

11 SEPTEMBER 2026

ASSOCHAM India Monitor

· (AIM Weekly) ·

----- Vol. 6/Issue 2 -----

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



Oil Marketing Companies' Margins Turn Sharply Negative as Crude Surges

State-owned fuel retailers are losing approximately ₹5 per litre on petrol and ₹23 per litre on diesel as oil prices crossed the \$100 mark, with petrol marketing margins falling to minus ₹4.2 per litre by September 7 (from minus ₹2 a week earlier) and diesel margins slipping to around minus ₹24.9 per litre, according to Equirus data. This margin compression puts oil marketing companies under acute financial pressure and raises the question of whether fuel-price freezes can hold if the crude shock persists.

Union Cabinet Clears ₹10,783 Crore Railway Projects Spanning 656 km Across Five States

The Cabinet Committee on Economic Affairs on Wednesday approved three railway multitracking projects worth Rs 10,783 crore, which will add about 656 km to the Indian Railways network across West Bengal, Jharkhand, Odisha, Madhya Pradesh and Chhattisgarh. The projects are targeted for completion by 2029-30

IDBI Bank Sale: Government Finalising Timing of Fairfax Deal Announcement

The government is working out the timing of announcing the IDBI Bank sale to Fairfax, with valuation remaining a key consideration given the reserve price was known to bidders when they entered the process. This long-pending privatisation move remains a significant item on India's banking-reform and disinvestment agenda.

Government Working to Permit Ethanol Blending Beyond E20 via Flex-Fuel Vehicles

India is working to allow ethanol blending beyond the current E20 level, enabled by flexi-fuel vehicles, continuing the country's biofuel-diversification push. This is particularly timely given the current crude oil price shock, as higher ethanol blending directly reduces India's import dependence on crude.

Nexus Select Trust to Acquire Galaxy Infra Creations for ₹1,600 Crore

Realty firm Nexus Select Trust said it will acquire a 100 per cent stake in Galaxy Infra Creations Pvt Ltd, which is constructing a shopping mall and a hotel in Guwahati, for Rs 1,600 crore. Nexus Select Trust is a listed retail-assets backed REIT (Real Estate Investment Trust). It owns 19 malls across the country. In a regulatory filing, the company informed that its board has approved the proposal to acquire a 100 per cent equity stake in GICPL, which owns a 5.16 lakh sq ft shopping mall and a 164-key Hyatt Regency Hotel for Rs 1,600 crore.

RBI Deputy Governor Calls for Policy Balancing Innovation with Accountability

RBI Deputy Governor Poonam Gupta's colleague, Deputy Governor Jain, said policy must provide room for innovation to grow while ensuring accountability and resilience grow alongside it, speaking this week on financial-sector regulation. This reflects the RBI's continued cautious-but-open regulatory posture as it navigates rapid fintech and AI-driven innovation across India's financial system.

Maharashtra Unveils Plans for "Delta Act" — India's First Land Asset Tokenisation Framework

Maharashtra CM Devendra Fadnavis announced at the Global Fintech Fest 2026 that the state is working on the Delta Act, a legal framework for blockchain-based tokenisation of land and other immovable assets, positioning Maharashtra to create India's first such system. Fadnavis also cautioned that while agentic AI would be transformational, accountability, security and human oversight must remain central — a notable fintech-policy signal from India's leading financial-services state.

Odisha and Adani-IHC Sign \$25 Billion Pact for 14 Projects During UAE Outreach

Abu Dhabi-based International Holding Company (IHC) and India's Adani Group signed an initial agreement with the Odisha government on September 10 to invest about \$25 billion (₹2.1 lakh crore) across 14 projects, potentially employing more than 8.6 million people. This builds on the July pact between the two companies to invest \$11.5 billion in an integrated greenfield aluminium project, with International Resources Holding and Adani Enterprises forming a 50-50 joint venture — marking one of the largest single foreign-investment commitments to any Indian state this year.

