

The demand profile in the economy has come under more broad-based stress. Even segments once expected to provide some respite, like the premium category, are now showing signs of strain.
The blue shots might only be temporary, because of the early festive season.

	Change									12 Month Avg		12 Month Avg		Absolute									
Consumption/Demand (%, YoY*)	Units	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	as of Oct'25	as of Oct'24	as of Oct'25	as of Oct'24	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	Units	
Personal Loans	% chg, YoY		11.7	11.8	11.9	12.1	11.1	11.9	11.7	11.9	23.2		59.7	53.9		62.5	62.1	61.6	61.5	60.6	59.8	59.5	INR Tr
Retail Payments	% chg, YoY		17.3	9.8	12.0	13.4	12.6	19.2	13.9	13.2	20.2		81.4	72.9		86.1	81.1	84.0	79.6	82.0	82.1	93.8	INR Tr
Rural Wage Growth	% chg, YoY					6.6	6.6	6.5	5.9	6.2	5.8		445	424					453.5	451.1	448.5	446.0	Rs./day
Non-Oil Imports	% chg, YoY	32.2	24.4	-14.3	9.0	-1.6	10.6	17.6	9.4	10.2	5.1		47	43	61.3	54.5	48.3	49.0	40.3	46.1	44.7	44.5	USD Bn
Passenger cars sales (ex UVs)	% chg, YoY	12.6	10.4	-1.0	3.2	-10.3	-10.1	-5.1	-3.7	0.1	-16.9		115	116	136	118	106	112	101	109	106	122	000 no's
Passenger cars sales (incl UVs)	% chg, YoY	17.1	6.2	-7.7	1.0	-6.1	-0.1	5.0	5.1	3.5	4.2		354	342	453	369	317	335	309	338	341	376	000 no's
POL Consumption	% chg, YoY	-0.4	7.6	4.8	-4.4	0.5	1.1	0.2	-3.1	1.4	3.2		20.1	19.8	20.2	18.7	19.1	19.4	20.0	21.3	20.2	20.9	Mn Tonnes
Two wheelers	% chg, YoY	2.1	6.7	7.1	8.7	-3.4	2.2	-16.7	11.4	0.1	19.8		1640	1639	2211	2161	1834	1567	1560	1656	1459	1657	000' no's
Consumer Price Inflation	% chg, YoY	0.3	1.4	2.1	1.6	2.1	2.8	3.2	3.3	2.9	5.0		2.9	5.0	1.3	1.7	1.9	2.2	2.7	3.1	3.4	3.7	3MMA
Core CPI (ex food and fuel)	% chg, YoY	4.3	4.3	4.1	4.2	4.4	4.3	4.2	4.1	4.1	3.5		4.1	3.5	4.2	4.2	4.2	4.3	4.3	4.2	4.1	3.9	3MMA

Manufacturing has continued to stay weak. Private capex has failed to take the lead, and manufacturing is at the forefront of suffering.

		Change/Absolute								12 Month Avg		12 Month Avg		Absolute									
Industry/Manufacturing (%, YoY*)	Units	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	as of Oct'25	as of Oct'24	as of Oct'25	as of Oct'24	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Jan-25	Units	
Credit To Industry	% chg, YoY		7.3	6.5	6.0	5.5	4.8	6.6	7.7	6.8	8.4	39	37		40.8	40.0	39.5	39.3	38.8	39.0	39.4	INR Tr	
Cement Production	% chg, YoY		5.3	5.4	11.6	8.2	9.7	6.3	12.2	9.7	3.0	206	188		188	187	195	215	209	205	246	Index	
Coal Production	% chg, YoY		-1.2	11.4	-12.3	-6.8	2.8	3.5	1.6	1.6	7.8	192	188		150	154	143	174	190	179	260	Index	
Steel Production	% chg, YoY		14.1	13.6	16.6	9.7	7.4	4.4	8.7	9.4	7.3	226	208		231	235	239	224	225	219	239	Index	
Eight Core Industry	% chg, YoY		3.0	6.5	3.7	2.2	1.2	1.0	4.5	3.8	5.0	168	162		160	167	169	167	170	163	183	Index	
IIP Electricity	% chg, YoY		3.1	4.1	3.7	-1.2	-4.7	1.7	7.5	2.8	5.7	210	205		213	221	228	220	219	216	220	Index	
IIP Mining	% chg, YoY		-0.4	6.6	-7.2	-8.7	-0.1	-0.2	1.2	0.2	4.3	132	131		111	114	108	123	136	131	158	Index	
IIP Manufacturing	% chg, YoY		4.8	3.8	6.0	3.7	3.2	3.1	4.0	4.2	4.0	154	148		154	152	158	152	155	149	162	Index	
IIP Capital Goods	% chg, YoY		4.7	4.5	6.8	3.0	13.3	14.0	3.6	8.0	3.5	117	109		122	112	122	115	119	108	136	Index	
IIP Infrastructure /Construction	% chg, YoY		10.5	10.4	13.7	6.7	6.7	4.7	9.9	8.5	5.7	197	182		198	200	204	197	199	193	215	Index	
IIP consumer goods	% chg, YoY		2.8	-2.1	3.3	0.7	-1.0	0.9	0.5	1.1	2.8	142	140		144	133	142	138	142	138	144	Index	
Manufacturing PMI	abs	59.2	57.7	59.3	59.1	58.4	57.6	58.2	58.1	57.9	57.3	58	57	59.2	57.7	59.3	59.1	58.4	57.6	58.2	58.1	Index	
Wholesale Price Index (WPI)	% chg, YoY	-1.2	0.1	0.5	-0.6	-0.2	0.1	0.9	2.3	1.0	1.5	1.0	1.5	-0.2	0.0	-0.1	-0.2	0.3	1.1	1.9	2.4	3MMA	

