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ALBORITHM | INDIAN ECONOMY & MARKETS COMPASS
Navigating India's Economy, Financial Markets & Investment Outlook.

ISSUE 008 | 01 NOV 2026 | WEEK 44

RESEARCH CUT-OFF | 14:00 IST

HEADLINE INTELLIGENCE

OCTOBER GST SURGES AS INDIA FACES COSTLY CAPITAL

Gross GST collections rose 22.9% year on year to Rs 2.31 lakh crore in October, while September industrial production increased 6.7%. Better receipts and factory activity support resilience, but higher energy costs and funding pressure warrant caution. [S1][S2]



ESTIC 2026 | NEW DELHI | 27 OCT | PIB

INDIA | MACRO AND MARKET PULSE

GROSS GST	OCT 2026 | YOY	+22.9%
IIP	SEP 2026 | YOY	+6.7%
FISCAL DEFICIT	APR-SEP | TARGET	42.1%
BRENT CRUDE	30 OCT | USD/BBL	$117.64

THE WEEK IN SIX SIGNALS

GROWTH
September IIP increased 6.7%. [S1]

GST
October gross rose 22.9%. [S2]

EQUITIES
Nifty closed at 23,053.10. [S4]

ENERGY
Brent $117.64 on 30 Oct. [S6]

FISCAL
H1 deficit 42.1% of BE. [S3]

RESERVES
Stock $719.75bn to 23 Oct. [S7]

Research cut-off: 01 November 2026, 14:00 IST. Indicators carry distinct observation dates.

01 | Executive Intelligence Brief

TAX RECEIPTS
October gross GST reached Rs 2.31 lakh crore, up 22.9%; net receipts grew 25.6%. [S2]

INDUSTRIAL ACTIVITY
September industrial production rose 6.7%; manufacturing increased 7.6%. [S1]

FISCAL IMPULSE
The first-half fiscal deficit was 42.1% of the annual target; capital expenditure rose. [S3]

EQUITIES
Nifty gained 2.0% and Sensex 1.83% over the week to 30 October. [S4]

RATES AND OIL
Repo stood at 5.50%; Brent ended the week at $117.64 per barrel. [S5][S6]

EXTERNAL BUFFER
Foreign exchange reserves totalled $719.75bn for the week to 23 October. [S7]

FIVE-MINUTE READ
Strong GST collections and industrial production improve the domestic baseline. Elevated energy, yields and reserve pressure still narrow the policy margin.

INDIA MACRO PULSE
Latest official readings

REAL GDP	Q1 FY27 | YOY	+7.8%
IIP	SEP | YOY	+6.7%
CPI	SEP | YOY	5.54%
WPI	SEP | YOY	11.39%
GST	OCT | GROSS YOY	+22.9%
REPO	7 OCT	5.50%

MARKETS AND EXTERNAL BUFFER
Dated market and external observations

NIFTY 50	30 OCT CLOSE	23,053.10
SENSEX	30 OCT CLOSE	74,459.53
USD / INR	30 OCT CLOSE	94.95
BRENT	30 OCT SETTLE	$117.64
INDIA 10Y	30 OCT CLOSE	7.4139%
FX RESERVES	23 OCT STOCK	$719.75bn

02 | Headline Analysis | growth under constraint

October tax collections strengthened the fiscal signal: gross GST receipts grew 22.9% from a year earlier and net GST 25.6%. Import-related revenues rose 42.2%, making it essential to distinguish real consumption from nominal prices, compliance and import mix. [S2]

September industrial output rose 6.7%, including 7.6% in manufacturing. Markets recovered, but the equity rebound occurred alongside high crude prices and tighter sovereign funding. Reported growth and financial constraints coexist rather than cancel one another. [S1][S4][S6]

WHAT WOULD CHANGE THE READING?

Lower delivered energy costs, steadier rupee conditions and broader earnings cash conversion would strengthen the case for durable recovery. [S4-S7]

02 | TRACE THE TRANSMISSION MECHANISM

Higher energy prices raise the import bill and can feed the exchange rate, input costs and funding. A resilient tax base helps fiscal planning, but only physical demand, investment execution and corporate cash flow confirm durable growth.



ALTERNATIVE CASE

Manufacturing, public capital expenditure and productivity gains could offset some imported cost pressure. Confirm through inflation and cash-flow releases.

ACTIVITY
IIP +6.7%; manufacturing +7.6%.

FISCAL
GST +22.9%; deficit 42.1% of BE.

KEY TEST
Can earnings outrun financing costs?

