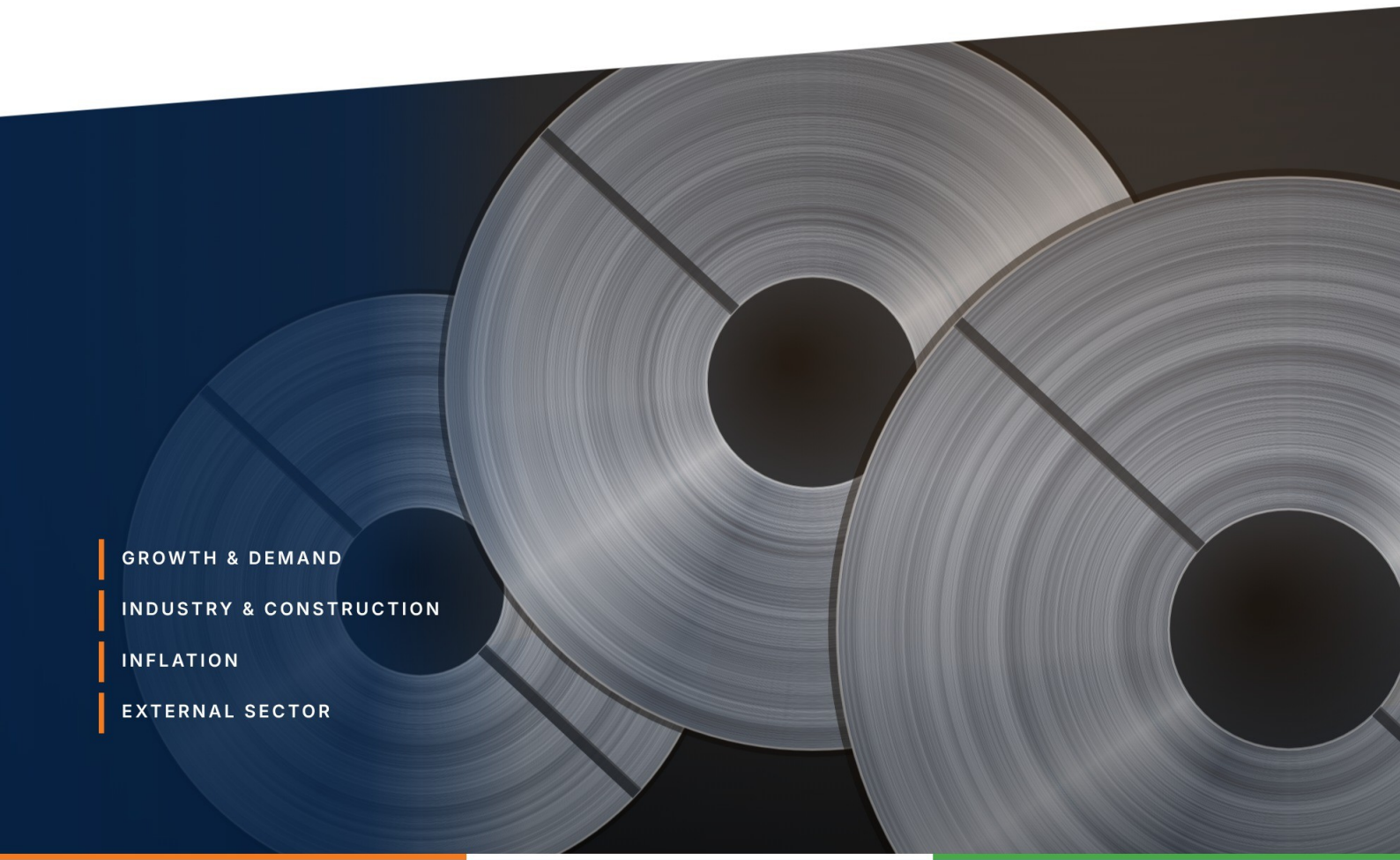
INDIA MACROECONOMIC TRACKER

ISA Macro Monitor

Tracking 100+ high-frequency indicators of the Indian economy and steel demand

November 2026

Data released up to 19 Nov 2026



- GROWTH & DEMAND
- INDUSTRY & CONSTRUCTION
- INFLATION
- EXTERNAL SECTOR

ABOUT THIS PUBLICATION

ISA Macro Monitor

The ISA Macro Monitor is a monthly publication of the Indian Steel Association (ISA). It tracks more than 100 high-frequency indicators of the Indian economy – covering consumption, labour, industry, construction, services, prices, the external sector and public finances – and interprets them for their implications for steel demand and the wider steel ecosystem.

Each issue presents the latest monthly data against a rolling 13-month history, together with ISA's assessment of the momentum, the risks and the outlook for the coming quarter.

HOW TO READ THE TABLES

Indicator tables are colour-coded on a heat-map scale relative to each indicator's own recent trend. Green denotes a reading that is favourable for the economy; red denotes an unfavourable reading. For indicators such as inflation, unemployment and trade deficit, a higher value is shaded red. A blank cell means the data had not been released at the time of publication.

Strong	Positive	Neutral	Weak	Very weak

Abbreviations: YoY – year-on-year; MoM – month-on-month; FY – financial year (April–March); Q2 FY27 – July–September 2026. A full glossary is provided at the end of the report.

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THIS MONTH IN ONE LINE

> Economic activity remained steady in October – GST collections held up, PMI improved and credit growth remained robust.
>
> Inflation crossed 6% and is becoming broad-based with impact of higher prices now reflecting in core inflation as well.

