

Top Story 1

RBI says Indian economy shows strength, stability, opportunity; retains FY26 GDP forecast at 6.5%

The latest monetary policy review retained the economic growth forecast at 6.5% for the current fiscal year, reflecting a positive outlook despite global uncertainties. In a move to support growth momentum, the policy rate was reduced by 50 basis points to 5.5%. This proactive step is intended to stimulate demand, improve credit flow, and enhance overall market sentiment. The broader economic environment continues to exhibit strength and resilience, underpinned by stable macroeconomic indicators, a healthy financial ecosystem, and consistent policy support. Authorities emphasized that the economy stands on pillars of strength, stability, and opportunity. Major sectors, including manufacturing, services, and agriculture, are expected to drive this growth further. The approach also aims to maintain a balance between financial stability and economic development, focusing on long-term sustainability and inclusivity. Overall, the signals point toward a confident and robust economic outlook supported by strategic interventions and policy alignment.

<https://www.deccanherald.com/business/economy/rbi-says-indian-economy-shows-strength-stability-opportunity-retains-fy26-gdp-forecast-at-65-3574105>

Top Story 2

India Can Become \$7-8 Trillion Economy By 2030

A leading panel of experts highlighted that the economy has the potential to grow into a USD 7–8 trillion powerhouse by the end of the decade, provided there is a strong push for decentralised reforms. Emphasis was laid on the need for rural development, industrial expansion, and widespread adoption of technology. The country's fundamentals—such as growing consumption, strong investment flows, and a youthful population—offer a solid foundation for sustained economic growth. Experts acknowledged existing challenges like trade imbalances and underemployment but stressed that these can be addressed through better execution, export promotion, and private sector innovation. The role of a robust industrial base and increased R&D spending was highlighted as critical to achieving long-term growth. Furthermore, calls were made to grant full autonomy to leading universities and transform regulatory bodies into facilitators of innovation. The implementation of progressive education policies was seen as crucial for nurturing talent and enabling future economic transformation.

<https://www.businessworld.in/article/india-can-become-7-8-trillion-economy-by-2030-say-experts-558960>

Economy

India could become third largest economy in the world this year

The strong economic momentum of a rapidly developing nation has drawn attention on the global stage, with projections indicating that it could emerge as the world's third-largest economy within the year. This recognition reflects the country's robust GDP performance, resilient policy framework, and consistent growth trajectory. Economic reforms, rising domestic consumption, infrastructure investments, and a youthful workforce have contributed to this upward momentum. The shift also signals increasing investor confidence, creating opportunities for expanded global trade, innovation, and collaboration. Recognition from international forums and leaders serves to boost the country's image as a major economic player. The development underscores the effectiveness of long-term planning and strategic execution across sectors. Achieving this milestone would not only enhance the nation's role in global economic dialogues but also strengthen its appeal as a destination for investment and partnerships. Overall, the outlook reflects stability, resilience, and a promising path toward sustained economic leadership.

<https://www.msn.com/en-in/news/other/india-could-become-third-largest-economy-in-the-world-this-year-borge-brende/vi-AA1GanxV>

Finance

Why repo rate was cut by larger than expected 50 basic points

The central bank surprised markets by announcing a larger-than-expected 50 basis points cut in the policy repo rate, bringing it down from 6% to 5.5%. While most experts had forecasted a smaller cut, this front-loaded move signals a strong push toward supporting economic growth. With this decision, the repo rate has now been reduced by a cumulative 100 basis points since the beginning of the year. This comes as good news for borrowers, as home loan EMIs are expected to decline significantly over time, once the full benefits of the rate cut are transmitted by the banks. The decision was made by the Monetary Policy Committee through a majority vote. Given the global economic uncertainty, the focus has clearly shifted to bolstering domestic demand while maintaining price stability. The latest monetary policy stance is seen as a step toward achieving higher economic growth and maintaining momentum through proactive measures.

[RBI MPC meet: Why repo rate was cut by larger-than-expected 50 basis points; RBI governor Sanjay Malhotra explains - Times of India](#)

Market

Rise in repatriation reflects market maturity, says RBI Governor amid dip in net FDI

India continues to be a strong investment destination, as indicated by a 14% increase in gross foreign direct investment (FDI) inflows, which reached \$81 billion. However, net FDI moderated significantly to \$0.4 billion due to higher fund repatriation and a rise in outward investments. This rise in repatriation is seen as a sign of a mature and confident market, where investors are able to exit smoothly when needed. While foreign portfolio investment (FPI) also declined, with inflows dropping to \$1.7 billion as investors booked profits, the overall sentiment remains positive. Despite global uncertainties and trade pressures, the country’s merchandise trade has shown resilience. However, a widening trade deficit was noted as imports outpaced exports during the period. The steady rise in gross FDI highlights sustained global interest in the domestic market, reinforcing its appeal as a stable and promising destination for long-term investment.

[Rise in repatriation reflects market maturity, says RBI Governor amid dip in net FDI - The Economic Times](#)

Digitalization

India's Manufacturers Invest Heavily in AI, ML

A recent global survey on smart manufacturing revealed that nearly all manufacturers surveyed have either already invested in or plan to adopt artificial intelligence (AI) and machine learning (ML) technologies. Compared to earlier years, where only two-thirds of organizations showed interest in these technologies, the latest findings indicate a dramatic increase, with 99% of participants now actively engaging in AI/ML adoption. This shift reflects a significant transformation in the industry mindset—from initial curiosity about smart manufacturing to full-scale integration into business strategies. The study involved over 1,500 participants across various sectors, including manufacturers, original equipment manufacturers (OEMs), system integrators (SIs), and engineering procurement companies (EPCs). The increasing adoption of AI/ML highlights the growing recognition of their potential to enhance efficiency, streamline operations, and drive innovation. As industries continue to evolve, smart technologies are becoming essential tools for staying competitive and responsive in a rapidly changing global landscape.

<https://money.rediff.com/news/market/india-s-manufacturers-invest-heavily-in-ai-ml/28140520250606>

Currenc	Rate (₹)	Change from May 5	Index	Value	Change from May 5
USDINR	84.7378	0.5181	NIFTY 50	24,379.60	-81.55
EURINR	96.1489	0.8514	BSE Sensex	80,641.07	-155.77
GBPINR	113.1673	1.0733			
JPYINR	0.5921	0.0062			