PHDCCI Analysis of Recent Developments

PHD Research Bureau

Federal Rate Announcement
July 2025

The Federal Reserve has decided to maintain the federal funds rate in the range of 4.25% - 4.5%

Federal Reserve has decided to maintain status quo

- Although swings in net exports continue to affect the data, recent indicators suggest that growth of economic activity moderated in the first half of the year.
- The unemployment rate remains low, and labor market conditions remain solid. Inflation remains somewhat elevated.
- The Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities.

Source: Federal Reserve Press Release https://www.federalreserve.gov/monetarypolicy/files/monetary20250730a1.pdf)

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- **The Committee is strongly committed to supporting maximum employment and returning inflation to its 2 percent objective.**
- **In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook.**
- **The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals.**

Source: Federal Reserve Press Release https://www.federalreserve.gov/monetarypolicy/files/monetary20250730a1.pdf)

The Federal Reserve has decided to maintain the federal funds rate in the range of 4.25% - 4.5%

Federal Reserve has decided to maintain status quo

- The Board of Governors of the Federal Reserve System voted unanimously to maintain the interest rate paid on reserve balances at 4.4 percent, effective July 31, 2025.
- Conduct standing overnight repurchase agreement operations with a minimum bid rate of 4.5 percent and with an aggregate operation limit of $500 billion.
- Conduct standing overnight reverse repurchase agreement operations at an offering rate of 4.25 percent and with a per-counterparty limit of $160 billion per day.
- The Board of Governors of the Federal Reserve System voted unanimously to approve the establishment of the primary credit rate at the existing level of 4.5 percent.

Source: Federal Reserve Press Release https://www.federalreserve.gov/monetarypolicy/files/monetary20250730a1.pdf)

International Monetary Fund
World Economic Outlook Update

Global Economy: Tenuous Resilience amid Persistent Uncertainty

July 2025

Global Economy: Tenuous Resilience amid Persistent Uncertainty

Key Highlights:

- **Global growth** is projected at 3.0 percent for 2025 and 3.1 percent in 2026.
- This reflects stronger-than-expected front-loading in anticipation of higher tariffs; lower average effective US tariff rates than announced in April; an improvement in financial conditions, including due to a weaker US dollar; and fiscal expansion in some major jurisdictions.
- Growth in **advanced economies** is projected to be 1.5 percent in 2025 and 1.6 percent in 2026.
- **In India**, growth is projected to be 6.4 percent in 2025 and 2026, with both numbers revised slightly upward, reflecting a more benign external environment than assumed in the April reference forecast.
- In **emerging market** and developing economies, growth is expected to be 4.1 percent in 2025 and 4.0 percent in 2026.
- **World trade volume** is revised upward by 0.9 percentage point for 2025 and downward by 0.6 percentage point for 2026.
- **Global headline inflation** is expected to fall to 4.2 percent in 2025 and 3.6 percent in 2026, a path similar to the one projected in April.
- **Downside risks** include; a rebound in effective tariff rates could lead to weaker growth; Elevated uncertainty could start weighing more heavily on activity, also as deadlines for additional tariffs expire without progress on substantial, permanent agreements; Geopolitical tensions could disrupt global supply chains and push commodity prices up; and larger fiscal deficits or increased risk aversion could raise long-term interest rates and tighten global financial conditions; combined with fragmentation concerns, this could reignite volatility in financial markets.
- **On the upside**, global growth could be lifted if trade negotiations lead to a predictable framework and to a decline in tariffs. Policies need to bring confidence, predictability, and sustainability by calming tensions, preserving price and financial stability, restoring fiscal buffers, and implementing much-needed structural reforms.

Source: World Economic Outlook Update, July 2025 (https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025)

Global Economy: Tenuous Resilience amid Persistent Uncertainty

Overview of the World Economic Outlook Projections

(Percent change, unless noted otherwise) (Year on Year)

Category	2023	2024	2025	2026
World Output	3.5	3.3	3.0	3.1
Advanced Economies	1.8	1.8	1.5	1.6
United States	2.9	2.8	1.9	2.0
Euro Area	0.5	0.9	1.0	1.2
- Germany	-0.3	-0.2	0.8	0.9
- France	1.6	1.1	0.6	0.6
- Italy	0.7	0.7	0.7	0.7
- Spain	2.7	3.2	2.5	1.8
Japan	1.4	0.2	0.7	0.5
United Kingdom	0.4	1.1	1.2	1.4
Canada	1.5	1.6	1.6	1.9
Other Advanced Economies 3/	1.9	2.2	1.6	2.1

Source: World Economic Outlook Update, July 2025 (https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025)

Global Economy: Tenuous Resilience amid Persistent Uncertainty

Overview of the World Economic Outlook Projections

(Percent change, unless noted otherwise) (Year on Year)

Category	2023	2024	2025	2026
Emerging Market and Developing Economies	4.7	4.3	4.1	4.0
Emerging and Developing Asia	6.1	5.3	5.1	4.7
- China	5.4	5.0	4.5	4.0
- India 4/	9.2	6.5	6.4	6.4
Emerging and Developing Europe	3.6	3.5	1.8	2.2
- Russia	4.1	4.3	2.6	2.1
Latin America and the Caribbean	2.4	2.4	2.3	2.4
- Brazil	3.2	3.4	2.0	2.1
- Mexico	3.4	1.4	1.2	2.2
Middle East and Central Asia	2.4	2.4	3.4	3.5
- Saudi Arabia	0.5	2.0	6.0	5.5
Sub-Saharan Africa	3.6	3.8	4.0	4.3
- Nigeria	2.9	3.4	3.1	3.2
- South Africa	0.8	0.5	1.0	1.3
World Trade Volume (goods and services)	1.0	3.5	2.6	1.9

