MONTHLY MACRO REVIEW

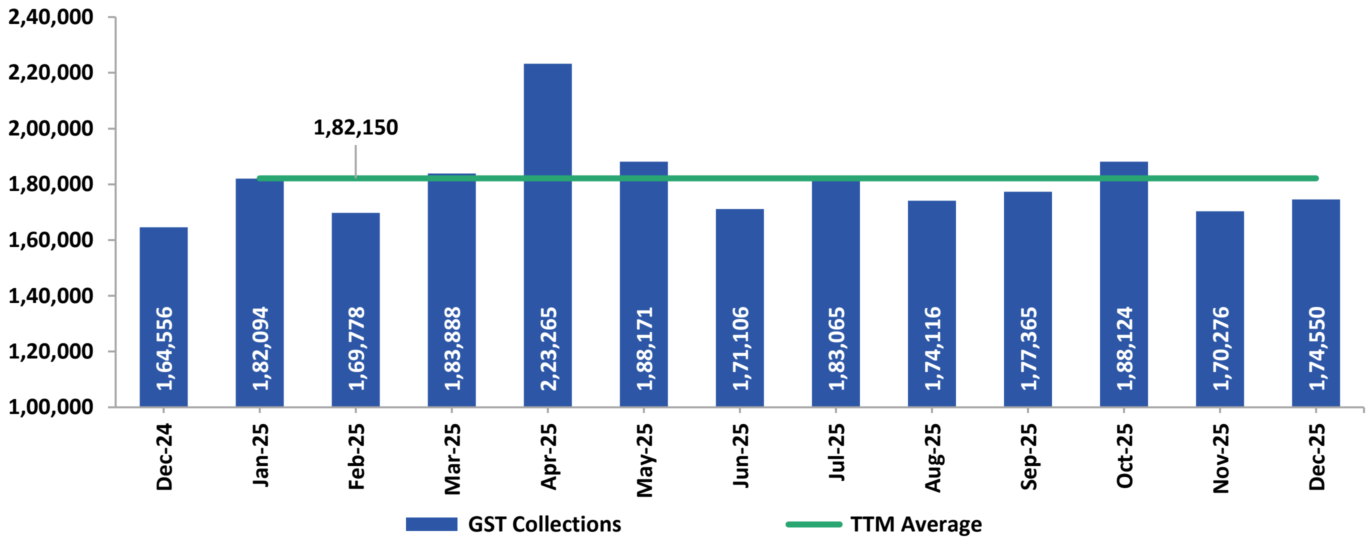
5th January 2026

BONANZA WEALTH

GST COLLECTIONS

India's gross Goods and Services Tax (GST) revenue collections for Dec-25 reached to Rs 1,74,550 crore, reflecting a 6.1% YoY increase. According to government data, gross GST revenue from domestic transactions rose modestly by 1.2% YoY to Rs 1,22,574 crore, while revenue from imported goods increased by 19.7% YoY reaching to Rs 51,977 crore. Gross GST collections comprised CGST of Rs 34,289 crore, SGST of Rs 41,368 crore, IGST of Rs 98,894 crore, and Cess of Rs 4,238 crore.

After adjusting for refunds, the net GST revenue for Dec-25 amounted to Rs 1,45,570 crore, reflecting a 2.2% YoY growth. So far for FY26, the gross GST revenue totalled to Rs 16,50,039 crore, recording an 8.6% YoY rise, while net collections after refunds stood at Rs 14,25,006 crore, marking a 6.8% YoY growth.



