



<p><b>International Developments</b></p>	<ul style="list-style-type: none"> <li>• President Donald Trump nominated Kevin Warsh to be the next Federal Reserve chair.</li> <li>• US GDP expanded at an annualized pace of 4.40% in the final estimate for Q3-2025.</li> <li>• Data from National Bureau of Statistics show China's GDP grew 5% year-on-year to 140.19 trillion yuan (\$20.13 trillion) in 2025, meeting the annual growth target of around 5% and surpassing the 140-trillion-yuan threshold for the first time. China's GDP grew 4.50% in Q4-2025.</li> <li>• Annual consumer inflation in the United States rose at 2.70% in December 2025.</li> <li>• Chinese consumer prices rose 0.80% from a year earlier in December, the highest level since February 2023. For the full calendar year, inflation was zero. Producer prices fell 1.90% in December.</li> <li>• Japan's annual inflation eased to 2.10% in December 2025.</li> <li>• US trade deficit narrowed to \$29.40 billion in October, down from a downwardly revised \$48.10 billion in September.</li> <li>• China registered a trade surplus of nearly \$1.20 trillion in 2025, a jump over the \$992 billion recorded in 2024.</li> <li>• Japan's trade deficit shrank 52.90% from a year earlier in 2025 to \$16.70 billion.</li> <li>• US President Donald Trump announced a 25% tariff on countries conducting business with Iran.</li> <li>• IMF raised its global growth forecast to 3.30% from 3.1% for 2026.</li> <li>• World Bank raised 2026 global growth forecast to 2.60%, saying the global economy has proved surprisingly shock-proof in the face of an “historic” escalation in trade tensions.</li> </ul>
<p><b>Indian Economy</b></p>	<ul style="list-style-type: none"> <li>• As per the First Advance Estimates, real GDP has been estimated to grow by 7.40% in FY26 against the growth rate of 6.50% during FY25. Nominal GDP is estimated to grow at 8.0% in FY26.</li> <li>• Gross GST collections were recorded at ₹1.93 lakh crore in January 2026.</li> </ul>

<p><b>Indian Economy</b></p>	<ul style="list-style-type: none"> <li>• India recorded a fiscal surplus of ₹1.21 lakh crore in December 2025. Fiscal deficit for April-December FY26 stood at ₹8.55 lakh crore i.e., 54.55% of the budgeted estimates of ₹15.69 lakh crore for FY26.</li> <li>• The Index of Industrial Production (IIP) expanded 7.80% in December 2025 as against a growth of 3.70% in December 2024. IIP expanded 3.90% in April-December FY26.</li> <li>• The eight core industries with a combined weight of 40.27% in the Index of Industrial Production (IIP) grew 3.70% in December 2025 (provisional) compared to a growth of 5.10% in December 2024. The core sector grew 2.60% in April-December FY26 compared to a growth of 4.50% in April-December FY25.</li> <li>• India's overall exports (Merchandise and Services combined) in December 2025 stood at \$74.01 billion compared to \$74.77 billion in December 2024 while overall imports stood at \$80.94 Billion in December 2025 compared to \$76.23 billion in December 2024. Overall trade deficit for December 2025 is estimated at \$6.92 billion.</li> <li>• Provisional annual inflation rates based on all India general CPI Rural, Urban and Combined for December 2025 stood at 0.76%, 2.03% and 1.33% respectively. Inflation rates (final) for Rural, Urban and Combined for November 2025 were 0.10%, 1.40% and 0.71% respectively.</li> <li>• The annual rate of inflation, based on monthly WPI, stood at 0.83% (provisional) for December 2025 as compared to -0.32% in November 2025. The final WPI for October 2025 stood at -1.02%.</li> <li>• The year-on-year inflation rates for the CPI-AL and CPI-RL stood at 0.04% and 0.11%, respectively, in December 2025.</li> <li>• Year-on-year CPI-IW inflation for December 2025 was 3.13% as compared to 3.53% in December 2024.</li> <li>• India's holding of US Treasury Securities dropped from \$190.70 billion at the end of October 2025 to \$186.50 billion at the end of November 2025.</li> <li>• Net direct tax collections for FY26 up to January 11 stood at ₹18.37 lakh crore, a y-o-y growth of 8.80%.</li> </ul>
