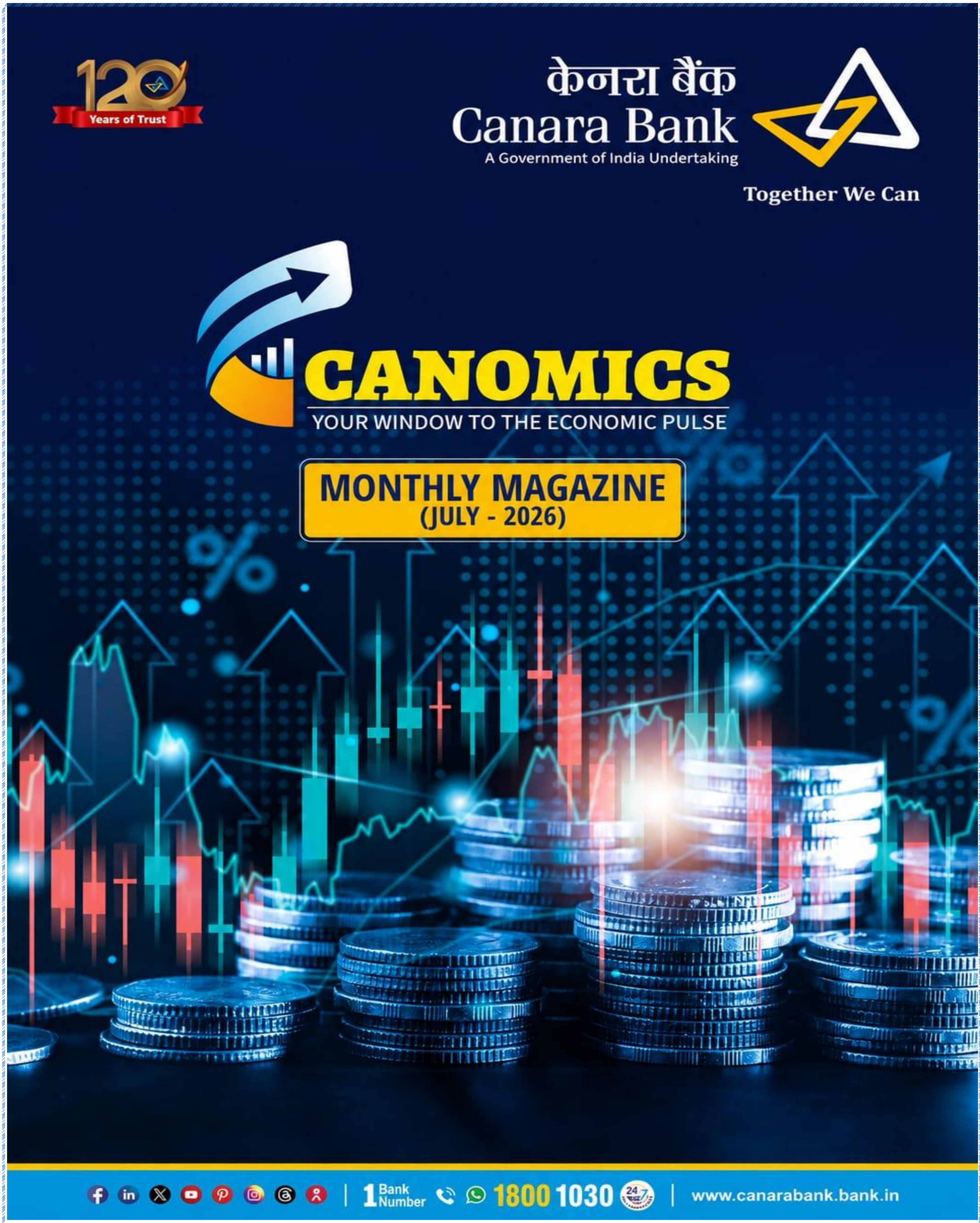

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अर्थनीति

II That Economics is Untrue which Ignores and Disregards Moral Values II

(M.K. Gandhi)

Contents

Sr. No	Subject	Page No.
1	Message from MD & CEO	4
2	From the Desk of the Chief Economist	5
3	Movement of Key Market Indicators during the Month	6
4	Top 3 Focus of the Month	7
5	Regulatory Move/Announcements by RBI	8
6	Policy Move/Announcements by Central Government	9-10
7	Behaviour of other Macro-Economic Indicators	11-14
8	Data Stat: Revealing the Top 2 Data Taste of the Month	15-16
9	Business/Competitive Intelligence of the Month	17
10	Rewinding News Followed During the Month	
	10.a. Indian Banking News & Peer's Signal: Indian Banks/ FIs with new Business strategy	18-21
	10.b. Domestic Economy News	22-23
	10.c. Global Economy News	24
11	Must Track in Next Month…	25
12	Data Sources	25
13	Disclosure	26

Message from MD & CEO…

First quarter financials in the banking space generate optimism, notwithstanding a volatile geo political environment. Credit growth is in double digits with the banking sector showing robust credit growth of 15-18%. Public sector banks posted higher credit growth than their private counterparts. The FCNR scheme has been a success with inflows of $52 billion with more than two weeks left for the scheme to end on August 31, 2026. At the current pace gross inflows could exceed $60 billion by the end of August 2026. Bulk and certificate of deposit rates have turned benign. However, in general, deposit mobilization continues to be challenging due to a slew of competing financial products offer better returns both in real and nominal terms.

The evolving global environment would be shaped by many factors. The rapid strides in generative and agentic Artificial Intelligence are the most important among these forces. 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. Thirdly, we are now witness to a new wave of protectionism across the developed economies, potentially throwing fiscal discipline off-guard. The fourth major concern is rising deficits and debt levels. These forces could lead to growth slowdown, debt overhangs and inflationary pressures. One reason for higher bond yields across the developed economies is attributable to the above factors. India is much better placed in this respect but at the same time cannot be fully insulated and immune from global developments.

Amidst such headwinds, Indian banks exhibit remarkable resilience. Banks are well capitalized. Credit costs are at record lows Liquidity buffers are sufficient with Liquidity Coverage Ratios of most banks close to 110%. Apart from enhancing liquidity buffers these steps are margin positive for banks. Early success has started becoming visible. Foreign investors are once again turning bullish on India growth story. 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. Fitch has retained India rating as stable in its recent outlook.

For banks, asset quality is stable. Gross NPA ratio is well below 2% and profitability parameters are decent. All banks are in the green and are in a position to contribute further to credit growth and economic development. Some caution is necessary on the cost front as costs of deploying artificial intelligence and investments in cybers security and fraud prevention will assume greater importance. Banks will need to be nimble on the cost front. Banks with global exposures need to exercise greater caution as a volatile and ambiguous global order is the new reality. Sectoral credit exposures need careful monitoring to ensure effective guardrails against such assets turning bad.

Strong FY26 growth numbers show that though India will face headwinds, its economy is expected to exhibit resilience. Recent data points on sectoral trends and outlook raises hopes of final growth rates exceeding 7% in FY27. Credit growth has been fairly broad-based with agriculture, MSME and personal loan segments registering double digit growth rates. However, there are looming risks of an El Nino which could disrupt agriculture growth.

To be sure, the unfolding global developments pose renewed challenges. Risks to the system from cyber-attacks and unethical use of artificial intelligence add to the list of challenges. Not just banks, but the entire financial system needs to on top of these developments to successfully steer through such times.

Brajesh Kumar Singh
Managing Director & Chief Executive Officer

From the Desk of the Chief Economist .....

As geo political uncertainties continue oscillating between periods of calm and aggression, policy-making has become challenging than ever before. Complicating matters is unpredictability of the Trump administration which seems to embrace more protectionism with little regard for globally accepted norms of trade and commerce. For instance, even as the US Supreme Court struck down 'Liberation Day' tariffs, new ones under Special 301 clause emerged. An additional 100% tariff on top five oil importers from Russia is apparently a ploy to coerce them into favorable terms of trade with the United States. These developments pose fresh challenges for monetary and fiscal policy,

The just concluded Monetary policy Committee (MPC) deliberations have taken cognizance. Despite global uncertainties, the MPC has upgraded India's FY27 GDP growth forecast to 6.7%, a marginal uptick from previous forecasts. Retail inflation forecasts have been marginally lowered to 5% with the caveat that risks to growth and inflation are evenly balanced. Retail inflation for July at 4.45% was marginally higher than the previous month drivel largely by food price hikes. Monsoon is expected to be in an overall deficit. However, India will continue to be the fastest growing economy, driven by public capex and consumption. High frequency indicators lead us to believe that India could end fiscal 2027 with a real GDP growth rate in excess of 7%.

