

07 AUGUST 2026

ASSOCHAM India Monitor

· (AIM Weekly) ·

----- Vol. 5/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

India's LNG imports rise 15.4% YoY on diversified sourcing

India has sharply increased its imports of liquefied natural gas (LNG) during the May-July period by diversifying supplies away from the conflict-hit Strait of Hormuz. This helped offset a steep decline in shipments from its traditional supplier, Qatar. The country's LNG imports rose 15.4% year-on-year to 7.08 million tonnes during May-July, recovering after a nearly 13% fall in March-April, the first two months of the West Asia conflict. The recovery was driven by higher cargoes from the US, Oman, Nigeria and Angola, compensating for the disruption in supplies routed through the Strait of Hormuz, it said.

New mutual fund expense ratio regime takes effect

A revised mutual fund expense ratio regime came into force this week, reducing distributor commissions across equity schemes. The change, reported on August 4, is expected to pressure smaller distributors in the near term while improving cost transparency for retail investors — a continuation of SEBI's multi-year push to lower the cost of investing in India's mutual fund industry.

Kharif sowing gap narrows to 2.9%, but key pulses still trail

The gap in kharif sowing acreage between this year and last narrowed to 2.9% in the week ended July 31, down from 4.7% a week earlier, as sowing gathered pace, according to Agriculture Ministry data released August 3. Total kharif acreage stood at 89.42 million hectares, down from 92.07 million hectares a year ago, with moong, arhar, and maize acreage still lagging major crops. The IMD's forecast of a below-normal August monsoon means rainfall distribution in the coming weeks will be closely watched for its bearing on the harvest.

Cabinet Decisions

Cabinet approves GOBARdhan National Circular Bioenergy Scheme

The Union Cabinet approved the unified GOBARdhan scheme with an outlay of Rs. 23,731 crore, to be implemented from FY 2026-27 to FY 2035-36. The scheme aims to scale up Compressed Biogas (CBG) production nearly ten-fold through assured offtake, a fixed CBG pricing framework, capital assistance, and a dedicated credit guarantee mechanism for MSME-based CBG projects, marking one of the government's larger circular-economy pushes this year.

Cabinet approves 'Samudra Manthan' (National Offshore Exploration Scheme) with an outlay of Rs.84,084 crore

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved 'Samudra Manthan' – the National Offshore Exploration Scheme, a Central Sector Scheme of the Ministry of Petroleum & Natural Gas with an approved outlay of Rs.84,084 crore for implementation up to FY 2030–31.

The Scheme translates the Prime Minister's vision, articulated from the Red Fort on Independence Day 2025, of a modern-day Samudra Manthan to unlock India's vast offshore energy potential. It marks a landmark step towards strengthening India's energy security, accelerating domestic exploration and production, promoting technological leadership, and advancing the vision of Viksit Bharat.

CCEA approves Guwahati–Tezpur highway four-laning

The Cabinet Committee on Economic Affairs approved the 135.871-km four-lane, access-controlled Guwahati–Tezpur corridor (NH-15) in Assam at an estimated cost of Rs. 8,970.20 crore under a Build-Operate-Transfer (toll) model. The project strengthens connectivity between Assam and Arunachal Pradesh and adds to the week's broader infrastructure push alongside the GOBARdhan and PM-KISAN approvals.

Industrial infrastructure gets fresh impetus with UPSIDA board approval

The Uttar Pradesh Industrial Development Authority (UPSIDA) has approved the layout plans for two industrial areas in Fatehpur and Ayodhya districts at its 51st board meeting held earlier this week. This decision by the nodal agency aims to catalyse planned industrial development, systematic land use, faster plot allotment, and scale up infrastructure for encouraging new investments, while establishing the state as an industrial hub. According to UP Additional Chief Secretary, Infrastructure & Industrial Development and UPSIDA Chairman Alok Kumar, the policy will facilitate the revival of dormant industrial assets, encourage investments, restore production, create employment, and foster effective utilisation of industrial land.

