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CANOMICS

YOUR WINDOW TO THE ECONOMIC PULSE

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अर्थनीति

॥ "जलचरस्य मत्स्यस्य यथा जलपानं न ज्ञायते ।
तथा राजोपजीविनां व्ययः न ज्ञायते कदाचन ॥॥

(Just as it is impossible to know when (or how much water) a swimming fish is drinking while in the water, so it is impossible to find out when a government servant/official is stealing (or misappropriating) money/resources.)

--Kautilya

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Message from MD & CEO...

Three major issues dominate the current global order. First, Artificial Intelligence as a theme has assumed much attention and mind space. Corporates spent disproportionately on AI to enhance productivity and innovation. Secondly, geo political issues continue to dominate the global order with a fresh wave of tensions engulfing the Middle East, potentially causing disruptions to supply chains. Finally, trade and tariff wars show no signs of abating as US signaling its intent to start investigations under the Special 301 clause against some of its major trade partners including India.

In an unprecedented manner, the west Asian conflict led to the practical closure of the Strait of Hormuz, causing crude to hover above \$90 per barrel. Quite unexpectedly LPG and LNG supplies have come under pressure. These developments pose risks to hotels, hospitality, power generation, fertilizers, auto components, drugs & pharmaceuticals industries, to name a few. Though India will hold out on its own, there would be visible impact on the growth front if these tensions prolong. Hubs like Dubai, considered as safe bets and sprawling financial hubs, have taken a beating in their unrivalled status, at least temporarily.

Indian banking sector will have to stay vigilant and brace up for emerging risks. More caution is warranted from banks with international operations and exposure to the Middle East. Sectoral credit exposures need careful monitoring to ensure effective guardrails against such assets turning bad. The weakening of Rupee and rising bond yields can upset the profitability equation unless due care is exercised. Meanwhile, the central banks are not expected to cut key policy rates in the current environment and it is expected that necessary steps will be taken by the regulator to ensure adequate liquidity in the banking system.

Despite a volatile external environment, Indian economy is expected to exhibit resilience, on the back of robust consumption and investment growth. As far as banking sector is concerned, credit growth currently hovers around 14-15%. Asset quality shows a sequential improvement and balance sheets of banks are stronger and healthier. Credit growth has been fairly broad-based with agriculture, MSME and personal loan segments registering double digit growth rates. Past repo rate cuts and adequate liquidity support has catalyzed credit creation. However lagged deposit growth is a concern that merits attention. Resource mobilization is facing some challenges as financialization of the economy inevitably leads to diversification of the savings pool. The recent slowdown in equity market could see deposit growth at a faster pace compared to the recent past.

The central bank is taking enough measures to ensure financial stability. In the face of global headwinds RBI has taken a number of measures to provide liquidity support in every possible way with almost Rs 10.5 lakh crore infused since the start of the financial year by way of OMOs, VRR operations and CRR cuts. These supportive measures go a long way in protecting the margins of banking industry.

We are definitely passing through a challenging phase. However, we weathered global uncertainties in the past as well -the 1991 Balance of payments crisis, East Asian crisis, Covid crisis to name a few. Every crisis taught us new lessons. The current scenario warns us about the imperative to be self-reliant in critical resources. Every crisis presents an opportunity.

Hardeep Singh Ahluwalia
Managing Director & Chief Executive Officer (I/c)
& Executive Director



Though calendar year 2026 started on a very positive note for India, with an interim trade deal with US almost fructifying, swift turn of events on the geo-political front have created concerns. While GDP growth was looking headed towards the 7.5% mark for yet another year, it now hinges on the persistence of the war and the final print is more likely to be aligned towards 7%. Inflation, for which a new series has been unveiled, could also exceed 4%. Metal prices as well as a probable El Nino could give an upside bias to the inflation outlook. However, India will continue to be the fastest growing economy, driven by public capex and consumption.

The second advance estimate of GDP growth for FY27 projects India to grow at a healthy 7.6% with the growth being broad based across agriculture, industry and services. Real consumption growth has been in excess of 7%. Demand drivers improved considerably. Rural demand, which had been soft for the past couple of years, is showing signs of recovery. This augurs well for private capex exhibiting stagnancy for the past few years. According to some estimates fixed asset investments grew at a six year high of 13% in the first half of fiscal 2026. This is a break from the recent past. This will have multiplier effects on jobs, wages and incomes sustaining demand. Now that an AI boom is in the offing, we must also take measures to effectively leverage AI to ensure productivity driven growth while taking care to ensure its judicious and responsible use.

Public capex momentum continues unabated. Union Budget 2027 has increased public capex outlay by 11.5% over the revised estimates for FY26 taking it above Rs 12 trillion. The fiscal anchor has shifted to debt GDP ratio with a central glide path of 50% +/-1% by FY30. In an indication of sound fiscal-monetary coordination, the central bank has renewed its commitment to ensure comfortable liquidity, helping bond yields to stay range bound aiding debt sustainability. However, if crude price stays higher for longer, bond yields could harden further.

However, the spillovers from the west Asian conflict needs to be carefully monitored. If crude exceeds \$100/barrel, current account deficit could widen. This will add to the weak capital flows and the overall Balance of payments could be in a deficit. A weak rupee adds to the concern as it erodes effective returns earned by foreign investors, contributing to muted FII flows. Net FDI too is a trickle. In this context the recent decision to amend Press Note 3 is a welcome step as it will facilitate much needed FDI flows in critical sectors. We may also suffer a temporary lull in remittances depending on the duration of the conflict.

To be sure, rupee depreciated by 6% this year, earning the tag of the worst performing currency. However, this is not due to weakness in our domestic fundamentals and is attributable to extraneous factors over which we have little control. This is likely to be undone in the current year. We may not see a huge appreciation of the currency but the pace of depreciation is expected to slow down significantly, buoyed by strong investor sentiment.

As the global economic order turns more protectionist, volatile and conflict ridden, we must leave no stone unturned to ensure that our supply chain is intact and we continue to exhibit resilience. Astute leverage of our diplomacy is of utmost importance in the current global order. Our stand must be driven by the one and only concern of national interest.

Dr. MadhavanKutty G.
Chief Economist



Movement of Key Market Indicators during the Month...

Indicators	High	Low	Average	Remarks
Sensex	84273.9	80722.9	82991.6	Sensex declined, mainly due to foreign institutional investor (FI) outflows and global market uncertainty especially concerns about higher interest rate in major economies.
Bankex	69153.7	65614.5	67968.8	Bankex increased marginally due to strong earnings expectations and stable asset quality in major banks. Additionally, continues credit growth and positive outlook for the banking sector supported the index despite overall market volatility.
India G Sec Yield	6.77	6.65	6.70	Gsec bond yield declines marginally due to expectations of stable inflation and possible supportive monetary policy stance.
US Treasury	4.28	3.95	4.12	US Treasury yield decreased due to increased demand for safe-haven assets amid global economic uncertainty. Additionally, expectations of a more accommodative monetary policy by the FED also put downward pressure on yield.
Gold (Per troy \$)	5278.3	4659.3	5018.8	Gold price increased due to higher safe-haven demand amid global economic and geopolitical uncertainty.
Brent Oil	73.08	66.08	69.36	Oil Prices increased due to supply concerns arising from geopolitical tensions and production discipline by OPEC+.
USD/ INR	91.51	90.27	90.74	Indian currency depreciated due to foreign institutional investor outflows, strong demand for the US dollar and higher global crude oil prices increased India's import bill, putting pressure on the rupee.

