# TOP DOWN & BOTTOM UP

One rigorously researched briefing that pinpoints risks, opportunities, and what matters most — empowering confident investment decisions.

## GST 2.0: Simplified; at What Cost?

Two-tier structure, lower rates on essentials — but how will ₹480 bn in revenue loss play out across sectors?

## Gaming Bill: Fantasy to Layoffs

A blanket ban on money gaming triggers MPL's 60% job cuts — is regulation moving faster than innovation?

## Services PMI Hits 15-Year High

New orders and demand surge — can India's services engine keep firing without overheating?

## IPO Pipeline Goes Mega

SEBI clears Mega IPOs exceeding ₹300 bn -Tata Capital, Groww line up

## China Retail Records on Repeat

Daily trading volumes top ¥2 tn for 11 straight sessions — euphoria or value in the world's second-largest market?

## U.S. Fiscal Pressure Mounts

Debt crosses \$37 tn,
Trump cancels \$4.9 bn aid,
stakes in Intel via CHIPS
Act — fiscal discipline or
political gamble?

"Dive Deeper - Download the full Aequitas Newsletter now!"







Link in the caption

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## TOP DOWN & BOTTOM UP

BSE Mcap: ₹451.9 tn | Composite PMI: 63.2 | GST Collection: ₹1.9 tn | Forex Reserves: \$690.7 bn

## GST 2.0 - Two Down, and Two Continue

#### **GST Reforms**

▲ Existing four-tier GST structure is being streamlined into a two-tier system with 5% and 18% slabs

#### GST Rate Changes for Key Items

#### **Daily Essentials**

<sup>18%</sup> → 5%

 Hair oil, shampoo, toothpaste, toilet soap, shaving cream

12% → 5%

- Butter, ghee, cheese, dairy spreads
- Pre-packaged namkeens, bhujia, mixtures
- Utensils
- Feeding bottles, baby napkins, clinical diapers
- Sewing machines & parts

#### **Automobiles**

28% → 18%

- Petrol/diesel/CNG hybrid cars (≤1200-1500cc, ≤4000mm)
- 3-wheeled vehicles
- Motorcycles (≤350cc)
- Goods transport vehicles

#### Agriculture

18% → 5%

• Tractor tyres & parts

- Tractors
- Bio-pesticides, micronutrients
- Drip irrigation systems
- Agricultural/forestry machinery

#### Education

 $12\% \rightarrow Nil$ 

- Maps, charts, globes
- Pencils, sharpeners, crayons, pastels
- Exercise books, notebooks

Erasers

#### Healthcare

18% → Nil

• Health & life insurance

Thermometers

- Medical oxygen
- Diagnostic kits, reagents
- Glucometers, test strips
- Corrective spectacles

#### **Electronics**

28% → 18%

- Air conditioners
- TVs >32" (LED/LCD), monitors, projectors
- Dishwashers
- A new 40% GST slab applies to super-luxury and sin goods

  Pan masala, tobacco products, aerated bev., luxury cars, & high-end motorcycles
- ▲ India abolishes Coal's ₹400-per-tonne Compensation Cess and axes all cess on automobiles, household goods, cement, chemicals
- ▲ GST Amnesty Scheme, which offers relief from penalties and interest for delayed filings, is being extended
- Anticipated revenue loss is around ₹480 bn (~\$5.5 bn)

  This translates to ~0.15% of India's GDP

GST raised to 40% on sin & luxury goods, but luxury car tax burden falls from nearly 50% to 40% after cess removal



#### **GOVERNMENT REFORMS**

## Gaming Bill



- A Prohibits all forms of online money gaming, including skill-based games like fantasy sports and poker, if they involve monetary stakes
  - Ban has already triggered layoffs with companies like MPL likely to reduce staff by up to 60%
- A Promotion, advertisement, and financial transactions related to such platforms are criminalized
- ▲ National Online Gaming Commission (NOGC) will be established to oversee licensing, regulation, and compliance

Daily Downloads from 20th Aug - 30th Aug (% Change)				
Platform	Apple	Android 👘		
Zupee	-75%	-100%		
WinZo	-25%	-50%		
MPL Fantasy Games	-75%	-100%		
PokerBaazi	-50%	-75%		
Junglee Rummy	-50%	-100%		
Paytm First Games	-25%	-50%		
Dream11	75%	100%		

Dream11 shut paid contests, pivoted to free play and international markets, nearly doubling installs from 25,000 to 48,500

