IndianSteel
ASSOCIATION

ISA Macro Monitor

September 2026

Contents

1. Executive Summary

The ISA Macro Monitor utilizing 98 high-frequency indicators shows that domestic economic activity remained broadly stable in August'26, with GST collections, e-way bills, composite PMI and toll collections holding steady, while credit growth remained supportive. However, inflationary pressures continue to build, while both industrial and services activity reflect some easing in momentum as higher energy prices slowly start reflecting in the wider consumer basket and supply disruptions impact output. The selected broad indicators for the economy are highlighted in the Macroeconomic Snapshot.

Consumption indicators continue to reflect healthy consumption momentum – specifically the growth in PV sales in rural areas indicate that overall rural demand could be decoupling from pure farm income and is supported by rising non-farm activities as well as from various income support schemes from central and state governments. Beyond automobiles, mutual funds' assets under management continued to increase while unsecured loans growth improved in July'26. In the labour market, formal hiring improved in Aug '26, led by sectors like consumer durables, auto, BFSI, and construction & engineering is a meaningful positive signal.

Industrial activity moderated in July-August, with IIP easing to 6.7% in July from the previous month high of 8.8% and manufacturing PMI declining further to 52.8 in August. Construction showed diverging trends with cement production accelerating to 13.1% while steel production moderated sharply to 2.9% in August. Services PMI recovered in August to 54.1, though goods vehicle registrations decelerated sharply to 15.3% and air passenger traffic remained in contraction in July.

On Inflation, while price pressure in consumer inflation continues to build, it has so far remained broadly within the RBI's forecast range of 4.7% for Q2'FY27. However, with core CPI increasing to 4.3%, price pressure is becoming broad based. Looking ahead, if the inflation trajectory moves above the RBI's forecast of 5.9% in Q3'FY27, it might force the central bank's hand to tighten financing conditions, which could have an adverse impact on overall demand momentum in the economy.

The external sector showed meaningful improvement in August, goods exports surged to 26.1% YoY, net services trade recovered to 11.9%, portfolio flows remained positive for the third consecutive month and forex reserves surged to a new all-time high of $740.8 billion. The easing in import growth also provides some relief on the current account front. The historically high forex reserves with RBI are likely to lend stability to the INR over the coming months.

Among other major indicators, the government's public finance has steadied, and credit conditions and money supply remain supportive of economic activity. However, the sharp rebound in crude prices, and increasing gold prices signal renewed commodity price pressures on India's import bill which underscores continued vulnerability of India's current account to global commodity price movements.

> *Overall, the domestic economy remained resilient in August, but the macro environment is becoming increasingly challenging with food inflation at 5.7%, manufacturing and services momentum losing ground, with recent escalation in middle-east conflict only muddying near-term outlook.*

2. Macroeconomic Snapshot

Domestic activity holds steady; inflation accelerates as commodity pressures build

High-frequency indicators suggest domestic economic activity remained broadly stable in August'26 – healthy growth in tax collections, goods movement and core-imports shows that the demand and economic activity continue to hold.

- Gross GST collections stood at INR 2.0 lakh crore in August'26, moderating from INR 2.11 lakh crore in July on a sequential basis. However, it increased by 7.3% y-o-y from INR 1.86 lakh crore in Aug '25, indicating continued underlying resilience in domestic economic activity.
- E-way bills remained broadly stable at 139.1 lakh crore in August'26, compared to 139.8 lakh crore in July, reflecting continued goods movement momentum. At the same time, toll collections expanded by 30.6% y-o-y to INR 9.21 thousand crore, while on a sequential basis it improved by 12.2%.
- Credit and deposit growth continued to expand at a healthy pace while core imports expanded by 18.4% y-o-y to $50.7 billion in August from $42.8 billion in Aug-25.
- Composite PMI held steady at 54.3 in August'26, unchanged from July and remaining firmly in expansionary territory for the second consecutive month. Non-food credit growth remained strong at 19.2% YoY in August, while deposit growth accelerated sharply to 17.6% from 15.4% in July. The credit-deposit ratio eased to 80.3% from 82.0%, indicating improving liquidity conditions.

