Wrapping Up the Week……….. (31.08.2026 - 04.09.2026)

Market Movers

Highs & Lows of Key Market Indicators

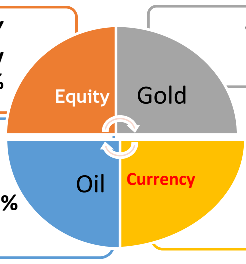
Indicators	High*	Low*	Average
USD/INR	95.16	94.49	94.81
India 10 Yr G-Sec Yield	6.94	6.91	6.93
US 10Yr Govt Bond	4.80	4.77	4.78
Crude Brent) $/BL	95.79	90.70	94.51
Canara Bank	126.9	125.5	126.02
Gold per Troy ounce (USD)	4473.0	4328.5	4412.5
Silver per Troy ounce (USD)	66.93	64.06	65.79

* Domestic indicators are based on closing figures.

Movement Over Previous Week

(On the basis of closing figure)

- NIFTY down by 1.15%
- Gold down by 0.58%
- Oil closed up by 8.64%
- appriciated by 0.94%



News that Made News

Global

- The US trade deficit widened to $88.6 billion in July 2026, marking the largest gap since March 2025, compared with a $71.1 billion shortfall in June and market expectations of a $90 billion deficit, Imports to the United States rose 2.8% and Exports from the US declined 2.1% month-over-month to $310.7 billion in July 2026.
- US employers added 162,000 jobs in August, nearly triple the 56,000 forecast, while unemployment stayed at 4.1%, strengthening expectations of a possible September Fed rate hike.
- Government bond yields surged across developed markets as investors demanded higher compensation for persistent inflation, fiscal deficits and expectations that borrowing rates remain higher for longer.

Domestic

- Indian multinationals are assessing their UAE tax exposure before November's deadline. A new 15% minimum tax could affect their existing corporate tax structures. This global minimum tax rule applies to large groups with significant consolidated global revenue.
- Russia and India have established a functioning payments infrastructure using roubles and rupees. This system now accounts for ninety-six percent of their bilateral trade transactions.
- Finance minister NIrmala Sitaraman and the World Bank chief discussed inclusion of a significant role of MIGA (Multilateral Investment Guarantee Agency) in boosting corporate and infrastructure finance. They also explored the utilisation of technology for advancing agricultural practices and tourism development, aiming at harnessing global knowledge and private capital for progress.

Banking

- RBI had introduced a special USD-INR Forex Swap facility covering FCNR(B) deposits, ECB and OFCB inflows on June 08, 2026, Forex inflow under FCNR(B) Deposits received US$ 127.22 Billion (provisional) till 31.08.2026, he Scheme was open till August 31, 2026 for FCNR(B) deposits, and will be open up to December 31, 2026 for ECBs and OFCBs.
- Banks are deploying surplus liquidity through new mortgage products. HSBC and Kotak Mahindra Bank lead with semi-fixed home loan options. These products offer fixed rates for a period before switching. Surplus funds are also being considered for government securities.
- India's UPI (Unified Payments Interface) processed transactions near record highs in August, reaching ₹29.8 lakh crore. The platform handled a fresh record of 24.51 billion transactions, a significant jump from July.

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Macro Scenario

Banks offer semi-fixed loans to deploy surplus liquidity.

Bank of Baroda Introduces UPI Global QR Payments for International Visitors across its UPI QR Merchant Network in India

Peer's Signals Sensed

Policy Moves

RBI

RBI permits Urban Co-operative Bank to invest in equity shares of Indian Digital Payment Intelligence Corporation (IDPIC) for membership

GOVT

India - Uzbekistan elevated bilateral ties to a Comprehensive Strategic Partnership and set a US$ 5 Billion trade target by 2030

India's Macro Resilience

(7.8% GDP Growth in Q1 FY 27 + $127 FCNR (B) Deposit Inflow

- ✓ **India delivered a powerful twin macro surprise this week: Q1 FY27 real GDP growth accelerated to 7.8%, comfortably above the RBI's 7.0% forecast, while the RBI's special FCNR (B) initiative mobilized an unprecedented $127 billion, helping push India's forex reserves to a record** $740.8 billion.
- ✓ The combination signals a rare macro sweet spot—**strong domestic growth backed by a dramatically strengthened external liquidity cushion.**
- ✓ With investment, manufacturing and services driving GDP and foreign-currency inflows reinforcing the balance of payments, India enters the second half of FY27 with both **"Growth Power" and "Dollar Power"** working in its favour.
- ✓ 7.8% GDP growth at home, $127 bn FCNR mobilization from abroad — India is strengthening both its growth engine and its dollar shield.