



MONTHLY ECONOMIC **AUG** **REPORT ON INDIA** 2025

India's economy **demonstrates resilience** with robust Q1FY26 GDP growth amid global uncertainties. July indicators present mixed signals - **positive momentum** in logistics, infrastructure production, **surging EV demand**, and **record renewable generation**, while overall **industrial growth** and **auto demand** remain **subdued**. Above-normal monsoon moderates electricity demand, though spatially skewed rainfall poses risks to Kharif crops at a time when **retail inflation hit an 8-year low** on lower food prices. **Capex by Centre and select states** sustains investment momentum alongside ongoing **monetary transmission** through lower lending rates. **Recent GST reforms** and **monetary policy** easing provide growth **tailwinds** that can help offset emerging tariff headwinds

July-Aug 2025

Growth

Real GDP hits five-quarter high of 7.8% in Q1FY26, led by strong investment, private consumption, and exports amid lower inflation, outpacing major economies (China: 5.2%, US: 2.1%). July momentum continues with **robust PMI** (61.1), government **capex** (AP, KA, RJ leading at the state-level), strong steel (12.8%) and cement (11.7%) output, **record e-way bills** (26%), **Fastag collection** (20%), and **surging EV demand** for PV (104%) and CV (141%). **Renewables** at a record **18.1% share of generation**. However, **some indicators show moderation** - sub-2% industrial growth, **softer electricity demand** due to above-normal monsoon, weaker ICE auto sales, and slower ports (3.9%) and air cargo (0.3%) growth. 50% US tariffs pose 30bps downside growth risk despite lower EM exposure but likely offset by GST changes and monetary easing

Rates

RBI holds repo rate at 5.5% with **neutral stance** in August, while **consensus expects 25bps cut** by Q3FY26. Banking **surplus liquidity** at 1.1% of NDTL (29 Aug) enables transmission as major private banks **cut MCLR by 50-80bps** through July, though **credit growth remains subdued** at 10%, lagging deposits. **Yield curve steepens** further with 10-year G-sec at 6.57% while 3-month T-bill aligns with repo at 5.51%. **Indian equities underperform** with negative 0.7% TTM returns as **Asian peers** Singapore (~62%) and Hong Kong (~43%) maintain **strong July rally**. **Domestic institutional flows** of INR 609 billion **offset foreign portfolio outflows** of INR 55 billion in July. **Net FDI falls** to USD 35 million in May from three-year high of USD 3.9 billion in April due to higher repatriation

Inflation

Global inflation remains **divergent** with **US** (2.7%), **UK** (3.8%), **Brazil** (5.2%) **trending upwards** while Germany (2.0%), Japan (3.1%) stay steady. **India's retail inflation hits 8-year low** of 1.6% in July on **lower food and energy prices**. Core inflation eases to 4.0% as transport costs moderate (2.1% vs 3.9% in June). Gold (USD 3,347/troy oz) and copper (USD 9,576/tonne) stay elevated while Brent crude falls to USD 67/bbl (26 Aug). **Wholesale prices** remain **deflationary** at 0.6% on falling food and energy input costs. **Above-normal rainfall** drives **reservoirs to 83% capacity** (28 Aug), above 10-year average, **supporting rural activity** with strong fertiliser and tractor demand as **Kharif sowing nears completion**. However, **monsoon distribution remains skewed** with north and west in surplus while north-eastern states lag

Forex

Rupee shows **trade-weighted depreciation bias** against major partners **over six months** - Euro (10.7%), Pound (6.3%) - with REER index falling to 100.1 in July from 104.8 in January despite **dollar weakness** as DXY declines to 98.1 (26 Aug) vs 103.1 year-ago. **Rupee stabilized last month** with modest depreciation of 1.4% vs dollar, 0.3% vs euro, 1.1% vs pound. Markets maintain **~2% 1-year INR-USD forward premium** (25 Aug). RBI's **USD 691 billion forex reserves** (22 Aug) provide ~9 months import cover, buffering against external volatility. **Goods trade rebounds** with **export growth** of 7.3% in July **led by electronics, jewellery, engineering**, as **exporters frontload ahead of US tariffs**. Strong import demand at 8.6% driven by chemicals, pharma, electronics



MONTHLY ECONOMIC REPORT ON INDIA AUG 2025

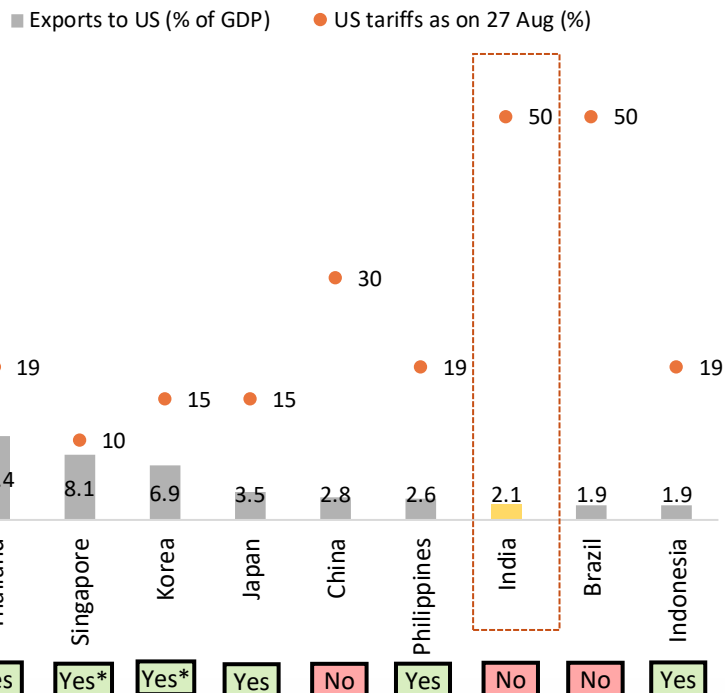
Table of contents

04	Key charts India US trade watch
06	Growth Global GDP, PMI HFIs, fiscal position and employment Renewables, transport and energy costs
17	Rates Policy rates and liquidity Debt, equity and commodity market
22	Inflation Global headline inflation Domestic retail and wholesale inflation Monsoon and kharif sowing
28	Forex Merchandise Exim trade and balance of payment Foreign exchange markets and FDI Institutional investments - FPI and DII

Key charts: India-US trade (1/2)

India's US export exposure at 2.1% of GDP, below other EMs

Key emerging economies' export to US (% of GDP) in CY2024 and US tariff rates (%)



Source: IMF DOTS, WEO April 2025, USTR, NIIF Research

Note:

1. EM refers to Emerging Markets
2. *US has Free Trade Agreement (FTA) with South Korea and Singapore
3. Finalized trade agreements shown above as "Yes." Some of the recent deals remain preliminary or verbal commitments. "No" indicates ongoing or pending negotiations

Indian exporters frontload electronics and agri-products in Q1FY26

Commodity-wise exports from India to USA

Commodity	US exports (USD bn)		Growth (%)		US share in India's exports FY2025 (%)
	Q1FY25	Q1FY26	yoy	10Y avg	
Electronics	3.1	7.4	142.2	35.9	37.9
Engineering goods	4.7	5.1	10.4	23.5	16.4
Textiles and apparels	2.5	2.6	5.9	17.9	29.3
Drugs and pharmaceuticals	2.5	2.6	6.1	10.4	34.5
Petroleum and crude	1.5	1.6	2.9	25.9	6.5
Agricultural and allied	1.3	1.5	19.7	4.3	11.0
Gems and jewellery	2.5	1.5	(39.7)	47.5	33.3
Chemicals and related	1.0	1.2	16.7	11.4	14.3
Plastic and linoleum	0.5	0.5	5.9	21.7	21.5
Paper and wood	0.3	0.3	8.5	26.6	25.8
Glass, ceramics, cement	0.3	0.3	(1.5)	39.8	25.1
Leather and leather products	0.2	0.2	6.6	29.4	21.8
Ores and minerals	0.0	0.0	(17.0)	49.8	1.7
Others	0.6	0.6	(8.4)	20.2	18.6
Total	20.9	25.5	22.2	16.3	19.8

Source: Thurro, DGCIS, NIIF Research

Note:

1. 10-year average export growth of the commodities excludes FY2021 due to Covid-related disruption
2. In agriculture and allied, marine products account for the major share (~47% in FY25). Similarly, smartphones (~70% in FY25) account for major share in electronics.
3. Others include other manufactured commodities

India continues to pursue Free Trade Agreement negotiations with EU, Switzerland, Chile, New Zealand and Eurasian Economic Union that can help diversify India's export markets over the medium-term

Key charts: India-US trade (2/2)

US 50% tariffs may impact ~6% exports; potential 30bps FY26 GDP drag

US tariff rate and impact on India's FY2026 GDP

Categories	US imports from India (2024)		Weighted average MFN (pre-2025)	Tariff rate (%)			
				90-day baseline		August 27	
	USD bn	% of GDP		Addl	Total	Addl	Total
Exempted	28.5	0.7	0.3	0.0	0.3	0.0	0.3
Autos	2.2	0.1	1.4	25.0	26.4	25.0	26.4
Steel	3.2	0.1	1.5	50.0	51.5	50.0	51.5
Aluminium	1.6	0.0	1.5	50.0	51.5	50.0	51.5
Others	55.7	1.4	3.9	10.0	13.9	50.0	53.9
Total	91.2	2.4	2.6	9.4	12.0	33.8	36.4

Potential impact of US tariffs on India	Unit	Value
Indian export price elasticity	X	(0.9)
Impacted Indian exports to US	USD bn	(27.7)
Impacted Indian exports to US	% of total Indian exports	(6.3)
Impacted Indian exports to US	% of GDP	(0.7)
Domestic value added share	%	82.0
GDP impact (annualised)	%	(0.6)
FY2026 GDP impact	%	(0.3)

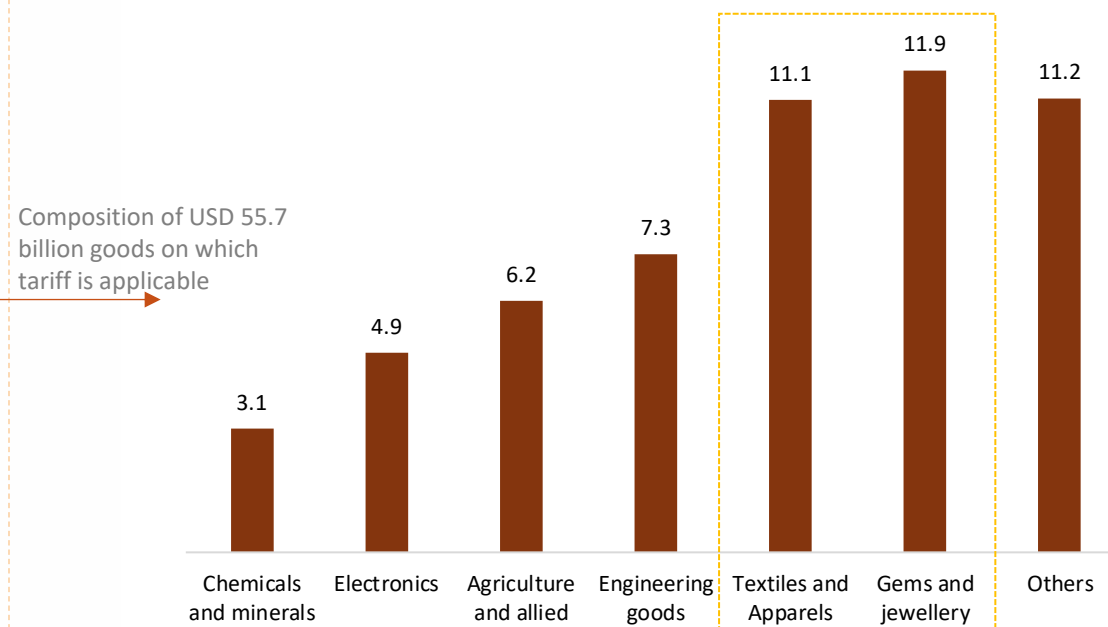
Source: USITC, WITS, CEIC, OECD TiVA, IMF, NIIF Research

Note:

1. "Addl" refers to additional tariff imposed by US
2. Broad commodities that are exempted from tariffs as on 07 Aug 2025 are petroleum products, smartphones, semiconductors and pharmaceutical products, accounting for 0.7% of GDP
3. Based on [IMF study](#), price elasticity of exports for all industries -0.9. Impact assessed, on 50% additional tariff
4. At 50% tariff rate, most of the exports ("other") could be economically unviable which accounts for 1.4% of GDP. Thus, assuming that US importers will take same value order as mentioned in CY2024 might underestimate the impact

Textiles, jewellery, other labour-intensive sectors exposed to 50% tariff

Goods imported by US from India subject to 50% tariffs excl. Sec 232 (USD bn), CY2024



Source: USITC, WITS, NIIF Research

Note:

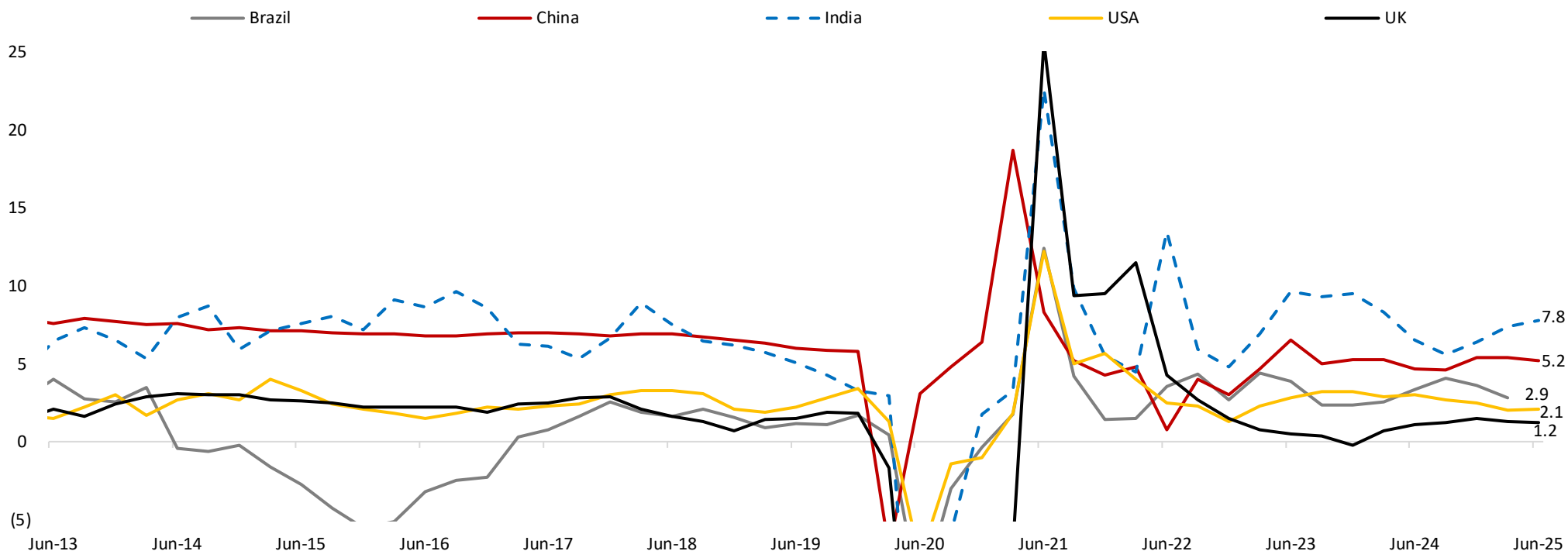
1. Others include plastic and linoleum, paper and wood, leather and leather manufactures, glass, ceramics and cement and other manufactured commodities