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	8.75	8.70	8.70	8.60	8.75	8.75 (PNB, BOI)	8.60 (UBI)	BOB
Term Dep (1Yr.)	6.25	6.25	6.10	6.25	6.30	6.25	6.30 (UBI)	6.10 (BOB)	PNB, UBI

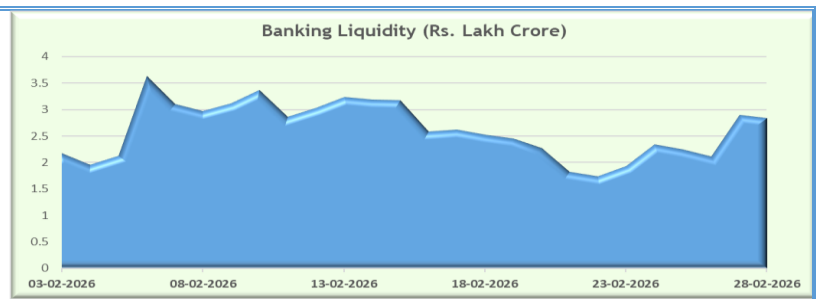
Domestic Policy Rates

SDF	MSF	Fixed Rev Repo	CRR	SLR	MCLR (overnight)	Term Dep. >1 yr
5.00	5.50	3.35	3.00	18.00	7.70-7.95	6.00-6.50
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
0.88	2.84	3.63	0.88	2.53



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	2.15	0.75	3.75	4.75	3.00	2.5

Quick Observations: Global central Banks are mostly holding rates steady as inflation eases and growth stabilizes, balancing between supporting recovery and avoiding premature rate cuts.



Top 4 Focus of the Month ...

- By Samir Kumar

Union Budget 2026-27 focuses on Infrastructure, Manufacturing, and Growth

The Union Budget 2026-27, presented on 1 February 2026 by Finance Minister Nirmala Sitharaman, emphasizes infrastructure-led growth with capital expenditure of ₹12.2 lakh crore and a fiscal deficit target of 4.3% of GDP for FY27. The budget prioritizes strategic manufacturing, MSME support, employment generation, energy security, and domestic production to strengthen economic resilience amid global uncertainties.

RBI Holds Rates, Signals End to Cuts amid Improved Outlook

On February 6, 2026, the Reserve Bank of India kept the policy repo rate unchanged at 5.25% in a unanimous decision and retained a neutral stance. The RBI cited resilient growth and benign inflation conditions, slightly raising its FY26 inflation projection to 2.1% partly due to precious metal prices. It revised FY26 GDP growth upward to 7.4% and projected GDP growth of about 6.9% and 7.0% for Q1 and Q2 of FY27, respectively.

US Supreme Court Ruling on Trump Tariffs & Impact on India-US Trade Deal

On February 20, 2026, the US Supreme Court ruled 6-3 in *Learning Resources, Inc. v. Trump* that the International Emergency Economic Powers Act (IEEPA) does not authorize the President to impose tariffs, as this power belongs to Congress under the Constitution. This invalidated Trump's sweeping "emergency" and "reciprocal" tariffs (e.g., 10-25% on various countries, including higher rates linked to issues like trade deficits and drug inflows).

Immediate US Response:

Trump imposed a new temporary global tariff of 15% (raised from an initial 10%) under Section 122 of the Trade Act of 1974, effective shortly after the ruling. This provision is untested in court and limited to 150 days.

Post-Ruling Developments:

- ❖ India postponed its trade delegation to Washington (planned for the week of February 23, 2026) to evaluate implications and uncertainties.
- ❖ Talks are deferred as both sides assess the situation.
- ❖ India gains leverage: The ruling eliminated Trump's main pressure tool (IEEPA tariffs), allowing potential pushes for better terms without immediate higher-duty threats.
- ❖ Trump stated no changes to the deal, expecting commitments honored, but the new 15% global tariff creates confusion (vs. negotiated 18% for India) and possible renegotiation pressure.

The Iran conflict

Countries Facing Major Impact:

Almost a fifth of global crude supplies pass through the Strait of Hormuz. However, the impact of closure of key trade routes extends beyond oil and impacts prices of natural gas, fertilisers, edible oils etc. India imports 85% of its crude and 90% of LNG requirements from the Gulf and Middle East, causing the region to be of high strategic significance to India.

Impact on India:

For India, the significance is even greater, as nearly 20 percent of its overall imports, 40-50 percent of crude and almost the whole of LPG imports transit through this route posing serious risks to energy security and trade stability if the stand-off prolongs.

The prospects of smoother trade linkages through the proposed India Middle East Economic Corridor (IMEC) faces indefinite delays and setbacks.

Moreover, India's wish to source more crude from Russia to offset rising energy costs could complicate the ongoing trade deal deliberations.

Impact of War on India's Current Account Deficit (CAD):

The escalation in geopolitical tensions and the resulting surge in crude oil prices have significant implications for India's Current Account Deficit (CAD). Higher oil prices and a potential slowdown in exports due to global growth slowdown could widen the CAD.

Impact of West Asia Tensions on India's Exports:

India's exports to key Middle Eastern economies—including the United Arab Emirates, Saudi Arabia, Turkey, Oman, Iraq, Israel, Kuwait, Qatar, Iran, Jordan, Bahrain, Yemen, and Lebanon—amounted to USD 72.18 billion in FY 2024-25. For the period April 2025 to January 2026, exports to these countries were USD 59.87 bn, accounting for 16.3% of total merchandise exports.

India Exports	Value In \$ Bn (2024-2025)	Value In \$ Bn (Apr 2025-Jan 2026)
United Arab Emirates	37.10	32.82
Saudi Arabia	12.10	8.81
Turkey	5.54	3.67
Oman	3.96	3.52
Iraq	3.26	2.64
Israel	2.13	1.89
Kuwait	2.12	1.50
Qatar	1.75	1.44
Iran	1.25	1.02
Jordan	0.95	0.91
Bahrain	0.89	0.70
Yemen	0.84	0.68
Lebanon	0.28	0.28
Total export to these countries	72.18	59.87
% share in India Total Export		16.34
INDIA TOTAL EXPORT		366.32

- Prolonged conflict could weaken the INR, widen CAD, increase inflation and harden bond yields
- Gold and silver retain its upside bias though a strong dollar slows the pace of rise.
- Exports of engineering goods, gems & jewellery, chemicals, food & petroleum products could be hit
- The India Middle East Economic Corridor (IMEC) which was expected to smoothen India-Middle East trade linkages, could face setbacks and delays.
- The region could continue to exhibit a certain degree of instability even if US & Israel enters into a truce with Iran.

(--by Ankit Gupta)

Major Economies & their Economic Soundness...

Economic Health Indicators

Country	Nominal GDP (USD Trillion) (Dec 2024)	GDP Growth Annual Growth rate (Dec-2025)	Gross Debt (of GDP) (Dec-2024)	Unemployment Rate (January-26)	Inflation Rate (%) Jan-2025
USA	29.18	2.2	124	4.3	2.4
China	18.74	4.5	88.3	5.1*	0.2
Germany	4.66	0.4	62.2	6.3	2.1
Japan	4.03	0.1	237	2.6*	1.5
India	3.91	7.8	81.92	5.0	2.75
UK	3.64	1.0	93.6	5.2*	3.0
France	3.16	1.2	113	7.9*	0.3
Italy	2.37	0.8	137	5.6*	1.0
Canada	2.24	0.7	111	6.5	2.3
Russia	2.17	0.6	16.4	2.2*	6.0

*Data Dec-2025

Major Economies & Their Bond Yield...