CCEA Approves Eight Railway Multitracking Projects Worth ₹20,804 Crore Across Nine States

The Cabinet Committee on Economic Affairs approved eight railway multitracking projects worth a combined ₹20,804 crore on September 9, covering 31 districts across nine states. Five projects worth ₹10,021 crore span Tamil Nadu, Andhra Pradesh, Karnataka and Telangana, enhancing connectivity to 2,121 villages with a combined population of about 52 lakh, while three projects worth ₹10,783 crore cover West Bengal, Jharkhand, Odisha, Madhya Pradesh and Chhattisgarh, adding roughly 656 km to the network. This is a substantial multi-state infrastructure commitment directly benefiting industrial-corridor connectivity across nine states simultaneously.

Jharkhand Unveils New Industrial Policy Push, Targets ₹1 Lakh Crore Investment

Jharkhand's Industries Department released draft versions of its new Industrial Investment Promotion Policy and Textile, Apparel and Footwear Policy this week, seeking stakeholder feedback ahead of finalisation within a fortnight, aiming to attract ₹1 lakh crore in investment and generate more than 25,000 jobs. The proposed framework offers investment-linked subsidies for both MSMEs and larger businesses, positioning Jharkhand to compete more aggressively for manufacturing and textile investment against neighbouring states.

PM Lays Foundation for Three Highway Projects Worth ₹1,780 Crore in Gujarat

Prime Minister Modi laid the foundation stone for three National Highway projects worth approximately ₹1,780 crore this week, including six-laning of the Kamrej-Chalthan section of NH-48, additional bridge structures over the Tapi and Narmada rivers on the Vadodara-Surat section, and grade-separated structures at key junctions — reinforcing Gujarat's continued highway-connectivity investment alongside its industrial-corridor expansion.

India's Crude Oil Import Basket Crosses \$100/Barrel for the First Time Since May

India's average crude oil import price surged past \$100 per barrel by early September, reaching \$106.26 on September 7 — up nearly 30% from July's average of \$82.04 — as renewed Middle East fighting between the US and Iran, including attacks on Saudi energy infrastructure, drove up oil and shipping costs. This is the single most consequential economic development of the week, given India imports over 88% of its crude requirements; a sustained rise at these levels directly threatens the trade balance, the rupee, and domestic inflation through fuel and transport cost pass-through.

Rupee Rises to 94.39 Against Dollar Even as Crude Pressure Builds

The rupee gained 4 paise to 94.39 against the US dollar in early trade on September 7, even as elevated crude prices and dollar demand typically associated with rising import bills limited further gains. This modest resilience, set against the record forex reserves, suggests the RBI's reserve buffer is helping cushion currency volatility for now.

Manufacturing PMI Falls to 52.8 in August

India's HSBC Manufacturing PMI slipped to 52.8 in August, down from 53.5 in July and revised lower from the flash estimate of 52.9 — the weakest reading since August 2021, extending a third consecutive month of decline. New orders and output expanded at their slowest pace in five years, and manufacturing employment contracted for the first time in two-and-a-half years, even as the index remained in expansion territory for a 59th straight month.

Composite PMI Edges Up to 54.6 in August, Masking Manufacturing Weakness

India's Composite PMI rose to 54.6 in August from a final 54.3 in July, as stronger services growth (Services PMI up to 54.5 from 53.3) more than offset the weakest factory output in five years. This divergence — services strength papering over industrial softness — is an important nuance for ASSOCHAM's sector-balance commentary heading into the festive season.

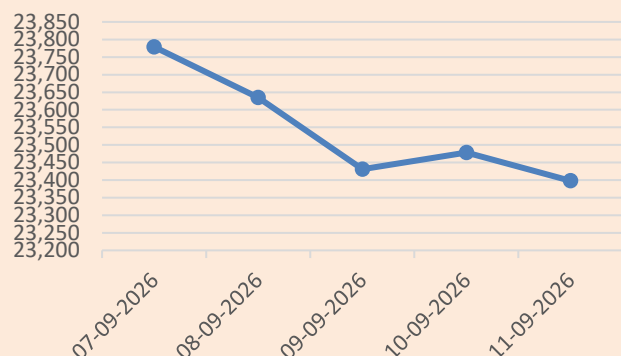
India's Final Services PMI Confirmed at 54.1 for August

India's HSBC Services PMI, compiled by S&P Global, rose to 54.1 in August from July's 53.3, but came in below the flash estimate of 54.5, and remains near its weakest level in over four years. New business improved but at the second-slowest pace since March 2022, with firms citing subdued bookings and competition, even as employment hit a 15-month high — about 11% of surveyed firms added staff for sales, customer service and digital role.

