

India's Trade Dynamics

(Rupee depreciate by 0.75% despite shoring Export growth of 10.92% MoM)



\$Bn	NOV'24	NOV'25	% YoY	APR'24- NOV'24	APR'25- NOV'25	% YoY
MERCHANDISE EXPORTS	31.94	38.13	19.4%	284.60	292.07	2.6%
MERCHANDISE IMPORTS	63.87	62.66	-1.9%	487.93	515.21	5.6%
TRADE BALANCE (Only Merchandise)	-31.92	-24.53	-23.2%	-203.33	-223.13	9.7%
SERVICE EXPORTS	32.11	35.86	11.7%	248.56	270.06	8.6%
SERVICE IMPORTS	17.25	17.96	4.1%	132.21	135.93	2.8%
TRADE BALANCE (Only Service)	14.86	17.90	20.5%	116.35	134.13	15.3%
TRADE BALANCE (M+S)	-17.06	-6.63	-61.1%	-86.98	-89.00	2.3%

- Despite tariff shock, goods exports increased by 19.4% over Nov'24 and 2.6% cumulatively in April-Nov'25.
- Merchandise trade balance declined by 23% over Nov'24 and rose only 9.7% in April-Nov'25.
- Overall trade balance including goods and services declined 61% in Nov'25 and rose a meagre 2.3% in Apr-Nov'25.

Country wise Increase/ Decrease in Exports

Increase (\$bn)				Y-O-Y		
Country	Nov'24	Apr-Nov'24	Nov'25	Apr Nov'25	Nov'25	Apr Nov'25
U S A	5.70	53.01	6.98	59.04	22.6%	11.4%
UAE	2.98	23.89	3.38	25.49	13.2%	6.7%
CHINA	1.16	9.20	2.20	12.22	90.1%	32.8%
GERMANY	0.78	6.83	0.98	7.47	24.9%	9.3%
HONG KONG	0.46	4.07	0.62	4.98	35.5%	22.4%
BRAZIL	0.47	4.65	0.57	4.89	21.3%	5.1%
NEPAL	0.56	4.74	0.64	4.82	15.7%	1.7%
SPAIN	0.32	3.03	0.90	4.69	181.3%	54.5%
BELGIUM	0.40	4.17	0.53	4.38	30.9%	5.0%
VIETNAM	0.49	3.58	0.67	4.11	36.0%	14.7%
KOREA RP	0.46	3.88	0.45	4.05	-3.4%	4.4%
BANGLADESH	0.95	7.18	0.83	7.25	-12.4%	0.9%

Decrease				Y-o-Y		
Country	Nov'24	Apr-Nov'24	Nov'25	Apr-Nov'25	Nov'25 (%)	Apr-Nov'25 (%)
Nthrlands	1.38	16.51	1.01	12.90	-27%	-21.9%
U K	0.96	9.61	1.11	8.93	15.4%	-7.0%
Spore	0.95	9.43	0.88	7.26	-8.1%	-23.0%
S.Arabia	0.95	7.32	0.89	6.77	-7.0%	-7.6%
Italy	0.68	5.11	0.73	4.89	8.2%	-4.3%
Australia	0.62	5.57	0.74	4.85	19.0%	-12.9%
S. Africa	0.61	5.27	0.55	4.8	-10%	-8.1%
France	0.44	5.26	0.74	4.70	65.7%	-10.7%

- Despite tariffs exports to US were protected and on a cumulative basis increased by 11.4% since Apr'25.
- Share of US in total merchandise exports were 20.61% so far in FY26 compared to 18.6% last year.
- We are negotiating FTAs with EU, Australia, GCC countries etc to diversify export basket.

Major commodities which saw increase in exports

Items	Increase in Commodities (amount in \$bn)				Y-o-Y growth	
	NOV'24	APR'24- NOV'24 (8M)	NOV'25	APR'25- NOV'25 (8M)	NOV'25	APR'25- NOV'25
Electronic Goods	3.46	22.53	4.81	31.10	38.96%	37.99%
Cashew	0.04	0.20	0.06	0.27	57.17%	33.16%
Other cereals	0.03	0.15	0.04	0.19	40.17%	28.02%
Meat, dairy & poultry	0.45	3.14	0.60	3.93	31.37%	25.04%
Marine Products	0.76	4.95	0.88	5.75	15.54%	16.08%
Tea	0.08	0.60	0.09	0.70	17.42%	15.43%
Mica, Coal, processed minerals	0.35	3.12	0.49	3.58	39.71%	15.00%
Coffee	0.10	1.15	0.13	1.31	34.31%	14.22%
Drugs & Pharmaceuticals	2.16	19.23	2.61	20.48	20.91%	6.50%
Fruits & Vegetables	0.31	2.34	0.31	2.47	3.09%	5.79%