Bond Yield (%) of Major Economies

Country	10Y Bond Yield (Nov,25)	Variation Vs. US T-Bill	Observations
US	3.95	--	<i>Fed nearing neutral policy, solid growth, and rising term premiums from deficits</i>
China	1.83	-2.12	<i>Ultra-low yields from deflation risks, weak growth, aggressive PBOC easing, and high domestic savings</i>
Germany	2.68	-1.27	<i>Eurozone safe-haven status keeps yields low amid low inflation and ECB caution, despite some fiscal spending pressure.</i>
Japan	2.10	-1.85	<i>Low but rising due to BOJ gradual tightening, higher inflation, and reduced buying from domestic institutions.</i>
India	6.66	2.71	<i>High EM yields from structural inflation, fiscal deficits, rupee risks, and need for attractive real rates to draw capital.</i>
United Kingdom	4.23	0.28	<i>Mild premium over US from fiscal pressures, inflation persistence, and gilt supply, offset by tightening signals</i>
France	3.22	-0.73	<i>Below US due to eurozone support and ECB backstop, tempered by fiscal deficit concerns.</i>
Italy	3.28	-0.67	<i>Modest spread over core Europe from high debt legacy, limited by rating upgrades and ECB support.</i>
Canada	3.14	-0.81	<i>Lower than US reflecting softer growth/inflation outlook and stable fiscal/monetary alignment.</i>
Russia	14.33	10.38	<i>Sky-high yields from sanctions, war spending, elevated inflation, and severe geopolitical/credit risk.</i>



Regulatory Moves/Announcements by RBI ...

Regulatory Moves/Announcements by RBI (1/2)

Announcements	Brief Summary	Impacts
RBI draft revised Directions on Credit Derivatives dt 06/02/2026	RBI released draft revised Credit Derivatives Directions, 2022 proposing a regulatory framework to enable credit derivatives on credit indices and total return swaps on corporate bonds, while consolidating existing rules on credit default swaps.	The framework will deepen the corporate bond market and improve credit risk management tools for market participants.
Amendment to NBFC Branch Authorisation Directions dt 06/02/2026	RBI invited comments on draft amendments to NBFC branch authorisation directions, proposing to remove the requirement of prior approval/intimation for opening branches in India by NBFCs.	The move will simplify regulatory procedures and enable faster expansion of NBFC branch networks, improving credit access.
RBI Introduces Risk-Based Premium Framework for Deposit Insurance dt 06/02/2026	RBI approved implementation of a Risk-Based Premium (RBP) framework for deposit insurance, where banks will pay differentiated premiums based on risk assessment using CAMELS parameters and supervisory ratings.	will encourage stronger risk management in banks and reward financially sound banks with lower deposit insurance premiums.
RBI Revises Voluntary Retention Route Framework for FPI Debt Investment dt 06/02/2026	RBI decided that investments under the Voluntary Retention Route (VRR) will now be merged with investment limit for FPI investments under the General Route and FPIs can exit after completing the minimum retention period. Effective 1 April 2026.	Simplifies the investment framework and improves flexibility for foreign investors in India's debt market.
Collateral-Free MSME Loan Limit Raised to ₹20 Lakh dt 09/02/2026	RBI amended MSME lending rules, increasing the collateral-free loan limit for Micro and Small Enterprises from ₹10 lakh to ₹20 lakh, effective April 1, 2026.	Enhances credit access for small businesses and strengthens last-mile financing for MSMEs.
RBI Proposes Registration Exemption for Certain NBFCs dt 10/02/2026	NBFCs not availing public funds and not having customer interface', with asset size of less than ₹1000 crore, shall be exempted from registration requirement with the RBI.	Reduces regulatory burden and encourages ease of doing business for low-risk NBFCs.
Proposed Reforms in Lending Norms for Urban Cooperative Banks dt 10/02/2026	RBI proposed increasing the aggregate ceiling for unsecured advances by UCBs to 20% of total advances from the extant ceiling of 10% of total assets and raising consumer durable loan limits to ₹2.5 lakh.	Expands retail lending capacity of cooperative banks while improving financial access.
New Draft Guidelines on Advertising and Marketing of Financial Products dt 11/02/2026	RBI issued draft rules covering advertising, marketing and sale of financial products by banks and NBFCs, addressing mis-selling, DSAs/DMA's activities and digital "dark patterns."	Strengthens consumer protection and transparency in financial product distribution.
Stricter Conduct Guidelines for Recovery Agents dt 12/02/2026	RBI proposed comprehensive guidelines for loan recovery practices, covering borrower protection, due diligence, training and code of conduct for recovery agents.	Improves fair treatment of borrowers and reduces harassment complaints.



Regulatory Moves/Announcements by RBI ...

Regulatory Moves/Announcements by RBI (2/2)

Announcements	Brief Summary	Impacts
Revised Kisan Credit Card (KCC) Framework dt 12/02/2026	RBI proposed standardised crop seasons, extension of KCC tenure to 6 years and revised drawing limits aligned with crop finance needs.	Strengthens agricultural credit access and better aligns loan cycles with crop production.
Reforms Proposed in Lead Bank Scheme dt 13/02/2026	RBI issued draft guidelines to streamline the Lead Bank Scheme, improving coordination among banks, government and development agencies.	Enhances financial inclusion and credit delivery to priority sectors at district level.
RBI Proposes Lending Framework for REIT Financing dt 13/02/2026	Banks may lend to SEBI-registered listed REITs with at least 3 years operational history and loans should avoid bullet or balloon repayment structures.	Provides a structured financing framework for real estate investment trusts.
RBI Amends Capital Market Exposure Norms for Banks dt 13/02/2026	RBI issued amendments allowing banks to finance corporate acquisitions, increase lending against shares/REITs/InvITs and adopt a principle-based framework for capital market intermediaries.	Supports corporate restructuring, M&A financing and capital market development.
RBI Draft on Rural Credit-Deposit Ratio Requirement dt 16/02/2026	RBI proposed that rural and semi-urban branches maintain a minimum 60% Credit-Deposit ratio and encourage CBS-enabled branch expansion.	Improves credit flow to rural and semi-urban areas.
Default Loss Guarantee Restored for Fintech Lending dt 16/02/2026	RBI restored the default loss guarantee structure for loans sourced through fintech partnerships, reversing earlier restrictions.	Revives digital lending partnerships between banks, NBFCs and fintech firms.
ECB Framework Liberalised dt 16/02/2026	RBI amended External Commercial Borrowing regulations, expanding eligible borrowers & lenders while easing borrowing limits, maturity conditions & reporting norms. RBI eased ECB rules, increasing the per-borrower limit to \$1 bn (from \$750 mn).	Improves access to overseas funding for Indian corporates.
Enhanced Reporting of Global INR Derivative Transactions dt 17/02/2026	RBI proposed requiring Authorised Dealer Category-I banks to report global INR derivative transactions undertaken by related entities.	Improves market transparency and risk monitoring in derivative markets.
Draft Directions on Foreign Exchange Dealings dt 18/02/2026	RBI proposed new rules giving authorised dealers greater flexibility in hedging exposures, undertaking non-deliverable derivatives and trading on RBI-approved electronic FX platforms.	Enhances liquidity and efficiency in India's forex markets.
Unique Transaction Identifier for OTC Derivatives dt 18/02/2026	RBI introduced a Unique Transaction Identifier (UTI) for OTC derivative transactions to enable global aggregation and monitoring of derivatives markets. Effective January 1, 2027.	Improves transparency, traceability and systemic risk monitoring.



