

CareEdge Economic Meter

November 2025

CareEdge Economic Meter (CEM) Indicates Healthy Momentum in Q2 FY26





Source: CareEdge

Note: CareEdge Economic Meter (CEM) is a factor-based index covering 39 high-frequency economic indicators to track the state of the economy on a real-time basis.

- CEM expanded by 3.2% YoY in Q2 FY26 marginally lower than 3.3% growth in Q1 FY26.
- The CEM is further analysed through a machine learning method to project the expected GDP growth for Q2 FY26.
- According to our model, real GDP growth for Q2 FY26 is projected at 7.2%. The GVA growth for Q2 FY26 is projected at 7.3%.
- We expect GDP growth to moderate in H2 FY26, averaging 6.3%.
- We expect real GDP and GVA growth for FY26 at 6.9% YoY.
- Nominal GDP growth for FY26 projected at 7.7%, given sharp moderation in inflation. A low deflator is likely to push up real growth numbers.
- Rationalisation of income tax rates, GST rate cuts, healthy rural economic activity, easing inflationary pressures, and the RBI's interest rate cut to support growth in FY26.
- Heightened external economic uncertainties remain a key monitorable.
 Furthermore, China's excess capacity and the subsequent redirection of exports to markets like India remain significant concerns.

Economic scenario in Q2 FY26 (1/2)



| Areas showing Broad Improvement | | | | | | |
|---------------------------------|---|--|--|--|--|--|
| Agriculture | • | Kharif sowing of food grains was up 2.5% YoY in 2025 amidst a good monsoon. | | | | |
| | • | Domestic tractor and fertilizer sales increased by 30.7% YoY and 19.4% YoY, respectively, in Q2 FY26—compared with 9.2% growth in tractors and a 14% contraction in fertilizer sales in Q1. | | | | |
| | • | Government expenditure on agriculture and allied sectors is up 18.7% in Q2 FY26, higher than 11.8% in Q1. | | | | |
| | • | Agricultural exports up 17.3% YoY in Q2 compared to 8.6% YoY in Q1. | | | | |
| Manufacturing | • | IIP Manufacturing grew by 4.9% in Q2 FY26 vs 3.3% in Q1. | | | | |
| | • | Non-petroleum, non-agriculture exports grew by 12.8% in Q2, up from 8.4% in Q1. | | | | |
| | • | Despite the imposition of a 50% tariff on Indian exports to the US toward the end of August, non-petroleum, non-agricultural merchandise exp maintained their momentum—largely due to front-loading of exports ahead of the tariff implementation. | | | | |
| | • | Steel production grew by 14.7% in Q2, higher than 7.2% in Q1. | | | | |
| | • | Domestic GST collections registered healthy growth of 7.7%, albeit moderating from 9.7% in Q1. | | | | |
| Construction | • | Central capex remained robust, rising 31% in Q2 FY26 following a strong 52% expansion in Q1. Aggregate State capex (top 19) also increased by | | | | |
| | | 3.5% in Q2, after registering 31% growth in Q1. Typically, capex allocations translate into higher construction activity with a lag. | | | | |
| | • | Bitumen consumption and finished steel consumption rose by 27% and 8.8%, respectively, in Q2 FY26—higher than the 4% contraction in | | | | |
| | | bitumen and the 7.9% growth in steel recorded earlier. | | | | |
| | • | IIP infrastructure and construction goods rose by 11.5% in Q2, higher than 6% in Q1. | | | | |

Economic scenario in Q2 FY26 (2/2)



| Areas showing Mixed Trends | | | | | | | |
|----------------------------|---|--|--|--|--|--|--|
| | Toll collections grew by 21.8% in Q2 FY26, up from 19.7% in Q1. | | | | | | |
| | • E-way bill issuances increased by 23.1% in Q2, compared with 20.5% in Q1. | | | | | | |
| | Non-food credit growth strengthened to 13.3% in Q2 from 10.4% in Q1. | | | | | | |
| | • Life insurance first-year premiums rose by 10.7% in Q2, higher than the 4.3% growth recorded in Q1. | | | | | | |
| Samions Santar | • Diesel consumption increased by 3.3% in Q2, compared with 2.6% in Q1. | | | | | | |
| Services Sector | Domestic air passenger traffic declined by 1.9% in Q2, following 5.3% growth in Q1. | | | | | | |
| | • Services exports grew by 8.7% in Q2, moderating from 10.1% in Q1. | | | | | | |
| | Central Government revenue expenditure contracted by 14.6% in Q2, compared with a 20% expansion in Q1. | | | | | | |
| | • State revenue expenditure growth also moderated to 7.4% in Q2 from 11.3% in Q1. | | | | | | |
| | • Port cargo traffic and domestic air cargo traffic grew by 5.2% and 4.9%, respectively, in Q2—down from 5.9% and 6.6% in Q1. | | | | | | |
| Areas showing Broad Wea | akness | | | | | | |
| | • IIP mining remained in a contractionary zone, falling 0.5% YoY in Q2 FY26 after contracting by 3% in Q1. | | | | | | |
| Mining and Quarrying | Coal Production also contracted by 1.3% in Q2 after remaining flat in Q1. | | | | | | |
| | Prolonged monsoon could have impacted mining activities. | | | | | | |
| Utilities | • Electricity generation remained flat in Q2 after contracting by 5.5% in Q1. | | | | | | |

