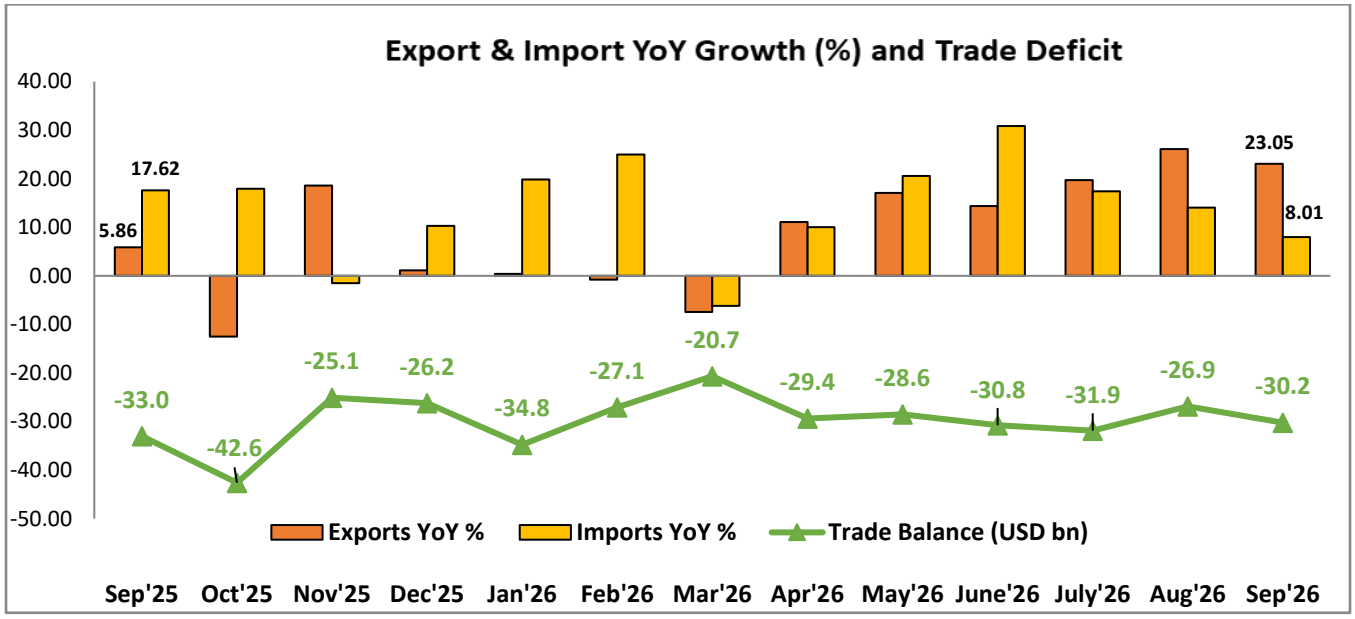
FISCAL DEFICIT

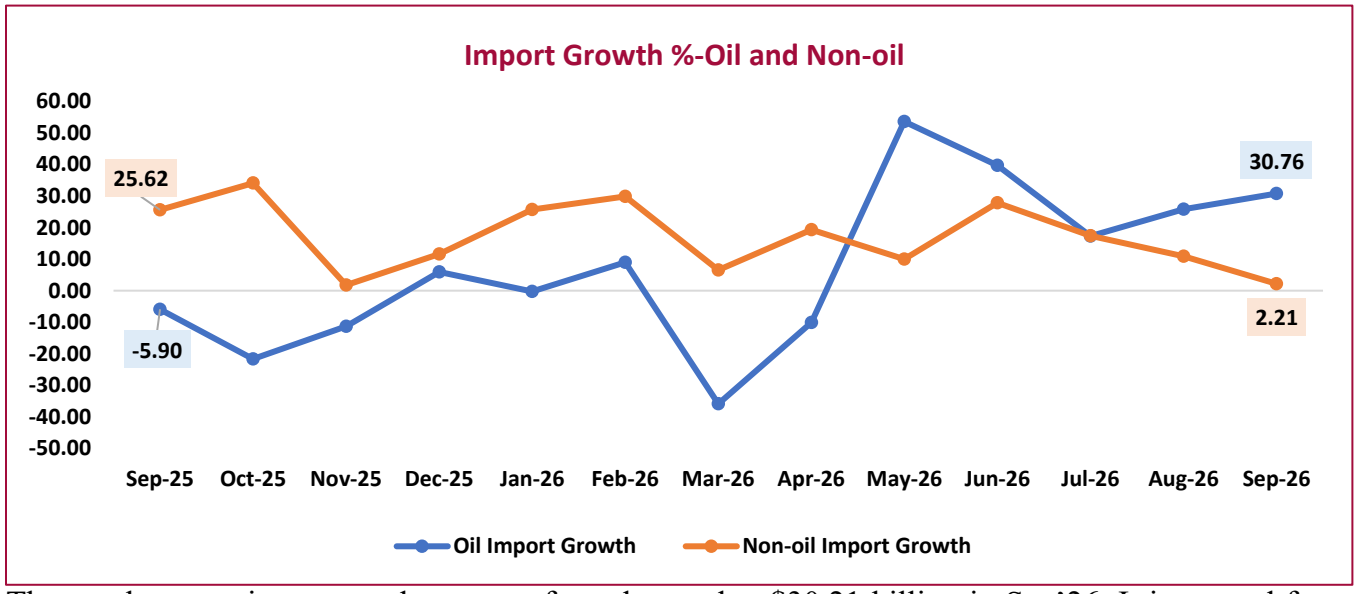


The government's fiscal deficit till August 2026 stood at ₹7.10 lakh crore amounting to 41.9% of the Budget Estimates (BE) vis-à-vis ₹5.98 lakh crore i.e. 38.1% during the same period last year. Govt.'s total expenditure stood ₹20.78 lakh crore reaching 38.9% of the BE up to August 2026. This compares to ₹18.81 lakh crore recorded in the same period last year i.e. 37.1% of estimate. Capital expenditure amounting to ₹5.10 lakh crore up to August 2026 reached 41.7% of the BE, compared to 38.5% during last year. Total revenue receipts of ₹12.92 lakh crore accounted for 36.6% of the BE, which is at same level when compared with same period last year.