Chhattisgarh Cabinet approves AI Mission, BEML plant MoU and governance reforms

The Chhattisgarh Cabinet, chaired by Chief Minister Vishnu Deo Sai, approved a Rs. 500 crore AI Mission and cleared the Excise Policy for FY 2026-27. The Delhi Metro Rail Corporation (DMRC) and BEML Limited signed an MoU to collaborate on Metro rail projects in India and abroad. The Cabinet also approved a Rs. 15 crore Asian Development Bank grant for the 'Anjor LIGHT' technical assistance project supporting the state's Vision 2047 roadmap, and adopted the State Single Nodal Agency (S-SNA) model for state-funded schemes.

AP Cabinet clears Ease of Doing Business Act-2026 and PPP Policy-2026

The AP Cabinet approved the omnibus 'Ease of Doing Business Act-2026' along with a draft PPP Policy-2026 to attract private investment across transport, ports, airports, healthcare, education and renewable energy. The Cabinet also cleared the Pedestrian Safety and Universal Accessibility Policy-2026, restructuring of Urban Development Authorities in line with reorganised districts, and administrative sanction of Rs. 210.06 crore for infrastructure works ahead of Godavari Pushkaralu-2027.

Karnataka Cabinet expansion completed under CM D.K. Shivakumar

The Congress high command approved the expansion of the DK Shivakumar-led Karnataka Cabinet on August 3, inducting 20 new ministers (12 new faces, 8 retained) and bringing the council of ministers to its full complement of 34. Key legislative posts were also finalized, with G.S. Patil named Assembly Speaker and A.S. Ponnanna as Deputy Speaker. While this is a governance/political development rather than an investment announcement, it's notable for ASSOCHAM's purposes as it clears the way for pending industrial and policy decisions that had reportedly been held up pending the cabinet reshuffle.

RBI holds repo rate at 5.25%, raises FY27 growth forecast

The Reserve Bank of India's Monetary Policy Committee, chaired by Governor Sanjay Malhotra, unanimously kept the policy repo rate unchanged at 5.25% at its 62nd meeting concluded on August 5 — the third consecutive hold — while retaining its neutral stance. The MPC raised its FY27 GDP growth forecast to 6.7% (from 6.6%) and lowered its CPI inflation projection to 5.0% (from 5.1%), citing resilient domestic demand and moderating food- and fuel-driven price pressures, with the Governor noting the Committee wants greater clarity on the inflation trajectory before any further move.

India's Manufacturing PMI holds firm at 53.5, ranks 7th globally

India's final Manufacturing PMI for July came in at 53.5, comfortably above the J.P. Morgan Global Manufacturing PMI of 52.1, placing India 7th among the 32 economies tracked — ahead of South Korea, Germany, China, the UK and the Eurozone. The reading, confirmed in early-August data releases, underscored India's relative resilience even as global manufacturing growth moderated to its most measured pace since March.

E-way bill generation rises 14.5% in June to fourth-highest monthly level

E-way bill generation under the Goods and Services Tax (GST) regime rose 14.5 per cent year-on-year (Y-o-Y) to a four-month high of 136.77 million in June 2026 from 119.46 million a year earlier. On a sequential basis, it increased 0.5 per cent from 136.08 million in May. The June tally was the highest in four months and the fourth-highest monthly e-way bill generation since the roll out of GST, pointing to continued resilience in goods movement and steady tax compliance. E-way bills are mandatory for transporting consignments valued above ~50,000 and are widely tracked as a high-frequency indicator of domestic trade, supply chain activity and GST compliance.

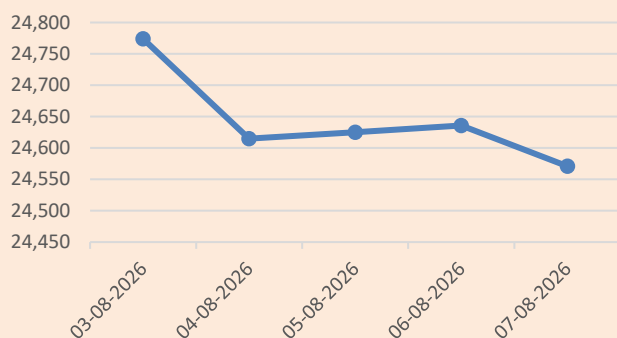
India's auto retail sets a historic July record — 25.9% YoY growth

Total automobile retail sales rose 25.89% year-on-year to an all-time-high 25,91,138 units in July 2026, according to FADA — the first time on record that every single vehicle category (two-wheelers, three-wheelers, commercial vehicles, passenger vehicles, tractors, and construction equipment) posted its best-ever July. Alternative-fuel vehicles (CNG, hybrid, EV) came within 1.09 percentage points of overtaking petrol in the passenger vehicle mix, at 40.59% of retail sales.

