



MONTHLY ECONOMIC **SEP** **REPORT ON INDIA** 2025

India's economy **sustains momentum** in August despite **mixed signals**. **Core infrastructure** activity remains **steady** with capex maintaining YTD trajectory while **digital payments** and **EV adoption accelerate**. However, **softening logistics** and **moderating fiscal revenues** suggest near-term headwinds. **Monetary transmission** gains traction as banks pass through rate cuts, though **credit growth trails deposits**. **Inflation stays benign** despite global rally in precious metals with **gold hitting records**. **Above-normal monsoons** support positive agricultural outlook, keeping **food inflation subdued**. The **rupee faces broad-based depreciation pressures**, but India's external position provides cushion through robust forex reserves and narrowing current account deficit in Q1FY26

Aug-Sep 2025

Growth

NIIF India Coincident Economic (NICE) Index indicates **steady momentum** in August. **Composite PMI** hits **record 63.2**, digital economy thrives as **FasTag** and **UPI transactions surge**. **Supply-side strength** evident in **steel** (14.2%), **coal** production (11.5%), and **e-way bills** (22.4%). **EV demand accelerates** across PV (187%), CV (170%), with **sequential improvement** in conventional autos (PV 2.3%, CV 4.8%) and electricity generation (4.0%). **Renewables** reach **milestone 19.4%** of total power generation. Non-oil exports grow 6.7% while **imports contract** 10.1%. Logistics softens as **port cargo moderates** to 2.6%, **domestic air traffic down** 0.1%. Fiscally, capex declines 10.5% in July but maintains YTD momentum; gross tax revenue growth slows to 0.8% YoY on YTD basis

Rates

Repo rate holds at 5.5% in September with **markets pricing another 25bps cut** by Q3FY26. Banking system **surplus liquidity** at 1.2% of NDTL (5 Sep) enables **effective transmission** as major **private banks reduce MCLR** by 65-95bps through August. However, **credit growth** remains subdued at 10.0%, **trailing deposit growth** (10.2%) for four consecutive months. **Yield curve steepens** with 10-year G-sec elevated at 6.56% (29 Sep) while 3-month T-bills align with repo at 5.48%. **Indian equities underperform** with negative 3.2% TTM returns versus strong Asian peers - Singapore 53%, Hong Kong 39%. **Domestic institutional flows** of INR 948 billion **offset foreign portfolio outflows** of INR 205 billion in August. **Net FDI improves sequentially** to USD 1.1 billion in June as fresh inflows counter repatriations and outward investment

Inflation

Global inflation diverges: UK (3.8%), US (2.9%), Germany (2.2%) rise while France (0.9%) and Japan (2.7%) moderate; China enters deflation (-0.4%). India's **retail inflation edges up** to 2.1% yoy in August **driven by personal care costs**, particularly **gold as prices hit record** USD 3,764/troy oz (23 Sep). **Other precious metals rally - silver reaches 14-year high** at USD 38/troy oz in August, **copper elevated** at USD 9,898/tonne (23 September). **Brent crude stable** at USD 68/bbl. Wholesale prices turn positive at 0.5% on rising non-food article costs. **Above-normal monsoon** lifts reservoir levels to 90% and **Kharif sowing** 1.4% yoy, at **102% of normal area sown**, led by foodgrains. However, **rainfall distribution** remains **uneven** - surplus in north and west, deficient in northeast. **Rural demand shows resilience** with strong fertilizer uptake and robust tractor sales

Forex

Rupee maintains broad-based weakness with REER index declining to 100.1 in July from 104.8 in January, **despite softer dollar conditions** as DXY falls to 96.9 (23 September). **INR depreciates against major currencies** over the past month (23 September) - euro 3.2%, pound 2.3%, yen 2.0%, dollar 1.5%. **RBI's USD 703 billion forex reserves** (12 September) provide robust 9-month import cover while 1-year forward premium rises to 2.3%, reflecting currency pressures. Goods exports grow 6.7% in August despite tariff headwinds, driven by electronics (26%), though labour-intensive sectors like textiles and plastics contract. Imports decline 10.1% broadly except for essentials - agriculture 14.3%, petroleum 9.4%, electronics 8.4%



MONTHLY ECONOMIC REPORT ON INDIA SEP 2025

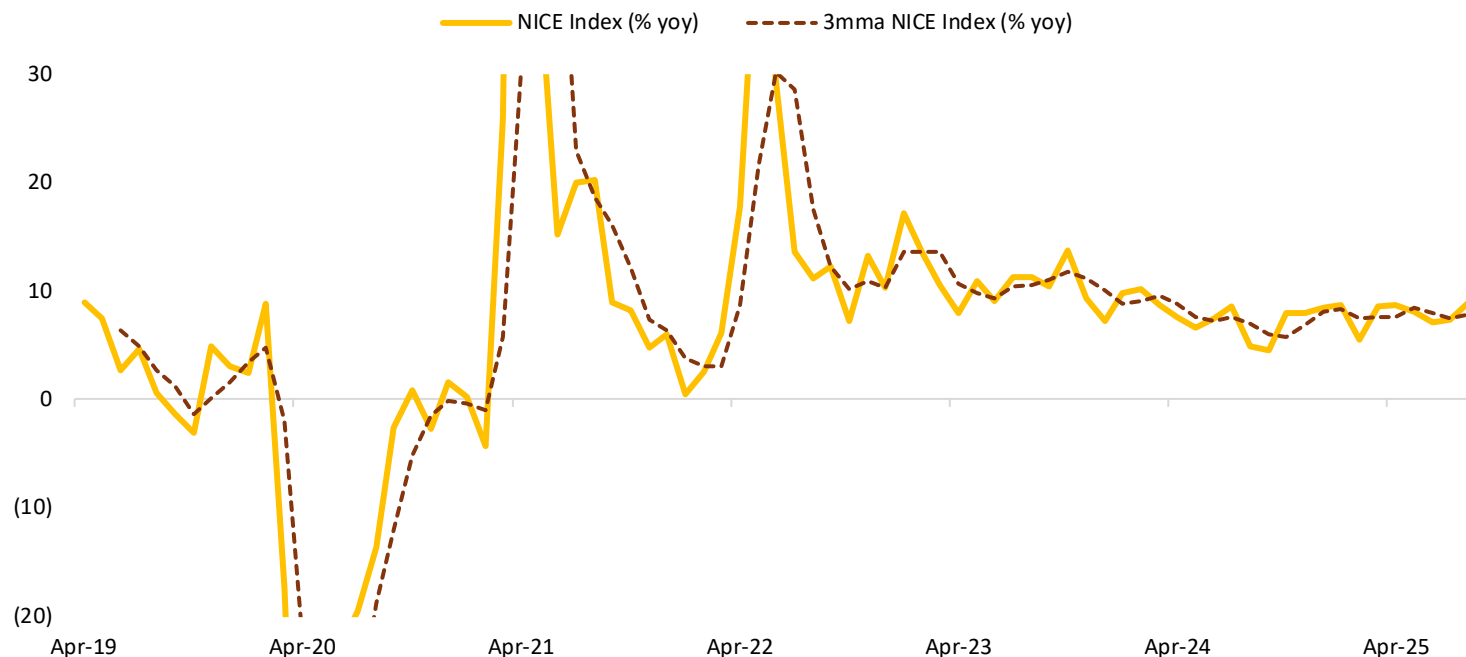
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Key charts: NIIF India Coincident Economic (NICE) Index (1/2)

Monthly economic activity index, based on ten monthly high-frequency indicators, rises in August

Monthly NIIF India Coincident Economic (NICE) Index, FY2020-FY2026 (Aug '25)



Economic momentum strengthens in August with robust expansion in e-way bills, steel and coal production, PMI services, and steady petrol consumption. Sequential improvement visible in automobile registrations and electricity generation.

However, momentum moderates in diesel consumption, major port cargo volumes, and air passenger traffic.

Source: CEIC, NIIF Research

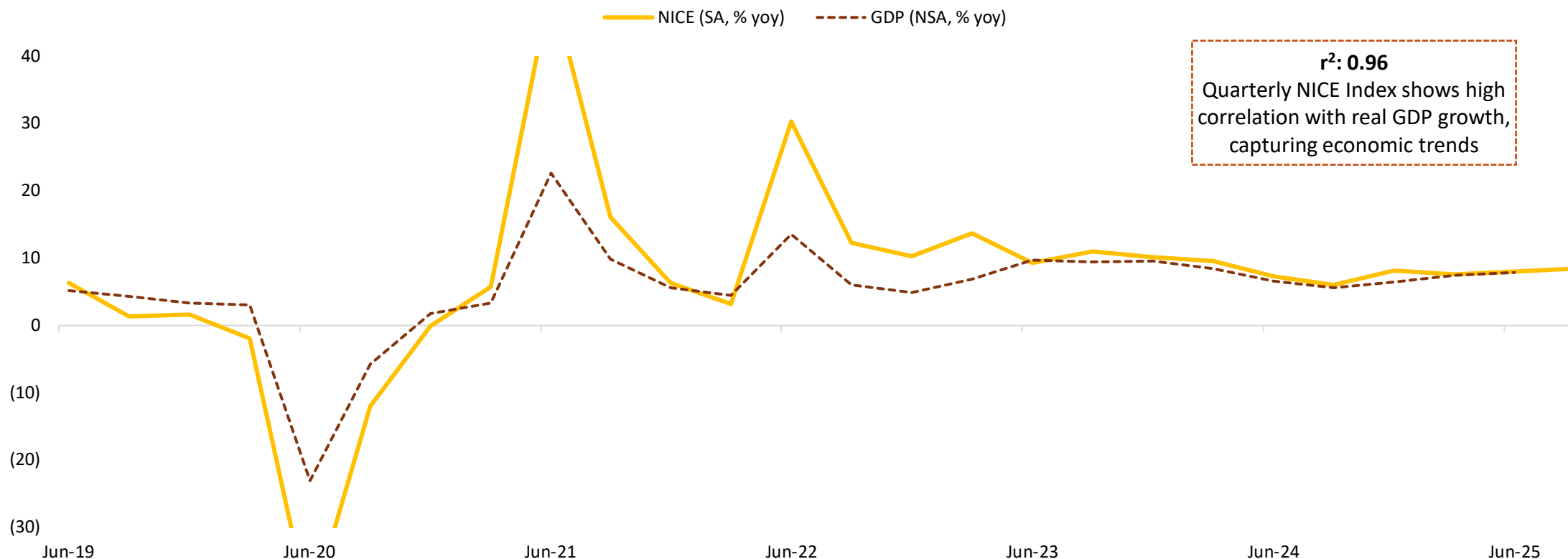
Note:

1. NICE is an index of 10 monthly high-frequency indicators: e-way bills, steel production, petrol consumption, diesel consumption, air passenger traffic, electricity generation, automobile registrations, major ports cargo, coal production and PMI services
2. Indicators are seasonally adjusted (unless already adjusted such as in PMI services) and rebased to June 2019 = 100. Single factor estimated by applying principal component analysis (PCA), i.e., an index is created by using the first principal component which accounts for 79% of variations. Turning point analysis also carried out to ensure index coincides with major economic events such as Covid pandemic, election cycle, festival demand spikes, etc.
3. 3mma NICE refers to 3-month moving average of the NICE Index (X)
4. Methodology subject to periodic review and refinement

Key charts: NIIF India Coincident Economic (NICE) Index (2/2)

Quarterly NICE Index demonstrates leading indicator properties, closely tracking GDP growth trends

Quarterly NIIF India Coincident Economic (NICE) Index and real GDP, FY2020-FY2026 (Sep '25)



Source: CEIC, NIIF Research

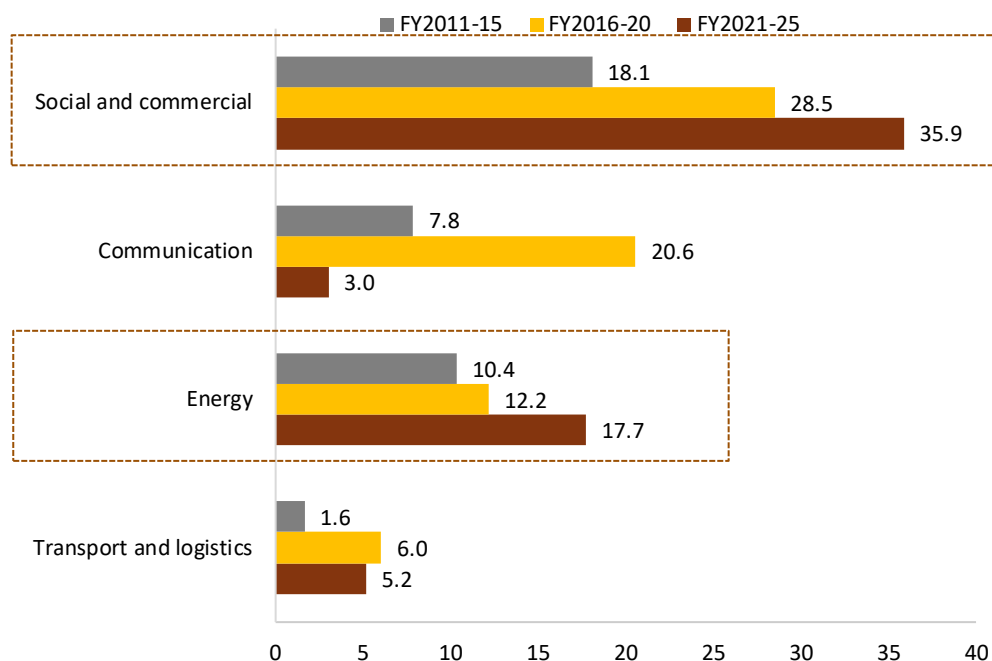
Note:

1. Quarterly index creation follows the same methodology as monthly by averaging monthly NICE value specific to the quarter and then calculating % yoy growth. For Q2FY2026, quarter value is average for July and August 2025
2. SA: Seasonally adjusted; NSA: Not seasonally adjusted
3. GDP (% yoy) is growth in GDP at constant prices
4. Methodology subject to periodic review and refinement

Key charts: FDI equity flow in infrastructure

Steady rise in FDI inflows in energy and social infra since FY2011...