Rummy Circle



-100%

## **Trade Policy Updates**



Product	Measure	Details
Hot-Rolled Flat Steel from Vietnam	Anti-Dumping Duty (ADD)	An ADD of \$121.5 per tonne has been imposed
Virgin Multi-Layer Paper Board	Minimum Import Price (MIP)	A MIP of ₹67,220 per metric tonne (CIF basis) has been set
Natural Honey	Minimum Export Price (MEP) Reduction	Reduced MEP for natural honey from \$2,000 per tonne to \$1,400 per tonne (FOB) until Dec 31, 2025
Raw Cotton	Import Duty Exemption	Extended exemption of 11% Anti-dumping duty on raw cotton until Dec 31, 2025
Toluene Di-Isocyanate (TDI)	Extension of Anti-Dumping Duty (ADD)	ADD on imports of TDI from EU and Saudi Arabia has been extended
PVC Suspension (Proposed)	Proposed Anti-Dumping Duty (ADD)	Proposed an ADD on imports of PVC suspension ranging from \$22 to \$284 per tonne

## Mining Bill



- A Bill facilitates exploration and extraction of critical minerals like lithium, cobalt, nickel, and graphite
- A Previous 50% cap on sale of minerals from captive mines is removed
- ▲ Leaseholders can now add specified minerals to existing leases without additional royalty payments

Contribution rate from leaseholders is increased from 2% to 3% of royalty

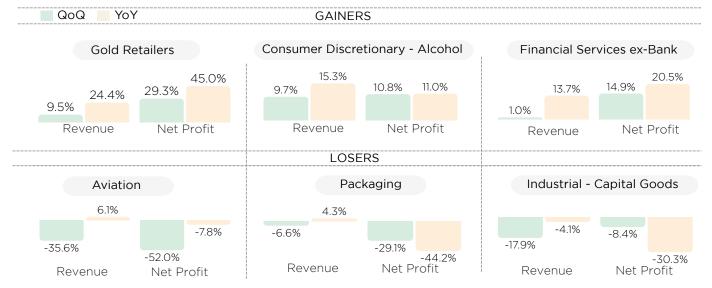
#### Income Tax Amendment Bill



- ▲ Under new tax regime, individuals earning up to ₹1.2 mn annually will be exempt from income tax
- ▲ Introduces faceless digital-first tax assessments to minimize corruption & improve compliance
- A Removes penalties for non-filing for small taxpayers, particularly those eligible for refunds but with no tax liability

#### RESULTS UPDATE

▲ India Listed Cos Q1 FY26: Revenue growth slows to ~6%, PAT Up ~9% YoY on one-off gains



- ▲ Q1 FY26 earnings growth led by cement (+47%), utilities (+13%), tech & O&G (+7%) Five key sectors contributed 71% of incremental Nifty earnings growth in Q1 FY26
- ▲ Small-cap net profit growth slows to 7.5% in Q1 FY26 reaching a nine-quarter low *Mid-caps at 1% which was the slowest in 7 quarters*
- ▲ Large-cap delivered a sales growth of 6.7% in Q1 FY26 Outpaces mid-caps at 5.7% and small-caps at 5.2%

U.S. tariffs on Indian goods doubled to 50%, and, India's exports to U.S. climbed ~21%, thanks to frontloading. With hefty duties in effect, things are set to get tougher in Q2



#### SIGNS OF SLOWDOWN

## Capital Market



- A Promoters' ownership in private listed companies declined to an 8-year low of 40.9% as of June 30
  - This follows a ₹547.3 bn share sale during quarter
- ► FIIs pulled out ₹350 bn from Indian equities in August, their sharpest retreat this year
  - This pushed YTD FII outflows past ₹1.3 tn

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### Banking



#### Microfinance: A Closer Look

- India's microfinance Gross Loan Portfolio (GLP) contracts by 17% YoY and 5.8% QoQ to ₹3.6 tn in June FY26
- Active loan accounts fell from 159 mn in June 2024 to 132 mn in June 25 Live customer base declined to by 7% to 80 mn from year earlier
- Portfolio at Risk (PAR) 180+ including write-offs rose to 12.4% in Jun 2025 from 5.2% a year earlier
- MFIN seeks ₹150-200 bn government guarantee scheme covering 75% of NBFC-MFI bank borrowings

Trends in portfolio outstanding and active loans (Jun'24 -Jun'25)



