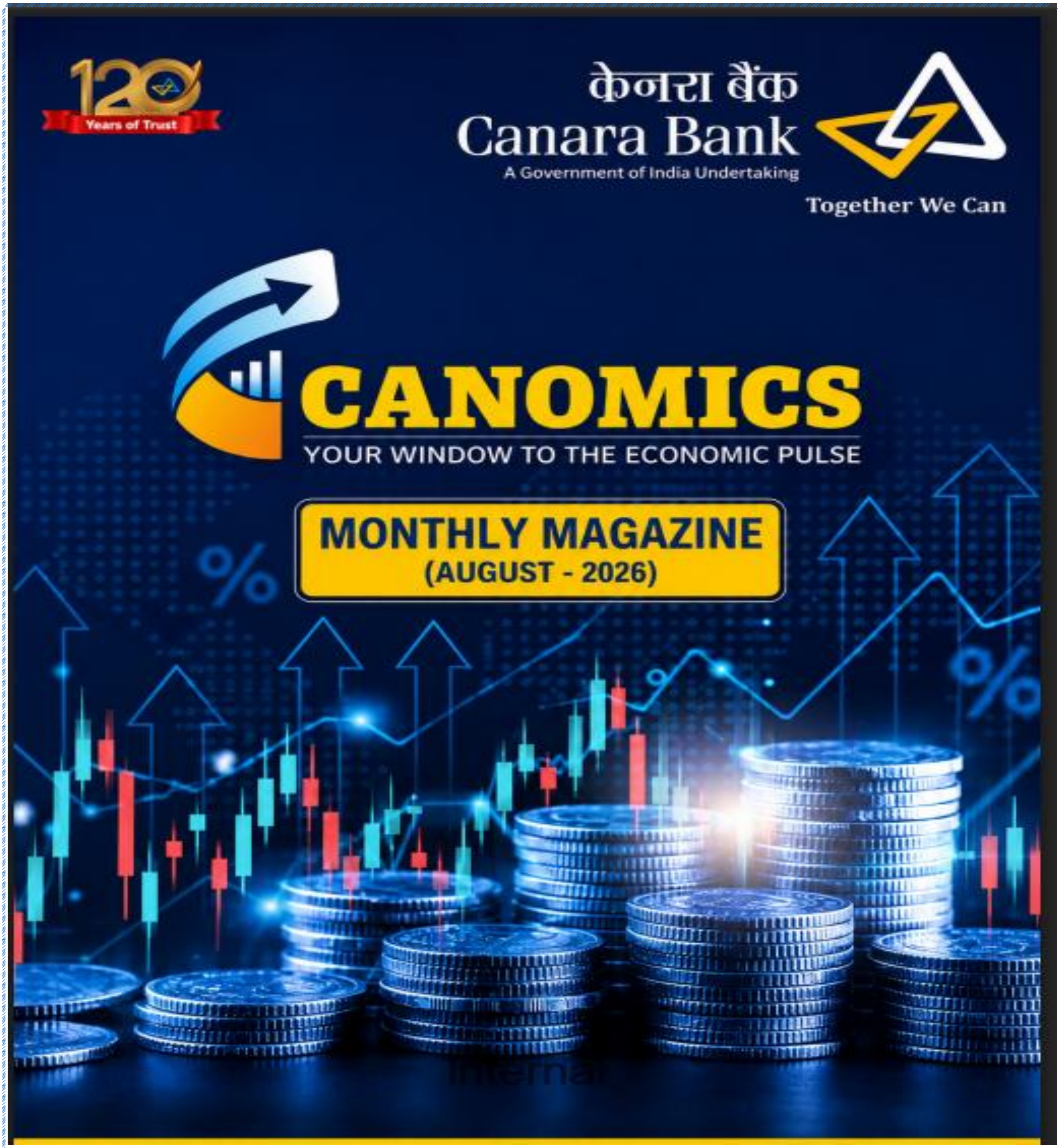

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अर्थनीति

। The art of economics lies not merely in understanding the numbers, but in knowing which numbers matter ।

-John Maynard Keynes

Contents

Message from MD & CEO…

While the first quarter financials in the banking space generate optimism the second quarter looks to be equally promising notwithstanding a volatile geo political environment. Early data on business performance shows credit and deposit growth well into the mid-teens. Public sector banks posted higher credit growth than their private counterparts. The newly introduced FCNR (B) scheme has been a success with inflows of $127 billion, exceeding even the most optimistic of estimates. This has immensely helped to bridge the widening gap between credit and deposit growth in the banking system. Some banks could well be in a position to shed bulk deposits. However, in general, deposit mobilization continues to be challenging due to competing alternatives.

The evolving global environment would be shaped by many factors. The policies pursued by the US Federal Reserve in recent days have garnered much mindshare due to its impact on developing country financial systems. The steep depreciation of Japanese Yen and sale of $1.1trillion US treasuries by the Bank of Japan are worth mentioning along with attempts to keep US long end yields under control. The rapid strides in generative and agentic Artificial Intelligence pose a further threat. Its impact resonates across sectors and financial services is no exception. Second is the geo-political developments involving conflicts across varied geographies, from the Middle East to the African continent, disrupting supply chains and causing inflation risks. These forces could lead to growth slowdown, debt overhangs and inflationary pressures. India is much better placed in overall terms but cannot be fully insulated and immune from global developments.

Amidst such headwinds, Indian banks exhibit remarkable resilience. Profitability has improved and banks are well capitalized. Asset quality is seen improving sequentially quarter over quarter. Credit costs are at record lows and overwhelming foreign currency deposit inflows mean that Liquidity Coverage Ratios (LCR) of most banks are close to 120%. The impact on exchange rate is more visible with rupee appreciating sharply from 96.5 levels to 94.5 after record flows though it has once again retraced the 95 trajectories. Positive communications from the central bank and the government have helped instill confidence among the investor community. Disinvestments in strategic sectors, which were in a slow lane, is being revived. This is expected to cushion the fiscal space and enhance investor trust.

The banking landscape today is much different what it used to be a decade before. Balance sheets have been cleaned up and all banks are in the green. This makes banks well-placed to contribute further to credit growth and economic development. To be sure, mobilization of low-cost deposits is a challenge and banks also have to perform well on cost and income metrics. Going forward the Monetary Policy Committee (MPC) is expected to take into account emerging inflationary pressures and hike rates which might be margin positive as loans linked to external benchmarks are increasing. As banking sector in India transitions to an expected credit loss framework more provisioning would be necessitated but robust credit growth coupled with good asset quality will ensure that an adverse impact on profitability is unlikely.

Strong Q1 FY27 growth numbers show that though India will face headwinds, its economy is expected to exhibit resilience. However, there are looming risks of an El Nino which could disrupt agriculture growth. To be sure, the unfolding global developments pose challenges. Risks to the system from geo political headwinds and cyber-attacks should not be wished away. Banks need to coordinate effectively and up skill themselves in technology to be on top of the game and discharge its fiduciary duty as the guardians of public money and wealth.

Brajesh Kumar Singh
Managing Director & Chief Executive Officer

Even as geo-political tensions continue without any immediate redressal in sight, it comes as a beacon of hope that India is resilient and strong. The first quarter GDP numbers show all round development of the economy with all sectors performing well. Manufacturing has picked up pace while services industry shows a stellar growth rate of 10%. More heartening is the fact that gross fixed capital formation as a share of GDP is now at 34% which implies that private capex is gaining momentum. This will supplement public capex that shows a compounded growth rate of more than 18%.

Guided By the upbeat growth print in Q1 domestic and global think-tanks and analysts have upgraded the growth outlook for India. This helps RBI to leave growth worries behind and focus solely on inflation control. Though the previous MPC in August marginally lowered retail inflation forecast for FY27 to 5% risks are on the upside. Second quarter inflation is likely to overshoot the forecast of 4.7% and Q3 looks highly likely to exceed 6% as below normal monsoon and El Nino risks loom large. Retail inflation for August was higher than the previous month driven largely by food price hikes. However, India will continue to be the fastest growing economy, attributable to public capex and consumption. Private investment is also gaining momentum if gross fixed capital formation data is any evidence. High frequency indicators lead us to believe that India could end fiscal 2027 with a real GDP growth rate in excess of 7%.

On the external front our position is eminently manageable and current account deficit is likely to be contained below 2%. More heartening is the fact that exports grew well despite geo political headwinds, thanks to our diversification strategy. Inflows under the FCNR(B) scheme surpassed all expectations, garnering $127 billion with ECBs and overseas borrowings adding another $10 billion. Besides liquidity comfort to banks, these inflows also help maintain exchange rate stability. Foreign exchange reserves are close to $750 billion, enough for a year of imports.

As bond yields across developed economies harden Foreign Institutional Investors are cautious on India. Elevated bond yields and worsening fiscal metrics among developed markets could enhance the pace of debt market outflows and pose risks to emerging market economies including India. In fact, inflows under the Fully Accessible Route (FAR) category have been declining since July.

A weak rupee adds to the concern as it erodes effective returns. However, data on 3247 listed non-financial non-government corporates show double digit sales growth and impressive operating profit margins. This gives confidence of private capex momentum building up. The liquidity comfort that banks enjoy due to FCNR flows will facilitate deployment towards working capital funding. Higher bond yields increase the attractiveness of bank funding vis-à-vis the corporate bond market and augurs well for corporate credit growth. Double digit bank credit growth, export growth in the mid-teens, rising automobile sales, consumption holding up fairly well all point towards strength and resilience. First quarter growth figures surprised on the upside with 7.8%. However, we need to deal with the challenges posed by cyber security which can potentially wipe off all gains and lead us to a path of low productivity.

As the West Asia conflict rages on headwinds continue. The Strait of Hormuz continues to chole traffic leading to escalation in crude prices and freight costs. Brent crude has yet again touched $100 per barrel after softening below $75 in early July. In this context effective risk mitigation plans are absolutely vital for efficient management of the economy and its institutions.

