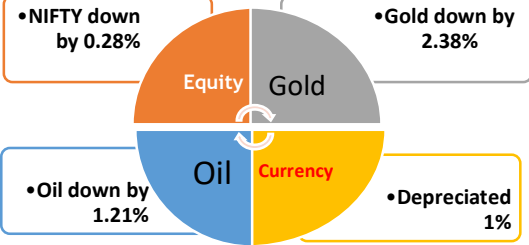


# Wrapping Up the Week..... (27.10.2025 -31.10.2025)

## Market Movers

Highs & Lows of Key Market Indicators			
Indicators	High	Low	Average
USD/INR	88.77	87.79	88.44
India 10 Yr G-Sec Yield	6.60	6.52	6.54
US 10Yr T Bill	4.12	3.97	4.05
Crude Brent) \$/BL	65.89	63.38	64.40
Canara Bank	129.4	124.7	126.66

## Movement Over Previous Week



## News that Made News

### Global

- US inflation rose to 3% in September 2025, the highest since January, driven by higher energy prices and modest vehicle cost increases.
- China and ASEAN signed an upgraded free trade pact to boost regional trade in goods, services, and digital sectors amid US protectionism.
- The US Federal Reserve cut rates by 25 bps to 3.75-4%, marking a second consecutive reduction and ending balance sheet trimming by December 2025.

### Domestic

- The Share of gold in forex reserves doubled since 2022. India's forex reserves touched \$702 billion in the week ended October 17 after falling to \$694 billion in August.
- India's industrial output grew 4% in September, led by a 4.8% rise in manufacturing despite weaker core sector growth.
- Engineering exports rose 2.93% year-on-year to USD 10.11 billion despite lower shipments to the US.

### Banking

- Public sector banks are setting aside ₹20,000 crore in provisions ahead of the ECL-based provisioning framework from April 2027.
- Bank's deposit mobilisation has further slowed Showing 9.5% growth, 40 basis points lower as compared with 9.9% seen in a fortnight back, while yearly credit growth remained at 11.5% for the same period (a tad better than 11.4% seen 14 days back).
- Banks were asked to double Micro Enterprise Card issuance under a new scheme offering up to ₹5 lakh working capital credit.

## Macro Scenario

Union Bank of India's Q2 net profit declined 10% year-on-year to ₹4,249 crore due to lower income and recoveries.

Kotak Mahindra Bank reported a Q2 net profit of ₹32.53 billion, missing estimates largely due to a 43% rise in provisions for bad loans; its loan book grew 14% and deposits 15% year-on-year

### Peer's Signals Sensed

## Policy Moves

### RBI

- ♦ RBI advisory panel recommended cash flow-based MSME lending and TReDS adoption to tackle delayed payments and credit gaps.
- ♦ RBI proposed faster cross-border remittances with same-day credit and real-time nostro reconciliation within six months of new rules.

### GOVT

India's foreign trade arm, Directorate General of Foreign Trade (DGFT) said it plans to launch a pilot of Bharat Aayat Nirayat Lab Setu, a digital single-window platform to link testing and inspection agencies nationwide for faster and paperless certification of export and import consignments.

## Event /News of the Week:

**Fed Rate Cut:  
Dovish in deed  
But Hawkish in  
Communication**

- ✓ US Federal Reserve cut its benchmark interest rate by 25 basis points (0.25%) for the second time this year, bringing the federal funds rate to a range of 3.75%-4.00%.
- ✓ Theoretically, Fed rate cut appeared dovish to cushion a cooling labour market
- ✓ But the communication was hawkish — signalling pause likely in December, and slower pace of cuts ahead, due to which, the 10-year US Treasury yield climbed about 9 bps to 4.07% in the immediate aftermath.
- ✓ Consequently, Benchmark G-Sec yield (India) surged by up to 10 bps to above 6.55% on October 30, 2025—the largest single-day jump in six weeks—mirroring the global bond sell-off.
- ✓ Higher US Bond yields and likely capital outflows have put pressure on INR which depreciated to 88.70.