Cumulative FDI equity flow in DEA HML defined infra sectors (USD billion), FY2011-25



Source: CEIC, DPIIT, NIIF Research

Note:

1. DEA HML refers to Department of Economic Affairs' Harmonised Master List of infrastructure sub-sectors

...mainly across renewables, construction, hospital, and education

Cumulative FDI equity flow in infrastructure sub-sectors (USD billion), FY2011-25

Infrastructure ¹	Sub-sectors	FY2011-15	FY2016-20	FY2021-25
Transport and logistics	Sea transport	0.8	2.7	2.4
	Air transport ²	0.3	2.2	2.5
	Ports	0.0	0.6	0.0
	Railway related components	0.5	0.5	0.3
Energy	Non-conventional energy	2.8	5.6	12.7
	Power	5.1	5.4	4.7
	Petroleum and natural gas	2.4	1.2	0.3
Communication	Computer hardware	0.1	0.3	0.2
	Telecommunications	7.8	20.2	2.8
Social and commercial	Construction (infrastructure)	5.3	13.4	19.3
	Construction development ³	3.9	1.6	1.5
	Hotel and tourism	5.9	7.4	3.2
	Hospital and diagnostic centres	2.2	3.9	5.1
	Education	0.7	2.2	6.7
Infra FDI equity inflow (USD billion)		37.9	67.2	61.7
Share in total FDI equity flow (%)		29.9	30.2	23.8

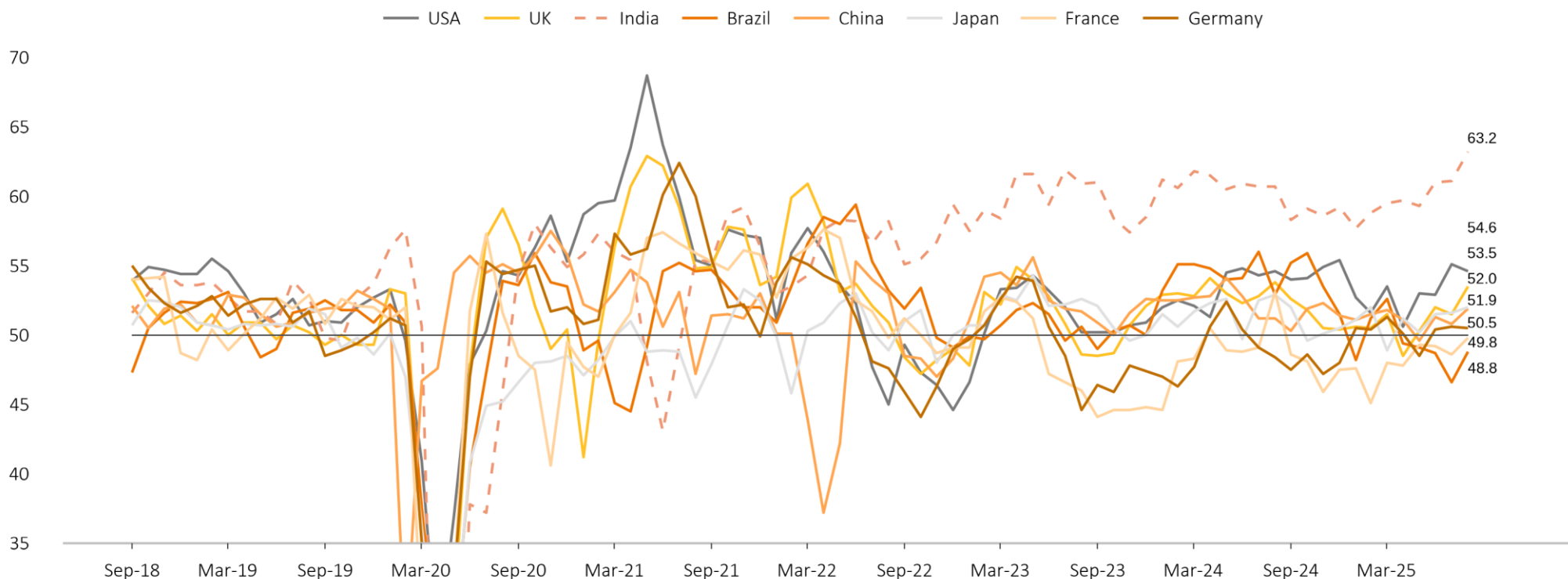
Source: CEIC, DPIIT, NIIF Research

Note:

1. Infrastructure as defined under DEA HML of infrastructure sub-sectors
2. Includes air freight
3. Includes townships, housing, built-up infrastructure and construction-development projects
4. First-cut analysis, may evolve over time

[Growth] Purchasing managers' index: Global

India's PMI surges to 63.2, maintains robust expansion; Japan, UK and China show broad improvement while Brazil and France lag
Monthly PMI composite indices across major economies, FY2019-FY2026 (Aug '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), Jul '24 - Aug '25

	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	Aug-25
Fiscal														
Central government capex	107.8	(30.0)	(2.4)	(8.4)	21.3	95.3	51.4	(35.4)	67.2	61.0	38.7	43.7	(10.5)	
Central government revex	(14.1)	33.3	4.4	41.9	0.5	1.7	5.1	(12.8)	(5.5)	(5.7)	40.7	36.6	7.8	
Gross tax revenue	14.0	(15.8)	11.9	1.6	10.0	11.1	4.6	19.7	2.8	6.5	19.1	(4.7)	(11.7)	
GST collection	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	6.5
Industry														
Index of industrial production	5.0	0.0	3.2	3.7	5.0	3.7	5.2	2.7	3.9	2.6	1.9	1.5	3.5	
Index of eight core industries	6.3	(1.5)	2.4	3.8	5.8	5.1	5.1	3.4	4.5	1.0	1.2	2.2	3.7	6.3
Electricity generation	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	4.0
Steel production	7.0	4.1	1.8	5.7	10.5	7.3	4.7	6.9	8.7	4.4	7.4	9.7	16.6	14.2
Cement production	5.1	(2.5)	7.6	3.1	13.1	10.3	14.3	10.7	12.2	6.3	9.7	8.2	11.6	6.1
Coal production	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)	11.5
Wholesale price index	2.1	1.2	1.9	2.8	2.2	2.6	2.5	2.4	2.2	0.9	0.1	(0.2)	(0.6)	0.5
Logistics														
Rail freight	4.6	(0.6)	(0.6)	1.5	1.4	1.7	(1.6)	(3.0)	3.0	3.6	2.7	0.9	0.0	
Port cargo	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	2.6
Air cargo	18.1	12.5	18.0	14.5	8.2	8.1	9.0	(4.9)	3.9	11.5	5.1	0.3	4.2	
E-way bills (volume)	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	22.4
Trade														
Merchandise exports	(5.2)	(14.1)	(1.3)	16.6	(5.3)	(1.5)	(2.6)	(11.1)	0.7	8.6	(3.1)	(0.1)	13.9	6.7
Merchandise imports	11.2	10.0	7.8	1.9	16.1	2.3	10.3	(15.2)	11.4	19.1	(0.5)	(3.4)	8.6	(10.1)
Non-oil merchandise exports	3.7	(0.2)	6.3	25.5	7.8	5.1	14.5	(6.3)	2.2	10.3	4.4	2.9	14.2	6.7
Non-oil merchandise imports	7.9	22.6	8.3	(3.2)	19.7	6.3	19.9	(9.6)	9.4	16.3	11.8	(1.6)	9.0	(14.3)
Services exports	16.6	5.7	14.6	22.7	14.2	16.9	12.1	11.7	18.7	8.8	9.6	12.0	10.3	12.2
Services imports	16.0	9.1	13.5	28.0	26.1	13.9	12.6	(4.7)	5.3	1.0	(1.0)	5.1	8.5	6.0

Capex and tax revenue contract while freight activity softens. Goods trade resilient alongside robust services trade

• Fiscal

Central government capex contracts in July on high base effects while revex growth moderates. Tax revenue dips amid steady GST collections

• Industry

Eight core industries growth improves in August led by robust steel and coal production. Electricity generation rebounds, although on low base, while cement output maintains steady momentum. Wholesale prices turn positive in August

• Logistics

E-way bill generation shows strong growth. However, port cargo and rail freight lose momentum while air cargo growth remains moderate

• Trade

Despite 50% US tariffs effective late August, goods exports growth remains resilient alongside robust services trade. Non-oil imports decline broadly, indicating domestic demand moderation

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
2. Absolute values in Annexure

[Growth] High-frequency indicators: Demand

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

	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	Aug-25
Energy														
Electricity demand	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	4.3
Petrol consumption	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	5.5
Diesel consumption	4.5	(2.5)	(1.9)	0.1	8.5	5.9	4.2	(1.3)	0.9	4.2	2.1	1.5	2.4	1.2
Automobile registrations														
Passenger vehicles	13.1	(0.9)	(17.0)	39.4	(11.8)	0.7	19.0	(7.0)	10.9	5.5	0.6	5.8	1.2	2.3
Three-wheeler	16.3	4.5	3.5	12.2	4.4	(4.6)	6.9	(0.8)	(5.6)	24.5	6.3	6.7	0.8	(2.3)
Two-wheeler	17.6	6.7	(8.3)	36.8	16.3	(17.3)	4.7	(5.8)	(1.0)	2.8	7.8	5.2	(6.1)	2.5
Commercial vehicles	4.6	(6.9)	(11.0)	3.7	(6.7)	(8.0)	5.9	(6.8)	0.7	(3.4)	(5.7)	6.0	(2.4)	4.8
Passenger vehicles-electric	9.1	(3.0)	(5.2)	63.3	22.5	24.3	54.3	28.3	63.1	71.1	70.4	103.9	108.4	186.6
Three-wheeler-electric	18.5	7.0	9.5	17.9	17.6	3.1	12.2	5.0	(2.1)	48.8	20.6	15.8	8.6	4.5
Two-wheeler-electric	97.2	41.9	41.4	86.7	30.4	(2.8)	19.9	(7.2)	(6.3)	41.2	30.7	32.5	(3.8)	17.6
Commercial vehicles-electric	49.6	46.9	49.3	32.5	33.8	91.1	39.4	(4.5)	(59.5)	114.9	104.8	63.3	141.6	170.4
Services														
Air passenger (domestic)	7.5	5.9	6.5	8.0	12.1	8.3	11.3	11.1	8.7	8.4	1.7	2.9	(3.0)	(0.1)
Air passenger (international)	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	12.4
FASTag collection (volume)	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	16.1
FASTag collection (value)	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	25.7
UPI transactions (volume)	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	33.7
UPI transactions (value)	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	20.6
Consumer price index	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	2.1
Banking														
Aggregate deposits	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	10.2
Outstanding credit	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	10.0

Strong EV demand (PV and CV) and digital transactions surge; Energy, credit, and domestic air travel soften

