



IndianSteel
ASSOCIATION



ISA Macro Monitor

October 2026

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1. Executive Summary

The ISA Macro Monitor, utilizing more than 100 high-frequency indicators, shows that domestic economic activity regained momentum in Sep'26 – PMIs rebounded, GST collections clawed back above INR 2 lakh crore and non-food credit growth crossed 20%. However, the complete Q2'FY27 performance shows divergence – the composite PMI averaged 54.8 in Q2 FY27 against 58.2 in Q1, inflation averaged higher and expected to increase further in Q3'FY27, which could impact domestic demand. The selected broad indicators for the economy are highlighted in the [Macroeconomic Snapshot](#).

[Consumption](#) indicators remained resilient in Sep'26, with two-wheeler and passenger vehicle retail up 33.1% and 32.1% YoY, at near-identical rates across rural and urban markets, helped by a low base. Farm demand improved, with retail tractor sales up 13.7% YoY, however contraction in kharif sown area could impact rural demand. In the [labour market](#), white-collar hiring slowed to 1.7% YoY, with gains limited to AI/ML, auto and GCC roles, while urban unemployment edged up to 6.9%.

[Industrial activity](#) strengthened – IIP grew 8.0% in Aug'26, led by capital and intermediate goods, and the manufacturing PMI rose to a seven-month high of 55.1 in Sep'26. Mining (-5.6%) and steel output (3.4%) remained weak in Aug'26. The services PMI improved to 55.2, and freight indicators suggesting healthy goods movement, however weakness in formal jobs market, and high fuel prices could pose headwinds ahead.

On [inflation](#), CPI rose to 5.5% in Sep'26, the fourth consecutive month above the 4% target, led by food (7.4%). WPI inflation rose to 11.4%. Wholesale prices of steel have starting reflecting the impact of higher input costs for the first time this year with iron & steel WPI printing at 12.9% in Sep'26.

The [external sector](#) remained resilient in Sep'26 – goods exports grew 23.0% YoY and the trade deficit, at US\$30.2 billion, was narrower than a year ago, helped by a sharp fall in gold and silver imports. However, the oil import bill rose 8% YoY as the Indian crude basket jumped to US\$116.6/barrel. Net services trade contracted 10.2%, foreign portfolio investors pulled out US\$6.1 billion, and the rupee weakened to a record low of 96.0 per US\$.

Among [other major indicators](#), the Centre's net tax revenue turned marginally negative in Aug'26 due to an additional tranche of tax devolution to states, and capex fell 29.9% YoY and the fiscal deficit for Apr–Aug FY27 reached 41.9% of the budget estimate, against 38.1% a year ago. Weaker tax receipts and higher subsidy payouts raise the risk of fiscal slippage in FY27.

Overall, activity improved in September, but the quality of growth is uneven – part of it is a base effect, services and white-collar hiring remain soft, inflation is broadening, and a higher oil bill is putting pressure on the external balance. Against this backdrop, GDP growth in Q2 FY27 could be between 7.1–7.3%, lower than 7.8% in the previous quarter.

Looking ahead into Q3'FY27 (Oct-Dec'26), risks include higher inflation impacting domestic demand, pressure on the balance of payments, continued portfolio outflows and fiscal slippage. With crude above US\$115/barrel and the RBI expected to tighten further, Q3 FY27 will be the real test. October data – against a high festive base in Oct'25 and with Diwali shifting to November this year – will show how much of the underlying demand holds.

2. Macroeconomic Snapshot

Activity regains momentum; price pressures intensify

High-frequency indicators suggest domestic economic activity performed better in Q2'FY27 as compared to previous quarter, GST collections, E-way bills, and credit and deposit growth reflect healthy momentum, however signs of strain have started showing up in higher inflation and lower PMIs readings in Sep'26.

