

Top Story 1

India's Economy Seen Growing At 7.5% With Cooling Inflation, Says Axis Bank's Neelkanth Mishra

India's economic outlook remains strong, with growth expected to stay above its long-term trend in the coming years. A combination of easing fiscal pressures and supportive monetary conditions is likely to sustain economic expansion at around 7.5%. Structural reforms and regulatory simplification are also expected to strengthen medium-term growth prospects by improving efficiency, investment sentiment, and productivity. Importantly, this higher growth is not expected to trigger significant inflationary pressures in the near term. Price levels are projected to remain close to 4%, even if food prices rebound moderately. Underlying inflation indicators suggest that demand-side pressures remain contained, reflecting slack in the economy. This provides room for growth to continue without forcing tighter monetary conditions. Stable core inflation over an extended period further indicates that the economy can absorb faster growth without overheating. Overall, the outlook suggests that India can sustain a phase of strong, balanced growth for several years, supported by reforms, stable prices, and policy support.

<https://www.news18.com/amp/business/economy/indias-economy-seen-growing-at-7-5-with-cooling-inflation-says-axis-banks-neelkanth-mishra-9774732.html>

Top Story 2

India's new GDP series to reboot consumption maths as spending shifts

India's consumption landscape has undergone a significant transformation, with both rural and urban households now allocating a larger share of their monthly spending to non-food items such as transport, clothing, housing-related needs, and durable goods. This marks a clear shift from earlier decades when food accounted for the largest portion of household budgets. The evolving spending behaviour reflects rising incomes, urbanisation, lifestyle changes, and greater access to services and consumer products. These updated consumption patterns will play a key role in improving how overall economic activity is measured. By incorporating more recent household expenditure data along with other survey and administrative inputs, the revised economic estimates aim to present a more accurate picture of domestic demand. The changes will strengthen the calculation of private consumption, which is a major driver of economic growth. Overall, the updated approach is expected to enhance data accuracy, improve policy planning, and better reflect the realities of India's modern, consumption-driven economy.

https://www.business-standard.com/amp/economy/news/india-s-new-gdp-series-to-reboot-consumption-maths-as-spending-shifts-125121601433_1.html

Economy

Bank Credit Growth Stays Resilient With 11.5 Per Cent Growth

India's banking and credit landscape is showing healthy momentum, supported by improved affordability following recent tax rationalization measures. Retail credit demand has strengthened, particularly for secured products such as housing finance, vehicle loans, and consumer durable financing, reflecting rising household confidence and spending capacity. Overall bank lending continues to grow at a steady double-digit pace, signalling sustained credit flow across the economy. Credit expansion is being driven largely by retail borrowers and small businesses, aided by improving consumption trends and a gradual pickup in rural economic activity. Encouraging signs of recovery are also visible in industrial and corporate borrowing, pointing to stronger business confidence and renewed investment intent. Semi-urban and rural areas account for a significant share of new credit, highlighting deeper financial penetration beyond major cities. The borrower base is also expanding, with an increase in first-time borrowers and higher participation from younger age groups. While overall asset quality remains stable, some pockets of stress are emerging in select small-ticket loan segments. Despite this, the broader outlook remains positive, reflecting strengthening economic activity and a resilient credit ecosystem in India.

<https://zeenews.india.com/economy/bank-credit-growth-stays-resilient-with-11-5-per-cent-growth-centre-2996820.html>

Market

India's central bank governor signals rates to stay low for 'long period'

India's central bank has signalled that interest rates are expected to remain low for an extended period, supported by a phase of strong economic growth and easing inflationary pressures. Recent monetary easing has helped create a favourable balance of steady growth and contained inflation, allowing policymakers to maintain an accommodative stance. Inflation has remained well below the lower end of the target range, though it is expected to rise gradually in the coming quarters while staying manageable. Economic growth, which touched strong levels earlier in the year, is projected to moderate slightly but remain robust compared to global peers. India continues to stand out as the fastest-growing large economy, driven largely by domestic demand. Although higher trade barriers briefly raised concerns for exports, the overall impact has been limited due to India's diversified growth base and lower export dependence. The situation has encouraged faster implementation of structural reforms, including tax simplification and labour policy changes, supporting long-term economic resilience and stability.

<https://www.ft.com/content/55cd3608-7f2a-485a-be17-37735947d619>

Finance

India bonds rise before debt buy, RBI FX move ups bets of more liquidity

Indian government bonds edged higher as investors positioned themselves ahead of an expected central bank debt purchase and supportive actions in the foreign exchange market. Bond prices rose, leading to a marginal decline in yields, reflecting improved sentiment in the fixed-income market. The central bank stepped in strongly to support the domestic currency after a period of sustained weakness, which helped restore confidence among market participants. The currency saw a sharp rebound, easing concerns around external pressures. This intervention strengthened expectations that additional liquidity support would continue in the financial system beyond the immediate bond purchase. Market participants also remained optimistic due to the anticipated large-scale purchase of government securities, which is expected to inject liquidity and stabilise yields. Overall, the combination of proactive currency management and planned bond buying has lifted confidence in monetary support measures. These developments are viewed as constructive for financial market stability and credit conditions in India, reinforcing expectations of orderly liquidity management in the near term.

<https://economictimes.indiatimes.com/markets/bonds/india-bonds-rise-before-debt-buy-rbi-fx-move-ups-bets-of-more-liquidity/articleshow/126031070.cms?from=mdr>

Investment

General Catalyst to expand investment in India's AI, space tech

Global venture capital firm General Catalyst is ramping up its investment focus on India, targeting key high-tech sectors such as manufacturing, space technology, artificial intelligence (AI), and defence technology. The firm, which recently closed a multi-billion-dollar global fund, has already invested in several Indian startups, including supply chain platforms and drone makers, and is exploring funding opportunities with emerging companies in defense and AI. In addition to direct startup investments, the firm is engaging with large Indian conglomerates to foster partnerships that integrate innovative technologies with established supply chains, strengthening collaboration between new-age companies and traditional industry players. Previous investments also include fast-growing digital platforms preparing for public offerings. This strategic move highlights the increasing confidence of global investors in India's advanced technology ecosystem and demonstrates a commitment to supporting innovation, boosting capabilities in strategic sectors, and contributing to job creation and long-term growth within the country's technology landscape.

<https://www.techinasia.com/news/general-catalyst-to-expand-investment-in-indias-ai-spacetech>

Metric	15-Dec-2025 Rate	16-Dec-2025 Rate	Change
USDINR	₹90.650	₹90.920	+0.270 ₹
EURINR	Data NA	Data NA	—
GBPINR	Data NA	Data NA	—
JPYINR	Data NA	Data NA	—
NIFTY 50	Data NA	Data NA	—
BSE Sensex	Data NA	Data NA	—