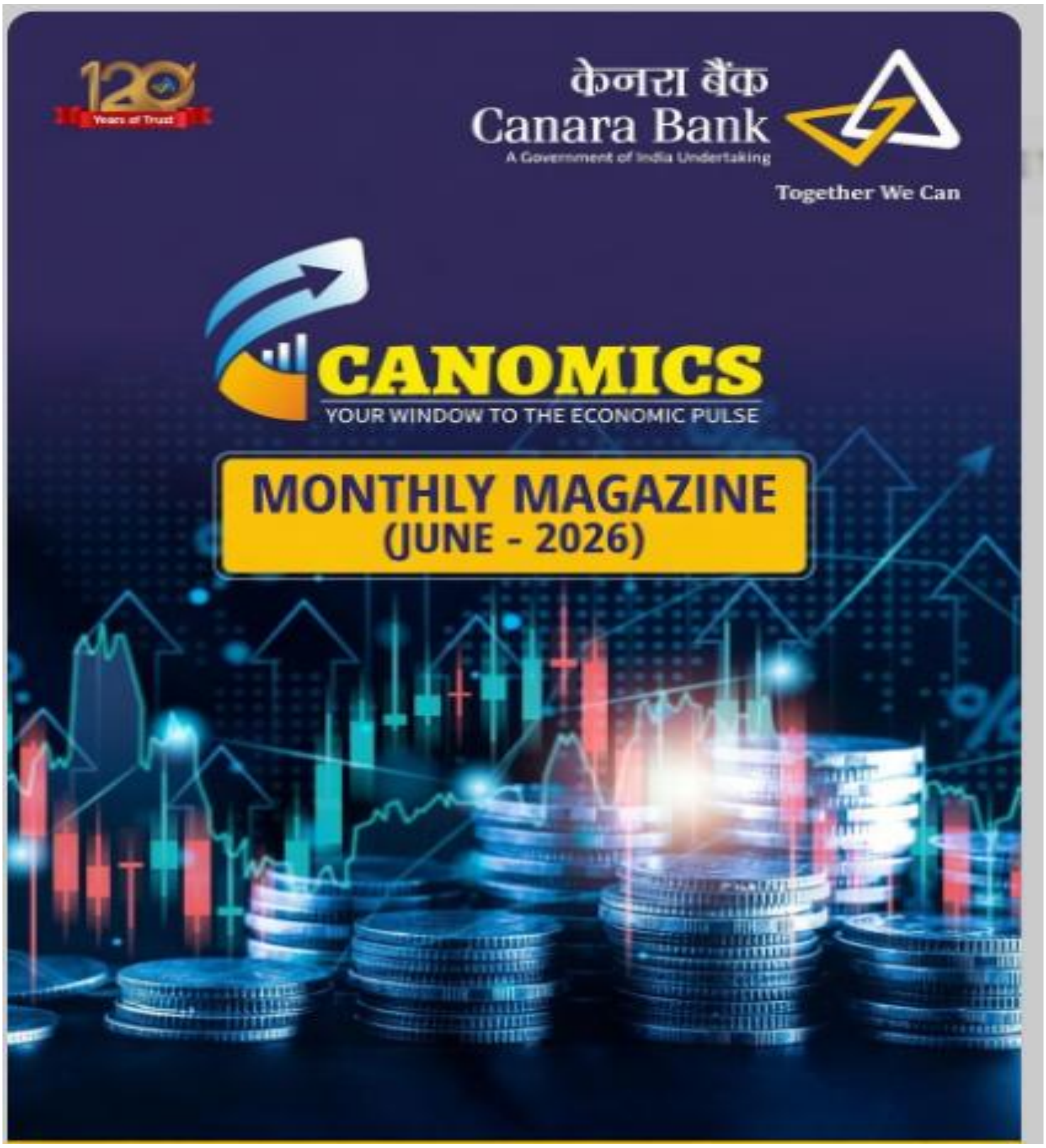

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Economic Research Vertical

Head Office: Bengaluru: Karnataka -560094

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***''The first lesson of economics is scarcity: There is never enough of anything to satisfy all those who want it. The first lesson of politics is to disregard the first lesson of economics''*.**

By Thomas Sowell
(Economist and Social theorist)

Contents

Message from MD & CEO...

Early first quarter financials of banks in India show good business growth, notwithstanding a volatile geo political environment. Credit growth is in high double digits with a robust growth of 17%-18%. Public sector banks posted higher credit growth than their private counterparts. But deposit mobilization continues to be challenging due to a slew of competing financial products that offer better returns both in real and nominal terms. The current geo political environment alternating between war and peace brings its own uncertainty and is a wake-up call to put in place prudent risk mitigants when early warning signs emerge.

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 to global developments.

Amidst such headwinds, Indian banks exhibit remarkable resilience. Banks are well capitalized. Credit costs are at record lows and liquidity buffers are sufficient with Liquidity Coverage Ratios of most banks well above 100%. Efforts are underway to take full advantage of the latest measures by RBI to incentivize banks to raise funds by way of foreign currency deposits and overseas borrowings. Apart from enhancing liquidity buffers these steps are margin positive for banks. Early success is visible. Foreign portfolio flows into securities under the fully accessible route category in June jumped four-fold over the previous month. The month of June also witnessed FII flows into debt exceeding equity, one of those rare instances.

Asset quality is stable with gross NPA ratio of the banking system 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, going forward, the cost of deploying frontier technology is set to become the biggest overhead, even surpassing employee costs. Banks will need to be nimble on the cost front. Banks with global exposures too need to exercise 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 these estimates. 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

Hopes of a full fledged truce between the warring factions in the West Asian conflict faded due to repeated ceasefire violations. After a brief period of calm market volatility is once again on the spotlight. Both debt and inflation levels show signs of further resurgence, especially in advanced economies. It resonates in India as well. Retail inflation for June surged 50 bps over the previous month and RBI estimates it to be 5.1% for FY27, a full 50 bps higher than its April forecast, with supply chain instability and El Nino posing risks to this outlook. India Meteorological Department (IMD) in its second estimate pegs monsoon at 90% of the Long Period Average. Actual rainfall outcomes tend to undershoot initial forecasts. However, India will continue to be the fastest growing economy, driven by public capex and consumption.

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. However oil imports bills might surge further due to likely increase in global crude prices. Yet another risk is on the export front due to a global demand slowdown. Latest data shows trade deficit at a five-month high. Restrictions on gold and silver imports will help. The move towards ethanol blended fuel vehicles and electrification are intended to limit fuel usage.

However, it would be naïve to believe that India will see a sustained current account surplus, though Q4 of the previous fiscal posted one. On the capital account, foreign Institutional Investors are cautious on India for now, though the reasons attributable are external. The central bank and the government have acted in coordination to restore investor confidence by undertaking measures like adding more securities to the Fully Accessible Route (FAR) category and removal of withholding tax on interest income from G-Secs. Rising US treasury yields due to war clouds and uncertainty over Federal Reserve interest rate trajectory pose upside which could enhance the pace of debt market outflows. 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.

The FCNR (B) scheme, incentivization of ECBs with subsidized hedging costs and urging banks to go for overseas foreign currency borrowings are expected to result in incremental capital flows though hardening yields globally has led to some concerns on the momentum of these flows. Yet another likely outcome, which could come sooner than later, is the addition of Indian debt in the Bloomberg Bond Index, a source of $25 billion of incremental inflows. All these steps are expected to attract cumulative inflows of $50 billion or so, facilitating exchange rate and interest rate stability.

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 6.6%. However, we will need to redouble efforts to translate Viksit Bharat mission into a reality. Transition to an upper middle income country status is the immediate priority.

Dr. MadhavanKutty G.
Chief Economist

U.S. Federal Reserve maintained interest rates while signaling a cautious policy approach.

The U.S. Federal Reserve kept its policy interest rates unchanged during June, citing continued uncertainty regarding inflation and labor market conditions. Although inflation had moderated, policymakers indicated that additional evidence would be required before initiating further rate cuts. The decision contributed to a decline in U.S. Treasury yields and moderated the strength of the U.S. dollar, supporting capital flows into emerging markets. Expectations of lower U.S. interest rates later in the year also improved global financial conditions. For India and other emerging economies, the Fed's cautious stance reduced external financing risks and supported domestic financial markets.

