

Top Story 1

India announces USD 680 million special economic package for Mauritius

India has announced a Special Economic Package worth nearly USD 680 million, focusing on health, infrastructure, and maritime security. The package includes blended assistance through grants and lines of credit, aimed at supporting major projects such as hospital construction, establishment of a centre of excellence in traditional medicine, a veterinary school, and provision of helicopters. Infrastructure initiatives include development of a new air traffic control tower, expansion of highways, port equipment acquisition, and large-scale road projects. Strategic collaboration will extend to redevelopment of a key port and joint monitoring of marine protected areas. The package also allocates budgetary support for the current financial year. In addition, several agreements were signed in areas such as science, technology, space cooperation, hydrography, education, and renewable energy. The initiatives underscore India's commitment to regional development, decolonisation efforts, and strengthening of partnerships based on mutual respect, shared values, and forward-looking collaboration.

<https://ddnews.gov.in/en/india-announces-usd-680-million-special-economic-package-for-mauritius/>

Top Story 2

Retail inflation inches up to 2.07% in August; food inflation at -0.69%

India's retail inflation, measured by the Consumer Price Index (CPI), rose to 2.07% in August from 1.61% in July. Food inflation stood at -0.69%, an increase of 107 basis points from the previous month, driven by higher prices of vegetables, meat and fish, oils and fats, and eggs. Rural inflation increased to 1.69% from 1.18%, while urban inflation rose to 2.47% from 2.10%. State-wise, Kerala recorded the highest inflation at 9.04%, followed by Karnataka, Jammu & Kashmir, Punjab, and Uttarakhand, while some states, including Assam and Odisha, saw negative inflation, indicating price declines. Sector-wise, health inflation remained the highest at 4.40%, slightly easing from the prior month. Housing inflation stood at 3.09%, transport and communication eased to 1.94%, and fuel and light moderated to 2.43%. Overall, the data reflects modest upward pressure on prices, with food and health costs being the main contributors to the latest inflation trends.

https://www.business-standard.com/economy/news/cpi-inflation-data-august-2025-food-prices-retail-125091200867_1.html

Economy

India's forex reserves up by \$4.03 billion to \$698.26 billion in week ending Sept 5

India's foreign exchange reserves continued to strengthen, recording a notable rise during the latest reporting period. The overall increase was driven primarily by a sharp jump in gold holdings, which added over USD 3.5 billion, bringing their total value to more than USD 90 billion. Foreign currency assets, the largest component of reserves, also edged higher by about USD 0.5 billion, reflecting not just changes in the US dollar but also movements in other major global currencies like the euro, pound, and yen. Special Drawing Rights declined slightly, while India's position with the International Monetary Fund showed a marginal increase. Authorities highlight that interventions in the forex market are occasionally undertaken through liquidity operations, such as selling dollars, to ensure market stability and avoid disruptive volatility. These actions are not intended to maintain a fixed exchange rate but to preserve orderly conditions, strengthening India's resilience against global financial fluctuations.

https://m.economictimes.com/news/economy/indicators/indias-forex-reserves-up-by-4-03-billion-to-698-26-billion-in-week-ending-sept-5/amp_articleshow/123851452.cms

Market

India's GDP growth to remain steady at 6.5 pc, another RBI rate cut likely this fiscal

India's economy is expected to receive support from rate cuts, healthy rains, soft inflation, and tax relief measures. Planned reductions in policy rates and the cash reserve ratio could ease financial conditions during the fiscal year. However, global uncertainties may create volatility in capital flows, putting pressure on the rupee in the short term. Inflation has remained below the 4 per cent target for several months, supported by strong agricultural production, which is expected to keep food inflation subdued. While some crop yields may be impacted by excess rainfall, soft commodity prices are likely to contain non-food inflation. Lower indirect tax rates are also expected to keep inflation in check. Bank credit growth has picked up, with improvements seen across services, agriculture, and industry, while personal loan growth remained stable. Lending rates have eased slightly, reflecting earlier monetary policy actions, supporting demand and financial activity in the economy.

<https://ddnews.gov.in/en/indias-gdp-growth-to-remain-steady-at-6-5-pc-another-rbi-rate-cut-likely-this-fiscal/>

Finance

India's foreign exchange reserves jump to \$698.27 billion, adds \$4 billion in September

India's foreign exchange reserves rose by about **USD 4.04 billion**, reaching approximately **USD 698.27 billion** for the week ending September 5, as per central bank data. A large part of the increase came from a surge in gold reserves, which rose significantly to over USD 90.29 billion. Foreign currency assets also inched up by about USD 540 million to around USD 584.48 billion. Special Drawing Rights (SDRs) declined slightly by USD 34 million to USD 18.742 billion, while India's reserve position with the International Monetary Fund rose marginally. These gains come on the heels of the previous week's rise of roughly USD 3.51 billion. The uptick in reserves provides India with stronger buffers against external volatility and supports monetary stability, especially in the current global climate. The rise in gold is particularly helpful as a safe-asset component. Overall, this is positive news as it enhances resilience of India's external sector.

<https://www.financialexpress.com/policy/economy-indias-foreign-exchange-reserves-jump-to-698-27-billion-adds-4-billion-in-september-3975779/lite/>

Investment

Indian REITs deliver 6-7% yield, outperforming peers in the US, Singapore

India's real estate investment trust (REIT) market has witnessed remarkable growth, emerging as one of the most attractive investment avenues. Industrial and logistics leasing grew by 60% year-on-year in the first half of the year, while warehousing absorption rose 30%. Institutional investment has also surged, highlighting investor confidence in the sector. Since its debut, the REIT market has rapidly expanded to a market capitalisation of \$18 billion, with projections to cross \$25 billion in the coming years. Offering average distribution yields of 6–7%, REITs in India are now competitive with fixed-income instruments, while also providing capital appreciation potential. The sector, initially dominated by office assets, is expected to diversify into retail, logistics, and new-age assets, creating broader opportunities for investors. Regulatory reforms, including simplified tax structures and smaller lot sizes, have boosted transparency and encouraged retail participation. With strong fundamentals, Indian REITs are positioning themselves ahead of many established global markets.

<https://upstox.com/news/personal-finance/investing/indian-rei-ts-deliver-6-7-yield-outperforming-peers-in-the-us-singapore-report/article-181202/>

Metric	11-Sep-2025 Value	12-Sep-2025 Value	Change	Metric	11-Sep-2025 Value	12-Sep-2025 Value	Change
USDINR	~ ₹88.30	₹88.2750	-₹0.0250 (slight strengthening) Reuters+1	NIFTY 50	25,005.50	25,114	+108.50 pts (≈+0.43%) Moneycontrol+1
EURINR	—	—	—	BSE Sensex	81,548.73	81,904.70	+355.97 pts (≈+0.44%)
GBPINR	—	—	—				
JPYINR	—	—	—				