FOREIGN TRADE

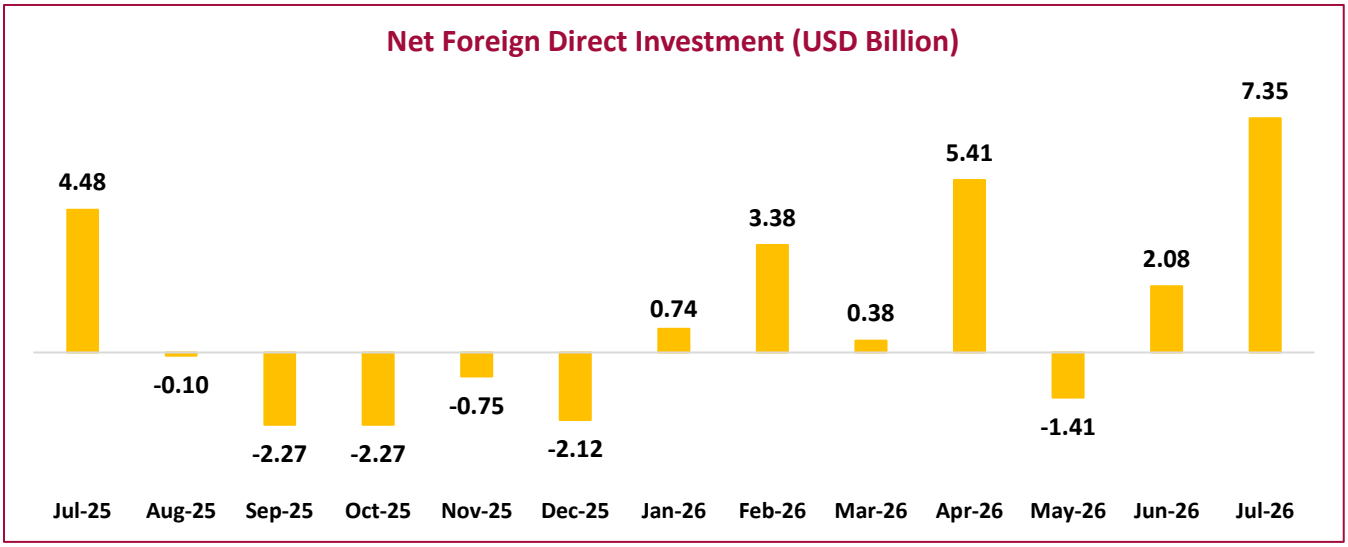
Merchandise Trade widens to 30.21 USD billion in September 2026



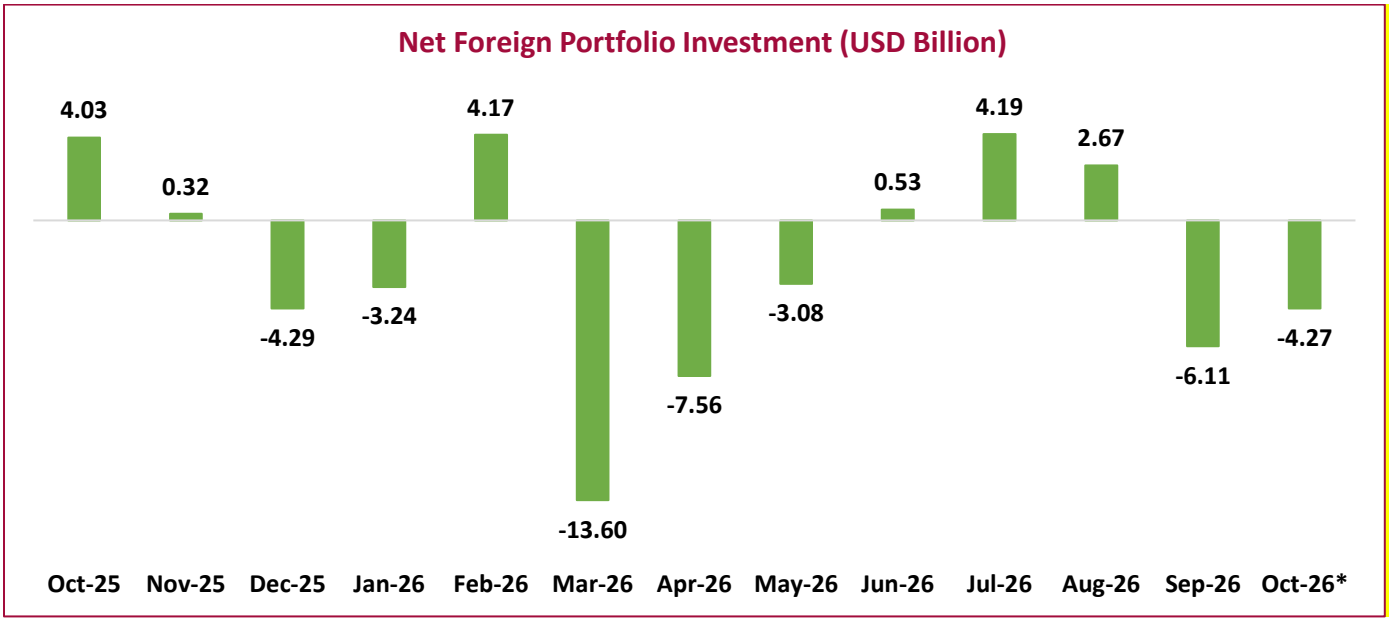


The gap between imports and exports of goods stood at $30.21 billion in Sep'26. It increased from $26.86 billion in Aug'26. It was recorded at $33.00 billion in Sep'25. Merchandise exports jumped to a four-month high of $44.40 billion in September 2026 from $36.08 billion in September 2025, registering a YoY growth of 23.1%. Exports of non-petroleum products rose by 21.7% YoY to $38.18 billion, while petroleum product exports surged 31.9% YoY to reach $6.22 billion. Merchandise imports grew by 8.01% YoY to $74.61 billion in September 2026, largely driven by higher imports of crude oil and electronic goods. Imports of gold and silver declined by 81.27% YoY and 49.11% YoY to $1.80 billion and $0.67 billion respectively during the month, with both commodities also registering a sequential decline from Aug'26.