To be sure, our external position is eminently manageable with current account deficit likely to be contained below 2%. Moreover, the external debt to GDP ratio is comfortably placed below 20% and the forex reserves are adequate to finance 11 months of imports. Inflows under the FCNR(B) scheme surpassed expectations, garnering almost %$40 billion with more coming in by way of ECBs and overseas foreign borrowings. Besides liquidity comfort to banks, these inflows also help maintain exchange rate stability. Exports, however, face risks due to a global slowdown. Restrictions on gold and silver imports will help. However, the move towards ethanol blended flex fuel vehicles and electrification are intended to limit fuel usage giving significant benefits in the longer run.

Though FPI flows gained traction Foreign Institutional Investors are cautious on India. Once again entry of Indian bonds into Bloomberg aggregate bond index has been deferred just when it was believed that we will sail through this time after a decade long effort. 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, political stability is a big draw for foreign investors. Gross Foreign Direct Investment flows are healthy while net FDI improved from $1 billion in FY25 to $7 billion in FY26. Though the net FDI numbers look negligible it implies outward investments by domestic corporates which, in fact, signifies stronger corporate balance sheets.

Most high frequency indicators show Indian economy in a strong footing. 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 are likely to be around 7% and the fiscal could also end with growth rate exceeding RBI expectations of 6.7%. However, we need to deal with the challenges posed by artificial intelligence and cyber security which can potentially wipe off all gains and lead us to a path of low productivity.

Dr. MadhavanKutty G.
Chief Economist

Movement of Key Market Indicators during the Month

- By Ankit Gupta

Indicators	High	Low	Average	Remarks
Sensex	78285.1	76059.8	77318.6	Sensex gained during the month, supported by sustained FII inflows, upbeat Q1FY27 earnings expectations and optimism over India's resilient macroeconomic outlook despite global uncertainties.
Bankex	66194.6	64181.5	65141.0	Bankex remained largely flat, as healthy credit growth and stable asset quality were offset by concerns over margin pressure following earlier RBI rate cuts.
India G Sec Yield	6.84	6.71	6.77	India's 10-year G-Sec yield edged higher, tracking the rise in global bond yields and higher crude oil prices, while market participants remained cautious ahead of key domestic data.
US Treasury	4.75	4.48	4.60	US Treasury yields moved higher amid resilient US economic data, persistent inflation concerns and expectations that the Federal Reserve would maintain a higher-for-longer interest rate stance.
Gold (Per troy $)	4174.2	3987.0	4072.4	Gold prices remained broadly stable, as safe-haven demand balanced the pressure from higher US Treasury yields and a relatively firm US dollar.
Brent Oil	100.60	71.08	83.91	Brent crude prices increased, driven by supply concerns, geopolitical tensions and expectations of stronger seasonal global oil demand.
USD/ INR	96.57	94.97	95.83	The Indian Rupee remained broadly stable, supported by RBI's active intervention, healthy foreign exchange reserves and steady capital inflows despite a stronger US dollar and higher crude prices.

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	8.75	8.80	8.80	*8.80 (PNB, UBI & BOI)*	*8.70 (SBI)*	*PNB, BOB & UBI 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)*	*UBI 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	changed	changed

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
0.86	2.32	2.32	0.02	1.07

Liquidity Position During the Month

(In Lakhs Cr.)

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	2.75

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

IMF July 2026 World Economic Outlook Update: Global Growth Slowed to 3%, Inflation Revised Higher

The IMF's July 2026 WEO Update projects global growth at 3.0% in 2026 and 3.4% in 2027, broadly unchanged on a cumulative basis from its April outlook. The global economy has remained relatively resilient despite the Middle East war and disruption to energy and trade flows through the Strait of Hormuz, with the technology/AI investment cycle partly offsetting the war-related drag. However, global headline inflation has been revised up to 4.7% for 2026, with the disinflation trend stalling. India's 2026 growth forecast was trimmed marginally to 6.4%, while China's was upgraded to 4.6% and the US is projected at 2.3%.

US Rebuilds Its Global Tariff Wall

On 24 July 2026, the US announced new tariffs ranging from 10% to 12.5% on imports from around 60 trading partners, marking a further escalation in its protectionist trade policy. The measures replace the earlier temporary 10% global tariff framework and introduce differentiated rates across trading partners. The move is aimed at reducing the US trade deficit and strengthening domestic manufacturing, but risks raising import costs and disrupting global supply chains. Trading partners could respond with retaliatory tariffs or trade restrictions, increasing uncertainty for global businesses.

The shift signals a move toward a more **fragmented and higher-cost global trading system**, with implications for inflation, investment and emerging-market exports.

Fed Holds Fire as Inflation Keeps Policy on Guard

The US Federal Reserve kept the federal funds rate at 3.50–3.75%, signalling a cautious pause rather than a clear shift toward monetary easing. The decision was hawkishly divided, with three policymakers favouring a rate hike, reflecting persistent concerns over inflation. At the same time, weakening labour-market conditions have increased uncertainty over the Fed’s next move. For India, a prolonged Fed pause could keep US yields and the dollar firm, potentially adding pressure on the INR and limiting the RBI’s room for aggressive easing.

By Shalini Paul

Regulatory Moves/Announcements by RBI

Announcements	Brief Summary	Impacts
03-Jul-2026	RBI released Financial Stability Report (FSR) - June 2026	Highlighted resilience of Indian banking system, **well-capitalised**, with strong liquidity, healthy profitability, and **multi-decadal bests in asset quality.**
08-Jul-2026	RBI issued Consolidated Supervisory Directions	Consolidated multiple supervisory instructions into a unified framework, improving regulatory clarity and supervisory consistency for regulated entities.
10-Jul-2026	Basel III - Pillar 3 Disclosure Directions	**The amendment directions for commercial banks, small finance banks (SFBs) and payments banks, revising the entire Pillar 3 framework and** deferring its implementation to April 1, 2027.
18-Jul-2026	RBI invited applications for the Regulatory Sandbox (Cohort on AI/FinTech)	The cohort is designed to allow eligible entities to **test innovative AI-enabled financial products/services** in a **controlled, time-bound regulatory environment** with limited regulatory relaxations, under close RBI supervision
22-Jul-2026	RBI conducted Variable Rate Repo (VRR) operations	To inject **short-term liquidity** into the banking system amid evolving cash conditions (including advance-tax outflows and other seasonal factors)
24 July 2026	RBI announced government securities auction calendar and liquidity operations	Key Items in its **government securities auction calendar** and associated **liquidity operations**, covering **upcoming G-sec auctions**, a **buyback**, and continued **money-market operations** to manage system liquidity.
30-July-2026	Differential Interest Rates on Bulk Deposits	RBI allowed banks to offer different interest rates on bulk deposits based on liquidity risk profile while ensuring fairness for similar deposits
31-July-2026	Foreign currency mobilised under RBI's special swap facility reached US$40.8 billion	reflecting a strong response from banks and borrowers to the scheme aimed at encouraging foreign-currency inflows and bolstering the balance of payment.

