



ISSUE #005 | 11 OCT 2026 | WEEK 41

RESEARCH CUT-OFF | 11:00 IST

HEADLINE INTELLIGENCE

INDIA'S DOUBLE POLICY RESET: RBI TIGHTENS, GST COUNCIL EASES RULES

India enters the new week with two distinct policy decisions. On 7 October the RBI raised its repo rate by 25 basis points to 5.50%, then introduced further rupee and liquidity measures. On 8 October the GST Council recommended compliance and refund reforms. Friday brought a modest equity recovery, but costly oil and a fragile currency keep the outlook finely balanced. [S12][S18][S4][S6]



GST COUNCIL BRIEFING | NEW DELHI | 08 OCT 2026

INDIA MACRO PULSE | LATEST READINGS

REAL GDP Q1 FY27	<div></div>	7.8%
IIP AUG 2026	<div></div>	8.0%
FACTORY PMI SEP 2026	<div></div>	55.1
CPI AUG 2026	<div></div>	4.82%

Growth rates are YoY; PMI is a diffusion index. Bars are illustrative, not a common scale. [S1][S2][S9][S10]

POLICY RESET | EXTERNAL PRESSURE

MARKET STRESS

Nifty +0.44% on week; first weekly rise after eight declines. [S4]

ACTIVITY

IIP +8.0% in August; factory PMI 55.1 in September. [S1][S2]

RUPEE

9 Oct onshore close: 96.73/USD. Further FX measures announced 10 Oct. [S5][S13]

OIL

Brent \$104.72/bbl, Friday 9 Oct settlement. [S6]

RATES

Benchmark 10Y yield 7.2994% on 9 Oct; +9 bps on week. [S8]

BUFFERS

FX reserves \$734.60bn; week ended 2 Oct. [S7]

Research cutoff: 11 October 2026, 11:00 IST. Photo: PIB, 8 Oct. Market prices retain their observation dates.

01 | Executive Intelligence Brief

GROWTH ENGINE

Q1 real GDP +7.8%; August industrial production +8.0% YoY. Activity is still expanding. [S1][S10]

ACTIVITY REBOUND

September manufacturing PMI reached 55.1, following 52.8 in August. Factory momentum improved. [S2]

EQUITY REBOUND

Nifty and Sensex ended an eight-week losing run, gaining 0.44% and 0.78% on the week. [S4]

RUPEE DEFENCE

9 October rupee close: 96.73/USD. RBI then announced a direct oil-company dollar window. [S5][S13]

RATES & LIQUIDITY

Repo raised to 5.50%; 10Y yield closed at 7.2994%. Additional liquidity withdrawal is planned. [S8][S12][S21]

POLICY COUNTERWEIGHT

GST Council recommendations target faster refunds, simpler registration and lower compliance friction. [S18]

Five-minute read. India is now managing inflation, funding and the exchange rate more actively. The RBI raised rates and moved to absorb surplus liquidity, while the GST Council proposed reforms that could reduce business friction. Neither move guarantees an immediate change in earnings or investment. The test is whether domestic activity remains firm as external financing and energy costs stay elevated.

INDIA MACRO PULSE

Latest observations; dates shown separately

REAL GDP

Q1 FY27 | YoY

+7.8%

INDUSTRIAL OUTPUT

AUG | QUICK ESTIMATE

+8.0%

MANUFACTURING PMI

SEP | DIFFUSION INDEX

55.1

CPI

AUG | PROVISIONAL

4.82%

GROSS GST

SEP COLLECTIONS | YoY

+14.7%

DOMESTIC GST

SEP COLLECTIONS | YoY

+10.1%

MARKETS & EXTERNAL BUFFER

Latest observations; dates shown separately

NIFTY 50

9 OCT CLOSE

22,520.45

SENSEX

9 OCT CLOSE

72,472.33

USD / INR

9 OCT ONSHORE CLOSE

96.73

BRENT

9 OCT SETTLEMENT

\$104.72

INDIA 10Y

9 OCT | BENCHMARK

7.2994%

FX RESERVES

WEEK ENDED 2 OCT

\$734.60bn

02 | Headline Analysis | two policy directions

The October policy week produced an unusually sharp contrast. The RBI tightened the price and availability of money as imported inflation and currency pressure persisted. Two days later the GST Council advanced administrative reforms intended to make the tax system less costly to use. These instruments act through very different channels.

For households and companies, the effect will be uneven. A higher repo rate can gradually affect floating-rate credit and new borrowing. A costlier dollar raises imported bills, especially fuel. Easier tax registration or faster refunds, if implemented, could release working capital without stimulating demand directly.