FOREIGN INVESTMENTS



Net Foreign Direct Investment (FDI) at US$ 7.3 billion in July 2026 was the highest monthly flow in five years, reflecting robust gross inflows of US$ 14.6 billion. The major sectors witnessing outward FDI were financial, insurance and business services, and manufacturing together accounting for about two-thirds of the outward flows.



**upto 19th October 2026*

Net Foreign portfolio investment (FPIs) stood at USD -4.27 billion as on 19th October 2026. Foreign investors sold equities worth ₹35,861 crore in September 2026. They withdrew another ₹47,417 crore between October 1, 2026, and October 12, 2026, keeping the selling trend intact. Domestic institutional investors (DIIs) have continued to buy equities. Their net investment reached ₹6.83 trillion in CY26, compared with ₹7.88 trillion in CY25 and ₹5.26 trillion in CY24.

DEPOSIT AND CREDIT OF SCBs

Parameter (Rs. Lakh Crore)	03.10.2025	31.03.2026	15.09.2026	30.09.2026	YoY Growth (%)	Fortnightly Growth (%)
Deposits	240.99	262.30	276.23	283.96	17.83	2.80
Advances	192.61	213.61	223.29	229.95	19.38	2.98
Business	433.60	475.91	499.52	513.91	18.52	2.88

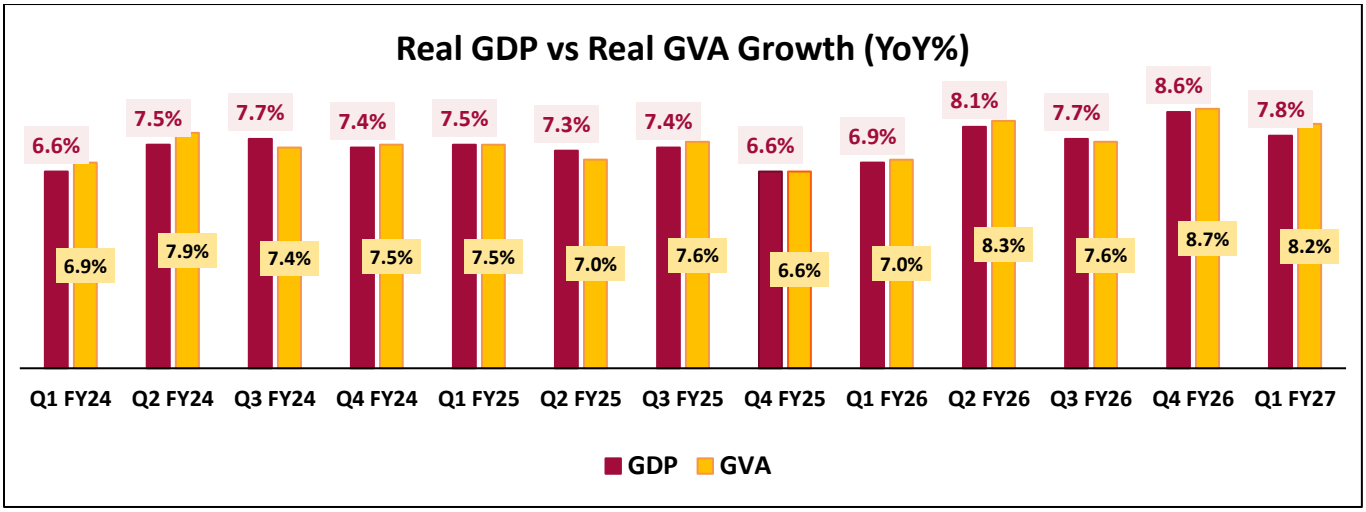
SECTORAL DEPLOYMENT OF CREDIT- INDUSTRY WISE

Parameter (Rs. Lakh Crore)	Aug-25	Mar-26	Aug-26	YoY %
Total Credit	**188.0**	**213.6**	**223.9**	**19.1**
Agriculture and allied activities	**23.2**	**26.4**	**27.3**	**17.2**
Industry	**40.6**	**45.8**	**48.0**	**18.2**
Of which				
Micro & small	9.1	10.6	11.2	23.0
Medium	3.7	4.4	4.9	31.8
Large	27.8	30.8	31.9	14.9
Personal loans	**62.3**	**69.4**	**72.9**	**16.9**
Of which				
Housing (Including priority sector housing)	31.1	33.6	34.5	11.1
Credit card outstanding	2.9	2.9	3.0	3.6
Education	1.4	1.6	1.6	13.2
Vehicle loans	6.5	7.4	7.8	19.7
Services	**50.6**	**60.6**	**63.0**	**24.3**
Of which				
Computer software	0.4	0.5	0.5	41.8
Tourism, hotels & restaurants	0.9	1.0	1.1	28.3
Shipping	0.1	0.1	0.1	25.6
Aviation	0.5	0.5	0.6	32.1
Retail trade	5.5	6.0	6.2	13.0
Commercial real estate	5.5	6.3	6.7	22.5

Bank credit grew by 19.1% y-o-y in Aug'26 as compared to 10.3% in Aug'25. Credit to agriculture and allied activities registered a y-o-y growth of 17.2% in Aug'26 as compared to 7.6% in Aug'25. Credit to industry recorded a y-o-y growth of 18.2% in Aug'26 as compared to 7.0% in Aug'25. Credit to services sector registered a y-o-y growth of 24.3% in Aug'26 as compared to 10.3% in Aug'25. Credit to personal loans segment recorded a y-o-y growth of 16.9% in Aug'26 as compared to 11.9% in Aug'25.

