



# WEEKLY WEALTH WRAP-UP

YOUR GUIDE TO INDIA'S MARKETS AND ECONOMY

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## Union Budget 2026: Income Tax Expectations & Middle-Class Relief

India's Finance Minister Nirmala Sitharaman is set to present the Union Budget 2026-27 on 1 Feb 2026, and taxpayers are keenly watching for income tax changes that could ease financial burden. Middle-income earners hope for higher standard deduction and increased tax-free limits to counter inflation. Experts and industry leaders are also pushing for rationalised surcharge, lower LTCG tax and clearer NPS rules to benefit investors and high earners. Expectations follow last year's major overhaul that made incomes up to ₹12.75 lakh nearly tax-free, suggesting further tweaks to slabs and deductions to support wallets and promote investment.



## Trump Threatens Tariffs on Countries Supplying Oil to Cuba

U.S. President Donald Trump has signed an executive order authorising tariffs on goods from countries that sell or provide oil to Cuba, aiming to tighten economic pressure on the communist-run nation and promote regime change. The order empowers the administration to identify oil-supplying countries and decide tariff rates, with Mexico – a major recent oil supplier to Cuba – now under fresh scrutiny. The move comes amid Cuba's worsening energy crisis, declining Venezuelan oil shipments and diplomatic tension over regional security.

## Weekly Market Update

Indian equities outperformed global peers this week. Nifty 50 closed at 25,320.65 (+1.09%), Bank Nifty rose 1.95% to 59,610.45, and Sensex advanced 0.90% to 82,269.78, led by BEL, Axis Bank, SBI, L&T and others, with auto and defense sectors also strong. Investors are eagerly awaiting the Union Budget 2026 on 1st February, which is expected to influence market direction.

December IIP jumped to 7.8%, marking the strongest industrial growth in over two years, while the Economic Survey projected GDP growth of 7.4%. The RBI Monetary Policy, scheduled for 6th February, remains a key focus as investors watch for guidance on interest rates and liquidity. The U.S. Fed held rates steady, while geopolitical tensions, including Trump's tariff threats and decertification on Canadian aircraft, pushed Brent crude above \$71 a barrel. And USD/INR reaching record lows, while gold and silver corrected after record highs due to profit-taking. Domestic markets remained resilient, supported by healthy industrial activity, and policy anticipation, despite external headwinds and geopolitical uncertainty.



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## Amazon in Talks to Invest \$50 Billion in OpenAI – Major AI Funding Move

Amazon is reportedly negotiating a massive investment of up to \$50 billion in OpenAI, the maker of ChatGPT, as part of a huge new fundraising round that could reach \$100 billion. If finalised, Amazon would be one of the largest contributors, deepening strategic ties with OpenAI beyond cloud services. Talks are led by Amazon CEO Andy Jassy and OpenAI CEO Sam Altman, with other tech giants like Nvidia and SoftBank also in discussions to invest. The potential deal highlights fierce competition among major tech firms to back the leading AI company and accelerate innovation and infrastructure expansion.

## Trump Threatens 50% Tariff and Decertification on Canadian Aircraft

U.S. President Donald Trump announced plans to decertify Canadian-made aircraft and impose a 50% tariff on all planes from Canada sold in the United States unless Ottawa immediately approves certain U.S.-made Gulfstream jets. Trump claims Canada has "wrongfully and illegally" refused certification for Gulfstream models, and plans to withdraw certification for Bombardier Global Express jets and others until the issue is resolved. This move escalates trade tensions between the U.S. and Canada and could disrupt aerospace industry operations and cross-border aircraft sales.



## Gold & Silver Prices Drop After Record Highs

On January 30, 2026, gold and silver prices fell sharply after reaching record highs. Traders sold some of their holdings to take profits, and a stronger U.S. dollar added pressure. Gold and silver both corrected after big rallies, as the market reassessed their high prices. This sudden drop reflects caution among investors and a natural pullback after metals had surged recently.

## Trump Sues IRS & U.S. Treasury for \$10 B Over Tax Return Leak

U.S. President Donald Trump, along with his sons Donald Jr. and Eric and the Trump Organization, has filed a \$10 billion lawsuit against the Internal Revenue Service (IRS) and the U.S. Treasury Department in a Miami federal court. The suit alleges the agencies failed to stop a 2019–2020 leak of his confidential tax returns by a former IRS contractor, causing reputational and financial harm and public embarrassment. The leak to major media outlets is claimed to have affected Trump's public image and electoral prospects. Former contractor Charles Littlejohn has already been sentenced for the unauthorized disclosures.