What would change the reading. Calmer FX markets, cheaper delivered energy and better cash conversion would support the policy mix. Rising yields, outflows or broader inflation would tighten it. The distinction is between announced measures and outcomes that appear in data.

02 | Headline Analysis | policy transmission

The MPC unanimously lifted the repo rate to 5.50% and adopted calibrated tightening on 7 October. RBI liquidity and forex measures followed. These are confirmed actions, not forecasts. The GST package, by contrast, is a set of Council recommendations whose operative dates depend on notifications and implementation. [\[S12\]](#)[\[S13\]](#)[\[S18\]](#)

ENERGY / FREIGHT

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DOLLAR DEMAND

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RUPEE

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MARGINS

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RATES

>

VALUATIONS

Alternative case. The equity recovery may signal expectations that much of the bad news is already reflected in prices. But a one-week rise is not proof of durable relief. Track operating margins, real sales and foreign flows through subsequent earnings rather than treating a market bounce as an all-clear.

CONFIRMED POLICY SHIFT

RBI repo +25 bps to 5.50%; further FX and cash measures. [\[S12\]](#)[\[S13\]](#)

CONFIRMED ACTIVITY BUFFER

August IIP +8.0%; September manufacturing PMI 55.1. [\[S1\]](#)[\[S2\]](#)

KEY TEST

Can stronger output survive tighter rates and sustained import-cost pressure?

03 | Markets & Macro Dashboard

Indicator	Latest observation	Change date	Context / interpretation
NIFTY 50	22,520.45	+0.44% week	First weekly gain in nine. [S4]
BSE SENSEX	72,472.33	+0.78% week	IT-led weekly recovery. [S4]
USD / INR	96.73	9 Oct close	FX actions announced after close. [S5][S13]
INDIA 10Y	7.2994%	9 Oct close	6.94% 2036 benchmark. [S8]
BRENT CRUDE	\$104.72/bbl	9 Oct settlement	Global energy supply risk. [S6]
FX RESERVES	\$734.60bn	Week ended 2 Oct	Down \$12.95bn on week. [S7]
INDUSTRIAL OUTPUT	+8.0% YoY	Aug quick estimate	Output, not a sales measure. [S1]
FACTORY PMI	55.1	Sep final survey	Expansion; not a growth rate. [S2]

03 | Market Matrix | competing signals

EQUITIES

An IT-led equity bounce ended eight weekly losses. It has not yet reversed capital and earnings risks.

FX & OIL

Dollar demand and oil costs still affect imported inflation and private-sector margins.

RATES

The repo rate is now 5.50%; 10Y yields rose, while RBI plans further liquidity withdrawal.

DOMESTIC RESILIENCE

Output and surveys remain firm, though higher credit costs could test their durability.

Signal versus noise. Friday 9 October equity and FX levels are market closes; Brent is a separate futures settlement. Reserves refer to the reporting week ending 2 October. Do not present these as live Sunday prices.

EVIDENCE STATUS | IMPLEMENTATION IS NOT A FORECAST

Observed: the RBI rate hike, Friday prices and reserve stock. Announced: later FX and liquidity measures. GST reforms remain recommendations until implemented. [S12][S13][S18][S21]

04 | Global Economy & Geopolitics

Energy disruption now meets active monetary defence

Brent ended Friday 9 October at \$104.72 per barrel as Gulf conflict and storm-related US production shutdowns kept the physical oil market tight. The price is an observed futures settlement, not a prediction about next week. India remains exposed through crude imports, freight, insurance and dollar funding. [S6]

The RBI announced a special dollar supply window for three state-owned oil-marketing companies from 12 October. Redirecting regular oil-import dollar demand away from the spot market could smooth trading, but the underlying import bill remains. The policy can also draw on reserve buffers. [S13]

US yields and persistent Gulf supply uncertainty complicate the external picture. A tighter Indian policy rate may support inflation expectations while raising domestic funding costs. The magnitude of the oil shock depends on deliverable barrels, shipping routes, prices and the rupee together. [S6][S8][S12]



GST COUNCIL MEETING | NEW DELHI | 08 OCT 2026 | PIB

India faces a trade-cost shock and a financing shock

Reserve releases and production targets do not guarantee cheaper delivered imports. Monitor sea freight, insurance, diesel availability and the exchange rate before declaring that energy pressure has eased.

