

19 JUNE 2026

# ASSOCHAM India Monitor

· (AIM Weekly) ·

----- Vol. 3/Issue 3 -----

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**

## US-Iran Peace Deal Ends 107-Day War, Triggers Sharp Fall in Crude Oil Prices

The United States and Iran announced on 14-15 June 2026 that they had reached an agreement to end their 107-day conflict and reopen the Strait of Hormuz, the waterway carrying roughly one-fifth of global oil supplies. President Trump confirmed the deal was complete, with a formal signing expected this week in Switzerland. Brent and WTI crude both fell nearly 9 per cent to three-month lows of around \$79 and \$77 per barrel respectively, though the IEA cautions the market may stay in supply deficit till at least Q4 2026 given over 14 mb/d of shut-in Gulf production.

## India-Monaco set to deepen economic ties across key sectors: Piyush Goyal

India and Monaco are exploring economic opportunities by collaborating in key sectors, including blue economy and emerging technologies, said Piyush Goyal, Union Minister of Commerce & Industry. Goyal discussed ways to strengthen economic cooperation between India and Monaco in areas like sustainability, the blue economy, innovation, and new technologies.

"Called on HSH Prince Albert II of Monaco. We discussed expanding the India-Monaco partnership in sectors such as sustainability, the blue economy, innovation, and emerging technologies," he said.

## India, EU target year-end FTA as Modi meets Ursula von der Leyen at G7

PM Modi met European Commission President Ursula von der Leyen and European Council President Antonio Costa at the G7 Summit in France on June 17, where both sides confirmed the India-EU FTA will be formally signed by end-2026, alongside accelerated work on an investment protection agreement. European Commission President Ursula von der Leyen said the FTA will be signed by year-end while work accelerates on an investment agreement. The deal will cut tariffs on over 99% of Indian exports to the EU and reduce duties on 97% of EU exports to India, covering nearly a quarter of global GDP. Sectors like textiles, apparel, ICT services, pharma, and auto components stand to gain.

## Modi-Macron Launch Bharat Innovates 2026 in Nice, France

Prime Minister Narendra Modi and French President Emmanuel Macron jointly inaugurated Bharat Innovates 2026 at the Palais des Expositions in Nice — a three-day innovation conclave bringing together 120 Indian startups, 15 higher education institutions, and over 500 global investors across sectors including AI, semiconductors, space, biotechnology, defence, and climate technology, running through June 16.

## Piyush Goyal Invites French Firms to Invest and Manufacture in India

Commerce and Industry Minister Piyush Goyal, accompanying PM Modi at Bharat Innovates 2026, invited French firms to invest and manufacture in India, highlighting the country's talent pool, scale, and growing innovation ecosystem as key drivers of bilateral economic engagement.

## **Telangana Cabinet Set to Consider Expanding Rythu Bharosa Scheme Beyond 5-Acre Cap**

The Telangana government is considering a proposal to extend financial benefits under its flagship Rythu Bharosa farmer scheme to landholders owning more than five acres, with a final decision expected at the state cabinet meeting on 18 June 2026. The scheme has so far capped support at five acres per landholder; the state is now weighing relaxation of this ceiling after feedback highlighted stress among mid-tier cultivators.

## **Tamil Nadu Releases White Paper, Flags Widening Revenue Deficit and Rising Debt**

Tamil Nadu Finance Minister N. Marie Wilson on 16 June 2026 released a white paper on the state's finances. It found revenue receipts as a share of GSDP fell to 8.32 per cent in 2025-26 from nearly 10 per cent in 2021-22, with debt climbing to 28.3 per cent of GSDP, meaning the state is now borrowing to fund even routine expenditure.

## **Andhra Pradesh, UP and Rajasthan Emerge Top Performers in States' Clean Energy Transition**

The States' Electricity Transition (SET) 2026 report released this week by IEEFA found Andhra Pradesh, Uttar Pradesh and Rajasthan emerging as the strongest performers under the "market enablers" category, reflecting updated renewable energy policies and green tariff adoption. Uttar Pradesh showed strong momentum in EV deployment, while Delhi and Haryana led on power-ecosystem readiness, supported by robust distributed solar adoption and sound DISCOM performance.