DASHBOARD

At a Glance

REAL GDP GROWTH	CPI INFLATION	WPI INFLATION	IIP GROWTH
7.8%	6.1%	12.3%	6.7%
Q1 FY27, YoY	Oct'26, YoY	Oct'26, YoY	Sep'26, YoY
COMPOSITE PMI	**GST COLLECTIONS**	**REPO RATE**	**INR PER US$**
56.2	2.31	5.50%	95.3
Oct'26	INR lakh crore, Oct'26	as on 7 Oct 2026	end-Oct'26
IRON & STEEL WPI	**HRC WPI**	**IRON ORE WPI**	**CEMENT OUTPUT**
16.2%	20.8%	15.4%	9.8%
Oct'26, YoY	Oct'26, YoY	Oct'26, YoY	Sep'26, YoY

01
Executive Summary

Domestic conditions remained supportive in October, led by healthy festive demand – GST collections, e-way bills, core imports indicate healthy domestic demand while robust growth in merchandise exports and net-services trade returning to double-digit growth signals an improvement in the external sector. At the same time, with higher CPI inflation and WPI growth in double digits, concerns around price levels are likely to induce RBI to raise policy rates by a further 25 basis points in its upcoming meeting in December.

In **Consumption**, October's growth numbers are mostly a data mirage showing the impact of a higher base and shift in the festival calendar. A closer look shows that broad demand conditions remain steady, with some impact from uneven kharif performance and higher prices, as inflation becomes broad-based with the transmission of higher fuel prices to other commodities. Looking ahead, we expect November data to be supported by Diwali demand. In the **labour market**, white-collar hiring rose 14.4% YoY, partly on a low base, led by manufacturing, auto and AI/ML roles, and unemployment eased to 4.9% in October.

Industrial activity moderated – IIP growth eased to 6.7% in Sep'26 from 7.8%, as capital goods and consumer durables cooled, and the manufacturing PMI slipped to 54.7 in Oct'26. However, the core sector grew 7.9% in Sep'26, a 30-month high. Looking ahead, the production numbers could see a significant uptick for Oct'26, helped by a lower base from last year and stocking before the festive season.

On **inflation**, at 6.1%, October's CPI print breached the upper limit of RBI's target of 6% (4% ± 2%) – reflecting the transmission of higher fuel prices to the wider economy. With WPI fuel inflation and CPI food prices remaining high, price pressure is likely to build further over the coming months. Looking ahead, moderation in crude prices in November could provide some relief; on the other hand, continued firmness in food prices and localised weakness in kharif performance could keep price pressure intact.

The **external sector** showed mixed signals – goods exports rose 45.1% to a record US$49.5 billion in Oct'26, but the goods trade deficit widened to a one-year high of US$39.9 billion due to rising oil. FPIs pulled out a net US$2.5 billion, and forex reserves fell to US$717.1 billion as the RBI intervened to stabilise the rupee.

Among **other major indicators**, the fiscal deficit reached 42.1% of BE in H1 FY27 against 36.5% a year ago, and central capex fell for the second straight month in Sep'26. The Indian crude basket averaged US$120.2/barrel in Oct'26, though Brent fell below US$90 in early November.

OVERALL VIEW

Overall, domestic demand remains steady and the October data reflects that consumption demand is supported beyond the GST base effect. Industrial activity has remained healthy on an FYTD basis despite some moderation. External performance has started improving, specifically services trade.

OUTLOOK

Looking ahead into Q3 FY27, the key risks come from rising inflation – data shows that inflationary pressure is becoming broad-based beyond food. At the same time, weak kharif, lower monsoon rainfall, and cyclones along the east coast could impact agricultural performance and rural demand. On the other hand, GST collections, credit growth, goods and services exports remain healthy and the uptick in industrial activity ahead of Diwali could reflect in October data. We continue to expect full-year 2026-27 growth at 7.1%.

02
Macroeconomic Snapshot

Festive demand lifts activity; inflation breaches the 6% ceiling

High-frequency indicators strengthened in Oct'26 on the back of healthy festive demand – GST collections rose 18% YoY and e-way bills hit a record 156.2 million. On the other hand, headline CPI inflation breached the 6% mark in October – the upper band of RBI's tolerance limit.

- Gross GST collections rose 18.0% YoY and 13.6% sequentially to INR 2.31 lakh crore in Oct'26, compared with INR 1.96 lakh crore in Oct'25 and INR 2.04 lakh crore in the previous month.
- A record 156.2 million e-way bills were generated in Oct'26 – up 23.1% YoY and 10.4% above the previous record set in Sep'26, reflecting festive goods movement.
- Non-food credit growth at 19.3% in Oct'26 remained healthy – so far credit growth has expanded at an average of 18.6% between Apr–Oct'26, significantly higher than the 10.3% average growth witnessed during the same period last fiscal. Deposit growth eased to 16.9%, lifting the credit-deposit ratio to 82.1% from 81.0%.
- Non-oil, non-gold imports (core imports) rose 32.9% YoY to US$59.1 billion in Oct'26, the highest since at least Apr'23, pointing to firm domestic demand. Overall, in Apr–Oct'26 core imports totalled US$361.4 billion, nearly 21% higher than US$298.8 billion over the same period last year.

However, inflationary indicators signal caution:

- CPI inflation rose to 6.1% in Oct'26 from 5.5%, above the RBI's 6% upper tolerance limit, as food & beverages inflation climbed to 8.5% while WPI inflation rose to 12.3% from 11.4%, led by fuel & power.