PHYSICAL FLOW

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DELIVERED COST

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IMPORT BILL

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RUPEE

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PRICES / MARGINS

EVENT RISK

Middle East conflict and US Gulf storm outages can move prompt barrels and diesel costs. [S6]

OIL BASELINE

Friday 9 October Brent settlement: \$104.72; spot and intraday quotes may differ. [S6]

GLOBAL FINANCING

Higher global yields raise funding hurdles, even when domestic output is still expanding.

INDIA EXPOSURE

Importers, transport firms and exporters face different currency and energy pass-through.

Competing hypothesis. A genuine recovery in oil supply and calmer currency markets could improve margins. An announcement alone is insufficient. Track delivered fuel costs, financing and actual shipments.

05 | India Macro & Liquidity Radar

The MPC unanimously increased the repo rate 25 basis points to 5.50% on 7 October and shifted its stance to calibrated tightening. The standing deposit facility rate is 5.25%; the marginal standing facility and Bank Rate are 5.75%. [\[S12\]](#)

August CPI inflation was 4.82%, with September CPI due on 12 October, after this issue cutoff. The RBI announced open-market bond sales worth Rs 250 billion and a higher daily minimum cash reserve maintenance requirement from 16 October. Policy rates and liquidity absorption must be assessed separately. [\[S9\]](#)[\[S21\]](#)

GLOBAL PRICE / LIQUIDITY RISK | INDIA MACRO TRANSMISSION

GLOBAL YIELDS

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RBI LIQUIDITY

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INDIA 10Y

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CREDIT / FX

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PRICES / GROWTH

Policy rate, open-market sales and currency intervention transmit through different channels.

Policy interaction. A 5.50% repo rate affects borrowing benchmarks; bond sales absorb liquidity; the special oil-company dollar window redirects FX demand. Each addresses a particular pressure, while none removes the risk posed by oil, foreign flows or household price expectations.

06 | Rules, Policy & Release Calendar

Regime / release	Status	Affected channels	Next watch
RBI policy	Repo 5.50%; calibrated tightening. [S12]	Credit, rates	Minutes 21 Oct; future guidance.
FX reserves	\$734.60bn, week ended 2 Oct. [S7]	External buffer	Sales versus valuation effects.
Liquidity	Rs 250bn OMO sale announced. [S21]	Bond market	Auction and liquidity absorption.
FX framework	Oil-company window starts 12 Oct. [S13]	Rupee, importers	Implementation and spot liquidity.
Inflation	August CPI 4.82%; Sep due 12 Oct. [S9]	Prices, rates	Look beyond food volatility.

07 | Research & Data Brief

Firmer output is a buffer, not a policy exemption

The latest output, purchasing manager and tax statistics refer to different economic concepts. Industrial production is a volume index, the manufacturing PMI a survey diffusion index and GST nominal revenue subject to refunds, pricing and imports. They cannot be treated as interchangeable proof of household demand.

OUTPUT COMPOSITION

August manufacturing production grew 9.0%, while mining contracted 5.6%. Breadth remains uneven. [S1]

CONSUMPTION MIX

Durables rose 11.1% in August; non-durables grew 2.1%. Essential demand merits attention. [S1]

SURVEY CONFIRMATION

Final September factory PMI was 55.1, but survey strength still needs validation in shipments and sales. [S2]

TAX COMPOSITION

September domestic GST growth was 10.1%, while imports contributed strongly to collections. [S3]

RESERVE INTERPRETATION

The \$12.95bn reserve fall reflects both valuation and transactions; it is not a measure of intervention. [S7]

FISCAL INTERPRETATION

April-August fiscal deficit reached 41.9% of FY27 target. Timing complicates annual inference. [S16]

Evidence ladder. Use official releases for output and fiscal data, the original company filing for earnings and contemporaneous reporting for market closes. Label provisional statistics, delayed reserve stocks, announced policies and editorial judgments separately.

DOMESTIC ACTIVITY AND EXTERNAL PRESSURE

AUGUST IIP +8.0% YoY

RUPEE | 9 OCT 96.73/USD

FACTORY PMI 55.1

BRENT | 9 OCT \$104.72/bbl

DOMESTIC GST +10.1% YoY

INDIA 10Y | 9 OCT 7.2994%

Decision rule. Track orders, real sales, input costs and cash. Firm output can hide weaker household demand; a market rebound alone cannot prove relief.