- Gross GST collections averaged INR 2.05 lakh crore in Q2'FY27, marginally lower than INR 2.11 lakh crore in previous quarter (Q1'FY26 collections helped by higher collection in Apr'26). However, GST collections in Sep'26 stood at INR 2.04 lakh crore, registering a year-on-year growth of 7.7%.
- E-way bill generation rose to 141.5 million in Sep'26, the highest since at least Apr'23 and 7.2% higher YoY, indicating healthy goods movement ahead of the festive season.
- Non-food credit growth accelerated to 20.6% YoY in Sep'26, the highest since May'24, and deposit growth increasing by 19.4%, highest since at least Apr'23.
- Core imports (excluding oil and precious metals) rose by 19.9% YoY in Q2'FY27 indicating healthy import demand. On a monthly basis, core imports rose by 21.9% YoY in Sep'26.

Healthy credit and deposit growth, and rising core imports reflect domestic demand momentum remains resilient, supported by growth in E-Way bills (highest in over two years) and resilience in GST collections.

However, some indicators signal caution:

- Composite PMI averaged 54.8 in Q2'FY27, much lower than average of 58.2 in previous quarter.
- Headline CPI inflation rose to 5.5% in Sep'26 from 4.8%, led by increasing food inflation, while WPI inflation increased to 11.4% from 9.9%, led by continued rise in fuel and energy costs.

The weakness in PMI readings and rising inflation poses concerns and is likely to test the resilience of domestic economy, as the prices are getting passed on to other sectors, which could impact both manufacturing and services activity in Q3 FY27 (Oct-Dec'26).

Selected High-Frequency Indicators of Economic Activity

Indicator	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
GST Collections (INR Lakh Crore)	1.89	1.96	1.75	1.79	1.99	1.89	2.00	2.43	1.94	1.95	2.11	2.00	2.04
E-Way Bills (Million)	132.0	126.9	129.9	138.4	136.8	132.6	140.6	133.4	136.8	136.8	139.8	139.1	141.5
PMI - Composite (Index)	61.0	60.4	59.7	57.8	58.4	58.9	57.0	58.2	59.3	57.1	54.3	54.3	55.9
Non-food credit (% YoY)	10.8	12.2	11.4	14.4	13.3	13.8	16.9	16.2	17.4	18.3	19.1	19.2	20.6
Deposit Growth (% YoY)	9.4	10.8	10.2	12.7	10.6	11.3	16.2	13.3	12.2	13.3	15.4	17.6	19.4
Credit/Deposit Ratio (%)	80.2	80.2	80.5	81.7	82.3	82.4	81.4	82.0	82.7	82.6	82.0	80.3	81.0
Toll Collection (INR '000 Crore)	6.75	7.00	7.33	7.42	7.52	7.18	7.45	7.32	7.63	7.52	7.44	7.59	
Non-Oil Non-Gold Imports (\$ Bil)	44.1	44.5	43.8	45.2	43.7	41.6	43.7	47.3	47.2	49.5	53.6	50.7	53.8
Digital Payments (% YoY)	13.4	8.8	14.7	15.2	11.3	17.9	12.6	14.4	10.8	20.2	17.9	23.1	
Headline Inflation (CPI, % YoY)	1.4	0.0	0.5	1.2	2.7	3.2	3.4	3.5	3.9	4.4	4.5	4.8	5.5

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

3. Consumption and Labour Market

3.1 Consumption: Demand remains resilient, led by rural as urban holds

Demand in rural areas remained healthy despite the headwinds in agriculture indicating that rural economy could be gradually decoupling from over dependence in farm sector, as welfare schemes by Centre and states, and non-farm economy are likely making their presence felt.

On the urban side, the story remains of cautious optimism as the formal urban economy is more exposed to volatility in financial markets and geopolitical uncertainty. Further, urban economy is also dependent on services exports and technology sector where India is seen as lagging behind in AI race.

- Two-wheeler retail sales grew 33.1% YoY while passenger vehicles sales increased by 32.1% in Sep'26 in both rural and urban areas, at near-identical rates. The jump was sharper for urban PVs (from 10.9% in Aug'26). However, these numbers were helped by a low base from last year where customers delayed their purchase in anticipation of rationalisation in GST rates.
- Farm demand improves in Sep'26 as retail tractor sales grew 13.7% YoY in Sep'26, recovering from a near stagnant growth of 0.8% in previous month. Average quarterly growth moderated to 14.2% in Q2'FY27, from 23.3% in previous quarter as lower and uneven rainfall impacted agricultural performance – total crop sown area in the kharif 2026-27 declined by 1.4% YoY.
- Unsecured personal loan growth picked up to 14.7% in Aug'26, the highest since Aug'24. However, domestic air passenger traffic continued to contract for third consecutive month while Mutual Funds AUM (Assets Under Management) declined by INR 4.4 lakh crore from previous month.