Source: World Economic Outlook Update, July 2025 (https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025)

Global Economy: Tenuous Resilience amid Persistent Uncertainty

Overview of the World Economic Outlook Projections

(Percent change, unless noted otherwise) (Year on Year)

Category	2023	2024	2025	2026
Inflation (Consumer Prices)				
Advanced Economies	0.2	2.0	1.8	1.2
Emerging Market and Developing Economies	2.3	5.8	3.8	3.2
Commodity Prices				
Oil 7/	-16.4	-1.8	-13.9	-5.7
Nonfuel (average based on world commodity import weights)	-5.7	3.7	7.9	2.0
World Consumer Prices 8/	6.6	5.6	4.2	3.6
- Advanced Economies 9/	4.6	2.6	2.5	2.1
- Emerging Market and Developing Economies	8.0	7.7	5.4	4.5

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during May 23-June 20, 2025. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. "..." indicates that data are not available or not applicable. WEO = *World Economic Outlook.*

1/ Difference based on rounded figures for the current and April 2025 WEO forecasts. Countries for which forecasts have been updated relative to April 2025 WEO forecasts account for approximately 90 percent of world GDP measured at purchasing power parity weights.

2/ For World Output (Emerging Market and Developing Economies), the quarterly estimates and projections account for approximately 90 percent (80 percent) of annual world (emerging market and developing economies) output at purchasing power parity weights.

3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries

4/ For India, data and projections are presented on a fiscal year (FY) basis, with FY 2023/24 (starting in April 2023) shown in the 2023 column. India's growth projections are 6.7 percent for 2025 and 6.4 percent for 2026 based on calendar year.

5/ Indonesia, Malaysia, Philippines, Singapore, Thailand. ASEAN = Association of Southeast Asian Nations.

6/ Simple average of growth rates for export and import volumes (goods and services).

7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average assumed price of oil in US dollars a barrel, based on futures markets (as of June 26, 2025), is $68.18 for 2025 and $64.33 for 2026.

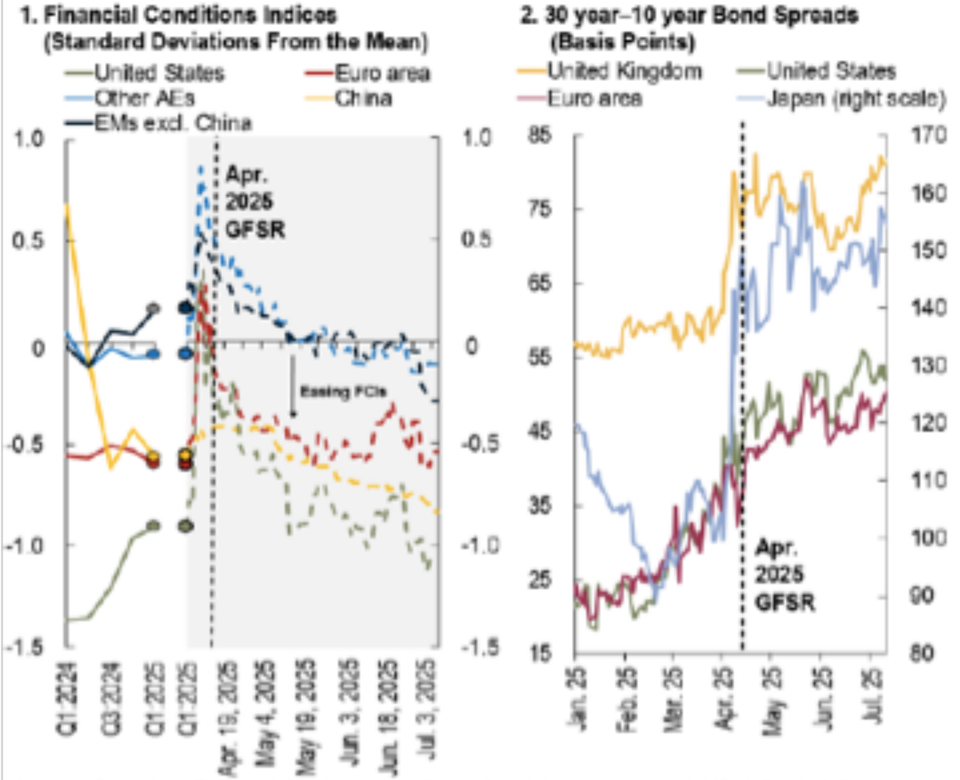
8/ Excludes Venezuela.

9/ The assumed inflation rate for the euro area is 2.0 percent for 2025 and 1.8 percent for 2026, that for Japan is 3.3 percent for 2025 and 2.1 percent for 2026, and that for the United States is 2.8 percent for 2025 and 2.5 percent for 2026.