- Energy**
 Electricity demand improves sequentially with steady petrol consumption while diesel consumption remains subdued
- Automobile registration**
 Auto sector shows divergence - conventional vehicle demand weakens while EV adoption accelerates across two-wheelers, PVs and CVs. However, 3W EV growth lags
- Services**
 Domestic air passenger traffic declines in August while international travel remains robust. Fastag collections and UPI transactions continue surging. Retail inflation edges up but stays closer to RBI's lower target range
- Banking**
 Credit growth moderates, trailing deposit growth for four consecutive months

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

Note:

- 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
- Absolute values in Annexure

[Growth] Fiscal position

Capex expands ~33% yoy in FYTD26 (till July) on a low base while direct taxes contract 4.3% on 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

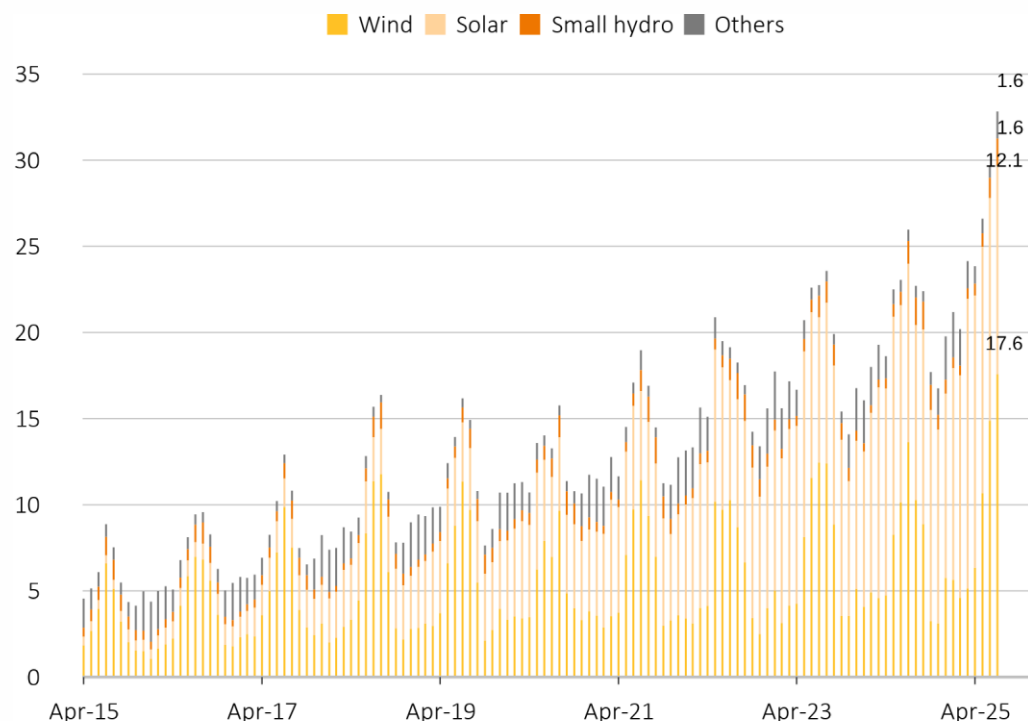
Note:

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. Miscellaneous receipts growth not shown due to abnormally high growth rate of 4,88,064.4% from a low base

[Growth] Renewables

Renewable generation hits record 32.8 billion units in July

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



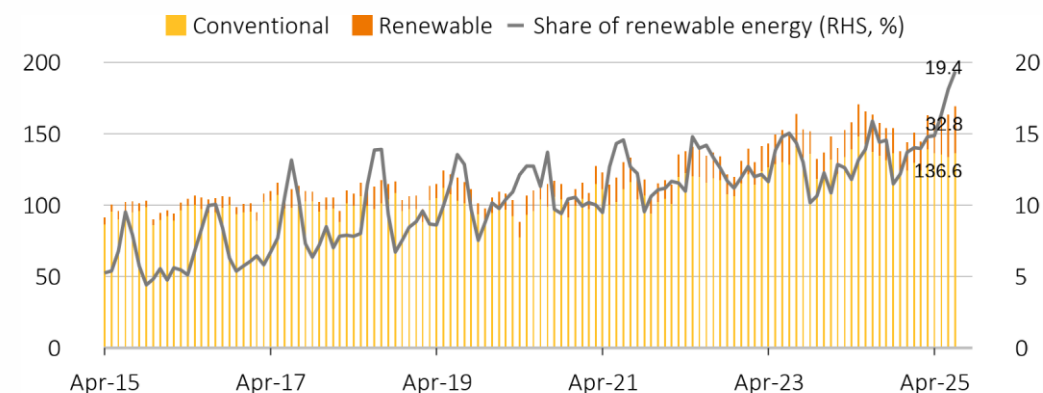
Source: Thurro, CEA, NIIF Research

Note:

- Others include bagasse-based energy and biomass other than bagasse, among other sources
- By August 2025, India installed 251.4 GW non-fossil fuel capacity, including renewable energy (192.5 GW), and nuclear and hydro (58.9 GW), accounting for ~50.7% of total power capacity (495.5 GW). India targets to achieve 500 GW installed capacity from clean energy sources by 2030 (SDG 7.2)

Renewable share reaches all-time high 19.4% in power generation

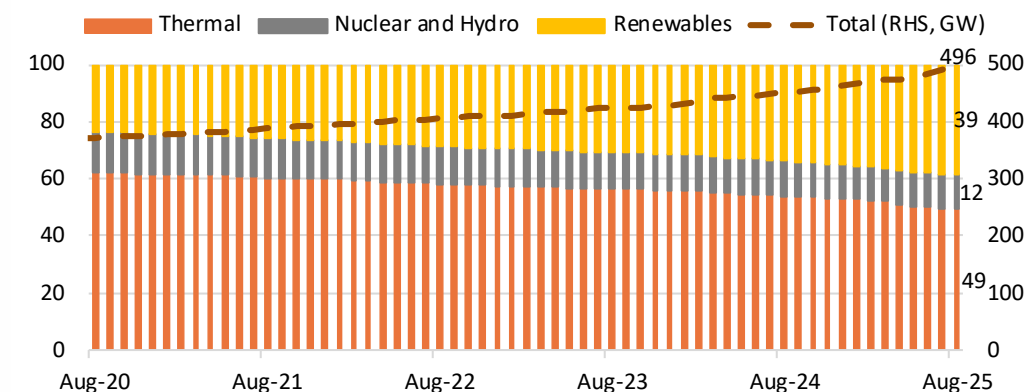
Monthly generation from energy sources (billion kWh), FY2016-FY2026 (Jul '25)



Source: Thurro, POSOCO, CEA, NIIF Research

Clean energy maintains lead over fossil installed capacity in August

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

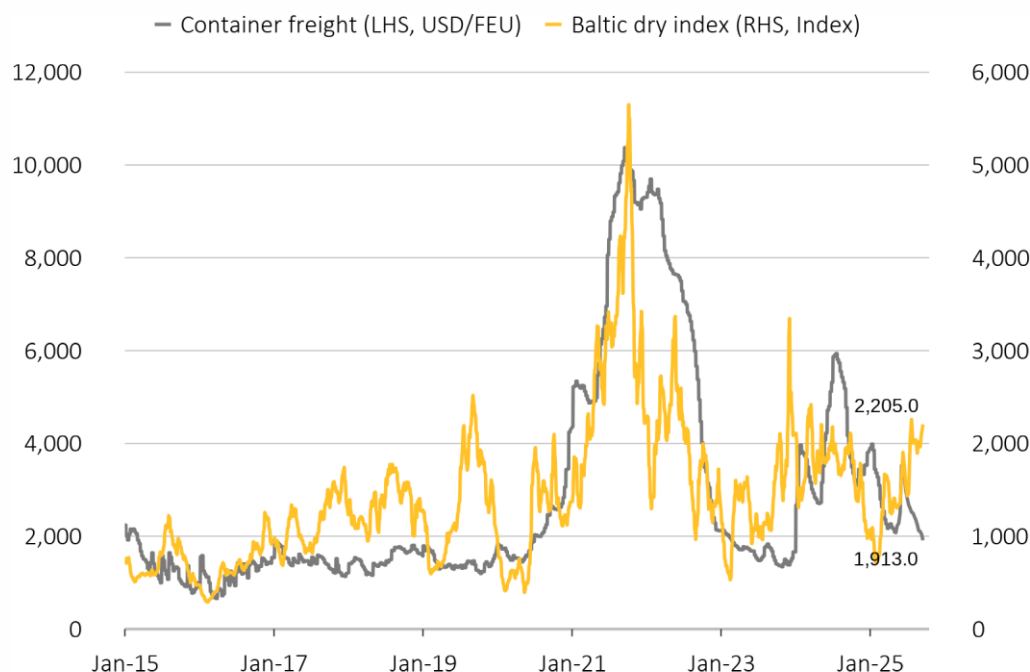


Source: CEA, CMIE, NIIF Research

[Growth] Transport and energy costs

Container freight rates decline while Baltic dry index inches up

Daily shipping freight indices, FY2015-FY2026 (18 Sep '25)



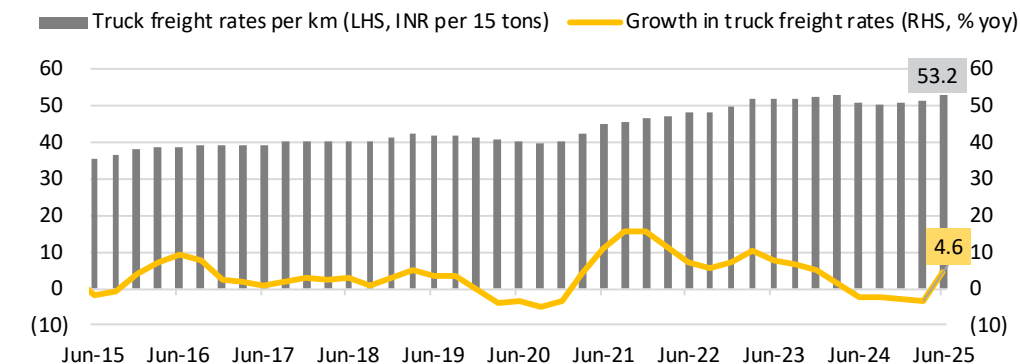
Source: Thurro, Investing.com, NIIF Research

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-foot 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)



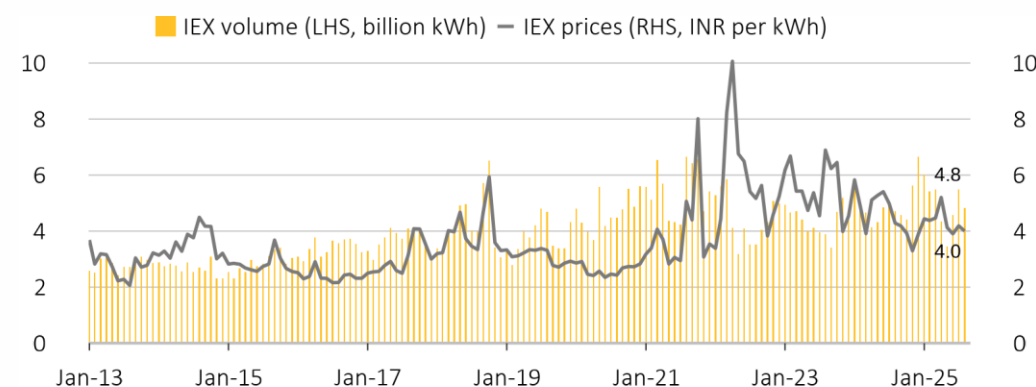
Source: CMIE, NIIF Research

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 eases to INR 4.0/KWh from INR 4.2/KWh in July