> *Domestic activity remained broadly stable through August'26, as indicated by healthy year-on-year growth in GST collections, E-way Bills, and toll collections. At the same time, healthy credit and deposit growth coupled with pace of core imports reflects the underlying strength in domestic demand momentum.*

However, the relatively modest PMI and inflationary pressures remained signals caution in August:

- Composite PMI came in at 54.3 in Aug '26, unchanged from previous month, this is significantly lower than average of 59.7 recorded in FY26 as both manufacturing and services activity signaled some moderation.
- Headline CPI accelerated to 4.8% in August'26 from 4.5% in July, the highest since the onset of the West Asia conflict, driven by food prices and broadening core pressures. WPI remained elevated at 9.9% in August, reflecting continued upstream cost pressures from fuel and energy.
- Crude oil prices rebounded to $90.2/barrel in August and reached a high of $108/barrel in September, compared to $82.0 in July, while gold prices surged to $4,409.9/ounce signaling that imported commodity price pressures are re-intensifying after a brief period of easing.

Moderating PMI, continued build-up of Inflationary pressures, and higher crude and commodity prices in August suggest that the concerns emanating from the middle-east conflict and resulting disruptions are yet to fully abate with both consumer and producer prices trending higher. The rebound in crude and gold prices adds further upside risk to the inflation outlook heading into Q3FY27.

Selected High-Frequency Indicators of Economic Activity

	Indicator	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
General Economic Indicators	GST Collections (INR Lakh Crore)	1.86	1.89	1.96	1.75	1.79	1.99	1.89	2.00	2.43	1.94	1.95	2.11	2.00
	E-Way Bills (in Lakh Crore)	129.1	132.0	125.9	129.9	138.4	136.8	132.6	140.6	133.4	136.8	135.8	139.8	139.1
	PMI - Composite (Index)	63.2	61.0	60.4	59.7	57.8	58.4	58.9	57.0	58.2	59.3	57.1	54.3	54.3
	Non-food credit (% YoY)	10.5	10.8	12.2	11.4	13.9	12.8	13.4	16.9	15.6	17.4	17.6	19.1	19.2
	Deposit Growth (% YoY)	9.3	9.4	10.8	10.2	12.7	10.6	11.3	16.2	13.3	12.2	13.3	15.4	17.6
	Credit/Deposit Ratio (%)	79.0	80.2	80.2	80.5	81.7	82.3	82.4	81.4	82.0	82.7	82.6	82.0	80.3
	Toll Collection (INR '000 Crore)	7.05	6.75	7.00	7.33	7.42	7.52	7.18	7.45	7.32	7.63	7.21	8.21	9.21
	Non-Oil Non-Gold Imports ($ Bil)	42.8	44.1	44.5	43.8	45.2	43.7	41.6	43.7	47.3	47.2	49.5	53.6	50.7
	Digital Payments (% YoY))	5.3	13.4	8.8	14.7	15.2	11.3	17.9	12.6	14.4	10.8	20.2	17.9	
	Headline Inflation (CPI, % YoY)	2.0	1.4	0.0	0.5	1.2	2.7	3.2	3.4	3.5	3.9	4.4	4.5	4.8

Source: GST Council, S&P Global, RBI, NHAI, Ministry of Commerce, NPCI, MoSPI, CMIE, ISA

3. Consumption and Labour Market

3.1 Consumption: Urban resilient; rural demand under sustained pressure

Overall demand momentum in the economy remained strong till Aug’26 – while growth in two-wheelers showed some moderation, it continued to grow in double digits. At the same time, passenger vehicle sales remained strong, led by both rural and urban demand. Assets under mutual funds continued to increase while unsecured loans growth improved in July’26.