By Shalini Paul

Government Announcements/Moves

Announcements	Brief Summary	Impacts
3-JUL-2026	ITADCs (Integrated Textile and Apparel Development Centres) to emerge as one-stop growth hubs for Textile Entrepreneurs and MSMEs	ITADCs will be developed as one-stop growth hubs to strengthen India's textile ecosystem. These centres will provide end-to-end support to textile entrepreneurs, startups, artisans and MSMEs by offering common infrastructure, technology, skill development, product design, testing, quality certification, incubation, market linkages and export facilitation.
8-JUL-2026	Handloom Hackathon 2026 launched to foster innovation and technology-driven solutions in handloom sector	Technology-led modernization of the handloom sector can improve productivity, exports and artisan incomes, creating opportunities for banks to expand MSME lending, digital payments, working capital finance, and financial inclusion initiatives.
10-JUL-2026	Department of Telecommunications signs MoU with Telecommunications Standards Development Society India (TSDSI)	The **Department of Telecommunications (DoT)** has signed a **Memorandum of Understanding (MoU)** with the **Telecommunications Standards Development Society, India (TSDSI)** to strengthen India's telecom standardisation ecosystem and promote indigenous technologies
10-JUL-2026	Government Exempts IFSC GIFT City Units from Licensing Requirement under the Coastal Shipping Act, 2025	The exemption is aimed at promoting **ship leasing, ship financing and maritime financial services** from GIFT City, making India a globally competitive maritime finance hub. The measure is expected to attract international investment, reduce regulatory hurdles, and strengthen India's position in the global shipping and logistics ecosystem.
13-JUL-2026	Ministry of Electronics and Information Technology (MeitY) and Drone Federation India (DFI) launch NIDAR 2.0 **(National Innovation Challenge for Drone Application and Research)**	To accelerate innovation, research, and indigenous development in India's drone ecosystem. The initiative aims to support startups, students, researchers, MSMEs, and innovators in developing advanced drone technologies and real-world applications across sectors such as agriculture, logistics, disaster management, infrastructure inspection, defence, and public services
15-JUL-2026	Cabinet approves Semicon 2.0 - Government delivers on its commitment for a long-term policy support to Semiconductors in India	For building a globally competitive semiconductor and electronics manufacturing ecosystem in India. The programme builds on the success of the India Semiconductor Mission by extending policy and financial support for semiconductor fabrication, assembly, testing, packaging, design, and research.

By Shalini Paul

Government Announcements/Moves

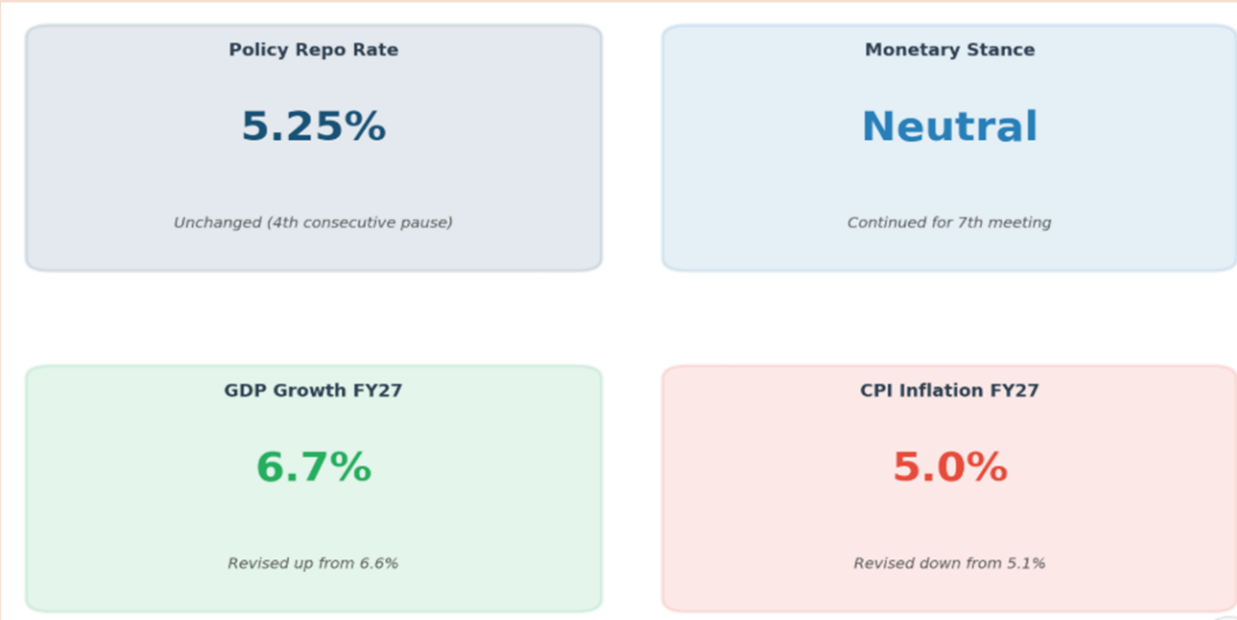
Announcements	Brief Summary	Impacts
16-jul-2026	NITI Aayog launches a ten-year roadmap to build India into a leading bioeconomy powerhouse by 2035	The roadmap aims to accelerate growth in biotechnology, biomanufacturing, bio-based products, synthetic biology, precision medicine, agricultural biotechnology, and the circular bioeconomy. It seeks to strengthen research and innovation, encourage public-private partnerships, attract investments, develop skilled talent, and promote commercialization of bio-based technologies
21-jul-2026	NBA releases Rs 6.67 crore under Access and Benefit Sharing Mechanism for Biodiversity Conservation and Livelihood Support in 11 cotton-growing States	ABS disbursement strengthens India's economy by channelling commercial benefits from biological resources back into cotton-growing regions, supporting agrobiodiversity conservation, sustainable farming, and rural livelihoods while reinforcing a compliance-driven biodiversity economy that aligns with global norms and SDGs
22-jul-2026	CCI approves acquisition of 100% of the equity share capital of NCR Atleos Corporation (Target) by The Brink's Company (Acquirer)	Allowing Brink's to gain full ownership and control of the ATM and fintech infrastructure provide
24-jul-2026	Cabinet approves scheme of Chemical Parks "Bharat Audyogik Vikas Yojana Rasayan (BHAVYA Rasayan)	The Union Cabinet has approved the **Bharat Audyogik Vikas Yojana Rasayan (BHAVYA Rasayan)** scheme to establish **three dedicated chemical parks** across India with a total outlay of **₹3,030 crore** over FY 2026-27 to FY 2030-31, to provide plug-and-play common infrastructure and utilities for chemical and petrochemical manufacturing units.
25-jul-2026	Centre Launches DISHA 2.0 with ₹255 Crore Outlay to Expand Technology-Driven Access to Justice Across India.	The centrally sponsored scheme aims to make legal services more accessible, affordable and technology-driven, particularly for citizens in rural, remote and underserved areas. It integrates digital platforms, AI-enabled tools, legal awareness initiatives and pro bono legal services into a single framework.

-By Samir Kumar

RBI MPC August 2026

(Growth Confidence, Inflation Caution — RBI Stays on Hold)

The Reserve Bank of India's Monetary Policy Committee (MPC) unanimously decided to keep the policy repo rate unchanged at 5.25% and retain the neutral stance. This marks the fourth consecutive pause since the last rate cut.



Why the pause?

- Headline CPI inflation has risen above the 4% target (driven mainly by food and fuel), but core inflation remains benign and price pressures have not yet generalized.
- Inflation is projected to peak at **5.9% in Q3 FY27** before moderating.
- Global uncertainties (West Asia conflict, oil price volatility, and monsoon/El Niño risks) continue to dominate the outlook.
- The MPC preferred to wait for greater clarity rather than act preemptively.

What Signal it sends to the Financial Institutions

The RBI's decision to keep the repo rate unchanged at 5.25% with a neutral stance provides banks near-term stability in lending and deposit rates, supporting continued credit growth. However, the persistent gap between credit and deposit growth requires stronger focus on deposit mobilisation and liquidity management. Banks should also remain vigilant on asset quality amid elevated food and fuel inflation risks in the coming quarters.

CPI vs WPI — June 2026: Inflation Divergence Widens

India's wholesale inflation climbed to a series high of 9.87 per cent in June, while retail inflation edged past the Reserve Bank's 4 per cent target to touch 4.38 per cent, official data released this month showed. The Wholesale Price Index (WPI), calculated on the new 2022-23 base year, rose from 9.68 per cent in May, driven largely by higher prices of mineral oils, food articles, basic metals and chemicals. The All-India WPI index stood at 110.2.