Source: World Economic Outlook Update, July 2025 (https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025)

Global financial conditions have eased since the April *Global Financial Stability Report*, reverting toward accommodative conditions by historical standards (Figure 1.1, panel 1). Equity valuations have returned to lofty levels, and corporate credit spreads have tightened to the lows attained at the beginning of the year, whereas market volatility has declined, despite still-elevated uncertainty regarding trade policy. Market participants remain attentive to any lagged impact from tariffs on economic data, which so far remain largely resilient. A rebound of tariffs to meaningfully higher levels following the end of the pauses in effect could weigh on market sentiment, potentially triggering again a sharp repricing in risk assets.

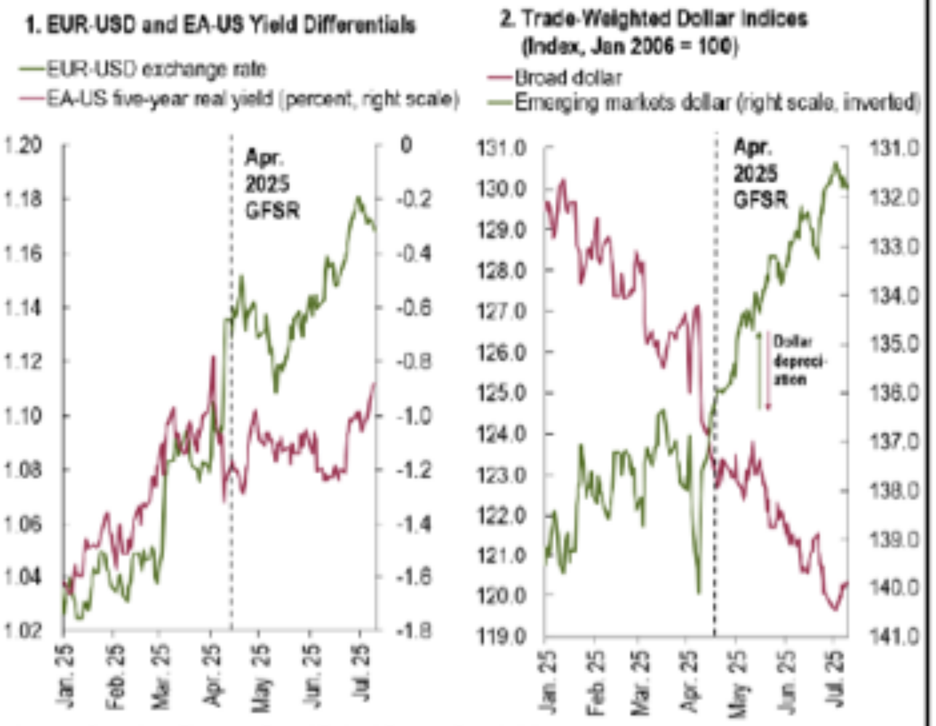
Figure 1.1. Financial Conditions and Yield Curves



Sources: Bloomberg Finance L.P.; Haver Analytics; national data sources; and IMF staff calculations.
Note: The IMF Financial Conditions Indices (FCIs) are designed to capture the pricing of risk. They incorporate various pricing indicators, including real house prices. Balance sheet or credit growth metrics are not included. In panel 1, the shaded area on the right side shows the daily FCIs starting April 1, 2025. These daily FCIs are approximate values that are estimated using available high-frequency market data. AEs = advanced economies; EMs = emerging markets; GFSR = *Global Financial Stability Report*.

Monetary policy paths in major advanced economies are expected to be shallower compared with what was expected in April and remain uneven across countries reflecting different stages of cycles amid varying paces of disinflation. Market pricing implies the European Central Bank, after having cut sequentially, may cut rates once more this year before ending its current easing cycle, and that the Federal Reserve and Bank of England will continue easing, with each cutting rates around twice more this year after pausing to assess incoming data. Japan remains an outlier, with markets pricing in a modest, though declining, likelihood of another rate hike this year.

Figure 1.2. Dollar Performance



Sources: Bloomberg Finance L.P.; and Federal Reserve Board of Governors.
Note: The broad dollar and emerging markets dollar indices are calculated by the Federal Reserve Board as trade-weighted averages of the nominal foreign exchange value of the dollar against the currencies of, respectively, a broad group of US trading partners and a subset of emerging market economies as classified by the Federal Reserve. EA = euro area; EUR = euro; US = United States; USD = US dollar.

Sovereign yield curves for major advanced economies have steepened since April as bond issuance has continued to rise. This has coincided with widening fiscal deficits and reduced demand for duration by liability-driven investors as well as quantitative tightening, pushing up longer-term yields (Figure 1.1, panel 2). Despite bouts of upward yield pressures in advanced economies, local currency yields in emerging markets have generally declined, aided by a weaker dollar.

The US dollar has weakened considerably since April, although yields in the United States are higher than those in other advanced economies such as the euro area (Figure 1.2, panel 1). Some investors point out structural factors driving dollar depreciation, including shifts away from US securities, though current data on cross-border capital flows does not suggest a broad-based pullback. Increased hedging against dollar weakness resulting from investor concerns about changes in the historical hedging properties of the dollar has contributed to its depreciation in part. However, whether such a switch in the currencies' perceived risk-hedging properties is temporary or proves longer-lasting remains uncertain at this juncture. Meanwhile, many emerging market currencies have appreciated (Figure 1.2, panel 2), and capital inflows have resumed since April, with investors seeing space for some emerging market central banks to ease.

