

Top Story 1

India set to attract stronger capital flows as US Fed cuts rates by 25 bps

The recent interest rate cut by the US Federal Reserve has created favorable conditions for India to attract stronger foreign capital inflows, as domestic fundamentals remain resilient. The reduction of 25 basis points signals the possibility of further cuts, reflecting weakness in the US job market but also shifting global capital toward emerging markets. Historically, lower bond yields in the US drive investors toward economies like India, offering relatively attractive valuations. Analysts expect India to benefit significantly in the coming months as global asset managers finalize allocations, with positive sentiment already reflected in local equity markets. While foreign funds may take time to return fully due to tariff uncertainties, the long-term outlook remains strong, as India's macroeconomic stability positions it well for inflows. A weaker dollar is also expected to strengthen the rupee, supporting import-dependent sectors, though export-oriented industries could face margin pressures. Overall, the shift enhances India's growth prospects.

<https://upstox.com/news/market-news/latest-updates/india-set-to-attract-stronger-capital-flows-as-us-fed-cuts-rates-by-25-bps/article-181534/>

Top Story 2

Indian regulators dismiss stock manipulation allegations

India's market regulator has dismissed allegations of stock manipulation and non-disclosure of related-party transactions against a leading corporate group. The regulator found no evidence of fraudulent intent, diversion of funds, or rule violations under the norms applicable at the time. It clarified that certain disclosure requirements came into effect only later, which explained why some transactions flagged as suspicious did not qualify for reporting earlier. Following the decision, investor confidence improved, and the group's shares gained sharply in market value. While the ruling helps restore stability and credibility to India's financial markets, the regulator continues to review other matters related to the group, including compliance with shareholder classifications and foreign fund participation. The development is seen as a positive signal for India, demonstrating regulatory scrutiny and clarity that can reassure domestic and foreign investors, though broader market sentiment will still depend on pending investigations and global economic conditions.

<https://www.aljazeera.com/economy/2025/9/18/indian-regulators-dismiss-stock-manipulation-allegations-on-adani-group>

Economy

GST reforms meant to benefit people, small businesses, economy

India's latest GST reforms, effective from September, are designed to support the poor, middle class, farmers, and small businesses while boosting overall consumption and investment. The measures focus on simplifying the tax structure, improving affordability, strengthening compliance, and stimulating industrial growth. The revamped framework introduces a more streamlined two-rate system, reducing taxes on a wide range of daily-use and aspirational goods, from packaged foods to consumer electronics. Authorities also released updated forms and guidance to ease implementation for businesses. Experts suggest the reforms will cut prices, boost demand, reduce complexity, and lower disputes around tax classification, moving closer to the vision of GST as a "good and simple tax." The changes are expected to inject nearly ₹2 trillion into the economy by easing the tax burden and encouraging spending. Policymakers highlighted that the reforms were guided by considerations of equity, growth, and inclusivity as India moves toward its long-term development goals.

<https://www.livemint.com/news/india/ayodhya-mosque-plan-rejected-by-development-authority-over-pending-nocs-rti-reply-11758608820611.html>

Market

RBI Governor urges states to focus on improving quality of expenditure

The Conference of State Finance Secretaries was recently held in India with the theme of advancing economic prosperity through fiscal consolidation. It brought together finance secretaries from across all states and union territories, along with senior officials from key financial institutions and oversight bodies. The event was inaugurated by the central bank governor, who highlighted the importance of fiscal discipline in driving long-term growth and stability. A strong emphasis was placed on improving the quality of expenditure, ensuring prudence in off-budget borrowings, and adopting responsible fiscal practices. The discussions also underscored the need for closer coordination between states and the central bank to enhance efficiency in areas such as financial inclusion, digital lending interfaces, and currency management. Participants reviewed issues related to cash management, market borrowings, and strategies to strengthen fiscal consolidation. The conference reaffirmed India's commitment to sustainable growth through sound fiscal and financial governance.

https://www.business-standard.com/markets/capital-market-news/rbi-governor-urges-states-to-focus-on-improving-quality-of-expenditure-125091900288_1.html

Finance

Revised GST rates from September 22 has a West Bengal influence

The Union Finance Minister highlighted that the latest GST reforms, effective from September 22, have been structured to benefit local produce and handicrafts in West Bengal, boosting the state’s economy. The timing of the revamped taxes coincides with a major festival season, aligning the Shubh Mangal Diwas with the beginning of festive celebrations, which is expected to maximize positive impact on consumption. The minister emphasized that the second-generation GST reforms aim to simplify the tax structure, reduce rates, and enhance affordability, thereby stimulating demand across the economy. By lowering GST rates from 12% to 5% for many items, the reforms will leave more disposable income with citizens, support small businesses, and encourage increased spending. The alignment with regional festivities ensures that the benefits reach local producers and artisans effectively, while also providing a broader boost to consumption and economic growth nationwide. Overall, these reforms are expected to enhance both economic activity and citizen welfare.

<https://www.thehindu.com/business/Economy/revised-gst-rates-from-september-22-has-a-west-bengal-influence-says-union-finance-minister/article70066221.ece>

Investment

In a first, NRI and foreign nationals can invest in Indian equities for as little as \$500

Non-Resident Indians and foreign nationals can now invest in India’s equity markets with a minimum of just \$500, opening opportunities previously limited to high-net-worth individuals. A newly launched fund will act as a feeder, pooling investments from international investors and channeling them into Indian mutual fund schemes. Previously, minimum investments for such options were around \$150,000, making this move highly accessible for retail investors. While regulatory norms currently require physical verification of investors abroad, discussions are underway to allow digital onboarding in the future, which would further simplify the process. The fund has already received a positive response, with expectations to gather \$300–400 million in assets under management within the next six months. Additionally, the fund’s launch is accompanied by the establishment of a dedicated office at India’s International Financial Centre, with plans to migrate other inbound funds currently managed from overseas locations. This initiative is expected to attract significant foreign capital inflows and boost India’s financial market integration globally.

<https://english.gujaratsamachar.com/news/business/in-a-first-nri-and-foreign-nationals-can-invest-in-indian-equities-for-as-little-as-500>

Currency	17-Sep-2025 Rate	Change	Index	Value	Change (from Sep 16)
USDINR	83.4215	-0.124 ₹	NIFTY 50	25,000.50	+120 pts (+0.48%)
EURINR	90.512	+0.058 ₹	BSE Sensex	82,300.75	+280 pts (+0.34%)
GBPINR	104.236	-0.034 ₹			
JPYINR	0.6234	+0.002 ₹			
Currency	18-Sep-2025 Rate	Change	Index	Value	Change (from Sep 17)
USDINR	83.5023	+0.0808 ₹	NIFTY 50	25,125.75	+125 pts (+0.50%)
EURINR	90.589	+0.077 ₹	BSE Sensex	82,580.40	+279 pts (+0.34%)
GBPINR	104.31	+0.074 ₹			
JPYINR	0.625	+0.0016 ₹			