Reserve Bank of India adopted an accommodative policy to support growth.

The Reserve Bank of India delivered a larger-than-expected 50 basis point reduction in the repo rate and announced a phased 100 basis point cut in the Cash Reserve Ratio (CRR), significantly improving banking system liquidity. At the same time, it shifted its monetary policy stance to "Neutral," indicating that while substantial easing had been front-loaded, future policy decisions would remain data-dependent. The measures are expected to lower borrowing costs for households and businesses, support credit growth, and encourage investment and consumption. Bond markets responded positively, with government security yields softening and corporate borrowing costs easing. For banks, the policy is likely to boost loan demand and treasury gains, although lower lending rates may put some pressure on net interest margins in the coming quarters.

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--By Shalini Paul

Regulatory Moves/Announcements by RBI (1/2)

Announcements	Brief Summary	Impacts
03-Jun-2026	Launch of Payment System's connectivity between India and Cambodia for QR-code based Cross border Merchant Payments	Indian travellers can use their UPI-enabled mobile banking Apps to Scan Cambodia's National KHQR codes and make real-time payments at over 4.5 million merchants across Cambodia, reducing cash dependence and card usage.
05-Jun-2026	Recognition of Self-regulatory Organization for the Account Aggregator Ecosystem	This gives the AA industry a formal, RBI-approved self-regulatory body to set and enforce standards, improve governance and co-ordination among AAs, FIPs and FIUs, and strengthen trust in consent-based financial data sharing.
05-Jun-2026	Amendments on the regulatory framework on Investments by foreign portfolio investors in government securities	Higher and more stable FPI inflows into G-Sec (especially long tenor and green bonds), improved liquidity and a smoother yield curve, and stronger positioning for India's inclusion in global bond indices.
05-Jun-2026	RBI releases the results of Forward-looking Surveys	It showed cautious but improving confidence, elevated but moderating inflation expectations, and strong optimism in manufacturing, services and bank lending. These results suggest resilient domestic demand and credit growth, though the RBI notes they reflect respondents' views.
10-Jun-2026	RBI invites comments on Harmonisation and consolidation of Instructions on Control/Assurance Functions	The proposal aims to strengthen independence, clarify roles of CRO/CCO/HIA, and enhance Broad oversight of these functions. Comments are invited by 9 July 2026, and the framework is expected to come into force from 1 January 2027
10-Jun-2026	Final amendment Directions on lending to real estate investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)	Allowing banks to lend directly to listed REITs and InvITs, but only if at least 80% of their assets are completed and generating positive cash flows. These Norma Caps Bank exposure, require full security and proper amortisation, and aim to provide cheaper credit while containing leverage and asset quality risks.
19-Jun-2026	Revised Kisan Credit Card (KCC) Scheme	A single, IRAC-aligned definition of crop season improves Asset classification, NPA timing and provisioning for agricultural loans, reducing regulatory ambiguity and operational risks.

- --By Shalini Paul

Announcements	Brief Summary	Impacts
23-Jun-2026	Final directions on Trade Receivables Discounting System (TReDS)	TReDS directions materially improve liquidity access for MSMEs by removing seller due diligence and enabling re-discounting and credit guarantees, while raising platform standards through a Rs 25 crore net-worth requirement and a clearer, harmonised regulatory framework for operators, financiers and corporates.
24-Jun-2026	Issues Amendment Directions on '**Review of methodology** for identification **of NBFC-UL** and inclusion of **Government owned NBFCs** in NBFC-UL and 'Credit/Investment Concentration Norms- Government Owned NBFC's	Two-fold impacts. They change who falls into the Upper layer (NBFC-UL) criterion. (Any NBFC with standalone asset size > **Rs 100000 crore** is classified as NBFC-UL)
25-Jun-2026	Issues a consolidated Master direction-RBI (Credit Derivatives) Direction,2026 which frames the rules for Credit Default Swaps (CDS), total return Swaps (TRS) on corporate bonds, and exchange-traded credit index derivatives.	This is a structural upgrade that deepens India's corporate bond market and strengthens credit risk management by enabling broader, safer use of CDs, TRS and credit index derivatives across banks, NBFCs and institutional investors.
26-Jun-2026	Allots Rs 168 Billion Bids in 4-Day VRR Auction, Falling Short of Target.	The System liquidity was already comfortable, so banks had little need to borrow from the RBI's 4 day VRR and could meet funding need in the market instead.
30-Jun-2026	Launched survey on International Trade in Banking Services (ITBS):2025-26	To collect data from Indian Banks with overseas operations and foreign Banks operating in India on their Cross-border banking services (Fees, Commissions, Etc.) with the survey schedule to be submitted by July 31,26 to the International Banking Division, DSIM

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Government Announcements/Moves

Announcements	Brief Summary	Impacts
13-Jun-2026	India's start -up Ecosystem Generates nearly 25 Lakh jobs: Number of Start-ups surges from around 350 to 2.3 lakh	Becoming a major source of employment and self-employment, especially for young graduates and skilled professionals and is shifting career preferences towards entrepreneurship.Rapid growth in fintech, edtech, healthtech, logistics, deeptech, cleantech and spacetech has accelerated digital adoption, process innovation and new business models.
18-Jun-2026	Centre approves Large-Scale Procurement of Pulses and Oilseeds Under PSS in Four states	By assuring MSP-based purchases through NAFED/NCCF, the scheme shields farmers from distress sales when market prices fall, especially in bumper-crop or price-crash situations. Govt buying absorbs a significant share of the marketable surplus, reducing downward pressure on prices in the open market.
29-Jun-2026	Invites proposals under the Scheme for strengthening of Medical Device Industry (SMDI)	To boost domestic manufacturing, reduce dependence and deepen value chains in medical devices sector. Provides a one-time capital subsidy of up to Rs10 crore (on reimbursement basis) for manufacturing key components, raw materials and finished accessories that currently rely on imports. Offers financial support up to Rs 5 crore (On reimbursement basis) for eligible applicants to conduct clinical investigations, clinical performance evaluations, post-market follow-up studies and animal studies
30-Jun-2026	Ministry of tourism signs MOU with google India to strengthen digital promotion of Indian Tourism	Access to Google's global travel trend dashboards and behavioural insights will help the Ministry shift from broad-brush campaigns to targeted, evidence-based marketing by source market, season and traveller segment. The ministry signals a modern, tech-enabled approach to tourism promotion, which can improve India's competitiveness versus other destinations and attract more private investment in tourism infrastructure and services.

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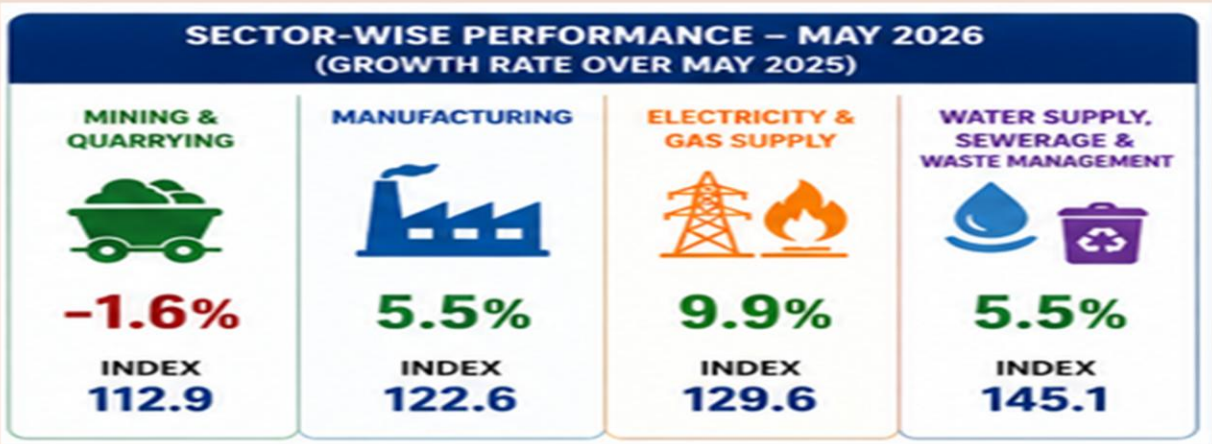
-By Samir Kumar

Industrial Output Accelerates to 5.1% in May, Signalling Robust Momentum

India's industrial sector posted a solid 5.1 per cent year-on-year growth in May 2026, according to the latest Index of Industrial Production (IIP) data released by the Ministry of Statistics and Programme Implementation using the refined Output PPI deflator. Manufacturing, the backbone of the index, expanded 5.5 per cent, powered by strong performances in electrical equipment (20.8%), motor vehicles (14.5%), and basic metals. Electricity and gas supply recorded an impressive 9.9 per cent jump, while water supply and waste management also grew 5.5 per cent.Capital goods — a key lead indicator of investment — surged 12.9 per cent, pointing to rising capex activity even as mining contracted 1.6 per cent. With broad-based gains across use-based categories, the data underscores resilient industrial recovery and augurs well for the ongoing economic expansion.

