

25 JUNE 2026

ASSOCHAM India Monitor

(AIM Weekly)

Vol. 3/Issue 4

A comprehensive weekly tracker of India's
macroeconomic indicators 



GDP GROWTH



INFLATION



INDUSTRIAL OUTPUT



Top Economic Developments



State Developments



Top Statistics



Weekly Market Mood



ASSOCHAM Analysis

Inaugural BRICS MSME Forum 2026 Held in Agra, India Advocates Policy Coordination

The Ministry of MSME successfully convened the inaugural BRICS MSME Forum 2026 in Agra, bringing together government representatives, policymakers, and industry leaders from BRICS Member and Partner Countries. Union MSME Minister Shri Jitan Ram Manjhi underscored that MSMEs are central to inclusive and sustainable economic development and that challenges in financing, technology adoption, sustainability, and market access require collaborative BRICS-level solutions.

India-US Ministerial Trade Talks Conclude

Commerce and Industry Minister Piyush Goyal concluded two days of ministerial discussions with US Trade Representative Jamieson Greer from June 22–24, reviewing progress on the first phase of the proposed Bilateral Trade Agreement (BTA), with both sides discussing market access, digital trade, and non-tariff barriers but giving no indication that all differences were resolved ahead of the July 24 tariff deadline. The talks were described as "substantial" in progress, with both sides aiming for a commercially meaningful interim arrangement.

Super El Niño Threat Flagged, India's Monsoon at Risk, 41% Rainfall Deficit Recorded

NOAA, USA, confirmed El Niño conditions in the equatorial Pacific Ocean and estimated a 63% probability of it strengthening into a strong or "super" event, raising serious concerns over India's southwest monsoon, as highlighted in UPSC current affairs tagged 22 June 2026. The southwest monsoon had stalled over southern Maharashtra, leaving the country with a 41% rainfall deficit between June 4 and June 18, with India receiving only 42.6 mm of rainfall against the normal 72.2 mm.

Russia Crude Oil Imports Surge: India Sourcing 2.66 mn bpd in June vs 1.91 mn bpd in May, week of 22 June

India imported an average of 2.66 million barrels per day of crude oil from Russia in June through June 19, compared to 1.91 million barrels per day in May 2026, as reported in current business news this week. This sharp surge reflects India's deepened reliance on discounted Russian crude amid elevated global energy prices driven by the West Asia conflict, with the Indian crude basket having averaged around USD 110 per barrel during April-May 2026.

India's 10-Year G-Sec Yield Drops to 3-Month Low

Indian government bonds enjoyed a remarkable climb on Wednesday, with the 10-year yield experiencing its most significant drop in a month. RBI Governor Sanjay Malhotra commented that contemplating interest rate hikes is premature, and decreasing oil prices contributed to positive market sentiment, driving yields down to three-month lows. This follows the June 2026 MPC decision to hold the repo rate at 5.25% with a neutral stance, while the RBI also expanded the Fully Accessible Route for FPIs in long-term government securities.

CM Yogi Inaugurates ₹1,766 Crore Projects in Lalitpur, Bundelkhand

Uttar Pradesh Chief Minister Yogi Adityanath inaugurated and laid the foundation stone for 221 development projects worth ₹1,766 crore in Lalitpur district, reaffirming the state government's focus on accelerating growth in the Bundelkhand region. The projects cover key sectors including infrastructure, drinking water supply, roads, education, healthcare, irrigation and public welfare, aimed at improving the quality of life and boosting economic opportunities for local residents.

Karnataka CM D.K. Shivakumar Meets PM Modi, Seeks Centre's Support for Bengaluru Infrastructure

Karnataka Chief Minister D.K. Shivakumar met Prime Minister Narendra Modi in New Delhi and discussed Karnataka's key development priorities, including infrastructure expansion, investments, urban mobility, irrigation projects, innovation and welfare initiatives. He urged the Union government to fast-track approvals for more than ₹13,500 crore in pending development proposals for Bengaluru, and reiterated the state's commitment to cooperative federalism.

Adani opens Mundra Airport for scheduled commercial flights to 4 cities

The Adani Group is planning to make an investment of Rs 90,000 crore to Rs 1 lakh crore across all airports over the next five years, Jeet Adani, Director at Adani Airport Holdings told reporters after the announcement to start commercial flight operations from Mundra airport (/topic/mundra-airport) with Star Air connecting key domestic destinations.