- Two-wheeler sales moderated sharply to 10.5% YoY in August'26 from 22.6% in July, signaling a meaningful deterioration in mass-market rural consumption momentum. However, tractor sales collapsed sharply to 7.7% YoY in August'26 from 20.5% in July. This could reflect the stress in farm incomes due to irregular monsoon rainfall.
- Passenger vehicle sales accelerated further to 33.2% YoY in August'26 from 31.2% in July reflecting continued and strengthening discretionary consumption. Mutual Fund AUM remained broadly stable at ₹13.7 lakh crore in August from ₹13.6 lakh crore in July, suggesting urban financial sentiment held steady. Domestic air passenger traffic contracted to -4.7% YoY in August indicating persistent stress in discretionary air travel. Unsecured personal loans growth stood at 14.2 in July.

> *The overall demand continues to reflect healthy consumption momentum – specifically the growth in PV sales in rural areas indicate that overall rural demand could be decoupling from pure farm income and is supported by rising non-farm activities as well as from various income support schemes from central and state governments.*
>
> *However, with the fading of GST rationalization, and accelerating food inflation (at 5.7% in Aug’26) could pose headwinds for the demand momentum in Q3’FY27.*

High-Frequency Indicators: Consumption Demand

	Indicator	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Rural Demand	Dom. Two-wheeler Sales (% YoY)	7.6	6.7	2.1	21.2	39.4	26.2	35.2	19.3	28.4	14.8	18.6	22.6	10.5
	Dom. Tractor Sales (% YoY)	28.3	45.4	14.8	30.1	37.1	43.0	34.2	29.1	26.8	19.6	11.9	20.5	7.7
	Fertiliser Sales (% YoY)	-7.1	-15.3	0.0	-1.6				19.2	29.5	0.3		-18.9	
Urban Demand	Domestic PV Sales	-9.0	-0.9	15.8	18.1	29.0	8.0	7.3	14.1	24.6	25.3	18.2	31.2	33.2
	Dom. Air Passenger Traffic (% YoY)	-1.4	-2.9	2.7	6.9	-4.2	3.7	-0.4	-1.2	-3.5	9.5	-1.1	-4.8	
	Unsecured Personal Loans (% YoY)	8.0	7.4	10.5	9.1	10.7	11.7	12.0	13.1	12.9	12.4	13.4	14.2	
	Mutual Fund - AUM (INR Lakh Crore))	10.6	14.0	10.7	10.3	15.3	12.3	12.6	18.0	12.0	12.7	15.7	13.6	13.7

Source: SIAM, Fertiliser Association of India, DGCA, RBI, AMFI, CMIE, ISA

3.2 Labour Market: Formal hiring surges; urban unemployment edges higher

Labour market indicators presented a mixed but improving picture in July-August'26. Formal hiring recovered strongly in August’26 while overall unemployment edged down, though urban unemployment ticked higher and wages growth moderated in July’26.

- Total unemployment improved to 5.0% in August'26 from 5.1% in July, with rural unemployment declining to 4.2% in August from 4.5% in July. Urban unemployment edged higher to 6.8% in August from 6.7% in July, consistent with the moderation in urban economic activity beyond the auto sector.

- Formal job growth surged to 13.7% YoY in August'26 as indicated by the Naukri Job-Speak Index, a sharp acceleration from 5.0% in July. The recent Services PMI release also noted job creation reaching a 15-month high, corroborating the broad improvement in formal hiring conditions.

- Urban wages stood at 10.5% YoY in July while rural wages stood at 5.1% YoY. With headline CPI at 4.8% in August, real rural wage growth has effectively compressed to near zero, representing a significant risk to rural consumption demand.

> *The surge in formal hiring led by sectors like consumer durables, auto, BFSI, and construction & engineering is a meaningful positive signal. However, low rural wage growth in the context of 5.2% rural CPI and sustained agricultural demand weakness represents a significant vulnerability for rural consumption heading into the kharif harvest season.*