Select High Frequency Indicators



| Fertilizer Sales* | Sector | High- Frequency Indicators | Unit | Q2 FY25 | Q3 FY25 | Q4 FY25 | Q1 FY26 | Q2 FY26 |
|--|----------------------------|--|------|---------|---------|---------|---------|---------|
| Agriculture Agricultural Credit Agri Export Vor 1.6 20.4 19.9 8.6 17.3 7.8 8.0 (ap. 4) | Agriculture | Fertilizer Sales* | YoY | -7.3 | 0.4 | -9.6 | -14.7 | 19.4 |
| Agri Export Gov. expenditure on Agri and Allied Sectors YoY - 21.2 - 2.7 - 2.5 - 11.8 - 1.6 - 1.7 - 1.6 - 1.7 - 1.6 - 2.0 - 2.7 - 2.5 - 11.8 - 1.7 - 1 | | Domestic Tractor Sales | YoY | 0.7 | 13.5 | 23.4 | 9.2 | 30.7 |
| Govt. expenditure on Agri and Allied Sectors 1 | | Agricultural Credit | YoY | 17.4 | | 11.3 | 7.8 | 8.0 |
| Infrastructure Industries: Steel Production YoY 4.3 7.8 6.8 7.2 14.7 | | Agri Export | YoY | 1.6 | 20.4 | 10.9 | 8.6 | 17.3 |
| Infrastructure Industries: Cement Production YoY 3.2 8.7 12.4 8.0 7.4 | | Govt. expenditure on Agri and Allied Sectors | | | | 2.5 | | |
| Pig and Sponge Iron Production YoY 8.4 9.6 8.0 9.9 7.6 | | Infrastructure Industries: Steel Production | YoY | 4.3 | 7.8 | 6.8 | 7.2 | 14.7 |
| Manufacturing Gross GST Collections: Domestic YoY 8.0 9.5 9.7 9.7 7.7 | | Infrastructure Industries: Cement Production | YoY | 3.2 | 8.7 | 12.4 | 8.0 | 7.4 |
| Planufacturing IIP Manufacturing YoY 3.3 4.5 4.2 3.3 4.9 Passenger Vehicle Production YoY 0.5 3.3 6.4 4.9 3.8 Two-Wheeler Production YoY 12.5 8.0 5.8 0.7 10.6 Non POL Non Agri Exports YoY 12.5 8.0 5.8 0.7 10.6 Non POL Non Agri Exports YoY 10.3 47.7 33.4 52.0 30.7 State Capex** YoY 11.1 8.4 20.5 31.1 3.5 Construction Finished Steel Consumption YoY 12.1 7.5 11.9 7.9 8.8 Bitumen Consumption YoY 2.6 0.2 -3.8 4.0 27.0 IIP Infra and Construction Goods YoY 3.9 7.0 8.1 6.0 11.5 Mining and Quarrying IIP Mining YoY 0.1 1.8 2.4 -3.0 -0.5 Utilities Electricity Generation YoY 0.4 6.7 2.5 2.0 -5.5 0.3 Electricity Generation YoY 0.4 2.5 2.0 -5.5 0.3 Electricity Generation YoY 0.4 2.5 2.0 -5.5 0.3 Utilities Infranciator and Services Toll Collection YoY 7.3 11.4 12.0 5.3 -1.9 Trade, Hotels, Transport, Communication and Services Related to Broadcasting Petrol Consumption YoY 9.4 8.8 6.5 3.9 -2.0 Petrol Consumption YoY 9.4 8.8 6.5 3.9 -2.0 Port Cargo Traffic YoY 7.7 4.6 3.1 6.6 4.9 Port Cargo Traffic YoY 7.7 4.6 3.1 6.6 4.9 Port Cargo Traffic YoY 7.7 4.6 3.1 6.6 4.9 Port Cargo Traffic YoY 7.7 7.8 7.8 7.8 7.8 Port Cargo Traffic YoY 1.8 1.2 1.2 1.7 1.1 1.4 1.3 1.7 1.7 Port Cargo Traffic YoY 1.8 1.2 1.7 | | Pig and Sponge Iron Production | YoY | 8.4 | 9.6 | 8.0 | 9.9 | 7.6 |
| Principal Control Production Program P | Manufacturing | Gross GST Collections: Domestic | YoY | 8.0 | 9.5 | 9.7 | 9.7 | 7.7 |