KEY TAKEAWAY

Domestic conditions remained supportive in October, led by healthy festive demand – GST collections, e-way bills and core imports indicate healthy domestic demand while robust growth in merchandise exports and net-services trade returning to double-digit growth signals an improvement in the external sector. At the same time, with higher CPI inflation and WPI growth in double digits, concerns around price levels are likely to induce RBI to raise policy rates by a further 25 basis points in its upcoming meeting in December.

Selected High-Frequency Indicators of Economic Activity

	Indicator	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
General Economic Indicators	GST Collections (INR Lakh Crore)	1.96	1.75	1.79	1.99	1.89	2.00	2.43	1.94	1.95	2.11	2.00	2.04	2.31
	E-Way Bills (Million)	126.9	129.9	138.4	136.8	132.6	140.6	133.4	136.8	136.8	139.8	139.1	141.5	156.2
	PMI - Composite (Index)	60.4	59.7	57.8	58.4	58.9	57.0	58.2	59.3	57.1	54.3	54.3	55.9	56.2
	Non-food credit (% YoY)	12.2	11.4	14.4	13.3	13.8	16.9	16.2	17.4	18.3	19.1	19.2	20.6	19.3
	Deposit Growth (% YoY)	10.8	10.2	12.7	10.6	11.3	16.2	13.3	12.2	13.3	15.4	17.6	19.4	16.9
	Credit/Deposit Ratio (%)	80.2	80.5	81.7	82.3	82.4	81.4	82.0	82.7	82.6	82.0	80.3	81.0	82.1
	Toll Collection (INR '000 Crore)	7.00	7.33	7.42	7.52	7.18	7.45	7.32	7.63	7.52	7.44	7.59	7.50	8.22
	Non-Oil Non-Gold Imports ($ Bil)	44.5	43.8	45.2	43.7	41.6	43.7	47.3	47.2	49.5	53.6	51.0	53.8	59.1
	Digital Payments (% YoY)	8.8	14.7	15.2	11.3	17.9	12.6	14.4	10.8	20.2	17.9	23.1	17.1	
	Headline Inflation (CPI, % YoY)	0.0	0.5	1.2	2.7	3.2	3.4	3.5	3.9	4.4	4.5	4.8	5.5	6.1

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

03
Consumption and Labour Market

3.1 CONSUMPTION

Shift in festive calendar and unfavourable base distort October data; underlying demand intact

Rural demand indicators reflect sharp contraction in y-o-y terms, impacted by a shift in some festivities from October to November this year, along with unfavourable base as last October's number benefitted from pent-up demand following GST rationalisation. A prudent way would be to look at the monthly momentum to assess demand conditions. Demand conditions remained broadly resilient in both rural and urban areas; however, rising inflation is posing headwinds.

- Vehicle sales contracted in y-o-y terms in both rural and urban areas; however, monthly momentum indicates demand remained intact – two-wheeler sales improved by 31% and 28% m-o-m in Oct'26 in rural and urban segments respectively. Similarly, passenger vehicle sales grew 16.9% and 20.1% m-o-m, respectively. Tractor sales expanded by 3.1% y-o-y, being the only exception to contraction experienced in all other segments, showing that rural demand remains steady.
- At the same time, the continued contraction in domestic air passenger traffic, and muted growth in asset size of mutual funds reflect the pressures being felt in urban demand. Even in the rural segment, many reports indicate localised rural stress from deficient rainfall and a weak kharif season.

KEY TAKEAWAY

October's growth numbers are mostly a data mirage showing the impact of a higher base and shift in the festival calendar. A closer look shows that broad demand conditions remain steady, with some impact from uneven kharif performance and higher prices, as inflation becomes broad-based with the transmission of higher fuel prices to other commodities. Looking ahead, we expect November data to be supported by Diwali demand.

High-Frequency Indicators: Consumption Demand

	Indicator	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Rural Demand	Tractor Retail Sales (%YoY)	19.4	56.5	15.8	22.9	36.4	10.9	28.7	11.2	30.1	28.1	0.8	13.7	3.1
	Two Wheeler Retail Rural (%YoY)	65.9	-7.8	3.6	19.8	22.2	28.6	12.3	4.7	20.3	28.6	20.3	33.1	-34.0
	PV Retail Rural (%YoY)	19.0	22.9	32.4	14.4	34.2	26.5	20.4	30.4	35.1	24.7	25.0	32.1	-12.4
	Fertiliser Sales (% YoY)	0.0	-1.6				19.2	29.5	0.3		-18.9			-9.1
Urban Demand	Two Wheeler retail Urban (%YoY)	33.9	5.3	17.8	22.2	29.0	28.8	14.1	11.8	22.4	27.9	19.1	33.1	-20.8
	PV retail Urban (%YoY)	6.4	17.6	22.9	2.8	21.1	18.5	7.1	18.8	24.7	15.8	10.9	32.1	-15.3
	Dom. Air Passenger Traffic (% YoY)	2.7	6.9	-4.2	3.7	-0.4	-1.2	-3.5	9.5	-1.1	-4.8	-6.3	-6.5	
	Unsecured Personal Loans (% YoY)	10.5	9.1	10.7	11.7	12.0	11.7	12.9	12.4	13.4	14.2	14.7	14.5	
	Mutual Fund - AUM (INR Lakh Crore)	79.9	80.8	80.2	81.0	82.0	73.7	81.9	81.6	82.2	85.8	87.1	82.6	83.4

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

3.2 LABOUR MARKET

Hiring rebounds; unemployment eases to 4.9%

White-collar hiring rose sharply in Oct'26, partly on a low base from last year's festive season, while unemployment eased to 4.9% as more women joined the workforce.