Sector is seeing a dual crisis of shrinking loan volumes & rising delinquencies, pushing industry to recalibrate their strategies

- ▲ Bank credit growth slowed to 10.2% in August 2025 from 15% last year
- In Q1FY26, NIMs of banks fell by 25 basis points YoY and by 10 bps Q-o-Q to 2.9% Average net interest margin (NIM) for banking sector hit a 3-year low

## Consumption



- Affordable housing share in new launches drops from 40% in 2019 to 12% in H1 2025 Sales share falls from 38% to 18%
- ▲ India's domestic air passenger traffic recorded ~3% YoY decline to 12.6 mn in Jul'25 Airlines have reported both muted demand and falling PLF
- ▲ India fuel demand mixed in August; diesel down 11% & petrol up 1% MoM
- ▲ India passenger vehicle dispatches down 7% YoY in August to 330,000 units; fourth consecutive monthly decline

Automakers curtailed shipments in anticipation of revised GST rates

Company	Aug '24	Aug '25	% Change
Maruti Suzuki	143,075	131,278	-8%
Hyundai	49,525	44,001	-11%
Tata Motors	44,142	41,001	-7%
M&M	43,277	39,399	-9%
Toyota Kirloskar	28,588	28,589	0%
JSW MG Motor	4,323	6,578	52%

▲ Festive season sales slow for consumer durables; buyer queries down 50-60% "There is a standstill in market at the moment" - Chairman & MD, Daikin India

#### Macro



A Gross direct tax collections shrink 1.9% to ₹8.0 tn; Net direct tax collection falls 4 % to ₹6.6 tn by Aug 11

#### Refunds are up by 9.8% to ₹1.3 tn

Direct Tax Collections Snapshot (₹ in bn)				
Tax Category	<b>Gross Collection</b>	Refunds	Net Collection	
Corporation Tax	3,328	1,039	2,290	
Non-Corporation Tax	4,434	311	4,123	
Securities Transaction Tax	224	0	224	
Others	2.8	0.04	2.8	
Total	7,988	1,350	6,639	
Change* YoY %	-1.9	9.8	-4.0	

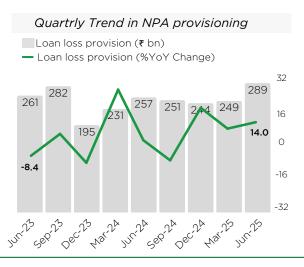
<sup>\*</sup>As on August 11

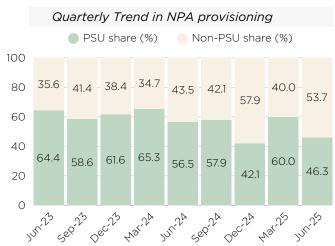
- ▲ India's IIP growth slows to 3.5% in Jul-25 from 4.7% a year earlier
- ▲ EPFO net job creation slips by 1.3% to 12.9 Mn in FY25, down for second consecutive year
- ▲ Oracle cuts ~10% of Indian workforce amid global restructuring & Al investment push

#### BANKING UPDATE

#### **RBI Monetary Policy Update**

- In its August 4-6, 2025 MPC meeting, RBI kept repo rate unchanged at 5.50%, SDF rate at 5.25% and MSF and bank rate at 5.75%
  - Policy stance remains 'Neutral', marking second consecutive pause
- GDP growth estimate for FY 2025-26 was maintained at 6.5% while inflation forecast was revised downward from 3.7% to 3.1% for FY26
- Banking system's liquidity surplus rose to around ₹4 tn in August
- A Banking sector loan loss provisioning rises 16% QoQ to INR 289 bn in Q1FY26 This is a 3-year high since Jun 2022





▲ Commercial banks report 26% YoY rise in Q1 slippages to ₹630 bn Private sector banks saw a 41% YoY rise

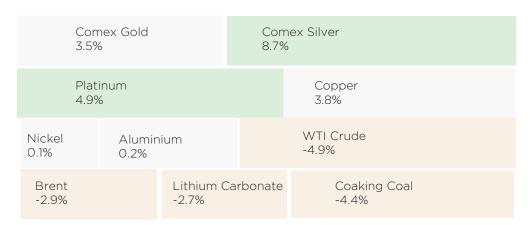
How Banks Fared - Asset Quality Profile (₹ b	n)		
Category	Q1 FY25	Q1 FY26	Y-o-Y % Change
Recoveries & Upgrades	280	290	3.6%
Write-offs	260	270	3.8%
Fresh Slippages	500	630	26.0%
Gross Non-performing Assets (NPAs)	4,620	4,180	-9.5%