High-Frequency Indicators: Labour Market

	Indicator	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Labour Market	Unemployment Rate - Total (%)	5.1	5.3	5.2	4.7	4.8	5.0	4.9	5.1	5.2	5.5	5.5	5.1	5.0
	Unemployment Rate - Urban (%)	6.7	6.8	7.0	6.5	6.7	7.0	6.6	6.8	6.6	6.4	6.6	6.7	6.8
	Unemployment Rate - Rural (%)	4.4	4.6	4.4	3.9	3.9	4.2	4.2	4.3	4.6	5.1	5.0	4.5	4.2
	Naukri Job-Speak Index (% YoY)	3.4	10.1	-9.3	23.5	13.2	3.4	11.9	9.2	5.8	1.0	6.1	5.0	13.7
	CMIE - Urban Wage (% YoY)	16.0	18.8	13.8	15.7	14.9	12.7	13.1	14.0	13.2	15.4	14.3	10.5	
	CMIE - Rural Wage (% YoY)	16.1	18.4	20.9	12.9	11.1	11.9	11.8	15.0	14.7	10.9	8.6	5.1	

Source: MoSPI, Naukri, CMIE, ISA

4. Industry, Construction, and Services

4.1 Industry and Construction: Industrial activity moderates; construction shows diverging trends

Industrial activity moderated in July'26, with IIP growth easing from the strong June reading and manufacturing PMI continuing its gradual downward trend in August. Credit conditions remained supportive and government capital expenditure sustained strong momentum. Within construction, cement production accelerated sharply while steel output moderated.

- Overall IIP growth moderated to 6.7% YoY in July'26 from 8.8% in June, indicating some easing in industrial momentum from the recent high of June’26. Manufacturing IIP eased to 7.3% YoY in July from 9.5% in June, though remaining healthy and reflecting broad resilience in the manufacturing sector. Manufacturing PMI moderated to a five-year low of 52.8 in August’26 from 53.5 in July’26, its fourth consecutive month of decline, signaling a continued easing in business momentum.

- The easing in industrial activity was largely on account of contraction in mining at -0.9% YoY in July, reversing the brief positive reading of 1.6% in June, likely on account of inclement weather conditions as well as supply-side disruptions. Electricity output expanded by 8.7% in July’26, easing from 11.3% growth in previous year. Eight Core Industries growth eased to 4.8% in Aug’26, from 5.0% in previous month.

- Among the use-based sectors, capital, intermediate, and consumer durables recorded healthy growth, while growth eased for primary goods and consumer non-durables output registered a contraction. At the same time credit to industry accelerated to 20.0% YoY in July'26 providing continued and strengthening support to industrial financing conditions despite prevailing global uncertainty.

- In construction, while cement output increased, growth in steel output eased significantly. While steel output shows a seasonal weakness around this time of the year, the sharp moderation potentially reflects margin pressure from elevated input costs.

- Central Government capex remained strongly positive at 53.7% YoY in July, moderating from June's 66.0% surge but sustaining the strong resumption of public investment spending. IIP infrastructure and construction output held broadly steady at 6.9% YoY in July from 8.8% in June.

> *Industrial activity showed some moderation in July-August, with both PMI and IIP showing moderation from recent peaks. However, the acceleration in credit to industry, sustained government capex and strong cement production suggest underlying investment and construction conditions remain supportive. The easing of activity in sectors such as mining, steel, and primary goods warrants monitoring in view of potential increase in supply disruption following escalation in middle-east conflict.*