- The Naukri JobSpeak Index rose 14.4% YoY in Oct'26, better than 1.7% in Sep'26. However, the growth numbers are supported by a favourable base from last year as both Navratri and Diwali fell in October last year.
- Hiring was led by auto (+36%), AI/ML (+32%) and GCCs (+18%), followed by BPO/ITeS (+17%) and banking & financial services (+16%). On the other hand, education (−16%), insurance (−3%) and hospitality (−1%) contracted.
- Unemployment eased to 4.9% in Oct'26 from 5.0% in the previous month (5.2% in Oct'25) – led by moderation in urban unemployment to 6.7% from 6.9%, while rural held steady at 4.2%. Labour force participation rose to 55.7%, and female participation to 35.0%, the highest since Feb'26. On the other hand, wage growth in urban areas moderated in September.

KEY TAKEAWAY

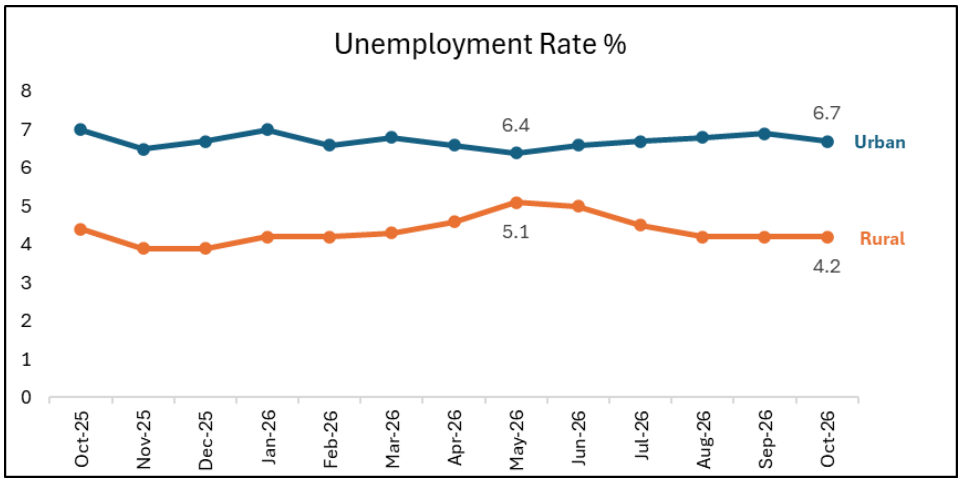
Hiring is picking up in technology and manufacturing sectors – auto hiring grew 36% and AI/ML 32%, a positive signal for industrial and steel demand. However, part of October's jump is a base effect, and with CPI inflation above 6%, slower urban wage growth means real urban incomes are rising only modestly.

High-Frequency Indicators: Labour Market

	Indicator	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Labour Market	Unemployment Rate - Total (%)	5.2	4.7	4.8	5.0	4.9	5.1	5.2	5.5	5.5	5.1	5.0	5.0	4.9
	Unemployment Rate - Urban (%)	7.0	6.5	6.7	7.0	6.6	6.8	6.6	6.4	6.6	6.7	6.8	6.9	6.7
	Unemployment Rate - Rural (%)	4.4	3.9	3.9	4.2	4.2	4.3	4.6	5.1	5.0	4.5	4.2	4.2	4.2
	Naukri Job-Speak Index (% YoY)	-9.3	23.5	13.2	3.4	11.9	9.2	5.8	1.0	6.1	5.0	13.7	1.7	14.4
	CMIE - Urban Wage (% YoY)	13.8	15.7	14.9	12.7	13.1	14.0	13.2	15.1	13.8	11.6	11.8	9.9	
	CMIE - Rural Wage (% YoY)	20.9	12.9	11.1	11.9	11.8	15.0	14.7	17.4	15.9	10.7	16.9	16.7	

Source: *MoSPI, Naukri, CMIE, ISA*

Chart: Urban and rural unemployment rate



04
Industry, Construction and Services

4.1 INDUSTRY AND CONSTRUCTION

Growth moderates in September; core sector performance improves

The Index of Industrial Production (IIP) expanded by 6.7% y-o-y in Sep'26, moderating from 7.8% in Aug'26. Averaging the monthly YoY rates, IIP growth was 7.3% in Q2 FY27, against 6.2% in Q1 FY27 and 5.4% in Q2 FY26. The growth was led by electricity & gas and manufacturing, while mining continued to contract.

- IIP grew 6.7% YoY in Sep'26, down from 7.8% in Aug'26 (revised from 8.0%). Manufacturing grew 7.6%, led by electrical equipment (33.9%), rubber and plastics (19.9%) and motor vehicles (19.0%), reflecting stocking up before the festive season. Electricity & gas maintained healthy momentum, expanding 11.2%, while mining contracted 6.2%.
- By use-based classification, capital (10.4%) and intermediate goods (12.2%) led growth in Sep'26 and consumer durables expanded by 6.0%. Consumer non-durables returned to growth after two months, though remaining low at 1.4%.
- Manufacturing PMI eased to 54.7 in Oct'26 from 55.1. Among the positives, new export orders grew at the fastest pace in six months and input-cost inflation eased to its lowest since Feb'26. On the other hand, selling-price increases were the weakest in nearly four years.
- Industrial credit expanded by 19.5% in Sep'26, up from 18.2% in Aug'26, suggesting overall sentiment remains resilient.
- The core industries index grew 7.9% in Sep'26, a 30-month high and the highest in the new series (base 2022–23), led by iron ore (18.4%), electricity (11.4%) and coal (10.7%).
- In construction, cement output grew 9.8% and steel 4.9% (core industries data) in Sep'26, while the index of infrastructure and construction rose 7.2%.
- Central government capex fell 3.1% YoY, its second straight monthly decline. However, capital expenditure stood at 53.6% of budget estimates in H1 FY27, better than 51.8% recorded in H1 FY26.