Sector-Wise Performance

The sector-wise performance of IIP in May 2026 shows a broadly positive industrial picture, led by manufacturing and electricity, while mining remained weak.



WPI surges to a multi-month high while CPI remains below the RBI's 4% target

India is experiencing a significant divergence between wholesale and retail inflation, indicating that producer cost inflation has not yet fully passed through to consumers. This poses an upside risk to CPI and monetary policy in the coming quarters.

- **CPI:** Rose gradually from **2.75% (Jan)** to **3.93% (May)**, remaining broadly within the RBI's comfort zone.
- WPI**:** Accelerated sharply from **1.81% (Jan)** to **9.68% (May)**, reflecting strong producer-level cost pressures.

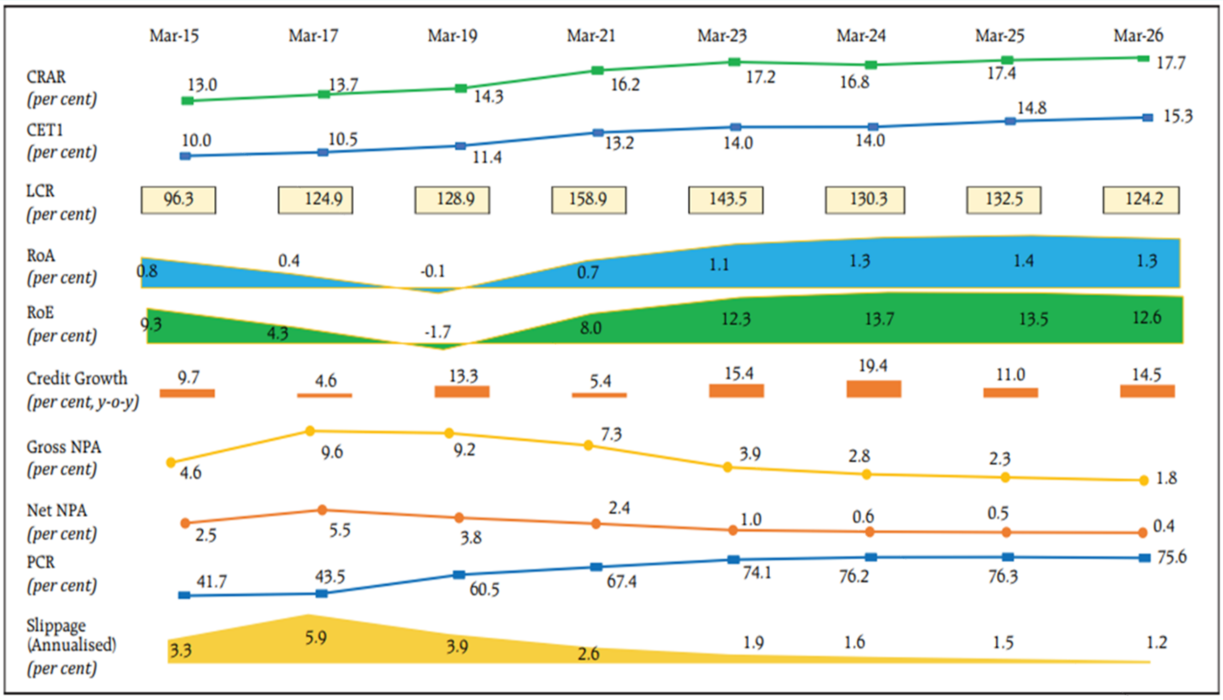
Why Has WPI Risen Much Faster Than CPI?

The divergence between wholesale and retail inflation has been unusually wide.

WPI Drivers	Why CPI Has Been Relatively Lower
Global crude oil prices increased sharply	Government measures and gradual pass-through limited immediate retail fuel inflation
Rising metal and industrial commodity prices	Services inflation remained moderate
Imported input cost inflation	Good cereal production helped contain food inflation early in the year
Manufacturing cost escalation	Competitive retail markets absorbed part of higher input costs

Sound Financials are Strengthening the Indian Banking System

As per the RBI's FSR (Financial Stability Report, June 2026), India's financial system remains bank centric, and therefore, the resilience of the banking sector is key to ensuring overall financial stability. The banking sector's health has been constantly improving over the past several years, thereby strengthening financial stability. This is reflected across key metrics, viz., capital and liquidity buffers, profitability, asset quality, and loan-loss provisions.



Note: Data based on domestic operations of SCBs, including SFBs (except for CRAR) as on June 11, 2026.
Source: RBI supervisory returns.

Indian banks have shown remarkable improvement and strong resilience. Capital adequacy strengthened significantly, with CRAR rising to 17.7% and CET1 at 15.3%. Liquidity remains comfortable with LCR at 124.2%.

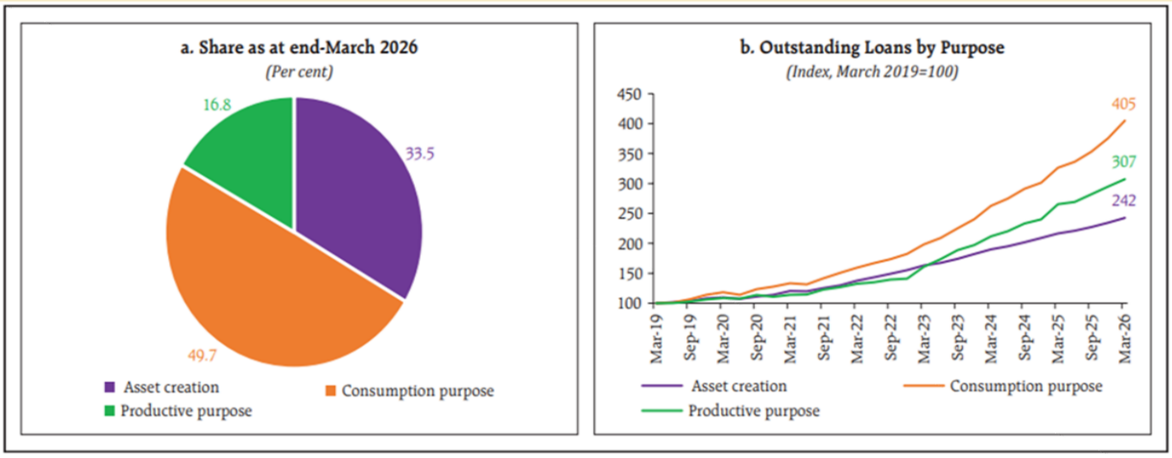
Profitability recovered sharply — RoA at 1.3% and RoE at 12.6% in Mar-26. Asset quality improved dramatically, with Gross NPA falling to a low of 1.8% and Net NPA at just 0.4%, backed by high PCR of 75.6%.

Credit growth stood at a healthy 14.5%, while slippages declined to 1.2%. Overall, the banking sector is well-capitalised, liquid, and profitable, with significantly reduced stress levels, positioning it strongly amid global uncertainties

Consumption Loan is dominating Household Borrowings in India

As per RBI's FSR (June, 2026), Consumption purpose loans account for the dominant share at 49.7%, followed by asset creation loans at 33.5%, and productive purpose loans at 16.8%. This underscores a structural shift towards retail and personal consumption credit within the overall credit ecosystem.