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<p><b>Indian Economy</b></p>	<ul style="list-style-type: none"> <li>• India's unemployment rate (UR) edged up marginally to 4.80% in December, with urban UR rising to 6.70% even as rural UR remained steady at 3.90%.</li> <li>• HSBC India Manufacturing PMI recovered to 55.4 in January 2026 from 55 in December 2025. India's services PMI rose to 58.5 from 58 in December 2025. Composite PMI was 58.44 in January 2026 from 57.8 in December 2025.</li> <li>• India drew \$51 billion in FDI in the last six months, indicating strong global investor interest.</li> <li>• India's power distribution utilities (DISCOMs and power departments) collectively recorded a positive Profit After Tax (PAT) of ₹2701 crore in FY25 marking a significant turning point for the sector.</li> <li>• India and the European Union (EU) announced their Free Trade Agreement (FTA).</li> <li>• The Economic Survey 2025-26 was tabled in the Parliament.</li> <li>• Sebi Chairman Tuhin Kanta Pandey said the regulator is working with RBI to facilitate bond derivatives.</li> <li>• In its latest Global Economic Prospects report, World Bank projected India's economy to grow 7.20% in FY26, supported by strong domestic demand despite rising global trade tensions. Growth in South Asia strengthened to 7.10% in 2025, "mainly because of resilient activity in India", the report noted.</li> <li>• IMF revised India growth outlook upwards, pegging FY26 at 7.30% with FY27 and FY28 at 6.40%.</li> <li>• The UN 'World Economic Situation and Prospects 2026' report projects India's GDP growth to slow to 6.60% in 2026 due to US tariffs.</li> <li>• Moody's projected India's GDP growth at 7.30% for FY25.</li> </ul> <p><b>Union Budget FY27 Highlights:</b></p> <ul style="list-style-type: none"> <li>• Gross market borrowings estimated at ₹17.20 lakh crore and the net market borrowings from dated securities estimated at ₹11.70 lakh crore;</li> </ul>
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<p><b>Indian Economy</b></p>	<ul style="list-style-type: none"> <li>• Non-debt receipts and the total expenditure estimated as ₹36.50 lakh crore and ₹53.50 lakh crore respectively. The Centre's net tax receipts are estimated at ₹28.70 lakh crore;</li> <li>• Total resources being transferred to the States in BE FY27 is ₹25.44 lakh crore;</li> <li>• Central Government will target reaching a debt-to-GDP ratio of 50±1% by 2030.</li> <li>• Debt-to-GDP ratio is estimated to be 55.60% of GDP in BE FY27, compared to 56.10% of GDP in RE FY26.</li> <li>• In RE FY26, the fiscal deficit has been estimated at par with BE of FY26 at 4.40% of GDP. In line with the new fiscal prudence path of debt consolidation, the fiscal deficit in BE FY27 is estimated to be 4.30% of GDP.</li> <li>• Fiscal Deficit in BE FY27 is estimated to be 4.30% of GDP. Fiscal Deficit for FY26 estimated at par with BE of FY26 at 4.40% of GDP;</li> <li>• The Government has accepted the recommendation of the 16th Finance Commission to retain the vertical share of devolution at 41%.             <ul style="list-style-type: none"> <li>○ Provision of ₹1.40 lakh crore to the States for the FY27 as Finance Commission Grants. These include Rural and Urban Local Body and Disaster Management Grants.</li> </ul> </li> <li>• High Level Committee on Banking for Viksit Bharat to be set up to align with India's next growth phase;</li> <li>• Incentive of ₹100 crore for single issuance of municipal bonds of more than ₹1000 crore. Current Scheme under AMRUT will continue;</li> <li>• Restructuring Power Finance Corporation (PFC) and Rural Electrification Corporation (REC);</li> <li>• Comprehensive Review of the Foreign Exchange Management (FEMA) (Nondebt Instruments) Rules;</li> <li>• Introduction of market making framework and total return swaps on corporate bonds;</li> </ul>
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<p><b>Indian Economy</b></p>	<ul style="list-style-type: none"> <li>• Raised the STT on Futures from 0.02% to 0.05%; STT on options premium and exercise of options to be raised to 0.15% from rate of 0.1% and 0.125%, respectively;</li> <li>• Dedicated ₹10000 crore SME Growth Fund and Top up the Self-Reliant India Fund (2021) with ₹2000 crore;</li> <li>• New Income Tax Act, 2025 to come into effect from April 2026.</li> <li>• India Ratings and Research projected India's real GDP to grow 6.90% in FY27, easing from an estimated 7.40% in FY26.</li> </ul>
