

Top Story 1

India-Oman trade and investment ties deepen amid strong economic momentum

India continues to strengthen its economic and commercial partnership through steadily expanding trade and investment linkages. Bilateral trade has shown sustained growth over recent years, reflecting increasing diversification beyond traditional segments. India has emerged as an important trading partner, while the relationship increasingly extends into non-traditional areas, highlighting complementary economic strengths. Export growth has been supported by a wide basket of manufactured and value-added goods, while imports continue to meet India's requirements for essential inputs and resources. Investment ties remain robust, supported by a large network of joint ventures and long-term capital commitments. These investments have contributed meaningfully to economic activity and employment, reinforcing confidence in India's growth potential. Institutional investment mechanisms have further strengthened financial cooperation and facilitated sustained capital inflows. Indian enterprises have expanded their overseas footprint through joint ventures and special economic zones, spanning both emerging and established segments. Overall, the partnership is increasingly shaped by diversification, sustainability, and long-term strategic alignment, positioning India for continued trade and investment growth in the coming years.

<https://ddnews.gov.in/en/india-oman-trade-and-investment-ties-deepen-amid-strong-economic-momentum/>

Top Story 2

India-Oman trade and investment ties deepen amid strong economic momentum

India is set to finalize a free trade agreement with a strategic partner in the Gulf region, marking a significant step in strengthening its global economic engagement. The agreement is expected to enhance bilateral trade, investment flows, and long-term economic cooperation, reflecting India's growing role in international commerce. By reducing trade barriers and improving market access, the pact aims to create new opportunities for Indian businesses, exporters, and investors while supporting supply chain integration and competitiveness. The agreement also signals India's commitment to building resilient and diversified trade partnerships aligned with its broader economic and strategic objectives. It is expected to encourage greater collaboration in trade facilitation, investment promotion, and regulatory cooperation, helping Indian enterprises expand their global footprint. Overall, the free trade agreement reinforces India's position as an attractive trade and investment destination and supports its ambition to deepen economic ties with key global regions while sustaining growth and stability.

<https://www.cnbctv18.com/economy/india-oman-fta-pm-narendra-modi-sign-cepa-bilateral-meetings-sultan-haitham-bin-tarik-19794836.htm>

Economy

India's Economy Poised for 7.5% GDP Growth in FY26 with Strong Investment and Rupee Set to Strengthen in FY27

India's real GDP is projected to grow at a robust pace of around 7.5% in the near term, before moderating slightly to about 7% over the medium term, reflecting a stable and resilient macroeconomic outlook despite global uncertainties. Economic momentum is expected to remain strong, supported by comfortable inflation levels, easing interest rates, and a relatively lower tax burden. Improved trade engagement prospects could provide additional upside to growth. The domestic currency, after recent weakness, is expected to strengthen gradually over the medium term, aided by stable fundamentals and improving capital inflows. Early signs of revival in the investment cycle are visible through rising order books and stronger capital expenditure activity, while increasing foreign investment inflows signal growing global confidence in India's growth story. Ongoing market-oriented reforms are expected to further enhance investor sentiment. Growth moderation later is attributed to normalizing consumption and changing export patterns. External balances are expected to remain manageable, while fiscal consolidation efforts are likely to continue, supporting long-term macroeconomic stability in India.

<https://indianmasterminds.com/news/india-economy-gdp-growth-fy26-careedge-rupee-outlook-168981/>

Market

RBI repo rate cut: Prepay your home loan now to save interest outgo; here's how

Loan borrowers in India have reason to cheer as recent policy easing has provided meaningful relief, particularly for those with long-term home loans. A further reduction in policy rates has extended the benefits of a series of cuts implemented this year, resulting in a significant cumulative decline in borrowing costs. Banks have started passing on these benefits, leading to lower lending rates for loans linked to external benchmarks. As a result, home loans and other retail credit products have become more affordable for both new and existing borrowers. Reduced interest rates translate into lower monthly instalments, easing household cash flows and improving overall financial comfort. This environment supports stronger consumption and encourages individuals to plan long-term purchases with greater confidence. However, while lower instalments are a welcome relief, borrowers should remain focused on disciplined financial planning. Using the savings to reduce principal or strengthen savings can further improve long-term financial stability. Overall, the move supports growth, affordability, and borrower confidence in India.

<https://timesofindia.indiatimes.com/business/financial-literacy/debt-management/rbi-repo-rate-cut-prepay-your-home-loan-now-to-save-interest-outgo-heres-how/articleshow/125973802.cms>

Finance

India's parliament approves bill to raise foreign direct investment in insurance to 100%

India's Parliament has passed a landmark bill to **raise the foreign direct investment (FDI) limit in its insurance sector from 74% to 100%**, marking a major policy shift aimed at attracting larger capital inflows and global participation. The legislation amends key insurance laws to allow full foreign ownership, enabling international insurers to operate without requiring domestic partners, which is expected to enhance competition and bring in fresh capital, expertise, and technology. This change is part of broader reforms to deepen market access, improve regulatory flexibility, and support the expansion of insurance coverage across the country. The move is also designed to strengthen risk assessment models, boost product innovation, and improve distribution networks, particularly in under-penetrated segments. Additionally, the bill includes provisions to establish a policyholder protection fund and modernise regulatory oversight. By opening the sector to full foreign investment, the measure aims to accelerate growth, enhance service quality, and increase financial inclusion

<https://www.reuters.com/world/india/indias-parliament-approves-bill-raise-foreign-direct-investment-insurance-100-2025-12-17/>

Digitalization

Indian Telecom Companies Announce Major Investment in AI Data Centers

India's leading companies are planning to invest over ₹1 lakh crore in large-scale, AI-ready data centers over the next two to three years, signaling a strategic shift toward advanced digital infrastructure. The focus is moving away from traditional connectivity-led revenue toward high-performance computing and next-generation digital services. Currently, offerings such as cloud platforms, cybersecurity solutions, connected digital systems, and AI-driven tools account for around 15–30% of total revenues. This share is expected to rise to 30–40% in the coming years, positioning digital and enterprise services as a core earnings driver. Major capacity expansions are underway, including large AI hubs and multi-gigawatt data center projects designed to support intensive computing workloads. These investments aim to attract global clients seeking reliable, scalable computing infrastructure and strengthen India's position in the global technology ecosystem. Companies also expect AI adoption to lower operational costs, with efficiency gains likely to materialize within 18–24 months, supporting long-term profitability and innovation-led growth.

<https://www.goodreturns.in/news/indian-telecom-companies-announce-major-investment-in-ai-data-centres-1476836.html>

Metric	17-Dec-2025 Rate	18-Dec-2025 Rate	Change
USDINR	₹90.6020	₹90.4000	-0.2020 ₹
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	—