Consumption purpose loans have recorded the strongest expansion, surging to an index level of 405 by March 2026. This significantly outpaces productive purpose loans (307) and asset creation loans (242). The accelerated growth in consumption credit, particularly visible since FY23, reflects buoyant household demand for personal loans, credit cards, and vehicle financing amid improving consumer confidence and discretionary spending.



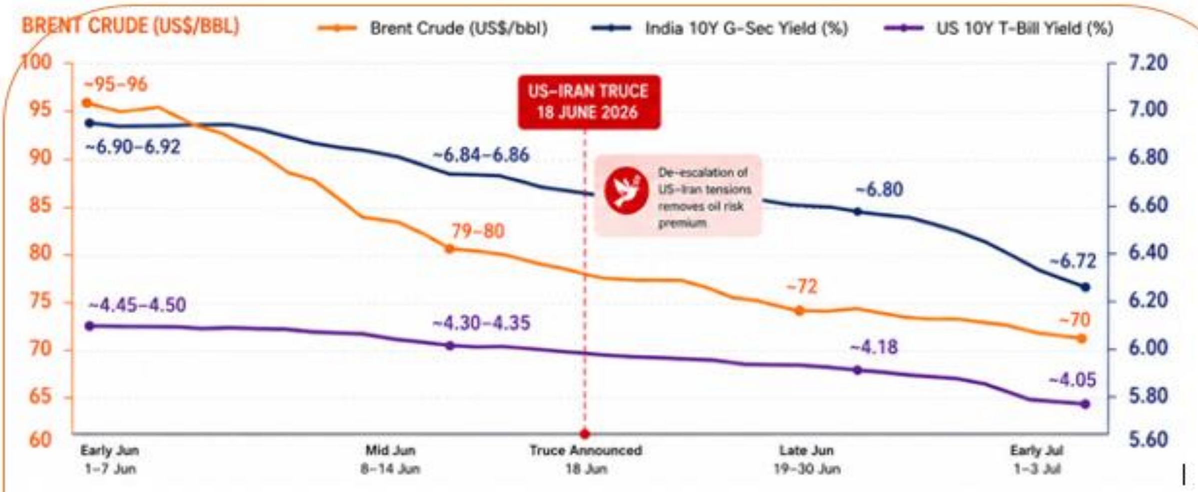
Sources: Transunion CIBIL; and RBI Staff Estimates.

However, the rising dominance of consumption loans presents opportunities for higher-yield retail business but also warrants close monitoring of asset quality, given the relatively shorter tenure and sensitivity to interest rate and macroeconomic cycles. This trend aligns with broader industry patterns observed in RBI and TransUnion CIBIL data and should inform our credit strategy, risk calibration, and product focus in the coming quarters.

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

- By Samir Kumar

Discussion	Why Indian Bond Yields Stayed Sticky, Even after cooling of crude oil price?
Data Source	Tradingconomics.com, Investing.com
Reflections	✓ India's 10-year G-Sec yield declined much less than the US 10-year Treasury yield because the two markets are driven by different dominant factors ✓ India's 10-year G-Sec yield declined much less than the US 10-year Treasury yield because the two markets are driven by different dominant factors. ✓ Indian 10-year yields may not decline as sharply as US Treasury yields unless government borrowing is reduced, inflation continues to undershoot forecasts, the RBI delivers additional policy easing, or foreign demand for Indian government bonds strengthens further.



% Change Since US-IRAN Truce		
BRENT CRUDE ~95 → ~70 US$/bbl ⬇ ~26%	INDIA 10Y G-SEC YIELD ~6.90% → ~6.72% (Decline) ⬇ ~18 bps	US 10Y T-BILL YIELD ~4.45% → ~4.05% (Decline) ⬇ ~40 bps

Key Takeaway:

The post-truce decline in Brent crude has supported bond markets globally. However, India's 10-year G-Sec yield has softened less than the US 10-year Treasury yield because domestic factors—particularly the large government borrowing programme, higher term premium, and the fact that RBI easing was already largely priced in—have offset part of the disinflationary impact of lower oil prices.

** Senior Manager, Economic Research Vertical, Canara bank ** Chief Economist, Canara Bank*

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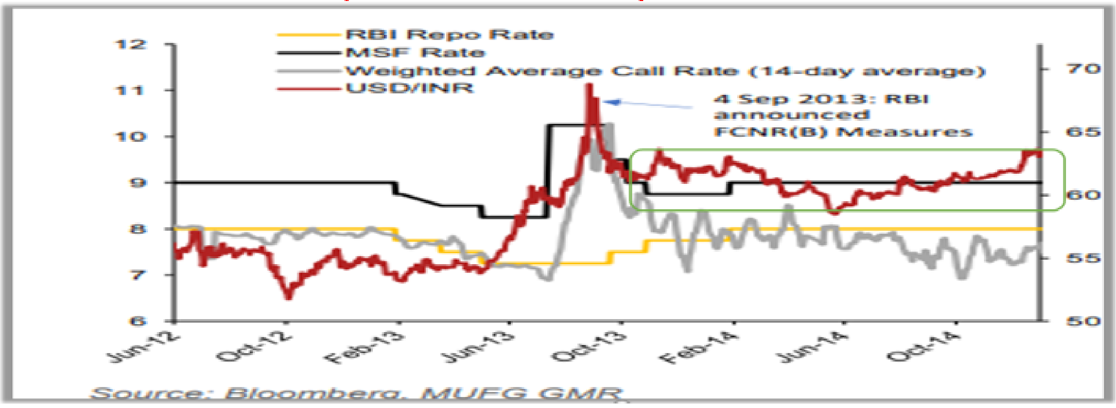
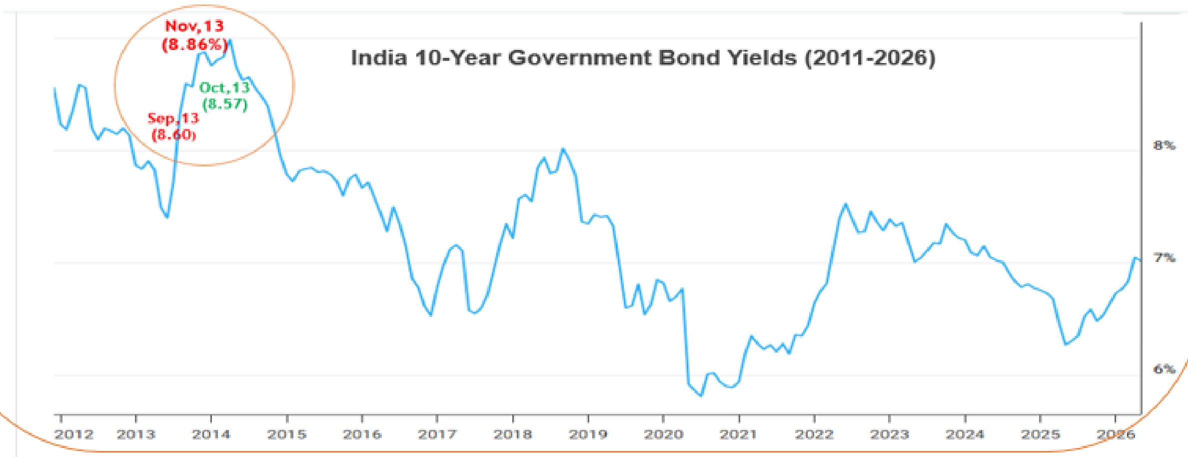
Data Stat: Revealing the Data Taste of the Month (2/2)

Discussion	FCNR(B) Scheme of 2013: Whether It stabilized the Rupee and helped to Moderate G-Sec Yields ?
Data Source	MUFG FMR Report
Reflections	✓ The RBI's FCNR (B) Deposit Swap Scheme, launched in September 2013, mobilized nearly US$34 billion in NRI foreign currency deposits, significantly strengthening India's foreign exchange reserves and stabilizing the Rupee after the taper tantrum. ✓ Although the FCNR (B) scheme was not intended to directly influence the government bond market, it created favourable macroeconomic conditions that supported lower Government Security (G-Sec) yields.