The festive surge in activity has not picked with equal vigor.
While there are sporadic signs of momentum in parts of the economy, the overall trend remains fairly subdued.

		Change/Absolute								12 Month Avg		12 Month Avg		Absolute									
Services (%, YoY*)	Units	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	as of Oct'25	as of Oct'24	as of Oct'25	as of Oct'24	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Jan-25	Units	
Services PMI	abs	58.9	60.9	62.9	60.5	60.4	58.8	58.7	58.5	59.4	59.9	59.4	59.9	58.9	60.9	62.9	60.5	60.4	58.8	58.7	58.5	Index	
Credit to Services	% chg, YoY		10.2	10.6	10.6	9.0	8.7	10.5	12.4	11.0	19.9	51	46		52.2	51.4	51.1	51.3	50.9	50.9	51.6	INR Tr	
Housing loans	% chg, YoY		10.1	9.7	9.6	9.6	9.0	9.8	10.7	10.4	28.7	30	27		31.3	31.1	30.8	30.7	30.4	30.1	30.1	INR Tr	
Airport Passenger Traffic	% chg, YoY		-0.7	1.0	-1.0	3.7	3.0	10.3	9.3	6.7	8.1	35	33		32.0	33.1	32.1	34.0	35.4	35.7	36.1	Mn no's	
Railway Freight Traffic	% chg, YoY		3.9	8.5	0.0	0.9	3.0	3.6	2.3	2.3	4.3	137	134		127.5	130.9	129.7	136.7	143.2	133.2	161.3	Mn Tonnes	
E-toll collections	% chg, YoY	15.3	20.0	25.7	19.6	17.5	20.0	21.6	14.5	18.3	15.6	67	57	70.5	67.5	70.5	66.7	67.9	70.9	68.0	68.0	INR Bn	

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Improving-----> Worsening

Increase in liquidity is one thing, but its transmission to increased money supply is where the demand recovery resides. And until that happens, monetary impulse remains a policy choice yet to come into completion.

		Change/Absolute								12 Month Avg		12 Month Avg		Absolute									
Monetary (%)	Units	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	as of Oct'25	as of Oct'24	as of Oct'25	as of Oct'24	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Jan-25	Units	
M3	% chg, YoY	8.0	9.5	10.1	10.0	9.6	9.5	9.6	9.6	9.6	10.8	275	251	283	283	283	281	282	279	276	272	INR Tr	
M3/M0	Ratio	5.76	5.83	5.76	5.76	5.72	5.63	5.67	5.64	5.7	5.5	5.7	5.5	5.76	5.83	5.76	5.76	5.72	5.63	5.67	5.64	Ratio	
Gsec 10 Year Yield	%	6.52	6.50	6.47	6.37	6.33	6.31	6.40	6.66	6.5	7.0	6.5	7.0	6.52	6.50	6.47	6.37	6.33	6.31	6.40	6.66	%	
5-Year AAA Yield	%	6.89	6.70	6.92	6.99	7.09	6.82	7.22	7.55	7.2	7.7	7.2	7.7	6.89	6.70	6.92	6.99	7.09	6.82	7.22	7.55	%	
5-Year AA Yield	%	9.03	8.49	10.33	10.25	9.48	8.22	9.75	9.84	9.5	9.2	9.5	9.2	9.03	8.49	10.33	10.25	9.48	8.22	9.75	9.84	%	
Credit to Deposit Ratio	Ratio		80.4	79.0	79.2	78.9	78.9	79.8	80.8	79.8	79.5	79.8	79.5		80.4	79.0	79.2	78.9	78.9	79.8	80.8	Ratio	

Expenditure has picked up at a better pace than last year, but receipts are still lagging, and more so as we advance further into the year. Income tax cuts and indirect tax cuts could hit revenue further, but it is difficult to gauge the impact already.