RBI Raises FY27 GDP Forecast to 6.7% and Lowers Inflation View to 5%

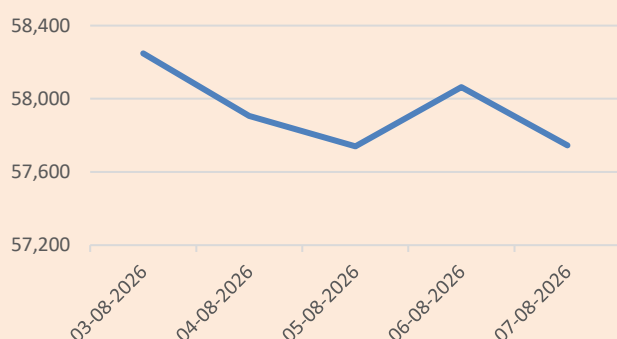
The Reserve Bank of India's Monetary Policy Committee has updated its macroeconomic projections for FY27, raising the real GDP growth forecast to 6.7% and lowering the CPI inflation outlook to 5.0%. While headline inflation remains above target due to food and fuel pressures, the central bank sees little signs of widespread generalization. Consequently, policy rates are held steady to allow further clarity before making future adjustments.

NIFTY 50



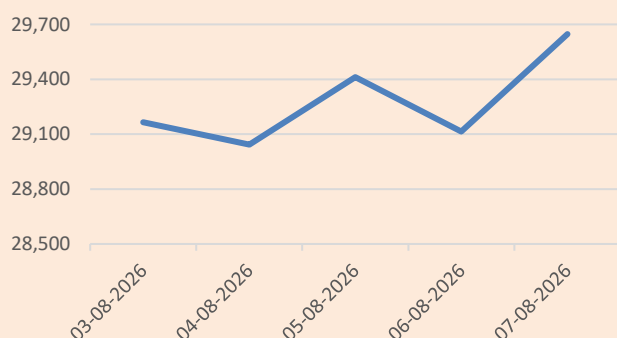
The index opened the week at a high of 24,774 on August 3 before drifting lower through midweek, dipping to 24,615 on August 4 and holding broadly flat around the 24,620–24,640 band on August 5–6, likely as early optimism ahead of the RBI's August 5 policy decision gave way to profit-booking once the rate hold was priced in. Selling pressure resumed on August 7, pulling the index down to a weekly close of 24,571, compounded by crude price volatility and continued caution around global cues through the back half of the week.

NIFTY BANK



The index opened at 58,248 on August 3 and eased steadily through midweek. It touched a weekly low of 57,740 on August 5, likely on profit-booking around the RBI's rate hold. A modest recovery to 58,064 followed on August 6, supported by the upgraded FY27 growth forecast and PSB credit strength. The underperformance relative to Auto suggests investors rotated away from rate-sensitive financials into other cyclical during the week.

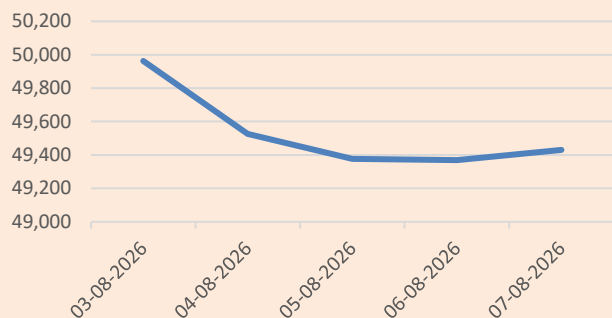
NIFTY AUTO



The index opened at 29,166 on August 3 and slipped to 29,043 by August 4. It rebounded to 29,412 on August 5 before pulling back to 29,114 on August 6. A sharp rally on August 7 took the index to a weekly high of 29,647, likely lifted by FADA's record July auto retail sales data (+25.9% YoY) released a day earlier. NIFTY AUTO was the only major index to close the week higher, up about 481 points (+1.65%).

