Top Story 1

India’s internal growth drivers anchor the economy amid U.S. policy shifts

India is well-positioned to deal with the negative effects of US tariffs and global trade disruptions as domestic growth drivers and low dependence on exports anchor the economy, Moody's Ratings said on Wednesday. In a note on India, the agency said government initiatives to boost private consumption, expand manufacturing capacity and increase infrastructure spending will help offset the weakening outlook for global demand. Easing inflation offers the potential for interest rate cuts to further support the economy, even as the banking sector's liquidity facilitates lending. "India is better positioned than many other emerging markets to deal with US tariffs and global trade disruptions, helped by robust internal growth drivers, a sizable domestic economy and a low dependence on goods trade

https://www.fortuneindia.com/economy/indias-internal-growth-drivers-anchor-the-economy-amid-us-policy-shifts-moodys/123291

Top Story 2

India's manufacturing sector more attractive to global investors

India has made progress in making its manufacturing sector more attractive to global investors, and ongoing changes in international trade policy would benefit India in the long run, as on Monday. Research Chapter's study, titled 'India Forward: Transformative Perspectives', said that as economies adapt to evolving trade dynamics and tariff challenges, India can capitalize on this momentum for accelerated manufacturing growth and greater global supply chain integration. A strategic shift towards local sourcing, proximity to end-markets, and enhanced regional integration should attract additional investment to the sector, accelerating India's technological advancement and manufacturing competitiveness and creating additional high-quality manufacturing jobs. The study said India has made "notable progress" in enhancing its competitiveness and making its manufacturing sector

https://economictimes.indiatimes.com/small-biz/trade/exports/insights/indias-manufacturing-sector-more-attractive-to-global-investors-sp-study/articleshow/121281938.cms

Investment

India Emerges As Key Investment Destination

As global investor confidence in U.S. assets weakens due to fiscal concerns, high treasury yields, and a recent downgrade in U.S. sovereign credit, there is a noticeable shift in capital flows toward emerging Asian markets. India is emerging as a leading beneficiary of this trend, offering a stable macroeconomic environment, strong domestic demand, and pro-growth government policies. The country's robust economic fundamentals, expanding digital infrastructure, and sustained GDP growth are positioning it as a preferred destination for global investors seeking long-term opportunities. Sectors such as manufacturing, fintech, renewable energy, and infrastructure are attracting increasing foreign direct investment (FDI), bolstered by initiatives like "Make in India" and PLI schemes. Additionally, regulatory reforms and improved ease of doing business are further enhancing investor sentiment. With geopolitical shifts and a rebalancing of global capital, India is poised to play a central role in driving the next wave of growth in the global investment landscape

https://www.wionews.com/videos/-india-emerges-as-key-investment-destination-1747808287259

Finance

India's GDP Growth in Q4 FY25 To Remain Robust Around 6.4-6.5%

Despite weathering effects precipitated by global upheavals, Indian economy stays largely resilient and is projected to clock a GDP growth around 6.4-6.5 percent in Q4 FY25. To estimate GDP statistically, the State Bank of India's Economic Research Department has built a 'Nowcasting Model' with 36 high frequency indicators associated with industry activity, service activity, and global economy. The model uses the dynamic factor model to estimate the common or representative or latent factor of all the high frequency indicators from Q4 of FY13 to Q2 of FY23. "As per our 'Nowcasting Model', the forecasted GDP growth for Q4 FY25 should come around 6.4-6.5 percent. Assuming there are no major revisions in Q1 to Q3 estimates in the upcoming data release by NSO, "we expect FY25 GDP to stand at 6.3 per cent," Ghosh mentioned. The India Meteorological Department (IMD) has said the southwest monsoon is likely to arrive in Kerala within the next four to five days - well ahead of its normal onset.

Market

India Small And Medium Firms Poised For Robust Growth In April-June Quarter

India's small and medium enterprises (SME) sector witnessed positive momentum in business activity during the January–March quarter (Q4 FY2025), compared to the previous quarter (Q3), with strong growth expected in Q1 FY2026, according to the SME Market Sentiment Index released by PHDCCI. The survey covered 3,000 SME firms across various manufacturing sectors. Government initiatives such as credit support, technological aid, infrastructure development, and skill training have significantly strengthened the SME ecosystem, fostering entrepreneurship and job creation. The SME Business Activity Index (SME-BAI) stood at a strong 57.7

points—well above the neutral mark of 50—signaling expansion in manufacturing activities. This rise is largely driven by the New Orders Index at 71.7, indicating a strong demand pipeline, and the Output/Production Index at 66.7, showing accelerated business activity. The findings underline the sector's growing dynamism and its critical role in India's economic landscape.

https://zeenews.india.com/economy/india-small-and-medium-firms-poised-for-robust-growth-in-april-june-quarter-report-2903802.html

Economy

RBI Regulations Mandate Strong Capital Adequacy for Indian Banking Stability

The banking system is the backbone of any country's economy In India, the Reserve Bank of India (RBI) plays a crucial role in maintaining the stability and strength of this system. A key aspect of this stability is the capital adequacy ratio (CAR), a regulatory requirement that ensures banks have enough capital to absorb losses and continue operating smoothly. This cornerstone article aims to explain RBI's capital adequacy regulations simple terms. why they matter for the Indian economy, and how concepts like the greed and fear index relate to banking and financial stability. The RBI's regulations mandating a strong capital adequacy ratio are crucial for securing the Indian banking system. By maintaining sufficient capital buffers, banks become resistant to market shocks, protecting depositors' money and ensuring the continuous flow of credit to fuel India's economic growth. Coupled with market emotions captured by the greed and fear index.

https://www.latestly.com/business/rbi-regulations-mandate-strong-capital-adequacy-for-indian-banking-stability-6868799.html

Currenc	Rate (₹	Change from May 2	Index	Value	Chang
USDINR	85.542	0.17	NIFTY 50	24,813.45	129.55
EURINR	97.0074	1.1814	BSE Sensex	81,596.63	410.19
GBPINR	114.8787	0.8287			
JPYINR	0.593	0.0026			