Karnataka Government Clears Project Worth Rs 7,506 Crore

The Karnataka Government cleared a project worth Rs 7,506 crore on 23 June 2026. This adds to the state's growing project pipeline in infrastructure and industrial development, reinforcing Karnataka's position as a leading destination for large-scale investment, particularly in its industrial corridors and the Bengaluru metropolitan region.

MHADA Launches Rs 4 Lakh Crore Redevelopment Programme in Mumbai

MHADA's redevelopment programme under the Construction & Development Agency (C&DA) model covers 925 acres across 11 projects in Mumbai, with an estimated investment of Rs 4 lakh crore. The programme will pave the way for the construction of around 75,000 rehabilitation tenements and nearly 30,000 housing units. This is one of the largest urban housing redevelopment programmes in India's history, targeting replacement of ageing housing stock with contemporary residential developments across Mumbai's key localities.

UP Aims to Become National AI Infrastructure Hub, Targets 2 GW Capacity

The Uttar Pradesh government announced its ambition to become an AI infrastructure hub, targeting an addition of 2 GW of capacity to support data centres and compute infrastructure for artificial intelligence applications. This follows the state's broader strategy around the Jewar (Noida International Airport) corridor as an emerging tech-industrial zone, and aligns with India's national IndiaAI Mission.

Total Exports Surge 15.83% YoY; Deficit Widens on Oil Imports

India's total exports (merchandise and services combined) for May 2026 are estimated at US\$ 81.96 billion, registering a growth of 15.83% over May 2025. Cumulative exports during April–May 2026-27 stood at US\$ 162.69 billion, up 14.66% over the corresponding prior-year period. Merchandise imports during May 2026 were US\$ 73.41 billion compared to US\$ 60.86 billion in May 2025, widening the merchandise trade deficit to US\$ 56.44 billion for the April–May period. Strong export growth in petroleum products, engineering goods, and other cereals drove the performance, though elevated energy import costs remain a pressure point.

Core Industries recorded 0.5% growth in May 2026

India's eight core infrastructure industries recorded a modest 0.5% growth in May 2026 compared to the same month last year, with cement (+8.4%), steel (+5%), and electricity (+8.7%) recording growth, while coal production fell 9.3% and crude oil output declined 4.6%, dragging down overall growth.

India's Internet Base Crosses 1.09 Billion in Q4 FY26

India's digital base expanded further in the March quarter, with total internet subscribers crossing 1,092 million, TRAI said in its Indian Telecom Services Performance Indicators report for Jan–Mar 2026, with the broadband internet subscriber base increasing by 5.81% from 1,007.35 million at end-December 2025 to 1,065.88 million at end-March 2026. Total telephone subscribers reached 1,330.58 million, overall tele-density improved to 93.26%, wireless ARPU stood at Rs 196.04, average data usage reached 26.70 GB per subscriber per month, and sector Gross Revenue for the quarter came in at Rs 1,05,118 crore, up 2.58% over the previous quarter.

Net FDI Surges to \$6.6 Billion in April 2026, Highest in Nearly Five Years

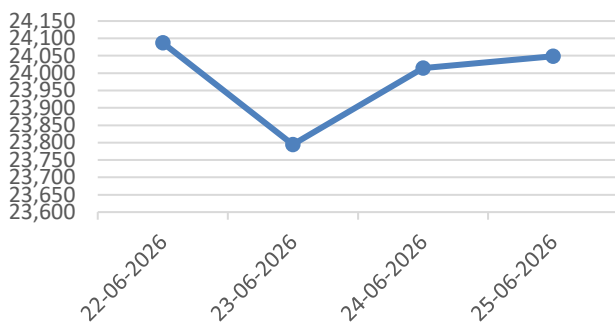
Despite the war in West Asia, foreign direct investment (FDI) inflows rose sharply in both gross and net terms in April this year, bucking the trend of heightened outflows by foreign portfolio investors.

Gross FDI inflows rose to \$15.3 billion in April this year compared with \$9.3 billion in the same month last year. Similarly, net FDI inflows rose to \$6.6 billion from around \$1.6 billion during the same period, the Reserve Bank of India's (RBI) monthly bulletin for June shows.