| Two-Wheeler Production YoY 12.5 8.0 5.8 0.7 10.6 Non POL Non Agri Exports YoY 5.2 13.1 6.9 8.4 12.8 2.5 2.0 30.7 31.4 52.0 30.7 31.4 52.0 30.7 31.4 52.0 30.7 31.4 52.0 30.7 31.4 52.0 30.7 31.4 52.0 30.7 31.4 52.0 30.7 31.4 52.0 30.7 31.4 52.0 30.7 31.4 52.0 30.7 31.4 32.0 31.1 3.5 31.1 3. | Manufacturing | IIP Manufacturing | YoY | 3.3 | 4.5 | 4.2 | 3.3 | 4.9 |
| Non PQL Non Agri Exports | | Passenger Vehicle Production | YoY | -0.5 | 3.3 | 6.4 | 4.9 | 3.8 |
| Central Government Capex YoY 10.3 47.7 33.4 52.0 30.7 | | Two-Wheeler Production | YoY | 12.5 | 8.0 | 5.8 | 0.7 | 10.6 |
| State Capex** | | Non POL Non Agri Exports | YoY | 5.2 | 13.1 | 6.9 | 8.4 | 12.8 |
| Construction Finished Steel Consumption YoY 12.1 7.5 11.9 7.9 8.8 | | Central Government Capex | YoY | 10.3 | 47.7 | 33.4 | 52.0 | 30.7 |
| Construction Finished Steel Consumption YoY 12.1 7.5 11.9 7.9 8.8 | | State Capex** | YoY | -1.1 | 8.4 | 20.5 | 31.1 | 3.5 |
| Bitumen Consumption YoY -26.6 0.2 -3.8 -4.0 27.0 11P: Infra and Construction Goods YoY 3.9 7.0 8.1 6.0 111.5 11. | Construction | | YoY | 12.1 | 7.5 | | | |
| IIP: Infra and Construction Goods | | Bitumen Consumption | YoY | | | | | |
| Mining and Quarrying IIP Mining Coal Production YoY 0.4 6.7 2.5 0.0 -1.3 | | IIP: Infra and Construction Goods | YoY | | | | | |
| Volume V | | | YoY | | | | | -0.5 |
| Utilities Electricity Generation YoY 0.4 2.5 2.0 -5.5 0.3 | Mining and Quarrying | Coal Production | | | | | 0.0 | |
| Definition Def | | | | 0.4 | 2.5 | 2.0 | -5.5 | |
| Domestic Air Passenger Traffic | Utilities | | | | | | | |
| Toll Collection Petrol Consumption YoY 10.3 12.7 17.2 19.7 21.8 Petrol Consumption YoY 7.3 9.7 5.8 7.1 6.4 Trade, Hotels, Transport, ATF Consumption YoY 9.4 8.8 6.5 3.9 2-2.0 Diesel Consumption Diesel Consumption YoY 0.1 4.8 1.2 2.6 3.3 Peway Bill Collections Diesel Consumption YoY 16.8 16.9 19.4 20.5 23.1 Domestic Air Cargo Traffic YoY 7.7 4.6 3.1 6.6 4.9 Port Cargo Traffic YoY 21.8 15.0 1.3 4.7 3.6 Port Cargo Traffic YoY 4.8 3.0 3.7 5.9 5.2 Services Export YoY 4.8 3.0 3.7 5.9 5.2 Services Export YoY 12.2 17.9 14.2 10.1 8.7 Non-Food Credit Today YoY 14.8 12.3 12.2 10.4 13.3 Financial, Real Estate and Professional Services Retail Credit YoY 9.7 7.8 7.8 7.8 7.8 Possible Credit YoY 9.7 7.8 7.8 7.8 7.8 7.8 7.8 7.8 7.8 7.8 7 | | | | | | | 5.3 | |
| Petrol Consumption YoY 7.3 9.7 5.8 7.1 6.4 | | | YoY | | | | | |
