MONTHLY MACRO REVIEW

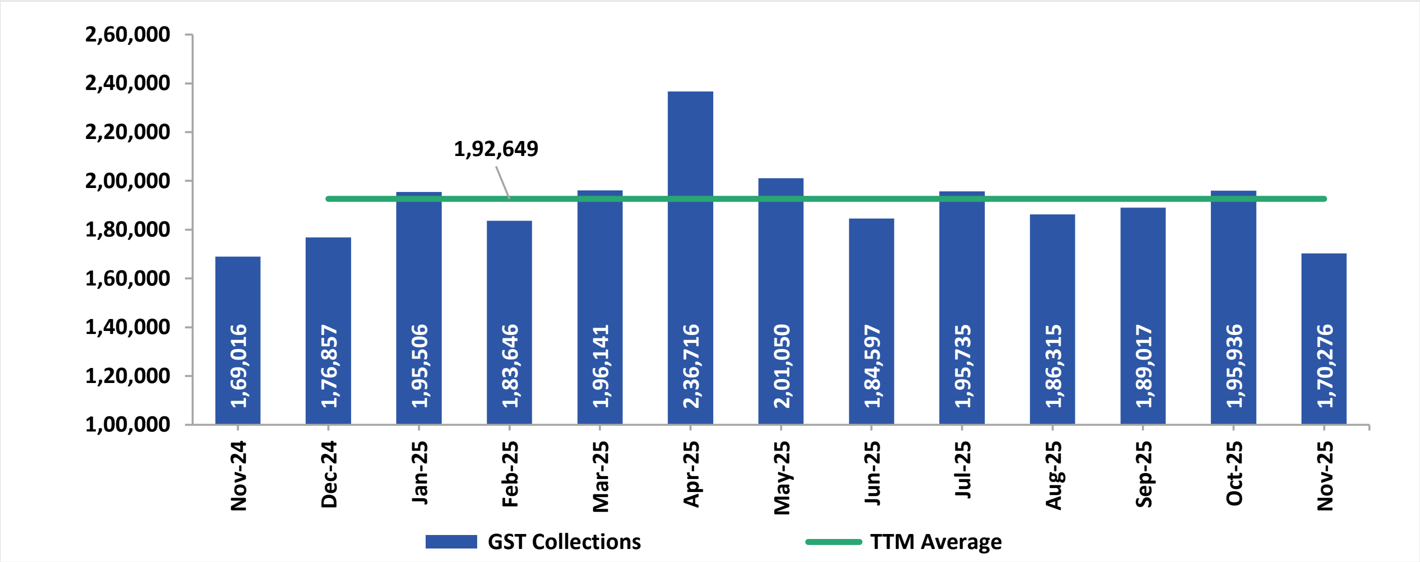
6th December 2025

BONANZA WEALTH

GST COLLECTIONS

India's gross Goods and Services Tax (GST) revenue collections for Nov-25 reached to Rs 1,70,276 crore, a 0.7% YoY increase. According to government data, gross GST revenue from domestic transactions fell by (-2.3%) YoY to Rs 1,24,300 crore, meanwhile revenue from imported goods increased by 10.2% YoY reaching to Rs 45,976 crore. Gross GST collections comprised CGST of Rs 34,843 crore, SGST of Rs 42,522 crore, IGST of Rs 92,910 crore, and Cess of Rs 4,006 crore.

After adjusting for refunds, the net GST revenue for Nov-25 amounted to Rs 1,52,079 crore, reflecting a 1.3% YoY growth. So far for FY26, the gross GST revenue totalled to Rs 14,75,488 crore, recording an 8.9% YoY rise, while net collections after refunds stood at Rs 12,79,434 crore, marking a 7.3% YoY growth.