- ▲ Indian NBFCs raise \$3.7 bn through overseas syndicated loans in FY25—more than double FY24's \$1.6 bn
- A RBI clears SMBC to acquire up to nearly 25% stake in Yes Bank

#### **COMMODITIES AND YIELDS**

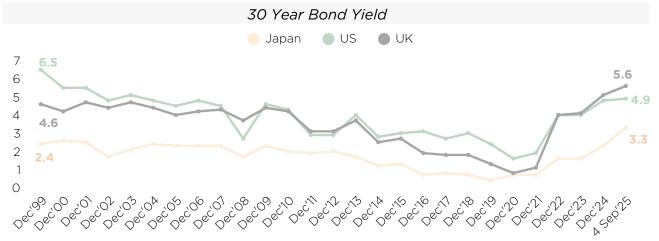
▲ HSBC estimates a 206 mn-ounce shortfall in Silver in 2025 up from 167 mn-ounces in 2024

HSBC's even raised its 2025 average forecast, now eyeing \$35.14/oz



YTD, silver is up about 36%, outperforming gold's 31% gain and narrowing the gold-silver ratio from 105 to around 94





▲ Global bond sell-off sees 30-year yields spike: U.S. near 5%, U.K. at 27-year high, Japan hits record 3.26%

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#### **INDIA UPDATE**

- ▲ India GDP grows 7.8% in Q1 FY26, fastest in 5 quarters

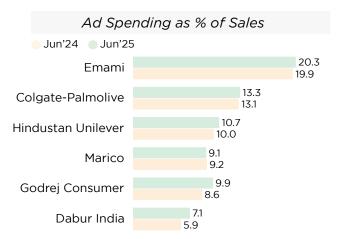
  Agriculture output rose 3.7% YoY, while manufacturing growth edged up to 7.7%
- ▲ India Q1 FY26 current account deficit narrows to \$2.4 bn (0.2% of GDP) vs \$8.6 bn (0.9%) last year In Q4 FY25, current account recorded surplus of \$13.5 bn (1.3% of GDP)

Current Account Balance Trend	(in \$ bn)	
Indicator (for Q1)	FY25	FY26
Merchandise Trade Balance (Deficit)	-63.8	-68.5
Services Trade Balance	39.7	47.9
Current Account Balance (Deficit)	-8.6	-2.4
Accretion to Foreign Exchange Reserves	5.2	4.5

- ▲ India's merchandise trade deficit widens to \$27.4 bn in July as imports surge 8.6 % vs 7.3% exports growth
- ▲ GST collection at nearly ₹1.9 tn in August, up 6.5% YoY and down 5.1% MoM
- ▲ India's services PMI hits 15-year high at 62.9 in August New orders grew in at fastest pace in more than 15 years
- ▲ DAC approves defence procurement proposals worth ₹670 bn
- ▲ Apple to manufacture all four iPhone 17 models at five Indian plants including two new facilities
- ▲ India's gems & jewellery exports rise 16% in July to \$2.2 bn; imports jump 27% amid US tariff rush
- ▲ Indian Railways freight loading rises 8.5% YoY in August to 130.9 MT Earnings hit record ₹141 bn
- ▲ India signs strategic bilateral pacts with eight mineral-rich nations and the IEA to secure critical minerals

- ▲ India leads Apac office leasing with 70% share; 33.7 msf leased in top 7 cities in H1FY25

  Domestic firms drove 46% of leasing activity
- ▲ India's power consumption rises 4.4% YoY to 150.5 BU in August
- ▲ Coal India August production up 9.4% YoY to 50.4 MT; offtake rises 7.6%
- ▲ India launches first Biofoundry Network with 21 facilities to boost biomanufacturing Part of India's \$300 bn bioeconomy vision by 2030
- ▲ Andhra Pradesh approves upto \$600 mn incentive scheme to promote electronics components manufacturing
- A Tamil Nadu signs investment deals worth ₹325.5 bn to create 50,000 jobs
- ▲ FMCG ad spending in Q1 FY26 remained tight—HUL and Dabur cut back, Marico lifted Ad budget by 25%



- ▲ Debt collection agencies lead UPI value in July with ₹938.6 bn in transactions