08 | Company Research Lab | Tata Consultancy Services

WHY THIS COMPANY THIS WEEK

TCS published Q2 FY27 results on 8 October, providing a test of overseas technology spending, foreign-currency translation and AI implementation. The company reported US\$7.642bn quarterly revenue and 0.5% sequential constant-currency growth, with international revenue up 1.2% on the same basis. [S15]

The quarter delivered US\$9.6bn total contract value, 24.0% operating margin and US\$3.1bn annualised AI revenue. Net cash from operations was US\$1.48bn, or 102.2% of net income. These outcomes replace last issue's pending-result catalyst with disclosed earnings evidence. [S15]

CATALYST

Reported growth, deal wins and cash conversion give measurable evidence. [S15]

RISK

Consumer-facing demand, regional divergence and implementation costs could still pressure profitability.

FINANCIAL BASE

Q2 revenue US\$7.642bn; margin 24.0%; deal TCV US\$9.6bn. All reported figures. [S15]

WHAT INVALIDATES THE READ

Revenue growth remains modest. A decline in cash conversion or lower deal conversion would challenge optimism.

CLIENT BUDGETS

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CONTRACT RAMP

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REVENUE

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MARGINS

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CASH FLOW

The analytical question is now whether signed work converts into sustainable cash-generating expansion. Sequential constant-currency revenue grew 0.5%, while the quarter's 24.0% operating margin was steady. International business did better than consolidated growth. These results deserve segment-level, not headline-only, reading.

Analytical read. Track cash generation, contract conversion, segment margins and the gap between reported dollar revenue and constant-currency demand. The release documents momentum in AI services but not a guaranteed return from all AI initiatives. No price target or personalised recommendation is made.

FUNDING EVIDENCE

Q2 operating cash flow was 102.2% of net income. [S15]

EXECUTION EVIDENCE

US\$9.6bn contract value is not booked quarterly revenue. [S15]

COMMERCIAL DISCIPLINE

Annualised AI revenue: US\$3.1bn. [S15]

FALSIFICATION TEST

Watch revenue conversion beyond deal announcements.

09 | Global-to-India Transmission

External cost pressure and liquidity restraint now collide with a modest equity recovery. For an importer, the rupee price of energy still matters; for an exporter, translation benefits may be offset by client restraint and funding costs.

Company-level evidence remains essential. Import intensity, hedges, debt maturity and pricing power determine whether stronger output translates into stronger earnings. The TCS release illustrates why cash flow and constant-currency performance must accompany headline revenue.

GLOBAL YIELDS

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INDIA RATES

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VALUATIONS

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CREDIT COST

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EARNINGS

10 | Signals, Risks & Monitoring Radar

AMBER | EQUITIES

Shares gained after eight losing weeks. Track breadth and follow-through, not one Friday. [\[S4\]](#)

RED | ENERGY COST

Brent finished 9 October at \$104.72. Landed costs remain the relevant India metric. [\[S6\]](#)

AMBER | RUPEE

96.73/USD on 9 October. Monitor implementation of 12 October FX window. [\[S5\]](#)[\[S13\]](#)

AMBER | INDIA 10Y

10Y 7.2994% on Friday. Higher yields constrain refinancing and valuations. [\[S8\]](#)

AMBER | RESERVES

Reserve stock \$734.60bn, week ended 2 Oct. Separate valuation from policy sales. [\[S7\]](#)

GREEN | OUTPUT

August IIP +8.0%; look for later demand confirmation and production revisions. [\[S1\]](#)

GREEN | FACTORY SURVEY

September PMI 55.1. Verify order strength in volumes and earnings. [\[S2\]](#)

GREEN | TAX RECEIPTS

GST Council recommended faster refunds and easier compliance; implementation remains ahead. [\[S18\]](#)

Linchpin assumption. Domestic activity can absorb costly oil and tighter policy. If margins, borrowing and orders deteriorate together, revise the outlook.

10 | Scenario Matrix | policy shifts, risks persist

MONITORING CASE | RESILIENCE UNDER TIGHTER FINANCING

Editorial monitoring weight: 45%. Output remains firm while oil stays expensive and FX controls calm trading. The RBI contains expectations, but the yield curve still tests funding costs.

SIGNPOSTS / INVALIDATION

Signposts: stable orders, moderated rupee volatility and credible auction demand. Invalidation: joint deterioration in output, currency conditions and credit access.

ADVERSE CASE | IMPORTED COSTS FEED INTO DEMAND

Editorial monitoring weight: 35%. Fresh oil disruption or continued outflows raise costs. Firms face margin erosion and households spend more cautiously as credit tightens.

SIGNPOSTS / INVALIDATION

Signposts: rising delivered energy bills, weaker sales and wider credit spreads. Invalidation: broad-based cost relief accompanied by stronger margins and cash.