## Oil Prices Steady After Three-Day Rally Amid Iran Tension Risks

Oil markets showed stability after a three-day rally, with West Texas Intermediate near ~\$66 a barrel and Brent crude above \$70, marking its highest level since July. Traders are weighing escalating geopolitical risks linked to U.S.–Iran tensions and potential impacts on global supply through key routes such as the Strait of Hormuz. This comes after U.S. warnings of military action if Iran doesn't alter its nuclear stance, injecting a risk premium into crude prices and keeping markets cautious.

## Trump to Announce Federal Reserve Chair Pick Friday Morning

U.S. President Donald Trump said he will reveal his choice for the next Federal Reserve chair on Friday morning, marking a key moment in the months-long process to succeed Jerome Powell. Trump, speaking at an event Thursday evening, confirmed the announcement timeline and is considering four finalists: Kevin Hassett, Christopher Waller, Kevin Warsh and Rick Rieder. The nominee is expected to face Senate confirmation, amid ongoing debate over interest-rate policy and Fed independence.

## World Bank Chief Urges India to Prioritise Trade Opportunities Over Tariffs

World Bank Group President Ajay Banga has advised India to focus more on expanding trade opportunities rather than dwelling on tariff barriers amid rising geopolitical tensions affecting global commerce. He highlighted that India has signed over 100 regional and bilateral trade pacts, including the recent India-EU Free Trade Agreement, which opens duty-free access for 93% of Indian exports to Europe. Banga emphasised that embracing trade opportunities and lowering barriers can better integrate India into the global market, boost growth, and support infrastructure, MSMEs and employment sectors.

## Air India to Order 30 Boeing Max Jets as Travel Demand Surges

Air India has confirmed a firm order for 30 additional Boeing 737 Max aircraft — including 20 737-8 and 10 737-10 jets — to expand its fleet amid rising domestic and regional travel demand. The deal, announced at Wings India 2026 in Hyderabad, expands the carrier's Boeing order book to nearly 200 airplanes while reinforcing its broader growth strategy. Air India continues modernising its fleet after Tata Group's takeover, with recent deliveries and converted Airbus A321XLR orders supporting future connectivity.

## Xi & Starmer Agree on Long-Term Strategic China-UK Partnership Amid Trump Tensions

Chinese President Xi Jinping and UK Prime Minister Keir Starmer agreed to develop a long-term, stable, comprehensive strategic partnership during talks in Beijing, signalling stronger China-UK relations amid global uncertainties. Xi emphasised enhancing cooperation on peace, trade and stability, while Starmer highlighted "real concrete outcomes," including progress on whisky tariffs, visa-free travel and irregular migration cooperation. The meeting, the first UK prime ministerial visit to China in eight years, underscores mutual interests and dialogue despite geopolitical challenges and differing policies.

## India's Electronics Exports Soar to ₹5.12 Lakh Crore: Economic Survey 2026 Report

India's Economic Survey 2025–26 reveals a major boost in electronics manufacturing and exports, with exports hitting ₹5.12 lakh crore by September 2025, driven largely by increased mobile phone production under government incentives. Total electronics production reached ₹9.34 lakh crore, and the sector has risen from the seventh to the third-largest export category, growing rapidly in global trade. The Production Linked Incentive (PLI) schemes are credited for attracting investment, expanding domestic output, and positioning electronics on track to become a top export item.

## Bitcoin Falls Below \$86,000 as Traders Flee Risk Assets

Bitcoin, the world's largest cryptocurrency, dropped below \$86,000, sliding as much as 4.7% to around \$85,105, its lowest level in about six weeks amid a broader risk-off retreat in financial markets. Smaller digital coins such as Ether, Dogecoin, Cardano and Solana also saw steeper declines of 6% or more as investors pulled back from volatile assets. The sell-off reflects growing caution among traders and mirrors weakness in tech and other high-risk segments.

## Reliance to Resume Russian Oil Purchases from February

India's Reliance Industries Ltd. (RIL) plans to restart buying Russian crude oil from February 2026, sourcing up to 150,000 barrels per day for its Jamnagar refinery, a senior executive told Reuters. The move follows a brief pause in imports after U.S. sanctions on Russia's Rosneft and Lukoil, and Reliance will now procure oil only from non-sanctioned sellers. The company last received Russian crude in December, under a one-month U.S. concession that allowed completion of prior shipments. Reliance also continues buying crude from other countries as part of diversifying its supply mix.