Major commodities that saw export decline

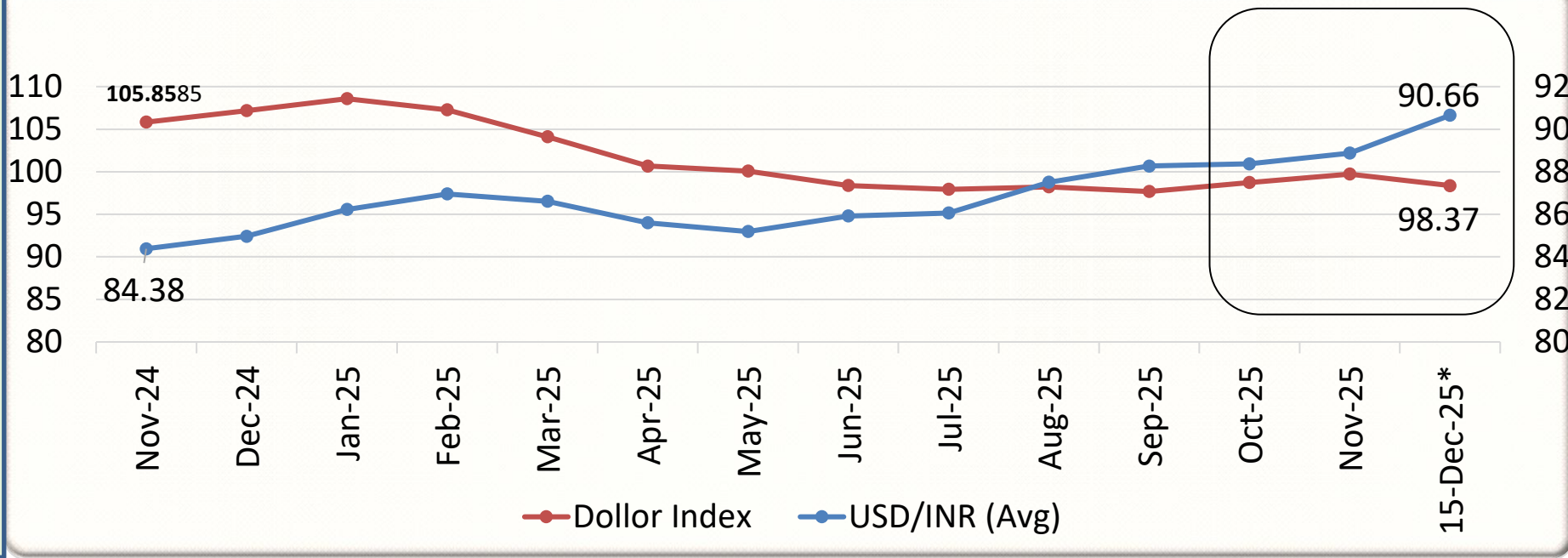
Decrease in Commodities (amount in \$Bn)						Y-o-Y
Items	NOV'24	APR'24- NOV'24	NOV'25	APR'25- NOV'25	NOV'25	APR'25- NOV'25
Iron Ore	0.11	1.34	0.18	1.02	0.70%	-24.11%
Petroleum Products	3.52	44.58	3.93	38.00	0.12%	-14.77%
Oil Meals	0.07	0.88	0.10	0.75	0.40%	-14.38%
Oil seeds	0.12	0.87	0.11	0.83	-0.02%	-4.87%
Plastic & Linoleum	0.70	5.93	0.69	5.69	-0.01%	-4.05%
Carpet	0.12	1.02	0.12	0.98	-0.02%	-3.73%
Cotton Yarn/Fabs/made-ups, Handloom	0.87	7.87	0.91	7.61	0.04%	-3.26%
Tobacco	0.18	1.37	0.19	1.35	0.06%	-1.63%
Handicrafts excluding man made carpet	0.12	1.17	0.15	1.16	0.30%	-0.69%
Gems & Jewellery	2.07	19.26	2.64	19.13	0.28%	-0.66%

Current Account Deficit (\$Bn)