This box was prepared by the Monetary and Capital Markets Department's Global Markets Analysis division. It provides an update on market developments since the April 2025 *Global Financial Stability Report*.

Asian Development Bank's
Asian Development Outlook
July 2025

Developing Asia's outlook has worsened since the April 2025 Asian Development Outlook (ADO), as trade and other risks loom large

Key Highlights:

- Developing Asia's growth forecasts have been downgraded from projections in April to 4.7% in 2025 and 4.6% in 2026.
- Growth in the region accelerated in the first quarter of 2025 thanks to solid domestic demand and pre-tariff front-loading of exports, but higher tariffs and global trade uncertainty are expected to dampen momentum going forward.
- Rising trade uncertainty also weighs on Southeast Asia's growth outlook, prompting the largest downward revisions among subregions to 4.2% for 2025 and 4.3% for 2026.
- The growth forecast for East Asia in 2025 is revised down, to 4.3%, and to 5.9% in South Asia, amid weaker trade prospects due to the US tariff hikes, while the 2026 growth forecasts remain 4.0% and 6.2%, respectively.
- Growth for the Pacific is still forecast at 3.9% for 2025 but revised down to 3.5% for 2026, reflecting expected softening in visitor arrivals.
- The growth forecast for the Caucasus and Central Asia is raised to 5.5% for 2025 and 5.1% for 2026, from 5.4% and 5.0%, reflecting stronger activity in Kazakhstan, supported by robust oil production.
- Disinflation in developing Asia is expected to continue, with headline inflation forecast to ease to 2.0% in 2025 and 2.1% in 2026, amid stronger agricultural output and lower oil prices.
- Higher US tariffs and trade uncertainty are the main risks for the region's outlook. Renewed geopolitical tensions and a faster deterioration in the PRC's property market could also weaken regional growth.

Source: Asian Development Outlook, July 2025 (https://www.adb.org/sites/default/files/publication/1069836/asian-development-outlook-july-2025.pdf)

Developing Asia's growth is expected to ease in 2025 and 2026.

Subregion/Economy	GDP Growth 2024	GDP Growth 2025 April	GDP Growth 2025 July	GDP Growth 2026 April	GDP Growth 2026 July	Inflation 2024	Inflation 2025 April	Inflation 2025 July	Inflation 2026 April	Inflation 2026 July
Developing Asia	**5.1**	**4.9**	**4.7**	**4.7**	**4.6**	**2.6**	**2.3**	**2.0**	**2.2**	**2.1**
Developing Asia excluding the PRC	**5.1**	**5.0**	**4.8**	**5.1**	**4.9**	**4.8**	**4.0**	**3.6**	**3.7**	**3.7**
Caucasus and Central Asia	**5.7**	**5.4**	**5.5**	**5.0**	**5.1**	**6.8**	**6.9**	**7.8**	**5.9**	**6.7**
Kazakhstan	4.8	4.9	5.1	4.1	4.3	8.7	8.2	10.2	6.5	8.4
East Asia	**4.7**	**4.4**	**4.3**	**4.0**	**4.0**	**0.5**	**0.6**	**0.4**	**0.9**	**0.6**
People's Republic of China	5.0	4.7	4.7	4.3	4.3	0.2	0.4	0.2	0.7	0.4
Hong Kong, China	2.5	2.3	2.0	2.5	2.1	1.7	1.9	1.6	2.0	1.6
Republic of Korea	2.0	1.5	0.8	1.9	1.6	2.3	1.9	1.9	1.9	1.9
Taipei,China	4.8	3.3	3.5	3.0	3.0	2.2	2.0	1.8	1.8	1.5
South Asia	**5.9**	**6.0**	**5.9**	**6.2**	**6.2**	**6.5**	**4.9**	**4.4**	**4.5**	**4.5**
India	6.5	6.7	6.5	6.8	6.7	4.6	4.3	3.8	4.0	4.0
Southeast Asia	**4.8**	**4.7**	**4.2**	**4.7**	**4.3**	**3.0**	**3.0**	**2.6**	**2.8**	**2.7**
Indonesia	5.0	5.0	5.0	5.1	5.1	2.3	2.0	1.5	2.0	2.0
Malaysia	5.1	4.9	4.3	4.8	4.2	1.8	2.5	2.4	2.5	2.4
Philippines	5.6	6.0	5.6	6.1	5.8	3.2	3.0	2.2	3.0	3.0
Singapore	4.4	2.6	1.6	2.4	1.5	2.4	2.0	1.0	1.7	1.2
Thailand	2.5	2.8	1.8	2.9	1.6	0.4	1.0	0.5	1.1	0.8
Viet Nam	7.1	6.6	6.3	6.5	6.0	3.6	4.0	3.9	4.2	3.8
The Pacific	**4.1**	**3.9**	**3.9**	**3.6**	**3.5**	**2.0**	**3.4**	**3.4**	**3.7**	**3.7**