		Change								12 Month Avg		12 Month Avg			Absolute							
Fiscal (INR Tn)	Units	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	as of Oct'25	as of Oct'24	as of Oct'25	as of Oct'24	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Jan-25	Units
Total Expenditure	% chg, YoY		-8.0	-9.9	3.3	37.4	40.3	10.0	9.5	9.4	3.1	4.1	3.8		4.22	3.17	3.41	4.76	2.81	4.66	7.62	INR Tr
Capital Expenditure	% chg, YoY		30.9	113.1	-10.5	43.7	38.7	61.0	67.2	43.3	29.6	1.1	0.7		1.49	0.85	0.72	0.54	0.62	1.60	2.40	INR Tr
Revenue Expenditure	% chg, YoY		-20.8	-25.5	7.8	36.6	40.7	-5.7	-5.5	2.0	4.0	3.0	3.0		2.73	2.33	2.70	4.22	2.19	3.06	5.22	INR Tr
E-Way Bills	% chg, YoY	8.2	21.0	22.4	25.8	19.3	18.9	23.4	20.2	19.3	15.5	120.8	101.4	126.9	132.0	129.1	131.9	119.5	122.7	119.3	124.5	Mn no's
GST	% chg, YoY	4.6	9.1	6.5	7.5	6.2	16.4	12.6	9.9	9.2	10.6	1.9	1.8	1.96	1.89	1.86	1.96	1.85	2.01	2.37	1.96	INR Tr
Total Receipts	% chg, YoY		8.2	-3.0	-19.0	-20.9	25.4	--	5.5	-1.2	0.1	2.5	2.3		4.42	1.83	1.50	2.03	4.48	2.34	0.79	INR Tr

The rupee has slipped to a record low – and what makes this move more concerning is that it comes at a time when the dollar itself isn't particularly strong. The merchandise deficit is starting to widen, and the services surplus seems past its high point. If global tensions escalate, the fallout could reach India from several directions.

		Change/Absolute								12 Month Avg		12 Month Avg		Absolute									
External	Units	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	as of Oct'25	as of Oct'24	as of Oct'25	as of Oct'24	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Jan-25	Units	
Indian Rupee	INR/USD	88.4	88.3	87.5	86.1	85.9	85.2	85.6	86.6	86.4	83.4	86.4	83.4	88.4	88.3	87.5	86.1	85.9	85.2	85.6	86.6	INR/USD	
REER 40 currency	Index	104.8	97.7	98.8	100.2	99.7	101.1	100.8	101.5	102.3	105.0	102.5	105.0	104.8	97.7	98.8	100.2	99.7	101.1	100.8	101.5	Index	
6M fwd premium on USD	%	2.14	2.25	1.97	1.80	1.75	1.83	2.28	2.28	2.2	1.5	2.2	1.5	2.14	2.25	1.97	1.80	1.75	1.83	2.28	2.28	%	
FX Reserves	% chg, YoY	0.7	-0.7	1.5	4.6	7.8	6.1	7.9	3.1	4.1	11.6	674.8	648.8	690	700	694	698	703	691	688	665	USD Bn	
Trade Balance	USD Bn	-41.7	-32.2	-26.7	-27.5	-19.1	-22.6	-27.1	-21.5	-25.7	-21.9	-25.7	-21.9	-41.7	-32.2	-26.7	-27.5	-19.1	-22.6	-27.1	-21.5	USD Bn	
Oil Balance	% chg, YoY	-25.1	-14.3	13.3	7.4	1.9	-27.4	158.4	29.1	19.4	18.9	-10.3	-9.4	-10.8	-9.1	-9.0	-11.4	-9.3	-9.3	-13.6	-14.1	USD Bn	
Non-oil Non-gold Balance	% chg, YoY	109.2	37.3	-15.7	-7.5	-12.5	43.3	61.3	33.6	28.0	-13.6	-9.2	-7.8	-13.4	-12.1	-11.8	-11.6	-7.7	-10.1	-10.3	-2.8	USD Bn	
Services Surplus	% chg, YoY	15.7	17.3	12.2	12.2	19.8	23.8	18.8	35.3	18.4	12.4	17.2	14.5	19.9	18.8	15.6	16.4	16.2	15.8	15.9	18.1	USD Bn	
Crude Indian Basket	% chg, YoY	-13.5	-5.6	-11.5	-15.8	-15.5	-23.4	-23.7	-14.2	-12.1	-1.2	71.1	81.1	65.1	69.6	69.2	70.9	69.8					