High-Frequency Indicators: Industry and Construction

	Indicator	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Industrial	PMI - Manufacturing (Index)	59.3	57.7	59.2	56.6	55.0	55.4	56.9	53.9	54.7	55.0	54.2	53.5	52.8
	New-IIP (% YoY)	4.7	6.1	-0.9	7.0	6.7	4.1	4.4	3.0	4.9	5.0	8.8	6.7	
	New- IIP - Manufacturing (% YoY)	3.6	5.5	-0.7	8.8	7.7	4.6	5.7	4.0	6.1	5.2	9.5	7.3	
	New-IIP - Mining (% YoY)	15.8	15.7	2.8	3.3	0.8	-0.5	-2.4	-2.6	-3.8	-1.4	1.6	-0.9	
	New IIP - Electricity & Gas (% YoY)	3.7	3.3	-7.0	-1.6	5.9	5.6	1.9	1.2	4.6	10.3	11.3	8.7	
	IIP: Primary goods (% YoY)	7.6	6.6	0.4	1.1	2.4	1.9	0.0	0.2	0.8	2.7	5.4	4.1	
	IIP: Capital goods (% YoY)	6.0	13.2	5.4	16.6	12.9	12.4	16.5	8.5	12.0	15.5	17.9	16.1	
	IIP: Intermediate goods (% YoY)	3.3	6.4	1.2	8.2	7.7	5.6	4.7	6.0	10.3	5.8	11.5	10.0	
	IIP: Consumer durables (% YoY)	0.9	4.6	-6.0	13.0	7.4	-0.2	4.2	2.4	5.6	8.0	10.3	10.5	
	IIP: Consumer non-durables (% YoY)	0.1	-0.5	-9.4	3.9	5.9	-1.2	1.6	-0.6	0.2	-0.4	5.6	-1.0	
	Eight Core Industries (% YoY)	6.2	3.1	0.8	3.5	5.6	5.2	3.2	2.9	2.7	3.2	6.0	5.0	4.8
	Credit to Industry (% YoY)	6.5	7.3	10.0	9.6	13.3	12.1	13.5	15.0	15.1	17.5	19.2	20.0	
Construction	Cement Production (% YoY)	5.4	5.1	5.2	15.1	14.0	11.3	9.1	4.7	8.3	8.4	9.9	12.7	
	Steel Production (% YoY)	15.3	14.3	9.5	11.6	11.1	13.8	9.9	9.6	4.7	5.1	5.6	1.9	
	Central Govt. Capex (% YoY)	113.1	30.9	-28.3	-13.8	-24.5	-24.5	59.6	-41.8	18.8	-0.6	66.0	53.7	
	New-IIP Infra. % Const. (% YoY)	9.2	9.8	5.1	12.0	12.3	12.9	10.1	5.2	6.0	6.6	8.8	6.9	

Source: S&P Global, MoSPI, DPIIT, RBI, CGA, CMIE, ISA

4.2 Services: Services activity recovers; freight and logistics data awaited

High-frequency indicators suggest the easing momentum in services activity continued in August from the previous month – Services PMI showed only marginal recovery, while registration of commercial vehicles and rail cargo traffic growth moderated.

- Services PMI recovered marginally to 54.1 in August'26 from 53.3 in July, though remaining expansionary. Credit to services improved by 22.9% YoY in July reflecting continued strength in financing conditions.

- Goods vehicle registrations decelerated sharply to 15.3% YoY in August'26 from 24.5% in July, suggesting some easing in freight and logistics momentum after several months of strong growth. Air cargo traffic stood at 10.8% YoY in July. Air passenger traffic remained in contraction at -4.7% YoY in July declining from June'26 indicating continued stress in passenger-facing transport services.

> *Services activity reflects easing momentum, read together with easing growth in some of the manufacturing sectors, it could be initial signs of external disruptions impacting domestic resilience. The sharp deceleration in goods vehicle registrations and persistent contraction in air passenger traffic signal that consumer-facing and logistics services face ongoing headwinds from elevated energy costs and subdued demand.*

High-Frequency Indicators: Services

	Indicator	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Services	*PMI-Services (Index)*	62.9	60.9	58.9	59.8	58.0	58.5	58.1	57.5	58.8	59.8	57.4	53.3	54.1
	Credit to services (% YoY)	10.6	10.2	13.0	11.7	15.3	15.5	16.3	19.0	18.6	20.4	21.4	22.9	
	Good Vehicle Registered (% YoY)	3.9	-0.7	12.5	21.6	30.6	18.6	27.7	14.5	12.7	9.6	22.0	24.5	15.3
	Air Passenger Traffic (% YoY)	1.0	-0.7	4.7	7.0	-2.8	3.9	0.5	-4.4	-5.4	4.5	-1.8	-4.7	
	Air Cargo Traffic (% YoY)	5.5	2.4	-2.3	15.7	9.4	8.5	17.9	0.0	9.9	10.5	15.5	10.8	
	Rail Cargo Traffic (% YoY)	8.5	3.9	2.3	4.2	3.2	2.9	4.2	2.9	-1.0	1.4	4.0	8.9	5.4

Source: S&P Global, RBI, VAHAN, DGCA, Ministry of Railways, CMIE, ISA

5. Inflation

Consumer inflation is trending higher, particularly in rural areas led by rising food inflation. At the same time, wholesale prices continue to increase by around 10% for the past several months. The higher fuel price is creating substantial inflationary pressure downstream, through elevated logistics and transportation costs. Within manufacturing, increase in prices of iron and steel products have been relatively lower, reflecting that suppliers have absorbed much of the higher costs so far.