| Trade, Hotels, Transport, Communication and Services Related to Broadcasting ATF Consumption YoY 9.4 8.8 6.5 3.9 -2.0 Related to Broadcasting Related to Broadcasting Related to Broadcasting and the professional Services And the professional Services and Professional Services E-way Bill Collections YoY 16.8 16.9 19.4 20.5 23.1 Domestic Air Cargo Traffic International Air Cargo Traffic International Air Cargo Traffic International Air Cargo Traffic International Air Cargo Traffic YoY YoY 4.8 3.0 3.7 5.9 5.2 Services Export Non-Food Credit YoY YoY 12.2 17.9 14.2 10.1 8.7 Professional Services Prof | | Petrol Consumption | YoY | 7.3 | 9.7 | 5.8 | | 6.4 |
| Communication and Services Related to Broadcasting E-way Bill Collections Foward Bill Co | Trade, Hotels, Transport, | · | | | | | | |
| Related to Broadcasting E-way Bill Collections YoY 16.8 16.9 19.4 20.5 23.1 | | | YoY | | | | | |
| Domestic Air Cargo Traffic YoY 7.7 4.6 3.1 6.6 4.9 | | | | | | | | |
| International Air Cargo Traffic YoY 21.8 15.0 1.3 4.7 3.6 | | | | | 4.6 | 3.1 | | 4.9 |
| Port Cargo Traffic YoY 4.8 3.0 3.7 5.9 5.2 | | | | | | 1.3 | | |
| Services Export YoY 12.2 17.9 14.2 10.1 8.7 Non-Food Credit YoY 14.8 12.3 12.2 10.4 13.3 Financial, Real Estate and Professional Services Retail Credit YoY 16.8 15.7 14.1 14.3 20.1 Life Insurance: First Year Premium YoY 16.5 -6.6 -4.3 4.3 10.7 Non Life: Gross Direct Premium YoY 1.8 9.4 1.7 8.8 5.8 Public Admin Central Government Revex YoY 6.0 13.1 -5.1 20.0 -14.6 Central Government Revex YoY 1.8 1.7 1.8 Central Government Revex YoY 1.8 1.7 Central Government Revex YoY 1.8 Central Government Reve | | | | | | | | |
| Non-Food Credit YoY 14.8 12.3 12.2 10.4 13.3 | | | YoY | | 17.9 | | | |
| Financial, Real Estate and Professional Services Industrial Credit YoY 9.7 7.8 7.8 7.8 7.8 Retail Credit YoY 16.8 15.7 14.1 14.3 20.1 Life Insurance: First Year Premium YoY 16.5 -6.6 -4.3 4.3 10.7 Non Life: Gross Direct Premium YoY 1.8 9.4 1.7 8.8 5.8 Public Admin Central Government Revex YoY 6.0 13.1 -5.1 20.0 -14.6 | | | | | | | | |
| Professional Services Retail Credit YoY 16.8 15.7 14.1 14.3 20.1 Life Insurance: First Year Premium YoY 16.5 -6.6 -4.3 4.3 10.7 Non Life: Gross Direct Premium YoY 1.8 9.4 1.7 8.8 5.8 Public Admin Central Government Revex YoY 6.0 13.1 -5.1 20.0 -14.6 | Financial, Real Estate and | | | | | | | |
| Life Insurance: First Year Premium YoY 16.5 -6.6 -4.3 4.3 10.7 Non Life: Gross Direct Premium YoY 1.8 9.4 1.7 8.8 5.8 Public Admin Central Government Revex YoY 6.0 13.1 -5.1 20.0 -14.6 | | | | | | | | |
| Non Life: Gross Direct Premium YoY 1.8 9.4 1.7 8.8 5.8 Public Admin Central Government Revex YoY 6.0 13.1 -5.1 20.0 -14.6 | | | | | | | | |
| Public Admin Central Government Revex YoY 6.0 13.1 -5.1 20.0 -14.6 | | | | | | | | |
| L PUNIC Admin | Public Admin. | | | | | | | |
| State Government Revex YoY 10.0 17.4 7.1 11.3 7.4 | | State Government Revex | YoY | 10.0 | 17.4 | 7.1 | 11.3 | 7.4 |



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