THE LOMBARD REVIEW

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MARKETS

Sensex	81,028	+8.8%
Nifty 50	25,030	+8.6%
₹ per $	94.46	-0.7%
Brent	98.32	-16.4%
Gold	4,075	+4.5%

Shares have their best week since 2021 as foreign money pours back

The Nifty rose 8.58 per cent to 25,030.35 as oil fell, the rupee firmed and foreign investors bought more than ₹35,000 crore of shares. Smaller companies were left behind.

BY ARNAV GOEL



The Bombay Stock Exchange building on Dalal Street, Mumbai. PRADEEP717 / CC BY-SA 4.0

Indian shares rose in every session of the week to Friday, November 6, and ended with their biggest weekly gain since February 2021. The Nifty 50 closed at 25,030.35, up 1,977.25 points, or 8.58 per cent, from 23,053.10 a week earlier. The BSE Sensex ended at 81,028.02, up 6,568.49 points, or 8.82 per cent. It was the Nifty's highest close since February 27 and its seventh straight daily gain, its longest winning run in about 14 months.

The rise added about ₹28.70 lakh crore to the market value of companies listed on the BSE, taking the total to about ₹503 lakh crore. Thursday did the most work: the Sensex jumped 2,008.61 points, or 2.60 per cent, and Friday, the day of Dhanteras, added another 1,718.01 points.

THREE THINGS CHANGED AT ONCE

The first was oil. Brent crude settled at $98.32 a barrel on Friday, down from $117.64 a week earlier, a fall of 16 per cent. India buys most of its crude abroad, so cheaper oil lowers the import bill, eases pressure on inflation and on the rupee, and helps companies that burn a lot of fuel. The Nifty Auto index rose about 9 per cent in the week.

The second was American politics. Democrats won control of both the House and the Senate in the midterm elections on Tuesday. Investors hoped a Congress controlled by the opposition would push President Donald Trump to end the war with Iran, which is what drove oil down.

The third was a sell-off in American technology shares. The Nasdaq Composite fell 5.5 per cent on Thursday, its worst day since April 2025, after a weak forecast from Qualcomm deepened doubts about how much companies are spending on artificial intelligence. Indian indices hold few of the companies building that infrastructure, and foreign funds that sold American chipmakers moved some of the money to India.

FOREIGN BUYERS RETURN

Foreign institutional investors bought ₹14,974.68 crore of shares on Thursday alone, their largest one-day purchase since February 2021, and about ₹35,781 crore over the five sessions, according to exchange data compiled by HDFC Sky. Domestic institutions, which had been absorbing foreign selling all year, sold ₹18,228 crore in the first week of November.

The buying went into the biggest and most liquid shares. Lenders gained most, helped by a fall in bond yields that lowers their funding costs: Shriram Finance rose 16.8 per cent in the week, Bajaj Finance 15.8 per cent, HDFC Bank 13.8 per cent and ICICI Bank 12.4 per cent. The Nifty Midcap 150 rose 5.8 per cent and the Nifty Smallcap 250 3.7 per cent. On Friday, 1,769 shares fell on the BSE and only 1,037 rose, even as the Sensex climbed.

A NERVOUS RALLY

India VIX, which measures the volatility traders expect, rose 13.35 per cent on Friday to 17.66. That is unusual in a rising market and suggests traders are buying protection against a reversal. The special Muhurat session on Sunday, November 8, which opened the Hindu year Samvat 2083, was quiet: the Nifty closed at 24,986.40, slightly lower.

One good week does not undo a bad year. Samvat 2082 ended with the Nifty down 3.1 per cent, its worst such year since 2011, after foreign investors sold about $31.3 billion of Indian shares in 2026. Whether they keep buying depends on oil staying down, and that depends on diplomacy in the Gulf rather than anything in India.

Oil falls 16 per cent in a week on hopes of an end to the Iran war

Brent dropped below $100 a barrel after Democrats won Congress. For India, which paid an average of $120 a barrel for crude in October, the relief is large but not yet secure.

BY ARNAV GOEL

Brent crude, the global benchmark, settled at $98.32 a barrel on Friday, November 6, down from $117.64 a week earlier. That was a fall of 16.4 per cent. The low point came on Wednesday, when Brent settled at $94.62.

The fall began on Monday, when Brent dropped to $104.77 after Tehran said contacts with Washington aimed at ending the eight-month conflict were continuing. It gathered pace after the American midterm elections on Tuesday, in which Democrats won both houses of Congress. Sources close to Gulf governments told Reuters that a weakened President Trump had a greater incentive to seek a deal, and that a full-scale assault on Iran now looked less likely. Oil prices carry a premium for the risk that supplies through the Strait of Hormuz are cut off. When the chance of a settlement rises, that premium shrinks.

WHY IT MATTERS SO MUCH TO INDIA

India's basket of crude cost an average of $120.46 a barrel in October, the highest monthly average since 2012. At Friday's price, Brent is about $22 cheaper than that. India imports most of the crude it uses, and pays for it in dollars, so a lower price works through the economy in several ways at once.

The first is the trade deficit. A smaller oil bill means fewer dollars leaving the country, which supports the rupee. The rupee rose about 1 per cent in the week, to 93.91 a dollar. The second is inflation. Fuel feeds into almost every price, from freight to fertiliser, and economists expect October's consumer inflation, due on Thursday, to be close to 6 per cent. Cheaper oil will not show up in that figure, but it lowers the forecast for the months ahead. The third is the budget and the state-run oil companies, which have absorbed much of the shock by holding pump prices steady while crude rose.

WHO GAINS AND WHO DOES NOT

Share prices showed the split. The Nifty Auto index rose about 9 per cent in the week. Companies that buy oil or oil-based inputs rose too: in early trade on Thursday IndiGo, the airline, was up 4.7 per cent and Asian Paints 4.3 per cent. Oil producers did less well. ONGC was among the few losers that morning, down 1.7 per cent, because a lower crude price means less revenue from every barrel it pumps. That was despite a 57.3 per cent rise in its quarterly profit, reported during the week.

NOT SETTLED YET

The price is still high by recent

Continued

GST collections jump 23 per cent, the fastest in over four years

Gross receipts reached ₹2.31 lakh crore in October as festive spending and dearer imports lifted the tax take. Collections on imports grew faster than those on domestic sales.

BY ARNAV GOEL

India collected ₹2.31 lakh crore in gross goods and services tax in October, according to figures released on November 1. That was 22.9 per cent more than a year earlier, the fastest growth in more than four years. It was the second-largest monthly haul of the financial year, behind April's ₹2.43 lakh crore, and well above September's ₹2.04 lakh crore.

Refunds, mostly to exporters who pay tax on inputs and claim it back, came to ₹27,934 crore, up 6.5 per cent. Net collections after refunds were about ₹2.03 lakh crore, up 25.6 per cent. In the first seven months of the financial year, April to October, gross receipts reached about ₹14.78 lakh crore, 13.2 per cent more than a year earlier.

WHERE THE MONEY CAME FROM

GST is split between the centre and the states. Central GST brought in ₹42,935 crore and state GST ₹51,340 crore. The largest share, ₹1,37,015 crore, was integrated GST, which is levied on sales between states and on imports, and is later divided between the two levels of government.

Tax on imports grew faster than tax on domestic sales. Part of the reason is the price of what India buys abroad. GST on an imported good is charged on its value in rupees, so when the rupee is weak, the same shipment yields more tax. The rupee spent most of October near 95 a dollar, compared with about 88 a year earlier. A tax figure inflated by a weak currency says less about demand at home than the headline suggests.

THE FESTIVE EFFECT

Domestic spending did rise. October covered Navratri and Dussehra, and the start of the Diwali shopping season. Factory dispatches of passenger vehicles passed 500,000 in a month for the first time, and UPI payments set a record, with average daily transactions above ₹1 lakh crore. GST collected in a month mostly reflects sales in the month before, because businesses file returns for the previous period, so some of the festive spending will show up in November's figures too.

HELP FOR A STRETCHED BUDGET

The timing is useful for the government. The centre's fiscal deficit reached 42.1 per cent of its target for the year in April to September, compared with 36.5 per cent a year earlier. Strong indirect tax receipts give it more room. They do not remove the risk: if crude rises again, the cost of shielding consumers from it will rise too, while a stronger rupee, which would be welcome in other ways, would trim the GST collected on imports.