It Helped to Stabilise the Rupee in Past ...



No Visible Impact on 10 Year G-Sec Yield in 2013...



Key Takeaway:

The 2013 FCNR (B) Scheme showed that timely mobilization of NRI foreign currency deposits can quickly stabilize the Rupee, strengthen external resilience, and indirectly reduce government borrowing costs by improving investor confidence and market liquidity.

*** Senior Manager, Economic Research Vertical, Canara bank ** Chief Economist, Canara Bank***

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Business/ Competitive Intelligence of the Month…

-By Samir Kumar

Headline:

Kotak Mahindra Bank acquires Deutsche Bank's India Retail & Wealth Business

Date: 30.05.2026

What is the Move?

Strategic Move Details

- ✓ Acquirer: Kotak Mahindra Bank Seller: Deutsche Bank
- ✓ Deal Value : Approximately ₹282 crore (US$30 million)
- ✓ Business Acquired : Retail Banking, Affluent Private Banking & Wealth Management business in India
- ✓ Transaction Type : Slump sale / Business transfer agreement
- ✓ Employees Transferred : 1,000 Customers Added: 150,000
- ✓ Loan Portfolio : ₹29,000 crore (≈ €2.7 billion) Deposits :₹16,000 crore
- ✓ Assets Under Management (AUM) :₹10,500 crore

The acquisition is one of the most significant strategic consolidation moves in Indian banking during 2026, enabling Kotak Mahindra Bank to rapidly expand its retail and wealth management franchise while Deutsche Bank exits retail banking in India to sharpen its focus on corporate and investment banking.

Why is this Move?

Strategic Rationality

- ❖ **Rapid Scale-Up in Affluent Banking:** Immediate access to approximately 150,000 affluent and high-net-worth customers. Strengthens Kotak's premium banking and wealth management franchise.
- ❖ **Balance Sheet Expansion:** It adds adds: ₹29,000 crore high-quality retail loans, ₹16,000 crore deposits, ₹10,500 crore AUM, Enhances Kotak's CASA and fee-income potential.
- ❖ **Faster than Organic Growth:** Acquiring an established customer base and operating platform is quicker than building one organically. Supports Kotak's strategy of deploying surplus capital through selective acquisitions.
- ❖ **Strengthening Wealth Management:** Expands distribution of investment products, portfolio advisory, and private banking services. Improves cross-selling opportunities across loans, deposits, insurance, and investments.

Impact

Implications

- ✓ It reflects the ongoing trend of foreign banks reducing retail exposure in India.
- ✓ Larger private banks are using acquisitions to accelerate growth and improve return on capital.
- ✓ Demonstrates continued consolidation through portfolio acquisitions rather than full-bank mergers.

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Rewinding News During the Month ...

Indian Banking/financial Sector News -By Chintala Divya Lakshmi		
Date	**News Headlines**	**Summary/Implications**
01-Jun-2026	Banks sanction ₹35,000 cr loans under Emergency Credit Line Scheme to MSMEs	✓ Banks have disbursed Rs 35,000 crore in loans under the Emergency Credit Line Guarantee Scheme. ✓ This initiative supports MSMEs and industries affected by the West Asia conflict. The scheme aims to provide crucial liquidity and prevent job losses. It offers additional credit and guarantees to eligible businesses.
01-Jun-2026	No need for repo rate hike in this policy, RBI can use short-term rate tools to manage rupee says SBI Report	✓ The Reserve Bank of India (RBI) does not need to raise the repo rate in the upcoming monetary policy to manage pressure on the rupee, according to a report by SBI Research. ✓ The report stated that it can instead use short-term interest rate tools and liquidity measures. ✓ It also argued against a repo rate hike even as global uncertainties and elevated crude oil prices continue to create pressure on currencies and financial markets.
02-Jun-2026	Indian banks among Asia-Pacific's best-capitalised lenders: S&P data	✓ Kotak Mahindra Bank reported the highest leverage ratio among Asia-Pacific lenders with assets of at least $100 billion as of March 31, according to data from S&P Global Market Intelligence. ranked among the region's top banks on the capital metric. ✓ A higher leverage ratio for banks is generally a sign of stronger capitalisation, not higher risk. Kotak Mahindra Bank reported a leverage ratio of 16.56 per cent as of March 31, 2026, the highest among Asia-Pacific lenders in the asset category. ✓ The lender's leverage ratio increased by 6 basis points (bps) from a year earlier.
03-Jun-2026	Easing cycle in FY26: Proportion of bank loans bearing less than 9% interest rises sharply	✓ The proportion of Scheduled Commercial Banks' (SCBs) loans bearing interest rate of less than 9 per cent rose sharply in FY26 to 64.2 per cent as on end-March 2026 from 43.9 per cent a year ago in sync with the easing cycle, according to the RBI.
03-Jun-2026	Bank lending shifts sharply towards lower-rate credit; sub-9% loans rise to 64.2 % in FY26	✓ This repricing of bank credit coincided with a broad-based expansion in lending across sectors, with credit growth increasing to 14.1% year-on-year from 11.1% a 14.1% year-on-year from 11.1% a year ago, alongside a marked change in the composition of lending across borrower segments and geographies.
04-Jun-2026	State-owned banks asked to build buffers as stress rises in retail, MSME loans	✓ The finance ministry has asked public sector banks (PSBs) to build additional provisioning buffers against emerging stress in retail, MSME and agriculture loans, as rising early-warning accounts and uncertainty stemming from the West Asia conflict could trigger higher provisioning burdens under the proposed expected credit loss (ECL) regime.
04-Jun-2026	Unexpected money in your account? SBI warns of 'jumped deposit scam'	✓ SBI recently advised customers against the "jumped deposit scam", where fraudsters deliberately transfer a small amount of money into a victim's bank account and then contact them claiming the transfer was accidental. ✓ The objective is not to recover the money but to manipulate the victim into authorising a much larger payment.
04-Jun-2026	Karnataka Bank enables digital EPF payments	✓ Karnataka Bank announced its successful integration with the Employees' Provident Fund Organization (EPFO), enabling seamless and fully digital payment of provident fund contributions for EPFO members and establishments on June 1.

Date	News Headlines	Summary/Implications
08-Jun-2026	ARCs seek review of SARFAESI Act and their functioning	✓ ARCs have sought a review of the statute governing them as well as their functioning in the backdrop of financial entities such as private credit (alternative investment funds) and mutual funds emerging as meaningful players in the debt market in the last two decades. ✓ The Association of ARCs in India has requested the Finance Ministry to set up a working group on ARCs to review their existing position and expand their role. Lenders such as banks and financial institutions clean up their balance sheets through the sale of stressed assets to ARCs.
08-Jun-2026	ATMs in small hubs may run out of cash: Confederation of ATM Industry	✓ ATM operators are demanding ₹100 crore compensation from banks. State Bank of India is accused of sending most cash to big cities. This leaves smaller towns without money, risking ATM shutdowns. ✓ Rising costs and fewer withdrawals add to the strain. The industry warns of a collapse if the situation continues.
09-Jun-2026	SBI hands over ₹8,813 crore dividend cheque to government for FY26	✓ State Bank of India (SBI) on Monday handed over a dividend cheque of Rs 8,813 crore for the financial year 2025-26 to Union Finance Minister Nirmala Sitharaman, according to the Ministry of Finance.
10-Jun-2026	Banks want RBI to relax liquidity buffer norm relating to institutional deposits	✓ In the backdrop of the gradual structural shift in deposits, banks want the Reserve Bank of India to relax the so-called "run-off factor" on institutional deposits under the Liquidity Coverage Ratio (LCR) framework so that they have more resources to lend.
11-Jun-2026	Banks kick-off rate hikes on FCNR (B) deposits	✓ Banks have kicked off rate hikes on FCNR (B) US dollar deposits in the three-five years tenor in earnest, with interest rates being increased to 6-7 per cent thereabouts, from the earlier 3 per cent odd levels.
11-Jun-2026	Govt eyes rural credit push via flagship schemes, seeks to expand RRB customer base	✓ The government is enhancing rural credit by integrating the Grameen Credit Score with the Jan Samarth portal for faster loan processing. Regional Rural Banks will expand their customer base and diversify into investment credit, while also promoting digital lending platforms like e-KCC to boost financial inclusion.
11-Jun-2026	India, Nepal launch cross-border remittance mechanism; links UPI, NPI	✓ India and Nepal have launched a new system for money transfers. This links India's UPI with Nepal's NPI. Citizens can now send money instantly using mobile apps. ✓ This makes payments easier for travellers and businesses. It also boosts economic ties between the two nations. This initiative enhances financial inclusion and digital integration.
15-Jun-2026	Indian Overseas Bank to raise up to Rs 5,000 crore in FY27	✓ State-run Indian Overseas Bank (IOB) plans to raise up to ₹5,000 crore in equity capital during FY27 through a mix of qualified institutional placements (QIPs), follow-on public offers, rights issues, preferential allotments and employee stock schemes. ✓ The proposal forms part of a special resolution included in the notice for the bank's 26th Annual General Meeting (AGM) scheduled on July 7th .
16-Jun-2026	Bank lending to REITs to improve access to long-term funds, lower borrowing costs	✓ The Reserve Bank of India's (RBI) decision to allow banks to lend directly to Real Estate Investment Trusts (REITs) is expected to improve access to long-term capital, lower borrowing costs and reduce the sector's dependence on the corporate bond market, according to the Indian REITs Association (IRA).
16-Jun-2026	Visa crosses 500 million payment tokens on its India network	✓ Visa has created more than 500 million payment tokens on its network in India since 2022, reflecting the rapid adoption of card tokenisation as consumers and merchants increasingly turn to more secure digital payments, said Vice President and Head of Risk Services, India and South Asia.
18-Jun-2026	Axis Bank witnesses high double-digit decline in frauds, backed by AI-led intelligence system	✓ Private sector lender Axis Bank, which saw around 30 per cent year-on-year fall in retail customers frauds last fiscal, continues to witness a high double-digit decline in the both volume and the value of frauds that are getting perpetrated to the bank as the lender is replacing its rule-based systems with AI-based systems