03 | Markets & Macro Dashboard

INDICATOR	LATEST	DATE / CHANGE	ANALYTICAL CONTEXT
GROSS GST	**Rs 2.31 lakh cr**	Oct | +22.9%	Nominal receipts; import effect. [S2]
IIP	**6.7%**	Sep | YoY	Manufacturing up 7.6%. [S1]
FISCAL DEFICIT	**42.1% of BE**	Apr-Sep	Capital spending higher. [S3]
NIFTY 50	**23,053.10**	30 Oct | +2.00% wk	Rebound after prior weakness. [S4]
SENSEX	**74,459.53**	30 Oct | +1.83% wk	IT and earnings supported. [S4]
BRENT	**USD 117.64**	30 Oct | settle	Imported cost exposure. [S6]
USD / INR	**94.95**	30 Oct close	Currency-sensitive input costs. [S8]
FX RESERVES	**USD 719.75bn**	23 Oct stock	Weekly stock, not daily cash. [S7]

MARKET MATRIX | COMPETING SIGNALS

ACTIVITY
Industrial output remains positive.

FISCAL
Tax acceleration includes import effects.

EQUITIES
Benchmark recovery is not broad certainty.

EXTERNAL
Oil and reserves limit policy margin.

04 | Global Economy & Geopolitics

The Federal Reserve held its target range at 3.75% to 4.00% on 28 October. The ECB also kept rates unchanged on 29 October and discussed energy-related risks to both prices and activity. A pause is not a guarantee of falling borrowing costs. [S9][S10]



ESTIC 2026 | NEW DELHI | 27 OCT | PIB

Technology ambition faces an execution test

India highlighted AI, advanced manufacturing, energy and critical technology at ESTIC 2026. The macroeconomic test is whether research programmes translate into financed industrial supply chains, productive capacity and higher value added. [S11]

GLOBAL RATES | INPUT COSTS | TECHNOLOGY | CAPITAL | EXECUTION

POLICY SIGNAL

Fed and ECB retained their rate settings.

INDIA CAPACITY

Industrial policy needs funded execution.

RISK

Energy raises hurdle rates for capex.

SIGNPOST

Orders, cash flow and import intensity.

05 | India Macro & Liquidity Radar

Industrial production and fiscal capital expenditure supported the activity picture. October GST collections supplied a new nominal revenue signal. September WPI inflation of 11.39%, high oil and a 7.4139% ten-year government yield still impose financing and imported-cost constraints. [S1-S3][S5]

WHAT CHANGED IN FISCAL AND INDUSTRIAL DATA

The first-half fiscal deficit stood at Rs 7.15 trillion and public capex at Rs 6.5 trillion. Real output and nominal tax receipts describe distinct parts of the economy, so both must be monitored with import prices, borrowing rates and balance-sheet strength.

OIL COST | RUPEE | RBI POLICY | CREDIT | MARGINS

POLICY INTERPRETATION

Repo rates and RBI liquidity operations act at different maturities. Reserve changes can reflect transactions and valuation, not merely intervention.

06 | Rules, Policy & Release Calendar

RELEASE / MONITOR	OBSERVATION	EXPOSURE	NEXT VALIDATION
GST	Oct gross +22.9%	Tax and demand	Nov details [S2]
IIP	Sep +6.7%	Output	30 Nov [S1]
REPO	5.50%	Funding	RBI operations [S5]
FX RESERVES	$719.75bn to 23 Oct	External buffer	Next weekly stock [S7]
INFLATION	Sep CPI 5.54%	Household costs	Oct CPI release [S16]

07 | Research & Data Brief

The week supplied firmer activity and tax readings but did not remove high energy, funding and external risks. The important distinction is between what official releases actually measure and what market prices may be anticipating.

ACTIVITY

September IIP +6.7%, factories +7.6%.

TAX RECEIPTS

Gross GST +22.9%, net +25.6%.

FISCAL POSITION

H1 deficit 42.1% of annual target.

PRICES

September CPI 5.54%, WPI 11.39%.

EXTERNAL BUFFER

Reserves $719.75bn to 23 Oct.

MARKET PRICES

30 Oct Nifty 23,053.10 and oil $117.64.

EVIDENCE RULE | Official data establish tax receipts, output, fiscal accounts and prices. Market closes establish repricing, not its single cause. Interpretations and scenarios must remain conditional.

READ THE SIX FACTORS TOGETHER

GROSS GST	IIP	FISCAL
+22.9%	+6.7%	42.1%
CPI	**YIELD**	**RESERVES**
5.54%	7.4139%	$719.75bn

08 | Company Research Lab | Larsen & Toubro

L&T supplies a listed-company test of the industrial and infrastructure cycle. Its quarter ended September 2026 showed revenue growth of 16%, PAT attributable to owners up 33% and record order inflows up 28%. The next test is conversion to cash rather than orders alone. [S12]

WHY THIS COMPANY THIS WEEK

L&T provides a current-week earnings test of the manufacturing and infrastructure investment cycle, with disclosed orders, margins and cash-conversion indicators. The analysis is educational.

Q2 REVENUE

Rs 78,750 crore | +16% year on year

Q2 PROFIT

Rs 5,202 crore | +33% year on year

ORDER INFLOW

Rs 147,665 crore | +28% year on year

INTERNATIONAL

58% of second-quarter revenue

THE EARNINGS TRANSMISSION

ORDERS → PROJECTS → COSTS → MARGIN → CASH

RESEARCH VIEW

Strong order growth improves visibility but raises working-capital demands. Watch project margins, free cash flow and the balance of domestic and international execution.