India

Oil falls 16 per cent in a week on hopes of an end to the Iran war

Continued

standards. Brent was near $72 a barrel in early July, before the latest escalation in the Gulf. It touched $126 in late April. A $98 barrel still means a far larger import bill than a year ago, and the move this week rests on hopes of a deal that has not been made. If talks stall, the risk premium can return as fast as it left.

There is also the question of who gets the benefit. Private retailers Nayara Energy and Jio-bp raised petrol by ₹5 a litre and diesel by ₹3 in October, while state-run companies held their prices. If crude stays below $100, the state companies will first use the lower cost to repair their margins. Whether motorists see cuts, and how soon, is a decision for those companies and the government.

India in brief

A late edition. This edition is dated Sunday, November 8, and covers the week to that day. It was published a day late, on November 9.

Foreign buying, domestic selling. Foreign institutional investors bought ₹14,974.68 crore of shares on November 5, their largest one-day purchase since February 2021. Domestic institutions sold ₹18,228 crore in the first week of November.

A quiet start to Samvat 2083. In the special Muhurat session on Sunday, November 8, the Nifty closed at 24,986.40 and the Sensex at 80,999.40, both slightly lower. Exchanges are closed on Tuesday, November 10, for Diwali Balipratipada.

Information technology rebounds. The Nifty IT index rose 2.37 per cent on Friday to an intraday high of 33,616.20, its highest in nine months, as investors judged Indian software firms less exposed to the slump in American AI shares.

Adani buys a data centre park. AdaniConneX, a joint venture of Adani Enterprises, agreed on November 5 to buy all of Vizag Mega Data Center Park for ₹1,085.51 crore, with the deal expected to close by November 10.

Three IPOs approved. SEBI on November 5 approved initial public offerings by Mahanadi Coalfields, a subsidiary of Coal India, Sagar Defence Engineering and Arjun Jewellers.

Marico buys into a wellness brand. Marico agreed on November 6 to buy 51 per cent of Bonorizon Consumer Ventures for up to ₹35 crore, part of a push into health and wellness products.

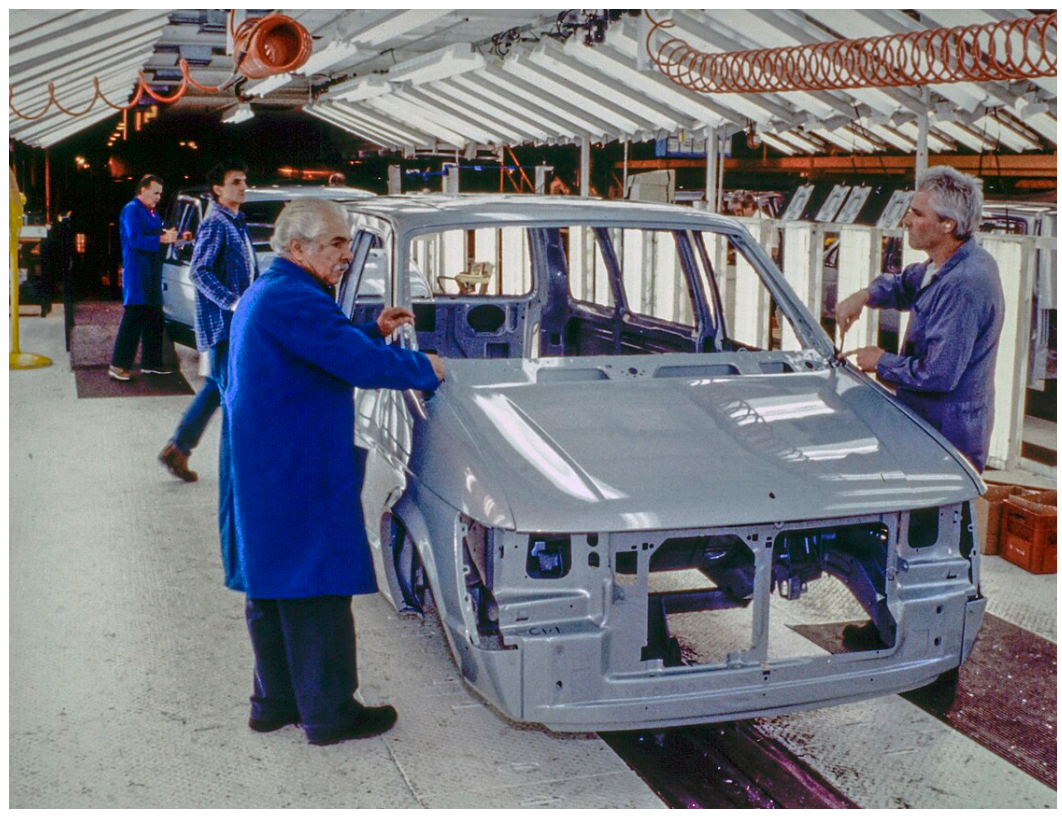
Titan's vice chairman to retire. Noel Tata will retire as vice chairman and director of Titan on November 12, the company said with its quarterly results.

Market value soars. The total market value of BSE-listed companies rose by about ₹28.70 lakh crore in the week, to about ₹503 lakh crore.

Factories slow a little while services speed up

The HSBC manufacturing PMI fell to 54.7 in October while the services index rose to 55.8, a four-month high. Price pressures eased in both, to the lowest in years.

BY ARNAV GOEL



Minivans being assembled at the Windsor Assembly Plant in Ontario. LAWRENCE MONKHOUSE / CC BY-SA 4.0

Two surveys of purchasing managers published this week showed India's private economy still growing at a healthy pace in October, with a shift from factories towards services.

The HSBC India manufacturing purchasing managers' index fell to 54.7 from 55.1 in September. The final figure, released on November 2, was slightly below the flash estimate of 54.9. The services index, released on November 4, rose to 55.8 from 55.2, its highest since June. The composite index, which combines the two, rose to 56.2 from 55.9, the fastest growth in output in four months. Any reading above 50 means more firms reported an improvement than a deterioration.

EXPORTS HELP FACTORIES

For manufacturers, foreign demand was the bright spot. New export orders rose at the fastest pace in six months. Domestic orders grew more slowly than in September. Services firms reported the opposite pattern: demand at home drove growth, while hiring and new export business weakened during the month.

THE MORE STRIKING CHANGE IS IN PRICES

Input costs for manufacturers rose at the slowest pace since February. The prices factories charged rose at the weakest pace in nearly four years. Among services firms, input cost inflation fell to its lowest since August 2020.

That matters for the Reserve Bank of India. The RBI raised its repo rate by a quarter point to 5.50 per cent on October 7, worried that dear oil and a weak rupee would push inflation higher. Consumer inflation was 5.54 per cent in September, and economists expect a figure close to 6 per cent for October, which will be published on Thursday. The surveys suggest that, beyond fuel and food, businesses are not passing on large price rises. Firms that cannot raise prices easily are a sign that demand is not running ahead of supply.

READING THE SURVEYS WITH CARE

Purchasing managers' indices measure how many firms say things are getting better or worse, not by how much. They are useful early signals, but official output data, which count what was actually produced, come later and can tell a different story. Even so, the two surveys point the same way: an economy still expanding briskly, with cost pressures easing before the fall in oil prices this week has had any effect.



A ₹2,000 Indian banknote. RAVI DWIVEDI / CC BY-SA 4.0

The rupee and bonds rally as oil retreats

The rupee rose about 1 per cent in the week to 93.91 a dollar and the ten-year bond yield fell 22 basis points to 7.19 per cent. Reserves fell again as the RBI sold dollars.

BY ARNAV GOEL

The rupee closed at 93.91 a dollar on Friday, November 6, after rising 56 paise that day, its best session since October. A week earlier it had ended at 94.93, so it gained about 1.1 per cent over the five days, making it one of the best-performing currencies in Asia.

Government bonds rallied too. The yield on the ten-year benchmark fell 22 basis points in the week to 7.19 per cent, according to Upstox. On Thursday alone it fell 11 basis points, its biggest one-day drop in seven months. A bond's yield falls when its price rises, so investors who held government debt made gains.

ONE CAUSE, THREE EFFECTS

The common cause was oil. India pays for most of its crude in dollars, and importers' demand for dollars is one of the largest pressures on the rupee. When Brent fell 16 per cent in the week, that pressure eased. Cheaper oil also lowers the outlook for inflation, which makes bonds more attractive, because inflation erodes the fixed payments a bond makes.