Date	News Headlines	Summary/Implications
18-Jun-2026	Banking system liquidity surplus at lowest in FY27 on advanced tax outflows	✓ The liquidity in the banking system fell to its lowest in the current financial year, since March 26, 2026, due to advanced tax outflows, said market participants. ✓ The surplus liquidity stood at 23,881 Crore on June 16th, against a surplus of ₹1.5 trillion on Monday, latest data by the Reserve Bank of India showed
19-Jun-2026	Centre to raise ₹13,000 cr via OFS in three state-run banks	✓ The Centre plans to raise around ₹13,000 crore through a 8-10% coordinated offer for sale (OFS) in Punjab & Sind Bank, UCO Bank and Indian Overseas Bank (IOB) to meet the minimum public shareholding (MPS) norms prescribed by the Securities and Exchange Board of India (Sebi), according to three people aware of the development.
20-Jun-2026	Banks' supervisory data quality score slips marginally in March quarter	✓ The overall quality of supervisory data submitted by scheduled commercial banks (SCBs) deteriorated marginally in the quarter ended March 2026, according to the Reserve Bank of India's (RBI's) Supervisory Data Quality Index (sDQI).
22-Jun-2026	A new crop of UPI players is rewriting the cashback playboo	✓ Cashback is no longer just a tool to drive payments on UPI, the unified payments interface. ✓ In a push for growth, newer fintech apps are increasingly using rewards to turn frequent payment users into customers for stickier businesses such as credit, commerce and other financial products, a strategy that is prompting even established players such as Paytm to raise cashback spending.
23-Jun-2026	Bankers expect RBI to issue detailed FAQs on limited period high interest rate FCNR (B) deposits	✓ Raising interest rates on the limited period high interest rate FCNR (B) deposit scheme is only half the job for banks in their bid to attract foreign capital. ✓ The other half is answering customer queries and bankers' own anxiety to be on the right side of regulations with regard to such deposits.
24-Jun-2026	PSU banks' stressed asset sales falter on legal risks, valuation gaps	✓ India's 12 public sector banks (PSBs) continue to struggle to recover sour loans despite a unified digital auction platform to seamlessly monetise stressed assets, amid legal uncertainties and a gap between lender expectations and buyer bids.
24-Jun-2026	'Axis Bank's MSME credit could rise by Rs 10,000 cr under ECLGS 5.0'	✓ Axis Bank anticipates disbursing over ₹10,000 crore in MSME loans via the Emergency Credit Line Guarantee Scheme 5.0. The bank is also on track to add over 500 branches by FY27, recognizing the importance of physical presence for reaching underserved MSME clients. ✓ Axis Bank's MSME portfolio, already substantial at ₹3 lakh crore, continues its robust growth, demonstrating a strong market presence.
24-Jun-2026	Banks draw up cyber defence strategies to tackle AI risks	✓ Indian banks are bolstering cybersecurity with a four-pillar strategy against advanced AI threats. Focusing on code and identity protection, AI-driven threat detection, micro-segmentation, and zero-trust architecture, lenders aim to counter AI models that can autonomously find software flaws.
27-Jun-2026	Smaller banks tap Indian lenders' GIFT City branches for FCNR(B) leverage	✓ Smaller and mid-sized banks are approaching the GIFT City branches of Indian lenders to access the leverage-backed FCNR(B) deposit mobilisation opportunity opened up by the Reserve Bank of India (RBI), as they lack the overseas presence and operational capabilities needed to directly navigate stringent foreign compliance requirements, bankers said.
29-Jun-2026	India's active credit cards cross 120 million in MAY	✓ The industry added about 120 million new cards in May, a 34% increase from the same month last year. Active cards rose to roughly 120.45 million, up from 119.44 million in April. ✓ Total spending reached about 2.02 lakh crore, while spending per card improved only slightly month on month.

Date	News Headlines	✓ Summary/Implications
30-Jun-2026	Supreme court: Once the claim of the financial creditor is discharged, there can be no question of recovery of the claim twice over.	✓ If a claim has already been settled through one insolvency process, it should not be reopened for another recovery from a related group company or guarantor. ✓ The idea is to prevent duplicate recovery and make sure creditors follow the one-time settlement outcome under the insolvency law. ✓ It signals that once a resolution plan becomes final, creditors should accept that recovery and not try to get more from the same underlying debt through parallel routes.
30-Jun-2026	SBI concludes issuance of 3-year $300 m floating rate notes to attract foreign currency deposits.	✓ SBI raised money in dollars through senior unsecured floating-rate notes linked to SOFR (Secured overnight financing rate) plus 100 basis points. The Issue is aimed at NRIs and other overseas investors who want to place foreign currency deposits with the bank at attractive rates. ✓ The funds will support SBI's foreign currency funding needs and help it mobilise more FCNR (B) deposits.