12. QUARTERLY ECONOMIC INDICATORS

GDP & GVA – Q1 FY2027



Source: MoSPI (NSO)

Highlights

- **Real GDP** is estimated at Rs 81.36 lakh crore in Q1 FY2026-27, against Rs 75.46 lakh crore in Q1 of FY 2025-26, **showing a growth rate of 7.8%.**
- Nominal GDP is estimated at Rs 88.27 Lakh Crore in Q1FY27, against Rs 80.00 Lakh Crore in Q1 FY26, showing a growth rate of 10.3%.
- Real GVA in Q1FY27 is estimated at Rs 73.82 Lakh Crore, against Rs 68.21 lakh crore in same period last year, showing a YoY growth rate of 8.2%.

Components of GDP

- **Growth in Private Final Consumption Expenditure**, which constitutes the highest share at 55.6% in GDP, grew by 7.1% in Q1 FY27, higher than 6.8% in Q1 FY26.
- **Government Final Consumption Expenditure** increased by 4.3% on YoY basis in Q1 FY27, lower than 4.5% in corresponding quarter of the previous fiscal year.
- **The growth in Gross Fixed Capital Formation**, which denotes investment in the economy, improved to 11.9% in Q1 FY27 from 5.8% in Q1 FY26.
- **Exports** have displayed resilience in the face of geopolitical tensions, growing at 12.0% in Q1 FY27 compared to 6.0% in Q1 FY26.

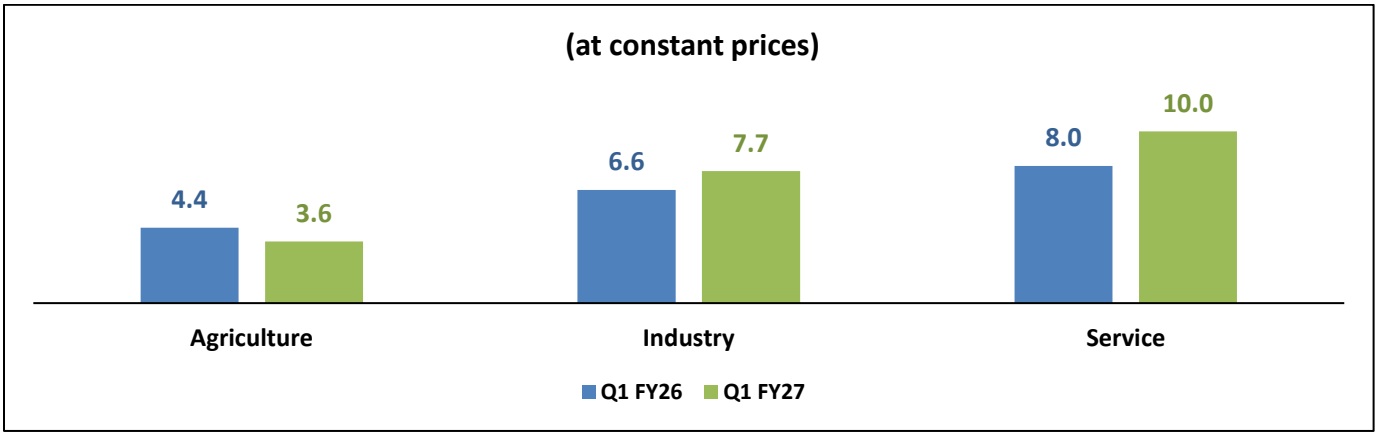
Components of GVA

- The GVA growth in the **Agriculture Sector** stood at 3.6% in Q1 FY27 compared to 4.4% in Q1 FY26.
- The growth in the **Industry Sector** increased to 7.7% in Q1 FY27 from 6.6% in Q1 FY26.
- The growth rate of **Services Sector** rose to 10.0% in Q1FY27 compared to 8.0% in Q1 FY26.