US ISM Services PMI Surges to 55.4 — Strongest in Six Months

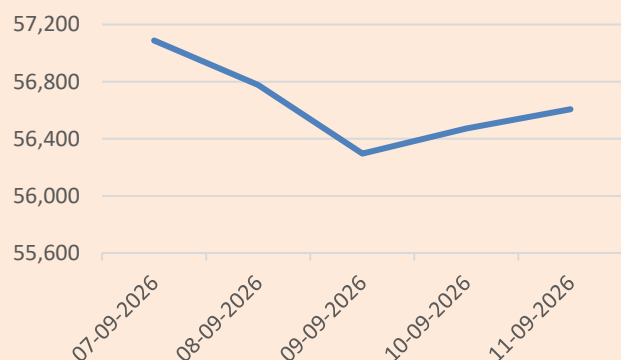
The US ISM Services PMI jumped to 55.4 in August from 54.1 in July, beating the 54.1 consensus forecast and marking the 26th consecutive month of expansion. Business Activity surged to 61.7 (from 59.1) and New Orders to 60.9 (from 57.2), but Employment contracted for a second straight month (47.8) and Prices Paid hit a four-year high of 72.6, with the ISM survey chair specifically flagging tariffs and the Middle East conflict as the most-cited supply-chain concerns — a striking parallel to the same crude-oil-driven cost pressures now hitting India.

NIFTY 50



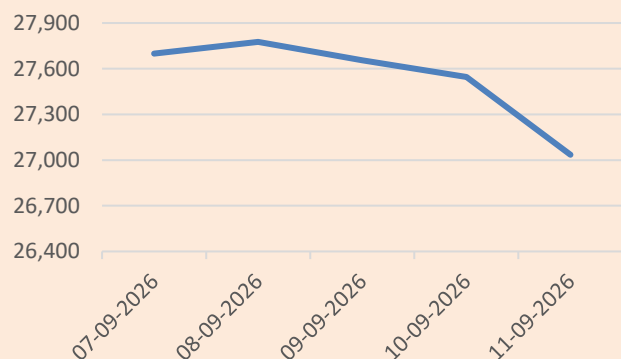
The Nifty 50 declined steadily through the week, the index moved lower in nearly every session, mirroring the sharp spike in crude oil prices to \$106+ per barrel reported this week and the broader risk-off sentiment triggered by escalating West Asia tensions; this aligns with the sharp early-week Sensex fall (down 172+ points on Sep 7) already flagged in market commentary, with the pressure clearly persisting and deepening through the rest of the week.

NIFTY BANK



Bank stocks fell in tandem with the broader market, sliding from 57,088 (Sep 7) to 56,607 (Sep 11) — a decline of ~0.84%, with a notable dip to a weekly low of 56,296 on September 9. This softness, despite the sector's otherwise resilient credit-growth fundamentals, likely reflects the same crude-driven risk-aversion sweeping markets, compounded by FII net selling (₹3,111.94 crore reported mid-week) and growing concern over the RBI's inflation and rate trajectory as September CPI is projected to hit a 20-month high of 4.8%.

