alborithm
alborithm.com

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

ISSUE 011 | 22 NOV 2026 | WEEK 47

RESEARCH CUT-OFF | 17:00 IST

HEADLINE INTELLIGENCE

MANUFACTURING'S BUDGET TEST AS INDIAN EQUITIES RALLY

Finance Minister Nirmala Sitharaman met manufacturing leaders on 17 November ahead of Budget 2027-28. A strong equity rally masks uneven breadth, while October wholesale inflation reached 12.29%. The policy test is whether credit, investment and industrial output can widen growth beyond large-cap market gains. [S1][S2][S3]



NIRMALA SITHARAMAN | BUDGET TALKS | 17 NOV 2026 | FINMIN / DD INDIA

INDIA | MACRO AND MARKET PULSE

NIFTY 50 20 NOV | CLOSE	25,800.60
OCTOBER WPI OCT | YOY	12.29%
CORE INDUSTRIES OCT | YOY	+10.9%
FX RESERVES 13 NOV | STOCK	$705.34bn

THE WEEK IN SIX SIGNALS

PRE-BUDGET
FM meets manufacturers. [S1]

PRICES
October WPI at 12.29%. [S2]

EQUITIES
Nifty rose 2.61% wk. [S3]

INDUSTRY
Core output +10.9%. [S4]

BANKS
Bank Nifty +5.90%. [S3]

CURRENCY
INR closes at 92.67. [S3]

Research cut-off: 22 November 2026, 17:00 IST. Data retain their original observation dates.

01 | Executive Intelligence Brief

POLICY FORMATION
FM Sitharaman held manufacturing-sector consultations for Budget 2027-28 on 17 November. [S1]

WHOLESALE PRICES
WPI reached 12.29%; margins face pressure. [S2]

INDUSTRIAL OUTPUT
Nine core industries grew 10.9% in October, an early activity signal. [S4]

EQUITIES
Nifty gained 2.61% for the week, led by banks. [S3]

RATES AND POLICY
RBI repo rate remains 5.50%. [S5]

EXTERNAL BUFFER
Reserves were $705.34bn on 13 November. [S6]

FIVE-MINUTE READ
Manufacturing consultations inform Budget choices, not final policy. Equities rallied on flows and a stronger rupee, while WPI at 12.29% and small-cap weakness challenge the case for a broad, durable recovery.

INDIA MACRO PULSE
Latest dated official statistics

REAL GDP	Q1 FY27 | YOY	+7.8%
HEADLINE CPI	OCT | YOY	6.09%
FOOD CPI	OCT | YOY	8.94%
WHOLESALE WPI	OCT | YOY	12.29%
CORE INDUSTRIES	OCT | YOY	+10.9%
REPO	20 NOV | POLICY	5.50%

MARKETS AND EXTERNAL BUFFER
Market closes and RBI reserves

NIFTY 50	20 NOV CLOSE	25,800.60
SENSEX	20 NOV CLOSE	83,919.71
USD / INR	20 NOV CLOSE	92.67
BRENT CRUDE	20 NOV CLOSE	$92.57
BANK NIFTY	20 NOV | WK	+5.90%
FX RESERVES	13 NOV | STOCK	$705.34bn

02 | Headline Analysis | the Budget transmission test

At the 17 November pre-Budget manufacturing consultation, Finance Minister Nirmala Sitharaman heard industry views on costs, growth and policy priorities. The meeting begins consultation rather than settling Budget policy. Firms will judge it by eventual measures and implementation, not statements of intent. [S1]