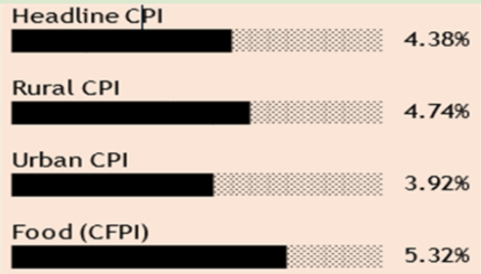
Headline Comparison: CPI vs WPI

Indicator	June 2026	May 2026	Change	Status
CPI (Retail)	**4.38%**	3.93%	▲ +0.45 pp	Above 4% target
WPI (Wholesale)	**9.87%**	9.68%	▲ +0.19 pp	Series high (new base)

WPI-CPI Gap

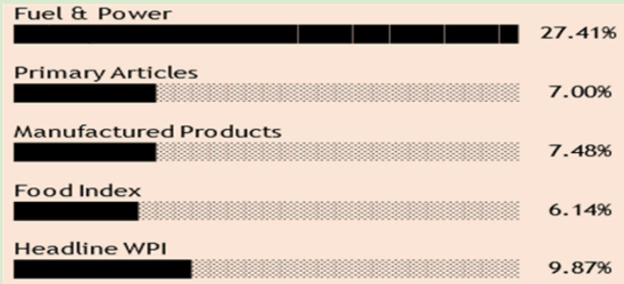
Interpretation: Strong upstream (wholesale) cost pressure has not fully passed through to retail prices yet.

CPI Breakdown (June 2026)



Key Takeaway: Food inflation was the main Upward driver. Rural prices rose faster than urban.

WPI Major Groups (June 2026)



Key takeaway: Energy (Fuel & Power) remained by far the biggest contributor despite some cooling from May's peak.

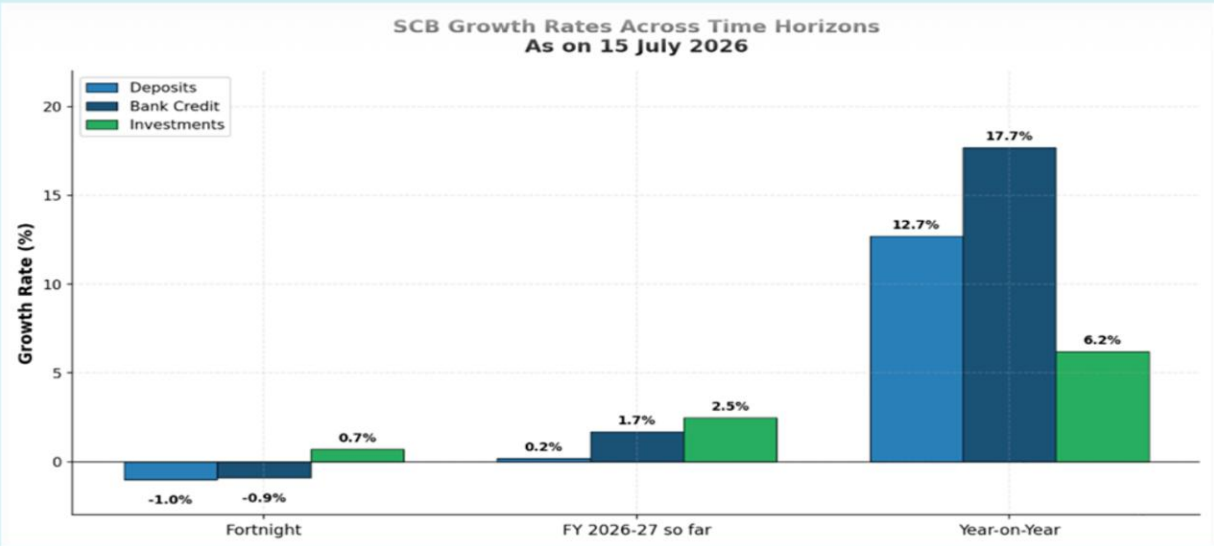
The wide gap between wholesale and retail inflation — nearly 5.5 percentage points — points to strong upstream cost pressures that have not fully filtered through to consumers. Analysts attribute the rise mainly to elevated global energy prices linked to Middle East tensions and lingering effects of earlier rainfall deficits on food supplies.

The June readings keep retail inflation within the RBI's 2-6 per cent tolerance band but signal continued vigilance on the part of policymakers as producer costs remain sticky.

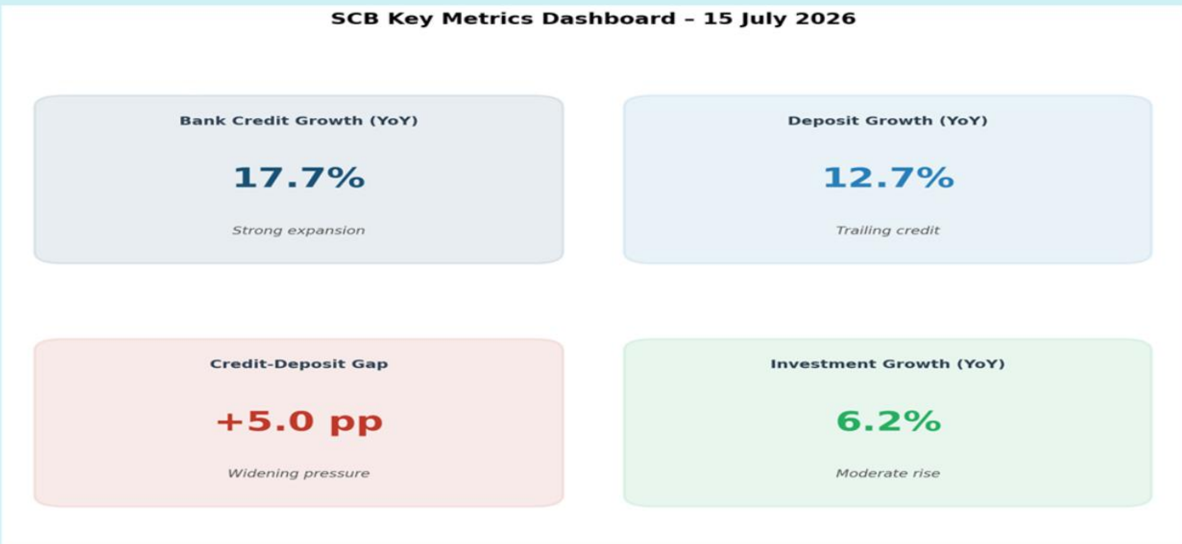
Behaviour of other Macro-Economic Indicators (3/4)...

SCBs maintain strong credit momentum at 17.7% YoY as on 15 July 2026

As on 15 July 2026, Scheduled Commercial Banks reported aggregate deposits of ₹26.28 lakh crore (up 12.7% year-on-year) and bank credit of ₹21.73 lakh crore (up 17.7% year-on-year), with credit growth continuing to outpace deposits by 5 percentage points; time deposits accounted for nearly 88% of total deposits, non-food credit dominated lending, investments rose moderately by 6.2%, and borrowings from the RBI declined sharply during the fortnight.

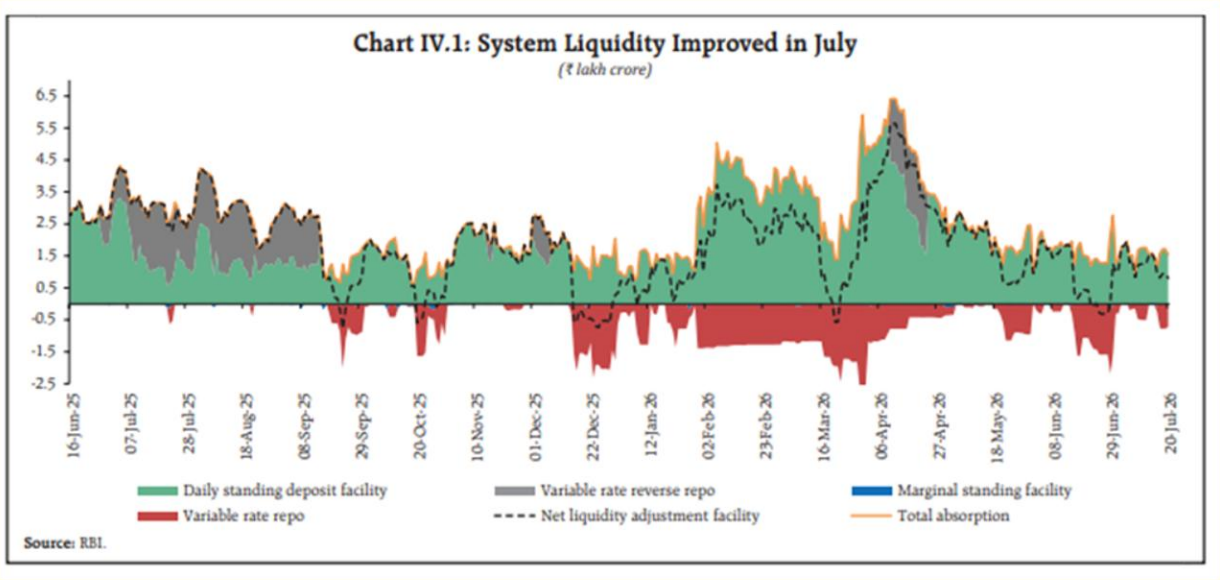


Credit growth remains strong and continues to lead deposit growth. The fortnightly contraction was driven mainly by demand deposits, while time deposits and overall credit momentum stayed healthy on a year-on-year basis