Dr. MadhavanKutty G.
Chief Economist

Movement of Key Market Indicators during the Month

- By Ankit Gupta

Indicators	High	Low	Average	Remarks
Sensex	78954.7	76909.6	77831.4	Rising inflation fears and higher bond yields triggered heavy profit-booking by foreign investors in the equity market. Additionally, surging energy costs and geopolitical tensions weighted down expectations for corporate earnings growth.
Bankex	65893.1	64313.1	65211.1	Higher market yields squeezed banking margins and reduced treasury profits on government bond holdings. Investors also grew cautious over potential rate hikes slowing down loan growth and increasing credit risks.
India G Sec Yield	6.91	6.73	6.80	Persistent domestic inflation pressures led to expectations of a tighter monetary policy stance by the RBI. Increased supply from government bond issuances put further downward pressure on bond prices, driving yields up.
US Treasury	4.77	4.62	4.69	Strong economic data and stubborn US inflation prompted signals that the Federal Reserve would keep interest rates elevated. Heavy US debt issuance further pushed global benchmark yields higher across maturities.
Gold (Per troy $)	4657.7	4054.5	4411.8	Investors turned to gold as a safe-haven asset amid stock market volatility and escalating global tensions. Strong physical buying by central banks and hedging against persistent inflation further buoyed prices.
Brent Oil	93.85	78.66	87.60	Supply constraints from major oil-exporting nations coincided with escalating geopolitical risks around major transit routes. Steady global demand tightly squeezed existing oil inventories, pushing crude prices sharply higher.
USD/ INR	95.75	95.12	95.44	Strong macroeconomic fundamentals and sustained direct investment inflows provided robust structural support for the currency. Strategic interventions and foreign reserve management by the central bank further defended the rupee's

Key Rates of Key Players

Rates	SBI	PNB	BOB	Canara	UBI	BOI	*Highest Rate*	*Lowest Rate*	*Any Change In the Month*
RLLR	7.90	8.10	7.90	8.00	8.00	8.10	*8.10 (PNB, BOI)*	*7.90 (SBI, BOB)*	*No Change*
MCLR (1Yr.)	8.70	8.80	8.75	8.80	8.80	8.80	*8.80 (PNB, Canara, UBI & BOI)*	*8.70 (SBI)*	*Canara MCLR Change*
Term Dep (1Yr.)	6.25	6.25	6.25	6.25	6.20	6.50	*6.50 (BOI)*	*6.25 (BOB, SBI, PNB, CB)*	*No change*

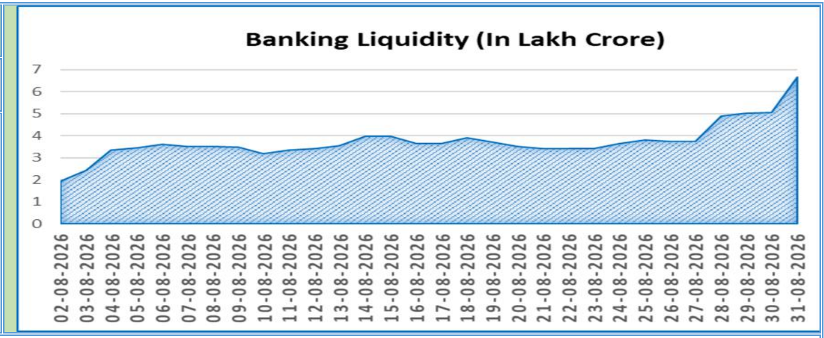
Domestic Policy Rates

SDF	MSF	Fixed Rev Repo	CRR	SLR	MCLR (overnight)	Term Dep. >1 yr
5.00	5.50	3.35	3.00	18.00	7.80 – 8.00	6.00-6.75
No change	No change	No change	No change	No change	No change	No change

Policy Context: RBI's stance is neutral/unchanged, aiming to maintain stability while supporting credit growth.

Liquidity Position During the Month (In Lakhs Cr.)

Opening	Closing	Highest	Lowest	Average
1.91	6.65	6.65	1.91	3.67



Policy Implications

Banking system liquidity remained in tight surplus due to higher government spending and continued liquidity support by the RBI.

Global Policy Rates Status

RBI Repo Rate	US Fed	European Central Bank	Bank of Japan	Bank of England	Bank of Indonesia	PBOC, China	Bank of Korea
5.25	3.50-3.75	2.40	1.0	3.75	5.75	3.00	3.00

Quick Observations: Global central Banks are mostly holding rates steady as inflation eases and growth stabilizes

Top 3 Focus of the Month ...

-- By Samir Kumar

US Fed turns more hawkish — rate-hike expectations return

At the Jackson Hole symposium on 28 August, Fed Chair Kevin Warsh signalled that the Fed could raise interest rates if inflation does not move toward its 2% target quickly enough. His comments pushed the probability of a September rate hike sharply higher, while short-term Treasury yields rose. The message marked an important shift from expectations of continuing monetary easing toward a more data-dependent and potentially tighter US monetary stance. For emerging markets, this raises risks of stronger dollar, higher global yields and capital-flow volatility.

US-Canada tariff war intensified

After talks collapsed, the US imposed 50% tariffs on roughly $20 billion of Canadian goods (wine, dairy, cement, hockey sticks, furniture and more) under Section 338 of the 1930 Tariff Act, effective 22 August after a brief delay. Canada announced matching retaliatory tariffs (15-50%) on a similar value of US goods, effective 8 September, and doubled steel and aluminium duties.

President Trump publicly suggested renaming Lake Ontario "Lake America." The episode added another layer of North American trade friction on top of existing Section 232 and other measures and was watched closely by markets already dealing with Middle East energy risk.

India eases rules to promote rupee-based international trade

On **20 August**, India eased rules governing export payments received in rupees, placing them on a more equal footing with foreign-currency export earnings for trade-policy benefits. The move is intended to encourage greater use of the **Indian rupee in international trade settlement** and strengthen India's local-currency trade architecture. It is strategically significant as India seeks to reduce dependence on major international currencies and expand bilateral/local-currency settlement arrangements. For Indian banks, this could create opportunities in **trade finance, FX, correspondent banking and cross-border rupee settlement**

By Shalini Paul

Regulatory Moves/Announcements by RBI

Announcements	Brief Summary	Impacts
05-Aug-2026	RBI invites public comments on Draft Guidelines for 'on tap' Licensing of Urban Co-operative Banks	✓ The Reserve Bank of India (RBI) has released Draft Guidelines for 'on tap' Licensing of Urban Co-operative Banks (UCBs), opening a continuous window for eligible cooperative credit societies to apply for formal banking licenses after a 22-year freeze.
06-Aug-2026	RBI invites comments on the draft "Reserve Bank of India (Non-Banking Financial Companies - Credit Facilities) Amendment Directions, 2026"	✓ The Reserve Bank of India (RBI) issued draft credit facility directions for NBFCs to strengthen risk management. The guidelines mandate lending primarily through term loans and eliminate automatic limit replenishment upon repayment .
06-Aug-2026	RBI Issues Amendment Directions on 'Conduct of Regulated Entities in Recovery of Loans and Engagement of Recovery Agents'	✓ The Reserve Bank of India (RBI) issued nine parallel Amendment Directions titled 'Conduct of Regulated Entities in Recovery of Loans and Engagement of Recovery Agents'. ✓ Effective from January 1, 2027, these unified rules replace scattered guidelines to establish a strict, standardized code of conduct for loan recovery across almost all formal lending institutions in India.
06-Aug-2026	Draft Reserve Bank of India (Non-Banking Financial Companies - Credit Facilities) Amendment Directions, 2026	✓ The Reserve Bank of India (RBI) released the draft "Reserve Bank of India (Non-Banking Financial Companies - Credit Facilities) Amendment Directions, 2026". ✓ Issued under Chapter III B of the Reserve Bank of India Act, 1934, this draft aims to harmonise NBFC credit regulations with commercial banking standards, tighten risk controls, and eliminate regulatory arbitrage.

Regulatory Moves/Announcements by RBI

Announcements	Brief Summary	Impacts
07-Aug-2026	RBI invites comments on the draft "Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Eleventh Amendment Directions, 2026"	✓ The Reserve Bank of India (RBI) released the draft Eleventh Amendment Directions to the Prudential Norms on Capital Adequacy Directions, 2025. ✓ This update explicitly revises Chapter VII: Leverage Ratio Framework to integrate the updated global "Leverage Ratio 2017 Standard" mandated by the Basel Committee on Banking Supervision (BCBS). If finalized, these updated risk management regulations will become fully operational starting April 1, 2027.
12-Aug-2026	RBI invites comments on the Draft "Reserve Bank of India (Interest Rates on Loans and Advances) Directions, 2026"	✓ The Reserve Bank of India (RBI) issued the draft "Reserve Bank of India (Interest Rates on Loans and Advances) Directions, 2026" on August 12, 2026, aiming to consolidate six separate guidelines into one unified rulebook. ✓ The new principal-based framework will apply to all Commercial Banks, RRBs, Co-operative Banks, NBFCs, and AIFIs starting April 1, 2027.
15-Aug-2026	The Reserve Bank of India (RBI) published the Scheduled Banks' Statement of Position in India on August 31, 2026, capturing the financial health and banking liquidity metrics as of the reporting date on August 15, 2026.	✓ The RBI released data showing All Scheduled Banks held total liabilities to others of ₹2,74,82,037.34 crore, driven heavily by time deposits of ₹2,41,18,870.32 crore as of August 15, 2026. ✓ Total Bank Credit across all scheduled banks reached ₹2,26,15,402.74 crore, demonstrating sustained, robust credit deployment and loan growth in the economy. ✓ Aggregate Bank Investments stood at ₹7,37,3332.06 crore, with banks leaning overwhelmingly toward Central and State Government Securities (accounting for ₹73,59,331.27 crore).
24-Aug-2026	The Reserve Bank of India (RBI) released the All-India House Price Index (HPI) for Q1:2026-27 (April-June) on August 24, 2026. The index utilizes 2022-23 as the base year and evaluates transaction data across 18 major Indian cities.	✓ The All-India House Price Index (HPI) grew sequentially by 1.1% Quarter-on-Quarter, reaching 117.5 in Q1:2026-27 (Base year 2022-23). ✓ On an annual basis, Year-on-Year growth registered at 3.6%, showing stable, long-term real estate momentum led primarily by performance in cities like Chandigarh, Lucknow, and Thiruvananthapuram.

Policy Moves by Central Government (1/2) ...

-By Shalini Paul

Government Announcements/Moves

Announcements	Brief Summary	Impacts
03-Aug-2026	Implementation of E-Shram Portal	✓ The e-Shram Portal creates a national database of unorganised workers to facilitate their identification and access to government welfare and social-security schemes. ✓ It also promotes portability of benefits, employment opportunities and targeted delivery of welfare services to unorganised workers.
07-Aug-2026	Implementation of Agri stack and digital Agriculture Mission	✓ Creates a unique Farmer ID and links farmer information. ✓ Digitally maps agricultural land and links it with farmer/land records. ✓ Captures plot-level information on crops actually sown.
07-Aug-2026	Implementation Of National Mission on Edible Oils- Oil Palm (NMEO-OP)	✓ NMEO-OP aims to increase domestic oil-palm cultivation and edible-oil production, reducing India's dependence on imports. ✓ It also seeks to increase farmers' income and develop oil-palm processing and related rural infrastructure
07-Aug-2026	Implementation of national Beekeeping and Honey Mission (NBHM)	✓ The National Beekeeping and Honey Mission (NBHM) aims to promote scientific beekeeping, increase honey production and improve farmers' income. ✓ It also supports beekeeping infrastructure, processing, marketing and pollination services to strengthen the honey value chain.
10-Aug-2026	TRAI initiates phase-wise implementation of 1601-series for service and transactional calls by utilities, courier and logistics sectors entities	✓ TRAI is introducing the 1601-series in phases for service and transactional calls made by utilities, courier and logistics companies, helping customers easily identify genuine calls. ✓ The move aims to reduce spam and fraudulent calls while improving trust in legitimate business communications.
10-Aug-2026	Implementation of National Education Policy in HEIs	✓ The National Education Policy (NEP) 2020 is being implemented in Higher Education Institutions (HEIs) to promote multidisciplinary education, flexible learning, skill development and research. ✓ It also focuses on digital education, academic autonomy, Indian languages and improving access, quality and employability.