Foreign investors aren't exactly rushing to India, and if not that - they are clearly not as gung-ho. And this shift in sentiment comes at a delicate moment – India's equity markets are already priced for perfection, and tariff risks linger in the background.

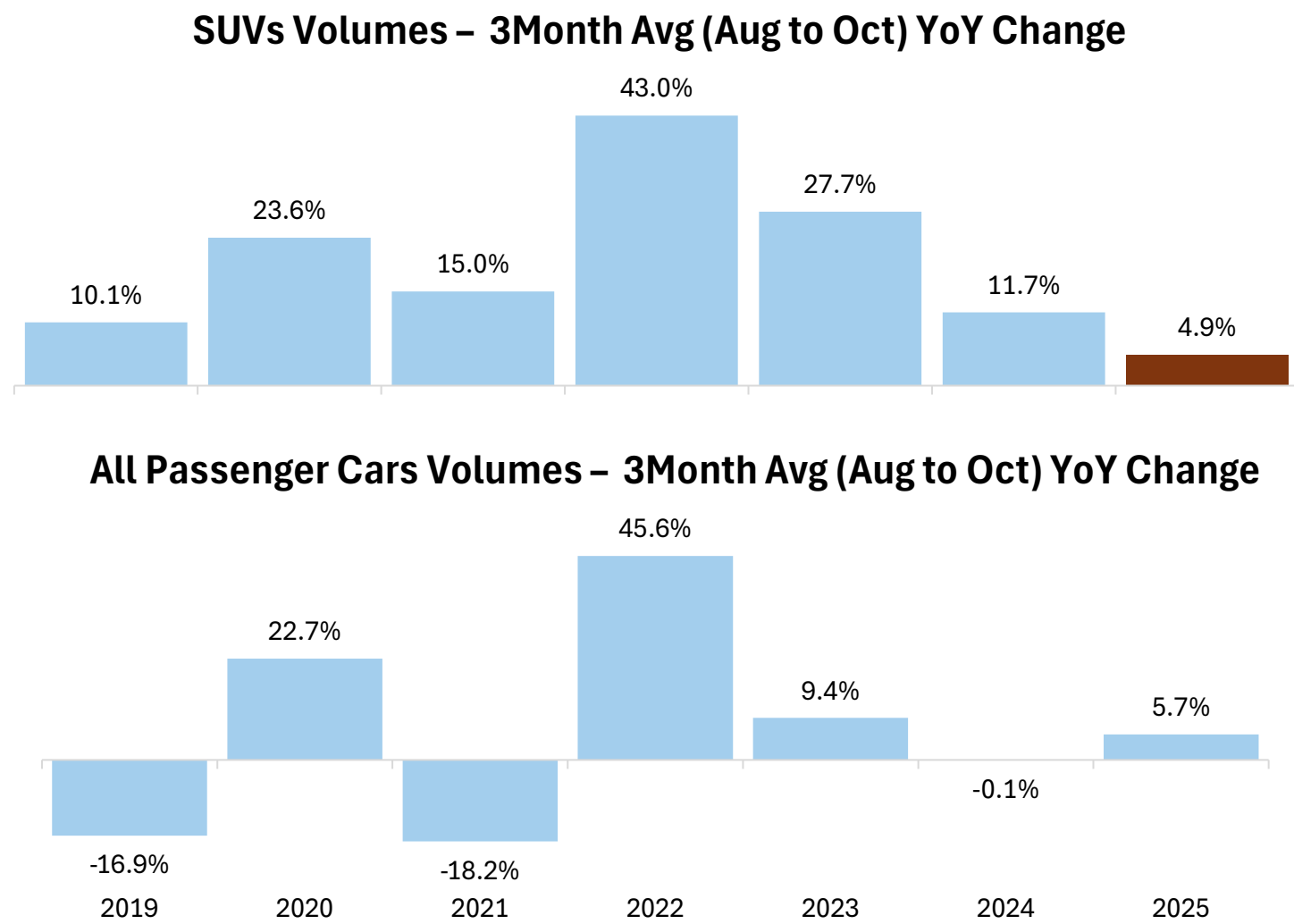
		Change								12 Month Avg		12 Month Avg		Absolute									
Flows	Units	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Mar-25	as of Oct'25	as of Oct'24	as of Oct'25	as of Oct'24	Oct-25	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	Jan-25	Units	
FII Net Debt	YoY chg of 12MA	-49	-65	-49	-43	-22	25	31	23	27.6	973.5	0.8	1.6	2.1	1.3	1.5	0.9	-1.9	1.2	-2.2	4.1	USD Bn	
FII Net Equity	YoY chg of 12MA	-	-	-	-	-	-	-	-	-65.0	-28.2	-1.4	0.7	1.7	-2.7	-4.0	-2.1	1.7	2.3	0.5	-0.9	USD Bn	
Net FDI Flows	YoY chg of 12MA		-13	-43	-17	-96	-98	-90	-91	-73.4	-47.4	0.7	0.5		0.7	-0.6	5.0	2.5	1.5	1.7	-0.5	USD Bn	
Private Transfers	% chg, YoY					18			9.7	17.7	16.0	319	292					310				USD Bn	
ECB	% chg, YoY		-42	-44	-16	24	-33	-31	43	16.8	98.7	4.4	4.1		2.8	3.3	2.8	3.5	2.7	2.9	11.0	USD Bn	
MFs Net Equity	% chg, YoY	-41.1	-11.6	-12.6	15.1	-41.9	-45.2	28.3	10.8	22.2	261.5	307.7	291.4	247	304	334	427	236	190	243	251	INR Bn	
SIP Flows	% chg, YoY	16.6	19.8	20.0	22.0	28.3	27.7	30.7	34.5	31.2	42.4	272	209	295	294	283	285	273	267	266	259	INR Bn	