Foreign money did the rest. Foreign investors bought more than ₹35,000 crore of Indian shares during the week, and they had to buy rupees to do it. American Treasury yields also fell after the Democrats' win in the midterm elections, which narrows the gap between what investors can earn in dollars and what they can earn in rupees.

RESERVES KEEP FALLING

The Reserve Bank of India has spent heavily to slow the rupee's fall this year. Its foreign exchange reserves fell by $2.69 billion to $717.06 billion in the week to October 30, according to data released on November 6. The value of its gold fell by $559 million to $102.59 billion in the same week. Reserves are now about $68.65 billion below their record of $785.71 billion, set in the week to September 4.

A stronger rupee gives the RBI a choice. It can let the currency rise further, or it can buy dollars to rebuild reserves, as it has done in past rallies. Buying dollars adds rupees to the banking system, which would help keep short-term interest rates down at a time when the central bank is still worried about inflation.

WHAT COULD REVERSE IT

Both the rupee and bonds now depend on oil staying lower. October's consumer inflation figure, due on November 12, is expected to be close to the top of the RBI's 2 to 6 per cent target range. The RBI raised its repo rate to 5.50 per cent on October 7, and its next decision is due on December 4. A high inflation reading could revive talk of another rise and push yields back up. At 7.19 per cent, the ten-year bond still pays well over the repo rate, which gives buyers some cushion if that happens.



A State Bank of India branch in Jhunir, Mansa district, Punjab. KULDEEPBURJBHALAIKE / CC BY-SA 4.0

SBI's profit rises 14 per cent and bad loans keep shrinking

India's largest lender earned ₹23,038 crore in July to September. Across the big banks, profits grew and bad loans fell, though competition for deposits is squeezing margins.

BY ARNAV GOEL

State Bank of India reported a standalone net profit of ₹23,038 crore for July to September, up 14.3 per cent from ₹20,160 crore a year earlier. The result beat analysts' consensus estimate of about ₹22,860 crore.

The quality of its loans improved again. Gross non-performing assets, loans on which borrowers have stopped paying, fell to 1.39 per cent of all loans at the end of September, from 1.73 per cent a year earlier. Fewer bad loans mean a bank has to set aside less money to cover losses, and that money goes straight to profit.

THE REST OF THE BIG LENDERS

HDFC Bank, the biggest private lender, reported a profit of ₹19,510 crore on October 17, up 4.7 per cent. Its net interest income, the difference between what it earns on loans and pays on deposits, rose 9.7 per cent to ₹34,619 crore, and its gross bad-loan ratio fell to 1.11 per cent from 1.24 per cent. Excluding gains from trading bonds, its profit grew about 12.6 per cent.

ICICI Bank grew faster. Its profit rose about 20 per cent to ₹14,843 crore and its net interest income 17.7 per cent to ₹25,339 crore. Its domestic loans grew 22.8 per cent, led by lending to businesses. Its gross bad-loan ratio was 1.20 per cent.

Life Insurance Corporation, the state-owned insurer and one of the largest investors in Indian shares and bonds, reported a 20 per cent rise in profit to ₹12,115 crore.

THE SQUEEZE ON MARGINS

The common worry is the margin between lending and borrowing rates. The RBI has raised interest rates and drained cash from the banking system to defend the rupee. That makes deposits more expensive for banks to attract, while many loans are priced off benchmarks that change more slowly. Analysts at Ventura Securities noted that pressure on net interest margins remained a concern across the sector.

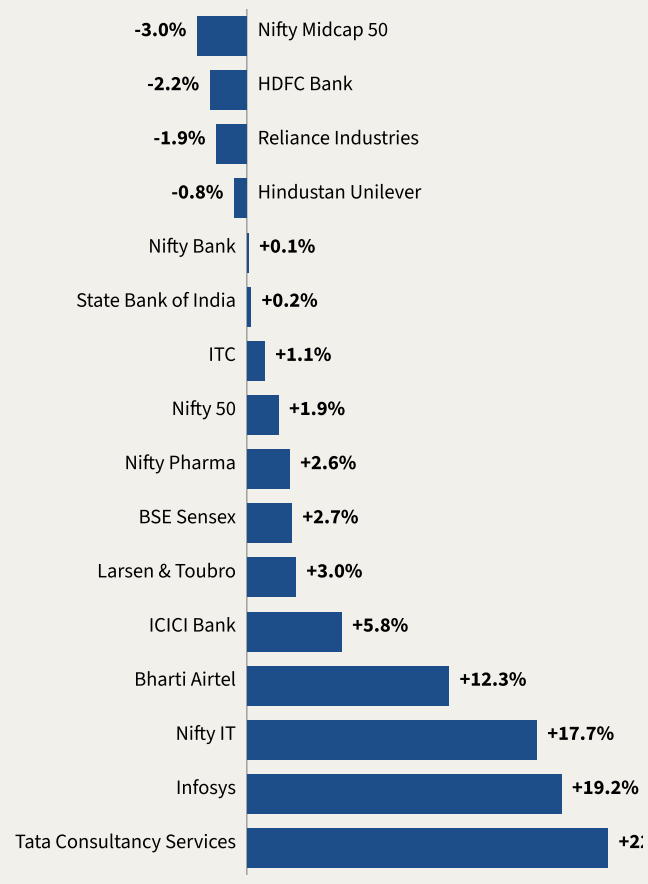
This week's fall in bond yields helps in two ways. Banks hold large amounts of government bonds, whose prices rise as yields fall. And lower market rates ease the cost of the money banks raise outside deposits. Investors noticed: the Nifty Bank index rose 8.04 per cent in the week to 59,086, and the Nifty PSU Bank index 4.59 per cent. HDFC Bank's shares rose 13.8 per cent and ICICI Bank's 12.4 per cent.

A DEAL CLEARED

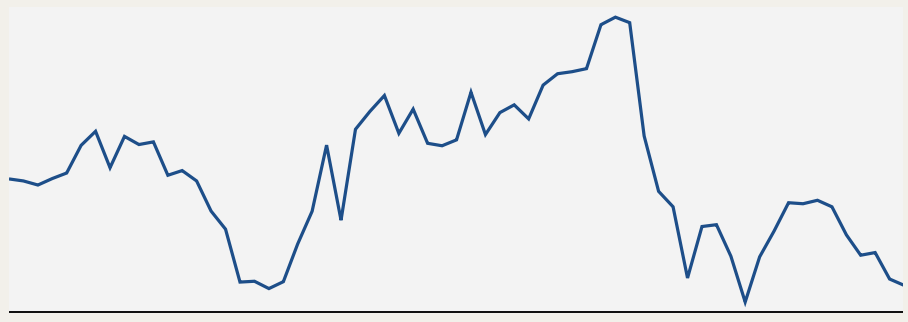
On November 4 the Competition Commission of India approved Kotak Mahindra Bank's purchase of parts of Deutsche Bank's Indian business, including its retail and wealth management operations. The deal is part of Kotak's plan to expand its retail banking and wealth management business. Kotak's shares rose 2.68 per cent on Friday.

October in charts

How Indian indices and leading shares moved over the month, and the rupee and oil prices behind them.

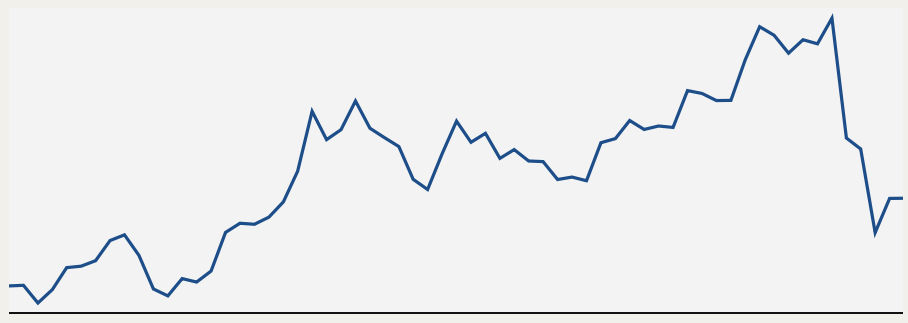


Rupee per dollar, last three months



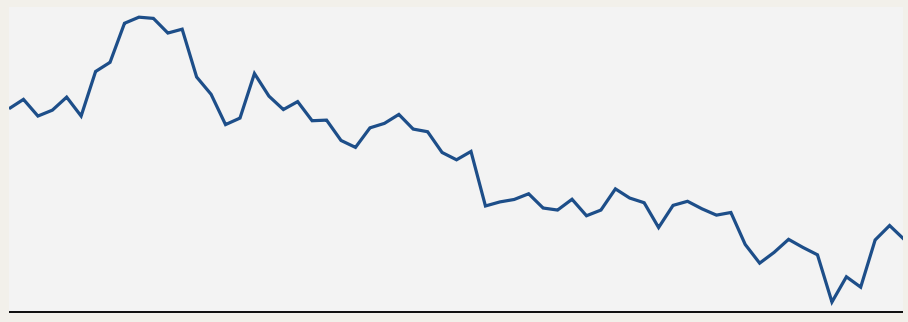
11 Aug: 95.40 · High 96.82 · Low 94.31 · 6 Nov: 94.46