India's policy toolkit – from fiscal measures (personal income tax relief, GST rate rationalization) to monetary policy easing – expected to partially offset growth impact

[Growth] Real GDP: Global

India's growth accelerates to 7.8% in Q2CY25, China stabilizes at 5.2%; UK, USA steady at 1.2% and 2.1% respectively

Quarterly real GDP growth across countries (% yoy), FY2014-FY2026 (Jun '25)



Source: Bloomberg, NIIF Research

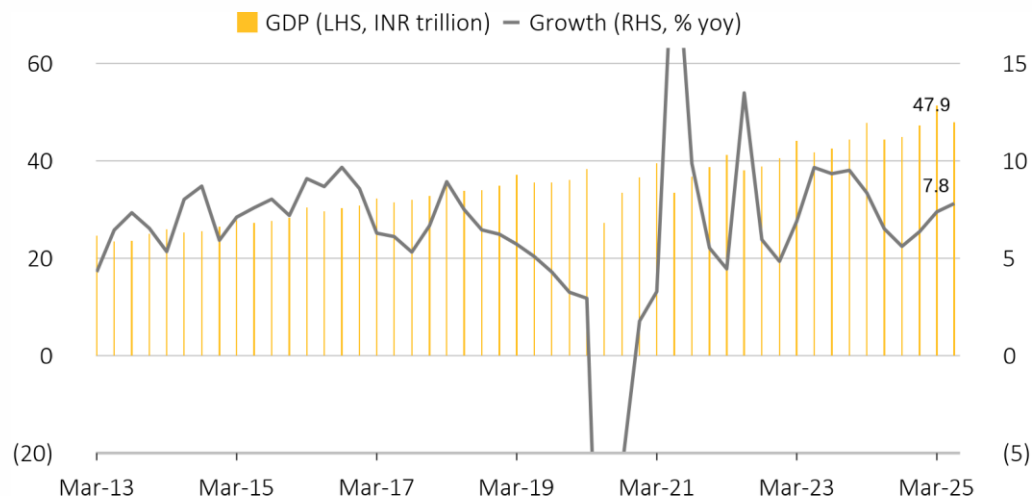
Note:

1. Contraction in growth for four quarters between March 2020 to March 2021 not shown due to the impact of Covid-19 lockdown on the economy
2. Brazil data for quarter-ended March 2025

[Growth] GDP and GVA

Real GDP growth further picks up to 7.8% in Q1FY26

Quarterly real GDP growth for India, FY2013-FY2026 (Jun '25)

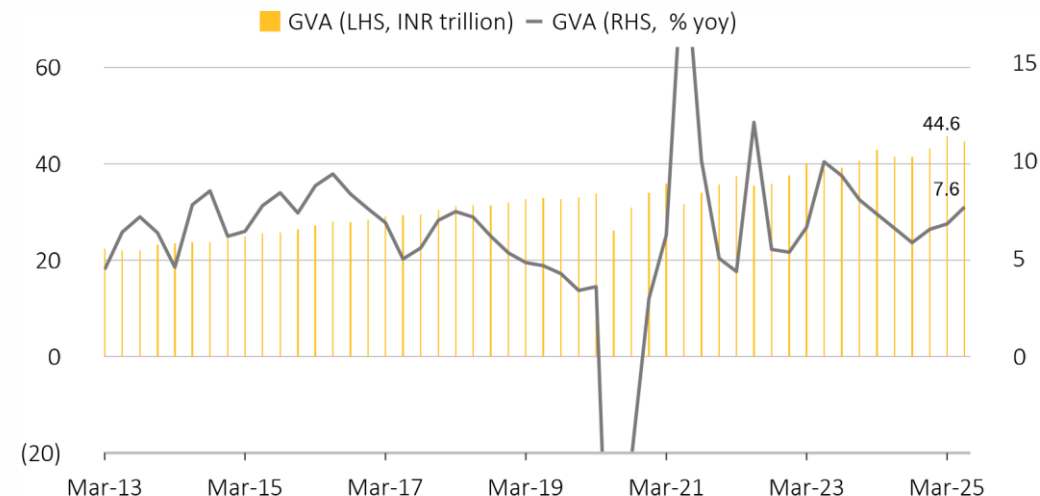


Source: Thurro, MoSPI, NIIF Research

Note: Real GDP growth is based on 2012 prices

GVA growth also accelerated to 7.6% in Q1FY26

Quarterly real GVA growth (% yoy), FY2013-FY2026 (Jun '25)



Source: Thurro, MoSPI, NIIF Research

Real Gross Domestic Product (GDP) accelerates in Q1FY26 (Apr-Jun)

- Growth surged to 7.8% yoy in Q1, up from 7.4% in Q4FY25 and 6.5% in Q1FY25
- Nominal GDP growth moderated at 8.8% yoy in Q1, down from 10.8% in Q4FY25 and 9.7% in Q1FY25

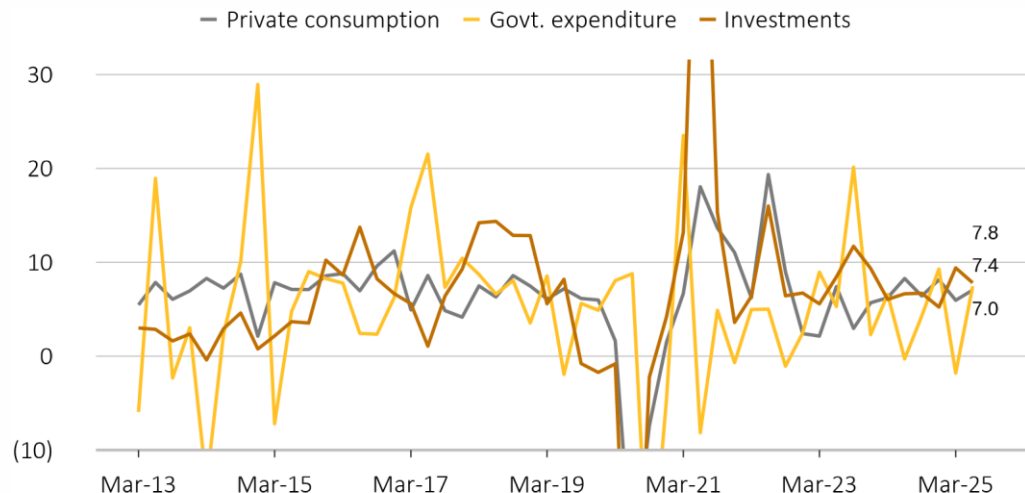
Real Gross Value Added (GVA) maintain robust momentum in Q1FY26 (Apr-Jun)

- Supply side growth rose to 7.6% in Q1, up from 6.8% in Q4FY25 and 6.5% in Q1FY25
- Nominal GVA growth moderated to 8.8% in Q1, down from 9.6% in Q4FY25 and 9.5% in Q1FY25

[Growth] GDP and GVA

Private consumption and government spending drive Q1FY26 growth

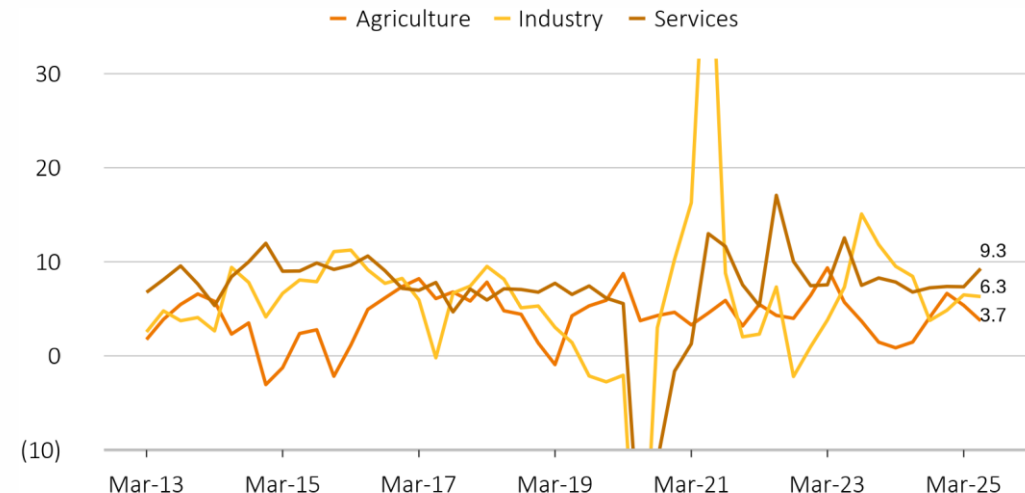
Quarterly real GDP growth by components (% yoy), FY2013-FY2026 (Jun '25)



Source: Thurro, MoSPI, NIIF Research

Industry and services drive supply side growth in Q1FY26

Quarterly real GVA growth by components (% yoy), FY2013-FY2026 (Jun '25)



Source: Thurro, MoSPI, NIIF Research

Private consumption and government spending drive Q1 real GDP growth

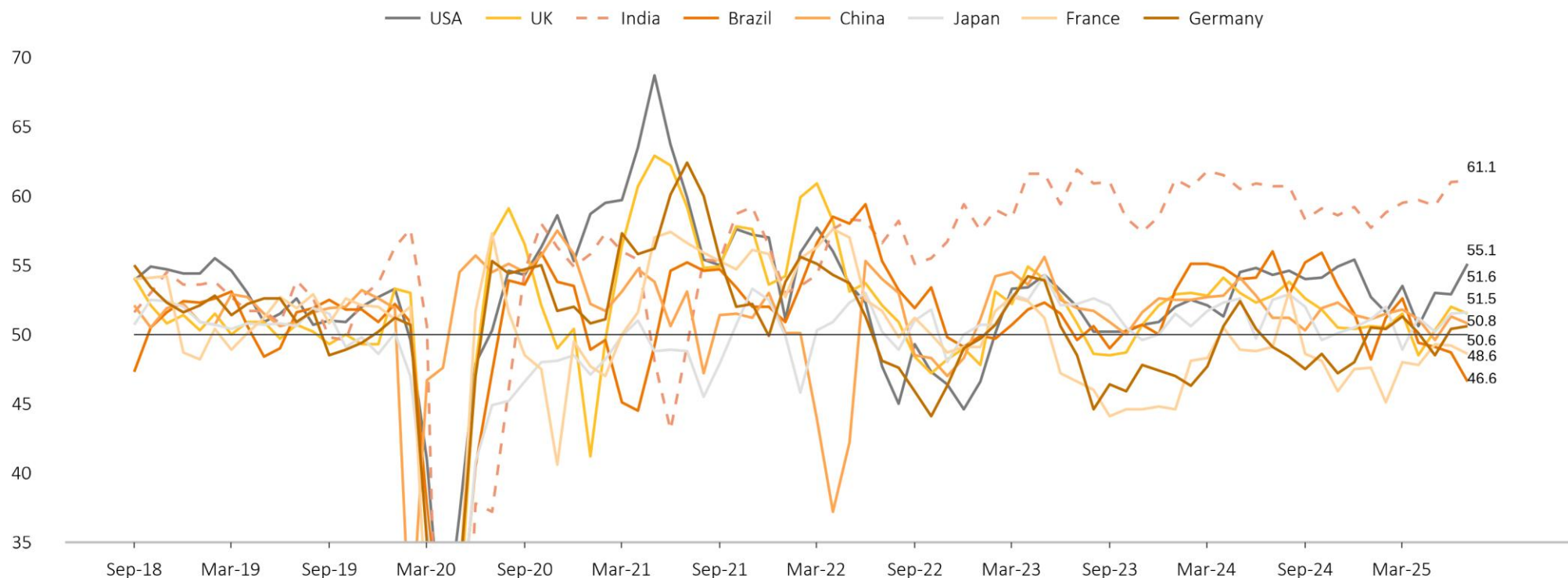
- Private consumption growth improves to 7.0% in Q1 from 6.0% in Q4FY25, moderated from 8.3% in Q1FY25
- Government spending growth rebounds to 7.4% in Q1 vs contraction of 1.8% in Q4FY25 and 0.3% in Q1FY25
- Investment growth of 7.8% in Q1 moderates from 9.4% in Q4FY25, while expanding from 6.7% in Q1FY25

Industry and services lead Q1 real GVA growth

- Industrial growth holds steady at 6.3% in Q1 vs 6.5% in Q4FY25, driven by strong manufacturing growth of 7.7% vs 4.8% in Q4FY25
- Services growth accelerates to 9.3% in Q1 from 7.3% in Q4FY25 and 6.8% in Q1FY25
- Agriculture growth moderates to 3.7% in Q1 from 5.4% in Q4FY25 while expanding from 1.5% in Q1FY25

[Growth] Purchasing managers' index: Global

Indian PMI at 61.1 stays in strong expansion while Brazil and France remain contracted in July; US PMI rises to seven-month high of 55.1
Monthly PMI composite indices across major economies, FY2019-FY2026 (Jul '25)



Source: Thurro, S&P, NIIF Research

Note:

1. Impact of Covid on economic activity seen across countries for months between Feb '20 and May '20 and hence not shown in the chart.
2. The headline PMI Composite (Output) Index is a weighted average of the headline PMI Services Index and the Manufacturing Output Index (not the headline PMI manufacturing). Hence, a simple average of PMI Services and Manufacturing indices may not reflect in the PMI Composite.