KEY TAKEAWAY

Core sector growth at a 30-month high and industrial credit growth near 20% points to firm underlying activity. Centre's capital expenditure has weakened in the last two months; however, H1 figures remain healthy and leave room for further boost over the coming months. Looking ahead, the production numbers could see a significant uptick for Oct'26, helped by a lower base from last year and stocking ahead of the festive Nov–Dec'26 period.

Steel demand remains robust, with finished steel consumption up 7.5% in Apr–Oct FY27. However, domestic crude steel output grew a slower 2.6%, while finished steel imports rose 28.9%, making India a net importer over the period. Looking ahead, steel production could witness some renewed momentum post-Diwali and as government capex returns in the latter half of the year.

High-Frequency Indicators: Industry and Construction

	Indicator	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Industrial	PMI - Manufacturing (Index)	59.2	56.6	55.0	55.4	56.9	53.9	54.7	55.0	54.2	53.5	52.8	55.1	54.7
	New-IIP (% YoY)	-0.9	7.0	6.7	4.1	4.4	3.0	4.9	5.0	8.8	7.4	7.8	6.7	
	New- IIP - Manufacturing (% YoY)	-0.7	8.8	7.7	4.6	5.7	4.0	6.1	5.2	9.5	8.2	8.6	7.6	
	New-IIP - Mining (% YoY)	2.8	3.3	0.8	-0.5	-2.4	-2.6	-3.8	-1.4	1.6	-0.9	-4.6	-6.2	
	New IIP - Electricity & Gas (% YoY)	-7.0	-1.6	5.9	5.6	1.9	1.2	4.6	10.3	11.3	8.7	12.3	11.2	
	IIP: Primary goods (% YoY)	0.4	1.1	2.4	1.9	0.0	0.2	0.8	2.7	5.4	4.2	4.2	4.0	
	IIP: Capital goods (% YoY)	5.4	16.6	12.9	12.4	16.5	8.5	12.0	15.5	17.9	19.0	15.9	10.4	
	IIP: Intermediate goods (% YoY)	1.2	8.2	7.7	5.6	4.7	6.0	10.3	5.8	11.5	10.4	14.2	12.2	
	IIP: Consumer durables (% YoY)	-6.0	13.0	7.4	-0.2	4.2	2.4	5.6	8.0	10.3	12.0	10.5	6.0	
	IIP: Consumer non-durables (% YoY)	-9.4	3.9	5.9	-1.2	1.6	-0.6	0.2	-0.4	5.6	-0.8	-1.1	1.4	
	Eight Core Industries (% YoY)	0.8	3.5	5.6	5.2	3.2	2.9	2.7	3.2	6.0	5.0	5.9	7.9	
	Credit to Industry (% YoY)	10.0	9.6	13.3	12.1	13.5	14.8	15.1	17.5	19.2	20.0	18.2	19.5	
Construction	Cement Production (% YoY)	5.2	15.1	14.0	11.3	9.1	4.7	8.3	8.4	9.9	12.7	11.7	9.8	
	Steel Production (% YoY)	9.5	11.6	11.1	13.8	9.9	9.6	4.7	5.1	5.6	1.9	3.5	4.9	
	Central Govt. Capex (% YoY)	-28.3	-13.8	-24.5	-24.5	59.6	-41.8	18.8	-0.6	66.0	53.7	-29.9	-3.1	
	New-IIP Infra & Const. (% YoY)	5.1	12.0	12.3	12.9	10.1	5.2	6.0	6.6	8.8	8.0	8.0	7.2	

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

4.2 SERVICES

Services gain pace on domestic demand; export orders and air travel stay weak

Services activity picked up in Oct'26, with the services PMI at a four-month high and rail freight growth accelerating. However, export demand and air passenger traffic remained weak.

- Services PMI rose to 55.8 in Oct'26 from 55.2, a four-month high – new business grew at the fastest pace since June, led by finance & insurance, and input-cost inflation eased to its slowest in over six years. However, growth in new export orders within services was at a three-and-a-half-year low.
- Rail freight traffic grew 8.3% YoY to 145.07 million tonnes in Oct'26, up from 6.1% in Sep'26, led by foodgrains (26.3%), domestic coal (16.0%) and clinker (10.4%). Freight traffic for Apr–Oct FY27 rose 4.7%, as against 3.1% in Apr–Oct FY26.
- Air passenger traffic fell 5.9% YoY in Sep'26, the fourth straight monthly decline, as higher prices and disruptions on international routes continue to pose headwinds, though air cargo grew by 12.1%.
- Goods vehicle registrations rose 2.3% YoY in Oct'26, slower than a year ago as Dhanteras and Diwali shifted to November, though volumes were the highest for any October (VAHAN). Heavy goods vehicles led growth, while light goods vehicles declined.
- Credit to services grew 28.3% YoY in Sep'26, up from 24.3% in Aug'26.