India's Private Sector Growth Eases to 3-Month Low in June 2026

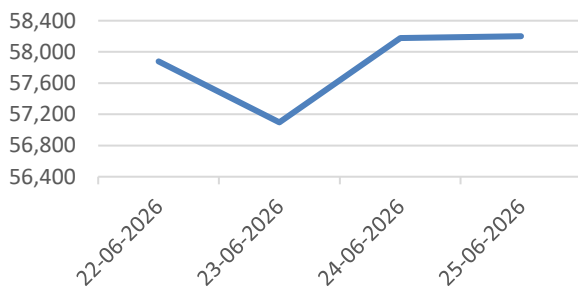
India's private sector activity fell to a three-month low in June as slower demand growth for Indian goods and services dragged down output levels and employment generation. HSBC's Flash India Composite PMI fell to 57.4, down from a final reading of 59.3 in May — the lowest since March. The HSBC Flash India Manufacturing PMI fell to 54.5 in June from 55 in May, and the Flash India Services PMI declined to a 17-month low of 57.3 from 59.8 in May. Despite the moderation, both indicators remain firmly above the 50-mark, signaling continued expansion for the 59th consecutive month.

NIFTY 50



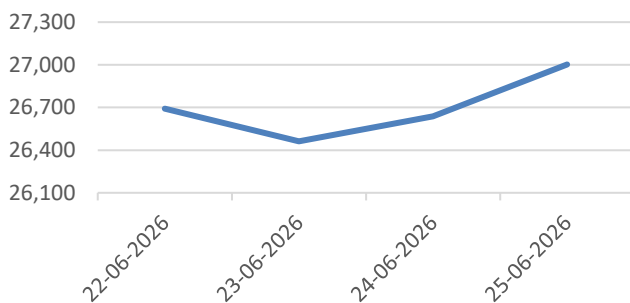
Indian equity markets faced sharp pressure on 23 June as a weak monsoon outlook and a 17-month low in India's Flash Services PMI dragged Nifty down to 23,794. The index recovered subsequently, closing above 24,000 on 24 June, supported by RBI Governor Malhotra's reassuring comments on rates, falling crude prices, and optimism around an India-US trade deal.

NIFTY BANK



Bank Nifty opened the week under pressure, closing at 57,097 on 23 June as broad-based selling weighed on banking counters. The index recovered sharply by mid-week, with Bank Nifty expiring on 24 June at a strong close of 58,180, led by ICICI Bank and HDFC Bank. The index showed relative resilience compared to the broader market, with 57,500–57,600 remaining the key resistance zone to watch.

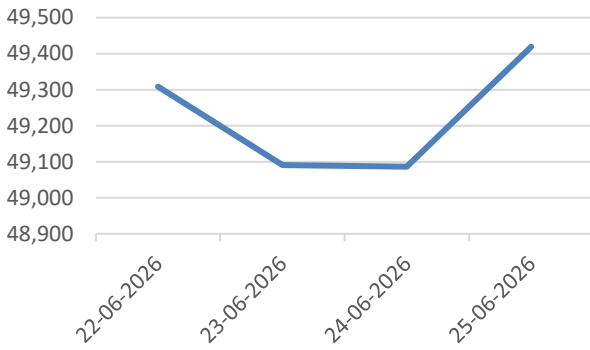
NIFTY AUTO



Nifty Auto traded in modest negative territory early in the week, hovering around 26,462 on 23 June amid broader market weakness. The index recovered gradually through the week alongside the broader market rebound, settling near 27,002 by 25 June. The sector remained largely range-bound with no major company-specific triggers, as investors awaited fresh monthly volume data from auto manufacturers.

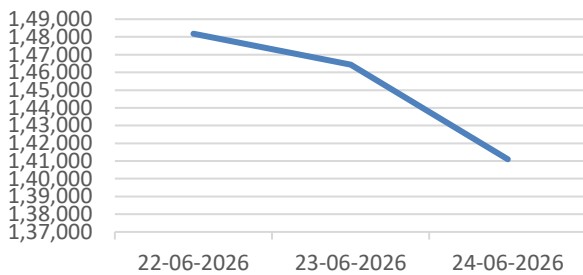
Date	USD (INR / 1 USD)	GBP (INR / 1 GBP)	EUR (INR / 1 EUR)	JPY (INR / 100 JPY)
25-06-2026	94.4804	124.4987	107.3637	58.38
24-06-2026	94.698	124.9322	107.6344	58.57
23-06-2026	94.7064	125.3897	108.2008	58.58
22-06-2026	94.4938	124.8528	108.2543	58.46