[Growth] High frequency indicators: Supply

Change in major economic indicators (% yoy), Jun '24 - Jul '25

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Fiscal														
Central government expenditure	(18.4)	0.1	20.9	2.6	31.7	3.6	22.1	12.4	(17.7)	9.5	10.0	40.3	37.4	
Gross tax revenue	35.0	14.0	(15.8)	11.9	1.6	10.0	11.1	4.6	19.7	2.8	6.5	19.1	(4.7)	
GST collection	7.6	10.3	10.0	6.5	8.9	8.5	7.3	12.1	9.1	9.9	12.6	16.4	6.2	7.5
Industry														
Index of industrial production	4.9	5.0	0.0	3.2	3.7	5.0	3.7	5.2	2.7	3.9	2.6	1.9	1.5	
Index of eight core industries	5.0	6.3	(1.5)	2.4	3.8	5.8	5.1	5.1	3.4	4.5	1.0	1.2	2.2	2.0
Electricity generation	9.0	8.3	(4.7)	0.2	0.8	3.8	5.2	2.3	3.0	6.4	1.6	(5.3)	(2.0)	1.6
Steel production	6.3	7.0	4.1	1.8	5.7	10.5	7.3	4.7	6.9	8.7	4.4	7.4	9.7	12.8
Cement production	1.8	5.1	(2.5)	7.6	3.1	13.1	10.3	14.3	10.7	12.2	6.3	9.7	8.2	11.7
Coal production	14.6	6.4	(7.5)	2.5	7.5	7.4	5.3	4.4	1.7	1.6	4.1	2.8	(6.8)	(12.4)
Wholesale price index	3.4	2.1	1.2	1.9	2.8	2.2	2.6	2.5	2.4	2.2	0.9	0.1	(0.1)	(0.6)
Logistics														
Rail freight	10.1	4.6	(0.6)	(0.6)	1.5	1.4	1.7	(1.6)	(3.0)	3.0	3.6	2.7	0.9	
Port cargo	4.3	6.0	6.5	6.1	(3.2)	(4.9)	3.3	6.1	7.9	12.5	7.0	4.4	5.6	3.9
Air cargo	15.9	18.1	12.5	18.0	14.5	8.4	8.1	9.0	(4.9)	3.9	11.5	5.1	0.3	
E-way bills (volume)	16.3	19.2	12.9	18.5	16.9	16.3	17.6	24.0	14.7	20.2	23.4	18.9	19.3	25.8
Trade														
Merchandise exports	2.4	0.6	(9.9)	(0.3)	16.6	(5.3)	(1.5)	(2.6)	(11.1)	0.7	8.6	(2.8)	(0.1)	7.3
Merchandise imports	4.7	11.2	10.0	7.8	1.9	16.1	2.3	10.3	(15.2)	11.4	19.1	(1.7)	(3.7)	8.6
Non-oil merchandise exports	7.6	4.1	0.2	6.7	25.5	7.8	5.1	14.5	(6.3)	2.2	10.3	4.4	2.9	13.8
Non-oil merchandise imports	0.0	7.9	22.6	8.2	(3.2)	19.7	6.3	19.9	(9.6)	9.4	16.3	10.0	(2.0)	9.0
Services exports	3.2	16.6	5.7	14.6	22.7	14.2	16.9	12.1	11.7	18.7	8.8	9.6	12.0	1.5
Services imports	(3.1)	16.0	9.1	13.5	28.0	26.1	13.9	12.6	(4.7)	5.3	1.0	(1.0)	5.1	(3.4)

Capex push evident in infrastructure output, but broader manufacturing and freight activity turn soft

• Fiscal

Centre's expenditure maintains robust growth, mainly due to capex. Gross tax revenue growth contracted in June offset by steady GST collection

• Industry

Eight core industries and industrial output growth remain tepid with muted electricity generation, and hence coal output, due to early arrival of and above-normal monsoon. Robust growth in steel and cement production reflecting capex activity. Wholesale prices remain in deflationary zone

• Logistics

Strong growth in e-way bills generation. Rail and air freight growth moderates in June, while port cargo growth steady in July

• Trade

Goods EXIM growth rebounds, on a low base, while services trade slows in July

Source: Thurro, CGA, Ministry of Finance, MoSPI, EAI, POSOCO, Indian Railways, Indian Ports Association, AAI, GSTN, RBI, NPCI, NIIF Research

Note:

1. Conditional formatting based on yoy growth values with respect to zero, with the largest negative values represented by dark red and largest positive values represented by dark green

[Growth] High frequency indicators: Demand

Change in major economic indicators (% yoy), Jun '24 - Jul '25

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Energy														
Electricity demand	8.9	8.3	(5.3)	0.4	0.9	4.0	5.8	2.4	2.8	6.7	2.2	(5.0)	(1.7)	2.0
Petrol consumption	4.6	10.5	8.6	3.0	8.7	9.6	11.1	6.7	5.0	5.7	5.0	9.2	6.8	5.9
Automobile registrations														
Passenger vehicles	(5.4)	13.1	(0.9)	(17.0)	39.4	(11.8)	0.7	19.0	(7.0)	10.9	5.5	0.5	0.1	0.2
Three-wheeler	7.4	16.3	4.5	3.5	12.2	4.4	(4.6)	6.9	(0.8)	(5.6)	24.5	6.3	6.2	0.8
Two-wheeler	5.0	17.6	6.7	(8.3)	36.8	16.3	(17.3)	4.7	(5.8)	(1.0)	2.8	7.8	2.2	(6.3)
Commercial vehicles	(6.9)	4.6	(6.9)	(11.0)	3.7	(6.7)	(8.0)	5.9	(6.8)	0.7	(3.4)	(5.7)	5.9	(2.5)
Passenger vehicles-electric	(4.9)	9.1	(3.0)	(5.2)	63.3	22.5	24.3	54.3	28.3	63.1	71.1	70.1	90.1	104.3
Three-wheeler-electric	8.8	18.5	7.0	9.5	17.9	17.6	3.1	12.2	5.0	(2.1)	48.8	20.6	15.0	8.6
Two-wheeler-electric	73.6	97.2	41.9	41.4	86.7	30.4	(2.8)	19.9	(7.2)	(6.3)	41.2	30.7	25.7	(4.0)
Commercial vehicles-electric	61.3	49.6	46.9	49.3	32.5	33.8	91.1	39.4	(4.5)	(59.5)	114.9	104.8	58.3	141.1
Services														
Air passenger (domestic)	6.0	7.5	5.9	6.5	8.0	12.1	8.3	11.3	11.1	8.7	8.4	1.7	2.6	(1.5)
Air passenger (international)	11.7	9.6	10.7	11.6	10.3	13.0	9.4	11.6	7.3	5.6	21.1	10.7	12.1	11.6
FASTag collection (volume)	5.8	9.4	6.8	6.5	7.9	11.9	9.8	14.8	18.7	11.9	16.6	16.4	15.5	14.8
FASTag collection (value)	11.2	12.0	8.4	10.4	10.4	14.5	13.3	19.0	18.3	14.5	21.6	20.0	17.5	19.6
UPI transactions (volume)	48.7	44.9	41.3	42.5	45.4	37.8	39.2	39.3	33.1	36.2	34.5	33.1	32.5	34.9
UPI transactions (value)	36.0	34.6	30.7	30.7	37.0	23.9	27.5	27.5	20.2	25.2	21.9	23.0	19.8	21.5
Consumer price index	5.1	3.6	3.7	5.5	6.2	5.5	5.2	4.3	3.6	3.3	3.2	2.8	2.1	1.6
Banking														
Aggregate deposits	11.1	10.6	12.7	10.4	11.5	11.2	9.8	12.1	12.0	10.3	9.8	9.9	10.1	10.2
Outstanding credit	17.4	13.7	14.0	12.3	11.8	11.2	11.2	12.5	12.3	11.0	10.1	9.0	9.5	10.0

Digital payments and EV demand strong, while energy, credit, ICE auto demand soften

• Energy

Subdued electricity demand growth in July on a high base, while petrol consumption remains steady

• Automobile registration

Auto demand continues to weaken, led by non-electric segment. Dip in electric two-wheelers at a time of rare earth supply shortage, PV and CV EVs surge

• Services

Domestic air passengers contract in July while international passenger growth remains strong. E-toll collection and UPI transactions continue to soar. Retail inflation hits 8-year low

• Banking

Credit growth remains subdued, trailing deposit growth for three months

Source: Thurro, CGA, Ministry of Finance, MoSPI, EAI, POSOCO, Indian Railways, Indian Ports Association, AAI, GSTN, RBI, NPCI, NIIF Research

Note:

1. Conditional formatting based on yoy growth values with respect to zero, with the largest negative values represented by dark red and largest positive values represented by dark green

[Growth] Fiscal position (1/2)

Capex expands ~33% yoy, in FYTD26 on low election while direct taxes contract 4.3% due to personal income tax decline

Monthly snapshot of central government fiscal health (INR trillion), FY2025-FY2026 (Jul '25)

		FY2025		FY2026		% of BE		% yoy
		July	YTD	July	YTD	YTD FY2025	YTD FY2026	Δ YTD
1	Revenue receipts	1.9	10.2	1.5	10.7	32.5	31.1	4.8
1.1	Gross tax revenue	2.5	10.8	2.2	10.9	28.2	25.6	0.8
1.1.1	Direct tax	1.2	5.8	0.3	5.5	26.2	22.0	(4.3)
1.1.2	Indirect tax	1.3	4.9	0.7	5.2	30.1	29.9	6.7
2	Capital receipts (non-debt)	0.0	0.1	0.0	0.3	8.2	39.2	366.5
2.1	Net recovery of loans and advances	0.0	0.1	0.0	0.1	22.8	24.6	11.9
2.2	Miscellaneous receipts	0.0	0.0	0.0	0.2	0.0	48.2	
3	Total (non-debt) receipts (1 + 2)	1.9	10.2	1.5	11.0	31.9	31.3	7.0
4	Revenue expenditure	2.5	10.4	2.7	12.2	28.0	30.8	17.1
4.1	Interest payment	0.6	3.3	0.6	4.5	28.2	35.0	36.2
5	Capital expenditure	0.8	2.6	0.7	3.5	23.5	30.9	32.8
6	Total expenditure (4 + 5)	3.3	13.0	3.4	15.6	27.0	30.9	20.2
7	Revenue deficit (4 - 1)	0.6	0.2	1.2	1.5	3.8	28.9	585.4
8	Fiscal deficit (6 - 3)	1.4	2.8	1.9	4.7	17.2	29.9	69.1
9	Annual Nominal Gross Domestic Product (GDP)	330.7		356.9				

Source: CEIC, Union Budget 2025-26, NIIF Research

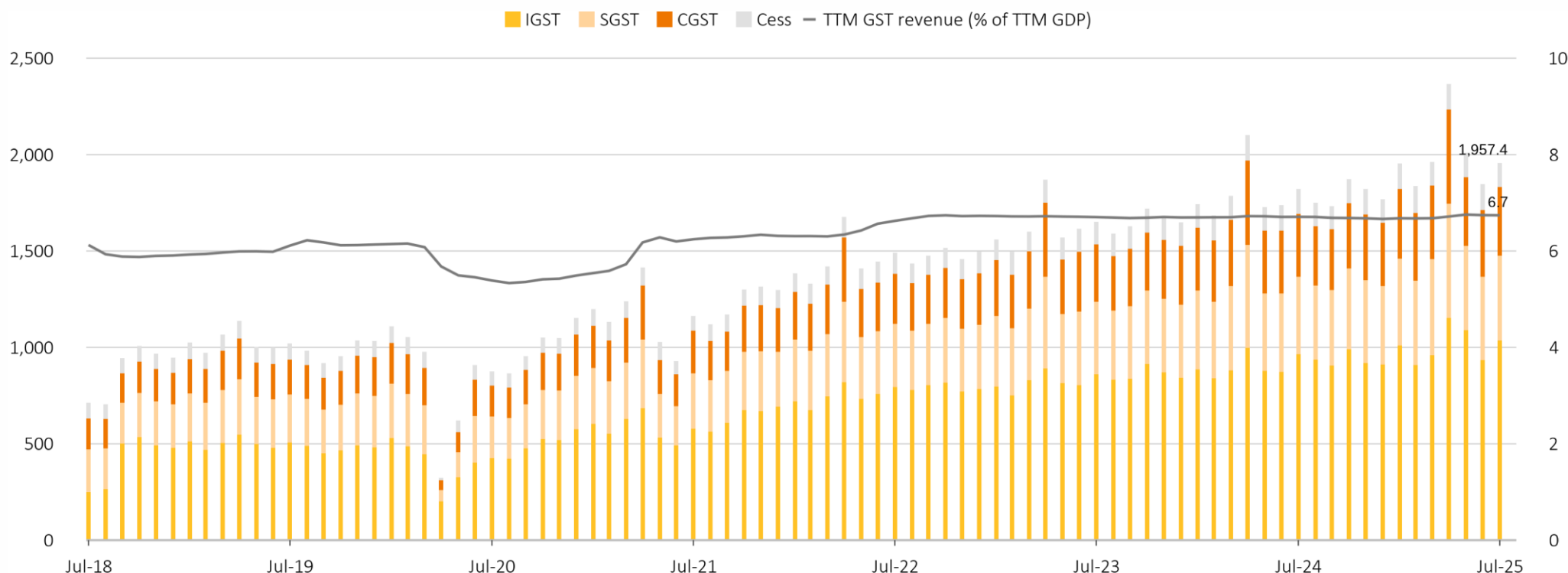
Note:

1. FY2025 is the period between April 2024 and March 2025, similarly for other years
2. YTD refers to financial year to date, i.e., from April onwards; BE is the budget estimate for the stated financial year
3. FY2026 nominal GDP is estimates from Union Budget 2025-26
4. Abnormal growth in Miscellaneous receipts now shown

[Growth] Fiscal position (2/2)

Robust monthly GST collection of INR ~1.9 trillion in July

Monthly composition of GST Revenue (INR billion), FY2019-FY2026 (Jul '25)



Source: Thurro, GST Portal, NIIF Research

Note:

1. TTM is trailing twelve months
2. GST collected for April '20 and May '20 assumed to be entirely CGST
3. Nominal GDP for FY2024 is the first revised estimate provided by Ministry of Statistics and Programme Implementation which is INR 301.2 trillion, provisional estimate for FY2025 is INR 330.7 trillion, and for FY2026 is the budget estimate of INR 356.98 trillion

GST council on 3 September 2025 approved rate rationalization with most items consolidated under 5% and 18% slabs, while luxury and sin goods (tobacco, etc.) under a new 40% slab, effective 22 September 2025. The government estimates 'revenue incidence' at INR 480 billion (~ 0.13% of GDP) based on the FY2024 Household Expenditure Survey

[Growth] Public capex

State capex surges with AP (614% yoy), KA (72%), RJ (55%) leading growth; capex in top three states MH (-22%), UP (-17%), TN (-1%) decline

Monthly state-wise capex (% yoy), Jun '24 – Jun '25

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jun -25 (INR bn)
Maharashtra	(7.0)	65.0	(36.4)	39.3	21.9	(6.2)	(24.6)	(6.0)	40.1	16.6	(300.1)	1.1	(22.4)	29.4
Tamil Nadu	(31.1)	6.8	43.6	(30.3)	32.8	7.0	32.6	(49.3)	(2.3)	76.8	(23.7)	(36.6)	(1.4)	23.5
Uttar Pradesh	(41.0)	9.4	155.0	(69.1)	5.9	15.5	23.8	(42.8)	(11.1)	39.8	(46.0)	121.7	(17.1)	35.1
Karnataka	3511.1	155.6	(29.5)	(22.4)	21.8	(15.6)	80.0	10.9	5.0	18.4	(96.1)	241.6	72.4	31.1
Gujarat	(26.8)	(31.3)	126.5	155.0	73.4	(51.2)	(32.3)	11.0	69.6	46.0	352.1	26.5	26.5	58.8
West Bengal	(56.6)	64.7	(37.2)	118.5	(57.9)	(79.2)	(35.9)	(62.9)	(21.8)	(30.5)	(41.7)	(50.7)	12.9	10.4
Rajasthan	(40.8)	(17.5)	364.6	(33.0)	56.5	(42.8)	72.8	37.0	22.0	333.4	(8.5)	(3.6)	54.6	23.8
Telangana	(67.5)	(52.8)	(86.3)	(63.7)	133.0	4.0	105.0	46.0	(11.6)	(43.9)	(61.4)	9.2	42.0	14.8
Andhra Pradesh	(84.5)	(73.4)	33.1	45.0	646.4	(49.8)	(49.6)	12.6	6.1	7324.9	(81.6)	604.4	614.2	38.1
Others	(14.5)	14.7	(11.1)	2.0	(16.0)	0.3	40.8	12.8	0.7	42.5	54.6	27.8	8.6	176.8
Top 18 States	(30.0)	6.4	15.3	(17.0)	19.1	(12.9)	22.6	(7.6)	4.0	35.7	16.5	34.4	20.2	417.6
Centre	(66.2)	107.8	(30.0)	(2.4)	(8.4)	21.3	95.3	51.4	(35.4)	67.2	61.0	38.7	43.7	537.8