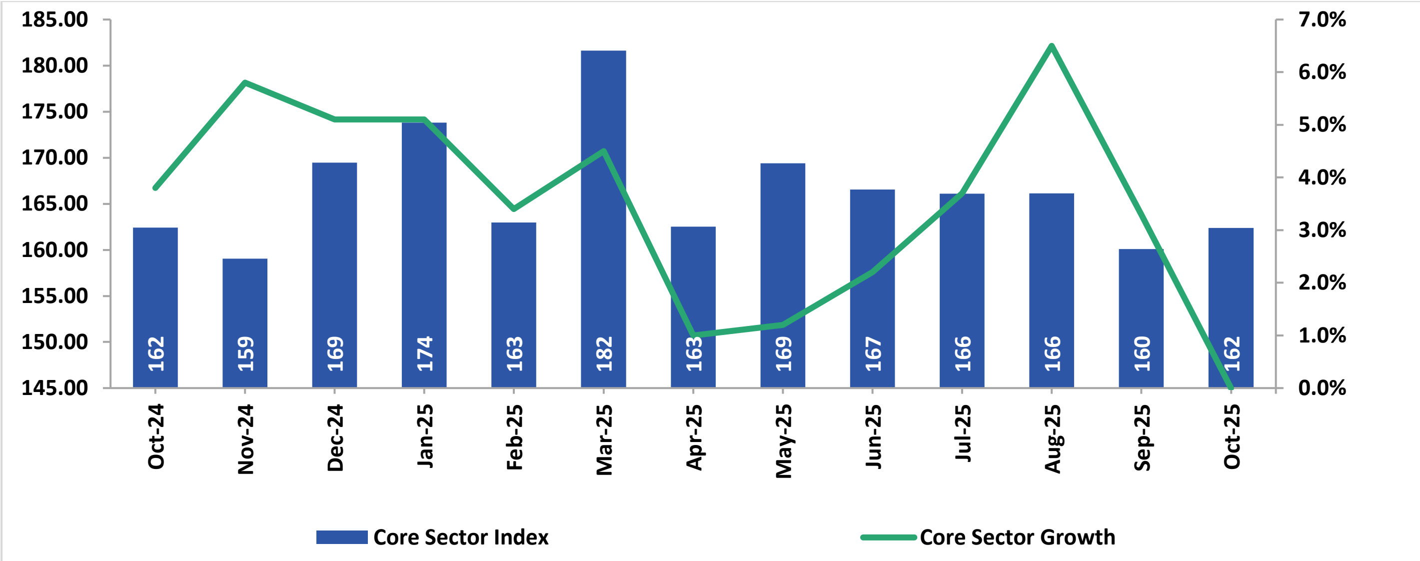
After adjusting for post-settlement figures, Maharashtra led the states in GST collections with Rs 16,122 crore, registering a 4.0% YoY increase. Uttar Pradesh followed with Rs 7,667 crore. Karnataka secured the third position with Rs 7,574 crore, while Tamil Nadu and Gujarat collected Rs 6,800 crore and Rs 6,723 crore, respectively.

India's GST collections softened in Nov-25 due to the rationalisation move that reduced the indirect tax of hundreds of items. Notably, several North-eastern states continued to record healthy GST growth despite the rate cuts, highlighting resilient consumption and the broader developmental impact of GST reforms.

CORE SECTOR

The Index of Eight Core Industries (ICI) registered a flat reading of 0% (Provisional) in Oct-25, marking a 14-month low. The weak print reflects a broad loss of momentum across key industrial sectors even though cement and steel sectors continued to expand. Core sector output contributes 40.27% to the Index of Industrial Production (IIP). The final ICI print for Sep-25 was revised upward to 3.3% from the previously reported 3.0%, reflecting a stronger momentum.

Notably, four out of eight key industries experienced growth in Oct-25. Positive output growth was recorded in Refinery Products (4.6%), Fertilizers (7.4%), Steel (6.7%) and Cement (5.3%). However, contractions were observed in Coal (-8.5%), Crude Oil (-1.2%), Natural Gas (-5.0%) and Electricity (-7.6%).