Brent crude, $/bbl, last three months

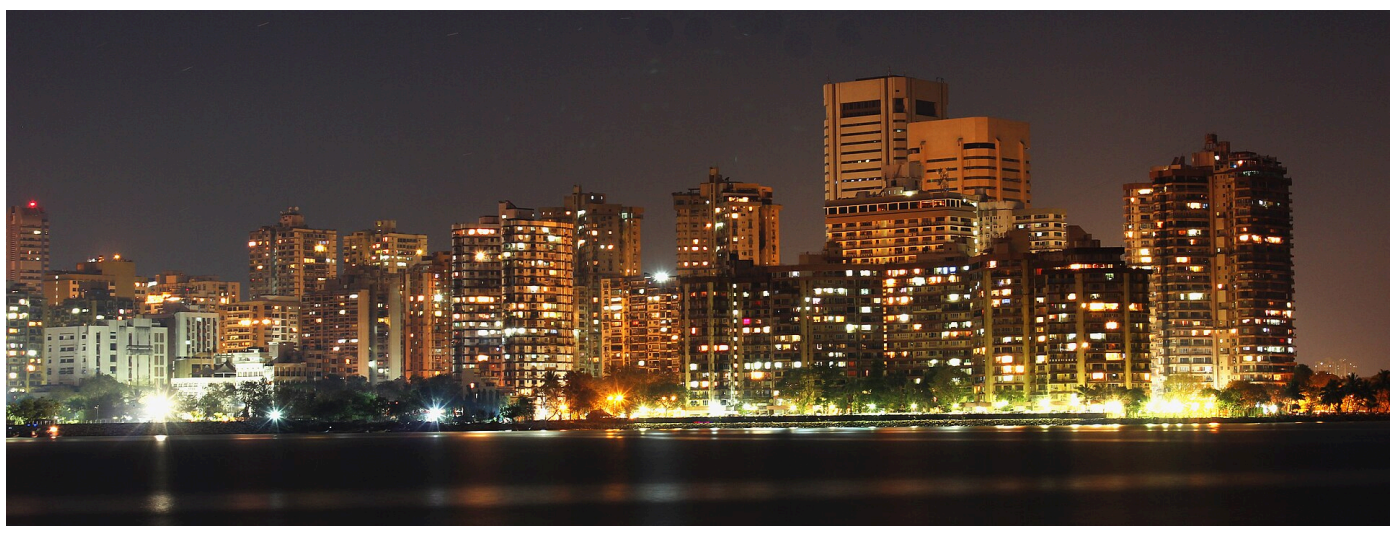


11 Aug: 88.91 · High 117.64 · Low 87.07 · 6 Nov: 98.32

Gold, $/oz, last three months



11 Aug: 4,441 · High 4,698 · Low 3,899 · 6 Nov: 4,075



The Nariman Point skyline, Mumbai. SAADABDULLAH007 / CC BY-SA 3.0

Mahindra, Airtel and Titan report strong quarters

Results from some of India's largest companies beat expectations in July to September, from SUVs and mobile data to gold jewellery and aluminium. Analysts say the Nifty now trades at about 17 times earnings.

BY ARNAV GOEL

The second-quarter results season, now largely complete for big companies, gave investors a reason to buy this week beyond oil and politics. Several of the country's largest companies reported strong profit growth for July to September.

MAHINDRA AND THE SUV BOOM

Mahindra & Mahindra reported a 25 per cent rise in consolidated net profit to ₹4,588 crore and a 25 per cent rise in revenue to ₹57,553 crore. Standalone profit, which covers mainly the vehicle and tractor business, rose 13 per cent to ₹5,102 crore, beating estimates, on strong demand for sport-utility vehicles. In October the company sold 73,338 SUVs in India, its highest for any month. Management trimmed its outlook for tractors. The shares rose 6.15 per cent on Friday and about 15.7 per cent in the week.

AIRTEL'S CUSTOMERS PAY MORE

Bharti Airtel's consolidated profit rose 31 per cent to ₹8,888 crore, on revenue up 16.7 per cent to ₹60,878 crore. The figure investors watch most is average revenue per user, or ARPU, the monthly amount the typical mobile customer pays. Airtel's rose to ₹271, ahead of forecasts. Telecom companies raised tariffs and customers are using more data, so each subscriber brings in more money. The shares rose about 3 per cent on Friday.

TITAN'S HEADLINE FLATTERS

Titan, the Tata group's jewellery and watch maker, reported consolidated profit of ₹2,393 crore, more than double the ₹1,120 crore of a year earlier. Much of that came from a one-off accounting gain. Excluding it, profit rose 54 per cent to ₹1,722 crore. Jewellery income rose 24 per cent to ₹17,495 crore and watch revenue 27 per cent to ₹1,881 crore. The company said demand in the Gulf, where it also sells, was hurt by the conflict, and that festive shopping had shifted into October to December this year. Its board also approved raising up to ₹2,500 crore.

METALS AND OIL

Hindalco, the aluminium and copper maker, reported a 59 per cent rise in profit to ₹7,532 crore. ONGC, the state-run oil producer, reported a 57.3 per cent rise in profit, helped by high crude prices during the quarter, and declared an interim dividend of ₹8 a share.

ARE SHARES CHEAP?

After a year of foreign selling, analysts at ICICI Securities estimate that the Nifty trades at about 17 times earnings. That is lower than in recent years, which is one reason foreign funds were willing to return. Strong profits make that multiple look more reasonable. But some of this quarter's growth, at ONGC and at Reliance's refineries, came from high oil prices and fuel margins, and those are now falling. The next quarter's results will show how much of the strength was built on the oil shock itself.

Car makers ship a record half a million vehicles to dealers

Factory dispatches of passenger vehicles passed 500,000 in October for the first time. Sales to customers were weaker, which means dealers are carrying more stock into Diwali.

BY ARNAV GOEL

India's car makers sent more than 500,000 passenger vehicles to their dealers in October, the first month on record above that mark, according to figures compiled by Autocar Professional. The companies said the shipments were meant to stock showrooms ahead of the peak festive season.

Maruti Suzuki, the market leader, dispatched 212,384 vehicles in India, up from 168,744 a year earlier, a rise of about 26 per cent. Tata Motors was second with 73,894, ahead of Mahindra & Mahindra with 73,338, which was Mahindra's highest monthly SUV figure. Hyundai was fourth with 62,799.

DISPATCHES ARE NOT SALES

The numbers carmakers report each month count vehicles leaving the factory, not vehicles bought by customers. Retail figures from the Federation of Automobile Dealers Associations told a softer story. Dealers sold 507,768 passenger vehicles to customers in October. Maruti's retail sales were 211,996, down about 15 per cent from a year earlier. Tata sold 73,449 and Mahindra 64,982, about 12 per cent fewer than a year before.

A year-on-year comparison is distorted by the calendar. Diwali fell in October last year, so last October's retail figures included the biggest buying days of the year. This year Diwali falls on November 8, so much of the festive buying moves into November. Titan, which sells jewellery, made the same point about its own sales this week.

Still, the gap between what factories ship and what customers buy matters. When dispatches run ahead of retail sales, stock piles up at dealers, who pay to finance it. If November's festive sales disappoint, carmakers will have to cut production or offer discounts to clear it.

ELECTRIC CARS NEARLY DOUBLE

Registrations of electric cars nearly doubled from a year earlier to 35,777 in October. Tata had 40.7 per cent of that market and Mahindra 23.7 per cent, so the two together sold almost two of every three electric cars registered. Electric cars remain a small share of the total, but the rise came during a year of dear oil, which makes cheaper running costs more attractive.