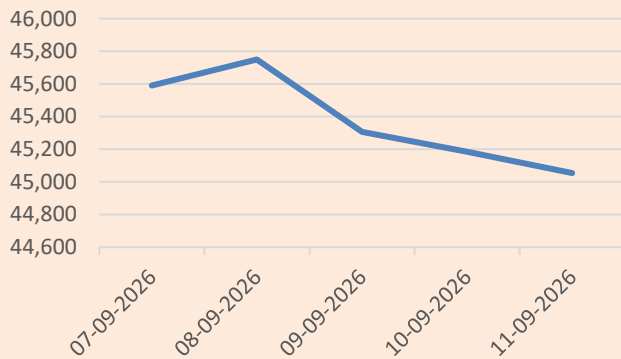
NIFTY AUTO



Auto stocks recorded the steepest decline among the indices, falling from 27,699 (Sep 7) to 27,035 (Sep 11) — a drop of ~2.4%, with the sharpest single-day fall coming in the final session (27,545 → 27,035). This is a direct and immediate reaction to the crude oil spike past \$100/barrel: rising fuel costs squeeze both consumer affordability (higher running costs deterring vehicle purchases) and manufacturers' input/logistics costs simultaneously, reversing much of the sector's earlier festive-season optimism.

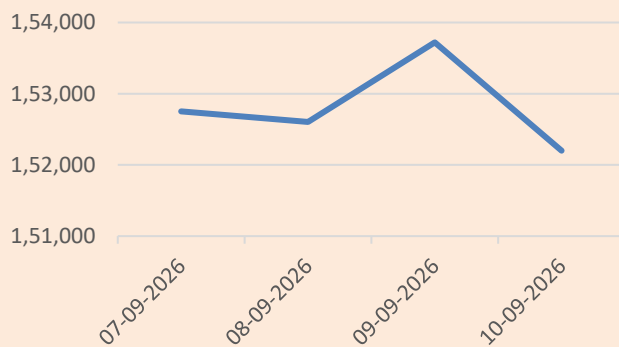
Date	USD (INR / 1 USD)	GBP (INR / 1 GBP)	EUR (INR / 1 EUR)	JPY (INR / 100 JPY)
11/09/2026	95.7245	129.4498	111.1531	62.1400
10/09/2026	95.2311	129.0978	110.8379	62.0300
09/09/2026	95.1483	129.0195	110.7770	62.1700
08/09/2026	94.7178	128.2792	110.1416	61.6900
07/09/2026	94.4467	127.6815	109.6743	60.6200

NIFTY FMCG



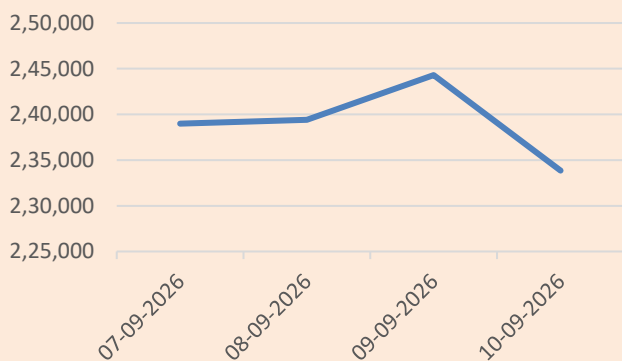
FMCG continued its now multi-week decline, extending a persistent downtrend that has now run for several consecutive weeks. The continued weakness reflects compounding pressure from elevated input costs (crude-linked packaging and transport costs) layered on top of already-high food inflation expectations (September CPI projected at a 20-month high of 4.8%), suggesting consumer-facing companies remain squeezed from both the cost and demand sides heading into the festive season

Gold (INR/10 GM)



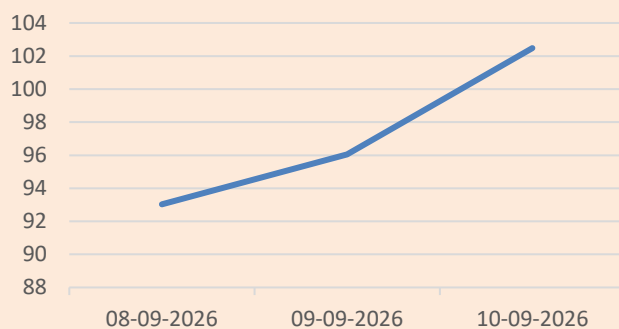
Gold moved in a relatively narrow, choppy band this week, opening at ₹1,52,750 (Sep 7), spiking to a weekly high of ₹1,53,721 (Sep 9), then easing to ₹1,52,544 by September 11 — a marginal net decline of ~0.13%. The muted, range-bound movement (in contrast to the sharp equity sell-off) suggests gold's safe-haven bid was already largely priced in from the crude-driven geopolitical risk premium built up over recent weeks, with investors now in a consolidation phase rather than adding fresh positions.