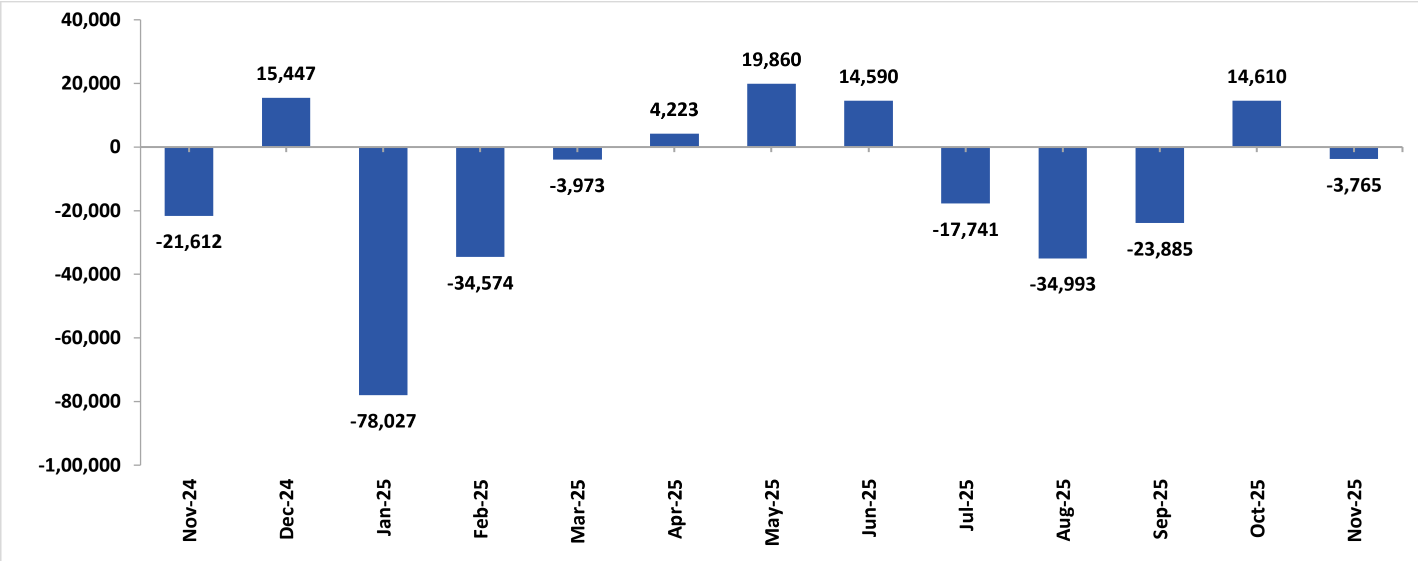
The cumulative growth of the Index of Core Industries (ICI) during Apr-25 to Oct-25 stood at 2.5% (Provisional) compared to the corresponding period of the previous year.

October's flat growth in core-sector reflects the drag from energy-linked industries, even as steel and cement stayed resilient through ongoing construction activity. With monsoon disruptions easing and infrastructure spending expected to remain firm, the core sector could see a gradual pickup in momentum in the coming months.

FPI FLOWS

Foreign Portfolio Investors (FPIs) turned net sellers in Nov-25, withdrawing Rs 3,765 crore from equities following the temporary rebound in Oct-25 that recorded inflows of Rs 14,610 crore. FPIs offloaded Rs 15,659 crore from the secondary equity markets and purchased Rs 11,894 crore through the primary markets, resulting in overall net outflows of Rs 3,765 crore.

The equity outflows were influenced by a mix of global and domestic factors. Globally, uncertainty around the US Fed's rate-cut timeline, strong US dollar performance and ongoing geopolitical tensions weighed on investor sentiment. Domestically, elevated valuations in selected sectors and weaker industrial indicators added to investor caution. So far in 2025, the equity withdrawals reached Rs 1.43 lakh crore.