KEY TAKEAWAY

Services activity is regaining momentum after some easing in the previous months, led largely by domestic demand, with faster growth in new business and credit, while rail freight traffic and sales of heavy commercial vehicles indicate resilient domestic sentiment.

Looking ahead, air passenger traffic continues to be impacted by disruptions in the Middle East, though easing oil prices in recent weeks could provide some support. At the same time, indicators of cargo movement across road, rail, and air indicate improvement. On the external front, the turbulence in global AI and technology space could test the resilience and agility of India's software-related exports.

High-Frequency Indicators: Services

	Indicator	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Services	PMI-Services (Index)	58.9	59.8	58.0	58.5	58.1	57.5	58.8	59.8	57.4	53.3	54.1	55.2	55.8
	Credit to services (% YoY)	13.0	11.7	15.3	15.5	16.3	20.0	18.6	20.4	21.4	22.9	24.3	28.3	
	Good Vehicle Registered (% YoY)	12.5	21.6	30.6	18.6	27.7	14.5	12.7	9.6	22.0	24.5	16.3	31.2	2.3
	Air Passenger Traffic (% YoY)	4.7	7.0	-2.8	3.9	0.5	-4.4	-5.4	4.5	-1.8	-4.7	-5.6	-5.9	
	Air Cargo Traffic (% YoY)	-2.3	15.7	9.4	8.5	17.9	0.0	9.9	10.5	15.5	10.8	11.0	12.1	
	Rail Cargo Traffic (% YoY)	2.3	4.2	3.2	2.9	4.0	3.1	-1.0	1.4	4.0	8.9	5.3	6.1	8.3

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

05
Inflation

CPI breaches 6%; steel prices rise faster than manufacturing

Inflation rose further in Oct'26 – CPI inflation crossed the RBI's 6% upper tolerance limit on higher food prices, and WPI inflation rose to 12.3% led by fuel. Steel prices continued to climb, with iron & steel WPI at 16.2%.

- CPI inflation rose to 6.1% in Oct'26 from 5.5% in Sep'26, continuing to firm up for twelve months in a row, and breaching RBI's upper limit of 6% for the first time since Oct'24. Food & beverages inflation rose to a 24-month high of 8.5% from 7.4%, as price of key vegetables like onion (+116%) and garlic (+61%) witnessed a sharp rise.
- Core inflation edged up to 4.6% from 4.5%. At the same time, rural inflation rose to 6.6%, from 6.1% in previous month, while urban inflation jumped to 5.4% from 4.9% previously.
- WPI inflation firmed up for the fourth consecutive month to 12.3% YoY in Oct'26 from 11.4%. Fuel & power inflation jumped to 32.8% from 25.9%, as crude petroleum & natural gas prices rose 70.8%, while manufactured products inflation eased to 9.5% from 9.8%.
- Iron & steel WPI inflation rose to 16.2% in Oct'26 from 12.9%, with HRC at 20.8% (Sep'26: 17.2%) and bars & rods at 17.0% (12.7%); iron ore prices rose 15.4%. This follows October mill price hikes, driven largely by costlier coking coal and other inputs.

KEY TAKEAWAY

At 6.1%, October's CPI print breached the upper limit of RBI's target of 6% (4% ± 2%) – reflecting the transmission of higher fuel prices to the wider economy. With WPI fuel inflation and CPI food prices remaining high, price pressure is likely to build further over the coming months. This could prompt the RBI to raise the policy rate by another 25 basis points in its upcoming meeting in December.

Looking ahead, moderation in crude prices in November could provide some relief; on the other hand, continued firmness in food prices and localised weakness in kharif performance could keep price pressure intact.

Inflation Indicators

	Indicator	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Consumer Inflation	CPI (% YoY)	0.0	0.5	1.2	2.7	3.2	3.4	3.5	3.9	4.4	4.5	4.8	5.5	6.1
	Core CPI (ex food & fuel, %YoY)	4.3	4.2	4.5	3.3	3.3	3.3	3.3	3.7	4.1	4.0	4.3	4.5	4.6
	CPI - Food & Beverages (% YoY)	-3.7	-2.8	-1.9	2.1	3.4	3.7	4.0	4.5	5.1	5.2	5.7	7.4	8.5
	CPI - Rural (% YoY)	-0.3	0.1	0.6	2.7	3.4	3.6	3.7	4.3	4.7	4.8	5.2	6.1	6.6
	CPI - Urban (% YoY)	0.6	1.0	1.8	2.7	3.0	3.1	3.2	3.5	3.9	4.0	4.3	4.9	5.4
Wholesale Inflation	WPI (% YoY)	-1.2	-0.6	0.3	1.2	2.2	4.0	8.4	9.9	10.0	9.8	9.9	11.4	12.3
	WPI - Manufacturing (% YoY)	1.4	1.4	2.2	2.8	3.6	4.8	6.7	7.7	7.8	8.3	8.5	9.8	9.5
	WPI - Iron & Steel (%YoY)	-5.7	-5.2	-3.3	0.7	2.6	3.8	4.3	6.1	3.4	6.8	7.3	12.9	16.2
	WPI - HRC (%YoY)	-3.7	-3.5	-1.8	1.5	4.3	4.7	5.3	8.8	4.4	10.3	11.1	17.2	20.8
	WPI - Bars & Rods (% YoY)	-8.2	-8.2	-5.9	-0.5	2.1	2.8	1.5	2.6	-0.8	3.6	5.4	12.7	17.0
	WPI - Iron Ore (% YoY)	-2.4	-10.2	-10.1	-6.6	-3.8	-1.5	2.4	0.2	5.4	18.0	7.6	9.2	15.4
	WPI - Fuel & Power (% YoY)	-3.9	-3.0	-2.6	-3.8	-3.4	3.2	25.0	30.8	27.2	19.8	23.2	25.9	32.8

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

06
External and Other Major Indicators

6.1 EXTERNAL

Record exports, but the oil bill widens the goods deficit

Merchandise exports hit a record in Oct'26, but higher oil imports widened the goods trade deficit to a one-year high. A strong services surplus provided some offset.