Government Announcements/Moves

Announcements	Brief Summary	Impacts
Govt sets up panel to analyse net FDI inflows amid subdued numbers.	The panel, comprises officers from Department of Economic Affairs (DEA) and Department for promotion of industry and internal trade. It is mainly on account of ODI, which is relatively new phenomenon in India, that net FDI is largely due to a sharp rise in outward direct investment (ODI) by Indian companies.	This reflects the growing global competitiveness of Indian companies, it also leads to a reduction in net FDI inflows into India, as higher outward investments offset incoming foreign investments
The Lok Sabha has approved the Industrial Relations Code (Amendment) Bill, 2026.	The 2020 code replaced 3 major Labour laws- the Trade union Act of 1926, the industrial Employment (Standing Orders) Act of 1946, and the industrial dispute Act of 1947-bringing them under a single frame.	This bill is expected to prevent any future confusion about the repeal of older labour laws.
India signs agreement to join U.S.-led coalition Pax Silica	India joined the Pax silica group, teaming up with the United States and other countries that have sought to build a common supply chain for electronics and critical minerals.	This will strengthen technology and critical minerals cooperation with the United States and enhance Semiconductor/AI supply chain resilience. This signifies a strategic tilt toward secure, diversified tech ecosystem.
Govt targets Rs 16.7 lakh crore for asset monetisation under NMP 2.0.	NITI Aayog, laid out a roadmap to monetise over 2000 assets across 12 ministries under the National Monetisation Pipeline (NMP 2.0) over a five-year period from 2025-26 to 2029-30. The sectors which are likely to fetch the highest include highways, MMLPs and ropeway followed by power, ports, railways, coal and mines.	NMP 2.0 is expected to deepen infrastructure financing, attract global institutional capital, and accelerate capital recycling for new projects
India releases first comprehensive national counter terrorism policy and strategy, PRAHAAR.	The strategy was released by Ministry of Home Affairs. The policy runs into 8 pages and stresses the need to prevent terror attack.	It unveils structured and intelligence-driven framework to prevent and deal with terrorism in all its manifestation.
The Revenue Department of India will roll out a 30-day customs duty deferment facility for eligible manufacturer-importers	These businesses can import goods and pay customs duty up to 30 days later instead of paying immediately. Around 6,000 entities currently operate in the Customs trusted ecosystem.	This will encourage such importers to get themselves accredited as a full-fledged Tier3-AEO in due course.

Union Budget 2026-27: At a Glance

The Union Budget 2026-27, presented by Finance Minister Nirmala Sitharaman on February 1, 2026, is billed as a Yuva Shakti-driven Budget – channeling the energy, ideas, and aspirations of India's youth toward building a Viksit Bharat (Developed India). Framed around three core Kartavyas (duties): accelerating resilient growth, fulfilling people's aspirations through capacity-building, and ensuring inclusive access to opportunities, the budget balances fiscal discipline with bold investment in human capital, manufacturing, infrastructure, and strategic sectors.

Fiscal Snapshot

- ❖ **Total Expenditure** → ₹53.5 lakh crore
- ❖ **Capital Expenditure (Capex)** → ₹12.2 lakh crore ($\approx 3.1\%$ of GDP, up from ₹11.2 lakh crore)
- ❖ **Non-debt Receipts** → ₹36.5 lakh crore
- ❖ **Net Tax Receipts** → ₹28.7 lakh crore
- ❖ **Fiscal Deficit** → 4.3% of GDP (down from 4.4% RE 2025-26)

The glide path continues prudent consolidation while sustaining 7% growth momentum.

Growth Engines & Structural Reforms:

- ❖ **Infrastructure Push** – ₹12.2 lakh crore capex to fuel high-speed rail corridors (7 new), freight corridors, national waterways, coastal shipping, seaplane manufacturing, and **Infrastructure Risk Guarantee Fund** to de-risk private participation. City Economic Regions in Tier-II/III cities & temple towns.
- ❖ **Manufacturing & Strategic Sectors** – Biopharma SHAKTI (₹10,000 crore), rare-earth corridors, electronics components scheme hiked to ₹40,000 crore, capital goods, textiles, semiconductors thrust to cut import dependence.
- ❖ **Energy Security & Green Transition** – 30%+ rise in renewable allocation, PM Surya Ghar expansion, battery storage, ₹20,000 crore Carbon Capture scheme, nuclear project duty exemptions extended.
- ❖ **Defense & Self-Reliance** – Record ₹7.84 lakh crore allocation (15%), capital outlay up ~22% to ₹2.19 lakh crore for acquisitions, indigenous tech, R&D, aircraft, missiles.
- ❖ **Services & Exports** – Scaling high-growth services, MSME/TReDS support, IFSC leasing tax holiday extended.
- ❖ **Tax & Ease of Doing Business** – New Income Tax Act, 2025 effective April 2026 (rates unchanged, new regime default), compliance simplification, litigation reduction.

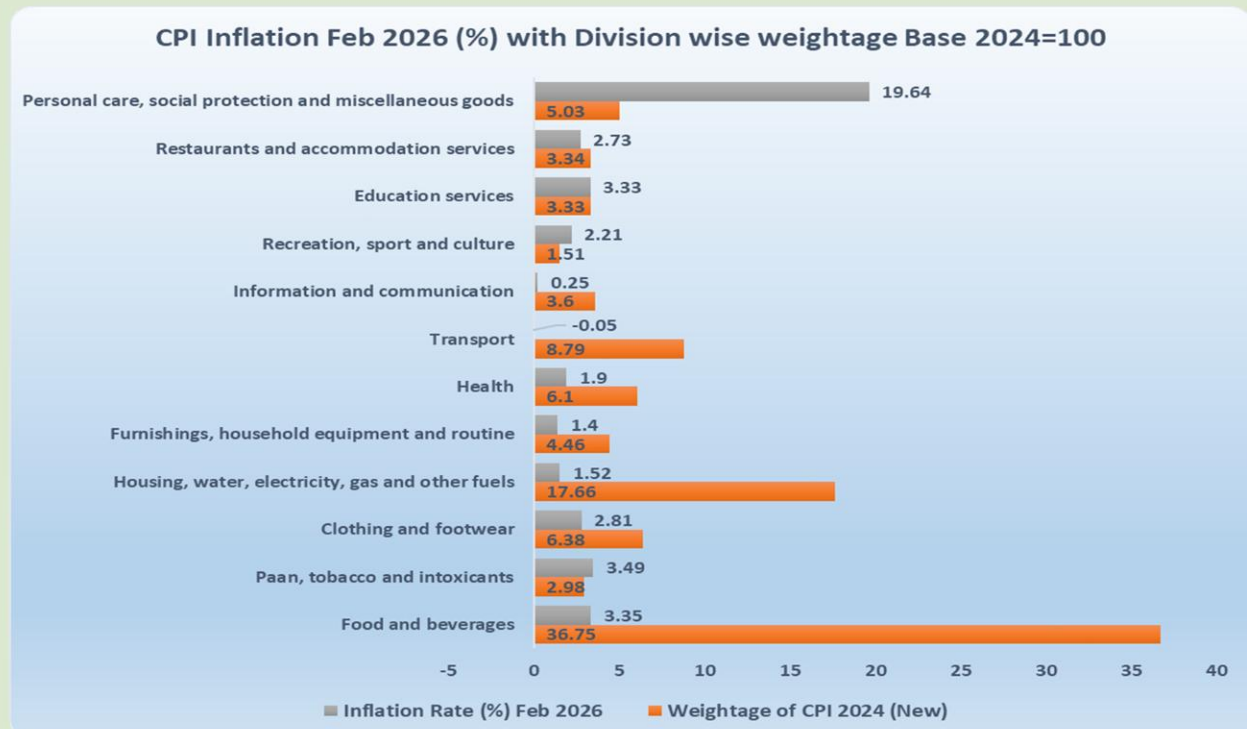
In essence, Budget 2026-27 is a confident blueprint. fiscal prudence meets aggressive investment in youth, infrastructure, and strategic industries – converting India's demographic dividend into durable, inclusive prosperity amid global headwinds.