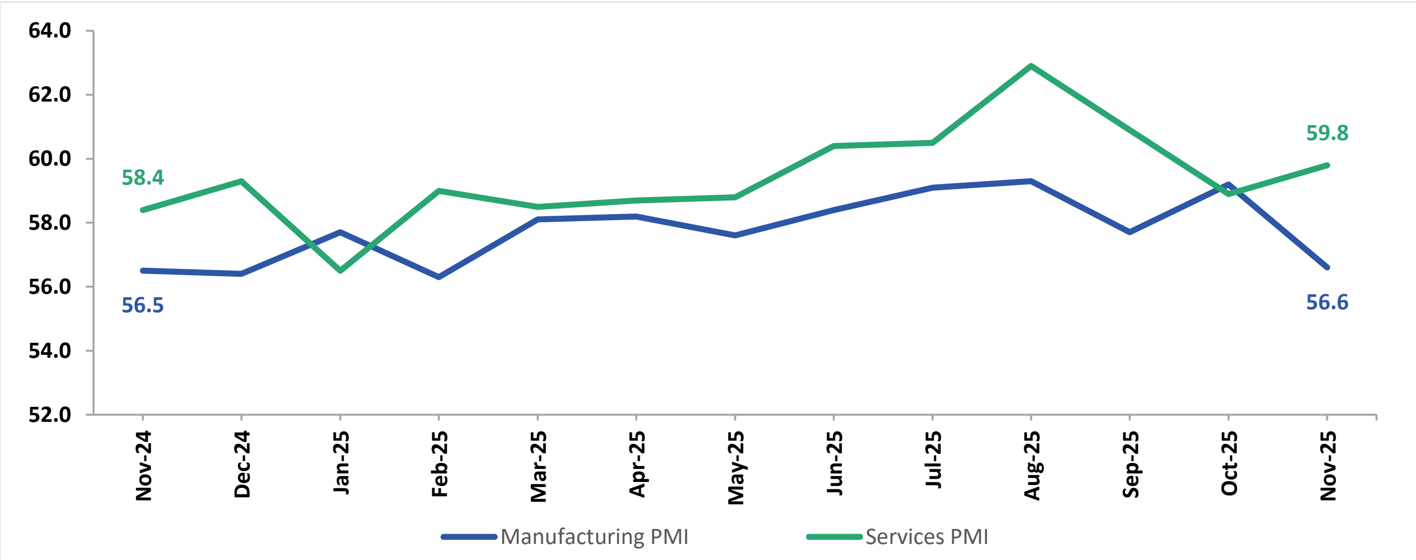
Meanwhile, the Debt / Hybrid segment sustained positive momentum, registering net inflows of Rs 6,601 crore in Nov-25, although at a slower pace than the Rs 20,988 crore recorded in Oct-25. Sector-wise inflows were led by Telecommunication (Rs 14,326 crore), Oil, Gas and Consumable Fuels (Rs 7,169 crore), and Capital Goods (Rs 2,495 crore). On the other hand, major outflows were observed in Information Technology (Rs 5,794 crore), FMCG (Rs 4,764 crore) and Consumer Services (Rs 3,993 crore).

Looking ahead, the FPI flows will hinge on the outcome of by US Fed's December meeting and developments in the US-India trade agreement.

PMI INDICATOR

India's private sector economy expanded further in Nov-25, although the overall pace of growth eased compared with the previous month as manufacturing slowed while services regained some momentum. The Manufacturing PMI fell to 56.6 in Nov-25 from 59.2 in Oct-25, reflecting the slowest improvement in operating conditions since Feb-25. Firms reported softer increases in output and new orders, while international demand eased as new export orders grew at the slowest pace in over a year. India's final November PMI confirmed that US tariffs contributed to the slowdown in the manufacturing sector. Input cost inflation and output charges also moderated, offering some respite to manufacturers.

In contrast, the Services PMI rose to 59.8 in Nov-25 from 58.9 in Oct-25, supported by a quicker increase in new business and a historically sharp rise in activity. However, export orders grew at the slowest rate in 8 months due to strong overseas competition. Cost pressures in services softened considerably, with input inflation dropping to its lowest level since Aug-2020.