Demand held up well ahead of the festive season, and the near-identical rural and urban growth suggests rural demand is broad-based rather than purely farm-driven. Looking ahead, However, looking ahead, the net result of waning GST tailwind and festive demand will be crucial over the coming months amidst expectation of stiff inflation in determining the resilience on domestic demand. With Diwali shifting to November, some of the retail indicators could remain subdued in October.

High-Frequency Indicators: Consumption Demand

Indicator		Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Rural Demand	Tractor Retail Sales (%YoY)	8.1	14.2	56.5	15.8	22.9	36.4	10.9	28.7	11.2	30.1	28.1	0.8	13.7
	Two Wheeler Retail Rural (%YoY)	6.4	65.9	-7.8	3.6	19.8	22.2	28.6	12.3	4.7	20.3	28.6	20.3	33.1
	PV Retail Rural (%YoY)	11.1	19.0	22.9	32.4	14.4	34.2	26.5	20.4	30.4	35.1	24.7	25.0	32.1
	Fertiliser Sales (% YoY)	-15.3	0.0	-1.6				19.2	29.5	0.3		-18.9		
Urban Demand	Two Wheeler retail Urban (%YoY)	6.7	33.9	5.3	17.8	22.2	29.0	28.8	14.1	11.8	22.4	27.9	19.1	33.1
	PV retail Urban (%YoY)	2.6	6.4	17.6	22.9	2.8	21.1	18.5	7.1	18.8	24.7	15.8	10.9	32.1
	Dom. Air Passenger Traffic (% YoY)	-2.9	2.7	6.9	-4.2	3.7	-0.4	-1.2	-3.5	9.5	-1.1	-4.8	-6.3	
	Unsecured Personal Loans (% YoY)	7.4	10.5	9.1	10.7	11.7	12.0	13.1	12.9	12.4	13.4	14.2	14.7	
	Mutual Fund - AUM (INR Lakh Crore)	75.6	79.9	80.8	80.2	81.0	82.0	73.7	81.9	81.6	82.2	85.8	87.1	82.6

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

3.2 Labour Market: White-collar hiring slows; gains concentrated in few sectors

Formal hiring slowed sharply in Sep'26, and urban unemployment edged up, though the overall unemployment rate held steady.

- The Naukri JobSpeak Index grew just 1.7% YoY in Sep'26, down from 13.7% in Aug'26, distorted by last year's base as Aug'25 was weak and Sep'25 unusually strong. However, the index rose only 0.8% over Aug'26 (MoM), the smallest August-to-September gain in at least five years, pointing to genuinely softer hiring momentum. Hiring was led by AI/ML roles (+20%) and auto (+11%), followed by BPO/ITES and global capability centers (+4% each). On the other hand, IT services, pharma and FMCG (-4% each), hospitality (-11%) and education (-18%) contracted.
- Total unemployment held at 5.0% in Sep'26 and rural unemployment at 4.2%, while urban unemployment rose to 6.9% from 6.8%, the highest since Jan'26. Urban wage growth slowed to 10.3% YoY in Aug'26, the lowest growth since Jan'24, while rural wage growth jumped to 21.3%, the highest since Jul'25.
- Rural wage growth picked-up in Aug'26 to 21.3%, improving from weak growth of 8.8% in previous month, where it was likely impacted by weak agricultural outlook. Urban wage growth continued to moderate, at 10.3% in Aug'26 as against 10.6% in previous month.

Hiring is becoming more selective, concentrated in technology and manufacturing-linked roles, while consumer-facing sectors such as FMCG, hospitality and education are cutting back, consistent with the soft services PMI. Rising urban unemployment and slower urban wage growth, at a time of rising inflation, point to some softening in urban labour conditions.