Behaviour of other Macro-Economic Indicators (2/3)...

India's CPI Inflation rises to 3.21% in February 2026

India's inflation dynamics in February 2026 indicate a moderate rise in price levels compared with the same period last year. The year-on-year (YoY) inflation rate based on the All-India Consumer Price Index (CPI) stood at 3.21% (provisional) in February 2026, reflecting an increase of 47 basis points compared to the previous month (2.74% in Jan 2026). Rural inflation was recorded slightly higher at 3.37%, while urban inflation stood at 3.02%, indicating relatively stronger price pressures in rural areas.

The CPI index level for February 2026 reached 104.57 (combined), marginally higher than 104.45 in January 2026, suggesting a gradual uptick in consumer prices. Overall, the data indicates that while inflation remains contained within moderate levels, food prices continue to play a key role in shaping short-term inflationary trends.



Categories with Highest Inflation: Personal care, social protection and miscellaneous goods (19.64%), Pan, Tobacco & Intoxicants (3.49%), Food & Beverages (3.35%), Education Services (3.33%), Clothing & Footwear (2.81%), Restaurants & Accommodation (2.73%). Tobacco-related items show the highest inflation among divisions. Education and services inflation indicates steady demand in service sectors.

Categories with Lowest Inflation: Transport (-0.05%), Information & Communication (0.25%), Furnishings & Household Equipment (1.40%), Housing & Utilities (1.52%), Health (1.90%)
Transport inflation turned negative, likely reflecting lower fuel prices. Communication and household goods inflation remain subdued, suggesting limited cost pressures in these sectors.

Gold/Diamond/Platinum Jewellery (weightage 0.62%) recorded an inflation rate of 48.16% while Silver Jewellery (weightage 0.31%) registered a significantly higher inflation of 160.84% in Feb 2026. The rise in CPI inflation in February 2026 signals a mild pickup in price pressures driven primarily by food prices. While inflation remains within the RBI's target range, the uptick may prompt the central bank to maintain a cautious policy stance, keeping interest rates stable for longer and sustaining supportive conditions for the banking sector.

Behaviour of other Macro-Economic Indicators (3/3)...

India's latest trade data for January 2026 (released mid-February 2026 by the Ministry of Commerce and Industry) showed a mixed picture- robust overall export growth driven by services, but a widening trade deficit due to surging imports, particularly in gold and silver.

Key Note (January 2026, provisional/estimated)

- ❖ **Total exports (merchandise + services): \$80.45 billion, up 13.17% YoY from \$71.09 billion in January 2025.**
- ❖ **Total imports (merchandise + services): \$90.83 billion, up 18.76% YoY from \$76.48 billion.**
- ❖ **Overall trade deficit (merchandise + services): \$10.38 billion, nearly doubling from \$5.39 billion in January 2025.**

Breakdown	Cumulative (April 2025-January 2026, FY 2025-26 so far)
<ul style="list-style-type: none"> ✓ Merchandise exports: \$36.56 billion (+0.61% YoY; gains in engineering goods, petroleum, marine products; declines in rice, gems & jewellery). ✓ Merchandise imports: \$71.24 billion (+19.19% YoY). ✓ Merchandise trade deficit: \$34.68 billion (three-month high; up from ~\$23.43 billion YoY; driven by gold imports ~\$12.07 billion, +349% YoY, and silver +127%). ✓ Services exports: \$43.90 billion (+ 26% YoY). ✓ Services surplus: ~\$24.30 billion (key buffer). 	<ul style="list-style-type: none"> ✓ Total exports (M+S): \$720.76 billion (+6.15% YoY). ✓ Total imports (M+S): \$823.41 billion (+6.54% YoY). ✓ Overall deficit: \$102.65 billion (+~9.4% YoY). ✓ Merchandise deficit: \$283.23 billion (+14.49% YoY).

Countrywide Export Dynamics

The United States remained India's top export destination in January 2026, despite a significant decline due to high US tariffs (reportedly 50% at the time, later reduced). Exports to the US fell sharply by about 21.77% YoY to around US\$ 6.60 billion (variously reported as \$6.596 billion or ~\$6.58 billion in some sources).

Other notable performers with strong growth included:

- **Hong Kong** (+98.72% YoY)
- **Vietnam** (+45.21% YoY)



Data Stat: Revealing the Top 3 Data Taste the Month...

Discussion 1: How States' CPI have reacted (in Feb'26) to the Change in CPI Base Year as 2024?

Data Source: MoSPI Data ,2026

States	Jan'26 Inflation (New Base,2024)	Feb'26 Inflation (New Base,2024)	Change
Telangana	4.92	5.02	2.0%
Sikkim	3.04	3.64	19.7%
Rajasthan	3.17	3.53	11.4%
Kerala	3.67	3.50	-4.6%
Andhra Pradesh	2.83	3.45	21.9%
Uttar Pradesh	2.67	3.44	28.8%
West Bengal	2.79	3.44	23.3%
Madhya Pradesh	2.72	3.43	26.1%
Tamil Nadu	3.36	3.43	2.1%
Karnataka	2.99	3.33	11.4%
Odisha	1.87	3.27	74.9%
Punjab	2.71	3.10	14.4%
Maharashtra	2.60	3.07	18.1%
Himachal Pradesh	2.92	2.94	0.7%
Bihar	2.48	2.85	14.9%

Reflections

- ✓ Highest inflation in Feb'26 under new base is for Telangana (5.02%), Sikkim (3.64%), Rajasthan (3.53%), Kerala (3.50%) and Andhra Pradesh (3.45%) respectively.
- ✓ No states show negative inflation under the new base.
- ✓ Emerging Heat maps of Inflation are: Telangana & Sikkim.