  Signalling shift toward digital loan repayments
- ▲ India aims to boost nuclear capacity by 12x to 100 GW by 2047 Allows foreign minority stakes in plants
- ▲ Japan commits \$68 bn investment in India over next decade across priority sectors

#### **GOVT. INITIAIVES**

#### **Energy & Renewables**

 Cabinet approves ₹300 bn payout to state oil firms to offset LPG subsidy losses

### **Infrastructure & Capex**

- Cabinet approves ₹21.6 bn for 46-km fourlane Marakkanam-Puducherry highway
- Cabinet approves ₹58.0 bn Phase-1B of Lucknow Metro—11.2 km corridor with 12 stations to boost urban connectivity
- Cabinet approves ₹15.1 bn Greenfield Kota-Bundi Airport with 2 mn annual passenger capacity
- Govt approves ₹69.8 bn additional capex support for BSNL in 2025; total aid at ₹3.2 tn

### Make in India / Manufacturing

- Government expands rare earth magnet scheme to ₹50 bn
  - Quadruples annual target to 6,000 MT
- Cabinet approves four new semiconductor projects under ISM with ₹46 bn investment
  - Taking total to ₹1.6 trn across 10 units
- Government approves ₹620 bn order for 97 Tejas Mk1A fighters from HAL
  - Bolsters IAF strength and indigenous defence manufacturing

#### Policy & Regulation

- Commerce Ministry readies ₹250 bn Export Promotion Mission support schemes over six years
- RBI mandates all regulated entities to retain minimum 10% of Individual Co-Lent loans
- Parliament passes Coastal Shipping Bill 2025 to ease compliance for Indian ships and strengthen supply chain security
- Government raises ₹1.43 tn via asset monetisation up to FY25 Targets additional ₹300 bn in FY26 through highways
- Cabinet Approves ₹42 bn education funding for 275 technical institutions under MERITE Scheme
- Telecom Department Cuts Security Evaluation Fees for Telecom and ICT Products by Up to 95%
  - Certification charges, earlier ₹200,000-350,000, are now capped at ₹50,000
- India readies \$1 bn GE engine deal for 113 F404-IN20s to power LCA Mk1A jets
- Parliament passes Indian Ports Act, 2025—replaces 1908 law, sets up State Boards and Maritime Council

#### ORDER BOOK INFLOW UPDATE

(Order in ₹bn) ™BEME NCC KEC Antony Dharan BLS NCC Waste **EPC Infra** International **NBCC** Handling L&T Services **GHV** Infra **KEC PNC** Dilip International Vishnusurya Buildcon Infratech **BEML** Projects and Infra 22.2 >150 44.6 34.9 32 20.6 18.9 11.7 26.5

#### **COMPANY UPDATE**

#### Auto

- Renault to acquire Nissan's 51% stake in JV manufacturing plant in Chennai To expand Indian sales and exports
- VinFast begins production at \$500 mn first overseas EV Plant in Thoothukudi, Tamil Nadu

Aiming for 50,000 EVs annually, as dealers report strong nationwide interest in launch models - VF6 and VF7

### **Defence & Shipbuilding**

- Adani Defence & Aerospace to acquire MRO provider Indamer Technics via JV Indamer operates a state-of-the-art 30-acre MRO facility
- Airbus awards Mahindra Aerostructures contract to build H125 helicopter fuselage under Make in India

#### Power

- Adani Power secures Lol to supply 2,274
   MW at ₹6.075/KWh in Bihar
   It will be met from a 2400 MW to be
   set up in Bihar
- Engineers India signs MoU with NPCIL to develop conceptual design and engineering for Bharat Small Modular Reactor
- PFC signs ¥60 bn loan pact with Japan Bank for International Cooperation (JBIC) for clean energy projects

## Consumption

- Bosch acquires 74.2% stake in Johnson Controls-Hitachi Air India; part of \$8 bn global deal
- HUL aims to demerge and list Kwality Wall's by end-FY26

Ice-Cream business expected to double in size in 2-3 years

#### Real Estate & Infra

• IHCL to acquire 51% stake in ANK Hotels for ₹1.1 bn and Pride Hospitality for ₹0.9 bn, Signs Brij Hospitality Distribution Deal