High-Frequency Indicators: Labour Market

Labour Market	Indicator	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
	Unemployment Rate - Total (%)	5.3	5.2	4.7	4.8	5.0	4.9	5.1	5.2	5.5	5.5	5.1	5.0	5.0
	Unemployment Rate - Urban (%)	6.8	7.0	6.5	6.7	7.0	6.6	6.8	6.6	6.4	6.6	6.7	6.8	6.9
	Unemployment Rate - Rural (%)	4.6	4.4	3.9	3.9	4.2	4.2	4.3	4.6	5.1	5.0	4.5	4.2	4.2
	Naukri Job-Speak Index (% YoY)	10.1	-9.3	23.5	13.2	3.4	11.9	9.2	5.8	1.0	6.1	5.0	13.7	1.7
	CMIE - Urban Wage (% YoY)	18.8	13.8	15.7	14.9	12.7	13.1	14.0	13.2	15.1	13.7	10.6	10.3	
	CMIE - Rural Wage (% YoY)	18.4	20.9	12.9	11.1	11.9	11.8	15.0	14.7	17.4	11.7	8.8	21.3	

Source: MoSPI, Naukri, CMIE, ISA

4. Industry, Construction, and Services

4.1 Industry and Construction: Manufacturing rebounds; mining and steel output lag

Industrial activity strengthened in Jul–Aug’26 as IIP growth averaged 7.7% in Jul–Aug’26, as compared to 6.2% in previous quarter, led by rebound in manufacturing. Manufacturing PMI improved to 55.1 in Sep’26, compared to 52.8 in previous month, indicating improvement in manufacturing activity.

- IIP grew 8.0% YoY in Aug’26, up from 7.4% in Jul’26. Manufacturing grew 9.0%, led by electrical equipment (30.9%), other transport equipment (25.3%) and motor vehicles (25.2%). Electricity output grew 12.3%, while mining contracted steeply at 5.6%, partly against a high base (15.8% growth in Aug’25).
- Manufacturing PMI rose to 55.1 in Sep’26 from 52.8, the highest since Feb’26, as new orders grew at the fastest pace in seven months and factory hiring resumed after a decline in August. Firms reported faster input-cost increases, particularly for electronic components, pharma inputs and steel.
- By use, capital goods (16.9%) and intermediate goods (13.7%) led growth in Aug’26, followed by consumer durables (11.1%), while primary goods (3.5%) and consumer non-durables (2.1%) lagged.
- Credit to industry grew 18.2% in Aug’26, moderating from 20.0% in Jul’26, as credit to large enterprises slowed to 14.9% from 17.7%.
- In construction, cement output grew 12.5% in Aug’26, while steel output grew only 3.4%; the eight core industries grew 4.8%. Central government capex fell 29.9% YoY in Aug’26 after strong growth in Jun–Jul.

Strong capital and intermediate goods output, along with double-digit cement growth, points to a firm investment cycle. Steel output, however, has lagged as production grew only 1.9–3.4% in Jul–Aug’26, even as wholesale HRC prices rose 17.2% YoY in Sep’26. With demand remaining healthy, steel output could see an upturn over the coming months as government ramps up capital expenditure and downstream demand holds.