OIL HELPS

The fall in crude this week was good news for carmakers. Fuel costs shape what buyers spend on cars, and cheaper oil also lowers the cost of plastics, rubber and freight. The Nifty Auto index rose about 9 per cent in the week, among the best-performing sectors.



Sweets on sale at a shop during Diwali. LAURA / CC BY-SA 2.0

UPI handles more than ₹1 lakh crore a day for the first time

India's instant payment system processed a record 25.47 billion transactions worth ₹31.53 lakh crore in October, as festive shopping lifted spending.

BY ARNAV GOEL

The Unified Payments Interface, the system that lets Indians pay each other instantly from their phones, set new records in October. According to data from the National Payments Corporation of India, which runs it, UPI processed 25.47 billion transactions worth ₹31.53 lakh crore during the month.

The number of transactions was 5.8 per cent higher than September's 24.07 billion and 23 per cent higher than a year earlier. The value rose 16 per cent from a year earlier. On average, UPI handled about 822 million transactions a day, worth about ₹1,01,707 crore, the first month in which the daily value passed ₹1 lakh crore. The busiest day was October 9, just before the start of Navratri, with about 873 million transactions.

WHY VALUE GREW MORE SLOWLY THAN VOLUME

The number of payments grew faster than their value, which means the average payment got smaller. That fits a long trend: UPI is increasingly used for small, everyday purchases at shops and stalls, such as a cup of tea or a packet of sweets, rather than only for larger transfers between people. Each of those payments is small, but together they move a large share of the country's retail spending onto a digital system.

WHO PAYS FOR IT

UPI is free for users and for most merchants, which is a large part of why it has spread so fast. But banks and payment apps bear the cost of running it, and the question of how to pay for it remains open. The NPCI had planned to introduce a merchant discount rate, a small fee paid by merchants on each transaction, from October 15. It withdrew the plan until after Diwali. Any fee will be watched closely by small traders, who have adopted UPI precisely because it costs them nothing.

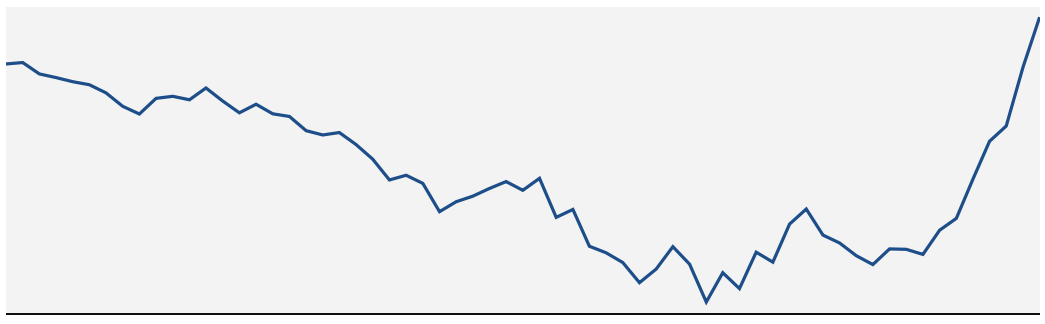
The data also show how much of India's festive spending now runs through UPI. October included Navratri and Dussehra, and the start of Diwali shopping, and November's figures will include Diwali itself, on November 8.

Indian Markets

Closing levels to Friday, November 6, 2026. Changes over five and 21 trading sessions. Source: Yahoo Finance.

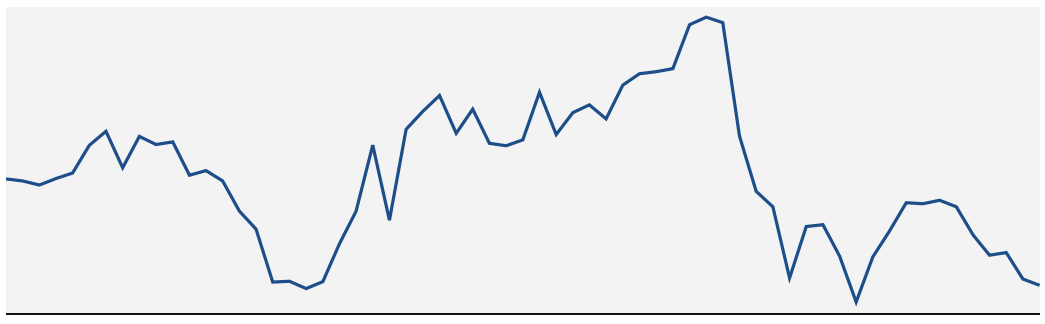
	Last	Week	Month
INDICES			
BSE Sensex	81,028	+8.8%	+11.5%
Nifty 50	25,030	+8.6%	+10.7%
Nifty Bank	59,086	+8.0%	+7.3%
India VIX	17.47	+14.2%	+25.8%
SECTORS			
Nifty IT	32,978	+1.1%	+18.8%
Nifty Pharma	27,940	+3.0%	+5.7%
Nifty Midcap 50	17,490	+5.9%	+2.9%
RUPEE			
Rupee per dollar	94.46	-0.7%	-2.4%
Rupee per euro	106.00	-0.4%	-2.1%
Rupee per pound	127.11	-0.2%	-0.3%

Nifty 50, last three months



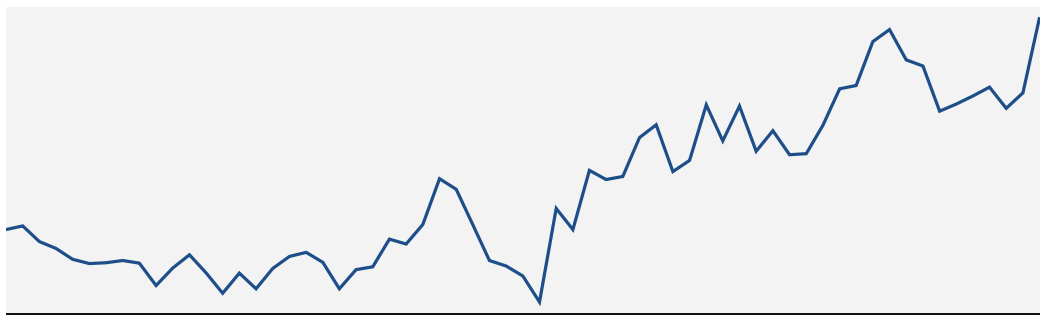
7 Aug: 24,571 High 25,030 · Low 22,232 6 Nov: 25,030

Rupee per dollar, last three months



11 Aug: 95.40 High 96.82 · Low 94.31 6 Nov: 94.46

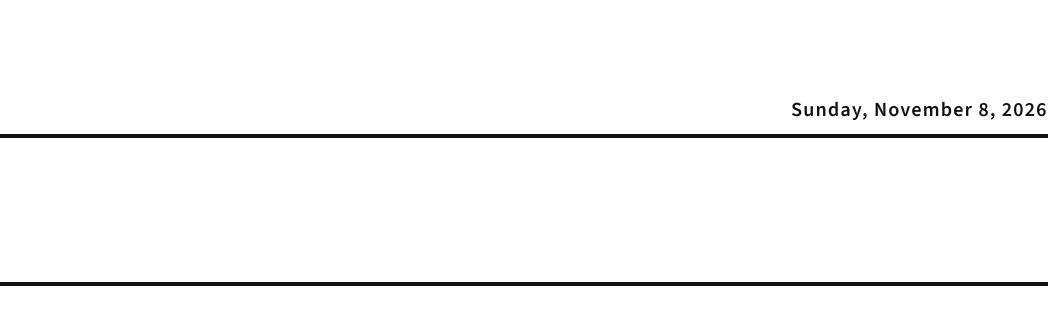
India VIX, last three months



7 Aug: 12.16 High 17.47 · Low 10.35 6 Nov: 17.47

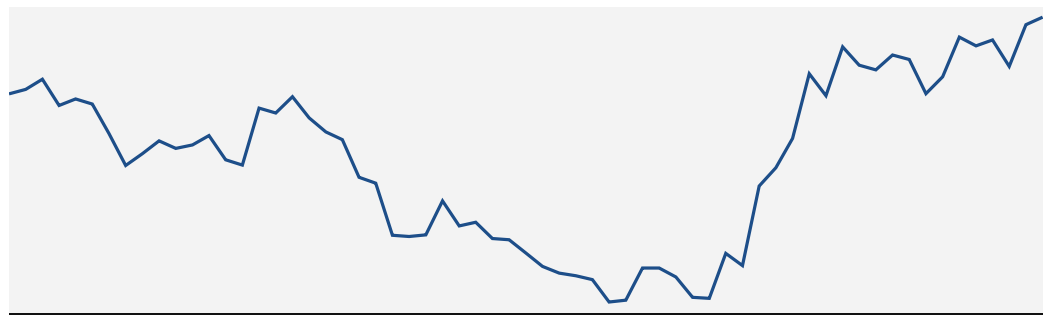
	Last	Week	Month
LEADING SHARES, ₹			
Reliance Industries	1,320	+13.3%	+9.3%
HDFC Bank	788.25	+13.8%	+12.2%
ICICI Bank	1,571	+12.4%	+15.7%
Bharti Airtel	2,107	+6.8%	+14.9%
Tata Consultancy Services	2,498	-0.2%	+20.1%
Infosys	1,181	-0.3%	+19.1%
State Bank of India	1,018	+5.9%	+6.8%
ITC	283.15	+6.6%	+6.6%
Larsen & Toubro	4,118	+6.4%	+11.2%
Hindustan Unilever	1,998	+7.2%	+7.1%