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Improving-----> Worsening

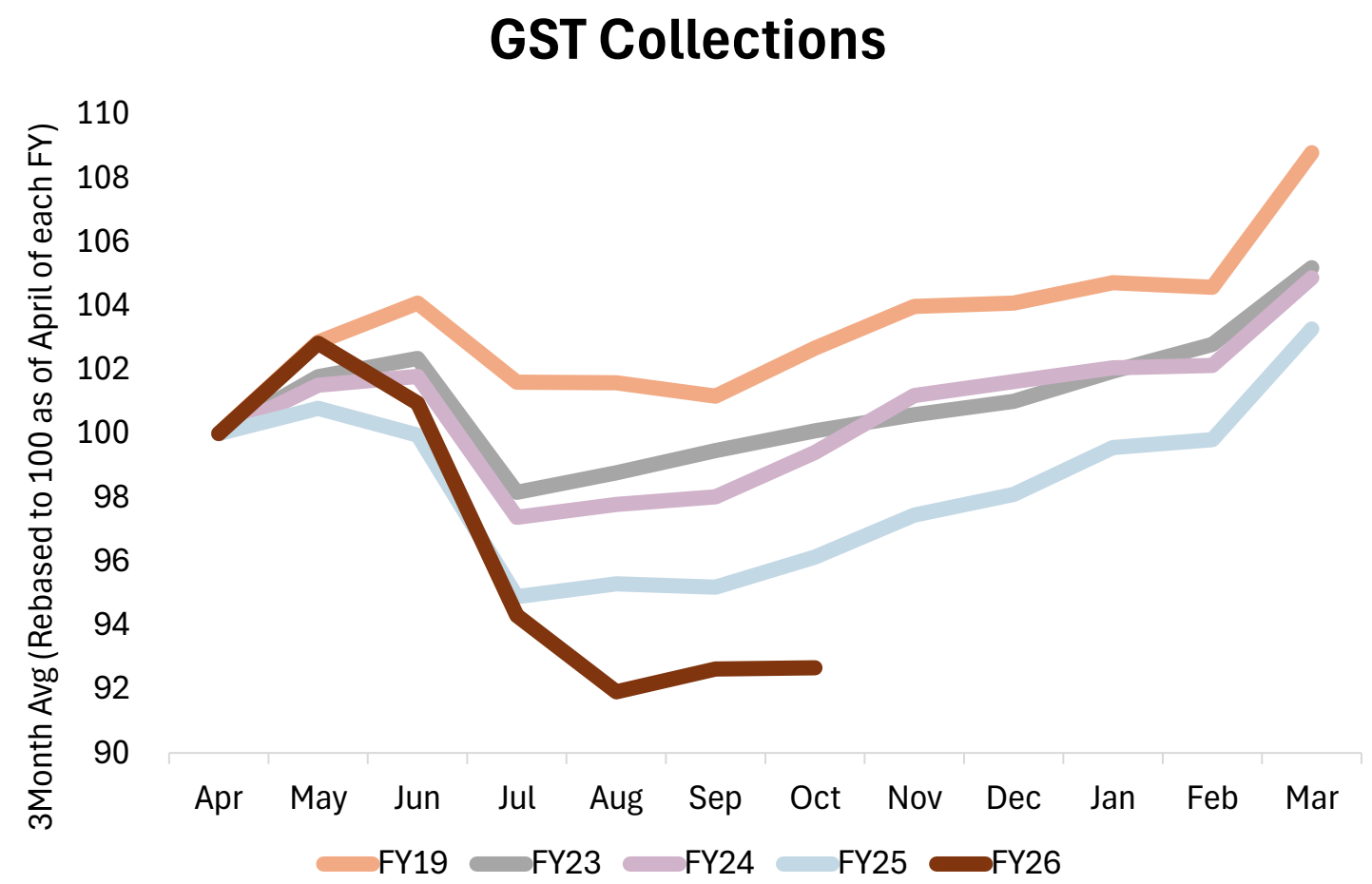
* If either the base figure, the current month figure, or both are negative, the year-on-year change can't be meaningfully calculated.