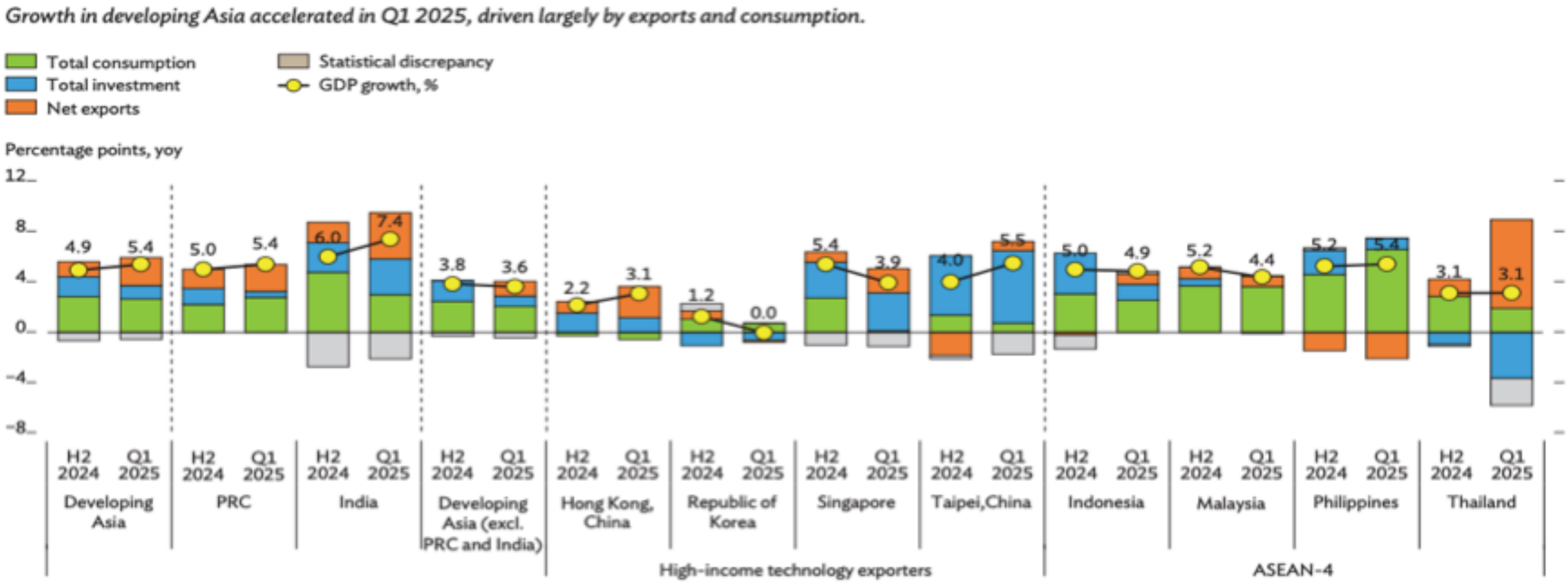
PRC = People's Republic of China, GDP = gross domestic product.

Note: **Developing Asia** refers to the following 46 members of the Asian Development Bank. The **Caucasus and Central Asia** comprises Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. **East Asia** comprises People's Republic of China; Hong Kong, China; Republic of Korea, Mongolia, and Taipei,China. **South Asia** comprises Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. **Southeast Asia** comprises Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor-Leste, and Viet Nam. **The Pacific** comprises Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

Asian Development Outlook database. **Source:** Asian Development Outlook, July 2025 (https://www.adb.org/sites/default/files/publication/1069836/asian-development-outlook-july-2025.pdf)

ADB Economic Outlook 2025-26 – Regional GDP and Inflation

- Growth in major advanced economies diverged in Q1 2025 amid mounting trade tensions and tariff-related disruptions.
- Developing Asia's growth picked up early this year, fueled by surging exports and resilient consumption.



Source: Asian Development Outlook, July 2025 (https://www.adb.org/sites/default/files/publication/1069836/asian-development-outlook-july-2025.pdf)

Leading indicators suggest growth slowed in Q2 and will weaken further.

Manufacturing Purchasing Managers' Indexes (PMIs) indicate that activity worsened in June for 5 of the 10 regional economies with available data.

