MONTHLY MACRO REVIEW

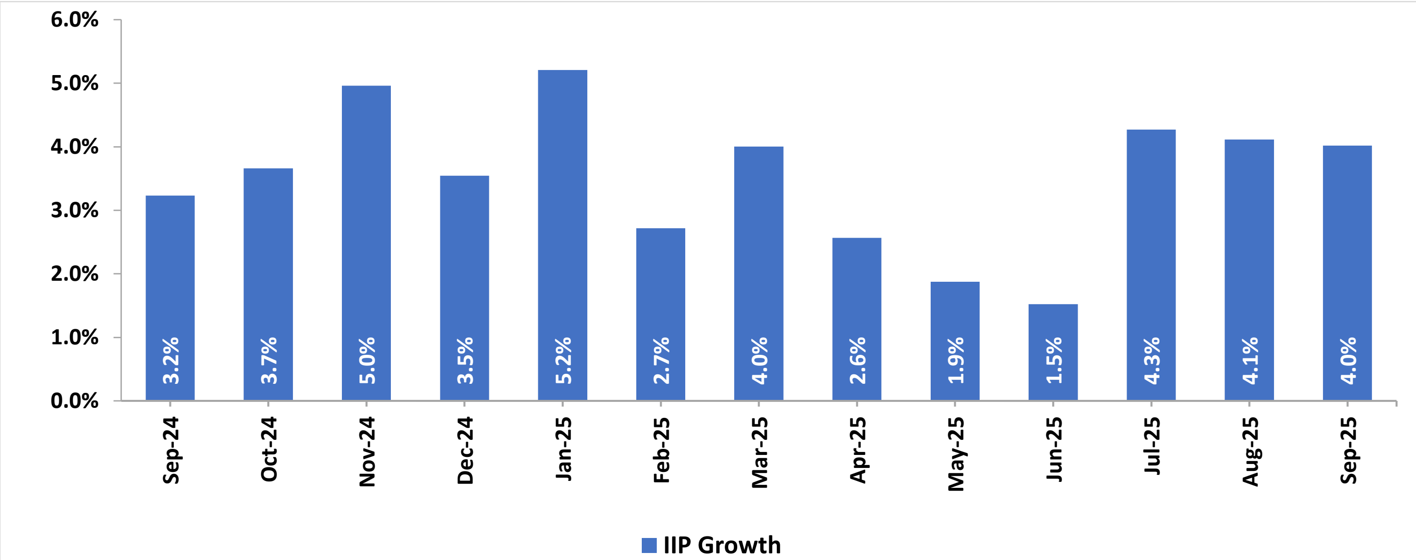
4th November 2025

BONANZA WEALTH

IIP GROWTH

India's industrial production grew by 4.0% in Sep-25, remaining largely unchanged from the Aug-25 print. Manufacturing, which accounts for nearly 78% of the index, rose by 4.8% in Sep-25, following a 3.8% increase in Aug-25. Electricity output moderated to 3.1% from 4.1% in Aug-25. Mining activity declined by (-0.4%) after a sharp 6.6% rise in the previous month. For the 1HFY26, overall industrial production grew by 3.0%, lower than the 4.1% expansion recorded during the same period in FY25.

Among the 23 manufacturing sub-sectors, 13 recorded YoY growth led by Basic Metals (12.3%), Electrical equipment (28.7%) and Motor vehicles (14.6%). On the other hand, Pharma Products (-3.5%), Chemical and Chemical Products (-1.3%) and Food Products (-1.9%).