- On the consumer side, CPI inflation continued to increase, extending the trend since Dec'25. This is led by firming up food prices. At the same time, core inflation has also started to increase to 4.3% in Aug '26 from 4.0% in previous month, reflecting some pass through of higher fuel and energy costs.

- Rural inflation remained higher than urban, with rural CPI rising to 5.2% in August from 4.8% in July, while urban CPI was relatively better at 4.3% in August from 4.0% in July in urban areas. This reflects the higher weight of food in rural consumption (42%) as compared to urban (30%). Consequently, persistent food-price pressures have a greater impact on rural inflation and purchasing power.

- Wholesale inflation remains elevated at 9.9% in August which is primarily driven by Fuel & Power inflation, which stood at 22.9%. Fuel & Power accounts for around 14.1% of the WPI basket (Base Year 2022-23), making the sharp increase in fuel prices an important contributor to overall wholesale price pressures.

- Within manufactured products, however, steel-related price pressures remain relatively contained compared with overall WPI and manufacturing inflation. Manufacturing WPI stood at 8.4% in August, while Iron & Steel inflation declined to 4.5%, with HRC at 5.6% and Bars & Rods at 1.5%.

> *With price pressure in consumer inflation continuing to build, it has so far remained broadly within the RBI's forecast range of 4.7% for Q2'FY27. However, with core CPI increasing to 4.3%, price pressure is becoming broad based. Looking ahead, if the inflation trajectory moves above the RBI's forecast of 5.9% in Q3'FY27, it might force the central bank's hand to tighten financing conditions, which could have an adverse impact on overall demand momentum in the economy.*
>
> *The price increase in the steel sector has been relatively modest compared to overall price increase in manufacturing, showing the steel producers have so far absorbed much of the higher input costs which is likely to impact the margins and profitability in the sector if input costs continue to remain elevated.*

Inflation indicators

	Indicator	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Consumer Inflation	CPI (% YoY)	2.0	1.4	0.0	0.5	1.2	2.7	3.2	3.4	3.5	3.9	4.4	4.5	4.8
	Core CPI (ex food & fuel, % YoY)	4.1	4.3	4.3	4.2	4.5	3.3	3.3	3.3	3.3	3.7	4.1	4.0	4.3
	CPI - Food & Beverages (% YoY)	0.1	-1.4	-3.7	-2.8	-1.9	2.1	3.4	3.7	4.0	4.5	5.1	5.2	5.7
	CPI - Rural (% YoY)	1.0	1.1	-0.3	0.1	0.6	2.7	3.4	3.6	3.7	4.3	4.7	4.8	5.2
	CPI - Urban (% YoY)	2.4	1.8	0.6	1.0	1.8	2.7	3.0	3.1	3.2	3.5	3.9	4.0	4.3
Wholesale Inflation	WPI (% YoY)	0.0	-0.2	-1.2	-0.6	0.3	1.2	2.2	4.0	8.4	9.9	10.0	9.8	9.9
	WPI - Manufacturing (% YoY)	2.0	1.8	1.4	1.4	2.2	2.8	3.6	4.8	6.7	7.7	7.8	8.3	8.4
	WPI - Iron & Steel (% YoY)	-3.3	-2.6	-5.7	-5.2	-3.3	0.7	2.6	3.8	4.3	6.1	3.4	7.4	4.5
	WPI - HRC (% YoY)	-3.3	-1.9	-3.7	-3.5	-1.8	1.5	4.3	4.7	5.3	8.8	4.4	10.4	5.6
	WPI - Bars & Rods (% YoY)	-4.6	-3.9	-8.2	-8.2	-5.9	-0.5	2.1	2.8	1.5	2.6	-0.8	4.9	1.5
	WPI - Iron Ore (% YoY)	6.7	10.1	-2.4	-10.2	-10.1	-6.6	-3.8	-1.5	2.4	0.2	5.4	18.0	5.5
	WPI - Fuel & Power (% YoY)	-3.1	-2.6	-3.9	-3.0	-2.6	-3.8	-3.4	3.2	25.0	30.8	27.2	20.0	22.9