## **Maharashtra Hosts Coal Gasification Investment Roadshow**

Maharashtra Chief Minister Devendra Fadnavis participated as special guest at the Ministry of Coal's third coal/lignite gasification roadshow in Mumbai on June 18, positioning the state to attract a share of the ₹37,500 crore central scheme's investment activity, alongside coal-sector companies, technology providers, and financial institutions present at the event.

## **CM Shri Bhupendra Patel and Deputy CM Shri Harsh Sanghavi announce the new Industrial Policy with the vision of "Viksit Gujarat to Viksit Bharat at 2047"**

The 'Viksit Gujarat Industrial Policy 2026', targeting ₹10 lakh crore in investments over five years to support its ambition of becoming a \$3.5 trillion economy by 2047. The policy introduces a flexible "Choose Your Incentive" model and the T.H.R.I.V.E. initiative for balanced urban-industrial development, with dedicated support for MSMEs, startups, and women entrepreneurs, reinforcing the state's existing strength in manufacturing, exports, and port-led logistics.

### **WPI Inflation Rises to 9.68% in May 2026 Under New 2022-23 Base Series**

Wholesale Price Index inflation rose to 9.68 per cent year-on-year in May 2026 under the new 2022-23 base series, up from 8.26 per cent in April, data released by DPIIT on 15 June showed. Fuel and Power inflation surged to 30.33 per cent, reflecting the West Asia-linked energy shock, while Manufactured Products inflation rose to 7.48 per cent and Primary Articles inflation stood at 4.99 per cent. The next WPI and PPI release, for June data, is scheduled for 14 July 2026.

### **India launches producer price index; wholesale inflation gauge to be phased out in five years**

India released producer price index (PPI) data for goods and services for the first time, paving the way for the gradual replacement of the wholesale price index (WPI), which will be discontinued over the next five years, PTI reported. The move is in line with practices followed by advanced and recommendations of the International Monetary Fund (IMF), which has highlighted the need for India to transition from WPI to PPI.

### **FPI buying of government securities up amid push for Forex**

Foreign funds have been pouring money into sovereign bonds after govt and RBI, earlier this month, eased rules for these investors to invest in govt securities (G-Secs), aimed mainly at supporting the rupee. Between June 5, the day the rules were changed and now, FPIs have net bought G-Secs worth about \$2 billion, official data showed. Some estimates, however, said the total is nearing the \$3 billion mark.

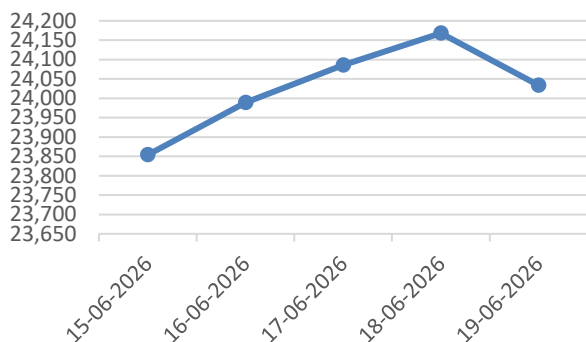
### **India's Merchandise Exports Rise 18% to \$45.2 Billion in May; April-May Up 16.09%**

India's merchandise exports rose 18 per cent year-on-year to \$45.2 billion in May 2026, taking cumulative April-May exports to \$88.91 billion, a 16.09 per cent rise over last year. Imports rose 20.62 per cent to \$73.41 billion in May, widening the trade deficit to \$28.21 billion for the month. Commerce Secretary Rajesh Agrawal called it one of the strongest monthly export growth prints in recent years.