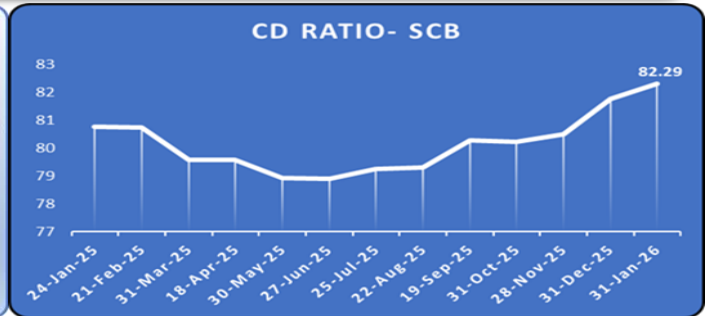
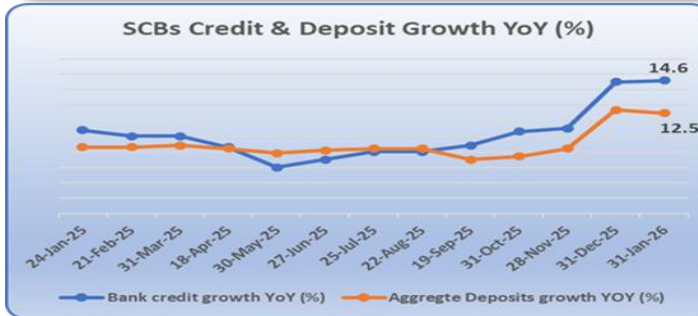
Takeaways

- ✓ New series better reflects modern consumption (urbanization, services rise, and lower food reliance).
- ✓ CPI remains low (< RBI 4% target), with southern/urban states higher.
- ✓ New series improves monetary/fiscal calibration accuracy, supports more responsive policy, but no material near-term shift in RBI stance.

Discussion 3: Is the banking system entering a phase of Credit-Deposit imbalance?

-By Jaya Kumari

- ✓ Credit cycle re-acceleration: Stronger credit growth towards end-2025 points to improving economic activity and lending demand.
- ✓ Liability side becoming critical: Rising CD ratio suggests increasing competition for deposits and potential funding cost pressures.
- ✓ Funding stress episodic, not persistent: Incremental CD ratio volatility indicates short-term imbalances rather than systemic strain.



Credit- Deposit Dynamics of SCBs

Source: RBI

As on date	Bank credit growth YoY (%)	Aggregate Deposits growth YoY (%)	CD Ratio	Incremental CD	3-month average of Incremental CD
24-Jan-25	11.40	10.30	80.76	1.96	
21-Feb-25	11.00	10.30	80.73	0.77	
31-Mar-25	11.00	10.40	79.58	0.26	1.00
18-Apr-25	10.30	10.20	79.56	0.75	
30-May-25	9.00	9.90	78.92	0.32	
27-Jun-25	9.50	10.10	78.91	0.79	0.62
25-Jul-25	10.00	10.20	79.24	0.20	
22-Aug-25	10.00	10.20	79.30	0.94	
19-Sep-25	10.40	9.50	80.28	6.10	2.28
31-Oct-25	11.30	9.70	80.22	0.78	
28-Nov-25	11.50	10.20	80.50	1.61	
31-Dec-25	14.50	12.70	81.75	1.32	1.24
31-Jan-26	14.60	12.50	82.29	6.32	

Quick observations

- Bank credit growth eased from double-digit levels in early 2025 to around 9-10% mid-year before accelerating sharply from Sep'25 onward to ~14-15% by early-2026. Deposit growth remained comparatively stable around 10% for most of the period, with improvement towards end-2025. The widening credit-deposit growth gap in recent months indicates stronger credit demand and increasing reliance on liability mobilisation.
- The spark rises in CD ratio to above 81-82% coincides with cumulative 125 bps repo rate cut, liquidity infusion via CRR reduction, festive season retail and consumption led lending which accelerated credit growth. Simultaneously, GST outflows and festive season withdrawals temporarily moderated deposit growth, widening the Credit- Deposit Gap.
- Monthly incremental CD exhibit volatility, with periodic spikes above unity and occasional negative values driven by seasonal deposit movements. The 3-month moving average indicates that credit accretion has episodically exceeded deposit mobilisation, suggesting temporary funding pressures rather than structural stress. The upward trajectory signals gradual tightening in funding conditions and highlights the need for sustained deposit growth to support loan expansion.

“Recent acceleration in credit growth alongside a rising system CD ratio suggests that liability mobilisation will be the key determinant of funding conditions in the coming quarters.”



Rewinding News During the Month ...

Indian Banking/financial Sector News

Date	News Headlines	Summary/Implications
02-Feb	High-Level Committee on Banking for Viksit Bharat	Union Budget FY27 proposed setting up a High-Level Committee on Banking for Viksit Bharat to review the banking sector and align it with India's long-term development strategy. The committee will recommend reforms to support the next phase of financial sector growth.
02-Feb	Budget support for MSME financing ecosystem	Budget FY27 proposed a ₹10,000-crore SME Growth Fund, mandatory TReDS adoption for CPSEs and expanded credit guarantee schemes to improve liquidity, equity access and payment discipline for MSMEs.
02-Feb	Credit-Deposit ratio hits multi-decadal high	India's banking system CD ratio rose to 82.17%, the highest since January 2001, reflecting strong credit expansion alongside relatively slower deposit mobilisation.
03-Feb	Government considering higher FDI in PSU banks	The government is discussing raising the FDI limit in public sector banks from 20% to 49%. Currently, foreign investment in private banks can go up to 74%, though individual foreign ownership is capped at 15% without RBI approval.
03-Feb	DFS launches BAANKNET app and Digital Balance Confirmation Platform	DFS launched the BAANKNET mobile app for property auctions and the Digital Balance Confirmation Platform (DBCP) to streamline audit processes, promoting digital integration and transparency in the banking ecosystem.
04-Feb	UPI transactions reach record levels	UPI transactions crossed ₹230 lakh crore in FY26 till December, making it the world's largest retail fast-payment system by volume, according to the IMF. UPI is now operational in 8 countries.
05-Feb	PMAY housing target expanded sharply	Under PMAY 2.0, the housing ministry raised the EWS housing target by 350%, increasing the BLC component from 1.11 lakh to 5 lakh houses for FY27.
06-Feb	Blackstone gets approval to acquire stake in Federal Bank	RBI approved Blackstone's acquisition of a 9.99% stake in Federal Bank, which will make the private equity firm the largest shareholder in the bank.
06-Feb	SBI posts strong Q3FY26 results	SBI reported 24% YoY growth in net profit to ₹21,028 crore, while operating profit rose 40%. Advances grew 15.1%, deposits 9.02%, and asset quality improved with GNPA at 1.57% and NNPA at 0.39%.
06-Feb	RBI MPC Keeps Policy Rate Unchanged	RBI announced the outcome of its Monetary Policy Committee meeting and kept the repo rate unchanged at 5.25%, maintaining a neutral stance amid global uncertainties and inflation outlook.
06-Feb	PSU bank profits to cross ₹2 trillion in FY26	According to DFS, public sector banks' profits are expected to exceed ₹2 trillion in FY26, with credit growth around 12%, indicating strong sector health.
06-Feb	Deposit insurance premium to decline	From 1 April 2026, financially sound banks will see deposit insurance premium fall by 33%, from 12 paise to 8 paise per ₹100 of deposits.
10-Feb	EPFO withdrawals through UPI soon	EPFO subscribers will soon be able to withdraw provident fund via UPI directly into bank accounts using a new mobile app launching in April 2026.
10-Feb	PSU banks report strong profit growth	Public sector banks reported 18% growth in Q3FY26 profits to ₹52,603 crore, with SBI contributing around 40% of the total earnings.
11-Feb	Priority sector status for NCDC lending	Loans extended by banks to the National Cooperative Development Corporation (NCDC) from January 19, 2026 onward will be treated as priority sector lending.