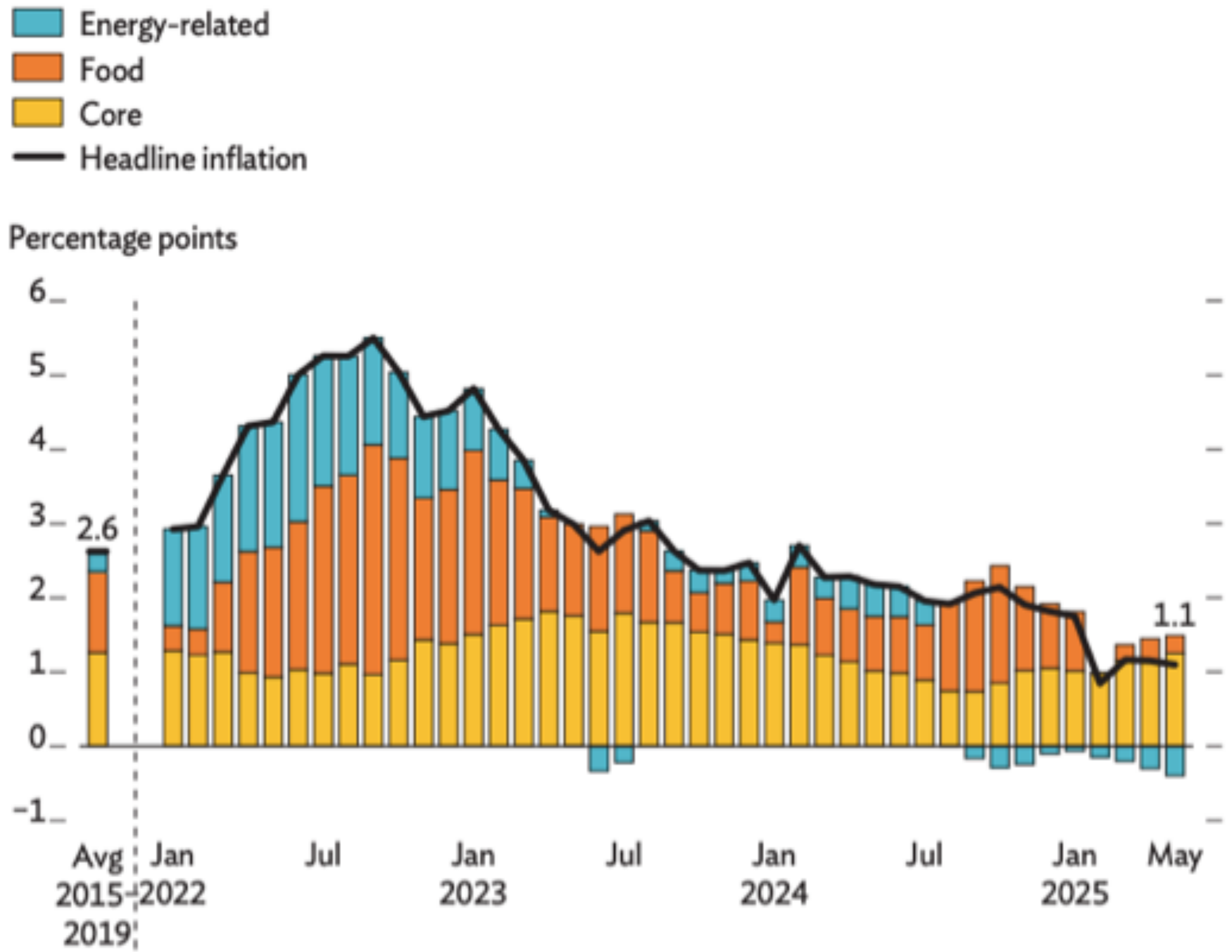
	2024						2025					
	Q3			Q4			Q1			Q2		
Economy	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Manufacturing PMI, seasonally adjusted												
India	58.1	57.5	56.5	57.5	56.5	56.4	57.7	56.3	58.1	58.2	57.6	58.4
Thailand	52.8	52.0	50.4	50.0	50.2	51.4	49.6	50.6	49.9	49.5	51.2	51.7
Philippines	51.2	51.2	53.7	52.9	53.8	54.3	52.3	51.0	49.4	53.0	50.1	50.7
PRC	49.8	50.4	49.3	50.3	51.5	50.5	50.1	50.8	51.2	50.4	48.3	50.4
Singapore, *nsa*	50.7	50.9	51.0	50.8	51.0	51.1	50.9	50.7	50.6	49.6	49.7	50.0
Malaysia	49.7	49.7	49.5	49.5	49.2	48.6	48.7	49.7	48.8	48.6	48.8	49.3
Viet Nam	54.7	52.4	47.3	51.2	50.8	49.8	48.9	49.2	50.5	45.6	49.8	48.9
Republic of Korea	51.4	51.9	48.3	48.3	50.6	49.0	50.3	49.9	49.1	47.5	47.7	48.7
Taipei,China	52.9	51.5	50.8	50.2	51.5	52.7	51.1	51.5	49.8	47.8	48.6	47.2
Indonesia	49.3	48.9	49.2	49.2	49.6	51.2	51.9	53.6	52.4	46.7	47.4	46.9
Services PMI, seasonally adjusted												
India	60.3	60.9	57.7	58.5	58.4	59.3	56.5	59.0	58.5	58.7	58.8	60.4
PRC	52.1	51.6	50.3	52.0	51.5	52.2	51.0	51.4	51.9	50.7	51.1	50.6
Philippines, *nsa*	48.5	49.0	51.3	52.5	52.4	54.5	51.3	50.9	52.4	55.6	50.9	...
Sri Lanka, *nsa*	71.1	65.2	53.4	60.3	60.5	71.1	58.5	56.5	69.8	60.6	57.0	...

... = data not available, PRC = People's Republic of China, nsa = non seasonally adjusted, Q = quarter.
Notes: Pink to red indicates deterioration (<50) and white to green indicates improvement (>50).
Source: CEIC Data Company.

Source: Asian Development Outlook, July 2025 (https://www.adb.org/sites/default/files/publication/1069836/asian-development-outlook-july-2025.pdf)

Disinflation continued across the region as global food prices eased and the recent volatility in oil prices proved to be transitory

Inflation is trending downward across developing Asia.