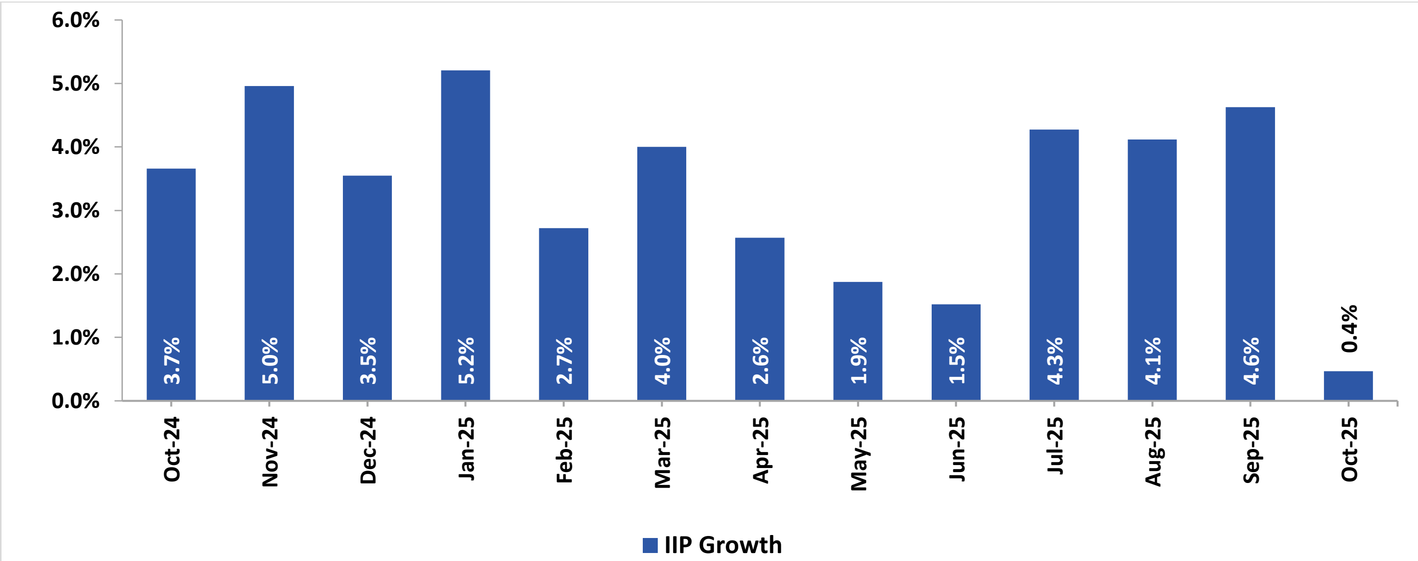


As a result, the Composite Output Index stood at 59.7 in Nov-25 compared with 60.4 in Oct-25, signalling a slight moderation in overall business activity. Firms remained broadly optimistic, drawing confidence from stable demand conditions, marketing efforts and expectations of controlled pricing pressures going forward.

IIP GROWTH

India's industrial production slowed down to 0.4% in Oct-25, a sharp decline from revised 4.6% (previously 4.0%) recorded in Sep-25. Manufacturing, which forms nearly 78% of the index, expanded by 1.8% in Oct-25 following a 5.6% rise in Sep-25. Electricity output fell steeply by (6.9%), down from 3.1% increase in Sep-25. Mining activity contracted for the second consecutive month by (1.8%) as against (0.4%) decline in the previous month.

Among the 23 manufacturing sub-sectors, 9 recorded YoY growth led by Basic Metals (6.6%), Coke and refined Petroleum products (6.2%) and Motor Vehicles (5.8%). On the other hand, Food Products (-8.0%), Chemical Products (-2.8%) and Other Manufacturing (-22.9%) recorded YoY decline.