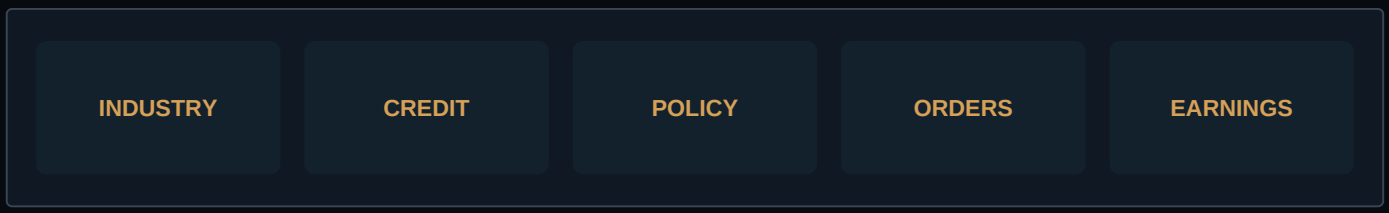
Equities moved higher as foreign flows, a stronger rupee and softer oil supported large banks. But October WPI rose to 12.29% and small caps lagged. That contrast raises the central editorial question: can a capital-market upswing feed profitable investment, employment and genuine manufacturing orders? [S2][S3]

WHAT WOULD CHANGE THE READING?

Budget proposals for manufacturing should be judged against actual capex, orders, capacity use, borrowing costs and MSME cash collection. A consultation is not a policy decision.

02 | TRACE THE TRANSMISSION MECHANISM

Industry representations feed policy design; any adopted changes must then reach financing, production, suppliers and wage income. Wholesale inflation can erode the gain at each link.



ALTERNATIVE CASE

An inflow-led rally may persist without broader earnings. Conversely, effective policy, cheaper imported energy and wider bank credit could broaden investment beyond large caps.

PRICES
WPI 12.29%; food 8.58%.

MARKETS
Nifty +2.61% for the week.

KEY TEST
Orders, credit and margins.

03 | Markets & Macro Dashboard

INDICATOR	LATEST	DATE / CHANGE	ANALYTICAL CONTEXT
WHOLESALE WPI	**12.29%**	Oct | YoY	Producer input pressure. [S2]
CORE INDUSTRIES	**+10.9%**	Oct | YoY	Early production signal. [S4]
HEADLINE CPI	**6.09%**	Oct | YoY	Retail inflation elevated. [S7]
NIFTY 50	**25,800.60**	20 Nov | +2.61% wk	Large-cap rally. [S3]
SENSEX	**83,919.71**	20 Nov | +2.90% wk	Financials led. [S3]
USD / INR	**92.67**	20 Nov | close	Rupee strengthened. [S3]
REPO RATE	**5.50%**	20 Nov | held	RBI policy setting. [S5]
FX RESERVES	**$705.34bn**	13 Nov | stock	RBI weekly figure. [S6]

MARKET MATRIX | COMPETING SIGNALS

INFLATION
Wholesale costs challenge margins.

INDUSTRY
Core-sector expansion supported.

EQUITIES
Market gains are not yet broad.

EXTERNAL
Rupee firm; reserve stock lower.

04 | Global Economy & Geopolitics

The India-ASEAN summit provided a timely look at market access, services and strategic supply chains as global risk appetite weakened. Commitments matter most when converted into corridor, standards and investment plans. [S8]



INDIA-ASEAN SUMMIT | MANILA | 17 NOV 2026 | PIB PHOTO 220349

Trade strategy now faces the implementation test

India's ASEAN strategy faces an implementation test. A firmer rupee and cheaper oil ease import costs, while global demand raises risk. The gains depend on practical trade access, digital standards, logistics corridors and funded projects, not summit promises. [S8]

TRADE | DIGITAL | SUPPLY | CAPITAL | EXECUTION

MARKET ACCESS

Specific tariff and rules progress.

DIGITAL TRADE

Practical standards and services.

RISK

Weak global demand and volatility.

SIGNPOST

Published implementation timetables.

05 | India Macro & Liquidity Radar

October WPI rose to 12.29%, highlighting cost pressure as falling oil and a stronger rupee helped markets. Reserve depletion and narrower equity breadth argue against reading one rally as a policy turning point. [S2][S3][S6]

WHAT CHANGED IN THE DATA?