Policy Moves by Central Government (2/2) ...

Government Announcements/Moves

Announcements	Brief Summary	Impacts
10-Aug-2026	Implementation and Impact of the National Credit Framework (NCrF)	✓ The National Credit Framework (NCrF) integrates academic, vocational and experiential learning by assigning credits to different forms of education and skill development. ✓ It promotes flexible learning pathways, mobility between education and skilling, recognition of prior learning and improved employability.
11-Aug-2026	Implementation of DDU-GKY	✓ The Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) aims to provide skill training and placement opportunities to rural youth, especially from poor households. ✓ It promotes sustainable employment, higher incomes and improved livelihoods through industry-relevant vocational training.
13-Aug-2026	Implementation of E-Courts Integrated Mission Mode Project	✓ The e-Courts Integrated Mission Mode Project aims to digitise and modernise the Indian judiciary by providing electronic filing, digital case records, online case status and virtual court facilities. ✓ It seeks to speed up justice delivery, improve transparency, reduce paperwork and make courts more accessible to citizens.
13-Aug-2026	Implementation of SASCI Scheme	✓ The SASCI (Special Assistance to States for Capital Investment) Scheme provides long-term, interest-free loans to States for capital investment and infrastructure development. ✓ It aims to boost economic growth, create employment and improve public infrastructure through productive capital expenditure.
13-Aug-2026	Implementation of Adi Karmayogi Abhiyan	✓ The Adi Karmayogi Abhiyan aims to strengthen tribal governance and empower tribal communities through capacity building and leadership development. ✓ It focuses on improving delivery of government schemes, promoting self-governance and accelerating socio-economic development in tribal areas.

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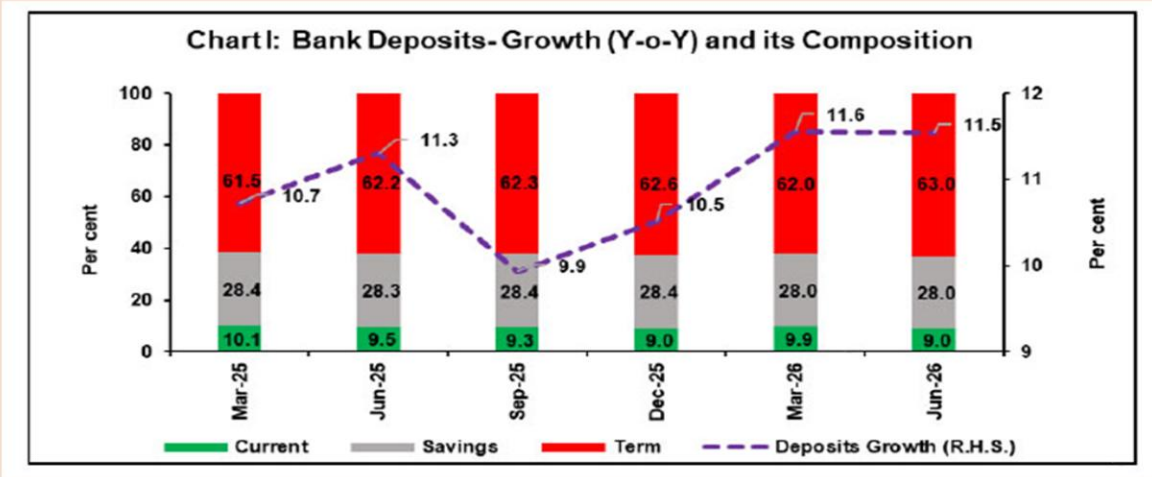
-By Samir Kumar

Deposits Dynamcs of SCBs - June 2026

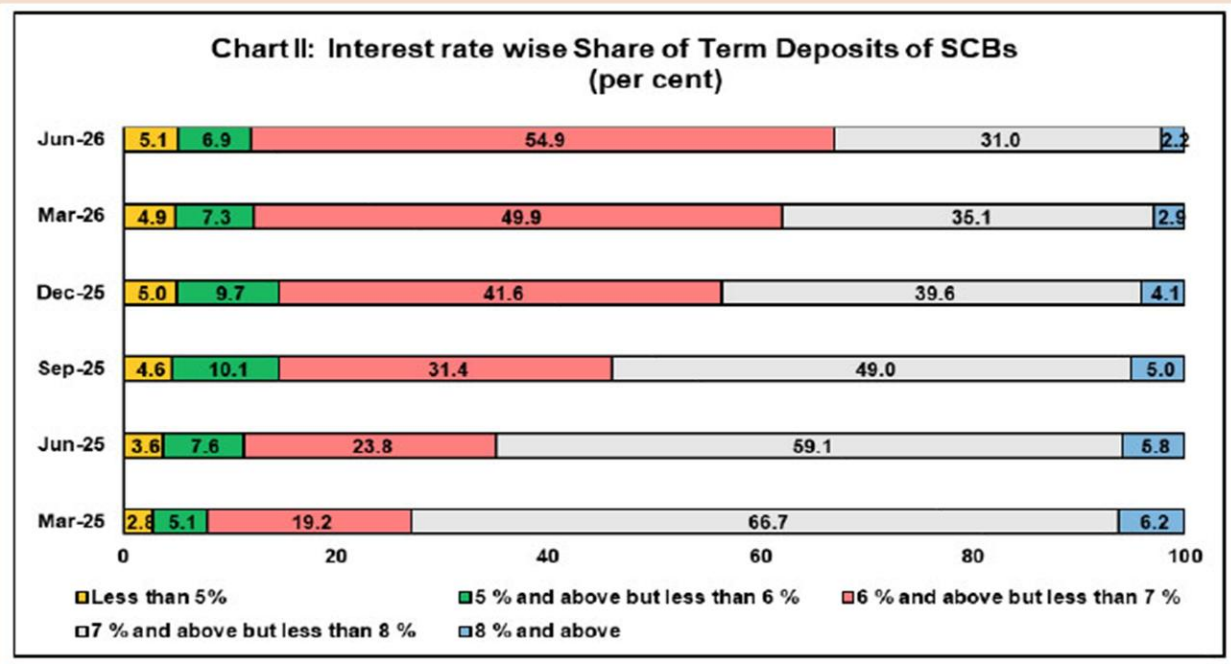
(Source https://rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=63476&utm_source)

Highlights:

- Deposits with SCBs grew by 11.5 per cent year-on-year (y-o-y) as at quarter ended June 2026 as compared to 11.3 per cent a year ago and 11.6 per cent a quarter ago with semi-urban and rural branches outpacing the growth observed at the aggregate level



- Term deposits, the primary driver of deposit accumulation, recorded growth of 12.9 per cent in June 2026, outpacing the growth of current deposits (5.3 per cent) and savings deposits (10.6 per cent).

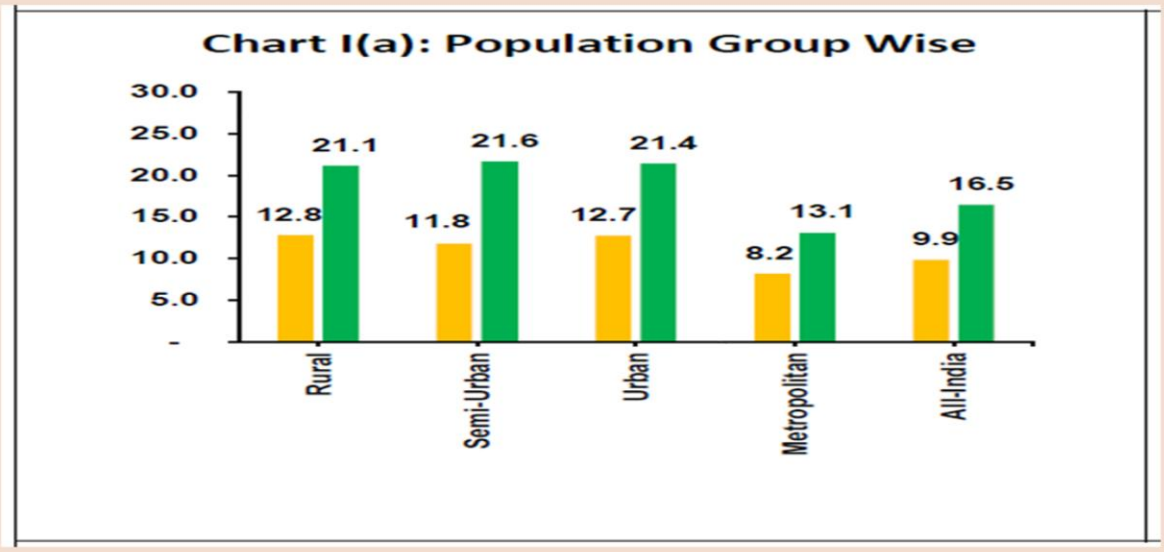


Credit Growth is outpacing Deposits Growth-

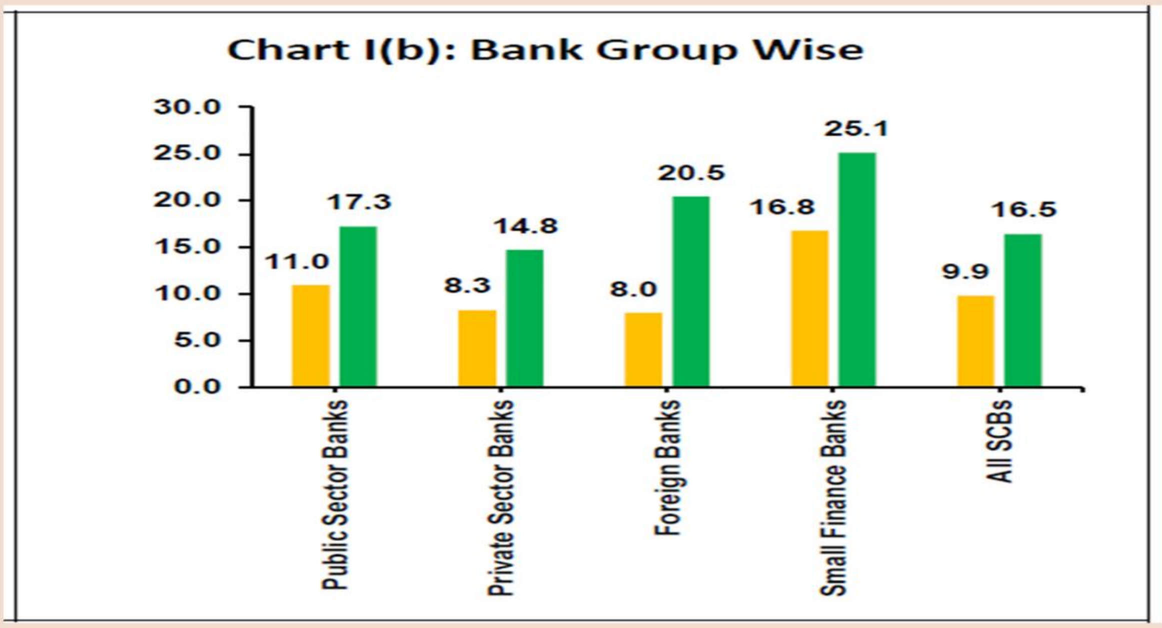
(Source : https://rbi.org.in/scripts/BS_PressReleaseDisplay.aspx?prid=63477&utm_source)

Highlights:

- India's credit engine is increasingly going up in non-metro. Credit growth exceeds deposit growth sharply in rural and semi-urban markets, highlighting both strong demand and a growing deposit-mobilization challenge.