11-Feb	Record funds parked in SDF	Banks parked a record ₹4.52 lakh crore in RBI's Standing Deposit Facility at 5%, while borrowing overnight funds in the TREPS market at around 4.27%, indicating arbitrage opportunities.
12-Feb	RBI Approves ICICI Prudential AMC Stake in IDFC FIRST Bank	RBI approved ICICI Prudential Asset Management Company, along with entities of ICICI Bank, to acquire up to 9.95% stake in IDFC FIRST Bank. The approval allows the group to increase its shareholding in the bank's paid-up share capital and is seen as a significant step for strengthening the bank's investor base.
13-Feb	RBI Digital Payments Index rises strongly	RBI's Digital Payments Index (DPI) rose to 516.76 in Sep 2025 from 465.33 a year earlier, reflecting strong growth in payment infrastructure, transaction performance and digital adoption.
17-Feb	Banks increase sale of retail NPAs to ARCs	Banks sold ₹24,814 crore of retail NPAs to Asset Reconstruction Companies (ARCs) by December 2025, compared with ₹9,093 crore till September, reflecting efforts to clean up balance sheets.
17-Feb	Banks flag new ATM fraud risk	Banks have alerted RBI about a new "power-off ATM fraud", which manipulates ATM systems to dispense cash during shutdowns. Lenders are seeking clearer rules on compensation for such frauds.
17-Feb	UPI becomes most preferred payment mode	A DFS report shows UPI accounts for 57% of transactions, surpassing cash at 38%, highlighting the rapid shift towards digital payments in India.
18-Feb	Panel again pushes for removal of minimum balance penalty	A parliamentary committee reiterated that banks should adopt a uniform policy of not charging penalties for non-maintenance of minimum balance, and instead encourage deposits through incentives.
18-Feb	Retail segment drives ARC acquisitions	ARC acquisitions rose 19% Q-o-Q to ₹7,995 crore in Q3FY26, with the retail segment contributing ₹3,774 crore and driving 21% sequential growth.
19-Feb	Government explores AI-based credit scoring	The government is considering AI-based credit scoring and UPI-linked credit lines to expand formal credit access for women, first-time borrowers and underserved groups.
20-Feb	Digital payment growth moderates but remains strong	Growth in digital payments has moderated to around 11%, though adoption remains strong. Mobile payments continue to drive volumes, while internet banking transactions are rising faster in value terms.
20-Feb	PSU banks seek changes in climate finance rules	Public sector banks may approach RBI to revise climate finance guidelines, arguing that the current framework lacks sufficient incentives for promoting green deposits and climate-related lending.
20-Feb	Brokers seek pause on RBI lending curbs	Broker associations have requested a six-month pause on RBI's tighter lending norms for stock brokers, which include higher collateral requirements and restrictions on certain credit exposures.
23-Feb	₹590-Crore Fraud in Haryana Government Bank Accounts	A ₹590-crore fraud involving govt accounts maintained with IDFC FIRST Bank in Haryana came to light after discrepancies were found in deposits at the Chandigarh branch, leading to investigation and suspension of bank officials.
23-Feb	RBI Builds High-Security Data Centre in Bhubaneswar	RBI is setting up a high-security data centre in Bhubaneswar to safeguard critical banking and payment infrastructure from cyber, geopolitical and seismic risks. The facility will support currency management, payment systems and regulatory data operations.
24-Feb	Commercial Credit Growth Remains Strong	Outstanding credit to the commercial sector rose around 14-15% year-on-year to about ₹300 lakh crore by January 2026, indicating strong demand for funding from both bank credit (14.4% YoY) and non-bank sources (15.1% YoY).
25-Feb	Retail Loans Grow Strongly in Q3FY26: CRIF report	Retail loan outstanding rose about 18% year-on-year to ₹162 lakh crore, driven by strong growth in gold loans, personal loans and vehicle loans, while home loan growth remained moderate.
24-Feb	Govt to Auto-Credit ₹30.52 Crore in Inoperative EPFO Accounts	Govt has decided to automatically credit ₹30.52 crore lying in 7.11 lakh inoperative accounts of the Employees' Provident Fund Organisation where balances are ₹1,000 or less. The transfer will require no documentation, provided the beneficiary's bank account is Aadhaar-seeded and functional. Overall, about ₹10,903 crore

		remains idle in 31.86 lakh inoperative EPFO accounts opened over the last two decades.
26-Feb	PSBs Plan Portal to Verify Paper-Based Bank Guarantees	PSBs in India are working on a centralised digital portal to verify paper-based bank guarantees to reduce fraud risks. The platform will help banks validate guarantees during the transition from physical instruments to fully digital bank guarantees, strengthening transparency and security in banking transactions.
27-Feb	RBI Approves SBI Mutual Fund Stake in Bandhan Bank	RBI approved SBI Mutual Fund to acquire up to 9.99% stake in Bandhan Bank. The approval requires that the holding does not exceed 9.99%, and if the stake falls below 5%, fresh RBI approval will be needed to increase it again.
27-Feb	Forex Card Fraud Hits Yes Bank Customers	About 5,000 customers of Yes Bank were affected by fraudulent transactions worth around \$0.28 million on its multi-currency prepaid forex cards issued with BookMyForex. The fraud occurred at overseas merchants where two-factor authentication was not mandatory.

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

01-Feb	SBI launches 'CHAKRA' for Sunrise Industries Financing	SBI launched the CHAKRA initiative to build institutional capability to finance emerging "sunrise sectors". The bank estimates capital requirements of nearly ₹100 lakh crore over the next five years for eight identified sectors.
05-Feb	SBI raises \$1 billion social loan	State Bank of India raised \$1 billion (₹9,100 crore) through a five-year social loan from Mitsubishi UFJ Financial Group, marking the first such social loan by an Indian bank.
06-Feb	SBI wealth management AUM growth target	SBI aims to expand its wealth management AUM to ₹15 lakh crore by 2030, from the current ₹4 lakh crore.
16-Feb	Indian Overseas Bank expands startup banking network	Indian Overseas Bank expanded its startup-focused branches to Delhi, Mumbai and Bengaluru. Its Chennai startup branch has already supported 33 startups with business exceeding ₹100 crore.
16-Feb	IOB launches rural outreach programme	IOB launched "IOB Gram Sweekar", a rural initiative aimed at strengthening credit delivery, improving financial literacy and increasing access to banking products in rural areas.
16-Feb	Banks explore revival of acquisition financing	Large lenders like SBI and Bank of India are exploring the revival of acquisition financing after RBI issued final prudential guidelines on acquisition finance, potentially reviving deal funding in India
23-Feb	SBI Targets Higher Green Lending by 2030	State Bank of India plans to increase the share of green advances to 7.5-10% of its total loan book by 2030. The bank aims to support renewable energy and sustainable infrastructure financing through green credit lines.
27-Feb	HDFC Bank tightens locker access rules	HDFC Bank has enhanced locker security with mandatory biometric authentication linked to Aadhaar for improved security and transparency with an aim for a paperless and efficient locker access system.