Silver (INR/KG)



Silver was considerably more volatile than gold, surging to a weekly high of ₹2,44,300 on September 9 before falling sharply to ₹2,33,850 by September 10 and partially recovering to ₹2,36,428 by September 11 — a net weekly decline of ~1.1% from the September 7 level. This sharp reversal, after riding high on safe-haven and industrial-demand support, likely reflects profit-booking once crude oil itself pulled back sharply from its September 10 peak of \$102.48, easing some of the acute risk-premium pressure that had been lifting precious metals broadly

Crude (\$/BL) Price



Crude oil was extremely volatile this week. This spike-and-reversal pattern is consistent with an acute geopolitical shock (West Asia tensions cited throughout the week) that partially unwound as markets reassessed the durability of the disruption; even after the pullback, crude remains significantly elevated versus earlier weeks, and this volatility itself — not just the price level — is the key takeaway for India, as it complicates fuel-price planning, refiner margins, and the inflation outlook.

India PMI for August 2026: Manufacturing, Services & Composite

Manufacturing PMI slipped to 52.8, while **Services PMI** improved to 54.1 and **Composite PMI** held steady at 54.3, as a pick-up in services activity offset a loss of momentum in manufacturing; input cost pressures eased further, even as services firms passed on higher operating costs.

1. Services PMI: Key Observations for August 2026

Activity Growth Quickens: The Business Activity Index rose to 54.1 (July: 53.3), fractionally below its long-run average of 54.5; the pace of expansion was nonetheless the second-weakest since March 2022, held back by subdued bookings, strong competition and reduced transport operations.

New Business Improves but Remains Soft: New orders rose more quickly on stronger customer demand and marketing initiatives, though growth was still the second-slowest in nearly four-and-a-half years amid challenging market conditions and weaker client interest in selected services.

Exports Hold Firm: New export orders rose solidly and at a similar rate to July, with gains from Australia, Brazil, Canada, Japan, Malaysia, Singapore, Sri Lanka and the UAE, although the upturn remained below the past-year average.

Jobs at 15-Month High, Prices Firm: Around 11% of firms raised staffing levels to support customer service, sales and digital operations, taking job creation to a 15-month high. Input cost inflation edged up only slightly, but prices charged rose at the fastest rate since March as firms passed on higher operating costs; sentiment was broadly unchanged and below its long-run average.

2. Manufacturing PMI: Key Observations for August 2026

Output and New Orders: The headline PMI declined for a third consecutive month to 52.8 (July: 53.5), below its long-run average of 54.2, as growth in both output and new orders eased to the weakest since August 2021. Demand softened in two of the three industrial groups, with consumer goods the exception.

Export Growth Continues but Eases: New export orders rose further, with gains from Australia, Germany, mainland China, Spain, Thailand and the US, though the pace of growth in international sales moderated from July.

Employment Contracts, Purchasing Cautious: Manufacturing jobs fell fractionally, the first decline in two-and-a-half years, as firms cited lower business requirements. Input buying expanded at the weakest rate in its 62-month growth sequence, while finished goods stocks rose for a second month on lower-than-expected sales.

Price Pressures Fade: Input cost inflation was moderate and the weakest in six months despite elevated steel and transport costs; output charge inflation was the slowest in 45 months, with fewer than 7% of firms raising prices. Business confidence nonetheless rose to its highest since May, with around 16% of firms expecting higher output over the year ahead.