Source: CGA, Thurro, NIIF Research

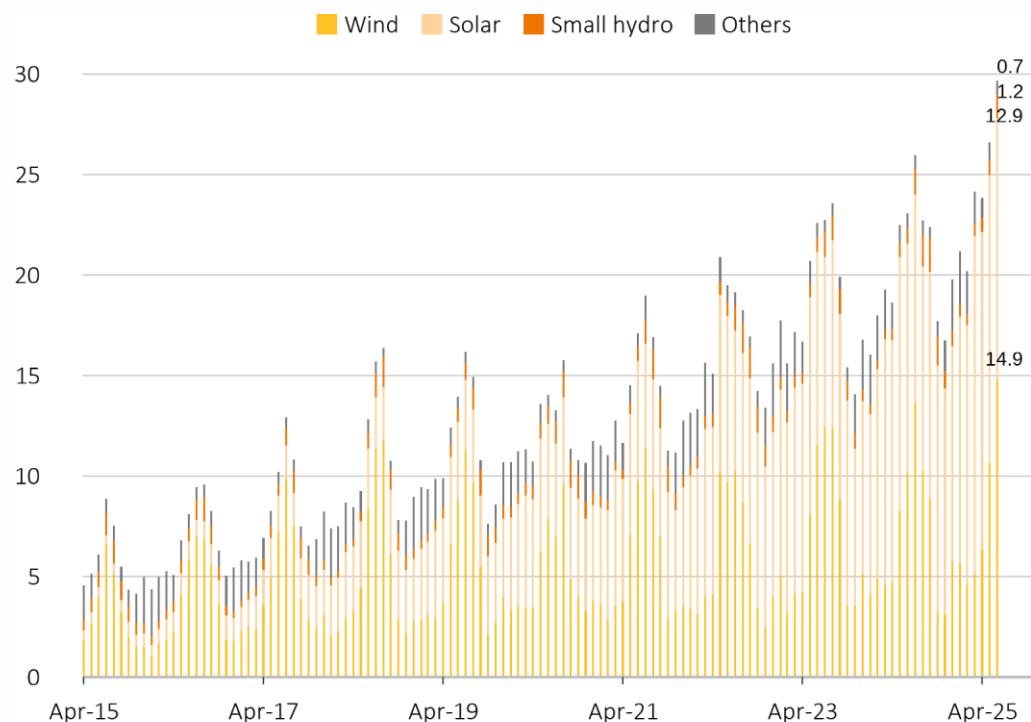
Note:

1. States are ranked on the basis of FY2024 GSDP
2. Top 18 states based on GSDP excluding Assam (Mar '25 and Apr '25 includes 17 states)

[Growth] Renewables

Renewable generation reaches record 29.7 billion units in June

Monthly generation from renewables (billion kWh), FY2016-FY2026 (Jun '25)



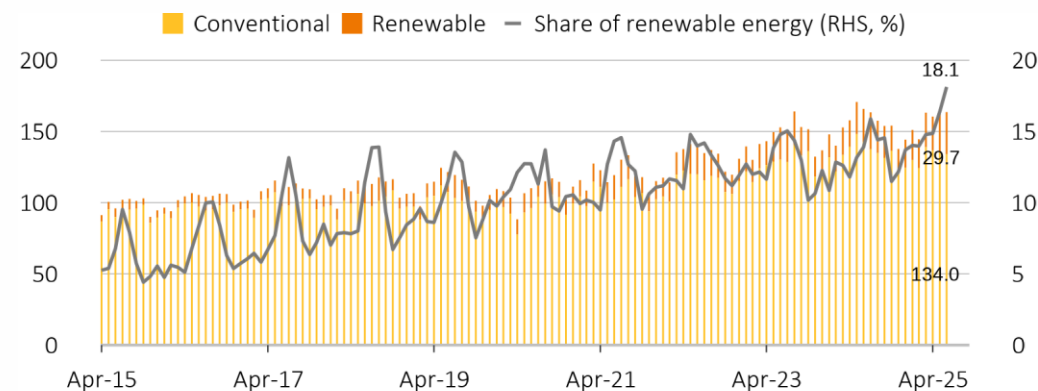
Source: Thurro, CEA, NIIF Research

Note:

- Others include bagasse-based energy and biomass other than bagasse, among other sources
- By June 2025, India has installed 242.8 GW of non-fossil fuel installed capacity, including renewable energy (234 GW) and nuclear power (8.8 GW), accounting for ~50.1% of country's total power capacity (484.8 GW), reaffirming India's steady path to achieve 500 GW from clean energy sources for sustainable growth by 2030 (SDG 7.2)

Renewable share hits all-time high of 18.1% in overall power generation

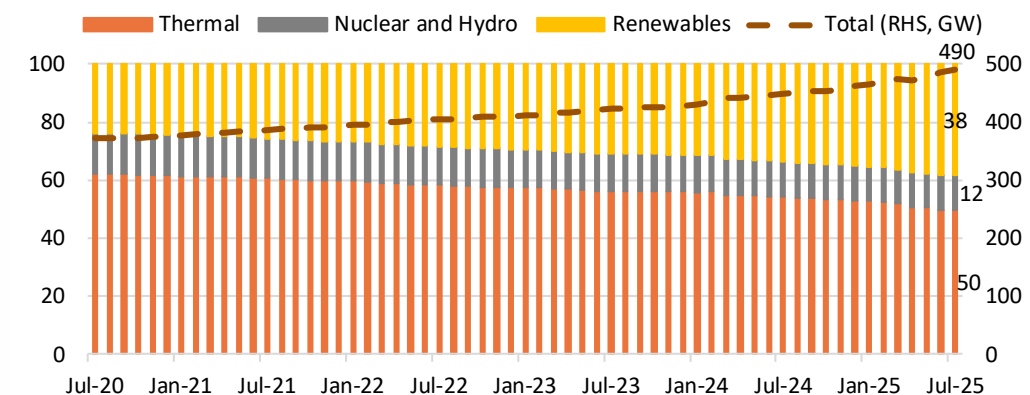
Monthly generation from energy sources (billion kWh), FY2016-FY2026 (Jun '25)



Source: Thurro, POSOCO, CEA, NIIF Research

India non-fossil installed capacity exceeds 50% in July

Share (%) and total (GW) of installed capacity, FY2021-FY2026 (Jul '25)

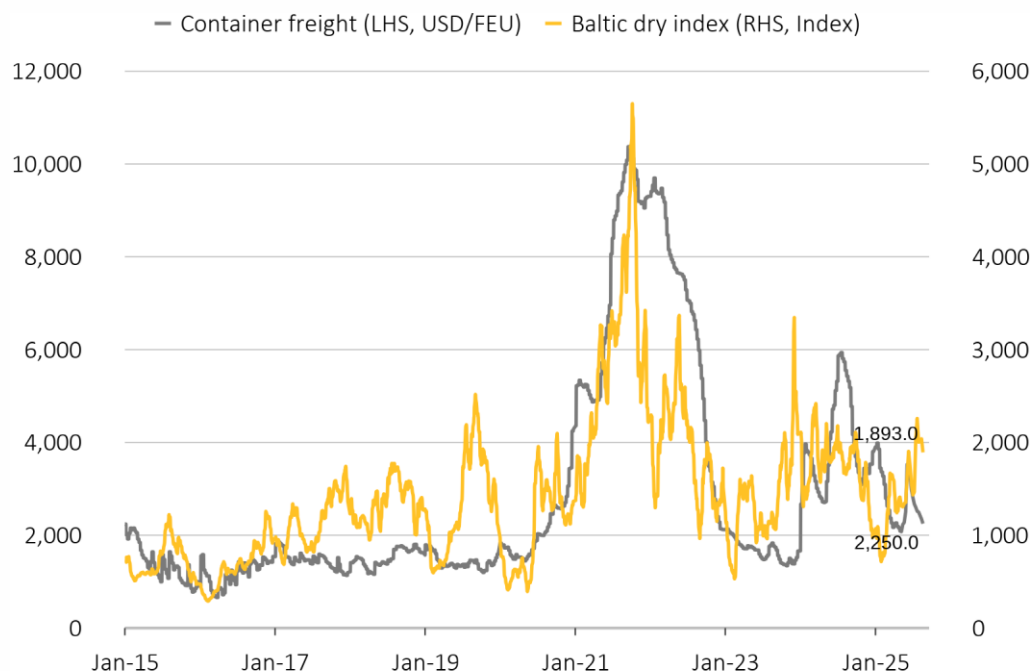


Source: CEA, CMIE, NIIF Research

[Growth] Transport and energy costs

Container freight rates decline while Baltic dry index inches up

Daily shipping freight indices, FY2015-FY2026 (21 Aug '25)



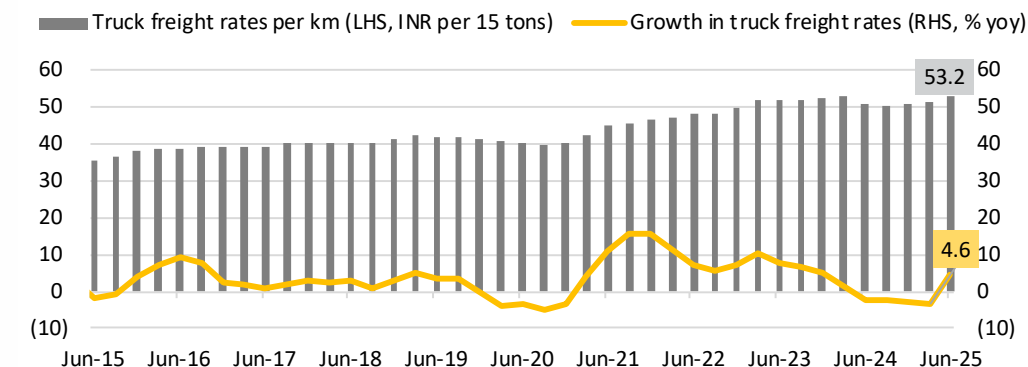
Source: Thurro, Bloomberg, NIIF Research

Note:

1. Baltic Indices represent average shipping freights across 12 major international routes Index units measured in points. (January 4, 1985 = 1,000).
2. Baltic Dry Index measures freight rates for ships carrying bulk commodities like coal, iron ore, food grains, bauxite and alumina, steel and fertilizers.
3. Container freight measures actual spot freight rates in USD for 40-feet containers for 8 major east-west trade routes compiled as World Container Index (WCI).

Truck freight rates growth picks up to 4.6% yoy in Q1FY26

Quarterly average all-India truck freight rates, FY2016-FY2026 (Jun '25)



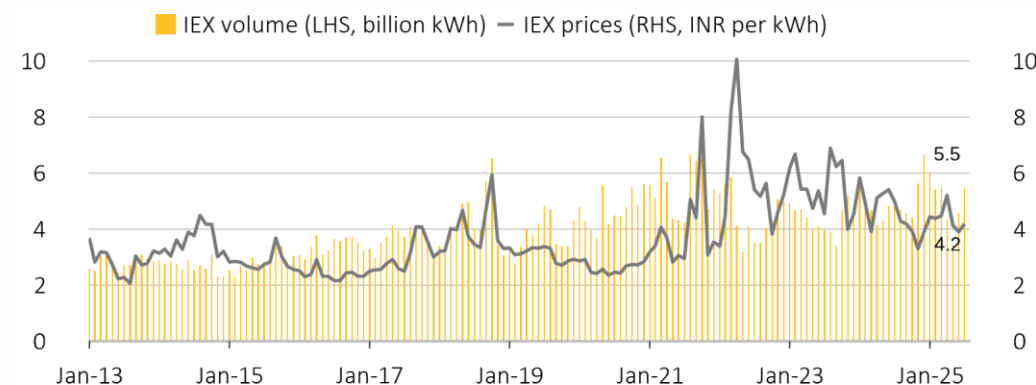
Source: Bloomberg, NIIF Research

Note:

1. The index tracks average monthly truck freight rates between Delhi and 81 cities in India
2. INR per 9 tons was considered for Dehradun and Lucknow in national average before Dec '15

Traded power price edges up to INR 4.2 per kWh

Monthly clearance prices on IEX DAM (INR/kWh), FY2013-FY2026 (Jul '25)

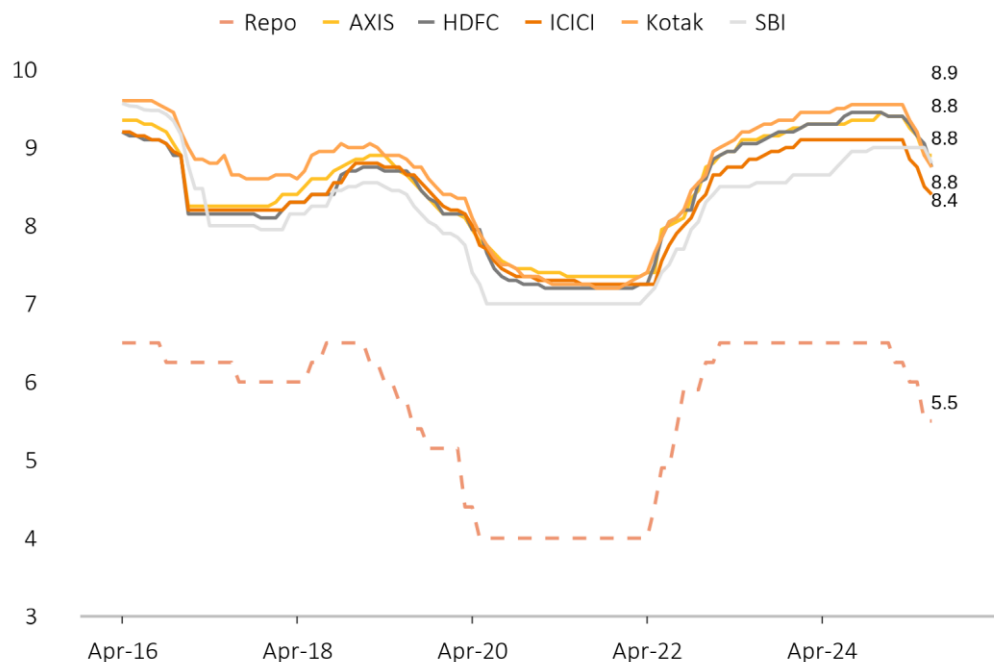


Source: Thurro, IEX, NIIF Research

[Rates] Policy rate and liquidity

Major private banks transmit 50-80bps RBI repo rate cut

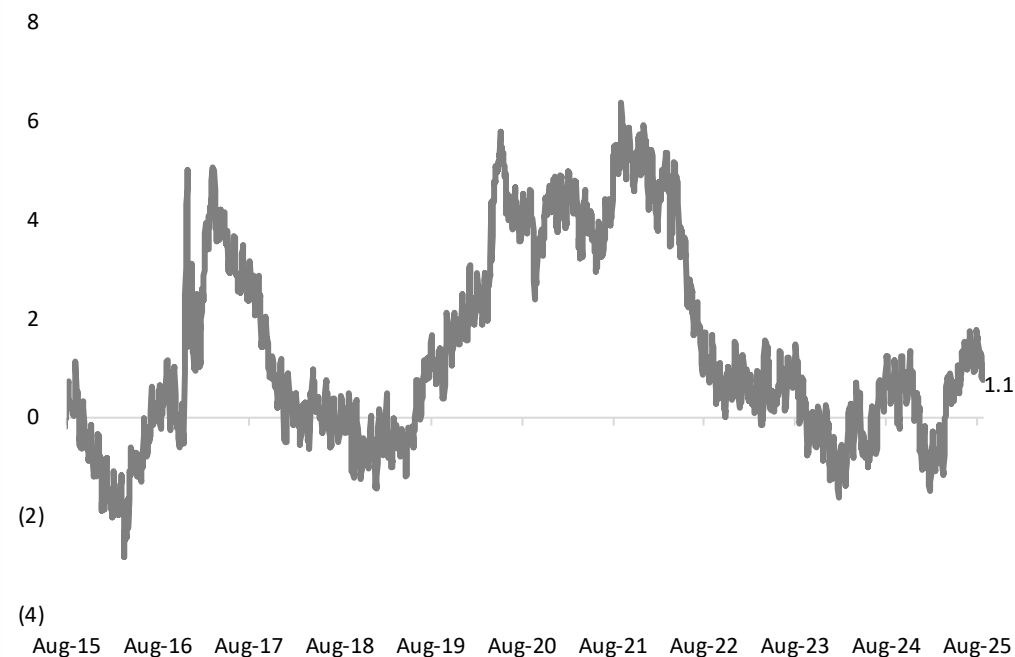
Monthly 1-year marginal cost of fund-based lending rate (%), FY2017-FY2026 (Jul '25)