RELIEF CASE | FX CALM AND BETTER CASH CONVERSION

Editorial monitoring weight: 20%. Oil costs ease, currency volatility falls and faster GST refunds improve working capital. Cash-generating earnings support a broader recovery.

SIGNPOSTS / INVALIDATION

Signposts: persistent oil and freight relief, lower rate volatility and stronger earnings breadth. Invalidation: renewed FX stress or broader inflation acceleration.

OIL / PHYSICAL FLOW

Physical oil movements matter more than diplomatic headlines for delivered costs.

INR VOLATILITY

Track the speed of adjustment, hedging constraints and importer dollar demand.

INFLATION BREADTH

September CPI is due 12 October.

RBI / CURVE ABSORPTION

Read RBI rate, OMO actions, CRR requirements and FX measures together.

Weights are editorial monitoring allocations, not statistical probabilities or investment advice.

11 | Continuity, Revisions & Forward Intelligence

WHAT WE SAID / WHAT HAPPENED

Issue 004 warned that firmer factories would not prevent a tighter financial environment. The 7 October MPC decision confirmed the policy test: the repo rose to 5.50%. Friday shares recovered modestly, while the rupee, bond yields and reserve stock showed continued strain. GST process reform introduced a distinct business-efficiency channel. [\[S4\]](#)[\[S5\]](#)[\[S7\]](#)[\[S12\]](#)[\[S18\]](#)

DATA REVISIONS / WHAT CHANGED SINCE LAST WEEK

NEW MONETARY DECISION

RBI raised repo to 5.50% and shifted to calibrated tightening. Further FX and liquidity measures followed. [\[S12\]](#)[\[S13\]](#)[\[S21\]](#)

NEW MARKET CLOSES

Nifty 22,520.45; Sensex 72,472.33; rupee 96.73/USD on 9 October. [\[S4\]](#)[\[S5\]](#)

NEW RESERVE DATA

Reserves were \$734.60bn for the week ended 2 October; the release is later than the stock date. [\[S7\]](#)

NEW POLICY INFORMATION

57th GST Council recommended process reforms on 8 October. Notifications and rollout require tracking. [\[S18\]](#)

WEEK AHEAD

Date / cadence	Event / status	Why it matters
12 Oct	September CPI scheduled	Inflation breadth; release pending. [S9]
12 Oct	Oil PSU dollar window starts	Watch spot liquidity and rupee impact. [S13]
16 Oct	Higher daily CRR maintenance	Funding and liquidity conditions. [S21]
21 Oct	MPC minutes scheduled	Decision rationale and voting. [S12]

12 | Alborithm Bottom Line. India is managing costly oil, currency weakness and tighter capital prices while domestic output remains firm. The RBI has acted on rates, liquidity and FX; the GST Council proposed process reforms. Lasting relief needs cheaper landed imports, stable financing and better cash-generating earnings. The equity recovery is a useful signal, not a verdict.

Sources, Credits & Watch / Listen

[S1] MoSPI / PIB, August industrial production, 28 Sep 2026

[S2] HSBC / S&P Global, Sep manufacturing PMI, 1 Oct

[S3] GST release / PTI, September gross +14.7%, 1 Oct

[S4] Reuters, Nifty/Sensex close and weekly return, 9 Oct

[S5] Reuters, onshore rupee close 96.73/USD, 9 Oct

[S6] Reuters, Brent settlement \$104.72, 9 Oct

[S7] RBI data / ET, FX reserves to 2 Oct, released 9 Oct

[S8] Reuters, 10Y benchmark yield 7.2994%, 9 Oct

[S9] MoSPI / PIB, August CPI 4.82%, released 14 Sep

[S10] PIB, Q1 FY27 real GDP growth 7.8%, 1 Sep

[S11] Ministry of Finance, H2 borrowing plan, 25 Sep

[S12] RBI decision / Business Standard, 7 Oct: repo 5.50%

[S13] Reuters, RBI dollar window / FX controls, 10 Oct

[S14] TCS, Best Buy GCC partnership, 1 Oct 2026

[S15] TCS, Q2 FY27 official earnings release, 8 Oct

[S16] CGA / Tribune, April-Aug FY27 fiscal deficit, 30 Sep

[S17] Reuters, Iraqi crude transit via Hormuz, 3 Oct

[S18] PIB / GST Council, recommendations, 8 Oct

[S19] PIB photos 217977 and 217975, New Delhi, 8 Oct

[S20] PIB copyright and attribution policy

[S21] Reuters, RBI bond sale and CRR changes, 9 Oct

[S22] Reuters, global oil disruptions, 9 Oct

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