The latest official releases place October WPI at 12.29% and nine-core growth at 10.9%. RBI data showed foreign-exchange reserves of $705.342bn as at 13 November. The indicators carry different observation dates and measure different parts of the economic cycle. [S2][S4][S6]

WHOLESALE PRICES | RBI POLICY | CREDIT | MARGINS

POLICY INTERPRETATION

Cheaper oil may ease imported inflation, but high WPI can still compress margins. Judge pre-Budget plans by official measures, bank credit and orders, not promises.

06 | Rules, Policy & Release Calendar

RELEASE / MONITOR	OBSERVATION	EXPOSURE	NEXT VALIDATION
OCT WPI	12.29% YoY	Producer costs	Next WPI [S2]
CORE SECTOR	+10.9% Oct	Activity leading	Next core [S4]
REPO	5.50%	Funding	RBI MPC [S5]
FX RESERVES	$705.34bn | 13 Nov	External buffer	Weekly RBI [S6]
EQUITY FLOWS	Strong in Nov	Market liquidity	NSE flow [S3]

07 | Research & Data Brief

The week's signals cut in two directions. Industry and large-cap market readings improved, while wholesale prices, the foreign-exchange buffer and equity breadth require caution. Consultations are inputs to policy, not realised economic output.

WHOLESALE PRICES

October WPI reached 12.29%.

INDUSTRY

Core sector +10.9% in October.

POLICY RATE

Repo remains at 5.50%.

CURRENCY

INR at 92.67 on 20 Nov.

EXTERNAL BUFFER

Reserves $705.34bn at 13 Nov.

MARKET PRICES

Nifty 25,800.60 on 20 Nov.

EVIDENCE RULE

Official statistics measure prices, industry and reserves. Closing prices show investors' valuation, not one proven cause. Editorial scenarios remain conditional.

READ THE SIX FACTORS TOGETHER

WPI	CORE	NIFTY
12.29%	+10.9%	25,801
REPO	**INR**	**RESERVES**
5.50%	92.67	$705.34bn

08 | Company Research Lab | State Bank of India

State Bank of India reported Q2 FY27 profit of Rs 23,038 crore and net interest income of Rs 49,143 crore. Advances grew 17.84% year on year versus deposit growth of 12.27%. Its results offer a concrete way to judge whether market enthusiasm for banks reflects sustainable real-economy lending. [S9]

WHY THIS COMPANY THIS WEEK

Bank Nifty advanced 5.9%. SBI connects the rally to retail, agricultural, MSME and corporate lending. Watch loan growth, funding costs and credit quality together. [S3][S9]

Q2 NET PROFIT

Rs 23,038 cr

Q2 NET INTEREST

Rs 49,143 cr

ADVANCE GROWTH

+17.84% | YoY

DEPOSIT GROWTH

+12.27% | YoY

THE EARNINGS TRANSMISSION

CREDIT | FUNDING | MARGINS | RISK | CAPITAL

RESEARCH VIEW

Higher advances and improved asset quality support earnings, but loans outpacing deposits can squeeze funding margins. Track deposit mobilisation and slippage rather than extrapolating a single quarter. [S9]

CATALYST

Broadening credit demand.

INVALIDATION

Funding or credit-cost shock.

09 | Global-to-India Transmission

Capital flows, oil, currency and global funding conditions influence India's imported costs and discount rates. The Nifty rose 2.61% on the week despite volatile overseas markets, but that resilience remains dependent on foreign allocations and domestic earnings breadth. [S3]

> MACRO TRANSMISSION | Global risk appetite affects capital flows; the rupee affects import prices; banks transmit funding; real orders and margins decide whether gains become durable growth.

GLOBAL	FLOWS	INR	CREDIT	EARNINGS

10 | Signals, Risks & Monitoring Radar

RISK | WPI
October WPI reached 12.29%.

RISK | GLOBAL
US equities fell sharply.

WATCH | INR
INR closed near 92.67.

WATCH | OIL
Brent near $92.57 on 20 Nov.

WATCH | RESERVES
$705.34bn at 13 Nov.

POSITIVE | FLOWS
Foreign inflows lifted banks.

POSITIVE | INDUSTRY
Core industries +10.9% YoY.

WATCH | BREADTH
Small caps still lag large caps.