Source: Thurro, RBI, NIIF Research

Banking system liquidity remains in surplus in August

Surplus liquidity (% of net demand and time liabilities), FY2012-FY2026 (29 Aug '25)



Source: Thurro, RBI, Bloomberg, NIIF Research

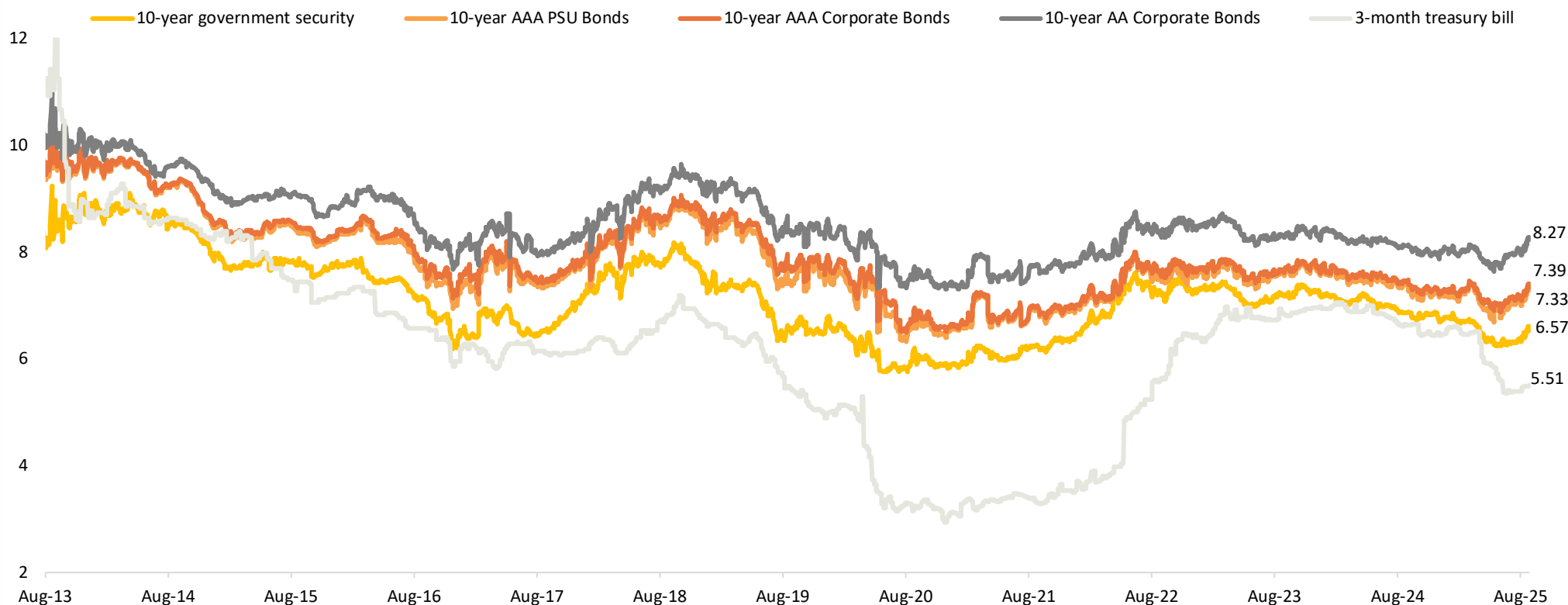
Note:

- Liquidity operations by RBI include repo, term-repo, long-term repo operations, open market operations, marginal standing facility, and standing liquidity facilities
- A positive number indicates liquidity surplus, and a negative number indicates a liquidity deficit

[Rates] Debt markets

3-month treasury yield aligns with repo while 10-year yields are on the rise in August

Daily India G-sec and corporate bond yields (%), FY2014-FY2026 (29 Aug '25)

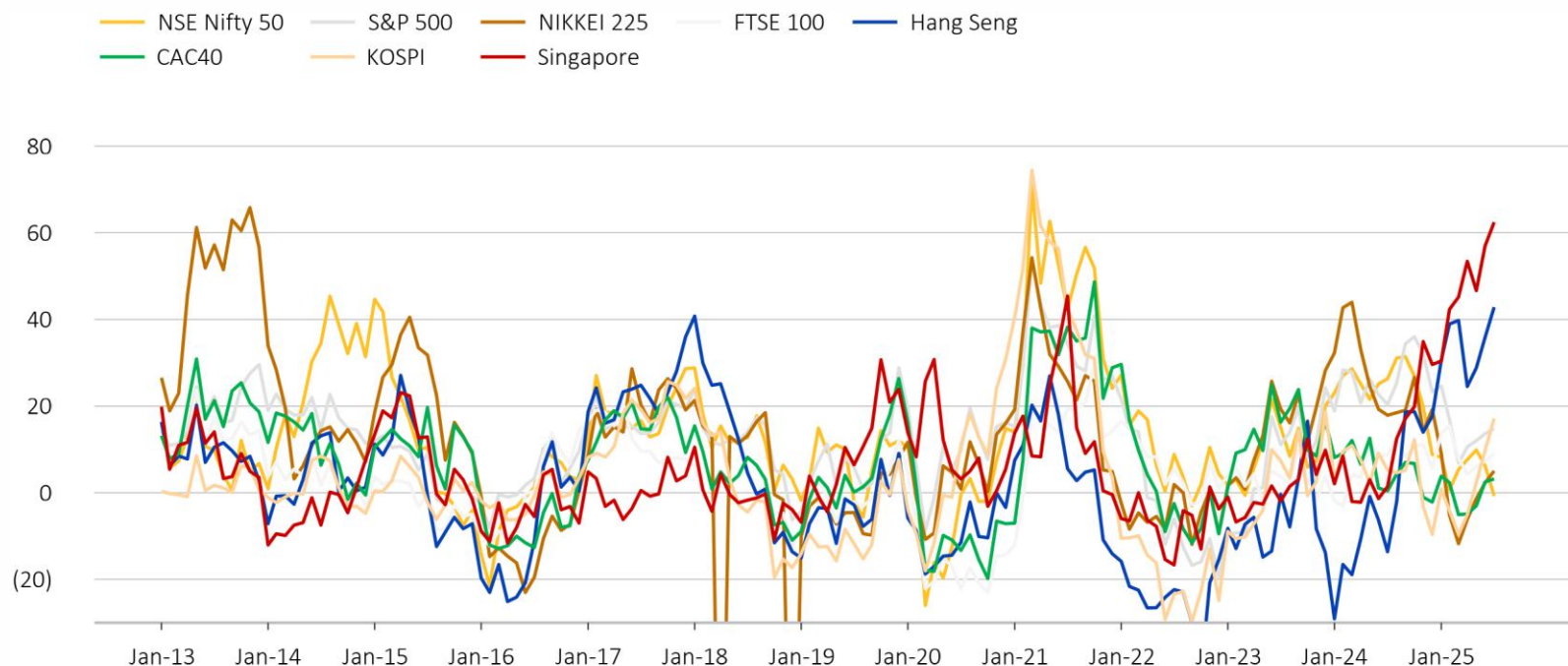


Source: Bloomberg, NIIF Research

[Rates] Equity markets: Global

Domestic equity returns turn negative at 0.7% TTM while regional markets like Singapore (62%) and Hong Kong (43%) maintain strong momentum

Monthly performance of Nifty-50, Sensex and other global indices, returns in local currency (% yoy), FY2013-FY2026 (Jul '25)



Returns as on July 31, 2025 (% yoy)

Singapore	62.4
Hang Seng	42.8
KOSPI	17.1
S&P 500	14.8
FTSE 100	9.1
Dow Jones	8.1
NIKKEI 225	5.0
CAC40	3.2
BSE Sensex	(0.7)
NSE Nifty 50	(0.7)

Source: Thurro, BSE, NIIF Research

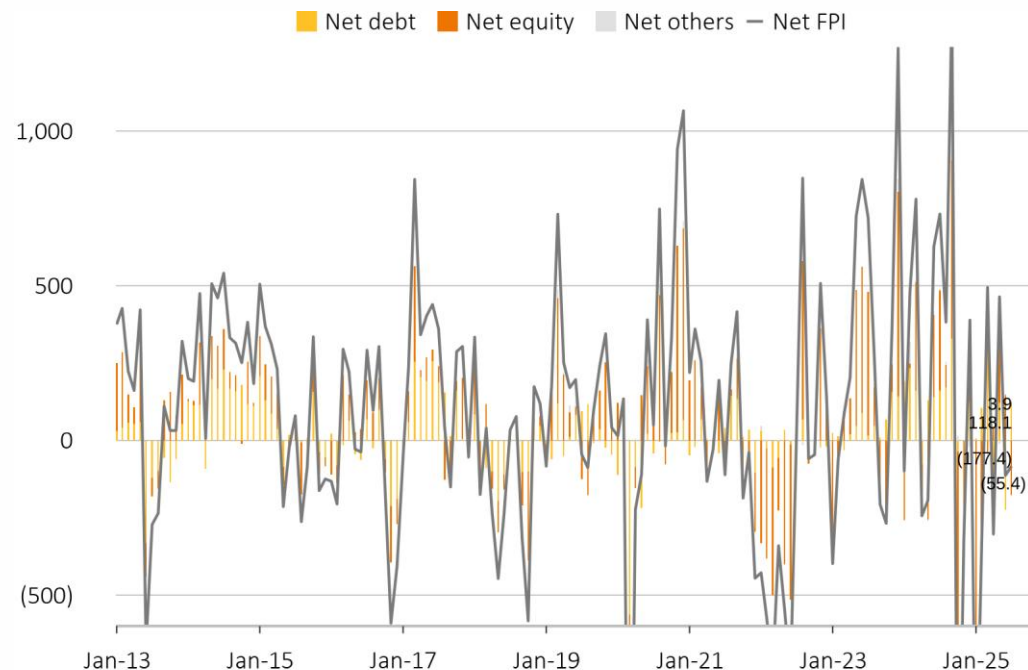
Note:

1. Return is calculated as on month end

[Rates] Flows: Portfolio

FPI record net outflow of INR 55.4 billion in July

Monthly net FPI investments in India (INR billion), FY2013-FY2026 (Jul '25)



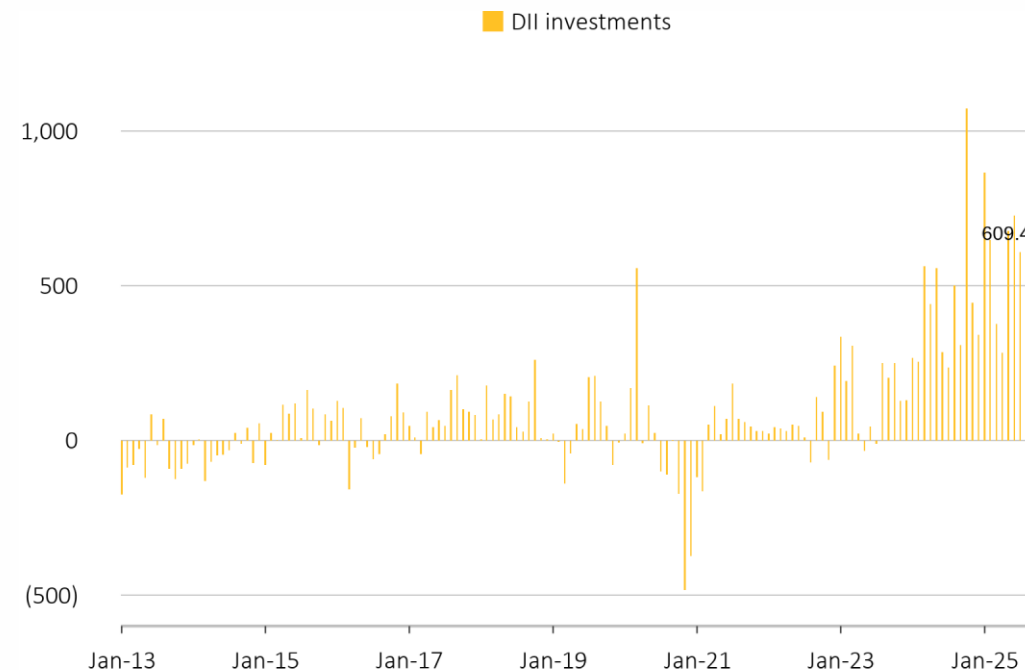
Source: Thurro, NSDL, NIIF Research

Note:

- Others comprise of hybrid, mutual funds and AIFs. Hybrid include investments in InvITs and REITs. Debt includes investments under Debt-VRR, Debt-FAR and Debt-General limit. Debt-VRR (voluntary retention route) allows FPIs to participate in repo transactions and also invest in exchange traded funds that invest in debt instruments.