- PSBs grew faster than private banks in both periods and posted a similar absolute pickup.



Behaviour of other Macro-Economic Indicators (3/7)…

India’s GST collections approach the ₹2 lakh crore milestone

August GST Collection has approached ₹2 lakh crore because imports and compliance stayed strong. It is a good high-frequency confirmation of formal-economy resilience. It is not yet proof of a broad domestic consumption boom — that would show up if net domestic GST starts growing closer to the 9-10% range rather than 3-4%.

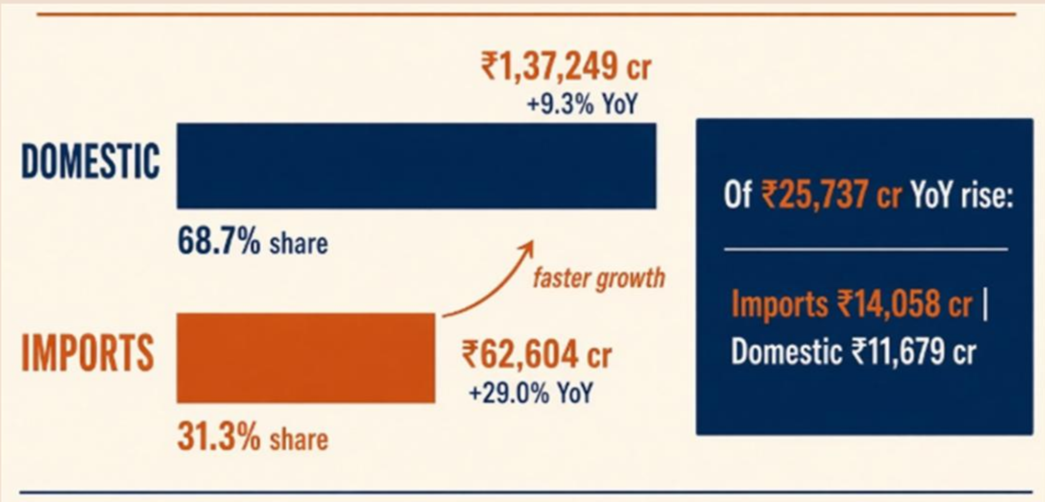
(I.) Gross vs Net — the quality gap

METRIC	Aug 2025	Aug 2026	YoY
Gross GST	1,74,116	1,99,853	+14.8%
Refunds	18,935	31,795	+67.9%
Net GST	1,55,181	1,68,057	+8.3%
Net GST	**1,55,181**	**1,68,057**	**+8.3%**

Refunds were 16% of gross. That is why a 15% headline becomes an 8% net number.

(II) Domestic vs imports: Who Did the Lifting?

Of the ₹25,737 crore YoY rise in gross collections, imports added ₹14,058 crore and domestic added ₹11,679 crore. Imports are 31% of the stock but more than half of the increment. Net domestic GST grew only +3.4%.



FCNR (B) 2026- The $136 Billion FX Inflow

(Boon for Reserves, Challenge for Liquidity)

The **$136.377 billion** figure is the latest cumulative mobilisation reported by RBI for the programme, with FCNR (B) accounting for the overwhelming majority.

Source	Amount ($ bn)	Share of total
FCNR(B)	**127.226**	**93.3%**
OFCB	5.260	3.9%
ECB	3.891	2.9%
Total	**136.377**	**100%**

The 2026 RBI swap facility became predominantly an FCNR (B) mobilisation programme, with FCNR (B) contributing more than 93% of the reported $136.4 billion cumulative inflows

Why this is important for the Indian economy?

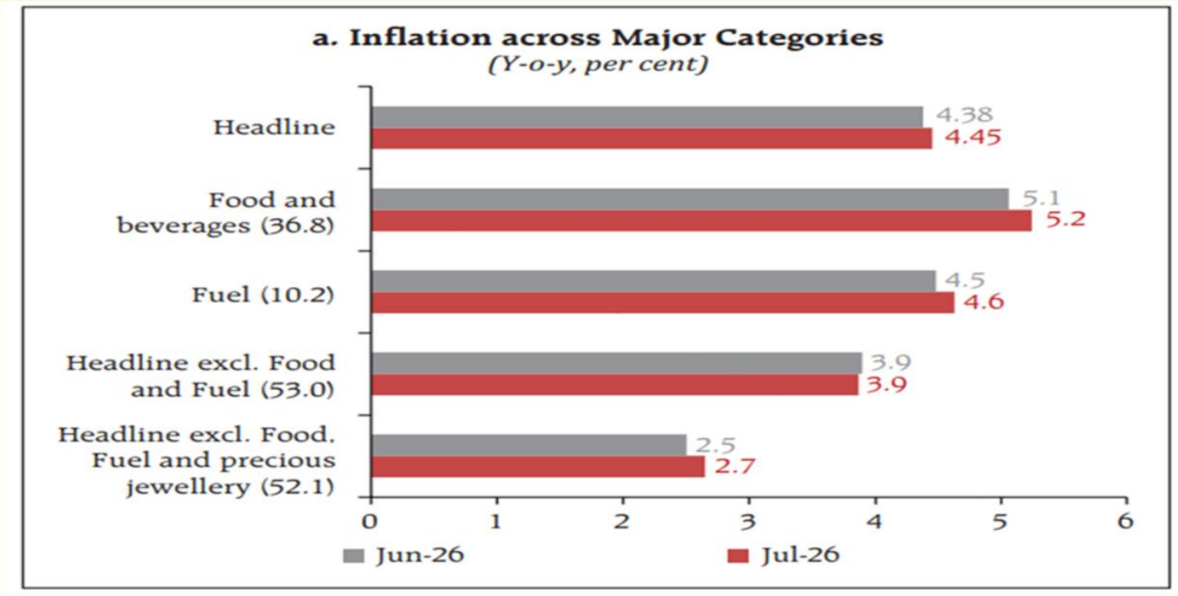
Transmission channel	Impact
FX inflows	↑ Foreign-currency availability
Banking liquidity	↑ Banks' FX funding/liquidity
Rupee	Potentially supportive through greater FX supply, though actual INR impact depends on conversion/hedging
Forex reserves	Potential support when flows are intermediated through the banking system/RBI
External financing	Strengthens availability of foreign-currency funding
Interest-rate transmission	Large liquidity effects can influence money-market conditions depending on sterilization
Bank profitability	Potential benefit from lower FX funding stress, but swap pricing and hedging costs matter
CAD/BOP	Primarily a **financial-account** inflow; it does not mechanically reduce the merchandise trade deficit or CAD

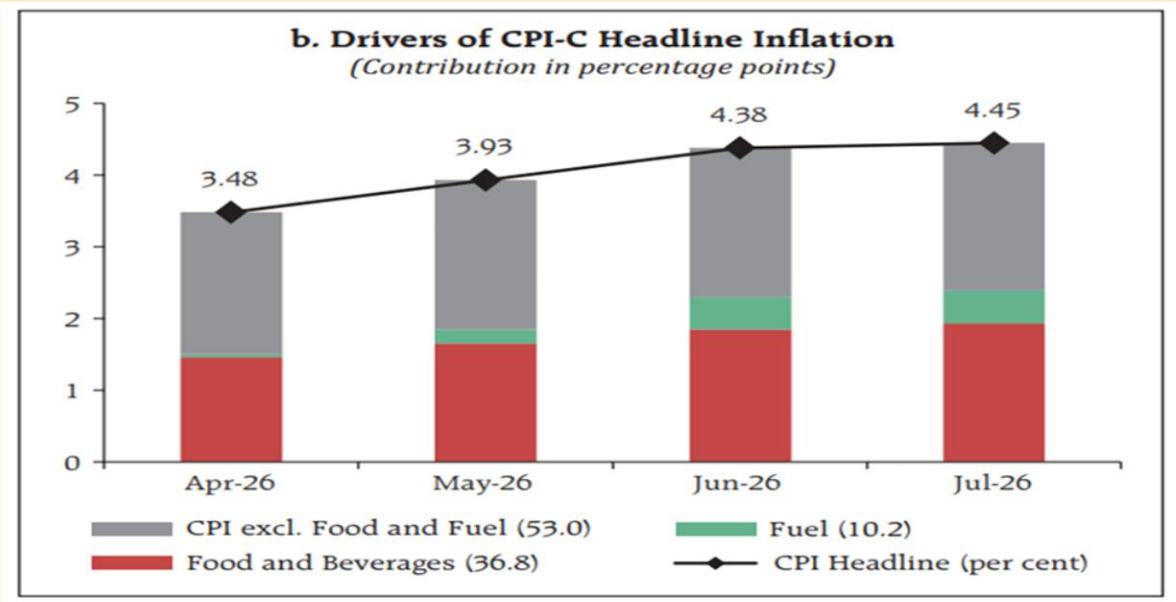
FCNR (B) 2026 — Key Challenges

- **Rollover Risk:** Large FCNR maturities could create significant FX outflows and refinancing pressure.
- **FX & ALM Risk:** Currency and maturity mismatches can increase banks' treasury and liquidity risks.
- **Liquidity Management:** Large inflows may create excess domestic liquidity, requiring RBI sterilization.
- **Cost Risk:** Competitive FCNR rates, swap costs and hedging expenses can reduce banks' profitability.
- **Exit Risk:** When the special facility ends, deposit retention and replacement funding may become more expensive.

Marginal Uptick in Food Inflation in July, 2026

The headline consumer price index (CPI) inflation increased marginally to 4.45 per cent (y-o-y) in July 2026 from 4.38 per cent in June, driven by 'food and beverages', while core inflation remained unchanged.