NIFTY FMCG



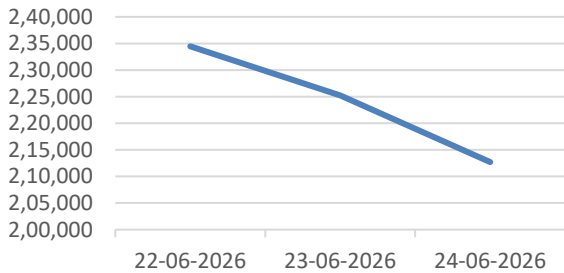
Nifty FMCG was among the more resilient sectoral indices of the week, benefiting from defensive rotation as investors moved away from rate-sensitive sectors. The index held steady near 49,091 on 23 June even as broader markets sold off sharply. It closed around 49,419 on 25 June, with the sharp fall in crude oil prices through the week providing an additional tailwind for sector margins and investor confidence.

Gold (INR/10 GM)



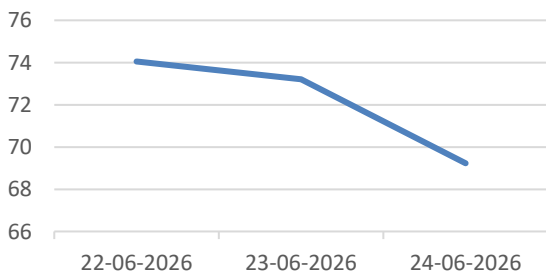
Gold opened the week with a mild recovery, with 24K prices touching approximately ₹1,48,182 per 10 grams on 22 June. However, the metal came under sustained pressure through the week as the US Fed Reserve's hawkish stance and a strengthening dollar dampened safe-haven demand. MCX gold slipped to an intraday low of around ₹1,40,543 per 10 grams on 25 June, extending its decline for three consecutive sessions.

Silver (INR/KG)



Silver began the week on a firm note, recovering to around ₹2,39,300 per kg on 22 June on the back of improved industrial demand sentiment. The metal, however, witnessed sharp losses as the week progressed. MCX silver fell over 3 per cent to around ₹2,25,260 per kg by 23 June, and touched an intraday low of ₹2,10,043 per kg on 25 June before recovering marginally, as a stronger dollar and hawkish Fed expectations eroded earlier gains.

Crude (\$/BL) Price



Crude oil posted its steepest weekly decline among major commodities, driven by rapidly easing supply concerns in West Asia. Resumption of tanker traffic through the Strait of Hormuz and recovery of UAE oil exports to nearly 85 per cent of pre-war levels pushed prices down approximately 40 per cent from their wartime peak. WTI crude fell below \$70 per barrel by 24 June, its lowest since late February, while Brent slipped below \$74 per barrel, with its prompt spread shifting into bearish contango for the first time since the conflict began.

ICI Records 0.5% Growth in May 2026; Steel, Cement and Electricity Drive Positive Performance

The combined Index of Eight Core Industries increased by 0.5 per cent (provisional) in May 2026 compared to May 2025, as per data released by the Ministry of Commerce & Industry, Government of India on 22 June 2026. Of the eight constituent sectors, Steel, Cement and Electricity recorded positive growth, offsetting broad-based contraction in energy-related sectors including Coal, Crude Oil, Natural Gas, and Petroleum Refinery Products.

The ICI covers eight core infrastructure industries, i.e.: Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity which constitutes 40.27 per cent of the weight of items included in the Index of Industrial Production. The final growth rate of ICI for April 2026 was revised to 1.8 per cent. The cumulative growth rate of ICI during April–May 2026-27 stands at 1.1 per cent (provisional), the same as in the corresponding period of the previous year.

Industry	Weight (%)	Index May-25	Index May-26*	YoY Growth May-26 (%)	Cumulative Apr-May 26-27 (%)
Coal	10.33	189.8	172.1	-9.3%	-9.1%
Crude Oil	8.98	76.5	73.0	-4.6%	-4.2%
Natural Gas	6.88	75.9	72.2	-4.9%	-4.5%
Refinery Products	28.04	143.3	130.9	-8.7%	-4.7%
Fertilizers	2.63	127.9	126.7	-0.9%	-4.5%
Steel	17.92	225.3	236.5	+5.0%	+5.2%
Cement	5.37	209.0	226.6	+8.4%	+8.3%
Electricity	19.85	218.5	237.5	+8.7%	+7.1%
Overall ICI	100.00	170.7	171.0	+0.5%	+1.1%

(Source: MoCI, PIB, Gol; 22 June 2026) *Provisional. Base Year: 2011-12=100.