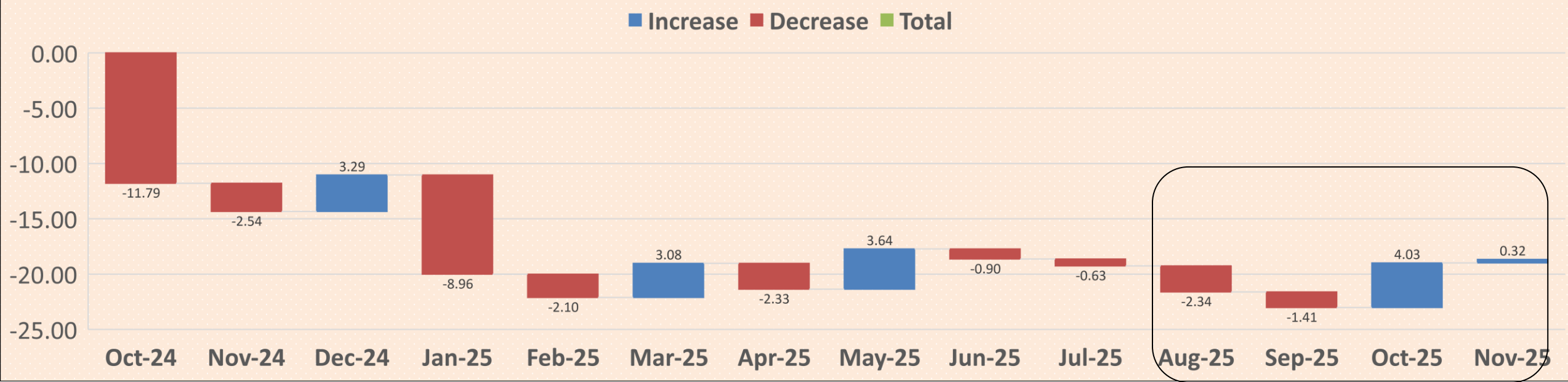
	Oct'25	Nov'25	Dec'25 (E)	Oct-Dec (e)
Goods exports	34.4	38.1	38	110.5
Goods imports	76.1	62.7	65	203.8
Goods trade deficit----A	-41.7	-24.6	-27	-93.3
Services exports	38.5	35.9	36	110.4
Services imports	18.6	18	19	55.6
services deficit	19.9	17.9	17	54.8
Total trade deficit.....B	-21.8	-6.7	-10	-38.5
primary income (foreign inv)..C	-3	-3	-3	-9
secondary income (remittance)..D	12.2	12.2	12.2	36.6
Current Account..(B+C+D)	-12.6	2.5	-0.8	-10.9
Current account in Rs.L Cr..E				0.9645
GDP estimate Q3 in Rs. L Cr..F				91.51
CAD % in Q3 (est)..E/F%				1.05%

➤ Current account deficit expected to be just above 1% in Q3, well contained and below 2%.

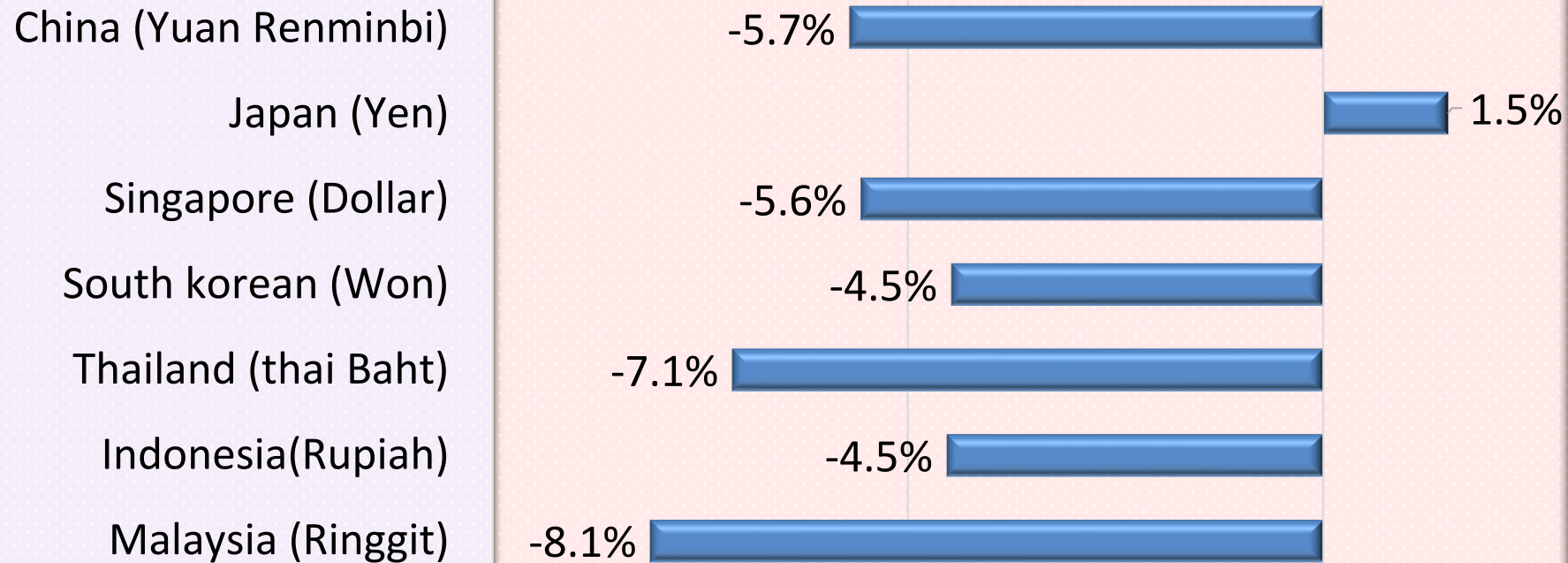
Movement of USD/INR
Versus Dollar index
Basket of currencies
USD, Euro, Pound,
CAD, Swedish Kroner
& Swiss Franc