10 | Scenario Matrix | prices, funding and growth

BASELINE | ILLUSTRATIVE WEIGHT 50%

Manufacturing consultation produces specific, workable proposals. Oil remains softer and credit growth holds while wholesale inflation eases slowly. Banks lead, with gradual participation from wider industry.

SIGNPOSTS / INVALIDATION

Track WPI, credit and orders; policy details need official release and implementation. Higher input costs or weak breadth would weaken this case.

ADVERSE | ILLUSTRATIVE WEIGHT 30%

Global risk appetite deteriorates, oil rebounds or foreign flows reverse. Wholesale costs stay high, the rupee weakens and investment intentions fail to convert into durable orders.

SIGNPOSTS / INVALIDATION

Watch oil, reserve changes, bank funding costs, credit slippage and market participation. A sustained recovery would weaken the adverse case.

RELIEF | ILLUSTRATIVE WEIGHT 20%

Input inflation cools faster, credit reaches smaller firms and budget execution improves manufacturing margins. Equity breadth broadens beyond financials.

SIGNPOSTS / INVALIDATION

Validate through WPI, core output, orders and bank deposits; reverse if costs rebound.

WHAT TO MONITOR | FOUR INDEPENDENT TESTS

WHOLESALE WPI

Price pipeline and food mix.

CURRENCY

Rupee and imported costs.

RATES

Bond yields and lending costs.

EARNINGS

Orders, cash and bank margins.

11 | Continuity, Revisions & Forward Intelligence

ISSUE 010 TO ISSUE 011 | Pre-Budget consultations and higher equities followed last week's investment and inflation concerns. The Finance Minister met manufacturing leaders on 17 November. High WPI and weak small-cap breadth still demand verification. [S1][S2][S3]

WHAT CHANGED THIS WEEK

PRODUCER PRICES

October WPI reached 12.29%.

INDUSTRY

Core output rose 10.9%.

MARKETS

Nifty +2.61% for the week.

CURRENCY

Rupee closed at 92.67.

WEEK AHEAD | EVIDENCE TRACKER

CADENCE	EVIDENCE	WHY IT MATTERS
TUE 24 NOV	NSE market holiday	No equity cash session
WED 25 NOV	US price / rates data	Dollar and global yields
THU 26 NOV	Bank credit and deposits	Real credit demand
FRI 27 NOV	Policy and corporate news	Budget implementation clues

12 | ALBORITHM BOTTOM LINE | Markets improved faster than earnings breadth. Judge policy by delivered action, industry orders, credit quality and cash flow.

Sources, Credits & Watch / Listen

[S1] DD India/FinMin: budget, 17 Nov
[S2] OEA/PIB: WPI, 16 Nov
[S3] NSE/BSE: 20 Nov closes
[S4] Commerce: core industries
[S5] RBI: monetary policy
[S6] RBI: reserves, 13 Nov
[S7] MoSPI: October CPI
[S8] PIB: ASEAN summit, 17 Nov
[S9] SBI: Q2 FY27 statement
[S10] NSE: market indices
[S11] NSE market calendar
[S12] PIB: ASEAN image 220349
[S13] ALBORITHM: Issue 010
[S14] DD India: FM photo, 17 Nov
[S15] Finance Ministry brief
[S16] Editorial scenario notes

Photos: Finance Ministry / DD India (cover, 17 Nov); PIB Photo 220349 (page 5, 17 Nov).

WATCH & LISTEN TO THIS ISSUE

Continue this issue in video or audio. Available destinations are linked below.

WATCH WEEKLY EXPLAINER
Issue 011 | link pending

EXPLORE ALL EXPLAINERS
Previously published videos

PODCAST | ENGLISH
Issue 011 | pending

PODCAST | HINDI
Issue 011 | Listen now

PODCAST | BENGALI
Issue 011 | pending

Explore Alborithm

SUBSCRIBE
Get newsletters

NEWSLETTERS
Explore archive

ALBORITHM
Official website

YOUTUBE
Official channel

alborithm
alborithm.com