- Goods exports rose 45.1% YoY to a record US$49.5 billion in Oct'26, partly on a low base (−12.5% in Oct'25), while imports grew 16.5% to US$89.4 billion. The goods trade deficit widened to a 12-month high of US$39.9 billion, from US$30.2 billion in Sep'26. With net services trade up 13.5%, the overall trade deficit narrowed to US$20.1 billion from US$25.2 billion a year ago.
- In Apr–Oct FY27, merchandise exports rose 22% YoY to US$309.1 billion, while goods imports rose 16.4% to US$527.2 billion, taking the goods trade deficit to US$218.1 billion – US$18.7 billion higher than the US$199.4 billion in Apr–Oct FY26.
- On the other hand, net services exports rose 7.4% to US$124.8 billion from US$116.2 billion in Apr–Oct FY26, cushioning the deficit in merchandise trade.
- Foreign portfolio investors pulled out a net US$2.5 billion in Oct'26, lower than the US$6.1 billion net outflow in Sep'26, as equity outflows of US$3.6 billion were partly offset by debt inflows of US$1.1 billion.
- Forex reserves fell to US$717.1 billion at end-Oct'26 from US$747.6 billion at end-Sep'26, nearly US$69 billion below the record US$785.7 billion on 4 Sep'26, reflecting the impact of RBI's interventions to stabilise the rupee. The rupee recovered slightly to 95.25 per US$ at end-Oct'26 from 95.98 at end-Sep'26.

KEY TAKEAWAY

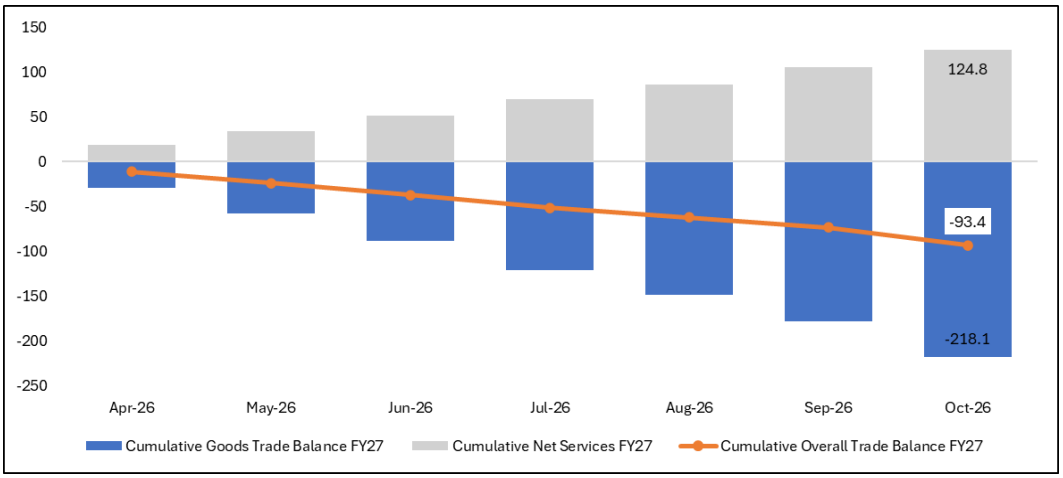
Record exports are a clear positive, but oil imports rose 54% YoY in October and remain the main driver of the trade deficit. The moderation in crude prices in early November and expected debt inflows as the RBI is likely to raise rates further should ease pressure on the current account and the rupee.

High-Frequency Indicators: External

	Indicator	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
External	Goods Exports (% YoY)	-12.5	18.6	1.2	0.4	-0.8	-7.4	11.1	16.9	14.3	19.7	25.8	22.9	45.1
	Goods Imports (% YoY)	17.9	-1.5	10.3	19.9	25.0	-6.2	10.0	20.6	30.9	17.4	14.6	8.0	16.5
	Net Services Trade (% YoY)	1.5	17.0	18.3	19.3	4.1	15.7	15.4	-1.5	9.1	7.3	6.0	2.0	13.5
	Forex Reserves ($ Bil)	689.7	686.2	696.6	723.8	728.5	688.1	698.5	682.3	666.9	692.9	740.8	747.6	717.1
	Net FDI Flows ($ Bil)	-2.3	-0.7	-2.1	0.7	3.4	0.4	5.4	-1.4	-0.9	7.3	3.3		
	Net Portfolio Flows ($ Bil)	4.0	0.3	-4.3	-3.2	4.2	-13.6	-7.6	-3.1	0.5	4.2	2.7	-6.1	-2.5
	Exchange Rate (Rs/$, eop)	88.7	89.5	89.9	91.9	91.0	94.7	95.2	95.4	94.6	95.4	95.5	96.0	95.3

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

Chart: Cumulative Trade Balance: Goods, Services and Overall, Apr–Oct FY27 (US$ billion)



6.2 OTHER MAJOR INDICATORS

Fiscal deficit widens in H1; crude prices remain high

Central government finances weakened in H1 FY27, with the fiscal deficit reaching 42.1% of BE against 36.5% a year ago, while strain from elevated crude prices is visible in the trade balance.