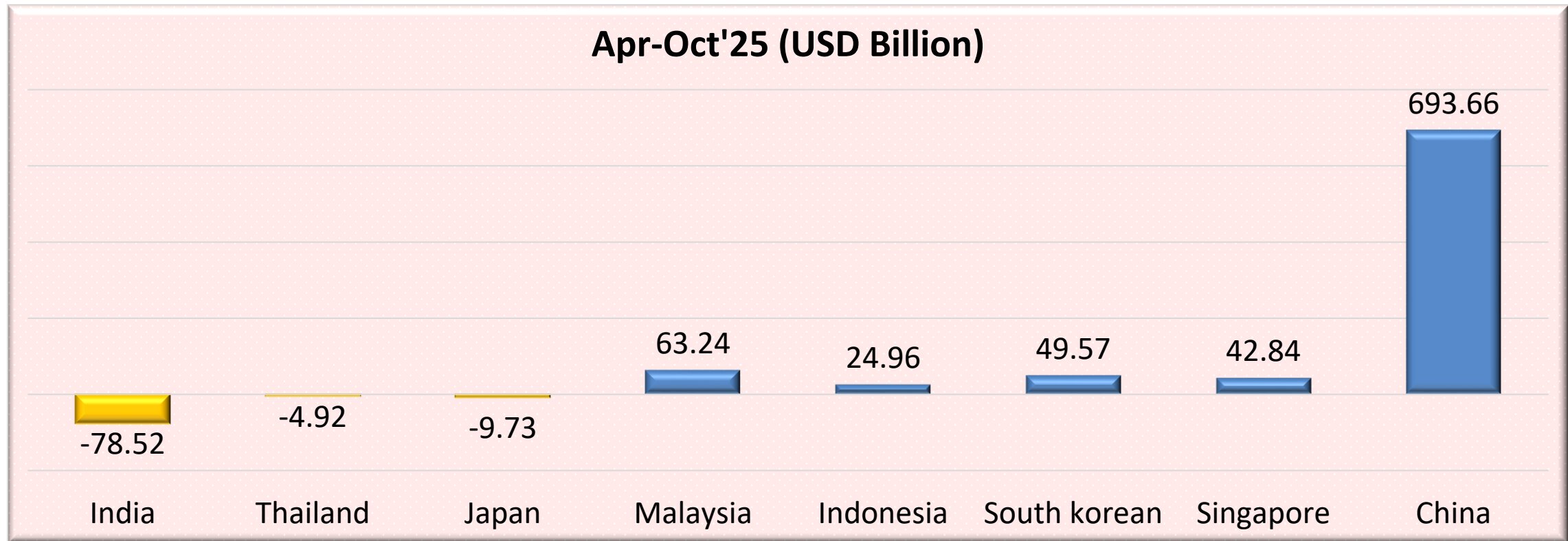
Monthly FII/FPI Net Investment into Economy is Shrinking (\$ Billion)



(Apr'25 vs Nov'25)



➤ INR weakened not only against USD but also against most Asian currencies.



- Most Asian countries have a trade surplus or a negligible trade deficit which makes their currencies stronger.

- Despite tariffs, exports to US has not decline.
- India is also engaged in FTAs with other countries and in finalizing trade deal with the US.
- Despite comfort in current account INR depreciated 6% in the year.
- Most Asian currencies that did better than INR, are from a trade surplus countries.

Views/opinions expressed in this research publication are views of the research team and not necessarily that of Canara Bank or its subsidiaries. The publication is based on information & data from different sources. The Bank or the research team assumes no liability if any person or entity relies on views, opinion or facts and figures finding in this report.

Visit us at www.canarabank.com

Economic Research Vertical

Madhavankutty G (Chief Economist)

Samir Kumar | Jaya Kumari | Ankit Gupta | Sonal Rashmi Ekka | Ramakrishna Naik

For Suggestions and views please contact, Economic Research Vertical



080-2222 3169 (Chief Economist)
080-2227 3275 (Section)



chiefeconomist@canarabank.com
hoersection@canarabank.com