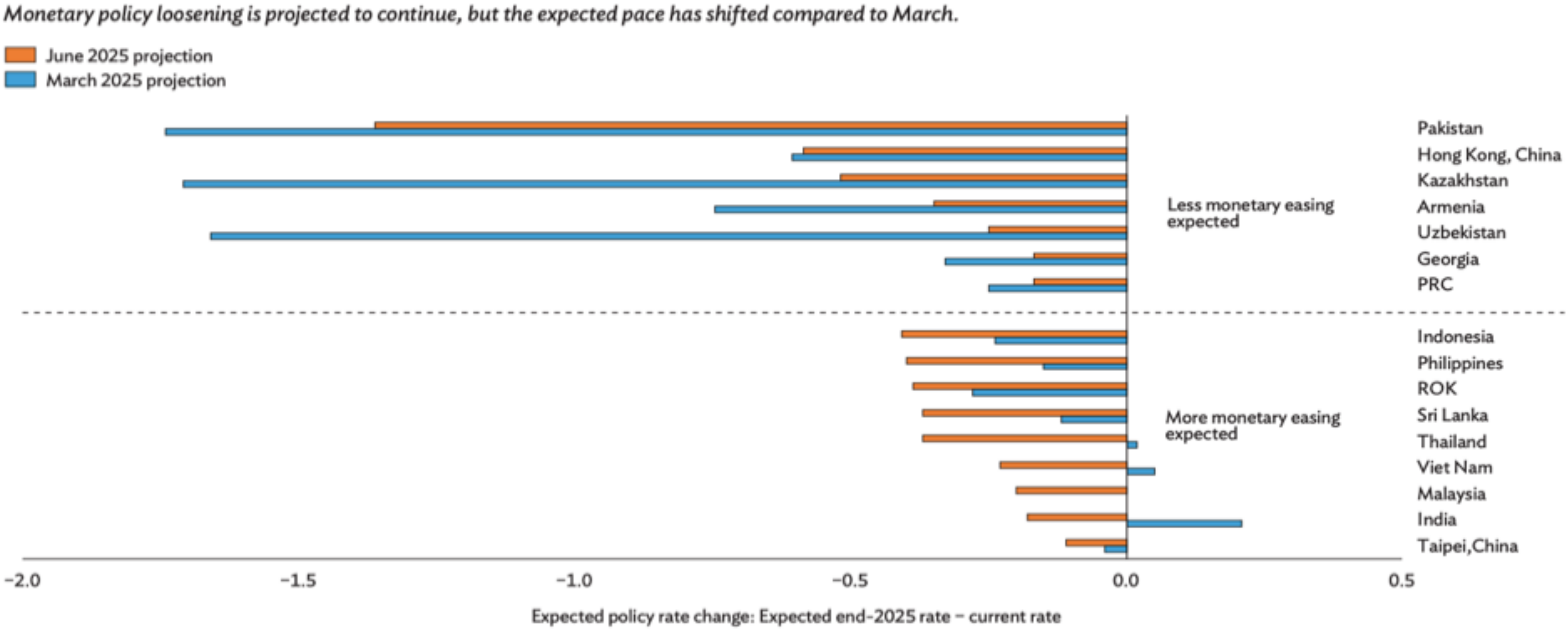


- Headline inflation moderated to 1.1% in May, less than half the pre-pandemic average of 2.6%.
- The fall was largely driven by the PRC, where inflation turned to deflation from February to May 2025, reflecting subdued domestic demand, oversupply of pork, and intensified price competition among producers and retailers.
- Excluding the PRC, headline inflation also remained below the pre-pandemic average and decreased gradually.

Avg = average. Notes: Core inflation excludes food and energy sectors. For some economies, core is estimated as the residual between overall inflation and the sum of food and non-alcoholic beverages and energy-related items. For lack of a more disaggregated breakdown, energy-related consumer prices for most economies includes housing, water, and non-fuel transport. The regional average is calculated using GDP Purchasing Power Parity shares as weights, for 23 economies. Source: Asian Development Bank calculations using data from Haver Analytics; CEIC Data Company; national sources.

Source: Asian Development Outlook, July 2025 (https://www.adb.org/sites/default/files/publication/1069836/asian-development-outlook-july-2025.pdf)