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

-- By Chintala Divya Lakshmi

Date	News Headlines	Summary/Implications
01-Jun-2026	Central Bank of India To launch wealth management and credit card business in FY27	✓ Central Bank of India plans to enter the wealth management and credit card segments in the second half of the current financial year, The state-owned lender has received board approval for both initiatives and is issuing a request for proposal to onboard partners.
02-Jun-2026	IOB secures IFSCA license for GIFT City branch	✓ Indian Overseas Bank on Tuesday said the International Financial Services Centres Authority (IFSCA) via a letter dated June 1, granted license to the PSU bank to set up its branch at GIFT City, Gujarat. ✓ This will enable the bank to participate in global offshore banking and foreign currency operations.
02-Jun-2026	Axis Bank hikes stake in Axis Max Life Insurance to 19.9%	✓ Axis Bank has boosted its stake in Axis Max Life Insurance. The bank and its subsidiaries now hold 19.99 percent of the insurer. This move follows an investment of up to Rs 380 crore. ✓ The Reserve Bank of India granted approval for this investment. Axis Max Life Insurance reported a gross written premium of Rs 38,877 crore for FY26
03-Jun-2026	BharatPe launches BharatPe Flex, a Credit-on-UPI solution powered by YES BANK	✓ BharatPe, India's leading financial services and UPI payments company, today announced the launch of 'BharatPe Flex', a Credit-on-UPI solution powered by YES BANK, designed to enable customers to make every day UPI payments with greater flexibility and control.
05-Jun-2026	Central Bank of India expects over ₹3,500 Cr recovery from bad loans in FY27	✓ State-owned Central Bank of India is aiming to mobilise over ₹3,500 crore from recovery from bad loans as part of measures to improve its balance sheet during FY27.
05-Jun-2026	HDFC Bank's Parivartan helps prevent stubble burning across Punjab and Haryana farmland	✓ The bank's corporate social responsibility initiative implemented the project in partnership with CII Foundation, around 88 per cent of 3,78,425 acres of farmland across Punjab and Haryana were saved from stubble burning in the 2025 season through HDFC Bank's CSR (corporate social responsibility) initiative Parivartan, implemented in partnership with CII Foundation
08-Jun-2026	Central Bank of India partners Dynacons for Rs 125.88 cr cloud contract; Order spans 5 years	✓ IT service firm, Dynacons Systems and Solutions has secured an order of over Rs 125 crore from the Central Bank of India for a project aimed at the expansion of private cloud. ✓ The order will also focus on building advanced AI infrastructure.
09-Jun-2026	BOI sets up specialised branch to strengthen partnership-led lending ecosystem	✓ Bank of India (BOI) has inaugurated a dedicated Strategic Business Branch (SBB) to focus on digital and partnership-led financing business including Pool Buyout, Co-Lending, TReDS (Trade Receivables Discounting System) and Supply Chain Finance at Nariman Point, Mumbai.
12-Jun-2026	MetLife keen to acquire majority stake in India life insurance joint venture with PNB	✓ New York-based MetLife is keen on acquiring a majority stake and operational control over its Indian insurance joint venture with Punjab National Bank, a strategy that the company has been pursuing since it entered the Indian market 25 years ago.

Date	News Headlines	Summary/Implications
16-Jun-2026	SBI plans Indian rupee-denominated deposits in Sri Lanka to support trade	✓ State Bank of India is planning to introduce Indian rupee-denominated deposits in Sri Lanka, a move aimed at encouraging wider use of the currency in trade and investment between the neighbouring nations. ✓ The deposits, which will be offered through SBI's branches in Sri Lanka, will allow exporters to earn interest on the currency they get from Indian traders.
25-Jun-2026	SBI Cards tops credit card additions in May as industry hits 12 crore milestone; spends grow 6.3% YoY	✓ India's credit card sector has surpassed 12 crore cards, with new additions surging 33.7% year-on-year in May 2026. Despite robust cardholder growth, spending saw a modest 6.3% increase. ✓ SBI Cards led in new card issuance, while ICICI Bank and HDFC Bank also showed strong performance. This indicates a steady expansion of the cardholder base alongside moderating spending intensity.
27-Jun-2026	PNB to focus on Retail, Agriculture, MSME advances, CASA deposits to boost profitability	✓ Punjab National Bank is set to prioritize retail, agriculture, and MSME lending, alongside boosting low-cost deposits to fuel growth. ✓ MD and CEO highlighted the bank's strong financial position and commitment to digital expansion and customer service. ✓ PNB aims to contribute to India's 'Viksit Bharat' vision by 2047, integrating ESG principles for responsible and sustainable development.
30-Jun-2026	Central Bank of India opens its IFSC banking unit at GIFT City	✓ Central Bank of India on 29th June opened its International Financial Services Centre (IFSC) Banking Unit (IBU) at Gujarat International Finance Tec-City (GIFT City).

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Domestic Economy News

- By Shalini Paul

Date	News Headlines	Implications
05-Jun-26	Money market-volumes jump to record as bank lending booms.	✓ India's money market turnover hit a record Rs 5.5 trillion in mid-may 2026, driven by state-owned banks borrowing heavily in the tri-party repo segment to fund a surge in credit demand
08-Jun-26	India's GDP grows 7.7% in FY 2025-26.	✓ India's real GDP grew at 7.7% in FY 2025-26 (April 2025-March 2026), as per the third (final) estimate released by MoSPI in June 2026. Sightly up from the earlier 7.6% estimate.
09-Jun-26	India's Q4 FY26 current account Surplus at $7.1 billion, driven by services exports, remittances	✓ India's current account swung to a $7.1 billion surplus in Q4 FY26, driven by strong services exports and a sharp rise in remittances. ✓ These inflows more than offset a wider merchandise trade deficit, supporting external stability.
10-Jun-26	$55-65 billion expected to flow into the country on RBI measures on FCNR (B) deposits, ECBs, Competition to intensify for NRI deposits	✓ India is expected to receive $55-65 billion in inflows in FY27 dues to RBI measures that support FCNR (B) deposits and external commercial borrowings. ✓ These steps have led banks to raise NRI deposit rates, intensifying competition for overseas dollar funds.
11-Jun-26	India's outward FDI commitments fall 49% month-on-month to $ 4.49bn in May: RBI data	✓ The drop was driven by sharp declines in equity investments, overseas loans, and guarantees issued by Indian companies to their foreign ventures. ✓ Despite the monthly fall, outward commitments were still 34.6% higher than in May 2025 ($3.34 billion), reflecting a volatile but overall stronger year-on-year trend.
12-Jun-26	India grants retrospective custom duty relief on imports of select nuclear power generation equipment	✓ This means importers will not have to pay any customs duty on those eligible nuclear equipment shipments, removing past liability and cost uncertainty. ✓ The move supports cheaper nuclear power projects by lowering their capital and electricity costs
16-Jun-26	India, UAE step up efforts to expand re-dirham trade.	✓ India and the UAE are working to increase trade settled directly in rupees and dirhams instead of always using US dollars. ✓ About 15% of their bilateral trade already uses local currencies. And both countries now want to expand this to make transactions faster and cheaper.
17-Jun-26	CAG (Comptroller and Auditor General) asks states to disclose off-budget borrowings in A/cs.	✓ CAG has asked all state governments to clearly show their off-budget borrowings in their annual accounts and budgets. ✓ These hidden loans, worth about Rs 90.51 lakh crore, must be disclosed so that the real financial position of states is clear and fiscal discipline improves.
19-Jun-26	India's net direct tax collections rise 14.6% to Rs 5.21 lakh crore till June 17th.	✓ This was driven by strong corporate tax growth (UP 22% to Rs 2.08 lakh crore), moderate non-corporate tax growth (Up 8% to Rs 2.94 lakh crore). And a sharp rise in Securities Transaction Tax (Up 45% to Rs 18856 crore.)
22-Jun-26	NHB probing Aavas Financiers Limited over loan classification lapses.	✓ NHB is investigating Aavas Finaciers over alleged misclassification of about Rs 400-500 crore of loans, which may have wrongly qualified for cheaper refinance. ✓ Aavas says the inspection is routine, the issue is mainly about interpretation of rules, and it has not been asked to repay any funds do far.
23-Jun-26	India Imposes Anti-dumping duty on Chemical (Sulphonamides Accelerators) imported from China, EU, US	✓ The duty, notified on June 19,2026, ranges from about $75 to $1748 per tonne depending on the exporter and country, and is meant to offset injury to domestic manufacturers from below-cost imports. ✓ This follows an investigation by DGTR,which found evidence of dumping and material injury to indian industry.