Exhibit 1: The festive season demand was not too festive after all...



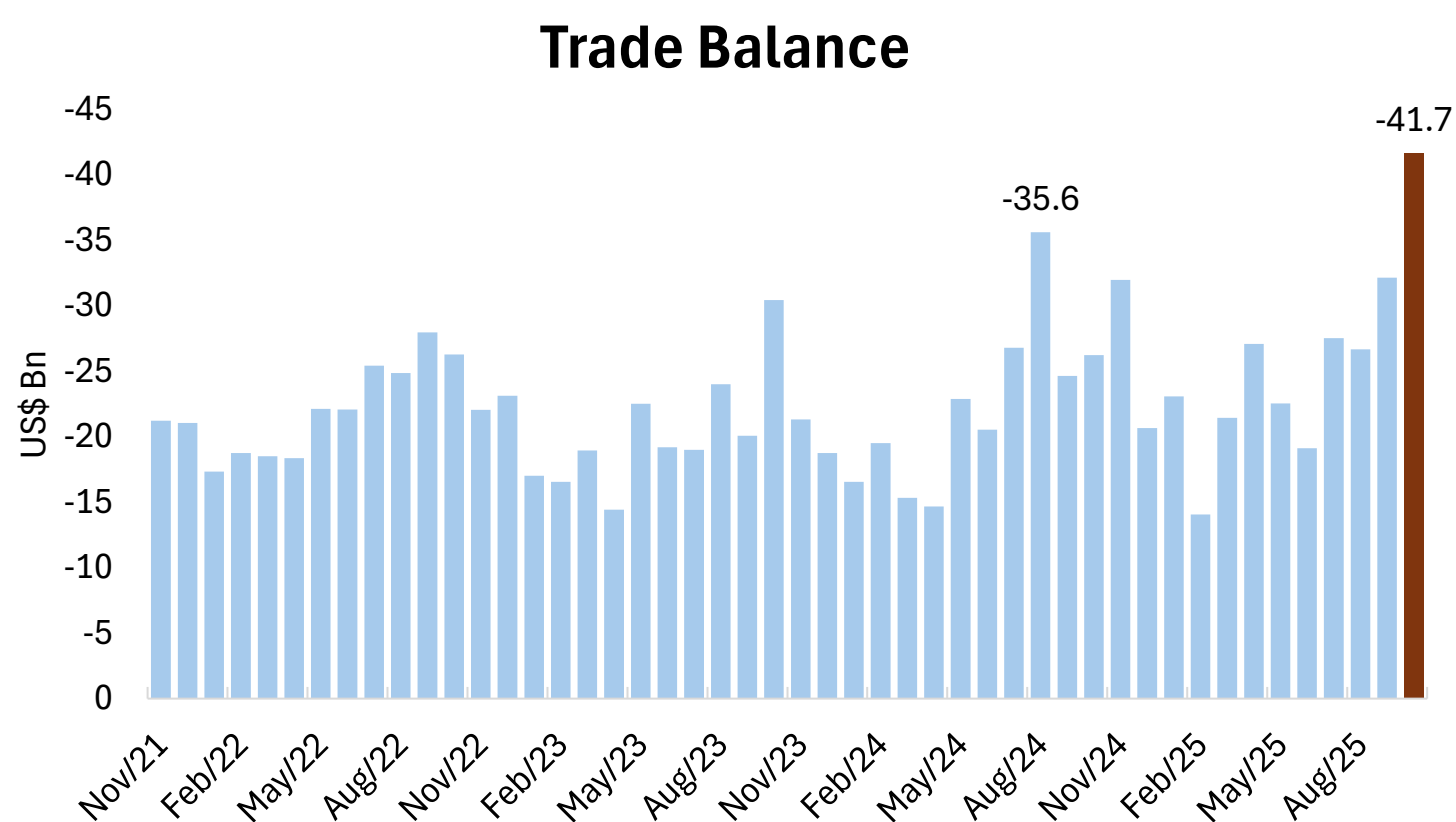
Source: CMIE

Exhibit 2: GST collections are already losing steam, and the impact of GST cut hasn't even surfaced yet.