### **Mutual funds reduce cash allocation by over Rs 10,000 crore to Rs 1.87 lakh crore in May**

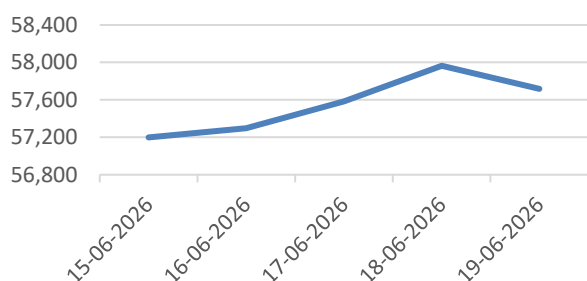
Mutual funds have reduced their cash holding by over Rs 10,000 crore to Rs 1.87 lakh crore in May against Rs 1.98 lakh crore in April. The cash holding as a percentage of total assets was recorded at 4.24% in the same period. The total equity AUM went up by Rs 46,274 crore on monthly basis and was recorded at Rs 44.25 lakh crore in May 2026 from Rs 43.79 lakh crore in April.

## NIFTY 50



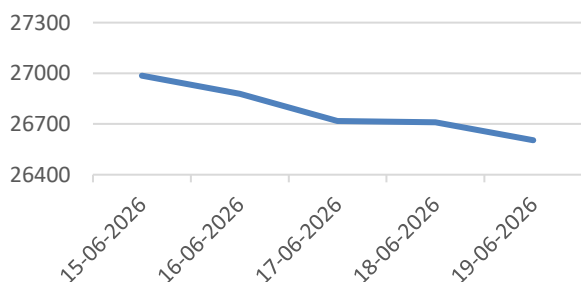
NIFTY 50 remained supported by sustained domestic institutional inflows and optimism surrounding India's growth outlook, although gains were capped by cautious global sentiment following the US Federal Reserve's policy announcement. Banking, FMCG and select IT stocks provided support to the index, while profit booking in export-oriented sectors limited upside.

## NIFTY BANK



NIFTY Bank remained relatively resilient through the week, supported by healthy credit growth expectations and stable domestic macroeconomic conditions. The index benefited from continued investor preference for large private-sector banks amid expectations of sustained loan demand and improving asset quality trends. However, gains remained moderate as investors assessed the implications of the US Federal Reserve's policy stance and global bond yield movements.

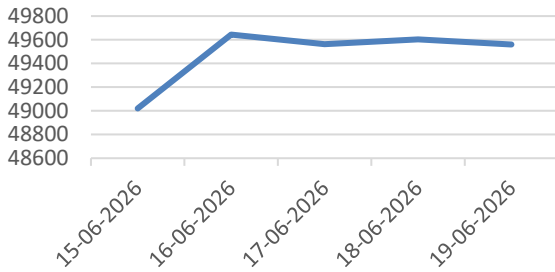
## NIFTY AUTO



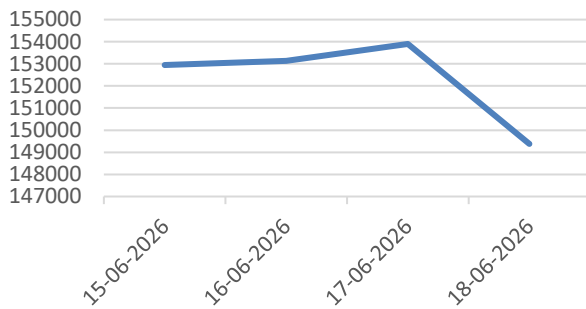
NIFTY Auto witnessed a mixed performance during the week as lower crude oil prices improved the outlook for fuel demand and transportation activity, while concerns over near-term consumption trends weighed on select automobile manufacturers. Investor sentiment was supported by expectations of steady passenger vehicle demand, improving rural incomes and continued momentum in electric vehicle adoption. However, profit booking in some auto counters following recent gains restricted broader sectoral upside.