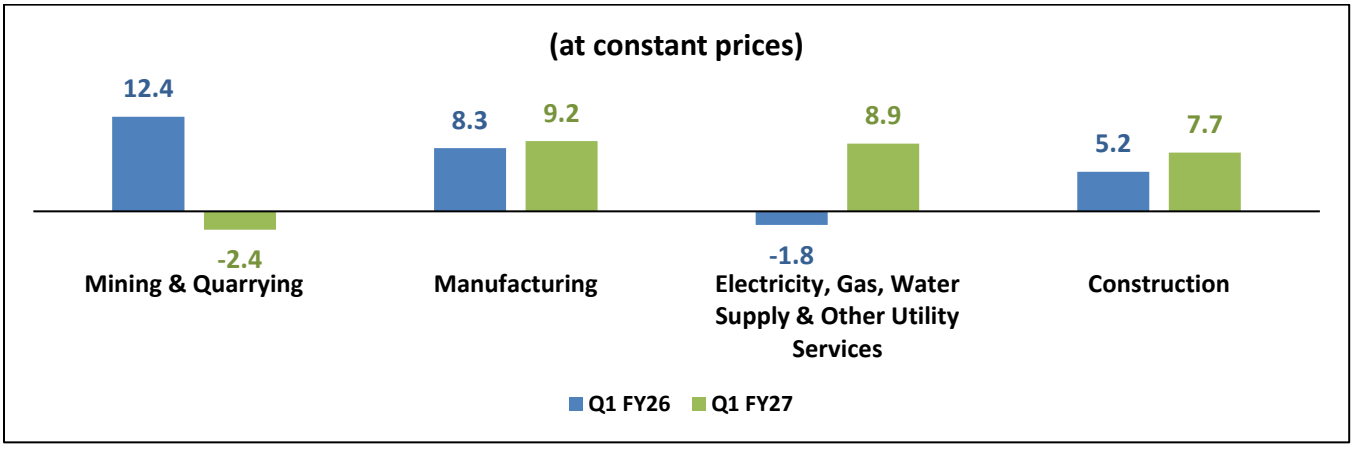
Analysis of GDP & GVA

- The Indian economy sustained growth momentum, recording an expansion of **7.8%** for Q1FY27 despite global headwinds reflecting continued strength and strong macroeconomic fundamentals. The growth was even higher than RBI's estimate of 7.0%.
- Real GDP growth in Q1 FY27 has been led by investments and exports showcasing a balance of domestic and external demand.
- Gross fixed capital formation, strengthened in the first quarter with the Centre's capital expenditure rising 18.6% in Q1FY27, compared with 9.1% in the previous quarter.
- The service sector recorded an impressive year-on-year growth rate of 10.0% in Q1FY27 compared to 8.0% in Q1FY26. This strong economic performance is mirrored across key operational indicators, with the average services PMI climbing to 58.6 (up from 58.0 in the preceding quarter) and services export growth quickening to 13.1% from 8.9%.
- Going forward, we expect GDP to remain strong, driven by domestic consumption and a pick-up in investment cycle. However, risks remain from global geopolitics.

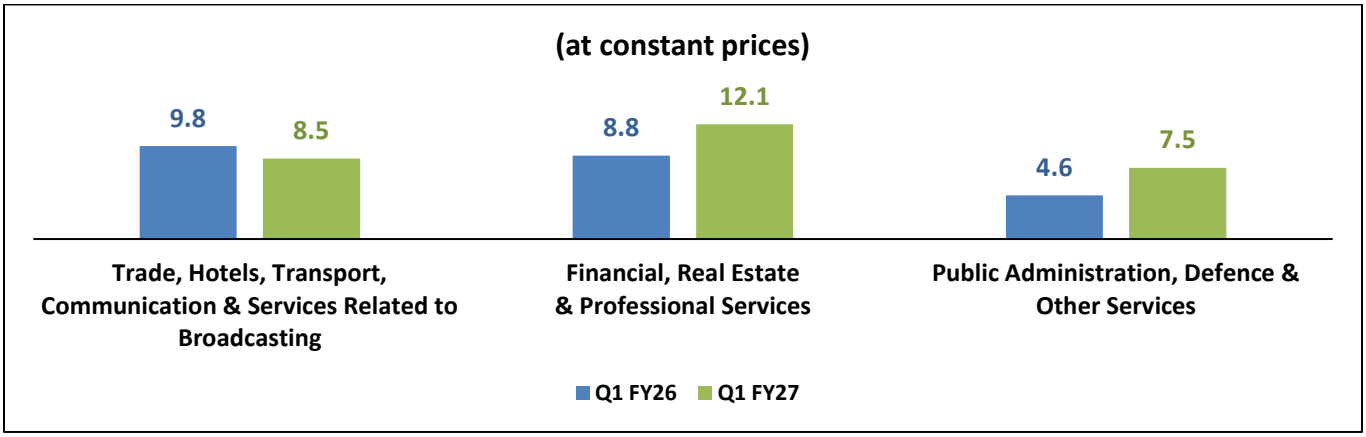
Graph 1: Gross Value Added – Component-wise YoY Growth (%)



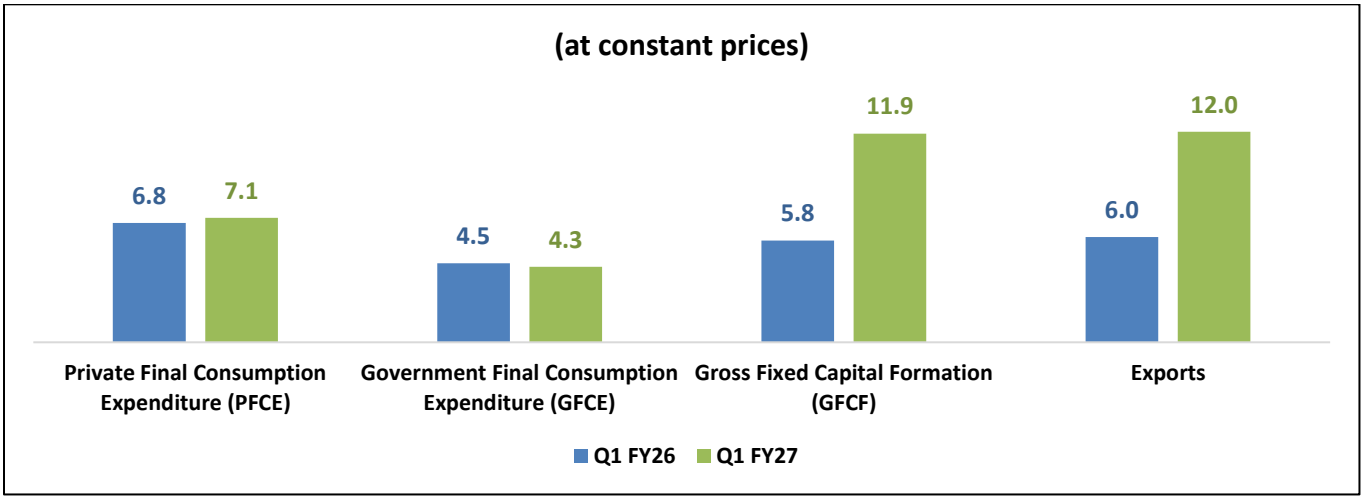
Graph 2: Industry - Activity-wise YoY Growth (%)



Graph 3: Services - Activity-wise YoY Growth (%)



Graph 4: GDP Major Components - Expenditure-wise YoY Growth (%)



Source: MoSPI (NSO), PNB (EIC)