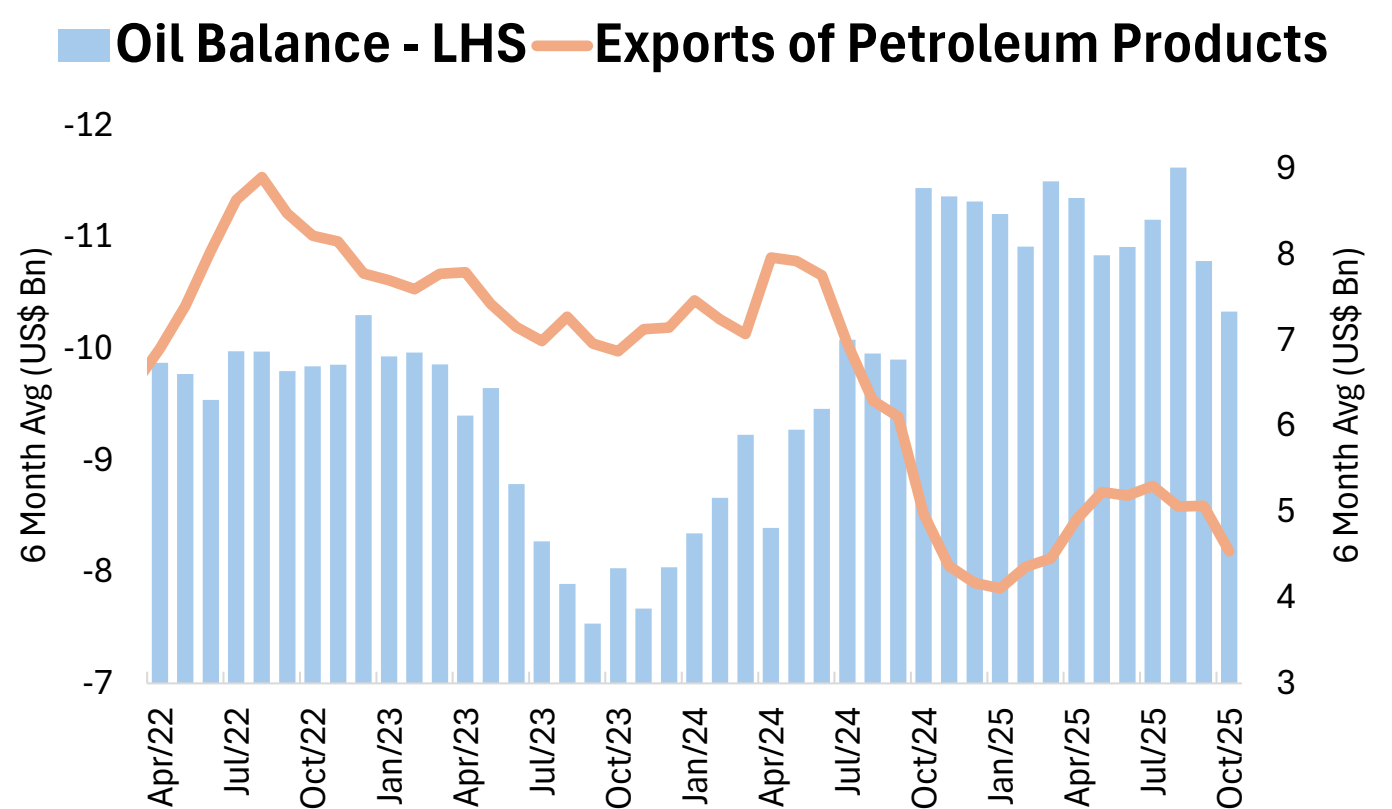
Source: CMIE

Exhibit 3: Trade deficit hit a record high of USD 42Bn. Shipments to the US have suffered no doubt, and the rest of world has seen no uptick in exports to compensate.