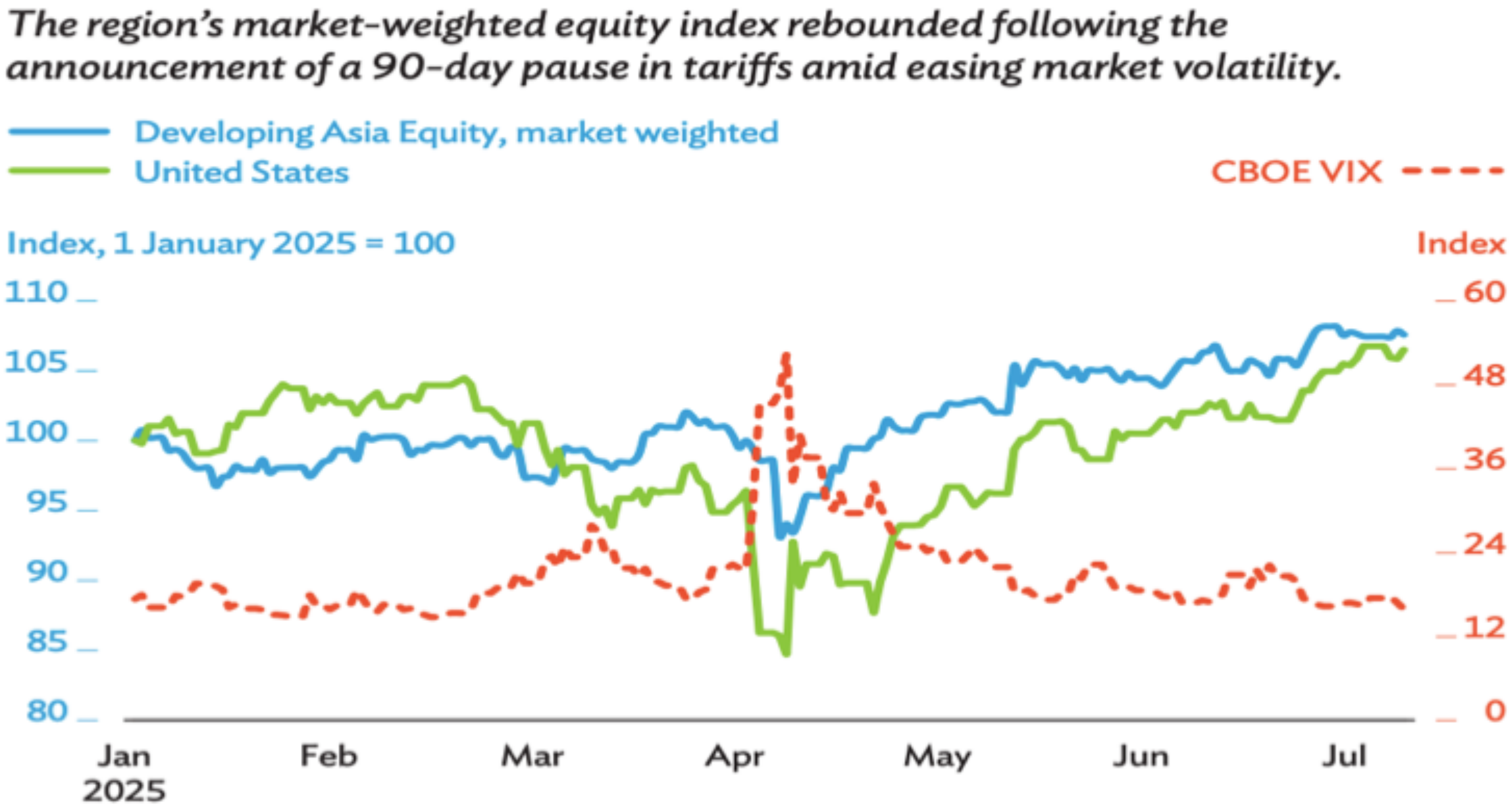
Monetary policy easing will continue but, reflecting increasing uncertainty about the effects of trade and other shocks, its pace is expected to shift.



PRC = People's Republic of China, ROK = Republic of Korea. Note: The projected policy rates are simple averages of end-2025 forecasts from surveyed banks and investment banks, independent economic research firms and consultancies, and financial institutions. Source: Focus Economics; Haver Analytics

Source: Asian Development Outlook, July 2025 (https://www.adb.org/sites/default/files/publication/1069836/asian-development-outlook-july-2025.pdf)

Financial markets remained resilient despite market uncertainty and increased volatility in April.



CBOE VIX = Chicago Board Options Exchange Volatility Index. Note: Developing Asia comprises Bangladesh; People's Republic of China; Hong Kong, China; India; Indonesia; Kazakhstan; Republic of Korea; Malaysia; Pakistan; Philippines; Singapore; Sri Lanka; Taipei,China; Thailand; and Viet Nam. The S&P 500 index is used for United States. Source: Bloomberg

Source: Asian Development Outlook, July 2025 (https://www.adb.org/sites/default/files/publication/1069836/asian-development-outlook-july-2025.pdf)

Indian Economy

- India's GDP grew 7.4%, boosted by higher net exports and a sharp rise in investment spurred by surging public spending. In contrast, total consumption eased even as rural demand remained firm.
- PMIs indicate that, in June, activity in services continued to grow strongly in India
- The slight downward revisions for GDP growth in India in 2025 are primarily due to the effects of US tariff policies
- The Indian economy is projected to grow 6.5% in FY2025, lower than the 6.7% forecast in the April 2025 ADO but still **one of the fastest growing major economies in the world**.
- This revision is primarily due to the impact of US baseline tariffs and associated policy uncertainty.
- In addition to the effects of lower global growth and the direct impact of additional US tariffs on Indian exports, heightened policy uncertainty may affect investment flows.
- Despite this, economic activity remains robust, with domestic consumption set to grow strongly on the back of revival of rural demand.
- Services and agriculture sectors are expected to be key drivers of growth, the latter supported by a forecast of above-normal monsoon rains.
- The central government's fiscal position remains strong, with higher-than-expected dividends from the Reserve Bank of India, and it is on track to meet the targeted reduction in its fiscal deficit.
- In FY2026, growth is forecast to improve to 6.7% on account of rising investments, under the assumption of reduced policy uncertainty and favorable financial conditions backed by recent reductions of the repo rate and the cash reserve ratio by the monetary authorities.
- The baseline expectations of lower crude oil prices will also support economic activity in FY2025 and FY2026.
- India's inflation forecast for FY2025 has been revised downward to 3.8%, reflecting faster-than-expected decline in food prices due to better agricultural production, while the FY2026 forecast remains unchanged.

Source: Asian Development Outlook, July 2025 (https://www.adb.org/sites/default/files/publication/1069836/asian-development-outlook-july-2025.pdf)

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Thank You