

Top Story 1

India shines even as global uncertainties weigh down advanced economies: RBI

India's economy has remained resilient even as global economic growth continues to be weighed down by ongoing trade tensions, uncertain policies and muted consumer sentiments, the Reserve Bank of India, said in its latest report. Emerging markets and developing economies, particularly in Asia, are likely to face major impacts, experiencing slower growth due to trade tensions, weak consumer confidence, and policy uncertainty. Furthermore, volatility in financial markets has become a key risk to global economic projections. However, India is showing steady progress amid this global turmoil. High-frequency data from April indicated that both the industrial and services sectors are holding their ground. One standout metric was the record goods and services tax (GST) collections, signaling strong economic activity. Overall, the report said that though economic uncertainty has pushed back even some of the advanced economies, India continues to shine as a safe destination for those looking to invest for a long period.

<https://timesofindia.indiatimes.com/business/india-business/india-shines-even-as-global-uncertainties-weigh-down-advanced-economies-rbi/articleshow/121329602.cms>

Top Story 2

India's large domestic economy and low dependence on exports well-positioned to deal with US tariffs

The ratings agency said the Indian government initiatives to boost private consumption, expand manufacturing capacity and increase infrastructure spending will help offset the weakening outlook for global demand. It added that easing inflation offers the potential for interest rate cuts to further support the economy, even as the banking sector's liquidity facilitates lending. India's retail inflation eased to 3.16% in 2025, marking the lowest year-on-year rate since July 2019. Wholesale inflation in April also slowed to a 13-month low at 0.85% year-on-year, compared to 2.05% in March. India-made goods may even benefit from increased US demand if trade talks lead to lower tariffs on India compared to other emerging markets. "Despite global volatility, India's sound banking market and stable credit conditions underscore its economic strength. Still, a deterioration in global economic and credit conditions would have knock-on effects," the report stated.

<https://www.cnbctv18.com/economy/moodys-report-india-emerging-markets-domestic-economy-exports-well-positioned-us-tariffs-inflation-rate-cut-development-19607725.htm>

Economy

India's business activity rises to 13-month high of 61.2

India's business activity rises to 13-month high of 61.2 in May, shows India's economy continued to shine in May with the business activity index of Composite PMI climbing to a 13-month high of 61.2, compared with 59.7 in the previous month, preliminary data released. India has been one of the better performing economies in the world after US President Trump unleashed higher tariffs on imports, with the Purchasing Managers' Index - an indicator of business activity - inching higher at a time when most other countries have witnessed contraction. The uncertainty has prompted Indian exporters to rush to deliver products to the American shores. The value of 50 separates expansion from contraction in the PMI index. The Indian economy is likely to come out stronger compared to others, with IMF expecting only a 0.3 percentage points drop in growth to 6.2 percent, compared with 6.5 percent as projected earlier. The global economy is expected to get a 0.8 percentage point jolt, while the US will suffer a drop of 0.9 percentage point.

<https://www.moneycontrol.com/news/business/economy/india-s-business-activity-rises-to-13-month-high-of-61-2-in-may-shows-hsbc-composite-pmi-13039876.html>

Finance

A new approach to foreign exchange policy

The Reserve Bank of India's (RBI) current tolerance of rupee volatility marks a notable shift from its traditionally rigid stance. This recent spike in volatility—from under 1% to over 6% in just six months—has been driven largely by global uncertainty, particularly stemming from Donald Trump's disruptive policies. Despite these external shocks, the RBI's calm and measured response is commendable. Interestingly, the current volatility level aligns with the rupee's 20-year average, suggesting a return to historical norms rather than an anomaly. However, this raises questions about the RBI's long-stated stance that it "has no target for USDINR and only intervenes to contain volatility." Such claims seem inconsistent. If the rupee steadily depreciated or appreciated by 5 paise daily, volatility would appear low, yet the exchange rate would shift drastically over time. It's unlikely the RBI would remain passive in such a scenario—revealing that its policy may be more targeted than it admits.

<https://www.financialexpress.com/opinion/a-new-approach-to-foreign-exchange-policy/3852798/>

Digitalization

Sustainable chemistry in India fueling growth with digital and AI innovation:

India's chemicals industry, valued at around \$220 billion, is the sixth-largest globally and contributes approximately 7% to the nation's GDP. As the sector grows, it faces increasing pressure to reduce its environmental impact. Regulatory mandates and rising societal focus on sustainability have made environmental standards a key part of business strategy. To meet stringent norms, companies are driving innovation in both products and processes, aiming to enhance efficiency, reduce waste, and minimize emissions. A notable trend is the shift from traditional petro-based feedstocks to renewable alternatives. For instance, some plants are substituting propylene with sucrose to derive isobutane, creating more sustainable products with lower carbon footprints. This method of modifying feedstocks—rather than overhauling entire manufacturing systems—allows companies to meet environmental targets with minimal disruption. As a result, sustainability is becoming a competitive differentiator, with Indian chemical firms integrating green practices to align with global standards and future-proof their growth.

<https://www.indianchemicalnews.com/digitization/sustainable-chemistry-in-india-fueling-growth-with-digital-and-ai-innovation-revvity-signals-26250>

Market

Tier 2 and 3 Indian cities fast becoming engines of economic growth

India's food processing sector is on a transformative growth path, and with consumption trends aligning across urban and rural India, tier 2 and 3 cities are fast becoming the engines of economic growth, according to a new report. The sector supports over 7 million jobs across the value chain, directly and indirectly, while enabling rural industrialization and reducing post-harvest losses. According to the report, the sector accounts for approximately 7.7 per cent of India's total manufacturing GVA (gross value added), and its critical role in generating employment, fostering rural development and enhancing value addition. The agriculture and food processing sector, representing nearly 30 per cent of the national food market, is gaining momentum due to rising rural demand, digital advancements and strong policy support. India's agri and food processing sector is on the brink of a transformative leap, where tradition meets cutting-edge technology to build a future-ready food ecosystem.

[Tier 2 and 3 Indian cities fast becoming engines of economic growth: Report](#)

Currency	Rate (₹)	Change from May 21	Index	Value	Change
USDINR	85.976	0.434	NIFTY 50	24,524.75	-289
EURINR	97	1.03	BSE Sensex	80,649.22	-947
GBPINR	114.88	1.14			
JPYINR	0.593	0.0051			