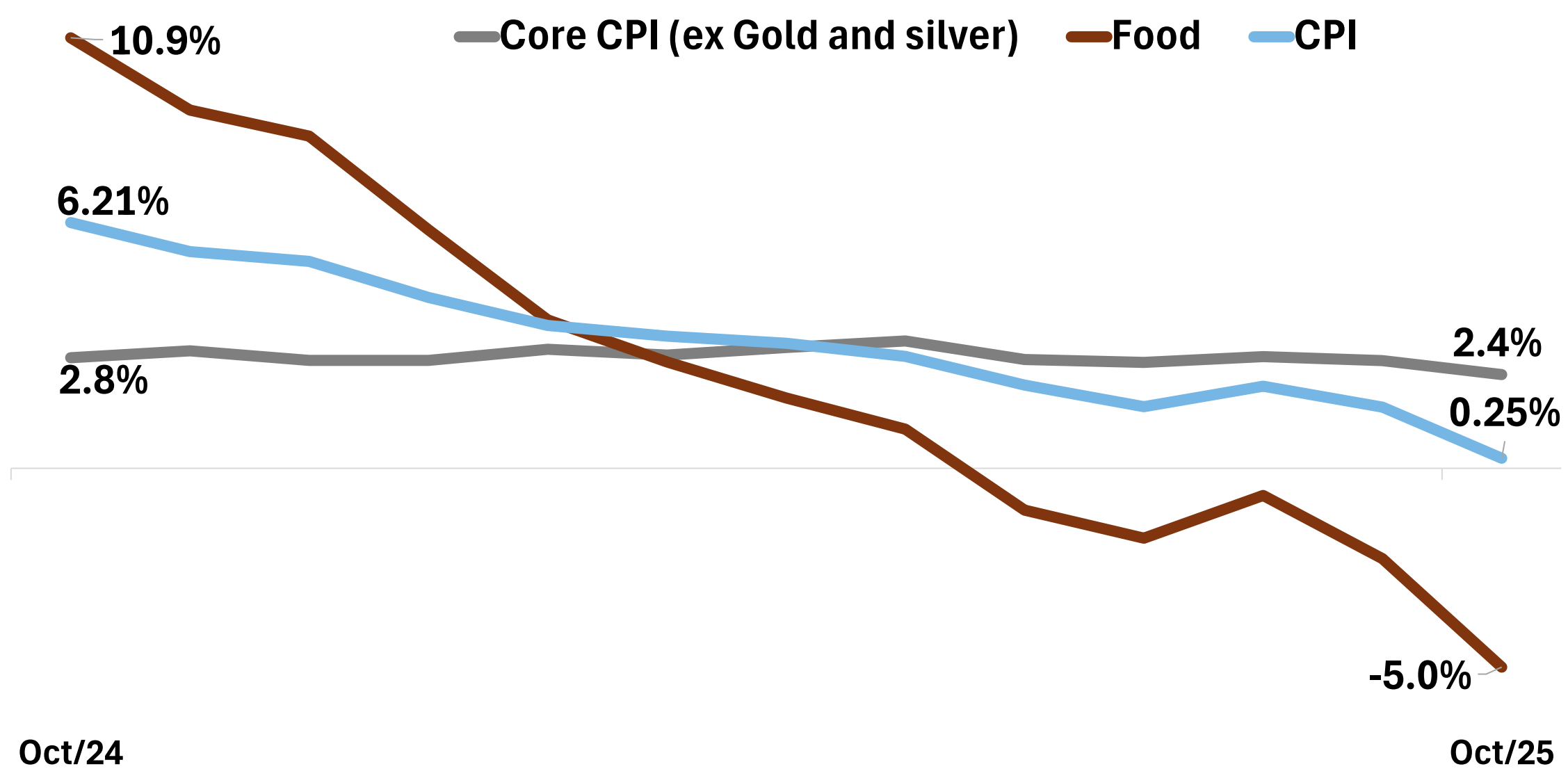
Source: CMIE

Exhibit 4: Oil deficit has widened. Some of it reflects the quiet pullback from cheaper Russian barrels as sanctions tighten, but the bigger driver is the drop in India's re-exports of refined crude.



Source: CMIE

Exhibit 4: As we move towards the less volatile portion on the basket, the data warrants less caution



Source: CMIE

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