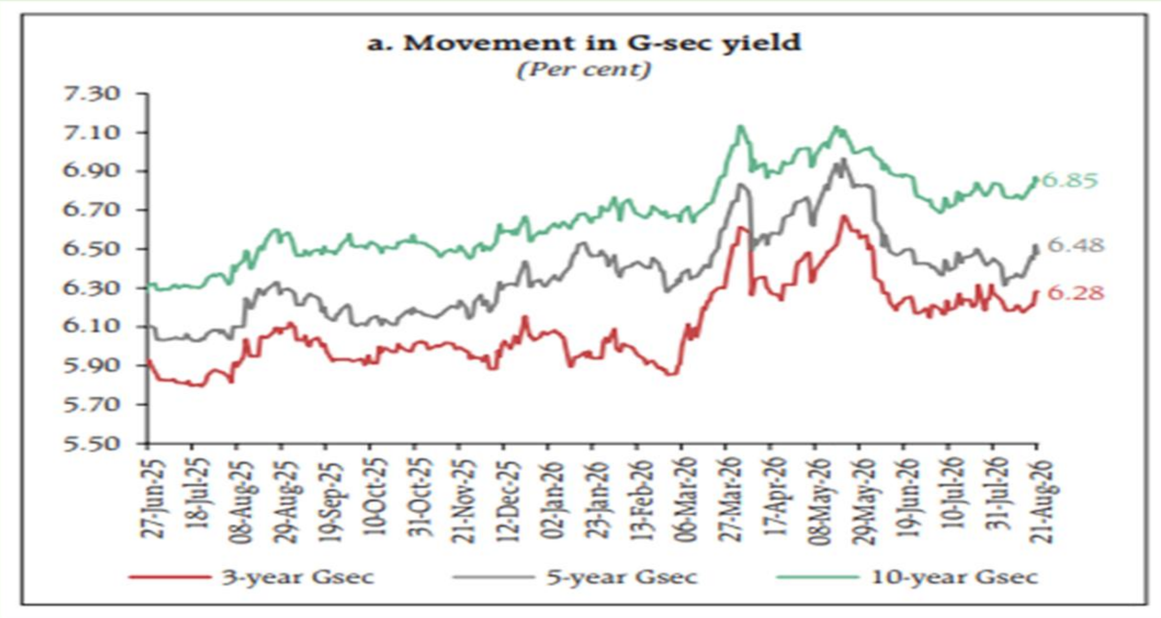




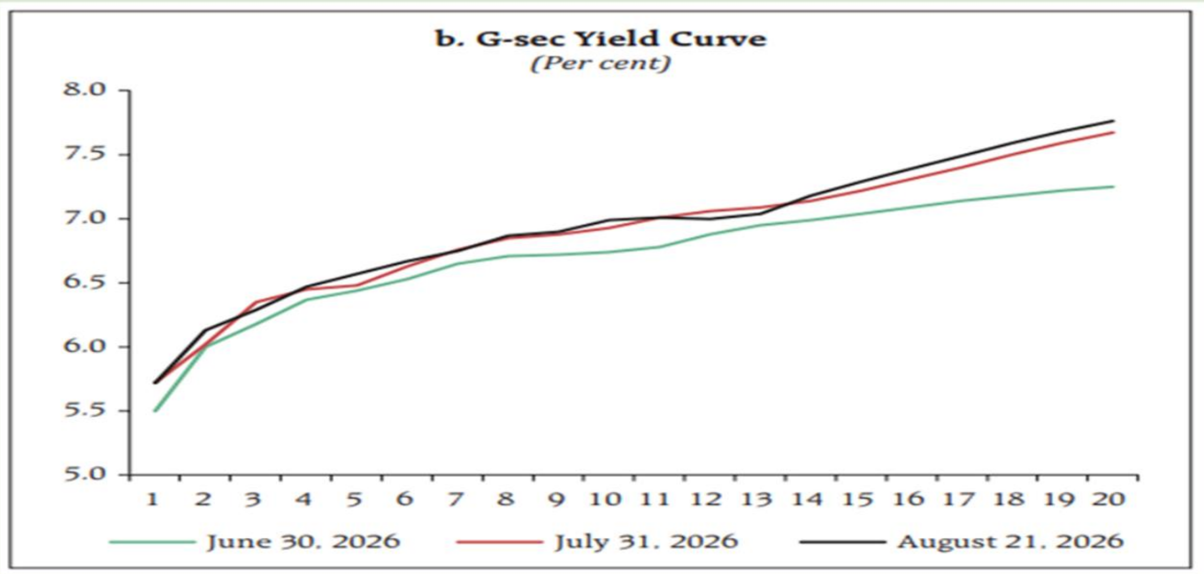
Source: https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs

G-sec Yields Edged up in August from July levels

G-sec yields hardened in July reflecting renewed geopolitical tensions in West Asia, volatile crude oil prices, rise in US treasury yields and higher domestic CPI inflation for June The yields softened in early August driven by (i) robust capital inflows under the Reserve Bank's swap facilities; and (ii) the RBI's Monetary Policy Committee (MPC) unanimously voting to keep the policy repo rate unchanged at 5.25 per cent, broadly in line with market expectations while maintaining the neutral stance



In mid-August, yields rose across tenors, reflecting a rise in crude oil prices and hardening of US treasury yields.



Top 10 GCCs in India by Scale (2026) — Ranked by Headcount & How Big they are !

RANK	COMPANY	INDIA HQ	HEADCOUNT (APPROX.)	SIZE IS BIG BECAUSE …
01	JPMorgan	Mumbai	55,000	**Approximately 1 in 5 JPMorgan employees globally are based in India** Asia's largest GCC campus announced in Powai, Mumbai (December 2024)
02	HSBC	Hyderabad	42,000	India is **HSBC's single largest employment center globally**
03	Wells Fargo	Bengaluru	37,000	India is **Wells Fargo's second-largest global hub** after the US
04	Barclays	Pune	20,000	Pune BGSC is one of the **largest UK banking operations in India**
05	Microsoft	Hyderabad	20,000+	DC Hyderabad is **Microsoft's largest R&D centre outside the United States**
06	Deutsche Bank	Pune	13,000	India **is Deutsche Bank's second-largest employee location globally after Germany**
07	Standard Chartered	Chennai	15,000-18,000	SC Nexus is one of the **largest UK bank operations in Asia**
08	Amazon	Hyderabad	15,000+ (GCC roles)	HYD13 — opened 2024 — is Amazon's largest single office globally at 8.3 lakh sq ft
09	Goldman Sachs	Bengaluru	9,000	India is **Goldman Sachs's second-largest global office after New York.**
10	Walmart Global Tech	Bengaluru	10,000-12,000	India engineering team builds AI supply chain, pricing, and e-commerce systems deployed across Walmart's 10,000+ global stores

Source https://www.gladwininternational.com/intelligence/gccs/top-gccs-bfsi

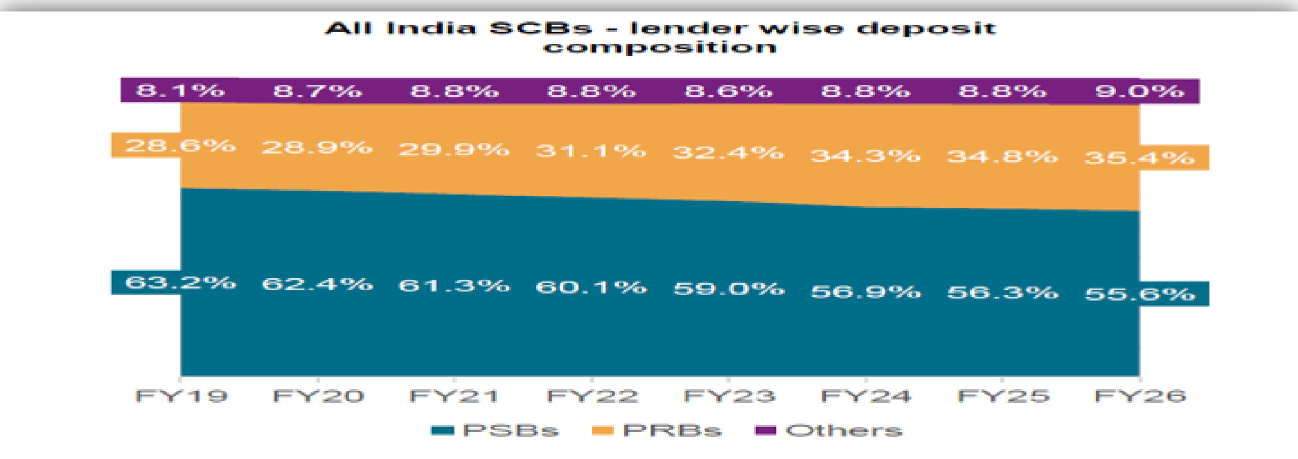
Data Stat: Revealing the Data Taste of the Month (1/2) ...

- By Samir Kumar

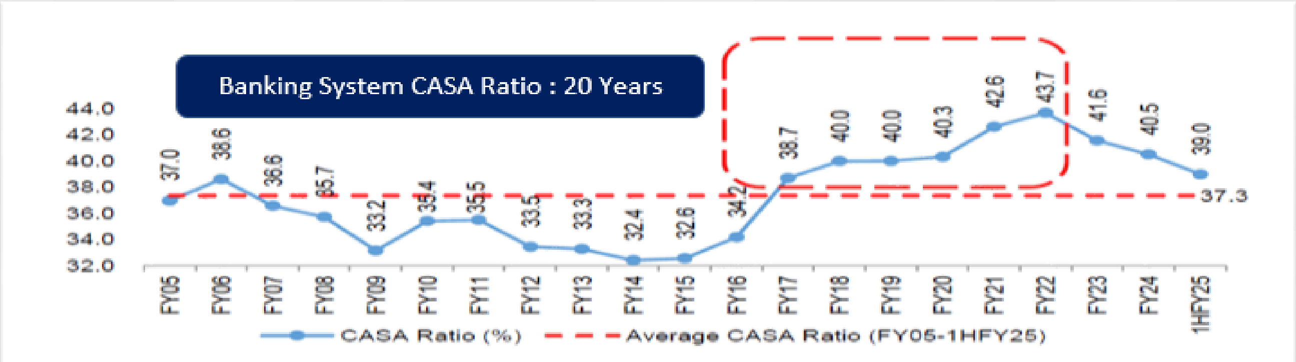
Discussion	**What Structural Shift is being observed in the Deposit Composition of SCBs over the Years?**
Data Source	CRISIL Report 2026 , Nirmal Bang Equity Research Report 2026

Reflections

- The lender-wise deposit landscape has undergone a shift over the years, with private banks (PRBs) increasing their share of system deposits and public sector banks (PSBs) ceding ground.
- Despite this shift, PSBs hold the majority of system deposits, maintaining their dominant position in the banking system.
- CASA jumped from 34.2% (FY16) to a peak of 43.7% (FY22) after demonetization, low rates and COVID surplus savings. That 9-plus-point lift is now unwinding; the ratio has already given back most of the excess and is heading toward the 20-year average of 37.3%.



Note: SCBs are scheduled commercial banks; Others include foreign, regional rural, small finance and payment banks
Source: RBI DBIE, Crisil Intelligence



Source: RBI, Nirmal Bang Institutional Equities Research

Key Takeaway:

Deposit share is migrating to private banks even as the industry's cheapest funding mix continues to erode.

