Top Story 1

The Great Indian inflation bust

India's retail inflation has dropped to an exceptionally low level, creating a rare moment of both clarity and complexity for the economy. The decline reflects sharply lower food prices and the impact of recent tax changes, which have helped pull inflation well below the central bank's target range for multiple months. Experts believe this strengthens the case for a potential policy rate cut, though the final decision will also depend on growth indicators and external developments. The latest reading significantly widens the Reserve Bank of India's policy space, but also presents challenges, as ultra-low inflation demands careful balancing between supporting demand and managing external vulnerabilities. A major driver of the decline has been the steep fall in prices of key vegetables and pulses. However, not all components softened—some essential categories continued to show firmness, and precious metal prices surged, partly offsetting the broader disinflationary trend.

https://economictimes.indiatimes.com/news/economy/indicators/the-great-indian-inflation-bust-what-happens-with-rbi-monetary-policy-and-is-rate-cut-coming/articleshow/125406300.cms?from=mdr

Top Story 2

India's space economy set to jump from $8 bn to $45 bn by 2035

India's space sector is projected to expand significantly over the next decade, rising from about $8 billion currently to nearly $45 billion. Speaking at a major space-focused event, an official highlighted that recent reforms have been a turning point, transforming the sector from a dispersed ecosystem into a structured contributor to India's economic growth. The rapid pace of development signals that space activities will play an increasingly important role in the nation's growth trajectory. It was noted that a large share of space-based applications in India is directed toward improving ease of living for citizens, reflecting a people-centric approach. The event also celebrated a significant milestone in India's human space exploration journey, symbolising national pride and inspiring a new generation to dream bigger. Speakers emphasized that while India has set ambitious goals in the space domain, achieving them will require active participation and a collective effort from all stakeholders.

https://www.financialexpress.com/policy/economy-indias-space-economy-set-to-jump-from-8-bn-to-45-bn-by-2035-jitendra-singh-4048578/

Economy

India's Q2 GDP growth set to hit 7.5%, predicts SBI report

India's GDP is projected to grow 7.5% in Q2 FY26, driven by investment revival and stronger rural consumption. SBI highlights a missed opportunity for the RBI to cut rates as inflation remains below 4%. The upcoming December policy meeting will be crucial for decision-making. India's economy appeared on track to deliver another quarter of strong growth, with GDP expected to expand by around 7.5 percent in Q2 FY26, according to State Bank of India's latest report. SBI Research said this momentum had been supported by a revival in investment activity, strengthening rural consumption and the demand boost triggered by GST rationalization, which lifted festive spending across sectors. The research house maintained its full-year GDP outlook at 7.2–7.3 percent, suggesting that India continued to outperform major global economies. However, even as growth surged, SBI flagged a key policy dilemma for the Reserve Bank of India (RBI): Was it already too late for a rate cut? SBI Research noted that the RBI may have allowed the "optimal window" for a pre-emptive rate cut to slip by, as inflation fell sharply and growth remained robust. The central bank's decision in its October review to maintain the status quo on policy rates "substantially narrowed its tactical flexibility," the report said.

https://www.livemint.com/economy/indias-q2-gdp-growth-set-to-hit-7-5-predicts-sbi-report-but-has-rbi-missed-the-best-window-for-a-rate-cut-11763454496014.html

Market

Indian Bonds Rebound as RBI Buying Hopes Rise; 10-Year Yield Eases to 6.52%

Indian government bonds rebounded after several sessions of declines, supported by bargain buying and expectations of additional purchases by the central bank. The benchmark 10-year yield eased after briefly touching a key technical level, reflecting renewed demand in the market. Longer-duration bonds also saw yields fall as large investors increased their holdings. Earlier weakness had been driven by uncertainty over whether recent central bank purchases were aimed at influencing yields or simply replacing maturing debt. The central bank's earlier bond purchases had created mixed expectations among market participants, contributing to cautious trading. Sentiment improved as traders anticipated potential increases in central bank activity in the secondary market. A simultaneous decline in global benchmark yields further supported domestic bonds by improving overall risk appetite. Market attention now shifts to upcoming policy signals, as investors look for clarity on the future path of interest rates and the central bank's strategy for managing liquidity and yields.

https://www.republicworld.com/business/indian-bonds-rebound-as-rbi-buying-hopes-rise-10-year-yield-eases-to-652

Taxation

Rules under Income Tax Act, 2025 and ITR forms to be notified by January: CBDT chief

India is preparing to notify new Income Tax Return forms and related rules under a simplified tax framework that will take effect soon. The updated system replaces the long-standing tax law and aims to make return filing easier and more transparent for taxpayers. All existing forms, including those related to tax deduction and income reporting, are being redesigned to be simpler and more user-friendly. The technology and policy teams are working together to streamline formats and ensure they are aligned with the objectives of clarity, ease of use, and reduced compliance burden. After internal review, the rules will be formally notified and presented before the legislative process. The new framework does not introduce any change in tax rates but focuses on simplifying language, removing outdated provisions, and reducing complexity. The number of sections and chapters has been significantly lowered, improving accessibility and understanding for individuals and businesses across India.

https://www.deccanherald.com/india/rules-under-income-tax-act-2025-and-itr-forms-to-be-notified-by-january-cbdt-chief-3800761

Digitalization

Digital power system transformation 'essential' – and more top energy stories

A recent report highlights that the digital transformation of energy systems has become a crucial driver of electrification and decarbonization. It notes that global renewable capacity goals can be significantly accelerated through strong adoption of digital technologies. Many regions are now treating digitalization as a strategic priority in energy planning, creating an important opportunity for leadership in shaping the future of power system transformation. The report outlines several ways digital tools can modernize energy networks, improve efficiency, and enhance reliability. Key areas of transformation include advanced monitoring through smart sensors and meters, AI-enabled forecasting to better manage demand and renewable output, and operational optimization to reduce losses and congestion. It also emphasizes the importance of automated end-use systems that support demand response and digital platforms that improve transparency and energy tracking. These advancements collectively strengthen energy security, improve affordability, and create a more resilient framework for India's long-term power needs.

https://www.weforum.org/stories/2025/11/digital-power-system-transformation-essential-energy-stories/

Metric	17-Nov-2025 Rate	18-Nov-2025 Rate	Change
USDINR	₹88.6300	₹88.6344	+0.0044 ₹
EURINR	₹102.7925	₹102.7828	-0.0097 ₹
GBPINR	₹116.4450	₹116.5844	+0.1394 ₹
JPYINR	₹57.2600	₹57.1500	-0.1100 ₹
NIFTY 50	Data NA	Data NA	—
BSE Sensex	Data NA	Data NA	—