Date	USD (INR / 1 USD)	GBP (INR / 1 GBP)	EUR (INR / 1 EUR)	JPY (INR / 100 JPY)
19/06/2026	94.4735	124.6036	108.0273	58.5500
18/06/2026	94.2795	125.5841	108.6534	58.6900
17/06/2026	94.3758	126.5988	109.5401	58.8900
16/06/2026	94.6992	126.9121	109.6951	59.1100
15/06/2026	94.6772	127.3124	109.9108	59.1300

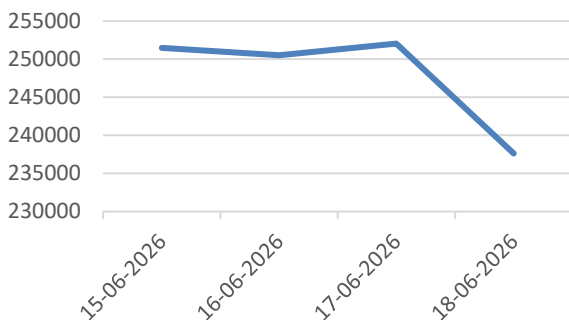
### NIFTY FMCG



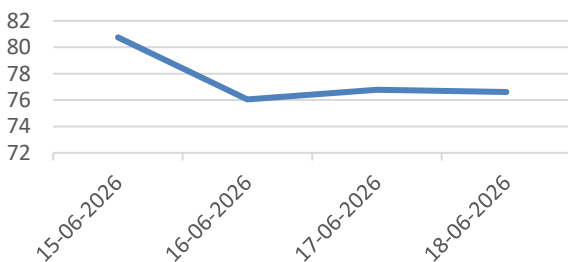
### Gold (INR/10 GM)



### Silver (INR/KG)



### Crude (\$/BL) Price



NIFTY FMCG emerged as one of the better-performing sectoral indices during the week, aided by falling crude oil prices and easing concerns over input cost inflation. Lower energy and packaging costs are expected to support margin expansion for FMCG companies in the coming quarters. The sector also attracted defensive buying amid heightened global uncertainty, with investors favouring companies with stable earnings visibility and strong rural market presence.

Gold initially gained support from a weaker US dollar and residual safe-haven demand, with MCX gold touching around ₹1.53 lakh per 10 grams on 15 June. However, sentiment turned cautious later in the week following the US Federal Reserve's policy outcome and strengthening dollar, leading to profit booking across global bullion markets. Gold prices had corrected from weekly highs as investors shifted focus from geopolitical developments to the interest rate outlook in the US.

Silver witnessed sharp swings during the week, outperforming gold in the initial sessions before facing steep correction towards the end of the week. MCX silver rose above ₹2.53 lakh per kg on 15 June amid improving industrial demand expectations and weakness in the dollar. However, the metal came under pressure after the Federal Reserve signalled a relatively hawkish stance and geopolitical tensions in the Middle East eased.