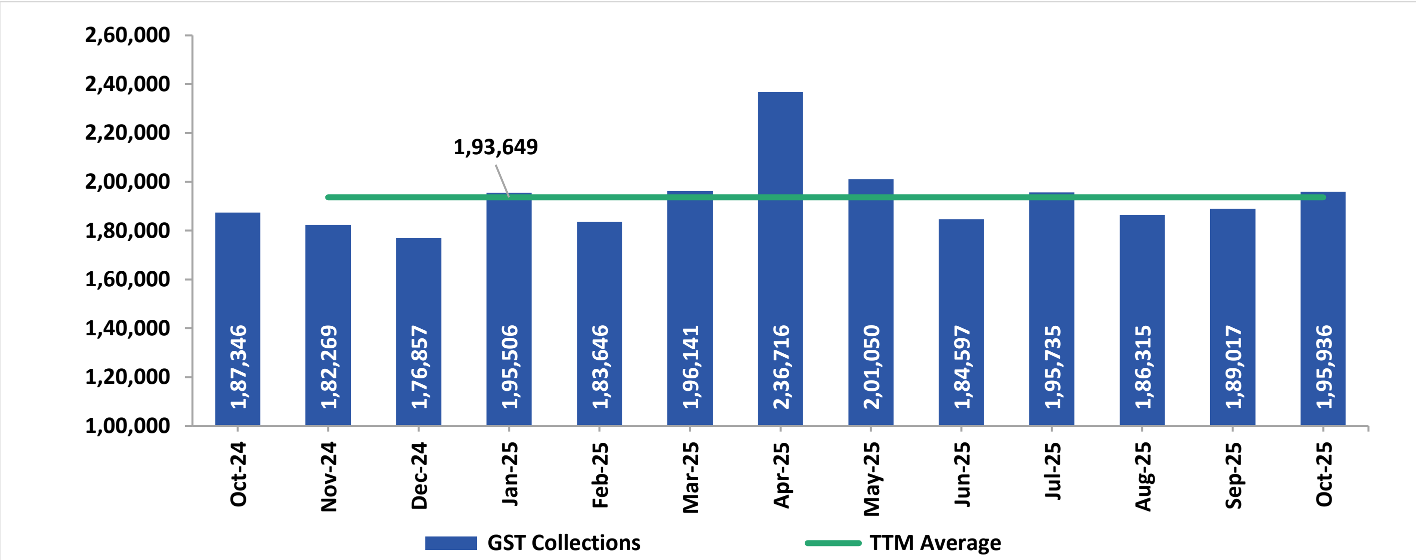
Within the use-based classification, five out of six categories experienced growth under which Infrastructure/Construction Goods (10.5%) were a standout performer followed by Consumer Durables (10.2%), Intermediate Goods (5.3%), Capital goods (4.7%), and Primary goods (1.4%). Meanwhile, YoY decline was witnessed in Consumer Non-Durables of (-2.9%).

The recent GST rate cuts appear to have supported an improvement in the consumer durables segment in September, though the complete impact is likely to unfold over the next couple of months as older inventories are phased out.

GST COLLECTIONS

India's gross Goods and Services Tax (GST) revenue collections for Oct-25 reached to Rs 1,95,936 crore, a 4.6% YoY increase. According to government data, gross GST revenue from domestic transactions grew by 2.0% YoY to Rs 1,45,052 crore, meanwhile revenue from imported goods increased by 12.84% YoY reaching to Rs 50,884 crore. Gross GST collections comprised CGST of Rs 36,547 crore, SGST of Rs 45,134 crore, IGST of Rs 1,06,443 crore, and Cess of Rs 7,812 crore.

After adjusting for refunds, the net GST revenue for Oct-25 amounted to Rs 1,69,002 crore, reflecting a 0.6% YoY growth. So far for FY26, the gross GST revenue totalled to Rs 13,89,367 crore, recording a 9.0% YoY rise, while net collections after refunds stood at Rs 12,07,487 crore, marking an 7.1% YoY growth.