High-Frequency Indicators: Industry and Construction

Indicator	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Industrial													
PMI - Manufacturing (Index)	57.7	59.2	56.6	55.0	55.4	56.9	53.9	54.7	55.0	54.2	53.5	52.8	55.1
New-IIP (% YoY)	6.1	-0.9	7.0	6.7	4.1	4.4	3.0	4.9	5.0	8.8	7.4	8.0	
New- IIP - Manufacturing (% YoY)	5.5	-0.7	8.8	7.7	4.6	5.7	4.0	6.1	5.2	9.5	8.2	9.0	
New-IIP - Mining (% YoY)	15.7	2.8	3.3	0.8	-0.5	-2.4	-2.6	-3.8	-1.4	1.6	-0.9	-5.6	
New IIP - Electricity & Gas (% YoY)	3.3	-7.0	-1.6	5.9	5.6	1.9	1.2	4.6	10.3	11.3	8.7	12.3	
IIP: Primary goods (% YoY)	6.6	0.4	1.1	2.4	1.9	0.0	0.2	0.8	2.7	5.4	4.2	3.5	
IIP: Capital goods (% YoY)	13.2	5.4	16.6	12.9	12.4	16.5	8.5	12.0	15.5	17.9	19.0	16.9	
IIP: Intermediate goods (% YoY)	6.4	1.2	8.2	7.7	5.6	4.7	6.0	10.3	5.8	11.5	10.4	13.7	
IIP: Consumer durables (% YoY)	1.7	-6.0	13.0	7.4	-0.2	4.2	2.4	5.6	8.0	10.3	12.0	11.1	
IIP: Consumer non-durables (% YoY)	-0.5	-9.4	3.9	5.9	-1.2	1.6	-0.6	0.2	-0.4	5.6	-0.8	2.1	
Eight Core Industries (% YoY)	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)	7.3	10.0	9.6	13.3	12.1	13.5	15.0	15.1	17.5	19.2	20.0	18.2	
Construction													
Cement Production (% YoY)	5.1	5.2	15.1	14.0	11.3	9.1	4.7	8.3	8.4	9.9	12.7	12.5	
Steel Production (% YoY)	14.3	9.5	11.6	11.1	13.8	9.9	9.6	4.7	5.1	5.6	1.9	3.4	
Central Govt. Capex (% YoY)	30.9	-28.3	-13.8	-24.5	-24.5	59.6	-41.8	18.8	-0.6	66.0	53.7	-29.9	
New-IIP Infra. % Const. (% YoY)	9.8	5.1	12.0	12.3	12.9	10.1	5.2	6.0	6.6	8.8	8.0	6.4	

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

4.2 Services: Activity improves, but demand remains uneven

Services activity improved in Sep'26, as reflected in some improvement in Services PMI while registration of goods vehicle, and rail cargo traffic signal healthy momentum in transport and logistics space.

- Services PMI rose to 55.2 in Sep'26 from 54.1 in Aug'26, the highest reading since June, led by finance & insurance and consumer services. However, new export business grew at the slowest pace in close to three years, and growth in Q2'FY27 was the weakest since the January–March 2022 quarter.
- Freight indicators point to firm goods movement – rail freight loading grew 6.1% in Sep'26. For Q2'FY27, rail cargo expanded by 6.8% YoY, significantly higher than 1.5% growth recorded in previous quarter, with broad-based gains in containers, coal and clinker, consistent with stronger manufacturing, power and construction activity.
- Air passenger traffic continued to contract, likely impacted by higher aviation fuel prices impacting travel costs. Air passenger traffic has contracted for seven of the last twelve months. However, air cargo traffic remained healthy, growing by 11.0% YoY in Aug'26.
- Goods vehicle registrations grew 28.9% YoY in Sep'26, the fastest since Dec'25, up from 16.4% in Aug'26. Commercial vehicle retail rose 37.6% in Sep'26, led by heavy trucks (+46.2%), helped by a low base and bulk fleet purchases for steel and cement movement.

Freight indicators – rail, goods vehicles and e-way bills – point to healthy goods movement, consistent with the pick-up in manufacturing. Services, however, are relying more on domestic demand as growth in export order has declined, while passenger-facing segments such as aviation remain under pressure from high fuel costs.

High-Frequency Indicators: Services

Indicator	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Services PMI-Services (Index)	60.9	58.9	59.8	58.0	58.5	58.1	57.5	58.8	59.8	57.4	53.3	54.1	55.2
Credit to services (% YoY)	10.2	13.0	11.7	15.3	15.5	16.3	19.0	18.6	20.4	21.4	22.9	24.3	
Good Vehicle Registered (% YoY)	-0.7	12.5	21.6	30.6	18.6	27.7	14.5	12.7	9.6	22.0	24.5	16.4	28.9
Air Passenger Traffic (% YoY)	-0.7	4.7	7.0	-2.8	3.9	0.5	-4.4	-5.4	4.5	-1.8	-4.7	-5.6	
Air Cargo Traffic (% YoY)	2.4	-2.3	15.7	9.4	8.5	17.9	0.0	9.9	10.5	15.5	10.8	11.0	
Rail Cargo Traffic (% YoY)	3.9	2.3	4.2	3.2	2.9	4.0	3.1	-1.0	1.4	4.0	8.9	5.3	6.1

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

5. Inflation

Inflationary pressures intensified in Sep'26 – CPI inflation rose to 5.5%, led by food, and WPI inflation to 11.4%, driven by fuel. Steel prices, which had so far lagged overall manufacturing inflation, rose sharply.