Nifty Bank, last three months



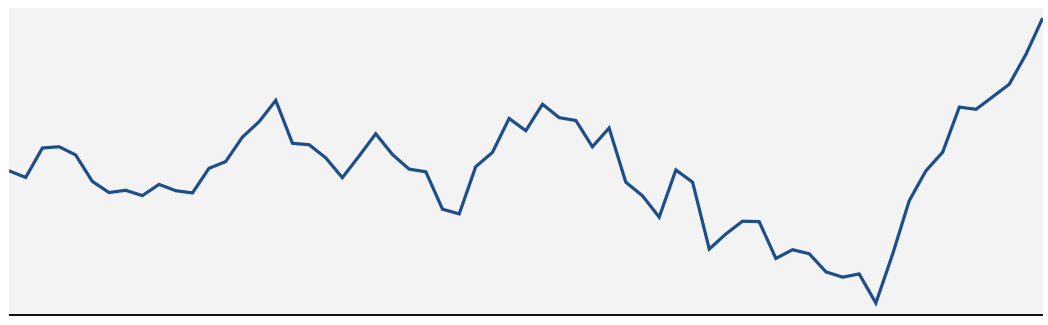
7 Aug: 57,746 High 59,086 · Low 53,975 6 Nov: 59,086

Nifty IT, last three months



7 Aug: 31,548 High 32,978 · Low 27,670 6 Nov: 32,978

Nifty Pharma, last three months



7 Aug: 26,542 High 27,940 · Low 25,329 6 Nov: 27,940

Opinion

A good week is not a verdict on India

Foreign investors bought Indian shares because oil fell and American tech stocks crashed, not because anything in India changed. Policy should be set for the year, not the week.

In five trading days the Nifty rose 8.58 per cent, foreign investors bought about ₹35,781 crore of shares and the rupee had its best week in months. It is tempting to read this as a judgment on India. It is not. It is a judgment on oil, on American politics and on the price of artificial-intelligence shares in New York.

Consider what actually moved. Brent crude fell from $117.64 to $98.32 a barrel because Democrats won Congress and traders bet on a deal with Iran. The Nasdaq fell 5.5 per cent in a day because investors lost faith in the spending plans of American chipmakers, and some of the money they pulled out came to Indian banks and carmakers. On Friday, as the Sensex rose 2.17 per cent, 1,769 shares on the BSE fell and only 1,037 rose. Foreign buyers wanted a few large, liquid names, not the Indian economy as a whole.

Money that arrives for those reasons can leave for the same reasons. Foreign investors sold about $31.3 billion of Indian shares this year, through a war, a weak rupee and rising interest rates. A week of buying does not reverse that, and it would take only a breakdown in talks with Iran to put the oil premium back.

The danger is that policy follows the mood. Three temptations stand out.

The first is for the RBI to read a stronger rupee as permission to stop worrying. October's inflation figure, due on Thursday, is expected near 6 per cent, the top of its target range. Cheaper oil will help, but it has not yet shown up in a single price index. The RBI should decide in December on the inflation data, not on a week of currency gains. If the rupee keeps rising, the better use of the moment is to rebuild reserves, which have fallen by about $68.65 billion from their peak.

The second is for the government to treat strong GST receipts as a windfall. October's 22.9 per cent rise owed something to a weak rupee, which raises the tax on imports. If the rupee strengthens, that part of the gain shrinks. The fiscal deficit is already ahead of last year's pace.

The third is to forget why foreign investors left. They left because Indian shares were expensive, earnings were slowing and the currency was falling. At about 17 times earnings, the market is cheaper than it was. That is the durable reason for buying, and the one India controls: steady inflation, a credible budget and companies that keep growing their profits whatever the price of oil. The rest is weather.

The week ahead

Monday, November 9. Indian markets reopen after the Muhurat session. Results season continues this week with Tata Power, Hindustan Aeronautics, Eicher Motors, Ashok Leyland, Grasim, IRCTC, Vodafone Idea and Tata Motors Passenger Vehicles among those due.

Tuesday, November 10. Indian stock exchanges are closed for Diwali Balipratipada. America publishes consumer prices for October; economists expect a rise of 0.3 per cent in the month after 0.6 per cent in September. CoreWeave reports results.

Thursday, November 12. India's consumer inflation for October. Economists expect about 5.9 per cent, up from 5.54 per cent in September and near the top of the RBI's 2 to 6 per cent range. Cisco and Applied Materials report after the American close.

Friday, November 13. American producer prices for October; a rise of 0.4 per cent is expected. Weekly foreign exchange reserves from the RBI; they were $717.06 billion on October 30.

World

World in brief

Democrats take Congress. Democrats won control of both the House and the Senate in America's midterm elections on November 3. Early counts gave them 54 Senate seats, with seven gained, and a lead in the House large enough to make it their biggest majority since 2008.

AI shares slump. The Nasdaq Composite fell 5.5 per cent on November 5, its worst day since April 2025, after Qualcomm gave a weak forecast. Nvidia and Qualcomm each fell more than 9 per cent and Micron about 17.5 per cent, as investors questioned the cost of the AI build-out.

America adds jobs. Employers added 165,000 jobs in October, far above forecasts of about 65,000, and unemployment fell to 4.1 per cent from 4.2 per cent. Markets put the chance of a Fed rate rise in December at about 80 per cent.

Britain raises rates. The Bank of England raised Bank Rate to 4 per cent from 3.75 per cent on November 5, its first increase in more than three years. Eight members voted for the rise and one for a larger one. British inflation was 3.5 per cent in September.

Oil drops below $100. Brent crude settled at $98.32 a barrel on November 6, down 16.4 per cent in the week, on hopes that a Democratic Congress would push the White House towards a deal with Iran.

The Fed's next move. The Federal Reserve held its benchmark rate at 3.75 to 4 per cent on October 28, with two officials voting for a rise. It next meets on December 8 and 9.

Gridlock helps bonds until the debt ceiling

Democrats now control Congress while a Republican holds the White House. That blocks new party-line deficits, but it turns the coming debt-ceiling deadline into a forced negotiation.

BY ARNAV GOEL · PUBLISHED ONLINE NOVEMBER 4



The front of the Bureau of Engraving and Printing annex, showing its main entrance. G. EDWARD JOHNSON / CC BY 4.0

Democrats won control of both the House and the Senate in Tuesday's midterm elections, CBS News projected, with a handful of races still being counted. Stock futures fell, artificial-intelligence shares dropped in Asia and the dollar slipped, Reuters reported. Treasury yields dipped. That last move is the one worth thinking about, because a government that cannot agree with itself has become, for now, the closest thing America has to a limit on its deficit.

It is a limit with a date attached. Tai Hui of J.P. Morgan Asset Management put the good news and the bad news in one breath: a divided government means deficits are "likely to be much more controlled", and "you do have a debt ceiling some time next year". The ceiling may arrive sooner than that suggests, and it is the first real test of what the bond market thinks it has just been given.

WHAT THE ELECTION REMOVED

Most large changes to American spending and tax now go through budget reconciliation, a procedure that needs only a simple majority in the Senate. That is how the tax and spending law of 2025 passed. It works only when one party holds both chambers and the White House. From January that will no longer be true, so the route to another party-line tax cut closes. As CNBC noted before the vote, bipartisanship would be required for anything that moves.