Liquidity Conditions: Banking System Returns to Comfortable Surplus in July

From a mild surplus in June, system liquidity improved during first half of July. After remaining comfortable during the first half of June, liquidity surplus moderated and briefly slipped into deficit amidst advance tax and GST-related outflows in the second half of the month. Liquidity conditions, on average, improved in first half of July as pressures from tax outflows waned amidst faster government spending before tightening in the second half of July (up to July 20). To address the transient liquidity shortage during June-July, the Reserve Bank conducted 23 variable-rate repo (VRR) auctions. Banks continued to park large surplus funds under the standing deposit facility, while the usage of the marginal standing facility remained stable



System Liquidity – Key Takeaways:

- ***Liquidity conditions improved significantly in July 2026**, with the system moving predominantly into **surplus territory**.*
- ***Net liquidity remained largely positive**, indicating reduced near-term funding pressure on the banking system.*
- ***RBI absorption operations increased**, particularly through the **Standing Deposit Facility (SDF)** and variable-rate reverse repo operations.*
- *Liquidity volatility appears to have **moderated after the sharp surplus seen around April 2026**.*
- *Improved liquidity should support **more stable overnight money-market conditions** and reduce immediate funding stress.*
- ***However, structural funding pressure remains:** bank credit is growing faster than deposits, with system credit growth at **17.7% vs 12.7% deposit growth***

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

- By Samir Kumar

Discussion	**How Much Crude Oil Price Rise has Impacted India's Price Since April 2025?**
Data Source	Trading Economics, Own Calculation

Reflections

- ✓ Crude oil rising from $60/bbl in April 2025 to $85/bbl in July 2026, a 41.7% increase.
- ✓ Applying the RBI Bulletin's estimated elasticity of 20 bps increase in headline CPI for every 10% rise in global crude, the implied direct impact is about 83 bps (0.83 percentage point).
- ✓ This would raise the **April 2025 CPI of 3.16% to about 3.99%** after adding the estimated oil-price burden.
- ✓ **Actual June 2026 CPI at 4.38%** indicates that inflationary pressures extend beyond the illustrative oil-price impact.
- ✓ **Food inflation and other domestic factors remain critical** in determining the final CPI outcome.

Oil Price Rise Addition to CPI	
Parameter	**Value**
Oil price (April 2025)	$60/bbl
Oil price (July 2026)	$85/bbl
Absolute rise	$25/bbl
% Increase	41.67%
Estimated impact on Headline CPI	+0.83 percentage points
Impact in basis points	83 bps

As per RBI elasticity (July 2025 Bulletin - Kundu, Tewari & Bhattacharyya) :

A 10% rise in global crude oil prices raises headline CPI by ≈ 20 basis points.→ Elasticity ≈ 2 bps per 1% oil price rise.

Actual CPI Data Released		
Month	April 2025	June 2026
Headline CPI Inflation (YoY)	3.16%	4.38 %

Calculation of Impact of OIL PRICE Rise on CPI	
Month	Calculation
a. CPI (April 2025)	3.16 %
b. Price Rise burden on CPI	+ 0.83%
c. CPI Including Oil Inflation (a+b)	3.99%
d. Food Inflation +Other Inflation	+0.39%
e. June 2026(e=c+d) (latest available)	4.38%

Key Takeaway:

Crude oil remains an important upside risk to CPI-- a 41.7% rise in global crude from $60 to $85/bbl could add around 83 bps to headline inflation based on the RBI's estimated elasticity. However, the actual inflation impact will depend on domestic fuel-price pass-through, food inflation, the exchange rate and taxation.

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

Discussion — **WACR Vs Repo Rate: How has been the Liquidity Management of The RBI so far ??**

Data Source — Investing .Com Data , Own Analysis

Reflections

- ✓ April-May 2025: WACR remained below the 6.00% repo rate, indicating relatively comfortable liquidity, although the spread was mostly negative.
- ✓ June-July 2025: Following the repo-rate cut to 5.50%, WACR moderated to around 5.38%, keeping money-market rates close to the policy rate.
- ✓ Later 2025: WACR moved lower along with the policy corridor, indicating that RBI liquidity conditions remained broadly contained.
- ✓ June-July 2026: WACR moved slightly above repo—5.31% vs 5.25% in June-July—suggesting mildly tighter liquidity, but not a significant liquidity deficit.
- ✓ Early August 2026: WACR fell sharply to 5.05%, just 5 bps above the SDF rate of 5.00% and 20 bps below repo, signaling a large surplus-liquidity environment.
- ✓ Thus, the latest movement suggests that RBI is increasingly managing excess liquidity rather than addressing a shortage of liquidity.

WACR Vs Repo Rate Movement Since April 2025

Month / Period	WACR Average (%)	Repo Rate (%)	SDF Rate (%)	MSF Rate (%)	Spread (WACR - Repo)	Remarks
	(A)	(B)	(C)	(D)	(E =B-A)	
April 2025	5.94	6.00 (from 9 Apr)	5.75	6.25	Mostly negative	Near or below repo
May 2025	5.82	6.00	5.75	6.25	Negative	—
June 2025	5.38	5.50 (from 6 Jun)	5.25	5.75	Negative to near	—
July 2025	5.38	5.50	5.25	5.75	Negative	—
Later 2025 (post cuts)	Declining 5.3–5.5	Falling to 5.25	Falling to 5.00	Falling to 5.50	Varied	Corridor contained
June–July 2026 (since June MPC)	5.31	5.25	5.00	5.50	+6 bps	Official average from Aug 2026 MPC
July 2026	5.28	5.25	5.00	5.50	+3 bps	DBIE / WSS snapshot
Early August 2026 (latest)	5.05	5.25	5.00	5.50	−20 bps	Close to SDF due to large surplus

The Mechanism :

- ❑ WACR close to the **repo rate** → Ideal alignment (good transmission).
- ❑ WACR near or below the **SDF** → System is flush with surplus liquidity.
- ❑ WACR near or above the **MSF** → System is facing tight/deficit liquidity.

RBI's objective remains aligning WACR with the policy repo rate for Better Liquidity Management

Source : https://en.macromicro.me/series/6980/india-weighted-average-call-money-rate

WACR – Weighted average call rate

Key Takeaway:

RBI's liquidity management has shifted from supporting system liquidity to absorbing surplus liquidity, with WACR falling close to the SDF floor in early August 2026. This eases near-term funding pressure, but strong credit growth relative to deposits means structural deposit mobilisation remains critical for banks.

Business/ Competitive Intelligence of the Month…

-By Samir Kumar

UCO Bank-Tata Motors tie-up: An ecosystem-led banking strategy
Date: 14.07.2026

What is the Move?

On 14 July 2026, Tata Motors and UCO Bank signed a MoU to provide organized financing solutions for Tata Motors commercial vehicles across India. It is essentially a **manufacturer + bank financing partnership**:

- Tata Motors → provides the commercial vehicle/customer/dealer ecosystem
- UCO Bank → provides the financing
- Customer / Fleet Operator / Entrepreneur → purchases the vehicle using UCO Bank finance

The partnership covers financing through the organisations' branches, dealerships and market outreach, including underserved urban and rural markets.

Why is this Move Taken?

- The real significance is not the MoU itself.
- **It is the shift from: PRODUCT-LED BANKING (selling commercial vehicle loans) to ECOSYSTEM BANKING (financing the entire commercial-mobility ecosystem)**
- **This includes:**

  OEM (→ Dealer → Fleet Operator → Driver → Supplier → MSME → Logistics Company
  OEM = Original Equipment Manufacturer

- OEM is the manufacturer (Tata Motor) ; the bank is the financier; the dealer is the distribution channel; and the customer is the borrower.
- **The bank can potentially participate at multiple points.**

Implications for Others?