Expands IHCL's portfolio to over 550 hotels with ~55,000 rooms

- Godrej Properties wins 7.8-acre Hyderabad land bid worth INR 5.5 bn; revenue potential ₹38 bn
- Fortis Healthcare signs agreement to manage 550-bed greenfield super specialty hospital in Lucknow
- Brigade Enterprises signs lease for 7acre prime site in Chennai; plans 1 msf office space and 225-key 5-star hotel
- Brookfield sells 50% stake in Pune's Bluegrass Business Park to 360 ONE for ₹24 bn

#### Others

- Airtel's Xtelify launches 'Airtel Cloud' a sovereign, telco-grade platform for Indian businesses
  - Platform is built to handle up to 1.4 bn transactions per minute
- Coromandel completes acquisition of 53% stake in NACL Industries for ₹8.2 bn
- Apollo Hospitals to open four new facilities in FY26—adding 737 beds
- Optiemus launches RhinoTech—India-Made, Corning-Engineered tempered glass protectors

Targets ₹18-20 bn revenue by FY27

- WestBridge Capital acquires 15% stake in Edelweiss AMC for INR 4.5 bn
- Alstom wins contract to supply 39 driverless trainsets and CBTC signalling for Mumbai Metro Line 4
- HPCL signs 10-Year LNG Procurement Agreement with Abu Dhabi Gas Liquefaction Company

#### CAPEX UPDATE

#### Auto

- Escorts Kubota to invest ₹45 bn in 200acre tractor manufacturing and equipment facility at YEIDA Initial investment of ₹20 bn
- Ashok Leyland to invest ₹50 bn in exclusive battery JV with CALB for Indian localisation
- Suzuki to invest ₹700 bn in India over next 5-6 years; focus on EVs and new models

#### **Electronics**

- Kaynes Circuits to invest ₹49.9 bn in advanced electronics manufacturing facility in Tamil Nadu
- CG Semi launches ₹76 bn OSAT facility in Sanand, Gujarat Peak capacity of 0.5 million units per day

#### Industrials

• JK Cement approves ₹48.1 bn investment for 7 MTPA greenfield expansion

#### Power

- Tata Power signs ₹60 bn deal with Suzlon to develop 700 MW wind project in Andhra Pradesh
  - Part of 7 GW Plan

technology

- Premier Energies begins commercial ops of 1.2 GW N-Type G12R solar cell line; launches 620 W DCR Topcon modules
   Among the first in India to launch breakthrough G12R N type Solar cell
- SJVN synchronizes first 660 MW unit of ₹137.6 bn Buxar thermal project; annual generation 9,829 MUs
- Jakson Engineers to invest ₹80 bn in 6
   GW integrated solar plant in MP

#### Metal

- JSW Steel and JFE Steel invest ₹58.5 bn to expand grain-oriented electrical steel capacity to 0.35 mn TPA
- Hindustan Zinc approves ₹38.2 bn investment for 10 Mtpa tailings reprocessing plant
- JSW Steel, POSCO sign HoA to jointly explore 6 MTPA integrated steel plant in India via 50:50 JV
- Hindalco announces \$10 bn global investment plan over 5 years to expand aluminium, copper and speciality alumina businesses
- JSW Steel, APMDC form JV for iron ore project in Andhra Pradesh with ₹10.8 bn investment
- Hindalco to invest ₹5.9 bn in Andhra Pradesh aluminium plant to supply Apple iPhone chassis
- Nalco to invest ₹300 bn in new Aluminium smelter and coal-based power plant

#### Oil & Gas

- ONGC plans ₹46 bn investment to drill 10 wells, set up platforms, pipeline and processing in Andhra Pradesh
- BPCL plans upto ₹950 bn investment in 9 mtpa greenfield refinery and petrochemical complex in Andhra Pradesh

#### Others

- SportKing announces ₹10 bn Greenfield expansion in Odisha to add 150,000 spindles
  - ~40% increase over the existing 379,000 spindle count
- Mindspace REIT allocates ₹42 bn Capex over next 3-4 years
   ₹12 bn slated for this year including
   ₹2 bn upgrades

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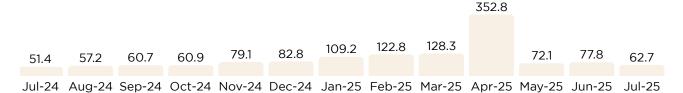
#### CAPITAL MARKET UPDATE

