

Top Story 1

India's growth to hold steady at 6.5% amid global trade pressures, says S&P

India's economy is projected to maintain steady growth of 6.5% in the current fiscal year, even as global trade challenges intensify. Resilient domestic demand and increased public investment are helping offset external pressures, particularly rising import tariffs that affect export competitiveness. A favourable monsoon, reductions in income and goods and services taxes, and infrastructure investments are boosting rural consumption and household spending. While private sector capital expenditure remains limited, government-driven initiatives are sustaining momentum. In the recent quarter, GDP growth exceeded expectations at 7.8%, reflecting strong public sector activity. Inflation has eased sharply to 3.2%, mainly due to lower food prices, creating space for monetary policy adjustments, including possible interest rate cuts. However, the weakening currency highlights ongoing trade and inflation risks. Despite these challenges, the economy's resilience, supported by strong domestic fundamentals, positions it among the fastest-growing in the region, reinforcing long-term growth prospects.

<https://www.cnbc18.com/economy/india-growth-to-hold-steady-at-6-5-amid-global-trade-pressure-says-s-and-p-19684242.htm>

Top Story 2

GST 2.0, tax cuts to fuel ₹2.5 lakh crore fiscal boost to Indian economy: CEA

India's economy is set to receive a substantial fiscal boost of over ₹2.5 lakh crore, driven by the combined impact of recent tax reforms. The implementation of GST 2.0, alongside income tax relief measures introduced in the latest budget, is expected to deliver both direct and indirect benefits to individuals and businesses. The reforms are projected to significantly enhance domestic demand by putting more disposable income in the hands of consumers and reducing the overall tax burden across sectors. This fiscal stimulus is anticipated to push GDP growth toward the upper end of the projected 6.3% to 6.8% range in the upcoming financial year. The tax changes are not merely symbolic but financially transformative, with a multiplier effect expected to flow through consumption, investment, and productivity. By easing compliance and stimulating growth, these measures position India's economy for stronger and more sustainable momentum in the medium term.

<https://www.hindustantimes.com/india-news/gst-reforms-to-give-indian-economy-a-rs-2-5-lakh-crore-fiscal-boost-cea-anantha-nageswaran-101758548118155.html>

Economy

New GST reforms could boost India's GDP by 0.8%

The recent Goods and Services Tax (GST) reforms have been described as a landmark step that can potentially boost India's Gross Domestic Product (GDP) by 0.8%. The reforms, which have already come into effect, are being seen as a move that brings widespread benefits to all sections of society. GST rate reductions are expected to lower costs for households and businesses, making goods and services more affordable and increasing savings. The reforms are also being framed as part of India's journey toward self-reliance and long-term economic growth. They are expected to simplify business operations, enhance investment opportunities, and ensure more equitable participation by all states in the nation's development. The initiative is being celebrated as a festival of savings, symbolizing both economic relief and optimism. With increased purchasing power and broader benefits across different segments, these reforms are poised to accelerate India's growth story in the coming years.

https://www.business-standard.com/economy/news/new-gst-reforms-could-boost-india-s-gdp-by-0-8-says-hardeep-puri-125092200503_1.html

Market

RBI could introduce another 25 bps rate cut on October 1 on benign retail inflation: SBI study

The central bank is expected to announce a 25-basis-point repo rate cut in its upcoming monetary policy meeting, supported by projections of moderate retail inflation. Retail inflation is forecasted to remain benign in the next fiscal year, with Consumer Price Index (CPI) levels expected around 4% or lower, and potential declines to near 1.1% following recent tax rationalisation measures. Earlier rate cuts this year have already reduced borrowing costs, and the upcoming adjustment would signal a forward-looking approach by the central bank to support economic growth. Historical experience indicates that tax rationalisation can quickly reduce overall inflation, and combined with other structural adjustments, inflation is likely to stay near the lower end of the target range for the next two fiscal years. A measured rate cut is seen as an appropriate step to maintain monetary support while sustaining price stability, encouraging consumption, investment, and overall economic momentum.

<https://upstox.com/news/business-news/latest-updates/h-1b-visa-about-to-get-tougher-see-how-trump-admin-plans-to-change-lottery-system/article-181848/>

Finance

India's private sector growth strong in September, but off multi-year highs recorded in August

India's private sector growth moderated in September, with the composite Purchasing Managers' Index (PMI) slipping to 61.9 from August's multi-year high of 63.2, though it remained well above the 50-mark separating growth from contraction. Softer domestic demand and weaker international orders slowed new business growth, while job creation failed to pick up. Manufacturing output eased to 58.5 from 59.3, and services activity fell to 61.6 from 62.9. Input cost inflation eased overall, but manufacturers raised selling prices at the sharpest pace in nearly 13 years due to higher material costs, partially offset by slower price rises in services. Despite this moderation, business sentiment improved to a seven-month high, supported by expectations of stronger demand and a boost from recent GST rate cuts. The survey indicates that while momentum cooled slightly, India's private sector continues to expand strongly, reflecting resilience in domestic activity amid external headwinds.

<https://www.financialexpress.com/policy/economy-indias-private-sector-growth-strong-in-september-but-off-multi-year-highs-recordednbspinnbspaugust-3986369/lite/>

Taxation

Impact of GST 2.0 on the Festive Season and India Spending

India has long been a barometer of consumer sentiment and economic momentum. This year, the spotlight is on the rollout of GST 2.0, which has simplified slabs, reduced rates, and redefined the taxation landscape just before the festive season. The earlier system included multiple slabs, while GST 2.0 has rationalized these into two primary rates, with a higher rate for luxury goods. Essentials, medicines, and insurance products have been exempted altogether. The government has positioned this reform as a "Bachat Utsav," aiming to give citizens more savings and a simpler taxation structure. For consumers, the immediate impact is visible in lower prices of daily goods, electronics, and automobiles, making them more affordable and boosting household spending. Early trends suggest price drops of 7–10% in categories like sweets and consumer durables. However, the transition phase may prompt some buyers to wait, and the overall boost depends on how quickly businesses pass on the benefits.

<https://smestreet.in/banking/gst/impact-of-gst-20-on-the-festive-season-and-india-spending-10490792>

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