- CPI inflation rose to 5.5% in Sep'26 from 4.8% in Aug'26, the highest since Oct'24 and the fourth consecutive month above the RBI's 4% target. Food & beverages inflation rose to 7.4% from 5.7%, with onion prices up 108% YoY; a low base (food prices fell 1.4% in Sep'25) also contributed. Core inflation edged up to 4.5% from 4.3%.
- Rural inflation rose to 6.1%, against 4.9% in urban areas. The gap widened to 1.2 percentage points from 0.9 in Aug'26, as food carries a higher weight in the rural consumption basket.
- WPI inflation rose to 11.4% in Sep'26 from 9.9%. Fuel & power inflation rose to 25.9%, tracking higher crude prices, while manufactured products inflation rose to a record high of 9.8%.
- After remaining subdued since the start of middle-east conflict, wholesale inflation for iron & steel increased at a faster pace than overall WPI, increasing by 12.9% in Sep'26 from 4.5% in previous month. After absorbing the impact of higher input costs, prices are being passed on to the consumers to a limited extent by the steel industry. However, part of this increase is due to lower base as iron & steel prices contracted by 2.6% in Sep'25.

Q2 FY27 CPI inflation averaged 4.9%, in line with the RBI's projection. The RBI expects inflation to rise to 6.0% in Q3 FY27 and raised the repo rate by 25 bps to 5.50% on 7 Oct'26 – its first hike in nearly four years – shifting to a 'calibrated tightening' stance. Higher borrowing costs could weigh on credit-funded demand in the coming quarters.

Inflation Indicators

	Indicator	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Consumer Inflation	CPI (% YoY)	1.4	0.0	0.5	1.2	2.7	3.2	3.4	3.5	3.9	4.4	4.5	4.8	5.5
	Core CPI (ex food & fuel, %YoY)	4.3	4.3	4.2	4.5	3.3	3.3	3.3	3.3	3.7	4.1	4.0	4.3	4.5
	CPI - Food & Beverages (% YoY)	-1.4	-3.7	-2.8	-1.9	2.1	3.4	3.7	4.0	4.5	5.1	5.2	5.7	7.4
	CPI - Rural (% YoY)	1.1	-0.3	0.1	0.6	2.7	3.4	3.6	3.7	4.3	4.7	4.8	5.2	6.1
	CPI - Urban (% YoY)	1.8	0.6	1.0	1.8	2.7	3.0	3.1	3.2	3.5	3.9	4.0	4.3	4.9
Wholesale Inflation	WPI (% YoY)	-0.2	-1.2	-0.6	0.3	1.2	2.2	4.0	8.4	9.9	10.0	9.8	9.9	11.4
	WPI - Manufacturing (% YoY)	1.8	1.4	1.4	2.2	2.8	3.6	4.8	6.7	7.7	7.8	8.3	8.4	9.8
	WPI - Iron & Steel (%YoY)	-2.6	-5.7	-5.2	-3.3	0.7	2.6	3.8	4.3	6.1	3.4	6.8	4.5	12.9
	WPI - HRC (%YoY)	-1.9	-3.7	-3.5	-1.8	1.5	4.3	4.7	5.3	8.8	4.4	10.3	5.6	17.2
	WPI - Bars & Rods (% YoY)	-3.9	-8.2	-8.2	-5.9	-0.5	2.1	2.8	1.5	2.6	-0.8	3.6	1.5	12.7
	WPI - Iron Ore (% YoY)	10.1	-2.4	-10.2	-10.1	-6.6	-3.8	-1.5	2.4	0.2	5.4	18.0	5.5	9.2
	WPI - Fuel & Power (% YoY)	-2.6	-3.9	-3.0	-2.6	-3.8	-3.4	3.2	25.0	30.8	27.2	19.8	22.9	25.9

Source: MoSPI, Office of the Economic Adviser (DPIIT), RBI, CMIE, ISA

6. External and Other Major Indicators

6.1 External: Exports strong; oil bill, services trade and rupee under pressure

India's external position remained broadly comfortable in Sep'26, with strong export growth and comfortable forex reserves. However, a higher oil import bill, a contraction in net services trade, portfolio outflows and a record-low rupee point to building pressures.