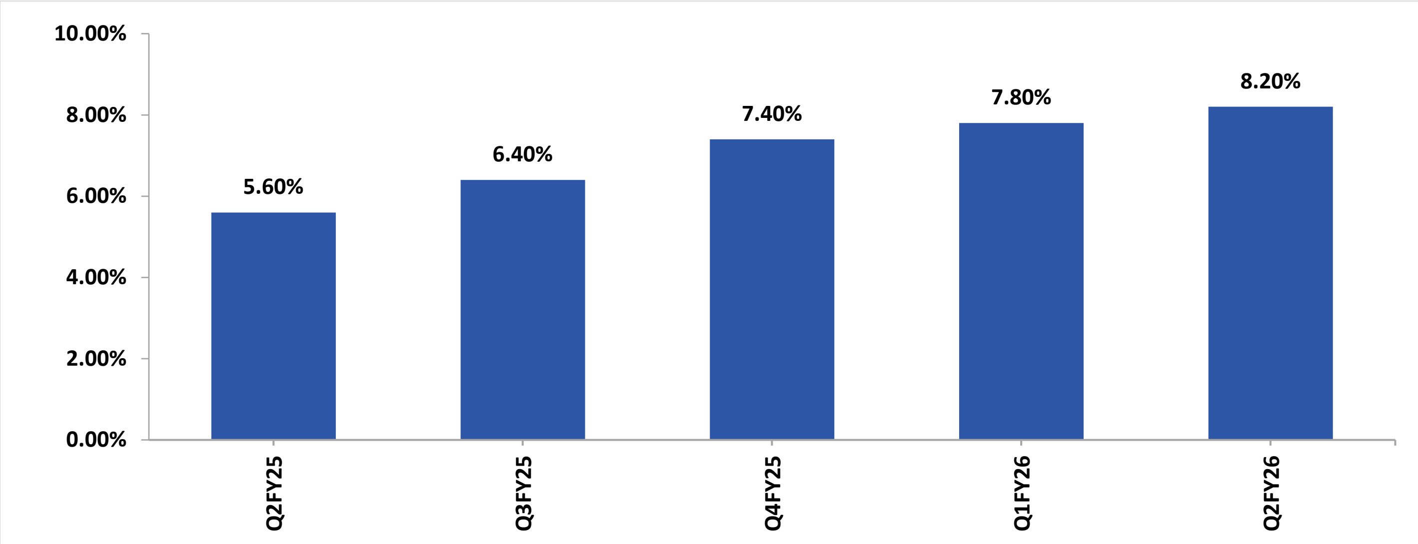
Within the use-based classification, three out of six categories experienced growth under which Infrastructure/Construction Goods (7.1%) were a standout performer followed by Capital Goods (2.4%) and Intermediate Goods (0.9%). Meanwhile, YoY decline was witnessed in Consumer Non-Durable (-4.4%), Primary goods (-0.6%) and Consumer Durables (-0.5%).

The sharp slowdown likely reflects fewer working days on account of major festivals and subdued electricity demand amid extended monsoon and cooler weather. Looking ahead, sturdy consumption demand supported by low inflation and stronger rural incomes is expected to provide some cushion to industrial activity despite softer exports and tighter fiscal conditions.

GROSS DOMESTIC PRODUCT

India's real GDP (Gross Domestic Product) growth for the Q2FY26 accelerated sharply to a six-quarter high of 8.2% YoY, up from 5.6% in Q2 FY25 and 7.8% in Q1 FY26. Nominal GDP grew by 8.7% over the same period.

Real GVA (Gross Value Added) rose by 8.1%, reflecting strong output across major sectors. The uptick was driven by robust acceleration from secondary and tertiary sectors. Manufacturing sector surged by 9.1%, construction grew by 7.2%, while financial, real estate and professional services expanded by 10.2%. In contrast, agriculture and allied activities recorded modest growth of 3.5% and electricity, gas, water supply and other utility services sector recorded moderate growth of 4.4%. Private final consumption expenditure also showed healthy traction, with real private consumption up by 7.9%, pointing to resilient domestic demand.

