

Top Story 1

India Central Bank Delivers Rate Cut to Boost Economy

India's central bank has lowered its key policy rate to support economic momentum as price pressures ease. The move ends a brief period of policy pauses and signals a shift toward growth-focused measures. With inflation steadily cooling, policymakers now have greater flexibility to stimulate economic activity and mitigate risks emerging from global trade and tariff uncertainties. Alongside the rate cut, the central bank raised its growth projection for the current fiscal year, increasing confidence in India's economic resilience. The improved forecast reflects stronger domestic demand, stable financial conditions, and a supportive policy environment. The updated outlook suggests that the economy is expected to expand at a faster pace than previously estimated. The rate reduction is also aimed at encouraging borrowing, investment, and consumption, helping sustain growth momentum. Overall, the central bank's decision highlights its balanced approach to managing inflation while providing additional support to India's broader economic landscape.

<https://www.wsj.com/articles/india-central-bank-delivers-rate-cut-to-boost-economy-3c2a7596>

Top Story 2

India cuts rates to 5.25% as expected as central bank flags

India's central bank lowered its policy rate by 25 basis points to 5.25%, aligning with market expectations. The decision was unanimous, with policymakers citing weakness in several economic indicators despite a notable easing in inflation, which is likely to be revised lower. Economic growth remained strong in the recent quarter, supported by resilient domestic activity and subdued price pressures. The bank noted that the favorable inflation outlook provides room to support growth proactively. To strengthen liquidity and ensure smoother monetary transmission, the central bank announced large-scale bond purchases and a currency swap operation. These measures aim to maintain stability amid recent depreciation pressures on the domestic currency. While the rate cut was viewed as timely, analysts highlighted ongoing uncertainty, including signs of slowing industrial activity and softer external demand. Key indicators have pointed to moderation, and the bank acknowledged that global conditions continue to present downside risks even as opportunities from ongoing economic engagements remain.

<https://www.cnbc.com/2025/12/05/india-cuts-rates-to-as-expected-as-central-bank-rbi-warns-of-further-reductions.html>

Economy

RBI Revises India's 2025–26 GDP Growth Forecast Up To 7.3%

India's central bank has raised its growth forecast for the upcoming financial year, projecting GDP to expand by 7.3%, up from the earlier estimate of 6.8%. Growth expectations for the next two quarters have also been revised higher, reflecting stronger economic momentum. Recent data showed that India's economy grew 8.2% in the July–September period, supported by improved consumer spending and a favourable base effect. Previous quarters recorded growth of 7.8% and 5.6%, indicating consistent performance. Alongside the outlook upgrade, a 25-basis-point reduction in the policy rate signals support for growth while inflation remains contained. Lower borrowing costs are expected to boost construction activity, increase consumer demand, and ease funding for businesses. The rate cut is seen as a strong vote of confidence in India's economic resilience despite global uncertainties. Strong growth, easing inflation, and improved liquidity conditions are expected to support overall expansion in the months ahead.

<https://zeenews.india.com/economy/rbi-revises-india-s-2025-26-gdp-growth-forecast-up-to-7-3-2992306.html>

Market

Indian shares edge higher after RBI rate cut

India's stock market moved slightly higher after the central bank reduced the key policy rate by 25 basis points. The benchmark indices recorded modest gains following the announcement, reflecting a positive reaction from investors. The rate cut was supported by low retail inflation and a favorable price outlook, which created space for measures aimed at supporting economic momentum. Lower policy rates generally reduce borrowing costs, encouraging credit growth and making loans more affordable for households and businesses. This typically boosts demand for housing, vehicles, and other major purchases, while also lowering funding costs for lenders. As a result, sectors linked to interest-sensitive demand showed mild improvement in early trading. Market participants viewed the decision as supportive of broader economic activity as the year progresses. With borrowing conditions easing and inflation remaining contained, the move is expected to strengthen consumption trends and reinforce confidence across India's financial markets.

<https://www.reuters.com/world/india/indias-stock-benchmarks-set-open-higher-ahead-rbi-policy-decision-2025-12-05/>

Finance

India Infrastructure Finance Company standalone net profit rises 20.45% in the September 2025 quarter

A major financial institution in India reported strong performance in the latest quarter, with net profit rising by over 20% compared to the same period last year. The company also recorded close to a 10% increase in sales, reflecting steady operational momentum and improved business activity. Key financial indicators showed broad-based strengthening: operating margins expanded, profit before depreciation and tax increased by more than 20%, and profit before tax also rose at a similar pace. Higher profitability suggests effective cost management and growing demand for financial services. The improvement in overall earnings highlights a positive business environment and signals healthier credit and investment activity within the economy. These results indicate resilience in the financial sector and support confidence in ongoing economic expansion across India.

https://www.business-standard.com/markets/capital-market-news/india-infrastructure-finance-company-standalone-net-profit-rises-20-45-in-the-september-2025-quarter-125120500125_1.html

Investment

Amazon to invest \$12.7 billion to empower India's cloud and AI infrastructure by 2030

A major global tech company has announced a large investment to strengthen India's cloud and AI infrastructure, aiming to support millions of small businesses and students by 2030. The initiative aligns with national efforts to expand AI accessibility, productivity, and digital inclusion. The enhanced infrastructure is expected to accelerate India's progress toward becoming a global leader in advanced technologies. The company already supports multiple sectors with AI-based solutions and plans to further empower small businesses by offering tools that improve customer understanding, advertising, and operational efficiency. Alongside business support, the investment includes a significant educational component designed to boost AI literacy among students in government schools. Planned activities include improved AI curriculum, hands-on learning, career exposure, and teacher training. The initiative also aligns with India's broader education policy focused on digital skills and future-ready learning, ultimately aiming to create a stronger, more inclusive digital ecosystem across the country.

<https://www.businesstoday.in/technology/news/story/amazon-to-invest-127-billion-to-empower-indias-cloud-and-ai-infrastructure-by-2030-505074-2025-12-04>

Metric	4-Dec-2025 Rate	5-Dec-2025 Rate	Change
USDINR	₹89.8370	₹90.00	+0.1630 ₹
EURINR	Data NA	Data NA	—
GBPINR	₹119.70	₹120.00	+0.30 ₹
JPYINR	0.5791 per 1 JPY	0.5790 per 1 JPY	-0.0001 ₹
NIFTY 50	Data NA	26,188.60	—
BSE Sensex	Data NA	85,747.68	—