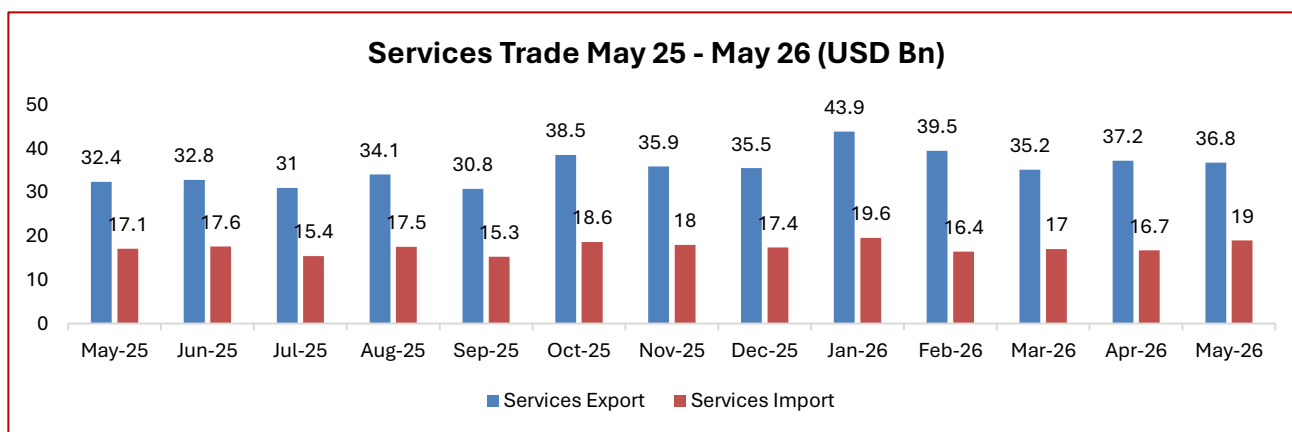
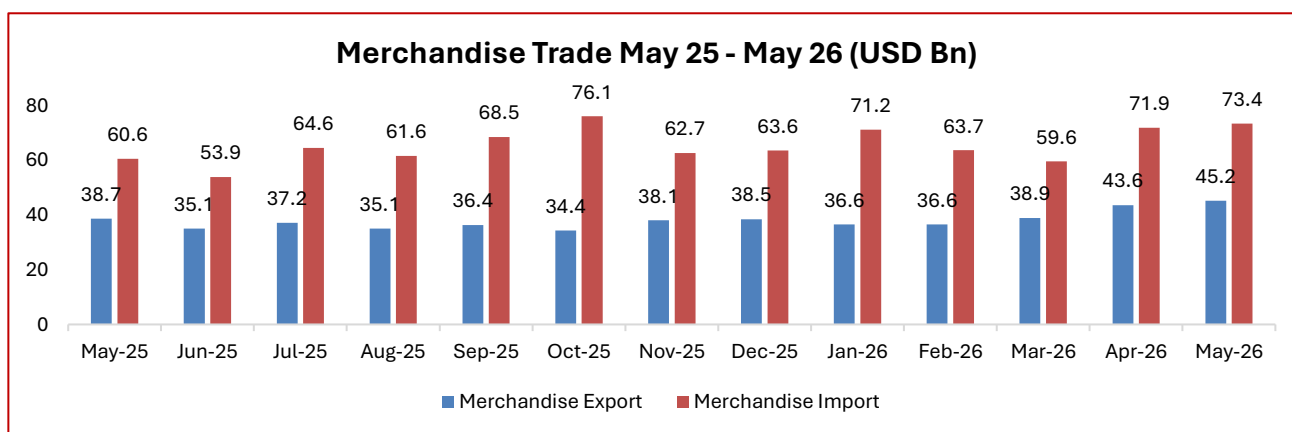
Following the US-Iran peace agreement and the resumption of shipping through the Strait of Hormuz, concerns over supply disruptions eased considerably. MCX crude oil, which had already fallen more than 5 per cent on 15 June, continued its downward trajectory and is set for nearly a 9 per cent weekly decline. Brent crude slipped towards the \$79 per barrel mark as markets reassessed global supply risks, while easing Middle East tensions improved sentiment across energy markets.

## India's Trade Momentum Strengthens in May 2026, Led by Merchandise Exports

India's merchandise exports in May 2026 reached USD 45.20 billion, up from USD 38.30 billion in May 2025. Merchandise imports during May 2026 stood at USD 73.41 billion, compared to USD 60.86 billion in the same month last year.

During April-May 2026-27, merchandise exports totaled USD 88.91 billion, compared to USD 76.59 billion during April-May 2025-26. Merchandise imports during April-May 2026-27 were USD 145.35 billion, up from USD 126.24 billion in the corresponding period of 2025-26.

The main contributors to merchandise export growth in May 2026 were Petroleum Products, Engineering Goods, Organic and Inorganic Chemicals, Electronic Goods, and Gems & Jewellery.



(Source: MoCI)

India's total exports (merchandise and services combined) in May 2026 are estimated at USD 81.96 billion, recording a growth of 15.83% compared to May 2025. Total imports (merchandise and services combined) in May 2026 are estimated at USD 92.47 billion, reflecting a growth of 19.23% over May 2025.