## FY27 Growth Outlook: Tariff Risks Included, Says CEA Nageswaran

India's Chief Economic Adviser V. Anantha Nageswaran said the government has factored in global tariff uncertainties while estimating a medium-term growth rate of around 7% for FY27, despite trade tensions, capital flow volatility and geopolitical risks. He noted that domestic reforms, deregulation in key sectors like insurance and nuclear energy, and new Free Trade Agreements (FTAs) will support exports and economic stability. Nageswaran also emphasised that India's growth projections remain achievable even if major trade deals take longer to conclude, thanks to strong fundamentals and policy measures.

## Rupee Weakness Reflects FII Reluctance, Says CEA Nageswaran

India's rupee recently weakened against the US dollar, closing near record lows of ₹92.220, and Chief Economic Adviser V. Anantha Nageswaran says this may reflect foreign institutional investor (FII) caution amid global geopolitical uncertainty rather than poor domestic fundamentals. The Economic Survey 2026 noted that global portfolio flows have influenced the currency more than internal factors, with FIIs selling Indian equities worth significant sums this year. Nageswaran also explained that extended easy monetary policies worldwide have distorted asset prices, affecting emerging market currencies like the rupee. Despite this, India's trade strategy with emerging free trade deals is expected to enhance exports.



## India's Economic Survey 2025–26: Strong Growth Amid Global Uncertainty

India's Economic Survey 2025–26, prepared by CEA V. Anantha Nageswaran, highlights a 7.4% GDP growth, making India the fastest-growing major economy for the fourth year. Private consumption surged to 61.5% of GDP, investments rose, and inflation moderated to 1.7%. Urban areas are key growth engines, with formal employment expanding and poverty declining. External stability is supported by robust reserves despite rupee depreciation. The Survey also cautions on geopolitical, trade, AI, and capital flow risks, guiding policies ahead of the Union Budget 2026.

## US Fed Holds Rates Steady as Wall Street Rises Ahead of FOMC Decision

The U.S. Federal Reserve's Federal Open Market Committee (FOMC) kept the federal funds rate unchanged at 3.50%–3.75% in its first policy meeting of 2026, ending the recent easing cycle after three cuts in 2025. This pause reflects confidence in economic growth, while inflation remains above the 2% target and the labour market shows signs of stabilising. Ahead of the formal announcement, Wall Street indexes opened higher, with the S&P 500, Nasdaq and Dow Jones all posting gains as traders awaited the Fed's decision and press briefing from Chair Jerome Powell.

## \$2 Trillion Opportunity: How India-EU FTA Could Supercharge Exports

A landmark India–EU Free Trade Agreement (FTA) is expected to vastly expand Indian exports to Europe, particularly in chemical fertilisers, pharmaceuticals and detergents, and strengthen MSME and electronics hubs across Gujarat, Karnataka, Andhra Pradesh and Maharashtra. By reducing tariffs up to 14% on electronics, India can better compete globally and tap into the EU's \$744 billion market. The pact also slashes duties on pharma and med-tech products, raising India's export footprint versus China, the US and Japan and unlocking major long-term trade and growth prospects.



## India's December IIP Jumps to 7.8% – Strongest Industrial Growth in Over Two Years

India's Index of Industrial Production (IIP) rose 7.8% YoY in December 2025, marking the highest industrial output growth in over two years, according to official data. This beat November's revised 7.2% figure and reflects broad-based strength across manufacturing, mining and electricity sectors, with manufacturing up 8.1%. Key industries like electronics and motor vehicles showed robust gains, indicating an accelerating industrial recovery and supportive momentum ahead of the new fiscal year.

## Adani & Embraer to Build Regional Aircraft Manufacturing Hub in India

India's Adani Group and Brazil's aerospace major Embraer have signed a strategic MoU to set up a regional aircraft manufacturing facility in India, a significant step toward indigenous aviation production and strengthening the country's aerospace ecosystem. The collaboration will explore establishing a final assembly line (FAL) for Embraer's regional transport aircraft, develop domestic supply chains, and support technology transfer and skill development. The venture aligns with the Make in India push and aims to boost air connectivity, especially for Tier-2 and Tier-3 cities, as India's civil aviation market continues rapid growth. Financial terms and the facility's location have not been disclosed.