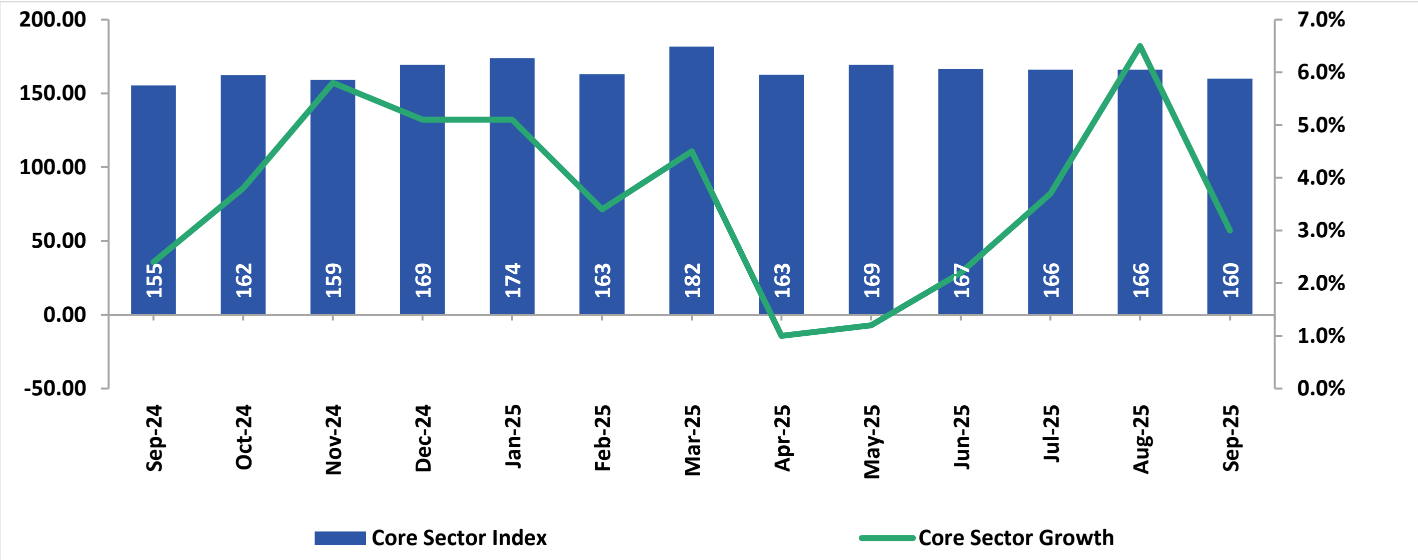
Maharashtra led the states in GST collections with Rs 32,025 crore, registering a 3.0% YoY increase. Karnataka followed with Rs 14,395 crore. Gujarat secured the third position with Rs 12,113 crore, while Tamil Nadu and Haryana collected Rs 11,588 crore and Rs 10,057 crore, respectively.

Even after the GST 2.0 rate reductions, collections continued to show resilience, supported by festive spending across key sectors. The improvement in consumption helped offset the revenue impact from the GST 2.0 rate cuts, keeping overall growth steady for the month.

CORE SECTOR

The Index of Eight Core Industries (ICI) registered an increase of 3.0% (Provisional) in Sep-25, marking a 3-month low. The slowdown in Sep-25 was largely driven by decline in coal, crude oil, natural gas, and refinery products. Core sector output contributes 40.27% to the Index of Industrial Production (IIP). The final ICI print for Aug-25 was revised upward to 6.5% from the previously reported 6.3%, suggesting a modest pickup in activity.

Notably, four out of eight key industries experienced growth in Sep-25. Positive output growth was recorded in Steel (14.1%), Cement (5.3%), Electricity (2.1%) and Fertilizers (1.6%). However, contractions were observed in Natural Gas (-3.8%), Refinery Products (-3.7%), Crude Oil (-1.3%) and Coal (-1.2%). For the H1FY26, steel and cement sectors remained growth divers, expanding by 11.0% and 7.7%, respectively.

