Economic & Business

Indian Market Performance & Analysis

India's stock market saw a positive start to the week, with the Nifty and Sensex indices rebounding after three consecutive sessions of losses. This rally was fueled by better-than-expected Q1 GDP growth data, which came in at a robust 7.8%, exceeding most projections. Investors are also optimistic about potential GST rationalization at an upcoming council meeting. However, the market remains cautious due to the threat of new US tariffs and persistent selling by foreign institutional investors (FIIs), which contributed to the Indian rupee hitting an all-time low against the US dollar.

Government & Policy

To counter global trade uncertainties, the Indian government is actively diversifying its export markets. Commerce and Industry Minister Piyush Goyal has engaged with counterparts from countries like the UAE, Qatar, South Africa, and Australia to promote Indian goods. The focus is on strengthening existing trade ties and exploring new agreements to reduce dependence on the US market. India and Qatar, for instance, are expected to begin talks for a new trade deal soon.

Corporate News

The Reserve Bank of India (RBI) reported that India's current account deficit (CAD) widened to $2.4 billion in Q1 of FY 2025-26, which is equivalent to 0.2% of GDP. This is a significant shift from the surplus of $13.5 billion in the previous quarter and is primarily due to a larger merchandise trade gap. Additionally, several companies, including JSW Cement, Orissa Minerals Development Company, and All Time Plastics, are scheduled to announce their Q1 financial results today.

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MCQS

1. What was a primary factor fueling the rebound of the Indian stock market, as mentioned in the text?
a) A decrease in crude oil prices.
b) Better-than-expected Q1 GDP growth data.
c) A new trade deal with the United States.
d) Increased investment from foreign institutional investors (FIIs).

Answer: b)
The news states that the market's rally was "fueled by better-than-expected Q1 GDP growth data." This economic indicator showed a robust 7.8% growth, which instilled investor confidence.

2. Which of the following countries is the Indian government engaging with to diversify its export markets and reduce dependence on the US?
a) Japan.
b) The United Kingdom.
c) Qatar.
d) Canada.

Answer: c)
The text explicitly mentions that Commerce and Industry Minister Piyush Goyal has engaged with counterparts from countries including the UAE, Qatar, South Africa, and Australia to promote Indian goods and explore new trade agreements.

3. According to the Reserve Bank of India (RBI), what was the primary reason for the widening of India's current account deficit (CAD) in Q1 of FY 2025-26?
a) A surge in services exports.
b) A larger merchandise trade gap.
c) A decrease in foreign direct investment (FDI).
d) Increased remittances from overseas Indians.

Answer: b)
The RBI's report specified that the widening CAD was "primarily due to a larger merchandise trade gap." This means the value of goods imported by India exceeded the value of goods it exported by a significant margin during that period.

4. What was the current account balance for India in Q1 of FY 2025-26, according to the RBI report?
a) A surplus of $13.5 billion.
b) A deficit of $2.4 billion.
c) A deficit of $1.3 billion.
d) A surplus of $0.2 billion.

Answer: b)
The provided text indicates that the RBI reported India's current account deficit (CAD) widened to $2.4 billion in Q1 of FY 2025-26. This is a significant change from the surplus in the previous quarter.

5. What is the equivalent percentage of GDP for India's current account deficit in Q1 of FY 2025-26?
a) 7.8%
b) 1.3%
c) 0.5%
d) 0.2%

Answer: d)
The news explicitly states that the current account deficit of $2.4 billion is "equivalent to 0.2% of GDP."

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