## India-Canada to Anchor Trade in Energy & Critical Minerals

India and Canada are positioning energy and critical minerals as the foundation of renewed bilateral trade ties, focusing on increased cooperation after a diplomatic rift. Canada — holding around 6% of global oil supplies — wants to expand exports of crude oil, LNG, gas and critical minerals to meet India's growing energy demand. Officials are building frameworks for mineral trade and strategic stockpiling, with potential uranium supply to support India's 100 GW nuclear target. Both nations aim to strengthen resilience, diversify supply chains and boost trade from its current approx. \$30 billion base.

## India's 2032 Goal: Manufacture 3-Nanometre Semiconductor Chips

India has set an ambitious target to design and manufacture advanced 3-nanometre (3nm) semiconductor chips by 2032, marking a major push to become self-reliant in critical technology. Union Minister Ashwini Vaishnaw said the government will expand the Design-Linked Incentive (DLI) Scheme focusing on six core chip categories — compute, RF, networking, power, sensor and memory — and support at least 50 fabless firms to strengthen domestic design capabilities. This initiative aims to control 70-75% of chip technology needs locally and build a competitive semiconductor ecosystem by the end of the decade, reducing import dependence and boosting India's tech manufacturing footprint.

## Hindalco Announces ₹21,000 Crore Aluminium Smelter Expansion in Odisha

Hindalco Industries Ltd. has unveiled a major ₹21,000 crore expansion of its aluminium smelting operations at the Aditya Aluminium complex in Sambalpur, Odisha, adding 3.6 lakh tonnes per annum capacity to meet rising demand, particularly from electric vehicles and energy storage sectors. The plan also includes commissioning a flat-rolled products and battery-grade aluminium foil facility, part of a broader ₹37,000-crore investment in Odisha, creating thousands of jobs and reducing India's import dependence on specialised aluminium products. The move strengthens Hindalco's upstream and downstream integration and boosts India's manufacturing ecosystem.

## India's Energy Sector Offers \$500 Billion Investment Potential: PM Modi

Prime Minister Narendra Modi said India's energy sector now presents around \$500 billion in investment opportunities through 2030 as the nation accelerates reforms and transitions from energy security to energy independence at India Energy Week 2026. He highlighted a target of \$100 billion in oil and gas exploration investments, expansion of refining capacity from 260 MMTPA to over 300 MMTPA, and increased focus on LNG infrastructure and petrochemicals. Reforms have opened exploration areas, reduced regulatory barriers and created an investor-friendly ecosystem, positioning India as a global energy investment hub.

## Telecom Manufacturing Sees ₹4,600 Cr Investment, Jobs Boost from PLI Push

India's Production Linked Incentive (PLI) scheme for telecom and networking products is driving strong growth in domestic manufacturing, with 42 firms (28 MSMEs and 14 non-MSMEs) approved and cumulative investments reaching ₹4,646 crore by September 2025. Total sales surged to ₹96,240 crore, including ₹19,240 crore in exports, while direct employment has climbed to nearly 30,000 jobs, with more expected as the programme expands. The initiative aims to strengthen India's 5G ecosystem, reduce import dependence and build export capacity in telecom hardware.

## US Government Shutdown Looms as Democrats Block Funding Over Minneapolis ICE Killings

A partial U.S. government shutdown risk has grown as Senate Democrats vowed to block a major federal funding package because it includes money for the Department of Homeland Security (DHS), which oversees ICE, amid nationwide outrage over two fatal shootings of protesters by federal immigration agents in Minneapolis. Democrats are demanding stricter ICE reforms, including body cameras and use-of-force limits, and refuse to advance the bill without changes. If no deal is reached by the end of Friday, many federal agencies could go unfunded, raising the threat of a shutdown.

## Brutal Selloff: Gold & Silver Prices Crash in Volatile Trading

Gold and silver futures saw a sharp crash in an exceptionally volatile session as traders aggressively booked profits after recent record rallies. On the Multi Commodity Exchange (MCX), gold fell and silver, amid broader bearish sentiment and a strengthening U.S. dollar. Exchange-traded funds (ETFs) tied to precious metals also tumbled, amplifying volatility and prompting steep intraday price corrections that rattled investors. The sudden dip reflects profit-taking after gains and global market pressures.

## Trump Threatens to Raise Tariffs to 25% on South Korean Goods

U.S. President Donald Trump has warned he will increase tariffs on South Korean imports from 15% back to 25%, accusing Seoul of failing to enact the bilateral trade deal agreed in 2025. The proposed higher duties would target autos, lumber, pharmaceuticals and other products, heightening trade tensions between the allies. South Korea's government responded with emergency talks and plans for diplomatic engagement in Washington, aiming to resolve disputes and avoid impact on key export sectors.

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