For a bond investor this matters more than the headlines about investigations and impeachment. The 30-year Treasury yielded 5.28 per cent on Monday, according to the Treasury, a price that already includes compensation for holding American debt through decades of heavy issuance. If new deficit-financed laws become harder to pass, some of that compensation looks less necessary. Charu Chanana of Saxo read the early moves the same way: markets were pricing in less fiscal stimulus, which helps explain a softer dollar and weaker shares.

The limits of the argument should be stated plainly. Gridlock stops new laws. It does not cut the deficit already written into existing ones. Democrats may also want to reverse the 2025 law's health-care cuts, which would add to spending, though President Trump can veto them. The fall in yields so far is a small move on one night of thin trading, and Tuesday's ten-year yield of 4.95 per cent was still close to levels last seen in 2007. Some of the equity weakness, as Mr Hui and others noted, has more to do with a month-old slide in AI shares than with the vote.

THE ARITHMETIC OF THE CEILING

The statutory debt limit is $41.1trn. Treasury data show total public debt outstanding of $40.50trn on November 2, which leaves about $600bn of room. A small part of that debt does not count against the limit, so the true margin is slightly bigger. Even so, the same series stood at $39.74trn on August 3. Debt has therefore risen by about $760bn in three months, or roughly $250bn a month.

A straight line from those numbers reaches the limit in about two and a half months, which is around the end of January. That is a crude estimate: autumn borrowing is often heavy and the pace need not hold. The Bipartisan Policy Center, which models this properly, expects the limit to be hit between late winter and mid-summer of 2027. The Treasury's extraordinary measures would then buy time, six months or more on the centre's estimate, before the government ran out of cash. Default is not a near-term risk. A fight is.

That fight now has a different shape. CNBC's analysis made the point that the party outside the White House tends to use must-pass bills to extract concessions. Each side will hold a veto over the other for the first time in this presidency. In 2011 a similar stand-off ended with S&P stripping America of its AAA rating, and when Fitch did the same in 2023 it cited repeated debt-limit standoffs among its reasons.

EIGHT WEEKS OF REPUBLICAN CONTROL

There is one way round this, and the calendar sets it. Republicans keep both chambers until the new Congress sits in January. John Thune, the Senate majority leader, had indicated the debt limit could be taken up in the lame-duck session after the election, according to the National Taxpayers Union. A party-line increase before January would remove the fight from the new Congress altogether, though it would also remove the Democrats' best source of leverage, so it would not pass quietly.

The test for bonds is therefore fairly simple. If the ceiling is raised in the lame duck, the gridlock trade is cleaner: fewer new deficits and no cliff. If it passes into 2027 unresolved, the same gridlock that lowered yields on Tuesday night becomes the thing that can raise them, because investors would be asked to lend at 30 years to a government arguing over whether to pay. Tuesday's vote made a large deficit harder to enlarge. It did not make it any easier to finance.

Oil fell. The Fed's problem didn't

Cheaper oil will pull down America's headline inflation. But private demand is still running hot, which is why two Fed officials wanted to raise rates in October.

BY ARNAV GOEL · PUBLISHED ONLINE NOVEMBER 3



An aerial view of the 5th Petroleum Port in the Europoort section of Rotterdam harbour, June 2014. RIK SCHUILING / TROPCROP-TCS / ARCHIVE / CC BY-SA 3.0

Oil fell by more than 7 per cent on Monday, its sharpest one-day drop in months, after Tehran said contacts with Washington aimed at ending the eight-month conflict were continuing. By Tuesday's close the ten-year Treasury yield stood at 4.95 per cent, according to the Treasury, down from 5.31 per cent a month earlier. For anyone who has spent the autumn watching petrol prices and bond yields rise together, it looked like relief.

It is relief for the headline inflation figure. It is less clear that it helps the Federal Reserve. The argument that split the central bank last week was about more than fuel, and the numbers published the day after its meeting suggest that the harder part of the problem has nothing to do with oil.

A HOLD WITH TWO DISSENTS

On October 28 the Fed kept its target range at 3.75 to 4 per cent. The vote was 10 to 2. Lisa Cook, a governor, and Beth Hammack, president of the Cleveland Fed, wanted to raise rates by a quarter of a point. It is unusual for a central bank to hold and be challenged only from the side that wants tighter money, and Kevin Warsh, the chairman, was pressed on it at once. Colby Smith of the New York Times told him there had been essentially no progress towards the 2 per cent target and asked why the committee did not simply raise rates that day.

His answer was that "quashing inflation is not about some fixed individual date on a calendar". He called the coming weeks "information rich" and said more data would help the committee decide. He also noted that financial conditions had tightened since the Fed's September rise, though "I'm unwilling and unable to call them tight". He declined to say what would happen in December, repeating that he does not believe in forward guidance. Markets have reached their own view. CME's FedWatch tool put the chance of a December rise at about 85 per cent the day after the meeting, according to Mitrade.

WHAT THURSDAY'S NUMBERS SAID

The Commerce Department reported on October 29 that the economy grew at an annual rate of 3.4 per cent in the third quarter, up from 2.2 per cent in the second. The more telling figure was further down the release. Final sales to private domestic purchasers, which strip out trade, inventories and government to show what households and firms actually bought, rose 4.9 per cent. That is demand running well above any plausible estimate of the economy's capacity to grow.

The same day's inflation report gave each side something. Over the quarter as a whole, the Fed's preferred price index rose at an annual rate of 2.1 per cent, down from 5.0 per cent in the second quarter, and core prices, which exclude food and energy, rose at 2.5 per cent, down from 3.3 per cent. Those are the best numbers the doves have. But the quarter ended badly. In September alone the headline index rose 0.5 per cent and the core index 0.3 per cent, leaving them 3.6 and 3.1 per cent higher than a year earlier. Core inflation of 0.3 per cent a month, repeated for a year, would be well over 3.5 per cent.

WHY CHEAPER OIL DOES NOT SETTLE IT

If inflation were only an oil story, Monday's fall would go a long way towards ending the debate. Mr Warsh has framed the risk as one of relative price changes in some sectors spreading across the economy, and cheaper crude would shrink the thing that might spread.

But falling oil also works in the other direction. Households have been paying for fuel by giving up other things. Consumer spending rose 0.5 per cent in September in cash terms, yet after adjusting for prices it was almost flat, up by less than 0.1 per cent. Personal saving was only 3.8 per cent of disposable income. If petrol gets cheaper, that money does not vanish. Much of it will go on other goods and services, in an economy where private demand is already growing at nearly 5 per cent. A peace deal would lower measured inflation in the near term and could raise underlying demand at the same time. That would leave a hawk like Ms Hammack with a weaker headline number and much the same argument.

THIS TIME THE BOND MARKET AGREES WITH THE OIL STORY

Last month this paper noted that the first leg of the Treasury rally had come almost entirely from real yields, and that oil could not explain it. The latest leg is different. Between October 28 and November 3 the ten-year yield fell by 10 basis points, from 5.05 to 4.95 per cent, while the ten-year real yield on inflation-protected Treasuries fell only 2 points, from 2.67 to 2.65 per cent. The rest came from the breakeven rate, the market's rough guide to expected inflation, which dropped from 2.38 to 2.30 per cent. Investors have marked down inflation, as a fall in oil would suggest. They have not marked down much else.

Short-term yields tell the same story. The two-year yield has eased, from 4.81 per cent on October 21 to 4.61 per cent on Tuesday. But it is still more than half a point above the top of the Fed's target range, which is what a market expecting higher rates looks like.

WHAT TO WATCH

Mr Warsh said the period ahead is rich in information, and it is. The October jobs report is due on November 6 and consumer prices on November 10, according to market calendars, before the committee meets on December 8 and 9. The politics are crowded too. Americans voted in the midterm elections on Tuesday, and a reporter at the press conference raised a White House hearing this week on allegations against Ms Cook, one of the two dissenters. Mr Warsh said that to his knowledge the Fed would not be involved, and he has said politics played no part in the decision.

The Iran talks remain the largest unknown, and the Fed cannot do anything about them. The questions for December are narrower. If oil stays down, does core inflation follow, or does it hold at 0.3 per cent a month while households spend what they save at the pump? The first outcome would make Mr Warsh's patience look wise. The second would mean that Ms Cook and Ms Hammack were simply early.