Source: MOSPI, RBI, CMIE

6. External and Other Major Indicators

6.1 External: Export surge, rupee expected to stabilize after record forex reserves.

India's external sector showed meaningful improvement in August'26 – merchandise exports growth surging at record speed, recovery in net services trade, record forex reserves, and improvement in net portfolio flows.

- Goods exports surged strongly by 26.1% YoY in August building on the record July performance. Goods imports moderated to 14.1% YoY in August from 17.5% in July, suggesting some easing in import demand pressure. Net services trade recovered sharply to 11.9% YoY in August from 7.3% in July, reversing the recent moderation and providing a meaningful offset to the merchandise deficit.

- Forex reserves surged to $740.8 billion in August'26, surpassing the previous peak of $728.5 billion in February 2026 and representing a recovery from the June trough of $666.9 billion. Net portfolio flows remained positive for the third consecutive month at $2.5 billion in August, building on $1.5 billion in July and $0.5 billion in June which shows a sustained reversal from the large outflows seen earlier.

- The rupee remained broadly stable at INR 95.5 per US$ at end-August, marginally weaker than 95.4 in July, with the reserve build-up and portfolio inflows providing a buffer against renewed commodity price pressures. Net FDI for July stood at $1.3 billion.

> *India's external position showed meaningful improvement in August with record forex reserves, strong export growth and sustained portfolio inflows signal restored confidence in India's macro stability. The easing in import growth also provides some relief on the current account front. The historically high forex reserves with the RBI is likely to lend stability to the INR over the coming months.*

High-Frequency Indicators: External

	Indicator	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
External	*Goods Exports (% YoY)*	5.6	6.0	-12.5	18.6	1.2	0.4	-0.8	-7.4	14.2	18.6	15.4	19.6	26.1
	Goods Imports (% YoY)	-9.6	17.6	17.9	-1.5	10.3	19.9	25.0	-6.2	10.0	20.6	31.0	17.5	14.1
	Net Services Trade (% YoY)	12.2	17.3	1.5	17.0	18.3	19.3	4.1	15.7	16.7	-0.9	10.4	7.3	11.9
	Forex Reserves ($ Bil)	694.2	700.2	689.7	686.2	696.6	723.8	728.5	688.1	698.5	682.3	666.9	692.9	740.8
	Net FDI Flows ($ Bil)	-0.2	-2.4	-2.4	-0.7	-0.5	0.3	3.0	0.9	6.6	-0.1	1.3		
	Net Portfolio Flows ($ Bil)	-2.6	-0.6	3.4	0.6	-4.2	-2.3	3.1	-14.3	-7.3	-3.1	0.5	1.5	2.5
	Exchange Rate (Rs/$, eop)	87.9	88.8	88.7	89.5	89.9	91.9	91.0	94.7	95.2	95.4	94.6	95.4	95.5

Source: MoSPI, CGA, RBI, Ministry of Finance, CMIE, ISA

6.2 Other Major Indicators:

Among the other major indicators, tax collections improved led by higher income tax collections. Credit conditions remained supportive, money supply recovered and commodity prices rebounded sharply.

- In public finance, central government receipts surged sharply, led by higher income tax collections which increased nearly 96% y-o-y, largely on account of people filing their income tax returns. At the same time, the government's revenue expenditure increased by 9% y-o-y to INR 2.94 lakh crore with subsidy payouts remaining stable at 0.39% YoY. Overall, this reflects confidence in the government's ability to meet its end year deficit targets.

- In money & credit, credit growth continued to expand at a healthy rate across enterprise classes - credit to large, medium and small enterprises grew 17.7%, 30.5% and 22.6% respectively, with large and medium enterprise credit remaining at its strongest this year. Money supply (M2) growth remained broadly stable at 15.3% YoY in August, broadly unchanged from 15.1% in July, indicating stable financial conditions.