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

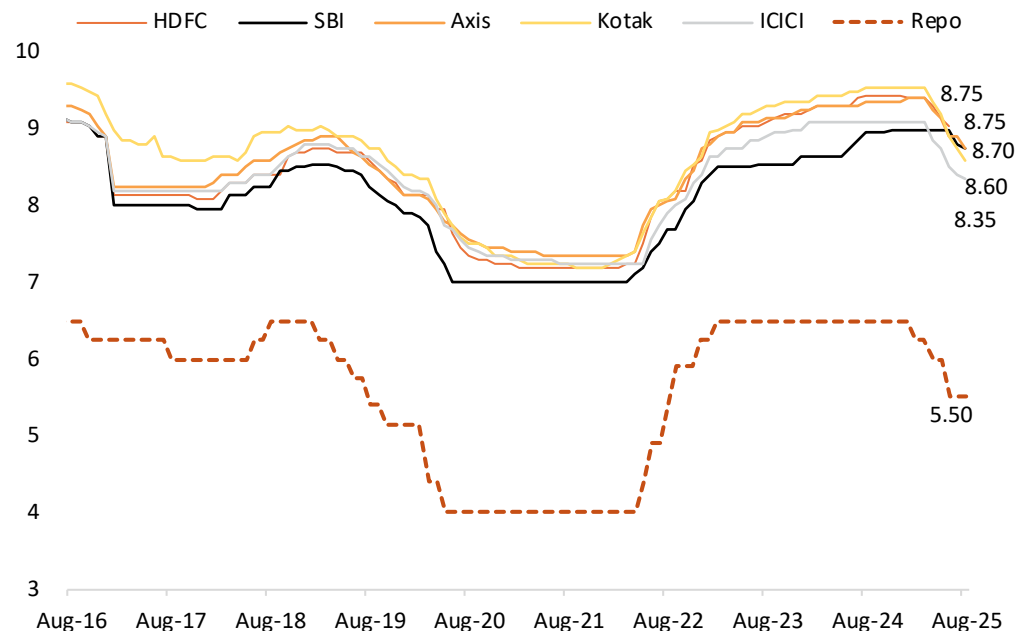


Source: Thurro, IEX, NIIF Research

[Rates] Policy rate and liquidity

Major private banks transmit 65 - 95bps RBI repo rate cut since February

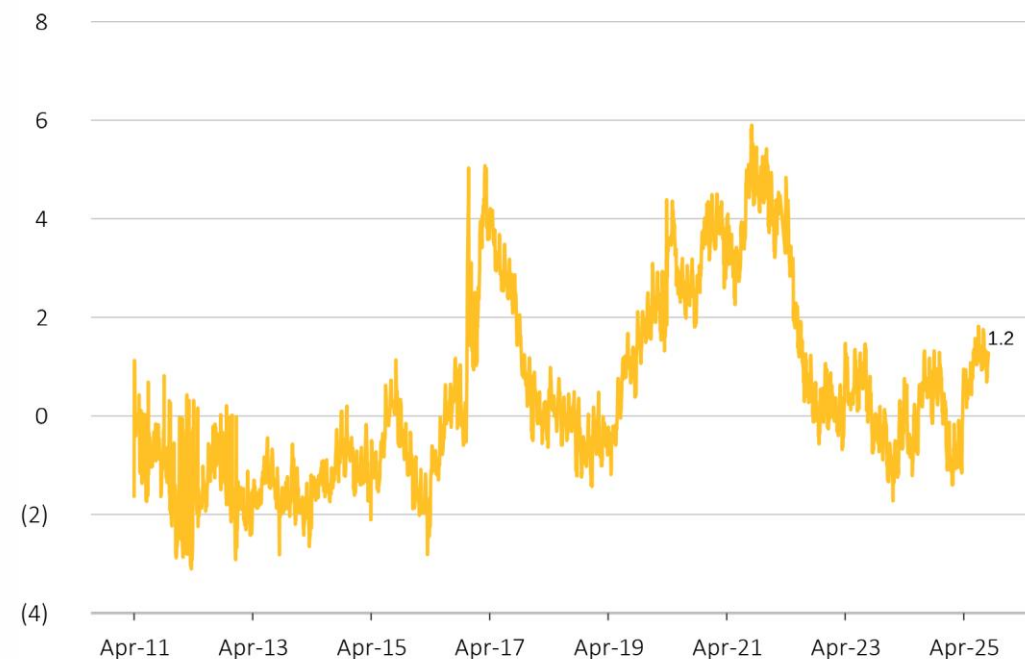
Monthly 1-year marginal cost of fund-based lending rate (%), FY2017-FY2026 (Aug '25)



Source: Thurro, RBI, NIIF Research

Banking system liquidity remains in surplus till early September

Surplus liquidity (% of net demand and time liabilities), FY2015-FY2026 (05 Sep '25)



Source: Thurro, RBI, NIIF Research

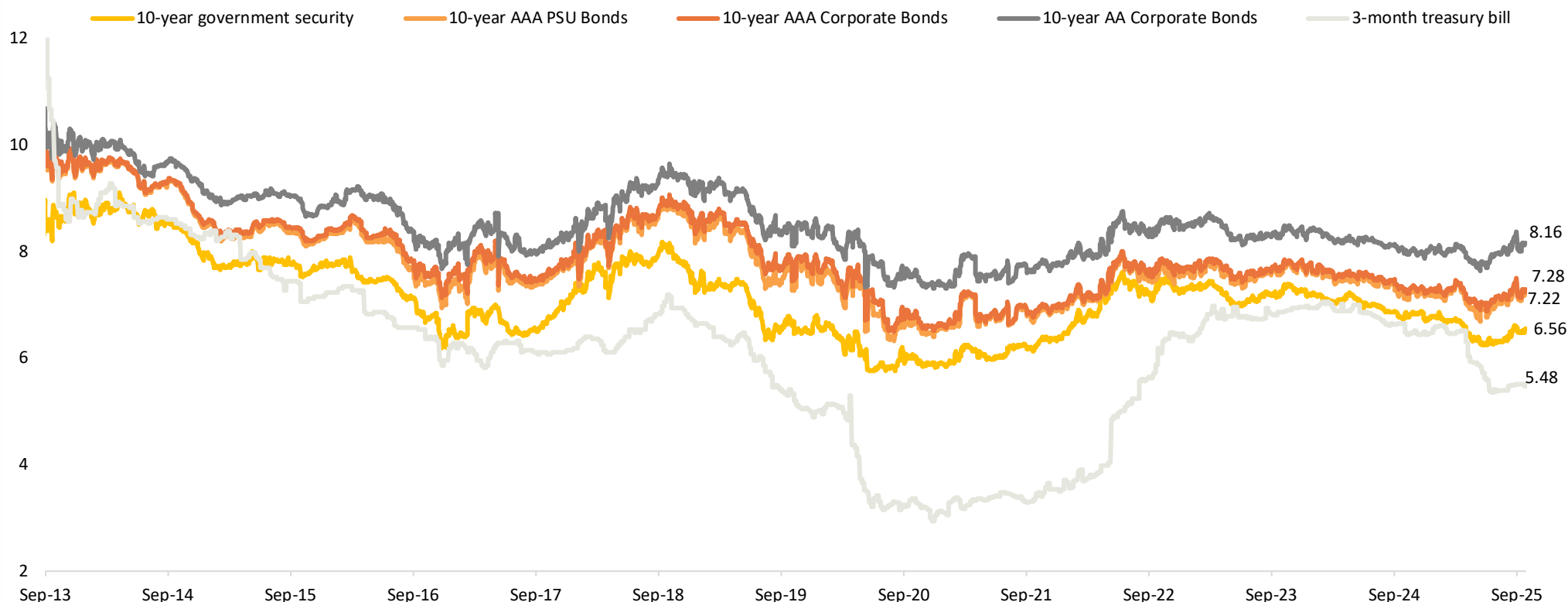
Note:

1. Liquidity operations by RBI include repo, term-repo, long-term repo operations, open market operations, marginal standing facility, and standing liquidity facilities
2. 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 remains at 6.56% (29 Sep)

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

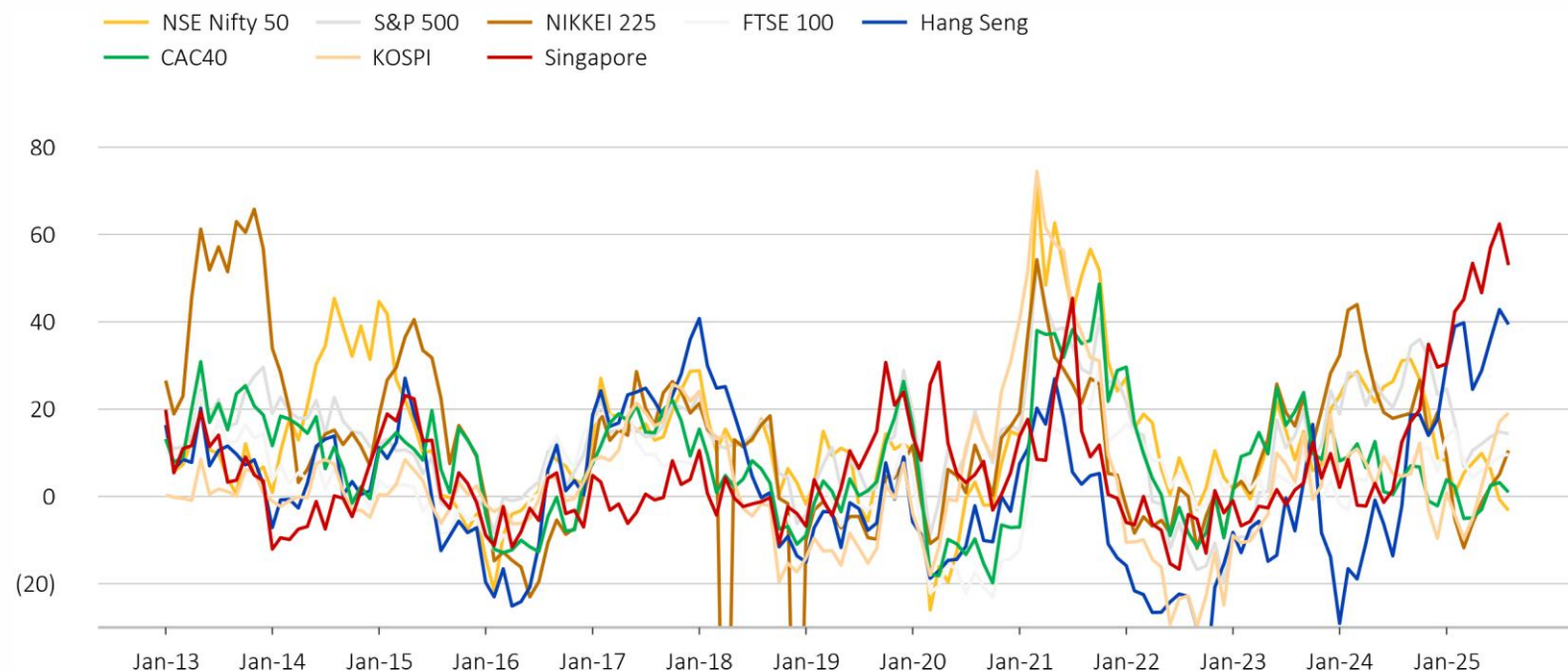


Source: Bloomberg, NIIF Research

[Rates] Equity markets: Global

Domestic equity returns remain negative at 3.2% TTM while regional markets like Singapore (53%) and Hong Kong (39%) maintain strong momentum

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



Returns as on August 31, 2025 (% yoy)

Singapore	53.0
Hang Seng	39.4
KOSPI	19.1
S&P 500	14.4
NIKKEI 225	10.5
FTSE 100	9.7
Dow Jones	9.6
CAC40	1.0
BSE Sensex	(3.1)
NSE Nifty 50	(3.2)

Source: Thurro, BSE, NIIF Research

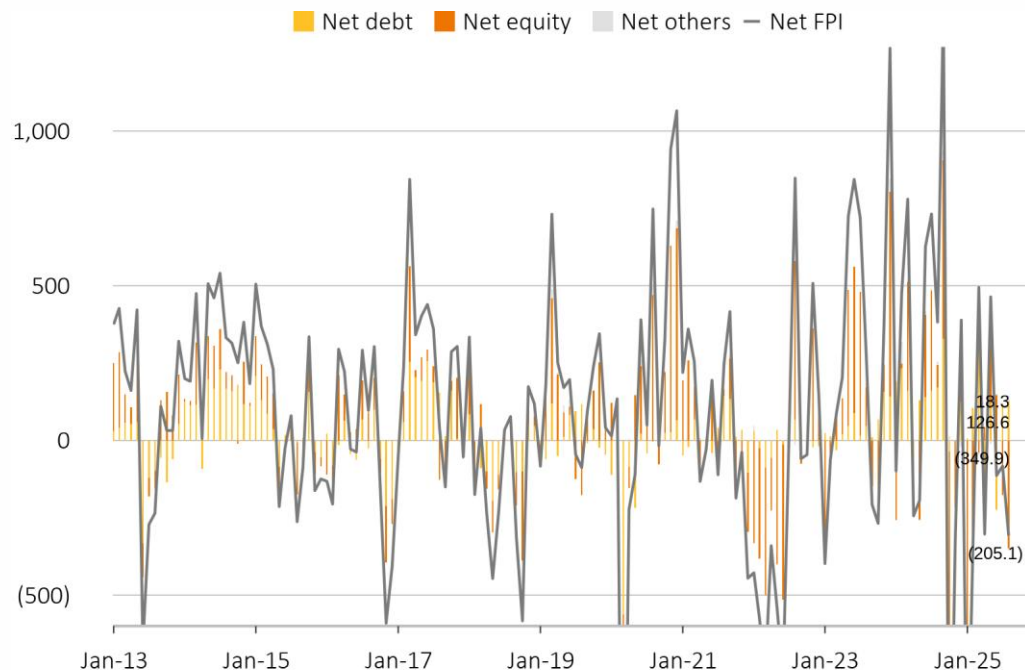
Note:

1. Return is calculated as on month end

[Rates] Flows: Portfolio

FPIs extend outflows in FYTD2026; withdraw INR 205.1 billion in August

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



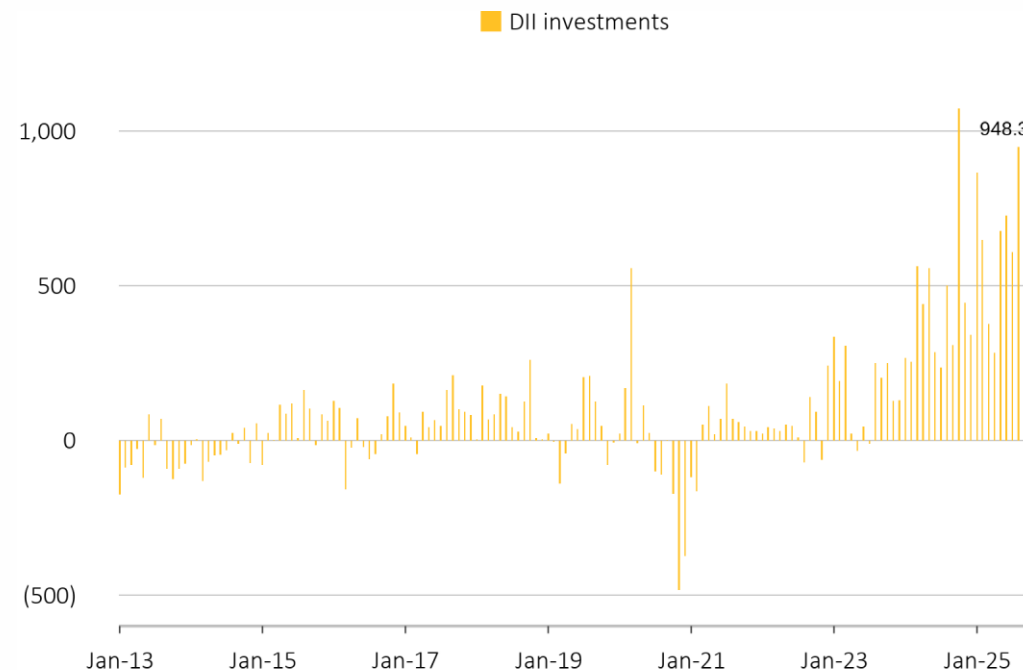
Source: Thurro, NSDL, NIIF Research

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 948 billion in August

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



Source: Thurro, NSE, BSE, NIIF Research

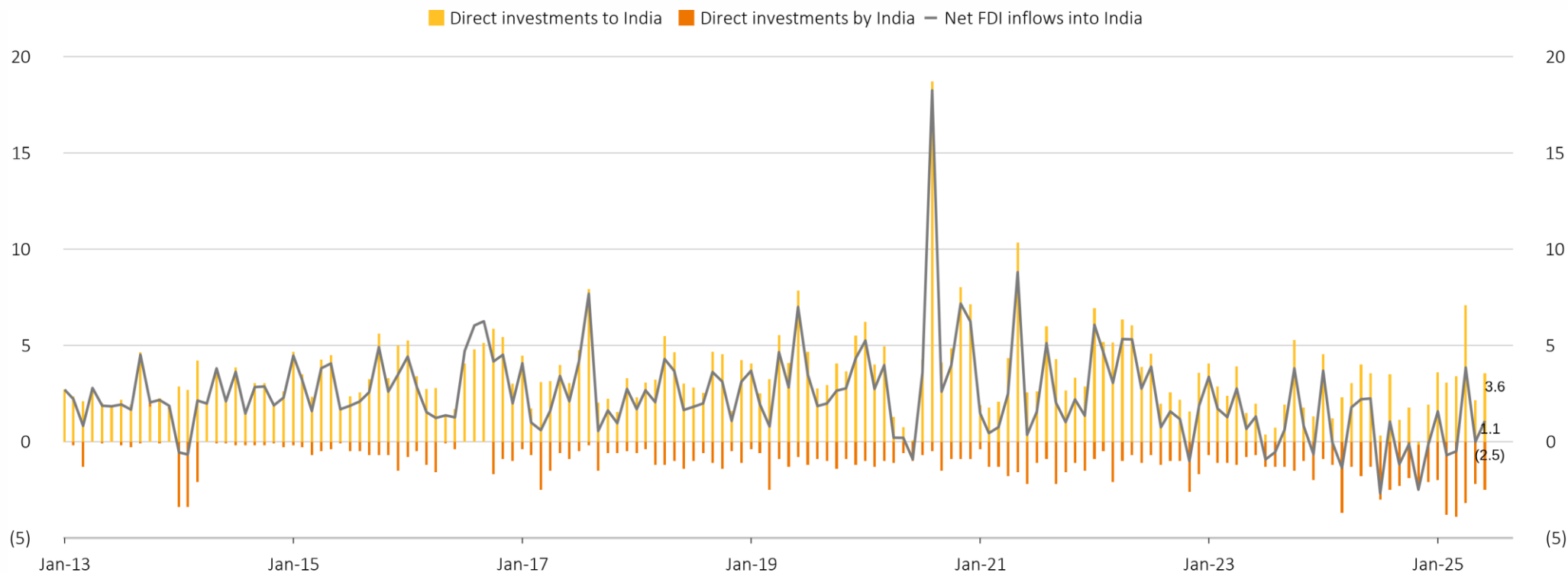
Note:

- 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 inflows improve to USD 1.1 billion in June from USD 35 million in May

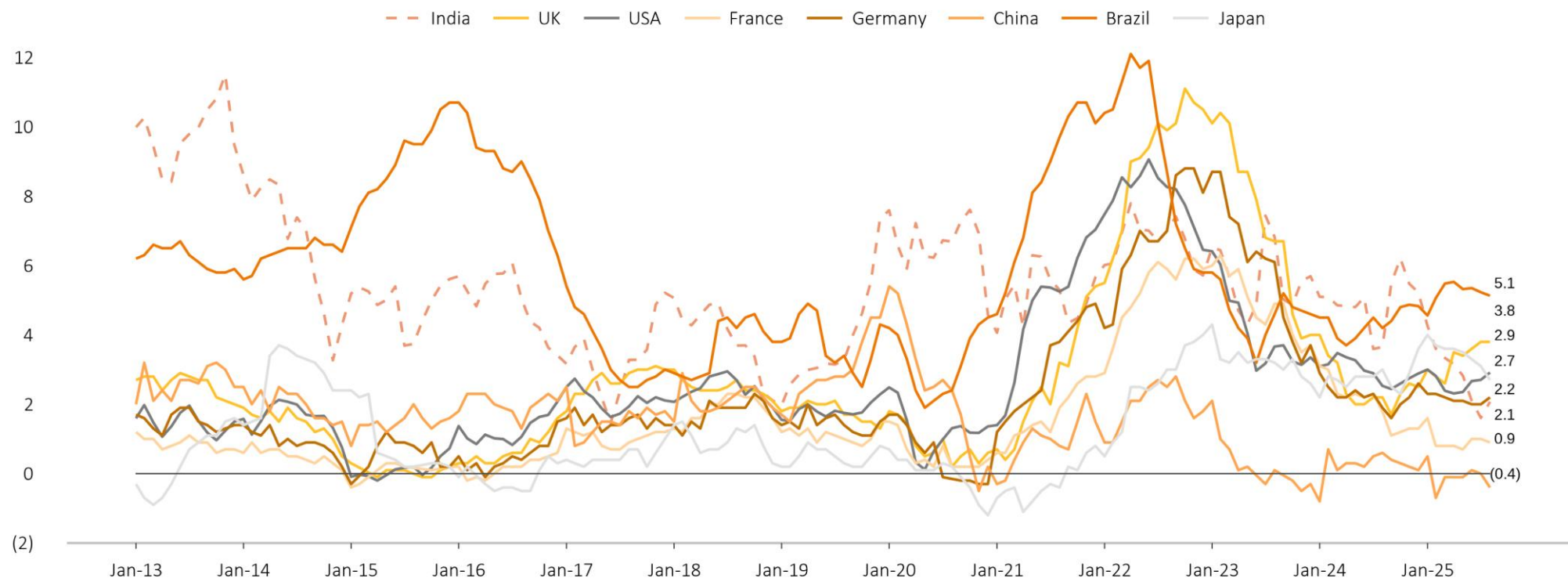
Monthly foreign direct investments (USD billion), FY2013-FY2026 (Jun '25)



Source: Thurro, RBI, NIIF Research

[Inflation] Global

Inflation climbs in UK (3.8%), USA (2.9%) and Germany (2.2%); moderates in France (0.9%) and Japan (2.7%); turns deflationary in China (-0.4%)
Monthly consumer price inflation (% yoy), FY2013-FY2026 (Aug '25)

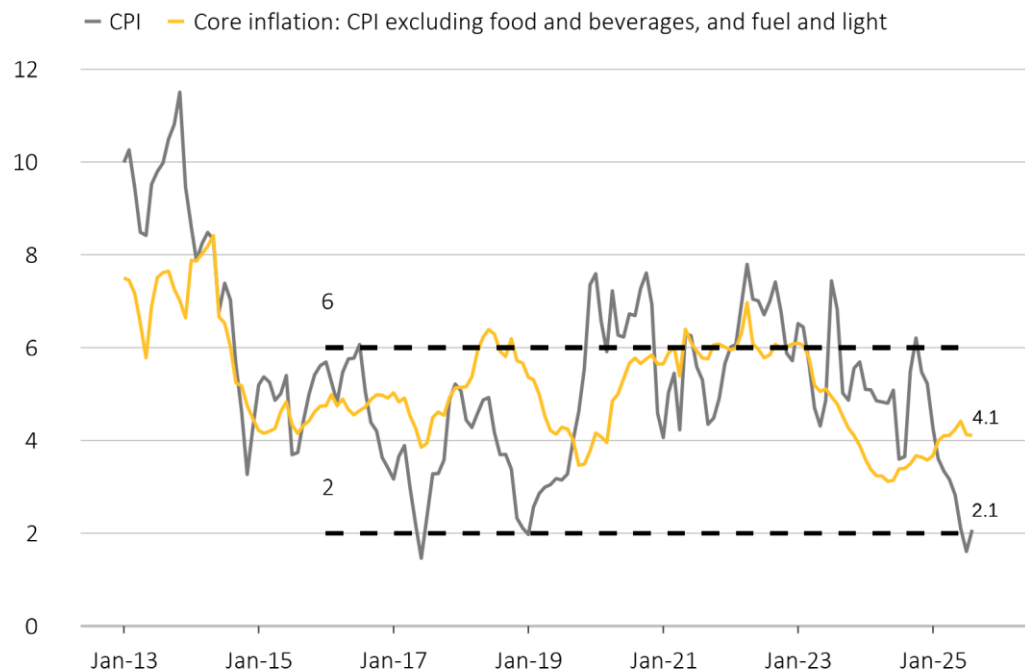


Source: Thurro, MOSPI, Bloomberg, Investing.com, NIIF Research

[Inflation] India

Retail inflation rises to 2.1% with core stable at 4.1%

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



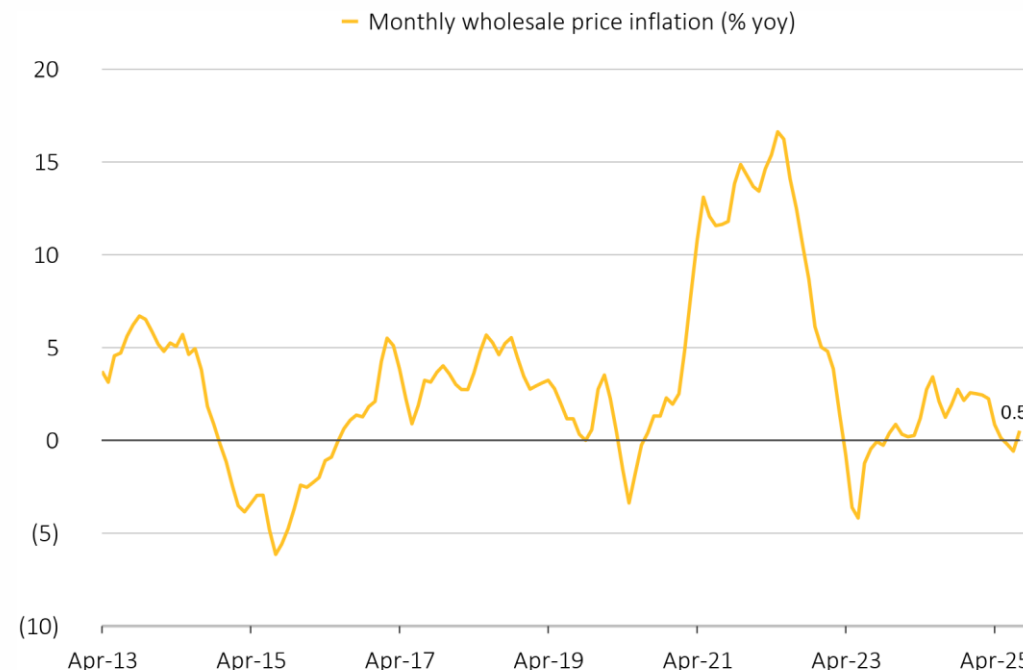
Source: Thurro, MoSPI, NIIF Research

Note:

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

WPI turns positive at 0.5% in August after two months of deflation

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

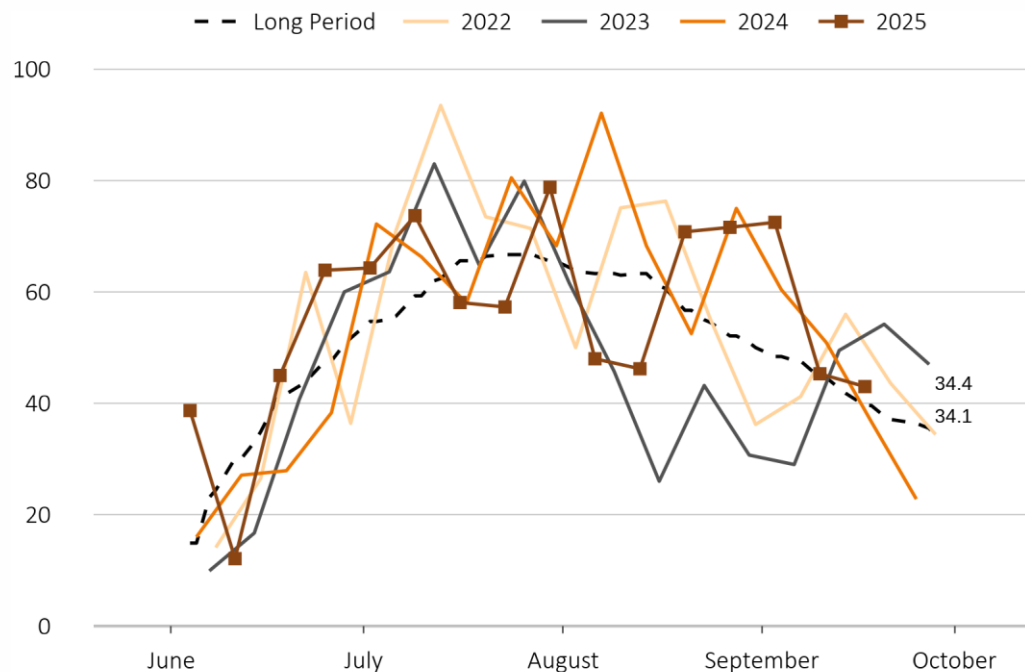


Source: Thurro, Ministry Of Commerce & Industry, NIIF Research

[Inflation] Monsoon (1/2)

Weekly rainfall stays above average through mid-September

Weekly rainfall (in mm), CY2022-CY2025 (17 Sep '25)



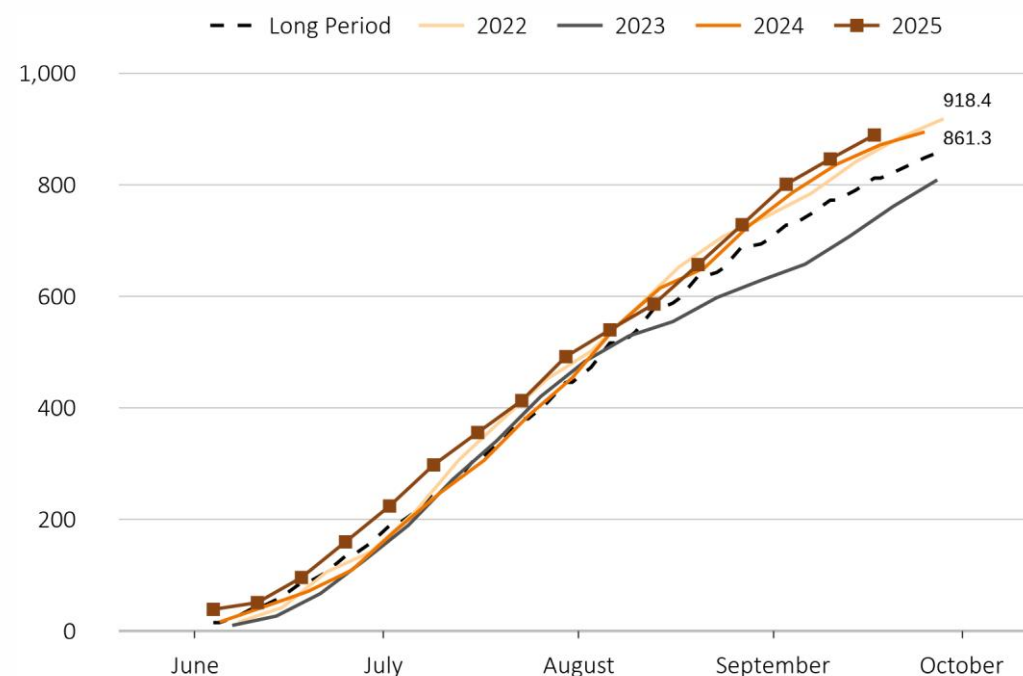
Source: Thurro, India Meteorological Department, CEIC, NIIF Research

Note:

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

Cumulative rainfall remains above long-period average in September

Cumulative rainfall at the end of the week (in mm), CY2022-CY2025 (17 Sep '25)

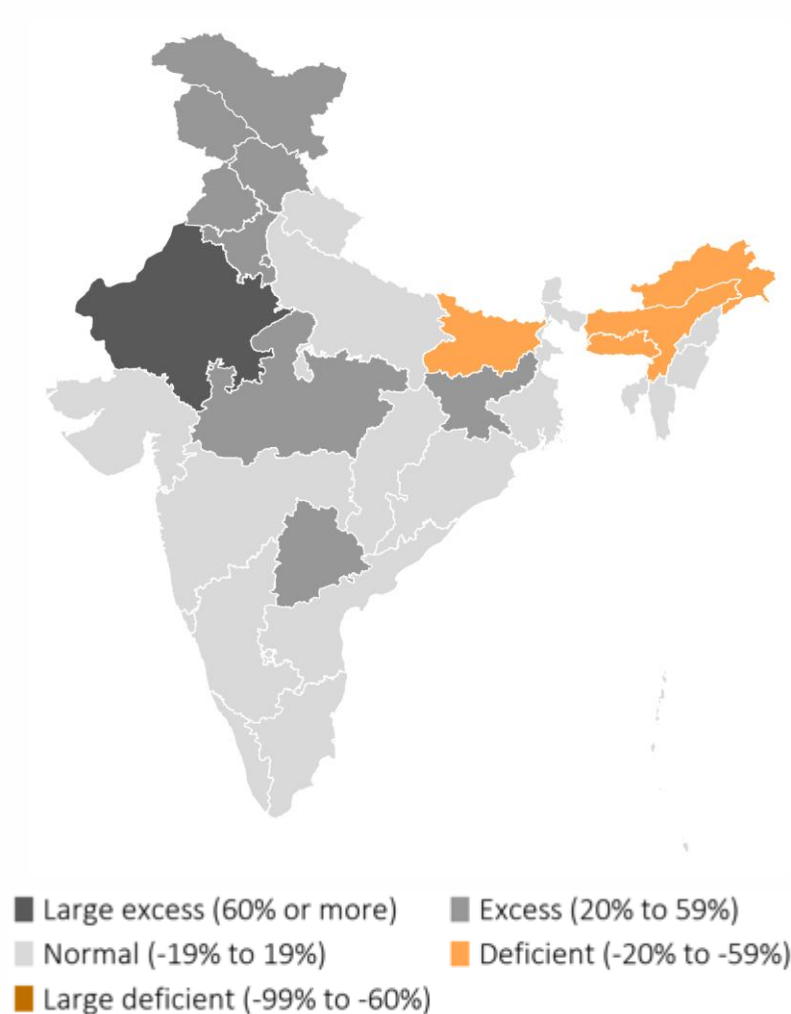


Source: Thurro, India Meteorological Department, CEIC, NIIF Research

[Inflation] Monsoon (2/2)

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

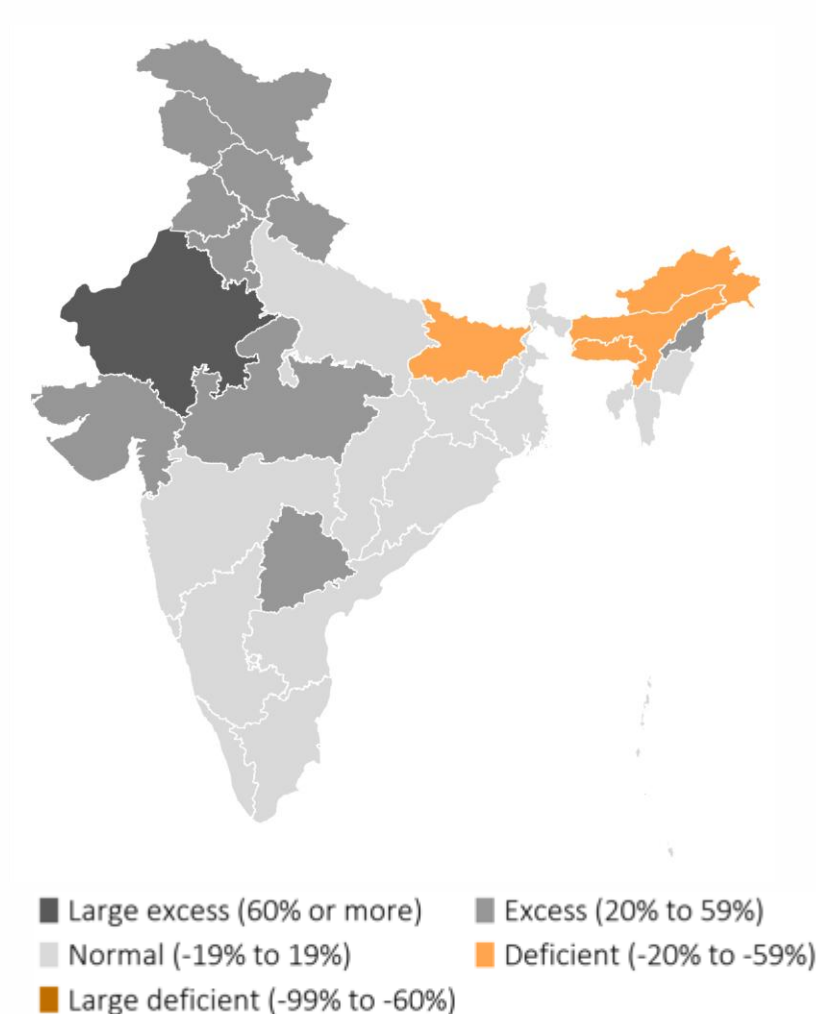
Monthly rainfall across states in mm, Aug 01 to Aug 31, 2025