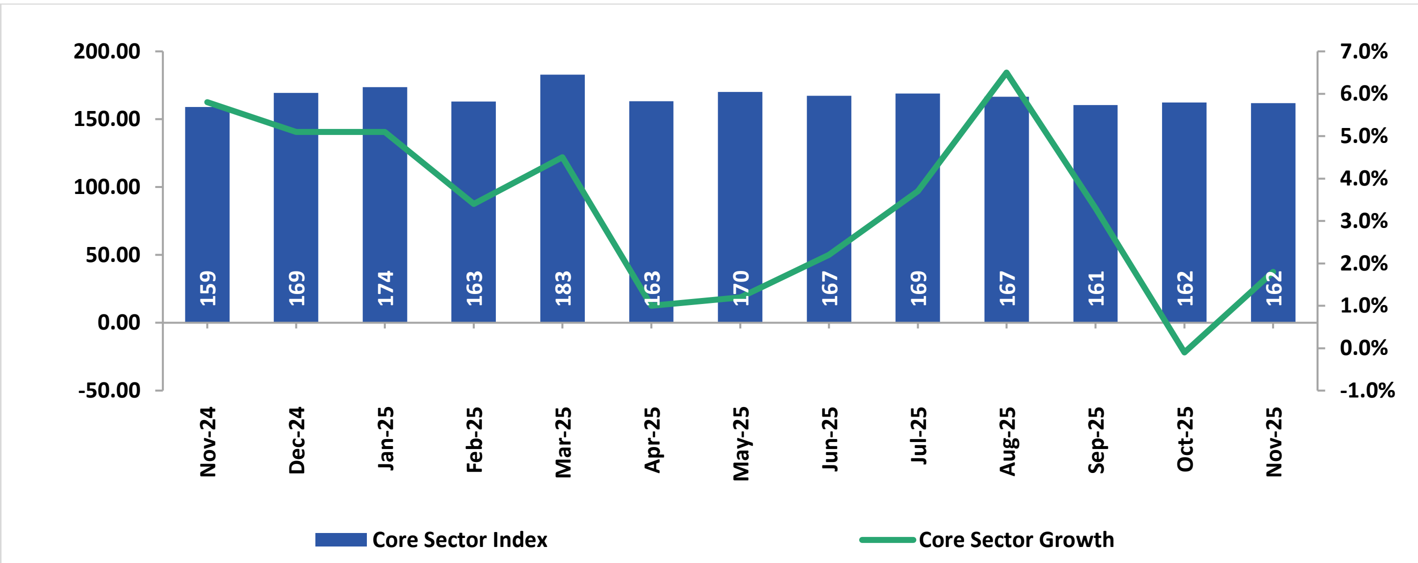
After adjusting for post-settlement figures, Maharashtra led the states in GST collections with Rs 16,140 crore, registering a 15.0% YoY increase. Karnataka followed with Rs 6,716 crore. Uttar Pradesh secured the third position with Rs 6,671 crore, while Gujarat and Tamil Nadu collected Rs 6,351 crore and Rs 5,992 crore, respectively.

Notably, December's GST collection was supported by strong import-linked collections, which helped cushion the impact of subdued domestic transaction growth toward the end of the year.

CORE SECTOR

The Index of Eight Core Industries (ICI) grew by 1.8% (Provisional) in Nov-25 as against 5.8% recorded in the same month last year. Core sector output contributes 40.27% to the Index of Industrial Production (IIP). The final ICI print for Oct-25 was revised downward to (-0.1%) from the previous flat reading of 0.0%, reflecting a turbulent late-monsoon phase that weighed on output in October.

Notably, four out of eight key industries experienced growth in Nov-25. Positive output growth was recorded in Cement (14.5%), Steel (6.1%), Fertilizers (5.6%) and Coal (2.1%). However, contractions were observed in Crude Oil (-3.2%), Natural Gas (-2.5%), Electricity (-2.2%) and Refinery Products (-0.9%). On the cumulative basis for Apr-25 to Nov-25, steel and cement remained the strongest performers with growth of 9.7% and 8.2% respectively.