- Goods exports grew 23.0% YoY to US\$44.4 billion in Sep'26, while imports grew 8.0% to US\$74.6 billion. The trade deficit widened to US\$30.2 billion from US\$26.9 billion in Aug'26, but was narrower than US\$33.0 billion in Sep'25. Net services trade contracted 10.2% YoY in Sep'26 (provisional), the weakest since at least Apr'23, in line with the slowdown in services export orders reported in the PMI.
- On YTD basis, good exports have expanded by 18.5% to US\$258.9 billion in H1'FY27, as compared to US\$219.4 billion in H1'FY26. Imports have expanded by 16.3% over the same period despite higher oil imports which increased by 23.6% in H1'FY27.
- Net portfolio flows turned negative in Sep'26, reversing the trend of previous three months with foreign investors pulling out a net of US\$6.1 billion – US\$3.8 billion from equity and US\$2.2 billion from debt.
- Forex reserves stood at US\$747.6 billion at end-Sep'26, up from US\$740.8 billion at end-Aug'26 but below the all-time high of US\$785.7 billion in the week ended 4 Sep'26, which was driven by inflows under the RBI's forex swap facility. The rupee weakened to a record low of 96.0 per US\$ at end-Sep'26 from 95.5, about 7.5% weaker than a year ago.

Strong exports and large forex reserves continue to support India's external position. However, the composition of the trade deficit is shifting, a collapse in gold imports offset a 30.8% rise in the oil bill in September, a cushion that may not last. With crude at US\$116.6/barrel net services trade contracting and portfolio outflows resuming, the current account is likely to come under pressure in Q3 FY27. Large forex reserves give the RBI room to limit rupee volatility, but a weaker rupee will add to imported inflation.

High-Frequency Indicators: External

External	Indicator	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
	Goods Exports (% YoY)	5.9	-12.5	18.6	1.2	0.4	-0.8	-7.4	11.1	17.1	14.4	19.7	26.1	23.0
	Goods Imports (% YoY)	17.6	17.9	-1.5	10.3	19.9	25.0	-6.2	10.0	20.6	30.9	17.4	14.1	8.0
	Net Services Trade (% YoY)	17.2	1.5	17.0	18.3	19.3	4.1	15.7	15.4	-1.5	9.1	7.3	6.0	-10.2
	Forex Reserves (\$ Bil)	700.2	689.7	686.2	696.6	723.8	728.5	688.1	698.5	682.3	666.9	692.9	740.8	747.6
	Net FDI Flows (\$ Bil)	-2.3	-2.3	-0.7	-2.1	0.7	3.4	0.4	5.4	-1.4	2.1	7.3		
	Net Portfolio Flows (\$ Bil)	-0.6	3.4	0.6	-4.2	-2.3	3.1	-14.4	-7.2	-4.7	2.3	4.1	2.7	-6.1
	Exchange Rate (Rs/\$, eop)	88.8	88.7	89.5	89.9	91.9	91.0	94.7	95.2	95.4	94.6	95.4	95.5	96.0

Source: Ministry of Commerce & Industry, RBI, CMIE, ISA

6.2 Other Major Indicators: Fiscal pressures build; money supply accelerates

Among other indicators, central government finances weakened in Aug'26, while money supply growth accelerated and port cargo growth remained steady.