Source: Thurro, India Meteorological Department, NIIF Research

Eastern states face rainfall deficit through September this season

Cumulative rainfall in mm, Jun 01 to Sep 24, 2025

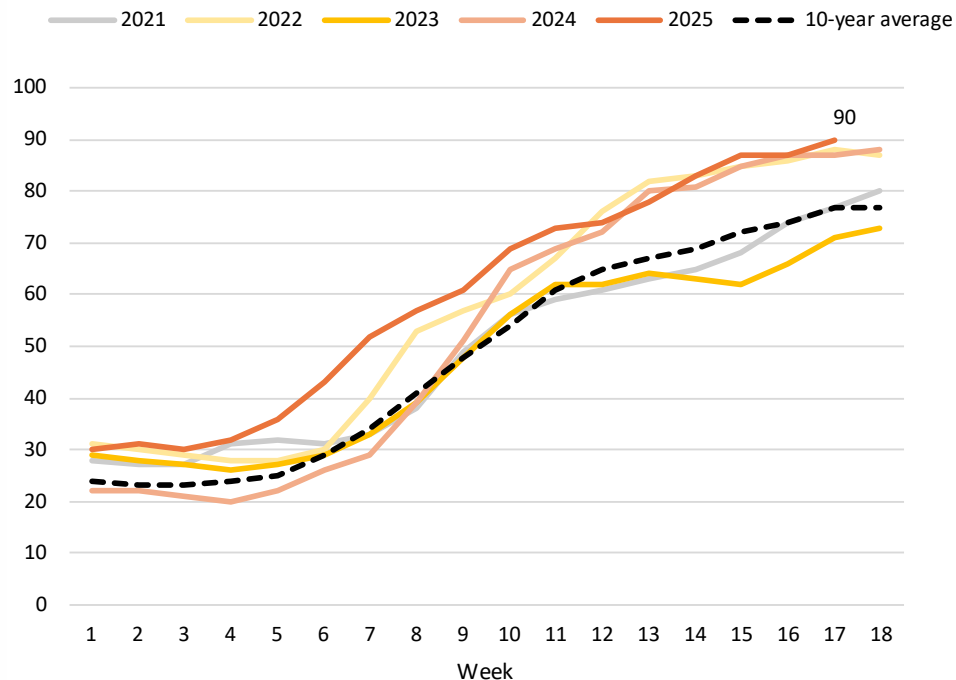


Source: Thurro, India Meteorological Department, NIIF Research

[Inflation] Agriculture

Reservoir levels reach 90% by mid-September, above 10-year average

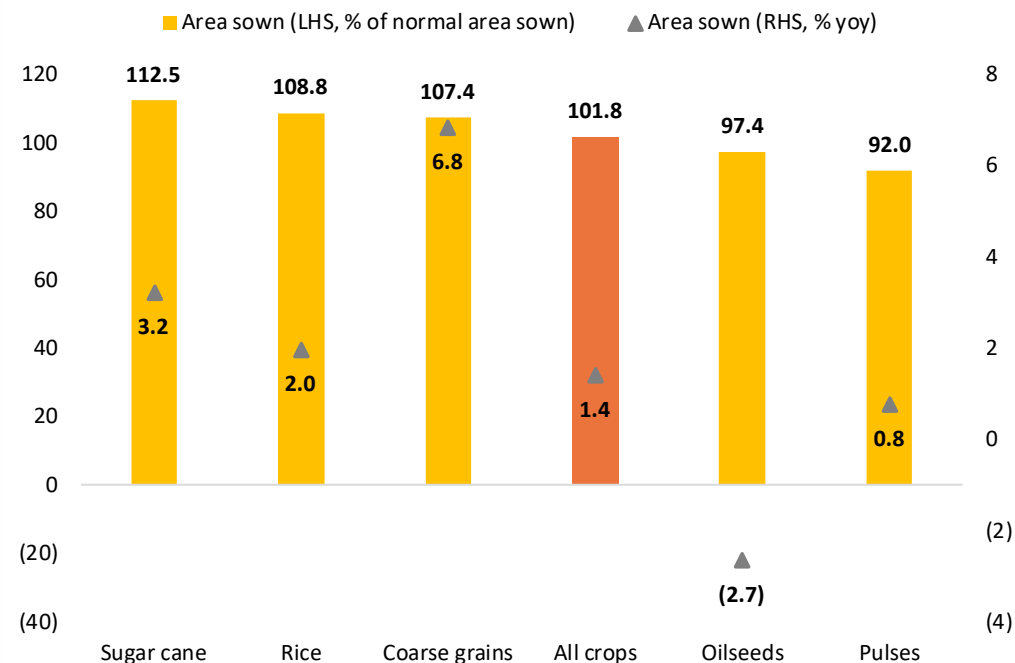
Weekly storage as % of live capacity at full reservoir level, CY2021-CY2025 (18 Sep)



Source: CEIC, NIIF Research

Kharif sowing up 1.4% yoy, at 102% of normal area sown, led by foodgrains

Progress of Kharif (summer) crop sowing, (19 Sep '25)

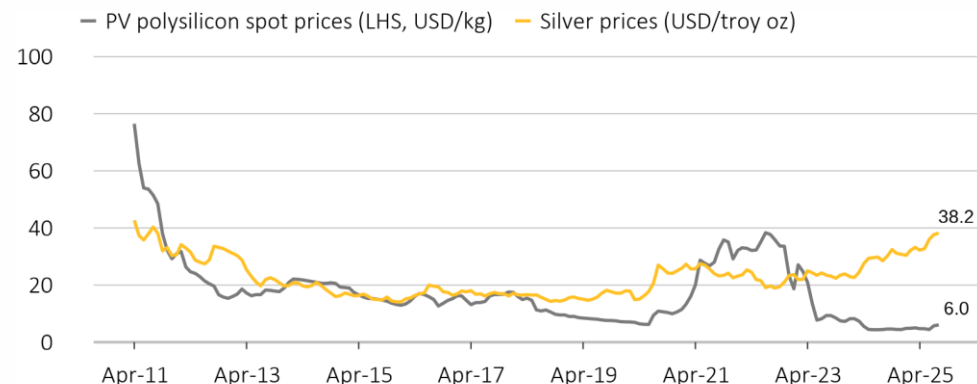


Source: CMIE, Ministry of Agriculture and Farmers Welfare, NIIF Research

[Inflation] Commodity markets

Polysilicon prices stay low as silver rises to a 14-year high in August

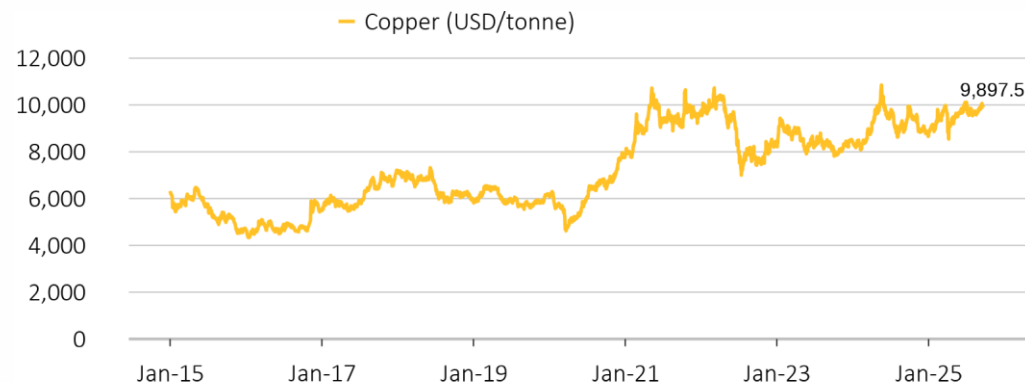
Monthly average polysilicon and silver prices, FY2012-FY2026 (Aug '25)



Source: Thurro, World Bank Commodity Price Data (The Pink Sheet), NIIF Research

Copper prices remain high at USD 9,898 per tonne in September

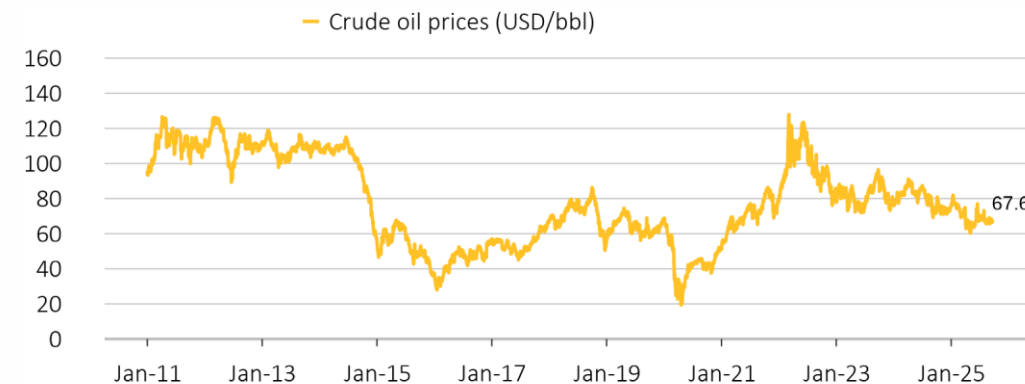
Daily copper prices, FY2015-FY2026 (23 Sep '25)



Source: Thurro, Business Insider, NIIF Research

Brent crude oil price remains stable at ~USD 68 per bbl in September

Daily brent crude oil prices, FY2011-FY2026 (23 Sep '25)



Source: Thurro, Investing.com, NIIF Research

Gold prices reach an all-time high of USD 3,764 per troy oz (as on 23 Sep)

Daily gold prices, FY2015-FY2026 (23 Sep '25)



Source: Thurro, Business Insider, NIIF Research

[Forex] Foreign exchange markets (1/3)

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

Dollar retreats modestly with DXY hovering around 97 mid-September

Daily dollar index (X), FY2013-FY2026 (23 Sep '25)



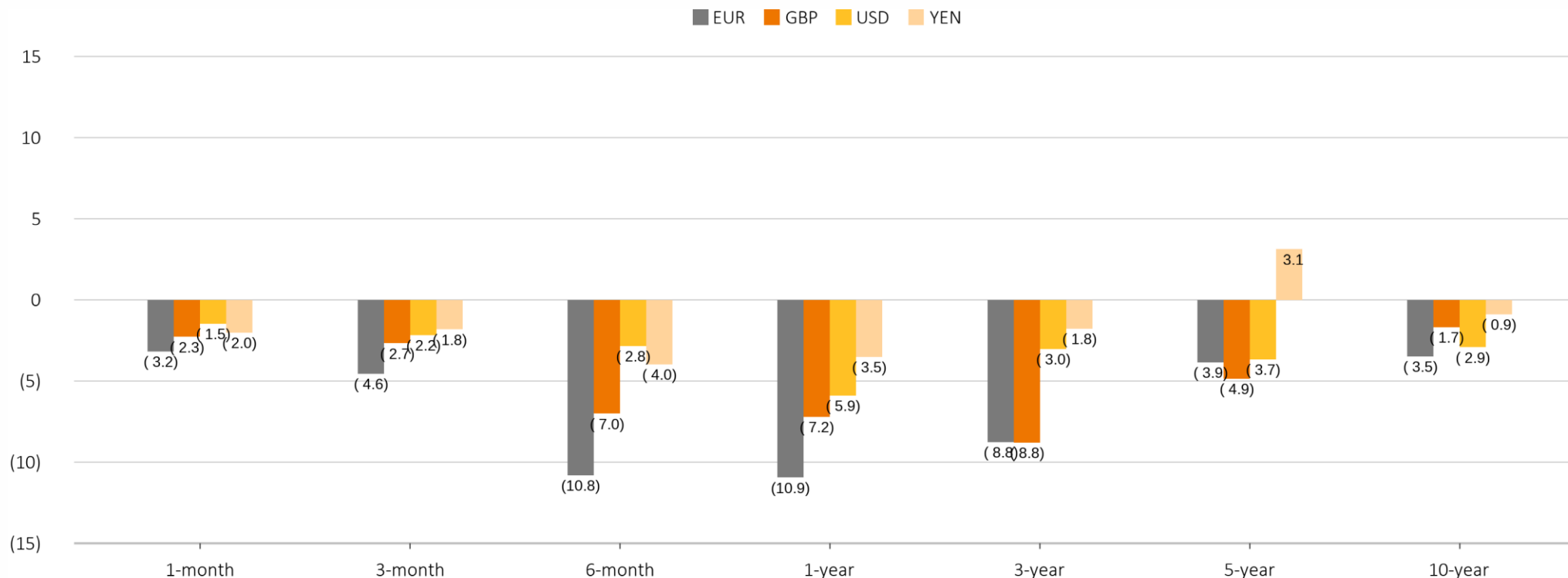
Source: Thurro, Yahoo Finance, NIIF Research

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 (2/3)

Rupee maintains downward trend against major currencies - Euro (3.2%), Pound (2.3%), Dollar (1.5%), Yen (2.0%) - over last month
INR performance vis-a-vis major currencies (%), FY2015-FY2026 (23 Sep '25)