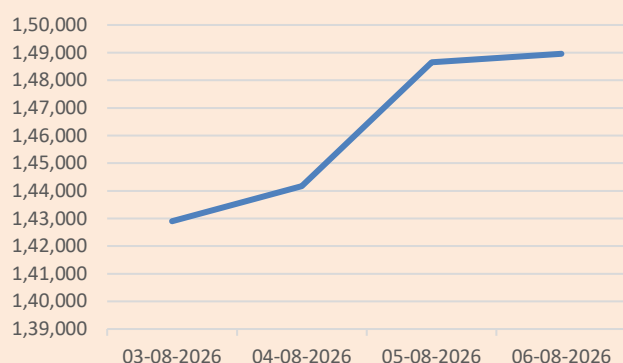
Date	USD (INR / 1 USD)	GBP (INR / 1 GBP)	EUR (INR / 1 EUR)	JPY (INR / 100 JPY)
07/08/2026	95.2135	128.1158	109.7171	60.1400
06/08/2026	95.2053	128.1679	109.9418	60.3500
05/08/2026	95.1237	127.9912	109.7242	60.3100
04/08/2026	95.3487	128.0237	109.7165	60.4700
03/08/2026	95.2601	128.2633	109.8247	60.7900

NIFTY FMCG



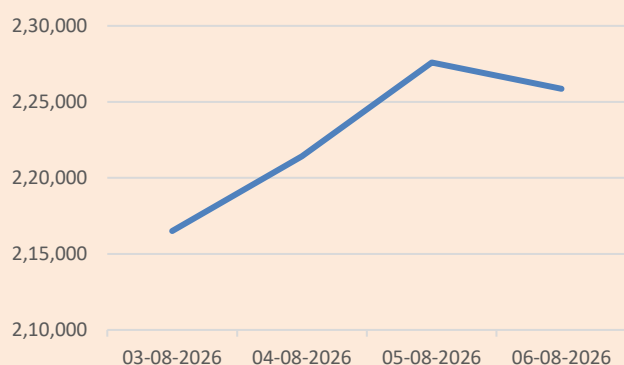
The index opened the week at 49,963 on August 3 and declined steadily through midweek. It touched a low of 49,369 on August 6, weighed by persistent food-inflation pressures on margin expectations. The index stabilised marginally to 49,430 on August 7. A broader rotation of investor interest toward outperforming cyclical sectors like auto likely added to the pressure. The sector ended the week down around 533 points (-1.07%).

Gold (INR/10 GM)



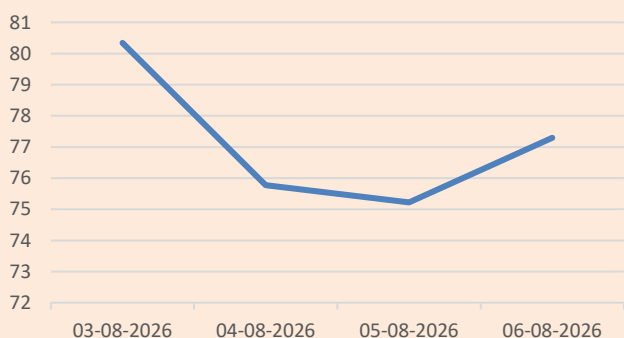
Gold opened the week at Rs. 1,42,900 on August 3 and rallied sharply through midweek. It climbed to Rs. 1,48,650 by August 5, a gain of over 3% in three sessions. The metal held firm near Rs. 1,48,958 on August 6. The rally was likely driven by safe-haven demand amid crude volatility, West Asia tensions, and a weaker rupee. Friday's close is pending. The move brought gold within striking distance of the psychologically significant Rs. 1.50 lakh/10g mark.