- Gross tax receipts stood at INR 2.1 lakh crore in Aug'26, while net tax revenue turned marginally negative (INR -0.07 lakh crore) as the Centre released an additional tranche of tax devolution to states. The fiscal deficit for Apr–Aug FY27 reached 41.9% of the budget estimate, higher than 38.1% recorded during the same period last year. Weaker gross tax receipts, and higher inflation impacting corporate margins and profitability, concerns have increased around government meeting its budgeted deficit targets, however some support could come dividends and stake sale in IDBI bank and other smaller disinvestment receipts.
- Credit growth remained strong across enterprises in Aug'26 – medium 31.8%, small 23.0% and large 14.9%. Money supply (M2) growth accelerated to 20.1% in Sep'26 from 15.3%, the highest since Mar'26, in line with faster deposit growth.
- Cargo at major ports grew 6.3% YoY in Sep'26, broadly similar to 6.9% in Aug'26. Oil imports rose to US\$18.3 billion in Sep'26 from US\$16.7 billion in Aug'26, up 30.8% YoY, reflecting higher crude prices. Gold & silver imports fell to US\$2.5 billion from US\$10.9 billion a year ago, partly reflecting higher import duties on gold and silver.
- The Indian crude basket rose to US\$116.6/barrel in Sep'26, the highest since Mar'26, while gold prices eased 1.9% to US\$4,324.7/ounce.

Fiscal space is narrowing as lower revenue and higher subsidy payouts is stretching public finance math, however support from RBI and disinvestment receipts could save the day for the government. Looking ahead, the crude oil prices, inflation trajectory, and outcome of US-India trade deal could prove crucial in determining full year growth and fiscal performance.

Other Major High-Frequency Indicators

	Indicator	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Public Finance	Gross Tax Receipts (INR Lakh Crore)	5.2	2.5	2.2	6.5	2.6	1.8	6.0	2.7	2.6	3.8	3.2	2.1	
	Corporate Tax (INR Lakh Crore)	2.37	0.47	0.38	2.81	0.29	0.01	2.37	0.25	0.31	1.50	0.33	0.25	
	Income Tax (INR Lakh Crore)	1.50	0.79	0.79	1.24	0.84	0.43	1.83	1.17	0.88	1.00	1.36	0.54	
	Net Tax Revenue (INR Lakh Crore)	4.19	0.45	1.20	5.45	1.55	0.51	4.78	1.78	1.70	2.88	2.08	-0.07	
	Revenue Expenditure (INR Lakh Crore)	2.73	2.85	2.60	3.25	2.55	2.67	7.21	3.85	2.45	3.87	2.94	2.57	
	Central Subsidy Payout (INR Lakh Crore)	0.52	0.44	0.42	0.29	0.37	0.35	0.64	0.44	0.32	0.39	0.39	0.34	
Money & Credit	Credit to Large Enterprises (% YoY)	2.4	4.6	4.6	7.5	5.5	7.8	9.1	10.0	14.4	16.6	17.7	14.9	
	Credit to Medium Enterprises (% YoY)	14.3	17.6	15.7	20.4	22.3	21.0	21.8	19.9	21.2	30.3	30.5	31.8	
	Credit to Small Enterprises (% YoY)	22.0	25.9	24.6	31.0	31.2	30.4	32.7	30.1	26.2	23.0	22.6	23.0	
	Money Supply (M2, % YoY)	11.3	14.1	12.4	17.2	16.7	17.9	21.6	17.5	11.9	13.6	15.3	15.3	20.1
Trade, Investment & Bullion	Cargo at Sea Ports (% YoY)	8.1	3.0	12.4	8.0	3.7	4.3	-1.5	1.4	3.9	3.7	6.4	6.9	6.3
	Trade Balance (\$ Bil)	-33.0	-42.6	-25.1	-26.2	-34.8	-27.1	-20.7	-29.4	-28.6	-30.8	-31.9	-26.9	-30.2
	Oil Imports (\$ Bil)	14.0	14.8	14.1	14.4	13.4	13.0	12.2	18.6	22.7	19.3	18.3	16.7	18.3
	Gold & Silver Imports (\$ Bil)	10.9	17.4	5.1	4.9	14.1	9.1	3.7	6.0	3.5	2.0	4.3	3.3	2.5
	Crude Oil - Indian Basket (US\$/Barrel)	69.6	65.1	64.3	62.2	63.1	69.0	124.9	114.1	106.2	83.9	82.0	90.2	116.6
	Gross FDI (\$ Bil)	7.2	6.9	6.7	9.0	6.0	9.2	6.5	14.8	5.6	8.8	14.6		
	Gold - London (US\$/Ounce)	3665.2	4053.3	4083.0	4299.5	4744.5	5019.5	4862.2	4723.9	4587.5	4238.3	4073.9	4409.9	4324.7

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