Data Stat: Revealing the Data Taste of the Month (2/2)

Discussion	**Why FCNR (B) Deposit Scheme, 2026 Could not strengthen the Indian Rupee as compared to FCNR Deposit Scheme 2013?**
Data Source	**RBI Report, August 2026**

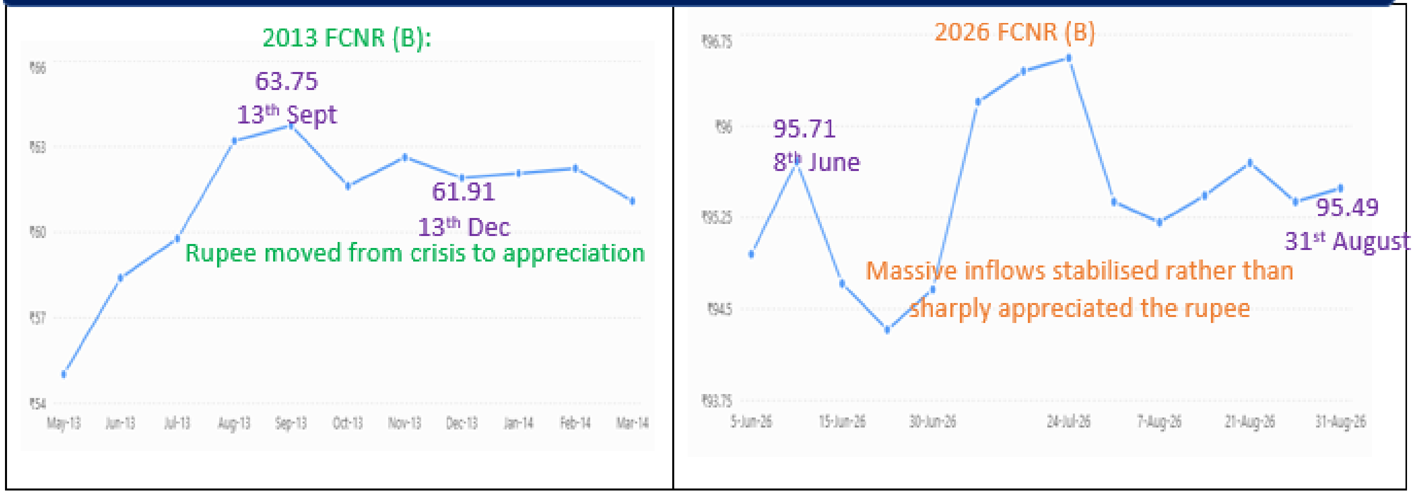
Reflections

- In 2013, $34.3 bn of FCNR-linked inflows coincided with a sharp rupee recovery. In 2026, FCNR (B) mobilization reached $127.2 bn, nearly 4× the 2013 scale, yet USD/INR remained around ₹95 because the inflows were largely offsetting much stronger external pressures.
- FCNR inflows in 2026 prevented a much sharper depreciation — but did not create appreciation. It stabilised rather than strengthened the rupee.
- In 2013, RBI reported that reserves rose **$16.6 billion**, from end-August 2013 to **$292.1 billion by 17 January 2014**, following the special swap measures. In 2026, the reserve response is dramatically larger. By the week ending 28 August 2026, India's forex reserves had reached a record of $740.8 billion
- It is rebuilding RBI's FX war chest rather than simply defending one particular exchange-rate level.

A Quantitative comparison : 2013 Vs 2026 (FCNR Deposit Scheme)

Indicator	2013	2026	Interpretation
FCNR inflow	$34.3 bn	$127.2 bn	3.7× larger
FCNR/GDP	1.4%	3.1%	Much greater macro scale
FX starting point	₹68.85 crisis low	₹95-97	Both under depreciation pressure
Post-programme FX response	Strong appreciation	Stabilization	Major difference
Reserve impact	+$16.6 bn over Aug-Jan	+$75 bn over 9 weeks	Much larger buffer
Dollar supply effect	Directly visible in FX	Mostly absorbed external demand	2026 external pressures stronger
Liquidity consequence	Manageable	Very large surplus liquidity	New challenge
Policy objective	Crisis management	External resilience + reserve rebuilding	Broader objective

Effect on USD/INR : 2013 Vs 2026



Key Takeaway:

2013 FCNR (B) was powerful enough to turn a dollar shortage into rupee appreciation. 2026 FCNR (B), despite attracting nearly 4× more dollars, primarily prevented a much sharper rupee depreciation because the external dollar demand was simultaneously much stronger.

"2013: FCNR strengthened the Rupee But 2026: FCNR strengthened the RBI's defence of the Rupee"

Business/ Competitive Intelligence of the Month…

-By Samir Kumar

PNB-IRCON: Converting an Institutional Tie-up into a CASA Franchise

Date: 14-08-2026

What is the Move?

- PNB signed an M-o-U with IRCON International on 14 August 2026 for exclusive salary and pension accounts for eligible employees and pensioners of IRCON.

- IRCON is a **Government of India engineering and construction company**, primarily involved in **railways, highways, bridges, tunnels, and other infrastructure projects**.

  - ✓ **Full name:** IRCON International Limited
  - ✓ **Formerly:** Indian Railway Construction International Limited
  - ✓ **Ownership:** Government of India / Ministry of Railways
  - ✓ **Sector:** Infrastructure & Construction
  - ✓ **Key business:** Railway infrastructure, highways, bridges, tunnels, EPC projects
  - ✓ **Listed:** NSE & BSE

What is the Move?

- **Core tie-up:** PNB to provide **salary and pension account services** to eligible IRCON employees and pensioners.
- **Immediate objective:** Acquire a stable pool of **institutional CASA deposits** through salary credits and pension inflows.
- **Cross-sell opportunity:** Salary/pension relationships can become a gateway to **personal loans, home loans, vehicle loans, credit cards, insurance, investments and digital banking**.
- **Corporate opportunity:** The relationship can potentially deepen into **IRCON's broader corporate banking ecosystem**—payments, collections, working capital, project finance and other transaction-banking services.
- **Strategic value:** Instead of competing for individual customers one by one, PNB gets access to a **pre-assembled employee/pensioner customer base through one institutional relationship**

Implications for Others?

This is an example for other FIs to treat PSU/large-corporate relationships not merely as loan relationships, but as CASA-generation and employee-banking ecosystems.

Indian Banking/financial Sector News

-By Chintala Divya Lakshmi

Date	News Headlines	Summary/Implications
03-Aug-2026	Govt to introduce Bill to replace 125-year-old law on presenting bank records as evidence in courts	✓ On 3 August 2026, Finance Minister will introduce the Bankers' Books Evidence Bill, 2026 in Parliament to replace the 125-year-old Bankers' Books Evidence Act, 1891. ✓ The Bill aims to modernise banking evidence laws by aligning them with contemporary digital banking practices while ensuring access to banking records for judicial proceedings. ✓ It also seeks to protect banks from unnecessary legal proceedings through more targeted judicial oversight without compromising the availability of banking evidence.
04-Aug-2026	Payment Bill rekindles MDR (Merchant Discount Rate) hopes for large-value UPI	✓ The government's proposed amendments to the Payment and Settlement Systems Act have revived hopes of the return of merchant discount rate (MDR) on select UPI transactions, with industry executives and analysts saying the move could help banks and fintech firms recover rising investments in technology, cybersecurity and payments. ✓ The government is considering reintroducing MDR for UPI transactions with large merchants. ✓ These fees might apply to transactions exceeding two thousand rupees. This change aims to create revenue for payment companies while minimizing disruption.
06-Aug-2026	Liquidity to peak in Sept, but big surplus won't last long: RBI	✓ The Reserve Bank of India will absorb surplus liquidity from a special forex swap facility. This absorption will occur through higher currency in circulation and maturing forward positions. Banking system liquidity is expected to peak in September due to FCNR(B) deposit inflows. ✓ Economists anticipate a surplus of around ₹4-5 lakh crore in the banking system. The central bank will then begin withdrawing excess liquidity through durable absorption measures.
07-Aug-2026	RBI plans to bar NBFCs from offering revolving credit without approval	✓ In a recent announcement, the Reserve Bank of India has introduced fresh regulations for nonbanking financial companies. ✓ Moving forward, NBFCs will be restricted to providing only term loans, effectively barring revolving credit offerings, though those currently authorized to issue credit cards are not affected. ✓ Standalone NBFCs will require prior permissions and significant funding to independently offer credit cards. The central bank is actively seeking input on these upcoming policies.
07-Aug-2026	RBI bars banks from disabling mobile devices of defaulting borrowers	✓ Banks cannot disable borrower mobile phones and laptops for loan recovery. This new rule applies unless the devices themselves were financed by lenders. ✓ The Reserve Bank of India announced these regulations will take effect January 1, 2027. Banks must adopt a gradual approach when disabling devices, not immediately. ✓ Essential functions like incoming calls and emergency services remain accessible to borrowers.
10-Aug-2026	UPI to remain free for users; nominal MDR may apply to select merchant transactions	✓ Consumers will not face any charges for UPI payments. Most merchant transactions will also remain free of cost. ✓ Any future charges will apply to limited merchant transactions above a threshold. This move aims to ensure UPI's long-term sustainability and technological advancement. ✓ The government stated UPI will remain free for citizens.
11-Aug-2026	Rs.20,000 crore credit guarantee plan misses the mark.	✓ Banks have disbursed merely seventeen percent of the credit guarantee scheme funds. Loan sanctions remain slow as banks show caution with smaller microfinance institutions. ✓ Larger microfinance companies are hesitant to borrow under the government's guarantee program. ✓ About one thousand crore rupees went to small and medium-sized microfinance entities.

Date	News Headlines	Summary/Implications
13-Aug-2026	SBI uses AI to underwrite nearly Rs 1 lakh crore in MSME loans in FY26	✓ State Bank of India underwrote nearly one lakh crore rupees in MSME loans using artificial intelligence. AI is also automating the processing of cheques up to ten thousand rupees. ✓ This technology frees up relationship managers' time for other important tasks. ✓ The bank deploys AI across the customer lifecycle for various functions. Benefits include improved customer satisfaction and employee efficiency.
13-Aug-2026	Banks to reveal loan rates every month in RBI's disclosure tweak	✓ The Reserve Bank of India has proposed new lending rate guidelines. Regulated entities must declare lending rates monthly and reset floating loans quarterly. ✓ Total charges for microfinance and small loans will be capped by the regulator. ✓ These new norms aim to harmonize interest rate determination methods. Final guidelines will take effect from April 1, 2027.
17-Aug-2026	Banking leaders urged to shape reforms as government readies panel for Viksit Bharat 2047	✓ Finance Minister said the government will soon set up a high-powered committee to chart the banking sector's role in building a "Viksit Bharat", with the panel set to draw on ideas and research emerging from two days of intensive discussions with banking sector stakeholders. ✓ Calling India's banks well placed to undertake reforms with NPAs at their lowest levels, FM said the committee's recommendations would help determine the future direction of banking and enable the government to accelerate reforms and "rev up the Indian economy" over the next two decades.
24-Aug-2026	AI, trust, and the future of money: With AI making payments invisible, trust becomes the new currency	✓ Artificial intelligence will shift payments from digital to delegated commerce, enabling machines to transact for consumers. ✓ Trust and real-time controls will become essential building blocks for the financial system. ✓ AI will enhance personalized experiences and help identify fraudulent transactions effectively. Consumers will focus on payment outcomes rather than the underlying transaction rails. ✓ New guardrails will be necessary as machines increasingly interact autonomously.
25-Aug-2026	Rising multiple vehicle loans, bigger ticket sizes raise risk for lenders	✓ Vehicle buyers are increasingly taking multiple loans, while the average amount borrowed is also rising, raising potential credit risks for lenders. ✓ The trend is most visible in commercial vehicle finance, where borrowers with two or more loans rose to 19.9% in June from 15.7% a year earlier.
27-Aug-2026	Banks, FIU-IND(Financial Intelligence Unit - India) work on sharper framework to flag money mule accounts	✓ Banks are enhancing suspicious transaction reporting for money mule accounts. They aim for better analysis and pattern identification by the principal officer. ✓ Artificial intelligence and machine learning tools are now being deployed. ✓ This initiative follows parliamentary committee recommendations for accountability. The goal is to recover funds and prevent financial system misuse.
28-Aug-2026	NPCI to let users port UPI AutoPay mandates across apps	✓ The National Payments Corp. of India (NPCI) is set to make UPI auto-pay interoperable, allowing users to port recurring payment instructions across apps and merchants to move existing mandates from one payment gateway to another. ✓ The move could reduce two forms of lock-ins in the recurring-payments market. ✓ Consumers will be able to shift existing auto-pay mandates to another UPI app instead of cancelling and recreating subscriptions, insurance premiums, systematic investment plans (SIPS) or loan repayments.