Date	News Headlines	Implications
24-Jun-26	WTO to set up dispute panel in China's case against India's solar, IT goods measures	✓ Chaina alleges that India's import duties, domestic-content rules and incentive schemes for solar cells, modules and certain high-tech IT products discriminate gainst Chinese goods and violate WTO rules. ✓ The panel will now assess whether these Indian measures are consistent with India's WTO commitments after bilateral consultations failed to resolve the dispute.
24-Jun-26	NITI Aayog proposes 'model pharma chapter' for future FTA negotiations	✓ The idea is to tackle non-tariff barriers-like complex product registrations, repeated factory inspections and differing standards-that now hurt Indian drug exports more than import duties do. ✓ This model chapter would push for regulatory reliance, mutual recognition of inspections, clearer IP cooperation and faster dispute resolution, aiming to boost India's small (about 2.8%) share of the global pharma market and reduce raw-material dependence on China.
25-Jun-26	India-UK free trade deal to take effect on July 15, opening 99% of exports to Tariff-free access.	✓ The India-UK free deal will start on July,2026. It will remove import duties on 99% of Indian goods sold in the UK, making Indian exports cheaper and more competitive there. ✓ This is expected to boost trade and create more business opportunities for Indian exporters in the UK market.
25-Jun-26	Listed Pvt firms return to double-digit sales growth in FY26, led by manufacturing rebound: RBI	✓ Manufacturing firms saw sales expand around 10.8% for the year, with strong performance in automobiles, electrical machinery, food & beverages, and Chemicals lifting overall growth. ✓ This marked a turnaround from the previous two years, when private corporate sales growth had been in single digits.
29-Jun-26	Seed stocks adequate, but last-mile delivery remains critical:FSII (Federation of Seed Industry of India)	✓ Seed companies have enough seeds for the kharif season, with extra stock kept as a buffer. ✓ The main problem is getting these seeds quickly to farmers in drought-prone and monsoon-affected areas before the sowing time ends. Timely, last-mile delivery is the key to turning this surplus into a good harvest.
29-Jun-26	New GST jurisdiction to handle pending cases after business shift: RBI	✓ When a GST-registered business shifts its principal place of business to a new tax jurisdiction, all pending GST cases (audit, investigation, show-cause notices etc.) will now be handled by the new jurisdictional officer. ✓ Any action already taken by the old officer remains valid, and the new officer will continue the proceedings from where they left off.
30-Jun-26	DGFT extends enhanced export insurance cover for west Asia shipments till September 30	✓ DGFT has extended the enhanced export insurance cover for shipments to west Asis up to Sept 30,2026 to continue supporting Indian exporters amid the ongoing West Asia crisis. ✓ Enhanced credit risk insurance (provided through ECGC) against payment defaults on exports to West Asia.

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Global Economy News

- By Virendra Kumar

Date	News Headlines	Implications
03-Jun-2026	OECD downgraded the global economic outlook, citing the Middle East conflict and energy-price shock as key downside risks.	✓ The OECD warned that higher energy costs and prolonged geopolitical tensions would weaken investment, reduce consumer confidence and slow global GDP growth across advanced and emerging economies. ✓ Persistent inflationary pressures from energy markets could compel central banks to maintain restrictive monetary policies longer than previously expected, increasing borrowing costs worldwide.
04-Jun-2026	OECD highlighted that industrial subsidy had reached their highest level since the Global Financial Crisis, raising concerns over global trade distortions.	✓ Rising industrial subsidies may intensify protectionist policies, distort international competition and reduce the efficiency of global supply chains, affecting long-term productivity and investment decisions. ✓ Governments may increasingly prioritize domestic manufacturing, leading to fragmented global trade and higher production costs for multinational businesses operating across borders.
11-Jun-2026	World Bank reduced its **2026 global growth forecast to 2.5%**, warning that prolonged conflict could lower growth to **1.3%** under a severe energy disruption scenario.	✓ The revised forecast highlighted increasing downside risks to the global economy as higher energy prices, weaker trade and financial market stress weighed on economic activity worldwide. ✓ Developing economies remain particularly vulnerable because rising import costs, weaker investment flows and tighter financial conditions could significantly slow growth and worsen fiscal pressures.
11-Jun-2026	European Central Bank (ECB) raised all three key interest rates by **25 basis points**, marking its first-rate hike in nearly three years to contain energy-driven inflation.	✓ The ECB's decision underscored its commitment to anchoring inflation expectations despite weakening growth, signalling that price stability would remain the primary policy objective in the near term.
15-Jun-2026	IMF welcomed the reopening of the Strait of Hormuz while cautioning that geopolitical tensions continued to pose significant downside risks to the global economy.	✓ The reopening of a key global energy route reduced immediate supply concerns, helping stabilize commodity markets and improve investor confidence after months of heightened geopolitical uncertainty. ✓ Nevertheless, the IMF emphasized that any renewed conflict or disruption to oil and gas exports could rapidly increase inflationary pressures and trigger renewed financial market volatility.
17-Jun-2026	U.S. Federal Reserve kept the benchmark interest rate unchanged at 3.50%-3.75% while signalling one possible rate hike later in 2026.	✓ The decision reflected persistent inflation concerns despite resilient labour market conditions, indicating that monetary policy would likely remain restrictive to ensure inflation returns sustainably to the 2% target.
17-Jun-2026	Global equity markets declined while U.S. Treasury yields and the U.S. dollar	✓ Investors interpreted the Fed's projections as signalling tighter financial conditions, resulting in higher government bond yields and broad-based appreciation of the U.S. dollar against major currencies.

Date	News Headlines	Implications
17-Jun-2026	The U.S. dollar recorded broad gains against major currencies after the Federal Reserve maintained rates but adopted a more hawkish policy outlook.	✓ A stronger U.S. dollar could increase imported inflation pressures for many emerging economies while making dollar-denominated debt servicing more expensive for governments and corporations worldwide. ✓ Currency appreciation may also reduce export competitiveness of U.S. businesses but attract additional global capital into U.S. financial markets due to relatively higher returns.
18-Jun-2026	The Bank of England kept its benchmark interest rate unchanged, maintaining a cautious stance amid persistent inflation and moderate economic growth.	✓ The decision indicated that inflationary pressures remain a concern despite signs of slowing economic activity, with policymakers preferring to keep monetary policy restrictive until price stability is firmly restored. ✓ Higher borrowing costs may continue to weigh on household consumption, business investment and the UK's housing market, while supporting the pound and financial stability.
20-Jun-2026	China kept its benchmark Loan Prime Rates unchanged as policymakers continued balancing economic stimulus with financial stability concerns.	✓ The decision reflected authorities' preference for targeted policy support instead of broad monetary easing, amid improving domestic demand and ongoing weakness in the property sector. ✓ Stable lending rates may support business confidence while limiting pressure on the yuan and reducing the risk of excessive financial leverage.
20-Jun-2026	China's central bank reiterated its commitment to maintaining ample liquidity to support sustainable economic growth.	✓ Adequate liquidity is expected to improve credit availability for businesses and households, supporting investment, employment and domestic consumption. ✓ Continued monetary support from the world's second-largest economy could help stabilise regional trade and strengthen global economic recovery.
23-Jun-2026	The U.S. dollar strengthened to a one-year high against major currencies as markets increased expectations of another Federal Reserve rate hike later in 2026.	✓ A stronger U.S. dollar raises the cost of servicing dollar-denominated debt and may increase imported inflation pressures in emerging economies. ✓ Dollar appreciation may also reduce commodity prices in local currencies and influence global trade competitiveness and cross-border capital flows.
28-Jun-2026	The Bank for International Settlements (BIS) cautioned that rising sovereign debt levels and elevated borrowing costs could pose long-term risks to global financial stability.	✓ Higher public debt may reduce governments' fiscal flexibility to respond to future economic shocks while increasing debt-servicing obligations. ✓ The BIS urged countries to strengthen fiscal discipline and implement structural reforms to improve economic resilience and maintain investor confidence.
30-Jun-2026	Inflation moderated across several major euro area economies, strengthening expectations that the European Central Bank would continue with a gradual monetary policy easing cycle.	✓ Softer inflation reduces pressure on the ECB to maintain restrictive interest rates, improving prospects for investment, credit growth and consumer spending across the euro area. ✓ Lower inflation and potential policy easing could support economic recovery, enhance business confidence and improve financial market sentiment in Europe.

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Must Track in Next Month…

Report/Event	Country
India Industrial Production	India
India Inflation rate Y-o-Y	India
India WPI Inflation Y-o-Y	India
India Balance of Trade data	India
Indian Banks Deposit & Credit Growth	India
India Industrial production YoY	India
Japan Inflation Data	Japan

Data Sources…

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  - https://mospi.gov.in/data
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  - 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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Dr. Madhavankutty G

(Chief Economist)

Team Members:

Samir Kumar (Sr. Manager)

Virendra Kumar Soni (Sr. Manager)

Ankit Kumar Gupta (Sr. Manager)

Chintala Divya Lakshmi (Manager)

Shalini Paul (Manager)

Published By:

Canara Bank
Economic Research Vertical
Head Office: Bengaluru: Karnataka -560094