13. GLOBAL INTEREST RATES

Central Banks	Countries	Latest Interest Rate (%)	Last Change	Next Meeting Date
Bank of Japan	Japan	1.25%	Sep 18, 2026 (+25bp)	Oct 30, 2026
European Central Bank	Europe	2.65%	Sep 10, 2026 (+25bp)	Oct 29, 2026
Federal Reserve	U.S.A	4.00%	Sep 16, 2026 (+25bp)	Oct 28, 2026
Bank of England	U.K	3.75%	Dec 18, 2025 (-25bp)	Oct 29, 2026
Peoples Bank of China	China	3.00%	May 20, 2025 (-10bp)	Oct 20, 2026
Reserve Bank of India	India	5.50%	Oct 07, 2026 (25bp)	Dec 04, 2026

14. MACRO ECONOMIC INDICATORS OUTLOOK

ECONOMIC INDICATORS

- **GDP Growth –** India's real GDP growth accelerated to 7.8% in Q1 FY 2026-27, compared with 6.9% a year ago, supported by robust investment activity, services and manufacturing. Gross Fixed Capital Formation grew by 11.9%, while services and manufacturing expanded by 10.0% and 9.2%, respectively. *Going forward, growth is expected to remain resilient, supported by domestic demand and public and private investment, although elevated energy prices, geopolitical uncertainty and uneven global demand pose downside risks. RBI has recently upgraded its GDP forecast for FY27 by 40bps to 7.1%.*
- **Inflation –** Retail inflation rose to 5.54% in September 2026 from 4.83% in August, while food inflation increased to 7.74%, reflecting renewed pressure from food prices. Inflation remained above the RBI's 4.0% target, with rural inflation (6.08%) exceeding urban inflation (4.88%). *Going forward, food-price dynamics, weather-related supply disruptions and elevated crude oil prices are likely to keep inflation risks tilted to the upside, warranting a cautious monetary-policy outlook. RBI has revised the inflation outlook for FY27 to 5.2% (+20 bps).*
- **Fiscal Deficit –** The Union government's fiscal deficit stood at ₹7.10 lakh crore during April–August 2026, equivalent to 41.9% of the FY 2026-27 budget estimate, compared with 38.1% in the corresponding period last year. Net tax revenue was ₹8.38 lakh crore, while total expenditure reached ₹20.78 lakh crore, including capital expenditure of ₹5.10 lakh crore. *Going forward, adherence to the fiscal-deficit target of 4.3% of GDP will depend on revenue buoyancy and prudent expenditure management, particularly amid elevated subsidy requirements.*
- **Industrial Production (IIP) -** India's industrial output growth strengthened to 8.0% in August 2026 from 7.4% in July. Manufacturing grew by 9.0% and electricity and gas supply by 12.3%, while mining and quarrying contracted by 5.6%. Broad-based gains across manufacturing industries, including motor vehicles and electrical equipment, supported the expansion. *Going forward, festive-season demand and continued manufacturing momentum could support activity, although weakness in mining and external uncertainties remain potential headwinds.*

MARKET INDICATORS

- **Rupee (INR) –** The Indian rupee traded around ₹94.82 per US dollar on 19th October 2026, recovering from recent record-low levels following RBI measures to support dollar supply and curb speculative demand. The currency nevertheless remains vulnerable to elevated crude prices, foreign portfolio flows and global dollar movements. *Going forward, the rupee is likely to remain volatile, with RBI intervention and policy measures providing support while oil-price and geopolitical risks may limit sustained appreciation.*
- **Crude Oil -** Brent crude traded around $107.7 per barrel on 19th October 2026, easing by nearly 2% during the session following a US waiver of certain Russia-related sanctions, while Middle East tensions continued to pose risks to shipping and supply. *Going forward, prices are expected to remain volatile as markets weigh potential changes in Russian supply against risks around key shipping routes and OPEC+ production decisions. Persistently high crude prices would add to India's import bill and inflationary pressures.*

15. INDUSTRY OUTLOOK

FIRECRACKER INDUSTRY

As one of India's foremost traditional manufacturing sectors, the firecracker industry plays a pivotal role in anchoring regional commerce and festive trade. Although centered predominantly in Tamil Nadu's Sivakasi cluster, active manufacturing and retail networks also thrive across West Bengal, Maharashtra, Uttar Pradesh, Gujarat, and Madhya Pradesh. Buoyed by expanding disposable incomes and robust festive spending, domestic demand maintains a steady upward climb. India stands firmly as the world's second-largest fireworks manufacturer behind China, which commands 90% of global production and generates over $1.1 billion annually in exports alone.

Domestic market turnover reached approximately ₹6,500 crore in FY26, sustaining over 8 lakh livelihoods. Entering the late 2026 festive season, the sector finds itself navigating a critical state of transition. While the early 2020s were marked by recurrent bans and pandemic disruptions, 2026 is defined by a "double-edged sword" of stringent environmental compliance alongside an accelerating structural pivot toward certified green pyrotechnics.

•Green Crackers (CSIR-NEERI Standards): Spurred by apex court directives and tighter urban emission benchmarks, the market has undergone a fundamental transformation. Certified formulations developed by CSIR-NEERI such as SWAS (Safe Water Releaser), STAR (Safe Thermite Cracker), and SAFAL (Safe Minimal Aluminium) curtail particulate matter (PM2.5 and PM10) emissions by 30% to 35% while eliminating banned barium salts. Surging demand across Tier-1 and Tier-2 cities has compelled manufacturers to adopt digital QR-code authentication on retail packaging to deter counterfeits and clear air-quality inspections.

•Raw Materials & Chemical Compliance: Operating cost dynamics have tightened as the industry transitions away from conventional chemical binders. Procurement prices for legal oxidizing agents and essential pyrotechnic inputs including potassium nitrate, sulphur, and atomized aluminium powder have climbed 12% to 15% year-on-year. Meanwhile, persistent trade curbs and rigorous port surveillance continue to shield domestic units from cheap Chinese imports, though elevated compliance overhead and raw-material expenses continue to compress operating margins for smaller facilities.

