

Top Story 1

India to become fourth-largest economy in 2025 as it crosses \$4-trillion mark

India will surpass Japan to become the fourth-largest economy in 2025, according to International Monetary Fund's data, progressing towards crossing the mark of a \$4 trillion economy. India is expected to reach \$4.187 trillion in nominal GDP in 2025, compared to \$4.186 trillion for Japan. Recently, India was the fifth-largest economy in the world, with a GDP size of \$3.9 trillion, compared to Japan's \$4.1 trillion. Going forward, the Indian economy is expected to grow by 6.3 percent in real terms, compared to 6.5 percent projected earlier, IMF said in its World Economic Outlook released recently. Japan's GDP, in contrast, is expected to grow 0.6 percent in real terms. India has been inching closer to become the third-largest economy and is expected to reach the milestone in 2028, surpassing Germany. In 2027, India is slated to cross the \$5-trillion mark, with a projected GDP of \$5.07 trillion, just \$13 million short of Germany's GDP.

https://www.moneycontrol.com/news/business/economy/india-to-become-fourth-largest-economy-in-2025-as-it-crosses-4-trillion-mark-imf-13014459.html#google_vignette

Top Story 2

India as the 'AI Use Case Capital of the World'

Prime Minister Narendra Modi called on citizens to "identify ten problems of the society that can be solved by AI." The IT czar who has been a driving force behind India's digital journey over the past 15 years, declared that India would soon become the "AI use case capital of the world." The Ministry of Electronics and Information Technology's IndiaAI mission issued a call for proposals to build Indian foundational models, the software that underlies contemporary generative AI development. One of the criteria was "identifying and elaborating use cases that address societal challenges at scale." And last month, the Gates Foundation and the IndiaAI Mission announced a partnership on "AI solutions for better crops, stronger healthcare, smarter education & climate resilience. The discourse of AI use cases for socio-economic development is one of the most distinctive features of India's AI policy.

<https://www.techpolicy.press/india-as-the-ai-use-case-capital-of-the-world-socioeconomic-development-as-ai-hype/>

Economy

Now Is The Time To Invest In India's Long-Term Outlook Growth Story

Global brokerage has reaffirmed its positive long-term outlook on the market, highlighting that India is likely to outperform in a global market scenario. According to a note by the brokerage, the opportunity to invest in India's long-term structural growth story is now, though it will require patience, given the potential. The global financial services major believes that while near-term may persist, "the long-term reward outweighs short-term noise. The firm advises investors to stay focused on India's domestic growth story and selectively build exposure - particularly in domestically driven sectors - during periods of market stress. The macroeconomic environment remains challenging worldwide, with risks such as decelerating global growth, central bank policy shifts, and geopolitical tensions casting a shadow. It is stated that these very conditions present a compelling case for India, supported by its robust domestic fundamentals and relative insulation from global volatility. India offers a mix of macro stability, earnings growth, and a reliable domestic demand base that positions it as a relative safe haven in the market.

<https://www.ndtv.com/business-news/now-is-the-time-to-invest-in-indias-long-term-outlook-growth-story-morgan-stanley-8333290>

Investment

India's liberal FDI policy offers huge investment opportunities for global investors

India's liberalised foreign direct investment (FDI) policy offers stability, predictability and sector-agnostic investment opportunities for global investors looking to tap into its vast and expanding economy. It also said that sectors like pharmaceuticals, auto and tourism are not only FDI magnets but also engines of employment, exports, and innovation, driving India's next growth wave. India has made a significant advancement by allowing 100% foreign direct investment under the automatic route in most sectors, including key areas like insurance, insurance intermediaries, tourism construction, hospitals, and medical devices. The move signals not just openness but stability, offering global investors predictable, sector-agnostic opportunities to enter India's vast and growing economy. She also said that backed by the \$70-billion National Monetisation Pipeline and industrial corridor development across over 100 cities, India is offering plug-and-play investment-ready zones to global investors.

<https://upstox.com/news/business-news/latest-updates/india-s-liberal-fdi-policy-offers-huge-investment-opportunities-for-global-investors-deloitte/article-165049/>

Finance

India emerging as a strong market amid global economic changes

India's market position is strengthening due to its strategic geopolitical positioning, enabling advantageous negotiations with various global partners. The anticipated decline in oil prices, following the OPEC announcement, is expected to positively impact India's economy and provide the RBI with greater flexibility. The Institute views India as an emerging market poised to benefit from prevailing global trends. He says though there is likelihood of a US contraction driven by some supply constraints, they are still overweight US market largely because of the AI mega force which is extremely powerful and driving those big companies forward. Yes, the roller coaster continues and that is something we are all going to have to get used to. So, a quick point just in passing, I think again the last month has been a reminder to us investors where we can stay calm, tried to look through some of the very short-term noise and focus on longer-term structural changes and allocate our investments accordingly, and that is what the market has pivoted back to over the last few weeks.

<https://economictimes.indiatimes.com/markets/expert-view/why-is-india-emerging-as-a-strong-market-amid-global-economic-changes-blackrocks-ben-powell-explains/articleshow/120894541.cms?from=mdr>

Market

India Data Center Market Investment to Hit \$10.70 Billion

India is emerging as a leading data center hub in APAC, driven by digitalization, 5G rollout, AI integration, strong connectivity, and government incentives. With over 751 million internet users and 462 million social media users, demand for storage and processing power is surging. Key investments include government-backed initiatives, submarine cable projects, and private sector funding like Reliance and Google's AI centers. Competitive construction costs and favorable policies across states further boost development. With AI workloads expected to add 500 MW capacity in four years, India's data center market is poised for sustained, transformative growth. India's data center ecosystem is rapidly expanding beyond major hubs like Mumbai, Chennai, Noida, and Hyderabad, with growth seen in emerging cities such as Pune, Kolkata, Bengaluru, and Visakhapatnam. Recent developments include new facilities by global and domestic players like NTT, AWS, Microsoft, Equinix, and CtrlS. Several large-scale projects are underway, supported by land acquisitions, solar-powered infrastructure, and green energy goals. State governments are actively promoting data cities and industrial tech hubs. The surge in AI, cloud, and 5G adoption continues to fuel demand, positioning India as a leading destination for data center investment in the APAC region.

<https://www.theglobeandmail.com/investing/markets/markets-news/GetNews/32222794/india-data-center-market-investment-to-hit-1070-billion-by-2030-exclusive-research-report-by-arizton/>

Currency	Rate (Rs)	Change		Index	Change
USDINR	84.818	0.077	NIFTY 50	24,414.40	34.8
EURINR	95.884	-0.265	BSE Sensex	80,746.78	105.71
GBPINR	112.731	-0.436			
JPYINR	0.5897	-0.002			