Source: Thurro, RBI, NIIF Research

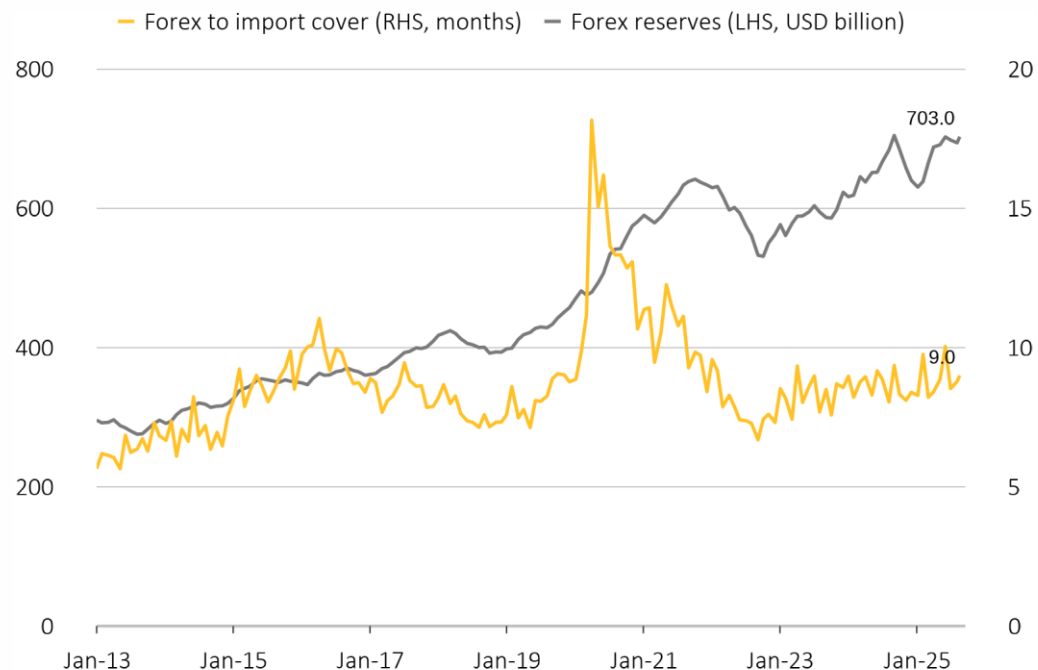
Note:

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] Foreign exchange markets (3/3)

USD 703 billion forex reserves provide sufficient ~9 months import cover

Monthly foreign exchange reserves, FY2013-FY2026 (12 Sep '25)



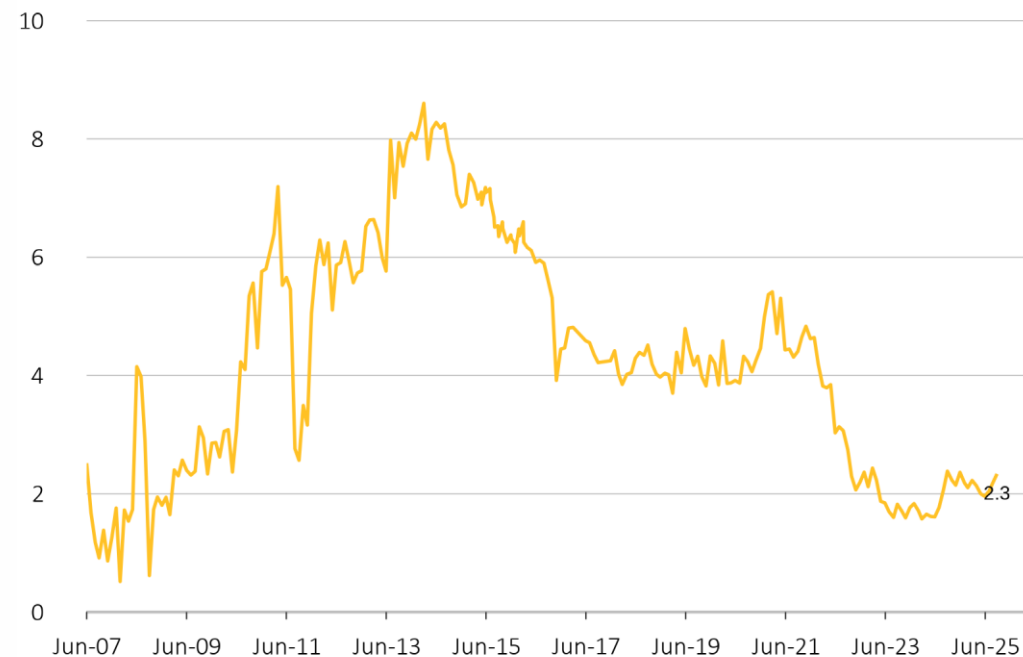
Source: Thurro, RBI, NIIF Research

Note:

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

USD/INR forward premium sees an uptick in September

USD/INR implied 1-year forward risk premium (%), FY2008-FY2026 (23 Sep '25)



Source: Thurro, CCIL, Bloomberg, NIIF Research

[Forex] Balance of payments

CAD narrows from USD 8.6 bn in Q1FY25 to USD 2.4 bn in Q1FY26 as transfers and services trade rise, offsetting a wider goods trade deficit

Quarterly balance of payments (USD billion), FY2025-FY2026 (Jun '25)

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
a. Merchandise trade	(63.8)	(84.6)	(79.3)	(59.5)	(68.5)
<i>(as % of GDP)</i>	<i>(6.7)</i>	<i>(9.0)</i>	<i>(7.9)</i>	<i>(5.8)</i>	<i>(6.8)</i>
b. Exports	111.2	104.5	109.8	116.3	113.1
c. Imports	175.0	189.2	189.1	175.8	181.6
d. Services trade	39.7	44.6	51.2	53.3	47.9
e. Income	(10.9)	(9.2)	(16.4)	(11.9)	(12.8)
f. Transfers	26.3	32.4	33.2	31.5	31.0
g. Current account (a + d + e + f)	(8.6)	(16.8)	(11.3)	13.5	(2.4)
<i>(as % of GDP)</i>	<i>(0.9)</i>	<i>(1.8)</i>	<i>(1.1)</i>	<i>1.3</i>	<i>(0.2)</i>
h. Foreign direct investment	6.2	(2.8)	(2.8)	0.4	5.7
i. Portfolio	0.9	19.9	(11.4)	(5.9)	1.6
j. Loans (external assistance, commercial borrowings, short term credit to India)	5.1	9.4	9.1	5.7	6.0
k. Banking capital	2.9	6.1	(9.8)	(9.0)	(1.6)
l. Others	(2.0)	3.3	(11.7)	3.4	(4.0)
m. Capital account (h+ i + j + k + l)	13.1	35.9	(26.6)	(5.4)	7.7
<i>(as % of GDP)</i>	<i>1.4</i>	<i>3.8</i>	<i>(2.6)</i>	<i>(0.5)</i>	<i>0.8</i>
n. Net errors and omissions	0.8	(0.5)	0.3	0.8	(0.8)
o. Balance of payment (g + m + n)	5.2	18.6	(37.7)	8.8	4.5
<i>(as % of GDP)</i>	<i>0.6</i>	<i>2.0</i>	<i>(3.7)</i>	<i>0.9</i>	<i>0.4</i>

[Forex] Merchandise export: Value

Goods export growth in August led by electronics (26%), and on a low base by jewellery (15.6%), minerals (12.1%); textiles and plastics contract

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

	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	Aug-25 QE
Engineering goods	5.1	4.3	10.6	39.3	13.8	8.4	7.5	(7.7)	(4.0)	11.2	(0.9)	1.3	13.8	4.9
Petroleum and crude	(42.4)	(55.9)	(33.4)	(25.0)	(52.4)	(31.6)	(59.6)	(30.4)	(9.6)	(36.2)	(23.1)	(22.1)	12.0	6.5
Agricultural and allied	(1.0)	(4.6)	7.0	20.9	19.6	16.0	16.8	(1.5)	5.1	12.8	3.4	0.9	13.9	6.2
Electronic goods	37.5	7.6	7.7	45.5	54.6	35.0	78.7	26.4	29.4	39.4	54.0	46.8	33.9	25.9
Textile and apparels	4.3	1.8	10.9	19.4	6.5	13.0	14.2	0.1	3.5	8.6	4.8	0.3	6.5	(2.9)
Drugs and pharmaceuticals	9.4	4.7	6.7	8.2	0.9	0.6	21.5	(1.5)	31.2	2.0	7.6	6.0	14.1	6.9
Chemicals and related	(10.4)	6.9	10.7	26.0	(3.7)	(2.2)	(0.4)	(23.2)	(23.0)	(11.4)	1.2	1.7	8.4	3.8
Gems and jewellery	(19.6)	(23.1)	(11.3)	8.8	(26.3)	(26.5)	16.0	(20.7)	10.6	10.7	(13.9)	(20.4)	28.9	15.6
Plastic and linoleum	10.4	11.1	28.3	23.3	10.9	6.0	13.3	(6.9)	1.6	4.5	(0.8)	2.2	4.5	(4.3)
Ores and minerals	16.3	(26.1)	(30.1)	7.9	(49.2)	(42.3)	(43.9)	(19.8)	4.6	22.0	(15.8)	(24.1)	(18.7)	12.1
Leather and leather manufactures	3.1	0.3	9.7	13.1	0.8	4.6	6.8	(0.9)	3.6	4.9	7.7	0.2	7.5	0.1
Glass, ceramics and cement	(17.3)	(18.4)	(6.2)	(1.4)	(2.6)	11.7	13.9	(10.3)	(5.1)	(0.8)	0.3	0.1	7.8	11.4
Paper and wood	(0.4)	3.0	10.0	16.9	(10.4)	5.9	8.9	(6.7)	(5.2)	(1.0)	(3.3)	(0.9)	3.9	
Other manufactured commodities	22.9	(3.6)	9.9	16.7	(1.0)	(15.9)	(7.0)	(24.1)	(23.0)	(20.6)	(25.3)	(11.8)	5.5	6.0
Total	(5.2)	(14.1)	(1.3)	16.6	(5.3)	(1.5)	(2.6)	(11.1)	0.7	8.6	(3.1)	(0.1)	13.9	6.7

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 for each variable. QE refers to quick estimate data from ministry of commerce.

[Forex] Merchandise import: Value

Overall goods import contract 10% yoy in August, except petroleum (9.4%), electronics (8.4%), chemicals (18.2%) and agriculture (14.3%)

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

	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	Aug-25 QE
Petroleum and crude	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	9.4
Engineering goods	12.2	13.1	16.5	8.4	0.1	3.5	15.4	(4.6)	(0.7)	21.3	8.9	(2.7)	11.1	(7.3)
Electronic goods	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	8.4
Gems and jewellery	9.2	112.0	11.5	(33.2)	120.9	22.6	26.6	(47.0)	40.8	3.3	(8.0)	(21.3)	4.0	(51.3)
Chemicals and related	(11.9)	(23.2)	8.4	0.4	8.7	10.2	48.2	17.7	18.0	34.3	46.9	4.6	20.5	18.2
Ores and minerals	8.1	12.3	2.7	(16.9)	(24.0)	(26.4)	0.4	(27.4)	(23.6)	3.2	(16.8)	(7.5)	(5.0)	(18.1)
Agricultural and allied	12.8	5.3	(3.5)	28.3	47.4	22.0	27.8	16.1	(5.3)	(5.6)	(1.0)	5.9	7.2	14.3
Plastic and linoleum	5.5	1.9	(6.9)	5.9	5.3	(3.7)	6.4	(6.2)	7.1	14.2	4.7	(2.1)	0.9	(9.7)
Drugs and pharmaceuticals	2.1	0.1	5.8	7.1	13.2	10.6	16.0	6.5	9.0	9.5	3.3	0.0	13.1	1.3
Paper and wood	(2.0)	8.1	17.2	31.0	4.7	10.1	33.6	2.9	(2.7)	14.4	2.8	(6.3)	8.5	(12.0)
Textile and apparels	5.2	1.6	(11.6)	(5.4)	0.0	11.4	26.8	10.4	21.4	21.7	20.3	1.9	12.9	(0.6)
Leather and leather manufactures	103.0	77.5	(7.1)	(19.2)	(41.6)	(11.1)	36.6	22.6	38.1	(3.9)	5.9	(15.4)	(40.7)	(27.0)
Glass, ceramics and cement	11.9	20.2	26.6	22.7	3.9	1.8	15.0	16.4	20.0	39.4	34.4	16.2	24.6	
Other manufactured commodities	16.4	13.0	10.3	1.4	(26.8)	11.1	31.1	(18.3)	(9.6)	16.1	(3.2)	(7.1)	(0.5)	(6.6)
Total	11.2	10.0	7.8	1.9	16.1	2.3	10.3	(15.2)	11.4	19.1	(0.5)	(3.4)	8.6	(10.1)

Source: Thurro, DGCIS, MOCI, NIIF Research

Note:

- Other manufactured commodities include other manufactured goods that are not included in the above product categories and other commodities list as provided by DGCIS.
- 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 for each variable. QE refers to quick estimate data from ministry of commerce

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