To formalize the sector while balancing public health with industrial livelihoods, the Government of India has instituted targeted structural reforms. These include streamlined PESO testing, CSIR-NEERI formulation transfers, updated Explosives Rules safety protocols, digital track-and-trace systems, and MSME cluster modernization aimed at export readiness.

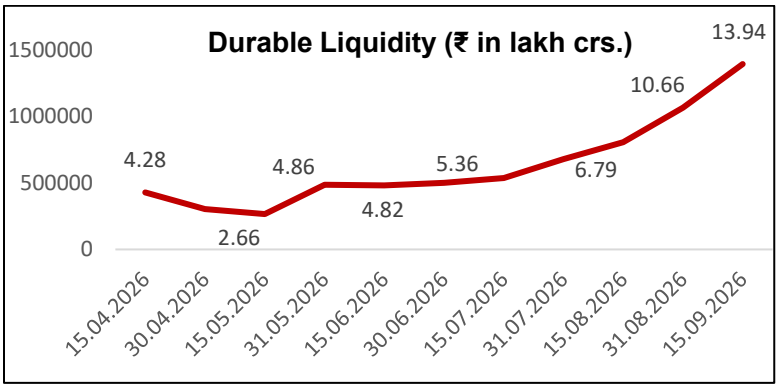
Rather than competing with China on volume or low-cost chemicals, India can convert these strict compliance mandates into a decisive global advantage. By becoming the premier hub for certified eco-friendly pyrotechnics scaling green formulations, standardizing automated safety, and marketing "Zero-Barium, Low-Emission" products backed by public R&D into electronic crackers and organic colorants, domestic manufacturers can secure premium Western export markets while safeguarding local air quality and industrial growth.

Anoop Varghese
Manager (Economics)
SMEAD, Head Office

16. MARKET INSIGHTS

Outlook:

i) Liquidity:



Source: RBI

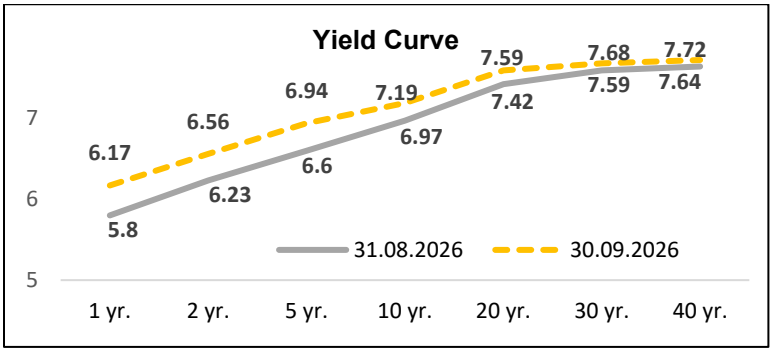
During Sept'26, both system and durable liquidity witnessed surge to high levels due to FCNR(B) inflows. However, OMO sales of ₹1.00 trillion along with VRRRs and FX sell-buy swaps, supported liquidity absorption.

Recent RBI liquidity absorption measures linked to the rise in ceiling of daily minimum CRR maintenance to 99% of prescribed amount, could moderate liquidity in near term.

Near-term Outlook:

With the anticipation of series of rate hike in near term, RBI could moderate liquidity levels with the 'mix of liquidity absorption tool'. However, festive currency demand and FX intervention might keep RBI away from aggressive liquidity absorption.

ii) G-sec yields:

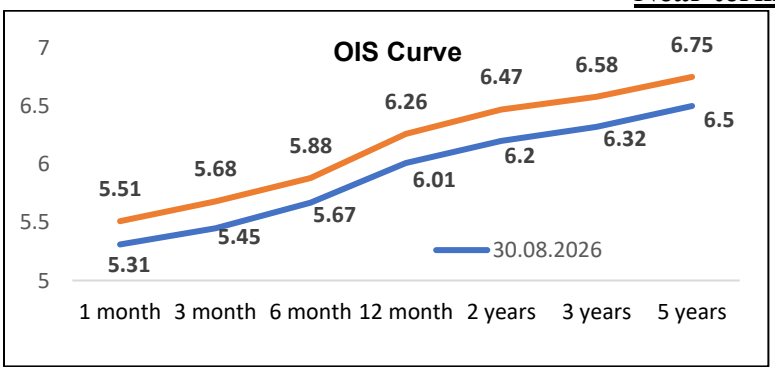


Source: Cogencis

During Sept'26, yields witnessed upward bias, majorly at the shorter end of the curve tracking global bond yields and rate hike expectations.

Further, U.S.-India yield differential dropped to 201 bps, below 1-year average of 240 bps, due to sharp sell-off in U.S. treasury yields.

Near term Outlook:

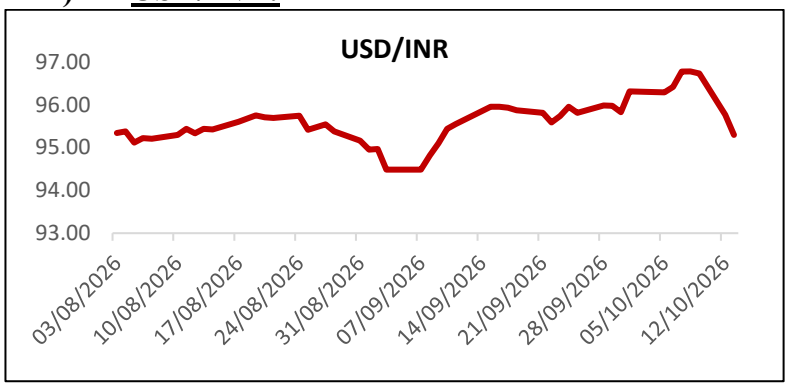


Source: Cogencis

With the OIS 1-yr. curve already factoring rate hikes in the course of one-year, the relative pace of tightening by Fed and RBI would determine the impact on FPI flows and hence on yields outlook.