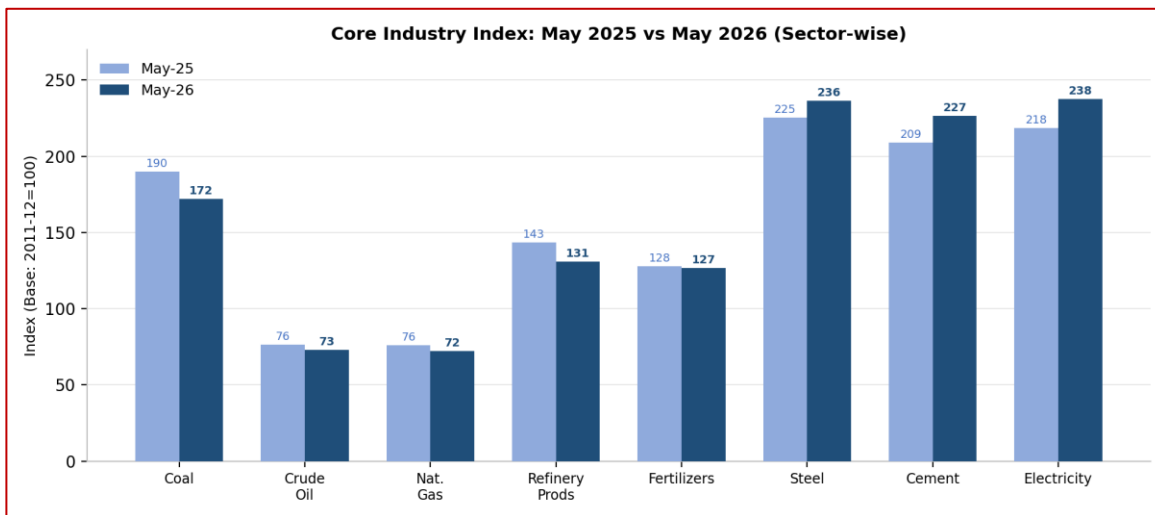
Sector-wise Growth Trend, May 2026 over May 2025

The growth pattern in May 2026 reflects a structural split in core sector performance. Energy and feedstock sectors together carry close to 56 per cent of the ICI weight and recorded broad-based contraction led by Petroleum Refinery Products (-8.7%), Coal (-9.3%), Natural Gas (-4.9%), and Crude Oil (-4.6%). In contrast, downstream industries including Electricity (+8.7%), Cement (+8.4%), and Steel (+5.0%) sustained strong expansion momentum, limiting overall ICI growth to a marginal 0.5 per cent.

May 2025 vs May 2026: Sector Index Comparison

A comparison of sector-level index values between May 2025 and May 2026 illustrates the divergence clearly. Steel (236.5 vs 225.3), Cement (226.6 vs 209.0) and Electricity (237.5 vs 218.5) registered higher indices in May 2026. In contrast, Coal (172.1 vs 189.8), Refinery Products (130.9 vs 143.3) and Natural Gas (72.2 vs 75.9) declined, weighed down partly by a high base and partly by structural production-side constraints.

ICI Records 0.5% Growth in May 2026; Steel, Cement and Electricity Drive Positive Performance



(Source: MoCI, PIB, GoI)

ASSOCHAM Perspective

Infrastructure-related sectors like Electricity, Cement and Steel are performing well, clearly showing the effect of ongoing government spending on highways, ports, railways and housing. The 8.7% increase in electricity generation, driven by high summer demand and growing renewable energy capacity, is positive.

However, the 9.3% decrease in coal production and 8.7% fall in refinery products, which make up the biggest parts of the index, are the main reasons overall ICI growth is limited to 0.5%. Coal's drop is partly because May 2025 had high output and reduced demand by CIL after a mild early summer. The drop in refinery output is due to planned maintenance shutdowns at major refineries during the month. This usually causes only a short-term slowdown.

The small drop in fertilizer production (-0.9%) also deserves attention because of reports about raw material supply problems linked to the ongoing West Asia conflict. ASSOCHAM sees the overall result as showing a temporary slowdown in energy output rather than a long-term demand issue. It expects the ICI to improve as refinery capacity returns and coal shipments return to normal in the coming months.

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