- Port cargo traffic continued to improve, rising to 6.9% YoY in August from 6.4% in July, reflecting some improvement in cross border shipments. Crude oil prices rebounded to $90.2/barrel in August from $82.0 in July, while gold prices surged to $4,409.9/ounce.

- In August, trade deficit narrowed to $26.9 billion from $32.0 billion in previous month as oil imports stood at $16.7 billion, lower than $18.3 billion in previous month, similarly and gold and silver imports moderated by $1.0 billion to $3.3 billion.

> *Government's public finance has steadied, improving confidence in its ability to meet deficit targets. Credit conditions and money supply remain supportive of economic activity. However, the sharp rebound in crude prices, and increasing gold prices signal renewed commodity price pressures on India's import bill which underscores continued vulnerability of India's current account to global commodity price movements.*

Other Major High-Frequency Indicators

	Indicator	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Public Finance	Gross Tax Receipts (INR Lakh Crore)	2.5	5.2	2.5	2.2	6.5	2.6	1.8	6.0	2.7	2.6	3.8	3.2	
	Corporate Tax (INR Lakh Crore)	0.31	2.37	0.47	0.38	2.81	0.29	0.01	2.37	0.25	0.31	1.50	0.33	
	Income Tax (INR Lakh Crore))	0.86	1.50	0.79	0.79	1.24	0.84	0.43	1.83	1.17	0.88	1.00	1.36	
	Net Tax Revenue (INR Lakh Crore))	1.49	4.19	0.45	1.20	5.45	1.55	0.51	4.78	1.78	1.70	2.88	2.08	
	Revenue Expenditure (INR Lakh Crore)	2.33	2.73	2.85	2.60	3.25	2.55	2.67	7.21	3.85	2.45	3.87	2.94	
	Central Subsidy Payout (% YoY)	0.37	0.52	0.44	0.42	0.29	0.37	0.35	0.64	0.44	0.32	0.39	0.39	
Money & Credit	Credit to Large Enterprises (% YoY)	1.8	2.4	4.6	4.6	7.5	5.5	7.8	9.1	10.0	14.4	16.6	17.7	
	Credit to Medium Enterprises (% YoY)	13.1	14.3	17.6	15.7	20.4	22.3	21.0	21.8	19.9	21.2	30.3	30.5	
	Credit to Small Enterprises (% YoY)	20.9	22.0	25.9	24.6	31.0	31.2	30.4	32.7	30.1	26.2	23.0	22.6	
	Money Supply (M2, % YoY)	12.5	11.3	14.1	12.4	17.2	16.6	17.6	21.6	17.3	11.7	13.5	15.1	15.3
Trade, Investment & Bullion	Cargo at Sea Ports (% YoY)	6.1	8.1	3.0	12.4	8.0	3.7	4.3	-1.5	1.4	3.9	3.7	6.4	6.9
	Trade Balance ($ Bil)	-27.2	-33.0	-42.6	-25.1	-26.2	-34.8	-27.1	-20.7	-28.2	-28.0	-30.4	-32.0	
	Oil Imports ($ Bil)	13.3	14.0	14.8	14.1	14.4	13.4	13.0	12.2	18.6	22.7	19.3	18.3	
	Gold & Silver Imports ($ Bil)	5.9	10.9	17.4	5.1	4.9	14.1	9.1	3.7	6.0	3.5	2.0	4.3	
	Crude Oil - Indian Basket (US$/Barrel)	69.2	69.6	65.1	64.3	62.2	63.1	69.0	124.9	114.1	106.2	83.9	82.0	90.2
	Gross FDI ($ Bil)	6.6	7.0	6.7	6.7	8.6	5.7	8.7	6.6	15.3	6.1	9.3		
	Gold - London (US$/Ounce)	3363.0	3665.2	4053.3	4083.0	4299.5	4744.5	5019.5	4862.2	4723.9	4587.5	4238.3	4073.9	4409.9

Source: MoSPI, CGA, RBI, Ministry of Finance, CMIE, ISA