DII record robust net inflows of INR 609 billion in July

Monthly net DII investments in India (INR billion), FY2013-FY2026 (Jul '25)



Source: Thurro, NSE, BSE, NIIF Research

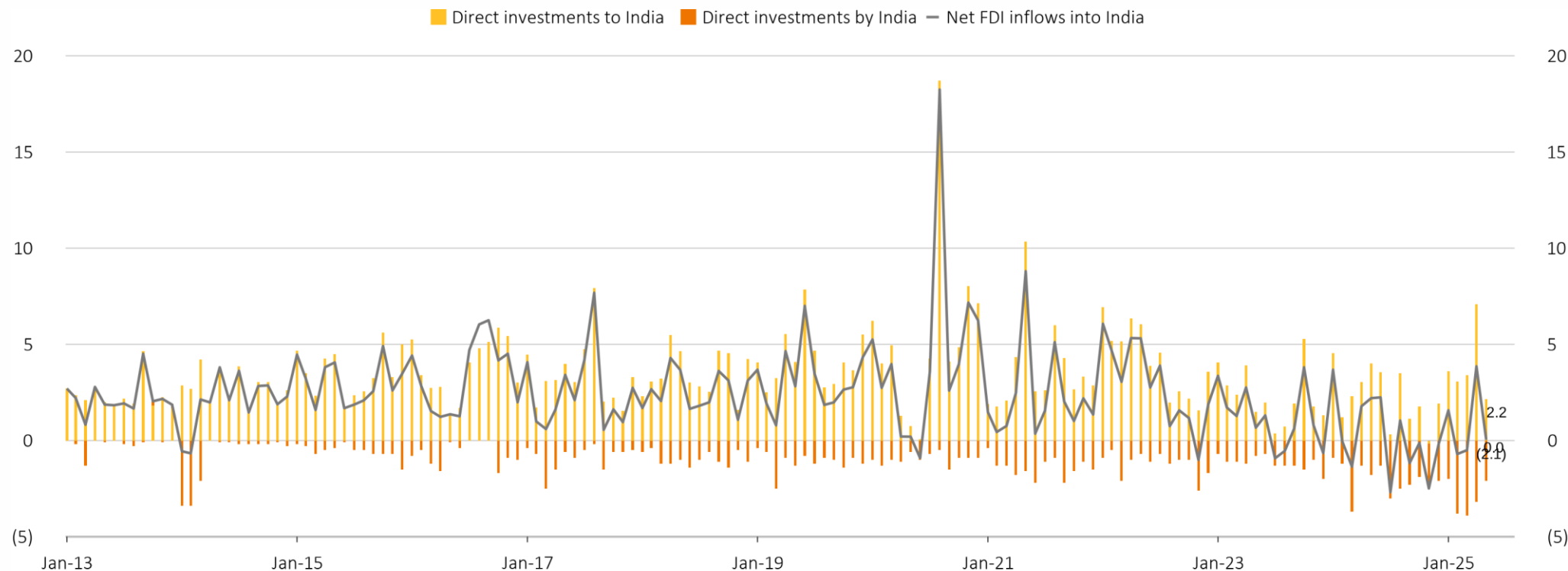
Note:

- Domestic institutional investors (DII) are those institutional investors who undertake investment in securities and other financial assets (debt, AIFs, etc.) within India. These include insurance companies, banks, DFIs, mutual funds, NPS, EPFO.

[Rates] Flows: FDI

Net FDI falls to USD 0.04 billion in May due to higher repatriation and disinvestment by foreign companies

Monthly foreign direct investments (USD billion), FY2013-FY2026 (May '25)

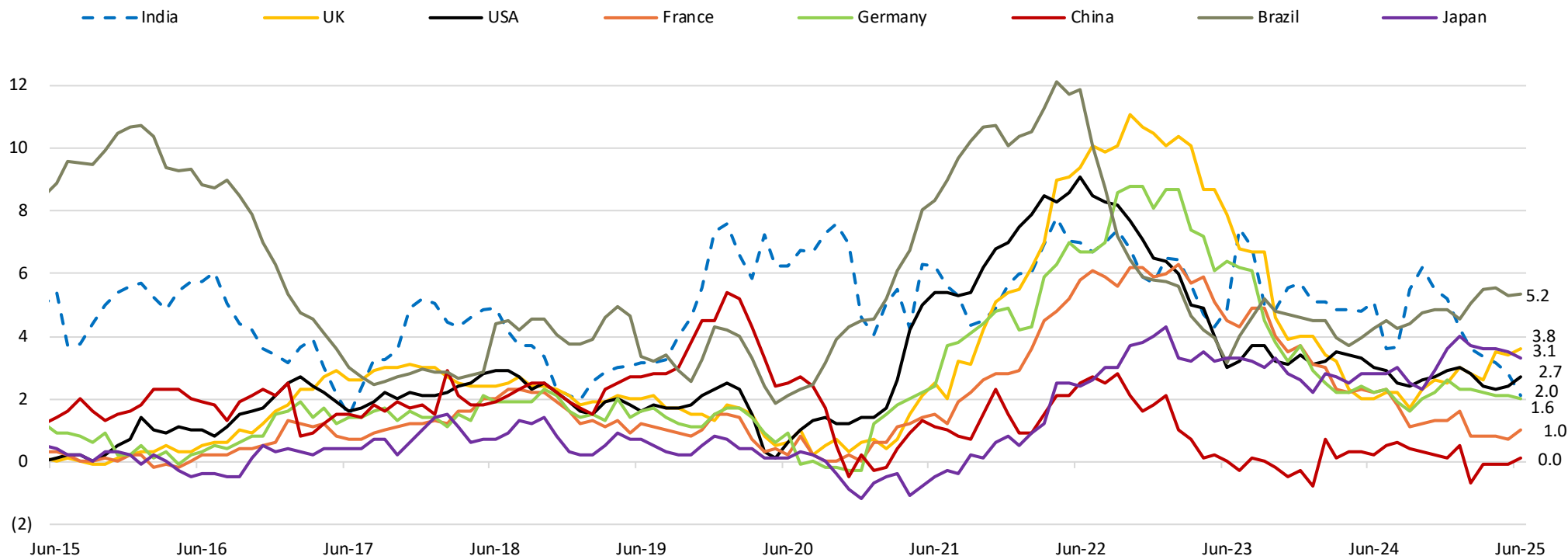


Source: Thurro, RBI, NIIF Research

[Inflation] Global

Inflation trends upward in UK (3.8%), USA (2.7%) and Brazil (5.2%) while declining in India (1.6%) and Japan (3.1%) in July

Monthly consumer price inflation (% yoy), FY2015-FY2026 (Jul '25)

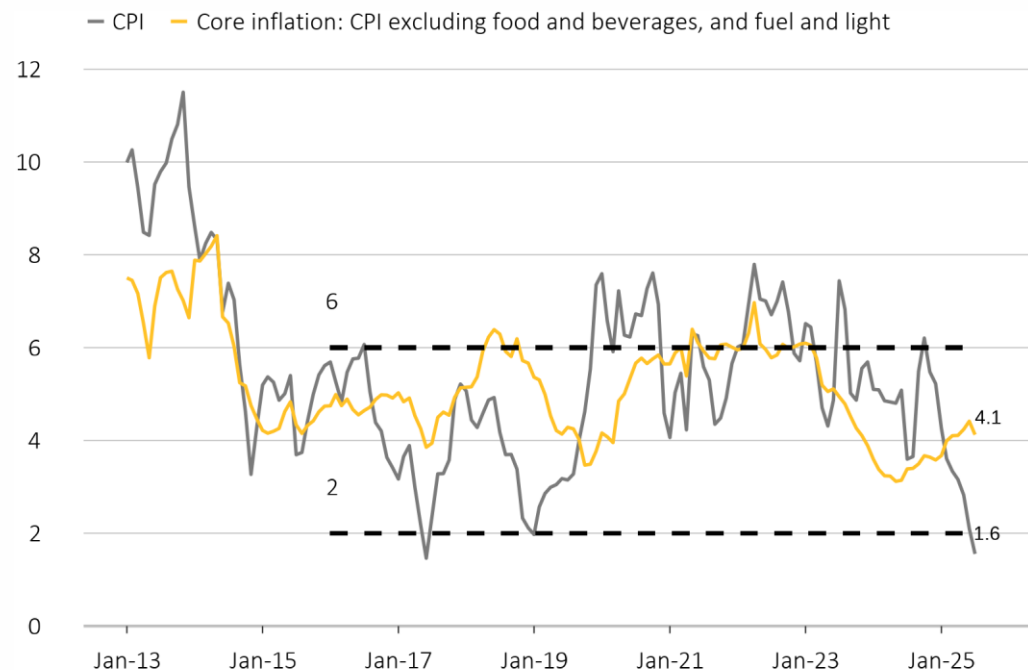


Source: Bloomberg, NIIF Research

[Inflation] India

Retail inflation falls to 1.6% in July, below RBI's lower band

Monthly consumer price inflation (% yoy), FY2013-FY2026 (Jul '25)



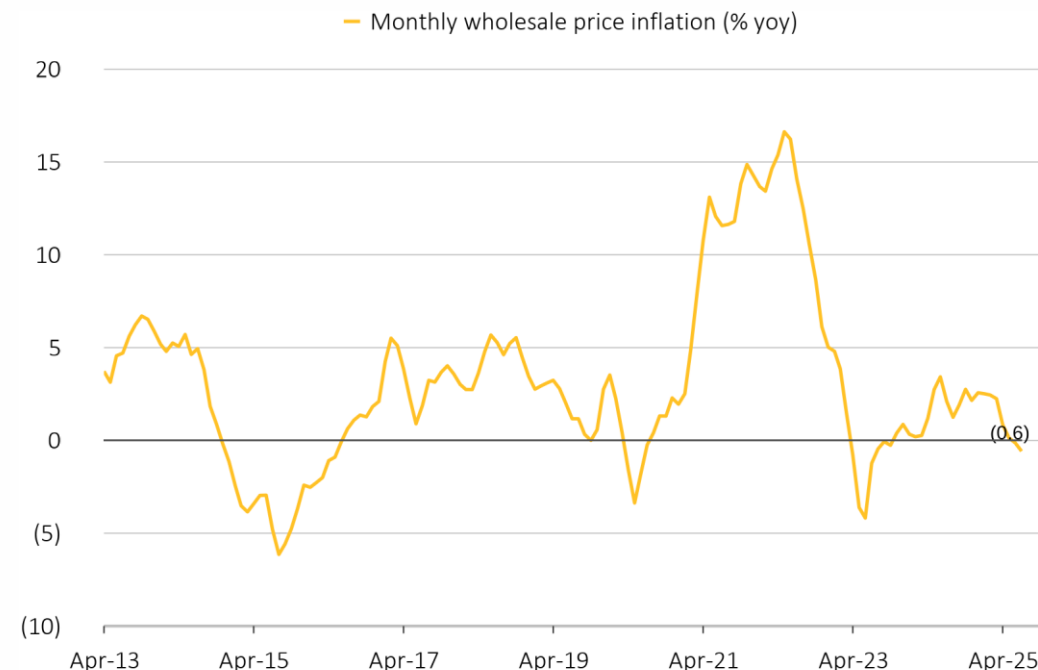
Source: Thurro, MoSPI, NIIF Research

Note:

1. RBI in 2016 adopted flexible inflation target set at 4%, with 6% as upper bound and 2% as lower bound

Wholesale prices remain in deflationary zone, easing to 0.6% in July

Monthly wholesale price inflation (% yoy), FY2014-FY2026 (Jul '25)

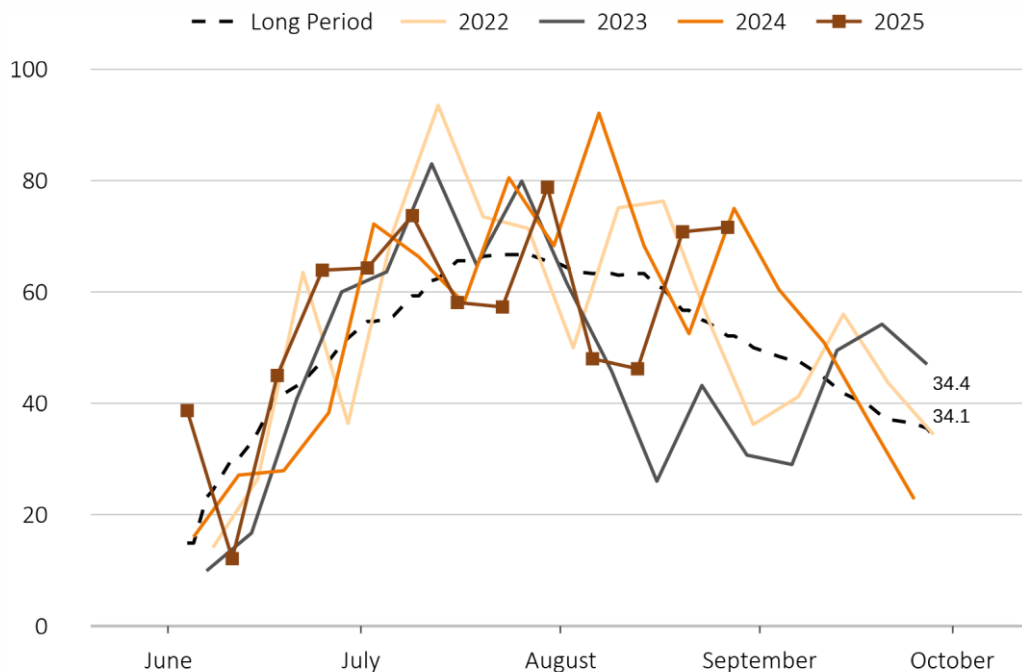


Source: Thurro, Ministry Of Commerce & Industry, NIIF Research

[Inflation] Monsoon (1/2)

Weekly rainfall above normal in second half of August

Weekly rainfall (in mm), CY2022-CY2025 (27 Aug '25)



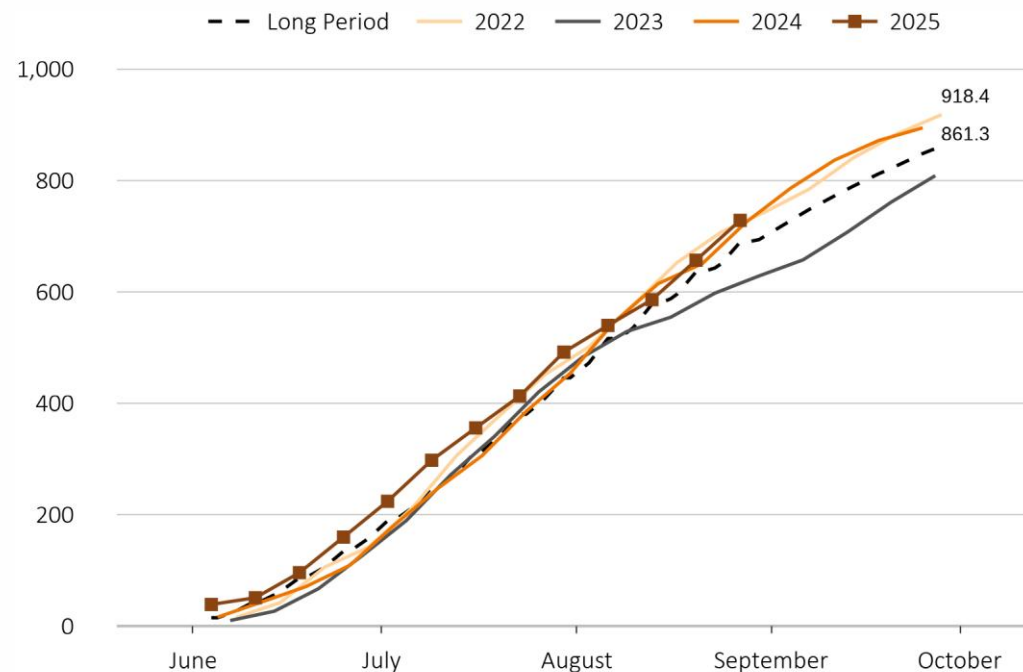
Source: Thurro, India Meteorological Department, CEIC, NIIF Research