India PMI for August 2026: Manufacturing, Services & Composite

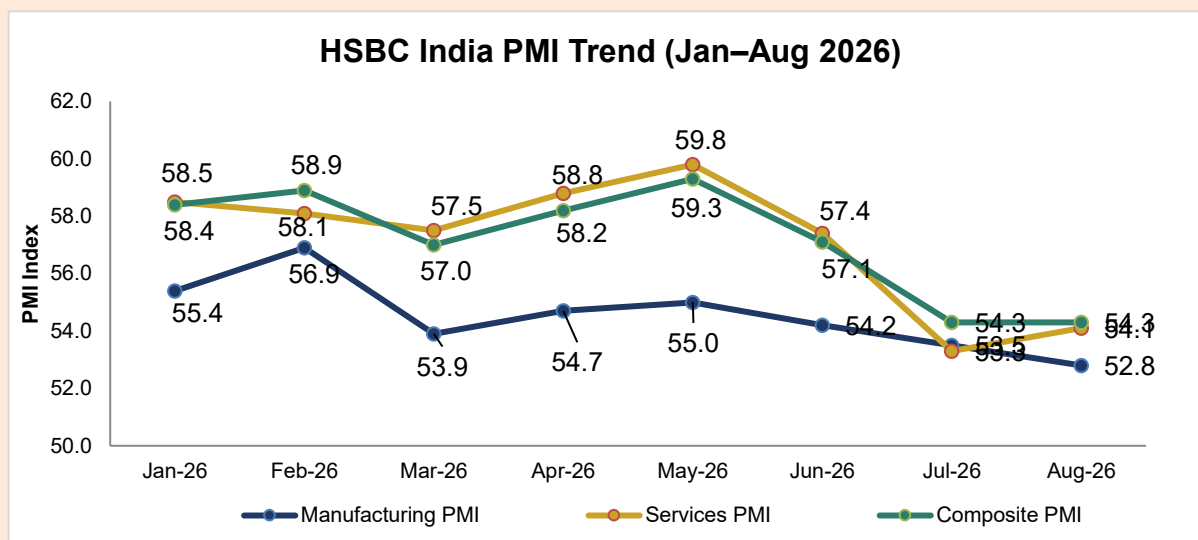
3. Composite PMI: Key Observations for August 2026

Output Unchanged: The Composite Output Index held at 54.3, equal to July and the joint-slowest reading in four-and-a-half years, as faster services growth offset the manufacturing slowdown.

Sales and Jobs Quicken: Aggregate new orders grew faster than in July but at the second-weakest pace since February 2022; overall employment rose at the fastest rate in 14 months, as robust services hiring more than offset job shedding at manufacturers.

Prices Diverge: Composite input cost inflation receded to a seven-month low, while output charge inflation quickened to the strongest since April, driven by services.

Monthly Trend: HSBC India PMI (Jan–Aug 2026)