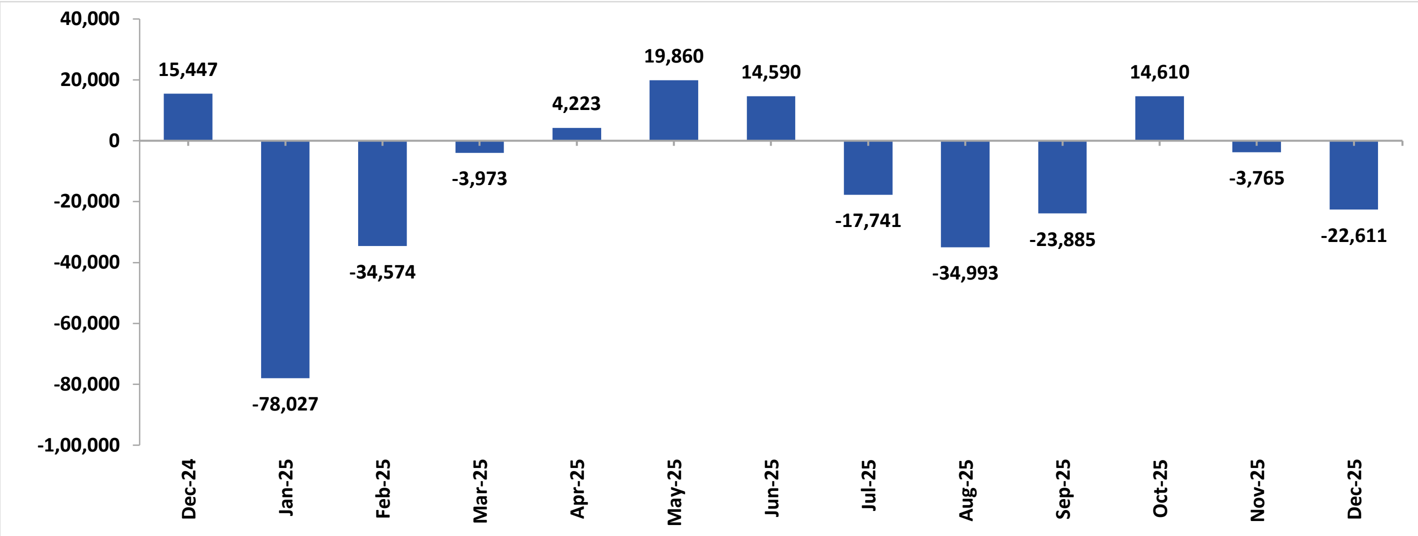
The cumulative growth of the Index of Core Industries (ICI) during Apr-25 to Nov-25 stood at 2.4% (Provisional) over corresponding period of the previous year.

While steel and cement continue to lend support to the core sector, persistent weakness in energy-related segments kept overall growth subdued in November. Going ahead, the durability of the recovery will depend on whether construction-led demand can offset continued stress in power and hydrocarbon output.

FPI FLOWS

Foreign Portfolio Investors (FPIs) remained net sellers in equities in Dec-25 by withdrawing Rs 22,611 crore, higher than the net outflows of Rs 3,765 crore recorded in Nov-25. In the first week of Dec-25, FPIs offloaded Rs 11,820 crore which highlighted selling pressure early in the month. The sustained outflows were largely due to a sharp depreciation in the Indian rupee which lost over 5% of its value throughout the year and delays in finalising the US-India trade agreement.

In 2025, the Indian stock market witnessed its weakest performance for equity withdrawals amounting to Rs 1.66 lakh crore. In contrast, the FPIs remained net buyers in the primary market by investing Rs 73,583 crore during the year. Out of the 12 months, FPIs were buyers in only 4 months namely April, May, June and October.