- ✓ The UCO Bank-Tata Motors partnership illustrates the evolution from standalone vehicle lending to anchor-led ecosystem banking, where an OEM relationship can become a gateway to vehicle finance, MSME credit, working capital, payments and broader customer relationships.
- ✓ The message to the competitors is Clear:

  ''Don't just finance the truck but Finance the ecosystem around the truck''.

Indian Banking/financial Sector News

-By Chintala Divya Lakshmi

Date	News Headlines	Summary/Implications
03-Jul-2026	Bank of Baroda to pay $600 million to settle NMC Health insolvency claims.	✓ Bank of Baroda has agreed to pay $600 million (about ₹5,700 crore) to settle long-running insolvency and civil claims related to the collapse of UAE-based NMC Health. ✓ The settlement concludes litigation in ADGM and UK courts, while a separate $8 billion US lawsuit filed by NMC founder B.R. Shetty was dismissed in 2024.
07-Jul-2026	Private banks write off nearly half of NPAs in FY26, outpace PSB	✓ In FY26, private sector banks wrote off a significantly higher share of bad loans than PSBs, accelerating balance-sheet clean-up despite already low headline NPA ratios. ✓ PSB write-offs fell to multi-year lows in FY26, reflecting lower fresh slippages and improved recoveries/upgrades; Bank of Baroda and PNB recorded their lowest annual write-offs in years
08-Jul-2026	SBI eco research team says time opportune to revise priority sector lending guidelines	✓ SBI's Economic Research Department has proposed revising PSL norms by raising eligibility limits for loans such as housing and education, to expand credit access to underserved segments. ✓ It also suggested that bank-funded infrastructure loans either qualify as PSL or be excluded from ANBC calculations, while noting that the PSL framework was introduced by RBI in 1972 to ensure adequate credit to underserved sectors.
09-Jul-2026	FCNR-B flows taper as higher costs trip math for double-digit returns	✓ Indian banks are seeing slower foreign-currency deposit mobilisation as higher overseas borrowing costs reduce the attractiveness of dollar-based offerings, while HNIs seek higher dollar returns after factoring in taxes. ✓ Banks are recalibrating deposit strategies following recent guidelines, while investors are demanding higher spreads amid increased foreign-currency supply from India
10-Jul-2026	India's private credit industry can become $100 billion by 2050: NPS Trust chief	✓ India's private credit market could reach USD 100 billion by 2050, supported by a maturing ecosystem and expanding domestic capital pools. Growing interest from family offices and UHNIs in alternative assets, along with calibrated regulatory reforms, is expected to support market development.
13-Jul-2026	HDFC Bank redeploys backend employees to customer-facing roles	✓ HDFC Bank is redeploying backend staff to customer-facing roles as technology efficiencies improve productivity, while increasing investments in AI, dispute resolution and cybersecurity. ✓ Its in-house AI model, **NEEV,** is supporting these initiatives and strengthening digital banking capabilities.
14-Jul-2026	CPI climbs to 4.4% in June, but experts predict August policy status quo	✓ June retail inflation rose to 4.4% in June from 3.9% in May, driven by higher food prices and a sharp rally in gold and silver, marking the highest reading under the revised 2024-base CPI series. ✓ The RBI is likely to hold rates in August, though persistent inflation risks could keep the possibility of a rate hike later in FY27 open.
14-Jul-2026	Internal ombudsmen must provide fair resolution of customer complaints, reduce external escalation: RBI Deputy Governor	✓ Internal ombudsmen (IOs) should provide a meaningful, fair and effective resolution of customer complaints and reduce external escalation, said Deputy Governor, Reserve Bank of India. He also requested urged internal ombudsmen to identify recurring complaints, conduct root cause analysis and help strengthen grievance redress across regulated entities

Date	News Headlines	Summary/Implications
15-Jul-2026	Net direct tax mop-up jumps 16% to Rs 6.5 lakh crore	✓ India's net direct tax collections increased by 16.4 percent to ₹6.51 lakh crore. Corporate tax collections saw a significant 22 percent rise during this period. On-corporate tax collections grew by 11.7 percent, showing broad-based growth. ✓ Refunds issued also increased by 14.6 percent compared to last year. These figures indicate robust revenue growth for the current fiscal year
16-Jul-2026	Banks alone can't fund Viksit Bharat; bond market must step up: Crisil	✓ Crisil estimates India Inc will need ₹130–140 trillion in debt funding during FY27–31, making deeper debt capital markets crucial for growth. ✓ Non-sovereign debt could rise from 84% of GDP to nearly 150% by 2047, requiring greater reliance on corporate bonds, securitisation and municipal bond.
20-Jul-2026	RBI asks banks to clear old trade and payment mismatches	✓ RBI has directed banks to clear long-pending mismatches in EDPMS and IDPMS records by verifying genuine export-import transactions and supporting documents. ✓ The move will improve compliance, prevent legitimate businesses from being flagged, and enhance the accuracy of India's trade and payment data.
21-Jul-2026	Nearly 55.49 crore UPI users onboarded by June 2026	✓ By June 2026, UPI had onboarded 55.49 crore users, with 24,162 crore transactions worth ₹314 lakh crore, highlighting its massive scale. ✓ NPCI is expanding UPI and RuPay globally, while stronger security, international linkages and consumer-protection measures support wider adoption.
23-Jul-2026	Banks to tap 25 OEMs in battle against AI-led cybersecurity threats	✓ Indian banks are identifying 25 OEMs to build AI-driven partnerships for stronger cyber-risk mitigation and safeguards. ✓ The framework will focus on defensive AI agents, reducing network attack surfaces and addressing vulnerabilities arising from third-party vendors and embedded software.
24-Jul-2026	Parliament watch:18,154 MSMEs closed till June; MSME jobs see over 16% uptick & more	✓ MSME stress intensified in FY26, with closures rising to 62,747 from 39,446 in FY25, affecting over 3.7 lakh jobs; however, total MSME employment grew 16.5% YoY to 80.5 million. ✓ Highway project delays also led to ₹2,732 crore in penalties over three years, of which only ₹780 crore has been recovered so far.
27-Jul-2026	Gold loan-backed PSLC sales boost PSBs' non-interest income in Q1FY27	✓ PSBs boosted non-interest income in Q1FY27 by selling PSLCs backed by their rapidly growing gold-loan portfolios. PSLCs allow banks exceeding priority-sector targets to sell surplus lending certificates to banks facing shortfalls, generating additional fee income.
29-Jul-2026	Minimum balance charges swell pvt banks' coffers by nearly Rs 5,000 cr in FY26	✓ Private banks collected over ₹4,900 crore in minimum-balance charges, while PSBs collected around ₹2,100 crore during the financial year. HDFC Bank and Axis Bank led private-sector collections; however, basic savings and Jan Dhan accounts are exempt from such penalties.
28-Jul-2026	Govt approves RBI's trials of ₹10, ₹20 polymer notes; no plan to replace paper currency	✓ Government approves RBI's proposal for polymer ₹10 and ₹20 banknotes, with field trials planned for 1 billion pieces of each denomination. ✓ The polymer notes are expected to be more durable and longer-lasting, but the rollout remains at the preliminary trial stage.
30-Jul-2026	NPCI plans to mask phone numbers on UPI apps to boost user privacy	✓ The National Payments Corporation of India (NPCI) is working with banks and UPI apps to strengthen user privacy by reducing the amount of personal information visible during digital payments. ✓ The move comes as the Digital Personal Data Protection (DPDP) Act reshapes how organisations handle personal data, with mobile numbers and full names increasingly viewed as sensitive information.