## India's Trade Momentum Strengthens in May 2026, Led by Merchandise Exports

**Table 1: India's Trade in USD Billion (Nearest Decimal)**

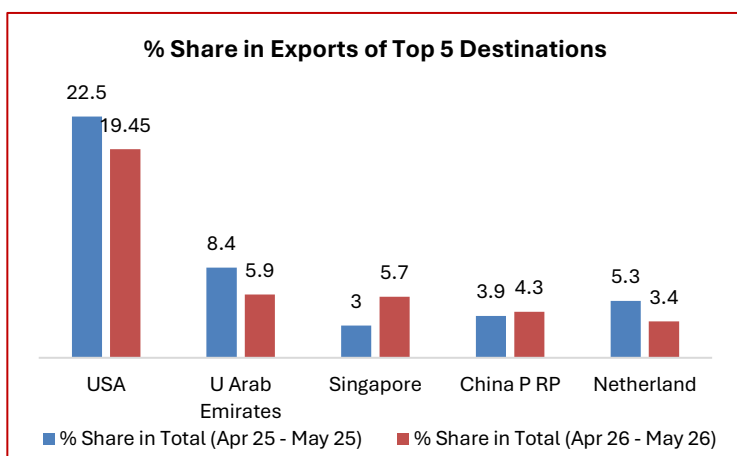
Particulars		May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Total	Export	71.1	68.0	68.3	69.2	67.2	72.9	74.0	74.0	80.5	76.1	74.1	80.8	81.9
	Import	77.8	71.5	80.0	79.0	83.8	94.7	80.6	80.9	90.8	80.1	76.6	88.6	92.5
Total Trade		148.9	139.5	148.3	148.2	151.0	167.6	154.6	155.0	171.3	156.2	150.7	169.4	174.4

(Source: MoCI)

### Sectoral Trend in Exports & Imports May 2026 over May 2025

In May 2026, exports of Other Cereals (262.73%), Petroleum Products (54.89%), Meat, Dairy & Poultry Products (42.51%), Oil Meals (24.61%), and Engineering Goods (24.48%), recorded the highest growth rates compared to May 2025.

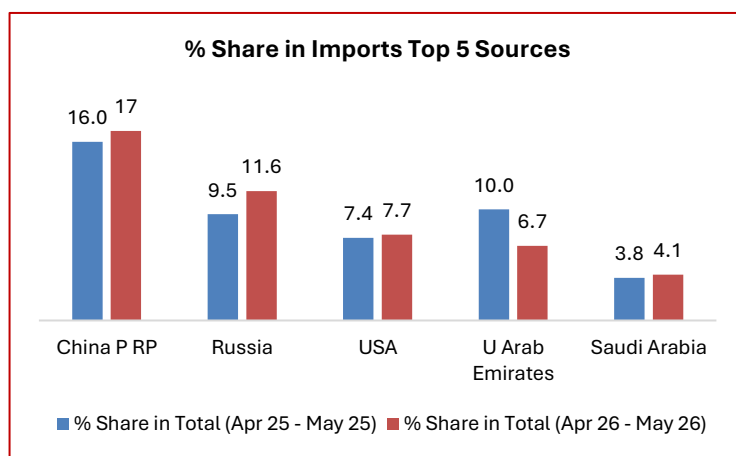
Imports of Silver (-86.65%), Project Goods (-64.05%), Chemical Material & Products (-63.58%), Pearls, Precious & Semi-Precious Stones (-26.5%), Iron & Steel (-12.47%) record negative growth during May 2026 over May 2025.



(Source: MoCI)

### Top 5 Export Destinations (Apr - May)

The USA remained India's largest export destination, though its share declined from 22.5% for Apr - May 25 to 19.45% for Apr - May 26. Singapore and China increased their shares, while the UAE and the Netherlands recorded a decline in their share of India's total exports.



### Top 5 Import Sources (Apr-May)

China remained India's largest import source, with its share rising from 16% for Apr - May 25 to 17% for Apr - May 26. Russia and Saudi Arabia also increased their shares, while the USA saw a marginal rise. In contrast, the UAE's share declined significantly from 10% to 6.7%.

