

Top News 1

UNCTAD projects India's economy to grow by 6.5 % in 2025

India is expected to remain one of the fastest-growing major economies with a projected growth rate of 6.5 per cent in the coming year, even as global growth shows signs of weakening. According to an international economic outlook report, India continues to stand out due to strong government spending and supportive monetary measures that are helping sustain momentum. The report notes that while several major economies are expected to see significantly lower growth, India's domestic demand and policy support are helping maintain resilience. Many advanced and emerging markets are projected to expand at a much slower pace, reflecting rising global uncertainty and subdued investment activity. In contrast, India's growth trajectory is driven by robust consumption and public investment, positioning it as a key contributor to global economic expansion. Overall, the findings highlight India's relative strength in an environment where many regions are facing economic softness and recessionary pressures.

<https://www.newsonair.gov.in/unctad-projects-indias-economy-to-grow-by-6-5-in-2025/?noshow=1>

Top Story 2

India to reach \$5 trillion economy a year later than earlier expected, IMF data show

India to reach \$5 trillion economy a year later than earlier expected, IMF data show India is now projected to become a \$5 trillion economy a year later than earlier estimated, according to a recent multilateral assessment. The delay reflects slower-than-expected nominal GDP growth and a sharper depreciation of the rupee against the US dollar. India is expected to cross the \$4 trillion mark soon and reach close to \$5 trillion the following year, narrowly missing the earlier target. The latest estimate is significantly lower than previous projections, mainly due to changes in exchange-rate assumptions. A weaker rupee has reduced the dollar value of India's GDP, despite stable domestic growth trends. The assumed exchange rate for the coming years has been revised downward, contributing to a lower dollar-denominated GDP size. Nominal GDP growth in rupee terms has also been trimmed. While the domestic outlook remains broadly steady, the revised forecast highlights the impact of currency movements on India's global economic positioning.

<https://www.moneycontrol.com/news/business/economy/india-to-reach-5-trillion-economy-a-year-later-than-earlier-expected-imf-data-show-13698239.html>

Economy

Despite tariffs, India's Q2 FY26 GDP growth likely at 7.5%, higher than last year

India's economic growth for the second quarter of the current financial year is expected to remain strong, with GDP likely rising around 7.5%. This would mark a clear improvement from the previous year's performance, though slightly lower than the growth seen in the preceding quarter. Gross Value Added is also projected to register healthy expansion, supported by steady momentum across key segments. Nominal GDP growth may ease due to softer price trends, but favorable base effects continue to provide statistical support. The impact of global tariffs was limited during the quarter, as many exporters advanced shipments ahead of time, while higher government spending offered additional support. Private-sector activity is expected to stay resilient, indicating solid underlying economic momentum. However, growth may moderate in the second half of the year as base effects weaken, inflation edges up, external uncertainties persist, and the earlier export front-loading effect begins to fade.

<https://economictimes.indiatimes.com/news/economy/indicators/despite-tariffs-indias-q2-fy26-gdp-growth-likely-at-7-5-higher-than-last-year-bank-report/articleshow/125603797.cms?from=mdr>

Market

India's central bank expected to cut rates to 5.25% on December 5

India is expected to see a reduction in its key interest rate, with most economists anticipating a 25-basis-point cut to 5.25%. This expectation has strengthened as consumer inflation dropped sharply to a record low, driven by easing food prices and tax reductions, creating room for monetary support to boost weak consumption. The currency has come under pressure, touching new lows, but recent economic data still indicates scope for further rate easing. A large majority of analysts believe the rate will remain at the reduced level through the next year. Despite strong growth momentum in the previous quarter, external challenges such as high import tariffs continue to weigh on investor sentiment, leading to substantial equity outflows. If these trade concerns persist, expectations for further monetary support may increase. Economic growth is projected to remain solid over the next two years, while inflation is expected to stay moderate, supporting a stable policy outlook for India.

<https://www.reuters.com/world/india/indias-central-bank-expected-cut-rates-525-december-5-2025-11-27/>

Taxation

Rate cuts, tax breaks could lift India's Nifty 50 to 30,000 by end-2026

India’s benchmark index is projected to rise to 30,000 by the end of the forecast period, indicating an upside of around 15% from current levels. This outlook is supported by expectations of steady fiscal and monetary policies that may help strengthen demand. The index is currently near its previous peak, with gains driven by improving earnings, stable growth trends, moderate inflation, and strong domestic investment flows. Although the market has risen this year, it has underperformed compared to several regional peers after an extended phase of weak earnings and foreign outflows. Valuations, while still elevated relative to some other markets, have now softened below long-term averages following months of consolidation. Analysts highlight that ongoing adjustments in trade patterns increase the likelihood of tariff relief, which could improve investor sentiment, enhance currency stability, and support a recovery in select sectors. Overall, the broader market outlook remains cautiously optimistic.

<https://www.reuters.com/world/india/rate-cuts-tax-breaks-could-lift-indias-nifty-50-30000-by-end-2026-jp-morgan-says-2025-11-26/>

Digitalization

RBI awarded digital transformation Award 2025 for digital initiatives

India’s central bank has received recognition for its advanced digital transformation initiatives. It was honoured with an international award for two major platforms developed by its internal technology team. These digital systems have significantly reduced paper-based submissions and modernised both internal and external processes. One platform streamlines internal workflows, enabling secure document storage, seamless sharing, improved record management, and enhanced data analysis through automated reporting tools. It has strengthened operational efficiency by supporting task tracking, collaboration, and integration across various systems, creating a unified digital repository for the institution’s information. The second platform provides a fully digital channel for external users to submit regulatory applications, which are processed electronically with centralised cybersecurity and digital tracking. This system has helped digitise dozens of regulatory processes across multiple departments. Since launch, it has seen a substantial rise in application volumes, reflecting its ease of use and contribution to India’s ongoing digital governance efforts.

<https://www.newsonair.gov.in/rbi-awarded-digital-transformation-award-2025-for-digital-initiatives/?noshow=1>

Metric	25-Nov-2025 Rate	26-Nov-2025 Rate	Change
USDINR	₹89.20	₹88.80	-0.40 ₹
EURINR	₹102.90	₹103.4472	+0.5472 ₹
GBPINR	Data NA	Data NA	—
JPYINR	Data NA	0.5705 per 1 JPY	—
NIFTY 50	26,205.30	26,205.30	—
BSE Sensex	85,609.51	85,609.51	—