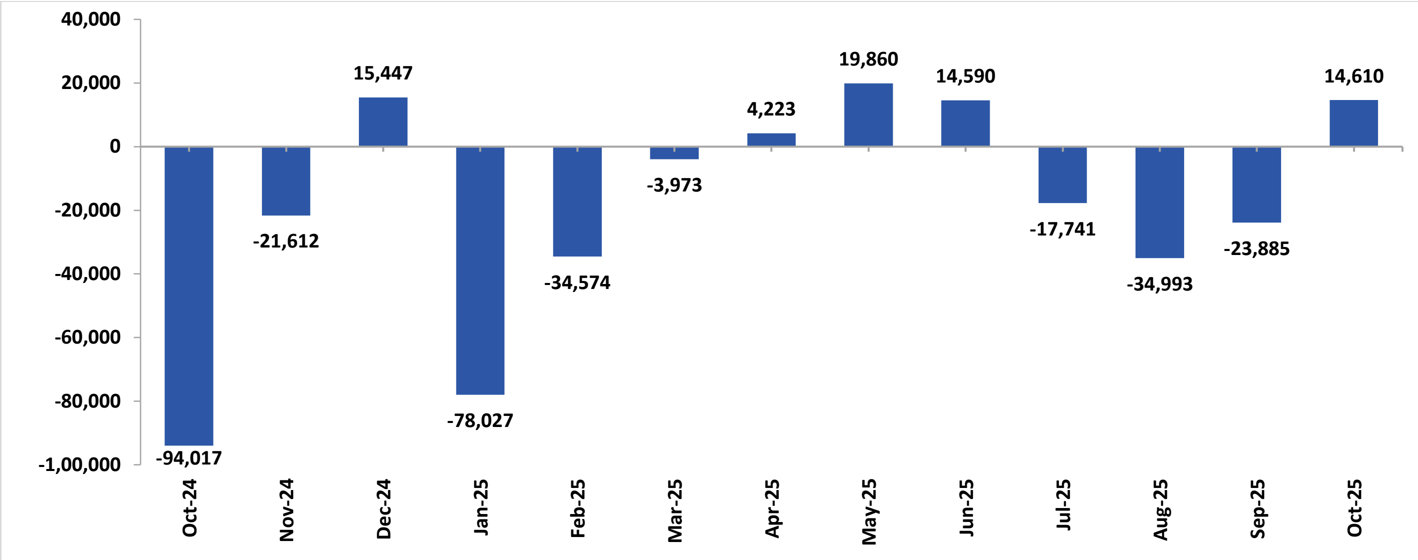


The cumulative growth of the Index of Core Industries (ICI) during Apr-25 to Sep-25 stood at 2.9% (Provisional) compared to 4.3% in the same period of the previous year.

Steel and cement sector continue to show strong momentum, supported by resilience in infrastructure and construction activity. Going ahead, better energy output and sustained public spending could help the core sector regain broader growth traction.

FPI FLOWS

Foreign Portfolio Investors (FPIs) reversed their selling streak and turned net buyers in Oct-25 of Rs 14,610 crore in equities compared to the outflows of Rs 23,885 crore in Sep-25. This marked the first inflow after 3 consecutive months of selling, with total withdrawals amounting to Rs 76,619 crore in equities from Jul-25 to Sep-25. The equity inflows were influenced by resilient quarterly corporate earnings, a rate cut by the US Fed, and hopes of US-India trade talks materialising soon. So far in 2025, the equity withdrawals reached ~ Rs 1.40 lakh crore.