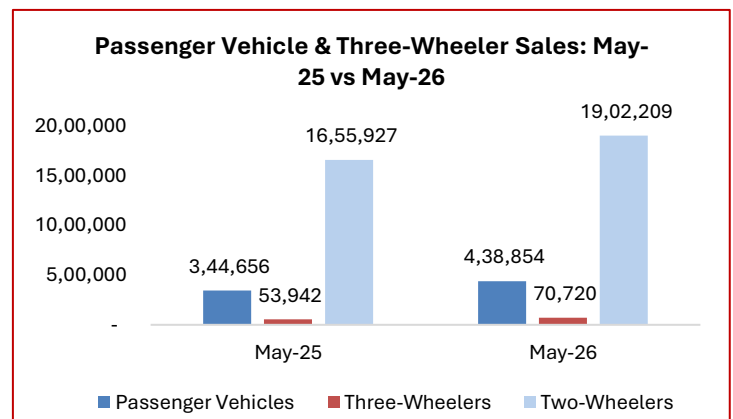
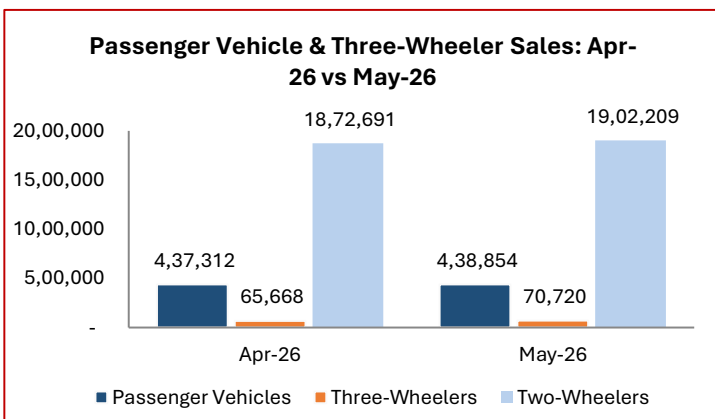
## India's Auto Industry Hits Record May Sales as Consumer Demand Powers Double-Digit Growth

### Domestic Sales Comparison: May 2025, April 2026 and May 2026

India's automobile industry recorded its highest-ever May sales across Passenger Vehicles, Three-Wheelers, and Two-Wheelers in May 2026, with double-digit growth registered in each segment. Passenger Vehicle sales rose 27.3% to 4.38 lakh units in May 2026, compared to 3.45 lakh units in May 2025. Three-Wheeler sales grew 31.1% to 0.71 lakh units, up from 0.54 lakh units a year earlier, while Two-Wheeler sales increased 14.8% to 19.02 lakh units, compared to 16.6 lakh units in May 2025.

Total production of Passenger Vehicles, Three-Wheelers, Two-Wheelers, and Quadricycles stood at 29.28 lakh units in May 2026, reflecting sustained strength in manufacturing activity across the sector. The growth momentum was supported by a favourable base effect, the continuing impact of reduced GST rates on vehicles, and easier financing conditions extended to consumers.

Within the Two-Wheeler segment, scooter sales recorded the sharpest growth, rising 27.4% to 7.39 lakh units, while motorcycle sales grew 7.2% to 11.14 lakh units. On the export front, the recovery was broad-based, with scooter exports up 34.7% and motorcycle exports up 31% during the month, signalling to growing global acceptance of India-made two-wheelers.



(Source: SIAM)

**Table 1: India's Domestic Auto Sales - May-25, Apr-26 and May-26 (Units)**

Particulars	May-25	May-26	YoY Growth (May)
Passenger Vehicles	3,44,656	4,38,854	27.3%
Three-Wheelers	53,942	70,720	31.1%
Two-Wheelers	16,55,927	19,02,209	14.8%
Total Production (PV+3W+2W+Quad.)	25,82,207	29,27,711	13.4%

### ASSOCHAM Perspective

The sustained, broad-based momentum across Passenger Vehicles, Two-Wheelers, and Three-Wheelers emphasises the resilience of India's domestic consumption engine and the effectiveness of recent fiscal interventions, including the GST rationalisation, in improving vehicle affordability. ASSOCHAM believes this consumption-led recovery, if sustained, will have positive multiplier effects on ancillary industries, component manufacturing, and rural and semi-urban employment, while reinforcing the case for continued policy support to the automobile sector's manufacturing and export ecosystem under the Government's broader Make in India and Atmanirbhar Bharat objectives.

# ASSOCHAM India Monitor

## (AIM Weekly)

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