Note:

1. Long-period average (LPA) is for a period of 50 years between 1971 to 2020

Cumulative rainfall till August remains above long period average

Cumulative rainfall at the end of the week (in mm), CY2022-CY2025 (27 Aug '25)



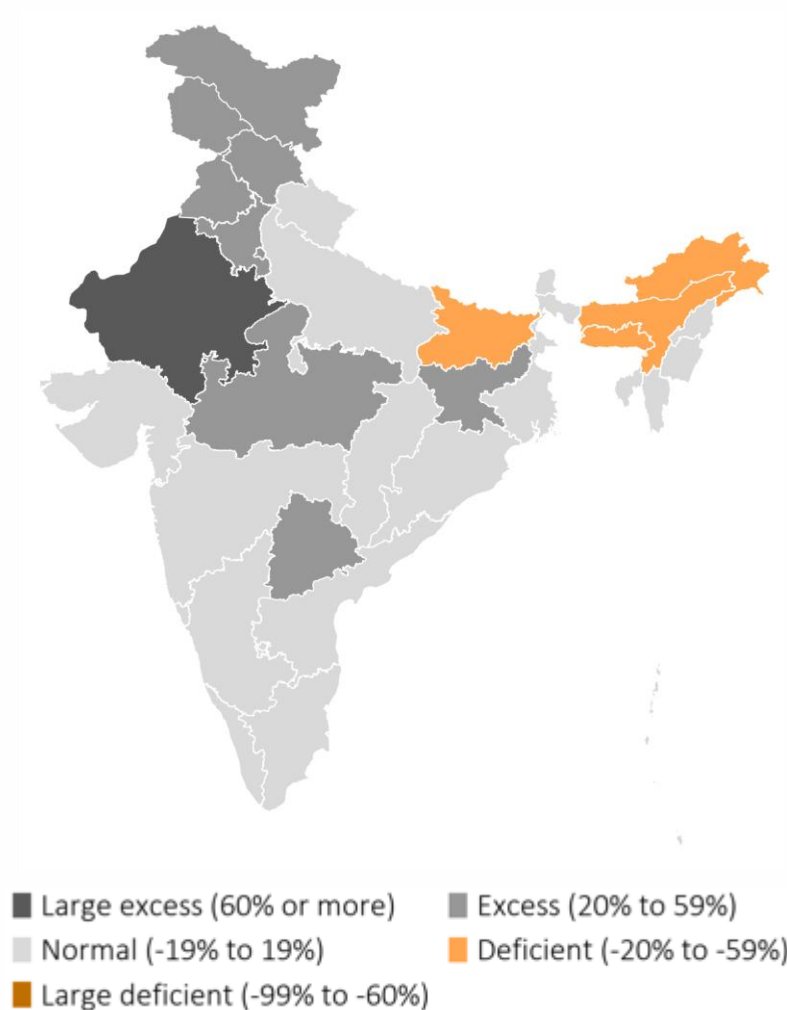
Source: Thurro, India Meteorological Department, CEIC, NIIF Research

Note:

[Inflation] Monsoon (2/2)

Excess rainfall in north, west India, deficient in eastern states in August

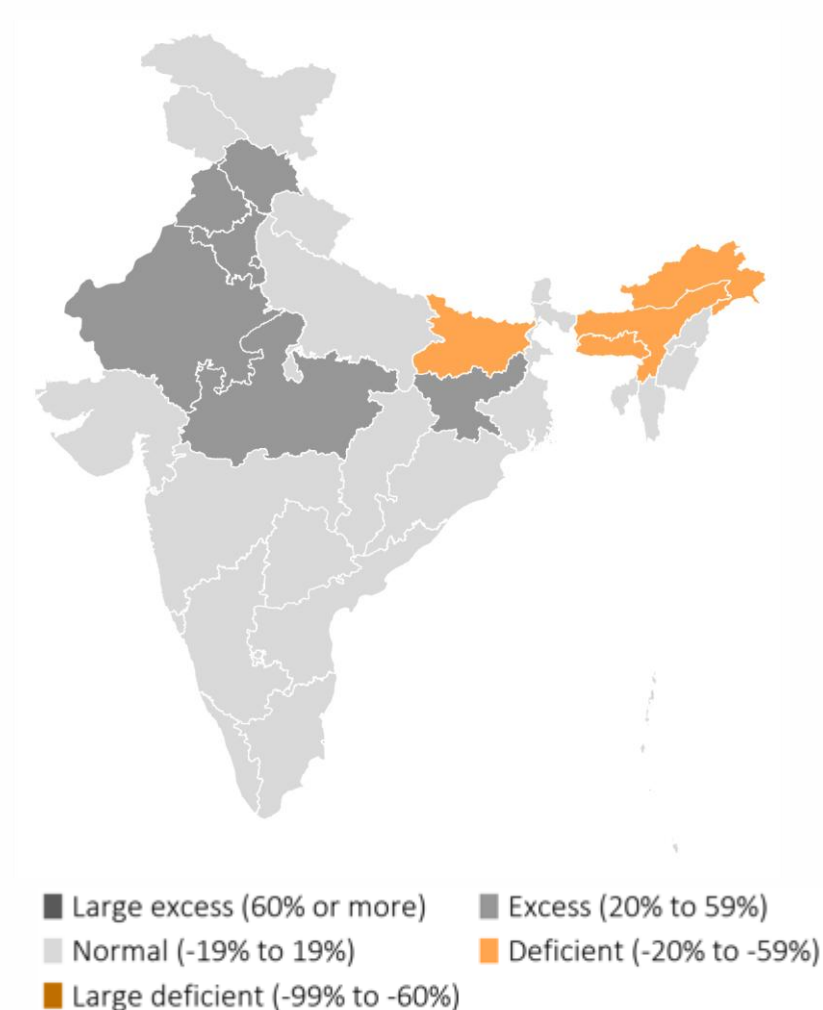
Monthly rainfall across states in mm, Aug 01 to Aug 31, 2025



Source: Thurro, India Meteorological Department, NIIF Research

Eastern states continue monsoon deficit through August

Cumulative rainfall in mm, Jun 01 to Aug 26, 2025

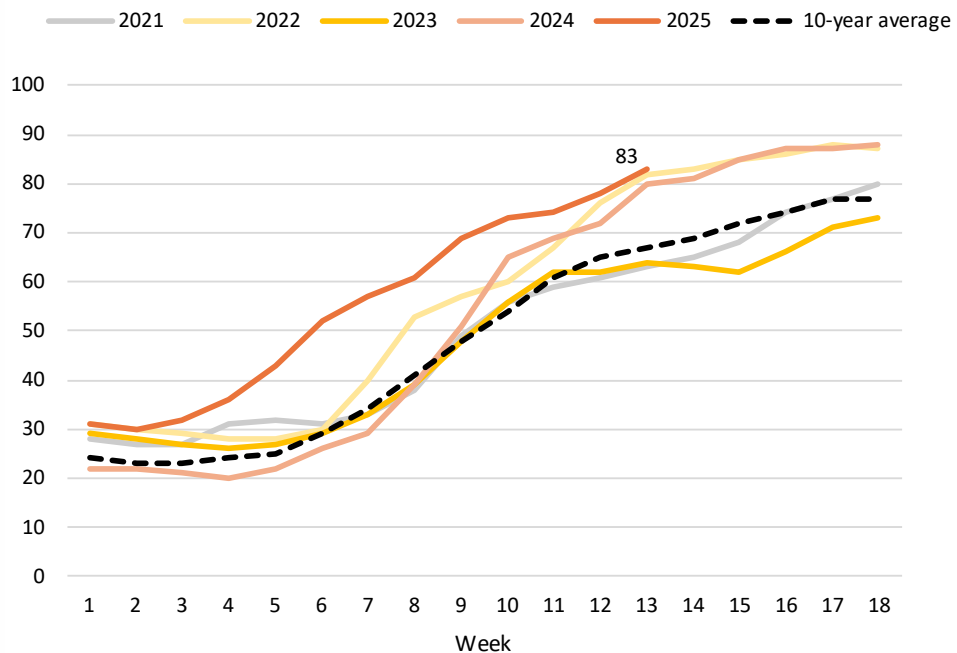


Source: Thurro, India Meteorological Department, NIIF Research

[Inflation] Agriculture

Reservoir levels at 83% by Aug-end, tracking above 10-year average

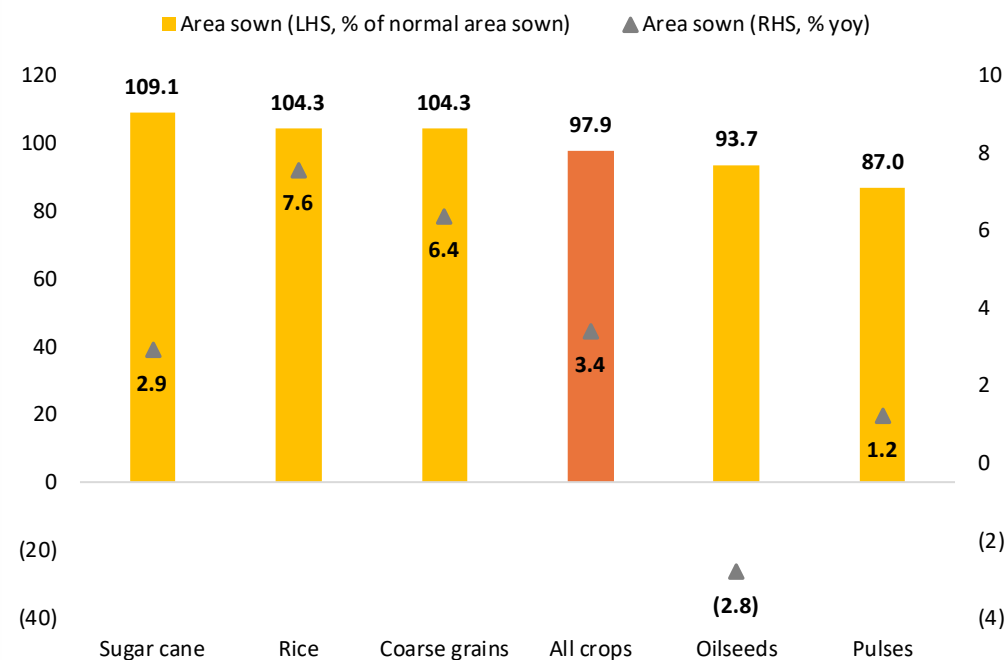
Weekly storage as % of live capacity at full reservoir level, CY2021-CY2025 (28 Aug)



Source: CEIC, NIIF Research

Kharif crop sowing up 3.4% yoy, mainly led by rice

Progress of Kharif (summer) crop sowing, (22 Aug '25)

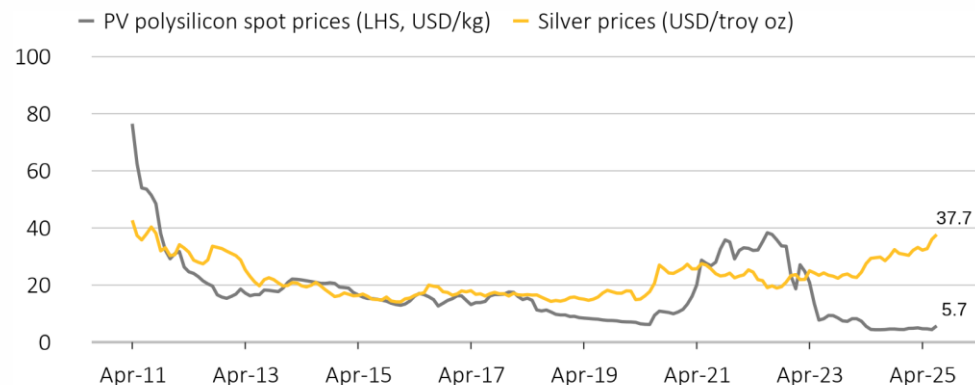


Source: CMIE, Ministry of Agriculture and Farmers Welfare, NIIF Research

[Inflation] Commodity markets

Polysilicon prices remain low while silver costs rise

Monthly average silicon and silver prices, FY2012-FY2026 (Jul '25)



Source: Thurro, NIIF Research

Copper prices remain elevated at USD 9,576 per tonne in August

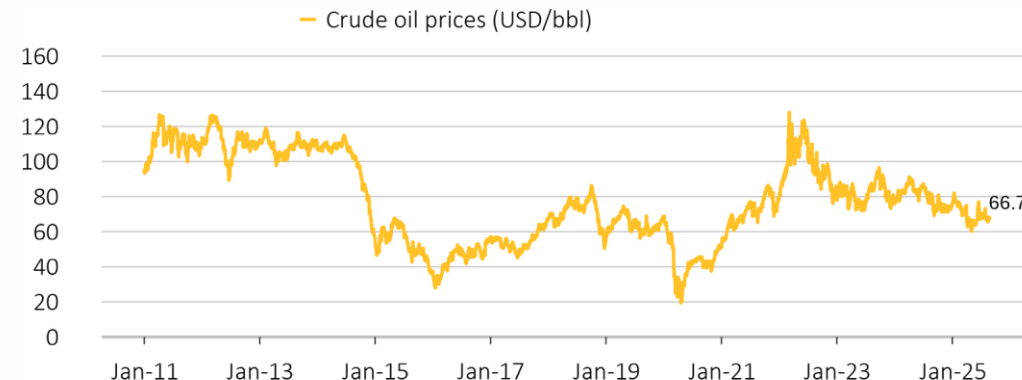
Daily copper prices, FY2015-FY2026 (20 Aug '25)



Source: Thurro, Business Insider, NIIF Research

Brent crude falls to ~USD 67/bbl in August from USD 70/bbl last month

Daily brent crude oil prices, FY2011-FY2026 (26 Aug '25)



Source: Thurro, Investing.com, NIIF Research

Gold prices remain high at USD 3,347 per troy oz

Daily gold prices, FY2015-FY2026 (20 Aug '25)