Parameter	Analysis	Impact on Yields
Demand Supply dynamics	Higher-than-anticipated indicative Q3FY27 SDL borrowings at ₹3.6 trillion could create oversupply concerns due to demand headwinds amidst geopolitical concerns.	↑
RBI outlook and liquidity tightening measures	With the change of stance towards 'calibrated tightening' already hinting hawkish policy guidance, RBI is expected to conduct series of liquidity absorption measures which could weigh on yields.	↑

iii) USD/INR:



Source: Cogencis

USD/INR range:	
Sept'26	94.27- 96.15
Aug'26	95.16 -95.86

During Sept'26, USD/INR continued depreciating bias being under pressure from FII outflows and Dollar demand.

With system liquidity reaching a high of ~₹11 trillion, RBI conducted a series of FX sell-buy swaps which exerted upward pressure on forward premium.

Near term Outlook:

Although the specialized regulatory curbs might offset localised importer demand in near term, anticipation of RBI rate hikes and liquidity tightening measures like FX sell-buy swaps are likely to keep forward premium biased to upside. Further, depreciation pressure on INR will likely persist with relatively stronger Dollar Index and persistent FII outflows.

Market Outlook:

- The pace of RBI policy tightening would be contingent upon West Asia developments, with the base case assuming peace talks to drag and only partial flows through Hormuz.
- In near term, FII flows into the system would likely depend upon the relative hawkishness of policy guidance of Fed and RBI.

Pragya Rani
Manager
Research Desk
Treasury Division

17. BOOK REVIEW – ATOMIC HABITS

Atomic Habits by **James Clear** is one of the most practical and influential self-improvement books of recent years. The book focuses on a simple yet powerful idea: small, consistent improvements made every day can lead to remarkable results over time. Rather than emphasizing drastic transformations or motivation-driven success, Clear argues that lasting change comes from building effective systems and habits.

The central theme of the book is that success is the result of daily routines and behaviours, not isolated achievements. According to Clear, improving by just 1% each day may seem insignificant, but these tiny gains compound over time and produce extraordinary outcomes. He calls these small changes "atomic habits" because they are both tiny and fundamental building blocks of personal growth.
One of the book's greatest strengths is its practical framework for habit formation. Clear introduces the **Four Laws of Behavior Change**: Make it Obvious, Make it Attractive, Make it Easy, and Make it Satisfying. These principles provide a clear roadmap for creating good habits and breaking bad ones. For example, if someone wants to develop a reading habit, they can place a book on their bedside table, choose an interesting book, start by reading only a few pages, and track progress.

Another valuable concept in the book is the focus on **identity-based habits**. Instead of concentrating on goals, Clear encourages readers to focus on the type of person they want to become. Rather than saying, "I want to run a marathon," one should think, "I am a runner." This shift in mindset helps habits become a natural part of one's identity, making them more sustainable in the long term.
The book is filled with real-life examples from athletes, entrepreneurs, artists, and organizations that have achieved success through consistent incremental improvements. These stories make the concepts relatable and demonstrate how small actions can create significant change in different areas of life. Clear's writing style is simple, engaging, and easy to understand, making complex psychological principles accessible to a broad audience.

Overall, **Atomic Habits** is an excellent guide for anyone seeking personal or professional improvement. Its emphasis on consistency, systems, and gradual progress makes it a valuable resource for students, professionals, leaders, and entrepreneurs alike. The book teaches that meaningful success is not the product of massive breakthroughs but of small actions repeated consistently over time. By applying its principles, readers can build positive habits, eliminate harmful ones, and create lasting change in their lives. It is a highly recommended read for anyone looking to unlock their full potential through disciplined daily habits.

Akansha Chauhan
Officer, Economics
Head Office, SMEAD

READERS' FEEDBACK

PNB ECOLENS, September 2026, is a thoughtful & well-researched issue. It aptly relates current macro developments, banking strategy, and practical economic insights. The BRICS editorial, India growth assessment, and oil-sourcing analysis are particularly relevant for field and policy audiences.

Sanyasini Patnaik, Asstt General Manager (Economist), Zonal Office: Chandigarh





PNB ECOLENS is a valuable and handy editorial resource that keeps me updated on the evolving economic landscape, market trends, and the latest policy developments. By presenting complex economic issues in simple and easy-to-understand language, the magazine enhances my understanding of economic matters and helps broaden my knowledge.

Nazar Mudassar, Manager, Global trade finance centre, Delhi

ECOLENS provides insightful and practical perspectives on latest economic and banking developments. It presents complex topics in a clear and structured manner, making them accessible to readers across functions. Overall, the bulletin offers valuable insights into macroeconomic trends, policy developments, banking sector performance, and market outlook, making it a useful reference for business and banking professionals.

Reena Devi, Manager, SMEAD Division





PNB ECOLENS is a very useful and informative monthly magazine. It presents economic and banking news in a simple and easy-to-understand manner. The magazine helps us stay updated on important developments in the economy, financial markets, and the banking sector. The articles are well-organized, relevant, and supported by facts and data. It is especially helpful for bank employees, students, and anyone interested in economic affairs. Overall, PNB Eco Lens is an excellent initiative by Punjab National Bank that enhances knowledge, promotes awareness, and provides valuable insights into current economic and financial trends.

Geetanjali, Senior Manager-IT, CPPD Division

DATA SOURCES

- *Reserve Bank of India (RBI)*
- *Ministry of Statistics and Programme Implementation (MOSPI)*
- *Office of Economic Adviser*
- *Ministry of Commerce and Industry, Department of Commerce, DGFT*
- *Press Information Bureau*
- *GST Council*
- *Websites of major Central Banks*
- *Controller General of Accounts (CGA)*
- *Investing.com*
- *Press Articles*
- *CMIE*
- *Statista*

QUOTE OF THE MONTH

"There are no limits to what you can accomplish, except the limits you place on your own thinking"

— Brian Tracy



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