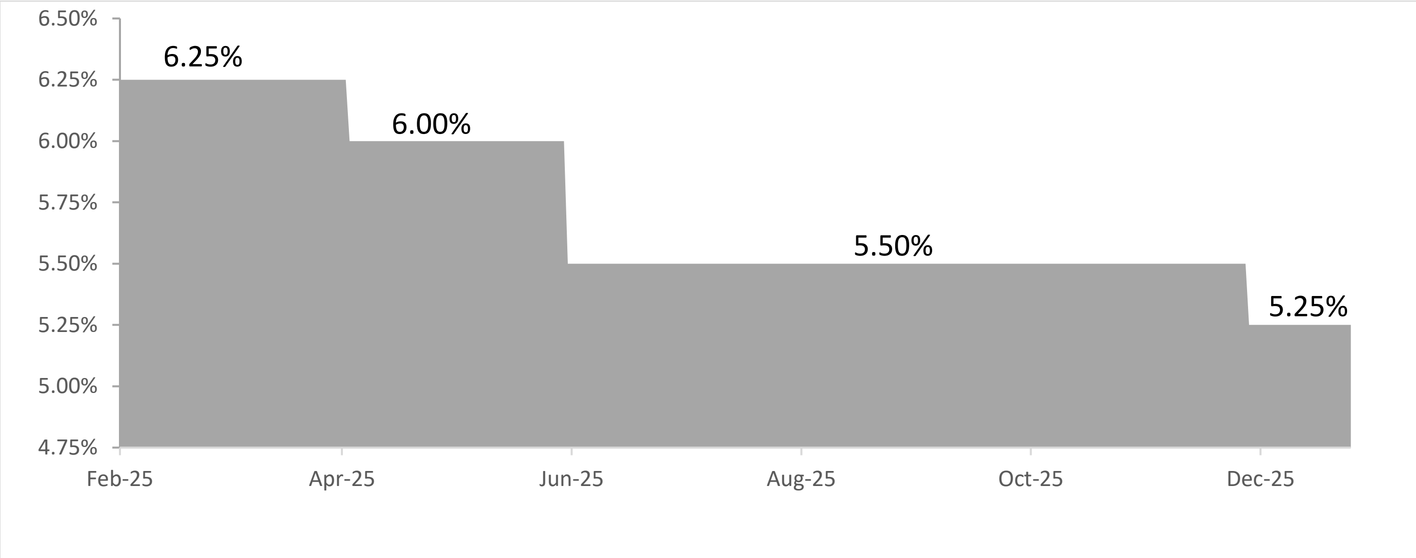


Despite global uncertainties and trade pressures, the Q2 numbers highlight India's strong output momentum. With recent GST reforms supporting demand and investment sentiment improving, India continues to hold its position as one of the fastest-growing major economies.

RBI MPC DECISION

The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) has cut the repo rate by 25 bps, bringing the rate down to 5.25% in Dec-25. This marks the fourth time that central bank has cut interest rates this year, taking the cumulative reduction to 125 bps in 2025. The MPC has retained its neutral stance, noting that inflation has eased sharply in recent months while domestic growth remains steady. RBI has also reduced the Marginal Standing Facility (MSF) and Bank Rate to 5.50%, while the Standing Deposit Facility (SDF) has been adjusted to 5.00%.

The GDP growth forecast for FY26 was revised higher to 7.3% from 6.8% earlier. Furthermore, quarterly GDP projections now stand at 7.0% in Q3FY26, 6.5% in Q4FY26, 6.7% in Q1FY27 and 6.8% in Q2FY27. On the inflation front, the RBI has lowered the FY26 CPI inflation forecast to 2.0% from 2.6% earlier, supported by easing food prices and favourable supply conditions. The quarterly CPI projections are 0.6% in Q3FY26, 2.9% in Q4FY26, 3.9% in Q1FY27 and 4.0% in Q2FY27.



To support liquidity conditions in the banking system, the central bank also announced that it will conduct Open Market Operation (OMO) purchases of government securities totalling Rs 1 lakh crore, alongside a 3-year USD/INR buy-sell swap of USD 5 billion during December.

Also, the Governor noted that monetary transmission is progressing steadily, and the current policy setting remains supportive of growth while keeping inflation within the target band. With external uncertainties persisting, the MPC will continue to closely monitor global developments and domestic indicators before deciding the future course of policy.

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