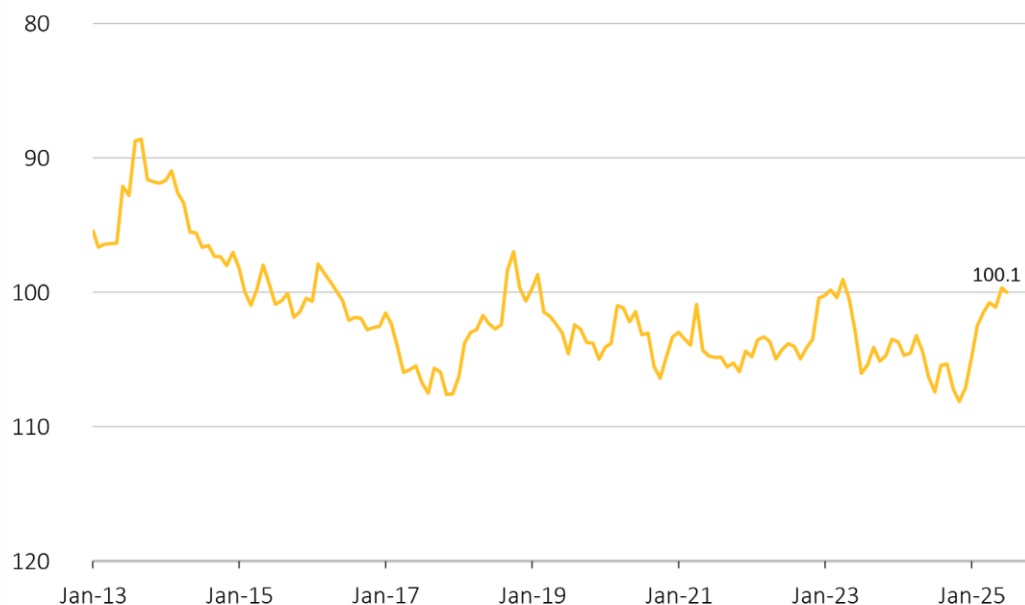


Source: Thurro, Business Insider, NIIF Research

[Forex] Foreign exchange markets

INR continues to depreciate against major trading partners in July

Monthly real effective exchange rate of INR, base year 2015-16 (X) (Jul '25)



Source: Thurro, RBI, NIIF Research

Note:

1. Real effective exchange rate (REER) is the weighted average of a country's currency in relation to basket of currencies of its major trading partners.
2. A REER value greater than 100 implies that the currency is overvalued, and undervalued if under 100

USD shows mild weakness as DXY settles near 98 in August

Daily dollar index (X), FY2013-FY2026 (26 Aug '25)



Source: Thurro, Yahoo Finance, NIIF Research

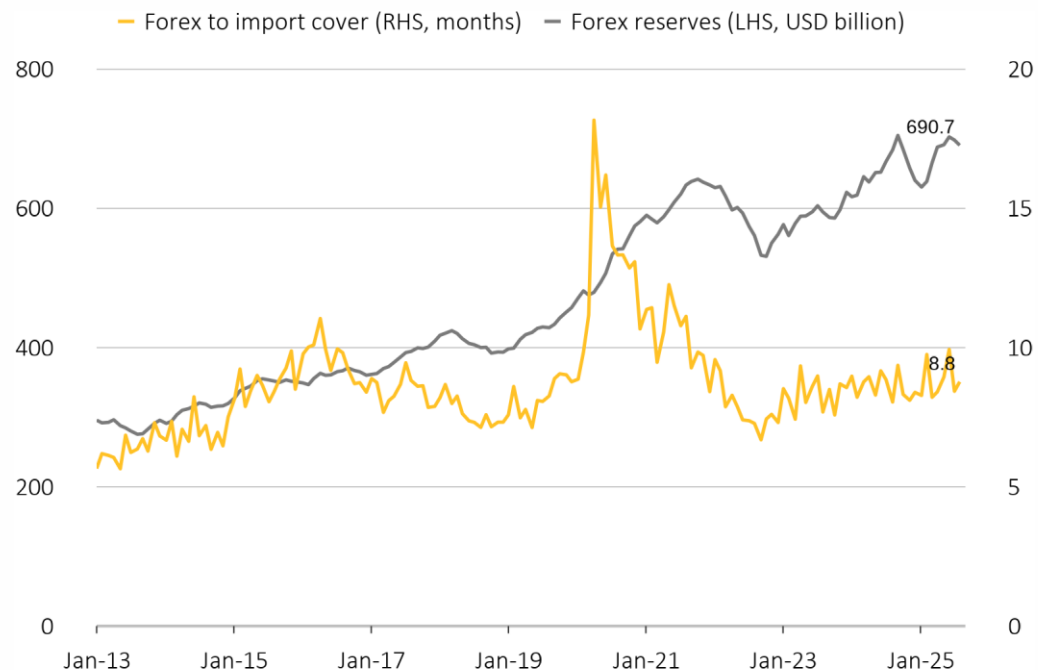
Note:

1. Dollar index measures the relative strength of USD compared to other major currencies (EUR, GBP, JPY, SEK, CAD, CHF). A higher number indicates a stronger USD.

[Forex] Foreign exchange markets

USD 691 billion forex reserves provide sufficient ~9 months import cover

Monthly foreign exchange reserves, FY2013-FY2026 (22 Aug '25)



Source: Thurro, RBI, NIIF Research

Note:

1. Import cover calculated on total imports (merchandise plus services)

Markets maintain ~2% forward premium for USD-INR in August

USD/INR implied 1-year forward risk premium (%), FY2008-FY2026 (25 Aug '25)

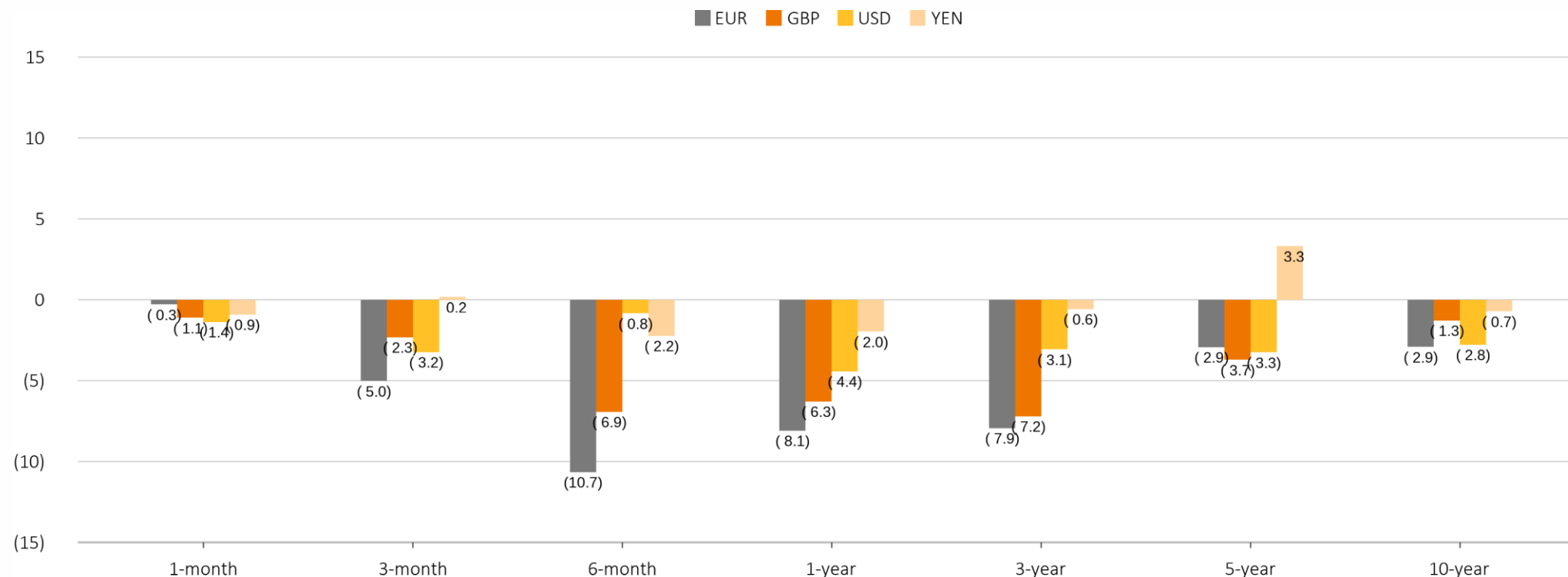


Source: Thurro, CCIL, Bloomberg, NIIF Research

[Forex] Foreign exchange markets

Rupee depreciates against major currencies over three months – EUR (5.0%), GBP (2.3%) - but stabilizes last month

INR performance vis-a-vis major currencies (%), FY2015-FY2026 (26 Aug '25)



Source: Thurro, RBI, NIIF Research

Note:

1. Numbers are annualized for periods above 1 year
2. Positive return indicates appreciation of INR and negative means depreciation of INR vis-a-vis respective currency

[Forex] Merchandise export: Value

Electronics exports surge 34% yoy while jewellery (29%), engineering (14%) and minerals (20%) rebound; petroleum exports fall 25% in July

Change in value of goods export broad product category (% yoy), Jun '24 - Jul '25

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25 QE
Engineering goods	10.1	5.1	4.3	10.6	39.3	13.7	8.3	7.5	(8.6)	(3.9)	11.3	(0.8)	1.3	13.8
Petroleum and crude	(18.8)	(13.8)	(40.4)	(30.6)	(25.1)	(52.2)	(31.6)	(59.7)	(30.4)	(9.5)	1.9	(30.7)	(15.9)	(25.0)
Electronic goods	16.8	37.5	7.8	7.8	45.6	54.7	35.1	78.8	26.6	29.5	39.4	54.0	46.9	33.9
Agricultural and allied	4.3	(1.0)	(4.7)	7.4	20.9	19.6	16.0	16.8	(1.5)	5.1	12.9	3.5	1.3	(1.3)
Textile and apparels	2.7	4.3	1.8	10.9	19.4	6.5	13.0	14.2	0.1	3.5	8.7	4.8	0.3	2.5
Drugs and pharmaceuticals	10.0	9.4	4.7	6.9	8.2	1.1	0.6	21.5	(1.5)	31.2	2.4	7.4	6.2	14.1
Chemicals and related	5.4	(8.8)	8.1	11.7	26.0	(3.7)	(2.2)	(0.4)	(23.2)	(23.0)	(8.3)	3.5	(0.1)	(2.4)
Gems and jewellery	(1.4)	(19.6)	(23.1)	(11.4)	8.8	(26.3)	(26.5)	15.9	(20.7)	10.6	10.7	(13.9)	(20.4)	28.9
Plastic and linoleum	9.9	10.6	11.1	28.3	23.3	10.9	6.0	13.3	(6.9)	1.6	4.6	(0.6)	2.3	4.4
Ores and minerals	28.6	13.2	(26.0)	(30.7)	7.0	(49.8)	(42.4)	(42.5)	(19.8)	4.6	25.5	(11.7)	(26.4)	20.1
Leather and leather manufactures	(2.0)	3.1	0.4	9.5	13.2	0.8	4.7	6.8	(0.9)	3.6	4.9	7.7	0.1	2.7
Glass, ceramics and cement	2.5	(17.3)	(18.4)	(6.2)	(1.3)	(2.6)	11.7	13.9	(10.3)	(5.1)	(0.7)	0.7	(0.1)	(5.2)
Paper and wood	(26.4)	(0.4)	3.0	10.0	16.9	(10.4)	5.9	8.9	(6.7)	(5.2)	(0.9)	(3.2)	(0.8)	
Other manufactured commodities	22.9	29.5	3.9	10.0	16.7	(0.9)	(15.9)	(7.0)	(24.0)	(30.3)	(6.1)	(21.9)	(17.8)	95.7
Total	2.4	0.6	(9.9)	(0.3)	16.6	(5.3)	(1.5)	(2.6)	(11.1)	0.7	8.6	(2.8)	(0.1)	7.3

Source: Thurro, DGCIS, MOCI NIIF Research

Note:

1. Other manufactured commodities include other manufactured goods that are not included in the above product categories and other commodities list as provided by DGCIS.
2. Conditional formatting based on yoy growth values with respect to zero, with the largest negative values represented by dark red and largest positive values represented by dark green
3. QE refers to quick estimate data from Ministry of Commerce

[Forex] Merchandise import: Value

Imports rebound to 8.6% yoy in July from -3.7% in June, led by chemicals (21%), pharma (13%), electronics (13%); agri, textile, leather decline

Change in value of goods import broad product category (% yoy), Jun '24 - Jul '25

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25 QE
Petroleum and crude	19.7	22.7	(25.6)	6.5	17.0	6.5	(9.0)	(13.4)	(29.6)	16.3	25.6	(26.2)	(8.4)	7.5
Engineering goods	19.8	12.2	13.1	16.5	8.4	0.1	3.5	15.4	(4.6)	(0.7)	16.6	6.9	(3.8)	5.1
Electronic goods	15.8	12.4	13.5	5.4	6.9	16.3	9.6	17.8	9.1	25.0	31.2	27.2	9.4	12.7
Gems and jewellery	(35.4)	9.2	112.0	11.5	(33.2)	120.9	22.6	26.6	(47.0)	40.8	3.3	(8.0)	(21.3)	(0.9)
Chemicals and related	(11.3)	(11.9)	(23.2)	8.4	0.4	8.7	10.2	48.2	17.7	18.0	34.3	46.9	4.6	21.3
Ores and minerals	(11.6)	8.1	12.3	2.7	(16.9)	(24.0)	(26.4)	0.4	(27.4)	(23.6)	3.2	(16.8)	(7.5)	(4.1)
Agricultural and allied	11.7	12.8	5.3	(3.5)	28.3	47.4	22.0	27.8	16.1	(5.3)	(5.6)	(1.1)	5.8	(28.1)
Plastic and linoleum	14.2	5.5	1.9	(6.9)	5.9	5.3	(3.7)	6.4	(6.2)	7.1	14.2	4.7	(2.1)	(1.5)
Drugs and pharmaceuticals	6.3	2.1	0.1	5.8	7.1	13.2	10.6	16.0	6.5	9.0	9.5	3.3	0.0	13.3
Paper and wood	17.8	(2.0)	8.1	17.2	31.0	4.7	10.1	33.6	2.9	(2.7)	14.5	2.8	(6.3)	8.5
Textile and apparels	(6.3)	5.2	1.6	(11.6)	(5.4)	0.0	11.4	26.8	10.4	21.4	21.7	20.3	1.9	(64.5)
Leather and leather manufactures	(16.3)	103.0	77.5	(7.1)	(19.2)	(41.6)	(11.1)	36.6	22.6	38.1	(3.9)	5.9	(15.4)	(42.4)
Glass, ceramics and cement	15.1	11.9	20.2	26.6	22.7	3.9	1.8	15.0	16.4	20.0	39.4	34.4	16.2	
Other manufactured commodities	10.0	16.4	13.0	10.3	1.4	(26.8)	11.1	31.1	(18.3)	(9.6)	16.5	(4.6)	(11.4)	367.3
Total	4.7	11.2	10.0	7.8	1.9	16.1	2.3	10.3	(15.2)	11.4	19.1	(1.7)	(3.7)	8.6

Source: Thurro, DGCIS, MOCI NIIF Research

Note:

1. Other manufactured commodities include other manufactured goods that are not included in the above product categories and other commodities list as provided by DGCIS.
2. Conditional formatting based on yoy growth values with respect to zero, with the largest negative values represented by dark red and largest positive values represented by dark green
3. QE refers to quick estimate data from Ministry of Commerce

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