

Key International events:

The US Labor Department said that initial jobless claims of US fell to 208,000 in the week ended July 11th 2026, a decrease of 8,000 from the previous week's revised level of 216,000. Economists had expected jobless claims to rise to 220,000 from the 215,000 originally reported for the previous week.

Federal Reserve Governor Lisa Cook said that the risk of persistent inflation in US now outweighs that of a weakening labour market, as the Artificial Intelligence (AI) build-out and recent supply shocks drive price pressures.

According to a report released by the US Labor Department, the US Producer Price Index for final demand fell by 0.3% MoM in June 2026 after climbing by a downwardly revised 0.6% MoM in May 2026. Economists had expected producer prices to edge down by 0.1% MoM.

A bipartisan group of US senators has introduced a revised Russia sanctions Bill proposing a 100% tariff on goods from the five largest buyers of Russian crude oil and gas, including India. The Bill, originally spearheaded by Senator Lindsey Graham had proposed a 500% tariff on potentially all purchasers of Russian energy. The revised version narrows its scope to China, India, Hungary, Slovakia and Azerbaijan while excluding most European countries.

The US Labor Department said that Consumer Price Index of US fell by 0.4% MoM in June 2026 after climbing by 0.5% MoM in May 2026. Economists had expected consumer prices to edge down by 0.1% MoM. Largely reflecting a sharp pullback in energy prices, consumer prices in the US decreased by much more than expected during the month.

Federal Reserve Governor Christopher Waller said that he would place more weight on another high inflation reading than a lower one when reviewing data published this week. Waller also explained that inflation readings have shown five to six consecutive months of increases. "If I get another higher one, I'm gonna treat that as signal, not noise," he said.

According to a Wall Street Journal analysis, rising geopolitical tensions, persistent inflation and more frequent economic shocks are forcing investors to rethink traditional portfolio strategies, with government bonds no longer offering the protection they once did. The analysis argues that conflicts in the Middle East, US-China tensions, Russia's war in Ukraine, and more frequent extreme weather events are creating an environment where inflationary shocks have become more common.

Eurostat reported that Industrial Production of Eurozone slid to 0.2% MoM in May 2026, in contrast to the 0.3% MoM rise in April 2026. This was the first decline in four months and came in contrast to the 0.3% MoM expected increase.

The National Bureau of Statistics reported that Gross Domestic Product of China posted a growth of 4.3% YoY in Q2 CY26 after rising 5.0% YoY in Q2 CY25. The rate marked the slowest since Q4 CY22 and also came in weaker than forecast of 4.5% YoY on declining investment and subdued domestic consumption, underscoring the need for stimulus measures to support growth.

China's General Administration of Customs revealed that China's exports and imports recorded sharp growth in June 2026. Exports advanced by 27.0% YoY after 19.4% YoY expansion in May 2026. Shipments were expected to rise at a slower pace of 18.2% YoY. Similarly, imports reported a growth of 36.0% YoY, up from 27.4% YoY in the previous month. Economists had forecast imports to climb 24.0% YoY.

Key Domestic events:

As per RBI, Reserve Bank's FI-Index, which captures the extent of financial inclusion in the country, rose 4.48% YoY during FY26. The improvement in the FI-Index was mainly on account of an uptick in usage, reflecting the deepening of financial inclusion.

According to the latest data released by the Reserve Bank of India (RBI), commercial banks' credit growth accelerated to a two-year high of 18.6% YoY in the fortnight ended June 27, 2026. Banks disbursed loans worth Rs 3.8 trillion during the last fortnight of June 2026, while deposits rose by Rs 6.97 trillion. Bank deposit growth came in at 13.29% YoY during the same period.

As per data released by the National Statistics Office (NSO), the retail inflation rate accelerated to 4.38% YoY in June 2026 from 3.93% YoY in May 2026, breaching the Reserve Bank of India's (RBI's) 4% YoY benchmark target for the first time since January 2025 under the new series, as higher fuel prices lifted transport, food and restaurant services costs.

Moody's Analytics said in its latest global outlook commentary that India will remain the fastest-growing major economy in CY26 and CY27 even as it "will lose a step, too" amid softer growth elsewhere. The global economy is expected to grow at 2.5% YoY in CY26 and 2.8% YoY in CY27, both short of the 3% YoY - plus growth the world is capable of.

As per a notification of the Central Board of Direct Taxes (CBDT), the income tax department has increased the Cost Inflation Index for FY27 for calculating long-term capital gains arising from the sale of immovable property, securities and jewellery. The Cost Inflation Index (CII) for FY27 is 384. The CII for FY26 was 376.

According to preliminary Balance of Payments (BoP) data released by the RBI, India recorded a Current Account Deficit of USD 2 bn in May 2026 as imports exceeded merchandise exports. The current account had recorded a surplus of USD 0.7 bn in May 2025. In the April-May period of FY27, India's Current Account Surplus stood at USD 2.8 bn, reversing a deficit of USD 4.1 bn in the corresponding period of the previous year, mainly due to higher net transfers.