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

-- Chintala Divya Lakshmi (Manager)

Date	News Headlines	Summary/Implications
01-Jul-2026	SBI boosts AI-powered banking with new digital journeys for retail, corporate customers	✓ The announcements span SBI's YONO platform, introducing new customer journeys, AI-driven capabilities and industry-first features that simplify banking, empower businesses and promote financial and sustainability wellness, the bank said in a statement.
01-Jul-2026	HDFC Bank changes Smart Buy rewards rules, caps benefits: Rules explained	✓ HDFC Bank has capped accelerated rewards on Smart Buy brand vouchers (GyFTR/Woohoo) to 3,000 points per month, effective July 1st 2026. ✓ This new restriction applies to premium credit cards and is integrated within existing overall monthly Smart Buy reward limits.
01-Jul-2026	BoB, Mizuho Bank forge partnership to enhance collaboration in M&A financing	✓ Bank of Baroda has joined forces with Japan's Mizuho Bank to boost their capabilities in mergers and acquisitions financing. ✓ This collaboration leverages Mizuho's global reach and structured finance expertise with BoB's strong Indian market presence and corporate ties. ✓ The partnership aims to enhance joint origination, structuring, and syndication of acquisition financing, alongside M&A advisory and risk distribution, promising a significant boost for cross-border deals.
02-Jul-2026	Punjab & Sind Bank unveils new vision, digital initiatives and customer- centric banking solutions on its 119th Foundation Day	✓ Punjab & Sind Bank marked its 119th Foundation Day by launching a bold new vision alongside a range of digital innovations aimed at enhancing customer experience. ✓ The celebration featured the introduction of the Navjyoti mobile app, CBDC services, and a Digital Gold Loan facility, including an exclusive account for government employees.
02-Jul-2026	PNB disburses 73,000 digital, 8 lakh offline PMSVANidhi loans, targets 5 lakh digital loans in next five years	✓ Punjab National Bank (PNB) has disbursed 73,000 loans through digital mode and 8 lakh loans through offline mode under the PM e-SVANidhi scheme and has set a target of disbursing 5 lakh digital loans over the next five years, as per the data shared by Punjab National Bank.
03-Jul-2026	HDFC Bank develops own AI platform, fraud monitoring system	✓ HDFC Bank is transforming into a tech powerhouse, developing its own AI platform, Neev, and a real-time fraud detection system. ✓ These in-house solutions, built by a dedicated engineering team, aim to combat rising banking frauds and enhance customer security. ✓ By investing in proprietary technology and engineering talent, the bank is positioning itself for future competition in the evolving financial landscape.
06-Jul-2026	ICICI Bank, TPG, GIC and acquire Aseem Infrastructure Finance for ₹5,000 crore	✓ US Buyout group TPG along with its co-investor partners GIC of Singapore and ICICI Bank is acquiring Aseem Infrastructure Finance, a non-bank lender backed by India's quasi sovereign wealth fund (SWF) National Investment and Infrastructure Fund (NIIF) to use it as a launchpad for its $1 billion green financing initiative.
07-Jul-2026	Axis Mutual Fund launches an index fund tracking the Nifty50 equal weight index	✓ Axis Mutual Fund announced the launch of Axis Nifty50 Equal Weights Index Fund, an open-ended index scheme that seeks to track the Nifty50 Equal Weight Index and offer investors exposure to a diversified portfolio of India's leading blue-chip companies that are a part of Nifty 50 Index, through a distinct equal-weighted allocation strategy.

Date	News Headlines	Summary/Implications
08-Jul-2026	Punjab & Sind Bank gets approval to set up IFSC banking unit at GIFT City	✓ This marks a step in the bank's journey towards expanding its international banking presence and offering world-class offshore banking services, Punjab & Sind Bank said in a statement.
08-Jul-2026	SBI Research calls for overhaul of Priority Sector Lending guidelines to align with Viksit Bharat goals	✓ Priority Sector Lending (PSL) guidelines need a comprehensive review to align with India's evolving financing needs and the Viksit Bharat 2047 vision, with greater focus on infrastructure, climate finance, renewable energy and higher lending limits across key sectors, according to an SBI Research report.
17-Jul-2026	PNB partners Digital India BHASHINI to offer multilingual AI banking	✓ Public sector lender Punjab National Bank (PNB) has signed a Memorandum of Understanding (MoU) with Digital India BHASHINI Division (DIBD) for facilitating multilingual AI banking. ✓ enabling customers to access banking services through voice and text in multiple Indian languages.
23-Jul-2026	Axis AMC acquires PMS business of Axis Securities	✓ Axis AMC has rebranded the acquired Axis Securities PMS business as "Alternates by Axis AMC" to cater to HNI and UHNI clients. ✓ This acquisition brings over 2,500 investors and raises the combined PMS assets under management to approximately ₹15,000 crore.
23-Jul-2026	PNB and Andhra Pradesh sign MoU to establish India's first Bank-led Quantum Finance Hub at Amaravati	✓ This hub aims to foster innovation and adopt next-generation technologies in banking. ✓ It will serve as a collaborative platform for industry, academia, and start-ups. ✓ The initiative seeks to strengthen cybersecurity and improve customer experience. This partnership prepares the bank for the future of digital banking.
27-Jul-2026	SBI, Central Bank back CtrlS' AI project	✓ CTRLS DATACENTERS has secured ₹5,500 crore in debt financing from State Bank of India (SBI) and Central Bank of India for its upcoming datacentre campus in Hyderabad, giving a boost to one of India's major digital infrastructure projects.
28-Jul-2026	BoB data breach: A look at India's biggest corporate cyberattacks	✓ Bank of Baroda has filed a preliminary claim under its cyber insurance policy after a suspected data breach exposed nearly 1 TB of customer data on the darknet. The claim, lodged with lead insurer National Insurance Company, is currently an intimation of loss while forensic investigations continue
30-Jul-2026	SBI Card, Google Pay launch, co-branded credit card for everyday digital spending	✓ Google Pay and SBI Card have launched a new co-branded credit card aimed at making everyday spending more lucrative for users. ✓ Called the Google Pay Flex SBI Card, the card promises rewards worth up to Rs 18,000 annually, offers flexible bill repayment options and allows customers to manage the entire credit card journey within the Google Pay app.
31-Jul-2026	HDFC Bank spends Rs 1,316 crore on CSR in FY26, expands rural footprint	✓ HDFC Bank invested over Rs 1,316 crore in CSR initiatives during 2025-26. Their Parivartan program has positively impacted more than 10.77 crore lives. The bank's rural development program now reaches over 11,000 villages nationwide. Border village coverage significantly increased to 498 from 298 previously. These efforts aim for inclusive and locally relevant future development.

Domestic Economy News

- By Shalini Paul

Date	News Headlines	Implications
02-Jul-26	New rural job scheme VB-G RAM-G pays 10% more than MGNREGA.	✓ Under MGNREGA: around ₹298.8 per day (2025-26); Under VB-G RAM G: revised to about ₹327.4 per day, an increase of roughly ₹28.6 per day. ✓ Many states now see notified daily rates in the ₹310–₹330+ range under VB-G RAM G, compared to slightly lower rates under MGNREGA
03-Jul-26	IBBI seeks tighter regulations around personal guarantors, valuation of insolvent firm	Tighter regulation around two connected areas: (i) the insolvency and bankruptcy process for personal guarantors to corporate debt, and (ii) The valuation framework for insolvent firms under the IBC
07-Jul-26	India and Russia set $50 billion investment target by 2030	✓ Expected increased demand for cross-border project finance, syndicated loans, and structured instruments around energy, mining, logistics and manufacturing Joint Ventures.
08-Jul-26	India emerging as key global manufacturing hub amid supply chain shift: ASSOCHAM (The Associated Chambers of Commerce And Industry Of India)	✓ India moved to 37th in UNIDO's Competitive Industrial Performance Index (2023), with technology adoption (including AI) in manufacturing reported at around 65% ✓ With recent industry data showing India outperforming the global manufacturing growth benchmark and entering the top five by output size
09-Jul-26	CBDT exempts NCCL settlement fund from tax	✓ This tax benefit will continue for assessment years 2019-20 through 2026-27. The exemption ensures continued tax relief under the new Income-Tax Act provisions ✓ This relief remains available as long as the fund files its income-tax returns. The notification removes uncertainty over the tax treatment of this important market safeguard.
10-Jul-26	India-New Zealand FTA to make 57% of NZ exports tariff-free from day 1	✓ Fifty-seven percent of New Zealand's exports will enter India tariff-free immediately. Indian Prime Minister will visit New Zealand from July 10-11 ✓ The Discussions will cover trade, commerce, and defense cooperation between the two nations
13-Jul-26	Private capital should play a much larger role in India's infrastructure development: NabFID (National Bank for Financing Infrastructure and Development)	✓ NaBFID sees itself as a market maker—creating standardised documents, data repositories, and benchmark transactions that make it easier for private investors to underwrite infrastructure risk at scale. ✓ NaBFID and other DFIs acting as anchor lenders and credit enhancers, with private capital participating in syndicated loans, pooled instruments, and structured products.
14-Jul-26	Small biz credit outstanding grows 13% in FY26, asset quality improves	✓ State-run banks showed accelerated enterprise term loan portfolio growth. ✓ ▫Manufacturing sector received thirty-one percent of these small business loans
15-Jul-26	US Russia sanctions bill cuts India, China tariff threat from 500% to 100%	✓ US Senate unveiled a revised Russia sanctions bill with softened oil tariff penalties. Major buyers like India and China will face up to 100% tariffs instead of 500%. ✓ The bipartisan legislation targets Russian officials and financial institutions while discouraging oil purchases. It includes exemptions for countries reducing their natural gas imports from Russia.
16-Jul-26	India, EU strengthen strategic partnership at 3rd TTC; announce cooperation in AI, semiconductors, clean technologies	✓ India and the European Union on Wednesday reaffirmed their commitment to strengthen strategic cooperation in trade, technology and security at the third meeting of the India-EU Trade and Technology Council (TTC) ✓ ▫Both sides agreeing to deepen collaboration in artificial intelligence, semiconductors, quantum technologies, clean energy and resilient supply chains.