Domestic Economy News

Date	News Headlines	Implications
Feb-03	India-China bilateral trade reached \$155 billion in 2025: Envoy	India China's trade grows over 12 percent. This marks a significant improvement in bilateral ties following a military stand-off. Both nations are committed to strengthening multilateral coordination and advancing the development of the Global South.
Feb-05	India and Gulf Cooperation Council Sign Terms of Reference for India - GCC Free Trade Agreement	The ToR establishes the framework, scope, objectives and procedure for the negotiation. Key exports from India to GCC includes engineering goods, rice, textiles, machinery, gems and jewellery. Key sectors for import from GCC comprise crude oil, LNG, petrochemicals and precious metals such as gold.
Feb -10	Public Financial Management System (PFMS) upgrades boost real-time tracking, faster DBT payments, said Govt	This will ensure timely release of funds, real-time tracking of payments and enhanced transparency in delivery in the direct benefit transfers (DBT) and other government payments.
Feb-15	Rs 1.5 lakh crore infra push by Central Govt.	The centerpiece of the package is the proposed Urban Challenge Fund (UCF), which will provide Rs 1 lakh crore in central assistance over five years. The fund will cover up to 25% of project costs, subject to states and urban local bodies raising at least 50% of funding from the market.
Feb-17	Govt plans 'Champion CPSEs' for Viksit Bharat by 2047	The goal is to help India become a developed nation by 2047. These companies will get more freedom in decisions and talent hiring. They will use new technologies for better performance. The roadmap is being developed in collaboration with the Capacity Building Commission and Department of Public Enterprises
Feb-18	Indo-U.K. offshore wind task force launched, India crosses 272 GW non-fossil fuel power capacity	Constituted under Vision 2035 and the Fourth India-UK Energy Dialogue, the Taskforce is designed to provide strategic leadership and coordination for India's nascent offshore wind ecosystem.
Feb-19	India to begin permanent rare earth magnet production by year-end	India plans to start domestic production of rare earth permanent magnets by the end of 2026 in partnership with private firms, aiming to reduce reliance on imports. The Govt approved a Rs. 73 bn program in Nov and plans 4 mineral processing plants across different states.
Feb-19	NPCI collaborates with NVIDIA to advance India's sovereign AI infrastructure for digital payments	The initiative is meant to provide significant benefits in terms of scalability and resilience of services on India's fast-growing digital payments network by using high-performance computing and AI-based analytics.
Feb-23	India and France sign Amending Protocol to update double taxation Avoidance Covention (DTAC)	This will provide for taxation of capital gains on the basis of residency of the company and deleted the Most-Favoured-Nation (MFN) clause bringing in certainty in taxation. Also modifies the taxation of income from dividends by replacing a single rate of 10% of tax with a split rate of 5% for those holding at least 10% of capital and 15% of tax for all other cases.
Feb-26	Modi and Netanyahu power up India-Israel ties in defense, UPI, energy and space	The two nations will expand cooperation in defense, trade, innovation and energy, while also pursuing joint projects in space technology and digital payment systems—signaling a pivotal upgrade in bilateral ties.
Feb-26	US, China challenge 'Make in India' factory incentives	India's manufacturing push under the production-linked incentive (PLI) scheme is facing global scrutiny, with the US and China challenging subsidies they say distort trade. The US has imposed preliminary 126% duties on Indian solar imports over alleged unfair subsidies, a move analysts say could shut Indian panel makers out of the US market.

Global Economy News

- By Rama Krishna Naik

Date	News Headlines	Implications
Feb-01	South Korea Jan exports beat forecasts, logs sharpest rise since 2021	South Korea's exports surged 33.9% YoY to USD 65.85 billion in January 2026, following a downwardly revised 13.3% increase in December 2025.
Feb-02	Global factory activity improves on growing demand	Asia's factory activity expanded in January 2026 with Japan's PMI at 51.5, South Korea's PMI at 51.2 and China's private PMI at 50.3 as solid global demand lifted export orders and output.
Feb-04	Euro zone inflation dips in January as soft patch begins	Euro area annual inflation eased to 1.7% year-on-year in January 2026, down from 2.0% in December and in line with market expectations.
Feb-05	ECB keeps rates steady, shrugs off inflation dip	ECB kept all key interest rates unchanged—holding the deposit rate at 2.0 percent, the main refinancing rate at 3.0 percent, and the marginal lending rate at 3.5 percent.
Feb-06	Brazil Trade Surplus Jumps on Sharp Import Drop	Brazil posted a USD 4.34 billion trade surplus in January 2026, up 85.8% year on year, largely driven by a sharp drop in imports.
Feb-07	China Forex Reserves Highest Since 2015	China's foreign exchange reserves increased by USD 41.2 billion to USD 3.399 trillion in January 2026, up from USD 3.358 trillion in December 2025.
Feb-09	Bangladesh secures reduced 19% US tariff	Bangladesh has secured a reduced US tariff of 19%, down from 20%, under a trade agreement signed between the two countries.
Feb-12	US January budget deficit falls to \$95 billion as revenue gains outpace	The US government recorded a \$94.6 billion budget deficit in January 2026, compared with a \$128.6 billion deficit in the same month a year earlier.
Feb-13	US inflation slows to 2.4% in January 2026	Consumer Price Index CPI in the United States increased to 325.25 points in January from 324.05 points in December of 2025. The annual inflation rate in the US slowed to 2.4% in January 2026.
Feb-16	Japan's economy expands annualised 0.2% in Q4, below forecast	Japan's GDP grew 0.1% qoq in Q4 2025, rebounding from a 0.7% drop in Q3 but missing market forecasts of a 0.4% increase.
Feb-18	Japan exports jump 16.8% year/year in January	Japan's exports surged 16.8% year on year to JPY 9,187.5 billion, sharply picking up from a 5.1% growth in the previous month and marking the fastest pace since November 2022.
Feb-19	US Trade Gap Higher Than Expected	The US trade deficit widened to \$70.3 billion in December 2025 from \$53 billion in November, above forecasts of a \$55.5 billion gap.
Feb-23	EU lawmakers again postpone vote on US trade deal after tariff upheaval	The European Union has paused the ratification of its trade agreement with the United States because of uncertainty created by President Donald Trump's changing tariff policies.
Feb-24	China leaves benchmark lending rates unchanged for ninth straight month	The People's Bank of China (PBoC) left its benchmark lending rates unchanged for a ninth consecutive month in February.
Feb-25	German economy grows by 0.3% in Q4, stats office says	Germany's economy expanded by 0.3% in the fourth quarter of 2025, confirming preliminary estimates and marking a clear rebound from the stagnation recorded in the previous quarter.
Feb-26	S.Korea central bank holds rates, adopts dot-plot path signalling extended pause	The Bank of Korea held its policy interest rate steady at 2.5% for the sixth consecutive meeting in February 2026.



Must Track in Next Month...

Date	Report/Event	Country
02-Mar	India Industrial Production YoY	India
04-Mar	US S&P Global composite PMI final	US
04-Mar	India HSBC Composite PMI final	India
05-Mar	US Export & Import Prices YoY	US
09-Mar	China Inflation Rate YoY	China
10-Mar	China Balance of Trade	China
11-Mar	US Inflation Rate YoY	US
12-Mar	India Inflation Rate YoY	India
12-Mar	US Balance of Trade	US
13-Mar	US GDP Growth rate QoQ 2 nd Estimate	US
16-Mar	China House price index & Industrial Production YoY	China
16-Mar	Indian WPI Inflation YoY	India
16-Mar	India Balance of Trade	India
20-Mar	India Bank Deposit & Credit Growth YoY	India
28-Mar	India Industrial Production YoY	India
31-Mar	India Government Budget Value & Current account data	India

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:

- World Gold Council (WGC) Gold Demand Trends reports
- CMIE
- COGENCIS

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