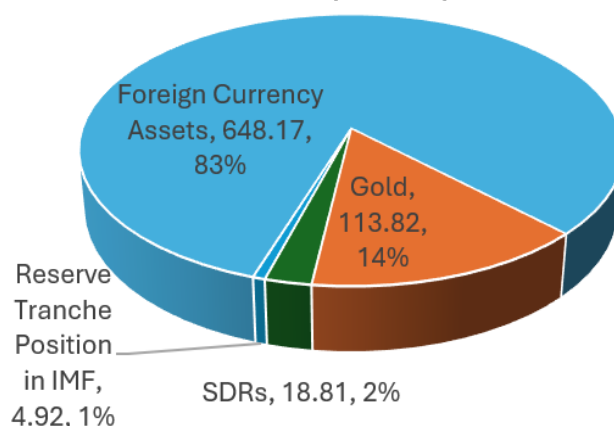


INDIA'S FOREIGN EXCHANGE RESERVES STOOD AT RECORD USD 785.71 BILLION

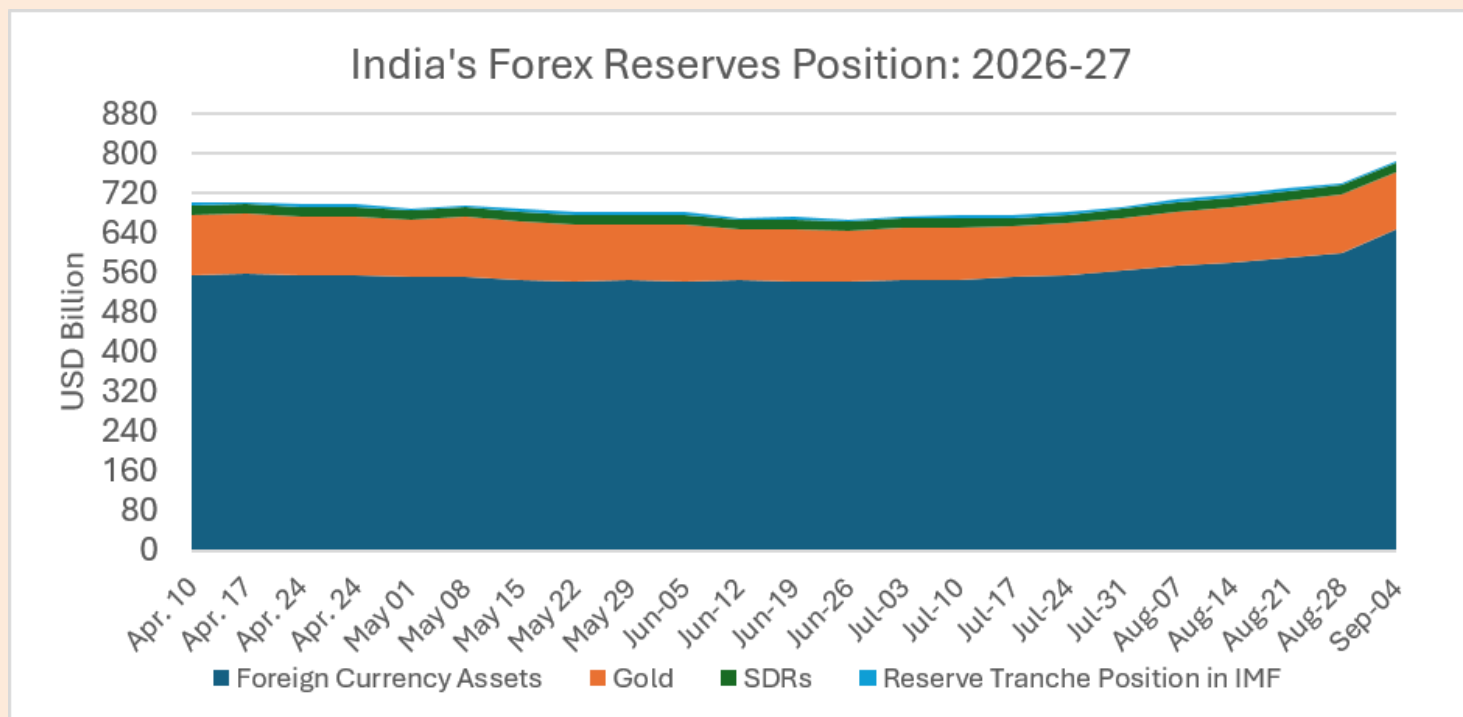
ASSOCHAM Perspective

- India's Forex reserves as on 4 September 2026 reached a record high of USD 785.71 billion, registering a sharp increase of USD 44.91 billion compared to last week.
- Foreign currency assets, surged by USD 47.50 billion to USD 648.17 billion as compared to last week, reflecting the delivery of dollar inflows under the RBI's special USD-INR swap facility for FCNR(B) deposits.
- Gold, the second largest component, recorded a value of USD 113.82 billion, down by USD 2.59 billion from last week.
- SDRs remained unchanged at USD 18.81 billion, while the Reserve Position in the IMF inched up marginally to USD 4.92 billion in the week ending 4 September.
- Reserves have climbed for the tenth straight week, with the cumulative build-up since end-June 2026 now exceeding USD 118 billion

Forex Position as on 04 September 2026 (USD Bn)



India's Forex Reserves and Components (USD Billion)



(Source: RBI)

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