According to a Govt. order, the duty on diesel exports has been raised to Rs 15.5 (USD 0.16) per litre from Rs 8.5 per litre, while the aviation turbine fuel duty has been increased to Rs 14.5 per litre from Rs 7.5. The export duty on petrol has been lowered to Rs 2.5 per litre from Rs 4 per litre. The new rates will apply from July 16, 2026. India has raised windfall taxes on exports of diesel and aviation turbine fuel as global oil prices surge amid an escalation of the US-Iran conflict.

According to the NSO, India's overall female unemployment rate rose to a 15-month high of 5.9% in June 2026 from 5.6% in May 2026, its highest level since the Periodic Labour Force Survey (PLFS) switched to a revamped monthly methodology. The overall unemployment rate held steady at 5.5% during the month, matching the 11-month high touched in May 2026.

According to the data released by the Ministry of Commerce and Industry, the Wholesale Price Inflation (WPI) rate based on the 2022-23 series rose to its highest at 9.87% YoY in June 2026 from 9.68% YoY in May 2026, as a broad-based pickup in prices of food and primary articles more than offset a moderation in energy costs.

The government released the trial Index of Services Production (ISP) for April 2026 for 19 sectors that together account for nearly 60% of overall India's services output. Data released by the National Statistics Office showed that among the sectors, accommodation and food saw the highest growth of 37.2% YoY, compared to 0.7% YoY in April 2025. The sector that performed the worst was air transport, which contracted 14% YoY as against a 4.5% YoY increase in the corresponding period last year.

According to provisional data released by the Central Board of Direct Taxes (CBDT), Net Direct Tax collections rose 16.4% YoY to Rs 6.51 trillion as on July 13, 2026 driven by robust growth in corporate tax receipts. Gross Direct Tax collections increased 16.11% YoY to Rs 7.74 trillion, while refunds rose 14.57% YoY to Rs 1.22 trillion during the period.

According to commerce ministry data released, the trade deficit widened to USD 30.43 bn in June 2026 from USD 28.21 bn in May 2026 and USD 19.10 bn a year earlier. Goods imports jumped 31% YoY to USD 70.84 bn in June 2026, while exports rose nearly 16% YoY to USD 40.41 bn, driven by strong engineering and electronic goods exports and a recovery in shipments to West Asia. A sharp rise in imports pushed India's trade deficit to a five-month high in June 2026, even as growth in merchandise exports remained healthy.

According to a report by the Centre for Research on Energy and Clean Air (CREA), India's imports of Russian crude oil surged to a record high in June 2026, rising 34% MoM despite a decline in Russia's overall oil export revenues. This makes it the second-largest buyer of Russian hydrocarbons after China.

Equity Round up: BSE Sensex opened at 76,963. It made a weekly high of 78,283 and a low of 76,857 before closing 582 points higher at 78,151.

Events to watch out for the next week:

International Events

1. US Conference Board Leading Index for Jun'26 on 20 Jul'26
2. ECB meeting outcome on 23 Jul'26
3. HCOB Eurozone Composite PMI for Jul'26 on 24 Jul'26
4. China 1 & 5-Year Loan Prime Rate on 20 Jul'26

Domestic Events

1. Forex Reserves for week ended 17 July 2026 on 24 July 2026
2. Infrastructure Output for Jun'26 on 20 Jul'26

Key Equity Market Indices	Closing	% Change WoW
BSE Sensex	78,151	0.75
Nifty 50	24,334	0.53
BSE 100	25,871	0.29
BSE 200	11,352	0.14
Nifty Midcap 150*	22,968	-0.86
Nifty Smallcap 250*	18,004	-0.64
BSE FMCG	18,205	-1.10
BSE HC	49,790	-0.30
BSE IT	28,226	3.73
BSE Auto	59,714	0.51
BSE BANKEX	66,195	0.77
BSE CG	78,122	-1.24
BSE CD	63,383	2.23
BSE Oil & Gas	26,537	0.81

* BSE Midcap and BSE Small Cap indices data is not available for 17th July '26 so included Nifty Indices.

Other Key Indices#	Closing	Change WoW
10 Year G-Sec (6.94% 2036)	6.75%	0 bps
Interbank Call	5.35%	1 bps
INR/USD	96.28	1.00%
Gold (Rs/10gm)	1,41,159	-1.54%

Taken during market hours, 10 Year G-Sec (6.94% 2036) and Interbank Call as on 16 July '26

World Indices	Closing	% Change WoW
Dow Jones*	52,553	0.12
Nasdaq*	25,882	-1.24
FTSE	10,558	0.78
DAX	24,769	-1.44
Hang Seng	24,562	1.60
Nikkei	64,141	-6.44
Bovespa*	1,73,825	0.63
Indonesia Jakarta	6,176	4.24

* Data as on 16 July '26

Rs. Bn	Gross Buying	Gross Selling	Net (WoW)
FPIs	828.5	726.9	101.6
DIIs	873.9	840.6	33.3

Data for FPI from 10 July 2026 to 16 July 2026. Data for DII from 03 July 2026 to 10 July 2026.

Arbitrage Spreads	Spot	Future*	Prem/(Dis)
Nifty 50	24,334	24,345	11

*July 2026 Expiry

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