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Peer's Signal: Indian Banks/FIs with New Business Strategy

-- Chintala Divya Lakshmi (Manager)

Date	News Headlines	Summary/Implications
03-Aug-2026	No plan to monetise subsidiaries, focus on enhancing their value: PNB MD	✓ With its capital adequacy ratio exceeding 18 per cent, Punjab National Bank has no immediate plans to monetise its subsidiaries, the bank's Managing Director and CEO said, adding that the lender will instead focus on strengthening their operations to unlock greater value in the future.
04-Aug-2026	HDFC Bank launches two new variants of savings accounts for senior citizens and women	✓ HDFC Bank has launched two new savings accounts variants – 'Max for Seniors' and 'Max for Her', offering tailored benefits for senior citizens and women, respectively.
06-Aug-2026	RBI governor says IT systems of large banks strong, days after breach at BoB	✓ The information technology (IT) systems of large Indian banks and other regulated entities are quite strong and robust, Reserve Bank of India (RBI) governor said, days after state-owned Bank of Baroda (BoB) suffered a cyber breach.
08-Aug-2026	SBI expects to mobilise about \$10b via FCNR(B) deposits by Sept-end 2026	✓ State Bank of India (SBI) should be able to mobilise about \$10 billion via Foreign Currency Non-Resident (Bank)/ FCNR (B) deposits by September-end 2026 under RBI's limited period concessional swap facility, going by the current traction on this front, said Chairman.
13-Aug-2026	Central Bank of India mobilises \$250 mln under FCNR (B) window: CEO	✓ State-owned lender Central Bank of India has mobilised \$250 million under the FCNR-B window introduced by the Reserve Bank of India (RBI).
13-Aug-2026	Punjab National Bank (PNB) to deploy Magellanic cloud's e-surveillance solutions across 1,000 ATMs nationwide	✓ Magellanic Cloud Limited (NSE: MCLOUD | BSE: 538891), announced that its wholly owned subsidiary, IVIS International Private Limited (IVIS), has secured multiple Purchase Orders from NCR Corporation India Private Limited, comprising both Capex and Opex components, for providing E-Surveillance Solutions across Punjab National Bank (PNB) ATM sites. ✓ The Purchase Orders have an aggregate value of approximately ₹18.4 Crore over a period of 5 years.
13-Aug-2026	SBI uses AI to underwrite nearly ₹1 lakh cr in MSME loans in FY26	✓ The country's largest lender, State Bank of India (SBI), used artificial intelligence to underwrite nearly ₹1 lakh crore in MSME loans of up to ₹5 crore each during 2025-26.
14-Aug-2026	Kiwi broadens UPI credit play with Yes Bank partnership, Postpaid launch	✓ Fintech platform Kiwi has partnered with Yes Bank to launch "Kiwi Postpaid," a digital solution offering regulated credit lines up to ₹50,000 on the UPI network. ✓ The product allows users to make seamless routine merchant transactions via QR scans without needing a physical credit card.
17-Aug-2026	ICICI Bank joins Indian banks chasing dollar loans as demand swells	✓ India's ICICI Bank Ltd. has launched a syndicated offshore loan of about \$1.45 billion, according to people familiar with the matter, joining a growing number of local banks tapping overseas debt to capitalize on a central bank facility that lowers hedging costs.
17-Aug-2026	PNB signs three-year deal with GYFTR to boost credit card engagement	✓ Punjab National Bank (PNB) has signed a three-year agreement with digital engagement platform GYFTR Ltd to build a dedicated rewards and offers channel for its credit card customers, the companies announced.
18-Aug-2026	J&K Bank Teams Up with HDFC Life to Expand Customers' Insurance Choices	✓ J&K Bank has partnered with HDFC Life through a corporate agency agreement to offer its customers a comprehensive range of life insurance products, including term, savings, investment, and retirement solutions. ✓ This collaboration utilizes the bank's extensive branch network across Jammu, Kashmir, and Ladakh to enhance regional insurance penetration.

Date	News Headlines	Summary/Implications
20-Aug-2026	Axis Bank credit card rules change: What gets costlier from Aug 28	✓ Dynamic Currency Conversion markup fees have increased from 1.5% to 3.5% for standard cards paying in INR at international merchants, while late payment charges have risen to a maximum of ₹1,300 for balances exceeding ₹50,000. ✓ Additionally, reward points and cashback have been discontinued for FASTag, tolls, and gift cards, and domestic lounge access now requires the physical card.
20-Aug-2026	LIC gets RBI nod to raise HDFC Bank stake to 9.99%	✓ The Reserve Bank of India has authorized the Life Insurance Corporation of India to raise its stake in HDFC Bank up to 9.99%. ✓ LIC is required to acquire the additional shares over a one-year period from its previous holding of 5.19%.
20-Aug-2026	SBI cash withdrawal charges: Bank changes BSBD free transaction rule; check what changed, ₹15 fee and when it kicks in	✓ State Bank of India (SBI) has revised its service charges for customers who hold Basic Savings Bank Deposit (BSBD) accounts. ✓ Basic account cash withdrawals beyond four will attract a charge of ₹15 plus GST per transaction. ✓ The new rules will apply from October 1, 2026.
22-Aug-2026	Axis Bank launches new campaign for NRI banking services	✓ Axis Bank's new "Far Away but Never Apart" digital campaign highlights emotional connection and family responsibility for NRIs by showcasing how they manage home financing and healthcare for loved ones back in India. ✓ The campaign targets markets like the US, Canada, and the UAE, emphasizing the crucial role of dedicated Relationship Managers in executing on-ground tasks for parents.
22-Aug-2026	PNB launches special credit cards for Army personnel	✓ Punjab National Bank (PNB) on August 21, announced an exclusive memorandum of understanding (MoU) with the Indian Army to provide two credit cards with specially curated benefits for serving Army personnel.
26-Aug-2026	Axis Bank bets on data centres to gold loans to outpace industry credit growth	✓ Axis Bank aims to outpace industry credit growth by 300 basis points by focusing on high-demand sectors such as renewable energy, data centres, and manufacturing. ✓ Additionally, the bank is leveraging a 94% year-on-year increase in gold loans as consumers shift away from costlier unsecured personal loans. For more details, visit Axis Bank

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Domestic Economy News

- By Shalini Paul

Date	News Headlines	Implications
03-Aug-2026	India, Canada aims to conclude CEPA trade pact by end-2026: MEA (Ministry of external Affairs)	✓ India and Canada are working to finalize their economic partnership agreement. Negotiations for the Comprehensive Economic Partnership Agreement are progressing well. ✓ Both nations aim to conclude these important talks by the end of 2026.This agreement seeks to liberalize trade and strengthen economic cooperation between the two countries. ✓ Indian Prime Minister plans a visit later this year to boost bilateral ties.
04-Aug-2026	India's Manufacturing activity hits 5-year low as growth of new orders slows	✓ The HSBC Purchasing Managers' Index, compiled by S&P Global, fell to 53.5 in July from 54.2 in June and 59.1 a year earlier. A reading above 50 indicates expansion, while one below signals contraction. ✓ The latest reading was also below the series' long-run average of 54.2. The pace of growth in new orders was the second slowest in more than four years. ✓ Survey respondents said advertising efforts and resilient demand continued to support sales, although increasingly challenging market conditions and weaker client interest in key products weighed on overall expansion
06-Aug-2026	IMF flags rising financial stability risks as BigTech expands deeper into payments, lending and financial services	✓ The International Monetary Fund (IMF) has warned that the growing role of large technology companies in financial services could pose risks to financial stability, particularly in emerging market and developing economies, and called on regulators to strengthen oversight as these firms expand into payments, lending, insurance, asset management and financial Super Apps.
07-Aug-2026	Lok Sabha passes Bill enabling Centre to allow UPI charges, MDR on digital payments	✓ The Lok Sabha approved amendments to the Payment and Settlement Systems Act. This change empowers the government to permit charges on digital payment transactions. Currently, UPI transactions remain free for users and merchants. ✓ Banks and payment firms seek sustainable revenue models for infrastructure. The government will decide which digital payment methods may attract future charges
10-Aug-2026	Households in India, other Asia-Pacific regions highly vulnerable to El Nino-driven price shocks: S&P	✓ Asia-Pacific economies face rising prices and weather shocks from El Nino. Reduced rainfall and climate disruption will affect agricultural output and food inflation. Countries are strengthening food reserves and water management to mitigate these impacts. ✓ India holds significant food grain buffers to manage potential food shocks. Proactive policies will limit damage from the developing El Nino epi.
11-Aug-2026	Unemployment rate up at 5.4% on rise in rural joblessness in Q1	✓ The unemployment landscape in India shifted significantly in the April-June quarter, rising to 5.4%. Notably, rural areas faced increasing joblessness, with urban unemployment also experiencing a slight uptick. ✓ Female unemployment hit 5.7%, while males followed suit. A concerning youth unemployment rate of 15.9% emerged, especially among young women. Chhattisgarh stood out with a troubling 12.8% unemployment rate.
14-Aug-2026	Debt grows slower than GDP, CAG (Cromptroller and Auditor General) says; revenue lapses persist	✓ Government debt servicing remains positive, with loan accumulation below GDP expansion. However, irregularities worth ₹603 crore were found in the export incentive scheme. ✓ Inadmissible benefits and systemic failures led to significant financial gaps. The tax dispute scheme also showed lapses in calculations and revenue recovery. These issues resulted in prolonged delays and revenue losses for the government.