- Gross tax receipts rose 5.2% YoY to INR 5.5 lakh crore in Sep'26, as corporate tax rose 27% to INR 3.0 lakh crore while income tax fell 10% to INR 1.4 lakh crore.
- Credit growth remained strong across enterprises in Sep'26 – medium 33.2%, small 24.4% and large 16.0%. Broad money supply (M2) growth eased to 13.2% YoY in Oct'26 from 20.3% in Sep'26; the series is volatile month to month and averaged 16.0% over Jul–Oct'26.
- Cargo at major ports rose 18.7% YoY in Oct'26, up from 6.3% in Sep'26. Oil imports rose 54.3% YoY to US$22.8 billion, while gold & silver imports fell 57.2% to US$7.5 billion from US$17.4 billion a year ago.
- The Indian crude basket averaged US$120.2/barrel in Oct'26, though Brent fell below US$90 in early November. Gold prices rose 1.3% YoY to US$4,106/ounce.

KEY TAKEAWAY

The fiscal deficit is running well ahead of last year's pace, and October's oil import bill shows the strain from high crude prices. If sustained, the sharp fall in oil prices in November would ease both the import bill and subsidy pressures in H2, preserving room for capex.

Other Major High-Frequency Indicators

	Indicator	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Public Finance	Gross Tax Receipts (INR Lakh Crore)	2.5	2.2	6.5	2.6	1.8	6.0	2.7	2.6	3.8	3.2	2.1	5.5	
	Corporate Tax (INR Lakh Crore)	0.47	0.38	2.81	0.29	0.01	2.37	0.25	0.31	1.50	0.33	0.25	3.01	
	Income Tax (INR Lakh Crore)	0.79	0.79	1.24	0.84	0.43	1.83	1.17	0.88	1.00	1.36	0.54	1.35	
	Net Tax Revenue (INR Lakh Crore)	0.45	1.20	5.45	1.55	0.51	4.78	1.78	1.70	2.88	2.08	-0.07	4.38	
	Revenue Expenditure (INR Lakh Crore)	2.85	2.60	3.25	2.55	2.67	7.21	3.85	2.45	3.87	2.94	2.57	3.27	
	Central Subsidy Payout (INR Lakh Crore)	0.44	0.42	0.29	0.37	0.35	0.64	0.44	0.32	0.39	0.39	0.34	0.36	
Money & Credit	Credit to Large Enterprises (% YoY)	4.6	4.6	7.5	5.5	7.8	8.8	10.0	14.4	16.6	17.7	14.9	16.0	
	Credit to Medium Enterprises (% YoY)	17.6	15.7	20.4	22.3	21.0	21.8	19.9	21.2	30.3	30.5	31.8	33.2	
	Credit to Small Enterprises (% YoY)	25.9	24.6	31.0	31.2	30.4	32.7	30.1	26.2	23.0	22.6	23.0	24.4	
	Money Supply (M2, % YoY)	14.1	12.4	17.2	16.7	17.9	21.6	17.5	11.9	13.6	15.3	15.2	20.3	13.2
Trade, Investment & Bullion	Cargo at Sea Ports (% YoY)	3.0	12.4	8.0	3.7	4.3	-1.5	1.4	3.9	3.7	6.4	6.9	6.2	18.7
	Trade Balance ($ Bil)	-42.6	-25.1	-26.2	-34.8	-27.1	-20.7	-29.4	-28.6	-30.8	-31.9	-27.3	-30.2	-39.9
	Oil Imports ($ Bil)	14.8	14.1	14.4	13.4	13.0	12.2	18.6	22.7	19.3	18.3	16.7	18.3	22.8
	Gold & Silver Imports ($ Bil)	17.4	5.1	4.9	14.1	9.1	3.7	6.0	3.5	2.0	4.3	3.3	2.5	7.5
	Crude Oil - Indian Basket (US$/Barrel)	65.1	64.3	62.2	63.1	69.0	124.9	114.1	106.2	83.9	82.0	90.2	116.6	120.2
	Gross FDI ($ Bil)	6.9	6.7	9.0	6.0	9.2	6.5	14.8	5.6	8.8	14.6	11.1		
	Gold - London (US$/Ounce)	4053.3	4083.0	4299.5	4744.5	5019.5	4862.2	4723.9	4587.5	4238.3	4073.9	4409.9	4324.7	4106.4

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

07
Glossary

BE	Budget Estimate	**M2**	Broad money supply
CPI	Consumer Price Index	**MoM**	Month-on-month
eop	End of period	**MPC**	Monetary Policy Committee (RBI)
FPI	Foreign Portfolio Investment	**NSDL**	National Securities Depository Limited
FY	Financial Year (April–March)	**PMI**	Purchasing Managers' Index (above 50 = expansion)
FYTD	Financial year to date	**PV**	Passenger Vehicle
GCC	Global Capability Centre	**WPI**	Wholesale Price Index
GST	Goods and Services Tax	**YoY**	Year-on-year
HRC	Hot-Rolled Coil	**YTD**	Year to date
IIP	Index of Industrial Production		

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