<p><b>Reserve Bank of India:</b> (Source: <a href="http://rbi.org.in">http://rbi.org.in</a>)</p>	<ul style="list-style-type: none"> <li>• The quantum of total market borrowings by the State Governments/UTs is expected to be ₹5 lakh crore for Q4-FY26.</li> <li>• RBI entered into an Agreement under sub-section (1) of Section 21A of the Reserve Bank of India Act, 1934 with the Government of National Capital Territory of Delhi (GNCTD) to carry on the general banking business of GNCTD and manage its rupee public debt effective from January 9, 2026.</li> <li>• The WMA limit for GNCTD have been fixed at ₹890 crore, effective from January 9, 2026. The revised aggregate WMA limit for State Governments/UTs will be ₹61008 crore as against the existing limit of ₹60118 crore.</li> <li>• RBI and the ESMA signed a MoU on cooperation and exchange of information in relation to CCPs regulated and supervised by RBI.</li> <li>• RBI issued Amendment Directions on Priority Sector Lending - Targets and Classification.</li> <li>• RBI issued Amendment on Cash Reserve Ratio and Statutory Liquidity Ratio.</li> <li>• RBI notified Foreign Exchange Management (Guarantees) Regulations, 2026.</li> <li>• RBI notified Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026 and Directions on Export and Import of Goods and Services.</li> </ul>

<p><b>Reserve Bank of India:</b> (Source: <a href="http://rbi.org.in">http://rbi.org.in</a>)</p>	<ul style="list-style-type: none"> <li>• RBI notified sixteen Amendment Directions on lending to Related Parties by Regulated Entities.</li> <li>• RBI notified Reserve Bank of India (All India Financial Institutions (AIFIs) - Prudential Norms on Capital Adequacy) Amendment Directions 2026, Reserve Bank of India (Small Finance Banks - Prudential Norms on Capital Adequacy) Amendment Directions 2026 and Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Amendment Directions 2026.</li> <li>• RBI issued Reserve Bank of India (Internal Ombudsman) Directions, 2026.</li> <li>• RBI issued Reserve Bank - Integrated Ombudsman Scheme, 2026.</li> <li>• RBI invited public comments on Discussion Paper - Licensing of Urban Co-operative Banks (UCBs) and the Draft Amendment Directions on 'Clarification on Owned Fund / Tier 1 Capital computation for NBFCs / ARCs and applicability to “Credit / Investment Concentration” Norms'.</li> <li>• RBI issued draft Directions on relief measures in areas affected by natural calamities.</li> <li>• RBI recognized FEDAI as an SRO for all Authorised Dealers.</li> <li>• RBI invited public comments on the draft Amendment Directions on Net Open Position – Revised Instructions.</li> <li>• RBI invited comments on the draft “Reserve Bank of India (Prudential Norms on Dividend and Remittance of Profit) Directions, 2026”.</li> <li>• RBI invited public comments on the Draft Reserve Bank of India (Urban Co-operative Banks - Governance) Amendment Directions, 2026 and Draft Reserve Bank of India (Rural Co-operative Banks - Governance) Amendment Directions, 2026.</li> <li>• RBI granted 'In-principle' Approval to Sumitomo Mitsui Banking Corporation, Japan for setting up a Wholly Owned Subsidiary (WOS) in India.</li> <li>• RBI launched 113th Round of Quarterly Industrial Outlook Survey - Q4-FY26 and 48th Round of Quarterly Services and Infrastructure Outlook</li> </ul>
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<p><b>Reserve Bank of India:</b> (Source: <a href="http://rbi.org.in">http://rbi.org.in</a>)</p>	<p>Survey - Q4-FY26.</p> <ul style="list-style-type: none"> <li>• RBI launched quarterly order books, inventories and capacity utilisation survey for Q3-FY26 (Round 72).</li> <li>• RBI released the Report 'State Finances: A Study of Budgets of 2025-26'.</li> <li>• RBI released data on ECB/FCCB/RDB for November 2025.</li> <li>• RBI released data on sectoral deployment of bank credit for December 2025.</li> <li>• RBI released data on lending and deposit rates of Scheduled Commercial Banks for January 2026.</li> <li>• RBI released data on India's international trade in services for December 2025.</li> <li>• RBI released data on overseas direct investment for December 2025.</li> <li>• RBI released Supervisory Data Quality Index (sDQI) for SCBs for September 2025.</li> <li>• The first meeting of the Payments Regulatory Board (PRB) was held in Mumbai under the Chairmanship of RBI Governor Sanjay Malhotra.</li> <li>• RBI Governor Sanjay Malhotra highlighted the important role of NBFCs and HFCs in facilitating credit flow.</li> <li>• RBI Governor Sanjay Malhotra said the current level of the rupee is not a cause for concern and RBI's focus is on ensuring orderly movement in the currency rather than targeting a specific level.</li> <li>• RBI Deputy Governor Swaminathan J highlighted that banking supervision can no longer rely only on balance sheets and compliance checklists as digitisation reshapes risks.</li> <li>• The 3rd Annual Global Conference of the College of Supervisors of the Reserve Bank of India was held on Friday, January 9, 2026, on the theme, 'Regulation and Supervision – Adapting to the Digital Age'.</li> </ul>
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