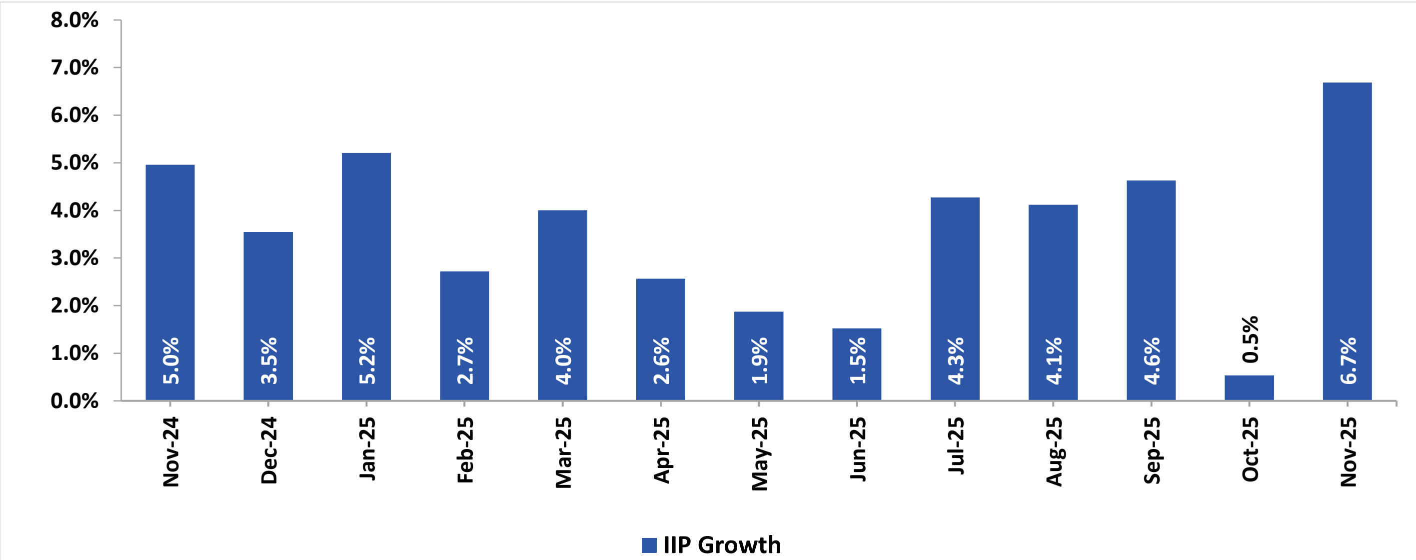
In the first half of Dec-25, sector-wise inflows were recorded in Oil, Gas and Consumable Fuels (Rs 3,001 crore), Others (Rs 918 crore), and Metals and Mining (Rs 807 crore). On the other hand, major outflows were observed in Financial Services (Rs 6,516 crore), Information Technology (Rs 3,331 crore) and Services (Rs 3,237 crore). Meanwhile, the Debt/Hybrid segment recorded net outflows of Rs 15,958 crore in Dec-25 as against net inflows of Rs 6,601 crore in Nov-25.

Overall, the year end outflows also reflected portfolio rebalancing by global investors ahead of the holiday season, a typical December trend. Going ahead, progress on the US-India trade deal could ease tariff pressure.

IIP GROWTH

India's industrial production surged by 6.7% in Nov-25, marking a 25-month high. It was driven by broad-based improvement in the manufacturing and capital goods sectors. The previous peak in IIP growth was recorded in Oct-23 at 11.9%. Manufacturing, which forms nearly 78% of the index, expanded by 8.0% in Nov-25 following a 2.0% rise in Oct-25. Mining activity also rebounded strongly, rising by 5.4% after contracting by (1.8%) in Oct-25. Electricity output remained under pressure, declining for the second consecutive month by (1.5%) compared to (6.9%) decline in the previous month.

Among the 23 manufacturing sub-sectors, 20 recorded YoY growth led by Basic Metals (10.2%), Pharmaceuticals, medicinal chemical and botanical products (10.5%) and Motor vehicles, trailers and semi-trailers (11.9%). On the other hand, YoY declines were observed in Wearing apparel (-14.4%), Printing and reproduction of recorded media (-5.4%) and Beverages (-1.7%).



Within the use-based classification, all six categories recorded growth, with Infrastructure/Construction Goods (12.1%) being a standout performer followed by Capital Goods (10.4%), Consumer Durables (10.3%), Intermediate Goods (7.3%), Consumer Non-Durable (7.3%) and Primary goods (2.0%).

The sharp rebound reflects a favourable base and post-festive inventory restocking. In addition, mining and electricity activity normalised gradually following the excess unseasonal rains in the previous month.

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