Domestic Economy News

Date	News Headlines	Implications
19-Aug-2026	BRICS (Brazil, Russia, India, China, and South Africa) weighs Russia's grain exchange plan; digital platform for farm produce trade mooted	✓ BRICS (Brazil, Russia, India, China, and South Africa) countries are considering a Russian backed proposal to create a grain exchange that would allow producers and buyers to trade directly and reduce dependence on major global commodity exchanges. ✓ The proposal is expected to be discussed at the BRICS Summit in New Delhi on September 12-13.
21-Aug-2026	ISMR (India-Singapore Ministerial Roundtable): Ministers push for advanced manufacturing, strategic tech ties with Singapore	✓ The fourth India-Singapore Ministerial Roundtable convened in Singapore to explore new partnerships. Discussions focused on advanced manufacturing and strategic technologies like semiconductors. ✓ Ministers reviewed progress and identified opportunities for their comprehensive strategic partnership. They also discussed digitalization, sustainability, and connectivity between the two nations. ✓ Both countries aim to deepen ties across various economic and technological domains.
24-Aug-2026	Centre pushes states to speed up PNG adoption, seeks district-level officers to drive LPG-to-gas transition	✓ The Petroleum Ministry is urging states to appoint district-level officers for PNG adoption. This move aims to accelerate the transition from LPG to piped natural gas for households. ✓ PNG offers a safer and cleaner cooking fuel, reducing logistical burdens. The government is implementing regulations to prevent dual connections in PNG-available areas. ✓ This initiative strengthens India's energy transition and supply chain resilience.
27-Aug-2026	India, China may build new framework for investments	✓ India and China are exploring new frameworks for business exchanges and investments. Beijing may unveil an investment package for India during China's President visit. ✓ This includes a special economic zone with easier sea route access. Efforts are underway to ease approval processes for Chinese investments in non-strategic sectors. Both nations aim to improve overall ties and manage differences after a freeze.
28-Aug-2026	India, Canada set $70 billion trade target, widen economic partnership	✓ India and Canada aim to deepen economic ties, expanding beyond goods and services. They plan to scale up bilateral trade to seventy billion dollars annually by 2030. ✓ Discussions focused on investment, financial sector cooperation, and critical minerals. Canadian investors were urged to leverage India's growing economy and talent. Both nations seek to build more resilient and inclusive economies together
31-Aug-2026	India's FY27 growth seen at 7-7.2% as capex, domestic demand offset global headwinds: EY (Ernst & Young)	✓ India's real GDP growth is likely to remain resilient at 7 per cent-7.2 per cent in FY27, supported by buoyant domestic demand and continued government focus on capital expenditure, while nominal GDP growth could reach 12.5 per cent-13 per cent, according to recent report by EY. ✓ The firm said economic growth prospects remain relatively strong despite geopolitical uncertainty, elevated crude oil prices and a weaker global trade environment.

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Global Economy News

- By Virendra Kumar Soni

Date	News Headlines	Implications
02 Aug 2026	OPEC plus countries agree to increase oil production by 188000 barrels per day from September	✓ Managed supply changes can directly influence crude prices, inflation expectations and transport/manufacturing costs worldwide. ✓ For oil-importing countries such as India, a sustained oil-price rise would increase the import bill and pressure the INR and domestic inflation.
04 Aug 2026	Adjusting Imports of Pharmaceuticals and Pharmaceutical Ingredients into The United States	✓ Frequent tariff changes can alter global sourcing decisions and increase uncertainty for multinational companies. ✓ Pharmaceutical exporters may redirect supply chains toward markets with more predictable trade conditions.
05 Aug 2026	US Fed -Risks and Uncertainty in Monetary Policy	✓ Changes in Fed expectations can move US Treasury yields and the dollar, transmitting tighter or easier financial conditions globally. ✓ Emerging markets can see shifts in foreign portfolio flows, exchange rates and borrowing costs.
06 Aug 2026	US introduces a 15% tariff on downstream polysilicon products as part of measures to strengthen domestic strategic production.	✓ Higher trade barriers can increase costs across solar and semiconductor supply chains and accelerate production relocation. ✓ Global renewable-energy projects may face higher input costs if alternative suppliers cannot quickly replace affected imports.
11 Aug 2026	Reserve Bank of Australia keeps the cash rate at 4.35%, underscoring continued concern over inflation.	✓ Sticky inflation in a major developed economy signals that global interest rates may remain higher for longer. ✓ Higher-for-longer rates can strengthen currencies in some economies and increase funding costs for emerging markets.
13 Aug 2026	US tightens strategic controls affecting imports of unmanned aircraft systems and components on national-security grounds.	✓ Technology trade is becoming increasingly linked to national security, accelerating supply-chain diversification. ✓ Companies may face higher compliance costs and reduced access to some international components and markets.
14 Aug 2026	New Zealand's Reserve Bank maintains existing loan-to-value restrictions in its annual macroprudential review.	✓ Keeping mortgage restrictions stable helps contain housing-related leverage and financial-stability risks. ✓ For banks, predictable macroprudential rules support more stable mortgage underwriting and capital planning.
18 Aug 2026	US temporarily suspends additional duties on selected Canadian imports, providing a short pause in North American tariff pressure.	✓ Temporary tariff relief can lower near-term costs for affected businesses and consumers. ✓ Uncertainty remains because short-duration trade measures make inventory, pricing and investment planning more difficult.
18 Aug 2026	New Zealand's central bank begins work on future payments-system priorities as digital payment usage continues to evolve.	✓ Investment in resilient payment infrastructure can reduce transaction friction and improve financial-system efficiency. ✓ Banks globally face increasing pressure to modernise payment rails while controlling operational and cyber risks.
19 Aug 2026	Federal Reserve meeting minutes show policymakers remain focused on the inflation outlook and risks to economic activity.	✓ Markets use the minutes to reassess the probability and timing of future US rate moves, affecting global bond yields. ✓ Higher US yields can divert capital toward dollar assets and put pressure on emerging-market currencies.
20 Aug 2026	The global trade policy environment remains unsettled as countries continue adjusting tariffs and import measures.	✓ Higher tariffs can raise landed costs, reduce trade volumes and eventually pass through to consumer prices. ✓ Businesses are likely to diversify suppliers and production locations, increasing the importance of resilient regional supply chains.

Date	News Headlines	Implications
25 Aug 2026	IMF highlights global economic resilience but warns that inflation, energy shocks and fiscal vulnerabilities remain important risks.	✓ A new energy shock could reverse disinflation and force central banks to keep policy restrictive for longer. ✓ High government debt combined with elevated yields can raise sovereign refinancing costs and crowd out private investment.
26 Aug 2026	IMF approves a two-year US$11.8 billion Flexible Credit Line for Chile as a precautionary external financial buffer.	✓ The facility strengthens confidence in Chile's ability to withstand external financing and capital-flow shocks. ✓ It demonstrates how precautionary international liquidity can reduce the risk of disorderly adjustment during global volatility. ✓
26 Aug 2026	WTO-IMF Tariff Tracker expands monitoring of effectively applied global import duties amid continuing trade-policy changes.	✓ Greater tariff coverage highlights the scale of trade-policy fragmentation facing global businesses. ✓ Persistent tariff uncertainty can reduce investment and encourage firms to build more diversified supply chains.
27 Aug 2026	Bank of Korea raises its Base Rate by 25 basis points to 3.00% and forecasts 2026 growth at 3.3%.	✓ Higher rates can restrain domestic credit and housing demand while helping contain inflation and currency pressure. ✓ Asian bond yields and exchange rates can react as investors reassess the regional interest-rate cycle.
28 Aug 2026	Fed Chair Kevin Warsh signals that persistent inflation could require further monetary-policy action at Jackson Hole.	✓ A more hawkish Fed can push US yields and the dollar higher, tightening global financial conditions. ✓ Emerging markets could face FPI outflows, currency pressure and higher external financing costs.
28 Aug 2026	IMF highlights stablecoins, tokenisation and financial innovation as forces reshaping the international financial system.	✓ Digital money can make cross-border payments faster and cheaper, potentially reducing traditional payment intermediation costs. ✓ Banks and regulators will need stronger controls around liquidity, cyber risk, consumer protection and financial stability.
29 Aug 2026	Global investors reassess interest-rate expectations after Jackson Hole as inflation remains a key policy constraint.	✓ Higher rate expectations can weigh on equity valuations and increase volatility in global bond markets. ✓ Gold and other defensive assets can attract demand when investors seek protection from policy and geopolitical uncertainty.
31 Aug 2026	Financial Stability Board warns G20 officials about risks from sovereign debt, private credit and frontier artificial intelligence.	✓ A shock in highly leveraged sovereign or private-credit markets could spread through banks, funds and cross-border investors. ✓ AI-related operational and cyber risks are becoming a financial-stability issue, requiring stronger resilience and governance.
31 Aug 2026	China's official manufacturing PMI rises to 49.8 in August but remains below the 50-expansion threshold.	✓ Continued manufacturing contraction can weaken Chinese demand for commodities and intermediate goods, affecting global exporters. ✓ Lower Chinese demand may reduce some commodity-price pressures, potentially benefiting oil- and commodity-importing economies such as India.
31 Aug 2026	Euro-area August inflation rises to 3.3%, driven strongly by higher energy inflation.	✓ Higher energy inflation reduces the ECB's room for rapid rate cuts and raises the risk of restrictive policy lasting longer. ✓ European demand may weaken if higher energy costs squeeze household purchasing power and corporate margins.
31 Aug 2026	Renewed US-Iran tensions push Brent crude above $90 a barrel, reviving global inflation concerns.	✓ A sustained oil shock can lift global headline inflation, delay monetary easing and increase transport and production costs. ✓ India would face a larger import bill and potential pressure on the INR, current account, inflation and domestic interest-rate expectations.

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Must Track in Next Month...

Date	Report/Event	Country
02.09.2026	India HSBC Composite PMI final	India
03.09.2026	US Balance of trade data	US
03.09.2026	US S&P Global Composite PMI final	US
07.09.2026	China Balance of Trade data	China
08.09.2026	China Inflation Rate YoY	China
11.09.2026	US Inflation Rate YoY	US
14.09.2026	India inflation rate YoY	India
14.09.2026	India WPI inflation YoY	India
14.09.2026	China Industrial Production YoY	China
15.09.2026	India Balance of Trade	India
16.09.2026	US Export & Import Price YoY	US
18.09.2026	Indian Banks Deposit & Credit Growth YoY	India
28.09.2026	India Industrial Production YoY	India
29.09.2026	US House Price Index YoY	US

Data Sources...

❖ Web Site:

- https://mospi.gov.in/data
- https://data.rbi.org.in/DBIE/
- https://www.pib.gov.in/
- https://financialservices.gov.in/
- https://www.dgft.gov.in/CP/
- https://www.commerce.gov.in/
- https://www.sebi.gov.in/
- https://www.focus-economics.com/countries/india/

❖ Report /Publications:

- **RBI**
- **COGENCIS**
- **World Gold Council (WGC) Gold Demand Trends reports**

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