

## **Top Story 1**

### **Is Indian middle class driving the economy?**

India's middle-income group, comprising around 31% of the population, is emerging as a powerful economic force. With 432 million individuals, this segment shares common aspirations with their global counterparts—pursuing a decent lifestyle, acquiring material comforts, and contributing to national development through taxes. Of this group, about 4% are wealthy, while 10% are recent entrants navigating upward mobility. Notably, 1% of the poor are transitioning into the middle class each year—a trend expected to accelerate. Those earning between ₹5 to ₹30 lakhs annually are considered middle class and drive national consumption. With 65% of the population under 35, this young demographic has rising purchasing power. Poverty levels have significantly declined, with more individuals attaining a better standard of living. The Gini Index, a measure of income equality, stands at 25.5, positioning India as one of the more equal economies globally. This reflects an inclusive environment where increasing consumption is both viable and sustainable.

<https://www.dailyexcelsior.com/is-indian-middle-class-driving-the-economy/>

## **Top Story 2**

### **FTA talks with Peru, Chile to resume in August**

India is set to resume Free Trade Agreement (FTA) negotiations with two key nations, with discussions advancing under separate frameworks. These agreements aim to deepen economic ties and secure access to critical minerals, which are vital for industrial growth. One agreement will expand upon an existing trade arrangement, targeting broader sectors such as digital services, investment promotion, cooperation with small businesses, and strategic resources. Negotiations also include terms related to goods, services, movement of professionals, rules of origin, and trade barriers. For the other agreement, the focus lies on accessing significant reserves of copper and strengthening bilateral cooperation on critical minerals. The negotiations signal India's intent to diversify trade partnerships and secure essential raw materials through comprehensive economic engagement. These efforts are aligned with India's broader economic strategy to enhance self-reliance, support emerging industries, and bolster long-term growth through strengthened international collaboration and trade infrastructure.

## **Economy**

### **India eyes \$10t economy as GCCs drive new growth wave**

India is on course to become a \$10 trillion economy within the next decade, fueled by transformative shifts in technology, talent, and global integration. A major growth driver is the rapid rise of Global Capability Centres (GCCs), expected to contribute \$500 billion in gross value added and create up to 25 million jobs. India's strong demographic profile, deep STEM talent pool, and advancing expertise in artificial intelligence are pivotal to unlocking this economic potential. With global tech spending projected to soar, India's focus on AI and digital transformation places it at the forefront of the fourth industrial revolution. Forecasts suggest that India could soon become the world's third-largest economy. With a targeted compound annual nominal GDP growth rate of 9%, the country aims to add nearly \$1 trillion to its GDP every 12 to 18 months—an extraordinary trajectory that positions India as a key engine of global economic growth in the years ahead.

<https://www.khaleejtimes.com/business/india-eyes-10t-economy-as-gccs-drive-new-growth-wave>

## **Market**

### **RBI to 'wait and watch' before further rate cuts**

India's central bank is taking a cautious stance despite retail inflation cooling to a six-year low, which has fueled speculation about further interest rate cuts to stimulate consumer demand and economic activity. The Reserve Bank has already implemented three repo rate cuts since the beginning of the year, totaling a reduction of 100 basis points. However, officials have indicated that no immediate decision has been made regarding additional cuts. They emphasized a balanced approach, stating that both economic growth and price stability are key priorities. While internal assessments on inflation trends and economic data are ongoing, the central bank prefers to “wait and watch” before committing to further monetary easing. Speculation about a significant rate cut continues, but the bank maintains that any future moves will be based on data-driven evaluations. This measured approach reflects the bank's intent to support sustained economic growth without triggering inflationary pressures.

<https://newsarenaindia.com/economy/rbi-to-wait-and-watch-before-further-rate-cuts/50417>

Finance

India Shelter Finance Corporation Achieves 52-Week High Amid Strong Financial Growth

A midcap housing finance company has reached a new 52-week high, reflecting strong investor confidence and robust financial performance. The stock has outperformed its sector, recording notable gains in recent sessions. With an impressive compound annual growth rate in operating profits and steady increases in net sales and net profit over the last five quarters, the company showcases solid financial health. Recent quarterly results indicate strong operational efficiency, with healthy revenue and earnings before depreciation and interest. The company reports a favorable return on equity and maintains a strong price-to-book ratio, further affirming its market strength. A remarkable one-year return significantly surpassing broader market indices illustrates its resilience and appeal to investors. Additionally, a substantial share of institutional holdings underscores continued trust in the company’s long-term prospects. Overall, the performance signals positive momentum in India’s financial ecosystem, with this firm emerging as a key player in the housing finance segment.

<https://www.marketsmojo.com/news/stocks-in-action/india-shelter-finance-corporation-reaches-52-week-high-of-rs-9819-with-strong-growth-metrics-3256957>

Digitalization

India's infrastructure is getting smarter with AI

Artificial Intelligence (AI) is rapidly transforming India’s infrastructure landscape, enhancing efficiency, reducing costs, and supporting the development of resilient and sustainable systems. From planning and design to construction and operation, AI now plays a role in nearly every phase of infrastructure development. Its data-driven decision-making capabilities are revolutionizing how critical assets are built and managed. The integration of AI, automation, and IoT technologies is also aligning with national infrastructure initiatives to create more responsive, scalable, and eco-conscious systems. While the benefits of AI are substantial—such as fostering resilience and improving environmental stewardship—it also brings challenges, including increased energy demands that could strain the power grid. Nevertheless, AI is proving to be more than a tool; it’s becoming a cornerstone of modern infrastructure, driving a greener and more connected future. As India continues to evolve, the strategic use of AI in infrastructure will be key to unlocking long-term economic and environmental benefits.

<https://energy.economictimes.indiatimes.com/amp/news/renewable/how-indias-infrastructure-is-getting-smarter-with-ai/122586768>

Metric	16th July 2025	17th July 2025	Change	Metric	16th July 2025	17th July 2025	Change
USDINR	87.15	87.25	0.1	NIFTY 50	26740	26830	90
EURINR	101.35	101.62	0.27	BSE Sensex	86820.5	87040.8	220.3
GBPINR	120.8	121.05	0.25				
JPYINR	60.68	60.75	0.07				