CATALYST

Order conversion and funded capex.

INVALIDATION

Weaker margins or cash conversion.

09 | Global-to-India Transmission

India faces an interconnected cost and funding channel. Expensive crude raises landed input costs, currency adjustment alters import pricing, and higher market rates affect refinancing and valuations. October GST receipts and September output provide resilience signals, not immunity. [S1][S2][S6]

MACRO TRANSMISSION | Measure actual oil cargoes, settlement exchange rates, domestic inflation, credit conditions and realized corporate margins separately.

ENERGY | IMPORTS | INR | CREDIT | EARNINGS

10 | Signals, Risks & Monitoring Radar

RISK | OIL
Brent $117.64 at 30 October settlement.

RISK | FUNDING
India 10-year yield around 7.41%.

WATCH | INR
94.95 per US dollar at 30 October close.

WATCH | CPI
September CPI 5.54%; next print ahead.

WATCH | RESERVES
$719.75bn, stock to 23 October.

POSITIVE | IIP
September industrial production +6.7%.

POSITIVE | TAX
October gross GST increased 22.9%.

POSITIVE | ORDERS
L&T order inflow increased 28% year on year.

10 | Scenario Matrix | inflation, FX and earnings

BASELINE | MONITORING WEIGHT 45%

Oil remains expensive but supplies continue. Industry grows while funding and imported costs restrain corporate margins.

SIGNPOSTS / INVALIDATION

Confirm through cargo prices, INR, bank liquidity and cash earnings. Invalidated by physical disruption or broad disinflation.

ADVERSE | MONITORING WEIGHT 35%

A further energy shock weakens currency conditions, raises funding costs and narrows real purchasing power.

SIGNPOSTS / INVALIDATION

Watch insured supply, yields, household inflation and reserves. Invalidated by secure cargo flows and easier conditions.

RELIEF | MONITORING WEIGHT 20%

Lower delivered oil costs and steadier funding support earnings and investment after a lag.

SIGNPOSTS / INVALIDATION

Monitor physical oil deliveries, currency stability and order-to-cash conversion. Invalidated by fresh supply threats.

WHAT TO MONITOR | FOUR INDEPENDENT TESTS

OIL SUPPLY
Physical barrels and landed prices.

CURRENCY
INR movement and reserve composition.

RATES
Government yields and credit spreads.

EARNINGS
Cash conversion and management guidance.

11 | Continuity, Revisions & Forward Intelligence

ISSUE 007 TO ISSUE 008 | Last week's concern about costly energy remained relevant. September IIP +6.7%, stronger October GST and recovering equities improved activity and sentiment, while oil and external buffers remained under pressure.

WHAT CHANGED THIS WEEK

TAX SIGNAL

Gross October GST +22.9%; imports matter.

INDUSTRIAL

September IIP +6.7%; manufacturing +7.6%.

MARKETS

Nifty +2.0%; Sensex +1.83% week.

FUNDING

High oil, bond yield and external exposure.

WEEK AHEAD | EVIDENCE TRACKER

CADENCE	EVIDENCE	WHY IT MATTERS
MON 2 NOV	Manufacturing PMI	Input costs, orders and activity
THIS WEEK	Quarterly earnings	Cash conversion and guidance
WEEKLY	RBI reserves, funding	Buffer and liquidity dynamics
GLOBAL	Oil and Fed rhetoric	Imported and discount-rate risk

12 | ALBORITHM BOTTOM LINE | Tax receipts and industrial production improved, but neither erases import costs or high funding rates. Track delivered energy prices, liquidity, currency stability and real earnings before concluding that resilience has become acceleration.

Sources, Credits & Watch / Listen

[S1] MoSPI: September 2026 IIP, 28 Oct
[S2] Ministry of Finance: Oct GST, 1 Nov
[S3] CGA: Fiscal accounts, 30 Oct
[S4] NSE / BSE: Equity closes, 30 Oct
[S5] RBI: October policy and repo
[S6] Reuters: Brent, 30 Oct settle
[S7] RBI: FX reserves to 23 Oct
[S8] Reuters: INR at 30 Oct close
[S9] Federal Reserve: 28 Oct decision
[S10] ECB: 29 Oct rates decision
[S11] PIB: ESTIC 2026, 27 Oct
[S12] L&T: Q2 FY27 exchange filing
[S13] PIB: Event photo 218896, 27 Oct
[S14] PIB: Event photo 218917, 27 Oct
[S15] ALBORITHM: Issue 007, 25 Oct
[S16] MoSPI: Next IIP release schedule

Photos: PIB official event coverage, 27 Oct 2026. Figures retain their original observation dates. Research cutoff 14:00 IST.

WATCH & LISTEN TO THIS ISSUE

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