Silver (INR/KG)



Silver opened at Rs. 2,16,506 on August 3 and tracked gold's upward momentum. It touched a weekly high of Rs. 2,27,590 on August 5, supported by safe-haven buying and steady industrial demand. The metal eased slightly to Rs. 2,25,860 on August 6, likely on profit-booking after the sharp rally. Overall, silver gained over 4% across the reporting period. Friday's close is pending. The relatively sharper swings versus gold reflect silver's dual role as both a precious and industrial metal.

Crude (\$/BL) Price



Crude opened the week at \$80.34 on August 3 and fell sharply through midweek. It touched a weekly low of \$75.22 on August 5, likely on reports of a potential pause in planned US-Israeli strikes on Iran. Prices recovered to \$77.29 on August 6 as the geopolitical situation remained fluid. The net decline over the reporting period was nearly 4%. Friday's close is pending. The continued volatility underscores the market's sensitivity to any shift in West Asia's security situation.

India's Manufacturing PMI stood at 53.5 in July 2026

India's Manufacturing PMI stood at 53.5 in July 2026, comfortably above the J.P.Morgan Global Manufacturing PMI of 52.1, placing India 7th among the 32 economies tracked.

Manufacturing PMI: Key Observations for July 2026

- **India Outperforms Global Peers:** India's Manufacturing PMI at 53.5 remained comfortably above the World average of 52.1, placing it 7th among the 32 economies tracked, ahead of South Korea, Germany, China, the UK and the Eurozone.
- **Global Growth Moderates:** The J.P.Morgan Global Manufacturing PMI eased to 52.1 in July from 52.2 in June, its most measured reading since March, as growth in output and new orders settled to four-month lows, even as the index has remained in expansion for 12 consecutive months.
- **Resilience Amid Select Contractions:** While France, Spain, Poland, Mexico, Türkiye, Myanmar, Kazakhstan and Brazil recorded contractions in July, India continued to register a solid pace of expansion, underscoring its relative resilience within the global manufacturing landscape.
- **Employment and Export Orders Firm Globally:** Global employment recorded its strongest rise in over two years, while new export orders stabilised following back-to-back contractions in May and June, a constructive external backdrop that aligns with the pick-up in India's own export orders during July.
- **Price and Supply Pressures Ease Worldwide:** Input cost and output price inflation slowed to five- and four-month lows respectively across the world, while vendor lead times continued to lengthen at a more measured pace, pointing to steadier global supply-chain conditions.

Monthly Trend: India Manufacturing PMI

Month	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Manufacturing PMI	55.4	56.9	53.9	54.7	55.0	54.2	53.5

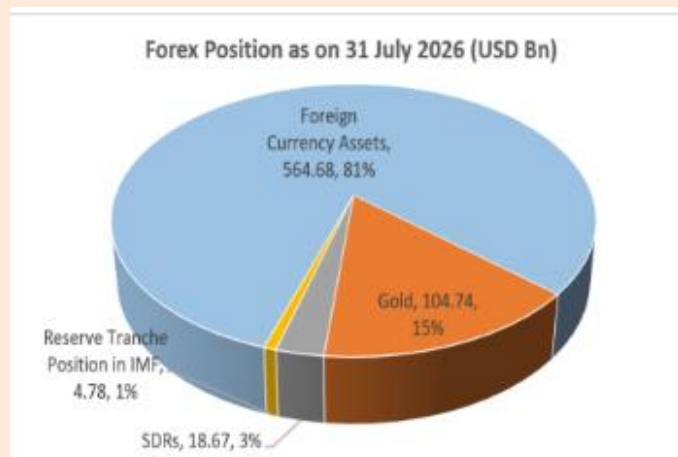
ASSOCHAM Perspective

- **India Well Placed Among Global Peers:** India's manufacturing sector continues to demonstrate steady resilience relative to global peers, supported by firm domestic output and strengthening export orders even as global momentum moderates.

