BUILDING BONDS

NEWS UPDATE

17 November 2026

India's wholesale inflation surges to 12.3% in October as energy prices rise

India's wholesale inflation based on the Wholesale Price Index (WPI) surged to 12.3% in October 2026 from 11.4% in September, driven by sharp energy price increases. Year-on-year inflation reached 9.24% for Primary Articles, 32.84% for Fuel and Power, and 9.54% for Manufactured Products in October, compared to 8.67%, 25.85%, and 9.76% in September. The Food Index comprises 'Food Articles' from the Primary Articles major group and 'Manufacture of Food Products' from the Manufactured Products major group. It observed an inflation of 8.58% in October, compared to 8.66% in September.

Bank of Baroda Chief Economist noted WPI peaked in October, warning high inflation in textiles, tobacco, chemicals, rubber, metals, and electrical equipment will pressurize companies to raise prices, impacting core CPI. Another economist noted crude petroleum and natural gas inflation hit 70.80%, though Brent crude declining by $20 per barrel by mid-November should ease post-festive pressures. While projecting CPI inflation to peak around 6% in Q3 FY27, reinforcing a likely 25-basis-point repo rate hike.

Source: The Hindu Businessline
https://www.thehindubusinessline.com/economy/indias-wholesale-inflation-surges-to-123-in-october-as-energy-prices-rise/article71707140.ece

India's investments in US treasuries up $38.4 billion in June-August

India's investment in US Treasury securities increased $38.4 billion, or 21%, between June and August 2026, rising to $219.7 billion in August from $181.3 billion in May, US Treasury Department data showed. The surge coincided with substantial Foreign Currency Non-Resident (FCNR)(B) inflows following the Reserve Bank of India's special dollar-rupee swap facility introduced on June 8. The facility mobilised $127.23 billion in FCNR(B) deposits and $136.38 billion in total inflows. India's foreign exchange reserves rose to $740.803 billion as of August 28, with a portion of the accretion being invested in US Treasury securities, said an economist.

Source: Business Standard
https://www.business-standard.com/economy/news/india-s-investments-in-us-treasuries-up-38-4-billion-in-june-august-126111601474_1.html

India's unemployment rate eases to eight-month low of 4.9% in October

India's unemployment rate eased to an eight-month low of 4.9% in October 2026 from 5% in September, driven by improved labour force participation and declining female joblessness, National Statistics Office Periodic Labour Force Survey data showed. Notably, a larger share of women also joined the workforce: female LFPR rose to 35%, its highest since February this year. Female unemployment fell to 5% from 5.2%, its lowest since December 2025, with rural female joblessness dropping to 3.8% and urban female joblessness to 8.7%. Male unemployment held steady at 4.9%. Urban unemployment declined to 6.7% while rural stayed at 4.2%. Overall labour force participation, rose to 55.7%, and worker population ratio reached 53%.

Source: Business Standard
https://www.business-standard.com/economy/news/india-s-unemployment-rate-eases-to-4-9-in-oct-female-participation-rises-126111601355_1.html

FinMin examining suggestions for changes in equity capital gains tax: CBDT

Any decision on rationalising long-term capital gains (LTCG) tax will only be announced in the Union Budget on February 1, Central Board of Direct Taxes Chairman Ravi Agrawal stated. The Finance Ministry is examining stakeholder representations regarding LTCG, short-term capital gains (STCG), and securities transaction tax rates on equities. Currently, listed equities face a 12.5% LTCG tax on gains exceeding Rs 1.25 lakh after 12 months, and a 20% STCG tax within 12 months. Agrawal noted income tax refunds rose 25%, expressing optimism in meeting the FY27 direct tax target of ₹26.97 lakh crore.

Source: The Hindu Businessline
https://www.thehindubusinessline.com/economy/any-decision-on-ltcg-rationalisation-not-expected-before-the-budget-says-cbdt-chairman/article71707483.ece

Fed's Hammack backs gradual rate hikes, flags risk of bigger moves

Federal Reserve Bank of Cleveland President Beth Hammack reiterated her preference for gradual, consecutive interest rate increases in slow, steady increments to restore policy restriction and return inflation to the 2% target. Hammack cautioned that businesses are increasingly passing elevated costs to consumers, warning that if an inflationary mindset sets in, policymakers could fall behind the curve and be forced into larger rate hikes and a higher terminal rate. Following September's first upward rate adjustment since 2023 and October's pause, several policymakers have signaled support for resuming rate hikes at December's policy meeting, while futures markets are pricing in another likely rate hike in January.

Source: Investing
https://in.investing.com/news/economy-news/feds-hammack-backs-gradual-rate-hikes-flags-risk-of-bigger-moves--bloomberg-tv-5707888

Gold hovers near over one-year low as firm dollar, Fed-hike bets weigh

Spot gold hovered near a more-than-one-year low at $3,869.13 per ounce on Tuesday, while US gold futures rose 0.5% to $3,872.10, pressured by a firmer US dollar scaling a 19-month peak and Federal Reserve rate hike bets. Analysts noted gold reflects US rate trajectory expectations ahead of Wednesday's FOMC October meeting minutes. Analysts warned macro headwinds could erode investment demand. Markets see a 95.5% chance of a 25-basis-point rate hike in December, while the probability of a larger 50-basis-point move is priced at 4.5%

Source: Reuters
https://www.reuters.com/world/india/gold-hovers-near-over-one-year-low-firm-dollar-fed-hike-bets-weigh-2026-11-17/

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