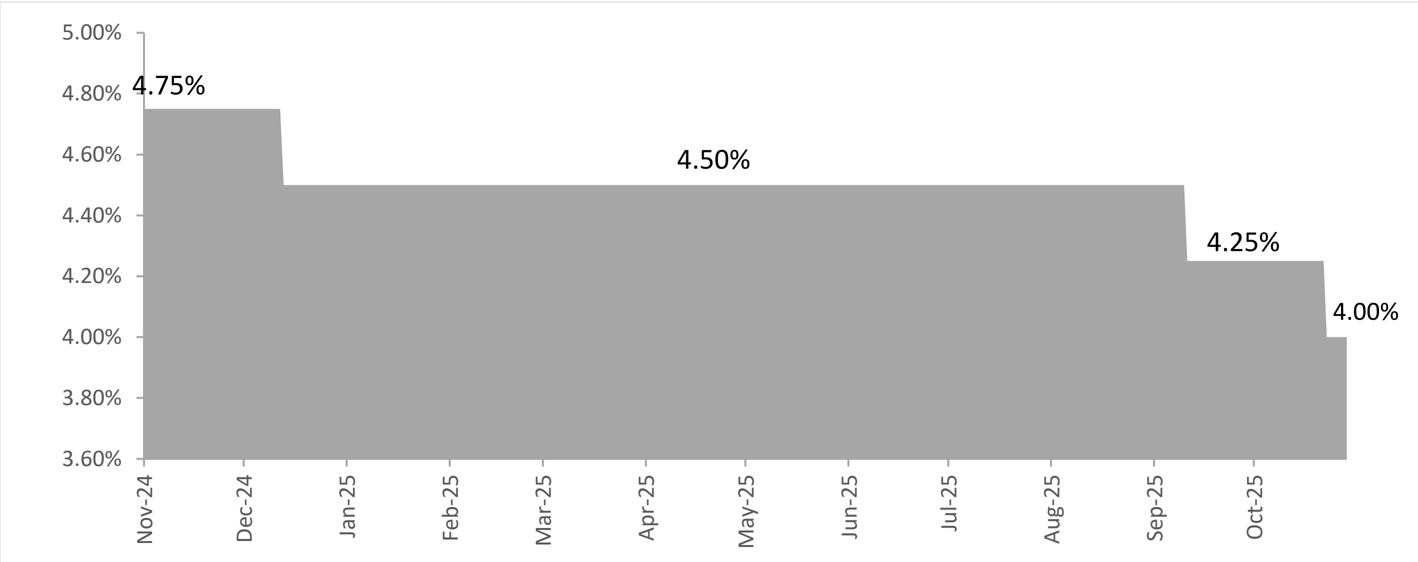
Meanwhile, the Debt / Hybrid segment witnessed resilience, with net inflows of Rs 20,988 crore in Oct-25, up from Rs 11,346 crore recorded in Sep-25. In the first half of Oct-25, sector-wise inflows were recorded in Financial Services (Rs 8,276 crore), Automobile and Auto Components (Rs 1,560 crore), and Metals and Mining (Rs 1,395 crore). On the other hand, major outflows were observed in FMCG (Rs 2,992 crore), Healthcare (Rs 2,739 crore) and Information Technology (Rs 1,927 crore).

Looking ahead, the quantum of FPI flows will depend upon the progress in US-India trade deal and the remaining Q2FY26 results.

FOMC MEETING

The Federal Open Market Committee (FOMC) decided to reduce the policy rates for the second consecutive time by 25 basis points bringing the rate down to a range of 3.75%-4.00%. This also marks the lowest level since Dec-22. In its Sep-25 meeting, Fed had upgraded its estimate for real GDP growth to 1.6% from 1.4% in Jun-25, indicating improved economic resilience. The unemployment rate projection was lowered to 4.4% in 2026 and 4.3% in 2027. Inflation forecasts were revised higher to 3.1% in 2025 and 2.6% in 2026.

The Committee also announced the ending of its balance sheet reduction known as quantitative tightening (QT), signalling a shift towards a more accommodative policy stance to support liquidity and credit conditions.



Chair Jerome Powell did hint that December rate cut is not assured and suggested that this move might be the last one for 2025. He maintained a cautious, data-dependent approach, emphasizing that future actions will hinge on incoming data and the balance between inflation risks and growth moderation.

Markets are likely to interpret the Fed's move and the end of QT as a signal of policy easing, which could support short-term liquidity and risk sentiment, though uncertainty around further rate cuts may limit upside momentum.

Name	Designation		
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