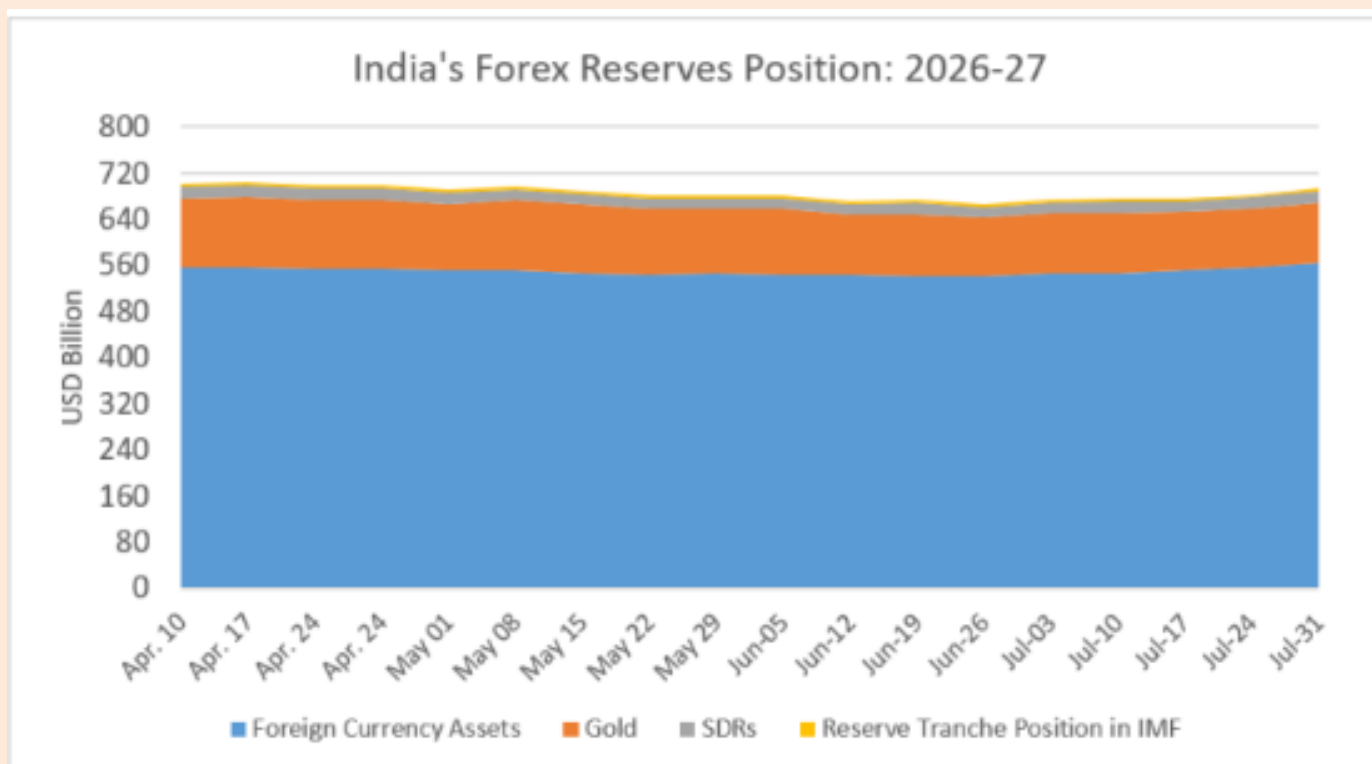
INDIA'S FOREIGN EXCHANGE RESERVES STOOD AT USD 692.87 BILLION

ASSOCHAM Perspective

- India's Forex reserves as on 31 July 2026 stood at USD 692.87 billion registering an increase of USD 10.51 billion compared to last week.
- Foreign currency assets which constitute a major part of forex reserves stood at USD 564.68 billion up by USD 8.75 billion.
- Gold, the second largest component recorded a value of USD 104.74 billion.
- SDRs and reserve position at IMF also registered a slight increase in the week ending 31 July as against last week.
- Reserves have climbed for five straight weeks as the RBI's measures helped bring in US\$40.8 billion through a mix of foreign currency deposits from its diaspora and overseas borrowings since early June.



India's Forex Reserves and Components (USD Billion)



(Source: RBI)

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