Domestic Economy News

- By Shalini Paul

Date	News Headlines	Implications
17-Jul-26	India identifies $51 billion in critical imports for domestic manufacturing push	✓ The government aims to reduce reliance on overseas suppliers and China. This push addresses heightened supply-chain risks and trade deficit concerns.
20-JuL-26	India, Spain to fast-track UPI-Bizum interoperability talks	✓ India and Spain have agreed to fast-track discussions on enabling interoperability between India's Unified Payments Interface (UPI) and Spain's Bizum digital payments platform, the Commerce Ministry said on 19th July. ✓ The two countries have also discussed ways to strengthen investment facilitation, improving mobility of professionals and promoting joint investments in Latin America, leveraging Spain's strategic position as India's gateway to Europe and Latin America.
22-Jul-26	PLI schemes attract ₹2.4 lakh crore investments, create over 14 lakh jobs till March 2026	✓ These schemes have also enabled exports exceeding ₹15.2 lakh crore since their launch. ✓ High-efficiency solar PV modules attracted the highest investment among all sectors. ✓ The Start-up India Seed Fund Scheme has disbursed ₹650 crore to selected incubators.
23-Jul-26	Cabinet clears ₹62,500 cr MPMS scheme: 'Focus now on components, design, research'	✓ The government says the five-year scheme aims to generate around ₹39 lakh crore in mobile phone production, ₹15 lakh crore in exports, and 60,000 additional direct jobs, building on the Make in India and PLI programmes.
24-Jul-26	WTO nations query India's PLI, QCO, import substitution, New Delhi says public policy objectives key	✓ Concerns included quality orders and abrupt tariff changes. India defended its policies as vital for public objectives. ✓ Schemes like PLI and agricultural support also faced scrutiny. ✓ Members sought greater transparency and predictability in trade practices
27-Jul-26	Tax filers scramble to fix foreign asset disclosures: I-T portal data & SMS alerts prompt review of overseas holdings before July 31	✓ The data is sourced through international Automatic Exchange of Information (AEOI) arrangements, including CRs/FATCA-based reporting by participating jurisdictions. ✓ SMS alerts have been issued advising taxpayers to verify the information before filing their income Tax returns (ITRs).
28-Jul-26	India begins to China-proof its infra push after the TBM (Tunnel Boring Machine) shock	✓ India is accelerating efforts to localise mining and construction equipment manufacturing after Chinese export delays disrupted supplies of tunnel boring machines (TBMs) for key infrastructure project ✓ A proposed incentive scheme aims to reduce import dependence, strengthen supply chains, boost domestic manufacturing, expand exports and support India's ambitious infrastructure, mining and critical minerals development over the coming decades
29-Jul-26	India-China border trade via Lipulekh to start from Aug 1, China allows 20 traders to cross border	✓ Twenty Indian traders will visit Purang to check preparedness and existing stock. ✓ This trade, halted in 2019 due to the pandemic, is vital for the region. Local traders and tribal communities anticipate significant economic relief from this resumption. ✓ Necessary arrangements are now in place for this historic trade to recommence
31-Jul-26	India, Bhutan review development partnership; sign Rs 4,000-crore LoC agreement	✓ The funding will help finance infrastructure, connectivity, energy, and other priority sectors in Bhutan. ✓ Forty-five electric vehicles were handed over to support green mobility initiatives. ✓ Both nations reaffirmed their strong development partnership and cooperation

Global Economy News

- By Virendra Kumar Soni

Date	News Headlines	Implications
01-Jul-2026	U.S. ISM Manufacturing PMI remained below 50, indicating continued manufacturing contraction.	✓ Manufacturing weakness signalled slower industrial activity and cautious business investment ✓ Persistent contraction in factory activity signalled slower business investment and weaker global manufacturing demand, affecting export-oriented economies.
02-Jul-2026	Euro Area unemployment remained at 6.2%, while EU unemployment stayed at 5.9%.	✓ Stable labour markets supported household consumption and economic resilience despite weak industrial activity across the Eurozone. ✓ Strong employment conditions reduced immediate pressure on the ECB to accelerate monetary policy easing.
08-Jul-2026	IMF raises 2026 global growth forecast to 3.3% (from 3.0%)	✓ Improved global growth expectations boosted investor confidence and strengthened the outlook for trade, investment and corporate earnings ✓ Policymakers remained cautious as geopolitical tensions and energy price risks continued threatening global economic stability.
14-Jul-2026	U.S. June CPI inflation data released, providing key guidance for Federal Reserve policy. (3.5% From 4.2 in May26)	✓ Inflation data influenced expectations for future Federal Reserve decisions, affecting global bond yields, currencies and capital market sentiment. ✓ Persistent inflation pressures reinforced the likelihood of a gradual and data-dependent approach to future U.S. monetary policy easing.
23-Jul-2026	European Central Bank keeps key interest rates unchanged	✓ The ECB maintained a restrictive policy stance, signalling continued focus on returning inflation sustainably to the 2% target. ✓ Higher Eurozone interest rates supported the euro and kept borrowing costs elevated across European financial markets.
29-Jul-2026	U.S. Federal Reserve leaves policy rates unchanged	✓ The Fed reinforced a data-dependent approach, reducing expectations of immediate interest-rate cuts during 2026. ✓ The Fed's cautious stance reinforced higher-for-longer interest rate expectations, influencing global bond and currency market movements.
30-Jul-2026	Bank of England keeps Bank Rate unchanged	✓ Persistent inflation prompted the Bank of England to maintain restrictive policy despite slowing domestic economic activity. ✓ Higher borrowing costs continued weighing on consumer spending, housing demand and business investment across the United Kingdom.
31 Jul 2026	Bloomberg defers inclusion of Indian Government Bonds in Global Aggregate Index	✓ Delayed inclusion postponed expected passive foreign portfolio inflows into India's sovereign bond market. ✓ The decision deferred broader global benchmark participation despite India's improving bond market accessibility.
31-Jul-2026	Bank of Japan maintains accommodative monetary policy	✓ The Bank of Japan maintained policy support while monitoring inflation and wage trends before considering further policy normalization. ✓ Stable Japanese policy helped limit volatility in global financial markets and supported international carry-trade activity.

Must Track in Next Month…

Date	Report/Event	Country
04-08-26	US Balance of Trade	US
05-08-26	RBI Interest Rate decision August 2026	India
05-08-26	India HSBC Composite PMI final	India
07-08-26	China Balance of Trade data	China
09-08-26	China Inflation Rate YoY	China
12-08-26	India Inflation Rate YoY	India
12-08-26	US Inflation rate YoY	US
14-08-26	India WPI Inflation YoY	India
17-08-26	China Industrial Production YoY	China
17-08-26	India Balance of Trade data	India
18-08-26	US industrial Production YoY	US
21-08-26	Indian Banks Deposit & Credit Growth YoY	India
28-08-26	India Industrial Production YoY	India
31-08-26	Indian GDP growth rate YoY	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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