▲ DIIs invest ₹948.3 bn in August; 25-month buying streak sets new record

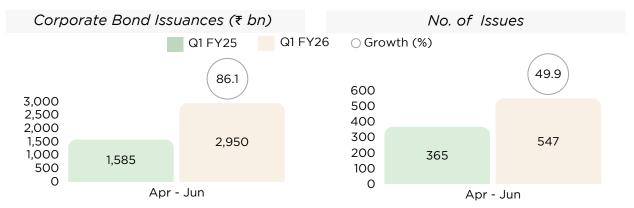
A Record July NFO collections of ₹304.2 bn drive equity mutual fund inflows to alltime high of ₹426.7 bn

▲ SIP stoppage ratio falls to 62.7% in Jul-25; down from 352% peak in Apr-25

SIP Stoppage Ratio (%)



A Corporate bond issuance up 86% YoY to ₹2.9 tn in Q1FY26, up from ₹1.6 tn in Q1FY25



- A Gold ETFs record net inflows of ₹12.6 bn in July'25, down 40% from ₹20.8 bn in June
- A Nippon India Silver ETF crosses ₹100 bn AUM
- ▲ SEBI clears Mega IPOs exceeding ₹300 bn Tata Capital, Groww line up
- ▲ SEBI eases IPO norms for startups: ESOPs retained post-listing and reverse-flipping CCS shares allowed in OFS
- Mutual funds' cash holdings rise 1.4 % MoM to ₹2.06 tn in July SBI MF leads in absolute terms, PPFAS tops in AUM share
- ▲ Indigo, Max Healthcare to join Nifty 50 in semi-annual review; Hero Motocorp, IndusInd Bank removed
- ▲ National Commodity and Derivatives Exchange (NCDEX) raises ₹5 bn from Citadel, Tower Research, Acacia Partners

#### INTERNATIONAL UPDATE

#### Rest of the Word



▲ OPEC+ agrees to raise oil output by 547,000 bpd in September Full reversal of bloc's largest output cuts and an additional increase for UAE

## EU 🔅

- ▲ China exempts 34 cognac brands from tariffs; U.S. maintains 15% tariff on EU wines and spirits
- A US agreed to reduce its tariffs on cars built in EU to 15% from 27.5%

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#### INTERNATIONAL UPDATE

#### USA ==



- ▲ US Gross National Debt tops \$37 trillion, accelerating fiscal pressures on taxpayers Surging by nearly \$1 tn every five months
- ▲ U.S. proposes nearly \$1 bn to bolster domestic critical minerals and materials sectors Funding allocated across processing, recycling, rare earths, and byproducts
- Trump administration take ~10% stake in Intel by converting CHIPS Act grants into non-voting equity
- ▲ Trump moves to cancel \$4.9 bn in foreign aid, raising fiscal control concerns
- ▲ U.S. tightens semiconductor export controls to China; allies exempted Revoking exemptions for Samsung, SK Hynix, Intel, and TSMC

#### China E

- A China's Critical-Minerals export controls disrupt western defence manufacturing, Suppliers seek alternative sources
- A Retail investor participation reached new heights, with daily trading volumes exceeding ¥2 tn for 11 consecutive sessions 71% YoY increase in new stock accounts in July
- ▲ China intensifies anti-involution measures to address overcapacity and price wars This covers steel, EVs, coal, solar panels
- A China introduces interest subsidies on loans to boost consumption; maximum subsidy of ¥1 mn Individuals can receive a 1-percentage-point annual interest subsidy on loans up to ¥50,000
- ▲ China's rare earth exports jump 75% in July to 5,577 tons EU remained largest buyer, importing 2,140 tons, while US imported 619 tons

### INDIA ECONOMIC DATA

Economic Indicator	July'25	Jun'25	July'24
WPI inflation (in%)	154.4	153.8	155.2
CPI inflation (in%)	196	194.2	193
Core Sector Growth (in%)	2.0	1.7	6.3
Trade Deficit (in bn\$)	27.4	18.8	24.8



Core sector growth slowed key energy inputs slumped—coal production natural gas 3.2%, crude oil 1.3%, and refinery output 1.0%

Economic Indicator	Aug'25	July'25	Aug'24	МоМ	YoY
Composite PMI	63.2	61.0	60.7	3.6%	4.1%
GST Collection (in ₹tn)	1.9	2.0	1.8	-5.1%	6.3%
AVG USD INR	87.5	86.1	83.9	1.6%	4.3%
Forex Reserves (US\$ bn)	690.7	688.9	681.7	0.3%	1.3%

\*All the numbers are rounded to a single decimal place