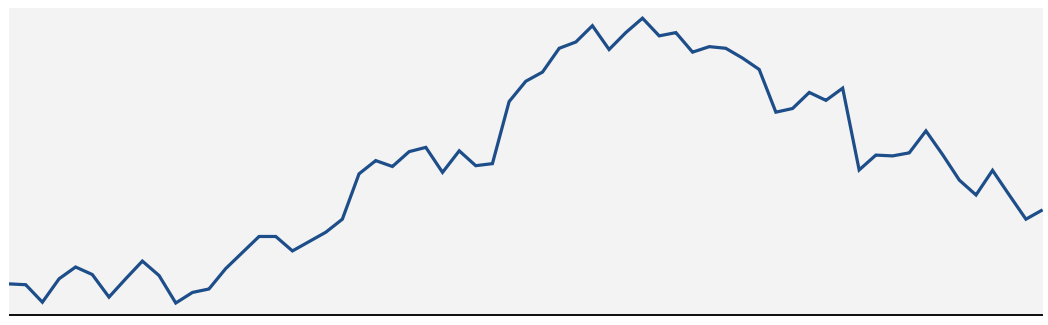
World Markets

Closing levels to Friday, November 6, 2026. Changes over five and 21 trading sessions. Source: Yahoo Finance.

	Last	Week	Month
GLOBAL STOCKS			
S&P 500	7,377	-2.7%	-5.0%
Dow Jones Industrials	51,286	-0.9%	+0.1%
Nasdaq Composite	24,579	-3.4%	-9.6%
FTSE 100	10,674	-0.5%	+2.2%
Nikkei 225	57,435	-11.2%	-18.7%
Hang Seng	24,482	+5.1%	+1.5%
COMMODITIES			
Brent crude, $/bbl	98.32	-16.4%	-5.7%
WTI crude, $/bbl	90.83	-12.8%	-0.7%
Gold, $/oz	4,075	+4.5%	-2.0%

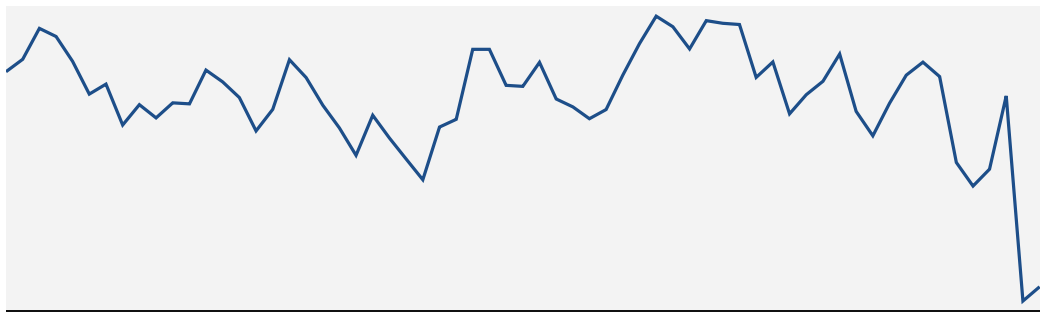
	Last	Week	Month
US RATES			
US 3-month bill, %	4.00	+3bp	-4bp
US 5-year Treasury, %	4.65	-7bp	-34bp
US 10-year Treasury, %	4.86	-7bp	-37bp
US 30-year Treasury, %	5.26	-5bp	-35bp

US 10-year Treasury, %, last three months



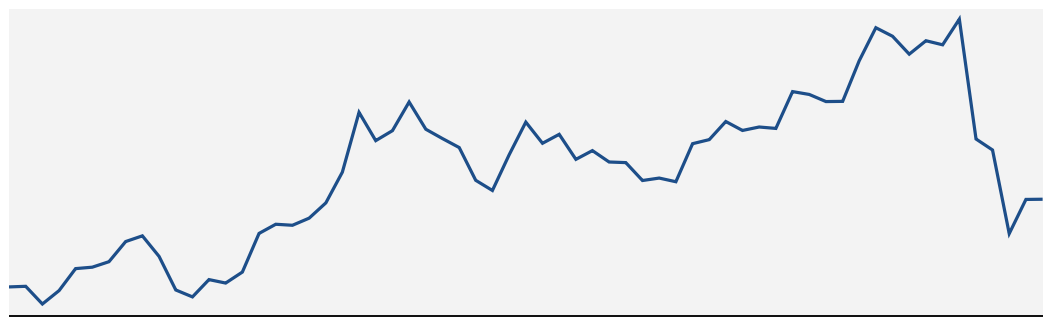
11 Aug: 4.68 High 5.31 · Low 4.64 6 Nov: 4.86

S&P 500, last three months



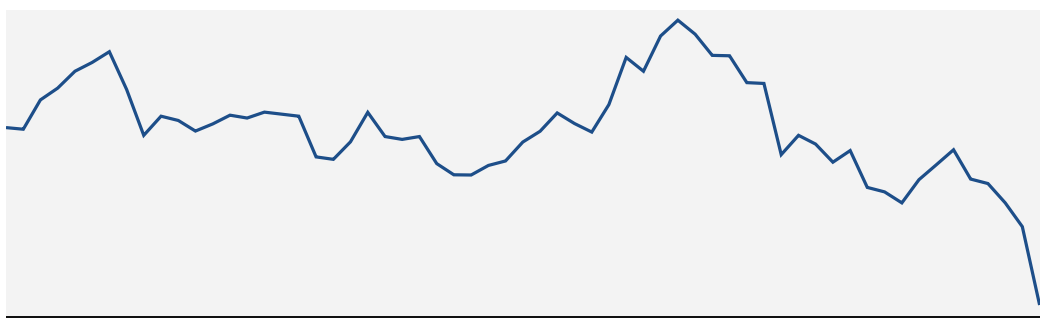
11 Aug: 7,728 High 7,819 · Low 7,354 6 Nov: 7,377

Brent crude, $/bbl, last three months



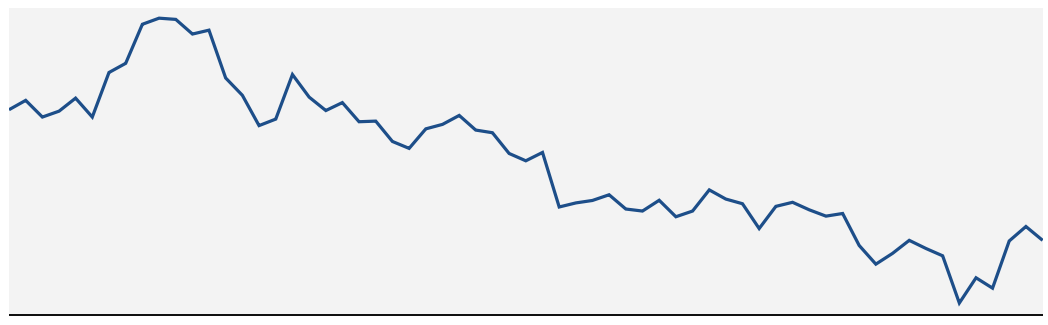
11 Aug: 88.91 High 117.64 · Low 87.07 6 Nov: 98.32

Nikkei 225, last three months



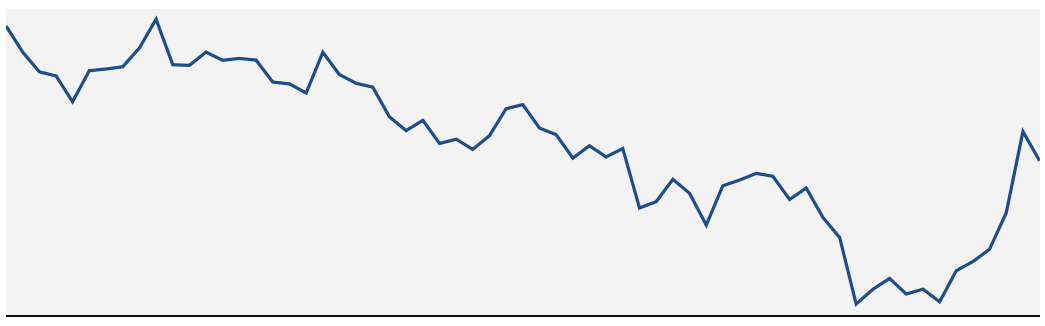
6 Aug: 65,683 High 70,684 · Low 57,435 6 Nov: 57,435

Gold, $/oz, last three months



11 Aug: 4,441 High 4,698 · Low 3,899 6 Nov: 4,075

Hang Seng, last three months



10 Aug: 25,937 High 26,009 · Low 22,935 6 Nov: 24,482